# Toronto Real Estate Market Charts

## January 2019

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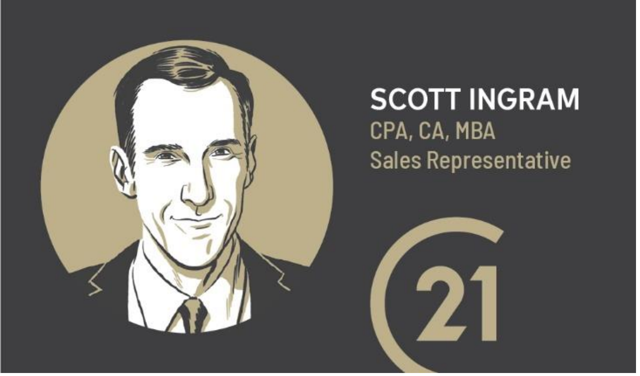


# Toronto Real Estate

# 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)

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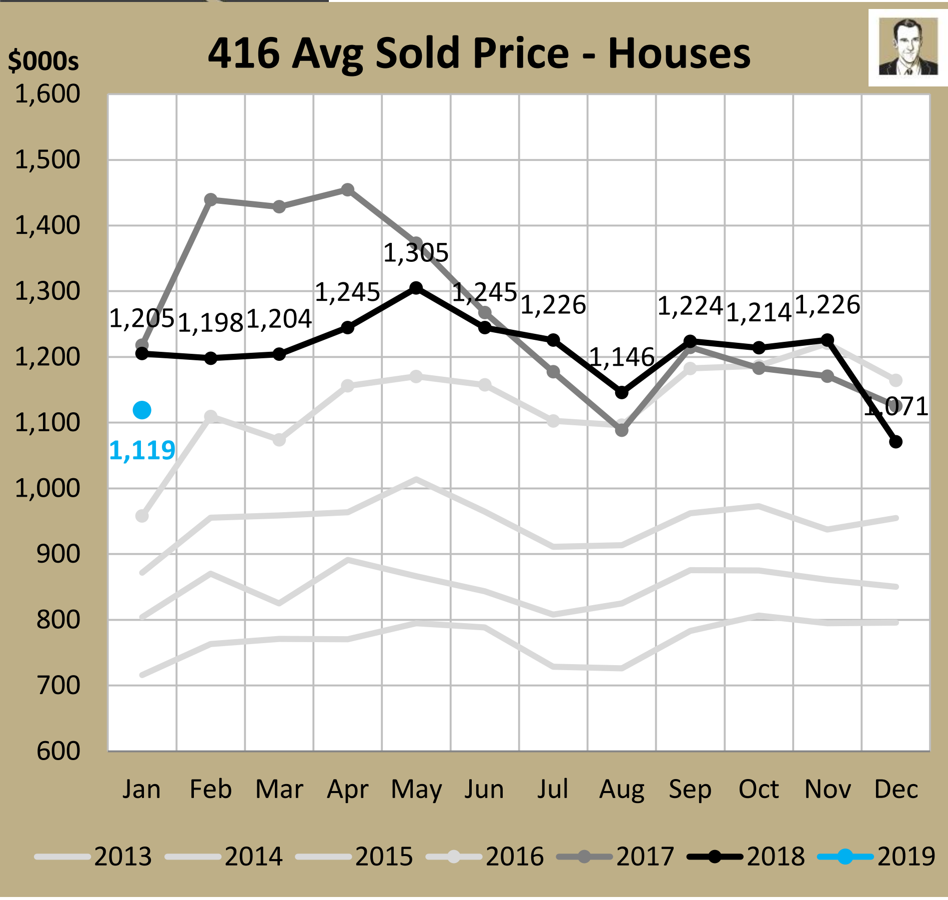
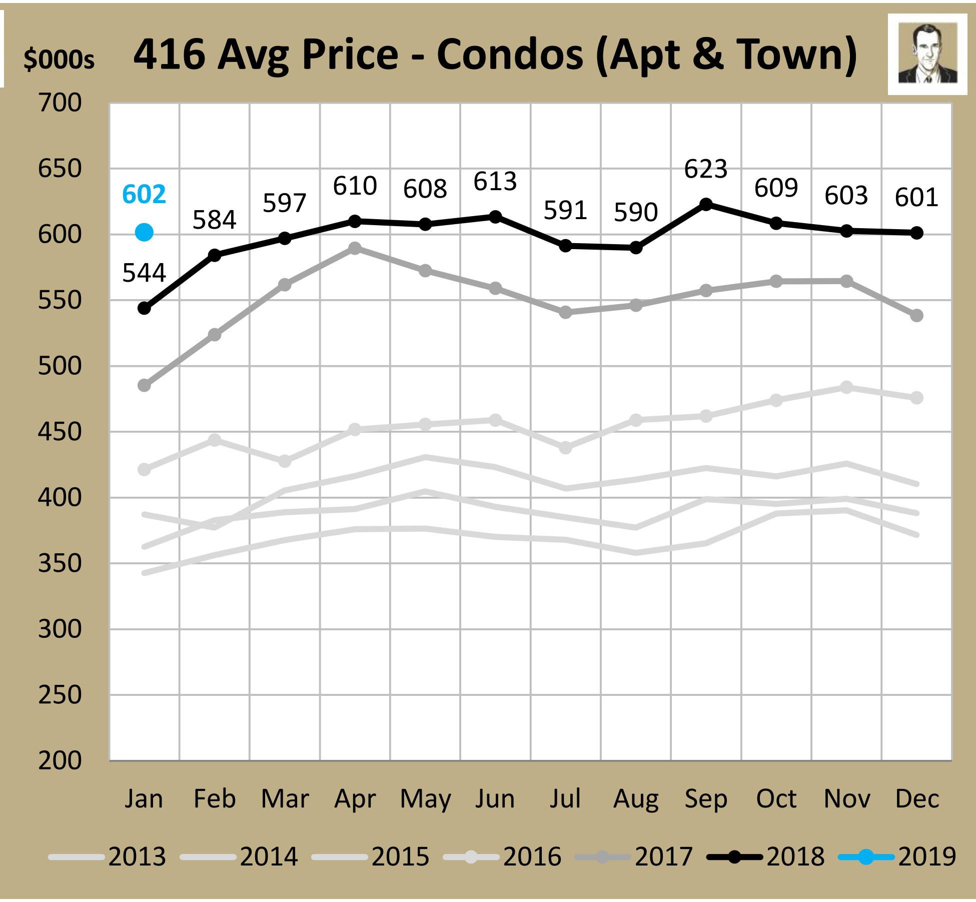
# 416 Average Sold Price

(dollar volume ÷ number of transactions in the month)




**Detached $1,174K / Semi $993K / Row $976K**

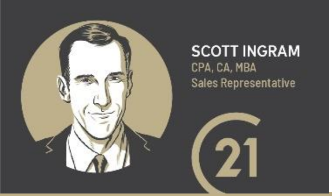
Jan vs. '18: ⬇ $86K (-7.1%)
Jan vs. '14: ⬆ $315K (39%)
5 year CAGR: ⬆6.8%

- 2 months in a row < prior year, after streak of 5 positive months
- Detached -8.8% and Row -9.4%, while Semi +6.1%

