

Outline Financial: TREB Stats / Economic Update – March 2018

outline

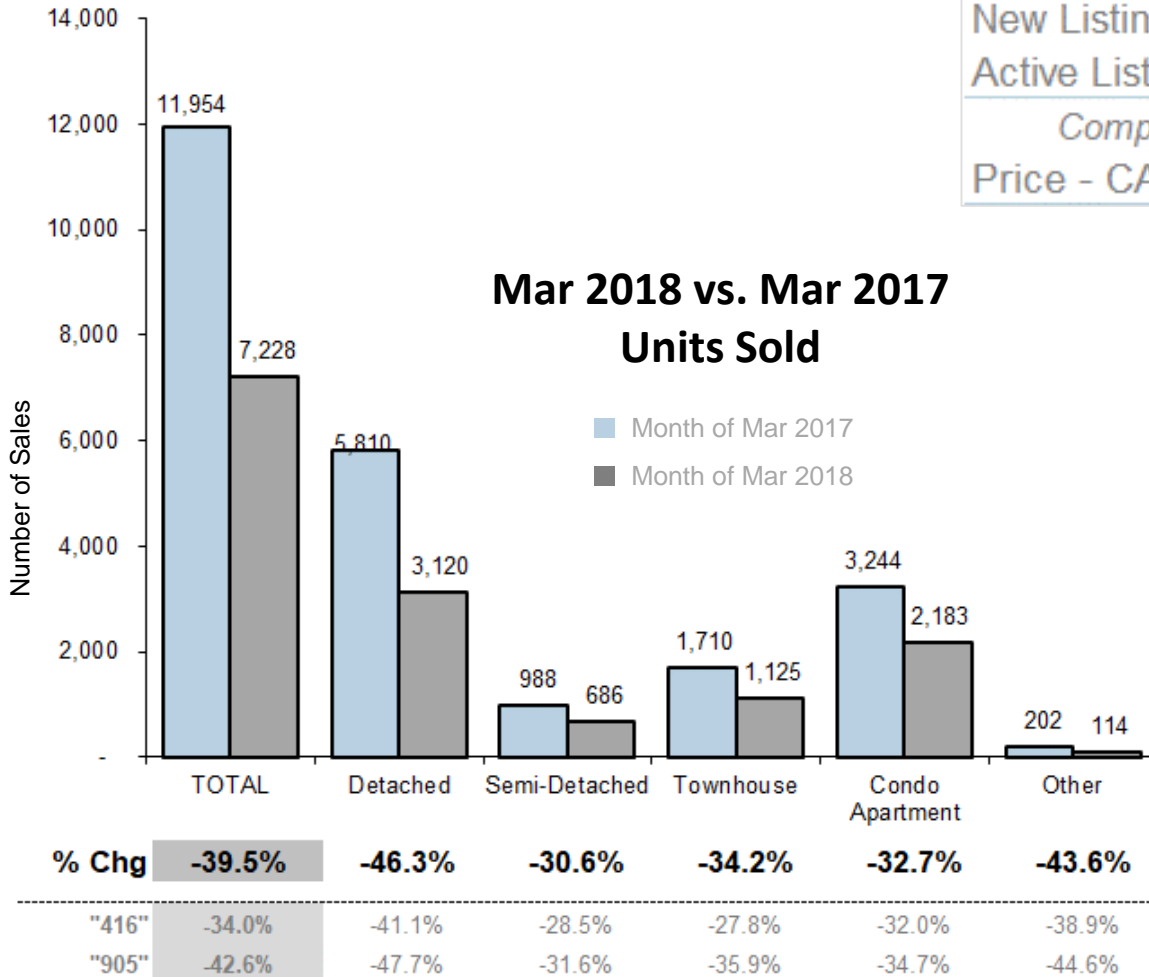
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Number of Sales

Month of March 2018



March 2018 Snap Shot

Statistic	Percentage Change vs. Previous		
	1 Year	5 Years	10 Years
Sales	-39.5%	-22.6%	-17.9%
New Listings	-12.4%	-2.9%	-3.4%
Active Listings	103.1%	13.7%	-4.1%
<i>Compound Annual Price Growth (CAGR)</i>			
Price - CAGR	-14.3%	8.7%	7.5%

