

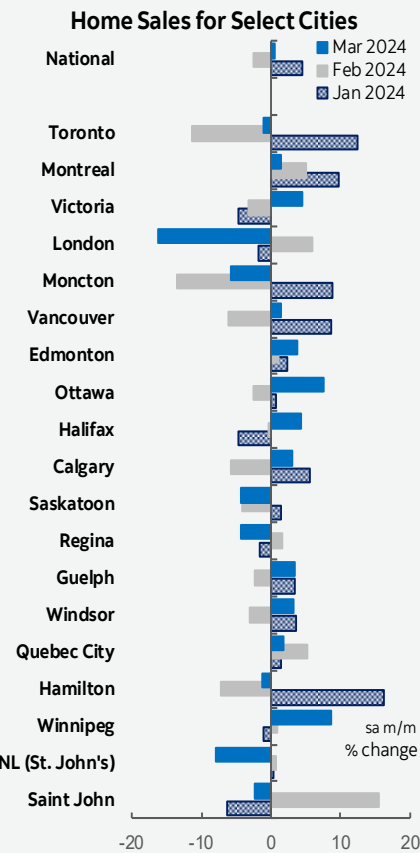
Contributors

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Canada	Mar-24	Feb-24	Mar-24
	m/m <sup>1</sup>	m/m <sup>1</sup>	y/y <sup>2</sup>
Sales (% change)	0.5	-2.6	1.7
New listings (% change)	-1.6	1.7	10.1
Average price (% change)	0.2	-1.9	4.6
MLS HPI (% change)	-0.3	0.0	0.7
	Mar-24	Feb-24	Mar-23
Sales-to-new listings ratio (level) <sup>1</sup>	57.4	56.2	62.6
Months inventory (level) <sup>1</sup>	3.8	3.8	3.8

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



Sources for chart and table: Scotiabank Economics, CREA.

# Canadian Home Sales — March 2024

## CANADA HOUSING MARKET: TREADING LIGHTLY

### SUMMARY

**Canadian home sales edged up by 0.5% (sa m/m) in March, while new listings reversed February's increase, declining by 1.6%.** This tightened the sales-to-new listings ratio, an indicator of how tight the market is, to 57.4%. Still within the bound that is consistent with the national market being in "balanced" territory (at least based on long-term averages and standard deviations), but slightly above its long-term average of 55%. There were 3.8 months of inventory—holding steady from February, which is over a month below its long-term average of around five months. Months of inventory in New Brunswick, Nova Scotia, and Newfoundland and Labrador still are 5 months below their long-term averages, while in BC and Ontario months of inventory have dipped to 0.2 below their long-term averages.

**Sales increased in over half of the 31 local markets we track.** Brantford led the increase in sales, reversing all of its February decline at 11.2% (sa m/m), followed by Charlottetown and Winnipeg with increases of 10% and 9%, and smaller increases elsewhere. This ever so slightly offset declines in the remaining 13 markets, with London and Peterborough registering declines of 16% while Kingston saw sales decline by 12%.

**The first quarter of 2024 recorded an over 8% increase in sales relative to the previous quarter (sa q/q), and was 12% higher compared to the same quarter last year. The quarter's increase was largely led by a 24% increase in Fraser Valley in BC and significant double-digit increases in many Ontario markets. This, alongside issues of affordability and supply, perhaps explains the slower pace seen towards the end of the quarter in those provinces.**

**There was a fairly even split between markets where listings increased and where they declined.** The number of newly listed properties increased by 26% (sa m/m) in Charlottetown and between 10% and 17% in Peterborough, Kingston, and Guelph. However, this was more than offset by declines elsewhere, with new listings in Calgary and St. Catharines taking the lead, falling by 15% and 13%. Given the movements in sales and listings, 24 markets were in balanced territory in March relative to 19 in February, 5 were in sellers' territory relative to 8 in February, and only 1 market remained in buyers' territory relative to 4 in February.

**For the quarter on the whole, 2024Q1 saw listings decline by 2% compared to the previous quarter but was 14% higher than the same quarter last year.**

**Prices, as measured by the MLS Home Price Index (HPI), fell by a rather small 0.3% (sa m/m) in March.** March's decline was driven by a 0.7% decline in apartments' HPI and 0.1% in townhouses, while the single family home segment recorded no change. However, looking more closely at this segment, one-storey single family homes increased by 0.4% which was offset by a 0.3% decline in two-storey homes.

