



Canada's housing market records surprise upswing in December

Canada's existing home market ended 2023 on a slightly firmer note with MLS® home sales increasing for the first time since June. The latest data out of the Canadian Real Estate Association showed an 8.7 per cent (3,050 unit) increase in home sales nationwide in December to reach a seasonally- adjusted 38,135 units. This followed five months of consecutive decline and marked the highest monthly sales since August. While early to consider this to be the turn in market momentum, exceptionally strong population growth and signs of a thaw in mortgage rate pricing could mean a bottom heading into the spring market. Total sales rose 9.4 per cent year-on-year, with unadjusted sales up 3.7 per cent.

All provinces outside of New Brunswick shared in the upswing in activity. Notably, Ontario saw home sales soar 16.6 per cent after languishing in recent months, marking the highest level since June. Manitoba sales increased 11 per cent, while B.C. sales rose 7.0 per cent. On a metro area basis, conditions were mixed with some provinces seeing strong growth in the largest market and vice versa. Toronto area home sales surged 21 per cent to lead the province, with a 19 per cent increase. In contrast, Greater Vancouver (up 5.1 per cent) and Calgary sales rose 2.1 per cent.

That said, the Prairie provinces have recorded the strongest year-over-year gains, as relative affordability and high population growth has driven demand. Alberta home sales rose 24 per cent year-over-year, with Saskatchewan up 20 per cent.

Like home sales, average prices increased after a six- month downswing. The average national price increased 2.0 per cent to a seasonally- adjusted \$673,251 although the benchmark price fell 0.8 per cent. While average prices fluctuate significantly and a one-month move should be taken with a grain of salt, average price gains tend to lead benchmark changes. Moreover, prices increased in most provinces, albeit with a large swing in Manitoba (8.4 per cent) after a November decline, followed by a near three per cent increase in Ontario. B.C.'s average price fell 1.0 per cent, due to the composition effects of more modest growth in Lower Mainland home sales coupled with a slip in average price. Price conditions are showing signs of firming due to easing supply as fewer sellers list in anticipation of stronger market conditions in coming quarters. New listings fell five per cent in December, and months of inventory retreated to a three-month low.

On a full-year basis, MLS® unit sales fell 11.1 per cent and the average price declined 3.6 per cent, driven by price declines in Ontario.

Moving forward, the spring market will be a test for the resilience of the housing market and could mark a launchpad for higher home sales. Lower bond yields are slowly but surely feeding into lowered administered rates including fixed rates. With demand swelling on the sidelines through elevated levels of population growth and demographically driven demand, it would not be surprising to see a pickup in demand. That said, a slowing economy and labour market and challenging housing affordability will mean modest gains at most.

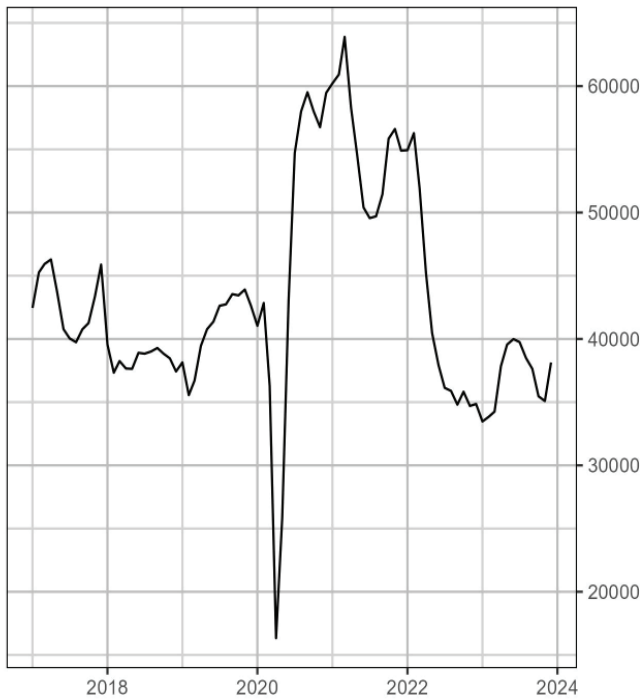
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Canada MLS Activity

