HOUSING MARKET INFORMATION

Housing Market Outlook

CANADIAN METROPOLITAN AREAS
February 2025

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Census Metropolitan Areas (CMAs)

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National Overview

HIGHLIGHTS

- Foreign trade risks and immigration changes add significant uncertainty to the outlook. We expect economic activity to be modest in 2025, picking up in 2026 and 2027.
- Housing starts will slow down from 2025 to 2027 mainly due to fewer condominium apartments being built but total starts will remain above their 10-year average. Rental apartment construction will remain high but may slow in 2027 as demand eases. Ground-oriented homes (detached, semi-detached, row homes) may recover slightly, especially in more affordable options like row houses.
- We expect housing sales and prices to rebound as lower mortgage rates and changes to mortgage rules unlock pent-up demand in the short term. In the longer term, stronger economic fundamentals will support this rebound. The recovery will be uneven, with slower progress in less affordable regions and in the condominium apartment market.
- Rental markets are expected to ease with higher vacancy rates slowing rent growth. Renter affordability will improve gradually, with more noticeable changes happening later in the forecast period.

Economy

Uncertain economic outlook amid geopolitical and immigration shifts

Canada's economic future faces significant uncertainty due to potential changes in U.S. trade policies and lower immigration levels. Given this uncertainty, we do not identify a base case. Instead, we project three plausible scenarios and will monitor how things unfold against these scenarios over the year.

Significant uncertainty surrounds the future of U.S. trade tariffs on Canadian exports to the U.S., potentially reaching up to 25% on all goods, with the likelihood of Canadian retaliation. This could have a major impact on Canada's economy as early as 2025, including:

- investment uncertainty
- a weaker Canadian dollar
- lower export revenues
- job losses
- higher inflation
- a greater risk of recession

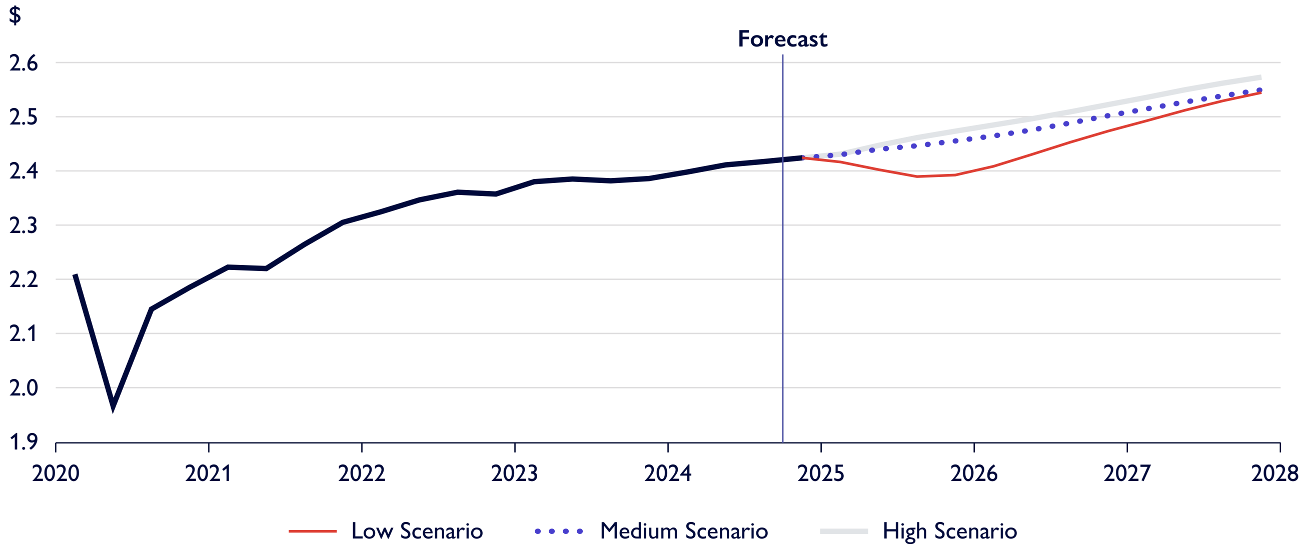
Our medium scenario assumes that the U.S. will impose a 25% tariff on 10% of Canadian goods, with Canada retaliating in return. In this scenario, the negative economic impacts may be softened by stronger U.S. government spending and higher U.S. demand for imports as a result.

Reduced immigration targets[1] for 2025-2027 will also affect the economy. Slower population growth could lead to lower economic activity. We assume these targets to be met gradually, over several years.

Considering these factors, we expect modest economic growth in 2025 improving in 2026 and 2027. After declining in 2023 and 2024, GDP per capita should grow over the forecast period.

1 https://www.canada.ca/en/immigration-refugees-citizenship/news/2024/10/20252027-immigration-levels-plan.html

Figure 1: Canadian economy faces significant uncertainty
Canada Real GDP Forecast (trillion $CAD)



Source: CMHC
The forecasts included in this document are based on information available as of January 14, 2025.

Similarly, we expect consumer spending per capita to increase over the forecast period, supported by lower borrowing costs. However, several factors will slow growth, notably:

- loss of purchasing power from past inflation, with incomes catching up gradually
- increasing unemployment rates in 2025
- higher interest rates on mortgage renewals in 2025-2026

Overall consumer spending will grow at a slower pace due to reduced population growth, leading to weaker overall economic demand. This limits the need for workers and slows job growth especially in 2025. As a result, we expect unemployment to rise until mid-2025. An improving economy and lower population growth will contribute to lower unemployment rates in 2026 and 2027. Government spending will also likely slow down with lower population growth.

We expect Canadian business investment to rebound over the forecast period after two years of weak activity. Lower interest rates will support this recovery. However, trade tariffs, rising wage pressures from limited population growth and tighter lending conditions from cautious lenders will limit the rebound.

To control inflation and support the economy amid new tariffs, the central bank is expected to further cut rates in 2025. Fixed-rate mortgages, linked to bond yields, already reflect many of these changes and will see small improvements. Variable-rate mortgages, tied to the policy rate, are expected to see bigger reductions, making them attractive to homebuyers.

The overall impact of this economic outlook on the housing market is mixed. Slower population growth and economic challenges will limit housing activity. On the other hand, some households will see improved buying power, boosting housing activity in the short term.

Housing Markets

Affordability improvements release pent-up housing demand, supported by economic recovery later in the forecast

Despite the economic headwinds described above, we expect housing market activity in Canada to improve. The combination of lower mortgage rates and changes to mortgage rules[2] introduced in 2024 should unlock pent-up demand from homebuyers previously priced out of the

[2] https://www.canada.ca/en/department-finance/news/2024/09/government-announces-boldest-mortgage-reforms-in-decades-to-unlock-homeownership-for-more-canadians.html

market. However, some of these homebuyers may face longer loan terms, higher interest costs over the duration of the loan and larger down payments as prices continue to rise.

Compared to new homes, we expect resale homes to attract a larger share of renewed demand as they offer more options for financially constrained homebuyers. In addition, the length of new construction projects may limit developers' ability to meet demand quickly.

Millennials, many of whom are first-time buyers, are currently driving housing demand. As remote work declines, we assume this group will prioritize being closer to jobs, boosting sales recovery in larger urban markets.

We also expect some repeat homebuyers to return to the market. This will include those looking to upgrade, taking advantage of lower mortgage rates. It also includes homeowners who purchased during the pandemic, facing mortgage renewals between 2025 and 2027. These factors may lead them to rethink their housing needs, driving sales activity.

The housing market recovery will be uneven with the condominium apartment market lagging especially in regions that depend on investor activity. Investors who bought pre-construction units to rent out are increasingly selling as costs rise faster than rental incomes. We expect listings to continue to increase, driven by record new condominium apartment completions in 2025 and softening rental markets.

Prices will grow faster in 2025, reflecting a recovery and renewed demand for ground-oriented homes, before slowing down in 2026-2027.

By 2027, we expect much of the pent-up demand to be met. Although mortgage payments and prices will rise, improved job markets and income growth will make housing more attainable than during the 2022-2024 period. This will support further recovery in sales.

More affordable regions will lead price and sales recovery

The housing markets in Ontario and British Columbia are particularly unaffordable. We expect sales in these markets to remain below their 10-year averages. This is due to ongoing affordability challenges and the more notable impact of new immigration targets. We expect prices to grow more slowly in these provinces, especially in the first half of the forecast period.

The more affordable Alberta and Quebec markets began recovering in early 2024. Sales in these provinces are expected to reach historically high levels, with prices growing faster than national averages during the first half of the forecast period.

Housing starts set to slow down

We expect housing starts to slow down over the forecast period, remaining above their 10-year average. The slowdown is primarily due to fewer condominium apartments being built. With low investor interest and more young families looking for family-friendly homes, developers will find it harder to sell enough units to fund new projects. The increase in unsold units will likely reduce new project launches, leading to a decline in new condominium apartment construction.

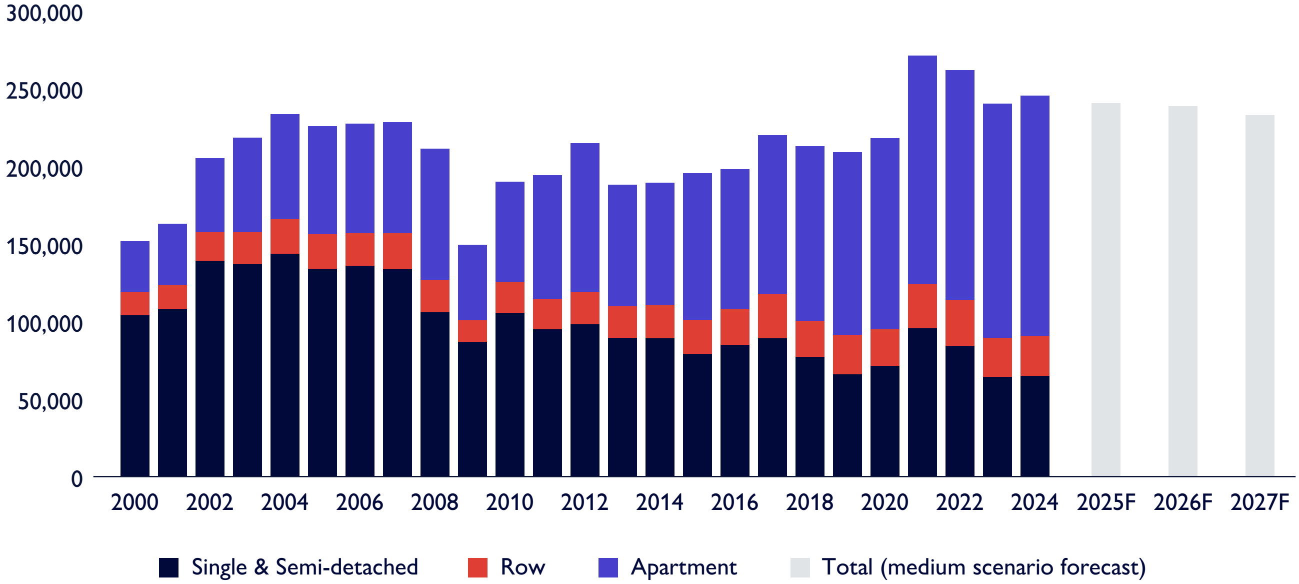
Regional activity will vary:

- **Ontario:** Pre-construction condominium apartments, often bought by investors, will see lower demand due to weaker resale and rental markets. This will lead to new construction slowing down as of 2025.
- **British Columbia:** With fewer investors and stronger resale markets, the slowdown in condominium apartment construction will be milder and delayed.
- **Alberta:** Because more buyers are actual residents as opposed to investors, the impact on new construction will be minimal.

Rental apartment construction reached record levels in 2024 due to government support, a rapidly growing renter population and strong rent growth at the time of planning. We expect this momentum to continue through 2025-2026, supported by numerous projects set to start. However, softening rental market conditions may lead to fewer rental projects starting in 2027.

We expect a small recovery in ground-oriented home construction, led by lower-priced options. First-time buyers may prefer resale homes that offer better supply. Developers will be limited in their ability to compete with these resale markets due to high costs and lower profits. Regionally, new construction in Quebec will recover from recent lows. In Alberta, new construction will slow down from high levels.

Figure 2: Canada's new construction slows but maintains historic strength
Housing starts by dwelling type



Source: CMHC
The forecasts included in this document are based on information available as of January 14, 2025.

Rental markets continue to rebalance

Since 2024, rental supply has grown faster than new demand but affordability remains a challenge. We expect lower immigration and an increase in first-time homebuyers to continue to reduce rental demand throughout 2025-2027. Supply will continue to expand as new rental units are completed, leading to higher vacancies and slower rent increases.

However, rental affordability will take more time to improve. Some vacated units will adjust to market rents and renters' incomes will catch up to previous market rent increases. Additionally, as financially able tenants move to higher-priced new units, more affordable options will gradually open up for other tenants (PDF)[3].

Alternative Scenarios

To address significant economic uncertainty, we present two alternative scenarios below in addition to the medium scenario presented above.

1. Low-growth Scenario

- The U.S. puts higher tariffs on Canadian exports, causing job losses and a recession in 2025.
- U.S. immigration policies become stricter, making Canada more attractive to immigrants, leading to higher immigration than expected.
- Higher tariffs temporarily raise inflation but the central bank lowers the policy rate to support the economy. Financial uncertainty increases mortgage borrowing costs slightly relative to the medium scenario.

[3] https://assets.cmhc-schl.gc.ca/sites/cmhc/professional/housing-markets-data-and-research/housing-research/research-reports/2024/understanding-filtering-long-term-strategy-new-supply-housing-affordability-en.pdf

Impact on housing:

- The recession delays housing recovery, increasing pent-up demand.
- Fewer homes are built due to weaker demand and supply challenges.
- By late 2026, the economy rebounds and a growing population boosts home sales.
- Rental markets stay tight, limiting improvements in rental affordability.

2. High-growth Scenario

- The U.S. introduces fewer and shorter-lasting tariffs, while U.S. government spending boosts Canadian exports.
- Canadian immigration meets recent targets.
- Higher incomes and stronger consumer confidence encourage more spending. Stronger declines in borrowing costs make homeownership more attainable.

Impact on housing:

- More homes are built thanks to better financing and business conditions.
- Stronger job and income growth combined with lower mortgage rates make homeownership more accessible.
- Higher demand pushes home prices up more quickly.

Forecast Summary (Canada)

				2025 (F)			2026 (F)			2027 (F)		
	2022	2023	2024	Low	Medium	High	Low	Medium	High	Low	Medium	High
New Home Market												
Starts:												
Starts – Total	261,849	240,267	245,367	226,600	240,500	243,000	215,300	238,600	249,500	227,300	232,900	249,300
Resale Market												
MLS® Sales	503,742	447,728	477,100 (F)	464,600	515,700	524,600	505,000	528,900	550,100	530,300	547,900	568,900
MLS® Average Price ($)	704,543	678,288	687,100 (F)	704,900	729,200	734,200	709,000	749,600	772,200	747,300	770,100	804,500
Economic Overview												
Real GDP Growth (%)	4.2	1.5	1.2 (F)	-0.5	1.3	1.7	1.7	1.6	2.0	3.2	2.0	2.1
Employment Growth (%)	4.0	2.4	1.7	0.3	0.8	1.0	0.9	0.9	1.1	1.5	0.9	0.9
Fixed 5-Year* Mortgage Rate (%)	4.9	6.0	5.8	5.7	5.5	5.3	5.6	5.6	5.2	5.6	5.6	5.2

*Conventional 5-year fixed mortgage rate (average of rates posted by Canadian lending institutions).
The forecasts included in this document are based on information available as of January 14, 2025.
Source: CMHC, CREA, Statistics Canada, Haver Analytics

British Columbia Markets

Vancouver, Victoria

British Columbia's (B.C.) housing markets will face mixed results in 2025. Resale markets are likely to recover after slowing down over several years. Meanwhile, we expect rental markets to continue softening with higher vacancy rates. New home construction will be marginally higher as some demand returns to the presale market.

Regional overview

Slower population growth will impact housing demand

We expect economic growth to be slower in B.C. in 2025 before rebounding in 2026 and 2027. Employment is expected to continue weakening with slower job creation until mid-2025 but will improve throughout the remaining forecast horizon. Wage and disposable income growth was relatively significant in recent years but will be flat in 2025. These factors affect a household's capacity to pay for housing.

Changes to immigration policy will also have a significant effect on housing demand in B.C. International migrants to Canada are likely to settle in the province, especially in major regions like Metro Vancouver. Recent years have seen large inflows of non-permanent residents. Net inflows are expected to slow over the forecast horizon. At the same time, residents in B.C.'s pricier regions will continue to seek more affordable housing in markets like the Prairies, resulting in net interprovincial outflows.

Within B.C., some residents of Vancouver will continue to seek more affordable markets like Chilliwack, Victoria and Kelowna.

