Focus on Canadian housing

September 8, 2026

RBC Economics

Canada's housing markets show persistent regional splits

Diverging regional trends continued for Canada's housing markets in August. Ontario markets showed mixed momentum, with Toronto's recovery faltering amid escalating trade uncertainty, while Ottawa continued its improvement with prices edging above year-ago levels for the first time since November 2025.

British Columbia remains the weakest region. Vancouver and the Fraser Valley continue experiencing price declines, albeit at a slower pace. Montreal faces persistent affordability challenges, albeit expanding inventory may help ease conditions as tightening occurs elsewhere.

Calgary and Edmonton are cooling as well, but relative strength from population growth should provide some support to demand.

This uneven regional performance reflects how trade policy uncertainty, declining populations, and structural supply dynamics play out differently across regions. Confidence remains fragile and unevenly distributed, with stimulative measures and accumulated demand providing some offset to broader headwinds.

We expect the uneven recovery to persist through year-end as regional affordability gaps and structural dynamics evolve at different speeds.

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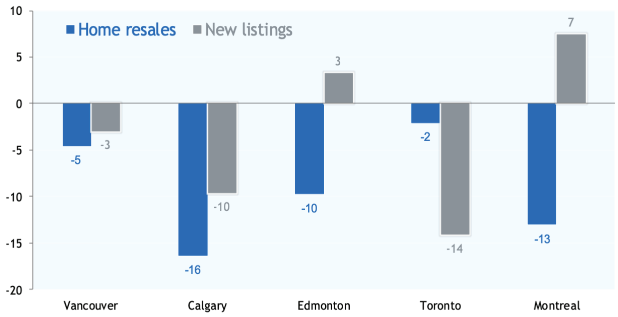
Major market highlights: August 2026

Market activity

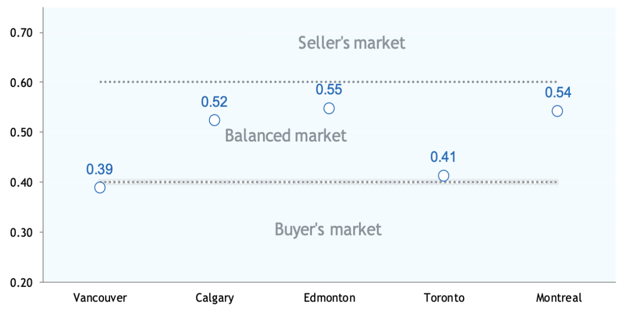
Annual % change, August 2026



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

Supply-demand conditions

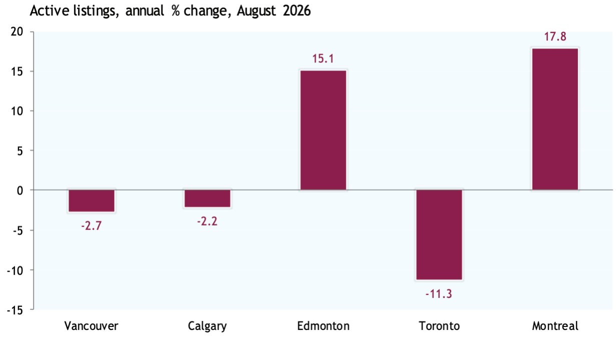
Estimated sales-to-new listings ratio, seasonally-adjusted, August 2026



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

Inventories

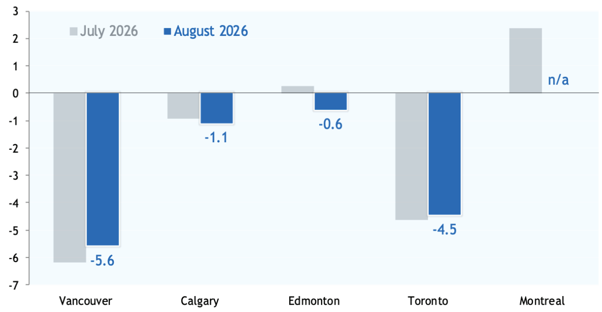
Active listings, annual % change, August 2026



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: Two steps back as resales and prices fall

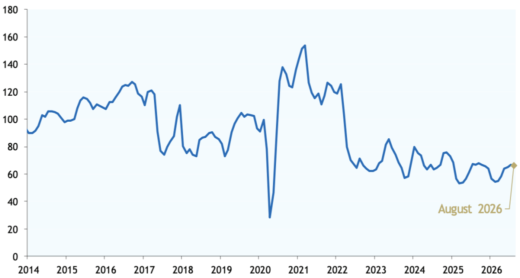
Toronto's housing market has hit a bump in its tentative recovery.

