REGIONAL HOUSING REPORT

TD Economics

August 31, 2015

CANADIAN REGIONAL HOUSING OUTLOOK: THE POWER OF LOW INTEREST RATES

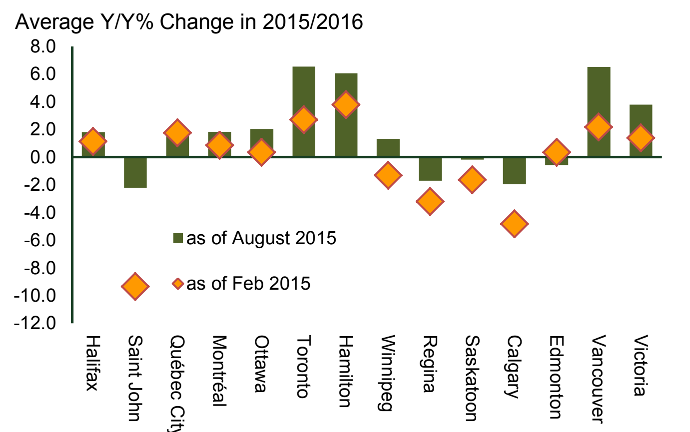
Highlights

- With housing markets from coast-to-coast continuing to beat expectations, TD Economics has upgraded its 2015/2016 forecasts for major urban markets.
- A drop in Canadian borrowing rates through the first half of this year will likely continue to boost housing demand through the summer and early fall months. However, once the impact of past rate reduction wanes by the late stages of 2015, it is hard to point to a catalyst for a further acceleration in housing market activity.
- With households rushing to take advantage of record low interest rates and with affordability likely to continue eroding, we expect sales in this year's fastest growing markets to fall back in line with their longer-term average next year, and for price growth to taper off.
- Housing activity in the Prairie region will continue to be constrained by low oil prices, tougher labour market conditions and a rising inventory of homes for sale on the market.
- Weaker demographics are likely to continue to weigh on markets east of Toronto. However, from a cyclical perspective, Montreal, Québec City and Halifax will be bright spots in 2015 and 2016.

The Canadian housing market continues to surpass expectations. In a recent TD Economics report, "Rate Cut Not a Game Changer for Canada's Housing Market", we highlighted forecast upgrades to Canadian existing home sales and average existing home prices relative to our last housing market update released in February. However, housing tends to be a regional story. In this follow up piece, we turn our attention to conditions in Canada's 15 largest housing markets. While we have upwardly adjusted the housing market forecast for most urban markets across the country, there still exists a significant regional divide in performances.

The unanticipated strength in housing activity from coast to coast has occurred despite a disappointing economic showing during the first half of the year. While the hit to the oil sector has been deeper and more pronounced than we had expected, other areas of the economy – in particular non-resource exports – also fell short. Nonetheless, an offshoot of the economic weakness both in Canada and abroad has been a lower trajectory of interest rates, with 5-year fixed mortgage rates dropping by a full 55 basis points between January and April. In July, the Bank of Canada reduced its overnight rate by a quarter of a percentage point for the second time this year, to 0.50%. The low rate environment has helped to keep

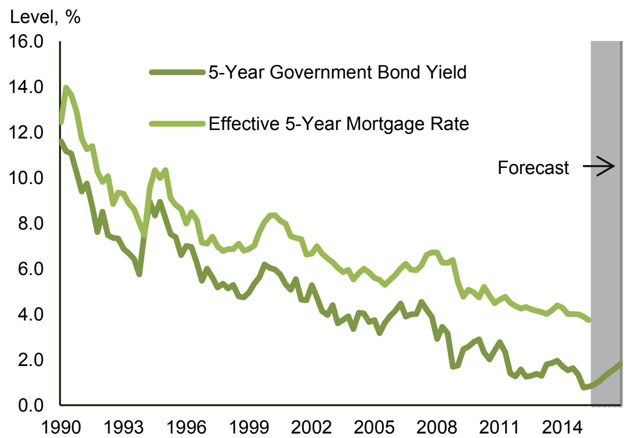
CHART 1: TD ECONOMICS' PROJECTION FOR AVERAGE EXISTING HOME PRICES



Source: Canadian Real Estate Association. Forecast by TD Economics as of August 2015.

Diana Petramala, Economist, 416-982-6420

CHART 2: CANADIAN INTEREST RATES



Source: Bank of Canada, Canadian Housing and Mortgag Corporation. F. by TD Economics as of August 2015

key markets in Toronto, Vancouver, Hamilton and Victoria humming, with both homes sales and price growth running near a double-digit pace. Markets in commodity-dependent regions, such as Edmonton, Calgary, Regina and Saskatoon have weakened considerably so far this year, but to a lesser degree than was originally anticipated. Elsewhere, markets that had embarked on soft landings over the last few years, including Ottawa, Montréal and Québec City, have seen activity either stabilize or perk up.

Looking forward, the past reduction in mortgage rates will continue to boost housing demand through the summer and early fall months. History suggests that a reduction in mortgage rates of 40 to 60 basis points could boost sales by as much as 10% to 15% in the subsequent six month period. However, once the impact of past rate reduction wane by late 2015, it is hard to point to a catalyst for a further acceleration in regional housing market activity. Economic conditions are expected to pick up nationally, but both job creation and wage gains are likely to be relatively subdued. What's more, the odds of another leg-down in mortgage rates seem low. Although the Bank of Canada is expected to hold short-term rates steady over the remainder of 2015 and 2016, gradual interest rate increases by the Federal Reserve in the coming months are anticipated to ripple down to higher bond yields on both sides of the border. With households rushing to take advantage of record low interest rates this year and with affordability expected to erode, we expect sales in this year's fastest growing markets to fall back in line with their longer-term average next year, and for price growth to taper off. Meanwhile, home sales and prices in commodity-dependent economies are expected to come under additional pressure from continued tough labour market conditions in the second half of 2015 and into 2016. Unfavourable demographics are likely to continue to weigh on markets in the Atlantic provinces, with the sole exception of Halifax. Despite starting 2015 off on a sour note, the housing market in Halifax should benefit from the positive knock-on economic effects of the military shipbuilding and other large scale investment projects currently underway. Other bright spots will include Montréal and Québec City. These markets have gone through a soft landing over the last few years, leaving them with more upside potential than their counterparts in B.C. and Ontario.

