Economic Commentary

August 15 2025

central 1 Economics

B.C. and Ontario lead home sales growth in July

MLS® home sales in Canada continued to rebound through July according to the latest data from the Canadian Real Estate Association, consistent with data from larger urban real estate board published earlier in the month. Sales rose 3.8 per cent in July marking the fourth consecutive increase and the highest pace of sales since January. This was up 6.3 per cent y/y. While borrowing costs have held steady, easing tariff-related uncertainty in the economy and lower prices likely drew more buyers into the market. The economy has remained resilient, with tariff impacts cushioned exemptions for USMCA compliant goods. The labour market while soft has averaged modest employment gains over the last several months supporting consumer demand and sentiment.

The latest housing data showed mixed gains across provinces. Driving the increase was Ontario, which reported a monthly increase of 6.6 per cent and 11.2 per cent year-over-year gain. B.C. (+3.9 per cent), Alberta (+2.6 per cent), and New Brunswick (+7.1 per cent) all contributed to the monthly increase. In contrast, sales slipped in Quebec and Manitoba by 0.4 per cent, alongside steeper declines in PEI (6.2 per cent) and Newfoundland and Labrador (-5.3 per cent). Among metro areas, Toronto area sales soared 13 per cent to return to January levels, although holding within the low range observed since 2022 when higher interest rates hammered demand. Lower Mainland sales also rose by about 8 per cent.

More robust gains in B.C. and Ontario reflect a normalization in patterns after an early year slump. Higher priced markets were more acutely impacted by the spike in tariff uncertainty given the potential impact of job loss ability to service high mortgage debt. While sales have bounced back, sales in both provinces remain lower than pre-pandemic trends which contrasts with higher sales in more affordable provinces.

Average price levels also tracked higher in July, consistent with increased sales and a compositional shift favouring higher priced provinces. The average national price rose 1.3 per cent to $687,000, which was a third straight increase and the highest level since December but remained within the three-year range. That said, monthly patterns were mixed as the compositional effect of higher BC and Ontario sales dominated. Prices rose 1.1 per cent in both BC and Ontario but nudged lower in most other provinces. Broadly price trends for condominiums are declining amidst a period of excess supply, particularly in markets like Toronto and Vancouver.

Monthly volatility aside, conditions remain steady with a sales-to-new listings ratio of 52 per cent, albeit with excess supply more evident in B.C. and Ontario compared to other provinces. We expect further sales growth into 2026 as improved affordability drives more buyers into the market. However, growth will be limited by a soft economy and low population growth.

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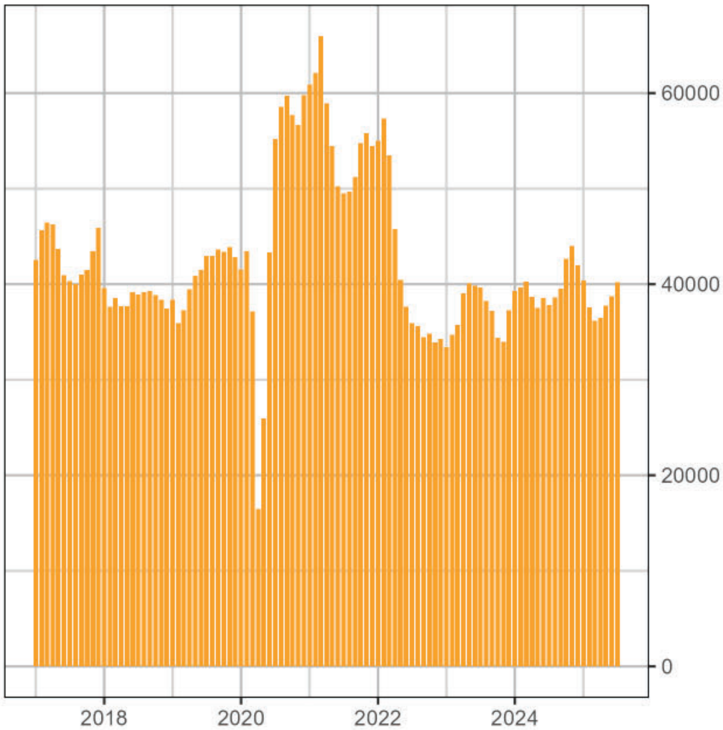
Canada MLS Activity

