

# Toronto Real Estate Market Charts

May 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.

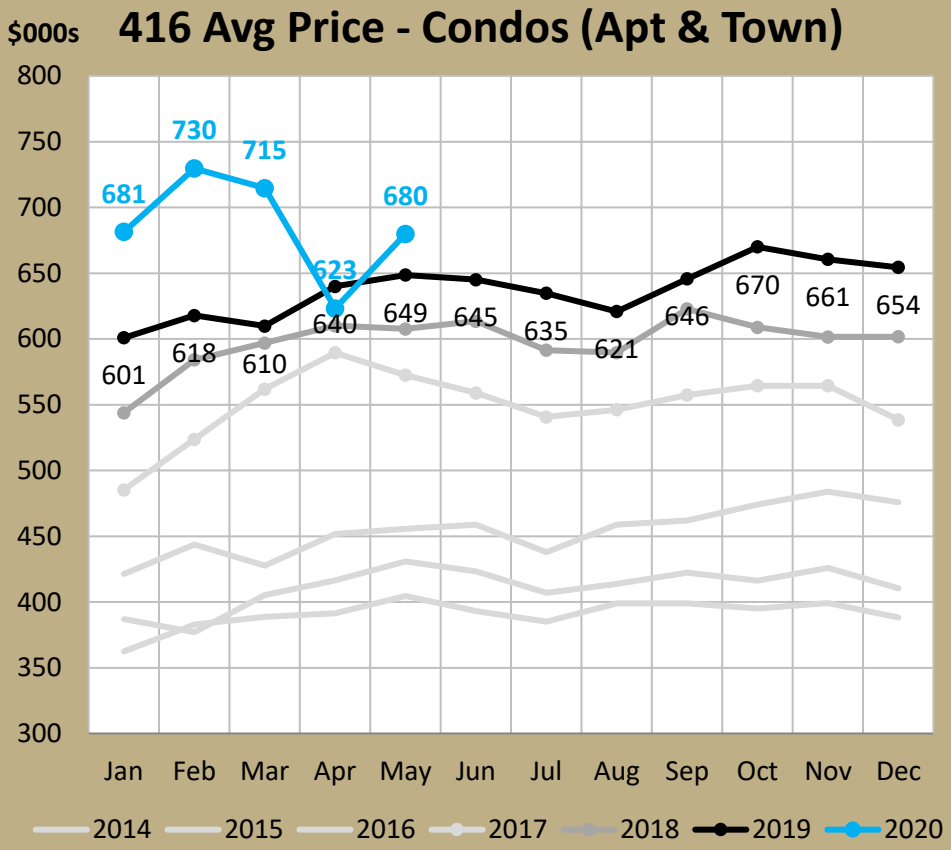
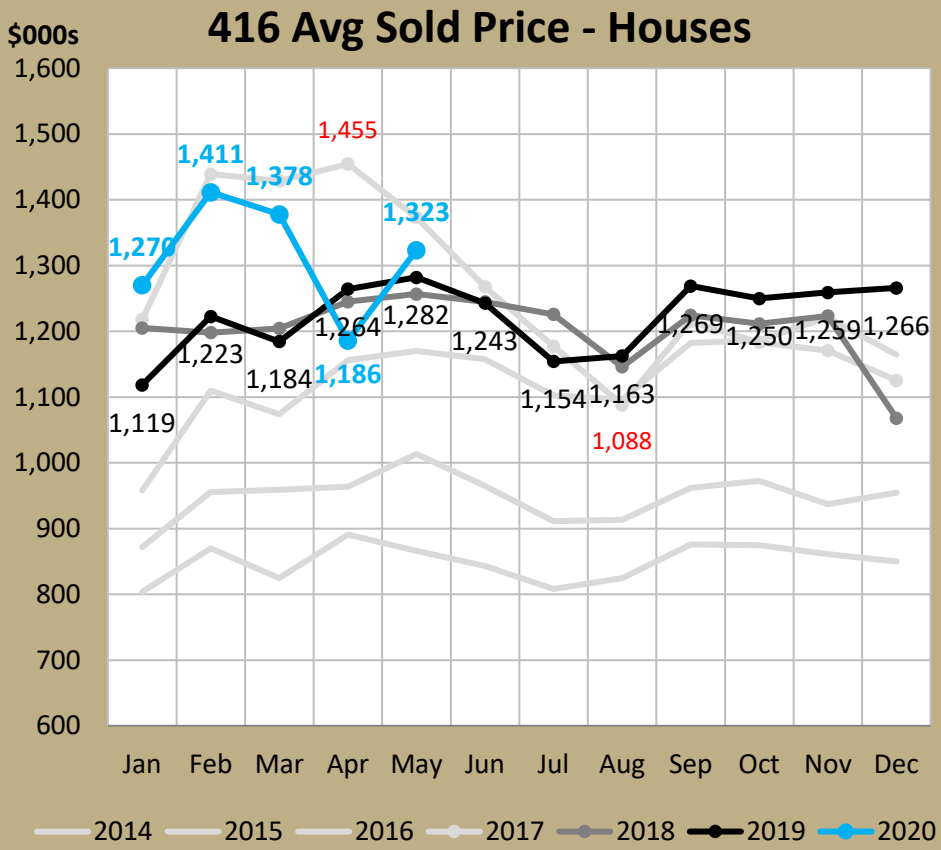
I also separate Toronto's **two distinct market segments**: houses (freeholds) and condos, because lumping them together obscures a lot of information, and you are probably more interested in one than the other. With segmentation and some historical context, I aim to give you a clearer vision of market 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 \$1,422K / Semi \$1,143K / Row \$1,107K

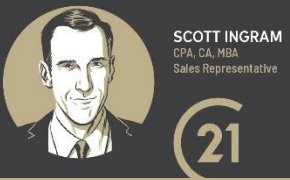
May vs. '19: ▲ \$41K (3.2%)  
 May vs. '15: ▲ \$310K (31%)  
 5 year CAGR: ▲ 5.5%

- May +11.6% MoM recovery after April -13.9% MoM
- Big picture is up over last year and 2<sup>nd</sup> highest May ever

#### Condo Apt \$612K / Condo Townhouse \$698K

May vs. '19: ▲ \$31K (4.8%)  
 May vs. '15: ▲ \$249K (58%)  
 5 year CAGR: ▲ 9.6%

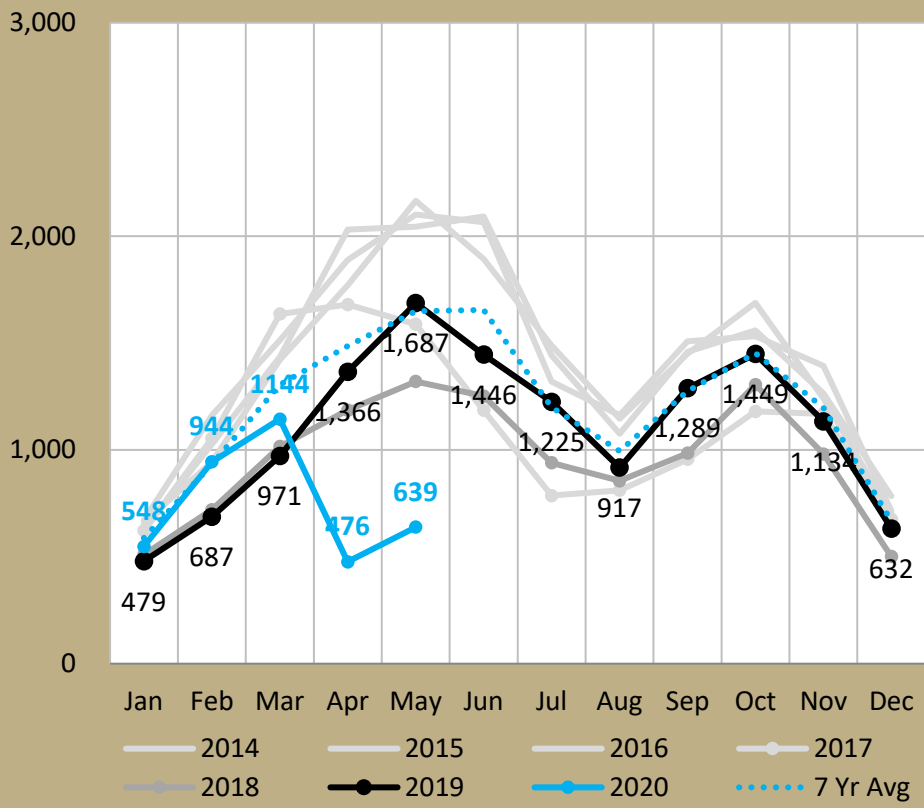
- May +9.1% MoM recovery after April -12.8% MoM
- Apr was 1<sup>st</sup> YoY decrease since Feb 2015 (61 months)
- Big picture was highest May prices ever



