

Contributors

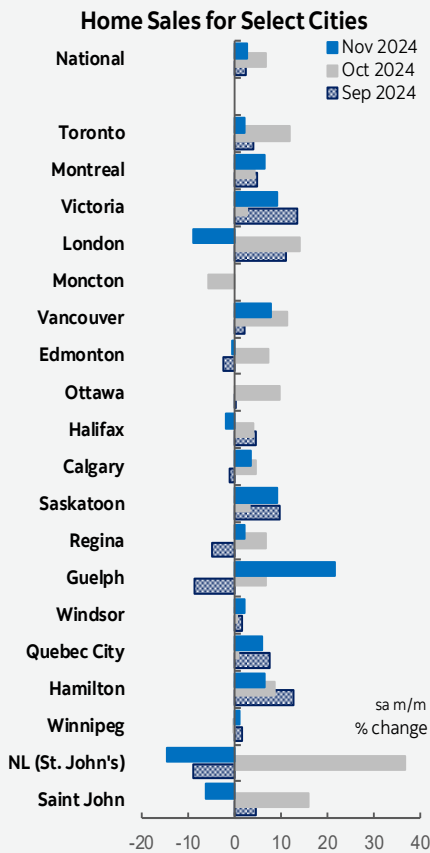
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Canada	Nov-24	Oct-24	Nov-24
	m/m ¹	m/m ¹	y/y ²
Sales (% change)	2.8	6.8	26.0
New listings (% change)	-0.5	-3.0	2.4
Average price (% change)	0.9	2.1	6.4
MLS HPI (% change)	0.6	0.0	-1.2

	Nov-24	Oct-24	Nov-23
Sales-to-new listings ratio (level) ¹	59.2	57.3	48.6
Months inventory (level) ¹	3.7	3.8	4.3

¹seasonally adjusted ²not seasonally adjusted



Sources for chart and table: Scotiabank Economics, CREA.

Canadian Home Sales — November 2024

CANADA HOUSING MARKET: MARKET CONDITIONS TIGHTENED FURTHER IN NOVEMBER, WITH SIGNS THAT HOUSE PRICES MIGHT BE PICKING UP

SUMMARY

National housing resale conditions tightened further in November as sales continued their increase and new listings declined. The upward trend in national sales that started in early summer of this year continued in November with a 2.8% rise (m/m sa), following a near 7% jump in October. Compared to the same month in 2023, national sales were 26% higher (from nsa figures) in November. Since last September, national sales have exceeded their pre-pandemic decade (2010–2019) monthly average of about 40K units (sa figures), standing at 44.6K in November. New listings declined from October to November (-0.5% m/m sa), a second consecutive monthly decline, but were 2.4% higher than their November 2023 level (nsa figures).

With the strong rise in sales and the decline in new listings, the national sales-to-new listings ratio rose from 57.3% in October to 59.2% in November. This indicator now sits in the upper range of the balanced conditions' zone (estimated between 44.7% and 66.1%). Months of inventory also signalled that housing resale conditions tightened from October to November, edging down from 3.8 to 3.7 months over this period. Its November level was the lowest since September of 2023, and was 1.6 months below its longer-term pre-pandemic average. As for the previous report, months of inventory were below their longer-term average in all provinces except for Ontario (at 0.1 month above average), and the largest deviations were again observed for Quebec and Atlantic provinces.

Market conditions—as reflected by the sales-to-new listings ratio—tightened in near 60% of the markets we track from October to November, while near 2/3 of these markets witnessed a rise in their sales over this period.¹

Based on the sales-to-new listings ratio, the number of markets with sellers favouring conditions increased from about 25% in October to near 40% in November, while the number of buyers favouring markets fell to only one, being Toronto.

Above 20% monthly increases in sales were observed for Lethbridge (+25.9% sa), Brantford (25.3%) and Guelph (21.6%). Their sales-to-new listings ratio also tightened as these markets all posted a decline in the number of new listings from October to November. The sharpest monthly declines in sales were observed for NL (St. John's; -14.5%), London (-9%) and Kingston (-8.2%).

