Toronto Real Estate Market Charts

March 2020

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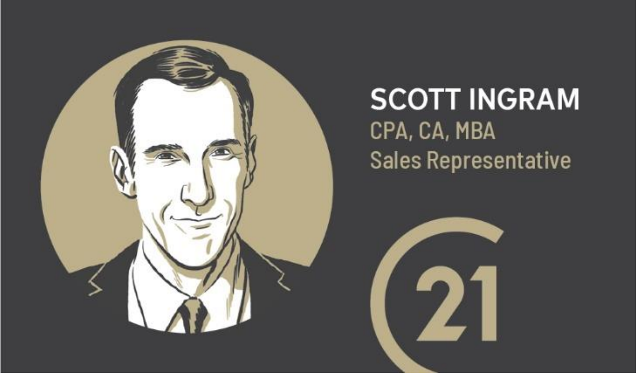


Toronto Real Estate

Monthly Market Charts

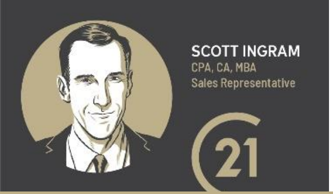
Introduction

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.

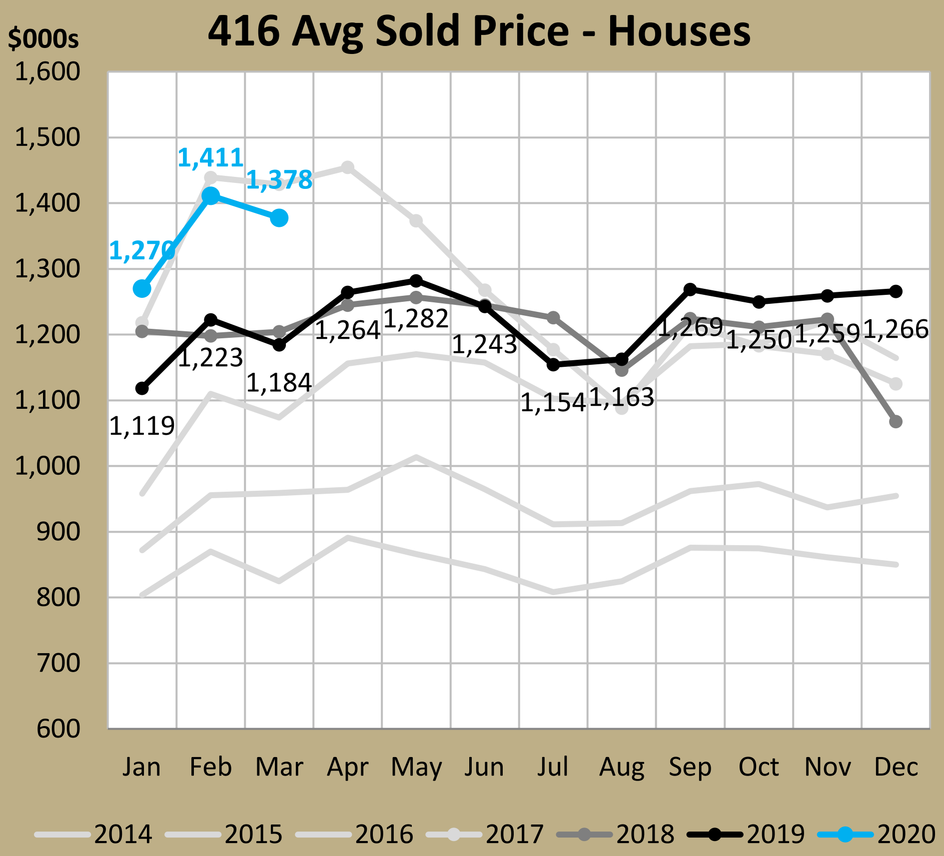
I also separate Toronto's **two distinct market segments**: houses (freeholds) and condos, because lumping them together obscures a lot of information, and you are probably more interested in one than the other. With segmentation and some historical context, I aim to give you a clearer vision of market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

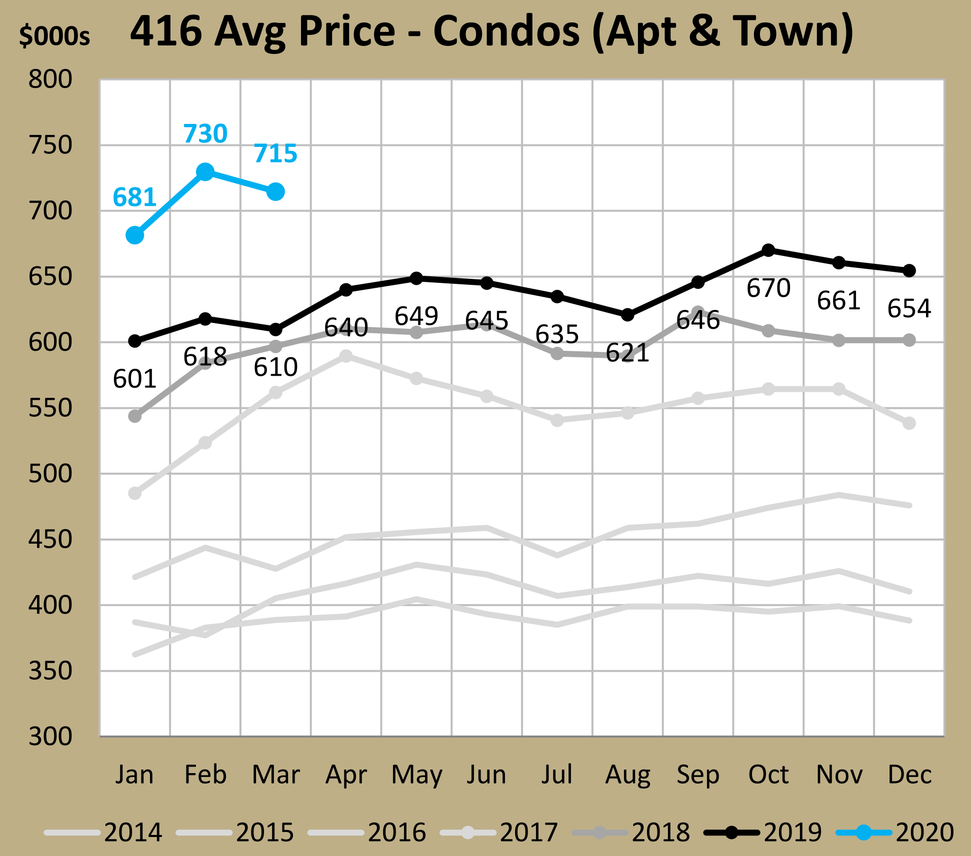
⬆⬇ indicator points to heating up (favours sellers), ⬆⬇ denotes cooling down (favours buyers)



416 Average Sold Price

(dollar volume ÷ number of transactions in the month)





Detached $1,465K / Semi $1,155K / Row $1,106K

Mar vs. '19: ⬆ $193K (16.3%)
Mar vs. '15: ⬆ $419K (44%)
5 year CAGR: ⬆ 7.5%

- Rowhouses set new high, Semis 2nd highest ever
- 11 of last 12 months have been >10% YoY
- Mar higher than Feb (+15.4%) despite last half slowing

Condo Apt $713K / Condo Townhouse $728K

Mar vs. '19: ⬆ $105K (17.2%)
Mar vs. '15: ⬆ $309K (76%)
5 year CAGR: ⬆ 12.0%

- Condos haven't had negative YoY since Feb 2015 (61 straight months)

416 Residential Sales Volume

(number of sold transactions in the month)

