

Canada: Home sales edged up in March

By Daren King

Home sales edged up 0.5% between February and March, a third monthly increase in four months in the wake of slightly more advantageous fixed mortgage interest rates (chart 1). On a provincial level, increases were recorded in March in P.E.I. (+9.9%), Manitoba (+5.8%), Alberta (+3.6%), Quebec (+2.4%), Nova Scotia (+2.1%), and B.C. (+0.7%). On the other hand, decreases were observed in Ontario (-1.6%), Saskatchewan (-2.2%), Newfoundland (-8.0%), and New Brunswick (-8.7%, chart 2). In the months ahead, strong demographic growth, low vacancy rates in the rental market and the openness for modest interest rate cuts by the Bank of Canada could help to support transaction levels. However, we are cautiously optimistic about a possible recovery in the housing market in the coming months, a great deal of uncertainty remains including a potential further deterioration in the labour market for youth facing the worst affordability in decades.

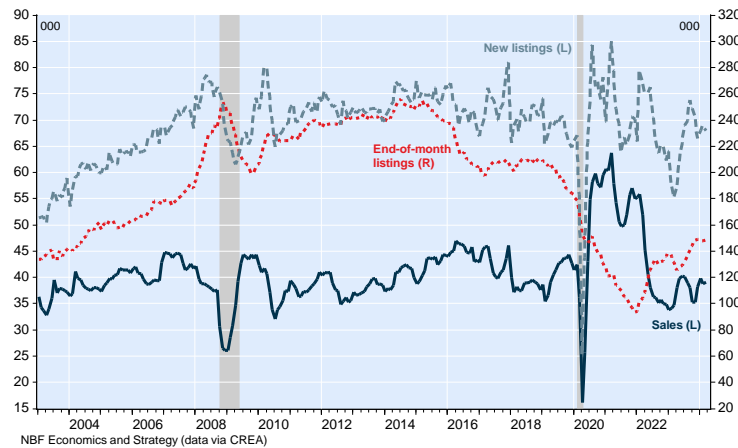
On the supply side, new listings decreased 1.6% in March, a first decline in three months. After decreasing over the past four

months, the proportion of listings cancelled during the month remained relatively stable in March (chart 3). Overall, active listings edged up 0.5% during the month, following stabilization the previous month. Overall, the number of months of inventory (active listings-to-sales) remained unchanged at 3.8 in March (chart 4). Market conditions also remained stable during the month and were tighter than their historical average in every province, with B.C. the only exception where market conditions were balanced (chart 5). On the price front, MLS Home Price Index (HPI) dipped 0.3% from February to March.

On a year-over-year basis, home sales increased 1.7% compared to March last year (chart 6). Sales were up the most in Alberta (+17.8%) and Quebec (+11.4%), while the strongest declines were observed in New Brunswick (-13.2%) and Nova Scotia (-10.9%, chart 7). For the first quarter of 2024, cumulative sales were up 12.1% compared to the same period in 2023 (chart 8). Finally, the MLS HPI was up 0.7% compared to March 2023.

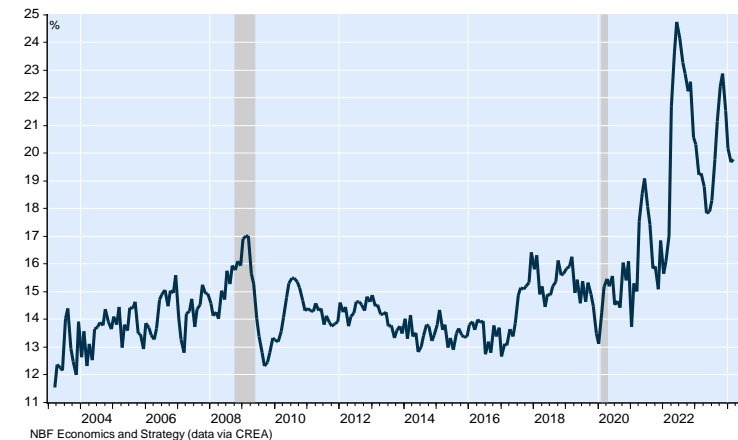
1. Canada: Home sales and listings

Seasonally adjusted. Last observation: March 2024



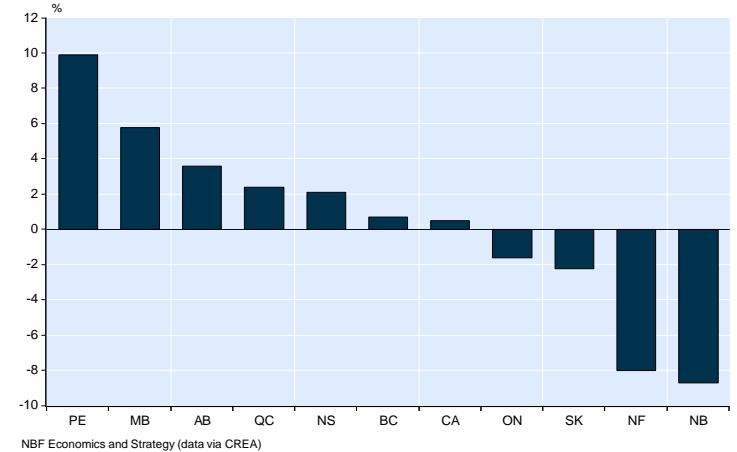
3. Canada: Proportion of active listings cancelled

