

Welcome to the Housing Market Outlook (HMO)

This publication provides forward-looking analysis of Canada's housing markets. Published annually, it helps anticipate emerging trends in new-home and resale housing markets at the national and metropolitan-area levels. The HMO includes forecasts for important housing market variables such as starts, prices and resales.

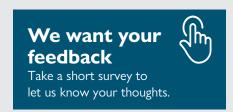






Housing market outlook in select Census Metropolitan Areas (CMAs)





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"COVID-19 has had unprecedented impacts on Canada's urban centres. While large parts of the economy have struggled to adapt to pandemic conditions, housing activity has recovered reflecting pent-up demand, adjustment of working practices by many to pandemic conditions, and lower mortgage rates. Economic conditions are expected to return to pre-pandemic levels by the end of 2023, if broad immunity to COVID-19 takes hold by the end of 2021. This includes the pace of home sales and prices, which we expect to see moderate from 2020 highs over the same period. However, significant risks remain with respect to the path, timing and sustainability of the recovery."

—**Bob Dugan** Chief Economist

Highlights

- Economic activity, employment and net migration will gradually return to pre-COVID levels over the 2021-to-2023 period, as broad immunity to COVID-19 takes hold and restrictions are lifted in Canada and globally.
- Over the same period, the pace of sales is expected to moderate from recent highs, reflecting the impact of increasing mortgage rates and high price levels on existing-home markets. Slower sales growth will help moderate the pace of price growth.

- Rental demand will recover as immigration recovers, but vacancy rates will likely remain elevated. Housing starts will stabilize at levels consistent with household formation by the end of 2023.
- The precise speed of the economic recovery in major markets is highly uncertain, and outlooks remain subject to significant risks. These include a slower-than-expected vaccine rollout that could prolong the pandemic and stronger-than-expected inflationary pressures leading to higher mortgage rates.

National Overview

National Economic and Housing Context

This report provides projections for housing activity for Canada and for Canada's 18 largest urban centres to the end of 2023.

Review of key 2020 economic and housing trends

The World Health Organization declared COVID-19 a pandemic in March 2020. In response, Canadian governments introduced necessary restrictions to limit the spread of the novel coronavirus that causes the disease. These restrictions led to significant interruptions in economic and employment activity, which were amplified by the withdrawal of households from normal activities in an effort to avoid infection. As a result, housing starts, home sales and price growth all declined sharply in the first half of 2020 from last quarter of 2019. This happened despite the ongoing pandemic and lack of full recovery in economic and employment conditions.

Housing trends thus far during the pandemic reflect several factors. One key factor has been the uneven distribution of the economic impacts of the pandemic. Higher-income households have generally been better able to maintain their income, since their jobs are more likely to allow them to adapt by working from home. In contrast, those employed in lower-paid industries have been less able to adapt to pandemic conditions. Pandemic restrictions also limited household spending, reflected in the rise in the average household savings rate to historic levels in 2020. Combined with low mortgage rates, higher savings encouraged some households

that adapted to pandemic employment conditions to fund home purchases. Total sales outpaced total new listings as the existing-home market recovered, supporting overall price growth. At the same time, sales growth has been stronger for relatively more expensive single-detached units, since households have sought larger homes from which to work, further supporting overall average price gains.

By contrast, rental demand has contracted because of greater negative impacts on less affluent households, which tend to rent. The contraction has been further exacerbated by declines in immigration and student demand. In addition, the pre-COVID trend of households moving away from more expensive city centres, including Toronto and Vancouver, to less expensive suburbs and neighbouring census metropolitan areas (CMAs) accelerated. Interprovincial migration toward markets in the Atlantic, which were less affected by COVID-19, also increased, helping offset declines in international migration. Oil prices declined and remained below pre-COVID levels at the end of 2020, affecting oil-producing centres.

Late-2020 recovery expected to continue in 2021; housing will moderate but remain elevated

Late 2020 economic trends are largely expected to continue into 2021. Employment conditions will continue to recover, but the employment rate will remain below pre-COVID levels. Similarly, while GDP growth will rebound strongly in 2021 from the decline in 2020, the overall level of GDP will not fully recover to pre-COVID levels by the end of the year. However, the optimistic end of our forecast range does account for the possibility of a stronger recovery in GDP in 2021 that more than offsets the 2020 decline and pushes the employment rate closer to pre-COVID levels.

The five-year mortgage rate is expected to increase but to remain very low, by historical standards, at the end of 2023. The savings rate will fall in 2021 as the economy and consumers continue to adapt but will remain elevated as the ongoing pandemic limits consumer spending. Oil prices will improve somewhat but will remain close to current lows. The Atlantic housing markets will continue to see strong inflows of interprovincial migration.

Low mortgage rates, high savings rates and persistent, uneven impacts of the pandemic and low immigration are forecast to continue to support sales of more expensive housing types while limiting rental demand. Existing home sales and price growth will moderate from unsustainable 2020 pace of increase but will remain elevated. The ratio of single-detached starts to total starts will increase, reflecting the shift in preference toward single-detached units on the resale market, as indicated by their current low inventories and strong price growth.

Several indicators will return to sustainable paths in 2022-2023, but significant risks remain

We expect economic conditions to return to pre-pandemic paths by the end of 2023, if broad immunity to COVID-19 takes hold by the end of 2021. As a result, many economic variables will recover from the pandemic shock and progress toward "normal" levels over the 2022-2023 period. In particular, higher consumer and business confidence, driven by the lifting of pandemic restrictions and recovery in world output, will continue to support recovery in real GDP and employment conditions. Real personal disposable income is forecast to decline from elevated 2020-2021 levels by early 2022 as support from government transfers declines and the recovery in employment income will provide a partial offset. The reopening of borders will provide a boost to rental demand through higher immigration, while lower-income groups will continue to see their income (and capacity to participate on housing markets) improve.

Risks to the outlook

 The outlook is highly dependent on the achievement of broad immunity to COVID-19 by the end of 2021.
 An unexpected delay of broad immunity (due, for example, to new viral variants) is a downside risk.
 Faster-than-expected achievement of broad immunity is an upside risk.

- The outlook also assumes savings rates remain above pre-pandemic levels to the end of the forecast period, as a result of precautionary motivations on the part of households. If precautionary motive is overestimated, consumer spending and/or housing investment may be higher than expected.
- Our forecast predicts that the five-year fixed mortgage rate will gradually trend up from current lows over the forecast period. Recent developments in bond markets suggest there are currently upside risks to our mortgage rate scenarios. Specifically, the 10-year treasury yield has recently increased, placing upward pressure on other longer-term rates, including the five-year mortgage rate.
- If new listings increase at a faster pace than expected over the forecast period, the moderation in the pace of price growth and sales from the highs of 2020 we expect to see by 2023 would unfold at a faster rate. Faster growth in new listings could arise if current homeowners are motivated by sellers' markets and high price levels to sell ahead of the moderation in price growth that is expected to occur in coming years.
- The sustainability of the current trend in housing demand's movement from more expensive CMAs to less expensive markets is uncertain. For example, it is not certain that the shift toward work-from-home arrangements will persist after the pandemic. In addition, the erosion of the price differential between less expensive and more expensive CMAs (and between Atlantic Canada and the rest of the country) would limit the sustainability of the trend in movement away from city centres and could even reverse it at some point. It is not clear which factors will dominate by the end of 2023, but the result will influence housing forecasts. Additionally, immigration could have a stronger recovery than expected.

		Forecas	t Summa	ry CANAI)A							
				202	1(F)	202	2(F)	202	3(F)			
	2018	2019	2020	(L)	(H)	(L)	(H)	(L)	(H)			
New Home Market	New Home Market											
Starts:												
Starts-Total	212,843	208,685	217,802	221,100	230,000	222,500	234,500	216,800	231,900			
Resale Market												
MLS® Sales	459,603	489,880	551,392	584,000	602,300	529,000	547,100	539,600	561,100			
MLS® Average Price (\$)	490,931	502,812	567,699	628,400	649,400	651,600	676,500	669,500	704,900			
Economic Overview												
Real GDP (index, 2019=100)	97.8	100.0	94.3	98.4	100.6	100.9	104.1	103.5	105.8			
Employment rate (%)	61.5	61.8	58.0	59.1	59.8	59.4	60.1	59.7	60.1			
Mortgage Rate (fixed 5 year) (%)	4.38	4.24	3.72	3.55	4.30	3.65	4.40	3.80	4.55			

Sources: CREA, CMHC Starts and Completions Survey, Statistics Canada, and Haver Analytics (F): Forecasts by CMHC.



VICTORIA



Pershing Sun Senior Analyst, Economics

"Demand and price momentum in Victoria will extend into 2021, driven by low borrowing costs and renewed demand from out-of-town buyers and newcomers, before stabilizing by 2023."

HIGHLIGHTS

- Resale activities will continue to increase in 2021 before declining by 2023 as a result of slowly rising borrowing costs.
- Prices will grow, but at a progressively slower pace over the next three years as competition among buyers tapers off.
- Housing starts will accelerate in 2021 in response to heightened demand before slowing down over the rest of the forecast horizon.

Migration and job market to resume pre-pandemic growth in 2022

In the Victoria census metropolitan area (CMA), recovery from the pandemic will hinge on the immunization of the local, national and world population. The immunization process in B.C. will be complete by September 2021. This will open the door to a fulsome social and economic recovery. Nonetheless, vaccine hesitancy and supply delays remain fundamental risks to our outlook.

Housing demand stems partially from population growth. In Victoria, interprovincial and intraprovincial migration drive population growth. Between 2016 and 2019, most newcomers to the CMA came from Vancouver, other parts

of B.C., Alberta and Ontario. Immigrants also contributed to population growth, albeit a smaller share. Global immunization uncertainties will have limited impact on local housing demand in the short term. We expect population growth to resume its pre-pandemic pace in 2022 as immunization efforts progress.

A robust job market will be vital to attracting migrants and stabilizing income post-pandemic. In the fourth quarter of 2020, Victoria's unemployment rate was double the pre-pandemic level. The largest employment sectors have weathered the storm, while the tourism sector has lagged. Although construction, deemed an essential service, remained in operation, job losses in the fourth quarter were unseasonably high. Employment will recover to its pre-pandemic level in 2022, assuming the gradual phase-out of government support and the smooth rollout of vaccination programs in Canada and our major trading partner countries.

Rental vacancy increased in Victoria due to travel restrictions and the adoption of remote work and education. The recovery of rental demand will be contingent on the relaxation of border restrictions for international students and workers, as well as on employment opportunities for migrants.

Housing starts to increase in 2021 in response to recent heightened demand

Housing starts in the Victoria CMA will accelerate in 2021 before slowing down by 2023. Historically, the pace of construction has lagged behind sales patterns. Housing starts descended from the peak in 2018, as sales declined after peaking in 2016. However, 2020 saw record-level sales across all segments. In response to the continuing heightened demand, builders and developers have begun to initiate new projects, with a focus on the single-detached segment. Due to a record-low inventory of units under construction, we expect single-detached starts to accelerate in 2021; most will be in the Westshore region. However, due to the increasingly competitive sellers' market conditions and to affordability challenges, the momentum in the single-detached segment will not extend past 2021, and multi-family construction will drive housing starts thereafter. Overall, housing starts will align with their 10-year average by 2023.

Borrowing costs will determine resale market trends over the next three years

MLS® sales in Victoria will increase in 2021, before cooling down by 2023. Low and stable mortgage rate expectations in the short term will spur demand from both local residents and buyers priced out of markets in B.C.'s Lower Mainland. This is particularly plausible, considering the ever-expanding share of migrants from within the province and the prospect of remote working taking hold in the post-pandemic era. Nonetheless,

as the market continues to overheat, "buyer's fatigue," combined with growing supply, will together help stabilize demand over the course of 2021, causing price growth to slow down over the next three years (figure 1).

The decoupling of the local economy from the housing market revealed that low mortgage rates underpinned the demand boom in 2020. Interest rates are predicted to increase as the economy recovers and inflationary pressures rise. Long-term income growth, in the absence of government support, needs to be sufficient to sustain debt obligations for a growing number of potentially highly leveraged property owners.



	For	ecast Sui	mmary –	VICTORI	A CMA				
				202	1(F)	202	2(F)	202	3(F)
	2018	2019	2020	(L)	(H)	(L)	(H)	(L)	(H)
New Home Market									
Starts:									
Single-Detached	806	637	699	663	1,051	609	1,081	576	1,057
Multiples	3,455	2,861	2,515	1,277	4,466	1,312	5,045	1,451	5,179
Starts-Total	4,261	3,498	3,214	1,940	5,517	1,921	6,126	2,026	6,236
Resale Market									
MLS® Sales	6,772	6,890	8,062	9,138	10,177	8,032	9,426	7,567	9,336
MLS® Average Price (\$)	700,008	688,278	767,983	802,461	848,802	833,164	906,616	863,317	949,024

Sources: CREA, CMHC Starts and Completions Survey (F) Forecasts by CMHC.



VANCOUVER



Braden Batch Senior Analyst, Economics

"Vancouver's housing market will adjust to reopening borders and development in fundamentals over the next three years. Buyers will face higher prices and see their budgets decline, while a flow of newcomers will place pressure on the rental market. In essence, the market will face the same sorts of affordability and housing shortage challenges that preexisted the shock of COVID-19."

HIGHLIGHTS

- Job losses and major declines in migrants reduced rental demand that will continue to face disruption for longer.
- The new, higher price level will improve development feasibility, so starts will remain elevated over the forecast horizon.
- Higher prices will create a drag on future sales growth.

Borders will open, jobs will return and interest rates will rise

Over the course of 2020, demand growth for housing in Vancouver went in two different directions: demand for homeownership expanded, and demand for rental housing receded.

The COVID-19 lockdown resulted in a major decline in the typical flow of migrants into the Vancouver region. For Vancouver, growth in rental market demand is heavily contingent on international migrants, especially very young adults (e.g. students). The disruption of this segment is most

clearly seen in the University Endowment Lands' high vacancy rate in 2020. Meanwhile, job losses were most concentrated for Vancouver's young and low-income workers, for whom homeownership is not an immediate financial reality in most cases. On the other end of the spectrum, Vancouver homebuyers experienced a sudden shift downward in the cost of borrowing as mortgage rates fell, triggering a burst of move-up and first-time buyers entering a market that was already experiencing dwindling inventories before 2020.

Borders are likely to reopen in Canada; however, the flow of migrants is also dependent on the safety of global travel, this will likely delay a full return of international migration to Vancouver.

Increased housing starts will follow higher prices

The rise in house prices will improve project feasibility across potential development sites in the Vancouver CMA, giving a boost to total starts over the forecast horizon. However, the development industry is already at a historically high level of output in the region, and the cost of construction may prove to be a stronger limit than assumed in this forecast, leading to downside risk to the forecast. On the upside, stronger price growth would push the forecast to the higher end of the range, keeping in mind that starts activity will lag behind large price movements.

Multi-family units will account for both the majority of starts and the majority of growth. Condominium apartment starts will remain the dominant construction form. Overall, the forecast is driven mainly by condominium apartments, but rental apartments will remain a growing segment, given a large and persistent cohort of young adults (under age 30) in the Vancouver population. Semi-detached and row home construction, representing the "missing middle" of the housing system, will continue to grow as a category, and we may see row construction surpass single-detached. Given the general absence of greenfield lots for single-detached construction, it is unlikely there will be much growth in the form, but it will come up from a historic low point with infill activity.

Sales will decline as buyers face tightening budgets

The sudden cut to interest rates in response to the pandemic worked its way through financial markets to affect mortgage rates very rapidly. The house price adjustment to this change, however, does not happen quickly. Real estate transactions are much slower than trades in financial markets, so asset repricing takes time to work itself out. Regardless, house prices will adjust upward to incorporate lower mortgage rates. There will not be sustained price growth from this factor, as the effect is transitory in nature. As such, risk in this forecast comes from uncertainty about the pace of price adjustments to changes to the mortgage rate. If the adjustment is slower than assumed, higher price growth could persist. However, interest rates and, by extension, mortgage rates are expected to rise over the

forecast horizon. This will add another disturbance to the path of prices, and uncertainty about adjustments applies to these changes too, though adjustments, in this case, would be in a downward direction.

Sales increased because more people had the budget to purchase a house. Once prices fully adjust, higher budgets are required to make a trade. In effect, first-time buyers must save a higher down payment even if they can carry a larger loan, and somewhere in the chain, move-up buyers require first-time buyers to unlock a down payment for their next home. Thus, once the pool of potential buyers with ready down payments is exhausted, higher prices will act as a drag on housing demand, and this will result in a contraction of sales activity. Sales will remain elevated into 2021 but will contract thereafter (figure 1).



Sources: Statistics Canada, CMHC, CMHC Calculations

^{*} mortage rates and household income are combined to estimate a representative mortgage loan. The change in this representative loan is then calculated by first taking the logarithm of the value, and then looking at the annual difference in that value.

				202	1(F)	202	2(F)	202	3(F)			
	2018	2019	2020	(L)	(H)	(L)	(H)	(L)	(H)			
New Home Market												
Starts:												
Single-Detached	4,592	3,426	3,085	3,200	3,800	2,800	4,400	2,300	5,00			
Multiples	18,812	24,715	19,286	20,600	24,000	20,700	29,500	18,500	33,60			
Starts-Total	23,404	28,141	22,371	23,800	27,800	23,500	33,900	20,800	38,60			
Resale Market												
MLS® Sales	34,439	35,713	43,063	44,600	50,000	39,400	46,000	37,900	44,70			
MLS® Average Price (\$)	975,795	923,083	1,008,688	1,036,000	1,129,000	1,041,000	1,267,000	1,025,000	1,395,00			

(F) Forecasts by CMHC.



