

# THE HALLMARK REPORT



## 2020

RESIDENTIAL HOUSING MARKET  
OUTLOOK FOR THE YEAR AHEAD

ONTARIO

# INTRO

Real Estate Forecasting wouldn't be possible without the number crunching and review of experts reports who consistently dive deep into the statistics to help the rest of us understand the complexities of the Canadian housing market. The Hallmark Market Report analyzes real estate trends in Canada, with a specific focus on areas in which RE/MAX Hallmark Group of Companies operates in.

The Hallmark Market Report includes third-party research, opinions and findings from both local and international economists, academics and Hallmark independent research to provide some broader context to changes in the Ontario and Canadian Real Estate market.

This edition looks at 2019 from global political migration impact, to the millennial shift, the 2019-Q4 real estate recovery and more than enough uncertainty in 2020 to keep Canadian real estate market on the edge. ABOUT THE HALLMARK REPORT #THR2020

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THE  
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**#THR2020**

01

# TORONTO



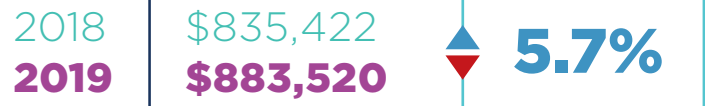
The Toronto market spent most of 2019 stagnated after a series of policy measures blew cold air on the market but now is up again and gaining momentum. Investors will be taking a hard look at the city in 2020 and wondering how best to approach it from a property standpoint.

The late momentum displayed by the

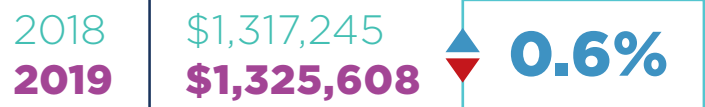
## AVERAGE RESIDENTIAL SALE PRICE

Year Over Year

Average Price - All Home Types



Average Price - Detached Homes



Average Price - Condos



Average Days On Market



## HALLMARK'S NUMBERS

AVERAGE DAYS ON MARKET

14 DAYS

NUMBER OF TRANSACTIONS

7,316

AVERAGE SALE PRICE (ALL HOME TYPES)

\$982,312

Toronto market in 2019 should carry over into 2020, which means consumers will be hearing a familiar message, declining supply, rising prices and multiple offers.

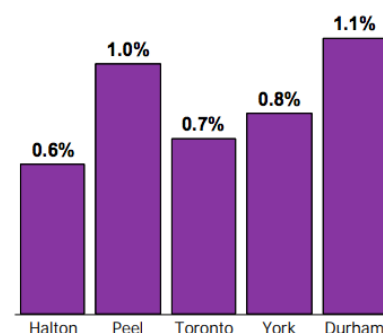
There just aren't enough properties, new or old, coming to market to satisfy demand. We are likely to see stronger price growth, maybe close to the double digits, for multi-family units, particularly for condominium apartments and townhomes.

The number of home sales rebounded by 12.6% in 2019 to 87,825 from 2018's 10-year low of 78,015. One of the most significant areas to recover last year was the 905-area communities surrounding Toronto that had lagged behind the city in recovering from the market correction of 2018 and the early part of 2019. Sales experienced a 19.4% increase; combined with a -24.4% decline in new listings, home prices were pushed up by 9.1% to \$808,732.

Seller's market conditions were found in the City of Toronto, for 4th quarter of calendar year 2019, the average selling price was \$883,520 up by 5.7% and the average price of Toronto condo is \$660,379, up 10.3% in 2019 with all its uncertainty.

The Toronto market maybe not at the levels of 2016 and 2017, but one thing is guaranteed, rent will continue to rise by an average of 4% to 5% in 2020 due to migration of new residents and millennials affordability issue in GTA.

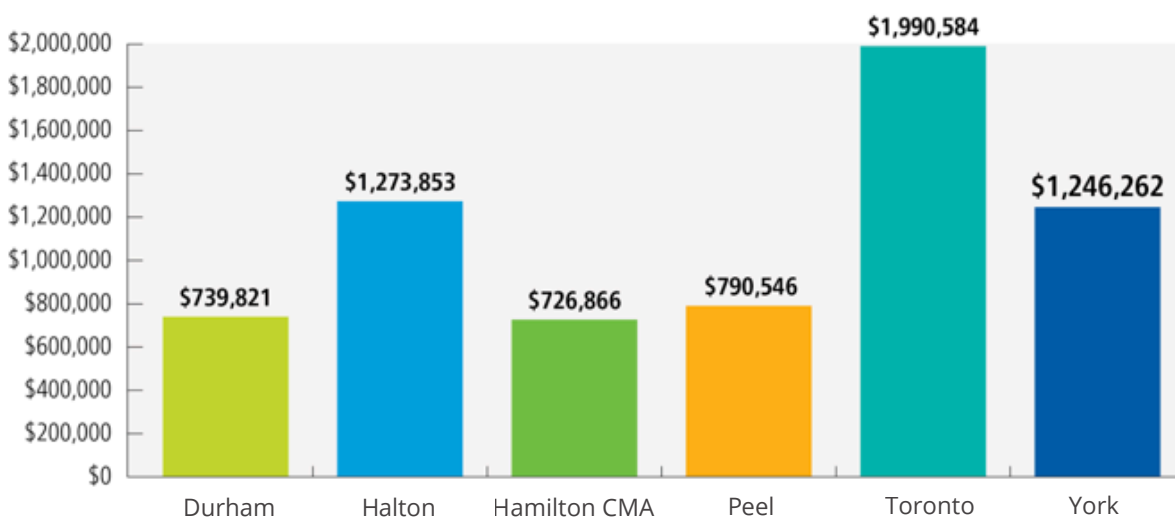
**GTA Condo Apartment Vacancy Rate**



Source: CMHC, Rental Market Report

Regardless of what regulatory restrictions politicians put on development in the Toronto or mortgage restrictions, demand is excessive. It's a population, employment and economic perfect storm sailing right at Toronto's housing market.

