



October 8,  
2025

# Focus on Canadian housing

**RBC** Economics

**Low-key start to the fall for Canada's  
housing markets**

The kick-off into the fall season for Canada's housing market has been notably subdued, reflecting cautious sentiment that continues to characterize buyer behaviour across the country. Early September data from local real estate boards reveal a mixed picture that underscores diverging regional dynamics shaping the national landscape.

There were modest improvements in home resales in September from August in select markets with Winnipeg, Regina, and Toronto posting seasonally adjusted gains. However, most major centers—including Vancouver, Calgary, Edmonton, Saskatoon, Hamilton, Ottawa, Montreal, and Halifax—saw slight declines, suggesting the recovery is still uneven and fragile.

Purchasing urgency remains largely absent despite growing confidence among buyers as worst-case economic scenarios appear more unlikely. In Ontario, British Columbia, and parts of Alberta, expanded inventory levels are providing buyers with wider selection and stronger negotiating positions. The prospect of further price declines also sets up a wait-and-see approach.

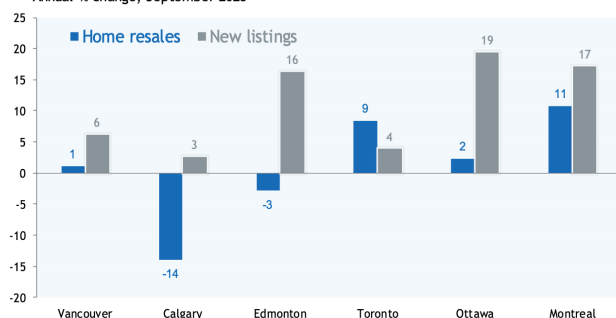
Meanwhile, buyer restraint is being reinforced by persistent affordability challenges and softening labour market conditions, which continue to constrain household purchasing power. In other regions where supply constraints persist and home values appreciate, activity remains subdued for different reasons, namely, limited options and more slowly improving affordability.

We see these diverging regional trends persisting through the remainder of fall and potentially into early 2026. However, we anticipate a more robust recovery will gradually emerge as economic momentum builds, and employment conditions stabilize.

## Major market highlights: September 2025

### Market activity

Annual % change, September 2025



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

### Supply-demand conditions

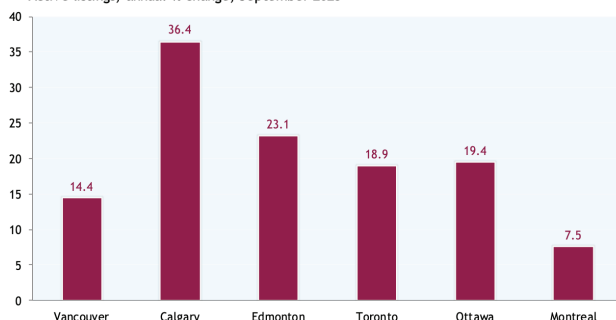
Estimated sales-to-new listings ratio, seasonally-adjusted, September 2025



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

### Inventories

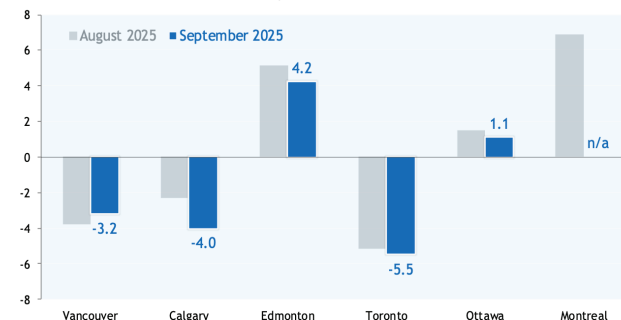
Active listings, annual % change, September 2025



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

## Toronto area: Home value slide brings some affordability relief

Buyers have the upper hand in the Toronto area when negotiating prices.

