

Canadian Housing Monitor: July 2025

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

Real Estate is Local

Canada's housing market is looking very **balanced and stable** through the summer, with significant regional variation persisting. At the national level, sales have steadily climbed back toward longer-term norms, inventory is elevated but not overly saturating the market, and prices are effectively flat. In markets where price corrections are ongoing, we seem to be getting closer to levels that are bringing some buyers off the sidelines, helping the market clear better.

We've seen **three major factors** holding back the housing market, some of which are improving: **Economic and job-market conditions** have been sluggish, with added uncertainty from the trade war. The latter is ongoing, but less pronounced than in the spring, especially with equities pushing record highs by the week. The Bank of Canada is on hold, and **mortgage rates** around 4% are not low enough to improve the affordability calculus in a demand-sparking way. And, **market psychology** is a hurdle. Just as expectations of higher prices drove accelerating gains on the way up, the understanding that prices are falling is holding back buyers on the way down in some locations. Unless the economy really rolls over, we continue to see relatively balanced aggregate conditions ahead.

Existing home sales rose 3.8% in seasonally-adjusted terms in July, a fourth consecutive month of improvement. Sales were also up a moderate 6.6% from year-ago levels, and are effectively back into the range, albeit the lower end, of what was 'normal' before the pandemic.

New listings were little changed in the month, but are still up 5.9% from a year ago. In general, there is healthy listings flow but very little forced selling, which has kept this correction orderly and contained. Indeed, the **market balance** improved again in July, with the national sales-to-new listings ratio rising to 52%, almost smack in the middle of balanced territory.

With balanced conditions, the national **benchmark price** was flat in July on a seasonally-adjusted basis, which left prices still down 3.4% from a year ago. The national benchmark still sits more than 17% below peak early-2022 levels, and the sideways grind continues.

The national figures truly mask stark differences across the country and across segments. Here's the quick rundown:

Southern Ontario remains the weak spot, with a glut of condos under construction, hitting the resale market and pressuring prices down. The wave of investor-owned supply is also spilling onto the rental market, pulling down rents

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Table 1 - Canada — Existing Home Sales

(% change)

July 2025	Sales			Prices	
	m/m ¹	y/y	y-t-d	y/y	y-t-d
Canada	3.8	6.6	-1.9	0.6	-1.6
Edmonton	1.7	-2.0	-3.4	5.3	7.3
Regina	5.3	13.6	-1.5	2.5	7.3
Montreal	-1.1	9.7	12.2	7.2	7.2
Winnipeg	0.8	7.8	6.7	2.8	6.7
Calgary	3.4	-9.1	-14.9	1.1	4.8
Halifax	-2.7	-2.8	1.5	1.5	3.9
Ottawa	-0.4	4.4	3.2	1.8	2.8
Toronto	13.0	13.2	-12.0	-5.0	-3.5
Vancouver	8.6	-1.7	-11.3	-3.6	-5.2
MLS Home Price Index (national)				-3.4	-2.7

¹ (seasonally adjusted)

Source: BMO Economics, Haver Analytics, CREA

and keeping new investors away. Apartment prices are down in the 6%-to-9% range from a year ago across markets like Toronto, Kitchener-Waterloo and Barrie, and new presale activity is bone dry. Single-detached prices across these markets are holding up better, but are also still falling.

Vancouver and some other markets across B.C. remain soft alongside elevated inventories, but they've become less so in recent months. Vancouver has edged back into balanced market terrain with the sales-to-new listings ratio at 40%, but both condo and detached prices are down roughly 3% from a year ago.

