

Toronto Real Estate Market Charts

October 2020



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Toronto Real Estate

Monthly Market Charts

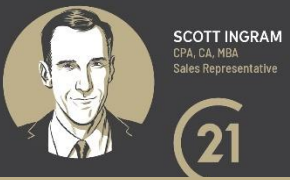
Introduction

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.

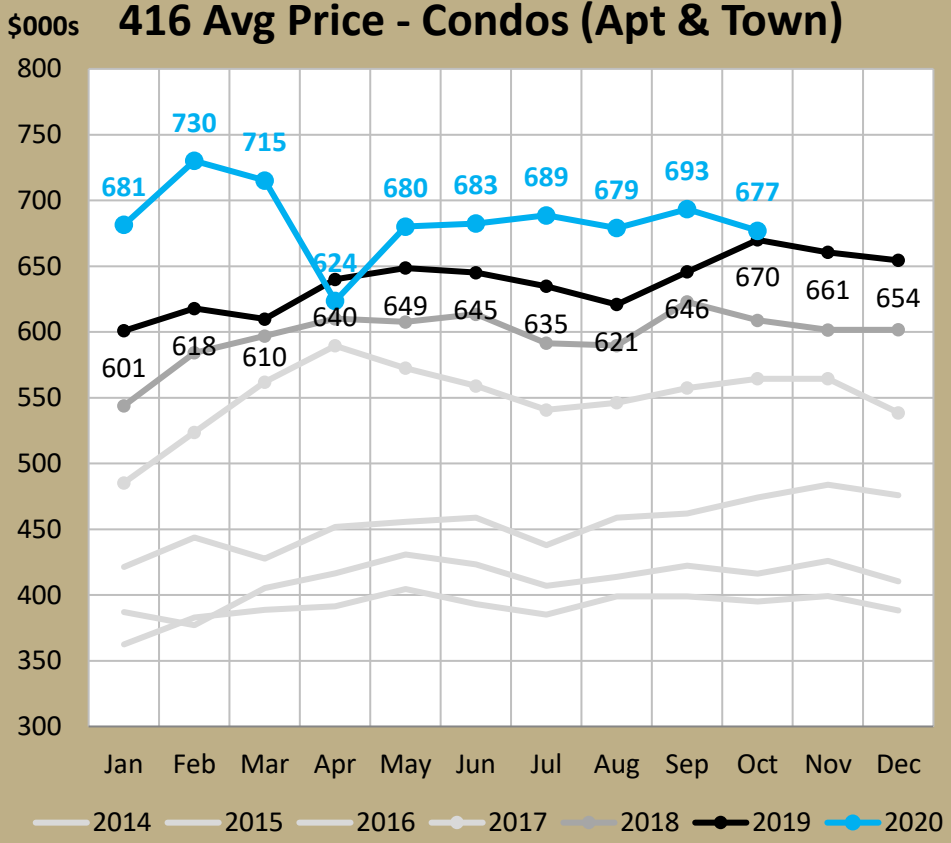
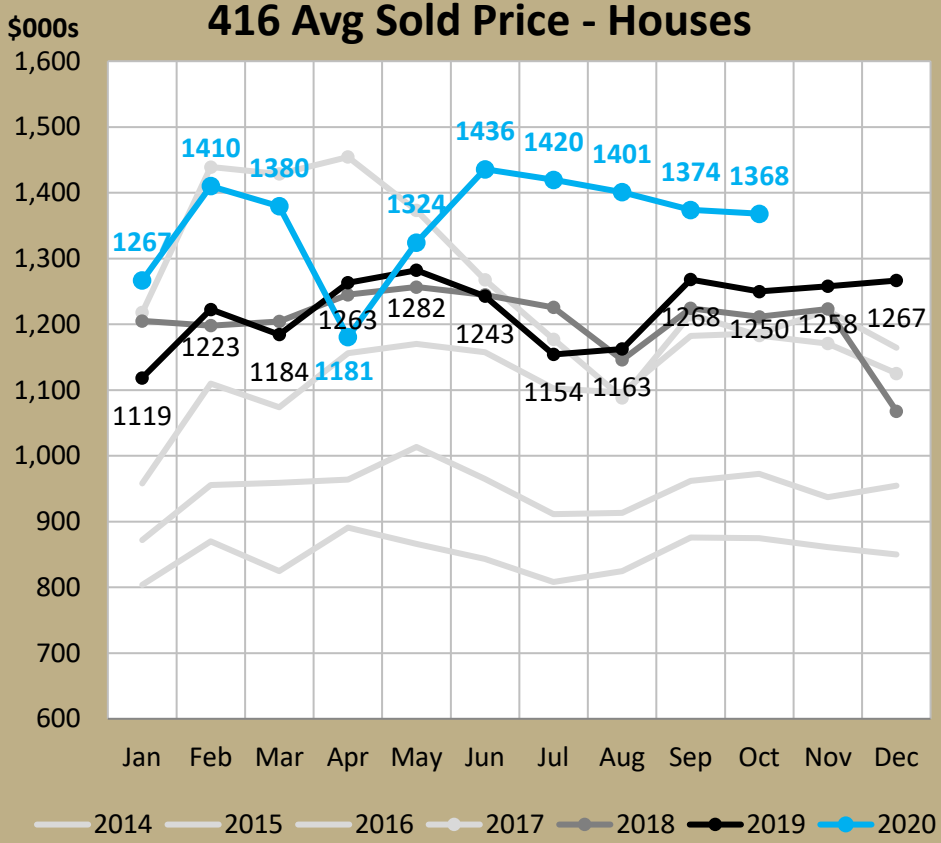
I also separate Toronto's **two distinct market segments**: houses (freeholds) and condos, because lumping them together obscures a lot of information, and you are probably more interested in one than the other. With segmentation and some historical context, I aim to give you a clearer vision of market 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 \$1,471K / Semi \$1,154K / Row \$1,069K

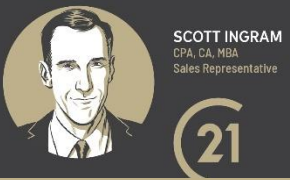
- Oct vs. '19: ▲ \$118K (9.5%)
- Oct vs. '15: ▲ \$395K (41%)
- 5 year CAGR: ▲ 7.1%

- Sloping down last 5 months
- Still monthly records the last 5 months

Condo Apt \$668K / Condo Townhouse \$722K

- Oct vs. '19: ▲ \$7K (1.0%)
- Oct vs. '15: ▲ \$261K (63%)
- 5 year CAGR: ▲ 10.2%

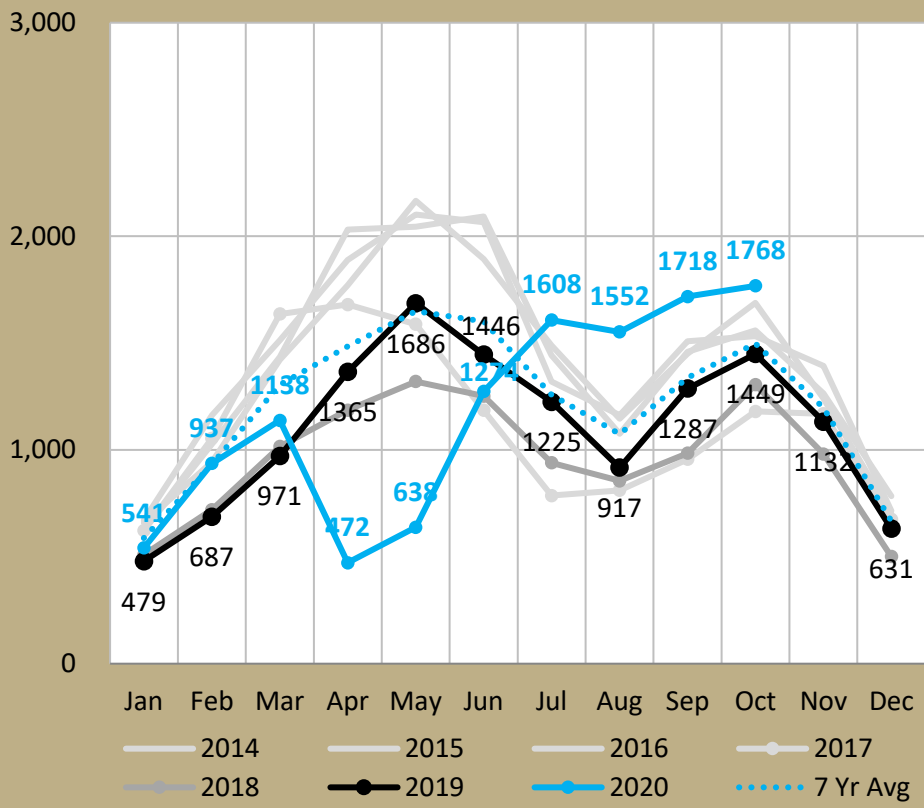
- Now down to only 1% above last year



416 Residential Sales Volume

(number of sold transactions in the month)

