

Canadian home sales up in May

Ottawa, ON, June 16, 2014

According to statistics¹ released today by The Canadian Real Estate Association (CREA), national home sales activity posted a sizeable month-over-month increase in May 2014.

Highlights:

- **National home sales rose 5.9% from April to May.**
- **Actual (not seasonally adjusted) activity stood 4.8% above May 2013 levels.**
- **The number of newly listed homes climbed 3.8% from April to May.**
- **The Canadian housing market remains in balanced territory.**
- **The national average sale price rose 7.1% on a year-over-year basis in May.**
- **The MLS® Home Price Index (HPI) rose 5.0% year-over-year in May.**

The number of home sales processed through the MLS® Systems of Canadian real estate Boards and Associations rose 5.9 per cent from April to May 2014. This marks the largest month-over-month increase in nearly four years (Chart A).

Sales rose in four out of every five local housing markets in May, including almost all large urban markets. The largest gains driving the national increase were posted in Calgary, Greater Toronto and Montreal.

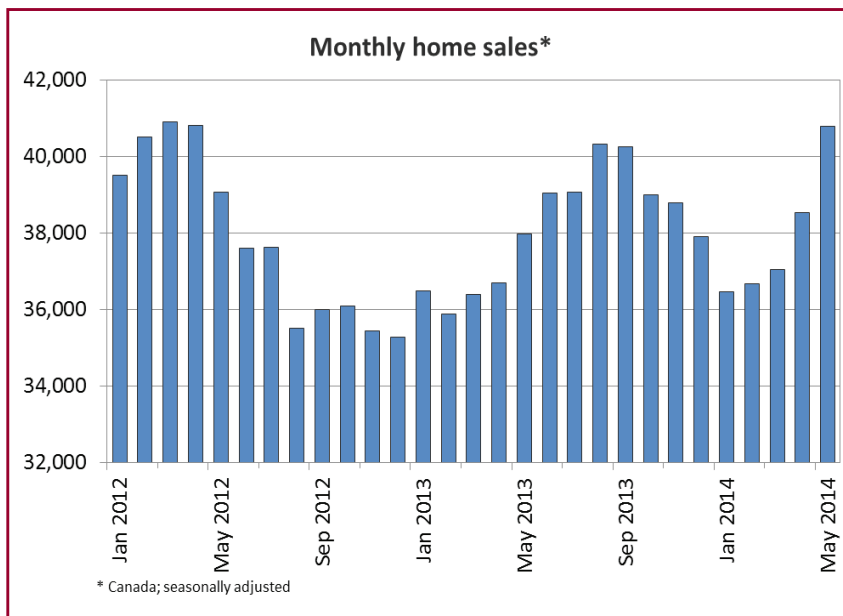
“The monthly increase in May activity was widespread among local housing markets, with some 80 per cent of them reporting stronger sales compared to April,” said CREA President Beth Crosbie. “Over the past 25 years, that widespread a monthly sales increase has been recorded only a handful of times. Even so, the improvement varied by location. Your local REALTOR® is your best source of information about the factors driving the market where you currently live or might like to in the future.”

Actual (not seasonally adjusted) activity in May stood 4.8 per cent above levels reported in the same month last year, and 3.8 per cent above the 10-year average for the month of May.

May sales were up from year-ago levels in about 60 per cent of all local markets, led by Greater Vancouver, Fraser Valley, Calgary, and Greater Toronto. Monthly activity trailed levels reported last May in Montreal and Halifax-Dartmouth.

The national trend for new listings has mirrored the trend for sales in recent months. The number of newly listed homes rose 3.8 per cent in May, marking a fourth straight monthly gain. Also in line with sales activity, new listings were up in about 80 per cent of local markets.

