



# The Canadian Real Estate Association

## News Release

### **CREA Updates Resale Housing Market Forecast**

Ottawa, ON June 15, 2022

The Canadian Real Estate Association (CREA) has updated its forecast for home sales activity via the Multiple Listing Service® (MLS®) Systems of Canadian real estate boards and associations in 2022 and 2023.

With interest rates on the rise, and with 5-year fixed rates getting well out ahead of what the Bank of Canada is expected to do later this year, home sales have cooled sharply in recent months. Prices have also been halted in their tracks following a record setting five months of growth between October 2021 and February 2022.

A critical element of the story has been the impact that discounted 5-year fixed mortgage interest rate levels have had on the stress test. In April 2022 alone, discounted 5-year fixed rates increased from the low 3% range to the low 4% range. The stress test is the higher of 5.25% or the contract rate plus 2%. For fixed rate borrowers, qualifying for the stress test has moved from 5.25% to the low 6% range – close to a 1% increase. Variable rates will now be playing catch-up over the balance of 2022.

Some 568,288 properties are forecast to trade hands via Canadian MLS® Systems in 2022 — a decline of 14.7% from the 2021 record but still the second-highest annual figure ever. With conditions in the market changing quite rapidly, this was a considerable downward revision from the previous forecast published in March. Only Alberta and Newfoundland and Labrador are forecast to buck the trend of falling sales in 2022.

The national average home price is forecast to rise by 10.8% on an annual basis to \$762,386 in 2022. Price gains are forecast to be largest in the Maritime provinces, followed by Ontario and Quebec.

National home sales are forecast to edge back a further 2.8% to 552,403 units in 2023. The national average home price is forecast to rise by a modest 3.1% on an annual basis to \$786,282 in 2023.

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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 150,000 REALTORS® who contribute to the economic and social well-being of communities across Canada. Together they advocate for property owners, buyers and sellers.

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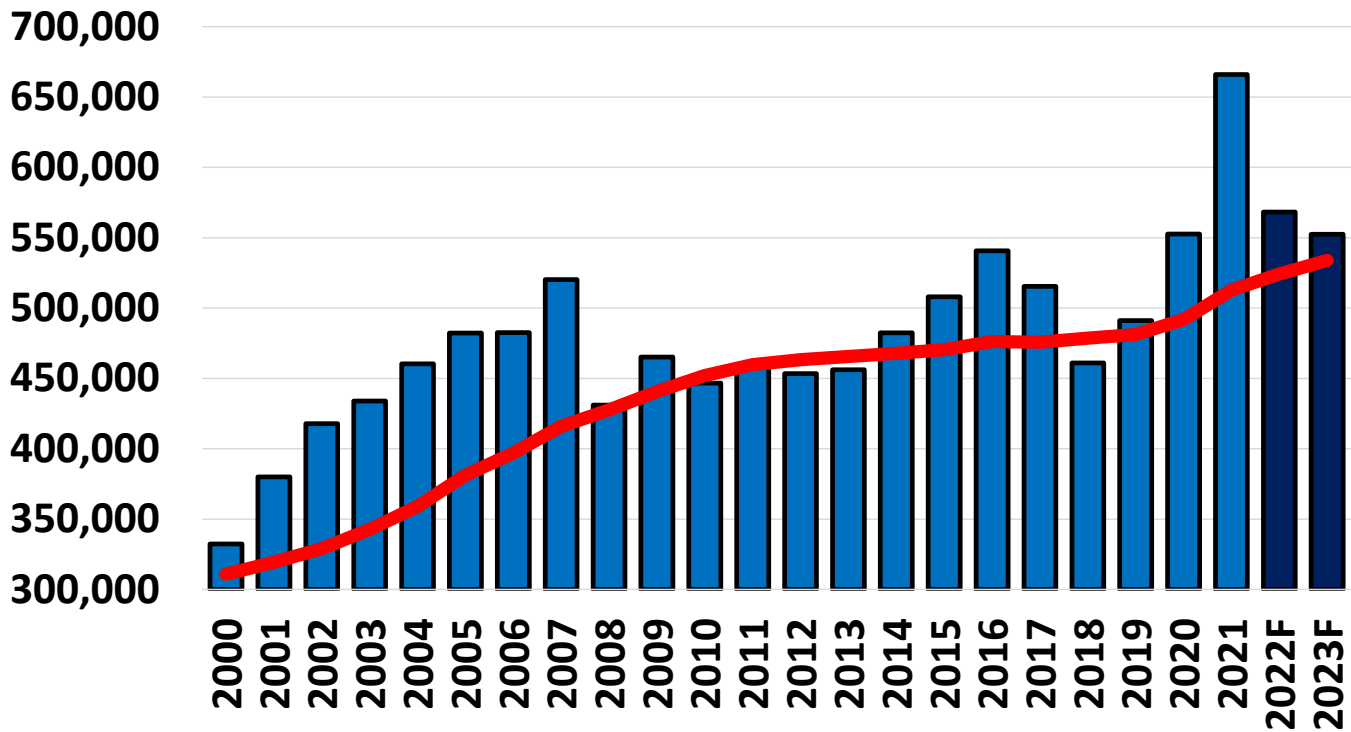
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# Sales Activity

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



## CREA Residential Market Forecast:

Sales activity forecast	2021	2021 Annual percentage change	2022 Forecast	2022 Annual percentage change	2023 Forecast	2023 Annual percentage change
Canada	665,992	20.5	568,288	-14.7	552,403	-2.8
British Columbia	124,800	32.9	91,613	-26.6	89,940	-1.8
Alberta	84,547	53.5	92,032	8.9	91,376	-0.7
Saskatchewan	17,475	24.1	15,623	-10.6	15,126	-3.2
Manitoba	19,672	17.2	16,184	-17.7	15,805	-2.3
Ontario	270,739	18.6	219,639	-18.9	210,774	-4.0
Quebec	109,480	-2.4	98,120	-10.4	95,175	-3.0
New Brunswick	13,226	22.4	11,362	-14.1	10,830	-4.7
Nova Scotia	15,944	14.2	13,465	-15.5	13,157	-2.3
Prince Edward Island	2,423	14.9	2,292	-5.4	2,343	2.3
Newfoundland	6,810	45.5	7,220	6.0	7,160	-0.8

Average price forecast	2021	2021 Annual percentage change	2022 Forecast	2022 Annual percentage change	2023 Forecast	2023 Annual percentage change
Canada	688,118	21.3	762,386	10.8	786,252	3.1
British Columbia	927,560	18.7	1,024,805	10.5	1,016,911	-0.8
Alberta	428,194	9.1	467,542	9.2	474,593	1.5
Saskatchewan	301,467	6.9	310,408	3.0	325,648	4.9
Manitoba	333,841	9.8	380,232	13.9	397,267	4.5
Ontario	871,873	23.6	1,020,640	17.1	1,075,753	5.4
Quebec	447,952	18.9	525,740	17.4	544,394	3.5
New Brunswick	246,463	26.0	316,690	28.5	322,410	1.8
Nova Scotia	358,619	23.1	437,338	22.0	454,858	4.0
Prince Edward Island	341,663	20.7	398,483	16.6	420,241	5.5
Newfoundland	273,350	9.9	289,196	5.8	307,692	6.4