TRREB SALES DATA, BOC POLICY DECISIONS, TRADE & TARIFF IMPACT, IMMIGRATION

Rates Turn Higher: Inflation, Trade and the Outlook for Central Toronto Real Estate Heading into 2027

A Market Report by Bradley Cox | November 2026

1. Executive Summary

Every few months I step back from individual listings and look at the forces moving our market as a whole. This report is my late-2026 read on those forces, and on what they mean for the people I work with: buyers, sellers and owners in Leaside, Davisville Village, Chaplin Estates, Moore Park, Lawrence Park and East York.

The headline is that borrowing costs have turned. On October 28, the Bank of Canada raised its policy rate by 25 basis points to 2.5%, its first increase since July 2023.[1, 3] The reason is inflation. With oil prices persistently high and the conflict in the Middle East in its eighth month, consumer prices have run near 3% since April, and the Bank now expects inflation to average 3% in 2027 before returning to 2% by the middle of 2028.[1] The next decision is December 9.[1]

Trade is the second force. On July 1, the United States declined to renew CUSMA in its current form.[9] Talks broke down in August, a 50% U.S. tariff on $27.6 billion of Canadian goods took effect on August 22, and Canada answered with matching counter-tariffs on September 8.[10, 11] Ottawa is now working toward an interim arrangement, ideally by year-end.[12]

Locally, the market is quieter but steady. GTA sales in October were 7.9% lower than a year earlier, and the average price was down 2.7% to $1,024,108.[8] Buyers hold real negotiating power, yet TRREB notes that monthly payments on an average-priced home are still much more affordable than they were in 2023 and 2024.[8] My own districts are more resilient than the GTA headline. The benchmark price in C10 (Davisville and Chaplin Estates) was up 3.2% year over year and C11 (Leaside) was essentially flat, while condominium apartment benchmarks fell as much as 12.2% in C09 (Moore Park).[8]

Federal policy adds a longer-term layer. Permanent resident admissions are held at 380,000 a year through 2029 and new temporary arrivals at 370,000 a year.[14, 15] Budget 2026 proposes to raise the price limit for optional mortgage insurance from $1 million to $1.5 million.[17]

Suggested: For most of my clients, this is a market that rewards preparation over prediction. Freehold owners in established neighbourhoods are on solid ground, buyers have time and leverage on their side, and condominium owners should plan for prices to recover more slowly than rents.

2. My Neighbourhoods in October

I'll start where most of my clients live and buy. TRREB reports Central Toronto by district, and six of them cover my neighbourhoods: C11 (Leaside), C10 (Davisville Village and Chaplin Estates), C09 (Moore Park), C04 and C12 (Lawrence Park) and E03 (East York). The table below uses TRREB's October 2026 figures. The benchmark columns come from the MLS® Home Price Index, which tracks a typical home in each area and is less distorted by the mix of homes that happen to sell in a given month.

Table 1. My districts at a glance, October 2026

District	Sales	Average price	Composite benchmark	Composite YoY	Detached YoY	Condo apt. YoY
C11 Leaside	38	$1,498,487	$1,155,800	+0.2%	−1.2%	−11.7%
C10 Davisville / Chaplin	59	$1,060,985	$950,500	+3.2%	−1.9%	−1.1%
C09 Moore Park	36	$3,087,859	$1,891,300	−0.5%	−2.9%	−12.2%
C04 Lawrence Park	62	$2,202,807	$1,873,400	−2.3%	−3.4%	−9.5%
C12 Lawrence Park	23	$2,510,169	$2,295,300	−5.3%	−5.6%	−10.9%
E03 East York	54	$1,105,607	$1,020,500	−4.6%	−6.1%	−5.4%
All TRREB areas	**5,603**	**$1,024,108**	**$916,400**	**−4.3%**	**−4.4%**	**−7.3%**

Source: TRREB Market Watch, October 2026, all home types and MLS® HPI tables.[8] YoY = change from October 2025.

Three things stand out to me.

