

# Toronto Real Estate Market Charts

October 2019



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# Toronto Real Estate

## Monthly Market Charts

### Introduction

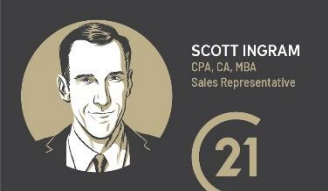
You read sales last month were up x% over last year. What does that really mean??

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.

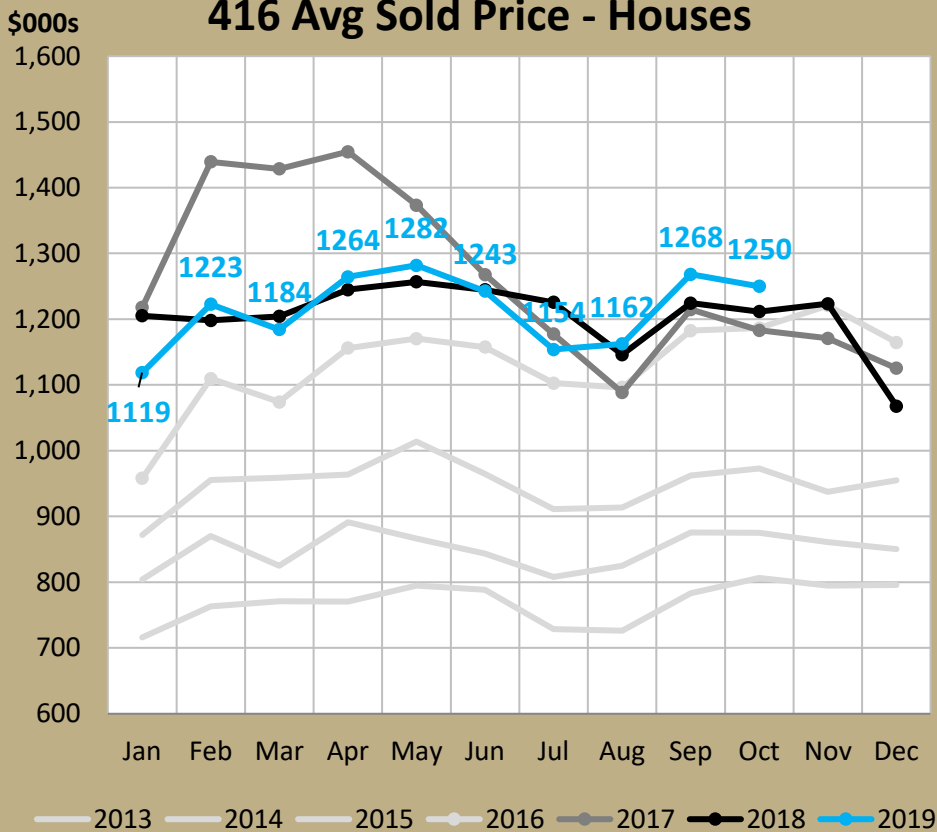
↑↓ indicator points to heating up (favours sellers), ⬆️⬇️ denotes cooling down (favours buyers)





# 416 Average Sold Price

(dollar volume ÷ number of transactions in the month)



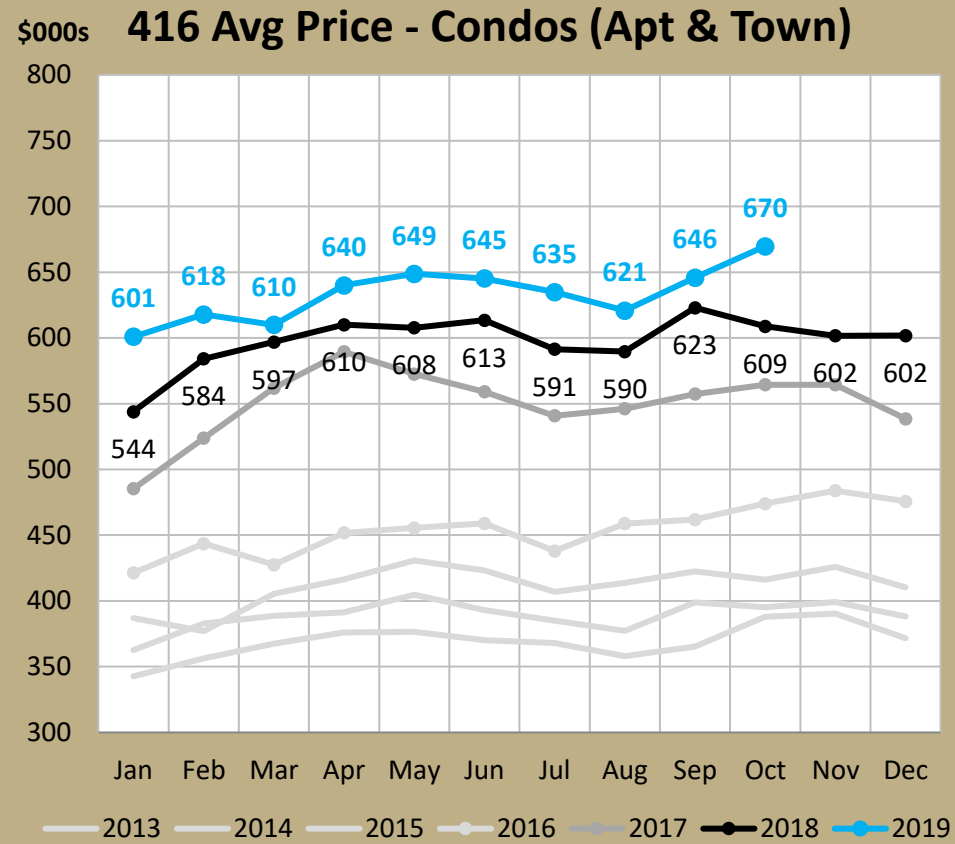
**Detached \$1,323K / Semi \$1,100K / Row \$982K**

Oct vs. '18: ⬆️ \$39K (3.2%)

Oct vs. '14: ⬆️ \$375K (43%)

5 year CAGR: ⬆️ 7.4%

- Semis had second highest month ever, second only to \$1,109K in April 2017



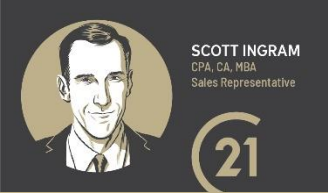
**Condo Apt \$663K / Condo Townhouse \$716K**

Oct vs. '18: ⬆️ \$61K (10.0%)

Oct vs. '14: ⬆️ \$274K (69%)

5 year CAGR: ⬆️ 11.1%

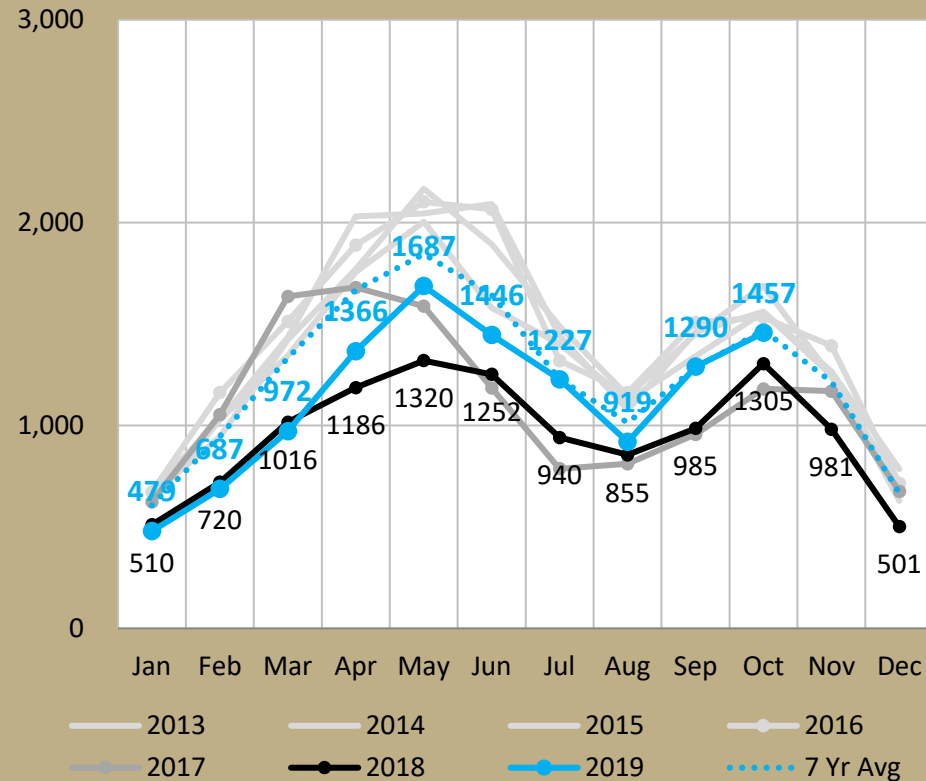
- Condos haven't had negative YoY since Feb 2015 (53 straight months and 73 of last 74)



