Economic Commentary

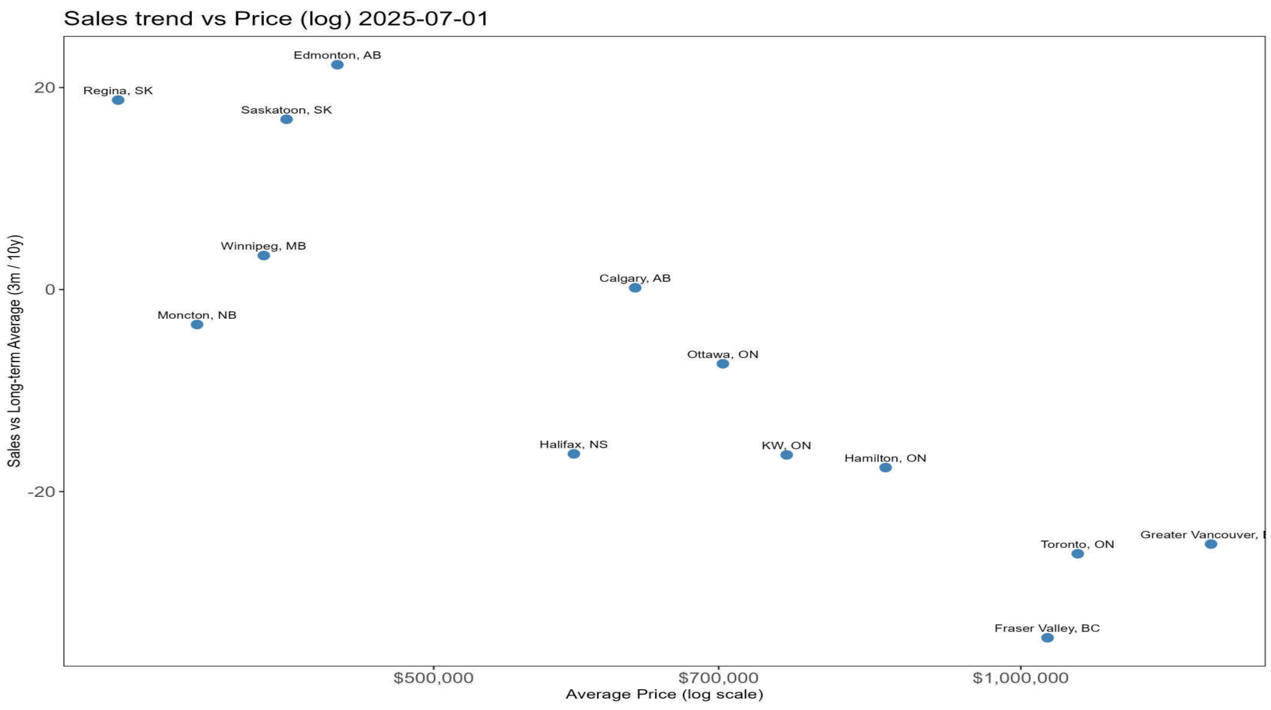
September 15 2025

central 1 Economics

August home sales tick higher but trend still sluggish

Canadian housing market conditions remained soft through August despite upticks in both MLS® home sales and the average national home value. According to the latest data from CREA, sales rose 1.1 per cent m/m in August to a seasonally- adjusted 40.2k units. While increasing for a fifth straight month following the tariff-uncertainty induced spring slump, growth decelerated, and levels remain consistent with the weak pace observed since 2022. Unadjusted sales were up 1.8 per cent year-over-year, but down 1.5 per cent year-to-date. The average home value nudged higher by 0.4 per cent to $689.8k.
Among provinces, patterns were mixed with six of ten provinces recording higher home sales in August. Of the larger provinces, B.C. and Alberta reported sales growth of 2.4 and 2.2 per cent, while Quebec sales rose 3.1 per cent. Ontario sales were unchanged. In contrast, declines were seen in Saskatchewan (-3.0 per cent), and New Brunswick (-13.8 per cent). Among metro areas, growth in the Lower Mainland reflected a pickup in core Metro Vancouver markets (+5.6 per cent), while the Fraser Valley was unchanged, while Toronto sales declined 1.8 per cent. Calgary sales held steady, with Saskatoon down 6.0 per cent.

