Economic Commentary

July 15 2025

central 1
Economics

Canadian housing market nudging higher into summer months

Housing markets showed signs of increased activity heading into the summer months as a waning of spring tariff-related pessimism, and lower prices and mortgage rates have attracted more buyers back into the market. That said, conditions remain slow compared to the end of 2024 and especially weak in both B.C. and Ontario, and economic risks persist.

The latest MLS® data from CREA reported another rebound in home sales, with growth of 2.8 per cent in June to 38.7k, which followed a 3.5 per cent gain in May. While the uptick was solid, levels were still lower than seen in January and down 0.5 per cent y/y, compared to an already shallow year.

Sales increased in six of the ten provinces, led by B.C. (5.8 per cent) and Ontario (5.3 per cent), with PEI up 7.0 per cent. That said, both B.C. and Ontario recorded the deepest declines earlier this year (and relative to pre-pandemic levels), reflecting the more acute impacts of the tariff threats on higher priced markets. High prices in these markets are reflected in higher potential mortgage payments and heightened financial risk in the event of job loss, leading prospective buyers to shy away from major purchases.

Sales slipped 1.7 per cent in Alberta and 2.1 per cent in Manitoba but rose 2.7 per cent in Saskatchewan. Sales were mixed in the Atlantic and nudged up 2.3 per cent in Quebec. While trends have been shallow of late, the Prairies and Atlantic continue to see highly active markets driven by relative affordability, and in Alberta specifically, high levels of interprovincial migration. Among larger urban areas, sales jumped 8.1 per cent in Toronto in June, with Saskatoon up 8.9 per cent, Calgary up 3.7 per cent and the Fraser Valley (eastern Lower Mainland) up 6.2 per cent.

Modestly higher demand contributed to higher home values of 1.5 per cent to $678.4k. Average prices rose across the country in all provinces except PEI (-1.7 per cent). That said, with the strongest growth observed in Saskatchewan (1.4 per cent) and several Atlantic provinces, the national increase largely reflected a compositional effect of increased sales in B.C. and Ontario. Average prices have been range-bound but continue to grind lower, with negative trends in B.C. and Ontario, and flat momentum in Alberta. Saskatchewan, Manitoba and parts of the Atlantic continue to track higher. The underlying price trends reflect a mix of conditions across the country. Sales-to-new listings ratios point to ongoing buyers' market conditions in B.C. and Ontario, and stronger conditions in other provinces.

The constant-quality price index fell 0.2 per cent, marking a seventh straight decline and reflects mild conditions in many parts of the country and price declines in several large provinces. Apartment condominium markets are seeing more pronounced weaknesses, with an overhang of new condo products in large markets also weighing resale prices.

Canada's housing market remains mixed. There is no single national market, with varied conditions based on relative affordability, economic growth, and population mobility. Broadly, demand continues to be tempered by tariff threats, but effects are uneven, and the latest data suggests this impact is waning. That said, this cloud of uncertainty is likely to remain an anchor in both B.C. and Ontario where we see lower prices, particularly given another salvo of heightened tariff threats from the U.S. administration. Moreover, a resilient Canadian economy and firm inflation readings as of late have reduced the likelihood of near-term policy rate cuts. This is contributing to firm bond yields, further supported by U.S. inflation risks and fiscal deficits in the U.S., Canada, and across the globe. Fixed mortgage rates are unlikely to fall much, and potentially could rise further in the short term, hampering a rebound.

