RBC Economics

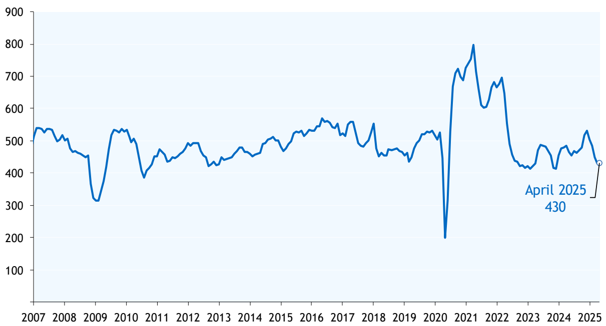
Focus on Canadian Housing

MONTHLY HOUSING MARKET UPDATE

May 15, 2025

Home resales in Canada

Thousand units, seasonally adjusted and annualized



Source: Canadian Real Estate Association, RBC Economics

Canadian home prices continue to slide in April even as resales stabilize

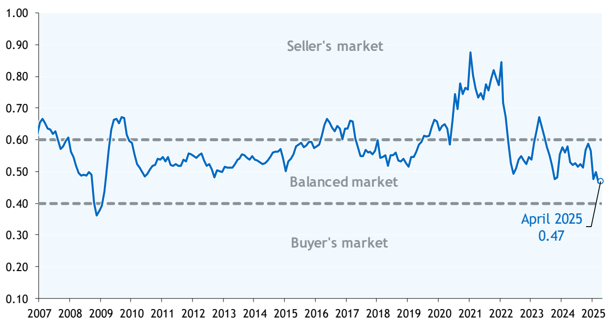
Two important trends emerged in Canada's housing market in April. First, the full impact of trade tensions on buyer sentiment may be nearing its peak and second, a price correction is taking place, particularly in the country's most expensive markets.

National home resales stabilized in April, down 0.1% from March following a sharp cumulative 19% decline over the previous four months. The U.S. administration's decision to spare Canada from additional tariffs last month could boost confidence and attract buyers in coming months.

Meanwhile, downward pressure on home prices is intensifying, particularly in Southern Ontario and British Columbia. Softening supply-demand conditions have triggered a price correction that could persist. Canada's composite MLS Home Price Index fell for a fifth consecutive month in April, down 1.2% from March and 3.6% year-over-year.

Sales-to-new listings ratio in Canada

Seasonally adjusted



Source: Canadian Real Estate Association, RBC Economics

Material correction underway in Toronto area

Toronto's composite MLS HPI has fallen 6.2% over five months including April's 1% monthly decline. Larger corrections are evident across Southern Ontario: London (-7.7%), Kitchener-Waterloo (-7.6%), Niagara (-6.9%) and Hamilton (-6.5%). Every Ontario market recorded month-over-month price declines.

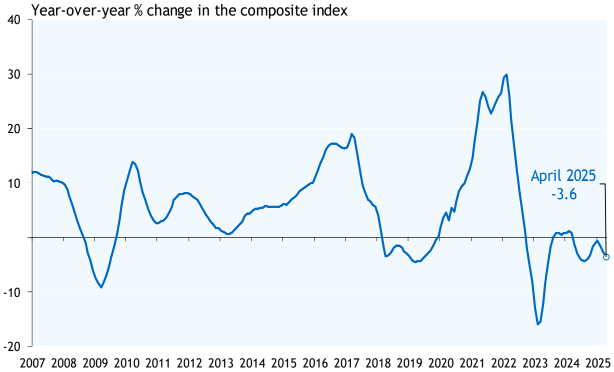
Similarly, B.C. is experiencing weakness with Vancouver and the Fraser Valley both seeing 2.8% composite price drops over four months.

Condos leading the price decline

The correction has been most pronounced in the condominium segment across major Southern Ontario and B.C. markets. Toronto's condo MLS HPI is now down 7.3% annually, while Vancouver saw a 2% fall.

MLS Home Price Index - Canada

Year-over-year % change in the composite index



Source: Canadian Real Estate Association, RBC Economics

Rising inventories have shifted market dynamics decisively in buyers' favor throughout Ontario and B.C., creating some of the most buyer-friendly conditions in decades.

Regional resilience elsewhere in Canada

Markets in Alberta, Saskatchewan, Manitoba, Quebec and Atlantic Cana-

April 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	-0.1	-9.8	-1.0	1.2	-1.2	-3.6	0.47
Toronto	1.8	-21.3	-0.7	11.2	-1.0	-5.4	0.28
Montreal	-0.3	10.4	3.5	12.3	0.7	8.2	0.61
Vancouver	-3.3	-23.4	-1.9	-6.5	-1.2	-1.8	0.33
Calgary	-0.8	-18.3	0.6	15.1	-0.6	0.4	0.55
Edmonton	-8.7	-12.2	-1.2	2.5	-0.2	11.0	0.65
Ottawa	-1.3	-10.9	1.5	-1.0	-0.3	1.1	0.49

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da remain comparatively tight with supply-demand fundamentals still supporting modest price growth.

Montreal has seen relative stability in resale activity with single-family home and condominium prices rising in April on a monthly and annual basis.

However, price appreciation will likely moderate across these regions as broader economic uncertainty continues to weigh on buyer sentiment.