**Condo Apt $591K / Condo Townhouse $696K**

Jan vs. '18: ⬆$58K (10.6%)
Jan vs. '14: ⬆$239K (66%)
5 year CAGR: ⬆10.7%

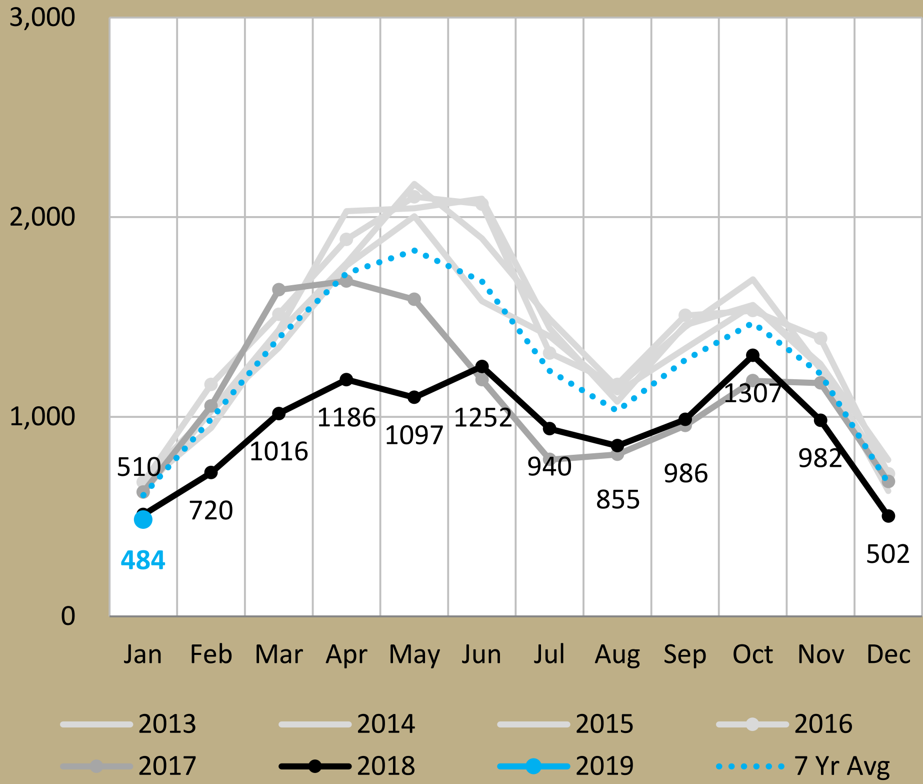
- Unlike Houses, is well clear of prior year prices



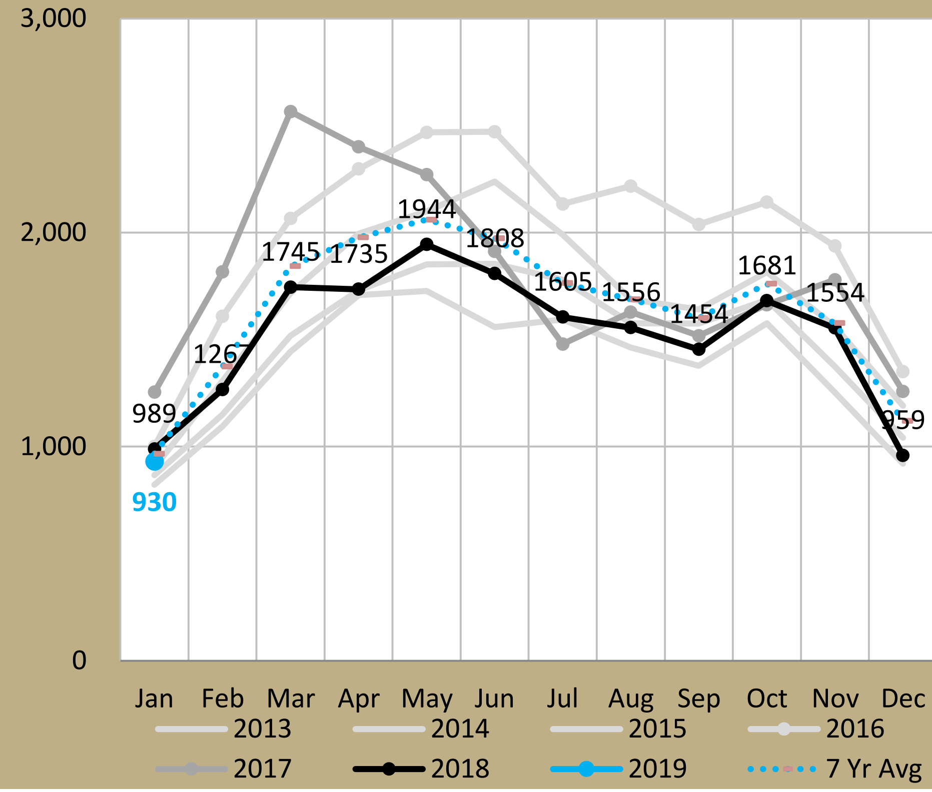

# 416 Residential Sales Volume

(number of sold transactions in the month)

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




## 416 Sales - Condos (Apt & Town)




Jan vs. '18: ⬇ 25.3% (vs. 7 Yr Avg: ⬇24%)
YTD vs. '18: ⬇ 15%

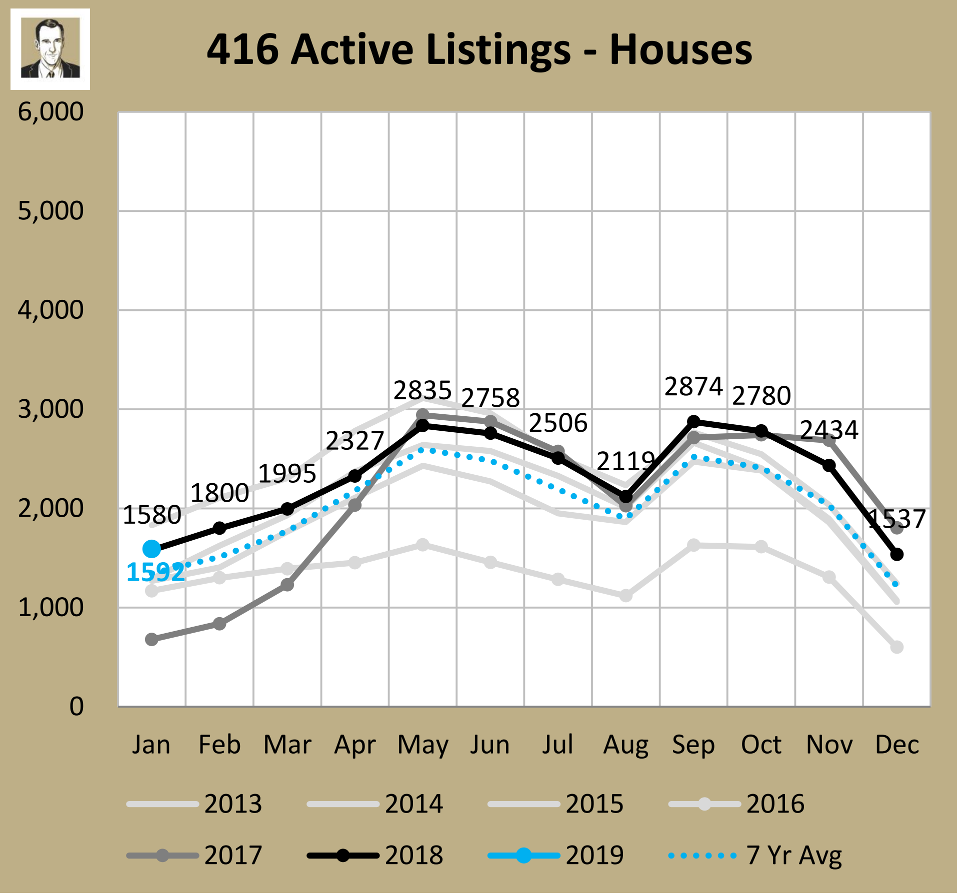
- Jan 2018 (510) was a 24-year low, due to pull-forward of demand into Nov/Dec 2017. So this year bad if can't even beat that
- Lowest Jan total in last 24 years

