



June 29, 2026

# Focus on Canadian housing

RBC Economics

## Improving housing affordability continues in most Canadian major markets



**RBC's national housing affordability measure is at a four-year best**, falling 1.4 percentage-points to 53% in Q1 2026. A decline in the measure means improving affordability.



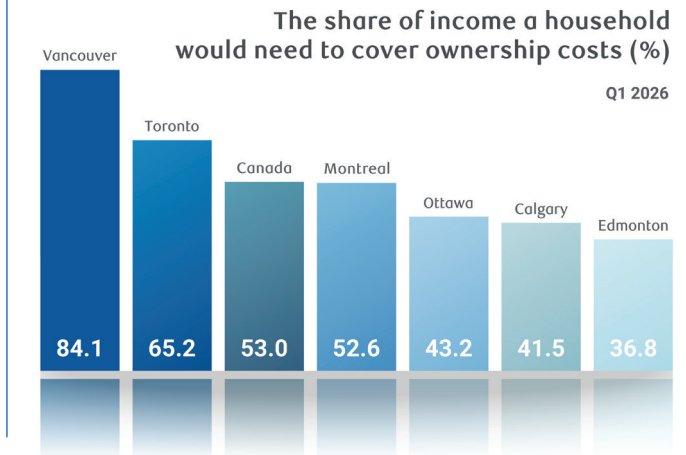
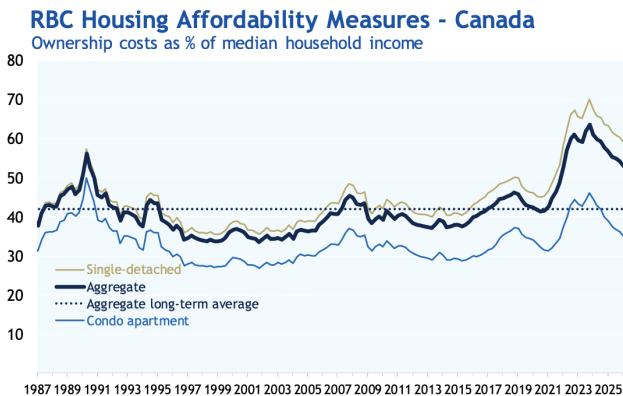
**Most regions saw gains**, led by Vancouver and Toronto—though both are still Canada's least affordable markets. Montreal, Quebec City, and St. John's buck the trend with rising homeownership costs.



**Condos have experienced the most progress.** The national condo affordability measure is now 35.2%—within a ppt of its pre-pandemic level—and some markets are even below Q4 2019.



**Further easing in affordability could get slimmer** as price declines taper off, and interest rates have likely passed cyclical lows, limiting reductions in mortgage costs.

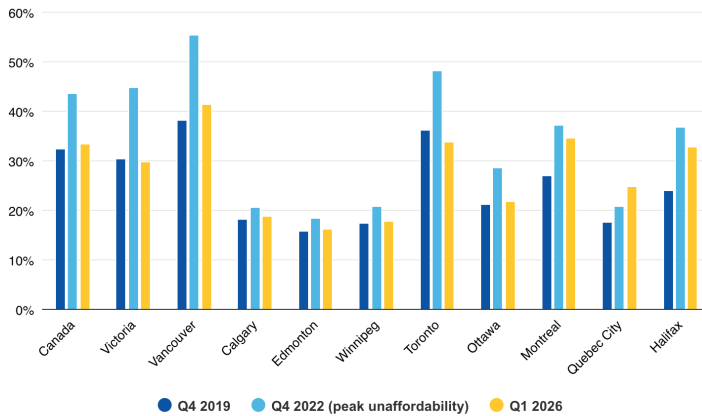


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## Condo affordability returns to pre-pandemic 'normal'

**Condo affordability is roughly in line with pre-pandemic in most major markets**

Condo affordability index by major market



Source: Statistics Canada, RBC Economics

Homeownership has been improving in Canada since early 2024—particularly for condos.

Price corrections have been sharper than other housing types, helping restore affordability back to 2019 levels in many markets. RBC's national condo affordability measure is 35.2%, less than a ppt from Q4 2019. Some markets have even improved from pre-pandemic conditions. Toronto now sits at 36.1% (down from 38.5% in Q4 2019) and Victoria at 31.8% (versus 32.2% in Q4 2019).

Though relief has been widespread, there are still markets where condo affordability remains meaningfully elevated from pre-pandemic norms.

Tight supply and the earlier population boom have contributed to an aggressive lift in condo prices in

Montreal, Quebec City and Halifax, which have yet to come down meaningfully.

Montreal's condo affordability index has even crested over Toronto's for the first time in 16 years. Halifax's condo affordability measure is closing in on Toronto's as well with less than 3 ppts of separation. That's the closest Halifax has been to Canada's second most expensive market in more than a decade.

## Ownership affordability gains are tapering off

The phase of diminishing ownership costs could be nearing an end. Prices appear to be stabilizing in most major markets, and we don't see additional interest rate cuts from the Bank of Canada this year.

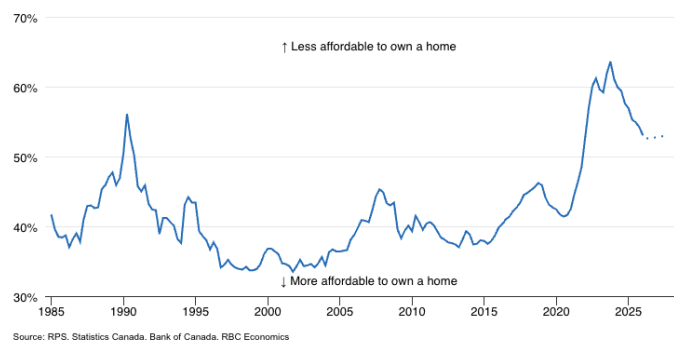
That means income growth would have to do a lot of the heavy lifting to see additional affordability gains—though labour market softness may limit the scope of that relief.

