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June 2018 Toronto Real Estate Market Report

Condo Sales Get The Most Year-Over-Year Appreciation

Hi, it's Toronto's Real Estate Team at RE/MAX and here is our June 2018 Toronto real estate market report.

June sales were the 2nd lowest since way back in 2003 while our listing inventory was the highest since 2013.

I'll comment more on that in this broadcast as we go through the market report.

So... let's review some of the Toronto Real Estate Board statistics and see what's happened.

Slide 2

Sales were up 2.4% for June compared to last year with 8,082 houses and condominiums changing hands in all the districts. This was the 2nd lowest number of sales for the month since June 2003.

Condo townhouse and high-rise suites took a high 35.4% share of the market with 2,864 units being sold.

The June average sale price for all GTA homes came in at \$807,871 – this was a modest 2% increase from one year ago. Considering that May/June 2017 was the turning point in last year's crazy market, if instead you compare 2018 with 2016 (with an average of \$746,961), this year's average was still up 8.2% in that 2-year period.

The active listing inventory is one of the strongest indicators of how slow or fast the market has been moving. The inventory average for the month of June compared to historical numbers was up just 7.2% but increased by just 5.9% from last year at this time.

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However, this is occurring selectively with the 'central core' Toronto neighbourhoods still doing very well while the outer regions (Peel, York & Durham) are not seeing the same level of activity.

The sales-to-listings OR percent-chance-of-selling ratio is how we determine what type of market we're actually in. 24-28% is a neutral market, below 24% is a buyer's market and above 28% is a seller's market.

In June that ratio finished at 38.8% compared to 40% last year. The GTA is now into a very moderate seller market territory so sellers may need to adjust their expectations if they want to make a move.

The days-on-market average for Toronto homes was 21 days, one day longer than in May.

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So let's look at what's happening in the downtown Toronto condominium market.

West of Yonge and south of Bloor in the C01 TREB district, the average sale price for June was \$669,093. That average moved up 10.6% from the same time last year.

With 442 condo sales in the month, the numbers were down 4% compared to 2017 and almost back to 2015 levels.

There were 582 active listings on the market in June – 24% fewer than last year but still WAY down from the 1,163 suites available two years ago in June 2016.

The ratio of sales to listings was 75.9% which keeps C01 in an extremely busy seller's market territory.

The average days-on-market came in at 14 – 2 days faster than last month.

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Now east of Yonge and south of Bloor in the C08 TREB district, the average sale price for June was just over \$671,591. That number was up 12.9% compared to 2017.

And with 168 condo sales in the month, the numbers were down 8% from last year.

There were 211 active listings on the market in June – down 22% from 2017.

The ratio of sales to listings was a very active 79.6% for the month. That number keeps C08 solidly in an extremely busy seller market territory.

The average days-on-market came in at 15, 3 days slower than last month.

Here's a summary of the significant real estate milestones for Toronto in June 2018... influenced in a big way due to the new mortgage stress test requirements, the modest increase in mortgage rates and lower sales of higher priced luxury homes across the GTA.

- ◆ Lowest June sales since 2003 (8,082)
- ◆ The ratio of sales-to-listings increased fractionally to 37.4% in June – Now in a moderate seller market territory
- ◆ The average sale price came in at \$807,871– which was up 2% compared to June 2017 – Remember last year the new Ontario government rules came into effect on April 20th which really influenced the May/June markets last year
- ◆ Note that this average was still 8.2% higher than 2 years ago in June 2016
- ◆ Overall sales in the month were up 2.4% from one year ago
- ◆ The GTA real estate market overall averaged the days-on-market at 21 – a more normal level for this time of year
- ◆ Detached home sales in June 2018 with a purchase price over \$2,000,000 were down 60% from last year

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- ◆ Again, it's becoming clear that first-time buyer aspirations are now shifting to a condominium lifestyle – CONDO sales took a '2nd highest ever' for June 35.4% of the total market
- ◆ Downtown condo active listing numbers were lower in C01 (by 23.7%) and lower in C08 (by 21.9%) from last year at this time
- ◆ The downtown condo days-on-market average was 14-15 days – significantly faster than the overall market
- ◆ The ratio of sales-to-listings for condos downtown ranged between 76% in C01 to 80% in C08 indicating an extremely strong seller's market... more than double the GTA overall.
- ◆ The average sale price for downtown condominium suites is up by roughly \$70,000 from June 2017
- ◆ Building on this higher demand due to better affordability, condo appreciation in the two main downtown markets averaged 10-13% year-over-year
- ◆ Markets in York Region and other 905 neighbourhoods have suffered the most from the market slowdown – York Region is now showing that they're in 'buyer market' territory
- ◆ As inventory increases through the summer months, buyers should watch for more opportunities to get the condo or house of their dreams.

Slide 5

This month we're looking at the stats for Toronto Real Estate Board sales and average price by home type in June.

Sales of detached and semis in both the 416 and 905 areas are up between 5-8% each.

Condo apartment and townhouse sales on the other hand have declined by 6% and 3.6% respectively.

When you look at average sale prices, the condominium apartment sector all across the 416 area is showing a positive appreciation number (9.5%). And, as you've heard just a minute

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ago, the downtown condo market south of Bloor is seeing appreciation numbers in the 10-13% range.

More than ever, if you're a buyer or a seller, you'll need to pay attention to the peculiarities of the specific market (geographic and housing style) you're considering when evaluating what to pay or what to list your home for.

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So what's a terrific way to make your first baby-step into Toronto's real estate market and find out where those more affordable choices are?

The **BEST** first step is to go on a Market Experience Tour of condo or house neighbourhoods with one of our Team members. Leave your chequebook at home - what a tour is **NOT** intended to do is show you homes with the intention that you'd immediately buy one.

What it **IS** intended to do is to give you an opportunity to get a clearer idea of what's available on the market in your favourite parts of the city and in your price range without worrying about being pressured into having to make an immediate buying decision.

Once you've had your Tour we want you to go back home and think about what you saw. You'll then be better able to set up a good home buying plan and make smart, educated decisions about where and when you want to be in your new home.

You can sign up for your condo tour at MarketExperienceTour.com and a tour of houses at DailyTorontoHomeTours.com.

Remember to check back here in early August for our **July 2018 Toronto Real Estate Market Report**.