# 416 Residential Sales Volume

(number of sold transactions in the month)

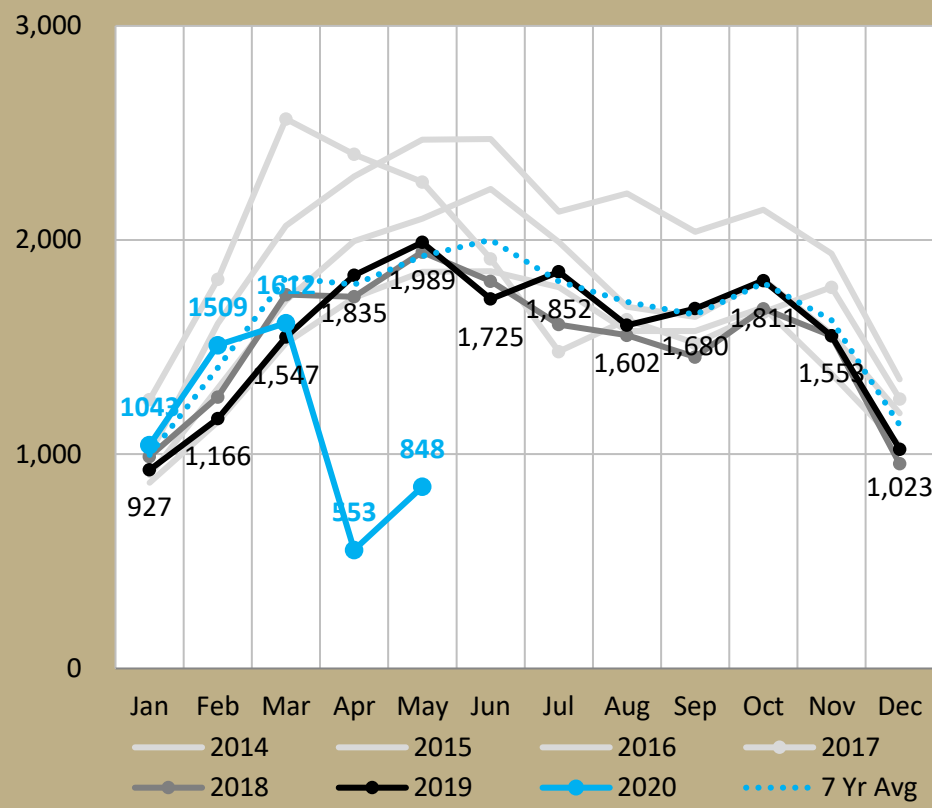
## 416 Sales - Houses (Det & Semi & Row)



May vs. '19: ↓ 62% (vs. 7 Yr Avg: ↓ 61%)  
 YTD vs. '19: ↓ 28%

- April was lowest volume ever (last 25 years) by 60%, May also lowest, but 8% (42% off 2<sup>nd</sup> lowest)
- Prior 12 months to March had been +10% or more over prior year

## 416 Sales - Condos (Apt & Town)



May vs. '19: ↓ 57.4% (vs. 7 Yr Avg: ↓ 56%)  
 YTD vs. '19: ↓ 25%

- April was lowest volume in at least 25 years (by 23%), May has "improved" to worst volume since 1998
- April ended 9 month streak of YoY sales increases

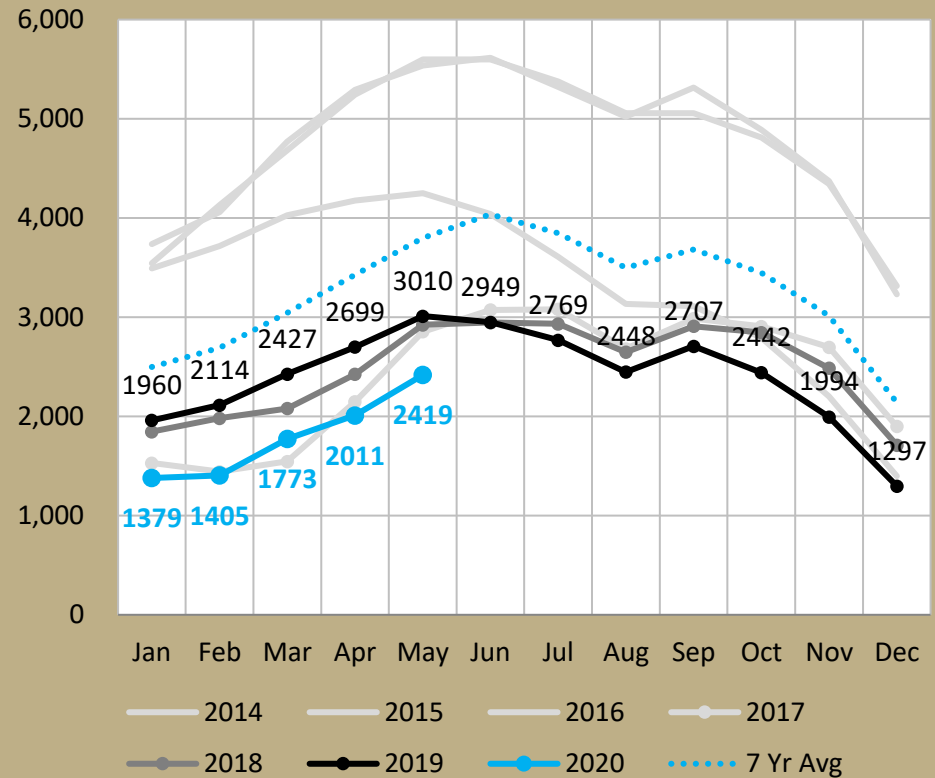
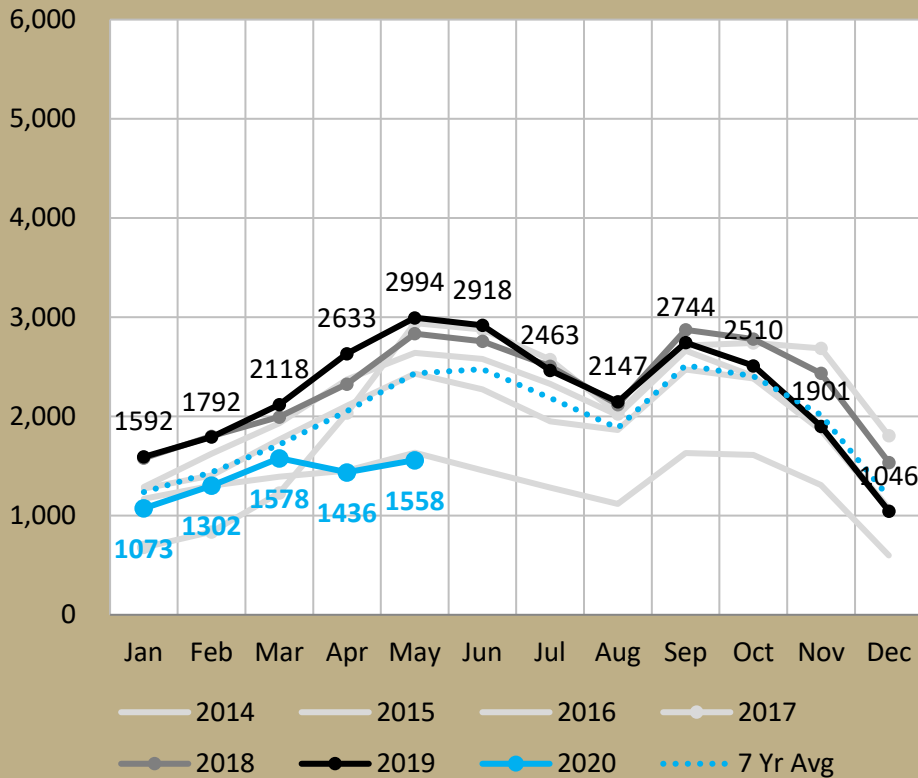


# 416 Active Listings

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

## 416 Active Listings - Houses

## 416 Active Listings - Condos

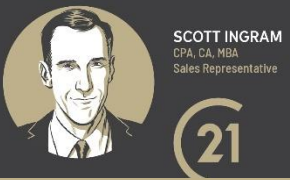


May vs. '19: ↓ 48.0% (vs. 7 Yr Avg: ↓ 36%)  
 YTD vs. '19: ↓ 38%

May vs. '19: ↓ 19.6% (vs. 7 Yr Avg: ↓ 36%)  
 YTD vs. '19: ↓ 26%

- Lowest May ever, though close to hot 2016 (4.6% less)
- Active Listings around 900 less than May 7 Yr Avg
- likely to remain low during COVID-19

