



December 4,
2025

Focus on Canadian housing

RBC Economics

**Buyers jump into Canada's housing
markets as 2025 draws to an end**

Real estate transactions in November gave the first hints that Canada's housing markets finally kicked into gear this fall—though not everywhere—with most areas still lagging fall 2024 by a mile.

Vancouver, Fraser Valley, Calgary, Edmonton, Regina, Saskatoon, Winnipeg and Montreal saw home resales increase in November from October, in some cases by more than 5%. It was a notable for several markets following muted activity earlier in the season.

Toronto and Hamilton, on the other hand, experienced further declines—highlighting economic challenges facing southern Ontario.

The latest market results didn't show any deviation from recent price trends.

Abundantly supplied markets such as Vancouver, Calgary and Toronto continue to see falling home values as buyers hold strong bargaining positions. Prices in parts of the Prairies and Quebec maintained solid gains.

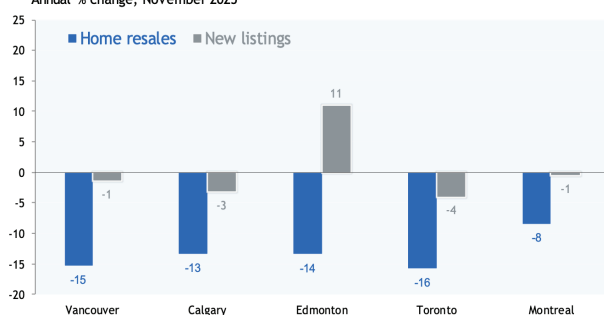
We anticipate these diverging trends will persist for the rest of the year, and potentially into early 2026.

However, a broader recovery should gradually emerge as economic momentum builds, and labour market conditions improve.

Major market highlights: November 2025

Market activity

Annual % change, November 2025



Source: REBGV, CREB, RAE, TRREB, OREB, QPAREB, RBC Economics

Supply-demand conditions

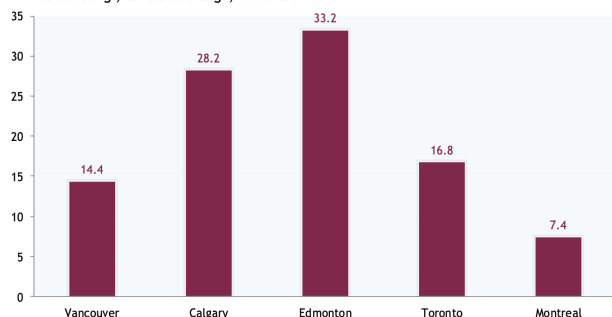
Estimated sales-to-new listings ratio, seasonally-adjusted, November 2025



Source: REBGV, CREB, RAE, TRREB, OREB, QPAREB, RBC Economics

Inventories

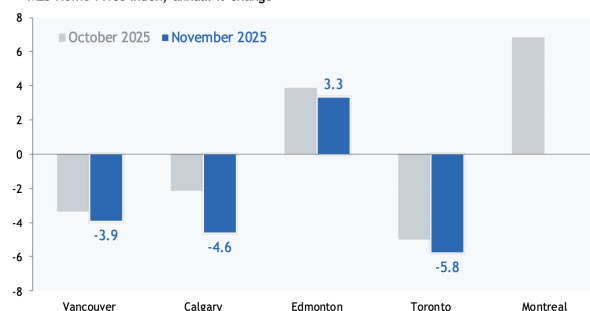
Active listings, annual % change, November 2025



Source: REBGV, CREB, RAE, TRREB, OREB, QPAREB, RBC Economics

Home prices

MLS Home Price Index, annual % change



Source: REBGV, CREB, RAE, TRREB, OREB, QPAREB, RBC Economics

Toronto area: Momentum has stalled

November results in Toronto confirm the picture that has emerged over the previous three months: Home resales have stalled, inventory is abundant, sellers face strong competition, and prices are drifting lower.

Activity is still close to 25% below pre-pandemic norms despite a marginal 0.6% increase in sales from October (seasonally adjusted).

The composite MLS Home Price Index continues to decline between 5% and 6% from a year ago—the case since spring.

Sluggish demand likely reflects a combination of factors including tariff-related economic uncertainty, grimmer job prospects, lower immigration and little urgency to strike deals when inventory is high, and prices are declining.

We think interest rate cuts this fall will draw buyers from the sidelines, but any recovery is likely to be spotty with poor affordability still a big obstacle.

Many homes for sale compared to demand is weighing on values. We expect this to continue in the coming months with condo prices facing the strongest downtrend.

