

## Toronto Real Estate Board Reports Increases in Condo Rental Rates

The third quarter [Rental Market Report](#) released by the Toronto Real Estate Board (“**TREB**”) indicates that condominium rental rates in the Greater Toronto Area increased substantially in the 3<sup>rd</sup> quarter of 2016, in comparison to 2015. Average rental rates for a one-bedroom unit increased by 7.2% and average rental rates for a two-bedroom unit increased by 7.9%.

The rental rate increase was primarily attributed to the fact that there were less units available for rent. This in part was due to the fact that there were fewer condominium projects that were completed in the third quarter.

The TREB figures are based on signed leases for condominium units listed on TREB’s MLS system.

TREB’s third quarter [Condo Market Report](#) indicates that the average purchase price of a condominium apartment unit increased by 9.2% over the same quarter in 2016. As home prices in the GTA have been steadily escalating, home ownership is out of reach for many first-time potential purchasers. In addition, as noted in a prior blog post, the new mortgage rules imposed by federal Minister of Finance will also make it more difficult for first-time home buyers to get into the market. This in turn creates an increased pool of renters.

As the demand for condo rental units is greater than the supply it is not surprising to see this increase in rental rates.