

## Canadian home sales edge slightly higher in March

Ottawa, ON, April 15, 2014

According to statistics<sup>1</sup> released today by The Canadian Real Estate Association (CREA), national home sales activity edged up on a month-over-month basis in March 2014.

### Highlights:

- National home sales rose 1.0% from February to March.
- Actual (not seasonally adjusted) activity stood 4.9% above March 2013 levels.
- The number of newly listed homes edged up 0.5% from February to March.
- The Canadian housing market remains in balanced territory.
- The national average sale price rose 6.0% on a year-over-year basis in March.
- The MLS<sup>®</sup> Home Price Index (HPI) rose 5.2% year-over-year in March.

The number of home sales processed through the MLS<sup>®</sup> Systems of Canadian real estate Boards and Associations edged up one per cent from February to March 2014. This builds on the monthly gain of 0.6 per cent the previous month, but leaves activity closer to the low reached in January 2014 than to the most recent peak reached in August 2013 (Chart A).

Sales rose in more than half of all local housing markets in March, led by gains in a number of large urban markets in British Columbia, Alberta, and Ontario. While activity in BC's Lower Mainland posted a monthly decline, sales there remained well above year-ago levels.

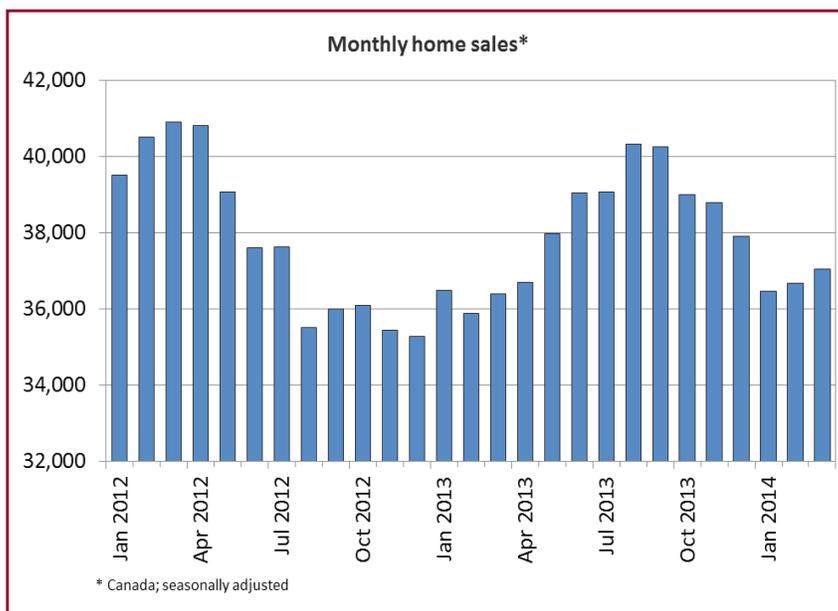
"Sales in many housing markets continue to recover from winter's deep freeze," said CREA President Beth Crosbie. "At the same time, activity softened in some of Canada's West Coast housing markets. This shows how local and national housing market trends can be very different. Talking to your local REALTOR<sup>®</sup> is your best bet to understand how the housing market is shaping up where you currently live or might like to in the future."

Actual (not seasonally adjusted) activity stood 4.9 per cent above levels posted in March 2013. Sales were up from last March in 60 per cent of local markets with Greater Vancouver, Calgary, and Greater Toronto providing the largest contributions to the national increase.

While up from last year, actual (not seasonally adjusted) activity in March ran 8.2 per cent below its 10-year average for the month of March. Results were similar for actual activity for the first quarter: up 2.8 per cent compared to the first quarter of 2013, but 7.5 per cent below the 10-year average for the first quarter period.

"There's little doubt that winter's icy grip prompted many potential home buyers to put off house hunting," said

Chart A



\* Data table available to media upon request, for purposes of reprinting only.