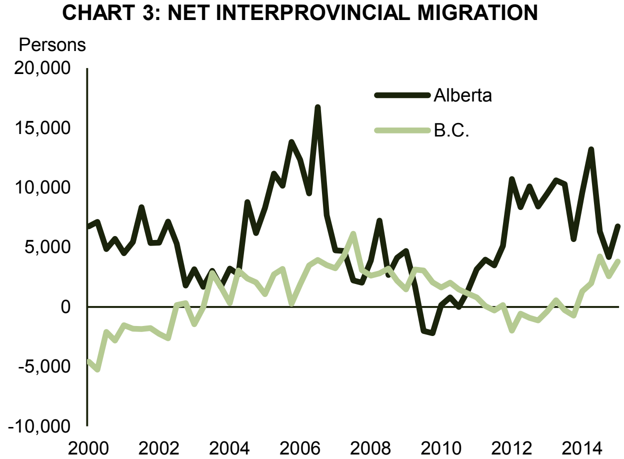
With the majority of markets having endured slowdowns in recent years and/or not exhibiting signs of froth, risks around the respective forecasts are largely economic and demographic in nature. Two exceptions to the rule are Toronto and Vancouver, where home price growth continues to forge ahead at an unsustainable pace and the risk of a deeper correction rises with every month of double-digit home price growth.

Ontario and B.C. sizzle, prospects for 2016 fizzle

Housing markets in Ontario and B.C. have continued to defy gravity this year, owing to a combination of falling interest rates, relatively healthier job markets and solid demographics. Ontario is one of the only provinces where the unemployment rate has managed to decline materially over the first six months of the year. Meanwhile, migration flows away from recession-plagued oil producing regions into outperforming British Columbia have had positive knock-on effects for housing market activity in 2015.

Toronto and **Vancouver** have led the way, with existing home sales soaring to levels 20% and 30%, respectively,

CHART 3: NET INTERPROVINCIAL MIGRATION



Source: Statistics Canada

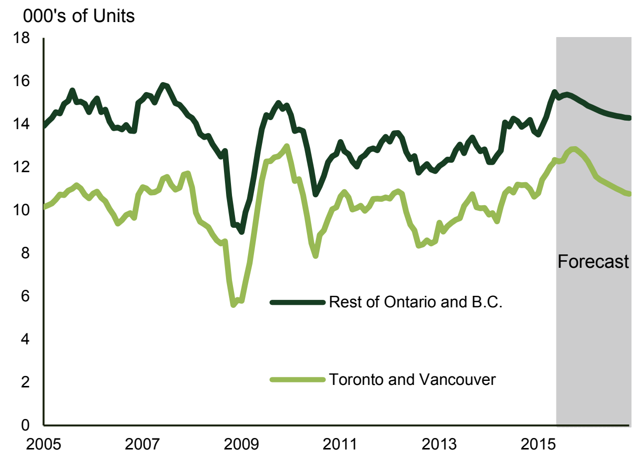
above their 10-year averages in July. Existing home price growth topped 11% Y/Y in both markets in the same month. There had been a surge in new condo completions in Toronto at the start of this year, leading to a sharp jump in the unsold inventory of units on the market. However, strength in existing home sales has helped to absorb some of these excesses and kept condo prices growing at a healthy clip of 4% Y/Y. The Vancouver condo market has tightened over the last three months, following a marked slowdown in condo construction since 2012. And, condo prices in Vancouver are growing at a slightly faster 6% Y/Y pace. Conditions in the single-family-detached home market are particularly tight, with prices reaching 16% Y/Y in Vancouver and 13% Y/Y in Toronto in July.

While much of the focus has remained on Toronto and Vancouver, markets in **Hamilton** and **Victoria** have also witnessed surging activity, seemingly benefitting from their proximity to Toronto and Vancouver, better pricing and/or housing choice. Met with a relatively stable number of homes for sale on the market, the recent surge in demand has pushed a number of major housing markets across Ontario and British Columbia into seller's territory, as evidenced by a sales-to-listings ratio of over 60.

The current pace of housing activity across Ontario and B.C. is unlikely to be sustained through the rest of 2015 and 2016. Broadly, home prices are currently growing at more than twice the pace of income gains, and housing affordability is eroding, particularly in Toronto and Vancouver. Given lofty prices, Toronto and Vancouver are likely the most vulnerable should a rise in bond yields in 2016 and beyond get passed along to mortgage rates. However, with the economic backdrop remaining comparatively favourable in Ontario and B.C., a severe correction in housing activity will likely be avoided. Following an estimated expansion of roughly 8-10% in 2015, average home price growth in Ontario and B.C. is poised to slow to just 3-5% next year. At this rate, the degree of price over-valuation – which we estimate at around 10-15% – is likely to remain, leaving these markets vulnerable to the adverse impact of an unanticipated shock to either interest rates or the unemployment rate. Please see a TD Economics recent report on risks facing the Toronto and Vancouver housing markets for further information.

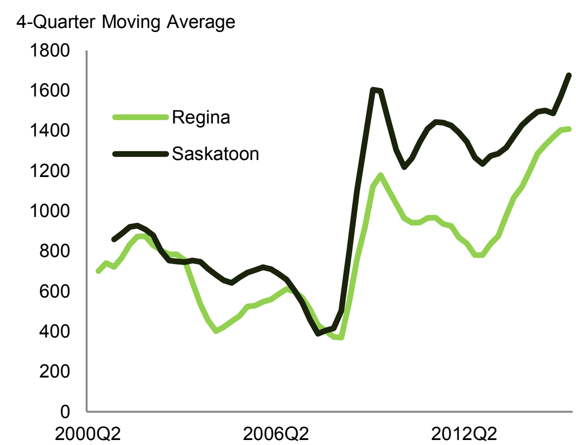
New home construction is likely to pick up in the near-term from what has been a multi-year slowdown in both Toronto and Vancouver. New home construction is a lagging indicator. As such, over the second half of this year, we expect starts to take their cue from a spike in new home

CHART 4: EXISTING HOME SALES



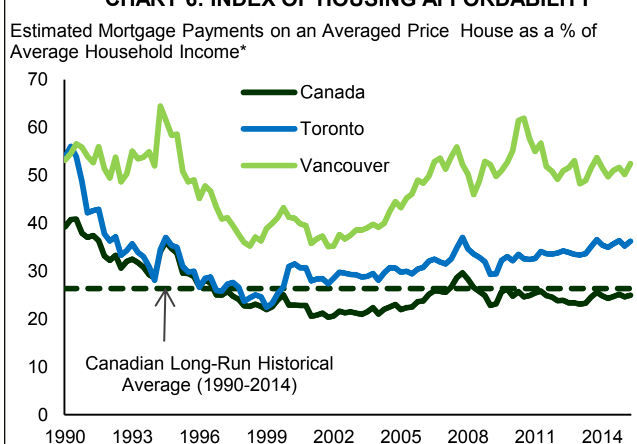
Source: Canadian Real Estate Association