EDMONTON



Christian Arkilley Senior Analyst, Economics

"Housing market activity is projected to increase due to the recovery of oil prices and expected improvements in economic fundamentals.'

HIGHLIGHTS

- A recovery in the price of oil from 2020 lows, improved labour market conditions and low home inventories are expected to support increases in housing starts in 2021.
- Resale market activity is expected to increase as economic fundamentals improve.
- Rental demand will improve as COVID-19 vaccines are successfully rolled out and migration recovers.

Improved economic conditions supported by vaccine rollout will drive housing demand

In 2020, Edmonton's economy was impacted by the COVID-19 pandemic and the drop in oil prices. The COVID-19 vaccine rollout is expected to improve economic conditions and demographic growth. In the third quarter of 2020, Alberta experienced a net migration outflow, as international migration was almost zero. Progress in COVID-19 vaccination will help ease travel restrictions and allow international migration to resume. The resulting newcomers will drive household formation and housing demand. Oil prices are expected to rally, and this should boost job growth, support migration inflows and increase consumer spending, all of which ultimately drive housing demand.

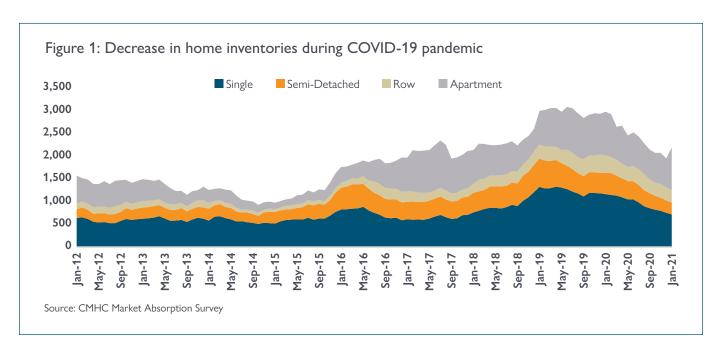
Lower home inventories and an oil price recovery to support new housing construction

Housing starts are projected to increase in 2021, as inventories were drawn down by rising demand in 2020 (figure 1). In December 2020, inventories reached their lowest level since 2017, despite higher levels of completions. Housing starts increased by 7.4% in 2020, largely driven by apartment units. With a recovery in oil prices and expected improvement in economic fundamentals, housing starts are anticipated to increase in both the single-detached and multi-unit segments in 2021. However, starts are projected to moderate in 2022 and 2023 as rising mortgage rates lower household budgets and demand.

Resale transactions to rise in 2021 and gradually moderate over the following two years

MLS® sales are projected to increase slightly in 2021 and gradually moderate over the rest of the forecast period. The expected increase in sales is supported by fundamental demand factors such as population, employment and disposable income. In 2020, housing demand in Edmonton was generally driven by low mortgage rates. These low rates increased buyers' purchasing power and drove demand upwards, especially for single-detached homes. As economic conditions improve and the COVID-19 pandemic is brought under control, mortgage rates are expected to move higher, which will stabilize sales in 2022 and 2023.

The average resale price in Edmonton increased by 1.9% in 2020 compared to 2019, despite the impact of COVID-19 on the economy. The MLS® average price is projected to continue to increase in 2021 as low mortgage rates and increased sales put upward pressure on prices, but it will gradually moderate in 2022 and 2023.



Rental demand to increase as international migration and labour market improve

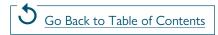
In 2020, there were increases in rental completions, which resulted in an increase in rental supply. However, rental demand decreased due to job losses and lower migration caused by COVID-19 restrictions. As COVID-19 vaccination programs are successfully rolled out, travel restrictions will ease and allow international migration to recover. This will

lead to an increase in rental demand, since international migrants normally turn to the rental market for housing. Improvements in the labour market will reduce Edmonton's unemployment rate, which is particularly high among young workers. This will attract more young adults to the CMA, and lead to another boost to rental demand. On the other hand, rental supply is projected to increase due to the high number of rental apartment starts over the past two years. This will help meet the expected increase in demand and hold vacancy rates and average rents steady.

Forecast Summary — EDMONTON CMA											
				202	1(F)	202	2(F)	2023	B(F)		
	2018	2019	2020	(L)	(H)	(L)	(H)	(L)	(H)		
New Home Market											
Starts:											
Single-Detached	4,814	4,140	4,138	4,221	5,435	4,098	5,664	4,045	5,698		
Multiples	5,224	6,580	7,374	6,441	7,978	5,647	7,462	5,522	7,355		
Starts-Total	10,038	10,720	11,512	10,662	13,413	9,745	13,126	9,567	13,053		
Resale Market											
MLS® Sales	18,486	18,510	19,435	17,992	22,383	17,358	22,058	17,133	22,033		
MLS® Average Price (\$)	374,577	364,548	371,604	374,320	389,039	374,407	390,171	370,351	385,945		

Sources: CMHC Starts and Completions Survey, CREA

(F) Forecasts by CMHC.



CALGARY



Michael Mak Senior Analyst, Economics

"Economic recovery, a stabilizing labour market, and low interest rates will support moderate growth in resales and new home construction in 2021, before rising interest rates slow housing activity in 2022 and 2023."

HIGHLIGHTS

- The recovery of the labour market and the return of migration into Calgary will support stronger resale activity in 2021.
- Low mortgage rates will increase demand for single-detached homes, supporting moderate increases in the average resale price.
- Construction activity will resume in 2021 with economic recovery, but will face downward pressure in 2022 and beyond.

Labour market expected to recover post-COVID-19, but not fully by 2022

The pandemic adversely affected major centres across the country, and Calgary was no exception. In addition to job losses from pandemic-related lockdowns and uncertain credit conditions in the first quarter of 2020, the Calgary census metropolitan area (CMA) was hit especially hard due to its exposure to the energy sector. While oil prices dropped in the first quarter and demand remained uncertain for the intermediate future, job losses increased as firms reduced production, folded, or merged to lower costs. Since the height of the pandemic's impacts and the subsequent easing of lockdown restrictions, volatility in credit and oil markets has eased, and the labour market recovered from peak unemployment in the second quarter. Still, unemployment remains relatively high in the Calgary CMA compared to

pre-pandemic levels and is concentrated in the service sector, especially among part-time workers. As a result, the strong employment gains from the second half of 2020 are expected to continue into 2021, but slow down further in 2022-2023 as growth opportunities slowly return to Calgary.

Alberta is largely an economically driven province for migration, and, in Calgary, net migration correlates with employment growth. A combination of restrictions to international travel and job losses in the province led to the first quarter of negative net migration in Alberta since 1994. A strengthening employment outlook, brought on by stabilized and higher oil prices, as well as the reopening of the economy, will serve to restore positive net migration into Alberta and Calgary in late 2021-2022.

The return of migration into Alberta and the Calgary CMA relies on several factors, including a successful vaccination program, stable and strengthening demand for oil in the near to intermediate future, and continued loose monetary policy.

Total new construction expected to pick up in 2021 as economic and fundamental conditions continue to improve

In 2020, new construction activity was lower, held back by economic uncertainty and high levels of existing unsold inventories. A combination of low inflation-adjusted mortgage rates and the lower impact of the pandemic among higherincome households led to demand for more expensive singledetached housing over the course of 2020, which is expected to continue. While unsold inventories are high, the portion made up of single-detached units decreased during the year, signaling strong demand. Builders have reacted by continuing building projects, primarily by expanding urban sprawl on the outskirts of the city of Calgary.

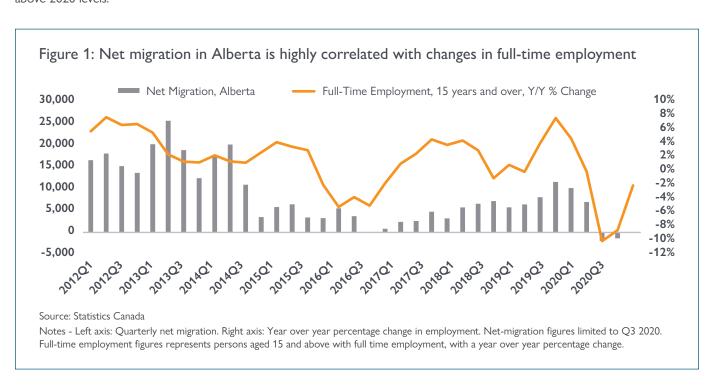
Both single-detached and multi-unit new constructions are expected to moderately increase in 2021, driven by recovering economic conditions, stabilized financial conditions, and the expected return of migration. However, as we expand further into late 2022-2023, the effects of rising interest rates, as well as elevated levels of existing inventory, will slow down new housing starts, especially in the condominium segment.

Resale activity to continue as buyers take advantage of low rates

In 2021, existing sales activity will be higher, partially due to a resurgence in demand from 2020. Average MLS® prices are expected to rise slightly, supported by economic fundamentals and continued preferences for single-detached homes. Resale activity was weak in the second quarter of 2020, as pandemic lockdown measures were in place, interrupting most resale activities. As the lockdown measures eased by the summer and into the third quarter, a resurgence of existing home sales was seen in the CMA. While increasing employment, migration, and oil-sector recovery support increased resale activity in 2021, the effects of rising interest rates will serve to limit this activity. Resale activity is expected to decline in 2022-2023, but remain above 2020 levels.

Vacancy rates to decrease as employment recovers and migration returns in 2021.

Significant job losses brought apartment vacancies up to a level last seen in 2017. While the primary rental supply is projected to continue growing, we expect the level of returning net migration and employment to lower vacancy rates in the near future. Based on the anticipated recovery in the labour market, vacancy rates are not expected to reach pre-pandemic levels in 2021. Current market conditions, anticipated lower vacancy rates, and new supply coming to the market indicate continued, but minimal, growth in the average rent for two-bedroom apartments.



				2021	l(F)	2022	2(F)	2023	B(F)
	2018	2019	2020	(L)	(H)	(L)	(H)	(L)	(H)
New Home Market									
Starts:									
Single-Detached	3,791	3,535	3,487	3,660	4,930	3,630	5,240	3,570	5,450
Multiples	7,180	8,374	5,748	6,290	8,020	6,220	8,630	4,020	7,870
Starts-Total	10,971	11,909	9,235	9,950	12,950	9,850	13,870	7,590	13,320
Resale Market									
MLS® Sales	20,993	21,355	22,067	22,900	26,900	21,400	27,200	20,300	28,000
MLS® Average Price (\$)	476,295	456,874	460,148	466,000	475,600	470,300	484,500	463,800	496,700



⁽F) Forecasts by CMHC.

REGINA



Taylor Pardy Senior Analyst, Economics

"Strong demand in the resale market will support continued gains in sales and rising average prices in 2021. The resale market's strength, combined with low new home inventories, will support a significant increase in housing starts in the near term."

HIGHLIGHTS

- The resale market will see a similarly strong level of sales in 2021 as it did in 2020.
- Strong resale market activity combined with lower existing and new home inventories will result in a significant increase in housing starts in 2021.
- Steady local demand for rental accommodations and limited new supply coming onto the market will put downward pressure on the apartment vacancy rate in the near term.

Housing demand to strengthen as economic and demographic fundamentals improve

The COVID-19 pandemic had a significant impact on economic activity, employment conditions and population growth in 2020. Of particular importance to the housing market, the pace of immigration into the Regina census metropolitan area (CMA) slowed significantly in 2020, affecting the pace of population growth. With the pandemic persisting into 2021, it is likely that the pace of population growth will remain subdued until immigration can recover to pre-pandemic levels. Meanwhile, employment conditions are anticipated to improve in the latter half of 2021 as the vaccine rollout progresses and containment measures are slowly relaxed. Moving beyond the pandemic, a return to more normal population and employment growth is anticipated in 2022 and 2023, with employment returning to pre-pandemic levels in 2022.

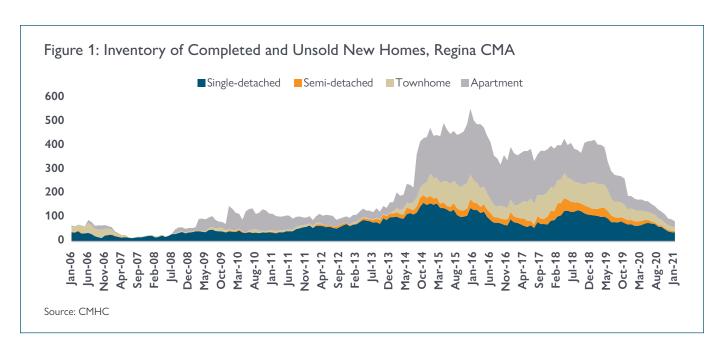
Resale activity will slowly moderate from the highs seen during the pandemic

MLS® sales are anticipated to remain strong in 2021, similar to the pace at the end of 2020, before gradually moderating to a level more in line with economic conditions and population growth by 2023. The initial declines in employment and household disposable income at the onset of the pandemic were short-lived. Businesses adapted rapidly to the pandemic, significant government supports were provided, and remote working became the norm for many. Interest rates declined to support lending and economic activity, while also expanding homebuying budgets, since their decline brought mortgage rates lower. As a result, existing home sales surged 22% in 2020 relative to the previous year, ending the year with a level of sales last seen in 2012, when the economy was expanding rapidly. The strong pace of MLS® sales and subsequent decline in active listings put upward pressure on the MLS® average home price, causing it to rise 2% in 2020.

Improving employment conditions, low (though slowly rising) mortgage rates and a recovery in the pace of population growth post-pandemic are anticipated to support MLS® sales over the forecast horizon. However, despite sales gradually moderating over the next few years from a high point, annual MLS® sales will remain quite strong throughout, when compared with 2018-19.

New construction set to increase over the forecast horizon

Both single-family and multi-unit housing starts are anticipated to increase significantly over the forecast horizon. Following the slower pace of housing starts seen in 2019, when builders pulled back on new construction activity to allow inventories to be absorbed, starts picked up in the latter half of 2020, resulting in a year-end increase of 42%. However, despite the increase in 2020, housing starts remained 35% below the five-year average. Given strong demand on the resale market, lower existing home inventories and lower new home inventories, housing starts are expected to increase in the near term (figure 1). Moreover, moving into 2022 and 2023, increasing international migration to the region will support continued stronger starts activity in line with the pace of household formation.



Local demographics and recovering international migration will drive vacancies lower post-pandemic

Net international migration has historically been a key driver of population growth and rental demand in the Regina CMA. While the number of international newcomers declined significantly during the pandemic, the most recent CMHC Rental Market Survey results showed that local demand for rental accommodations kept pace with supply increases. Additionally, lower turnover among renters helped keep the vacancy rate stable in 2020.

As international migration recovers, there will be greater demand for rental accommodations in the Regina CMA. With increased demand, combined with limited new supply set to come onto the market in the near term, it is likely that the vacancy rate will decline over the forecast horizon from the 7.5% apartment vacancy rate posted in October 2020. Moreover, as supply and demand continue to come back into balance, year-over-year increases in average rents are also likely to increase in magnitude relative to the post-2014 period of rents being relatively flat.

Forecast Summary — REGINA CMA												
				202	1(F)	202	2(F)	2023	B(F)			
	2018	2019	2020	(L)	(H)	(L)	(H)	(L)	(H)			
New Home Market												
Starts:												
Single-Detached	352	248	288	400	550	450	650	450	700			
Multiples	787	289	478	700	950	750	1,050	750	1,100			
Starts-Total	1,139	537	766	1,100	1,500	1,200	1,700	1,200	1,800			
Resale Market												
MLS® Sales	2,986	3,079	3,755	3,500	3,700	3,200	3,500	3,100	3,400			
MLS® Average Price (\$)	306,638	300,353	306,227	309,100	317,300	311,700	324,900	313,500	329,600			

Sources: CMHC Starts and Completions Survey, CREA, CMHC Calculations



SASKATOON



Goodson Mwale Senior Analyst, Economics

"Demand for new and existing homes is projected to remain elevated as a successful rollout of COVID-19 vaccines improves economic fundamentals. Meanwhile, resale prices are expected to increase further, albeit modestly."

HIGHLIGHTS

- Low inventories and improving economic fundamentals will support further gains in new home construction.
- Resale market activity will remain strong in 2021 but moderate slightly in 2022 and 2023 on expectations of rising mortgage rates.
- Balanced market conditions will yield modest price gains throughout the forecast period.

Labour market set to recoup jobs lost during the pandemic

Housing demand in the Saskatoon census metropolitan area (CMA) will be supported by a recovery in overall employment in 2021 and by further job gains in 2022 and 2023. The successful rollout of COVID-19 vaccines in 2021 will lift economic activity and allow businesses to ramp up hiring, especially in the services-producing sector, where a significant number of jobs were lost during the pandemic. Moreover, stronger demand for various commodities that Saskatchewan exports is expected to shore up business confidence and contribute to the recovery in Saskatoon's primary and utilities sectors.

A recovery in international migration will support population growth

After slowing sharply in 2020, Saskatoon's population is projected to grow at a slightly faster pace this year and move closer to its long-term average annual growth of 2.5% by 2023. A surge in net international migration over the past decade has been the largest contributor to population growth and household formation in the Saskatoon CMA. Travel restrictions and border closures during the pandemic resulted in a sharp

decline in net newcomers arriving in the city from abroad and other parts of the country. The successful rollout of vaccines expected over the next several months will contribute to the gradual removal of these restrictions—thus allowing for an increase in immigration levels.

Low inventory and improving economic conditions will support housing starts

Total housing starts in the Saskatoon CMA are forecast to increase further in 2021, buoyed by a vibrant resale market and declining new housing inventory. The expected recovery in economic fundamentals and net migration will support stronger new home construction through 2023. Both single-detached and multi-family construction are poised for further gains throughout the forecast period, in large part due to continued efforts to build out subdivisions in the northeast and southeast parts of the city. In addition, expected multi-year projects to build ownership condominiums and rental apartments in the downtown area will help keep multi-family starts elevated over the next several years.

