



# Focus on Canadian housing

March 31, 2026

RBC Economics

Affordability gains become weaker and sparser in Canada



**Housing affordability continues to improve in Canada.** RBC's national aggregate affordability measure eased for an eighth consecutive quarter to 52.4% in Q4 2025 from an all-time high of 63% at the end of 2023. A fall in the measure represents an increase in affordability.



**Gains have slowed noticeably since the middle of 2025.** Quarterly declines have moderated to -0.4 percentage point in the past two quarters from an average -1.6 pts in the prior year and a half.



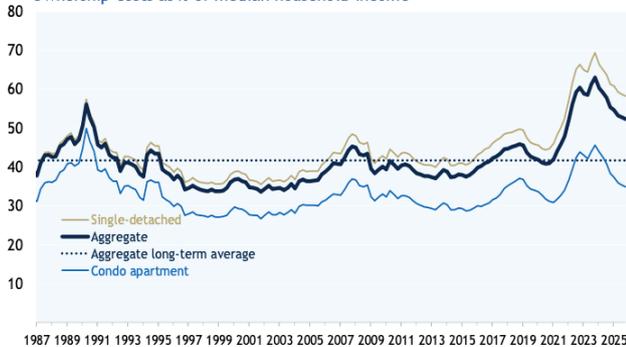
**But, many local markets buck the improving trend.** Montreal, Quebec City, Edmonton, Calgary and Winnipeg have seen back-to-back deteriorations in affordability. Vancouver and Toronto—where prices have been falling this past year—account for most of the national measure's decline.



**Gains look set to taper off further this year.** With the Bank of Canada expected to be on hold through 2026, only price drops in certain markets and sustained household income growth can be counted on to lighten the ownership cost load.

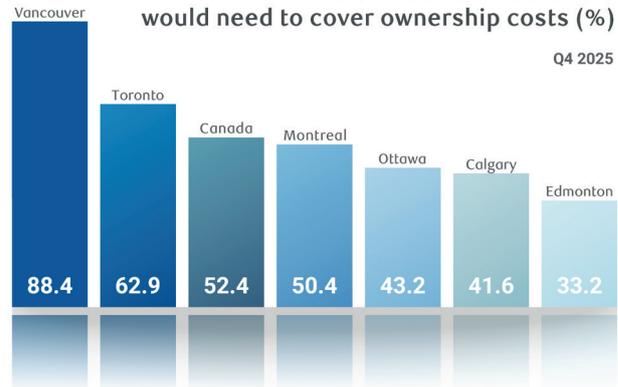
RBC Housing Affordability Measures - Canada

Ownership costs as % of median household income



The share of income a household would need to cover ownership costs (%)

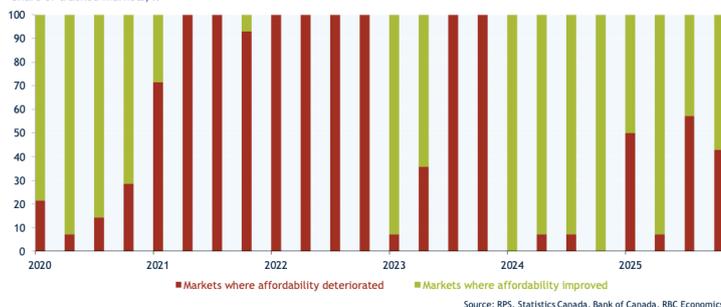
Q4 2025



## A more varied picture has emerged—but it's not unusual

### Fewer markets became more affordable last year

Share of tracked markets, %



What was nearly an across the board improvement in affordability conditions in 2024 has become sparser in Canada.

Only roughly half the markets we track remained on an easing trajectory by the second half of last year. Among them were the country's priciest—and least affordable—markets of Vancouver, Victoria and Toronto.

These cities have been mired in slumps that drove property values and ownership costs lower.

They were also among those that recorded more significant deterioration earlier during the pandemic, and thus, had more to reverse.

The half that is now seeing rising ownership costs generally boast of relatively tight supply, which is sustaining steady price appreciation.

Winnipeg, Montreal, Quebec City and St. John's are prime examples. In these markets, affordability ceased to recover when interest rates stabilized in the fall.

Diverging trends across the country isn't unusual. In fact, it's a return to the norm after local market cycles were uncharacteristically synchronized during and immediately after the pandemic.

## Little improvement in store

More varied outcomes will work to temper affordability gains in the year ahead.

Ongoing price corrections in some of Canada's largest markets (including Toronto and Vancouver), and sustained (albeit slowing) income growth will continue to restore purchasing power. However, the pace of improvement will increasingly be contained by home price appreciation in many other markets (including parts of the Prairies and Quebec).

### Affordability improvement poised to taper off nationwide

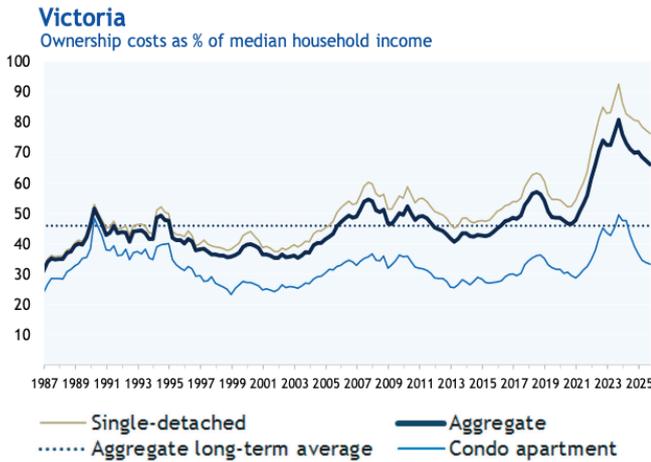
Ownership costs as % of household income, Canada, composite of all housing categories



This means we're likely approaching the end of the recuperation phase for housing affordability in Canada.

Further meaningful advancement would require steeper price declines or more robust income increases—neither seem likely under our base case forecasts, and housing scenarios for 2026 and 2027.

