Economic Commentary

February 18 2026

central 1
Economics

Sluggish start to year for housing market as uncertainty rises and winter storm hits

There was a broad slowdown in housing market activity in January as re-emergence of economic and geo-political uncertainty stemming from the U.S. administration increased and blustery winter snowstorms in many parts of the country kept buyers and sellers at home and on the sidelines.

MLS® home sales in Canada fell 5.8 per cent from December to a seasonally-adjusted 36.2k units in January. This was 12.5 per cent below the prior year and the lowest month of sales since November 2023. While demand is subdued in the early stages of 2026, the late January snow storm that pushed northeast from the U.S. through Canada cut foot traffic. Virtual viewings and AI probably aren't enough, just yet. Home sales fell in all provinces. Among the largest provinces, m/m sales fell 8.9 per cent in Ontario, 3.4 per cent in Alberta, and Quebec held steady. B.C. was spared the winter storm, but sales declined 8.2 per cent, pointing to more than just a weather factor. The steepest monthly decline was in Manitoba at 10.9 per cent. Atlantic sales fell sharply as well. January sales are not indicative of the trend, and we should expect modest improvement in February figures albeit held back by ongoing uncertainty and lack of population growth.

Although sales have decelerated across provinces into 2026, the fewest sales relative to pre-pandemic levels remain in B.C. and Ontario. These are the highest priced provinces, where buyer sentiment is more sensitive to potential economic risks and impacts on the ability to service mortgages. Federal immigration caps are also a greater strain on these provinces given the highest share of temporary residents relative to population, and impact on the rental market and investor demand.

New listings rebounded in January after declining in December, with a 7.3 per cent m/m gain, albeit still down about five per cent from a year ago. Sellers may have listed in advance of the typically busier spring market. Interest rate cuts and lower prices should induce more activity going forward.

Headline average price fell by 1.7 to $671.9k, which was down 2.5 per cent from a year ago. Similarly, the composite price index fell 0.9 per cent m/m and 5.0 per cent y/y. Product and geographic sales composition contributed to average price declines, but there were notable drops in Ontario (-1.6 per cent m/m, and 6.1 per cent y/y), and Saskatchewan (-2.0 per cent m/m). Nova Scotia posted a sharp 10 per cent decline, but it is likely an abnormal fluctuation. B.C.'s price declined 0.5 per cent.

While national price measures ease, there is a mix of trends in the country. Prices are still trending higher in the Prairies and the Atlantic, albeit decelerating in growth. Prices continue to sink lower in Ontario, while holding range-bound in B.C. reflecting market conditions, weaker demand, excess supply and low affordability.

Among larger metro markets, B.C.'s Lower Mainland recorded deeper home sales declines with the Greater Vancouver and Fraser Valley real estate board areas falling 10 and 14 per cent m/m and, and more than 20 per cent y/y. Edmonton, Winnipeg and Toronto reported 9-10 per cent m/m sales declines. Average prices fell more than two per cent in the Fraser Valley, Toronto and Ottawa.

Housing conditions will continue to deviate among provinces and regions. More affordable areas will continue to experience stronger demand, while weak market conditions, high prices, and significant existing home and rental supply constrain recoveries in higher priced markets. That said, sales should improve in both B.C. and Ontario as lower mortgage rates support demand.

