



THE NEXT MOVE

Bidding makes a comeback in Toronto real estate

CAROLYN IRELAND >

TORONTO

PUBLISHED 9 HOURS AGO

FOR SUBSCRIBERS



others to languish.

The offer date is making a bit of a comeback as well.

While the market appears balanced – with a fairly good equilibrium between supply and demand – buyers are fickle, says Patrick Rocca, broker with Bosley Real Estate Ltd., who sold one property with seven bids last week and saw another one sit without a single offer.

In the midtown area where Mr. Rocca concentrates his business, there were 18 single-family homes listed in Leaside and 16 in Davisville in the third week of September. In Leaside, where prices tend to be higher, some have been sitting for a while, he adds.

In Davisville, Mr. Rocca recently listed a three-bedroom semi-detached house at 292 Forman Ave., with an asking price of \$1.099-million.

After seven rivals vied for the house near Eglinton Avenue East and Mount Pleasant Road, the property sold for \$1.245-million.

The seller anticipated a higher sale price but was satisfied with the outcome in the end, he says, adding that the home needs an extensive renovation. Still, prices have softened in the area.

“This house probably would have got \$1.4-million in February.”

Mr. Rocca says two of the offers were strong, a handful were clustered in the middle, and the rest were lowballs.

“The lowballs are the unrealistic people,” he says, pointing out that a seller with seven buyers competing is not likely to sell at a discount.

“It’s a good time to list if you’re priced properly and you have realistic expectations,” says Mr. Rocca, but he can’t predict if the sales and prices will be more robust in early 2023 with so much economic uncertainty ahead.

The higher end of the market is slowing as move-up buyers vacillate between selling an existing property first and finding a new one, he adds. The spectre of rising interest rates is also a worry to some.

“It’s a very confusing time,” says Mr. Rocca.

Alexandra Ducharme, economist at National Bank of Canada, expects the market in the Greater Toronto Area to remain soft in the quarters ahead.

Sales strengthened in August compared with July, she notes, but despite the improvement, transactions declined 35.6 per cent over the past six months. Ms. Ducharme says rising interest rates have led to a deterioration in affordability.

“In such a context, many buyers are probably hesitant to transact given the current uncertainties,” Ms. Ducharme says in a note to clients.

Manu Singh, real estate agent with Right at Home Realty Inc., often works with real estate investors; many of those clients are stuck in a holding pattern as they wait for more clarity about the direction of financial markets, he says.

Meanwhile, the rental market is strong, so investors who at one time contemplated selling are finding tenants for now, he adds.

“In the condo market, my investor clients that wanted to sell – to see if they could get a

In the more suburban 905 area code, the average price of a condo unit increased 6 per cent in the same period.

“I have a lot of buyers who are ready to pounce. They want the price drop first – they haven’t put pen to paper yet.”

Mr. Singh estimates that approximately 40 to 50 per cent of the listings coming onto the downtown Toronto condo market are not fresh supply but properties that are being relisted after failing to sell.

Semi-detached houses in the west end are also being relisted fairly often, he says.

Mr. Singh has some clients who would like to trade up from a condo to a single-family dwelling but he’s advising them to sell the unit first in order to have a smoother time qualifying for a mortgage.

Those who are ready to move, and have the income and job security to do so, are having trouble finding the right house because good properties are still in short supply.

“Where is the supply of freehold properties that they want to buy?”

Your house is your most valuable asset. We have a weekly [Real Estate newsletter](#) to help you stay on top of news on the housing market, mortgages, the latest closings and more. Sign up today.