



## Housing activity holds steady in March but soft conditions likely to persist into summer

Canada's housing market held steady in March with national home sales and average prices unchanged from the previous month. However, with momentum easing over the past few months from already modest sales levels, this may be another spring market to forget as buyers grapple with still high mortgage rates and await more certainty from the Bank of Canada about rate cuts.

MLS® home sales reached a seasonally-adjusted 39k Canada-wide in March, which was up 0.5 per cent from February, but remained below January levels. Year-over-year, sales rose 12.7 per cent after a sluggish 2023. Levels remain consistent with the weaker patterns observed in both 2018 and 2019. Monthly sales were 15 per cent of the trailing 10-year average for March sales. While there remains strong underlying demand due to robust population growth and delayed homeownership, buyers appear to be in a holding pattern due to challenging housing affordability. Similarly, new listings have also moderated as sellers wait for stronger sales conditions.

While sales were flat on an aggregate basis, patterns were mixed with six of ten provinces reporting higher sales relative to February. Relative affordability and interprovincial migration have contributed to divergent trends. Strength persisted in Alberta (up 3.6 per cent m/m and 31 per cent y/y) and Manitoba (up 5.8 per cent m/m and 23 per cent y/y), both of which remain on the upswing and above pre-pandemic levels. At the metro level, Calgary and Edmonton both posted reported nation-leading growth. Quebec has also reported sturdy growth but with levels well below 2020. In contrast, Ontario was the main drag on overall sales with a m/m decline of 1.6 per cent and y/y growth of only 6.8 per cent, with declines also observed in Saskatchewan and parts of the Atlantic.

Despite the softer sales environment home values remained steady during the month and ahead of a year ago. However, the medium-term trend has declined since the bubbly peak of 2022. The average MLS® price has been supported by insufficient supply, with months of inventory nationally at 3.8 months which is still below a normal environment of about 4-6 months while the sales-to-new listings ratio edged higher. The average home price held steady at \$665,000 and up a mild 1.8 per cent y/y and is trending near early 2021 levels. On a benchmark basis, the CREA MLS® HPI fell 0.3 per cent m/m and has declined in recent months, despite remaining 1.1 per cent higher than a year ago.

Flat headline MLS® average prices were also driven by sales composition with higher priced markets like B.C. and Ontario reporting weaker sales growth or outright declines. B.C.'s average price rose 1.8 per cent m/m and 6.3 per cent y/y. Alberta rose 0.6 per cent with a 10.8 per cent y/y increase. Atlantic prices declined from February.

Going forward, a moderate pace of sales and soft pricing conditions are anticipated to continue into the summer. Declines in fixed mortgage rates are being limited by strength in the U.S. economy and inflation, and by extension bond yields. That said, expectations of rate declines in the second half of 2024 and 2025 from both the Fed and Bank of Canada is anticipated to drive more activity given strong latent demand.

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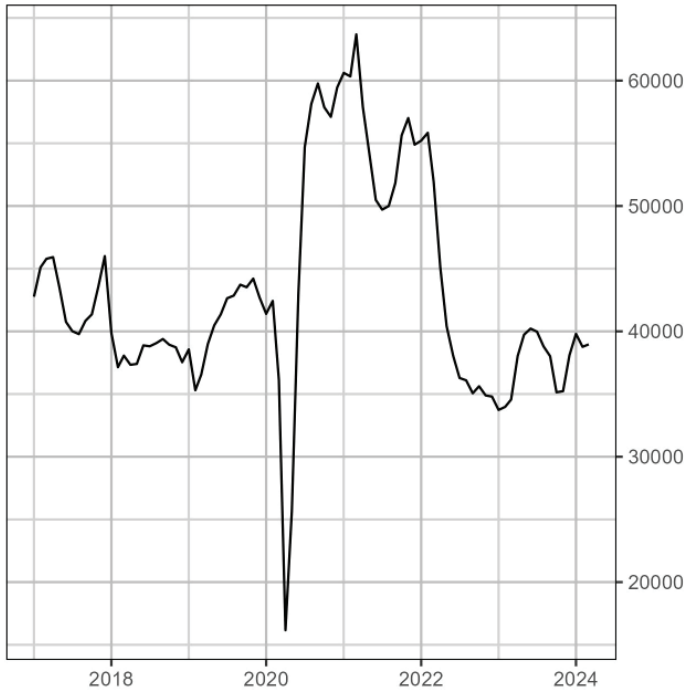
Central 1 Credit Union