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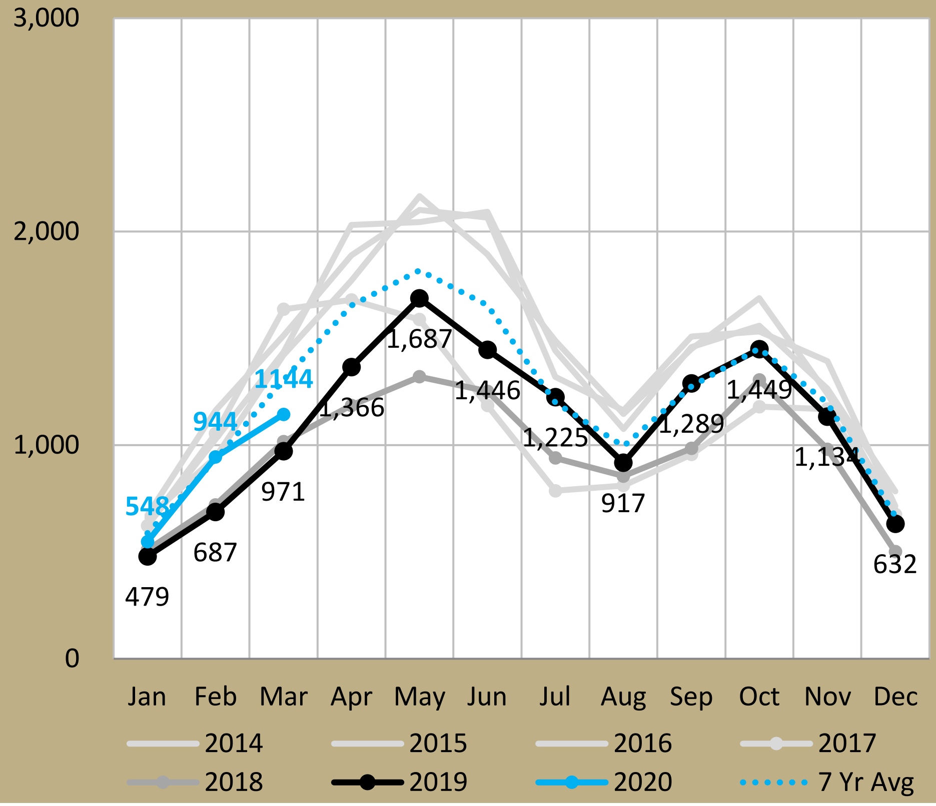
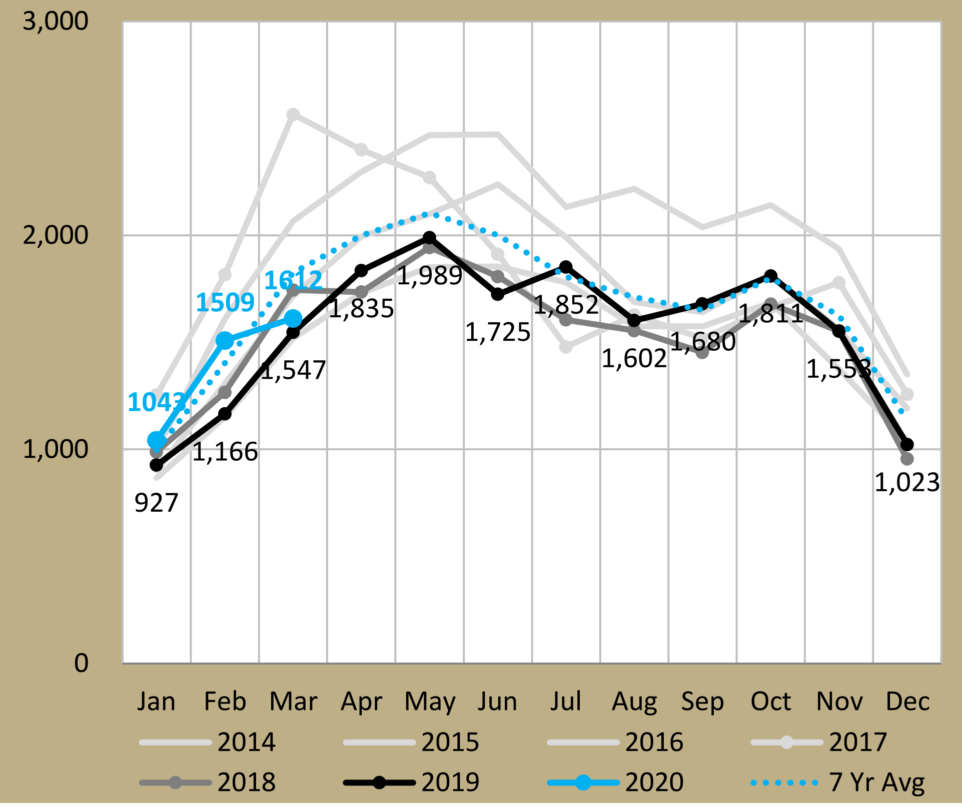
416 Sales - Houses (Det & Semi & Row)



416 Sales - Condos (Apt & Town)

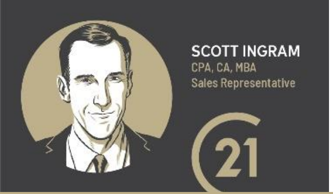


Mar vs. '19: ↑ 17.8% (vs. 7 Yr Avg: ↓ 12%)
YTD vs. '19: ↑ 23%

- YoY increase accelerated from 14% to 38% down to 18% (from last half of month slowdown)
- But went from 1% above 7-yr avg in Feb to 12% below
- Still largest Mar freehold volume since 2017
- 12 of last 12 months +10% or more over prior year

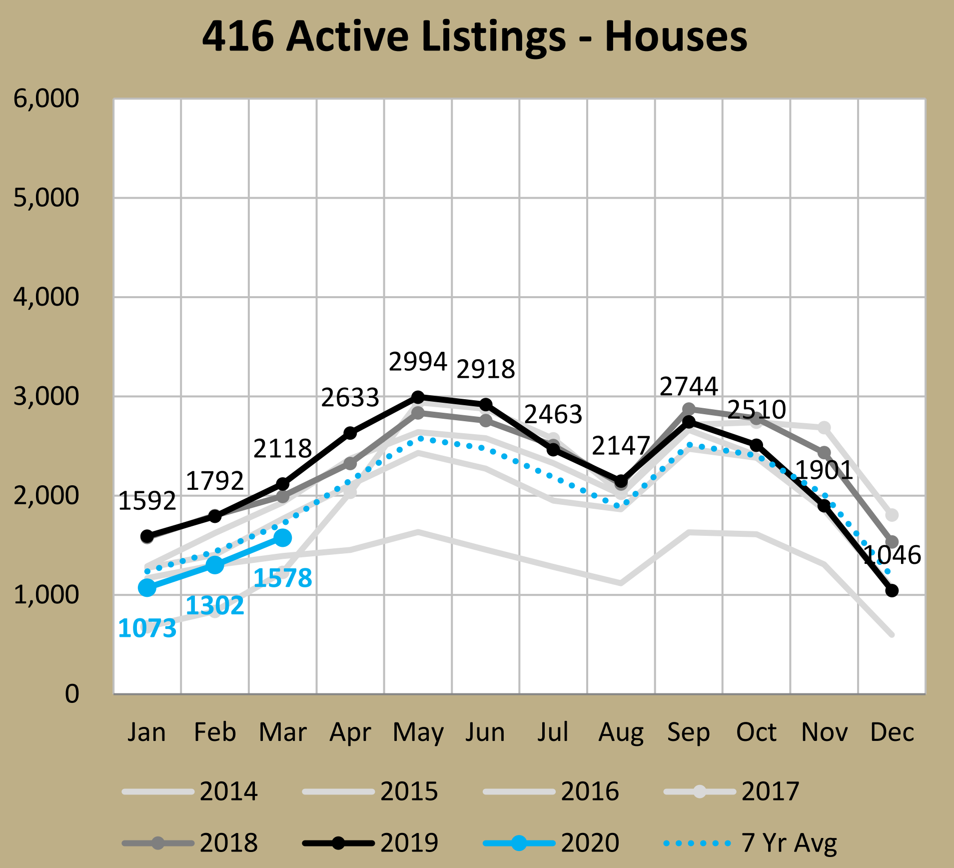
Mar vs. '19: ↑ 4.2% (vs. 7 Yr Avg: ↓ 12%)
YTD vs. '19: ↑ 14%

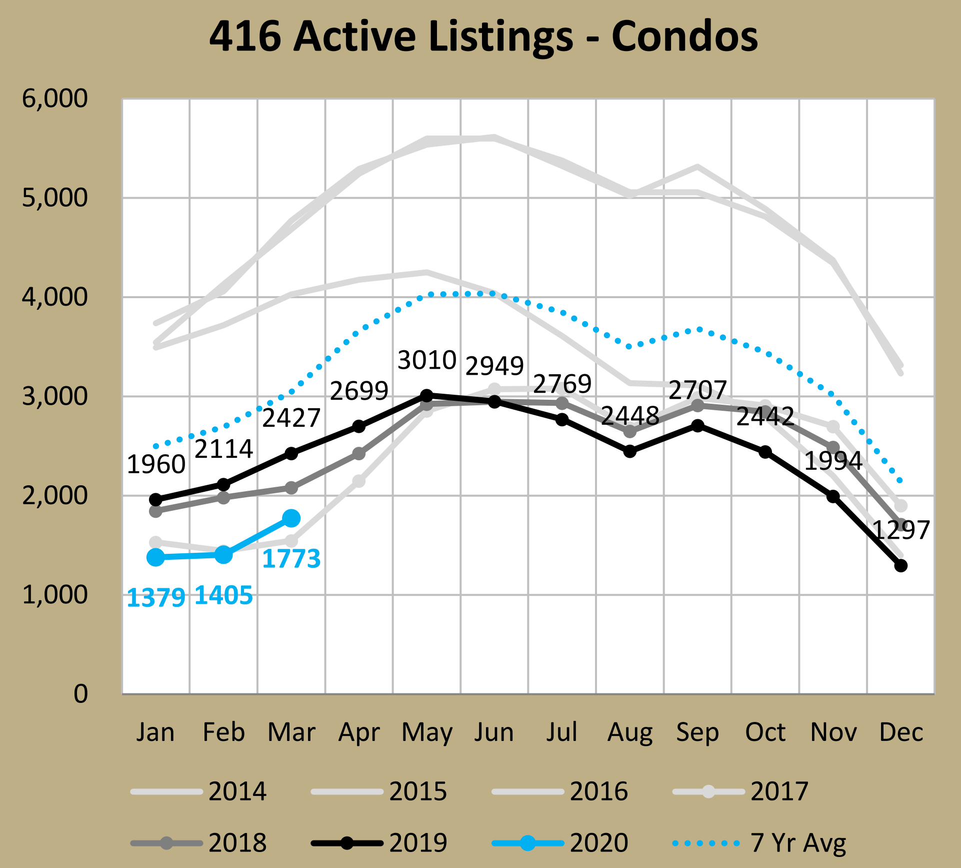
- Went from 8% above 7-yr avg to 12% below in one mo.
- Still 9th month in a row with higher sales than prior year