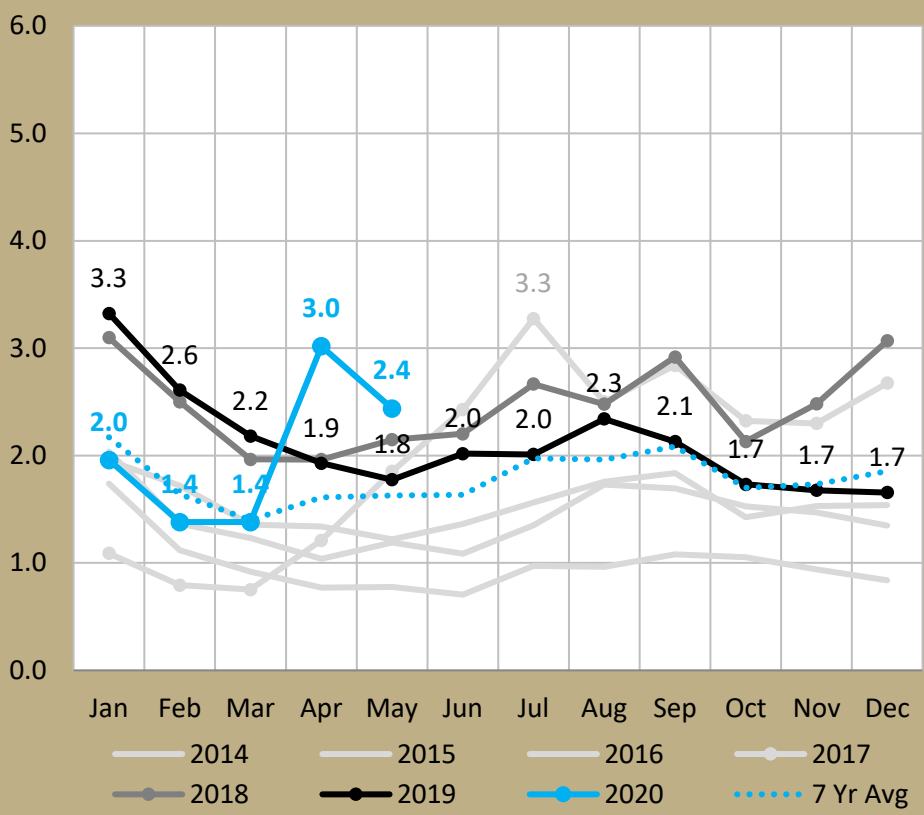
- Active Listings around 1,400 less than May 7 Yr Avg
- Last time lower May was 2001 (lot less built back then)
- Should climb through June



# 416 Months Of Inventory

(active listings at month end ÷ sales for month)

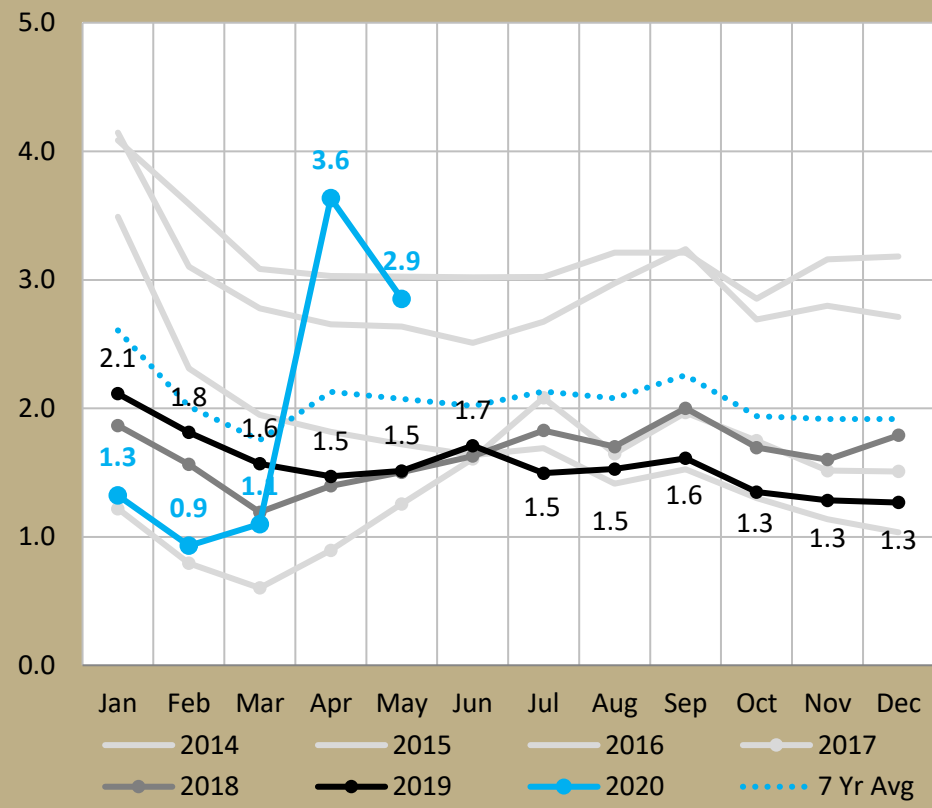
## 416 MOI - Houses (Det & Semi & Row)



May vs. '19: ▲ 0.7 months (37%)  
 May vs. 7 Yr Avg: ▲ 0.8 months (50%)

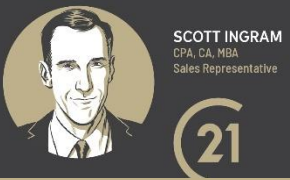
- Very sharp rise in April (by 1.6), but came back down in May (by 0.6) and closer to recent norms.
- Highest May since 2008 (2.7)
- May 10-yr average is 1.6, 25-yr average is 2.0

## 416 MOI - Condos (Apt & Town)



May vs. '19: ▲ 1.3 months (88%)  
 May vs. 7 Yr Avg: ▲ 0.8 months (38%)

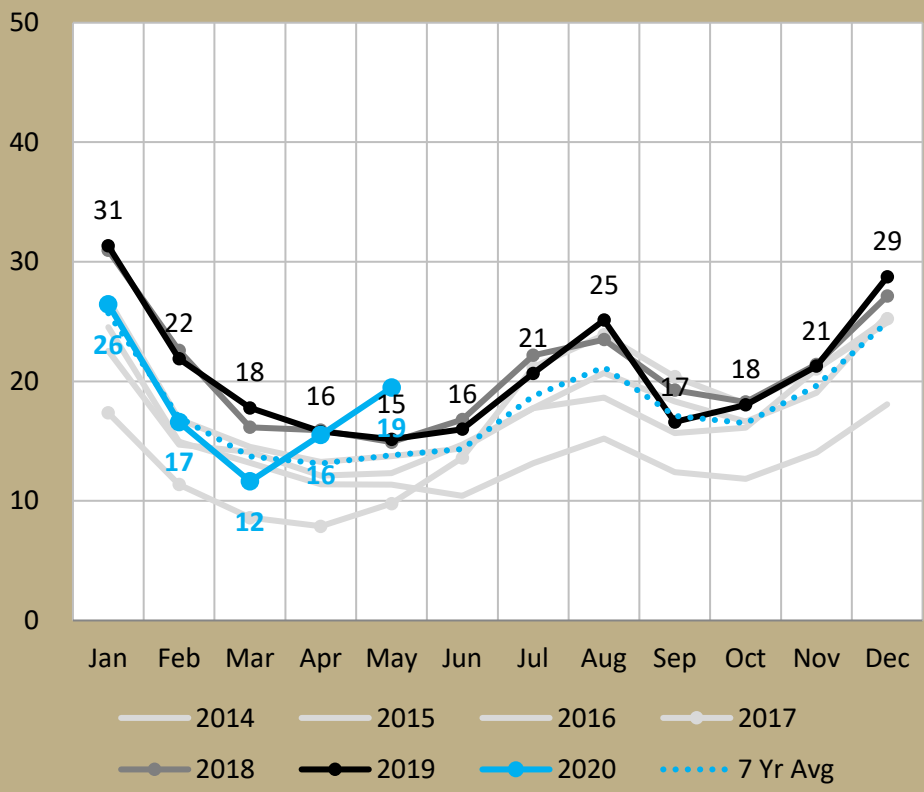
- Highest May since 2014 (3.0)
- Very sharp rise for in April (2.5). 2017 rise was 1.5 in 4 months. Came back by 0.7 in May.
- May 10-yr average is 2.3, 25-yr average is 2.6
- April ended record 36 months in row condos < houses