A key risk to this outlook would be if the planned rollout of vaccines over the next few months did not fully curb the spread of COVID-19 variants, which would impede the recovery in construction activity. In addition, if the current surge in lumber prices were to persist, it would greatly increase construction costs and limit the pool of potential buyers due to the higher costs that would potentially be passed on to consumers.

Strong resale demand will continue in 2021; price gains will remain modest

MLS® sales are forecast to remain strong in 2021, supported by relatively low mortgage rates and improving economic conditions. Moving ahead, interest and mortgage rates are predicted to increase modestly with the elimination of excess economic capacities and fading disinflationary pressures. With potentially higher mortgage rates, we expect resale activity to moderate slightly in 2022 and 2023, but remain elevated, from a historical perspective.

The MLS® average price is expected to increase modestly throughout the forecast period, with balanced market conditions yielding price gains across the various segments of the housing market. In 2020, resale prices in Saskatoon rose an average 4.4% from the previous year. Other price measures, such as Saskatoon's MLS® HPI benchmark prices for single-detached homes, townhouses and condominium apartments, all posted year-over-year gains in 2020, confirming a broadbased shift away from buyer's market conditions that had persisted for many years.

A recovery in job growth and net migration will support rental demand

Saskatoon's purpose-built rental market remained relatively stable in 2020, despite the negative impact of the COVID-19 pandemic on employment and immigration. As labour market conditions improve and international migration returns to near-normal levels, demand for rental accommodation in the Saskatoon CMA is expected to strengthen further. Meanwhile, the number of rental completions increased in 2020 from the previous year, adding to new supply. Additionally, there

were more than 900 rental apartments at various stages of construction at the end of February 2021. Upon completion, these will increase rental supply over the coming months.

On balance, the elevated number of rental units under construction in Saskatoon is likely to result in upward pressure on the vacancy rate in 2021. As employment and net international migration revert to pre-pandemic levels, we expect tighter rental conditions to emerge and the vacancy rate to move lower in 2022 and 2023 on stronger rental demand.

Forecast Summary — SASKATOON CMA												
				202	1(F)	202	2(F)	202	B(F)			
	2018	2019	2020	(L)	(H)	(L)	(H)	(L)	(H)			
New Home Market												
Starts:												
Single-Detached	778	639	774	820	1,120	875	1,220	895	1,240			
Multiples	848	684	1,135	870	1,250	915	1,280	925	1,300			
Starts-Total	1,626	1,323	1,909	1,690	2,370	1,790	2,500	1,820	2,540			
Resale Market												
MLS® Sales	4,628	4,833	5,941	5,400	6,000	5,140	5,800	5,100	5,720			
MLS® Average Price (\$)	317,016	315,131	329,113	326,000	334,040	329,755	343,040	333,825	350,320			

Sources: CMHC Starts and Completions Survey, CREA, CMHC Calculations

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WINNIPEG



Heather Bowyer Senior Analyst, Economics

"Housing starts are projected to rise gradually over the forecast period. Strong demand in the resale market will support steady sales activity, while average prices will continue to rise."

HIGHLIGHTS

- Given low inventories in the new home market, housing starts should increase in 2021.
- Resale market activity will continue on the strong pace seen in 2020.
- Growing supply and weaker demand will lead to some softening in the rental market.

Economic fundamentals will recover gradually

The COVID-19 pandemic significantly affected the economic landscape in 2020 and will continue to have effects on population and employment in 2021. With borders closed and international travel suppressed, population growth will remain low in 2021. New immigrants make up the largest component of population growth, so it is likely that growth will continue to be low until immigration levels recover. Employment will rebound in 2021; however, the magnitude of the recovery will depend on the pace of economic reopening and vaccine rollout. As the economy continues to recover over the forecast period, employment will increase, growing in line with pre-pandemic levels.

Housing starts will keep pace with levels seen over the past several years

Given low interest rates and inventories, total housing starts in the Winnipeg census metropolitan area (CMA) are expected to increase compared to 2020 (figure 1). Increases in singledetached units will be partially offset by declines in multi-family units in 2021. Single-detached construction should outpace condominium construction, given that there is typically more

demand for single-detached homes than for condominiums in Winnipeg. In addition, rental starts will continue to outpace condominium starts, following the trends seen in recent years.

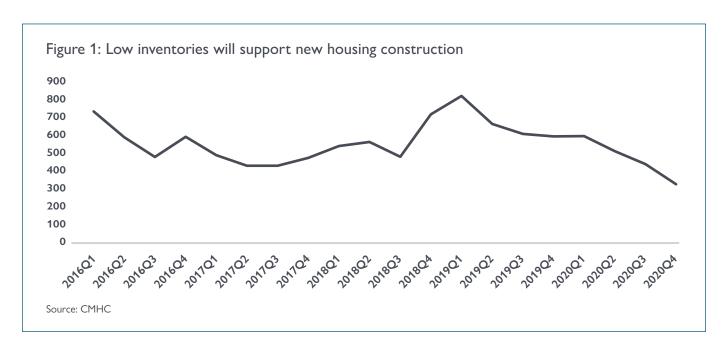
In the single-detached market, housing starts are expected to increase in 2021 and over the forecast period, after three consecutive years of declines. Low inventories in both the new and resale markets will lend support to increased construction in the new home market. In addition, individuals with higher incomes have been less affected by the pandemic, and these individuals create demand as move-up buyers for new singledetached homes.

In the multi-family segment, new construction is expected to fall slightly in 2021, largely on the rental side. Recently, there have been historically high levels of both rental starts and units under construction. This will weigh on multi-family starts going forwards. Condominiums should post moderate gains in 2021, offsetting some of the decrease, since three consecutive years of lower starts and low inventories will provide some support for new construction. After a moderation in 2021, the return of immigration and population growth to the Winnipeg CMA will add support for increases in multi-family starts in 2022 and 2023.

MLS® sales will remain strong while average prices increase

Despite weaker economic fundamentals, demand for resale homes will increase, supported by continued favourable borrowing conditions. Employment losses have been concentrated in lower-wage industries and among younger individuals, who typically create demand for lower-cost housing or rental units. This helped shift demand to higherpriced homes. As such, individuals with higher incomes and employment that was largely unaffected by the pandemic took advantage of historically low mortgage rates. This trend is likely to continue in 2021, but as mortgage rates gradually rise, resales will fall. Still, they will remain higher than levels seen in previous years as stronger population growth returns.

The average MLS® price will increase in 2021, given increased resale market activity. Resale demand will remain high, continuing to outpace growth in new listings. This will put upward pressure on prices. Low mortgage rates will also continue to support prices, since low rates increase homeowners' borrowing capacity.



Growing rental supply and softening demand will affect rental market

Because of the COVID-19 pandemic's disproportionate effect on rental demand, its greatest impact was felt on the rental market. Lower immigration levels, high youth unemployment, and the shift to online learning all contributed to softer rental demand in 2020. It is likely that rental demand will remain low in 2021, but this is highly dependent on the pace of economic recovery and the resumption of international migration. This may keep the vacancy rate elevated compared to recent years, given that supply should increase. Elevated rental construction will continue to add new units to the market, which will put upward pressure on average rents. Lower demand, however, should limit some of the rent growth.

Forecast Summary — WINNIPEG CMA												
				202	1(F)	202	2(F)	2023	B(F)			
	2018	2019	2020	(L)	(H)	(L)	(H)	(L)	(H)			
New Home Market												
Starts:												
Single-Detached	1,874	1,661	1,652	1,790	1,930	1,720	1,970	1,790	2,100			
Multiples	3,510	3,304	3,388	3,000	3,430	3,110	3,640	3,150	3,800			
Starts-Total	5,384	4,965	5,040	4,790	5,360	4,830	5,610	4,940	5,900			
Resale Market												
MLS® Sales	11,979	12,825	14,416	14,210	15,280	13,200	14,500	13,000	14,530			
MLS® Average Price (\$)	301,518	303,008	317,931	332,260	337,800	342,810	351,410	352,380	363,320			

Sources: CMHC Starts and Completions Survey, CREA, CMHC Calculations



GREATER TORONTO AREA



Dana Senagama Senior Specialist, Economics

"The heavy pace of activity on the resale market, both in sales and price growth, will ease by 2022. When the pandemic unwinds, the return of migrant inflows and employment recovery should ensure steady rental and homeownership demand."

HIGHLIGHTS

- Resale home sales and price growth will remain strong in 2021 before slowing down in 2022.
- Steady housing starts activity will continue from 2021 to 2023, with more starts expected in the 905 areas.
- Rental demand will begin to recover once the pandemic recedes.

Economic recovery and future immigration will support housing demand

Employment in the Greater Toronto Area (GTA) remains below pre-pandemic levels; however, the abundance of office-based jobs has remained supportive of homeownership demand. Job losses following the pandemic have been concentrated in lower-paying services-producing industries and among younger individuals, while office-based professionals have been able to work from home and retain their income. As a result, job losses had a greater impact on rental demand than on homeownership demand. Additionally, high savings rates and low interest rates contributed to greater homeownership demand. Postpandemic, employment is expected to recover significantly and return to pre-pandemic levels in 2022. Higher Canadian immigration targets between 2021 and 2023, of which the GTA receives the greatest share, and the return of urban living will support strong population growth.

Housing starts expected to increase gradually

Total housing starts in 2021 will be at a similar level to the previous year, before gradually increasing in 2022 and 2023. Pre-construction sales have been steady throughout 2019 and 2020 (averaging about 37,000 units annually), and most have been in condominium apartments. Typically, pre-construction sales of condominium apartments convert to starts within a 24- to 36-month period, while ground-oriented units break ground within an 8- to 12-month period. Pandemic-related labour disruptions (which have been particularly acute where construction sites employ temporary foreign workers) and supply chain delays due to border closures will cause some construction activity to be slower in 2021 (like in 2020). Currently, there are about 84,000 housing units under construction in the Toronto census metropolitan area (CMA), an all-time high, of which 75% are condominium apartments. Capacity constraints resulting from this backlog will also dampen growth in home starts this year.

With the expected unwinding of the pandemic due to successful vaccination program rollouts, construction activity will gather momentum, and starts should begin to rise in 2022. Strong demand for ground-oriented homes, driven by a greater desire for more living space, will drive pre-construction sales of single-detached homes and townhomes in 2022 and 2023, leading to more housing starts. Expect to see heightened construction activity in the suburban 905 areas, which have more ground-oriented subdivisions. Starts in the 416 areas, which typically have a higher concentration of condominium apartment projects, will continue at a steadier pace, owing to the backlog of current projects under construction.

The downside risk to our forecast is a prolonged pandemic (due to lower vaccine efficacy) resulting in repeat lockdowns and a slower economic recovery, both locally and abroad. The upside risk to the forecast is an earlier-than-expected recovery from the pandemic in 2021, with a resumption of full economic activity and full border openings.

Resale market activity will remain strong, but will moderate from recent highs

Existing home sales in the GTA will remain strong for the rest of 2021, since resilient employment in high-paying industries, historically low mortgage rates, and high household savings rates will support demand. Sales are expected to slow down in 2022 as the rapid pace of homebuying

in 2021 eases and homebuyers adjust to rising mortgage rates. Homebuying activity is expected to pick up again in 2023 as the global economy fully recovers, resulting in heightened international migration and employment growth. The revival of in-office work, indoor dining, and large social gatherings is expected to bring demand back to the urban core, where most condominium apartment buildings are located.

Strong house price growth is expected in 2021. More modest, single-digit, price growth is expected in 2022 and 2023. The average house price grew significantly in 2020 due to higher sales of pricier, ground-oriented homes, particularly single-detached homes. This shift in demand toward ground-oriented homes was influenced by the COVID-19 pandemic, which increased telecommuting and individuals' desire to live in less densely populated areas. Since the onset of the pandemic, suburban regions of the GTA, where ground-oriented homes are more common, saw stronger price growth than the city of Toronto (figure 1). Notably, Durham Region saw the most price growth since February 2020 (36%). Demand for ground-oriented homes in Durham Region, especially within the Oshawa CMA, has been remarkably high due to the relative affordability of the region.

In 2021, sales of condominium apartments, which are priced lower than ground-oriented homes, have been making up a larger proportion of sales, indicating a recovery of demand for higher-density housing. This compositional shift in sales toward condominium apartments will continue as the pandemic recedes and will contribute to the moderation of average house price growth.

Upside risks to the resale market forecasts include lowerthan-anticipated mortgage rates and higher demand from new immigrants, which would result in sales outpacing supply and lead to higher house prices. Downside risks include unexpected changes to borrowing conditions and a persistent pandemic with recurring lockdowns.

The end of the pandemic will determine the recovery of the rental market

The recovery of the rental market is primarily contingent upon how soon the pandemic is brought under control. The pandemic has affected renters far more than homeowners. Employment losses have been concentrated among younger workers, a disproportionate amount of whom are renters. International migration, which is a key driver of rental demand, has slowed significantly. As well, students, who often rent, have been learning online. This has allowed them to relocate to lower-priced areas, or to move in with their parents, thus lowering rental demand.

New rental units under construction may face longer lease-up periods in a slower market. Typically, newly launched projects take up to 12 months for full lease-up. With lower tourism levels and short-term rentals restricted to principal residences, some condominium apartment units will continue to be converted into long-term rentals, thereby increasing supply and lowering rent growth. Due to current uncertainty, planned purpose-built rental projects may be on hold, which could adversely affect new supply. The slowdown in new construction will be concentrated in downtown cores with higher land costs, such as Toronto Centre, where new rental projects need to command high rents to be financially viable.



Forecast Summary — TORONTO CMA											
				202	1(F)	202	2(F)	202	3(F)		
	2018	2019	2020	(L)	(H)	(L)	(H)	(L)	(H)		
New Home Market											
Starts:											
Single-Detached	6,405	4,209	5,848	6,420	7,690	6,530	7,980	6,810	8,500		
Multiples	34,702	26,253	32,739	28,700	34,400	29,820	36,590	29,930	37,480		
Starts-Total	41,107	30,462	38,587	35,120	42,090	36,350	44,570	36,740	45,980		
Resale Market											
MLS® Sales	78,477	88,223	95,577	98,600	113,500	95,500	114,000	102,400	123,800		
MLS® Average Price (\$)	787,976	819,544	929,673	962,500	1,087,600	998,700	1,151,400	1,024,700	1,205,400		

Forecast Summary — OSHAWA CMA												
				202	1(F)	2022	2(F)	2023	B(F)			
	2018	2019	2020	(L)	(H)	(L)	(H)	(L)	(H)			
New Home Market												
Starts:												
Single-Detached	1,308	876	793	880	1,110	880	1,150	910	1,200			
Multiples	1,224	827	1,873	1,360	1,650	1,210	1,490	1,090	1,380			
Starts-Total	2,532	1,703	2,666	2,240	2,760	2,090	2,640	2,000	2,580			
Resale Market												
MLS® Sales	8,630	10,115	12,300	12,560	14,450	12,000	14,400	12,970	15,540			
MLS® Average Price (\$)	591,172	606,390	701,283	758,000	858,100	800,000	924,100	837,700	987,400			

Sources: CMHC (Starts and Completions Survey - Market Absorption Survey), Statistics Canada, CREA (MLS $^{\otimes}$), CMHC Forecast (2021-2023) Multiple Listing Service $^{\otimes}$ (MLS $^{\otimes}$) is a registered trademark of the Canadian Real Estate Association (CREA).

The forecasts (F) included in this document are based on information available as of 24th February 2021. (L)= Low end of range. (H)= High end of range.

It is possible that the low end (L) and the high end (H) of forecast ranges for residential housing starts for singles and multiples jointly may not add up to the total. This is caused by rounding as well as the volatility of the data.



HAMILTON



Anthony Passarelli Senior Analyst, Economics

"Following record-high activity in 2021, MLS® sales will decrease, easing upward pressure on prices."

HIGHLIGHTS

- Total housing starts will decrease in 2021 and then trend up, owing to greater activity in the multi-unit segment.
- Lower MLS® sales activity after 2021 will ease upward price pressures.
- The rental apartment vacancy rate will trend down during the 2021-2023 period.

In-migration from Toronto CMA will likely decrease to pre-pandemic levels

Since the pandemic, elevated demand for spacious singledetached homes has prompted more people to move from the Toronto census metropolitan area (CMA) to Hamilton. These homes were far less expensive in Hamilton. Greater in-migration of Toronto households has contributed to record sales activity since the second half of 2020, particularly in the high price range of \$800,000 and above, as shown in figure 1. The surge in demand has caused single-detached home price growth in Hamilton to outpace that in Toronto. We expect the narrowing price gap to begin to discourage some Torontonians from moving to the region.

Government of Canada targets suggest high international migration will occur in the 2021-to-2023 period. High international migration is expected to have a more profound effect on rental housing demand than on homeownership demand, as Census data show that most immigrants rent upon arriving in Canada.

Should in-migration from the Toronto CMA remain above pre-pandemic levels, housing activity could be higher than predicted. A slower-than-expected rebound in international migration could cause housing activity to be lower than our forecast.

Employment unlikely to reach pre-pandemic levels this year

Hamilton's employment currently sits well below pre-pandemic levels and is not expected to fully recover this year. Job growth in hard-hit industries such as accommodation, food services and retail trade will stimulate mostly rental housing demand. Average wages earned in these industries generally do not facilitate a home purchase.

Employment in some higher-paying industries such as transportation, warehousing and professional services is poised to return to pre-pandemic levels. The recovery in transportation and warehousing jobs will likely take hold late in 2021, owing to increased travel through the Hamilton International Airport and the opening of Amazon's new fulfillment center.

