



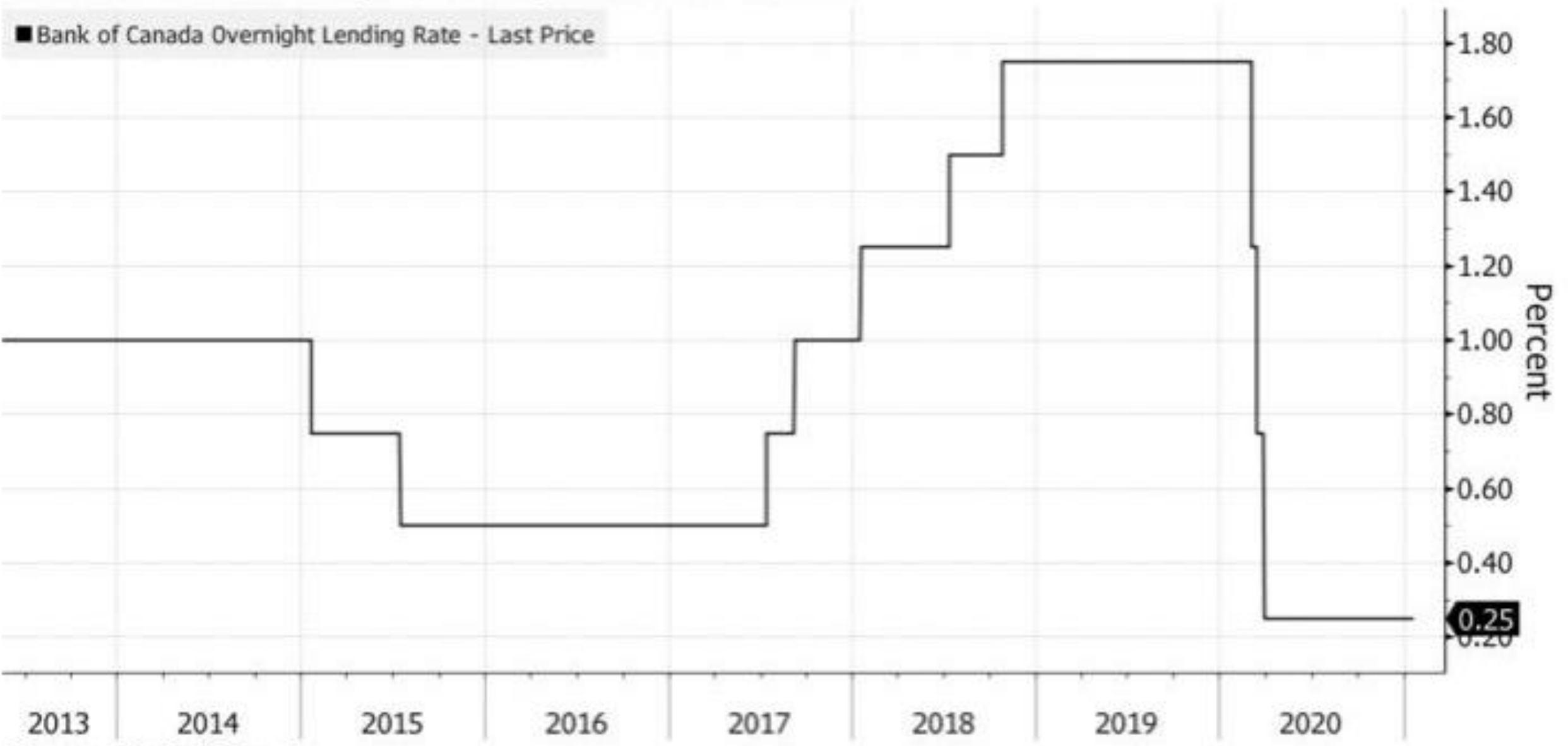
Economic Outlook 2021



January 21, 2021

Holding Low

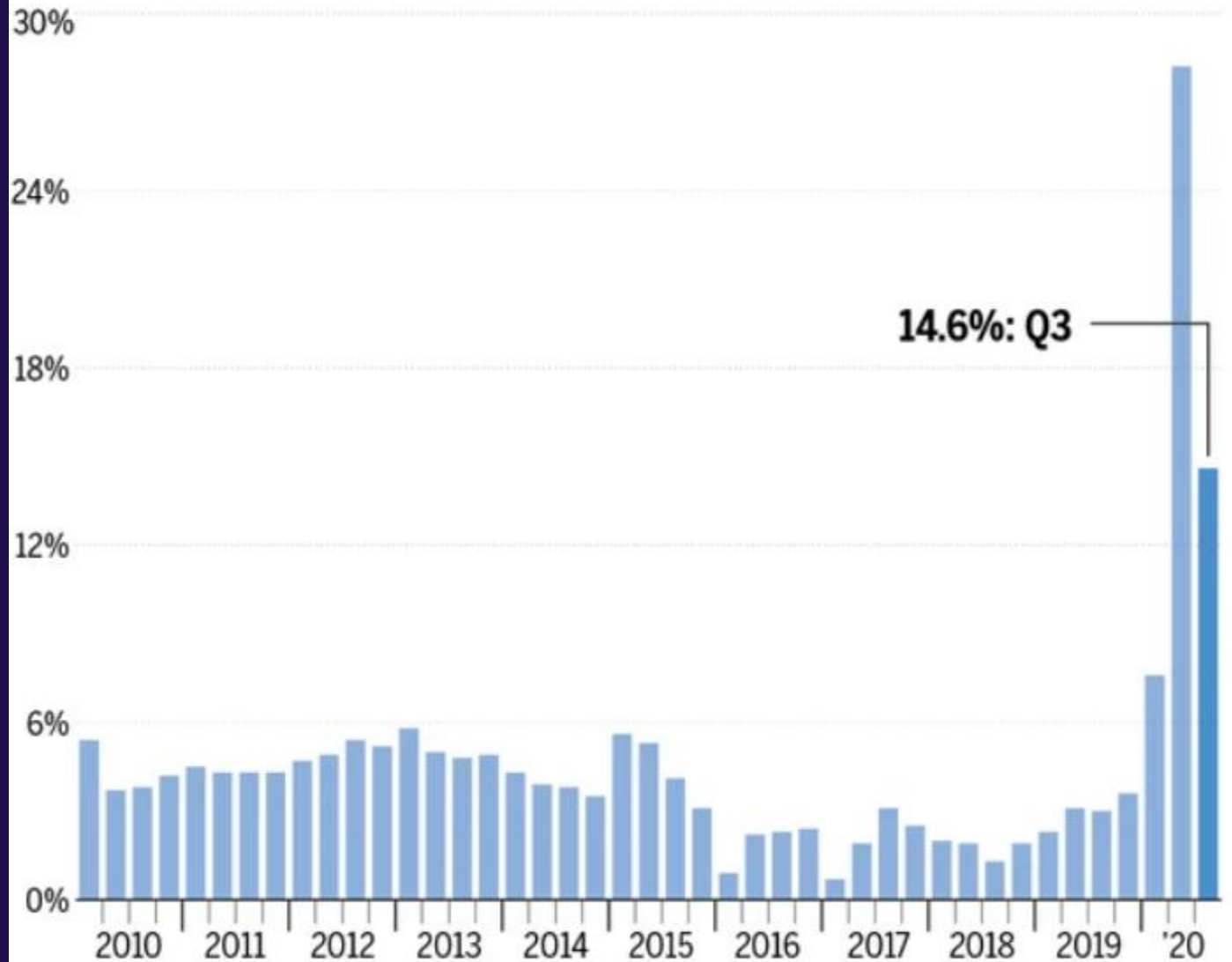
Bank of Canada keeps overnight rate at 0.25%



