



MARKET HANDBOOK

SEPTEMBER EDITION



It's a 'Cream of the Crop' Market with Some Interesting Tid-bits to Note

The inventory we have spent decades waiting for to alleviate bidding wars has arrived ! And although bidding wars are still here for a small percentage of properties, we can't help but wonder - why is that? Our guess is that there are still buyers who are competing for the Cream of the Crop. Whether it be that the specific property is priced attractively, or it's the 'right' property many buyers have been waiting for. We remember when we first got into real estate, we were told and taught about resale value and the importance of purchasing real estate that would 'hold' that value. This market is showing the importance of owning and buying the prime real estate. It holds its value well and still attracts multiple buyers and bidders. Despite the majority of the market's activity, which is effectively slowing down.

We lost a few properties last month on behalf of buyers in multiple offer situations. Specific attractive properties that have remained in high demand. They sold for what we would consider 'market value'. Nothing record-breaking. But the circumstances still called for competitive offers. Typically offers without conditions, the deposit 'herewith' and rounds of improvement to try to win the home.

We are finding that buyers are more conservative these days with their bids. With inventory increasing significantly this month, buyers now have options. And although the Cream of the Crop inventory is still demanding and commanding a level of competition, the majority of the market is experiencing the opposite. Price adjustments, longer days on the market to sell, or new marketing strategies (some that we have never seen before); the majority of the market is seemingly less predictable and more challenging to navigate.

Overall, we are seeing Sellers price-adjust and adapt according to the movement of the market. Last fall we reported that it seemed that the market had hit a 'stalemate'. Sellers weren't budging on their prices and Buyers weren't buying. The market seemed to have stopped last fall.



This year there seems to be movement (although historically low transactions) likely due to the increase in inventory and options for buyers. Sellers are now more willing to negotiate knowing they aren't the only offering and option. And buyers are willing to wait for the right house or the right price. Buyers are generally more discerning. It will be interesting to see how this affects prices in the coming months. Especially if we experience an interest rate increase to be announced in the next few days.

If the BOC does a rate increase, our guess is the market will halt for the year. If the BOC holds the rate, we might see few transactions continue.

Real Estate in Toronto seems to be changing monthly these days. Last month there was little inventory, this month inventory is up significantly. We will see what next month brings.

Stay tuned.

Any questions, feel free to reach out.

Cari & Paul

Economic Indicators							
Real GDP Growth				Inflation (YR/ YR CPI GROWTH)			
Q2	2023	-0.2%	▼	August	2023	4.0%	▲
Toronto Employment Groth				Bank Canada Overnight Rate			
August	2023	3.0%	▲	September	2023	5.0%	—
Toronto Unemployment Rate (SA)				Prime. Rate			
August	2023	6.5%	▲	September	2023	7.2%	—