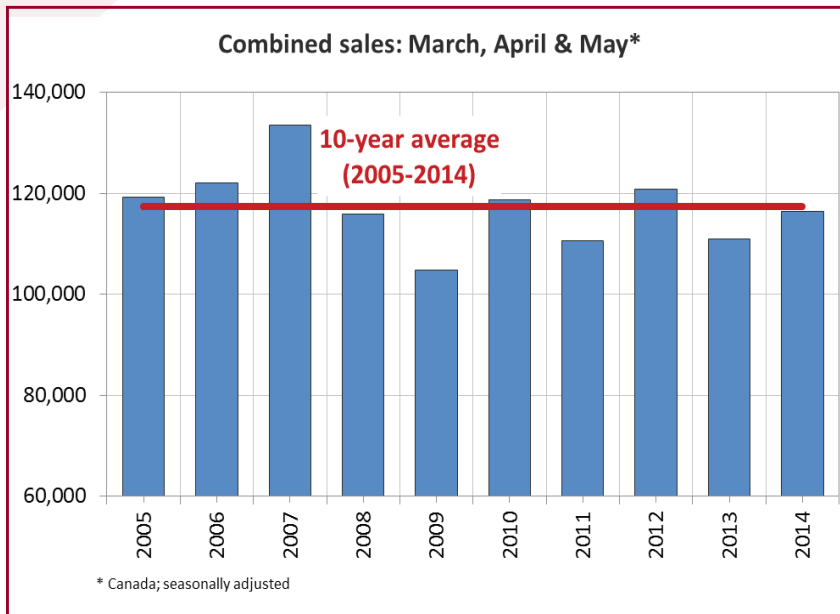
Chart A



* 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



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“In markets where supply had become tight, we expected sales to improve in tandem with listings,” said Gregory Klump, CREA’s Chief Economist. “Had it not been for such a brutal winter that delayed the launch of the spring market, the improvement in new listings and sales would likely have been more spread out over the past few months.” Combined sales over the past three months are roughly in line with the 10-year average for that three month period (Chart B).

The national sales-to-new listings ratio was 53.1 per cent in May, up from 52.0 per cent in March and April but still well entrenched within the 40 to 60 per cent range that marks balanced market territory. Nearly 60 per cent of all local markets posted a sales-to-new listings ratio in this range in May.

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 firmed slightly since the beginning of 2014. There were 6.0 months of inventory nationally at the end of May 2014 compared with 6.5 months at the beginning of the year. Nonetheless, as with the sales-to-new listings ratio, the number of months of inventory continues to suggest that Canada’s housing market is generally well-balanced, with the measure holding close to its long-term average in the vast majority of local markets.

The actual (not seasonally adjusted) national average price for homes sold in May 2014 was \$416,584, up 7.1 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 Canada’s largest and most expensive housing markets. Excluding these two markets from the calculation, the average price reaches a relatively more modest \$336,373 while the year-over-year increase shrinks to 5.3 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.

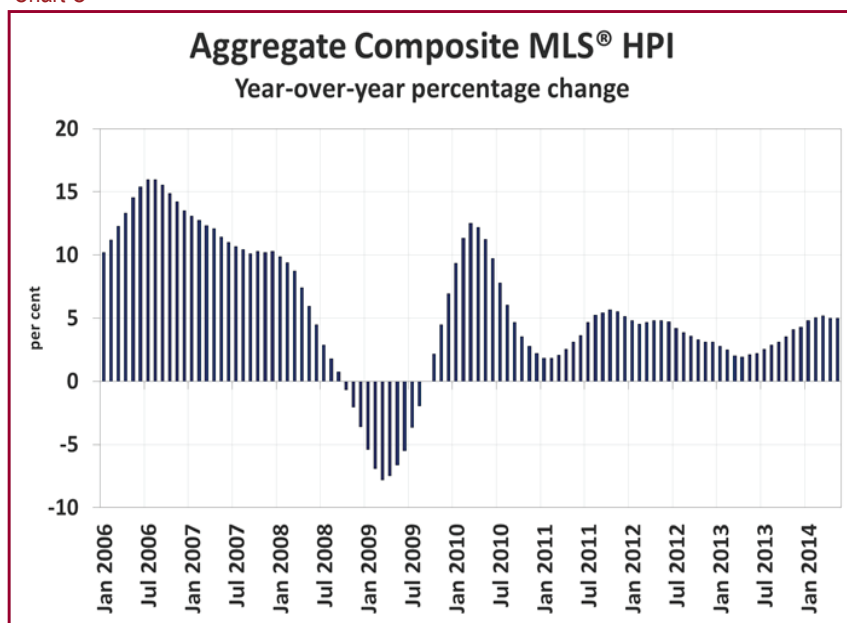
The Aggregate Composite MLS® HPI was up by 4.98 per cent year-over-year in May, which is slightly smaller than gains of 5.03 per cent and 5.19 per cent in April and March respectively (Chart C).

Year-over-year price growth gained strength for two-storey single family homes and townhouse/row units, and lost a bit of momentum for one-storey single family homes and apartment units.

Year-over-year price gains were led by two-storey single family homes (+5.98 per cent), followed closely by price increases for one-storey single family homes (+5.19 per cent) and townhouse/row units (+5.04 per cent). The price increase for apartment units was comparatively more modest (+2.93 per cent).