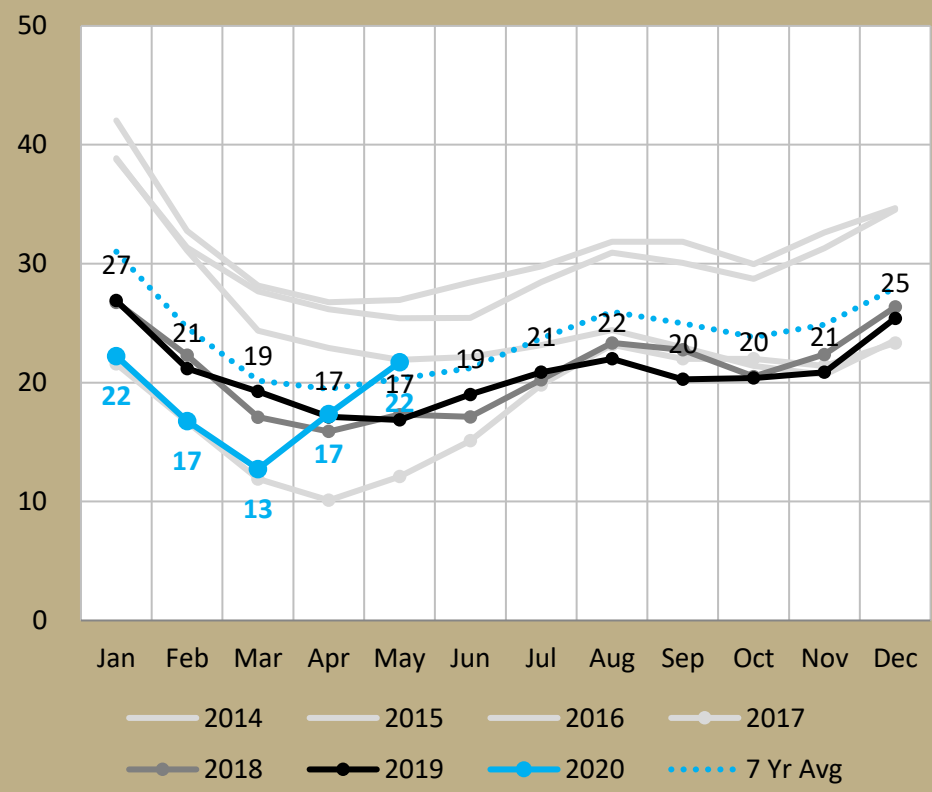
# 416 Average Days On Market

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

## 416 DOM - Houses (Det & Semi & Row)



## 416 DOM - Condos (Apt & Town)

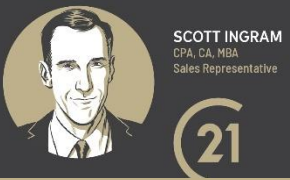


May vs. '19: ▲ 4.3 days (29%)  
 May vs. 7 Yr Avg: ▲ 5.7 days (41%)

- Highest may since 2009 (26)
- 2 mos. in a row of growing when usually steady/down
- This uses LDOM (listing days on market), tracking the MLS#, not the property (TRREB calls PDOM)

May vs. '19: ▲ 4.8 days (29%)  
 May vs. 7 Yr Avg: ▲ 1.4 days (7%)

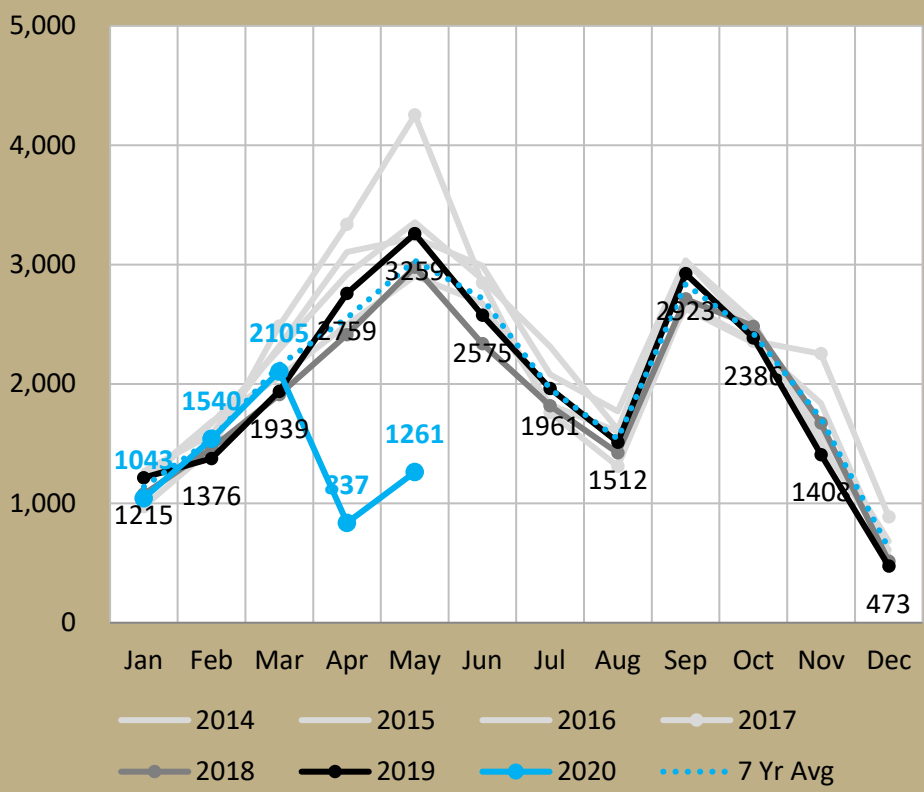
- Highest May since 2016; is still 4<sup>th</sup> lowest May ever
- Diverged lower from averages in spring 2016 and has stayed low since



# 416 New Listings

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

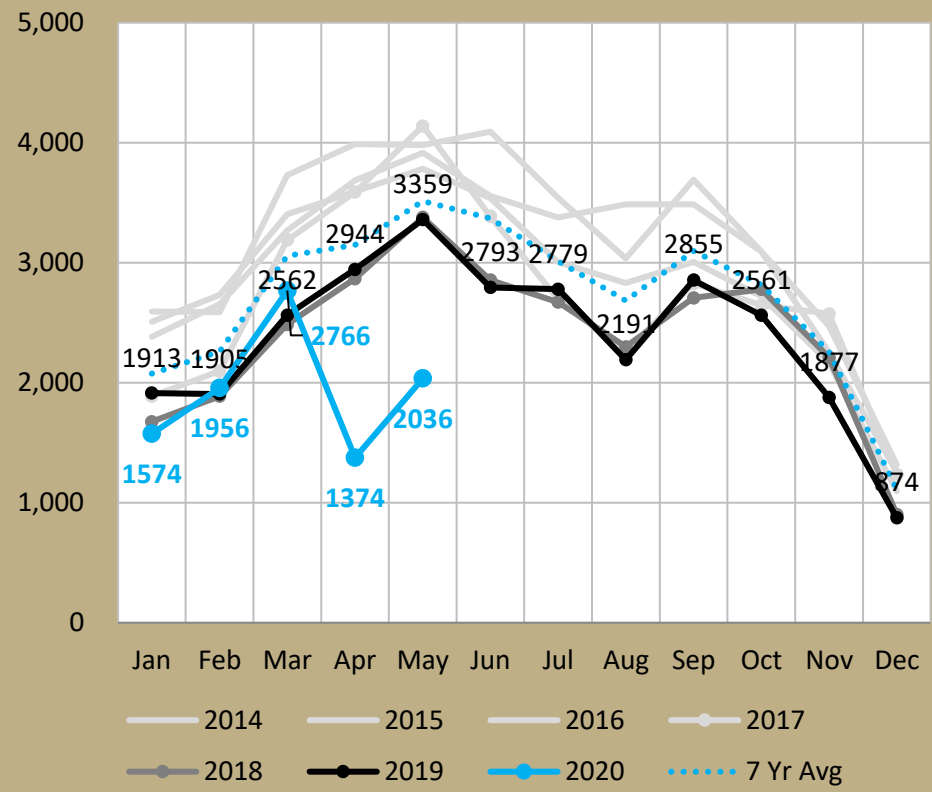
## 416 New Listings - Houses



May vs. '19: ↓ 61% (vs. 7 Yr Avg: ↓ 58%)  
 YTD vs. '19: ↓ 36%

- 2000 new listings less than last year, and nearly 1800 less than 7-yr average
- I expect them to grow in June though usually decline
- Terminations and re-listings distort this stat

