

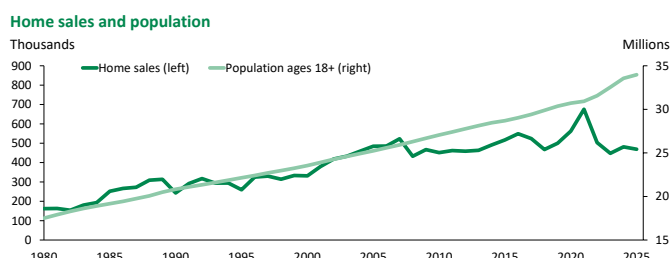
WEEKLY COMMENTARY

Why Aren't Canadians Moving Like They Used To?

By Kari Norman, Senior Economist

Canada's housing market is increasingly characterized by a striking divergence: the [population](#) continues to grow, but the number of homes changing hands hasn't kept pace (graph 1).

Graph 1
Home Sales Haven't Kept Pace with Population Growth

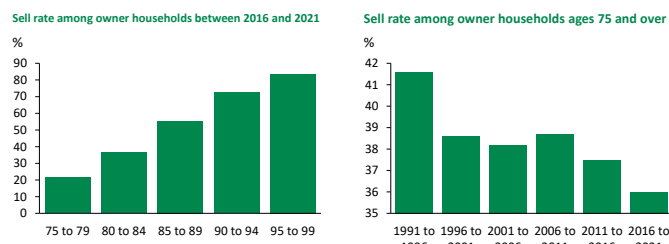


Statistics Canada, Canadian Real Estate Association and Desjardins Economic Studies

The long-term pattern is remarkable. From the early 1980s until the mid-2000s, home sales generally rose alongside the adult population. Since then, however, the two have diverged, as affordability has deteriorated. Outside of the extraordinary pandemic boom, annual sales have remained within a relatively narrow range of roughly 450k to 550k transactions. In 2005, nearly 485k home sales were recorded nationally, compared with just under 470k in 2025. Over the same period, the adult population grew from about 25 million to nearly 34 million. The result is a steady decline in housing turnover relative to the number of Canadians who could potentially buy and sell homes.

Demographics offer part of the explanation. [Statistics Canada](#) has identified the baby boomers' entry into homeownership as an important driver of the increase in Canada's homeownership rate prior to 2006. By then, however, most boomers—the generation born between 1946 and 1964—were already homeowners. Younger generations have also entered homeownership later. At age 30, over 55% of boomers were homeowners in 1981, compared with 50% of millennials in 2016. Today, the oldest boomers are turning 80, and many continue to age in place. Canada Mortgage and Housing Corporation (CMHC) [research](#) found that the likelihood of selling rises meaningfully only at relatively advanced ages, while the sell rate for seniors ages 75 and older has been trending down over time (graph 2). Together, later entry into homeownership and aging in place reduce the churn that generates resale transactions.

Graph 2
Seniors Tend to Keep Their Homes Until Advanced Ages



Canada Mortgage and Housing Corporation and Desjardins Economic Studies

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More broadly, Canadians have become less mobile. [CMHC](#) found that high housing costs were part of the reason for the declining share of households moving each year. Its modelling suggests that a 1% increase in house prices in a destination city leads to slightly more than a 1% decline in the number of people moving there. This isn't unique to Canada. An Organisation for Economic Co-operation and Development (OECD) [study](#) covering 14 countries found that high house prices can act as an important barrier to migration, even to regions offering higher income and better employment prospects.

The cost of the transaction itself may also discourage homeowners from moving. As home prices have risen, percentage-based realtor commissions and land or property transfer taxes have translated into increasingly large dollar amounts. Homeowners considering a move to a more expensive property may think twice about the tens of thousands of dollars in commissions, sales taxes and transfer taxes on top of the higher mortgage required for the new home (table 1). Owners avoid these transaction costs by staying where they are.

Canada's population may be considerably larger than it was two decades ago, but that no longer translates into more homes changing hands. An aging population, high home prices and substantial transaction costs have made moving less attractive, while rising home equity has made staying put easier. For many established homeowners, the next rung on the housing ladder may increasingly be the home they already own.

Table 1
Illustrative Costs of Selling an Average-Priced Home and Purchasing a Move-Up Home

	Montreal	Toronto	Vancouver
Sale price (based on 2025 average home price)	\$650,000	\$1,000,000	\$1,250,000
Purchase price (20% higher than sale price)	\$780,000	\$1,200,000	\$1,500,000
Realtor commission*	\$32,500	\$50,000	\$35,750
GST, HST and/or QST on realtor commission	\$4,867	\$6,500	\$1,788
Land transfer tax or equivalent	\$10,000	\$40,950	\$28,000
Other costs**	\$7,500	\$7,500	\$7,500
Total transaction costs	\$54,867	\$104,950	\$73,038

* Realtor commission is assumed to be 5% in Montreal and Toronto and 7% on the first \$100,000 and 2.5% on the remainder in Vancouver; ** Other costs include legal fees on both the sale and purchase, title insurance, home inspection and moving costs and are assumed to be about \$7,500.

