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HOUSE PRICE
SURVEY Q4

Momentum expected to return to Canada's housing market this spring, tempered by economic anxiety and cautious buyers

Home prices and sales activity softened in the final quarter of 2025

4TH QUARTER HIGHLIGHTS

In the fourth quarter of 2025, the national aggregate home price decreased 1.5% year over year.

The Greater Montreal Area's aggregate home price increased 4.5% year over year, while the greater Toronto and Vancouver markets recorded declines of 5.7% and 4.1%, respectively, in the fourth quarter.

Quebec City recorded the highest year-over-year aggregate price increase (13.2%) among Canada's major regions for the seventh consecutive quarter.

Royal LePage® expects spring market activity to rise, but not surge, as buyers re-engage amid reduced borrowing costs and improved housing affordability.

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TORONTO, January 15, 2026 – While there is optimism for a rebound in the coming months, the Canadian housing market closed out the year with a slight decline. According to the Royal LePage House Price Survey and Market Forecast released today, the aggregate[1] price of a home in Canada decreased 1.5 per cent year over year to $807,200 in the fourth quarter of 2025. On a quarter-over-quarter basis, the national aggregate home price posted a similar decline of 1.1 per cent, reflecting softer market conditions and persistent buyer caution that weighed on activity during the traditionally active fall season.

"Despite subdued activity levels, home prices largely held their ground in the final quarter of 2025," said Phil Soper, president and CEO, Royal LePage. "Economic uncertainty – driven by trade disputes and broader geopolitical tensions – has weighed on consumer confidence and muted what is typically a more active fall market. Instead of a fall seasonal surge, we saw a quieter close to the year.

"That said, buyers heading into the spring market have a meaningful advantage over last year: lower borrowing costs, stable or lower property prices, and choice. In an era where home inventory is chronically constrained, inventory levels are Goldilocks healthy. Together, these conditions are creating a genuine window of opportunity, particularly for first-time buyers in Canada's most expensive markets."

The Royal LePage National House Price Composite is compiled from proprietary property data nationally and regionally in 64 of the nation's largest real estate markets. When broken out by housing type, the national median price of a single-family detached home decreased modestly by 0.8 per cent year over year to $849,100, while the median price of a condominium decreased 2.9 per cent to $575,300. On a quarter-over-quarter basis, the median price of a single-family detached home and a condominium declined 1.3 per cent and 0.9 per cent, respectively. Price data, which includes both resale and new build, is provided by RPS Real Property Solutions, a leading Canadian real estate valuation company.

Among Canada's major cities, the most pronounced price declines were concentrated in the most expensive metropolitan markets – Toronto and Vancouver – where aggregate home prices fell 5.7 per cent and 4.1 per cent year over year, respectively, in the fourth quarter.

1. Aggregate prices are calculated using a weighted average of the median values of all housing types collected. Data is provided by RPS Real Property Solutions and includes both resale and new build.

"At long last, home values across Canada are beginning to compress," said Soper. "For years, price growth in Toronto and Vancouver far outpaced the rest of the country, but our two most expensive metro markets have experienced gradual price declines for four years now, while other major cities saw steady, modest appreciation and are closing the gap.

"This convergence has meaningful implications. As affordability improves in Southern Ontario and British Columbia's Lower Mainland, households are less likely to feel pressured to relocate purely on housing costs, potentially tempering the interprovincial migration patterns that intensified during the pandemic."

Weak condo market conditions persist in urban centres

Price softness in Toronto and Vancouver has been most evident in the condominium segment, which remains challenged by headwinds from elevated inventory levels, a pull-back from investors, and hesitancy among first-time buyers who often enter the market via this property segment.

"Condominium markets in major urban centres remain under pressure, as weaker demand continues to collide with increased supply," said Soper. "During the brief period of elevated interest rates following the pandemic, many small-scale investor-landlords found the cash flow math no longer worked. Higher carrying costs forced some to exit the market, adding to resale supply.

"Under normal conditions, investors would be expected to return as borrowing costs eased through 2024 and 2025. This time, however, the timing worked against them. Reductions in immigration numbers, as well as quotas for temporary foreign workers and international students, have sharply curtailed rental demand, leaving fewer tenant customers just as rates began to fall."