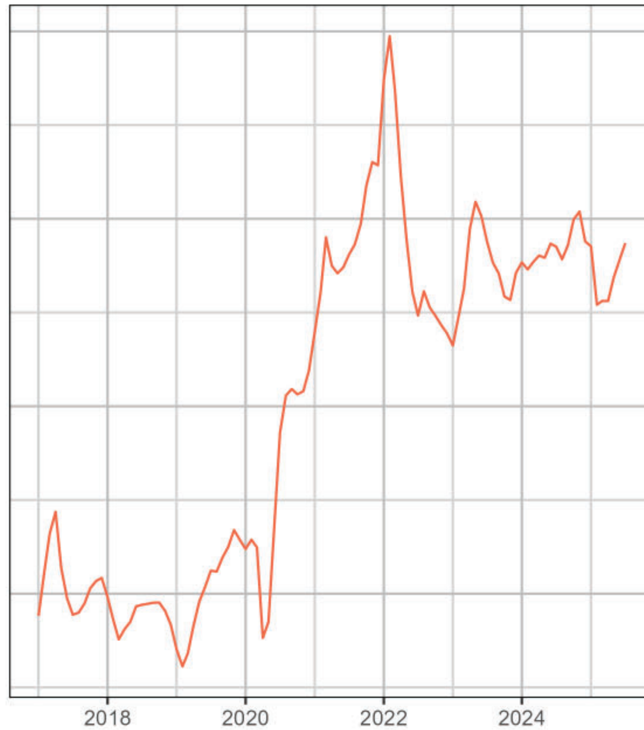
Unit sales

Last data point: 2025-07-01



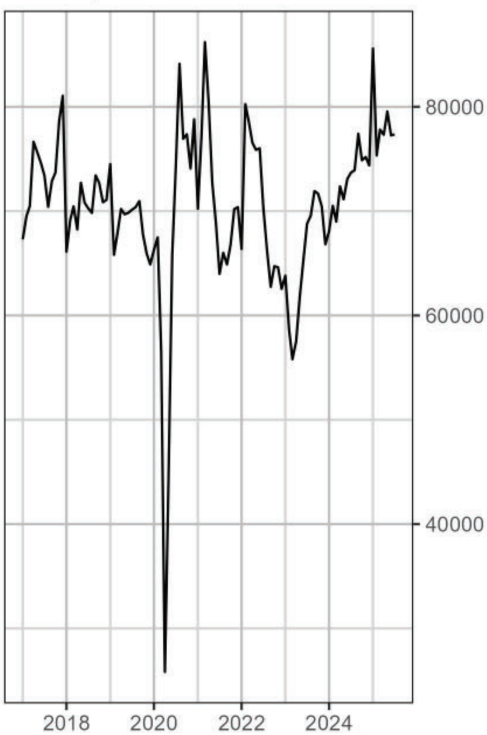
Average Price, $000s

Last data point: 2025-07-01



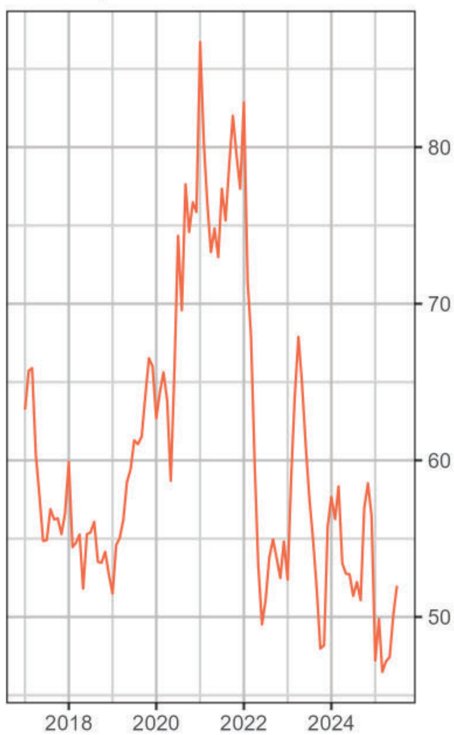
New listings

