



Focus on Canadian housing

February 18,
2026

RBC Economics

**Canadian homebuyers get cold feet,
sellers out in force in January**

What is traditionally a quiet time of year in Canada's housing market was especially subdued in January.

Last month was the second weakest start to a year since the global financial crisis with home resales falling 5.8% from December, and a steep 16.2% from January 2025.

Inclement winter weather (including a major snowstorm hitting Ontario and frigid temperatures in other parts of the country) likely exaggerated the softness.

But, signs of buyer hesitation have been visible since fall when an emerging recovery stalled in the face of persistent affordability challenges, economic uncertainty, and slack in the job market.

Home resales in Canada

Thousand units, seasonally adjusted and annualized



Source: Canadian Real Estate Association, RBC Economics

Sellers braved the elements

Perhaps, more noteworthy is the fact sellers didn't seem bothered by weather disruptions.

More put homes for sale, boosting new listings by 7.3% from December across Canada.

This added more inventory for buyers to choose from. Active listings climbed 4.5% from a year ago with larger increases in Ontario and British Columbia where activity has slumped the most.

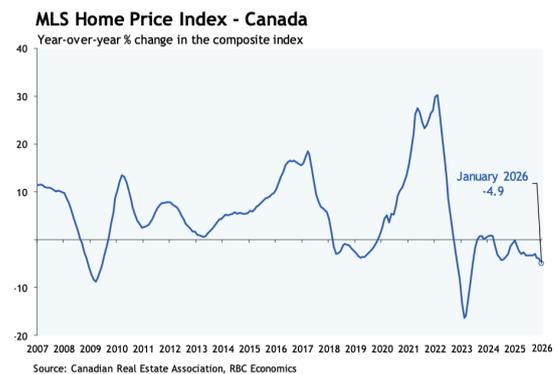
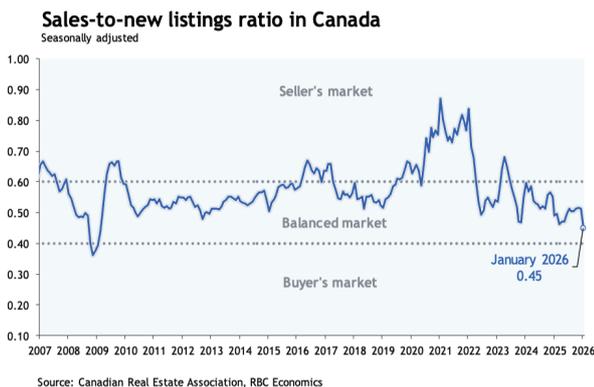
Home prices fall at accelerated pace

Buyers are using stronger bargaining position to extract price concessions. That resulted in the national composite MLS Home Price Index falling 0.9% from December—representing the 14th straight monthly drop and steepest since late-2023.

Ontario and B.C. account for most of the price weakness in the country, and saw the depreciating trend accelerate in January. Annual decline in the MLS HPI reached -7% in Ontario (compared to -5.7% in December), and -4.9% in B.C. (-4% the previous month).

Toronto (-8.1%) and Vancouver (-5.7%) experienced significant depreciation in the past year though smaller markets like Hamilton (-9.8%), Kitchener-Waterloo (-9.2%), London (-8.4%), Niagara region (-8.3%) and Fraser Valley (-7.1%) recorded larger declines.

Downward prices are also present in Alberta where the MLS HPI fell 3.2% and 0.5% from a year ago in Calgary and Edmonton, respectively. A wave of supply has played a big role in the provincial market story since the start of 2025.



Most regions outside Ontario and B.C. holding up

Housing market conditions elsewhere generally remain balanced despite softening somewhat in January.

Home prices continued to rise in Regina (5.5% from a year ago), Saskatoon (4.3%), Winnipeg (5.6%), Montreal (5.7%), Quebec City (14.8%), Moncton (11.8%), Fredericton (3.1%) and St. John's (9.3%).

The MLS HPI, however, is now below where it was a year ago in Ottawa (-1.9%), Saint John (-3.7%) and Halifax (-0.7%), mainly due to sharp increases in listings.

Gradual, uneven recovery remains our base case scenario

We expect the housing market recovery to get back on track once weather disruptions subside, and as confidence rebuilds.

Past interest rate cuts, brightening job prospects and improving affordability will help unlock some pent-up demand that has accumulated in recent years.

Still, this is poised to be a gradual process with diverging regional trends persisting through most of 2026.

