

HOUSING NEWS FLASH

March 17, 2025

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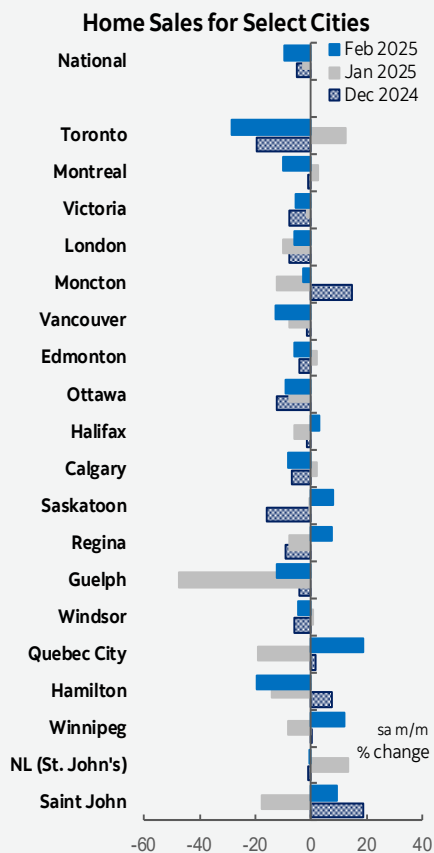
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Canada	Feb-25	Jan-25	Feb-25
	m/m ¹	m/m ¹	y/y ²
Sales (% change)	-9.8	-3.0	-10.4
New listings (% change)	-12.7	14.8	-0.2
Average price (% change)	-4.6	-2.4	0.4
MLS HPI (% change)	-0.8	-0.2	-1.0
	Feb-25	Jan-25	Feb-24
Sales-to-new listings ratio (level) ¹	49.9	48.3	55.8
Months inventory (level) ¹	4.7	4.1	3.8

¹ seasonally adjusted ² not seasonally adjusted



Sources for chart and table: Scotiabank Economics, CREA.

Canadian Home Sales — February 2025

CANADA HOUSING MARKET: DARKENING TRADE DISPUTE FURTHER SLOWS HOUSING MARKET ACTIVITY

SUMMARY

Sales declined significantly from January to February nationally with most of the markets we track contributing to this weakening in sales.

National housing sales posted a -9.8% decline from January to February (sa figures), falling to their lowest level since November 2023. Compared to the same month in the previous year, national sales were -10.4% lower (nsa) in February 2025. The weak sales performance over the period December 2024 to February 2025 has more than offset the trend recovery witnessed since about the Spring of 2024 to November 2024.

Despite the sharp monthly decline in sales from January to February, the national sales-to-new listings ratio edged up from 48.3 to 49.9 (sa) over this period as new listings declined 12.7% (sa), almost entirely offsetting the strong 14.8% increase in this indicator from December 2024 to January 2025. From the same month in 2024, new listings were almost unchanged, showing a modest -0.2% (nsa) decline in February.

One should not conclude that market conditions tightened from January to February from the modest increase in the sales-to-new listings ratio as this indicator is volatile. Indeed, another indicator of market conditions—months of inventory—suggest a cooling in the national housing market as it rose from 4.1 months in January to 4.7 months in February (sa figures). From this indicator, market conditions evolved differently across provinces over this period, easing in British Columbia, Alberta, Ontario and Quebec, unchanged in Nova Scotia and tightening for remaining provinces. In February, months of inventory were still below than their long-term pre-pandemic average nationally and for all provinces except for British Columbia and Ontario.

The MLS House Price Index (HPI) declined -0.8% (sa) from January to February, following a -0.2% decline from December to January. This house price index declined -1% (nsa) from February 2024 to February 2025 with most unit-types contributing to this 12-month decline, except for 1-storey single-family units for which the MLS HPI increased 0.8%. From this price indicator, 12-month price declines for two-storey, townhouse/row and apartment units were respectively -0.5%, -1.6% and -2.6% (nsa figures). However, all these indicators are still higher than their pre-pandemic level (by between 21 and 40%).

In February, sales declined in nearly 3/4 of the markets we track with most significant declines observed for Ontario and British Columbia centres. A similar story emerges for the progression of new listings from January to February 2025.

