

Sherry
Cooper
Assoc.

Canada's Housing Market

Dr. Sherry Cooper
Chief Economist
Dominion Lending Centres



June 16, 2017



Housing Looms Large ...

Canada
(percent)

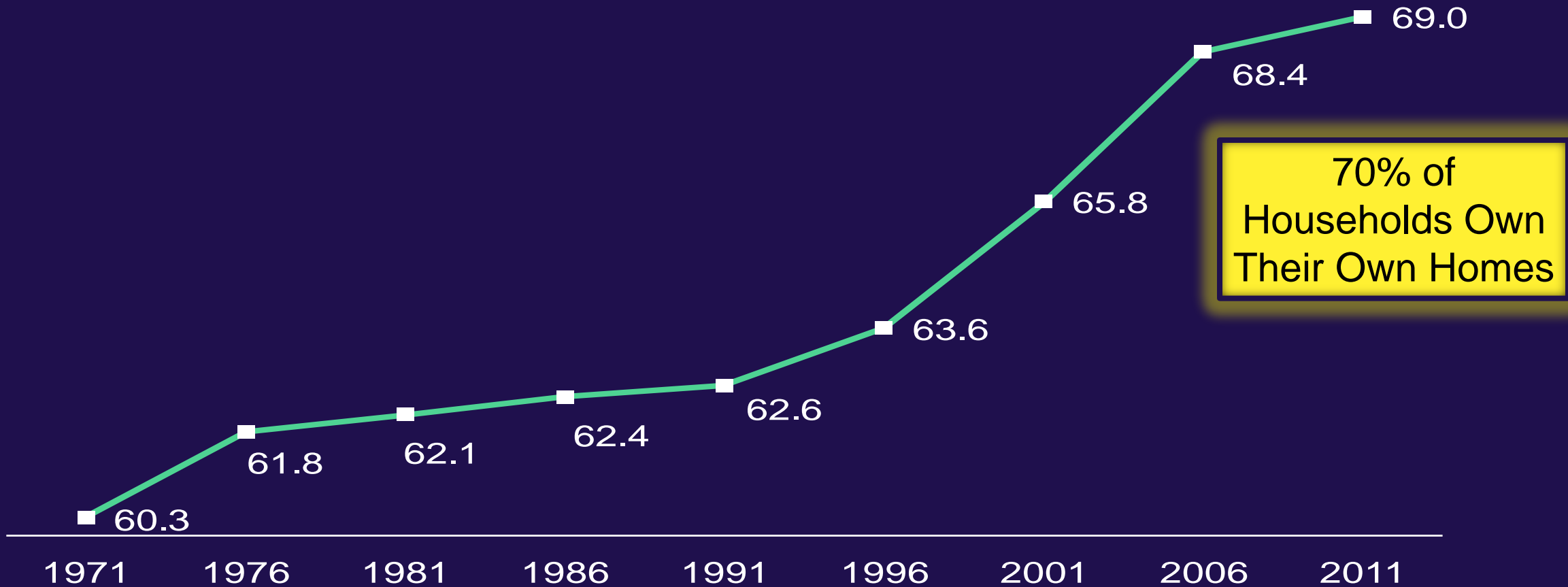


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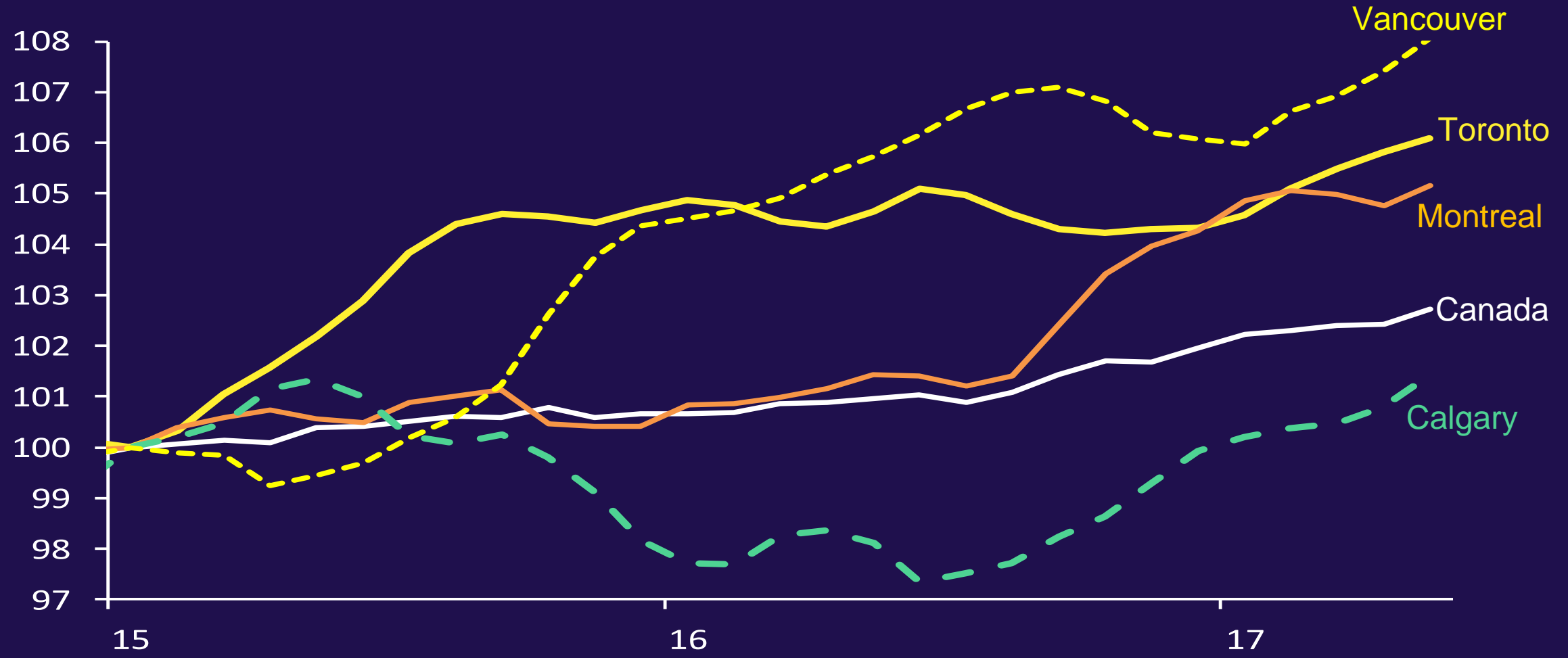
Canadian Homeownership At A Record High

Homeowners as a % of all Canadian Households
(percent)



Job Creation Strongest in Vancouver and Toronto

Employment Level
(index: January 2015 = 100)