The US fiscal stimulus package and stronger global economic growth will provide tailwinds for manufacturing employment. With housing activity forecast to retreat after 2021, headwinds may exist for real estate and finance.

If Hamilton goes back into lockdown for a prolonged period, or if fixed mortgage rates increase more than we expect, housing activity could be lower than our forecast.

Multi-unit housing starts will trend up after 2021

Low activity in the condominium apartment segment will result in fewer multi-unit housing starts this year. A low number of pre-construction projects are 70% sold, owing to greater competition from resale listings of recently completed units. However, inventories will be absorbed faster going forward, since condominium apartments are increasingly becoming the only affordable option for a large percentage of buyers. Prices of ground-oriented homes in Hamilton have far outpaced prices of condominium apartments.

Strong rental housing demand will also lead to stronger sales of pre-construction units to investors. CMHC Rental Market Survey data indicate that nearly one of every three condominium apartments built in Hamilton in the last decade are rented out.

Expect row home starts to trend up over the forecast horizon, particularly this year. Many new row homes are priced between \$600,000 and \$800,000, a price range with very high sales activity since the second half of 2020 (see figure 1).

In 2021, single-detached starts could reach their highest level in over five years due to a significant lack of homes for sale priced at \$1,000,000 and above. Figure 1 also illustrates the surge in demand for homes in this price range since the second half of 2020. Resale properties at \$1,000,000 and above have sold in a record-low number of days; listings have not kept pace with demand.

In contrast to the multi-unit segment, single-detached starts activity will likely trend lower after 2021. Demand for highpriced homes is expected to moderate due to a gradual increase in fixed mortgage rates and lower in-migration from the Toronto CMA.

MLS® sales will moderate after record-high activity in 2021

After reaching a record high in 2021, MLS® sales activity will decrease to levels more aligned with Hamilton's economic fundamentals, such as full-time employment and income. Historically low mortgage rates since the second half of 2020 will be the chief contributor to this year's record sales total and rapid price growth. However, weak income growth during this

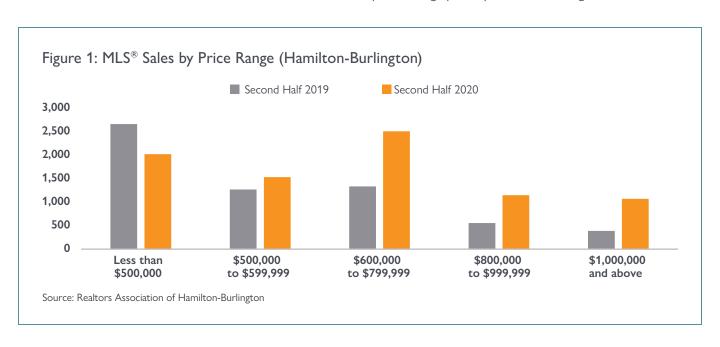
period will cause affordability to erode quickly and will start to weigh on sales activity. A gradual rise in fixed mortgage rates and less in-migration from Toronto will also restrain sales.

Lower sales activity in 2022 and 2023 will ease price pressures considerably and bring the resale market closer to a balanced state. Hamilton's resale market has been firmly in seller's market territory since the second half of 2020. The seasonally adjusted sales-to-new listings ratio (SNLR) hovered between 80% and 90%, resulting in annualized price growth above 20%. A SNLR in the 60%-70% range would typically signal a balanced market in Hamilton.

Deteriorating affordability, rising mortgage rates and less in-migration from other regions of Ontario will also cause demand to shift to lower-priced homes, another factor that will ease price pressures.

Vacancy rate will trend lower in the 2021-2023 period

Rental demand will likely outpace supply owing to a combination of factors. The employment recovery in servicesector industries hardest hit by the pandemic will stimulate greater rental demand. So will higher international migration and a greater number of post-secondary students returning to the classroom. With homeownership costs rising much faster than incomes, expect few renters to transition to homeownership. A decrease in the vacancy rate would place strong upward pressure on average rents.



Forecast Summary — HAMILTON CMA											
				202	1(F)	202	2(F)	2023	B(F)		
	2018	2019	2020	(L)	(H)	(L)	(H)	(L)	(H)		
New Home Market											
Starts:											
Single-Detached	661	691	529	650	750	625	750	550	700		
Multiples	2,955	2,513	2,902	2,200	2,500	2,450	2,800	2,550	3,000		
Starts-Total	3,616	3,204	3,431	2,850	3,250	3,075	3,550	3,100	3,700		
Resale Market											
MLS® Sales	11,931	13,328	14,451	15,000	16,000	12,800	14,000	13,000	14,400		
MLS® Average Price (\$)	562,820	590,720	691,968	760,000	820,000	760,000	840,000	790,000	890,000		

Sources: CMHC (Starts and Completions Survey - Market Absorption Survey), Statistics Canada, CREA (MLS®), CMHC Forecast (2021-2023) Multiple Listing Service® (MLS®) is a registered trademark of the Canadian Real Estate Association (CREA).

The forecasts (F) included in this document are based on information available as of 24th February 2021. (L)= Low end of range. (H)= High end of range. It is possible that the low end (L) and the high end (H) of forecast ranges for residential housing starts for singles and multiples jointly may not add up to the total. This is caused by rounding as well as the volatility of the data.



LONDON



Anthony Passarelli Senior Analyst, Economics

"Following a record-setting year in 2021, MLS® sales activity will moderate, easing upward pressure on prices."

HIGHLIGHTS

- The number of single-detached starts will trend down after very strong activity in 2021.
- Expect MLS[®] sales activity to moderate after 2021, easing upward pressure on prices.
- The rental apartment vacancy rate is expected to trend down during the 2021-2023 period.

In-migration from other regions of Ontario will likely retreat to pre-pandemic levels

Since the pandemic's onset, a greater number of people have moved to London from other regions of Ontario, particularly the Toronto census metropolitan area (CMA). This movement has been fueled by stronger demand for more spacious singledetached homes, which are far less expensive in London. Greater in-migration from these regions has contributed to record sales activity, particularly in the high price range of \$700,000 and above.

Figure 1 shows that London's single-detached home prices increased by nearly 20% after the housing market effectively re-opened in July 2020, significantly outpacing price growth in Greater Toronto. We expect the narrowing price gap between London and Toronto to cause in-migration to decrease to pre-pandemic levels.

Government of Canada targets suggest that London will experience a strong influx of international migrants in the 2021-2023 period. High international migration will have a more profound effect on rental housing demand than on homeownership demand, as Census data show that most immigrants rent upon arriving in Canada.

Should in-migration from other regions of Ontario remain well above pre-pandemic levels, housing activity could be higher than predicted. Delays preventing a rebound in international migration could cause housing activity to be lower than our forecast.

Employment to reach pre-pandemic levels this year

Following a strong recovery in the second half of 2020, London's employment will return to pre-pandemic levels this year. Industries that have yet to recover, such as accommodation, food services, and retail, will benefit greatly from increased capacity limits once mass inoculation of



the population is achieved. Higher employment in these industries will support mostly rental housing demand, given that average wages in these industries make few options on the homeownership market affordable.

The US fiscal stimulus package and stronger global economic growth will provide tailwinds for manufacturing employment, particularly after 2021. Manufacturing employment may be restrained this year by the semiconductor chip shortage that has idled vehicle production at the GM plant in Ingersoll. With housing activity expected to moderate from all-time highs after 2021, headwinds exist for industries such as construction, real estate and finance.

If London goes into lockdown for a prolonged period, or if fixed mortgage rates increase more than expected, housing activity could be lower than our forecast.

Number of single-detached starts will trend down after 2021

In 2021, single-detached housing starts could reach the 2,000 mark for the first time in over a decade. Many new single-detached homes in London are priced from \$700,000 to \$1,000,000, a price range in which demand has surged since the second half of 2020. A shortage of resale homes listed for sale in this price range has led to increased traffic at new home sales offices, translating into a greater number of starts.

Single-detached starts will trend lower after 2021, owing to weaker demand for high-priced homes. Factors leading to weaker demand of high-priced homes include deteriorating affordability, lower in-migration from the Toronto CMA and the gradual increase of fixed mortgage rates.

Expect fewer multi-unit housing starts than the record number reached in 2020. Very strong rental apartment construction was the main driver of the spike in activity last year. We anticipate a slowdown in apartment starts activity until some of the high number of units currently under construction are completed and absorbed.

Higher row home starts will partly offset less activity in the apartment segment. Many new row homes in London are priced from \$500,000 to \$600,000, a price range with much higher sales activity since the second half of 2020 and very low supply.

MLS® sales activity will moderate after reaching record high in 2021

Following a predicted record number of MLS® sales in 2021, activity will moderate to levels more aligned with London's economic fundamentals. Ultra-low mortgage rates in place since the second half of 2020 will contribute to the record sales total and rapid price growth in 2021. However, with incomes barely growing, affordability will quickly erode and start to weigh on sales activity. A gradual rise in mortgage rates and less in-migration from other regions of the province will also lead to fewer sales post-2021.

Lower sales activity will make the resale market more balanced in 2022 and 2023, easing upward price pressures considerably. London's resale market has been firmly in seller's market territory since the second half of 2020. The seasonally adjusted sales-to-new-listings ratio (SNLR) has exceeded 85% over that period, producing annualized price growth above 30%. A SNLR in the 60%-65% range would typically signal a more balanced market, where prices grow at or slightly above the rate of inflation.

A shift in demand toward lower-priced homes will also ease price pressures. Since the second half of 2020, a growing percentage of sales have been of homes priced at \$700,000 and above. This trend will likely reverse, as demand for highpriced homes will be more negatively affected by the factors contributing to lower sales.

Vacancy rate will trend down in the 2021-2023 period

Despite a considerable number of rental units under construction, rental demand is expected to outpace supply during the 2021-to-2023 period. Strong rental demand will be supported by a combination of factors, most notably the jobs recovery in the service sector, higher international migration and post-secondary students returning to the classroom. With homeownership costs rising much faster than incomes, a lower number of renters will vacate their units to buy a home. A downward trending vacancy rate would be expected to put strong upward pressure on average rents.

Forecast Summary — LONDON CMA										
	2018	2019	2020	2021(F)		2022(F)		2023(F)		
				(L)	(H)	(L)	(H)	(L)	(H)	
New Home Market										
Starts:										
Single-Detached	1,415	1,308	1,727	1,850	2,100	1,500	1,800	1,350	1,700	
Multiples	1,264	2,107	2,535	1,650	2,000	1,700	2,100	1,750	2,200	
Starts-Total	2,679	3,415	4,262	3,500	4,100	3,200	3,900	3,100	3,900	
Resale Market										
MLS® Sales	9,156	9,483	9,940	10,600	11,300	9,000	9,900	9,100	10,200	
MLS® Average Price (\$)	366,637	408,262	487,473	570,000	620,000	580,000	640,000	600,000	680,000	

Sources: CMHC (Starts and Completions Survey - Market Absorption Survey), Statistics Canada, CREA (MLS®), CMHC Forecast (2021-2023) Multiple Listing Service® (MLS®) is a registered trademark of the Canadian Real Estate Association (CREA).

The forecasts (F) included in this document are based on information available as of 24th February 2021. (L)= Low end of range. (H)= High end of range. It is possible that the low end (L) and the high end (H) of forecast ranges for residential housing starts for singles and multiples jointly may not add up to the total. This is caused by rounding as well as the volatility of the data.



KITCHENER-**CAMBRIDGE-WATERLOO**



Iennifer Tsao Senior Analyst, Economics

"Sales momentum from late 2020 is expected to carry forward into 2021. Market activity will remain elevated and start normalizing in 2022 as economic conditions revert closer to pre-pandemic dynamics."

HIGHLIGHTS

- Resale market demand will continue to outpace supply. The KCW CMA housing market is expected to remain a market that favours sellers in 2021.
- With a record number of apartment units currently under construction, total starts will soften sometime over the next two years as resources are used to complete alreadystarted projects.
- KCW CMA's diversified economy will support a positive employment outlook. The local labour market, which started recovering in summer 2020, will continue adding jobs in 2021.

Resale market momentum from latter half of 2020 expected to continue in 2021

Resale market activity in the Kitchener-Cambridge-Waterloo census metropolitan area (KCW CMA) in 2021 will be characterized by continued strength. Sales activity is expected to remain elevated, where growth will be constrained by new listings activity. Several factors will support housing demand, including out-migration from other parts of Ontario to the Waterloo Region. In particular, the in-migration of residents from the Greater Toronto Area in search of more space and affordability will likely continue until the COVID-19 situation

improves. Intraprovincial migrants will likely make up for the slackened population growth stemming from softened in-migration from abroad. The KCW CMA's diversified economy, which has allowed a larger part of its economy to weather the pandemic, is likely to continue to support housing demand going forward. Low mortgage rates and higher household savings rates during the pandemic will also support housing demand.

Low inventory will drive prices up as buyers compete for available listings. The average resale price is expected to grow at an accelerated pace in 2021, and then moderate to a more sustainable pace in line with historical average annual growth in 2022 and beyond. In the short-term, singledetached homes across all price ranges will exhibit exuberant price activity: lower-range units are sought by those seeking to enter into homeownership, and higher-priced units are expected to continue to see robust demand.

As vaccination programs roll out in 2021, and the population gets closer to broad immunity, the desire for larger homes to accommodate working from home may lessen as market activity begins returning toward pre-pandemic norms. However, the projected increased rate of household formation, combined with expectations that borrowing costs will remain low, will continue to support housing demand.

The pace of interest rate adjustments represents both an upside and a downside risk and is dependent on the COVID-19 situation. If upticks in rates occur faster than our forecast, resale market activity will likely trend toward the lower end of the forecast range. Conversely, if rates remain lower for longer than expected, housing sales and prices may be stronger than expected. Lower-than-expected out-migration from the Greater Toronto Area could also bring sales closer to the lower end of our forecast range.

Single-detached starts will rebound from declining trend in the short term

The COVID-19 pandemic shifted preferences toward more spacious dwelling types as working from home became prevalent. This has resulted in increased demand for singledetached homes. We expect the trend of increasing singledetached starts as a proportion of total starts from late 2020 to carry forward into 2021 and early 2022. Low resale market inventory will cause demand to spill over into the new home market, resulting in more single-detached starts. Moreover, the low interest rate environment will help first-time homebuyers and move-up buyers purchase single-detached homes, thus supporting demand.

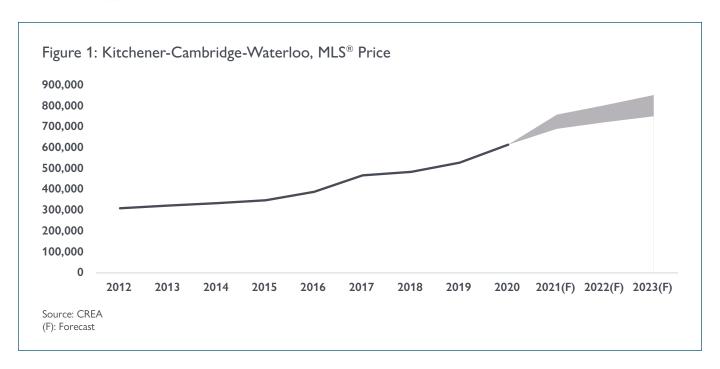
Multi-unit starts, particularly those of apartments, will remain robust; however, the current record-high inventory of apartments under construction will likely result in a dampening of new starts sometime over the next two years. The pre-pandemic trend of growing proportions of multi-unit starts over single-detached starts is expected to return as the pandemic situation winds down. COVID-19-related supply chain delays in the construction industry represent a potential downside risk to our starts forecast.

Rental market will remain tight

The primary rental market is expected to remain tight, similar to 2020 conditions. Demand will remain strong, and we expect the average vacancy rate to linger below the 10-year historical average (2.3%) despite supply additions over the last several years. While the purpose-built rental stock in the KCW CMA has increased by an annual average of more than 1,300 units since 2016, the average vacancy rate has not exhibited an upward trend, suggesting tight conditions.

While rental demand from immigration, new permanent residents, and international students is expected to soften in the short term given pandemic-related uncertainty, demand from young families and young professionals is expected to remain robust. Furthermore, the undersupply of rental units that are affordable to households at the low end of the income distribution will keep conditions tight.

The population growth rate will likely see an uptick further into our forecast horizon as travel restrictions from COVID-19 lessen. In addition, the fastest-growing segment of the population, seniors (aged 65 and above), is expected to continue its steady growth and will make up over 15% of the population in the KCW CMA by the end of 2022, which will support demand. Fast average house price growth will also contribute to keeping some renters from homeownership in 2021. Average rents will likely continue their trend of increasing faster than the provincial guidelines in 2022 and 2023, similar to the trend over the last eight consecutive years.



Forecast Summary — KITCHENER-CAMBRIDGE-WATERLOO CMA										
	2018	2019	2020	2021(F)		2022(F)		2023(F)		
				(L)	(H)	(L)	(H)	(L)	(H)	
New Home Market										
Starts:										
Single-Detached	996	898	859	870	1,030	950	1,150	710	990	
Multiples	2,107	4,585	2,890	2,760	3,240	2,450	3,050	2,610	3,390	
Starts-Total	3,103	5,483	3,749	3,630	4,270	3,400	4,200	3,320	4,380	
Resale Market										
MLS® Sales	5,927	6,061	6,595	6,500	7,000	6,190	6,790	6,240	6,960	
MLS® Average Price (\$)	484,596	528,714	614,793	691,000	759,000	722,700	804,700	750,900	852,900	

Sources: CMHC (Starts and Completions Survey - Market Absorption Survey), Statistics Canada, CREA (MLS®), CMHC Forecast (2021-2023) Multiple Listing Service® (MLS®) is a registered trademark of the Canadian Real Estate Association (CREA).