Last data point: 2025-07-01



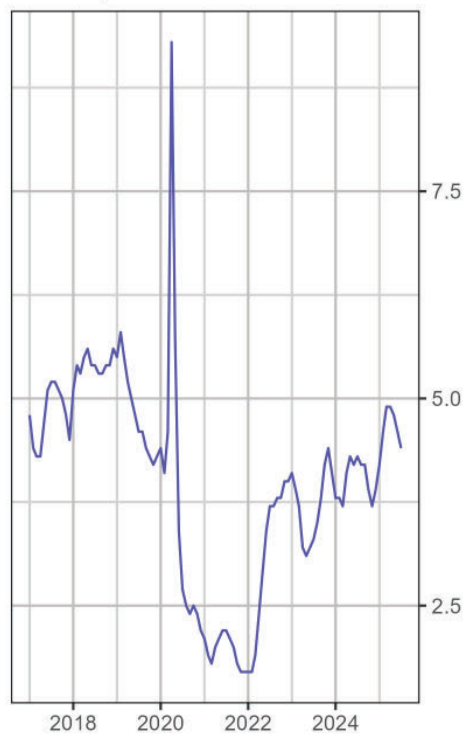
Sales-to-new listings

Last data point: 2025-07-01



Months of inventory

Last data point: 2025-07-01

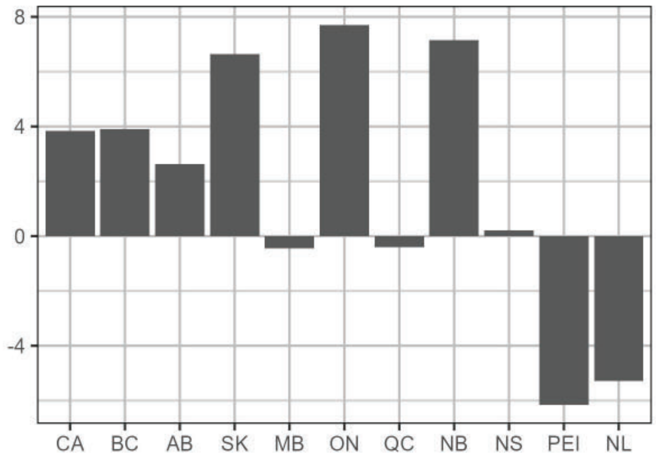


CREA, Central 1

