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Your Greater Toronto Real Estate Newsletter

Market tightening month-over-month Uptick in sales and price as buyers lured back

Those seeking to buy a home in the GTA are in a better place this year than last year. The Toronto Regional Real Estate Board (TRREB) reports that the GTA housing market experienced an improvement in affordability in May 2025 relative to the same period a year earlier, a trend seen throughout much of this spring season.

With sales down and listings up, homebuyers took advantage of increased inventory and negotiating power. Home sales in May 2025 were down by 13.3 per cent compared to May 2024. New listings were up by 14 per cent year-over-year. Still, on a seasonally adjusted basis, May home sales were up month-over-month compared to April - notably, this being the second monthly increase in a row. New listings were also up compared to April, but by a lesser monthly rate than sales, suggesting a slight tightening in market conditions. Sales were down across the board, with the exception of the semi-detached and townhouse categories in the City of Toronto, which were up by 1.5 and 3.4 per cent respectively.

The average selling price, at \$1,120,879, was down 4 per cent compared to May 2024. The MLS® Home Price Index Composite benchmark was down by 4.5 per cent year-over-year. But, as with sales, on a month-over-month seasonally adjusted basis, the MLS® HPI Composite and average selling price both edged up compared to April.

The average selling prices were down versus May 2025 across the board. The price of a detached home dipped 5.6 per cent in both the City and the 905 areas, to \$1,719,937 and \$1,321,458 respectively. At \$1,009,698, the townhouse price slid 3.3 per cent in the City and 5.5 per cent in the 905 areas, to \$868,736. The price for condo apartment in the City dropped 7.3 per cent to \$709,905, and the suburban condo saw a drop of 4.2 per cent, to \$632,771.

"Home ownership costs are more affordable this year compared to last. Average selling prices are lower, and so too are borrowing costs. All else being equal, sales should be up relative to 2024. The issue is a lack of economic confidence. Once households are convinced that trade stability with the United States will be established and/or real options to mitigate our reliance on the United States exist, home sales will pick up. Further cuts in borrowing costs would also be welcome news to homebuyers," says Jason Mercer, TRREB's Chief Information Officer. *REU*

GTA BY THE NUMBERS

DETACHED

↓ 5.4%

Avg. Price Yr/Yr

SEMIS

↓ 6.4%

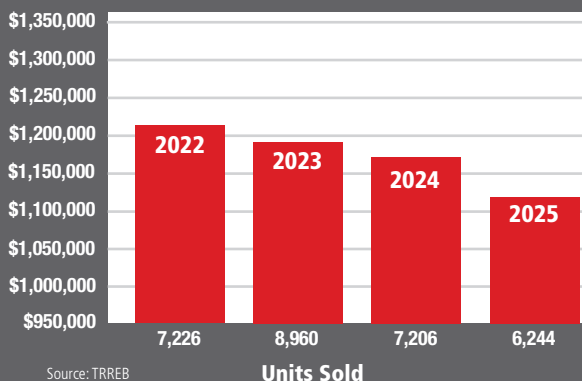
Avg. Price Yr/Yr

CONDO APTS

↓ 6.4%

Avg. Price Yr/Yr

Average Home Prices - May in the Greater Toronto Area



Monthly stats

May average
price by area

416

DETACHED

↓ **5.6%**
YEAR
YEAR

\$1,719,937
Average Price

CONDO APT

↓ **7.3%**
YEAR
YEAR

\$709,905
Average Price

905

DETACHED

↓ **5.6%**
YEAR
YEAR

\$1,321,458
Average Price

CONDO APT

↓ **4.2%**
YEAR
YEAR

\$632,771
Average Price

source: TRREB

Money matters

Tax credits for seniors **Benefits of being 65+**

Homeowners who are 65 or over may be able to take advantage of some tax credits. The Ontario Senior Homeowners' Property Tax Grant offers up to \$500 for Ontario senior homeowners. For singles, with net adjusted family income over \$35,000, the grant given will be reduced by 3.33 per cent for income up to \$50,000.

Seniors above that income level do not qualify for the grant. Married or common law couples may qualify for the

full amount if their adjusted family net income is \$45,000 or less. The grant is reduced by 3.33 per cent of income over \$45,000. However, if your income as a couple is \$60,000 or more you do not qualify. For further information, call 1-877-627-6645.

Some municipalities, including Toronto, have property tax relief programs for low-income seniors. Contact your municipality for more information.

The federal government offers the Home Accessibility Tax Credit (HATC), which allows eligible seniors and people with disabilities to receive a non-refundable tax credit, with a maximum credit of \$1,500, for up to \$10,000 of expenditures for qualifying renovations made to a principal residence (either house, condo or cottage).

Qualifying renovations include items such as wheelchair ramps, walk-in bathtubs and grab bars. Canada Revenue Agency states renovations must "allow the qualifying individual to gain access to, or to be mobile or functional within, the dwelling" or reduce the risk of harm to the individual. You can't claim the credit for regular maintenance, appliances, electronics or security systems. **REU**



Financial protection

Tenant insurance **Benefits both tenants and landlords**

Tenant insurance provides financial protection for a renter's personal belongings and offers liability coverage in case of accidents or damage. It covers damage to the tenant's belongings like furniture or electronics, due to fire, water damage or other events. It's not legally mandatory but is often strongly recommended by experts.

Many tenants do not buy tenant's insurance because they believe that a landlord's insurance policy covers a tenant and their belongings. But, according to Bruno Jauernig, vice-president at TD Insurance, landlord's insurance coverage is "specific to the building itself, like the windows, pipes in the wall and floors... [Tenant's] personal belongings, like clothing, jewellery and electronics, wouldn't be covered in case there's damage to your unit or in the event of theft."

