

Canadian Home Sales — April

SUMMARY

Canadian Real Estate Association (CREA) [data](#) revealed broad-based buoyant home sales activity across the country in April 2019. Home purchases increased 3.6%¹, a climb that brought country-wide sales roughly in line with their level prior to February's 7.2% plunge. A 2.7% new listings increase kept the national sales-to-listings ratio in balanced market territory, while average sales prices rose a healthy 1.4% for the second consecutive month. Of the 31 centres for which we have data, 19 witnessed increases in home purchases, and 23 were in balanced market territory, as indicated by the sales-to-new listings ratio. The aggregate MLS Home Price Index (HPI) gained 0.7% versus year-earlier levels.

Montreal had the tightest supply-demand conditions of any major centre in Canada in April. Our inaugural ranking of local market tightness (table, p.2) indicates a sales-to-new listings ratio of 71.6%—more than two standard deviations higher than the city's long-run mean. Sellers' market conditions prevailed in Ottawa, ranked #3 in April, as well despite a hefty 7.8% rise in new listings. Tightness also persisted in New Brunswick centres and in Ontario cities outside of the Greater Golden Horseshoe (GGH) such as London and Windsor, though it has abated somewhat this year in the latter agglomeration.

By contrast, near-term market conditions in Southern BC remain the most tilted towards buyers despite well-documented longer-run affordability pressures. Vancouver and Fraser Valley were the only two cities in buyers' market territory in April, but sales activity remains weak across the region after the imposition of new taxes that target the high end of the market as of January 1, 2019.

Sales increases tilted conditions in major cities in Canada's net oil-producing regions back into balanced market territory. Home purchases rose over 11% in Regina and Saskatoon (chart) to continue those cities' strong starts to the year, while weak listings growth additionally contributed to market-type reversals in Calgary and Edmonton. Toronto and Guelph were the only centres in the GGH to see strong sales growth in April, and the former city's 11.2% jump recouped a 9% drop in February. Conditions stayed balanced in every GGH city.

IMPLICATIONS

April's broad-based rises in sales activity lend credence to our view that the February soft patch was temporary and influenced by poor weather conditions. Not all centres have fully recovered from that early-year dip, but April results are still positive, especially for Toronto.

We hold that tightness in Montreal and Ottawa will ease as we progress through this year as growth cools in Central Canada. For both cities, sales activity looks to be moderating, and residential construction activity is solid.

BC housing markets continue to adjust to new policy, but we still look for a return to sales and price growth, supported by healthy job creation and population growth, towards the end of 2019.

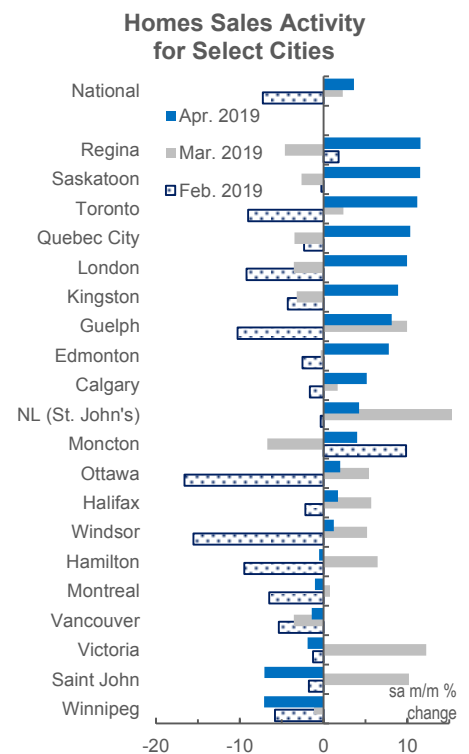
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Canada	Apr-19	Mar-19	Apr-19
	m/m ¹	m/m ¹	y/y
Sales (% change)	3.6	2.3	4.2
New listings (% change)	2.7	3.4	2.8
Average price (% change)	1.4	1.4	0.3
MLS HPI (% change) ²	0.7	0.8	-0.3

	Apr-19	Mar-19	Apr-18
Sales-to-new listings ratio (level) ¹	54.8	54.3	53.3
Months inventory (level) ¹	5.3	5.5	5.5

¹ seasonally adjusted ² not seasonally adjusted



Sources for chart and table: Scotiabank Economics, CREA.

