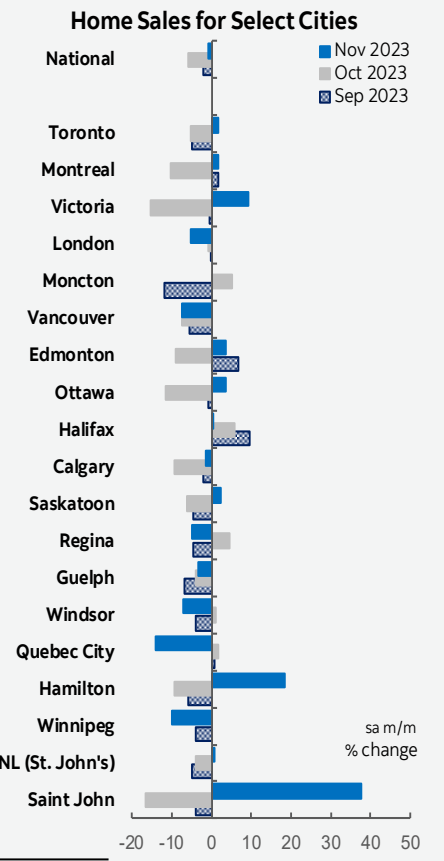


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Canada	Nov-23	Oct-23	Nov-23
	m/m <sup>1</sup>	m/m <sup>1</sup>	y/y <sup>2</sup>
Sales (% change)	-0.9	-5.8	-0.9
New listings (% change)	-1.8	-2.2	10.5
Average price (% change)	-0.3	-1.2	3.3
MLS HPI (% change)	-1.1	-0.9	0.6
	Nov-23	Oct-23	Nov-22
Sales-to-new listings ratio (level) <sup>1</sup>	49.8	49.4	53.1
Months inventory (level) <sup>1</sup>	4.2	4.1	3.9

<sup>1</sup>seasonally adjusted <sup>2</sup>not seasonally adjusted



Sources for chart and table: Scotiabank Economics, CREA.

# Canadian Home Sales — November 2023

## CANADA HOUSING MARKET: CAUTION, UNAFFORDABILITY, RATE CUTS

### SUMMARY

**Canadian home sales in November edged down by 0.9% (sa m/m). New listings followed suit, falling by twice as much (1.8%).** The larger listings decline relative to sales only slightly tightened the sales-to-new listings ratio, an indicator of how tight the market is, which remained at a 10-year low. The ratio now sits at 49.8% which is substantially below its recent April peak of 68.3% (not to mention its January 2022 peak of over 80%) and below its long-term average of 55.2%. This slight tightening nonetheless did tip the national market back into balanced territory. There were 4.2 months of inventory—up from this year’s low of 3.1 in May, but still below its long-term average of around five months. In Atlantic Canada, months of inventory is between 4–6 months below its long-term averages.

### It was a fairly even split between markets where sales increased and where they didn’t.

Sales increased in 16 of the 31 markets we track, were flat in 2, and declined in the remaining. Notable are double-digit increases of 14% and over in Ontario markets including Peterborough, Barrie, Hamilton-Burlington, and St. Catherines, the latter registering an increase of over 24%, while Saint John topped the month’s charts with an almost 38% increase. These were entirely offset by smaller declines (14% and under) in bigger markets, such as Quebec City, Winnipeg, Kitchener-Waterloo, Okanagan-Mainline, Fraser Valley, and Vancouver. November’s level of sales was 14% below the 2010–19 average level observed for this month.

### On the other hand, listings’ declines were more widespread.

The number of newly listed properties fell in almost two-thirds of the markets we track. Out of the 19 markets where listings declined, 11 were in Ontario—not surprising as this is the region that has so far led price declines as sales suffer from elevated prices, discouraging sellers from listing. Before a pull back in new listings in October and November, increases between May and September, with an average monthly increase of around 5%, had brought listings to levels consistent with observed long-term averages. Recent declines put November’s level of listings 2% below the 2010–19 average level observed for this month.

### Prices, as measured by the MLS Home Price Index (HPI), fell by 1.1% (sa m/m) in November—the third and largest monthly decline in a row.

