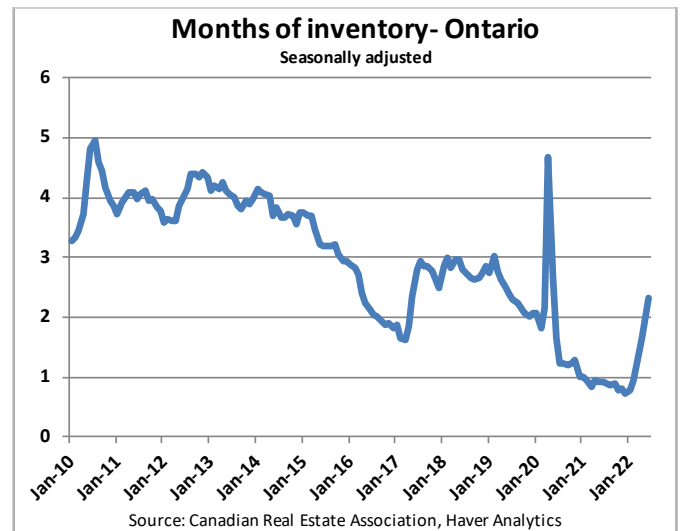
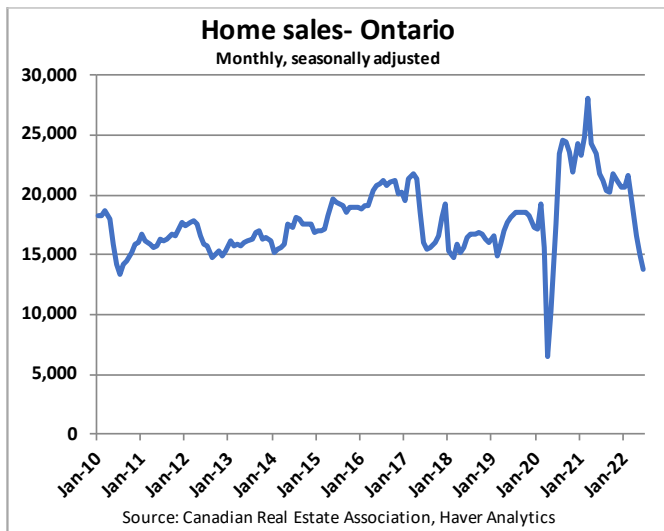




# Housing and Mortgage Market Review

## Home sales and prices slide in the second quarter

The impact of rising rates has weighed heavily on housing activity in Ontario. Seasonally adjusted home sales across the province slumped 26.7% in Q2 compared to the prior quarter and are now at levels seen during the early days of the pandemic.



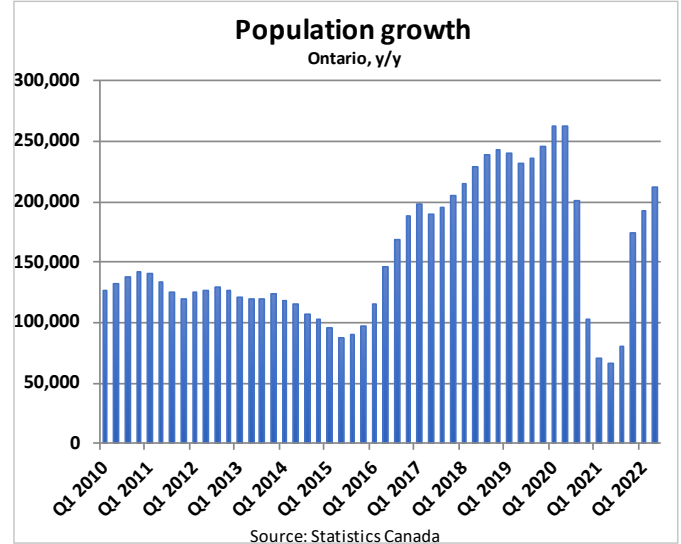
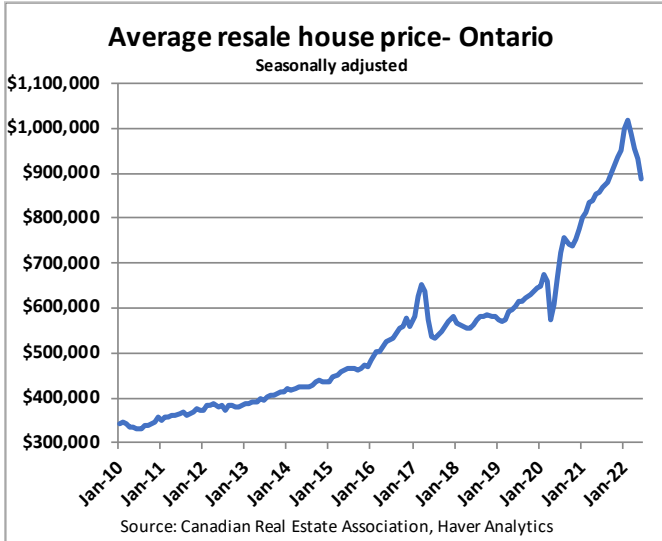
Inventory in the resale market surged 36% in the second quarter on a seasonally adjusted basis and is now up 60% compared to last year at this time. Months of inventory remain relatively low by historical standards but did tick up to 2.3, the highest since early 2020.

