

ANUARY 16, 2023

CREA Updates Resale Housing Market Forecast

Ottawa, ON January 16, 2023 - The Canadian Real Estate Association (CREA) has updated its forecast for home sales activity via Multiple Listing Service® (MLS®) Systems of Canadian real estate boards and associations in 2023 and extended the outlook to 2024.

The extent to which some 2023 figures have been revised from the previous forecast reflects a change to publication dates which has allowed an additional full quarter of data to be included in the forecast. As a result, this forecast is populated with an additional six months of data compared to the previous forecast published in September 2022.

National home sales have been more or less stable since the summer, suggesting the downward adjustment to sales activity from rising interest rates and high uncertainty may be in the rear-view mirror.

Home prices remain mixed across Canada. With significantly higher borrowing costs, it's not surprising prices have mostly cooled from their peaks in more expensive markets within Ontario and British Columbia. Prices have been holding up much better in Alberta, Saskatchewan and Newfoundland and Labrador, with Quebec and the Maritime provinces landing somewhere in between. While prices in most markets have declined from a short-lived sharp peak in early 2022, they remain well above where they were in the summer of 2020.

With the shock from the Bank of Canada's efforts to control inflation fading, and uncertainty about the path for housing markets and where borrowing costs will ultimately land also likely to wind down over the next few months, the theme of our 2023 forecast is not recovery, but the start of a turnaround.

It will likely remain quite difficult for many first-time buyers to enter the housing market until mortgage rates are lower than they are today. That being said, some buyers are expected to come off the sidelines once they have more certainty rates have topped out. Others will likely find 2023 the first opportunity in some time where they're not having to compete with multiple offers.

Some 495,858 properties are forecast to trade hands via Canadian MLS® Systems in 2023, a 0.5% decline from 2022.

The national average home price is forecast to decline 5.9% on an annual basis to \$662,103 in 2023. It's important to note that based on the monthly data under the surface, that decline has already happened over the course in 2022; however, the record setting start to that year will be reflected as a decline this year as prices are not expected to be anywhere near those record levels in 2023.

National home sales are forecast to rise by 10.2% to 546,625 units in 2024 as markets continue to return to normal.

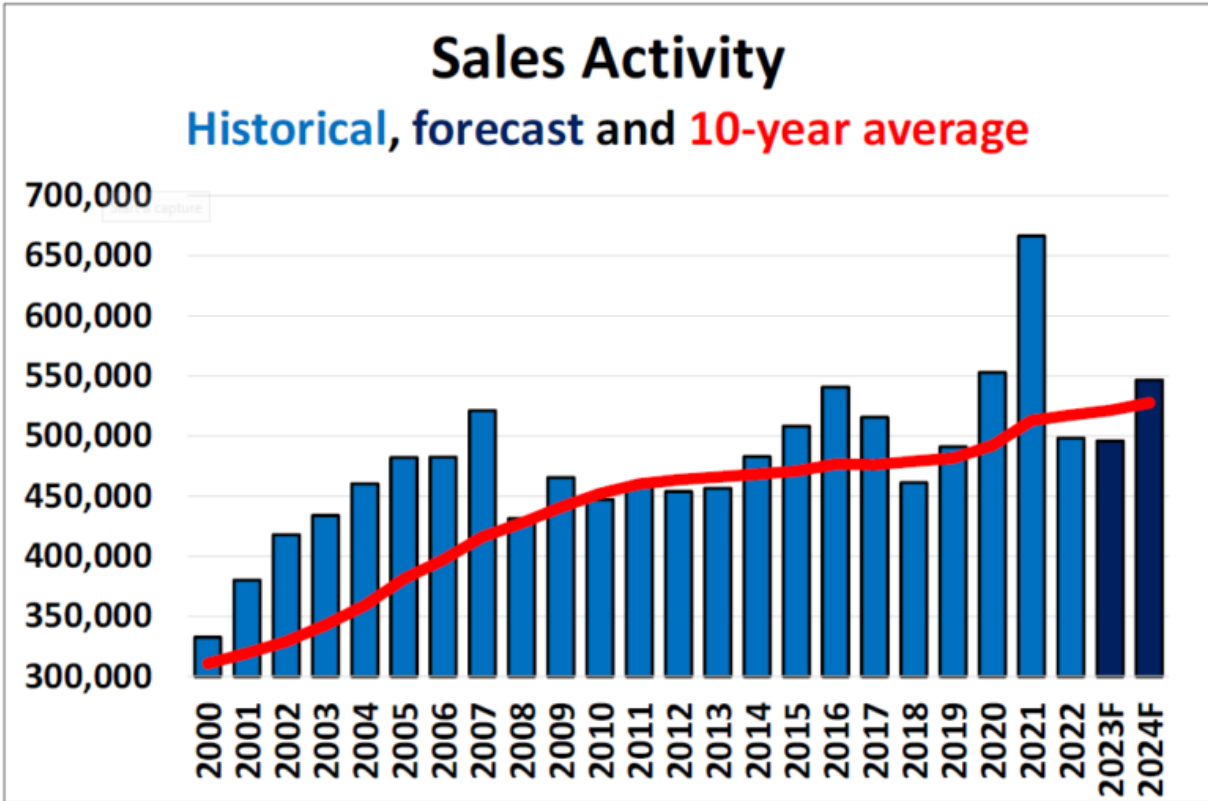
This would still be below the 2020 and 2021 figures. The national average home price is forecast to recover by a moderate 3.5% from 2023 to 2024 to around \$685,056, below 2022 but back on par with 2021.

