

Relief for housing affordability in the first quarter of 2024

By Kyle Dahms & Alexandra Ducharme

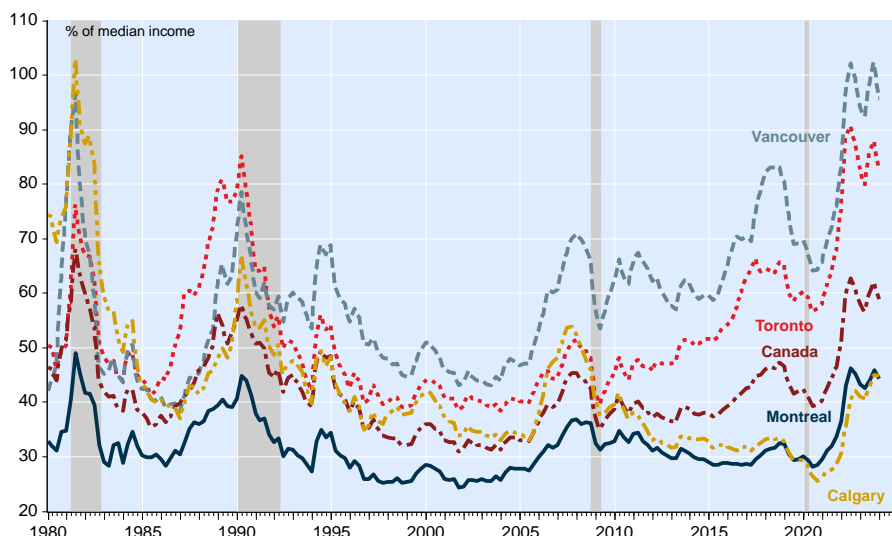
The first quarter of 2024 marked the first improvement in affordability since the second quarter of last year. The improvement was widespread, with every single market covered experiencing a decline in mortgage payment as a percentage of income (MPPI). The greatest improvement was seen in the three least affordable markets, where prices fell more on a relative basis. The composite experienced a trifecta of falling interest rates, rising incomes, and softer house prices. The drop in 5-year mortgage rates was the largest since the third quarter of 2020, based on expectations of rate cuts by the Bank of Canada. While the central bank has yet to begin easing in this cycle, the market's anticipation of lower interest rates has filtered through to financing costs in this latest report. Overall, while housing did become more affordable in the quarter, the progress only brought the mortgage payment on the median home to 58.9% of pre-tax household income (left chart). Hardly an accessible level. Looking ahead, the supply side of the equation does not look good. In our view, new homebuyers should benefit from somewhat cheaper financing costs in the second half of the year, but this will not necessarily translate into a noticeable improvement in affordability. While house prices softened in this latest report, they may remain resilient due to still-strong demographics. The ratio of working-age population growth to housing starts has never been worse in the last 40-plus years. As a result, price dynamics for both purchases and rents should remain skewed to the upside in the current acute housing shortage (right chart).

HIGHLIGHTS:

- Canadian housing affordability posted a first improvement in three quarters in Q1'24. The mortgage payment on a representative home as a percentage of income (MPPI) fell 3.1 percentage points, the largest one quarter improvement since the second quarter of 2019. Seasonally adjusted home prices decreased 0.6% in Q1'24 from Q4'23; the benchmark mortgage rate (5-year term) slumped 32 basis points, while median household income rose 1.2%.
- Affordability improved in all ten markets covered in Q1. On a sliding scale of markets from best progression to least: Vancouver, Victoria, Toronto, Hamilton, Montreal, Winnipeg, Ottawa-Gatineau, Edmonton, Quebec, Calgary. Countrywide, affordability enhanced 2.2 pp in the condo portion vs. a 3.4 pp betterment in the non-condo segment. See detailed statistics on page 2.

Canada : Perspective on housing affordability

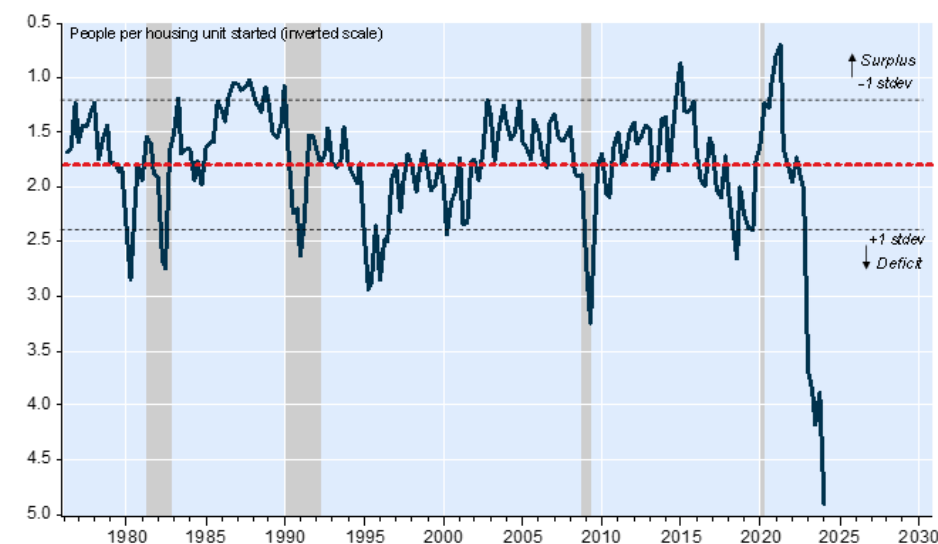
Monthly mortgage payment on median home price, all types of dwellings (25 year amortization, 5-year term)



NBF Economics and Strategy (data via Statistics Canada, Teranet-National Bank, CREA)

Canada: Housing supply deficit hit new record in 2024Q1

Ratio of growth in working-age population to housing starts (quarterly data)



NBF Economics and Strategy (data via Fred and Statcan)

Housing Affordability Monitor

Economics and Strategy

Housing affordability statistics

Table 1

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
All dwellings	Median home price	Q/Q % change	Y/Y % change	Downpayment \$	Downpayment: Months of saving	Avg. Since 2000	Monthly mortgage payment	Mortgage payment as % of income	Q/Q diff. PP	Y/Y diff. PP	Avg. Since 2000	Qualifying annual Income	Median annual Income	Home-ownership rate (2021)
Composite 10 (C10)	\$ 787,663	-0.6	4.2	\$ 53,766	70.6	39.2	\$ 4,486	58.9	-3.1	0.9	40.3	\$ 189,985	\$ 91,398	66%
Toronto	\$ 1,172,745	-1.7	2.9	\$ 234,549	289.4	82.0	\$ 6,680	82.4	-5.4	-0.3	52.6	\$ 242,872	\$ 97,257	65%
Montreal	\$ 527,974	1.0	4.9	\$ 27,797	40.9	27.5	\$ 3,007	44.2	-1.5	1.0	31.2	\$ 129,481	\$ 81,587	54%
Vancouver	\$ 1,255,577	-2.1	5.0	\$ 251,115	336.1	110.7	\$ 7,152	95.7	-6.6	1.8	63.7	\$ 260,026	\$ 89,654	62%
Calgary	\$ 618,084	3.7	10.9	\$ 36,808	46.8	30.6	\$ 3,520	44.8	-0.2	3.9	36.0	\$ 150,475	\$ 94,361	71%
Edmonton	\$ 444,755	1.7	1.2	\$ 22,238	28.3	25.3	\$ 2,533	32.2	-0.7	0.3	30.4	\$ 109,377	\$ 94,353	69%
Ottawa/Gatineau	\$ 673,414	3.0	4.8	\$ 42,341	49.2	29.8	\$ 3,836	44.6	-0.8	0.5	32.7	\$ 163,366	\$ 103,185	65%
Quebec	\$ 386,148	2.5	9.3	\$ 19,307	28.7	20.8	\$ 2,199	32.7	-0.6	2.4	23.5	\$ 94,964	\$ 80,798	58%
Winnipeg	\$ 397,826	0.2	3.0	\$ 19,891	27.8	23.0	\$ 2,266	31.7	-1.4	0.1	26.1	\$ 97,836	\$ 85,910	66%
Hamilton	\$ 928,269	0.0	4.4	\$ 67,827	87.4	43.8	\$ 5,287	68.1	-3.2	0.8	40.8	\$ 222,743	\$ 93,136	69%
Victoria	\$ 1,040,104	-2.6	1.8	\$ 208,021	288.1	77.6	\$ 5,924	82.1	-6.1	-1.1	57.9	\$ 215,402	\$ 86,633	62%