Spring market set to simmer, not surge

Spring has historically been one of the most active periods in the housing market calendar, driven by improved weather conditions, pent-up demand from the winter months, and the flexibility to move during the summer. In 2026, the spring market is expected to bring a renewed sense of momentum, though not the sharp surge in activity seen in past cycles. Continued consumer caution and a lingering lack of urgency are likely to temper both sales activity and price growth, keeping market conditions more balanced.

"The conditions are in place for a more active spring market in 2026. Interest rates are no longer a barrier to home ownership, inventory levels are healthy, and economic indicators continue to point to moderate growth in both GDP and employment," said Soper.

"What continues to be a drag on the housing market is consumer confidence. Greater clarity on trade relations with the United States would certainly help, but there's also a more subtle shift underway. After a full year of economic and political turbulence, more and more households have given up waiting for perfect certainty and are refocusing on what is happening at home, and what matters most: securing the right housing for their families. As that adjustment takes hold, we expect it to gradually translate into increased market participation."

Bank of Canada expected to put rate cuts on ice

In its final rate announcement of the year, the Bank of Canada held its target for the overnight lending rate at 2.25 per cent on December 10th.[2] Throughout 2025, the central bank implemented four rate cuts, reducing the key lending rate by a total of 100 basis points. Economists widely expect this easing cycle to have reached its conclusion for the foreseeable future.

Inflation remains near the lower end of the Bank's neutral range. In October and November, Canada's Consumer Price Index (CPI) recorded a 2.2% increase compared to the same month last year.[3] With inflation largely under control, the Bank is increasingly focused on supporting economic stability, which remains fragile amid broader global uncertainty. The central bank expects Canada's gross domestic product to grow at a "moderate pace," in 2026, an outlook economists say supports the decision to keep interest rates on hold for now, barring any renewed inflationary risks.

"Borrowing rates have moved back toward a more neutral setting – neither stimulating nor acting as a drag on economic activity. That's a return to more normal conditions," said Soper. "Rates can still move modestly in either direction depending on how the economy evolves, but the most likely scenario is a period of stability.

"For homebuyers and those approaching a mortgage renewal, stability matters. It provides greater certainty around financing costs and allows households to make housing decisions based on need and affordability, rather than trying to time interest rate moves."

2. Bank of Canada maintains overnight lending rate at 2.25% in last announcement of 2025, December 10, 2025

3. Consumer Price Index, November 2025, December 15, 2025

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Forecast

In December, Royal LePage issued its 2026 Market Survey Forecast,[4] projecting that the aggregate price of a home in Canada will increase a modest 1.0 per cent in the fourth quarter of 2026, compared to the same quarter in 2025. The median price of a single-family detached property is expected to increase 2.0 per cent, while the median price of a condominium is anticipated to decrease 2.5 per cent.

4. Canada's housing market poised for a reset in 2026, with modest price growth and increased activity, December 9, 2025

Royal LePage® 2026 Market Survey Forecast

Region	Province	Q4 2025 Aggregate Home Price (Actual $)	Q4 2026 Aggregate Home Price (Forecast $)	Q4 2026 year-over-year (Forecast %)
National		**$807,200**	**$815,272**	**1.0%**
Greater Montreal Area	QC	$640,700	$672,735	5.0%
Greater Toronto Area	ON	$1,084,300	$1,035,507	-4.5%
Greater Vancouver	BC	$1,178,800	$1,137,542	-3.5%
Ottawa	ON	$771,200	$786,624	2.0%
Quebec City	QC	$453,600	$508,032	12.0%
Calgary	AB	$681,700	$691,926	1.5%
Edmonton	AB	$466,800	$476,136	2.0%
Halifax	NS	$511,700	$521,934	2.0%
Winnipeg	MB	$409,700	$415,846	1.5%
Regina	SK	$390,600	$406,224	4.0%

Aggregate prices are calculated using a weighted average of the median values of all housing type transactions collected in the region. Dollar values are rounded to the nearest hundred. Data collected includes resale and new build transactions. Data is provided by RPS Real Property Solutions and Royal LePage® regional real estate experts. Forecast values are provided by Royal LePage residential real estate experts, based on trend analysis and market knowledge.