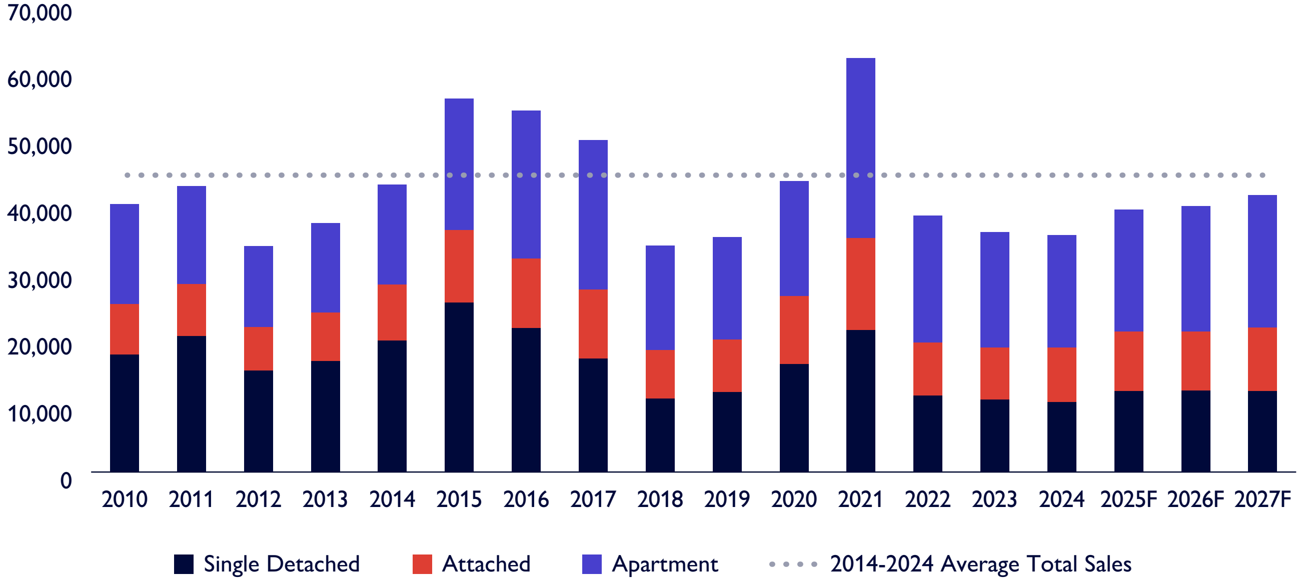
Resale activity on the rise in 2025 supported by low mortgage rates

We expect the resale markets in both Vancouver and Victoria to rebound in 2025 after 2 years of declining sales activity. This shift will be most prominent in 2025 with marginal growth in sales and prices in 2026 and 2027. The main driver will be continued low mortgage rates that will expand borrowing capacity. Higher interest rates in the past 2 years slowed down resale activity while average prices remained below 2022 peaks.

The impact of recent rate cuts began to appear in the resale market in late 2024 with elevated sales activity compared to the same time in 2023. We expect this to continue. However, total sales in 2025 will only approach long-term averages. They will remain well below highs seen in 2021.

Changes to international migration patterns will have an impact on resale markets. However, these won't be as significant as in the rental market. Any impact is likely to be concentrated in Vancouver, as recent immigrants are less likely to buy homes in other urban centres in B.C., like Victoria.

Figure 1: Increased demand in Metro Vancouver will support sales after several years of below average activity
Sales by type of dwelling and median forecasts, Vancouver CMA



Sources: Greater Vancouver REALTORS®, Fraser Valley Real Estate Board, CMHC

Prices to climb mostly in 2025 and stabilize with marginal growth beyond

Increased sales activity will help absorb some inventory on the market right now in the form of unsold new inventory and active listings. We expect average days on market to also fall slightly after climbing for 2 years. This will result in a hotter market with more upward price pressure. Most of this will be concentrated in 2025 when the effects of lower mortgage rates are likely to manifest.

High wage growth in recent years along with continued low rates will expand borrowing capacity to levels similar to mid-2020. With price growth slowing down recently, higher borrowing capacity will be more effective in driving demand.

The return of price growth in 2025 will also help spur expectations for investors, especially those looking at presales.

Housing starts to grow, supported by favourable financing policies and more demand for new homes

We expect housing starts to rebound marginally in both Vancouver and Victoria in 2025 after a weaker 2024. This will mainly be driven by multi-unit starts, especially in the rental market. A historically tight rental market and government support will continue to encourage new rental developments. However, as more supply comes online and rent growth slows, developers may become more cautious. This may limit rental development later in the forecast horizon.

While difficulties in new condominium construction will continue due to pricing and a lack of presales, a stronger resale market will support planned projects. Rising unabsorbed inventory of this type has signalled a lack of demand, putting some projects on hold. Consumer expectations for future pricing have also lowered as price growth was muted for the past 2 years. As mortgage rates stay lower, potential homebuyers may borrow more to support new construction. However, a lack of land transactions in recent quarters may dampen multi-unit construction further into the forecast horizon.

Low mortgage rates will also support a turnaround in single-detached construction in both Vancouver and Victoria as demand returns for this segment. In the longer term, this type of housing will continue to be scarcer as a lack of new land and the pricing of existing land discourage new supply.

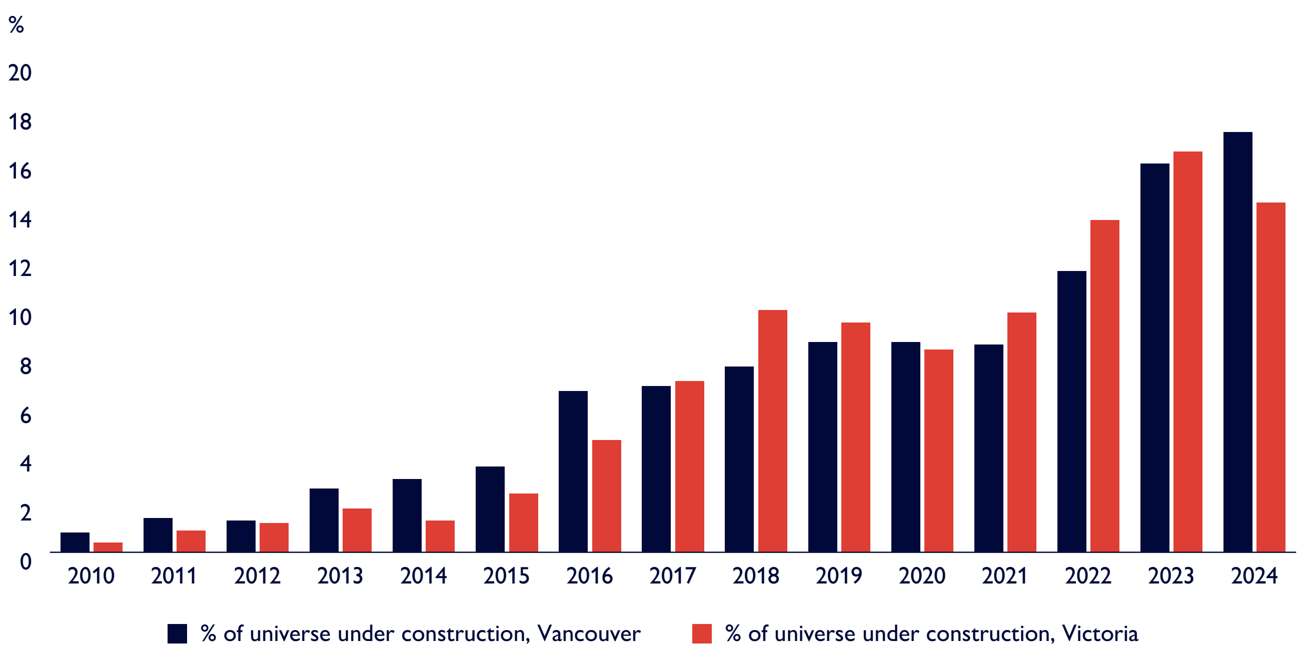
Rental vacancies will increase as new supply comes online and migration changes reduce demand

Vacancy rates in major centres across B.C. rose in 2024 after remaining relatively low over multiple years. We expect vacancy rates to stay historically high in the next few years. A record number of units are under construction as part of efforts to increase rental supply. Most of these units will likely enter the rental market in the next few years. These units are likely to come onto market at high rents, potentially impacting their absorption rates.

Lower growth in the renter population will be the main driver in rental markets in B.C., especially in urban centres. New international migrants are likely to settle in these regions and occupy rental units. As we expect lower population growth from these sources in the next few years, rental demand will be impacted. Recent immigrants are much more likely to choose rental housing than homeownership.

As more new, higher-priced units come onto market, average rents will continue rising. However, we expect asking rents to be negatively pressured as rental demand declines. This will help affordability and lead to higher turnover as the gap between rents of occupied units and vacant units decreases.

Figure 2 : Influx of Rental Supply Will Impact the Market in the Near Future
Purpose Built Rental Universe Supply and Under Construction



Source: CMHC

This forecast is subject to risks

The forecast for B.C. is subject to macroeconomic forces similar to those that affect other regions in Canada, like interest rates, inflation and migration. If these forces diverge from expected paths, the forecast will be impacted.

Potential trade tariffs from the new U.S. administration may impact the provincial economy, especially on major items like softwood lumber, agriculture and natural gas. Stronger tariffs will negatively affect rural communities at first and urban areas afterwards.

Rental construction has benefitted from federal financing incentives and municipal waivers. If programs like these change, new construction may be negatively impacted.

HIGHLIGHTS

Vancouver

Key takeaways

- Resale activity will rebound mostly in 2025 from lagged effects of low mortgage rates, with marginal growth in the years after. Average prices will increase to new highs by the end of 2025.
- Increased presales will support a slight recovery in new home construction, which will face pressures limiting its growth beyond 2025.
- We expect more vacancies in the rental market as lower immigration reduces demand while large amounts of inventory come online.

Metro Vancouver will continue to be the centre of focus for housing activity and demand as resale markets rebound in 2025.

Sales and prices of condominium units further away from the city centre will increase marginally after weak activity in the past 2 years. Specifically, new condominium pricing in Surrey and Burnaby will see some support after quarters of climbing unsold inventory.

Sales and development of ground-oriented homes like single-detached and semi-detached homes will also see support as consumer budgets increase. While single-detached prices will continue to rise, sales and development will continue to shift toward semi-detached homes due to affordability constraints especially in the City of Vancouver.

Construction and sales of townhomes will rebound as well, with a focus on areas further out in the suburbs north of the Fraser River. Land is relatively cheaper in these areas and commutes aren't as congested by bridges compared to the south. Cheaper land allows developers to continue building and selling at more affordable prices.

The recent increase in the insured mortgage price limit from $1 million to $1.5 million will support sales and prices of homes in Vancouver. This is likely to affect townhome sales the most, as these are the most common type of home sold near the $1-million mark. This will benefit dual-income households and those seeking to acquire more space. Dual-income buyers account for more than half of transactions in Metro Vancouver.

Starts are expected to rebound in Metro Vancouver in 2025 after declining significantly in 2024. However, a lack of land transactions will limit further growth in 2026 and beyond. Developers have been extending land loans from 3 years to 5 years. This indicates that they are preparing for continued weakness in demand.

New multi-unit construction will continue to focus on rental units. This is mainly because of supportive policies and continued developer interest. However, market intelligence suggests that it is a challenge to lease units at higher rent levels while facing rising land prices. This will likely reduce feasibility even in the City of Vancouver.

Rising inventory and limited presales have stalled condominium projects in recent months with developers taking out more inventory loans for existing developments. While more resales and lower mortgage rates will help with some of these concerns, developers will continue to find it difficult to build new condominium projects closer to the city centre. This is due to lower demand for presales at higher prices needed for project feasibility.

The rental market will continue to ease as changes to immigration policy are expected to reduce demand. We expect asking rents and rents of new units to have limited growth. They will likely remain stagnant as vacancies stay higher.

Victoria

Key takeaways

- Resales will continue to increase in 2025 following the turnaround at the end of 2024. Price growth will recover slightly with greater growth in 2026.
- New construction will increase in 2025 but will stay relatively flat in 2026 and 2027 as the sales market recovers and unsold inventory is absorbed.
- The rental market is expected to maintain higher vacancies with large flows of incoming supply expected in 2025 and 2026.

Victoria will see higher demand in the resale market in 2025, building on signs of stronger activity materializing in 2024. Victoria's economy is supported by a large public sector, resulting in a more stable economy and consistently low unemployment.

Like in Vancouver, lower mortgage rates will be a key driver in supporting resale activity in Victoria. We expect resales to rise mostly in 2025 with slower sales growth in 2026 and 2027. At the same time, price growth will return to the market, slightly lagging behind Vancouver. Single-detached home sales will benefit from expanded purchasing power and changes to the mortgage insurance price limit from $1 million to $1.5 million. Many recently sold single-detached homes fall within that range.

Rebounding single-detached sales will lead to higher starts of that type, which will temporarily reverse the downward trend. However, we expect single-detached construction to remain historically low. On the other hand, multi-unit construction will remain prominent and continue to grow, supported by an increasing shift toward rental units. We expect a continued concentration of both rental and condominium apartment development in Langford, where land is relatively more available.

The rental market will continue to see higher vacancies in 2025 and further into the forecast horizon. Expanding rental supply from record-high construction will drive this increase in vacancy rates. However, high rents in new projects may contribute to difficulties in leasing. Some future projects closer to the downtown core have planned rents comparable to those of similar units in Vancouver.

Forecast Summary (Vancouver CMA)

				2025 (F)		2026 (F)		2027 (F)	
	2022	2023	2024	Low	High	Low	High	Low	High
New Home Market									
Starts:									
Single-Detached	3,392	2,832	2,176	2,260	2,700	1,880	2,600	1,670	2,670
Multiples	22,591	30,412	25,936	23,140	28,600	22,520	27,500	23,230	28,230
Starts – Total	25,983	33,244	28,112	25,400	31,300	24,400	30,100	24,900	30,900
Resale Market									
MLS® Sales	38,852	35,878	35,394 (F)	31,500	47,000	31,500	48,000	33,200	49,800
MLS® Average Price ($)	1,237,098	1,212,925	1,234,207 (F)	1,213,000	1,375,000	1,243,000	1,473,000	1,262,000	1,563,000
Rental Market									
Vacancy rate (%)	0.9	0.9	1.6	2.1		2.4		2.9	
Average Rent Two Bedrooms ($)	2,002	2,181	2,314	2,461		2,605		2,758	

Source: Greater Vancouver REALTORS, Fraser Valley Real Estate Board, CMHC
The forecasts included in this document are based on information available as of January 14, 2025.

Forecast Summary (Victoria CMA)

	2022	2023	2024	2025 (F) Low	2025 (F) High	2026 (F) Low	2026 (F) High	2027 (F) Low	2027 (F) High
New Home Market									
Starts:									
Single-Detached	679	385	298	310	490	280	620	210	680
Multiples	4,108	4,607	3,887	3,680	3,850	3,670	3,930	3,620	3,980
Starts – Total	4,787	4,992	4,185	3,990	4,340	3,950	4,550	3,830	4,660
Resale Market									
MLS® Sales	6,499	5,934	6,612 (F)	6,320	7,720	6,020	8,930	5,600	10,200
MLS® Average Price ($)	930,778	960,696	972,420 (F)	918,800	1,050,300	888,200	1,153,000	843,000	1,285,000
Rental Market									
Vacancy rate (%)	1.5	1.6	2.6	3.1		3.4		3.5	
Average Rent Two Bedrooms ($)	1,699	1,839	1,993	2,178		2,344		2,519	

Source: CREA, CMHC
The forecasts included in this document are based on information available as of January 14, 2025.

Prairies Markets

Edmonton, Calgary, Regina, Saskatoon, Winnipeg

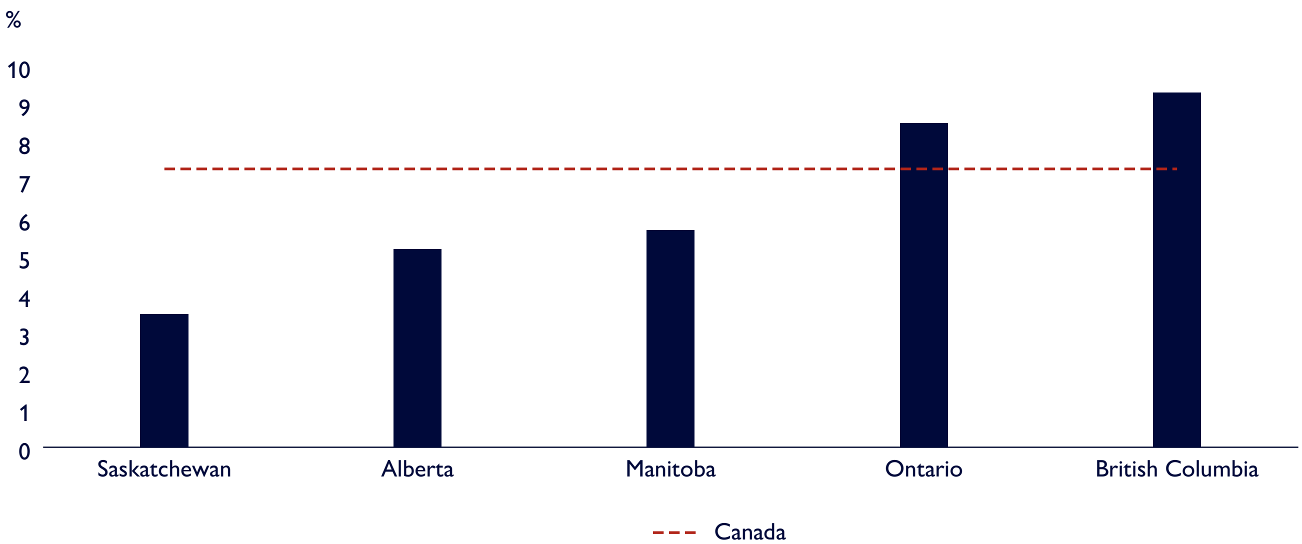
Regional overview

Population growth in the Prairie markets will diminish, slowing growth in demand for housing

Population growth has been rapid in the Prairie markets in recent years, especially in Alberta. Domestic and international in-migration has been driven in part by the attractiveness of the more affordable housing in the Prairie markets.

Recent changes in immigration policy[4] will slow growth across the Prairie markets. Non-permanent-resident (NPR) admissions and immigration are expected to decline across the Prairies but are unlikely to be as negatively impacted as in British Columbia (B.C.) or Ontario. NPRs in Prairie markets currently make up near or less than 5% of the population , the national threshold set out in Immigration, Refugees and Citizenship Canada's Immigration Levels Plan.

