

MARKET REPORT | TORONTO REAL ESTATE

FEBRUARY 2026

MARKET OVERVIEW

While January is traditionally a slower month for real estate activity, ongoing concerns surrounding global trade relations and broader economic uncertainty continued to weigh on buyer and seller confidence as we entered 2026. These factors have contributed to hesitation among consumers, particularly as many remain reluctant to commit to long-term mortgage obligations amid uncertain economic conditions.

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Compounding these challenges, the Greater Toronto Area experienced significant snowfall not seen in over a decade, severely disrupting daily life and business activity. These harsh winter conditions effectively stalled much of the real estate market, with many buyers and sellers choosing to delay participation.

The combination of weather-related disruptions, affordability constraints, and cautious consumer sentiment tempered overall market activity. Confidence and affordability continue to shape market dynamics and remain the primary factors influencing opportunities across the GTA.

CONDOMINIUM MARKET

The condominium segment remains more challenged, with inventory levels at 5.83 months and an average selling price of \$604,759. Demand for new construction condominiums continues to soften, reflecting affordability pressures, investor caution, and shifting buyer preferences. As a result, resale condominiums are facing increased competition and longer selling timelines.

YEAR-OVER-YEAR JANUARY 2026



Source: Toronto Regional Real Estate Board

MARKET PERFORMANCE

Based on January 2026 data reported by TRREB, a total of 3,082 home sales were recorded, representing a 19.3 per cent decline year-over-year compared to January 2025. New listings entering the MLS® System totalled 10,774, down 13.3 per cent from the same period last year. Active listings increased to 17,975, resulting in 5.83 months of inventory—an 8.1 per cent increase—signalling a shift toward a more balanced market environment.

The average selling price declined to \$973,289, down 6.5 per cent year-over-year. Notably, this marks the first time the average price has fallen below \$1 million since 2019, effectively resetting values to levels not seen in nearly seven years.

AFFORDABILITY, RATES, & CONSUMER CONFIDENCE

Affordability and consumer confidence remain the primary drivers of current market sentiment and will be essential to any sustained market recovery. While there remains an estimated \$600 gap between average rental costs and the mortgage payments required to own, interest rates have declined meaningfully since affordability concerns first intensified.

In addition, over one million mortgage renewals are expected over the next 12 months. Importantly, these households were previously stress-tested at higher interest rates. As a result, a surge in distressed listings is not anticipated. With rates now lower, mortgage renewals are unlikely to trigger a wave of forced sales, thereby reducing systemic risk to the market.

MARKET SEGMENTATION & NEIGHBOURHOOD TRENDS

Market performance continues to vary significantly by segment and neighbourhood across the GTA. Mature, historically high-demand neighbourhoods are outperforming the broader market, experiencing stronger showing activity and buyer engagement. Buyers in these areas remain value-conscious and actively negotiate; however, competitive situations—including multiple offers when engaging aggressive marketing approaches—are occurring. Notably, even in multiple-offer scenarios, conditional sales remain common, reflecting a cautious and disciplined buyer pool.

While demand for new construction condominiums has softened, newly built semi-detached homes and townhomes in communities surrounding Toronto are seeing increased activity. These property types continue to attract first-time buyers seeking more space and relative affordability. Pent-up demand remains evident in this segment and is expected to support market activity moving forward.

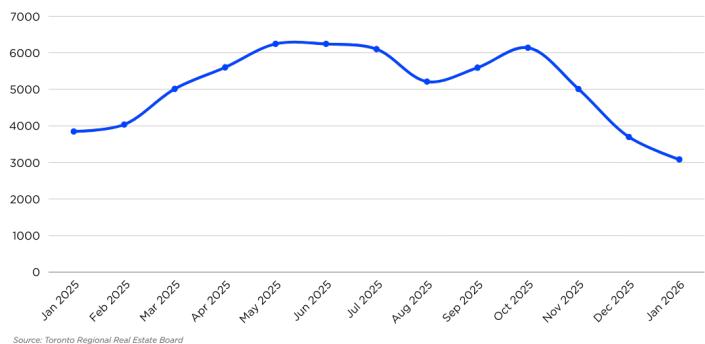
LOOKING AHEAD: POSITIONING AHEAD OF THE SPRING 2026 MARKET

As we move toward the spring 2026 market, current conditions present a strategic window of opportunity. Prices have adjusted, competition remains measured, and buyers currently hold greater leverage than they are likely to experience later in the year. Historically, confidence and activity increase as weather conditions improve and sidelined buyers re-enter the market.

For buyers, this period represents one of the most favourable entry points ahead of the traditional spring surge. For sellers, thoughtful pricing and preparation now can position listings effectively ahead of renewed competition and improving market momentum.

With pent-up demand building and interest rates now stabilizing, the spring 2026 market is poised for renewed activity—making this an optimal time to take advantage of current conditions.

SALES VOLUME Year to Date | January 2025 - January 2026



GTHA Annual New Condominium Apartment Sales