¹ Sales and listings figures reported in sa m/m terms, while MLS HPI growth rates reported as nsa y/y.

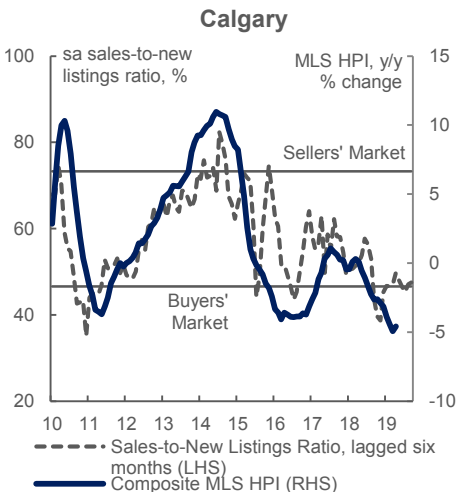
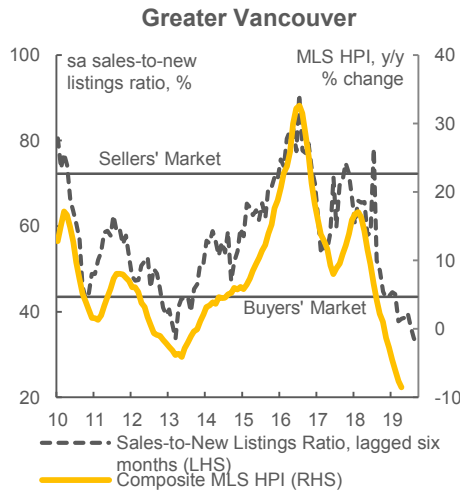
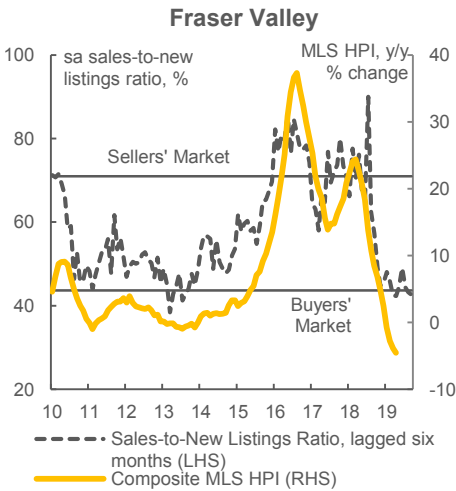
Scotiabank Housing Market Watch—April 2019

