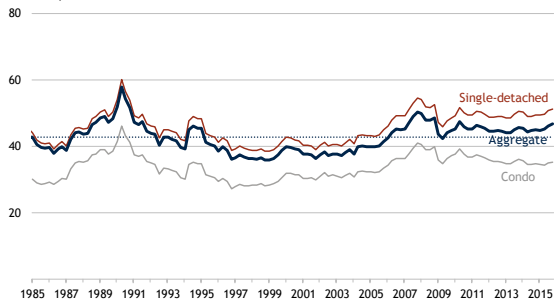


HOUSING TRENDS AND AFFORDABILITY

February 2016

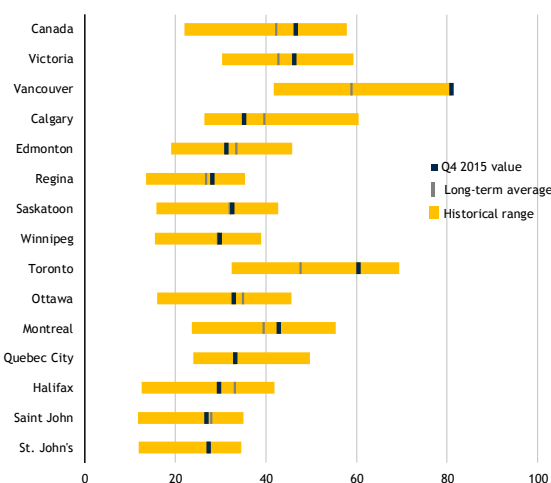
RBC Housing Affordability Measures - Canada

Ownership costs as % of median household income



RBC Housing Affordability Measures - major markets

Ownership costs as % of median household income



Source: Brookfield RPS, Statistics Canada, Bank of Canada, Royal LePage, RBC Economics Research

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Local housing affordability trends continue to run in opposite directions in Canada in Q4/15

- Housing affordability trends still varied substantially across local markets and housing categories in Canada in the fourth quarter of 2015.
- There was marked erosion in the Vancouver-area and, to a lesser extent, Toronto-area markets, where rapid price increases further exacerbated already poor affordability conditions, especially in the single-detached segments.
- In fact, it has never been so unaffordable to own a single-detached home in the Vancouver area.
- Trends in other local markets remained generally constructive, with affordability levels either improving or fairly stable. Markets seeing some improvement typically were areas experiencing soft resale activity and challenging economic conditions.
- Overall, housing affordability at the national level deteriorated slightly in the final quarter of 2015. RBC's measure for the aggregate of all housing types rose by 0.6 percentage points to 46.7% (an increase represents deterioration in affordability). Measures for the two main housing categories—single-detached and condo apartments—both edged higher in the quarter.
- Contrasting regional pictures are likely to persist in the near term. For Vancouver and Toronto, this would intensify affordability-related stress for homebuyers.

Changes to RBC's affordability measures

This issue of Housing Trends and Affordability includes important changes to the way RBC reports housing affordability across geographies and category segmentations. The report expands local coverage to 14 markets from six previously, thereby offering richer information on regions analyzed only at the provincial level previously. The report also presents affordability measures for an aggregate of all housing categories, as well as single-detached homes and condominium apartments. The introduction of an aggregate measure offers a simple, all-encompassing gauge for each market, while maintaining category-specific measures helps to highlight distinctive trends within local housing mixes. On a technical note, RBC's affordability measures are now based on home price data supplied by Brookfield RPS following the discontinuation of price series that we earlier sourced from Royal LePage. Due to these many changes, new affordability estimates are not strictly comparable to estimates reported in previous Housing Trends and Affordability reports. A detailed description of changes and their implications can be found [here](#).

Vancouver and Toronto increasingly (dangerously) unaffordable...

A worrying side effect of the ongoing housing booms in Vancouver and Toronto continues to be sharp deterioration in affordability. Conditions in Vancouver, in particular, show increasing signs of over-heating in single-detached segments where home prices have skyrocketed in the past year. Owning a single-detached

home at market prices in the Vancouver area clearly is out of reach for an average household or for the vast majority of households for that matter. Fortunately, owning a condo apartment is still within reach for many in the area—and the only realistic option for first-time buyers—although, it too has become slightly less affordable in the last two quarters. Similarly, single-detached home affordability in Toronto continues to slip deeper into stressful territory for homebuyers; however, conditions are not as extreme as they are in Vancouver.

...but the situation is much more constructive elsewhere

There are few signs that housing affordability is problematic elsewhere in Canada. RBC's measures generally remain close to historical averages, and recent trends either have been stable or improving slightly. Most of the markets seeing steady improvement are located in the Atlantic region where demand-supply conditions have been soft for some time amid economic and demographic challenges that many of these areas face. In Alberta, flat affordability trends mask offsetting weakness in home prices and household income resulting from the energy bust and provincial recession.

Modest deterioration at the national level

The significant rise in homeownership costs in Vancouver and Toronto had a dominant influence on Canada-wide affordability measures in the fourth quarter of 2015. RBC's national aggregate measure rose by 0.6 percentage points to 46.7%, the highest level in more than five years. The increase was broadly based across housing categories, with the measure for single-detached homes climbing by 0.6 percentage points to 51.3%, and condo apartments moving up by 0.3 percentage points to 35.2%.

Diverging regional paths likely to persist

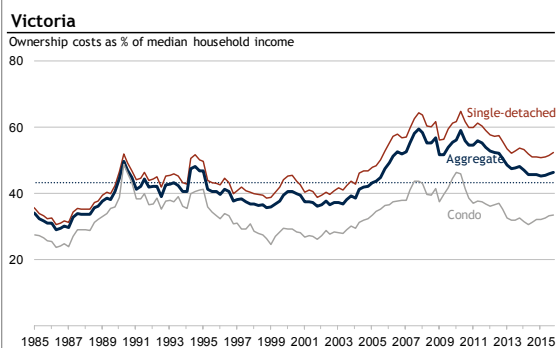
Current market conditions strongly suggest that housing affordability in Vancouver and Toronto will stay on a deteriorating path in the near term. Sellers are very much in control of both markets, and prices are likely to continue to rise rapidly in the coming months, thereby driving up the cost of homeownership. Recently implemented changes to mortgage insurance rules aimed at cooling high-priced markets may slow down the pace of price increases at the margin; however, we do not believe that they will materially reverse current momentum. Any further deterioration in the affordability of single-detached homes would entrench these segments as 'luxury' forms of housing in Vancouver and Toronto, available only to wealthy households. Balanced demand-supply conditions in the majority of other markets in Canada point to comparatively slower-rising prices and, consequently, steadier affordability readings in the rest of the country. The likelihood of price declines in markets such as Calgary would help improve local affordability levels.

