Toronto Real Estate Market Charts

February 2020

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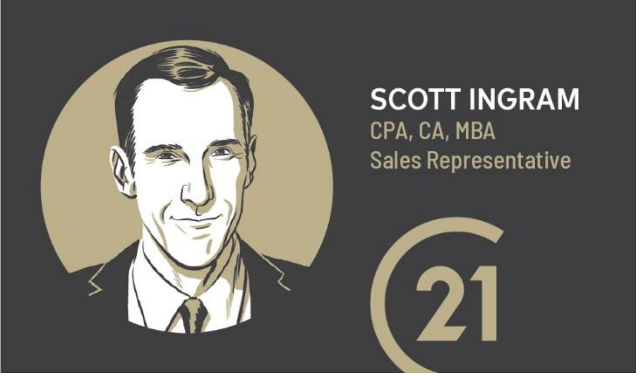


Toronto Real Estate

Monthly Market Charts

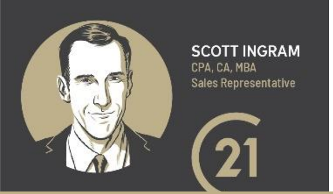
Introduction

You read sales last month were up x% over last year. What does that really mean??

Was last year a down year, an average year, or a record year? Is that GTA number you're seeing driven by the 416 or the 905? Is there a clear trend? The charts that follow will add **context** and **perspective** to Toronto's monthly real estate statistics. My focus is the **416**, so I pull those numbers out of TREB's broader GTA-wide aggregate figures.

I also separate Toronto's **two distinct market segments**: houses (freeholds) and condos, because lumping them together obscures a lot of information, and you are probably more interested in one than the other. With segmentation and some historical context, I aim to give you a clearer vision of market movements and trends.

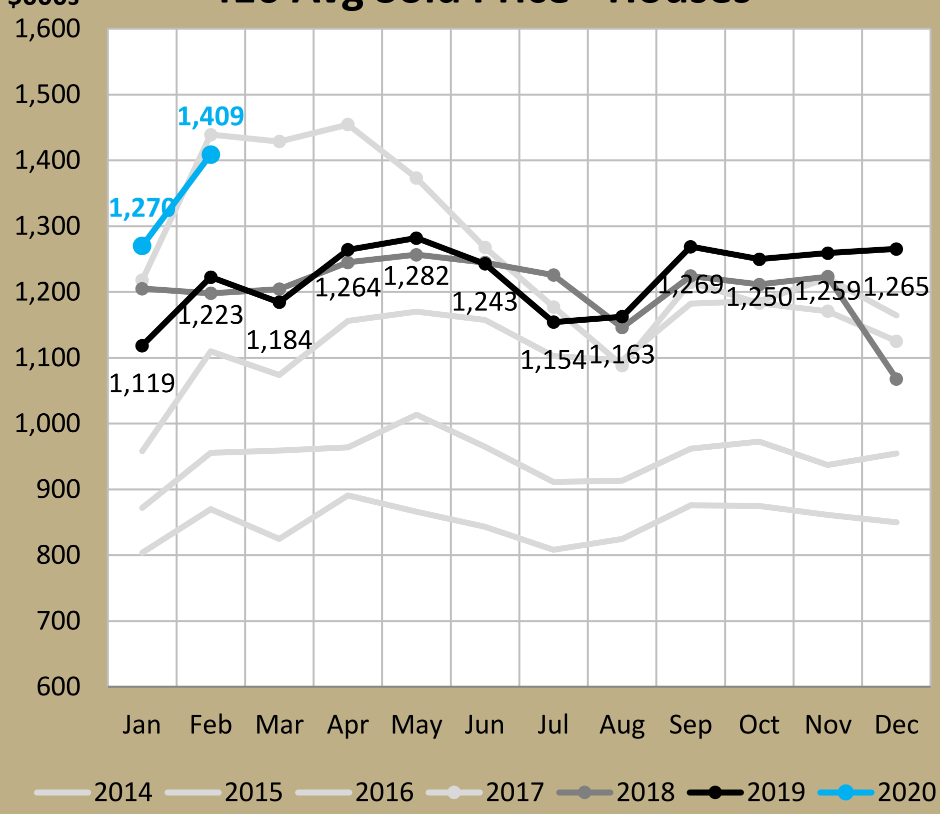
⬆⬇ indicator points to heating up (favours sellers), ⬆⬇ denotes cooling down (favours buyers)



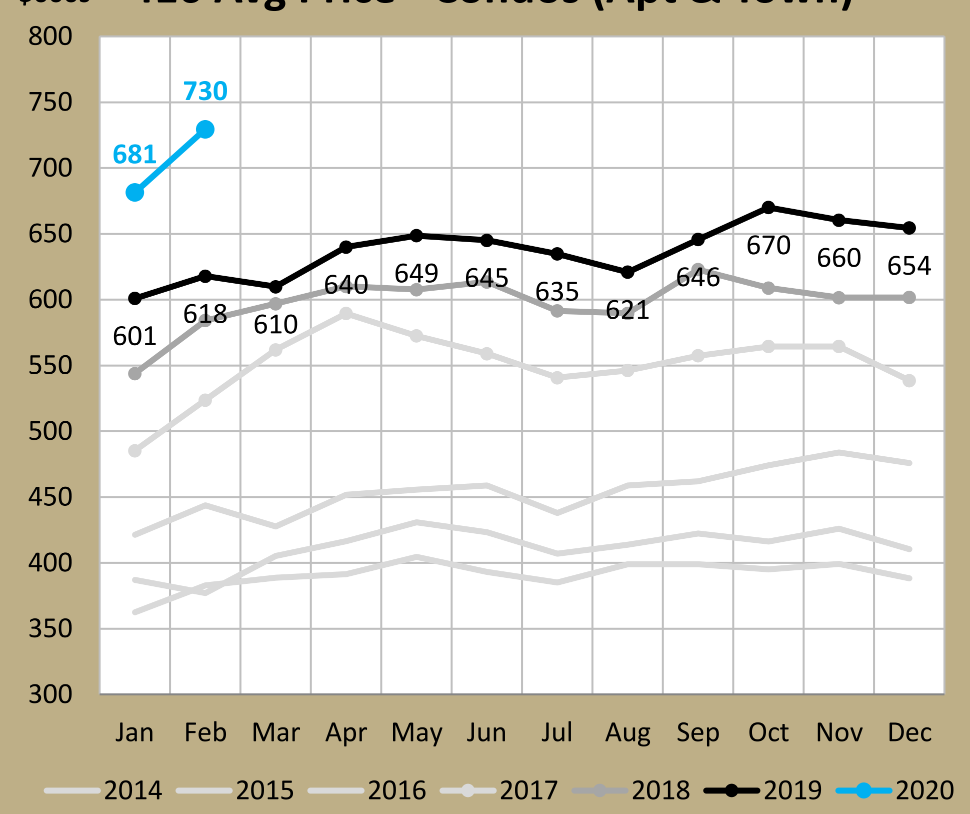
416 Average Sold Price

(dollar volume ÷ number of transactions in the month)

416 Avg Sold Price - Houses



416 Avg Price - Condos (Apt & Town)



Detached $1,485K / Semi $1,208K / Row $1,062K

Feb vs. '19: ⬆ $186K (15.3%)
Feb vs. '15: ⬆ $453K (47%)
5 year CAGR: ⬆ 8.1%

- Semis over $1.2M for first time
- Rowhouses only $16K behind Jan 2018 high
- 10 of last 11 months have been >10% YoY

Condo Apt $723K / Condo Townhouse $781K

Feb vs. '19: ⬆ $112K (18.1%)
Feb vs. '15: ⬆ $352K (93%)
5 year CAGR: ⬆ 14.1%

- Condo apt over $700K for first time (2nd record in row)
- Condos haven't had negative YoY since Feb 2015 (60 straight months)

