

# Canadian Housing Monitor: October 2025

A Publication of BMO Capital Markets Economic Research · Douglas Porter, CFA, Chief Economist, BMO Financial Group

## Finding a New 'Normal'

Canada's housing market remained balanced overall in October, and the market appears to be settling into its new post-pandemic/post-correction normal. With the exception of a few select areas that are still struggling (e.g., Southern Ontario, namely condos, and parts of B.C.), and some others that are very strong, we're seeing sales volumes at very 'normal' levels, mortgage rates back around neutral and national prices very stable.

**Existing home sales** rose 0.9% in seasonally-adjusted terms in October, but were still down 4.3% from year-ago levels. The volume of resale activity is effectively back into the range of what was 'normal' before the pandemic. Of course, this is set against new sales that are plumbing lows across a number of markets. **New listings** dipped 1.4% in the month, and were up 4.3% from a year ago. That allowed the sales-to-new listings ratio to improve slightly to 52.2%, reflecting very balanced overall national conditions.

Balanced conditions have left the national **benchmark price** effectively flat for the past six months. On a seasonally-adjusted basis, prices were up 0.2% in October, but still down 3% from a year ago, and more than 17% below peak early-2022 levels. This has transitioned from a steep correction to a long and slow grind for Canadian home prices, and we suspect that will continue into 2026.

Meantime, as broader market conditions become very neutral, so have **Canadian mortgage rates**. Most mortgage rates are now bouncing around the 3.75%-to-4.25% range, depending on the term. We continue to view this as a very neutral level of borrowing costs that buyers and investors should be budgeting for over a longer time horizon. As such, we also see little room for improvement barring another serious leg down for the economy. Market pricing currently has the Bank of Canada on hold at these levels through 2026; and our year-end 2026 call for 5-year yields leaves little downside for 5-year fixed mortgage rates. In other words, barring an economic or inflation surprise, these are about the borrowing costs that the market will have to price itself off.

*Here's a quick rundown of local market conditions:*

**Southern Ontario** is still the weak spot, but conditions are gradually getting less bad (outside the new condo space). Indeed, new condo sales have all but dried up, and the resale market is still having a hard time clearing given little forced selling, but still-tough affordability from the perspective of buyers. This will take some further gradual price declines, or time for incomes to catch up. Sub-4% mortgage rates have helped the cause, but we'd need to see more downside to really get the market to turn the corner. Apartment prices are down as much as 10% to 15% from a year ago in areas from Hamilton to London, while single-detached prices are faring less bad.

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Table 1 - Canada — Existing Home Sales  
(% change)

October 2025	Sales			Prices	
	m/m <sup>1</sup>	y/y	y-t-d	y/y	y-t-d
Canada	0.9	-4.3	-1.1	-1.1	-1.1
Montreal	1.1	4.6	11.0	8.4	7.2
Regina	-4.5	-2.6	-0.6	4.3	6.6
Edmonton	-2.1	-15.7	-5.1	3.0	6.4
Winnipeg	-4.2	-1.4	6.6	4.3	5.0
Halifax	12.0	3.2	0.5	4.1	3.9
Calgary	4.1	-11.6	-14.1	4.0	3.7
Ottawa	6.1	1.0	4.0	5.6	2.9
Vancouver	4.2	-13.9	-9.5	1.4	-3.8
Toronto	-2.3	-7.8	-8.0	-7.1	-4.2
MLS Home Price Index (national)				-3.0	-2.9

<sup>1</sup> (seasonally adjusted)

Source: BMO Economics, Haver Analytics, CREA

**Vancouver** and some other markets across B.C. remain soft alongside elevated inventories, but they've become less so in recent months. Vancouver is back in balanced market territory with the sales-to-new listings ratio at 42%, but both condo and detached prices are down 4% to 5% from a year ago.

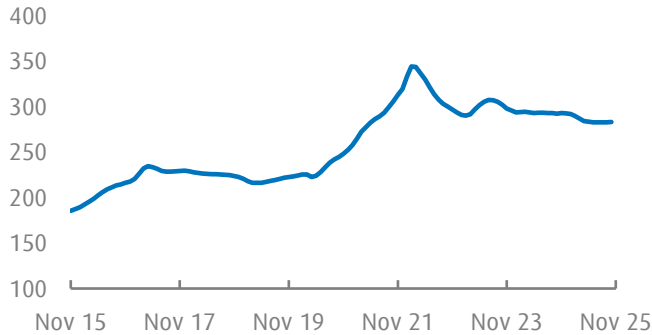
Markets in **Quebec and further east** remain tight almost across the board. Price gains in those regions are firm, led by an 18% y/y jump in **Quebec City**, 7% y/y in **Montreal** and 9% y/y in **Moncton**.