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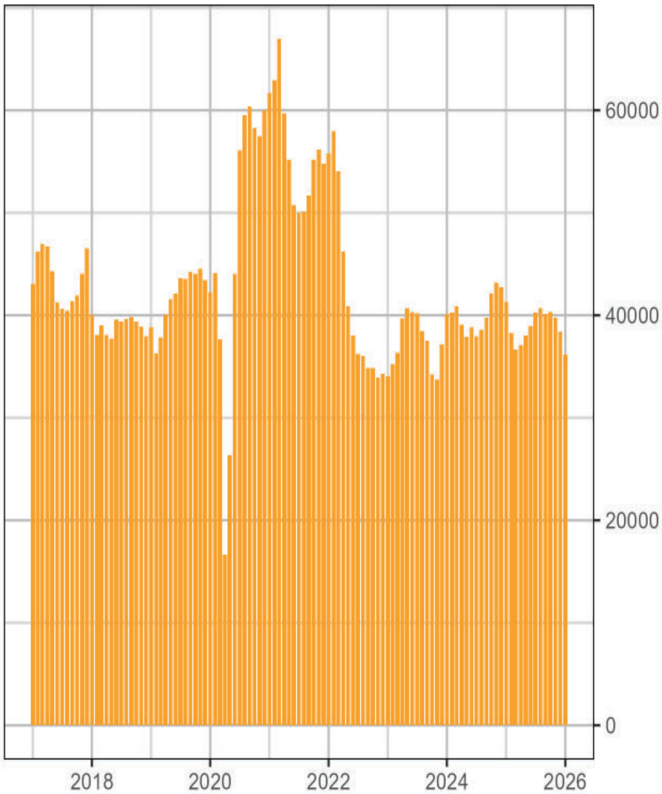
Canada MLS Activity

