

## 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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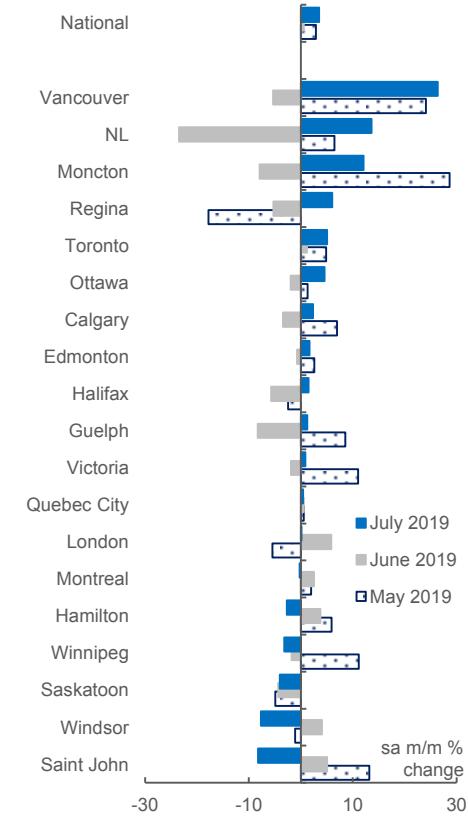
Scotiabank Economics

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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.

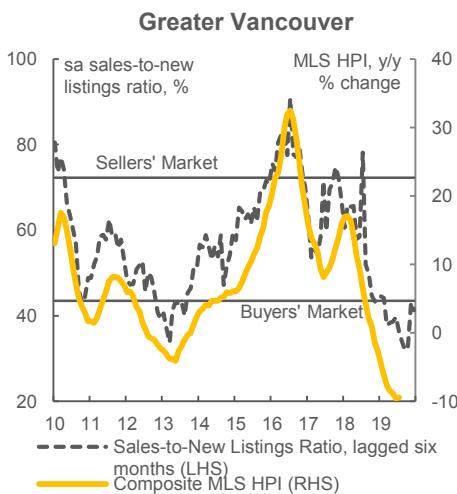
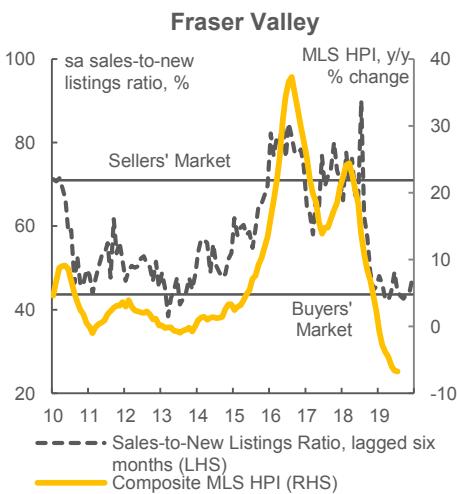
## Scotiabank Housing Market Watch—July 2019

