

Toronto Real Estate Market Charts

September 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.

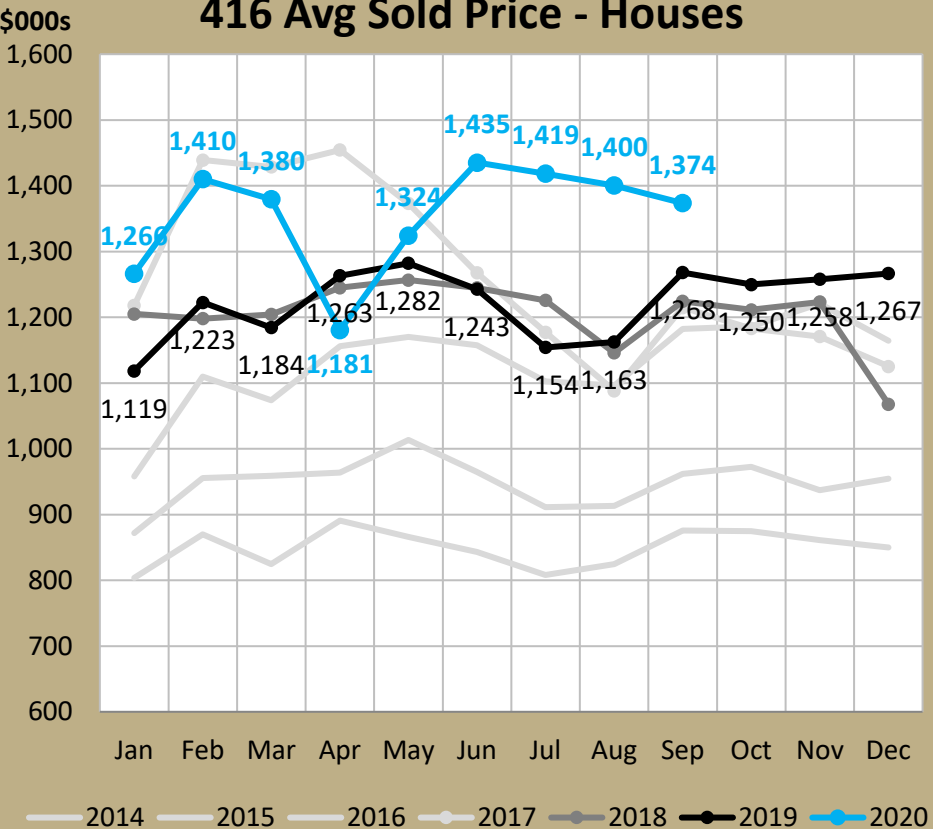
↑↓ indicator points to heating up (favours sellers), ↑↓ denotes cooling down (favours buyers)



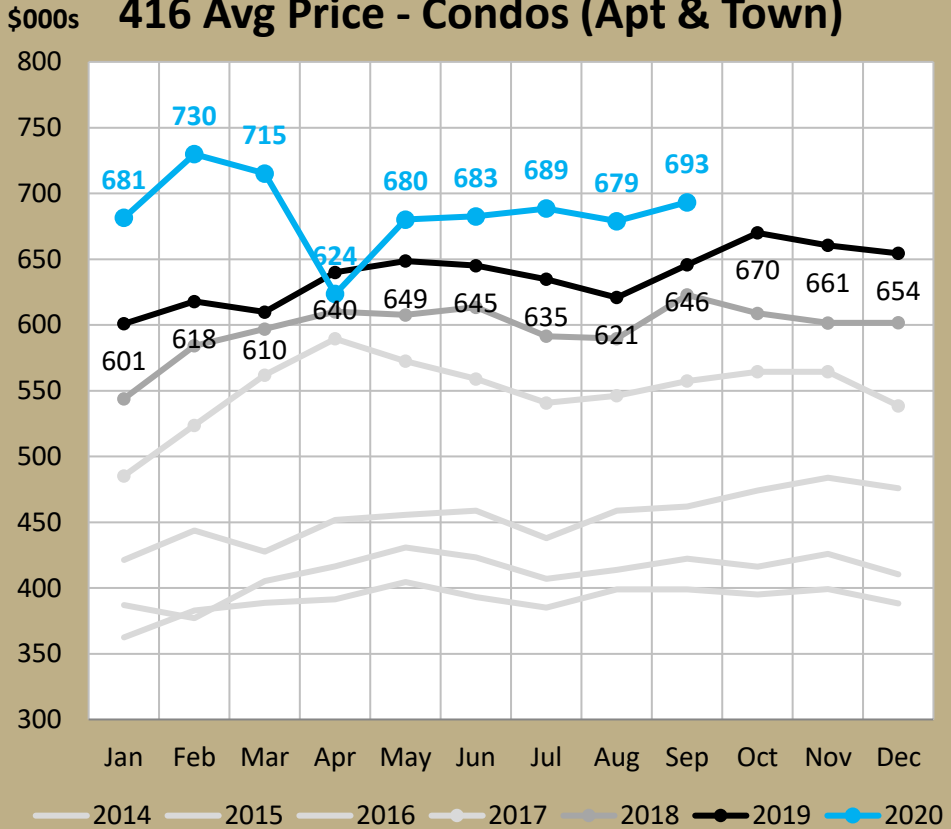
416 Average Sold Price

(dollar volume ÷ number of transactions in the month)

416 Avg Sold Price - Houses



416 Avg Price - Condos (Apt & Town)



Detached \$1,487K / Semi \$1,146K / Row \$1,119K

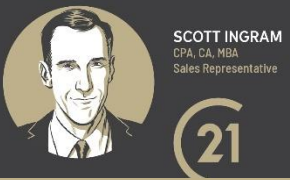
- Sep vs. '19: ▲ \$192K (8.3%)
- Sep vs. '15: ▲ \$470K (43%)
- 5 year CAGR: ▲ 7.4%

- Sloping down last 3 months
- Still monthly records the last 4 months

Condo Apt \$686K / Condo Townhouse \$735K

- Sep vs. '19: ▲ \$48K (7.4%)
- Sep vs. '15: ▲ \$271K (64%)
- 5 year CAGR: ▲ 10.4%

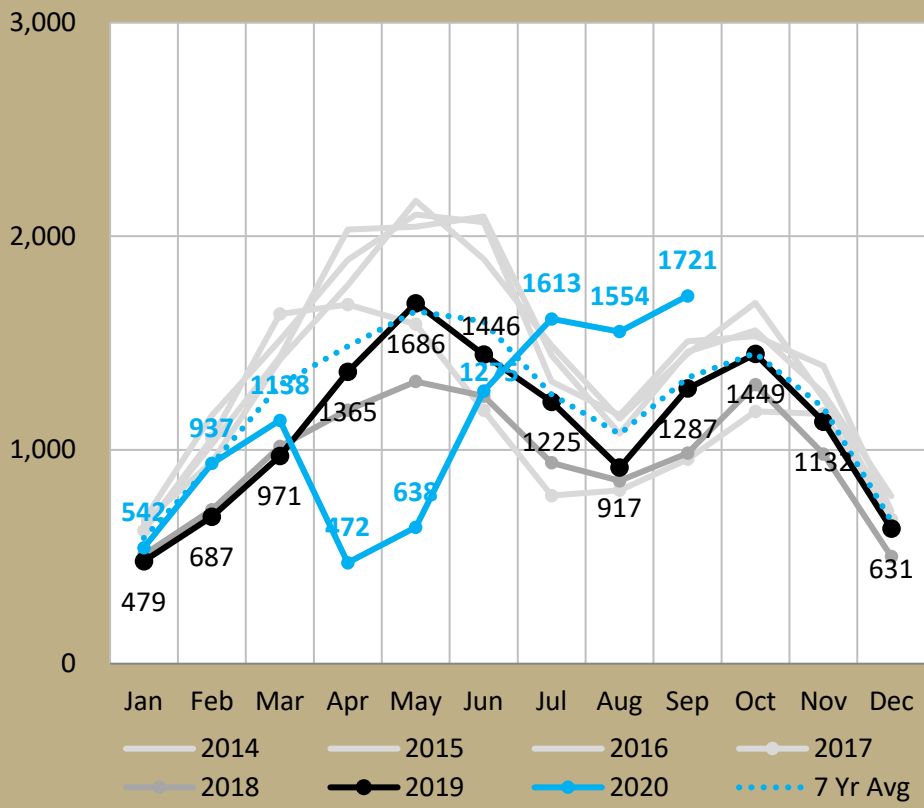
- Monthly records in all but one month in 2020