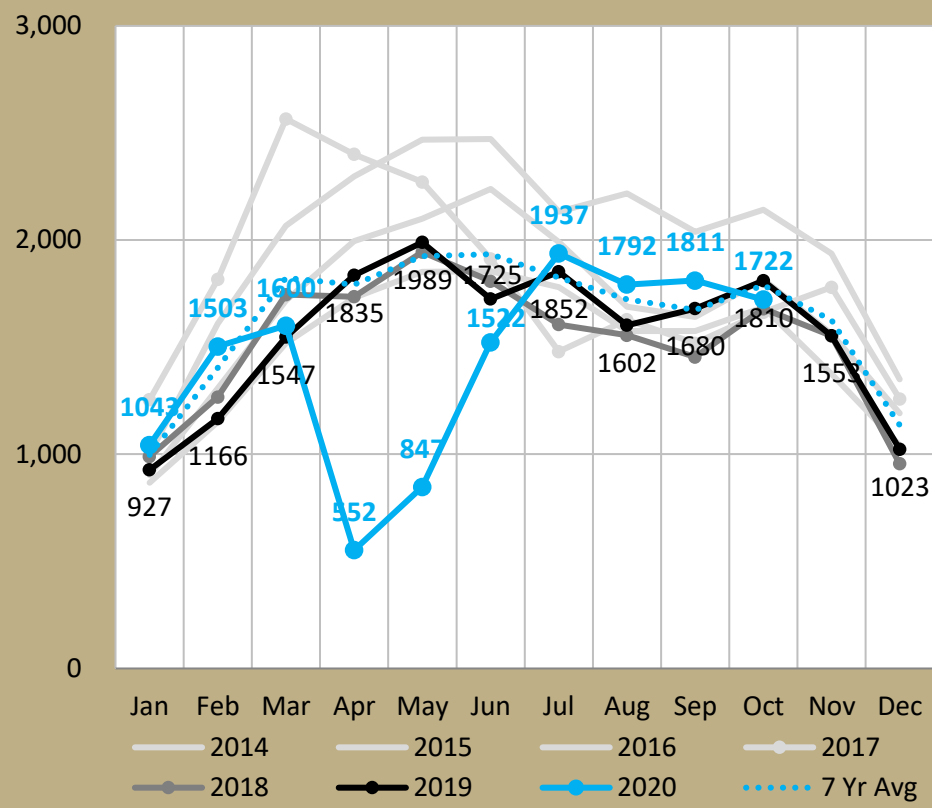
416 Sales - Houses (Det & Semi & Row)



Oct vs. '19: ▲ 22% (vs. 7 Yr Avg: ▲ 18%)
 YTD vs. '19: ▲ 1%

- Last 3 months were monthly records, but this is 2nd best behind Oct '09 (1798)
- YTD +1%, so now caught-up from missed spring
- 18% above 7-year average (gap closing monthly)

416 Sales - Condos (Apt & Town)



Oct vs. '19: ▼ 5% (vs. 7 Yr Avg: ▼ 4%)
 YTD vs. '19: ▼ 11%

- Fourth highest Oct ever, behind several recent years(2019, 2016, 2015)
- YTD -11% behind last year (vs. freehold +1%)

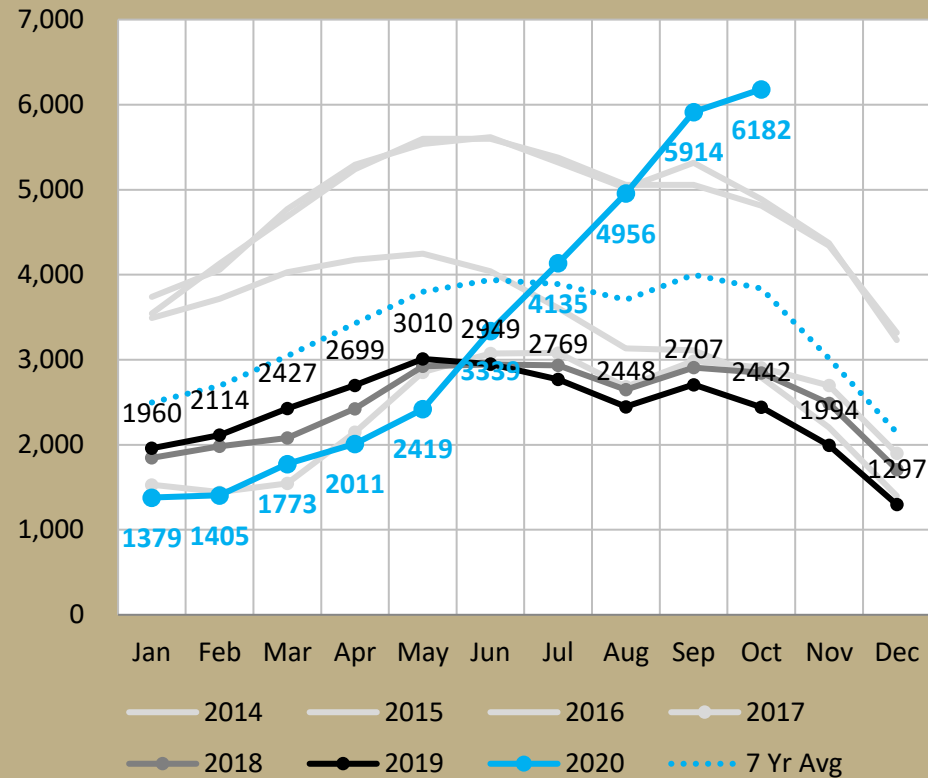
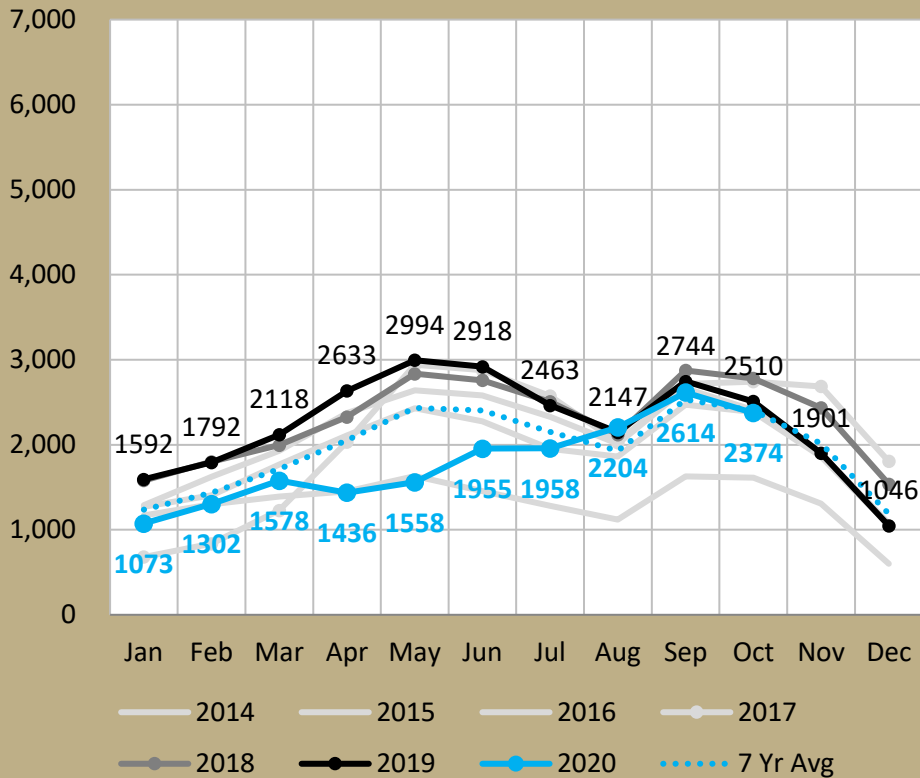