### IMPLICATIONS

Let's face it, everyone seems unsure. Things are moving one way one month and another for two (here and south of the border, which very much impacts here). Growth forecasts keep getting revised (the Bank of Canada themselves just boosted their 2024 growth forecast by almost double). Expectations for rates keep changing with everything from the US economic performance, our wage growth, to the housing market itself impacting the rate outlook. It's not exactly a very easy economic environment to make a very, very, big financial (and emotional) decision. It's stressful on a normal day in regular times.

April 12, 2024

There is no question there is demand for homes, where are you reading this now from? Think home sales below long-term averages while population growth at record highs. But it is certainly not a surprise that people are not jumping into the housing market en masse right now. So small increases (or declines) here and there are to be expected. And let's remember, when we say sales increased or decreased from one month to another, it is the case that thousands of sales are still happening each month (see [here](#) on regular monthly volatility in the housing market). It is likely that the uncertainty is however muting some demand that would have otherwise been there making monthly increases a bit larger given population growth (not pandemic crazy larger though, those times are behind us, where they should stay).

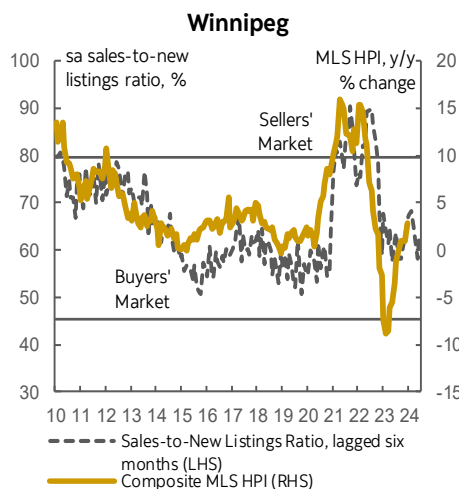
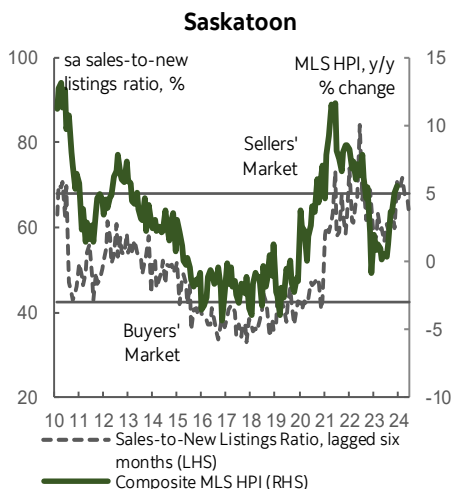
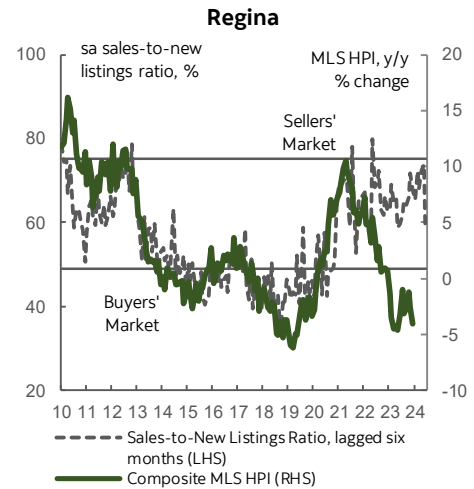
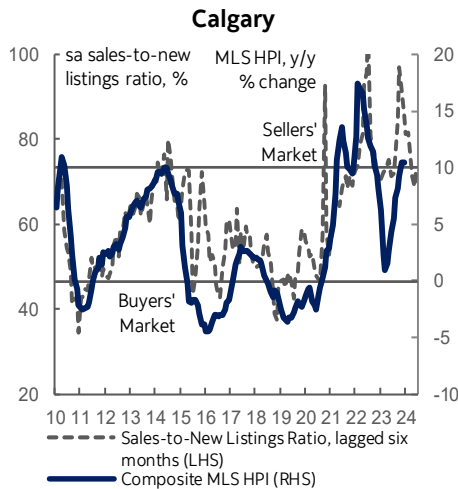
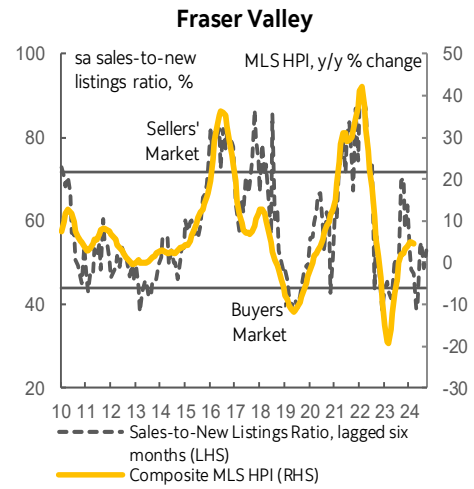
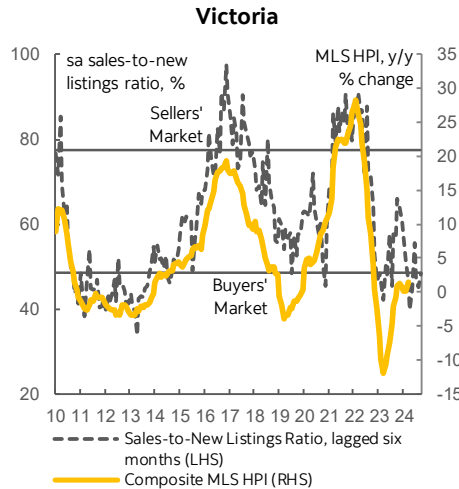
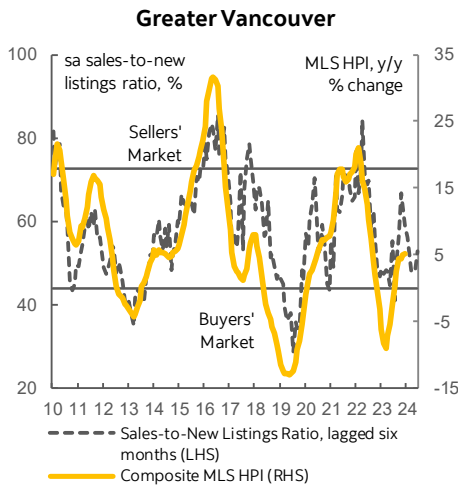
Moreover, March has been a special month this year as it confused seasonal adjustment equations, with easter weekend falling in March this year instead of April as it does typically. Seasonal adjustments attempt to control for variations in monthly data due to things that reoccur at the same time each year, such as the weather and holidays. This might've distorted March's data (towards the weaker side) given that you can't properly seasonally adjust something that occurs once every 4 or 5 years.

Having said this, CREA did note that weekly tracking showed more strength towards the end of March. Listings bounced in the second week of March which was followed the next week by a pick-up in sales. Weekly tracking of a jump in listings in the first week of April as reported by CREA may then point towards a pick-up in sales activity later in April as buyers absorb new supply that is hitting a market. April's numbers relative to March might be further boosted by leftover easter seasonal adjustments that will be applied to April's data.