That said, purchasing power shouldn't materially deteriorate either. Stable prices and interest rates suggest households will see little change to mortgage costs this year. Labour markets are poised to tighten and should eventually support stronger wage growth, but it's likely a 2027 story once the cyclical downturn passes.

Relief is emerging for renters as well. Asking rents continue to fall across most markets with Toronto and Vancouver leading the way—mirroring the ownership market where these two cities are also seeing the largest improvements. Population contractions and stretched affordability are weighing on demand most heavily in these markets, supporting relief in both rental and home ownership.

**Affordability improvement poised to taper off nationwide**

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

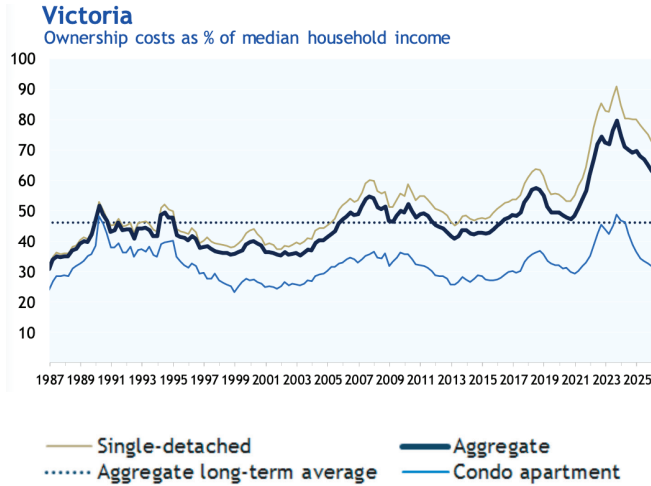


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## Victoria – Still a high bar to clear



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

Victoria’s ongoing market slump’s silver lining is buyers are seeing steady improvement in affordability.

RBC’s aggregate measure eased in eight of the past nine quarters, including a notable 2.1 percentage-point drop in Q1. Higher inventory and weak demand are keeping prices on a downward trajectory as sellers show flexibility to get deals done.

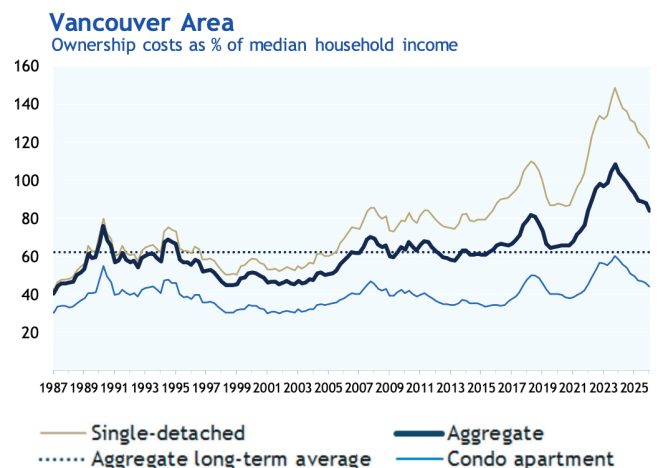
Still, at 63.2% the measure stacks up poorly against most other markets in Canada and continues to be an extremely high bar to clear for potential buyers. We see this further eroding home values near term.

## Vancouver area – Affordability relief insufficient to unlock demand

Ownership costs are coming down fast in the Vancouver area as the market remains in correction mode.

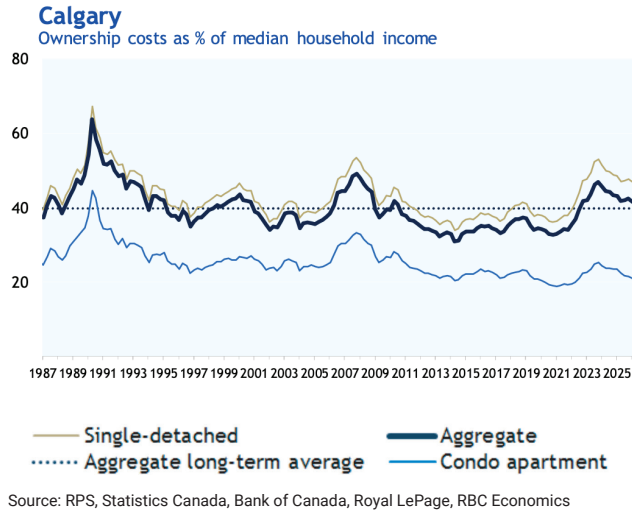
RBC’s aggregate measure fell the most among markets we track in Q1, tumbling 4 ppts from Q4, and a sizeable 9.3 ppts from a year ago. While certainly encouraging, progress to date reverses only half the massive deterioration seen during the pandemic, maintaining the measure (84.1%) as the worst in the country by a long shot.

It’s no surprise, then, that housing demand is stuck in a rut—heightened even more by economic uncertainty from the trade war and geopolitical tensions. The fiercely competitive landscape for sellers is likely to keep the price correction going into the second half of this year.



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

## Calgary – Normalized affordability supports solid activity



Most of the easing in ownership costs in Calgary are in the rear-view mirror.

The pace of decline in RBC’s aggregate affordability measure has moderated noticeably in the past three quarters alongside stabilizing home values. But with the measure (41.5%) close to its long-run average (39.8%), the financial burden of owning a home has largely normalized, becoming less of a constraint for prospective buyers.