# 416 Residential Sales Volume

(number of sold transactions in the month)

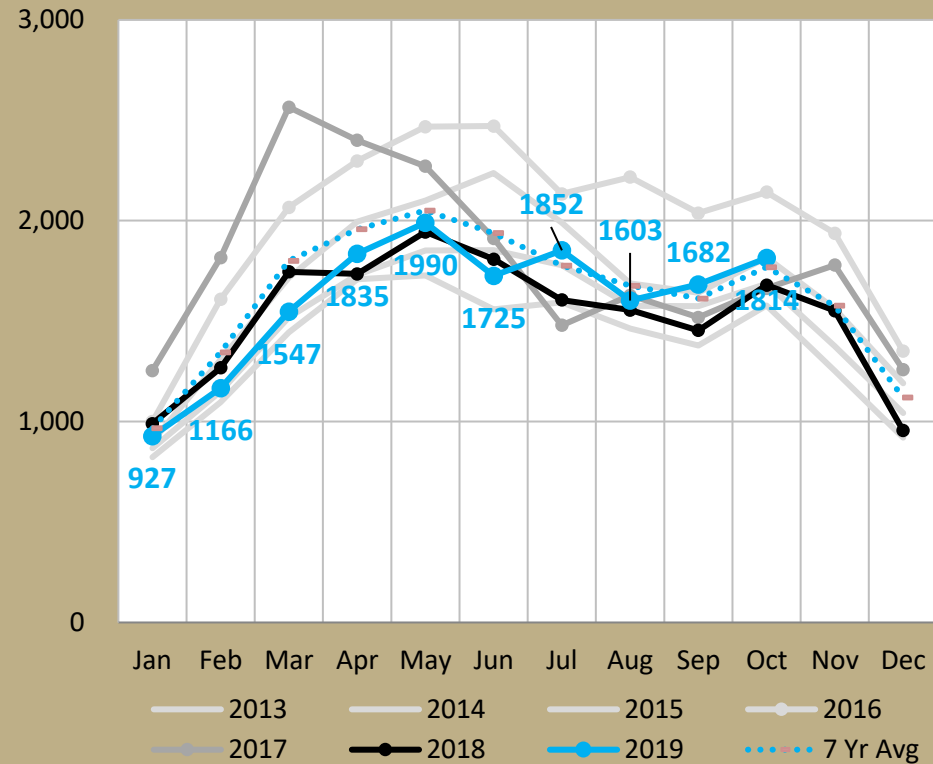
## 416 Sales - Houses (Det & Semi & Row)



Oct vs. '18: ▲ 11.6% (vs. 7 Yr Avg: ▼ 1%)  
YTD vs. '18: ▲ 14%

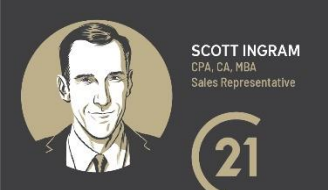
- Big turnaround from historically low Q1. 6 of last 7 months +10% or more over last year.
- Sept was first time above 7 year average since early 2017

## 416 Sales - Condos (Apt & Town)



Oct vs. '18: ▲ 8.0% (vs. 7 Yr Avg: ▲ 3%)  
YTD vs. '18: ▲ 2%

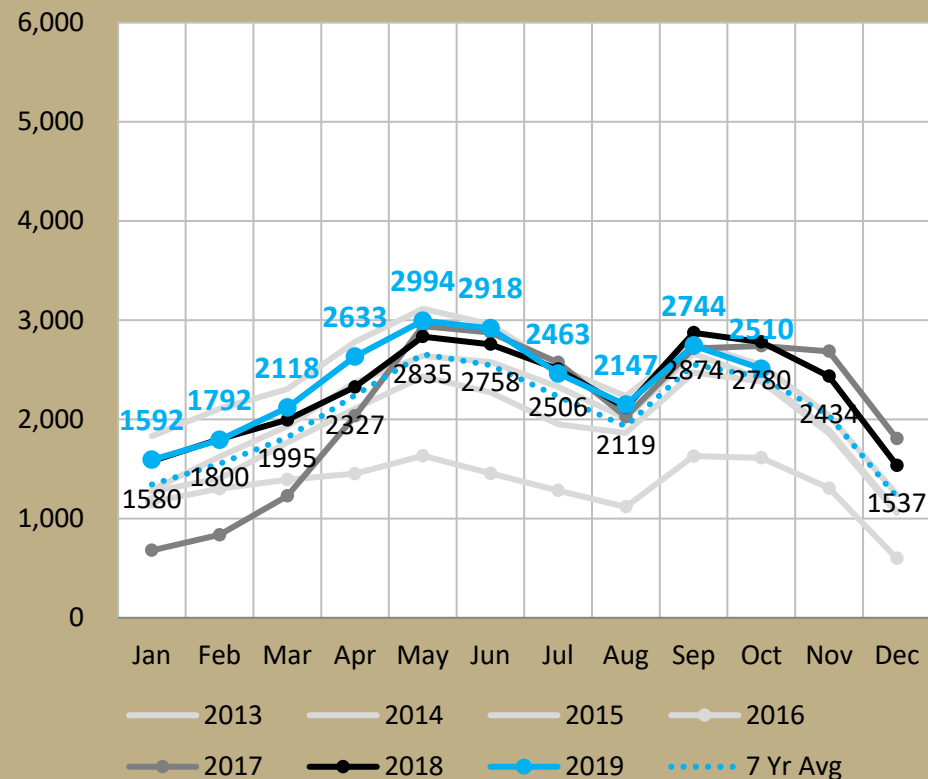
- After stretch of 21 of 23 months being lower sales than previous year, are now at 6 of the last 7 being higher



# 416 Active Listings

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

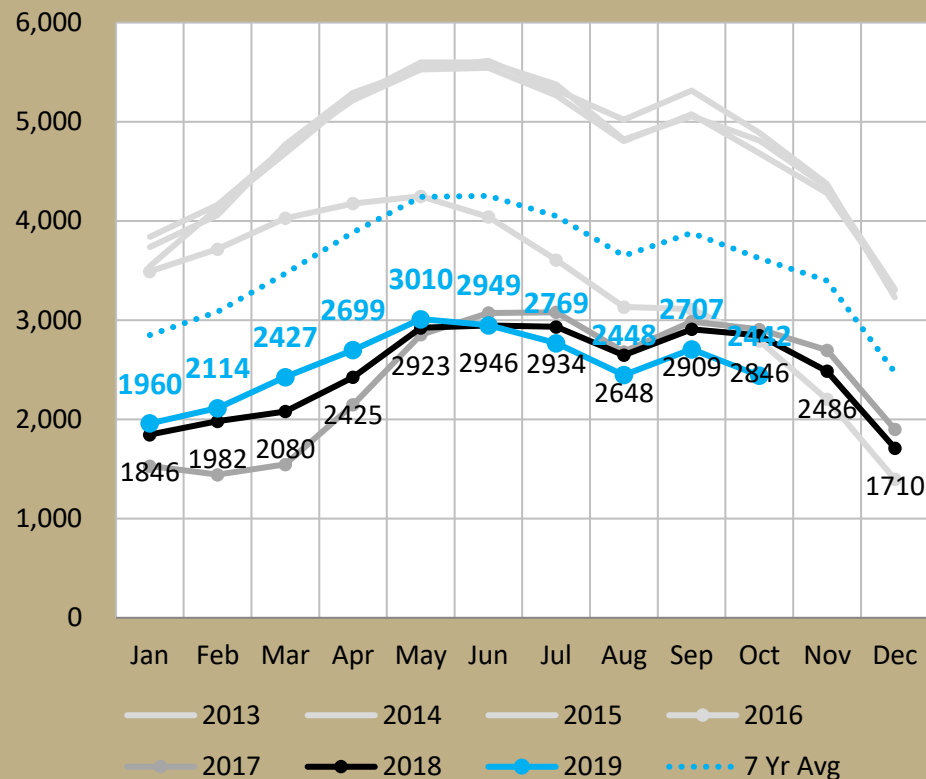
## 416 Active Listings - Houses



Oct vs. '18: ▼ 9.7% (vs. 7 Yr Avg: ▲ 3%)  
YTD vs. '18: ▲ 1%

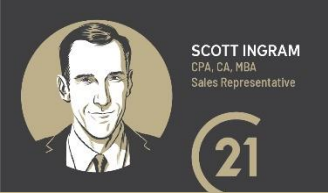
- Within recent seasonal ranges, though at higher end of range, plus above 7 Yr Avg.