416 Residential Sales Volume

(number of sold transactions in the month)

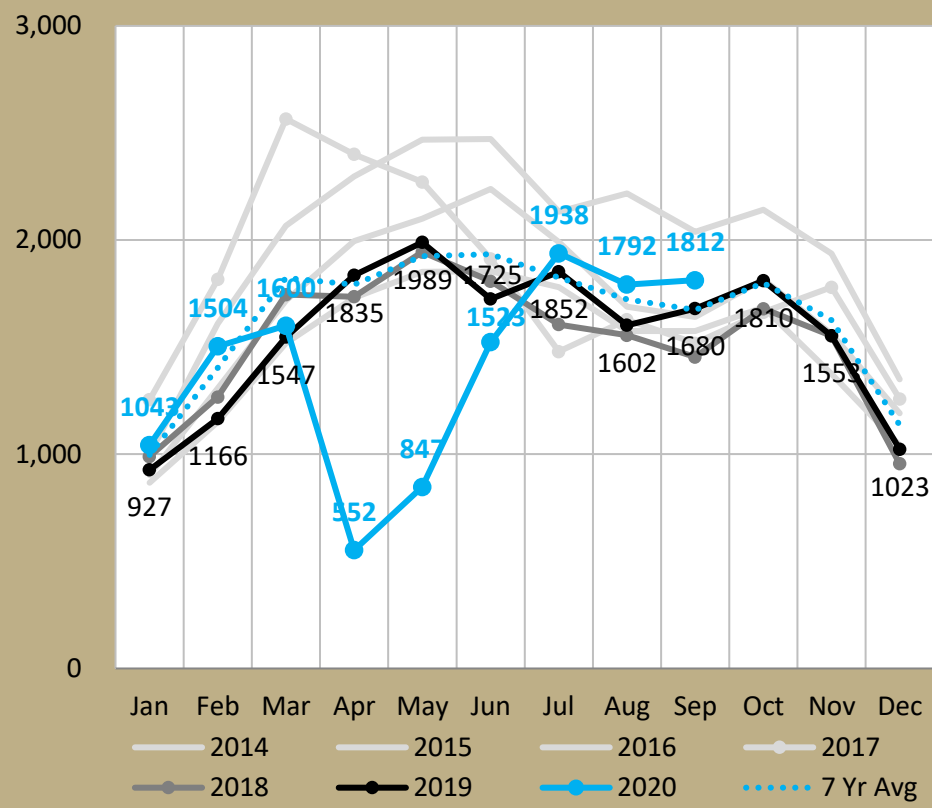
416 Sales - Houses (Det & Semi & Row)



Sep vs. '19: ▲ 34% (vs. 7 Yr Avg: ▲ 29%)
 YTD vs. '19: ▼ 2%

- Record sales last 3 months (prior Sep record was 1612 in 2005)
- YTD -2%, seems almost caught-up from missed spring
- 30% above 10 year average (down from 43% in Aug)

416 Sales - Condos (Apt & Town)



Sep vs. '19: ▲ 8% (vs. 7 Yr Avg: ▲ 8%)
 YTD vs. '19: ▼ 12%

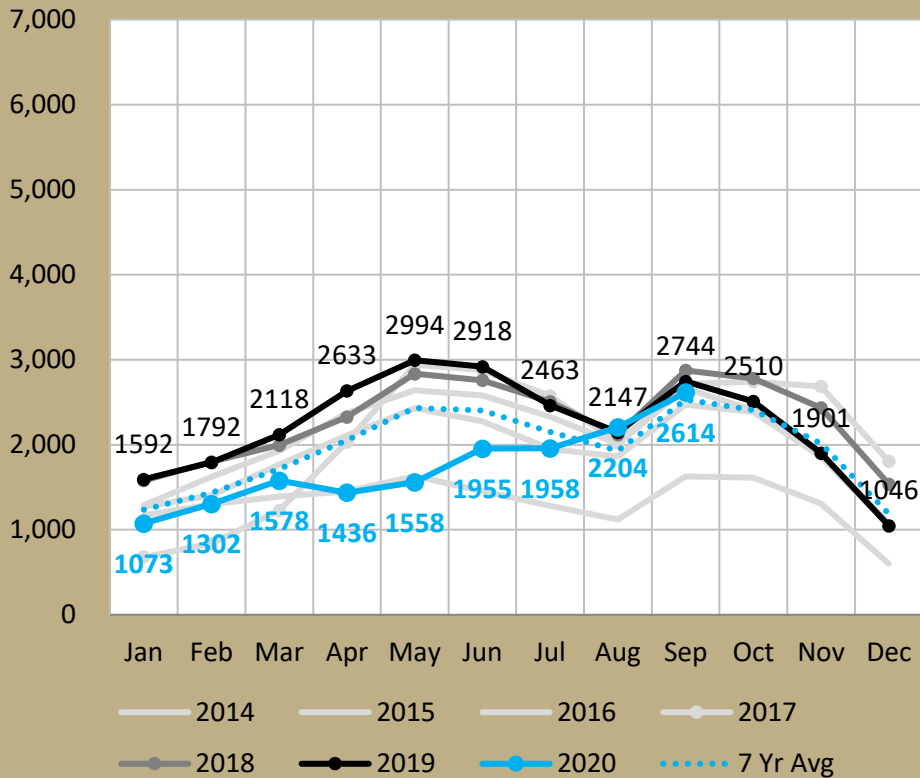
- Second highest Sep ever, behind only 2016 (2038)
- YTD -12% behind last year (vs. -2% freehold)



416 Active Listings

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

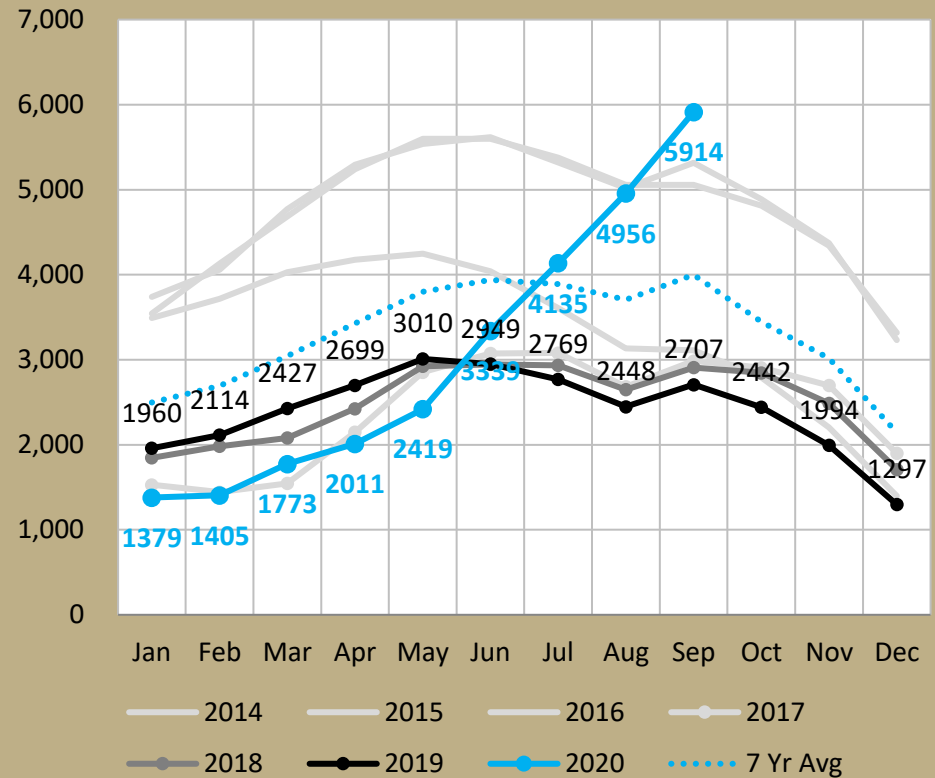
416 Active Listings - Houses



Sep vs. '19: ↓ 5% (vs. 7 Yr Avg: ↑ 3%)
 YTD vs. '19: ↓ 39%

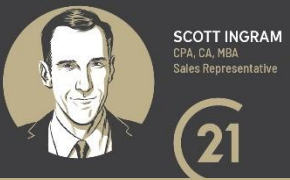
- Sep lower than last year, but second month in a row above 7-yr avg

