Greater Toronto Market Intelligence: May 2026

Monthly Research Note | June 7, 2026

This is the inaugural Greater Toronto edition of the RealSignal monthly research note — the GTA companion to our Greater Vancouver letter. As a first issue, it sets the baseline; from next month it carries a "report card" scoring the prior issue's calls. Throughout, 416 = the City of Toronto; 905 = the surrounding regional municipalities (York, Peel, Durham, Halton, plus the Dufferin/Simcoe outer counties).

The Story in One Paragraph

The Greater Toronto market in May looks, on a year-over-year (YoY) basis, like it is healing: sales rose 5.4% against May 2025 and the inventory pile finally shrank 13%. Read against history rather than against a terrible 2025, the picture is far more sober — May sales were roughly 15% below the 2020-2025 May average while active listings sat about 52% above it. This is a market that is less bad, not yet good. The composite benchmark price is $946,500, down 6.7% YoY, and every segment is still falling, led by apartments (-9.1%) where a high investor share, a 26-month rent decline, and a looming condo-completions wave are compounding. The most important caveat: a single spring of firmer sales — helped by a genuinely better May jobs print for Ontario — is interesting, not yet a turn. We are not calling a bottom on one month of data.

Macro & Mortgage Dashboard

The capital-cost layer that sets buyer qualification and investor cap rates. The rate stack barely moved this month; the live developments are the June jobs surprise, the CUSMA July 1 deadline, and a deteriorating Ontario mortgage-delinquency flow.

Indicator	Latest	~1 mo ago	~3 mo ago
BoC overnight target	2.25%	2.25%	2.25%
Bank Rate	2.50%	2.75%	2.50%
5-yr Government of Canada (GoC) yield	3.08%	3.08%	2.99%
CORRA (overnight)	2.28%	2.26%	2.26%
Prime rate	4.45%	4.45%	4.45%

Bank of Canada (BoC) held at 2.25% for a fourth straight decision; the next decision (June 10) lands after this issue, with markets pricing a ~97% hold. The 5-yr GoC — the benchmark for fixed mortgage pricing — is anchored near 3.1%, so fixed-rate qualification is stable but not improving.

The labour surprise (Ontario-relevant). The May Labour Force Survey (released June 6) broke a run of soft prints: national employment rose +88,000 (full-time +154,000), the unemployment rate fell to 6.6%, and wage growth decelerated to +3.0% YoY from a sticky 4.5% — the first print this cycle that gives the BoC room rather than boxing it. For the GTA specifically, Ontario added 42,000 jobs and its unemployment rate fell 0.5 points to 7.0%, the lowest since September 2024. This is a mild tailwind to the first-time-buyer pipeline. The discipline caveat: it is one strong month after several weak ones — directional, not a confirmed reversal.

Insolvency & mortgage stress — Q1 2026 prints (Ontario lens).

Indicator	Latest	YoY	Note
OSB consumer insolvencies, Ontario	13,913	+14.7%	38% of the national total; bankruptcies (vs. proposals) up >25% YoY — deeper stress than the headline; March was the highest monthly count since 2010.

Indicator	Latest	YoY	Note
Equifax Ontario mortgage delinquent balance	—	+52.0%	Highest provincial increase nationally. A flow-type signal that leads the stock arrears rate by ~2 quarters.
OSB consumer insolvencies, national	37,121	+8.5%	Absolute volume highest since 2009; per-capita back at 2019 levels — but 2019 was then cushioned by pandemic stimulus; 2026 has no such backstop.

The regional pattern is the tell: Ontario (+52%) and BC (+36%) mortgage delinquency is rising while the Prairies and Quebec are falling. That divergence is the signature of a 2021-vintage renewal wave — borrowers who locked ultra-low rates in 2021 renewing into 3-4% — not a broad national credit shock. Per our standing discipline, this is observed data feeding the watch list, not yet a positioning input — a back-test of Ontario delinquency against forward GTA prices has not been run.

1. Monthly Dashboard

Cycle position vs. 6-year May norm (2020-2025). The first table, because it is the one the YoY numbers hide. (Caveat per our data discipline: the 2020-2025 window is a five-May mean — TRREB's May 2022 figures are absent from the source series — and it spans the pandemic distortion. Read it as "vs. recent history," not a clean long-run normal.)