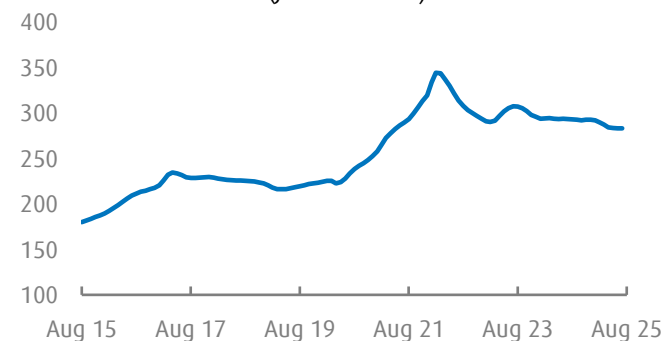
Markets in **Quebec and further east** remain very tight almost across the board. Price gains in those regions are firm, led by an 18% y/y pop in **Quebec City**, 8.4% y/y in **Montreal** and 9.0% y/y in **Fredericton**. On a relative affordability scale, these are markets that were historically very cheap, and are therefore struggling much less (i.e., not at all) under the weight of current mortgage rates.

Calgary continues to soften, with most of the steam now let out of what was Canada's strongest market. Sales are down 10% from a year ago, and the tight sellers' market of the past two years is now very balanced. The benchmark HPI is actually now down slightly from a year ago. Perhaps investors have backed off; perhaps the affordability arbitrage has run its course—the cheaper Edmonton market remains very firm.

National Price Trends

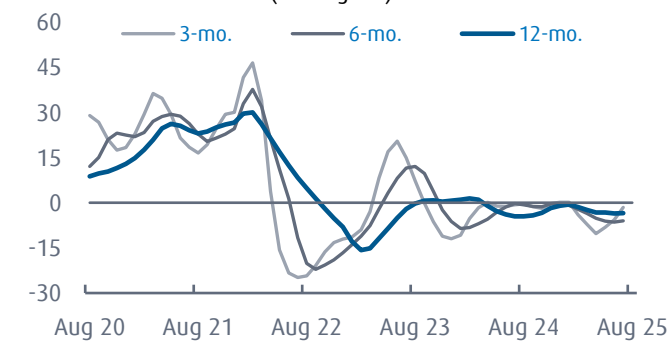
Canadian Home Price History

MLS Benchmark Index (Jan 2005 = 100)



Canadian Home Price Momentum

MLS Benchmark Index (% chng a.r.)



