



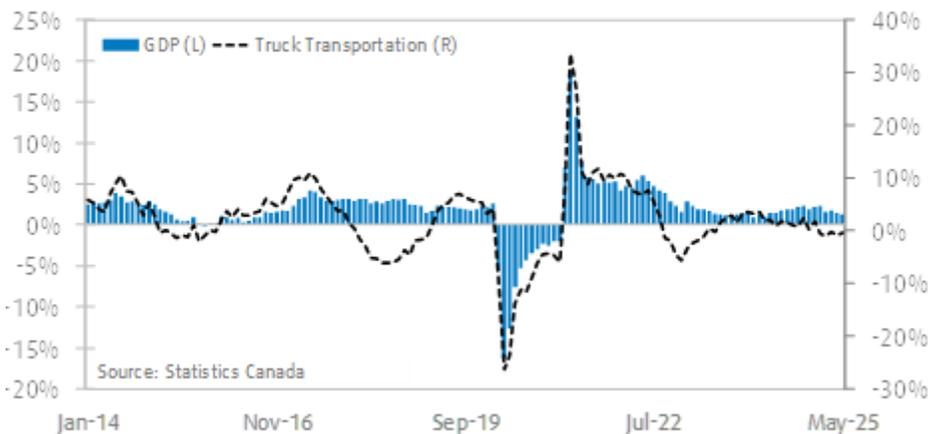
### Key Developments

- Acknowledging U.S. concerns over illegal cross-border drug and human trafficking, the **Canadian Trucking Alliance (CTA)** is urging the federal government and all provinces that have U.S. border crossings to increase spending on truck inspections and enforcement significantly.
- Ontario has launched a **10-year pilot program to test autonomous trucks**. One stream of the program has a driver in the driver's seat and is prepared to take control of the truck as necessary. In the driverless stream, no driver is present in the driver's seat. Instead, an assistant, located either inside the vehicle or at a different location in Ontario, must be ready to take control of the vehicle.
- According to a recent CTA survey of approximately 100 Canadian carriers, one-in-five respondents indicated some of their drivers might struggle to comply with **English language proficiency (ELP)** requirements in the US.
- According to CargoNet, **cargo theft incidents** in the U.S. and Canada rose 13% year-over-year in the second quarter of 2025, with organized crime groups increasingly targeting high-value commodities, such as copper.
- Be sure to check out the latest perspectives from BMO economists on the implications of the recent tariff turmoil for the Canadian macro-outlook (page 6).

### Industry Fundamentals

While it could take several quarters, if not years, for permanent and needle-moving benefits to materialize, the silver lining of the trade war is that federal and provincial governments are energized to initiate long-overdue examinations of inhibitors to higher productivity and more durable macro growth. Any combination of expanding trade connections with Mexico/Asia/EU, fiscal support for tariff-targeted industries, lower interest rates and taxes, increased federal spending on infrastructure, housing, and the military, relaxation of regulations and reduced bureaucracy, accelerated development of natural resources, and relaxed barriers to cross-province trade is a healthy long-term economic setup. In the short run, however, the Canadian trucking industry will remain in a fragile state, with tariffs and general uncertainty prolonging subdued domestic and cross-border freight volumes and rates that will keep fleet fundamentals under pressure.

Canada Monthly GDP Y/Y Growth (Seasonally Adjusted)



The economy has navigated maximum trade uncertainty with less damage than initially expected. **Real GDP** fell 0.1% in May, which matched April, while the early read on June is for a modest comeback (flash estimate is +0.1%). Altogether, the economy is estimated to have seen essentially no growth in the second quarter. That said, conditions are still generally soft overall, reinforced by the steady decline in the job vacancy rate.

Following uninspiring but mostly consistent positive growth for the 18 months through last year, activity in the trucking sector has rapidly decelerated, with year-over-year growth turning consistently negative throughout the first half of the year.

**Trucking Business Influencers**

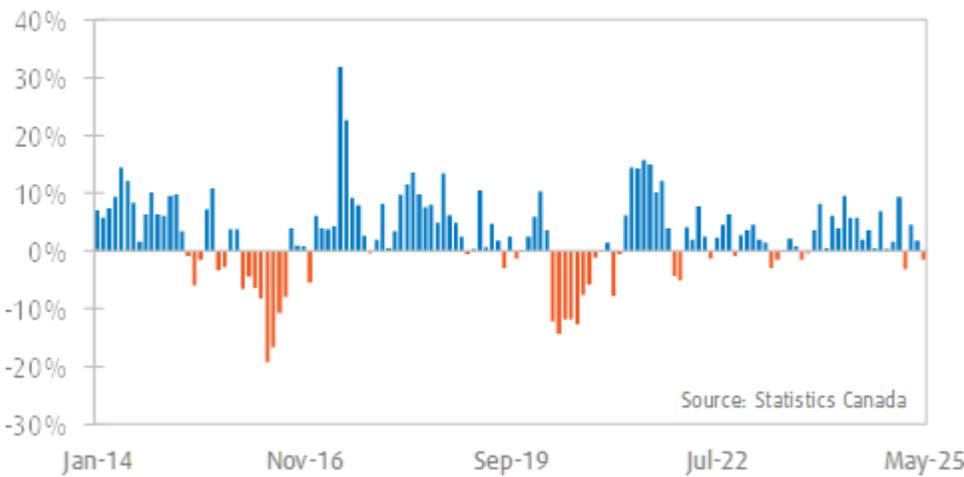
**Canada Weekly Diesel Fuel Retail Price (Cents/Litre)**



While bouncing from a nearly 4-year low in mid-June, the **national average Diesel price** of \$1.55/litre in early August was still down 8% year-to-date and 7% from a year earlier.

Given record North American crude production, the threat to macro growth from tariffs and a lifting of OPEC+ production quotas, crude prices have been in a volatile but mostly downtrend since mid-January. That said, the current BMO outlook for WTI suggests that oil prices will continue to have a downward bias into early next year and thereafter gradually increase through the end of next year, with an average of \$67 and \$65 per barrel in 2025 and 2026, respectively.

**Canada Crude Oil Production Y/Y % Change**



Canadian drilling is largely seasonal as rigs are prevented from moving to new drilling sites in the Spring, partly because the ground is thawing, making access by heavy equipment difficult. In an average year, the active rig count will fall 85-90% from its peak in the winter to its minimum in April and May.

Starting at the outset of 2021 and into this year, **crude oil production** has been choppy, albeit showing positive year-over-year growth for the great majority of the time. As such, total output over the trailing 12 months through May increased by 2.6% and was the second-highest total for any 12 months.

