



MONTHLY HOUSING MARKET UPDATE

April 15, 2025

Home resales in Canada

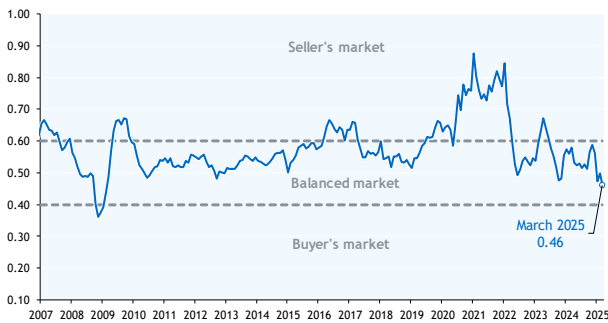
Thousand units, seasonally adjusted and annualized



Source: Canadian Real Estate Association, RBC Economics

Sales-to-new listings ratio in Canada

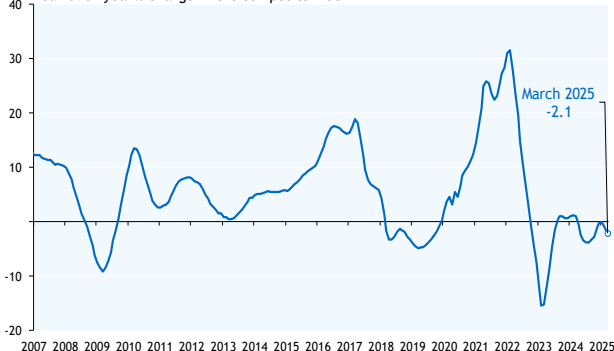
Seasonally adjusted



Source: Canadian Real Estate Association, RBC Economics

MLS Home Price Index - Canada

Year-over-year % change in the composite index



Source: Canadian Real Estate Association, RBC Economics

Trade war sours Canadian housing market sentiment and recovery

The trade war is derailing what was shaping up to be a solid recovery in Canada's housing market. Concerns about the potential economic hit from U.S. tariffs have clearly unsettled buyers in the past two months, many of whom pausing their search for a home.

This has resulted in resale activity plummeting 12% nationwide since January, including a 4.8% drop between February and March.

The supply of existing homes for sale, meanwhile, is continuing to grow. New listings increased 3% from February to March, and the number of active listings reached a five-year high last month.

Buyers are able to extract price concessions from sellers with more options to choose from amid a murkier economic landscape. The national composite MLS Home Price Index fell for a third consecutive time in March, edging -1% lower from February and -2.1% from a year ago.

Ontario and B.C. markets are slumping

The market pullback is mainly concentrated in southern Ontario and British Columbia where persistent affordability challenges made the recovery especially vulnerable to a loss of confidence. Weakening labour markets and tariffs threatening to strike southern Ontario's economy hard has significantly soured market sentiment.

Home resales are down -21% in Ontario in the past two months and -17% in B.C. The Toronto area (-27%), London (-25%), Fraser Valley (-23%), Vancouver area (-19%), Kitchener-Waterloo (-16%), Victoria (-12%) and Hamilton (-11%) have seen sharp drops in activity.

Nearly all these markets posted price declines in recent months, generally accelerating in March—ranging between -0.7% in Vancouver and -2.5% in London on a seasonally-adjusted basis.

Odds are prices in Ontario and B.C. will continue to slump in the near term given supply-demand conditions strongly favour buyers. In fact, we would expect to see larger drops if current imbalances persist.

Prairies and regions east of Ontario holding up better

Meanwhile, markets still look generally busy in other parts of Canada de-

March market snapshot

	Home resales (% change)		New listings (% change)		MLS Home Price Index (% change)		Sales-to-new listings ratio
	M/M	Y/Y	M/M	Y/Y	M/M	Y/Y	
Canada	-4.8	-9.3	3.0	13.1	-1.0	-2.1	0.46
Toronto	-4.1	-23.6	7.6	31.6	-1.4	-3.8	0.27
Montreal	1.0	11.7	0.9	16.0	0.2	6.9	0.64
Vancouver	-7.3	-12.8	3.5	25.9	-0.7	-0.6	0.33
Calgary	-4.8	-17.2	5.9	25.5	-0.1	1.7	0.55
Edmonton	2.0	0.8	3.2	4.4	0.7	12.4	0.72
Ottawa	-2.1	-4.2	-7.3	4.6	0.1	2.2	0.51

Robert Hogue

Assistant Chief Economist | 647-262-3569 | robert.hogue@rbc.com



spite some slipping in activity in recent months—reflecting some trade war-induced buyer anxiety.

