

## HOUSING MARKET ASSESSMENT

## Hamilton CMA

CANADA MORTGAGE AND HOUSING CORPORATION

First Quarter 2020

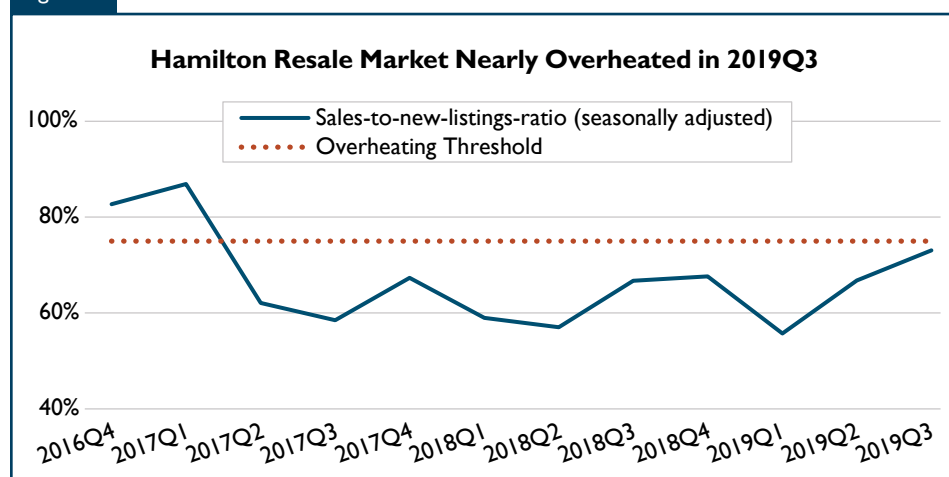
## Overall Assessment for the Hamilton Housing Market Remained at Moderate

- The overheating and price acceleration ratings were maintained due to large market imbalances that developed in late 2016 and early 2017<sup>1</sup>.
- Market conditions became more favourable to sellers in recent quarters, leading to faster rising prices. However, the overvaluation rating was unchanged since the economic and demographic factors with a long-run relationship to prices have kept close pace. Most notable was the significant gains in the population 25-34 years of age, which has historically made up a large percentage of first-time buyers in Hamilton.
- The inventory of completed and unsold new homes remained small, providing low evidence of overbuilding.

## Hamilton Resale Market Close to Overheating

- Market imbalances formed in late 2016 and early 2017 were gradually unwinding until the past two quarters, when the sales-to-new-listings ratio hovered around the overheating threshold.
- The number of new listings did not respond to greater sales activity, placing greater upward pressure on prices.
- The increased sales activity was supported by lower mortgage rates, strong local economic conditions and higher price growth in neighboring regions in the Greater Toronto Area.
- The markets in most sub-regions were slightly tilted in favour of sellers, with the exception of Hamilton's Centre, East and Mountain regions, which all had a significant shortage of listings relative to demand.

Figure 1



Sources: CREA and calculations (threshold) by CMHC  
Last data point Q3 2019

<sup>1</sup> Results are based on data as of the end of September 2019 (the annual rental apartment vacancy rates are from October 2019) and local market intelligence up to the end of December 2019. A detailed description of the framework is available in the appendix of the [National edition](#).

Results Overview  
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	Nov. 2019	Feb. 2020
Overheating	High	High
Price Acceleration	High	High
Overvaluation	Moderate	Moderate
Overbuilding	Moderate	Moderate
Overall Assessment	High	High

Degree of vulnerability  
■ High ■ Moderate ■ Low



Anthony Passarelli  
Senior Analyst

*"While house prices have risen faster in recent quarters, they've remained closely aligned with economic and demographic fundamentals, such as personal disposable income, the population and interest rates."*

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- Rental Market Reports, Canada and Provincial Highlights
- Rental Market Reports, Major Centres
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