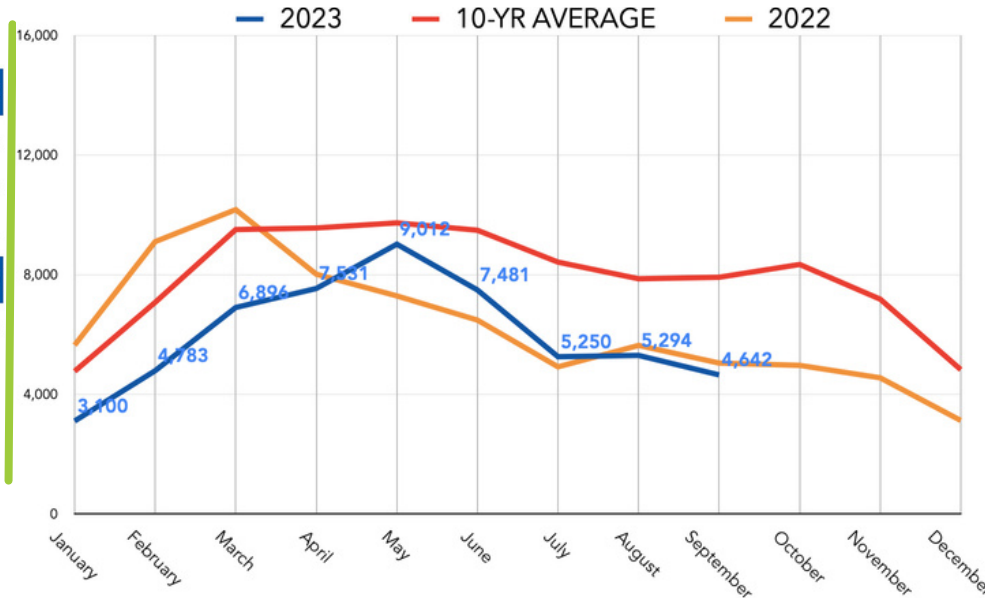
MONTHLY OVERVIEW - SALES -

ALL HOME TYPES - GTA
 NUMBER OF SALES / TRANSACTIONS

MONTHLY TRANSACTIONS

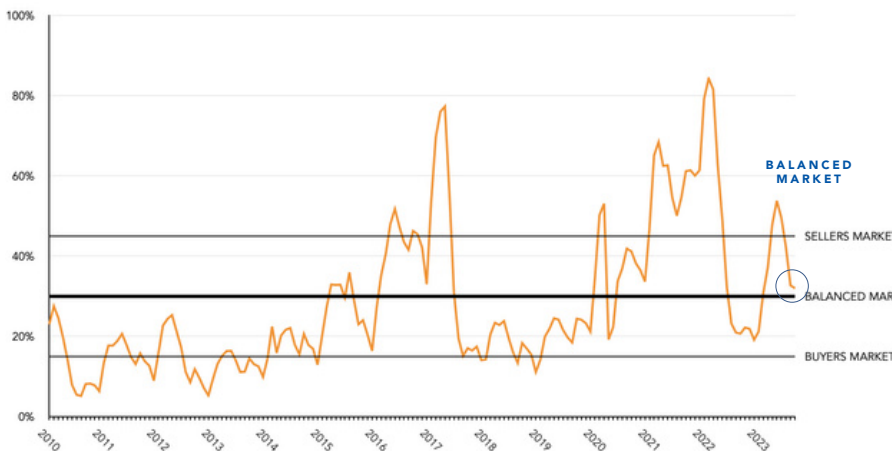
September

# of Sales	4,642
% Chg M.o.M.	-12.3%
% Chg Y.o.Y.	-7.9%
% Chg from 10 YR Ave	-41.3%
YTD Sales	53,989
% Chg from 10 YR Ave	-34.6%



Home Sales across the GTA bottomed at 4,642 for the Month of September - this is the lowest number of sales for a September in 20+ years. Demand has dwindled as Buyers are sidelined from purchasing a home by record unaffordability and fear of future rate increases. The percentage of properties selling over asking remained in the 30% range, as the few properties that are selling are either selling on their offer night or sitting for 30+ days. The Buyers who are still actively shopping are willing to take the plunge into the market for the "right" property - they are even willing to compete for it. However, the prices Buyers are willing to offer are tempered - a buyer either needs to be "wowed" by the property or "wowed" by the price!

SOLD OVER ASKING RATIO



Sold Over Asking

Toronto	September
Detached	42%
Semi-Detached	61%
Townhouse	44%
Condo	22%
GTA	
York	36%
Peel	28%
Halton	20%
Durham	46%