Year-over-year price growth varied among local housing markets tracked by the index, with the biggest gains having been posted by Calgary (+10.12 per cent), Greater Toronto (+7.08 per cent), and Greater Vancouver (+4.27 per cent). (Table 1)

Chart C



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Table 1

MLS® Home Price Index							
January 2005 = 100		Percentage Change vs.					
Composite HPI:	May 2014	1 month ago	3 months ago	6 months ago	12 months ago	3 years ago	5 years ago
Aggregate	168.8	0.78	2.74	4.00	4.98	12.31	28.76
Lower Mainland	157.7	0.64	2.14	3.21	3.48	3.07	20.38
Greater Vancouver	163.6	0.80	2.44	3.48	4.27	3.09	23.75
Fraser Valley	145.1	0.07	1.26	2.40	1.47	3.42	12.74
Vancouver Island	148.3	-0.13	1.23	2.13	1.92	-3.07	1.58
Victoria	140.7	0.64	2.70	2.85	0.72	-6.14	0.36
Calgary	209.0	1.51	4.40	6.52	10.12	23.38	29.73
Regina	280.8	0.00	0.97	-0.64	-0.74	10.55	28.63
Saskatoon	233.6	0.04	0.56	1.26	1.39	10.82	19.73
Greater Toronto	166.3	0.91	3.48	5.32	7.08	18.79	43.24
Ottawa	149.2	0.74	2.33	1.84	0.00	4.34	20.61
Greater Montreal	156.9	0.13	0.51	1.16	0.13	6.01	21.63

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.

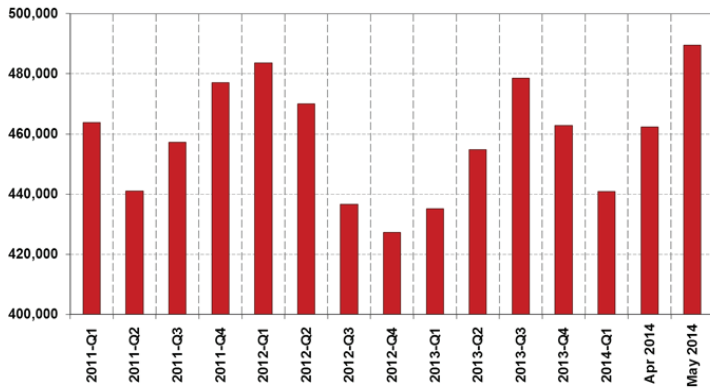
Further information can be found at <http://crea.ca/statistics>.

For more information, please contact:

