

Canada: Housing prices lose momentum as the year draws to a close

By Daren King

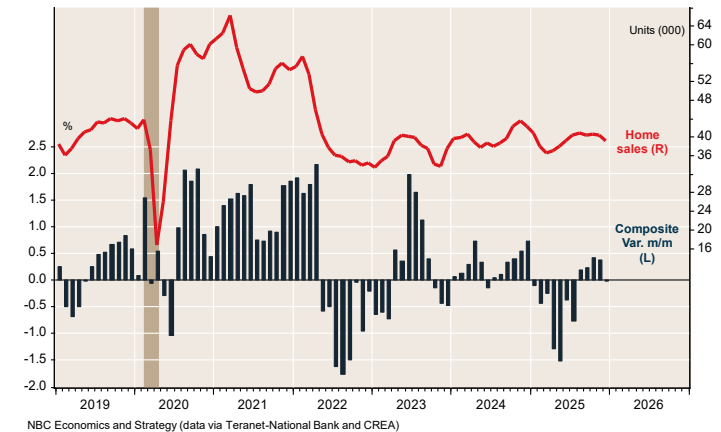
Highlights:

- The Teranet–National Bank Composite National House Price Index™ remained stable from November to December after seasonal adjustment.
- Six of the eleven CMAs included in the index recorded increases: Ottawa-Gatineau (+2.9%), Edmonton (+1.2%), Winnipeg (+1.1%), Calgary (+0.7%), Vancouver (+0.2%) and Quebec City (+0.1%). Conversely, prices declined in Hamilton (-1.8%), Halifax (-1.0%), Victoria (-0.8%), Toronto (-0.5%) and Montreal (-0.2%).
- From December 2024 to December 2025, the composite index declined by 3.5%. However, increases were observed in seven of the eleven cities that make up the index: Quebec City (+12.6%), Edmonton (+5.1%), Winnipeg (+5.0%), Montreal (+4.1%), Ottawa-Gatineau (+3.0%), Calgary (+2.0%) and Halifax (+0.6%). Conversely, prices declined in Toronto (-7.8%), Hamilton (-7.8%), Vancouver (-5.9%), and Victoria (-0.7%).
- On an annual average, the composite index declined by 1.0% from 2024 to 2025.

After rising over the previous four months, the Teranet-National Bank composite index lost momentum in December, with prices remaining unchanged compared to November. This loss of steam comes at a time when the number of transactions in the resale market declined in November and December (top chart), despite the Bank of Canada's policy rate cuts in the fall and the improvement in the labour market in the last months of the year. On an annual basis, the composite index fell 3.5% compared to December 2024, a larger contraction than the 2.8% recorded the previous month. However, the decline in prices was not observed everywhere in the country. In fact, **improved affordability**, due to more favourable fixed and variable interest rates and resilient household incomes, supported price growth in some regions. This was particularly true in Quebec and the Prairies, which are more affordable than the national average and experienced the highest annual price growth. Conversely, persistent affordability challenges in Ontario and British Columbia continue to weigh on prices in an increasingly unfavourable demographic context (bottom chart). Although a moderate recovery in resale market activity is anticipated in 2026, persistent market weakness in Ontario and British Columbia is expected to limit short-term price increases at the national level. Recent cuts in the Bank of Canada's key interest rates have provided some relief, but 5-year mortgage rates could start to rise again in 2026 if our scenario of economic improvement materializes. Combined with population growth that is expected to moderate further, these factors could continue to weigh on the outlook for the residential market.

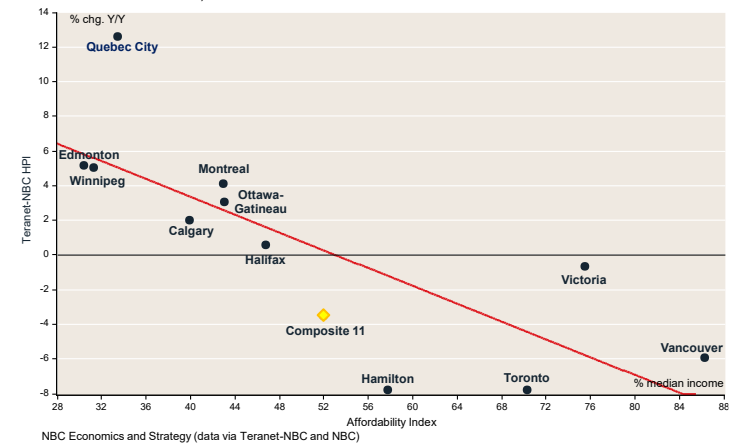
Canada: Prices lose momentum in December

Number of transactions on the home resale market and monthly change (%) in Teranet-NBC HPI, seasonally adjusted