## 416 Active Listings - Condos



Oct vs. '18: ▼ 14.2% (vs. 7 Yr Avg: ▼ 33%)  
YTD vs. '18: ↔ 0%

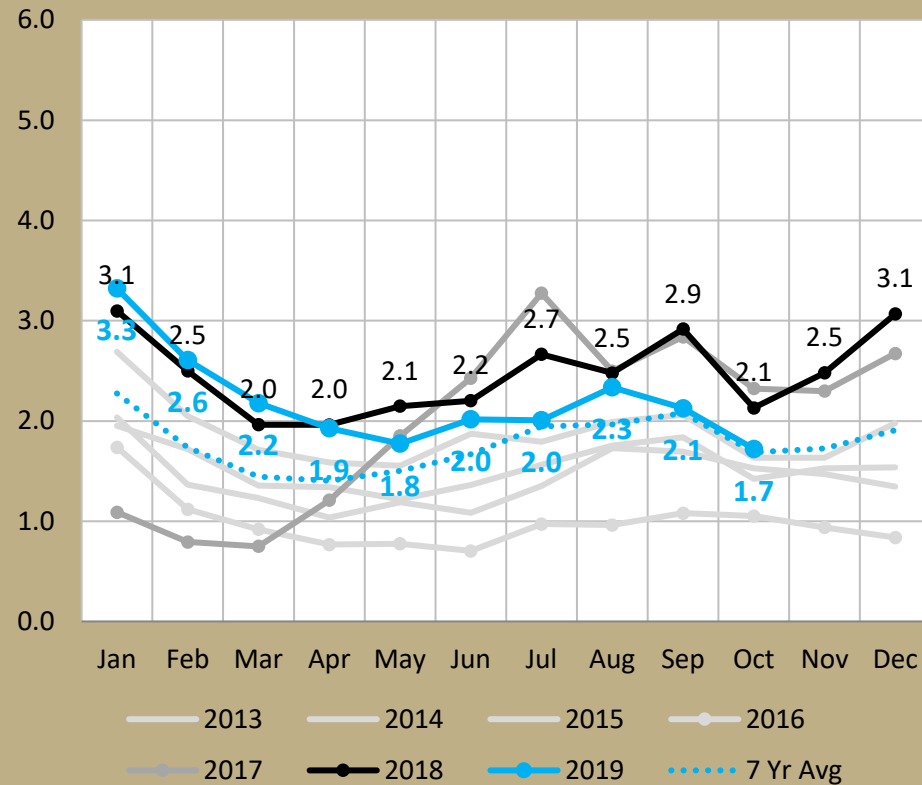
- First 6 months had higher inventory than last year, has tightened in last 4 months
- Active Listings around 1,200 less than 7 Yr Avg



# 416 Months Of Inventory

(active listings at month end ÷ sales for month)

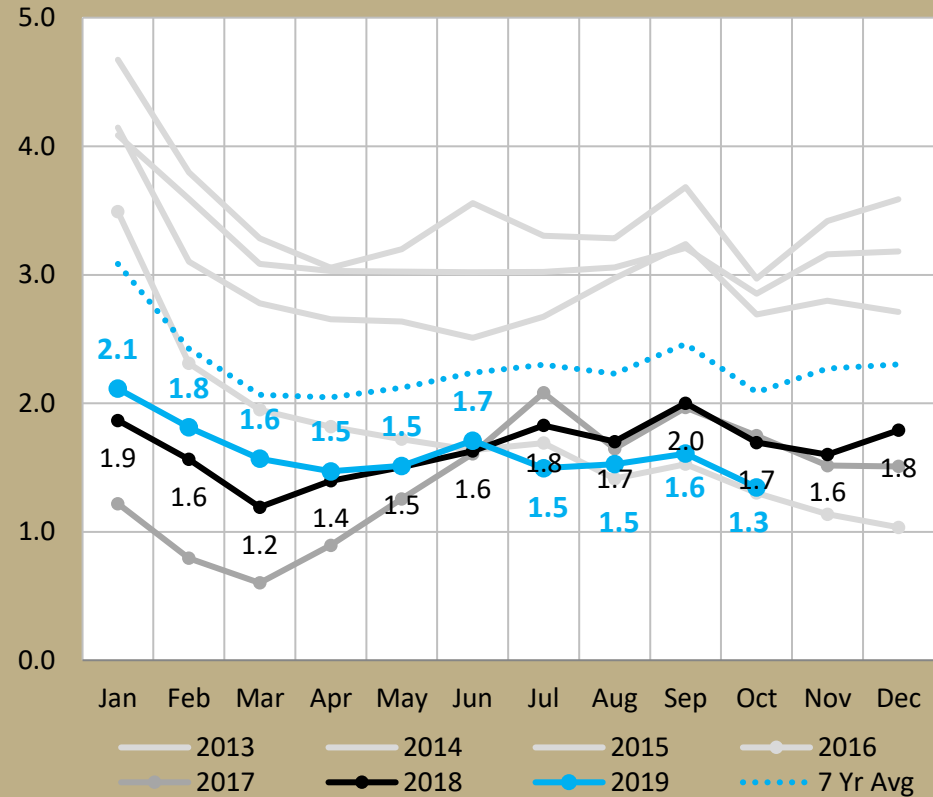
## 416 MOI - Houses (Det & Semi & Row)



Oct vs. '18: ↓ 0.4 months (-19%)  
 Oct vs. 7 Yr Avg: ↔ 0.0 months (2%)

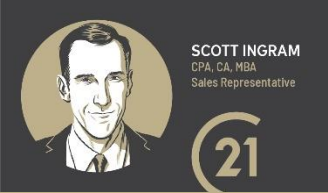
- Right on 7 year average

## 416 MOI - Condos (Apt & Town)



Oct vs. '18: ↓ 0.3 months (-21%)  
 Oct vs. 7 Yr Avg: ↓ 0.7 months (-35%)

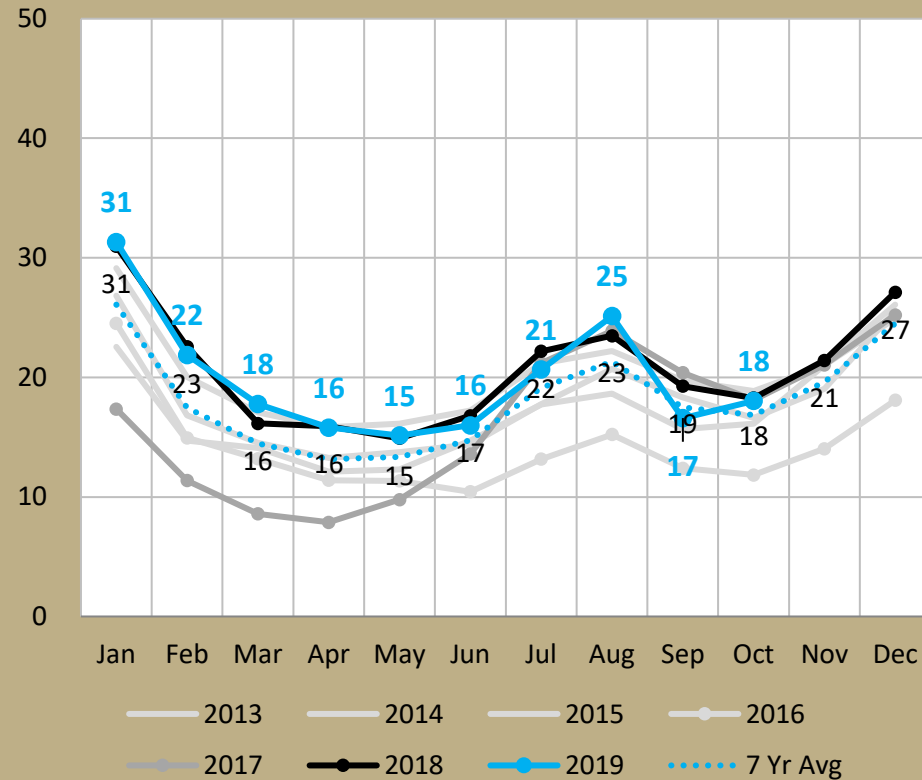
- 4 months in row < 2018 after first 6 months all above
- Below 2.000 41 of last 43 months
- Record 31 months in row condos < houses. In 254 months before March 2017, this only happened 19 times in total.



