

OHBA Webinar

2024-2025 Housing Market Outlook



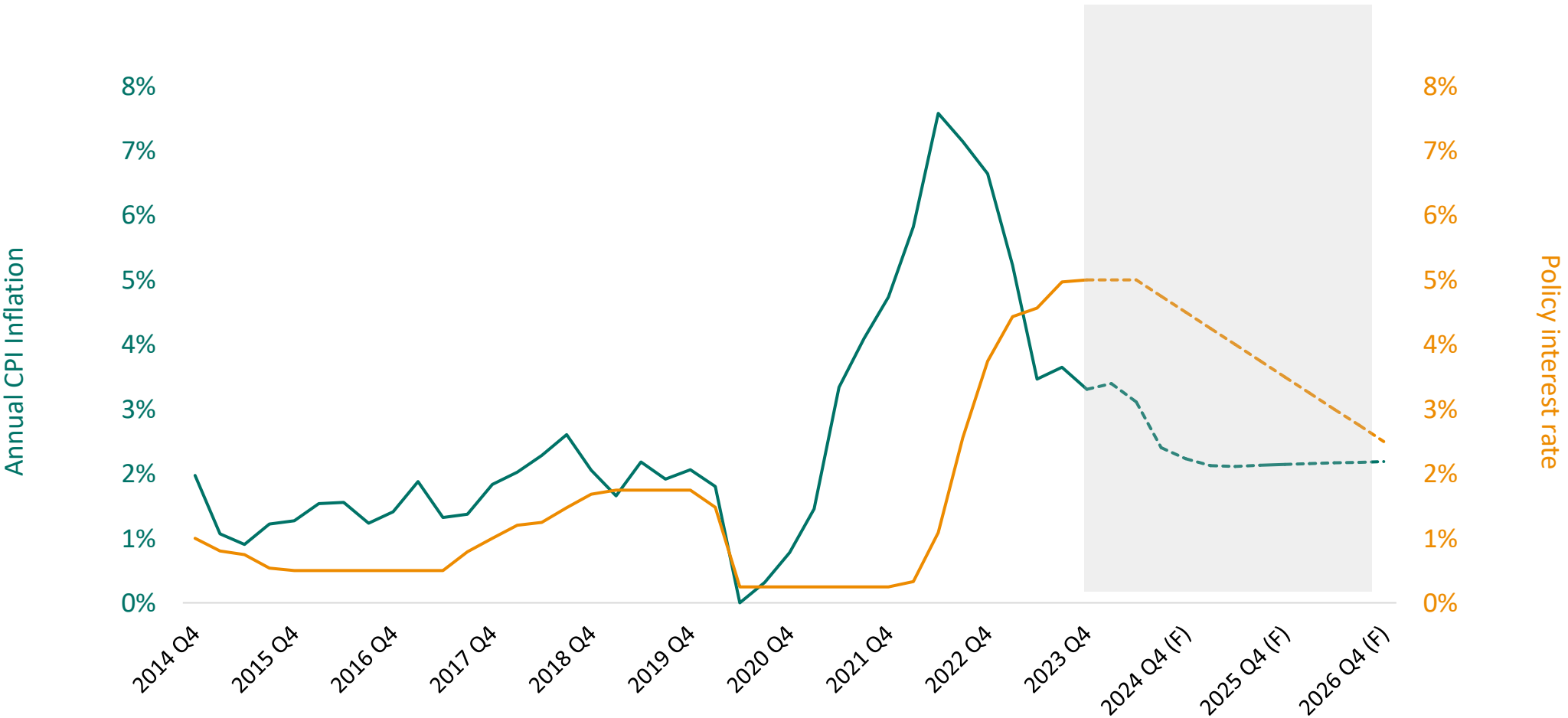


Baseline forecast assumptions



Mortgage rates to gradually trend down starting in second half of 2024

Inflation to return to target range, prompting rate cuts



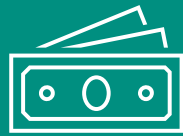
Source: Statistics Canada, Bank of Canada, CMHC forecast.



Baseline forecast assumptions

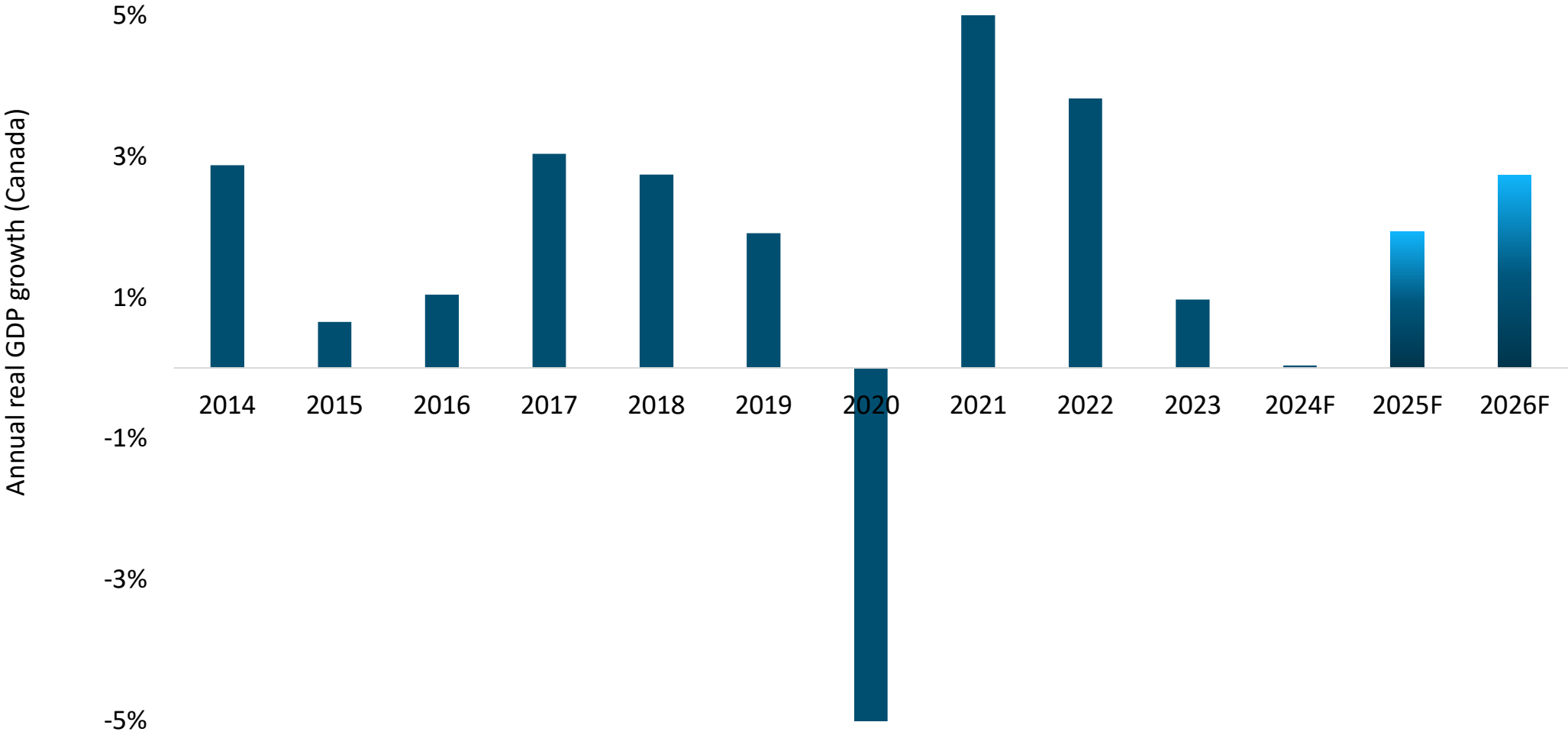


Mortgage rates to gradually trend down starting in second half of 2024



Weak economic growth this year, with recovery expected in 2025

Lower rates to boost consumer spending in 2025-2026



Source: Statistics Canada, CMHC forecast.