Table 2

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
Condo	Median home price	Q/Q % change	Y/Y % change	Downpayment \$	Downpayment: Months of saving	Avg. Since 2000	Monthly mortgage payment	Mortgage payment as % of income	Q/Q diff. PP	Y/Y diff. PP	Avg. Since 2000	Qualifying Income	Median Income	Home-ownership rate (2021)	Monthly average rent
C10 condo	\$ 601,759	-0.2	3.8	\$ 35,176	46.2	29.8	\$ 3,428	45.0	-2.2	0.5	33.3	\$ 146,672	\$ 91,398	9%	\$ 2,366
Toronto	\$ 714,027	-0.6	2.9	\$ 46,403	57.3	31.9	\$ 4,067	50.2	-2.7	-0.2	33.3	\$ 172,828	\$ 97,257	16%	\$ 2,888
Montreal	\$ 416,618	0.7	3.0	\$ 20,831	30.6	24.3	\$ 2,373	34.9	-1.3	0.2	27.9	\$ 102,458	\$ 81,587	11%	\$ 1,673
Vancouver	\$ 751,327	-1.9	4.1	\$ 50,133	67.1	40.3	\$ 4,279	57.3	-3.8	0.6	41.7	\$ 181,519	\$ 89,654	21%	\$ 2,574
Calgary	\$ 369,105	5.1	16.3	\$ 18,455	23.5	22.1	\$ 2,102	26.7	0.2	3.4	27.0	\$ 90,773	\$ 94,361	14%	\$ 1,805
Edmonton	\$ 265,126	6.4	4.8	\$ 13,256	16.9	17.9	\$ 1,510	19.2	0.4	0.8	22.0	\$ 65,202	\$ 94,353	12%	\$ 1,367
Ottawa/Gatineau	\$ 410,184	1.5	3.2	\$ 20,509	23.9	19.4	\$ 2,336	27.2	-0.9	-0.1	22.4	\$ 100,875	\$ 103,185	9%	\$ 2,140
Quebec	\$ 279,355	2.4	8.6	\$ 13,968	20.7	17.2	\$ 1,591	23.6	-0.4	1.6	19.6	\$ 68,701	\$ 80,798	9%	\$ 1,338
Winnipeg	\$ 274,888	-0.5	1.3	\$ 13,744	19.2	19.3	\$ 1,566	21.9	-1.1	-0.3	22.3	\$ 67,603	\$ 85,910	7%	\$ 1,352
Hamilton	\$ 678,941	-0.2	1.1	\$ 42,894	55.3	28.8	\$ 3,867	49.8	-2.4	-1.0	30.5	\$ 164,654	\$ 93,136	11%	\$ 2,372
Victoria	\$ 620,696	-1.0	2.2	\$ 37,070	51.3	33.0	\$ 3,535	49.0	-2.8	-0.5	37.2	\$ 151,084	\$ 86,633	14%	\$ 2,436

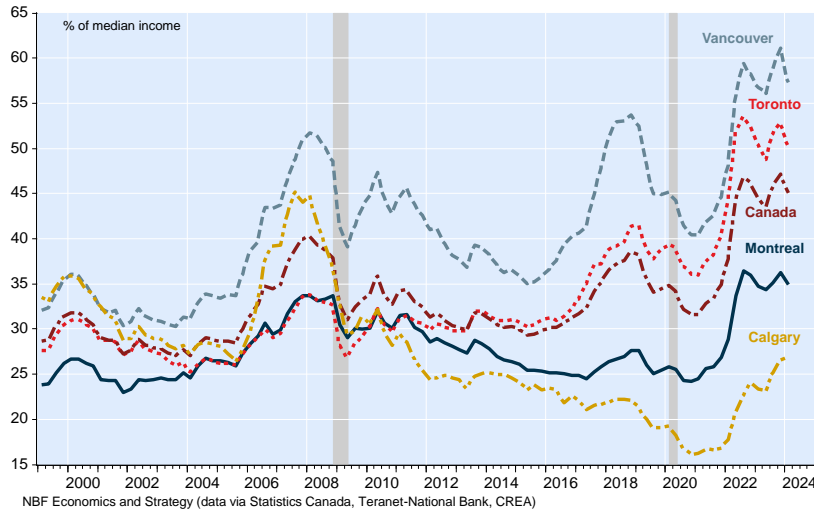
Table 3

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
Other dwellings	Median home price	Q/Q % change	Y/Y % change	Downpayment \$	Downpayment: Months of saving	Avg. Since 2000	Monthly mortgage payment	Mortgage payment as % of income	Q/Q diff. PP	Y/Y diff. PP	Avg. Since 2000	Qualifying Income	Median Income	Home-ownership rate (2021)
C10 non-condo	\$ 874,492	-0.7	4.3	\$ 62,449	82.0	44.4	\$ 4,981	65.4	-3.4	1.0	44.2	\$ 210,214	\$ 91,398	57%
Toronto	\$ 1,200,590	-1.9	2.9	\$ 240,118	296.3	86.0	\$ 6,838	84.4	-5.7	-0.3	53.6	\$ 248,638	\$ 97,257	49%
Montreal	\$ 575,253	1.0	5.2	\$ 32,255	47.8	29.6	\$ 3,277	48.2	-1.6	1.3	33.3	\$ 140,496	\$ 81,587	43%
Vancouver	\$ 1,676,096	-2.2	5.2	\$ 335,219	448.7	187.1	\$ 9,547	127.8	-8.9	2.6	83.0	\$ 347,114	\$ 89,654	41%
Calgary	\$ 676,793	3.5	10.1	\$ 42,679	54.3	33.2	\$ 3,855	49.0	-0.3	3.9	38.3	\$ 164,154	\$ 94,361	57%
Edmonton	\$ 464,993	1.2	0.8	\$ 23,250	29.6	25.9	\$ 2,649	33.7	-0.9	0.2	31.0	\$ 114,355	\$ 94,353	57%
Ottawa/Gatineau	\$ 740,250	3.1	5.0	\$ 49,025	57.0	32.9	\$ 4,216	49.0	-0.8	0.6	35.5	\$ 178,938	\$ 103,185	56%
Quebec	\$ 389,450	2.5	9.4	\$ 19,472	28.9	20.6	\$ 2,218	32.9	-0.6	2.4	23.2	\$ 95,776	\$ 80,798	49%
Winnipeg	\$ 398,972	0.2	3.1	\$ 19,949	27.9	22.8	\$ 2,272	31.7	-1.4	0.2	25.8	\$ 98,118	\$ 85,910	59%
Hamilton	\$ 983,302	0.0	4.8	\$ 73,330	94.5	50.9	\$ 5,601	72.2	-3.4	1.1	43.1	\$ 235,565	\$ 93,136	57%
Victoria	\$ 1,159,397	-2.8	1.7	\$ 231,879	321.2	93.9	\$ 6,604	91.5	-7.0	-1.3	64.0	\$ 240,107	\$ 86,633	48%