# 416 Average Days On Market

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

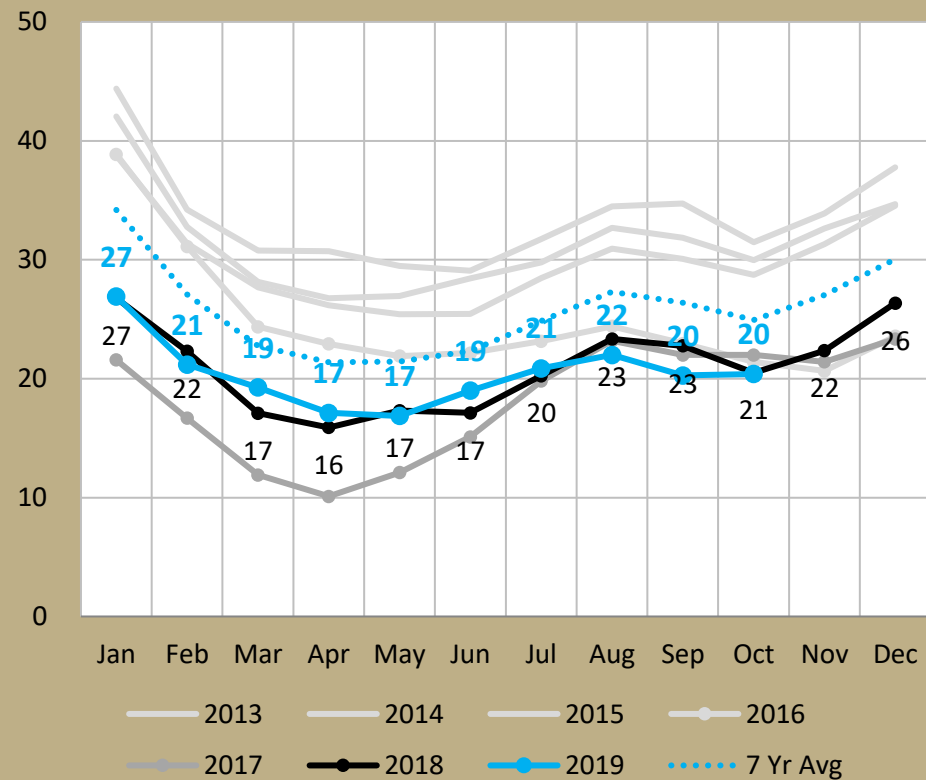
## 416 DOM - Houses (Det & Semi & Row)



Oct vs. '18: ↓ 0.2 days (-1%)  
 Oct vs. 7 Yr Avg: ↑ 1.2 days (7%)

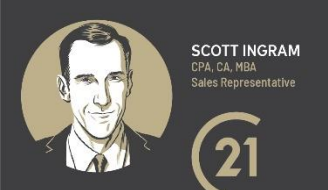
- First time below 7-year average all year

## 416 DOM - Condos (Apt & Town)



Oct vs. '18: ↓ 0.1 days (-1%)  
 Oct vs. 7 Yr Avg: ↓ 4.5 days (-18%)

- Diverged lower from averages in spring 2016 and has stayed low since

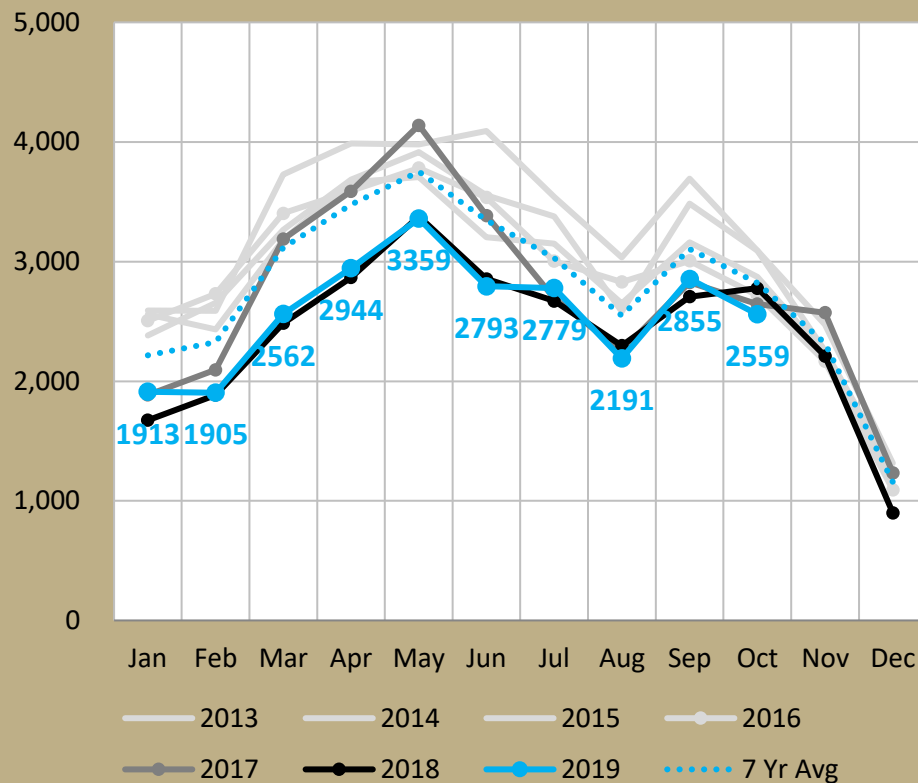
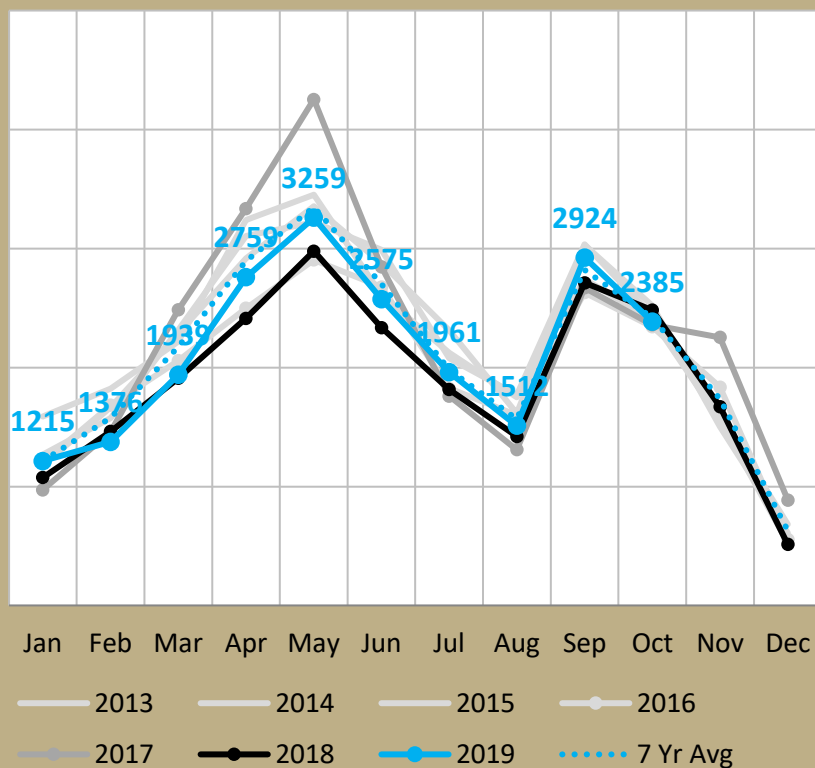


# 416 New Listings

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

## 416 New Listings - Houses

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



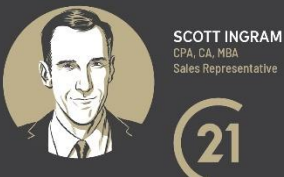
Oct vs. '18: ↓ 3.9% (vs. 7 Yr Avg: ↓ -1%)  
YTD vs. '18: ↑ 6%

Oct vs. '18: ↑ 5.4% (vs. 7 Yr Avg: ↓ 8%)  
YTD vs. '18: ↑ 2%

- Near to 7-year averages (+/- 5% for last 7 months)
- terminations and re-listings distort this stat

