



Highlights

- Ontario home sales decreased by 1.6 per cent in December; annual sales fall 4.2 per cent
- Home starts in Ontario grew in December on a monthly basis
- Annual home starts in Ontario fell by 13.3 per cent in 2025 compared to 2024
- Canada and Ontario reported lower building permits volumes in November

Ontario housing market downturn continued into December; wraps up subdued year of sales

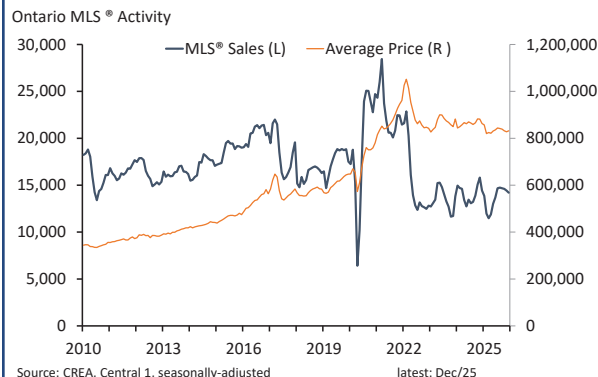
Eloho Ennah, Economic Analyst

The Ontario housing market ended the year on a subdued note as home sales declined in December to cap off a year of persistently low activity. Seasonally-adjusted MLS® sales decreased by 1.6 per cent to 14,203 units after the 1.2 per cent drop in November. Annually, sales were 4.2 per cent lower than 2024 reflecting a year marked by tempered housing demand as consumer confidence faltered in the face of an unsteady trade environment and weak economic prospects. Affordability challenges have also continued to deter many from entering the market.

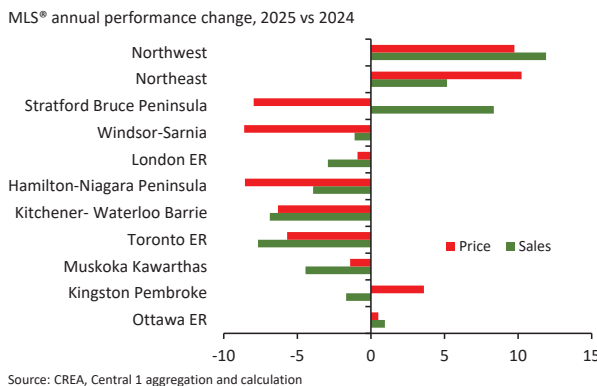
Based on our aggregation by real estate boards, home sales in the Toronto economic region (ER) declined by 0.9 per cent while sales in Windsor-Sarnia fell by 5.9 per cent in December. That said, Toronto sales growth may be overstated as noted in our [Commentary](#). Similarly, Ottawa home sales were down by 5.4 per cent. On the other hand, areas like Muskoka-Kawarthas and London ER both saw sales increase by 3.4 per cent.

On the price front, the average home price increased by 0.5 per cent compared to the prior month to \$831.9K and was down from all-time high in February 2022 by 20.9 per cent. Month-over-month, the average price dipped in Toronto (-1.7 per cent), Hamilton Niagara Peninsula (-2.0 per cent), Kitchener Waterloo Barrie (-0.3 per cent), Stratford Bruce Peninsula (-3.6 per cent), Windsor-Sarnia (-4.1 per cent), and Ottawa (-0.4 per cent). Prices increased in the Northeast (7.8 per cent), the Northwest (5.5 per cent), Muskoka Kawarthas (2.6 per cent), and Kingston Pembroke (1.9 per cent).

Ontario home sales declined further in December



Southwest markets underperform other regions in 2025



On an annual basis, the majority of the declines were situated in Toronto ER, where sales declined by 7.7 per cent on a full year basis. Kitchener Waterloo Barrie also saw sales decrease by 6.9 per cent and in Hamilton Niagara Peninsula by 3.9 per cent. On the contrary, the northern markets, which are relatively more affordable, fared better, with sales up in the Northwest (11.9 per cent) and the Northeast (5.2 per cent). They also increased in Stratford Bruce Peninsula (8.4 per cent).

With most regions noting substantial price declines on an annual basis, the average home price in Ontario fell by 3.8 per cent marking the third consecutive annual price decline. Slow market activity also factored into price trends, as weak demand has stifled price growth. Prices pulled back in Toronto (-5.7 per cent), Kitchener Waterloo Barrie (-6.3 per cent), Hamilton Niagara Peninsula (-8.6 per cent), and Muskoka Kawarthas (-1.4 per cent), which are the relatively costliest areas

in the province. In contrast, prices increased in Ottawa (0.5 per cent), Kingston Pembroke (3.6 per cent), the Northeast (10.2 per cent) and the Northwest (9.8 per cent).

Benchmark prices, which adjust for composition effects, continued to trend down in most areas. Market conditions are in favour of buyers even with the sales-to-new listings ratio within the balanced range of 41.8 per cent at the provincial level. New listings rose by 0.6 per cent.

Overall, Ontario's housing market is seeing a period of subdued activity as weak demand reinforces affordability issues, while consumer sentiment remains cautious. That said, a rebound could be prompted by steady mortgage rates and improving consumer confidence reviving activity.

