



# MARKET REPORT

## TORONTO REAL ESTATE

OCTOBER 2025

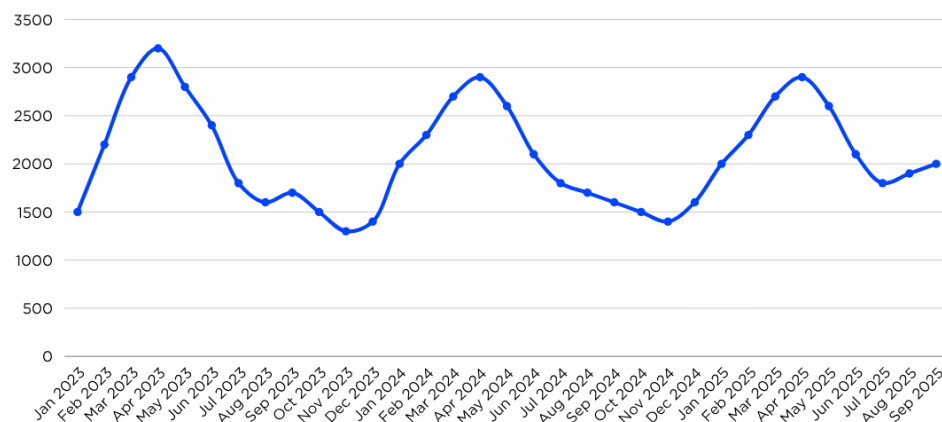
### MARKET MOMENTUM BUILDS AS GTA HOME SALES RISE & BUYERS REGAIN CONFIDENCE

More homebuyers are seeking to take advantage of more affordable monthly mortgage payments and have responded to the substantial choice in the marketplace by negotiating average selling prices downward. The anticipated interest rate cut was welcome news for homebuyers, who are now more confident that another rate cut will come by year-end. With lower borrowing costs, more households can afford monthly mortgage payments on homes that meet their needs.

“...more households can afford monthly mortgage payments on homes that meet their needs.”

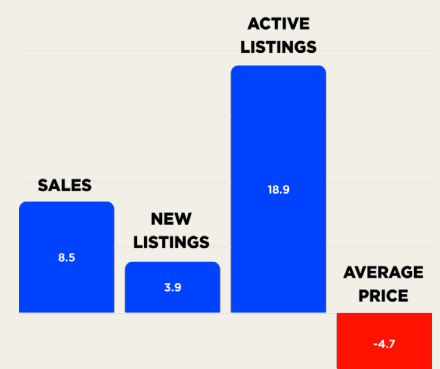
While home sales have improved compared to last year, they still remain below typical levels relative to the number of GTA households. Sales are trending to end the year approximately 11% lower than 2025. Given ongoing employment challenges and household uncertainty, it is highly likely that another rate cut will be needed — one that could spur confidence and encourage buyers currently on the sidelines to enter the market. A further 25-basis-point cut by the Bank of Canada this year could further stimulate home sales and related economic activity. It has been widely reported that each real estate transaction injects more than \$80,000 into the economy through housing-related spin-off spending, helping offset the impact of ongoing trade challenges.

#### SALES VOLUME MONTHLY | JANUARY 2023 - SEPTEMBER 2025



Source: Toronto Regional Real Estate Board

### YEAR-OVER-YEAR SEPTEMBER 2025



Source: Toronto Regional Real Estate Board

### SALES AND LISTINGS ACTIVITY

According to the Toronto Regional Real Estate Board (TRREB), GTA REALTORS® reported 5,592 home sales through TRREB's MLS® System in September 2025 – up by 8.5 per cent compared to September 2024. New listings entered into the MLS® System amounted to 19,260 – up by four percent year-over-year.

On a seasonally adjusted basis, September home sales were up month-over-month compared to August 2025.

In contrast, new listings were down compared to August, suggesting that market conditions may have tightened slightly in some segments.