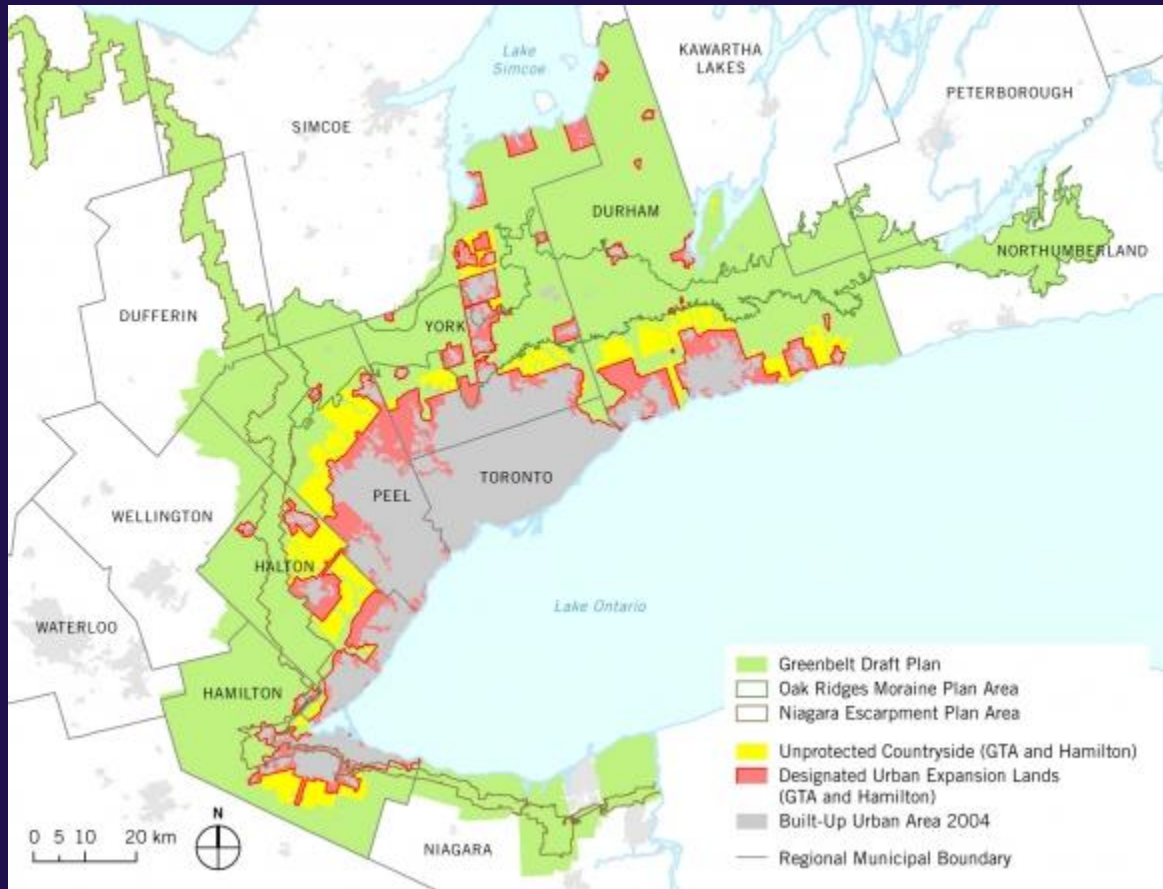
Source: Haver Analytics, Statistics Canada

People Left Oil-Torn Provinces For Ontario and B.C.

Interprovincial Migrants
(level, 4-quarter moving average)

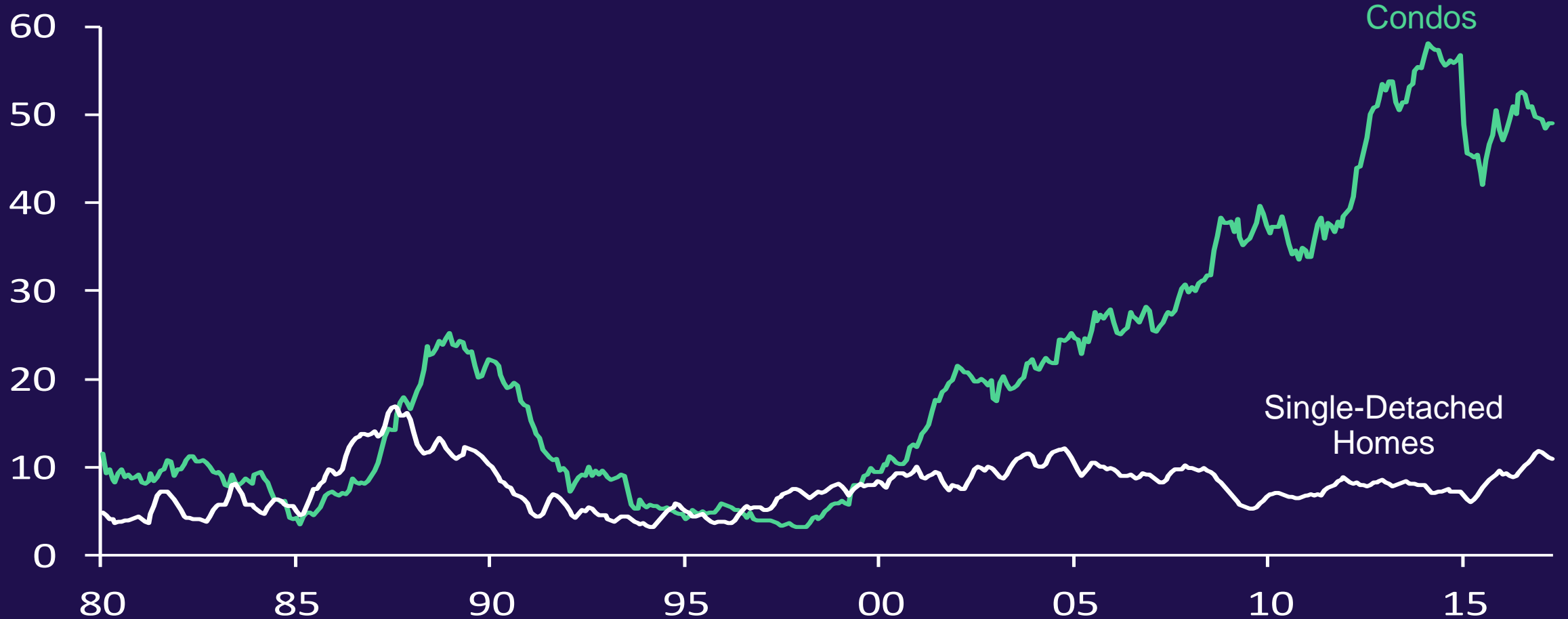


Greenbelt and Intensification Plan



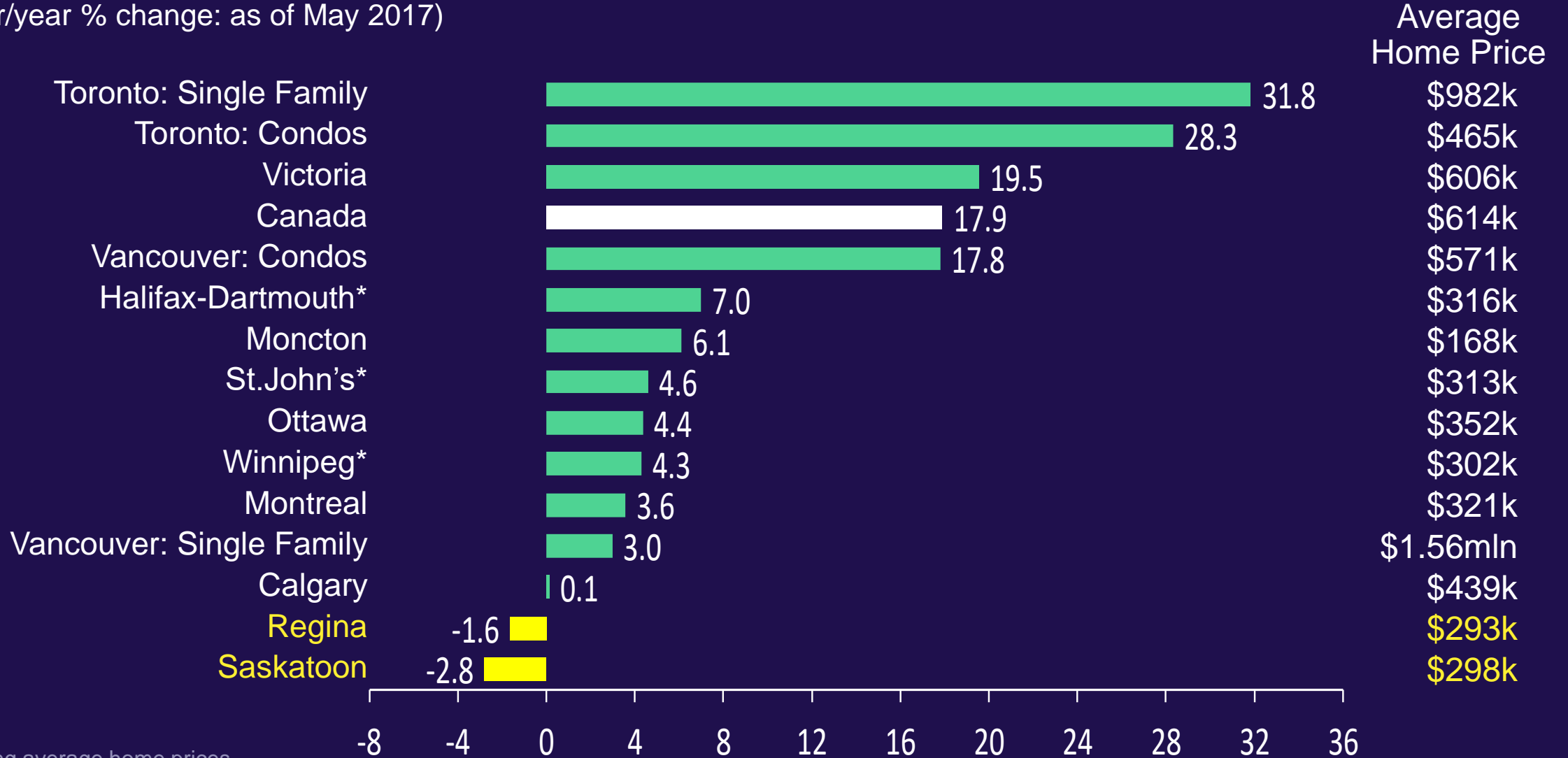
Housing Supply Make-Up In Toronto Changing Dramatically