British Columbia

Victoria – On the upswing

Victoria has been among several BC markets that saw a surge of home resale activity in 2015. The number of homes sold in the area reached their highest level in eight years, up by a very strong 23.5% from 2014. Such brisk activity reflected growing demand supported by solid job gains during the latter half of 2015 and accelerating population growth. Demand-supply conditions tightened significantly as a result and tilted heavily in favour of sellers since spring last year, thereby applying increasing upward pressure on home prices. Rising prices in turn drove homeownership costs higher in the area and erod-

RBC Housing Affordability Measures



Source: Brookfield RPS, Statistics Canada, Bank of Canada, Royal LePage, RBC Economics Research

ed affordability slightly. RBC's aggregate affordability measure for Victoria rose for the third consecutive quarter in the latest period, increasing by 0.5 percentage points to 46.4%—which is almost exactly the same as the national average. Despite recent deterioration, overall affordability in the area remains close to historical norms, although some greater than usual tensions are apparent for single-detached homes.

Vancouver – Single-detached home affordability detached from reality?

The Vancouver area emerged as the hottest housing market in the country in 2015. Home resales soared by 28% to a new record high (more than 43,000 units), and prices jumped 11%, both representing the strongest gains anywhere in Canada. Much of Vancouver's heat is concentrated in the single-detached home segments, where supply clearly falls well short of demand and prices increase the fastest (nearly 18% year over year in the fourth quarter of 2015 or triple the rate of 6% for condo apartments). With an average price exceeding \$1.2 million, single-detached homes have long since slipped out of reach for the average local homebuyer. RBC's measure for this category—which is based on the median income of Vancouver-area households—reached an astounding 109.0% in the fourth quarter of 2015, which was up by 4.3 percentage points from the previous quarter. This implies that only a select few wealthy households can afford to own such properties at market prices. Condo apartments, on the other hand, remain comparatively more affordable—with a measure of 44.1%—and, therefore, cater to a broader base of local buyers. Indeed, condo apartments claimed the highest share of existing home sales in the area in 2015 (42% of total). Given the extremely tight demand-supply conditions currently in place, affordability-related pressures are unlikely to subside anytime soon in the area.

Alberta

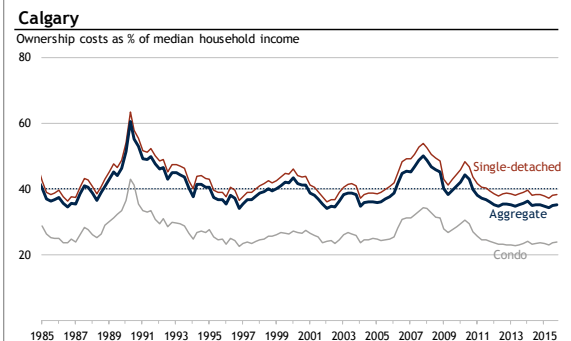
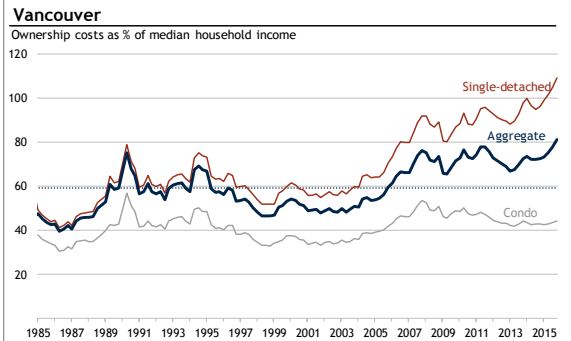
Calgary – Market's focus is on the economy, not affordability

With global oil prices plumbing multi-year lows, energy firms hunkering down, and non-energy sectors increasingly feeling the pain from the energy sector's bust, Calgary's economic landscape soured in 2015. The area's housing market clearly suffered from this souring, with resale activity plummeting by 29% last year; however, because the starting point of the housing downturn was so strong (the market was previously very tight) and the fact that the supply of homes available for sale also adjusted to some extent, erosion in demand-supply conditions remained reasonably contained until the late stages of 2015—such that home prices held up fairly well despite it all. Prices generally were about flat on the year, with small quarterly declines registered in some categories. This resilience in property values kept affordability trends quite stable, with RBC's aggregate measure for the area largely unchanged at historically attractive levels. In the fourth quarter, the measure inched 0.2 percentage points higher to 35.3%. Nonetheless, early data for 2016 show evidence that downward price pressure is intensifying, and we expect this development to benefit affordability in the period ahead. Still, any easing in ownership costs, on its own, is unlikely to kick start the Calgary market at this stage.

Edmonton – Holding on but for how long?