There were regional differences however, whereby prices increased in over half of the local markets we track, which were offset by declines elsewhere. Despite these declines, prices remain well above their pre-pandemic levels across the board, with some markets, namely Calgary, Greater Moncton, Quebec City and Saskatoon, continuing to be above February 2022 levels, the month before the Bank of Canada started hiking, marking the start of a year-long correction in the housing market. November’s monthly decline was led by single-family homes (-1.2%) followed by townhomes (-0.9%) and apartments (-0.7%).

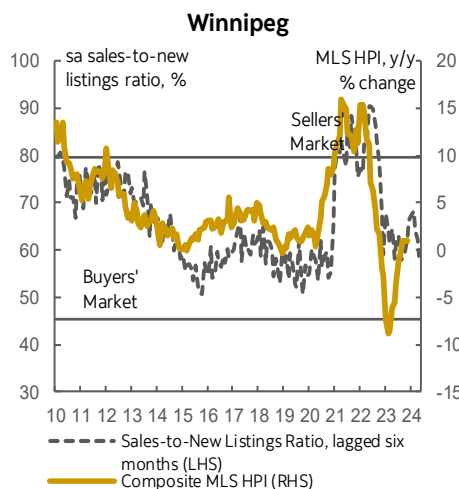
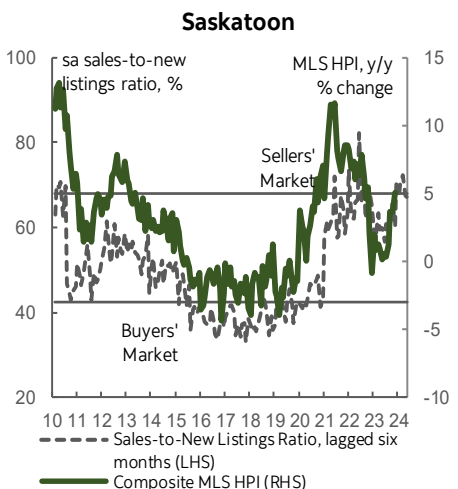
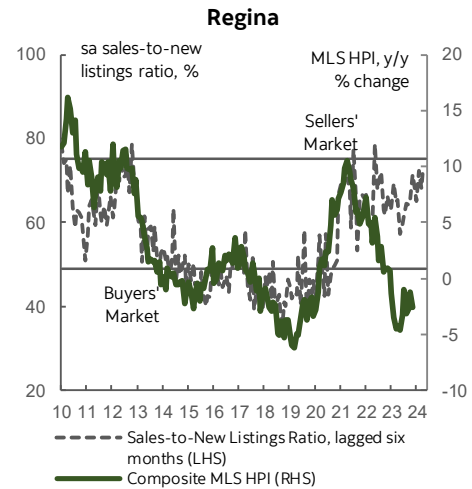
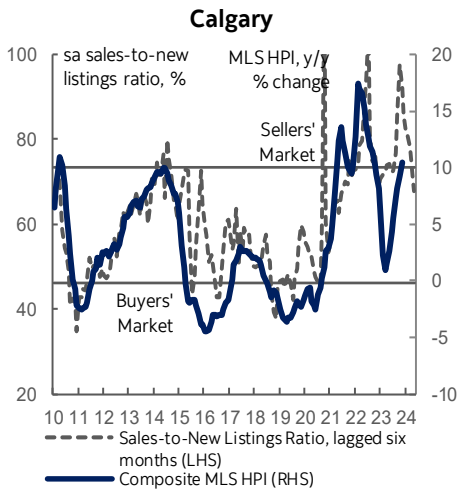
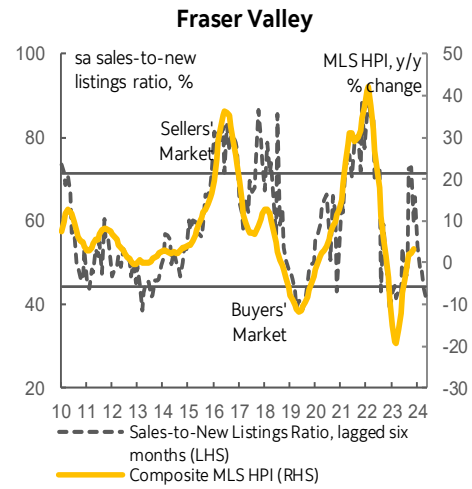
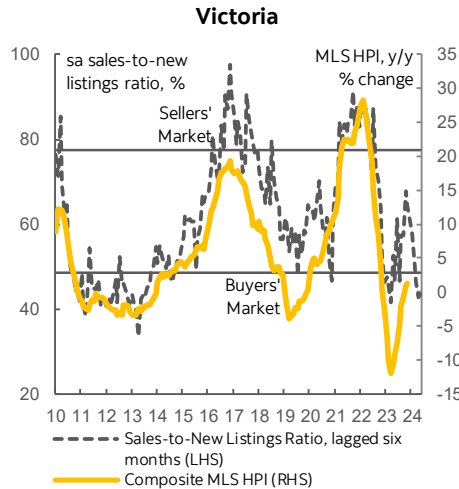
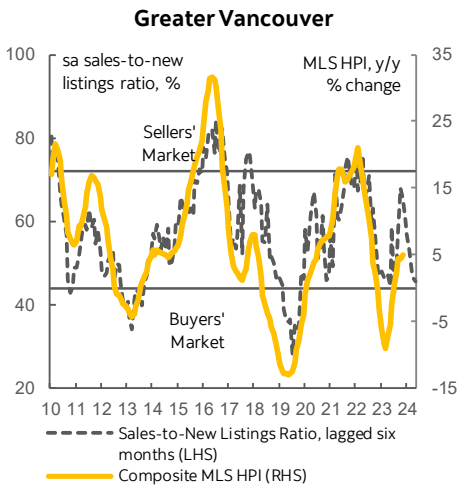
### IMPLICATIONS