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ST. CATHARINES-**NIAGARA**



Inna Breidburg Senior Analyst, Economics

"Activity on both the resale and new home markets is expected to stay elevated through to 2023 as homes in St. Catharines remain in demand."

HIGHLIGHTS

- Construction activity will remain strong through to 2023 but will see some compositional changes.
- MLS® sales will set a new record in 2021 before retreating to levels that are more aligned with economic fundamentals.
- Rental vacancies are set to rise in 2021 before edging back toward pre-pandemic rates.

Strength of housing market reflects uneven economic impacts of the pandemic

The pandemic was harmful to many segments of the local economy and population groups. Demand for housing in St. Catharines, however, remained resilient due to the uneven nature of the pandemic's impact. Workers in sectors that require their physical presence at the workplace, such as accommodation and food services, tourism and retail, experienced strong employment losses. Professionals in higher-paid industries, who in many cases, were able to adapt by working from home and did not face the same threat of job loss, continued to drive demand for homes.

Furthermore, on average, households increased their savings last year. Due to government transfers and lower household spending, since lockdowns limited opportunities for household to spend their income. These savings translated to stronger housing demand in the second half of 2020.

Over the last few years, greater inflows of homebuyers from more expensive regions had boosted demand for both new and resale homes. This trend was propped up further during the pandemic, when the need for space and safety, as well as the possibility of working remotely, motivated migration to St. Catharines.

New home construction to remain robust

Total new home starts will be steady and robust through to 2023, nearing their highest level since the 1990s. Projects to be started in 2021 and 2022 are largely sold out. Demand capacity could warrant higher home starts, but supply constraints determined by factors such as availability of buildable land and the cost and time involved in getting housing projects approved will limit construction activity.

As the COVID-19 situation is slowly resolved, the economy will continue to reopen and recover jobs through to 2023. Economic fundamentals such as full-time employment and population growth will support new home construction at the 2020 level. However, a slower-than-expected employment rebound and stricter-than-expected supply constraints are downside risks to these starts projections.

We also expect some compositional changes to housing starts. Changes in preferences and stronger demand from out-of-region homebuyers, who in some instances have greater purchasing power, will boost single-detached construction in 2021. This segment will account for slightly more than half of total new home starts. The shift toward multi-unit construction, which started a few years before the pandemic, will resume in 2022 amid rising affordability concerns and policies that encourage a greater mix of new homes in the region.

MLS® sales to set new record in 2021

Existing home sales are on pace to set a new record in 2021. Stronger demand from out-of-region homebuyers boosted sales last year. Ultra-low interest rates increased local demand, especially among young households. Conversely, fewer sellers were interested in home showings or moving during the pandemic, generating a decline in the number of available listings. Prices grew by more than 20% due to tighter market conditions.

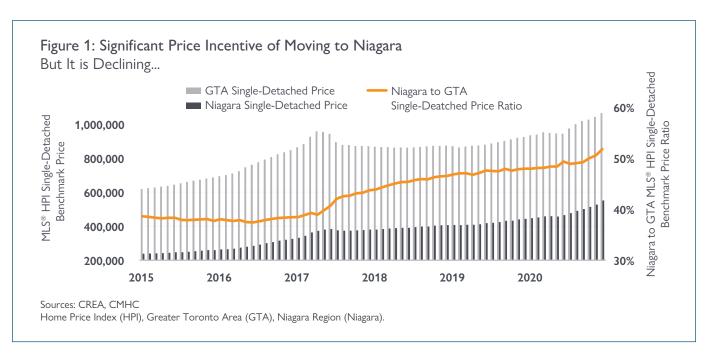
Strong homeownership demand combined with lagging supply will keep home sales at unprecedented levels for most of 2021, with prices growing at double-digit rates. The resale market will start to lose momentum toward the end of the

year, but will remain robust, from a historical perspective, through to 2023. The five-year fixed mortgage rate will crawl up from current lows. It is expected to stay attractive and below pre-COVID levels, but amidst eroding affordability for some households, this may cause delays in home purchases. From mid-2022 onward, homes in the area will remain appealing to out-of-region homebuyers, but to a lesser degree as the price advantage of homes in St. Catharines continues to erode. Furthermore, while it is reasonable to assume that more employees will be working remotely than before the pandemic, their share will edge lower from current levels as broader immunity to COVID is reached and some employees are prompted to return to offices. Thus, for some households, relocating to St. Catharines may become less feasible.

Price growth will be in the single-digit range thanks to shifts in demand toward more affordable home types and areas within the region and a more balanced market situation (the seasonally adjusted sales-to-new-listings ratio (SNLR) is projected to decline from the current 85%–95% range to the 65%–75% range).

Temporary upward pressure on the vacancy rate

The average apartment vacancy rate will remain fairly low, but is projected to edge higher in 2021. Since post-secondary education is largely offered online, more students may continue to give up their rental units to return to their hometowns or parents' homes. The winding down of government support programs may have a similar impact. Furthermore, the movement of renters to homeownership in 2021 will remain strong due to the all-time-low mortgage rates. Finally, rental supply is projected to grow faster, since the number of rental apartment units under construction in 2020 reached the highest level since the early 1990s. As in-person classes resume, international migration rebounds and lower-paying service jobs, which tend to support renter households, recover over the course of 2022-2023, the average apartment vacancy rate will edge lower, toward the pre-COVID level.



Forecast Summary — ST. CATHARINES-NIAGARA CMA										
				2021(F)		2022(F)		2023(F)		
	2018	2019	2020	(L)	(H)	(L)	(H)	(L)	(H)	
New Home Market										
Starts:										
Single-Detached	717	1,208	1,177	1,200	1,400	1,000	1,300	900	1,300	
Multiples	1,146	1,577	1,289	1,100	1,400	1,150	1,450	1,200	1,550	
Starts-Total	1,863	2,785	2,466	2,300	2,800	2,150	2,750	2,100	2,850	
Resale Market										
MLS® Sales	6,376	6,948	7,928	8,200	8,800	7,200	7,900	7,100	7,900	
MLS® Average Price (\$)	406,693	446,825	544,271	622,500	658,500	641,000	688,000	668,000	716,000	

Sources: CMHC (Starts and Completions Survey - Market Absorption Survey), Statistics Canada, CREA (MLS®), CMHC Forecast (2021-2023) Multiple Listing Service® (MLS®) is a registered trademark of the Canadian Real Estate Association (CREA).

The forecasts (F) included in this document are based on information available as of 24^{th} February 2021. (L)= Low end of range. (H)= High end of range. It is possible that the low end (L) and the high end (H) of forecast ranges for residential housing starts for singles and multiples jointly may not add up to the total. This is caused by rounding as well as the volatility of the data.



WINDSOR



Christopher Zakher Senior Analyst, Economics

"Activity in Windsor's housing markets will moderate through to 2023 due to soft near-term economic fundamentals."

HIGHLIGHTS

- Housing starts will increase in 2021 before moderating in 2022 and 2023 due to a large number of developments under construction.
- Existing home sales will remain steady in 2021.
 They will then move to lower levels in 2022 and 2023 as local economic prospects wane.
- The rental apartment vacancy rate will decline in the post-pandemic environment.

Slow recovery in the goods-producing sector

Among Canada's census metropolitan areas (CMAs), Windsor experienced the second-largest relative decline in employment in 2020. This was due primarily to the impact of Canada-US border closures on the region and stricter virus containment measures. A gradual economic recovery will begin this year; however, we do not anticipate employment returning to its pre-pandemic level by 2023, which is the end of our forecast horizon.

Ongoing vaccination and improving consumer confidence should contribute to a rebound in service-sector employment this year, with growth slowing into 2022 and 2023. Conversely, the region's higher-paying automotive manufacturing sector is expected to see declines. As per consensus forecasts, US demand for light vehicles is anticipated to improve, following last year's significant drop, but will hold below pre-pandemic

levels over much of the next two-year period. Pandemicrelated supply chain constraints and the stronger Canadian dollar represent additional headwinds for exports.

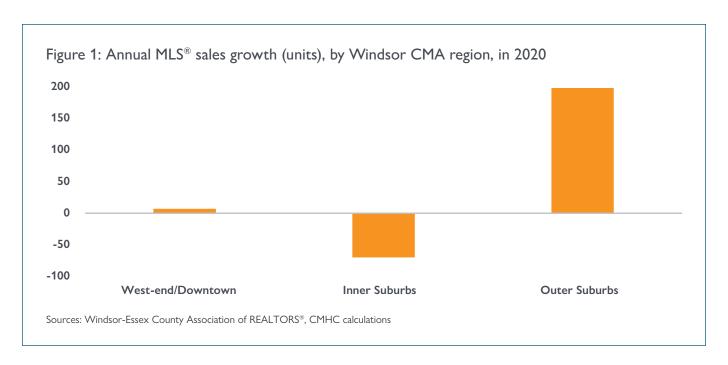
With respect to demographics, travel restrictions implemented to contain the spread of the virus have limited international migration to Windsor. This caused population growth to decelerate in 2020, though market intelligence suggests there was strong intraprovincial migration to the region during the latter half of the year. We anticipate population growth slowing further in 2021 before reverting to an upward trajectory as international migration returns to higher levels.

Housing starts to trend lower into 2023

Overall, we anticipate housing starts in Windsor to increase in 2021 before moderating in 2022 and 2023. After a reasonably strong showing last year, single-detached starts are expected to increase again in 2021. Move-up buyers and those seeking more living space during the pandemic have stimulated demand for larger homes. The near doubling of existing home sales priced over \$500,000 in 2020 was evidence of this, as was the concentration of sales growth in the CMA's outer suburbs (figure 1), where properties tend to be larger. As market conditions for these more expensive units tightened, demand shifted to the new construction market and pushed single-detached starts higher last year. As the market for existing homes gradually becomes more balanced and mortgage rates rise, single-detached starts are expected to decline in 2022 and 2023.

Multi-unit starts concluded last year at their highest annual level since 1981, and a large number of approved developments points to a further increase in 2021. This strength has mostly been attributable to apartment construction, spurred by a low rental vacancy rate in recent years and limited condominium offerings on the existing home market. Despite anticipated declines in 2022 and 2023, multi-unit starts will hold above their historical average. This will be supported by a shift toward smaller household configurations due to an aging population.

Downside and upside risks to our housing starts forecast are generally balanced. A large backlog of homes currently under construction and higher-than-expected mortgage rates could pull starts below projected levels. Alternatively, persistent tightness in the existing home market and stronger-than-expected migration to Windsor could push starts higher.



Lower activity in the existing home market after 2021

We expect existing home sales in 2021 to be roughly on par with last year's showing. Demand will remain strong through the first half of 2021 as low mortgage rates pull sales forward and an elevated number of buyers from pricier Ontario markets continue to relocate to Windsor. Momentum will slow thereafter as mortgage rates rise incrementally and higher prices curtail demand. Sales activity will then decrease to lower levels in 2022 and 2023 due to rising mortgage rates, weak near-term employment prospects in the higher-paying goodsproducing sector, and mounting affordability pressures.

In 2021, the average MLS® price is anticipated to grow at a similar rate to the previous year, when annual growth was 22.1%. While new listings have been trending above their recent historical average since mid-2020, the pace of sales has kept up and maintained upward pressure on the average price. Another factor contributing to strong average price growth is that spacious, more expensive homes are making up a larger share of transactions. Moving into 2022 and 2023, fewer home sales, increased listings, and higher mortgage rates will bring the market toward greater balance, causing price growth to moderate.

Overall, stronger-than-expected growth in the population, employment, and incomes could move market activity higher than forecast. Conversely, further pandemic-related lockdowns, higher-than-expected mortgage rates, and a weaker-thananticipated goods-producing sector could move sales and prices lower than projected.

Rental vacancy rate to decline after 2021

The purpose-built rental apartment vacancy rate in Windsor is anticipated to increase again in 2021. A lower level of international migration and a still-recovering service sector will weigh on demand. Additionally, there will be an influx of supply due to elevated rental apartment construction in recent years. Together, these will exert upward pressure on the vacancy rate and cause rent growth to moderate. In 2022 and 2023, as international migration increases, in-person learning at local post-secondary institutions resumes, and service-sector employment normalizes, the vacancy rate is expected to move lower. Vacancy rate declines in these years, however, will be incremental due to the addition of more supply to the market.

Forecast Summary — WINDSOR CMA										
				2021(F)		2022(F)		2023(F)		
	2018	2019	2020	(L)	(H)	(L)	(H)	(L)	(H)	
New Home Market										
Starts:										
Single-Detached	583	590	650	680	780	600	800	500	800	
Multiples	369	755	905	900	1,100	780	1,080	500	900	
Starts-Total	952	1,345	1,555	1,580	1,880	1,380	1,880	1,000	1,700	
Resale Market										
MLS® Sales	6,636	7,010	7,123	6,900	7,300	6,300	6,900	6,400	7,200	
MLS® Average Price (\$)	294,624	329,680	402,548	443,000	503,000	456,500	536,500	464,000	564,000	

Sources: CMHC (Starts and Completions Survey - Market Absorption Survey), Statistics Canada, CREA (MLS®), CMHC Forecast (2021-2023) Multiple Listing Service® (MLS®) is a registered trademark of the Canadian Real Estate Association (CREA).

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OTTAWA



Anne-Marie Shaker Senior Analyst, Economics

"Sales and prices will continue to grow in 2021, but housing starts will move lower following their 2020 peak."

HIGHLIGHTS

- A high level of apartments currently under construction will limit starts growth in 2021.
- Existing home sales and prices will continue to grow, but at a more modest pace than in 2020.
- Rental vacancies will remain elevated until demand from students and immigrants returns.

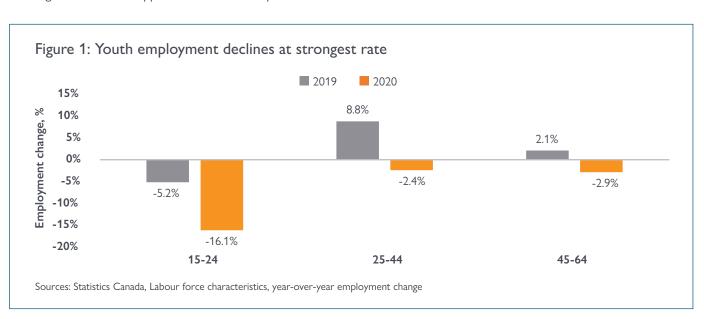
Employment losses affect the rental market disproportionately

The resilience of public-sector employment, which makes up a large share of total employment in Ottawa, together with a strong IT sector have supported homeownership demand

during the pandemic. Housing market conditions may also be pulling sales forward, as buyers seek to avoid potential future price growth. This may be leading some first-time buyers to transition into homeownership this year. Meanwhile, the rental market has faced greater challenges. Job losses have been more pronounced in lower-paying sectors and for those aged 15–24 (see figure 1). Along with job losses, the significant drop in immigration, down 38% in 2020 compared to a year earlier, also weighed on rental demand. Before the pandemic, rental supply was bolstered by city densification plans, tight resale market conditions, and affordability pressures on the homeownership market. Consequently, weaker rental demand during the pandemic fell short of matching supply growth, and vacancies rose.

Fewer expected apartments will dampen housing starts in 2021

Housing starts are expected to move lower in 2021 before picking up in the following two years. The high end of our forecast range for housing starts will remain just below the 2020 historic high through to 2023. The unprecedented peak in apartment starts in 2020 is not expected to be replicated, due to the large number of units currently under construction. Conversely, it is expected that single-detached and row home starts will continue to grow this year, albeit not at a level that would offset the effect of a decline in apartment starts on overall activity. The onset of the pandemic brought on an increase in demand for low-rise dwellings compared to a year earlier, partly due to pent-up demand as well as the search for larger spaces given the shift to remote work.



The expected decline in apartment starts this year is only a short-term phenomenon and may be caused by the limited availability of construction resources and uncertainty regarding the timeframe surrounding the resumption of immigration. Construction growth should resume once there is more certainty regarding these factors. The main downside risks would be further lockdowns, increased labour and material constraints, and reduced population growth if immigration levels remain low.

Sales growth will slow by year-end; price growth will remain robust

Demand on the market for existing homes will remain robust in 2021; however, supply constraints could limit sales growth. Listings are being sold as soon as they enter the market, as evidenced by sharp declines in the average days a home spends on the market. However, sales activity is expected to slow in 2022 before picking up again in 2023. The slowdown later this year and in 2022 may come from the anticipated decrease in the pulling forward of sales, particularly for low-rise dwellings, and higher mortgage rates.

Prices will continue to grow until 2023, though growth will be more modest in the latter two years of the forecast period, as demand moderates from the 2020 and 2021 peaks, the composition of sales shifts toward lower-priced condominiums, and listings increase. The affordability of single-detached homes, traditionally the most expensive dwelling type, will remain a concern, given income constraints. A delayed achievement of broad immunization to COVID-19 could have negative effects on job and income prospects and push sales down to the lower end of our forecast range.

Rental market conditions will remain weak over the short term

We anticipate the vacancy rate in 2021 will remain above the 3.9% reported in our latest Rental Market Survey (October 2020). Online studying, which reduced the number of domestic and international students, lower immigration, and a decline in youth employment placed downward pressure on rental demand.

It is unclear if students will return physically to campuses this fall. Moreover, demand conditions have deteriorated since October due to the second lockdown this winter. This led households to move out of the more expensive core areas or to move back in with family. As well, since the Survey was conducted, another 821 purpose-built rental apartment units were completed, adding to supply, while demand remains weak. All things considered, we expect vacancies to remain elevated this year.

The current demand and supply imbalance is only a short-term phenomenon and is not expected to last. Indeed, as normalcy slowly returns in 2022 and 2023, demand for rental housing should also return, given the expected winding down of government support programs and the affordability challenges of homeownership.

