

Canadian home sales pick up in April

Ottawa, ON, May 15, 2014

According to statistics¹ released today by The Canadian Real Estate Association (CREA), national home sales activity was up on a month-over-month basis in April 2014.

Highlights:

- National home sales rose 2.7% from March to April.
- Actual (not seasonally adjusted) activity stood 0.3% below April 2013 levels.
- The number of newly listed homes climbed 2.9% from March to April.
- The Canadian housing market remains in balanced territory.
- The national average sale price rose 7.6% on a year-over-year basis in April.
- The MLS® Home Price Index (HPI) rose 5.0% year-over-year in April.

The number of home sales processed through the MLS® Systems of Canadian real estate Boards and Associations rose 2.7 per cent from March to April 2014. This continues to build on gains recorded in each of the two previous months, marking the third and largest month-over-month increase since last August.

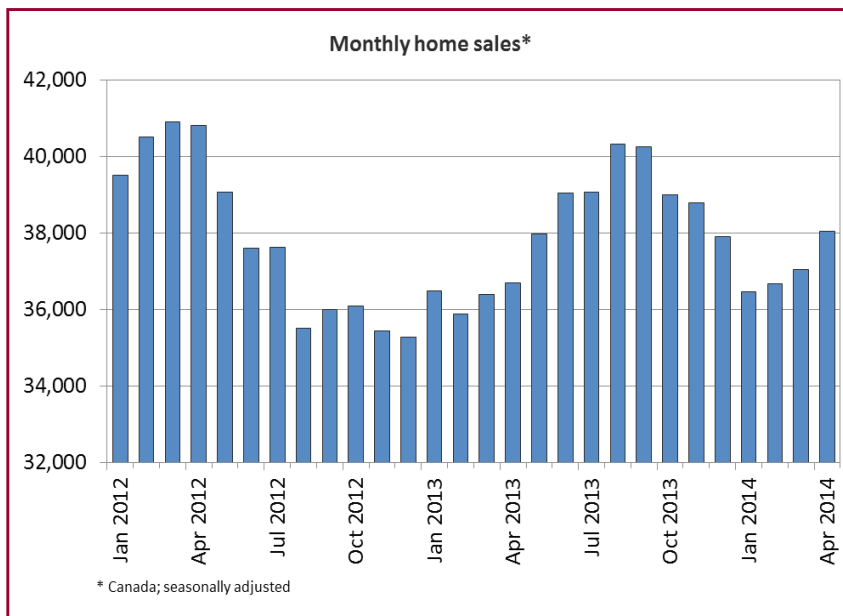
The increase places activity about halfway between the most recent peak reached in August 2013 and the slowdown in the second half of 2012 that followed changes to mortgage rules and guidelines (Chart A).

Sales rose in half of all local housing markets in April, dominated by a rebound in activity in Greater Vancouver and an increase in Greater Toronto.

“Greater Vancouver and Greater Toronto fuelled the anticipated spring pick up in national home sales in April which masked softer activity in a number of smaller markets,” said CREA President Beth Crosbie. “Housing trends can be very different between local markets and even within them depending on the neighborhood and type of home. Your local REALTOR® is your best source of information about how the housing market is shaping up where you currently live or might like to in the future.”

Actual (not seasonally adjusted) activity in April stood just three-tenths of one per cent below levels recorded for the same month last year, and one per cent below the 10-year average for the month. April sales were up from year-ago levels in less than 40 per cent of all local markets, with gains in Greater Vancouver, Calgary, and Edmonton offsetting softer activity in Ottawa, Montreal, and other rural and suburban areas in Quebec.

Chart A

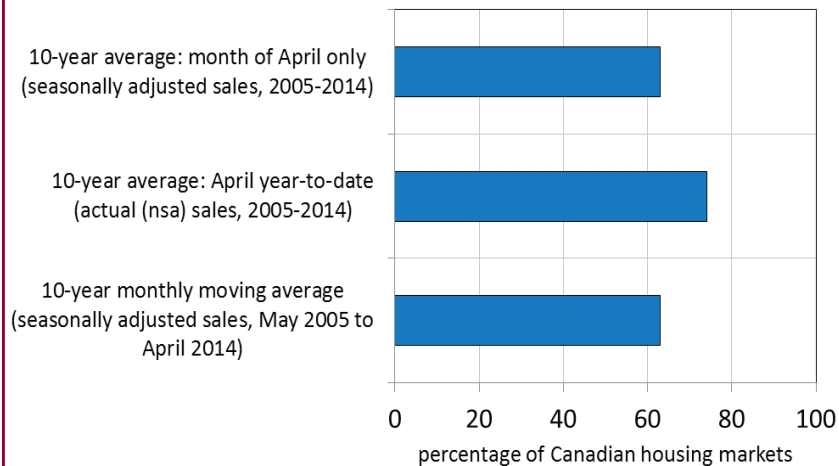


* Data table available to media upon request, for purposes of reprinting only.

