Zonda™
Urban

GREATER TORONTO & HAMILTON AREA MULTI-FAMILY TAKE

Q1 2025

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2025 Starts at Market Low

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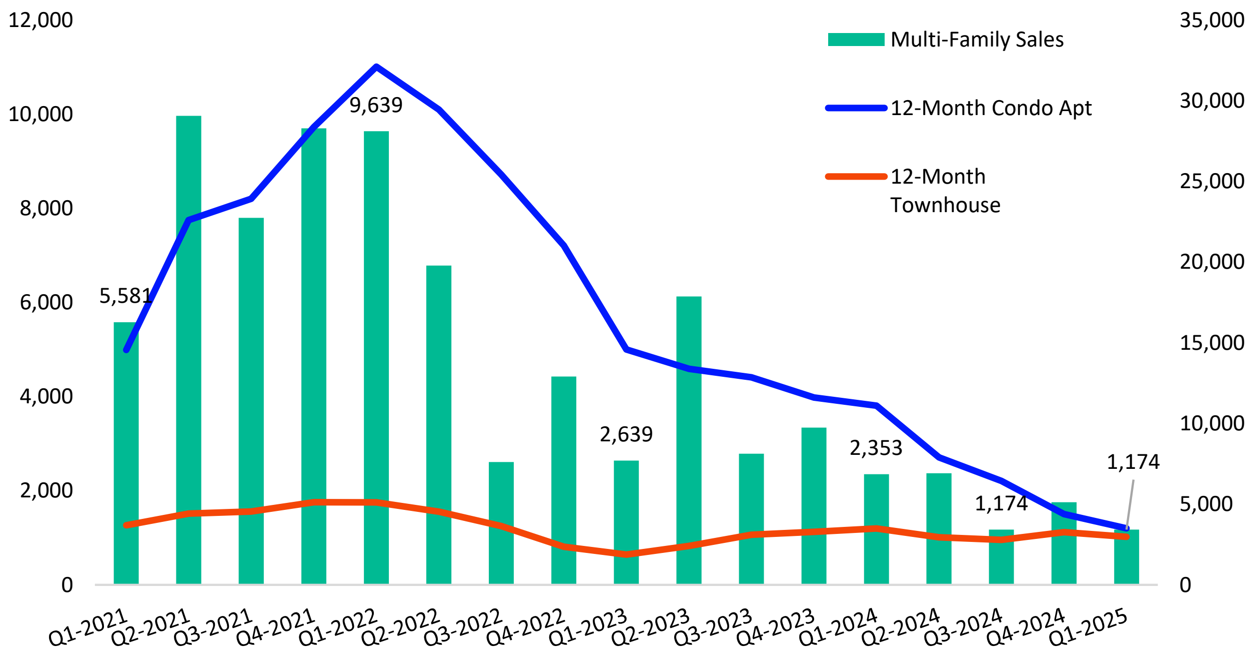
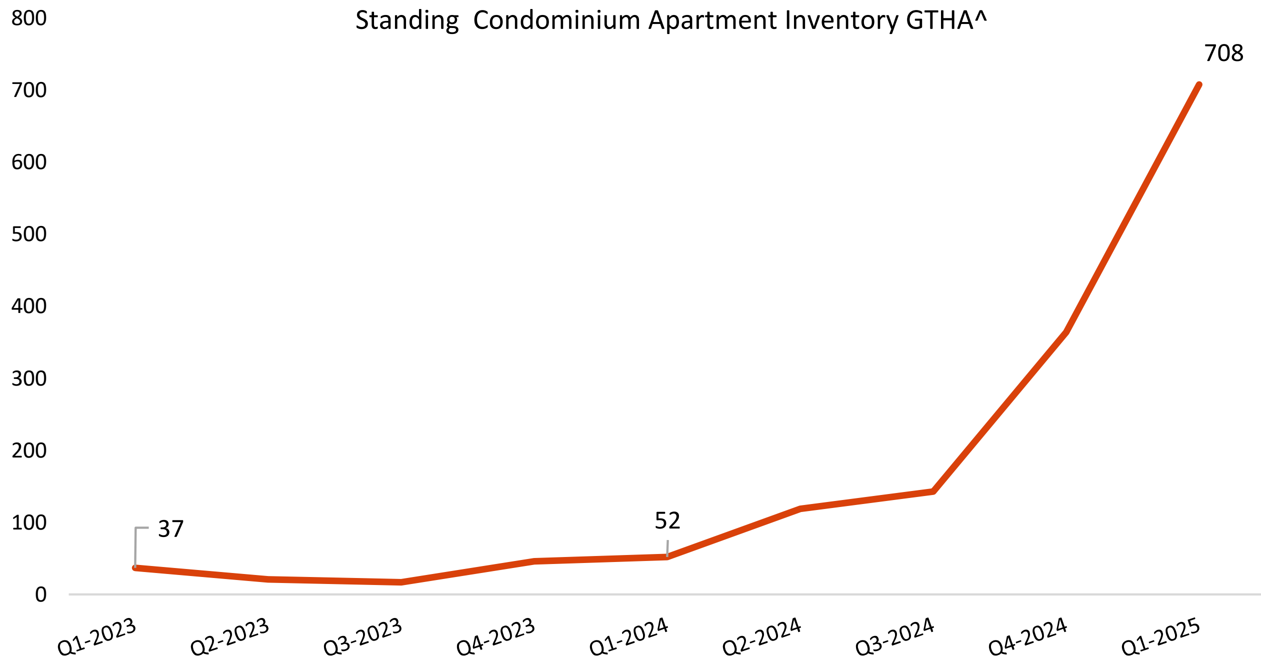
The Greater Toronto and Hamilton (GTHA) new multi-family market crawled into the first quarter of 2025 at its slowest pace in 30 years. Sales matched Q4-2024's nadir at 1,174 with 733 new condominium apartment and 441 townhouse sales, each representing 55 percent and 40 percent annual declines, respectively. Overall, multi-family sales declined 50 percent year-over-year, an annual pace of descent that has been ongoing since the first half of 2022. Unlike the second half of 2024, both multi-family product sectors felt the impact of day-to-day economic uncertainty amidst the everchanging tariff situation and two consecutive election cycles at the provincial and federal levels. New townhouse sales started 2025 off at their lowest quarterly volume since Q4-2022 (414 sales), as developers pulled back on launch activity, which feedback to Zonda Urban links directly to potential cost pressures from the economy. The one-two punch brought the 12-month trend between new condominium apartment and townhouse sales within a 500-sale margin with 3,500 new condominium apartments and 2,979 new townhouses sold since April 2024. Annualized sales were down 68 percent for apartments and just 15 percent for townhouses since a year ago.