416 Active Listings - Condos



Sep vs. '19: ↑ 118% (vs. 7 Yr Avg: ↑ 48%)
 YTD vs. '19: ↑ 18%

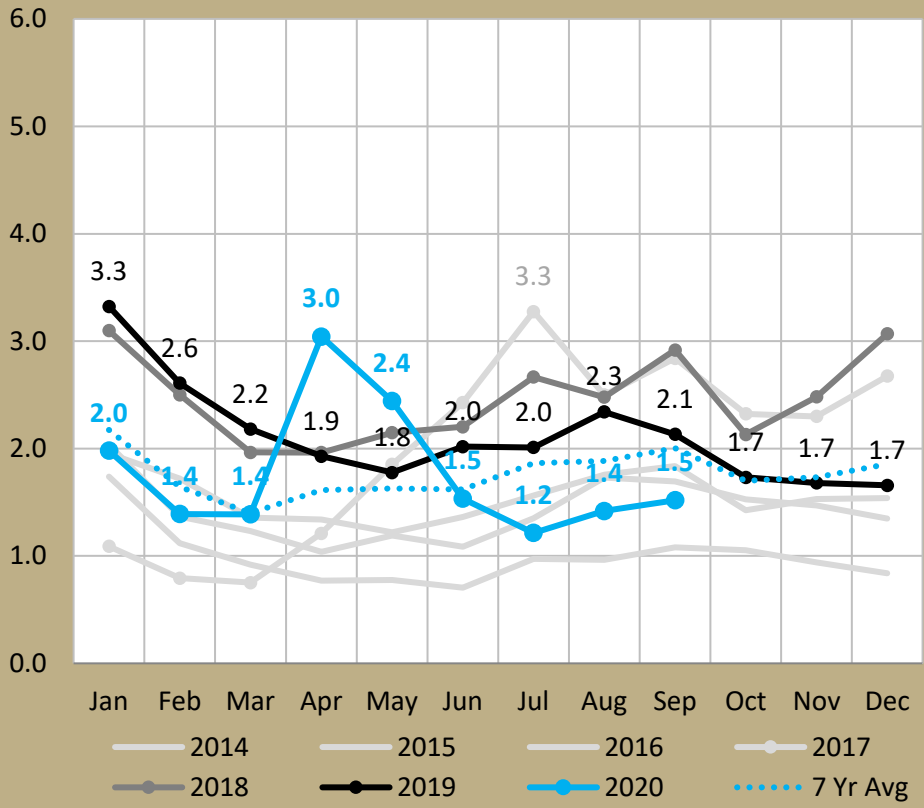
- New record for Sep (5553 in 2012)
- 2010-15 avg was 5047 so > 5K not unprecedented
- Normally declines now through Dec; we'll see this year



416 Months Of Inventory

(active listings at month end ÷ sales for month)

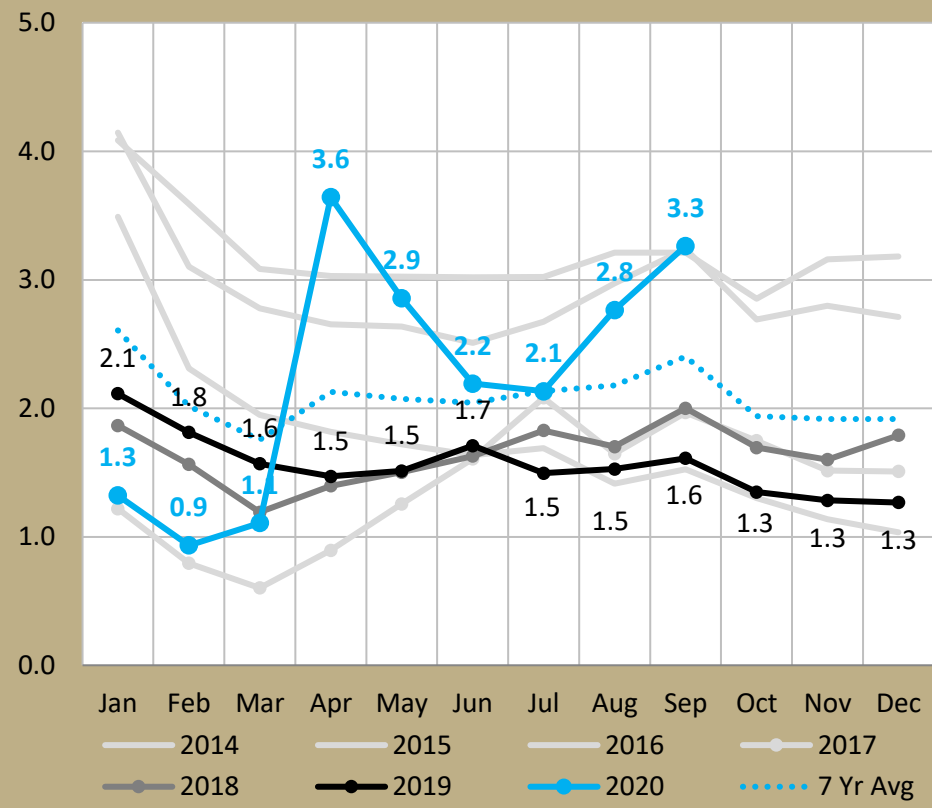
416 MOI - Houses (Det & Semi & Row)



Sep vs. '19: ↓ 0.6 months (-29%)
 Sep vs. 7 Yr Avg: ↓ 0.5 months (-24%)

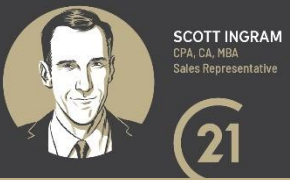
- Last 3 months were second tightest ever for those months, behind only 2016

416 MOI - Condos (Apt & Town)



Sep vs. '19: ↑ 1.7 months (103%)
 Sep vs. 7 Yr Avg: ↑ 0.9 months (36%)

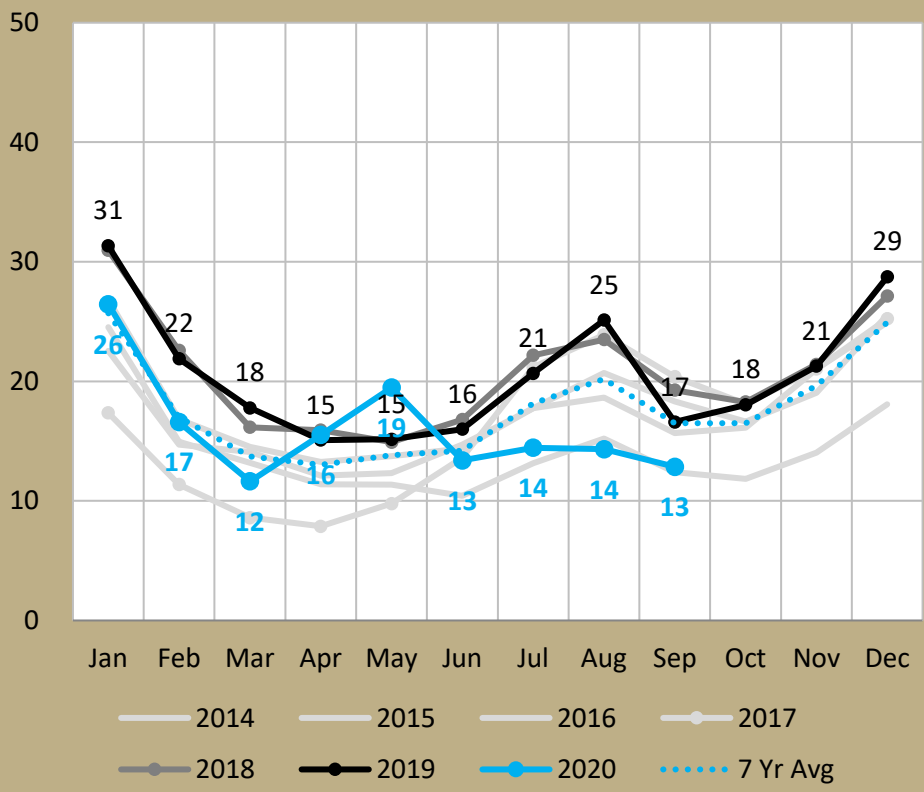
- Highest Aug since 2013 (3.7) but is only 11th highest in last 25 years (2002-2015 averaged 3.8)
 - Above 10-yr avg (2.9) but near 25-yr avg (3.2)
 - April ended record 36 months in row condos < houses



