

July 2021 Housing Report

Canadian home sales continue to normalize in July

Home sales recorded over Canadian MLS® Systems edged back a further 3.5% on a month-over-month basis in July 2021, marking the smallest of four consecutive declines since March. While sales are now down a cumulative 28% from that March peak, Canadian housing markets are still historically quite active. (Chart A)

Month-over-month declines in sales activity were less broad-based than seen in the past few months, although sales were still down in about two-thirds of all local markets. Declines were led by Edmonton and Calgary, although that may be because the current trend of softening sales is a little more recent in these markets. In a market like Montreal, where sales began to moderate way back at the start of the year, activity edged up month-over-month in July.

The actual (not seasonally adjusted) number of transactions in July 2021 was down 15.2% on a year-over-year basis from the record for that month set last July. July 2021 sales nonetheless still marked the second-best month of July on record.

“While the moderation of sales activity continues to capture most of the headlines these days, it’s record-low inventories that should be our focus,” said Cliff Stevenson, Chair of CREA. “We still have extremely unbalanced housing markets all over the country, so your best bet is to consult with your local REALTOR® for information and guidance about buying or selling a home in these still unprecedented and challenging times,” continued Stevenson.

“The slowdown we’ve seen in home sales over the last few months has not been surprising, given that the level of activity we were seeing back in March was unsustainable,” said Shaun Cathcart, CREA’s Senior Economist. “But we are not returning to normal, we are only returning to where we were before COVID, which was a far cry from normal. The problem of high housing demand amid low supply has not gone anywhere – it’s arguably worse.

And after years of everyone agreeing that medium-density housing was the future, we are still referring to it as the ‘missing’ middle.”

The number of newly listed homes dropped by 8.8% in July compared to June, with declines led by a who’s who of big Canadian markets – the GTA, Montreal, Vancouver and Calgary. Across the country, new supply was down in about three-quarters of all markets in July.

This was enough to noticeably tighten the sales-to-new listings ratio despite sales activity also slowing on the month. The national sales-to-new listings ratio was 74% in July 2021, up from 69.9% in June. The long-term average for the national sales-to-new listings ratio is 54.7%.

Based on a comparison of sales-to-new listings ratio with long-term averages, the tightening of market conditions in July tipped a small majority of local markets back into seller's market territory, reversing the trend of more balanced markets seen in June. Another piece of evidence that conditions may be starting to stabilize was the number of months of inventory. There were 2.3 months of inventory on a national basis at the end of July 2021, unchanged from June.

This is extremely low – still indicative of a strong seller's market at the national level and in most local markets. The longterm average for this measure is twice where it stands today.

The Aggregate Composite MLS® Home Price Index (MLS® HPI) rose 0.6% month-over-month in July 2021, continuing the trend of decelerating month-over-month growth that began in March. That deceleration has yet to show up in any noticeable way on the East Coast where property is relatively more affordable.

Additionally, a more recent point worth noting (and watching) just in the last month or so has seen prices for certain property types in certain Ontario markets look like they might be re-accelerating. This could be in line with a re-tightening of market conditions in some areas.

The non-seasonally adjusted Aggregate Composite MLS® HPI was up 22.2% on a year-over-year basis in July. While still a very large gain, it was, as expected, down from the record 24.4% year-over-year increase in June. The reason the year-over-year comparison has started to fall is that we are now more than a year removed from when prices really took off last year, so last year's price levels are now catching up with this year's, even though prices are currently still rising from month to month. (Chart B)

Looking across the country, year-over-year price growth is averaging around 20% in B.C., though it is lower in Vancouver, a bit lower in Victoria, and higher in other parts of the province. Year-over-year price gains a little under 10% were recorded in Alberta and Saskatchewan, while gains were a little over 10% in Manitoba.

Ontario saw year-over-year price growth slow to a still very high 25% in July. Trends observed in big, medium and smaller cities were similar to those in B.C., with gains notably lower in the GTA, around the provincial average in Oakville-Milton, Hamilton-Burlington and Ottawa, and considerably higher in most smaller markets in the province.

The opposite is true in Quebec, where Greater Montreal's year-over-year price growth, at close to 24%, is double that of Quebec City at about 12%. Price growth is running a little above 30% in New Brunswick (higher in Greater Moncton, a little lower in Fredericton and Saint John), while Newfoundland and Labrador is in the 10% range on a year-over-year basis (a bit lower in St. John's).

The MLS® HPI provides the best way to gauge price trends because averages are strongly distorted by changes in the mix of sales activity from one month to the next.

The actual (not seasonally adjusted) national average home price was a little under \$662,000 in July 2021, up 15.6% from the same month last year. The national average price is heavily influenced by sales in Greater Vancouver and the GTA, two of Canada's most active and expensive housing markets. Excluding these two markets from the calculation in July 2021 cuts around \$132,000 from the national average price

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Mississauga Real Estate Board MLS ® home sales buck trend, remain strong in July

The number of homes sold through the MLS ® System of the Mississauga Real Estate Board totaled 920 units in July 2021. This was down by 7% from July 2020.

Home sales were 10.8% above the five-year average and 0.5% below the 10-year average for the month of July.

On a year-to-date basis, home sales totaled 7,345 units over the first seven months of the year. This was a substantial increase of 71.6% from the same period in 2020.

"Looking at other markets in the Golden Horseshoe region and even most of Southern Ontario it seems like we are an outlier when it comes to home sales, with activity down a little from last July but still holding up remarkably well compared to the degree of moderation in other markets," said Mike Ursini, President of the Mississauga Real Estate Board." On the other hand, new listings continue to fall, and this is causing overall supply levels to decline to new record lows. The market remains historically tight and without any relief on the supply side we

expect benchmark price gains to remain firmly anchored in double-digit territory for the foreseeable future."