<sup>1</sup> All figures in this release except price measures are seasonally adjusted unless otherwise noted. Removing normal seasonal variations enables meaningful analysis of monthly changes and fundamental trends.

Gregory Klump, CREA's Chief Economist. "That said, we'll have to wait and see what happens in April because while overall sales improved in March, there was little evidence of a flood of pent-up demand being released."

"It's important to keep in mind the distinction between sales activity and housing demand," he added. "Some markets, like Toronto and Calgary, are seeing multiple offer situations for some listings where each ultimately results in a single sale. This means national sales are being constrained by a lack of supply despite strong demand in some markets, since Greater Toronto and Calgary combined account for a one-quarter of national activity."

The number of newly listed homes was little changed in March, rising 0.5 per cent following a monthly gain of equal magnitude in February. New supply nationally has been running at lower levels since it dropped sharply in December 2013.

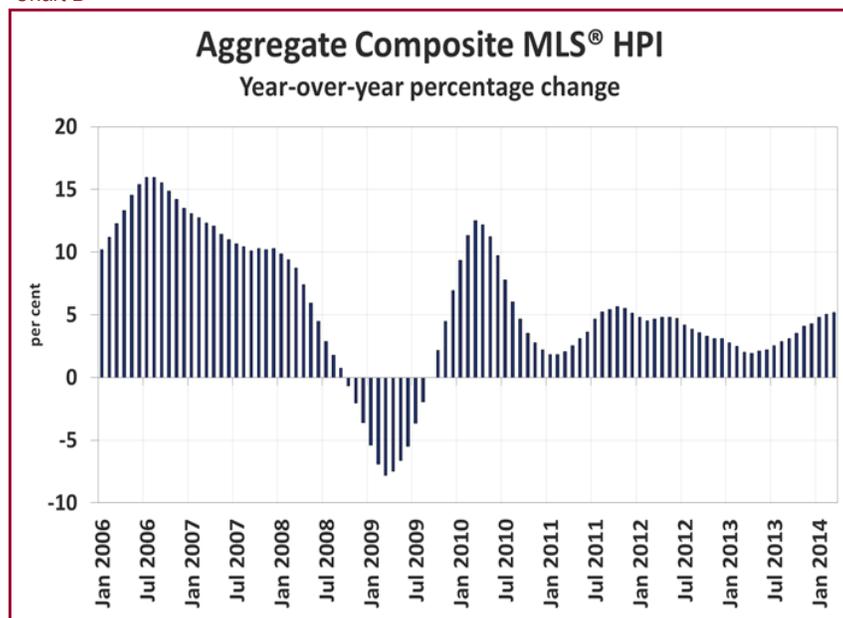
The national sales-to-new listings ratio was 52.5 per cent in March – virtually unchanged from 52.3 per cent in each of the two previous months. Since early 2010, the ratio has remained firmly entrenched within the range from 40 to 60 per cent that marks balanced market territory. Two-thirds of all local markets posted a sales-to-new listings ratio in this range in March.

The number of months of inventory is another important measure of balance between housing supply and demand. It represents the number of months it would take to completely liquidate current inventories at the current rate of sales activity.

There were 6.3 months of inventory at the national level at the end of March 2014, compared with 6.4 months at the end of February and 6.5 months at the end of January. As with the sales-to-new listings ratio, the months of inventory measure continues to point to a well-balanced housing market nationally.

The actual (not seasonally adjusted) national average price for homes sold in March 2014 was \$401,419, an increase of six per cent from the same month last year. The slowdown in year-over-year growth compared to a range between eight and 10 per cent since last summer largely reflects a decline in Greater Vancouver's sales as a proportion of national activity.

Chart B



The MLS® Home Price Index (MLS® HPI) provides a better gauge of price trends because it is not affected by changes in the mix of sales activity the way that average price is.

The Aggregate Composite MLS® HPI rose 5.19 per cent on a year-over-year basis in March 2014, up slightly from the 5.05 per cent gain recorded in February. Year-over-year price growth picked up among all property types tracked by the index.

