



THE NEXT MOVE

There are deals to be found in Toronto's sleepy summer real estate market



CAROLYN IRELAND >

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Swimming against the current can be a rewarding strategy in a meandering mid-summer real estate market.

Listings are slim in the Toronto area, but sellers now face less competition from other properties.

Some buyers, meanwhile, are watching their rivals flow out of town for holidays and can take advantage of their absence to snag a good deal, says Patrick Rocca of Bosley Real Estate Ltd.

“Everything I listed in June and July has already sold,” he says.

In one case, a buyer working with Mr. Rocca's team paid \$1.4-million for a detached house in Leaside. Many semi-detached houses in the popular mid-town neighbourhood fetch that amount, he points out.

Another buyer paid \$2.5-million for a detached house on a very desirable street, he says. Mr. Rocca says he thought the house could have fetched \$200,000 more.

“There are deals to be had in the summer.”



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Realtor Juliette Fergus moves a sign after the first open house of the day at this home at 80 Oak Park in East York on July 4 2019.

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Robert Hogue, senior economist at Royal Bank of Canada, believes the slow and stable market in Toronto will continue.

Mr. Hogue adds that the stable resale activity across most of the country provides further evidence that the market has passed its cyclical bottom.

The economist considers the Toronto market in slow recovery mode. Minor setbacks in Vancouver, Calgary and Edmonton in June after a few encouraging months serve as a reminder that the path forward is going to be “flat-ish,” Mr. Hogue says in a note to clients.

Those hoping for a snapback in activity will be disappointed, in his opinion, because government policies are weighing on demand and affordability is stretched in the big cities.

“But it should be viewed as part of the solution to address issues of affordability and household debt in this country,” he says.

Ellie Davis, a real estate agent with Royal LePage Real Estate Services Ltd., says July does tend to be a quieter month, but she likes to go against the grain and list when many sellers are preoccupied with summer pursuits.

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“I put it on last week because there’s very little for sale.”

The unit is unusual because it has vaulted ceilings in the living and dining areas, she says, and the views to the south and west will remain unobstructed.

Ms. Davis says the typical buyers at Granite Place are empty nesters who have sold large homes in nearby Forest Hill and other nearby neighbourhoods.

Those buyers are less affected by the school calendar than families with young children, but Ms. Davis says she would still list a family house for sale now because people are out looking.

“If I have a good listing, I’m happy to put it on now,” she says. “There are always buyers in Toronto.”

Last week, Ms. Davis represented a buyer who purchased a Yorkville condo unit for \$3.25-million. The original asking price was \$3.9-million, which Ms. Davis deemed “too aggressive.”

She says her buyer waited patiently through several cuts in the asking price until the seller faced reality. But the client was keen to keep looking – even during the sleepy summer months.

“My buyer was very eager to buy,” she says. “We were actively looking for something in June and July.”

Ms. Davis also sold a three-bedroom unit at 62 Wellesley St. W. in July. The building is desirable, but the unit was a bit dated, Ms. Davis says, and some buyers are unwilling to take on a renovation.

She says the unit was listed with an asking price of \$1.235-million, but after a few weeks the sellers cut the price to \$1.185-million.

“We had to come down a little bit,” she says.

Within one week, a buyer stepped up and purchased the unit for \$1.1-million. With just one bid on the table, Ms. Davis says she believes the sellers made the right move in accepting the offer below asking.

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Mr. Rocca says a few newly built houses in traditional neighbourhoods are still sitting, but many of them have been sold. Meanwhile, developers have not been rushing to build more.

“Most of the smart builders aren’t building right now.”

Mr. Rocca says one four-bedroom house he listed last fall sat on the market when the builder insisted on an asking price of \$3.2-million.

After several weeks, the investor agreed to cut the asking price to \$2.9-million.

Over the next few months, two offers - both in the \$2.2-million range – arrived on the table, but the owner spurned them.

“He didn’t even deal with them or sign them back,” Mr. Rocca says.

The house languished until the end of April, when Mr. Rocca and the owner agreed to part ways.

The owner listed with another agent for \$2.8-million after Mr. Rocca was unwilling to continue at that price.

“There are a lot of desperate agents out there who will do anything to get a sign on the lawn,” he says, “because if they don’t sell that one, they might sell something else.”

Mr. Rocca has several properties slated to come to the market in September.

At this stage, he is advising sellers to wait until after Labour Day to arrive on the market.

The last two weeks of August are typically dead in family-friendly neighbourhoods such as Leaside and Davisville because parents are taking advantage of their last chance to get out of town before school starts again, he says.

Mr. Rocca says he expects to be busy in September, but the coming federal election could bring some uncertainty in October.

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351 King Street East, Suite 1600, Toronto, ON Canada, M5A 0N1

Phillip Crawley, Publisher