Provincial MLS Activity

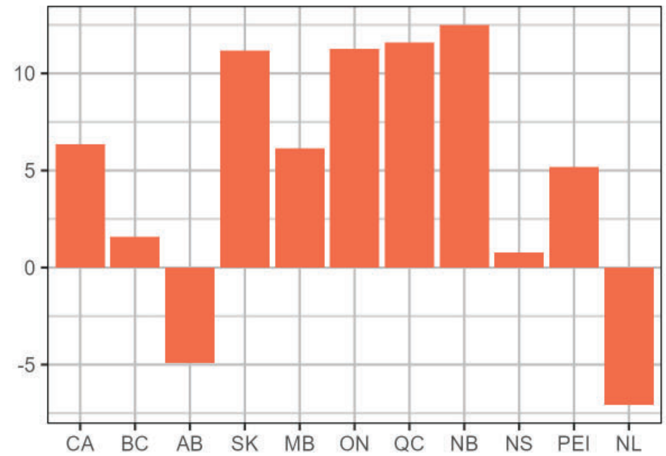
MLS unit sales, monthly % change

Last data point: 2025-07-01



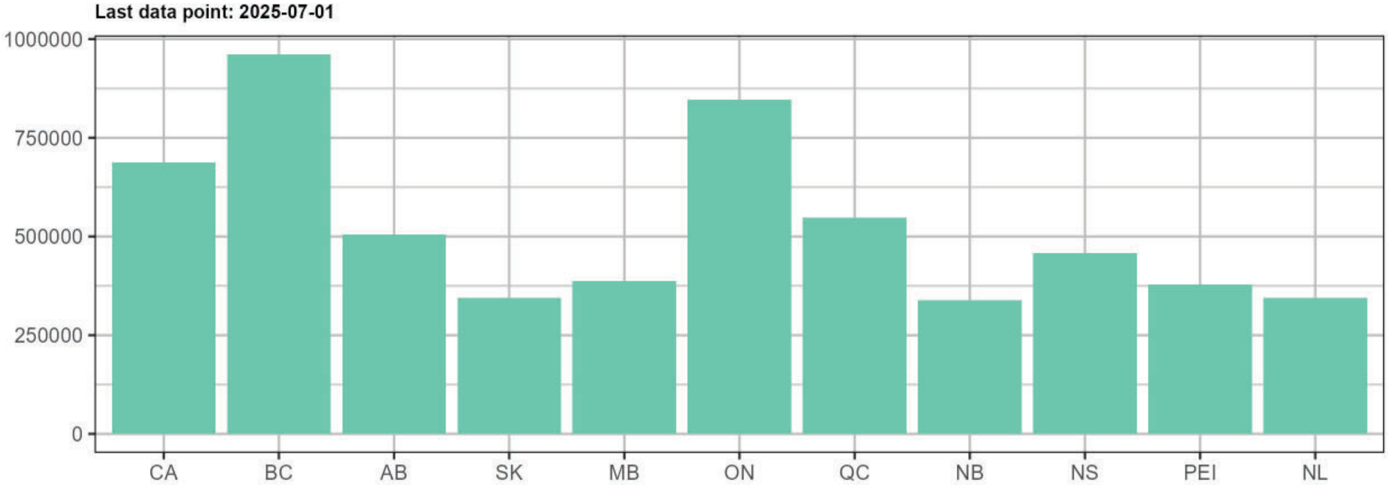
MLS unit sales, 12-month % change

Last data point: 2025-07-01



