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March 2018 Toronto Real Estate Market Report

Don't Panic As The Average Sale Price Shows A 14.3% Drop

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

Listings are up over 100% while sales dropped by almost 40% compared to 2017 but it's not as bad as it seems!

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 down 40% for March compared to last year with 7,228 houses and condominiums changing hands in all the districts. This was the lowest number of sales for the month since March 2009.

Condo townhouse and high-rise suites took a highest-ever for March 37.2% share of the market with 2,686 units being sold.

The March average sale price for all GTA homes came in at \$784,558— this was a big 14.3% decline from one year ago. Considering that March 2017 was an over-the-top crazy market, if instead you compare 2018 with 2016 (with an average of \$688,011), this year was still up 14% 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 March compared to historical numbers was up 4.4% but increased by a big 103% 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) may not be 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 March that ratio finished at 45.3% compared to an insane 152% last year. The GTA is now into a 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 20 days, 5 days faster than February.

Slide 3

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 March was \$652,357. That average moved up 11.6% from the same time last year.

With 424 condo sales in the month, the numbers were down 32% compared to 2017.

There were 432 active listings on the market in March – just 6% more than last year but still WAY down from the 1,164 two years ago in February 2016.

The ratio of sales to listings was 98% which keeps C01 in an extremely busy seller's market territory.

The average days-on-market came in at 17 – 3 days faster than last month.

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Slide 4

Now east of Yonge and south of Bloor in the C08 TREB district, the average sale price for March was just over \$667,000. That number was up 14% compared to 2017.

And with 178 condo sales in the month, the numbers were down 25% from last year.

There were 143 active listings on the market in March – down 10% from 2017.

The ratio of sales to listings was a very active 124.5% for the month. That number keeps C08 solidly in an extreme seller market territory.

The average days-on-market came in at 16, 1 day slower than last month.

Here's a summary of the significant real estate milestones for Toronto in March 2018... with significant changes 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 February sales since 2009 (7,228)
- ◆ The ratio of sales-to-listings moved up to 45.3% in March – Now into a moderate seller market territory
- ◆ The average sale price came in at \$784,558– which was a negative 14.3% compared to March 2017 – partially because of more lower priced condo and fewer luxury home sales
- ◆ Detached home sales, which generally represent the highest priced homes in most neighbourhoods, declined much more than other home types. In addition, the share of high-end detached homes selling for over \$2 million in March 2018 was half of what was reported in March 2017, further impacting the overall GTA average selling price.
- ◆ Sales in the month were down 40% from one year ago

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- ◆ The GTA real estate market overall averaged the days-on-market at 20 – a more normal level for this time of year
- ◆ Again, it's becoming clear that first-time buyer aspirations are now shifting to a condominium lifestyle – CONDO sales took a 'highest ever for March' 37.2% of the total market
- ◆ Downtown condo listing numbers were up in C01 (6%) and down in C08 (-10%) from last year at this time
- ◆ The downtown condo days-on-market average was 16-17 days – slightly faster than the overall market
- ◆ The ratio of sales-to-listings for condos downtown ranged between 98% in C01 to 124.5% in C08 indicating an extremely strong seller's market... well ahead of most of the GTA
- ◆ The average sale price for downtown condominium suites is up by roughly \$60,000 to \$80,000 from March 2017
- ◆ Building on this higher demand due to better affordability, condo appreciation in the two main downtown markets averaged 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 spring, buyers should watch for more opportunities to get the condo or house of their dreams.

Slide 5

This month I'm looking at the stats for the sale of detached houses in February compared to prior years.

You can see from the table that the average sale price for detached houses in Toronto declined by 18.5% compared to 2017.

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Although this average price is still about \$70,000 higher than in the same month in 2016, it appears that the price gains incurred last year have almost all been lost.

On the positive side, between 2012 and 2018, the average year-over-year appreciation has been a not-too-shabby 8.9% and, between those same two years, the average price has increased by a total of 56.6%.

Slide 6

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 May for our **April 2018 Toronto Real Estate Market Report**.