The story of Canada’s housing market over the past few months has been one of caution and unaffordability. Caution as uncertainty looms and potential buyers await more clarity on the direction of the economy and house prices. Unaffordability as high rates make it impossible for some buyers to qualify for a mortgage at today’s elevated home prices which still stand around 36% above pre-pandemic levels despite all the downward adjustments we’ve seen over the past two years. The outcome is a slow no-surprises housing market as many would-be buyers today look for next year and the rate cuts they expect it to bring. This points towards an eventual pick-up of demand and prices once the widely expected rate cutting cycle begins, or earlier. Tricky will be to manage a repeat of earlier this year when perceived certainty about the end of the hiking cycle lit up the housing market too soon for comfort, in turn driving additional hikes in the summer.

Scotiabank Housing Market Watch—November 2023																		
Rank <sup>1</sup>	Real Estate Board	Last Month Rank	Monthly Change	Sales-to-New Listings Ratio				Market Type	24-month Evolution	Unit Sales <sup>3</sup>			Avg. Sales Prices <sup>3</sup>			New Listings <sup>3</sup>		
				Sales-to-New Listings Ratio	Std. Dev. from Long-Term Mean <sup>2</sup>	Last month	Last 3 mos.			Last 12 mos.	Last month	Last 3 mos.	Last 12 mos.	Last month	Last 3 mos.	Last 12 mos.		
--	National	--	--	49.8	-0.5	•	Balanced		-0.9	0.7	-13.7	-0.3	3.6	-3.7	-1.8	13.7	-8.3	
1	Saint John	7	↑ 6	81.2	2.0	•	Sellers'		37.6	-5.7	-21.6	0.3	6.6	3.8	4.8	1.1	-19.4	
2	Moncton	2	→ 0	70.8	1.1	•	Sellers'		0.0	5.5	-10.7	-5.4	6.0	-1.5	3.4	-0.4	-13.6	
3	Sudbury	10	↑ 7	68.3	1.0	•	Sellers'		0.0	-1.0	-20.4	1.8	-0.6	-3.8	-19.3	21.9	-10.9	
4	NL (St. John's)	8	↑ 4	57.1	0.8	•	Balanced		0.9	-3.1	-15.2	4.1	2.6	1.5	-3.4	2.8	-5.7	
5	Regina	6	↑ 1	71.9	0.7	•	Balanced		-4.8	12.0	-7.2	7.8	0.4	-5.2	-4.6	0.0	-9.8	
6	Thunder Bay	9	↑ 3	73.2	0.7	•	Balanced		3.0	-6.0	-13.3	12.7	12.3	-1.9	-4.1	-4.4	-5.3	
7	Saskatoon	4	↓ 3	64.3	0.7	•	Balanced		2.3	12.7	-3.0	-3.4	5.3	1.5	6.9	0.0	-7.3	