¹ 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.

Chart B

Percentage of Canadian housing markets where activity is running below its 10-year average



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51.9 per cent in April, virtually unchanged from 52.0 per cent in March and little changed from 52.3 per cent in January and February. Since early 2010, the ratio has remained firmly entrenched within the 40 to 60 per cent range that marks balanced market territory. Some 60 per cent of all local markets posted a sales-to-new listings ratio in this range in April.

The number of months of inventory is another important measure of the 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.

The number of months of inventory has been edging marginally lower since the beginning of 2014. There were 6.3 months of inventory nationally at the end of April 2014 compared with 6.4 months at the end of February and March and 6.5 months at the end of January. As with the sales-to-new listings ratio, the number of months of inventory continues to point to a well-balanced housing market nationally, with the measure holding close to its long-term average in the vast majority of markets.

The actual (not seasonally adjusted) national average price for homes sold in April 2014 was \$409,708, an increase of 7.6 per cent from the same month last year. The national average price continues to be skewed upward by sales activity in Greater Vancouver and Greater Toronto, which are among some of Canada's most expensive housing markets. Excluding these two markets from the national average price calculation, the year-over-year increase diminishes to 4.8 per cent.

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 5.02 per cent on a year-over-year basis in April, which is slightly less than the 5.19 per cent gain recorded in March. This marks the first deceleration in year-over-year price growth since April 2013 (Chart C).

Year-over-year price growth picked up for townhouse/row units, but slowed for one- and two-storey single family homes and apartment units.

Year-over-year price gains were led by two-storey single family homes (+5.84 per cent) and one-storey single family homes (+5.35 per cent). This was closely followed by price increases for townhouse/row units (+4.52 per cent). The

The decline in sales activity below the 10-year average was broadly based (Chart B). "Sales activity for the month of April and for the year to date came in below the 10-year average in more than 60 per cent of all housing markets," said Gregory Klump, CREA's Chief Economist. "This shows that tightened mortgage rules and guidelines are working as intended to keep activity in check despite mortgage interest rates remaining extraordinarily low."

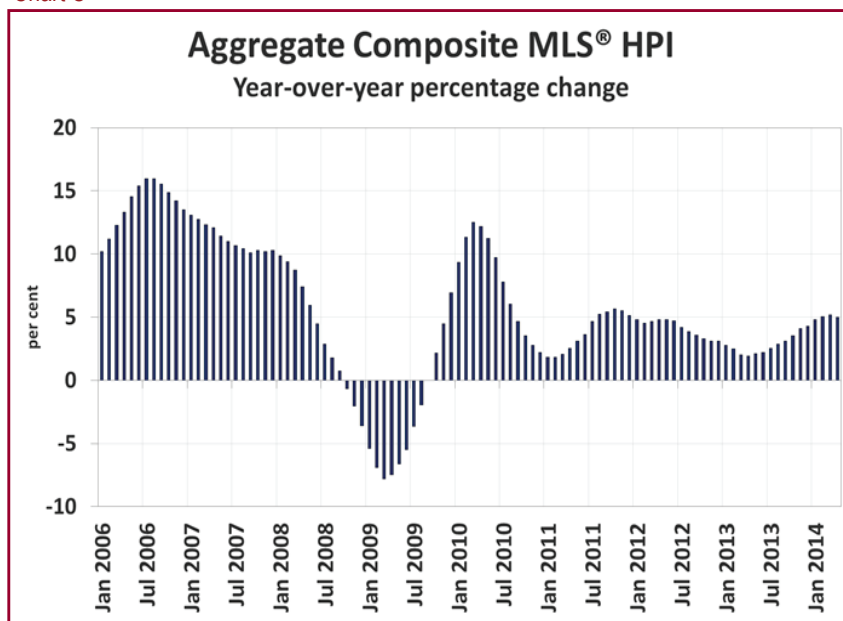
The trend for new listings has mirrored the trend for sales over the past three months, with the number of newly listed homes rising 2.9 per cent in April on the heels of smaller gains in February and March. New listings were only up in about 60 per cent of local markets; however, as was the case with sales activity, outsized gains in Greater Vancouver and Greater Toronto boosted the increase nationally.

The national sales-to-new listings ratio was

price increase for apartment units was comparatively more modest (+3.35 per cent).

Year-over-year price growth in the MLS® HPI varied among local housing markets tracked by the index, with the biggest gains having been posted by Calgary (+9.52 per cent), Greater Toronto (+7.01 per cent), and Greater Vancouver (+3.64 per cent) (Table 1).