First, freehold homes in these districts have held their value better than the GTA as a whole. The GTA detached benchmark was down 4.4% year over year in October.[8] Four of my six districts did better than that: C11 at −1.2%, C10 at −1.9%, C09 at −2.9% and C04 at −3.4%. C12 (−5.6%) and E03 (−6.1%) were softer.[8]

Second, condominium apartments are where the weakness sits. Apartment benchmarks fell 12.2% in C09, 11.7% in C11, 10.9% in C12 and 9.5% in C04, against a 7.3% decline across all TRREB areas.[8] C10 was the clear exception at −1.1%.

Third, well-priced homes are still selling close to asking. In October, the average home sold at 101% of its list price in E03, 99% in C10 and 97% in both C04 and C11. In C09 and C12, where average prices were above $2.5 million, the figures were 95% and 94%.[8]

The luxury detached segment

Detached sales tell the luxury story most directly. In October, 42 detached homes sold in C04 at an average of $2,731,503. In C09, 17 sold at an average of $4,028,054; in C11, 17 sold at $2,399,118; in C12, 14 sold at $3,223,206; and in C10, 11 sold at $2,053,273. East York (E03) recorded 33 detached sales at an average of $1,169,912, with buyers paying 101% of list price on average.[8]

Across Toronto Central, 258 detached homes sold at an average of $2,286,228, at 95% of list price.[8] Within the City of Toronto, detached sales were up 0.5% from a year earlier while the average detached price was down 1.2%. In the surrounding 905 regions, detached sales fell 6.2% and prices fell 4.7%.[8] The city's freehold market has been the steadier of the two.

The year so far

Year-to-date figures smooth out a single month. From January through October, 595 homes sold in E03 at an average of $1,161,422 and 103% of list price; 578 sold in C04 at $2,065,888; 539 in C10 at $1,026,913; 295 in C11 at $1,318,646; 205 in C09 at $2,535,712; and 198 in C12 at $2,932,721.[8] Across Toronto Central, 9,787 homes have sold this year at an average of $1,114,121, and across all TRREB areas 52,694 at $1,025,156.[8]

October's average price ran above the year-to-date average in C04, C09, C10 and C11, and below it in C12 and E03.[8] In districts this size, a monthly average moves with the mix of homes that happen to sell, which is why I give more weight to the benchmark figures in Table 1 when I advise on price.

Supply and pace

Toronto Central had 5,179 active listings in October and 5.1 months of inventory.[8] My districts were mostly tighter than that: 3.8 months in C10 and C11, 4.0 in C04, 4.8 in C09 and just 2.8 in East York. C12 was the outlier at 9.0 months.[8] Homes in C10 averaged 21 days on market, as did homes in E03, compared with 31 days across Toronto Central.[8]

Suggested: In practical terms, sellers in C10, C11 and E03 can still expect competitive interest for a well-prepared, well-priced home. Sellers in C12 and at the top end of C09 should plan for a longer runway and more negotiation, and price to today's benchmark rather than to a 2024 comparable.

3. The Wider GTA Picture

GTA REALTORS® reported 5,603 sales through TRREB's MLS® System in October, down 7.9% from October 2025. New listings totalled 14,173, down 11.9%, and active listings ended the

month at 25,098, 10.0% lower than a year earlier.[8] New listings fell faster than sales, and on a seasonally adjusted basis both sales and new listings rose from September.[8]

The MLS® HPI Composite benchmark was down 4.3% year over year, and the average selling price of $1,024,108 was down 2.7%. On a seasonally adjusted basis, both edged up from September.[8] Homes took an average of 31 days to sell, the same as a year earlier.[8]

Table 2. GTA sales and average price by home type, October 2026

Home type	Sales	Sales YoY	Average price	Price YoY
Detached	2,693	−4.4%	$1,310,627	−3.2%
Semi-detached	546	−8.1%	$1,024,907	−0.8%
Townhouse	933	−11.0%	$804,416	−5.0%
Condo apartment	1,385	−10.4%	$621,400	−5.8%
All home types	**5,603**	**−7.9%**	**$1,024,108**	**−2.7%**

Source: TRREB Market Watch, October 2026, all TRREB areas.[8]

Within the City of Toronto, 2,184 homes sold in October at an average of $1,075,627. Toronto Central accounted for 1,089 of those sales, at an average of $1,185,407, and 630 of the city's 949 condo apartment sales.[8]

