



MARKET UPDATE

MARCH 2024

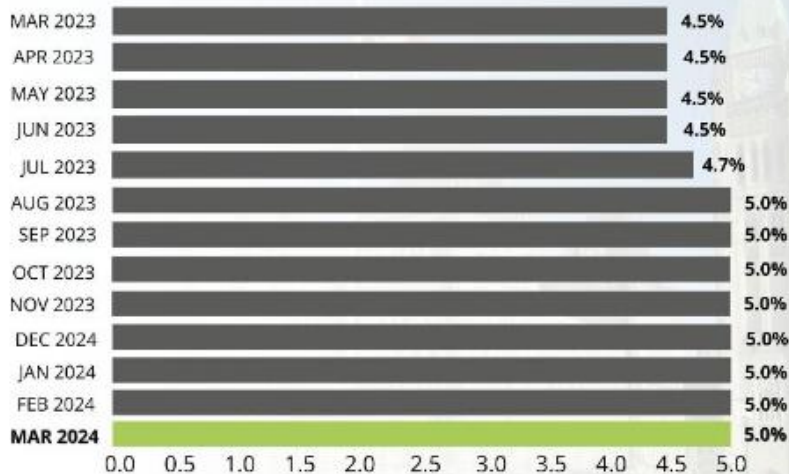
Insights on Current Market Trends

We hope this newsletter finds you well. As part of our commitment to keeping you informed about market developments, we wanted to provide you with some key insights on recent trends impacting various sectors of the economy.

Today, in addition to providing insights into the latest trends, we're pleased to share a significant update from the **Bank of Canada** regarding interest rates.

The Bank of Canada has decided to keep its target for the overnight rate steady at 5%, with the Bank Rate at 5¼% and the deposit rate at 5%. This decision reflects the Bank's ongoing policy of quantitative tightening.

BANK OF CANADA INTEREST RATE (%)



SOURCE: BANK OF CANADA

[Click Here](#) to see the Bank of Canada Rate Hikes timeline.

Now, let's get started:

Core Inflation Cooling Sharply: The Bank of Canada's closely watched measures of core inflation experienced a notable cooling from 3.7% to 3.4% in January.

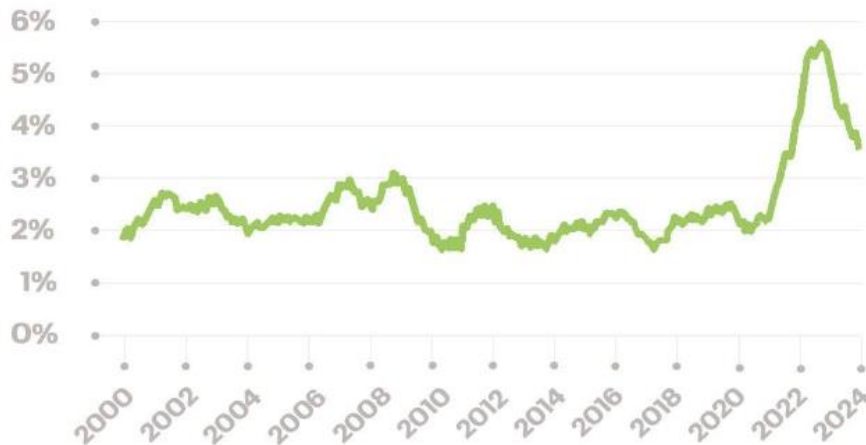
While this dip may signal a moderation in price pressures, it's essential to continue monitoring inflation dynamics closely as they can influence monetary policy decisions.

Core Inflation Cooling Sharply %

The Bank of Canada's closely-watched measures of core inflation cooled sharply from 3.7% y/y to 3.4% in January.



CORE INFLATION MEASURES, AVG CPI COMMON | SOURCE: STATISTICS CANADA



Surging Rental Prices: The rental market experienced significant tightening in 2023, leading to record-high rents across the country.

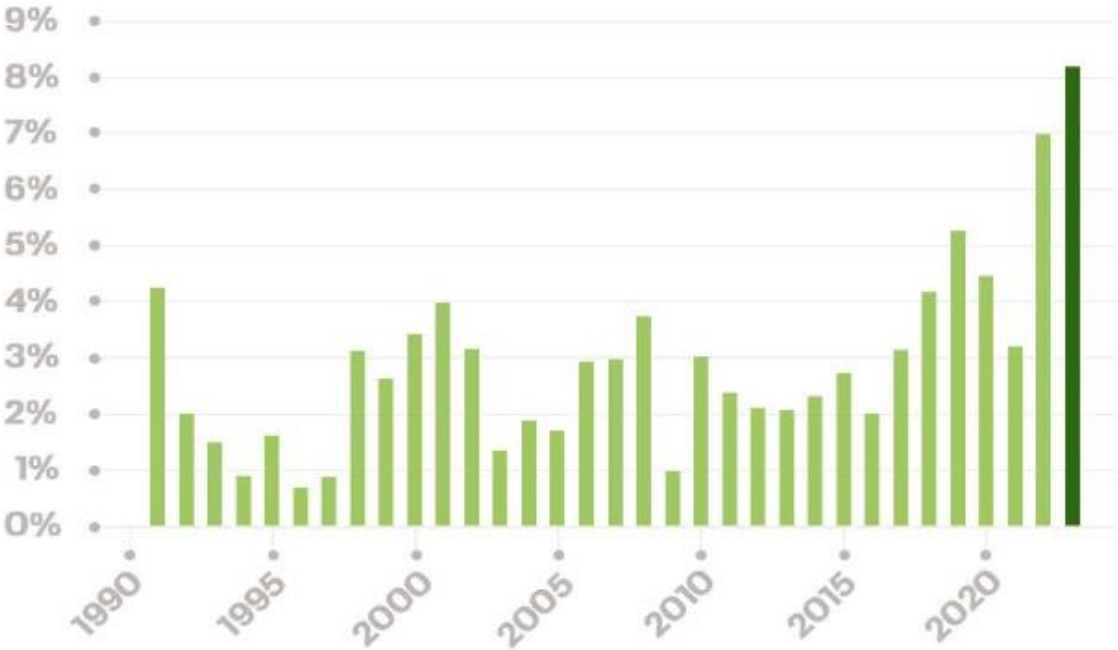
This surge in rental prices underscores the challenges faced by renters amid a constrained housing supply and robust demand.

