Financial Post – October 16, 2025

Posthaste Canada's home sales are finally rising — but prices are not

Home prices that flatlined in third quarter likely to 'tread water' for awhile, says Royal LePage

Pamela Heaven || October 16, 2025

Home sales in Canada rose 5.2 per cent in September — the busiest September in real estate since 2021, said the Canadian Real Estate Association. Photo by Michelle Berg / Postmedia

Canada’s home sales are finally on the rise as buyers trickle back to the market, but prices are not, finds a nation-wide survey.

The aggregate price of a home nationally was virtually unchanged in the third quarter, increasing just 0.1 per cent from the year before to $816,500, according to data from real estate company Royal LePage. Compared to the second quarter, prices were down 1.2 per cent.

The Canadian Real Estate Association painted a similar picture when it upgraded its forecast today. CREA now expects home sales to fall 1.1 per cent in 2025, an improvement from its earlier forecast of a 3 per cent decline. The average home price is forecast to fall 1.4 per cent.

Months of slumping sales and rising listings have given buyers real choice and bargaining power for the first time in years, said Phil Soper, chief executive of Royal LePage.

“Affordability is improving and the economic backdrop remains remarkably stable, yet consumer confidence is lagging,” he said. “Many buyers remain hesitant – some worried about broader economic uncertainty, others waiting to see if prices dip a little further before stepping in.”

It appears they are willing to wait a while.

In a recent Royal LePage survey, more than 80 per cent of the Canadians who were working towards buying their first home said they are planning to hold off for at least another year.

A lack of urgency is the defining characteristic of the Toronto housing market right now, said Shawn Zigelstein, a broker.

Home prices were down 3.5 per cent in the Greater Toronto Area in the third quarter from the year before and new listings outpaced sales. Properties are also spending “significantly” more time on the market, he said.

“The average days on market is now edging towards two months – a stark contrast to the pandemic real estate frenzy, when properties were selling in just a few days,” said Zigelstein.

“Sellers who price their homes too high are finding them languishing ….”

A breakdown by housing type shows the depth of the condo market slump in this city. The median price of a condominium dropped 7.4 per cent, year over year, while the price of a detached single-family home slipped just 1.2 per cent.

Since the peak of the pandemic housing boom, national home prices have fallen 5 per cent, according to Royal LePage's figures. This was mostly driven by the decline in the country's two biggest (and most expensive) markets, Toronto and Vancouver, where prices have plunged 12 per cent from their peak.

Royal LePage has downgraded its home price forecast because of the decline in Ontario and British Columbia and slower growth in other major markets. It now expects prices to rise 1 per cent in the fourth quarter, year over year.

"Prices are likely to tread water in the near term, as improved affordability and lower borrowing costs draw more buyers back to the table," said Soper.