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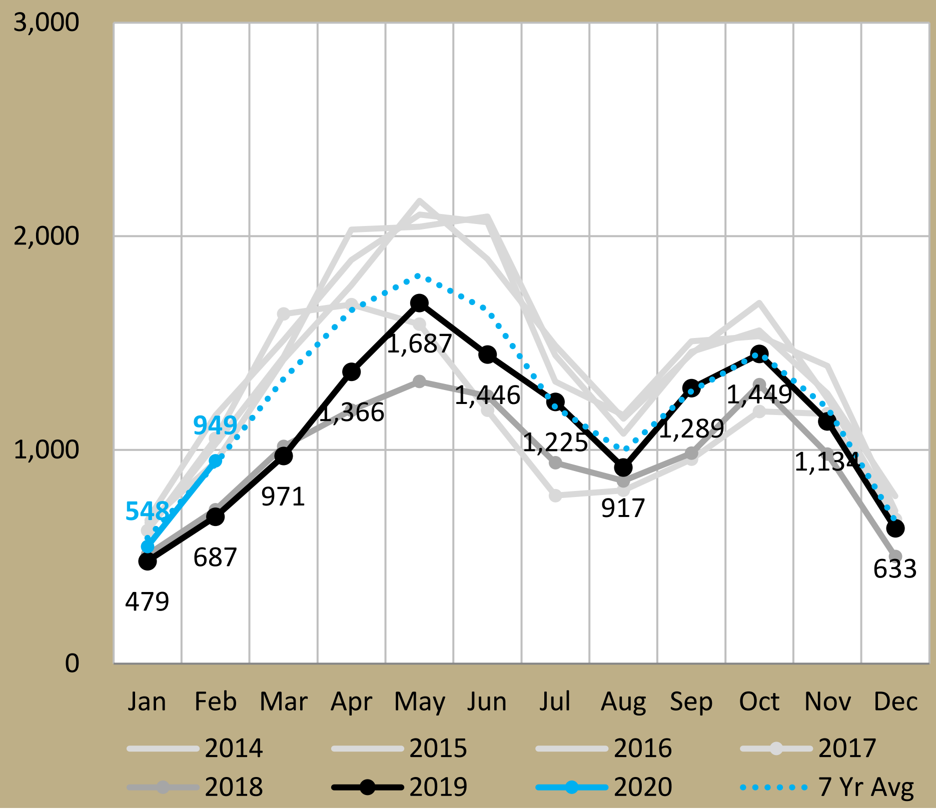
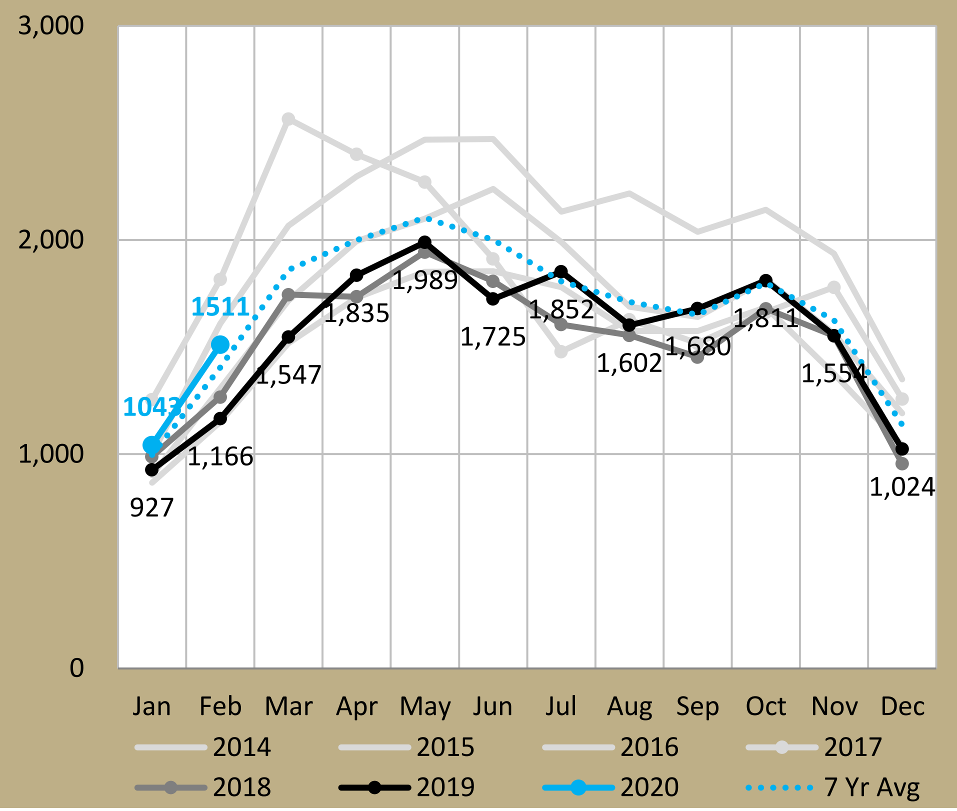
416 Residential Sales Volume

(number of sold transactions in the month)

416 Sales - Houses (Det & Semi & Row)



416 Sales - Condos (Apt & Town)

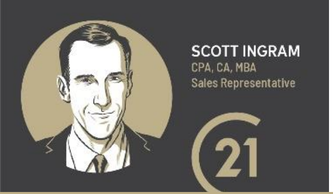


Feb vs. '19: ⬆ 38.1% (vs. 7 Yr Avg: ⬆ 2%)
YTD vs. '19: ⬆ 28%

- YoY increase accelerated from 14% to 38% in 1 month, going from 7% below 7-yr avg to 2% above
- Largest Feb freehold volume since 2017
- 10 of last 11 months +10% or more over prior year

Feb vs. '19: ⬆ 29.6% (vs. 7 Yr Avg: ⬆ 8%)
YTD vs. '19: ⬆ 22%

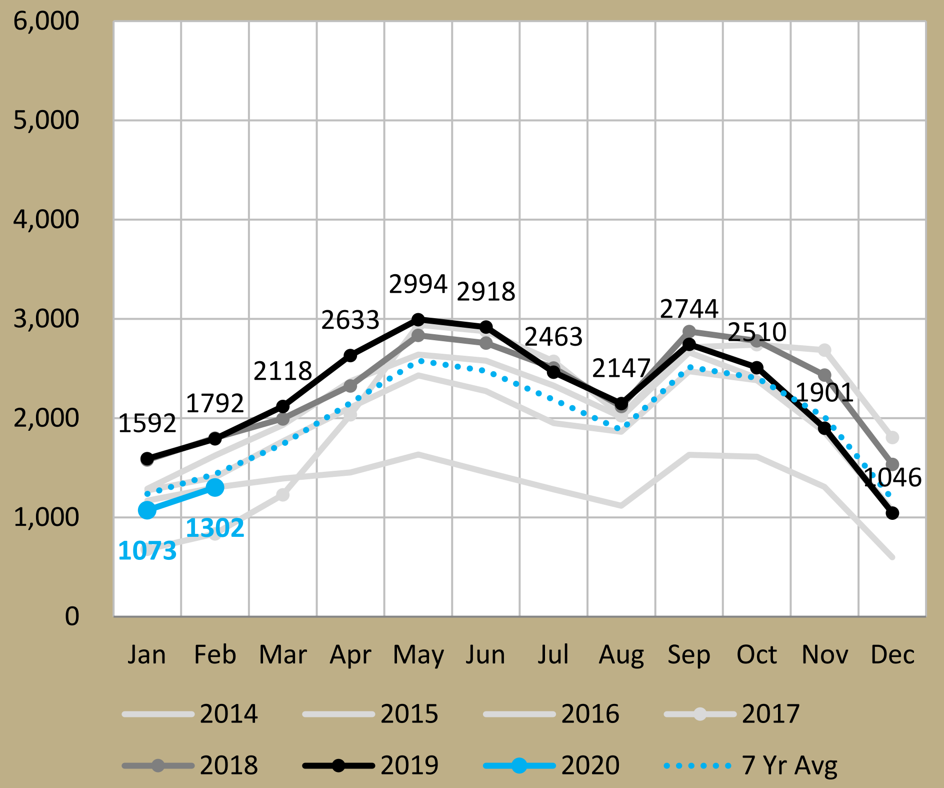
- Third highest Feb volume ever, behind 2016 & 2017
- Amazing considering low availability of condos for sale
- Eighth month in a row with higher sales than prior year



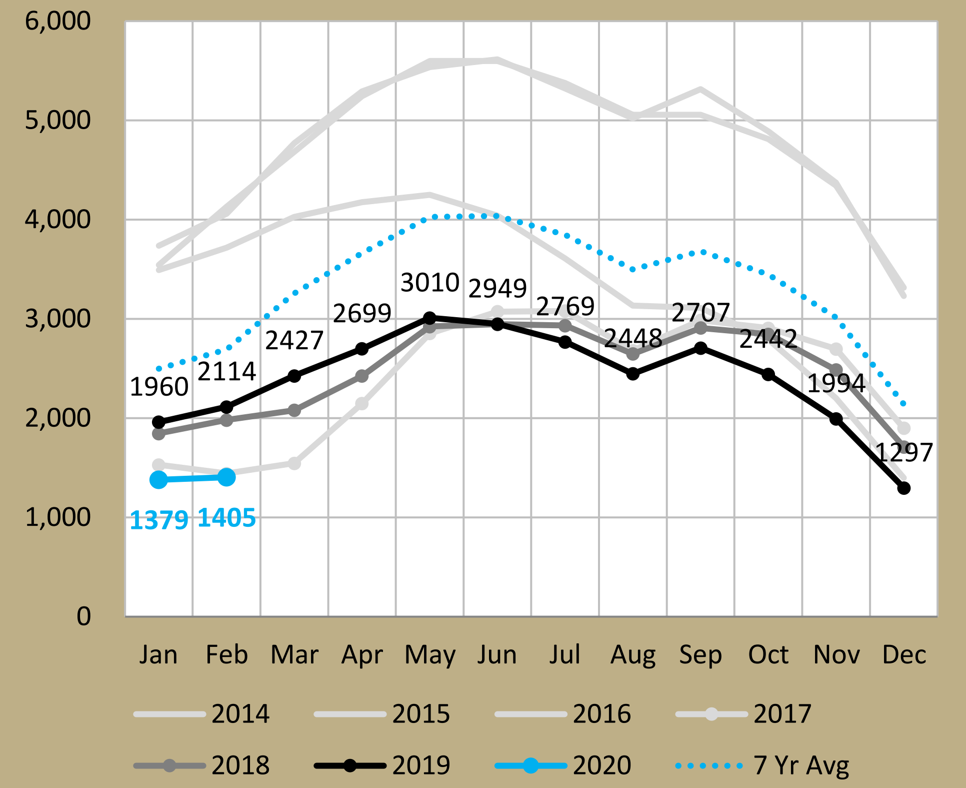
416 Active Listings

(snapshot of properties available for sale at end of each month)