Year-over-year price gains were led by two-storey single family homes (+5.97 per cent) and one-storey single family homes (+5.47 per cent). This was closely followed by price increases for townhouse/row units (+4.09 per cent) and apartment units (+3.91 per cent).

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Year-over-year price growth in the MLS® HPI varied among local housing markets tracked by the index, with the biggest gains again having been posted by Calgary (+9.48 per cent) and Greater Toronto (+7.37 per cent). Meanwhile, Greater Vancouver's MLS® HPI recorded a fifth consecutive year-over-year increase (+3.73 per cent) (Table 1).

Table 1

MLS® Home Price Index							
January 2005 = 100		Percentage Change vs.					
Composite HPI:	March 2014	1 month ago	3 months ago	6 months ago	12 months ago	3 years ago	5 years ago
<b>Aggregate</b>	166.1	1.10	2.40	2.85	5.19	12.31	28.96
Lower Mainland	155.8	0.91	2.03	1.76	3.04	4.85	21.53
Greater Vancouver	161.3	1.00	1.96	2.22	3.73	4.94	25.53
Fraser Valley	144.3	0.70	2.12	0.63	1.41	4.87	13.09
Vancouver Island	147.2	0.48	1.66	1.10	1.38	-2.90	1.94
Victoria	139.3	1.68	2.28	0.87	0.14	-6.51	2.13
Calgary	203.2	1.50	3.41	5.23	9.48	21.02	27.00
Regina	280.1	0.72	-0.43	-1.23	-1.93	12.44	30.52
Saskatoon	233.1	0.34	1.44	-0.26	3.00	10.32	19.85
Greater Toronto	163.1	1.49	2.97	4.48	7.37	18.62	44.46
Ottawa	146.7	0.62	0.96	-1.01	-0.20	4.34	20.54
Greater Montreal	156.7	0.38	1.49	0.97	2.22	6.45	22.04

Interactive tables and charts for MLS® Home Price Index data on Composite, Single family homes (including separate indices for one- and two-storey homes), Townhouse/row units, and Apartment units are available at [www.homepriceindex.ca/hpi\\_tool\\_en.html](http://www.homepriceindex.ca/hpi_tool_en.html).

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**PLEASE NOTE: The information contained in this news release combines both major market and national sales information from MLS<sup>®</sup> Systems from the previous month.**

**CREA cautions that average price information can be useful in establishing trends over time, but does not indicate actual prices in centres comprised of widely divergent neighbourhoods or account for price differential between geographic areas. Statistical information contained in this report includes all housing types.**