**Interest Rates: 3 & 5 Year Interest Rate Swap Pricing**

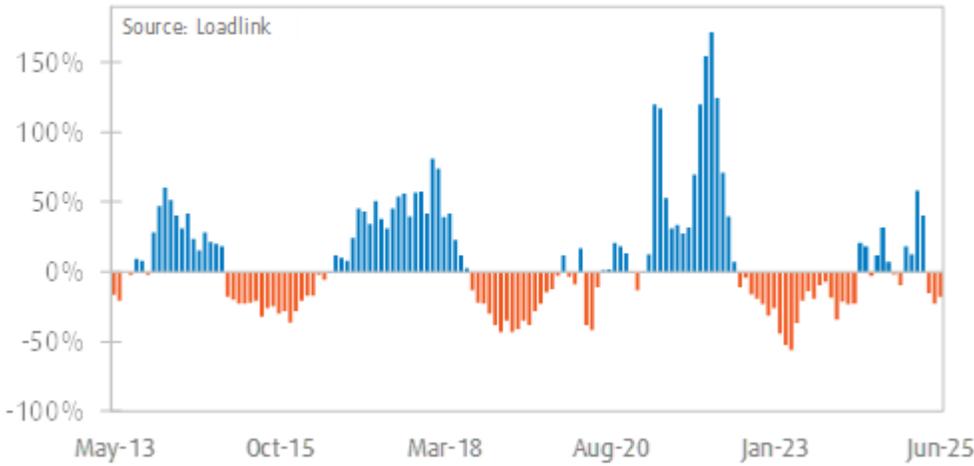


**Interest rate swaps** are derivative instruments commonly used by financial institutions to mitigate interest rate risk on a loan portfolio. The pricing of interest rate swaps (swap rates) mirrors expectations of interest rates' future direction.

Rates have been on a steep glide path lower since late 2023, mostly in response to the BOC's aggressive policy rate cuts. Given the reality of new U.S. tariffs and the likely resulting economic impact, the bias for rates for the remainder of 2025 remains to the downside. With the caveat that the effect of tariffs is still in the early stages and much has yet to unfold, BMO's economists forecast another 75 basis points of rate cuts before bottoming in the first quarter of next year.

## Freight Indicators

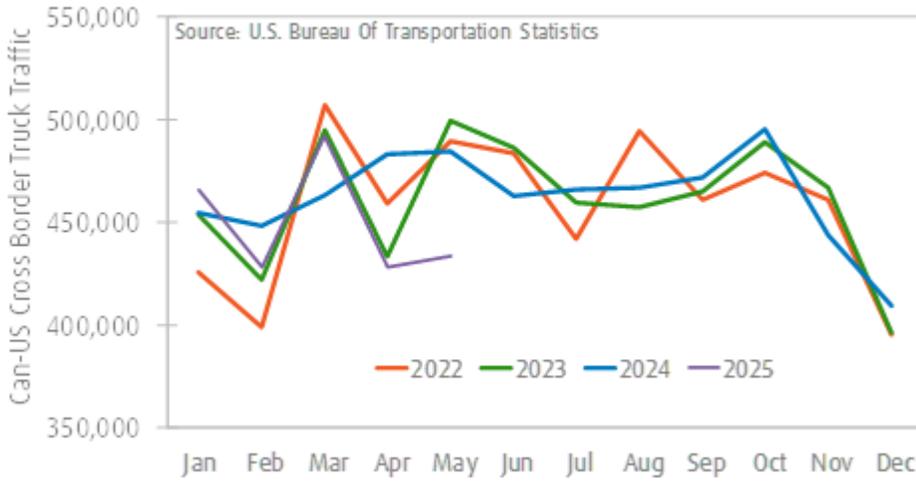
### Canadian Truckload Spot Freight Volume Index Y/Y % Change



Following a pre-tariff frontloading surge earlier in the year, **truckload spot load postings** have predictably declined over the past few months through June. However, standing out as a surprising positive in an otherwise soft market was a 4% month-to-month increase in outbound loads from Canada to the U.S. Conversely, inbound loads into Canada from the U.S. during June declined 25% month-over-month and 27% year-over-year. Further, intra-Canada freight declined 10% month-over-month, although the year-over-year decrease was a more modest 6%.

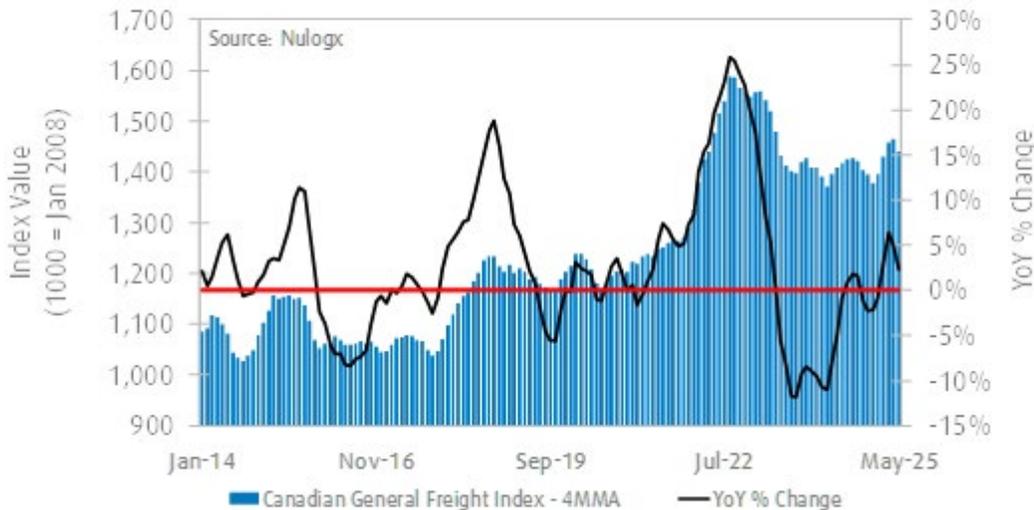
The recent decline in spot freight volume has outpaced the decrease in available capacity (trucks on the road), resulting in the truck-to-load ratio increasing (loosening) from 2.7 in May to 3.3 in June but remaining flat year-over-year.