## Victoria – Buyers still face major hurdles



Source: RPS, Statistics Canada, Bank of Canada, Royal LePage, RBC Economics

Costs of owning a home fell further in Victoria with RBC's aggregate affordability measure declining for the seventh time in the past eight quarters, down 1.5 percentage points to 66% in Q4.

Yet, it's still nearly 36 ppts above where it was before the pandemic and more than 20 ppts above the long-run average, indicating prospective buyers still face major hurdles.

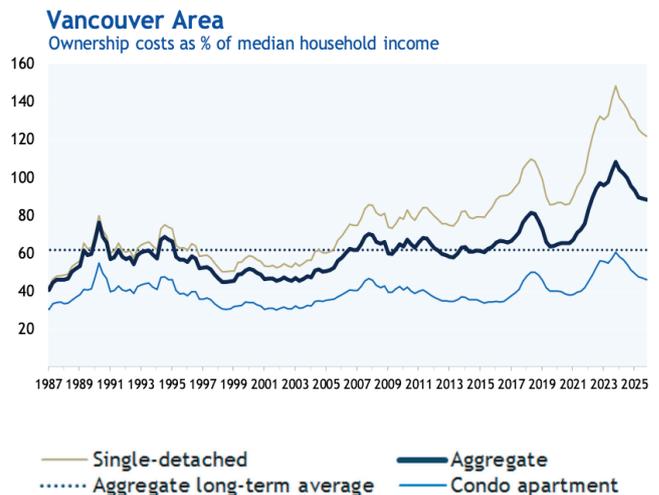
Unsurprisingly, home sales remain weak, and increased inventory heats up competition between sellers, causing prices to fall. We expect further depreciation ahead.

## Vancouver – Slump in full force

Vancouver's downtrend continues despite material easing in ownership costs in the past year.

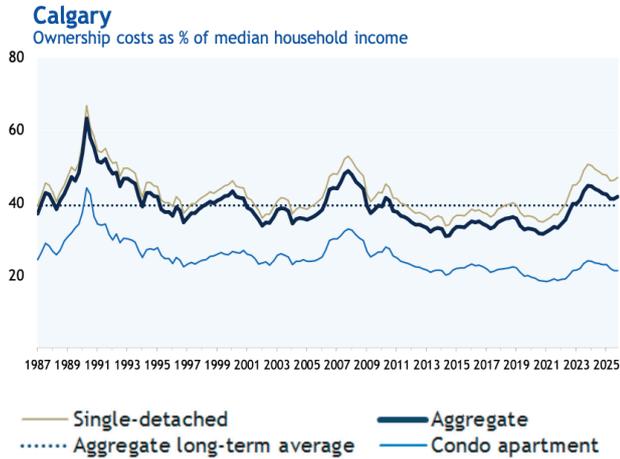
RBC's aggregate measure fell another 0.7 ppts last quarter, extending the decline to -7.2 ppts since Q4 2024—the steepest drop among markets we track. Truth is, Vancouver remains by far the least affordable market in Canada with a measure of 88.2%, and is still only about halfway into reversing the spike in costs during the pandemic.

It's no wonder many would-be buyers are waiting for prices to fall further before entering the market. We think more abundant inventory will keep property values declining.



Source: RPS, Statistics Canada, Bank of Canada, Royal LePage, RBC Economics

## Calgary – Affordability has largely normalized



Source: RPS, Statistics Canada, Bank of Canada, Royal LePage, RBC Economics

Calgary does feel some of the effects of the broader headwinds hampering other markets, but still maintains a solid pace of resales—some 30% above pre-pandemic levels.

Part of this resilience, no doubt, has to do with the fact that affordability has largely normalized near historical levels. At 41.5%, RBC's aggregate measure is just slightly higher than its long-term average (39.2%).

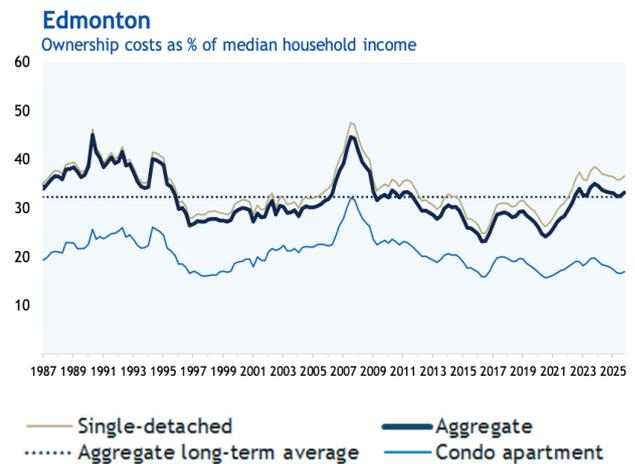
Strong homebuilding has increased supply in the past year, contributing to cooling prices. This appears to be sustaining buyers' interest.

## Edmonton – Buyers active despite softer activity

The situation is similar in Edmonton where affordability is back within historical norms, and transactions continue to hover at strong levels despite softening in the past year.

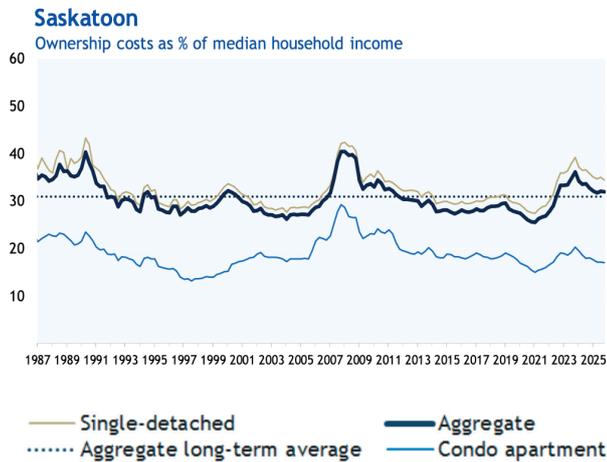
RBC's aggregate measure stood at 33.1% in Q4, just 0.7 pts above its long-run average. Home resales fell 5.8% last year, but still stood close to 50% above pre-pandemic levels at the start of 2026.

The outlook for buyers appears more positive as earlier supply-demand tightness has eased materially, and price appreciation moderates.