Chart C



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Table 1

MLS® Home Price Index							
January 2005 = 100		Percentage Change vs.					
Composite HPI:	April 2014	1 month ago	3 months ago	6 months ago	12 months ago	3 years ago	5 years ago
Aggregate	167.5	0.84	2.89	3.52	5.02	12.19	29.04
Lower Mainland	156.7	0.58	2.02	2.62	2.96	3.36	20.91
Greater Vancouver	162.3	0.62	2.01	3.05	3.64	3.24	24.65
Fraser Valley	145.0	0.49	2.04	1.68	1.47	4.02	13.10
Vancouver Island	148.5	0.88	2.56	1.71	1.78	-2.69	2.70
Victoria	139.8	0.36	2.42	1.30	0.00	-6.74	0.94
Calgary	205.9	1.33	4.04	5.75	9.52	21.83	28.37
Regina	280.8	0.25	0.50	-0.92	-1.47	11.87	30.79
Saskatoon	233.5	0.17	1.35	-0.34	2.01	10.72	19.99
Greater Toronto	164.8	1.04	3.52	5.24	7.01	18.73	44.18
Ottawa	148.1	0.95	2.42	0.41	0.00	4.37	20.80
Greater Montreal	156.7	0.00	1.75	0.97	1.69	6.02	21.76

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.

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PLEASE NOTE: The information contained in this news release combines both major market and national sales information from MLS® 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® 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 111,000 REALTORS® working through some 90 real estate Boards and Associations.

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

For more information, please contact:

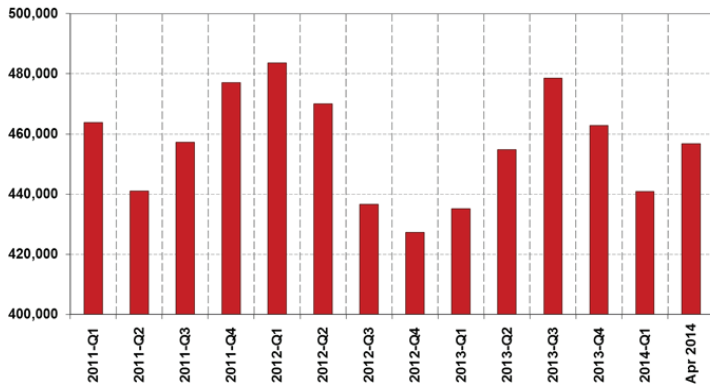
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Chart 1