Millennials are expected to dominate Toronto's Real Estate Market in 2020 - Toronto's most populous city house prices are going to see price growth of 7% to 10% next year to an average of \$954,201.



Source: CMHC Housing Now - Greater Toronto Area & Hamilton and Brantford CMAs, 2019.

02



If tracking the Toronto market seemed a bit boring in 2019, the biggest news was the continued growth of the Ottawa market. With solid economic growth, the vibrant housing market, interprovincial migration from other cities, Canadians looking for a more affordable housing option, has helped the city's population surpass the one-million

### AVERAGE RESIDENTIAL SALE PRICE

Year Over Year

Average Price - All Home Types



Average Price - Detached Homes



Average Price - Condos



Average Days On Market



### HALLMARK'S NUMBERS

AVERAGE DAYS ON MARKET

**27 DAYS**

NUMBER OF TRANSACTIONS

**7,458**

AVERAGE SALE PRICE (ALL HOME TYPES)

**\$484,520**

mark. With the city reaching that milestone, we expect larger investment players to come into the Ottawa market.

With the dust settled on the 2019 federal election, commercial real estate watchers are keeping a close eye on how Public Services and Procurement Canada will shape Ottawa's commercial real estate market in 2020. There are several submarkets to watch, growing interest in Kanata and the Central Business District is driving leasing activity west.

Ottawa is also home to a number of massive infrastructure projects that will require thousands of workers to bring to fruition, resulting in billions of dollars being injected into the Ottawa's economy over the next several years. The largest one is the next phase of Ottawa's public transit system will see \$4.6 billion spent on 24 new rail stations and 44km of track.

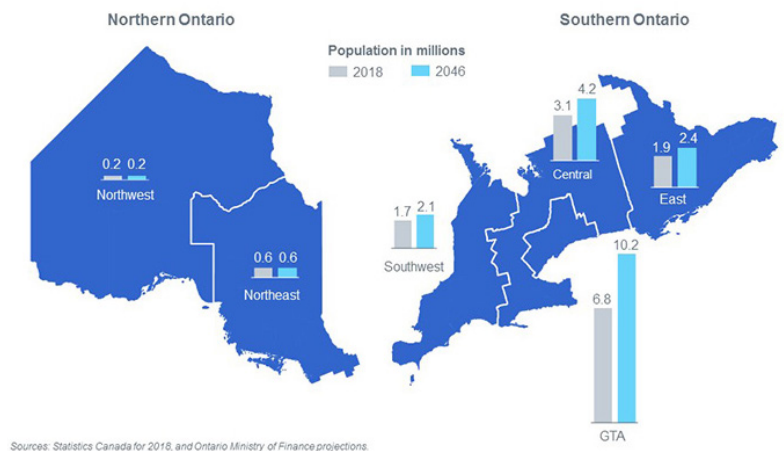
A total of 18,622 properties transacted throughout 2019, an increase of 6.6% vs 2018. Residential-class properties hit an average sale price of \$486,590 in 2019 while condos sold at an average of \$304,203, representing year-over-year price hikes of 8.9% and 9.3%, respectively.

Tenants in Ottawa paid an average of \$108 a month more for an apartment in 2019 compared with a year earlier, the average rent for a two-bedrooms rental apartment in Ottawa rose 8% to \$1,410 in 2019 and rent for one-bedroom units jumping by a similar percentage to an average of \$1,178. Condominiums make up 24% of the overall sales, which is up from a low of 18.2% in 2015. Condo inventory and supply continues to trend lower.

Across the city there was wide variation in the residential resale market, ranging

from a 31.5% gain in the district that includes Country Place, Pineglen and Crestview, to an -8% drop in Bells Corners. Overall, 20 of the 46 real estate districts registered average price rises in excess of 10% with a heavy concentration in the western areas of the city. Among the geographical exceptions were Lower Town-Sandy Hill (average price of \$658,200 — up 12.2%), Vanier (\$472,600 — up 11.3%),

Hunt Club-South Keys (\$470,000 — a gain of 11.9 %) and Hunt Club-Windsor Park (\$526,400, up 10.2%). Ottawa is expected to remain one of the country's most desirable markets due to its combination of relatively affordable markets, strong local economies, an excellent pool of renters will draw investors and fewer instances of market imbalances.



03

# BARRIE/SIMCOE COUNTY

Real estate has become very regional. The closer you get to Toronto; the home prices go up dramatically. It has been an unpredictable year in Barrie & Simcoe County for housing prices, with the price per square foot rising and falling from suburb-to-suburb. In Simcoe County, home prices are going up in Innisfil, Alcona and

## AVERAGE RESIDENTIAL SALE PRICE

Year Over Year

Average Price - All Home Types



Average Price - Detached Homes



Average Price - Condos



Average Days On Market



## HALLMARK'S NUMBERS

AVERAGE DAYS ON MARKET

**35 DAYS**

NUMBER OF TRANSACTIONS

**3,458**

AVERAGE SALE PRICE (ALL HOME TYPES)

**\$551,722**



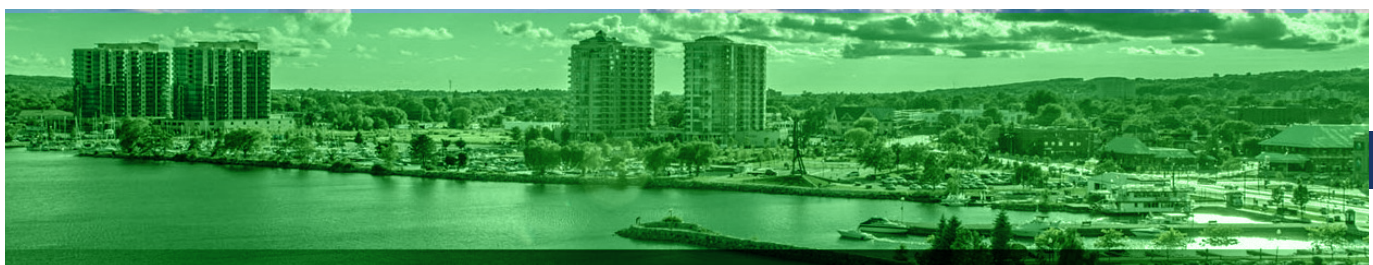
Bradford. Further north in Orillia and Midland, it is a lot less attractive; it's reflective of the proximity to Toronto and affordability.