### Ontario Cross Border Truck Traffic



Following a positive and less volatile than usual year in 2024, **truck border crossings** from Canada to the U.S. during the first five months of this year experienced predictably large swings before and after the implementation of tariffs. The nearly 15% month-over-month and 6.2% year-over-year tariff-driven surge in March was followed by an equally stiff sequential decline in April. Although May saw a modest uptick (+1.3% month-over-month), crossings were still 10.5% lower than a year earlier. While absolute crossings may not deteriorate much further, high single-to-low double-digit year-over-year declines are likely to remain until the tariff situation passes an anniversary or is resolved favorably.

### Canadian General Freight Pricing Index

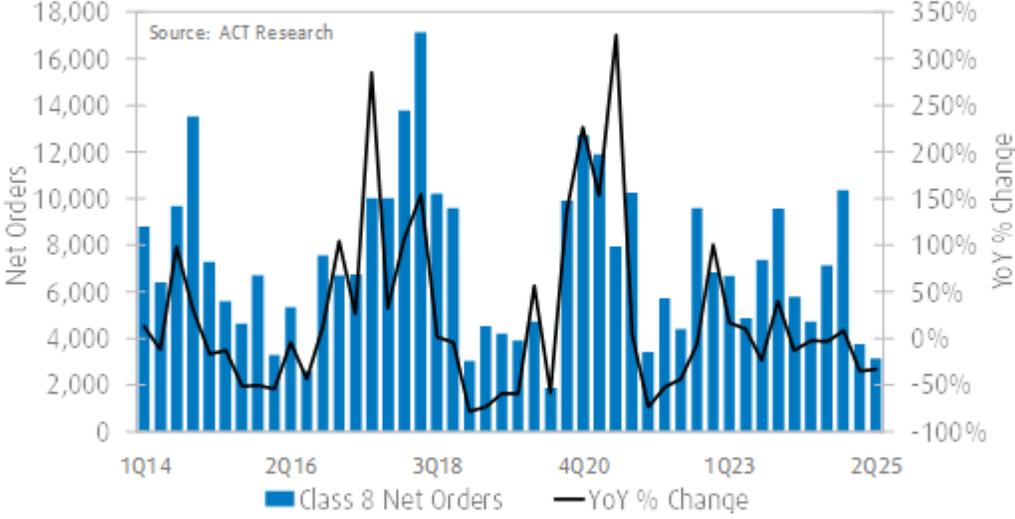


An index representing the **total cost** (fuel surcharges + base rates) of over-the-road freight transportation for Canadian shippers had bottomed at a multi-year low about a year ago. After reaching another bottom last December, base rates have since been in a general uptrend until a modest decrease in May, while the year-over-year change in the overall index has been positive for four consecutive months through May.

Beneath the surface, domestic truckload increased in May compared to April, while all other segments decreased. Year over year, total domestic LTL, total domestic truckload, and total cross-border truckload segments remain above costs from the same period last year, while cross-border LTL remains below last year's costs.

## Truck Orders

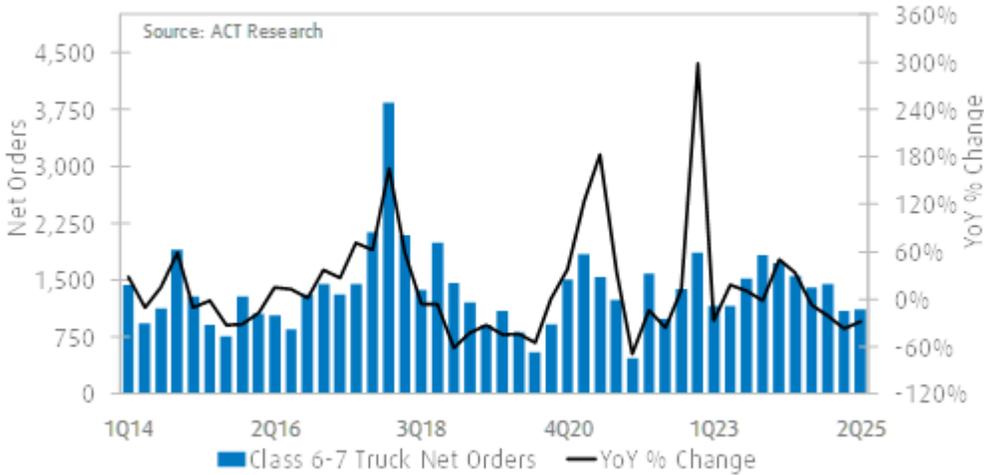
Canada Class 8 Net Orders



Following two strong quarters in the 2nd half of last year, seasonality and concerns about tariffs caused Class 8 net truck orders to drop sharply during the first half of the year. Orders during the 2nd quarter were the lowest since the 2nd quarter of 2020 and the lowest during any non-pandemic influenced 2nd quarter. Given ongoing concerns about the negative impact of the trade war on both cross-border and domestic freight, continued pressure on orders will likely be the base case for at least a few more quarters.

Altogether, orders during the 2nd quarter decreased 16% from the weak 1st quarter and were 34% lower than the year-earlier quarter. Further, the quarter ended progressively weaker, with orders during June (~700 total) the lowest for any month since November 2021.

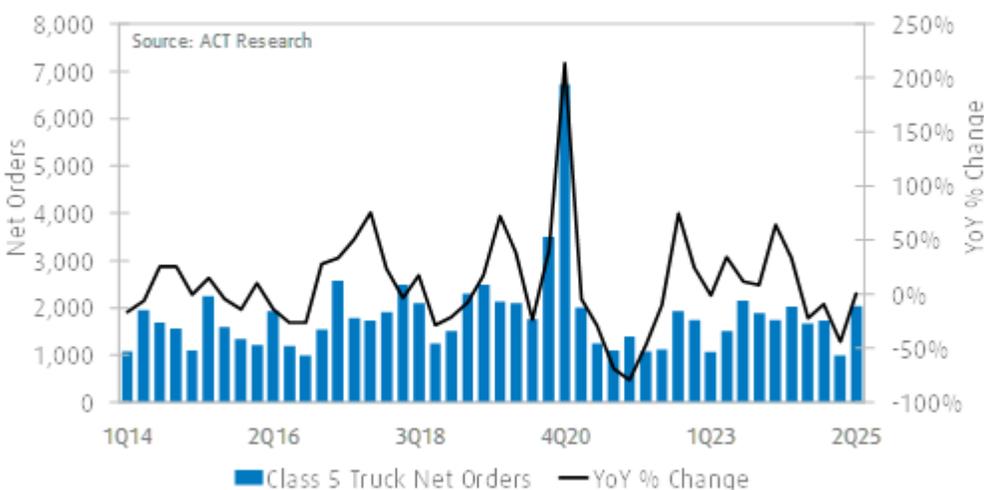
Canada Class 6-7 Truck Net Orders



Similar to the heavy-duty market, **Class 6-7 net truck orders** are mired in a period of weak demand, albeit to a lesser degree. Net orders during the 2nd quarter were up a modest 3% from the 1st quarter but down 28% from the year-earlier quarter.

