

Contributors

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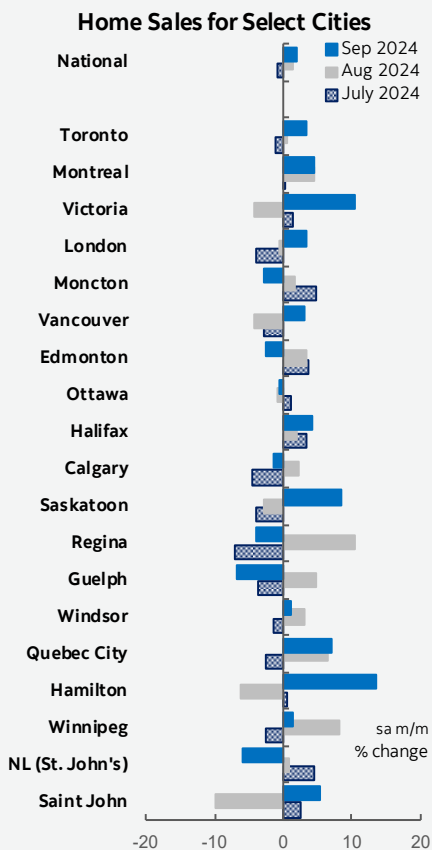
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Canada	Sep-24	Aug-24	Sep-24
	m/m <sup>1</sup>	m/m <sup>1</sup>	y/y <sup>2</sup>
Sales (% change)	1.9	1.4	6.9
New listings (% change)	4.9	1.4	7.6
Average price (% change)	1.4	-1.2	2.2
MLS HPI (% change)	0.1	0.0	-3.3

	Aug-24	Jul-24	Aug-23
Sales-to-new listings ratio (level) <sup>1</sup>	51.3	52.8	51.9
Months inventory (level) <sup>1</sup>	4.1	4.2	3.7

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



Sources for chart and table: Scotiabank Economics, CREA.

# Canadian Home Sales — September 2024

CANADA HOUSING MARKET: SALES CONTINUED THEIR UPWARD TREND IN SEPTEMBER. HAVE WE TURNED THE CORNER?

SUMMARY

**Sales increased from August to September, but national market conditions eased modestly.** National sales rose 1.9% (m/m sa) over this period. But despite this rise, the sales-to-new listings ratio declined 1.5 percentage point to 51.3% as the rise in new listings was stronger at 4.9%. National resale market conditions are still within balanced conditions territory, a situation that has been prevailing for most of the period since April 2022.

Months of inventory were essentially unchanged at the national level from August to September, edging down from 4.2 to 4.1. This is 1.2 months below the pre-pandemic average of 5.3 months. As usual, this other indicator of resale conditions exhibits significant variations across the provinces. It continues to be below its long-term average for all provinces except for Ontario and British Columbia. These latter two provinces now have both 0.4 months of inventory above their long-term average. The largest negative deviations from the historical average are observed for Quebec (4.1 months) and Atlantic provinces (ranging from 3.7 in Newfoundland and Labrador to 5.7 months in New Brunswick).

**From August to September, sales increased in nearly 60% of the markets we monitor, and new listings rose in about 75% of them.**

Four markets—Sudbury, St. Catharines, Victoria, and Hamilton-Burlington—witnessed an above 10% increase in their sales from August to September (m/m sa figures), with the strongest one observed for St. Catharines at 16.1%. For Sudbury and Victoria, their sales-to-new listings ratio declined despite the robust rise in their sales due to an even stronger increase in their new listings (respectively at 14.1% and 16.2%, m/m sa), but their conditions are considered balanced. For Hamilton-Burlington, the stronger monthly rise in sales than for new listings—respectively at 13.5% and 6.3% using seasonally adjusted figures—was sufficient to move its market conditions from buyers’ favouring to balanced conditions.

The sharpest monthly decline in sales was observed for Okanagan-Mainline (Kelowna) at -17.2%, and the second largest decline was observed for Lethbridge with -9.2%. Both of these markets posted a decline in their new listings, which helped to mitigate the softening in their sales-to-new listings ratio. Lethbridge’s conditions are still favouring sellers—which has been the case for almost all the period since January 2023—but the sales-to-new listings ratio in Okanagan-Mainline (Kelowna) has been pushed from balanced to buyers’ favouring conditions from August to September.