416 Active Listings

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



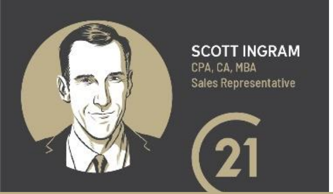


Mar vs. '19: ⬇ 25.5% (vs. 7 Yr Avg: ⬇ 8%)
YTD vs. '19: ⬇ 28%

- Had been above 7 Yr Avg. all last year, but last 5 months have dropped below
- Likely to remain low as people withhold during COVID-19

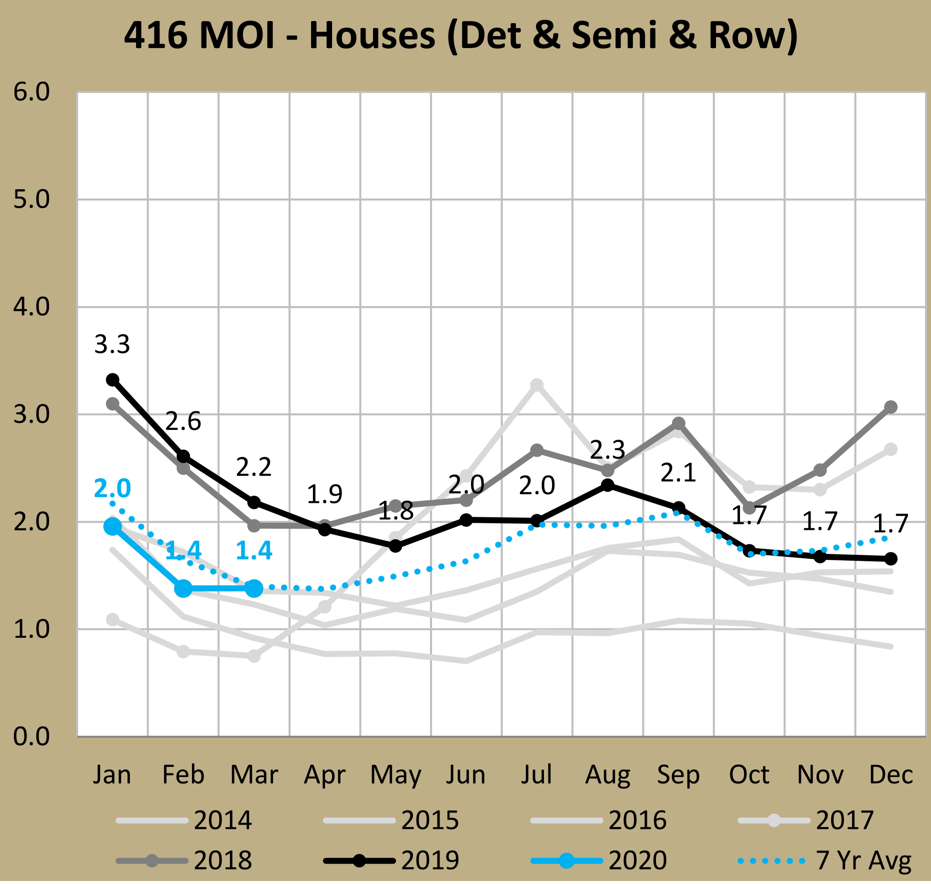
Mar vs. '19: ⬇ 26.9% (vs. 7 Yr Avg: ⬇ 42%)
YTD vs. '19: ⬇ 30%

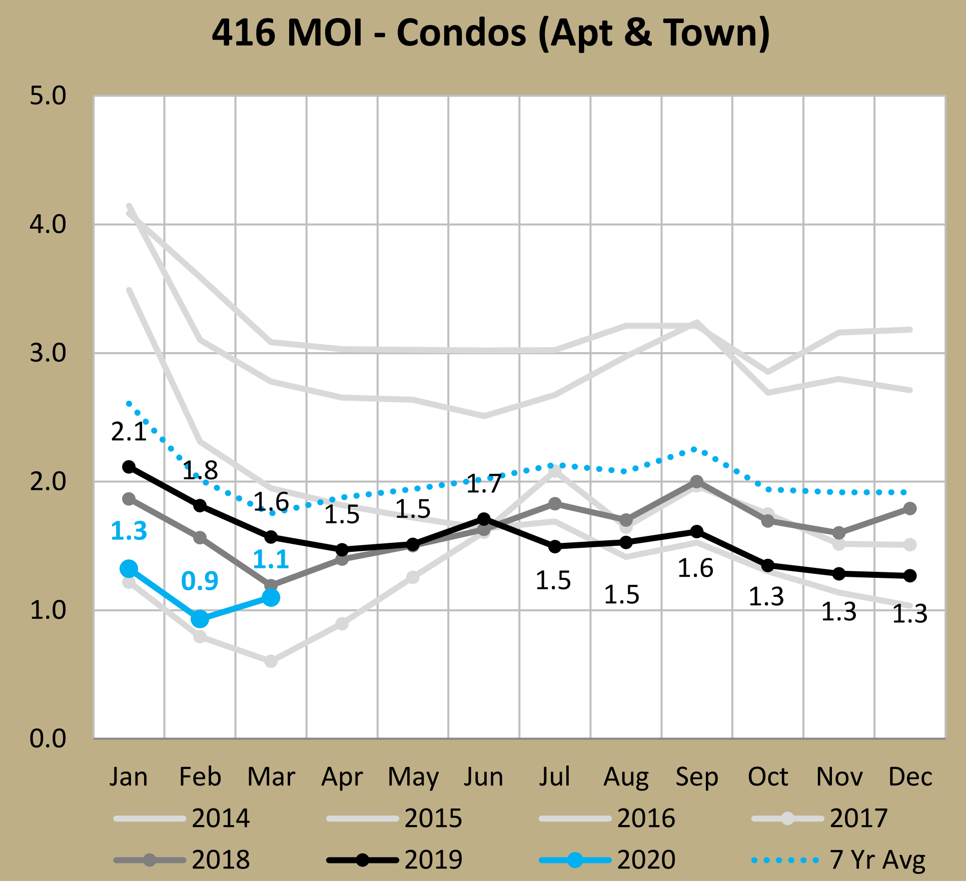
- Active Listings around 1,300 less than March 7 Yr Avg
- 368 increase from Feb to Mar very close to 368 avg of last 7 years
- Anecdotally were lot of downtown listings in March coming from former Airbnb units



416 Months Of Inventory

(active listings at month end ÷ sales for month)



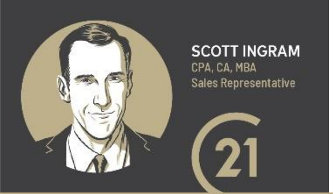


Mar vs. '19: ⬇ 0.8 months (-37%)
Mar vs. 7 Yr Avg: ⬅➡ 0.0 months (-1%)

- Last 12 months were lower than prior year
- Last 4 months have dipped below 7-year average
- Despite sales drop in last half of March, MOI was same as Feb

Mar vs. '19: ⬇ 0.5 months (-30%)
Mar vs. 7 Yr Avg: ⬇ 0.7 months (-37%)