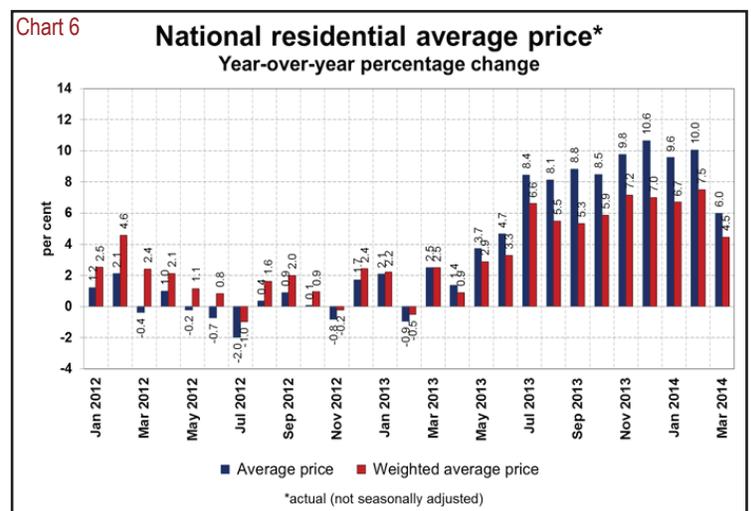
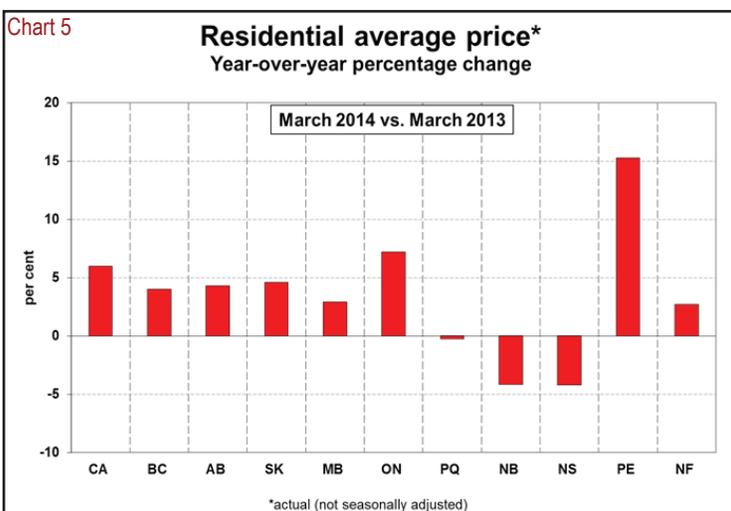
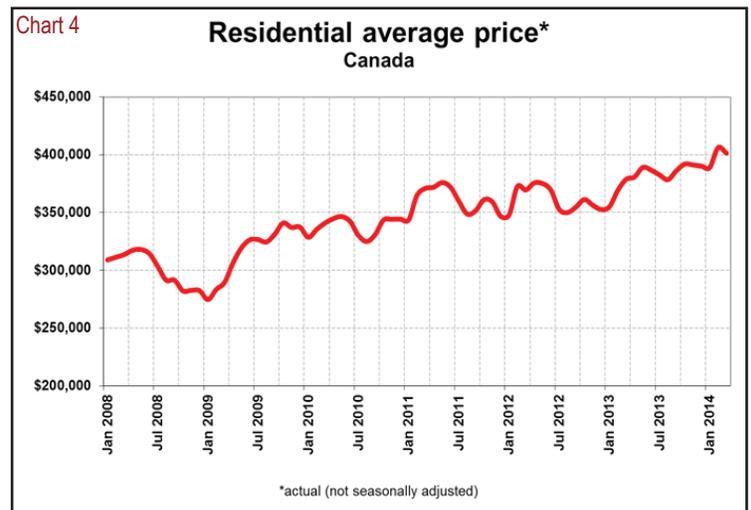
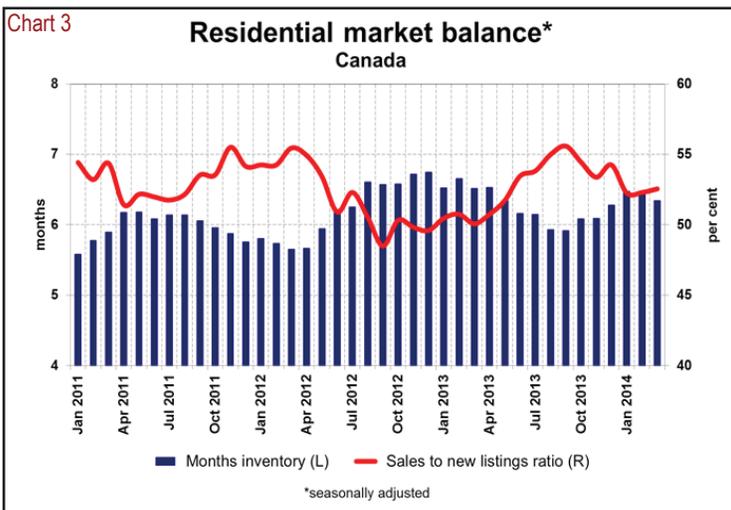
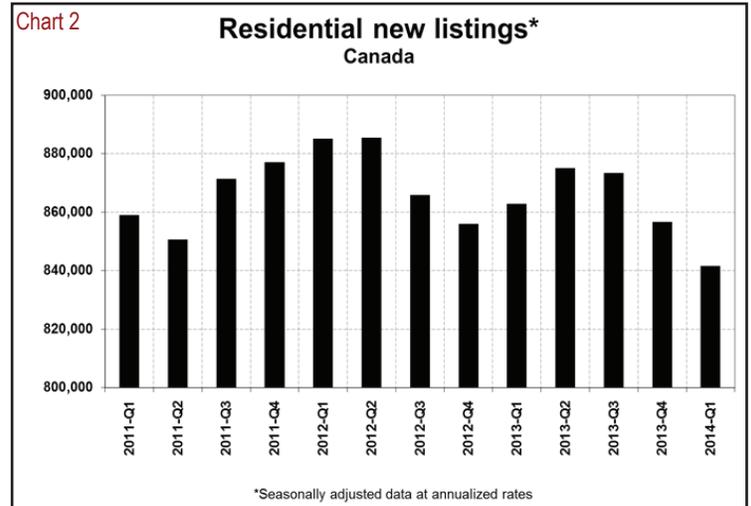
