

Montreal: The housing market continued to slow in May

By Daren King

According to our preliminary estimate based on Centris data, seasonally adjusted home sales fell by 1.8% from April to May, following a 4.3% decline the previous month (chart 1). This marks the fifth decline in seven months. This weakness comes amid trade and geopolitical uncertainties, a recent rise in fixed mortgage rates due to soaring inflation, and a significant deterioration in the labour market in the Montreal region since the start of the year. In fact, the unemployment rate in the CMA jumped from 6.3% in January to 7.7% in April, very close to the 7.9% observed in Toronto (chart 2). If this weakness in the labour market is confirmed by data in the coming months, there is a risk of further deterioration. For now, transactions in the Montreal residential market were at their historical average in May. This situation contrasts with the markets in Vancouver and Toronto, where home sales in May were 32.7% and 18.3% below their long-term averages, respectively. We believe the relative resilience of the Montreal market is partly due to better affordability conditions in the Quebec metropolis (chart 3).

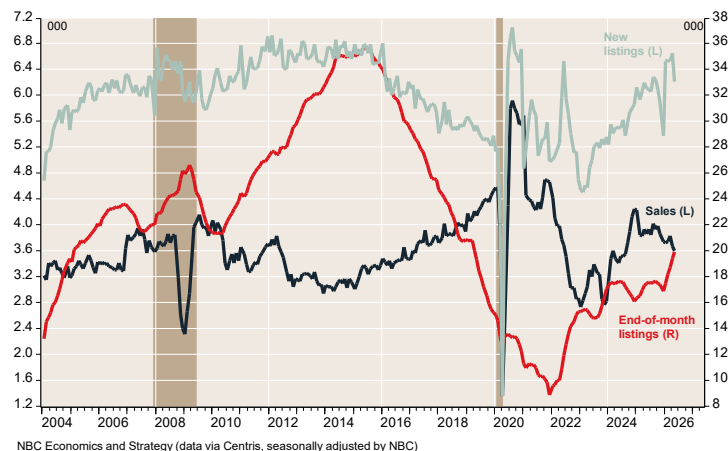
On the supply side, we estimate that new listings fell by 6.6% between April and May, following a 1.9% decline the previous month. Combined with the drop in sales, this resulted in a 2.3% increase in active listings, marking the fifth consecutive monthly rise. As a result, active listings reached their highest level since April 2019. Overall, market conditions, as measured by the ratio of active listings to sales, eased for a seventh consecutive month and moved into balanced territory (chart 4).

We estimate that single-family home sales fell by 3.2% in May, marking the fifth decline in seven months (chart 5). On the supply side, new listings fell by 2.4% during the month, the first decline in six months, while active listings rose by 2.6%, marking the fifth consecutive monthly increase. Consequently, market conditions in this segment eased during the month but still indicate a market that is slightly tighter than the historical average (chart 6). In the condo market, sales declined by 1.5% in May, marking the seventh drop in nine months following a 7.8% plunge in April (chart 7). New listings plummeted by 8.3% in May, while end-of-month listings rose by 2.3%, marking the fifth consecutive monthly increase. Overall, market conditions in this segment have also eased and indicate a relatively balanced market compared to historical norms (chart 8). Finally, sales of plexes rose by 4.5% between April and May, marking the first increase in six months.

On an annual basis, home sales in May fell by 6.8% compared with May 2025 (chart 9). Declines were observed on the Island (-10.4%), in Laval (-10.1%), on the North Shore (-7.1%), and on the South Shore (-0.6%), while an increase was recorded in Vaudreuil-Soulanges (-0.5%). For the first five months of 2026, cumulative sales decreased by 5.5% compared to the same period in 2025. In terms of prices, the weighted average price increased by 2.5% year-over-year, a smaller increase than the 3.5% observed the previous month.