Figure 1: Prairie population growth has been less dependent on NPRs & should be less impacted by policy changes
NPRs as a percent of total population, July 1st 2024

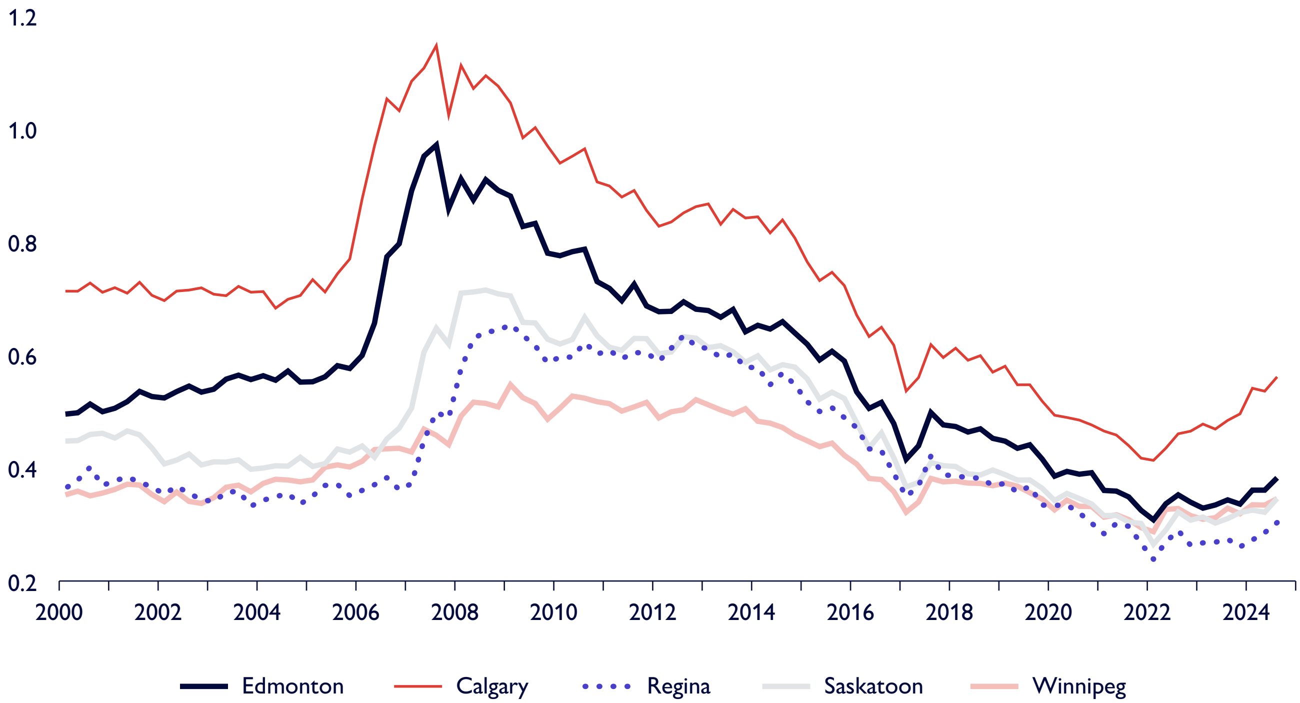


Source: Statistics Canada Tables 17-10-0005 and 17-10-0158, CMHC calculations

We expect Alberta to continue to see growth from interprovincial migration, which has been strong recently – especially from more expensive centers in B.C. and Ontario.

[4] https://www.canada.ca/en/immigration-refugees-citizenship/news/2024/10/20252027-immigration-levels-plan.html

Figure 2: Relative affordability in the Prairie markets will support continued migration
MLS® average sale prices relative to those of Toronto CMA



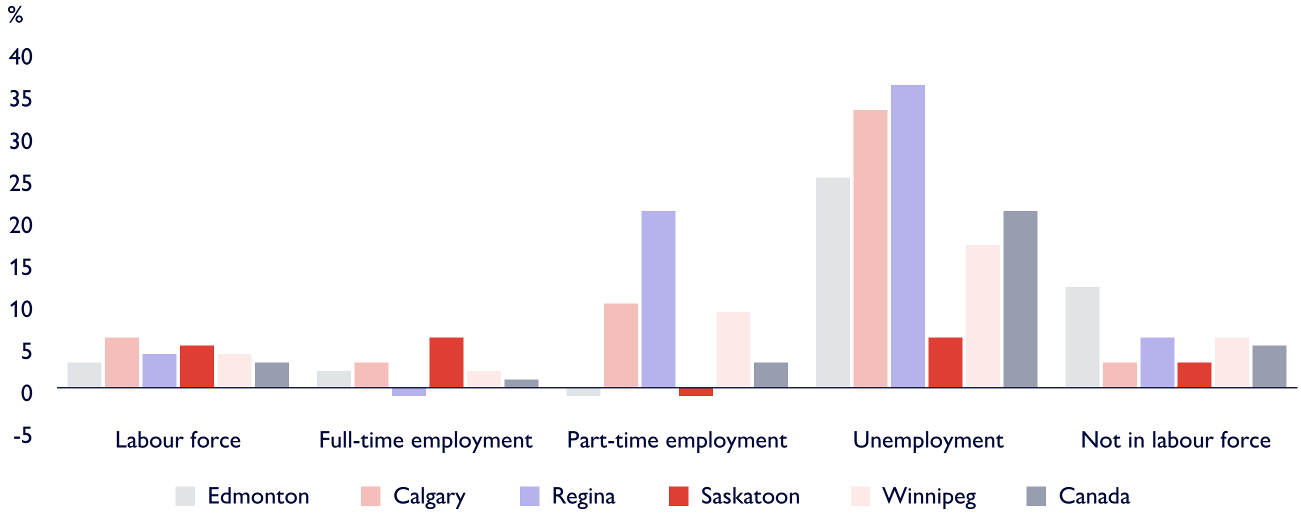
Source: Canada Real Estate Association MLS®

Employment hasn't kept up with labour force growth

Labour markets have been mixed across the Prairie markets in the second half of 2024. Population growth has led to rapid expansion of the labour force but employment hasn't matched the pace. Unemployment remains high compared to last year. Saskatoon is the exception, where full-time employment has remained remarkably strong and unemployment low. Job growth looks to be accelerating in recent months in Calgary and Edmonton, which will typically contribute to demand for housing (either ownership or rental).

Figure 3: Labour force growth has driven strong growth in both employment and unemployment in most Prairie markets but Saskatoon has been a notable outperformer

Year-to-year percent change by labour force component, 2023 to 2024



Source: Statistics Canada Tables 14-10-0385 and 14-10-0393

Resale markets are expected to remain active across the Prairies, with competition among buyers putting upward pressure on prices

While sales have declined from pandemic highs in 2021 across the Prairie markets, they remain quite elevated on a historical basis (except in Winnipeg). Declining mortgage interest rates raised borrowing capacity for potential buyers in 2024, encouraging some to return to the market. Between buyers returning to the market and strong population and household growth, activity was strong in 2024 after a weaker 2023.

Despite slowing population growth in 2025 and 2026, we expect demand to remain strong overall and sales to remain elevated or to increase slightly. Tight markets will put upward pressure on prices early in the forecast. We expect the market to move toward greater balance and more modest price appreciation close to the end of the forecast period.

Activity in the more expensive single-detached segment had lessened as borrowing capacity declined. With some reversal of this decline, we expect greater activity in this segment.

Price and rent growth, along with policies and programs, will support new construction but uncertainty may make developers more cautious

In Calgary and Edmonton, where starts are quite high, we expect starts to decline modestly over the forecast horizon. In Regina, Saskatoon and Winnipeg, however, we expect growth.

Recent growth in both prices and rents provide support to new housing development across the Prairie markets, especially in Calgary and Edmonton. Regulatory and policy changes are aligned to support this increase.

We expect single-detached homes to remain a smaller part of new home construction over the long term. However, in the short term, some recovery in demand for this housing type may support construction.

Rental housing has driven most of the recent growth in starts across the Prairie markets, supported by federal programs. The 2024 Rental Market Survey[5] showed a surge in new rental stock and vacancy rates in markets across the country, most significantly so in Calgary. While the overall outlook for rental housing development remains positive, between higher vacancies and uncertainty regarding demand, we expect developers to show some caution.

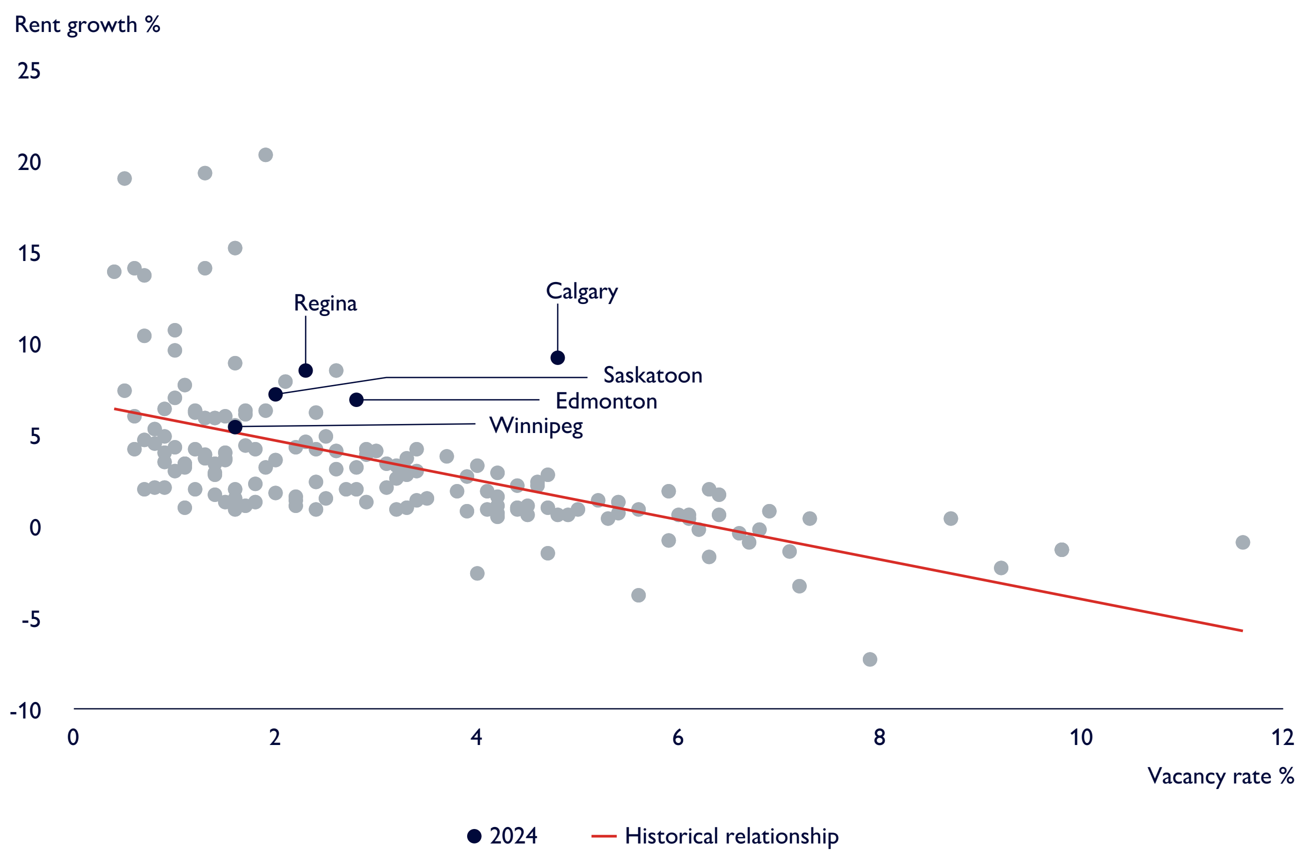
A continued influx of new rental supply will reduce pressure on rents

With a large stock of rental housing under construction, we expect a great deal of it to come into the market over the forecast horizon, especially in 2025 and 2026.

With increasing supply and slowing demand growth, we expect vacancy rates to increase in 2025 and 2026, following jumps in 2024, as landlords work to lease-up new buildings.

Figure 4: Rent growth will slow to rates more typical of the expected rise in vacancy rates

Vacancy rate and % change in average rents, 2-bedroom purpose-built rental units, 1990-2024



Source: CMHC Rental Market Survey

[5] https://www.cmhc-schl.gc.ca/professionals/housing-markets-data-and-research/market-reports/rental-market-reports-major-centres

The pressure that has led to strong rent growth across the Prairie markets in recent years will lessen but new rental units will continue to command higher rents and contribute to modest rent growth.

Uncertainty will be greater than usual

Tariffs pose a risk to the economy, perhaps more strongly so in Alberta and Saskatchewan among Prairie markets. If the suggested 25% tariffs were to be applied, they could have huge implications for Prairie economies and housing markets.

If population growth were to be sustained in the Prairie markets due to relative affordability and lower shares of NPRs, particularly in Calgary and Edmonton, demand growth could remain high. Conversely, if the "push" factors in markets like Vancouver and Toronto were to diminish and interprovincial flows were to shift and further reduce population growth in the Prairies, we could see weaker demand growth. These factors will likely impact vacancy rates and rents most strongly in the short term.

The oil and gas sector is a significant driver of Prairie economies. Oil prices are expected to fall slightly owing to weaker global demand and reversals in supply cuts. Weaker performance in the oil and gas sector (possibly due to tariffs) is a significant downside risk to the outlook for Prairie markets, especially in Calgary and Edmonton.

HIGHLIGHTS

Edmonton

Key takeaways

- We expect sustained demand from population growth and increased borrowing capacity to keep the Edmonton resale market active and to support price growth.
- Price growth and aligned programs and policies will support strong starts but uncertainty is expected to lead to some caution.
- Growth in the rental stock will contribute to a gradual increase in vacancy rates, slowing rent growth over the forecast horizon.

Despite recent rent and price growth in Edmonton, this city remains one of the most affordable of Canada's largest urban centres. Edmonton will remain an attractive option for international and internal migrants, even as international in-migration slows nationally.

We expect the resale market in Edmonton to remain quite active in 2025, following a very busy 2024. A tight resale market will contribute to price growth over the forecast horizon, tapering towards 2027 as the market returns to more balanced conditions.

New construction increased strongly in Edmonton in 2024, surpassing the previous record from 2015. We expect some hesitancy from developers in the face of slowing demand and high vacancy rates. A high (though declining) level of construction will be supported by sustained price and rent growth, as well as by local policies and programs:

- The City of Edmonton approved shovel-ready development sites for affordable housing and introduced an automated development permit review process to expedite housing approvals.
- The Infill Infrastructure Fund covers up to $4 million of shared public infrastructure costs for multi-housing developments in existing neighbourhoods. It supports both market and non-market projects.

Single-detached housing remains a major source of starts in Edmonton. High levels of completed and unabsorbed inventories may weigh on single-detached starts but builders in Edmonton haven't been especially sensitive to growing inventory in the past, particularly in the face of sustained demand.

We expect strong growth in the rental stock, a gradual increase in the vacancy rate and slowing growth in rents.

Calgary

Key takeaways

- Surging population growth will slow but we expect Calgary to continue to receive inter-urban migration from more expensive centers like Vancouver and Toronto.
- After record-breaking years, new construction is expected to moderate slightly. Strong fundamentals are counterbalanced by uncertainty and the expectation of a loosening rental market.
- Vacancy rates are expected to rise as new purpose-built housing supply grows beyond slowing demand. This shift is likely to ease rent growth pressures as landlords compete to fill new buildings.

Calgary's strong population growth in recent years is expected to slow as federal policies impact international migration. However, Calgary's recent growth has been supported also by strong interprovincial migration led by migrants from Toronto and Vancouver. Even with the higher price growth forecasted, Calgary will remain an attractive option for prospective internal (and international) migrants who are looking for a cosmopolitan urban centre with more affordable housing.

We expect Calgary's resale market to see a slight increase in activity in 2025 after remaining flat between 2023 and 2024. We anticipate sustained demand supported by increases in borrowing capacity and continued (though diminished) demographic and economic growth. Sales will be restrained by limited listings, though this is expected to ease and lead to more balanced market conditions over the forecast horizon.

Calgary hit a record-high level of new construction in 2024 for the third year in a row. Recent and expected price growth and reduced financing costs will support elevated construction levels, as will supportive policy. Among supportive policy changes is the approval in November 2024 of adjustments to Calgary's service plan and budget to support investments in housing, land use and local planning. This funding will support the development of new communities to increase the housing supply and help with redevelopment in older neighbourhoods.

We expect slowing growth in demand and recent effects of large increases in supply (including elevated vacancy rates) to lead to some caution from developers and a slowdown in new construction.

Calgary saw an unprecedented increase of roughly 10% in the purpose-built rental stock in 2024, according to CMHC's Rental Market Survey[6]. Along with this increase came a notable uptick in the vacancy rate, which jumped from 1.4% in 2023 to 4.8% in 2024. We expect growth in the stock to continue along with increases to the vacancy rate and slowing growth in rents.

Elevated vacancy rates and slower rent growth may lead to fewer condominiums being used as rentals, especially with demand in the resale market.

Regina

Key takeaways

- We expect stable resale market activity and moderate growth in prices in Regina, with limited listings restraining sales.
- Single-detached starts are expected to lead overall growth in starts, as demand in this segment picks up after years of lower supply.
- We expect vacancy rates to increase slightly but an overall tight rental market will support rent growth.

Labour force growth in Regina has come from part-time employment and unemployment, while full-time employment has declined.

Activity in the resale market was strong in Regina in 2024, with sales near pandemic highs. Tightening in the resale market led to significant price growth after modest declines in 2023. We expect stable or slightly increasing buyer activity to support further price growth, generally in line with recent trends. Limited listings will keep sales from increasing more rapidly.

Starts are expected to increase in Regina over the forecast horizon. Single-detached starts are expected to be a source of growth in new construction, as demand in this segment returns with increased borrowing capacity. With a growing emphasis on multi-family construction in Regina, the supply of new single-detached homes hasn't kept pace with demand.

A low inventory of completed and unabsorbed units will support increasing new construction in Regina.

We expect increases in the rental stock and vacancy rate. The forecasted vacancy rates remain below the elevated levels of 2015 to 2021 and the rental market remains tight. We expect reasonably strong rent growth in 2025, slowing in 2026 and 2027.

