

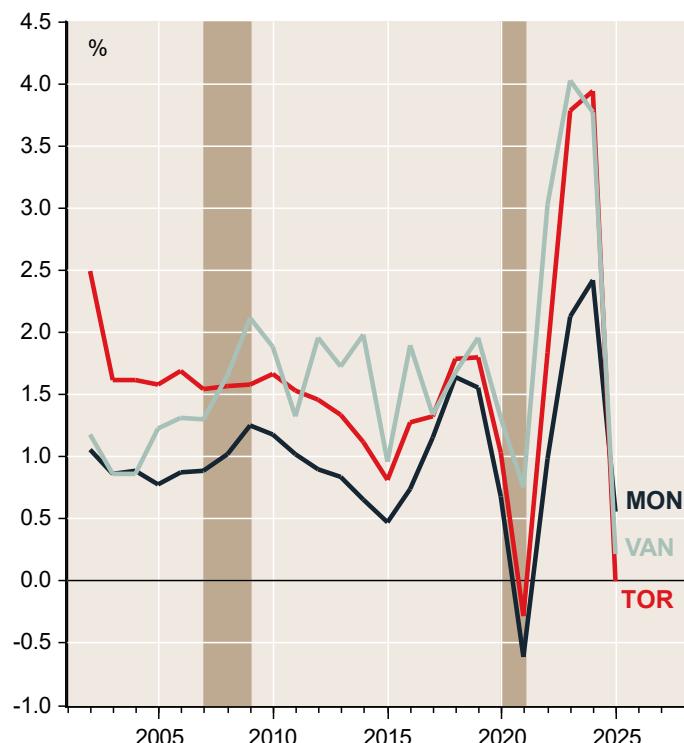
## Canada Watch

By Matthieu Arseneau and Daren King

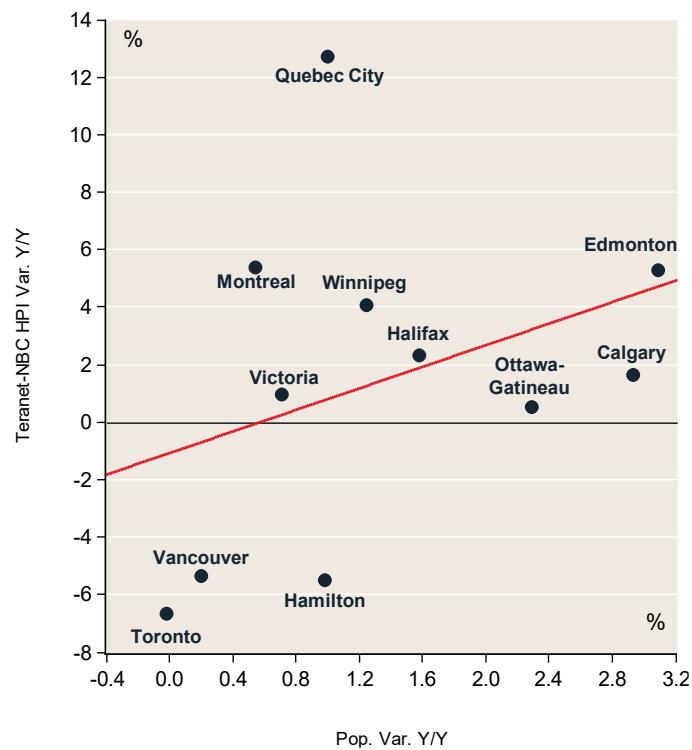
Population data for 2025 concerning census metropolitan areas (CMA) was released by Statistics Canada this morning. It shows that, against a backdrop of declining non-permanent residents due to the federal government's immigration policy, large urban centres are experiencing a much more pronounced slowdown in population growth than the general population. Growth in CMA has slowed from 3.6% in 2024 to just 1.0% in 2025, while it has slowed much less outside major urban centres (from 1.4% to 0.8%). Focusing on the country's three largest cities, today's Hot Chart shows a substantial slowdown in Toronto and Vancouver, where the population has essentially stagnated. In Vancouver, such weakness is unprecedented (since 2001), while in Toronto, it had only been observed during the pandemic. For the first time since data collection began, Montreal has recorded higher population growth than the other two cities. Combined with **better affordability conditions**, this may have contributed to the resilience of its real estate market. As shown in the graph below (right), there is a positive correlation between population growth and housing price trends during the year. There is no doubt that the slowdown in immigration will be a drag on the country's housing market over the next two years, particularly in large urban centres. Fortunately, the Central Bank has provided some support with its interest rate cuts. We believe that the pent-up demand for new households in recent years could unfold and partially offset this significant shock.

### Canada: Big cities lose momentum as population growth shifts gears

Annual population variation (%)



Annual change (%) in population and Teranet-NBC Home Price Index



NBC Economics and Strategy (data via Statistics Canada & Teranet-NBC)



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