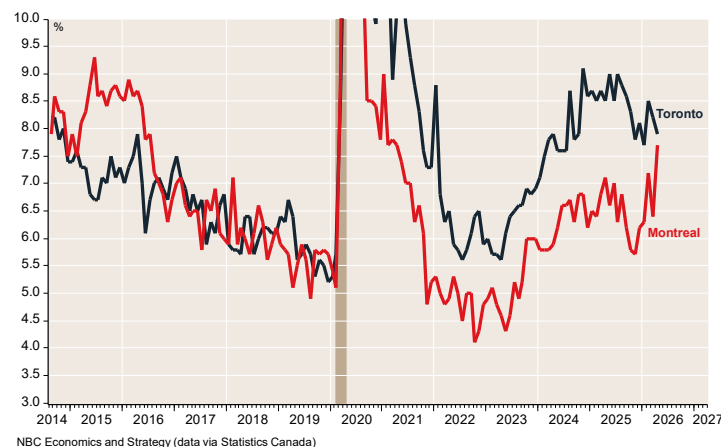
1. Montreal: Home sales and listings

Seasonally adjusted by NBC. Last observation: May 2026



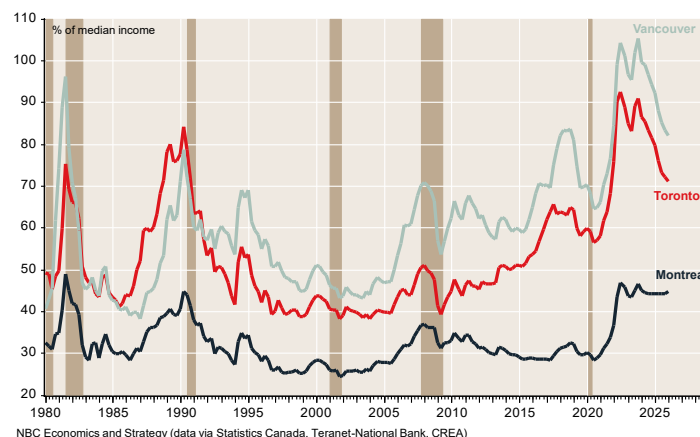
2. Montreal: Significant deterioration in the labour market since January

Unemployment rate



3. Montreal: More favourable affordability conditions

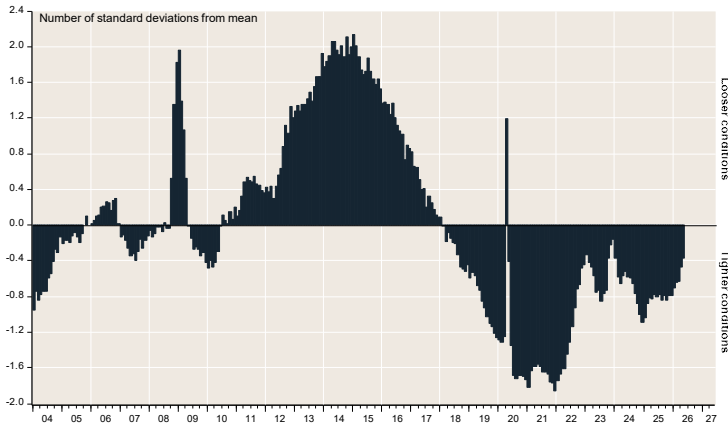
Monthly mortgage payment on median home price, all types of dwellings (25-year amortization, 5-year term)





4. Montreal: Home resale market conditions

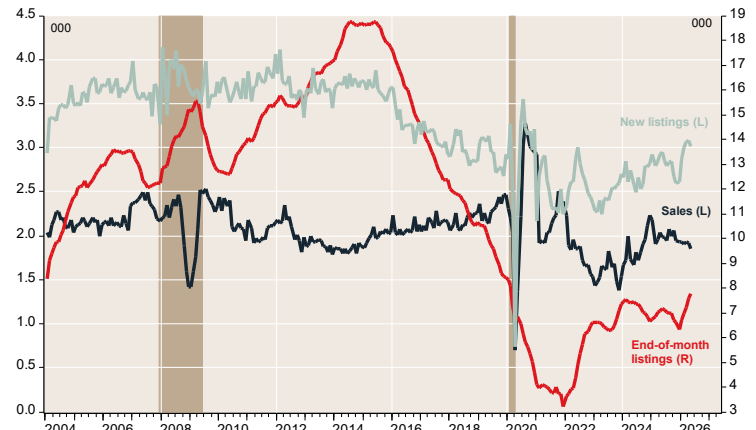
End-of-month-listing-to-sale ratio. Last observation: May 2026



NBC Economics and Strategy (data via Centris, seasonally adjusted by NBC)

5. Montreal: Home sales and listings, single-family dwellings

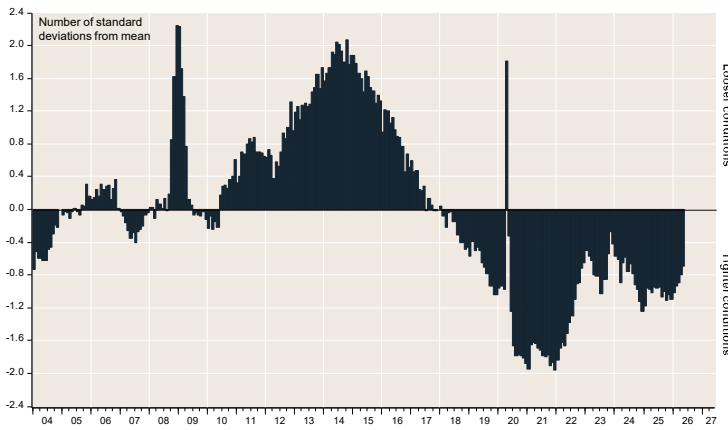
Seasonally adjusted by NBC. Last observation: May 2026