Canada: Affordability challenges weigh on prices

Annual change (%) in Teranet-NBC HPI and NBC Affordability Index (monthly mortgage payment as % of median household income)



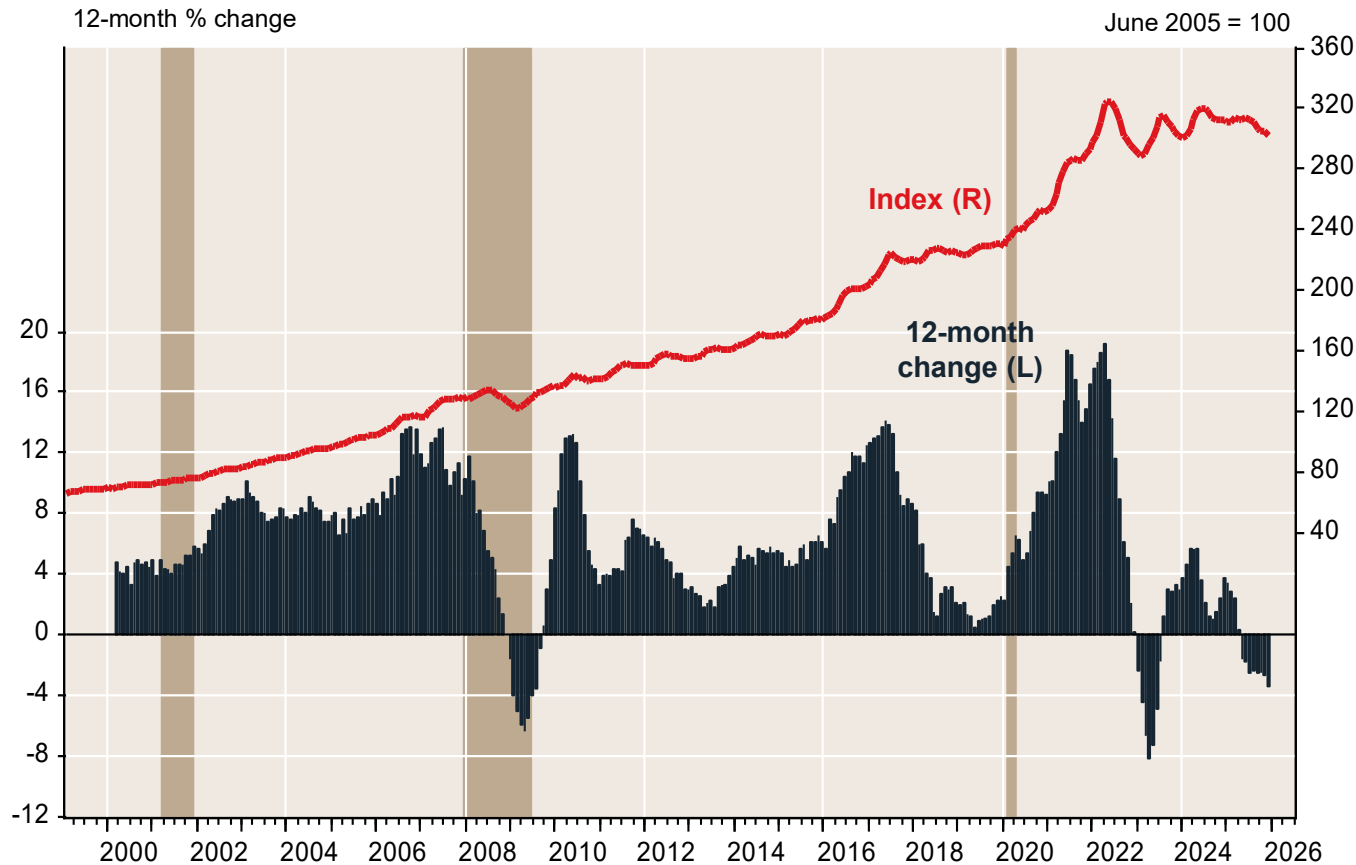


Note on methodology:

The Teranet-National Bank House Price Index is based on the repeat sales methodology. The index is built from the price increase observed between two sales of the same property.

Since September 2022, The Teranet-National Bank™ House Price Indices are presented on a raw (unsmoothed) basis, whereas their variation was previously smoothed over three months to allow evening-out month-to-month fluctuations. The unsmoothed version of the price measures allows for earlier detection of changes in market conditions. The provision of the unsmoothed version of the Teranet-National Bank™ indices also allows users to adjust the data to their specific needs.