416 Active Listings - Houses



416 Active Listings - Condos



Feb vs. '19: ⬇ 27.3% (vs. 7 Yr Avg: ⬇ 9%)
YTD vs. '19: ⬇ 30%

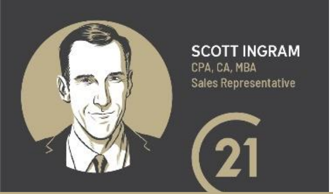
- Had been above 7 Yr Avg. all last year, but last 4 months have dropped below
- Third lowest Feb ever (last 25 years) just hair (2 listings) behind 2016

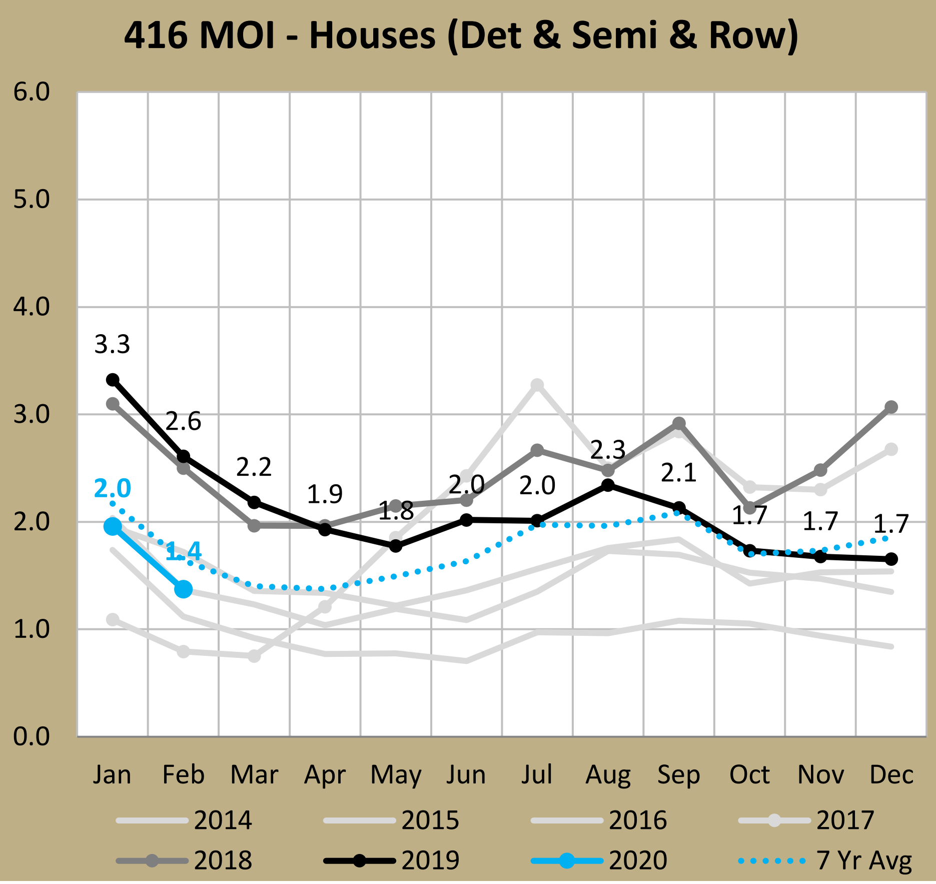
Feb vs. '19: ⬇ 33.5% (vs. 7 Yr Avg: ⬇ 48%)
YTD vs. '19: ⬇ 32%

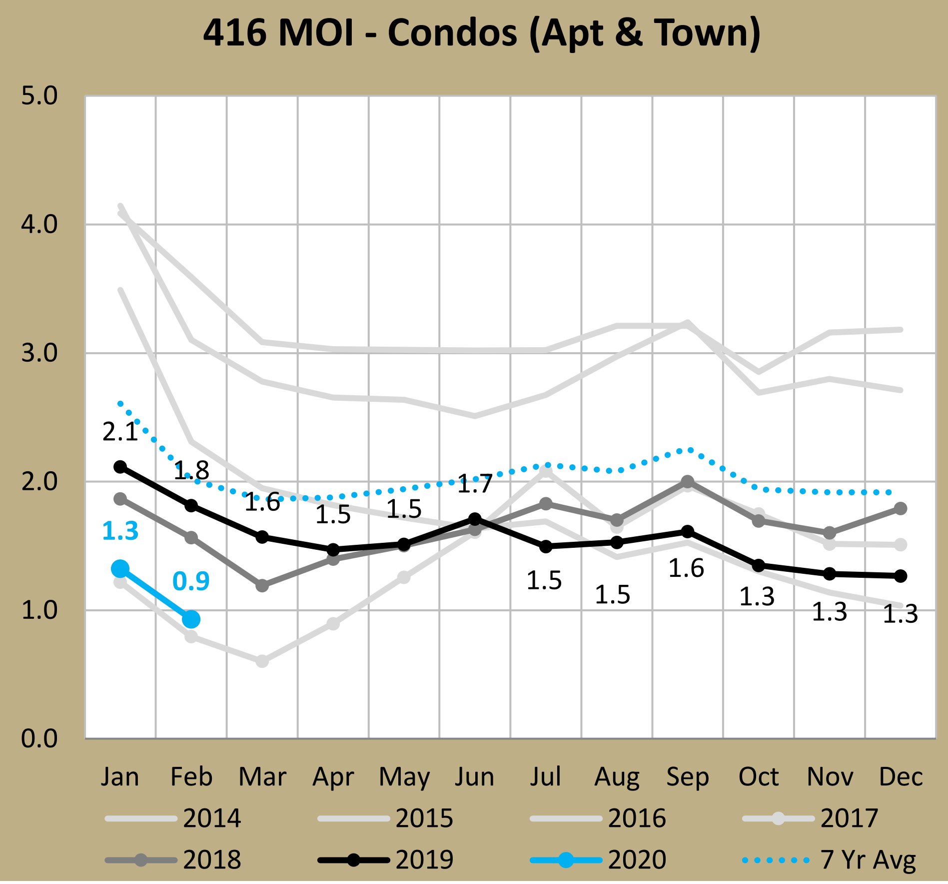
- Record lowest Feb for last 25 years, and that's saying something since WAY less condos in the city then
- Last 7 months has really tightened
- Active Listings around 1,300 less than Feb 7 Yr Avg

416 Months Of Inventory

(active listings at month end ÷ sales for month)





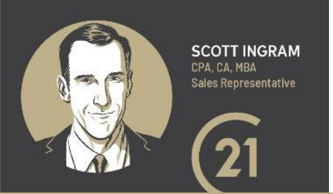


Feb vs. '19: ⬇ 1.2 months (-47%)
Feb vs. 7 Yr Avg: ⬇ 0.3 months (-16%)

- Last 11 months were lower than prior year
- Last 3 months have dipped below 7-year average
- Only 3 lower years in last 25 (2017 & 2017)

Feb vs. '19: ⬇ 0.9 months (-49%)
Feb vs. 7 Yr Avg: ⬇ 1.1 months (-54%)