- Staying very low historically

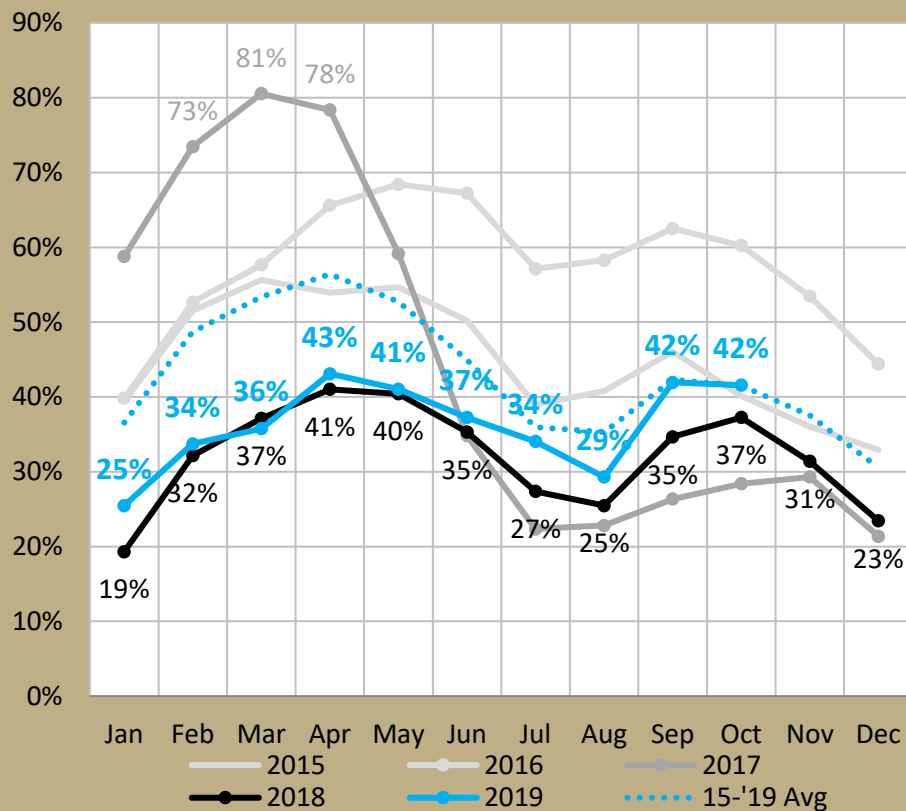




# 416 Sold Over Asking

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

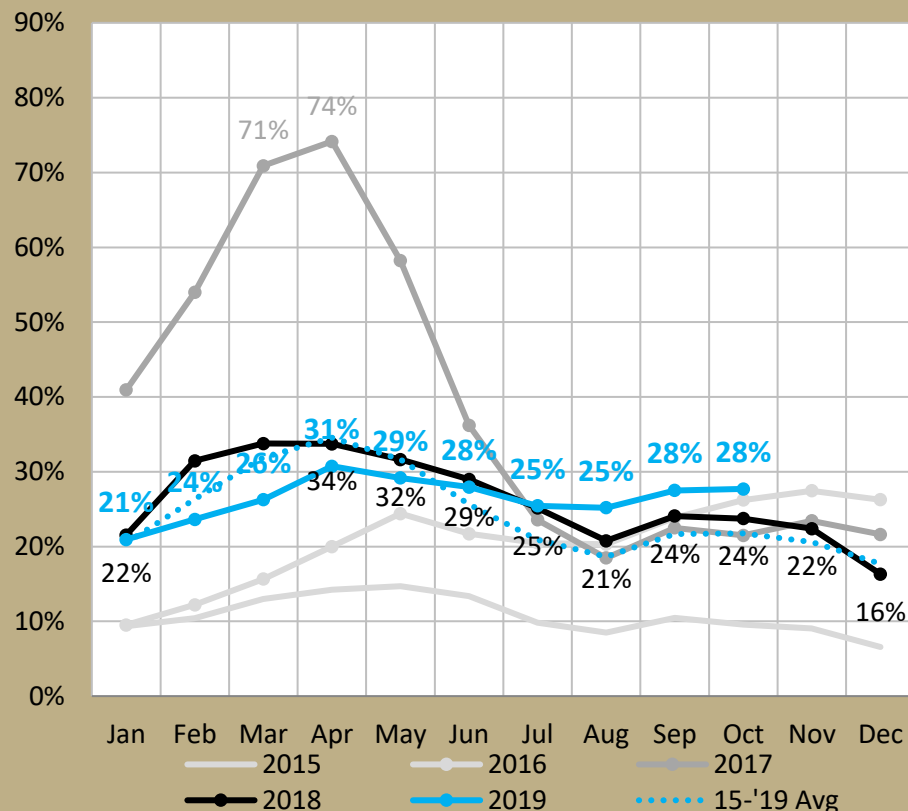
## 416 Sold Over Asking - Houses



101% or more of asking Oct vs. '18: ▲ 4 pp  
 Month-over-month: ↔ 0 pp

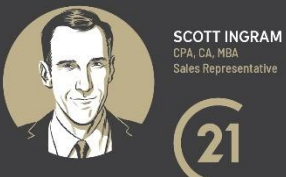
- 15 of last 16 months higher than prior year
- Full year numbers: 2015 47% / 2016 60% / 2017 49% / 2018 34% / YTD 2019 38%

## 416 Sold Over Asking - Condos



101% or more of asking Oct vs. '18: ▲ 4 pp  
 Month-over-month: ↔ 0 pp

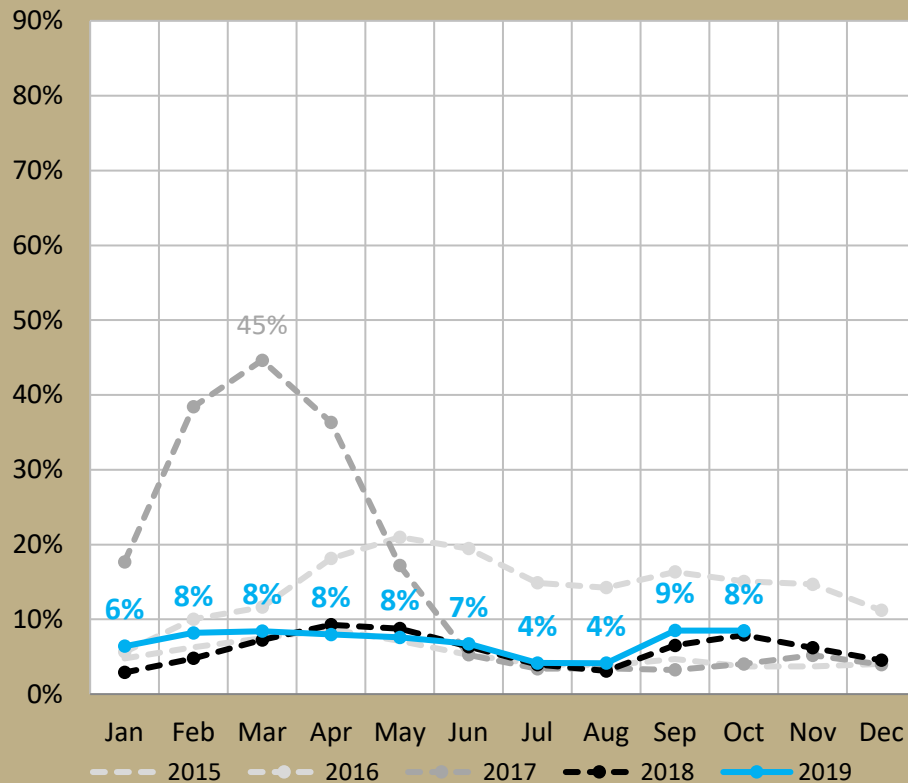
- Condos turned it up last 4 months to be > 2018
- Days of SOA for a condo being just for special properties (11% for all 2015 sales) seem to be gone (27% for all 2018 sales, 27% YTD 2019)