Facing challenges very similar to those weighing on the Calgary market, resale activity also dropped in Edmonton in 2015, albeit by a smaller magnitude

RBC Housing Affordability Measures

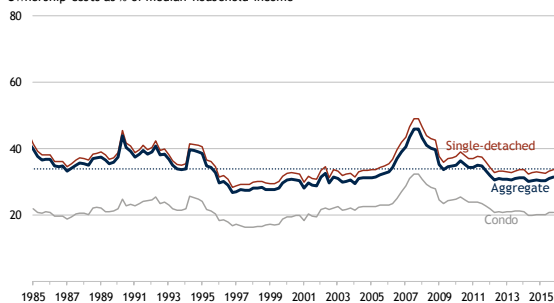


Source: Brookfield RPS, Statistics Canada, Bank of Canada, Royal LePage, RBC Economics Research

RBC Housing Affordability Measures

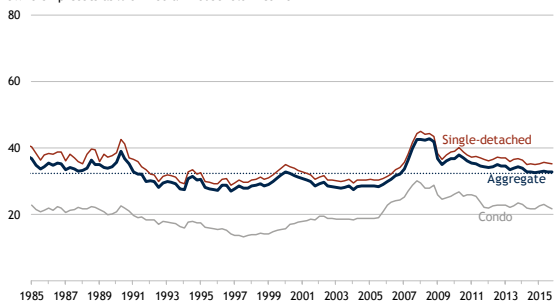
Edmonton

Ownership costs as % of median household income



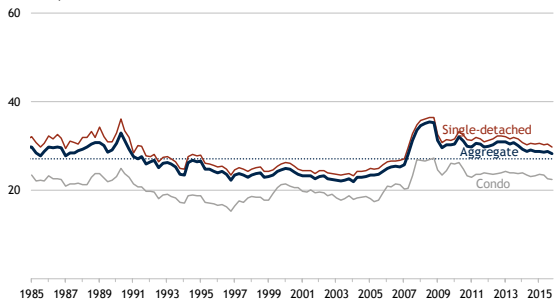
Saskatoon

Ownership costs as % of median household income



Regina

Ownership costs as % of median household income



Source: Brookfield RPS, Statistics Canada, Bank of Canada, Royal LePage, RBC Economics Research

of 8.2%. Upward price momentum slowed to a crawl in the area but managed to generate small year-over-year increases. More recent demand-supply data, however, suggest that such price gains are unlikely to be sustained going forward. Housing affordability has been mostly stable since 2012 but eroded slightly last year, primarily due to a weakening in household income. RBC's aggregate measure rose slightly by 0.3 percentage points in the fourth quarter of 2015 to 31.4%. This level remains below the long-term average of 33.9%, thereby suggesting little in the way of undue affordability-related stress. The much bigger stress at this point, of course, is caused by the ongoing recession in the province, which we believe will drive both housing activity and prices downward further in the short term. A rapidly rising inventory of unsold new homes is likely to add downward pressure.

Saskatchewan

Saskatoon – Navigating in choppy waters

Saskatoon's housing market managed to contain its losses as it navigated through fairly choppy waters in 2015. Home resales fell by 13% last year to a four-year low of 5,215 units; however, prices stayed above water and registered modest gains overall. Buyer sentiment was seriously tested by a surge in Saskatoon's unemployment rate, which reached an 11-year high (6.4%) by the year-end 2015. At the same time, the market worked through elevated levels of unabsorbed units following strong housing construction in the previous two years. Demand-supply conditions softened gradually but consistently, such that buyers gained the upper hand during the second half of the year, and point to increasing price weakness in the period ahead. Meanwhile, housing affordability continued to trend sideways in 2015. RBC's aggregate measure was little changed on the year but edged downward marginally by 0.1 percentage points to 32.7% in the fourth quarter—effectively matching the long-term average of 32.3%.

Regina – Soft market conditions sustain improving affordability trends

These were also challenging times for the Regina market in 2015. Not only did the number of homes sold in the area fall by 8.1%, but also prices followed a modest downward trajectory during the year. While the local job market held up better than in Saskatoon, slowing population growth and elevated levels of unsold new homes kept demand-supply conditions quite soft in Regina. At the margin, housing affordability might still be a slightly restraining factor for buyers—given that it remains a touch poorer than the area's historical norms and still recovering from sharp deterioration during the 2007–2008 interval—however, it is unlikely to be the dominant force weighing on the market at this stage. RBC's aggregate measure continued to trend lower in 2015, posting a 0.4 percentage point decline in the fourth quarter to 28.3%. We expect this improving trend to persist in the short term.

Manitoba

Winnipeg – Market generally balanced; affordability in a neutral stance

A reasonably constructive economic backdrop supported homebuyer demand in the Winnipeg area and kept the home resale market generally balanced last year. The number of homes sold rose by 1.0% to 12,270 units, which was just short of the all-time high of 12,320 units set in 2007. Plentiful availability of newly built condo apartments continues to be the main thorn on the market's side, with an unsold inventory amounting to 25% of all apartment units completed in the past 12 months at the end of 2015. Such elevated supply contrib-

uted to some price declines in the condo apartment segment. More generally, price trends continued to be subdued—in typical fashion for the Winnipeg market—with a very modest year-over-year gain recorded in the single-detached category. Subdued price trends, in turn, brought further improvement in housing affordability. RBC's aggregate measure eased in 2015, including by a 0.2 percentage point margin in the fourth quarter. At its latest reading of 29.9%, the aggregate measure stands at a fairly neutral level, since it is effectively equal to the long-term average for the area (29.8%). The condo apartment segment saw the more significant improvement in affordability as a result of the recent weakness in prices.

Ontario

Toronto – Affordability moving ever closer to risky levels

The Toronto-area housing market continued to be in the spotlight in 2015, thanks to the apparently insatiable appetite of buyers and their willingness to pay ever-rising prices. Home resales in the area blasted through their previous high-water mark set in 2007 (95,160 units) to set a new record of 101,850 units last year, which was up by 9.2% from 2014. Continued low interest rates and a solid job market helped maintain a positive environment for homebuyers. Sellers, who took command of the market in late 2014, exercised increasing pricing power during the course of 2015. As a result, property values have appreciated at an accelerating pace, reaching double-digit year-over-year rates by the end of the year. Even condo prices posted respectable gains (4.4% year over year in the fourth quarter) despite earlier concerns about the risk that the condo construction boom might flood the market. In the event, the increase in condo supply reaching the resale market was readily absorbed for the most part. A major side effect of the intense heat in the Toronto-area market is rapid deterioration in affordability, particularly for single-detached homes. RBC's aggregate affordability measure continued to rise steadily in 2015 to reach 60.6% in the fourth quarter, which is a level unseen since 1990. Such deterioration almost entirely reflects developments in the single-detached segment. Condo ownership affordability has remained comparatively stable at more manageable levels for buyers.