Toronto
(000s units)



Prices Surge In Toronto

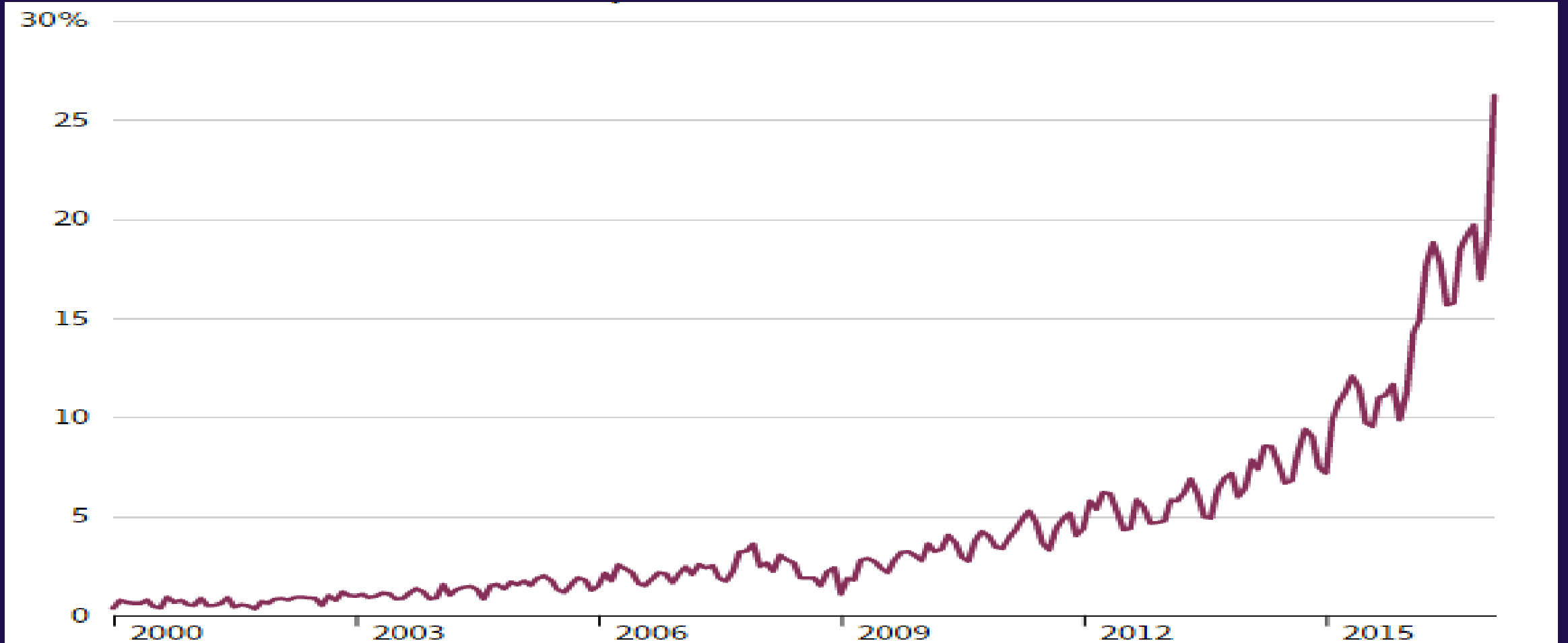
MLS® Home Price Index (HPI)
(year/year % change: as of May 2017)



*Using average home prices
Source: Canadian Real Estate Association (CREA)

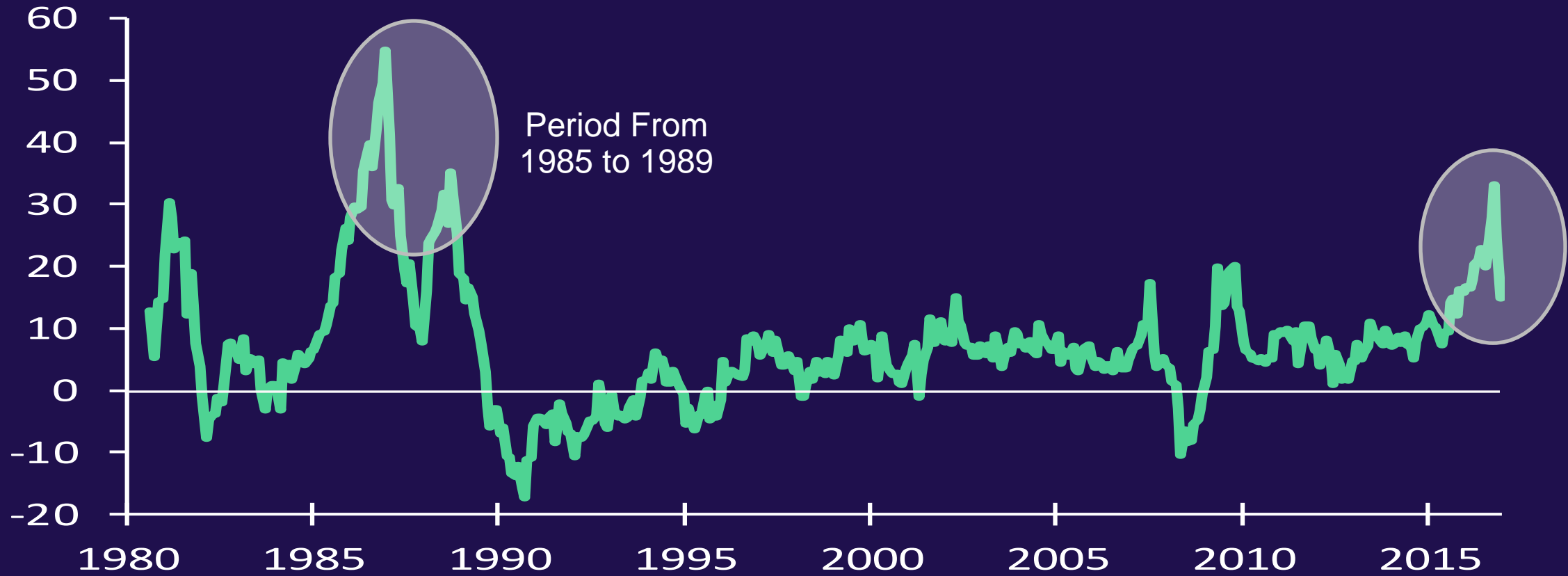
More Than 25% Of GTA Sales Above \$1 Million

Share of GTA Home Sales Above \$1 Million
(percentage)