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Chart 1

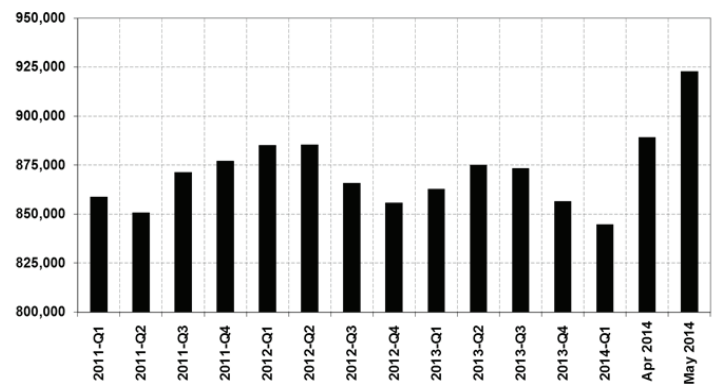
Residential sales activity* Canada



*Seasonally adjusted data at annualized rates

Chart 2

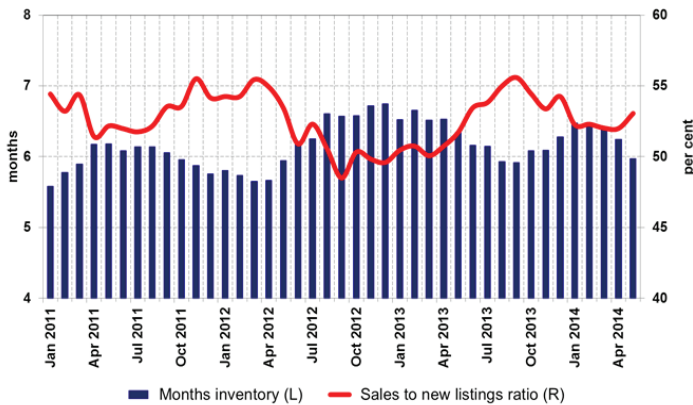
Residential new listings* Canada



*Seasonally adjusted data at annualized rates

Chart 3

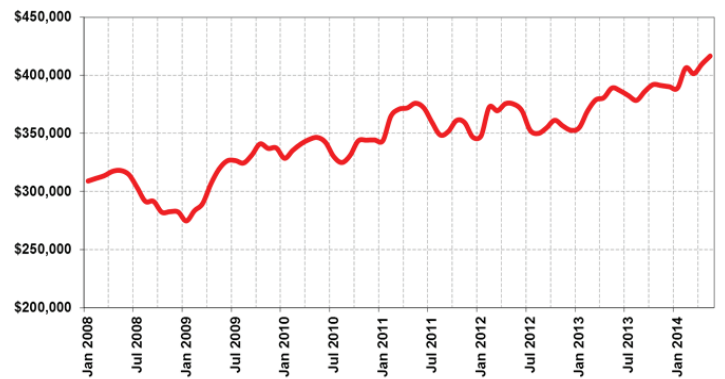
Residential market balance* Canada



*seasonally adjusted

Chart 4

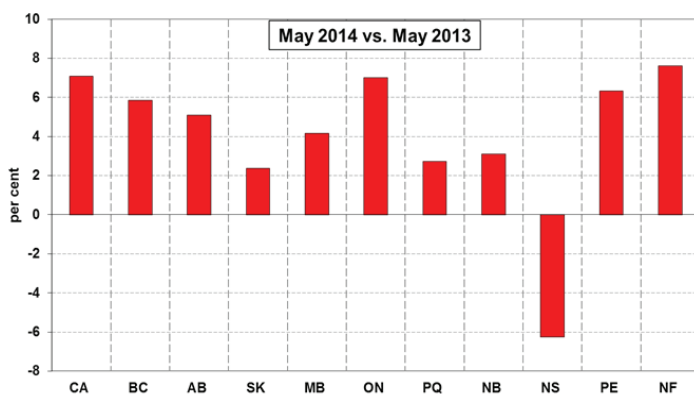
Residential average price* Canada



*actual (not seasonally adjusted)

Chart 5

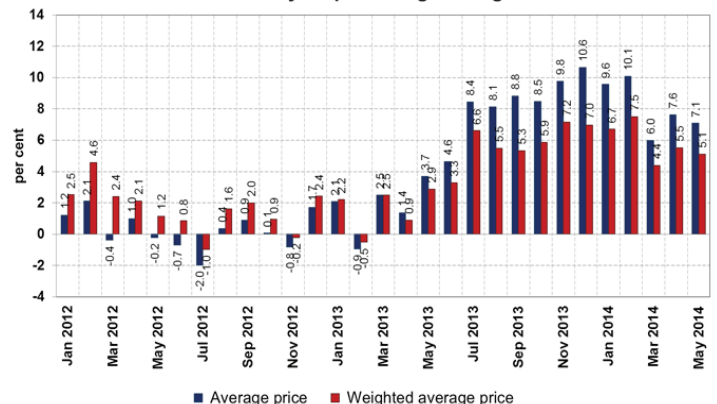
Residential average price* Year-over-year percentage change



*actual (not seasonally adjusted)