[6] https://www.cmhc-schl.gc.ca/professionals/housing-markets-data-and-research/market-reports/rental-market-reports-major-centres

Saskatoon

Key takeaways

- We expect a relatively strong local economy to continue to support demand in 2025 and contribute to price growth after an active 2024.
- Rising prices and rents will encourage new construction, which will also be supported by low and declining unabsorbed inventories.
- Persistently low vacancy rates are expected to support rent growth but new supply will contribute to loosening rental markets over the forecast horizon.

Saskatoon's labour market has done extremely well in incorporating new labour force participants. It has seen high growth in the labour force being matched by high growth in full-time employment. Saskatoon's unemployment rate has risen less than in other markets. Meanwhile, its youth unemployment rate has declined reasonably quickly after having increased at the start of the year.

Saskatoon's economy has been buoyed by large investments. Projects coming online over the forecast horizon (like the Jansen potash mine) are expected to keep the local economy strong.

Sales activity in Saskatoon reached an historical high in 2024, surpassed only by the pandemic peak in 2021. This elevated activity contributed to a tight resale market. We expect continued demand to contribute to elevated sales and tight resale market conditions, which will support price growth through the forecast horizon.

Rising prices and rents will encourage elevated levels of new construction in Saskatoon. The rental market remains tight and we expect rental housing to continue to lead new construction. Low and declining levels of unabsorbed inventories (in single- and multi-unit properties) will also support new construction.

Strong employment gains and international migration are expected to support rental demand in the near term. This is expected to keep vacancy rates low in Saskatoon in 2025. We expect gradual increases in the vacancy rate in 2026 and 2027 as more new rental stock comes online. With persistently low vacancy rates, we expect strong rent growth in 2025, with the pace of growth tapering over 2026 and 2027.

Winnipeg

Key takeaways

- Winnipeg, a typically steady market, is expected to see gradual growth in sales, prices and new construction.
- We expect vacancy rates to increase slowly but to remain below historical averages. This will contribute to strong rent growth in 2025 that will diminish in 2026 and 2027.

Recent data for Manitoba shows Non-permanent-resident (NPR) permits flattening or even declining slightly through the later part of 2024, with net outflows of study permit holders.

Winnipeg's labour market has performed reasonably well over 2024. Full-time and part-time employment have posted gains but the number of unemployed also increased over 2024.

In contrast to other Prairie markets, in 2023, sales in Winnipeg fell to pre-pandemic levels. We expect sales in Winnipeg to return to a modest but steady growth trend over the forecast horizon. Price growth will continue to be slower in Winnipeg than in other Prairie markets.

Winnipeg has relatively little year-to-year volatility in new construction, with this type of construction generally following a consistent upward trend. Over the forecast horizon, we expect stable growth in starts to be led by purpose-built rental starts, as in recent years. This will be supported by growing rents, low vacancy rates and supportive policies and programs.

Continued government funding in 2025, as well as the 2024 removal of provincial sales taxes on new rental housing and the absence of rent controls on newly constructed units will be factors supporting new rental development.

In contrast, single-detached construction will continue the trend of a slow decline in favour of multi-family housing construction over the medium-to-long term.

While new purpose-built rental supply was added at a historically fast pace in 2024, vacancy rates remained stubbornly low in Winnipeg. We expect that the vacancy rate will increase gradually over the forecast horizon to 2027 but that it will remain below historical averages. We expect reasonably strong rent growth in 2025, which will diminish through the later part of the forecast.

Forecast Summary (Edmonton CMA)

	2022	2023	2024	2025 (F) Low	2025 (F) High	2026 (F) Low	2026 (F) High	2027 (F) Low	2027 (F) High
New Home Market									
Starts:									
Single-Detached	6,173	5,032	6,976	5,500	8,000	5,000	8,000	5,000	8,500
Multiples	8,413	8,152	11,408	8,500	11,500	7,000	12,000	7,000	11,500
Starts – Total	14,586	13,184	18,384	14,000	19,500	12,000	20,000	12,000	20,000
Resale Market									
MLS® Sales	27,006	24,726	30,482 (F)	26,000	32,000	25,000	31,000	25,000	31,000
MLS® Average Price ($)	403,920	389,033	422,659 (F)	420,000	460,000	420,000	470,000	410,000	480,000
Rental Market									
Vacancy rate (%)	4.3	2.4	3.1	3.8		4.7		5.1	
Average Rent Two Bedrooms ($)	1,304	1,398	1,536	1,637		1,656		1,672	

Source: CREA, CMHC
The forecasts included in this document are based on information available as of January 14, 2025.

Forecast Summary (Calgary CMA)

	2022	2023	2024	2025 (F) Low	2025 (F) High	2026 (F) Low	2026 (F) High	2027 (F) Low	2027 (F) High
New Home Market									
Starts:									
Single-Detached	5,752	5,875	7,100	5,500	7,500	5,000	8,000	5,000	7,500
Multiples	11,554	13,704	17,269	13,500	16,500	12,500	16,000	12,000	16,000
Starts – Total	17,306	19,579	24,369	19,000	24,000	17,500	24,000	17,000	23,500
Resale Market									
MLS® Sales	38,694	34,799	34,651 (F)	32,000	38,000	30,000	38,000	28,000	39,000
MLS® Average Price ($)	530,461	550,375	620,500 (F)	620,000	670,000	610,000	680,000	600,000	690,000
Rental Market									
Vacancy rate (%)	2.7	1.4	4.8	5.8		5.7		4.8	
Average Rent Two Bedrooms ($)	1,466	1,695	1,882	1,962		1,977		1,982	

Source: CREA, CMHC
The forecasts included in this document are based on information available as of January 14, 2025.

Forecast Summary (Regina CMA)

				2025 (F)		2026 (F)		2027 (F)	
	2022	2023	2024	Low	High	Low	High	Low	High
New Home Market									
Starts:									
Single-Detached	321	214	288	250	400	175	575	75	725
Multiples	616	963	935	800	1,150	675	1,375	475	1,625
Starts – Total	937	1,177	1,223	1,050	1,550	850	1,950	550	2,350
Resale Market									
MLS® Sales	4,266	4,069	4,560 (F)	4,350	5,250	4,450	5,450	4,500	5,600
MLS® Average Price ($)	322,408	312,207	332,069 (F)	330,000	370,000	329,000	411,000	322,000	448,000
Rental Market									
Vacancy rate (%)	3.2	1.4	2.6	3.2		3.4		3.4	
Average Rent Two Bedrooms ($)	1,186	1,301	1,415	1,525		1,600		1,675	

Source: CREA, CMHC
The forecasts included in this document are based on information available as of January 14, 2025.

Forecast Summary (Saskatoon CMA)

				2025 (F)		2026 (F)		2027 (F)	
	2022	2023	2024	Low	High	Low	High	Low	High
New Home Market									
Starts:									
Single-Detached	913	786	977	800	1,100	750	1,250	675	1,325
Multiples	1,746	1,862	1,679	1,525	2,275	1,550	2,650	1,450	2,850
Starts – Total	2,659	2,648	2,656	2,325	3,375	2,300	3,900	2,125	4,175
Resale Market									
MLS® Sales	6,357	6,287	6,592 (F)	6,250	7,550	6,550	8,150	6,650	8,450
MLS® Average Price ($)	356,277	359,626	383,645 (F)	389,000	431,000	384,000	480,000	370,000	522,000
Rental Market									
Vacancy rate (%)	3.4	2.0	2.0	2.0		2.2		2.4	
Average Rent Two Bedrooms ($)	1,243	1,360	1,471	1,575		1,675		1,775	

Source: CREA, CMHC
The forecasts included in this document are based on information available as of January 14, 2025.

Forecast Summary (Winnipeg CMA)

	2022	2023	2024	2025 (F) Low	2025 (F) High	2026 (F) Low	2026 (F) High	2027 (F) Low	2027 (F) High
New Home Market									
Starts:									
Single-Detached	1,927	1,425	1,434	1,100	1,600	1,000	1,700	850	1,800
Multiples	3,943	4,029	3,887	3,800	4,100	3,750	4,350	3,700	4,650
Starts – Total	5,870	5,454	5,151	4,900	5,700	4,700	6,000	4,550	6,400
Resale Market									
MLS® Sales	13,594	12,005	13,383 (F)	12,100	15,800	11,500	16,500	11,900	17,200
MLS® Average Price ($)	380,700	368,325	384,931 (F)	401,800	423,100	378,500	444,900	347,000	455,900
Rental Market									
Vacancy rate (%)	2.7	1.8	1.7	1.8		1.9		2.1	
Average Rent Two Bedrooms ($)	1,350	1,427	1,507	1,570		1,630		1,680	

Source: CREA, CMHC

The forecasts included in this document are based on information available as of January 14, 2025.

Central Markets

Greater Toronto Area, Hamilton, Kitchener-Cambridge-Waterloo, London, St. Catharines-Niagara, Windsor

Regional overview

Housing starts to decline for the fourth year in a row

Total housing starts in Ontario's central markets[7] are expected to decline in 2025. This is due to condominium apartment starts falling further because of the lagged impact of elevated financing rates. Weak past demand has reduced condominium apartment starts, with fewer land deals, project launches and pre-construction sales in the past 2 years. This trend is particularly evident in the regions of the Greater Toronto Area (GTA), Hamilton and Kitchener-Cambridge-Waterloo.

According to our estimates, Ontario's central markets are short of housing, providing some tailwind to new construction. Despite the inherent demand for new housing, financing new housing remains a key obstacle. We see conditions for new home building becoming more favourable for developers. That said, apartment starts are unlikely to rise immediately, considering their long development timelines. We see the number of apartment starts stabilizing in 2026 and then increasing in 2027.

Offsetting this year's decline in condominium apartment starts will be robust purpose-built rental apartment starts. Government initiatives to address housing shortages will kick-start thousands of new market and affordable rental homes in the next year. Meanwhile, recent provincial legislation aims to streamline building processes.

As we move further into 2026, our outlook for rental apartment starts will be checked by the following:

- Developers appear cautious, evidenced by the fact that there aren't many high-rise land deals happening.
- Increasing vacancies and stagnant rent growth will discourage new supply.
- Market intelligence indicates fewer rental projects in the ideation stage, which will slow rental starts in the later part of our forecast period.

We expect more buyers to look for new single-detached and row homes because of long-standing shortages in the resale market. These types of homes will more quickly respond to the recent fall in mortgage rates, as well as further household formation and income growth. However, we don't expect a significant increase over previous years, owing to their high price tag and limited serviced land. Regional variations influence our outlook, with the London and Windsor census metropolitan areas (CMAs) expected to outperform thanks to better affordability and land availability.

[7] References to Ontario's central housing markets mean the Toronto, Oshawa, Hamilton, Kitchener-Cambridge-Waterloo, London, St. Catharines-Niagara and Windsor census metropolitan areas (CMAs).

Economic challenges seen over the past year will diminish, benefiting resale markets

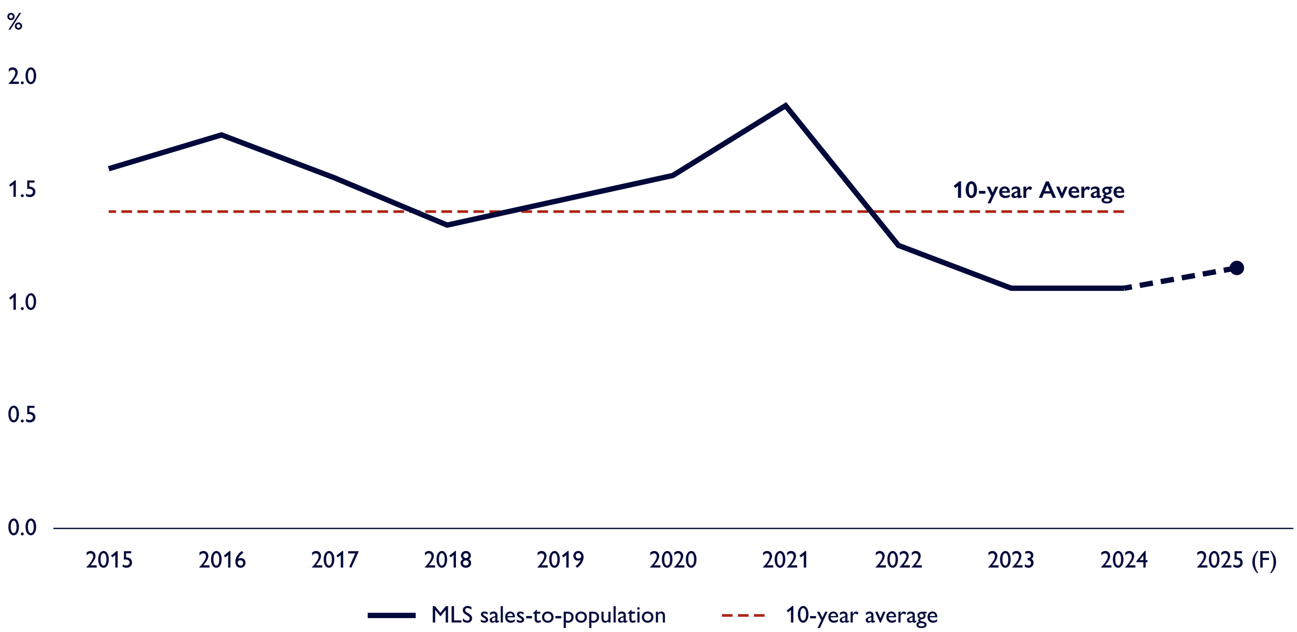
Ontario's economic and labour market conditions softened in the past 2 years. In 2025, we expect a rebound in Ontario's economic growth and more supportive mortgage rates to breathe some life into local resale markets.

The number of existing home sales in 2024 was well below its 10-year average (Figure 1). Elevated mortgage rates have been particularly challenging for Ontario's central markets, which are more sensitive to interest rate changes. Transactions ramped up in the fall as a result of a steady drop in mortgage rates and slightly lower home prices that enticed buyers.

As we move into 2025, MLS® sales are expected to increase. The previous strength in income and population growth, and less burdensome mortgage rates, will help offset poor affordability conditions. Employment growth will provide additional support for housing demand.

Figure 1: There is plenty of upside potential for existing home sales

Ratio of MLS® sales-to-population, annual periods, Ontario



Sources: CREA, Statistics Canada Table 17-10-0005, CMHC calculations

Sales growth in the GTA is expected to be stronger compared to nearby CMAs. Market intelligence indicates fewer buyers from the GTA are looking to move out. This is mainly due to return-to-office mandates. This, in addition to fewer employment opportunities in cities outside the GTA, suggests these regions are likely to experience comparatively smaller increases in sales activity.

More first-time homebuyers to enter the market in 2025

First-time homebuyers in Ontario's central markets will be encouraged by changes to insured mortgage rules. Because homes in these markets are generally expensive, it's more likely that buyers in these markets will benefit more from increased access to lower down payments and longer amortizations, especially in the GTA.

However, sales numbers are likely to be tempered by several factors:

- The absolute level of mortgage rates is still quite high and would likely discourage many prospective buyers.
- Many existing homeowners are likely to focus on saving to improve their finances, leading to a slower recovery in transactions. This is because many will renew their mortgages this year and anticipate higher payments.
- Investors will be dissuaded by low expected returns, especially in the rented condominium market.
- Weak consumer confidence readings indicate home purchases could remain lower than historical averages.

With an economy still operating below potential, persistently poor affordability and fewer investors, it will be harder for sales to return to the stronger levels implied by demographics. Despite these issues, we expect the market to be stable in 2026 and 2027.

Improved market conditions will boost prices, led by ground-oriented homes

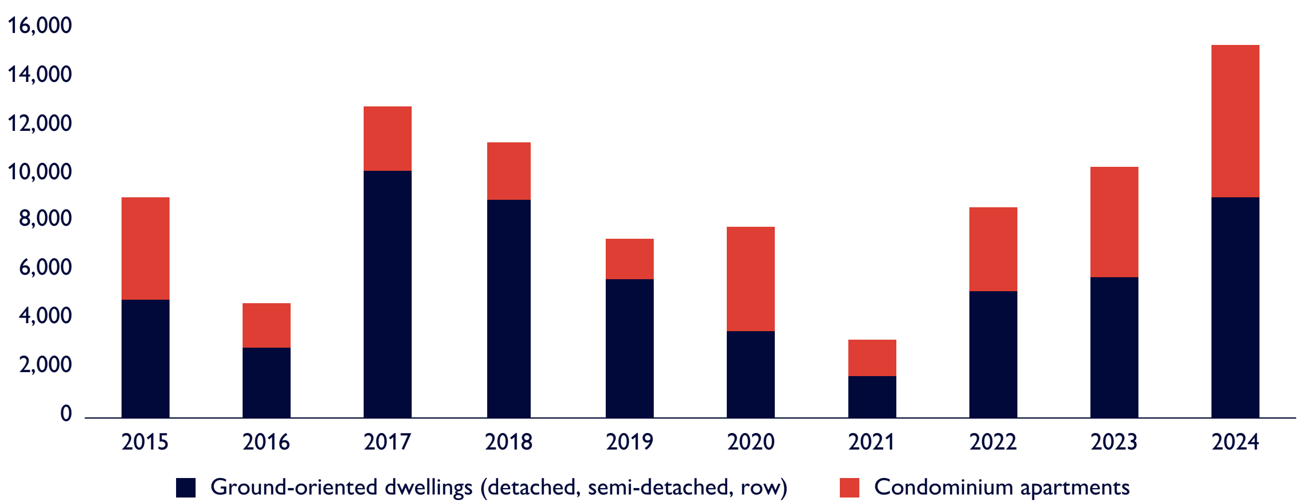
This year, there will be renewed upward pressure on the MLS® average price. The improvement in market conditions seen at the end of 2024 supports this view.

Moving into 2025, demand fundamentals such as income and household formation will help to ensure prices grow. However, the pressure on prices will be mild. This is because demand will be driven more by first-time homebuyers and elevated mortgage rates will squeeze affordability.

