



Focus on Canadian housing

September 15,
2025

RBC Economics

**Confidence, choice and prices drive
housing activity in Canada**

Key trends we've been tracking in Canada's housing market in recent months were on full display in August.

Sales of existing homes continued to recover, reaching their highest level this year. A more ample inventory of homes for sale sustained stronger competition between sellers, while prices drifted lower—but masked divergences across the country.

A regional split persists despite home resales generally turning up since spring.

On one end, Ontario and British Columbia are challenged by decade-high inventory. In the other, supply-demand conditions are balanced or tight in parts of the Prairies, Quebec and Atlantic Canada.

Home resales in Canada

Thousand units, seasonally adjusted and annualized



Source: Canadian Real Estate Association, RBC Economics

National trends: Sales growth and price dips

Home resales across Canada rose 1.1% in August from July, reflecting improving buyer confidence, the impact of lower interest rates from the Bank of Canada over the past year, increased choice, and price drops.

However, the increase in sales has slowed by two-thirds compared to the prior three months, signalling a sustained recovery that's not heating up.

We think this moderation has to do with affordability challenges that persist in many parts of the country, particularly, in high-priced markets. It prevents further unlocking of pent-up demand.

Nationally, inventory remained elevated, especially in Ontario and B.C., where the buildup of listings has exerted downward pressure on home prices.

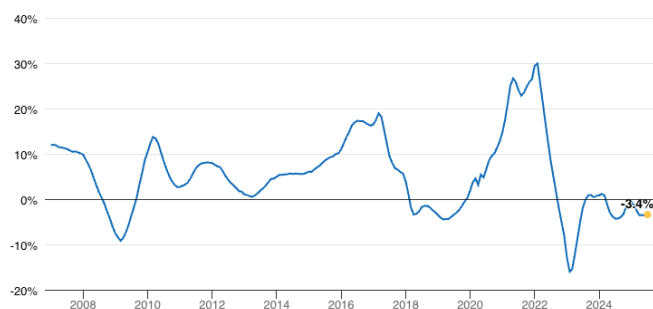
Inventory in these provinces have shown early signs of stabilizing, but sellers continue to face heightened competition, leading to a buyer's market in many cities including Toronto and Vancouver.

The national composite home price index edged lower in August for the eighth time in the past nine months—falling 0.1% from July.

It's important to note the annual change (-3.4% in August) has been stable in the past five months, suggesting prices aren't in a downward spiral.

MLS Home Price Index - Canada

Year-over-year % change in the composite index



Source: Canadian Real Estate Association, RBC Economics

Sales-to-new listings ratio: Canada

Seasonally adjusted



Source: Canadian Real Estate Association, RBC Economics

Regional divergences persist

Ontario and B.C. remain the focal points of the national housing narrative. Elevated inventory levels in both provinces continue to weigh on property values, but the pace of price declines has slowed as inventory stabilizes.

In Ontario, major urban centers like Toronto are seeing a gradual recovery in sales, but price growth remains elusive due to significant supply—especially in condos.

Similarly, in B.C., markets such as Vancouver are grappling with sluggish prices as buyers remain cautious amid ample choice.

In contrast, housing markets in the Prairies, Quebec, and parts of Atlantic Canada are showing more balanced, if at times tight, conditions. These regions are seeing relatively low—albeit rising—inventory, and stronger affordability metrics supporting modest price gains in several local markets.

Cities such as St. John's, Halifax, Fredericton, Quebec City, Montreal, Ottawa, Regina, Saskatoon, and Edmonton have sustained demand with prices reflecting a firmer supply-demand balance compared to counterparts in Ontario and B.C.

Further subdued recovery ahead

We expect lower interest rates will play a pivotal role in supporting demand growth through the remainder of this year into next, particularly among first-time buyers. But, we see their impact dampened by lingering economic uncertainties and affordability constraints.

Ownership costs, while easing in parts of the country, remain well above pre-pandemic levels, limiting the pool of potential buyers.

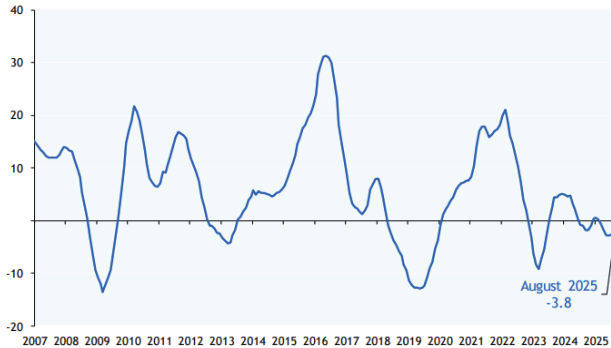
Additionally, federal immigration cuts are beginning to affect housing demand, particularly, in the rental and condo segments of urban markets like Toronto and Vancouver, where investor activity remains subdued.

August 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	1.1	1.9	2.6	6.1	-0.1	-3.4	0.51
Toronto	-1.8	4.7	3.9	11.9	-0.1	-5.2	0.36
Montreal	4.9	12.5	4.3	17.8	-0.3	6.9	0.64
Vancouver	5.6	2.9	2.3	1.1	-0.6	-3.8	0.42
Calgary	0.6	-11.7	-0.2	-1.5	-0.3	-2.3	0.56
Edmonton	1.3	-7.5	-1.7	10.0	1.1	5.1	0.62
Ottawa	6.8	12.8	1.3	9.9	0.0	1.5	0.56

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

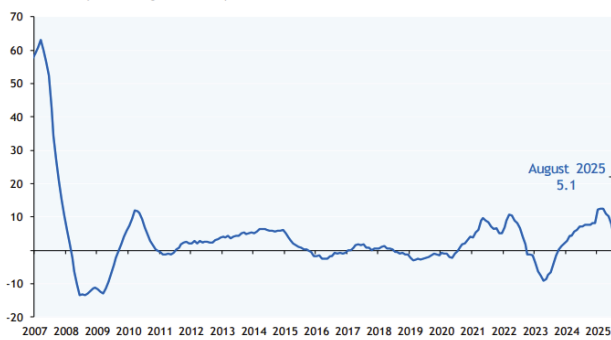
Year-over-year % change in the composite index



Source: Canadian Real Estate Association, RBC Economics

MLS Home Price Index - Edmonton

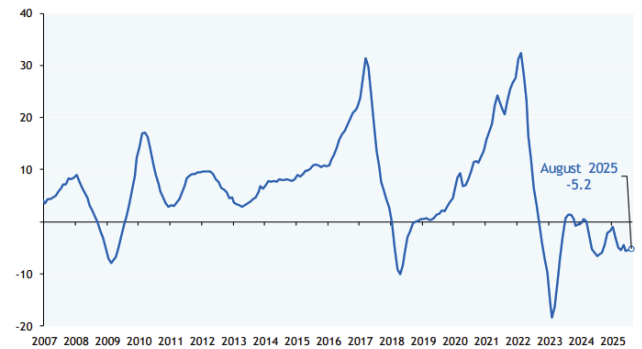
Year-over-year % change in the composite index



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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