Resales fell 1.3% seasonally adjusted in August —snapping an upward streak building since March. We think the pullback could reflect renewed angst amid the trade war escalation, though stimulative fiscal policy, the new housing rebate, and pent up demand should offer some counterweight.

Price momentum also faltered with the benchmark HPI falling in August from July after a series of monthly increases. This isn't out of step with our expectations for a bumpy recovery with near-term momentum hanging on how disruptive trade policy will be for confidence.

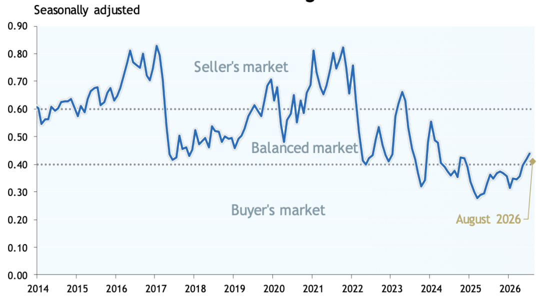
Active listings continue to pewter out on the supply side, and keep a floor under prices. New listings are still down 14% year-over-year in August—a larger decline than the 2.1% y/y pullback in sales. Depressed housing starts—particularly among condos, which contracted sharply over the past two years—should continue to tighten supply structurally in coming quarters and help bring the market into better alignment.

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



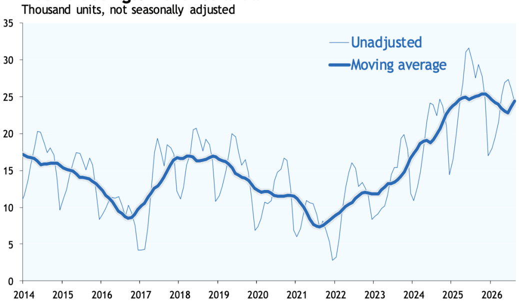
Source: Canadian Real Estate Association, Toronto Region Real Estate Board, RBC Economics

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



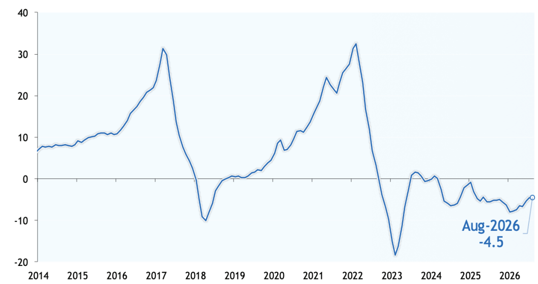
Source: Canadian Real Estate Association, Toronto Region Real Estate Board, RBC Economics

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, Toronto Region Real Estate Board, RBC Economics

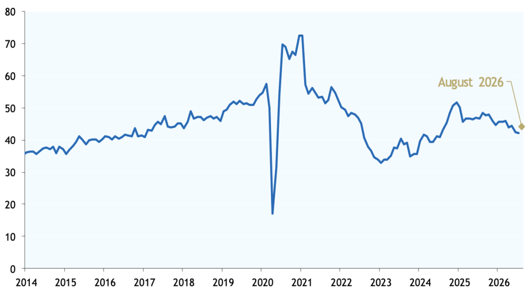
Montreal area: Sellers step up

Sellers continued to emerge in Montreal in August with new listings climbing an estimated 7.1% seasonally adjusted from July. This extends a pattern of gradually improving supply throughout 2026, as inventory eases from earlier tight constraints.

Still, demand remains subdued. Resales have fluctuated in recent months broadly pointing downward. August saw a temporary lift with resales rising an estimated 4.5% seasonally adjusted from July, but transactions continue to trail year-ago levels.

