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## September 2018 Toronto Real Estate Market Report

Are Toronto home prices really that unaffordable? [VIDEO]

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

We're definitely not kicking into a robust fall market at this point.

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 barely up for September compared to last year with 6,455 houses and condominiums changing hands in all the districts. This was the 2nd lowest number of sales for the month since September 2012.

Condo townhouse and high-rise suites took a significant 35.4% share of the market with 2,286 units being sold.

The September average sale price for all GTA homes came in at \$796,786—this was a modest 2.9% increase from one year ago. Considering that May/June/July 2017 was the turning point in last year's crazy market, if instead you compare 2018 with September 2016 (with an average of \$756,168), this year's average was still up 5.4% 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 September compared to historical numbers was up 8.5% but increased by 5.6% 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 September, that ratio finished at 32.1% - one percent below last year – and the lowest so far in 2018. The GTA overall 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 GTA / Toronto homes was 26 days, one day faster than in August.

### 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 September was \$674,084. That average moved up 11% from the same time last year.

With 339 condo sales in the month, the numbers were down 10% compared to 2017 and almost back to 2013 levels.

There were 549 active listings on the market in September – 10% fewer than last year but still WAY down from the 717 suites available two years ago in September 2016.

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The ratio of sales to listings was 61.7% which keeps C01 in an extremely busy seller's market territory.

The average days-on-market came in at 20 – 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 September was \$672,024. That number was up 13% compared to 2017.

And with 138 condo sales in the month, the numbers were down 3% from last year. There were 212 active listings on the market in September – down 8% from 2017.

The ratio of sales to listings was a very active 65.1% for the month. That number keeps C08 solidly in an extremely busy seller market territory.

The average days-on-market came in at 21, 3 days slower than last month.

**Here's a summary of the significant real estate milestones for Toronto in September 2018... a typical summer market overall with the usual lower sales and dip in the average selling price.**

- ◆ 2nd lowest September sales since 2012 (6,455)
- ◆ The ratio of sales-to-listings decreased slightly to 32.1% in September – Now in a very moderate seller market territory
- ◆ The average sale price came in at \$796,786 – which was up just 2.9% compared to September 2017 – Remember last year the new Ontario government rules came into effect on April 20th which really influenced the late spring and summer markets last year

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- ◆ Note that this average was still over 5.4% higher than 2 years ago in September 2016
- ◆ Overall sales in the month were up just 2% from one year ago
- ◆ The GTA real estate market overall averaged the days-on-market at 26 – a fairly typical level for Toronto's early fall market
- ◆ Detached home sales in September 2018 with a purchase price over \$2,000,000 were almost the same as last year
- ◆ It's noticeable that first-time buyer aspirations are now shifting to a condominium lifestyle – CONDO sales took a 35.4% share of the total market
- ◆ Downtown condo active listing numbers were lower in C01 and C08 by 8-10% from last year at this time
- ◆ The downtown condo days-on-market average was 20-21 days – significantly faster than the overall market
- ◆ The ratio of sales-to-listings for condos downtown were close in both C01 (61.7%) and in C08 (65.1%) indicating an extremely strong seller's market... a wee bit more than double the GTA overall.
- ◆ The average sale price for downtown condominium suites is up by roughly \$65,000 from September 2017
- ◆ Building on this higher demand due to better affordability, condo appreciation in the two main downtown markets averaged 11-13% 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
- ◆ Expect slight inventory and sales increases as we move through the fall market - buyers should watch for more opportunities to get the condo or house of their dreams.

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### Slide 5

This month we're looking at the stats for the Toronto Real Estate Board sales by Price Range and Home Type.

One of the biggest concerns we as Realtors hear now is that homes have become unaffordable in Toronto and that is certainly the case in some neighbourhoods.

Historically, downtown has always been the most expensive and buyers have, for generations, moved either east, west or north to get less expensive accommodation.

From the chart, we can see on the right that the most condominium sales were in the \$400,000 to \$499,000 range although most of those were outside the downtown core.

GTA-wide, the most sales for a detached house were in the \$700,000 to \$799,000 range. That was the same as last year.

We've all had to struggle in the beginning to save our down payments for a home purchase. We remember back in the mid-80's, a client couldn't afford a down payment larger than \$5,000 and he and his wife were hard-pressed to cover the payments on a \$95,000 mortgage.

Bottom line... if you're a buyer, set up a savings goal. Take out an RRSP loan and pay it off in 12 months to build up your down payment as fast as possible. You can STILL do it with

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perseverance.

### 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](http://MarketExperienceTour.com) and a tour of houses at [DailyTorontoHomeTours.com](http://DailyTorontoHomeTours.com).



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