

TRREB: STRONG CONDO RENT GROWTH CONTINUED IN Q1 2023

TORONTO, ONTARIO, April 27, 2023 – Strong population growth coupled with high borrowing costs continued to exert pressure on the Greater Toronto Area (GTA) condominium apartment rental market in the first quarter of 2023. While the market did benefit from an increase in listings, competition between renters remained intense, with average rents growing by double-digit or high single-digit annual rates.

“The GTA condominium rental market continues to be a key source of rental supply, helping accommodate record population growth. However, tight market conditions are resulting in an unsustainable pace of rent growth. To balance things out, more supply is needed. Much of this supply should come in the form of purpose-built rental properties. The development of rental properties needs to be an explicit part of housing policy at all levels of government,” said TRREB President Paul Baron.

There were 10,525 condominium apartment rentals reported through TRREB’s MLS® System in Q1 2023 – up four per cent compared to Q1 2022. Rental listings were up by 10.2 per cent year-over-year, outstripping growth in rental transactions. Despite more supply, market conditions remained tight enough to support a 15.1 per cent year-over-year increase in the average one-bedroom condominium apartment rent which amounted to \$2,474. The average two-bedroom rent increased by 9.2 per cent over the same period to \$3,162.

“A year ago, when Bank of Canada interest rate hikes commenced, some would-be homebuyers turned to the rental market. Increased demand up against a constrained supply of rental listings coupled with substantially lower vacancy rates resulted in average rent increases well-above the rate of inflation over the past year. Recent polling by Ipsos for TRREB suggests that many renters are looking back toward the ownership market as monthly rents have increased. This is further evidence that supply issues persist in both the rental and ownership markets,” said TRREB Chief Market Analyst Jason Mercer.

Rental Market Summary: First Quarter 2023										
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
Q1 2023	18,014	10,525	382	\$2,014	5,934	\$2,474	3,878	\$3,162	331	\$4,152
Q1 2022	16,348	10,124	362	\$1,733	5,981	\$2,149	3,494	\$2,895	287	\$3,611
Yr./Yr. % Chg.	10.2%	4.0%	5.5%	16.2%	-0.8%	15.1%	11.0%	9.2%	15.3%	15.0%
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
Q1 2023	1,493	818	1	\$1,100	74	\$2,311	374	\$2,826	369	\$3,246
Q1 2022	1,286	737	2	\$1,767	65	\$1,930	329	\$2,615	341	\$3,082
Yr./Yr. % Chg.	16.1%	11.0%	-50.0%	-37.7%	13.8%	19.8%	13.7%	8.1%	8.2%	5.3%

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