



The Canadian Real Estate Association

News Release

CREA Updates Resale Housing Market Forecast

Ottawa, ON April 14, 2023

The Canadian Real Estate Association (CREA) has updated its forecast for home sales activity and average home prices via Multiple Listing Service® (MLS®) Systems of Canadian real estate boards and associations for 2023 and 2024.

National home sales have remained little changed from month to month since the summer of 2022 and, in fact, posted modest back-to-back monthly gains in February and March 2023. With nearly a year without any large declines, the downward adjustment to sales activity from rising interest rates and high uncertainty looks to be in the rear-view mirror.

Some buyers are expected to emerge back into the housing market, after waiting on the sidelines for added certainty around mortgage payments and property value – two important signals that could be here.

First was the Bank of Canada indicating a pause, likely a top, for interest rates in January 2023, followed by meetings in March and April where they did not raise the overnight rate. And second, as housing markets have been tightening to begin the year, it looks as though home prices, which had been declining steadily since last March, have also now levelled out.

Risks to this forecast include:

- a worsening of Canada's housing supply issue faced across the entire continuum including in the existing home market. New listings have been dropping fast and are currently at 20-year lows (a downside for the sales forecast and an upside risk to the average price forecast); and
- whether an expected short and mild recession in the middle of 2023 turns out to be more severe and longer lasting than anticipated.

Some 492,674 properties are forecast to trade hands via Canadian MLS® Systems in 2023, a 1.1% decline from 2022. This was almost unchanged from CREA's previous national forecast, although under the surface there were two notable offsetting revisions: 1. Alberta home sales were revised lower on a weaker than expected first quarter, and 2. Ontario home sales were revised higher on a somewhat stronger than expected first quarter.

Such revisions have larger affects on annual numbers when they occur in the first quarter of the year as they can alter forecast values for all three remaining quarters of forecast data.

The national average home price is forecast to decline 4.8% on an annual basis to \$670,389 in 2023. This is up about \$8,000 from CREA's previous forecast owing to a compositional boost in the first quarter of 2023 from outsized gains in the pricey regions of B.C.'s Lower Mainland and the Greater Toronto Area.

National home sales are forecast to rise 13.9% to 561,090 units in 2024 as housing markets continue to return towards trend, and monetary policy moves towards a more neutral stance. This forecast would still leave activity well below the 2021 record, but it would lift it back in line with the long-term trend and place it back above the 10-year average.

The national average home price is forecast to recover by 4.7% from 2023 to 2024 to around \$702,200, putting it on par with 2022.



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A final note on average home prices: many of the forecast increases and declines in provincial average prices for 2023 and 2024 are more an echo of the volatility seen last year – the heights of the peaks reached in early 2022, the depths of the troughs in some cases not reached yet, and the extent to which a recovery is already on in some parts of the country. In other words, probably a pretty low signal to noise ratio until we get into forecasting 2025.

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About the Canadian Real Estate Association

The Canadian Real Estate Association (CREA) is one of Canada's largest single-industry associations. CREA works on behalf of more than 160,000 REALTORS® who contribute to the economic and social well-being of communities across Canada. Together they advocate for property owners, buyers and sellers.

For more information, please contact:

