



## Highlights

- Toronto home sales decline by 6.3 per cent year-over-year
- Ontario short- and long-term business confidence rises in February

### Home sales remain weak after January plunge, home prices continue to fall in Toronto

*Bryan Yu, Chief Economist*

Toronto area home sales stabilized in February following a severe-weather-driven slowdown in January. Home sales in the region reached 3,868 units according to the Toronto Regional Real Estate Board, which was down 6.3 per cent year-over-year, compared to a 19.3 per cent drop-off the previous month. On a monthly basis, unadjusted sales rose 25 per cent but this is less of a seasonal bump than normally would be observed. Housing demand remains exceptionally low, and while naturally well below the pandemic and low mortgage-rate-driven highs of 2021 and 2022 when sales hit 11,500 and 9,500 units, levels are also 28 per cent below same-month 2019. Low buyer confidence, economic uncertainty and excess market inventories continue to weigh on regional sales.

Lack of sales in the region and ample supplies have kept listings stale. Days on market eased to 36 days in February, compared to 24 days last year. This continues to reduce home prices. The average price for a Toronto area home sold was \$1.008 million in February. This was up month-to-month, and like sales, partly reflected a seasonal increase. More telling is that the year-over-year drop-off accelerated to 7.1 per cent from a 6.5 per cent decline in January. Ample supply, few sales, and more flexible sellers are leading to lower prices.

The composite MLS® HPI highlights the drop-off. Average and composite values are off about 25 per cent off the early 2022 peak, and the trend continued to deteriorate in February. Year-over-year, the topline composite for all units fell 7.9 per cent, which was a touch better than January, but the monthly seasonally-adjusted reading fell another 1.2 per cent. Declines have been driven by apartment units, where product has fallen out of favour for investors and end-use buyers. Single-detached homes have fallen by a slightly more modest rate of 7.6 per cent year-over-year but is similarly declining on a monthly basis. Price levels are now back to 2021 levels, pointing to a massive equity loss for those who purchased in recent years, but an affordable market for those looking to get into ownership. Improved affordability is expected to support higher home sales going forward, but prices remain subdued until market returns to balance.

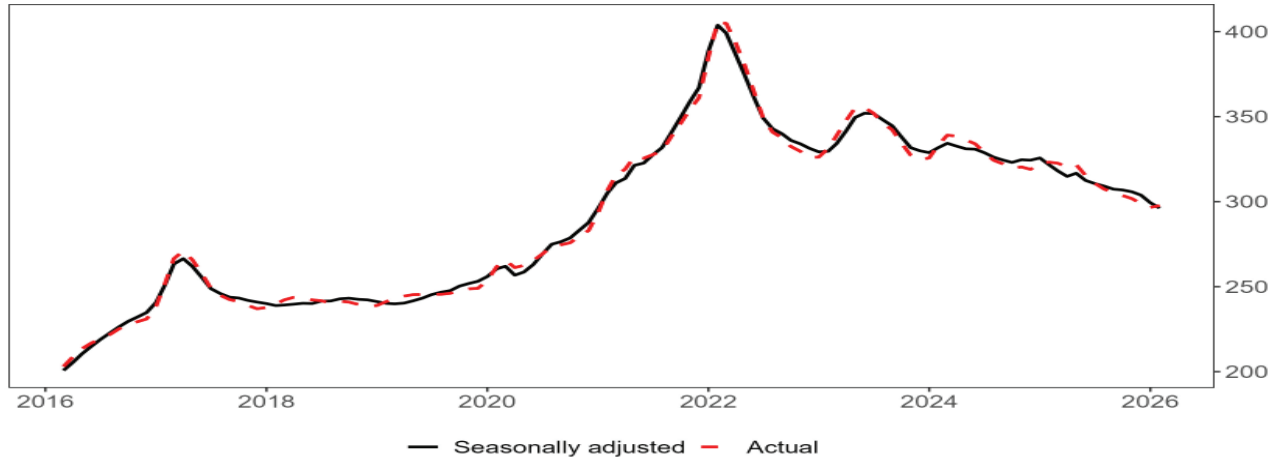
## Greater Toronto MLS® Composite HPI

Product	Actual		m/m % ch		s.a. m/m % ch		y/y % ch		ytd %ch		
	Feb/25	Jan/26	Feb/26	Jan/26	Feb/26	Jan/26	Feb/26	Jan/26	Feb/26	Jan/26	Feb/26
All	323	297	<b>298</b>	-0.8	<b>0.4</b>	-1.2	<b>-1.2</b>	-8.1	<b>-7.9</b>	-8.1	<b>-8.0</b>
Apartment	302	274	<b>273</b>	-2.0	<b>-0.1</b>	-1.4	<b>-1.2</b>	-9.7	<b>-9.5</b>	-9.7	<b>-9.6</b>
Single	345	317	<b>319</b>	-0.7	<b>0.7</b>	-1.1	<b>-1.0</b>	-8.1	<b>-7.6</b>	-8.1	<b>-7.8</b>
Townhome	360	324	<b>326</b>	-1.1	<b>0.6</b>	-1.1	<b>-0.9</b>	-10.0	<b>-9.4</b>	-10.0	<b>-9.7</b>