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# Canada MLS Activity

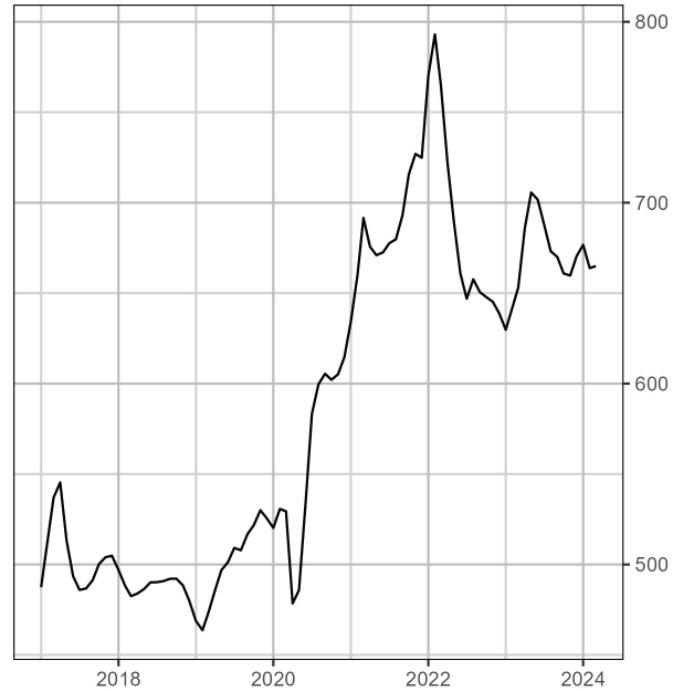
## MLS unit sales

Last data point: 2024-03-01



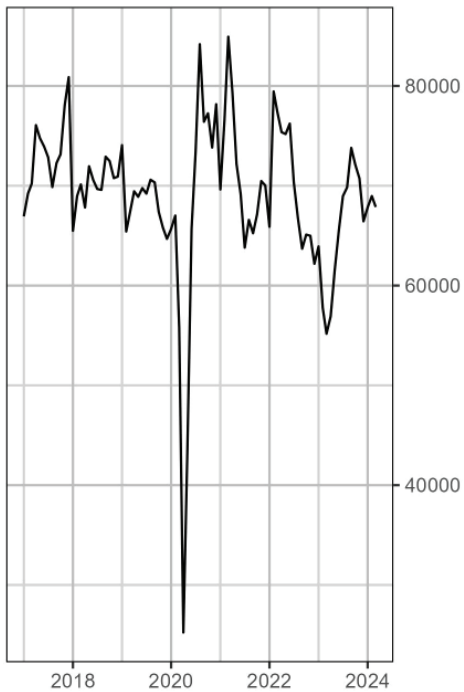
## Average MLS Price, \$000s

Last data point: 2024-03-01



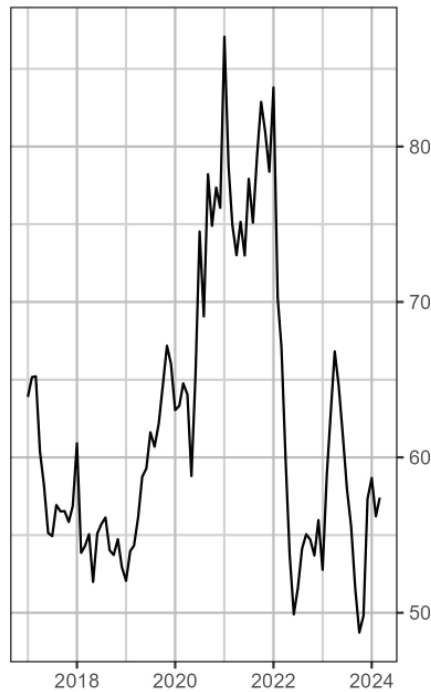
## MLS new listings

Last data point: 2024-03-01



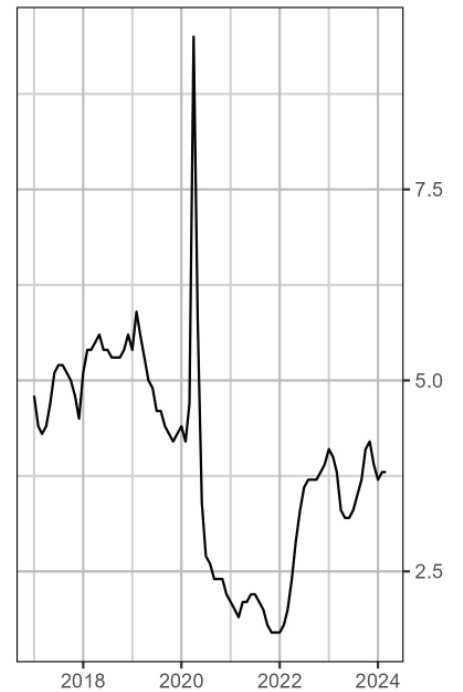
## MLS sale-to-new listings

Last data point: 2024-03-01



## MLS months of inventory

Last data point: 2024-03-01



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
	2024M03	2024M02	2024M03	2024M03	2024M03	2024M02	2024M03	2024M03	2024M03	
Canada	39.0	-2.6	0.5	12.7	665.0	-1.9	0.2	1.8	57.4	3.8
British Columbia	5.9	-5.9	0.7	0.6	976.9	-1.1	1.8	6.3	46.2	5.6
Alberta	7.2	-1.5	3.6	31.0	476.9	-0.9	0.6	10.8	86.2	2.3
Saskatchewan	1.2	-0.9	-2.2	7.7	300.7	3.6	-3.6	0.0	61.9	4.4
Manitoba	1.3	2.0	5.8	23.3	353.7	-5.2	1.1	7.5	71.7	2.7
Ontario	13.8	-6.7	-1.6	6.8	843.2	-0.5	0.8	1.4	48.7	3.1
