

Contributors

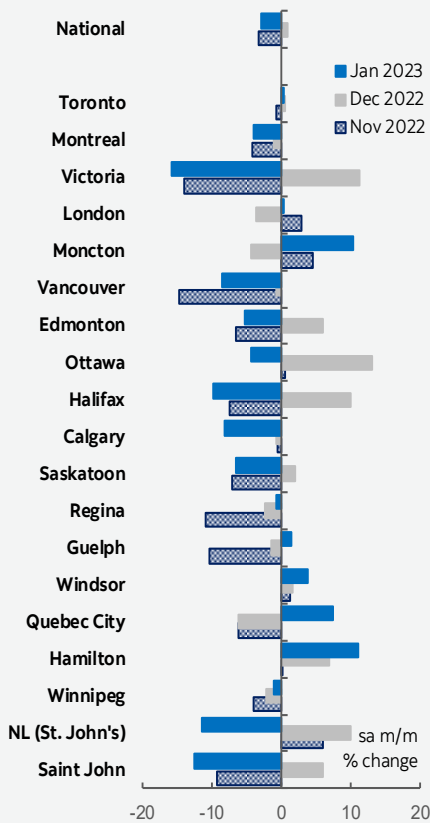
Farah Omran
Economist
Scotiabank Economics
416.866.4315
farah.omran@scotiabank.com

Canada	Jan-23	Dec-22	Jan-23
	m/m ¹	m/m ¹	y/y ²
Sales (% change)	-3.0	1.0	-37.1
New listings (% change)	3.3	-6.0	-1.1
Average price (% change)	-1.8	-0.6	-14.8
MLS HPI (% change)	-1.9	-1.7	-12.6

	Jan-23	Dec-22	Jan-22
Sales-to-new listings ratio (level) ¹	50.7	54.0	81.3
Months inventory (level) ¹	4.3	4.1	1.7

¹seasonally adjusted ²not seasonally adjusted

Home Sales for Select Cities



Sources for chart and table: Scotiabank Economics, CREA.

Canadian Home Sales — January 2023

CANADA HOUSING MARKET: NO NEW YEAR RESOLUTIONS

SUMMARY

Canadian home sales fell 3% (sa m/m) in January, while listings moved in the opposite direction, rising by 3.3%, recovering only half of last month's decline. This pullback in sales combined with the increase in listings eased the sales-to-new listings ratio, an indicator of how tight the market is, to 50.7%, pushing the national housing market further into balanced territory. Months of inventory continued to climb up from record lows, reaching 4.3 months—a significant improvement from its all-time low of 1.7 months in early 2022, but still a full month below its long-term average.

Of the 31 local markets we track, 19 started the year in balanced territory compared to 24 at the end of 2022. Three markets, Vancouver, Victoria, and Okanagan-Mainline, joined Toronto, Barrie, and Windsor, in buyers' territory, while Lethbridge and Quebec City joined the sellers' market ranks.

Prices declined again in January in line with a more balanced market. The composite MLS Home Price Index (HPI) edged down 1.9% (sa m/m) in January, starting the year 15% below its February 2022 peak, and 30% above pre-pandemic levels. Single-family homes continued to lead monthly price declines, falling by 2.3%, with the larger two-storeys segment declining by 2.5%, compared to only 1.5% and 1.1% declines for townhomes and apartments respectively. Relative to January 2022 the composite MLS HPI (nsa) was 12.8% lower, with single-family homes 14.8% lower and apartments 3.8% lower, the first time this segment records an annual decline since September 2019.

IMPLICATIONS

Finally, Canada's housing market and several people have something in common, no big new year resolutions for 2023. (Please refer to last month's [report](#) for a comprehensive summary of the 2022 housing market.)