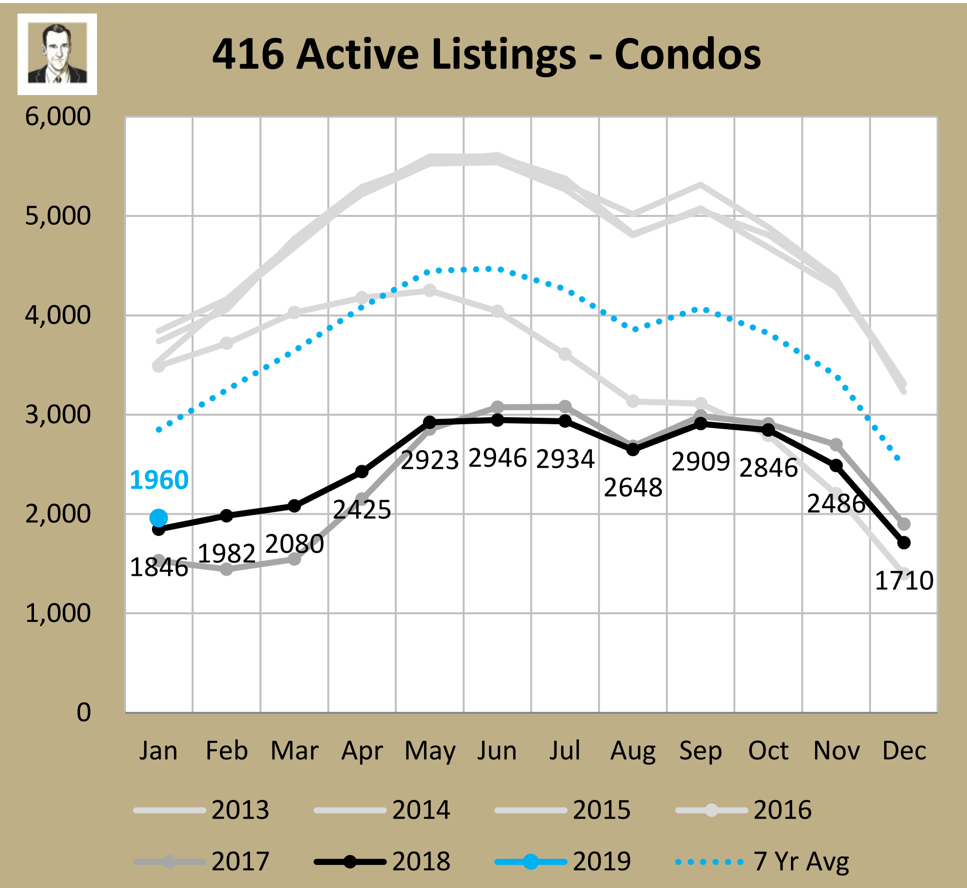
Jan vs. '18: ⬇ 6.0% (vs. 7 Yr Avg: ⬇3.8% )
YTD vs. '18: ⬇ 6%

- 19 of last 21 months were lower than previous year
- Dec 10% lower than 7 year avg, 2nd worst this year
- Rolling 12 month sales down third straight month. Now at 18,310 – lowest since Feb 2015.

# 416 Active Listings

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



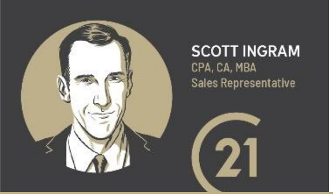




Jan vs. '18: ⬆ 0.8% (vs. 7 Yr Avg: ⬆18%)
YTD vs. '18: ⬆ 1%

- Within recent seasonal ranges, though at higher end and 18% above 7 Yr Avg.
- Still lower than 24-year Jan median (1991) and avg (2180)

Jan vs. '18: ⬆ 6.5% (vs. 7 Yr Avg: ⬇31%)
YTD vs. '18: ⬆ 6%

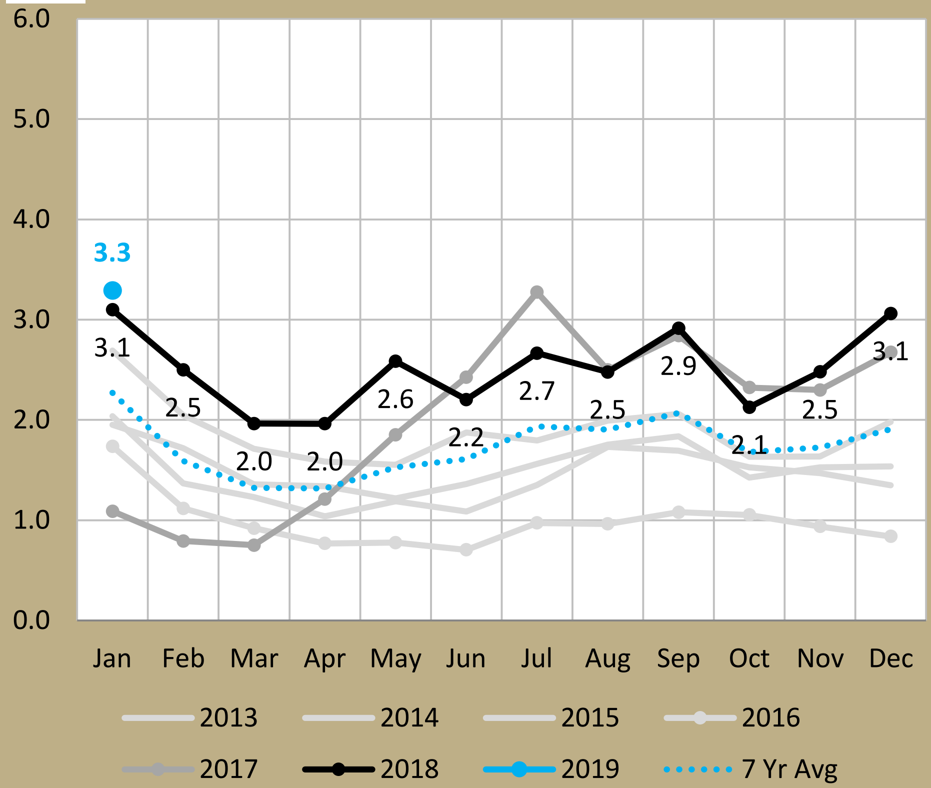
- Higher than last 2 years, but lower than any other Jan after 2001
- Active Listings 900 less than 7 Yr Avg



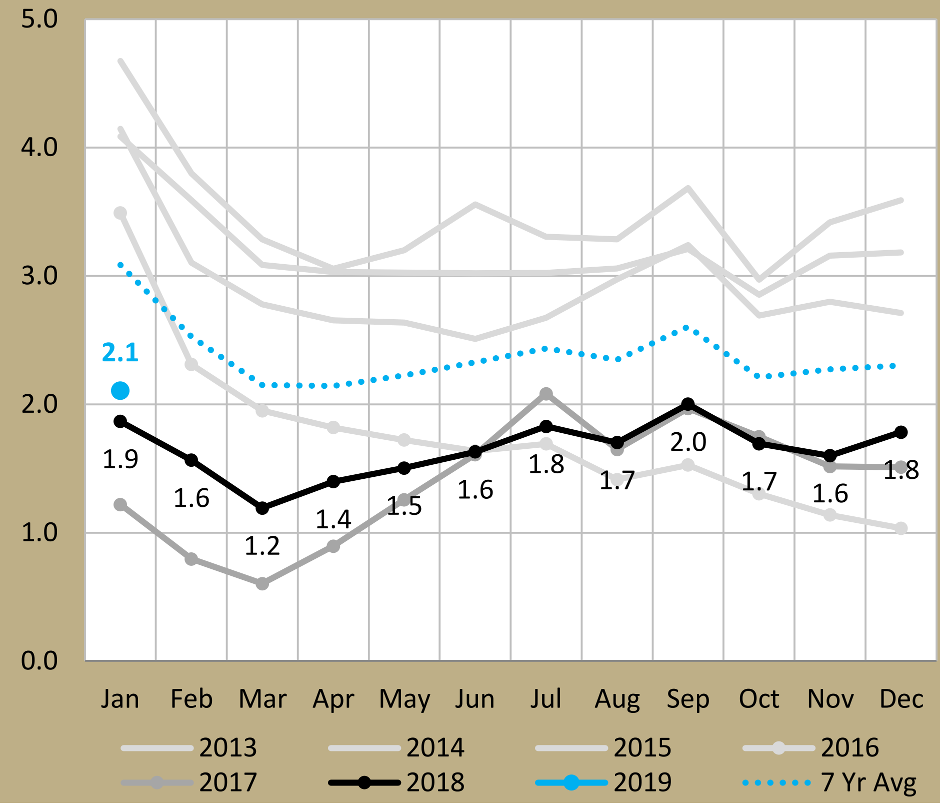

# 416 Months Of Inventory

(active listings at month end ÷ sales for month)

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




## 416 MOI - Condos (Apt & Town)




Jan vs. '18: ⬆0.2 months (6%)
Jan vs. 7 Yr Avg: ⬆1.0 months (45%)

- Highest Jan since 2009 (6.7)
- Underlying: Detached 3.9 (3.8 in Dec), Semi 1.9 (1.3), Row 1.7 (1.9)

