

## Canadian Home Sales — July

### SUMMARY

Data released today by the Canadian Real Estate Association (CREA) indicate that national level home sales rose by a healthy 3.5% (sa m/m) in July 2019. 20 of the 31 centres for which we have data witnessed sales increases. With an upward revision to June 2019 figures, the July climb represented the fifth consecutive monthly increase, and brought Canada's sales-to-new listings ratio to 59.8%. While still indicative of a balanced market—22 of 31 major cities reported balanced supply-demand conditions—the ratio continues to edge closer to sellers' market territory and was at its highest point since January 2018. As such, the aggregate MLS Home Price Index (HPI) rose 0.2% versus July 2018.

After pausing in the prior month, Vancouver sales activity surged 26.4% (sa m/m) in another sign that that market is on its way up. Home purchases have gained more than 20% (sa m/m) in two of the last three months—but still sit at only about 50% of the peak reached in early 2016, and the city came out of buyers' market territory for the first time since August of last year. Sales also rose across other Southern BC centres, all of which also reported balanced conditions in July.

Generally solid sales activity continued to underpin roughly balanced housing supply and demand in Ontario's Greater Golden Horseshoe (GGH), with positive momentum persisting in Toronto. Kitchener-Waterloo was an exception, but that centre's sales activity remains above its average over the last 10 years. London, Windsor, and Ottawa remained tilted towards sellers and still sit near the top of our rankings of market tightness by city. The top spot went to Moncton, which continues to witness volatility in sales and new listings, while Montreal's took #2.

Sales activity was mixed across cities in the net-oil producing provinces. Strong job creation continues to support home purchases in Newfoundland and Labrador.

MLS home price indices (HPI) saw some of their strongest results in several months. Prices accelerated modestly across unit types in the GGH, and the pace of decline slowed in Alberta and in Vancouver. In the latter city, it was the first HPI improvement relative to the prior month since early 2018. In Montreal, Ottawa, and Moncton, the upward trend in home values persisted.

### IMPLICATIONS

Positive momentum continues across Canada's regional housing markets after multiple years of policy-induced slowdown. Sales activity remains on an upward trend in and around Toronto and Vancouver, with last month's results lending further credence to our view that the latter city's downturn has bottomed out.

Going forward, we expect easing job creation after the surge seen in the early months of this year to result in more modest demand-side pressures. In Southern BC and the GGH, less speculative activity should also contribute to more modest price gains than in 2016–17 at the market's height. Still, interest rates remain stimulative and healthy population growth via stepped-up immigration will likely continue to put a floor under housing market activity for the next several years.

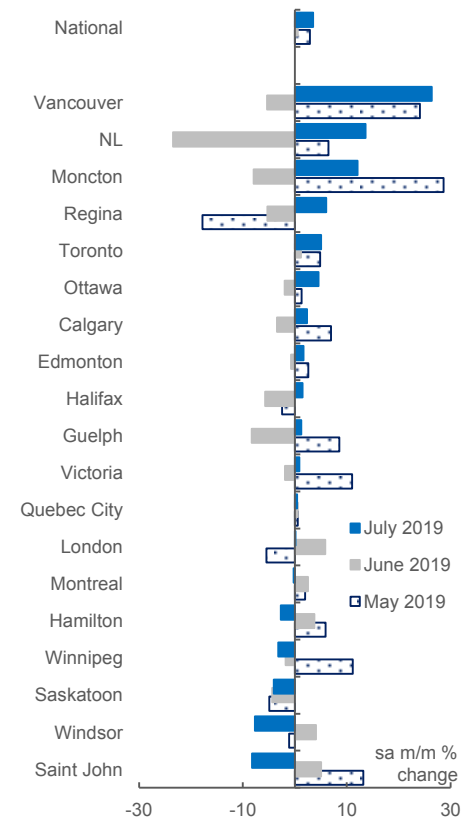
### CONTACTS

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Canada	Jul-19	Jun-19	Jul-19
	m/m <sup>1</sup>	m/m <sup>1</sup>	y/y
Sales (% change)	3.5	0.6	12.6
New listings (% change)	-0.4	0.7	2.4
Average price (% change)	2.6	1.7	3.6
MLS HPI (% change) <sup>2</sup>	0.2	0.2	0.2
	Jul-19	Jun-19	Jul-18
Sales-to-new listings ratio (level) <sup>1</sup>	59.8	57.6	55.2
Months inventory (level) <sup>1</sup>	4.7	5.0	5.4

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

### Home Sales for Select Cities



Sources for chart and table: Scotiabank Economics, CREA.