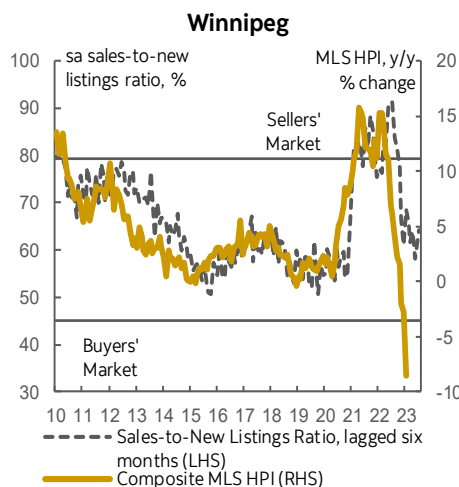
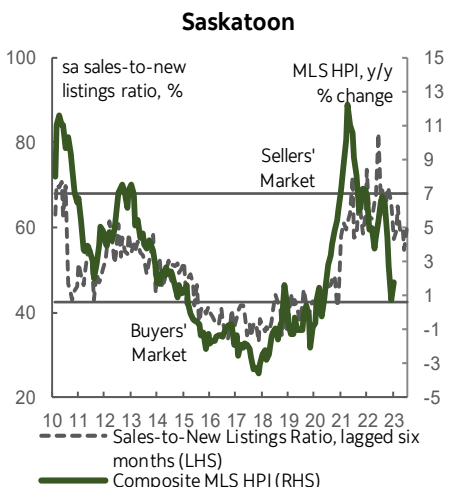
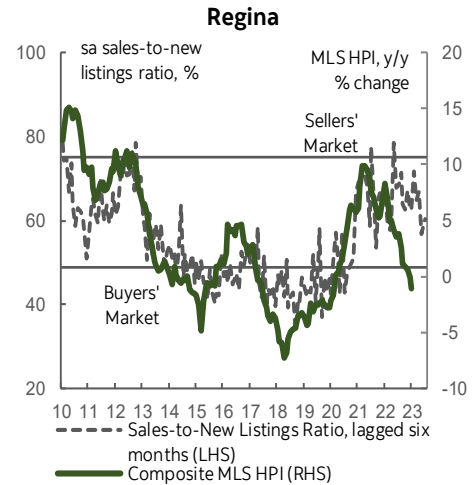
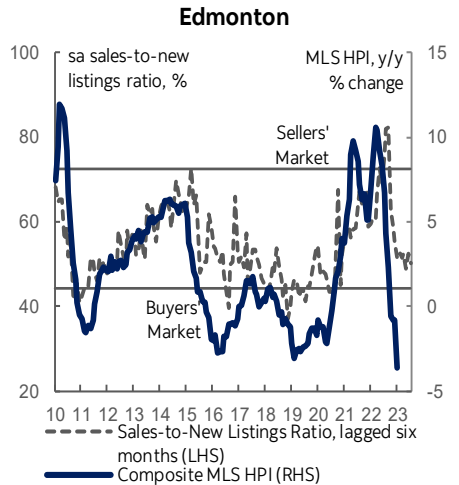
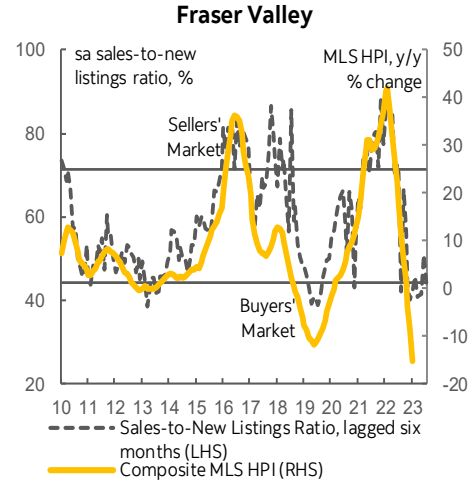
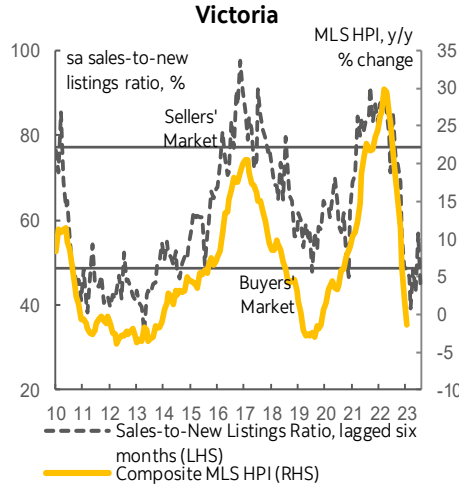
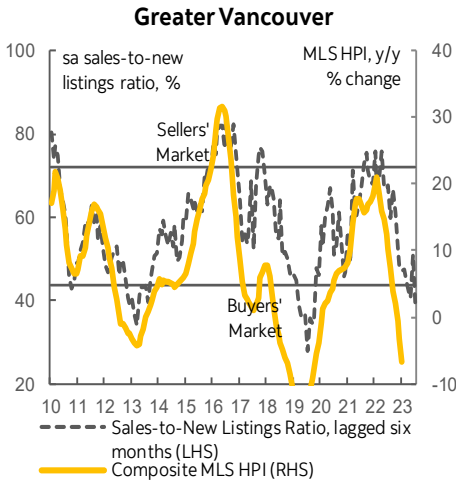
Canada's housing market started the year continuing much of the trend of the past few months. Sales eased, while listings remained in short supply despite January's increase, with many sellers remaining on the sidelines due to price and general economic environment uncertainty. Historically low listings are likely subduing both sales activity and also the impact of demand softness on prices.