Jan vs. '18: ⬆0.2 months (13%)
Jan vs. 7 Yr Avg: ⬇1.0 months (-32%)

- Only 2nd time in last 35 months > 2.000
- Record 23 months in row condos < houses. In 254 months before March 2017, this only happened 19 times in total. Current spread (-1.18) is 3rd highest ever

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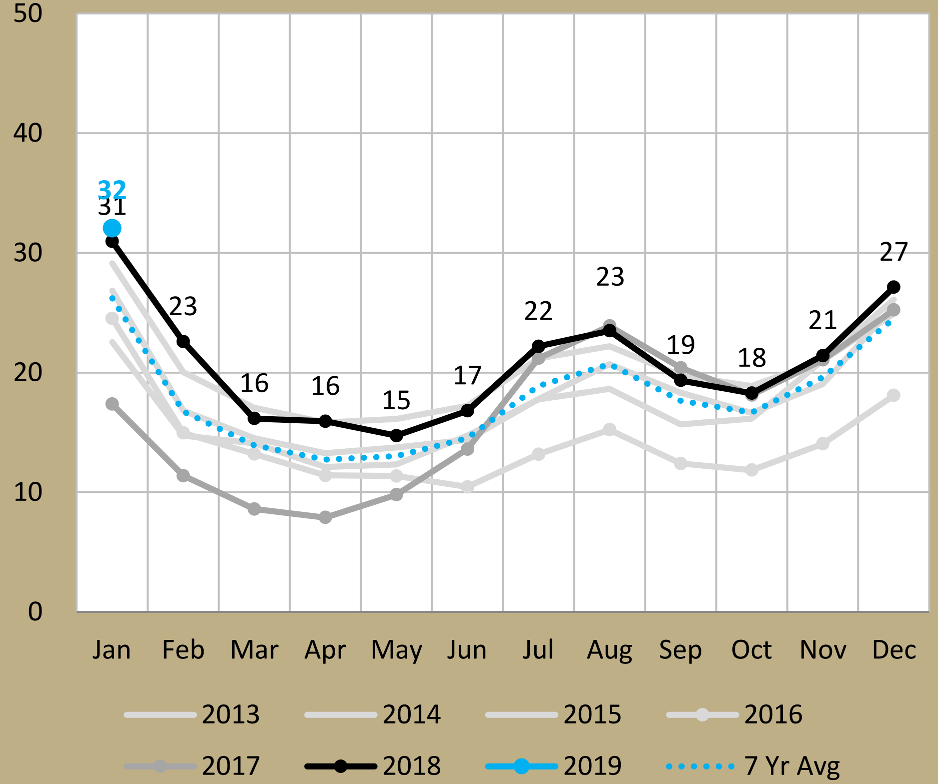
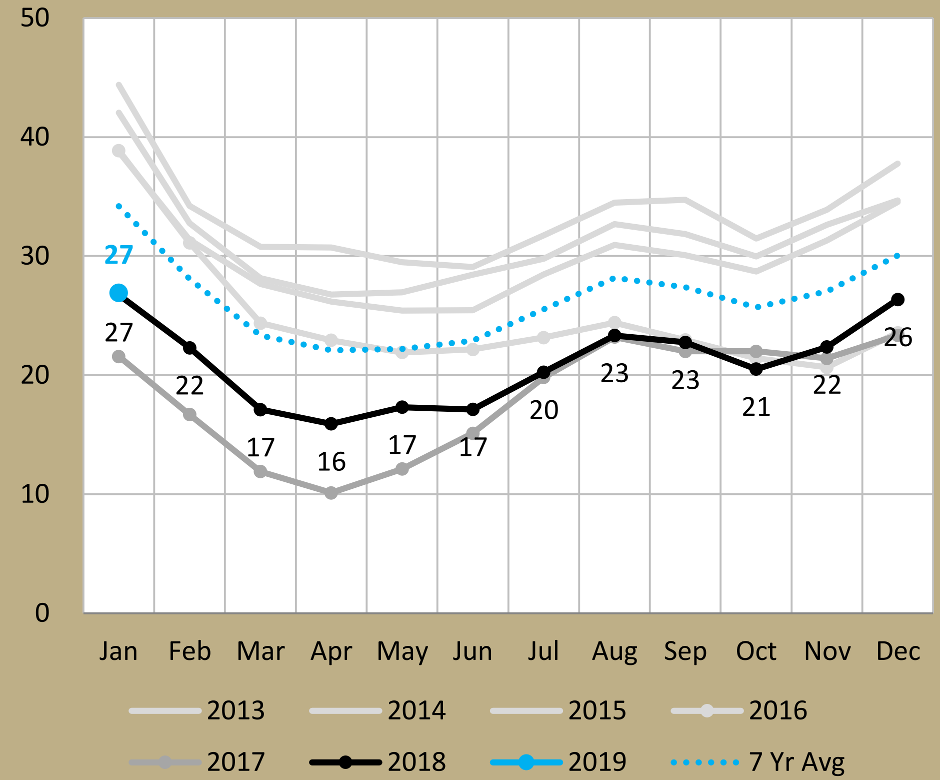
# 416 Average Days On Market

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

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




## 416 DOM - Condos (Apt & Town)




Jan vs. '18: ⬆ 1.1 days (4%)
Jan vs. 7 Yr Avg: ⬆ 5.9 days (22%)

- Last year followed seasonal patterns, just at high end of recent ranges
- Highest Jan since 2009 (44). (Dec was since 2012)
- 6 days higher than Jan avg of last 10 years of 26

Jan vs. '18: ⬆ 0.2 days (1%)
Jan vs. 7 Yr Avg: ⬇ 7.3 days (-21%)

- Highest since 2016 (39) but still 4th lowest in 24 years
- Diverged lower from averages in spring 2016 and hae stayed low since
- Was only one Jan <38 before 2017, so 22-27-27 of last three years are exceptionally low

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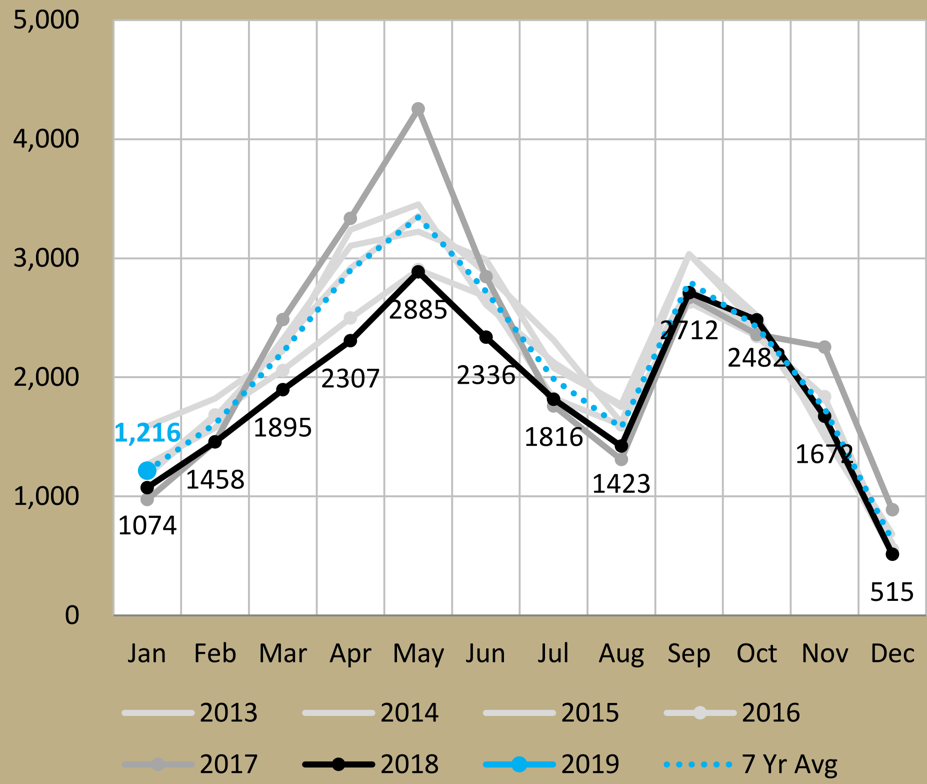
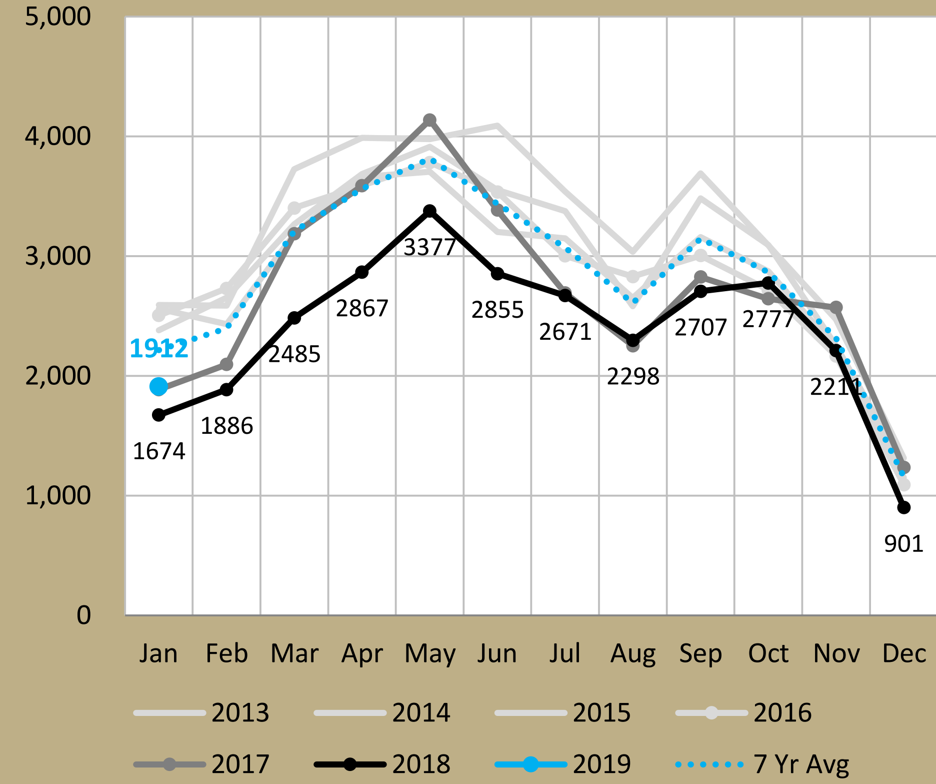
# 416 New Listings

