

## TRREB: Strong Population Growth Driving Rental Demand in Q3 2023

**TORONTO, ONTARIO, October 26, 2023** – Demand for and supply of rental condominium apartments continued to grow in the Greater Toronto Area (GTA) during the third quarter of 2023, as reported by REALTORS® through TRREB’s MLS® System.

Over 14,400 condominium apartments were leased through TRREB’s MLS® System in the third quarter of 2023, an increase of almost eight per cent compared to Q3 2022. Over the same period, the supply of units for rent was up by more than 22 per cent.

“Strong population growth and high borrowing costs continued to drive demand for GTA rental housing in the third quarter. Would-be first-time buyers, who have seen affordability erode over the past year-and-a-half due to high mortgage rates, have remained in the rental market. Many new permanent and temporary residents have also turned to the rental market for housing. Renters can expect this trend to continue for the foreseeable future, underpinning the need for a sustainable pipeline of rental housing supply,” said TRREB President Paul Baron.

The average lease rate for a one-bedroom condominium apartment in Q3 2023 was \$2,633 – up 6.1 per cent compared to Q2 2022. The average lease rate for a two-bedroom condominium apartment in Q3 2023 was \$3,430 – up 7.8 per cent compared to Q2 2022.

“The supply of units for rent has increased at a faster pace than rental transactions over the past year. Many investor-owned units have been listed for rent, in response to very strong rent growth and, quite possibly, the actual or potential introduction of tighter regulations surrounding vacant units and short-term rentals. However, despite a better-supplied market, competition between renters has remained strong enough to sustain above-inflation rent increases,” said TRREB Chief Market Analyst Jason Mercer.

Rental Market Summary										Q3 2023
Apartments										
	Grand Total		Bachelor		One-Bedroom		Two-Bedroom		Three-Bedroom	
	Listed	Leased	Leased	Avg. Rent	Leased	Avg. Rent	Leased	Avg. Rent	Leased	Avg. Rent
2023 Q3	21,227	14,408	633	\$2,246	8,277	\$2,633	5,035	\$3,430	463	\$4,739
2022 Q3	17,360	13,363	596	\$2,057	7,430	\$2,481	4,907	\$3,183	430	\$4,139
YoY %Chg	22.3%	7.8%	6.2%	9.2%	11.4%	6.1%	2.6%	7.8%	7.7%	14.5%
Townhouses										
	Grand Total		Bachelor		One-Bedroom		Two-Bedroom		Three-Bedroom	
	Listed	Leased	Leased	Avg. Rent	Leased	Avg. Rent	Leased	Avg. Rent	Leased	Avg. Rent
2023 Q3	1,820	1,099	4	\$2,110	124	\$2,336	501	\$3,082	470	\$3,666
2022 Q3	1,627	1,049	6	\$1,892	94	\$2,261	437	\$2,864	512	\$3,367
YoY %Chg	11.9%	4.8%	-33.3%	11.5%	31.9%	3.3%	14.6%	7.6%	-8.2%	8.9%

Source: Toronto Regional Real Estate Board

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