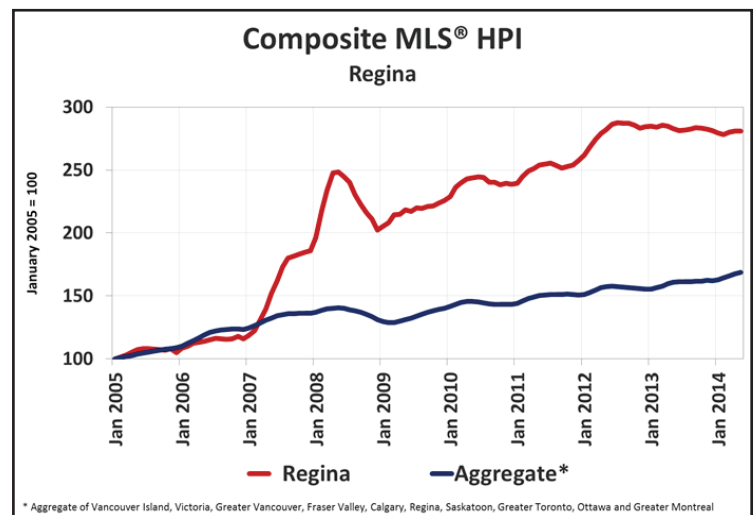
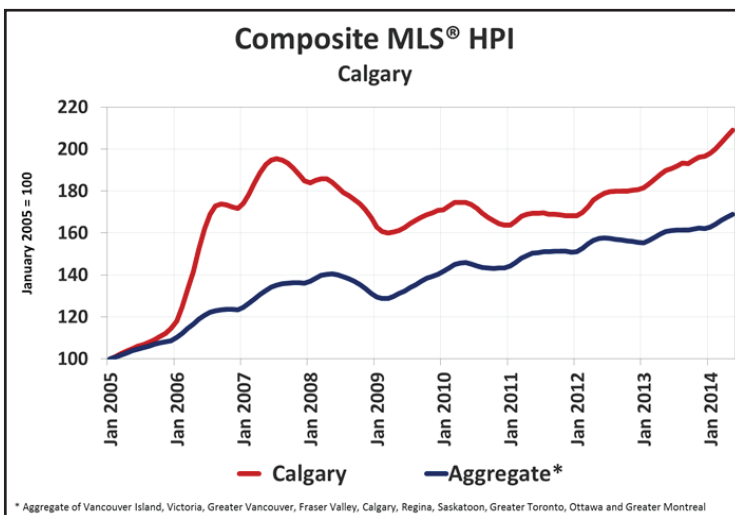
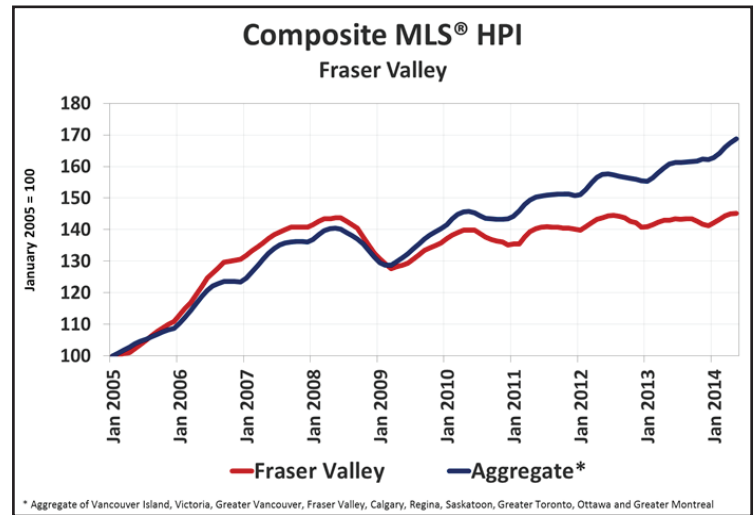
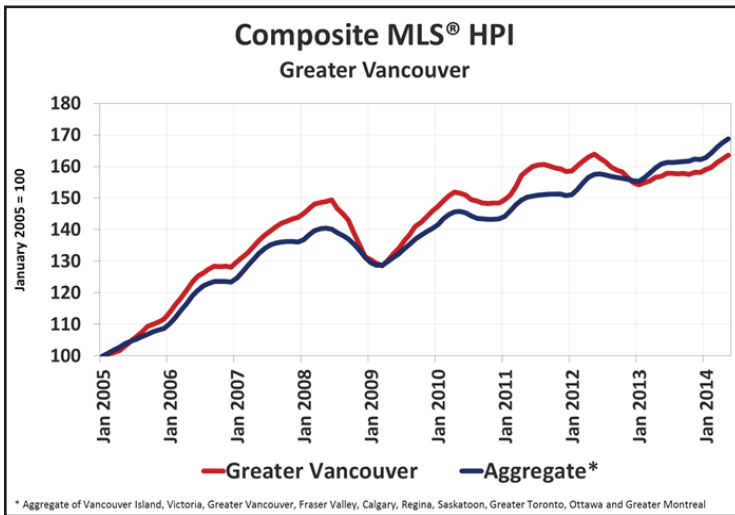
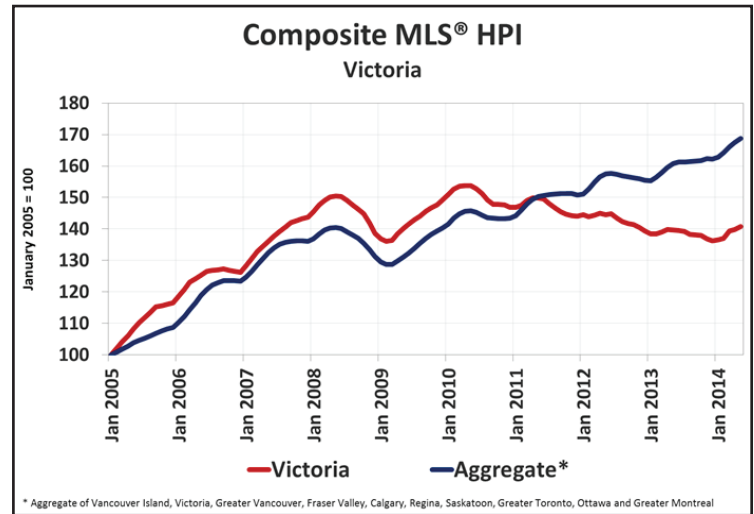
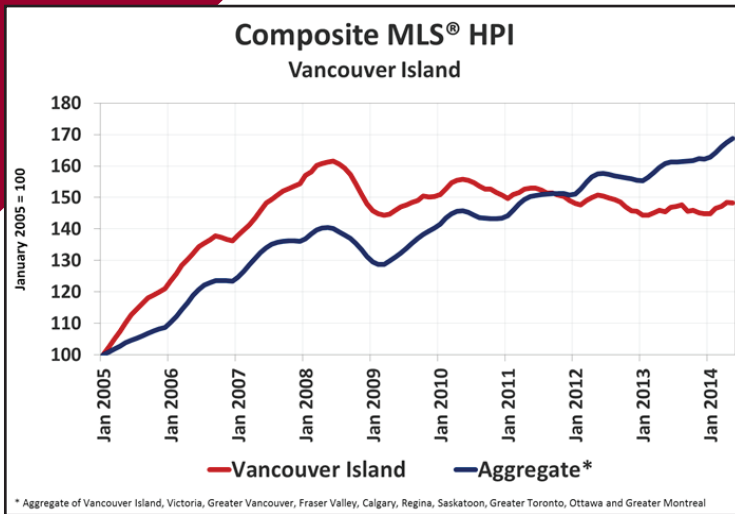
Chart 6