Source: Bank of Canada

CANADIANS SAVING LIKE CRAZY

Household saving rate, quarterly, seasonally adjusted



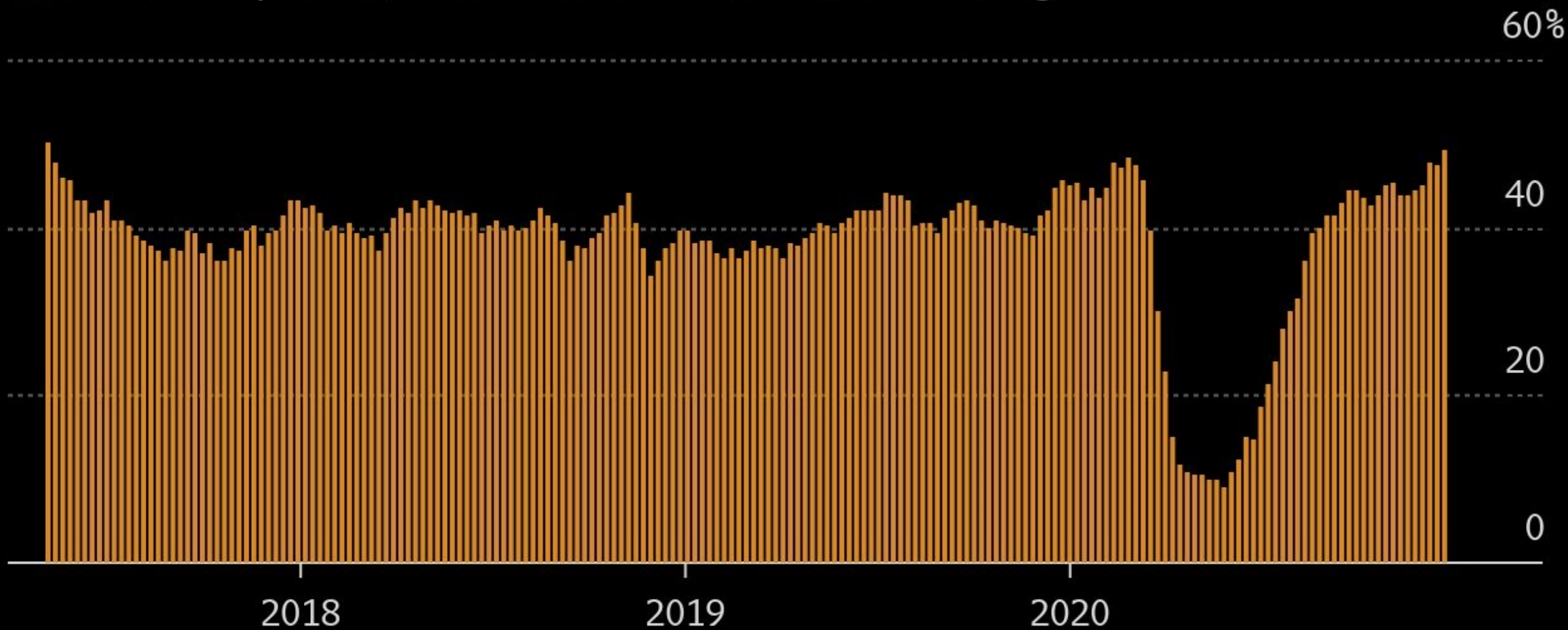
SOURCE: STATISTICS CANADA

NATIONAL POST

Real Estate Rally

Canadian consumers are the most optimistic on home values since 2017

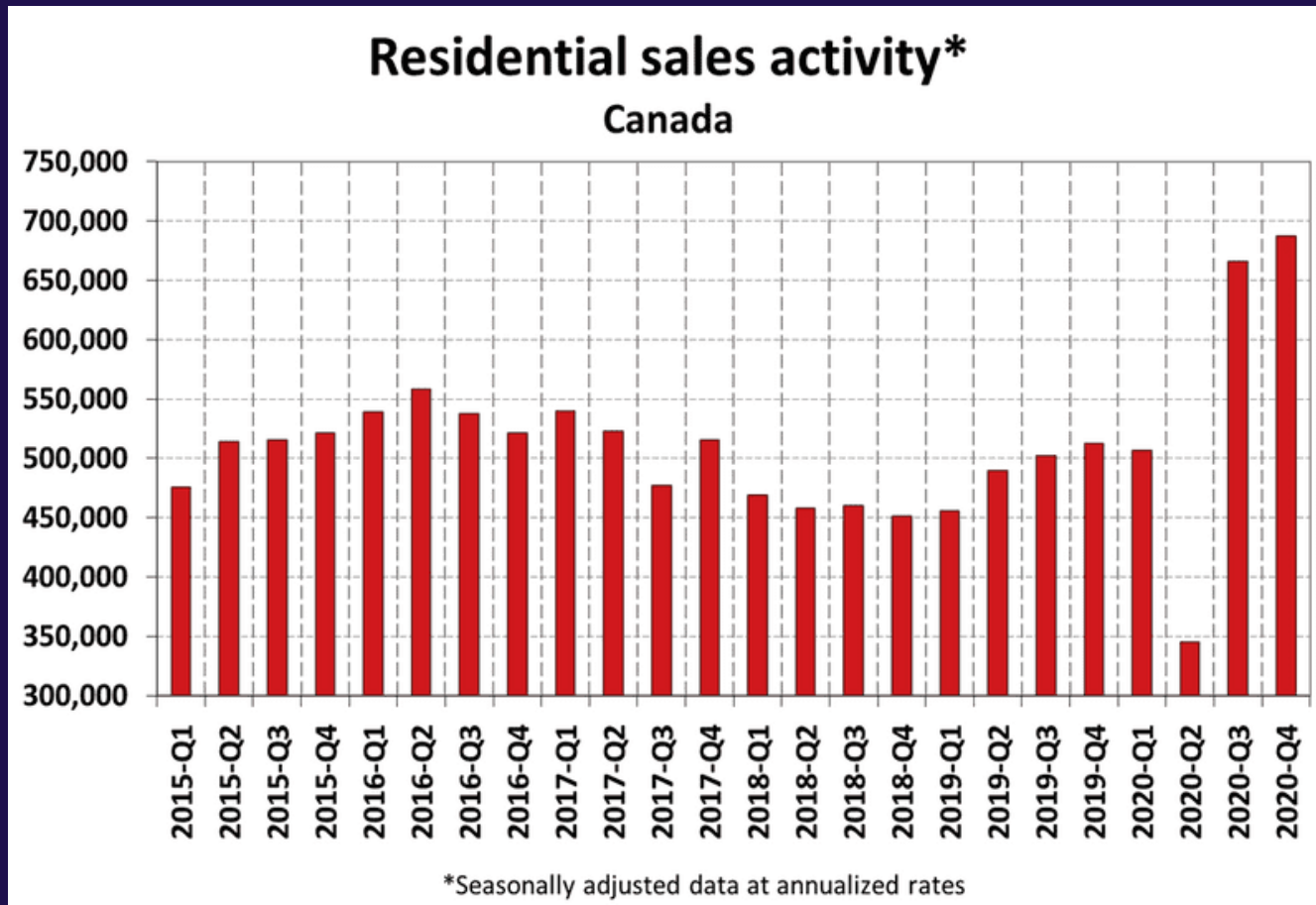
■ Share of respondents who see real estate values increasing