The MLS® Home Price Index (HPI) tracks price trends far more accurately than is possible using average or median price measures. The overall MLS® HPI composite benchmark price was \$1,103,000 in July 2021, up by 19.2% compared to July 2020.

The benchmark price for single-family homes was \$1,345,300, an increase of 25% on a year-over-year basis in July. By comparison, the benchmark price for townhouse/row units was \$817,200, a sizable gain of 11.4% compared to a year earlier, while the benchmark apartment price was \$628,100, increasing by 11.7% from year-ago levels.

The average price of homes sold in July 2021 was \$963,829, a moderate gain of 6.4% from July 2020.

The more comprehensive year-to-date average price was \$1,013,069, increasing by 17.2% from the first seven months of 2020.

The dollar value of all home sales in July 2021 was \$886.7 million, was a modest decline of 1% from the same month in 2020.

The number of new listings was down sharply by 26.9% from July 2020. There were 1,197 new residential listings in July 2021. This was the lowest number of new listings added in the month of July in two decades.

New listings were 13.7% below the five-year average and 20.9% below the 10-year average for the month of July.

Active residential listings numbered 876 units on the market at the end of July, a substantial decline of 33.4% from the end of July 2020. Active listings haven't been this low in the month of July in more than 15 years.

Active listings were 38.1% below the five-year average and 48.1% below the 10-year average for the month of July.

Months of inventory numbered 1 at the end of July 2021, down from the 1.3 months recorded at the end of July 2020 and below the long-run average of 1.9 months for this time of year. The number of months of inventory is the number of months it would take to sell current inventories at the current rate of sales activity.

**Residential housing activity
Mississauga
July 2021**

Seasonally Adjusted ¹		Percentage change compared to					
		1 month ago	2 months ago	3 months ago	4 months ago	5 months ago	6 months ago
		June 2021	May 2021	April 2021	March 2021	February 2021	January 2021
Sales Activity	850	1.9	0.7	-12.8	-29.3	-30.9	-21.2
Average Price	\$970,537	-2.8	-6.4	-1.4	-5.3	-3.5	3.1
Dollar Volume*	\$825.0	-0.9	-5.7	-14.1	-33.1	-33.3	-18.8
New Listings	1,125	-8.7	-11.8	-17.7	-29.0	-29.2	-15.7
Active Listings	664	-10.9	-18.2	-25.8	-32.7	-37.4	-39.0

Actual ²		Percentage change compared to					
		1 year ago	2 years ago	3 years ago	5 years ago	7 years ago	10 years ago
		July 2020	July 2019	July 2018	July 2016	July 2014	July 2011
Sales Activity	920	-7.0	9.1	26.2	-13.5	-11.1	-3.4
Average Price	\$963,829	6.4	26.1	36.4	56.7	87.8	123.0
Dollar Volume*	\$886.7	-1.0	37.6	72.1	35.5	66.9	115.5
New Listings	1,197	-26.9	-6.8	-7.9	-13.8	-32.3	-19.7
Active Listings	876	-33.4	-37.7	-47.0	-23.0	-60.1	-51.5

Year-to-date ³		Percentage change compared to					
		1 year ago	2 years ago	3 years ago	5 years ago	7 years ago	10 years ago
		July 2020 YTD	July 2019 YTD	July 2018 YTD	July 2016 YTD	July 2014 YTD	July 2011 YTD
Sales Activity	7,345	71.6	39.0	50.1	0.3	13.7	9.3
Average Price	\$1,013,069	17.2	35.4	43.2	63.3	99.7	139.2
Dollar Volume*	\$7,441.0	101.0	88.1	114.9	63.9	127.2	161.4
New Listings	10,464	40.9	16.7	14.2	2.5	-11.4	-2.5
Active Listings**	885	-5.5	-30.9	-37.5	-24.6	-54.8	-47.7

Market Balance ⁴		Compared to					
		1 month ago	3 months ago	6 months ago	1 year ago	2 years ago	5 years ago
		June 2021	April 2021	January 2021	July 2020	July 2019	July 2016
Sales to New Listings Ratio	75.6	67.7	71.3	80.9	59.3	66.5	77.8
Months of Inventory	0.8	0.9	0.9	1.0	1.3	1.5	0.9

¹ Seasonal adjustment removes normal seasonal variations, enabling analysis of monthly changes and fundamental trends in the data.

² Actual (not seasonally adjusted) data as processed through the MLS® System of the Mississauga Real Estate Board.

³ Sum of actual data from January to present month of any given year.

⁴ Seasonally adjusted; sales to new listings ratio=sales/new listings*100; months of inventory=active listings at the end of the month/sales for the month.

* In millions of dollars.

** The year-to-date active listings figure is a monthly average of the number of homes on the market at the end of each month so far this year.

Mississauga Real Estate Board Housing Market Update for July 2021*



*Based on residential data from the Mississauga Real Estate Board MLS® System.
All percentage changes are year-over-year comparisons.



Home sales down 7.0%

Home sales numbered 920 units in July 2021, down 7.0% compared to the 989 units sold in July 2020.



Market balance

At the end of July 2021, the market balance was in sellers market territory.



New listings down 26.9%

There were 1,197 new listings added in July 2021, down 26.9% compared to the 1,637 listings added in July 2020.



Benchmark price up 19.2%

The benchmark price was \$1,103,000 in July 2021, up 19.2% from \$925,700 in July 2020.



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