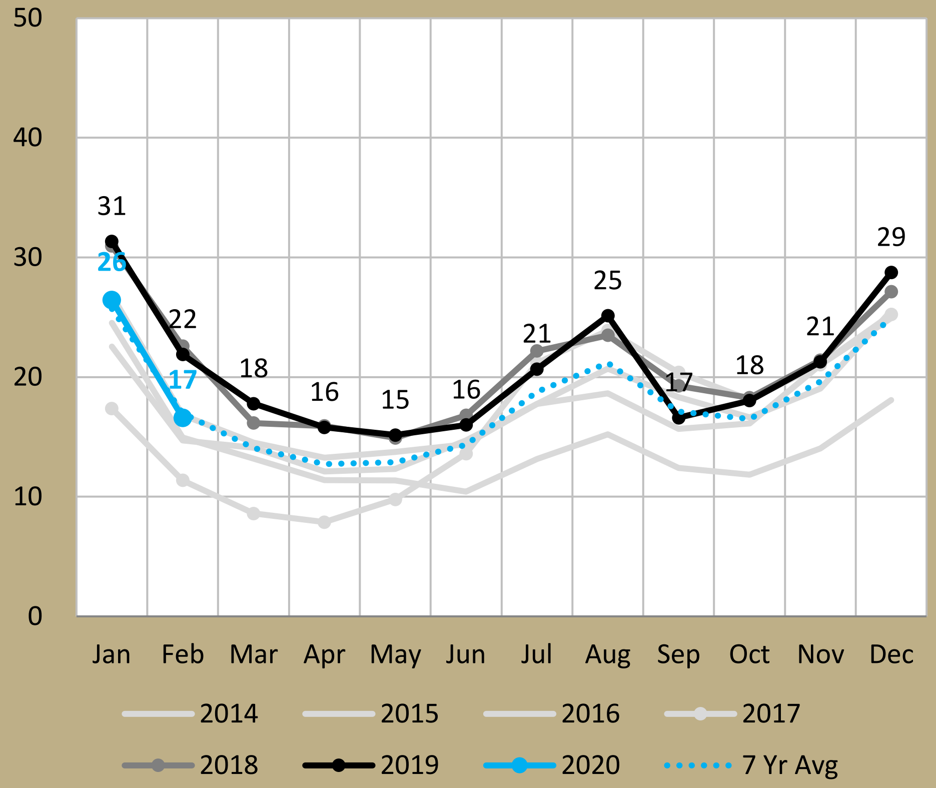
- Only Fourth month ever < 1.0 (other 3 were in 2017)
- Below 2.000 46 of last 48 months
- Record 35 months in row condos < houses. In 254 months before March 2017, this only happened 19 times in total.



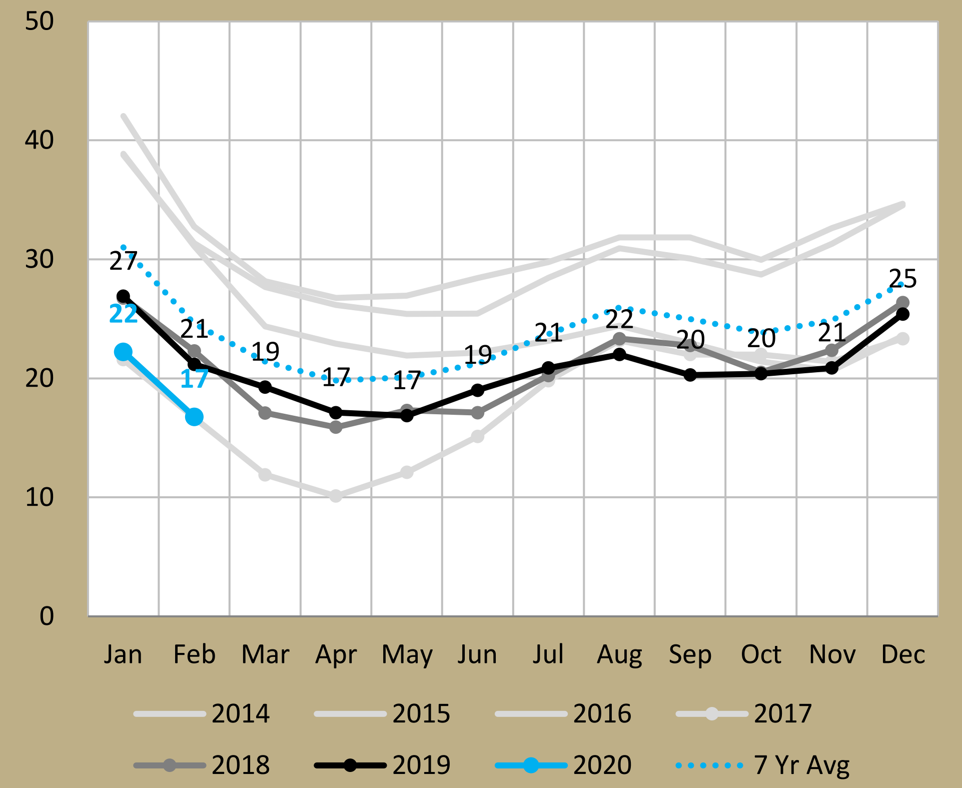
416 Average Days On Market

(days from listed to sold, for those properties sold during the month)

416 DOM - Houses (Det & Semi & Row)



416 DOM - Condos (Apt & Town)



Feb vs. '19: ⬇ 5.3 days (-24%)
Feb vs. 7 Yr Avg: ⬇ 0.4 days (3%)

- Switched from above to below 7-year average this month, though remaining very close to 7-year averages

Feb vs. '19: ⬇ 4.4 days (-21%)
Feb vs. 7 Yr Avg: ⬇ 7.8 days (-32%)

- Second lowest Feb ever (last 25 years), hair back of '17
- Crazy to think as recently as 2016 Feb was only ever below 30 DOM once (in 2010)
- Diverged lower from averages in spring 2016 and has stayed low since

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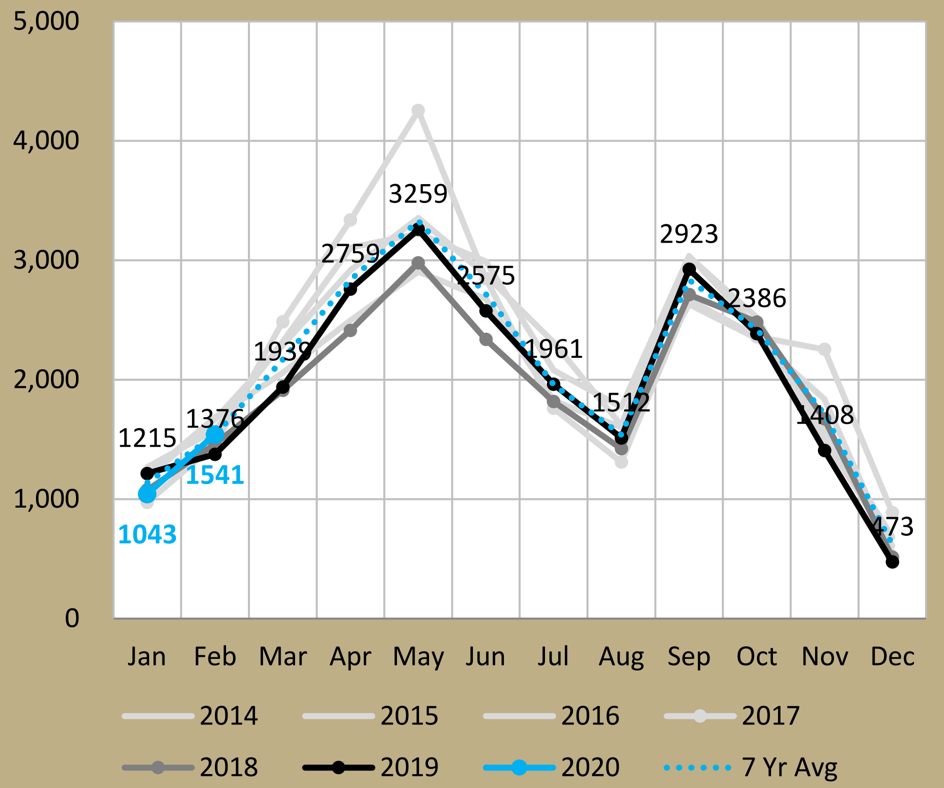
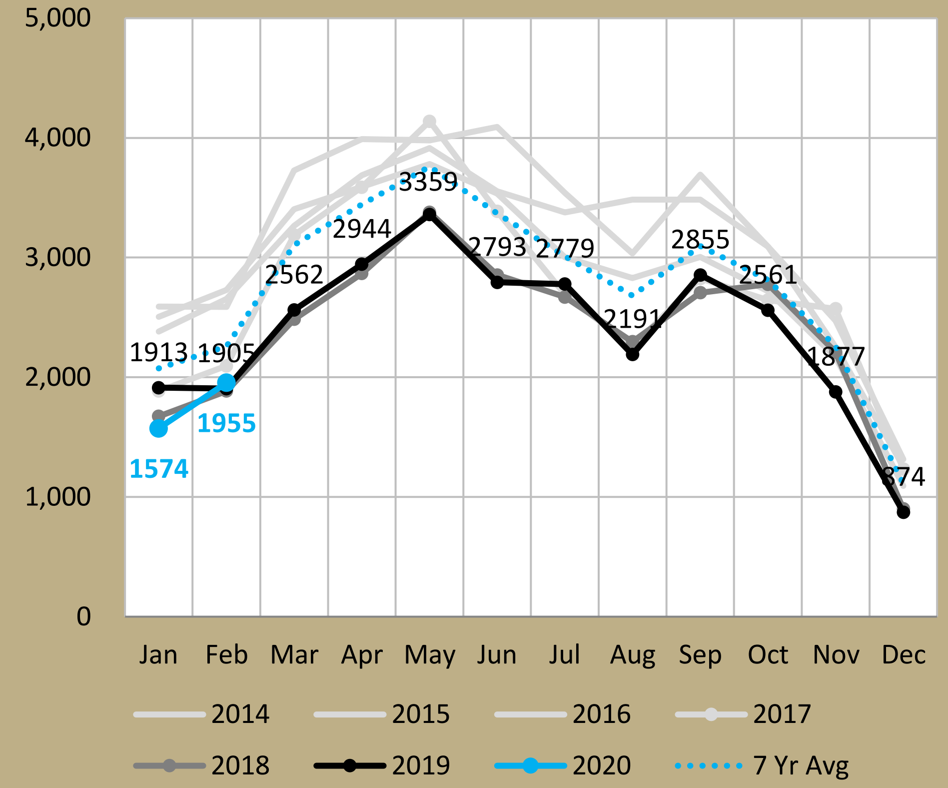
416 New Listings

