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July 2017 Toronto Real Estate Market Report

Lowest July Sales Since 2002

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

The Toronto / GTA market really got hit with a sales slowdown in July.

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 July compared to last year with 5,921 houses and condominiums changing hands in all the districts. Although it's common for the market to dip lower in the summer months, this was extreme... the lowest sales for a July since 2002.

Condo townhouse and high-rise suites took a bigger 38.6% share of the market with 2,283 units being sold.

The July average sale price for all GTA homes came in at \$746,218 – a still significant but much more moderate 5% higher than last year.

If you consider the year-to-date average compared to last year however, the market is still up 18.8% 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 July compared to historical numbers was just about even but up a big 65% from last year at this time.

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 July that ratio finished at 31.6% - compared to 88% last year and down from March's 154%. We're now

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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 21 days, 6 days slower than June.

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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 July was \$602,303. That average moved up 25.6% from the same time last year.

With 397 condo sales in the month, the numbers were down 31% compared to 2016.

There were 699 active listings on the market in July – 29% fewer than last year.

The ratio of sales to listings was 56.8% which keeps C01 in busy seller's market territory.

The average days-on-market came in at 19 – 3 days slower than last month.

Slide 4

Now east of Yonge and south of Bloor in the C08 TREB district, the average sale price for July was just over \$593,847. That number was up 25.7% compared to 2016.

And with 126 condo sales in the month, the numbers were down 27% from last year.

There were 267 active listings on the market in July – down 7% from 2016.

The ratio of sales to listings was 47.2% for the month. That number keeps C08 solidly in busy seller market territory.

The average days-on-market came in at 17, 4 days slower than last month.

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

- ◆ Lowest number of overall sales for the month of July since 2002 (at 5,921)
- ◆ The ratio of sales-to-listings moderated again from June's 40.5% down to 31.6% in July – it's now just barely above a 'neutral' market
- ◆ The average sale price dropped back to \$746,218 – still up 19% YTD compared to 2016
- ◆ There was a 5.0% average sale price increase from July 2016 (traditionally we've seen an average annual appreciation of 6.8% over the last 20 years)
- ◆ Sales in the month were down 40% from one year ago
- ◆ The GTA real estate market overall averaged the days-on-market at 21 – still quick compared to many markets
- ◆ First-time buyer aspirations are now shifting to a condominium lifestyle – CONDO sales took 38.6% of the total market in July... about 4% more than average
- ◆ Downtown condo listings were lower by 6-28% from last year at this time
- ◆ Low days-on-market average (at 17-19)
- ◆ The ratio of sales-to-listings for condos downtown ranged between 57% in C01 to 47% in C08... well ahead of the overall market
- ◆ The average sale price for downtown condominium suites is 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 26% year-over-year
- ◆ Markets in York Region and other 905 neighbourhoods have suffered the most from the Ontario government's April 20th pronouncements – every district is now showing that they're in 'buyer market' territory
- ◆ Overall, it's a perfect opportunity now, with the increased inventory, for a buyer to find a home they fall in love with AND negotiate with the seller one-on-one in many cases to come to a mutual agreement.

Slide 5

This month we're looking at the stats for sales and average sale prices for our typical housing types between July 2016 and July 2017.

The 905 neighbourhoods are taking the biggest sales hit where they're down 44% compared to 33% in

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Toronto. The overall average sale price is also up more year-over-year for Toronto homes.

Toronto detached home prices are up 8.5% compared to just 2.4% for the 905 numbers.

Condo apartments are the big winners in both locations... Toronto's average is up 24.6% from 2016 vs a 16.6% increase for the 905.

Every type of home has seen appreciation of between 28% to 33% over those two years or roughly 14-16% annually.

It makes sense really... young families are realizing that the condo lifestyle is a good one and frankly, it's the only affordable option left.

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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 September for our **August 2017 Toronto Real Estate Market Report**.