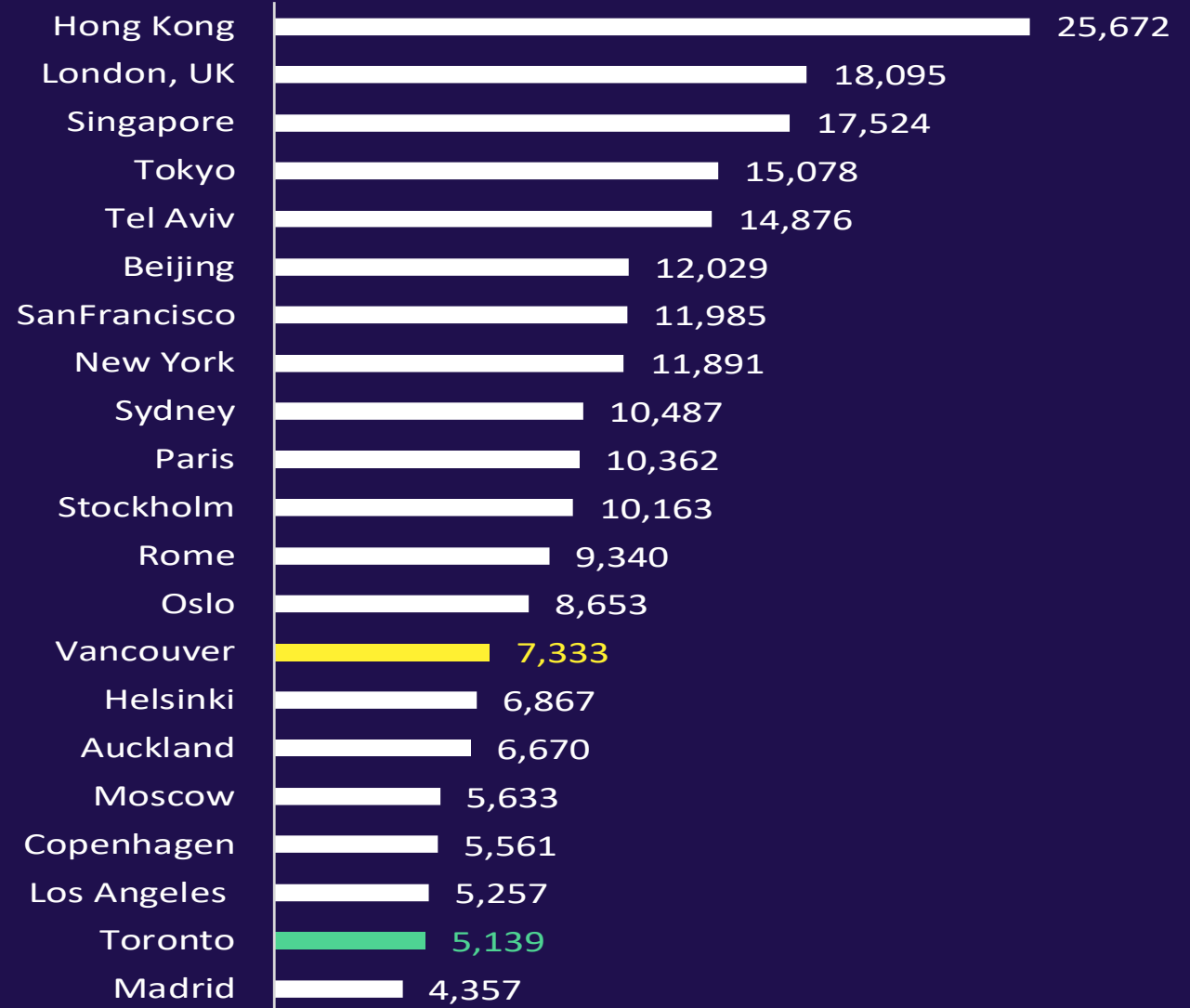
GTA Average Home Price Growth Still Below Late '80s

Greater Toronto Area Average Home Price
(year/year % change, as of May 2017)



Toronto and Vancouver Prices Lag Global Cities

Buyer price per square meter, Apartment
(US\$/square meter)

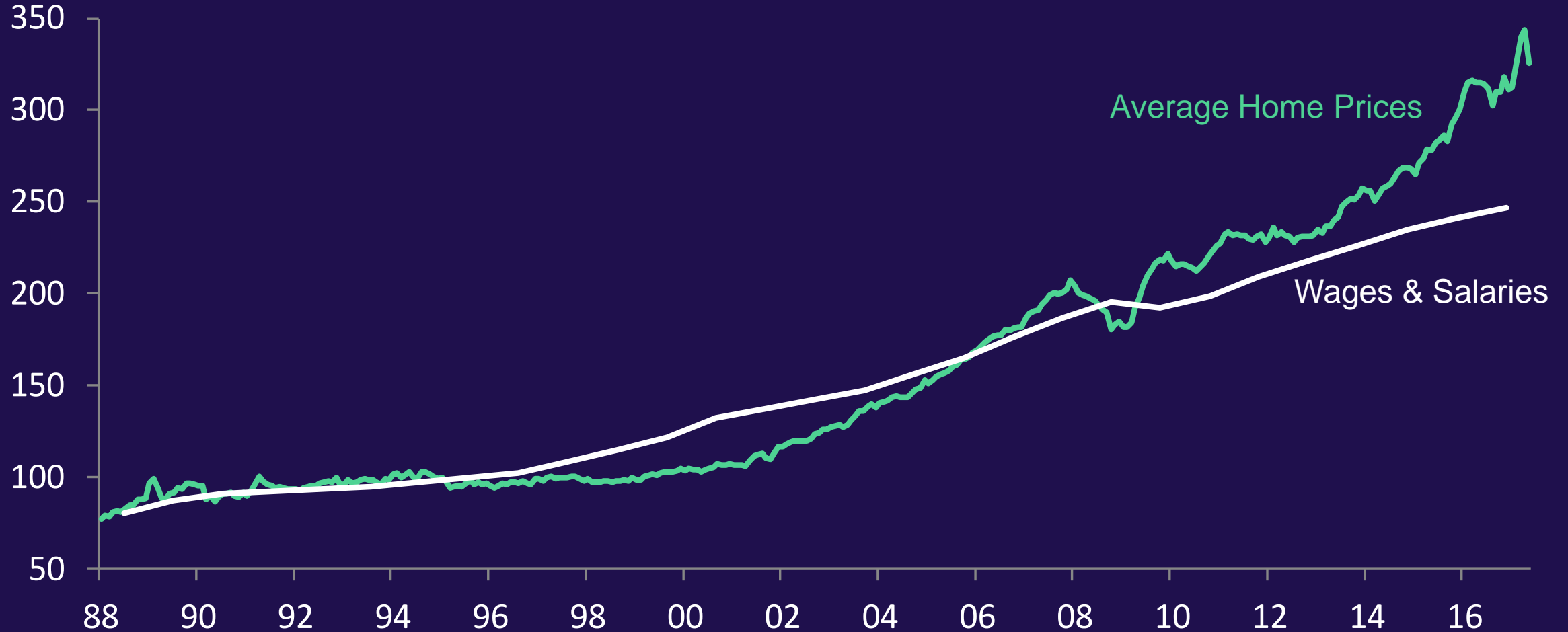


Canadian Housing-to-Income Disconnect

(seasonally adjusted: January 1995 = 100)



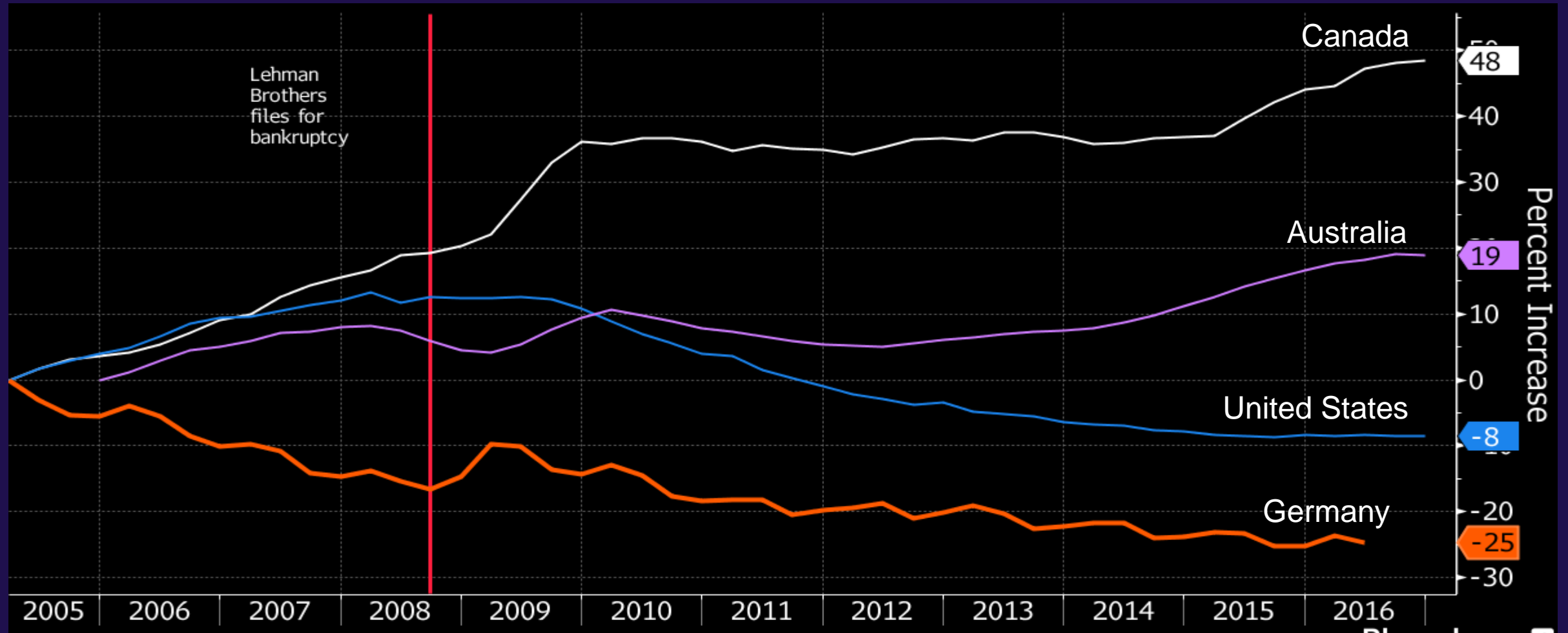
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Rising Risks: Record High Debt-to-GDP