Forecast Summary — OTTAWA CMA									
				2021(F)		2022(F)		2023(F)	
	2018	2019	2020	(L)	(H)	(L)	(H)	(L)	(H)
New Home Market									
Starts:									
Single-Detached	2,718	2,607	2,867	2,800	3,200	2,750	3,300	2,800	3,400
Multiples	4,821	5,175	7,083	5,300	6,100	5,400	6,250	5,600	6,500
Starts-Total	7,539	7,782	9,950	8,100	9,300	8,150	9,550	8,400	9,900
Resale Market									
MLS® Sales	17,699	18,869	19,283	18,900	20,300	18,100	19,600	18,500	20,200
MLS® Average Price (\$)	408,951	443,402	531,791	580,000	640,000	590,000	670,000	600,000	700,000

Sources: CMHC (Starts and Completions Survey - Market Absorption Survey), Statistics Canada, CREA (MLS®), CMHC Forecast (2021-2023) Multiple Listing Service® (MLS®) is a registered trademark of the Canadian Real Estate Association (CREA).

The forecasts (F) included in this document are based on information available as of 24^{th} February 2021. (L)= Low end of range. (H)= High end of range. It is possible that the low end (L) and the high end (H) of forecast ranges for residential housing starts for singles and multiples jointly may not add up to the total. This is caused by rounding as well as the volatility of the data.



GATINEAU



Lukas Jasmin-Tucci Senior Analyst, Economics

"The low number of apartment starts will lead to an overall decline in housing construction. As for the resale market, growth should continue in 2021 before subsequently slowing down."

HIGHLIGHTS

- Housing starts are forecast to decrease again in 2021 due to the decline in the construction of new rental units.
- Existing home sales should keep rising in 2021.
 However, growth potential will start to decline as of 2022.
- A large number of new rental units are expected to raise the vacancy rate.
 The rental market should gradually ease over the forecast horizon.

Employment growing in selected key housing demand groups

Overall, the region lost nearly 7% of its jobs in 2020, a result of the COVID-19 pandemic. However, there was a nearly 2% gain in full-time employment among those in the 25–44 age group (see figure 1), a major source of housing demand. In addition, some industries with higher average earnings, such as public administration, which accounts for about one in four jobs in the region, remained stable. These factors will favour a rapid recovery in housing demand, and the post-crisis outlook suggests that employment should continue to grow in 2021.

In recent years, migration gains have been driven primarily by immigration and non-permanent residents. Travel restrictions have disrupted this migratory flow, which was a major source of housing demand. However, notable gains in interprovincial

migration from Ottawa have tempered this decline, helping sustain both resale and rental housing demand¹. While this trend may continue into 2021, the changes may also be temporary and simply a result of the turmoil created by the pandemic.

New home market activity should decrease gradually over the coming years

Residential construction slowed in 2020 after reaching its highest level in nearly 50 years in 2019. This decline will continue over the forecast horizon due to slower population growth.

The significant construction in the area is attributed to the development of the Plateau neighbourhood, which will continue in 2021, albeit to a lesser extent. Large rental apartment structures will thus continue to make up the bulk of new construction, but the slightly higher vacancy rate compared to two years ago will lead to a drop in new construction for these types of units.

However, the greater number of single-detached housing starts beginning in 2021 will temper this decline. While the potential for construction in this segment is constrained by densification requirements, among other things, increasing demand in the outskirts of the City of Gatineau could encourage some builders to increase their activity.

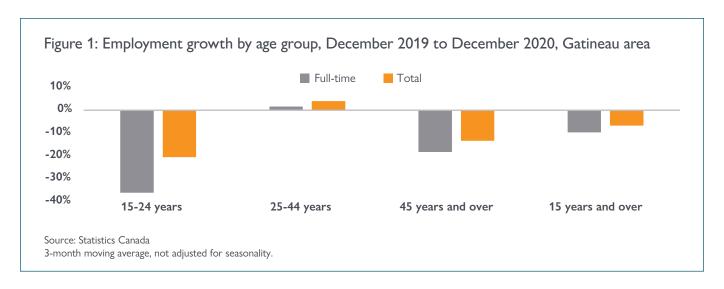
Resale market activity will keep growing in 2021 before subsequently slowing down

In 2020, transactions in the resale market increased for the sixth consecutive year. This upward trend will continue in 2021, albeit at a slower pace.

High employment levels among full-time workers aged 25–44, growing demand from Ottawa and continued low mortgage rates will stimulate demand in the resale market in 2021. Thereafter, demand will experience weaker growth due to slower employment growth and lower transaction potential. This is expected to lead to a decline in home sales in 2022 and 2023.

Supply will remain highly constrained over the forecast horizon. Hence, market conditions will remain favourable to sellers. This will maintain upward pressure on the average Centris® price, similar to what was observed in 2020. This pressure, while still present, will weaken after 2021 when demand is less steady.

¹ CMHC, Housing Market Insight – Gatineau, "The pandemic has changed the dynamics of the Gatineau metropolitan area real estate market" April 2021.



Downward pressure on the vacancy rate will gradually ease

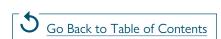
A significant supply of rental units will be added to the market as of 2021, increasing the proportion of vacant rental units. This will be tempered, however, by the resilience of rental demand.

Some baby boomers are progressively leaving their properties to move into rental housing units, which will boost demand, given the demographic weight of these households. Further, very low supply in the resale market could restrict access to homeownership for some households considering leaving the rental market.

Forecast Summary — GATINEAU CMA									
				2021(F)		2022(F)		2023(F)	
	2018	2019	2020	(L)	(H)	(L)	(H)	(L)	(H)
New Home Market									
Starts:									
Single-Detached	413	410	544	750	850	650	800	600	800
Multiples	1,516	3,011	2,540	1,900	2,150	1,600	2,000	1,200	1,800
Starts-Total	1,929	3,421	3,084	2,650	3,000	2,250	2,800	1,800	2,600
Resale Market									
Centris® Sales	4,499	5,153	5,924	6,400	6,800	6,000	6,600	5,600	6,400
Centris® Average Prices (\$)	262,919	273,965	319,176	361,000	368,500	383,000	400,000	400,000	425,000

Sources: CMHC (Starts and Completions Survey - Market Absorption Survey), Statistics Canada, Centris®, CMHC Forecast (2021-2023) QPAREB by Centris®. The Centris® system contains all the listings of Québec Real Estate Board.

The forecasts (F) included in this document are based on information available as of 24th February 2021. (L)= Low end of range. (H)= High end of range.



MONTRÉAL



Francis Cortellino Senior Specialist, Economics

"The small number of units available on the market will continue to drive new home construction, but will limit the number of transactions on the resale market."

HIGHLIGHTS

- The very low inventory of available units on the real estate market will continue to support new home construction in 2021.
- Limited supply on the resale market, combined with reduced affordability, will slow transaction growth in 2021. Centris® sales will therefore stabilize at 2020 levels or see only modest growth this year.
- Market conditions will continue to strongly favour sellers in the metropolitan area in 2021, again resulting in strong price increases.

Net migration on the rise, but still low

Net migration in Québec declined sharply in 2020 (see figure 1), particularly in the Montréal census metropolitan area (CMA), where most newcomers settle. Even if some border restrictions are lowered during the year, net migration is expected to remain relatively low in 2021. This will limit growth in rental demand, especially in Montréal's central areas.

As for the labour market, employment levels in the industries most affected by the pandemic are expected to resume growth this year. Since these jobs are often lower paying, their increase will have a greater impact on rental demand than on the pool of potential buyers.

No significant slowdown expected in residential construction

In 2020, housing starts in the Montréal CMA reached their highest level in the last 15 years. The main reason for this momentum is the continued construction of rental apartments, which has reached a high not seen since the late 1980s.

In 2021, the number of housing starts will remain high in Greater Montréal, without exceeding last year's level. The very low inventory of available units (for sale or rent) will continue to encourage residential construction.

Construction of single-detached homes, semi-detached homes and townhouses is expected to increase this year. Since the beginning of the pandemic, demand for these types of housing has increased, and the very limited supply on the resale market will drive new construction. However, land scarcity in the metropolitan area and the territory's densification rules will restrict this growth.

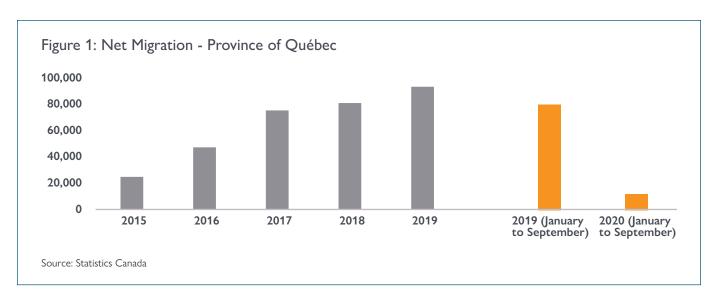
Despite a very limited supply of condominiums for sale, the number of starts in this segment will remain low. Multi-unit project developers will continue to focus on the rental sector rather than on condominiums.

Rental construction will be supported by low vacancy rates in several geographic areas. Nevertheless, uncertainty surrounding the growth in rental demand in sectors most affected by the decline in net migration will temper activity. Uncertainty about the demand for spaces in seniors' residences as the pandemic continues could also limit construction.

In 2022, residential construction will remain high in Greater Montréal. The low number of available units, combined with somewhat renewed momentum in population growth, will drive new construction.

The pace of sales will slow in 2021, but price increases will remain strong

The Montréal resale market was very active in the months following the start of the pandemic. Low mortgage rates, increased demand for larger homes and a job market that remained relatively unaffected for higher earners are all factors that have helped sustain demand. These factors will continue to support demand in 2021.



However, the supply of properties for sale, which remains very low, combined with lower affordability, will limit the number of potential buyers and transactions this year. After being high in the early months of 2021, the pace of sales is expected to slow gradually over the course of the year. As a result, Centris® sales in the metropolitan area will stabilize at 2020 levels or see only modest growth in 2021.

Despite a stronger household preference for single-family homes since the beginning of the pandemic, the high price of these homes will dampen sales in this market. This will benefit condominium transactions, which are generally more affordable. The only cloud on the horizon: condominium sales in Montréal's more central areas, particularly the borough of Ville-Marie, will continue to suffer until buyers and investors see the border situation getting back to normal.

Greater Montréal's share of Centris® sales in the province will continue to weaken this year. Several other Québec regions are more affordable and have a greater housing supply than Montréal. In addition, sales of secondary residences and vacation properties in some smaller urban centres (or in some rural areas) in the province will continue in 2021.

Ultimately, with demand remaining strong and supply scarce, market conditions will continue to strongly favour sellers in the metropolitan area in 2021. As a result, the increase in the average price this year is expected to hover around last year's increase (about 15%).

Centris® sales are expected to decline slightly in 2022. Rising mortgage rates, lower affordability in the market and the fact that many households have already changed homes since the pandemic began will restrict the pool of buyers next year.

Vacancy rate highly dependent on migration

Record-breaking growth in rental supply will continue in 2021, with approximately 10,000 new rental units completed during the year. On the demand side, growth will be heavily dependent on changes in net migration. At this point, it's difficult to know how many immigrants and non-permanent residents will be able to settle in Montréal in 2021 (these newcomers usually opt for more central neighbourhoods). Similarly, demand from college and university students in the fall of 2021 will depend on the return of in-person classes.

If net migration doesn't recover and if courses remain online, vacancy rates in the most central areas will remain high. Elsewhere in the metropolitan area, rates are not expected to change significantly.

Forecast Summary — MONTRÉAL CMA									
				2021(F)		2022(F)		2023(F)	
	2018	2019	2020	(L)	(H)	(L)	(H)	(L)	(H)
New Home Market									
Starts:									
Single-Detached	2,549	2,369	2,493	2,700	3,300	2,700	3,300	2,400	3,200
Multiples	22,451	22,743	24,781	22,050	23,950	20,050	23,700	19,100	22,800
Starts-Total	25,000	25,112	27,274	24,750	27,250	22,750	27,000	21,500	26,000
Resale Market									
Centris® Sales	46,695	51,329	55,609	55,000	58,500	50,000	55,000	52,000	59,000
Centris® Average Prices (\$)	384,713	408,401	470,713	535,000	565,000	555,000	605,000	570,000	635,000

 $Sources: CMHC \ (Starts \ and \ Completions \ Survey - Market \ Absorption \ Survey), \ Centris^{\circledast}, CMHC \ Forecast \ (2021-2023)$

QPAREB by Centris®. The Centris® system contains all the listings of Québec Real Estate Board.

The forecasts (F) included in this document are based on information available as of 24^{th} February 2021. (L)= Low end of range. (H)= High end of range.



QUÉBEC



Nathan R. Lea Senior Analyst, Economics

"There will be a moderate decline in new residential construction due to a decrease in rental starts. Meanwhile, job market resilience is expected to continue supporting a relatively high level of sales this year, but to a lesser extent than in 2020."

HIGHLIGHTS

- The amount of new residential construction will decline in 2021 due to lower rental starts, as a result of limited growth in migration and high inventory of units under construction.
- Sales of existing homes will decline slightly from their 2020 peak, constrained by strong price growth, weak supply and a reduced pool of potential buyers.
- Market conditions in the Québec area will continue to favour sellers in 2021 and price growth will remain steady.

Improving fundamentals will shape the evolution of the housing market

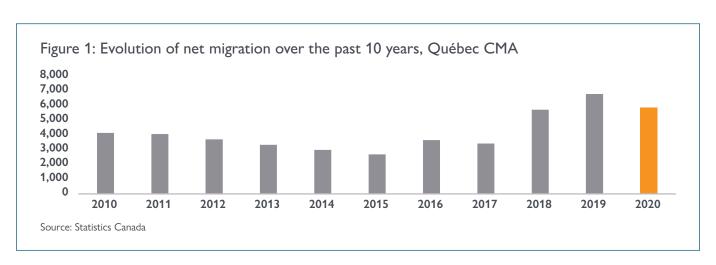
The Québec area job market was resilient in 2020, despite the disruption caused by the COVID-19 pandemic. Indeed, employment has already returned to pre-pandemic levels in several relatively well-paying business sectors, and this will support strong housing demand in the area in 2021. The most heavily affected sectors will also begin to recover lost jobs. However, this increase will only have a small impact on home sales, as relatively lower-paying jobs are concentrated in these sectors.

Net migration in the Québec area declined by 13% in 2020 (see Figure 1), due to declines in internal migration and the number of international newcomers. In 2021, the recovering job market and the return of students following a gradual resumption of in-person classes will lead to a resurgence of internal migration. Nevertheless, despite the easing of border restrictions throughout the year, the number of international newcomers will remain below 2019 levels. As a result, net migration will remain relatively high but remain below the high seen in 2019. This will limit growth in rental demand in the area.

Moderate decline in residential construction expected after a 2020 peak

Supported by a high level of rental apartment construction, housing starts in the Québec area reached their highest level in just over 30 years in 2020. Over the next two years, there will be a moderate decline in new residential construction due to a decrease in rental starts.

Single-family dwelling starts are expected to increase in 2021. Demand for this type of housing has grown significantly since the start of the pandemic, while supply remains relatively weak. The situation is driving the construction of this type of dwelling and builders are attempting to meet the demand. However, we expect single-family dwelling starts to decline starting in 2022, due to a reduction in the pool of potential buyers attributable to the large number of transactions already completed since 2020.



Nevertheless, multi-unit starts, which account for the vast majority of residential construction activities, will gradually decline starting in 2021. Limited growth in migration will contribute to lower rental housing construction. The high inventory of rental units under construction is expected to slow construction slightly in order to facilitate the absorption of the record number of already or soon to be completed units. This will lead to a downward readjustment of residential construction by 2023.

Continued strong price growth in 2021

After a record level of resale activity on the Québec area market in 2020, Centris® sales will decline slightly in 2021. Demand will be limited by strong price growth, low supply and a reduced pool of potential buyers. However, labour market resilience is expected to continue supporting a relatively high level of sales this year, but to a lesser extent than in 2020.

As a result, relatively high demand for properties and limited supply will keep market conditions favourable to sellers in the Québec area. In 2021, the average residential price on Centris is expected to grow at the same pace as in 2020. However, rising mortgage rates will accentuate this slight decline in housing demand starting in 2022, leading to an easing of the resale market and a moderate slowdown in price growth.

Vacancy rate to remain stable through 2021

With nearly 5,200 units under construction at the start of the year, strong growth in rental supply will continue in 2021. However, rental demand will also be supported by factors including a gradual job recovery in the sectors most affected by the pandemic, the accelerated aging of the population, the return of students to central neighbourhoods and, finally, a slight increase in net migration during the year.

Supply and demand should keep pace with each other, and the vacancy rate will remain relatively stable through 2021.

Forecast Summary — QUÉBEC CMA									
				2021	2021(F)		2(F)	2023(F)	
	2018	2019	2020	(L)	(H)	(L)	(H)	(L)	(H)
New Home Market									
Starts:									
Single-Detached	747	713	864	950	1,100	800	1,000	650	950
Multiples	4,608	5,490	5,849	5,000	5,500	4,700	5,300	4,500	5,200
Starts-Total	5,355	6,203	6,713	5,950	6,600	5,500	6,200	5,150	6,150
Resale Market									
Centris® Sales	7,160	8,307	10,651	9,500	10,300	8,700	9,600	8,800	9,750
Centris® Average Prices (\$)	273,709	277,254	293,676	305,000	314,000	317,000	328,000	326,500	339,000

Sources: CMHC (Starts and Completions Survey - Market Absorption Survey), Statistics Canada, Centris®, CMHC Forecast (2021-2023) QPAREB by Centris®. The Centris® system contains all the listings of Québec Real Estate Board.

The forecasts (F) included in this document are based on information available as of 24th February 2021. (L)= Low end of range. (H)= High end of range.



