

Real Estate 2020: Canadian Market Outlook

It's impossible to predict the future, but here's a look at where the real estate market stands at the beginning of 2020.



Affordability Is Improving

Housing affordability is slowly improving.¹

Explained: The gap between prices of single-detached homes and condos lessened, making single-detached homes more accessible to buyers.

Bigger Picture: Lowering interest rates and stronger wage gains¹ are helping ease home ownership costs.

Home Sales Are Increasing

Home sales rose slightly in 2019.²

Explained: A decrease in the benchmark five-year interest rate is helping buyers get back in the game.

Bigger Picture: With the benchmark lowered, buyers are more likely to pass the stress-test and qualify for a mortgage.

Keeping an Eye on Inventory

The amount of inventory hovers below the long-term average of 5.3 months.¹

Explained: The amount of completed, unsold units is below the national threshold, presenting little evidence of overbuilding.³

Bigger Picture: With new buyer incentives, researchers say the demand for housing could increase. While there were more building permits⁴ last year, the market is still ripe for sellers.

A Break for First-Time Buyers

The First-Time Home Buyer Incentive offsets the cost of a home for new buyers.

Explained: As a shared-equity mortgage between qualified buyers and the government, Canada covers 5-10% of a home purchase price with an interest free 25-year loan that can be paid back any time without penalties.

Bigger Picture: The program will help first-time buyers break into the real estate market.

If you're ready to begin your home buying journey, now is a great time to get moving. Call me — I'll help you navigate the market and find your dream home at the best price.

Here are the markets real estate leaders are paying attention to this year.⁵

TOP 10 Markets to Watch in 2020



Vancouver

Population growth and a strong economy are drawing buyers back in after a market correction in 2019.

Calgary

Potential hotspot for move-up buyers; housing starts are set to increase.

Saskatoon

Expanding economy with housing starts expected to increase.

Edmonton

Economy set to improve this year, thus stimulating the housing market.

Winnipeg

Solid population growth offsets moderate economic growth for a stable market.

Ottawa

Population is quickly increasing as Toronto residents seek more affordable housing.

Quebec City

New construction simmering for a market correction, while economy steadily strengthens.

Toronto

Strong economic growth and stabilizing home prices make for a healthy market.

Montreal

Continued yet stable economic growth with a market catering toward retirees and millennials.

Halifax

Economy climbing steadily with record job growth over the past few years.

Real Estate is Local

Conditions vary across Canada — relying exclusively on national data can be misleading, especially with cities like Toronto and Vancouver that skew averages. Check out data on your own city or region to get more context when considering a significant real estate move!

Source: ¹RBC Economics, Focus on Canadian Housing. ²CREA National Statistics. ³CMHC, Housing Market Assessment. ⁴Statistics Canada. ⁵PwC, Emerging Trends in Real Estate 2020.

Have questions about our local market? Give me a call!