Baseline forecast assumptions



Mortgage rates to gradually trend down starting in second half of 2024



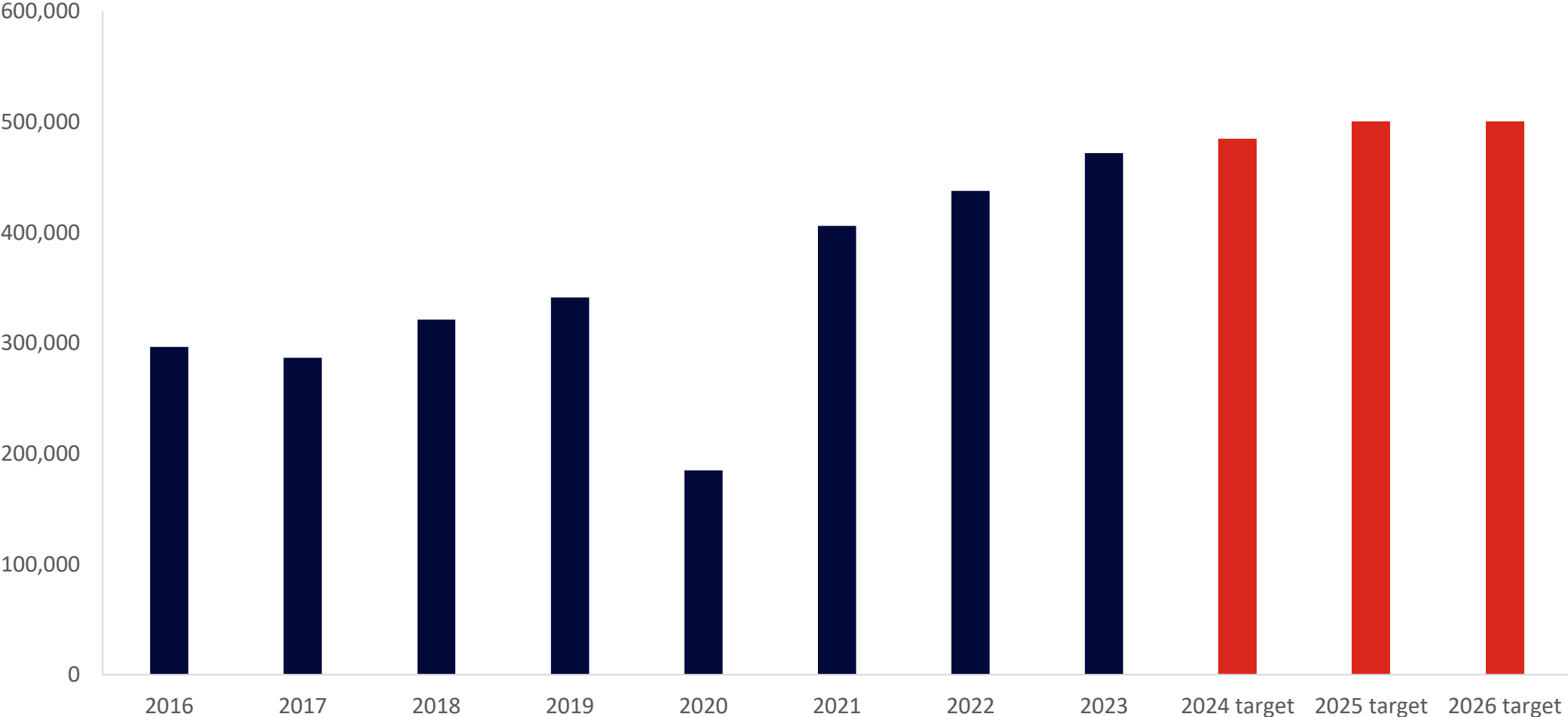
Weak economic growth this year, with recovery expected in 2025-2026