Home resales remain above pre-pandemic levels in Alberta, Saskatchewan, Manitoba, Prince Edward Island, and Newfoundland and Labrador. And, they haven't fallen much below these levels in Quebec, New Brunswick and Nova Scotia.

For the most part, supply-demand conditions continue to be tight outside Ontario and B.C., supporting modest price appreciation.

The MLS HPI is up above year-ago levels in the Prairies, Quebec and Atlantic Canada—significantly so in several markets such as Edmonton, Winnipeg, Quebec City, Fredericton, Saint John and St. John's. The pace of increase has slowed materially in Calgary, though, amid a rise in inventory.

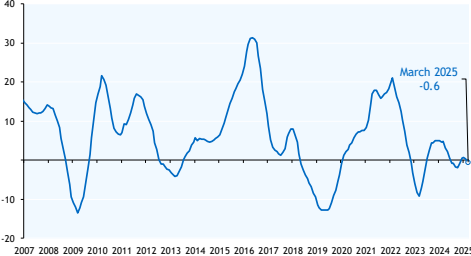
We expect price gains to broadly moderate as the trade war weighs on local economies and undermines confidence.

U.S. trade policy poses material risks

Overall, Canada's housing market outlook remains highly uncertain. Swings in U.S. trade policy could dramatically alter the picture—in a negative or positive way.

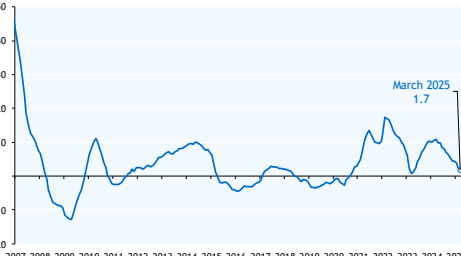
Further escalation in the trade war could certainly deepen and broaden the slump. Conversely, any development towards lifting the trade war fog would help shore up confidence and open the door to some of the substantial pent-up demand. The stimulative effect of lower interest rates would return once confidence rebuilds.

MLS Home Price Index - Vancouver
Year-over-year % change in the composite index



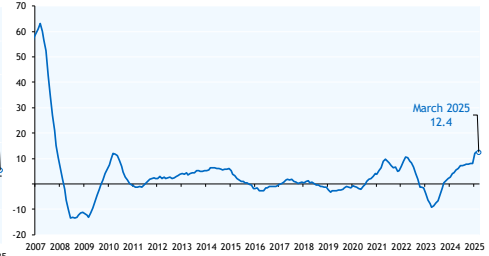
Source: Canadian Real Estate Association, RBC Economics

MLS Home Price Index - Calgary
Year-over-year % change in the composite index



Source: Canadian Real Estate Association, RBC Economics

MLS Home Price Index - Edmonton
Year-over-year % change in the composite index



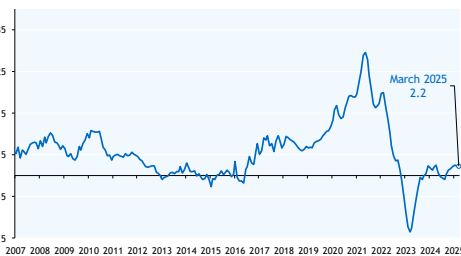
Source: Canadian Real Estate Association, RBC Economics

MLS Home Price Index - Toronto
Year-over-year % change in the composite index



Source: Canadian Real Estate Association, RBC Economics

MLS Home Price Index - Ottawa
Year-over-year % change in the composite index



Source: Canadian Real Estate Association, RBC Economics

MLS Home Price Index - Montreal
Year-over-year % change in the composite index



Source: Canadian Real Estate Association, RBC Economics

The material contained in this report is the property of Royal Bank of Canada and may not be reproduced in any way, in whole or in part, without express authorization of the copyright holder in writing. The statements and statistics contained herein have been prepared by RBC Economics Research based on information from sources considered to be reliable. We make no representation or warranty, express or implied, as to its accuracy or completeness. This publication is for the information of investors and business persons and does not constitute an offer to sell or a solicitation to buy securities.