While monthly patterns were mixed, there remained substantial deviations among markets in longer-term trends. Sales are lower than at the beginning of the year in most provinces, but the Prairies, as well as Newfoundland and Labrador, and Prince Edward Island have maintained sales levels far above pre-pandemic levels. In contrast, B.C. and Ontario continue to struggle at about 20 per cent below. Economic uncertainty and affordability remain key factors in our view. Higher priced markets have experienced sharper sales declines, reflecting the combination of higher mortgage rates on affordability and buyer uncertainty from risk of job loss. In high priced markets, job loss is more likely to lead to mortgage delinquency and default for buyers.



These trends are evident in market conditions and price trends. In August, average prices rose in nearly all markets aside from B.C. and Ontario, with robust gains in the Prairies and the Atlantic. Year-over-year price growth has been consistent with these patterns, and broadly, growth has been concentrated outside the largest metro areas. Prices in Toronto and the Lower Mainland have declined sharply, reflecting lower demand and excess inventory, while Calgary’s average price is flat from a year ago. Trends continue to point to rising average prices outside B.C., Ontario, and Alberta.

A mixed performance is likely to continue. Economic trends are deteriorating, trade uncertainty persists, federal migration caps are limiting demand and soft rental markets will likely keep buyers on the sidelines. In larger urban markets, there is also a glut of complete but unsold new inventory. Weakness likely remains more pervasive in the largest markets with smaller regions still benefitting from Canadians searching for affordable housing, and further declines in borrowing costs.

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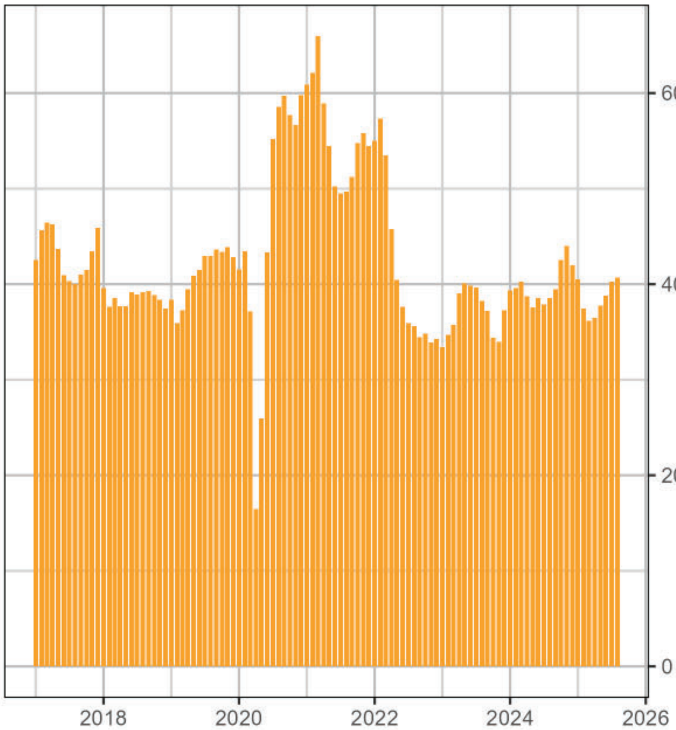
Canada MLS Activity