All Ontario markets we track posted a decline in their sales from January to February, except for Thunder Bay where they rose 9.4% (sa). Indeed, most of these Ontario centres posted a near or above 10% decline in their sales over this period, with the largest monthly declines observed for Barrie (-36.8% sa) and Toronto (-28.5%). Most significant declines in sales outside Ontario were observed in British Columbia with sales declining by -16.1% in Okanagan-Mainline, -14.3% in Fraser Valley (Abbotsford) and -12.8% in Vancouver.

Sales increased in eight of the markets we track from January to February, with above 10% increases observed for Quebec City (+18.9%) and Winnipeg (12.2%).























































New listings declined in about 80% of the markets we track, with the largest drops (of nearly or above 10%) observed mostly in Ontario and British Columbia centres.

IMPLICATIONS

The gains from the recovery path for national housing sales that occurred from about Spring 2024 to November 2024 have been fully offset by the monthly declines observed since December. This period coincides with the initial announcement at the end of last November by the U.S. on its intention to impose steep tariffs on imports from Canada, Mexico and China, which has surely clouded the economic and income outlook for potential buyers. These clouds darkened in recent weeks with actual implementation, and rapidly changing decisions about timing and exemptions, as well as retaliatory measures by U.S. trading partners, including Canada.

Not surprisingly, potential buyers are clearly nervous to purchase a property given this high level of uncertainty about their future employment and income conditions. This trade war background was clearly at play in housing market activity in recent months given hard data alone would support stronger sales and tighter conditions than what was observed in the last three months. As long as this uncertainty persists, we do not expect a significant recovery in housing resale activity. And if implemented and tariffs turn out to be steeper than what we expect, then housing markets and prices will likely exhibit additional weakness in the coming months.