CHART 5: ACTIVE LISTINGS OF CONDOS



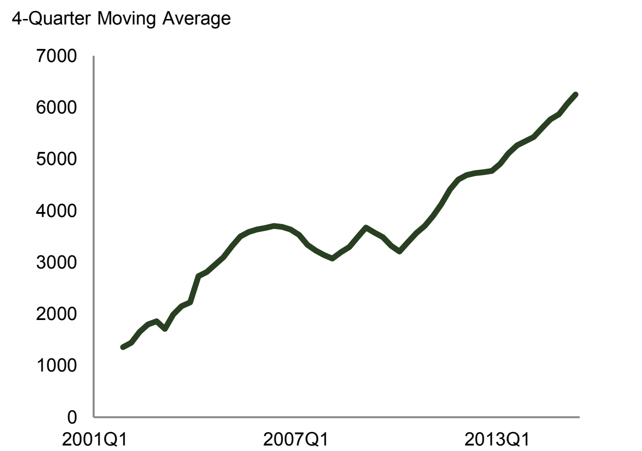
Source: Canadian Real Estate Association

CHART 6: INDEX OF HOUSING AFFORDABILITY



Source: CREA, Statistics Canada. *Assuming average home price, 25% downpayment, 25 year amortization.

CHART 7: ACTIVE LISTINGS IN OTTAWA



Source: Canadian Real Estate Association

sales to record levels during the spring and summer months. However, a pick-up in new home construction in Toronto will only add to a large pipeline of supply already underway, setting the stage for a weaker level of starts in 2016.

The **Ottawa** market has been bucking the trend of strength witnessed in Ontario as a whole this year. On the plus side, following 3 years of declining home sales and weaker prices in the city, the low interest rate environment has helped to stabilize market conditions and push price growth up to 2.0% Y/Y in 2015. The market had fallen victim to a number of years of overbuilding, the implications of which are still being felt. The number of listings in the Ottawa market is at a 15 year high and the market is still trending close to buyer's territory. Ottawa has always been a market heavily dependent on government employment. In a fiscally constrained world, job prospects in Ottawa are likely to remain soft in the coming months, keeping housing activity in check.

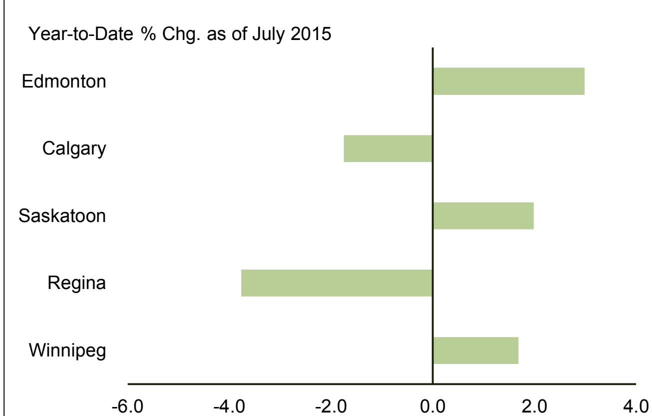
Housing in the Prairies facing tough economic times

Housing markets in commodity-dependent markets in the Prairie regions were hit hard at the start of the year. As oil prices sank, sentiment faltered. Existing home sales plunged in **Calgary**, **Edmonton**, **Saskatoon** and **Regina**. At the same time, listings spiked as investors became worried about future economic prospects. In early 2015, it seemed like these major markets were headed for a sharp housing market correction, not unlike what was experienced during the 2008/2009 economic recession.

Despite the continued low oil price environment, the market has shown more resilience than we had anticipated during the first half of 2015. This development likely reflects in part the mitigating effects of lower interest rates this year. Indeed, after plunging in the late fall and early winter months, resale activity started to recover across these four key western markets. As importantly, downward pressure on listings has eased, helping to restore balance to the markets. Having said that, housing activity is still depressed relative to last year's highs. Of these four markets, **Calgary** and **Edmonton** have seen the biggest hit to demand, with sales down 27% and 14%, respectively, relative to peak levels reached in October/November of last year. In Calgary, single-family detached home prices managed to rise in July, albeit by only 0.5% Y/Y, while condo prices were down 1.6% relative to last year levels. In contrast, average home price growth has remained remarkably stable in Edmonton, maintaining a 3% Y/Y pace. Average existing home prices have faced more pronounced pressure in **Regina**, falling 5% relative to year-ago levels in July. The drop in prices in Regina reflects higher supply more so than lower demand, as many years of robust building activity has led to an upward trend in the number of homes for sale on the market.

Notwithstanding the recent modest recovery in sales, we believe that the housing market correction in Calgary, Edmonton, Saskatoon and Regina has not yet run full course. In contrast to housing, the economic contraction observed this year, particularly in Alberta, has been deeper than we had expected and the drop in oil prices more sustained. Unemployment rates, which have already increased significantly in recent months, are likely to continue to head higher. Accordingly, home sales and prices in these housing markets are likely to remain under downward pressure. Regina and Saskatoon are likely to record particular weakness in both construction and existing home prices due to an elevated

CHART 8: PRAIRIE REGION AVERAGE EXISTING HOME PRICES



Source: Canadian Real Estate Association

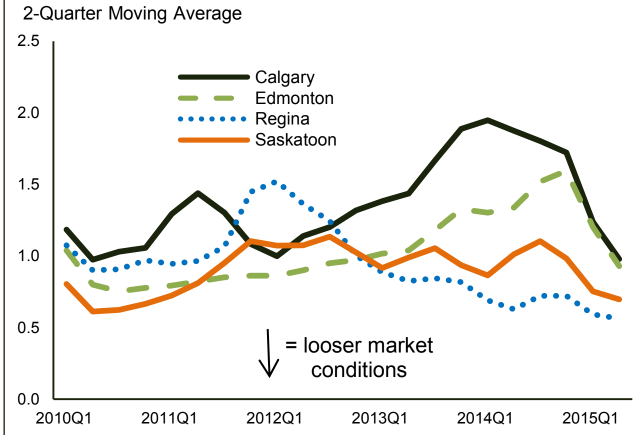
inventory of homes for sale, following what has been a long period of overbuilding. The markets in Calgary and Edmonton remain tight, but market pressures are starting to ease, as evidenced by a decline in the active sales-to-listings ratio. In addition, the number of days it takes to sell a house has risen from 33 last July to 40 this year. Meanwhile, the number of new homes under construction is at record levels with many of these units beginning to reach completion at a time when demand is weak, which will only add to further downward pressure on home prices. The inventory accumulation is expected to be more pronounced in Edmonton, where there are more units under construction per person than in Toronto and Vancouver. All told, weak housing market conditions in most urban markets in the Prairie region will extend into 2016.

