



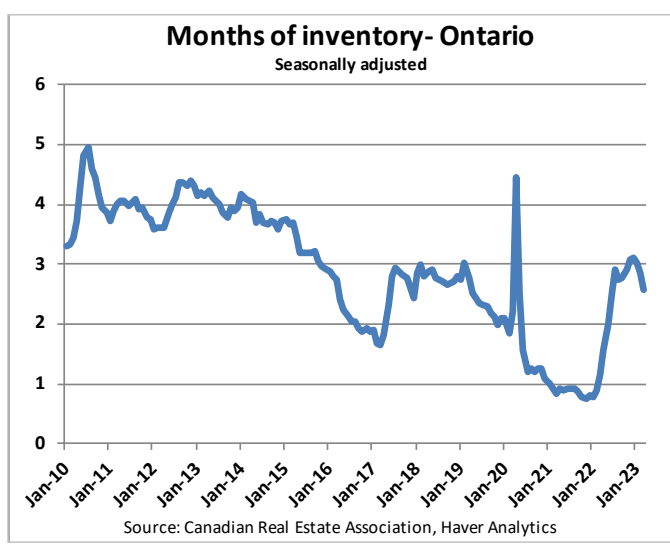
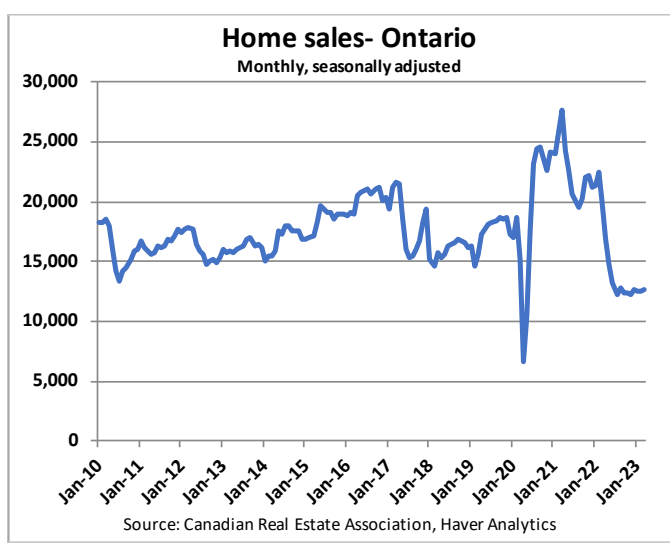
Housing and Mortgage Market Review: April 2023

Summary

Housing markets across Ontario sprung back to life in Q1, helped by a steep decline in inventory. Markets have tightened to the point where we should expect solid price momentum this spring.

Are home sales in Ontario finally bottoming?

Seasonally adjusted home sales across Ontario ticked up 1.3% in Q1 of 2023 relative to Q4 2022 levels. Still, outside of Q2 2020 at the onset of the COVID pandemic, sales remain at the lowest levels since the Financial Crisis of 2008-2009.

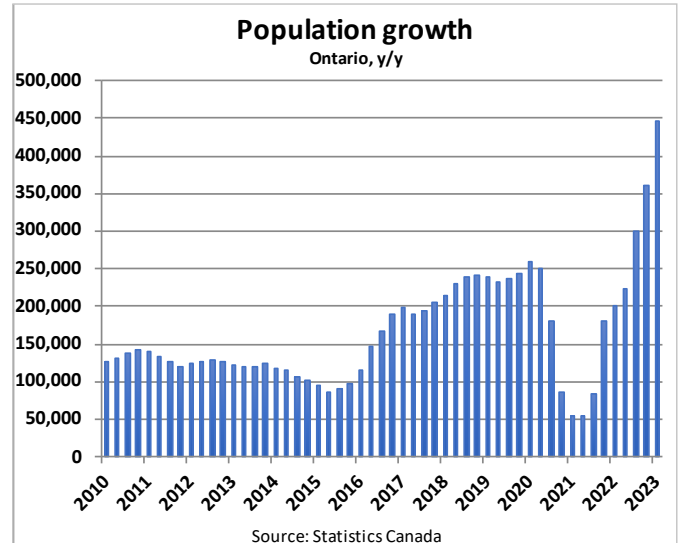
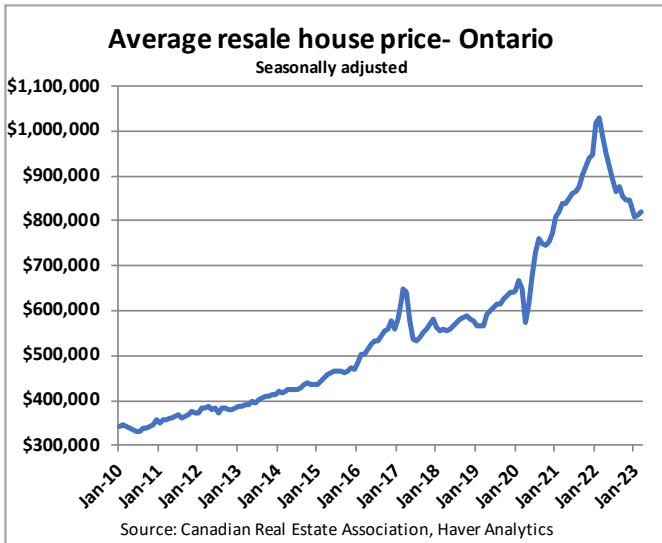


The bigger story is the steep drop in supply. New listings plunged 15.9% in Q1 while active inventory ended the quarter down 17% relative to Q4.

