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# Canada's home sales plunge in January, led by Ontario

Shantaé Campbell – Feb 18, 2026

Severe winter storms blamed for double-digit drop in the province



National home sales are down more than 16 per cent from a year ago. Photo by KEVIN KING/Postmedia Network

Canada's real estate market opened 2026 in a slump, as national home sales fell 5.8 per cent month-over-month in January, while actual, non-seasonally adjusted transactions were down 16.2 per cent from a year earlier, according to the latest data from the Canadian Real Estate Association (CREA).

At the same time, the number of new listings rose 7.3 per cent, widening the gap between supply and demand and lowering the national sales-to-new-listings ratio to 45 per cent – down from 51.3 per cent in December and below the long-term average of 54.8 per cent. Months of inventory increased to 4.9 from 4.6, just below the five-month benchmark typically associated with a balanced market.

Prices continued to soften but were stable relative to the decline in activity. The national MLS Home Price Index fell 0.9 per cent month-over-month and 4.9 per cent year-over-year, while the average sale price slipped 2.6 per cent year-over-year to \$652,941. Price weakness remained concentrated in Ontario, while several smaller markets posted modest year-over-year gains.

Ontario's weak sales are part of a longer-running trend, said Shaun Cathcart, CREA's senior economist. "We've seen relatively soft conditions in the province since early last year," he said.

Greater Toronto sales declined nearly 10 per cent month-over-month, while provincial dollar volume fell 10.2 per cent on the month and 22 per cent from a year earlier, exceeding national declines. Sales also fell sharply across several Southwestern Ontario markets, including Hamilton-Burlington and Kitchener-Waterloo.

Markets were more resilient in other regions, including Calgary, where seasonally-adjusted sales were up 3.0 per cent month-over-month, and Regina, up 9.4 per cent. The Ottawa market was little changed and Montreal posted a modest 0.5 per cent decline.

CREA attributed the weakness in Central Canada to weather-related disruptions in January rather than a broad pullback in demand, pointing to severe winter storms that limited activity across Ontario.

“The monthly decline in national home sales was driven primarily by less activity in the Greater Golden Horseshoe and Southwestern Ontario, suggesting that the story was probably more about a historic winter storm than a downshift in demand,” said Cathcart.

From a brokerage perspective, Phil Soper, president and chief executive of Royal LePage, said rising inventory does not appear to reflect distress selling.

“I don’t believe the climbing inventory is a symptom of people who have to sell,” Soper said. “It’s people who need to upgrade their housing – growing families, rising incomes – and that’s a sign demand is building.”

Others cautioned that rising supply could offset any rebound in demand as the market moves into the spring. Robert Kavcic, senior economist at Bank of Montreal, said the imbalance cuts both ways.

“Many talk about pent-up demand given the lack of sales volume in 2025, but there’s probably also a significant amount of pent-up supply,” Kavcic said.

Cathcart said that balance will become clearer as winter conditions ease and seasonal activity resumes, noting that January is typically the slowest month of the year and more sensitive to short-term disruptions.

“When you see this kind of decline concentrated in one region during a historic weather event, it’s more noise than signal for a single month,” he said.