The **Winnipeg** housing market started 2015 off on shaky ground, with sales down almost 6% year-over-year in July and home prices flat over the first 6-months of the year, extending what was a marked slowdown in housing activity in 2014. However, Winnipeg is one market in the Prairie region that is likely to be relatively immune to the economic consequences of falling oil prices. The economy is a more diversified than its counterparts in Saskatchewan and Alberta. And, the employment market has made quite the comeback through the first half of this year, adding roughly 10,000 new jobs since December of the last year. As such, home sales will likely pick up this year and into 2016. However, there was a jump in the number of newly completed units in 2013 and 2014, and builders are holding onto a record number of newly completed but unabsorbed units. The level of inventory is lofty when compared to the overall size of the market. As such, the Winnipeg market has been pushed into balanced territory, following a 15 year streak of being in seller's territory. The turnaround in home sales this year will help mop up some of the excess that exist, but prices and construction activity are likely to remain under pressure in 2015 and 2016.

Montréal and Québec City bright spots in 2016

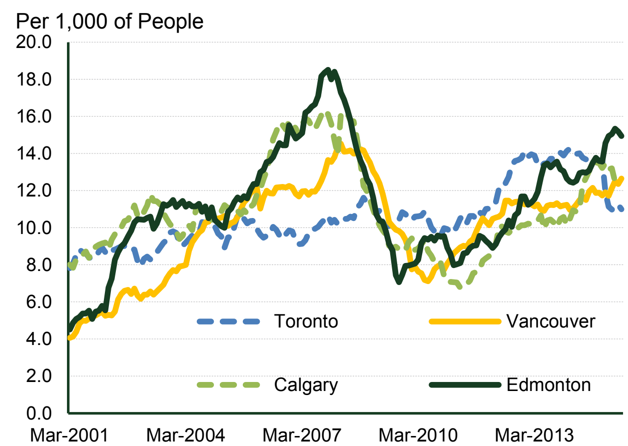
The Quebec provincial economy is expected to receive a notable boost from a revival in its export sector, along with improving U.S. demand and a lower Canadian dollar. The combination of low interest rates and better economic prospects have helped kick-start a recovery in housing market activity in **Montréal** and **Québec City**, following what has been a three year soft landing. Existing home sales are up 6% year-to-date in both Montréal and Québec City. That said,

CHART 9: WESTERN PROVINCES HOMES SALES-TO-ACTIVE LISTINGS



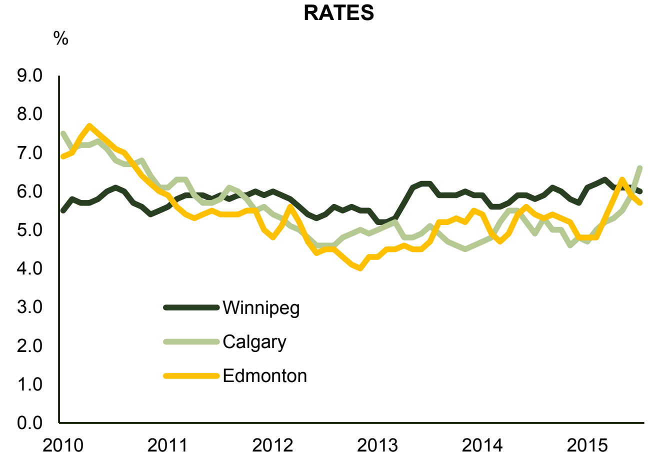
Source: Canadian Real Estate Association

CHART 10: NEW UNITS UNDER CONSTRUCTION

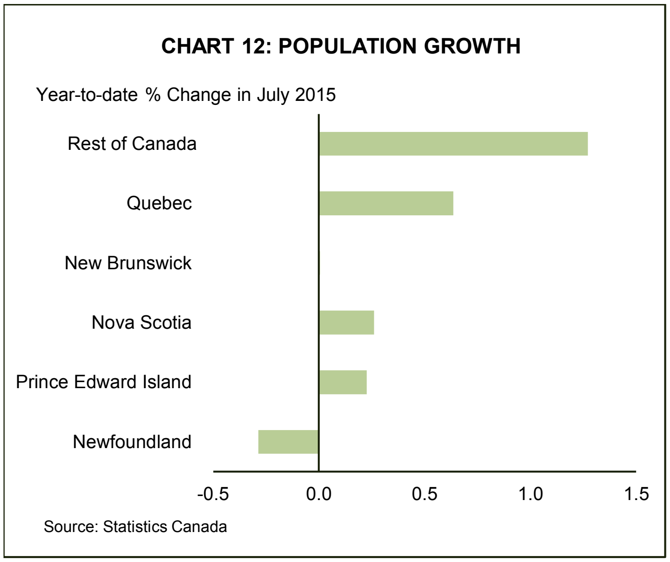


Source: Statistics Canada, Canadian Housing and Mortgage Corporation

CHART 11: SELECT WESTERN CANADA UNEMPLOYMENT RATES



Source: Statistics Canada



following two years of weak housing demand, the two markets remain in buyer's territory, which is reflected in muted price growth so far this year. With momentum in housing demand expected to carry forward into the second half of this year, some of the excesses will likely be absorbed, helping to bring the markets back to balance. Having already gone through a soft landing, these urban markets remain relatively less frothy than in the past and when compared to Toronto and Vancouver. However, beyond a likely cyclical improvement in activity, higher long term interest rates and relatively weak demographics will continue to work against household formation from a medium-term perspective. Net migration (including immigration and interprovincial migration) into Quebec is at a 15-year low and the population in both markets has been increasing at less than 1.0% Y/Y since 2012. So while more balanced market conditions will help to hold home price growth in the range of 1.5% to 2.0%, construction activity is likely to remain relatively low over the remainder of the forecast period.

Most Atlantic markets face demographic challenges

The low interest rate environment has helped spark a modest recovery in resale activity in many urban markets in the Atlantic provinces, following two consecutive years of declines in home sales. Year-to-date, sales were up 2.6% in Newfoundland, 7.0% in New Brunswick (led by a 9.6% gain in Saint John) and 11% in PEI. However, the past weakness in demand pushed most Atlantic markets into buyer's territory as measured by the sales-to-new listings ratio, which is likely to keep a lid on home price growth through the rest of 2015 and 2016. In additions, beyond a cyclical rebound in 2015, an aging population is likely to remain a long-term challenge across the region, with population growth stalled across most provinces in the Atlantic area.