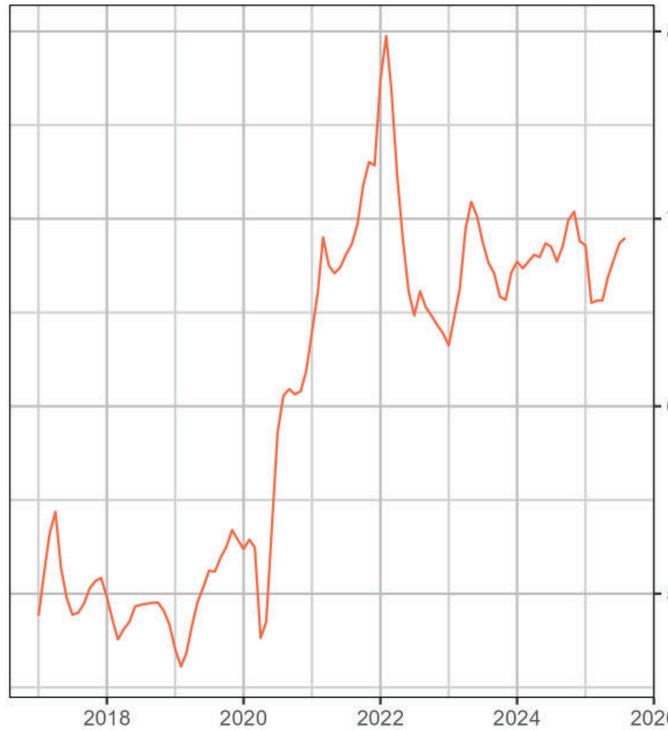
Unit sales

Last data point: 2025-08-01



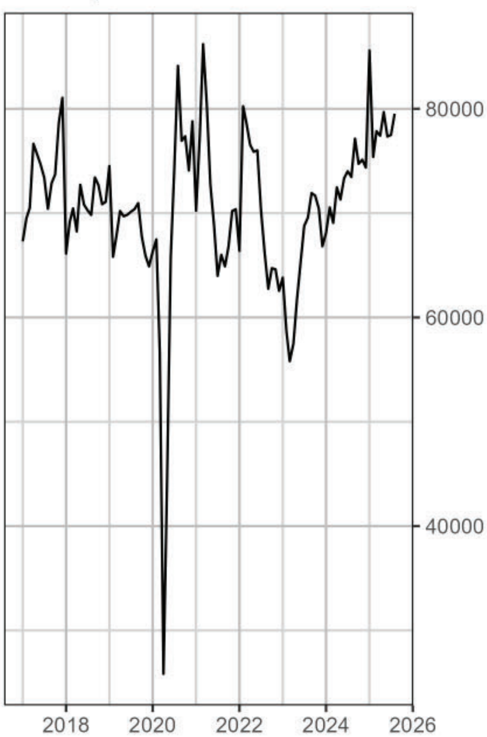
Average Price, $000s

Last data point: 2025-08-01



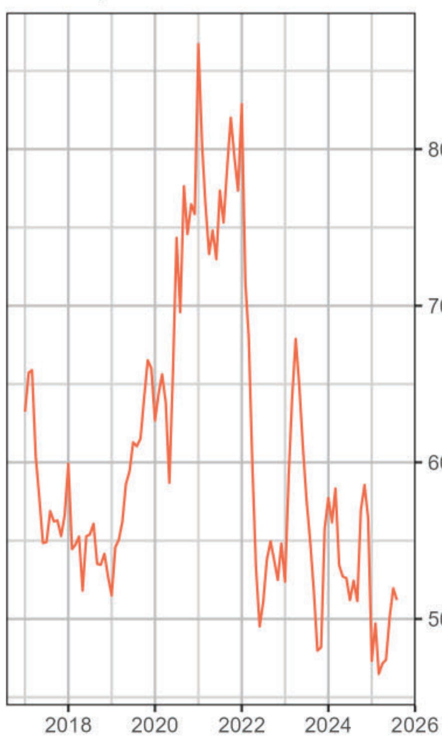
New listings

Last data point: 2025-08-01