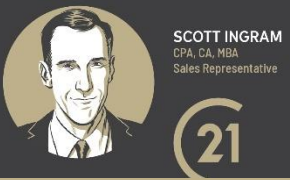
## 416 New Listings - Condos (Apt & Town)



May vs. '19: ↓ 39% (vs. 7 Yr Avg: ↓ 42%)  
 YTD vs. '19: ↓ 23%

- 1300 less than last year, about 1500 less than 7-yr avg
- I expect them to grow in June though usually decline
- Less new listings leading to very low active listings

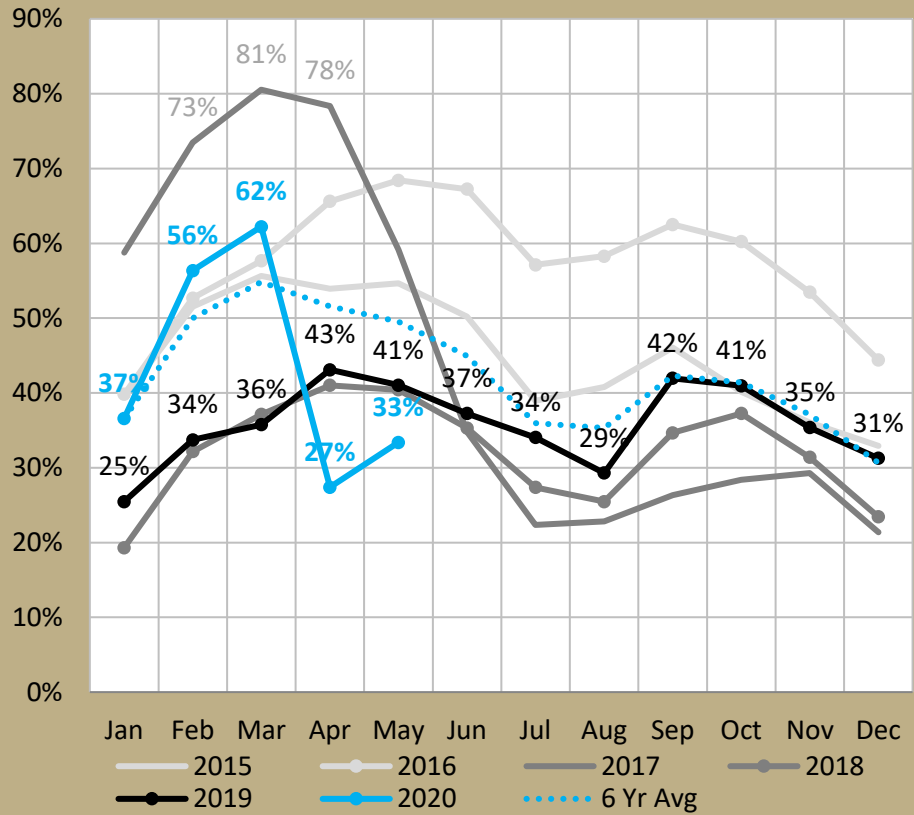




# 416 Sold Over Asking

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

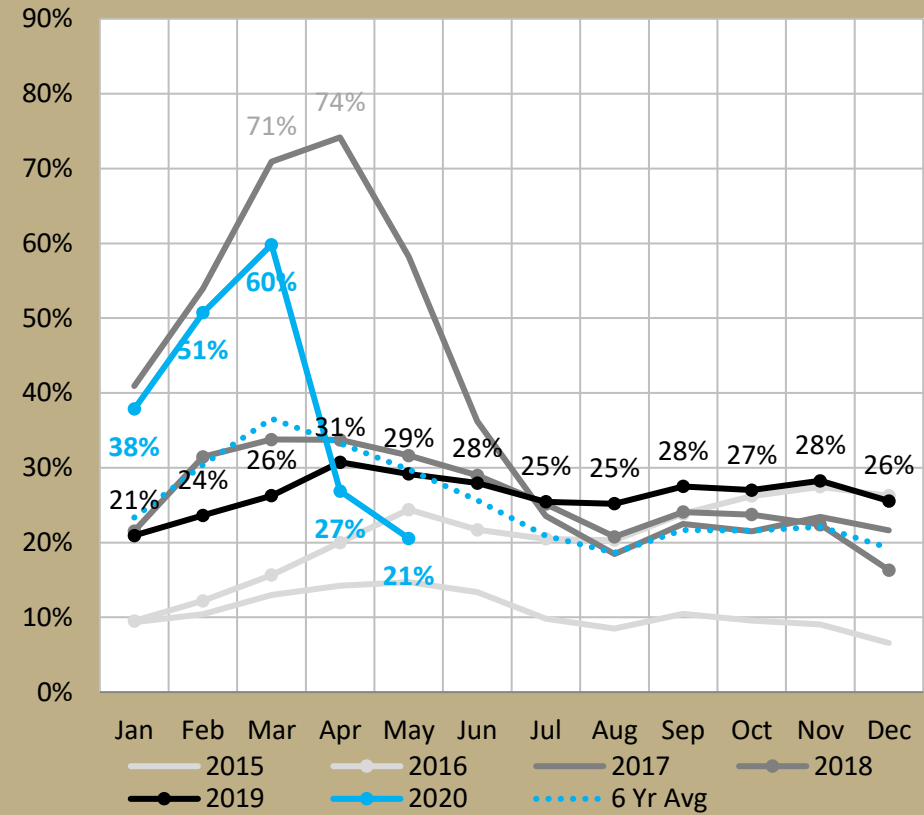
## 416 Sold Over Asking - Houses



101% or more of asking May vs. '19: ⬇ 8 pp  
 Month-over-month: ⬆ 6 pp

- Still lowest in last 6 years but gap closed from April
- Trended upwards in month as market began return
- Full year numbers: 2015 47% • 2016 60% • 2017 49% • 2018 34% • 2019 37%

## 416 Sold Over Asking - Condos



101% or more of asking May vs. '19: ⬇ 9 pp  
 Month-over-month: ⬇ 6 pp

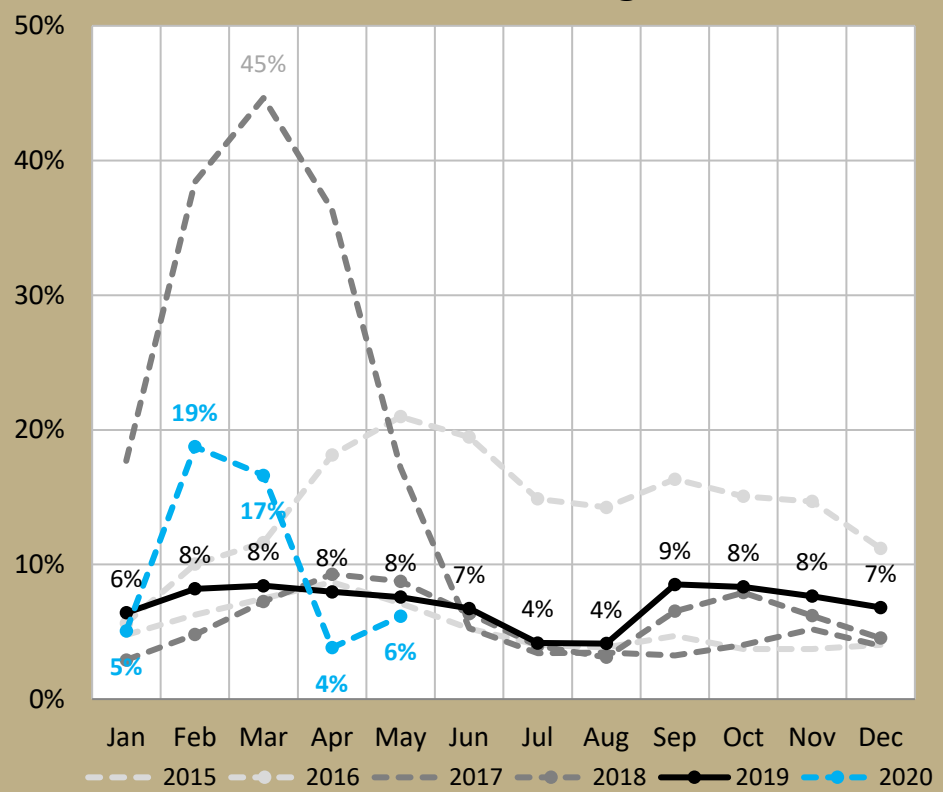
- 2<sup>nd</sup> lowest in last 6 years, but has just started to trend upwards
- Full year numbers: 2015 11% • 2016 21% • 2017 42% • 2018 27% • 2019 27%