Seasonally adjusted average house prices fell 10.1% in the second quarter, one of the largest quarterly declines on record, but they remain 3.4% above year-ago levels.



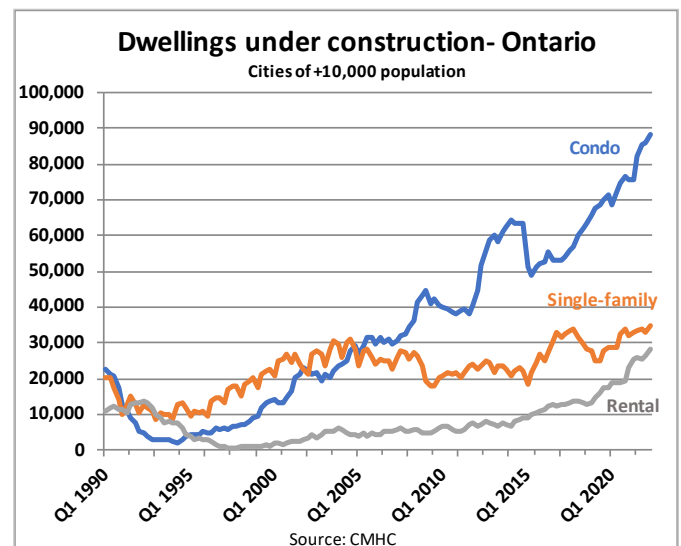
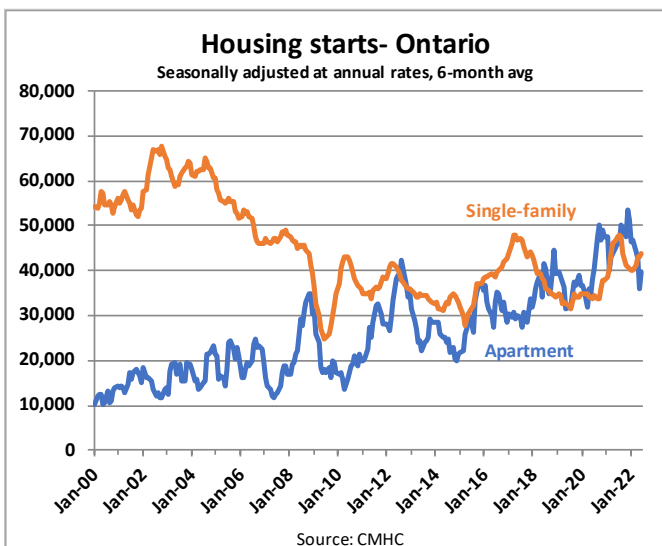
# Housing and Mortgage Market Review

## Ontario



## Population growth continues to rebound

Ontario's population has grown by over 200,000 in the past year. This represents a sharp increase off the lows seen during the COVID lockdowns and is closing in quickly on record levels seen in 2019.