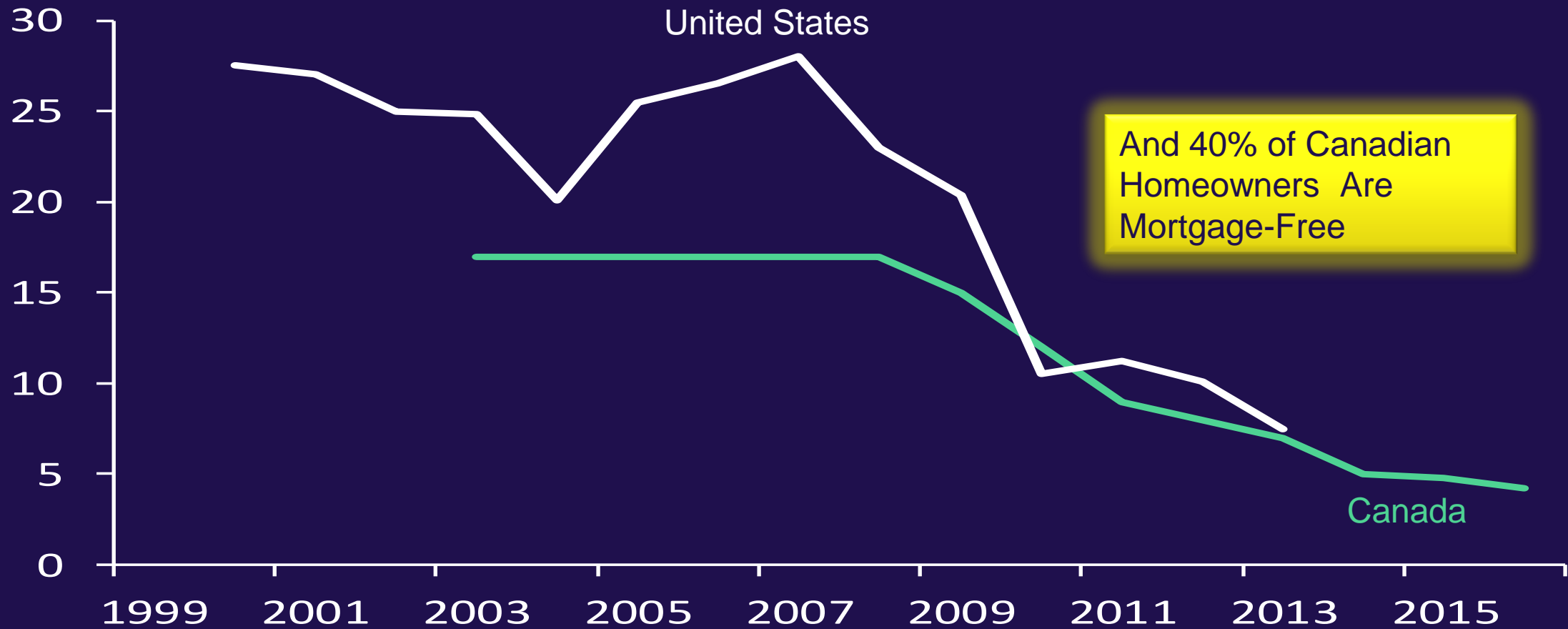
Household Debt as a Percentage of GDP

(March 2005 = 100)

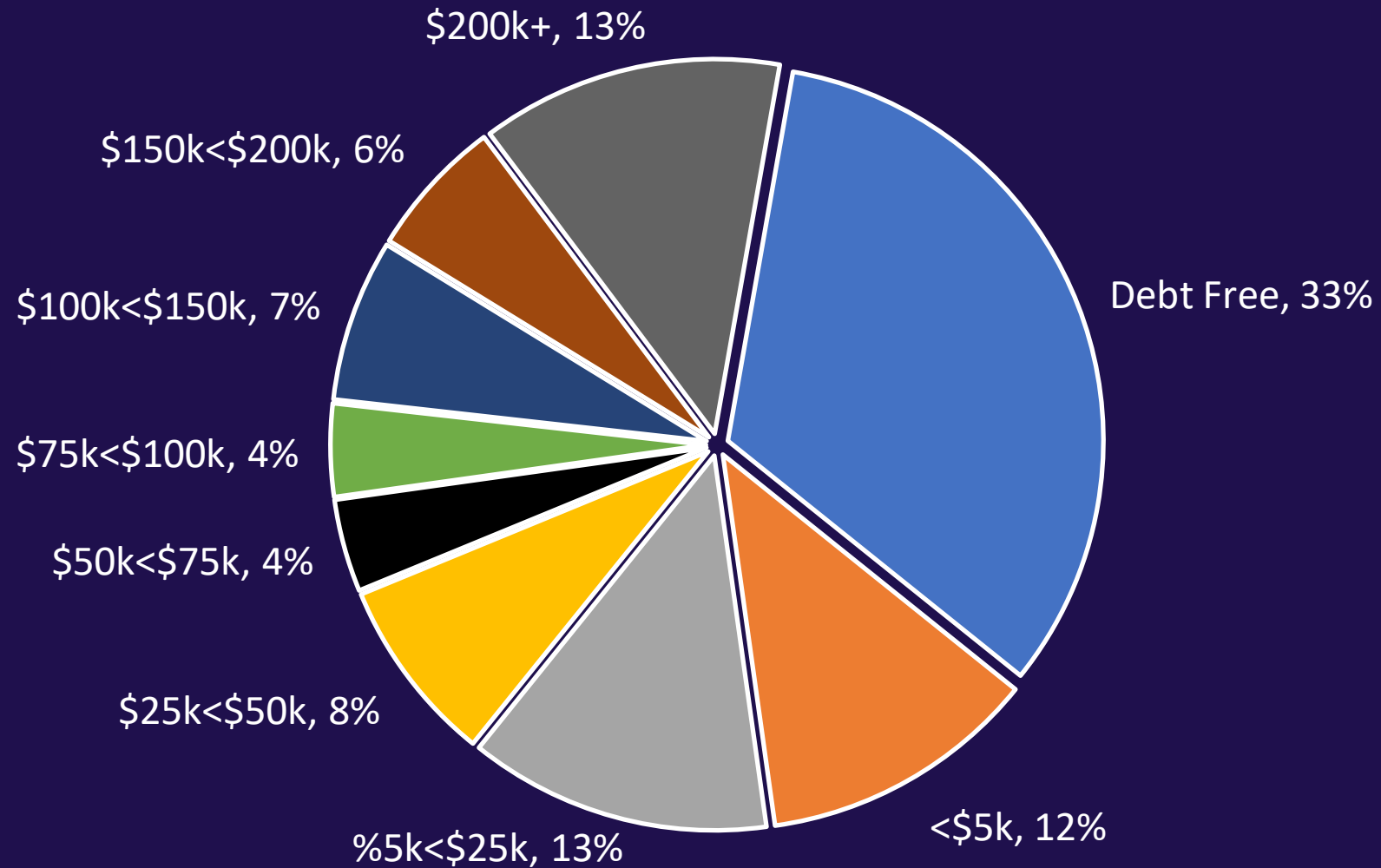


Share of First-Time Home Buyers With Low Credit Scores

FICO <620 and Beacon <660
(percent)