We continue to see more room for prices to decline in some markets. The expected eventual uptick in demand driven by population growth, resilient labour markets, and the expected stabilization in the Bank of Canada's policy rate with the predicted decline in inflation, coupled with supply challenges including an aging population and barriers to increasing existing housing stock, should provide support to house price growth in the longer term.

Scotiabank Housing Market Watch—January 2023																		
Rank ¹	Real Estate Board	Last Month Rank	Monthly Change	Sales-to-New Listings Ratio				Market Type	24-month Evolution	Unit Sales ³			Avg. Sales Prices ³			New Listings ³		
				Sales-to- New Listings Ratio	Std. Dev. from Long-Term Mean ²	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	--	--	50.7	-0.4	•	Balanced		-3.0	-38.6	-26.7	-1.8	-10.3	2.5	3.3	-6.3	-1.2	
1	Lethbridge	5	↑ 4	87.0	2.0	•	Sellers'		11.4	-25.7	-13.7	-10.3	1.4	5.6	-9.0	-12.8	-2.7	
2	Saint John	2	→ 0	78.2	1.8	•	Sellers'		-12.5	-37.7	-23.3	-13.8	5.7	12.9	-15.8	-12.5	-9.1	
3	NL (St. John's)	1	↓ 2	67.0	1.6	•	Sellers'		-11.5	-17.9	-10.0	-2.9	6.5	6.8	-5.8	-5.8	-8.6	
4	Quebec City	6	↑ 2	83.5	1.4	•	Sellers'		7.5	-28.9	-13.8	-2.8	4.9	7.3	-4.6	-6.4	-1.7	
5	Moncton	4	↓ 1	73.5	1.3	•	Sellers'		10.3	-28.9	-23.0	1.0	-5.7	14.3	4.2	3.3	0.0	
6	Thunder Bay	10	↑ 4	80.9	1.3	•	Sellers'		15.6	-17.8	-8.6	-0.9	-7.9	6.6	-6.4	-12.6	4.7	
7	Calgary	7	→ 0	69.0	0.6	•	Balanced		-8.1	-31.9	-1.7	-0.4	1.9	4.6	-8.7	-18.9	1.1	
8	Halifax	8	→ 0	75.3	0.4	•	Balanced		-9.8	-30.6	-26.0	8.3	-2.7	12.0	-6.9	-12.1	-10.6	
9	Peterborough	13	↑ 4	62.6	0.3	•	Balanced		2.5	-22.4	-25.0	-3.1	-24.1	0.4	-4.4	29.2	10.5	
10	Sudbury	3	↓ 7	55.3	0.2	•	Balanced		-2.6	-36.7	-20.3	-0.7	-9.6	10.0	30.1	-16.5	-5.1	
11	Saskatoon	9	↓ 2	57.6	0.2	•	Balanced		-6.5	-29.4	-15.0	-1.8	-2.1	1.0	-3.6	-7.2	-8.8	