We expect price growth to be greater for family-sized homes. This will be driven by a strong demand from young families and a limited supply of larger homes from new construction. This will result in tighter market conditions in this segment.

Overall, market conditions will remain balanced, but are anticipated to be softer for condominium apartments due to high inventories in the largest urban centres (Figure 2). The number of active listings continued to be high compared to previous years.

Figure 2: Prospective GTA buyers have a well-stocked market with plenty of options
Active listings, December periods, Greater Toronto Area



Source: TRREB, CMHC calculations

We expect new listings to grow enough to counteract growing demand because of the following:

- Investors facing challenges with cash-flow-negative rental properties due to higher mortgage rates will list more properties.
- More homeowners will consider moving as their low mortgage rates expire, reducing their disincentive to move, thus bringing more listings.
- A high level of condominium apartments under construction will add to supply.

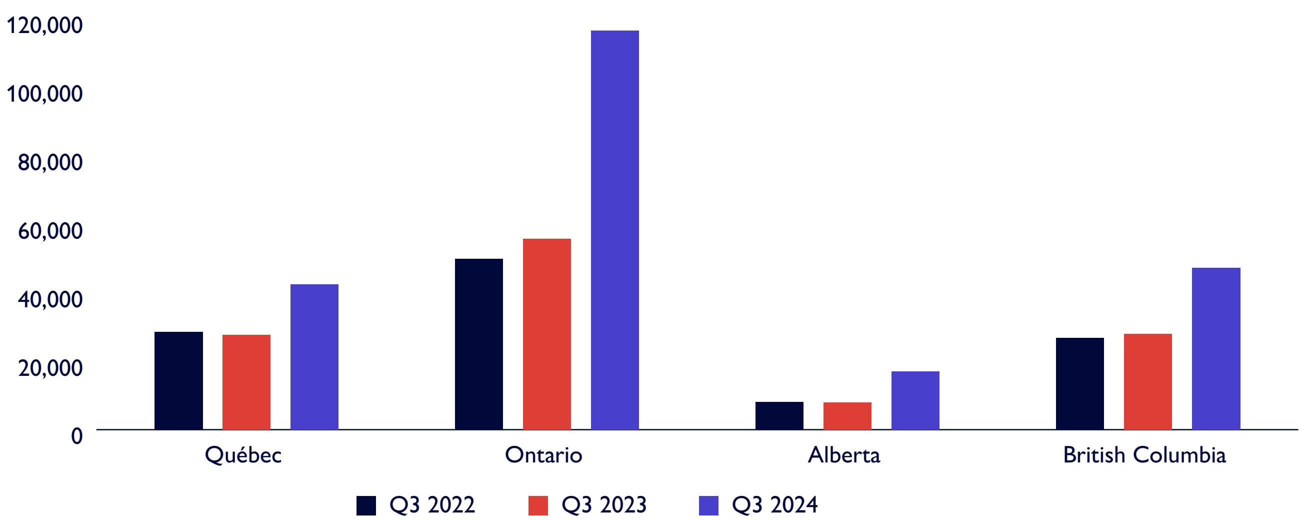
Greater supply and declines in the temporary resident population to rebalance the rental market

After 2 years of acceleration, primary-market rent growth slowed in 2024, owing to increased vacancy rates. This year, we expect strong growth in rental supply and weaker renter household formation to further slow down rent growth.

Rental demand in Ontario's central markets is vulnerable to recent changes to immigration targets (Figure 3). The planned reduction in the non-permanent resident population is resulting in far fewer international student arrivals. Our regional market intelligence suggests that landlords in areas near post-secondary institutions found it harder to fill vacant units this past fall.

The rental market's performance will vary by market. Select metropolitan areas in Southwestern Ontario and the Greater Golden Horseshoe could see greater downward pressure on rental demand. This is because they relied more heavily on non-permanent residents for population growth.

Figure 3: Ontario faces the prospect of strong outflows of non-permanent residents
Non-permanent resident outflows, third quarter periods, select provinces



Source: Statistics Canada Table 17-10-0040-01

Risks to the outlook

Known upside risks to the forecast include:

- Higher-than-expected pent-up homeownership demand and a more acute shortage of housing. This may be driven by past episodes of high population and income growth, prompting more first-time homebuyers to enter the market.
- Lower-than-expected mortgage rates due to the central bank signaling more policy-rate cuts, driven by soft employment and inflation data.
- Further supply-side policy changes that lead to housing starts exceeding predictions.

Known downside risks to the forecast include:

- Lower-than-expected population growth. International migration is a major source of demand in Ontario's central markets. Further changes in immigration policy, or delayed effects of existing policy, could have greater negative impacts than forecasted.
- Persistently high mortgage rates coupled with households prioritizing saving.
- Mortgage arrears[8] in the most expensive housing markets are expected to increase. This could result in greater-than-expected supply, as strained borrowers seek to repair their balance sheets by selling property.
- Greater trade protectionism threatening the outlook for Ontario's export activity, which could result in less economic growth.

HIGHLIGHTS

Greater Toronto Area

Key takeaways

- Total housing starts will decline due to fewer apartment starts, as low demand for new condominiums takes hold.
- MLS® sales and the average price are expected to increase due to pent-up demand, but growth will be limited by fewer investors and affordability challenges faced by first-time homebuyers.
- The rental vacancy rate will increase as supply outpaces demand, leading to rent growth below the 10-year average in 2025 and 2026.

Housing starts in the Greater Toronto Area (GTA) will be driven lower by declines in the condominium apartment segment this year. High development costs and weak demand point to fewer apartment starts. Detached home starts are expected to decline slightly in 2025, with a modest uptick anticipated in 2026 and 2027 due to lower mortgage rates and more accommodative mortgage rules.

The overall decline in starts masks our expectation for higher purpose-built rental apartment starts this year. Yet, even in this segment, sentiment among developers remains weak. Local market intelligence suggests many rental projects in the GTA aren't viable at current rents and would require property taxes and development charges to be waived, along with the current HST waiver.

The share of apartment starts in the GTA made up by the 905 (the area code denoting the region's suburbs) is likely to continue at higher levels than history due to that area's cost advantage over the 416 (the urban core). Ground-oriented starts (detached, semi-detached and row homes) will continue to feature more prominently in the 905 due to the 416 having limited and costly land, greater population density, as well as land-use planning measures favouring denser housing types.

Following 3 years of very low sales volumes, pent-up demand is expected to increase MLS® sales in 2025, aided by ample choice, lower prices and new insured mortgage rules. However, investors are unlikely to return to the market as they won't see rates low enough to make up for significant negative cash flow positions. Fewer investors and persistent affordability challenges will hold MLS® sales below their 10-year average.

The MLS® average price is projected to rise slightly in 2025 due to increased borrowing capacity but high supply and cautious buyers will keep growth contained. Ground-oriented homes are expected to see higher prices due to greater pent-up demand while condominium prices will likely face continued downward pressure. We expect price growth in the GTA to remain in the single-digit range through 2027, with potential escalation near the end of the forecast horizon due to limited new construction of all home types.

The purpose-built rental apartment vacancy rate is expected to rise in 2025 and 2026 due to higher levels of condominium and purpose-built rental completions, along with weaker demand and a higher unemployment rate. Following record-low rental turnover in 2024, some GTA renters should transition to homeownership, further increasing vacancy rates. We expect below-average growth in the average 2-bedroom rent, allowing incomes to catch up and more renters to enter the market by 2027.

8 https://www.cmhc-schl.gc.ca/blog/2024/analysis-canadian-residential-mortgage-market

Hamilton

Key takeaways

- Housing starts are expected to recover slowly after falling to a near decade-low in 2024.
- Favourable buying conditions will lead to more demand in 2025 and beyond.
- The vacancy rate will rise in 2025 because of higher rental completions and weakening migration.

Single-detached starts in 2025 will be higher and will remain flat over the rest of the forecast period. Housing starts have consisted mostly of multi-family units in recent years but single-detached starts should get a boost from recent mortgage rule changes.

Multi-unit starts will grow slightly in 2025 but housing supply shortages will encourage more multi-unit starts in the second half of 2026 and in 2027. Reduced migration, weak demand for condominiums and many rental completions will constrain apartment starts in 2025. Market intelligence suggests that developers believe this slowdown is only temporary. In the second half of 2026 and in 2027, declining completions and a rebound in population growth should encourage apartment starts again.

The forecast for the Hamilton CMA resale market in 2025 shows a positive trend in MLS® sales. This trend will continue into 2026 and 2027, although at a slower pace. Changes to insured mortgage rules will make the market more accessible, particularly to first-time homebuyers. These favourable conditions will persist and the current economic uncertainty that's been holding back some buyers should dissipate by 2026 and 2027.

The MLS® average price will rise due to higher demand but this growth will be tempered by high levels of inventory. The supply side of the market will constrain price growth, as for-sale inventory in Hamilton is above its 10-year average.

The purpose-built rental market vacancy rate will increase in 2026 before moderating in 2027. This is because of an expected record level of completions and weaker demand due to lower international migration, particularly among international students. Rent growth will be positive but marginal in all 3 years, limited by high supply and weakening demand.

Kitchener-Cambridge-Waterloo

Key takeaways

- After a weak 2024, housing starts are expected to see a notable increase driven by rental apartments and household income growth.
- MLS® sales will rise as local economic growth supports demand.
- The vacancy rate is expected to rise as demand from international students slows.

In 2025, total housing starts in the Kitchener-Cambridge-Waterloo (KCW) CMA are expected to rise after sluggish activity in 2024. This increase will be driven by multi-unit starts, as the development pipeline in KCW indicates there will be more purpose-built rental starts. This reflects a shift in developer focus away from condominiums encouraged by recent policy initiatives to encourage supply.

New condominium sales are weak in KCW, with declining investor activity and increasing unsold inventories. Many investors face negative cash flow and stagnant prices, which will lead to fewer starts in this segment.

Single-detached starts will increase marginally, with the increase being driven by pent-up demand. KCW will remain attractive because of its relative affordability.

MLS® home sales are projected to rise modestly in 2025. The KCW region continues to thrive largely because of its expanding technology sector, which remains a key source of housing demand and employment. Additionally, the rise of remote work has reshaped homebuyers' preferences, with many seeking properties that support work-from-home lifestyles, further supporting the housing market.

The MLS® average price is expected to see a moderate increase this year. The market will tighten with rising sales leading to increased competition and higher prices. The demand for single-detached homes will be a key driver of this price growth while the condominium market will remain soft due to less investor interest.

The purpose-built rental apartment vacancy rate is expected to increase in 2025. This is because of the increase in rental completions and reduced demand from fewer international students. As a result, the average rent for a 2-bedroom apartment is forecasted to rise at a slower pace. Rents will still grow because of rising operating costs and strong demand, due to affordability pressures in homeownership.

London

Key takeaways

- Fewer housing starts are expected in 2025 as developers focus on the high number of projects under construction.
- MLS® sales and the MLS® average price are expected to rise through 2027, though high inventory levels will moderate price growth.
- The vacancy rate for purpose-built rental apartments is expected to rise due to record completions and weaker demand.

In 2025, total housing starts in the London CMA will decline from their high levels in the previous year. This is mainly due to fewer rental apartment starts, as developers focus on completing the large number of projects started in 2024. Lower migration to London will discourage starts but housing supply shortages will renew growth in 2026 and 2027.

Single-detached starts will increase but remain below historical levels, with marginal growth in 2026 and 2027 because of strengthening population and incomes.

MLS® existing home sales are expected to be higher this year, with continued growth in 2026 and 2027. This increase will be driven by lower borrowing rates. The MLS® average price will rise due to higher demand. However, this growth will be moderated by high inventory levels. These levels will reduce bidding pressure.

The purpose-built rental apartment vacancy rate will increase in 2025 due to many rental completions and weaker demand from fewer temporary residents. However, population growth and a slowdown in rental completions in the later part of our forecast will stabilize vacancies.

The average rent for a 2-bedroom apartment will continue to rise but will do so more slowly than in recent years. New units with higher-than-average rents will raise the average. Increased supply in London will discourage landlords from implementing higher rent increases.

St. Catharines-Niagara

Key takeaways

- Total housing starts are expected to recover due to greater demand for new ground-oriented homes.
- MLS® sales are forecast to grow as intraprovincial migration and economic activity bolster demand.

Housing starts are expected to rise in the St. Catharines-Niagara CMA in 2025. Multi-unit starts will increase, driven by improved affordability and market optimism. Single-detached starts will also increase, ranging from 700 to 850 units this year. This growth is supported by lower interest rates and stronger demand from intraprovincial migration.

The region has experienced modest economic growth, a drop from elevated unemployment levels and sustained population growth through migration. Average household income has increased and continues to drive economic growth and housing activity.

MLS® sales are expected to increase moderately in 2025, continuing the upward trend that started in later 2024. This year's increase will be driven by out-of-town buyer interest in the more affordable St. Catharines-Niagara market, which is composed primarily of single-detached homes.

The MLS® average price is projected to rise modestly in 2025. Below-average sales and higher existing-home inventories will reflect cautious buyers. Currently, many transactions in the St. Catharines-Niagara CMA involve price reductions or conditional sales, signaling market conditions that have favoured buyers.

In 2025, the average rent for a 2-bedroom apartment is expected to rise, with demand still driven by affordability pressures in homeownership. However, lower international student enrollment will soften demand, leading to higher vacancy rates in 2025. Additionally, the influx of new supply should moderate the upward trend of rents. As a result, rents should grow, but at a slower pace than in recent years.

Windsor

Key takeaways

- Housing starts will decline from last year's multi-decade high due to fewer condominium apartment starts.
- MLS® sales are expected to increase as consumer confidence improves.
- Fewer international student enrollments will lead to a more balanced rental market.

In 2025, we predict lower housing starts in the Windsor CMA, driven by fewer condominium apartment starts. This follows an exceptional year in 2024, where the City of Windsor was one of the first municipalities to surpass its provincial housing targets.

The forecasted decline in 2025 will be balanced by increased single-detached, row and semi-detached starts. Additionally, we expect another year of robust rental apartment starts.

Market conditions are likely to tighten, reflecting increased resale activity in the later part of 2025. This will put upward pressure on home prices that will continue into the first half of 2026.

In the rental market, the average rent for a 2-bedroom apartment is forecast to increase more slowly in 2025. This reflects the trend observed over the last 2 years. Further rent increases are expected for newer units in Windsor. However, the average rent will stabilize and grow at a slower rate, especially in areas near universities and colleges. This is due to reduced demand from international students. In these same areas, market intelligence suggests that vacancy rates will continue to increase.

Forecast Summary (Toronto CMA)

				2025 (F)		2026 (F)		2027 (F)	
	2022	2023	2024	Low	High	Low	High	Low	High
New Home Market									
Starts:									
Single-Detached	6,329	4,721	4,723	4,100	5,300	4,300	6,100	4,300	6,900
Multiples	38,780	42,707	32,995	24,100	28,700	24,000	30,000	24,700	32,300
Starts – Total	45,109	47,428	37,718	28,200	34,000	28,300	36,100	29,000	39,200
Resale Market									
MLS® Sales	75,643	66,311	68,000 (F)	69,700	86,300	70,200	97,800	68,500	107,500
MLS® Average Price ($)	1,190,985	1,127,426	1,110,000 (F)	1,110,000	1,180,000	1,093,000	1,237,000	1,080,000	1,300,000
Rental Market									
Vacancy rate (%)	1.6	1.4	2.5	3.0		3.4		2.7	
Average Rent Two Bedrooms ($)	1,779	1,961	1,974	2,000		2,020		2,060	

Source: CREA, CMHC
The forecasts included in this document are based on information available as of January 14, 2025.

Forecast Summary (Oshawa CMA)

	2022	2023	2024	2025 (F) Low	2025 (F) High	2026 (F) Low	2026 (F) High	2027 (F) Low	2027 (F) High
New Home Market									
Starts:									
Single-Detached	927	614	425	520	620	500	800	430	970
Multiples	2,848	1,239	1,166	680	1,380	1,200	1,900	1,270	2,530
Starts – Total	3,775	1,853	1,591	1,200	2,000	1,700	2,700	1,700	3,500
Resale Market									
MLS® Sales	9,489	8,101	8,700 (F)	9,200	11,800	8,800	11,800	8,900	12,500
MLS® Average Price ($)	1,018,850	929,848	910,000 (F)	913,000	987,000	908,000	1,044,000	900,000	1,100,000
Rental Market									
Vacancy rate (%)	2.6	1.5	3.6	4.0		4.2		3.5	
Average Rent Two Bedrooms ($)	1,450	1,613	1,686	1,720		1,740		1,780	

Source: CREA, CMHC
The forecasts included in this document are based on information available as of January 14, 2025.

Forecast Summary (Hamilton CMA)

	2022	2023	2024	2025 (F) Low	2025 (F) High	2026 (F) Low	2026 (F) High	2027 (F) Low	2027 (F) High
New Home Market									
Starts:									
Single-Detached	821	303	416	350	450	350	500	400	600
Multiples	2,709	3,398	2,211	2,250	2,750	2,450	3,000	2,500	3,300
Starts – Total	3,530	3,701	2,627	2,600	3,200	2,800	3,500	2,900	3,900
Resale Market									
MLS® Sales	11,042	9,863	10,050 (F)	10,100	11,100	10,900	12,100	11,600	13,200
MLS® Average Price ($)	964,091	873,513	889,000 (F)	890,000	940,000	900,000	970,000	920,000	1,000,000
Rental Market									
Vacancy rate (%)	1.9	2.1	2.4	2.8		3.0		3.0	
Average Rent Two Bedrooms ($)	1,468	1,617	1,632	1,670		1,700		1,740	

Source: CREA, CMHC
The forecasts included in this document are based on information available as of January 14, 2025.