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

## 416 New Listings - Houses




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




Jan vs. '18: ↑ 13.2% (vs. 7 Yr Avg: ↔ 0%)
YTD vs. '18: ↑ 13%

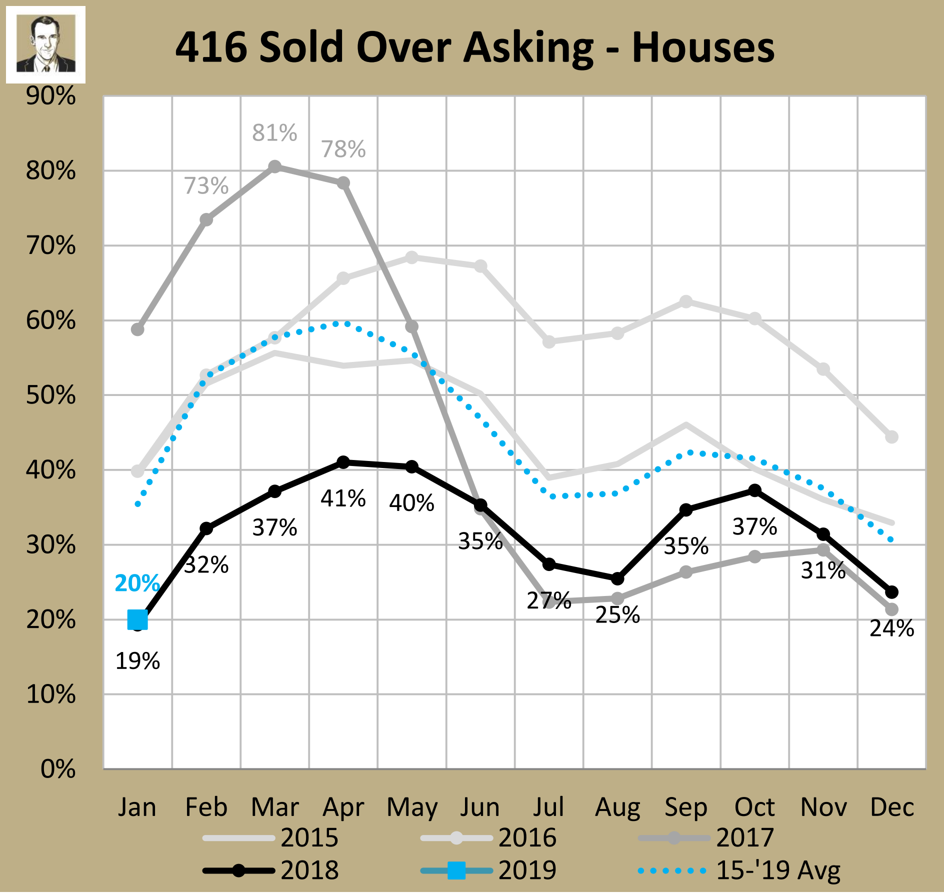
- Last year saw higher new listings in Nov and Dec to try to beat the Jan 1 stress test implementation so Jan/Feb 2018 were lower than normal
- terminations and re-listings distort this stat

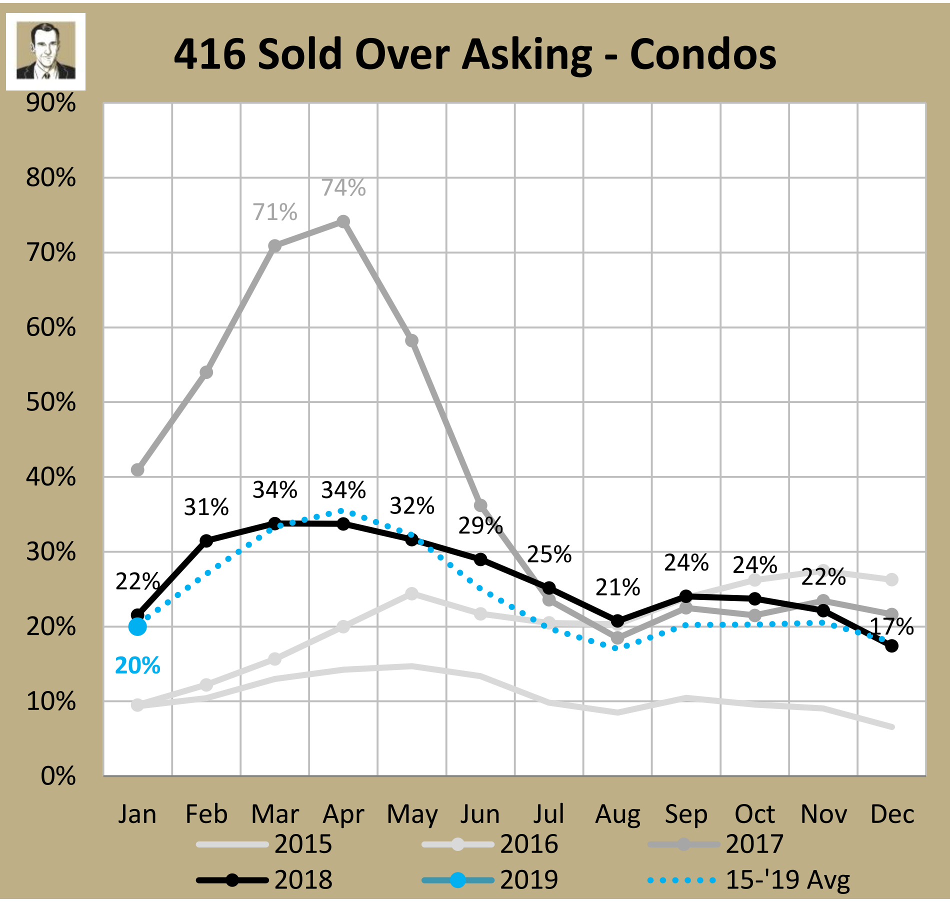
Jan vs. '18: ↑ 14.2% (vs. 7 Yr Avg: ↓ 14%)
YTD vs. '18: ↑ 14%