12	Winnipeg	14	↑ 2	64.2	0.1	•	Balanced		-1.1	-26.8	-19.1	-1.8	-2.4	6.4	-4.0	10.5	-0.7	
13	Regina	16	↑ 3	60.5	-0.1	•	Balanced		-0.7	-29.1	-5.9	2.6	-13.5	-4.6	-4.5	-7.7	-5.0	
14	Kingston	11	↓ 3	48.6	-0.2	•	Balanced		-6.7	-33.9	-26.6	3.2	-4.9	7.8	2.0	28.2	9.0	
15	Montreal	12	↓ 3	55.8	-0.4	•	Balanced		-4.0	-38.1	-22.3	-0.9	-3.3	6.0	6.3	-5.1	1.2	
16	PEI (Charlottetown)	15	↓ 1	45.9	-0.4	•	Balanced		6.0	-31.9	-20.8	-10.2	8.5	12.9	12.5	5.4	-1.0	
17	Hamilton-Burlington	24	↑ 7	53.5	-0.5	•	Balanced		11.1	-34.7	-30.6	-6.9	-16.2	2.9	5.2	4.9	7.5	
18	Edmonton	18	→ 0	50.3	-0.6	•	Balanced		-5.3	-29.6	-6.2	-2.6	-5.6	0.9	-1.3	-3.1	3.5	
19	Ottawa	22	↑ 3	46.7	-0.7	•	Balanced		-4.4	-37.0	-26.2	-2.0	-4.9	3.7	-1.5	14.0	1.2	
20	Guelph	28	↑ 8	55.0	-0.7	•	Balanced		1.5	-33.7	-28.7	-3.3	-18.5	3.4	-1.6	0.0	8.4	
21	London	27	↑ 6	43.4	-0.9	•	Balanced		0.4	-40.3	-31.1	-9.0	-15.4	4.5	2.9	10.3	12.8	
22	St. Catharines	26	↑ 4	41.3	-0.9	•	Balanced		-4.6	-43.2	-35.1	-2.7	-17.2	2.3	-0.9	17.2	13.0	
23	Brantford	25	↑ 2	44.7	-0.9	•	Balanced		-7.7	-39.6	-27.7	-1.5	-22.0	0.3	3.0	17.9	16.6	
24	Fraser Valley (Abbotsford)	19	↓ 5	44.2	-1.0	•	Balanced		2.6	-58.0	-46.6	-4.7	-21.0	-0.8	18.3	-30.0	-10.0	
25	KW*	21	↓ 4	48.1	-1.0	•	Balanced		-5.5	-44.0	-27.6	-0.7	-14.9	2.8	8.7	-13.8	8.9	
26	Barrie	30	↑ 4	42.2	-1.1	•	Buyers'		2.3	-33.7	-33.0	-5.9	-15.8	3.9	-6.5	21.8	21.9	
27	Okanagan-Mainline (Kelowna)	23	↓ 4	34.7	-1.1	•	Buyers'		-9.4	-50.5	-34.9	-0.5	-4.3	9.0	13.4	-4.4	8.4	
28	Windsor	29	↑ 1	41.4	-1.2	•	Buyers'		3.8	-43.5	-26.5	0.0	-15.6	5.3	7.6	-5.5	12.0	
29	Victoria	17	↓ 12	43.4	-1.3	•	Buyers'		-15.9	-37.0	-32.6	-2.8	-8.8	6.9	10.1	7.9	4.1	
30	Vancouver	20	↓ 10	37.7	-1.4	•	Buyers'		-8.6	-53.8	-37.5	-1.6	-5.5	3.6	23.6	-24.4	-14.5	
31	Toronto	31	→ 0	39.3	-1.6	•	Buyers'		0.3	-48.0	-39.5	-3.0	-11.1	2.4	2.8	-11.0	-7.6	