About the Canadian Real Estate Association

The Canadian Real Estate Association (CREA) is one of Canada's largest single-industry associations. CREA works on behalf of more than 150,000 REALTORS® who contribute to the economic and social well-being of communities across Canada. Together they advocate for property owners, buyers and sellers.

For more information, please contact:

Pierre Leduc, Media Relations
The Canadian Real Estate Association
Tel.: 613-237-7111 or 613-884-1460
E-mail: pleduc@crea.ca



CREA Residential Market Forecast:

Sales activity forecast	2022	2022 Annual percentage change	2023 Forecast	2023 Annual percentage change	2024 Forecast	2024 Annual percentage change
Canada	498,269	-25.2	495,858	-0.5	546,625	10.2
British Columbia	80,898	-35.2	83,856	3.7	96,648	15.3
Alberta	84,050	-1.8	80,198	-4.6	82,383	2.7
Saskatchewan	15,433	-11.7	15,782	2.3	16,594	5.1
Manitoba	15,696	-20.2	14,389	-8.3	15,040	4.5
Ontario	182,854	-32.3	181,263	-0.9	207,672	14.6
Quebec	87,185	-20.4	87,878	0.8	93,936	6.9
New Brunswick	10,517	-20.5	9,879	-6.1	9,716	-1.6
Nova Scotia	12,491	-21.6	13,561	8.6	15,376	13.4
Prince Edward Island	1,989	-17.9	1,984	-0.3	1,969	-0.7
Newfoundland	6,324	-7.1	6,366	0.7	6,519	2.4

Average price forecast	2022	2022 Annual percentage change	2023 Forecast	2023 Annual percentage change	2024 Forecast	2024 Annual percentage change
Canada	703,875	2.4	662,103	-5.9	685,056	3.5
British Columbia	996,694	7.5	926,705	-7.0	978,478	5.6
Alberta	447,454	5.3	452,313	1.1	460,472	1.8
Saskatchewan	303,192	0.6	286,690	-5.4	284,523	-0.8
Manitoba	360,851	8.1	341,872	-5.3	333,791	-2.4
Ontario	931,953	6.8	850,876	-8.7	860,602	1.1
Quebec	483,573	10.3	451,902	-6.5	440,663	-2.5
New Brunswick	289,576	17.5	287,237	-0.8	287,093	-0.1
Nova Scotia	411,726	14.8	407,292	-1.1	432,267	6.1
Prince Edward Island	388,218	13.6	401,040	3.3	410,119	2.3
Newfoundland	291,775	6.7	297,206	1.9	305,652	2.8