- Dec 2018 was lowest since Dec 2001 so this has bounced back a bit
- Still well below Jan norms

# 416 Sold Over Asking

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




101% or more of asking Jan vs. '18: ⬆ 1 pp
Month-over-month: ⬇ 4 pp

- 8th month in a row higher than prior year
- Full year numbers: 2015 47%, 2016 60%, 2017 49%, 2018 34%

101% or more of asking Jan vs. '18: ⬇ 2 pp
Month-over-month: ⬆ 3 pp

- Whole last half of 2018 was close to 2016 and 2017 numbers
- Days of SOA for a condo being just for special properties (11% for all 2015 sales) seem to be gone (27% for all 2018 sales)

# 416 Sold 20% Over Asking

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

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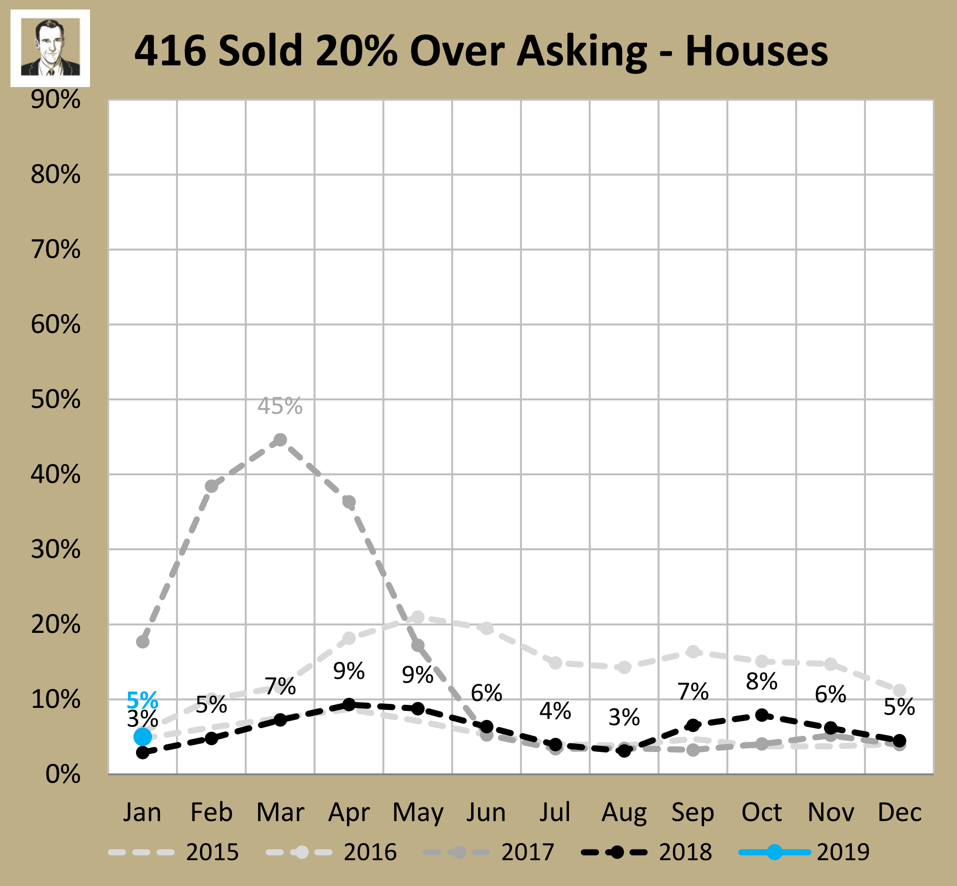


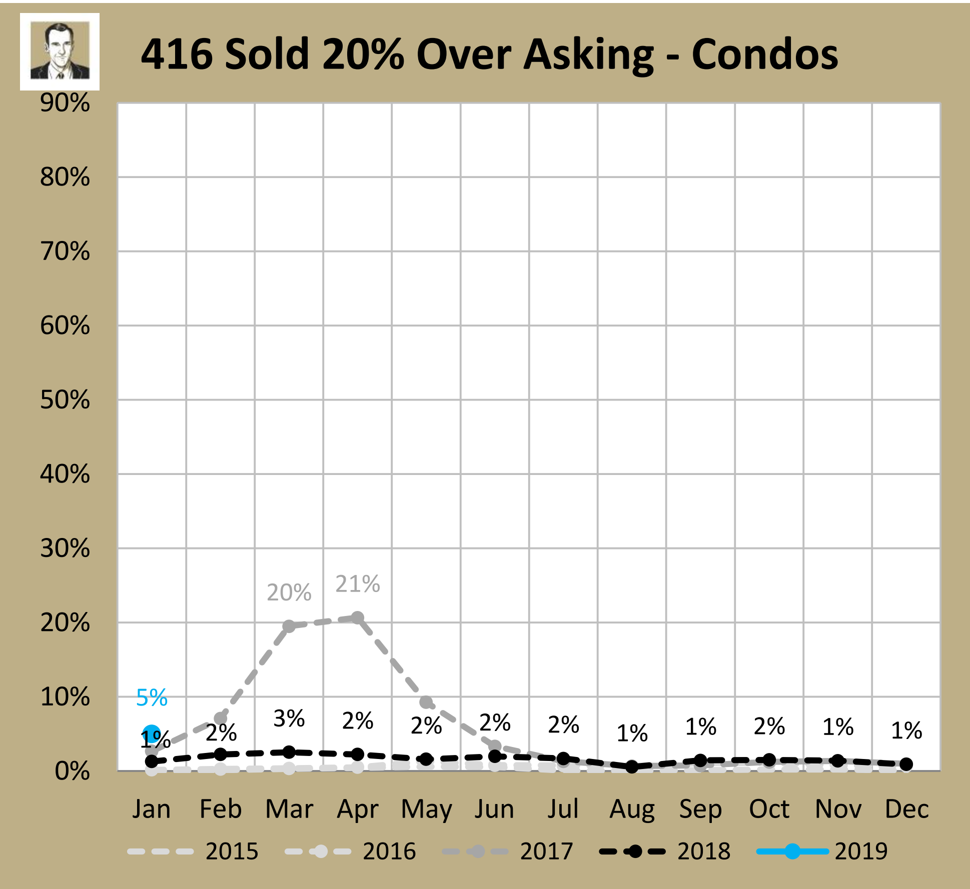


120% or more of asking Jan vs. '18: ⬆ 2 pp
Month-over-month: ⬇ 4 pp

- YoY increases in 7 of last 8 months
- 20% SOA activity (and strategy of grossly underlisting) has moderated, with 2016 and the first bit of 2017 looking to be the outlier period

120% or more of asking Jan vs. '18: ⬆ 4 pp
Month-over-month: ⬆ 4 pp

- Interesting YoY jump in this practice for condos,with 5% beating recent Jan record of 3% in hot 2017