Housing starts rose 8.4% in the second quarter, but it's worth noting that single-family starts remain well below long-term averages. Dwellings under construction continue to rise, led by a sharp increase in purpose-built rentals and condos, both of which are at 30-year highs.

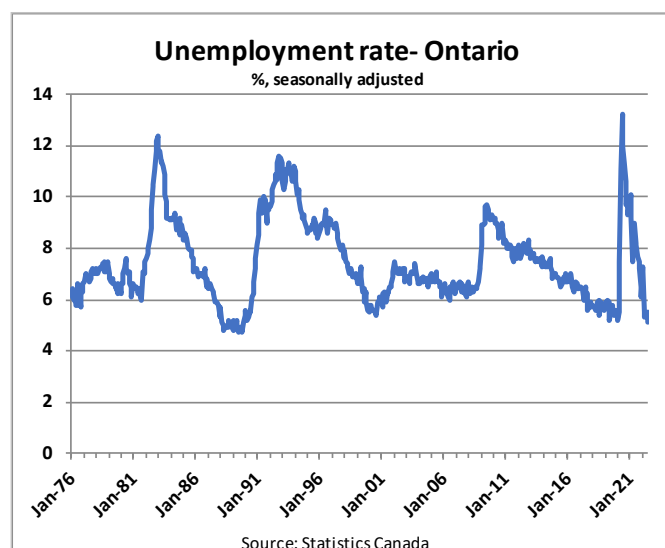
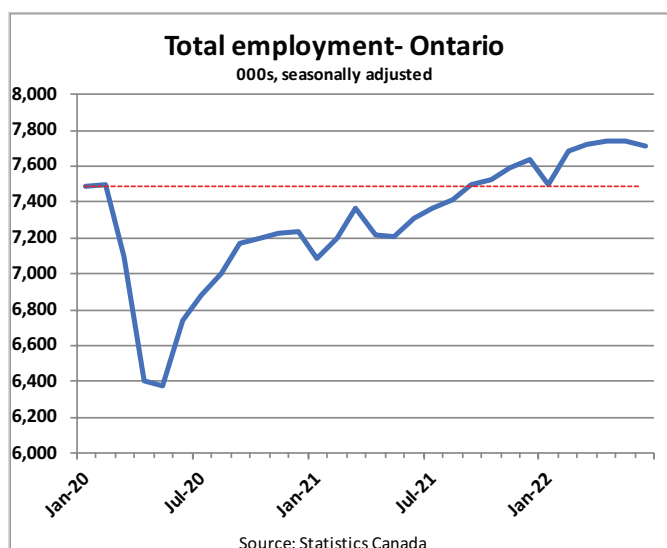


# Housing and Mortgage Market Review

## Ontario

### Economic momentum begins to wane in Q2

Ontario's labour market hit a soft patch in Q2, shedding nearly 10,000 jobs relative to the first quarter. Still, employment remains well above pre-COVID levels while the unemployment rate is hovering near all-time lows.



**What it all means:** Housing markets across Ontario are in an adjustment period due to affordability constraints from rising rates. Activity may dampen going forward as the full impact of the Bank of Canada's recent rate hikes take hold, but underlying fundamentals such as strong population growth should ultimately help put a floor under the market.

*\*Any forecasts contained in this report are accurate as of the date indicated.*

Ben Rabidoux is the founder of Edge Realty Analytics ([www.edgeanalytics.ca](http://www.edgeanalytics.ca)), which equips top real estate and mortgage professionals with timely research and insightful marketing infographics to help them stand apart from the competition and stay engaged with their clients and prospects.

He is also the founder and president of North Cove Advisors, a market research firm serving institutional and high net worth clients since 2013 that is consistently ranked top 5 for Canadian economic coverage by Brendan Wood International.

He is a frequent guest and contributor in major media outlets, including Bloomberg, The Wall Street Journal, Reuters, The Globe and Mail, The Toronto Star, Macleans, and many others.



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