Forecast Summary (Kitchener-Cambridge-Waterloo)

	2022	2023	2024	2025 (F) Low	2025 (F) High	2026 (F) Low	2026 (F) High	2027 (F) Low	2027 (F) High
New Home Market									
Starts:									
Single-Detached	1,022	850	376	450	550	500	650	500	700
Multiples	3,825	3,862	3,035	3,350	4,150	3,000	4,050	3,050	4,350
Starts – Total	4,847	4,712	3,411	3,800	4,700	3,500	4,700	3,550	5,050
Resale Market									
MLS® Sales	8,057	6,907	7,100 (F)	7,000	8,000	7,500	8,800	7,700	9,300
MLS® Average Price ($)	860,605	791,691	788,750 (F)	790,000	850,000	813,000	903,000	837,000	957,000
Rental Market									
Vacancy rate (%)	1.2	2.1	3.6	3.8		3.9		4.1	
Average Rent Two Bedrooms ($)	1,469	1,658	1,766	1,881		2,007		2,144	

Source: CREA, CMHC
The forecasts included in this document are based on information available as of January 14, 2025.

Forecast Summary (London CMA)

	2022	2023	2024	2025 (F) Low	2025 (F) High	2026 (F) Low	2026 (F) High	2027 (F) Low	2027 (F) High
New Home Market									
Starts:									
Single-Detached	1,268	514	564	550	750	650	850	650	900
Multiples	2,093	1,674	3,607	2,000	2,500	2,000	2,700	2,100	2,900
Starts – Total	3,361	2,188	4,171	2,550	3,250	2,650	3,550	2,750	3,800
Resale Market									
MLS® Sales	8,647	7,478	8,100 (F)	8,100	8,900	8,300	9,300	8,500	9,700
MLS® Average Price ($)	728,214	647,447	642,400 (F)	649,000	699,000	652,000	732,000	665,000	775,000
Rental Market									
Vacancy rate (%)	1.7	1.7	2.9	3.2		3.5		3.5	
Average Rent Two Bedrooms ($)	1,393	1,479	1,548	1,609		1,640		1,680	

Source: CREA, CMHC
The forecasts included in this document are based on information available as of January 14, 2025.

Forecast Summary (St. Catharines-Niagara CMA)

				2025 (F)		2026 (F)		2027 (F)	
	2022	2023	2024	Low	High	Low	High	Low	High
New Home Market									
Starts:									
Single-Detached	1,114	912	648	700	850	750	950	800	1,050
Multiples	2,054	1,835	1,095	1,300	1,650	1,400	1,900	1,450	2,100
Starts – Total	3,168	2,747	1,743	2,000	2,500	2,150	2,850	2,250	3,150
Resale Market									
MLS® Sales	6,071	5,639	5,900 (F)	6,000	6,800	6,100	7,200	6,200	7,600
MLS® Average Price ($)	768,862	684,515	677,000 (F)	670,000	730,000	720,000	800,000	745,000	845,000
Rental Market									
Vacancy rate (%)	2.8	2.9	3.8	4.0		4.2		4.3	
Average Rent Two Bedrooms ($)	1,258	1,389	1,474	1,550		1,680		1,780	

Source: CREA, CMHC

The forecasts included in this document are based on information available as of January 14, 2025.

Forecast Summary (Windsor CMA)

				2025 (F)		2026 (F)		2027 (F)	
	2022	2023	2024	Low	High	Low	High	Low	High
New Home Market									
Starts:									
Single-Detached	780	302	486	500	600	500	700	550	750
Multiples	1,010	906	1,671	1,050	1,350	700	1,000	700	1,050
Starts – Total	1,790	1,208	2,157	1,550	1,950	1,200	1,700	1,250	1,800
Resale Market									
MLS® Sales	6,238	5,307	5,500 (F)	5,600	6,200	5,800	6,700	6,100	7,200
MLS® Average Price ($)	602,915	546,144	565,000 (F)	565,000	615,000	578,000	648,000	596,000	686,000
Rental Market									
Vacancy rate (%)	1.8	2.0	3.3	3.5		3.8		3.9	
Average Rent Two Bedrooms ($)	1,174	1,253	1,387	1,420		1,500		1,550	

Source: CREA, CMHC

The forecasts included in this document are based on information available as of January 14, 2025.

Main Eastern Markets

Ottawa, Gatineau, Montréal, Québec and Halifax

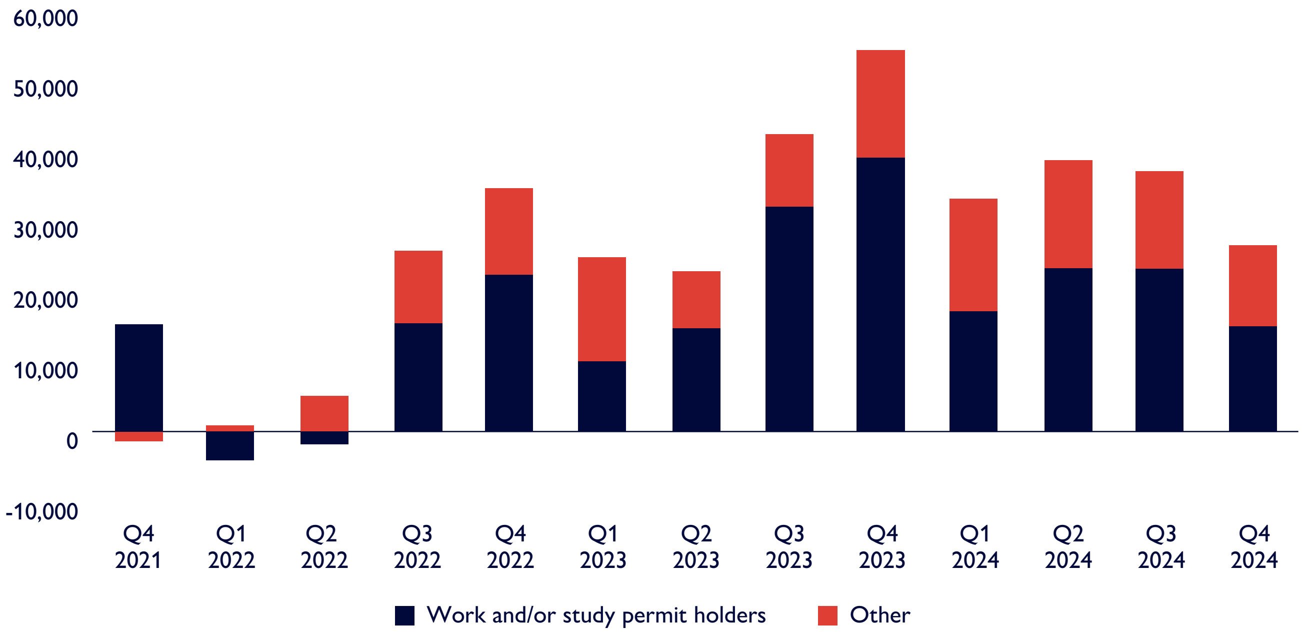
Regional overview

Housing demand in Canada's eastern markets will remain strong in 2025 before losing momentum afterward

Population growth will continue in 2025, but more slowly than in the last 2 years. In Quebec, in particular, it has remained strong despite a slight slowdown in growth in the number of non-permanent residents in 2024 (Figure 1). These trends will continue into 2025.

Household formation accounts for a significant share of housing demand, which will continue to increase in 2025. Employment rates should start rising again in 2025 in Quebec and Nova Scotia. Given the fairly robust job market, housing demand will remain strong in 2025.

Figure 1: Growth in the number of non-permanent residents in Quebec slowed slightly in 2024
Quarterly estimate of the change in the number of non-permanent residents in Quebec



Source: Statistics Canada Table 17-10-0121-01

We then expect a decline in population following the moderate growth of 2025. Indeed, we believe it will take some time before the announced immigration reductions have an effect on population levels. Population declines in most of the country's eastern markets therefore won't be seen until 2026. Various recent government measures will contribute to this slowdown:

- The two-year federal cap on international student admissions (and other restrictions)
- The Quebec government's planned reduction of immigration targets

The Quebec government has said that it intends to reduce the number of international students as early as the start of the 2025 academic year. It has already put some immigration programs on hold in 2024. We therefore expect that growth in housing demand on the rental market will start to decline in some regions starting in 2026.

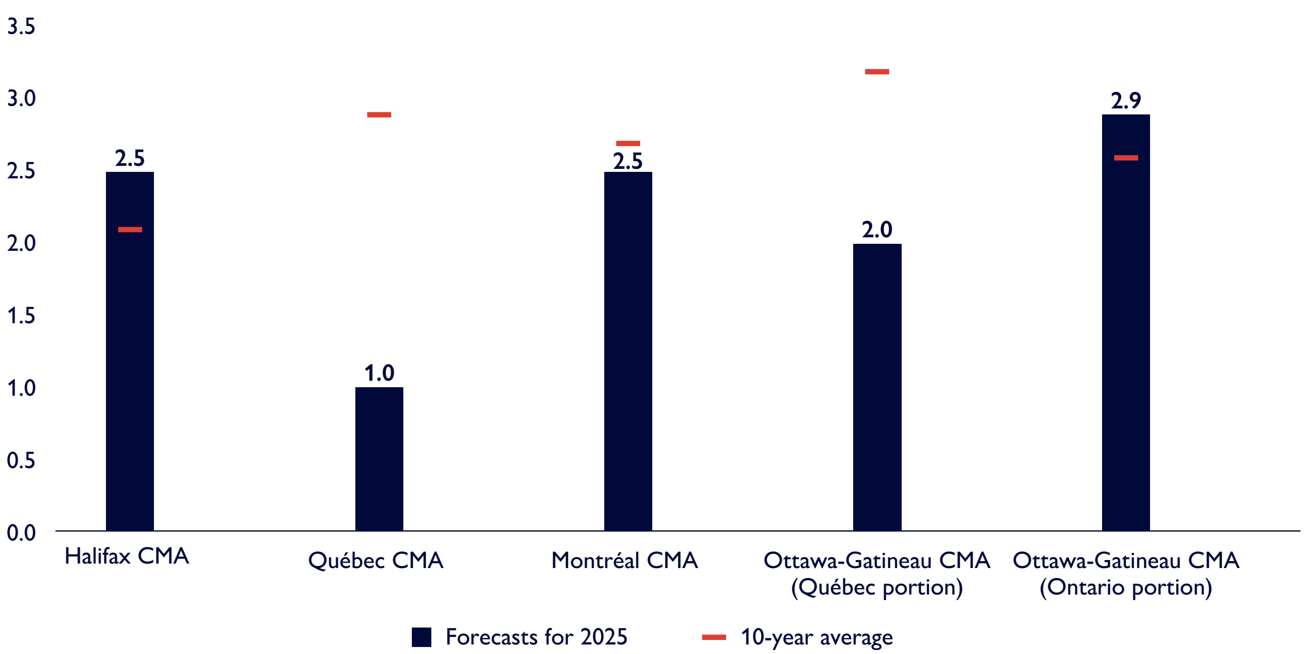
Eastern rental markets will remain under pressure in 2025 but will ease slightly starting in 2026

A slight increase in vacancy rates is expected in most eastern markets in 2025. The rental market will nevertheless remain under pressure because of sustained demand and the scarcity of vacant units (Figure 2). Strong competition between potential renters will continue because demand will remain high.

In 2025, rental demand will remain strong in several eastern markets. This is in part because access to homeownership will remain difficult. However, in some census metropolitan areas (CMAs), increased supply will cause the vacancy rate to grow slightly this year. Rental markets should then ease slightly with the sharp increase in supply and as immigration decreases.

The increased number of vacant units will reduce the pressure on rents to some degree. Rents in eastern markets will increase slightly less overall than in 2023 and 2024. Still, sustained demand for more affordable housing and the addition of thousands of new apartments (which tend to have higher rents) will keep an upward pressure on rents.

Figure 2: Eastern rental markets will remain under pressure despite slower population growth
Vacancy rate (%), 2025 forecast and 10-year average



Source: CMHC

The rebound in housing starts that began in 2024 will continue

Following weak levels in 2023, housing starts in several markets began to recover in 2024. They'll continue to trend upward in most major eastern markets in 2025.

Montréal, in particular, saw an increase in housing starts in 2024. More stable construction costs and better financing conditions will encourage new construction projects in 2025.

In Ottawa, however, growth in housing starts will level off in 2025. In the short term, housing starts in this CMA will remain at roughly the same levels as in 2023 and 2024.

Housing starts in Gatineau will decrease slightly in 2025. The limited capacity of some infrastructure and high vacancy rates for new rental units will slow construction.

We expect that rental units will continue to account for most new construction in all eastern markets. The need is great, developers are looking for opportunities, and several initiatives continue to support the creation of new rental units.

Improved financing conditions will enable developers to carry out a number of rental housing projects. This trend will be supported by strong rent growth, low vacancy rates, and ongoing initiatives that support densification.

In some eastern markets, lower mortgage rates and rising household incomes should slightly boost new home construction (single-detached, semi-detached and row homes). However, the few available lots are still expensive, limiting low-density construction. In addition, some municipalities are implementing regulations that promote density.

In eastern Canada, the environment will remain favourable to investors in rental housing projects in 2025. This market momentum should then fade in 2026 and 2027 as mortgage rate cuts end and population growth slows down. We expect the condominium market to remain quite weak in all eastern markets, as few new projects have been announced.

We expect sales growth to continue in 2025, supported by lower interest rates

In the main eastern markets, lower interest rates put the residential resale market back on track in 2024. Thanks to lower inflation and interest rates, household borrowing capacity has begun to increase. This has stimulated the resale market. In this context, we expect sales growth to continue in 2025.

In CMAs where sales didn't decline as much during the period of interest rate hikes, such as the Québec CMA, sales growth will be more moderate in 2025.

Over the medium term, sales growth will be held back by slower population growth in all markets. Access to homeownership will remain difficult, especially in major centres. Sales and price increases should slow in 2026 and 2027.

Prices will continue to rise in 2025, and will then stabilize

Sales will increase a little faster than supply. Market conditions will therefore remain tight and support price growth. In 2025, the main eastern markets will record price increases similar to those seen in 2024.

Over the rest of the forecast horizon, price growth will vary by market:

- In the most seller-friendly markets, Québec and Montréal, price increases will be pretty significant.
- Gatineau and Ottawa, whose markets are less tight, will see more moderate price growth.
- Halifax will have the lowest price increase (around 2%), due in particular to reduced interprovincial immigration.

We don't expect any significant increase in housing affordability in the eastern markets over the forecast horizon. Property prices will remain a barrier to homeownership for many households.

Risks to the forecast

- The rental market could remain as tight as it was over the last 2 years if the new immigration targets are met more slowly.
- In 2026 and 2027, the number of housing starts will be influenced by factors including the scope, nature and duration of any tariffs to be imposed by the United States. Depending on how these tariffs impact regional economies, employment may be affected to some degree, along with business and consumer confidence.

HIGHLIGHTS

Ottawa

Key takeaways

- After 2 consecutive years of declines, the number of housing starts in Ottawa will remain stable in 2025. The rental segment will continue to account for a growing share of new construction. Row housing will continue to be popular.
- Population growth will slow to half that of the last 2 years. As rental stock grows, the vacancy rate should rise slightly.
- The average rent will continue to rise. The increase will be due to persistently low vacancy rates and the arrival on the market of new units with high rents.

We expect population growth in Ottawa to slow starting in 2025 and to level off in 2026 and 2027. As a result of government initiatives, international immigration will decrease in the coming years. This slower population growth than in previous years, combined with the increase in rental stock, will lead to a slight increase in the vacancy rate.

In this context, rent increases will slow from 2025 to 2027. However, the conditions won't be enough to bring about rent decreases. The increase in average rent will also be due to the arrival on the market of new units with high rents.

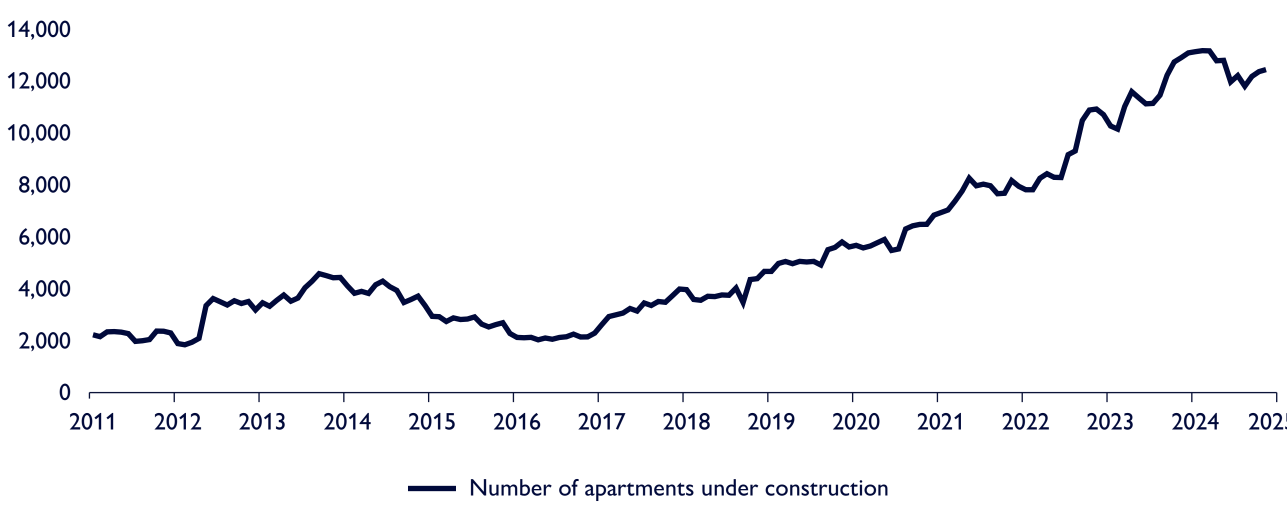
In 2025, as mortgage rates decrease, sales should continue to grow in Ottawa, following the low reached in 2023. However, weak population growth, combined with the small inventory of properties for sale, will limit this growth. In a market relatively balanced between buyers and sellers, the modest price rebound that began in 2024 is expected to continue this year.