Canadian perspective on housing affordability

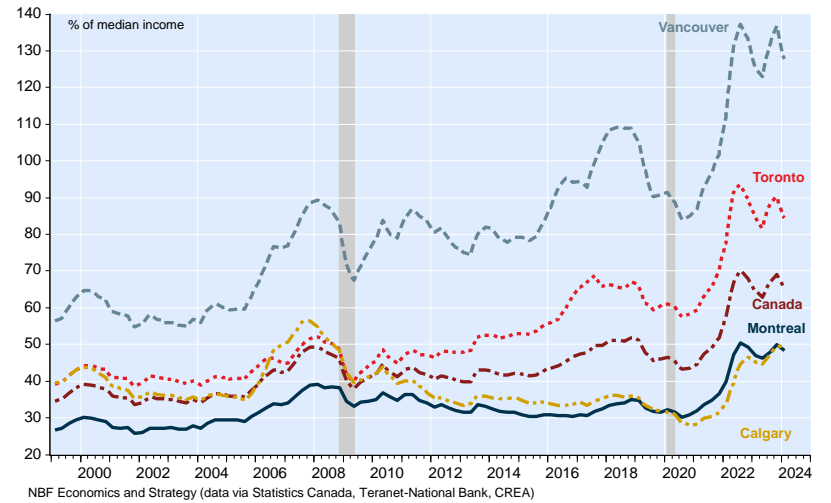
Canada : Perspective on condos affordability

Monthly mortgage payment on median home price, condos (25 year amortization, 5-year term)



Canada : Perspective on non-condos affordability

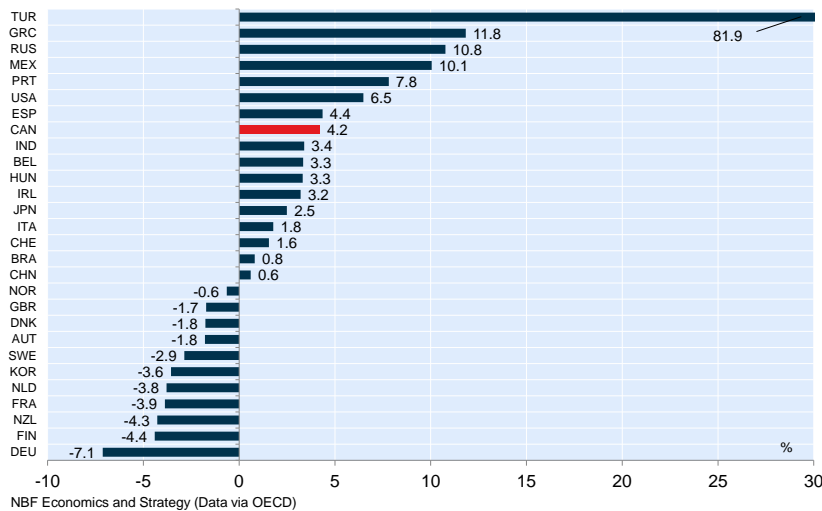
Monthly mortgage payment on median home price, non-condos (25 year amortization, 5-year term)



Global perspective on housing affordability

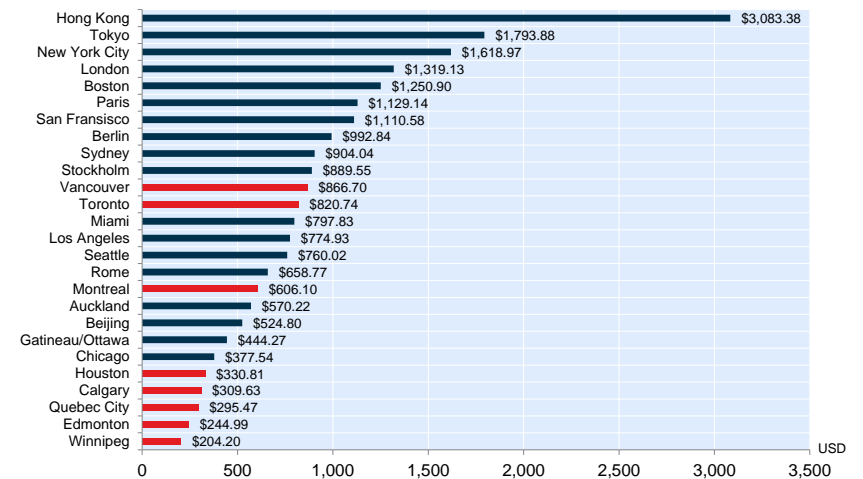
World: Perspective on home price inflation

Home price percentage change year over year (Last data available)



World: Price of downtown appartements

Price per square feet in USD for downtown living* (June 2023)



* For a 700 sq.ft. apartment
NBF Economics and Strategy (as of June 2023)

Methodology

The National Bank Housing Affordability Report measures housing affordability in 10 major census metropolitan areas (CMAs) and summarizes the results in a weighted-average composite of the 10 CMAs. We track the **condo market**, **other dwellings** (single detached, semi-detached) and the **market as a whole**.

We measure two hurdles for the purchase of a home. First, a household must save the **down-payment** amount. We measure this requirement as the number of months a median-income household will require to save for the minimum cash down payment (CMHC insured mortgage) of the representative home at a savings rate of 10% of its pre-tax income. We evaluate the representative home using the Teranet–National Bank House Price Index for the market in question to calculate the home price for months before and after the median home price measured by the 2016 Census. For **median household income** in each CMA, we take the Statistics Canada annual data up to 2013. For subsequent months, we extend the series using average weekly earnings growth as a proxy and apply a Hodrick-Prescott filter to smooth short-term fluctuations.

The second hurdle for the purchase of a home is the monthly mortgage payment. We measure this as the monthly payment on a median-priced home assuming a 25-year amortization period and a 5-year term. The resulting amount is presented as a percentage of income calculated as described above (sometimes referred as **MPPI**). Note that we do not take the down payment into account in this calculation because there is an opportunity cost in a household's use of these funds for that purpose. Also, we do not wish policy changes in this regard to affect our indicator over time. We also calculate the income needed to purchase the median property assuming that a household devotes 32% of its pre-tax income for a mortgage payment at the posted rate (defined as **qualifying income** and is adjusted for the down-payment). For the condo market, we also compare the monthly mortgage payment to the average rent for a two-bedroom condo in the same market. We calculate that rent from annual CMHC data, updated to the current month by the rent component of the Consumer Price Index. Note that data in the report was seasonally adjusted when necessary.

Toronto

Affordability in the Greater Toronto Area (GTA) improved for the first time in three quarters in Q1. The MPPI* indeed decreased 5.4 pp to 82.4%, its lowest level since 2023Q2 but still well above the historical average for this city (52.6%). While the pace of the quarterly improvement was better than that of the urban composite, the level of the MPPI* remained above the average level (58.9%). This was true for both the condo (-2.7 pp to 50.2%) and non-condo (-5.7 pp to 84.4%) segments. The quarterly improvement in the composite index stemmed from a 1.7% decrease in home prices combined with a decrease in interest rates and a 1.3% rise in income. On an annual basis, the MPPI* was down 0.3 pp, compared with a 0.9 pp deterioration in the composite 10. *See tables page 2.