Real Estate Industry

Mar 2018 Sold \$Volume = \$5.7B
 Mar 2017 Sold \$Volume = \$11.1B

Approx. \$5.4B reduction in volume

"416" down \$1.5B = \$3.8B vs. \$2.3B

Impact

City of Toronto / Ontario – Land Transfer Tax Revenues

Real Estate Industry – commissions, appraisals, legal

*Please note that all raw data is sourced from the monthly TREB Market Watch report. Outline Financial has compiled this data and created the attached graphs/charts, etc. Should TREB make changes/revisions to their historical data, Outline Financial will update the files/graphs accordingly. If detailed change data is not available or immaterial, then the monthly figures presented will match to the TREB Market Watch report as originally published in any given month, and any year over year/monthly comparison figures will be based upon those numbers.

Number of Sales

Trends by Month

of SALES - All TREB Areas

	Yr / Mth	Percentage Change vs. Previous		
		1 Year	5 Years	10 Years
Fair Housing Plan Announcement in April and trailing impact	2017-Apr	-3.2%	10.8%	18.5%
	2017-May	-20.3%	-8.9%	-3.0%
	2017-Jun	-37.3%	-24.4%	-21.0%
	2017-Jul	-40.4%	-33.6%	-30.7%
	2017-Aug	-34.8%	-18.3%	-14.9%
Rush to beat new stress test rules officially announced in Oct 2017	2017-Sep	-35.1%	-18.1%	-13.7%
	2017-Oct	-26.7%	-14.5%	-7.7%
	2017-Nov	-13.3%	7.5%	11.8%
General slow down in sales during 2018	2017-Dec	-7.1%	10.6%	12.3%
	2018-Jan	-22.0%	-10.5%	-7.9%
	2018-Feb	-34.9%	-21.9%	-18.1%
	2018-Mar	-39.5%	-22.6%	-17.9%
	12 Month	-27.7%	-13.6%	-9.1%