Strong population growth owing to high immigration

High immigration to continue to fuel housing demand

Canada Immigration



Sources: Statistics Canada and Immigration, Refugees and Citizenship Canada

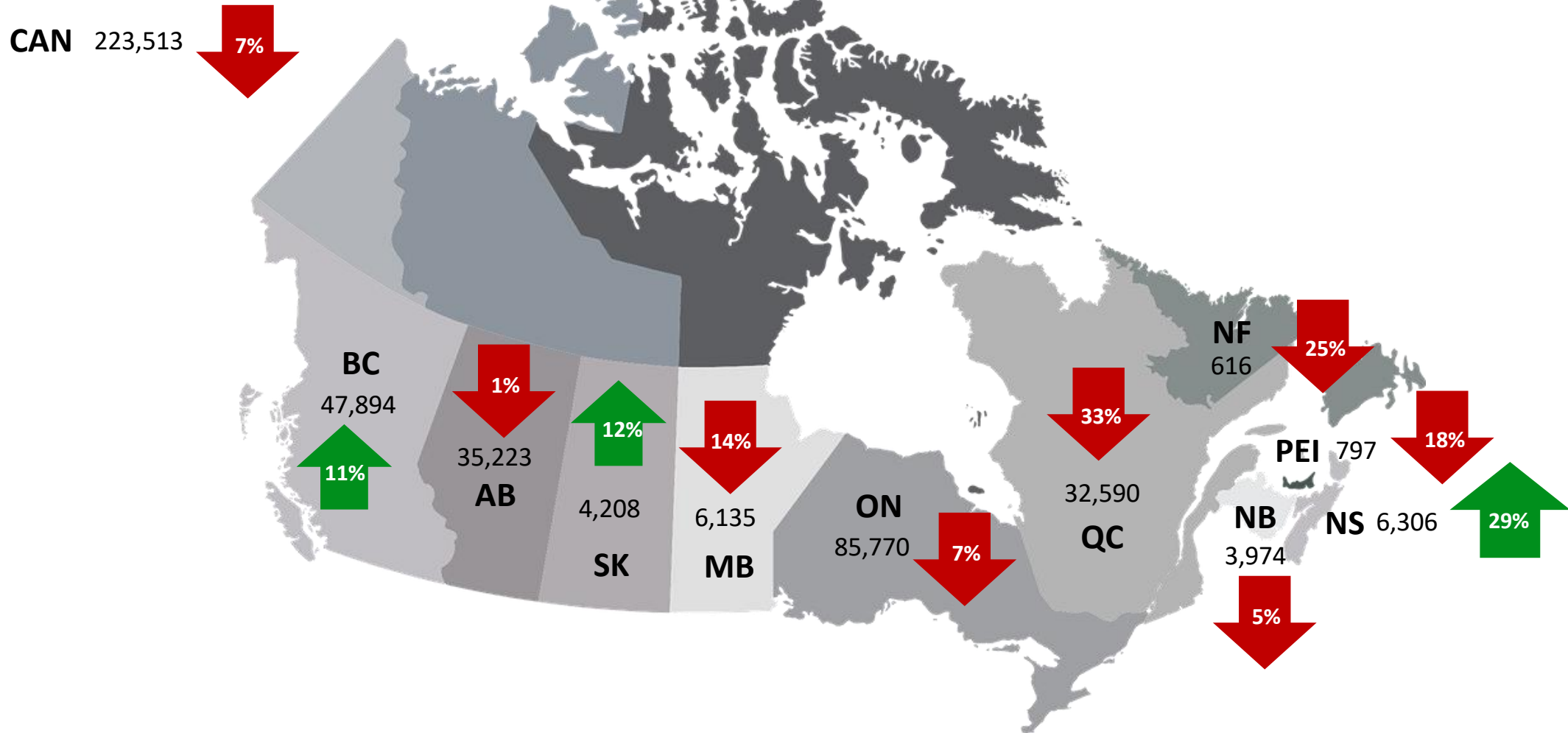


New Home Market Outlook

Fewer housing starts in regions that
mostly build apartments

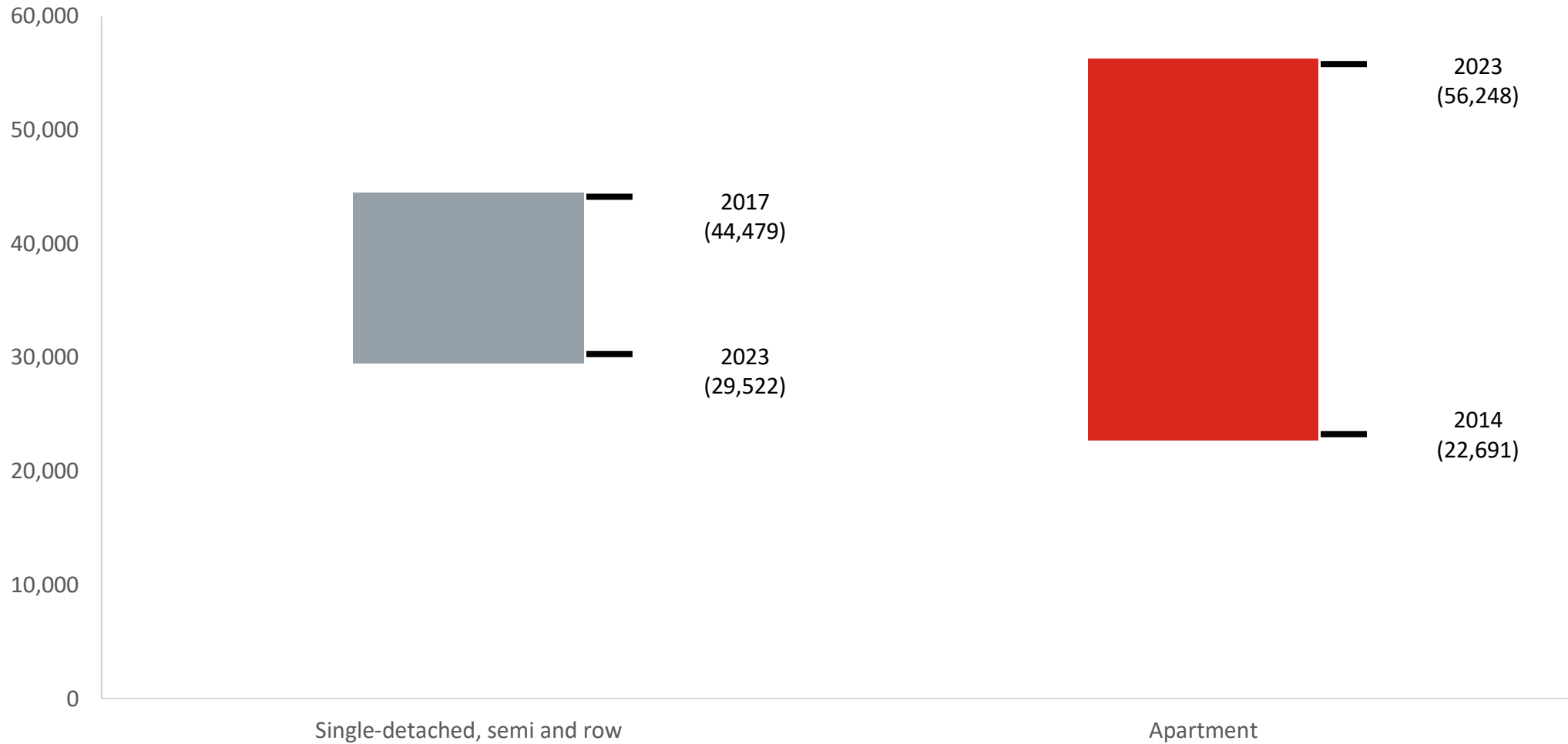
Last year Ontario housing starts declined from multi-decade highs

2023 housing starts by province

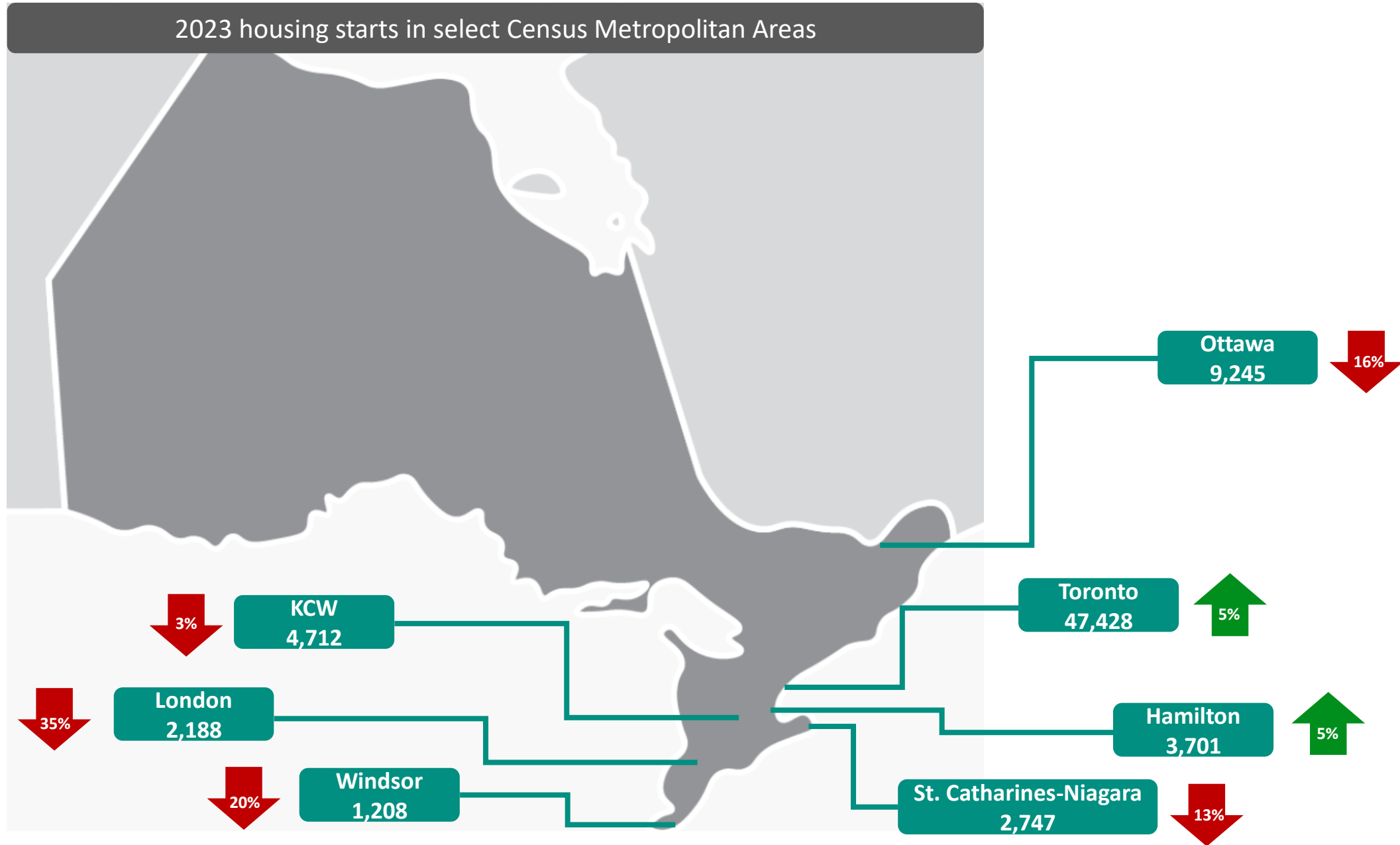


Apartment starts were at 10 year high, low-rise starts at 10 year low

High-low of annual housing starts in Ontario (2014-2023)

