



October 6,
2026

Focus on Canadian housing

RBC Economics

**More turbulence hits Canada's housing
markets to kick off fall**

Confidence in the Canadian housing market came under renewed pressure in September as escalation in the trade war with the United States, and rising long-term interest rates put buyers on the defensive.

Most local real estate boards reported a drop in home resales including Vancouver, Fraser Valley, Calgary, Edmonton, Winnipeg, Hamilton, Kitchener-Waterloo, Toronto, Ottawa, Montreal and Quebec City.

Many have also shown easing home values— a continuing trend in Vancouver and the Fraser Valley where prices have steadily fallen since early 2025. And, it confirms the slight uptick in Toronto this summer was just temporary from its extended depreciation path.

Other boards noted prices stabilized. In Edmonton, it was from faster rates of depreciation earlier. For Ottawa and Montreal, it was from higher rates of appreciation.

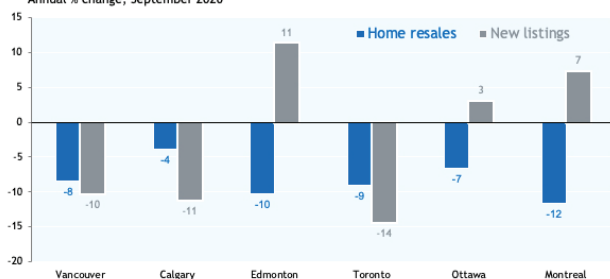
Diverging trends across the country reflect different states of confidence, affordability, pent-up demand, demographics, job markets and market inventory. Even macroeconomic factors like interest rates and immigration policy see their impact shaped by the local context.

Generally, we expect improving affordability and a resilient economy will progressively unlock pent-up demand and support a mild recovery in Canada. But, the road ahead is likely to be bumpy and uneven across markets.

Major market highlights: September 2026

Market activity

Annual % change, September 2026



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

Supply-demand conditions

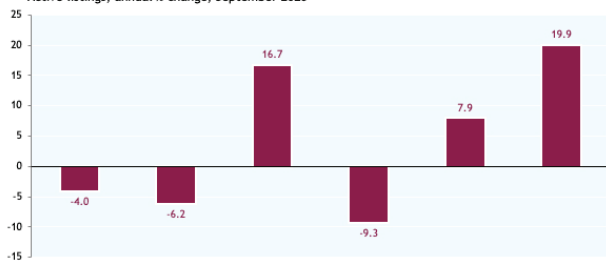
Estimated sales-to-new listings ratio, seasonally-adjusted, September 2026



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

Inventories

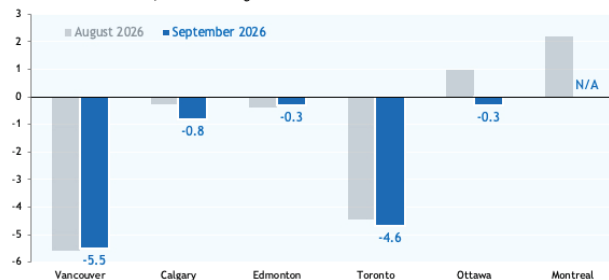
Active listings, annual % change, September 2026



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

Toronto area: Veering off recovery course

It didn't take long for the tentative recovery to go off course in the Toronto area. The timid rally lasted just five months to August. September confirmed the new direction with resales and the benchmark price losing another step down 5.2% and 0.5% month-over month, respectively.

Confidence had to continue rebuilding for the market healing to progress. Escalation of the trade war, rise in some interest rates and declining population had a destructive effect.

What's still improving (for now) is inventory. Active listings continue tracking below a year ago (down 9.3% in September), thanks in part to fewer sellers entering the market. Inventory must stay on a declining trend for home values to eventually stabilize.

An abundance of condo apartments for sale remains—accounting for nearly a third of listings. This sustains heavier downward price pressure with the condo index falling 6.7% from a year ago, compared to a 4.7% drop for the single-detached index.

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

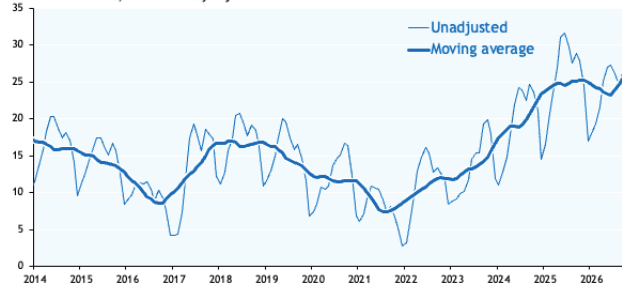
Seasonally adjusted



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: Increased supply dampens home value appreciation

Growing supply is this year's dominant trend in Montreal. Inventory is now up 20% from a year ago, propelled by the strongest influx of sellers in six years amid calmer resales.