Source: Zonda Urban

The singular factor driving any of the low sales volume in the GTHA market continues to be price. During Q1-2025 only one new condominium apartment project opened in Mississauga at an average $1,012 psf, well below the market blended sold average of $1,150 psf ($789,843 for 690 sf), which was a rise of 1.2 percent from a year earlier. On the townhouse side, the average sold price for the six new launches during the first quarter was sub-$1 million at $990,522, 12 percent lower than the market blended sold average at $1,129,941 ($555 psf for 1,694 sf). Blended sold average pricing for townhouses declined two percent year-over-year. While incentive packages and elevated commission structures remain offered across the market, price adjustments have been accelerating. Zonda Urban tracked 31 developments, approximately 10 percent of the active market, that reduced pricing during the first quarter. These reductions at times exceeded $150K+ on a per unit basis and were largely driven to sell-off of occupied or soon-to-be occupied inventory and to a lesser extent, to reach construction financing sales thresholds.

The development industry's receptiveness to recalibrating pricing has come as the market reached a peak for deliveries of completed apartments. More apartments, condominium and rental combined, began delivering in the six-month period up to the end of March at 22,292, higher than in any other six month stretch. For projects that launched since January 2020 (the period from which Zonda Urban began GTHA tracking), standing unsold inventory has multiplied several times over, including a rise of 95 percent from Q4-2024. Unsold completed units in newer buildings stood at 708 as of Q1-2025, a figure that excludes approximately 1,100 unsold units in pre-2020 marketed buildings and a future inventory of 1,721 unsold units in projects expected to occupy by the end of 2025.



^2020 Launched projects and onwards

Source: Zonda Urban