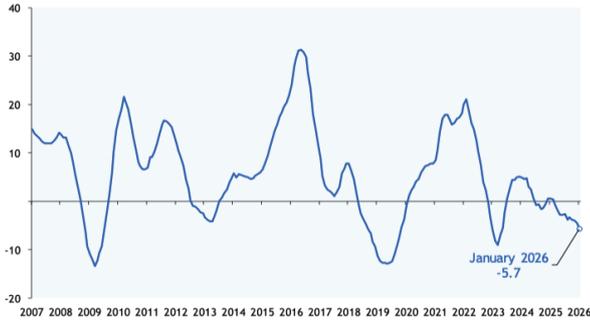
We see higher inventories sustaining—or possibly intensifying—downward price pressure in Ontario and B.C. near term, while tighter supply-demand supports further modest appreciation in most other regions.

January market snapshot

	Home resales (% change)		New listings (% change)		MLS Home Price Index (% change)		Sales-to-new listings ratio
	m/m	y/y	m/m	y/y	m/m	y/y	
Canada	-5.8	-16.2	7.3	-6.2	-0.9	-4.9	0.45
Toronto	-9.9	-19.3	1.1	-13.3	-1.7	-8.1	0.31
Montreal	-0.7	-14.9	22.2	7.8	0.1	5.7	0.56
Vancouver	-10.1	-29.0	9.4	-8.4	-1.4	-5.7	0.30
Calgary	3.4	-13.9	8.6	-2.0	-0.1	-3.2	0.56
Edmonton	-9.3	-28.0	3.7	1.5	-0.3	-0.5	0.56
Ottawa	1.5	-1.4	4.2	12.3	-1.2	-1.9	0.46

MLS Home Price Index - Vancouver

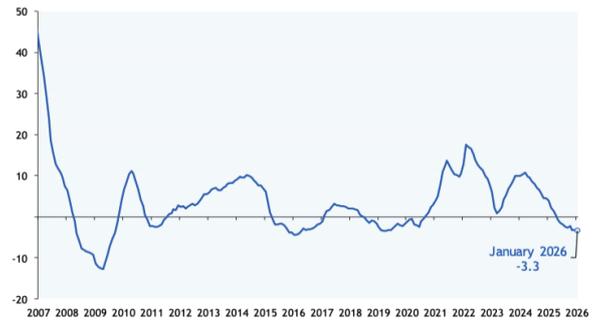
Year-over-year % change in the composite index



Source: Canadian Real Estate Association, RBC Economics

MLS Home Price Index - Calgary

Year-over-year % change in the composite index



Source: Canadian Real Estate Association, RBC Economics

MLS Home Price Index - Edmonton

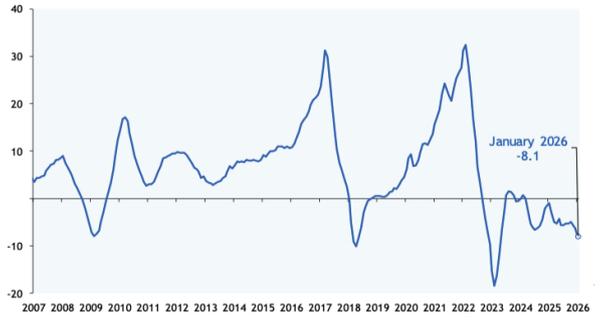
Year-over-year % change in the composite index



Source: Canadian Real Estate Association, RBC Economics

MLS Home Price Index - Toronto

Year-over-year % change in the composite index



Source: Canadian Real Estate Association, RBC Economics

MLS Home Price Index - Ottawa

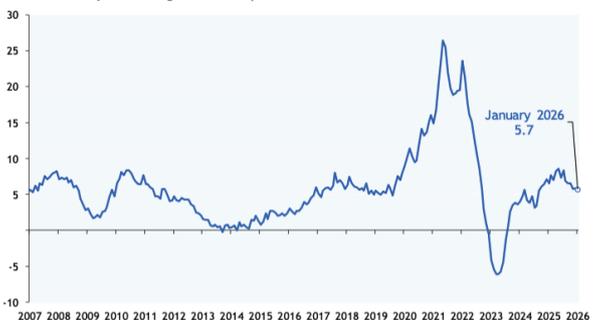
Year-over-year % change in the composite index



Source: Canadian Real Estate Association, RBC Economics

MLS Home Price Index - Montreal

Year-over-year % change in the composite index



Source: Canadian Real Estate Association, RBC Economics



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