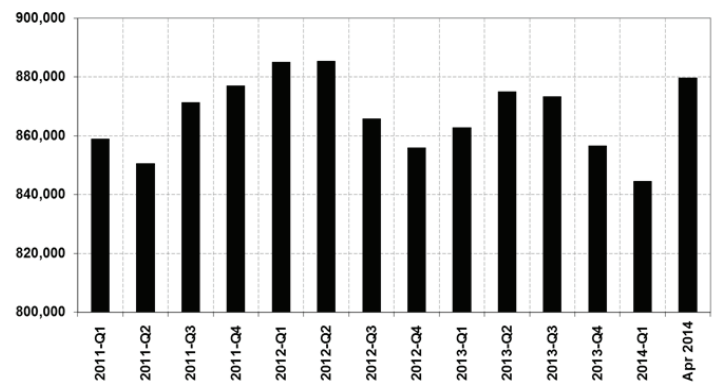
Residential sales activity* Canada



*Seasonally adjusted data at annualized rates

Chart 2

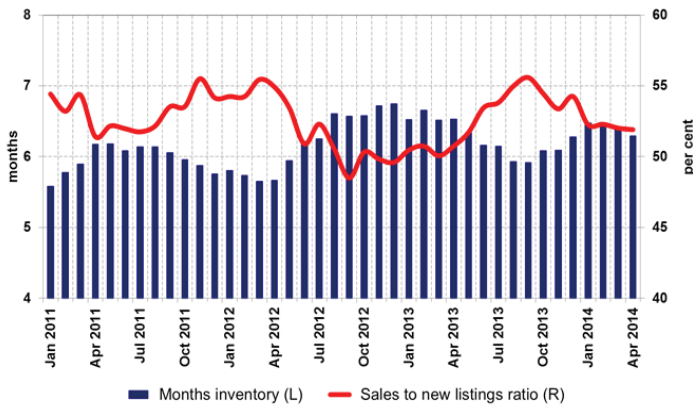
Residential new listings* Canada



*Seasonally adjusted data at annualized rates

Chart 3

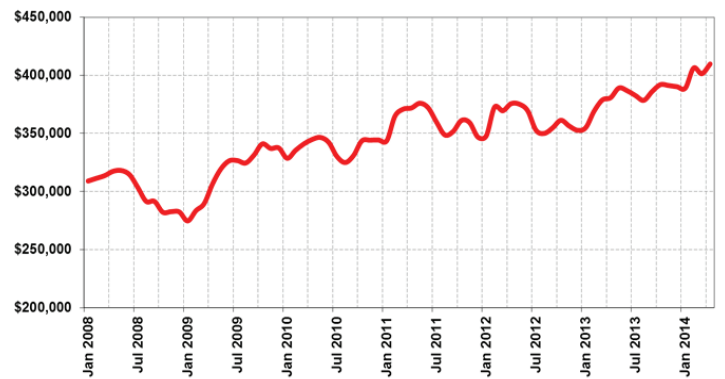
Residential market balance* Canada



*seasonally adjusted

Chart 4

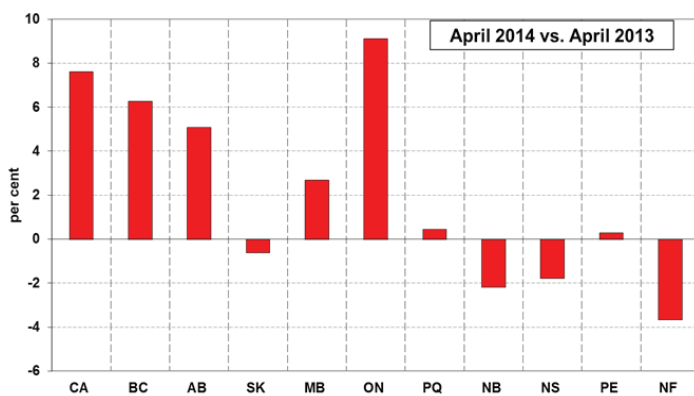
Residential average price* Canada



*actual (not seasonally adjusted)

Chart 5

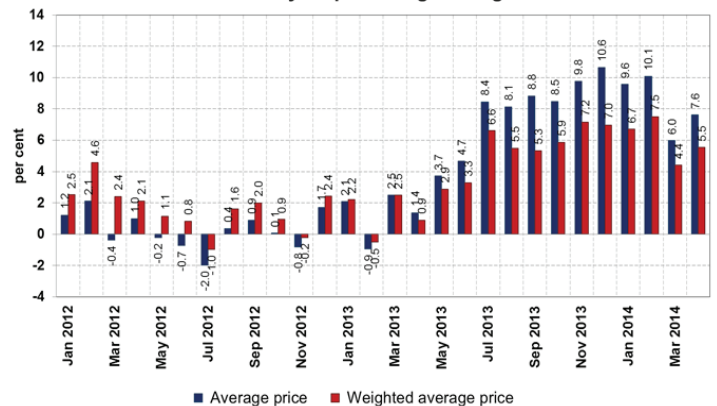
Residential average price* Year-over-year percentage change



*actual (not seasonally adjusted)