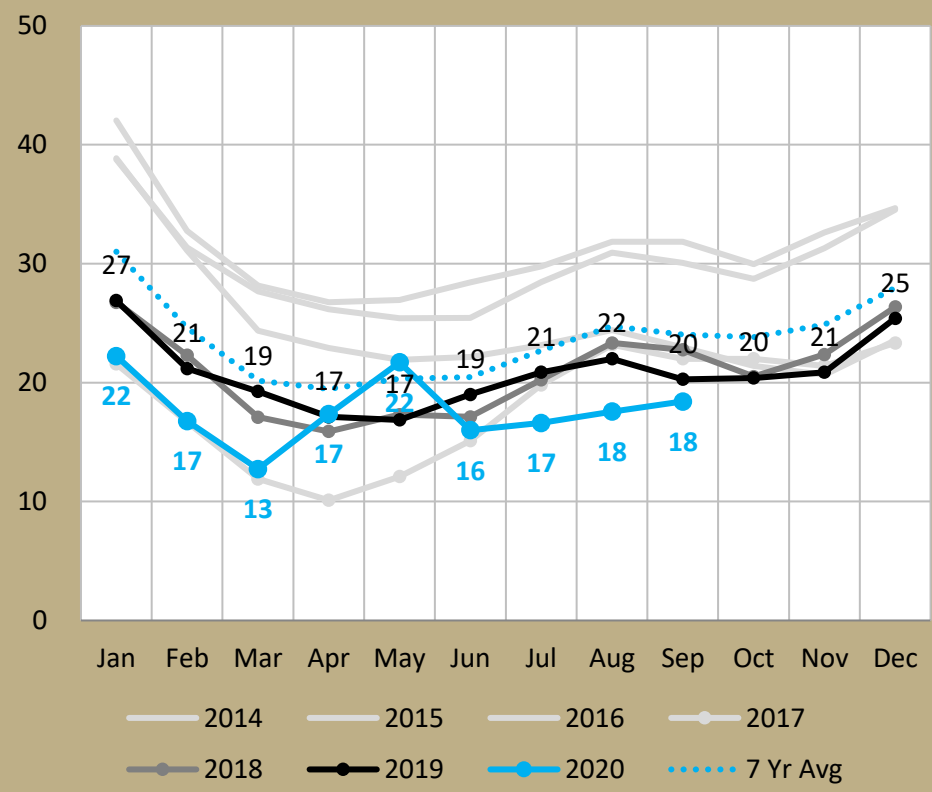
416 Average Days On Market

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

416 DOM - Houses (Det & Semi & Row)



416 DOM - Condos (Apt & Town)

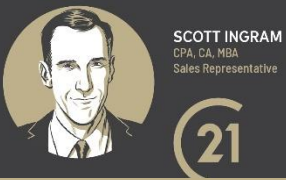


Sep vs. '19: ↓ 3.7 days (-23%)
 Sep vs. 7 Yr Avg: ↓ 3.6 days (-22%)

- Lowest Sep on record (since 1996) but subject to limitations below
- This uses LDOM (listing days on market), tracking the MLS#, not the property (TRREB calls PDOM)

Sep vs. '19: ↓ 1.9 days (-9%)
 Sep vs. 7 Yr Avg: ↓ 5.6 days (-23%)

- Lowest Sep on record, which is strange since other stats showing condo weakness
- Diverged lower from historical averages in spring 2016 and has stayed low since

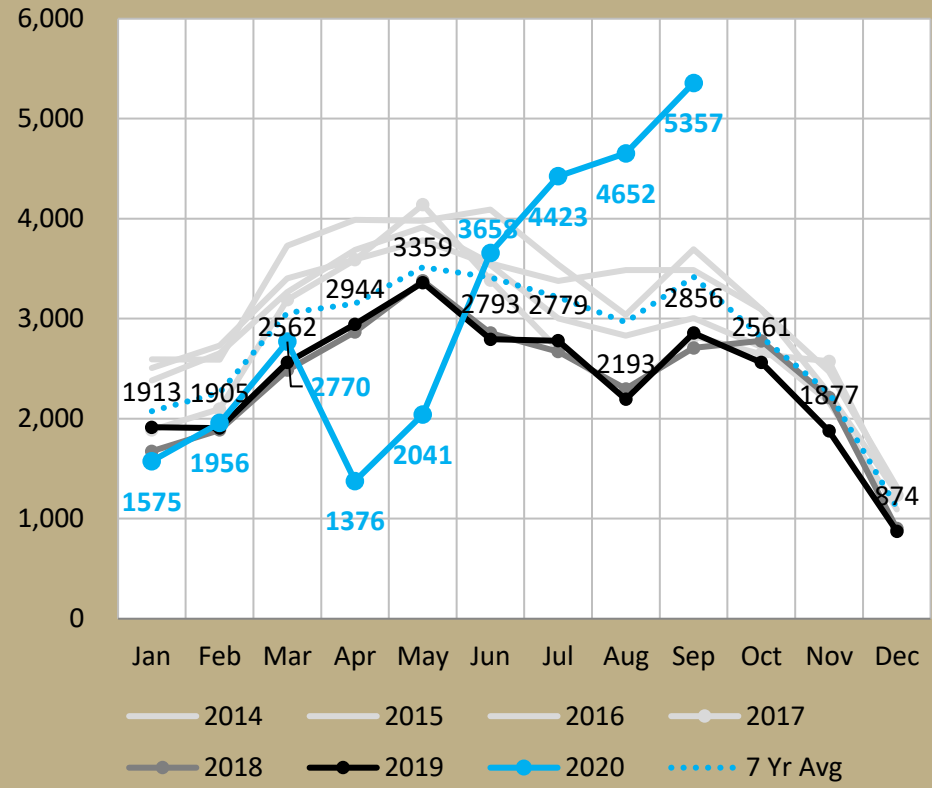
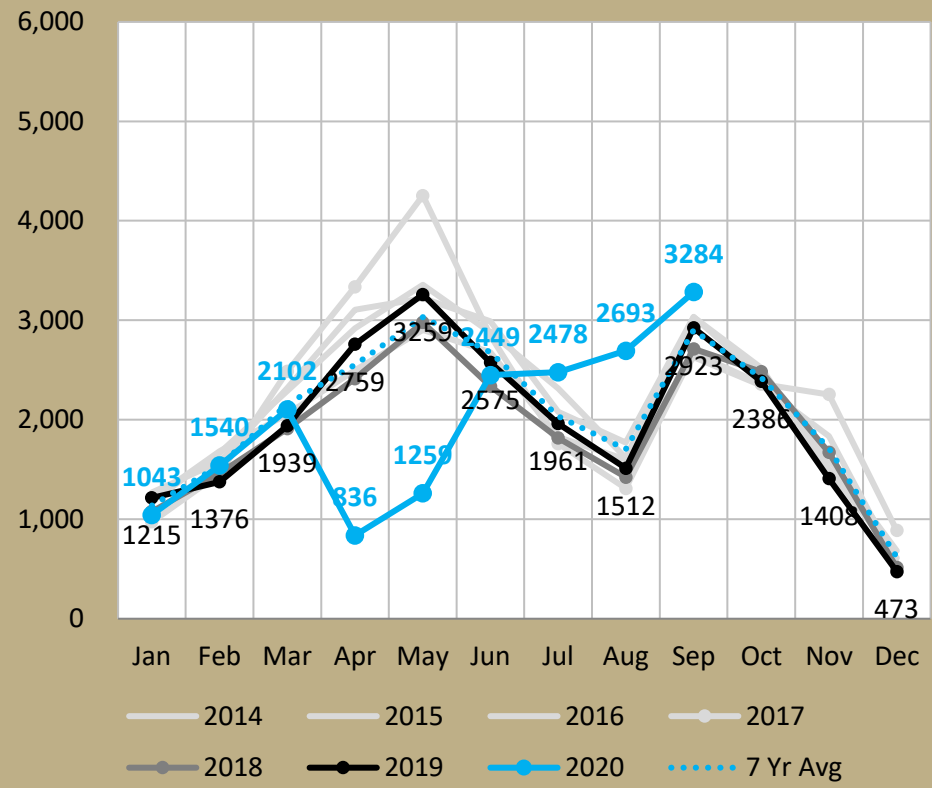


