

Is Today the Right Time to Buy?

Property Type Analysis: Detached Homes

With active listings at historically high levels across the Greater Toronto Area (GTA), buyers have a level of choice rarely seen within the GTA. Given the increase in choice, combined with lower average prices and reduced mortgage rates over the past two years, many people are asking, is now the right time to buy?

According to Toronto Regional Real Estate Board (TRREB), the average price for a detached home fell from \$1,449,675 in September 2023 to \$1,359,030 in September 2025* (peak was \$1,790,441 in Feb 2022).

Over the same period of time, a sample 5 year fixed mortgage rate has fallen from around 6.09% to 4.09% (for illustrative purposes only, as lower/higher rates will vary by lender)**.

Sample Financing Costs Based on the Average Price of a Detached Home in the GTA (TRREB DATA)

	"Then" September 2023	vs. "Now" September 2025
Purchase Price	\$1,449,675	\$1,359,030
Less: Down Payment (20%)	\$289,935	\$271,806
Plus: CMHC Fees	not applicable	not applicable
Mortgage Amount (80% LTV)	\$1,159,740	\$1,087,224
Rate - Conventional 5 Year Fixed	6.09%	4.09%
Amortization	30	30
Estimated Monthly Payment	\$6,964	\$5,225
Interest Cost (over 5-year term)	\$337,463	\$210,551
Balance (after 5 years)	\$1,079,377	\$984,247
Approx. Income Range Needed to Qualify (can vary by lender)	\$258,000 to \$291,000	\$203,000 to \$229,000

Let's break this down from a dollars and cents perspective assuming a 5-year fixed mortgage rate and 30-year amortization.

The accompanying table is for illustrative purposes only.

For a customized analysis, please reach out to your Outline Financial mortgage agent, or your real estate agent.

How do mortgage carrying costs compare given the decline in interest rates?

As illustrated in the above chart, the monthly mortgage payment declines from \$6,964 to \$5,225 (-25%) when comparing September 2023 to September 2025.

Total interest paid over the 5-year term declines from \$337,463 to \$210,551, and the mortgage balance at the end of the 5-year term also declines (\$1,079,377 to \$984,247).

How have these lower interest rates impacted your borrowing power?

Based on the average price of a detached home in September 2023 (with 80% financed through a mortgage of \$1,159,740) a buyer needed an approximate household income of between \$258,000 to \$291,000 to qualify. The same buyer looking to purchase an average price detached home in September 2025 (with 80% financed through a mortgage of \$1,087,224) would need a household income of approximately \$203,000 to \$229,000 to qualify.

As every situation is unique, please reach out to an Outline Financial Mortgage agent for a customized analysis of your potential borrowing power and current mortgage rates and products.

*According to TRREB, the average price for Detached home sales across the GTA (Market Watch Report). Speak to your Realtor about average price changes for any TRREB neighbourhood or property type as figures can vary significantly.

**Interest rates are for illustrative purposes only and subject to change (up/down) at any time. Significantly lower rates are available for insured mortgages (<\$1.5M purchase and <20% down payment), and conventional rate specials are also available. Speak to your Outline Financial mortgage agent to learn more.

**While 5-year fixed rates have dropped from approximately 6.09% to 4.09% from September 2023 to September 2025, 5-year variable rates fell from approximately 6.45% in September 2023 to 4.20% in September 2025.

***Qualification range is for illustrative purposes only and September vary by lender. For calculations, qualification includes the stress test and is based on a range of 39% to 44% TDS (Total Debt Service Ratio)

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T: (416) 536-9559

E: hello@outline.ca

W: www.outline.ca

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