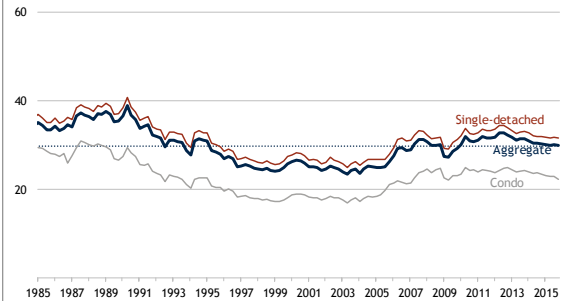
Ottawa – Springing back to life

Ottawa's resale market sprung back to life last year after stagnating in the previous five years, at a time of high uncertainty in the area's job market amid restructuring in the public sector. The number of residential properties changing hands rose by 5.3% in 2015 to 14,840 units, which was the second-highest tally ever recorded in the area. Despite this strength in activity, the market remained balanced overall, because the number of homes put up for sale each month also increased. Generally balanced conditions kept price gains to a minimum, with the condo segment even seeing some declines at various points of the year. The Ottawa-area market is flush with new condo apartments following a construction boom in recent years. There is a large inventory of these units that remains unsold at the present time. Housing affordability is unlikely to be a significant obstacle to homeownership in the Ottawa area. RBC's aggregate measure has fallen below its long-term average since early 2014. The measure was unchanged in the fourth quarter at 33.1%.

RBC Housing Affordability Measures

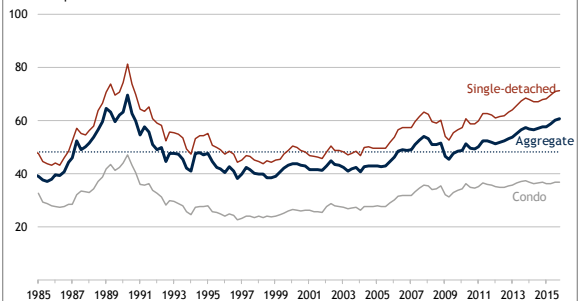
Winnipeg

Ownership costs as % of median household income



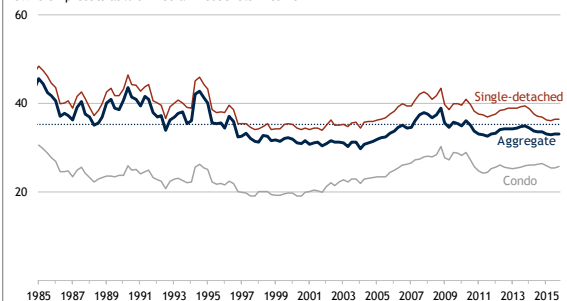
Toronto

Ownership costs as % of median household income



Ottawa

Ownership costs as % of median household income

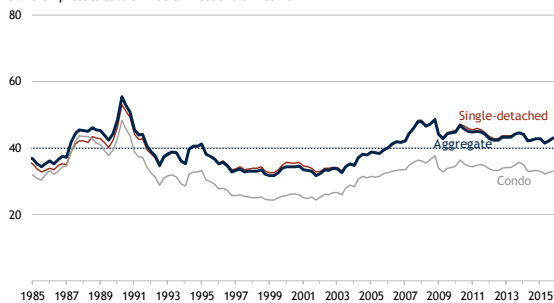


Source: Brookfield RPS, Statistics Canada, Bank of Canada, Royal LePage, RBC Economics Research

RBC Housing Affordability Measures

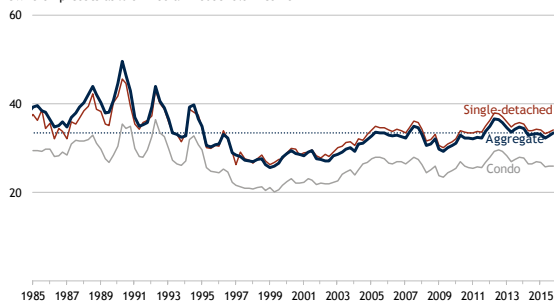
Montreal

Ownership costs as % of median household income



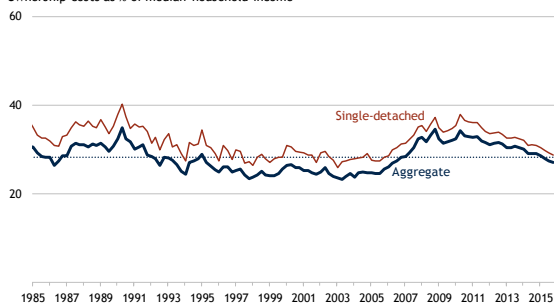
Quebec City

Ownership costs as % of median household income



Saint John

Ownership costs as % of median household income



Source: Brookfield RPS, Statistics Canada, Bank of Canada, Royal LePage, RBC Economics Research

Quebec

Montreal – Market turning around at last

The Montreal-area market ended a four-year long string of declines in home resales last year by recording a gain of 6.1%. While encouraging, this advance reversed only one-third of the fall in activity between 2010 and 2014; and the total of 37,900 sales registered in 2015 remained 5.0% below the annual average during the previous 10 years. In other words, the market has further to go before it can be considered back at full strength. Sales of single-detached homes showed the strongest increase last year (up 7.4%). This segment of the market is balanced, and prices are on a modestly accelerating path (rising at a rate of 2.6% year over year in the fourth quarter compared to 1.6% in the same period in 2014). The condo segment is tilted in favour of buyers, however. The issue there is not so much on the demand side—condo resales rose by 3.3% in 2015—as it is on the supply side. The area has seen the completion of a large number of condo units in 2014 and early 2015, many of which have found their way into the resale market. This phenomenon is likely to continue in the short term, because builders still carry a high inventory of unsold, move-in ready units. Housing affordability trends have been stable to slightly positive in recent years, and this remained the case in 2015. RBC's aggregate measure for the area alternated between small quarterly increases and declines and ended the year with a 0.9 percentage point rise in the fourth quarter to 43.0%.