Scotiabank Housing Market Watch—March 2024																		
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	--	--	57.4	0.2	I   I	Balanced		0.5	12.1	2.1	0.2	5.2	2.7	-1.6	14.4	0.6	
1	Calgary	3	↑ 2	100.9	2.9	I   I •	Sellers'		3.0	19.7	8.4	1.7	13.3	8.7	-14.9	4.0	0.1	
2	Lethbridge	1	↓ 1	94.8	2.5	I   I •	Sellers'		6.6	9.9	-0.5	-2.4	13.8	6.2	2.9	-6.2	-10.7	
3	Halifax	5	↑ 2	94.0	2.1	I   I •	Sellers'		4.3	18.0	-4.6	-1.5	5.4	6.4	-8.1	5.9	-7.7	
4	Saint John	2	↓ 2	76.6	1.6	I   I •	Sellers'		-2.3	3.7	-13.1	7.8	18.8	9.1	0.0	9.8	-12.9	
5	Quebec City	6	↑ 1	85.6	1.5	I   I •	Sellers'		1.8	20.6	6.5	1.0	8.7	5.6	-1.9	8.7	-0.9	
6	Edmonton	10	↑ 4	77.9	1.4	I   I •	Sellers'		3.7	41.4	10.7	0.3	10.4	2.0	-4.9	3.8	-6.7	
7	NL (St. John's)	4	↓ 3	58.7	0.9	I   I •	Balanced		-8.0	-5.0	-12.5	-1.8	8.5	2.1	2.7	9.5	0.8	
8	Sudbury	9	↑ 1	66.1	0.9	I   I •	Balanced		-5.1	9.2	-9.1	4.9	5.3	3.9	-3.7	2.0	-3.6	
9	Winnipeg	16	↑ 7	72.4	0.6	I   I •	Balanced		8.6	13.1	-4.6	1.1	8.5	1.6	-5.2	2.4	-3.4	
10	Saskatoon	8	↓ 2	62.1	0.5	I   I •	Balanced		-4.3	10.2	6.0	0.4	4.6	2.3	4.7	-4.0	-4.0	
11	Regina	7	↓ 4	68.6	0.5	I   I •	Balanced		-4.3	18.2	2.4	-3.4	2.2	-0.3	9.1	-0.2	-6.2	
12	Moncton	11	↓ 1	61.5	0.5	I   I •	Balanced		-5.8	-0.1	-5.8	-3.1	13.9	7.2	-6.9	20.3	-8.2	
13	Thunder Bay	12	↓ 1	69.5	0.4	I   I •	Balanced		6.2	-4.3	-7.2	-0.1	5.7	5.7	2.1	3.3	-3.4	
14	Montreal	15	↑ 1	63.7	0.2	I   I •	Balanced		1.4	19.9	-0.7	0.7	7.4	2.3	-2.4	20.4	0.2	
15	Ottawa	18	↑ 3	54.9	-0.1	I   I •	Balanced		7.6	15.0	3.6	1.8	2.5	0.3	3.6	18.7	-0.2	
16	PEI (Charlottetown)	13	↓ 3	46.1	-0.2	I   I •	Balanced		9.9	13.1	5.9	-5.3	1.1	-1.9	26.3	18.6	2.7	
17	Hamilton-Burlington	20	↑ 3	57.8	-0.2	I   I •	Balanced		-1.3	6.6	1.1	3.4	3.0	-0.9	-4.6	11.2	-3.2	
18	Fraser Valley (Abbotsford)	22	↑ 4	52.9	-0.3	I   I •	Balanced		0.1	16.1	19.7	2.1	10.4	4.7	-7.7	27.4	9.0	
19	Brantford	25	↑ 6	50.8	-0.6	I   I •	Balanced		11.2	-1.6	1.4	0.9	1.4	0.2	0.0	6.1	-1.4	
20	St. Catharines	28	↑ 8	44.2	-0.7	I   I •	Balanced		-3.1	10.3	5.0	0.0	-0.4	-2.1	-12.7	19.6	6.6	
21	KW*	23	↑ 2	51.5	-0.7	I   I •	Balanced		5.0	8.0	-0.1	3.6	1.9	-0.1	7.8	18.8	-1.7	
22	Peterborough	14	↓ 8	44.9	-0.8	I   I •	Balanced		-15.9	-6.8	-11.6	-0.9	2.9	-3.2	10.4	-4.8	-8.8	
23	Toronto	24	↑ 1	48.4	-0.8	I   I •	Balanced		-1.1	10.9	4.9	0.7	0.4	0.6	-3.0	20.5	6.1	
24	Guelph	21	↓ 3	53.5	-0.8	I   I •	Balanced		3.4	3.6	1.8	-0.8	5.3	0.6	17.4	16.4	0.7	
25	Vancouver	26	↑ 1	45.8	-0.9	I   I •	Balanced		1.4	9.8	9.6	1.1	5.4	4.6	-0.2	17.1	5.7	
26	London	17	↓ 9	43.6	-0.9	I   I •	Balanced		-16.3	10.2	1.0	0.4	1.7	-1.9	2.1	18.8	-1.2	
27	Barrie	29	↑ 2	45.6	-0.9	I   I •	Balanced		7.3	-6.9	-6.6	2.4	-0.4	-4.1	1.4	2.9	-12.8	
28	Windsor	27	↓ 1	44.4	-0.9	I   I •	Balanced		3.2	4.2	-2.5	-3.0	6.2	0.3	3.2	3.3	-8.2	
29	Victoria	30	↑ 1	48.6	-1.0	I   I •	Balanced		4.5	5.5	2.6	2.1	3.0	1.5	-3.1	21.0	3.6	
30	Kingston	19	↓ 11	36.6	-1.0	I   I •	Balanced		-11.9	3.1	-7.9	3.6	-2.3	-3.9	12.7	16.6	6.2	
31	Okanagan-Mainline (Kelowna)	31	↔ 0	27.9	-1.6	I   I •	Buyers'		-8.9	-14.4	-5.5	7.7	-0.7	-1.6	-0.5	19.8	0.9	