Source: RPS, Statistics Canada, Bank of Canada, Royal LePage, RBC Economics

## Saskatoon – Showing some volatility



Source: RPS, Statistics Canada, Bank of Canada, Royal LePage, RBC Economics

Overall, the tone remains one of vigour in Saskatoon. Home resales are still more than 40% above levels just before the pandemic—rising a further 2.4% in the past year—though there’s more volatility of late.

Economic and geopolitical turbulence could be taking a toll on confidence. Home values have levelled off after steadily appreciating since 2023 despite still-tight supply and demand.

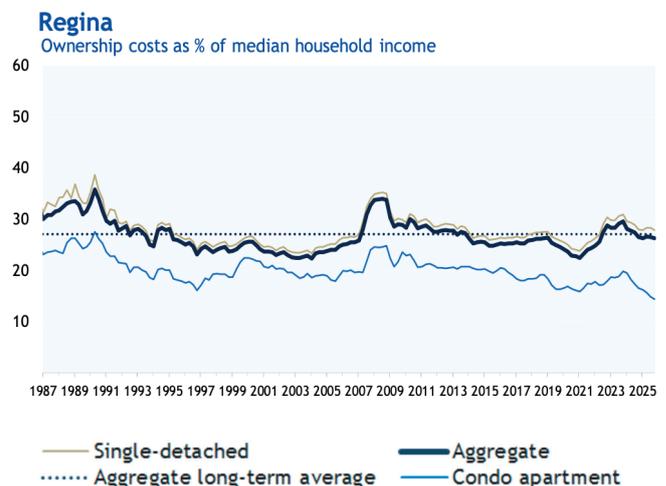
Affordability is unlikely to be an issue for most buyers. RBC’s aggregate measure was 32% in Q4, just marginally worse than the 31% long-term average. We think constructive affordability will prove a powerful counterweight to any confidence blow from external factors.

## Regina – Most affordable market

Regina has seen strong resales become more variable in recent months. However, it may be more attributable to fewer homes up for sale than any notable erosion in sentiment.

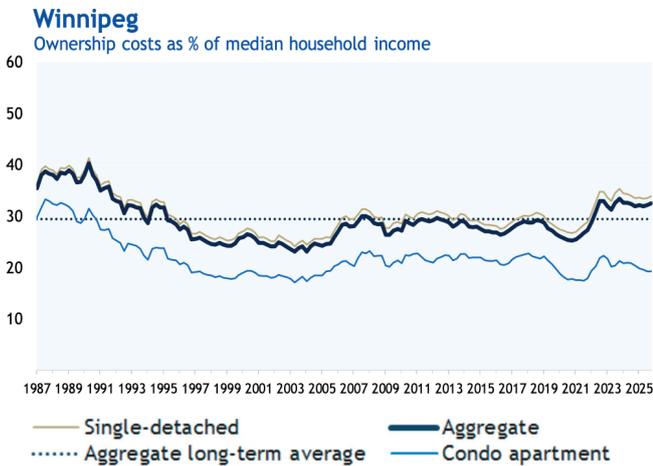
A decline in new listings since late 2025 has limited options for buyers, and kept supply and demand historically tight.

Buyers enjoy the best ownership affordability among the markets we track—a situation that further improved in Q4. RBC’s aggregate measure eased 0.3 pts to 26.3%. We see this continuing to fuel solid demand.



Source: RPS, Statistics Canada, Bank of Canada, Royal LePage, RBC Economics

## Winnipeg – Increasing stress at the margin



Source: RPS, Statistics Canada, Bank of Canada, Royal LePage, RBC Economics

The two-year-long market rally in Winnipeg has hit some bumps with residential transactions softening since fall.

Supply factors are partly to blame. The number of sellers entering the market has dropped. However, rising ownership costs could be curbing buyers' enthusiasm as well.

Winnipeg is one of only four markets we track where the RBC aggregate affordability measure has deteriorated in the past year, including a 0.4 ppt increase in Q4. While 32.6% would suggest conditions remain manageable for most buyers, the widening divergence from the historical average (29.4%) points to increasing stress at the margin.

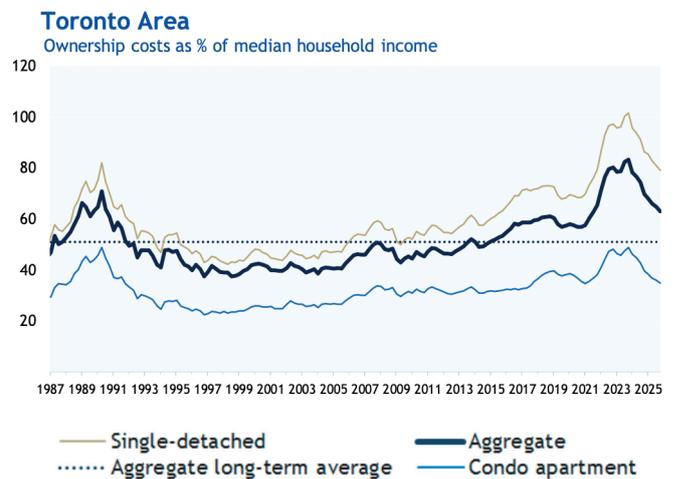
## Toronto – Notable affordability relief still comes short

Falling home values in the Toronto area are helping restore ownership affordability at one of the fastest paces in the country.

Not only is RBC's aggregate measure down a hefty 6.9 ppts in the past year—including an eighth straight decline of 1.8 ppts in Q4—it's the furthest along in reversing the massive pandemic increase among markets we track.