**After being flat from July to August, the MLS Home Price Index (HPI) for national market edged up 0.1% from August to September (using sa figures). This price index declined 3.3% from September 2023 to September 2024 (nsa figures).**

The stability of this price index since December 2023 has continued in September. Indeed, the general easing in the national sales-to-new listings ratio since the beginning of this year helped limit the pressure on house prices.

The rise in the MLS HPI from August to September was due to a 0.6% increase in this price index for one-storey units. This index declined for the other types, meaning for two-storey, townhouse and apartment units. From the same month in 2023, the MLS HPI for all these unit-types declined, consistent with the easing in housing market conditions over most of this period as reflected by the downward trend in the sales-to-new listings ratio.

**IMPLICATIONS**

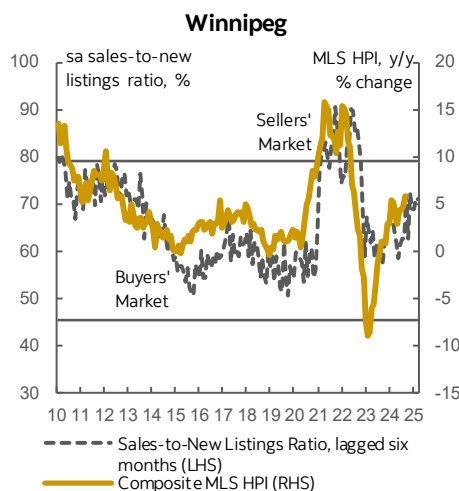
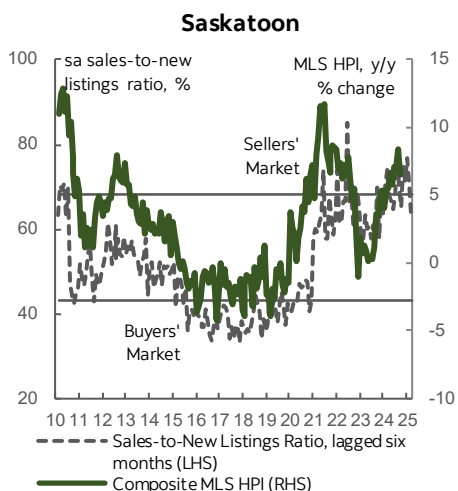
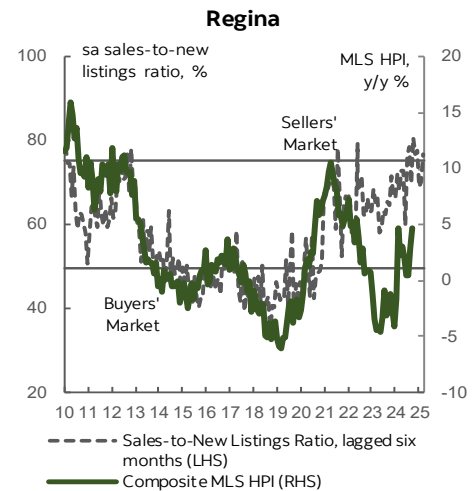
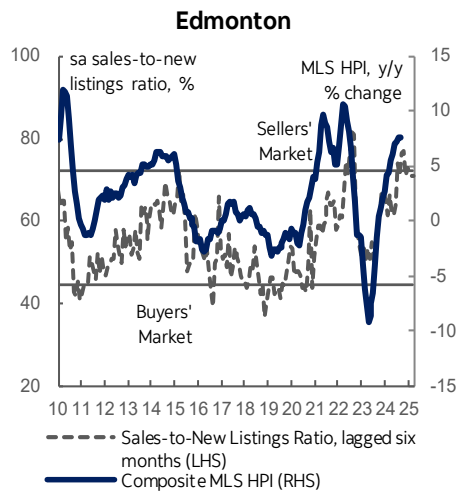
