GTA Housing Market Moves Toward Greater Competition as Inventory Tightens

The GTA housing market continued to shift toward a more balanced environment in August, as declining inventory and fewer new listings began to create greater competition for available homes.

Toronto Regional Real Estate Board (TRREB) reported 5,057 sales during the month, down 2.1 per cent from August 2025, while new listings fell a significant 14.1 per cent to 12,075. Active listings also declined 11.3 per cent year over year, giving buyers less choice in an increasing number of neighbourhoods.

The average selling price was $993,410, down 2.7 per cent from a year earlier. However, the market showed early signs of stabilization, with the MLS® Home Price Index Composite benchmark remaining essentially flat compared to July and the average selling price edging higher on a monthly basis.

For buyers, the combination of relatively affordable pricing and more limited inventory presents both opportunity and urgency. While purchasers continue to benefit from pricing below last year's levels, fewer available properties could mean increased competition for well-priced, move-in-ready homes. Buyers who remain financially prepared and focused on specific neighbourhoods may be well positioned to take advantage of current conditions before competition increases further.

For sellers, the August numbers point to an improving environment, although pricing strategy remains critical. With overall sales still slightly below last year and buyers continuing to be selective, properly priced and well-presented properties are more likely to attract attention and generate competitive interest as inventory gradually tightens.

Detached homes remained the strongest component of the market, recording 2,399 sales at an average price of $1,288,669, while townhouses recorded 832 sales with an average selling price of $786,817.

Condominium apartments recorded 1,330 sales, with an average selling price of $617,593, down from $651,648 a year earlier. Despite the year-over-year price decline, condos continue to provide one of the GTA's more accessible ownership options, particularly for first-time buyers and purchasers seeking lower entry costs.

But TRREB President Daniel Steinfeld noted that: “If inventory tightens and home prices begin to rise, some buyers may face a trade-off between waiting for greater economic certainty and purchasing before prices move higher. At the same time, improving market conditions for sellers could bring more listings to market, providing buyers with additional choice."

Overall, August marked another step toward a tighter GTA resale market. While buyers still have more negotiating power than during previous periods of intense competition, the declining supply of available homes is gradually changing the balance. As economic conditions improve and buyer confidence returns fully, the market could be positioned for stronger sales activity and renewed price growth heading into the fall and winter months.

"Ownership housing in the GTA has remained relatively affordable over the past year, with average prices dipping and mortgage rates remaining somewhat flat. Recent news on the overall economy and job creation has been positive," said TRREB's Chief Information Officer Jason Mercer.