As always, the severe-duty segment of this class will continue to reflect fundamental momentum (or lack thereof) in the energy, infrastructure and construction sectors, all of which are high priorities for the new government's plan to reinvigorate growth.

Canada Class 5 Truck Net Orders

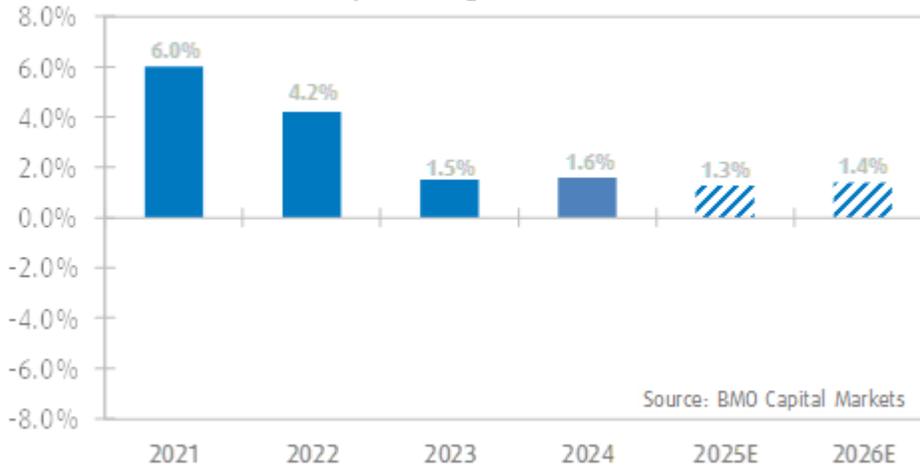


Contrary to the other classes, the lighter segment of medium-duty truck orders showed surprising resilience during the 2nd quarter. Net orders during the 2nd quarter were more than double the dismal 1st quarter and essentially flat (+1%) from a year earlier. Overall, orders during the 2nd quarter were the most since the 3rd quarter of 2023 and the first with positive year-over-year growth since the 2nd quarter of last year.

Despite concerns about near-term macro growth, the long-term demand outlook for medium-duty remains positive, supported by diverse end markets, consistency in vocational sectors, and the durable tailwinds of e-commerce and last-mile delivery.

## Macroeconomic Indicators

Canada Annual GDP Estimated Y/Y % Change



The economy should strengthen in 2026 with help from lower interest rates, increased federal spending on infrastructure, housing, and the military, and financial support for tariff-affected industries. Initiatives to fast-track energy and mining projects and eliminate provincial trade barriers will provide additional support, as will a trim to personal income taxes. In all, BMO economists are forecasting real GDP to grow 1.3% in 2025 and 1.4% in 2026, modestly below potential and last year's rate.

Canadian Annual Housing Starts and Auto Sales Estimated Y/Y % Change

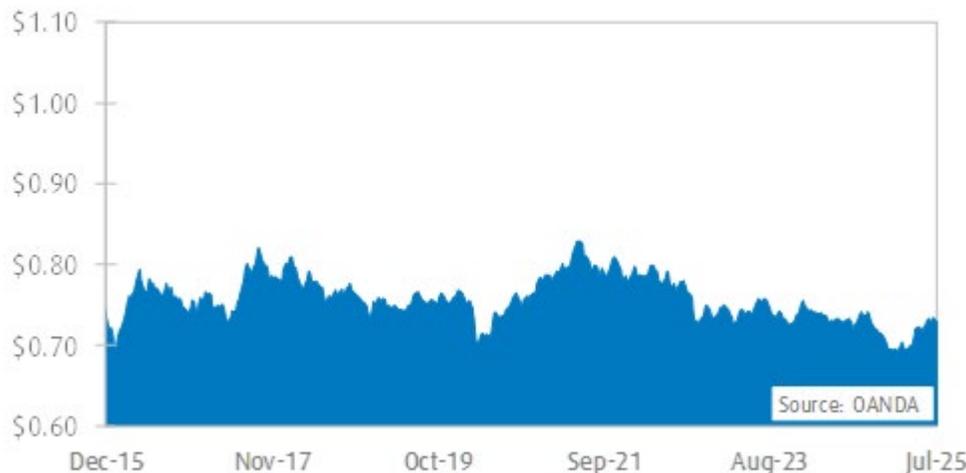


While a modest improvement in the macro landscape is expected in 2026, housing starts are likely to lag, as developers remain cautious and financing conditions stay tight.

Multi-unit construction will remain elevated by historical standards, but regional variations will remain. Construction will generally stay strong in Atlantic Canada, the Prairies, and Quebec. In contrast, starts will decline sharply in Ontario and British Columbia, where high housing prices, rising construction costs, and low investor confidence are weighing heavily on new builds, especially condos.

Unlike homebuilding, auto sales are expected to decline this year but improve next year as increasing prices and weak consumer confidence outweigh lower interest rates in the near term.

U.S. Dollar per 1 Canadian Dollar



The depreciation of the U.S. dollar has recently been the **Canadian dollar's** primary driver, tempered by the end of more aggressive (than the Fed) Bank of Canada easing and heightened concern about Canada's economic exposure to U.S. trade policy (which is lingering). However, once the Fed starts (cumulatively) outpacing Bank of Canada rate cuts, the Canadian dollar should resume appreciating. It also helps that the broad economic hit from U.S. tariffs has not been as bad as the worst fears and that growth prospects are getting a lift from unfolding stimulative fiscal policy. As such, BMO economists forecast the Canadian dollar to average C\$1.350 (US\$0.741) by December and appreciate further to \$1.333 (US\$0.752) by the end of next year.

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“Voice of the BMO Economics Team”

**The Trade War And The Damage Done**

*Sal Guartieri, Senior Economist and Director Economics – August 8th, 2025*

**Trade War Endgame in Sight?**

Six trading partners, including biggies the European Union, Japan, South Korea, and the U.K. managed to reach deal frameworks with the White House before its self-imposed August 1 deadline. Apart from the UK's 10% duty, the other regions were hit with levies ranging between 15% and 20%. They also pledged hundreds of billions of dollars in direct U.S. investments and purchases of American-made goods (how their governments will compel private businesses to fulfill these pledges isn't clear). Over 60 other countries were slapped with modified reciprocal duties ranging between 15% and 41%, while other trading partners (including those that run trade deficits with the U.S.) face a minimum 10% base duty.