Chart 6

National residential average price* Year-over-year percentage change



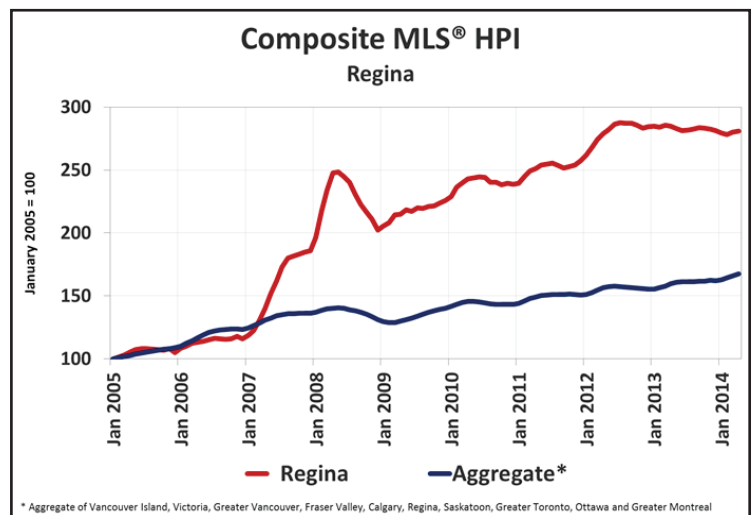
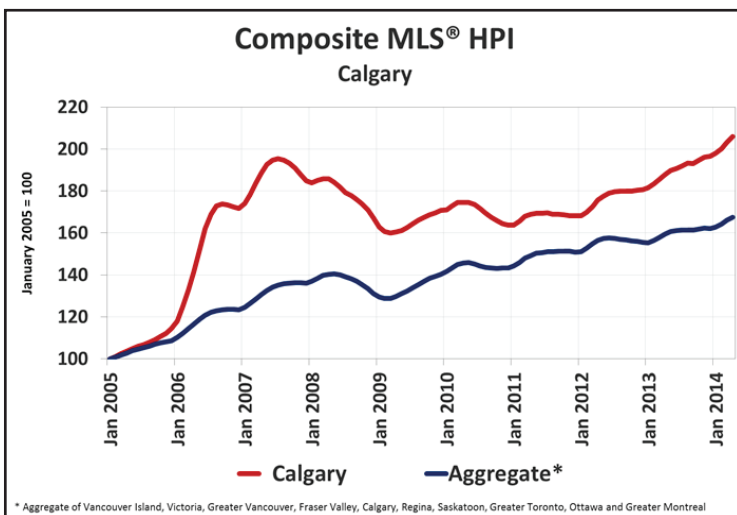
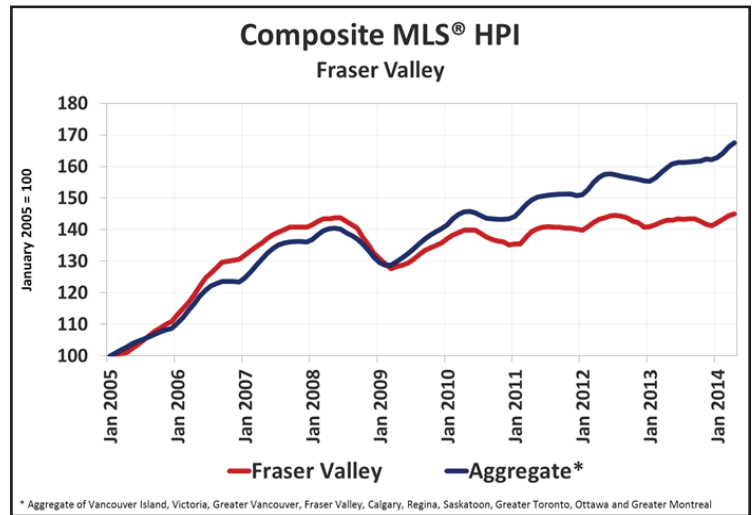
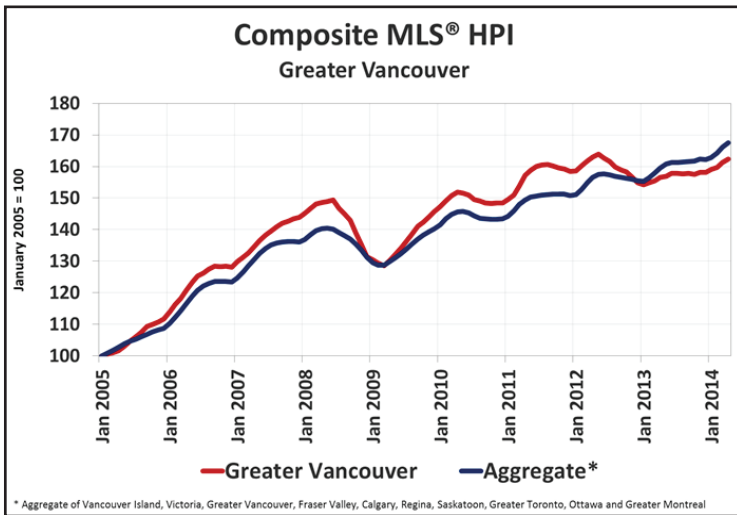
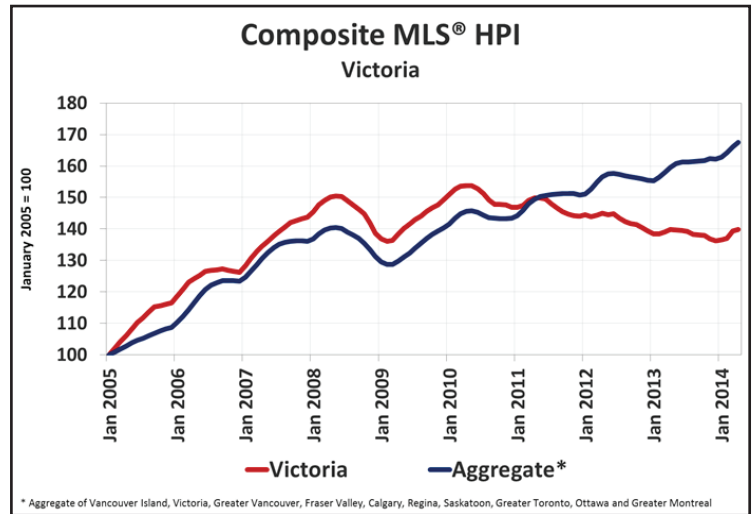
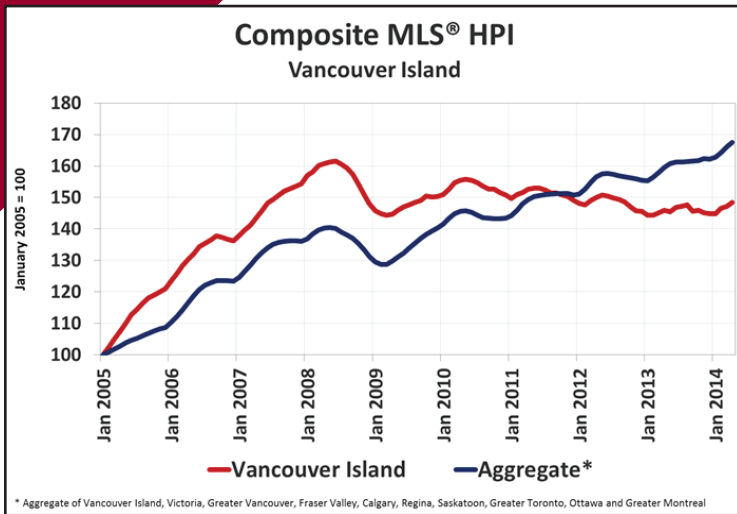
*actual (not seasonally adjusted)