Quebec City – Affordability unlikely to be an obstacle for homebuyers

Home resales rose for the second consecutive year in the Quebec City area in 2015 (up 2.4% to 6,620 units); however, the level of activity was still nearly 10% weaker than the 10-year average. Prices increased modestly for the most part—at a slightly accelerating rate during 2015—except for condo apartments where small declines were registered. Strong condo construction from a few years ago has pumped up the supply of condo units in the area, thereby resulting in resale market now being filled with such properties available for sale and handing condo buyers more sway in setting prices. The affordability of owning a home at market prices has improved gradually since 2013 in the Quebec City area and now stands almost exactly where it has been on average since the mid-1980s. This suggests that affordability is unlikely to be a significant impediment for homebuyers. In the fourth quarter, however, RBC's aggregate measure deteriorated modestly by 0.6 percentage points to 33.3%, primarily reflecting developments in the single-detached category.

Atlantic Canada

Saint John – Buyers remain in command

Despite having its most active year in five years—resales rose by 5.5% to 1,679 units—the Saint John market continued to face soft demand-supply conditions in 2015. Still-plentiful availability of homes for sale maintained substantial bargaining power in the hands of buyers, thereby causing prices to fall further in the area. Saint John has been a 'buyers' market' since 2011 and has seen prices weaken steadily during that period. The upside of this trend, however, is that it clearly helps housing affordability. RBC's affordability measures for the area fell substantially across the board in the past five years—the aggregate measure declining by a cumulative 7.2 percentage points during this interval. This trajectory was maintained in the fourth quar-

ter, with the aggregate measure giving back a further 0.3 percentage points to end 2015 at 27.1%. Given that affordability is better than historical norms in the area (the long-term average is 28.2% for the aggregate measure), it is unlikely to be a prime factor holding back buyers. Much more problematic for the market, however, has been a steady decline in Saint John's population and stagnation in its job market.

Halifax – Favourable affordability helps revive homebuyer demand

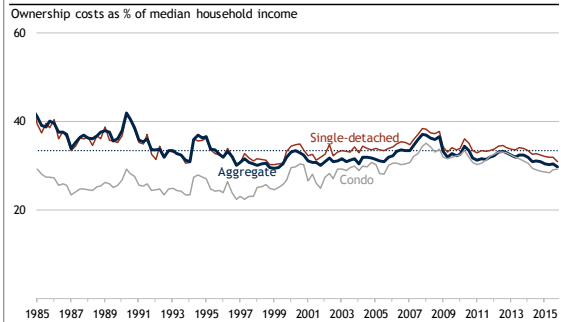
Owning a home at market prices in the Halifax area has become increasingly affordable during the past several years, and further improvement occurred in 2015. RBC's aggregate affordability measure fell in three of the four quarters last year, including a 0.7 percentage point drop in the final quarter. The closing value of 29.7% for the measure was below its long-term average of 33.5% and among the lower readings recorded by a major Canadian market—signs that affordability conditions are broadly favourable for buyers in Halifax at this point. Favourable affordability likely played a role in the modest pickup in market activity that took place last year, when home resales rose for the first time (by 1.7%) in three years. Also contributing was slight acceleration in population growth that gave a boost to the area's demographic fundamentals. Nonetheless, resale levels remained historically weak in 2015 and still just barely above the lowest mark in 20 years, which was set in 2014. High economic uncertainty has weighed on the confidence of Halifax homebuyers in recent years and was only partly lifted last year by a small increase in the pace of job creation in the area.

St. John's – The shine is off

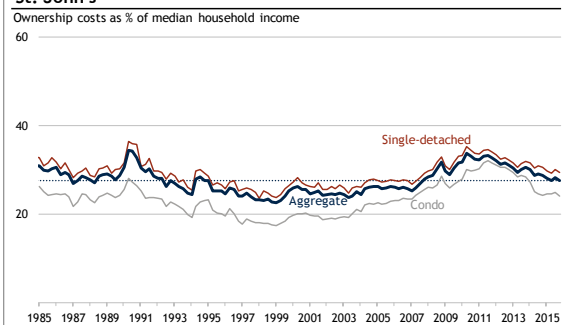
With the flow of oil money slowing by the day, the shine has come off St. John's housing market. Beset by rising unemployment, slower population growth, and rising economic uncertainty, demand for housing in the area has cooled in the past couple of years. Despite pulling a 3.7% gain in 2015, home resales remained near the lower bound of their range since 2007—only partly reversing a drop of 4.7% in 2014. Equally important is the fact that more sellers have entered the market since 2014. The prevailing demand-supply conditions, therefore, have tilted in favour of buyers in the past year and a half, which has recently exerted intensifying downward pressure on prices. Such conditions abet the prolongation of improving affordability trends in place since 2011. RBC's aggregate affordability measure fell during most of 2015, recording a 0.6 percentage point decline in the fourth quarter. The year-end value of 27.6% was the lowest in eight years in the area and matched the long-term average. The current state of affordability most likely has a largely neutral effect on buyers in St. John's.

RBC Housing Affordability Measures

Halifax



St. John's



Source: Brookfield RPS, Statistics Canada, Bank of Canada, Royal LePage, RBC Economics Research

How the RBC Housing Affordability Measures work

The RBC Housing Affordability Measures show the proportion of median pre-tax household income that would be required to service the cost of mortgage payments (principal and interest), property taxes, and utilities based on the median market price for single-family detached homes and condo apartments, as well as for an overall aggregate of all housing types in a given market.

Current home prices are sourced from Brookfield RPS, and established from median sales prices from monthly transactions, which are filtered to remove extreme values and other outliers.

The aggregate of all categories includes information on prices for housing styles not covered in this report (semi-detached, row houses, townhouses and plexes) in addition to prices for single-family detached homes and condominium apartments. In general, single-family detached homes and condo apartments represent the bulk of the owned housing stock across Canadian markets.