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A household that needs another bedroom, a larger kitchen or a finished basement can put money that might otherwise be spent on the substantial costs of moving toward improving its existing home instead. Rising home prices have also made staying put more feasible by providing owners with accumulated equity that can help finance those renovations through a home equity line of credit (HELOC), home equity loan or mortgage refinancing. The [2026 CMHC Mortgage Consumer Survey](#) suggests that many homeowners are taking this approach. It found that 63% of mortgage consumers are planning renovations in the next five years, primarily to customize their homes to better suit their needs. Among those planning renovations, 32% expect to use home equity to fund the work. Renovations were also the most commonly cited reason for refinancing a mortgage, accounting for 32% of refinancers.

What to Watch For

MONDAY October 5 - 10:00

September

Consensus 55.2

Desjardins 55.3

August 55.4

FRIDAY October 9 - 10:00

October

Consensus 48.0

Desjardins 47.0

September 48.1

TUESDAY October 6 - 8:30

August \$B

Consensus 1.30

Desjardins -0.10

July 0.77

FRIDAY October 9 - 8:30

September

Consensus 9,200

Desjardins 15,000

August -41,700

WEDNESDAY October 7 - 2:00

August m/m

Consensus 0.5%

July -1.1%

UNITED STATES

ISM Services index (September) – In August, the ISM non-manufacturing index reached its highest level since February. The new orders component has not been this elevated since 2022, an encouraging sign for the US economy. The index likely remained close to its August level in September. That's what available regional non-manufacturing indexes currently suggest, despite this month's decline in the consumer confidence indexes.

University of Michigan consumer sentiment index (October – preliminary) – Despite a slight upward revision from the preliminary estimate, the University of Michigan consumer sentiment index still fell by 3.6 points in September. It is expected to decline further in October. The survey for the preliminary October reading began on September 22 and will conclude on October 5. Since the start of that period, gasoline and diesel prices have continued to rise, as have interest rates. Meanwhile, the stock market is painting a less pessimistic picture, and some recent labour market data have been optimistic. The September reading of the Conference Board Consumer Confidence Index, which tends to foreshadow movements in the University of Michigan index, posted a much larger-than-expected decline. The TIPP Economic Optimism Index will provide additional insight when it is released early next week. On balance, we expect the University of Michigan consumer sentiment index to decline again and potentially revisit the lows reached earlier this year.

CANADA

International trade (August) – Canada likely posted a modest deficit in August. We anticipate that Canadian exports fell faster than imports in the month, as weaker motor vehicle production likely more than offset a boost from oil prices. At the same time, imports of goods probably saw a more modest pullback, largely reflecting higher imports of industrial products in the month.

Net change in employment (September) – In the wake of August's surprise job losses, we expect the September Labour Force Survey to show that approximately 10k people found work in Canada. Given the deterioration in trade negotiations in late August, weakness is likely to show up in tariff-exposed sectors and regions, but we assume that other categories will recover ground lost in September. The modest overall rebound should be sufficient to keep the unemployment rate unchanged at 6.4%.

OVERSEAS

Germany: Industrial production (August) – German manufacturing posted several consecutive monthly declines at the beginning of the year but performed slightly better in the second quarter. However, industrial production fell 1.1% in July, its steepest month-over-month decline since August 2025. Notably, manufacturing output fell by 2.3%. The monthly decline was driven primarily by the automotive industry (-9.2%), with pharmaceutical products (-5.7%), chemical products (-3.9%) and metallurgy (-2.4%) also contributing. However, both the ifo index and the Manufacturing PMI held up better in August, suggesting that industrial production may have improved. If confirmed by the production data, this would be good news for the German economy, which relies more heavily on manufacturing than other advanced economies.