Strongest monthly rise in new listings were observed for Saskatoon (6.5% sa), Winnipeg (5.8%) and Toronto and Kingston (both at 4.4%). Sharpest monthly declines were observed for Moncton (-10.8%), Victoria (-10.6%), Lethbridge (-6.4%) and Saint John (-6.2%).

In November, the national MLS House Price Index (MLS HPI) posted its strongest monthly increase (+0.6% sa) since July of 2023, but was -1.2% lower than its level in November 2023 (from nsa figures).

Despite the significant monthly rise in November, this price index does not yet exhibit a significant upward trend since the beginning of this year as the upward trend in new listings helped alleviate market pressures from the rise in sales since the summer. In November, the HPI was still 13.4% below its March 2022 level (from sa figures), the period when the Bank of Canada started to hike its policy rate to reduce inflation.

¹At the time of writing this report, several indicators for the month of November were not available for Ottawa and St. Catharines. Therefore, the information for this market is excluded from our analysis and the report this month.

December 16, 2024

From October to November, the MLS HPI rose for most unit types except for apartments which posted a -0.1% (m/m sa) decline. The monthly increase in the MLS HPI for 1- and 2-storey, and townhouse units were 0.6%, 0.8% and 0.7%, respectively. The 1.2% decline from November 2023 (from sa figures) came from most units, except 1-storeys for which the MLS HPI increased 1.2%.

IMPLICATIONS

As expected in our previous report ([here](#)), the upward trend in sales and the resale market tightening continued in November, supported by the observed easing in monetary policy rates and its impact on mortgage rates. The recent easing in mortgage underwriting conditions announced last Fall by the Government of Canada, becoming effective this month, will further support ownership demand.

It might also be too soon to claim that the national house price—as reflected by the MLS HPI—has resumed its upward trend in November given its significant monthly rise, but as noted in our November report, our macroeconomic model of the Canadian (and U.S.) economy predicts that this trend rise should now be underway. This model—which captures historical relationships between several economic, interest rate and housing indicators—predicts that house prices react with a longer delay than sales to a sustained decline in interest rates. Indeed, it predicts we are within the time window for the expected start of this upward trend.