Teranet-National Bank National Composite House Price Index™





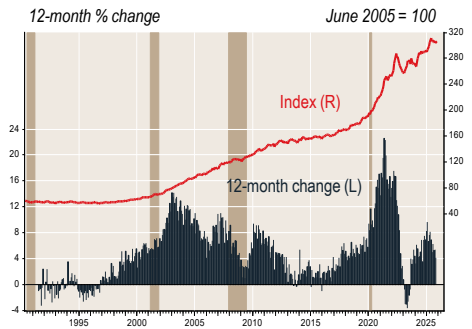
Metropolitan area	Index level * December 2025	% change m/m, NSA	% change m/m, SA	Prev. Month % change m/m, SA	% change y/y, NSA	% change from peak, SA	Peak date, SA
Composite 11	300.76	-0.9%	0.0%	0.4%	-3.5%	-4.2%	2022-04
Victoria	286.42	-1.0%	-0.8%	0.2%	-0.7%	-5.8%	2022-05
Vancouver	345.84	-0.3%	0.2%	0.1%	-5.9%	-6.1%	2022-04
Calgary	256.04	0.3%	0.7%	0.4%	2.0%	-0.9%	2025-05
Edmonton	217.70	-0.1%	1.2%	-0.3%	5.1%	0.0%	2025-12
Winnipeg	277.30	0.4%	1.1%	0.1%	5.0%	0.0%	2025-12
Hamilton	338.04	-2.2%	-1.8%	-0.1%	-7.8%	-18.4%	2022-05
Toronto	312.50	-1.6%	-0.5%	0.6%	-7.8%	-15.1%	2022-04
Ottawa-Gatineau	266.83	0.8%	2.9%	-0.7%	3.0%	0.0%	2025-12
Montreal	302.97	-0.8%	-0.2%	1.1%	4.1%	-0.2%	2025-11
Quebec	309.29	-0.9%	0.1%	-0.3%	12.6%	-0.2%	2025-10
Halifax	298.19	-0.4%	-1.0%	1.2%	0.6%	-4.2%	2025-02
Other metropolitan areas							
Abbotsford-Mission, B.C.	342.48	-2.4%	-1.0%	0.6%	-4.8%	-17.6%	2022-04
Kelowna, B.C.	292.40	-0.3%	0.9%	-2.0%	-4.3%	-6.0%	2022-03
Lethbridge, Alb.	253.98	1.3%	0.5%	0.4%	10.1%	0.0%	2025-12
Barrie, Ont.	312.15	1.8%	0.9%	0.3%	-4.3%	-18.8%	2022-05
Guelph, Ont.	317.97	-4.8%	-1.7%	0.9%	-8.2%	-15.2%	2022-05
Brantford, Ont.	325.66	-3.0%	-1.0%	-1.2%	-5.1%	-17.6%	2022-05
Kitchener, Ont.	320.09	-2.2%	-1.5%	0.7%	-8.0%	-17.9%	2022-04
St. Catharines, Ont.	322.42	1.2%	2.6%	-2.5%	-4.4%	-14.7%	2022-05
Oshawa, Ont.	320.93	-2.9%	-2.7%	2.0%	-8.2%	-21.2%	2022-05
Peterborough, Ont.	311.40	2.5%	6.1%	0.5%	2.2%	-12.9%	2022-05
London, Ont.	300.81	-0.1%	1.1%	-1.0%	-2.4%	-15.1%	2022-04
Kingston, Ont.	268.01	-1.9%	-2.6%	-0.8%	-7.7%	-7.7%	2024-12
Belleville, Ont.	291.83	-3.1%	-0.2%	-0.9%	-4.3%	-11.6%	2022-04
Sudbury, Ont.	335.19	-0.3%	4.2%	-0.6%	8.8%	0.0%	2025-12
Thunder Bay, Ont.	311.64	1.8%	2.3%	-3.4%	9.0%	-1.2%	2025-10
Windsor, Ont.	291.40	-1.1%	0.7%	-0.5%	-1.7%	-11.8%	2022-05
Trois-Rivières, Qc	367.31	-2.0%	-3.0%	0.0%	7.7%	-3.0%	2025-11
Sherbrooke, Qc	315.50	-1.1%	1.2%	-0.8%	6.1%	-1.3%	2025-08

*June 2005=100 except indicated otherwise.