8	Calgary	5	↓ 3	67.7	0.5	•	Balanced		-1.4	15.0	-12.0	2.0	9.1	4.2	3.4	22.8	-14.2	
9	Halifax	11	↑ 2	74.5	0.4	•	Balanced		0.2	6.6	-15.0	-0.5	4.5	1.7	-3.8	20.1	-12.3	
10	Lethbridge	1	↓ 9	62.9	0.3	•	Balanced		-15.7	5.1	-11.1	1.3	7.5	3.1	20.6	-7.9	-15.1	
11	Edmonton	12	↑ 1	60.9	0.2	•	Balanced		3.7	24.0	-10.8	-1.2	1.0	-3.6	4.1	1.1	-11.5	
12	PEI (Charlottetown)	14	↑ 2	61.6	0.2	•	Balanced		11.6	2.3	-9.7	-4.9	1.2	0.5	-9.7	9.1	-0.9	
13	Quebec City	3	↓ 10	66.0	0.1	•	Balanced		-14.0	4.3	-10.6	1.1	5.7	3.6	1.9	3.8	-6.5	
14	Montreal	15	↑ 1	58.2	-0.2	•	Balanced		1.6	1.3	-16.9	0.0	3.6	-1.9	-3.7	3.1	-7.8	
15	Winnipeg	13	↓ 2	58.7	-0.2	•	Balanced		-10.0	-0.2	-13.7	-4.2	2.3	-3.4	-4.8	0.5	-2.6	
16	Ottawa	16	→ 0	47.2	-0.6	•	Balanced		3.5	-1.2	-12.4	-1.9	2.0	-4.4	1.3	7.6	-6.4	
17	Kingston	20	↑ 3	39.5	-0.8	•	Balanced		6.1	-11.7	-16.7	-0.2	-5.7	-7.7	-1.7	22.6	6.2	
18	Peterborough	25	↑ 7	44.3	-0.8	•	Balanced		14.1	-27.0	-21.2	1.6	-4.0	-12.6	-3.7	-8.2	-12.8	
19	Vancouver	18	↓ 1	45.6	-0.9	•	Balanced		-7.5	7.3	-14.2	0.3	5.9	0.3	-5.9	12.9	-11.1	
20	Hamilton-Burlington	27	↑ 7	45.0	-0.9	•	Balanced		18.3	-9.8	-12.6	-1.8	-0.2	-9.1	-4.8	18.2	-10.9	
21	London	21	→ 0	42.5	-0.9	•	Balanced		-5.3	-5.8	-15.8	0.6	-1.8	-9.7	-6.6	14.6	-8.6	
22	KW*	19	↓ 3	48.5	-1.0	•	Balanced		-9.7	10.5	-16.5	-3.0	0.8	-7.7	-6.9	41.5	-14.1	
23	Okanagan-Mainline (Kelowna)	17	↓ 6	36.2	-1.0	•	Buyers'		-8.1	-11.6	-18.2	3.0	-3.7	-5.6	3.7	11.4	-5.9	
24	Brantford	24	→ 0	42.0	-1.1	•	Buyers'		-7.2	4.2	-9.9	-8.7	5.4	-10.3	-5.6	21.5	-5.6	
25	Fraser Valley (Abbotsford)	22	↓ 3	41.1	-1.2	•	Buyers'		-7.6	11.8	-11.3	-2.4	7.6	-6.8	-1.7	13.8	-15.0	
26	Windsor	23	↓ 3	40.6	-1.3	•	Buyers'		-7.3	-4.9	-18.7	0.9	1.1	-9.4	-1.5	11.4	-10.4	
27	St. Catharines	29	↑ 2	34.6	-1.3	•	Buyers'		24.1	-5.1	-10.9	-8.0	0.2	-9.2	7.8	29.2	0.2	
28	Victoria	26	↓ 2	43.8	-1.3	•	Buyers'		9.2	-0.5	-10.5	1.9	3.9	-3.0	6.1	12.2	-2.8	
29	Barrie	30	↑ 1	32.4	-1.5	•	Buyers'		15.4	-29.3	-17.0	-7.6	0.4	-10.3	-1.1	7.9	-16.0	
30	Guelph	28	↓ 2	40.7	-1.6	•	Buyers'		-3.2	-15.1	-12.0	0.0	4.0	-8.9	1.6	30.2	-9.4	
31	Toronto	31	→ 0	37.2	-1.8	•	Buyers'		1.7	-7.0	-16.0	-2.2	2.2	-5.0	-5.5	34.9	-8.4	