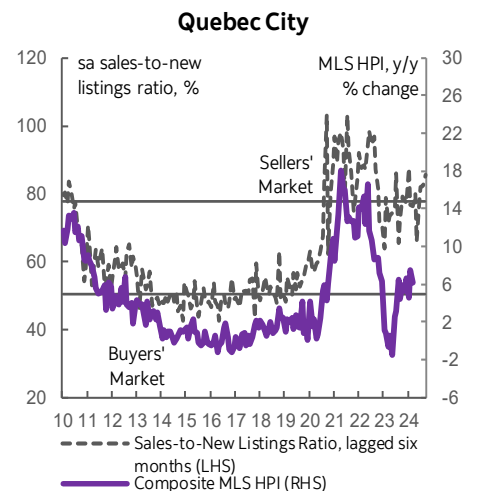
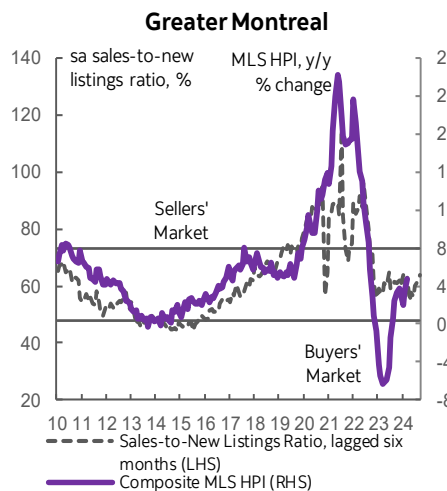
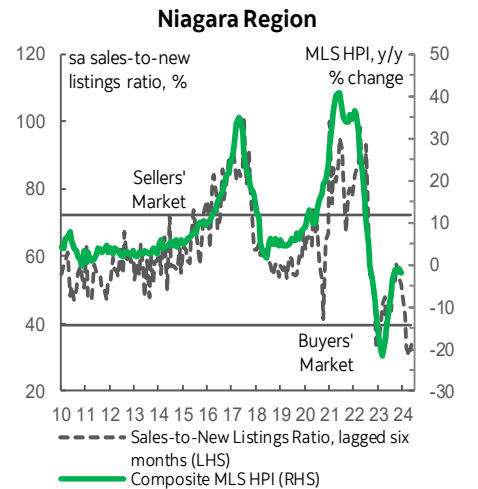
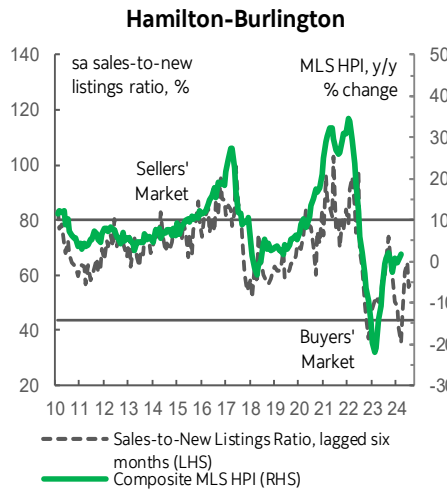
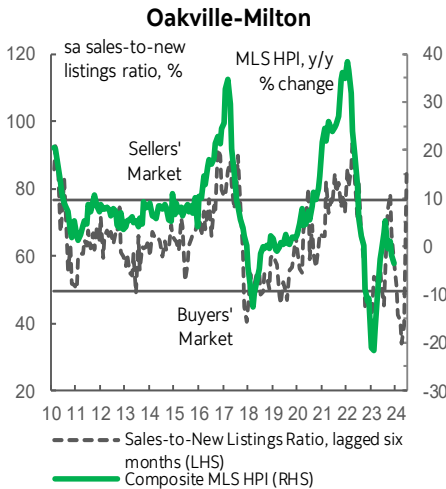
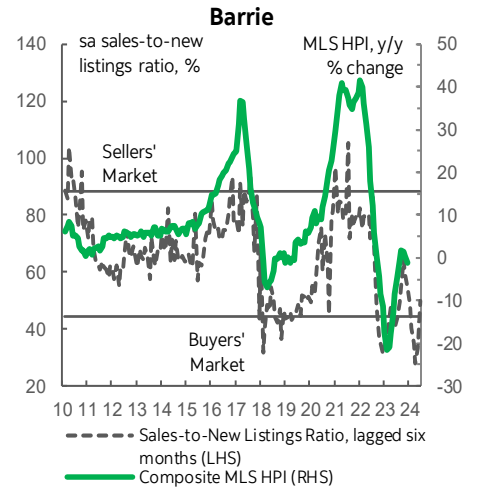
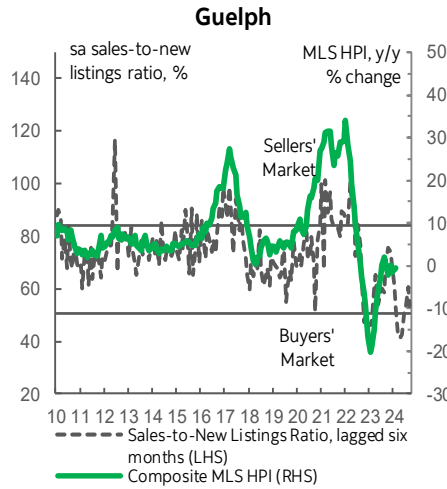
<sup>1</sup> Ordered from most- to least-tilted towards sellers. <sup>2</sup> A market is tilted towards sellers, and likely to witness upward pressure on prices, if its sales-to-new listings ratio greater than the long-term mean plus one standard deviation. A sales-to-new listings ratio below the long-term 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