[www.DashPM.ca](http://www.DashPM.ca)

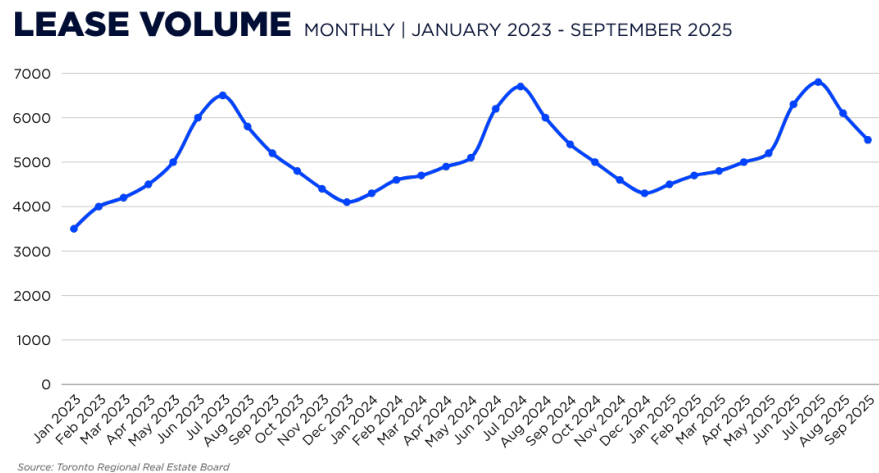
159 Avenue Rd. Toronto, ON, M5R 2H7

416-222-6175

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## CONTINUED STRENGTH IN THE RENTAL MARKET

The GTA condo rental market showed signs of stabilization as demand strongly outpaced supply growth and annual rent decreases slowed considerably. Lease transaction volume grew at a much stronger pace than new listings, which rose only 4% annually.



Inventory levels continued to tighten compared to a year ago, with active listings decreasing 7% and months of supply edging down from 0.8 to 0.6. Average rents reached \$2,668 — down 9.7% from two years earlier and 4.9% lower than three years ago. Despite these declines, average five-year annual rent growth remained positive at 3.6%.

## CONDO MARKET STILL LAGGING

The condo resale market remains under pressure. The ratio of sales-to-new listings fell further into buyer's market territory at 33%. Months of supply reached 6.7, more than double the 10-year average of 2.8 months. Average resale prices declined 5.0% year-over-year to \$642,195, marking the lowest level since January 2021. Prices are down 9.9% from three years ago and have fallen 20.6% from the market peak in March 2022. Despite recent softness, 10-year average price growth remains healthy at 5.6% annually.

For presale investors, prices are moving toward levels that are beginning to make financial sense again. The price premium between presale and recently built resale condos has narrowed from 40% at its peak to 18%, signalling growing

price stability. The market has entered its peak period for condo completions, with deliveries expected to decline in 2026 and reach multi-decade lows in the following years. As supply tightens, history suggests a return to strong rent increases.

To reignite the condo market, a further 5–7% price adjustment combined with a few additional rate cuts may be required. The next rate cut could be the catalyst to bring back buy-and-hold investors. With fewer investors overall, the focus will likely shift to end-users, reshaping the design and type of condo products being built in the GTA.

## PROPERTY TRENDS

- Townhouses: Sales up 39.2% YoY in Toronto's core—space-conscious buyers are flocking in.
- Turnkey Homes: Modern, move-in-ready listings are selling fast; dated homes are lagging.
- Condos: Prices dipped, but inventory remains high—buyers have time and leverage.

## LOOKING AHEAD: STABILITY ON THE HORIZON

As we move into the final quarter of 2025, the GTA housing market shows early signs of regaining balance. Momentum is building, supported by easing borrowing costs, stable employment figures, and a more confident pool of buyers. Continued moderation in interest rates could unlock pent-up demand and help sales volumes return closer to long-term averages in 2026.