

# REAL ESTATE

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## Toronto sellers wrestle with a difficult question: Is it time to slash prices?

CAROLYN IRELAND

NEXT MOVE



**S**ellers in the Toronto-area real estate market are tussling with tough questions in a summer of slow sales. Deciding whether to slash their asking price is at the top of the list.

Many homeowners start out with an asking price that allows room for negotiation if an interested buyer comes in with a lower offer. If they cut that price, they fear they'll have to haggle down from there.

In many cases, they're right, agrees Andre Kutyan, broker with Harvey Kalles Real Estate. In today's challenging market, he is encouraging them to do it anyway.

"I've been actively talking to sellers," he says. "After a certain amount of time, we should come down in price."

While sellers are often concerned that a price cut will signal

desperation, Mr. Kutyan counters that having a buyer at the table is preferable to no dialogue at all.

"I always want the opportunity to at least negotiate."

Gillian Oxley, agent with Royal LePage RES Oxley Real Estate, says prices are an industry preoccupation these days.

"This is the conversation all the agents are having."

Many homeowners are taking their properties off the market for the rest of the summer with a plan to relist in the fall, she says, but for those who choose to keep the for sale sign up, the discussion about price revolves around the appeal of the house itself – along with the seller's circumstances and time constraints.

If a property has been sitting, "I'm absolutely pushing for a price 'improvement,' which is the new lingo," Ms. Oxley says.

Part of the challenge is that buyers pounce on some properties and pass by others, she says, adding that "2024 will be known as the year of hit or miss."

In Toronto's Rosedale neigh-

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RES OXLEY REAL ESTATE

bourhood, Ms. Oxley sold a red-brick detached house at 47 Elm Ave. in one day after listing the property with an asking price of \$4.295-million. The five-bedroom house sold for \$4.35-million with one offer, she says, attributing the quick sale in late June to the home's curb appeal.

But some equally pretty houses are languishing, she adds. "It's frustrating for sellers right now because they look around and say, 'what's wrong with me?'"

In some cases, looking at comparable sales in the neighbourhood can help a homeowner come to grips, Mr. Kutyan says.

Not all sellers are willing to take a clear-eyed look at the data, he adds, but those who are motivated to sell sometimes see what the market is telling them.

Mr. Kutyan points to a four-bedroom detached house on a 20-foot lot at 87A Bedford Park Ave., which he listed with an asking price of \$3.385-million in the spring.

Many properties in the

Bedford Park neighbourhood sit on lots that are 25 feet wide, and Mr. Kutyan advised the seller that no home on a 20-foot lot has ever sold above \$2.9-million – even at the market's peak.

The homeowner insisted on setting a lofty price to begin with because, while the three-year-old house is narrower than some, it's also taller, with three storeys.

A series of small price trims followed until mid-July, when Mr. Kutyan was able to show the seller that buyers had chosen to pay more than \$3-million for various houses in the neighbourhood – but they were all on wider lots.

With that, the seller conceded the asking price needed to be \$2.895-million.

"The house had no business at \$3.385-million," Mr. Kutyan says. "He agreed of his own accord."

In the condo segment, swelling supply means sellers need to be especially sharp with their price or buyers won't even be willing to book an appointment, Mr. Kutyan says.

IRELAND, H3

## Ireland: Some agents recommend holding off until autumn to list houses

FROM H1

He recently listed a condo unit at 125 Redpath Ave. in the Yonge and Eglinton area with an asking price of \$849,000, then trimmed that to \$829,000. Currently, the asking price is \$799,000 in an area with about 200 competing units.

"There's a lot of choice," says Mr. Kutyan. "You have to be right on the money or even lower."

Robert Hogue, assistant chief economist at Royal Bank of Canada, believes interest-rate cuts will stimulate homebuyer demand across the country, but he cautions that the boost will likely be incremental.

He writes in an update to clients sent out earlier this month that rates must come down materially before they make a meaningful dent in ownership costs –



Robert Hogue, assistant chief economist at Royal Bank of Canada, says interest-rate cuts will boost homebuyer demand, but he cautions that the boost will likely be an incremental rise. CARLOS OSORIO/REUTERS

especially in Canada's most expensive markets. Toronto was also one of the markets with a notable increase in supply in June.

Mr. Hogue predicts the sales recovery will remain slow for the rest of this year before accelerating somewhat next year once both short and long-term interest rates are significantly lower.

The economist adds that prices will likely follow a similar path, but he warns that some markets – including Toronto – could experience renewed downward pressure in the near term if inventories build up more significantly.

Ms. Oxley is recommending that homeowners wait until the fall to list if they do not have a compelling reason to sell now.

Mr. Kutyan is delaying some listings until the fall but bringing out others earlier if the property has a pool or landscaping that

appears at its best in summer.

At 168 Sandringham Dr. in North York, Mr. Kutyan is listing a ravine property for sale in July with an asking price of \$6.88-million.

The red-brick Georgian-style house was listed earlier this year with another agent for \$7.6-million.

Mr. Kutyan says the spectacular lot could draw a deep-pocketed buyer who wants to tear the house down and rebuild, but he set a lower asking price so that the property may also appeal to buyers who plan to live in it.

He also figures prospective buyers who were eyeing it at the higher price may now be enticed to submit a written offer.

"I'm coming out \$700,000 better. That makes a big difference in getting paper and not getting paper."