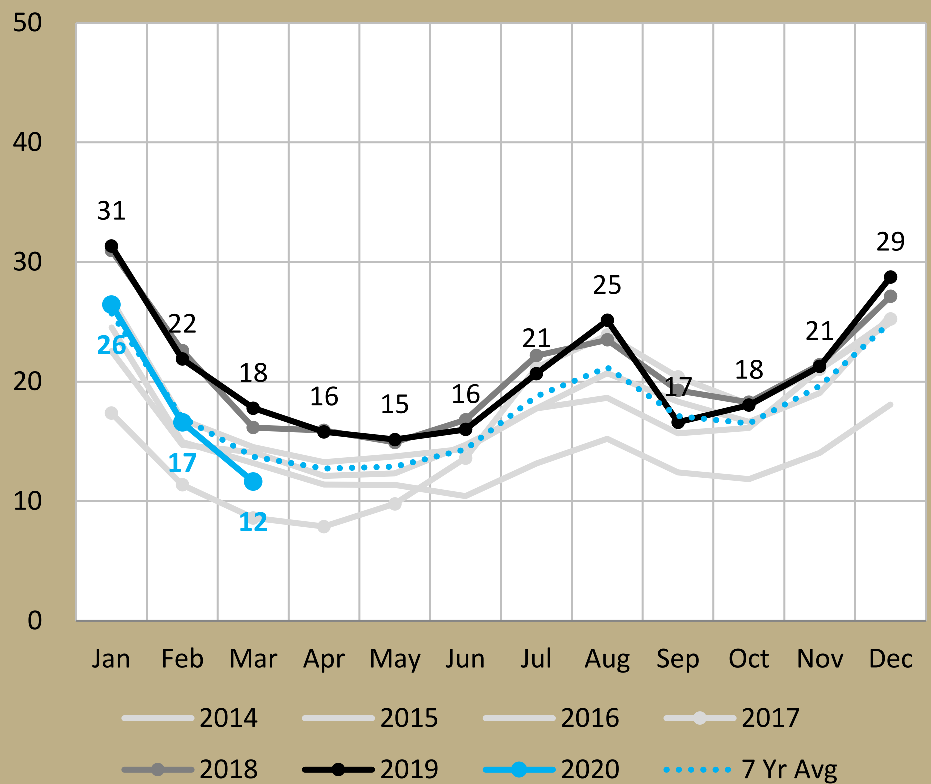
- Increased slightly from Feb, still ridiculously low
- Record 36 months in row condos < houses. In 254 months before March 2017, this only happened 19 times in total.
- Below 2.000 47 of last 49 months



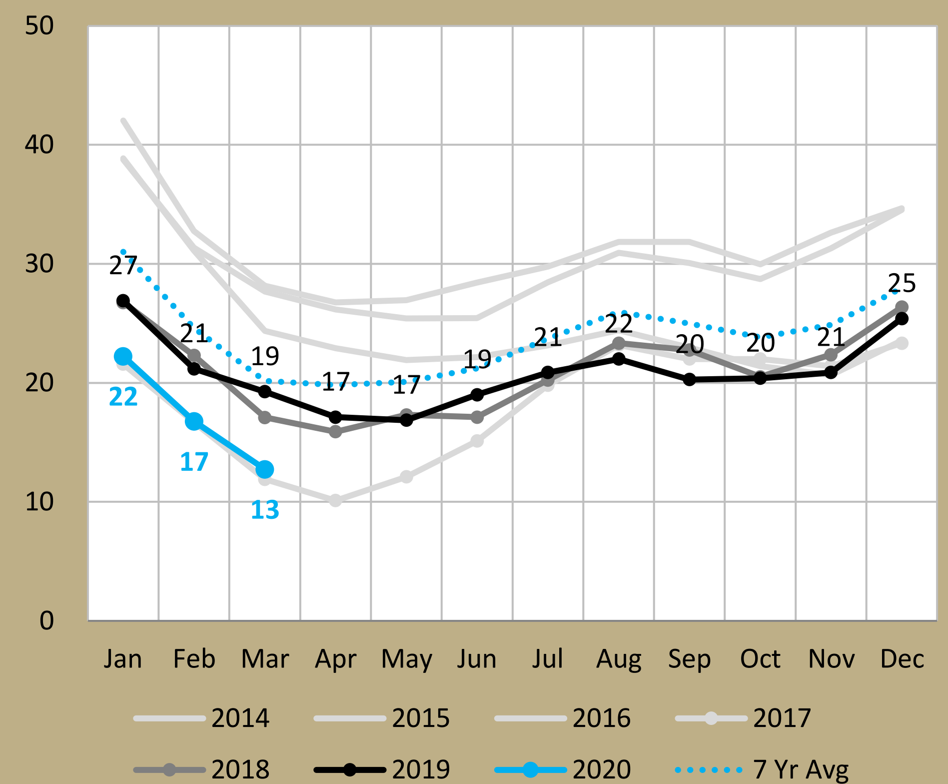
416 Average Days On Market

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

416 DOM - Houses (Det & Semi & Row)



416 DOM - Condos (Apt & Town)



Mar vs. '19: ↓ 6.1 days (-34%)
Mar vs. 7 Yr Avg: ↓ 2.1 days (-15%)

- Below 7-year averages for first time in awhile
- This uses LDOM (listing days on market), tracking the MLS#, not the property (new separate PDOM stat for that)

Mar vs. '19: ↓ 6.5 days (-34%)
Mar vs. 7 Yr Avg: ↓ 7.4 days (-37%)

- 2nd lowest Mar ever (last 25 years), hair back of '17
- Diverged lower from averages in spring 2016 and has stayed low since

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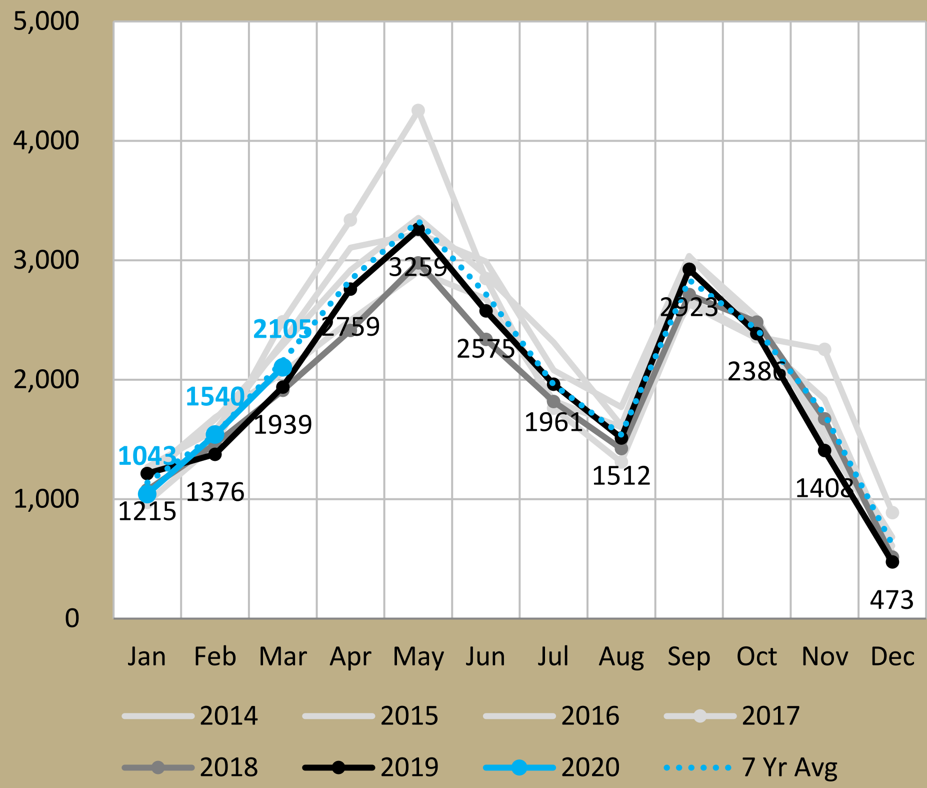
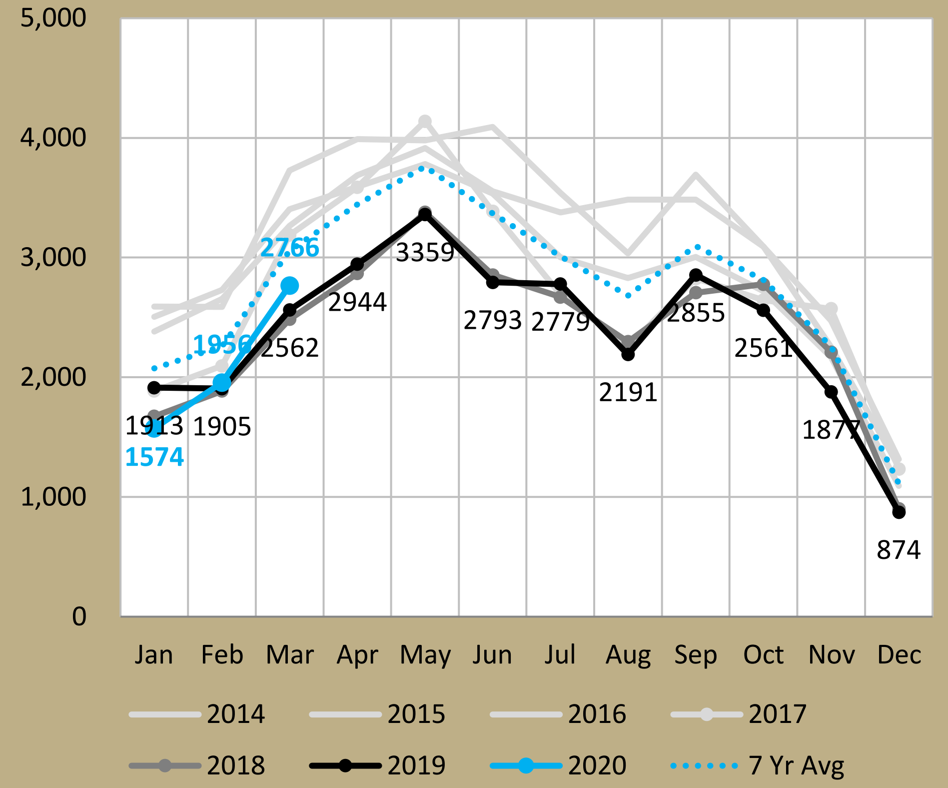
416 New Listings