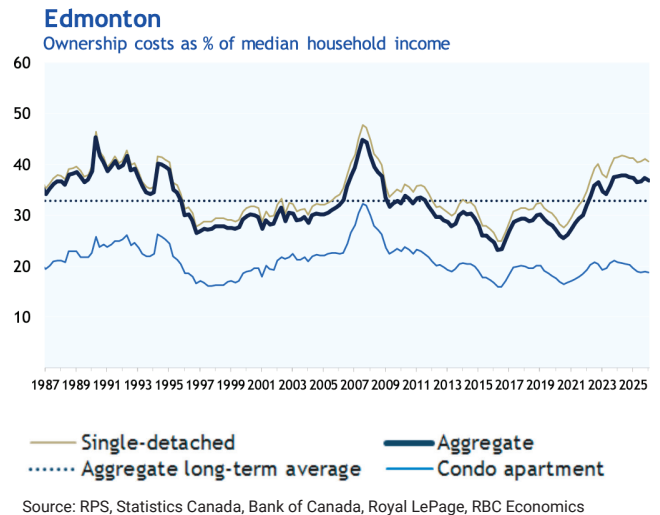
Solid activity—resales are running some 25% above pre-pandemic levels despite slowing in the past year—is testament to a generally supportive environment. Alberta’s vibrant economy also stands out against a murkier outlook in other parts of the country with its population still growing at a sustained clip.

## Edmonton – Hurdles persist

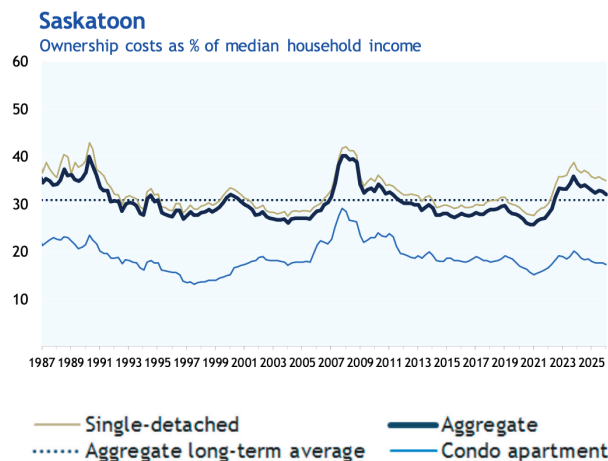
There’s been comparatively less progress in re-establishing a more affordable setting for Edmonton buyers.

RBC’s aggregate measure (36.8%) has changed little in the past year, down 0.5 percentage points from Q4 and Q1 a year ago. The gap that persists with the long-term average (32.9%) suggests some buyers face hurdles entering the market, contributing to lower transactions.

Yet, this is far from a tailspin. Home resales are still very robust—hovering nearly 40% above pre-pandemic levels. The market’s vigour coupled with modest inventory keep home values relatively firm.



## Saskatoon – Strong earlier momentum now waning



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

Affordability is unlikely to be an issue for most Saskatoon buyers. RBC’s aggregate measure stood at 32.1% in Q1, just marginally worse than the 30.9% long-term average.

It’s also been gradually improving in the past two years, including by 0.5 ppt in the latest period. This positive backdrop helps sustain some degree of vigour in the market. The number of transactions has exceeded pre-pandemic levels by more than 20% so far this year, though signs of cooling have emerged.

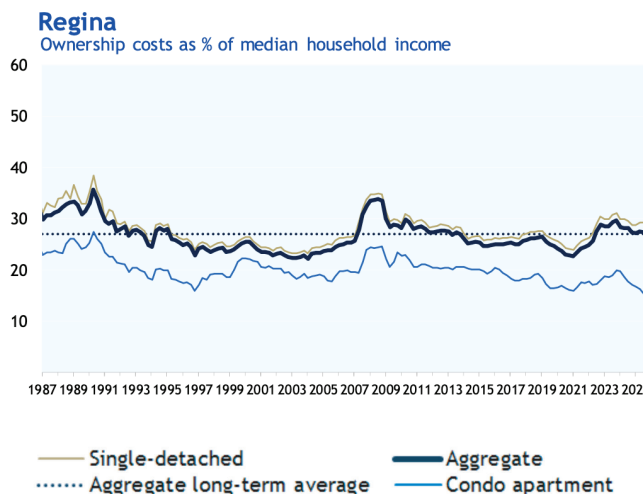
Economic and geopolitical turbulence could be taking a toll on confidence. Home value appreciation has lost substantial momentum despite still-tight supply and demand.

## Regina – Lack of sellers behind softer activity

It’s a similar story in Regina where robust resales have softened somewhat this year. However, that may be more attributable to fewer homes up for sale than any notable erosion in sentiment.

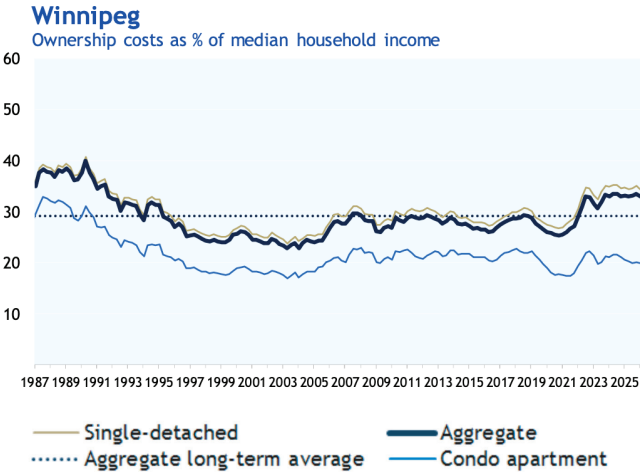
A decline in new listings since late 2025 has limited options for buyers, and kept supply and demand historically tight. Buyers enjoy the best ownership affordability among the markets we track—a situation that remained stable in Q1.

RBC’s aggregate measure edged up just marginally by 0.1 ppt to 27.2%.