(number of new MLS #s during the month – unfortunately includes re-listed properties)

416 New Listings - Houses



416 New Listings - Condos (Apt & Town)



Feb vs. '19: ⬆ 14% (vs. 7 Yr Avg: ⬅➡ 0%)
YTD vs. '19: ⬅➡ 0%

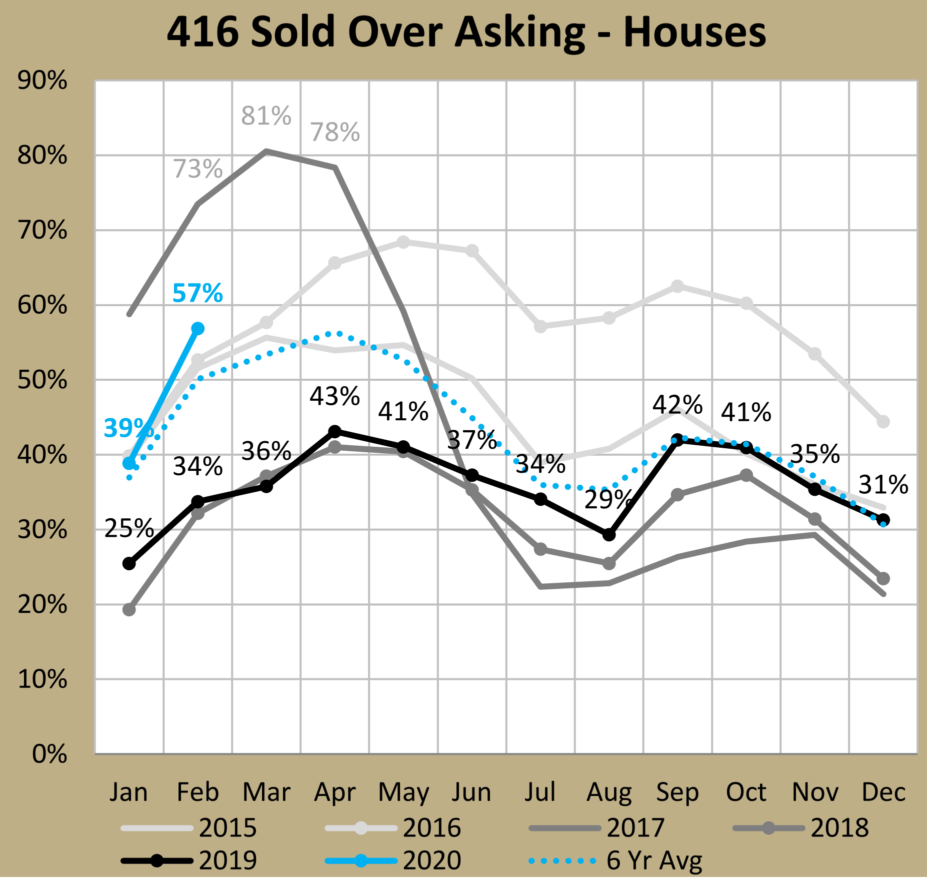
- Highest Feb since 2016 (after 2nd lowest Jan in last 10 year) but active listings still low
- Terminations and re-listings distort this stat

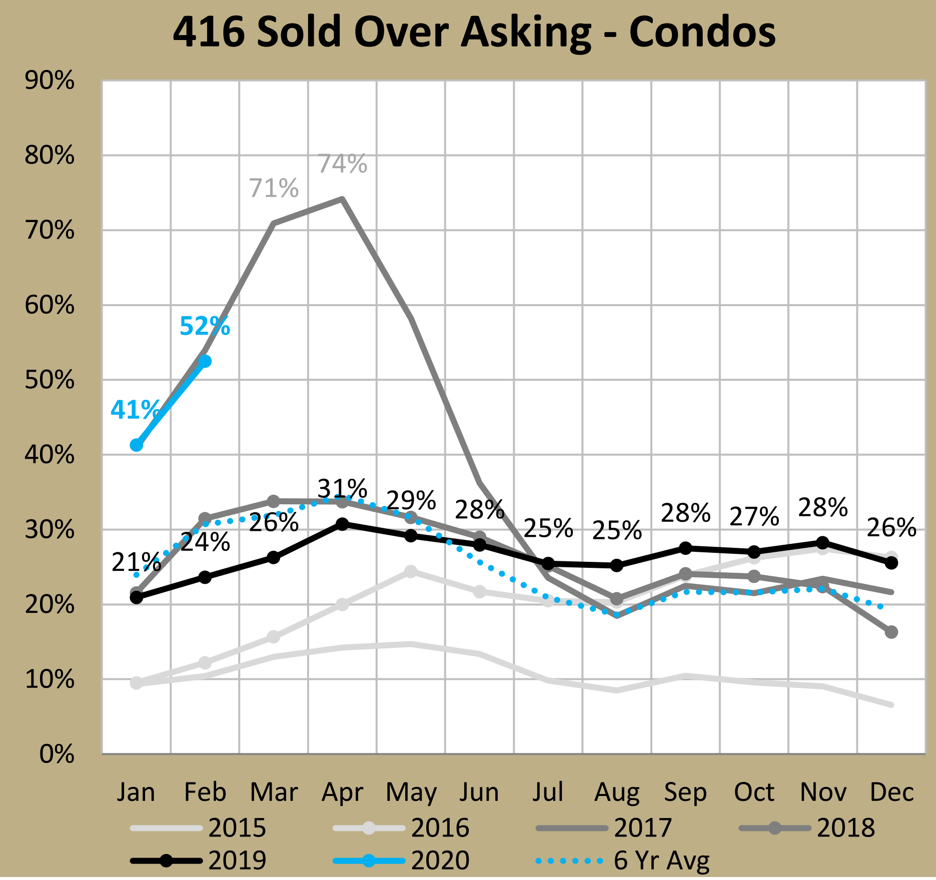
Feb vs. '19: ⬆ 3% (vs. 7 Yr Avg: ⬇ 13%)
YTD vs. '19: ⬇ 8%

- Highest Feb since 2017, which is reversal from last couple of months (Jan lowest since 2000, Dec lowest since 2001)
- Still low historically and not enough to prevent critically low active listings

416 Sold Over Asking

(properties that sold at ≥101% of list price, as percent of total monthly sales)





101% or more of asking Feb vs. '19: ⬆ 13 pp
Month-over-month: ⬆ 18 pp

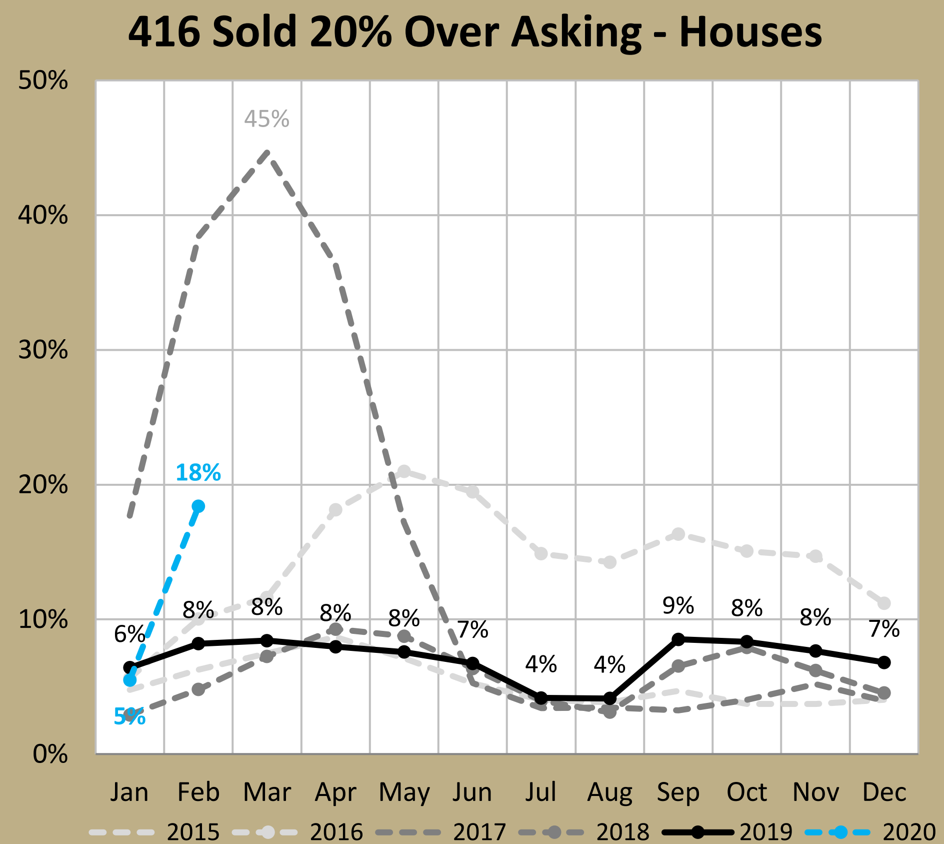
- Second highest Feb number ever
- 19 of last 20 months higher than prior year
- Full year numbers: 2015 47% • 2016 60% • 2017 49% • 2018 34% • 2019 37%