We expect housing starts to remain stable in Ottawa in 2025. The construction of multi-unit projects should slow somewhat, in part because of the high number of apartments under construction (Figure 3). Most of these units are intended for the rental market, where the absorption of new units has recently slowed. This moderation in activity will encourage developers in this segment to be cautious.

Meanwhile, starts of houses should be less affected by this slight slowdown, especially in more affordable segments (such as semi-detached or row houses).

Still, we expect housing starts to improve after 2025, in part due to a more favourable regulatory environment. Indeed, the City of Ottawa is increasingly favouring density, which could accelerate housing starts over the medium and long terms.

Figure 3: The substantial supply coming onto the market will limit housing starts in the Ottawa CMA in 2025
Apartments under construction in the Ottawa CMA



Source: CMHC

Gatineau

Key takeaways

- Housing starts in Gatineau should decrease slightly in 2025, after a 2024 that was one of the best years since 2015. The decrease will be due in part to limited infrastructure capacity.
- In 2025, the residential resale market will continue with the momentum it first gained in 2024, driven by sustained strong demand.
- Rental demand is strong. The vacancy rate will remain low, although supply will increase as new housing developments are completed.

After recording one of its best years in 2024 (and in 2022), Gatineau will see the volume of housing starts decrease slightly in 2025. In 2026 and 2027, we expect activity to stabilize around 2025 levels.

Improved financing conditions and certain government initiatives mean ground will be broken on a number of rental housing projects. However, some factors will have a negative impact on housing starts:

- The limited capacity of some infrastructure to allow for the construction of new housing.
- Vacancy rates for new rental units that are higher than those for older units.

The addition of new rental units won't be enough to ease the market in the short and medium terms. Indeed, demand remains strong, especially in the lower rent ranges. This will keep the vacancy rate stable at low levels over the entire forecast horizon. Rents will therefore continue to rise.

Demand will also be strong on the resale market, in particular because of the decline in mortgage rates. We therefore expect that activity on Gatineau's resale market will continue to increase in 2025.

Under these circumstances, average home prices in Gatineau will increase slightly in 2025, driven by:

- persistent buyer demand;
- limited inventories on the resale market.

Montréal

Key takeaways

- In 2025, housing starts in the Montréal area are expected to increase for a second consecutive year. Lower financing costs and government programs will continue to drive new rental project starts.
- Sales growth that began in the Montréal area in 2024 will continue in 2025, driven by recent population growth, lower interest rates, and increased household income.
- The rental housing vacancy rate should rise in the coming years, given the expected increase in rental housing starts and slower population growth.

We expect the total number of housing starts in Montréal to increase for a second consecutive year in 2025. Rental units will remain the most commonly built housing type. More stable construction costs, better financing conditions and government incentive programs will continue to drive new rental project starts in 2025.

Some municipalities in the Greater Montréal area want to increase density and streamline project approval processes. These changes could help accelerate the pace of housing starts in the coming years.

Condominium starts will remain low in the short term, as there aren't many projects offering pre-sale units. In addition, the proportion of units sold in this way is currently low.

Despite losing some momentum over the past year, the Montréal labour market remains strong. In 2025, growth in employment and household income should continue to support increasing housing demand.

Driven by declining interest rates, recent population growth and rising incomes, the pace of property sales should continue to accelerate this year. Because sales slightly outpace supply, market conditions will remain tight and support price growth.

This market momentum should fade in 2026 and 2027. Sales and price growth will then be slower, with the decline in mortgage rates coming to an end and more modest population growth than in 2025.

With the growth in rental stock, the Montréal rental market will ease slightly in 2025. This trend will continue over the forecast horizon with the expected increase in rental housing starts and slowdown in population growth.

Québec

Key takeaways

- Sales will continue to increase in Québec in 2025, supported by a strong job market.
- Housing starts will rise in 2025, driven by strong rental housing construction activity.
- There will be no slowdown for the Québec rental market, which will remain tight; supply will remain insufficient and demand, robust.

The Québec CMA had a record year for home sales in 2020, followed by 3 years of slight declines during the pandemic. As in most eastern markets, sales picked up in 2024. This trend will continue in 2025. Like elsewhere, the increase in sales is supported by:

- decreasing interest rates;
- strong employment (the Québec CMA has one of the lowest unemployment rates in the country).

Strong demand will be accompanied by sustained price increases because supply remains limited. We expect prices to continue rising, but more slowly than during the pandemic.

Housing starts should remain high in Québec in 2025. As in other eastern markets, rental units will remain the most commonly built housing type. However, limited infrastructure capacity poses a downside risk for housing starts, especially in Lévis.

The rental market will remain tight, despite the slight increase in the vacancy rate expected over the coming years. Indeed, rental demand remains high. This can be attributed in part to continued net positive migration from other regions of the province to the Québec CMA. The new units that will be added to supply still won't be enough to ease the market. With vacancy rates still low, rents will continue to rise.

Halifax

Key takeaways

- The volume of housing starts will increase in Halifax thanks to lower interest rates and higher household incomes. Multi-unit dwellings will continue to account for the vast majority of housing starts.
- Sales will increase, supported by strong demand.

Housing starts will increase in Halifax thanks to favourable financing conditions. As in most eastern markets, rental project starts will continue to grow and account for most of the volume. Indeed, the outlook for rental project starts remains positive, even if it's not as strong as in the last 2 years.

Starts of houses (single-detached, semi-detached and row houses) have also rebounded in Halifax in the past few months after several quarters of significant declines. They're being supported by declining mortgage rates and rising incomes. Indeed, employee compensation in all sectors in Nova Scotia has increased significantly over the past 2 years, which has stimulated demand.

The arrival of new units on the market will push the vacancy rate up slightly. However, the main risk in the rental market is delays in the completion of housing units, because the construction sector is facing a shortage of workers and lower-than-expected productivity. These factors could limit the growth in supply.

Forecast Summary (Ottawa CMA)

	2022	2023	2024	2025 (F) Low	2025 (F) High	2026 (F) Low	2026 (F) High	2027 (F) Low	2027 (F) High
New Home Market									
Starts:									
Single-Detached	2,784	1,535	1,515	1,300	1,800	1,200	2,000	1,100	2,200
Multiples	8,695	7,710	6,379	5,700	6,600	5,800	6,800	6,100	6,800
Starts – Total	11,479	9,245	7,894	7,000	8,400	7,000	8,800	7,200	9,000
Resale Market									
MLS® Sales	12,041	10,549	11 624 (F)	10,500	13,600	10,100	14,900	10,500	15,500
MLS® Average Price ($)	720,285	683,129	692 400 (F)	701,000	734,000	696,000	769,000	715,000	790,000
Rental Market									
Vacancy rate (%)	2.1	2.1	2.6	2.9		3.1		3.1	
Average Rent Two Bedrooms ($)	1,625	1,698	1,880	1,960		2,040		2,120	

Source: CREA, CMHC

The forecasts included in this document are based on information available as of January 14, 2025.

Forecast Summary (Gatineau CMA)

	2022	2023	2024	2025 (F) Low	2025 (F) High	2026 (F) Low	2026 (F) High	2027 (F) Low	2027 (F) High
New Home Market									
Starts:									
Single-Detached	612	323	401	300	500	200	600	160	640
Multiples	3,379	2,425	3,254	2,540	3,260	2,540	3,260	2,480	3,320
Starts – Total	3,991	2,748	3,655	2,840	3,760	2,740	3,860	2,640	3,960
Resale Market									
MLS® Sales	4,771	4,042	4,584	4,800	5,400	3,900	5,900	3,200	6,200
MLS® Average Price ($)	456,520	450,223	477,603	475,400	509,700	497,700	574,800	510,000	634,700
Rental Market									
Vacancy rate (%)	0.8	1.0	1.9	2.0		2.0		2.0	
Average Rent Two Bedrooms ($)	1,270	1,250	1,353	1,431		1,520		1,620	

Sources : SCHL, QPAREB by Centris®

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

The forecasts included in this document are based on information available as of January 14, 2025.

Forecast Summary (Montréal CMA)

	2022	2023	2024	2025 (F) Low	2025 (F) High	2026 (F) Low	2026 (F) High	2027 (F) Low	2027 (F) High
New Home Market									
Starts:									
Single-Detached	1,833	1,021	1,107	1,050	1,250	1,000	1,400	900	1,500
Multiples	22,316	14,214	16,463	18,950	22,750	18,000	26,600	16,100	29,500
Starts – Total	24,149	15,235	17,570	20,000	24,000	19,000	28,000	17,000	31,000
Resale Market									
MLS® Sales	42,460	36,321	43,742	45,400	51,800	45,000	55,200	43,400	56,000
MLS® Average Price ($)	611,890	600,325	637,457	671,000	706,000	685,000	748,000	686,000	776,000
Rental Market									
Vacancy rate (%)	2.0	1.5	2.1	2.5		2.7		2.9	
Average Rent Two Bedrooms ($)	1,022	1,096	1,176	1,230		1,285		1,325	

Sources : SCHL, QPAREB by Centris®
QPAREB by Centris®. The Centris® system contains all the listings of Québec Real Estate Board.
The forecasts included in this document are based on information available as of January 14, 2025.

Forecast Summary (Québec CMA)

	2022	2023	2024	2025 (F) Low	2025 (F) High	2026 (F) Low	2026 (F) High	2027 (F) Low	2027 (F) High
New Home Market									
Starts:									
Single-Detached	912	542	589	630	970	540	860	460	740
Multiples	7,378	4,467	6,316	5,220	7,780	5,300	7,700	5,370	7,630
Starts – Total	8,290	5,009	6,905	5,850	8,750	5,840	8,560	5,830	8,370
Resale Market									
MLS® Sales	8,935	8,295	9,835	9,100	10,100	8,400	10,800	7,600	11,600
MLS® Average Price ($)	354,988	367,755	409,193	408,000	428,300	491,100	527,700	581,700	640,000
Rental Market									
Vacancy rate (%)	1.5	0.9	0.9	1.0		1.3		1.5	
Average Rent Two Bedrooms ($)	976	1,040	1,159	1,200		1,250		1,300	

Sources : SCHL, QPAREB by Centris®
QPAREB by Centris®. The Centris® system contains all the listings of Québec Real Estate Board.
The forecasts included in this document are based on information available as of January 14, 2025.

Forecast Summary (Halifax CMA)

				2025 (F)		2026 (F)		2027 (F)	
	2022	2023	2024	Low	High	Low	High	Low	High
New Home Market									
Starts:									
Single-Detached	775	619	816	750	950	775	1,000	800	1,100
Multiples	2,612	4,186	4,265	3,750	5,000	3,775	5,350	3,950	5,750
Starts – Total	3,387	4,805	5,081	4,500	5,950	4,550	6,350	4,750	7,050
Resale Market									
MLS® Sales	5,687	4,913	5,365 (F)	5,000	6,200	5,100	6,500	5,200	7,000
MLS® Average Price ($)	539,353	553,388	580,000 (F)	563,000	605,000	566,000	634,000	569,000	651,000
Rental Market									
Vacancy rate (%)	1.0	1.0	2.1	2.5		2.7		3.0	
Average Rent Two Bedrooms ($)	1,149	1,626	1,707	1,740		1,770		1,800	

Source: CREA, CMHC

The forecasts included in this document are based on information available as of January 14, 2025.

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Alternative text and data for figures

National Overview

Figure 1: Canadian economy faces significant uncertainty
Canada Real GDP Forecast (trillion $CAD)

Year	Historical	Low Scenario	Medium Scenario	High Scenario
2020 Q1	2.211376			
2020 Q2	1.968126			
2020 Q3	2.146901			
2020 Q4	2.187228			
2021 Q1	2.224489			
2021 Q2	2.221882			
2021 Q3	2.266642			
2021 Q4	2.307224			
2022 Q1	2.326901			
2022 Q2	2.348717			
2022 Q3	2.362933			
2022 Q4	2.359547			
2023 Q1	2.382355			
2023 Q2	2.387280			
2023 Q3	2.383979			
2023 Q4	2.388157			
2024 Q1	2.400255			
2024 Q2	2.413400			
2024 Q3	2.419572			
2024 Q4	2.426405	2.426415	2.426399	2.426401
2025 Q1		2.418764	2.432226	2.433231
2025 Q2		2.404570	2.442275	2.449507
2025 Q3		2.391793	2.448714	2.463741
2025 Q4		2.394622	2.457610	2.475688
2026 Q1		2.410768	2.466910	2.487141
2026 Q2		2.432687	2.477916	2.498638
2026 Q3		2.455162	2.490658	2.511324
2026 Q4		2.475962	2.504399	2.524827
2027 Q1		2.494894	2.516895	2.538083
2027 Q2		2.514308	2.529493	2.552134
2027 Q3		2.531838	2.541050	2.564500
2027 Q4		2.546902	2.552004	2.575506

Source: CMHC
The forecasts included in this document are based on information available as of January 14, 2025.

Figure 2: Canada's new construction slows but maintains historic strength
Housing starts by dwelling type

Year	Single & Semi-detached	Row	Apartment	Total (medium scenario forecast)
2000	103,714	15,247	32,692	
2001	107,909	15,166	39,658	
2002	138,958	18,482	47,594	
2003	136,871	20,343	61,212	
2004	143,468	22,067	67,896	
2005	133,940	22,134	69,407	
2006	135,671	20,963	70,761	
2007	133,349	23,281	71,713	
2008	105,853	20,868	84,335	
2009	86,773	13,908	48,400	
2010	105,560	19,857	64,513	
2011	94,962	19,447	79,541	
2012	97,942	20,976	95,909	
2013	89,437	19,993	78,493	
2014	88,922	21,448	78,959	
2015	79,172	21,611	94,752	
2016	84,919	22,653	90,343	
2017	89,134	28,046	102,583	
2018	76,932	23,510	112,401	
2019	65,887	25,147	117,651	
2020	71,421	23,508	122,951	
2021	95,392	28,594	147,212	
2022	84,076	29,735	148,038	
2023	64,056	25,223	150,988	
2024	64,974	25,466	154,927	
2025F				240,500
2026F				238,600
2027F				232,900

Source: CMHC
The forecasts included in this document are based on information available as of January 14, 2025.

British Columbia Markets

Figure 1: Increased demand in Metro Vancouver will support sales after several years of below average activity
Sales by type of dwelling and median forecasts, Vancouver CMA

Year	Single Detached	Attached	Apartment	2014-2024 Average Total Sales
2010	17,544	7,565	14,952	44,388
2011	20,307	7,789	14,674	44,388
2012	15,116	6,540	12,140	44,388
2013	16,551	7,323	13,336	44,388
2014	19,608	8,375	14,959	44,388
2015	25,344	10,813	19,660	44,388
2016	21,473	10,466	22,092	44,388
2017	16,964	10,336	22,290	44,388
2018	10,976	7,285	15,624	44,388
2019	11,967	7,833	15,325	44,388
2020	16,142	10,146	17,233	44,388
2021	21,235	13,741	26,918	44,388
2022	11,409	7,984	18,977	44,388
2023	10,799	7,807	17,272	44,388
2024	10,412	8,193	16,789	44,388
2025F	12,052	8,918	18,314	44,388
2026F	12,182	8,817	18,776	44,388
2027F	12,108	9,482	19,814	44,388

Sources: Greater Vancouver REALTORS®, Fraser Valley Real Estate Board, CMHC

Figure 2: Influx of Rental Supply Will Impact the Market in the Near Future
Purpose Built Rental Universe Supply and Rental Units Under Construction

Year	% of universe under construction, Vancouver	% of universe under construction, Victoria
2010	0.8%	0.4%
2011	1.4%	0.9%
2012	1.3%	1.2%
2013	2.6%	1.8%
2014	3.0%	1.3%
2015	3.5%	2.4%
2016	6.6%	4.6%
2017	6.8%	7.0%
2018	7.6%	9.9%
2019	8.6%	9.4%
2020	8.6%	8.3%
2021	8.5%	9.8%
2022	11.5%	13.6%
2023	15.9%	16.4%
2024	17.2%	14.3%

Source: CMHC

Prairies Markets

Figure 1: Prairie population growth has been less dependent on NPRs & should be less impacted by policy changes
NPRs as a percent of total population, July 1st 2024

Geography	NPR share
Saskatchewan	3.5%
Alberta	5.2%
Manitoba	5.7%
Ontario	8.5%
British Columbia	9.3%
Canada	7.30%

Source: Statistics Canada Tables 17-10-0005 and 17-10-0158, CMHC calculations

Figure 2: Relative affordability in the Prairie markets will support continued migration
MLS® average sale prices relative to those of Toronto CMA