Non-Condo

\$1,200,590

Price of the representative home in the metropolitan market

\$248,638

Household annual income needed to afford the representative home

296

Months of saving required for the down payment (saving rate of 10%)

37.3%

Premium for buying compared to the national urban composite



Condo

\$714,027

Price of the representative condo in the metropolitan market

\$172,828

Household annual income needed to afford the representative condo

57

Months of saving required for the down payment (saving rate of 10%)

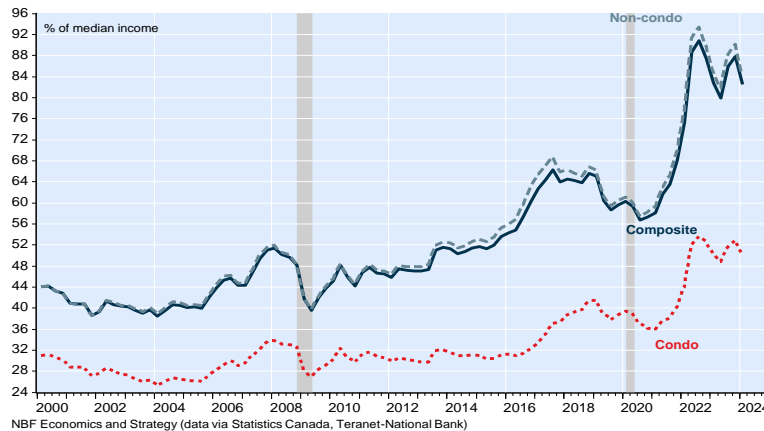
40.8%

Premium/discount for buying compared to renting a two-bedroom condo in the GTA

Toronto : Perspective on housing affordability

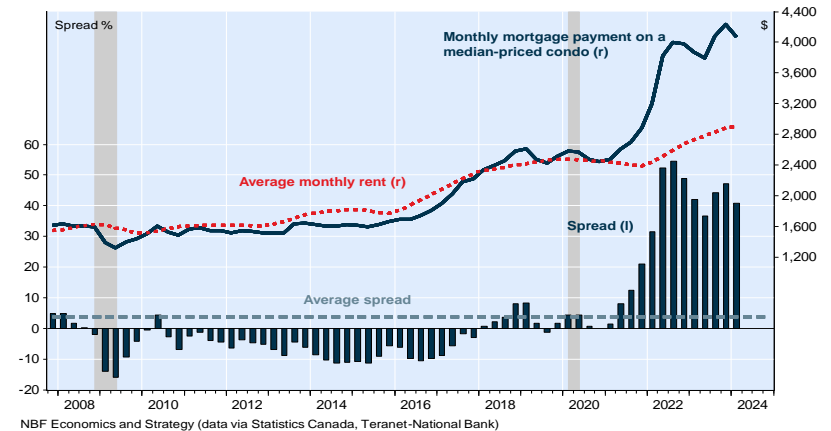
Monthly mortgage payment on median home price (25 year amortization, 5-year term)

TORONTO



Toronto: Buying compared to renting

Premium/discount for buying compared to renting a two-bedroom condo



Montreal

In the first quarter of 2024, affordability in Montreal as measured by the MPPI* improved following two consecutive quarters of deterioration. The MPPI* indeed slid 1.5 pp to 44.2%, which was still above its 20-year average (31.2%). While the quarterly improvement was slower than the one of the urban composite (-3.1 pp), the housing market still remained more affordable in Montreal than in the urban average, as the MPPI* of the latter stood at 58.9%. The quarterly improvement stemmed from a decrease in interest rates and an increase in income, which together more than offset a 1.0% increase in home prices. Both segments of the market improved in the quarter, albeit at a slower rate than their respective composite 10 counterparts (-1.6 pp in the non-condo segment and -1.3 pp in the condo segment compared with -3.4 pp and -2.2 pp in all the urban areas covered). On a twelve-month basis, affordability still posted a slight deterioration in Montreal as the MPPI* was up 1.0 pp. *See tables page 2.

Mortgage payment as a % of income (MPPI)				
Non-Condo	48.2%	▼	- 1.6%	Q/Q
Condo	34.9%	▼	- 1.3%	Q/Q



Non-Condo

\$575,253
Price of the representative home in the metropolitan market

\$140,496
Household annual income needed to afford the representative home

48
Months of saving required for the down payment (saving rate of 10%)

-34.2%
Premium for buying compared to the national urban composite



Condo

\$416,618
Price of the representative condo in the metropolitan market

\$102,458
Household annual income needed to afford the representative condo

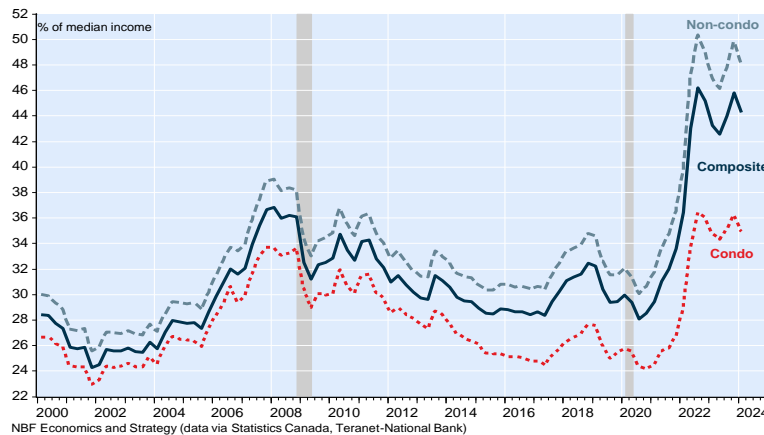
31
Months of saving required for the down payment (saving rate of 10%)

41.8%
Premium/discount for buying compared to renting a two-bedroom condo in Montreal

Montreal : Perspective on housing affordability

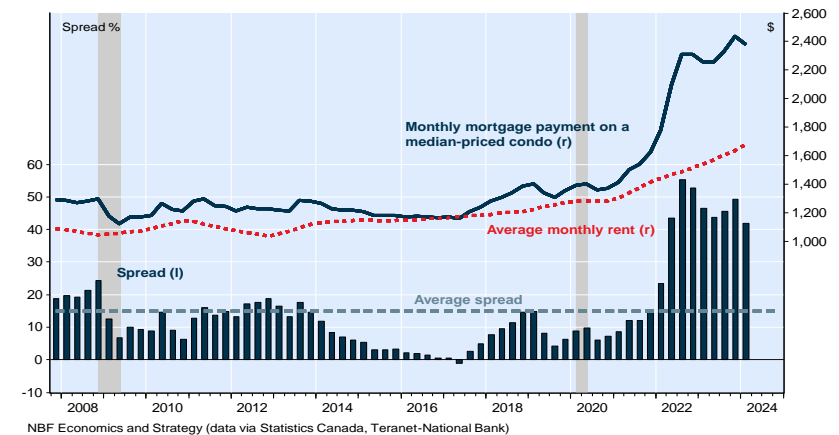
Monthly mortgage payment on median home price (25 year amortization, 5-year term)

MONTREAL



Montreal: Buying compared to renting

Premium/discount for buying compared to renting a two-bedroom condo



Vancouver

Affordability as measured by the MPPI* improved 6.6 pp in Greater Vancouver in the first quarter of 2024, the fastest improvement of the markets covered. Nonetheless, this left the level of the MPPI* at 95.7%, which continues to compare unfavourably to the average of other urban areas covered (58.9%). In fact, Vancouver remains the least affordable Canadian city in which to buy a home. The quarterly improvement stems from a 2.1% decrease in home prices in the quarter combined with a decline in interest rates and an increase in income. Both the condo (-3.8 pp to 57.3%) and the non-condo (-8.9 pp to 127.8%) segments registered faster improvements in their MPPI* than in the urban composite in the quarter. Despite the quarterly improvement, the MPPI* in Vancouver was up 1.8 pp on a 12-month basis, more than the increase in the composite 10. *See tables page 2.