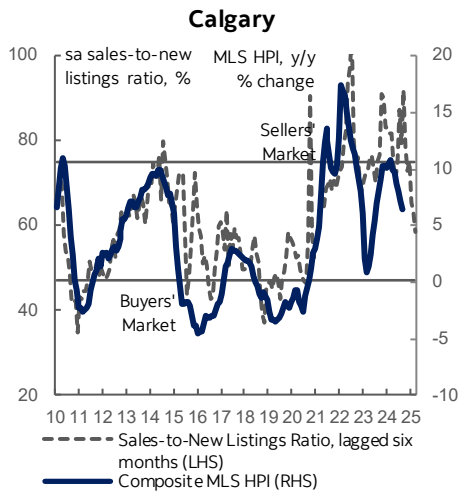
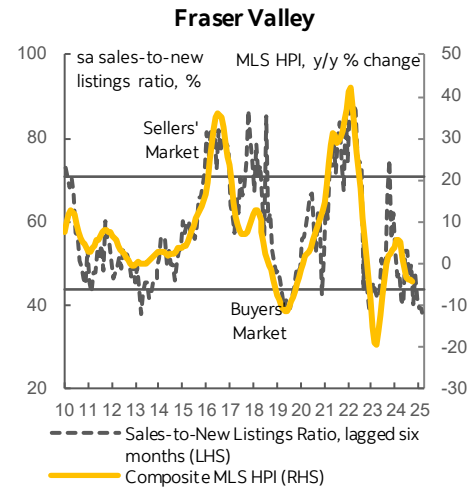
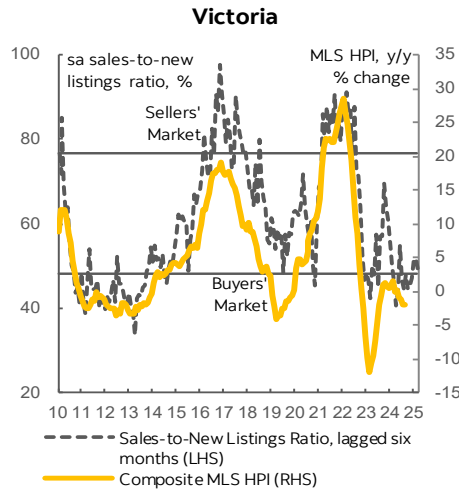
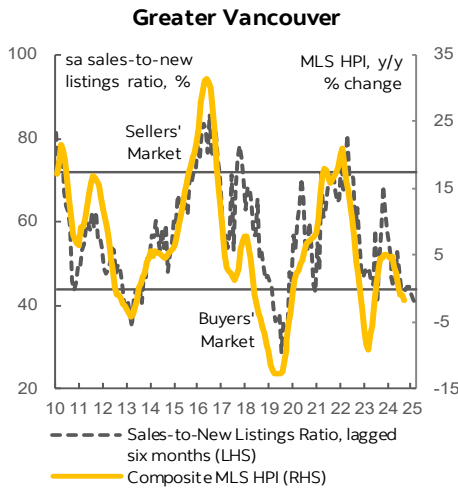
Sales have been on an upward trend since April of this year, consistent with the recovery we have been expecting for several months. Housing markets are supported by declining interest rates and clearer signals by the U.S. and Canada's monetary authorities that their policy rate will decline further. We also expect additional support from the recent announcement by the Government of Canada of easier mortgage underwriting conditions to be implemented in mid-December (and mentioned in our September [Housing News Flash](#)). So far, the recovery in sales has not generated too much pressure on house prices, but we expect these supportive factors will eventually lead to a tightening of market conditions, thereby leading to an upward trend in house prices. However, still very tight affordability conditions for home ownership will slow the recovery. And the heightened uncertainty from recent geopolitical events can also weigh on potential buyers' confidence.

