



Housing and Mortgage Market Review: Quarterly Report – *January 2024*

Manitoba's real estate market finds balance in Q4 amid economic stability

Highlights:

- Home sales slipped in Q4 but ended the year with a solid showing in December
- Strong population growth and a resilient labour market are supporting housing demand
- House prices pulled back slightly in Q4 and remain roughly 5% below all-time highs

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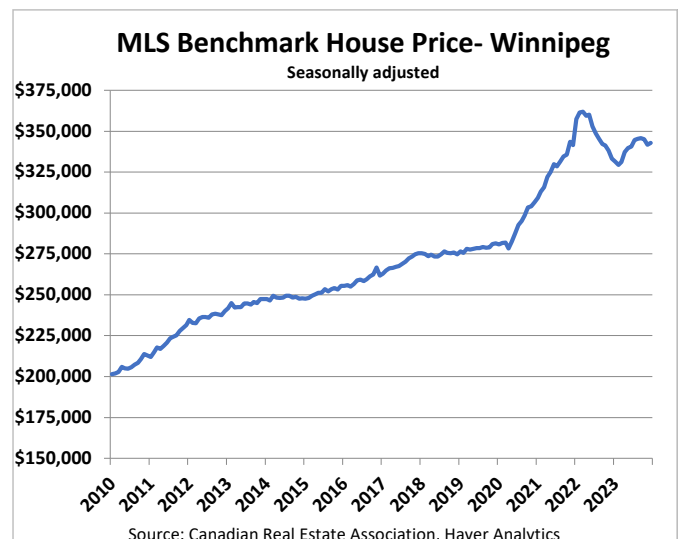
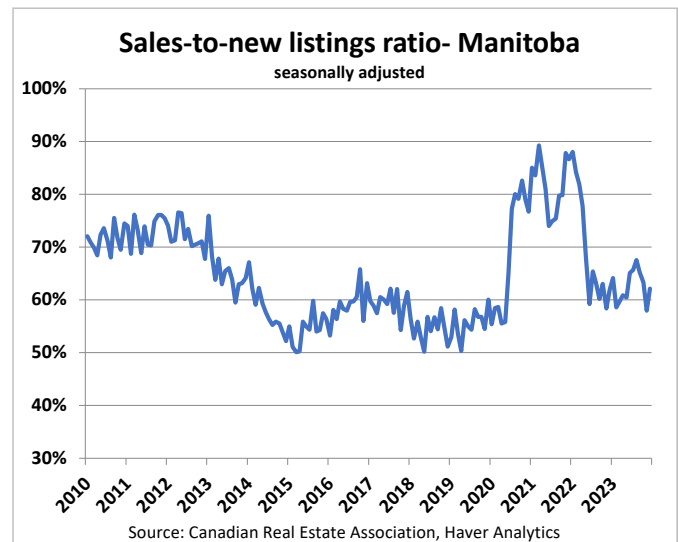
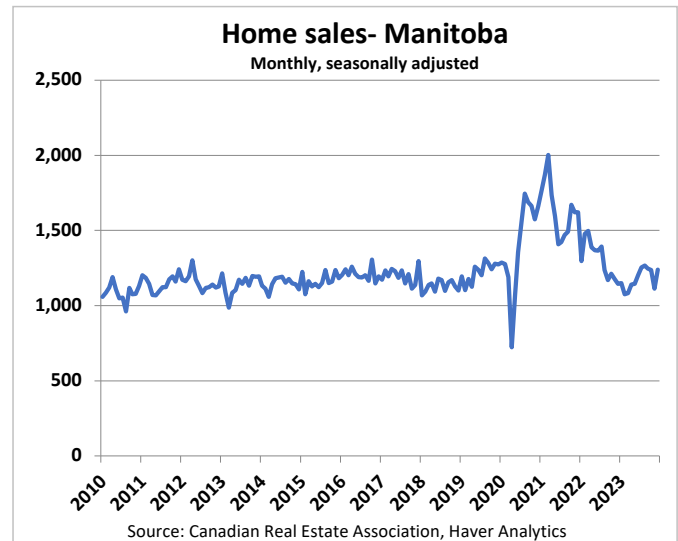
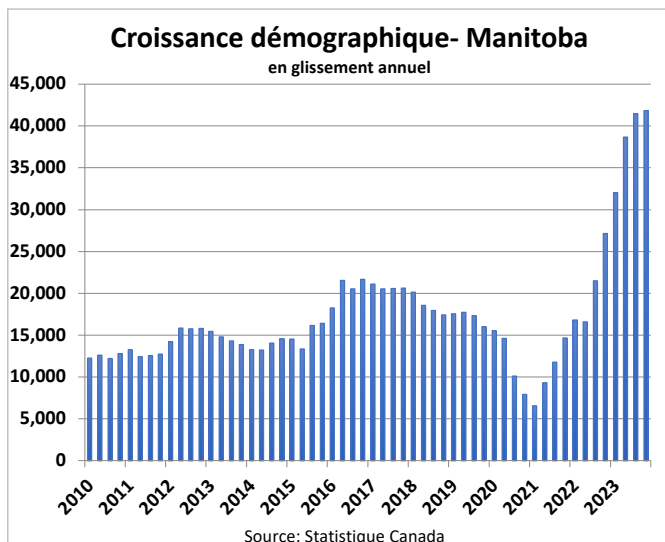
Seasonally adjusted home sales across Manitoba fell 4.7% in Q4 as the impact of still-elevated mortgage rates weighed on housing demand. But there was good news. Sales ended the year with a solid 11.5% monthly increase in December, a sign that perhaps buyers are starting to re-enter the market.