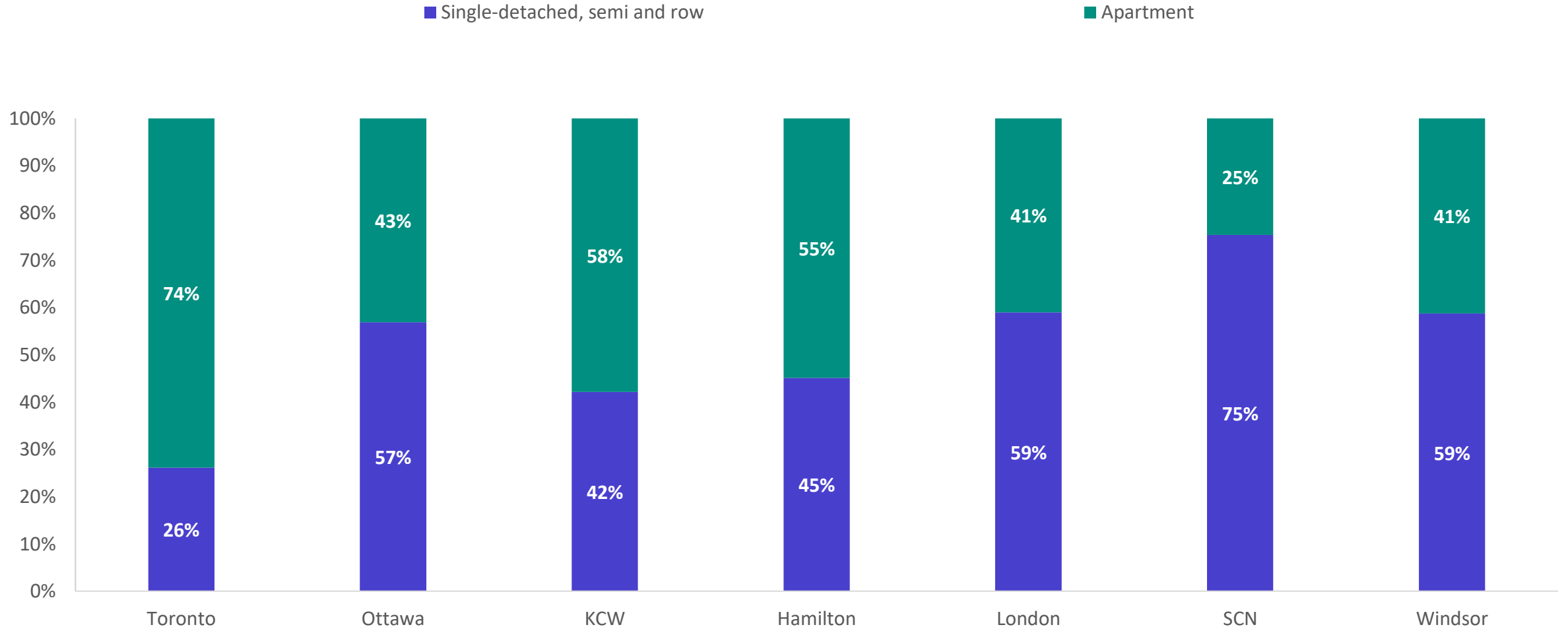


Starts activity held up better in regions that mostly build apartments



Starts activity held up better in regions that mostly build apartments

Distribution of housing starts 2019-2023



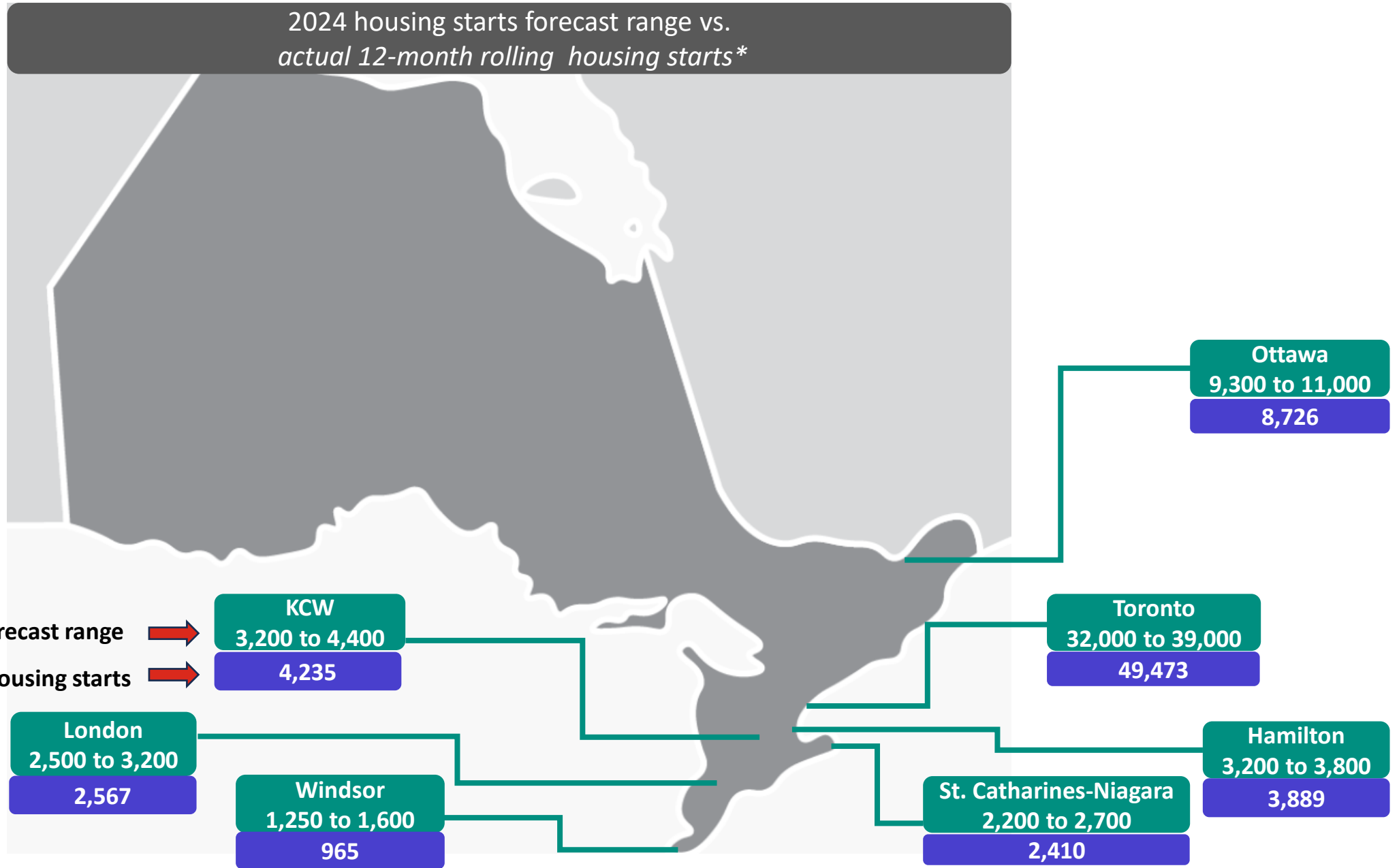
Apartment starts activity in 2024 to better reflect headwinds from mortgage rate hikes in recent years