Source: Bloomberg/Nanos Research

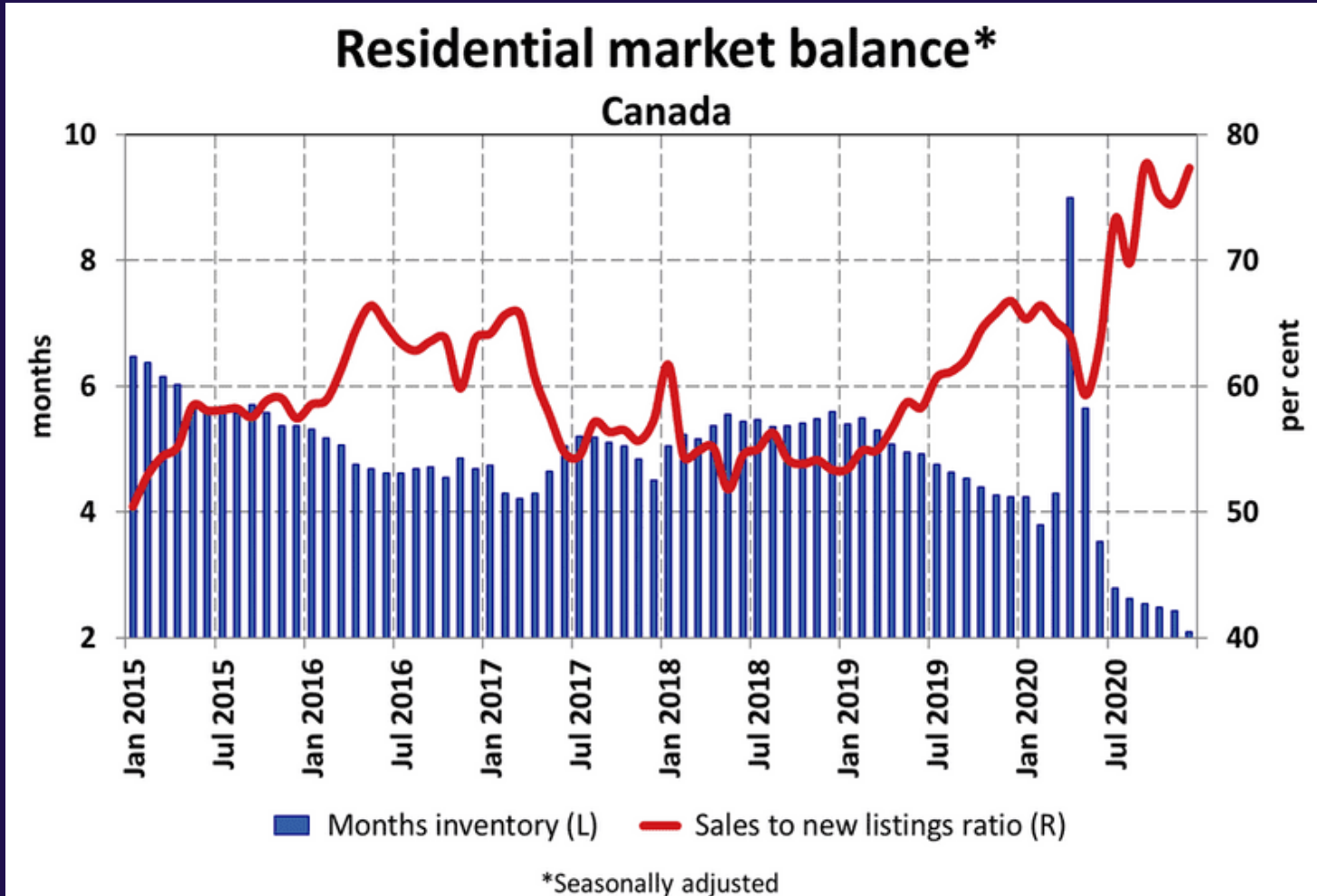
Bloomberg

Blockbuster Housing Market in 2020



