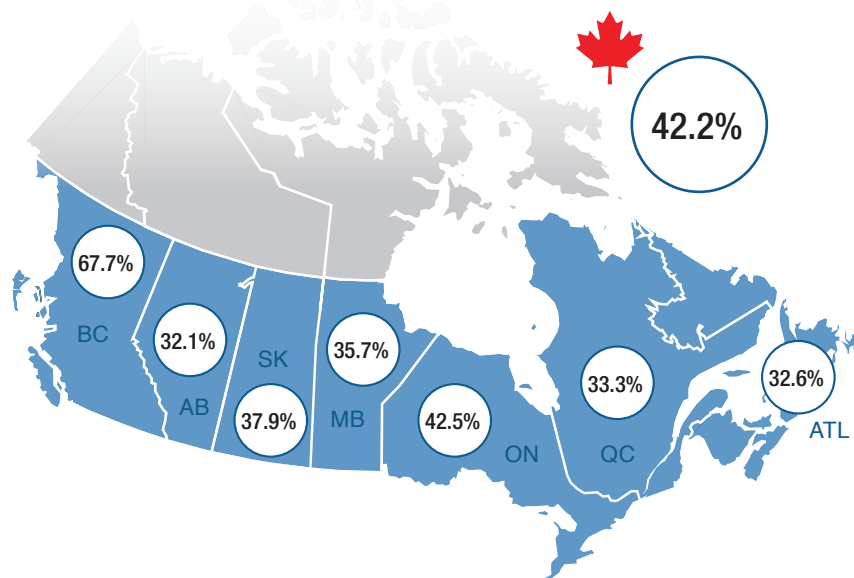# Where Housing Affordability Stands in Canada

Benchmark Detached Bungalow - Fourth Quarter 2011

According to the latest Housing Trends and Affordability report issued by RBC Economics Research, affordability measures for the **benchmark detached bungalow** fell by 0.6 percentage points in the fourth quarter of 2011 (a fall represents an improvement in affordability).

42.2%

67.7% BC

32.1% AB

SK 35.7%

37.9% MB

42.5% ON

33.3% QC

32.6% ATL

	Q4 Housing Affordability (%)	Q/Q Percentage Point Change	Y/Y Percentage Point Change	Historical Average Since '85 (%)
CANADA	42.2	-0.6	1.4	39.4
BC	67.7	-2.5	4.1	49.7
AB	32.1	-0.5	0.5	36.2
SK	37.9	-0.4	-0.2	36.8
MB	35.7	0.0	0.5	36.9
ON	42.5	-0.2	2.0	40.8
QC	33.3	-0.2	-0.1	33.1
ATL	32.6	-0.3	1.1	32.0

RBC's housing affordability measures capture the proportion of pre-tax household income needed to service the costs of owning a specified category of home at going market values.

86.0%

VANCOUVER

Increased risks in the Vancouver-area housing market modestly subsided in the fourth quarter – a notable improvement over spring 2011, when it recorded the worst levels of affordability ever witnessed in the annals of Canadian real estate.

36.7%

CALGARY

After showing an encouraging start in 2011, home resales in the Calgary area stayed mostly flat for the rest of the year and ended with a marginal decline in the fourth quarter. Even still, affordability levels remained attractive, falling between 0.2 and 0.7 percentage points.

52.2%

TORONTO

Affordability in Toronto's housing market continues to be slightly strained, although some improvement was registered in the fourth quarter with RBC measures easing between 0.1 and 0.5 percentage points.

40.9%

OTTAWA

The Ottawa-area housing market picture was mixed in the final quarter of 2011. Changes in the RBC affordability measures for the area ran the full gamut, keeping levels above long-term averages.

40.1%

MONTREAL

The Montreal area continued to reverse the earlier deterioration in housing affordability and recorded some of the country's more substantial improvements for the second consecutive quarter.