Scotiabank Housing Market Watch—September 2024

Rank <sup>1</sup>	Real Estate Board	Sales-to-New Listings Ratio						Unit Sales <sup>3</sup>			Avg. Sales Prices <sup>3</sup>			New Listings <sup>3</sup>		
		Last Month Rank	Monthly Change	Sales-to-New Listings Ratio	Std. Dev. from Long-Term Mean <sup>2</sup>	Market Type	24-month Evolution	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	--	--	51.3	-0.4	I I	Balanced	1.9	3.2	2.8	1.4	1.3	2.8	4.9	7.5	12.5
1	Quebec City	4	↑ 3	95.0	2.2	I I	Sellers'	7.1	12.7	11.5	5.1	11.6	8.8	-4.4	0.4	4.3
2	Lethbridge	1	↓ 1	83.7	1.7	I I	Sellers'	-9.2	6.4	5.9	-3.4	15.1	11.1	-1.8	2.0	-0.4
3	Thunder Bay	2	↓ 1	81.3	1.4	I I	Sellers'	-4.0	0.3	-1.3	-5.8	-3.0	5.3	0.0	-9.3	0.0
4	Regina	11	↑ 7	77.0	1.1	I I	Sellers'	-4.1	6.9	14.7	6.9	9.5	5.0	-12.6	1.5	1.8
5	Saint John	5	↔ 0	69.4	1.1	I I	Sellers'	5.2	-5.3	-1.2	-0.8	12.2	10.5	8.4	-3.2	1.8
6	Saskatoon	12	↑ 6	68.7	1.0	I I	Sellers'	8.5	-2.2	5.7	6.4	10.3	6.3	-0.5	1.9	-2.1
7	Sudbury	6	↓ 1	67.1	0.9	I I	Balanced	12.3	5.5	9.4	7.5	2.5	4.2	14.1	-4.9	9.0
8	Edmonton	7	↓ 1	70.8	0.9	I I	Balanced	-2.6	16.6	24.7	2.1	10.5	7.2	-2.7	5.5	6.0
9	Halifax	10	↑ 1	72.5	0.7	I I	Balanced	4.2	13.5	7.9	0.4	3.5	4.8	3.0	13.1	9.4
10	PEI (Charlottetown)	9	↓ 1	61.9	0.7	I I	Balanced	0.0	7.8	2.7	-3.6	0.3	0.0	0.4	1.8	9.2
11	Moncton	3	↓ 8	65.2	0.7	I I	Balanced	-2.8	13.0	3.9	1.5	7.3	10.8	14.6	11.0	14.7
12	Winnipeg	13	↑ 1	71.3	0.5	I I	Balanced	1.3	8.4	8.7	1.1	4.0	5.4	1.5	1.7	2.5
13	Montreal	14	↑ 1	66.1	0.4	I I	Balanced	4.5	12.7	10.2	2.0	4.7	5.2	2.7	7.7	12.0
14	NL (St. John's)	8	↓ 6	50.6	0.2	I I	Balanced	-6.1	-0.1	-1.2	-2.0	7.3	6.3	8.1	3.0	4.1
15	Calgary	15	↔ 0	58.3	-0.2	I I	Balanced	-1.3	-13.5	1.0	1.0	14.5	12.3	7.2	13.2	11.2
16	Ottawa	16	↔ 0	53.1	-0.2	I I	Balanced	-0.6	10.3	5.1	0.9	-0.2	1.4	2.6	5.9	13.1
17	Kingston	20	↑ 3	42.9	-0.6	I I	Balanced	9.2	12.0	5.5	3.6	-0.4	-1.6	-0.2	11.9	16.3
18	St. Catharines	24	↑ 6	43.6	-0.7	I I	Balanced	16.1	3.4	0.0	-3.9	-0.7	-0.6	9.4	1.8	13.4
19	London	21	↑ 2	43.4	-0.9	I I	Balanced	3.4	-2.1	1.5	2.0	-1.5	-0.9	4.8	-1.8	11.2
20	Victoria	17	↓ 3	49.3	-0.9	I I	Balanced	10.5	8.3	1.9	1.2	-5.7	0.1	16.2	7.1	19.0
21	Hamilton-Burlington	27	↑ 6	44.7	-0.9	I I	Balanced	13.5	-1.3	-4.8	0.8	1.4	1.6	6.3	6.0	13.1
22	Brantford	25	↑ 3	42.9	-1.0	I I	Buyers'	-1.3	-9.4	-4.4	0.4	-6.2	0.1	0.3	3.3	7.5
23	Okanagan-Mainline (Kelowna)	18	↓ 5	34.9	-1.1	I I	Buyers'	-17.2	-3.5	-9.4	-0.9	-0.1	0.4	-4.4	3.7	13.2
24	KW*	19	↓ 5	46.0	-1.1	I I	Buyers'	-3.9	5.4	3.4	2.9	0.1	-0.3	5.9	1.3	19.5
25	Peterborough	26	↑ 1	38.9	-1.1	I I	Buyers'	1.4	-16.6	-21.1	-1.8	-4.0	-1.0	6.9	-1.0	-6.5
26	Barrie	29	↑ 3	39.5	-1.2	I I	Buyers'	7.5	22.0	-3.3	-1.6	2.8	-0.2	0.5	32.0	22.8
27	Guelph	23	↓ 4	47.1	-1.2	I I	Buyers'	-6.7	11.0	-1.0	0.3	-0.3	0.7	3.9	11.0	20.3
28	Windsor	22	↓ 6	40.9	-1.2	I I	Buyers'	1.3	6.3	0.2	0.4	6.3	3.1	12.5	15.8	11.6
29	Vancouver	28	↓ 1	40.4	-1.2	I I	Buyers'	3.0	-8.7	-3.9	-0.6	-1.5	3.1	5.7	9.7	16.7
30	Fraser Valley (Abbotsford)	30	↔ 0	36.9	-1.5	I I	Buyers'	0.1	-11.8	-4.6	-2.0	2.5	3.9	7.0	12.3	18.7
31	Toronto	31	↔ 0	35.5	-1.9	I I	Buyers'	3.3	1.2	-3.3	0.1	-1.0	0.1	9.8	11.0	19.8