416 Active Listings

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

416 Active Listings - Houses

416 Active Listings - Condos

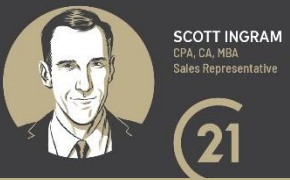


Oct vs. '19: ↓ 5% (vs. 7 Yr Avg: ↓ 1%)
 YTD vs. '19: ↓ 25%

Oct vs. '19: ↑ 153% (vs. 7 Yr Avg: ↑ 61%)
 YTD vs. '19: ↑ 31%

- Back near 7-yr avg, and lowest since 2016

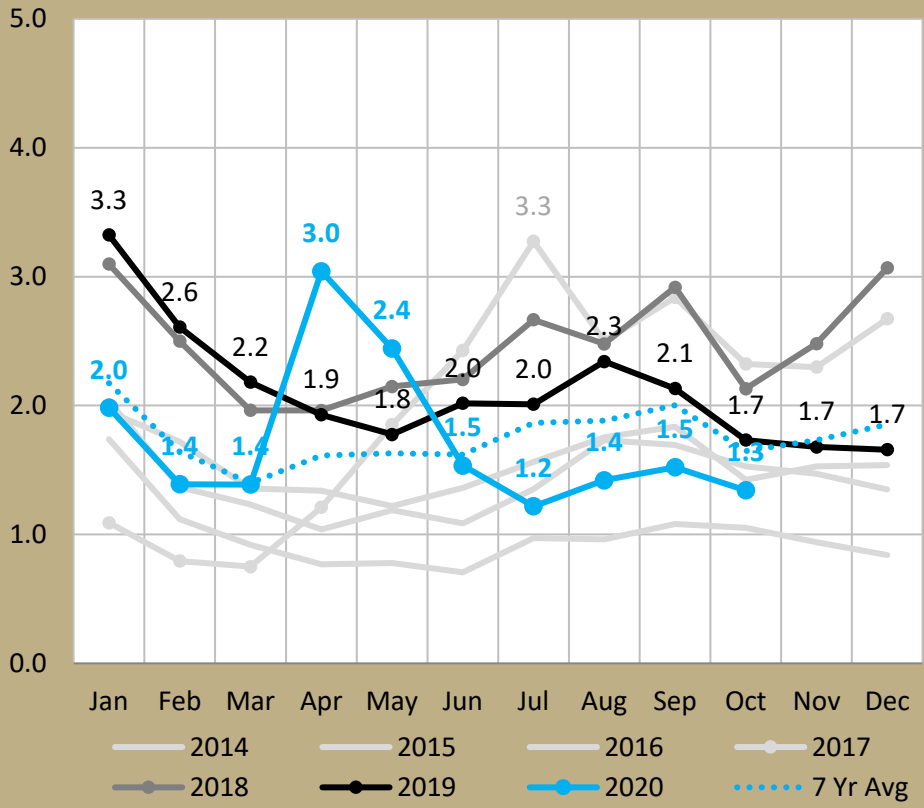
- Second record month in a row. Previous highest Oct (was 5315 in 2012, so this beats by 868)
- 2010-15 avg was 5047 so > 5K not unprecedented
- Little later to start decline through Dec this year



416 Months Of Inventory

(active listings at month end ÷ sales for month)

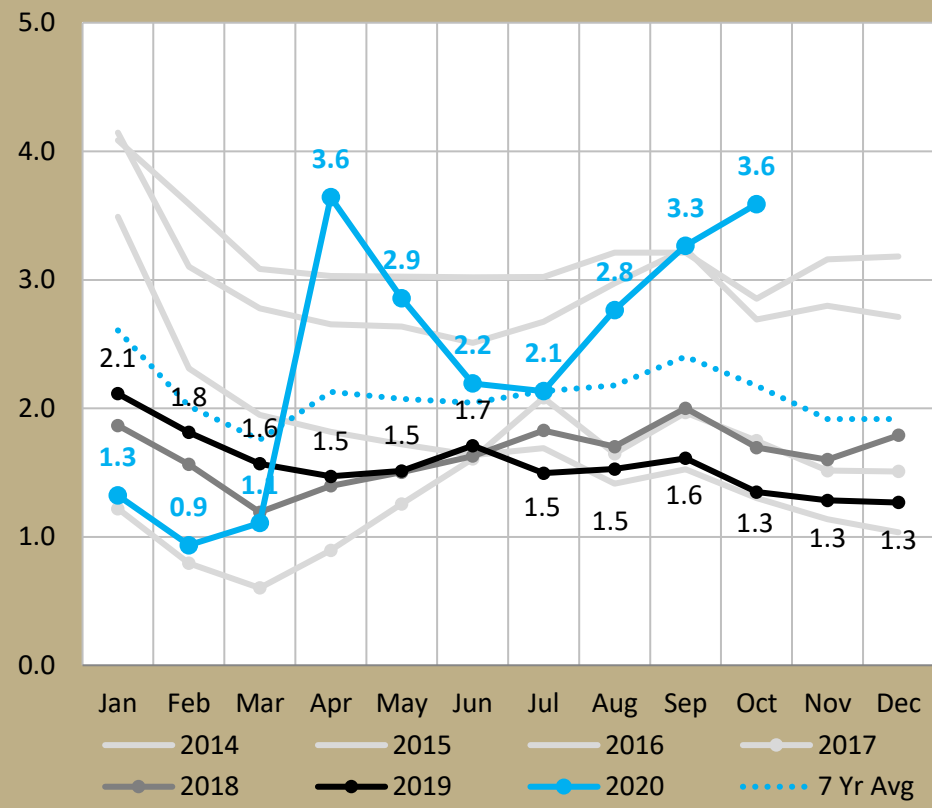
416 MOI - Houses (Det & Semi & Row)



Oct vs. '19: ↓ 0.4 months (-22%)
 Oct vs. 7 Yr Avg: ↓ 0.3 months (-19%)

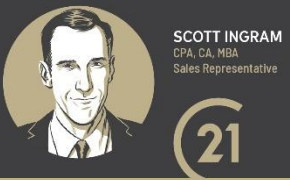
- Last 4 months were second tightest ever for those months, behind only 2016

416 MOI - Condos (Apt & Town)



Oct vs. '19: ↑ 2.2 months (166%)
 Oct vs. 7 Yr Avg: ↑ 1.4 months (65%)

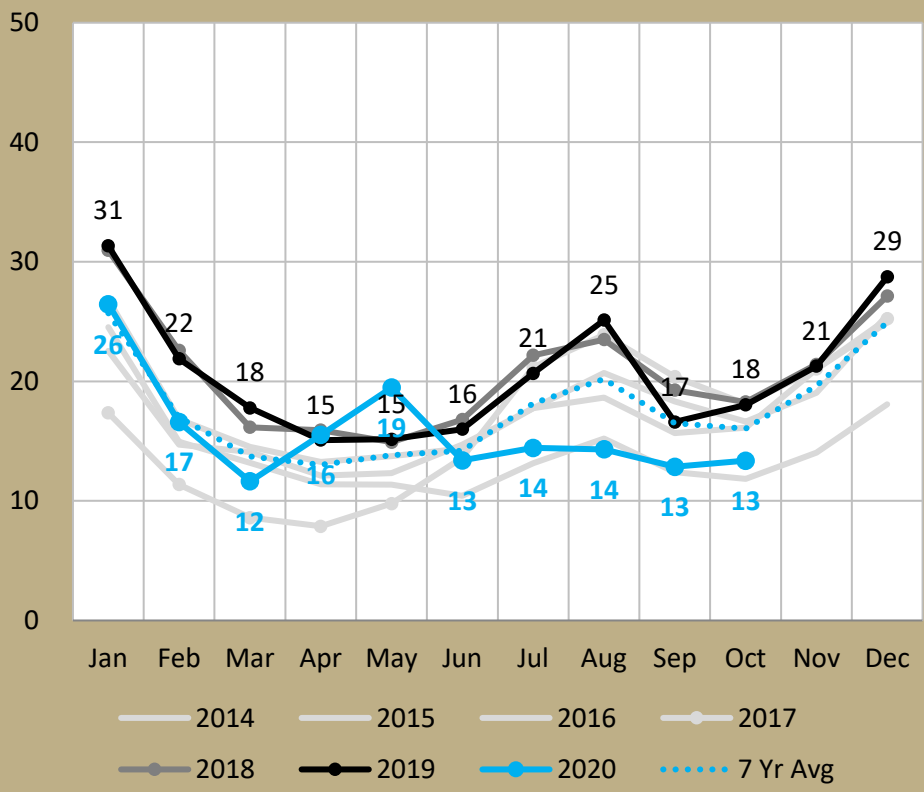
- Much as 3.6 looks high in recent years, is 7th highest in last 25.
 - Highest was 4.6 in Oct 2004 and 2008
 - April ended record 36 months in row condos < houses