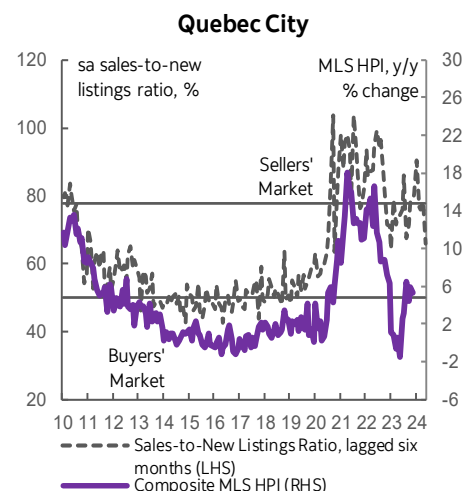
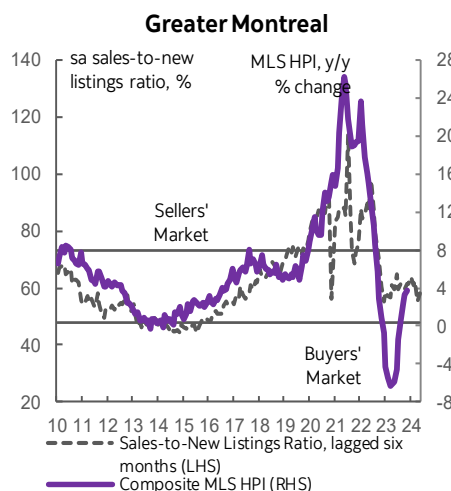
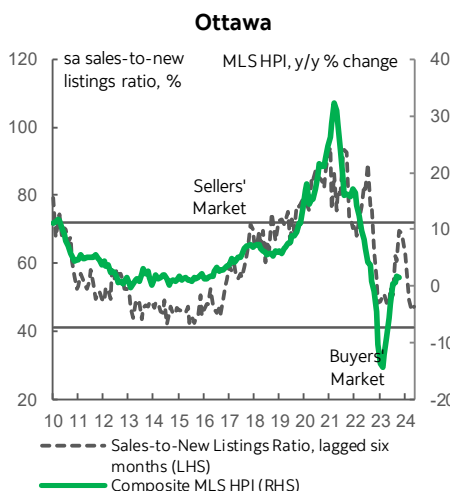
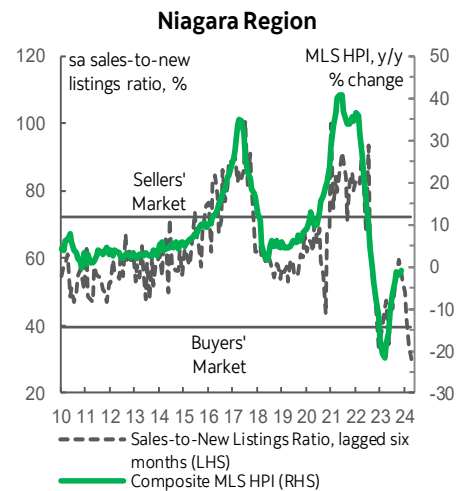
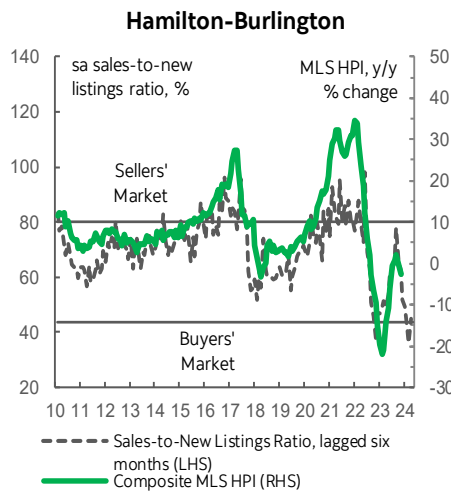
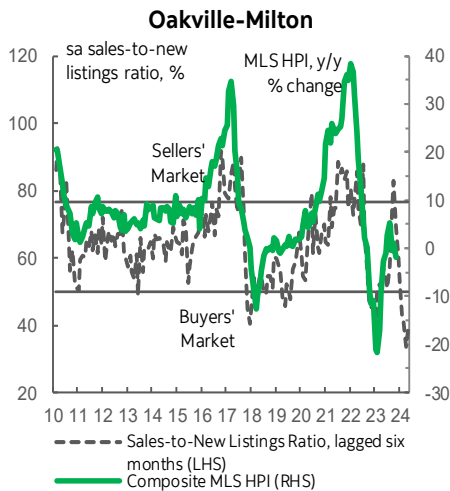
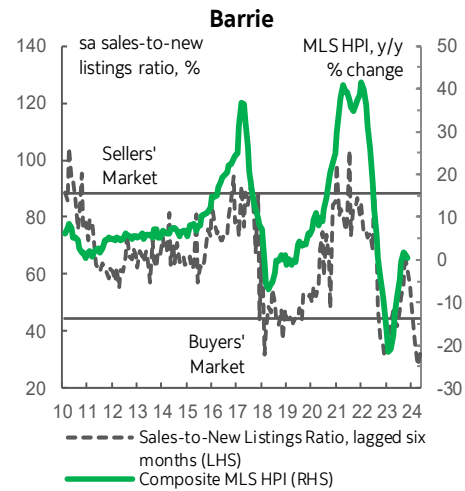
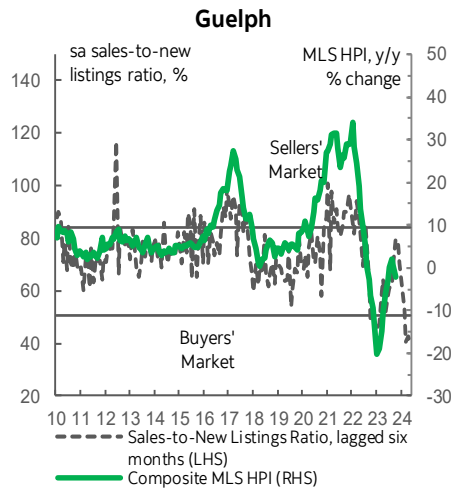
<sup>1</sup> Ordered from most- to least-tilted towards sellers. <sup>2</sup> A market is tilted towards sellers, and likely to witness upward pressure on prices, if its sales-to-new listings ratio greater than the long-term mean plus one standard deviation. A sales-to-new listings ratio below the long-term mean less than one deviation is considered a buyer's market and likely to see a flat or downward trend in prices over the next six months. We define the long-term average as the 1990-2020 mean. <sup>3</sup> Year-over-year percentage change. \* Kitchener-Waterloo. Sources: Scotiabank Economics, CREA.