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

416 New Listings - Houses



416 New Listings - Condos (Apt & Town)



Mar vs. '19: ⬆ 9% (vs. 7 Yr Avg: ⬇ 2%)
YTD vs. '19: ⬆ 3%

- Will watch this closely. COVID-19 should slow down new listings because nobody wants strangers walking through their houses. But on other hand, some might fear looming recession and possible lower prices
- Terminations and re-listings distort this stat

Mar vs. '19: ⬆ 8% (vs. 7 Yr Avg: ⬇ 10%)
YTD vs. '19: ⬇ 1%

- Will these rise from Airbnb owners and negative cashflow "investors" losing their jobs?
- Still low historically leading to very low active listings

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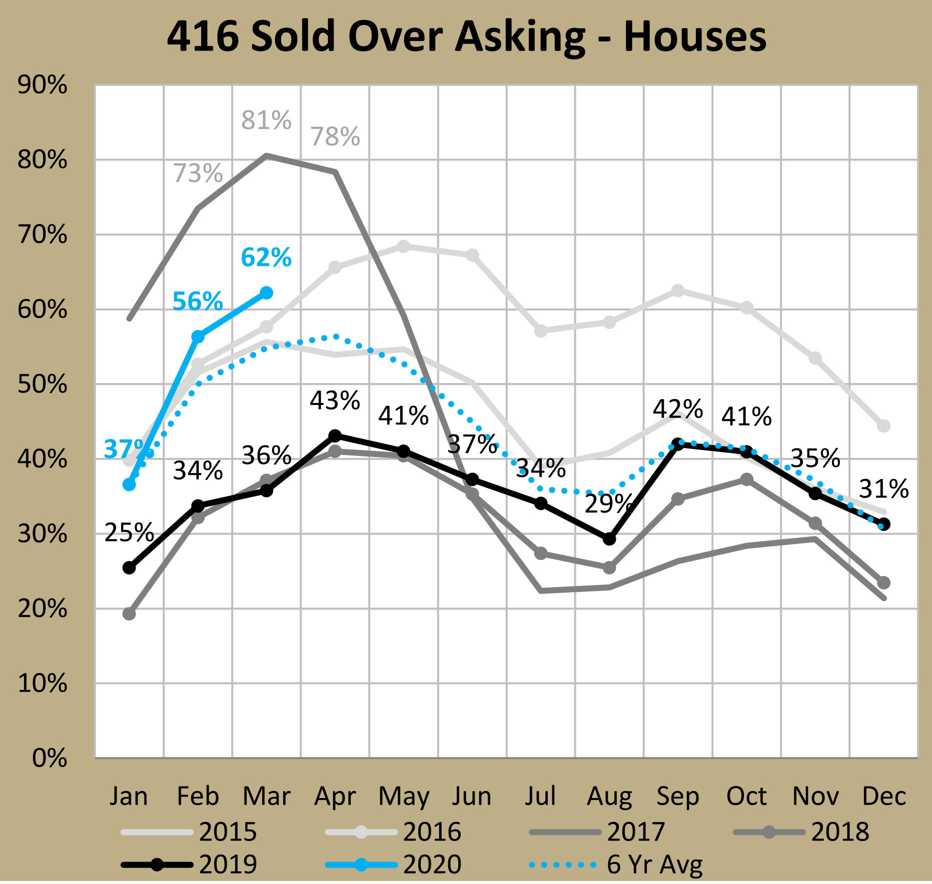
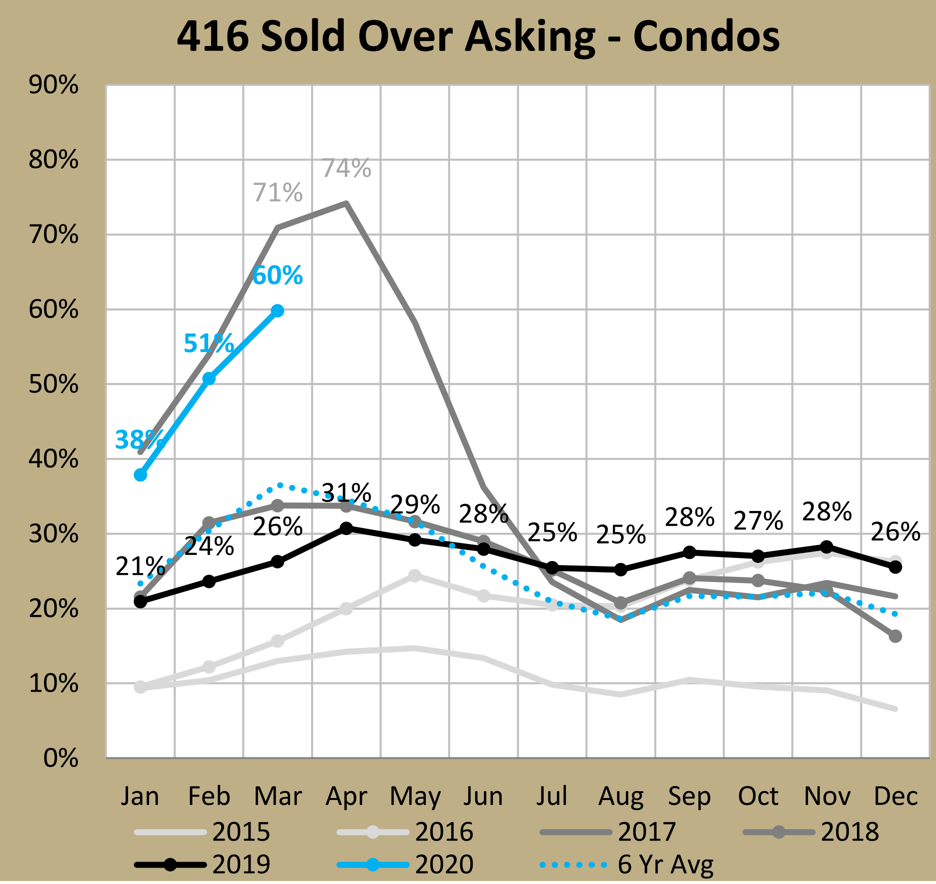
416 Sold Over Asking

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



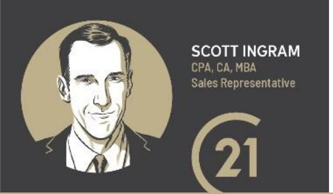


101% or more of asking Mar vs. '19: ⬆ 26 pp
Month-over-month: ⬆ 6 pp

- Surprise that 2nd half of March > 1st half in this stat
- Second highest March number ever
- 20 of last 21 months higher than prior year
- Full year numbers: 2015 47% • 2016 60% • 2017 49% • 2018 34% • 2019 37%

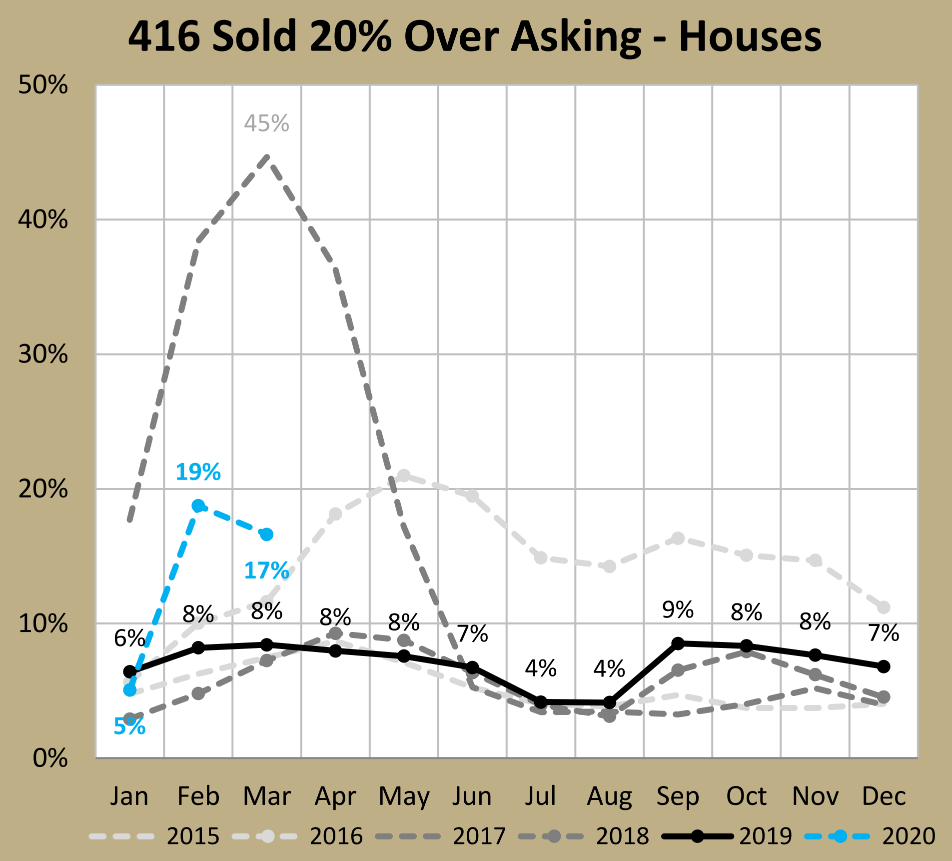
101% or more of asking Mar vs. '19: ⬆ 34 pp
Month-over-month: ⬆ 9 pp