Halifax, however, has been slow out of the gate, with existing home sales down 7% on a year-to-date basis. Despite the slow start, its housing market is set to outperform all other urban markets in the Atlantic region over the rest of 2015 and into 2016, supported by a relatively strong economic outperformance. The unemployment rate in Halifax has trended lower, the city has the fastest growing population among most Atlantic cities, and the start of the military shipbuilding project is expected to boost economic fortunes through 2015 and 2016. Existing home sales are expected to rebound in the second half of 2015, and grow solidly next year. Home price growth is expected to clock in at near 2% this year and next, after stagnating in 2014. Construction activity in Halifax has already picked up steam, mostly in the market for purpose built rentals. An aging population in the city has left a need for rental properties which should continue to support construction activity.

Given a high dependency on the commodity sector, the drop in oil prices is taking a heavy toll on the economy and housing markets in **Newfoundland and Labrador**. Existing home sales are projected to decline this year, bringing the string of consecutive annual drops to three, while prices are on track to fall 4%. However, prospects for a modest recovery in oil prices next year will help stabilize the housing market. New home construction has likely already bottomed, with housing starts falling almost 70% since September 2012, hitting their lowest level in over 10 years in July of this year, suggesting there is less scope for further weakness through the rest of the year and into next.

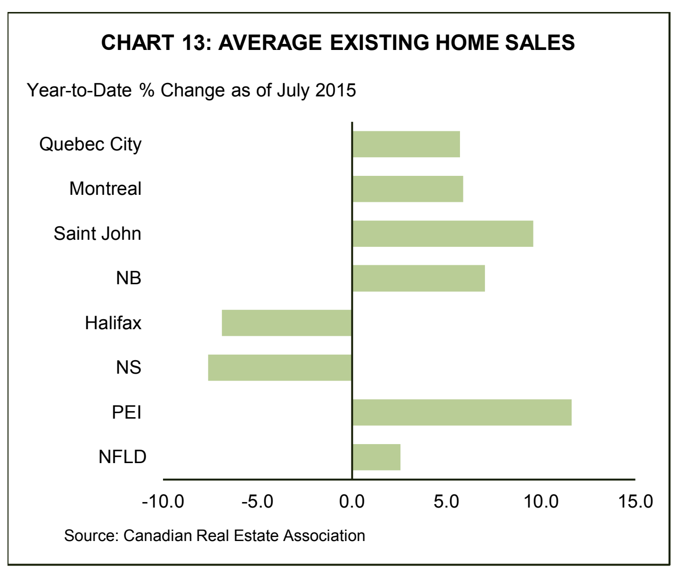
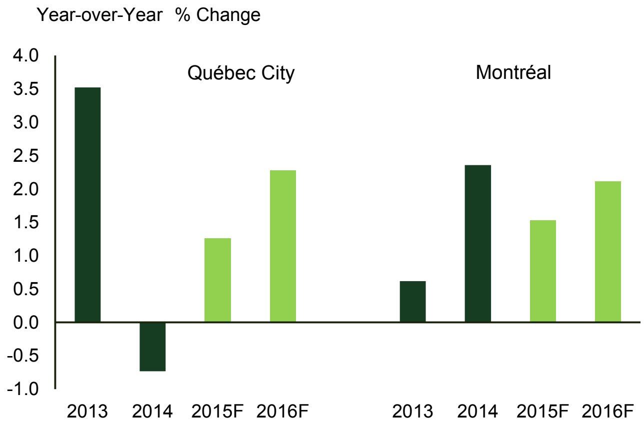


CHART 14: QUEBEC AVERAGE EXISTING HOME PRICES



Source: Quebec Federation of Housing. F. by TD Economics as of August 2015

Summing it all Up

When we sum it all up, the overall Canadian housing market appears set for another record breaking year in 2015, supported by low interest rates. The majority of the strength this year has occurred in major markets situated in Ontario and British Columbia. However, as the year progresses, we expect a pick-up across most markets outside of commodity-dependent economies. But, the pace of growth will be restrained as the positive influence on demand from low interest rates fizzles late this year. Nationally, average existing home prices will likely grow by over 7% this year, before cooling to just 1.0% next year. Housing Starts are likely to average roughly 190,000 this year before easing back to a more sustainable pace of 165,000 to 170,000 next year.

Diana Petramala, Economist
416-982-6420

SUMMARY TABLES

TABLE 1: EXISTING HOME SALES

	000's of units						Annual per cent change				
	2012	**2013**	**2014**	**2015F**	**2016F**		**2012**	**2013F**	**2014**	**2015F**	2016F
CANADA	454.3	457.6	481.2	502.6	486.7	**CANADA**	-1.1	0.7	5.1	4.5	-3.2
N. & L.	4.7	4.3	4.1	4.1	4.0	**N. & L.**	3.8	-7.5	-4.7	-0.6	-2.4
St. John's*	--	--	--	--	--	St. John's*	--	--	--	--	--
P.E.I.	1.6	1.4	1.4	1.6	1.7	**P.E.I.**	6.1	-11.7	-3.2	14.8	4.9
N.S.	10.4	9.2	8.8	8.0	8.3	**N.S.**	1.3	-12.4	-3.6	-9.7	4.0
Halifax	6.2	5.2	4.9	4.4	4.6	Halifax	2.0	-16.9	-6.5	-10.0	6.2
N.B.	6.4	6.3	6.3	6.6	6.7	**N.B.**	-3.0	-1.9	-0.1	4.8	2.6
Saint John	1.6	1.6	1.6	1.6	1.6	Saint John	2.2	-1.3	0.2	3.2	0.3
Québec	77.4	71.2	70.7	74.1	75.9	**Québec**	0.3	-8.0	-0.7	4.8	2.5
Québec City	7.2	6.3	6.5	6.8	7.0	Québec City	-0.3	-13.1	3.2	4.5	3.9
Montréal	40.1	36.5	35.8	37.9	39.2	Montréal	-0.7	-9.0	-2.0	6.1	3.2
Ontario	196.8	197.4	204.7	225.3	220.2	**Ontario**	-2.0	0.3	3.7	10.0	-2.2
Ottawa	14.5	14.1	14.1	14.7	15.0	Ottawa	-0.4	-3.1	0.3	4.2	2.2
Toronto	88.2	88.9	93.3	104.2	100.0	Toronto	-3.9	0.9	4.9	11.8	-4.1
Hamilton	13.0	13.5	14.3	15.7	14.3	Hamilton	-6.4	3.3	6.3	9.7	-9.0
Manitoba	13.9	13.7	13.8	14.1	14.2	**Manitoba**	0.2	-1.2	0.3	2.1	0.8
Winnipeg	12.1	12.1	12.1	12.4	12.4	Winnipeg	-1.7	0.0	0.5	1.8	0.7
Sask.	13.9	13.5	13.9	12.2	12.3	**Sask.**	5.7	-2.4	2.5	-12.4	0.9
Regina	4.0	3.7	3.7	3.4	3.4	Regina	1.4	-6.6	1.0	-9.1	1.3
Saskatoon	5.4	5.5	6.0	5.2	5.3	Saskatoon	4.1	2.7	8.2	-13.6	2.6
Alberta	60.4	66.1	71.8	56.0	52.5	**Alberta**	12.3	9.5	8.6	-22.0	-6.2
Calgary	26.6	30.0	33.6	23.7	21.6	Calgary	18.6	12.5	12.2	-29.4	-9.1
Edmonton	18.6	20.3	20.5	18.0	16.9	Edmonton	5.5	9.3	1.1	-12.1	-6.4
B.C.	67.6	72.9	84.0	100.0	91.0	**B.C.**	-11.8	7.8	15.2	19.0	-9.0
Vancouver	25.4	29.0	33.7	41.8	36.7	Vancouver	-22.7	13.9	16.2	24.2	-12.2
Victoria	5.5	5.7	6.4	7.6	6.4	Victoria	-5.5	4.3	11.9	18.9	-15.4