416 New Listings

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

416 New Listings - Houses

416 New Listings - Condos (Apt & Town)

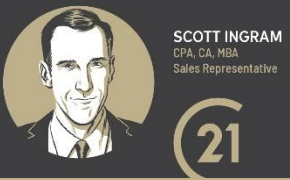


Sep vs. '19: ▲ 12% (vs. 7 Yr Avg: ▲ 13%)
 YTD vs. '19: ▼ 9%

Sep vs. '19: ▲ 88% (vs. 7 Yr Avg: ▲ 57%)
 YTD vs. '19: ▲ 19%

- Above seasonal norms the last few months
- Terminations and re-listings distort this stat

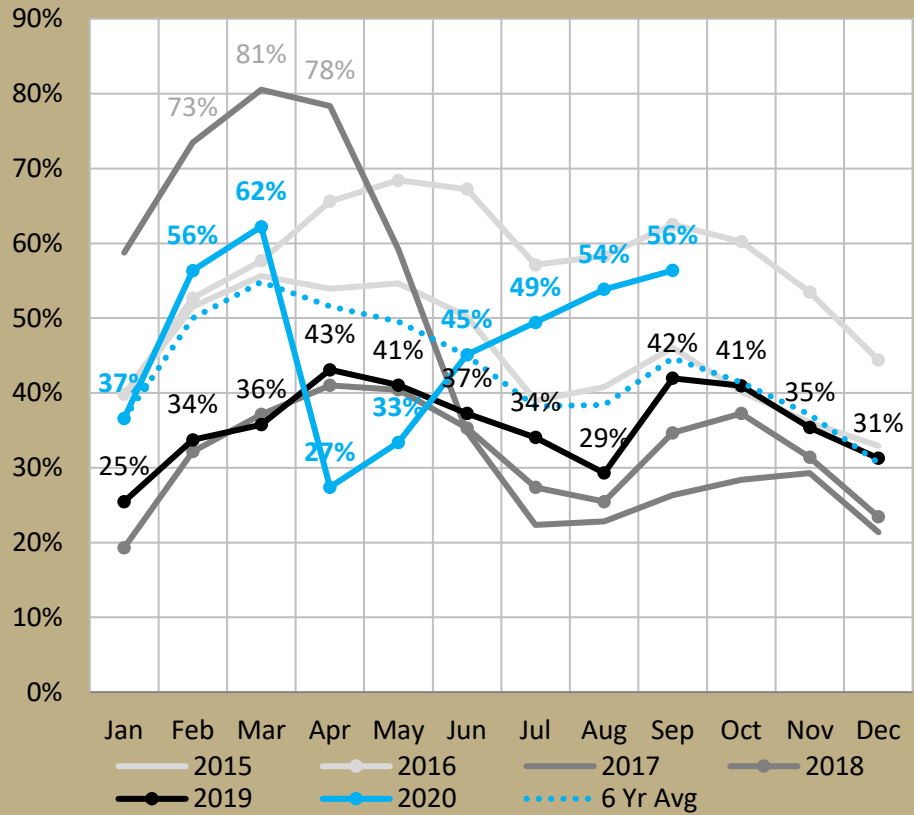
- 2500 more new listings in Sep this year vs last year
- In Apr this was 56% below 7-yr avg, now is 88% above



416 Sold Over Asking

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

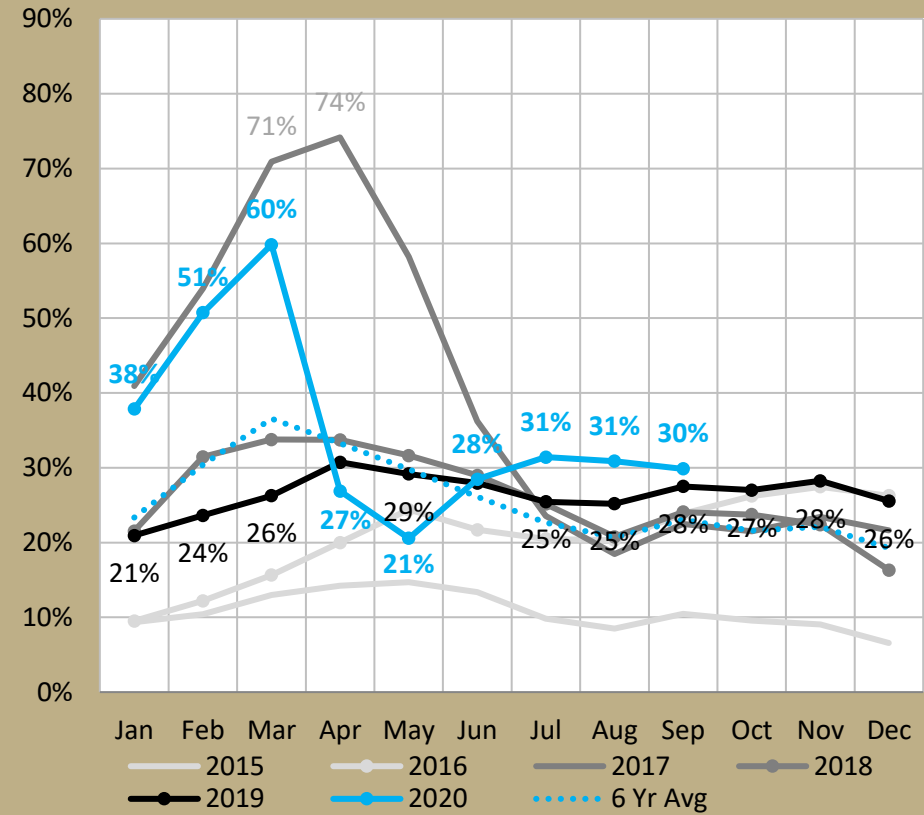
416 Sold Over Asking - Houses



101% or more of asking Sep vs. '19: ▲ 14 pp
 Month-over-month: ▲ 2 pp

- Last 3 months, second highest ever behind 2016
- Full year numbers: 2015 47% • 2016 60% • 2017 49% • 2018 34% • 2019 37% • YTD 2020 50%

416 Sold Over Asking - Condos



101% or more of asking Sep vs. '19: ▲ 2 pp
 Month-over-month: ↔ 0 pp

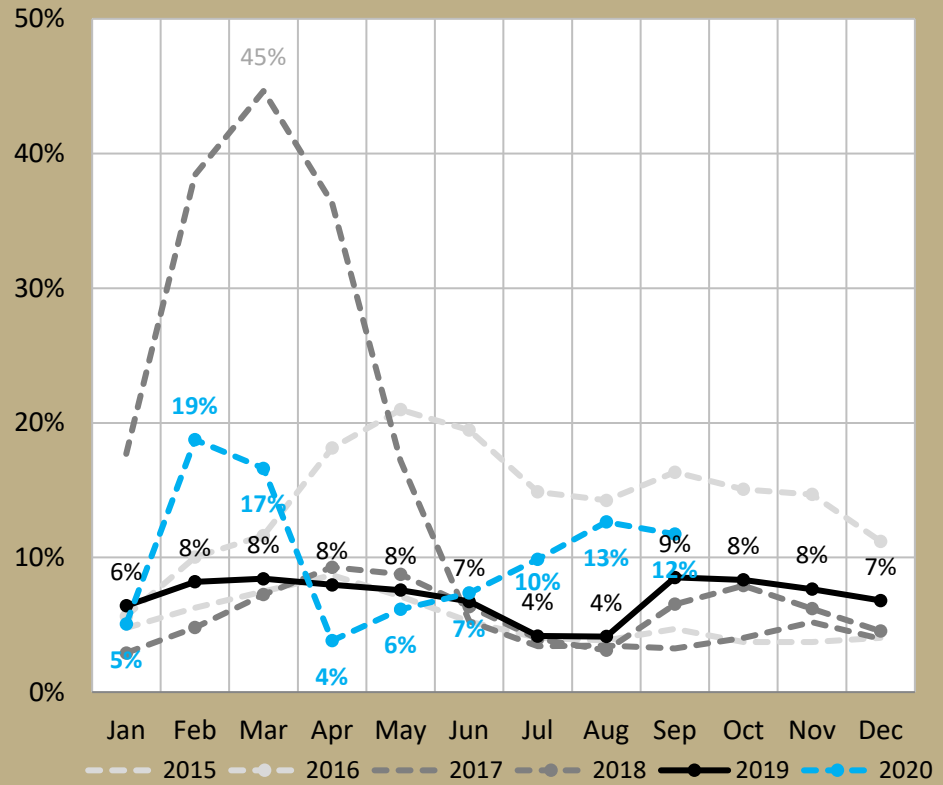
- Usually a reflection of a hot market, but seasonal highs last few months feel contra to market reality
- Full year numbers: 2015 11% • 2016 21% • 2017 42% • 2018 27% • 2019 27% • YTD 2020 36%