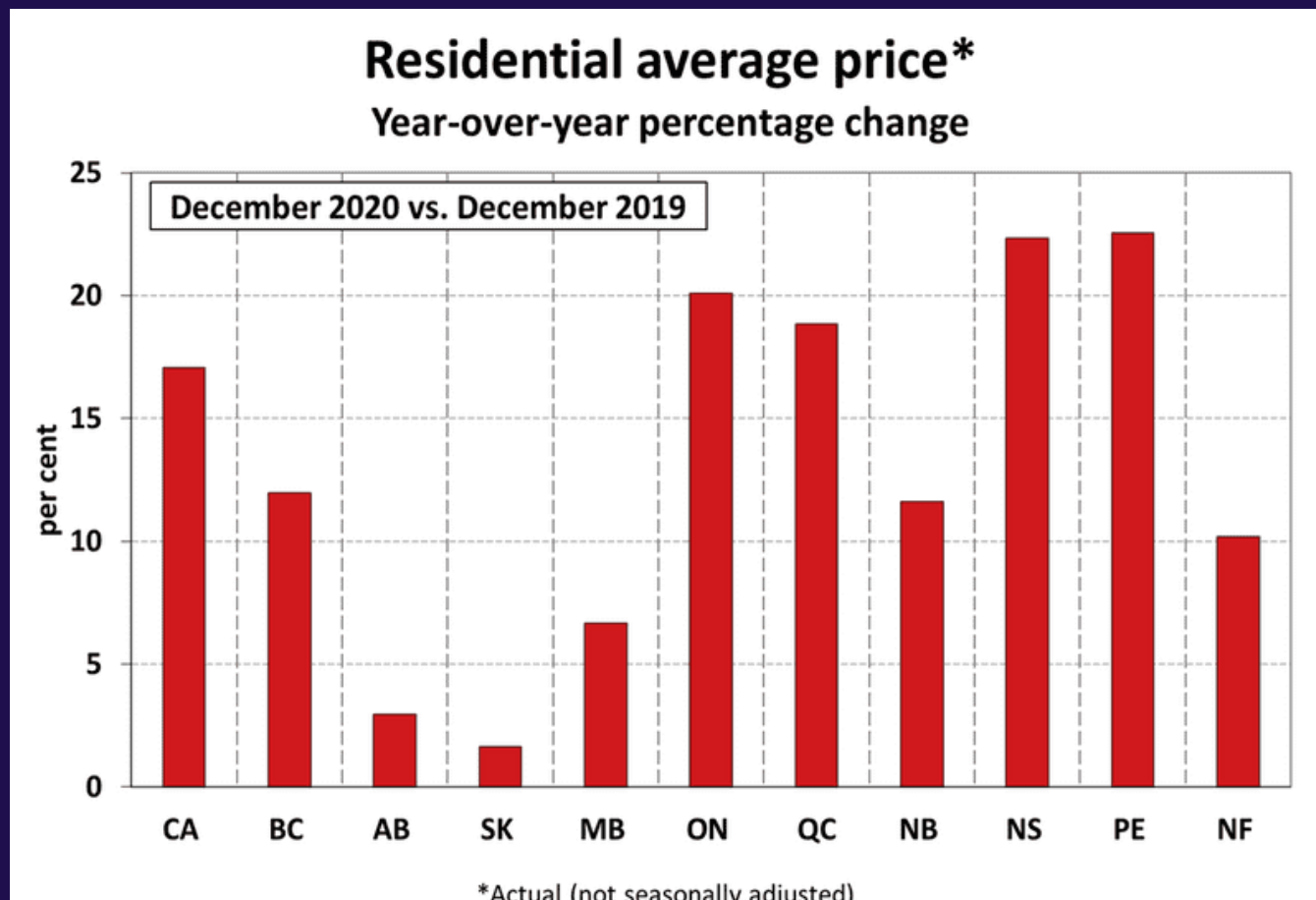
Record Number of Units Sold
Even Stronger Than 2016