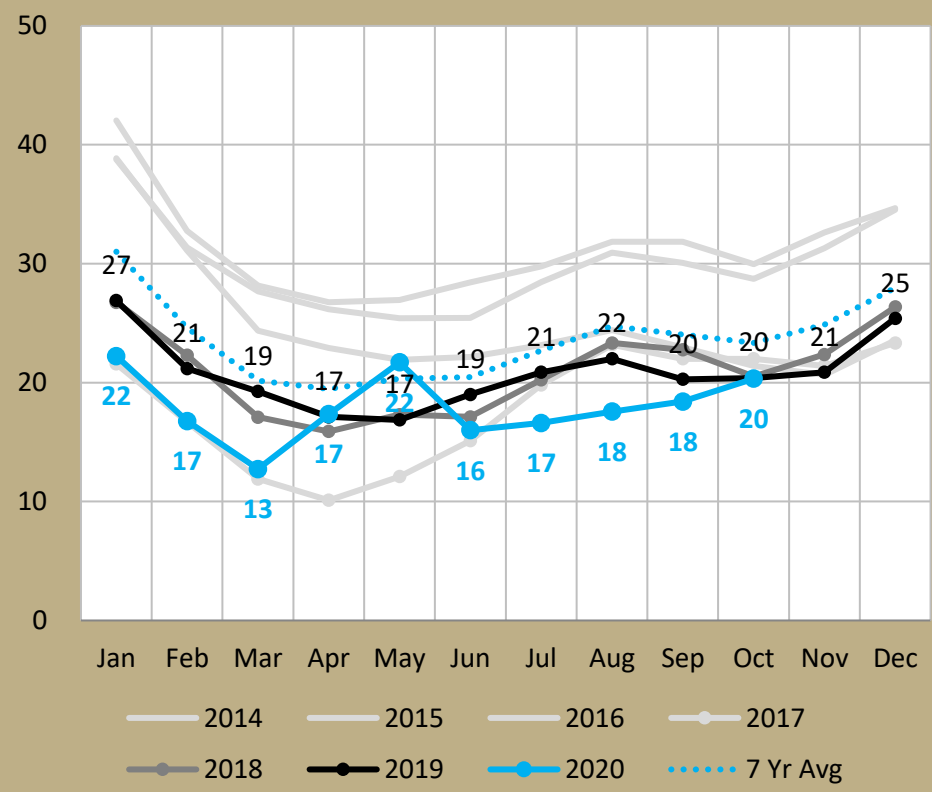
416 Average Days On Market

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

416 DOM - Houses (Det & Semi & Row)



416 DOM - Condos (Apt & Town)

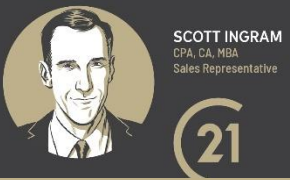


Oct vs. '19: ↓ 4.7 days (-26%)
 Oct vs. 7 Yr Avg: ↓ 2.7 days (-17%)

Oct vs. '19: ↔ 0.1 days (0%)
 Oct vs. 7 Yr Avg: ↓ 3.0 days (-13%)

- Second lowest Oct 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)

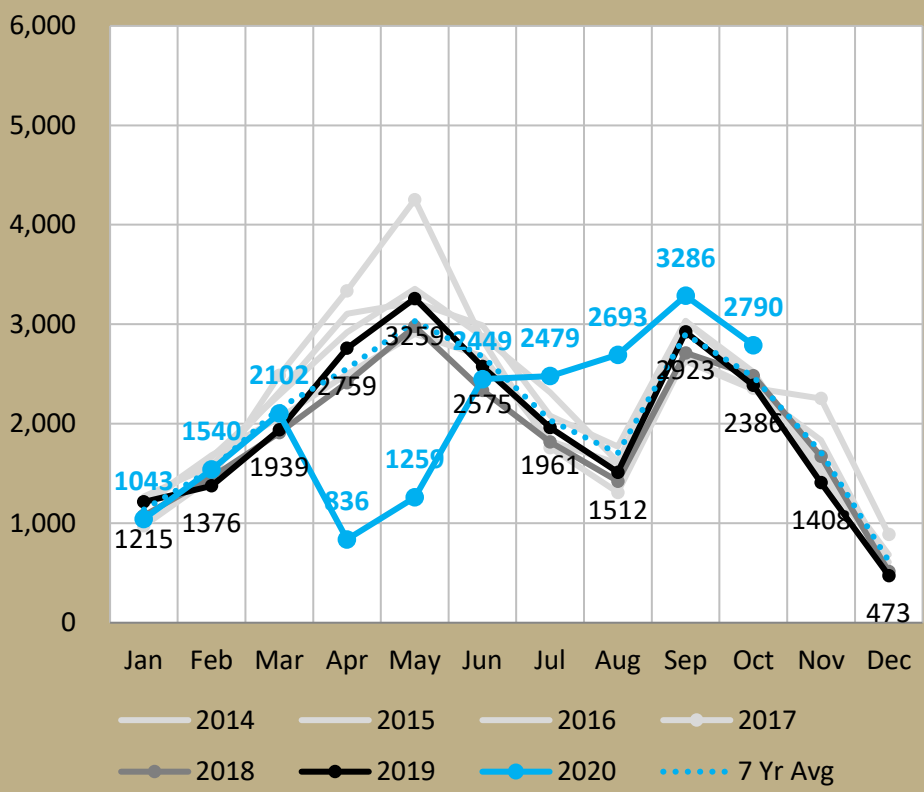
- Lowest Oct on record (by 0.1), which is strange since other stats showing condo weakness
- Garbage stat now though, will all the re-listings
- Diverged lower from historical averages in spring 2016 and has stayed low since



416 New Listings

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

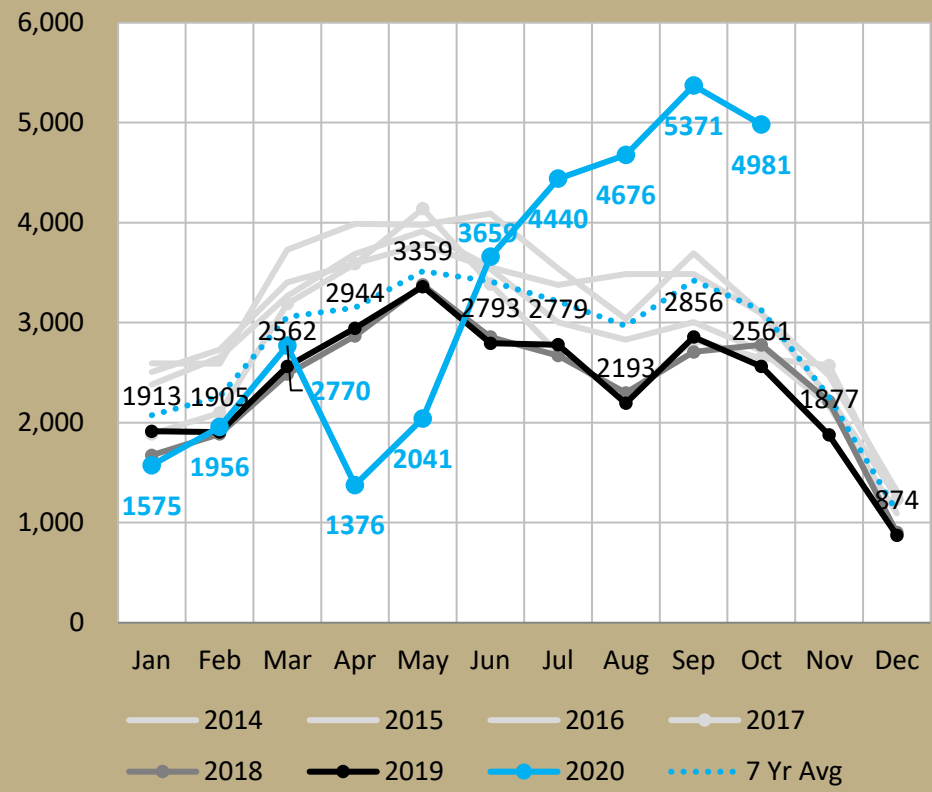
416 New Listings - Houses



Oct vs. '19: ▲ 17% (vs. 7 Yr Avg: ▲ 13%)
 YTD vs. '19: ▼ 7%

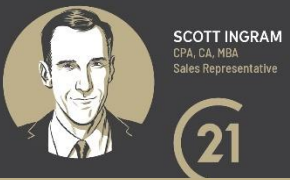
- Above seasonal norms the last few months
- Terminations and re-listings distort this stat