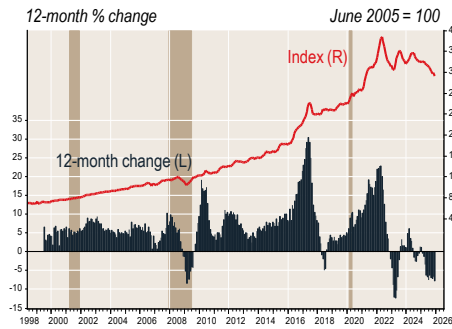


Teranet-National Bank House Price Index

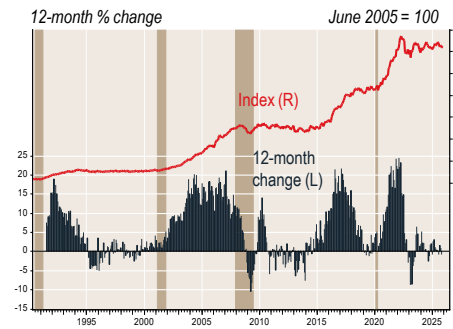
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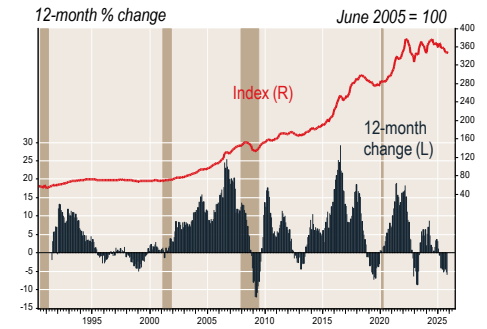
Toronto



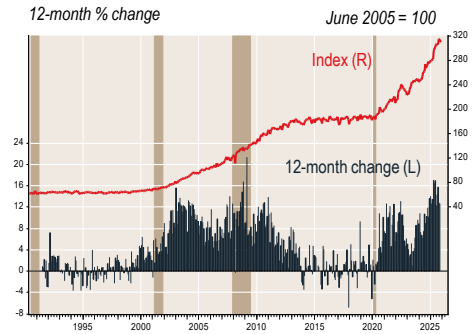
Victoria



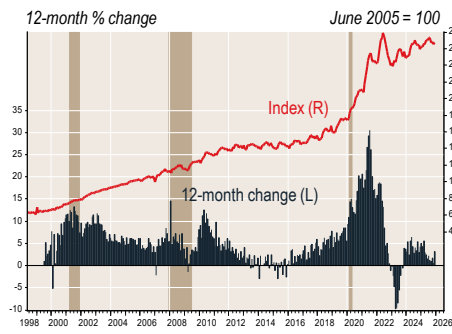
Vancouver



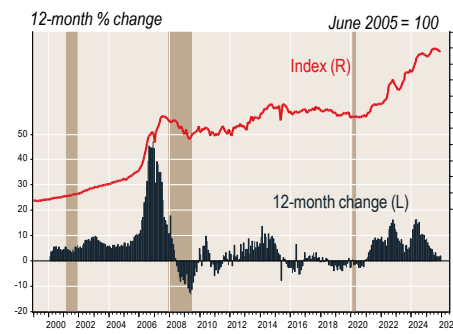
Quebec City



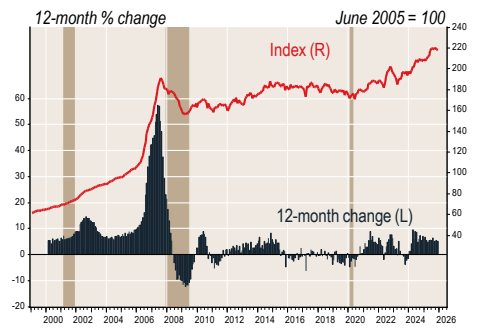
Ottawa-Gatineau



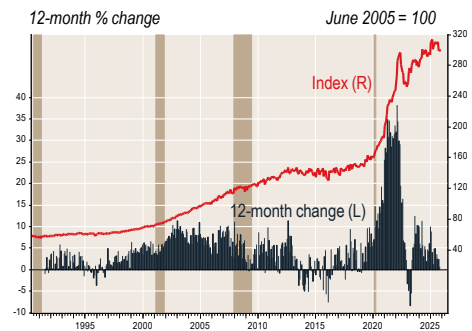
Calgary



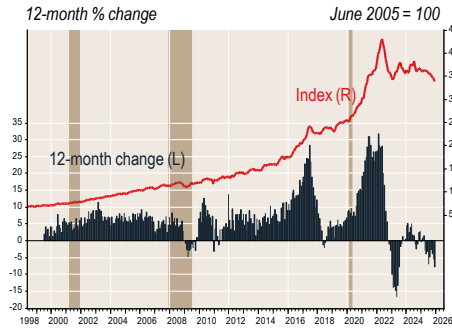
Edmonton



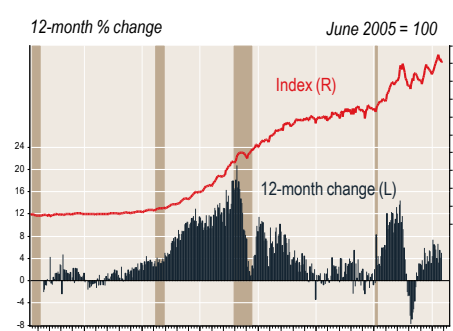
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