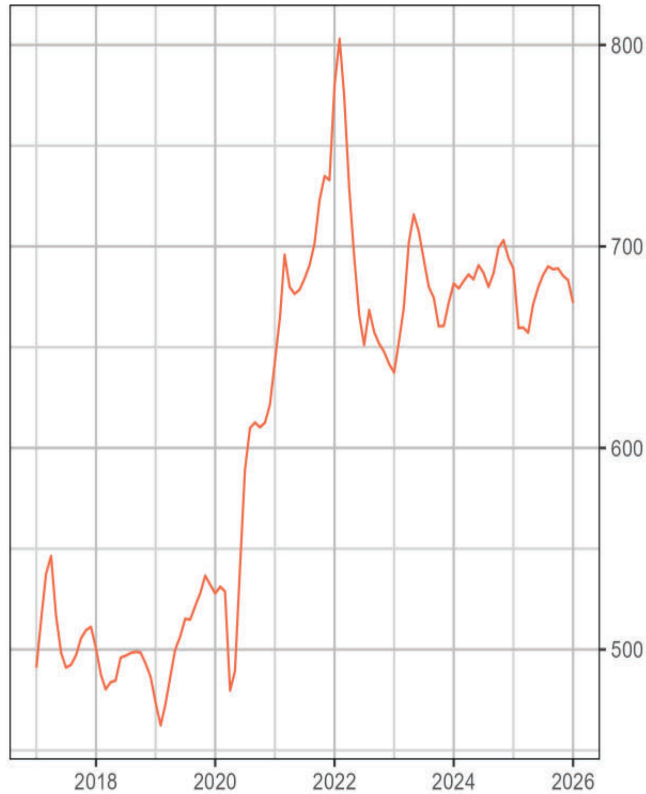
Unit sales

Last data point: 2026-01-01



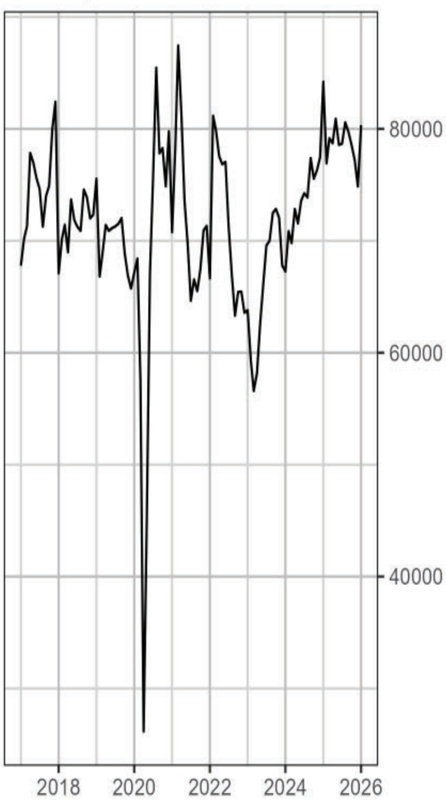
Average Price, $000s

Last data point: 2026-01-01



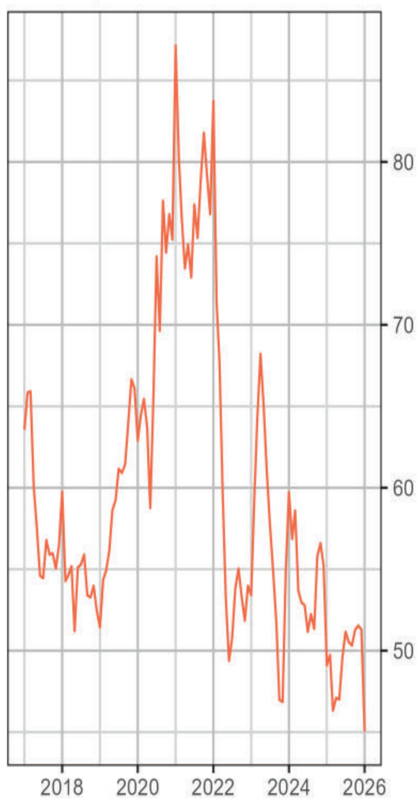
New listings

Last data point: 2026-01-01



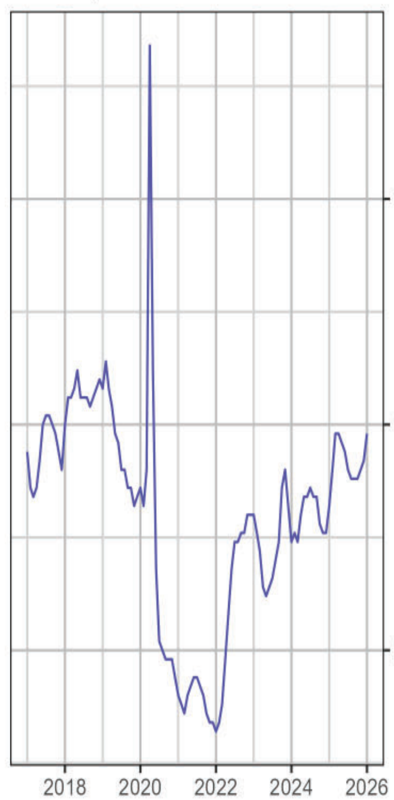