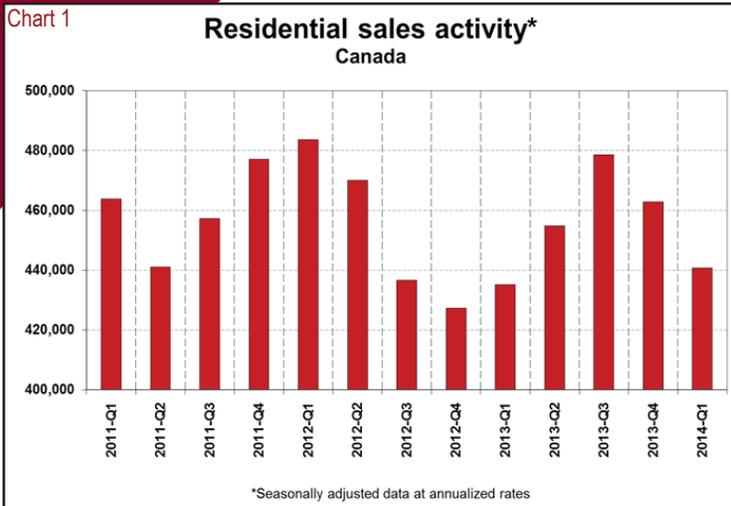
MLS<sup>®</sup> Systems are co-operative marketing systems used only by Canada's real estate Boards to ensure maximum exposure of properties listed for sale.