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

## Winnipeg – Ownership costs have yet to ease



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

Winnipeg is among the few markets where the weight of ownership costs has yet to ease from a decades-high.

RBC's aggregate measure (33%) in Q1 was off only 0.5 ppt from its highest point since 1991. The near lack of relief mainly reflects steady home value appreciation supported by tight supply relative to demand.

But, elevated costs could be starting to take a toll on activity. Transactions fell 8% over the first five months of this year, dipping slightly below the pre-pandemic mark.

We think a deeper pullback in demand would be required to knock prices down, and drive a more meaningful improvement in affordability.

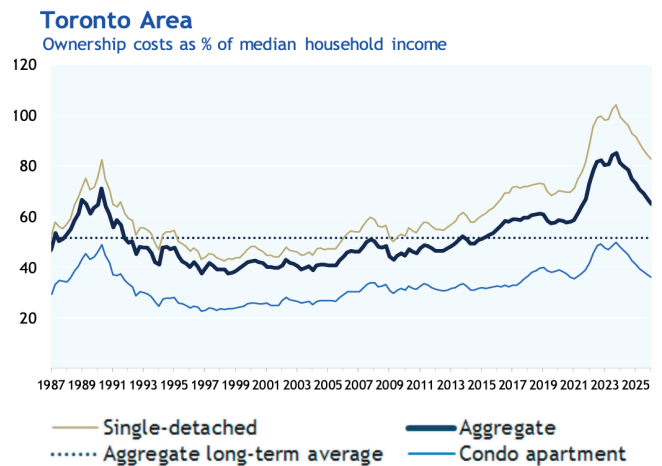
## Toronto – Condo affordability back to pre-pandemic level

Toronto's affordability continues to improve at a faster pace than most other markets—dropping 2.2 ppts to 65.2%—though gains remain uneven across housing types.

Condo prices have declined sharply in recent years and are nearly back to Q4 2019 levels. The price correction, alongside steadily rising incomes, has helped roll back the pandemic-era affordability deterioration entirely.

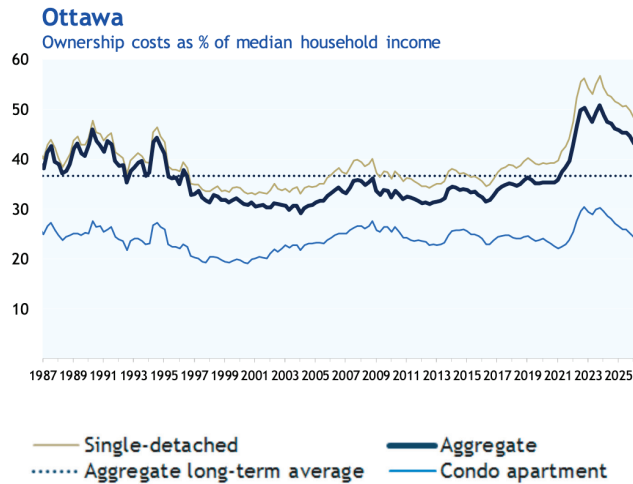
RBC's affordability index for condos now sits at 35.2%, just above its pre-pandemic level of 34.4% and slightly above the recommended 30% threshold. The split has reshuffled Toronto's rankings, pushing the region behind Montreal for condos.

Single-detached home affordability, however, remains severely strained with ownership costs consuming more than 80% of a typical household's pre-tax income, cementing Toronto's position as Canada's second least affordable market overall.



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

## Ottawa – Still grappling with affordability strains



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

Affordability in Ottawa has improved modestly, falling 1.4 ppts to 43.2%, though gains remain constrained by the single-detached market. Prices for single-detached homes have held relatively steady, limiting larger improvements to the overall index.

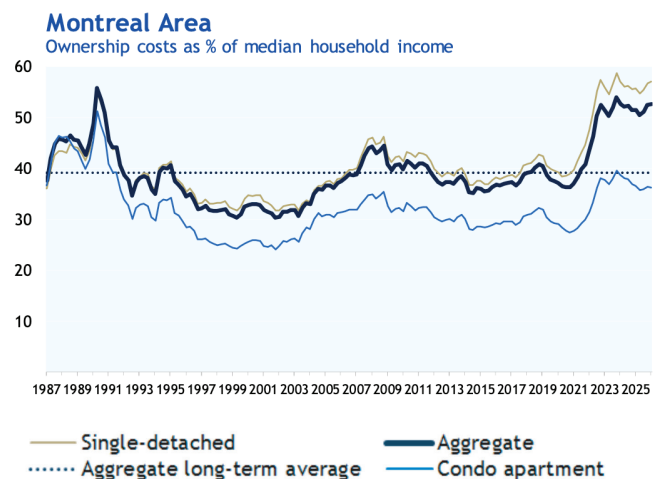
Condo prices, however, are softening at a steady pace—bringing the affordability measure to 24.4% in Q1 within a ppt of 23.8% in Q4 2019. Still, high ownership costs appear to be constraining overall resales, which remain historically low.

## Montreal – Price resilience delays affordability recovery

Montreal continues to be an outlier in the Canadian market. Prices remained remarkably resilient through Q1—5.5% above a year ago—pushing RBC’s affordability measure to 52.6%, the worst since 1990 and a second consecutive quarter of deterioration.