Of course, **none of the tariffs are written in stone and all could change on a whim**. Moreover, the U.S. Court of Appeals may rule the tariffs illegal, though the Administration could try to secure a favorable ruling in the Supreme Court or impose duties under a number of other trade acts. Importantly, the U.S. still needs to make deals with three major trading partners: Canada (which remains in limbo), Mexico (which was granted a 90-day extension), and China (with an August 12 deadline looming). Meanwhile, the White House has just imposed 50% duties on select copper products, with investigations underway for eight other industries, including lumber, microchips, and medicines. The big picture is that we are **likely only in the middle stages of this battle**, with more surprises to come. Businesses hoping for clarity before committing to hiring and investment decisions will need to wait longer.

**Canada**

Despite weeks of high-level trade talks, Canada was slapped with a 35% “fentanyl” duty (up from 25%), while receiving no break on sectoral tariffs. Still, **the average effective tariff rate on goods exports to the U.S. rose just slightly to around 7%**, as only a small share (likely less than 10%) is not compliant with the USMCA. Apart from steel and aluminum (50% duties) and motor vehicles (25%, though roughly halved by the U.S. content carve-out), over 90% of goods exports are shipped duty-free. That's why the pressure is on Canada to renegotiate the free-trade agreement when the formal review comes up in July 2026, though talks are expected to begin sooner. If the U.S. were to walk away from the deal after providing six months' notice, Canada's economy could face a deep downturn.

Even under a manageable tariff regime, **the economy likely contracted modestly in Q2** due to plunging exports of steel, aluminum, and automobiles to the U.S. and deferred business investments. This could mean an abrupt end to an expansion that was outrunning most other advanced nations, with real GDP up 2.3% y/y in Q1.

Still, **we now think the economy may avoid a 'technical' recession** by holding flat in Q3 and growing 1.5% annualized in Q4. **Consumers are showing some resiliency**, with advance retail sales rebounding smartly in June and auto sales revving higher in July. Providing support are record equity values, positive income growth, and lower borrowing costs. The latter has pulled debt service costs down from record highs, while easing the pain of mortgage resets. Although joblessness is on the rise, this largely reflects earlier rapid population growth, which has since cooled. Most workers are still drawing a paycheque, even as job growth has slowed to an average of 15,000 per month this year, about half last year's rate. Further support stems from the “Buy Canada” movement and a recent upturn in international tourism amid stricter U.S. border controls.

## “Voice of the BMO Economics Team”

### The Trade War And The Damage Done (cont.)

The economy should strengthen in 2026 with help from lower interest rates, increased federal spending on infrastructure, housing, and the military, and financial support for tariff-affected industries. Initiatives to fast-track energy and mining projects and eliminate provincial trade barriers will provide additional support, as will a trim to personal income taxes. In all, **real GDP is expected to grow 1.3% in 2025 and 1.4% in 2026**, modestly below potential and last year's rate. The unemployment rate, currently at 6.9%, looks to peak only moderately higher at 7.3% at year-end, before falling to 6.7% late next year.

Despite slower population growth, **home sales have turned the corner after struggling for three years**. Still, market conditions vary widely by region. Buyers call the shots in Ontario and B.C., dragging prices lower; while sellers remain in command across the Prairies, Atlantic Canada, and Quebec, sending values higher (notably in Quebec City, up a sizzling 16% y/y in June). Sales should get a modest fillip when the federal government passes legislation to reduce the GST on new homes for first-time buyers.

Consumer inflation remains low at 1.9% y/y, partly due to the removal of the consumer carbon tax. But the central bank believes the **underlying rate is tracking higher at around 2.5%**. Even so, we expect inflation to average around 2.0% this year and next, as rising unemployment should counter the effect of limited retaliatory tariffs. Labour market slack is evident in the lowest job vacancy rate in eight years.

Stubborn core inflation sets a **high bar for another Bank of Canada rate cut**. However, we see it coming off the sidelines this fall if the next jobs report and CPI releases are subdued. Cumulative cuts of 75 bps should take the policy rate down to a modestly stimulative level of 2.0% by March 2026.

Should the Fed ease more than the Bank next year, and assuming no major trade stumbles, the **Canadian dollar might rise modestly** from under 73 cents US recently to 75 cents by late 2026.

### Forecasts

	2025				2026				Annual		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2024	2025	2026
<b>CANADA</b>											
Real GDP (q/q % chng : a.r.)	2.2	-1.0	0.0	1.5	1.9	1.8	1.8	2.1	1.6	1.3	1.4
Consumer Spending	1.2	1.6	0.8	2.1	1.5	1.8	1.8	2.4	2.4	2.4	1.7
Business Investment (non-res.)	4.0	-3.3	-7.3	-1.6	-1.1	0.2	1.6	1.6	-2.4	-0.5	-1.4
Consumer Price Index (y/y % chng)	2.3	1.8	1.9	1.8	1.6	2.0	2.1	2.3	2.4	2.0	2.0
Unemployment Rate (percent)	6.6	6.9	7.0	7.3	7.2	7.1	6.9	6.7	6.4	7.0	7.0
Housing Starts (000s : a.r.)	223	283	248	247	240	232	225	225	245	250	230
Current Account Balance (\$blns : a.r.)	-8.5	-73.2	-67.7	-66.4	-63.8	-60.6	-57.5	-54.3	-14.1	-54.0	-59.0
<b>Interest Rates</b> (average for the quarter : %)											
Overnight Rate	2.92	2.75	2.67	2.42	2.17	2.00	2.00	2.00	4.48	2.69	2.04
3-month Treasury Bill	2.85	2.63	2.65	2.35	2.10	1.95	1.95	1.95	4.37	2.60	2.00
10-year Bond	3.12	3.21	3.40	3.35	3.35	3.30	3.30	3.25	3.34	3.30	3.30
<b>Canada-U.S. Interest Rate Spreads</b> (average for the quarter : bps)											
90-day	-149	-173	-169	-165	-167	-159	-134	-107	-53	-164	-142
10-year	-134	-115	-86	-81	-79	-77	-75	-75	-87	-104	-77
<b>EXCHANGE RATES</b> (average for the quarter)											
US\$/C\$	69.7	72.3	73.2	73.9	74.2	74.5	74.7	74.9	73.0	72.3	74.6
C\$/US\$	1.43	1.38	1.37	1.35	1.35	1.34	1.34	1.33	1.37	1.38	1.34
¥/US\$	152	144	147	144	143	142	142	141	151	147	142
US\$/Euro	1.05	1.13	1.16	1.18	1.18	1.19	1.19	1.20	1.08	1.13	1.19
US\$/E	1.26	1.34	1.34	1.36	1.36	1.37	1.37	1.38	1.28	1.32	1.37