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Average Price

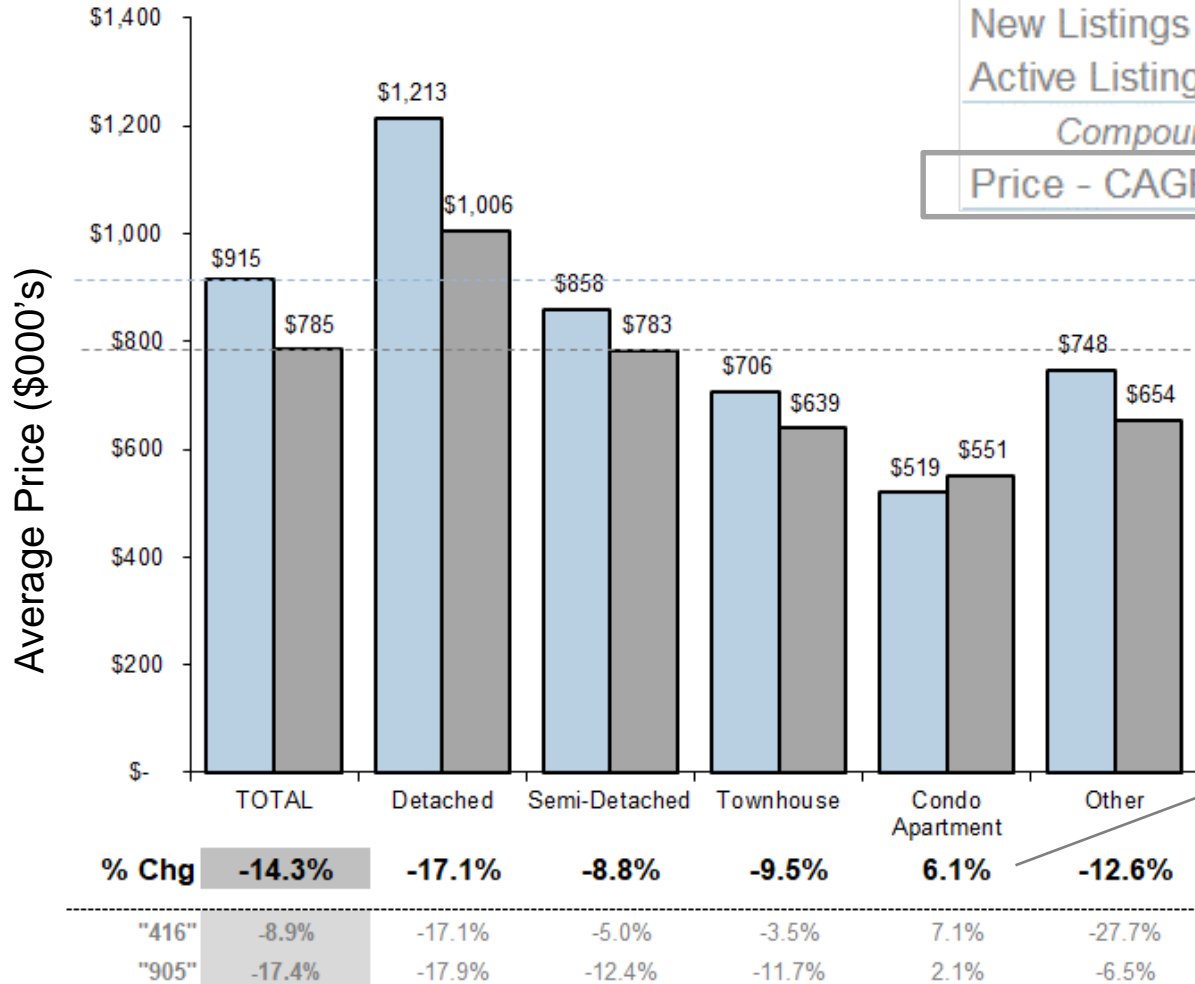
Month of March 2018

March 2018 Snap Shot

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New Listings	-12.4%	-2.9%	-3.4%
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Compound Annual Price Growth (CAGR)

Price - CAGR	-14.3%	8.7%	7.5%
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Mar 2018 vs. Mar 2017 Average Price

- Month of Mar 2017
- Month of Mar 2018

*Condo Notes

Jan 18 vs. 17 = +14.6%

Feb 18 vs. 17 = +10.1%

Mar 18 vs. 17 = +6.1%

(note – like all categories year over year skewed given strength of 2017)

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5-YR TREB AVERAGE PRICE CHANGE BY MONTH & YEAR (With Forecast)

Mar 2018 vs. 2017 = **-14.3%**

BUT

Mar 2018 vs. 2016 = **+14.0%** (+6.8% CAGR)

2018 Forecast ●			2018 Actual ●		
	Avg Price	% Chg*	Avg Price	% Chg*	
Jan	\$ 735,000	-4.4%	\$ 735,670	-4.3%	
Feb	\$ 779,000	-11.1%	\$ 767,530	-12.4%	
Mar	\$ 788,000	-13.9%	\$ 784,558	-14.3%	
Apr	\$ 817,000	-11.0%	\$ -		
May	\$ 829,000	-3.8%	\$ -		
Jun	\$ 818,000	3.3%	\$ -		
Jul	\$ 785,000	5.3%	\$ -		
Aug	\$ 789,000	7.9%	\$ -		
Sep	\$ 821,000	5.9%	\$ -		
Oct	\$ 829,000	6.2%	\$ -		
Nov	\$ 831,000	9.0%	\$ -		
Dec	\$ 814,000	10.8%	\$ -		
Tot	\$ 805,000	-2.2%	\$ -		

*Year over year % change by month

*Actual figures are updated to reflect any changes in previous month TREB Avg. Price reporting.

*Forecast is for illustrative/discussion purposes only. Foundation of forecast was built by looking at 10-yr seasonality trend of month to month average price changes (i.e., Jan to Feb, Feb to March, etc). It was then adjusted to remove any non-recurring historical spikes/troughs in the data, as well as a forecast factor for the impact of the new stress test rules.

TREB Average Price by Year & Month (All property types)