Fewer condo apartment product launches, sluggish pre-construction sales

Fewer viable rental apartment projects

Starts in major centres headed on divergent paths in 2024



*Last data point March 2024
Source: CMHC

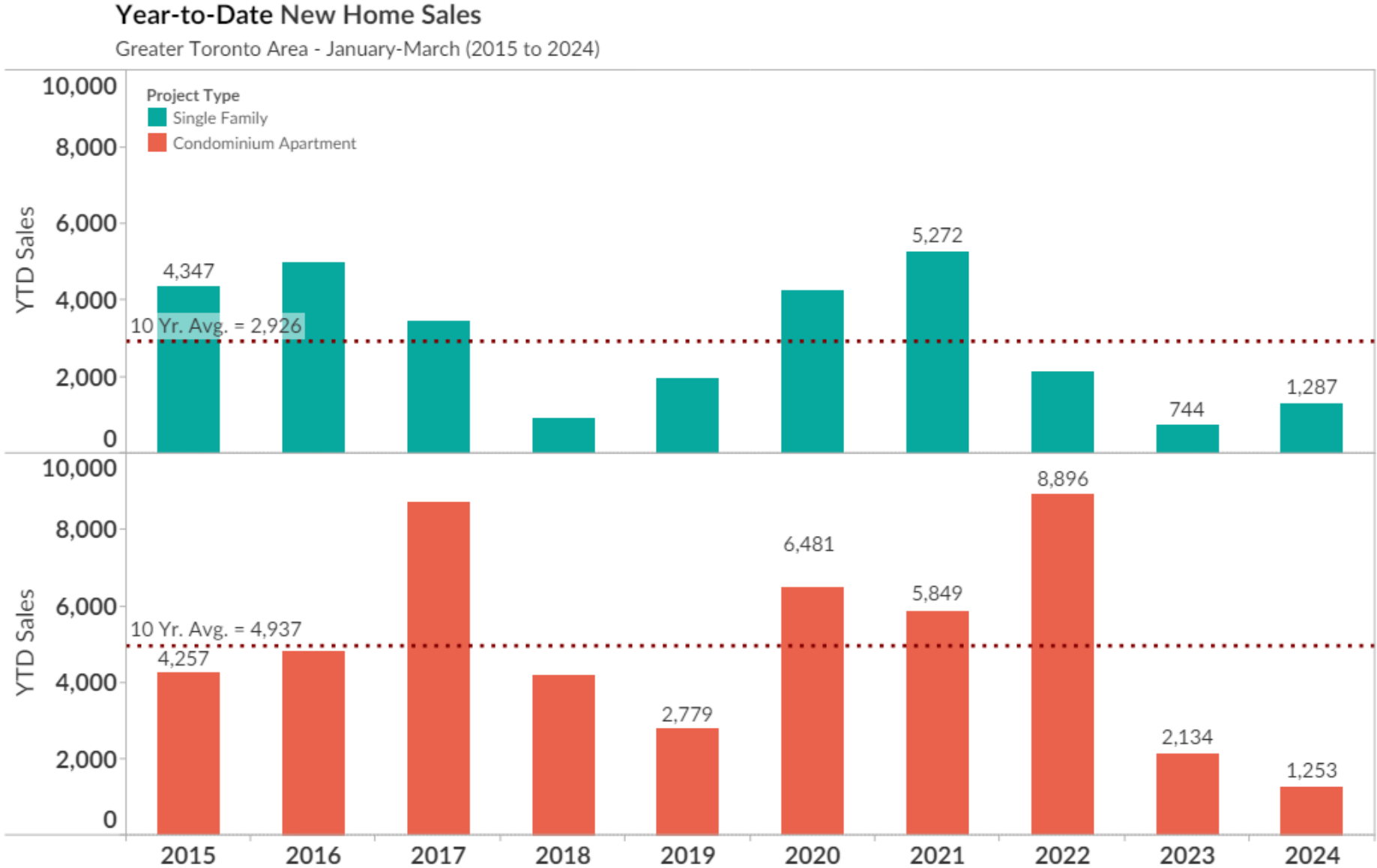
Toronto starts activity to decline owing to weakness in condo segment



Forecast Summary — Toronto CMA

	2021	2022	2023	2024 (F)		2025 (F)	
				(L)	(H)	(L)	(H)
New Home Market							
Starts:							
Single-Detached	6,920	6,329	4,721	4,600	6,000	4,700	6,700
Multiples	34,978	38,780	42,707	27,400	33,000	22,300	28,300
Starts — Total	41,898	45,109	47,428	32,000	39,000	27,000	35,000

Toronto starts activity to decline owing to weakness in condo segment



Source: Altus

Expect starts to rebound in Ottawa led by low-rise product



Forecast Summary — Ottawa CMA

	2021	2022	2023	2024 (F)		2025 (F)	
				(L)	(H)	(L)	(H)
New Home Market							
Starts:							
Single-Detached	3,658	2,784	1,535	1,600	2,100	1,700	2,300
Multiples	7,517	8,695	7,710	7,700	8,900	7,100	8,500
Starts — Total	11,175	11,479	9,245	9,300	11,000	8,800	10,800

KCW starts to decline following record year of rental construction



Forecast Summary — Kitchener-Cambridge-Waterloo

	2021	2022	2023	2024 (F)		2025 (F)	
				(L)	(H)	(L)	(H)
New Home Market							
Starts:							
Single-Detached	885	1,022	850	750	900	750	1,050
Multiples	4,717	3,825	3,862	2,450	3,500	2,850	4,350
Starts — Total	5,602	4,847	4,712	3,200	4,400	3,600	5,400

Weak condo demand to limit starts activity in Hamilton



Forecast Summary — Hamilton CMA

	2021	2022	2023	2024 (F)		2025 (F)	
				(L)	(H)	(L)	(H)
New Home Market							
Starts:							
Single-Detached	738	821	303	300	400	300	450
Multiples	3,449	2,709	3,398	2,900	3,400	2,600	3,250
Starts — Total	4,187	3,530	3,701	3,200	3,800	2,900	3,700

Source: CMHC

Low-rise housing starts to recover slowly in London



Forecast Summary — London CMA

	2021	2022	2023	2024 (F)		2025 (F)	
				(L)	(H)	(L)	(H)
New Home Market							
Starts:							
Single-Detached	2,284	1,268	514	750	950	800	1,100
Multiples	3,308	2,093	1,674	1,750	2,250	2,000	2,600
Starts — Total	5,592	3,361	2,188	2,500	3,200	2,800	3,700

Low-rise segment to trend up, condo segment to trend down in SCN



Forecast Summary — St. Catharines-Niagara CMA

	2021	2022	2023	2024 (F)		2025 (F)	
				(L)	(H)	(L)	(H)
New Home Market							
Starts:							
Single-Detached	1,123	1,114	912	850	1,100	850	1,200
Multiples	1,512	2,054	1,835	1,350	1,600	1,550	1,800
Starts — Total	2,635	3,168	2,747	2,200	2,700	2,400	3,000

Starts to increase in Windsor driven by high activity in rental segment



Forecast Summary — Windsor CMA

	2021	2022	2023	2024 (F)		2025 (F)	
				(L)	(H)	(L)	(H)
New Home Market							
Starts:							
Single-Detached	745	780	302	400	550	450	650
Multiples	1,015	1,010	906	850	1,050	750	1,100
Starts — Total	1,760	1,790	1,208	1,250	1,600	1,200	1,750

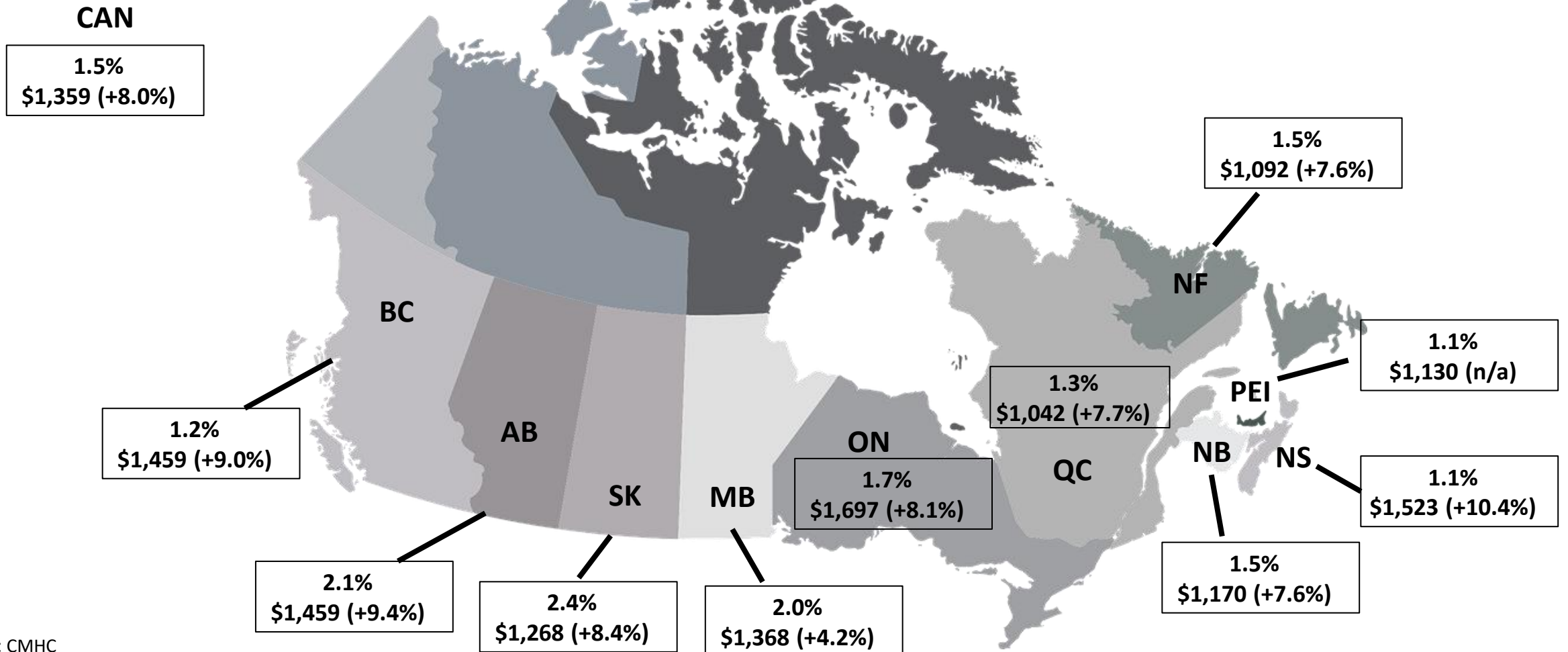
A person is standing in a room, looking out a large window. The room is filled with boxes and furniture, suggesting a move or renovation. The entire image is overlaid with a teal tint. The text "Rental Market Outlook" is prominently displayed in the center.