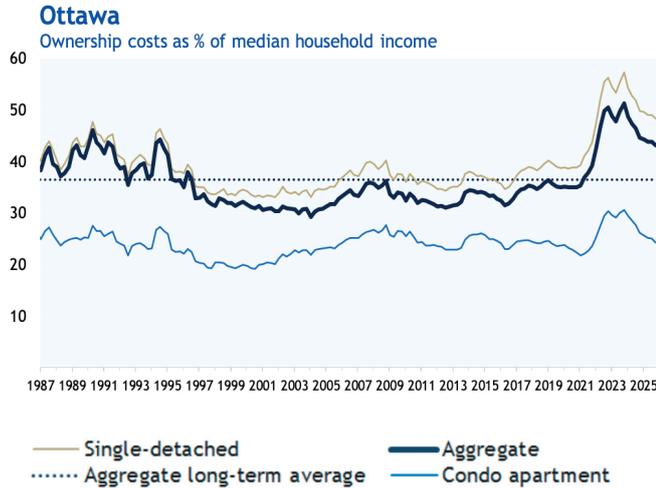
Declines since early-2024 have now offset some 80% of the earlier spike, which compares to a 52% overall average in Canada.

Yet, Toronto buyers still face difficult hurdles with 62.9% of a typical household's income needed to cover the costs of owning an average home at current prices. This makes many prospective buyers reluctant to enter the market at a time of elevated economic uncertainty, and while prices look likely to drop further amid abundant inventory.



Source: RPS, Statistics Canada, Bank of Canada, Royal LePage, RBC Economics

## Ottawa – Affordability strains persist despite improvement



Source: RPS, Statistics Canada, Bank of Canada, Royal LePage, RBC Economics

Cooling signs have emerged in Ottawa since fall as broader headwinds reach the nation's capital.

Resales and values have broken from years-long rising trends, moderating slightly so far. Affordability remains strained despite easing materially the last two years.

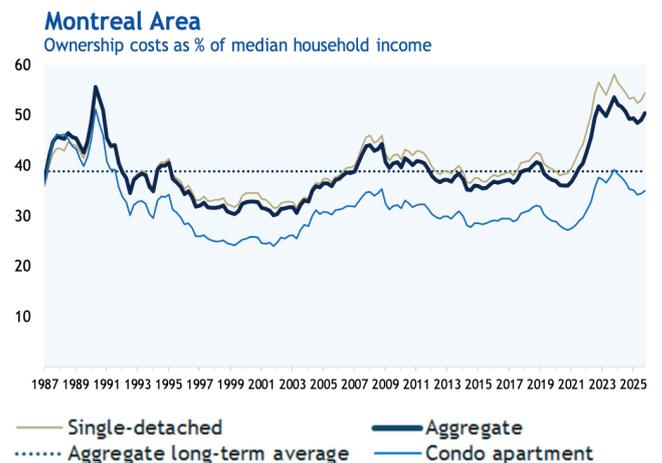
RBC's aggregate affordability measure (43.2%) is 6.7 ppts above its long-run average, and more than 8 ppts higher than it was before the pandemic. We think such strains will keep buyers cautious and determined to extract price concessions from sellers.

## Montreal – Harder to afford a home

Montreal has displayed much resilience in the past year with resale transactions off only slightly, and prices maintaining their upward trajectory in the face of economic turbulence.

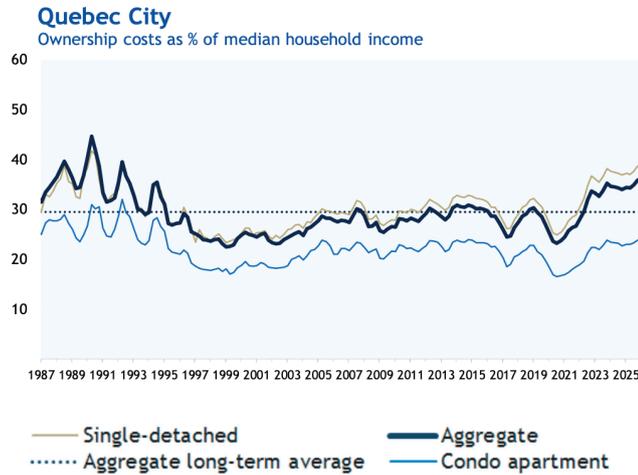
The flipside is it's become harder to afford a home. RBC's aggregate measure (50.4%) increased 1.1 ppts since Q4 2024 with most of the deterioration taking place in Q4 2025 (up 1.3 ppts). This has stunted the restoration process that began in 2023, and kept the measure near its worst level.

We think it will increasingly hold back buyers. For now, tight inventory maintains upward pressure on home values, though we'd expect gradual easing ahead.



Source: RPS, Statistics Canada, Bank of Canada, Royal LePage, RBC Economics

## Quebec City – Ownership costs at decades high



Quebec City has been one of Canada's hotter markets with double-digit price gains in 2025.

Activity has become uneven lately, but inventory remains historically low and buyer competition intense. Affordability hasn't improved at all this cycle.

RBC's aggregate measure stands at its worst level in more than three decades. Still, at 35.9%, it compares favourably to Montreal and other major Canadian centres, keeping buyers engaged.

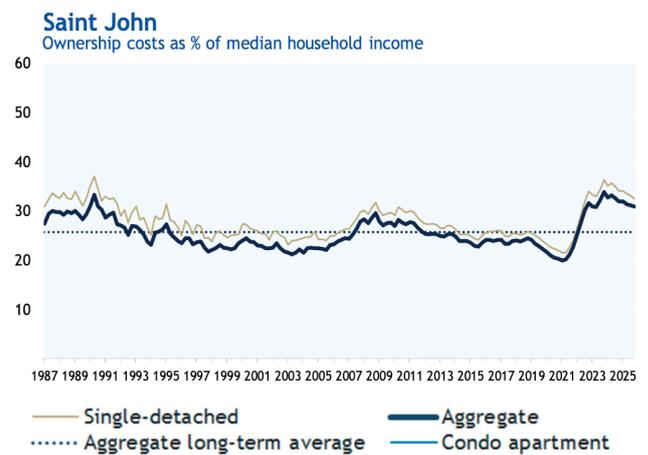
We expect low supply to demand continuing to sustain solid home value gains.

## Saint John – Recovery running out of steam?

Saint John stayed on a recovery track last year with resales rising 7.6%, and home prices consolidating earlier gains.

Results have been more variable in early-2026, though. Home values have recently come under downward pressure as previously tight supply-demand conditions eased. The upside is it's helping to further restore affordability.