Housing and Mortgage Market Review

Ontario

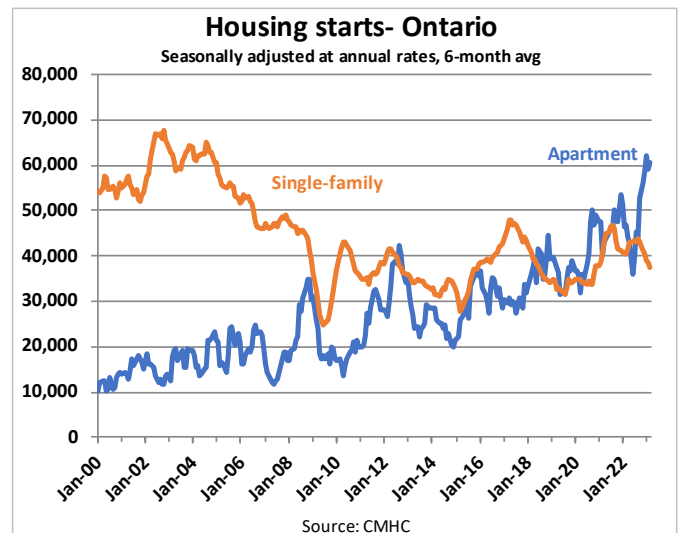
Seasonally adjusted average resale prices slipped 3.2% in Q1, but that hides a notable uptick to end the quarter in March. Given the tightness in the resale market, we should expect positive price momentum to build this spring.



Yet another record for population growth

Annual population growth surged to nearly 450,000 in the first quarter, a record by a wide margin.

On the new supply side, multi-family starts remain near record levels, but single-family slowed sharply in Q1, a concerning development given the scale of current population growth.

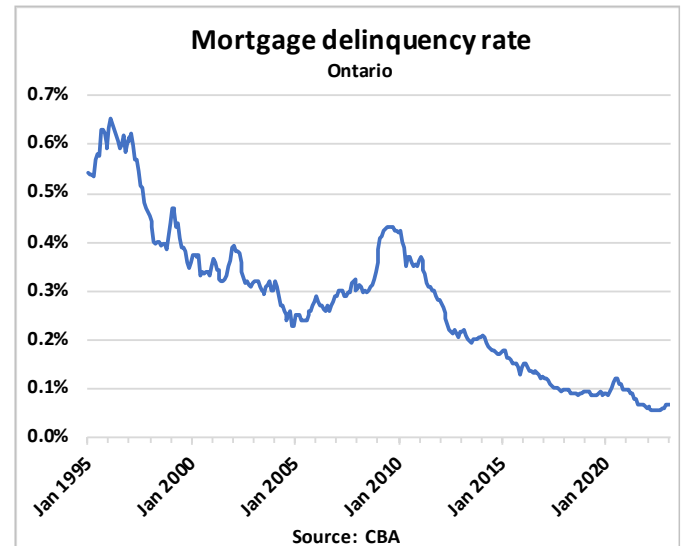
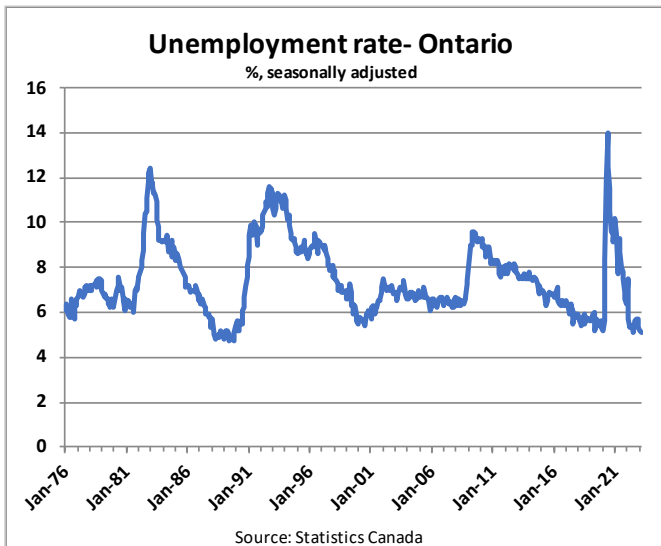


Housing and Mortgage Market Review

Ontario

Ontario economy keeps churning out jobs

Ontario's economy defied expectations of a slowdown in Q1, creating a massive 100,000 new jobs in the quarter. The unemployment rate fell to a record low of 5.1% from 5.3% previously.



With solid momentum in the labour market, it's not surprising that mortgage delinquencies remain well below long-term norms, but it is perhaps notable that they appear to be inflecting higher. As interest rates continue to filter through to borrowers and eventually serve to cool the economy, we should expect delinquencies to continue to normalize back towards long-term norms.

**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.