Tenant insurance also benefits landlords by mitigating their financial risk and potential liability in the event of damage to their rental properties. It can cover damage to a tenant's belongings, liability claims arising from tenant negligence, and potentially reduce the need for landlords to file claims against their own insurance, which can impact their coverage, premiums and deductibles.

"Protecting personal property that often can be expensive to repair or replace makes sense for homeowners and renters alike," says Craig Richardson, vice-president of claims with TD Insurance. "Insuring a home isn't just for homeowners. It's a savvy way for renters to protect their valued belongings and help cover potentially expensive replacement or repair costs when an accidental or unexpected loss happens." **REU**



Investors

Rental financing How to maximize borrowing power

Most of Canada has shifted to a buyers' market in real estate. In places like GTA's condo belt, "buyer's market" doesn't quite capture the downturn, it's more like a fire sale. But real estate moves in cycles, and eventually the tide will turn. Based on the new Mortgage Consumer Survey from CMHC, it may already be turning for investors in cities like Halifax and Quebec City says Robert McLister, mortgage strategist and interest rate analyst. According to the survey, the share of new mortgages used for one to four-unit rental properties surged to 35 per cent in the 18-month period ending January 2025, up from 20 per cent the year before, "proving once again that yield-hungry landlords are quicker than central banks when it comes to changing course," says McLister.

Price action is region specific and investors in the GTA are still waiting on the sidelines especially wary of the shoebox (sub-600 square feet) condo segment. However, lower prices, less competition, and relatively low mortgage rates are prompting investors to be ready for the market turn-around. Here are some essential questions to ask potential lenders for aspiring landlords building their empire one door at a time, according to McLister:

What's the rate? Most lenders tack on a premium for rental financing given the extra risk. Major banks usually offer

the sharpest rates, though brokers can help you comparison shop without the legwork.

How much rental income will you use? Some lenders only count half your rental income in debt calculations. Others count 100 per cent of the income. This variance can dramatically affect your borrowing capacity and approval odds.

How do you assess credit lines? Many lenders count your full credit line limits against debt ratios, regardless of actual



usage. Others only consider what you've actually utilized on those credit lines.

"And finally, you need to set aside enough capital for each unit you own to allow for vacancies, capital improvements and leverage risk in down rental markets. Toronto condo investors just learned that last lesson with all the subtlety of a sledgehammer," concludes McLister. *REU*



On the internet

Interesting sites/apps

beachesJAZZ.com

This summer from July 4-26 in the heart of the lakeside neighbourhood, this celebration of music features a dynamic musical roster and an enticing line-up of gourmet food trucks.

Transit

Transit is your real-time urban companion. Instantly see accurate next departure times, track buses and trains near you on the map. (free)

Waze

A godsend to many motorists, providing accurate, time-saving turn-by-turn navigation that takes advantage of traffic data and crowd sourced incident reports. (free)

The fabulous

A self-improvement, holistic app aimed at upgrading mind and body to help make you feel better. (free)

These sites/apps are believed to be reliable but their accuracy cannot be guaranteed.

Mortgages

June 10, 2025

Mortgage rates are negotiable with individual lenders. Rates are subject to change without notice. OAC E&OE

Prime	4.95%
Variable	4.40%
1-year	5.49%
2-year	4.79%
3-year	4.29%
4-year	4.39%
5-year	4.09%



Implementing a renovation Steps to take

Summer is a great time for performing maintenance tasks and taking care of home improvements. While home renovation projects are exciting, they can also easily become overwhelming. It's important to ensure that you put some careful thought into the implementation of the renovation. Here are some key steps to getting repairs successfully completed around your home.

Know what you want done

If, for example, you need to repair a roof with a leaking valley flashing, decide whether you want the valley flashing replaced or just patched to last a few years until you get the whole roof re-shingled. If you know what you want done, you can compare apples to apples when reviewing quotations. Otherwise you will find it very hard to compare quotes if every contractor has a different repair strategy.

Find at least three reputable contractors and obtain written estimates

Personal referrals from trusted people are a great starting point, but be sure the work you are planning is similar in size and scope to the work done for the person providing the referral. Many contractors who are geared to do major renovations are not well suited to do minor repairs, and vice versa. Contractors' quotes can vary as much as 300% on any given job. As home inspectors, we are often faced with contractor opinions that differ drastically from the recommendations in our reports. A good option is to ask the contractor for a list of

recent clients and get their opinions. Don't forget to ensure that the contractor has appropriate licenses and insurance.

Choose the contractor

Don't base your choice on price alone. Look carefully at what work and supplies have been included in the estimates. Strongly consider choosing the contractor with the best reputation, provided that the price for the job is fair. Avoid paying cash. The benefit of a cash deal is typically far greater for the contractor than it is for the homeowner.

Have both parties sign a contract

The contract should include a complete description of the work and details such as whose responsibility it is to obtain permits. If there is any doubt regarding the need for a permit, contact your local building department. The contract should include a start date and a completion date. (On larger contracts, there's sometimes a penalty clause for each day the job extends beyond the completion date). The contract must also contain a payment schedule. The schedule should not demand very much money up front and the payment should be based on the stages of completion as opposed to pre-determined dates.

Expect delays and have a contingency fund

Many home renovations end up taking longer than anticipated and unearthing something else that requires repair. While this is very common, ask lots of questions if your contractor is proposing additional work.

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Thank you!

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