Demand Exceeded Supply



Sellers' Market

House Prices Strong Except in Prairies



Record Low Mortgage Rates

Move To Exurbs

Housing Needs Changed With
the Pandemic

Big-City Exodus

Young people and families leave Toronto, Montreal and Vancouver faster



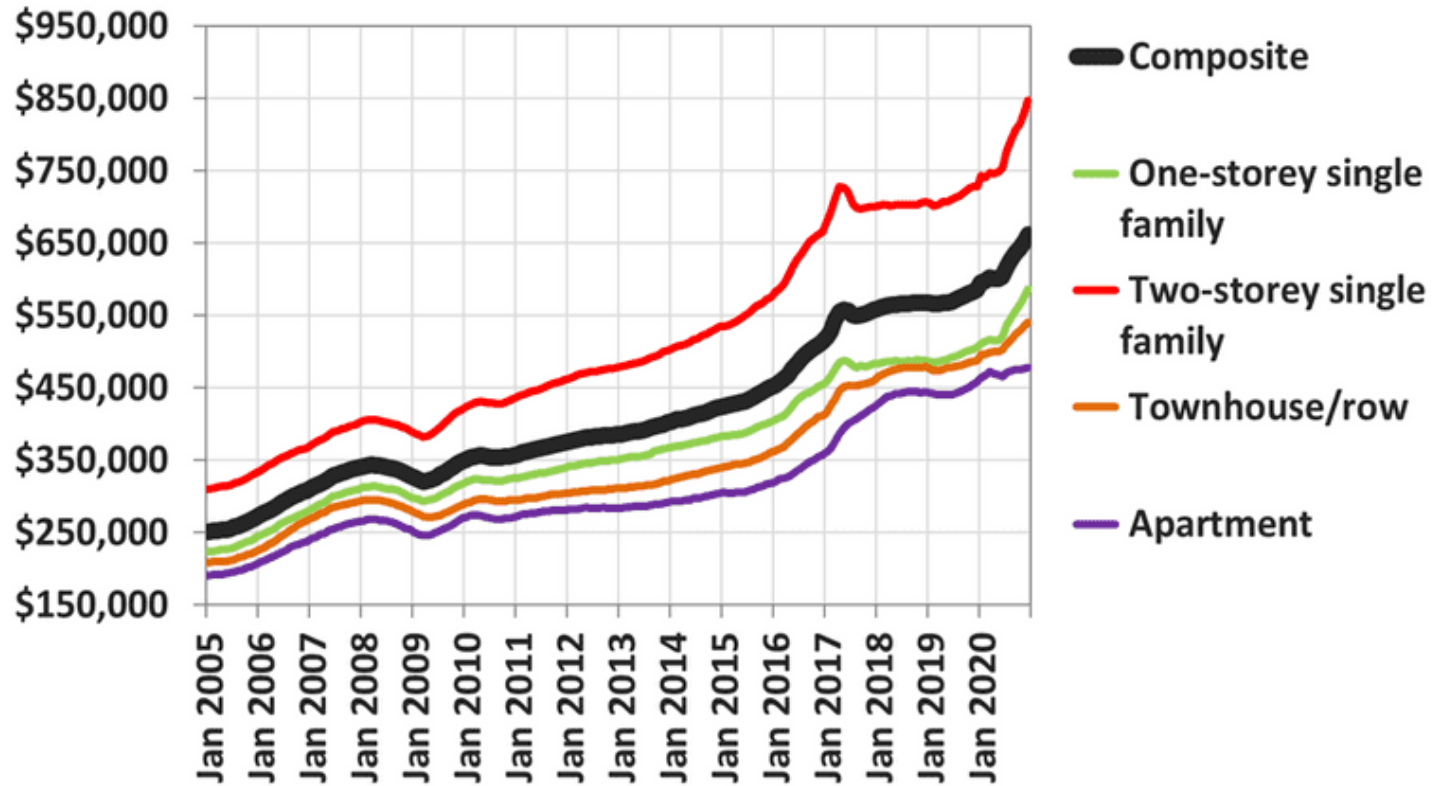
Source: Statistics Canada, Bloomberg calculations