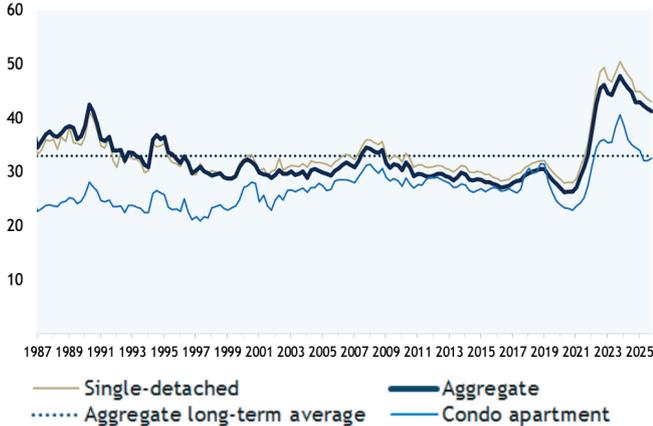
RBC's aggregate measure edged 0.3 pts lower to 30.9% in Q4, the fifth drop in the past six quarters. More progress is needed to reset conditions to pre-pandemic levels, but Saint John continues to rank among the most affordable markets we track.



## Halifax – Challenging environment holds back buyers

### Halifax

Ownership costs as % of median household income



Source: RPS, Statistics Canada, Bank of Canada, Royal LePage, RBC Economics

Affording a home in Halifax remains challenging despite ownership costs easing in the past couple of years.

RBC's affordability measure was a hefty 41.2% in Q4 or still more than 11 pts above its long-run average. Cost declines since early 2024 have reversed only one-third of steep pandemic increases.

Persistent strains have contributed to stalling resales in 2025, though the impact on prices was largely muted through most of the year. Still tight supply relative to demand, and low—albeit rising—inventory have maintained support for home values.

That said, some price softness has emerged more recently, and could develop further.

## St. John's – Affordable conditions keep buyers motivated

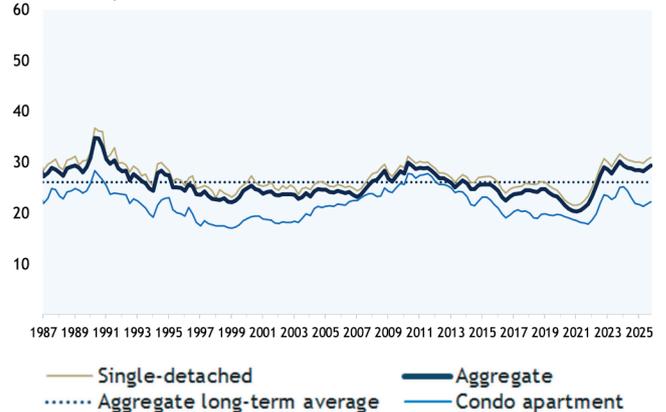
St. John's continues to operate at a high level with home resales up a solid 8% last year, exceeding pre-pandemic levels by more than 50%.

Highly affordable conditions are keeping buyers motivated. RBC's aggregate measure for St. John's (29.3%) is the second best among tracked markets. The fact that it deteriorated modestly in the past year did little to dampen enthusiasm.

Strong demand relative to supply has sustained steady price increases. We expect further gains near term.

### St. John's

Ownership costs as % of median household income



Source: RPS, Statistics Canada, Bank of Canada, Royal LePage, RBC Economics

## How the RBC Housing Affordability Measures work

The RBC Housing Affordability Measures show the proportion of median pre-tax household income that would be required to cover mortgage payments (principal and interest), property taxes, and utilities based on the benchmark market price for single-family detached homes and condo apartments, as well as for an overall aggregate of all housing types in a given market.

The aggregate of all categories includes information on semi-detached, row houses, townhouses and plexes—categories not covered in this report—in addition to single-family detached homes and condominium apartments. In general, single-family detached homes and condo apartments represent the bulk of the housing stock (excluding purpose-built rental buildings).

Mortgage payments are based on a 20% down payment, a 25-year mortgage loan and a five-year fixed mortgage rate. The latter is a weighted average of 5-year fixed rates charged by chartered banks on new insured and uninsured mortgages.

Benchmark prices are sourced from RPS Real Property Solutions.

RBC's affordability measures use household income rather than family income to account for unattached individuals. Pre-tax income doesn't show the effect of various provincial property-tax credits, which could alter relative levels of affordability. Quarterly income is obtained by interpolating annual data. We apply the growth in average weekly earnings to extend the income series to the latest period. The median income represents the value below and above which lays an equal number of observations.