Sales-to-new listings

Last data point: 2026-01-01



Months of inventory

Last data point: 2026-01-01

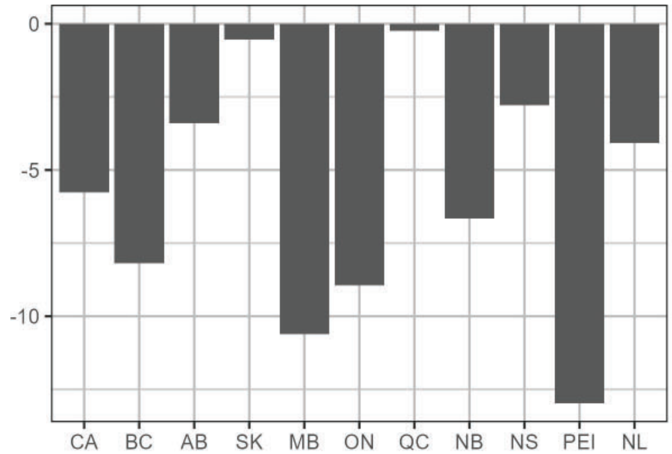


CREA, Central 1

Provincial MLS Activity

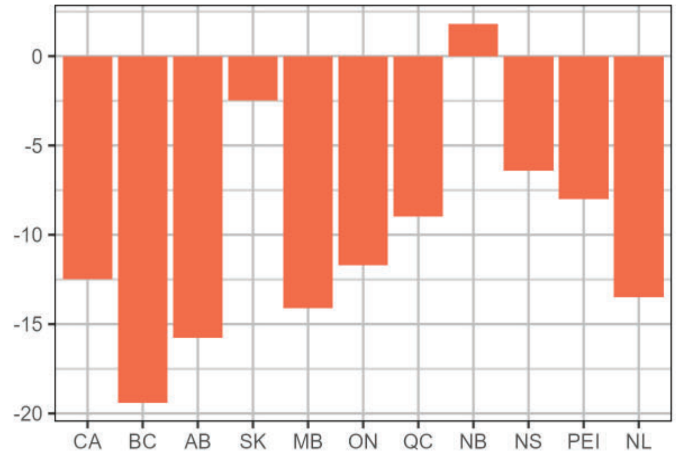
MLS unit sales, monthly % change