MLS Home Price Indices — Western Canada



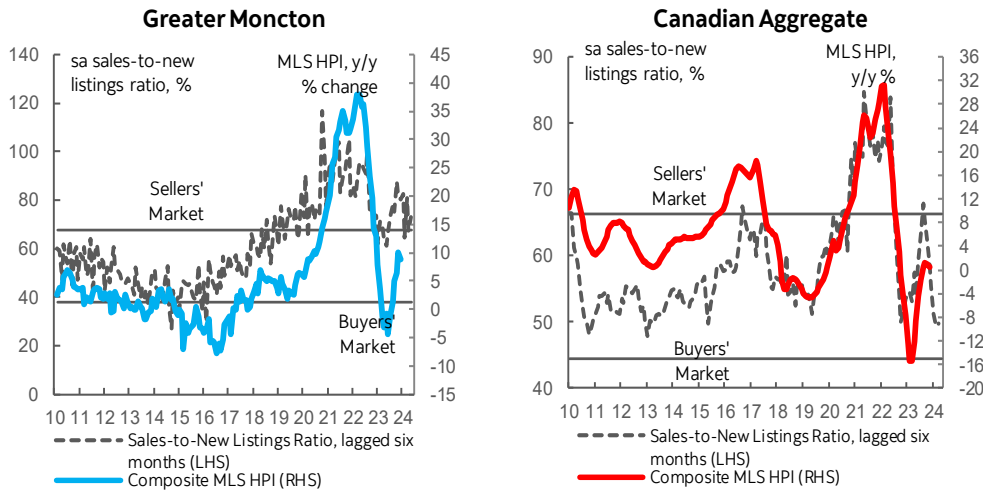
Sources: Scotiabank Economics, CREA.

MLS Home Price Indices (cont.) — Eastern Canada



Sources: Scotiabank Economics, CREA.

MLS Home Price Indices (cont.) — Eastern Canada and Canadian Aggregate



Sources: Scotiabank Economics, CREA.

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