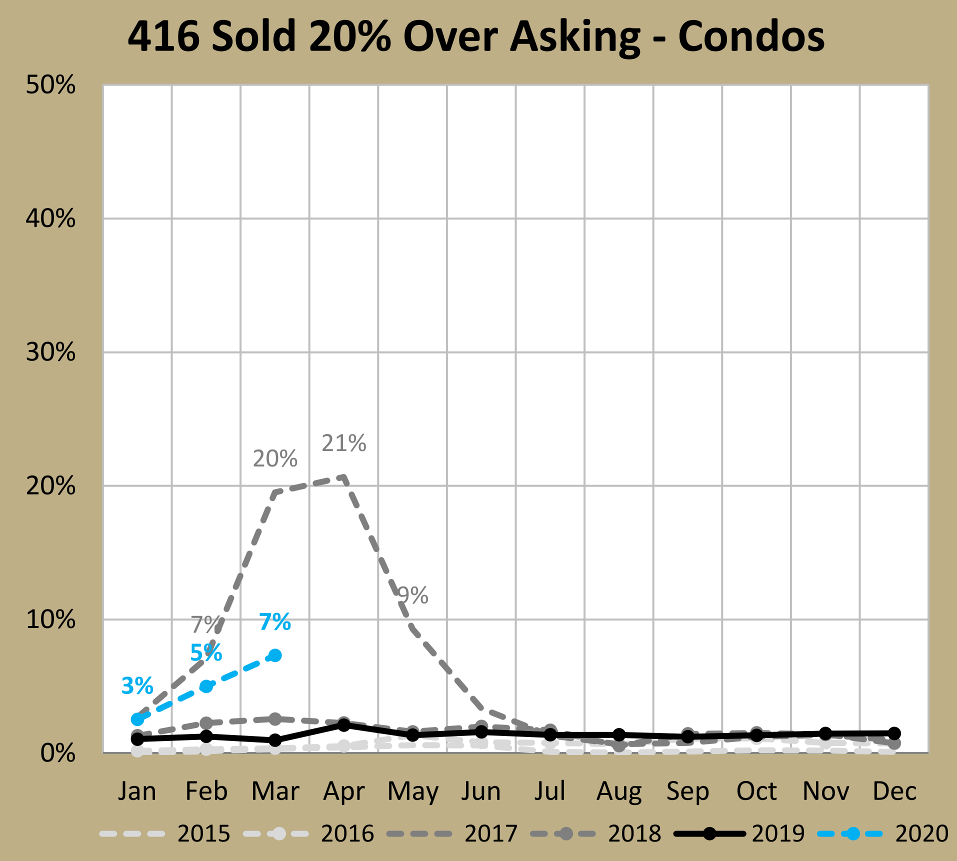
- Condo SOA dropped in 2nd half of March
- Still 2nd highest Mar number ever
- Days of SOA for a condo being just for unique properties (11% for all 2015 sales) seem to be gone (2016 21% • 2017 42% • 2018 27% • 2019 27%)



416 Sold 20% Over Asking

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





120% or more of asking Mar vs. '19: ⬆ 8 pp
Month-over-month: ⬇ 2 pp

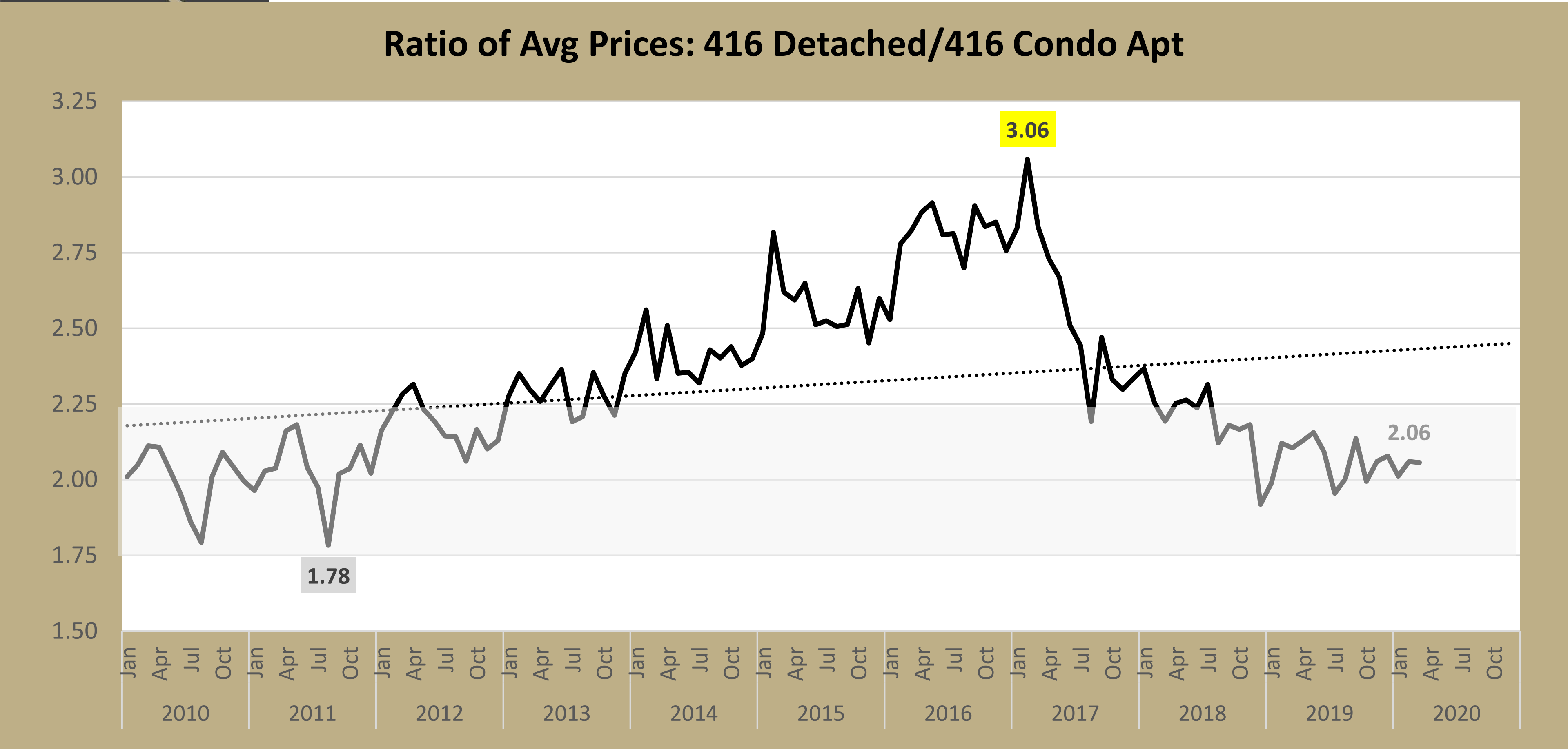
- Last month I wrote "Doubt we'll reach 45% of 2017"
- Was already trending downward throughout the month, perhaps indicating some sanity returning

120% or more of asking Mar vs. '19: ⬆ 6 pp
Month-over-month: ⬆ 2 pp

- Peaked at 10% in 2nd week of month, but was down to 4% by end of month, trending downward.