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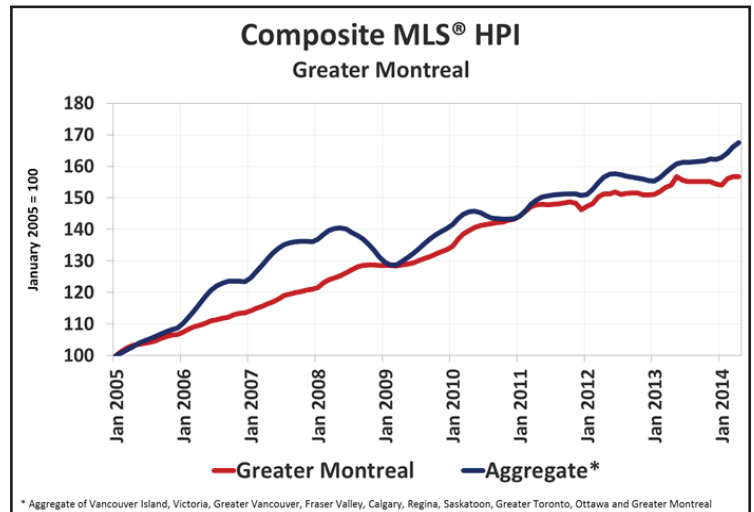
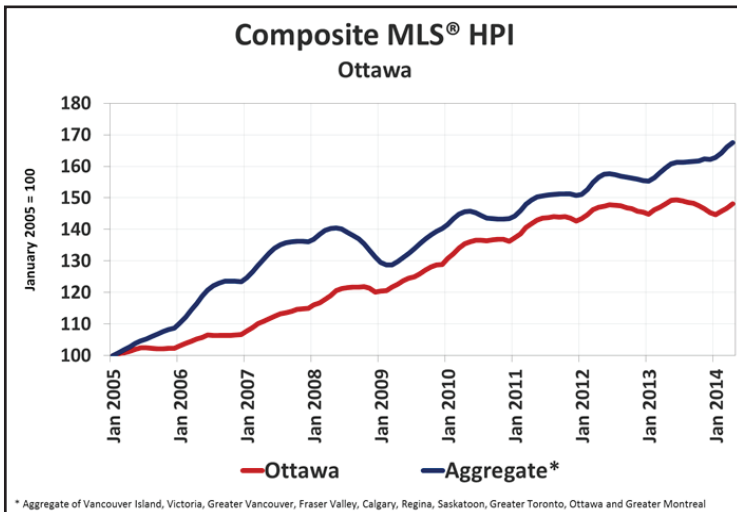
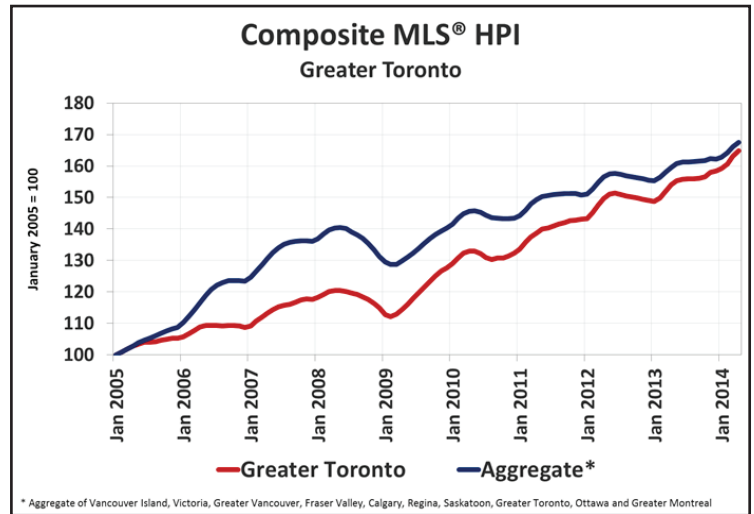
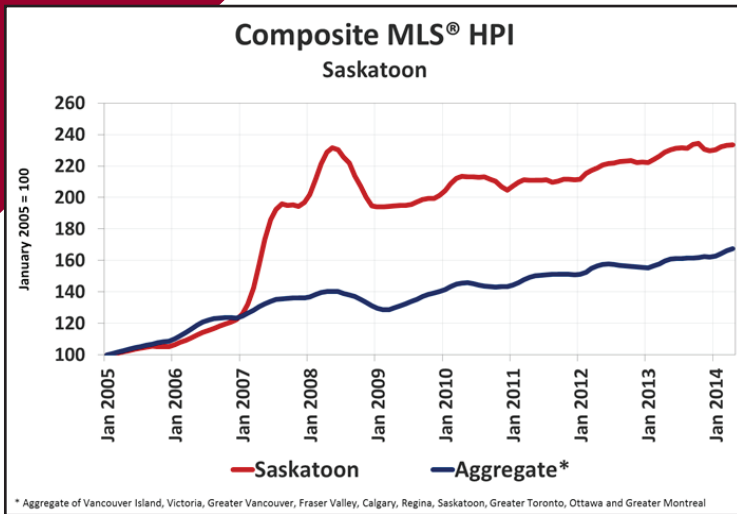
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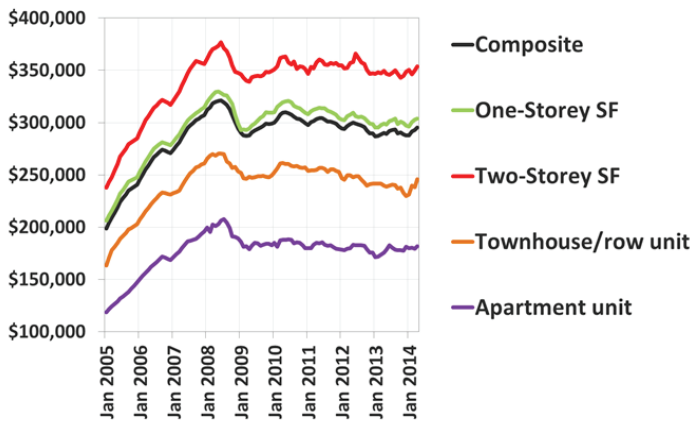