Year	Edmonton	Calgary	Regina	Saskatoon	Winnipeg
2000 Q1	0.504507405	0.721969059	0.373181766	0.456832929	0.361801806
2000 Q2	0.506881262	0.721839369	0.387707095	0.457695899	0.368197049
2000 Q3	0.522337592	0.736303568	0.410601389	0.468583894	0.360023493
2000 Q4	0.508770421	0.719899556	0.378250504	0.470595946	0.364883908
2001 Q1	0.514861751	0.728118457	0.386968478	0.462231024	0.371375689
2001 Q2	0.526529700	0.718320302	0.392929860	0.474764911	0.380564372
2001 Q3	0.544662854	0.737636248	0.384602968	0.467883503	0.379110657
2001 Q4	0.535575796	0.714538889	0.375424922	0.444596486	0.362348900
2002 Q1	0.533065628	0.705199170	0.363161729	0.416551117	0.349691437
2002 Q2	0.544361724	0.722078230	0.376865256	0.423209516	0.366824958
2002 Q3	0.554067094	0.723825788	0.364423536	0.433869447	0.350178967
2002 Q4	0.543376864	0.727812717	0.353361008	0.414694721	0.346637211
2003 Q1	0.548527179	0.716504139	0.349936946	0.420143895	0.356700909
2003 Q2	0.566366620	0.713891239	0.365919935	0.419715069	0.375185273
2003 Q3	0.573378863	0.730415166	0.368402230	0.423512460	0.378842431
2003 Q4	0.565614765	0.720091396	0.341637701	0.407019962	0.367109485
2004 Q1	0.572381099	0.721239445	0.352265478	0.409176419	0.381972367
2004 Q2	0.564455035	0.691863689	0.358514781	0.413142074	0.389306295
2004 Q3	0.580605211	0.707526097	0.363862701	0.412504880	0.387991782
2004 Q4	0.561100232	0.714201389	0.345676121	0.428121691	0.384812625
2005 Q1	0.561708650	0.742275817	0.359613730	0.412013982	0.388096277
2005 Q2	0.570506476	0.720443932	0.378407636	0.416825083	0.410573577
2005 Q3	0.590210750	0.752646913	0.380432438	0.442806928	0.414707875
2005 Q4	0.585212492	0.778834784	0.360289944	0.437287154	0.410968097
2006 Q1	0.608250172	0.884881854	0.369634664	0.448227805	0.421143037
2006 Q2	0.665235851	0.978823924	0.379702776	0.428177168	0.441706633
2006 Q3	0.782862474	1.061786058	0.392058077	0.460526546	0.443167439
2006 Q4	0.805750333	1.040974895	0.370922384	0.479788928	0.444133561
2007 Q1	0.899366692	1.093199776	0.381594441	0.515161436	0.437568778
2007 Q2	0.960603367	1.116372562	0.458359885	0.614165795	0.477959861
2007 Q3	0.980229950	1.156153289	0.507929447	0.656477411	0.467019629
2007 Q4	0.868219020	1.033110735	0.497432048	0.628533312	0.450582450
2008 Q1	0.920093768	1.121073644	0.584958548	0.718462577	0.501038942
2008 Q2	0.883309692	1.080254924	0.638030422	0.720506127	0.525567896
2008 Q3	0.918946266	1.102945485	0.650185008	0.723936066	0.523470561
2008 Q4	0.900276762	1.084531894	0.651727262	0.717222043	0.517219820

(continued)

Year	Edmonton	Calgary	Regina	Saskatoon	Winnipeg
2009 Q1	0.889994302	1.054815717	0.663279670	0.713433845	0.556460803
2009 Q2	0.836328555	0.993090281	0.643636795	0.666702023	0.533543453
2009 Q3	0.841761765	1.011124472	0.625511416	0.665799497	0.523296353
2009 Q4	0.789045244	0.978441987	0.594743742	0.637031165	0.495511931
2010 Q1	0.784591735	0.948292578	0.605621398	0.628509285	0.515097782
2010 Q2	0.791763112	0.960541335	0.605242814	0.636461408	0.536409566
2010 Q3	0.796098365	0.973621309	0.630924720	0.675512787	0.532673687
2010 Q4	0.738910030	0.915062865	0.610733456	0.643242172	0.526495458
2011 Q1	0.726904466	0.907902761	0.616950005	0.622708030	0.523034326
2011 Q2	0.705047621	0.888325032	0.602502970	0.617441594	0.509857658
2011 Q3	0.734127797	0.899962507	0.613338623	0.638327833	0.517309780
2011 Q4	0.695805661	0.864722092	0.612604605	0.637940376	0.525291326
2012 Q1	0.685630225	0.836703517	0.597883523	0.611143330	0.497768141
2012 Q2	0.686298670	0.844247416	0.621057112	0.614390886	0.508633054
2012 Q3	0.703108041	0.860388387	0.643424838	0.641231436	0.512290262
2012 Q4	0.690025759	0.871406307	0.624900811	0.638852378	0.529964231
2013 Q1	0.687674163	0.876209907	0.619909529	0.622176227	0.520978284
2013 Q2	0.675816420	0.840215800	0.604648547	0.625463721	0.511934420
2013 Q3	0.689629667	0.866576694	0.610751393	0.614788539	0.504370186
2013 Q4	0.650170039	0.851276088	0.587499556	0.596346450	0.514045285
2014 Q1	0.661598115	0.853443629	0.586642553	0.607570592	0.491811639
2014 Q2	0.654932467	0.824925420	0.556549758	0.582780299	0.488488861
2014 Q3	0.667998685	0.847923577	0.577025102	0.591863491	0.480798277
2014 Q4	0.647853947	0.815810307	0.556484065	0.587684424	0.467092465
2015 Q1	0.628084079	0.773482726	0.526295607	0.566772511	0.457377066
2015 Q2	0.600295815	0.740597584	0.509107458	0.530960059	0.447023692
2015 Q3	0.615591446	0.755304586	0.515960667	0.543240231	0.453217667
2015 Q4	0.598454699	0.731832731	0.498278298	0.532190321	0.431576511
2016 Q1	0.543763723	0.679494412	0.480415628	0.489265055	0.416228045
2016 Q2	0.514658491	0.641659875	0.443163660	0.444894260	0.390724198
2016 Q3	0.525278873	0.658142719	0.439410254	0.471257871	0.388754620
2016 Q4	0.487731283	0.626361273	0.399677620	0.427395466	0.367502725
2017 Q1	0.424716231	0.545305766	0.358447379	0.375863782	0.331010078
2017 Q2	0.448496622	0.569106966	0.377729484	0.383540086	0.349089211
2017 Q3	0.507272122	0.627415835	0.430405855	0.418886228	0.390719894
2017 Q4	0.485455464	0.604524121	0.397114331	0.413333421	0.384799690
2018 Q1	0.482551255	0.621098997	0.395339445	0.411934220	0.385937303
2018 Q2	0.472834542	0.599759449	0.392099956	0.398767763	0.382593099

(continued)

Year	Edmonton	Calgary	Regina	Saskatoon	Winnipeg
2018 Q3	0.478520868	0.607896229	0.391329229	0.396914891	0.382014244
2018 Q4	0.461629317	0.578672269	0.378548448	0.405629307	0.377888743
2019 Q1	0.456722269	0.589239782	0.381862864	0.397493260	0.382446636
2019 Q2	0.444045729	0.556322625	0.366601141	0.387887419	0.377042648
2019 Q3	0.450276772	0.556430630	0.376755779	0.387994978	0.365595202
2019 Q4	0.425108427	0.527364672	0.343589495	0.373391035	0.354256628
2020 Q1	0.394764994	0.502548692	0.343144573	0.351809341	0.335182506
2020 Q2	0.403212026	0.498553546	0.343776210	0.364186913	0.352393265
2020 Q3	0.398251832	0.493992445	0.329838818	0.355353331	0.341469461
2020 Q4	0.400915454	0.485366470	0.311548695	0.345638234	0.341213961
2021 Q1	0.369560679	0.474556873	0.293036758	0.324998434	0.322202736
2021 Q2	0.368350141	0.467473968	0.311085569	0.325476513	0.326546529
2021 Q3	0.358048413	0.448733689	0.306076456	0.313708271	0.317910037
2021 Q4	0.334397045	0.426607757	0.275527577	0.311174585	0.303698111
2022 Q1	0.317533448	0.422739062	0.247873152	0.274604080	0.296605429
2022 Q2	0.345970854	0.444255019	0.278323111	0.299614427	0.336063817
2022 Q3	0.361782086	0.469727459	0.298812794	0.331479925	0.337493706
2022 Q4	0.348806011	0.474314190	0.272668322	0.317029484	0.325061873
2023 Q1	0.338220747	0.486920709	0.276856455	0.322481184	0.318584834
2023 Q2	0.343815983	0.477992545	0.277975233	0.311877508	0.321239926
2023 Q3	0.352853289	0.493368765	0.283460553	0.319774394	0.338170840
2023 Q4	0.345381826	0.504950594	0.269709823	0.330315828	0.328353783
2024 Q1	0.370046552	0.550273668	0.281978753	0.334752995	0.344208048
2024 Q2	0.370092429	0.545042788	0.294949359	0.331014416	0.343664698
2024 Q3	0.391856703	0.570371877	0.312713937	0.355292860	0.354987318

Source: Canada Real Estate Association MLS

Figure 3: Labour force growth has driven strong growth in both employment and unemployment in most Prairie markets but Saskatoon has been a notable outperformer

Year-to-year percent change by labour force component, 2023 to 2024

	Labour force	Full-time employment	Part-time employment	Unemployment	Not in labour force
Edmonton	3%	2%	-1%	25%	12%
Calgary	6%	3%	10%	33%	3%
Regina	4%	-1%	21%	36%	6%
Saskatoon	5%	6%	-1%	6%	3%
Winnipeg	4%	2%	9%	17%	6%
Canada	3%	1%	3%	21%	5%

Source: Statistics Canada Tables 14-10-0385 and 14-10-0393

Figure 4: Rent growth will slow to rates more typical of the expected rise in vacancy rates

Vacancy rate and % change in average rents, 2-bedroom purpose-built rental units, 1990-2024

Vacancy rate (2-bedroom)	Rent growth (2-bedroom)
2%	
4%	3%
6%	-1%
6%	-2%
5%	
4%	1%
2%	2%
1%	7%
1%	14%
2%	2%
1%	1%
1%	6%
3%	3%
5%	-
5%	-
2%	1%
1%	19%
2%	15%
2%	5%
6%	-4%
4%	-3%
2%	2%
1%	6%
1%	7%
2%	6%
6%	-
8%	-7%
7%	-1%
4%	2%
4%	2%
6%	0%
5%	-
2%	6%
1%	14%
5%	9%
1%	-
2%	4%
4%	3%
6%	1%
9%	-2%
10%	-1%
8%	-
4%	2%
2%	6%
2%	4%
1%	3%
1%	10%
2%	6%
4%	2%
6%	1%
5%	1%
1%	11%
1%	19%
3%	9%
5%	-2%
4%	1%
3%	1%
2%	4%
1%	6%
2%	6%
5%	2%
7%	-3%
7%	-1%
5%	1%
5%	1%
7%	-
7%	0%
4%	2%
2%	6%
3%	7%
3%	-
5%	1%
3%	1%
3%	1%
3%	-
2%	1%
1%	2%
1%	4%
1%	4%
1%	3%
1%	3%
2%	3%
2%	1%
2%	2%
2%	1%
3%	1%
3%	2%
1%	6%
0%	14%
1%	10%
1%	6%
1%	6%
1%	5%
2%	4%
3%	3%
5%	0%
5%	-
6%	1%
7%	0%
6%	0%
7%	1%
6%	-
3%	3%
1%	8%
2%	9%
8%	-
6%	2%
4%	1%
2%	1%
2%	1%
1%	2%
1%	4%
1%	5%
1%	4%
1%	3%
2%	2%
3%	4%
4%	1%
5%	1%
7%	0%
5%	1%
4%	4%
1%	14%
2%	20%
2%	8%
3%	4%
3%	3%
2%	2%
3%	4%
3%	4%
6%	1%
12%	-1%
10%	-1%
9%	0%
6%	2%
6%	2%
5%	1%
3%	3%
2%	9%
2%	7%
5%	-
5%	2%
4%	3%
4%	1%
4%	1%
4%	1%
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3%	3%
3%	2%
3%	4%
3%	3%
3%	3%
5%	3%
3%	2%
2%	4%
2%	5%

Source: CMHC Rental Market Survey

Central Markets

Figure 1: There is plenty of upside potential for existing home sales
Ratio of MLS® sales-to-population, annual periods, Ontario

	MLS sales-to-population	10-year average
2015	1.59%	1.4%
2016	1.74%	1.4%
2017	1.55%	1.4%
2018	1.34%	1.4%
2019	1.45%	1.4%
2020	1.56%	1.4%
2021	1.87%	1.4%
2022	1.25%	1.4%
2023	1.06%	1.4%
2024	1.06%	1.4%
2025 (F)	1.15%	

Sources: CREA, Statistics Canada Table 17-10-0005, CMHC calculations

Figure 2: Prospective GTA buyers have a well-stocked market with plenty of options
Active listings, December periods, Greater Toronto Area

Year	Ground-oriented dwellings (detached, semi-detached, row)	Condominium apartments
2015	4,844	4,216
2016	2,878	1,822
2017	10,139	2,627
2018	8,946	2,351
2019	5,691	1,660
2020	3,545	4,294
2021	1,719	1,488
2022	5,199	3,430
2023	5,775	4,521
2024	9,052	6,237

Source: TRREB, CMHC calculations

Figure 3: Ontario faces the prospect of strong outflows of non-permanent residents
Non-permanent resident outflows, third quarter periods, select provinces

Year	Quebec	Ontario	Alberta	British Columbia
Q3 2022	28,596	49,836	8,080	26,764
Q3 2023	27,739	55,750	7,986	27,960
Q3 2024	42,416	116,484	16,977	47,335

Source: Statistics Canada Table 17-10-0040

Main Eastern Markets

Figure 1: Growth in the number of non-permanent residents in Quebec slowed slightly in 2024
Quarterly estimate of the change in the number of non-permanent residents in Quebec

Quarter	Work and/or study permit holders	Other
Q4 2021	15,220	-1,416
Q1 2022	-4,095	897
Q2 2022	-1,800	5,057
Q3 2022	15,384	10,260
Q4 2022	22,208	12,347
Q1 2023	9,928	14,782
Q2 2023	14,630	8,141
Q3 2023	31,870	10,310
Q4 2023	38,849	15,226
Q1 2024	17,059	15,968
Q2 2024	23,158	15,326
Q3 2024	23,129	13,834
Q4 2024	14,964	11,450

Source: Statistics Canada Table 17-10-0121-01

Figure 2: Eastern rental markets will remain under pressure despite slower population growth
Vacancy rate (%), 2025 forecast and 10-year average

	Forecasts for 2025	10-year average
Halifax CMA	2.5	2.1
Québec CMA	1.0	2.9
Montréal CMA	2.5	2.7
Ottawa-Gatineau CMA (Quebec portion)	2.0	3.2
Ottawa-Gatineau CMA (Ontario portion)	2.9	2.6

Source: CMHC

Figure 3: The substantial supply coming onto the market will limit housing starts in the Ottawa CMA in 2025
Apartments under construction in the Ottawa CMA

Quarter	Number of apartments under construction	Quarter	Number of apartments under construction	Quarter	Number of apartments under construction	Quarter	Number of apartments under construction
Jan-11	2,233	Nov-13	4,431	Sep-16	2,258	Jul-19	5,061
Feb-11	2,161	Dec-13	4,443	Oct-16	2,148	Aug-19	4,922
Mar-11	2,346	Jan-14	4,119	Nov-16	2,152	Sep-19	5,512
Apr-11	2,356	Feb-14	3,832	Dec-16	2,298	Oct-19	5,600
May-11	2,335	Mar-14	3,906	Jan-17	2,623	Nov-19	5,810
Jun-11	2,278	Apr-14	3,826	Feb-17	2,935	Dec-19	5,617
Jul-11	1,979	May-14	4,162	Mar-17	3,002	Jan-20	5,680
Aug-11	2,004	Jun-14	4,300	Apr-17	3,070	Feb-20	5,581
Sep-11	2,049	Jul-14	4,086	May-17	3,246	Mar-20	5,653
Oct-11	2,376	Aug-14	3,943	Jun-17	3,147	Apr-20	5,781
Nov-11	2,370	Sep-14	3,477	Jul-17	3,459	May-20	5,907
Dec-11	2,304	Oct-14	3,593	Aug-17	3,363	Jun-20	5,483
Jan-12	1,894	Nov-14	3,723	Sep-17	3,516	Jul-20	5,540
Feb-12	1,848	Dec-14	3,356	Oct-17	3,486	Aug-20	6,311
Mar-12	1,945	Jan-15	2,943	Nov-17	3,738	Sep-20	6,432
Apr-12	2,095	Feb-15	2,930	Dec-17	3,996	Oct-20	6,487
May-12	3,356	Mar-15	2,745	Jan-18	3,973	Nov-20	6,490
Jun-12	3,629	Apr-15	2,884	Feb-18	3,595	Dec-20	6,843
Jul-12	3,506	May-15	2,822	Mar-18	3,563	Jan-21	6,943
Aug-12	3,381	Jun-15	2,840	Apr-18	3,717	Feb-21	7,043
Sep-12	3,545	Jul-15	2,922	May-18	3,705	Mar-21	7,388
Oct-12	3,439	Aug-15	2,644	Jun-18	3,768	Apr-21	7,773
Nov-12	3,516	Sep-15	2,535	Jul-18	3,756	May-21	8,268
Dec-12	3,190	Oct-15	2,625	Aug-18	4,036	Jun-21	7,975
Jan-13	3,467	Nov-15	2,698	Sep-18	3,478	Jul-21	8,037
Feb-13	3,332	Dec-15	2,284	Oct-18	4,362	Aug-21	7,976
Mar-13	3,560	Jan-16	2,132	Nov-18	4,396	Sep-21	7,668
Apr-13	3,766	Feb-16	2,119	Dec-18	4,676	Oct-21	7,687
May-13	3,527	Mar-16	2,134	Jan-19	4,675	Nov-21	8,177
Jun-13	3,649	Apr-16	2,039	Feb-19	4,982	Dec-21	7,956
Jul-13	4,046	May-16	2,109	Mar-19	5,058	Jan-22	7,822
Aug-13	4,296	Jun-16	2,061	Apr-19	4,973	Feb-22	7,822
Sep-13	4,589	Jul-16	2,130	May-19	5,062	Mar-22	8,264
Oct-13	4,514	Aug-16	2,157	Jun-19	5,039	Apr-22	8,440

(continued)

Quarter	Number of apartments under construction
May-22	8,301
Jun-22	8,293
Jul-22	9,174
Aug-22	9,316
Sep-22	10,491
Oct-22	10,893
Nov-22	10,932
Dec-22	10,717
Jan-23	10,279
Feb-23	10,159
Mar-23	11,030
Apr-23	11,600
May-23	11,362
Jun-23	11,132
Jul-23	11,149
Aug-23	11,466
Sep-23	12,235
Oct-23	12,745
Nov-23	12,912
Dec-23	13,095
Jan-24	13,142
Feb-24	13,181
Mar-24	13,173
Apr-24	12,792
May-24	12,808
Jun-24	11,978
Jul-24	12,221
Aug-24	11,812
Sep-24	12,189
Oct-24	12,373
Nov-24	12,452

Source: CMHC