TRREB's leadership summed up the month well. Chief Information Officer Jason Mercer said:

> *"GTA homebuyers continued to benefit from substantial negotiating power on price over the past year. While borrowing costs have increased on the back of higher inflation, the impact on monthly mortgage payments has been mitigated by lower selling prices, helping keep affordability in check."*[8]

TRREB President Daniel Steinfeld tied the outlook directly to trade and geopolitics:

> *"If a Canada-U.S. trade deal is reached, GTA residents could gain a clearer picture of the economic outlook. Combined with a resolution to the conflict in the Middle East, this could help ease concerns about inflation and economic uncertainty, strengthen consumer confidence and renew interest in homeownership as we move into 2027."*[8]

Rentals are turning first

The rental market is moving ahead of the ownership market. Urbanation's third-quarter report shows average GTHA condo rents rose 2.4% from the second quarter to $3.83 per square foot, about $2,604 for a typical 681-square-foot unit, and were down just 0.6% from a year earlier. In the former City of Toronto, condo rents rose 0.7% year over year, the first annual increase in the core since early 2024.[18]

Supply is tightening as well. Active condo rental listings fell 25% from a year ago, and condo units under construction dropped 38% to 35,920, the lowest level since early 2012.[18] On the purpose-built side, vacancy in stabilized buildings fell to 3.0% from 3.5% a year earlier, and the share of projects offering incentives dropped to 60% from 67% in the second quarter.[18] Urbanation President Shaun Hildebrand said the data confirms the GTHA rental market "has entered a recovery phase."[18]

Suggested: For condo owners and investors, this matters. Rents are firming while resale apartment prices are still falling, which gradually improves the numbers for anyone holding a well-located unit and for buyers looking at a condo as a long-term rental.

4. The Bank of Canada: The First Rate Increase Since 2023

On October 28, the Bank of Canada raised its target for the overnight rate to 2.5%, with the Bank Rate at 2.75% and the deposit rate at 2.45%.[1] It had held at 2.25% for seven straight decisions, from December 2025 through September 2026, after cuts in September and October 2025.[2] Governor Tiff Macklem called it the first interest rate increase since July 2023.[3]

Table 3. Bank of Canada policy rate decisions, September 2025 to December 2026

Announcement date	Target rate	Change
September 17, 2025	2.50%	−0.25
October 29, 2025	2.25%	−0.25
December 10, 2025 to September 2, 2026 (seven decisions)	2.25%	No change
October 28, 2026	2.50%	+0.25
December 9, 2026	**Next scheduled decision**	

Source: Bank of Canada, policy interest rate history and 2026 schedule.[2]

Why the Bank moved

The Bank pointed to energy. CPI inflation has been around 3% since April, and the Bank expects it to rise to about 3½% by year-end. Excluding gasoline, inflation was 2.2% in September and measures of core inflation remain close to 2%. The Bank's concern is that cost pressures are building: high fuel prices are raising production and transportation costs, and its surveys suggest businesses will pass more of those costs on over the next year.[1] The conflict in the Middle East, now in its eighth month, is keeping energy prices elevated, and the Bank sees no clear path to resolution.[1]

The Governing Council's published deliberations show it weighed two options: holding at 2.25% or raising to 2.5%. The case for holding was that inflation was concentrated in energy, that some slack remained in the economy and that new U.S. tariffs would weigh on growth.

The case for raising was that fuel prices were expected to stay higher for longer and that the risk of persistent, broad-based inflation had increased.[4] Members agreed there "could be a need to increase the policy rate further," but that they would take decisions one meeting at a time.[4]

The growth outlook

Growth has been better than expected. Real GDP grew 3.3% in the second quarter and indicators point to about 2% in the third. The Bank now projects growth of 1% in 2026 and 2% in each of 2027 and 2028. It expects growth to slow in the fourth quarter because of new U.S. tariffs, then pick up in 2027 on business investment, exports and fiscal measures, with housing remaining relatively weak.[1]

Globally, the Bank revised world growth up slightly to 3.1% for 2026, and noted that the Canadian dollar has recovered to around 71 cents U.S.[1]

The next decision is December 9, 2026, and the next Monetary Policy Report will be released on January 27, 2027.[1]

Suggested: I read the Bank's message as caution, not a commitment to a series of increases. A hold on December 9 is a reasonable expectation given the slower fourth quarter, but a second increase is a real possibility, and I would build any purchase budget with that in mind.

