

2026 GTA REAL ESTATE MARKET OUTLOOK



The Year Before Us

At the Toronto Regional Real Estate Board's annual outlook event, representatives from IPSOS and other industry experts shared their insights on what lies ahead for the GTA housing market in 2026. After several years of volatility, shifting economic conditions, and evolving buyer sentiment, 2026 is shaping up to be a year defined by affordability recalibration, increased choice, and cautious optimism.

Immigration: A Key Driver of Housing Demand

In the coming years, immigration will play a central role in absorbing the inventory buildup seen across both ownership and rental markets over the past three years.

Key Insights From IPSOS (Leaders in Polling):

- Newcomers typically begin their housing journey as renters.
- The transition into homeownership is faster for immigrants than Canadian-born residents.
- This accelerated path will help support demand as supply remains elevated.

As more newcomers settle in the GTA, the rental market will continue to tighten first, followed by gradual increases in ownership demand.

Borrowing Costs & Affordability

Despite global trade instability, the Canadian economy has shown resilience. However, the Bank of Canada is expected to **pause further rate cuts** for the foreseeable future.

This means:

- **Affordability gains in 2026 will come primarily from lower home prices**, not cheaper borrowing.
- Buyers will continue to take a cautious approach, especially in the first half of the year.

Homebuyers in 2026: More Choice, More Leverage

Buyers entering the market this year will benefit from:

- **Substantial inventory** across most home types
- **Greater negotiating power**
- **Lower selling prices compared to 2025**

According to the IPSOS Home Buyers Survey:

- Paying less for a home in 2026 is the top factor in improving affordability.
- Many buyers plan to **save larger down payments**, which takes time—explaining slow sales in 2025 and likely into early 2026.
- **Homebuying intentions dropped from 27% in 2025 to 22% in 2026**, a 5% decline.

Why the Dip Despite Improving Affordability?

Economic uncertainty remains a major concern:

- Unpredictable trade relations with the U.S. and other countries
- Anxiety around job security
- Rising cost-of-living pressures

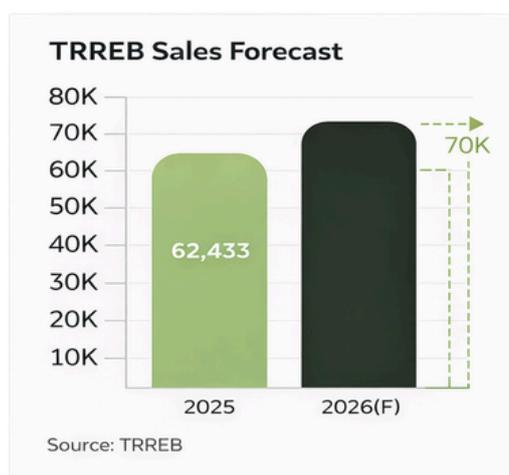
These factors are causing many would-be buyers to delay major financial decisions.

2026 Sales Forecast

Projected GTA Home Sales: 60,000 – 70,000 (TRREB)

Sales activity in the first half of 2026 is expected to mirror 2025.

However, if economic conditions stabilize and consumer confidence improves, **pent-up demand from the past three years may finally begin to release**, pushing sales toward the upper end of the forecast range.



2026 Price Outlook

Average GTA Price Forecast:

\$1,000,000 – \$1,030,000 (TRREB)

IPSOS polling shows that both first-time buyers and existing homeowners expect:

- **More choice**
- **More negotiating power**
- **Lower prices** compared to 2025

Market conditions support this sentiment, with active listings remaining historically high across all major segments. However, it is important to note that this is not true for all home types in all areas. Each area must be considered on an individual basis.

If consumer confidence improves in the second half of the year, increased sales could tighten conditions and lead to price stabilization.



Outmigration Trends: A Growing Concern

Between 2020 and 2024, the GTA lost an average of 80,000 residents per year to other parts of Ontario and Canada (excluding international migration).

Why Are People Leaving?

Economic Pressures

- Home prices nearly **9× the average household income**
- High property taxes
- Expensive land transfer taxes
- Significant development charges
- Slower economic growth and higher unemployment than other regions

Infrastructure Challenges

- Toronto ranks among the **worst cities in North America for traffic congestion**, with drivers losing up to **118 hours per year**
- The economic and social cost of congestion across the GTA is **\$44.7 billion**
- Public transit remains unreliable, with frequent delays and long wait times

Lifestyle Shifts

- Remote work has made relocation more feasible
- According to IPSOS, 66% of Ontarians aged 18–34 are likely to leave the GTA within five years due to affordability concerns and the flexibility of remote work

Government Response

Ontario's Minister of Municipal Affairs and Housing, the Hon. Rob Flack, emphasized the province's commitment to accelerating housing and infrastructure development.

Two major initiatives are underway:

- **Fighting Delays, Building Faster Act**
- **Building Faster and Smarter Act**

These measures aim to:

- Reduce development charges
- Streamline building standards
- Eliminate unnecessary red tape
- Keep construction workers on the job

Additionally, **the HST rebate** for pre-construction buyers could save up to **\$80,000** (provincial portion), offering meaningful relief for new home purchasers.

Final Thoughts

The GTA housing market in 2026 will be shaped by a rare combination of:

- Elevated supply
- Softer prices
- Strong immigration
- Government intervention
- Economic uncertainty

Buyers Responses -

- They're taking their time.
- They're choosing homes that are already updated to avoid future renovation costs.
- They're staying within strict affordability limits.
- They're negotiating harder — and walking away without hesitation.
- With more inventory available, they have options, and they know it.

What Does this Mean for Sellers?

Sellers who continue to anchor their expectations to 2022 or 2023 prices will struggle. Today's market rewards sellers who price for the market ahead, not the market behind. For buyers, this is a year of opportunity. For sellers, strategy and pricing precision will matter more than ever. For investors, rental demand from newcomers will remain a bright spot.

SOURCES: TRREB & IPSOS

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