Metric	May 2026	6-yr May avg	vs. norm
Sales	6,583	~7,765	-15.2%
New listings	17,698	~16,663	+6.2%
Active listings	26,927	~17,659	+52.5%

The story the YoY framing buries: demand is still running well below historical norms, and inventory is still massively elevated, even though both improved off 2025's extremes.

Headline metrics (YoY).

Metric	May 2026	May 2025	YoY
Sales	6,583	6,244	+5.4%
New listings	17,698	21,819	-18.9%
Active listings	26,927	30,964	-13.0%
Sales-to-new-listings ratio (SNLR)	35.7%	34.9%	+0.8 pt

SNLR (sales new listings) at 35.7% keeps the GTA in buyer's-market territory — below the ~40-60% band TRREB associates with balanced conditions. New listings fell faster than sales (-18.9% vs. +5.4%), which is what nudged the ratio up; it is supply discipline by sellers as much as demand strength by buyers.

Benchmark prices by segment (HPI, YoY). TRREB's Home Price Index (HPI) publishes year-over-year change only — month-over-month segment moves are not in the public series, so this letter leads with levels and YoY.

Segment	Benchmark	YoY
Composite	$946,500	-6.7%

Segment	Benchmark	YoY
Detached	$1,239,300	-6.6%
Townhouse	$687,300	-8.5%
Apartment	$539,400	-9.1%
SNLR — detached	37.7%	—
SNLR — apartment	32.3%	—

2. 416 vs 905 Cross-Board Check

The GTA's canonical fault line is not a sister board — it is the condo-heavy 416 core against the ground-oriented 905 suburbs. They are diverging, and the direction is the opposite of the cliché that the expensive core falls hardest.

Area	Composite	YoY	Detached YoY	Apartment YoY
416 — City of Toronto	$938,000	-5.4%	-5.6%	-8.8%
905 — Halton	$999,000	-4.8%	-5.7%	-8.2%
905 — Peel	$887,900	-7.6%	-7.8%	-10.1%
905 — Durham	$827,900	-6.8%	-6.5%	-11.1%
905 — York	$1,105,300	-9.5%	-9.3%	-10.8%
All TRREB	$946,500	-6.7%	-6.6%	-9.1%

The 416 composite (-5.4%) is holding up better than every 905 region except high-income Halton. The weakness epicentre is 905 York (-9.5% composite, -10.8% apartments) — the highest-priced suburban region, the most exposed to the 2021 investor-leverage cohort and to the immigration-driven demand that levels-plan cuts are now withdrawing. Durham apartments (-11.1%) are the single worst cell on the board, an affordability-ring condo segment with thin end-user support.

A composition note, not a model claim: the 416 and 905 series rest on different housing mixes (the 416 is condo-dominant, the 905 ground-oriented), so a like-for-like "which is winning" read should lean on the segment columns, not the blended composite. On that basis the pattern holds — 416 detached and apartment each fall less than their 905-York equivalents.

3. The Theme of the Month: The Segment Ladder Inverts in the Core

Across the GTA the segment ranking is orderly: detached most resilient (-6.6%), townhouse in the middle (-8.5%), apartment weakest (-9.1%). That is the textbook pattern of a high-rate correction — the most leveraged, most investor-driven, most supply-exposed segment (condos) takes the most damage, and equity-rich detached owners simply decline to sell into weakness rather than cut.

Detached ($1,239,300, -6.6%) carries the firmest bid and the highest SNLR (37.7%). The mechanism behind that apparent contradiction — a low-ish sales ratio coexisting with the best price hold — is seller behaviour, not demand strength: equity-rich detached owners withdraw rather than discount, so a soft SNLR reads as a frozen market, not a falling one. Inventory clears slowly; prices grind rather than gap down.

Apartments ($539,400, -9.1%) are the opposite case and the segment to watch. Here the marginal seller is a leveraged investor, not an owner-occupier, and leveraged investors capitulate — a balanced-looking apartment SNLR (32.3%) still produces price cuts because the holders need to transact. The condo weakness is the through-line connecting three other sections of this letter: the rental layer (§ 4), the structural pre-construction overhang (§ 7), and the Equifax delinquency flow (§ 0).