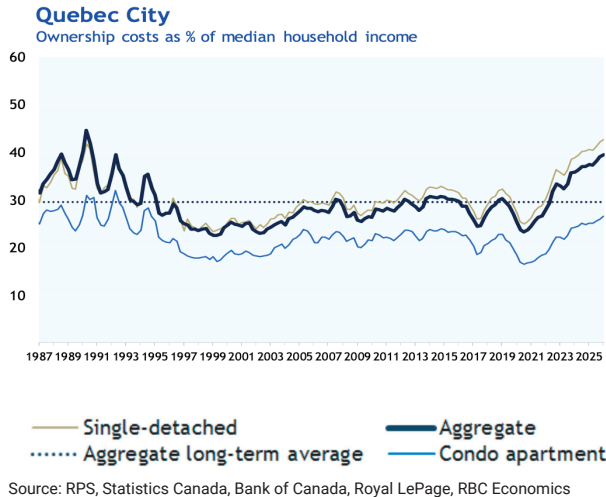
That price strength is working against buyers. Resales have cooled considerably over the first half of the year, which is beginning to ease price momentum. Affordability may return to an improving trend if valuations continue to soften—at least for condos where the correction has been concentrated.

Tight inventory for single-detached homes, however, will likely keep prices propped up.



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

## Quebec City – Deteriorating since end of 2023



Quebec City is still one of Canada’s hotter markets with home values continuing to climb over most of 2026.

Unlike most Canadian centres, it never experienced the price correction that enabled affordability gains elsewhere. Rising values and stable interest rates have steadily raised ownership costs over the past two quarters, making Quebec City the only market we track where conditions have not improved since the end of 2023.

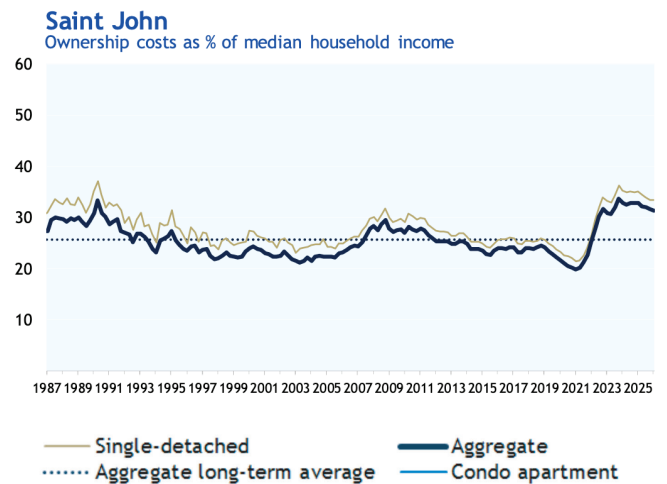
RBC’s aggregate measure now sits at 39.5%, 9.3 ppts above its 10-year average, marking the largest deterioration to historical norms among all markets we track.

Still, Quebec City remains among the most affordable of the markets we track, which should continue to support buyer demand—and values—in the months ahead.

## Saint John – Recovery hitting a plateau

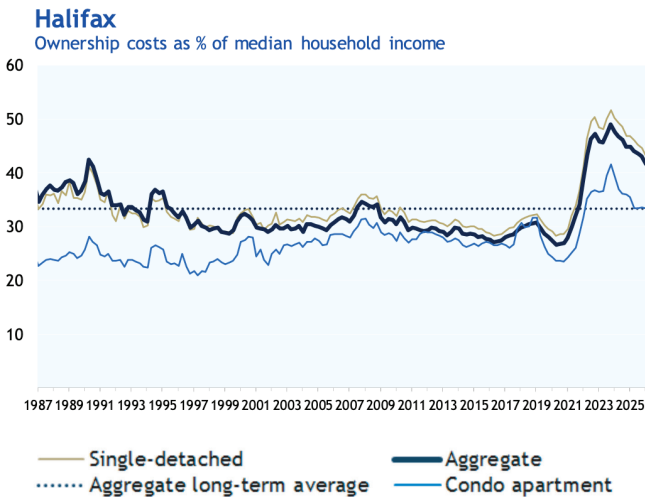
Saint John’s affordability trajectory has been little changed since Q4 2025, continuing a period of stalled momentum that began in 2024. The aggregate affordability measure edged down marginally to 31.4% in Q1 as values stabilized. Progress has been gradual, leaving the index 9.2 ppts higher than before the pandemic—a larger gap than most markets we track.

Resales were knocked down in Q1 after gradually creeping higher over most of last year—but April and May data showed signs the market may be finding its footing again. Despite the slower recovery, Saint John remains among the most affordable markets we monitor, which should keep a floor under housing demand.



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

## Halifax – New supply could support more affordability gains



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

Affording a home in Halifax remains challenging despite some recent improvement in ownership costs.

RBC's affordability measure has improved modestly, though Halifax still lags Calgary and Edmonton, where steeper price declines have brought conditions closer to historical norms. The market sits 13.6 ppts above 2019 (now 41.6%)—one of the largest increases since the pandemic.

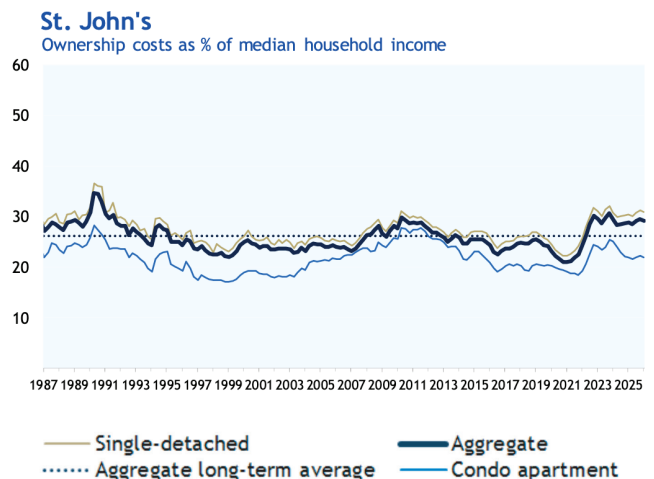
A challenging economic backdrop has taken some momentum out of the housing market. Resales declined in Q1 this year—and though values held steady, we expect pressure to ease in the quarters ahead.