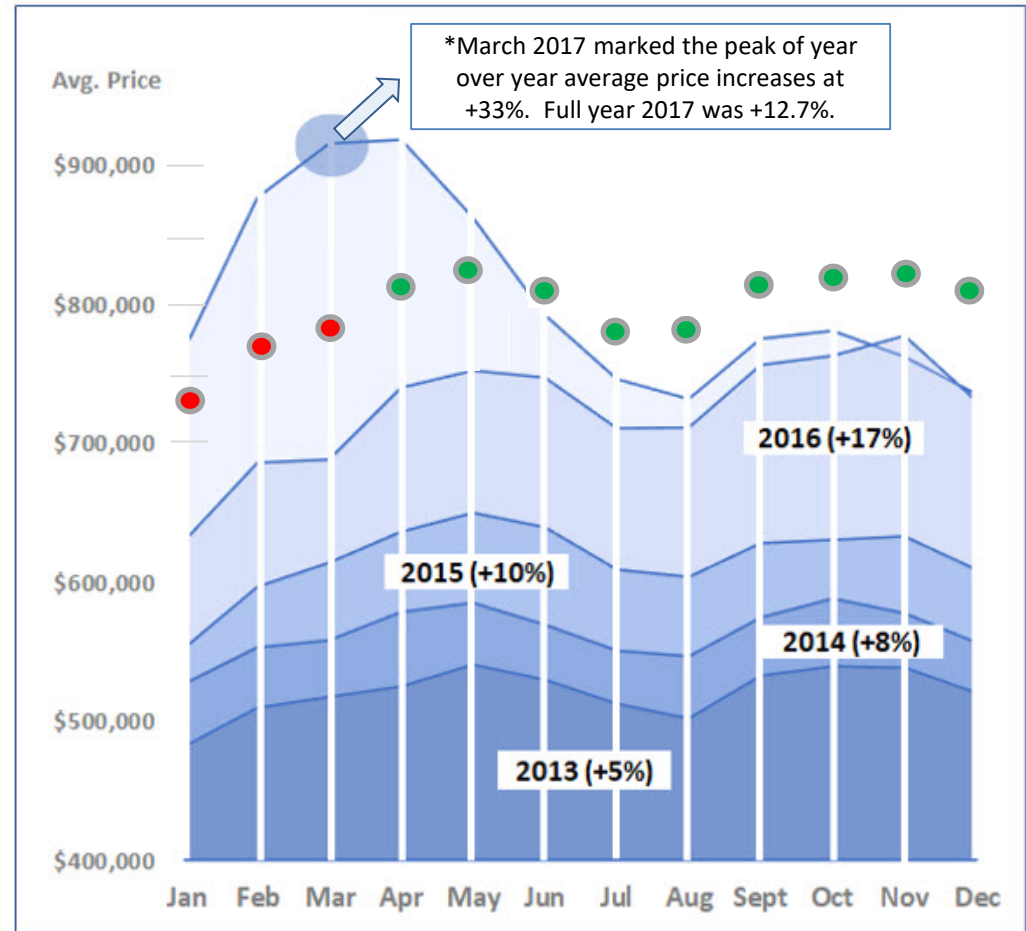


Chart Prepared by: Outline Financial. www.outline.ca
Raw Data Source: TREB Market Watch Reports

March 2018 - New Listings / Active Listings (“Supply”)

NEW LISTINGS - All TREB Areas

Yr / Mth	Percentage Change vs. Previous		
	1 Year	5 Years	10 Years
2017-Apr	33.6%	25.6%	28.3%
2017-May	48.9%	38.8%	45.3%
2017-Jun	15.9%	17.7%	24.7%
2017-Jul	5.1%	-0.4%	5.7%
2017-Aug	-6.7%	-4.7%	-2.4%
2017-Sep	9.4%	7.4%	12.6%
2017-Oct	11.8%	11.7%	15.6%
2017-Nov	37.2%	50.2%	48.5%
2017-Dec	51.9%	46.2%	36.1%
2018-Jan	17.4%	-4.8%	-10.4%
2018-Feb	7.3%	-1.3%	-5.8%
2018-Mar	-12.4%	-2.9%	-3.4%
12 Month	16.6%	14.3%	16.4%

- **-12.4% new listings in month of Mar 2018 vs. month of Mar 2017**
- **+16.6% new listings for current 12-months vs. prev. 12 months.**

ACTIVE LISTINGS - All TREB Areas

Yr / Mth	Percentage Change vs. Previous		
	1 Year	5 Years	10 Years
2017-Apr	3.0%	-26.6%	-35.2%
2017-May	42.9%	-3.1%	-12.8%
2017-Jun	59.6%	4.9%	-3.0%
2017-Jul	65.3%	6.1%	-2.2%
2017-Aug	65.0%	0.5%	-7.9%
2017-Sep	69.0%	5.7%	-1.9%
2017-Oct	78.5%	12.9%	3.4%
2017-Nov	110.6%	27.8%	12.5%
2017-Dec	172.4%	32.5%	11.4%
2018-Jan	136.3%	12.8%	-5.3%
2018-Feb	147.4%	13.1%	-6.0%
2018-Mar	103.1%	13.7%	-4.1%