5. Inflation, Jobs and Borrowing Costs

Statistics Canada reported that the Consumer Price Index rose 3.1% year over year in October, the same pace as September. Gasoline prices were up 30.9% from a year earlier, while the CPI excluding energy rose 2.0%. Shelter inflation was 1.4%. In Ontario, prices rose 2.5%, below the national rate.[5]

The national job market has softened. The unemployment rate rose to 6.7% in October, youth unemployment reached 13.7%, and average hourly wages were up 2.2% from a year earlier.[6] Toronto looks better on a year-over-year basis. The Toronto census metropolitan area's unemployment rate was 7.4% in October, up from 7.2% in September but 0.9 percentage points lower than a year earlier, and employment in the region was up 1.6% over twelve months.[7]

Borrowing costs have moved with the Bank. TRREB's October Market Watch reports a prime rate of 4.5% and posted mortgage rates of 5.49% for a one-year term, 6.05% for three years and 6.19% for five years.[8] TRREB also notes that monthly mortgage payments for an average-priced home have edged up from a year ago but remain much more affordable than in 2023 and 2024.[8]

Suggested: Posted rates are a reference point, not what most of my clients actually pay. Anyone planning a purchase in the next six months should get a pre-approval on their own file now and hold a rate while they look.

6. Trade and Tariffs

Trade has been the biggest source of uncertainty this year. TRREB links a trade deal to renewed consumer confidence, and the Bank of Canada says its growth forecast is subject to considerable uncertainty, particularly regarding Canada-U.S. trade relations.[1, 8] Here is how 2026 unfolded.

Table 4. Canada-U.S. trade timeline, 2026

Date	Development
July 1	At the CUSMA joint review, the U.S. declines to renew the agreement in its current form. It remains in force pending resolution.[9]
July 20	Three U.S. proclamations under Section 338 impose an additional 50% tariff on certain Canadian dairy, alcohol, motor vehicles and other goods, regardless of CUSMA qualification.[10]
August	Canada suspends negotiations, saying the U.S. asked too much and offered too little.[11]
August 22	The Section 338 tariffs take effect on $27.6 billion of Canadian goods.[10, 11]
September 8	Canadian counter-tariffs of 15%, 25% and 50% take effect on $27.6 billion of U.S. imports, alongside a $7.5 billion support package.[11]
November 19	Ottawa seeks an interim deal to lower Section 232 tariffs and remove Section 338 tariffs; some sectoral tariffs are expected to remain.[12]
January 1, 2027	Threatened doubling of U.S. auto tariffs to 50%, extended to parts; not yet made official.[13]

Sources: USTR; PwC Canada; Department of Finance Canada; CBC News; The Logic.[9, 10, 11, 12, 13]

Canada-U.S. Trade Minister Dominic LeBlanc has been candid that an interim deal would likely keep some Section 232 tariffs on steel, aluminum, autos and lumber, at lower rates, and that the timing could slip into January or February.[12] Canada's chief negotiator, Janice Charette, has warned that fully tariff-free access to the U.S. market may no longer be achievable.[13] The Democrats' gains in the November 3 midterm elections add another variable, and Ottawa is still assessing how they will affect the U.S. negotiating position.[13]

The Bank of Canada expects the new tariffs to slow growth in the fourth quarter, and it notes ongoing weakness in sectors affected by U.S. tariffs, even as exports overall have strengthened.[1]

Suggested: For our housing market, trade works mainly through confidence. A credible interim deal would remove a large part of the hesitation TRREB describes, while a January

escalation on autos would weigh hardest on manufacturing employment outside the core. Either way, I don't advise clients to time a move around a trade headline. The fundamentals of their own household matter more.

