

What's Your Home Really Worth in Toronto and Vancouver Today?

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Right now, Torontonians and Vancouverites are struggling with the fact their homes are worth less, sometimes a whole lot less, than just a few months or a couple of years ago. As tough as that new reality is for homeowners, it's even more of a challenge for the agents tasked with selling their homes.

Both Toronto and Vancouver's boom and bust markets regularly make the headlines, and that's one reason homeowners still believe the markets will bounce back exactly the way they always have. Over the past few months, Toronto prices have leveled off and even picked up, but in Vancouver, particularly the most expensive neighbourhoods, drastic decreases, as much as 35 to 45%, remain the norm.

"Vancouver homeowners have seen housing prices rebound so many times, they're waiting for it to happen again, but so far, prices continue to drop," says Bryan Velve, RE/MAX Crest Realty, an agent with 30+ years' experience in the Vancouver area. "Homeowners got

understandably attached to those values – retirees who expected \$5 million for their homes are now looking at \$2.6 million which is forcing them to change their life plans and how they envisioned their futures.”

Savvy agents focus on the facts, specifically sold prices, because these numbers tell the true story, good or bad. Once homeowners see the sold prices, they tend to more readily accept the values offered by agents. Homeowners tend to focus primarily and even exclusively on list prices because they’re readily available to the public, but as Toronto and Vancouver agents point out, the list price is virtually meaningless.

“The true value is the price the buyer actually paid – the list price reflects what the agent and seller want it be worth,” says Velve, who acknowledges sellers may feel offended or insulted. “Whether or not they want to hear the truth about their homes’ current market value, it’s the best thing you can do for a seller.”

Overprice Your Home at Your Own Risk

While Toronto and Vancouver’s fluctuating markets created certain expectations, neighbours and agents also played a role. After all, if an agent names an unrealistic price to win the business and the homeowner eagerly signs the contract without additional input or fact checking, list prices won’t reflect the current market.

“I tell sellers what their home is really worth in Vancouver’s current market, rather than risk my time and money,” says Velve, who has seen countless sellers and their agents overprice, relist and sacrifice hundreds of thousands of dollars as prices continue to plummet – some even take the home off the market. “Overprice the home, and eventually, the homeowner will blame the agent or drop the price as a last resort – the agent loses either way.”

Sellers need to realize and agents must remind them that since prices are down across Toronto and Vancouver, the home you sell is worth less. But, there is good news – you’ll also pay less for the home you buy.

“It will balance out, particularly if you’re buying and selling in the same neighbourhood or community,” says Tim Syrianos, Broker of Record/Owner, RE/MAX Ultimate Realty, Toronto, who was also the 2017/2018 president of the Toronto Real Estate Board. “The more affordable \$700,000 to \$800,000 homes are hot everywhere with excellent options also available in surrounding communities including Etobicoke, Brampton, Hamilton and Burlington.”

Agents also ask strategic questions to help them present sellers’ best options. Who knows when or how much the Vancouver or Toronto markets will rebound, but Velve, Hammer and Syrianos are seeing retirees and downsizers decide to wait.

“It comes down to need and greed,” says Velve. “Most retirees and downsizers don’t need to sell and are prepared to wait for more money, while families with new jobs and in-laws or a child on the way may feel they have to move now.”

When educating sellers about their homes’ worth, agents may need to ask them how they come up with that price tag. Sellers often mention the new carpet, stainless steel appliances, landscaping, new paint or flooring with great pride, then realize they were installed five or even 10 years ago.

“It’s still new to them because time flies and they don’t see the wear and tear or appreciate the fact it’s not as on trend as it was when they put it in,” says Mark Hammer, a Vancouver-based agent with RE/MAX Crest Realty.

Finally, realistically assessing home values will always be tough for owners who can’t help their inherent bias. After pricing his own home, Syrianos asked a colleague to evaluate everything from the value he’d place on his home to the results of his preparation.

“I needed absolute objectivity and an arm’s length perspective,” says Syrianos. “She made fun of my staging but as a result of her unbiased insights, I got an additional 4% (\$15,000) for my home – always get a second and even a third opinion from a qualified expert, then listen and act on what they tell you.”

Kara Kurylłowicz

Kara Kurylłowicz is a Toronto-based writer with 30 years of experience writing and editing for a wide range of magazines, websites and corporate clients. She has a long-term interest in real estate, as a journalist, homeowner and landlord with investment properties. She is fascinated by the Greater Toronto Area real estate market and is equally interested in how the Toronto market affects seasonal and second homes.