Seasonally adjusted new listing rose 3.1% in the fourth quarter, while the sales-to-new listings ratio, a simple measure of supply and demand, ended the year in balanced territory at 62%.

Even with the market relatively balanced, we did see house prices slide 2.7% in Q4 in Manitoba's largest metro. The MLS House Price Index ended the year down 5.3% from all-time highs.

Population growth remains at record levels

Housing demand is being underpinned by record population growth across the province, which rose by a record 42,000 in the past year as of Q4.



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On the new supply front, housing starts fell 13% in Q4 relative to the prior quarter. Dwellings under construction were effectively flat, but that hides a growing divergence between single-family construction, which continues to fall, and purpose-built rentals, which just set a new record.

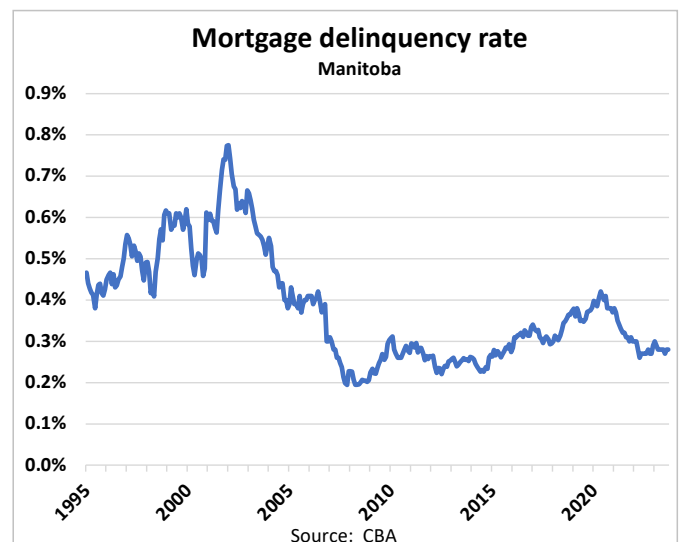
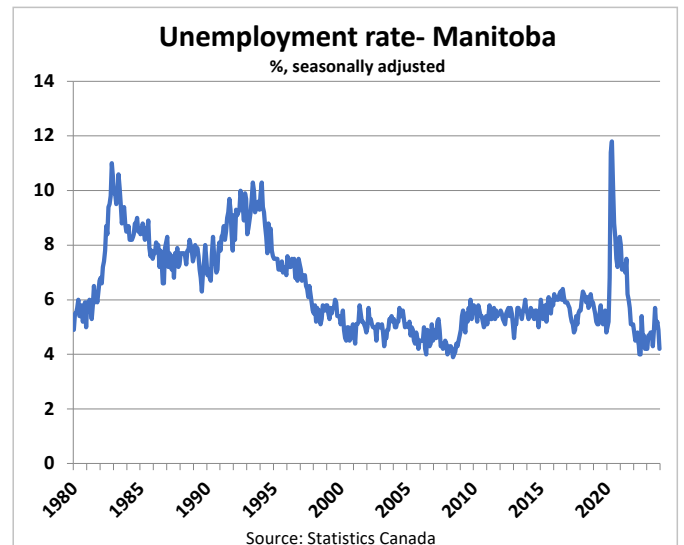
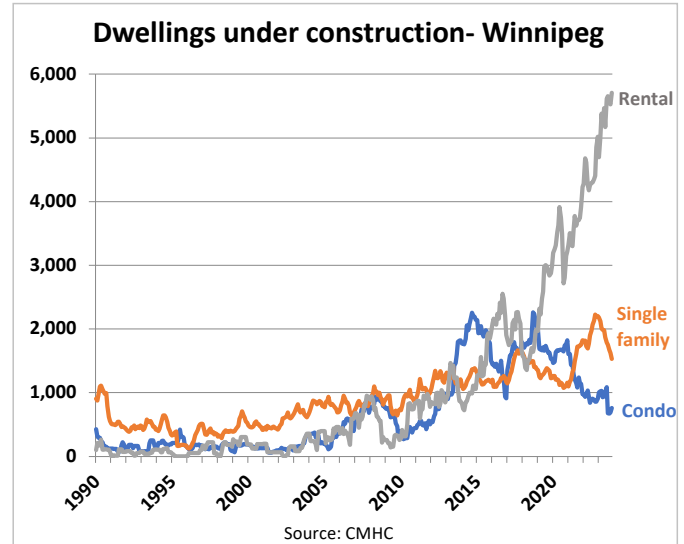
Strong economic momentum continues

Manitoba's economy shows no signs of cooling yet. The fourth quarter saw 3,000 net new jobs created while the unemployment rate fell to just 4.2%, the lowest reading in the country.

Against a solid economic backdrop, it's not surprising that mortgage delinquencies have remained stable even as interest rates have risen. They sat at just 0.28% in Q4, higher than the national average of 0.15%, but well under pre-COVID levels.

What it all means

With strong population growth and a stable labour market, it's not surprising that Manitoba's housing markets are holding up well in the face of higher interest rates. There are now tentative signs that the recent pullback in mortgage rates may be reinvigorating demand ahead of the spring selling season.



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