

Continued Impact of Rising Interest Rates

In Canada, the real estate market is experiencing a continued cooling trend, influenced by higher interest rates and challenges in affordability, particularly as the winter months approach. According to recent data from the Canadian Real Estate Association (CREA), national home sales have declined for the third consecutive month, showing a 1.9% decrease month-over-month. This decline is evident in 8 out of 10 provinces, indicating a broader market sensitivity to fluctuations in interest rates. Key Metrics:

New Listings:

Increased by 41.9% for Single Family homes.
Rose by 36.8% for Townhouse/Condo homes.

Sales:

Experienced an 8.5% increase for Single Family homes.
Surged by 39.4% for Townhouse/Condo homes.

Inventory:

Saw a substantial increase, with a 53.4% rise for Single Family homes.
Rose by 65.5% for Townhouse/Condo homes.

Median Sales Price:

Decreased by 4.2% to \$815,000 for Single Family homes.
Dropped by 1.0% to \$554,250 for Townhouse/Condo homes.

Days on Market:

Decreased by 4.8% for Single Family homes.
Increased by 4.5% for Townhouse/Condo homes.

Months Supply of Inventory:

Increased by 91.7% for Single Family homes.
Rose by 115.4% for Townhouse/Condo homes.

The slowing home sales coincide with a notable rise in new listings across the country. Newly listed properties have increased by 6.3% from the previous month, and there has been a cumulative 35% increase from the 20-year low observed earlier in the year. This has resulted in a 3.7 months' supply at the current sales pace.

This data suggests a complex and dynamic real estate landscape in Canada, with regional variations and a delicate balance between supply, demand, and affordability. Prospective buyers appear to be cautious, possibly awaiting further clarity on interest rate trends before committing to home purchases.