Rental Prices Have Been Surging



A tight rental market in 2023 led to a record increase in rents across the country.

ANNUAL CHANGE IN AVERAGE RENT, CANADA | SOURCE: CMHC



Housing Construction Shortfall: Canada is grappling with a shortage of housing, exacerbated by record population growth has driven Canada's apartment vacancy rate to its lowest level on record in 2023.

This trend highlights the tightness in the rental market and the challenges faced by individuals seeking affordable housing options.

Not Enough Houses

Record population growth and a decline in housing construction led to Canada building only one new single-family home for every 25 people added to the population last quarter.



POP. GROWTH DIVIDED BY SINGLE-FAMILY HOUSING STARTS | SOURCE: STATISTICS CANADA



Record Low Vacancy Rate: Strong population growth has driven Canada's apartment vacancy rate to its lowest level on record in 2023.

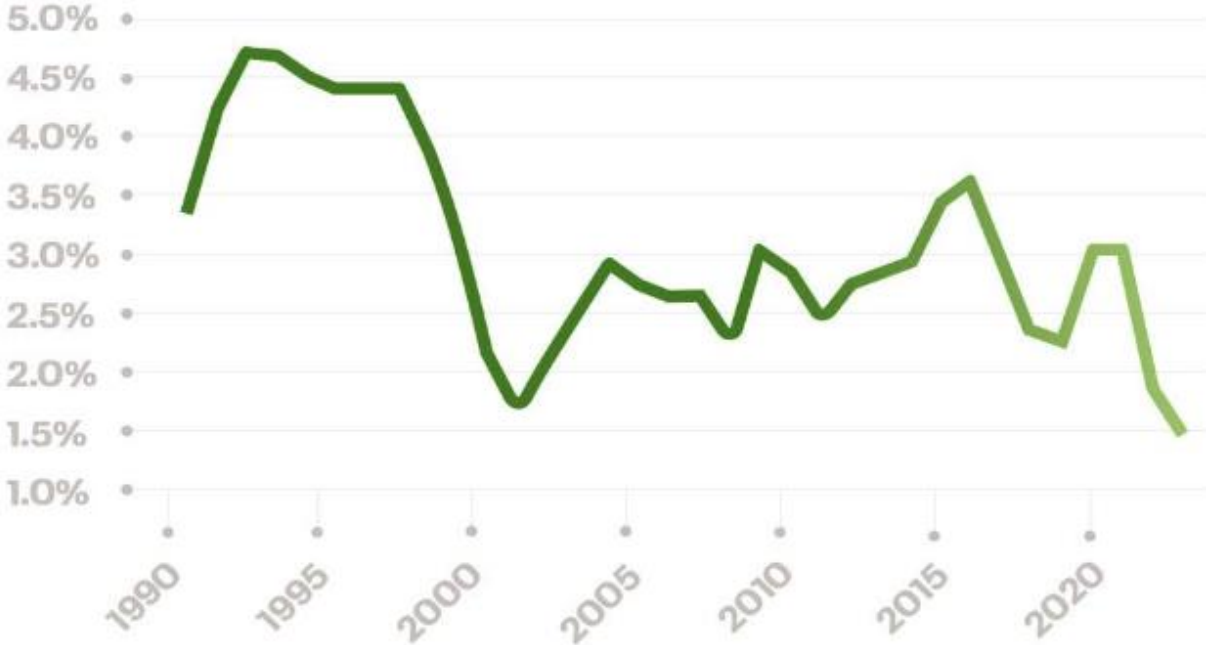
This trend highlights the tightness in the rental market and the challenges faced individuals seeking affordable housing options.

Record Low Vacancy Rate



Strong population growth pushed Canada's apartment vacancy rate to the lowest on record in 2023.

APARTMENT VACANCY RATE, CANADA | SOURCE: CMHC



Divergent Market Trends: Despite a national sales-to-new listings ratio of 56% indicating a balanced market in January, significant regional differences were evident.

While the Prairies and Atlantic Canada exhibited strength, Ontario and BC faced buyer's markets, reflecting divergent trends across the Country.

Divergent Market Trends

In January, the national sales-to-new listings ratio of 56% suggested a balanced market, but concealed sharp regional differences: strength in the prairies and Atlantic Canada contrasted with buyer's markets in Ontario and BC.



SALES-TO-NEW LISTINGS RATIO, JAN 2024, 3-MONTH AVERAGE | SOURCE: CREA/HAVER



Source:

<https://www.statcan.gc.ca/en/start>

<https://www.crea.ca/>

<https://www.bankofcanada.ca/>

We look forward to bringing you more insights and updates on Canada's ever-evolving housing market.

Regards,

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