Lots of new housing is expected to hit the market as the number of units under construction has nearly tripled over the last decade. Even though a significant portion of this incoming inventory will be rental, it could still help ownership affordability as additional supply eases overall pressure in the housing system.

## St. John's – Historically unaffordable despite relative strength

Home resales in St. John's remain elevated, suggesting buyers have adapted to current affordability conditions despite the stretch from historical norms. RBC's aggregate measure sits at 29.3%—just below our 30% threshold for affordability, making it the second best among tracked markets.

Unlike most markets, St. John's never experienced the post-2022 price correction, keeping home values on a steady climb since 2020. Tight supply is unlikely to ease given low construction, which will likely sustain price momentum and keep affordability improvements muted near term.



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.

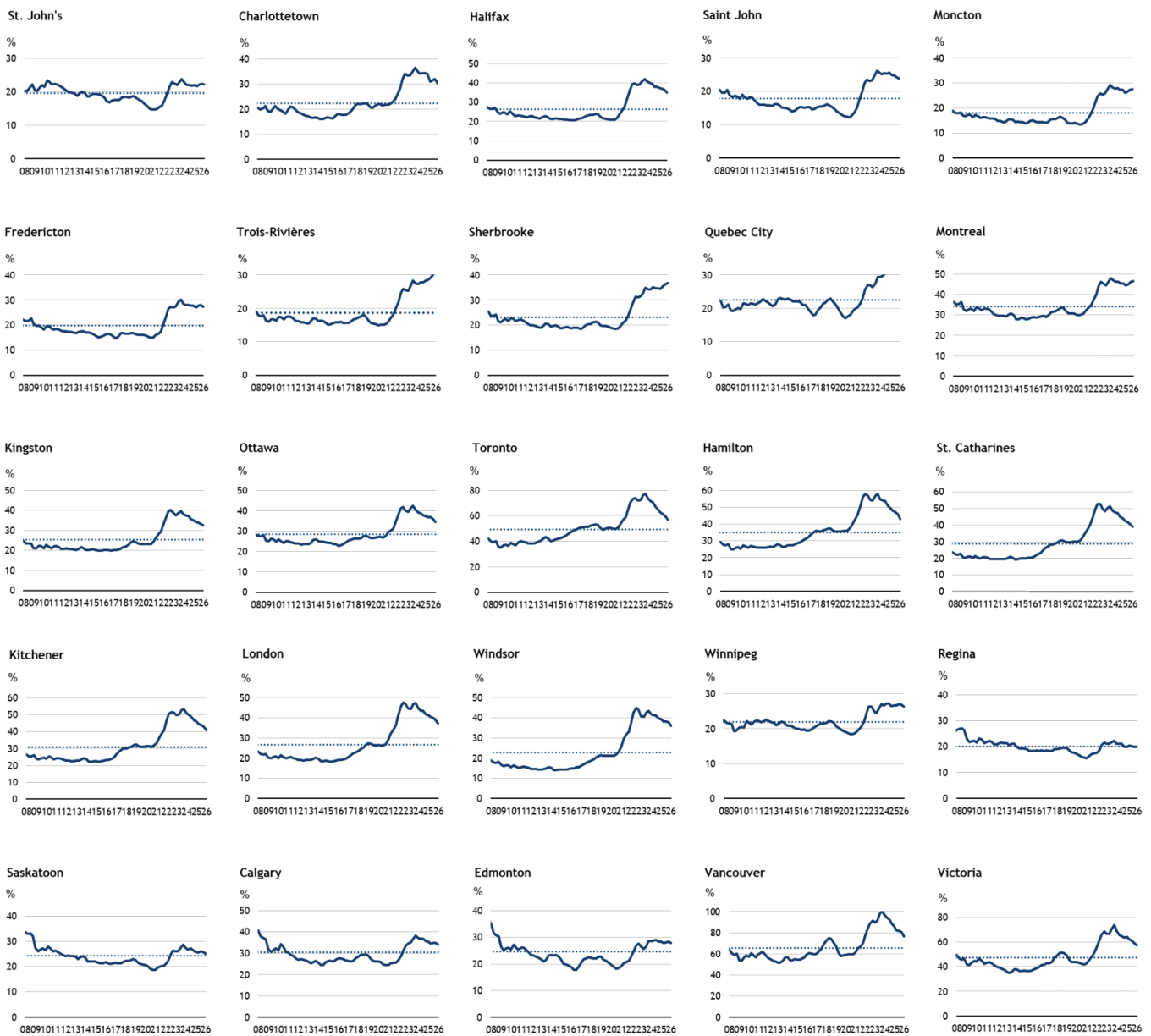
The higher the measure, the less affordable owning a home is. For example, an affordability measure of 50% means that home ownership costs, including mortgage payments, utilities, and property taxes would take up 50% of a typical household's pre-tax income at current price and interest rate levels.