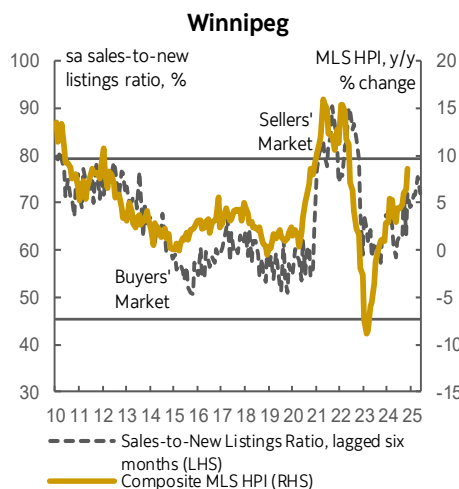
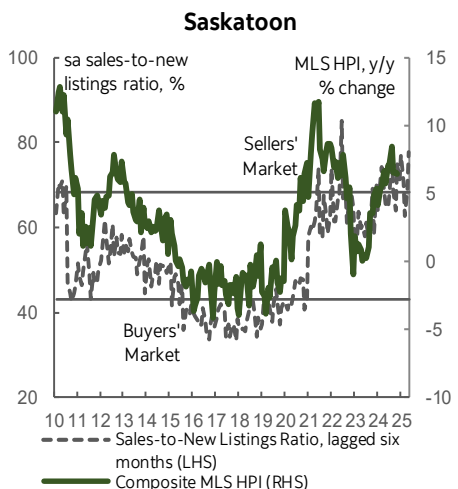
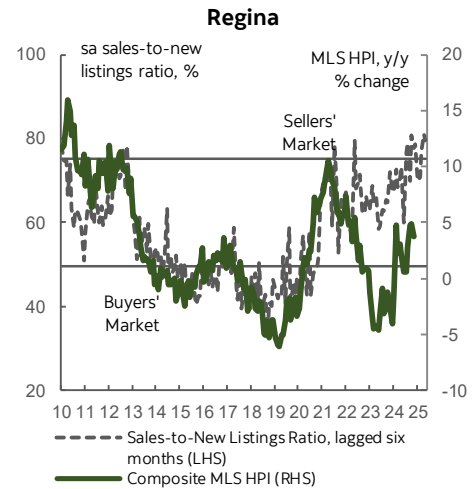
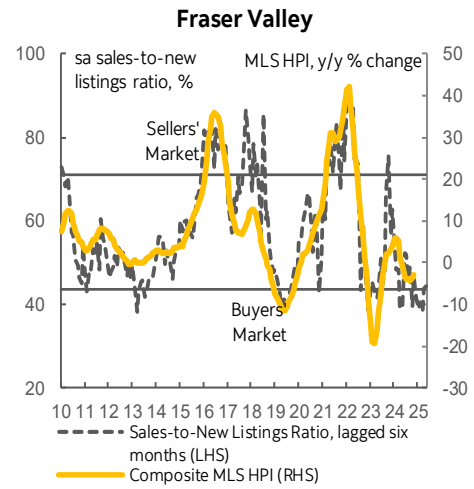
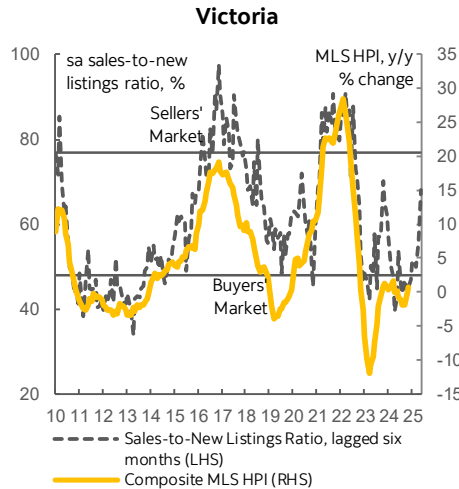
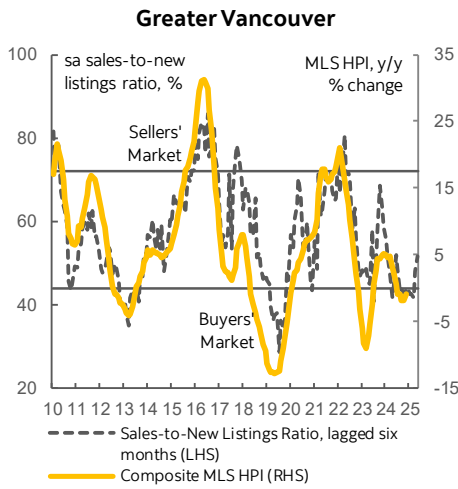
There are of course significant economic policy headwinds lying ahead that makes any forecast call more uncertain than usual, including for housing markets. These risks are mentioned in our recent Forecast Tables publication ([here](#)).