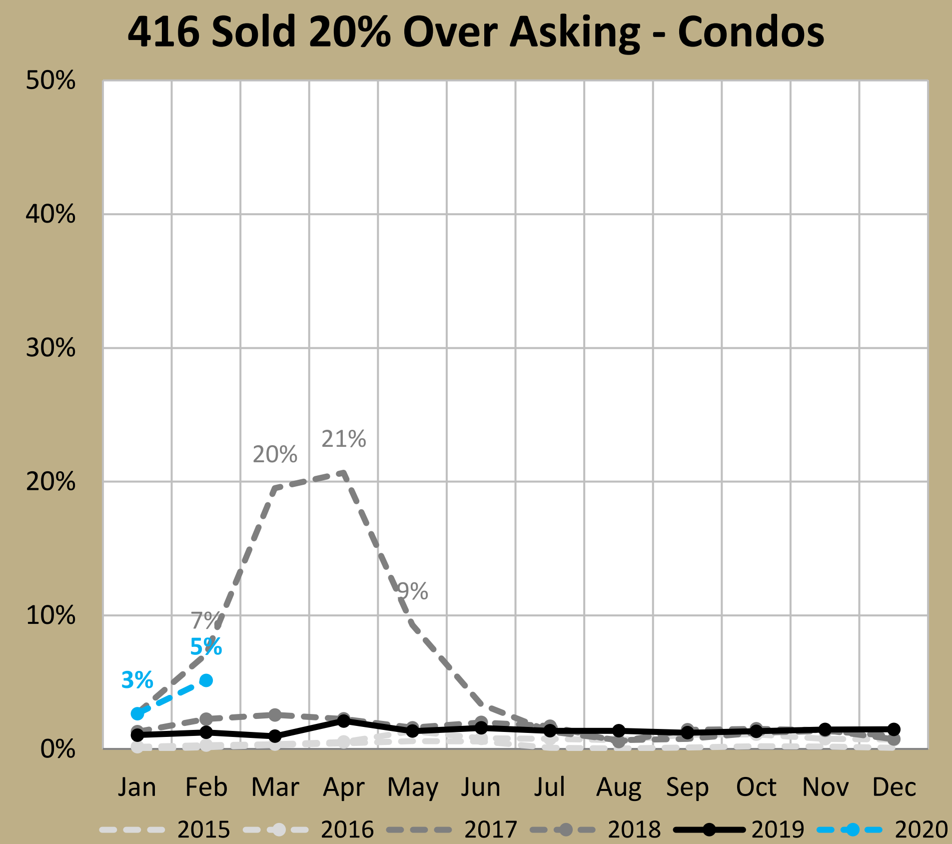
101% or more of asking Feb vs. '19: ⬆ 21 pp
Month-over-month: ⬆ 16 pp

- Second highest Feb number ever, giving 2017 a run for its money so far
- Days of SOA for a condo being just for unique properties (11% for all 2015 sales) seem to be gone (2016 21% • 2017 42% • 2018 27% • 2019 27%)

416 Sold 20% Over Asking

(properties that sold at ≥120% of list price, as percent of total monthly sales)





120% or more of asking Feb vs. '19: ⬆ 10 pp
Month-over-month: ⬆ 13 pp

- *Un-retiring this chart because activity again*
- Doubt we'll reach 45% of 2017, but some 20% months in the near future don't seem out of the question

120% or more of asking Feb vs. '19: ⬅➡ 0 pp
Month-over-month: ⬅➡ 0 pp

- This may be rising from the dead
- First month >3% in 32 months (May 2017)

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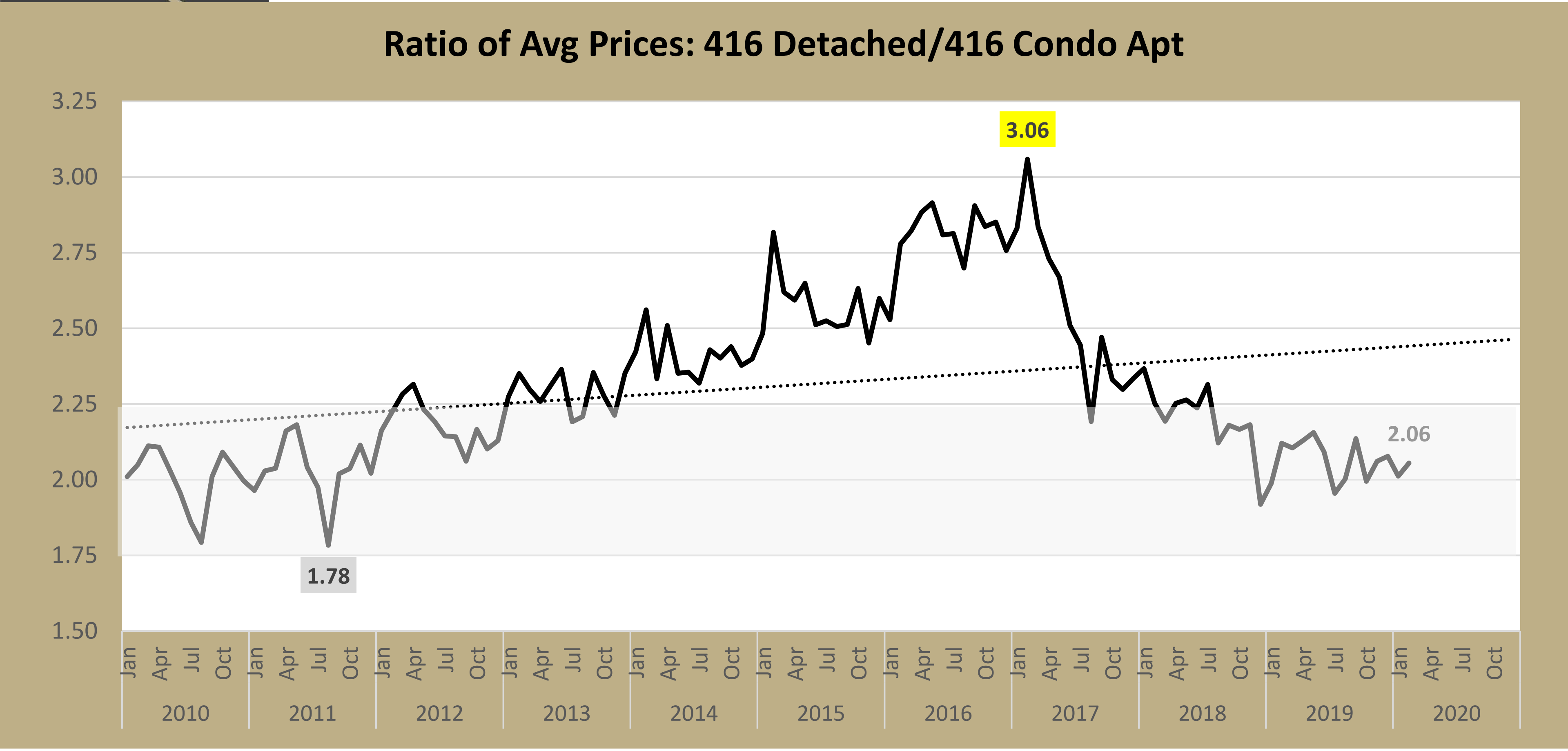
416 Detached/Condo price ratio

(average price for detached divided by average price of condo apartment)



Current ratio: 2.06
Month-over-month: 0.05

- Average since Jan 1996 = 2.13
- Median since Jan 1996 = 2.06
- Max = 3.06
- Min = 1.72