Regional Summaries

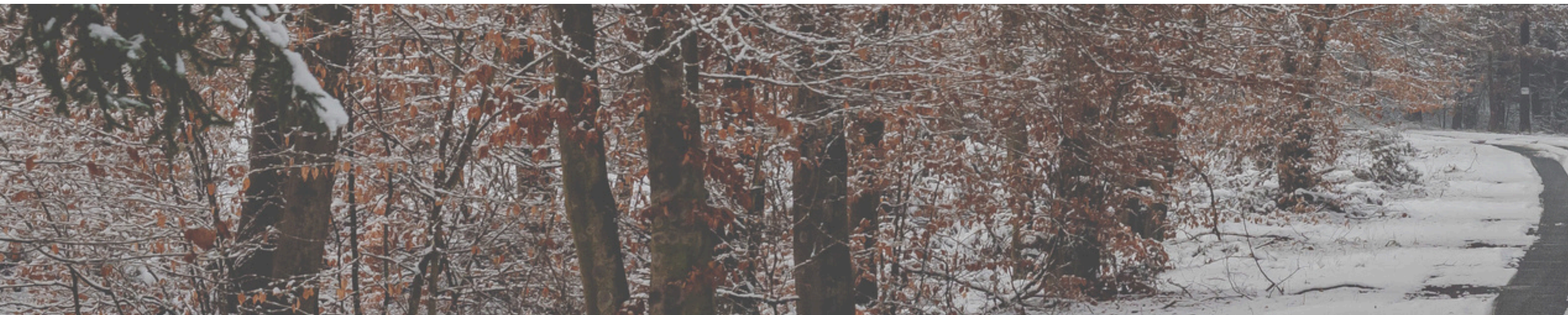
Greater Vancouver

The aggregate price of a home in Greater Vancouver decreased 4.1 per cent to $1,178,800 year over year in the fourth quarter of 2025. On a quarterly basis, the aggregate price of a home in the region decreased 1.4 per cent.

Broken out by housing type, the median price of a single-family detached home decreased 4.2 per cent year over year to $1,682,000 in the fourth quarter of 2025, while the median price of a condominium decreased 5.1 per cent to $731,200 during the same period.

“Overall sales activity declined in the final quarter of 2025, both year over year and from month to month, with softer momentum across all housing segments. Prices also edged lower compared to last year, reflecting cautious buyer sentiment amid ongoing economic uncertainty,” said Randy Ryalls, managing broker, Royal LePage Sterling Realty. “Across the board, many buyers have remained on the sidelines, waiting for more compelling opportunities or greater clarity around the broader economic outlook. That said, early signs of renewed interest are beginning to emerge as the calendar turns. With interest rates likely having reached their floor, some consumers are starting to position themselves for a return to the market in the months ahead.”

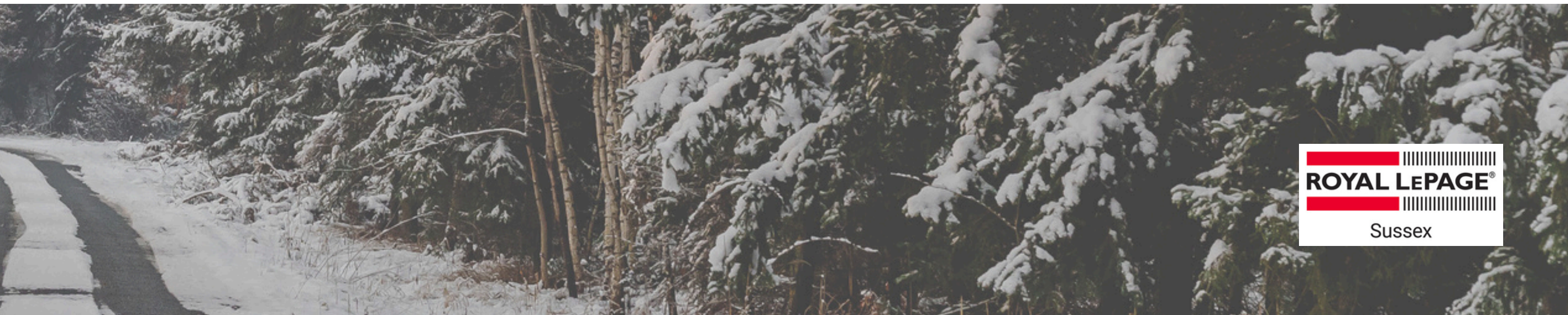
In the city of Vancouver, the aggregate price of a home decreased 3.6 per cent year over year to $1,365,200 in the fourth quarter of 2025. During the same period, the median price of a single-family detached home decreased 3.9 per cent to $2,180,000, while the median price of a condominium declined 6.1 per cent to $773,900.