Mortgage payment as a % of income (MPPI)				
Non-Condo	127.8%	▼	- 8.9%	Q/Q
Condo	57.3%	▼	- 3.8%	Q/Q



Non-Condo

\$1,676,096

Price of the representative home in the metropolitan market

\$347,114

Household annual income needed to afford the representative home

449

Months of saving required for the down payment (saving rate of 10%)

91.7%

Premium for buying compared to the national urban composite



Condo

\$751,327

Price of the representative condo in the metropolitan market

\$181,519

Household annual income needed to afford the representative condo

67

Months of saving required for the down payment (saving rate of 10%)

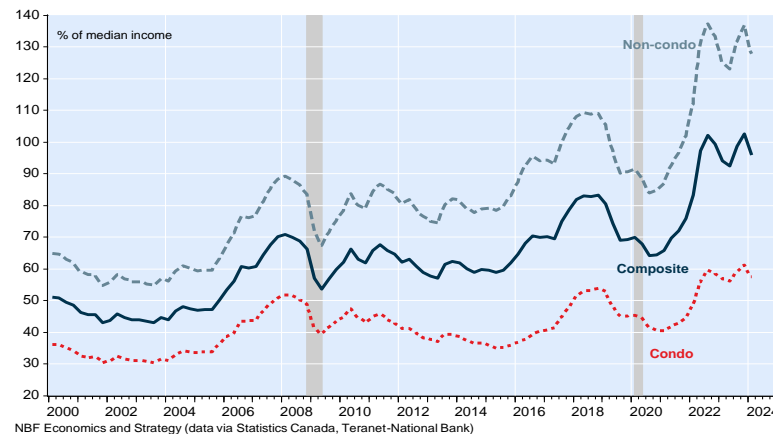
66.3%

Premium/discount for buying compared to renting a two-bedroom condo in Vancouver

Vancouver : Perspective on housing affordability

Monthly mortgage payment on median home price (25 year amortization, 5-year term)

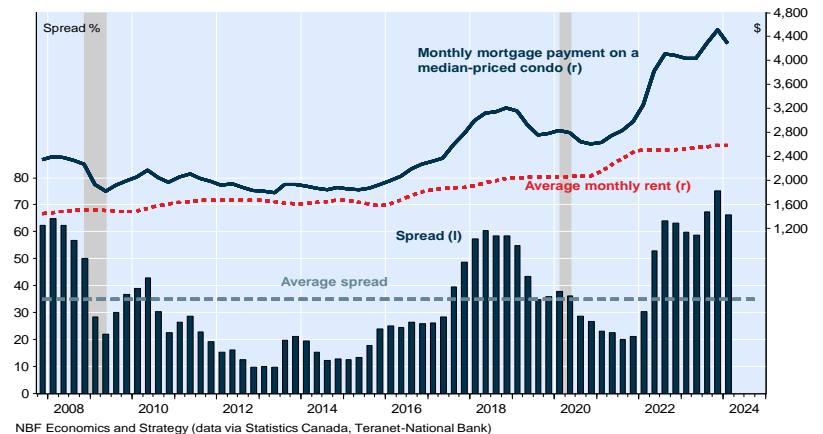
VANCOUVER



NBF Economics and Strategy (data via Statistics Canada, Teranet-National Bank)

Vancouver: Buying compared to renting

Premium/discount for buying compared to renting a two-bedroom condo



NBF Economics and Strategy (data via Statistics Canada, Teranet-National Bank)

Calgary

Housing affordability in Calgary posted a slight improvement in the first quarter of the year, as the MPPI* decreased 0.2 pp. This was the slowest decrease in the MPPI* of the urban markets covered in our report. The improvement stemmed from the non-condo segment (MPPI* down 0.3 pp), while the condo segment registered a slight deterioration (MPPI* up 0.2 pp). As a result, the MPPI* stood at 44.8%, which is still 3.9 pp above the level it was a year ago and above its long-term average (36.0%). Still, Calgary remains much more affordable than the composite 10 (MPPI* at 58.9% nationally). The quarterly improvement is attributable to a decline in interest rates and an increase in income that more than offset a 3.7% increase in home prices. *See tables page 2.

Mortgage payment as a % of income (MPPI)				
Non-Condo	49.0%	▼	- 0.3%	Q/Q
Condo	26.7%	▲	+ 0.2%	Q/Q



Non-Condo

\$676,793

Price of the representative home in the metropolitan market

\$164,154

Household annual income needed to afford the representative home

54

Months of saving required for the down payment (saving rate of 10%)

-22.6%

Premium for buying compared to the national urban composite



Condo

\$369,105

Price of the representative condo in the metropolitan market

\$90,773

Household annual income needed to afford the representative condo

23

Months of saving required for the down payment (saving rate of 10%)

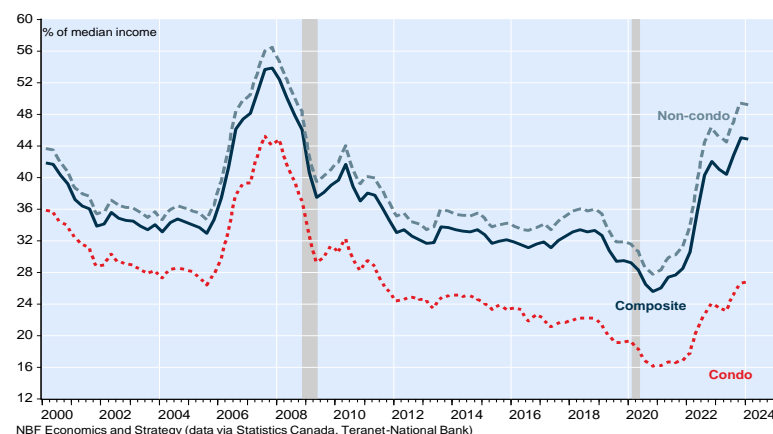
16.5%

Premium/discount for buying compared to renting a two-bedroom condo in Calgary

Calgary : Perspective on housing affordability

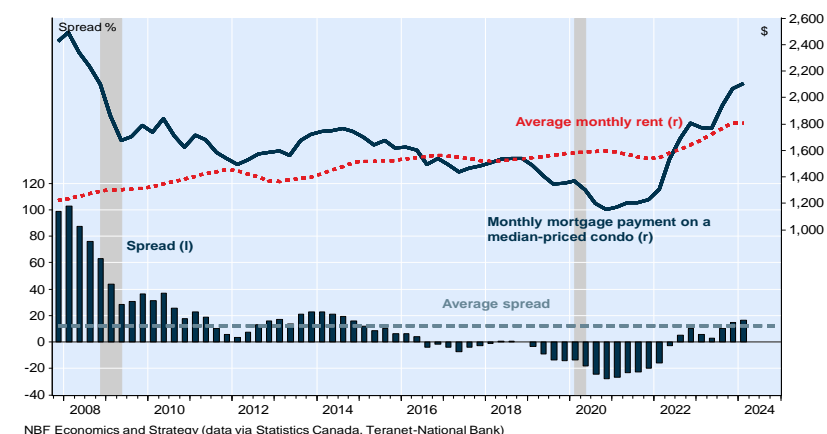
Monthly mortgage payment on median home price (25 year amortization, 5-year term)

CALGARY



Calgary: Buying compared to renting

Premium/discount for buying compared to renting a two-bedroom condo



Edmonton

Housing affordability in Edmonton improved 0.7 pp in the quarter, a slower progress than in the urban composite (-3.1 pp). This was the result of a decrease in interest rates combined with an increase in income that more than offset a 1.7% increase in home prices. The level of the MPPI* now stands at 32.2%, which is still well below the composite 10 (58.9%) but above this city's long-term average (30.4%). The improvement in affordability stemmed exclusively from non-condos (-0.9 pp), while the affordability of condos deteriorated in the quarter (+0.4 pp). On a 12-month basis, the MPPI* in Edmonton was up 0.3 pp, less than the 0.9 pp deterioration for the composite 10. *See tables page 2.