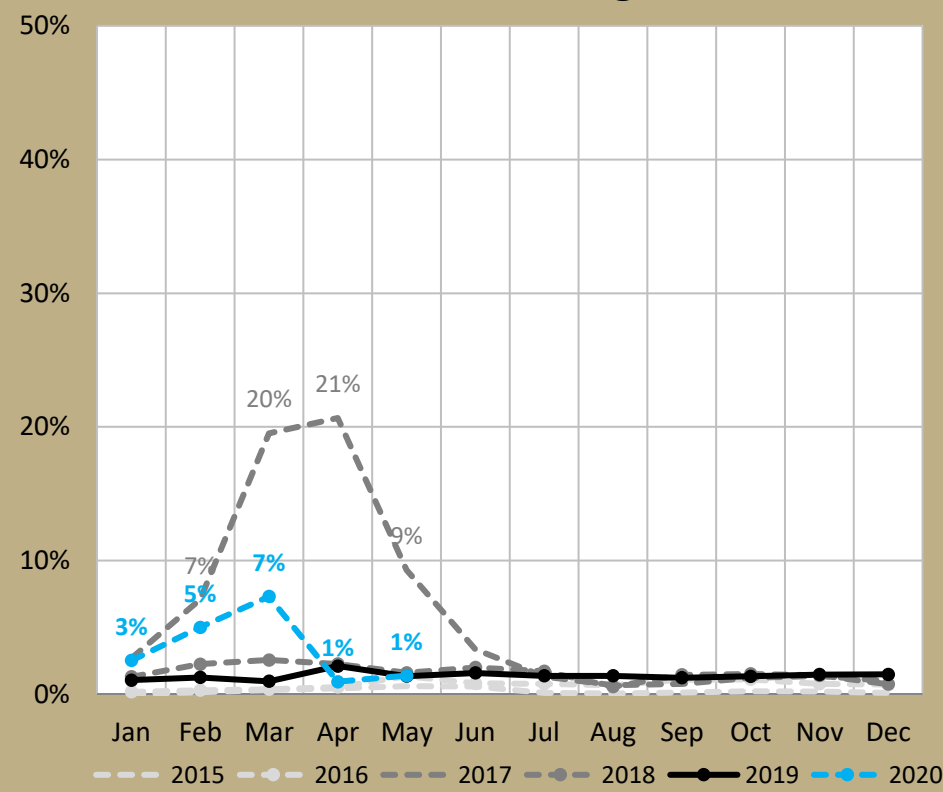
# 416 Sold 20% Over Asking

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

## 416 Sold 20% Over Asking - Houses



## 416 Sold 20% Over Asking - Condos

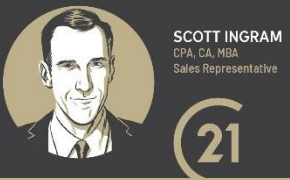


120% or more of asking May vs. '19: ▼ 1 pp  
 Month-over-month: ▲ 2 pp

- Bounced back a bit in May to close to 6 year norms
- 40 such sales in May, up from 18 in April (lowest in 65 months of tracking)

120% or more of asking May vs. '19: ↔ 0 pp  
 Month-over-month: ↔ 0 pp

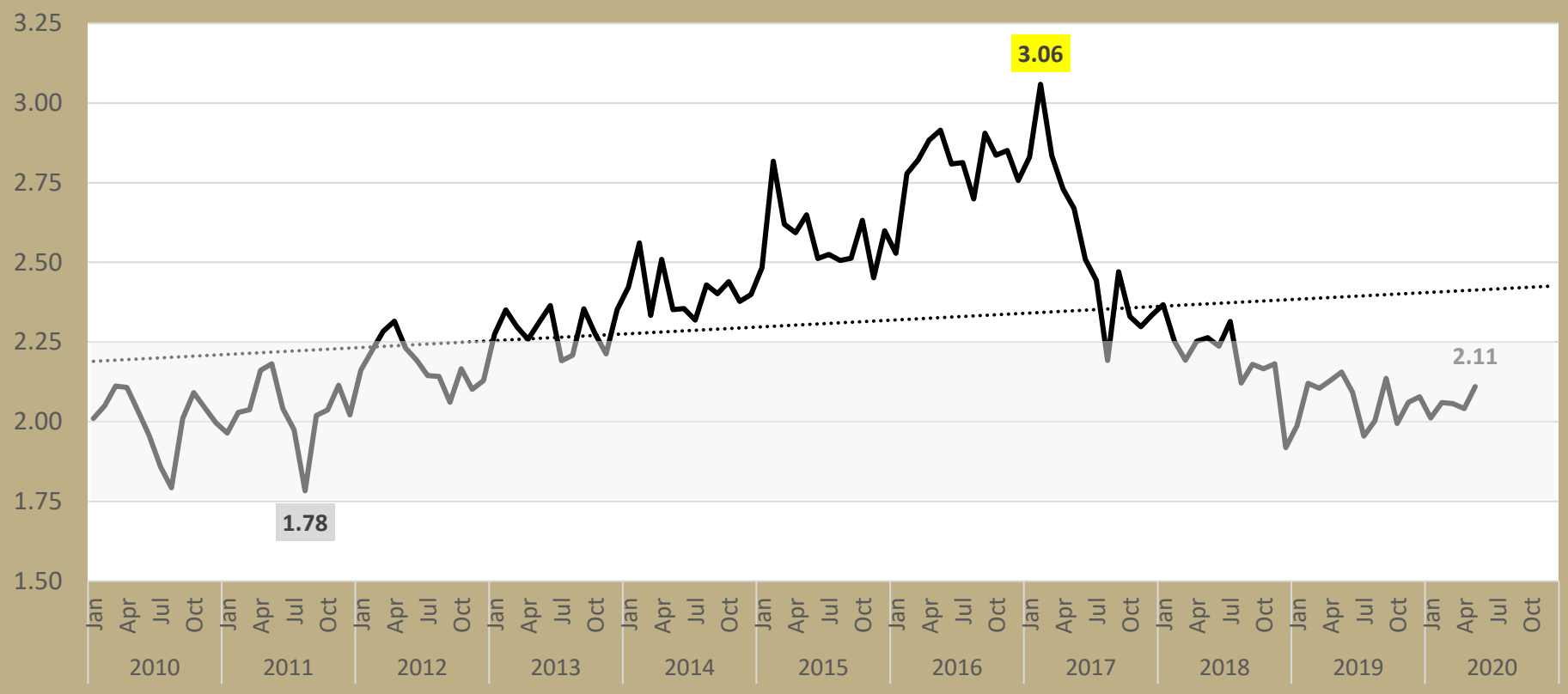
- Peaked at 10% in 2<sup>nd</sup> week of March but is back to usual 1%
- 12 such transactions in May after only 5 in April



