Focus on Canadian housing

August 6, 2026

RBC Economics

Diverging trends across Canada's housing markets in July

A mishmash of realities across Canada's housing markets was in full display in July. There were signs of recovery (Toronto and Ottawa), setbacks (Vancouver, Winnipeg and Hamilton), a turnaround (Edmonton and Halifax), supply constraints (Calgary), a soft landing (Montreal) and persistent slump (Fraser Valley).

Early reports from local real estate boards show home values still declining from a year ago in Vancouver, Fraser Valley, Calgary, Edmonton and Toronto, but rising in Montreal and Quebec City (albeit at slower rates) and stabilizing in Halifax.

Toronto prices have now posted two consecutive monthly increases, signalling a long hoped-for turning point. Toronto showed tentative signs of stabilization, however, with the MLS Home Price Index remaining unchanged between May and June.

Diverging trends reflect different states of confidence, affordability, pent-up demand, demographics, job markets and inventory. Even macroeconomic factors like interest rates and immigration policy play out differently in the local context.

Generally, we expect improving affordability and rebuilding confidence will progressively unlock pent-up demand, and support a recovery in Canada. But, significant unevenness is likely to persist.

We see inventory levelling off in Ontario and British Columbia as a positive sign for stabilization of home values there.

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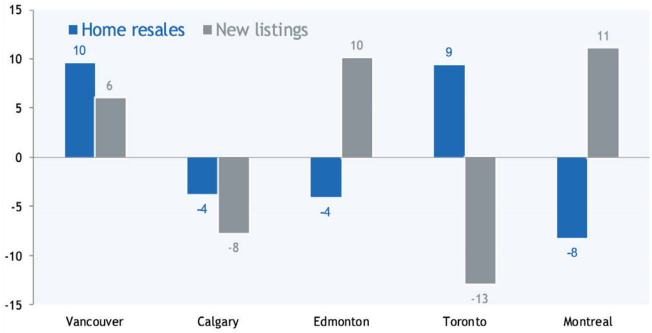
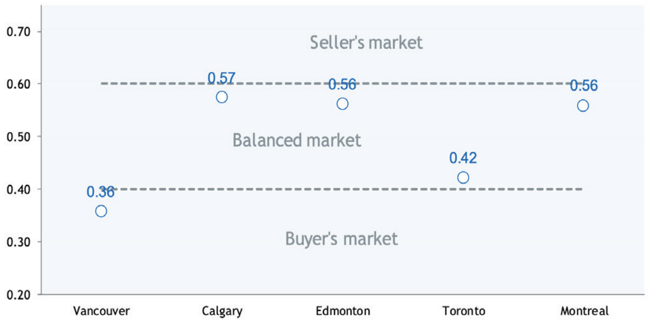
Major market highlights: July 2026

Market activity
Annual % change, June 2026



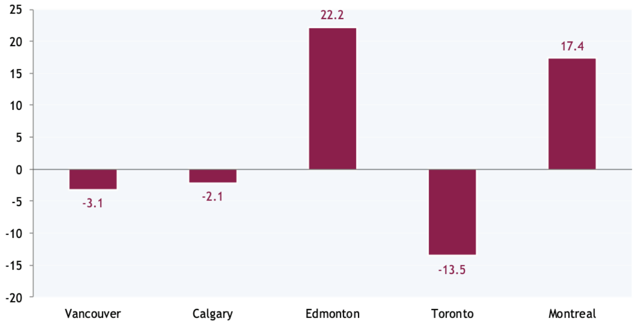
Source: REBGV, CREB, RAE, TRREB, OREB, QPAREB, RBC Economics

Supply-demand conditions
Estimated sales-to-new listings ratio, seasonally-adjusted, June 2026