The affordability measures are based on a 25% down payment, a 25-year mortgage loan at a five-year fixed rate, and are estimated on a quarterly basis for 14 major urban markets in Canada and a national composite. The measures use household income rather than family income to account for the growing number of unattached individuals in the housing market. The measure is based on quarterly estimates of this annual income, created by annualizing and weighting average weekly earnings by province and by urban area. (Median household income is used instead of the arithmetic mean to avoid distortions caused by extreme values at either end of the income distribution scale. The median represents the value below and above which lays an equal number of observations.)

The RBC Housing Affordability Measure is based on gross household income estimates and, therefore, does not show the effect of various provincial property-tax credits, which could alter relative levels of affordability.

The higher the measure, the more difficult it is to afford a home. For example, an affordability measure of 50% means that home ownership costs, including mortgage payments, utilities, and property taxes take up 50% of a typical household's pre-tax income.

Summary tables

Aggregate of all categories							
Market	Average Price			RBC Housing Affordability Measure			
	Q4 2015 (\$)	Q/Q % ch.	Y/Y % ch.	Q4 2015 (%)	Q/Q Ppt. ch.	Y/Y Ppt. ch.	Avg. since '85 (%)
Canada	470,700	1.6	7.6	46.7	0.6	1.7	42.7
Victoria	551,800	1.2	4.5	46.4	0.5	0.7	43.1
Vancouver	910,300	4.5	16.5	81.1	3.1	8.7	59.3
Calgary	483,400	0.3	-0.5	35.3	0.2	0.2	40.1
Edmonton	399,000	0.0	1.7	31.4	0.3	0.8	33.9
Saskatoon	376,100	0.6	0.8	32.7	-0.1	0.2	32.3
Regina	319,400	-0.8	-2.5	28.3	-0.4	-0.5	27.1
Winnipeg	284,800	-1.0	1.4	29.9	-0.2	-0.3	29.8
Toronto	641,000	1.4	10.6	60.6	0.5	2.9	48.1
Ottawa	364,600	0.1	1.4	33.1	0.0	-0.6	35.3
Montreal	374,200	2.0	3.3	43.0	0.9	0.1	39.8
Quebec City	309,600	1.6	3.0	33.3	0.6	0.0	33.5
Saint John	206,700	-1.3	-4.4	27.1	-0.3	-1.9	28.2
Halifax	289,300	-3.1	-0.6	29.7	-0.7	-1.2	33.5
St. John's	326,300	-0.7	-1.9	27.6	-0.6	-1.2	27.6

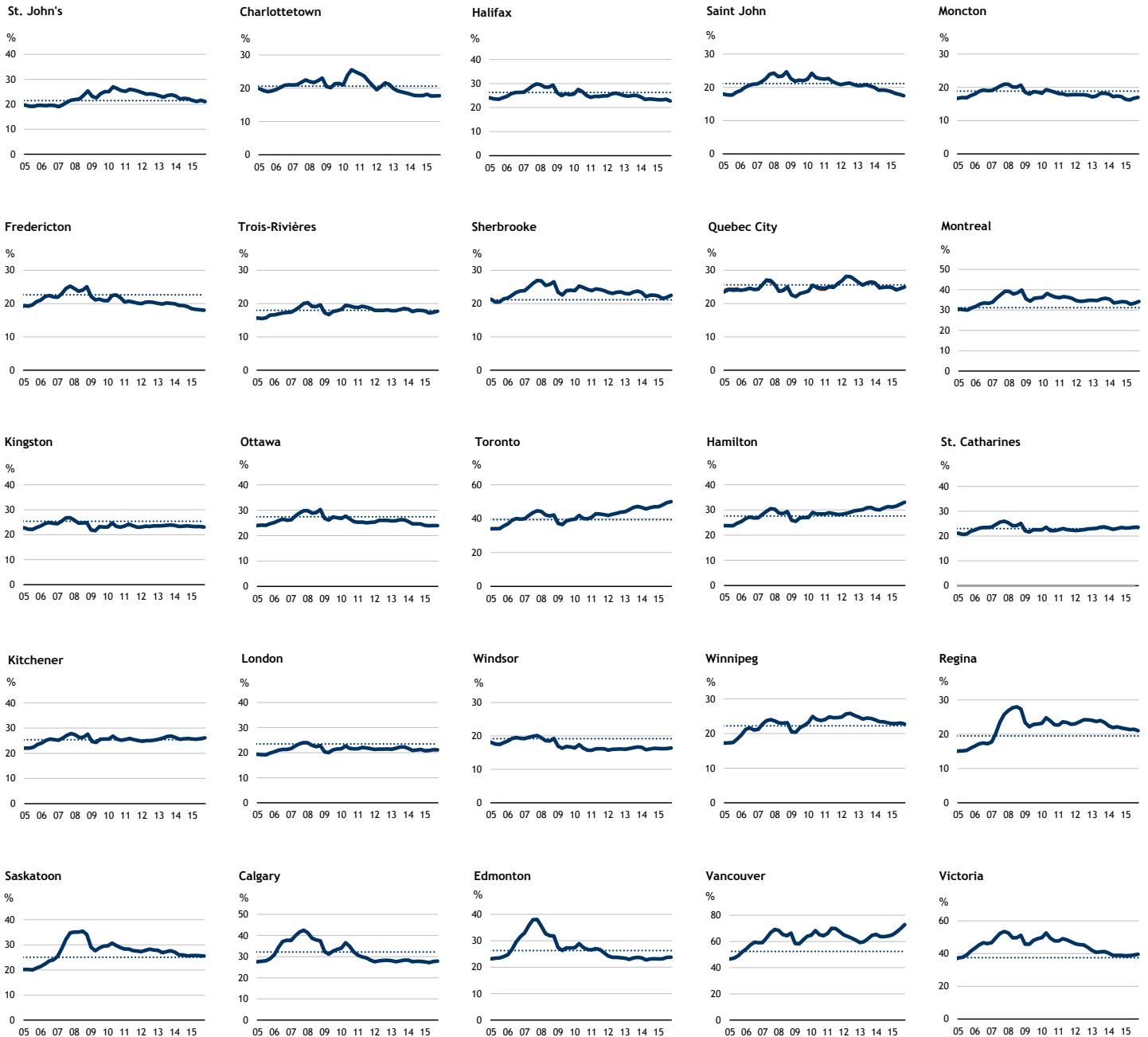
Single-family detached							
Market	Average Price			RBC Housing Affordability Measure			
	Q4 2015 (\$)	Q/Q % ch.	Y/Y % ch.	Q4 2015 (%)	Q/Q Ppt. ch.	Y/Y Ppt. ch.	Avg. since '85 (%)
Canada	514,100	1.4	7.6	51.3	0.6	1.8	45.6
Victoria	624,400	1.9	5.9	52.3	0.8	1.4	46.8
Vancouver	1,249,500	4.6	17.7	109.0	4.3	12.8	68.8
Calgary	522,800	0.2	-1.2	38.3	0.2	0.0	42.8
Edmonton	425,400	0.1	1.3	33.7	0.4	0.8	35.9
Saskatoon	399,900	-0.2	0.2	35.2	-0.3	0.1	34.6
Regina	328,100	-1.6	-3.0	29.8	-0.6	-0.6	28.6
Winnipeg	294,400	-0.8	1.4	31.6	-0.1	-0.3	31.5
Toronto	760,900	1.0	10.5	71.4	0.3	3.4	55.5
Ottawa	394,800	0.8	1.9	36.5	0.2	-0.5	38.8
Montreal	359,100	1.6	2.6	42.8	0.8	-0.1	39.6
Quebec City	304,400	1.3	2.6	34.1	0.5	-0.1	33.5
Saint John	213,200	-1.5	-4.7	28.8	-0.4	-2.1	31.7
Halifax	293,600	-3.9	-1.4	31.0	-0.9	-1.3	34.2
St. John's	343,700	-0.3	-0.8	29.5	-0.6	-1.0	29.1