Poor affordability appears to be the primary headwind suppressing resales, with our measure still hovering near an all-time worst. But as inventory continues to build from the earlier supply crunch, we anticipate affordability pressures will begin to ease, strengthening buyer demand.

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

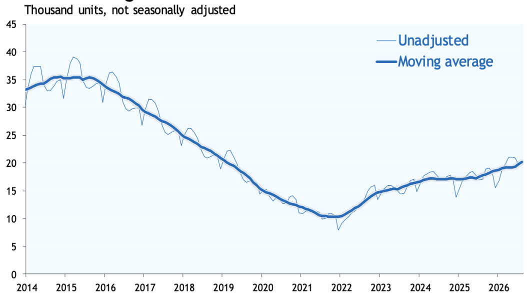


Source: QPAREB/CREA, RBC Economics

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

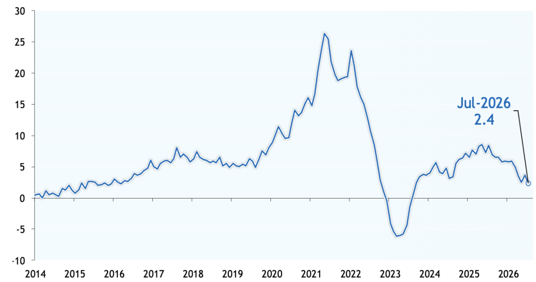
Source: QPAREB/CREA, RBC Economics

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: Sales increase doesn’t negate struggles

Vancouver's four-year housing slump showed signs of life in August, bucking weakness seen across other major markets.

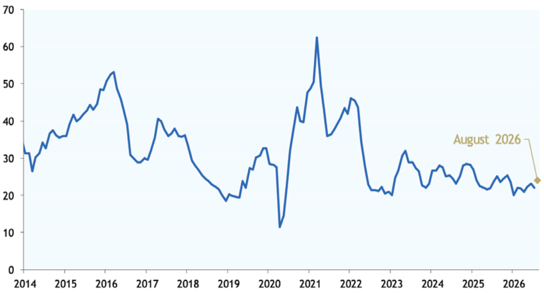
We estimate resales rose 8.5% seasonally adjusted from July, more than reversing a 4.5% decline the previous month.

The uptick came alongside a sharp increase in new listings rising 12% m/m. This influx of supply pushed the sales-to-new listings ratio back into buyer-friendly territory after tightening marginally earlier in the summer.

Prices—albeit still falling—show tentative signs of stabilization with the rate of decline slowing. But, further depreciation may be needed to unlock pent-up demand and keep resales growing on a sustained basis.

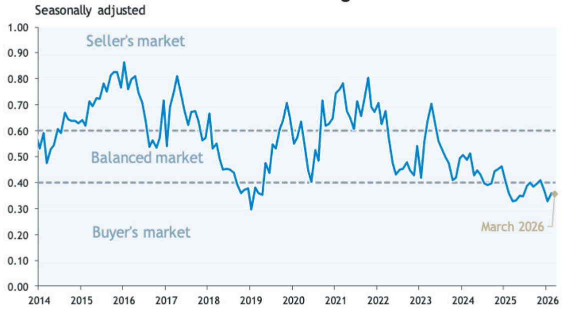
Vancouver’s housing market remains the weakest among Canada’s six largest markets—a ranking we expect to hold through year-end.

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



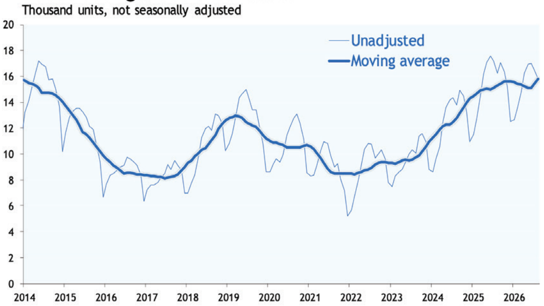
Source: Canadian Real Estate Association, Real Estate Board of Greater Vancouver, RBC Economics