Bloomberg

Strongest Sector Ground-Based Housing

MLS® HPI Benchmark Price*

Aggregate



* Seasonally adjusted

Weakest Sector Was
Condos

2021 Another Great Year For Canadian Housing

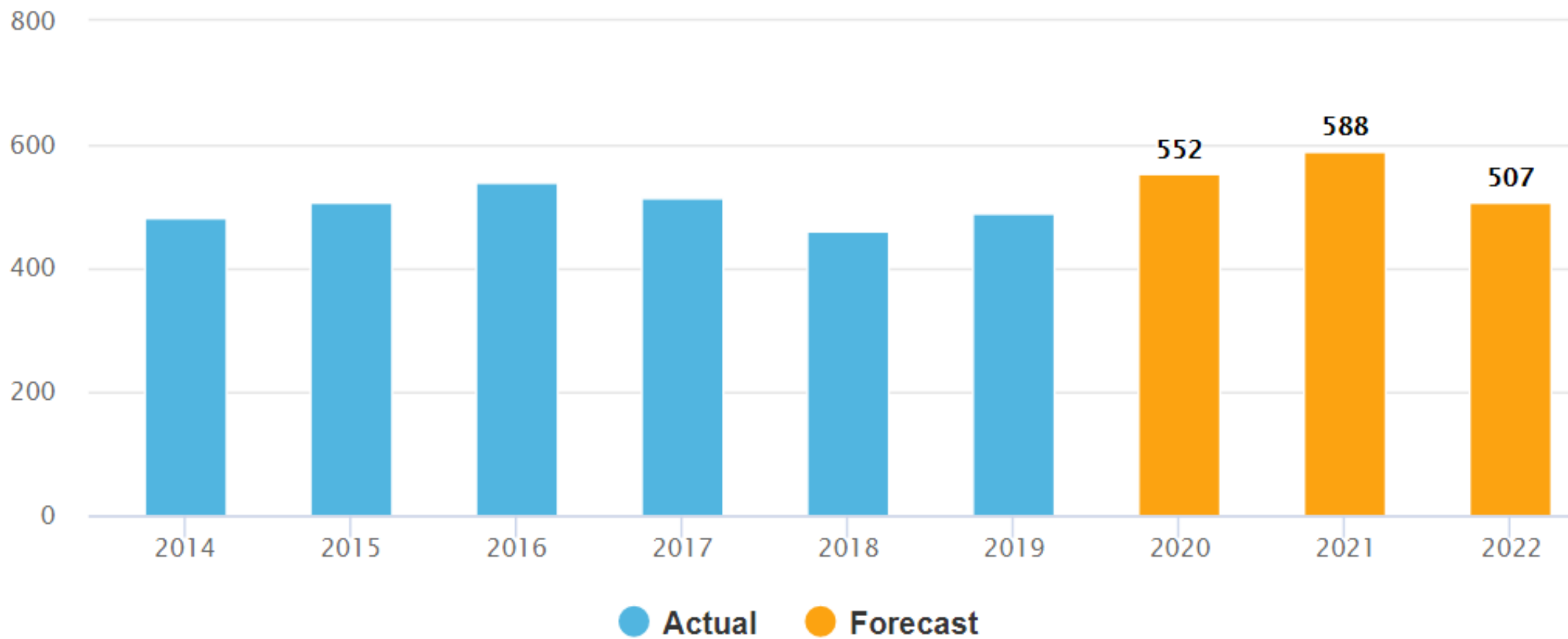


Yet Cooling Signs Emerge in Second Half

- Dearth Of New Listings
- Waning Pandemic-Induced Housing Needs
- Interest Rate Creep Up Modestly
- Affordability Erosion

Annual sales to reach a new high in 2021

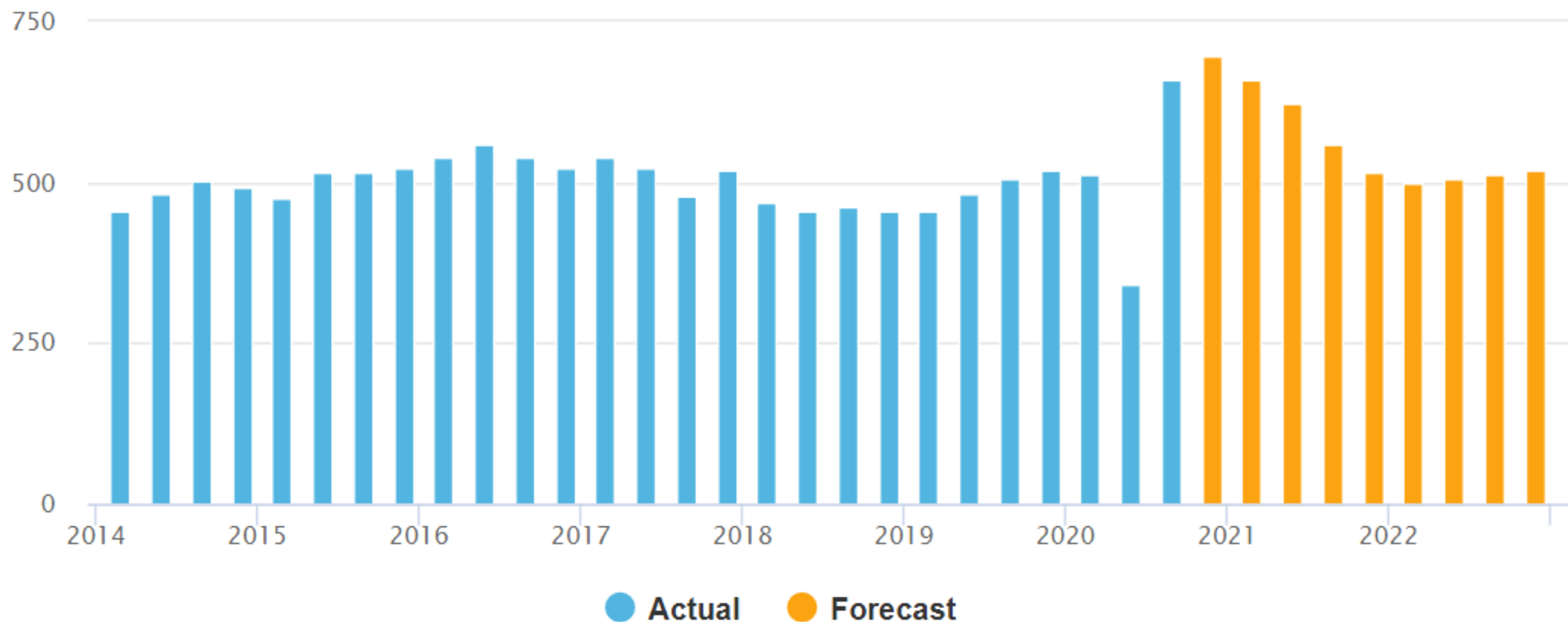
Home resales in Canada, in thousands of units