Housing starts in Ontario continued growing in December but 2025 total starts significantly downbeat

Eloho Ennah, Economic Analyst

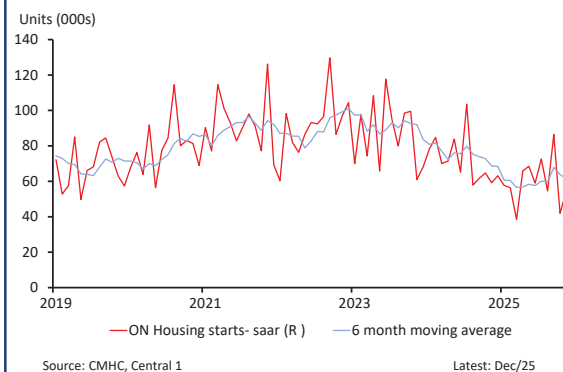
Following the gain in November, Ontario housing starts jumped in December. On a seasonally-adjusted annualized basis, starts increased by 72.8 per cent (up from 54,360 units to 93,914 units). This increase was due to higher multi-family starts, which rose by 92.4 per cent. On the other hand, single-family starts decreased by 9.2 per cent. Housing start values regularly swing widely from month to month.

Overall in 2025, Ontario actual housing starts fell by 13.3 per cent compared to 2024. This was the sharpest decline amongst the Canadian provinces. Weak presales, high development costs, moderating population growth and broadly subdued economic conditions in the province have weighed on builder confidence. This is also evident in weaker residential building permit issuances in the province year-to-date. We would expect subdued home starts figures for Ontario in the near term pending improved market conditions.

Annual home starts in Toronto decreased by 30.8 per cent while they fell in London by 25.5 per cent. On the other hand, home starts increased by 37.6 per cent in Ottawa, by 26.2 per cent in Kitchener Waterloo Barrie, and by 44.2 per cent in St. Catharines-Niagara.

Of Ontario's 16 metro areas, nine recorded higher home starts in the seasonally-adjusted annualized rate of housing starts from November to December. Notably higher starts were reported in Hamilton and Guelph, where starts rose by twelve times the value

Ontario housing starts jump in December



in the prior month. Starts in Kitchener Waterloo Barrie were up by seven-fold while they more than doubled in St. Catharines-Niagara. Substantial increases in home starts were also noted in Ottawa (81.9 per cent), Toronto (25.7 per cent), and Kingston (92.1 per cent). In contrast, housing starts declined in areas such as London (-41.3 per cent), Windsor (-53.2 per cent), and Barrie (-86.5 per cent).

Across Canada, housing starts in 2025 were 5.9 per cent higher than the previous year. Multi-family starts increased by 8.7 per cent driving the annual increase, while single-family starts fell by 5.7 per cent.

Fewer volume of residential and non-residential permit issued in Ontario

Alan Chow, Business Economist

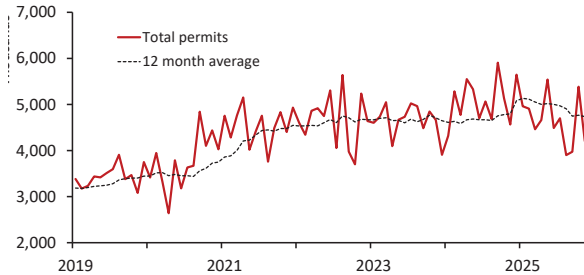
After having risen 15.7 per cent or \$1.8 billion in October, Canadian building permits fell 13.1 per cent in November to a seasonally-adjusted \$12.0 billion, similar to September's level although below 2025's monthly average of \$12.3 billion. Residential permit volumes fell 12.0 per cent or \$1.0 billion to \$7.5 billion while non-residential permit volumes fell 14.9 per cent or \$788.2 million to \$4.5 billion. Both are below their monthly average in 2025 of \$7.7 billion and \$4.6 billion.

Ontario led the national decline with building permit issuances down by 22.0 per cent in November to a seasonally-adjusted \$4.2 billion, which is below the year's monthly average of \$4.6 billion. Year-to-date, permit volumes fell 7.5 per cent.

Non-residential construction intentions in Ontario fell 13.9 per cent in November to just below \$1.9 billion after having risen 31.4 per cent in October. Commercial building permit issues declined 19.6 per cent while institutional and government building permits declined

Building permits in Ontario fall in November

Building permit volumes seasonally adjusted (MM\$)



Source: Statistics Canada, Central 1

latest: Nov/25

32.7 per cent. On the other hand, industrial building permit volumes rose by 20.9 per cent. Year-to-date, non-residential permit volumes fell 5.3 per cent with industrial permit volumes down 17.8 per cent and both commercial and institutional permit volumes down 0.8 per cent.

Ontario's residential sector fell 27.3 per cent in November to \$2.3 billion, after having risen 38.4 per cent in October. The fall was led by a decline in multiple dwelling permits, down 39.5 per cent to \$1.4 billion. On the other hand, single dwelling buildings permits rose 4.9 per cent. November marked the fourth month in a row that single dwelling building permit volumes rose. Year-to-date, residential permit volumes fell 9.1 per cent with single dwellings down 15.3 per cent and multiple dwellings down 5.3 per cent.

In Ontario's metro areas, only five out of the 16 areas saw higher permit volumes in November when compared to October. Toronto saw a decline of 28.4 per cent on permits issued while Ottawa saw a decline of 20.2 per cent and Kitchener-Cambridge-Waterloo saw a decline of 30.4 per cent. Higher volumes were seen in Brantford, Kingston, Oshawa, Thunder Bay, and Windsor.

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