Quebec	7.2	6.2	2.4	22.1	510.8	0.5	0.2	7.1	65.0	5.2
New Brunswick	0.7	1.6	-8.7	-5.6	312.0	-4.0	0.4	6.4	66.5	3.9
Nova Scotia	0.9	0.6	2.1	23.2	422.4	-3.0	-0.5	9.8	76.0	3.8
Prince Edward Island	0.2	0.0	9.9	18.6	376.4	5.2	-5.3	-5.7	46.1	6.2
Newfoundland & Labrador	0.4	0.6	-8.0	-4.3	307.6	2.7	-1.8	8.2	58.7	6.2

## 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
	2024M03	2024M02	2024M03	2024M03	2024M03	2024M02	2024M03	2024M03	
Fraser Valley, BC	1.2	-10.2	0.1	1.4	1,030.1	0.2	2.1	10.2	52.9
Greater Vancouver, BC	2.1	-6.2	1.4	4.7	1,289.1	-0.9	1.1	4.5	45.8
Calgary, AB	3.0	-5.8	3.0	22.2	598.7	0.6	1.7	13.9	100.9
Edmonton, AB	2.6	1.1	3.7	49.5	405.3	0.1	0.3	9.2	77.9
Saskatoon, SK	0.5	-4.1	-4.3	2.7	368.7	0.3	0.4	3.3	62.1
Winnipeg, MB	1.1	1.0	8.6	25.3	377.1	-4.8	1.1	8.6	72.4
Toronto, ON	5.7	-11.5	-1.1	8.6	1,090.4	1.4	0.7	1.1	48.4
Ottawa, ON	1.3	-2.5	7.6	26.5	646.9	-0.8	1.8	4.8	54.9
Halifax, NS	0.5	-0.5	4.3	38.9	544.2	-2.0	-1.5	3.8	94.0