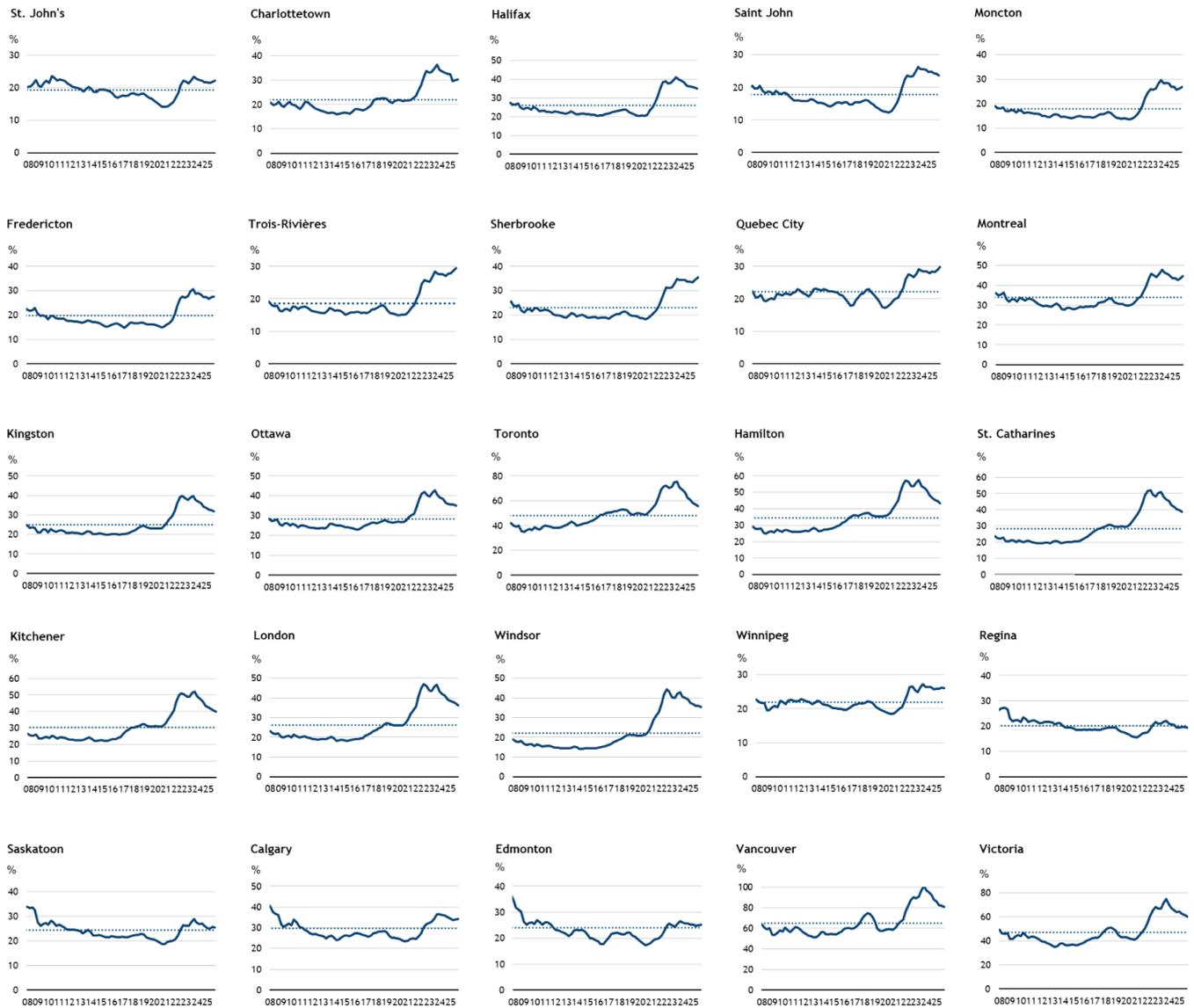
The higher the measure, the less affordable owning a home is. For example, an affordability measure of 50% means that home ownership costs, including mortgage payments, utilities, and property taxes would take up 50% of a typical household's pre-tax income at current price and interest rate levels.

## Summary tables

| Aggregate of all categories |              |           |           |                                   |              |              |                    | Single-family detached |              |           |           |                                   |              |              |                    | Condominium apartment |              |           |           |                                   |              |              |                    |
|-----------------------------|--------------|-----------|-----------|-----------------------------------|--------------|--------------|--------------------|------------------------|--------------|-----------|-----------|-----------------------------------|--------------|--------------|--------------------|-----------------------|--------------|-----------|-----------|-----------------------------------|--------------|--------------|--------------------|
| Market                      | Price        |           |           | RBC Housing Affordability Measure |              |              |                    | Market                 | Price        |           |           | RBC Housing Affordability Measure |              |              |                    | Market                | Price        |           |           | RBC Housing Affordability Measure |              |              |                    |
|                             | Q4 2025 (\$) | Q/Q % ch. | Y/Y % ch. | Q4 2025 (%)                       | Q/Q Ppt. ch. | Y/Q Ppt. ch. | Avg. since '85 (%) |                        | Q4 2025 (\$) | Q/Q % ch. | Y/Y % ch. | Q4 2025 (%)                       | Q/Q Ppt. ch. | Y/Q Ppt. ch. | Avg. since '85 (%) |                       | Q4 2025 (\$) | Q/Q % ch. | Y/Y % ch. | Q4 2025 (%)                       | Q/Q Ppt. ch. | Y/Q Ppt. ch. | Avg. since '85 (%) |
| Canada                      | 806,900      | -1.1      | -1.0      | 52.4                              | -0.4         | -3.0         | 41.7               | Canada                 | 896,200      | -1.0      | -0.4      | 58.3                              | -0.4         | -3.0         | 44.4               | Canada                | 527,600      | -1.7      | -5.7      | 34.9                              | -0.4         | -3.5         | 33.2               |
| Victoria                    | 1,154,500    | -2.0      | -1.3      | 66.1                              | -1.3         | -3.8         | 45.9               | Victoria               | 1,337,700    | -1.5      | -1.3      | 76.2                              | -1.2         | -4.5         | 50.1               | Victoria              | 546,700      | -1.9      | -12.9     | 33.3                              | -0.6         | -5.8         | 32.0               |
| Vancouver area              | 1,450,500    | -0.5      | -3.3      | 88.4                              | -0.5         | -7.0         | 61.7               | Vancouver area         | 2,036,300    | -1.0      | -3.4      | 121.7                             | -1.5         | -10.0        | 75.4               | Vancouver area        | 717,400      | -1.7      | -6.8      | 46.1                              | -0.7         | -5.0         | 39.2               |
| Calgary                     | 716,200      | -0.4      | 2.0       | 41.6                              | 0.6          | -0.9         | 39.2               | Calgary                | 810,600      | -0.4      | 2.4       | 46.9                              | 0.7          | -0.9         | 42.4               | Calgary               | 319,500      | -2.9      | -5.9      | 21.2                              | 0.0          | -1.8         | 25.2               |
| Edmonton                    | 509,900      | 0.0       | 4.6       | 33.2                              | 0.7          | 0.0          | 32.4               | Edmonton               | 561,600      | -0.4      | 4.7       | 36.6                              | 0.6          | 0.0          | 34.2               | Edmonton              | 215,600      | -0.7      | -3.8      | 16.9                              | 0.3          | -1.0         | 20.7               |