HALIFAX



Tad Mangwengwende Senior Analyst, Economics

"Sales, prices and new home construction are expected to remain elevated in 2021 before moderating in 2022 and 2023."

HIGHLIGHTS

- Resale market sales and prices growth will remain strong in 2021, but will moderate at the end of the year and leading into 2022.
- New construction is expected to continue to grow over the next three years.
- The rental market will remain tight given present low vacancy rates and anticipated higher levels of migration.

COVID-19 recovery will continue to shape the housing market

In 2020, there were significant changes in key drivers of the housing market. Employment decreased 2.8%, and immigration was drastically reduced by national border restrictions designed to curb the spread of COVID-19. However, interprovincial migration maintained its recent elevated trend, and this was a significant source of homebuyers during the year. Over our forecast period, employment is expected to grow as the economy recovers from the pandemic. Immigration is expected to increase significantly as the national border restrictions ease. Interprovincial migration is expected to remain close to its current levels, with changes occurring in its composition. Specifically, the proportion of migrants aged 30–49, a group that contains many first-time homebuyers, is expected to ease back down to its long-run level.

Growth in resale market sales and prices will moderate

In 2020, MLS® sales were up 13% and prices up 15%. These strong increases were driven by low mortgage rates, the mild impact of COVID-19 on employment and strong interprovincial migration. At the start of 2021, as the country continues to grapple with COVID-19, we expect the strong demand for housing to persist. Toward the end of the year, as broad immunity is achieved across the country, we expect some of the factors supporting demand, like the interprovincial migration of potential homebuyers, to ease. In 2022 and 2023, we expect that the growth in demand for housing will fall further. Higher mortgage rates and further alignment with lower long-run levels of interprovincial migration will temper demand. As a result, we expect sales levels to decline over the next three years.

In 2020, the demand for housing increased at a faster pace than supply. This led to the surge in house prices. Over the next three years, with the slowdown in the demand, prices are expected to increase at a slower pace.

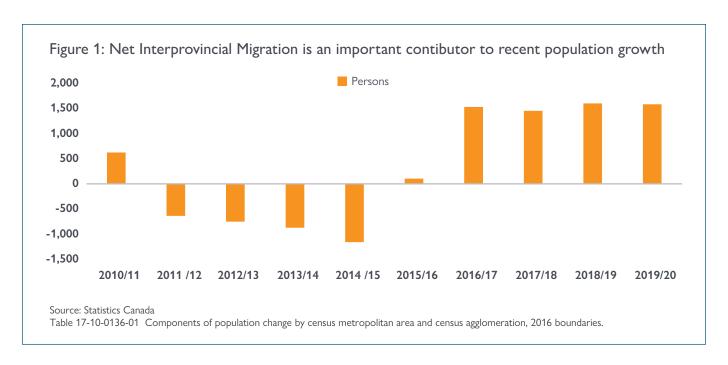
New construction will continue to grow

Single-detached and multi-unit housing starts have been trending up over the last five years. With low rental market vacancy rates, historically low inventories and population growth expected to continue, new houses will still be needed over the next three years. However, in 2023, we expect new construction activity to slow down as higher prices, particularly for single-unit houses, limit the number of potential buyers in the new home market.

The rental market will remain tight

Despite the reduction in international migration in 2020, the rental market remained tight. The low vacancy rate rose slightly to 1.9%, and the average rent was up 4.1%. With migration expected to increase, especially among international students, after the resolution of the COVID-19 pandemic, the demand for rental housing will be even higher over the next three years.

The supply of rental apartments has been increasing and is expected to keep rising. This will reduce some of the pressure from the increase in demand. However, given strong anticipated population growth, which will be boosted by continued intraprovincial migration, the rental market is expected to remain tight over the next three years.



Forecast Summary — HALIFAX CMA									
				202	2021(F)		2(F)	2023(F)	
	2018	2019	2020	(L)	(H)	(L)	(H)	(L)	(H)
New Home Market									
Starts:									
Single-Detached	729	872	1,019	1,100	1,200	1,100	1,350	1,200	1,450
Multiples	2,142	2,271	2,230	2,250	2,400	2,300	2,400	2,300	2,500
Starts-Total	2,871	3,143	3,249	3,350	3,600	3,400	3,750	3,500	3,950
Resale Market									
MLS® Sales	5,945	6,279	7,591	8,500	8,800	7,600	8,600	7,300	8,300
MLS® Average Prices (\$)	301,739	322,439	369,435	410,000	440,000	415,000	450,000	415,000	460,000

Source: CMHC (Starts and Completions Survey - Market Absorption Survey), CREA, CMHC Forecast (2021-2023)

Multiple Listing Service® (MLS®) is a registered trademark of the Canadian Real Estate Association (CREA).

The forecasts (F) included in this document are based on information available as of February 24th, 2021. (L)= Low end of range. (H)= High end of range.



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Appendix A

Methodology for forecast ranges

This edition of the Housing Market Outlook incorporates forecast ranges for housing variables. However, all analyses and forecasts of market conditions continue to be conducted using the full range of quantitative and qualitative tools currently available. The range provides a relatively precise guidance to readers on the outlook, while recognizing the small random components of the relationship between the housing market and its drivers. In this special edition of the Housing Market Outlook, the forecast range includes an upper and a lower bound established by a set of economic and demographic scenarios. It provides precision and direction for forecasts of housing variables, given a specific set of assumptions for the market conditions and underlying economic fundamentals.

Appendix B

Definitions and methodology

New home market

Historical home starts numbers are collected through CMHC's monthly Starts and Completions Survey. Building permits are used to determine construction sites, and visits confirm construction stages. A start is defined as the beginning of construction of a building, usually when the concrete has been poured for the whole of the structure's footing, or an equivalent stage where a basement will not be part of the structure.

Resale market

Historical resale market data in the summary tables of the Housing Market Outlook reports refers to residential transactions through the Multiple Listing Service (MLS®) as reported by the Canadian Real Estate Association (CREA). In Québec, this data is obtained from the Centris® listing system via the Québec Professional Association of Real Estate Brokers (QPAREB). "MLS®sales" ("Centris® sales," in the province of Québec) refers to the total number of sales made through the Multiple Listing Service (or Centris® listing system) in a particular year. "MLS® average price" ("Centris® average price," in the province of Québec) refers to the average annual price of residential transactions through the Multiple Listing Service (or Centris® listing system).

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Alternative text and data for figures

VICTORIA Figure 1: Price has generally followed the sales-to-listing ratio in Victoria

tile sales-to-	iistiiig ratio iii victo	r ia
Date	Sales-to-new-listing- ratio (6 months moving average)	Average MLS® Price, year-over-year % change (6 months moving average)
2007	0.613	0.089
	0.630	0.094
	0.646	0.085
	0.656	0.085
	0.650	0.082
	0.655	0.096
	0.683	0.086
	0.684	0.087
	0.682	0.104
	0.688	0.098
	0.680	0.088
	0.657	0.097
2008	0.617	0.105
	0.593	0.113
	0.577	0.116
	0.551	0.110
	0.523	0.111
	0.511	0.085
	0.501	0.070
	0.476	0.047
	0.456	0.024
	0.418	0.017
	0.393	-0.016
	0.373	-0.031
2009	0.364	-0.064
	0.369	-0.077
	0.391	-0.097
	0.457	-0.111
	0.528	-0.101
	0.588	-0.084
	0.649	-0.064
	0.693	-0.038
	0.742	-0.008
	0.745	0.009
	0.730	0.043
	0.715	0.073

2010	0.681	0.107
	0.645	0.111
	0.584	0.133
	0.542	0.152
	0.514	0.139
	0.476	0.122
	0.463	0.099
	0.448	0.081
	0.431	0.046
	0.436	0.031
	0.449	0.027
	0.454	0.006
2011	0.449	-0.009
	0.456	-0.002
	0.471	-0.005
	0.460	-0.017
	0.439	-0.021
	0.435	-0.014
	0.426	-0.016
	0.422	0.003
	0.412	0.015
	0.418	0.008
	0.426	0.000
	0.425	-0.008
2012	0.447	-0.008
	0.453	-0.040
	0.461	-0.037
	0.462	-0.031
	0.454	-0.034
	0.453	-0.032
	0.437	-0.018
	0.427	-0.028
	0.417	-0.041
	0.399	-0.041
	0.400	-0.037
	0.404	-0.024
2013	0.403	-0.039
	0.412	-0.021
	0.422	-0.026
	0.447	-0.013
	0.460	-0.020
	0.479	-0.018
	0.479	-0.010

Date	Sales-to-new-listing- ratio (6 months moving average)	Average MLS® Price, year-over-year % change (6 months moving average)		0.816 0.809 0.814 0.814	0.146 0.130 0.107 0.125
	0.508	-0.002		0.791	0.123
	0.519	0.016		0.754	0.117
	0.523	0.010		0.728	0.119
	0.522	0.008		0.706	0.124
	0.518	-0.003		0.704	0.108
2014	0.514	0.023		0.689	0.105
	0.500	0.028	2018	0.696	0.121
	0.497	0.030		0.711	0.104
	0.496	0.023		0.709	0.096
	0.498	0.042		0.706	0.104
	0.500	0.041		0.675	0.105
	0.515	0.018		0.655	0.089
	0.542	0.017		0.628	0.071
	0.559	0.018		0.599	0.078
	0.577	0.033		0.578	0.075
	0.593	0.030		0.572	0.067
	0.604	0.041		0.573	0.063
2015	0.590	0.030	-	0.581	0.065
	0.583	0.026	2019	0.559	0.031
	0.580	0.023	2017	0.567	0.023
	0.588	0.016		0.566	0.009
	0.596	0.022		0.560	-0.002
	0.607	0.029		0.563	-0.014
	0.639	0.043		0.566	-0.025
	0.664	0.057		0.590	-0.020
	0.701	0.051		0.588	-0.025
	0.716	0.059		0.601	-0.031
	0.725	0.059		0.617	-0.028
	0.732	0.067		0.640	-0.014
2016	0.754	0.078	_	0.646	-0.012
	0.765	0.081	2020	0.644	0.025
	0.782	0.104	2020	0.646	0.030
	0.801	0.119		0.643	0.057
	0.845	0.127		0.614	0.054
	0.875	0.122		0.572	0.048
	0.884	0.122		0.559	0.072
	0.881	0.111		0.572	0.072
	0.868	0.119		0.582	0.103
	0.861	0.114		0.624	0.103
	0.820	0.144		0.624	0.127
	0.797	0.135		0.677	0.146
2017	0.797	0.136			0.101
	0.817	0.157	Sources: CRE	A; Calculation by CMHC	

A2 ^

VANCOUVER Figure 1: Home-buyers' budgets will contract on rising interest rates, limiting potential growth in future sales. Sales SAAR vs. Change in Budget Estimate*, Vancouver CMA

Date	Sales SAAR	Forecast (Budget)	Forecast (Sales)	Budget Estimate ³ (Log Difference)
2010	44822.60	N/A	N/A	0.04
	39362.20	N/A	N/A	0.00
	37978.90	N/A	N/A	0.03
	46570.48	N/A	N/A	0.03
2011	48909.24	N/A	N/A	0.02
	42480.27	N/A	N/A	0.04
	43677.69	N/A	N/A	0.03
	40301.74	N/A	N/A	0.02
2012	38483.61	N/A	N/A	0.04
	33852.96	N/A	N/A	0.03
	29385.07	N/A	N/A	0.03
	32636.30	N/A	N/A	0.03
2013	32770.25	N/A	N/A	0.04
	34659.19	N/A	N/A	0.04
	42423.12	N/A	N/A	0.00
	41681.06	N/A	N/A	0.00
2014	40998.92	N/A	N/A	0.00
	42146.14	N/A	N/A	0.00
	45855.94	N/A	N/A	0.04
	46213.78	N/A	N/A	0.03
2015	52899.54	N/A	N/A	0.03
	58184.53	N/A	N/A	0.04
	57937.73	N/A	N/A	0.03
	61403.27	N/A	N/A	0.03
2016	65018.63	N/A	N/A	0.01
	66417.51	N/A	N/A	0.01
	47533.75	N/A	N/A	0.02
	40687.15	N/A	N/A	0.02
2017	46099.67	N/A	N/A	0.02
	57413.01	N/A	N/A	0.03
	50794.26	N/A	N/A	0.00
	49457.06	N/A	N/A	0.00
2018	39482.63	N/A	N/A	-0.02
	35744.91	N/A	N/A	-0.04
	31756.02	N/A	N/A	-0.03
	29560.05	N/A	N/A	-0.02
2019	29255.61	N/A	N/A	0.01
	31728.71	N/A	N/A	0.04
	39215.54	N/A	N/A	0.06
	40600.13	N/A	N/A	0.06

Date	Sales SAAR	Forecast (Budget)	Forecast (Sales)	Budget Estimate* (Log Difference)
2020	33488.44	N/A	N/A	0.05
	26410.49	N/A	N/A	0.09
	56533.64	N/A	N/A	0.08
	53497.31	53497.31	N/A	0.07
2021	N/A	49567.07	3828.39	0.07
	N/A	44524.03	5376.17	0.01
	N/A	42569.52	6000.08	0.00
	N/A	41778.80	6261.46	-0.01
2022	N/A	39920.74	6384.56	-0.01
	N/A	39686.93	6503.38	-0.01
	N/A	39222.31	6608.37	-0.01
	N/A	38798.35	6702.12	0.01
2023	N/A	38825.18	6772.30	0.01
	N/A	38071.50	6813.71	0.01
	N/A	37452.35	6838.58	0.01
	N/A	37345.31	6854.81	0.01

Sources: Statistics Canada, CMHC, CMHC Calculations

EDMONTON Figure 1: Decrease in home inventories during COVID-19 pandemic

during covid in pundenne				
Date	Single	Semi- Detached	Row	Apart- ment
Jan-12	636	196	123	616
Feb-12	649	215	131	518
Mar-12	618	197	135	536
Apr-12	552	176	149	509
May-12	536	201	147	499
Jun-12	546	197	145	558
Jul-12	523	188	148	523
Aug-12	522	202	170	560
Sep-12	573	200	151	546
Oct-12	614	238	138	483
Nov-12	594	220	136	460
Dec-12	610	236	130	475
Jan-13	619	246	145	481
Feb-13	628	249	137	463
Mar-13	646	253	124	429
Apr-13	674	245	128	435
May-13	623	236	120	404
Jun-13	575	240	121	358
Jul-13	578	238	120	293

Aug-13	593	259	116	266
Sep-13	548	236	106	255
Oct-13	603	235	131	258
Nov-13	640	242	142	226
Dec-13	619	249	158	299
Jan-14	579	263	125	284
Feb-14	665	250	95	269
Mar-14	674	267	84	264
Apr-14	634	243	90	291
May-14	605	252	96	291
Jun-14	557	219	81	272
Jul-14	566	189	63	219
Aug-14	541	215	61	201
Sep-14	526	198	75	197
Oct-14	504	179	76	166
Nov-14	532	230	54	167
Dec-14	522	251	67	156
Jan-15	514	254	62	144
Feb-15	562	239	69	139
Mar-15	592	232	78	144
Apr-15	601	230	87	147
May-15	608	247	81	201
Jun-15	600	273	78	200
Jul-15	640	293	95	216

^{*} mortage rates and household income are combined to estimate a representative mortgage loan. The change in this representative loan is then calculated by first taking the logarithm of the value, and then looking at the annual difference in that value.

		Semi-		Apart-
Date	Single	Detached	Row	ment
Aug-15	599	315	94	189
Sep-15	625	324	81	239
Oct-15	621	304	82	241
Nov-15	687	351	86	294
Dec-15	770	425	97	330
Jan-16	822	481	113	341
Feb-16	828	500	119	323
Mar-16	841	531	135	303
Apr-16	846	529	130	344
May-16	881	508	168	344
Jun-16	800	480	182	405
Jul-16	748	442	247	476
Aug-16	707	428	250	555
Sep-16	646	409	242	543
Oct-16	630	411	241	569
Nov-16	642	405	231	622
Dec-16	586	390	234	757
Jan-17	607	385	230	744
Feb-17	598	399	224	908
Mar-17	602	389	202	918
Apr-17	596	389	204	929
May-17	624	392	179	938
Jun-17	667	393	181	999
Jul-17	703	407	189	1,041
Aug-17	655	388	204	1,004
Sep-17	618	383	177	767
Oct-17	627	384	177	779
Nov-17	696	390	173	767
Dec-17	707	398	187	821
Jan-18	758	431	201	741
Feb-18	795	426	257	795
Mar-18	834	417	248	767

Apr-18	860	467	239	675
May-18	860	468	242	667
Jun-18	844	491	243	672
Jul-18	874	467	252	687
Aug-18	927	491	251	656
Sep-18	899	496	262	576
Oct-18	1,014	551	246	551
Nov-18	1,092	559	277	513
Dec-18	1,206	599	294	500
Jan-19	1,321	620	305	746
Feb-19	1,284	616	314	802
Mar-19	1,292	601	312	849
Apr-19	1,325	587	289	855
May-19	1,305	537	290	841
Jun-19	1,271	514	350	945
Jul-19	1,216	492	359	981
Aug-19	1,174	446	350	969
Sep-19	1,110	447	374	905
Oct-19	1,185	453	372	900
Nov-19	1,185	453	367	936
Dec-19	1,179	454	396	899
Jan-20	1,160	468	385	960
Feb-20	1,143	483	354	942
Mar-20	1,126	441	350	726
Apr-20	1,092	418	316	843
May-20	1,046	399	309	701
Jun-20	1,045	403	331	742
Jul-20	977	384	349	723
Aug-20	891	353	348	684
Sep-20	851	333	304	653
Oct-20	818	307	283	660
Nov-20	795	286	301	690
Dec-20	752	270	287	634
Jan-21	713	263	277	942

Source: CMHC Market Absorption Survey

CALGARY Figure 1: Net migration in Alberta is highly correlated with changes in full-time employment

Ditte	Not Minuted an Albanta	Full-Time Employment, 15 years
Date	Net Migration, Alberta	and over, Y/Y % Change
2012Q1	16,561	5.7%
2012Q2	18,102	7.7%
2012Q3	15,208	6.6%
2012Q4	13,656	6.8%
2013Q1	20,232	5.5%
2013Q2	25,618	2.4%
2013Q3	18,895	1.3%
2013Q4	12,443	1.2%
2014Q1	17,389	2.2%
2014Q2	20,165	1.4%
2014Q3	10,947	1.2%
2014Q4	3,518	2.7%
2015Q1	5,820	4.1%
2015Q2	6,446	3.5%
2015Q3	3,441	3.0%
2015Q4	3,282	-2.0%
2016Q1	5,540	-5.2%
2016Q2	3,723	-3.8%
2016Q3	17	-5.0%
2016Q4	843	-1.8%
2017Q1	2,414	1.0%
2017Q2	2,623	2.5%
2017Q3	4,753	4.6%
2017Q4	3,232	3.8%
2018Q1	5,738	4.4%
2018Q2	6,573	3.0%
2018Q3	7,175	-1.0%
2018Q4	5,749	0.9%
2019Q1	6,431	-0.1%
2019Q2	8,074	4.0%
2019Q3	11,588	7.6%
2019Q4	10,172	4.7%
2020Q1	6,972	-0.1%
2020Q2	-1,942	-10.1%
2020Q3	-1,363	-8.5%
2020Q4	-	-2.1%

Source: Statistics Canada

Notes - Left axis: Quarterly net migration. Right axis: Year over year percentage change in employment. Net-migration figures limited to Q3 2020. Full-time employment figures represents persons aged 15 and above with full time employment, with a year over year percentage change.