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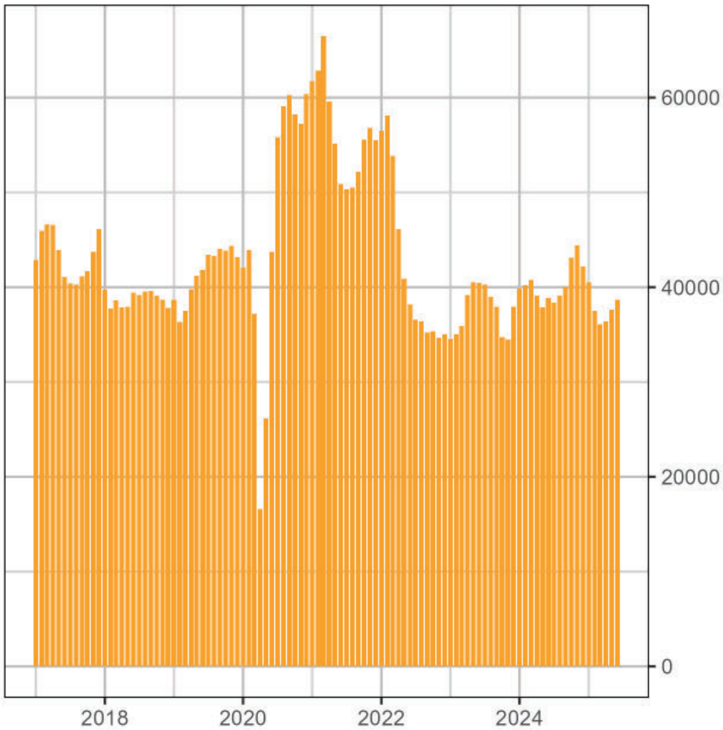
Canada MLS Activity