The Canadian Real Estate Association (CREA) is one of Canada's largest single-industry trade associations, representing more than 109,000 REALTORS<sup>®</sup> working through some 95 real estate Boards and Associations.

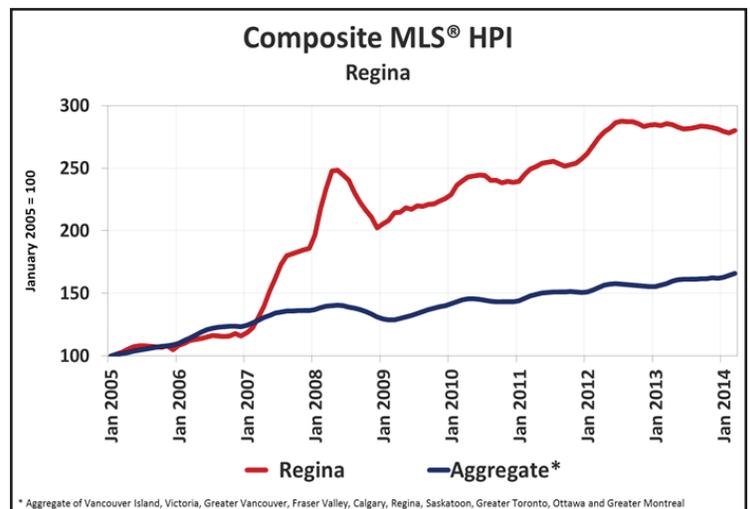