## 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					
	Q1 2026 (\$)	Q/Q % ch.	Y/Y % ch.	Q1 2026 (\$)	Q/Q % ch.	Y/Y % ch.		Q1 2026 (\$)	Q/Q % ch.	Y/Y % ch.	Q1 2026 (\$)	Q/Q % ch.	Y/Y % ch.		Q1 2026 (\$)	Q/Q % ch.	Y/Y % ch.	Q1 2026 (\$)	Q/Q % ch.	Y/Y % ch.			
Canada	792,000	-1.9	-2.8	53.0	-1.4	-3.9	41.9	884,700	-1.1	-2.3	59.2	-1.2	-4.2	44.6	Canada	516,100	-1.9	-5.9	35.2	-0.9	-3.7	33.3	
Victoria	1,139,600	-1.3	-4.9	63.2	-2.1	-6.6	46.0	Victoria	1,319,400	-1.1	-4.4	72.8	-2.3	-7.3	50.3	Victoria	537,400	-1.2	-9.6	31.8	-1.0	-4.7	32.0
Vancouver area	1,410,800	-2.7	-5.3	84.1	-4.0	-9.3	62.1	Vancouver area	2,005,300	-1.3	-5.3	117.2	-3.9	-13.2	75.9	Vancouver area	700,200	-2.3	-6.9	44.1	-1.8	-5.3	39.4
Calgary	708,300	-1.1	0.2	41.5	-0.8	-1.6	39.8	Calgary	804,100	-0.7	0.9	46.9	-0.7	-1.6	43.1	Calgary	310,600	-2.1	-9.2	21.0	-0.5	-2.4	25.5
Edmonton	509,300	-0.1	2.6	36.8	-0.5	-0.5	32.9	Edmonton	561,500	0.1	2.4	40.6	-0.5	-0.6	34.8	Edmonton	214,300	-0.2	-3.0	18.7	-0.3	-0.9	21.0
Saskatoon	472,500	-1.3	3.0	32.1	-0.5	-0.7	30.9	Saskatoon	509,300	-0.3	2.6	34.9	-0.3	-0.9	32.8	Saskatoon	227,600	-2.2	-0.2	17.2	-0.4	-0.8	19.0
Regina	379,000	1.2	5.3	27.2	0.1	0.0	26.9	Regina	392,000	-0.4	5.3	28.8	-0.2	0.0	28.2	Regina	184,500	1.4	-9.9	15.1	0.1	-1.6	20.2
Winnipeg	443,500	-0.1	6.2	33.0	-0.5	-0.2	29.2	Winnipeg	453,500	-0.2	5.9	34.4	-0.6	-0.3	30.4	Winnipeg	251,900	1.0	2.0	19.9	-0.1	-0.7	22.1
Toronto area	1,087,400	-2.8	-7.2	65.2	-2.2	-7.9	51.5	Toronto area	1,399,700	-1.3	-5.9	82.7	-1.7	-8.9	60.2	Toronto area	575,000	-2.7	-9.6	36.1	-1.1	-5.0	32.6
Ottawa	691,800	-3.1	-2.1	43.2	-1.4	-2.7	36.6	Ottawa	771,000	-2.4	-1.8	48.5	-1.3	-2.8	39.7	Ottawa	372,900	-2.5	-5.3	24.4	-0.6	-2.1	24.3
Montreal area	763,100	1.4	8.1	52.6	0.2	1.1	39.2	Montreal area	823,100	1.6	8.2	57.0	0.3	1.2	40.5	Montreal area	522,400	0.5	4.7	36.3	-0.2	-0.3	32.2
Quebec City	530,100	2.4	12.5	39.5	0.4	2.0	29.6	Quebec City	565,900	2.6	12.3	42.7	0.6	2.1	30.6	Quebec City	356,800	3.5	13.1	26.6	0.6	1.5	22.4
Saint John	383,000	0.5	1.4	31.4	-0.3	-1.5	25.7	Saint John	399,900	1.6	1.1	33.4	-0.1	-1.6	28.0	Saint John	n/a	n/a	n/a	n/a	n/a	n/a	
Halifax	609,500	-2.6	-0.8	41.6	-1.4	-3.2	33.3	Halifax	623,200	-2.4	-1.6	43.3	-1.3	-3.5	33.9	Halifax	495,300	0.5	1.0	33.4	-0.2	-2.0	27.1
St. John's	420,800	0.4	6.2	29.2	-0.3	0.4	26.1	St. John's	435,100	0.1	6.3	30.9	-0.3	0.5	27.5	St. John's	317,400	-0.1	4.4	22.0	-0.2	0.0	22.0

# Mortgage carrying costs by city

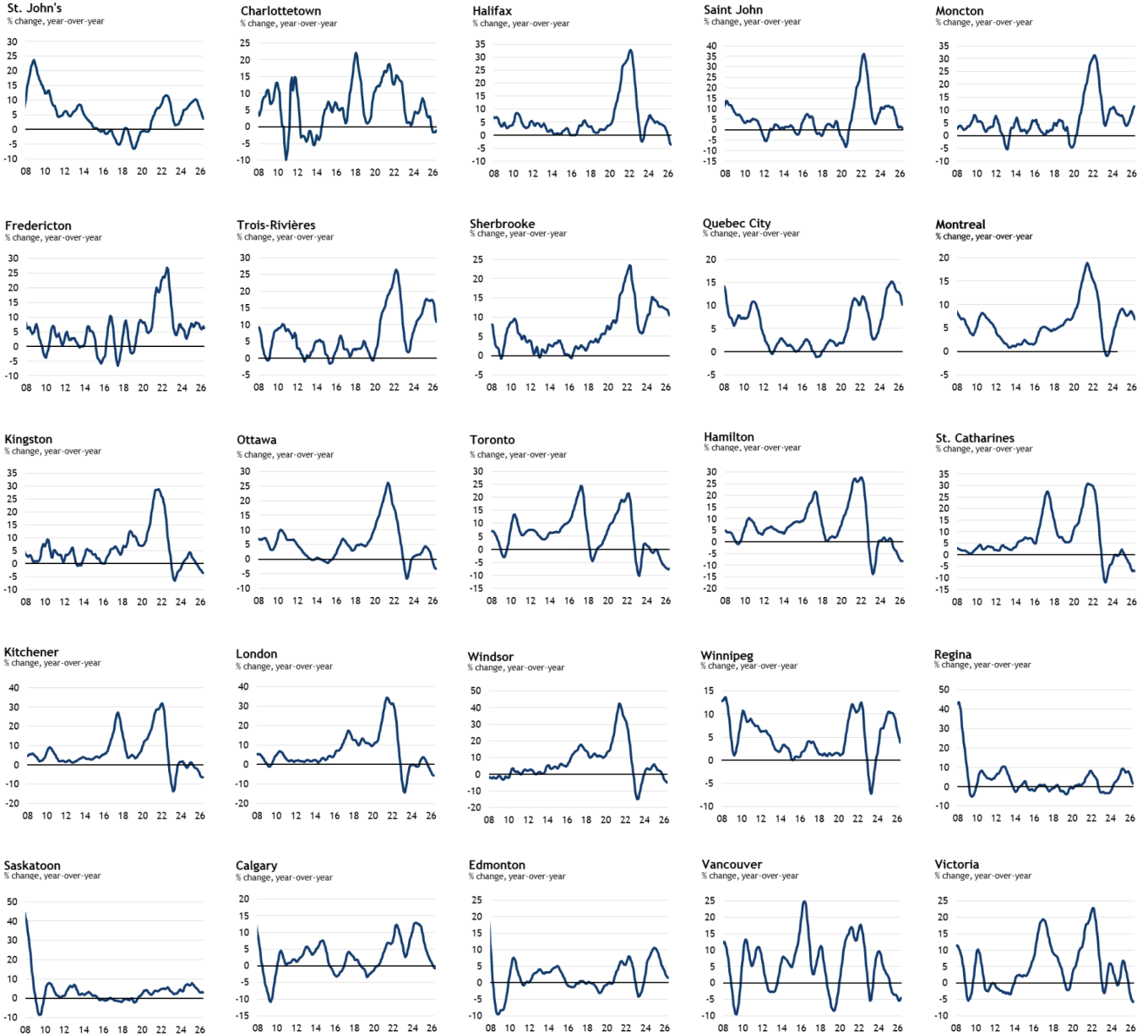
Our standard RBC Housing Affordability Measure captures the proportion of median pre-tax household income required to service the cost of a mortgage on an existing housing unit at market prices, including principal and interest, property taxes and utilities; the modified measure used here includes the 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.

