

National resales continued to decline on a month-over-month basis in January (-5.8%). The slowdown was largely driven by little activity in the Greater Golden Horseshoe and Southwestern Ontario, suggesting that the slow start to the year may be due to the winter storms rather than a sharp downward shift in demand. This pulled the sales-to-listings ratio down further to 45%. The MLS HPI (Home Price Index) fell another 0.9% from December and was down 4.9% from last year. With weather playing a factor in January, the spring market will paint a clearer picture on how pent-up demand and pent-up listings will level in 2026.

January's headline CPI rose to 2.3%, down from 2.4% the month prior. The average core inflation measures (CPI trim/CPI median) further tempered to 2.5% from 2.7%, reflecting the lowest level in over a year. Excluding gasoline, the CPI rose 3.0%, remaining unchanged from December. Overall, softening inflation is a positive sign for the central bank, though Tiff Macklem, the Governor of the Bank of Canada, stressed that "lowering interest rates in the face of weak economic activity risks stoking future inflation if the weakness is due to lower productive capacity rather than a cyclical downturn in demand".

For the first time in five months, employment fell in January (-24,800, -0.1%) following unexpected strength since September. Job losses were driven by the manufacturing, educational services and professional, scientific and technical services sectors. Despite this, the unemployment rate surprisingly declined by 30 bps to 6.5% driven by a large drop in the labour force and the participation rate. Regionally, Ontario reported all job losses for the month (-66,500) while all other provinces reported gains.

National Sales-to-Listing Ratio & Average Home Price Trend



	Number Sold	% YOY	Average Price	% YOY	New Listings	% YOY	Sales to Listing Ratio	Market	UE %
GTA	4,795	-16.2	1,026,463	-6.4	15,535	-10.7	31	Buyers	7.9
Calgary	2,418	-11.6	635,387	+0.5	4,347	-3.1	56	Balanced	6.7
GVA	1,737	-25.9	1,248,134	+0.3	5,877	-8.1	30	Buyers	6.3
Montreal	3,710	-12.0	669,768	+4.4	6,588	+8.4	56	Balanced	6.1
Ottawa	959	+0.9	667,710	-5.1	2,094	+15.2	46	Balanced	7.0
Quebec City	747	-9.7	484,163	+3.9	1,083	+7.9	69	Sellers	3.0
Winnipeg	1,026	-8.6	415,654	+4.7	1,567	-4.3	65	Sellers	6.3
Victoria	511	-17.7	1,044,609	+4.6	1,335	+0.2	38	Buyers	4.4
Halifax	414	-7.0	563,758	-5.7	622	-1.1	67	Sellers	5.8

Number of Residential Sales
36,186
(-12.5 YOY)

Average Home Price
\$671,920
(-2.5% YOY)

Sales-to-Listing Ratio
45%
(-4 points YoY)

Unemployment
6.5%
(-0.3 points MoM)

SOURCE: Statistics Canada, Canadian Real Estate Association. This information has been provided by the external sources listed above. Sagen Canada is not responsible for the accuracy, reliability or timeliness of the information supplied by these external sources. This information does not necessarily reflect the views or position of Sagen Canada. Anyone wishing to rely upon this information should consult directly with the source of the information.