7. Immigration, Population and Federal Housing Policy

Immigration targets

On November 5, the federal government released its 2027–2029 Immigration Levels Plan. It holds permanent resident admissions at 380,000 a year for all three years, within a range of 352,500 to 422,000, with the economic category at 64.4% of admissions.[14] New temporary resident arrivals are set at 370,000 a year, made up of 220,000 workers and up to 150,000 international students.[15] Budget 2026 adds a one-time measure that would give up to 200,000 temporary residents already in Canada the opportunity to become permanent residents by the end of 2027.[17]

Population growth has slowed

Statistics Canada estimated Canada's population at 41,798,407 on July 1, 2026, up 0.2% in the second quarter. The number of non-permanent residents fell 0.7% in the quarter to 2,779,774, and in Ontario it fell 1.5% to 1,246,301.[16]

TRREB CEO John DiMichele put the longer view this way:

> *"While we continue to experience shorter-term volatility in the ownership housing market, we can't lose track of the fact that the permanent population will continue to grow in our region. Policy announcements, including HST rebates and development charge reductions should help bring a greater diversity of ownership and rental supply online in the medium-term to ensure new families are properly and affordably housed."*[8]

Budget 2026 and housing

Budget 2026, tabled November 5, includes several measures that touch our market directly:[17]

- It proposes to raise the home price limit for optional mortgage insurance from $1 million to $1.5 million and to permit 30-year amortizations on these insured mortgages where at least one borrower is a first-time buyer or the home is newly built.[17]
- It adds $13 billion over ten years, starting in 2028–29, to the capital of Build Canada Homes, putting the agency on a path to deliver 200,000 new homes in the next decade.[17]
- It supports lower development charges through the Build Communities Strong Fund, and points to a partnership with Ontario that is cutting taxes on housing and reducing the cost of a home by up to $200,000.[17]

- It confirms new mortgage insurance flexibilities for three- and four-unit homes to help finance “missing middle” housing.[17]
- It proposes regulations under which the Bank of Canada would publish information on insured mortgage rates, so borrowers can compare offers more easily.[17]

Suggested: The $1.5 million limit is the measure most relevant to my clients. The composite benchmark in C10 ($950,500) and C11 ($1,155,800) sits below it, which brings many semis, townhomes and condos in these neighbourhoods into range for first-time buyers with less than 20% down. It does not change much for detached homes, where benchmarks in my districts run from about $1.2 million in East York to $3.4 million in Moore Park.[8]

8. What It Means for You

If you're buying

- **Suggested:** Use the leverage you have. Buyers are negotiating on price across most of the GTA, and even in my tighter districts, conditions and closing dates are on the table.
- **Suggested:** Stress-test your budget against one more rate increase before you commit, and lock in a pre-approval rate while you search.
- **Suggested:** If you're a first-time buyer looking under $1.5 million, watch the Budget 2026 mortgage insurance changes closely; they could change your down payment plan.

If you're selling

- **Suggested:** Price to today's benchmark, not last year's best sale. The homes moving at or above asking in C10, C11 and E03 are the ones priced correctly from day one.
- **Suggested:** In C09 and C12, plan for a longer marketing period and invest in preparation; buyers at that level are comparing carefully.
- **Suggested:** If you're moving up within these neighbourhoods, a softer top end can work in your favour. What you give up on your sale is often recovered on your purchase.

If you own and are staying put

- **Suggested:** If your mortgage renews in 2027, start the conversation with your lender or broker three to four months ahead. Rates are higher than they were six months ago, and having options matters.
- **Suggested:** Condo owners should think in terms of holding periods. Rents in the core are recovering while resale prices adjust, and selling into the current market often locks in the weakest part of the cycle.

9. What I'm Watching Next

- The Bank of Canada's December 9 decision, and its January 27, 2027 Monetary Policy Report.[1]
- Whether Ottawa and Washington reach an interim arrangement on Section 232 and Section 338 tariffs, and what happens to the threatened January 1 auto tariff increase.[12, 13]
- Energy prices and the CPI, since the Bank has tied its next steps directly to whether high energy costs spread to other prices.[1, 4]
- TRREB's November and December figures, especially detached activity and months of inventory in my districts.

Markets like this one reward clear thinking more than bold calls. If you'd like to talk through what these numbers mean for your home, your street or your next move, I'm always happy to sit down and walk through it with you.

Bradley Cox
Real Estate Agent
Heaps Estrin Team
Royal LePage Real Estate Services
1391 Bayview Avenue

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