Scotiabank Housing Market Watch—November 2024

Rank ¹	Real Estate Board	Sales-to-New Listings Ratio							Unit Sales ³			Avg. Sales Prices ³			New Listings ³		
		Last Month Rank	Monthly Change	Sales-to- New Listings Ratio	Std. Dev. from Long-Term Mean ²	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	--	--	59.2	0.4	I I	Balanced		2.8	20.7	6.7	0.9	4.3	3.1	-0.5	6.3	11.1
1	Lethbridge	12	↑ 11	92.0	2.3	I I	Sellers'		25.9	10.4	7.5	0.9	9.5	11.6	-6.4	8.1	1.9
2	Quebec City	3	↑ 1	93.1	2.0	I I	Sellers'		6.0	37.2	16.4	0.0	12.9	10.0	1.2	5.0	5.1
3	Saskatoon	2	↓ 1	79.6	1.9	I I	Sellers'		9.2	15.9	7.2	0.4	11.0	6.4	6.5	1.3	-2.1
4	Saint John	4	↔ 0	77.5	1.6	I I	Sellers'		-6.4	6.8	1.6	-2.7	13.8	10.6	-6.2	2.7	1.6
5	Edmonton	7	↑ 2	78.4	1.4	I I	Sellers'		-0.6	20.3	25.3	0.5	12.5	9.1	-2.5	2.8	6.4
6	Regina	5	↓ 1	79.5	1.3	I I	Sellers'		2.2	11.6	14.2	-2.3	10.3	6.6	4.0	-2.8	1.8
7	Thunder Bay	13	↑ 6	78.6	1.1	I I	Sellers'		7.3	4.7	2.7	-4.2	0.0	4.6	-2.4	-3.2	1.0
8	NL (St. John's)	1	↓ 7	61.1	1.1	I I	Sellers'		-14.5	11.7	3.9	1.3	9.8	8.0	3.1	4.5	4.1
9	Halifax	8	↓ 1	78.0	1.1	I I	Sellers'		-1.8	12.5	8.1	0.0	9.7	5.5	2.0	4.0	6.5
10	Sudbury	6	↓ 4	69.4	1.1	I I	Sellers'		-2.6	17.3	10.3	1.0	13.2	6.6	3.5	-2.8	5.3
11	Montreal	11	↔ 0	74.0	1.1	I I	Sellers'		6.5	47.9	17.1	1.5	8.3	6.3	-1.6	8.6	12.5
12	Calgary	14	↑ 2	71.0	0.7	I I	Balanced		3.4	-3.3	0.0	1.5	13.8	13.0	-5.7	14.9	9.6
13	Moncton	15	↑ 2	65.4	0.7	I I	Balanced		0.0	6.2	3.9	-1.2	9.9	10.5	-10.8	20.1	18.6
14	PEI (Charlottetown)	9	↓ 5	61.0	0.7	I I	Balanced		-2.7	21.3	9.2	1.8	4.7	0.3	3.1	4.2	10.5
15	Winnipeg	10	↓ 5	72.1	0.6	I I	Balanced		1.1	18.2	11.7	0.4	8.1	6.9	5.8	-1.1	1.3
16	Victoria	20	↑ 4	68.0	0.4	I I	Balanced		9.1	39.2	9.8	-2.1	-1.7	-0.5	-10.6	3.5	16.9
17	Brantford	25	↑ 8	60.4	0.0	I I	Balanced		25.3	11.8	-3.1	0.2	-2.2	-0.2	-0.9	-4.6	3.2
18	Guelph	28	↑ 10	65.4	-0.1	I I	Balanced		21.6	30.2	6.7	-1.3	0.9	0.4	-5.8	1.3	16.5
19	Hamilton-Burlington	21	↑ 2	55.4	-0.3	I I	Balanced		6.4	25.4	0.8	-1.7	4.5	2.3	-0.5	1.8	9.5
20	Kingston	16	↓ 4	45.7	-0.4	I I	Balanced		-8.2	14.8	5.8	-1.1	3.4	-0.4	4.4	-11.5	6.4
21	London	17	↓ 4	50.7	-0.4	I I	Balanced		-9.0	29.0	8.1	1.7	3.0	0.2	-3.2	3.9	10.3
22	Vancouver	24	↑ 2	51.5	-0.5	I I	Balanced		7.7	18.8	-0.2	3.2	-2.8	1.7	0.3	9.2	16.5
23	Peterborough	19	↓ 4	49.2	-0.5	I I	Balanced		-3.1	14.3	-12.8	-1.1	-2.9	-1.1	1.3	-1.0	-4.7
24	Okanagan-Mainline (Kelowna)	22	↓ 2	41.6	-0.7	I I	Balanced		1.1	15.6	-4.4	-5.0	0.1	-0.2	1.4	-4.1	12.6
25	KW*	27	↑ 2	50.5	-0.8	I I	Balanced		8.8	4.6	3.2	-1.0	2.7	0.2	3.7	-0.3	15.9
26	Windsor	26	↔ 0	44.2	-0.9	I I	Balanced		2.1	17.3	2.6	3.0	8.9	4.6	1.0	14.5	10.7
27	Fraser Valley (Abbotsford)	29	↑ 2	44.3	-1.0	I I	Balanced		5.1	17.7	-1.0	1.6	2.0	3.1	3.6	15.5	18.5
28	Barrie	30	↑ 2	43.7	-1.0	I I	Balanced		9.9	59.2	9.3	1.1	-2.3	-1.0	3.7	23.5	23.1
29	Toronto	31	↑ 2	43.3	-1.2	I I	Buyers'		2.2	29.6	3.2	-0.5	0.6	0.0	4.4	9.3	16.4