Market Balance

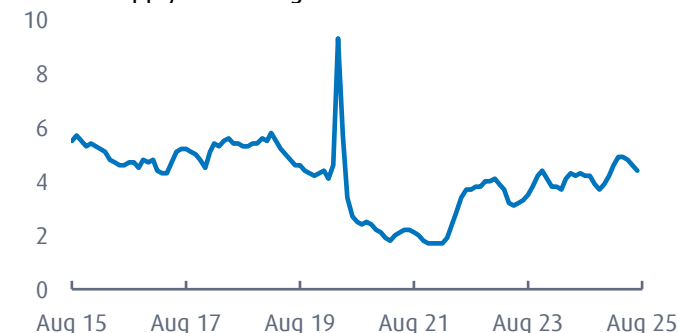
Canadian Resale Market Balance

Sales-to-new listings ratio: %



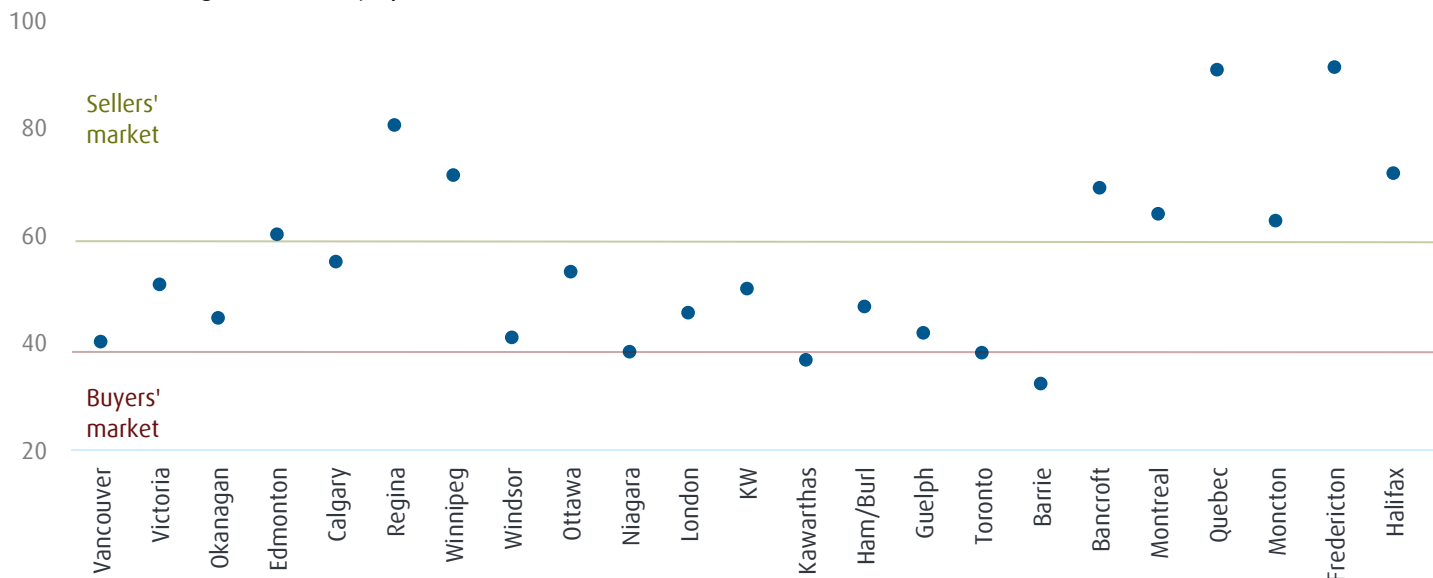
Canadian Resale Inventory

Months' supply of existing homes for sale



Market Balance by Region

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



Local Market Conditions

Snapshot of Current Market Conditions

as of July 2025

	Vancouver	Victoria	Okanagan	Edmonton	Calgary	Regina	Winnipeg	Windsor	Ottawa	Niagara	London	KW
Sales (y/y %)	-2.4	4.9	9.2	-3.1	-10.1	13.8	7.6	5.9	6.0	28.2	28.3	4.5
Sales/listings (%)	40.2	50.9	44.6	60.1	55.1	80.5	71.2	41.0	53.2	38.3	45.6	50.1
MLS HPI (y/y %)	-2.8	2.6	0.1	5.6	-1.8	7.8	6.9	-2.5	1.8	-6.0	-6.9	-7.5
Detached (\$ 000s) ¹	1,953	1,175	773	494	685	362	403	601	699	626	633	802
Detached (y/y %)	-3.6	2.8	-0.1	8.7	0.3	9.2	6.8	-3.0	1.9	-4.7	-5.1	-5.4
Apartment (\$ 000s) ¹	740	555	424	201	331	218	235	384	407	405	366	411
Apartment (y/y %)	-3.1	-1.5	-0.6	3.7	-4.6	1.9	5.2	-1.8	-1.6	-9.2	-13.1	-9.7
	Kawartha	Ham./Burl.	Guelph	Toronto	Barrie	Montreal	Quebec City	Moncton	Fredericton	Halifax	PEI	Nfld & Lab
Sales (y/y %)	45.1	22.0	0.4	11.1	-51.9	11.6	11.6	-3.2	30.4	-3.8	5.2	-7.1
Sales/listings (%)	36.8	46.7	41.8	38.1	32.4	64.0	90.8	62.7	91.3	71.6	59.0	57.6
MLS HPI (y/y %)	-4.5	-9.7	-5.5	-5.5	-6.8	8.4	18.1	4.0	9.0	1.1	3.9	11.3
Detached (\$ 000s) ¹	645	852	858	1,197	788	681	488	372	336	567	374	328
Detached (y/y %)	-4.6	-7.1	-5.1	-5.8	-6.9	9.7	17.1	3.7	9.1	1.1	4.0	11.5
Apartment (\$ 000s) ¹	n/a	497	500	573	463	427	303	372	296	483	n/a	259
Apartment (y/y %)	n/a	-6.1	-6.9	-8.1	-9.4	5.0	19.9	9.0	8.2	1.2	n/a	9.0

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

Recent Reports of Interest

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.

Canada's Housing Market in Charts: A chart-based tour of the market, and where it might be headed.

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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