Condominium apartment							
Market	Average Price			RBC Housing Affordability Measure			
	Q4 2015 (\$)	Q/Q % ch.	Y/Y % ch.	Q4 2015 (%)	Q/Q Ppt. ch.	Y/Y Ppt. ch.	Avg. since '85 (%)
Canada	355,400	0.8	4.0	35.2	0.3	0.4	33.8
Victoria	387,900	0.8	7.2	33.4	0.3	1.3	33.7
Vancouver	467,000	1.7	5.7	44.1	0.7	1.1	41.2
Calgary	309,900	0.5	0.8	24.0	0.3	0.4	27.0
Edmonton	248,700	-0.6	3.2	20.9	0.1	0.8	21.9
Saskatoon	241,500	-3.2	0.4	21.7	-0.7	0.1	20.3
Regina	257,700	-0.4	-4.6	22.4	-0.2	-0.8	21.1
Winnipeg	213,100	-3.7	-3.1	22.3	-0.7	-1.1	22.7
Toronto	372,600	0.5	4.4	36.7	0.0	0.0	31.1
Ottawa	298,500	1.5	0.0	25.7	0.2	-0.8	24.0
Montreal	290,300	1.0	2.0	33.0	0.4	-0.3	32.4
Quebec City	252,700	-0.4	-1.7	25.9	0.1	-0.9	26.6
Saint John	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Halifax	305,500	0.6	5.9	29.2	0.1	0.4	28.0
St. John's	297,300	-1.9	2.6	24.0	-0.8	-0.2	23.4

Source: Brookfield RPS, Statistics Canada, Bank of Canada, Royal LePage, RBC Economics Research