F. By TD Economics as of August 2015

*Insufficient Data

Source: Canadian Real Estate Association

TABLE 2: AVERAGE EXISTING HOME PRICE											
	Canadian $, 000's						Annual per cent change				
	2012	2013	2014	2015F	2016F		2012	2013	2014	2015F	2016F
CANADA	361.5	381.7	407.0	435.8	440.1	**CANADA**	0.3	5.6	6.6	7.1	1.0
N. & L.	269.2	283.7	284.3	271.7	263.3	**N. & L.**	7.6	5.4	0.2	-4.4	-3.1
St. John's*	--	--	--	--	--	St. John's*	--	--	--	--	--
P.E.I.	152.7	155.1	165.1	168.1	172.0	**P.E.I.**	3.7	1.6	6.4	1.8	2.3
N.S.	218.2	216.3	213.7	212.7	216.5	**N.S.**	2.8	-0.9	-1.2	-0.5	1.8
Halifax	269.3	274.2	275.3	279.2	285.2	Halifax	3.6	1.8	0.4	1.4	2.2
N.B.	159.4	161.4	161.1	160.9	164.2	**N.B.**	0.2	1.3	-0.2	-0.1	2.0
Saint John	166.6	172.1	169.8	163.2	162.3	Saint John	-1.9	3.3	-1.3	-3.9	-0.5
Québec	264.6	267.7	271.4	274.0	277.9	**Québec**	4.1	1.2	1.4	0.9	1.4
Québec City	258.1	267.2	265.3	268.6	274.7	Québec City	5.2	3.5	-0.7	1.3	2.3
Montréal	322.1	324.1	331.8	336.8	344.0	Montréal	4.1	0.6	2.4	1.5	2.1
Ontario	381.7	401.2	429.2	462.5	476.1	**Ontario**	5.0	5.1	7.0	7.8	2.9
Ottawa	351.0	356.4	360.7	368.3	375.4	Ottawa	2.3	1.6	1.2	2.1	1.9
Toronto	495.0	521.8	563.5	614.4	639.3	Toronto	6.8	5.4	8.0	9.0	4.1
Hamilton	358.1	381.2	404.5	436.8	454.9	Hamilton	7.8	6.5	6.1	8.0	4.2
Manitoba	246.6	260.7	264.7	268.8	274.4	**Manitoba**	4.9	5.7	1.5	1.5	2.1
Winnipeg	254.0	268.5	271.9	275.2	279.2	Winnipeg	5.3	5.7	1.3	1.2	1.4
Sask.	275.2	287.5	297.9	297.8	297.8	**Sask.**	6.4	4.5	3.6	0.0	0.0
Regina	301.0	310.9	314.7	307.7	304.0	Regina	8.9	3.3	1.2	-2.2	-1.2
Saskatoon	319.3	331.0	340.8	344.6	339.5	Saskatoon	6.1	3.7	2.9	1.1	-1.5
Alberta	362.0	380.2	399.8	389.1	378.1	**Alberta**	2.6	5.0	5.2	-2.7	-2.8
Calgary	410.8	436.6	459.5	451.3	441.7	Calgary	2.2	6.3	5.2	-1.8	-2.1
Edmonton	333.2	343.6	361.3	366.7	357.1	Edmonton	2.9	3.1	5.2	1.5	-2.6
B.C.	512.9	537.6	570.2	624.5	640.0	**B.C.**	-7.9	4.8	6.1	9.5	2.5
Vancouver	725.6	767.4	813.2	889.1	921.9	Vancouver	-6.1	5.8	6.0	9.3	3.7
Victoria	482.0	476.7	495.4	515.4	533.7	Victoria	-2.9	-1.1	3.9	4.0	3.5