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



*actual (not seasonally adjusted)

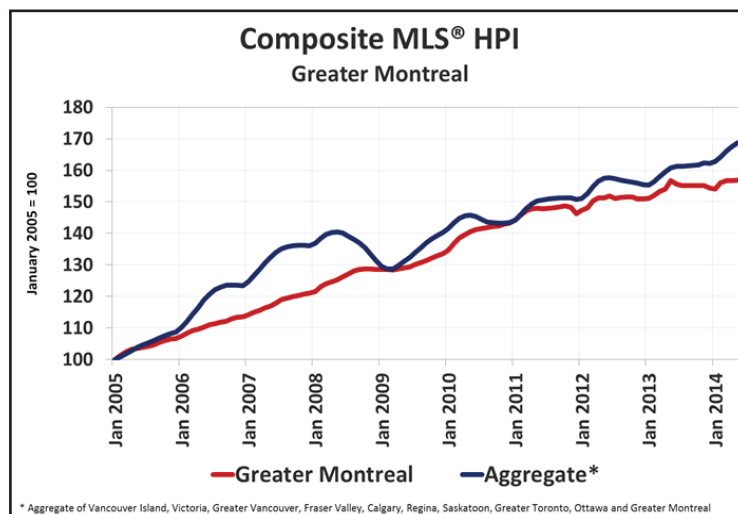
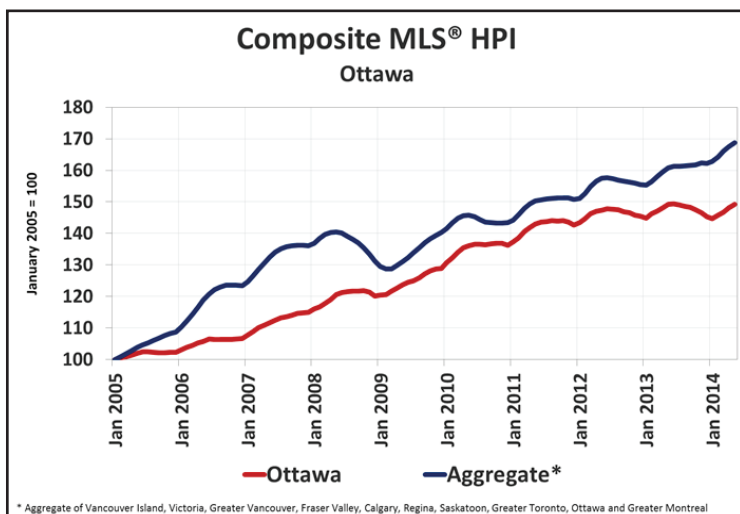
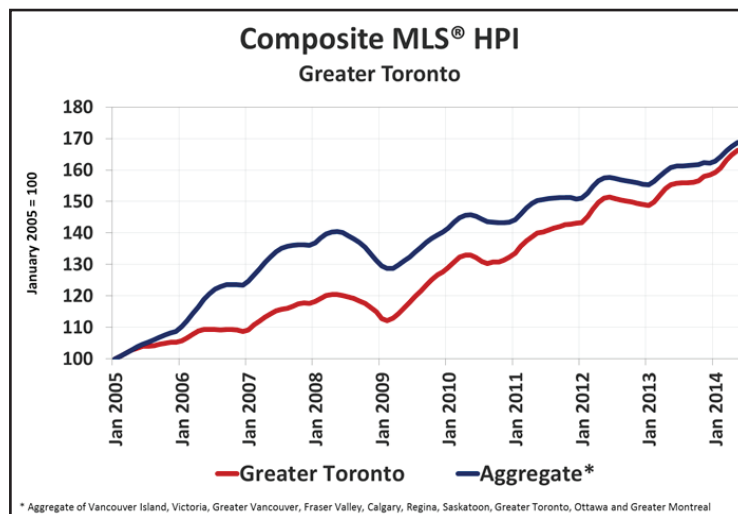
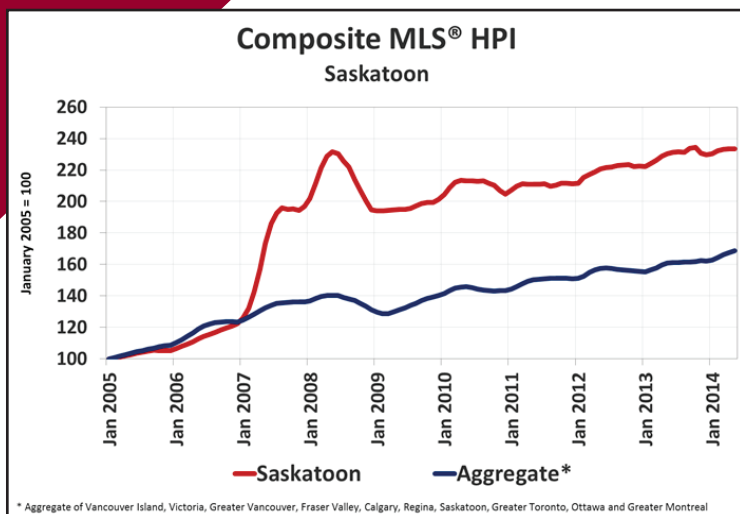
The Canadian Real Estate Association News Release



