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In Canadian real estate's longest winter, buyers hold the power as sellers face reality

Shantaé Campbell – Feb 2, 2026

Instead of a routine seasonal lull, many realtors are now seeing a prolonged chill driven by psychology, affordability strain and economic uncertainty



Canada's housing market has always moved in cycles – spring listings, summer slowdown, fall reset and winter hibernation. But many realtors say that rhythm has been disrupted. Instead of a routine seasonal lull, what they're seeing now is a prolonged chill driven less by weather than by psychology, affordability strain and economic uncertainty.

In the Greater Toronto Area (GTA), headline data reflect that slowdown. For the calendar year 2025, Toronto Regional Real Estate Board (TRREB) reported 62,433 home sales down

about 11.2 per cent from 2024 – while the annual average selling price dipped to \$1,067,968, a 4.7 per cent decline from the prior year.

In December 2025, the MLS Home Price Index composite benchmark was down 6.3 per cent year-over-year, and the average selling price was about \$1,006,735, roughly 5.1 per cent lower than December 2024 – underscoring how broadly prices have adjusted across property types.

What stands out beyond pricing is how muted the usual seasonal swings have been. TRREB's seasonally adjusted data show GTA home sales in November 2025 were essentially flat compared with October, dipping just 0.6 per cent month-over-month – rather than showing the kind of rebound often seen at that time of year.

Nationally, CREA reported home sales fell about 2.7 per cent from November to December, with activity 4.5 per cent below December 2024, suggesting the market's traditional seasonal rhythm is subdued rather than sharply cyclical.

Condo apartments in particular have shown notable weakness. In December 2025, the average GTA condo price was around \$628,029, down about 7.2–7.9 per cent year-over-year, TRREB reported – an indication that even the more affordable segment is not immune to the slowdown.

In Toronto's condo market, realtor Alexander Yolevski, who works largely in Midtown Toronto, says the traditional calendar matters far less than it once did. “The seasonality of the market has become almost irrelevant,” he said, arguing that interest rates, global events and job security fears now exert more influence than the time of year.

Conditions clearly favour buyers, but that hasn't translated into a rush of activity. Instead, it has reduced urgency. "This is a buyers' market... buyers can be picky like they have not been able to be in a very, very long time," Yolevski said.

That patience on the demand side is colliding with growing fatigue among sellers. Sales are happening, Yolevski said, but largely because owners are adjusting expectations – not because demand is surging. "The fact that sellers are slowly starting to grasp the value of what they are trying to sell is what is making sales happen at all at this point," he said.

The strain is particularly visible in the pre-construction and assignment segment. Yolevski described the assignment market as "a very sad and ugly place right now," pointing to defaults, legal disputes and steep losses for some would-be sellers.

National data reinforce the sense of caution. According to the Canadian Real Estate Association (CREA), there were about 133,495 properties listed for sale on Canadian MLS Systems at the end of December 2025 – up roughly 7.4 per cent from a year earlier – and inventory stood at about 4.5 months, near long-term balanced levels.

CREA's MLS Home Price Index showed the national average selling price at about \$673,335 in December 2025, essentially flat year-over-year (-0.1 per cent), as some regions saw declines and others modest gains.

Not all regions are feeling the same chill. TD Economics points to several markets that continued to post price gains in 2025, including Saskatchewan, where average home prices rose nine per cent, and Newfoundland and Labrador, which recorded near double-digit growth for a second straight year.

Quebec also stood out, particularly Quebec City, where prices jumped roughly 17 per cent in 2025, according to TD, as high consumer confidence and a tight ownership market supported gains even as larger markets cooled.

Further north of Toronto, in Barrie, Ont., Peggy Hill of the Peggy Hill Real Estate Team sees a different but related version of the same freeze. “We haven’t really seen that in about three years ... seasonality has kind of gone out the window with so much uncertainty,” she said.

While buyers from the GTA are still moving to Barrie, affordability remains the key driver. Even so, hesitation remains widespread. Hill said last year’s rate cuts did little to change behaviour because broader fears dominate decision-making. “I don’t think there’s ever been a time when there’s been more uncertainty in the world, and it’s affecting people’s psyche.”

Sellers in Barrie are also struggling to align expectations with market realities. Many list at prices tied to past peaks, receive limited showings and pull their properties off the market. Downsizers in particular are pausing when the equity freed up does not justify the costs of moving.

Hill said financial pressure is becoming more visible. Some homeowners renewing mortgages are turning to second mortgages or private lenders as equity cushions shrink – a sign that household balance sheets are tighter than headline prices alone imply. At the same time, renting out a property is less of a fallback than during the pandemic, as softer rents make it harder to cover carrying costs.

Ottawa presents a comparatively steadier picture, though not immune to broader sentiment. Kevin Cosgrove, a realtor in the capital, described the local market as predictable rather than distressed. “This feels less like a market driven by urgency and more one driven by confidence, and that’s generally a healthier place to be,” he said.

Buyers in Ottawa have been cautious but are gradually returning as interest rates and pricing feel more stable. Condo supply remains elevated relative to demand, though Cosgrove noted that return-to-office policies could support demand for centrally located units.

Even there, however, confidence is vulnerable to events beyond housing. Trade tensions, global politics and economic headlines can quickly cool momentum. “Buyer confidence basically controls everything in our market,” he said.

Looking beyond local boards, industry forecasts point to only modest improvement. CREA’s 2026 forecast calls for national home sales to increase to roughly 494,512 transactions – up about 5.1 per cent from 2025 – but notes that uncertainty remains a key restraint on stronger activity.

Across these regions, the common thread is that transactions are still happening, but for different reasons than in boom years. Buyers hold more leverage but feel little urgency. Sellers are adjusting, often reluctantly. Investors are largely on the sidelines. And many households are navigating tighter finances than headline price trends alone suggest.

If spring brings a lift, realtors say it may look less like a sudden thaw and more like a cautious shuffle forward through what looks like housing’s longest winter.