# 416 Detached/Condo price ratio

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

## Ratio of Avg Prices: 416 Detached/416 Condo Apt



Current ratio: 2.11  
 Month-over-month: ▲ 0.07

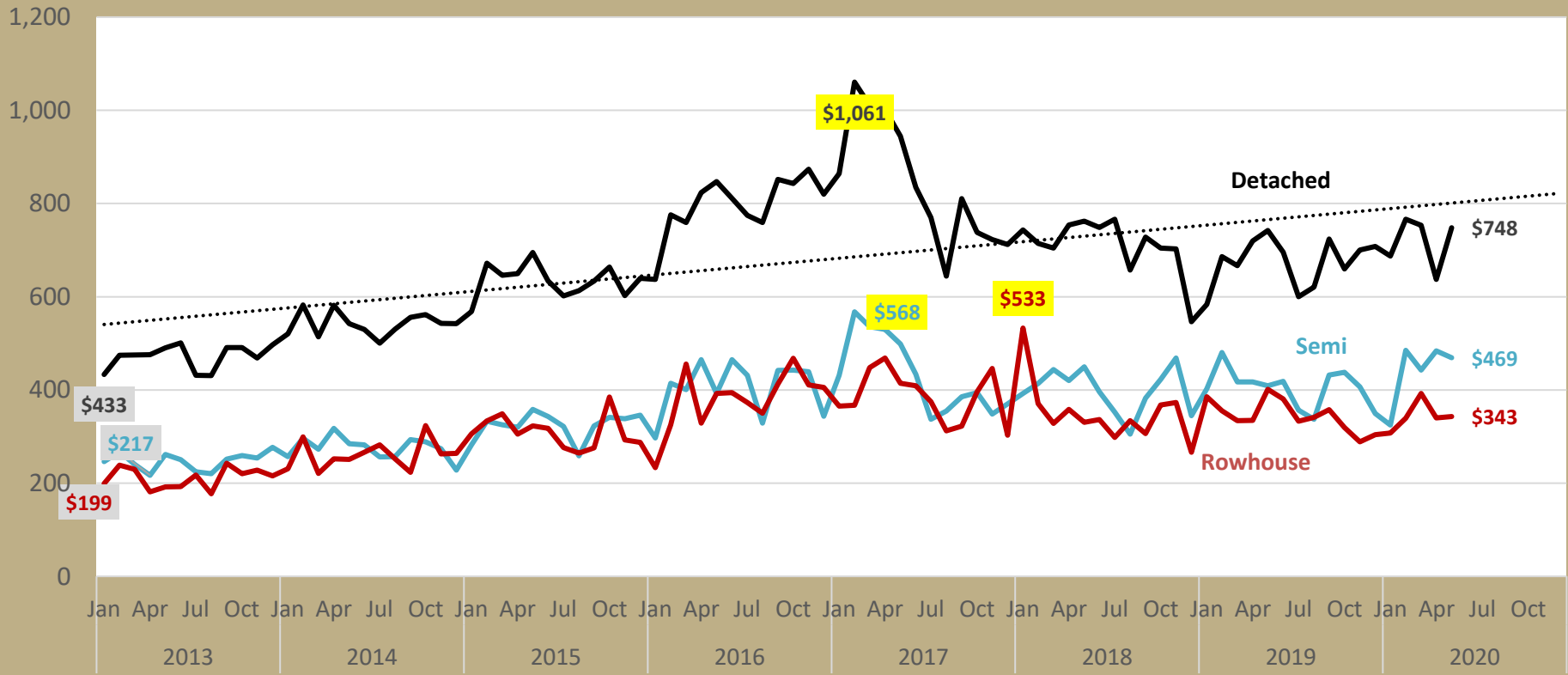
- Average since Jan 1996 = 2.13
- Median since Jan 1996 = 2.06
- Max = 3.06
- Min = 1.72



# 416 Price Gaps vs. Condo Apt

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

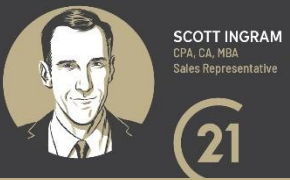
## 416 Price Gaps vs. Condo Apt ('000s)



Current **Detached** dollar gap: \$748K  
 Prior month dollar gap: \$637 (▲ \$111K)  
 Prior year dollar gap: \$742K (▲ \$6K)  
 2 yrs prior dollar gap: \$762K (▼ \$14K)

Current **Semi** dollar gap: \$469K  
 Prior mth dollar gap: \$484K (▼ \$15K)  
 Prior year dollar gap: \$409K (▲ \$60K)  
 2 yrs prior dollar gap: \$450K (▲ \$19K)

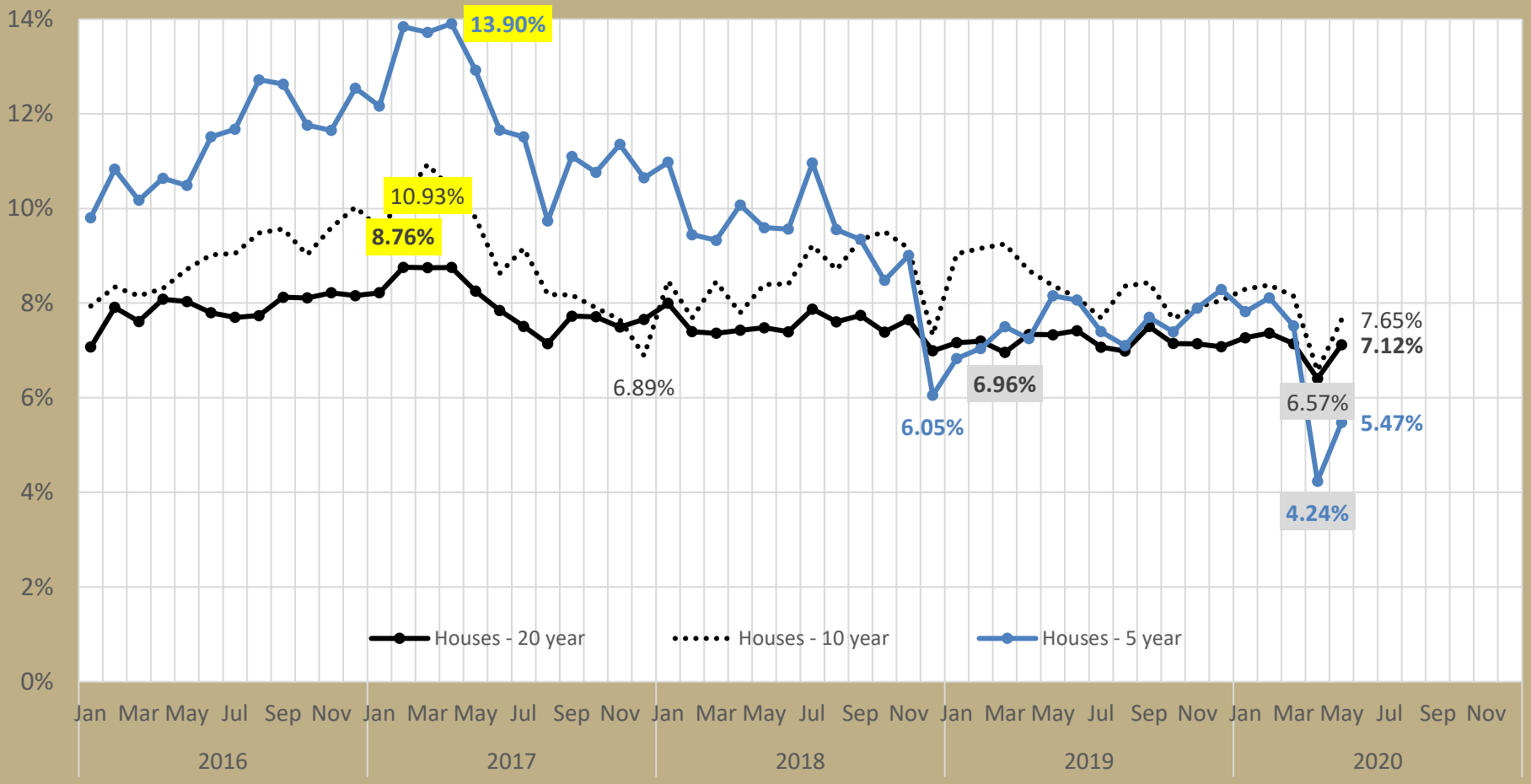
Current **Rowhouse** dollar gap: \$343K  
 Prior month dollar gap: \$340K (▲ \$3K)  
 Prior year dollar gap: \$402K (▼ \$59K)  
 2 yrs prior dollar gap: \$330K (▲ \$13K)



# 416 Price CAGRs – Freehold

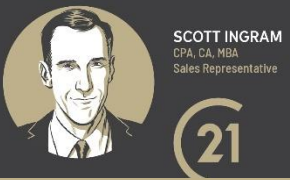
(Compound annual growth rate, current month vs. same month 5, 10, 20 years ago)

## 416 Freeholds - Average Price CAGRs



20 year **House** performance: 20 year CAGR (as at current month) is 7.12%; MoM change ▲ 71 bps