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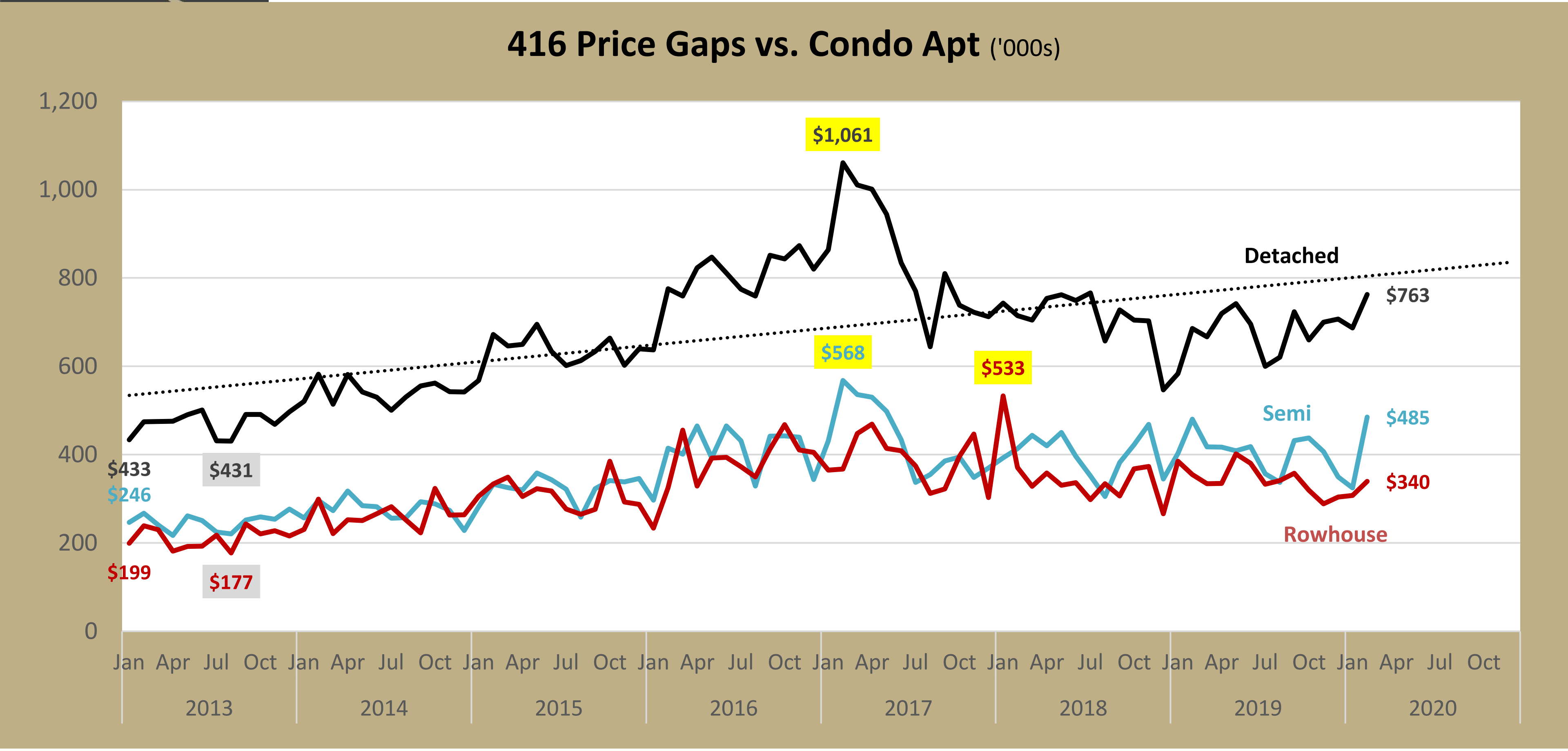
416 Price Gaps vs. Condo Apt

(average price for detached/semi/row minus average price of condo apartment)



Current **Detached** dollar gap: $763K
Prior month dollar gap: $687K (⬆ $76K)

Prior year dollar gap: $686K (⬆ $77K)
2 yrs prior dollar gap: $715K (⬆ $48K)

Current **Semi** dollar gap: $485K
Prior mth dollar gap: $325K (⬆ $160K)

Prior year dollar gap: $480K (⬆ $5K)
2 yrs prior dollar gap: $414K (⬆ $71K)

Current **Rowhouse** dollar gap: $340K
Prior month dollar gap: $307K (⬆ $43K)

Prior year dollar gap: $355K (⬇ $15K)
2 yrs prior dollar gap: $371K (⬇$31K)

416 Price CAGRs – Freehold

(Compound annual growth rate, current month vs. same month 5, 10, 20 years ago)

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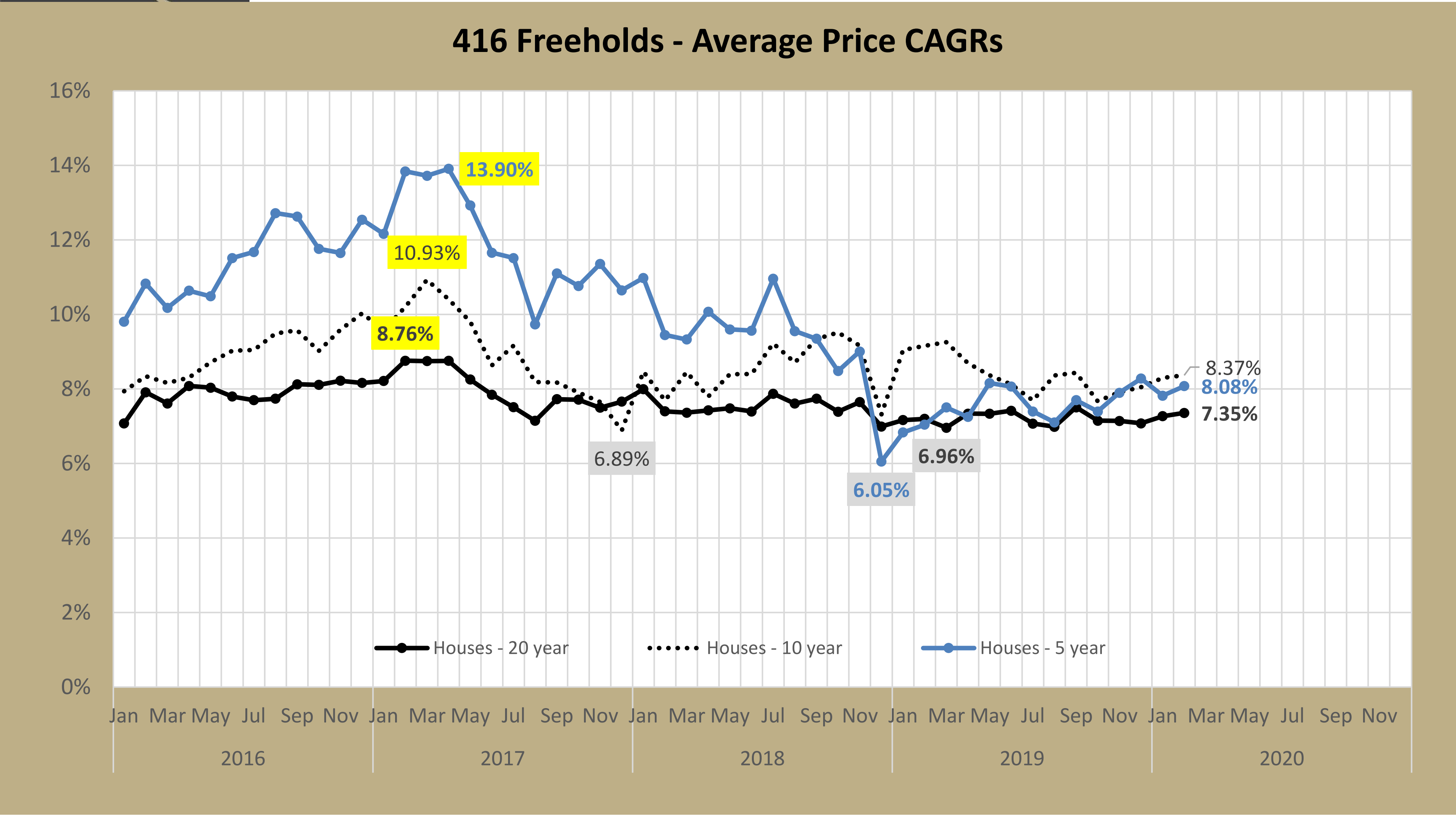
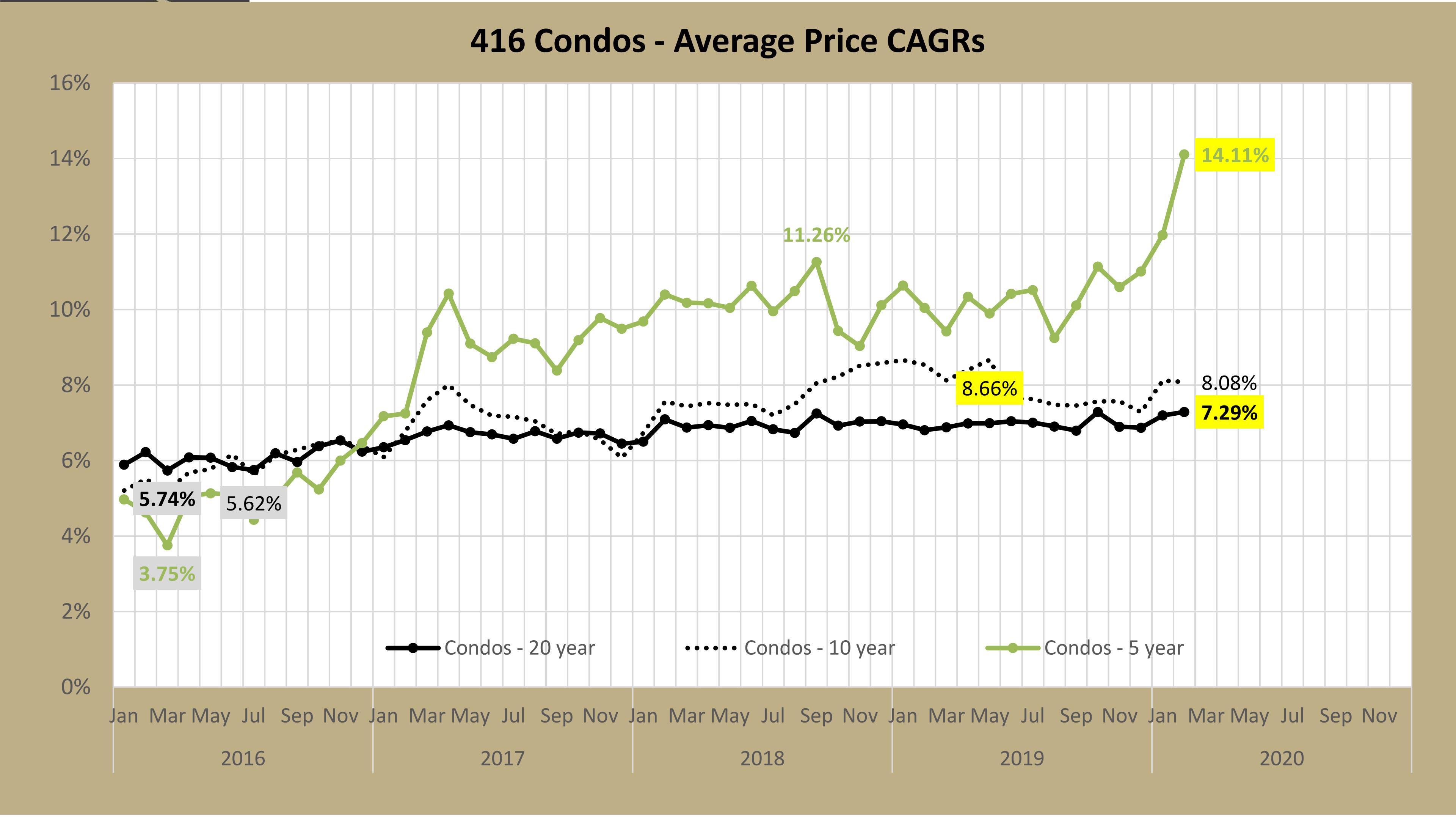


