

An aerial photograph of the Toronto skyline at sunset. The CN Tower is the central focus, with its distinctive needle and observation deck. The city's skyscrapers are illuminated by the warm, golden light of the setting sun. The water of Lake Ontario is visible in the background, reflecting the sky's colors. The overall scene is a mix of urban architecture and natural beauty.

# LandLord

REALTY INC., BROKERAGE

TORONTO REAL ESTATE

## Insights & Emergent Trends - 2024-2025

Issued: February 2025

# LandLord

## About Us – LandLord: Full-Service Property Management, Real Estate Brokerage & In-House Renovations for Investors

LandLord is a full-service property management company, real estate brokerage, and in-house renovation firm specializing in investment-focused real estate. For over 28 years, we've helped property investors in Toronto and the GTA maximize returns, scale portfolios, and optimize asset performance.

### Our Expertise:

- ✓ Investment-Focused Real Estate Brokerage – Buy and sell high-performing rental properties strategically.
- ✓ Full-Service Property Management – We handle tenant screening, leasing, rent collection, and maintenance so you don't have to.
- ✓ In-House Renovations – Convert single-family homes into multiplexes, reposition underperforming assets, and renovate for maximum ROI.

- 📍 2,000+ Rental Units Under Management
- 📍 \$2 Billion+ in Assets Managed for Local & International Investors
- 📍 End-to-End Support for Real Estate Investors



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### About This Report

This Market Review 2024-2025 provides data-driven insights to help investors adapt to market shifts and seize new opportunities.

Need expert advice on your next investment? [Contact us](#) to discuss your strategy.

2024 was a year of market shifts, cautious buyers, and changing investment strategies. Condo oversupply, rental market adjustments, and evolving investor priorities reshaped the landscape.

Each year we offer our take on the Toronto real estate market, now and in the year ahead. Explore our insights into the current state of the Toronto real estate market and our projections for the year ahead.

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## YEAR IN REVIEW & MARKET OUTLOOK FOR 2025

– by Trevor Valade, VP – Real Estate Services & Business Development

In Toronto's emotionally reactive real estate market, sentiment and confidence remain powerful drivers of value. These psychological factors, often underestimated, have had a significant impact, as continued socio-economic, political, and environmental disruptions have both confused and exhausted the market, inhibiting sales activity.

Despite this instability, we continue to recognize trends, particularly the weakness of the condo sector and relative stability in purpose-built rentals. Our guidance for this year will be familiar: seek value and minimize risk. In fact, this has always been our ethos.

As predicted, new listings outpaced sales throughout much of 2024. Sales activity saw a slight uptick of 2.6%, while new listings surged by 16.4% year over year. This sustained oversupply provided buyers with lots to choose from – particularly in the condo segment – and functioned as a release-valve for what little pressure remained.

First-time buyers were cautious, while experienced buyers with equity were more willing to transact. Investors with smaller portfolios conserved cash, whereas active investors recognized opportunities to pursue more aggressive deals.

With many brokerages predicting a “return to growth,” such optimism, in our view, may be premature. Opportunities still exist, but they are increasingly harder to find.

## SHIFTING FOCUS: THE CHANGING LANDSCAPE OF INVESTMENT

A paradigm shift among investors is being felt across the market, both in the condo and single-family segments.

For many years, investors were competing with end-users, eagerly awaiting the launch of a new condo development, often purchasing multiple suites with the expectation that, by closing, they would have already made a decent profit.

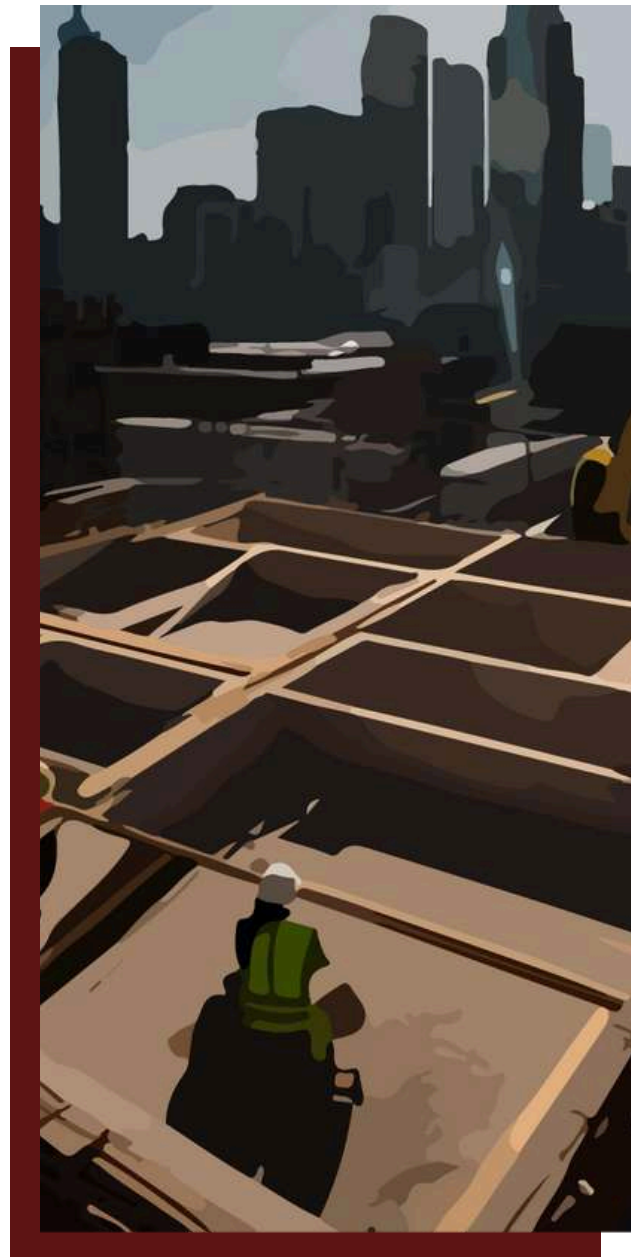
Now, however, short-term value appreciation and stable cash flow are no longer as reliable as they once were. With rising costs, and downward pressure on lease rates and re-sale values, investors are actively trying to unload their underperforming assets.