Unit sales

Last data point: 2025-06-01

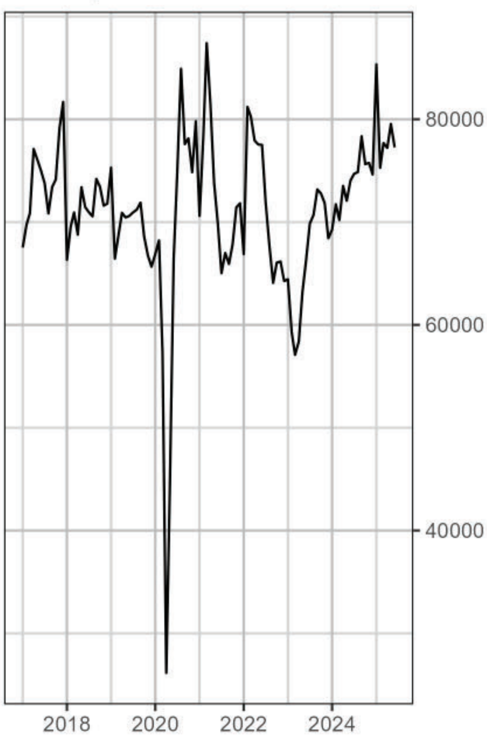


Average Price, $000s

Last data point: 2025-06-01

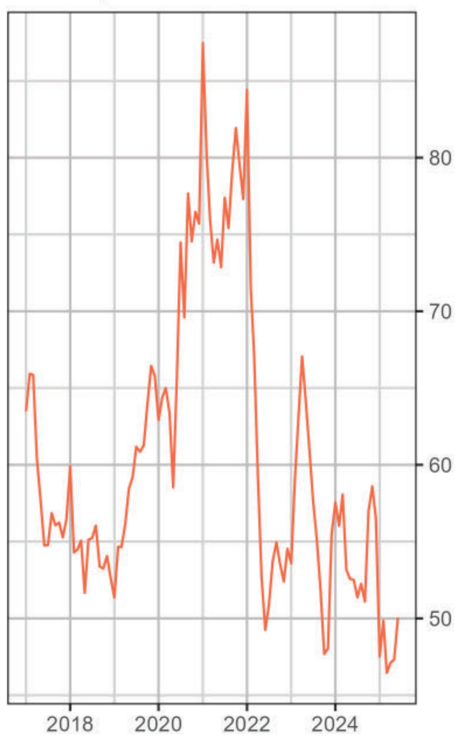
New listings

Last data point: 2025-06-01



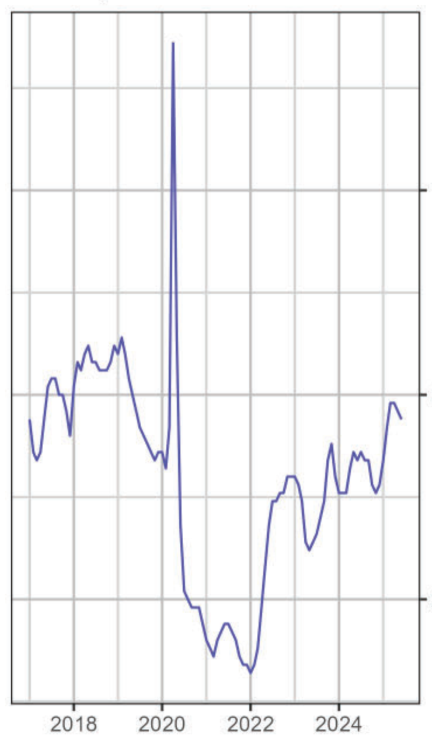
Sales-to-new listings

Last data point: 2025-06-01



Months of inventory

Last data point: 2025-06-01



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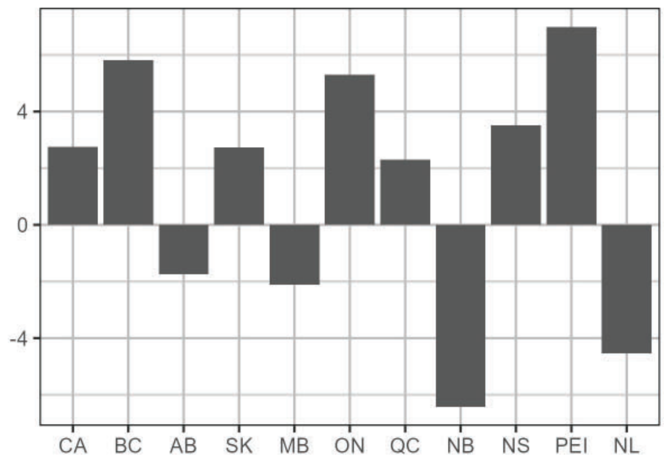
Provincial MLS Activity