March 17, 2025

Scotiabank Housing Market Watch—February 2025																	
			Sales-to-New Listings Ratio						Unit Sales ³			Avg. Sales Prices ³			New Listings ³		
Rank ¹	Real Estate Board	Last Month Rank	Monthly Change	Sales-to- New Listings Ratio	Std. Dev. from Long-Term Mean ²		Market Type	24-month Evolution	Last month	Last 3 mos.	Last 12 mos.	Last month	Last 3 mos.	Last 12 mos.	Last month	Last 3 mos.	Last 12 mos.
--	National	--	--	49.9	-0.5		Balanced		-9.8	2.0	4.3	-4.6	3.2	2.6	-12.7	10.3	10.2
1	NL (St. John's)	5	 4	76.4	2.2		Sellers'		-0.5	19.9	8.7	-5.2	6.8	8.3	-0.1	-4.7	1.2
2	Saskatoon	4	 2	82.3	2.1		Sellers'		8.2	4.7	5.1	3.2	13.2	8.8	-7.5	-2.5	-2.1
3	Quebec City	14	 11	93.8	1.9		Sellers'		18.9	18.9	15.6	-2.0	20.8	13.4	-7.7	5.5	2.9
4	Saint John	1	 3	82.4	1.8		Sellers'		9.6	15.5	3.7	19.1	24.8	13.6	6.7	0.0	-0.2
5	Lethbridge	2	 3	80.1	1.3		Sellers'		-7.6	-0.2	6.0	-6.1	10.0	11.2	0.0	3.6	3.1
6	Regina	7	 1	78.8	1.3		Sellers'		7.4	-2.6	9.4	-2.0	10.5	7.8	2.6	-12.1	-1.3
7	Thunder Bay	15	 8	80.3	1.2		Sellers'		9.4	9.1	4.2	5.4	4.4	3.8	-9.2	-0.9	0.9
8	Edmonton	8	 0	72.6	0.9		Balanced		-5.9	5.1	19.3	0.4	10.9	9.7	1.6	1.4	5.6
9	Winnipeg	11	 2	76.8	0.9		Balanced		12.2	12.3	11.7	4.6	5.1	6.1	1.1	-5.8	-1.0
10	Halifax	9	 1	72.5	0.8		Balanced		3.2	3.8	6.9	-2.1	6.8	5.2	-3.1	14.3	6.9
11	Sudbury	3	 8	61.9	0.6		Balanced		-12.3	0.3	8.6	1.2	10.7	7.3	-1.0	-4.6	3.9
12	PEI (Charlottetown)	10	 2	55.2	0.4		Balanced		7.7	9.2	7.9	-0.5	1.7	1.0	-1.2	13.5	11.6
13	Moncton	6	 7	59.3	0.3		Balanced		-2.8	5.2	3.2	-6.3	6.8	8.2	-1.5	15.0	17.6
14	Montreal	12	 2	63.1	0.2		Balanced		-9.8	27.1	19.5	-0.7	7.1	6.3	-3.9	10.7	10.2
15	Calgary	13	 2	62.3	0.1		Balanced		-8.3	-10.9	-5.3	-0.8	7.7	12.1	-6.4	14.8	9.9
16	Kingston	27	 11	42.7	-0.6		Balanced		-12.7	3.3	2.1	0.9	6.2	2.5	-9.5	6.3	2.7
17	Ottawa	16	 1	46.8	-0.7		Balanced		-9.2	-1.6	9.1	-2.1	2.7	1.7	-2.8	9.4	17.5
18	Peterborough	23	 5	42.7	-0.9		Balanced		-18.3	-18.5	-14.6	18.8	4.2	-0.8	-12.1	7.9	-2.1
19	London	22	 3	42.7	-0.9		Balanced		-5.9	-13.3	0.6	-0.1	3.1	0.2	-8.7	8.8	8.8
20	Victoria	20	 0	46.2	-1.1		Buyers'		-5.7	18.3	11.6	-0.9	3.1	-0.2	-10.5	15.0	15.7
21	Okanagan-Mainline (Kelowna)	17	 4	34.5	-1.1		Buyers'		-16.1	17.5	-1.9	-2.0	4.0	0.8	-20.7	15.9	12.1
22	Brantford	24	 2	40.4	-1.2		Buyers'		-0.8	-2.2	-4.3	0.0	-1.8	-2.3	2.3	10.6	4.0
23	Barrie	26	 3	34.8	-1.3		Buyers'		-36.8	-10.9	-10.3	-2.3	0.6	1.1	-15.7	-14.1	2.2
24	Hamilton-Burlington	21	 3	37.1	-1.4		Buyers'		-19.6	-4.6	-1.5	-5.4	0.9	1.8	-12.2	28.0	11.9
25	Windsor	30	 5	37.9	-1.4		Buyers'		-4.6	0.7	1.6	-4.1	5.8	4.0	-7.2	22.6	14.2
26	Vancouver	19	 7	37.0	-1.5		Buyers'		-12.8	6.6	-1.6	-1.1	-1.3	0.0	-17.8	24.3	18.7
27	St. Catharines	28	1	29.9	-1.5		Buyers'		-17.5	-36.0	-15.0	0.9	4.0	-0.8	-4.2	-18.3	-9.8
28	Guelph	25	3	40.0	-1.5		Buyers'		-12.1	-28.5	-2.7	-7.2	3.3	-1.0	-26.8	-15.2	8.3
29	KW*	18	11	36.1	-1.8		Buyers'		-15.4	-9.0	0.1	1.5	3.3	1.0	-10.2	22.8	15.8
30	Fraser Valley (Abbotsford)	29	1	31.6	-1.8		Buyers'		-14.3	-10.0	-8.2	-0.5	3.5	2.0	-15.3	27.4	19.3
31	Toronto	31	0	30.8	-2.2		Buyers'		-28.5	-15.3	-3.2	-1.8	-0.8	-0.5	-24.3	23.6	17.5

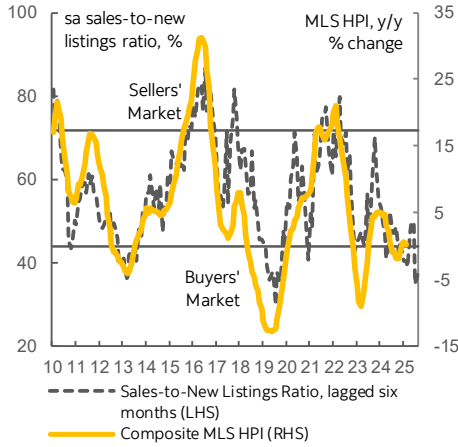
¹ Ordered from most- to least-tilted towards sellers. ² A market is tilted towards sellers, and likely to witness upward pressure on prices, if its sales-to-new listings ratio greater than the long-term mean plus one standard deviation. A

sales-to-new listings ratio below the long-term mean less than one deviation is considered a buyer's market and likely to see a flat or downward trend in prices over the next six months. We define the long-term average as the 1990–2020