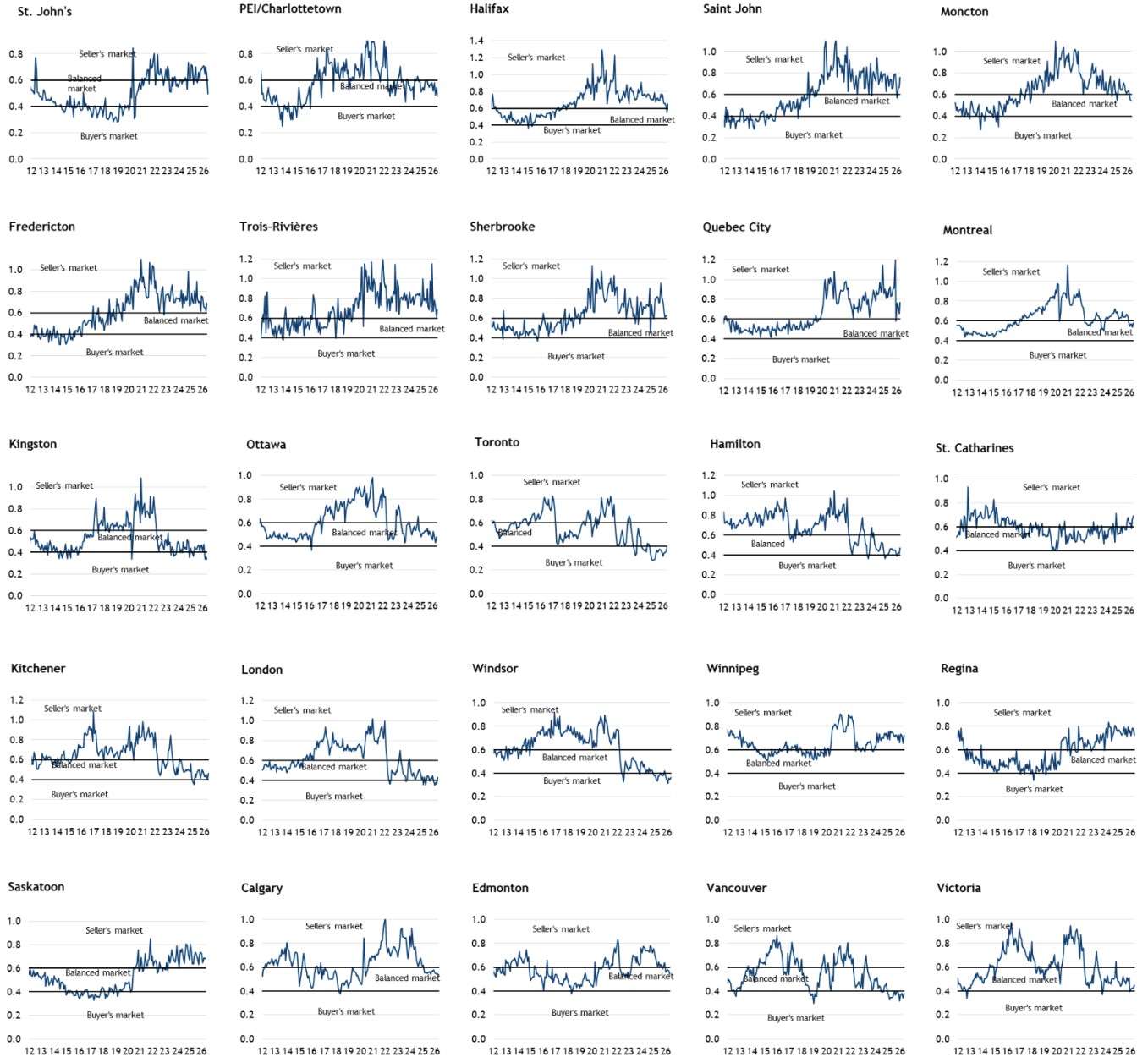
Source: RPS, Statistics Canada, Bank of Canada, RBC Economics

# 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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