REGINA Figure 1: Inventory of Completed and Unsold New Homes, Regina CMA

	,			
Date	Single	Semi- Detached	Row	Apart- ment
Jan-06	38	2	21	6
Feb-06	37	2	21	3
Mar-06	43	4	23	1
Apr-06	33	2	32	1
May-06	34	0	28	1
Jun-06	36	0	40	14
Jul-06	31	0	37	14
Aug-06	22	0	31	12
Sep-06	18	0	32	18
Oct-06	15	0	34	18
Nov-06	25	0	28	16
Dec-06	27	2	24	11
Jan-07	28	2	20	10
Feb-07	22	2	13	5
Mar-07	19	2	12	2
Apr-07	16	2	9	0
May-07 Jun-07	18 16	2 0	7 3	0
Jul-07	14	0	1	0
Aug-07	16	0	3	0
Sep-07	18	0	2	0
Oct-07	18	0	2	0
Nov-07	21	0	2	0
Dec-07	24	0	2	0
Jan-08	24	0	4	0
Feb-08	17	0	4	0
Mar-08	19	0	4	0
Apr-08	25	0	4	0
May-08	19	0	2	0
Jun-08	24	0	1	0
Jul-08	31	0	3	0
Aug-08	31	0	2	18
Sep-08	36	0	5	18
Oct-08	40	1	2	17
Nov-08	34	1	2	16
Dec-08	38	1	4	14
Jan-09	39	1	2	14
Feb-09	43	1	2	14
Mar-09	43	1	0	51
Apr-09	41	1	3	51
May-09 Jun-09	39 48	0	3 8	51 45
Jun-09 Jul-09	50	0	11	45
Jui-09 Aug-09	44	0	11	35
Aug-07		l O	11) 33

	l		l	
Sep-09	43	1	14	25
Oct-09	42	1	14	25
Nov-09	38	2	8	25
Dec-09	42	4	5	98
Jan-10	41	4	3	89
Feb-10	40	3	4	73
Mar-10	46	5	4	61
Apr-10	37	4	2	48
May-10	36	1	1	89
Jun-10	39	2	6	89
Jul-10	36	2	12	89
Aug-10	37	2	14	62
Sep-10	35	1	8	77
Oct-10	38	1	8	88
Nov-10	37	1	5	87
Dec-10	38	3	7	69
Jan-11	37	3	7	69
Feb-11	34	3	7	63
Mar-11	39	1	7	57
Apr-11	38	1	9	57
May-11	43	1	5	60
Jun-11	43	1	7	57
Jul-11	43	1	6	46
Aug-11	52	1	9	41
Sep-11	55	1	10	39
Oct-11	59	1	9	32
Nov-11	61	1	9	29
Dec-11	67	2	8	29
Jan-12	57	0	7	26
Feb-12	66	6	8	26
Mar-12	66	6	7	37
Apr-12	64	6	2	36
May-12	60	6	1	45
Jun-12	62	6	1	41
Jul-12	57	6	1	43
Aug-12	54	8	1	28
Sep-12	60	8	1	27
Oct-12	67	7	1	26
Nov-12	73	6	1	25
Dec-12	64	4	1	30
Jan-13	70	3	8	30
Feb-13	72	3	8	29
Mar-13	81	6	6	33
Apr-13	90	8	5	35
May-13	87	8	5	29
Jun-13	85	8	3	33
Jul-13	79	11	3	30
Aug-13	81	15	5	38

		Semi-		Apart-
Date	Single	Detached	Row	ment
Sep-13	74	16	3	32
Oct-13	97	16	3	33
Nov-13	90	16	3	32
Dec-13	102	15	2	45
Jan-14	102	15	10	38
Feb-14	104	18	19	65
Mar-14	98	17	18	59
Apr-14	95	17	25	58
May-14	114	27	22	78
Jun-14	119	18	22	79
Jul-14	113	18	34	61
Aug-14	121	26	38	182
Sep-14	146	37	43	193
Oct-14	162	32	47	192
Nov-14	153	30	65	190
Dec-14	160	31	94	191
Jan-15	154	26	86	177
Feb-15	159	25	83	179
Mar-15	140	18	88	195
Apr-15	140	24	89	243
May-15	134	15	104	216
Jun-15	125	20	96	210
Jul-15	133	28	93	209
Aug-15	111	28	101	207
Sep-15	103	28	96	225
Oct-15	104	26	107	224
Nov-15	108	31	105	248
Dec-15	140	37	104	276
Jan-16	132	31	91	253
Feb-16	132	28	86	245
Mar-16	119	26	78	269
Apr-16	125	31	75	246
May-16	103	31	68	241
Jun-16	89	30	56	240
Jul-16	79	23	52	206
Aug-16	79	22	44	203
Sep-16	76	20	55	171
Oct-16	70	23	53	216
Nov-16	67	25	49	199
Dec-16	93	30	54	219
Jan-17	80	25	48	217
Feb-17	78	22	51	210
Mar-17	72	25	64	209
Apr-17	65	32	73	209

May 17	61	25	80	213
May-17	68	19	94	207
Jun-17		14		
Jul-17	57		87 88	179
Aug-17	81	26		169
Sep-17	73	23	98	187
Oct-17	73	22	100	184
Nov-17	71	33	104	178
Dec-17	87	42	99	173
Jan-18	89	38	98	164
Feb-18	105	55	97	147
Mar-18	109	52	98	144
Apr-18	128	54	104	144
May-18	129	46	92	137
Jun-18	124	43	95	151
Jul-18	125	39	86	138
Aug-18	131	33	84	135
Sep-18	127	32	83	129
Oct-18	118	34	85	176
Nov-18	113	33	99	175
Dec-18	111	28	108	174
Jan-19	109	27	113	177
Feb-19	107	30	104	165
Mar-19	103	37	100	165
Apr-19	104	37	96	158
May-19	96	31	88	117
Jun-19	81	28	72	114
Jul-19	81	21	63	114
Aug-19	80	19	68	109
Sep-19	84	18	62	109
Oct-19	77	19	58	109
Nov-19	71	18	45	57
Dec-19	72	18	49	51
Jan-20	66	18	48	47
Feb-20	66	18	44	47
Mar-20	69	17	44	46
Apr-20	75	15	35	45
May-20	78	13	33	44
Jun-20	75	9	35	38
Jul-20	73	7	32	36
Aug-20	62	7	29	36
Sep-20	61	6	24	34
Oct-20	51	6	23	34
Nov-20	42	6	19	29
Dec-20	39	6	19	29
Jan-21	38	6	16	24

Source: CMHC

WINNIPEG Figure 1: Low inventories will support new housing construction

Quarter	Total Inventories New Home Market
2016/Q1	737
2016/Q2	592
2016/Q3	482
2016/Q4	595
2017/Q1	492
2017/Q2	433
2017/Q3	433
2017/Q4	477
2018/Q1	543
2018/Q2	566
2018/Q3	483
2018/Q4	721
2019/Q1	824
2019/Q2	667
2019/Q3	611
2019/Q4	597
2020/Q1	599
2020/Q2	514
2020/Q3	442
2020/Q4	329

Source: CMHC

TORONTO Figure 1: Greater Toronto Area Seasonally Adjusted Price Index (Feb 2020 = 100), By Region

Quarter	Toronto	Peel	Halton	Durham	York
Feb-20	100	100	100	100	100
Mar-20	101	96	98	101	101
Apr-20	86	90	91	93	94
May-20	92	91	98	100	99
Jun-20	101	100	104	105	107
Jul-20	109	106	106	112	109
Aug-20	107	107	110	115	109
Sep-20	103	106	113	117	107
Oct-20	103	105	111	118	111
Nov-20	101	106	115	122	111
Dec-20	100	108	118	123	112
Jan-21	97	114	122	138	122
Feb-21	101	119	124	136	119

Sources: TRREB and calculations by CMHC

HAMILTON Figure 1: MLS® Sales by Price Range (Hamilton-Burlington)

Amount	Second Half 2019	Second Half 2020
Less than \$500,000	2,667	2,026
\$500,000 to \$599,999	1,272	1,536
\$600,000 to \$799,999	1,337	2,513
\$800,000 to \$999,999	556	1,150
\$1,000,000 and above	388	1,072

Source: Realtors Association of Hamilton-Burlington

LONDON Figure 1: Single-family Home Price Index (July 2020=100)

Amount	London-St. Thomas	Greater Toronto
Jul-20	100	100
Aug-20	103	102
Sep-20	105	104
Oct-20	108	105
Nov-20	111	106
Dec-20	114	108
Jan-21	119	111

Source: CREA Benchmark Price (seasonally adjusted)

KITCHENER-CAMBRIDGE-WATERLOO Figure 1: Kitchener-Cambridge-Waterloo, MLS® Price

		_	_
Amount	High	Low	Series
2012	\$309,822	\$309,822	\$309,822
2013	\$322,901	\$322,901	\$322,901
2014	\$334,203	\$334,203	\$334,203
2015	\$348,312	\$348,312	\$348,312
2016	\$389,059	\$389,059	\$389,059
2017	\$467,535	\$467,535	\$467,535
2018	\$484,596	\$484,596	\$484,596
2019	\$528,714	\$528,714	\$528,714
2020	\$614,793	\$614,793	\$614,793
2021(F)	\$759,000	\$691,000	-
2022(F)	\$804,700	\$722,700	-
2023(F)	\$852,900	\$750,900	_

Source: CREA (F): Forecast.

ST. CATHARINES-NIAGARA Figure 1: Significant Price Incentive of Moving to Niagara

Date	GTA MLS® HPI Single- Detached Benchmark Price	Niagara MLS® HPI Single- Detached Benchmark Price	Niagara to GTA Price Ratio
Jan-15	\$618,500	\$238,800	38.6%
Feb-15	\$623,200	\$239,800	38.5%
Mar-15	\$627,500	\$240,400	38.3%
Apr-15	\$633,200	\$241,900	38.2%
May-15	\$637,300	\$244,100	38.3%
, un-15	\$643,700	\$246,600	38.3%
ul-15	\$651,900	\$247,000	37.9%
Aug-15	\$659,900	\$249,800	37.9%
Sep-15	\$667,900	\$253,300	37.9%
Oct-15	\$673,000	\$255,800	38.0%
Nov-15	\$680,400	\$259,000	38.1%
Dec-15	\$687,000	\$259,000	37.7%
an-16	\$693,600	\$263,700	38.0%
eb-16	\$700,100	\$265,000	37.9%
Mar-16	\$709,900	\$267,500	37.7%
Apr-16	\$723,200	\$273,800	37.9%
Чау-16	\$746,100	\$279,500	37.5%
, un-16	\$760,900	\$284,600	37.4%
ul-16	\$775,900	\$291,900	37.6%
Aug-16	\$791,800	\$300,100	37.9%
ep-16	\$805,900	\$307,100	38.1%
Oct-16	\$823,400	\$315,100	38.3%
Nov-16	\$834,200	\$319,800	38.3%
Dec-16	\$847,300	\$325,600	38.4%
an-17	\$864,100	\$332,200	38.4%
eb-17	\$882,900	\$343,000	38.8%
Mar-17	\$926,300	\$363,500	39.2%
Apr-17	\$957,200	\$372,300	38.9%
May-17	\$953,800	\$379,600	39.8%
un-17	\$942,500	\$383,200	40.7%
ul-17	\$894,000	\$376,100	42.1%
Aug-17	\$877,200	\$373,300	42.6%
ep-17	\$877,300	\$374,300	42.7%
Oct-17	\$871,800	\$375,900	43.1%
Nov-17	\$871,600	\$376,700	43.2%
Dec-17	\$870,300	\$380,400	43.7%
an-18	\$867,200	\$380,200	43.8%
eb-18	\$865,100	\$383,100	44.3%
1ar-18	\$864,700	\$386,200	44.7%
Apr-18	\$861,400	\$388,000	45.0%
чау-18	\$862,400	\$390,800	45.3%
un-18	\$862,100	\$390,800	45.3%
ul-18	\$863,300	\$394,500	45.7%
ai-10 Aug-18	\$865,600	\$397,500	45.9%
Sep-18	\$869,500	\$398,400	45.8%

Date	GTA MLS® HPI Single- Detached Benchmark Price	Niagara MLS® HPI Single- Detached Benchmark Price	Niagara to GTA Price Ratio
Oct-18	\$872,100	\$403,400	46.3%
Nov-18	\$872,700	\$405,300	46.4%
Dec-18	\$874,200	\$406,400	46.5%
Jan-19	\$870,200	\$407,300	46.8%
Feb-19	\$863,200	\$406,000	47.0%
Mar-19	\$868,500	\$408,500	47.0%
Apr-19	\$873,700	\$408,300	46.7%
May-19	\$874,000	\$411,700	47.1%
Jun-19	\$879,000	\$418,200	47.6%
Jul-19	\$885,700	\$420,400	47.5%
Aug-19	\$893,900	\$424,200	47.5%
Sep-19	\$901,700	\$432,000	47.9%
Oct-19	\$910,500	\$433,000	47.6%
Nov-19	\$919,300	\$439,800	47.8%
Dec-19	\$924,100	\$442,800	47.9%
Jan-20	\$934,100	\$447,700	47.9%
Feb-20	\$938,800	\$451,200	48.1%
Mar-20	\$951,700	\$457,800	48.1%
Apr-20	\$948,300	\$458,700	48.4%
May-20	\$944,400	\$456,600	48.3%
Jun-20	\$943,500	\$465,600	49.3%
Jul-20	\$974,500	\$476,400	48.9%
Aug-20	\$999,500	\$489,900	49.0%
Sep-20	\$1,018,100	\$500,900	49.2%
Oct-20	\$1,027,000	\$513,600	50.0%
Nov-20	\$1,042,800	\$526,800	50.5%
Dec-20	\$1,064,000	\$550,800	51.8%

Sources: CREA, CMHC

Home Price Index (HPI), Greater Toronto Area (GTA), Niagara Region (Niagara).

WINDSOR Figure 1: Annual MLS® sales growth (units), by Windsor CMA region, in 2020

Area	Units
West-end/Downtown	7
Inner Suburbs	-70
Outer Suburbs	198

Sources: Windsor-Essex County Association of REALTORS $\!\!\!^{\text{\tiny{\$}}}$, CMHC calculations

OTTAWA Figure 1: Youth employment declines at strongest rate

	Age Group		
Year	15-24	25-44	45-64
2019	-5.2%	8.8%	2.1%
2020	-16.1%	-2.4%	-2.9%

Sources: Statistics Canada, Labour force characteristics, year-over-year employment change

GATINEAU Figure 1: Employment growth by age group, December 2019 to December 2020, Gatineau area (%)

Age Group	Full-time	Total
15-24 years	-36%	-21%
25-44 years	2%	4%
45 years and over	-18%	-13%
15 years and over	-10%	-7%

Source: Statistics Canada

3-month moving average, not adjusted for seasonality.

MONTRÉAL Figure 1: Net Migration - Province of Québec

Year	Net Migration
2015	24,835
2016	47,218
2017	75,367
2018	80,971
2019	93,344
2019 (January to September)	80,323
2020 (January to September)	12,279

Source: Statistics Canada

QUÉBEC Figure 1: Evolution of net migration over the past 10 years, Québec CMA

Year	Net migration
2010	4,155
2011	4,074
2012	3,716
2013	3,343
2014	2,996
2015	2,691
2016	3,662
2017	3,429
2018	5,734
2019	6,802
2020	5,888

Source: Statistics Canada

HALIFAX Figure 1: Net Interprovincial Migration is an important contibutor to recent population growth

Date	Net Interprovincial Migration, (persons)
2010/11	625
2011/12	-638
2012/13	-754
2013/14	-875
2014/15	-1,162
2015/16	104
2016/17	1,532
2017/18	1,456
2018/19	1,602
2019/20	1,584

Source: Statistics Canada

Table 17-10-0136-01 Components of population change by census metropolitan area and census agglomeration, 2016 boundaries.