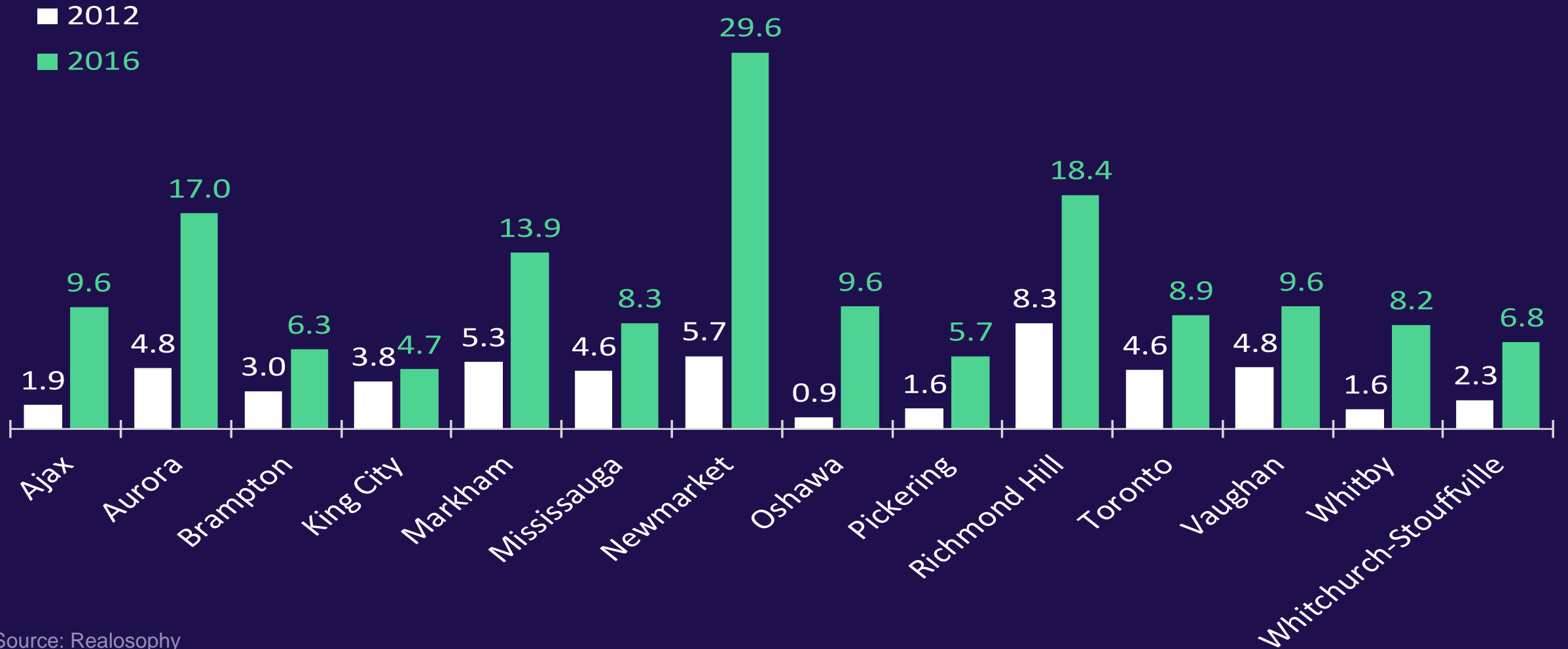


Last Year, One Third of Households In Canada Were Debt-Free



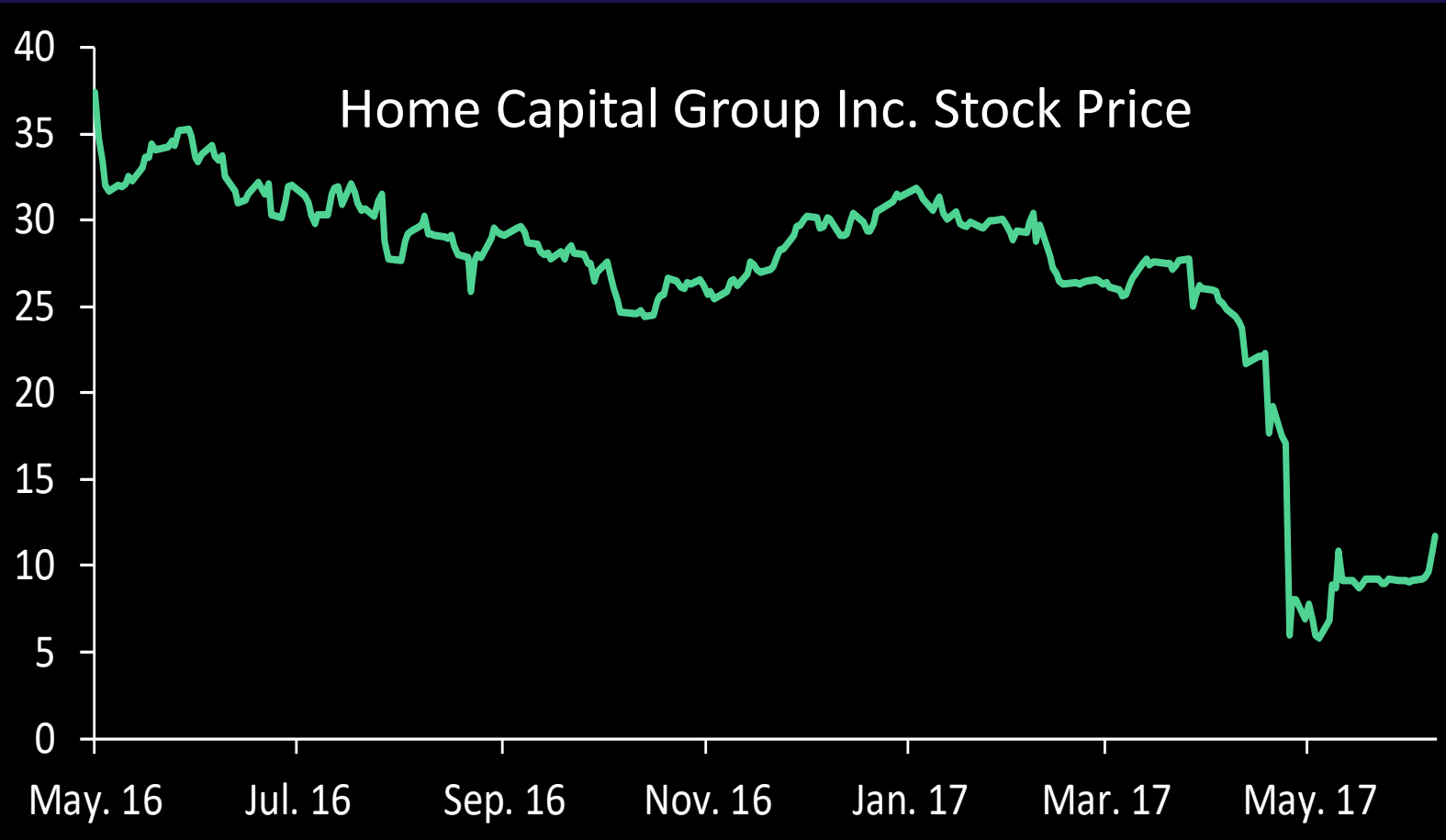
Investors or Speculators Buying In GTA Surges

Percentage of GTA Home Purchased by Investors
(percent)



Greater Than Normal Uncertainty in Housing

(June 14, 2017: C\$)



Ontario Budget Actions

- Foreign Buyer's Tax
- Expanded Rent Controls

Coming To GTA?

