



Housing and Mortgage Market Review

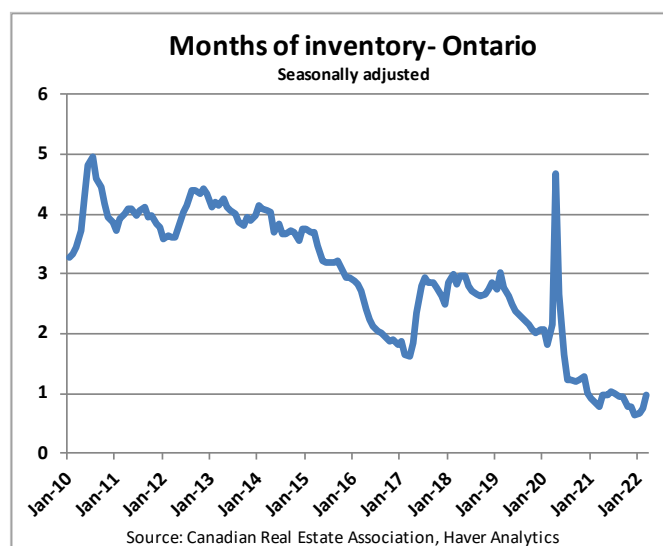
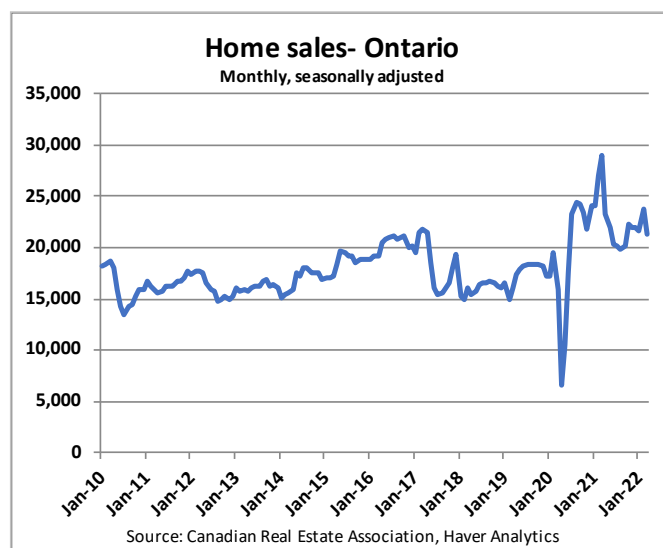
Ontario home sales cooled in March, but market still far from balanced

Home sales in Ontario dropped off to end the first quarter, but the market so far remains tight due to a limited supply of new inventory. However, that could soon start to change as interest rates move higher.

Home sales

Home sales across Ontario cooled sharply to end the first quarter, down 10.6% month-over-month in March. Resale inventory levels remain extremely low overall and are still less than half of what they were at the onset of the pandemic. However, the last two months have seen a significant increase in resale inventory even after accounting for normal seasonality.

With still only one month of inventory, the market is exceptionally tight overall, but there are concrete signs that things are easing at the margins.

