

MONTHLY HOUSING MARKET UPDATE

February 18, 2025

Home resales in Canada

Thousand units, seasonally adjusted and annualized



Source: Canadian Real Estate Association, RBC Economics

Sales-to-new listings ratio in Canada

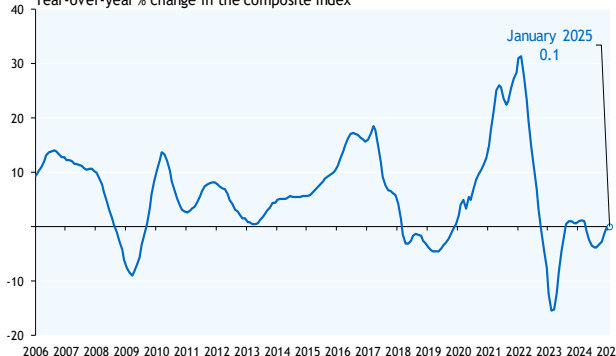
Seasonally adjusted



Source: Canadian Real Estate Association, RBC Economics

MLS Home Price Index - Canada

Year-over-year % change in the composite index



Source: Canadian Real Estate Association, RBC Economics

Canadian buyers unfazed by sellers' early jump into the housing market

With interest rates coming down and the risk of economic turbulence mounting in the road ahead, it appears many sellers saw an early jump into the housing market as better than waiting until spring when demand traditionally picks up steam.

New listings jumped 11% from December to January nationwide, the largest monthly increase in almost two years. Last month's tally also surpassed the one-million-unit mark seasonally adjusted and annualized for the third time ever.

The influx of supply boosted the inventory of homes for sale in Canada to its highest level since the onset of the pandemic. Therefore, some of the toughest challenges facing buyers in recent years—expensive borrowing costs and lack of supply—are now significantly easing.

But so far, it's failed to energize home sales. In fact, resales dipped in the past two months with a 3.3% decline in January.

The market remains on a recovery course with activity running above year ago levels, but the pace is generally sluggish and uneven. Buyers may be worried about making big financial decisions amid heightened economic uncertainty.

Broad balance between supply and demand is keeping prices flat overall. The national composite MLS Home Price Index has changed little over the past year. It was up marginally by 0.1% in January from a year ago, but down 0.1% from December. We see this trend persisting in the coming months.

However, the situation varies considerably across the country with the main determining factor being prices. Markets with more affordability tend to be busier and properties appreciate more rapidly. Resales in most markets in Atlantic Canada, Quebec and the Prairies are at or above pre-pandemic levels, and prices are rising at mid to high single-digit rates or even faster in some areas like Edmonton, Saint John, Fredericton and St. John's.

The recovery is more tentative in high-priced markets in British Columbia

January market snapshot

	Home resales (% change)		New listings (% change)		MLS Home Price Index (% change)		Sales-to-new listings ratio
	M/M	Y/Y	M/M	Y/Y	M/M	Y/Y	
Canada	-3.3	2.9	11.0	22.7	-0.1	0.1	0.49
Toronto	9.9	-8.9	26.1	49.2	0.0	0.5	0.33
Montreal	2.4	36.3	5.6	18.2	0.0	6.5	0.67
Vancouver	-3.9	9.4	33.4	43.3	-0.3	0.5	0.37
Calgary	3.2	-8.7	9.3	36.7	0.0	3.9	0.64
Edmonton	2.0	11.7	-3.6	13.4	3.8	12.1	0.80
Ottawa	-11.2	-7.8	-8.6	4.3	0.6	5.2	0.51

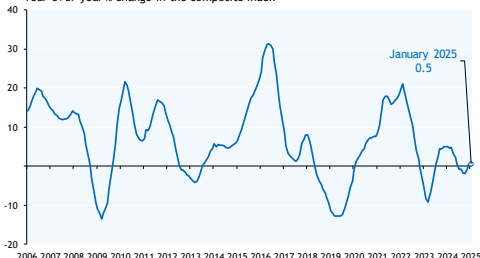


and Ontario. Resales in Vancouver, Lower Mainland B.C., Toronto and other Southern Ontario cities remain well below pre-pandemic levels, and have been volatile in the past year. Prices are generally flat or down slightly in some market segments such as GTA condos, for example.

We expect diverging trends among the most and least affordable markets to continue.

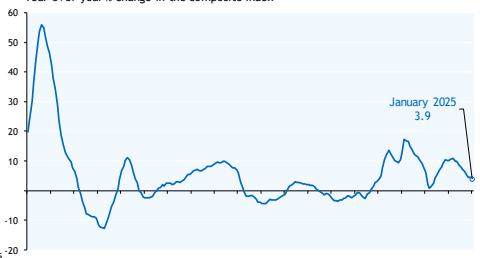
The threat of tariffs on Canada's exports to the United States casts a potentially dark shadow over Canada's housing market. Any economic turbulence arising from tariffs would be felt by participants, whose confidence is critical to the stability of the housing market. Our latest [housing market outlook](#) discusses the risks and highlights some of the key themes to watch out for, which will shape how the market performs in 2025.

MLS Home Price Index - Vancouver
Year-over-year % change in the composite index



Source: Canadian Real Estate Association, RBC Economics

MLS Home Price Index - Calgary
Year-over-year % change in the composite index



Source: Canadian Real Estate Association, RBC Economics

MLS Home Price Index - Edmonton
Year-over-year % change in the composite index



Source: Canadian Real Estate Association, RBC Economics

MLS Home Price Index - Toronto
Year-over-year % change in the composite index



Source: Canadian Real Estate Association, RBC Economics

MLS Home Price Index - Ottawa
Year-over-year % change in the composite index



Source: Canadian Real Estate Association, RBC Economics

MLS Home Price Index - Montreal
Year-over-year % change in the composite index



Source: Canadian Real Estate Association, RBC Economics

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