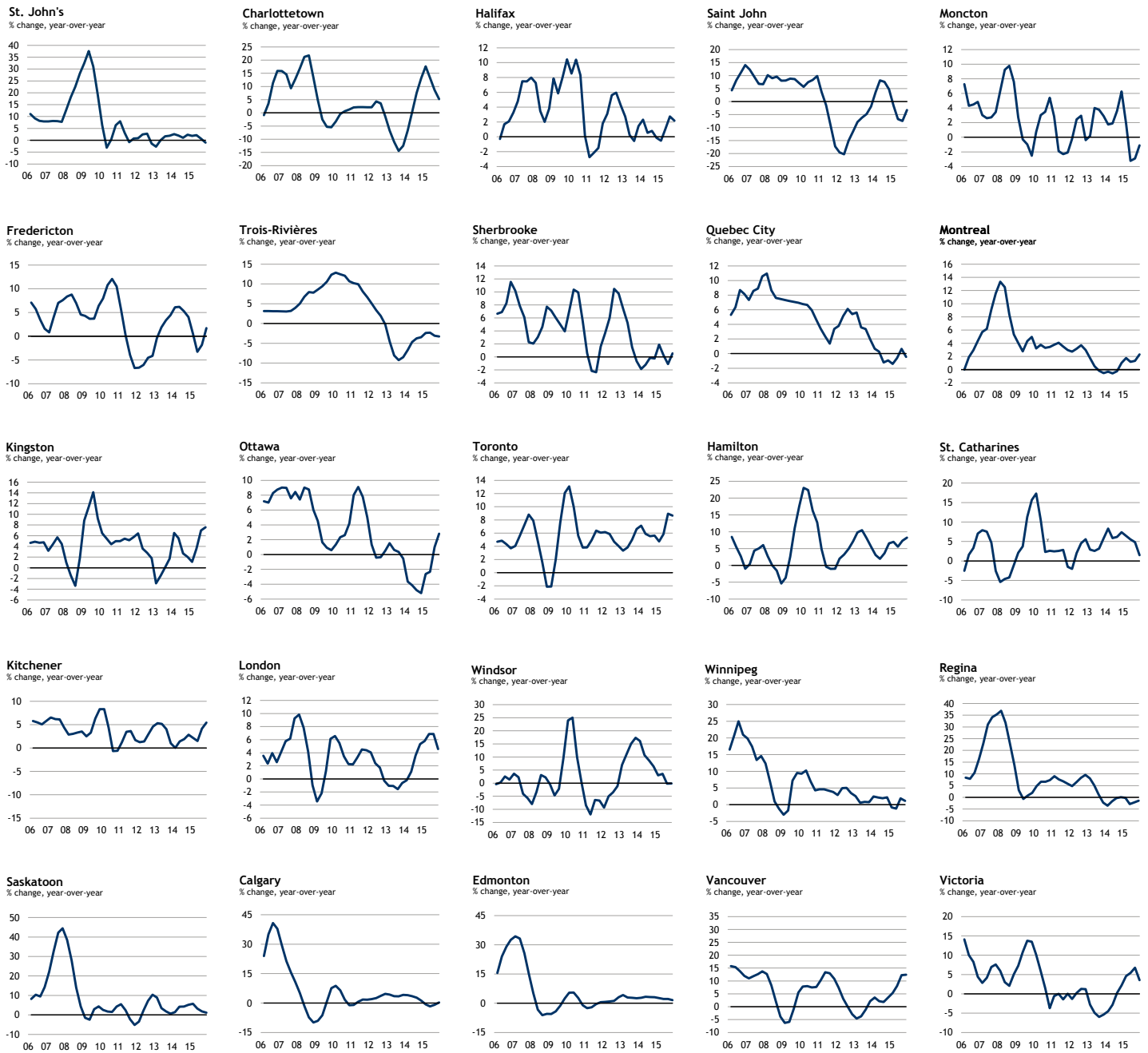
Mortgage carrying costs by city

Our standard RBC Housing Affordability Measure captures the proportion of median pre-tax household income required to service the cost of a mortgage on an existing housing unit at going market prices, including principal and interest, property taxes and utilities; the modified measure used here includes the cost of servicing a mortgage, but excludes property taxes and utilities due to data constraint in the smaller CMAs. This measure is based on a 25% down payment, a 25-year mortgage loan at a five-year fixed rate, and is estimated on a quarterly basis. The higher the measure, the more difficult it is to afford a house.



The dashed line represents the long-term average for the market.
 Source: Brookfield RPS, Statistics Canada, Bank of Canada, Royal LePage, RBC Economics Research

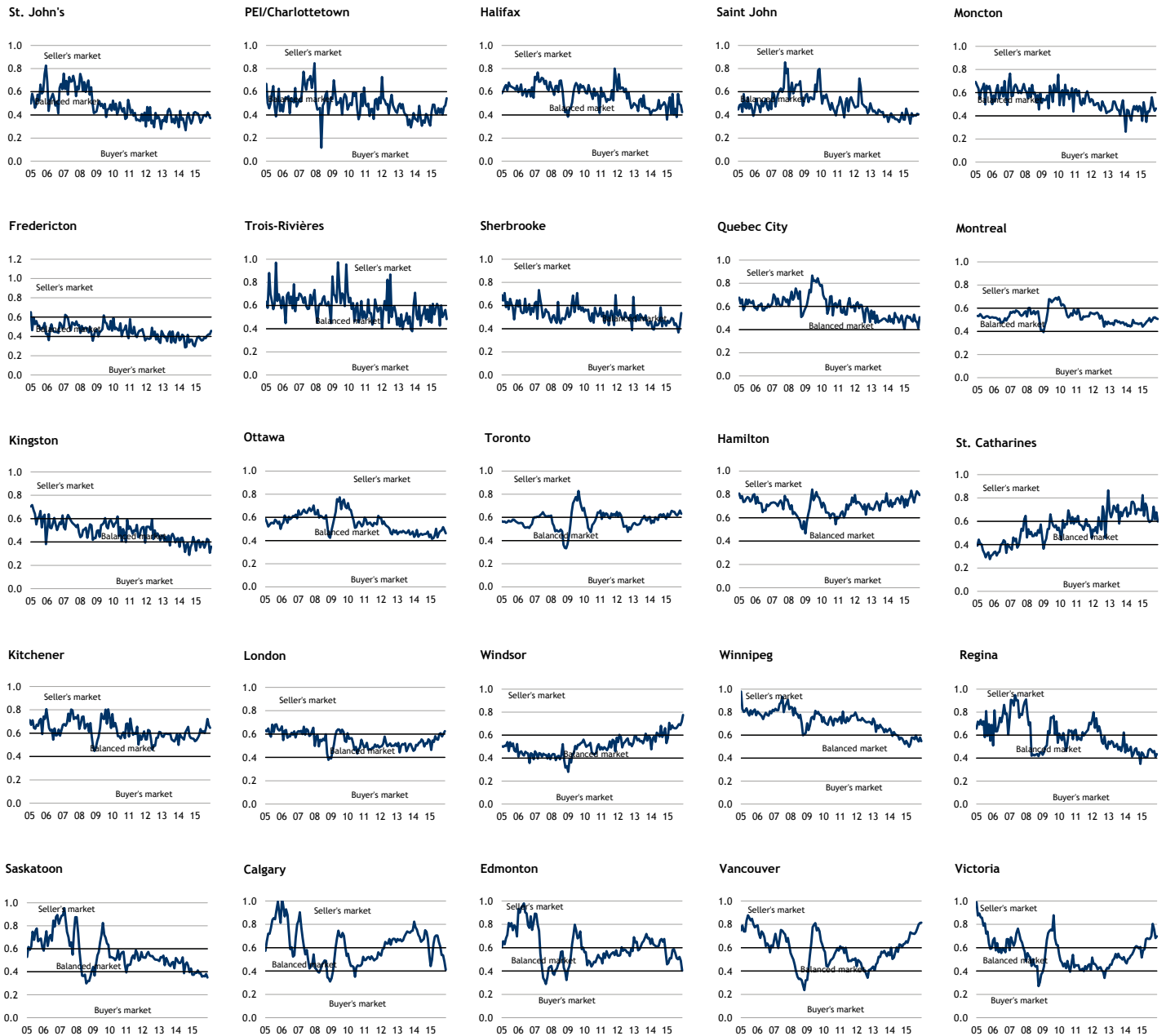
Median aggregate home price



Source: Canadian Real Estate Association, RBC Economics Research



Home sales-to-new listings ratio



Source: Canadian Real Estate Association, RBC Economics Research

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