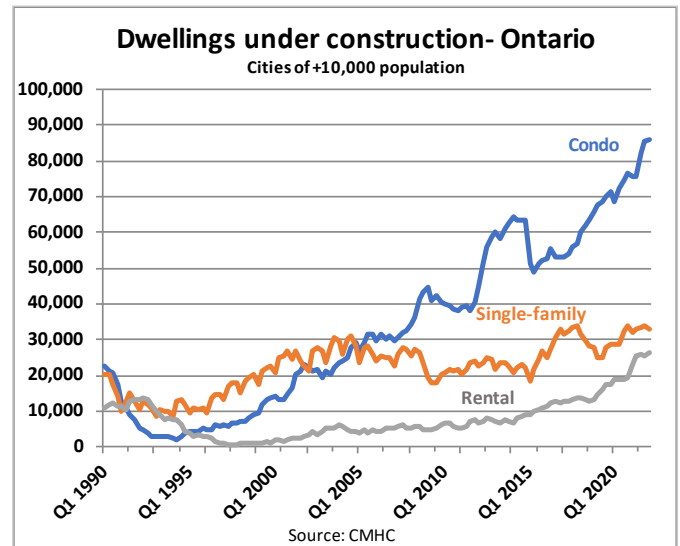
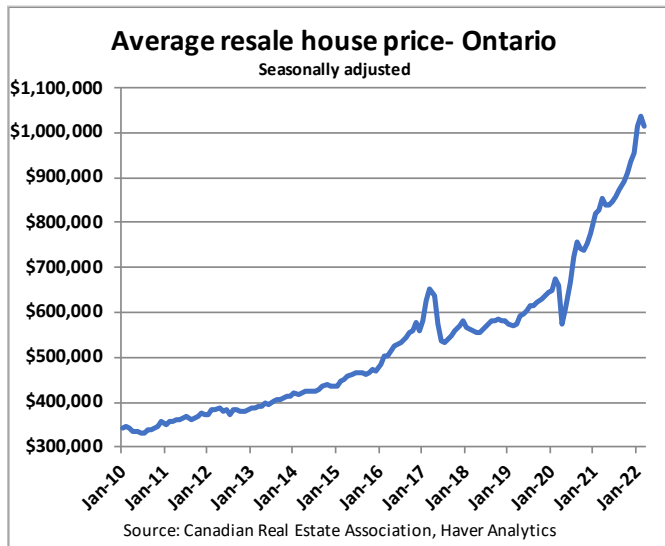




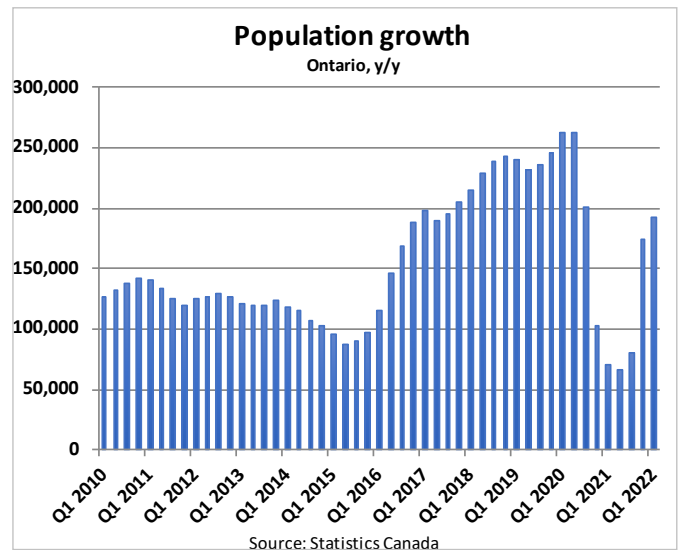
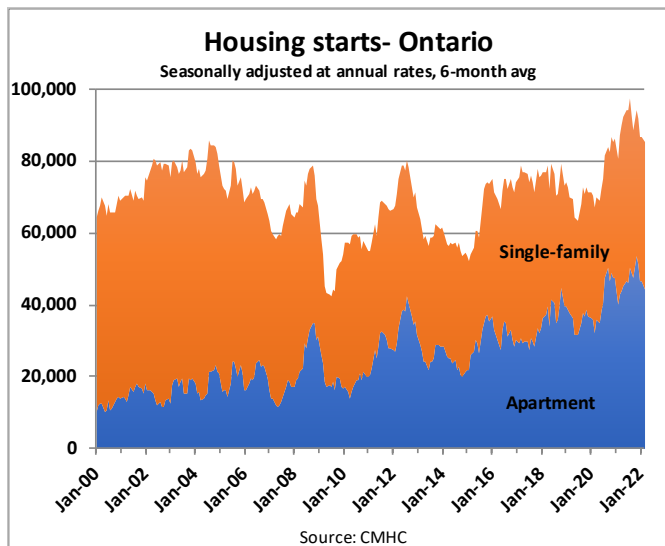
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Ontario

Seasonally adjusted average house prices cracked the \$1 million mark for the first time in Q1. While prices pulled back slightly in March, they were still 18.5% higher than last year at this time.