416 New Listings - Condos (Apt & Town)



Oct vs. '19: ▲ 94% (vs. 7 Yr Avg: ▲ 59%)
 YTD vs. '19: ▲ 27%

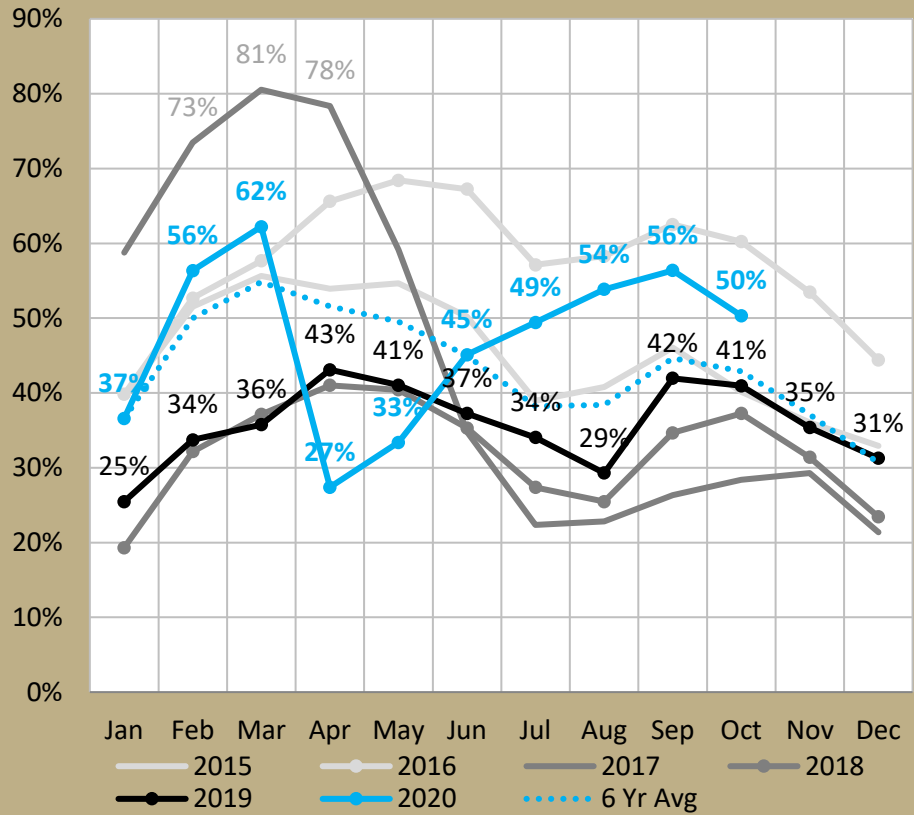
- 2400 more new listings in Oct this year vs last year
- In Apr this was 56% below 7-yr avg, now is 59% above
- Bit of a garbage stat now, because high volume of re-listings going on seriously distort this stat



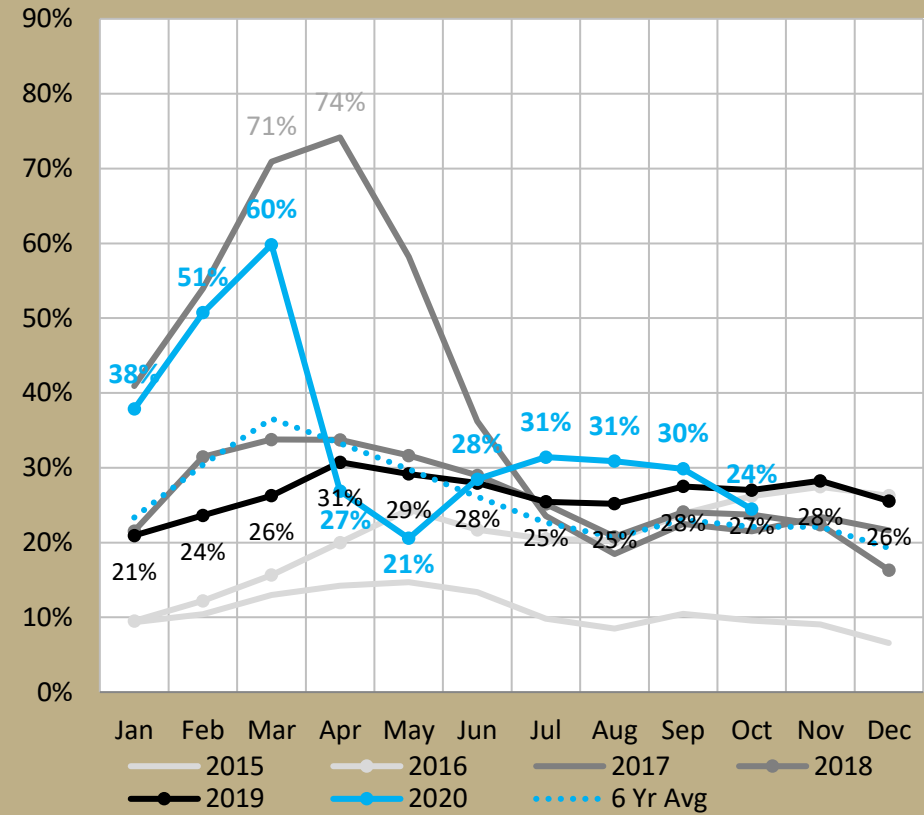
416 Sold Over Asking

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

416 Sold Over Asking - Houses



416 Sold Over Asking - Condos

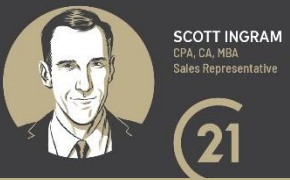


101% or more of asking Oct vs. '19: ▲ 9 pp
 Month-over-month: ▼ 6 pp

- Last 4 months, second highest ever behind 2016
- Full year numbers: 2015 47% • 2016 60% • 2017 49% • 2018 34% • 2019 37% • YTD 2020 50%

101% or more of asking Oct vs. '19: ▼ 3 pp
 Month-over-month: ▼ 6 pp

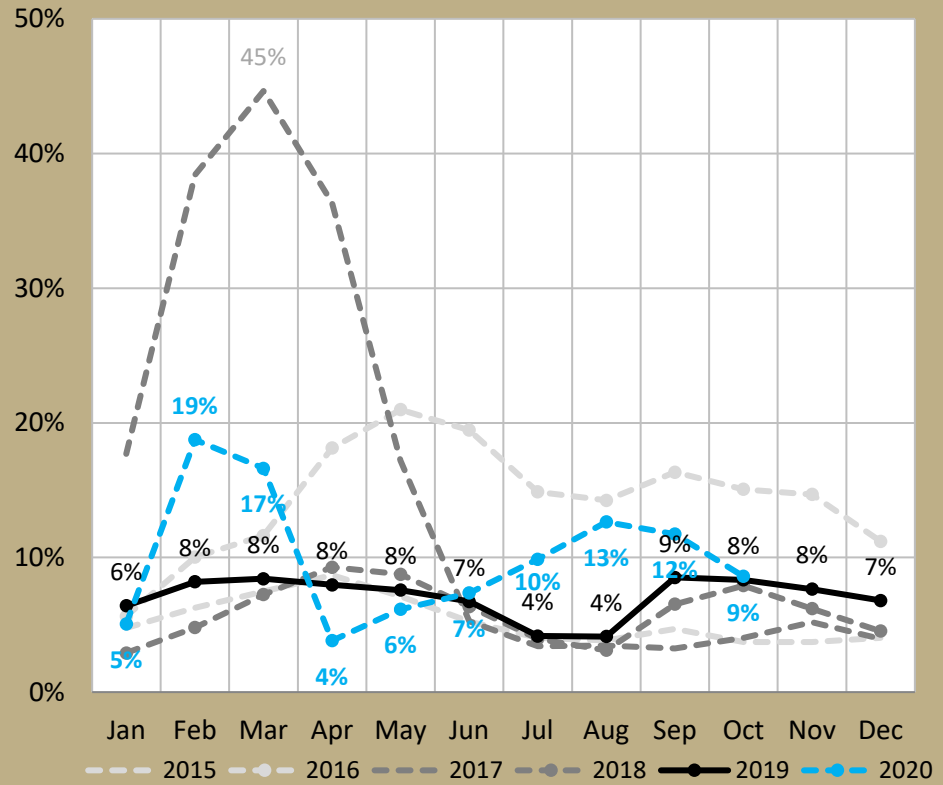
- Usually a reflection of a hot market, but seasonal highs last few months feel contra to market reality
- Full year numbers: 2015 11% • 2016 21% • 2017 42% • 2018 27% • 2019 27% • YTD 2020 35%