# 416 Sold 20% Over Asking

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

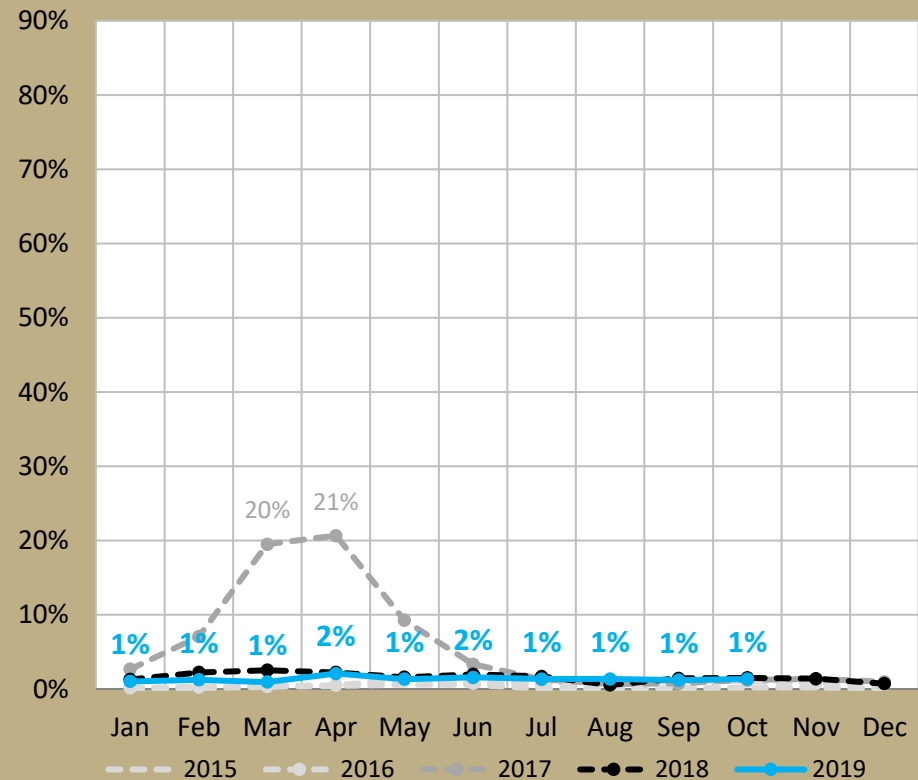
## 416 Sold 20% Over Asking - Houses



120% or more of asking Oct vs. '18: ▲ 1 pp  
Month-over-month: ▼ 1 pp

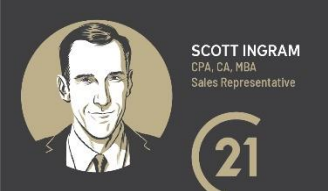
- 20% SOA activity (and strategy of grossly underlisting) has moderated, with 2016 and the first bit of 2017 looking to be the outlier period

## 416 Sold 20% Over Asking - Condos



120% or more of asking Oct vs. '18: ↔ 0 pp  
Month-over-month: ↔ 0 pp

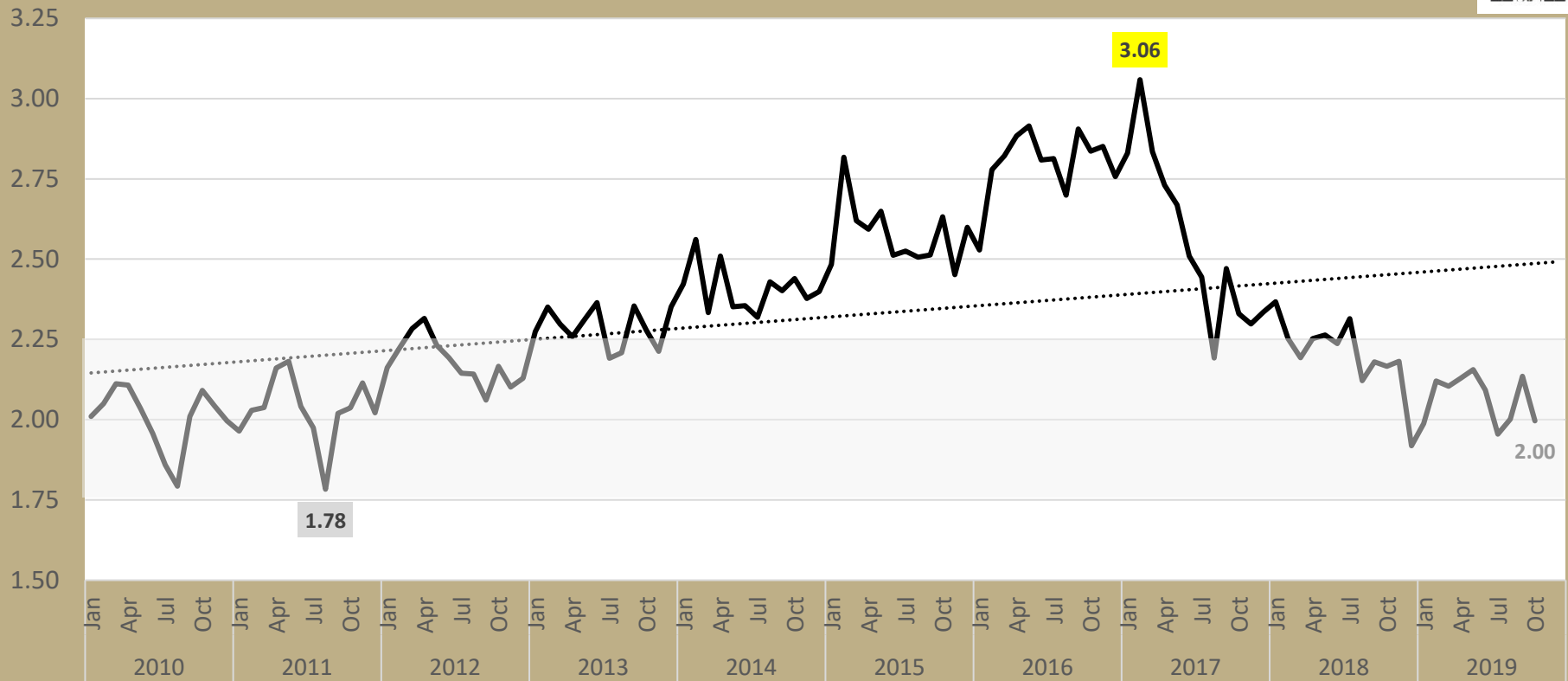
- This is pretty dead now. Only 4 months have been > 3%, and those were all in early 2017.



# 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

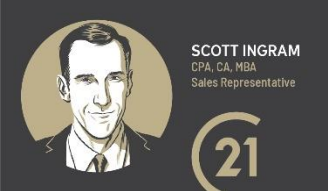


Current ratio: 2.00  
Month-over-month: ▼ 0.13

- Dec and Jan was first time under 2.00 since Aug 2011
- Average since Jan 1996 = 2.13
- Median since Jan 1996 = 2.05
- Max = 3.06, Min = 1.72

Current dollar gap: \$660K  
Prior month dollar gap: \$723K (▼ \$63K)