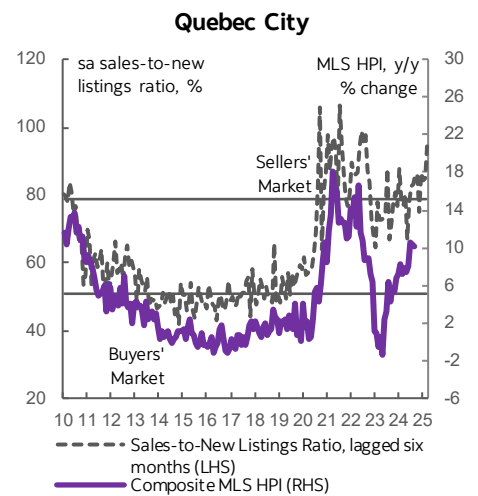
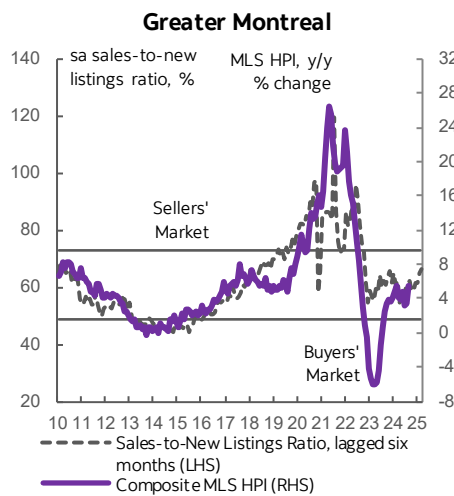
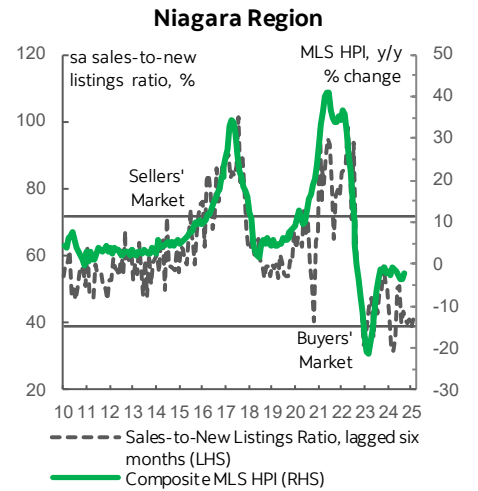
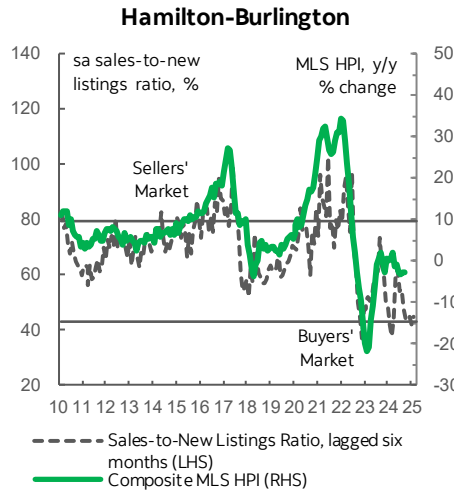
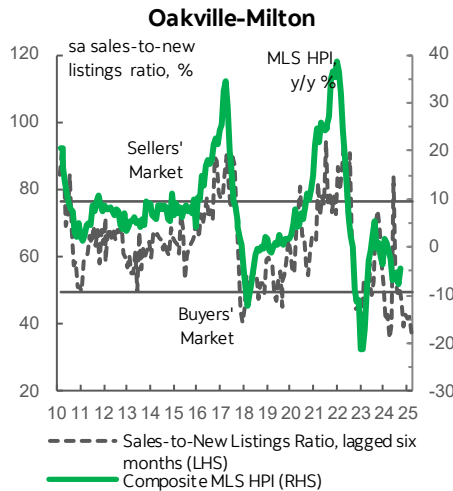
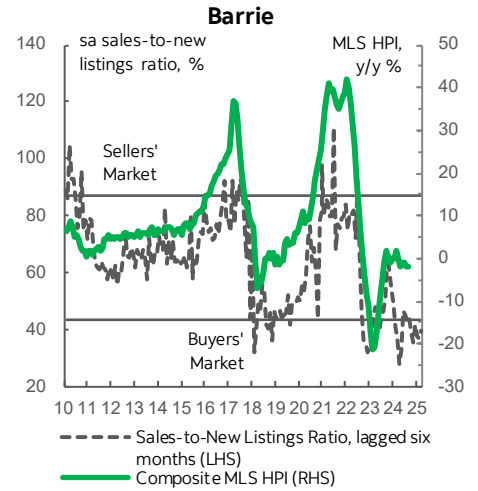
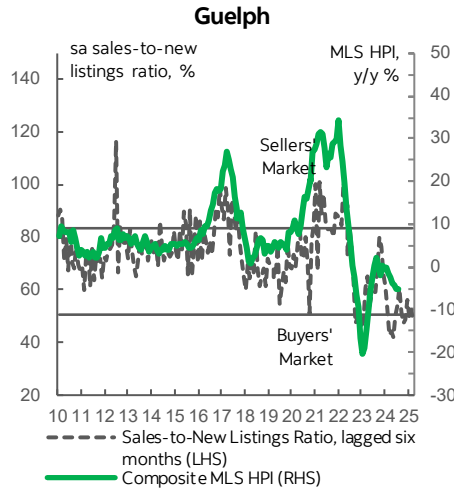
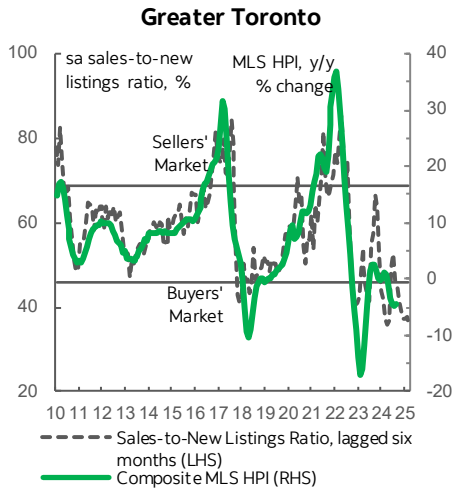
<sup>1</sup> Ordered from most- to least-tilted towards sellers. <sup>2</sup> A market is tilted towards sellers, and likely to witness upward pressure on prices, if its sales-to-new listings ratio greater than the long-term mean plus one standard deviation. A sales-to-new listings ratio below the long-term 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 1990-2020 mean. <sup>3</sup> Year-over-year percentage change. \* Kitchener-Waterloo. Sources: Scotiabank Economics, CREA.