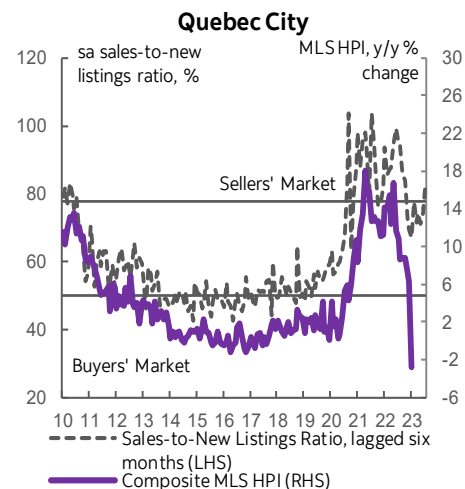
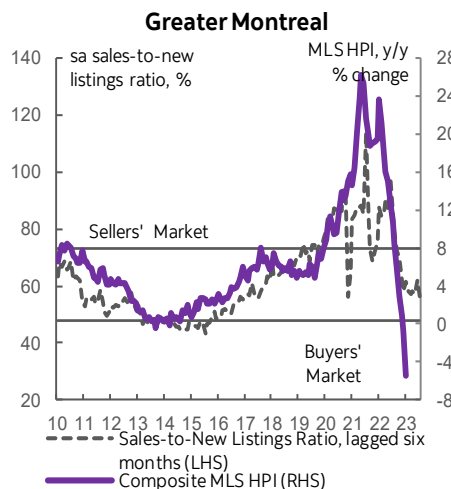
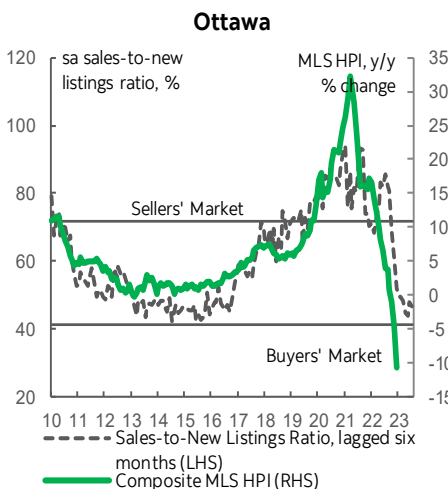
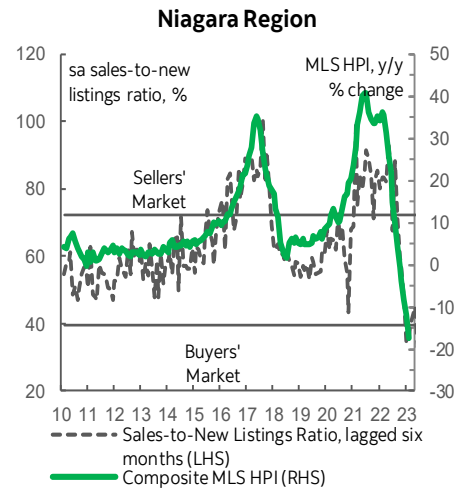
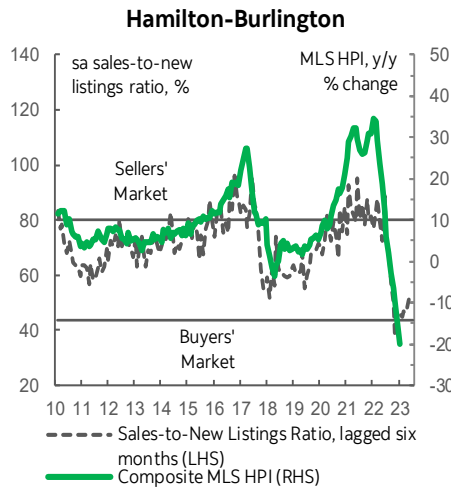
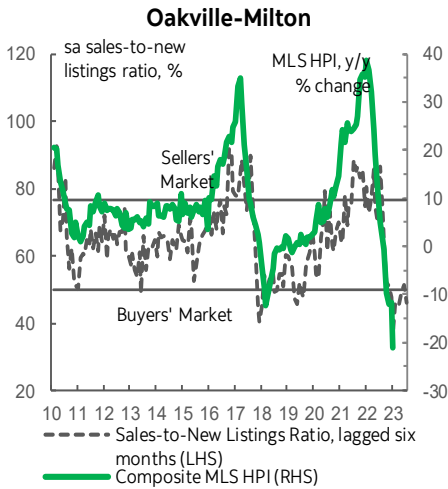
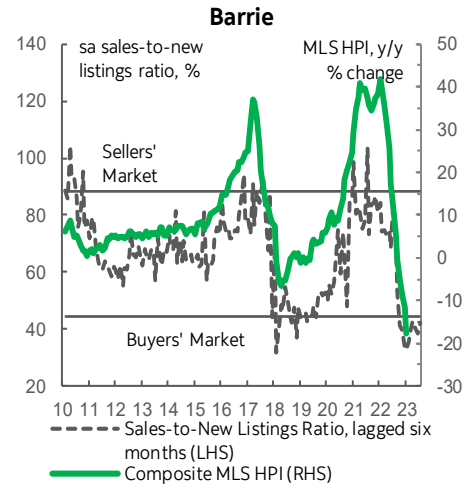
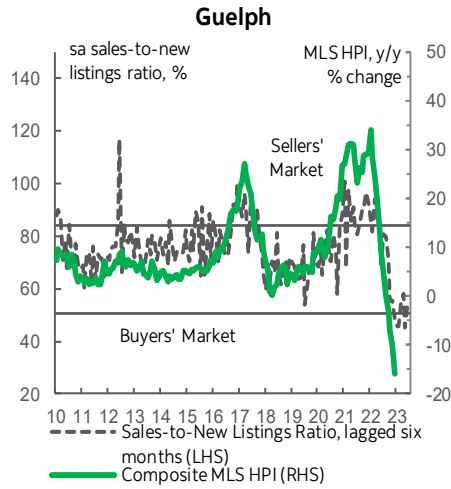
¹ Ordered from most- to least-tilted towards sellers. ² A market is tilted towards sellers, and likely to witness upward pressure on prices, if its sales-to-new listings ratio greater than the long-term mean plus one standard deviation. A sales-to-new listings ratio below the long-term mean less than 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. ³ Year-over-year percentage change. * Kitchener-Waterloo. Sources: Scotiabank Economics, CREA.