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



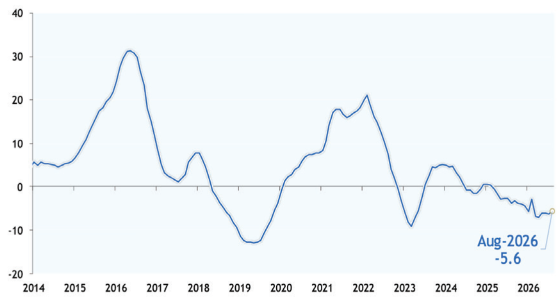
Source: Canadian Real Estate Association, Real Estate Board of Greater Vancouver, RBC Economics

Active listings: Metro Vancouver
Thousand units, not seasonally adjusted



Source: Real Estate Board of Greater Vancouver, RBC Economics

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



Source: Canadian Real Estate Association, Real Estate Board of Greater Vancouver, RBC Economics

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Calgary: Cools further as sales slip

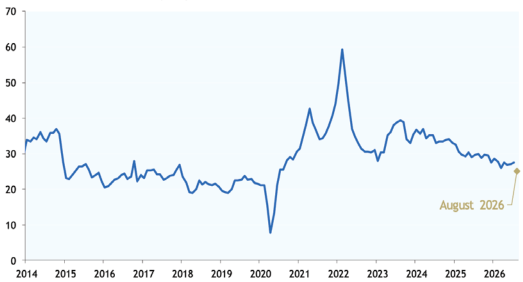
Calgary's real estate market retreated in August with resales slipping more than 9% seasonally adjusted from July.

The decline erased earlier summer gains, returning resales to spring levels and inching closer to its 10-year average.

Condos continue to absorb most pressure with weak demand keeping prices a solid 8% below a year ago. Detached homes have held up considerably better, declining just 1.1% annually—in line with Calgary's total MLS HPI benchmark decline—placing it in the middle of Canada's six largest markets for price deterioration.

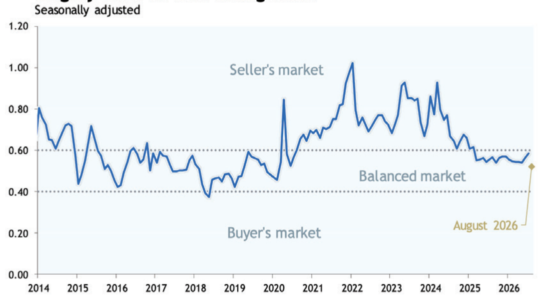
Sellers continue to flow into the market. New listings rose 1.4% seasonally adjusted in August, maintaining historically high inventory. The increase in new listings is modest, but with weak demand, the sales-to-new listings ratio hit 0.52—the lowest point since the pandemic. Still, the ratio remains in balanced market territory, which may limit sellers' need to make aggressive price concessions.

Calgary home resales
Thousand units, seasonally adjusted annual rate



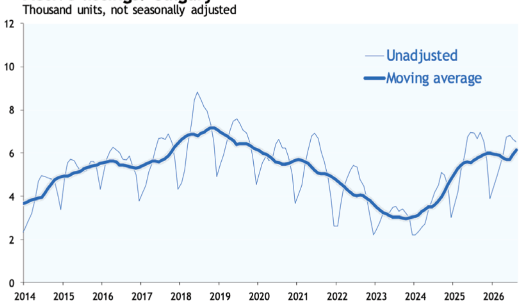
Source: Canadian Real Estate Association, Calgary Real Estate Board, RBC Economics

Calgary sales-to-new listings ratio
Seasonally adjusted



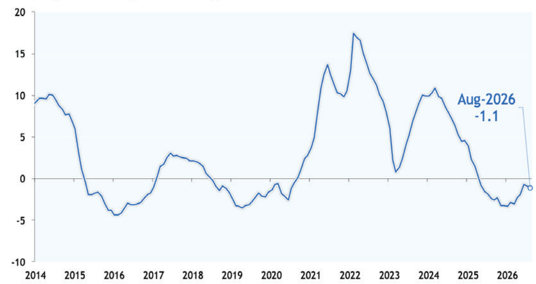
Source: Canadian Real Estate Association, Calgary Real Estate Board, RBC Economics

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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