Toronto-area home resales

Thousand units, seasonally adjusted annual rate



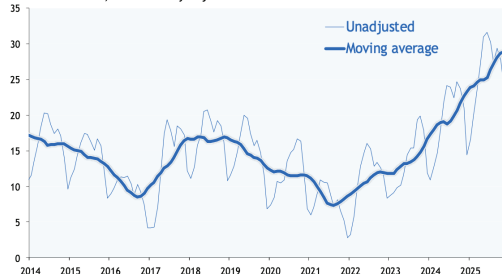
Toronto-area sales-to-new listings ratio

Seasonally adjusted



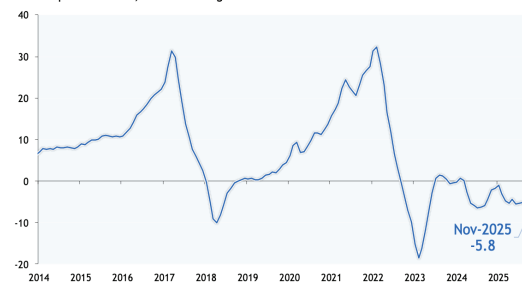
Active listings: Toronto area

Thousand units, not seasonally adjusted



MLS Home Price Index: Toronto area

Composite MLS HPI, annual % change



Montreal area: On a gradual recovery course

The slow, gradual ramp-up in the Montreal area continued last month despite fewer sellers putting properties on the market.

We estimate home resales edged up about 1% seasonally adjusted in November from October. This provided further evidence the summer lull was just a blip in the broader recovery taking place since 2023.

Low and stable inventory, and tight new supply compared to demand are compelling buyers to bid more aggressively, fuelling moderate price gains.

Single-detached homes see the most in value with the median price rising 5.8% in the past year. Condo prices have been flat amid growing supply.

We expect further gradual recovery as lower interest rates, and rebuilding confidence drive up demand.

Montreal-area home resales

Thousand units, seasonally adjusted annual rate



Source: QPAREB/CREA, RBC Economics

Montreal-area sales-to-new listings ratio

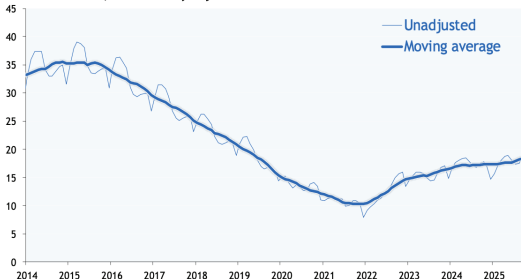
Seasonally adjusted



Source: QPAREB/CREA, RBC Economics

Active listings: Montreal area

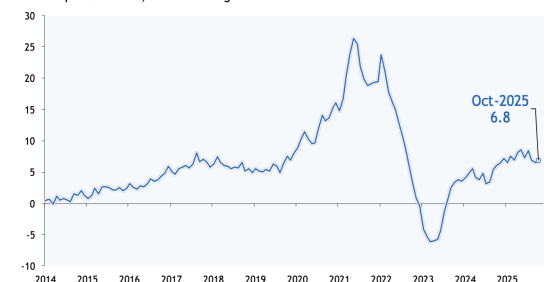
Thousand units, not seasonally adjusted



Source: QPAREB via Centris, RBC Economics

MLS Home Price Index: Montreal area

Composite MLS HPI, annual % change



Source: QPAREB/CREA, RBC Economics

Vancouver area: Still quiet but confidence could be rebuilding

Tentative signs of renewed confidence have emerged in the Vancouver area in the past couple of months. Home resales increased in October and November—the latest advance exceeding 4% seasonally adjusted by our calculation.

Nonetheless, activity remains broadly quiet with resales still more than 15% below the 10-year average.

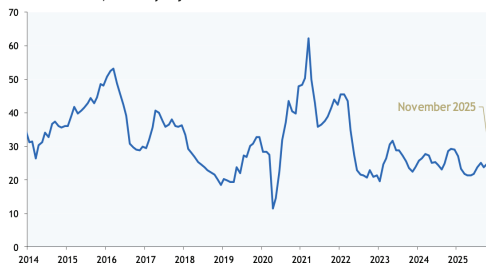
Buyers' ongoing struggles with poor affordability are keeping many on the sidelines. Lower interest rates and price declines in the past year and a half have only partly restored their capacity to purchase a home.

At least, buyers have the most options to choose from in more than a decade. A doubling in homes for sale since 2022 gives buyers more time to decide, and strengthens their price negotiating.

Home values have been declining mildly since the start of this year with November's MLS HPI down 3.9% from a year ago.

We expect high inventory, and low affordability will drive prices down further in the coming months.