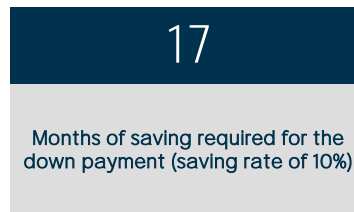
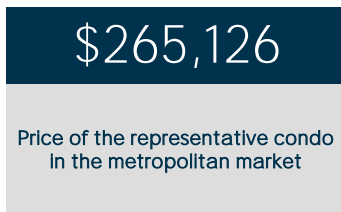
Mortgage payment as a % of income (MPPI)				
Non-Condo	33.7%	▼	- 0.9%	Q/Q
Condo	19.2%	▲	+ 0.4%	Q/Q



Non-Condo



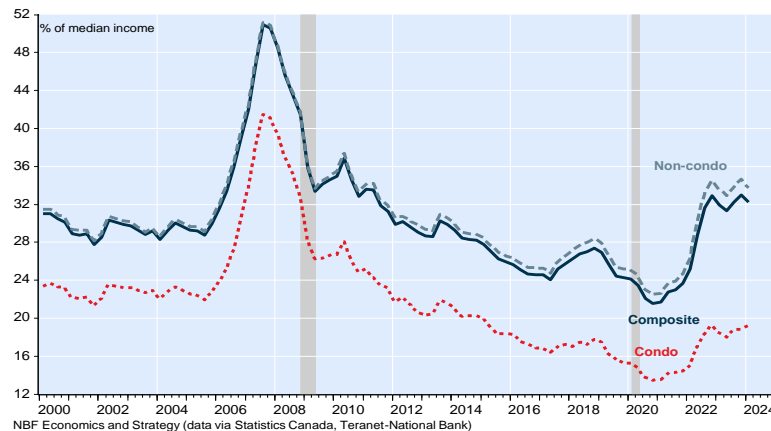
Condo



Edmonton : Perspective on housing affordability

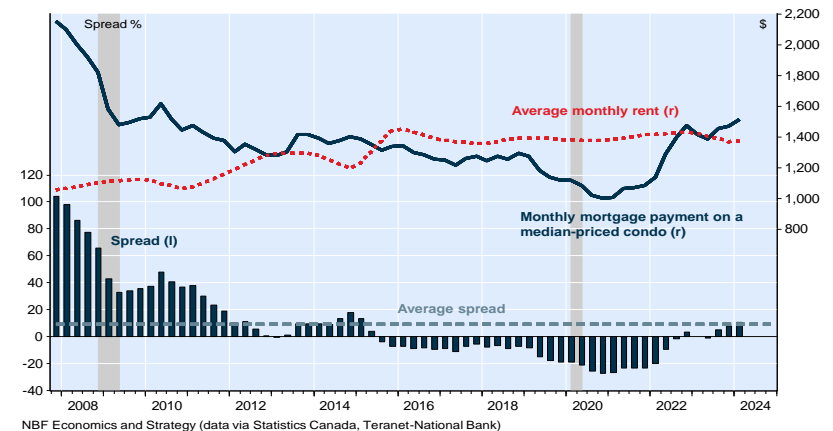
Monthly mortgage payment on median home price (25 year amortization, 5-year term)

EDMONTON



Edmonton: Buying compared to renting

Premium/discount for buying compared to renting a two-bedroom condo



Ottawa/Gatineau

Housing affordability in Ottawa/Gatineau improved 0.8 pp in the quarter, less than the progress of the urban composite (-3.1 pp). This was the result of lower interest rates and higher income more than offsetting a 3.0% increase in home prices. The MPPI* consequently sat at 44.6%, which remains below the composite 10 (58.9%) but well above the city's long-term average (32.7%). The quarterly improvement stemmed from both non-condos (MPPI* down 0.8 pp to 49.0%) and condos (-0.9 pp to 27.2%). On an annual basis, home prices were up 4.8% and interest rates climbed. As a result, the MPPI* was up 0.5 pp over that period, less than the 0.9 pp increase registered by the composite 10. *See tables page 2.

Mortgage payment as a % of income (MPPI)			
Non-Condo	49.0%	▼ - 0.8%	Q/Q
Condo	27.2%	▼ - 0.9%	Q/Q



Non-Condo

\$740,250

Price of the representative home in the metropolitan market

\$178,938

Household annual income needed to afford the representative home

57

Months of saving required for the down payment (saving rate of 10%)

-15.4%

Premium for buying compared to the national urban composite



Condo

\$410,184

Price of the representative condo in the metropolitan market

\$100,875

Household annual income needed to afford the representative condo

24

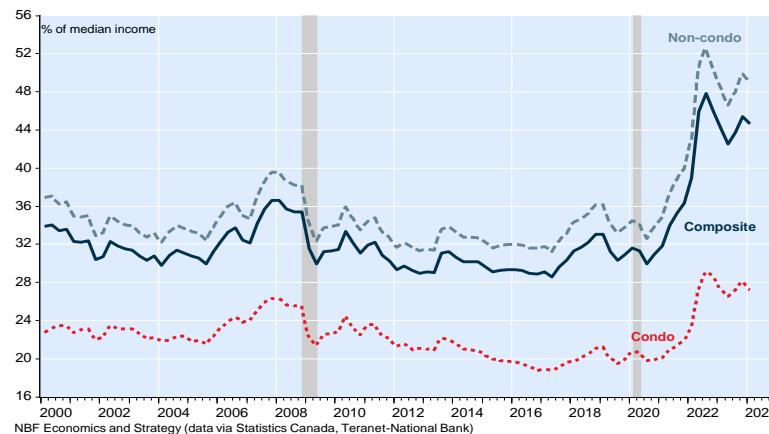
Months of saving required for the down payment (saving rate of 10%)

9.2%

Premium/discount for buying compared to renting a two-bedroom condo in Ottawa/Gatineau

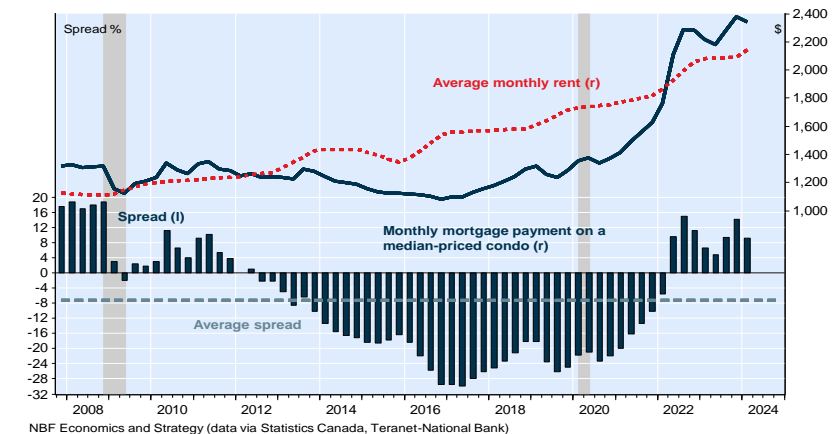
Ottawa/Gatineau : Perspective on housing affordability

Monthly mortgage payment on median home price (25 year amortization, 5-year term)



Ottawa/Gatineau: Buying compared to renting

Premium/discount for buying compared to renting a two-bedroom condo



Quebec City

Housing affordability improved 0.6 pp in the first quarter of 2024 in Québec city. The MPPI* consequently sat at 32.7%, still well above its long-term average of 23.5%. The quarterly improvement stems from a decrease in interest rates and an increase in income, which more than offset an increase in home prices (+2.5%). Both non-condos (MPPI* down 0.6 pp to 32.9%) and condos (-0.4 pp to 23.6%) saw affordability improve in the quarter. While the progress was slower than for the urban composite, the MPPI* of both segments remained well below those of their respective composite 10 counterparts. Despite the quarterly improvement, affordability in Québec city was worse than it was a year ago, and the deterioration was faster than the average of the composite 10 (+2.4 pp compared to +0.9 pp). *See tables page 2.