The core inversion worth flagging. Within the 416, the orderly ladder breaks: City-of-Toronto townhouses fell 10.1% — harder than 416 apartments (-8.8%) and far harder than 416 detached (-5.6%). Downtown townhouses sit in an awkward seam — priced like entry-detached but carrying condo-style fees and investor ownership in many projects, without the land value that protects true detached. When that seam is the worst-performing cell in the city, it says the squeeze is concentrated in leveraged, fee-burdened, investor-tilted product wherever it sits on the form spectrum — not simply in "condos." Detached land value is the shelter; everything adjacent to investor financing is exposed.

4. The Rental Layer

Investor demand sets the marginal bid for GTA apartments, so the cap-rate read is load-bearing for the § 3 apartment story.

Metric	Latest	YoY	Trend
CMHC Toronto-CMA vacancy (Q4 2025)	3.0%	—	rising
Avg asking rent, 1-bed (Rentals.ca, Apr)	$2,195	-6.3%	↓
Avg asking rent, 2-bed (Rentals.ca, Feb)	$2,826	-8.4%	↓
Implied gross yield, benchmark 1-bed condo	4.73%	—	—

The implied yield pairs the City-of-Toronto apartment benchmark ($556,700) with the 1-bed asking rent — a condo-rent-to-condo-price read, not the diluted all-GTA aggregate. The 2-bed figure is the most recent verified Rentals.ca Toronto print (February); the April report did not publish an accessible Toronto 2-bed number.

Both halves of the cap-rate equation are moving against the apartment investor: rents are falling outright (Toronto led the country with the largest 1-bed decline in April, and all-unit asking rents are at a 46-month low after 26 consecutive months of YoY decline) while CMHC purpose-built vacancy has risen to 3.0%, the highest since 2021 and a level at which negotiating power shifts to renters. Falling rents plus a falling apartment HPI is the unfavorable quadrant: the asset is cheaper and the income it throws off is shrinking. A nominal 4.73% gross yield looks acceptable until financing (5-yr fixed in the high-3s/low-4s), condo fees, and taxes are netted out — at which point a leveraged 1-bed is cash-flow negative. That math is why the apartment segment is falling independent of where the BoC sets the overnight rate, and it ties directly to the pre-construction overhang in § 7.

5. The Supply Story

The supply side is where the "healing" narrative has the most substance — and a real caveat. Active listings (26,927) fell 13% YoY and new listings fell nearly 19%, the first genuine drawdown in inventory after two years of relentless build. Sellers are exercising discipline: with prices down across every segment, equity-rich owners (especially detached) are choosing not to list rather than meet the market.

But the level still dwarfs history — inventory remains ~52% above the 2020-2025 May norm — so the drawdown is best read as the top of an extreme being shaved, not a return to tight conditions. Months of inventory remain firmly in buyers' favour.

TRREB's own framing leans optimistic, as boards' do. The board's president describes the spring this way: "Spring sales have been stronger than last year, reflecting improved affordability stemming from lower selling prices and borrowing costs. Sales are forecast to improve further as we move through the second half of this year." That matches our YoY read — and understates the cycle-position read. The board's market-analysis commentary is more candid on the buyer's hand: "Inventory levels trended lower over the past year, but buyers continued to have substantial negotiating power." We agree with the second framing over the first: negotiating power, not a sales recovery, is the defining condition of this market.

6. Area Scorecard

Winners and losers on HPI YoY across the regional grid. (Data note, per our methodology: TRREB's recent Market Watch releases drop roughly half of the sub-municipal detail, so reliable sales-volume / SNLR breakdowns exist only at the region level. The price leaderboard below is sound; we deliberately do not publish district-level flow data the source no longer supports.)

Composite HPI, best to worst (YoY):

Rank	Region	Composite YoY
1	905 Halton	-4.8%
2	416 City of Toronto	-5.4%
3	905 Durham	-6.8%
4	905 Peel	-7.6%
5	905 York	-9.5%

The regime spread is the story: on our GTA taxonomy, the 416 core and high-income 905 Halton are the relative havens, while 905 York is the clear laggard — the high-priced, immigration-sensitive, detached-and-condo-heavy suburb absorbing the most damage from both the leverage unwind and the demand withdrawal. Peel (with Brampton's auto/logistics exposure) and Durham (Oshawa's auto exposure) sit in between, and both carry the CUSMA-auto risk discussed in § 7. No region is rising; this is a leaderboard of who is falling least.