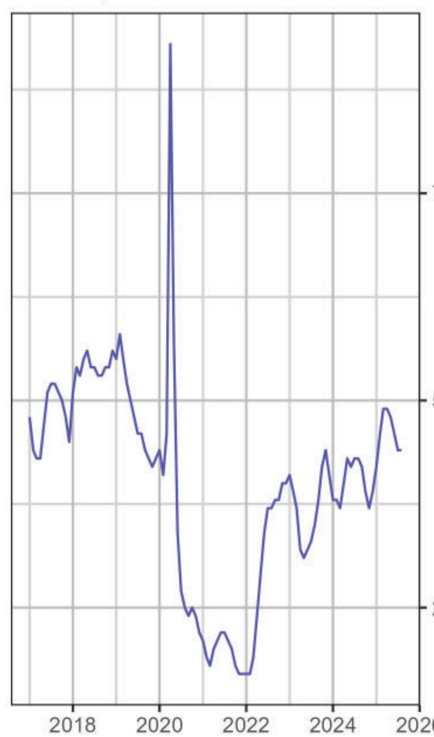
Sales-to-new listings

Last data point: 2025-08-01



Months of inventory

Last data point: 2025-08-01

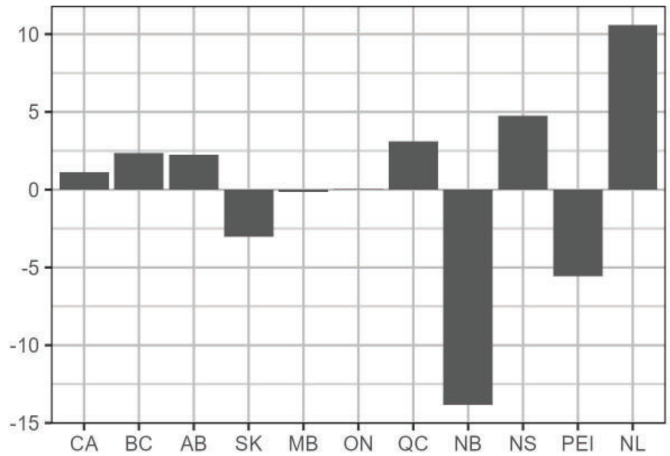


CREA, Central 1

Provincial MLS Activity

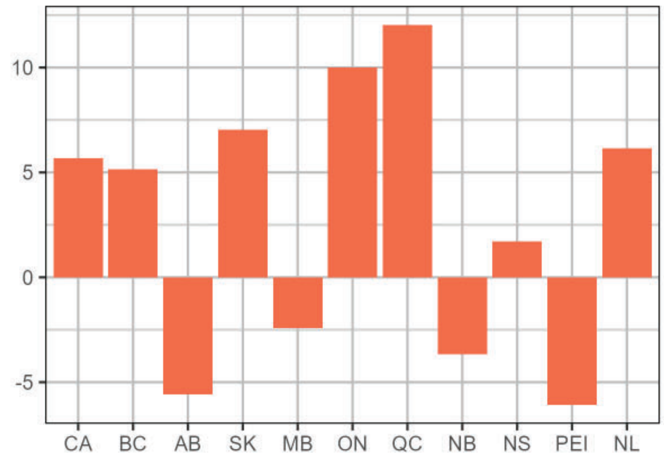
MLS unit sales, monthly % change