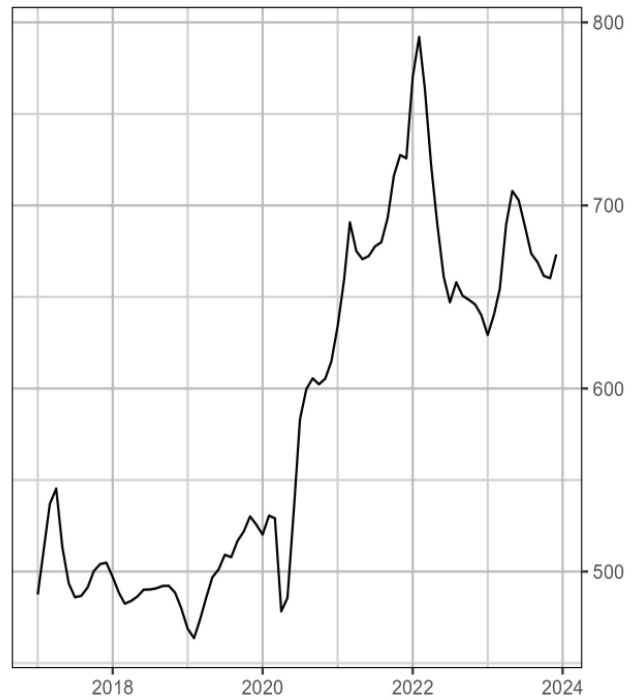
MLS unit sales

Last data point: 2023-12-01



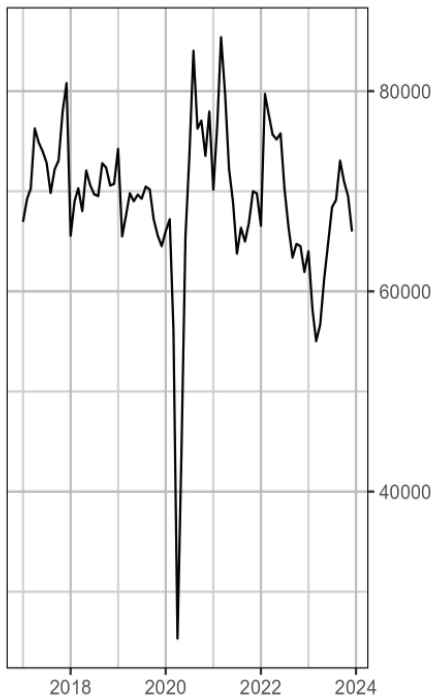
Average MLS Price, \$000s

Last data point: 2023-12-01



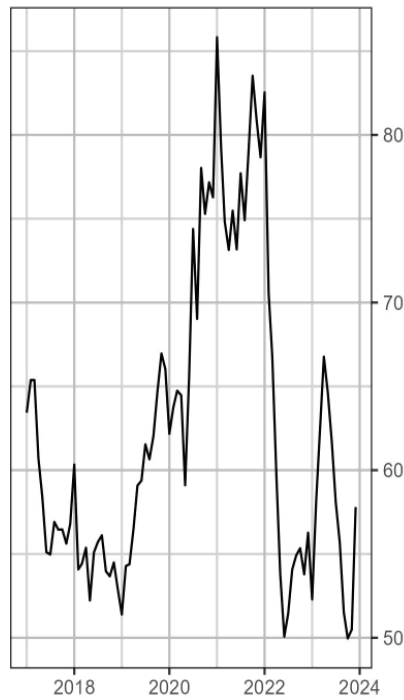
MLS new listings

Last data point: 2023-12-01



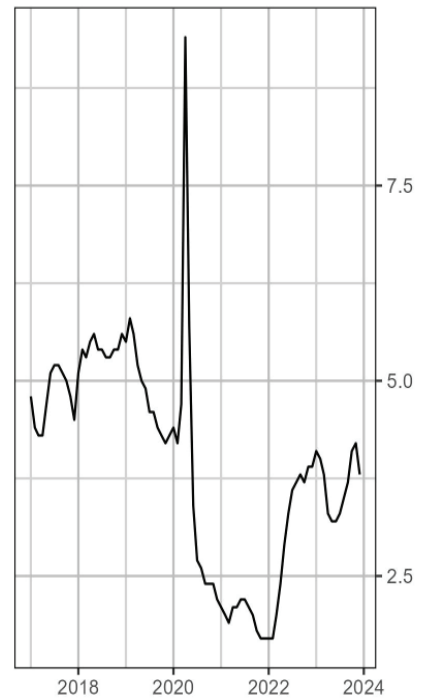
MLS sale-to-new listings

Last data point: 2023-12-01



MLS months of inventory

Last data point: 2023-12-01



CREA, Central 1

MLS® Housing Market Summary

	MLS® Sales				MLS® Price			Sales-to-NewMonths of		
	Unit Sales (k)		m/m % ch	y/y % ch	Price (\$k)	m/m % ch	y/y % ch	Listings	Inventory	
	2023M12	2023M11	2023M12	2023M12	2023M12	2023M11	2023M12	2023M12	2023M12	
Canada	38.1	-1.1	8.7	9.4	673.3	-0.2	2.0	5.2	57.8	3.8
British Columbia	5.7	-6.0	7.0	8.1	968.4	0.2	-1.0	6.7	51.4	5.4
Alberta	7.0	-0.0	5.7	24.1	459.6	0.2	0.7	4.9	68.1	2.6
Saskatchewan	1.3	-1.5	5.5	20.1	296.6	-1.6	0.1	0.6	63.1	4.2
Manitoba	1.2	-10.2	11.5	8.4	366.0	-4.0	8.4	7.9	62.2	3.1
Ontario	14.2	0.8	16.6	8.1	880.0	-1.6	2.9	5.2	53.9	3.0
