

MARKET REPORT

MARCH 2026

TORONTO REAL ESTATE

MARKET OVERVIEW

The Greater Toronto Area housing market remained in a cautious holding pattern through February 2026, as buyers and sellers continued to navigate economic uncertainty and shifting market expectations. According to the Toronto Regional Real Estate Board (TRREB), 3,868 homes were sold through the MLS® System in February, representing a 6.3% decline compared to February 2025. During the same period, 10,705 new listings entered the market, marking a 17.7% decrease year-over-year.

“ Today’s market is largely being driven by sentiment... This dynamic has created a temporary stalemate between buyers and sellers across much of the region. ”

While sales were lower compared to last year, the sharper decline in new listings suggests that many homeowners are choosing to delay their selling plans rather than bring properties to market under current conditions. As a result, overall inventory levels have begun to tighten. The months of inventory declined to 4.6 months in February, down from 5.3 months in January, indicating that although the market remains technically in buyer’s territory, conditions are gradually shifting toward greater balance.

Today’s market is largely being driven by sentiment. Many prospective buyers remain on the sidelines waiting for prices to stabilize or attempting to time the market, while some sellers are postponing their plans until broader economic confidence improves. This dynamic has created a temporary stalemate between buyers and sellers across much of the region.

However, the broader GTA statistics do not tell the full story. Real estate continues to be highly localized, and several mature and historically desirable neighbourhoods within the City of Toronto are experiencing stronger activity than the overall market suggests. Communities such as East York, The Beaches, Riverdale, Davisville, High Park, Central Toronto neighbourhoods, and parts of Etobicoke are seeing heightened buyer interest, with properties in these areas selling more quickly and days on market beginning to decline. These micro-markets continue to outperform due to their established communities, access to transit, schools, and lifestyle amenities.

YEAR-OVER-YEAR FEBRUARY 2026



Source: Toronto Regional Real Estate Board

MARKET PERFORMANCE

GTA REALTORS® reported 3,868 home sales through TRREB’s MLS® System in February 2026 – down by 6.3 percent compared to February 2025. New listings entered into the MLS® System amounted to 10,705 – down by 17.7 percent year-over-year.

On a seasonally adjusted basis, February home sales and new listings were down month-over-month compared to January 2026. New listings were down by a greater monthly rate than sales.

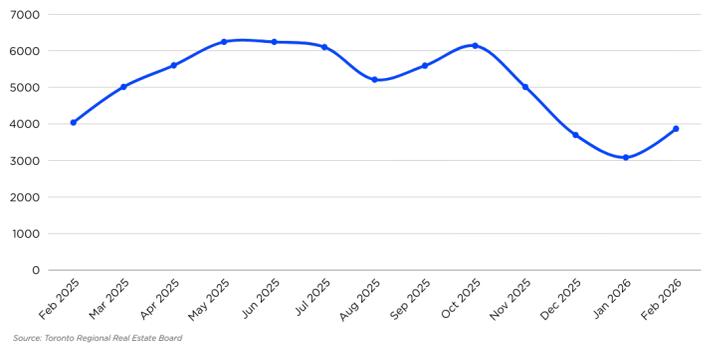
The MLS® Home Price Index (MLS® HPI) Composite benchmark was down by 7.9 per cent year-over-year in February 2026. The average selling price, at \$1,008,968, was down by 7.1 per cent compared to February 2025

In the low-rise segment, which includes detached, semi-detached, and townhomes, sales were down 4% year-over-year while new listings declined by 16%, marking the second consecutive month of declining inventory. This trend was not widely anticipated, as many expected more homeowners to enter the market amid affordability discussions. Instead, many sellers appear to be waiting for stronger conditions before listing their homes.

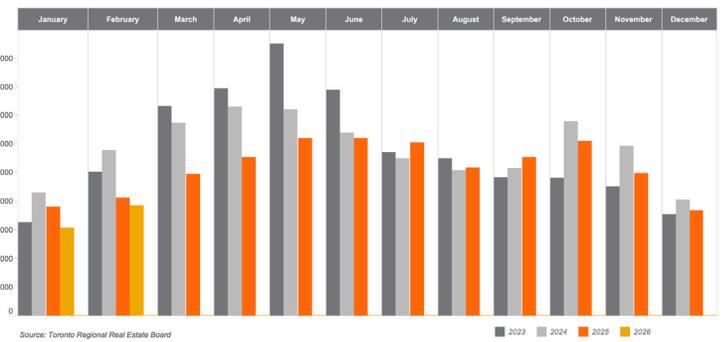
CONDOMINIUM MARKET

The condominium market continues to face softer conditions, with sales down 8% compared to last year. However, supply levels are beginning to stabilize, as months of inventory declined from just under eight months to under six and a half months, suggesting that excess inventory is gradually being absorbed. traditional spring surge. For sellers, thoughtful pricing and preparation now can position listings effectively ahead of renewed competition and improving market momentum.

SALES VOLUME Year to Date | February 2025 - February 2026



TRREB MLS® Sales Monthly with Three Previous Years for Comparison



“ Housing affordability is not just a real estate issue—it is an economic and policy issue that affects nearly every industry and household in Canada. ”

AFFORDABILITY

Affordability remains a central issue influencing the housing market. While interest rates have declined from recent highs and wages have increased due to inflation, purchasing power has not improved at the same pace. One contributing factor is Canada’s income tax structure, that has not been modernized. This phenomenon, often referred to as “tax bracket creep,” pushes households into higher tax brackets more quickly, reducing disposable income and making it more difficult for many Canadians to save for a down payment. Addressing affordability challenges will require all levels of government to examine broader economic policy, including updating the Income Tax Act. Housing affordability is not just a real estate issue—it is an economic and policy issue that affects nearly every industry and household in Canada.

LOOKING AHEAD

Looking ahead to the spring market, there are signs that pent-up demand continues to build beneath the surface. If the trend of declining new listings persists, competition among buyers could increase, supporting home prices and potentially leading to a recovery in sales activity later in the year.

For now, the GTA housing market remains cautious and the data reinforces that real estate is increasingly a micro-market story, where neighbourhood-level dynamics often matter more than regional averages. Buyers and sellers who understand these local trends will be best positioned to