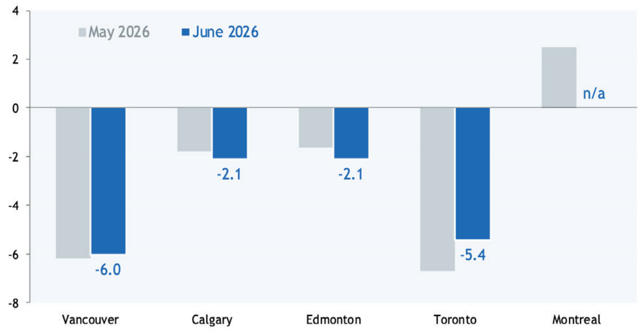
Source: REBGV, CREB, RAE, TRREB, OREB, QPAREB, RBC Economics

Inventories
Active listings, annual % change, June 2026



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

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Toronto area: Recovering but not out of the woods

July marked the longest string of resale gains (five months) in three years in the Toronto area. It was also a second straight monthly rise in the benchmark price, hitting the longest stretch of value appreciation since the start of 2024.

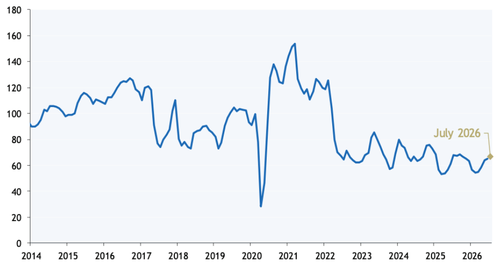
Still, the market isn't out of the woods yet. Far from it. Resales remain more than 30% below from before the pandemic, and the MLS Home Price Index is still 4.6% short of a year ago.

It's especially soft in the condo segment where the benchmark price is down 7.4% year-over-year, and in the 905 region where July resales were 2.4% lower y/y.

Supply is no longer expanding. New listings have declined in the past three months, adding support to the slow drawdown in inventory we've seen this year.

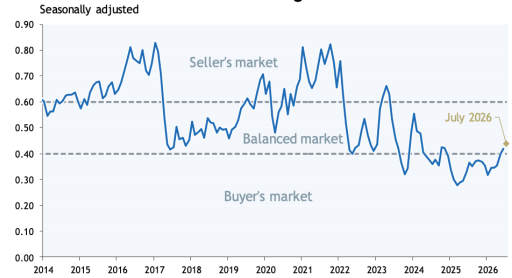
A more even supply and demand balance hints that recent price gains could be sustained—though likely not for all housing categories. Abundant inventory is poised to keep condo prices on a downward trajectory for a while longer.

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



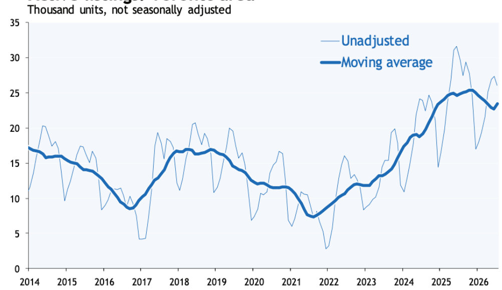
Source: Canadian Real Estate Association, Toronto Region Real Estate Board, RBC Economics

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



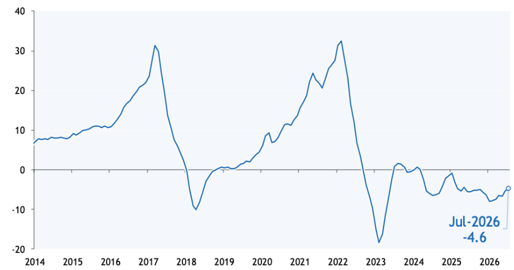
Source: Canadian Real Estate Association, Toronto Region Real Estate Board, RBC Economics

Active listings: Toronto area
Thousand units, not seasonally adjusted



Source: Toronto Region Real Estate Board, RBC Economics

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



Source: Canadian Real Estate Association, Toront Region Real Estate Board, RBC Economics

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Montreal area: On a controlled landing path

Cooler conditions prevail in Montreal's housing market with resales running below a year ago, and increases in home values on a moderating path.

Record-high prices and deteriorating affordability are no doubt pinching many prospective buyers, while stalling population growth is slowing down overall demand for housing.

