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Home sales and prices edged up in October but still down year over year: CREA

Jane Switzer. Nov 17, 2025

The fact that Canada has a chronic shortage of housing relative to its population continues to drive demand



While

affordability remains a top concern for homebuyers, the combination of prices coming down in many regions and lower interest rates may encourage buying in 2026. Photo by Michelle Berg / Saskatoon StarPhoenix/Postmedia files

Home sales and prices were down year-over-year in October but edged up from September as Canada's housing market continues to gradually recover from trade war-induced shocks in early 2025, the Canadian Real Estate Association (CREA) said Monday.

In its latest housing market report, CREA said 42,068 homes changed hands across the country in October, up 0.9 per cent from the previous month but down 4.3 per cent compared to last year.

Shaun Cathcart, senior economist at CREA, said sales activity is "moving in the right direction," albeit slowly due to persistent tariff-related economic uncertainty.

"The market really burst to life last October in this very narrow window of time between when rates had come down but we weren't in a trade war yet. So, we're down a little bit from that," he said. "But in general, compared to earlier this year, things have been trending up steadily."

The non-seasonally adjusted national average sale price was up 0.2 per cent from September but down 1.1 per cent year-over-year at \$690,195.

The non-seasonally adjusted National Composite MLS Home Price Index was down three per cent in October compared to last year, which CREA noted was the smallest year-over-year decline since March.

Cathcart said home prices are down from a year ago due to weakness in the first quarter of 2025, when "the initial tariff shock scared everyone back to the sidelines and pulled the rug out from under the spring market." However, he said prices are no longer falling.

"I think that once we get through the winter and into the beginning of next year, you're going to see those year-over-year declines shrink," said Cathcart. "We might even move back into positive territory, because I don't see prices falling further at this point, as buyers come back into the market."

Properties listed for sale across all Canadian MLS systems were up 7.2 per cent year-over-year with 189,000 listings in October, which CREA said is "very close" to the long-term average for this time of year.

CREA reported 79,225 new listings hit the market last month, down 1.4 per cent from September. The association said fewer listings and increased sales activity "tightened"

October's sales-to-new listings ratio to 52.2 per cent, compared to 51 per cent from the month before.

The ratio is below the long-term average of 54.9 per cent, with "readings roughly between 45 per cent and 65 per cent generally consistent with balanced housing market conditions," CREA said in a release.

CREA said inventory was "basically unchanged" from July, August and September at 4.4 months of inventory on a national basis at the end of October —the lowest level since January and below the long-term average of five months. Anything below 3.6 months of inventory is considered a seller's market, while 6.4 months or more is considered a buyer's market.

Despite concerns over wider economic uncertainty and job security tempering the real estate market, the fact that Canada has a chronic shortage of housing relative to its population continues to drive demand, said Don Kottick, president of real estate brokerage REMAX Canada.

"There's a large segment of the population that is going to need to move based on life reasons, whether it's divorce, whether they need to downsize, or whether they need to expand because their families are growing," he said. "So, that pent-up demand is not going away, and it's just a matter of when it is going to break."

Kottick said affordability continues to be a top concern for homebuyers, and the combination of prices coming down in many regions and lower interest rates may encourage activity in 2026.

Since January, Bank of Canada has issues four cuts to its benchmark interest rate, which currently sits at 2.25 per cent.

Cathcart said many Canadians may have been hesitant to lock into a five-year fixed rate —the most popular mortgage term —when they thought interest rates were still falling, but could change their minds after the central bank signalled in its last decision on Oct. 29 that it may be done with easing.

"I think that could really draw a lot of those buyers off the sidelines," he said. "But the only question is whether that happens over the winter, which is typically slower, or whether we have to wait for next spring."