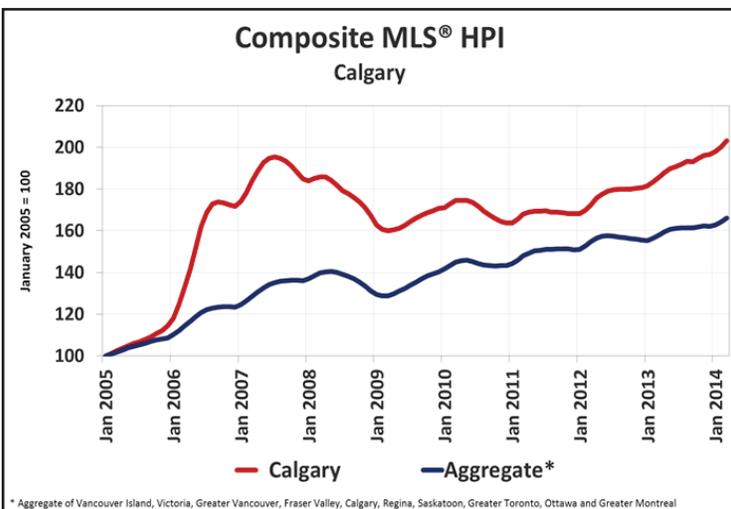
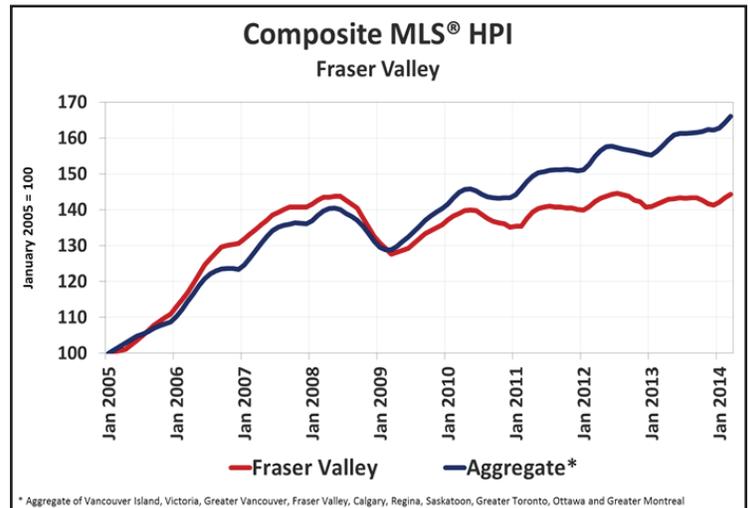
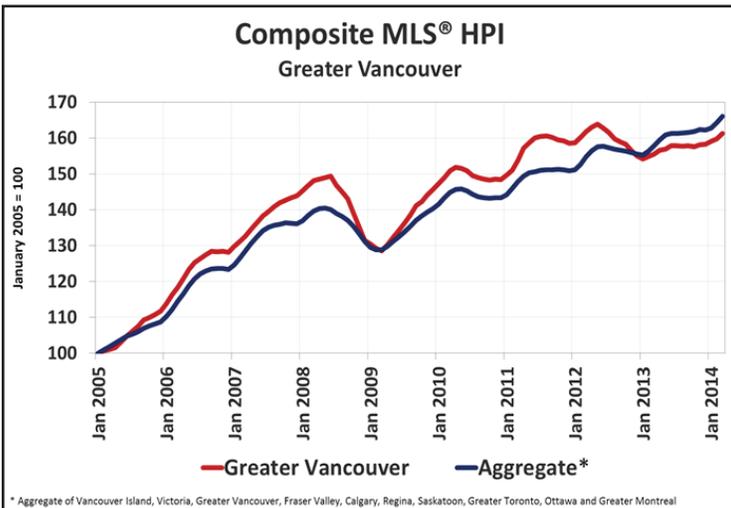
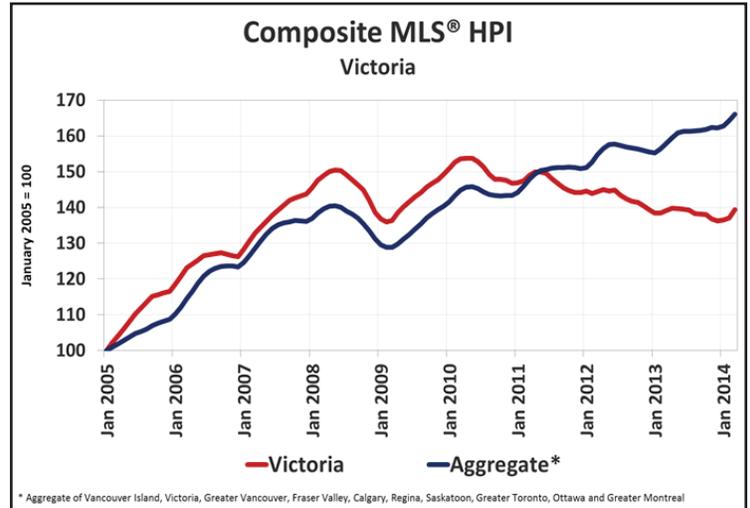
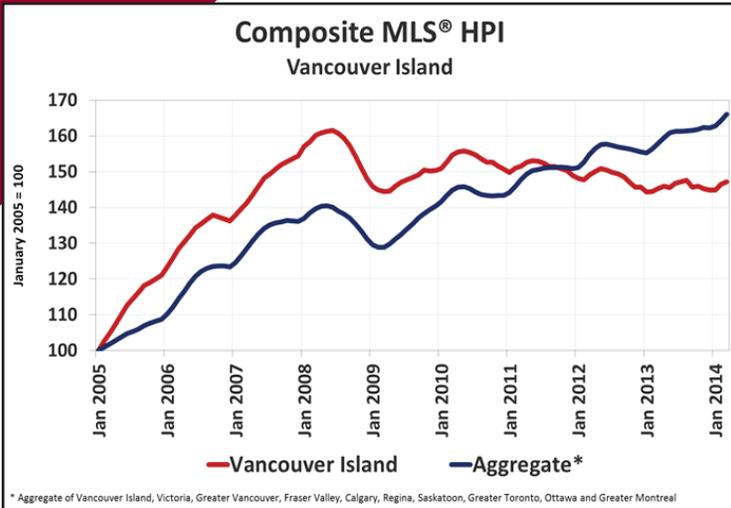
Further information can be found at <http://crea.ca/statistics>.

