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October 2017 Toronto Real Estate Market Report

Purchasing A Home Before Jan 1st, 2018 May Be A Good Idea

Hi, it's Toronto's Real Estate Team at RE/MAX and here is our October 2017 Toronto real estate market report.

The big surprise this month was the year-over-year appreciation percentage.

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 27% for October compared to last year with 7,118 houses and condominiums changing hands in all the districts. Although it's common for the market to rebound higher once we are into the fall market, this only happened fractionally... we had the lowest sales for October since 2012.

Condo townhouse and high-rise suites took a 35.9% share of the market with 2,552 units being sold.

The October average sale price for all GTA homes came in at \$780,104 – a mere 2.3% higher than last year.

If you consider the year-to-date average compared to last year however, the market is still up 13.7% which shows that not all those gains in price during the insane spring have been lost.

The active listing inventory is one of the strongest indicators of how smooth or outrageous the market has been. The inventory average for the month of October compared to historical numbers was just about even but up a big 79% from last year at this time.

However this is occurring selectively with the 'central core' Toronto neighbourhoods still doing very well while the outer regions (Peel, York & Durham) not doing well at all.

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.

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In October that ratio finished at 37.7% - compared to 92% last year and down from March's 154%. We're now just in a 'barely above neutral' slight seller market territory so owners with their homes on the market may need to adjust their expectations if they want their home sold.

The days-on-market average for Toronto homes was 23 days, 1 day faster than September.

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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 October was \$610,708. That average moved up 24.6% from the same time last year.

With 396 condo sales in the month, the numbers were down 21% compared to 2016.

There were 594 active listings on the market in October – 9% fewer than last year.

The ratio of sales to listings was 66.7% which keeps C01 in very busy seller's market territory.

The average days-on-market came in at 19 – 2 days faster than last month.

Slide 4

Now east of Yonge and south of Bloor in the C08 TREB district, the average sale price for October was just over \$599,000. That number was up 25% compared to 2016.

And with 166 condo sales in the month, the numbers were down 13% from last year.

There were 215 active listings on the market in October – down 4% from 2016.

The ratio of sales to listings was an incredible 77.2% for the month. That number keeps C08 solidly in extremely busy seller market territory.

The average days-on-market came in at 18, 1 day faster than last month.

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Here's a summary of the significant real estate milestones for October 2017... with dramatic changes in some neighbourhoods while others are still doing very well.

- ◆ Lowest number of overall sales for the month of October since 2011 (7,118) although they were up by several hundred homes from September
- ◆ The ratio of sales-to-listings increased from September's 33.5% to 37.7% in October – a very moderate seller's market
- ◆ The average sale price climbed slightly to \$780,104 – still up 13.7% YTD compared to 2016 – because of higher sales of lower priced condos
- ◆ 2.3% average sale price increase from October 2016 (traditionally we've seen an average annual appreciation of 6.8% over the last 20 years)
- ◆ Sales in the month were down almost 27% from one year ago
- ◆ The GTA real estate market overall averaged the days-on-market at 23 – still quick compared to many markets
- ◆ First-time buyer aspirations now shifting to a condominium lifestyle – CONDO sales took a 'highest ever' 35.9% of the total market in October... about 3% more than average
- ◆ Downtown condo listings were lower by 4-9% from last year at this time
- ◆ The days-on-market average was 18-19 days
- ◆ The ratio of sales-to-listings for condos downtown ranged between 66.7% in C01 to 77.2% in C08 indicating a strong seller's market... well ahead of the rest of the GTA
- ◆ The average sale price for downtown condominium suites is still up by roughly \$120,000 from 2016
- ◆ Building on this higher demand due to better affordability, condo appreciation in the two main downtown markets averaged 25% year-over-year
- ◆ Markets in York Region and other 905 neighbourhoods have suffered the most from the market slowdown – every district is now showing that they're in 'buyer market' territory
- ◆ Overall, it's a perfect opportunity now in many neighbourhoods, with the increased inventory, for a buyer to find a home they fall in love with AND negotiate with the seller one-on-one for a change.

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This month I'm looking at the stats for monthly sales at the Toronto Real Estate Board.

Typical for most fall markets, sales increased in October compared to September... this year by 11.6%... but were down significantly from last year at this time.

Don't forget we have another 'major event' coming as of January 1st when the new mortgage qualification stress tests take effect for those buyers purchasing with over 20% down.

This upcoming event may have contributed to some of the increased October sales and also might cause sales to bump up a bit into November and the beginning of December before the holiday season causes its typical slowdown.

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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**.

Check back here in early December for our **November 2017 Toronto Real Estate Market Report**.