Last data point: 2025-08-01



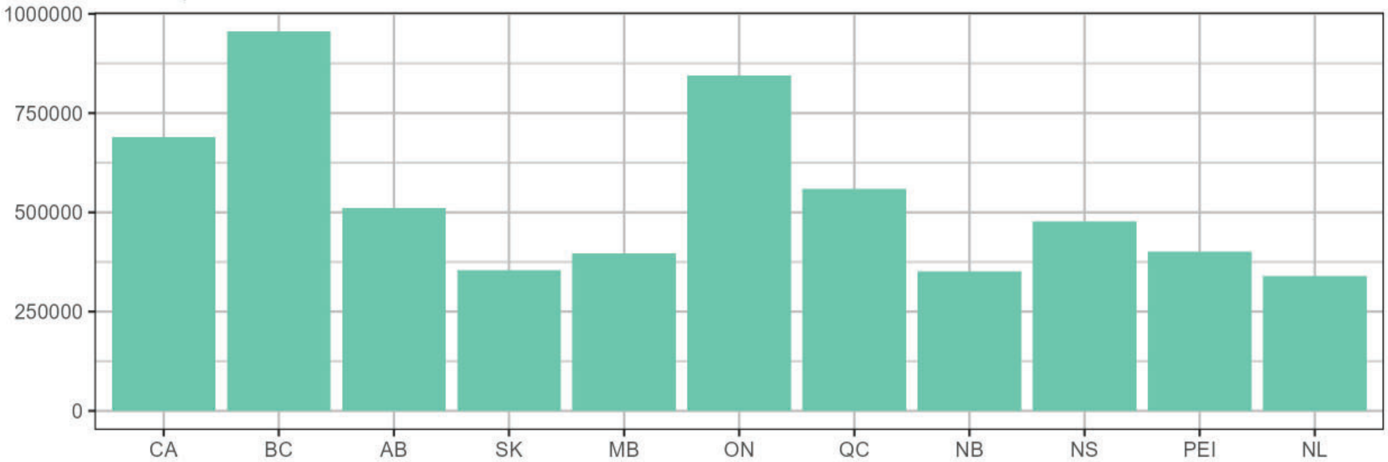
MLS unit sales, 12-month % change

Last data point: 2025-08-01



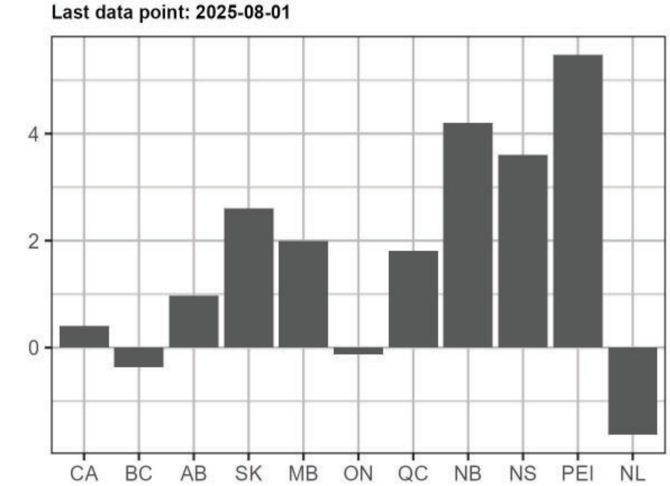
MLS Average Price, $

Last data point: 2025-08-01



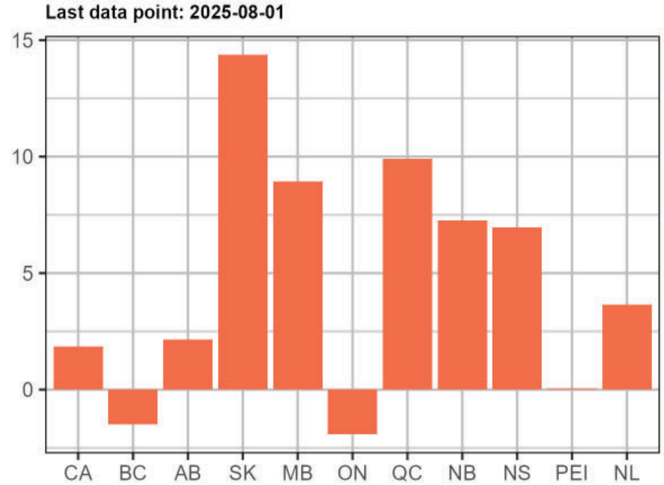