416 Sold 20% Over Asking

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

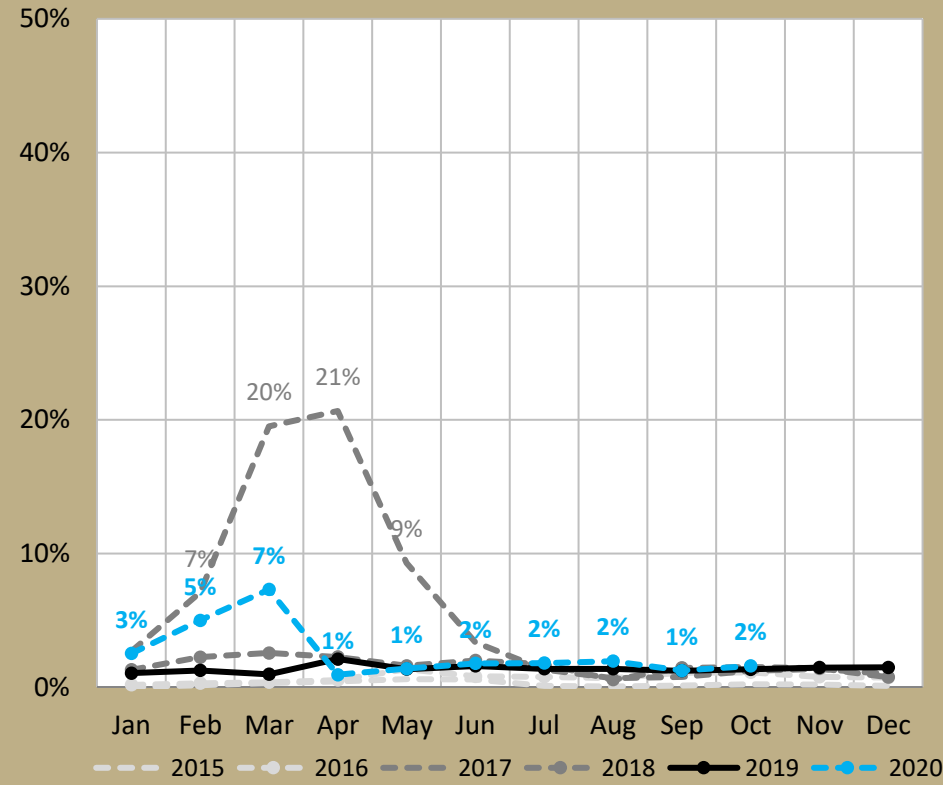
416 Sold 20% Over Asking - Houses



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

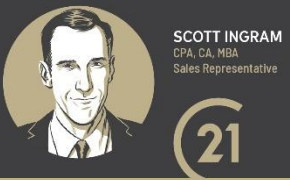
- Was abnormally high for summer months
- Highest Oct since 2016

416 Sold 20% Over Asking - Condos



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

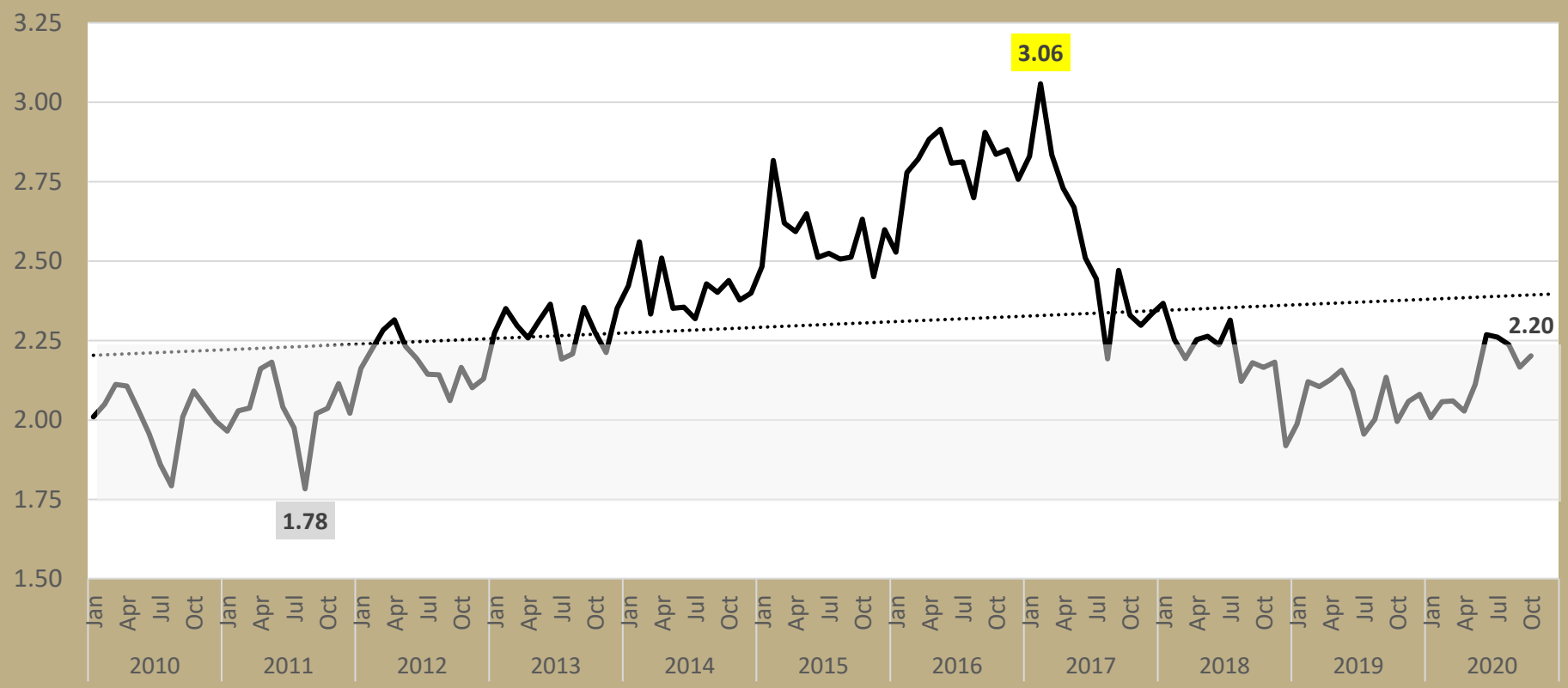
- Back to the usual 1% or 2%



416 Detached/Condo price ratio

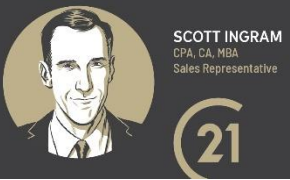
(average price for detached divided by average price of condo apartment)

