

The Canadian housing market is beginning to show signs of recovery. For existing homes, sales increased by 4% month-over-month and 18% year-over-year but remain below the 10-year average for this period. New listings rose moderately by 2%, representing a 6% year-over-year increase. These dynamics suggest that both buyers and sellers are cautiously waiting on the sidelines, anticipating potential rate reductions later in the year. In the new home market, starts remain above the historical average but have yet to reach levels which may help ease supply pressures.

January's inflation report brought good news. Headline inflation decreased to 2.9% from 3.4%, mainly due to lower energy inflation. The Bank of Canada's (BoC) closely monitored core measure eased to 3.4%, down from 3.7%. For future rate cuts, the BoC will look for consistency in the downward momentum of inflation and an easing of shelter inflation. Through this uncertainty, Canada appears to have avoided a technical recession; however, growth is expected to be sluggish this year.

The labour market remains resilient, with employment increasing by 37,000 positions. However, this increase was driven by part-time positions, as full-time employment declined by 11,000 jobs. The unemployment rate fell to 5.7% and wage growth remained above the BoC's comfort level at 5.3%.

Number of Residential Sales



39,399
(+17.7% YOY)

Average Home Price



\$677,163
(+7.6% YOY)

Sales-to-Listing Ratio



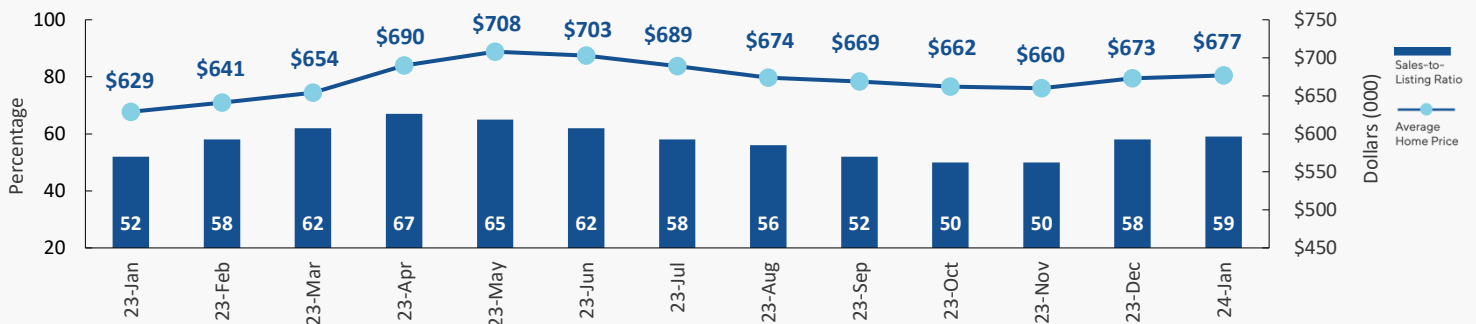
59%
(+6 points YoY)

Unemployment



5.7%¹
(-0.7 points MoM)

National Sales-to-Listing Ratio & Average Home Price Trend



	Number Sold	% YOY	Average Price \$	% YOY	New Listings	% YOY	Sales to Listing Ratio	Market	UE %
GTA	6,448	+31.1	1,062,111	-1.2	12,035	+2.9	54	Balanced	7.1*
Calgary	3,122	+31.5	585,855	+11.7	3,545	+5.4	88	Sellers	5.8 ²
GVA	2,158	+33.5	1,285,389	+7.4	4,189	+8.0	52	Balanced	5.5*
Montreal	3,256	+17.0	626,167	+8.8	5,413	+20.8	60	Balanced	5.7*
Ottawa	1,240	+15.0	640,643	+1.1	2,248	+6.0	55	Balanced	4.5 ²
Quebec City	721	+10.8	373,083	+6.7	886	+20.5	81	Sellers	2.8
Winnipeg	1,037	+8.6	392,013	+10.8	1,664	+5.4	62	Sellers	4.2 ²
Victoria	493	+20.2	958,573	+3.4	1,017	+14.9	48	Balanced	4.5 ²
Halifax	435	+12.1	570,951	+8.3	637	+32.2	68	Sellers	5.2 ²

SOURCE: Statistics Canada and CREA via Haver Analytics. This information has been provided by the external sources listed above. Sagen Canada is not responsible for the accuracy, reliability or timeliness of the information supplied by these external sources. This information does not necessarily reflect the views or position of Sagen Canada. Anyone wishing to rely upon this information should consult directly with the source of the information. UE data: 1. Monthly, seasonally adjusted, the remaining UE data is 3-months moving average, seasonally adjusted.