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	--	--	54.8	0.1	•	Balanced		3.6	-0.9	-6.7	1.4	0.5	1.2	2.7	-1.9	-3.2
1	Montreal	1	0	71.6	2.1	•	Sellers'		-1.0	6.3	5.3	0.2	6.8	6.1	-0.2	-2.2	-3.5
2	Moncton	7	5	69.3	1.7	•	Sellers'		4.0	5.6	4.0	7.7	5.2	6.6	-4.8	-2.8	-5.8
3	Ottawa	3	0	74.0	1.4	•	Sellers'		2.0	-2.2	-0.2	0.3	7.2	4.6	7.8	-11.3	-6.3
4	London	8	4	71.8	1.4	•	Sellers'		10.0	4.9	-3.1	3.0	12.6	13.3	3.0	8.8	1.4
5	Saint John	2	3	58.4	1.1	•	Sellers'		-7.1	8.7	3.1	-0.8	-1.3	3.0	8.1	-14.4	-15.5
6	Kingston	9	3	65.2	1.0	•	Sellers'		8.9	2.6	-4.7	2.6	7.9	8.2	0.4	0.4	0.6
7	Windsor	4	3	65.8	1.0	•	Balanced		1.2	5.6	-1.3	1.7	17.1	13.8	8.3	16.8	4.4
8	Halifax	5	3	73.3	0.8	•	Balanced		1.7	4.5	3.9	-5.8	2.7	1.5	12.5	-11.8	-6.9
9	PEI (Charlottetown)	13	4	68.4	0.8	•	Balanced		18.2	-19.5	-9.0	2.1	8.6	4.8	-4.0	-4.8	-2.1
10	Sudbury	6	4	59.1	0.8	•	Balanced		-8.8	-4.9	-7.2	2.6	0.3	1.6	2.4	-16.3	-12.1
11	KW*	12	1	63.0	0.1	•	Balanced		-1.3	-3.9	-4.7	4.4	5.8	6.6	2.9	-4.0	-4.1
12	St. Catharines	15	3	55.4	0.0	•	Balanced		4.7	21.1	-1.3	0.4	7.6	6.2	4.8	27.2	8.0
13	Hamilton-Burlington	17	4	60.3	0.0	•	Balanced		-0.5	5.3	-3.1	-0.3	3.6	2.9	-3.8	3.5	-4.1
14	Peterborough	10	4	52.3	-0.2	•	Balanced		-18.0	-7.2	-8.4	-0.1	6.1	5.8	1.8	5.4	3.2
15	Lethbridge	16	1	54.9	-0.2	•	Balanced		-2.9	5.7	-1.4	4.8	4.5	-0.3	-0.3	-6.1	4.3
16	Brantford	14	2	56.1	-0.2	•	Balanced		-6.0	20.6	-2.2	1.0	6.6	6.7	4.5	24.3	5.4
17	Guelph	19	2	62.6	-0.2	•	Balanced		8.1	1.5	-2.4	-0.4	3.7	4.5	5.8	7.9	1.2
18	Okanagan-Mainline (Kelowna)	18	0	46.7	-0.3	•	Balanced		5.8	-11.6	-20.5	2.1	-1.0	1.6	9.8	2.9	5.2
19	Thunder Bay	11	8	57.4	-0.3	•	Balanced		-4.6	1.4	0.0	-3.5	2.6	1.2	9.1	1.8	-3.7
20	Quebec City	24	4	57.3	-0.4	•	Balanced		10.3	7.4	5.4	-1.4	1.9	2.5	2.3	4.0	3.6
21	Toronto	21	0	52.9	-0.4	•	Balanced		11.2	5.2	-1.9	1.1	1.4	1.7	8.1	-1.5	-9.7
22	Winnipeg	20	2	53.5	-0.5	•	Balanced		-7.1	0.7	-3.5	2.0	1.2	1.5	-3.9	1.7	3.6
23	Victoria	22	1	54.1	-0.6	•	Balanced		-1.9	-12.5	-19.4	1.2	0.1	3.1	-4.2	4.3	0.5
24	NL (St. John's)	23	1	39.1	-0.6	•	Balanced		4.2	11.1	-5.4	0.9	-3.7	-1.9	2.3	-7.4	-0.3
25	Calgary	26	1	51.5	-0.6	•	Balanced		5.2	-3.0	-10.5	-1.3	-4.9	-2.4	-3.1	-10.8	-3.2
26	Barrie	25	1	49.0	-0.7	•	Balanced		1.7	13.9	2.5	-2.5	4.3	0.8	1.6	2.4	11.3
27	Saskatoon	29	2	44.0	-0.9	•	Balanced		11.5	10.3	-1.0	4.5	-3.3	-2.5	2.5	0.8	-6.8
28	Edmonton	27	1	45.9	-0.9	•	Balanced		7.8	-5.3	-6.5	-0.7	-3.0	-2.2	3.8	-6.8	0.5
29	Regina	30	1	49.2	-1.0	•	Balanced		11.6	15.7	-1.9	0.0	-1.3	-2.8	-1.8	-5.6	-6.6
30	Fraser Valley (Abbotsford)	28	2	42.1	-1.1	•	Buyers'		1.3	-24.6	-35.3	-3.6	-7.0	-1.0	2.7	-2.7	-2.1
31	Vancouver	31	0	30.8	-1.9	•	Buyers'		-1.4	-31.2	-36.4	0.1	-6.7	-2.0	2.4	0.2	-1.3

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 1990-2018 mean. ³ Year-over-year percentage change. * Kitchener-Waterloo. Sources: Scotiabank Economics, CREA.

