



No great leap in February as home sales slide

Consistent with early month data releases from some of the country's largest real estate boards, Canadian housing market momentum took a pause in February as both home sales and average price levels slipped. Buyer enthusiasm may have waned as timing of rate cut expectations have been increasingly pushed back.

MLS® home sales fell three per cent from January to a seasonally- adjusted 38.4k units. This followed a 4.5 per cent increase in January and three months of consecutive gains. Year-over-year, sales rose 13.8 per cent from 18 per cent the prior month. Unadjusted sales growth was heftier at 20 per cent but reflected the extra sales date due to the February Leap Day this year. While the trend broadly remains positive given strong demand on the sidelines due to rapid population growth and delayed household formation but has ebbed and flowed with rate expectations and affordability patterns. The latter drivers are holding sales below pre-pandemic levels.

February sales declines were concentrated in the larger provinces outside of Quebec. Home sales fell 7.2 per cent in both B.C. and Ontario, and 2.1 per cent in Alberta. These drops were concentrated in the larger metro areas with sales in Greater Vancouver (-7.3 per cent), Fraser Valley (-10.3 per cent), Calgary (-6.6 per cent) and Toronto (-12 per cent) leading the slide. Quebec sales rose 6.3 per cent, while Atlantic provinces held steady.

Home prices were generally lower across provinces with the average Canada MLS® value down 1.5 per cent to \$663.4k to retrace most of the last two months of increase. Average values have fluctuated more than the benchmark price trend which held steady in February but has eased for the past six months. Average prices levels have broadly moved in the same direction but turned earlier due to the recent sales lift. The average national price is 3.3 per cent above year ago levels, and while 16 per cent below peak, is still 25 per cent higher than prior to the pandemic. An uptick in new listings (1.6 per cent) may have provided a bit of extra supply alongside weaker sales, although the downtick may also just have been a blip. Current pricing conditions are generally steady with sales-to-new listings and months of inventory trending near balanced.

Among provinces, average prices fell most in Manitoba by 5.3 per cent, with both New Brunswick and Nova Scotia down about three per cent. Ontario saw price unchanged at \$834.4k and B.C.'s average value fell 1.0 per cent to \$959.4k. Alberta inched lower but remained highly affordable at \$474.3k, while Saskatchewan (3.8 per cent) and Prince Edward Island (4.8 per cent) recorded strong growth. Weaker sales contributed to flat pricing in most metro areas, outside of Winnipeg (-4.8 per cent) while Toronto's average price rose 1.3 per cent.

Housing market activity is expected to push higher through 2024 although the strength and timing will be contingent on interest rate expectations. Robust latent demand is sitting on the sidelines waiting for interest rates to ease, which would alleviate some financing constraints. Some able buyers have already jumped in anticipation of declining rates, while others need to see realized cuts in mortgage rates. As rates decline, the housing market is likely to see a more robust upswing in sales although price growth will be kept in check by affordability concerns. A sharper increase in home values could also push against rate cuts if the Bank of Canada deems it a risk to inflation.

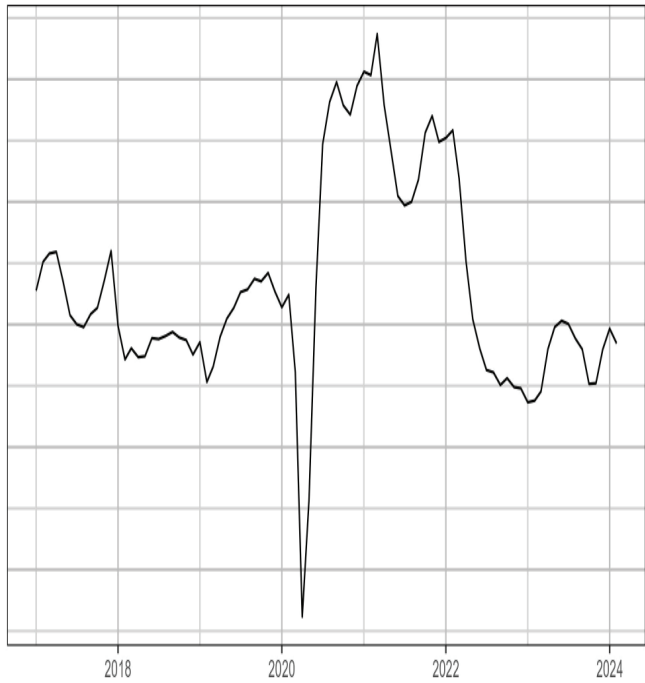
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Canada MLS Activity