## Greater Toronto MLS Summary

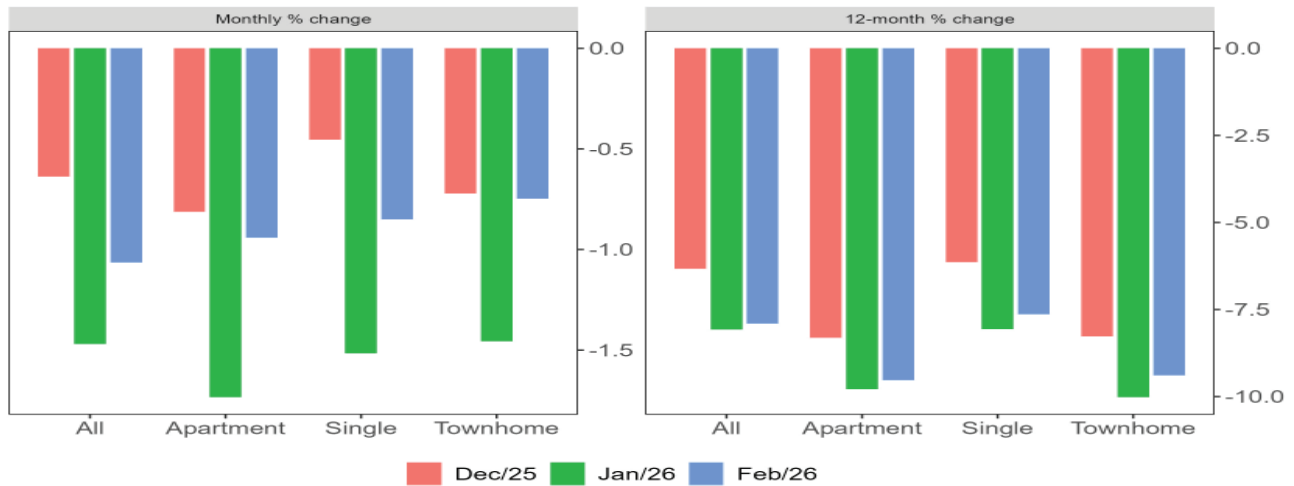
### Greater Toronto Housing Price Index

Last data point: 2016-02-01 to 2026-02-01



### Greater Toronto HPI Price Growth

Last data point: 2025-11-01 to 2026-02-01



TRREB, Central 1

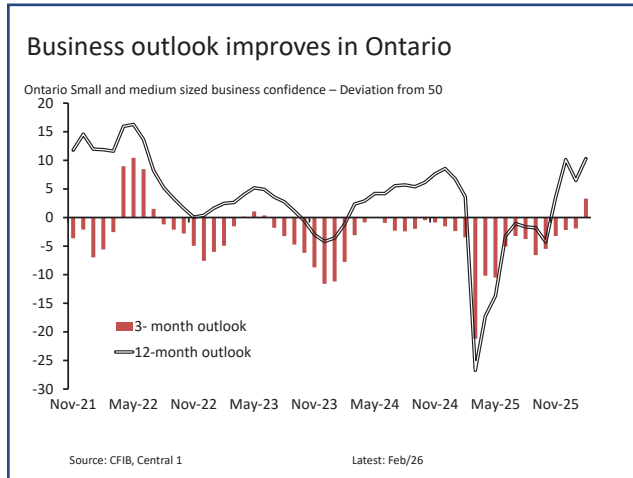
## Ontario small businesses' confidence grew in February

*Eloho Ennah, Economic Analyst*

Small business confidence improved notably in February according to the recent Business Barometer survey reported by the Canadian Federation of Independent Business. The Canadian 3-month index moved up 8.7 points to 61.2 points, and above the neutral 50-point threshold. This was also the second highest reading since April 2017. In addition, the 12-month index also increased by 5.4 points to 64.8 points during the month, holding above the 50-point mark for the fourth month in a row, signaling continued improvement in small business sentiment. Typically, a value near 65 points is consistent with moderate growth, although businesses are still cautiously optimistic given trade uncertainty.

At the sectoral level, long-term business confidence improved across the board, although short-term confidence remains tempered in some sectors. The 12-month outlook was the strongest in the health and education sector while also higher in retail, wholesale and personal services sectors. Short-term confidence across sectors, although still relatively subdued, strengthened in February. The manufacturing sector posted the weakest three-month outlook, reflecting the impact of significant U.S. levies imposed since early 2025. Across survey respondents, the average planned price increases eased to 2.2 per cent, while average planned wage increases edged up slightly to 2.3 per cent.

Ontario's 12-month confidence reading rebounded in February, up by 3.8 points to 60.3 points following the decline in the prior month. The 3-month outlook also increased by 5.2 points to 53.3 points, sitting above



50-points for the first time since April 2023. That said, this is below the national reading. Insufficient demand remains a primary constraint on production, while businesses also noted tax/regulatory costs as the major cost constraint. Hiring plans are modest with 14 per cent of respondents looking to increase head count over the next year, up from 13 per cent in January. Findings from the most recent survey are also consistent with those of the Bank of Canada's Business Outlook Survey and indicate that firms' expectations across the country continue to be impacted by trade tensions and economic uncertainty.

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