MLS Home Price Indices

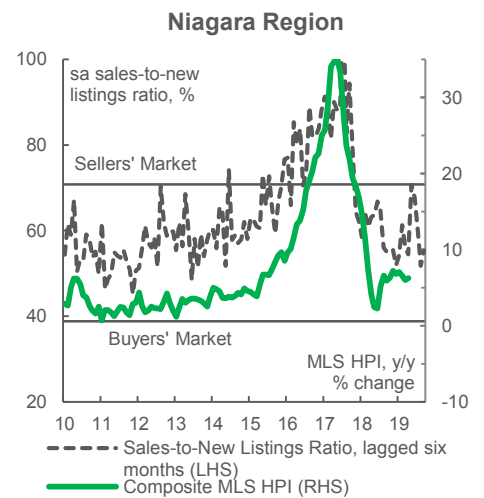
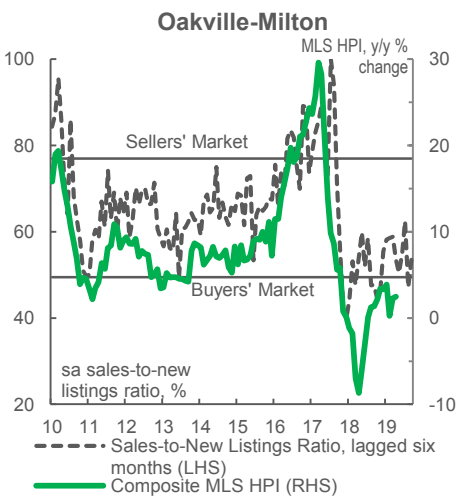
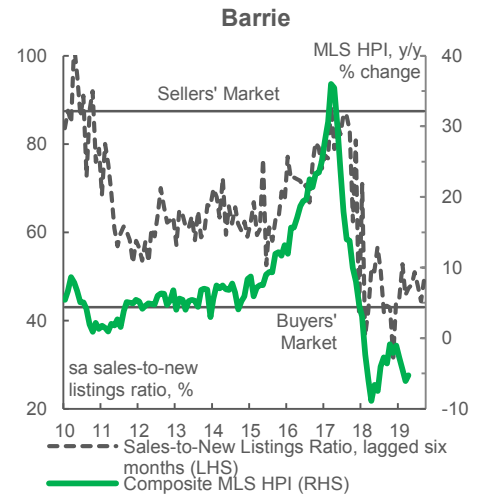
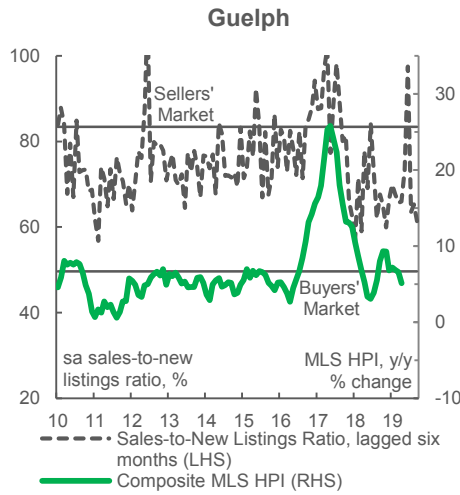
WESTERN CANADA



Sources: Scotiabank Economics, CREA.

MLS Home Price Indices (cont.)

ONTARIO GREATER GOLDEN HORSESHOE



Sources: Scotiabank Economics, CREA.

MLS Home Price Indices (cont.)

OTHER



Sources: Scotiabank Economics, CREA.

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