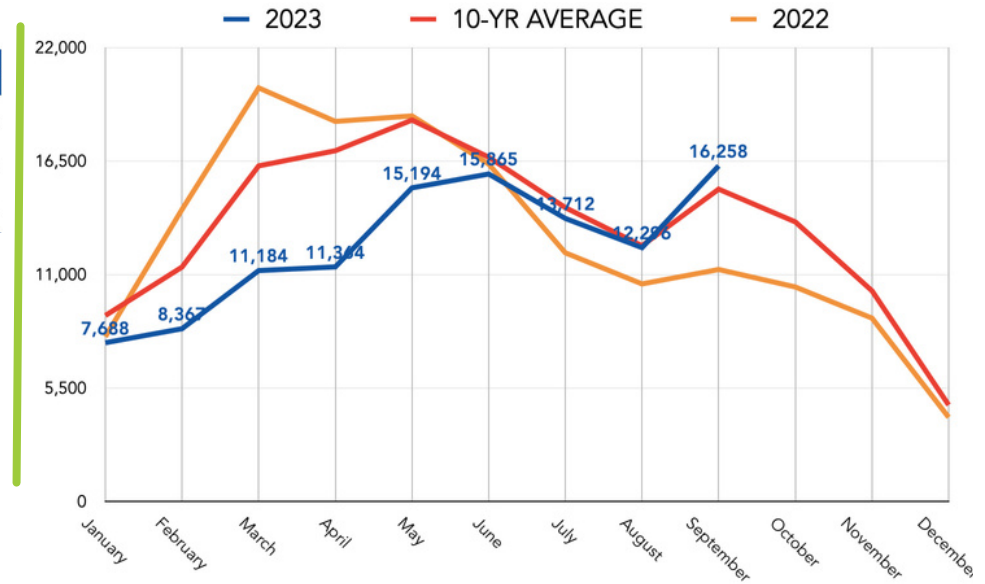
MONTHLY OVERVIEW - LISTINGS -

ALL HOME TYPES - GTA

NEW LISTINGS

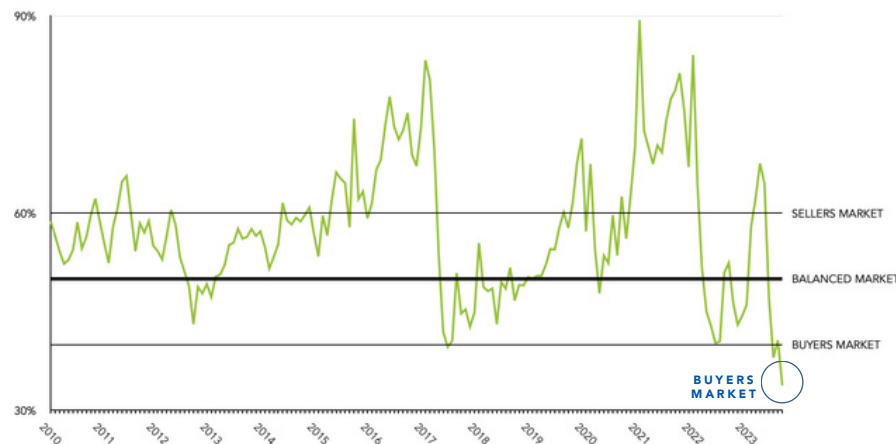
September

New Listings	16,258
% Chg M.o.M.	+32.2%
% Chg Y.o.Y.	+44.7%
% Chg from 10 YR Ave	+7.5%



New Listings have surpassed historic averages for September. We are seeing more and more Sellers decide to list their homes on the market in the hopes of deleveraging. We have seen the biggest increases in new listings in downtown condos and suburban homes. At this time last year, new listings were on the decline, keeping lock-step with the number of sales. This created a tug-of-war with prices as both Buyers and Sellers were reluctant to accept the new market landscape. This time around, Sellers are actively making moves as the reality of interest rates staying higher for longer sets in. The ratio of Sales to New Listings tracks the ratio of New Sellers to New Buyers in the market. The ratio has been on a steep decline since June, hitting a low of almost 30% - our lowest level since 2008 during the US recession.

LIST TO SALES RATIO



List to Sales Ratio

Toronto	September
Detached	29%
Semi-Detached	32%
Townhouse	29%
Condo	24%
GTA	
York	28%
Peel	28%
Halton	36%
Durham	38%