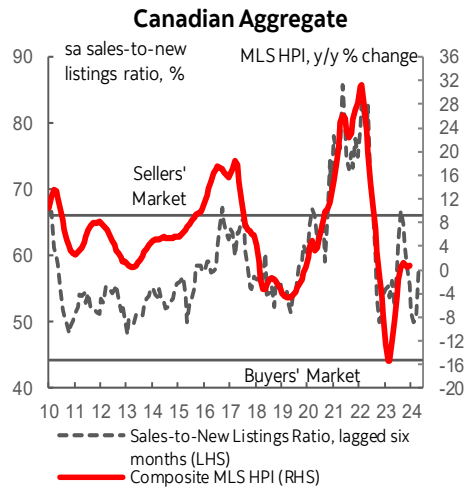
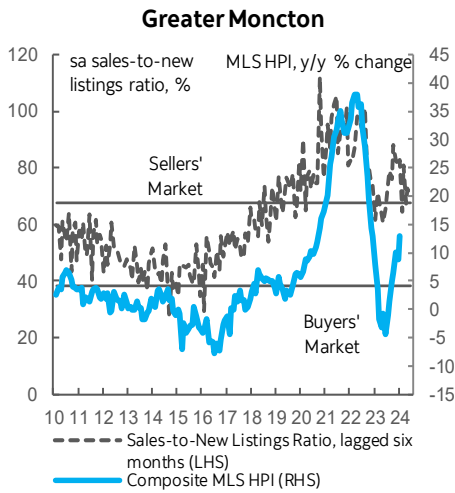
Sources: Scotiabank Economics, CREA.

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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