416 Detached/Condo price ratio

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

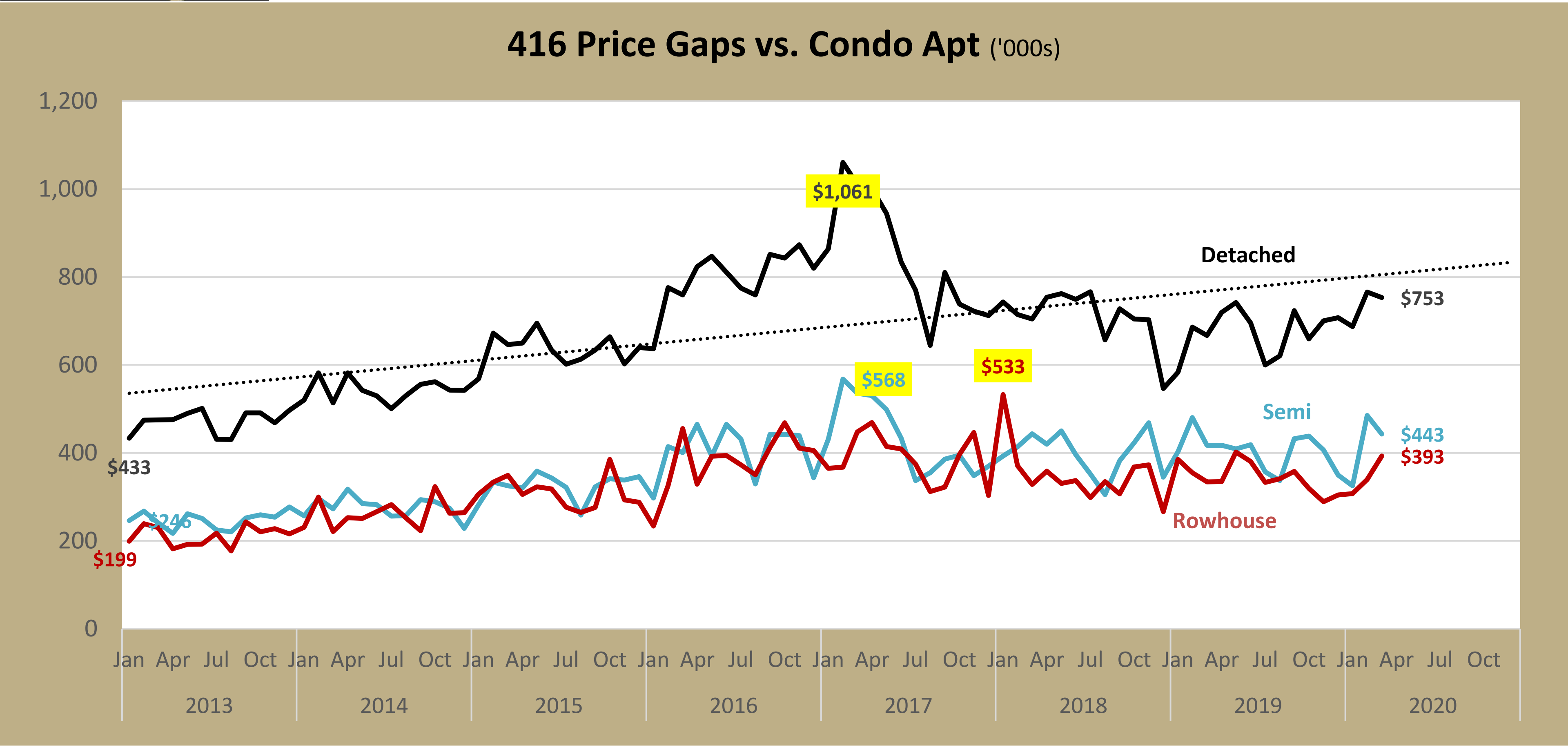


Current ratio: 2.06
Month-over-month: 0.00

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

416 Price Gaps vs. Condo Apt

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



Current **Detached** dollar gap: $753K
Prior month dollar gap: $763K (⬇ $10K)

Prior year dollar gap: $667K (⬆ $86K)
2 yrs prior dollar gap: $704K (⬆ $49K)

Current **Semi** dollar gap: $443K
Prior mth dollar gap: $485K (⬇ $42K)

Prior year dollar gap: $417K (⬆ $26K)
2 yrs prior dollar gap: $444K (⬇ $1K)

Current **Rowhouse** dollar gap: $393K
Prior month dollar gap: $340K (⬆ $53K)

Prior year dollar gap: $334K (⬆ $59K)
2 yrs prior dollar gap: $328K (⬆ $65K)

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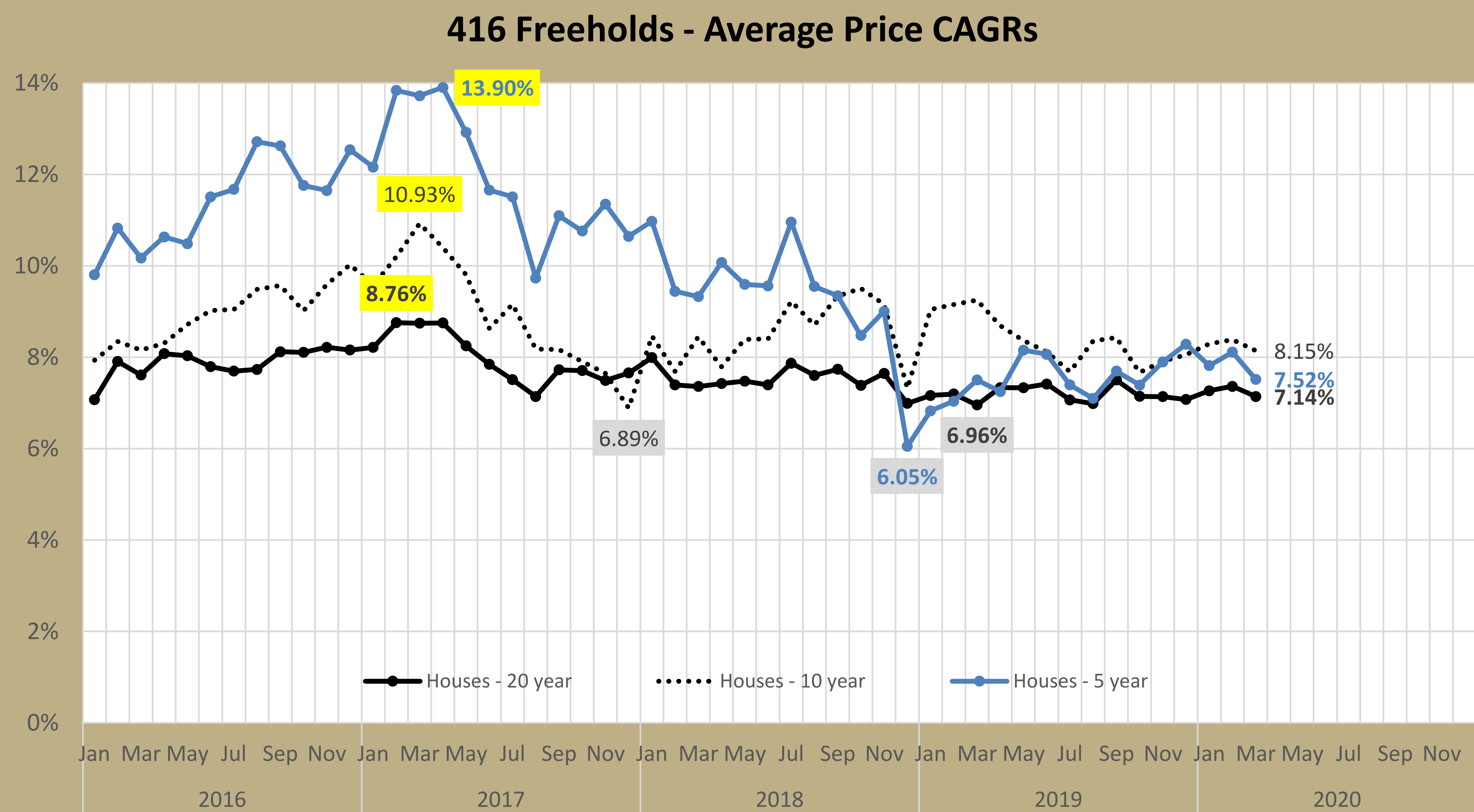
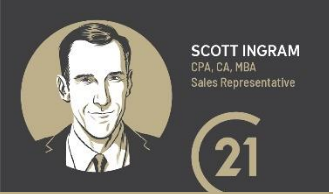
416 Price CAGRs – Freehold