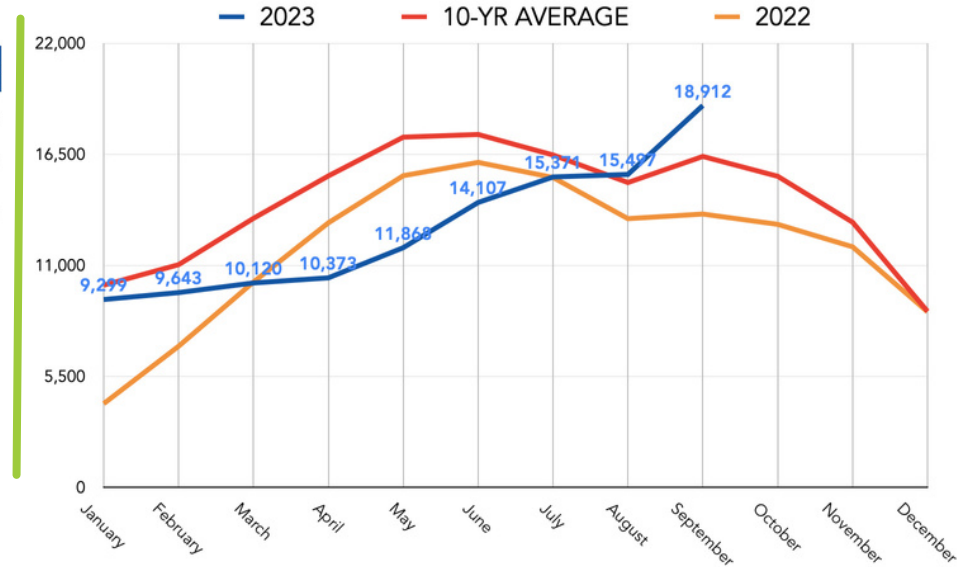
MONTHLY OVERVIEW - INVENTORY

ALL HOME TYPES - GTA

ACTIVE LISTINGS

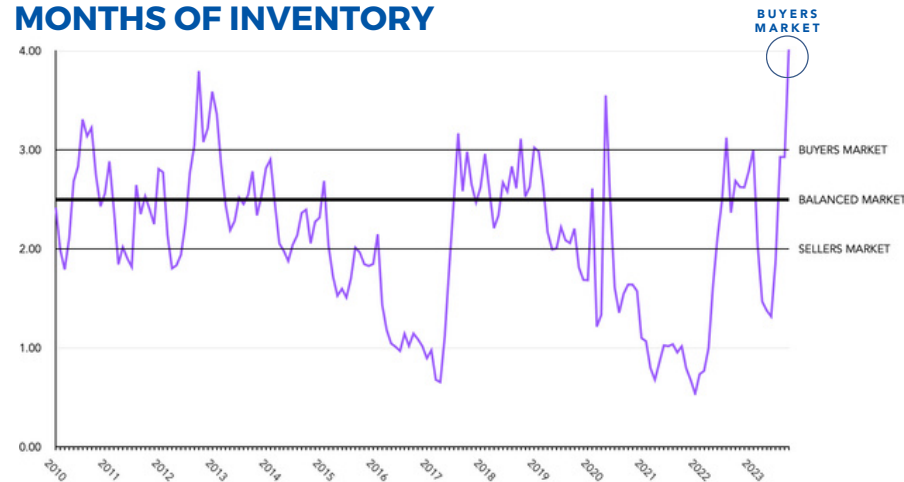
September

Inventory	18,912
% Chg M.o.M.	+22.0%
% Chg Y.o.Y.	+39.7%
% Chg from 10 YR Ave	+15.4%



Active Inventory surged in September, seeing an increase of 22% from August. The number of homes on the market hit 18,912 - this marks a 40% increase from this time last year and 15% above our 10-year average. Even though we are above the long-term average, this is by far the worst in our history - where active inventory often reached 20,000+ in the early 2010s. The concern is the ratio of sales to active inventory, measured as Months of Inventory. The historic low sales pushed our MOI to above 4.00 months. This is our highest level of Months of Inventory in 15+ years. The growth in inventory was not even across the board - the largest gains were seen in Condo Inventory and Suburban Inventory.