Ryalls added that sales have declined most sharply for detached homes, reflecting softer demand for larger properties amid current market conditions. By contrast, attached and apartment-style properties have shown greater resilience, supported by desire for affordable housing options and steady demand from first-time buyers and downsizers.

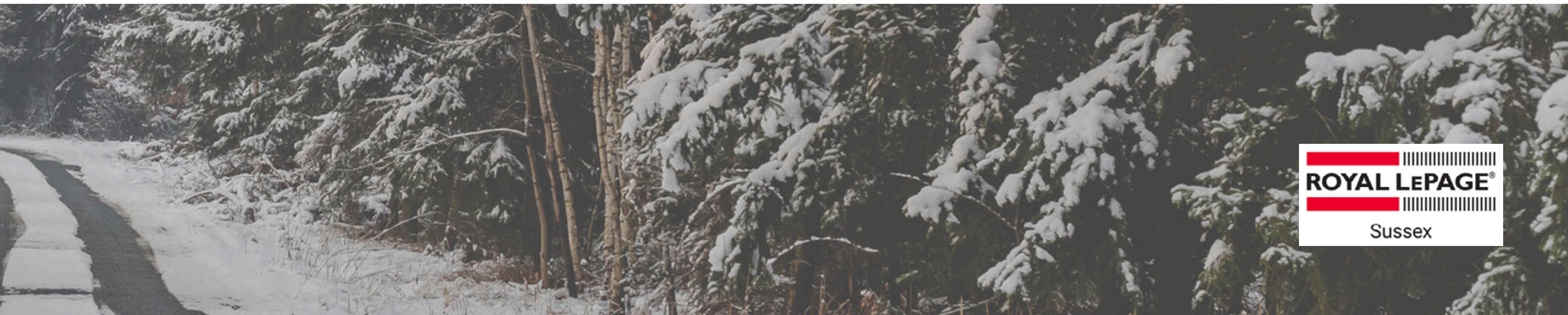
“We’re seeing some early-season activity beginning to emerge, which is an encouraging sign in the first weeks of a new year. As we look toward the spring market, we’re cautiously optimistic about a modest increase in transaction volumes as buyer confidence gradually improves,”said Ryalls. “While activity is expected to pick up, prices are not, supported by improved demand but hampered slightly by inventory levels that are expected to increase as spring arrives.”

Royal LePage is forecasting that the aggregate price of a home in Greater Vancouver will decrease 3.5 per cent in the fourth quarter of 2026, compared to the same quarter last year.



2025 HOUSE PRICE SURVEY
Q4

Region	Q4 2024 Median Price	Q3 2025 Median Price	Q4 2025 Median Price	Quarter-over-Quarter % Change	Year-over-Year % Change
National	$ 819,600	$ 816,500	$ 807,200	**-1.1**	**-1.5**
Greater Montreal Area	$ 613,300	$ 635,000	$ 640,700	**0.9**	**4.5**
Greater Toronto Area	$ 1,149,300	$ 1,114,900	$ 1,084,300	**-2.7**	**-5.7**
Greater Vancouver	$ 1,229,000	$ 1,195,500	$ 1,178,800	**-1.4**	**-4.1**
Abbotsford	$ 927,000	$ 904,900	$ 923,000	**2**	**-0.4**
Burnaby & New Westminster	$ 1,093,800	$ 1,058,300	$ 1,029,700	**-2.7**	**-5.9**
Coquitlam	$ 1,116,100	$ 1,095,300	$ 1,077,800	**-1.6**	**-3.4**
Greater Victoria	$ 1,048,100	$ 1,057,400	$ 1,046,500	**-1**	**-1.7**
Kelowna	$ 818,700	$ 850,400	$ 832,500	**-2.1**	**1.7**
Langley	$ 1,092,800	$ 1,089,700	$ 1,067,000	**-2**	**-2.3**
North Vancouver	$ 1,718,000	$ 1,732,100	$ 1,695,700	**-2.1**	**-1.3**
Richmond	$ 1,065,000	$ 1,030,900	$ 1,022,700	**-0.8**	**-4**
Surrey	$ 1,274,200	$ 1,218,900	$ 1,197,000	**-1.8**	**-6.1**
Vancouver	$ 1,416,900	$ 1,383,200	$ 1,365,200	**-1.3**	**-3.6**
West Vancouver	$ 2,549,500	$ 2,355,400	$ 2,381,300	**1.1**	**-6.6**



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