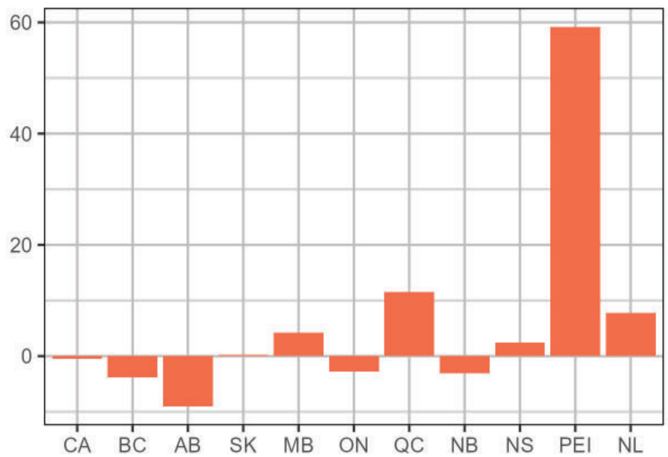
MLS unit sales, monthly % change

Last data point: 2025-06-01



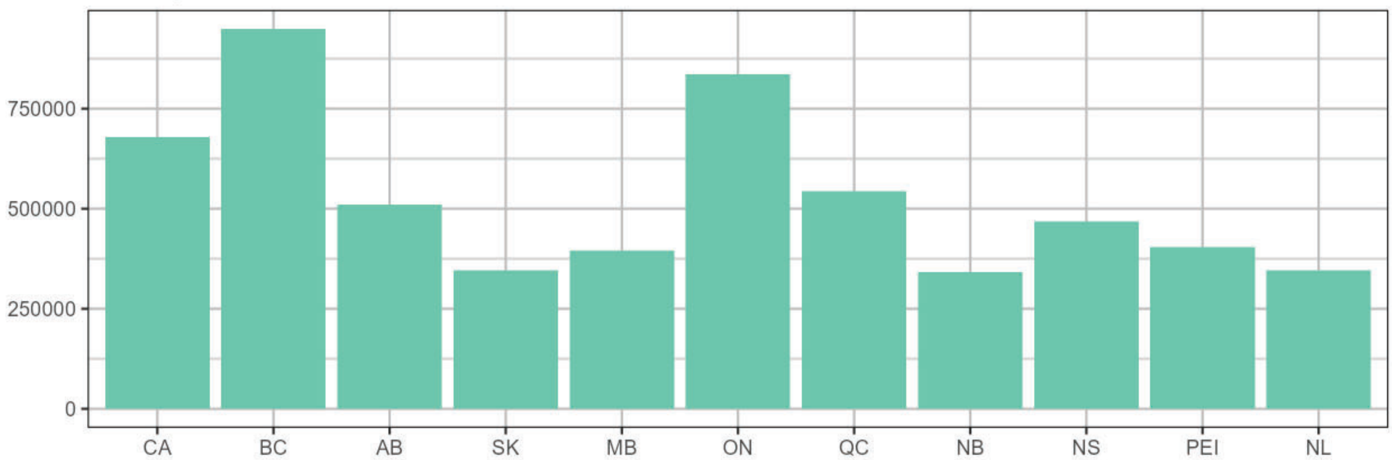
MLS unit sales, 12-month % change

Last data point: 2025-06-01



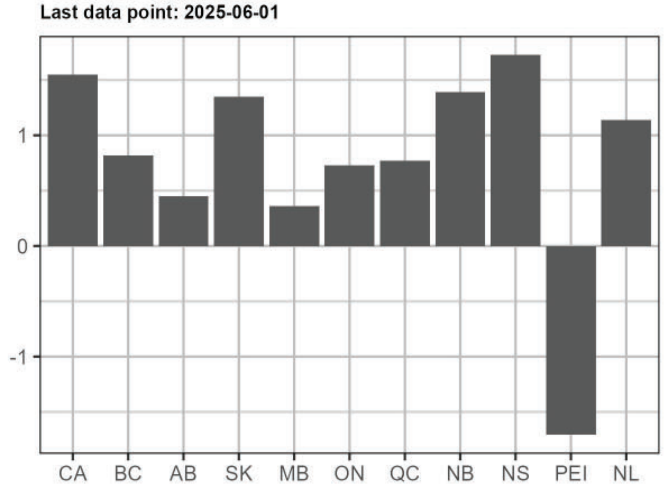
