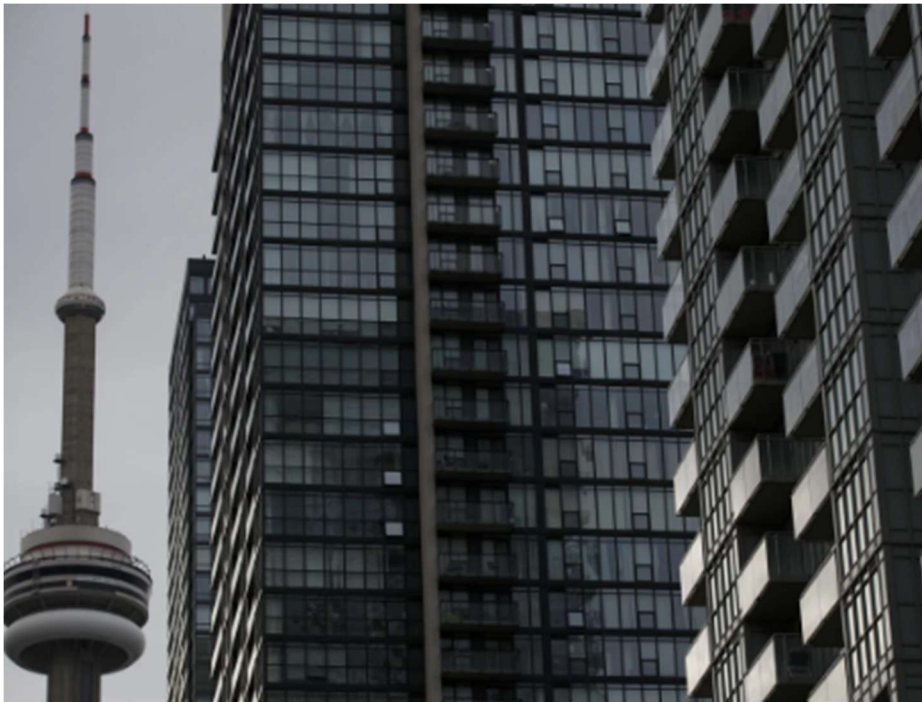


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Toronto's Condo Market 'Hits Bottom' With Some Developers Looking at Selling Units Below Cost

Gigi Suhanic – Apr 21, 2026



The CN Tower is seen past condominiums in Toronto, Ont. Photo by Cole Burston/Bloomberg files

Canada's largest condominium market has "hit bottom" as first-quarter sales for new projects in Toronto fell 52 per cent from a year ago to a 35-

year low, according to an Urbanation Inc. report, and no projects were launched for the first time in three decades in the period.

“What stood out here was that there was for the first time in decades zero new project launches; the market basically came to a standstill,” Shaun Hildebrand, president of Urbanation, said. “It’s probably safe to say that we’ve hit the bottom.”

The city’s condominium market has suffered a five-year slump during which completions have swelled while sales have collapsed due to higher interest rates, a sluggish economy and economic uncertainty.

Urbanation’s report, which covers the markets in the Greater Toronto and Hamilton areas, said 4,295 condos were completed – a record high – and unsold in the first quarter. That was more than double a year and almost five times higher than two years ago.

“There were 92 months of completed new condo supply on the market,” the report said, adding that didn’t account for pre-sold units where the buyer didn’t complete the deal.

It also said 8,629 unsold new condos were under construction and slated for completion in the next couple years.

Hildebrand said some developers are taking steps to lower prices to even the point of losing money to move some inventory.

The average cost per square foot of a new condo was \$1,189 in the first quarter compared with an average resale price of \$859, a 38 per cent difference.

The new HST rebate announced by Ontario in late March is estimated to cut condo prices by an average of about \$100,000, narrowing that price gap to about 20 per cent. Historically, the gap would have been 10 per cent to 15 per cent, though under better market conditions, Hildebrand said.

He said new condo prices will need to match the resale ones for the new market to pick up, which would mean dropping prices below what it cost to build.

“(Condo developers) are losing money by bringing prices that low,” he said. “Some are more willing than others to let these units go for a significant discount compared to what they were sold for previously.”

But Hildebrand expects some developers will rent out their condo units because the new HST rebate rules allow them to do that.

Developers were also taking the steps of cancelling condo projects and converting them to rental. Since the start of 2024, 11,424 condo units were cancelled. Just over 4,000 were converted to purpose-built rental, Urbanation said.

Another thing that will help the condo market is falling inventory.

Urbanation estimated that 21,850 units in 2026 will be completed, down from 29,616 units in 2025 and 29,924 units in 2024. It expects that number to continue to drop throughout the decade to around 2,000 completions in 2029.

“That’s the biggest drop in supply we’ll ever experience,” Hildebrand said. “That should help to stabilize the market.”