

STRONG RENTAL DEMAND AND LACK OF SUPPLY DRIVING UP RENTS

TORONTO, ONTARIO, October 27, 2022 – Double-digit year-over-year rent increases continued to be the norm in Q3 2022. With many would-be first-time buyers temporarily on the sidelines in the Greater Toronto Area (GTA) due to higher borrowing costs, rental demand has remained strong in the face of falling supply. Competition for condo rentals has intensified as a result, and negotiated rents have increased dramatically.

There were 13,366 condo apartment rental transactions reported through the Toronto Regional Real Estate Board's (TRREB) MLS® System in Q3 2022, representing a 17.3 per cent decline compared to Q3 2021. However, similar to the second quarter, the number of rental units listed was down by a greater annual rate of 25.6 per cent. This means that it became more difficult for renters to find a unit to meet their housing needs compared to a year ago.

“Immigration into the GTA plus non-permanent migration for school and temporary employment have all picked up markedly. Add to this the impact of higher borrowing costs on the ownership market and it becomes clear that the demand for rental housing remains strong for the foreseeable future. Investor-owned condos have been an important component of the rental stock for more than a decade. However, the decline in rental listings over the past year are a further warning sign to policymakers that the overall lack of housing in the region extends to the rental market as well,” said TRREB President Kevin Crigger.

The average one-bedroom condominium apartment rent in Q3 2022 was up by 20.4 per cent year-over-year to \$2,481. The average two-bedroom apartment rent at 3,184 was up by 14.5 per cent compared to the same period in 2021.

“Rental housing is an increasingly important piece of the housing puzzle. While investor-owned condo units have been an important source of supply, current tight market conditions and double-digit average rent growth point to the need for additional purpose-built stock – the construction of which has been lacking in recent years,” said TRREB's Chief Market Analyst Jason Mercer.

Rental Market Summary: Third Quarter 2022

Apartments

	All Bedroom Types		Bachelor		One-Bedroom		Two-Bedroom		Three-Bedroom	
	Listed	Leased	Leased	Avg. Rent	Leased	Avg. Rent	Leased	Avg. Rent	Leased	Avg. Rent
Q2 2022	17,371	13,366	596	\$2,057	7,432	\$2,481	4,908	\$3,184	430	\$4,139
Q2 2021	23,362	16,154	732	\$1,696	9,437	\$2,061	5,535	\$2,780	450	\$3,731
Yr./Yr. % Chg.	-25.6%	-17.3%	-18.6%	21.3%	-21.2%	20.4%	-11.3%	14.5%	-4.4%	10.9%

Townhouses

	All Bedroom Types		Bachelor		One-Bedroom		Two-Bedroom		Three-Bedroom	
	Listed	Leased	Leased	Avg. Rent	Leased	Avg. Rent	Leased	Avg. Rent	Leased	Avg. Rent
Q2 2022	1,633	1,050	6	\$1,892	94	\$2,261	438	\$2,864	512	\$3,366
Q2 2021	1,718	1,023	8	\$1,825	101	\$1,911	461	\$2,590	453	\$2,991
Yr./Yr. % Chg.	-4.9%	2.6%	-25.0%	3.7%	-6.9%	18.3%	-5.0%	10.6%	13.0%	12.6%

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