MLS Average Price, $

Last data point: 2025-06-01



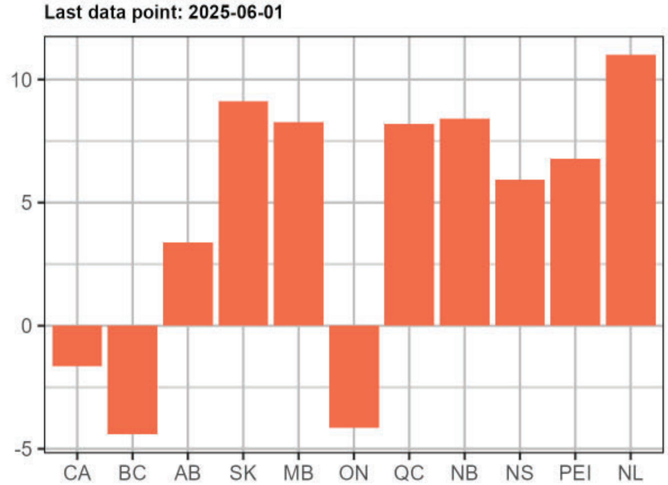
MLS Average Price, monthly % change

Last data point: 2025-06-01



MLS Average Price, 12-month % change

Last data point: 2025-06-01



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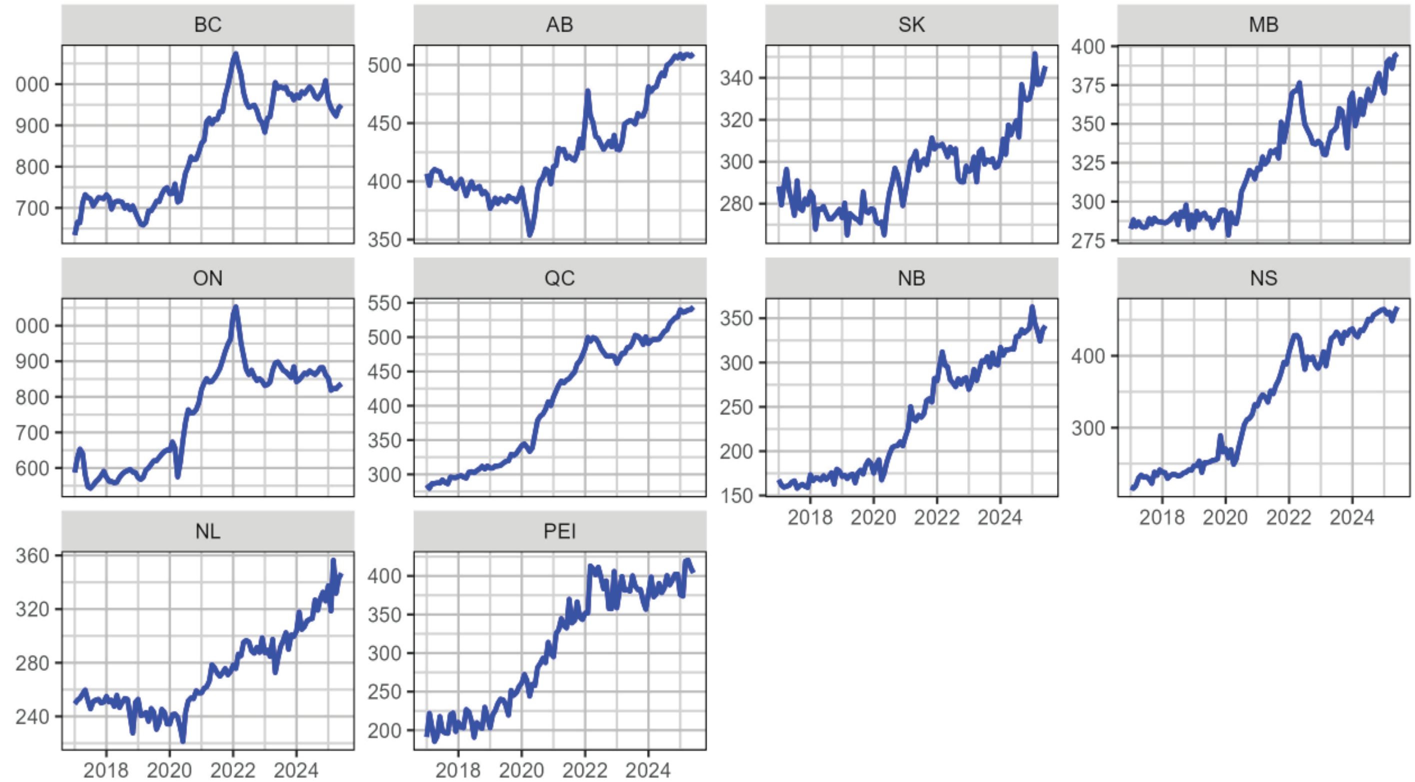
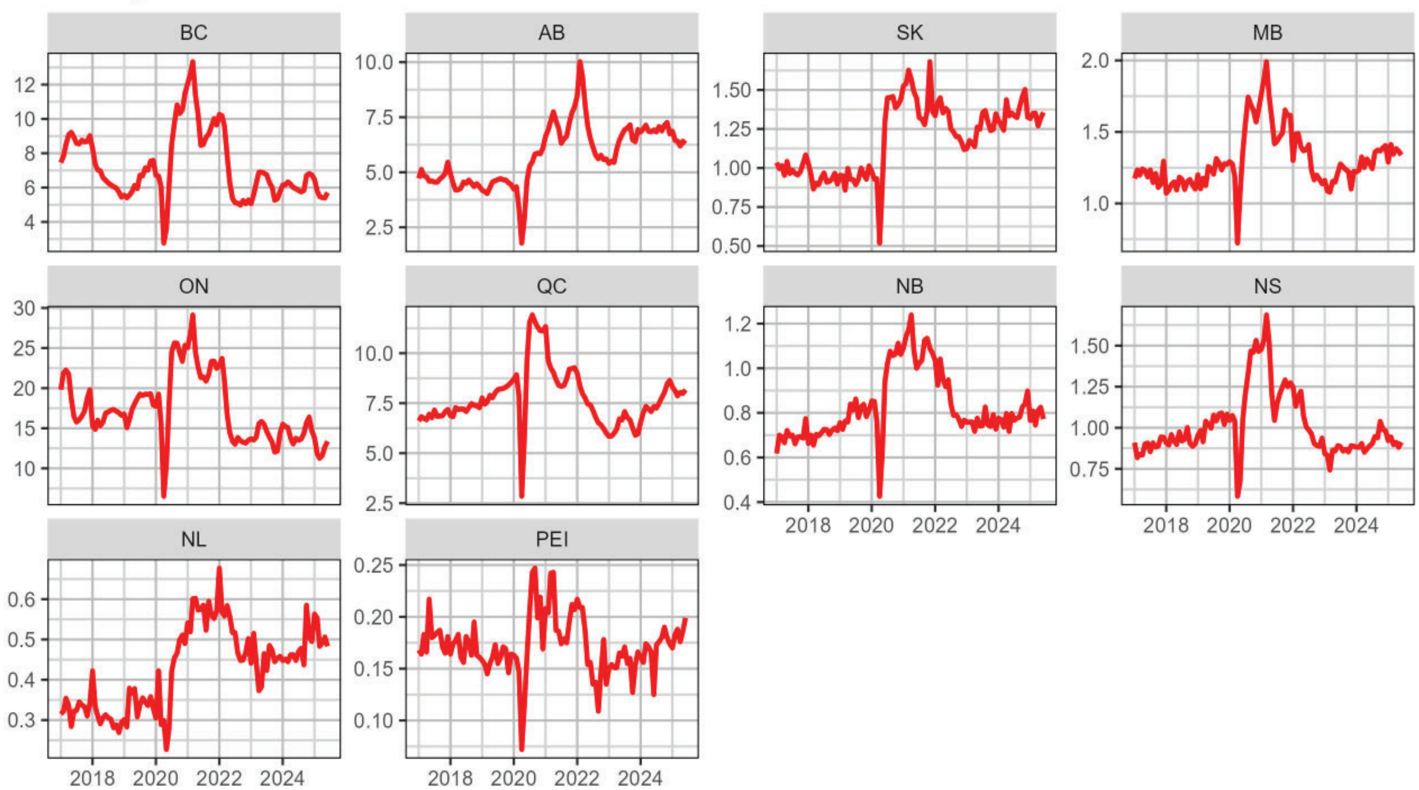
MLS Average Price ($000s)

Last data point: 2025-06-01



MLS Sales - Units (000s)

