



### Canada housing slows in September, but market conditions are a regional story

As expected, Canada housing market activity declined once again in September as high interest rates, slowing economic conditions and buyer uncertainty continued to reverse early year momentum. According to the latest data out of the Canadian Real Estate Association, MLS® sales fell 1.9 per cent from August to mark a third consecutive decline and the fewest sales since March. Similarly, prices continued to drop with the average price down 0.6 per cent from August to \$669,700. Weakening resale market conditions was by no means a surprise, only that the deterioration was not deeper than it was.

September's home sales decline was broad across the country with fewer sales in all provinces excluding Alberta and Prince Edward Island. The provinces of New Brunswick (-11 per cent), B.C. (-4.1 per cent), Newfoundland and Labrador (-3.5 per cent), and Ontario (-3.0 per cent) led monthly declines. Sales patterns align with impacts of rates in various markets. High home prices and by extension need for larger loans in markets like B.C. and Ontario are forcing more buyers to the sidelines due to high interest rates, while also fueling more new listings. These provinces have the lowest sales-to-new listings ratios, pointing to balanced-to-buyers' market conditions forming. In other markets, a slow shift away from fully remote work could be impacting parts of the Atlantic.

Among larger real estate boards, Greater Vancouver recorded the sharpest seasonally- adjusted sales decline (-5.6 per cent) adding to a steep August drop off. Greater Toronto sales fell 1.8 per cent, with sales down more than 3.0 per cent in Winnipeg and Saskatoon. Calgary sales fell 1.8 per cent while Edmonton recorded a 7.2 per cent increase. While sales among major markets are broadly higher than a year ago, Toronto's slump has been notable as sales were unchanged on a year-over-year basis.

Housing markets are highly regional and conditions divergent even as sales decline. Based on sales-to-new listings ratios, Calgary continues to sizzle with a ratio of 80 per cent, with Edmonton and broader prairies not too far behind. Alberta's housing market is booming with the influx of Canadian residents from other provinces in search of affordable housing, cheaper costs of living and a strong job market. Demand is outpacing available and desirable new supply. This contrasts with a Toronto market that has rapidly shifted into a buyers' market amidst low sales and more supply.

The average national home price fell 0.6 per cent, following a 2.3 per cent drop in August. The benchmark value fell 0.3 per cent. While the pace of price declines decelerated, like sales and market conditions there is divergence among regions. Average home prices fell in several Atlantic provinces during the month, and Ontario (-0.3 per cent), but rose 1.6 per cent in Alberta and held steady in B.C., Manitoba, and Saskatchewan. Moreover, benchmark price declines were broadly led by Ontario markets.

Going forward, we anticipate these diverging patterns to persist. High mortgage rates will continue to limit any momentum at a national level and specifically in higher priced markets in B.C. and Ontario. The latter will likely experience a more pronounced price downturn heading into 2024. Interest rates will also impact households in prairie and Atlantic markets but to a lesser extent, and demand lift from interprovincial migration will continue support Alberta's market.

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## MLS® Housing Market Summary

	MLS® Sales				MLS® Price				Sales-to-NewMonths of	
	Unit Sales (k)		m/m % ch		Price (\$k)		m/m % ch		Listings	Inventory
	2023M09	2023M08	2023M09	2023M09	2023M09	2023M08	2023M09	2023M09	2023M09	2023M09
Canada	37.7	-3.7	<b>-1.9</b>	<b>8.1</b>	669.7	-2.3	<b>-0.6</b>	<b>2.8</b>	51.4	3.7
British Columbia	6.2	-9.5	<b>-4.1</b>	<b>20.1</b>	997.3	-0.4	<b>0.2</b>	<b>5.0</b>	46.9	4.6
Alberta	7.3	2.7	<b>1.9</b>	<b>28.2</b>	457.9	-0.3	<b>1.6</b>	<b>6.0</b>	73.7	2.5
Saskatchewan	1.3	0.4	<b>-4.1</b>	<b>8.6</b>	300.7	0.5	<b>-0.0</b>	<b>2.8</b>	64.8	4.4
Manitoba	1.3	0.6	<b>-1.0</b>	<b>6.6</b>	360.0	2.5	<b>0.2</b>	<b>4.7</b>	65.9	2.7
Ontario	12.7	-6.1	<b>-3.0</b>	<b>-1.3</b>	874.6	-1.5	<b>-0.3</b>	<b>2.0</b>	39.8	3.3
Quebec	6.7	-3.7	<b>-0.2</b>	<b>3.2</b>	499.5	1.4	<b>0.6</b>	<b>6.6</b>	63.2	4.9
New Brunswick	0.7	13.8	<b>-11.2</b>	<b>-5.7</b>	296.5	2.1	<b>-3.7</b>	<b>5.2</b>	65.3	3.3
Nova Scotia	0.9	-2.8	<b>-0.1</b>	<b>-2.5</b>	419.0	-1.3	<b>-2.7</b>	<b>5.4</b>	56.3	3.5
Prince Edward Island	0.2	-9.0	<b>3.7</b>	<b>44.0</b>	382.3	-2.5	<b>-2.6</b>	<b>-3.8</b>	58.8	5.0
Newfoundland & Labrador	0.5	17.7	<b>-3.5</b>	<b>5.1</b>	302.4	2.8	<b>0.8</b>	<b>5.2</b>	59.3	5.3

## MLS® Housing Market Summary, Select Metro Areas

	MLS® Sales				MLS® Price				Sales-to-New
	Unit Sales (k)		m/m % ch		Price (\$k)		m/m % ch		Listings
	2023M09	2023M08	2023M09	2023M09	2023M09	2023M08	2023M09	2023M09	2023M09
Fraser Valley, BC	1.2	-10.4	<b>-0.7</b>	<b>32.3</b>	1,054.2	0.6	<b>2.2</b>	<b>7.9</b>	47.8
Greater Vancouver, BC	2.2	-7.1	<b>-5.6</b>	<b>22.4</b>	1,312.3	0.9	<b>0.0</b>	<b>5.8</b>	46.8
Calgary, AB	3.3	3.8	<b>-1.8</b>	<b>26.6</b>	565.7	-1.9	<b>4.0</b>	<b>9.6</b>	79.3
Edmonton, AB	2.5	0.3	<b>7.2</b>	<b>31.7</b>	386.6	-1.1	<b>1.1</b>	<b>1.0</b>	66.7
Saskatoon, SK	0.6	-1.0	<b>-3.9</b>	<b>18.4</b>	349.1	0.4	<b>-2.0</b>	<b>-2.6</b>	68.2
Winnipeg, MB	1.1	2.3	<b>-3.4</b>	<b>2.8</b>	379.8	2.0	<b>0.3</b>	<b>4.2</b>	65.1
Toronto, ON	5.2	-5.2	<b>-1.8</b>	<b>0.2</b>	1,131.9	-1.4	<b>-0.1</b>	<b>3.1</b>	35.8
Ottawa, ON	1.2	-4.1	<b>-2.0</b>	<b>8.9</b>	669.1	-4.1	<b>0.4</b>	<b>2.1</b>	49.8
Halifax, NS	0.4	-8.0	<b>5.9</b>	<b>6.4</b>	533.6	2.4	<b>-10.1</b>	<b>3.7</b>	55.3