Home sales were up from a year-ago across all price ranges except for the highest price range in 2019. The market for single detached homes was tightest in the range \$450K-\$550K, where demand was strongest relative to supply.

Current Barrie MLS® stats indicate an average house price of \$516,807 and Barrie housing data shows median days on market for a home is 35 days.

4999 residential units were sold in Simcoe County during 2019, 17.0% increase vs 2018. Barrie accounted for 2348 units in 2019, 11.2% growth from the same timeframe last year. The average price of units sold within the City of Barrie in 2019 was \$490,837 an increase of 3.5% vs 2018 and the average price of units sold during 2019 outside of Barrie was \$543,263 an increase of 5.5%.

	Townhouse	30 F.F. to 36 F.F.	40 F.F.
<b>📍 York Region</b>			
East Gwillimbury	\$9,000-\$10,000	\$8,000-\$9,000	\$10,000-\$11,000
Markham	\$29,000-\$30,000	\$23,000-\$24,000	\$21,000-\$22,000
Richmond Hill	\$26,000-\$27,000	\$22,000-\$23,000	\$21,000-\$22,000
Vaughan	\$24,000-\$25,000	\$19,000-\$20,000	\$18,000-\$19,000
<b>📍 Peel Region</b>			
Brampton	\$13,500-\$14,500	\$11,000-\$12,000	\$12,500-\$13,500
Caledon	\$13,000-\$14,000	\$12,000-\$13,000	\$11,000-\$12,000
<b>📍 Durham Region</b>			
Ajax	\$14,000-\$15,000	\$10,500-\$11,500	\$11,000-\$12,000
Oshawa	\$9,000-\$10,000	\$9,000-\$10,000	\$8,500-\$9,500
Whitby	\$10,000-\$11,000	\$10,000-\$11,000	\$10,000-\$11,000
<b>📍 Halton Region</b>			
Milton	\$13,000-\$14,000	\$12,500-\$13,500	\$12,000-\$13,000
Oakville	\$19,000-\$20,000	\$19,000-\$20,000	\$19,000-\$20,000
<b>📍 Outside GTA</b>			
Barrie/Innisfil	\$8,000-\$9,000	\$6,500-\$7,000	\$6,500-\$7,000
Hamilton	\$9,500-\$10,000	\$8,000-\$8,500	\$8,500-\$9,000



04

MARKET

Many people who want to have the urban lifestyle and have access to big city amenities are looking at different parts of the province that offer these features without the sky-high Toronto prices. With that being said, Durham, in addition to being within commuting distance of the GTA, is popular with GTA retirees and

AVERAGE RESIDENTIAL SALE PRICE

Year Over Year

Average Price - All Home Types



Average Price - Detached Homes



Average Price - Condos



Average Days On Market



HALLMARK'S NUMBERS

AVERAGE DAYS ON MARKET

16 DAYS

NUMBER OF TRANSACTIONS

1,761

AVERAGE SALE PRICE (ALL HOME TYPES)

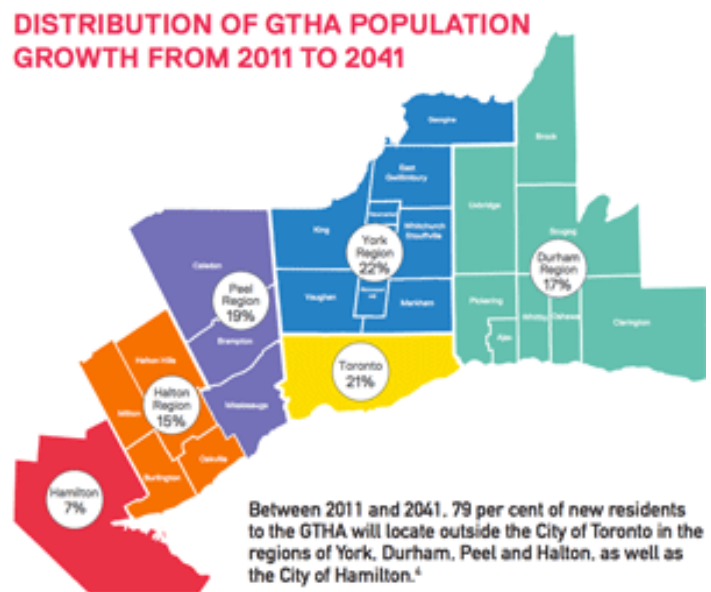
\$651,775

millennials. The GO Transit service is also having a major impact on pricing. So, it's no surprise that housing prices in Durham are expected to rise in 2020. Durham Region is expecting to grow significantly in the coming years. By 2056 its population is projected to increase to 1.2 million.

The housing market in Durham Region has seen significant changes in 2019. The number of new listings in Durham were down in comparison to last year. It is encouraging to see the days on market decrease from 29 days in 2018 to 21 days in last quarter of 2019. House sales also rose, with the average house inching to \$611,871 from \$590,403 in 2019-Q4.

Total residential transactions for the calendar year 2019 amounted 10,634 a 19% increase from the total in 2018. Aggregate home prices decreased in Ajax and Oshawa, decreasing 1.2% and 1.8% to \$661,049 and \$524,423, respectively. Whitby homes continued to see modest price appreciation, with the aggregate price increasing 1.1% year-over-year to \$677,977. For the second consecutive year, Pickering home prices experienced the second highest price appreciation in the GTA. The aggregate price of a home in Pickering increased 9.7% to \$744,979.