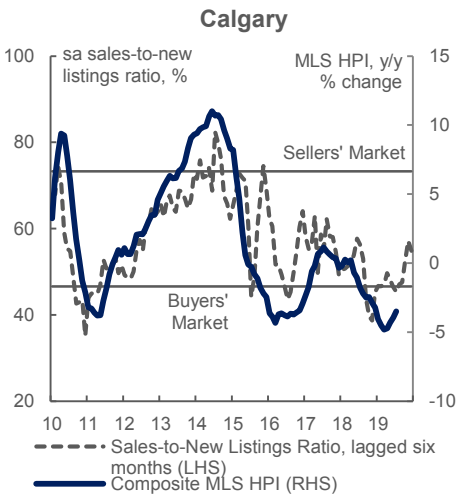
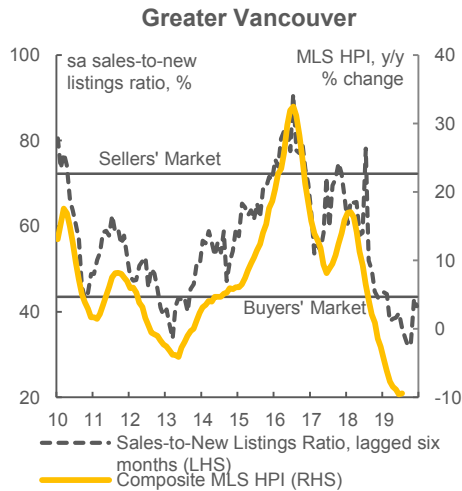
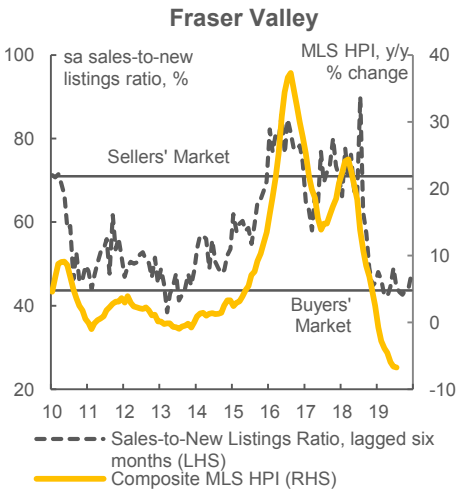
## Scotiabank Housing Market Watch—July 2019