But, what's unfolding qualifies more as a controlled landing than a steep descent. Some pockets of resilience (mostly on the island) continue to generate occasional bumps in activity.

July was case in point. We estimate transactions picked up by more than 3% from June seasonally adjusted. This followed a slightly larger decline the previous month.

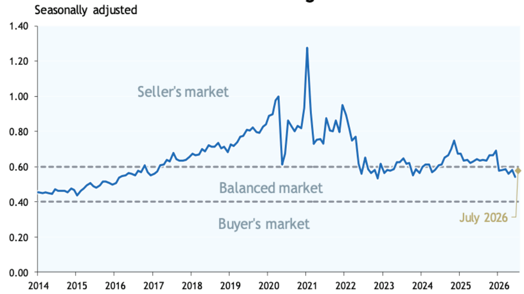
Supply and demand remain generally in balance for now. Still, an influx of sellers this year has gradually boosted the inventory of homes for sale, dialling down the heat on prices. This is especially true of condo apartments that saw a hefty 20% increase in inventory this past year.

We expect home values to decelerate further should new listings stay near a four-year high as through much of 2026.

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

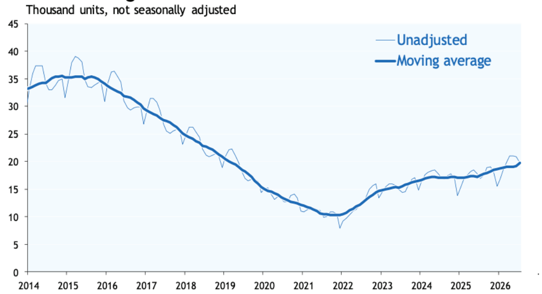
Source: QPAREB/CREA, RBC Economics

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

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Vancouver area: The struggle continues

A four-year-long slump continues in the Vancouver area. Home resales fell again in July (by more than 8% from June in our seasonally adjusted estimate), foiling this spring’s emerging recovery.

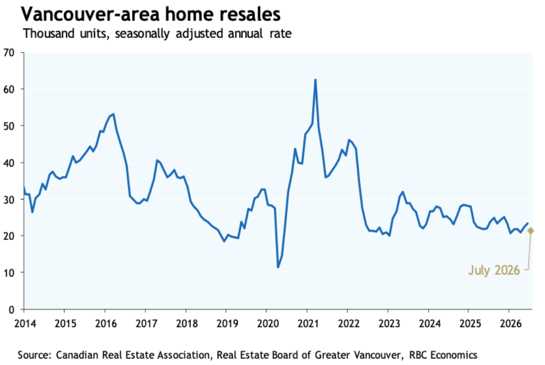
The MLS HPI declined at a slightly faster pace (-6.2% y/y) than in June (-6%).

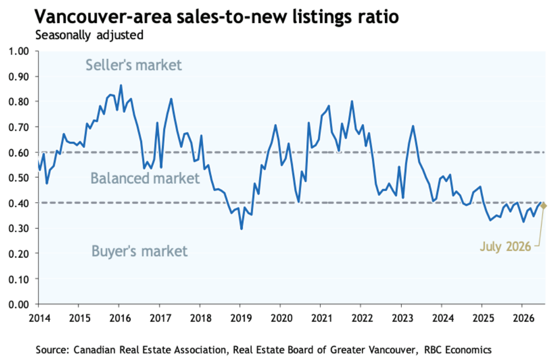
Affordability and confidence issues remain major obstacles for buyers. Price declines to date have been insufficient to unlock pent-up demand on a sustained basis.