Durham cities like Bowmanville offers the best value for first-time home buyers, Bowmanville offers exceptional deals for first-time buyers in the Greater Toronto Area. Durham Region's housing market will remains strong as we see another significant year-over-year sales increase in all eight communities.





York Region is poised for booming population growth according to the York Region Development Action Plan, the number of people living in the region is expected to balloon from 1.1 million to 1.8 million by 2040. York Region is made up of nine different municipalities - Vaughan, Newmarket, Markham, Richmond Hill,

## AVERAGE RESIDENTIAL SALE PRICE

Year Over Year

Average Price - All Home Types



Average Price - Detached Homes



Average Price - Condos



Average Days On Market



## HALLMARK'S NUMBERS

AVERAGE DAYS  
ON MARKET

**27 DAYS**

NUMBER OF  
TRANSACTIONS

**1,326**

AVERAGE SALE PRICE  
(ALL HOME TYPES)

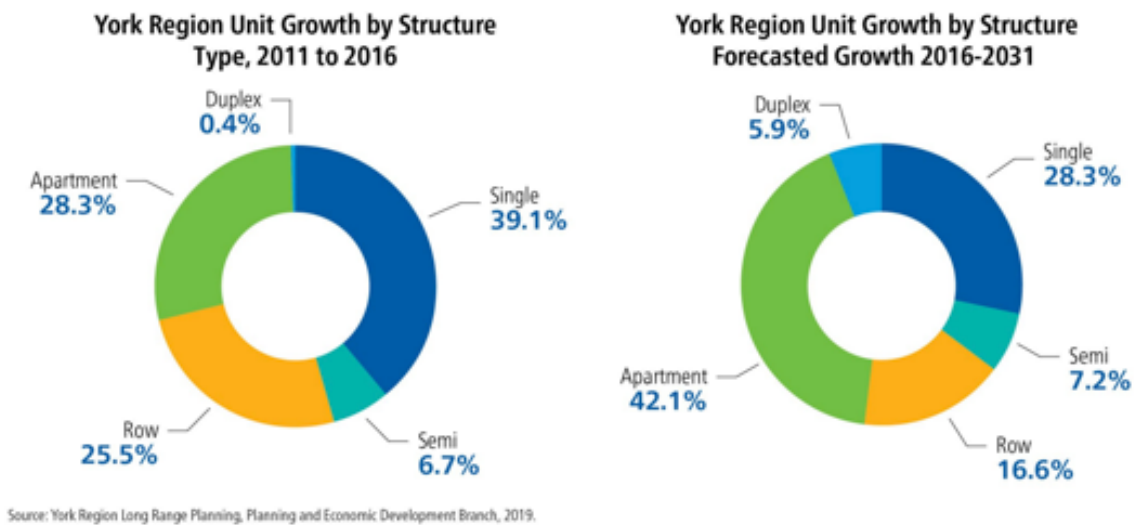
**\$910,314**

Whitchurch-Stouffville, East Gwillimbury, Aurora, Georgina and King – and market conditions vary within its borders. After absorbing a correction over the last two years, the latest data indicates York Region is bouncing back.

York Region saw a 21% increase in sales, York Region as a whole experienced a 2% growth in median home prices, to \$850,150, a difference of \$20,150. Its municipality of King saw the second-largest decrease in median prices in the GTA, falling -2% to \$1,270,000. That’s a difference of -\$20,000. The remainder of York Region saw year-over-year prices changes between 2 – 5%.

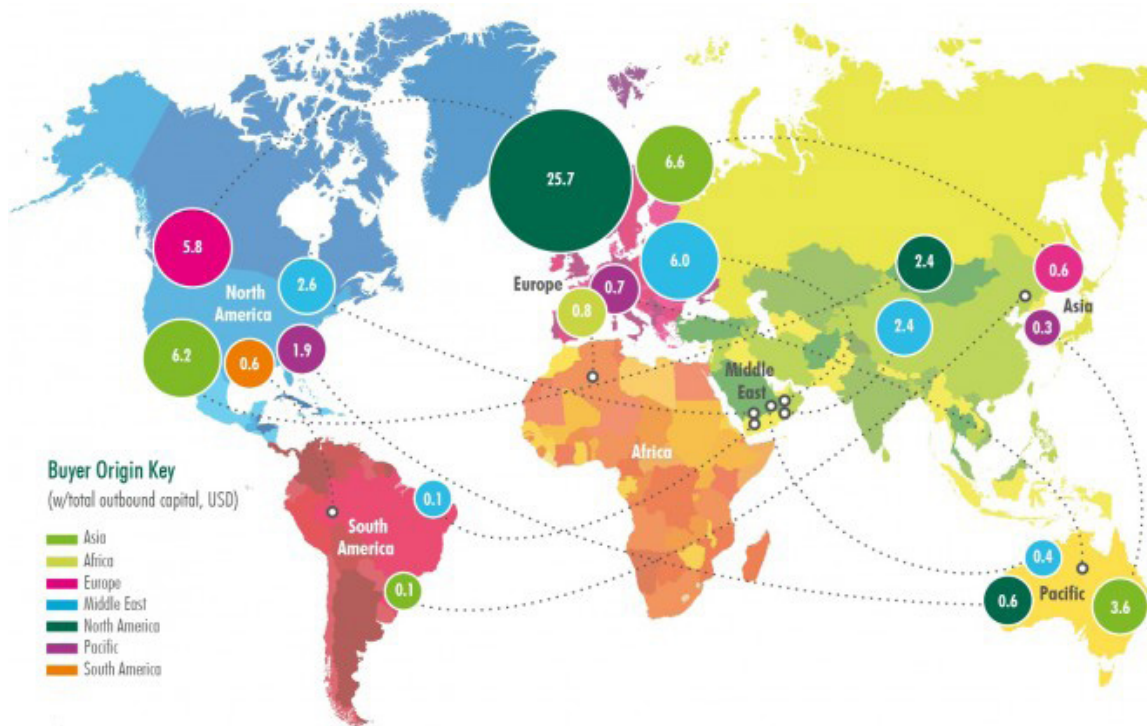
The aggregate price of a home increased 1.2% - 2.0% year-over-year from \$951,228 - \$1,064,653 during 2019 and the median price of a condominium increased by 5.5% year-over-year to \$477,898.