Last data point: 2025-06-01



MLS® Housing Summary										
Jun-25	Unit Sales					Average Price				
	Sales, 000s	m/m ch	prior m/m % ch	m/m % ch	y/y % ch	Price, $000s	m/m ch	prior m/m % ch	m/m % ch	y/y % ch
CA	38.7	1.0	3.5	2.8	-0.5	678.4	10.3	1.9	1.5	-1.6
BC	5.7	0.3	-0.4	5.8	-3.9	949.3	7.7	2.1	0.8	-4.4
AB	6.3	-0.1	3.4	-1.7	-9.0	509.7	2.3	-0.3	0.4	3.4
SK	1.4	0.0	3.9	2.7	0.3	345.5	4.6	1.2	1.4	9.1
MB	1.3	0.0	-1.2	-2.1	4.2	395.2	1.4	2.1	0.4	8.3
ON	13.4	0.7	9.3	5.3	-2.8	836.7	6.1	1.0	0.7	-4.2
QC	8.2	0.2	-0.6	2.3	11.6	544.1	4.2	0.1	0.8	8.2
NB	0.8	-0.1	1.7	-6.4	-3.1	341.5	4.7	3.9	1.4	8.4
NS	0.9	0.0	-3.3	3.5	2.5	468.0	7.9	2.5	1.7	5.9
PEI	0.2	0.0	5.7	7.0	59.2	404.0	-7.0	-2.3	-1.7	6.8
NL	0.5	0.0	3.1	-4.5	7.8	346.7	3.9	3.3	1.1	11.0

Source: CREA, Central 1

MLS® Supply Conditions						
Jun-25	New Listings				Sales-to-New Listings	Months of Inventory
	Units, 000s	prior m/m % ch	m/m % ch	y/y % ch		
CA	77.3	3.0	-2.9	4.4	50.1	4.7
BC	13.5	-0.7	-1.1	-0.9	42.4	7.1
AB	10.2	5.9	-4.1	10.0	61.9	3.0
SK	1.9	8.2	-4.5	3.9	70.1	3.4
MB	1.8	2.1	-6.4	-6.9	75.0	2.2
ON	34.0	5.5	-4.3	3.4	39.3	5.0
QC	12.1	-1.4	-0.9	10.1	67.6	4.5
NB	1.2	-8.6	6.9	5.9	65.4	4.2
NS	1.4	11.2	-2.7	7.4	63.3	4.7
PEI	0.3	-3.6	1.9	16.4	60.9	5.8
NL	0.8	-5.6	11.6	7.9	59.2	5.2

Source: CREA, Central 1

MLS® Housing Market Summary, Select Metro Areas										
	MLS® Sales					MLS® Price				
Jun/2025	Units, 000s	m/m ch	prior m/m % ch	m/m % ch	y/y % ch	Price, $000s	m/m ch	prior m/m % ch	m/m % ch	y/y % ch
Fraser Valley, BC	0.9	0.0	6.2	2.1	-13.1	1023.4	44.6	-1.1	4.6	0.4
Greater Vancouver, BC	1.8	0.0	-1.0	2.8	-13.3	1252.0	20.5	1.8	1.7	-6.2
Calgary, AB	2.4	-0.1	3.7	-4.3	-18.4	645.3	-0.4	0.2	-0.1	3.6
Edmonton, AB	2.4	0.1	2.8	3.0	-2.5	442.4	1.0	-1.0	0.2	5.9
Saskatoon, SK	0.6	0.0	8.9	5.0	0.2	412.2	-6.8	1.2	-1.6	9.2
Winnipeg, MB	1.1	-0.1	1.0	-5.7	3.6	415.3	4.2	1.2	1.0	7.8
Toronto, ON	5.1	0.4	8.5	8.1	-4.7	1068.3	-1.1	0.3	-0.1	-5.4
Ottawa, ON	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Halifax, NS	0.4	0.0	-3.7	5.5	5.0	603.4	2.6	4.2	0.4	4.1