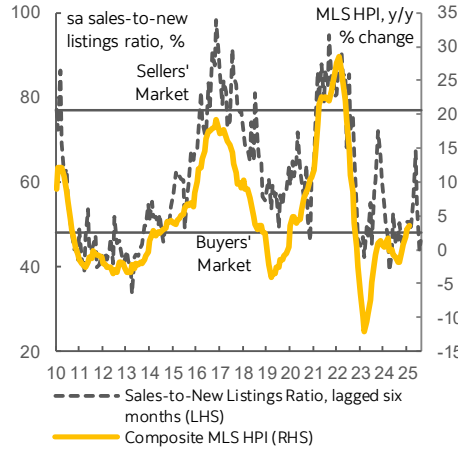
mean. ³ Year-over-year percentage change. * Kitchener-Waterloo. Sources: Scotiabank Economics, CREA.

MLS Home Price Indices — Western Canada

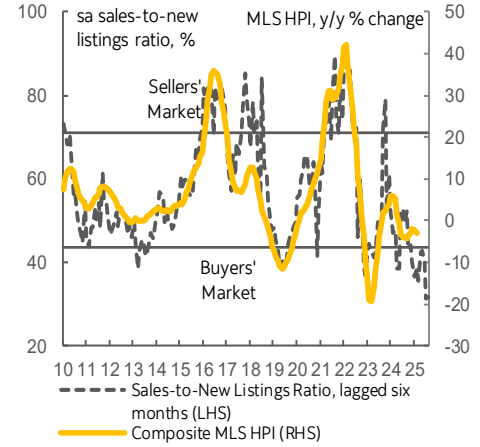
Greater Vancouver



Victoria



Fraser Valley



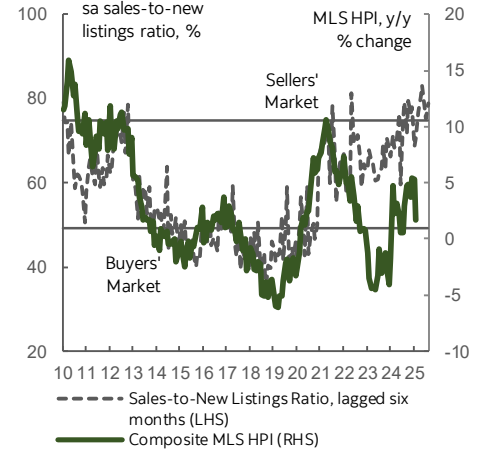
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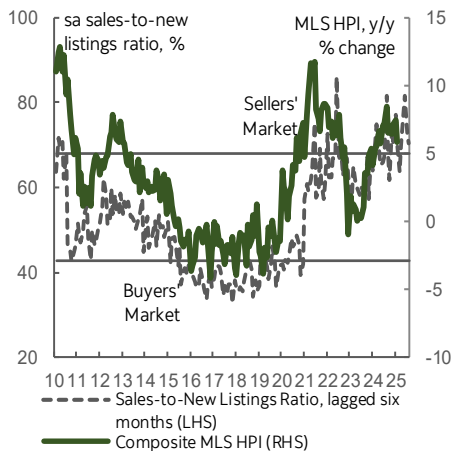
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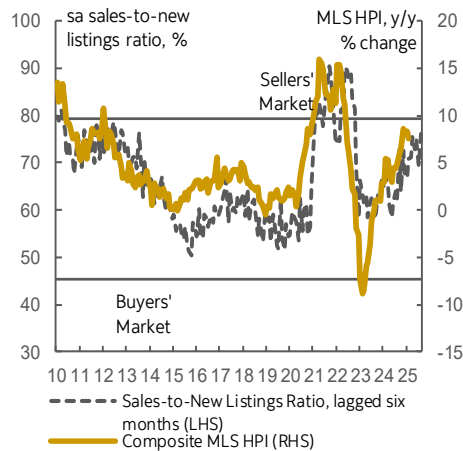
Regina