MONTHS OF INVENTORY



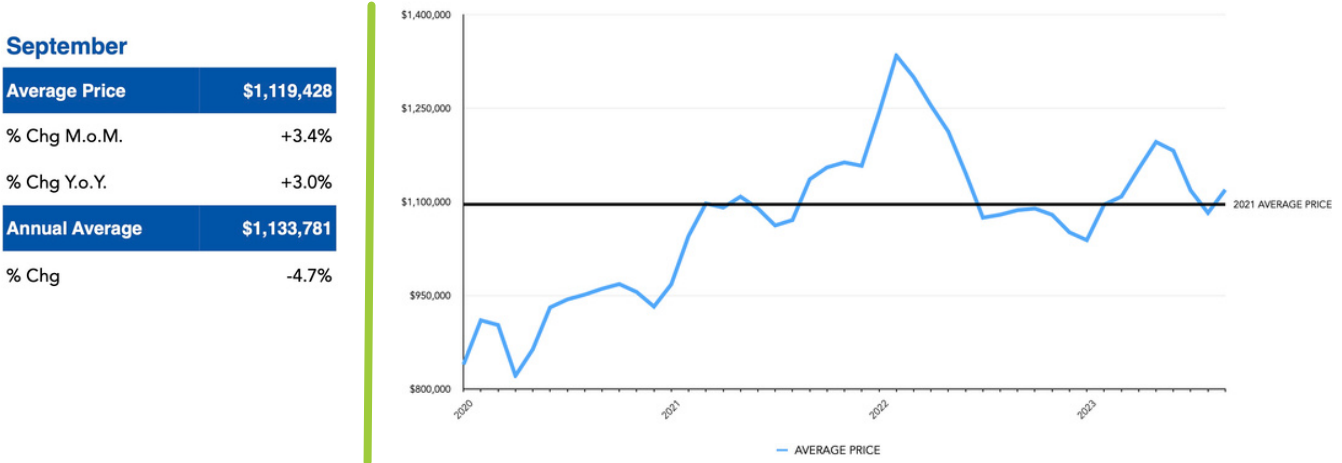
Month of Inventory

Toronto	September
Detached	3.42
Semi-Detached	2.73
Townhouse	3.82
Condo	5.34
GTA	
York	4.24
Peel	4.40
Halton	4.18
Durham	2.49

MONTHLY OVERVIEW - PRICE -

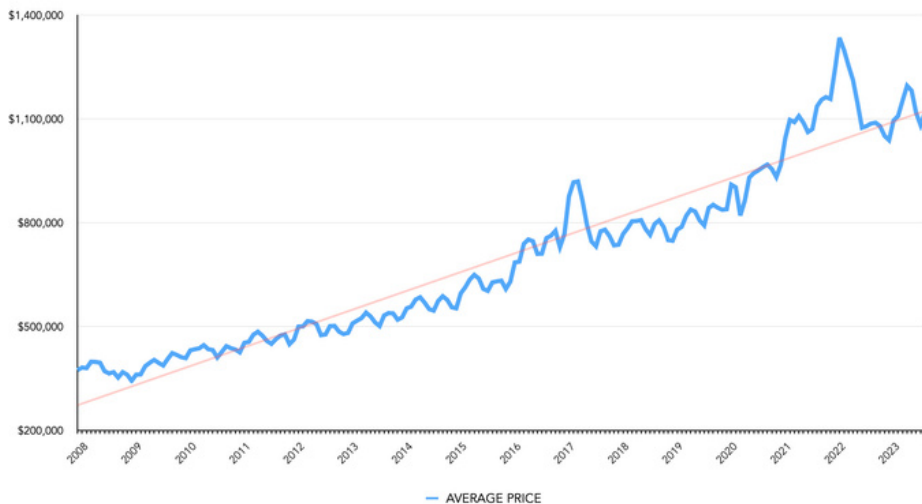
ALL HOME TYPES - GTA
AVERAGE PRICE

AVERAGE PRICE FOR GTA HOME -Last 3 Years



Average Home Price in the GTA increased this month, contrary to many social media economists. The increase was slight at +3.4% from last month. It's hard to explain rising home prices in a market flooded with new properties for sale. Experience on the ground indicates there are Buyers waiting for the right homes to hit the market - and when those properties do - they sell quickly and for a good price. However, the vast majority of Sellers who are listing their homes on the market are twiddling their thumbs with little showings and few offers.