Last data point: 2026-01-01



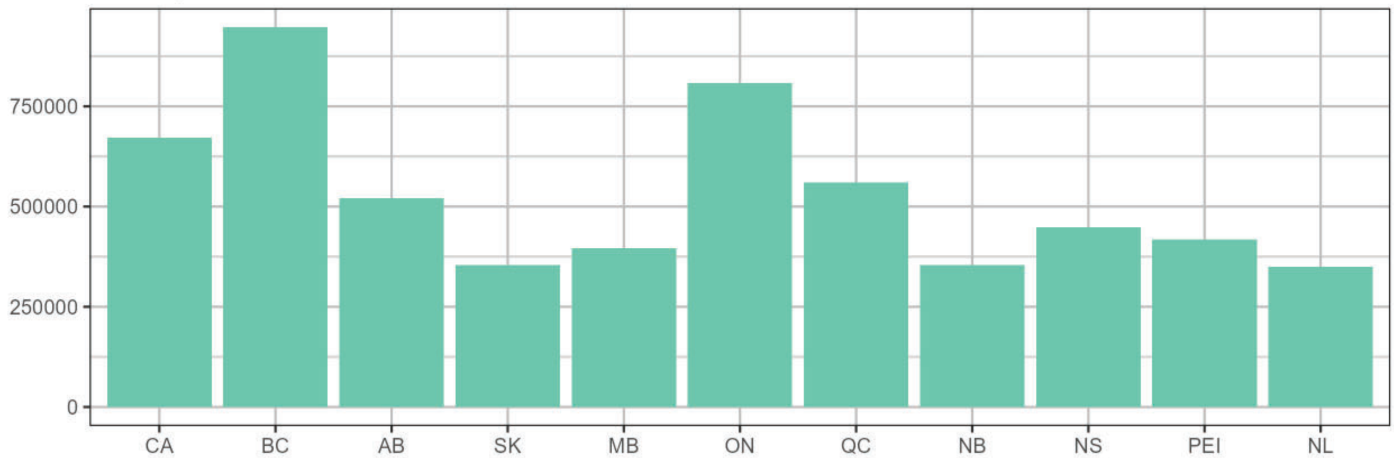
MLS unit sales, 12-month % change

Last data point: 2026-01-01



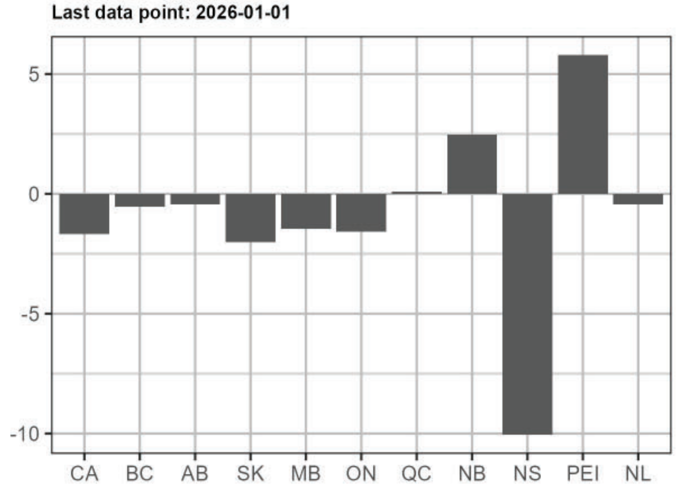
MLS Average Price, $

Last data point: 2026-01-01



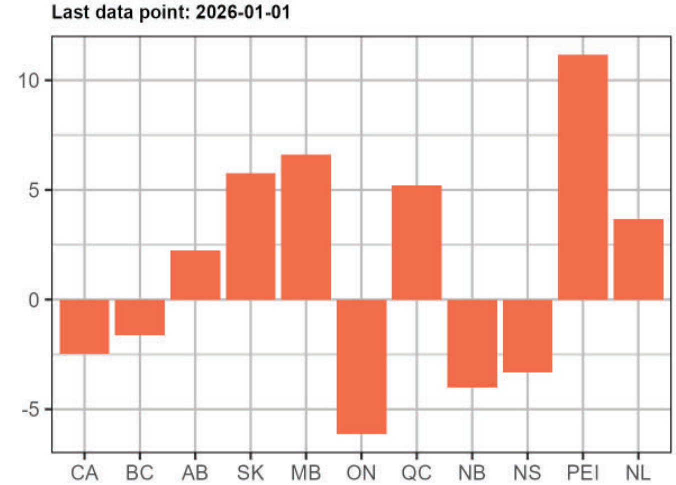
MLS Average Price, monthly % change