Blocked areas mark BMO Capital Markets forecasts

“Voice of the BMO Economics Team”

**Can Canadian Households Hold Down the Fort?**

*Sal Guartieri, Senior Economist and Director Economics – August 8th, 2025*

*Assuming some stability in the trade war, Canadian consumers are well positioned to defend the economy.*

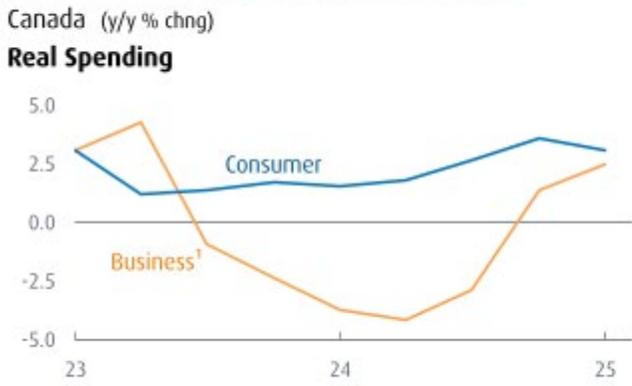
With the U.S. trade war wounding exports and curbing investment, and a housing recovery slow to take root, Canada’s economy will need to rely on governments and households to fill the void this year. We know federal and provincial governments plan to spend heavily, but are consumers also up for the challenge?

Seemingly, yes. Despite tariff hikes and immigration curbs, **consumers are spending at a good clip**. Based on early estimates, June retail sales rose the most this year (1.6%). While volumes fell in the prior month, they were still up 3.7% from a year ago and more than 5% excluding gas stations. Sales ran only a little slower in Ontario and Quebec, despite the heavier tariff hammer there. Consumer confidence, though low, is on the mend, perhaps due to a realization that the trade war’s casualties are mostly confined to three industries (autos, steel, and aluminum) and a few regions (Hamilton, Sept-Îles, Oshawa, Cambridge, and Windsor). The typical shopper feels far removed from the trade battlefield.

While a cutback in immigration has slowed Canada’s population growth from 3.2% y/y in early 2024 to 1.2% in the second quarter, the cuts are focused on temporary residents who have a lower propensity to spend than permanent residents. As a result, **per capita spending has risen**. Real personal consumption likely rose 3% y/y in Q2—almost 1-ppt faster than the past-decade norm and a nice counterweight to weakness on the business side (Chart 1).

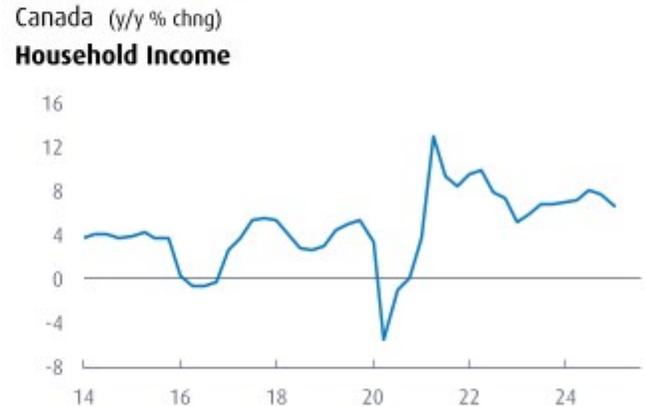
**Several factors explain the consumer’s grit**. Most of the 2-ppt rise in the jobless rate since 2022 was driven by rapid population growth rather than layoffs. The number of people receiving employment insurance benefits, though rising, is below normal. Similarly, job growth, while moderating, was still up 1.5% y/y in July. Apart from layoffs in the few industries affected by tariffs, most workers continue to draw a paycheque. This explains why household income rose 6.6% y/y in Q1, about 2-ppts faster than normal (Chart 2). Lower personal income taxes starting in July will also support spending.

**Chart 1  
Consumers Outspending Businesses**



<sup>1</sup> non-residential structures, machinery and equipment  
Sources: BMO Economics, Haver Analytics, Statistics Canada

**Chart 2  
Sturdy Incomes**



Sources: BMO Economics, Haver Analytics, Statistics Canada

“Voice of the BMO Economics Team”

**Can Canadian Households Hold Down the Fort? (cont.)**

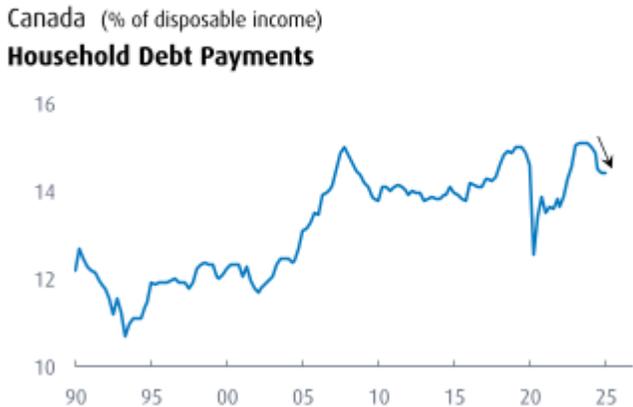
Meantime, the “Buy Canada” movement is in full swing, especially for tourism. The number of residents returning from the U.S. is down by one third so far this year. Canadian personal travel payments in the U.S. totaled \$25.9 billion in 2023, so a 34% reduction that is redirected domestically would add about \$9 billion to annual spending, or 0.3% of GDP.