Rental Market Outlook

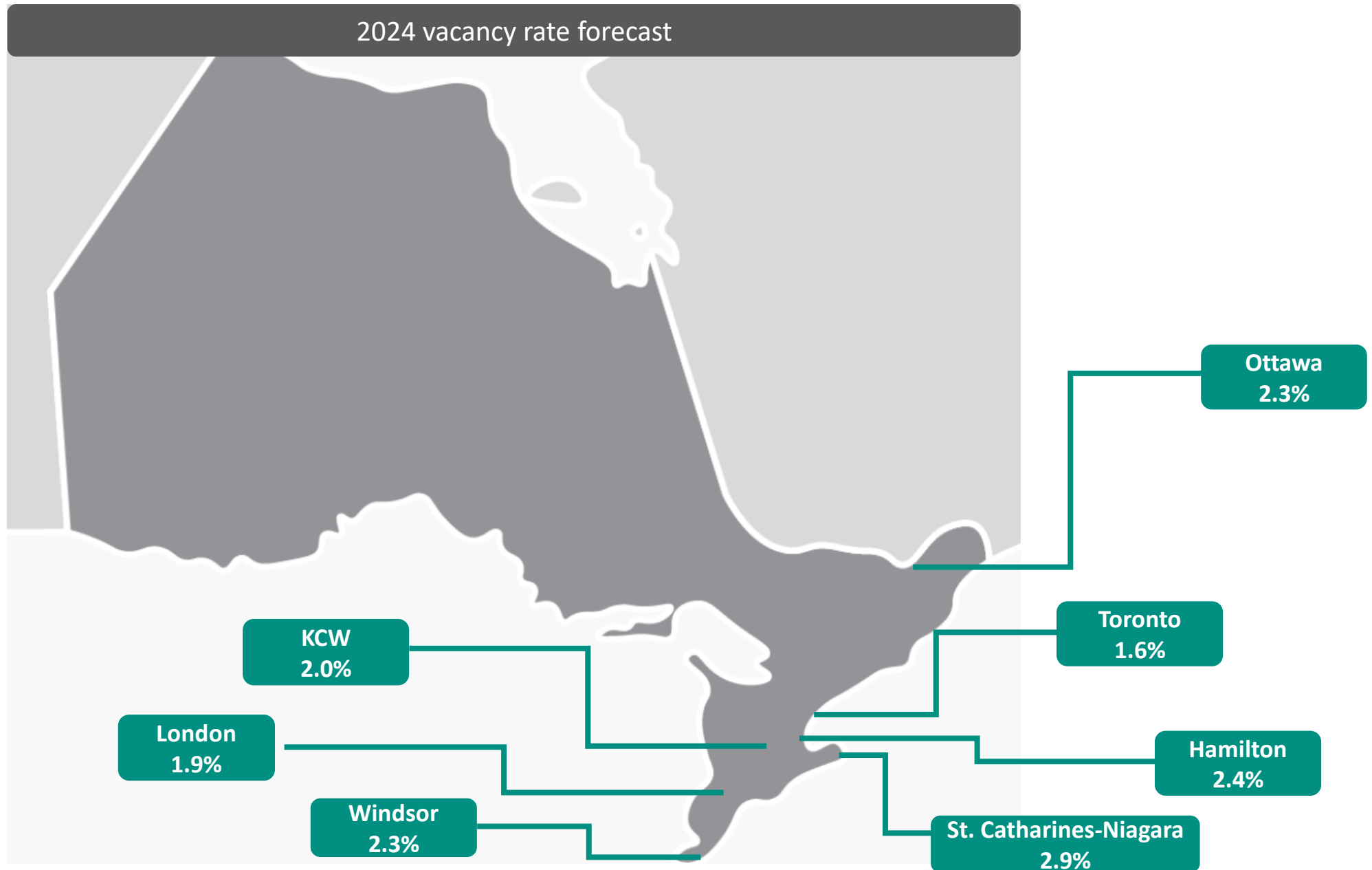
Greater rental completions to address
strong rental demand