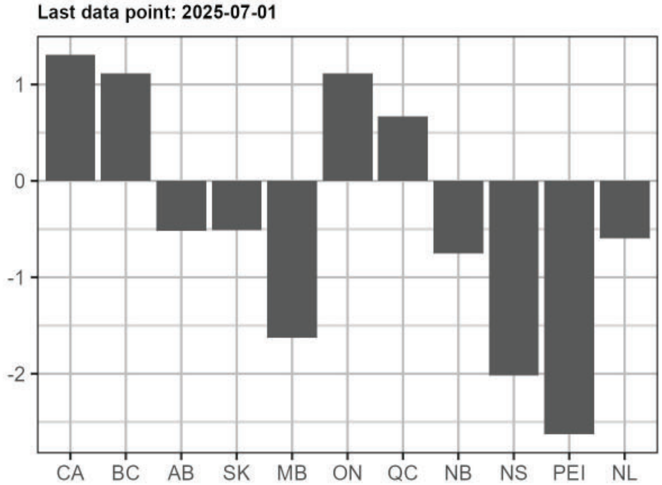
MLS Average Price, $

Last data point: 2025-07-01



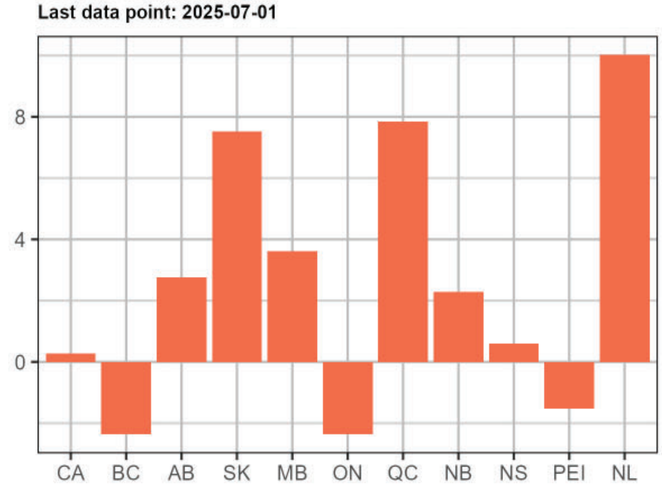
MLS Average Price, monthly % change

Last data point: 2025-07-01



MLS Average Price, 12-month % change