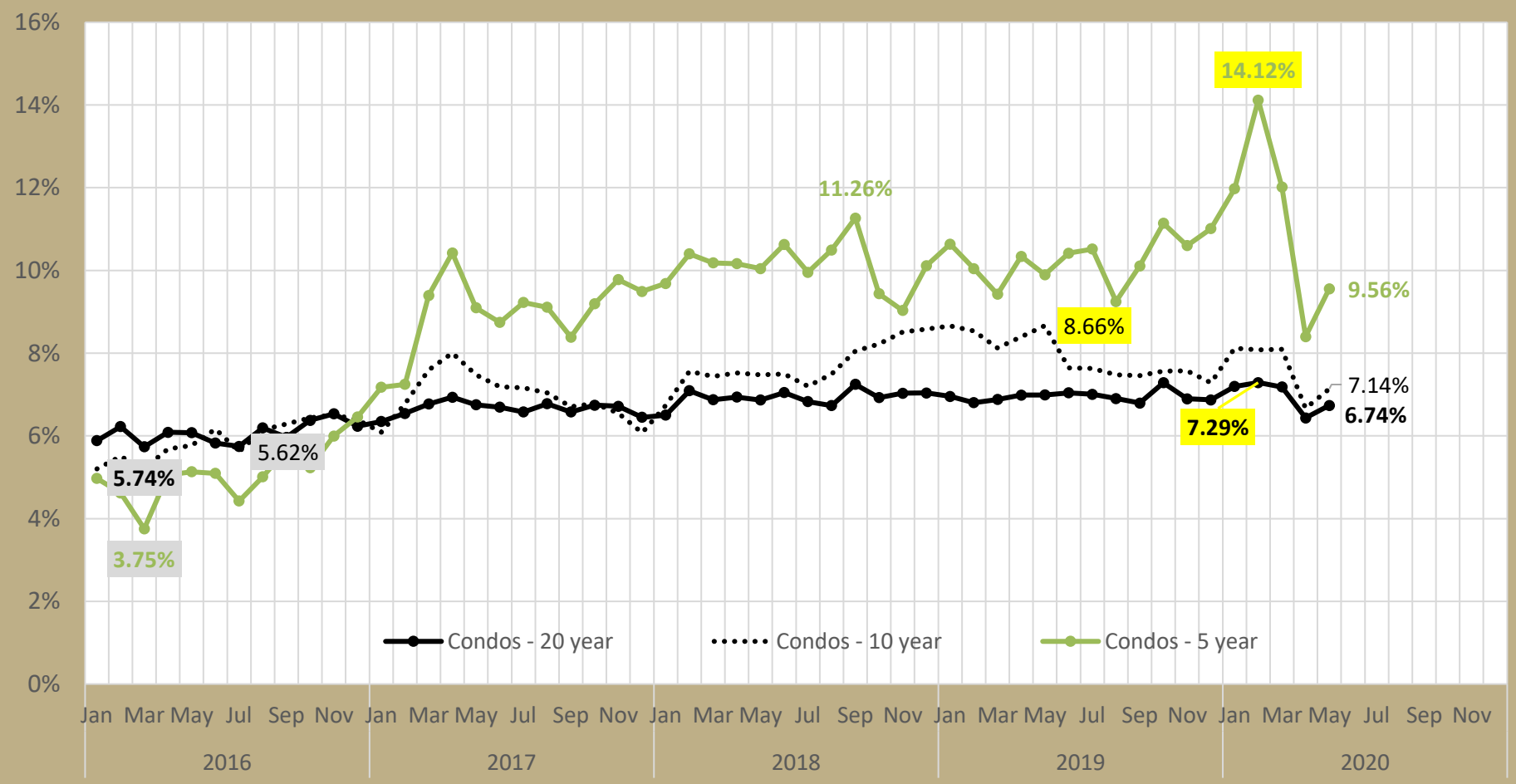
20 year **Condo** performance: 20 year CAGR (as at current month) is 6.74%; MoM change ▲ 31 bps



# 416 Price CAGRs – Condo

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

## 416 Condos - Average Price CAGRs



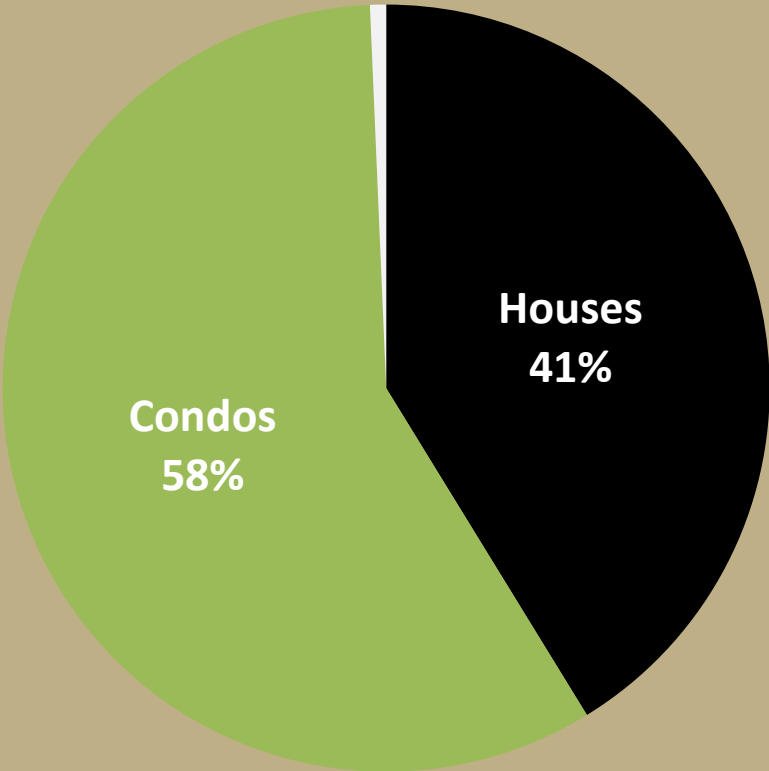
20 year **House** performance: 20 year CAGR (as at current month) is 7.12%; MoM change ▲ 71 bps

20 year **Condo** performance: 20 year CAGR (as at current month) is 6.74%; MoM change ▲ 31 bps

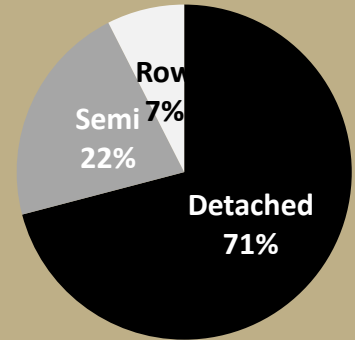


# 416 Market Breakdown

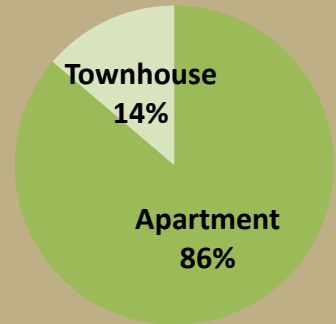
Share of Transactions - last 12 months



Share of House Transactions - last 12 months



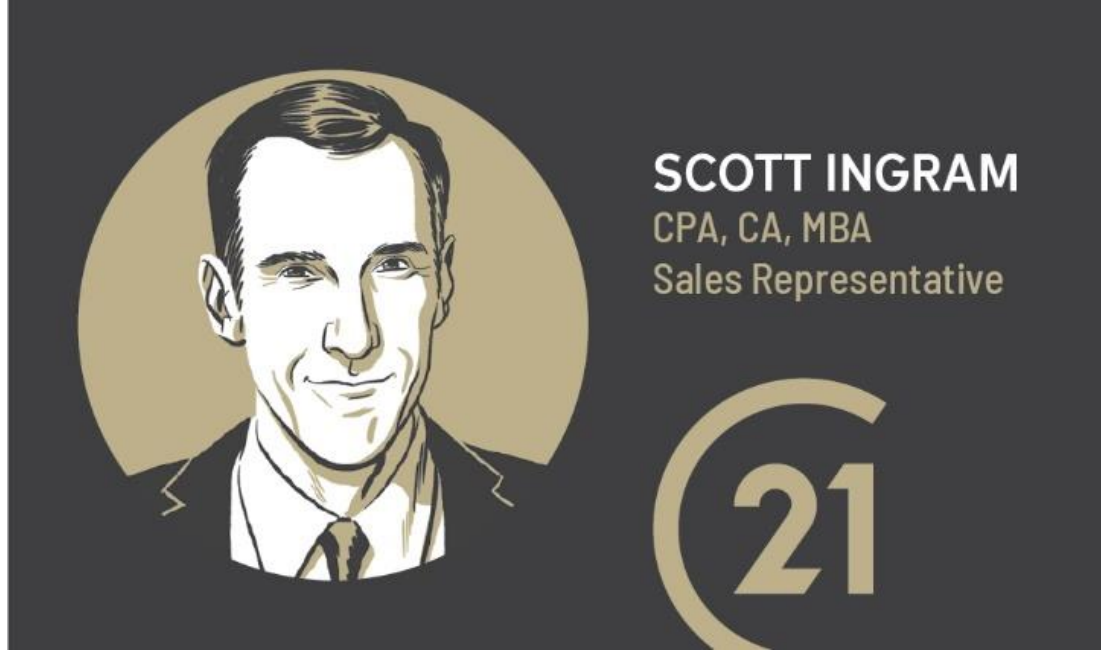
Share of Condo Transactions - last 12 months



- 1 year ago: Condos 60% / Houses 40%
- 5 years ago: Condos 53% / Houses 46%
- 10 years ago: Condos 50% / Houses 49%
- 15 years ago: Condos 43% / Houses 56%
- 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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