Quebec	6.3	-2.0	1.9	3.4	498.2	-1.4	1.8	6.1	59.6	5.6
New Brunswick	0.8	7.9	-6.9	-3.2	296.8	-4.6	0.6	4.8	71.4	3.3
Nova Scotia	0.9	5.8	1.1	-2.9	437.5	-0.8	1.9	13.7	71.7	3.7
Prince Edward Island	0.2	16.4	5.1	25.2	358.1	-4.8	-1.4	-11.8	63.3	6.0
Newfoundland & Labrador	0.5	0.9	1.1	-9.6	299.6	4.0	-0.7	0.7	56.7	5.7

MLS® Housing Market Summary, Select Metro Areas

	MLS® Sales				MLS® Price			Sales-to-New	
	Unit Sales (k)		m/m % ch	y/y % ch	Price (\$k)	m/m % ch	y/y % ch	Listings	
	2023M12	2023M11	2023M12	2023M12	2023M12	2023M11	2023M12	2023M12	2023M12
Fraser Valley, BC	1.1	-8.6	18.8	29.4	979.0	-2.5	-2.7	3.7	55.1
Greater Vancouver, BC	2.0	-8.3	5.1	11.9	1,277.8	0.2	-1.4	5.2	52.7
Calgary, AB	3.0	-0.7	2.1	13.9	569.5	2.0	-0.7	7.8	72.8
Edmonton, AB	2.5	3.8	6.2	29.2	388.2	-1.2	1.8	3.2	62.1
Saskatoon, SK	0.5	3.5	-0.6	15.0	357.0	-3.4	-0.5	-0.6	68.3
Winnipeg, MB	1.1	-10.6	12.3	8.5	387.2	-4.4	8.8	7.6	62.4
Toronto, ON	6.1	-0.2	21.3	17.2	1,130.3	-2.6	2.5	3.0	53.3
Ottawa, ON	1.3	4.7	18.9	10.7	658.9	-1.9	1.0	2.5	59.9
Halifax, NS	0.5	0.2	3.8	5.7	543.9	-0.6	-0.5	10.5	86.9