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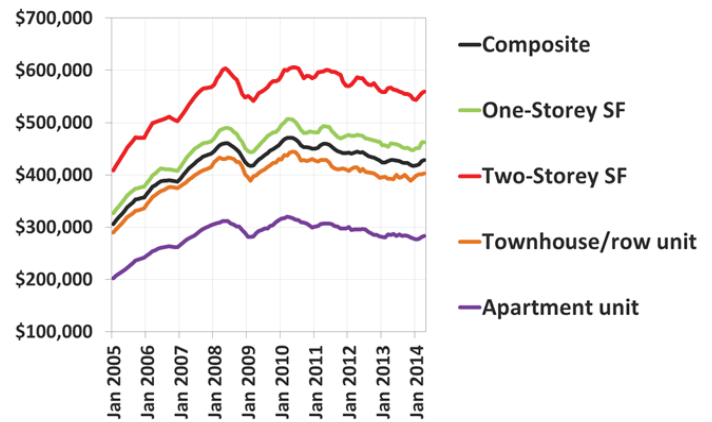
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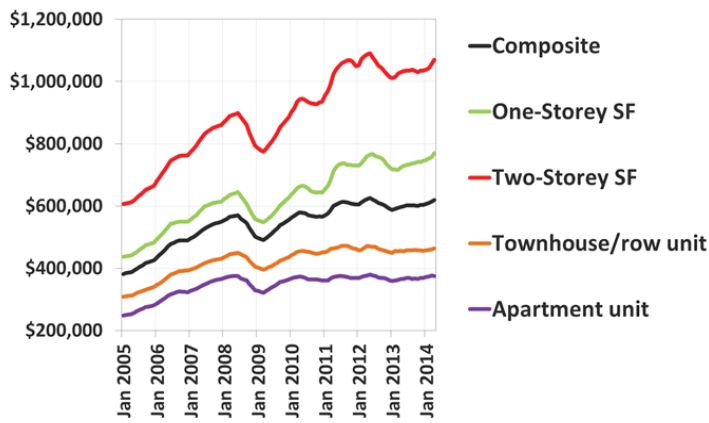
MLS® HPI Benchmark Price
Vancouver Island