416 Sold 20% Over Asking

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

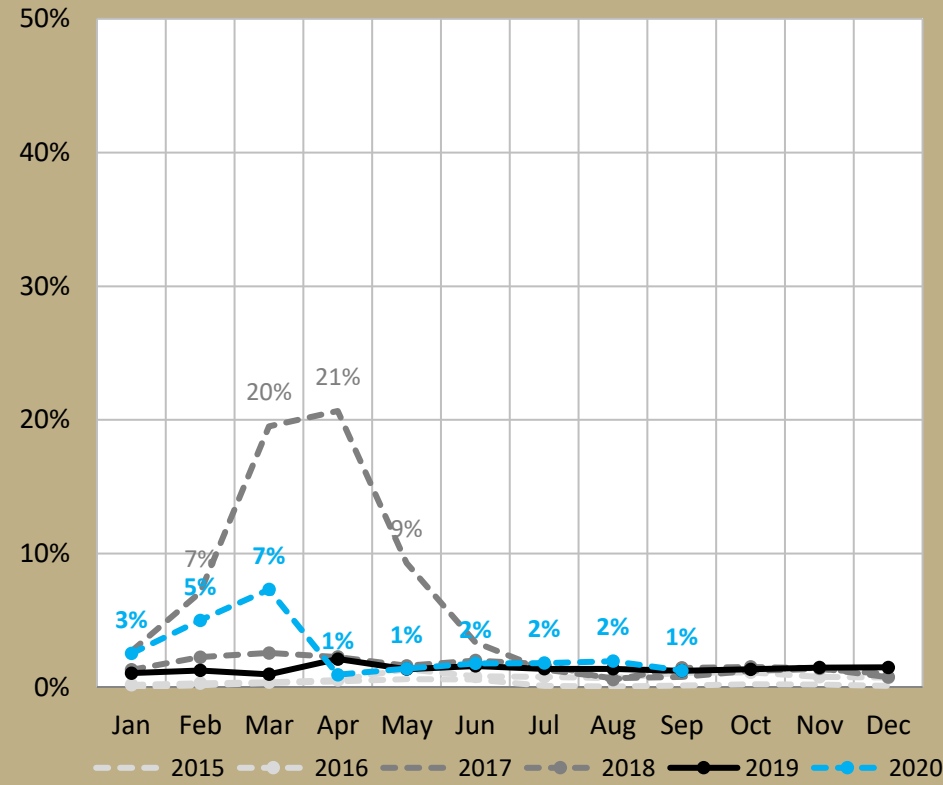
416 Sold 20% Over Asking - Houses



120% or more of asking Sep vs. '19: ▲ 3 pp
 Month-over-month: ▼ 1 pp

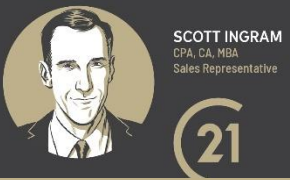
- Was abnormally high for summer months
- Highest Sep since 2016

416 Sold 20% Over Asking - Condos



120% or more of asking Sep vs. '19: ↔ 0 pp
 Month-over-month: ▼ 1 pp

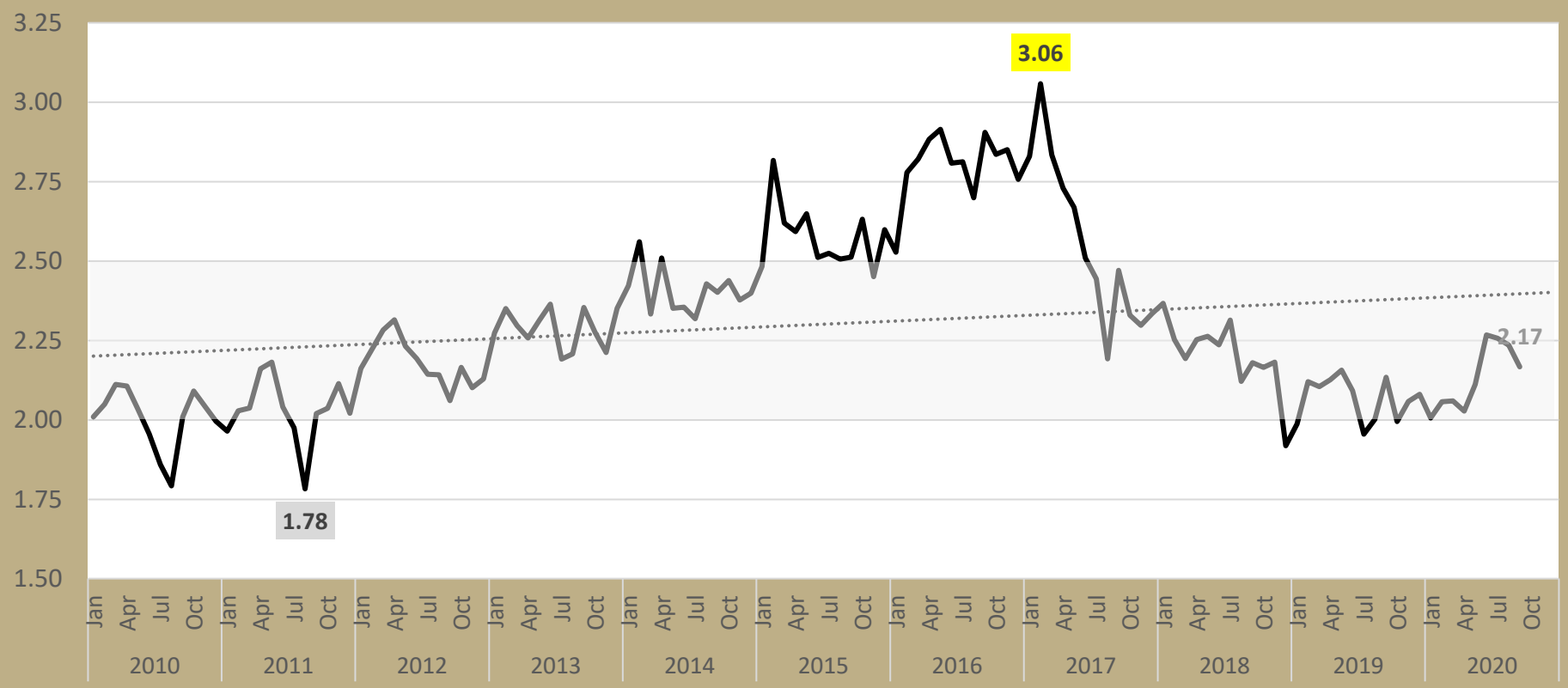
- Back to the usual 1% or 2%



416 Detached/Condo price ratio

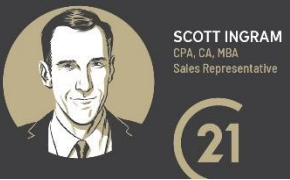
(average price for detached divided by average price of condo apartment)