**Calgary** has really balanced out after a strong run, with a lot of the compelling affordability/investor arbitrage (i.e., from Toronto to Calgary) now priced out. Sales are down 12% from a year ago, and prices are off 2%. **Edmonton** and the rest of the **Prairies** remain quite firm.

## National Price Trends

### Canadian Home Price History

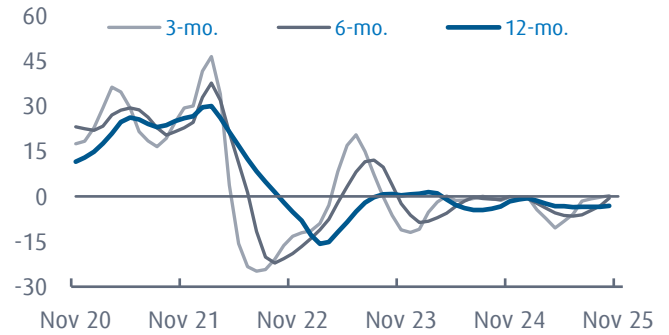
MLS Benchmark Index (Jan 2005 = 100)



Source: BMO Economics, Haver Analytics, CREA

### Canadian Home Price Momentum

MLS Benchmark Index (% chng a.r.)



Source: BMO Economics, Haver Analytics, CREA

## Market Balance

### Canadian Resale Market Balance

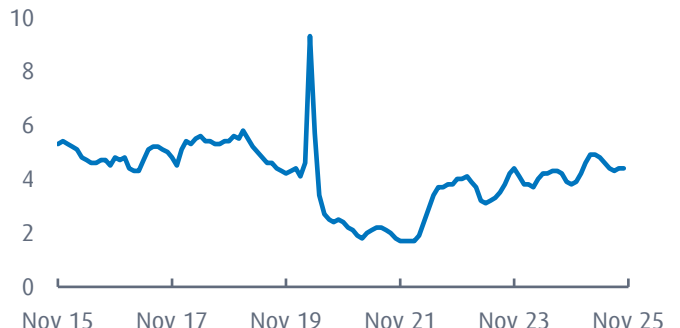
Sales-to-new listings ratio: %



Source: BMO Economics, Haver Analytics, CREA

### Canadian Resale Inventory

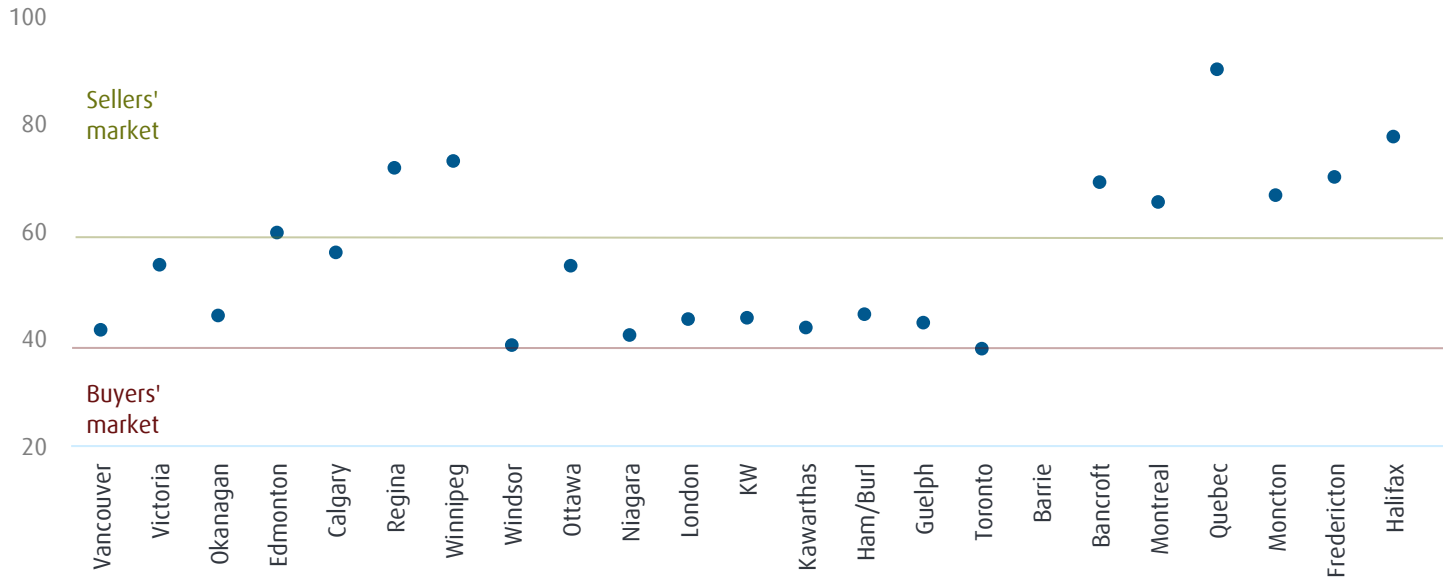
Months' supply of existing homes for sale