Saskatoon

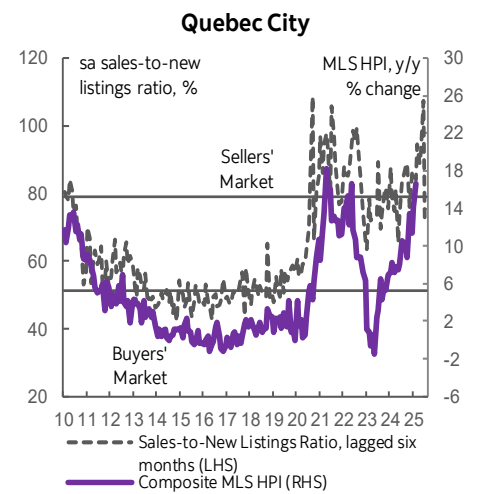
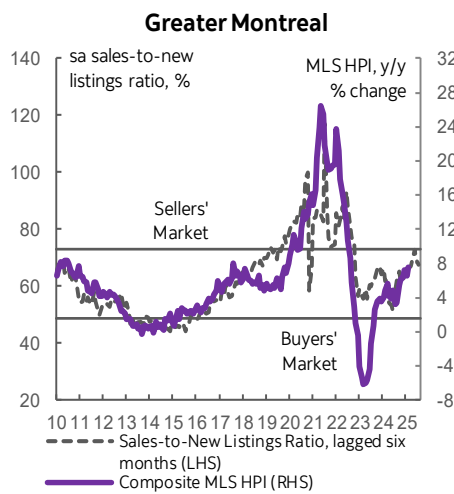
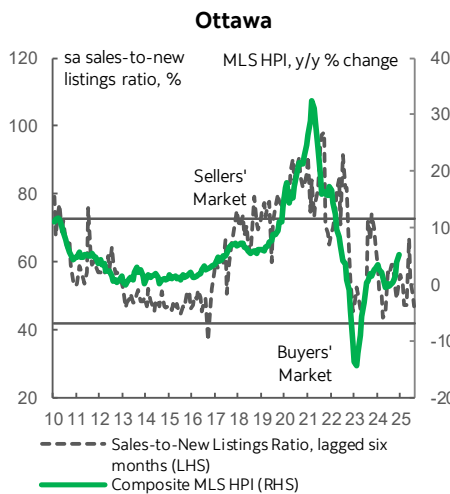
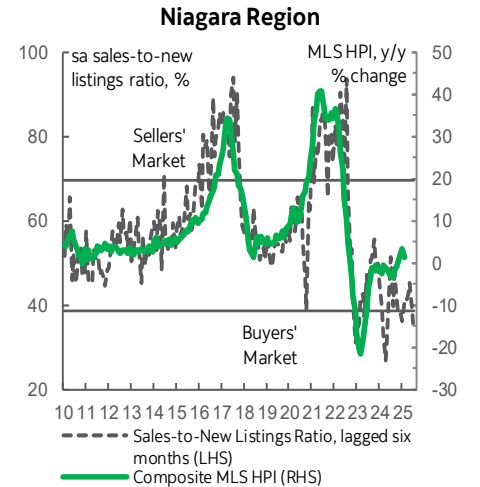
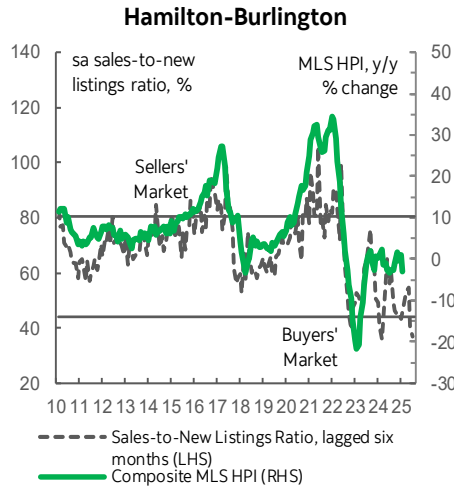
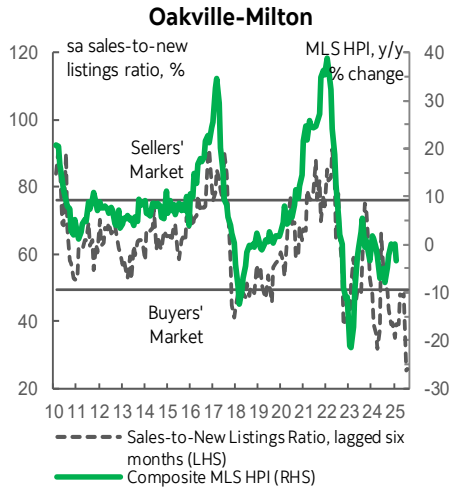
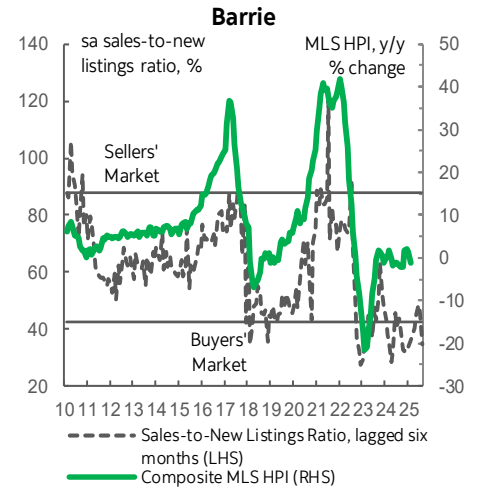
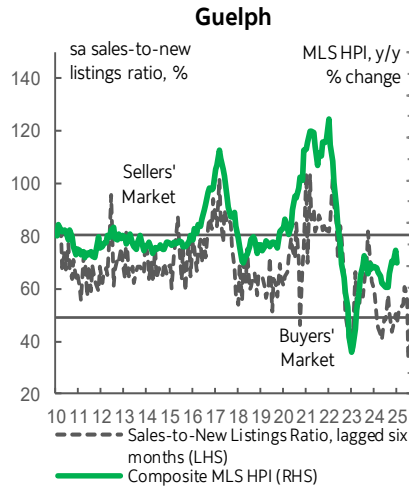