York Region’s economy continues to develop, mainly driven by growth in service producing jobs. The changing economy and growth in new businesses and services requires housing that meets the needs of York Region’s workforce. In York Region, housing costs have outpaced income growth impacting the type of housing that residents can afford. For a thriving community, a full mix and range of options that includes ownership, rental, emergency and supportive housing is required.



# TOP 5 TRANSACTIONS IN CANADA DURING 2019

Transactions in Ontario once again dominated Canada’s commercial real estate activity in 2019. Toronto continues to be the number one place to invest or look for real estate in Canada from an investor standpoint, both domestic and foreign. Investment volume in Ottawa and Montreal picked up the pace by 52% and 20%, respectively. Here are top 5 notable transactions.





1. The massive \$7B investment announced in March involved three organizations, BCI, RBC and Quadreal Property Group and resulted in the creation of the RBC Canadian Core Real Estate Fund with major properties across Canada including the PwC Tower in Toronto, Marche Central Shopping Centre in Montreal and 745 Thurlow in Vancouver, are among the assets.

2. Canada's largest Urban Centre - Cadillac Fairview bought out First Gulf and will develop the up-to-\$8 billion East Harbour project along the Toronto waterfront.

3. Oxford Properties unveiled plans for Union Park, a \$3.5-billion, 4.3-million-square foot mixed-use project across the street from the Rogers Centre.

4. Late in December, Starlight Investments closed on a major portfolio deal, acquiring 44 multi-residential high-rise buildings from Continuum REIT for \$1.735 billion, located in GTA, Hamilton and Ottawa. Starlight acquired 6,271 units in the buildings.

5. The Atrium on Bay acquisition, H&R REIT (HR-UN-T) sold the 1,079,870-square-foot office and retail complex to KingSett Capital & TD Greystone Asset Management for \$640 million.



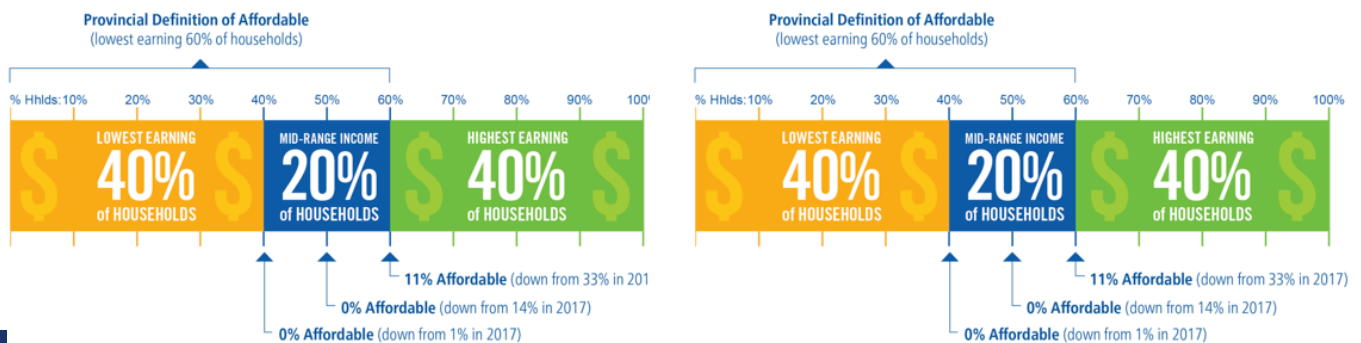


# MILLENNIALS DRIVE UP HOME PRICES IN 2020

There is a shift in the real estate market and it's all due to the millennial generation. Millennials have represented the largest share of the home buying North American market for the past five years in a row with 36% ending in 2019.

In Canada, millennials are taking on more and more debt, increasing their borrowing by 12% last year, according to a TransUnion Canada report released in March. Though their annual entrance salaries aren't too terrible—with bachelor's degree grads starting at \$54,295, precarious employment and the rise in the cost of living are taking their toll. Just this year, the monthly cost of living in Toronto rose \$400 to \$2,740.48, while Montreal sits at \$1,903.60 and Ottawa, \$1,742.00. Peak millennial (25 years and older) home buying budgets have shrunk 16%, or slightly more than \$40,103 since January 2018.

Buyers working with a median annual salary of \$38,148, now have a housing budget of \$203,246 after factoring in a 20% down payment. Given these numbers, young buyers are banding together to buy, relying on family handouts, renting, saving or delaying the pursuit to own altogether.







Another study found that for those earning median incomes across Canada, it would take between 4.3 – 6 years to save \$35,000 for the HBP. Someone who takes out the maximum tax-free \$35,000 through the HBP would only have enough money to cover 4.3% of a new home in Toronto.

<b>ONTARIO</b>				
<span style="color: green;">■</span> TOP 50% INCOME GROUP <span style="color: lightgreen;">■</span> TOP 25% INCOME GROUP <span style="color: yellow;">■</span> TOP 10% INCOME GROUP				
REGION	BENCHMARK PRICE, DEC 2019	THRESHOLD INCOME OF INCOME GROUP	MAX ANNUAL RRSP CONTRIBUTION LIMIT (18% OF EARNINGS)	YEARS TO SAVE \$35,000 IN RRSPs
TORONTO, ON	\$819,700	\$32,600	\$5,868	6.0 years
		\$63,300	\$11,394	3.1 years
		\$101,700	\$18,306	1.9 years
HAMILTON, ON	\$625,600	\$37,400	\$6,732	5.2 years
		\$66,100	\$11,898	2.9 years
		\$100,700	\$18,126	1.9 years
KITCHENER-WATERLOO, ON	\$551,530 *	\$37,600	\$6,768	5.2 years
		\$64,300	\$11,574	3.0 years
		\$97,900	\$17,622	2.0 years
OTTAWA, ON	\$447,000	\$44,700	\$8,046	4.3 years
		\$79,100	\$14,238	2.5 years
		\$114,400	\$20,592	1.7 years
LONDON, ON	\$426,332 *	\$35,800	\$6,444	5.4 years
		\$60,900	\$10,962	3.2 years
		\$93,100	\$16,758	2.1 years