Source: Canadian Real Estate Association, RBC Economics

The pace will slow over the course of the coming year

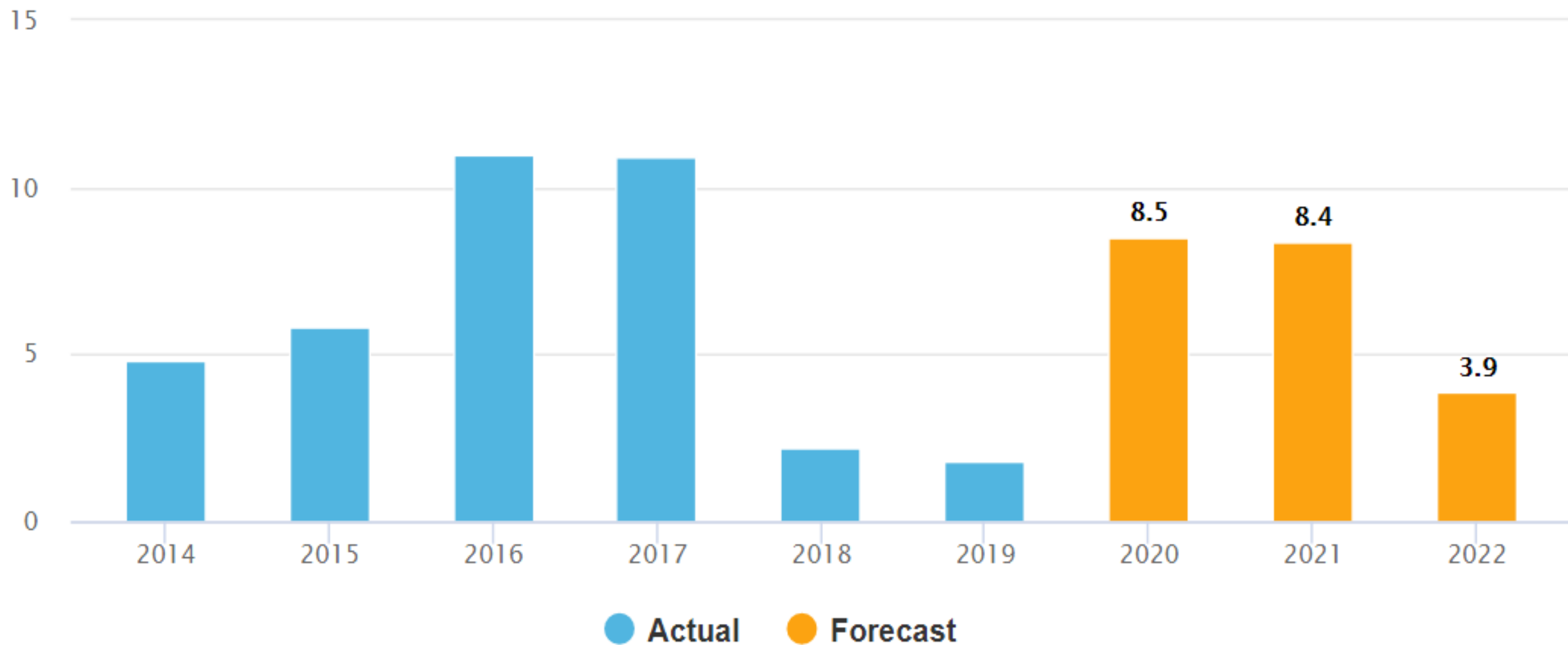
Home resales in Canada, thousands of units, seasonally adjusted and annualized