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



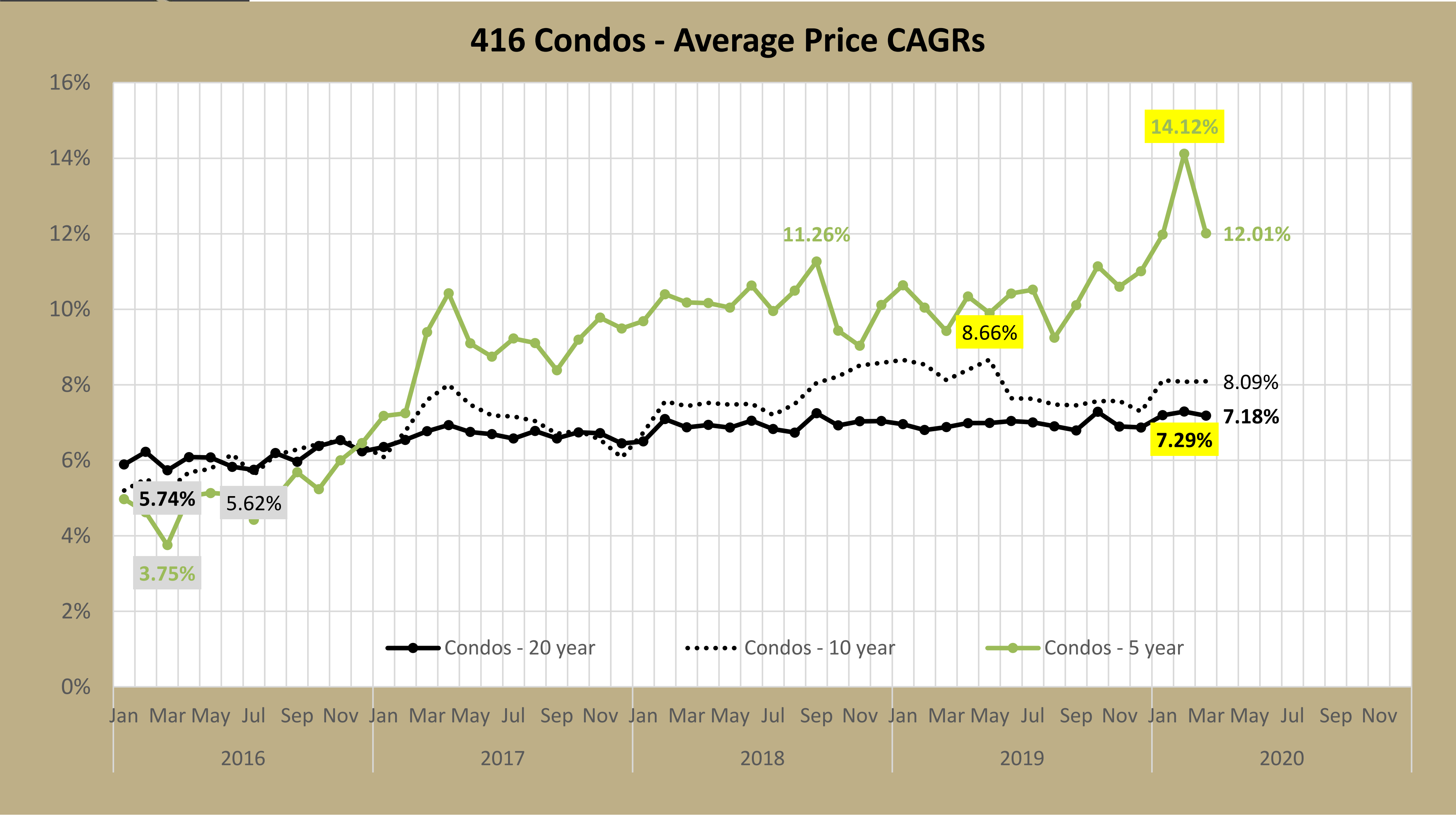
20 year **House** performance: 20 year CAGR (as at current month) is 7.14%; MoM change ⬇ 21 bps

20 year **Condo** performance: 20 year CAGR (as at current month) is 7.18%; MoM change ⬇ 11 bps



416 Price CAGRs – Condo

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



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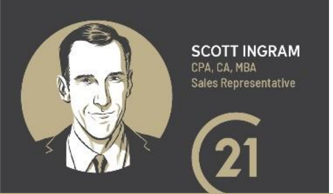
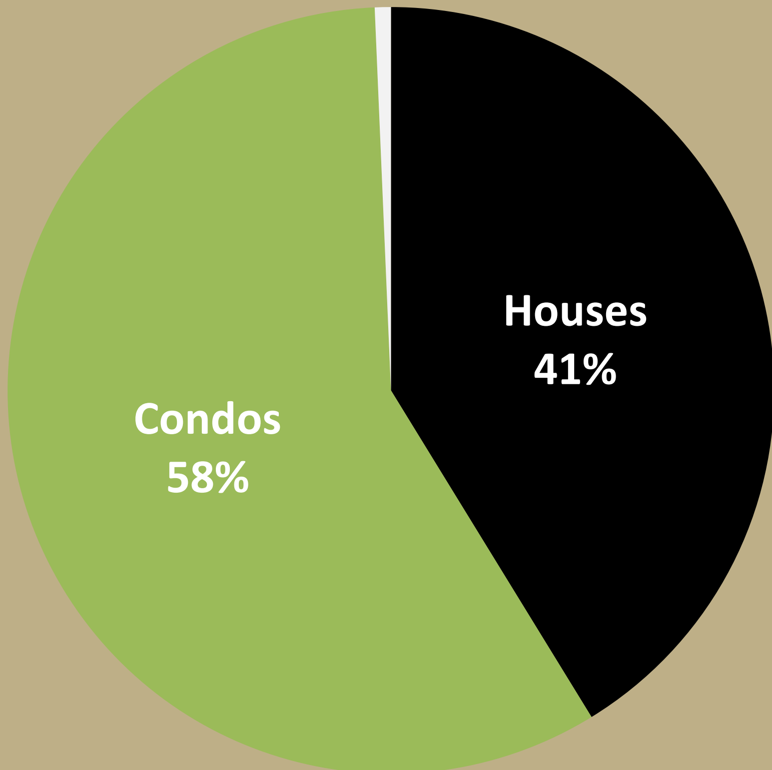
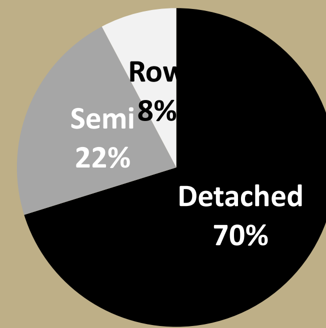


416 Market Breakdown

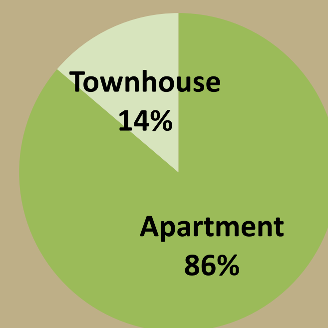
Share of Transactions - last 12 months



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%

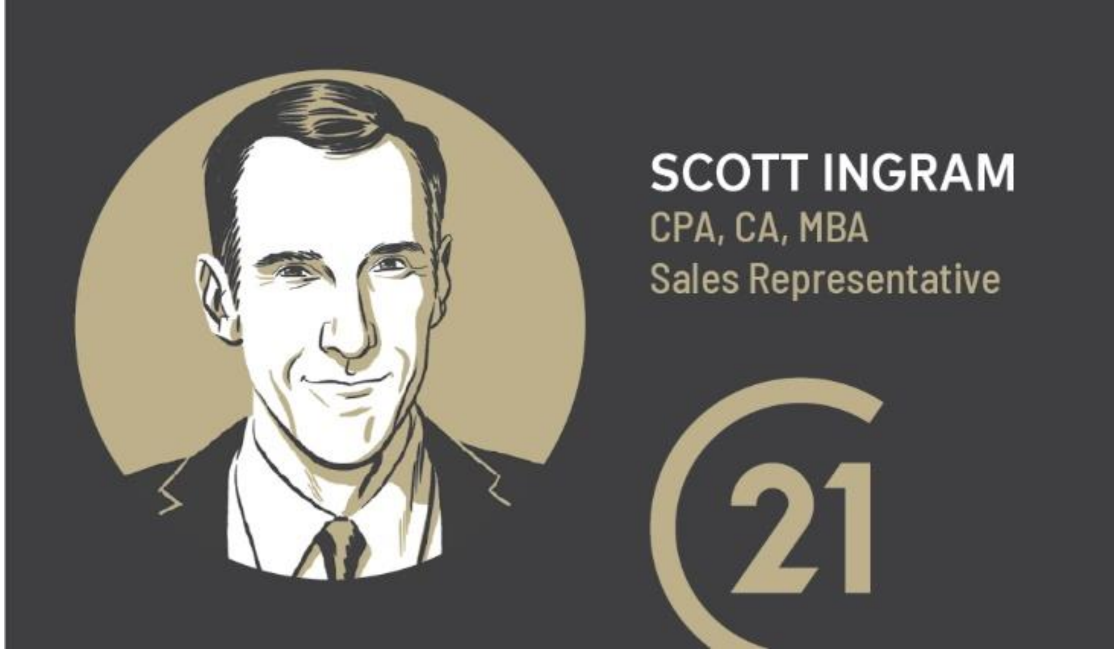
10 years ago: Condos 49% / Houses 50%

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%).



Would you like to make better-informed real estate decisions? I believe knowledge is power. So I invest a lot of time researching and analyzing data and trends in the Toronto real estate market. My Chartered Accountant (CPA, CA) side also compels me to dig way deeper than most agents into the numbers on individual properties my clients are interested in. If you would like to benefit from the same type of analysis and insight that is sought by media outlets and institutional investors, reach out. Because better information = better decisions.

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

Click for more fresh statistics and insight on Toronto real estate:

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