Ratio of Avg Prices: 416 Detached/416 Condo Apt



Current ratio: 2.20
 Month-over-month: ▲ 0.03

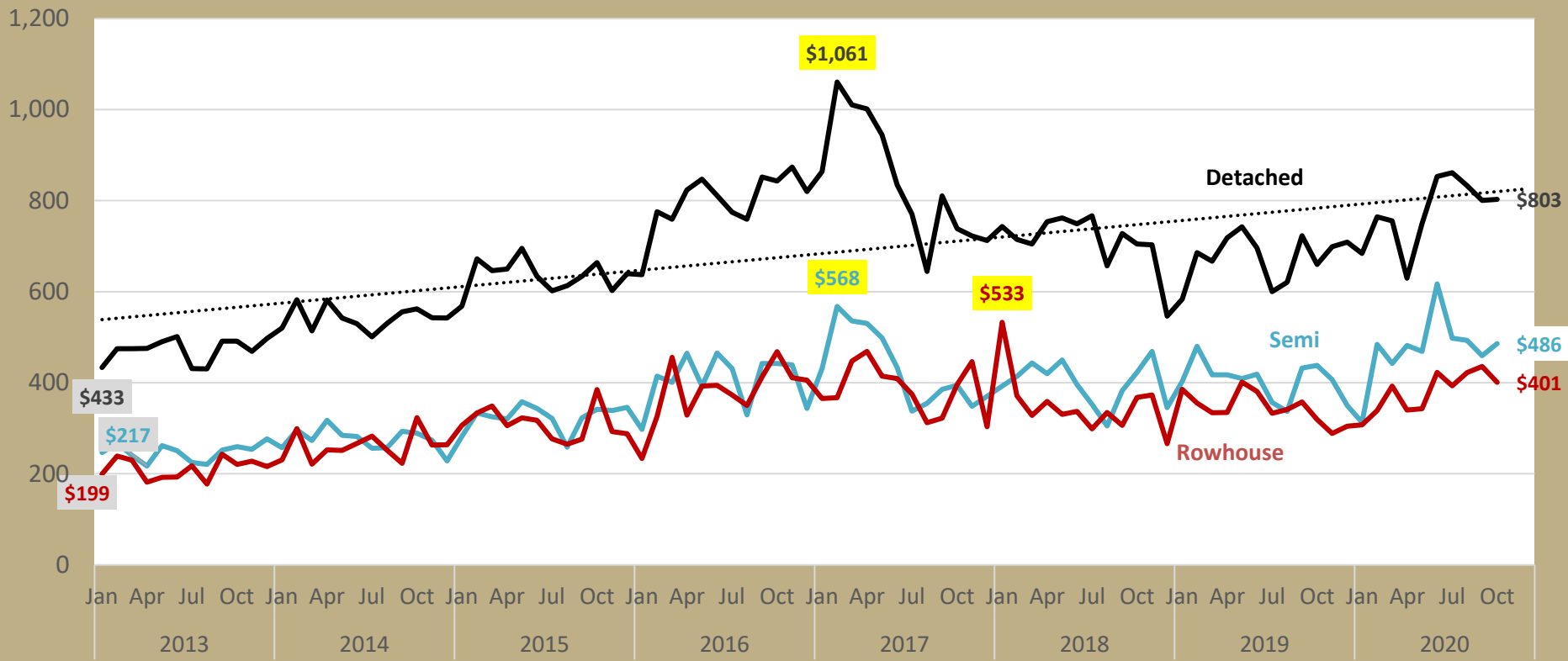
- Average since Jan 1996 = 2.13
- Median since Jan 1996 = 2.06
- Max = 3.06
- Min = 1.72



416 Price Gaps vs. Condo Apt

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

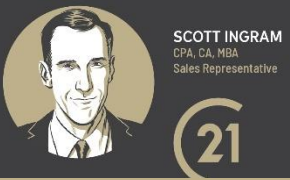
416 Price Gaps vs. Condo Apt ('000s)



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)

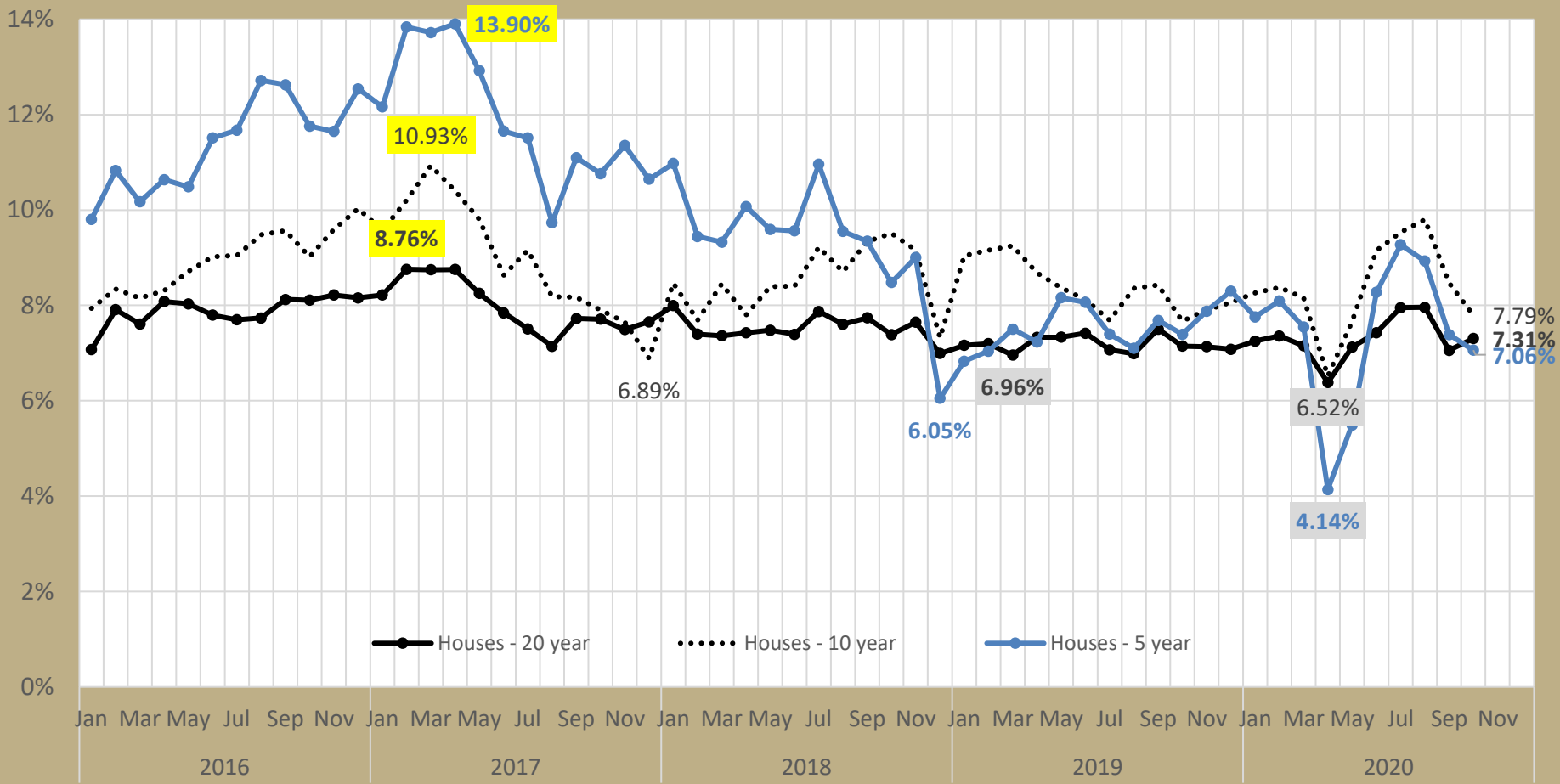
Current **Rowhouse** dollar gap: \$432K
 Prior month dollar gap: \$422K (⬆ \$10K)
 Prior year dollar gap: \$358K (⬆ \$74K)
 2 yrs prior dollar gap: \$307K (⬆ \$125K)



416 Price CAGRs – Freehold

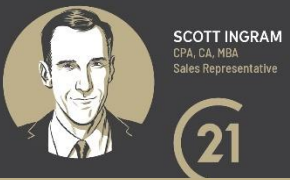
(Compound annual growth rate, current month vs. same month 5, 10, 20 years ago)