NBC Economics and Strategy (data via Centris, seasonally adjusted by NBC)

6. Montreal: Home resale market conditions, single-family dwellings

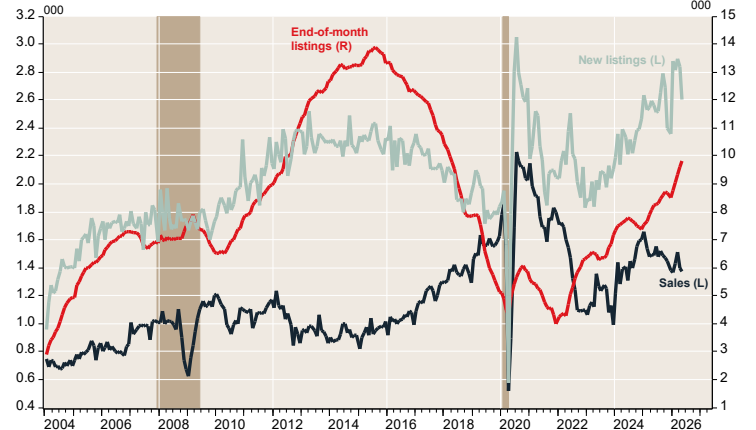
End-of-month-listing-to-sale ratio. Last observation: May 2026



NBC Economics and Strategy (data via Centris, seasonally adjusted by NBC)

7. Montreal: Home sales and listings, condos

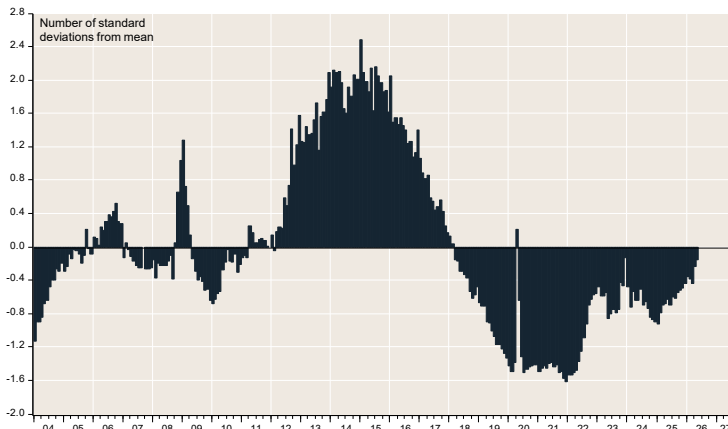
Seasonally adjusted by NBC. Last observation: May 2026



NBC Economics and Strategy (data via Centris, seasonally adjusted by NBC)

8. Montreal: Home resale market conditions, condos

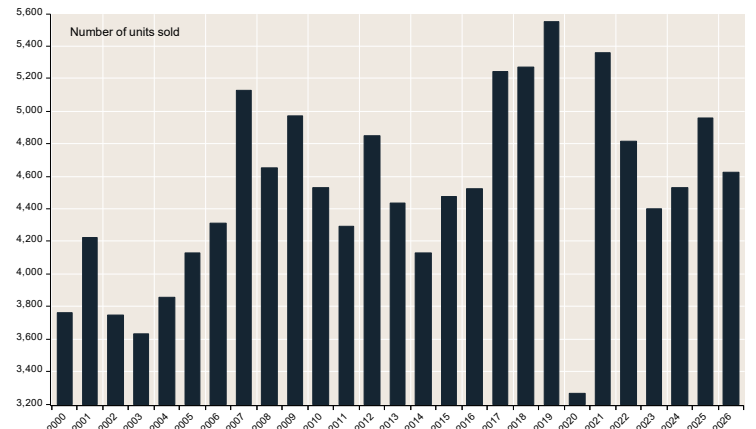
End-of-month-listing-to-sale ratio. Last observation: May 2026



NBC Economics and Strategy (data via Centris, seasonally adjusted by NBC)

9. Montreal: Home sales in May

Raw data, non seasonally adjusted



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