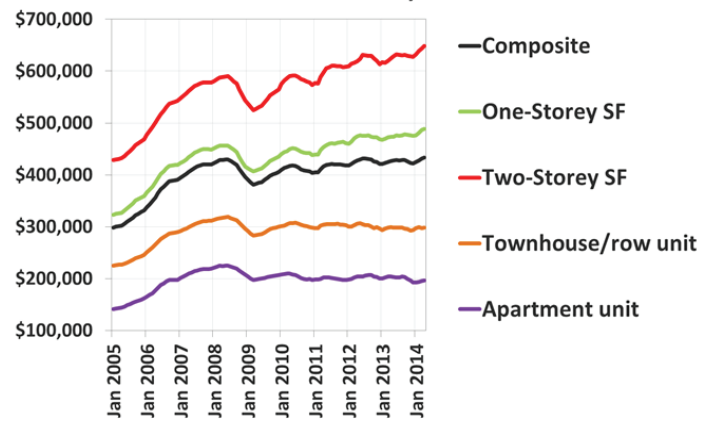
MLS® HPI Benchmark Price
Victoria



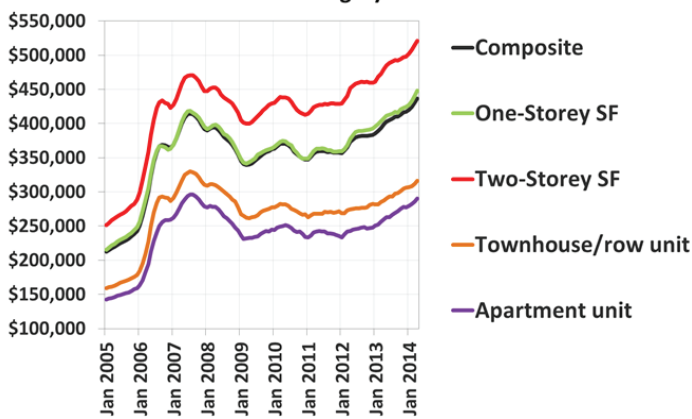
MLS® HPI Benchmark Price
Greater Vancouver



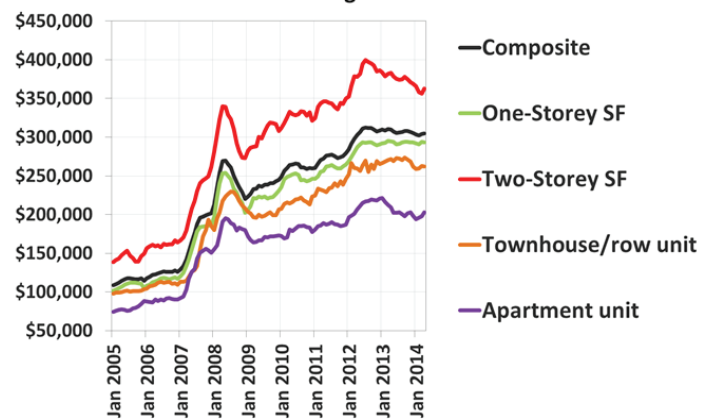
MLS® HPI Benchmark Price
Fraser Valley



MLS® HPI Benchmark Price
Calgary



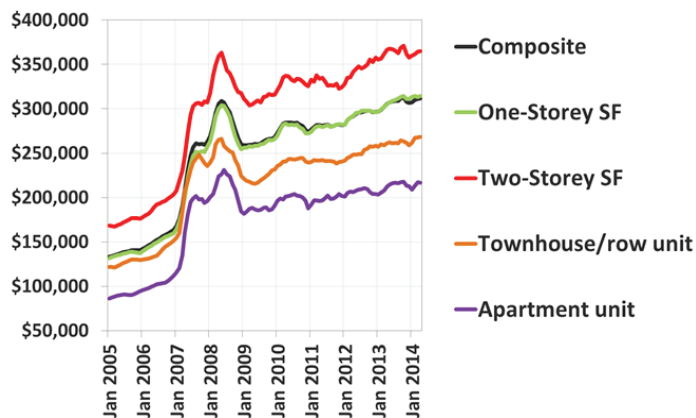
MLS® HPI Benchmark Price
Regina



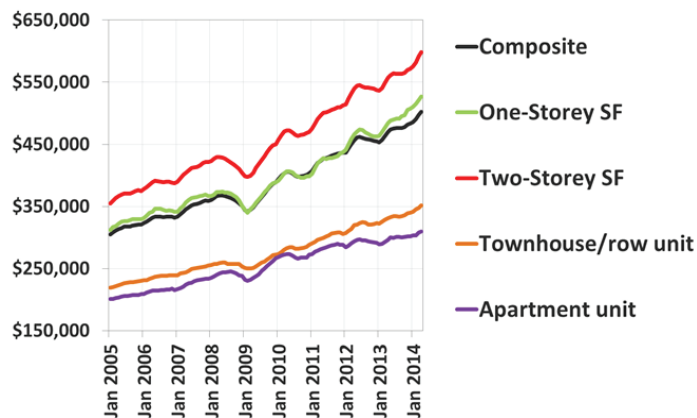
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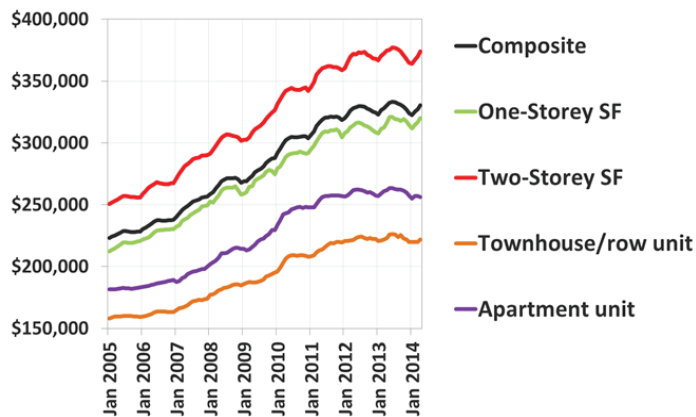
MLS® HPI Benchmark Price
Saskatoon



MLS® HPI Benchmark Price
Greater Toronto



MLS® HPI Benchmark Price
Ottawa



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