F. By TD Economics as of August 2015

*Insufficient Data

Source: Canadian Real Estate Association

TABLE 3: HOUSING STARTS										
	Thousands of Units					Per cent change				
	2012	2013	2014	2015F	2016F		2012	2013	2014	2015F	2016F
CANADA	214.8	187.9	188.6	185.9	165.7	**CANADA**	10.8	-12.5	0.3	-1.4	-10.9
N. & L.	3.9	2.9	2.2	1.9	1.9	**N. & L.**	11.4	-26.3	-22.9	-13.0	0.5
St. John's*	2.2	1.7	1.2	0.9	0.9	St. John's*	12.0	-19.5	-31.9	-22.1	1.1
P.E.I.	0.95	0.64	0.52	0.43	0.58	**P.E.I.**	0.3	-33.2	-18.9	-16.7	34.9
N.S.	4.6	3.9	3.1	4.0	4.1	**N.S.**	-2.2	-14.4	-21.4	30.3	2.5
Halifax	2.8	2.4	1.8	2.7	2.8	Halifax	-6.8	-11.4	-27.6	53.0	3.7
N.B.	3.3	2.8	2.3	1.9	2.1	**N.B.**	-0.3	-13.4	-18.8	-18.0	13.8
Saint John	0.4	0.3	0.2	0.2	0.3	Saint John	-1.7	-22.3	-16.9	-21.5	88.9
Québec	47.2	37.6	38.9	35.9	36.0	**Québec**	-2.3	-20.3	3.4	-7.8	0.3
Québec City	6.4	4.7	4.4	4.9	4.8	Québec City	-71.8	-27.1	-5.4	10.7	-2.0
Montréal	20.6	15.6	18.6	17.0	16.2	Montréal	-9.4	-24.1	19.1	-8.7	-4.7
Ontario	77.4	60.9	58.3	63.0	55.0	**Ontario**	14.2	-21.4	-4.3	8.1	-12.7
Ottawa	6.0	6.6	5.8	4.0	3.8	Ottawa	4.0	8.9	-12.3	-30.5	-5.0
Toronto	48.1	33.5	28.7	39.0	32.0	Toronto	21.0	-30.3	-14.3	35.7	-17.9
Hamilton	3.0	2.7	2.8	2.0	2.2	Hamilton	20.6	-8.8	3.7	-28.8	10.0
Manitoba	7.3	7.5	6.2	6.3	6.4	**Manitoba**	21.3	2.6	-17.4	1.7	1.6
Winnipeg	4.1	4.7	4.2	4.3	4.4	Winnipeg	22.0	15.7	-9.9	1.4	2.3
Sask.	10.0	8.3	8.2	6.0	5.1	**Sask.**	42.6	-17.1	-0.2	-27.3	-15.8
Regina	3.1	3.1	2.2	1.4	1.1	Regina	82.6	0.9	-28.7	-37.1	-21.4
Saskatoon	3.8	3.0	3.5	2.1	1.6	Saskatoon	25.4	-20.6	16.7	-39.6	-23.8
Alberta	33.3	36.1	40.5	35.0	27.8	**Alberta**	30.4	8.2	12.5	-13.7	-20.5
Calgary	12.8	12.6	17.1	11.0	10.0	Calgary	38.2	-2.0	36.0	-35.7	-9.1
Edmonton	12.8	14.7	13.9	16.0	12.0	Edmonton	37.6	14.4	-5.6	15.3	-25.0
B.C.	27.5	27.1	28.3	31.5	26.7	**B.C.**	4.4	-1.5	4.6	11.1	-15.3
Vancouver	19.0	18.7	19.2	21.0	19.0	Vancouver	6.5	-1.7	2.8	9.3	-9.5
Victoria	1.7	1.7	1.3	1.8	1.7	Victoria	3.5	-0.9	-22.0	33.2	-5.7

F. By TD Economics as of August 2015

Source: Canadian Mortgage and Housing Corporation, Statistics Canada

TABLE 4: SALES-TO-NEW LISTINGS RATIO

	Per cent						Per cent change				
	2012	2013	2014	2015F	2016F		2012	2013	2014	2015F	2016F
CANADA	52.1	52.8	53.7	55.9	52.9	**CANADA**	-1.1	0.7	0.9	2.2	-3.0
N. & L.	49.9	42.7	37.3	36.9	35.5	**N. & L.**	0.5	-7.1	-5.4	-0.4	-1.4
St. John's*	--	--	--	--	--	St. John's*	--	--	--	--	--
P.E.I.	50.3	40.3	36.1	42.3	40.1	**P.E.I.**	2.9	-10.0	-4.2	6.2	-2.2
N.S.	51.2	43.9	43.0	36.8	36.5	**N.S.**	0.4	-7.3	-0.9	-6.2	-0.3
Halifax	59.5	47.6	45.8	39.6	42.2	Halifax	0.3	-11.9	-1.9	-6.1	2.6
N.B.	41.6	41.4	38.3	41.2	42.8	**N.B.**	-4.0	-0.2	-3.1	2.9	1.7
Saint John	36.2	37.6	35.7	38.6	40.1	Saint John	-3.2	1.4	-1.9	2.8	1.5
Québec	49.4	45.7	44.0	46.0	46.5	**Québec**	-0.7	-3.7	-1.7	2.0	0.5
Québec City	56.9	49.4	48.5	49.9	51.7	Québec City	-1.4	-7.5	-0.9	1.4	1.8
Montréal	52.0	47.3	46.0	48.5	49.6	Montréal	-1.4	-4.7	-1.4	2.5	1.1
Ontario	54.9	54.8	56.0	60.6	58.1	**Ontario**	-2.4	-0.1	1.2	4.6	-2.5
Ottawa	51.2	47.0	45.3	45.5	46.3	Ottawa	-4.9	-4.1	-1.7	0.2	0.8
Toronto	55.5	56.5	59.5	65.5	61.8	Toronto	-6.5	1.1	2.9	6.1	-3.7
Hamilton	70.8	71.6	73.7	75.8	63.7	Hamilton	4.1	0.8	2.1	2.0	-12.1
Manitoba	71.9	65.0	57.7	54.1	53.3	**Manitoba**	-1.2	-6.8	-7.3	-3.6	-0.8
Winnipeg	72.5	66.5	58.9	55.6	55.5	Winnipeg	-2.5	-6.1	-7.5	-3.4	-0.1
Sask.	55.4	49.2	46.0	39.8	40.6	**Sask.**	2.9	-6.2	-3.1	-6.2	0.8
Regina	62.2	51.7	44.9	44.4	47.7	Regina	0.3	-10.5	-6.8	-0.4	3.3
Saskatoon	52.8	48.7	46.5	38.0	39.8	Saskatoon	2.4	-4.1	-2.1	-8.5	1.8
Alberta	58.6	64.3	64.6	53.8	47.2	**Alberta**	7.8	5.7	0.3	-10.9	-6.6
Calgary	63.2	70.2	69.9	59.4	49.4	Calgary	11.9	7.0	-0.3	-10.5	-10.1
Edmonton	56.7	65.0	62.7	51.0	43.0	Edmonton	3.3	8.3	-2.3	-11.7	-8.0
B.C.	42.6	49.5	55.8	65.1	57.9	**B.C.**	-5.1	7.0	6.2	9.3	-7.1
Vancouver	42.4	51.3	58.4	69.8	57.9	Vancouver	-11.3	8.9	7.1	11.4	-11.8
Victoria	42.8	49.9	55.1	63.8	54.5	Victoria	-0.2	7.1	5.2	8.8	-9.4