Last data point: 2026-01-01



MLS Average Price, 12-month % change

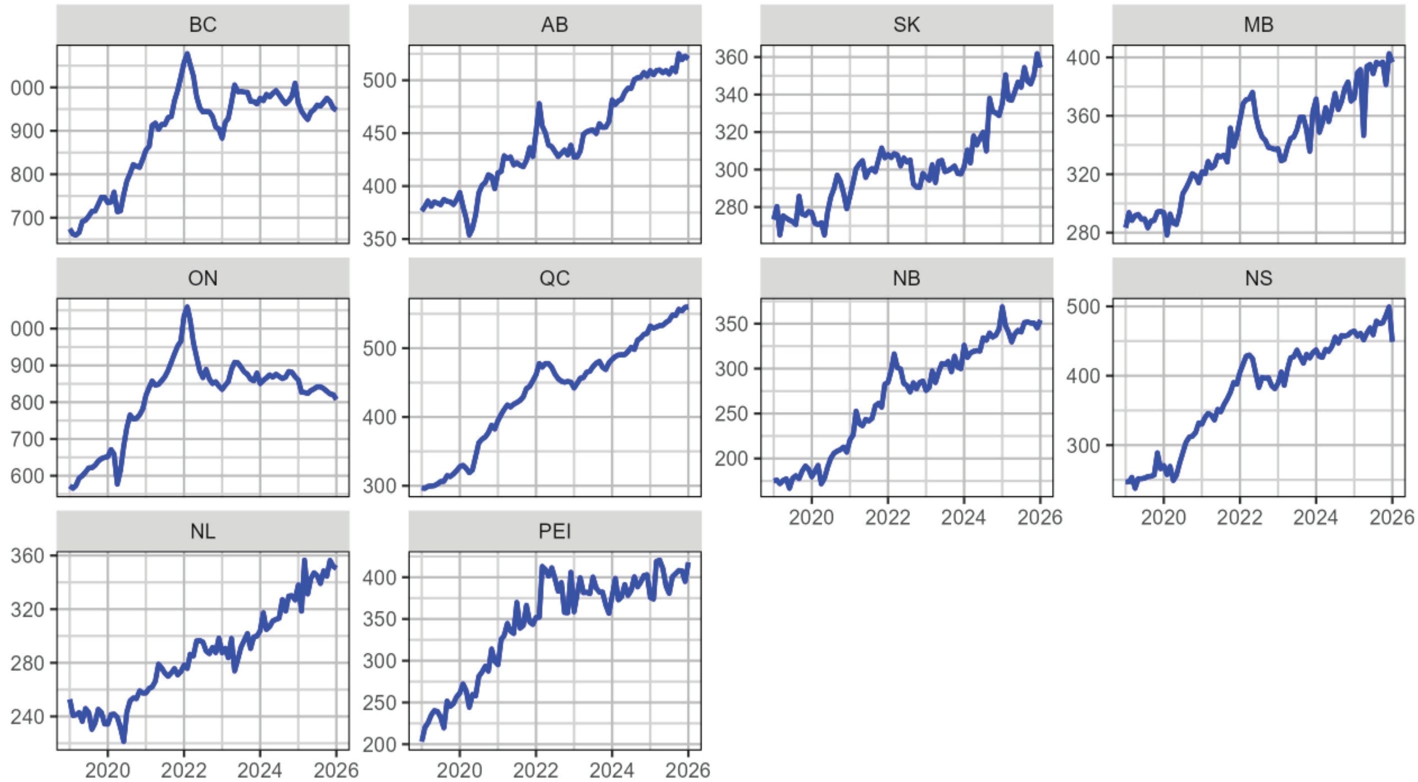
Last data point: 2026-01-01



CREA, Central 1

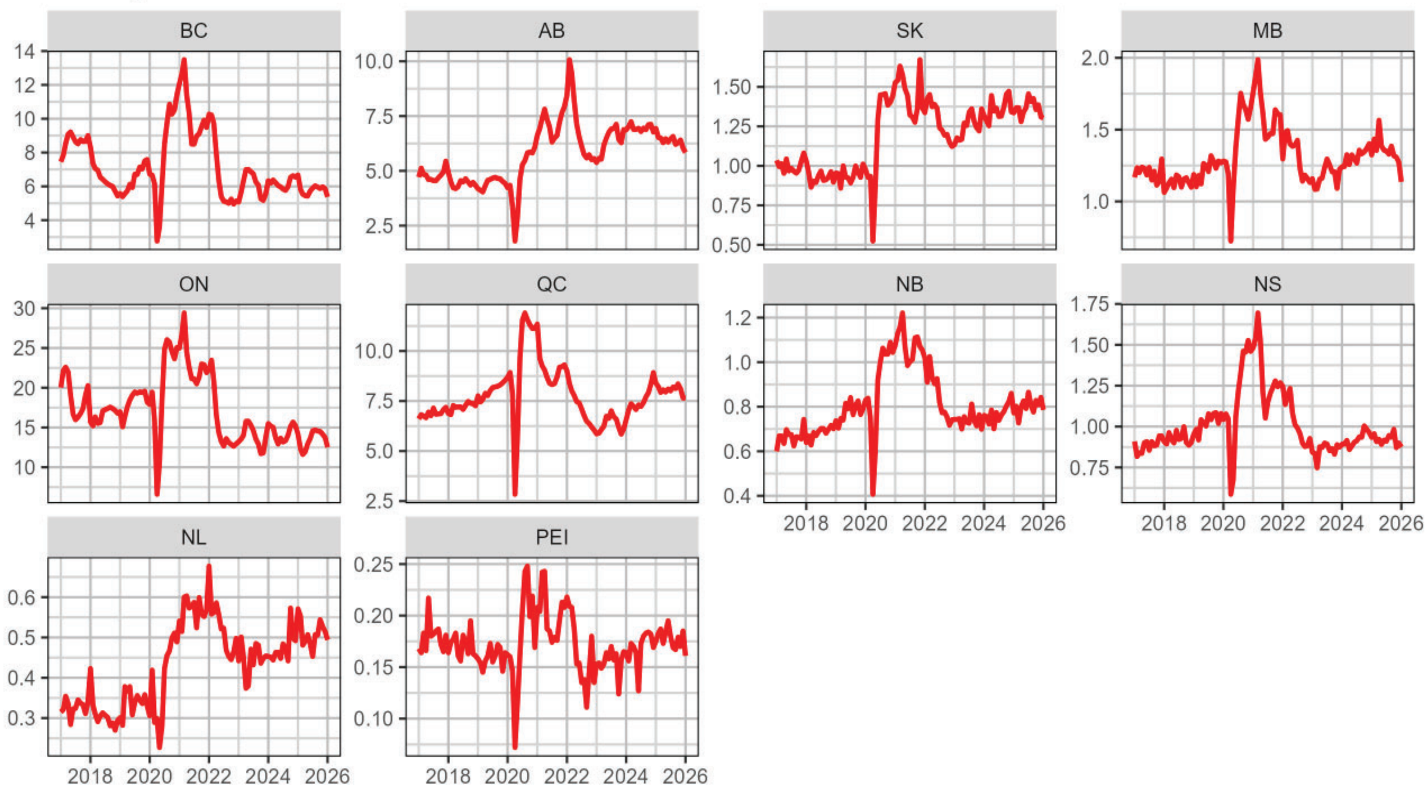
MLS Average Price ($000s)

Last data point: 2026-01-01



MLS Sales - Units (000s)