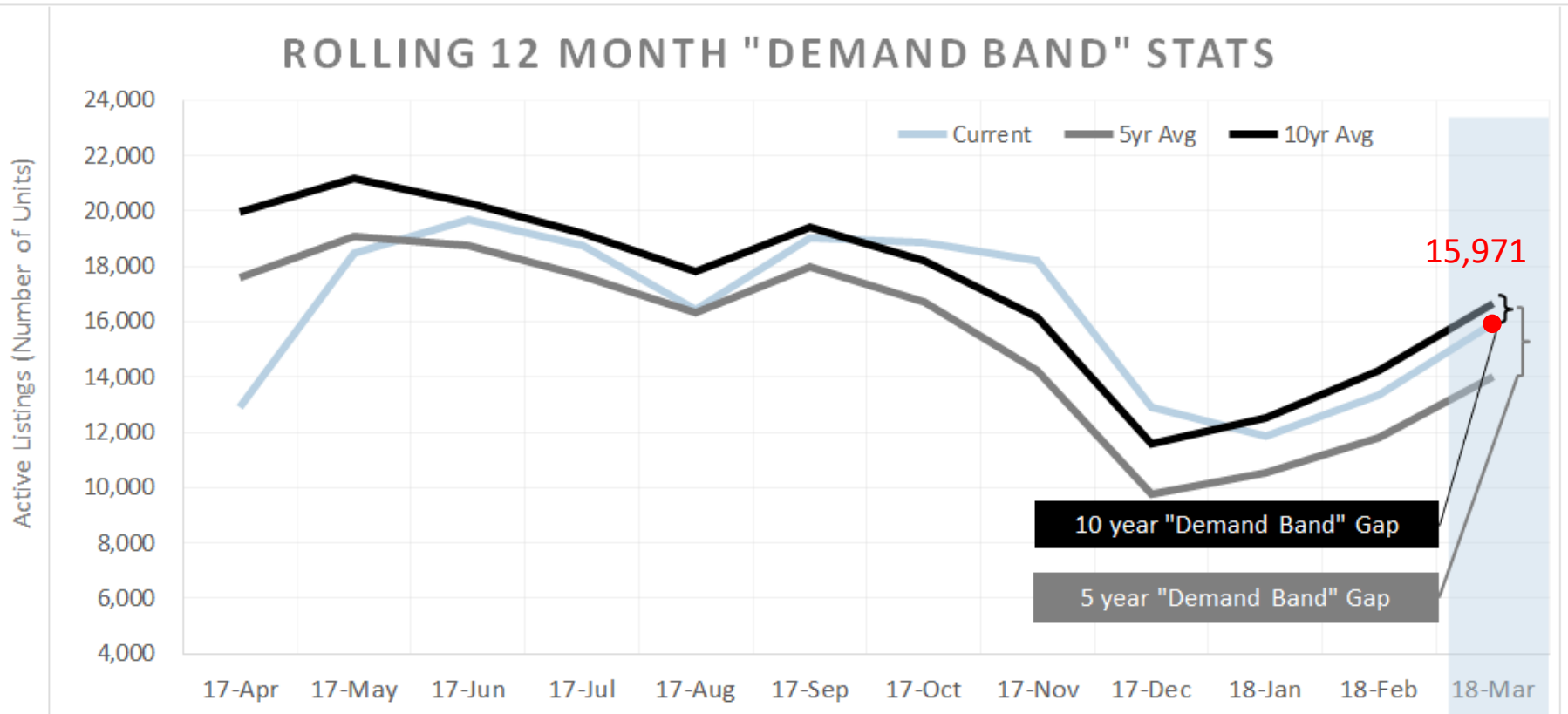
- **+103.1% active listings in month of Mar 2018 vs. month of Mar 2017**

March 2018 – TREB Results (active listing snapshot)

8,106 more active listings to choose from versus the previous Mar (16K vs. 7.9K)

1,927 more active listings to choose from versus the past 5 year Mar average, and

685 less active listings to choose from versus the past 10 year Mar average.