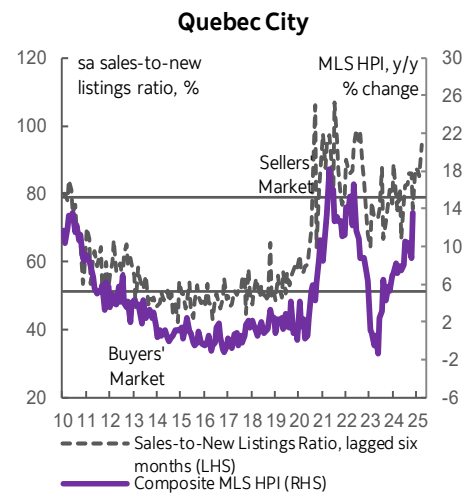
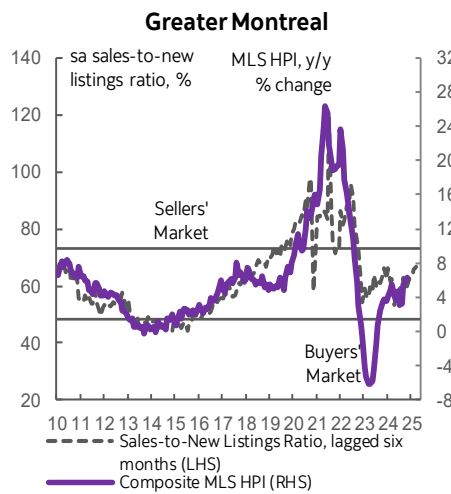
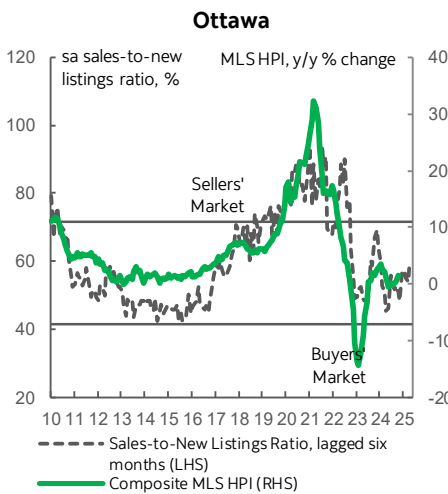
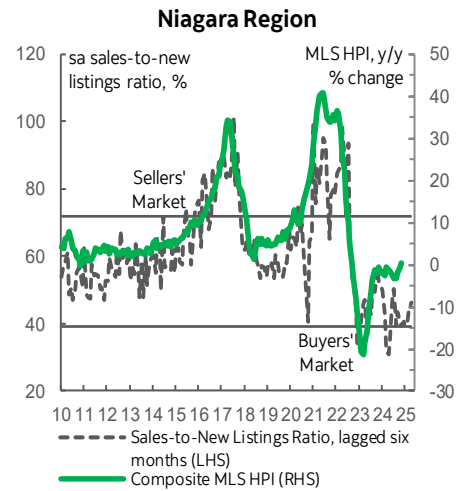
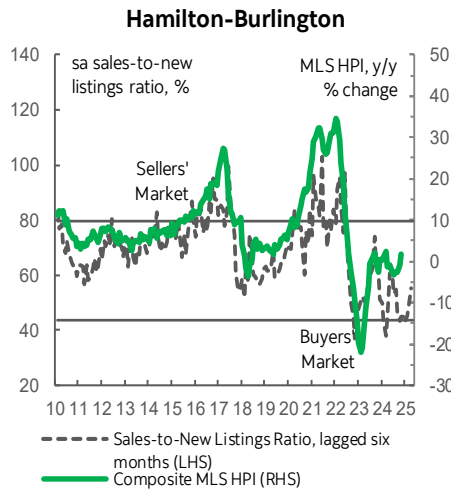
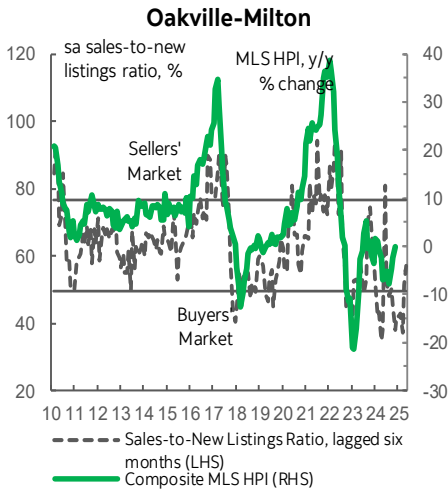
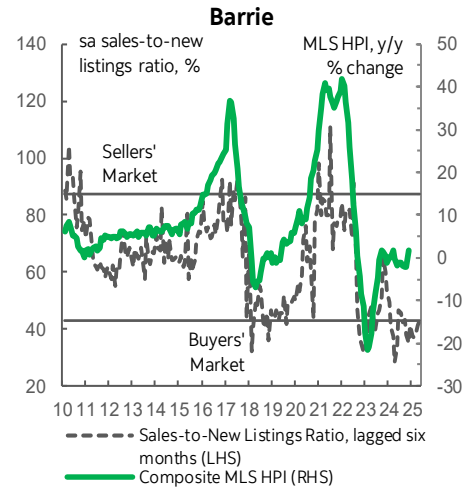
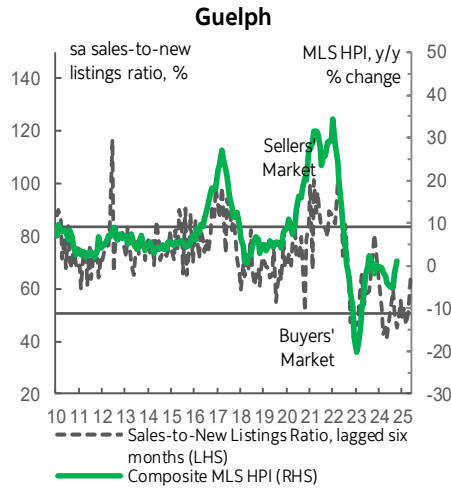
¹ Ordered from most- to least-tilted towards sellers. ² A market is tilted towards sellers, and likely to witness upward pressure on prices, if its sales-to-new listings ratio greater than the long-term mean plus one standard deviation. A sales-to-new listings ratio below the long-term mean less than 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