Decades-high inventory is sustaining strong competition between sellers, and depressing home values. Toronto's aggregate MLS Home Price Index fell for the 10th time in the past 11 months to \$971,500 in September, down 0.5% from August.

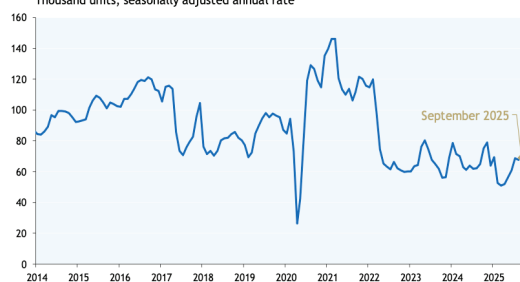
It has now dropped 5.5% (or more than \$55,000) in the past year, and a very significant 25% (or more than \$320,000) since the market's peak in early-2022—bringing some affordability relief.

Easing prices support a recovery from exceptionally low transactions this winter and spring. Home resales have climbed 22% in the past four months, including a 2% advance in September from August.

Still, there's a long way to go until activity is back to a more vigorous state. Many prospective buyers continue to face major challenges in affording a home, and the price correction to date has only partially reversed the 63% surge during the pandemic. The road ahead is likely to be bumpy.

**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**

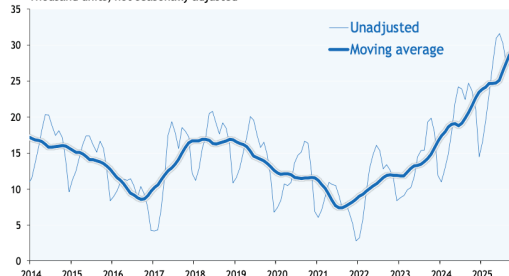
Seasonally adjusted



Source: Canadian Real Estate Association, Toronto Region Real Estate Board, RBC Economics

**Active listings: Toronto area**

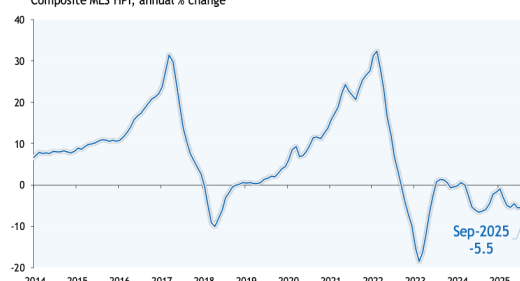
Thousand units, not seasonally adjusted



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: Slow and steady as she goes

The Montreal area's circumstances have changed little over the summer. Generally tight supply still restrained the recovery in resale transactions, and home prices remained on a moderate upward trajectory.

A slight downtick in sales in September—we estimate transactions fell less than 2% from August seasonally adjusted—suggests the slow-moving patterns will hold near term.

Yet, there's limited scope for a material easing in supply and demand. Historically low inventory sustains strong competition between buyers—especially as rebuilding confidence brings more to the market.

We see this driving prices higher in coming months with single-family homes likely to exhibit the most heat. The median price in this category increased 7.2% in the 12 months to September. That's double the 3.6% gain for condo apartments.