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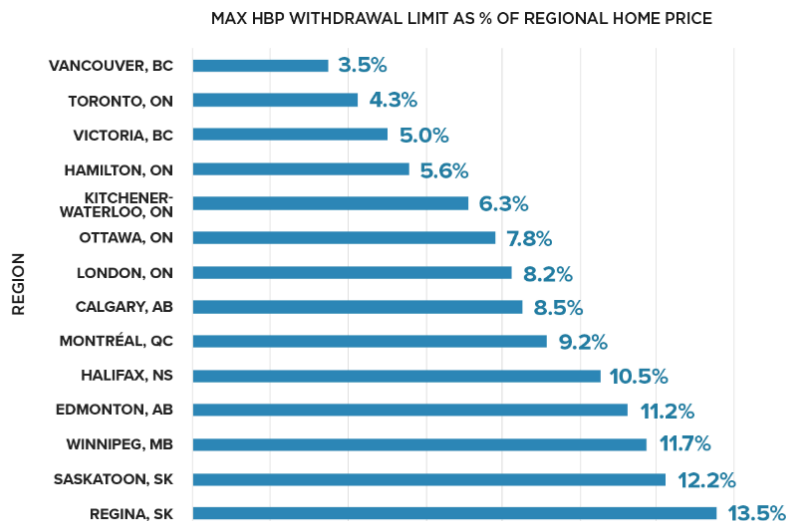
Although, this is slightly better than in Vancouver where the maximum \$35,000 would only cover 3.5% of a new home.

Most of Canada is seeing a shift in demand from condominiums to detached houses. The national median price of a condominium at the end of 2019 vs 2014 has increased 48%. Now this demographic is looking for more affordable space and a yard. The resulting demand will put upward price pressure on homes within the suburbs communities. However, condominiums will remain in demand in regions where affordability restricts choice of ownership.

## Home Buyers' Plan Withdrawal Limit (\$35,000) as a % of Benchmark Home Prices Across Canada

The Home Buyers' Plan (HBP) lets first-time home buyers withdraw up to \$35,000 from their Registered Retirement Savings Plans (RRSP) to put toward a home purchase. Based on home prices from the Canadian Real Estate Association (CREA), Zoocasa calculated the percentage of home prices that the maximum withdrawal of \$35,000 represents in regions across Canada.

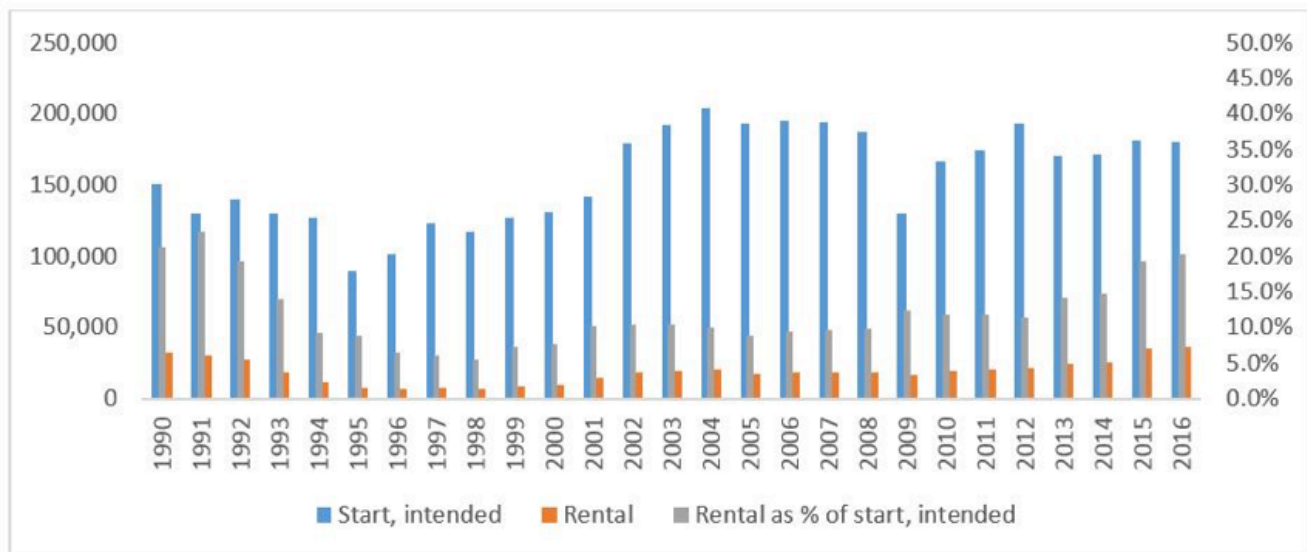
*Note: First-time home buyers purchasing a property with a spouse or partner can each withdraw up to \$35,000 from their own RRSP, for a total of \$70,000.*



# HOUSING COMPOSITION

The types of dwellings being constructed underwent a significant shift. About three-quarters of housing starts in the 2000s were freehold, while that proportion dropped to just over half in the 2010s.

Tax breaks and other government incentives to build social housing led to the boom in purpose-built apartment construction in the 1970s and '80s. While there are some programs in place now to spur that asset class, it's not of the same magnitude. However, data shows the ratio of purpose-built rentals to condo apartments has increased every year since 2012.



As urban centers are growing, land prices are becoming higher, so you'll see an underlying shift to higher-density. Over the next decade, what we're going to be seeing is that it's not going to be as much in the central areas of the larger markets because a lot of that is already maxed out.

