

July 10, 2025

House prices diverge across Canadian markets

More prospective homebuyers are making their way back to Canada's housing markets as some trade war fog dissipates—but it's far from a stampede.

Local real estate board statistics indicate transactions increased modestly between May and June in several major markets—including Vancouver, Edmonton, Regina, Saskatoon, Toronto and Halifax—reversing only a fraction of pullbacks earlier this year.

The bottom line is activity is still soft in Southern Ontario and British Columbia even though it's stabilized. The picture is generally more robust in other parts of the country with exceptions.

Recent price trends remain largely unaltered. The MLS Home Price Index continues to fall in the Toronto and Vancouver areas as well as other Southern Ontario and Lower Mainland markets. These are parts of the country where inventory has risen to historically high levels, and buyers face stretched affordability conditions.

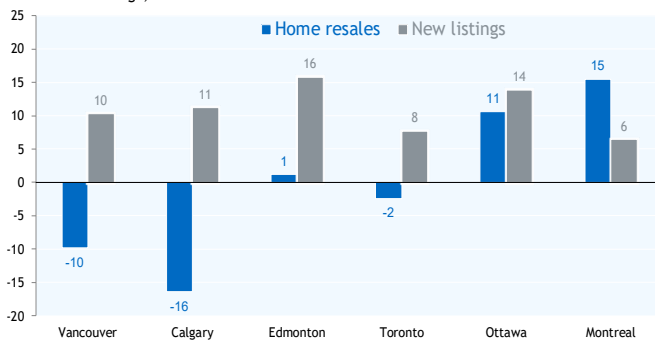
Meanwhile, property values continue higher in most markets in the Prairies, Quebec and the Atlantic region, supported by still tight (and, in some cases, very tight) supply-demand conditions.

While any positive denouement in the trade war would boost confidence and keep the housing market on a recovery course, we think the impact would most likely be gradual, especially in regions struggling with affordability. We expect diverging price trends to persist in the near term across the country.

Major market highlights: June 2025

Market activity

Annual % change, June 2025



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

Demand-supply conditions

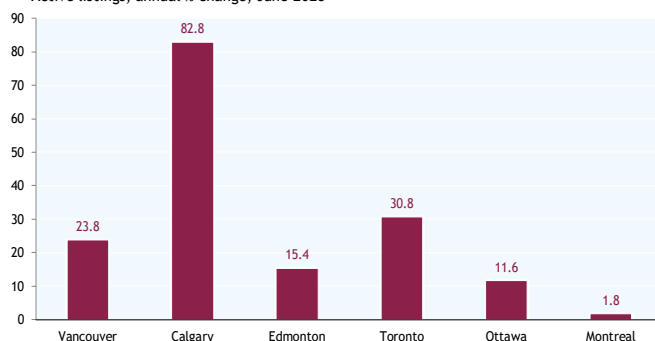
Estimated sales-to-new listings ratio, seasonally-adjusted, June 2025



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

Inventories

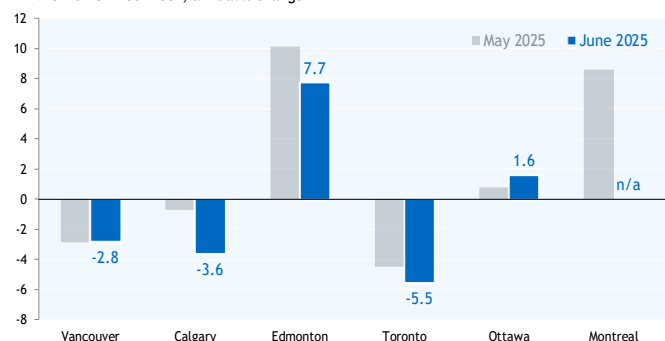
Active listings, annual % change, June 2025



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: Buyers have time and bargaining power

There hasn't been such an abundance of home-buying options in decades in the Toronto area as the number of homes for sale continue to surge. It gives buyers plenty of time to make decisions and power in negotiating prices.

Home values have fallen consistently as a result this year. Toronto's MLS HPI in June was down 5.5% (or more than \$58,000) from a year ago, and lower by 0.9% from May. Condo apartments recorded the biggest annual decline (-8%) in the face of plenty supply, but all housing types lost some value.

Slightly improving affordability and easing trade war fears have attracted more buyers to the market in June. Home resales picked up 8.1% from May—marking a third consecutive monthly increase. Still, the recovery has a long way to go. Activity remains sluggish near cyclical lows amid growing job concerns.

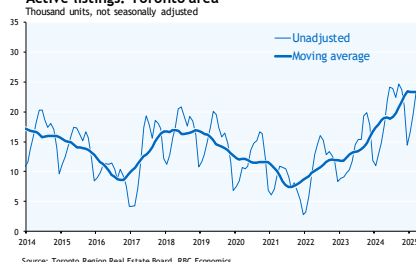
Toronto-area home resales



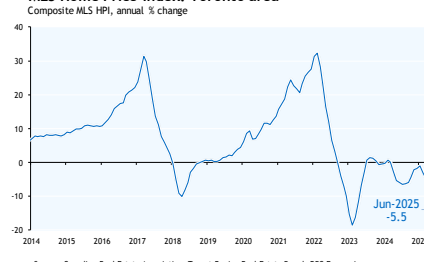
Toronto-area sales-to-new listings ratio



Active listings: Toronto area



MLS Home Price Index: Toronto area



Montreal area: Sellers hold back in a stalled market

Montreal's recovery has stalled this year in the face of the trade war. Recent tariff de-escalation, however, has yet to re-energize participants in the housing market. We estimate home resales slipped for a third straight month between May and June, falling 2%.