Winnipeg



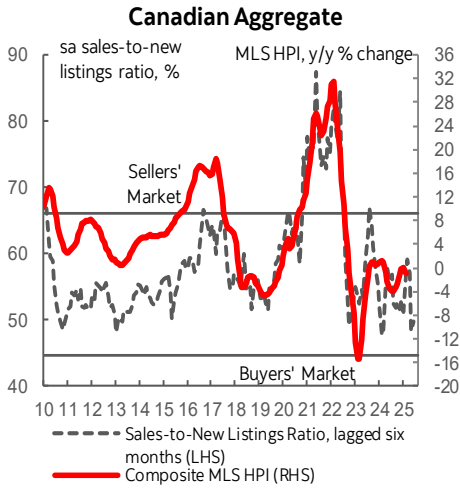
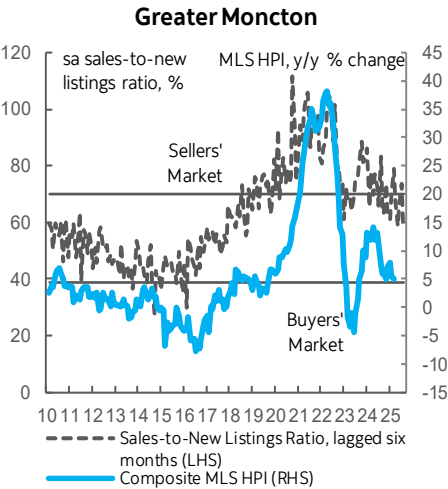
Sources: Scotiabank Economics, CREA.

MLS Home Price Indices (cont.) — Eastern Canada



Sources: Scotiabank Economics, CREA.

MLS Home Price Indices (cont.) — Eastern Canada and Canadian Aggregate



Sources: Scotiabank Economics, CREA.

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