Last year low vacancy rates across Canada led to strong rent growth

2023 overall vacancy rate and average rent for two-bedroom apartment



Vacancy rates to remain low in many major centers



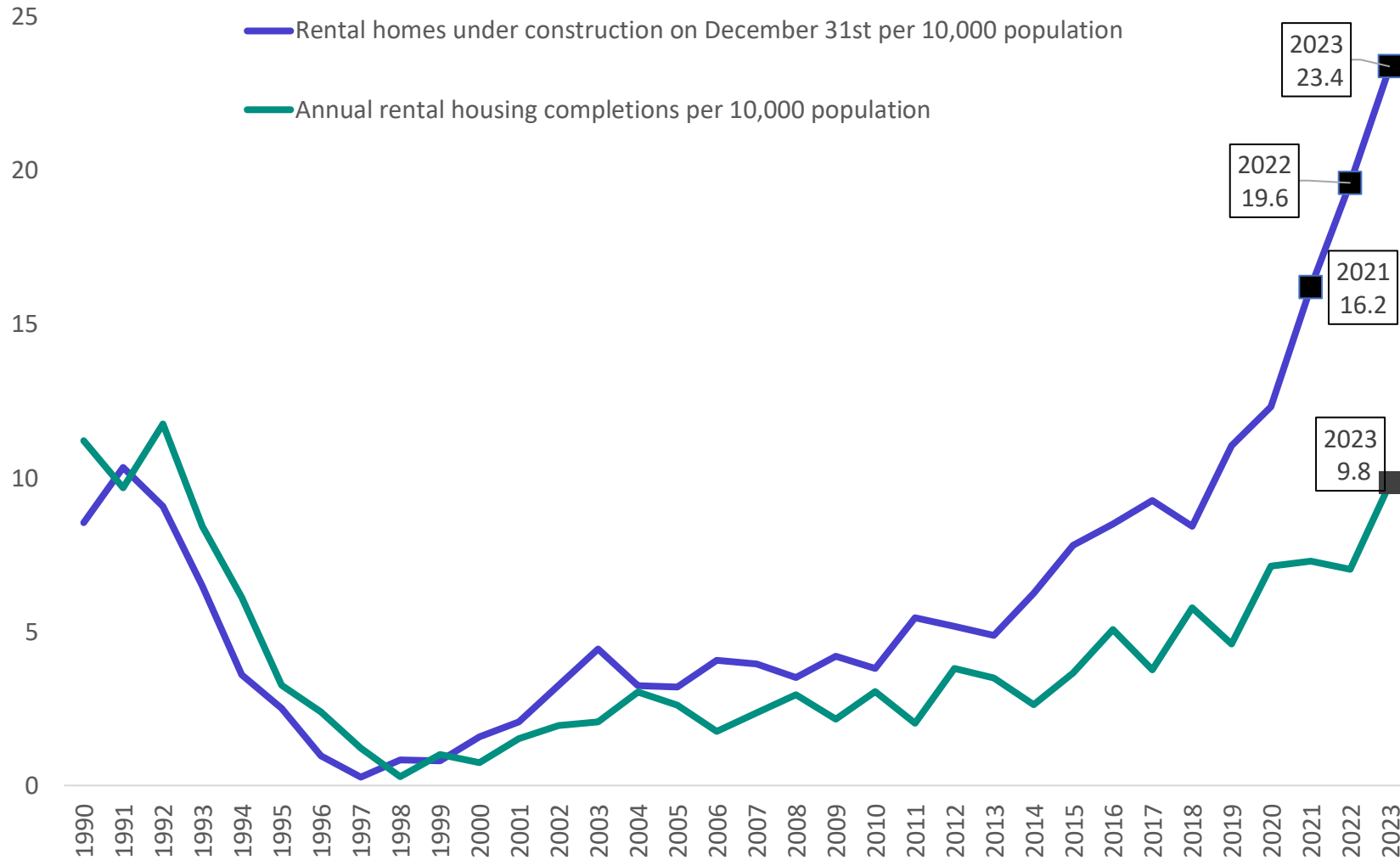


Major factors affecting rental housing markets in 2024-2025



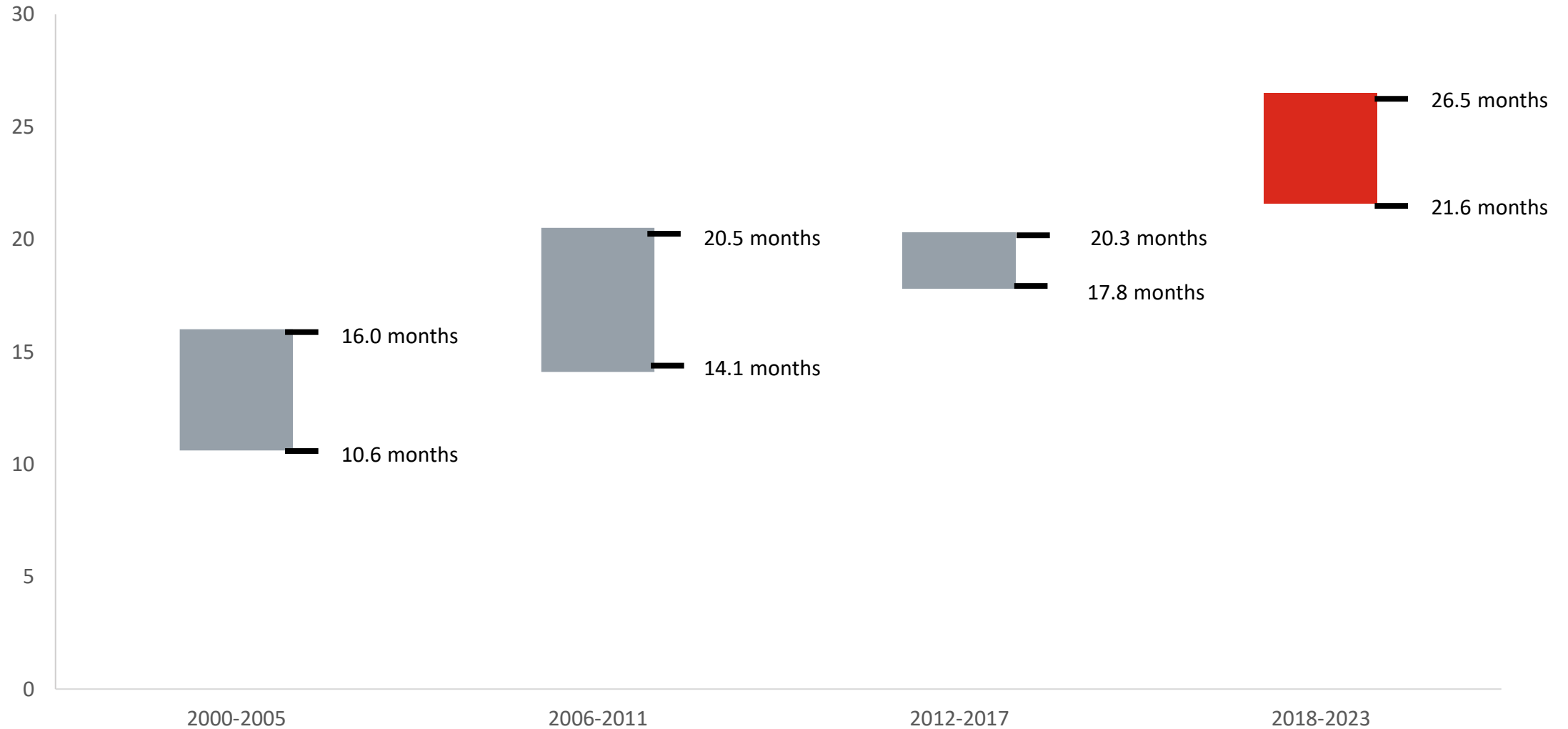
Higher rental housing completions

Higher rental completions expected in Ontario this year



Rental projects in Ontario taking longer to complete

High-low of the average length of rental housing construction in Ontario





Major factors affecting rental housing markets in 2024-2025



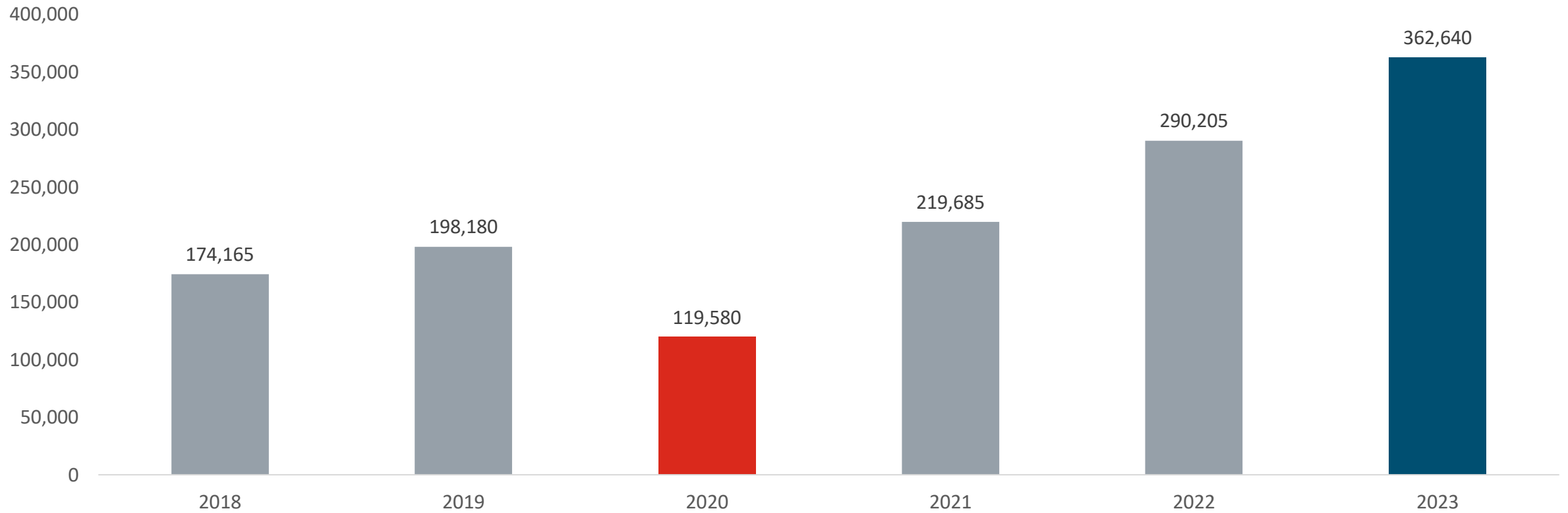
Higher rental housing completions



Strong international migration

Number of Ontario international students expected to stabilize

Number of study permits holders in Ontario





Major factors affecting rental housing markets in 2024-2025



Higher rental housing completions



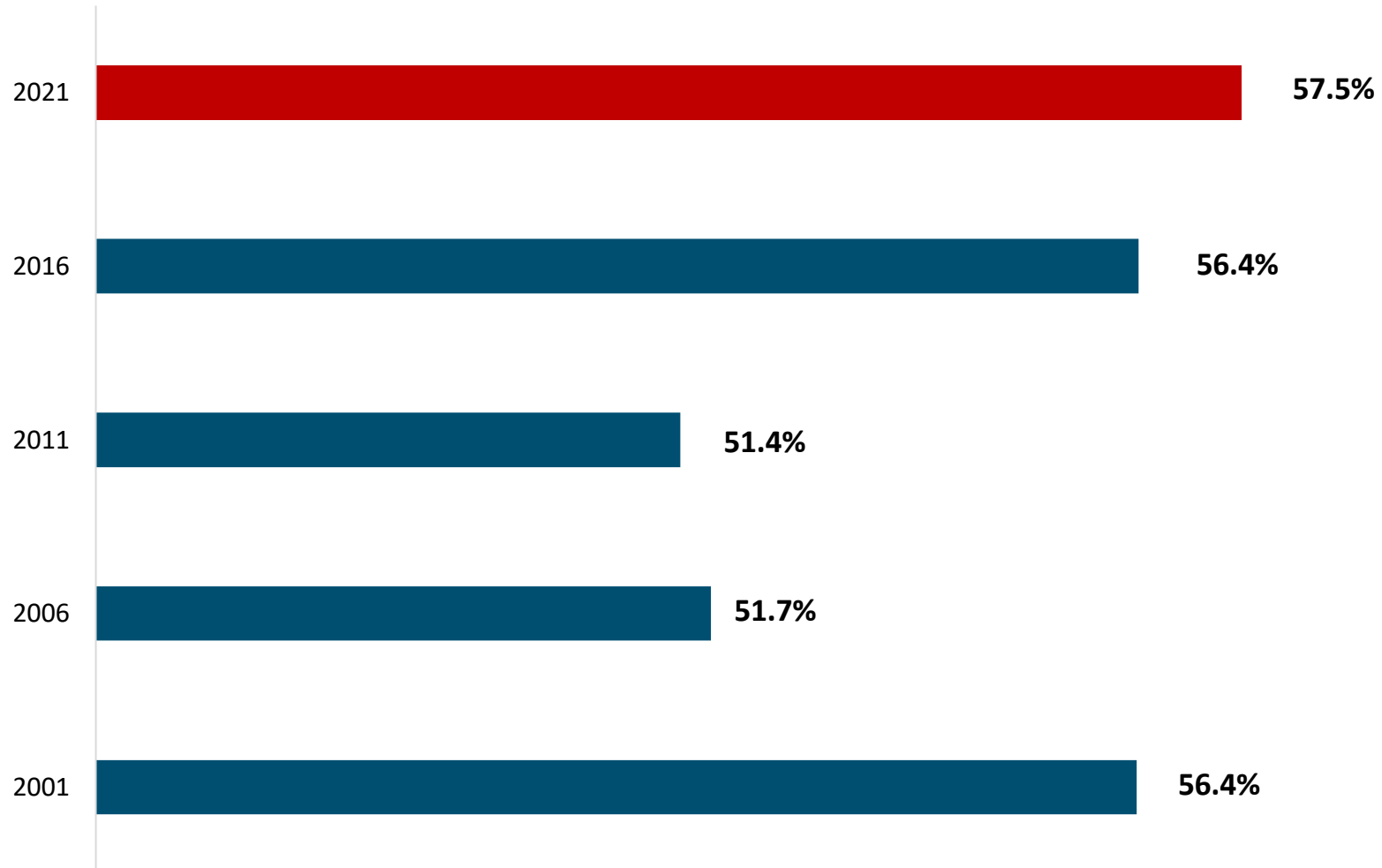
Strong international migration



Weak outflows of renters into homeownership

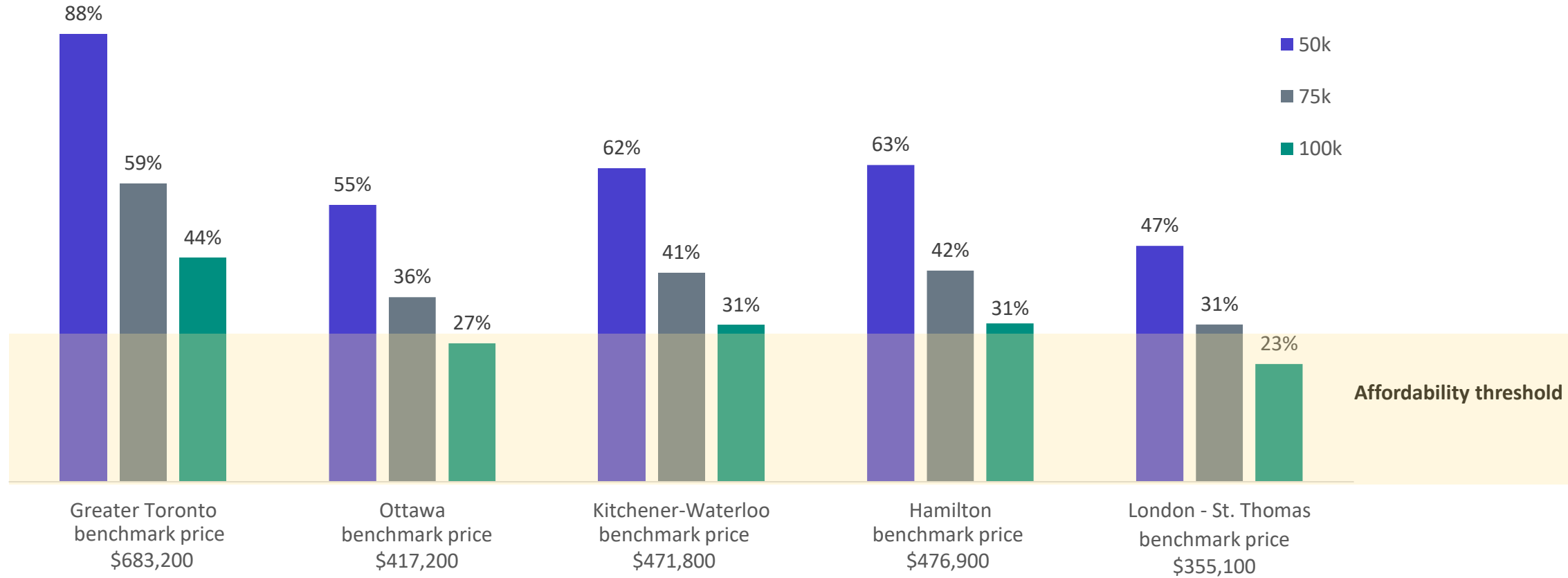
Pent-up homeownership demand from young Ontario households

Share (%) of Ontario households under age 35 that rent



Few renters can afford a starter home with minimum down

Percentage of gross income dedicated to mortgage payment on benchmark condo apartment (December 2023)