Source: Canadian Real Estate Association, RBC Economics

Home prices to sustain solid momentum in 2021

Annual % change in the aggregate benchmark price for Canada



Source: RPS, RBC Economics

'Human Stimulus' Stalls

Fewer immigrants during pandemic slows Canada's population gains

Yearly Change in Population Growth

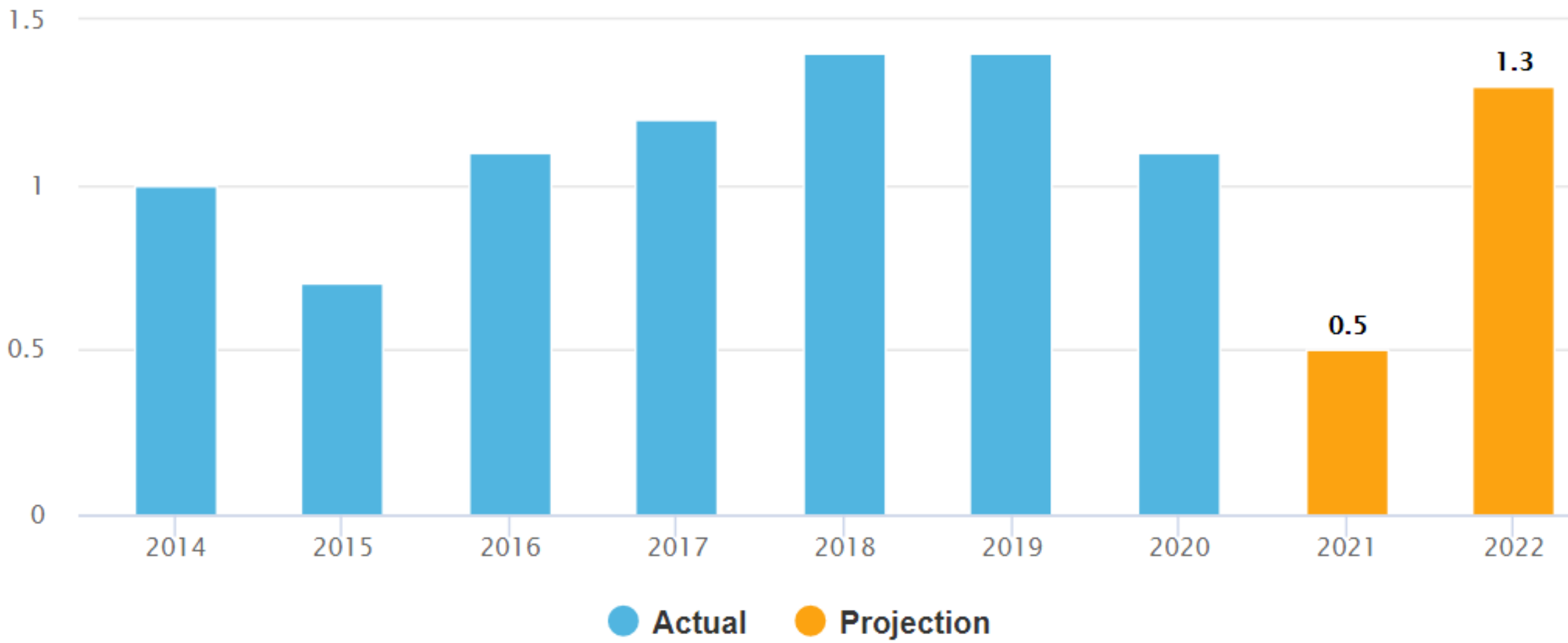


Source: Statistics Canada

Bloomberg

Lower immigration to cause a dip in population growth

Annual % change



Source: Statistics Canada, RBC Economics

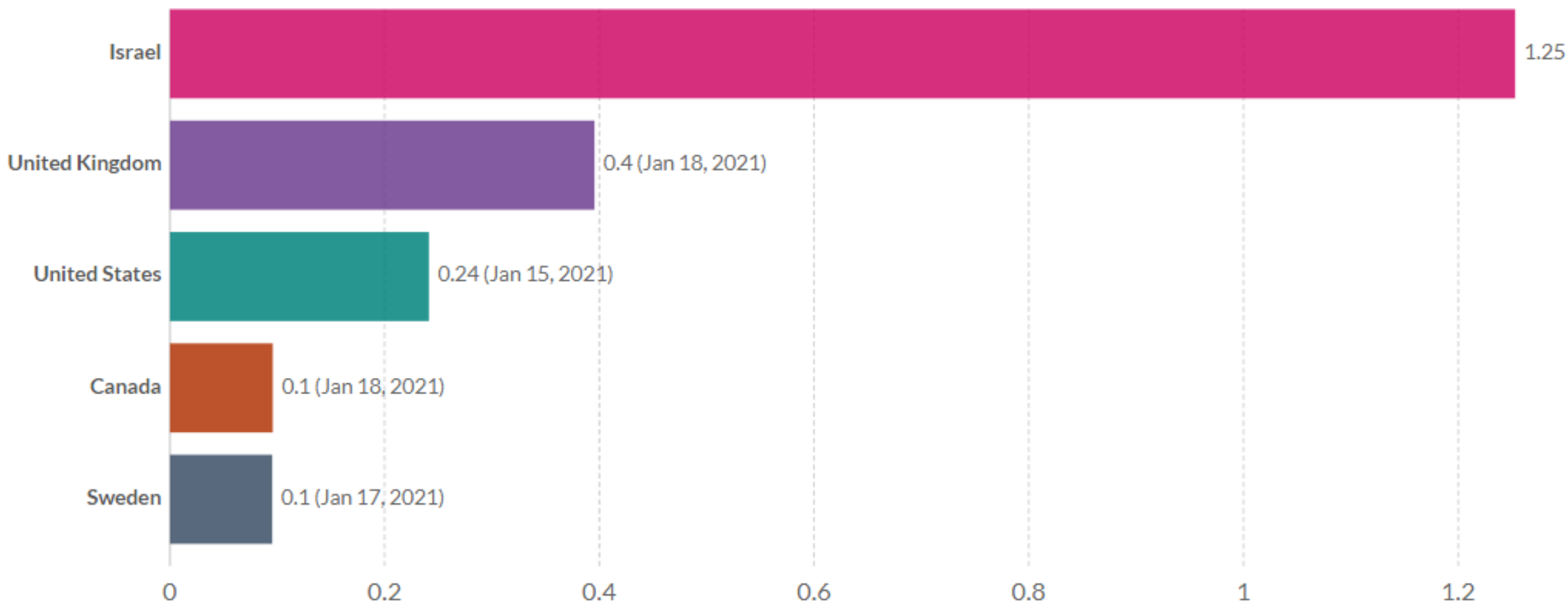
Daily COVID-19 vaccine doses administered per 100 people, Jan 19, 2021

Shown is the rolling 7-day average per 100 people in the total population. This is counted as a single dose, and may not equal the total number of people vaccinated, depending on the specific dose regime (e.g. people receive multiple doses).

LINEAR

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Source: Official data collated by Our World in Data - Last updated 19 January, 19:10 (London time)

CC BY

▶ Dec 15, 2020

○ Jan 19, 2021