By January, condo listings had increased by 46% compared to the previous year, underscoring the oversaturation of the market.

Purchasing a condo unit as a short-term investment is no longer a viable strategy. Realizing value appreciation on these assets requires long-term ownership or intergenerational transfer.

Similarly, with single-family homes/townhomes, values have largely plateaued across the city. The strategy of “buy and flip” is now “buy and hold.”

With housing and sustainability becoming central themes in policymaking, we advise a strategic pivot toward purpose-built rentals and higher-density multi-family properties.



## STAYING ON TRACK: FOCUSED, INFORMED STRATEGIES

Our investment philosophy remains grounded in one key principle: prioritize features that objectively add value while avoiding those that detract from it.

While investors may not always prioritize emotional appeal, identifying properties that possess objective value adds is essential. Unique architecture, period details, efficient and inspired use of space, and prime location are all critical factors that contribute to a property's lasting value, regardless of its size or function. By prioritizing these essential characteristics, you can secure investments that will endure and thrive, even in an unpredictable market.

Failure to recognize and invest based on these features results in what is currently playing itself out in the condo market: lots of hastily constructed, poorly designed units, that all look the same and lack any inherent value – buyers simply don't believe in the value anymore.

As investors exit the condo market, many of these units will be purchased by end-user buyers who will live in them. For a city like Toronto, that saw approximately 60% of its condo units owned by investors, this is a true paradigm shift that will take time to play itself out. With that in mind, it is our assessment that the days of "condo as investment" are largely behind us.

If you are determined to acquire a condo investment, we recommend a larger space, ideally something within a coveted building, with a unique floorplan. Hard loft conversions hold value, as do boutique buildings anchored by desirable neighbourhoods.

If you're purchasing a single-family home, similar rules apply. Look for spaces that are exciting, and unique, but functional and comfortable, within neighbourhoods or areas that are sought after and evolving in a positive way.

Over the past few years our team (and our clients) have had great success converting single family spaces into multi-residential properties. We believe this is a positive step forward for the future of Toronto housing.

As investors, we are uniquely positioned to create communities that promote sustainability, inclusivity, and innovation. We can use this natural inflection point to re-position in a thoughtful and strategic way.



## THE RENTAL MARKET

There was an expectation that lower interest rates would stimulate condo re-sale activity. Unfortunately, that has not yet materialized. Improved affordability has, however, made it easier for investors to hold onto their unsold units, and instead, adding them back into the rental market.

With softer population inflows expected in 2025, and a glut of newly developed towers scattered across the downtown corridor, we expect to see a continued slowdown on the increase of average rents across the city.

Like buyers, tenants now have more to choose from.

Our leasing team have confirmed that if a unit is even \$50.00 over-priced, it will sit for up to three months, or, until it adjusts down to meet the market. What we have seen in many of these new buildings is simply a race to the bottom – with some buildings having thirty or more units available for rent, investors compete directly with one another; whoever's unit is the most affordable, wins.

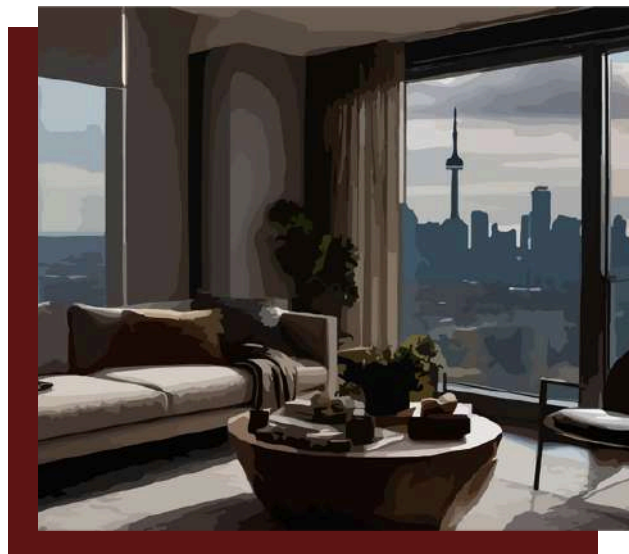
## LOOKING AHEAD: STABILITY AMID UNCERTAINTY

The sales-to-new-listings ratio, a key metric for us, currently holds steady at around 39%, reflecting a 9% increase—a possible light at the end of the tunnel. Toronto remains a buyer's market with plenty of unsold inventory dragging down prices.

properties that can elicit an emotional response from buyers continue to perform well, making these “trophy” assets a priority for investors looking to expand their portfolios.

2025 promises to be another interesting and potentially turbulent year. Any shockwaves, whether real or perceived, could erode (or eliminate) the market's cautious optimism. We expect both buyers and sellers to continue to exercise restraint, which will reflect itself in modest to flat growth throughout the year.

As we look ahead, it's clear that the Toronto real estate market has yet to find its soft landing. Whatever your investment objectives may be, adaptability is crucial. The landscape may be changing, but with the right approach, there are still opportunities to build wealth and secure long-term success. As always we remain here to guide you through these changes with expertise, insight, and a data-driven approach.



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