| Saskatoon                   | 478,700      | -0.2      | 4.4       | 32.0                              | -0.1         | -0.8         | 31.0               | Saskatoon              | 508,600      | -1.8      | 2.5       | 34.4                              | -0.6         | -1.4         | 32.9               | Saskatoon             | 228,200      | -1.0      | 0.0       | 17.0                              | -0.2         | -1.0         | 19.1               |
| Regina                      | 374,300      | -1.1      | 6.4       | 26.3                              | -0.3         | -0.2         | 27.1               | Regina                 | 388,700      | -1.8      | 7.6       | 27.9                              | -0.4         | -0.1         | 28.3               | Regina                | 179,400      | -4.9      | -12.3     | 14.5                              | -0.4         | -2.1         | 20.4               |
| Winnipeg                    | 444,100      | -0.3      | 8.5       | 32.6                              | 0.4          | 0.6          | 29.4               | Winnipeg               | 453,300      | -0.5      | 7.7       | 33.9                              | 0.4          | 0.4          | 30.7               | Winnipeg              | 246,400      | -2.3      | -1.4      | 19.3                              | 0.0          | -1.1         | 22.3               |
| Toronto area                | 1,118,800    | -2.6      | -5.9      | 62.9                              | -1.8         | -6.9         | 50.9               | Toronto area           | 1,423,500    | -2.0      | -4.1      | 79.1                              | -1.7         | -7.2         | 59.5               | Toronto area          | 594,100      | -2.7      | -9.0      | 34.9                              | -1.0         | -4.8         | 32.3               |
| Ottawa                      | 713,800      | -1.5      | 1.5       | 43.2                              | -0.6         | -1.4         | 36.5               | Ottawa                 | 794,900      | -1.3      | 1.9       | 48.4                              | -0.7         | -1.5         | 39.6               | Ottawa                | 383,900      | -3.2      | -3.4      | 24.3                              | -0.7         | -1.8         | 24.3               |
| Montreal area               | 752,500      | 2.3       | 8.2       | 50.4                              | 1.3          | 1.1          | 38.9               | Montreal area          | 807,200      | 2.3       | 8.1       | 54.3                              | 1.3          | 1.0          | 40.1               | Montreal area         | 519,600      | 1.4       | 4.6       | 35.1                              | 0.6          | -0.3         | 32.0               |
| Quebec City                 | 517,800      | 2.6       | 12.9      | 35.9                              | 1.0          | 2.0          | 29.4               | Quebec City            | 551,400      | 2.5       | 11.7      | 38.7                              | 1.0          | 1.7          | 30.4               | Quebec City           | 343,500      | 2.2       | 12.2      | 23.9                              | 0.6          | 1.2          | 22.4               |
| Saint John                  | 381,100      | -1.2      | 2.2       | 30.9                              | -0.3         | -1.1         | 25.7               | Saint John             | 392,800      | -2.5      | 0.5       | 32.5                              | -0.6         | -1.6         | 28.0               | Saint John            | n/a          | n/a       | n/a       | n/a                               | n/a          | n/a          |                    |
| Halifax                     | 625,600      | -1.0      | 2.7       | 41.2                              | -0.5         | -1.6         | 33.0               | Halifax                | 642,600      | -1.0      | 2.2       | 43.0                              | -0.4         | -1.8         | 33.6               | Halifax               | 497,800      | 1.7       | 0.4       | 32.5                              | 0.4          | -1.9         | 26.9               |
| St. John's                  | 418,900      | 0.4       | 8.0       | 29.3                              | 0.5          | 0.9          | 26.0               | St. John's             | 433,100      | 0.4       | 8.0       | 31.0                              | 0.6          | 1.0          | 27.4               | St. John's            | 318,600      | 1.0       | 5.6       | 22.2                              | 0.5          | 0.3          | 21.9               |

