

# DESJARDINS AFFORDABILITY INDEX

## Accessibility Improved Across Canada



### HIGHLIGHTS

► The Desjardins Affordability Index (DAI) improved in most census metropolitan areas (CMAs) in the first quarter of 2019 compared to the previous quarter. This was due to a drop in the average home sale price and an increase in average household after-tax income in many CMAs. For their part, posted mortgage rates remained stable (table 1). The index is still below its historical average, however, meaning that buying a home was more difficult in the first quarter of 2019 than it was on average over the last 20 years.

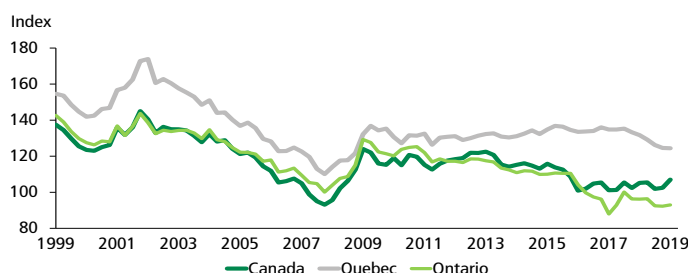
► In Quebec, households' financial capacity to buy a home eroded slightly. Once again, Sherbrooke saw accessibility deteriorate the most due to a steep increase in the average home sale price. In Montreal, the DAI's deterioration was the result of stagnating average household after-tax income and an increase in the average home sale price.

► The DAI improved in Ontario, as the biggest increases were seen in Toronto and Hamilton, where the largest drops in average sale price were recorded.

► Home accessibility improved again in Vancouver for a third straight quarter. The easing can primarily be chalked up to the downturn by the average home sale price. In Calgary, the DAI worsened slightly as home ownership costs (mortgage, property tax and utilities) went up slightly more than household after-tax income.

### GRAPH 1

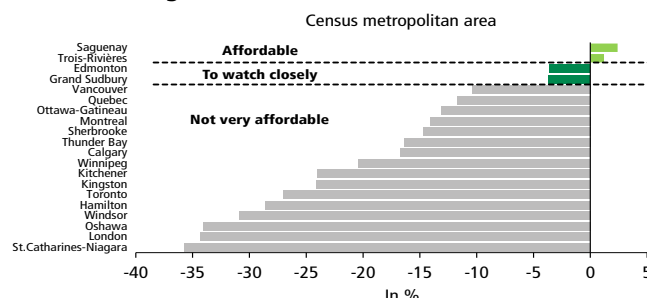
**The Desjardins Affordability Index advanced in Canada and Ontario in the first quarter of 2019**



Sources: Statistics Canada, Canadian Real Estate Association, Fédération des chambres immobilières du Québec through Centris® system, Conference Board of Canada and Desjardins, Economic Studies

### GRAPH 2

**Gap between the Desjardins Affordability Index and its historical average**



Sources: Statistics Canada, Canadian Real Estate Association, Fédération des chambres immobilières du Québec through Centris® system, Conference Board of Canada, National Household Survey and Desjardins, Economic Studies

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### TABLE 1

**Mortgage rate trend**

CLOSED SALES – AVERAGE	1 YEAR		5 YEARS	
	Q3 2018	Q4 2018	Q3 2018	Q4 2018
Q3 2018	3.49	3.64	5.34	5.34
Q4 2018	3.64	3.64	5.34	5.34
Q1 2019	3.64	3.64	5.34	5.34

Sources: Statistics Canada and Desjardins, Economic Studies

The Desjardins Affordability Index (DAI) is calculated by determining the ratio between the average household disposable income and the income needed to obtain a mortgage on an average-priced home (qualifying income). Qualifying income is calculated based on the cost of owning a home (mortgage payments, property taxes and utility costs). An information document on the DAI is available on our Web site [information document](#).

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NOTE TO READERS: The letters k, M and B are used in texts and tables to refer to thousands, millions and billions respectively.