Housing Market Outlook



Housing Market Outlook

Frequency: Annual

Timing: May (report)

- Includes a forecast of new home, resale and rental housing markets
- Covers 18 major centres across Canada

Welcome to the Housing Market Outlook (HMO)

This publication provides forward-looking analysis of Canada's housing markets. Published annually, it helps anticipate emerging trends in new-home and resale housing markets at the national and metropolitan-area levels. The HMO includes forecasts for important housing market variables such as starts, prices and resales. The forecasts included in this document are based on information available as of May 1st, 2024.

Housing Market Information Portal

Free, easy-to-use access to the latest housing market data for Canada.



cmhc.ca/hmiportal

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OVERVIEW
Vancouver

HIGHLIGHTS NEW!

Housing Starts by Market Type

Market Type	Percentage
Homeowner	62 %
Rental	23 %
Condo	14 %
Co-op	1 %

VIEW HIGHLIGHTS

Source: CMHC Starts and Completion Survey

NEW HOUSING CONSTRUCTION +
PRIMARY RENTAL MARKET +
SECONDARY RENTAL MARKET +
SENIORS' RENTAL HOUSING +

Select location
Canada British Columbia Vancouver

Thank you!

Anthony Passarelli

Lead Economist (Southern Ontario)

apassare@cmhc-schl.gc.ca

416-250-3234