Mortgage payment as a % of income (MPPI)				
Non-Condo	32.9%	▼	- 0.6%	Q/Q
Condo	23.6%	▼	- 0.4%	Q/Q



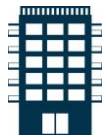
Non-Condo

\$389,450
Price of the representative home in the metropolitan market

\$95,776
Household annual income needed to afford the representative home

29
Months of saving required for the down payment (saving rate of 10%)

-55.5%
Premium for buying compared to the national urban composite



Condo

\$279,355
Price of the representative condo in the metropolitan market

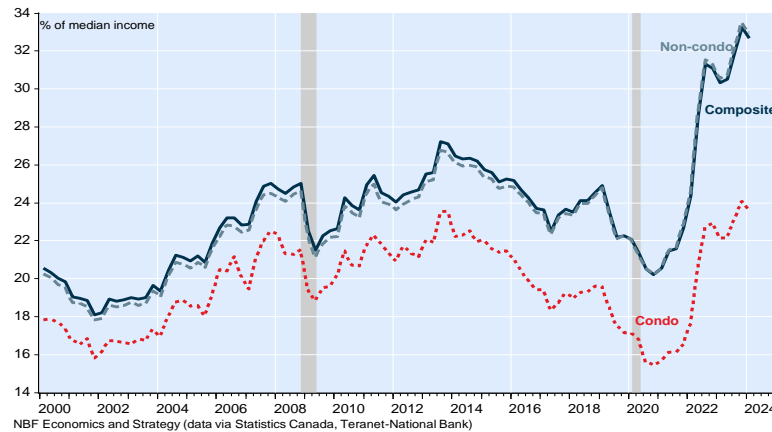
\$68,701
Household annual income needed to afford the representative condo

21
Months of saving required for the down payment (saving rate of 10%)

18.9%
Premium/discount for buying compared to renting a two-bedroom condo in Quebec City

Quebec city: Perspective on housing affordability

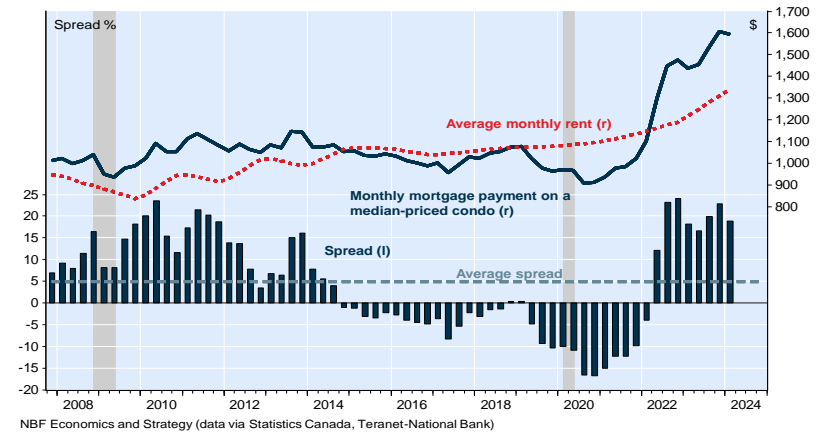
Monthly mortgage payment on median home price (25 year amortization, 5-year term)



NBF Economics and Strategy (data via Statistics Canada, Teranet-National Bank)

Quebec City: Buying compared to renting

Premium/discount for buying compared to renting a two-bedroom condo



NBF Economics and Strategy (data via Statistics Canada, Teranet-National Bank)

QUEBEC CITY

Winnipeg

In Winnipeg, housing affordability improved as the MPPI* decreased 1.4 pp to 31.7%. This was a slower improvement than the composite 10 (-3.1 pp), but the level of the MPPI* remained below that of the urban average (58.9%). However, despite the quarterly improvement, the index remained above its long-term average (26.1%). The quarterly improvement stemmed from an increase in income and a decrease in interest rates which more than offset a 0.2% increase in home prices. Both the condo (MPPI* down 1.1 pp) and the non-condo (MPPI* down 1.4 pp) segments improved in the quarter, albeit both moves were smaller than their respective composite 10 counterparts. On a 12-month basis, the MPPI* was up 0.1 pp, less than in the urban composite (+0.9 pp). *See tables page 2.

Mortgage payment as a % of income (MPPI)				
Non-Condo	31.7%	▼	- 1.4%	Q/Q
Condo	21.9%	▼	- 1.1%	Q/Q



Non-Condo

\$398,972

Price of the representative home in the metropolitan market

\$98,118

Household annual income needed to afford the representative home

28

Months of saving required for the down payment (saving rate of 10%)

-54.4%

Premium for buying compared to the national urban composite



Condo

\$274,888

Price of the representative condo in the metropolitan market

\$67,603

Household annual income needed to afford the representative condo

19

Months of saving required for the down payment (saving rate of 10%)

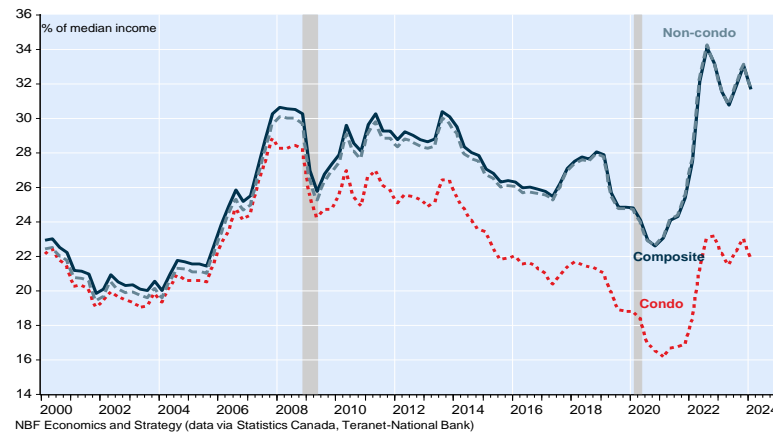
15.8%

Premium/discount for buying compared to renting a two-bedroom condo in Winnipeg

Winnipeg: Perspective on housing affordability

Monthly mortgage payment on median home price (25 year amortization, 5-year term)

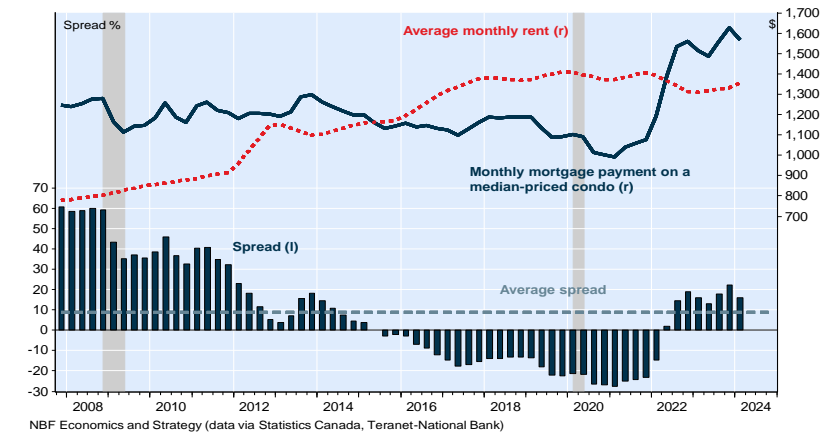
WINNIPEG



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Winnipeg: Buying compared to renting

Premium/discount for buying compared to renting a two-bedroom condo



NBF Economics and Strategy (data via Statistics Canada, Teranet-National Bank)

Hamilton

Hamilton recorded a 3.2 pp improvement in its MPPI* in the quarter, in line with the variation of the composite 10 (-3.1 pp). Despite the quarterly progress, the MPPI* remained above its long run average (68.1% compared to 40.8% historically). The quarterly improvement can be explained by home prices staying unchanged in the quarter while interest rates decreased and income increased. Affordability in the condo segment (-2.4 pp) improved at a faster pace than the corresponding composite 10 index in the quarter, while the improvement matched the urban average for non-condos (-3.4 pp). On an annual basis, affordability deteriorated 0.8 pp, which was also in line with the urban average (+0.9 pp). *See tables page 2.