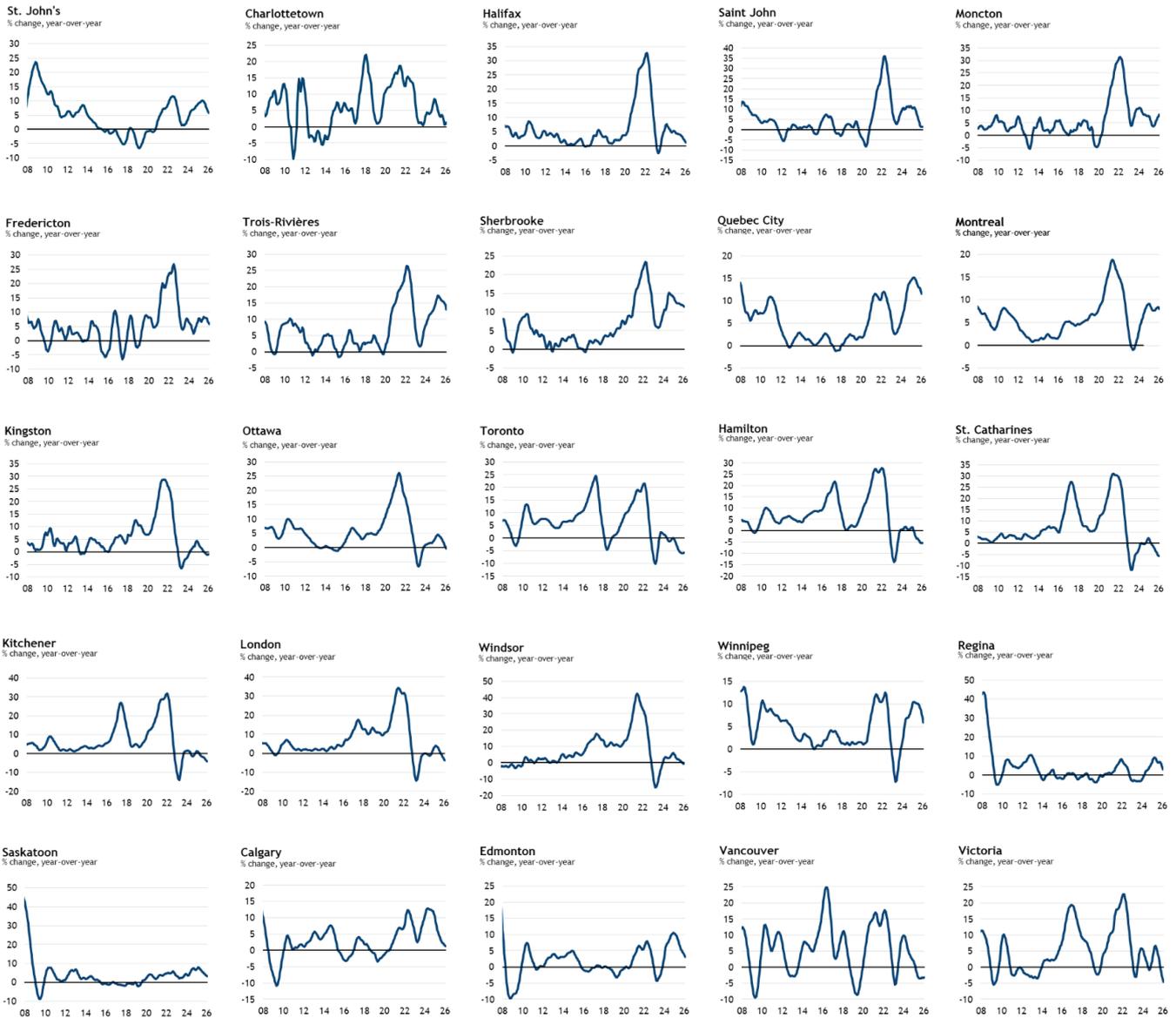
# Mortgage carrying costs by city

Our standard RBC Housing Affordability Measure captures the proportion of median pre-tax household income required to service the cost of a mortgage on an existing housing unit at market prices, including principal and interest, property taxes and utilities; the modified measure used here includes the cost of servicing a mortgage, but excludes property taxes and utilities due to data constraint in the smaller CMAs. This measure is based on a 20% down payment, a 25-year mortgage loan at a five-year fixed rate, and is estimated on a quarterly basis. The higher the measure, the more difficult it is to afford a home.



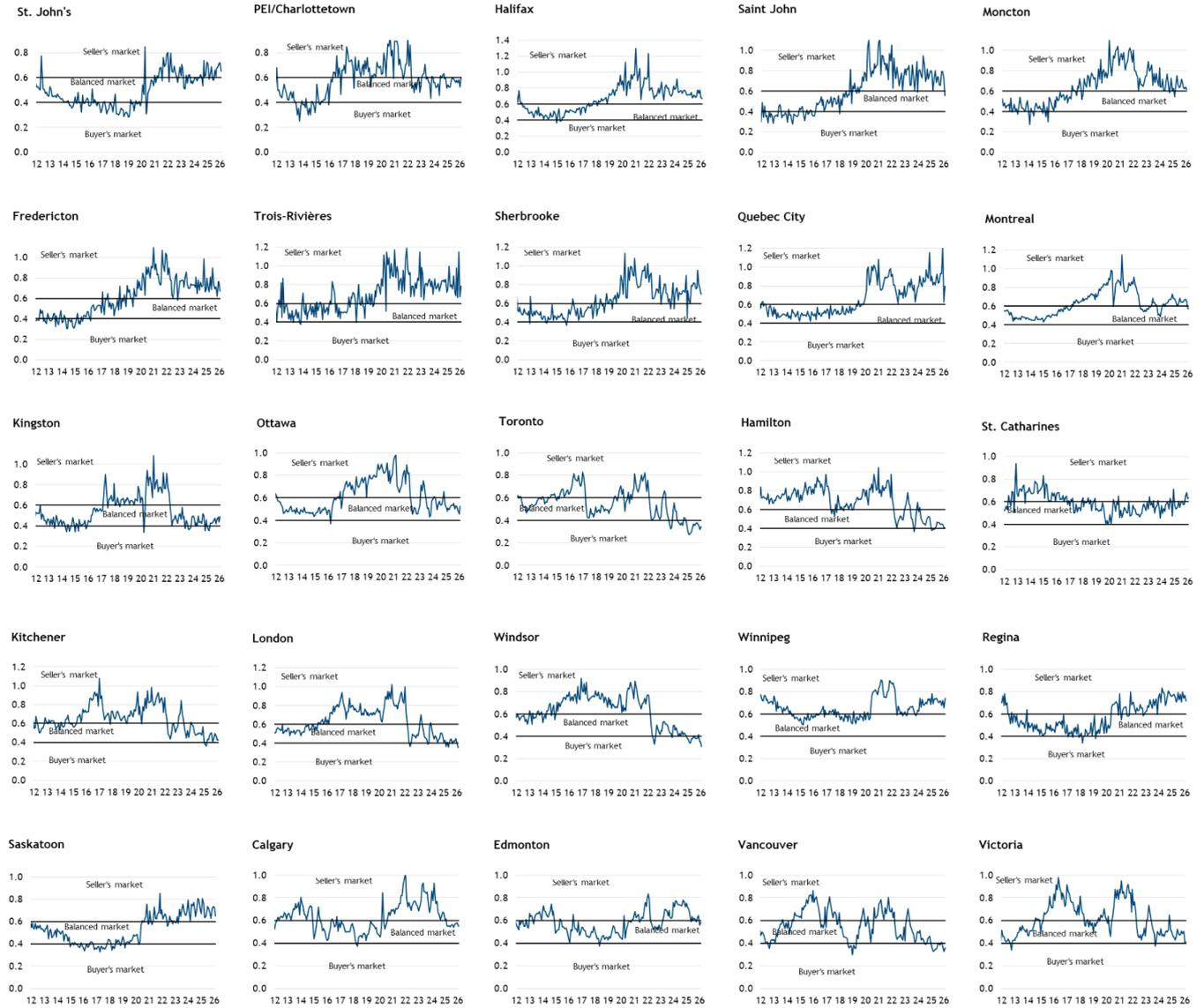
The dashed line represents the long-term average for the market.  
 Source: RPS, Statistics Canada, Bank of Canada, RBC Economics

# Aggregate home price



Source: RPS, RBC Economics

# Home sales-to-new listings ratio



Source: Canadian Real Estate Association, RBC Economics



[rbc.com/en/economics](https://www.rbc.com/en/economics)



[linkedin.com/company/rbc-economics](https://www.linkedin.com/company/rbc-economics)

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