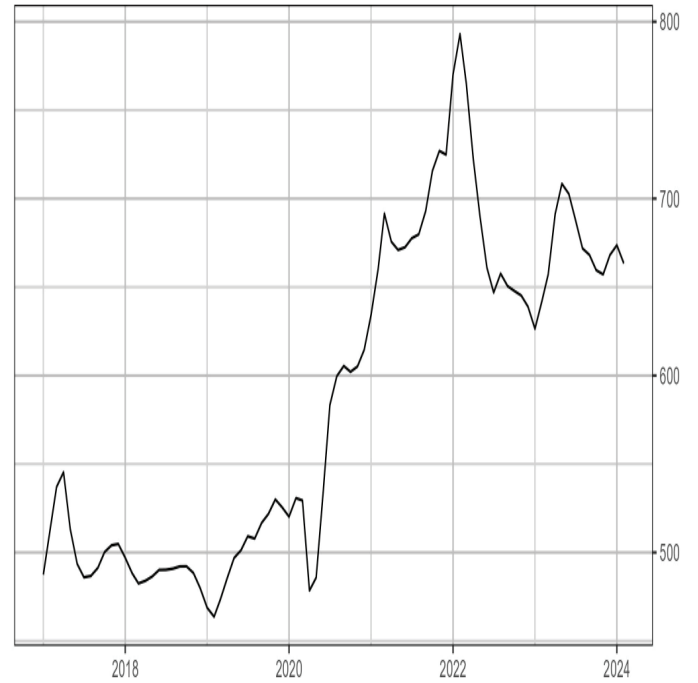
MLS unit sales

Last data point: 2024-02-01



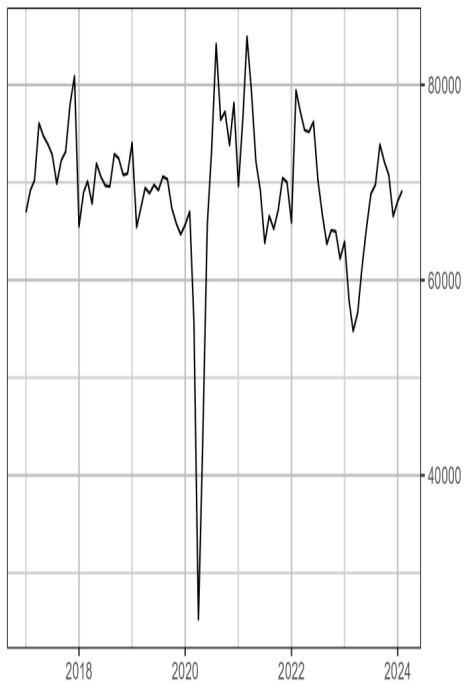
Average MLS Price, \$000s

Last data point: 2024-02-01



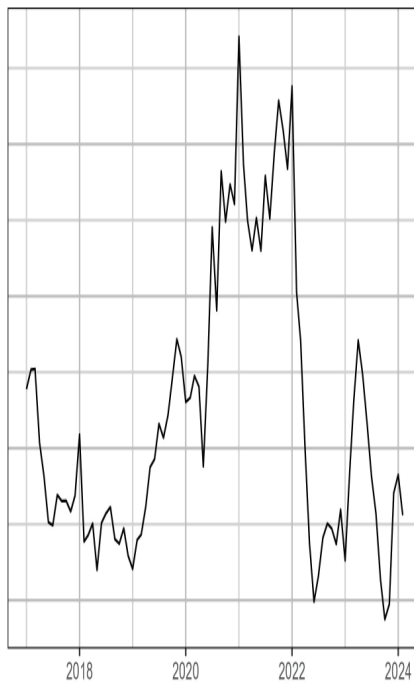
MLS new listings

Last data point: 2024-02-01



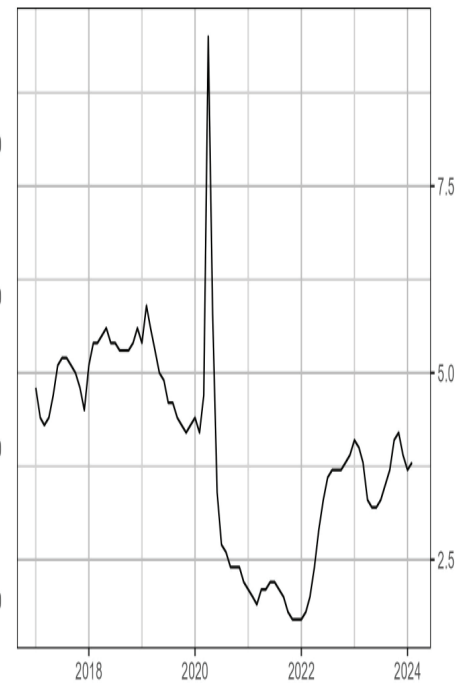
MLS sale-to-new listings

Last data point: 2024-02-01



MLS months of inventory

Last data point: 2024-02-01



CREA, Central 1

MLS® Housing Market Summary

	MLS® Sales				MLS® Price			Sales-to-New Listings	Months of Inventory	
	Unit Sales (k)	m/m % ch		y/y % ch	Price (\$k)	m/m % ch				y/y % ch
	2024M02	2024M01	2024M02	2024M02	2024M02	2024M01	2024M02			2024M02
Canada	38.5	4.5	-3.1	13.8	663.4	0.8	-1.5	3.3	55.6	3.8
British Columbia	5.7	7.4	-7.2	8.7	959.4	0.7	-1.0	5.0	43.4	5.6
Alberta	6.8	-0.2	-2.1	24.5	474.3	3.5	-0.7	11.8	74.5	2.5
Saskatchewan	1.3	-4.9	-0.7	8.8	311.7	1.1	3.8	5.4	67.7	4.3
Manitoba	1.2	-1.5	1.9	15.0	349.5	0.9	-5.3	6.0	63.6	3.0
Ontario	14.0	7.8	-7.2	10.2	834.4	-3.9	-0.6	1.2	49.3	3.0