Economic Indicators

Week of October 5 to 9, 2026

Date	Time	Indicator	Period	Consensus		Previous reading
UNITED STATES						
MONDAY 5	10:00	ISM Services index	Sep.	55.2	55.3	55.4
TUESDAY 6	8:30	Trade balance – Goods and services (US\$B)	Aug.	-89.8	-102.7	-88.6
	9:05	Speech by Federal Reserve Bank of New York President J. Williams				
	10:45	Speech by Federal Reserve Vice Chair M. Bowman				
	19:00	Speech by Federal Reserve Bank of Dallas President L. Logan				
WEDNESDAY 7	14:00	Release of the Federal Reserve's meeting minutes				
	15:00	Consumer credit (US\$B)	Aug.	15.000	9.000	18.062
THURSDAY 8	8:30	Initial unemployment claims	Sep. 28–Oct. 2	n/a	203,000	197,000
	10:00	Wholesale inventories – final (m/m)	Aug.	n/a	0.7%	0.7%
	13:40	Speech by Federal Reserve Bank of St. Louis President A. Musalem				
FRIDAY 9	10:00	University of Michigan consumer sentiment index – prel.	Oct.	48.0	47.0	48.1
	16:00	Speech by Federal Reserve Bank of Boston President S. Collins				
CANADA						
MONDAY 5	---	Quebec Election				
TUESDAY 6	8:30	International trade (\$B)	Aug.	1.30	-0.10	0.77
WEDNESDAY 7	---	---				
THURSDAY 8	---	---				
FRIDAY 9	8:30	Net change in employment	Sep.	9,200	15,000	-41,700
	8:30	Unemployment rate	Sep.	6.5%	6.4%	6.4%

NOTE: Each week, Desjardins Economic Studies takes part in the Bloomberg survey for Canada and the United States. Approximately 15 economists are consulted for the Canadian survey and a hundred or so for the United States. The abbreviations m/m, q/q and y/y correspond to month-over-month, quarter-over-quarter and year-over-year change respectively. Following the quarter, the abbreviations f, s and t correspond to first estimate, second estimate and third estimate respectively. Times shown are Eastern Daylight Time (GMT -4 hours).  Desjardins Economic Studies forecast.

Economic Indicators

Week of October 5 to 9, 2026

Country	Time	Indicator	Period	Consensus		Previous reading	
				m/m (q/q)	y/y	m/m (q/q)	y/y
OVERSEAS							
SUNDAY 4							
Japan	20:30	Composite PMI – final	Sep.	n/a		52.5	
Japan	20:30	Services PMI – final	Sep.	n/a		51.6	
MONDAY 5							
Japan	1:00	Consumer confidence	Sep.	35.3		35.5	
Italy	3:45	Composite PMI	Sep.	53.3		53.6	
Italy	3:45	Services PMI	Sep.	54.6		55.2	
France	3:50	Composite PMI – final	Sep.	51.2		51.2	
France	3:50	Services PMI – final	Sep.	51.4		51.4	
Germany	3:55	Composite PMI – final	Sep.	53.8		53.8	
Germany	3:55	Services PMI – final	Sep.	52.9		52.9	
Eurozone	4:00	Composite PMI – final	Sep.	53.1		53.1	
Eurozone	4:00	Services PMI – final	Sep.	53.0		53.0	
United Kingdom	4:30	Composite PMI – final	Sep.	51.7		51.7	
United Kingdom	4:30	Services PMI – final	Sep.	51.7		51.7	
Eurozone	5:00	Producer price index	Aug.	1.9%	7.9%	1.6%	5.8%
TUESDAY 6							
Germany	2:00	Factory orders	Aug.	-1.0%	13.1%	2.5%	13.1%
France	2:45	Industrial production	Aug.	0.4%	1.3%	-0.4%	-0.5%
Eurozone	5:00	Retail sales	Aug.	0.2%	1.1%	-0.6%	0.6%
WEDNESDAY 7							
India	0:30	Reserve Bank of India meeting	Oct.	5.50%		5.25%	
Japan	1:00	Leading index – preliminary	Aug.	n/a		117.7	
Japan	1:00	Coincident index – preliminary	Aug.	n/a		120.6	
Germany	2:00	Industrial production	Aug.	0.5%	0.7%	-1.1%	-1.6%
France	2:45	Trade balance (€M)	Aug.	n/a		-6,669	
France	2:45	Current account (€B)	Aug.	n/a		-4.7	
Japan	19:50	Current account (¥B)	Aug.	2,112.3		2,523.1	
THURSDAY 8							
Germany	2:00	Current account (€B)	Aug.	19.0		21.3	
FRIDAY 9							
Italy	4:00	Industrial production	Aug.	0.0%	n/a	0.7%	0.0%

NOTE: Unlike release times for US and Canadian economic data, release times for overseas economic data are approximate. Publication dates are provided for information only. The abbreviations m/m, q/q and y/y correspond to month-over-month, quarter-over-quarter and year-over-year change respectively. Following the quarter, the abbreviations f, s and t correspond to first estimate, second estimate and third estimate respectively. Times shown are Eastern Daylight Time (GMT -4 hours).