Source: BMO Economics, Haver Analytics, CREA

### Market Balance by Region

Sales-to-new listings ratio, as of October 2025



### Local Market Conditions

Snapshot of Current Market Conditions  
as of October 2025

	Vancouver	Victoria	Okanagan	Edmonton	Calgary	Regina	Winnipeg	Windsor	Ottawa	Niagara	London	KW
Sales (y/y %)	-13.5	-3.0	3.1	-14.9	-12.3	-3.5	-1.2	9.0	2.5	4.7	-8.1	2.6
Sales/listings (%)	41.6	53.8	44.3	59.8	56.1	71.8	73.1	38.8	53.6	40.7	43.7	43.9
MLS HPI (y/y %)	-3.4	0.1	2.4	3.8	-2.2	4.3	5.4	-2.2	0.4	-7.4	-7.8	-6.9
Detached (\$ 000s) <sup>1</sup>	1,939	1,153	792	499	685	361	407	628	698	625	623	803
Detached (y/y %)	-4.0	-1.1	2.6	6.7	-0.5	5.0	5.3	-1.9	0.0	-5.7	-6.7	-4.6
Apartment (\$ 000s) <sup>1</sup>	727	553	424	201	327	221	237	380	406	380	347	394
Apartment (y/y %)	-5.0	0.1	-0.2	1.5	-6.0	3.5	5.0	-5.0	0.1	-13.8	-15.9	-10.3

	Kawarthas	Ham./Burl.	Guelph	Toronto	Barrie	Montreal	Quebec City	Moncton	Fredericton	Halifax	PEI	Nfld & Lab
Sales (y/y %)	16.7	-5.9	-1.6	-8.2	#N/A	6.1	6.1	12.5	4.2	2.5	-2.2	-5.2
Sales/listings (%)	42.1	44.5	43.0	38.2	#N/A	65.4	90.1	66.7	70.1	77.6	58.2	66.7
MLS HPI (y/y %)	-3.0	-9.0	-4.6	-5.1	-5.9	6.7	17.5	9.4	6.1	4.4	-2.4	9.8
Detached (\$ 000s) <sup>1</sup>	642	848	866	1,193	787	694	502	395	350	589	362	336
Detached (y/y %)	-3.0	-7.1	-4.8	-5.4	-5.7	7.2	19.0	9.1	6.4	5.8	-2.4	10.0
Apartment (\$ 000s) <sup>1</sup>	n/a	475	490	568	463	434	293	339	298	451	n/a	262
Apartment (y/y %)	n/a	-10.7	-5.4	-7.5	-9.6	5.2	11.8	12.0	0.7	-4.5	n/a	1.5

<sup>1</sup> MLS benchmark price n/a: CREA data not available

## Recent Reports of Interest

**One Big Belated Budget:** The highly anticipated 2025 Canadian federal budget lands in the middle of a trade dispute, and at a time when the economy is struggling to grow.

**The Mortgage Renewal Wave: Sink or Swim?** The wave of Canadian mortgage renewals is set to crest in the year ahead, but households, the financial system and economy are well-equipped to handle it.

**Supply, Meet Demand:** Housing affordability will return to pre-pandemic norms through a combination of market dynamics, income growth, a modest reduction in borrowing costs and firm construction activity. Policymakers can help.

**Canadian Commercial Real Estate Update:** The trade war marks a sharp setback in what otherwise would have been a better year for Canadian commercial real estate.

**Housing Outlook 2025: A Long Way Home:** The Canadian housing market should post modest sales and price gains this year, but don't expect another exuberant takeoff. Changing secular forces also suggest it's still a long way back to the 2022 highs.

**Canadian Mortgages: Fix or Float?** With borrowing costs more likely to fall than rise—and by a lot in a possible trade war—a floating rate mortgage could pay off.

**What Canada's Immigration Shift Will and Will Not Do:** Ottawa's dramatic about-turn on immigration will turn Canada's 3%+ population growth to near-zero in coming years.

**Pathways to Affordability for Canada's Housing Market:** You would need to go back to the era of double-digit mortgage rates in the early 1990s to see the last time buying a home in Canada was as expensive as it is today. Is there a route back to affordability and, if so, how long will it take?

**Extraordinary Population Delusions and the Trouble with Crowds:** The narratives around the population boom have, in our view, been off the mark. Here are five things worth challenging.

**Real Estate Investment: The Good, the Bad and the Implications:** Does real estate investment make sense at this stage of the cycle? And if not, what are some implications?

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