Last data point: 2026-01-01



MLS® Housing Summary										
Jan-26	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	**36.2**	-2.2	*-3.5*	-5.8	-12.5	**671.9**	-11.5	*-0.3*	-1.7	-2.5
BC	**5.4**	-0.5	*-2.0*	-8.2	-19.4	**947.4**	-5.2	*-1.5*	-0.5	-1.6
AB	**5.8**	-0.2	*-5.7*	-3.4	-15.8	**520.4**	-2.3	*0.6*	-0.4	2.2
SK	**1.3**	0.0	*-5.5*	-0.5	-2.5	**354.5**	-7.3	*3.2*	-2.0	5.8
MB	**1.1**	-0.1	*-2.8*	-10.6	-14.1	**396.7**	-5.8	*5.5*	-1.4	6.6
ON	**12.5**	-1.2	*-2.9*	-8.9	-11.7	**807.6**	-12.9	*-0.2*	-1.6	-6.1
QC	**7.6**	0.0	*-5.6*	-0.2	-9.0	**560.0**	0.5	*0.9*	0.1	5.2
NB	**0.8**	-0.1	*4.1*	-6.7	1.8	**353.9**	8.6	*-1.5*	2.5	-4.0
NS	**0.9**	0.0	*3.2*	-2.8	-6.4	**449.0**	-50.2	*2.5*	-10.1	-3.3
PEI	**0.2**	0.0	*8.8*	-13.0	-8.0	**417.8**	22.9	*-3.1*	5.8	11.2
NL	**0.5**	0.0	*-2.3*	-4.1	-13.5	**350.4**	-1.6	*-1.2*	-0.4	3.7

Source: CREA, Central 1

MLS® Supply Conditions						
Jan-26	New Listings				Sales-to-New Listings	Months of Inventory
	Units, 000s	prior m/m % ch	m/m % ch	y/y % ch		
CA	**80.3**	*-3.0*	7.3	-4.6	**45.0**	**4.9**
BC	**15.6**	*2.4*	10.7	-8.7	**34.6**	**7.5**
AB	**9.9**	*-7.8*	5.6	-0.5	**58.7**	**3.4**
SK	**1.9**	*-12.5*	7.1	0.9	**68.8**	**3.1**
MB	**1.7**	*-5.7*	-4.5	-10.3	**66.8**	**2.4**
ON	**34.8**	*-0.2*	2.3	-7.1	**35.9**	**5.2**
QC	**12.8**	*-10.5*	24.8	6.2	**59.7**	**4.6**
NB	**1.2**	*-6.7*	3.2	3.5	**65.5**	**4.1**
NS	**1.4**	*-7.6*	11.4	-6.3	**63.5**	**4.8**
PEI	**0.3**	*4.3*	-1.9	-9.4	**51.9**	**7.0**
NL	**0.7**	*-6.4*	-8.7	-14.1	**74.4**	**4.3**

Source: CREA, Central 1

MLS® Housing Market Summary, Select Metro Areas										
	MLS® Sales					MLS® Price				
Jan/2026	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	-0.1	-0.9	-14.1	-21.6	980.3	-26.4	-2.4	-2.6	-4.9
Greater Vancouver, BC	1.7	-0.2	-7.0	-10.1	-25.9	1248.1	17.8	-1.1	1.4	0.3
Calgary, AB	2.4	0.1	-5.0	3.4	-11.6	635.4	-21.4	1.6	-3.3	0.5
Edmonton, AB	2.0	-0.2	-4.7	-9.3	-24.3	459.7	-3.0	2.3	-0.7	3.6
Saskatoon, SK	0.6	0.0	-3.3	-3.4	2.7	425.9	4.9	1.9	1.2	4.7
Winnipeg, MB	1.0	-0.1	1.1	-9.0	-8.6	415.7	-8.1	6.4	-1.9	4.7
Toronto, ON	4.8	-0.5	-2.7	-9.9	-16.2	1026.5	-23.8	0.4	-2.3	-6.4
Ottawa, ON	1.0	0.0	-5.4	1.5	0.9	667.7	-22.7	-2.2	-3.3	-5.1
Halifax, NS	0.4	0.0	4.9	-7.8	-7.0	563.8	-50.6	0.0	-8.2	-5.7