7. The Structural Overlay

The forces the monthly prints don't capture. Two inherited national threads, one Ontario-weighted, and two conditional sub-sections that fire this month.

Mortgage renewal cliff (national, live). The 2021-vintage wave — borrowers who locked sub-2% in 2021 renewing into 3-4% — is rolling through now. Its fingerprint is visible directly in the § 0 Equifax data: Ontario mortgage delinquency up 52% YoY while the Prairies and Quebec fall. This is the single most concrete stress channel in the GTA, and it is a flow that leads the stock arrears rate.

Trade / CUSMA + the auto sector (Ontario-weighted). Canada formally requested CUSMA renewal on June 2; by July 1 the parties must notify whether to renew for 16 years, shift to annual review, or renegotiate, and the US has signalled it wants changes to automotive and dairy rather than a clean renewal. This matters more to the GTA than to most markets: Ontario carries the auto-manufacturing base (Windsor, Oshawa, Brampton), so the CUSMA-auto outcome transmits directly to GTA-region employment and income — not merely to sentiment. Watch Durham (Oshawa) and Peel (Brampton) if the July 1 outcome sours.

Immigration (GTA = the largest sink). The 2026-2028 Levels Plan cuts new temporary residents ~43% and international students ~50%. No region absorbs more of that demand withdrawal than the GTA's rental and entry-condo market — it is a structural headwind under the § 4 rental softness and the § 3 apartment weakness, distinct from the interest-rate cycle and slower to reverse.

7.x Pre-construction & assignment overhang (Toronto-specific)

This is the GTA's signature structural risk with no Vancouver analog at the same scale, and it is firing. The pieces visible in this month's data: apartment HPI is the weakest segment (-9.1%), City-of-Toronto condo rents are down a 26th straight month, and CMHC vacancy is rising — exactly the conditions under which pre-construction investors who bought 2021-2022 at peak prices complete into 2025-2026 underwater, often unable to secure financing at appraised values that have fallen below their purchase price, and unable to exit via an assignment market that has effectively frozen. The result is forced completions feeding the resale and rental pile precisely as demand thins. We flag this as an active framework rather than a quantified call: the completions-wave and assignment-volume series are not yet wired into our data pipeline, so we are not putting a number on the overhang this month — only naming it as the dominant downside risk to the 416 apartment segment over the next 2-4 quarters.

7.x Distress & foreclosure watch — ACTIVATED

Our distress trigger (provincial mortgage-delinquency flow ⩾ +40% YoY) is crossed: Equifax Ontario mortgage delinquent balance is +52% YoY, the highest provincial increase in the country, and OSB Ontario consumer insolvencies are +14.7% with bankruptcies up over 25% and March the worst month since 2010. The regional divergence (Ontario/BC rising, Prairies/Quebec falling) confirms this is renewal-driven, concentrated in the leveraged cohort, not a broad shock. The transmission to prices is slow — delinquency leads forced sales by quarters, not weeks — so this does not change a price call today; it raises the probability of involuntary supply in late 2026. We carry it as the top item on the watch list (§ 10).

8. What Is the Market Actually Telling Us?

Each signal scored on its push to forward prices, with a lag class (Leading turns before prices; Coincident moves with the market; Lagging confirms after).

Signal	Reading	Direction (strength)	Lag
Sales vs. 6-yr norm	-15.2%	Bearish (Moderate)	Coincident
Active vs. 6-yr norm	+52.5%	Bearish (Strong)	Leading
New listings YoY	-18.9%	Bullish (Moderate)	Leading
SNLR	35.7%, buyer's mkt	Bearish (Moderate)	Coincident
Apartment HPI YoY	-9.1%	Bearish (Strong)	Coincident
Asking rents (condo)	26th mo of decline	Bearish (Moderate)	Leading
Ontario jobs / UR	+42k, UR 7.0%	Bullish (Weak)	Leading
Wage growth	+3.0%, decelerating	Bullish (Weak)	Leading
Ontario mtg delinquency	+52% YoY	Bearish (Moderate)	Leading (on supply, lagged)

Synthesis (weighting the leading signals). The leading column is mixed but tilts bearish. The two genuinely bullish leaders — falling new listings and a firmer Ontario labour print — are real and are why sales improved YoY. But they are outweighed by the leading bears: inventory still 52% above norm, condo rents and prices both falling, and a delinquency flow that points to involuntary supply ahead. The coincident signals (sales below norm, buyer's-market SNLR, apartment price declines) confirm a market still in correction. Net: the rate of decline is easing, but the leading indicators do not yet support a turn. The honest read is that we cannot tell from one spring whether this is a bottoming process or a pause; the next two prints decide it.