Mortgage payment as a % of income (MPPI)				
Non-Condo	72.2%	▼	- 3.4%	Q/Q
Condo	49.8%	▼	- 2.4%	Q/Q



Non-Condo

\$983,302

Price of the representative home in the metropolitan market

\$235,565

Household annual income needed to afford the representative home

94

Months of saving required for the down payment (saving rate of 10%)

12.4%

Premium for buying compared to the national urban composite



Condo

\$678,941

Price of the representative condo in the metropolitan market

\$164,654

Household annual income needed to afford the representative condo

55

Months of saving required for the down payment (saving rate of 10%)

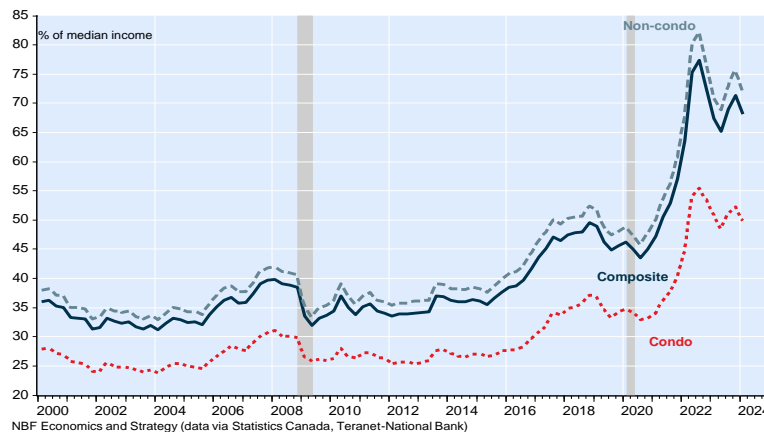
63.1%

Premium/discount for buying compared to renting a two-bedroom condo in Hamilton

Hamilton: Perspective on housing affordability

Monthly mortgage payment on median home price (25 year amortization, 5-year term)

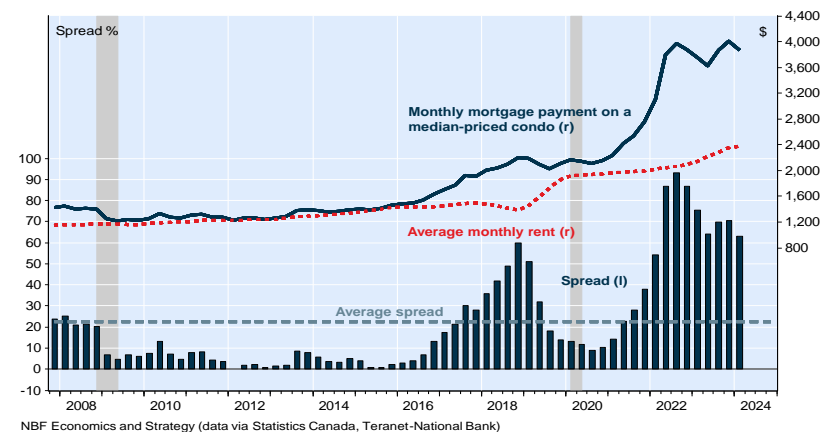
HAMILTON



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Hamilton: Buying compared to renting

Premium/discount for buying compared to renting a two-bedroom condo



NBF Economics and Strategy (data via Statistics Canada, Teranet-National Bank)

Victoria

In the first quarter of 2024, Victoria registered a rapid improvement of housing affordability as measured by the MPPI* (-6.1 pp). The improvement is the result of a 2.6% decrease in home prices, a decrease in interest rates and an increase in income. As a result, the city's MPPI* stood at 82.1%, still way above its long-term average (57.9%) and the composite 10 (58.9%). The quarterly improvement in affordability was faster than the corresponding composite 10 index for both non-condos (MPPI* down 7.0 pp compared to -3.4 pp nationally) and condos (MPPI* down 2.8 pp compared to -2.2 pp). The MPPI* for all dwellings was 1.1 pp below the level it registered a year ago, in contrast with a 0.9 pp deterioration for the composite 10 (+1.0 pp). *See tables page 2.

Mortgage payment as a % of income (MPPI)			
Non-Condo	91.5%	▼ - 7.0%	Q/Q
Condo	49.0%	▼ - 2.8%	Q/Q



Non-Condo

\$1,159,397
Price of the representative home in the metropolitan market

\$240,107
Household annual income needed to afford the representative home

321
Months of saving required for the down payment (saving rate of 10%)

32.6%
Premium for buying compared to the national urban composite



Condo

\$620,696
Price of the representative condo in the metropolitan market

\$151,084
Household annual income needed to afford the representative condo

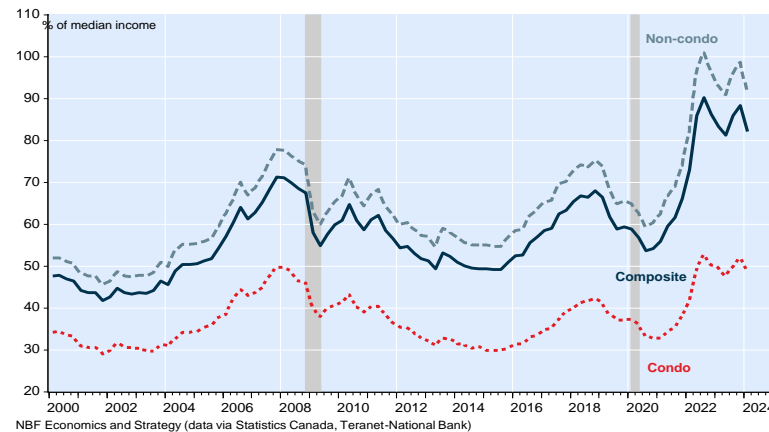
51
Months of saving required for the down payment (saving rate of 10%)

45.1%
Premium/discount for buying compared to renting a two-bedroom condo in Victoria

Victoria: Perspective on housing affordability

Monthly mortgage payment on median home price (25 year amortization, 5-year term)

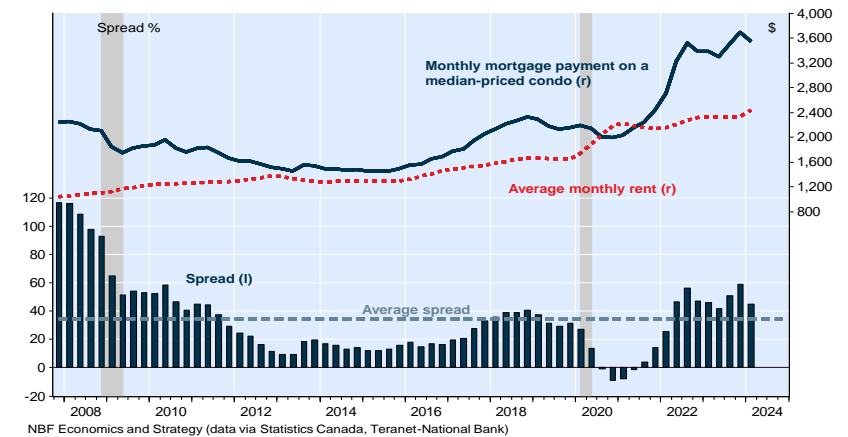
VICTORIA



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Victoria: Buying compared to renting

Premium/discount for buying compared to renting a two-bedroom condo



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