09

# NEW CONDO

The market for condominiums showed continued momentum in 2019. New condominium apartment sales in the GTA stabilized in 2019, edging up 1% from a year ago. The latest quarter indicated sales up 21% to 16,873 units, 63% was the absorption rate among all pre-launched projects in 2019. The rising sales trend kept unsold inventory at 13% below its 10-year average. This resulted in further upward pressure on new condominium prices, with the index value for available units rising 6% year-over-year to \$1,054 psf.

While launch activity was low, construction hit a record high with 71,378 new condo units under construction across 242 projects. The majority of the condo inventory is in the preconstruction phase and early construction phase, which means there's a tremendous amount of pressure on trades. This amounts to an increase in construction costs, leading to higher prices for buyers.

It is the end of an era for Airbnb rentals in Toronto. Due to a recent court ruling, Toronto real estate investment properties can no longer be used for short-term rental accommodations. The new Airbnb rules will fundamentally change the way Toronto real estate investors are allowed to use their condominium properties.

What's going to happen in 2020 is that a lot of these units are going to hit the resale and rental long-term markets (of course many of them were also purchased by end-users, so people will be moving in). This is much needed supply and will hopefully slightly moderate price and rent growth.

OSFI  
BSIF**B-20**

# TIME TO RETHINK B-20

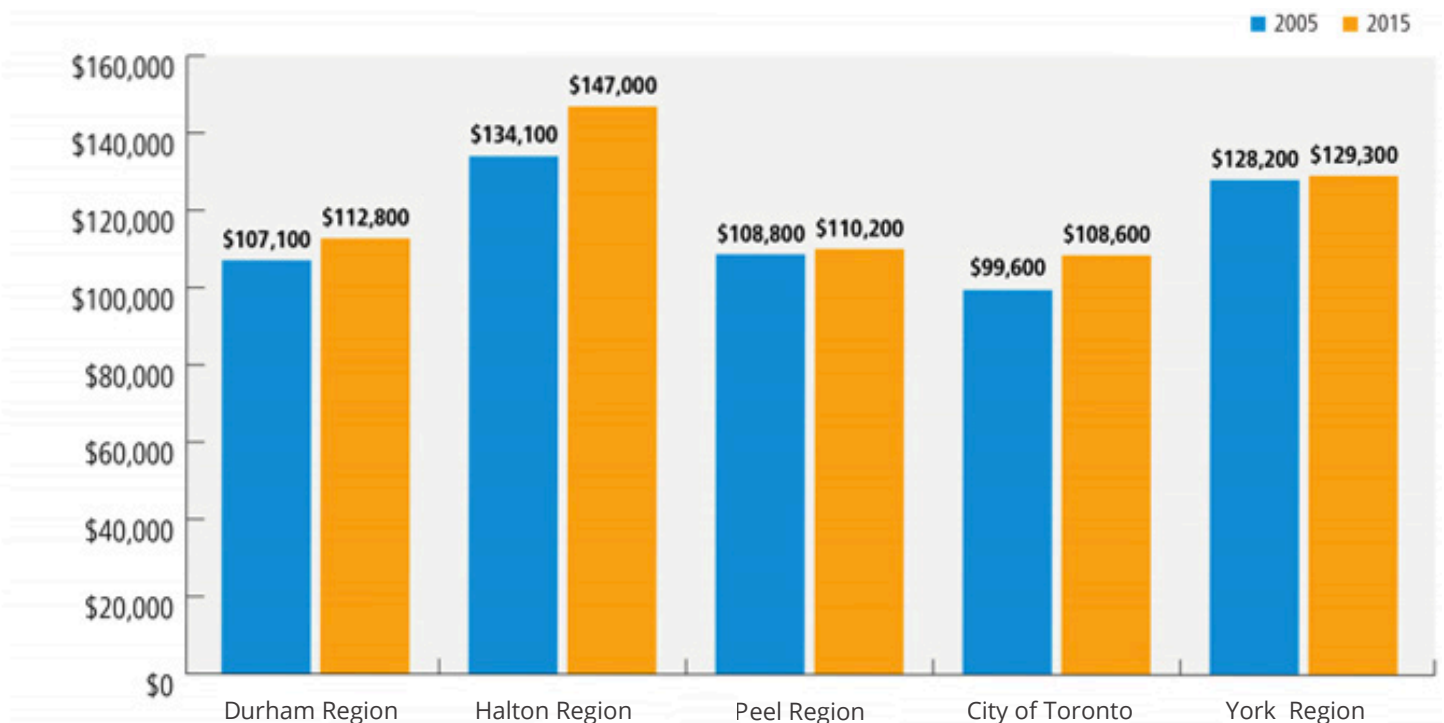
There is little doubt that the architects of B-20 had Vancouver and Toronto in mind when they designed the new rule. The more stretched you are, the more likely you are to fail the test.

The stress test imposed on the market was probably necessary, since there was a need to save some Canadian borrowers from themselves. But is 200 basis points the right number?

Bank of Canada has hiked rates by 75 basis points, and the five-year mortgage rate has risen by 35 basis points. Furthermore, borrowers average personal income has risen by a cumulative 12.5% over the past five years—the stress test does not take that into account. Nor does B-20 allow for the fact that during the course of the mortgage term, equity position rises due to principal payments, first time buyer ability and finally, B-20 is in part behind the strong rise in alternative lending. We need a more flexible benchmark.

# HOUSEHOLD INCOMES NOT KEEPING PACE WITH

Although ownership household incomes have increased, they have not kept pace with increases in housing prices. Household income is one critical determinant of the type and tenure of housing residents are able to afford. Historically the majority of households across the income spectrum could afford the purchase and ownership of a single detached home. Currently, even households at annual \$100K of the income spectrum may struggle to find housing that meets their needs.



Source: Statistics Canada, 2006 and 2016 Censuses of Population, 2019.



# HOME PRICES

When resale house prices are compared to total income over the last ten years, the average cost of a home has more than doubled in price, experiencing a 134% change in cost comparatively, income has only increased 14% from 2008 to 2017. Ontario's diversifying, maturing and expanding population and economy have changing needs that impact the type and tenure of housing required for all communities, therefore proper long-term housing plans are necessary and needed immediately.