Quebec	7.1	4.7	6.3	21.3	507.9	1.6	0.0	8.4	63.2	5.3
New Brunswick	0.8	1.9	1.6	2.6	310.9	7.3	-3.0	12.7	68.3	3.4
Nova Scotia	0.9	-2.0	0.9	7.7	423.4	0.1	-3.1	4.6	68.9	4.0
Prince Edward Island	0.2	-6.8	0.0	4.2	396.1	6.8	4.8	4.0	53.2	6.6
Newfoundland & Labrador	0.5	0.6	1.3	-9.4	313.6	2.2	2.6	8.4	67.6	5.6

MLS® Housing Market Summary, Select Metro Areas

	MLS® Sales				MLS® Price			Sales-to-New Listings	
	Unit Sales (k)	m/m % ch		y/y % ch	Price (\$k)	m/m % ch			y/y % ch
	2024M02	2024M01	2024M02	2024M02	2024M02	2024M01	2024M02		2024M02
Fraser Valley, BC	1.2	19.9	-10.3	31.5	1,008.6	2.3	0.4	8.2	48.1
Greater Vancouver, BC	2.0	8.7	-7.3	7.9	1,274.5	0.6	-0.8	5.2	44.0
Calgary, AB	2.9	5.3	-6.6	15.9	585.2	2.2	0.2	14.0	79.3
Edmonton, AB	2.5	1.8	0.5	41.3	403.8	3.2	0.1	12.1	70.4
Saskatoon, SK	0.5	2.1	-4.4	10.2	363.5	1.5	0.2	6.3	69.4
Winnipeg, MB	1.0	-1.3	0.8	14.4	373.1	1.4	-4.8	6.3	61.9
Toronto, ON	5.7	12.6	-12.0	11.5	1,080.0	-6.4	1.3	1.3	46.8
Ottawa, ON	1.2	0.8	-3.0	13.7	634.0	-2.2	-1.0	1.6	52.8
Halifax, NS	0.4	-5.2	-0.5	10.2	551.5	2.4	-1.9	3.7	78.9