



January 7,
2026

Focus on Canadian housing

RBC Economics

**Quiet December caps off lackluster 2025
for Canada's housing markets**

Home resales were subdued in December in most areas around Canada. Adverse weather may have been a factor in some cases, but persistent affordability challenges, economic uncertainty and job market softness have, no doubt, kept many prospective homebuyers at a standstill.

In a way, a lackluster finish to 2025 marked the year for several housing markets. What started as promising recoveries in Vancouver, Fraser Valley, Calgary, Edmonton, Hamilton, Toronto, Ottawa, Montreal and Halifax supported by significant interest rate cuts were quickly dashed by the trade war, and ensuing loss of confidence. Early December reports from local real estate boards all but confirmed stalled or heavily constrained momentum since spring or summer.

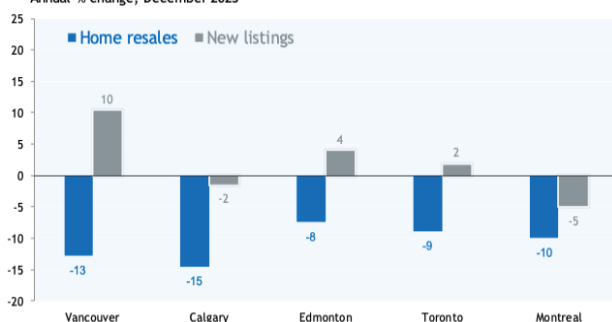
Increased inventory—especially in southern Ontario and British Columbia—also was a standout trend in 2025. Buyers enjoyed greater choice and bargaining power. It meant abundantly supplied markets such as Vancouver, Calgary and Toronto saw falling home values, continuing in December.

Prices in parts of the Prairies, Quebec and Atlantic Canada, however, maintained solid gains in part due to better affordability.

Major market highlights: December 2025

Market activity

Annual % change, December 2025



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

Supply-demand conditions

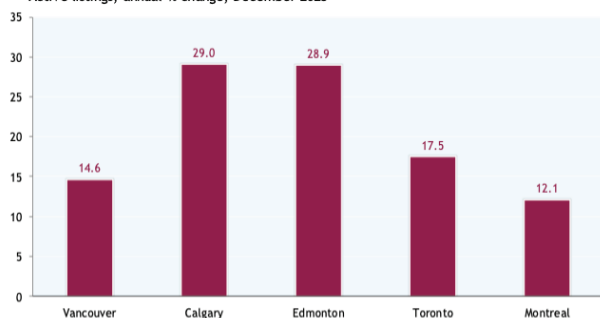
Estimated sales-to-new listings ratio, seasonally-adjusted, December 2025



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

Inventories

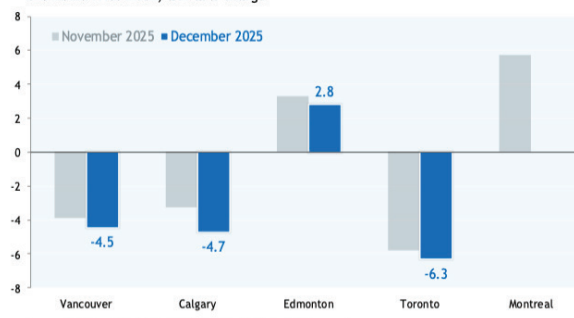
Active listings, annual % change, December 2025



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: Challenges aren't easing

An early arrival of winter became the latest roadblock to the Greater Toronto Area's recovery—complicating the search and marketing of homes.

Resales remained stalled in December, sustaining significant downward price pressure amid abundant inventory and fierce seller competition.

Resales fell for the fourth time in the last five months, edging 0.4% lower from November seasonally adjusted. Transactions are still some 25% below pre-pandemic levels.

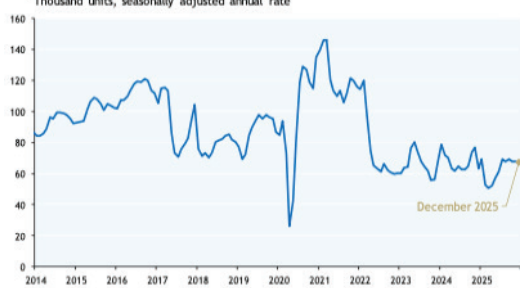
The composite MLS Home Price Index declined further in December, falling 0.7% from November seasonally adjusted, and 6.3% from a year ago.

Condo prices—especially in the 905 area—are facing the strongest pressure, though the downward trend is widespread and impacts all housing categories and sub-areas.

We see the road ahead remaining bumpy with poor (albeit improving) affordability, tariff-related economic uncertainty, challenging job prospects, lower immigration, and plenty inventory generating headwinds.