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The Canadian Real Estate Association News Release



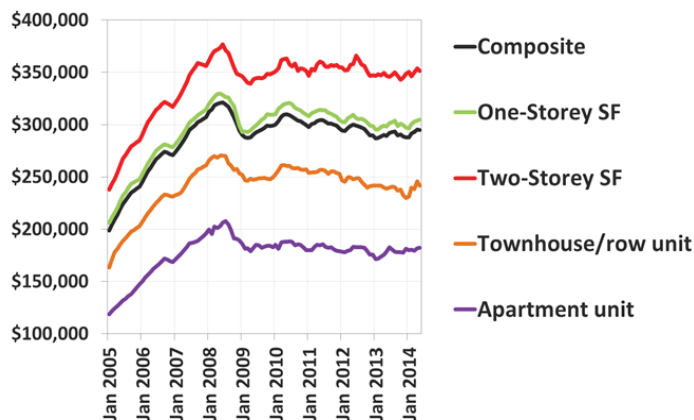
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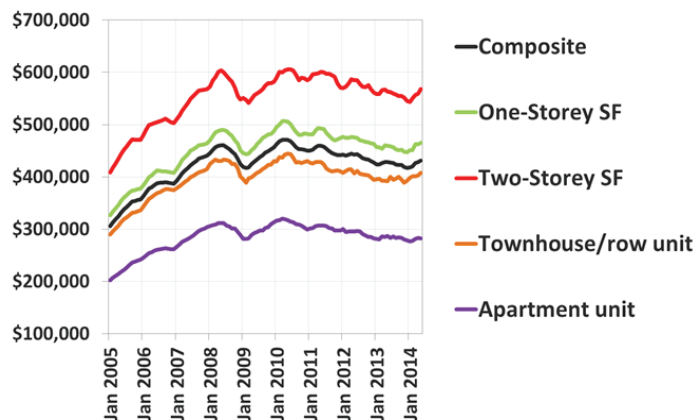
The Canadian Real Estate Association News Release



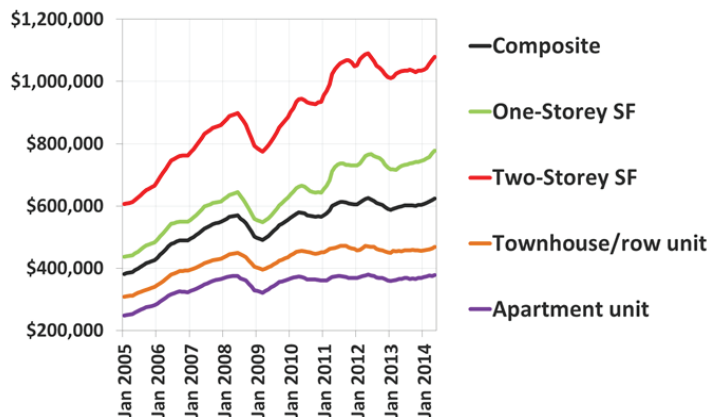
MLS® HPI Benchmark Price
Vancouver Island



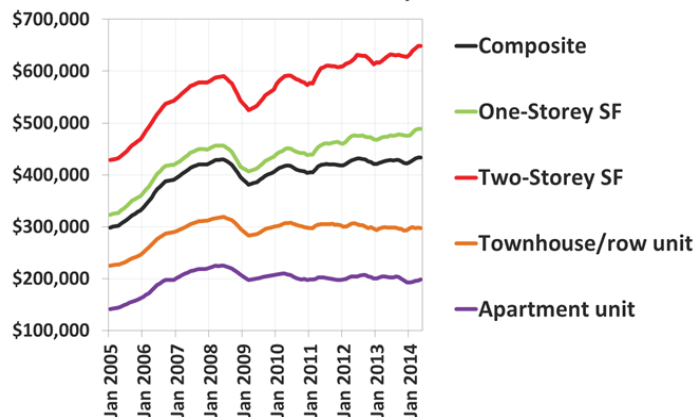
MLS® HPI Benchmark Price
Victoria



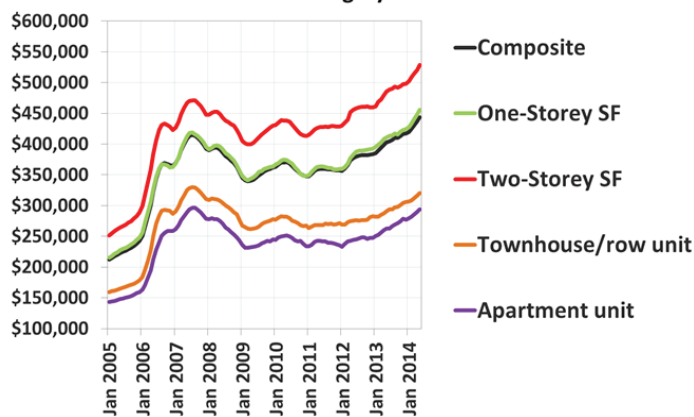
MLS® HPI Benchmark Price
Greater Vancouver