20 year **House** performance: 20 year CAGR (as at current month) is 7.35%; MoM change ⬆ 7 bps

20 year **Condo** performance: 20 year CAGR (as at current month) is 7.29%; MoM change ⬆ 10 bps

416 Price CAGRs – Condo

(Compound annual growth rate, current month vs. same month 5, 10, 20 years ago)



20 year **House** performance: 20 year CAGR (as at current month) is 7.35%; MoM change ⬆ 7 bps

20 year **Condo** performance: 20 year CAGR (as at current month) is 7.29%; MoM change ⬆ 32 bps

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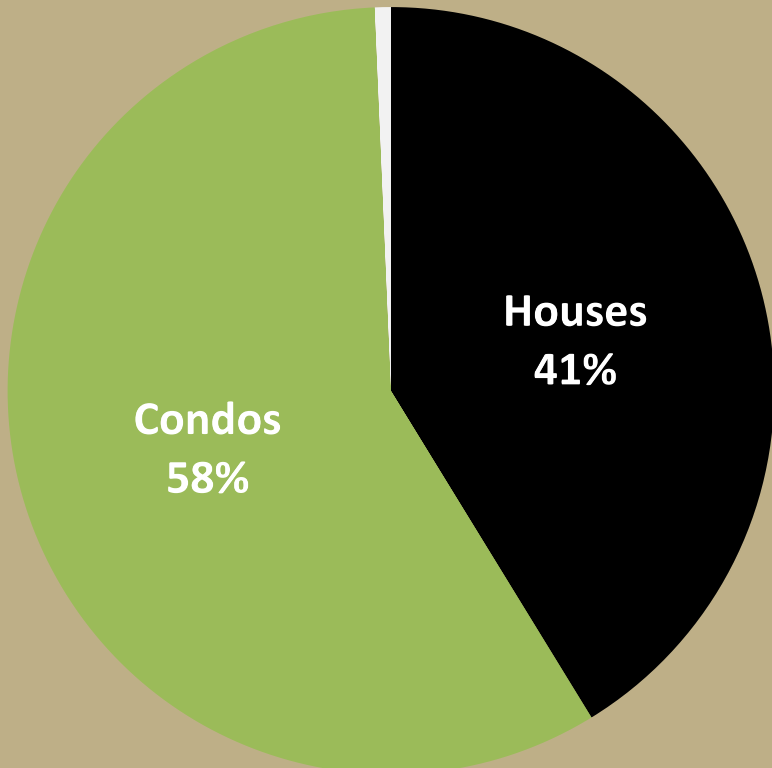
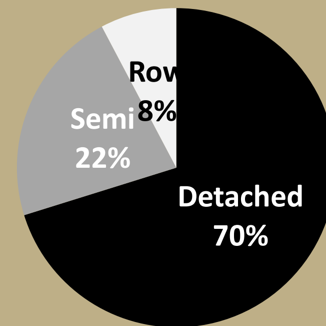
416 Market Breakdown

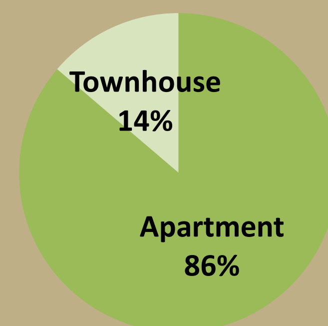
Share of Transactions - last 12 months



Share of House Transactions - last 12 months



Share of Condo Transactions - last 12 months



1 year ago: Condos 61% / Houses 39%

5 years ago: Condos 52% / Houses 47%

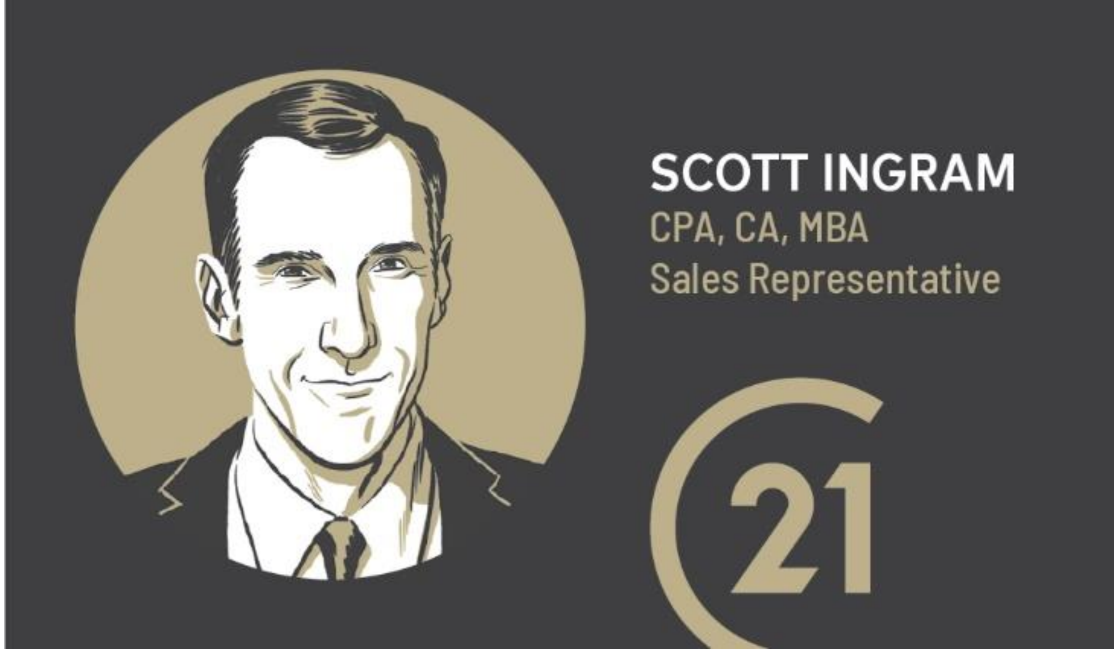
10 years ago: Condos 49% / Houses 50%

15 years ago: Condos 44% / Houses 55%

20 years ago: Condos 40% / Houses 58%

As the supply of houses is essentially fixed, and more new condos are completed, transaction share should keep **shifting towards condos**. Also, condos are often a "starter home" and not held onto as long on average as houses.

While **houses** were only 41% of 2019 sales transactions, they were **58% of dollar volume** (2018: 38% v. 55%, 2017: 38% v. 59%, 2016: 35% v. 64%).



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Your home is the single largest investment you'll make — trust it with an accountant.

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