MLS Average Price, monthly % change

Last data point: 2025-08-01



MLS Average Price, 12-month % change

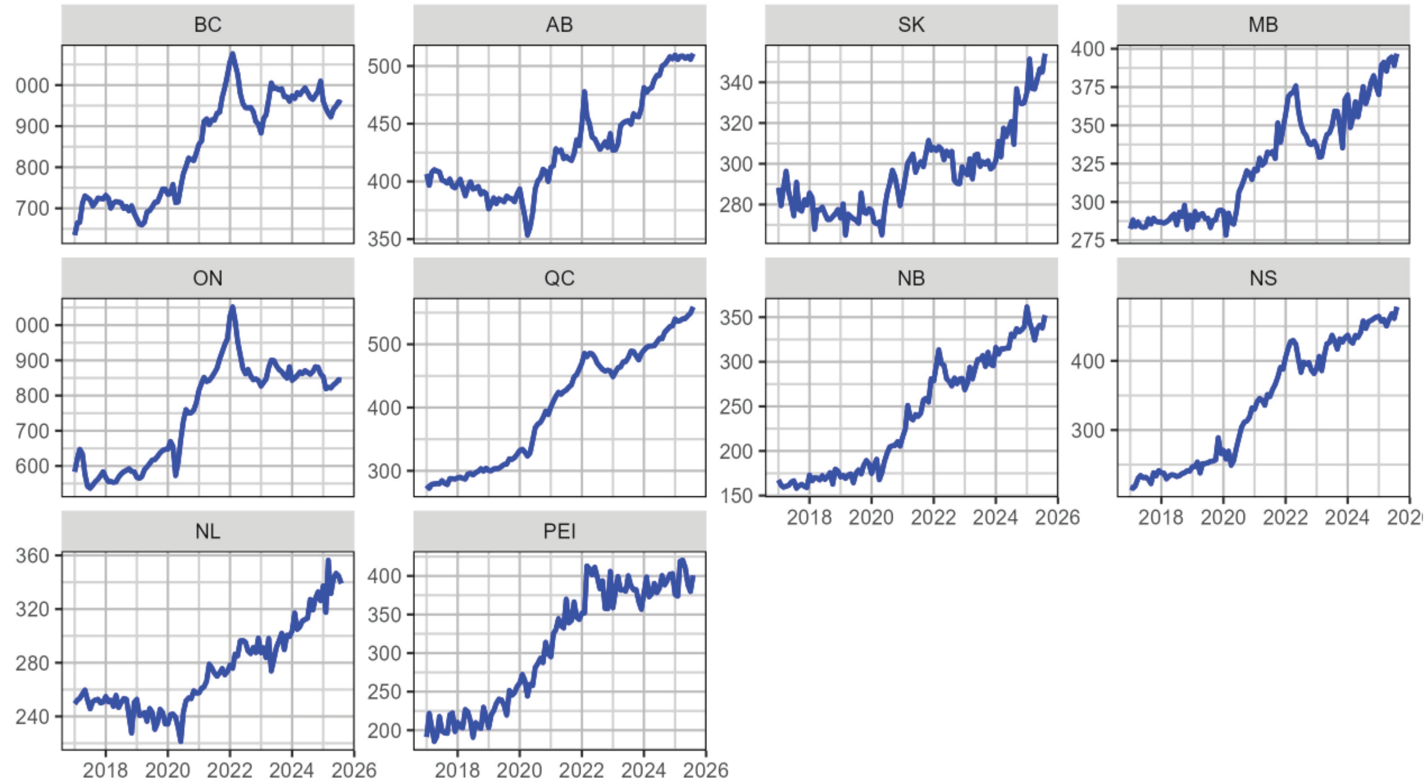
Last data point: 2025-08-01



CREA, Central 1

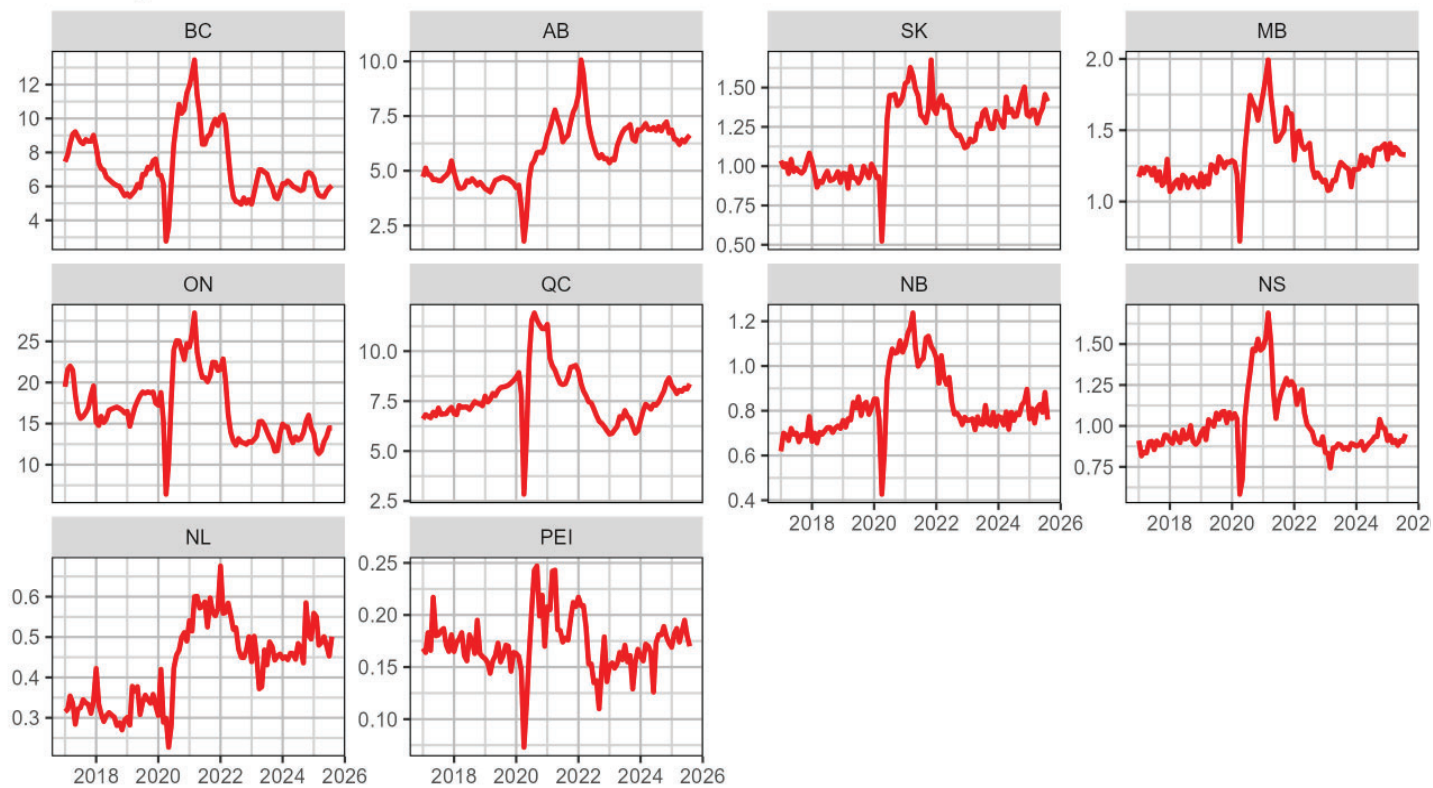
MLS Average Price ($000s)