9. Positioning Framework

Concrete stances for the typical subscriber — not personal advice.

For buyers. This is a buyer's market with real negotiating power, most of all in the condo and downtown-townhouse segments where leveraged sellers must transact. Patience is still being rewarded: prices are falling and the leading indicators don't yet point up. The strongest hand is in 416/905-York apartments, where the § 7 pre-construction overhang and the § 0 delinquency flow argue for more involuntary supply ahead — there is no reason to rush. Detached buyers face the opposite condition: a frozen, low-turnover market where the best stock simply isn't listed, so the leverage is narrower and the wait can be long.

For sellers. Price to the market, not to 2022. The data is unambiguous that buyers hold the cards (SNLR 35.7%, inventory 52% above norm). Detached owners with equity and no compulsion to move have the genuine option to wait — the segment is frozen, not crashing. Condo and investor-held sellers do not have that luxury: the segment that must transact is the segment falling fastest, and the structural overhang argues against waiting for a better bid.

For investors. The apartment cap-rate math does not work at current prices and rents (§ 4): a leveraged 1-bed is cash-flow negative after financing and fees, with both rent and price still falling. We are not translating the § 0 Ontario delinquency signal into a forward-timing call — that signal has not been back-tested against GTA prices, and our discipline keeps it on the watch list, not in the position. The defensible stance is that the condo-investor segment is uninvestable on yield today and carries identifiable downside catalysts; the burden of proof is on a recovery, not on continued weakness.

10. What to Watch Next Month

No report card this issue — this is the inaugural Greater Toronto letter, so there is no prior § 10 to grade. From the June-data issue onward, this section opens by scoring last month's calls.

Bearish triggers (watch for confirmation of continued weakness):

Trigger	This month	Bearish if…
Active listings vs. 6-yr norm	+52.5%	stays above +40% (oversupply persists)
Apartment HPI YoY	-9.1%	declines steepen below -10%

Trigger	This month	Bearish if…
Ontario mtg delinquency (Q2 print)	+52%	rises further / 416 forced-sale listings climb
CUSMA July 1 outcome	renewal requested	renegotiation / auto carve-out fails

Bullish triggers (watch for evidence of a turn):

Trigger	This month	Bullish if…
Sales vs. 6-yr norm	-15.2%	closes toward -5% on a second print
BoC June 10 decision	~97% hold priced	a surprise cut (financing relief)
Ontario labour	UR 7.0%, +42k	a second month of gains (confirms reversal)
New listings YoY	-18.9%	continued discipline tightens SNLR toward 40%

The decisive question for June: does the spring sales improvement extend, or was it a one-month affordability response to lower prices? A single firm month is interesting; two would start to matter.

Key Metrics Summary

Metric	May 2026	YoY	vs. 6-yr norm
Composite benchmark	$946,500	-6.7%	—
Detached benchmark	$1,239,300	-6.6%	—
Townhouse benchmark	$687,300	-8.5%	—
Apartment benchmark	$539,400	-9.1%	—
Sales	6,583	+5.4%	-15.2%
New listings	17,698	-18.9%	+6.2%
Active listings	26,927	-13.0%	+52.5%
SNLR	35.7%	+0.8 pt	—
416 composite	$938,000	-5.4%	—
905 York composite	$1,105,300	-9.5%	—
Condo 1-bed asking rent	$2,195	-6.3%	—
Implied 1-bed gross yield	4.73%	—	—
BoC overnight	2.25%	—	—
Ontario unemployment	7.0%	—	—

Data: 77 monthly TRREB Market Watch + HPI reports (Jan 2020 - May 2026). This note is analytical commentary based on board data and analyst judgment; it is not investment advice. All forward-looking framings carry material uncertainty.