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Four times as many Toronto homeowners missing mortgage payments: CMHC

Anastasia-Blosser - Feb. 6, 2026



The number of Toronto homeowners falling behind on their mortgage payments has more than quadrupled when compared with the same period three years ago, according to a report from the Canada Mortgage and Housing Corporation (CMHC).

Nearly 2,800 mortgage holders in the Greater Toronto Area missed payments by 90 days or more in September 2025, a sharp jump from 674 in September 2022.

While mortgage arrears are expected to continue rising nationally through 2026 due to a variety of factors, Toronto and Vancouver are seeing the fastest increases, leaving residents in those cities facing the greatest risk, said CMHC deputy chief economist Tania Bourassa-Ochoa.

Bourassa-Ochoa said the arrears rate remains historically low despite the recent increase, but the pace of growth has been faster than anticipated. She noted that mortgage arrears were never lower than they were in 2022 but have gone up since then.

“Financial institutions offered deferral payment options and other types of programs to help support consumers that were financially struggling, which brought the rate artificially low,” she said.

Rising household debt, higher living costs, unemployment and a heavy concentration of investors in the housing market are making Toronto homeowners more vulnerable to missed payments, Bourassa-Ochoa explained.

“If they’re at the point where they’re falling behind on their mortgage payments, it does likely mean they’re struggling with the rest of their bills,” she said, adding that rising missed payments on other debt could signal more mortgage arrears in the future, as homeowners usually prioritize housing costs.

Additional pressure is coming from falling home prices and slower sales, which limit homeowners’ ability to sell quickly. For the first time in five years, home prices in the Toronto-area dropped below the \$1 million mark in January.

“We are in the middle of a mortgage renewal wave that we’ve been anticipating for some time,” she said, adding that current mortgage holders are facing the fastest and largest increase in interest rates in more than 40 years.

“All of the mortgage borrowers that bought during the pandemic at high prices, with low interest rates, are now facing an interest rate shock and having to pay significantly higher monthly mortgage payments.”

Bourassa-Ochoa warned that broader economic shocks, like a weakened labour market or higher unemployment rates, could cause more mortgage holders to miss payments.

“As long as people have jobs, that is what will keep the boat afloat. The real risk is if there’s a big economic shock that would result in massive job losses,” she said, pointing to tariffs and global uncertainty as key factors.

Daniel Foch, a Toronto-area realtor, said power of sale listings have climbed by a comparable margin to mortgage arrears, and the two trends could create distress in the real estate market.

“If you look at past cycles, house prices don’t tend to go up while mortgage delinquencies are rising. So, until that number stops, tax prices probably won’t be turning around anytime soon in Toronto,” he said.

Foch added that though 2,800 mortgage holders in arrears may seem like a low number, it could be underreported and the rapid increase is worth concern.

“The increase is scary. As delinquencies rise, more people are forced to sell their houses, which causes prices to decline. For buyers, it’s great, but for sellers, they’re losing equity,” he said.

Jordan Nanowski, a lead economist with CMHC and spokesperson for the GTA housing market, said pandemic-era and first-time buyers are particularly exposed in Toronto, especially in the condo market. He added those homeowners looking to sell may face challenges due to weak market liquidity.

“It’s definitely not that good. We are expecting affordability to remain a challenge in the GTA.”