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-Listings Ratio	New Listings	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	--	--	59.8	0.6	I   I	Balanced		3.5	3.1	-1.7	2.6	1.7	1.6	-0.4	-2.3	-2.2
1	Moncton	5	↑ 4	78.1	2.4	I   I •	Sellers'		12.1	17.4	10.5	1.6	2.4	4.9	-6.0	2.3	-1.6
2	Montreal	1	↓ 1	73.5	2.3	I   I •	Sellers'		-0.2	6.9	7.2	-1.1	5.6	5.7	-1.3	-2.3	-3.1
3	Sudbury	7	↑ 4	73.9	1.8	I   I •	Sellers'		2.3	1.4	-6.3	-0.1	1.0	1.8	-10.1	-10.4	-12.4
4	Ottawa	6	↑ 2	73.6	1.4	I   I •	Sellers'		4.6	2.9	2.5	0.1	7.9	5.9	2.0	-7.2	-7.5
5	Saint John	2	↓ 3	61.7	1.4	I   I •	Sellers'		-8.2	11.4	6.8	6.8	-0.5	3.3	-1.9	-3.8	-10.0
6	London	3	↓ 3	70.7	1.3	I   I •	Sellers'		0.1	2.4	3.3	1.7	12.0	13.9	1.2	6.5	8.7
7	Windsor	4	↓ 3	66.4	1.0	I   I •	Sellers'		-7.7	3.8	4.5	1.4	13.8	13.4	-2.8	13.6	11.5
8	Peterborough	10	↑ 2	65.2	0.7	I   I •	Balanced		6.9	-2.1	-1.2	1.8	5.6	5.9	6.2	3.1	8.2
9	Kingston	13	↑ 4	59.8	0.7	I   I •	Balanced		-0.7	0.7	-0.1	-3.3	8.4	8.1	-5.0	-0.2	1.0
10	Halifax	12	↑ 2	70.3	0.7	I   I •	Balanced		1.5	8.9	5.8	-3.1	4.2	3.0	-0.7	-7.1	-7.0
11	Okanagan-Mainline (Kelowna)	17	↑ 6	59.3	0.6	I   I •	Balanced		6.3	-6.2	-13.9	2.2	-1.4	-0.7	-5.8	-4.8	-1.0
12	PEI (Charlottetown)	11	↓ 1	61.8	0.5	I   I •	Balanced		-12.5	-9.9	-6.5	-1.6	11.5	7.2	-9.5	-2.0	-2.1
13	Thunder Bay	16	↑ 3	66.2	0.4	I   I •	Balanced		9.8	0.7	-0.9	-3.3	2.5	2.4	4.7	0.1	-5.7
14	Hamilton-Burlington	15	↑ 1	67.8	0.4	I   I •	Balanced		-2.7	11.0	5.5	2.9	3.7	3.8	-0.2	1.4	0.2
15	KW*	9	↓ 6	66.5	0.3	I   I •	Balanced		-7.5	1.6	2.9	0.2	7.7	8.3	-1.1	1.3	4.5
16	Brantford	8	↓ 8	64.3	0.3	I   I •	Balanced		0.0	9.2	-0.8	0.6	7.0	7.6	14.6	13.2	9.0
17	St. Catharines	14	↓ 3	56.6	0.1	I   I •	Balanced		2.2	11.1	6.8	4.1	9.8	7.8	12.7	8.2	9.6
18	Toronto	20	↑ 2	58.6	0.1	I   I •	Balanced		5.1	11.6	4.6	1.7	2.3	2.6	0.7	-0.1	-3.3
19	Victoria	18	↓ 1	60.4	-0.1	I   I •	Balanced		0.9	-2.0	-10.0	-4.1	-2.0	0.4	4.1	3.7	2.1
20	Guelph	19	↓ 1	63.7	-0.2	I   I •	Balanced		1.2	5.6	2.2	-1.2	5.4	6.1	4.6	4.8	5.0
21	Lethbridge	22	↑ 1	54.8	-0.2	I   I •	Balanced		-1.4	1.0	-1.6	-0.6	3.7	1.7	-4.2	-5.2	1.4
22	Fraser Valley (Abbotsford)	26	↑ 4	54.4	-0.2	I   I •	Balanced		11.7	-15.2	-27.1	-0.9	-5.4	-2.6	-2.2	-6.3	-2.7
23	Quebec City	21	↓ 2	58.8	-0.2	I   I •	Balanced		0.4	13.3	11.6	-1.0	2.3	2.6	-1.9	3.2	3.5
24	Vancouver	29	↑ 5	53.7	-0.3	I   I •	Balanced		26.4	-16.3	-28.6	1.1	-7.1	-3.9	-2.8	-3.9	-2.6
25	Edmonton	24	↓ 1	53.3	-0.4	I   I •	Balanced		1.7	0.6	-3.6	0.9	-3.1	-2.5	2.5	-11.2	-6.9
26	Calgary	23	↓ 3	54.4	-0.4	I   I •	Balanced		2.4	1.0	-5.7	-0.3	-4.8	-3.4	3.3	-13.7	-9.5
27	Winnipeg	25	↓ 2	53.5	-0.5	I   I •	Balanced		-3.2	3.3	0.8	1.2	1.4	1.4	-2.2	4.5	5.2
28	Barrie	27	↓ 1	48.7	-0.7	I   I •	Balanced		3.8	13.8	8.8	-1.5	3.9	1.7	1.3	0.2	0.3
29	NL (St. John's)	30	↑ 1	36.2	-0.8	I   I •	Balanced		13.7	8.9	-3.7	-0.3	-3.5	-2.7	-2.2	-1.6	1.2
30	Saskatoon	28	↓ 2	39.1	-1.3	I   I •	Buyers'		-4.0	5.6	0.6	-1.8	-1.7	-1.8	1.0	-1.9	-5.7
31	Regina	31	→ 0	42.5	-1.5	I   I •	Buyers'		6.0	0.6	-4.9	1.4	-1.7	-2.5	12.0	-8.4	-9.8

<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 1990–2018 mean. <sup>3</sup> Year-over-year percentage change. \* Kitchener-Waterloo. Sources: Scotiabank Economics, CREA.