MLS Home Price Indices — Western Canada



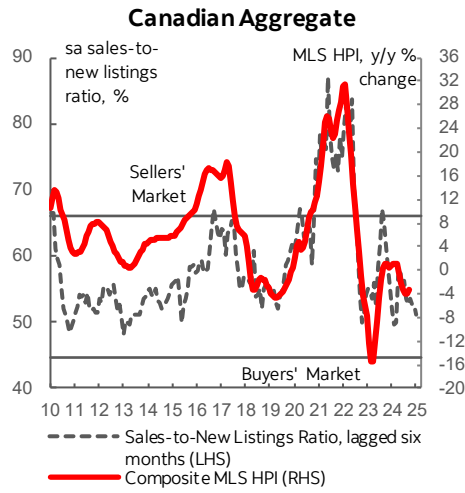
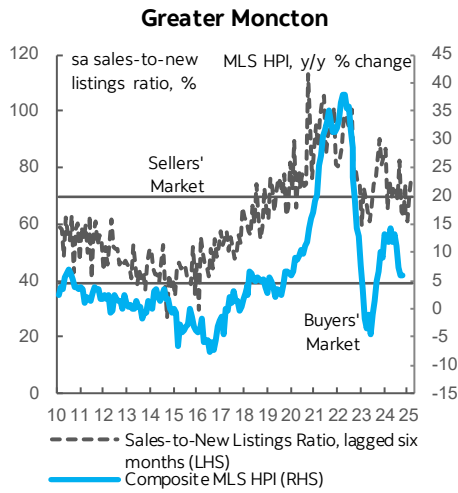
Sources: Scotiabank Economics, CREA.

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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