416 Freeholds - Average Price CAGRs



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

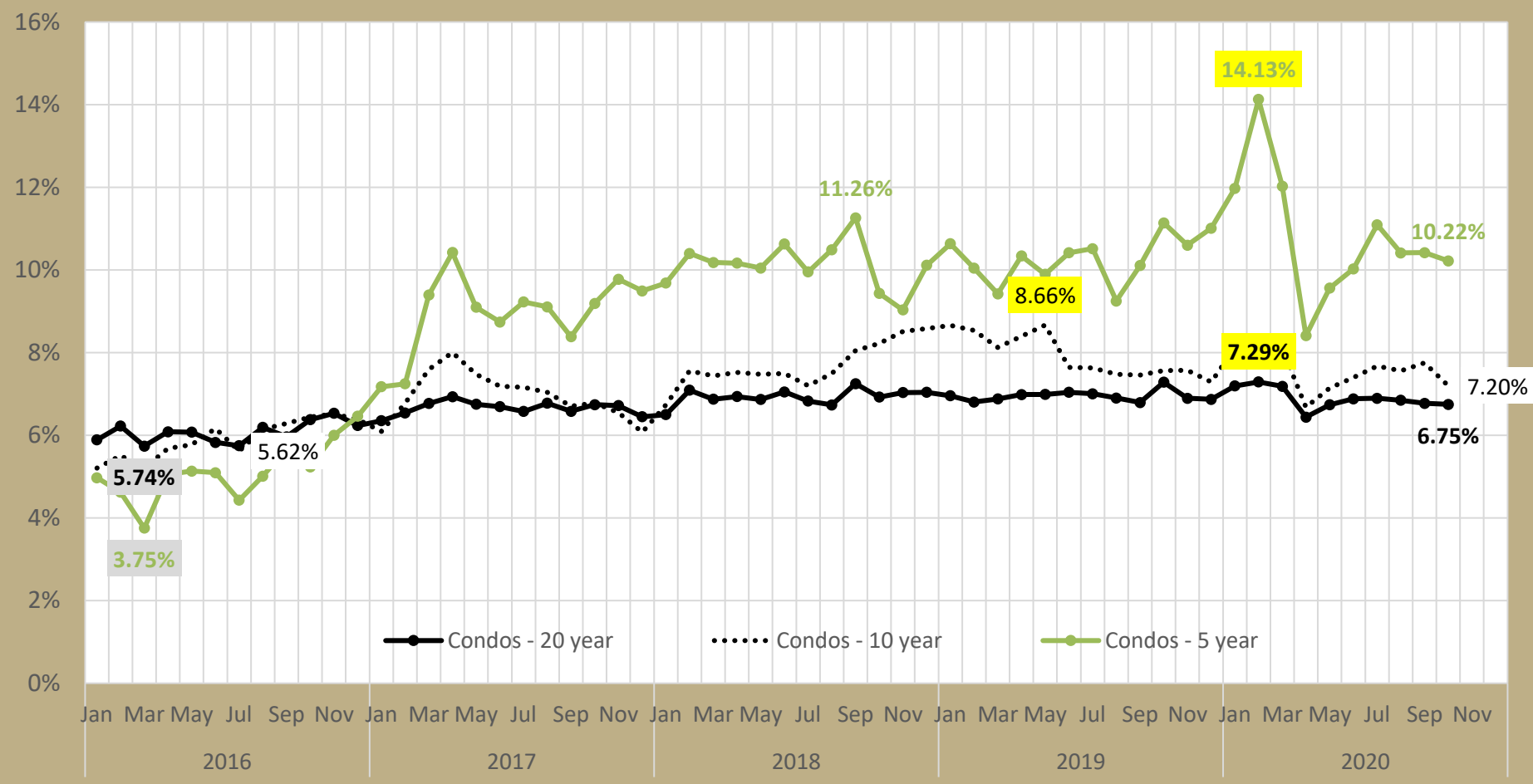
20 year **Condo** performance: 20 year CAGR (as at current month) is 6.77%; MoM change ↓ 8 bps



416 Price CAGRs – Condo

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

416 Condos - Average Price CAGRs



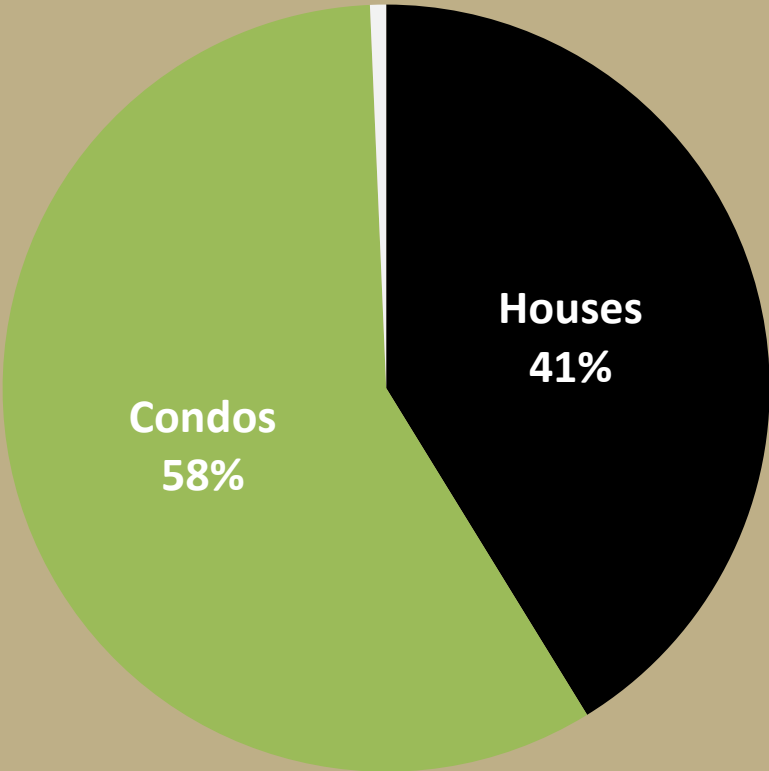
20 year **House** performance: 20 year CAGR (as at current month) is 7.06%; MoM change ↓ 90 bps

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

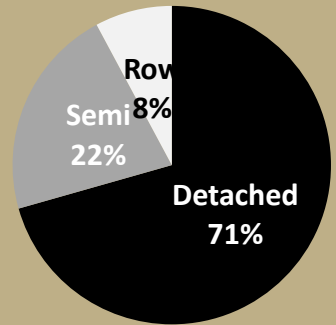


416 Market Breakdown

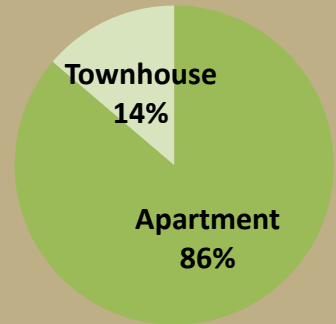
Share of Transactions - last 12 months



Share of House Transactions - last 12 months



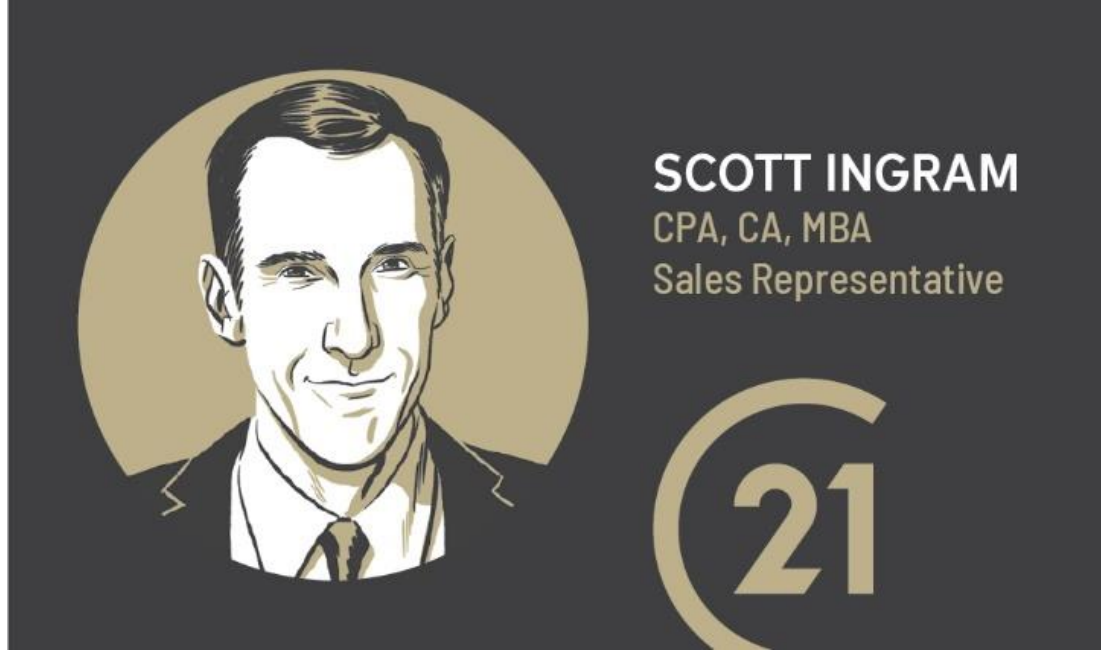
Share of Condo Transactions - last 12 months



- 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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