- Vacant Property Tax
- Flipping Tax

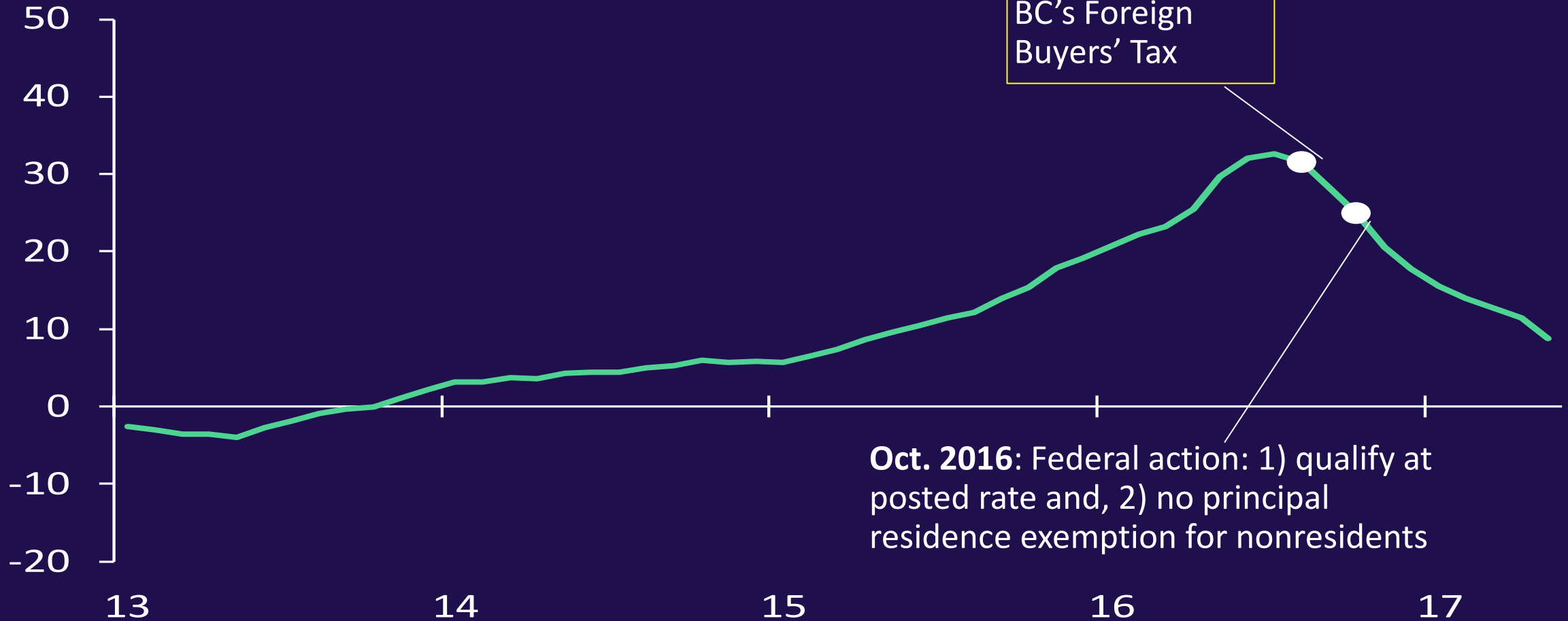
Home Capital Meltdown

Banks Downgraded

Unintended Consequences Impact Psychology

The Cooling Vancouver Price Gains

Vancouver Composite Home Price Index
(year-over-year % change)



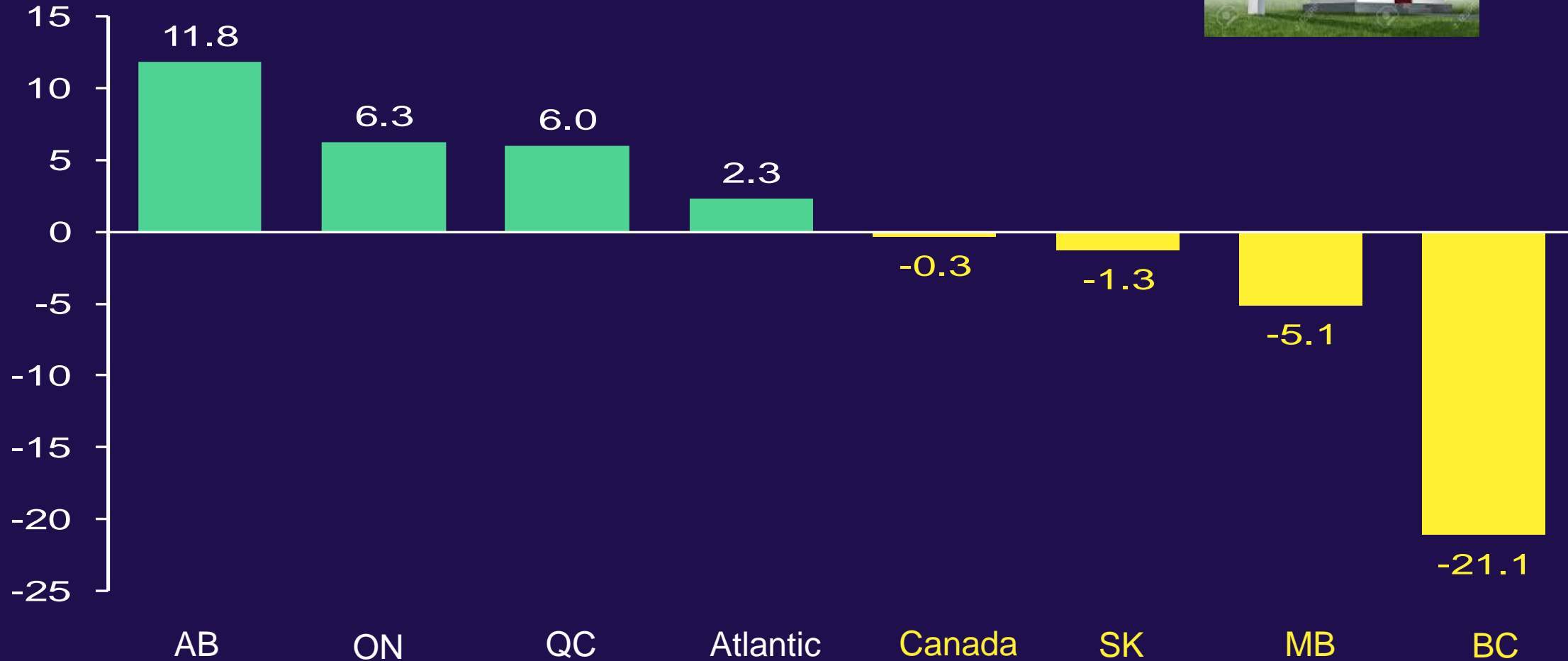
Vancouver Sales Plummet After Foreign Tax

Existing Home Sales

(% change from a year ago, YTD May 2017)



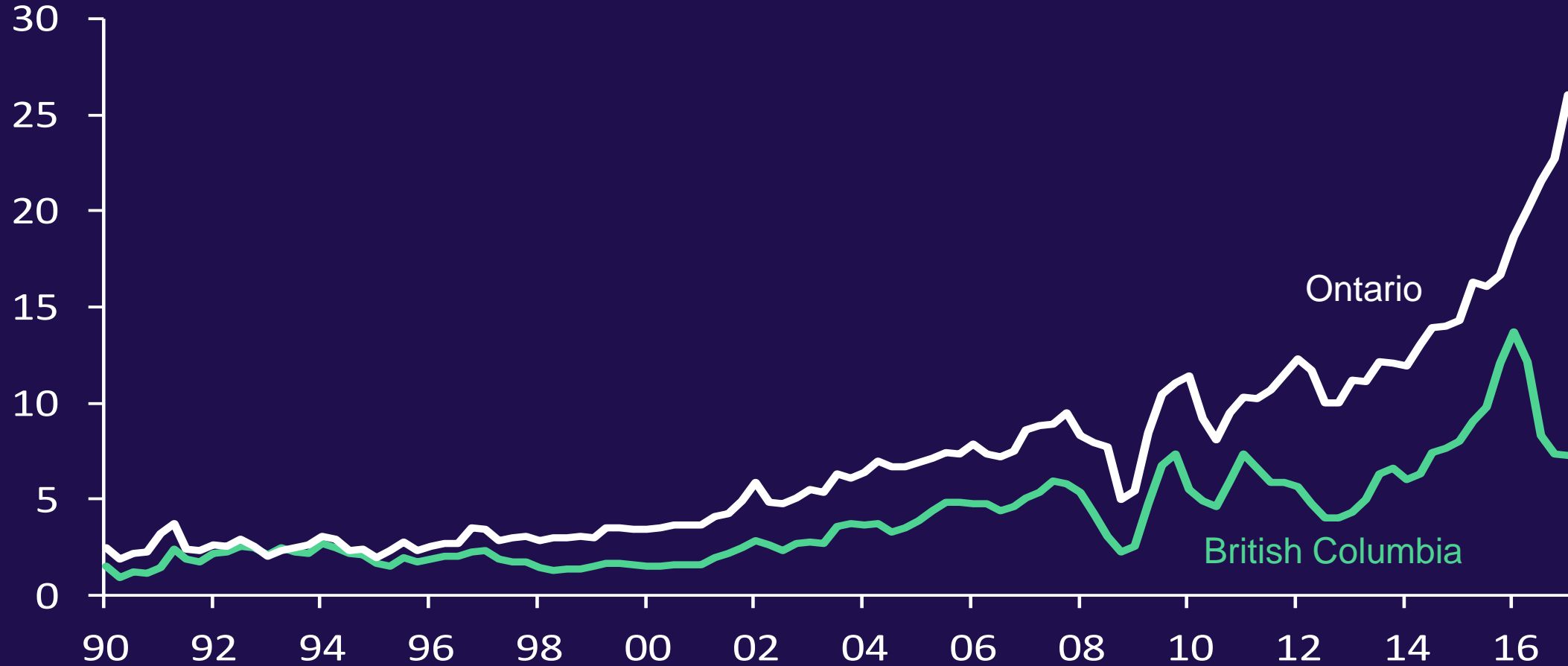
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Source: Canadian Real Estate Association, Haver Analytics