Still, resales are holding up at what would have been considered solid levels before the pandemic.

And, June's modest pullback may have more to do with fewer sellers entering the market than buyers shying away. New listings fell by a larger 7% from May by our count, which has tightened the supply-demand dynamic further.

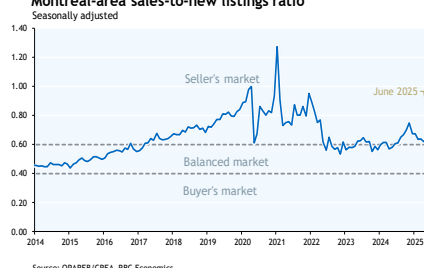
This has kept heat on prices with both single-family homes and condos sustaining solid appreciation last month—median prices were up 7.4% and 6.6% from a year ago, respectively.

We think prospective sellers aren't likely to stay away long, especially if trade worries ease. More homes for sale would help re-balance the market and dampen price increases.

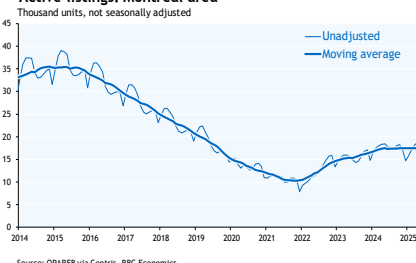
Montreal-area home resales



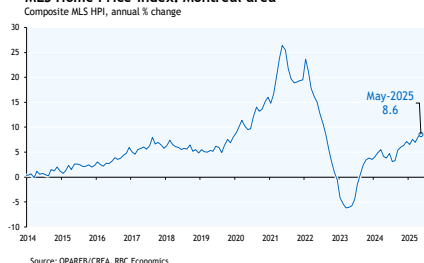
Montreal-area sales-to-new listings ratio



Active listings: Montreal area



MLS Home Price Index: Montreal area





Vancouver area: Prices firmly on a downtrend

The slide in resales in Vancouver is stabilizing, though prices remain firmly on a down track. Its MLS HPI declined 2.8% from a year ago in June, marking the fourth straight month of annual declines.

Buyers are in the driver's seat with supply-demand conditions heavily in their favour amid mounting inventories. Active listings reached a 13-year high in June.

However, we estimate home resales rose for the first time this year in June, up more than 2% from May. This could be a sign that some trade war uncertainty is lifting, opening the door to hesitant homebuyers.

But, it doesn't mean prices are about to increase. We expect any rise in demand will be gradual at best given serious affordability issues challenge many potential buyers. We think a persistent market imbalance will continue to dampen property values.

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



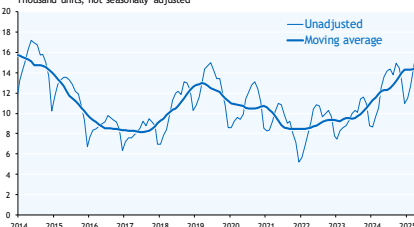
Source: Canadian Real Estate Association, Real Estate Board of Greater Vancouver, RBC Economics

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



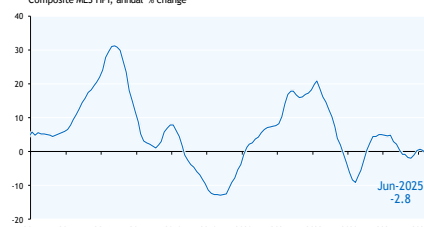
Source: Canadian Real Estate Association, Real Estate Board of Greater Vancouver, RBC Economics

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: Soft landing

Calgary continues to cool from its earlier heated state. The inventory of homes for sale is rising, prices are softening, and we estimate resales slipped month-over-month in June for the fourth time this year.

A strong—albeit delayed—homebuilder response to soaring demand during the pandemic has helped rebalance supply and demand. Housing completions have surged more than 20% in the past 12 months.

Calgary's MLS HPI fell below year-ago levels in May and June—down 3.6% in the latest period. Yet, we see limited downside for property values.

It's a market where supply and demand are largely aligned, and affordability is only mildly strained. Calgary is also supported by a relatively robust economy and solid (if moderating) population inflows.

Calgary home resales
Thousand units, seasonally adjusted annual rate



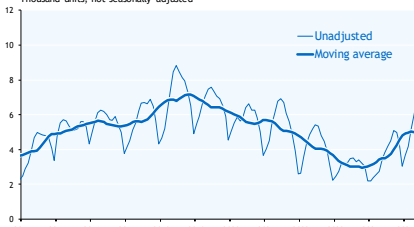
Source: Canadian Real Estate Association, Calgary Real Estate Board, RBC Economics

Calgary sales-to-new listings ratio
Seasonally adjusted



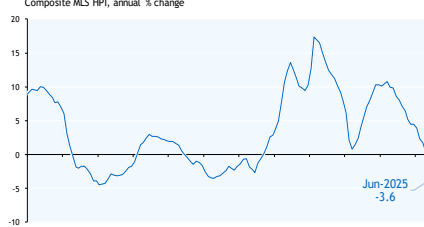
Source: Canadian Real Estate Association, Calgary Real Estate Board, RBC Economics

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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