**Improved balance sheets also help.** Net financial assets of households rose 9% year-over-year in Q1 and are on track for a near 20% jump in Q2 thanks to the TSX’s record-breaking run. On the liability side, a return to neutral policy rates has eased the debt service burden from record highs (Chart 3) and made mortgage resets far less jarring than two years ago, when rates were 2-ppts higher. The Bank of Canada finds the average payment on a five-year fixed-rate loan renewing this year will rise by only 15%-to-20% relative to payments made late last year. Back in 2023, payment hikes typically topped 30%. Moreover, falling home prices in Ontario and British Columbia have cut the number of new mortgages with high loan-to-value ratios. More borrowers are also stretching amortizations beyond 25 years to lower monthly payments, while renewing at variable rates in anticipation of further rate cuts. For these reasons, the central bank’s **review of household financial vulnerabilities showed some progress in Q1.**

**Yet, finances are a constant worry for many households.** Nearly 3% of all borrowers were at least 60 days behind on payments in Q1, up slightly from 2019. Arrears on mortgages and consumer loans have risen, albeit modestly. After sliding in recent years, consumer insolvencies are back to pre-pandemic levels (Chart 4). The Survey of Consumer Expectations found most households have a negative opinion of their financial health. This likely reflects concerns about job security and lower home prices in some regions, as well as a record gap between the top-and bottom-earning households in Q1, according to the Distributions of Household Economic Accounts.

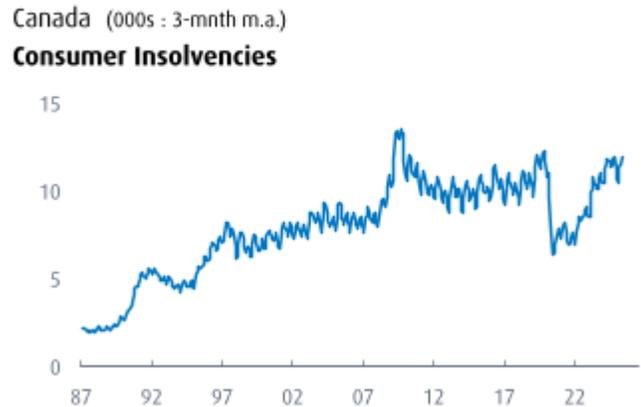
**Big Picture:** Despite the harmful trade war and lingering financial strains, Canadian households appear well positioned to keep spending, which should ease the economic pain and support a recovery later this year.

**Chart 3**  
**Debt Burden Easing (a bit)**



Sources: BMO Economics, Haver Analytics, Statistics Canada

**Chart 4**  
**Stress Stabilizing**



Sources: BMO Economics, Haver Analytics, ISED Canada

“Voice of the BMO Economics Team”

**Canadian Housing Monitor: Searching For Balance**

*Robert Kavcic, Senior Economist and Director Economics – July 15th, 2025*

Canada’s housing market remains stagnant, with typical variation in conditions across local markets. In general, the national market is seeing subdued sales activity, solid new listings flow and falling prices. That said, the market appears to be clearing somewhat better with sales volumes rising again in June, and it is doing so as sellers relent on prices, which were down again in the month.

We see **three major factors holding back the housing market** at the moment: Economic and job-market conditions are sluggish, with added uncertainty from the trade war. The Bank of Canada is on hold, and mortgage rates around 4% are not low enough to improve the affordability calculus in a demand-sparking way. And, market psychology now appears bearish—just as expectations of higher prices drove accelerating gains on the way up, the understanding that prices are falling is holding back buyers on the way down in some locations.

**Existing home sales** rose 2.8% in seasonally-adjusted terms in June, a third consecutive month of improvement. Sales were also up a modest 3.5% from year-ago levels, and are getting back into the range of what was ‘normal’ before the pandemic seriously distorted the market.

**New listings** dipped 2.9% in the month, but are still up 8.2% from a year ago. Still, that helped improve the broad **market balance** somewhat in June. The national sales-to-new listings ratio rose to 50.1%, which is a step above the softest levels since 2009 (and the mid-1990s before that) seen in recent months. That still suggests balanced overall resale market conditions.

**Prices continued to fade lower** at the national level in June. The MLS benchmark price fell a seasonally-adjusted 0.2% (-2.9% a.r.), which left the year-on-year rate at -3.6%. The national benchmark still sits 17.8% below peak early-2022 levels, with little sign of momentum right now.

June 2025	Sales			Prices	
	m/m <sup>1</sup>	y/y	y-t-d	y/y	y-t-d
Canada	2.8	3.5	-4.6	-1.3	-2.3
Regina	0.8	1.7	-4.2	9.5	8.2
Edmonton	3.0	2.8	-3.6	5.8	7.7
Winnipeg	-5.7	8.0	6.5	7.7	7.5
Montreal	1.8	15.9	12.6	7.0	7.2
Calgary	-4.3	-15.4	-15.9	3.7	5.4
Halifax	5.5	10.1	2.5	4.1	4.3
Toronto	8.1	0.5	-15.6	-5.2	-3.1
Vancouver	2.8	-8.8	-12.9	-5.5	-5.5
Ottawa	n.a.	n.a.	n.a.	n.a.	n.a.
<b>MLS Home Price Index (national)</b>				-3.6	-2.6

<sup>1</sup> (seasonally adjusted)

“Voice of the BMO Economics Team”

**Canadian Housing Monitor: Looking For Balance (cont.)**

*The story has been pretty consistent at the region level in recent months:*

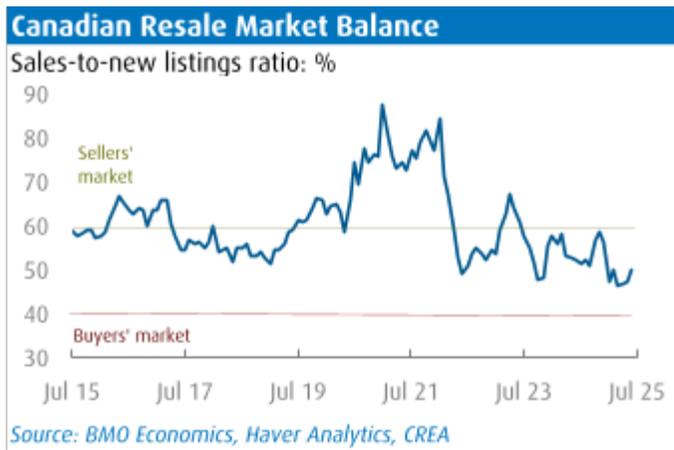
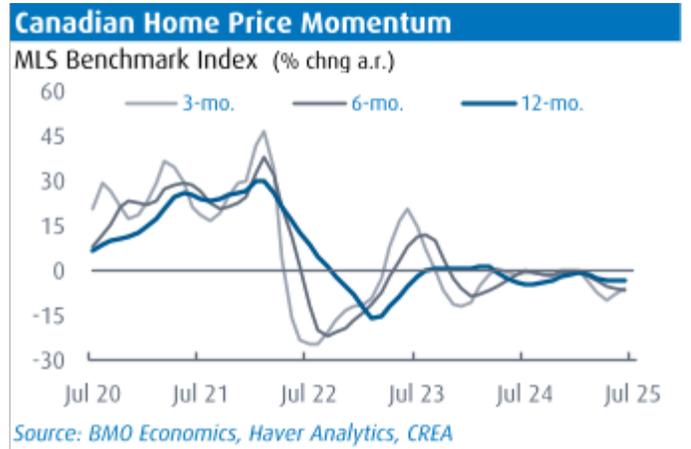
**Southern Ontario** remains the weak spot, with a glut of condos still hitting the resale market and pressuring prices down. Apartment prices are down in the 6%-to-9% range from a year ago across markets like Toronto, Kitchener-Waterloo and Barrie. Single-detached prices across these markets are holding up better, but are also falling.

