

ECONOMIC NEWS

Canada: 2020 Was an Extraordinary Year for the Home Resale Market

HIGHLIGHTS

- ▶ The existing property market finished 2020 with a bang, with the number of properties sold up 7.2% from November to December across Canada.
- ▶ The existing property price index continued to rise, posting an eighth straight monthly gain by rising 1.5% from November to December.
- ▶ The number of properties sold over all of 2020 increased 12.6% from 2019. This was the largest annual increase since 2001.
- ▶ On average, the existing property price index advanced 8.2% in 2020 over 2019.

COMMENTS

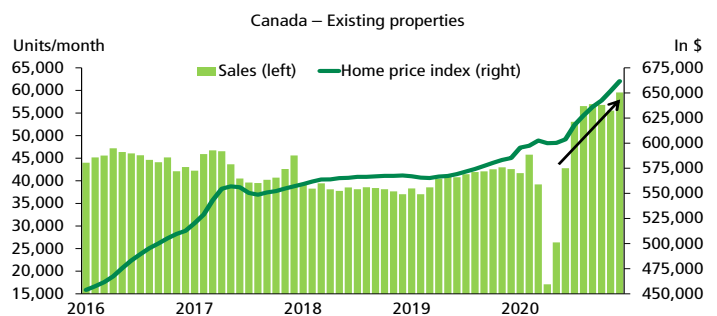
The housing market slumped substantially in March and April because of the public health measures introduced to combat the first wave of COVID-19. It then posted an exceptional rebound as of May. All in all, 2020 is showing very strong increases in the number of properties sold and prices, which looked improbable last spring.

Also noteworthy is the fact that the housing market is still showing no signs of slowing, suggesting that 2021 will get off to a very nice start. Among other things, the number of properties in inventory is very low and the ratio of sales to new listings is nearly a record high. Under these circumstances, we can expect price growth to remain fairly sustained for the coming months.

IMPLICATIONS

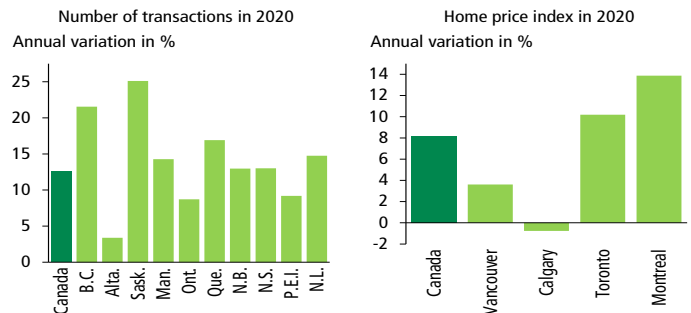
While the new public health measures introduced recently to combat the second wave of COVID-19 could create some temporary blips in the housing market, the foundations are

GRAPH 1
The housing market had an outstanding second half in 2020



Sources: Canadian Real Estate Association and Desjardins, Economic Studies

GRAPH 2
Most regions saw strong housing market growth in 2020



Sources: Canadian Real Estate Association and Desjardins, Economic Studies

strong and sales and existing property prices should keep trending up in 2021.

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