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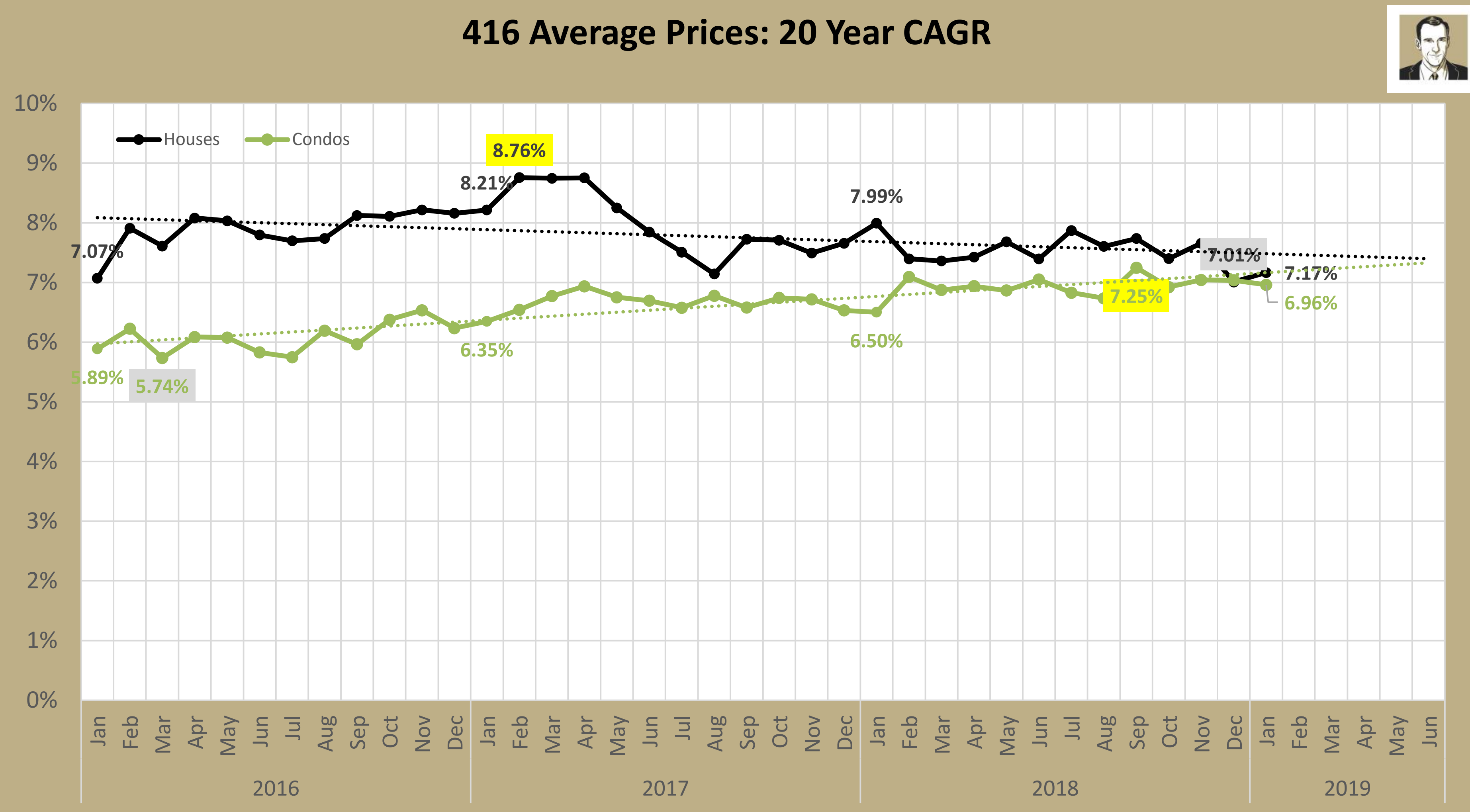
# 416 20-year Price CAGR

(Current month vs. same month 20 years ago)




20 year **House** performance: 20 year CAGR (as at current month) is 7.17%; MoM change 16 bps

20 year **Condo** performance: 20 year CAGR (as at current month) is 6.96%; MoM change 7 bps

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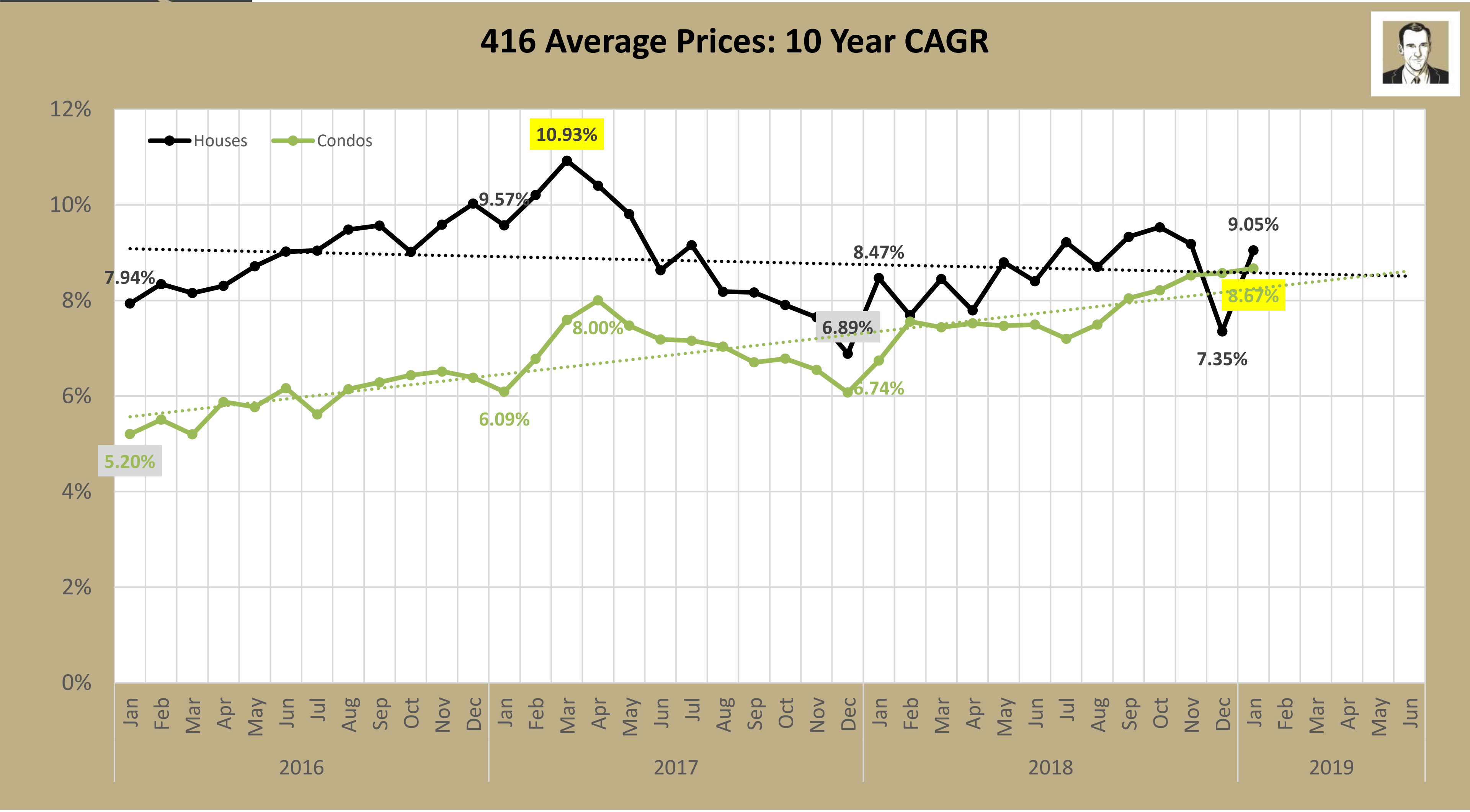
# 416 10-year Price CAGR

(Current month vs. same month 10 years ago)