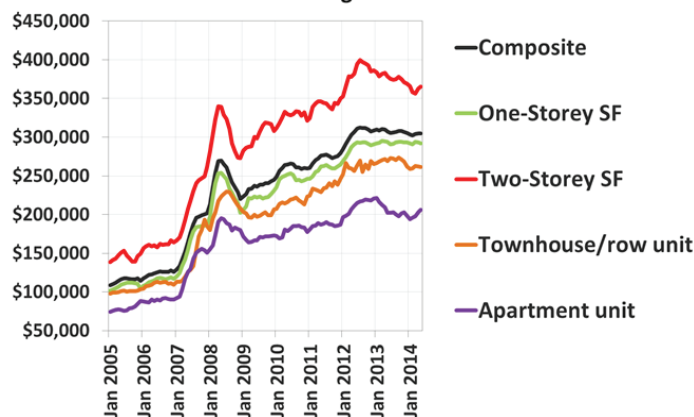
MLS® HPI Benchmark Price
Fraser Valley



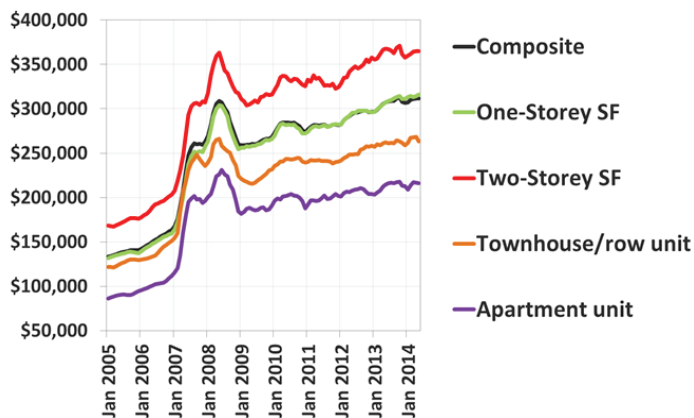
MLS® HPI Benchmark Price
Calgary



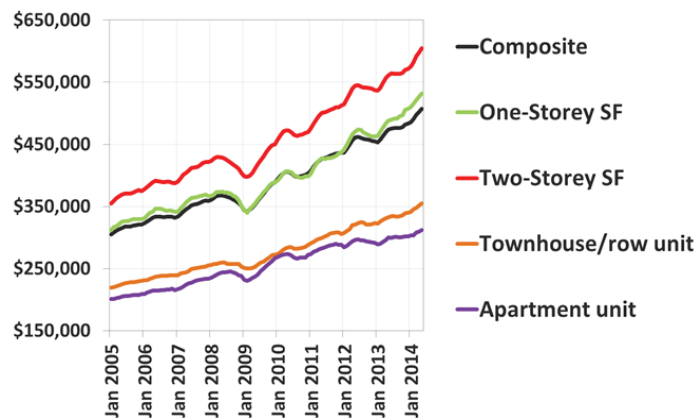
MLS® HPI Benchmark Price
Regina



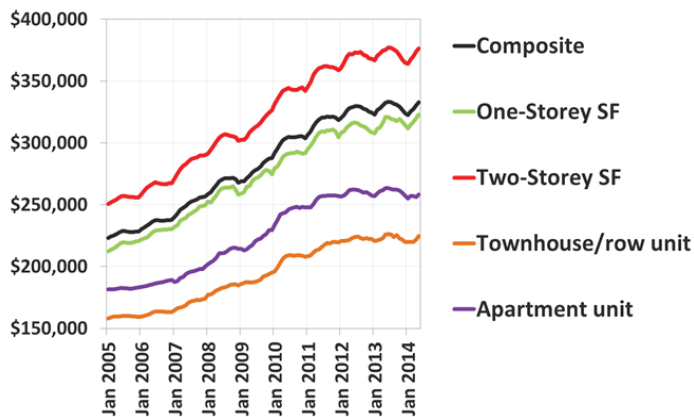
**MLS® HPI Benchmark Price
Saskatoon**



**MLS® HPI Benchmark Price
Greater Toronto**



**MLS® HPI Benchmark Price
Ottawa**



**MLS® HPI Benchmark Price
Greater Montreal**