Vancouver-area home resales
Thousand units, seasonally adjusted annual rate



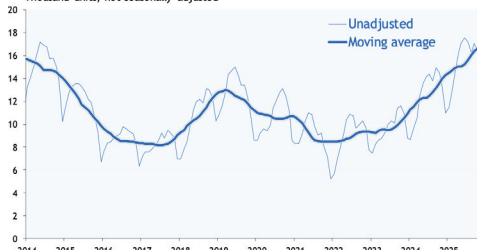
Source: Canadian Real Estate Association, Real Estate Board of Greater Vancouver, RBC Economics

Vancouver-area sales-to-new listings ratio
Seasonally adjusted



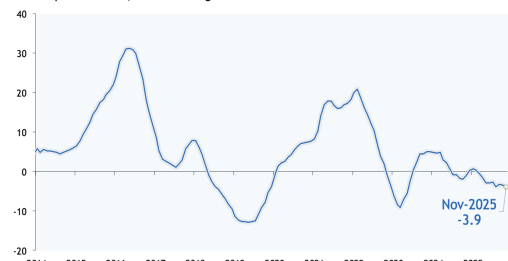
Source: Canadian Real Estate Association, Real Estate Board of Greater Vancouver, RBC Economics

Active listings: Metro Vancouver
Thousand units, not seasonally adjusted



Source: Real Estate Board of Greater Vancouver, RBC Economics

MLS Home Price Index: Vancouver area
Composite MLS HPI, annual % change



Source: Canadian Real Estate Association, Real Estate Board of Greater Vancouver, RBC Economics

Calgary: Falling prices sweeten buyers' options

Calgary could be breaking out of its summer lull. We estimate home resales jumped more than 5% from October to the highest level since January seasonally adjusted.

This occurred despite new listings falling in both October and November, suggesting buyers have been picking from (plentiful) existing inventory.

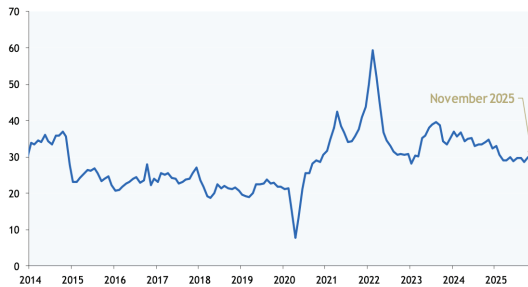
Declining prices, no doubt, has sweetened the options. The area's composite MLS HPI benchmark is down 4.6% (or \$27,200) from a year ago.

We expect home values to continue easing in the short term as more supply makes its way to the market. Many will be newly constructed homes with builders currently working on a record 26,500 units.

A historic ramp-up in homebuilding since 2022 has significantly contributed to homes for sale reaching a seven-year high lately.

Calgary home resales

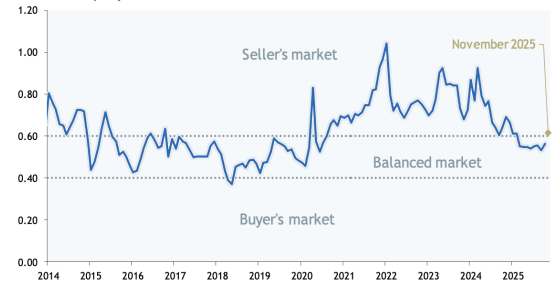
Thousand units, seasonally adjusted annual rate



Source: Canadian Real Estate Association, Calgary Real Estate Board, RBC Economics

Calgary sales-to-new listings ratio

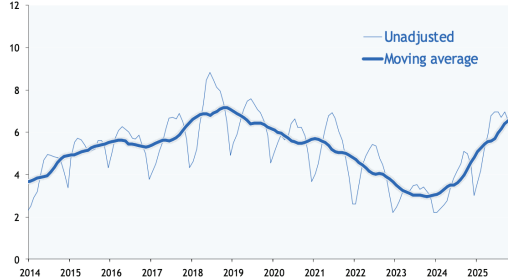
Seasonally adjusted



Source: Canadian Real Estate Association, Calgary Real Estate Board, RBC Economics

Active listings: Calgary

Thousand units, not seasonally adjusted



Source: Calgary Real Estate Board, RBC Economics

MLS Home Price Index: Calgary

Composite MLS HPI, annual % change



Source: Canadian Real Estate Association, Calgary Real Estate Board, RBC Economics



rbc.com/en/economics



linkedin.com/company/rbc-economics

The material contained in this report is the property of Royal Bank of Canada and may not be reproduced in any way, in whole or in part, without express authorization of the copyright holder in writing. The statements and statistics contained herein have been prepared by RBC Economics Research based on information from sources considered to be reliable. We make no representation or warranty, express or implied, as to its accuracy or completeness. This publication is for the information of investors and business persons and does not constitute an offer to sell or a solicitation to buy securities.

®Registered trademark of Royal Bank of Canada.

©Royal Bank of Canada.