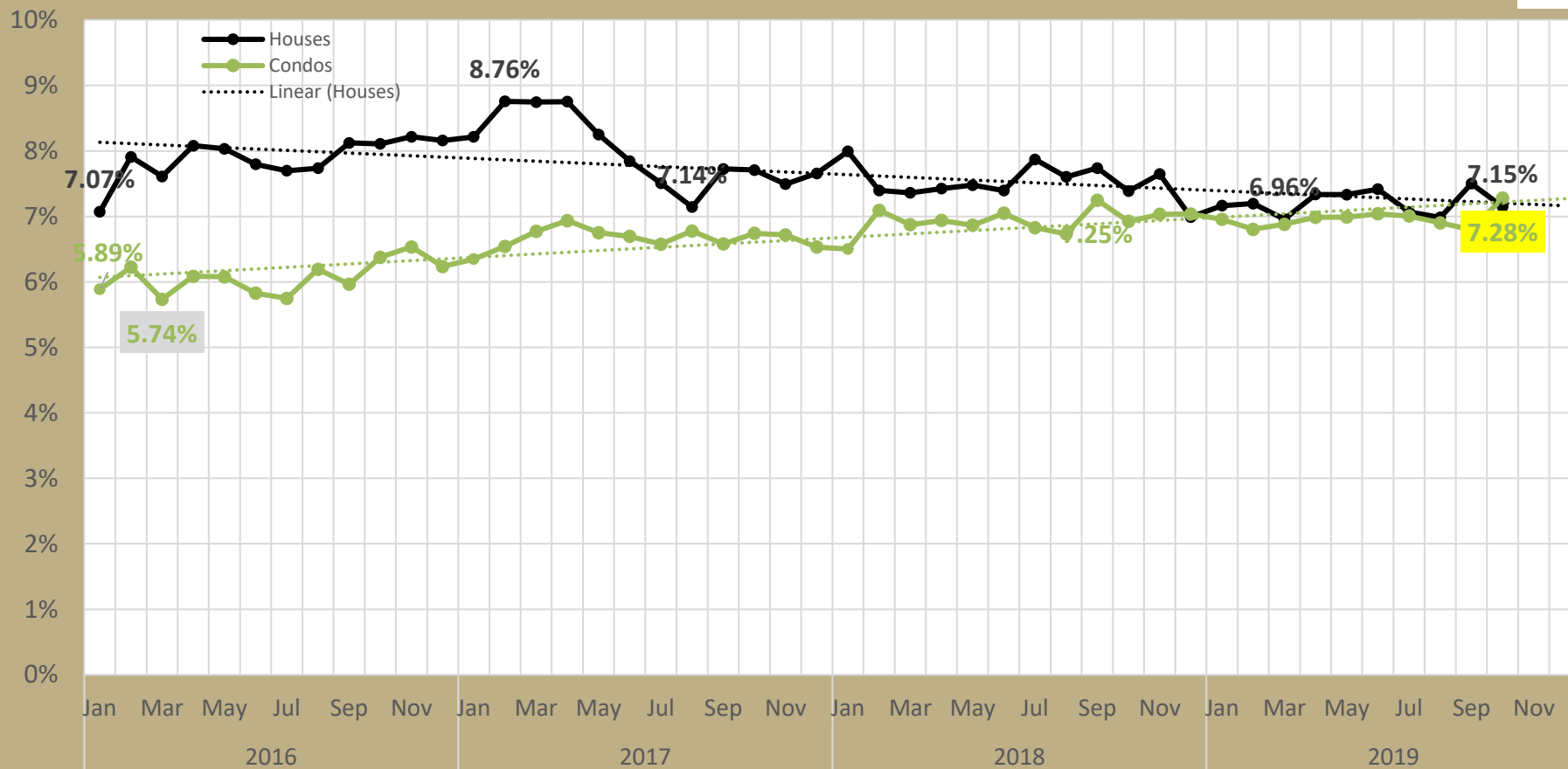
Prior year dollar gap: \$705K (▼ \$44K)  
2 years prior dollar gap: \$738K (▼ \$78K)



# 416 20-year Price CAGR

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

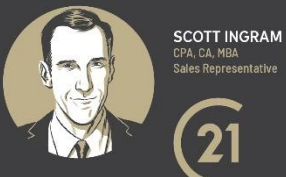
## 416 Average Prices: 20 Year CAGR



20 year **House** performance: 20 year CAGR (as at current month) is 7.15%; MoM change ⬇ 35 bps

20 year **Condo** performance: 20 year CAGR (as at current month) is 7.28%; MoM change ⬆ 49 bps

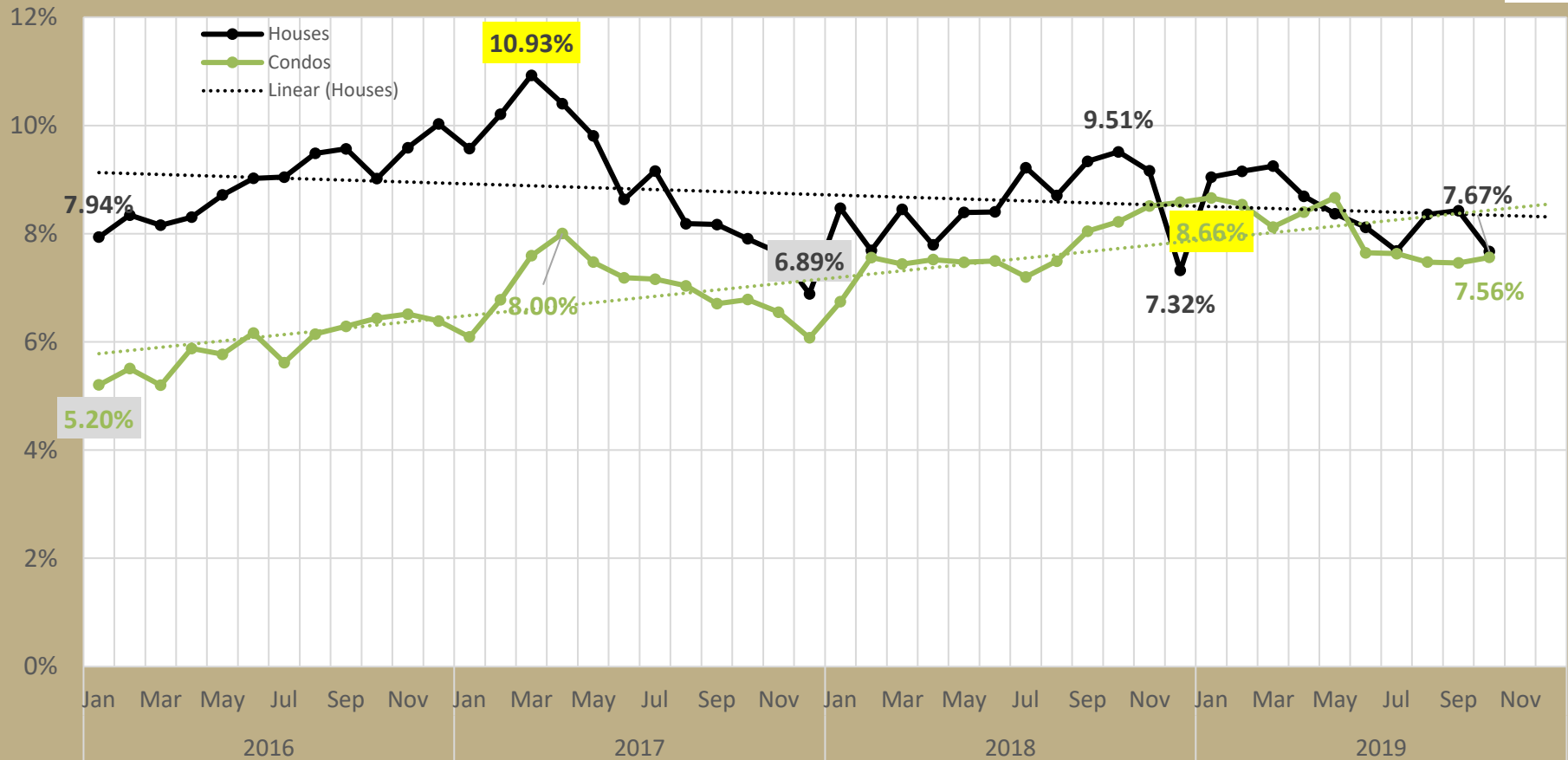




# 416 10-year Price CAGR

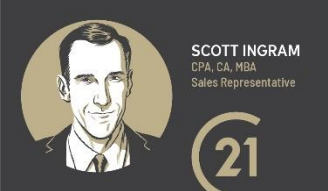
(Compound annual growth rate, current month vs. same month 10 years ago)

## 416 Average Prices: 10 Year CAGR



10 year **House** performance: 10 year CAGR (as at current month) is 8.42%; MoM change ⬇ 75 bps

