

GTA New Condo Inventory at Lowest Level Since 2010

Research conducted by [Urbanation](#) Inc. indicates that the supply of unsold new condominium units in the Greater Toronto Area (“GTA”) is at its lowest level since 2010. (Urbanation Inc. is a research company that has been analyzing the Toronto condominium market since 1981.)

[Its recent report](#) noted that:

- Sales of new units in the GTA during the second quarter of 2016 increased 26% over the previous year quarterly sales.
- New condominium project launches decreased by 9% in comparison to the previous year.
- Sales would have been higher if more units had been available.
- Urbanation’s analysis of the top 20-selling condominium projects indicates that there is an increasing demand for bigger units (2-bedroom, 2-bedroom plus den and 3- bedroom units).

The increasing prices for low-rise homes in the GTA has made them an unaffordable option for many people. The limited availability of low-rise homes has made it difficult to buy a low-rise home, as purchasers are often caught up in unsuccessful bidding wars.

Both of these factors have fueled the increased demand for condominium units. The report noted that the average selling price of new condominium units in the last year has grown by 2% (4% in the former City of Toronto). This compares favourably with a 10% increase in the average selling price of resale condominium units.

[Shaun Hildebrand](#), Urbanation’s Senior Vice President stated:

“Should current conditions persist, price pressures for high-rise units can be expected to build, particularly as low-rise housing remains afflicted by record-low supply.”

With the hot real estate market in the GTA it will be interesting to see what happens in the balance of the year and the forthcoming year.