

# Grow

## LENDING GROUP INC.

### Cautious Optimism for the B.C. and Ontario Housing Markets



Momentum in the Ontario and B.C. housing markets persisted into the new year, with home sales continuing to rise in January. Seasonally adjusted MLS® sales were up 6.9% in Ontario and 4.5% in B.C. from the prior month.

Home prices in B.C. rose in January after fluctuating up-and-down since mid-year 2023. However, prices are still 2.6% lower than the peak reached in May 2023, and down by 8.6% from the all-time high recorded in February 2022.

Prices in Ontario are still recovering, with the average sale price dropping by 3.8% in January to reach \$842,491, after a 2.7% increase in December. Prices remain 5.8% lower than the peak in May 2023 and 19.0% lower than the all-time high observed in February 2022.

In January, the sales-to-new listings ratio increased slightly in Ontario, going from 52.6% to 53.3%. This suggests that market conditions in the province have remained relatively stable and balanced. Likewise, in B.C., the sales-to-new listings ratio decreased from 52.5% to 50.8% during the same period, indicating a similar trend of balanced market conditions.

Home prices in both markets are likely to remain stable but elevated given limited supply and growing demand. While sales may fluctuate in the early months of 2024, the prospect of mid-year rate cuts could motivate prospective buyers to enter the market and provide some upward price momentum.

However, in Toronto, the condo market faces greater uncertainty than the low-rise market. Usually, only a small portion of newly completed condos are sold voluntarily. With higher interest rates and lower appraised values compared to when units were initially purchased, there could be a rise in involuntary sales for condo apartments. Over the next three years, more than 25,000 condo completions are expected annually. This influx of supply could further constrain prices in the condo market.

[LINK TO ARTICLE](#)

# ABOUT THE AUTHOR



## KEVIN FETTIG PRESIDENT OF CMI FINANCIAL GROUP

Kevin has had a long career in capital markets, housing finance, and public policy. He has worked as an economist for Alberta Treasury, Saskatchewan Policy Secretariat, the Bank of Canada, and the Department of Finance Canada. His work has included tax policy, economic forecasting, as well as monetary policy and debt management. While at the Bank of Canada, he authored two Bank of Canada Review articles on monetary policy tactics. Kevin has worked on a variety of debt programs from treasury bills to domestic and foreign bond issues, and interest rate swaps. He worked on building and managing the federal real return bond program, the Canada Savings Bond program, and built out the bond buyback program and a synthetic foreign funding program – two programs which are still in use today by the federal government. While at CMHC, Kevin managed the market funding program for social housing, built and managed the Canada Mortgage Bonds program, and expanded the products offered under the NHA MBS program. He has worked for several mortgage insurers including CMHC, Canada Guaranty, Triad Guaranty and Genworth. This work encompassed product development and risk management across housing markets in North America, Europe, Asia, Australia, and New Zealand. More recently he has had senior management roles with residential lenders managing underwriting, risk, product development, capital markets, and strategic planning.

### ***Independent Opinion***

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