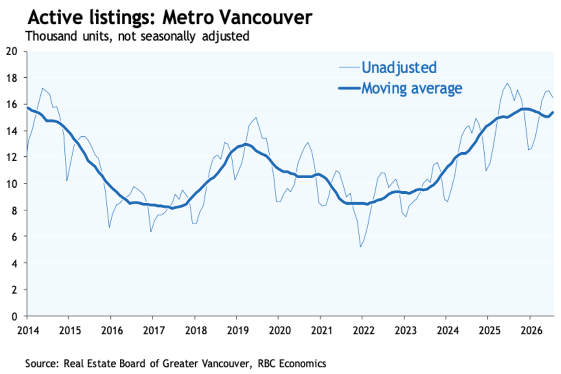
Further depreciation will likely be needed to draw in more buyers.

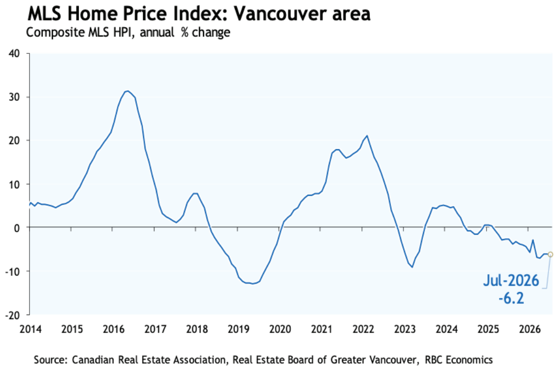
Odds are that more price drops will occur with abundant inventory fuelling fierce seller competition.

The July setback is disappointing and signals how difficult and bumpy the recovery will be amid still-strained affordability, a supply imbalance and rapidly slowing population growth.









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Calgary: Supply tightens

Sellers in Calgary have become more hesitant to enter the market. New listings have fallen in five of the last six months with active listings down more than 4% from a year ago.

Tighter inventory could be making things more difficult for some buyers to find suitable options.

We estimate transactions fell 0.5% in July from June seasonally adjusted, following declines this winter and spring.

Calgary has been cooling since 2024.

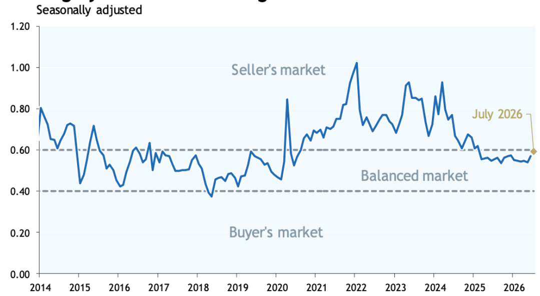
For now, home values continue to fall, albeit, at a gradually slower pace. Calgary's MLS HPI fell 2.1% from a year ago last month, down from -3.2% in January.

The condo segment remains under the most pressure with transactions and the benchmark price falling 20% and 8.4%, respectively, in the past year.

Calgary home resales
Thousand units, seasonally adjusted annual rate

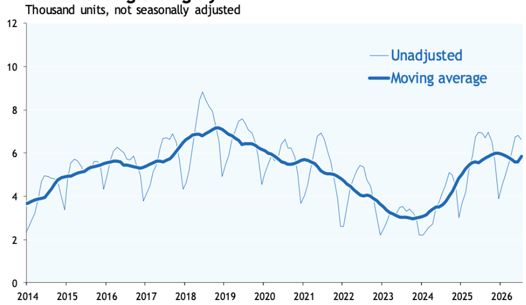
Source: Canadian Real Estate Association, Calgary Real Estate Board, RBC Economics

Calgary sales-to-new listings ratio
Seasonally adjusted



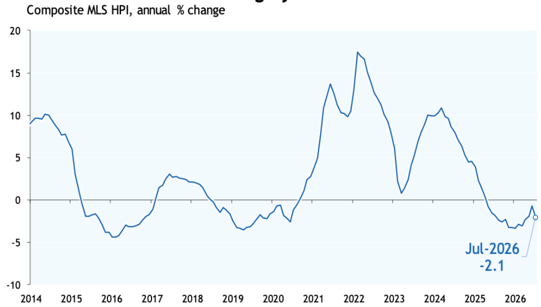
Source: Canadian Real Estate Association, Calgary Real Estate Board, RBC Economics

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

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