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GTA's new condo market enters 'deep freeze'

Pre-construction sales for condos have fallen, reaching lows not seen since global financial crisis: RBC Economics report.

Joel Schlesinger || October 8, 2025

High development fees and construction costs have outpriced many new projects for potential buyers. Photo by The Bold Bureau /Shutterstock

Disappearing buyer demand and rising costs have put the Greater Toronto Area's new condominium market in a "deep freeze," a new report suggested. RBC Economics recently published a special housing report on Canada's largest real estate market

highlighting how pre-construction sales for condos have fallen to lows comparable with the global financial crisis in 2008 and 2009.

It pointed to 449 new condo sales from April to the end of June that, while an improvement from the first three months of the year when 385 transactions took place, is a far cry from quarterly peaks seen in 2017 when more than 11,000 sales occurred.

The report noted that high development fees and construction costs have made new project pricing too high for many buyers particularly when compared with what is available in the resale market.

Active resale and new condo listings are also peaking, reaching a nine-year high, it found, leading to falling prices, down about 17 per cent on average from their peak in 2022.

At the same time, the report cited that new condominium prices have largely remained flat.

Given the challenging conditions, Toronto's market is likely to see less condominium development in the near future. Already, starts have dropped to lows at levels last seen in 2010, RBC added. The report pointed to inventories needing to fall 25 per cent more to create favourable conditions for more condominium project development.

What's more, the report forecast that pre-construction sales likely have more challenging times ahead with sales likely declining for the remainder of this year and into 2026.

Demand, however, may ramp up again later next year, but RBC cautioned that the reduction in development activity today may create supply "bottlenecks" when demand returns in the future.