AVERAGE PRICE FOR GTA HOME - Monthly



Average Price	
Toronto	September
Detached	1,724,007
Semi-Detached	1,281,956
Townhouse	992,319
Condo	732,106
GTA	
York	1,330,636
Peel	1,049,968
Halton	1,245,146
Durham	907,359

REGIONAL OVERVIEW - 416 VS 905

LOW RISE HOMES

CITY OF TORONTO - 416 - LOW RISE SALES

September

	# of Sales				Average Price		
	Sales	M.O.M	Y.O.Y	10 YR AVE	Average Price	M.O.M	Y.O.Y
Detached	549	+21.7%	+10.5%	-38.6%	\$1,724,007	+5.4%	+8.7%
Semi-Detached	160	+15.9%	-11.1%	-45.8%	\$1,281,956	+3.7%	+5.9%
Townhouse	176	-15.4%	+2.9%	-41.8%	\$992,319	+2.2%	+5.1%
City of Toronto (416)	885	+11.0%	+4.4%	-40.7%	\$1,498,577	+7.6%	+8.9%

GREAT TORONTO AREA - 905 - LOW RISE SALES

September

	# of Sales				Average Price		
	Sales	M.O.M	Y.O.Y	10 YR AVE	Average Price	M.O.M	Y.O.Y
Detached	1,600	-11.7%	-12.9%	-43.3%	\$1,343,606	-1.3%	+2.5%
Semi-Detached	242	-21.4%	-24.6%	-50.6%	\$969,855	-2.3%	+2.2%
Townhouse	565	-22.4%	-14.3%	-42.6%	\$925,925	+0.0%	+4.0%
Greater Toronto Area (905)	2,407	-15.5%	-14.6%	-44.0%	\$1,207,986	-0.2%	+3.1%

Comparing the Low Rise market in Toronto to the GTA, there is a stark and clear difference. The Toronto Low Rise market saw a notable increase in sales activity and price from August. The Toronto Detached segment saw the most significant increase with an uptick in sales of +22% and an Average Price increase of +5.4%. Many Home Buyers looking to upgrade to a detached home finally made the move with the increased inventory. The ability to port or blend their current mortgage lessened the burden of purchasing the new home. Contrast this with the Toronto Townhouse segment which is mostly first-time home buyers. This segment saw a decrease in sales by -15% and half the Price increase of +2.2%. The 905 Regions were much slower than its counterpart with sale volume falling -15% from last month, with Semi-Detached and Townhouses sales decreasing over -20%. The Average Price in the 905 remained almost flat at -0.2%. Sales in 905 Regions almost triple the sales in City Core so the overall statistics released by TRREB do not reflect what is happening in either area. This is why it is important to break down the data relevant to your market.

FREEHOLD & CONDO UPDATE

CITY OF TORONTO

TORONTO - Freehold VS Condo

FREEHOLD		CONDO	
# of Sales	885	# of Sales	850
M.O.M.	+11.0%	M.O.M.	-21.7%
Y.O.Y	+4.4%	Y.O.Y.	-2.9%
10 YR AVE	-40.7%	10 YR AVE	-42.3%
Average Price	\$1,498,577	Average Price	\$732,106
M.O.M.	+7.6%	M.O.M.	+1.0%
Y.O.Y	+8.9%	Y.O.Y.	-4.8%
New Listings	3,002	New Listings	3,476
M.O.M.	+75.8%	M.O.M.	+33.9%
Y.O.Y	+42.1%	Y.O.Y.	+48.2%
Inventory	2,986	Inventory	4,539
M.O.M.	+38.5%	M.O.M.	+21.6%
Y.O.Y	+28.1%	Y.O.Y.	+46.5%

One of the most extensive real estate talking points last month was the Condo market (right up there with interest rates). The Condo market has dropped, with sales falling -22% from last month and -42% below our long-term average. Prices have held at \$732,106.00 up from last month, but New Listings jumped +34%. We are seeing more investors choosing to sell their investment condos with a growing number of Vacant or Tenanted units being listed on the market. A significant portion of the Condo market are first-time home buyers, and many of these home buyers must choose between renting or buying. With average condominium rents continuing to outpace the rate of inflation in the second quarter of 2023, and competition between renters remaining strong, many are making the tough choice between high rent or unaffordable interest rates.

LET'S CONNECT



WE'RE HERE TO HELP!

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