Last data point: 2025-08-01



MLS Sales - Units (000s)

Last data point: 2025-08-01



MLS® Housing Summary										
Aug-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	40.7	0.4	3.9	1.1	5.7	689.8	2.8	1.3	0.4	1.9
BC	6.0	0.1	3.7	2.4	5.1	955.9	-3.5	1.1	-0.4	-1.5
AB	6.6	0.1	2.7	2.2	-5.6	510.7	4.9	-0.5	1.0	2.2
SK	1.4	0.0	6.4	-3.0	7.1	354.0	9.0	-0.4	2.6	14.4
MB	1.3	0.0	-0.4	-0.2	-2.4	396.8	7.8	-1.4	2.0	8.9
ON	14.5	0.0	7.7	0.1	10.0	844.2	-1.0	1.1	-0.1	-1.9
QC	8.4	0.3	-0.6	3.1	12.0	559.0	9.9	0.7	1.8	9.9
NB	0.8	-0.1	11.2	-13.8	-3.7	352.1	14.2	-0.9	4.2	7.3
NS	1.0	0.0	-0.3	4.7	1.7	477.9	16.6	-1.4	3.6	7.0
PEI	0.2	0.0	-7.7	-5.6	-6.1	400.6	20.8	-2.2	5.5	0.0
NL	0.5	0.0	-5.2	10.6	6.1	339.1	-5.6	-0.6	-1.6	3.6

Source: CREA, Central 1

MLS® Supply Conditions						
Aug-25	New Listings				Sales-to-New Listings	Months of Inventory
	Units, 000s	prior m/m % ch	m/m % ch	y/y % ch		
CA	79.5	0.2	2.6	8.2	51.2	4.4
BC	13.5	-0.8	2.4	-0.3	44.6	6.6
AB	10.7	4.6	-0.4	7.9	61.8	2.9
SK	2.0	0.5	0.7	-3.2	71.6	3.1
MB	1.9	3.1	1.0	-2.4	70.9	2.1
ON	35.0	0.1	2.7	11.2	41.3	4.4
QC	12.6	-1.8	6.4	15.4	66.4	4.4
NB	1.2	0.6	-1.9	12.7	65.0	4.2
NS	1.5	-3.0	6.0	7.6	64.9	4.5
PEI	0.3	-5.3	-3.3	-1.7	57.4	6.6
NL	0.8	-4.4	-1.9	-2.8	65.2	4.8

Source: CREA, Central 1

MLS® Housing Market Summary, Select Metro Areas										
	MLS® Sales					MLS® Price				
Aug/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	0.0	6.4	0.2	-6.5	1011.0	-18.8	0.9	-1.8	-5.9
Greater Vancouver, BC	2.1	0.1	8.8	5.6	8.3	1243.5	-2.7	0.1	-0.2	-2.5
Calgary, AB	2.5	0.0	3.5	0.6	-11.0	633.1	-0.9	-1.3	-0.1	-0.3
Edmonton, AB	2.5	0.0	1.7	1.3	-5.1	454.1	7.2	0.9	1.6	6.4
Saskatoon, SK	0.6	0.0	7.7	-6.0	8.5	444.4	22.0	1.8	5.2	19.2
Winnipeg, MB	1.1	0.0	0.8	-0.9	-2.0	416.6	6.8	-1.2	1.7	8.1
Toronto, ON	5.6	-0.1	12.9	-1.8	8.8	1064.2	-3.5	0.2	-0.3	-4.9
Ottawa, ON	1.1	0.1	-0.4	6.8	17.6	709.6	6.4	-1.4	0.9	2.1
Halifax, NS	0.5	0.0	-3.0	6.3	2.3	614.9	23.1	-1.9	3.9	5.8