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

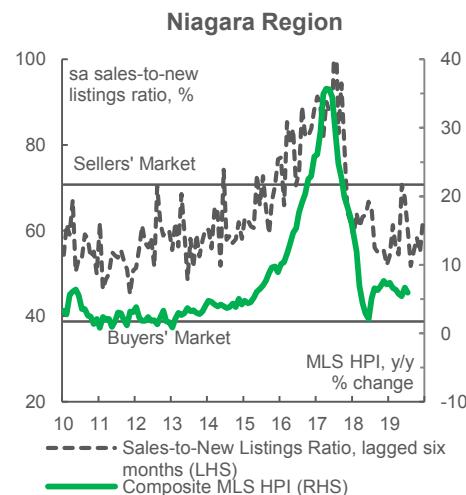
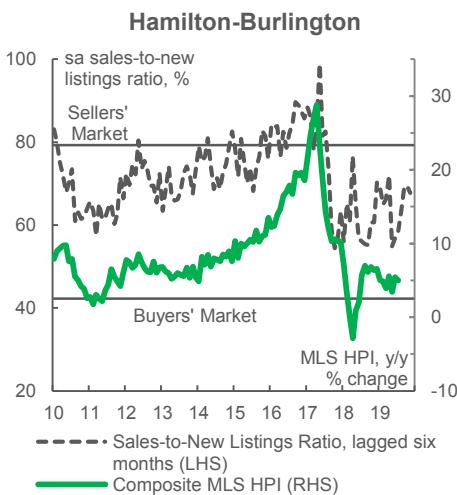
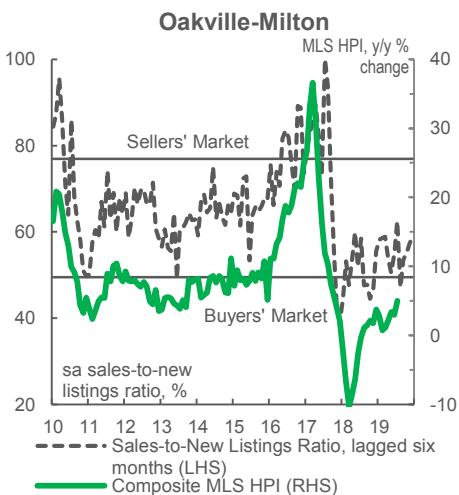
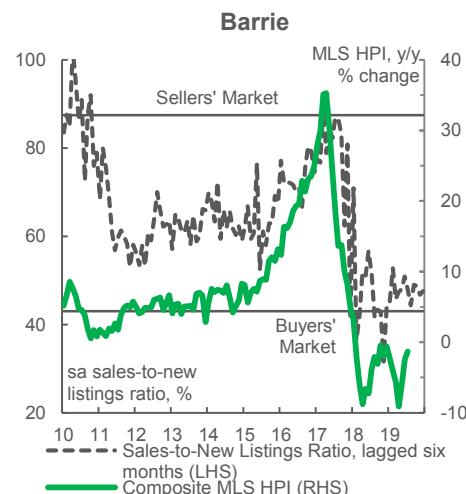
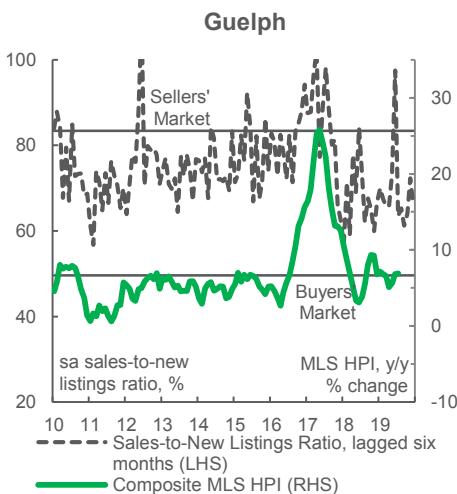
### WESTERN CANADA



Sources: Scotiabank Economics, CREA.

## MLS Home Price Indices (cont.)

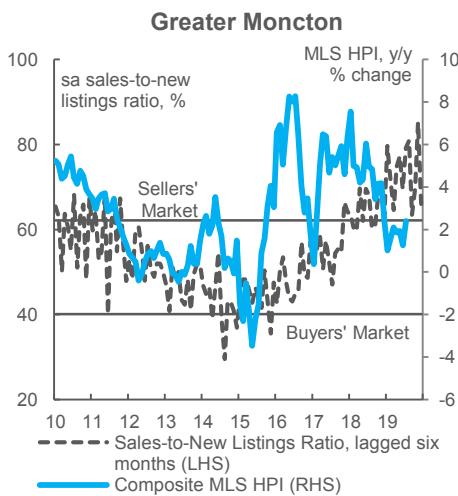
### ONTARIO GREATER GOLDEN HORSESHOE



Sources: Scotiabank Economics, CREA.

## MLS Home Price Indices (cont.)

### OTHER



Sources: Scotiabank Economics, CREA.

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