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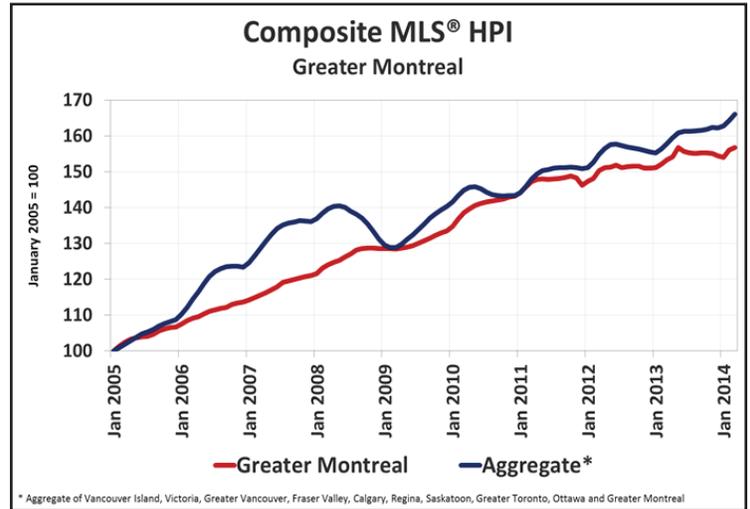
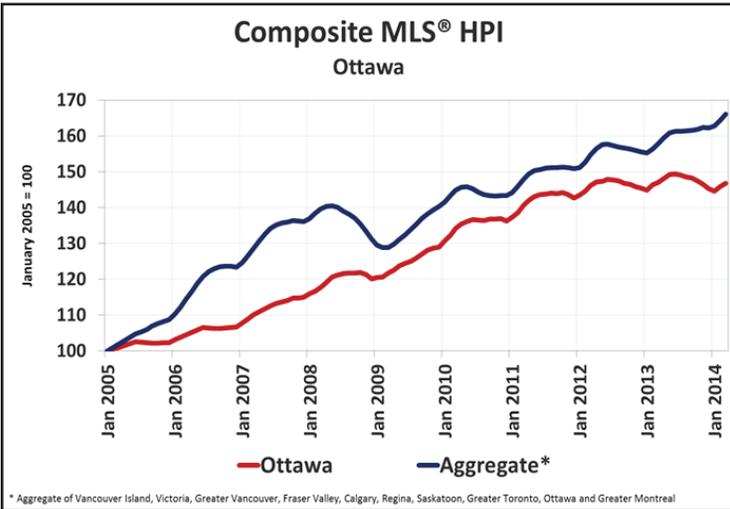
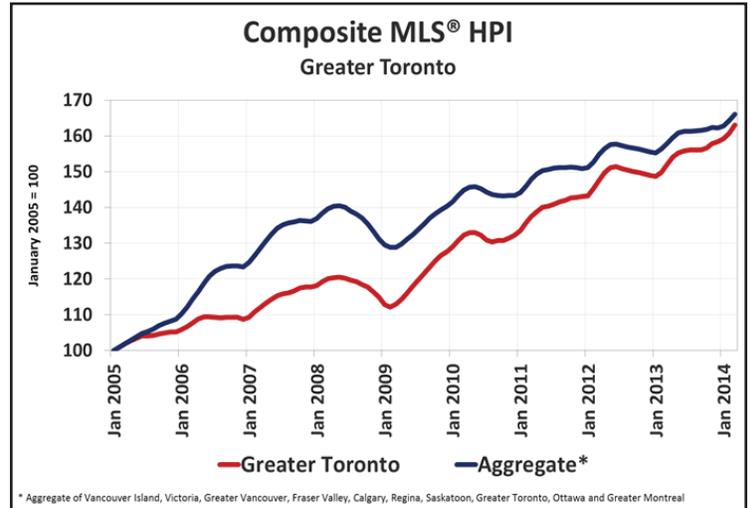
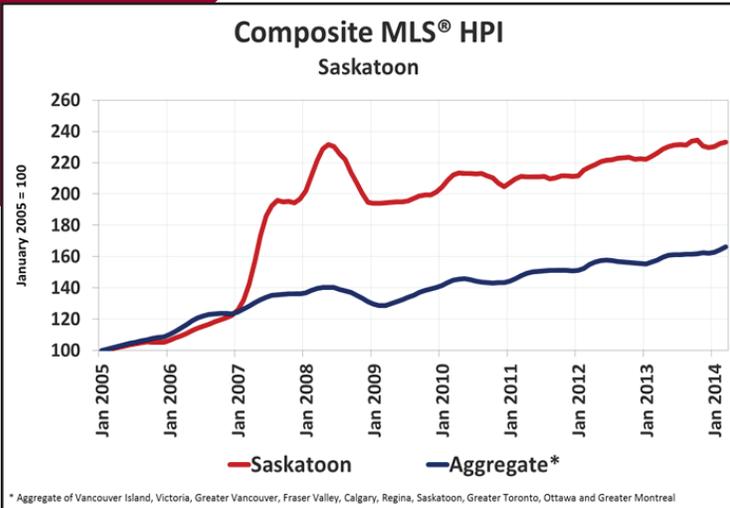
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