The dynamics might be different between **condos** (where investor demand has vapourized) and **single-detached** (where affordability is still a challenge at current borrowing costs), but the outcome for prices is similar.

**Vancouver** and some other markets across B.C. also remain soft alongside elevated inventories. Vancouver remains in buyers' market terrain, with both condo and detached prices down roughly 3% from a year ago.

Markets in **Quebec** and further east haven't got word of the housing correction, and remain tight almost across the board. Sturdy sales are still absorbing healthy new listings, and price gains in those regions are in double-digits for some property types.

**Calgary**, long a front-runner of strength, has softened notably in recent months. Sales are down 18% from a year ago, and the tight sellers' market of the past two years is no longer. Other markets in the area—see **Edmonton, Regina and Winnipeg**—are holding firmer.

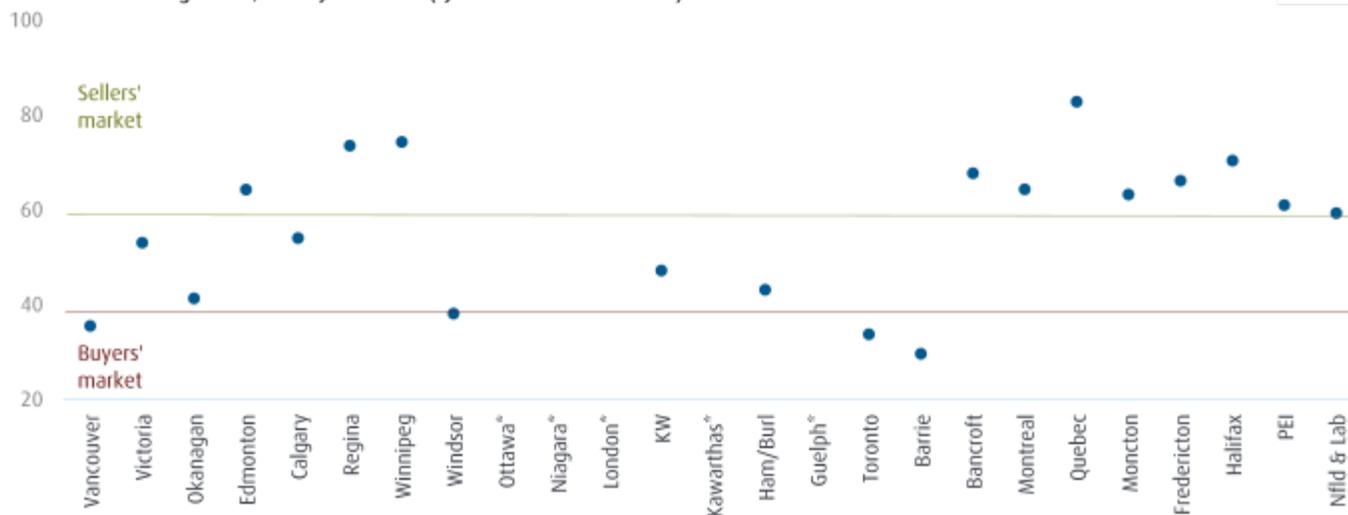


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Canadian Housing Monitor: Looking For Balance (cont.)

**Market Balance by Region**

Sales-to-new listings ratio, as of June 2025 (\*June data not available)



**Snapshot of Current Market Conditions**

as of June 2025

	Vancouver	Victoria	Okanagan	Edmonton	Calgary	Regina	Winnipeg	Windsor	Ottawa	Niagara	London	KW
Sales (y/y %)	-13.3	12.2	2.0	-2.2	-18.4	-2.9	3.6	-5.3	n/a	n/a	n/a	3.7
Sales/listings (%)	35.4	53.0	41.2	64.2	54.0	73.4	74.2	38.0	n/a	n/a	n/a	47.1
MLS HPI (y/y %)	-2.8	2.3	3.6	8.4	-1.4	7.9	7.5	-2.6	1.7	-5.8	-6.1	-7.5
Detached (\$ 000s) <sup>1</sup>	1,960	1,160	787	494	682	361	402	599	696	629	630	797
Detached (y/y %)	-3.1	2.1	3.3	9.8	0.6	9.4	7.5	-3.3	1.8	-4.1	-4.7	-5.6
Apartment (\$ 000s) <sup>1</sup>	738	553	430	220	336	215	236	378	406	406	364	418
Apartment (y/y %)	-3.4	-1.1	2.2	13.7	-2.5	-0.5	5.2	-1.3	-0.6	-9.1	-6.3	-8.3

	Kawarthas	Ham./Burl.	Guelph	Toronto	Barrie	Montreal	Quebec City	Moncton	Fredericton	Halifax	PEI	Nfld & Lab
Sales (y/y %)	n/a	7.5	n/a	-4.7	-53.7	11.6	11.6	-1.4	-11.7	5.0	59.2	7.8
Sales/listings (%)	n/a	43.0	n/a	33.6	29.6	64.2	82.7	63.1	66.1	70.3	60.9	59.2
MLS HPI (y/y %)	-2.3	-8.7	-4.8	-5.6	-5.7	7.3	16.4	3.1	11.3	4.0	5.6	10.7
Detached (\$ 000s) <sup>1</sup>	645	855	864	1,195	796	672	479	371	338	574	377	326
Detached (y/y %)	-2.3	-6.1	-4.7	-6.0	-5.7	7.8	16.2	2.9	11.5	3.9	5.6	10.7
Apartment (\$ 000s) <sup>1</sup>	n/a	503	511	576	468	425	291	363	296	480	n/a	259
Apartment (y/y %)	n/a	-6.5	-4.3	-7.8	-8.8	5.2	14.9	3.0	7.6	2.9	n/a	11.4

<sup>1</sup> MLS benchmark price n/a: CREA data not available



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