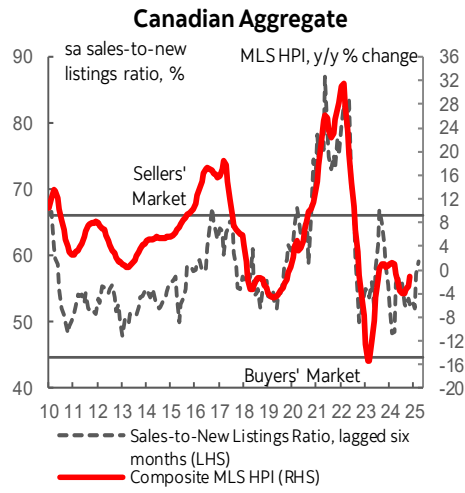
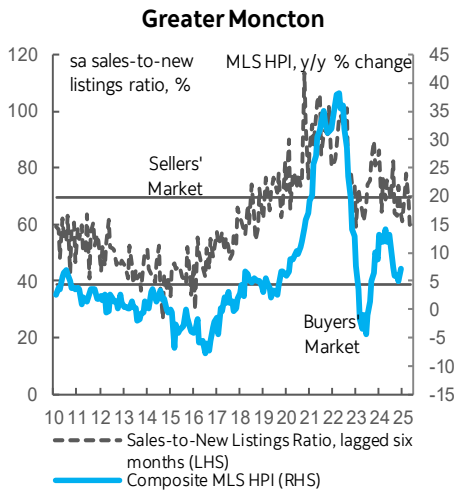
Sources: Scotiabank Economics, CREA.

MLS Home Price Indices (cont.) — Eastern Canada



Sources: Scotiabank Economics, CREA.

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



Sources: Scotiabank Economics, CREA.

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