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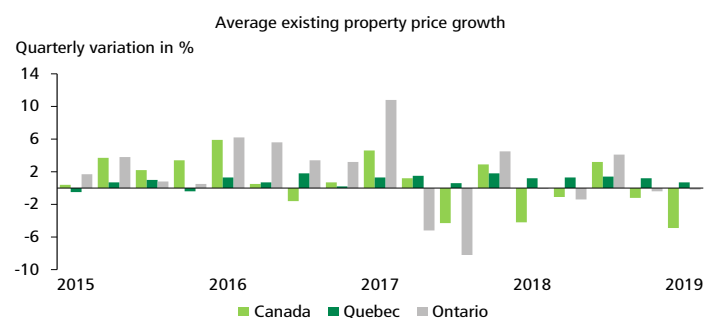
[Click here for more details on each region](#)

**TABLE 2**
**Desjardins Affordability Index**

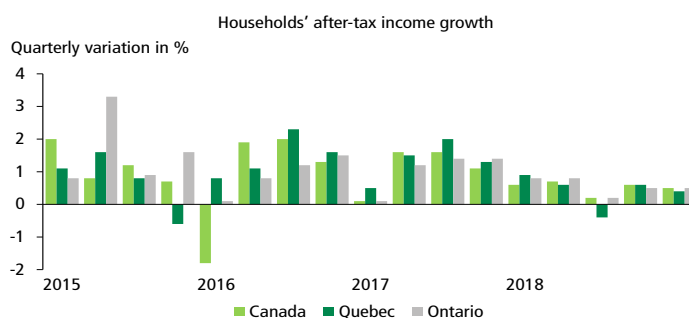
IN LEVEL (EXCEPT IF INDICATED)	CHANGE	QUARTERLY VAR. %	Q1 2019	Q4 2018	HIGH <sup>1</sup>	LOW <sup>1</sup>	AVERAGE <sup>1</sup>
Canada	↑	4.4	107.0	102.5	145.0	93.1	117.3
Quebec	↓	-0.2	124.4	124.6	173.9	110.1	136.6
Ontario	↑	0.7	93.0	92.3	143.7	88.0	117.5
<b>Census metropolitan area (CMA)</b>							
<b>Quebec</b>							
Saguenay	↑	2.4	187.0	182.6	232.6	153.1	184.6
Quebec	↑	1.4	142.4	140.4	203.1	127.8	154.1
Sherbrooke	↓	-3.3	130.2	134.6	211.8	108.5	144.8
Trois-Rivières	↑	1.4	180.4	177.9	217.8	140.6	179.2
Montreal	↓	-1.2	108.3	109.6	161.8	98.7	122.4
<b>Ontario</b>							
Ottawa–Gatineau (Qc)	↓	-1.5	130.6	132.5	179.1	118.4	143.7
Kingston	↑	0.7	115.6	114.8	174.4	116.9	139.8
Oshawa	↓	-0.6	94.3	95.0	153.0	98.4	128.5
Toronto	↑	4.5	76.7	73.4	131.9	71.5	103.7
Hamilton	↑	1.7	94.4	92.8	153.6	93.1	123.0
Kitchener–Cambridge–Waterloo	↓	-0.8	111.6	112.5	164.6	112.3	135.6
Windsor	↓	-3.0	144.4	148.8	198.5	147.5	175.3
London	↓	-1.2	109.1	110.5	167.8	113.4	143.4
St. Catharines–Niagara	↑	0.0	97.1	97.0	157.3	101.6	132.8
Thunder Bay	↓	-3.2	164.4	169.8	210.1	154.0	180.8
Greater Sudbury	↑	0.8	164.1	162.8	204.4	133.2	167.7
<b>Alberta</b>							
Calgary	↓	-0.2	137.1	137.3	194.6	107.8	153.8
Edmonton	↑	2.2	155.0	151.6	202.9	101.5	158.7
<b>British Columbia</b>							
Vancouver	↑	8.6	64.1	59.0	102.2	55.7	74.5
<b>Manitoba</b>							
Winnipeg	↑	1.0	150.5	149.0	212.9	138.4	170.9

<sup>1</sup> Over the 1999 to 2019 period.

Sources: Statistics Canada, Canadian Real Estate Association, Federation of Real Estate Boards Centris® system, Conference Board of Canada and Desjardins, Economic Studies

**GRAPH 3**
**Average sale prices fell in Canada and Ontario**


Sources: Canadian Real Estate Association, Fédération des chambres immobilières du Québec through Centris® system and Desjardins, Economic Studies

**GRAPH 4**
**Household after-tax income has continued to rise recently**


Sources: Statistics Canada and Desjardins, Economic Studies