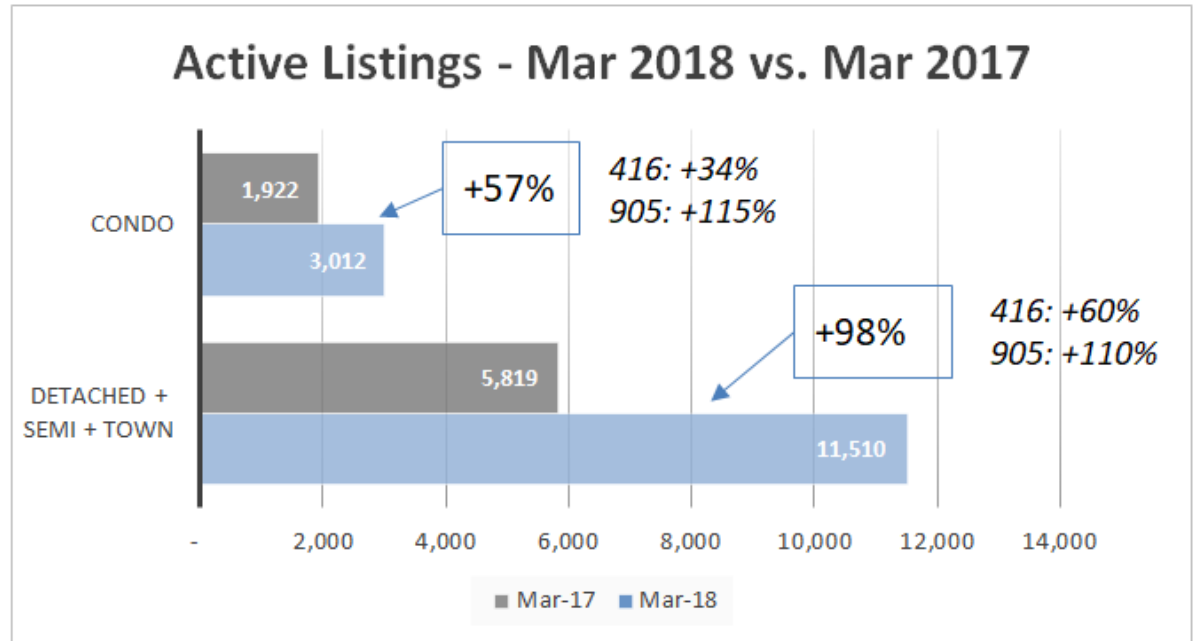
"Demand Band" Stats = lack of active listings vs. 5 and 10 year historical average

5yr Gap	(4,694)	(590)	925	1,071	87	1,021	2,152	3,954	3,172	1,347	1,545	1,927
10yr Gap	(7,037)	(2,711)	(619)	(427)	(1,417)	(376)	628	2,023	1,321	(660)	(851)	(685)

*5yr/10yr Gap = Current monthly active listing minus the 5/10year average number of active listings for each month.

Active Listings By Property Type (“Focus on Supply by Property Type”)

- Condo active listings increasing, but at a much slower pace.



- Some runway left for condo price appreciation

	Mar 2018	Mar 2017	Mar 2016	Mar 2015	Mar 2014	Mar 2013	Mar 2012
Condo Active Listings	3,012	1,922	5,245	6,238	6,231	6,123	5,663

“normal historical” active listings around 5K

- Price GAP between detached and condos has narrowed significantly. Should signal eventual slow down in condo market OR detached may pick up pace again.

Mth-Yr	Detached Avg. Price	Condo Avg. Price	Avg. Price GAP
Mar 2016	\$ 910,375	\$ 389,319	\$ 521,056
Mar 2017	\$ 1,214,422	\$ 518,879	\$ 695,543
Mar 2018	\$ 1,005,779	\$ 551,003	\$ 454,776

*Figures from TREB Market Watch Report

** Peak GAP was Feb 2017 at approx. \$725K



Mortgage / Economic Update Discussion

- Bank of Canada holds overnight rate. What to expect next?
- Non-income qualified deals – a changing landscape.
- Mortgage rate and product update.
- Builder mortgage commitments and recent trends.

Thank You.



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Outline Financial is a boutique mortgage brokerage offering a single point of contact to access rate and product options from over 20 banks, credits unions and mono-line lenders. The Outline team is comprised of senior level ex-bankers and financial planners that wanted to offer their clients choice vs. products from just one bank.

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