Ratio of Avg Prices: 416 Detached/416 Condo Apt



Current ratio: 2.17
Month-over-month: ↓ 0.07

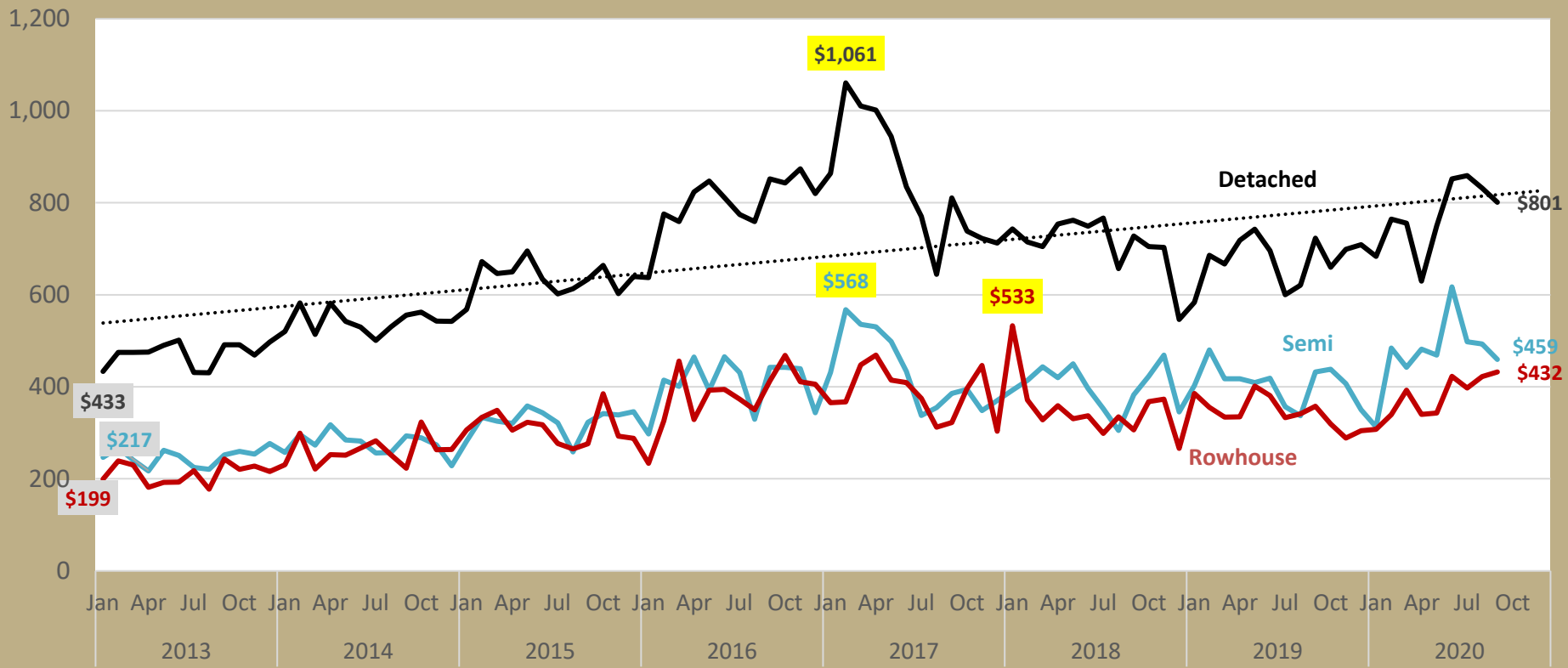
- Average since Jan 1996 = 2.13
- Median since Jan 1996 = 2.06
- Max = 3.06
- Min = 1.72



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: \$801K
 Prior month dollar gap: \$832 (↓ \$31K)
 Prior year dollar gap: \$723K (↑ \$78K)
 2 yrs prior dollar gap: \$728K (↑ \$73K)

Current **Semi** dollar gap: \$459K
 Prior mth dollar gap: \$493K (↓ \$34K)
 Prior year dollar gap: \$432K (↑ \$27K)
 2 yrs prior dollar gap: \$382K (↑ \$77K)

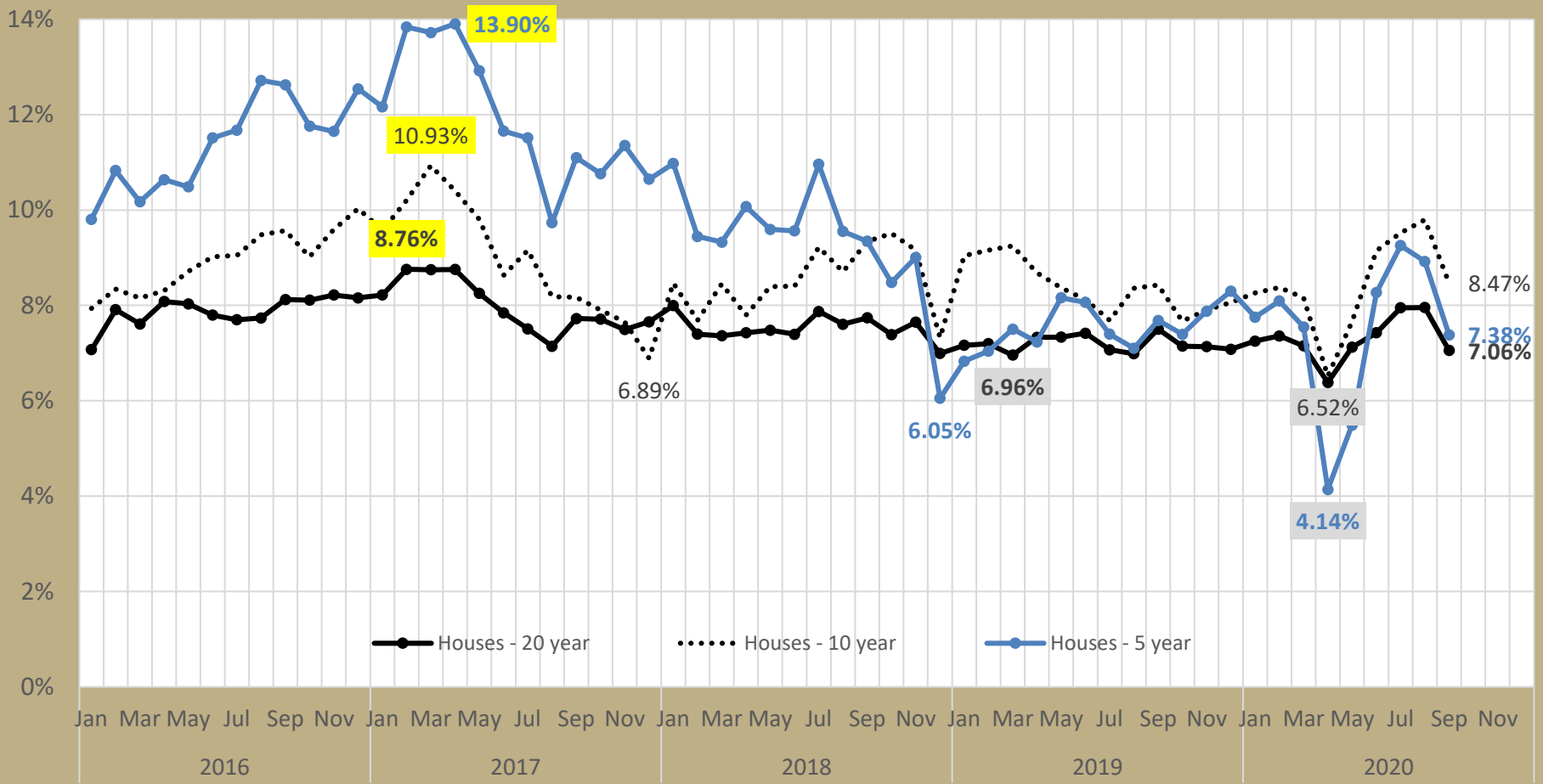
Current **Rowhouse** dollar gap: \$432K
 Prior month dollar gap: \$422K (↑ \$10K)
 Prior year dollar gap: \$358K (↑ \$74K)
 2 yrs prior dollar gap: \$307K (↑ \$125K)



416 Price CAGRs – Freehold

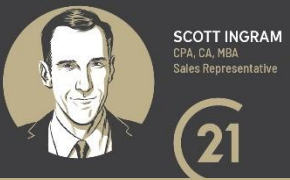
(Compound annual growth rate, current month vs. same month 5, 10, 20 years ago)

416 Freeholds - Average Price CAGRs



20 year **House** performance: 20 year CAGR (as at current month) is 7.06%; MoM change ↓ 90 bps

