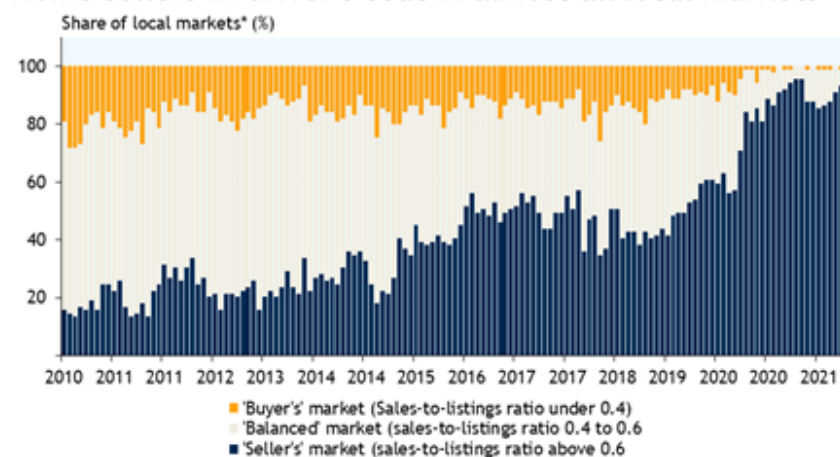


February 15, 2022

## Canadian home sellers in the driver's seat coast-to-coast

- Home resales very strong again in January, and limited only by lack of available listings.
- Ratio of sales-to-new listings spiked to 0.9%, second highest on record.
- Sellers in stronger bargaining position in almost all local markets in the country (not just the big ones).
- Benchmark home price index rose another 2.9% from December, to 28% above year-ago or 46.5% versus pre-pandemic early-2020.

### Home sellers in driver's seat in almost all local markets



\*Based on detailed regional breakdown from CREA (Quebec local market information not included)  
Source: CREA, RBC Economics Research

all (94% or 100% outside Saskatchewan) of the local markets tracked by the Canadian Real Estate Association had sales-to-listings ratios of 0.6 or higher in January.

### Consistent with very tight supply demand dynamics, home resale prices continued to rise sharply in January.

MLS Home Price Index was up a record 2.9% nationally from December, or 46.5% above levels in pre-pandemic January 2020. The gain this month was led by major markets like Toronto and Montreal (both up 3.5% from December) but was also notable in a wide swath of smaller markets.

Growth has been slower in the Prairie provinces, but even there the majority of markets have sellers in the driver's seat. Looking out to the remainder of 2022, we maintain the view that deteriorating affordability, rising borrowing costs and increasing housing supply will gradually cool demand and restore some balance back to the market. Meantime, markets remain exceptionally tight for now and that should keep a floor under prices in the near-term.

Consistent with early [regional reports](#), the Canadian housing market continued to heat up in January. Home resales edged up 1% from what were already very strong December levels. But extent of the resale gain again appears to have been limited only by a lack of available housing supply. New listings fell by 11% month over month, to the lowest since 2005 outside of the trough during the initial pandemic lockdowns in spring 2020. A sales-to-listings ratio of 0.6 or above typically indicates a seller's market and upward pressure on prices, and the national ratio spiked to 0.9 in January reflecting exceptionally broadly-based tightness across the country. Almost

Region	January Market Snapshot						
	Home resales (% change)		New listings (% change)		MLS Home Price Index (% change)		Sales-to-new listings
	MoM	YoY	MoM	YoY	MoM	YoY	Ratio
Canada	1.0	-10.7	-11.0	-9.6	2.9	28.0	0.9
Toronto	-0.7	-18.7	-26.4	-15.4	3.5	33.3	0.8
Montreal	-13.4	-28.6	1.0	-2.8	3.5	15.5	0.9
Vancouver	7.8	-5.1	6.4	-7.9	1.9	18.5	0.7
Calgary	15.0	54.8	1.1	5.3	1.5	11.4	1.1

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