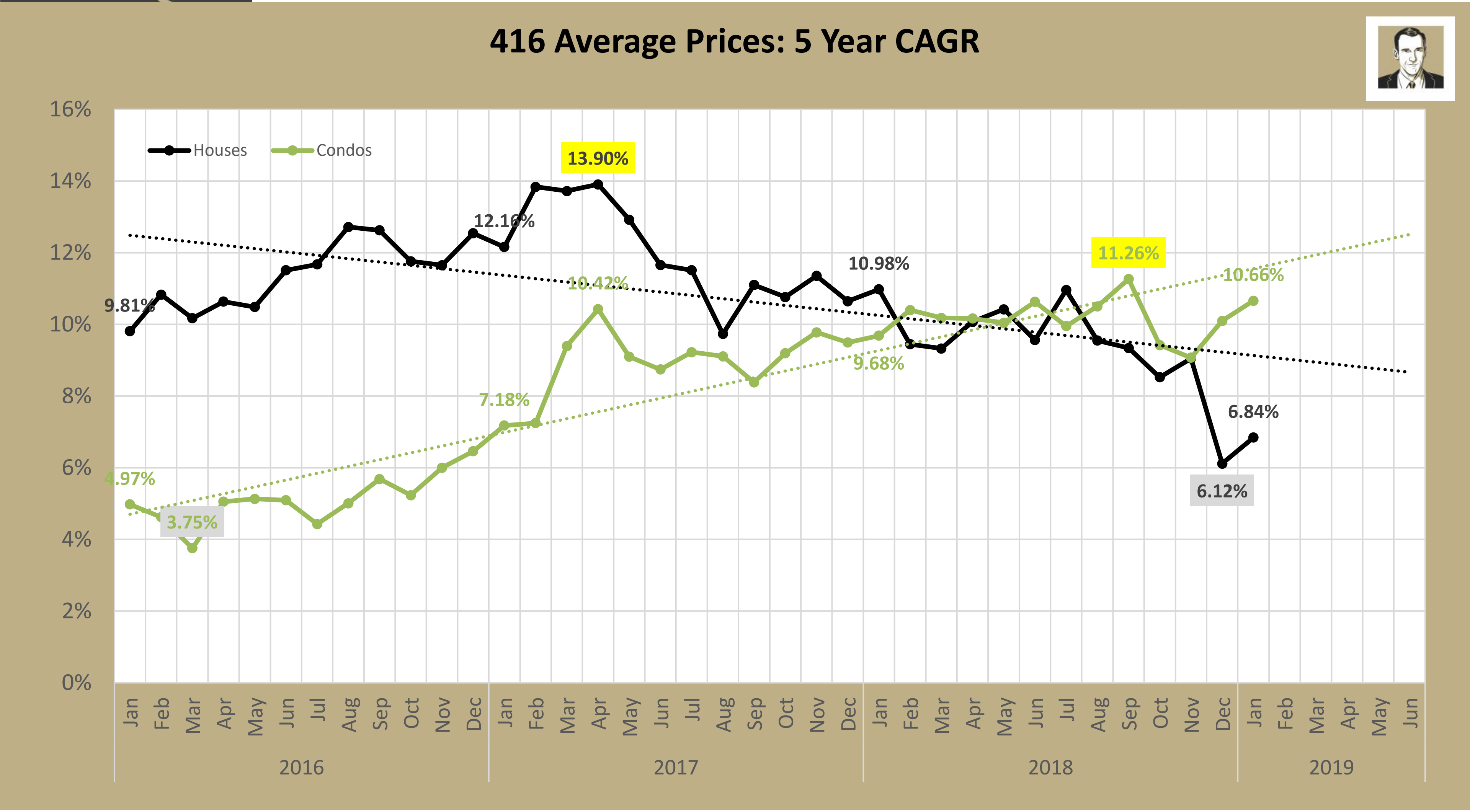



10 year **House** performance: 10 year CAGR (as at current month) is 9.05%; MoM change ⬆ 170 bps

10 year **Condo** performance: 10 year CAGR (as at current month) is 8.67%; MoM change ⬆ 10 bps

# 416 5-year Price CAGR

(Current month vs. same month 5 years ago)




5 year **House** performance: 5 year CAGR (as at current month) is 6.12%; MoM change ⬆ 73 bps

5 year **Condo** performance: 5 year CAGR (as at current month) is 10.10%; MoM change ⬆ 56 bps

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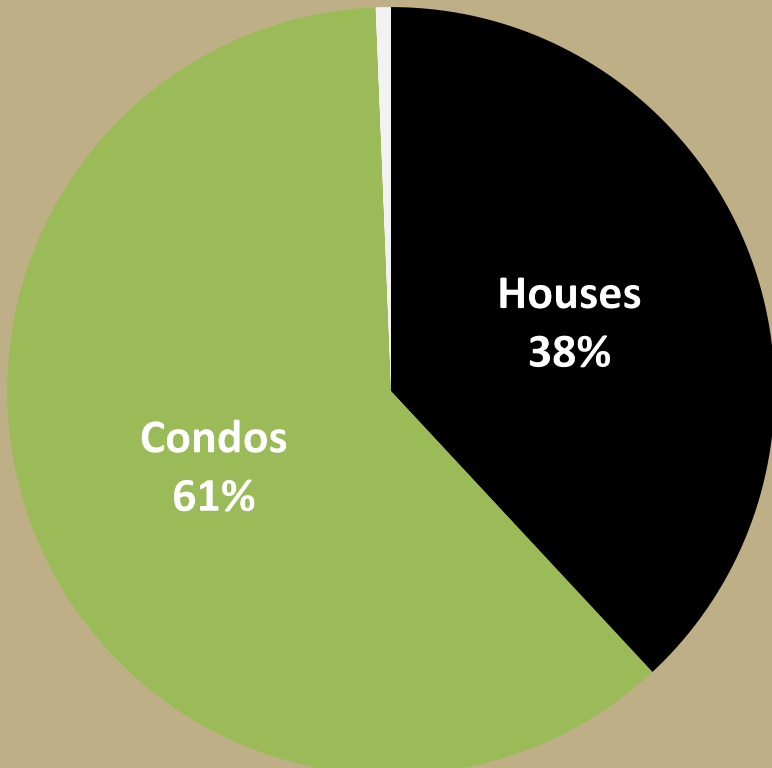
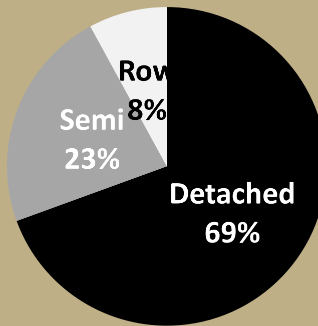
# 416 Market Breakdown

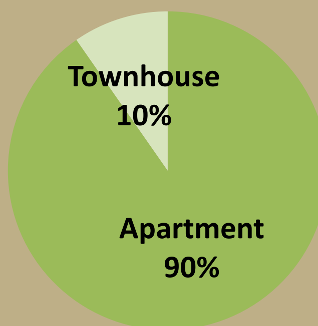
**Share of Transactions - last 12 months**




**Share of House Transactions - last 12 months**




**Share of Condo Transactions - last 12 months**




1 year ago: Condos 61% / Houses 38%

5 years ago: Condos 51% / Houses 48%

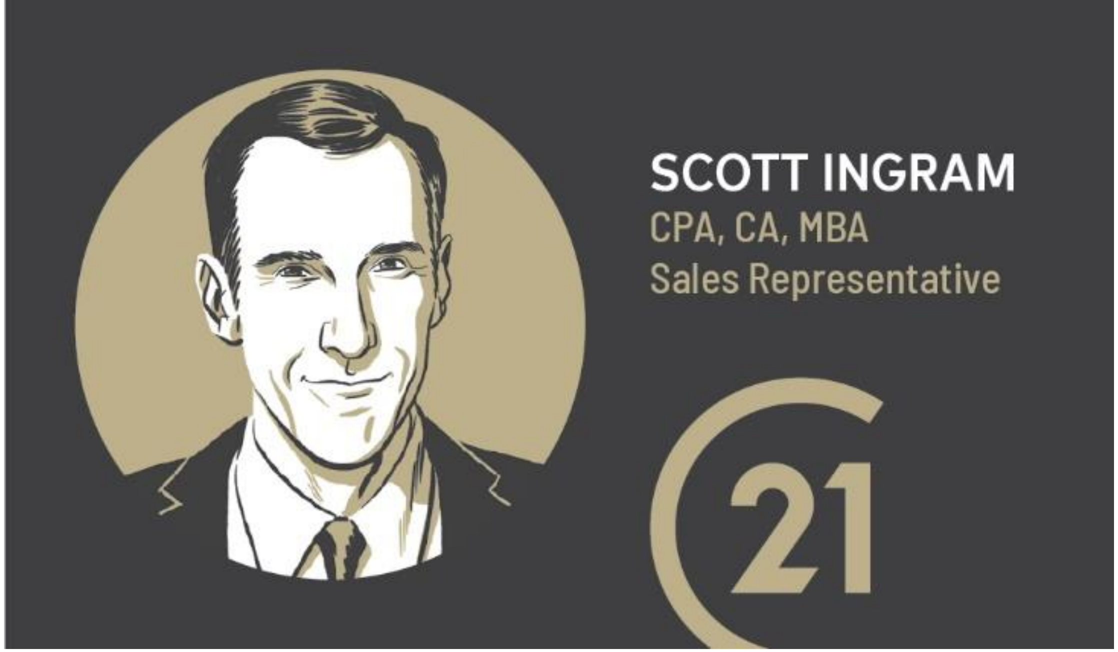
10 years ago: Condos 50% / Houses 49%

15 years ago: Condos 42% / Houses 56%

20 years ago: Condos 38% / Houses 60%

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 38% of 2018 sales transactions, they were **55% of dollar volume** (38% and 59% in 2017, 35% and 64% in 2016).




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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