## MLS Home Price Indices

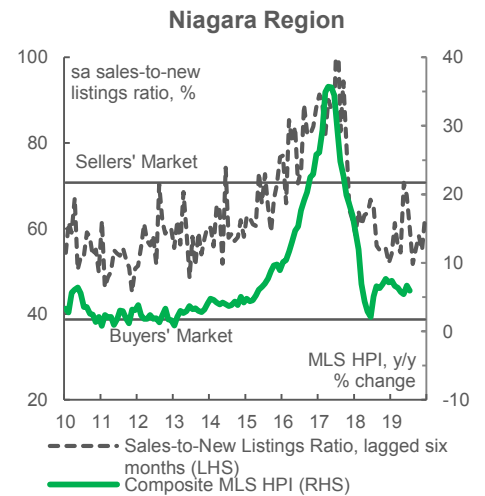
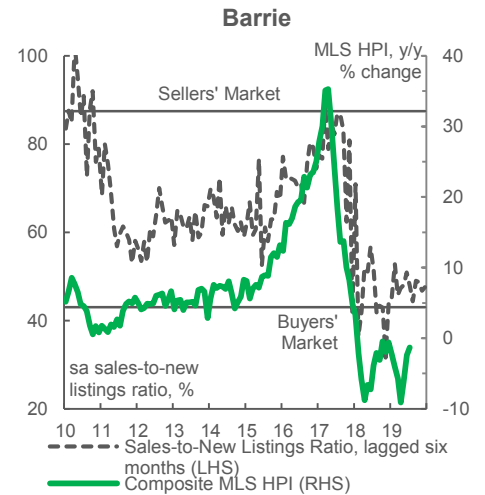
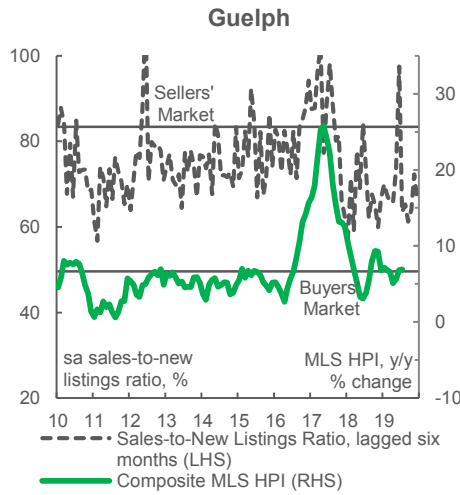
### WESTERN CANADA



Sources: Scotiabank Economics, CREA.

**MLS Home Price Indices (cont.)**

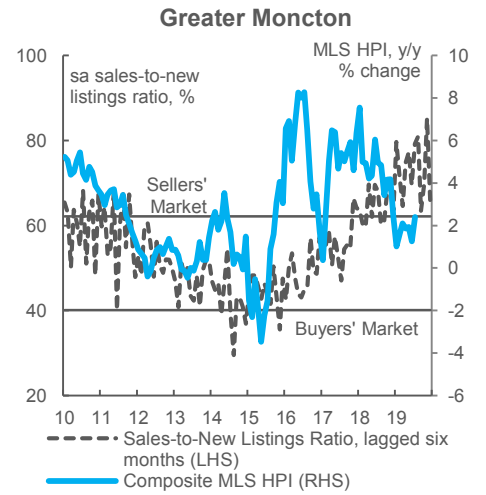
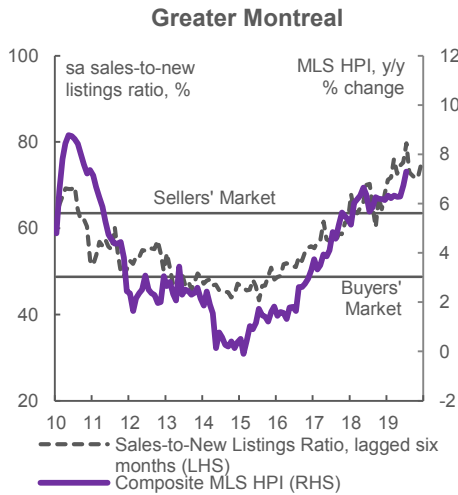
**ONTARIO GREATER GOLDEN HORSESHOE**



Sources: Scotiabank Economics, CREA.

**MLS Home Price Indices (cont.)**

**OTHER**



Sources: Scotiabank Economics, CREA.

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