F. By TD Economics as of August 2015

*Insufficient Data

Source: Canadian Real Estate Association

TABLE 6: PRICE-TO-INCOME RATIO

	Level					Per cent change				
	2012	2013	2014	2015F	2016F	2012	2013	2014	2015F	2016F
CANADA	5.2	5.3	5.5	5.7	5.6	-0.2	0.1	0.2	0.2	-0.1
N. & L.	4.7	4.7	4.4	4.1	3.8	0.4	-0.1	-0.3	-0.3	-0.2
St. John's*	--	--	--	--	--	--	--	--	--	--
P.E.I.	2.8	2.8	2.9	2.8	2.8	0.0	-0.0	0.1	-0.0	-0.0
N.S.	3.9	3.7	3.6	3.5	3.4	-0.0	-0.2	-0.2	-0.1	-0.0
Halifax	4.0	3.9	3.8	3.8	3.7	-0.0	-0.1	-0.1	-0.1	-0.0
N.B.	3.0	2.9	2.8	2.7	2.7	-0.1	-0.0	-0.1	-0.1	-0.0
Saint John	3.1	3.1	3.0	2.8	2.7	-0.2	0.0	-0.1	-0.2	-0.1
Québec	4.6	4.5	4.4	4.3	4.3	0.0	-0.1	-0.1	-0.1	-0.1
Québec City	3.6	3.6	3.5	3.4	3.4	0.1	-0.0	-0.1	-0.1	-0.0
Montréal	5.3	5.1	5.1	5.0	5.0	0.0	-0.2	-0.0	-0.1	-0.0
Ontario	5.3	5.3	5.5	5.8	5.8	0.1	0.1	0.2	0.3	-0.0
Ottawa	4.1	4.0	3.9	3.9	3.9	-0.1	-0.1	-0.1	-0.0	-0.0
Toronto	6.2	6.3	6.6	7.0	7.0	0.2	0.1	0.3	0.4	0.1
Hamilton	4.5	4.6	4.7	4.9	5.0	0.2	0.1	0.1	0.2	0.1
Manitoba	3.8	3.9	3.9	3.8	3.8	0.0	0.1	-0.1	-0.1	-0.0
Winnipeg	3.6	3.7	3.5	3.5	3.4	0.0	0.0	-0.1	-0.1	-0.1
Sask.	3.9	4.0	4.0	3.9	3.8	0.2	0.1	0.0	-0.1	-0.1
Regina	4.3	4.3	4.3	4.1	3.9	0.3	0.1	-0.1	-0.2	-0.2
Saskatoon	4.5	4.6	4.6	4.5	4.3	0.2	0.1	-0.0	-0.1	-0.2
Alberta	4.0	4.1	4.2	4.0	3.7	0.0	0.1	0.1	-0.2	-0.2
Calgary	3.8	4.0	4.0	3.9	3.7	-0.0	0.1	0.1	-0.2	-0.2
Edmonton	4.2	4.3	4.4	4.3	4.1	0.0	0.0	0.1	-0.1	-0.2
B.C.	7.9	8.0	8.2	8.7	8.7	-1.0	0.1	0.2	0.5	-0.0
Vancouver	10.3	10.4	10.8	11.6	11.8	-1.1	0.2	0.4	0.8	0.2
Victoria	8.1	7.7	7.8	7.8	7.9	-0.6	-0.4	0.1	0.1	0.0

F. By TD Economics as of August 2015

*Insufficient Data

Source: Canadian Real Estate Association, Statistics Canada

TABLE 4: SALES-TO-NEW LISTINGS RATIO											
	Per cent						Per cent change				
	2012	**2013**	**2014**	**2015F**	2016F		**2012**	**2013**	**2014**	**2015F**	**2016F**
CANADA	52.1	52.8	53.7	55.9	52.9	**CANADA**	-1.1	0.7	0.9	2.2	-3.0
N. & L.	49.9	42.7	37.3	36.9	35.5	**N. & L.**	0.5	-7.1	-5.4	-0.4	-1.4
St. John's*	--	--	--	--	--	St. John's*	--	--	--	--	--
P.E.I.	50.3	40.3	36.1	42.3	40.1	**P.E.I.**	2.9	-10.0	-4.2	6.2	-2.2
N.S.	51.2	43.9	43.0	36.8	36.5	**N.S.**	0.4	-7.3	-0.9	-6.2	-0.3
Halifax	59.5	47.6	45.8	39.6	42.2	Halifax	0.3	-11.9	-1.9	-6.1	2.6
N.B.	41.6	41.4	38.3	41.2	42.8	**N.B.**	-4.0	-0.2	-3.1	2.9	1.7
Saint John	36.2	37.6	35.7	38.6	40.1	Saint John	-3.2	1.4	-1.9	2.8	1.5
Québec	49.4	45.7	44.0	46.0	46.5	**Québec**	-0.7	-3.7	-1.7	2.0	0.5
Québec City	56.9	49.4	48.5	49.9	51.7	Québec City	-1.4	-7.5	-0.9	1.4	1.8
Montréal	52.0	47.3	46.0	48.5	49.6	Montréal	-1.4	-4.7	-1.4	2.5	1.1
Ontario	54.9	54.8	56.0	60.6	58.1	**Ontario**	-2.4	-0.1	1.2	4.6	-2.5
Ottawa	51.2	47.0	45.3	45.5	46.3	Ottawa	-4.9	-4.1	-1.7	0.2	0.8
Toronto	55.5	56.5	59.5	65.5	61.8	Toronto	-6.5	1.1	2.9	6.1	-3.7
Hamilton	70.8	71.6	73.7	75.8	63.7	Hamilton	4.1	0.8	2.1	2.0	-12.1
Manitoba	71.9	65.0	57.7	54.1	53.3	**Manitoba**	-1.2	-6.8	-7.3	-3.6	-0.8
Winnipeg	72.5	66.5	58.9	55.6	55.5	Winnipeg	-2.5	-6.1	-7.5	-3.4	-0.1
Sask.	55.4	49.2	46.0	39.8	40.6	**Sask.**	2.9	-6.2	-3.1	-6.2	0.8
Regina	62.2	51.7	44.9	44.4	47.7	Regina	0.3	-10.5	-6.8	-0.4	3.3
Saskatoon	52.8	48.7	46.5	38.0	39.8	Saskatoon	2.4	-4.1	-2.1	-8.5	1.8
Alberta	58.6	64.3	64.6	53.8	47.2	**Alberta**	7.8	5.7	0.3	-10.9	-6.6
Calgary	63.2	70.2	69.9	59.4	49.4	Calgary	11.9	7.0	-0.3	-10.5	-10.1
Edmonton	56.7	65.0	62.7	51.0	43.0	Edmonton	3.3	8.3	-2.3	-11.7	-8.0
B.C.	42.6	49.5	55.8	65.1	57.9	**B.C.**	-5.1	7.0	6.2	9.3	-7.1
Vancouver	42.4	51.3	58.4	69.8	57.9	Vancouver	-11.3	8.9	7.1	11.4	-11.8
Victoria	42.8	49.9	55.1	63.8	54.5	Victoria	-0.2	7.1	5.2	8.8	-9.4

F. By TD Economics as of August 2015
*Insufficient Data
Source: Canadian Real Estate Association