Value of Existing Home Transactions

Existing Home Sales
(C\$ millions)



Listings Surge 43% in GTA in May

Number of Active Listings
(000s units, May)

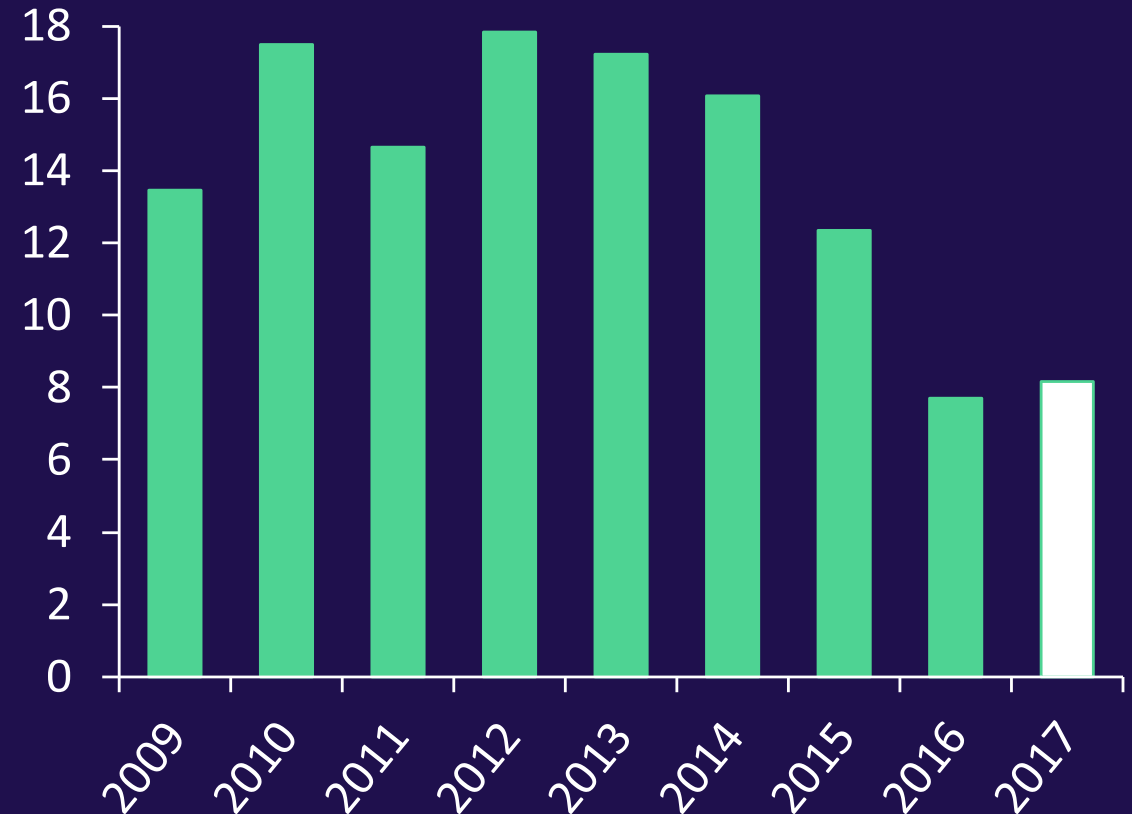


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Toronto



Vancouver

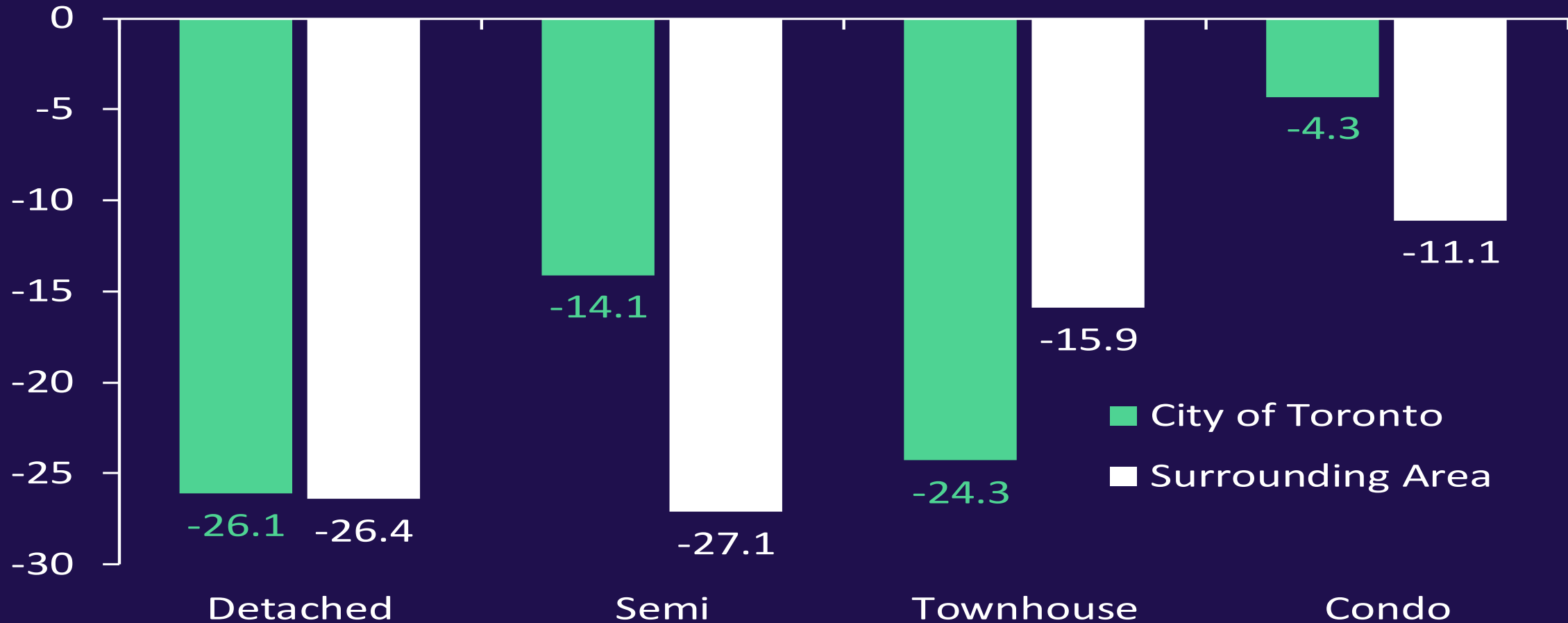


GTA Sales Decline

Residential Sales: May 2017
(year/year % percent)



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A Cooling Housing Market in Toronto

Sales-to-New Listings – GTA
(ratio)



Still A Seller's Market In Vancouver

Sales-to-New Listings – Greater Vancouver
(ratio)



Canadian Home Price Inflation Needs To Slow

House Price Index: Composite 11
(year/year % change)



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White bars indicate forecasts. Forecast provided by Royal LePage and RBC Research
Source: Teranet/National Bank, Haver Analytics

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