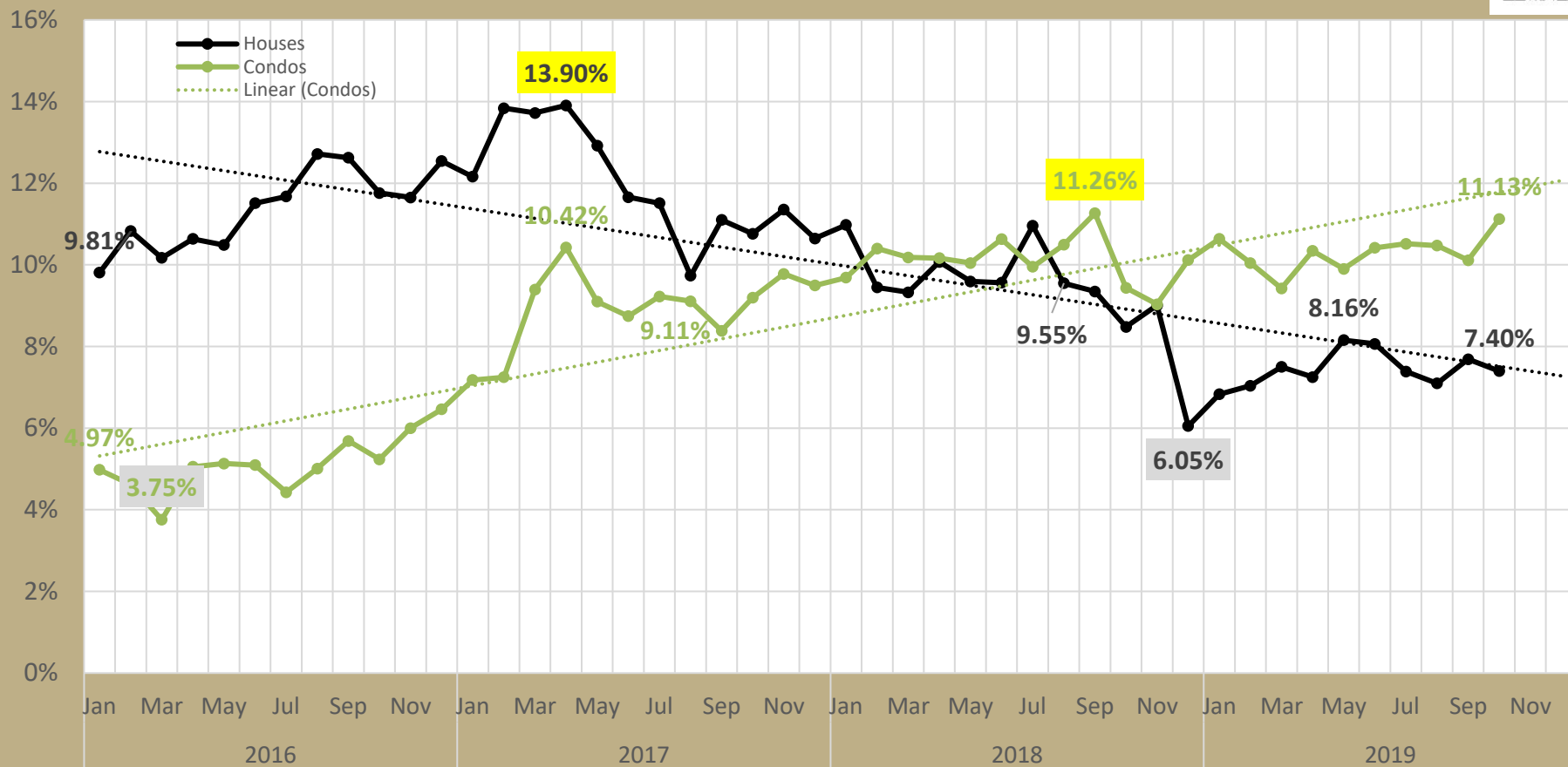
10 year **Condo** performance: 10 year CAGR (as at current month) is 7.45%; MoM change ⬆ 10 bps



# 416 5-year Price CAGR

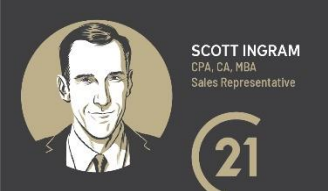
(Compound annual growth rate, current month vs. same month 5 years ago)

## 416 Average Prices: 5 Year CAGR



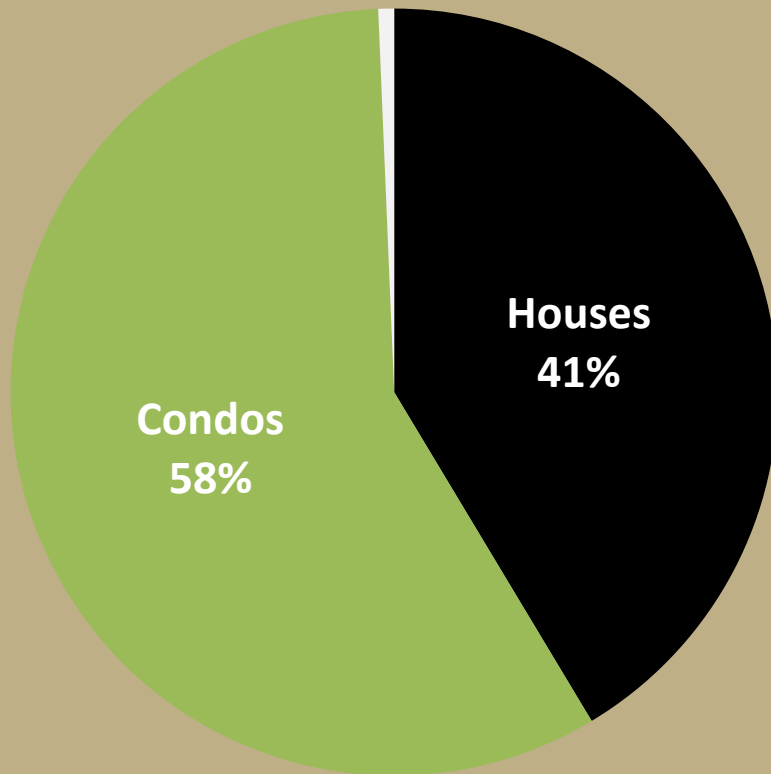
5 year **House** performance: 5 year CAGR (as at current month) is 7.68%; MoM change ⬇ 29 bps

5 year **Condo** performance: 5 year CAGR (as at current month) is 10.10%; MoM change ⬆ 101 bps

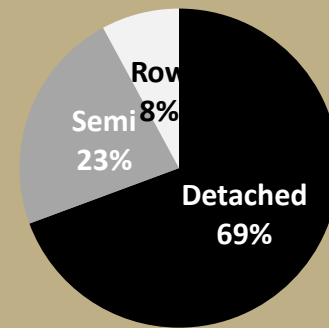


# 416 Market Breakdown

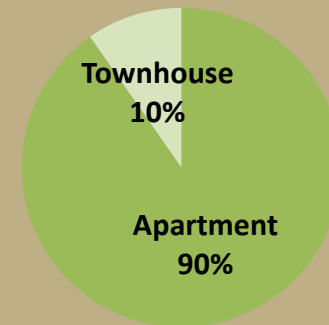
Share of Transactions - last 12 months



Share of House Transactions - last 12 months



Share of Condo Transactions - last 12 months



1 year ago: Condos 61% / Houses 38%

5 years ago: Condos 51% / Houses 48%

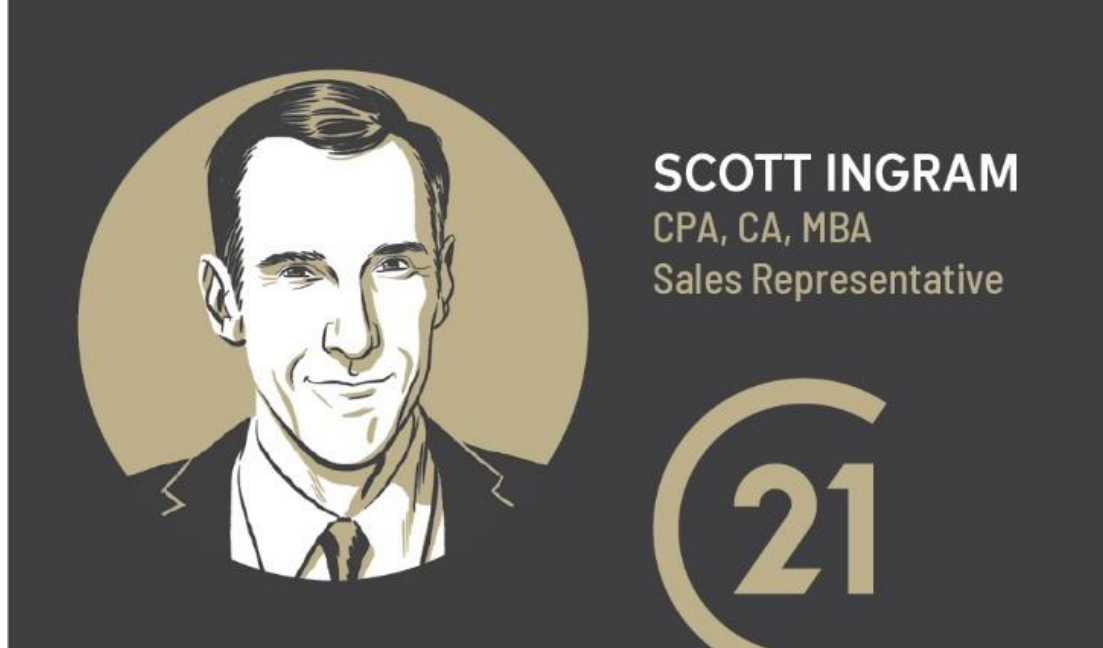
10 years ago: Condos 49% / Houses 49%

15 years ago: Condos 43% / Houses 55%

20 years ago: Condos 39% / Houses 59%

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.

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