Source: Statistics Canada, 2016 Census of Population, 2019.

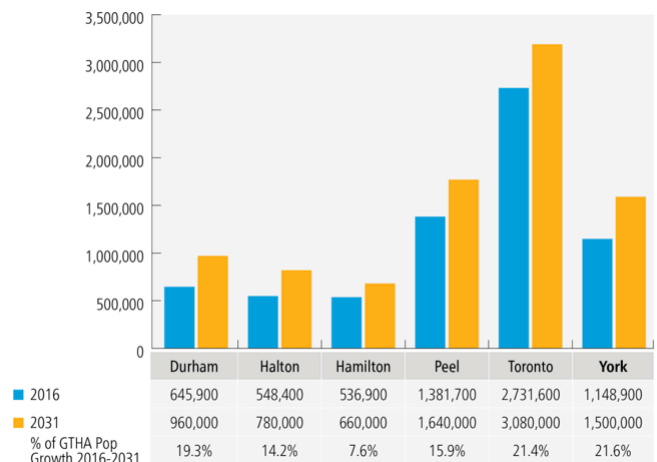
## FUTURE TENSE

Ambitious investors with cash on hand and a desire for high and fast rate of return will continue to view Ontario market as worth the steep cost of buying in. Supply constraint issues will continue to generate surplus buyers, going forward into 2020 and for the next 5 years, condo and high-density market is all about population and buyer demand.

Oppressive action in Hong Kong and Middle East crises won't stop and for those reasons, they're getting out and Canada is a welcoming country. They'll bring their money with them and buy real estate, including housing for their kids studying here, also as Toronto's urban millennials attempt to flee the city with their new families, they'll find little affordable in York Region, Barrie & Simcoe County, Durham regions or smaller urban center such as Ottawa.

To make sure you choose the right property for your clients, you need to ensure two things. First, the project you're considering must be supported by strong fundamentals. Is the location poised for population and job growth? What is the current (and future) transit situation? A project that answers these questions favorably is often worth a closer look.

What is also obvious is that fewer buyers can afford to buy, so renting is the only option. Further complicating the issues, is more renters are seeking rentals far outside the GTA where available.





# ONTARIO ECONOMIC OVERVIEW

Ontario's economic growth for 2019, at just over 1%, underperformed the national average of 1.4%, with 2020 only expected to see about 0.75% growth compared to Canada's 1.1%. The Greater Toronto Area (GTA) and Ottawa-Gatineau regions are expected to see stronger growth than the province, at 1.2% and 1.0%, respectively in 2020.

With a thriving tech sector in the GTA, Ottawa and the Kitchener-Waterloo regions, much of the employment growth has occurred in the FIRE (Finance, Insurance and Real Estate) sector, which is once again benefiting from the recovery of the residential real estate market. The industrial sector continues to experience steady growth with the rise of e-commerce services like fulfillment centers and distribution facilities. Ontario is expected to see employment grow by 1.0% in 2020 and decrease of unemployment rate to 5%

The continued concerns about affordability and newer concerns about inflationary pressures being brought on by trade wars could weigh down the performance of commercial real estate. However, with heavy investment in infrastructure, continued growth in both residential and nonresidential construction and growing labor markets, Ontario is poised for a steady growth into 2020 with strong fundamentals throughout 2020.

14

**IN CONCLUSION**



## WHAT'S IN STORE FOR THE 2020 HOUSING MARKET?

What makes 2020 more uncertain other than same persisted issues of 2019 such as crunched affordability, a lack of supply, and heating conditions in the nation's biggest markets is the fact that many of the challenges looming over the country are global in scope. In 2017 and 2018, when housing affordability and overleveraged homeowners became a major national concern, provincial and federal authorities were able to step in and quickly cool housing demand. In 2019, when a lack of pipeline capacity was crippling Alberta's oil producers and holding back GDP growth, the Trans Mountain Pipeline Extension finally, grudgingly received approval. There will be no simple permanent national solution in 2020

Ironically, with all the uncertainty around trade, the global political turmoil and the lackluster economic growth, it could lead to pay off for real estate market when it comes to interest rates. Every time the housing market is supposed to slow down because of higher interest rates, something happens elsewhere that keeps interest rates low which is exactly what is happening now, and the party continues.

In fact, the next move will be a cut, not a hike, if the Bank of Canada doesn't follow the global and US rate-trimming, Canada would have the highest overnight interest rate in the world - not a good look if you're trying to attract large-scale investments.

2019 has been a good year for most housing markets. With Toronto still far out of reach for most buyers, activity continued to shift into smaller urban centers and suburb communities. Ontario's housing market looks set to spend another year avoiding a major change. The reason remains the same as in previous years: there are simply too many people moving to the province for the housing market. Over the past two years, Ontario's population has grown by around 240,000 people a year. We project Ontario's housing starts will fall somewhere around 72,000 units in 2020, which wouldn't even satisfy the current levels of demand of annual 130,000 immigrants and 15,000 to 18,000 arrivals from other provinces which ensures that the Ontario market has more than enough fuel to burn for the foreseeable future.

We are likely to see stronger price growth, maybe close to the double digits, for multi-family units, particularly for condominium apartments and townhomes and sees home prices rising particularly quickly in Hamilton, Simcoe County and Oshawa due to close proximity to GTA.

Markets in Eastern Ontario are also expected to perform well in 2020, from the Durham Region, where job growth continues to impress, to Kingston, where affordability and an excellent pool of renters will draw investor interest. Ottawa, after another gold-star year of sales and price growth, is expected to remain one of the country's most desirable markets.

I think the story of the year will revolve around supply issues in Ontario in particular urban centers. The economy is healthy, interest rates will remain low through 2020, unemployment is low, immigration is high. In all, it's shaping up to be a sizzling year for the housing market, with home buyers returning in full force, and sellers poised for great returns. Here's to a booming 2020.

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