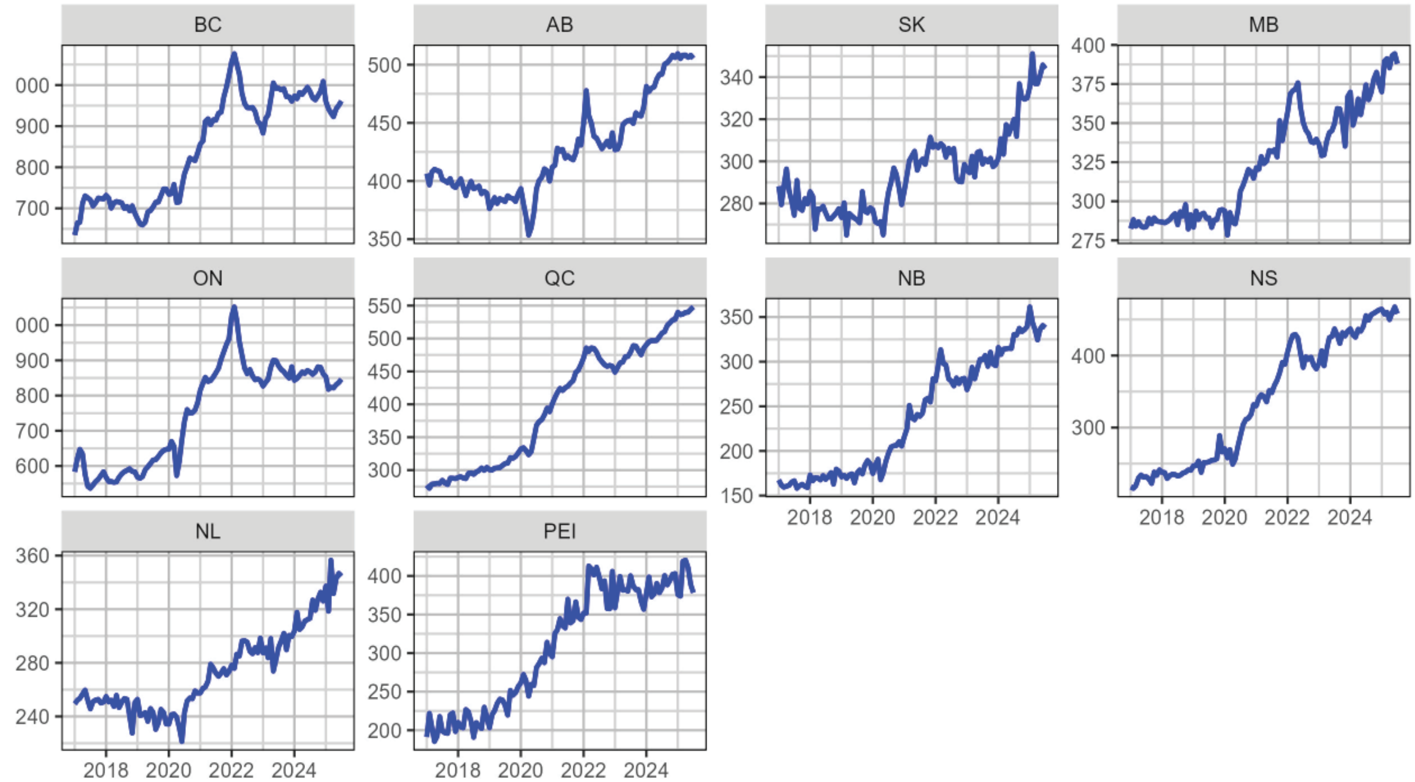
Last data point: 2025-07-01



CREA, Central 1

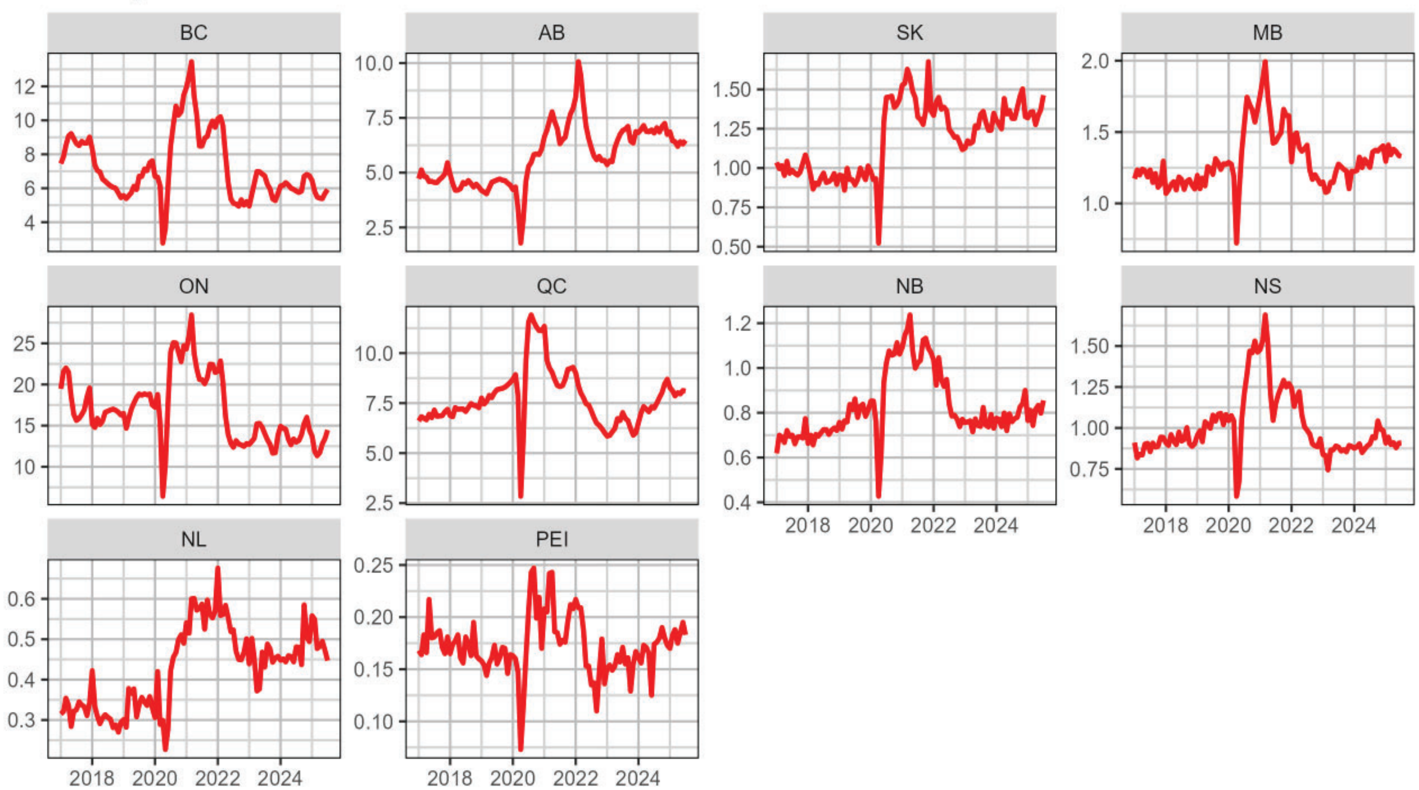
MLS Average Price ($000s)

Last data point: 2025-07-01



MLS Sales - Units (000s)