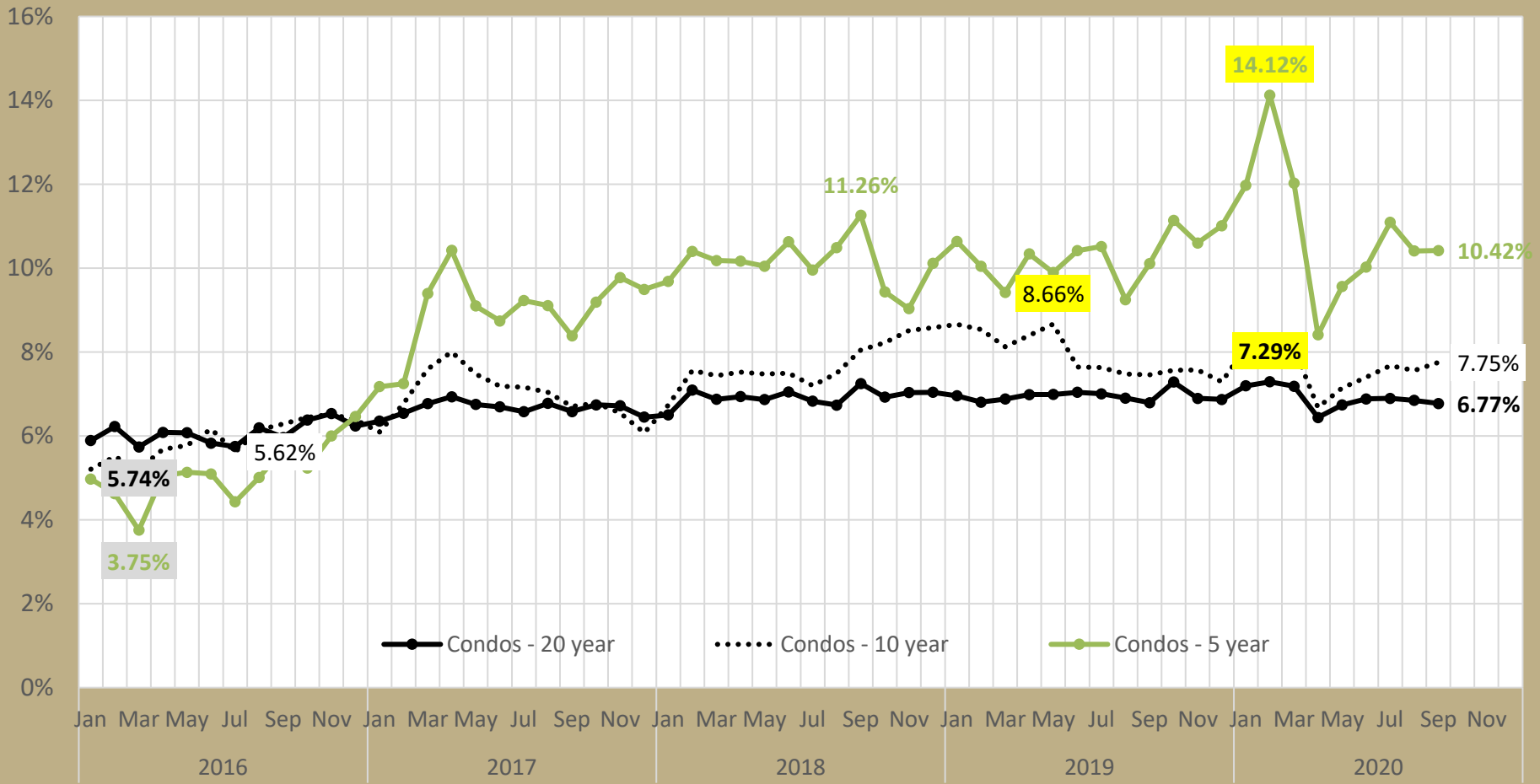
20 year **Condo** performance: 20 year CAGR (as at current month) is 6.77%; MoM change ↓ 8 bps



416 Price CAGRs – Condo

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

416 Condos - Average Price CAGRs



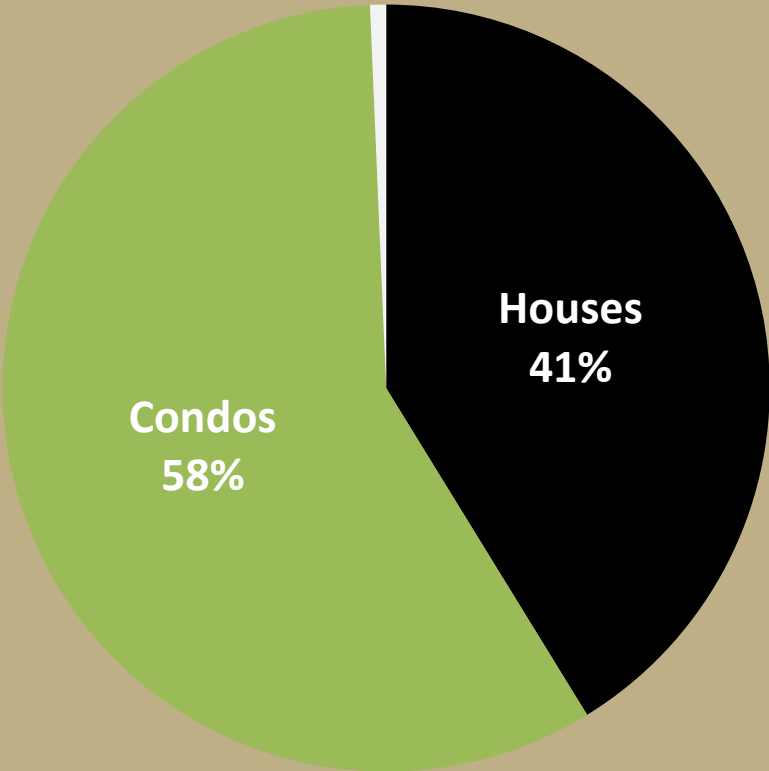
20 year **House** performance: 20 year CAGR (as at current month) is 7.06%; MoM change ↓ 90 bps

20 year **Condo** performance: 20 year CAGR (as at current month) is 6.77%; MoM change ↓ 8 bps

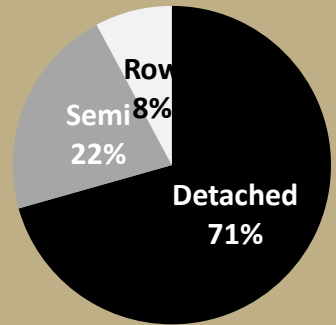


416 Market Breakdown

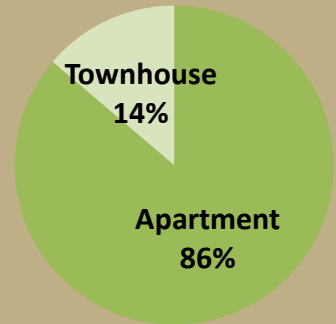
Share of Transactions - last 12 months



Share of House Transactions - last 12 months



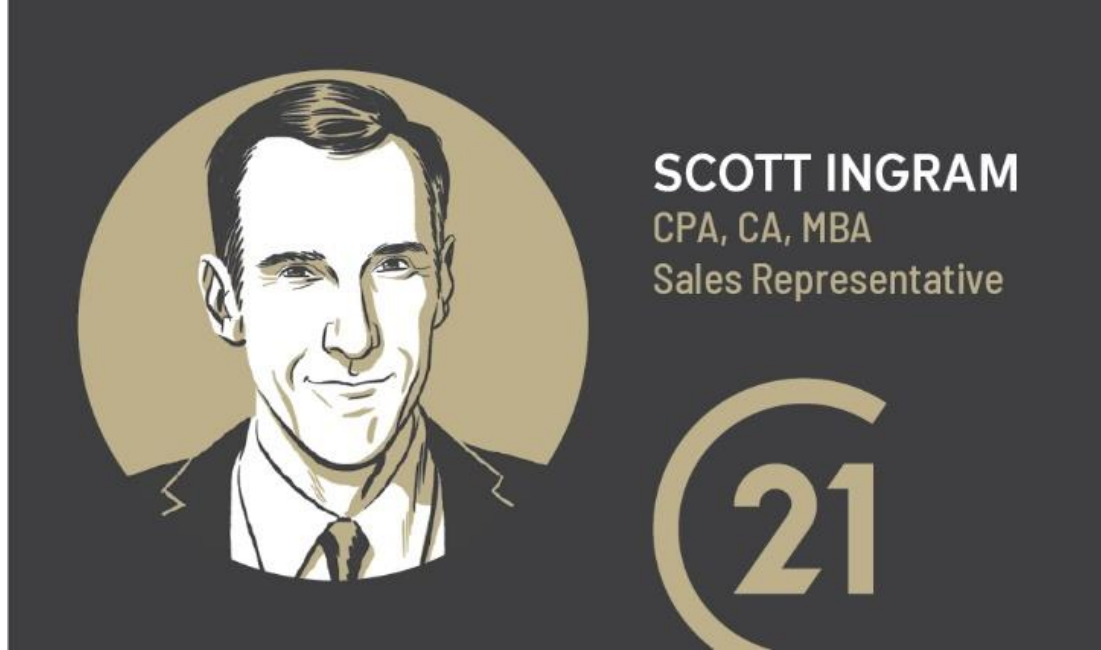
Share of Condo Transactions - last 12 months



- 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%).



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.

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