Housing starts remain relatively high across the province, but are increasingly skewed to apartment units (i.e. condos and rentals). Single-family housing starts remain below where they were 10 years ago.



Population growth continues to rebound sharply off the pandemic lows. Ontario has now added nearly 200,000 people to the population in the past year. And with lofty immigration targets for 2022, it's likely that this figure will continue to rise from here.

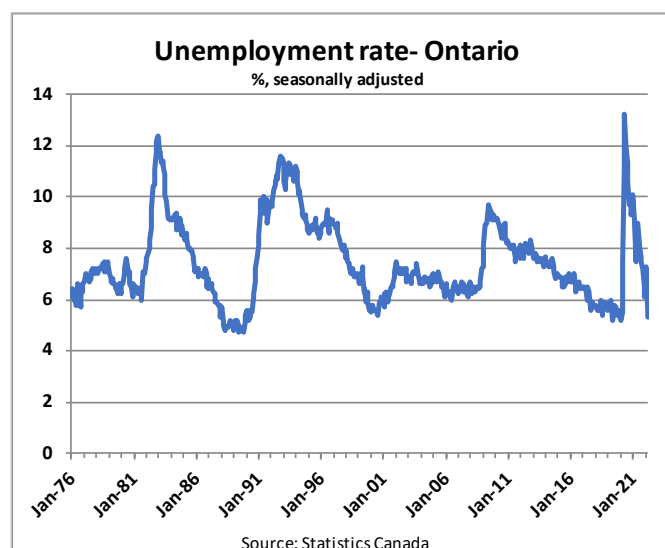
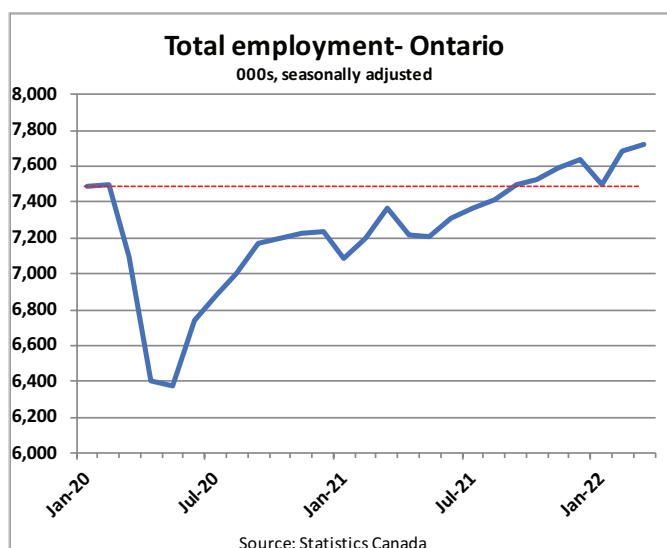


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Ontario

Job market on a tear

Ontario added 84,000 new jobs in the first quarter of 2022. Employment is at record levels while the unemployment rate is at just 5.3%...the second lowest reading in the past 30 years.



What it all means: The resale market is beginning to cool at the margins in Ontario, and that will likely persist as the impact of rising interest rates continues to take a bite out of affordability. But, with just one month of inventory, the market is still heavily skewed to sellers for now, and it may take a while to get back to more balanced conditions.

**Any forecasts contained in this report are accurate as of the date indicated.*

Ben Rabidoux is the founder of Edge Realty Analytics (www.edgeanalytics.ca), which equips top real estate and mortgage professionals with timely research and insightful marketing infographics to help them stand apart from the competition and stay engaged with their clients and prospects.

He is also the founder and president of North Cove Advisors, a market research firm serving institutional and high net worth clients since 2013 that is consistently ranked top 5 for Canadian economic coverage by Brendan Wood International.

He is a frequent guest and contributor in major media outlets, including Bloomberg, The Wall Street Journal, Reuters, The Globe and Mail, The Toronto Star, Macleans, and many others.



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