Toronto-area home resales

Thousand units, seasonally adjusted annual rate



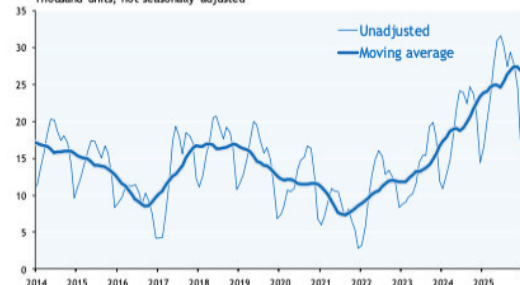
Toronto-area sales-to-new listings ratio

Seasonally adjusted



Active listings: Toronto area

Thousand units, not seasonally adjusted



MLS Home Price Index: Toronto area

Composite MLS HPI, annual % change



Montreal area: Going through a soft patch

Modest recovery lost momentum in the closing months of 2025 in Montreal.

We estimate resales fell marginally in December from November seasonally adjusted, following a 2.8% drop the previous month. This contrasts with a strong finish to 2024 when interest rate cuts stirred up activity. Part of the late-2025 slowdown could be attributable to fewer homes put up for sale this fall, which likely kept some prospective buyers wanting.

Inventory is still historically constrained despite increasing 12% from a year ago. Available single-family homes haven't risen at all. Inventory expansion almost exclusively resulted from more condos for sale.

Home values continue to appreciate moderately with single-family homes gaining most. Median sales price for this category is up 7.8% from December last year, significantly more than the 1.4% advance in condos.

We expect momentum will rebuild in 2026 with lower interest rates and recovering confidence driving demand, and higher prices attracting more sellers.

Montreal-area home resales

Thousand units, seasonally adjusted annual rate



Source: QPAREB/CREA, RBC Economics

Montreal-area sales-to-new listings ratio

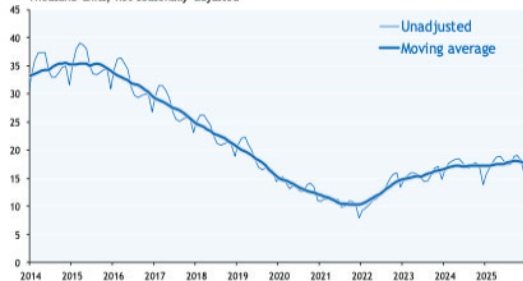
Seasonally adjusted



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: Weakness prevails despite timid recovery

The picture is still weak in Vancouver, but tentative signs of recovery have emerged since summer. Transactions have picked up after reaching a three-year low in spring.

The advance to date is modest. December resales remained 15% below the 10-year average. And, the path is uneven—we estimate activity slipped for the second time in seven months in December from November seasonally adjusted.

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. A doubling in homes for sale since 2022 also offers buyers more options and time to decide with a stronger bargaining position.

Home values are falling as a result. The area's MLS HPI was down 4.5% from a year ago in December. We think this trend is likely to persist.

Vancouver-area home resales

Thousand units, seasonally adjusted annual rate



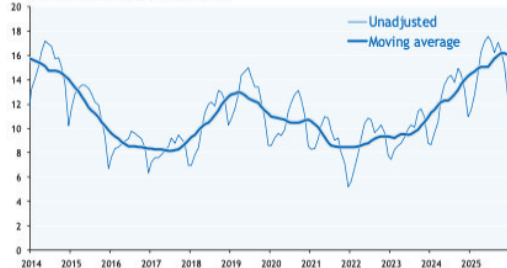
Vancouver-area sales-to-new listings ratio

Seasonally adjusted



Active listings: Metro Vancouver

Thousand units, not seasonally adjusted



MLS Home Price Index: Vancouver area

Composite MLS HPI, annual % change



Calgary: Prices fall, yet activity is stable and balanced

Calgary ended the year in a largely stable and balanced position. Resales ticked lower in December from November seasonally adjusted, but were little changed from spring.

Earlier tightness in supply-demand eased in the past year, and inventory has replenished after plummeting to a decades' low in 2023.

Home values have yet to steady, though. The composite MLS HPI was down 4.7% from a year ago in December—steepest annual decline in nine years.

A historic ramp-up in homebuilding since 2022 has contributed to homes for sale reaching a seven-year high in 2025, ultimately weighing on prices.

We expect home values to continue easing in the short term as more supply comes to the market. Many will be newly constructed homes with builders currently working on a record 26,000 units.

Calgary home resales

Thousand units, seasonally adjusted annual rate



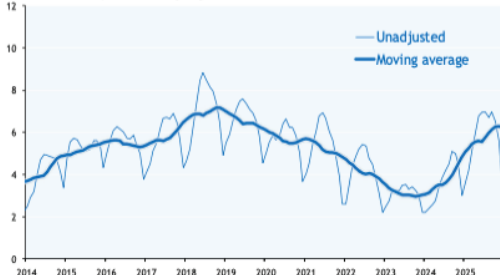
Calgary sales-to-new listings ratio

Seasonally adjusted



Active listings: Calgary

Thousand units, not seasonally adjusted



MLS Home Price Index: Calgary

Composite MLS HPI, annual % change





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