September saw a further rise in new listings (up 7.2% year-over-year and an estimated 1.5% m/m). Higher new home completions in the past 12 months (more than 24,000 units) have created a certain displacement effect in the market.

Inventory has grown the most on the North and South Shores, where active listings have surged 30% and 32% from 2025, respectively.

The process of rebalancing supply and demand continues to dampen home value appreciation. Median condo prices were flat from a year ago in September, and increased only marginally (up 0.4%) for single-family homes.

We expect stretched affordability, stalling population growth and rising long-term interest rates to contain housing demand ahead.

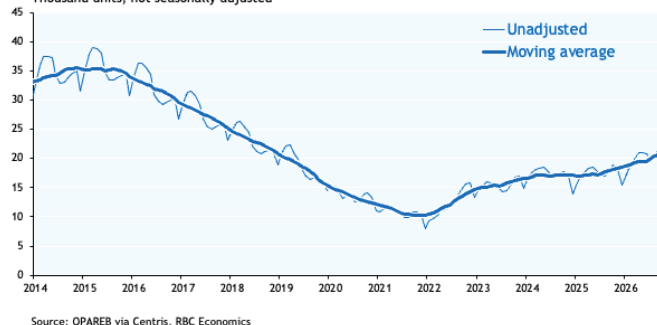
Montreal-area home resales
Thousand units, seasonally adjusted annual rate



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



Active listings: Montreal area
Thousand units, not seasonally adjusted



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



Vancouver area: Ongoing slump

September didn't bring signs that the four-year-long slump is about to end in the Vancouver area. Home resales fell again (by nearly 8% from August seasonally adjusted), and prices remained squarely in correction mode with the composite MLS Home Price Index down 5.5% from a year ago.

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

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

And with inventory remaining abundant—active listings are still near a decade high—and seller competition fierce, we think this is in the cards for the rest of this year and possibly into 2027.

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

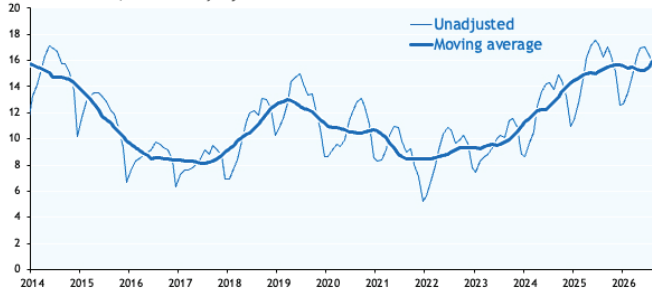
Seasonally adjusted



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

Active listings: Metro Vancouver

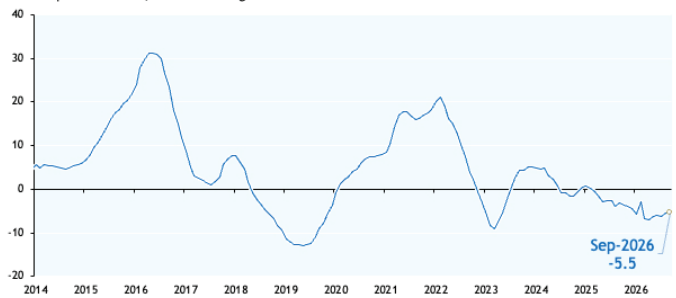
Thousand units, not seasonally adjusted



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

Calgary: Holding relatively steady

Calgary's state has changed little this year. Home resales remained generally stable and historically robust despite hovering below a year ago. Inventory largely stayed on last year's track, keeping supply and demand balanced. Prices have also stabilized close to 2025.

Total transactions, new and active listings in September and the MLS HPI were all little changed from August after adjusting for seasonality.

But, the situation varied across housing types. Single-detached homes saw a 4.4% increase in resales and a 1% price drop from a year ago.

This contrasted with material declines of 14.3% and 8.3%, respectively, for condo apartments.

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

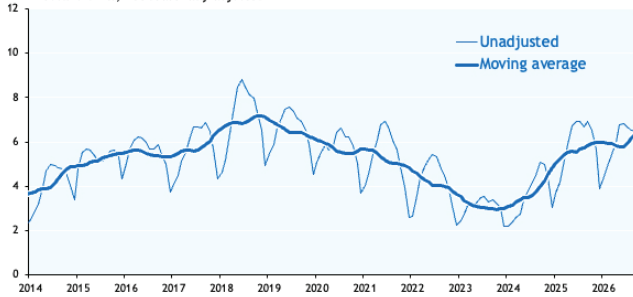
Seasonally adjusted



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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