MLS Home Price Indices — Western Canada



Sources: Scotiabank Economics, CREA.

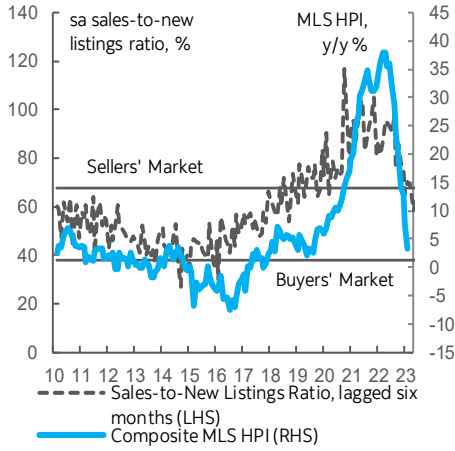
MLS Home Price Indices (cont.) — Eastern Canada



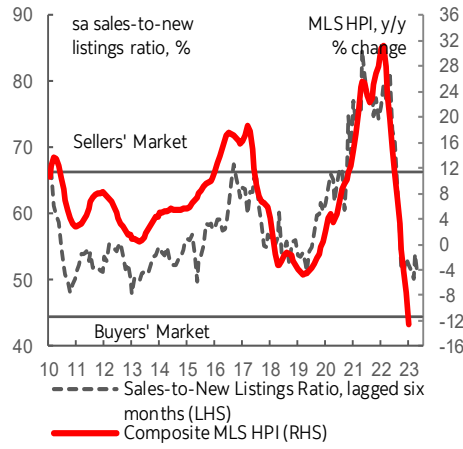
Sources: Scotiabank Economics, CREA.

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

Greater Moncton



Canadian Aggregate



Sources: Scotiabank Economics, CREA.

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