Where Housing Affordability Stands in Canada
Benchmark Detached Bungalow – Second Quarter 2012

According to the latest Housing Trends and Affordability report issued by RBC Economics Research, affordability measures for the benchmark detached bungalow rose by 0.2 percentage points to 43.4 per cent in the second quarter of 2012 (a rise in the measure represents deterioration in affordability).

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VANCOUVER
The Vancouver-area continues to be the least affordable market in Canada by a considerable margin. RBC’s measures deteriorated further for all types of housing in the area, standing close to the worst levels on record.

CALGARY
Calgary’s housing market enjoyed stronger home resales and building activity, as well as moderately rising prices, and continues to register one of the most attractive affordability levels among Canada’s largest cities.

TORONTO
The Toronto area market saw modest deterioration in affordability for the second straight quarter. Homeownership costs consumed a larger share of household income in comparison to the historical average, revealing the presence of some greater-than-usual stress in the market, though mostly in single family home categories.

OTTAWA
There was no change in homeownership costs as a share of household income in the Ottawa area market in the second quarter. RBC measures continue to stand above their long-run average and near their historic peaks, representing a greater-than-normal strain on Ottawa homebuyers.

MONTREAL
In Montreal, the RBC measures remain roughly in line with historic norms for most housing categories. However, the measure for the two-storey homes segment remained notably above its long-term average, indicating that greater-than-usual tensions will likely persist.

SOURCE: RBC Economics, Statistics Canada, Royal LePage