**Montreal-area home resales**

Thousand units, seasonally adjusted annual rate



Source: QPAREB/CREA, RBC Economics

**Montreal-area sales-to-new listings ratio**

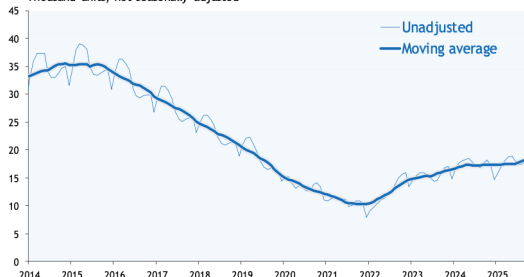
Seasonally adjusted



Source: QPAREB/CREA, RBC Economics

**Active listings: Montreal area**

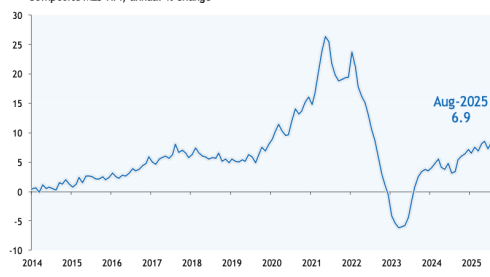
Thousand units, not seasonally adjusted



Source: QPAREB via Centris, RBC Economics

**MLS Home Price Index: Montreal area**

Composite MLS HPI, annual % change



Source: QPAREB/CREA, RBC Economics

## Vancouver area: Not out of the woods yet

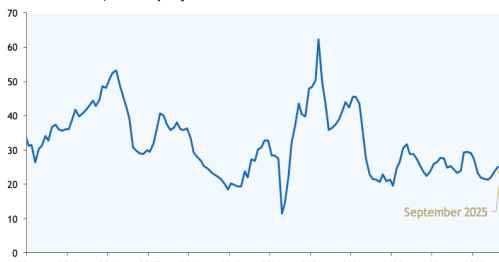
Vancouver is in recovery mode, but it's still struggling with soft activity, elevated inventory and declining home values.

Buyers took a rest in September after making 18% more deals in the previous three months. We estimate home resales dropped more than 6% from August, but stood 1.2% above a year ago.

At the same time, more properties were listed for sale, which further added to decade-high inventory and tilted supply-demand into buyers' favour. Such conditions extended a long-running declining price trend. Vancouver's MLS HPI aggregate benchmark fell to \$1.14 million in September, down 3.2% (\$38,000) from a year ago and more than 9% (\$118,000) since the peak hit in the spring of 2022.

But, Vancouver, by far, remains the least affordable market in Canada despite falling home values. We see severe affordability challenges significantly constraining buyers' ability to bid higher for some time to come.

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



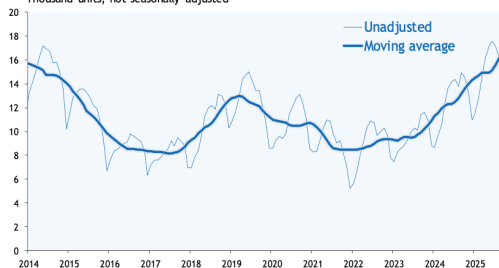
Source: Canadian Real Estate Association, Real Estate Board of Greater Vancouver, RBC Economics

**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: Less urgency for buyers to act with more supply

A slight monthly drop in transactions in September is a reminder that the road ahead in Calgary is likely to be uneven. A two-year-long slide ended this summer, but there's been little sustained uplift since then.

That's in part because resales are still brisk—some 35% above pre-pandemic levels—with lingering economic uncertainty limiting upside.

Strong housing construction has boosted supply, which now looks more balanced vis-à-vis demand. Buyers feel less urgency to make purchasing decisions when they have more options. The inventory of homes for sale is currently at a seven-year high.

Time is on buyers' side as prices continue to drift lower. Calgary's MLS HPI has fallen 4% over the past year, and looks poised to ease further. A record-high number of homes under construction will likely continue boosting supply, and sustain fierce competition between sellers.

**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**

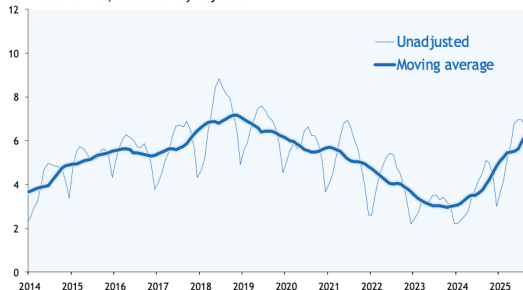
Seasonally adjusted



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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