3-month moving average. Seasonally adjusted. Last observation: March 2024



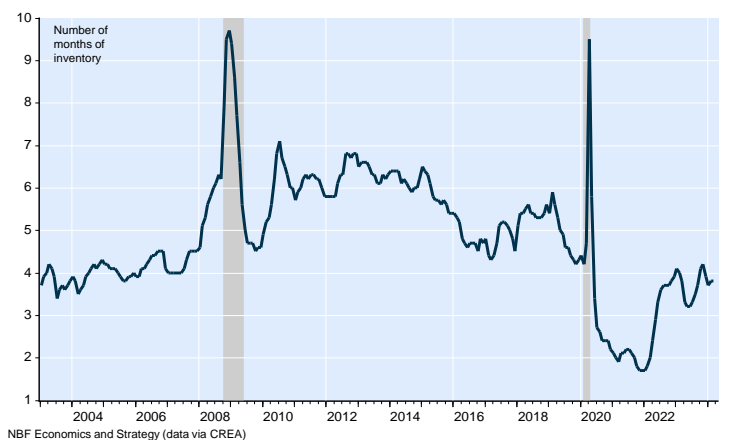
2. Canada: Monthly home sales variation in March

Monthly variation (%), seasonally adjusted data



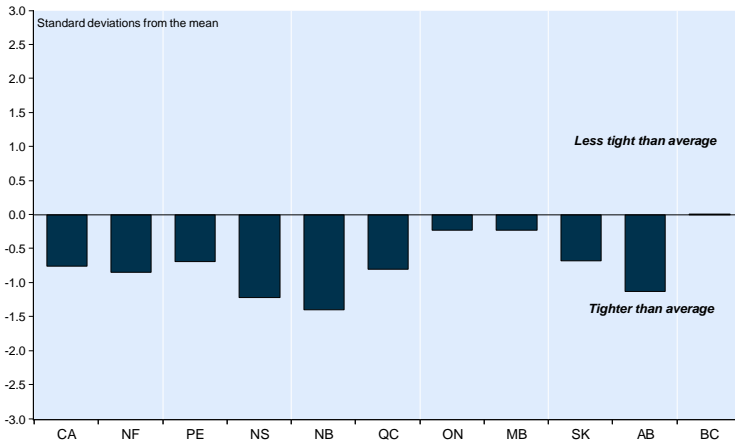
4. Canada: Home resale market conditions

Months of inventory (active listings to sales ratio). Last observation: March 2024



5. Canada: Active-listings-to-sales ratio

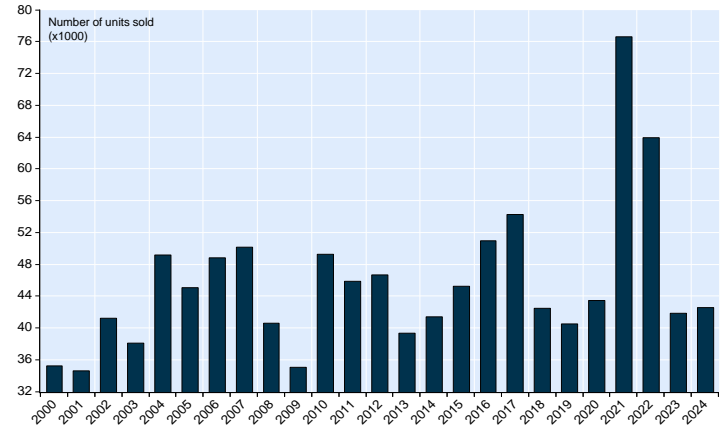
Seasonally adjusted data



NBF Economics and Strategy (data via CREA)

6. Canada: Home sales in March

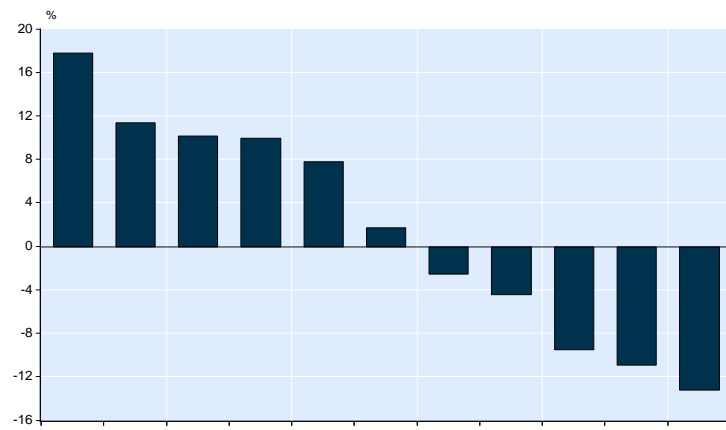
Non seasonally adjusted



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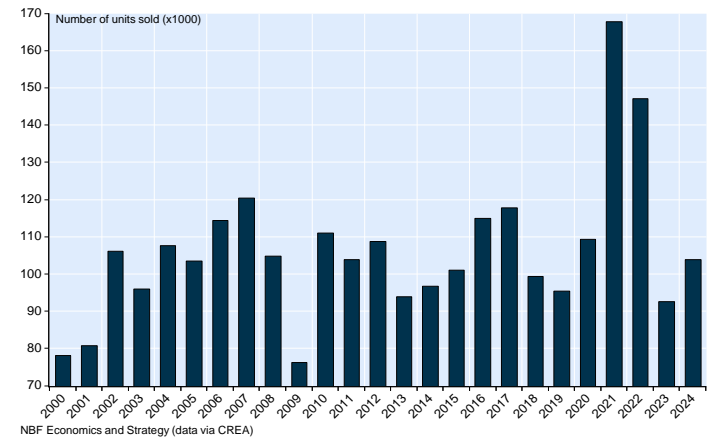
7. Canada: Annual home sales variation in March

Annual variation (%)



NBF Economics and Strategy (data via CREA)

8. Canada: Year-to-date home sales



NBF Economics and Strategy (data via CREA)

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