Last data point: 2025-07-01



MLS® Housing Summary										
Jul-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	**40.2**	***1.5***	*2.7*	***3.8***	***6.4***	**687.0**	***8.9***	*1.4*	***1.3***	***0.3***
BC	**5.9**	***0.2***	*5.8*	***3.9***	***1.6***	**961.3**	***10.6***	*0.9*	***1.1***	***-2.4***
AB	**6.5**	***0.2***	*-1.6*	***2.6***	***-4.9***	**505.5**	***-2.6***	*0.4*	***-0.5***	***2.8***
SK	**1.5**	***0.1***	*2.9*	***6.6***	***11.2***	**343.9**	***-1.8***	*1.4*	***-0.5***	***7.5***
MB	**1.3**	***0.0***	*-2.1*	***-0.4***	***6.1***	**388.0**	***-6.4***	*0.3*	***-1.6***	***3.6***
ON	**14.5**	***1.0***	*5.0*	***7.7***	***11.3***	**846.4**	***9.4***	*0.7*	***1.1***	***-2.4***
QC	**8.1**	***0.0***	*2.1*	***-0.4***	***11.6***	**548.0**	***3.7***	*0.8*	***0.7***	***7.8***
NB	**0.9**	***0.1***	*-4.2*	***7.1***	***12.5***	**338.0**	***-2.6***	*1.2*	***-0.8***	***2.3***
NS	**0.9**	***0.0***	*3.2*	***0.2***	***0.8***	**458.0**	***-9.4***	*1.8*	***-2.0***	***0.6***
PEI	**0.2**	***0.0***	*5.4*	***-6.2***	***5.2***	**378.3**	***-10.2***	*-5.4*	***-2.6***	***-1.5***
NL	**0.4**	***0.0***	*-4.6*	***-5.3***	***-7.1***	**344.6**	***-2.1***	*1.2*	***-0.6***	***10.0***

Source: CREA, Central 1

MLS® Supply Conditions						
Jul-25	New Listings				Sales-to-New Listings	Months of Inventory
	Units, 000s	prior m/m % ch	m/m % ch	y/y % ch		
CA	**77.4**	*-2.9*	***0.1***	***5.0***	**52.0**	**4.4**
BC	**13.3**	*-1.2*	***-0.8***	***-3.2***	**44.7**	**6.7**
AB	**10.8**	*-3.6*	***4.6***	***11.4***	**60.1**	**2.9**
SK	**2.0**	*-3.9*	***0.5***	***1.7***	**74.9**	**3.0**
MB	**1.9**	*-6.2*	***3.0***	***0.7***	**71.8**	**2.1**
ON	**34.0**	*-4.4*	***0.0***	***6.5***	**42.5**	**4.5**
QC	**11.8**	*-1.1*	***-1.9***	***6.3***	**68.8**	**4.4**
NB	**1.2**	*7.1*	***0.8***	***12.5***	**71.6**	**3.7**
NS	**1.4**	*-2.8*	***-3.4***	***2.8***	**65.8**	**4.7**
PEI	**0.3**	*2.8*	***-5.5***	***9.2***	**59.0**	**6.3**
NL	**0.8**	*12.3*	***-5.4***	***0.0***	**57.6**	**5.6**

Source: CREA, Central 1

MLS® Housing Market Summary, Select Metro Areas										
	MLS® Sales					MLS® Price				
Jul/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	1.0	0.1	1.7	6.6	-5.0	1032.1	9.2	4.5	0.9	0.7
Greater Vancouver, BC	2.0	0.2	2.8	8.6	-2.4	1251.7	0.4	1.6	0.0	-3.8
Calgary, AB	2.5	0.1	-4.1	3.4	-10.1	634.3	-8.5	-0.2	-1.3	1.2
Edmonton, AB	2.5	0.0	3.1	1.7	-3.5	446.3	3.7	0.3	0.8	5.4
Saskatoon, SK	0.6	0.0	5.4	8.1	14.5	420.3	7.2	-1.6	1.7	7.4
Winnipeg, MB	1.1	0.0	-5.7	0.8	7.6	409.1	-5.3	1.0	-1.3	2.8
Toronto, ON	5.7	0.7	8.2	13.0	11.1	1069.5	2.8	-0.2	0.3	-5.2
Ottawa, ON	1.0	0.0	-0.5	-0.4	6.0	703.5	-9.5	0.3	-1.3	1.5
Halifax, NS	0.4	0.0	4.3	-2.7	-3.8	590.0	-12.7	0.5	-2.1	1.5