Pierre Leduc, Media Relations

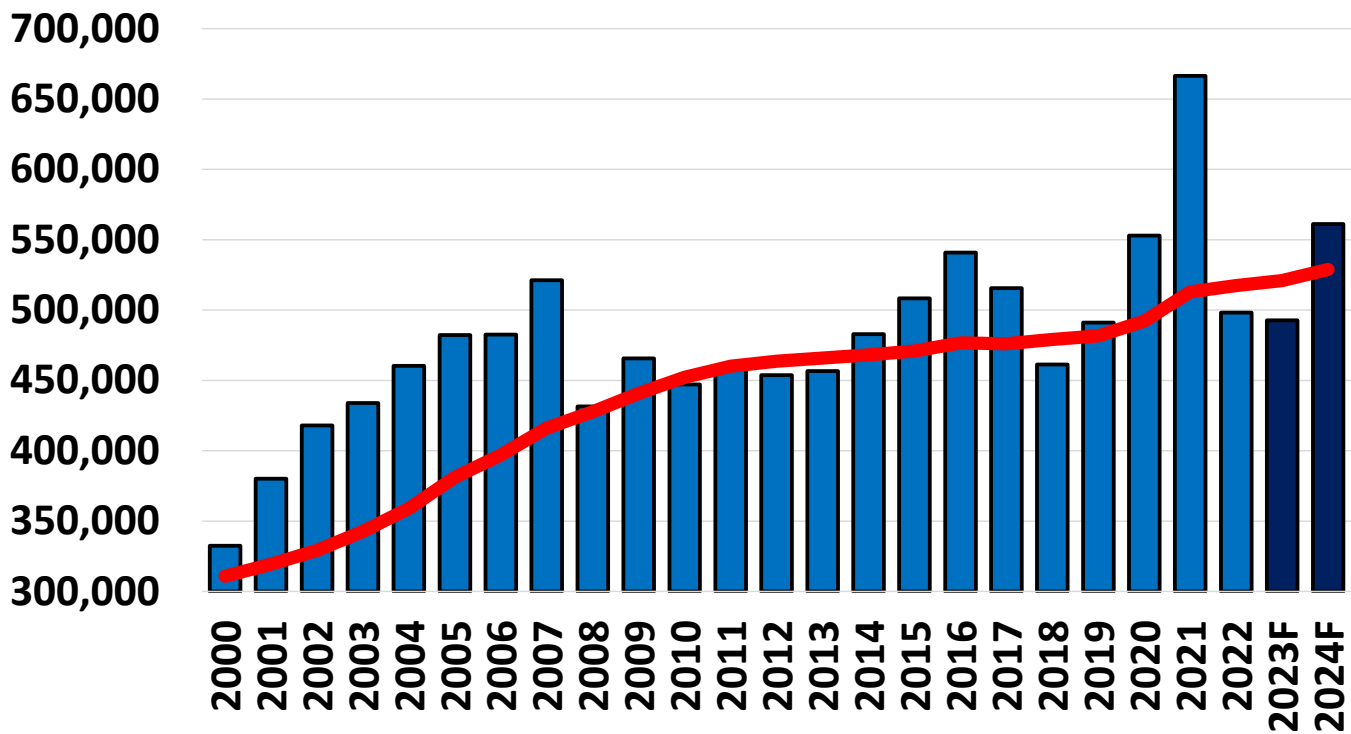
The Canadian Real Estate Association

Tel.: 613-237-7111 or 613-884-1460

E-mail: pleduc@crea.ca

Sales Activity

Historical, forecast and **10-year average**



CREA Residential Market Forecast:

Sales activity forecast	2022	2022 Annual percentage change	2023	2023 Annual percentage change	2024	2024 Annual percentage change
Canada	498,175	-25.2	492,674	-1.1	561,090	13.9
British Columbia	80,865	-35.2	85,210	5.4	99,885	17.2
Alberta	84,035	-1.9	75,278	-10.4	81,190	7.9
Saskatchewan	15,427	-11.7	14,839	-3.8	16,594	11.8
Manitoba	15,723	-20.1	13,319	-15.3	14,464	8.6
Ontario	182,867	-32.3	187,120	2.3	223,451	19.4
Quebec	87,112	-20.4	85,980	-1.3	91,895	6.9
New Brunswick	10,521	-20.4	9,609	-8.7	9,573	-0.4
Nova Scotia	12,485	-21.7	12,585	0.8	14,645	16.4
Prince Edward Island	1,984	-18.1	1,928	-2.8	2,003	3.9
Newfoundland	6,324	-7.1	6,109	-3.4	6,597	8.0

Average price forecast	2022	2022 Annual percentage change	2023	2023 Annual percentage change	2024	2024 Annual percentage change
Canada	703,831	2.4	670,389	-4.8	702,214	4.7
British Columbia	996,601	7.4	936,098	-6.1	987,133	5.5
Alberta	447,442	5.3	444,570	-0.6	450,921	1.4
Saskatchewan	303,253	0.6	292,707	-3.5	292,463	-0.1
Manitoba	360,373	7.9	332,637	-7.7	325,635	-2.1
Ontario	931,873	6.8	848,120	-9.0	878,934	3.6
Quebec	483,573	10.3	457,314	-5.4	448,876	-1.8
New Brunswick	289,761	17.6	286,689	-1.1	290,053	1.2
Nova Scotia	411,791	14.9	403,634	-2.0	421,769	4.5
Prince Edward Island	388,844	13.8	397,136	2.1	397,978	0.2
Newfoundland	291,807	6.8	289,964	-0.6	298,427	2.9



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