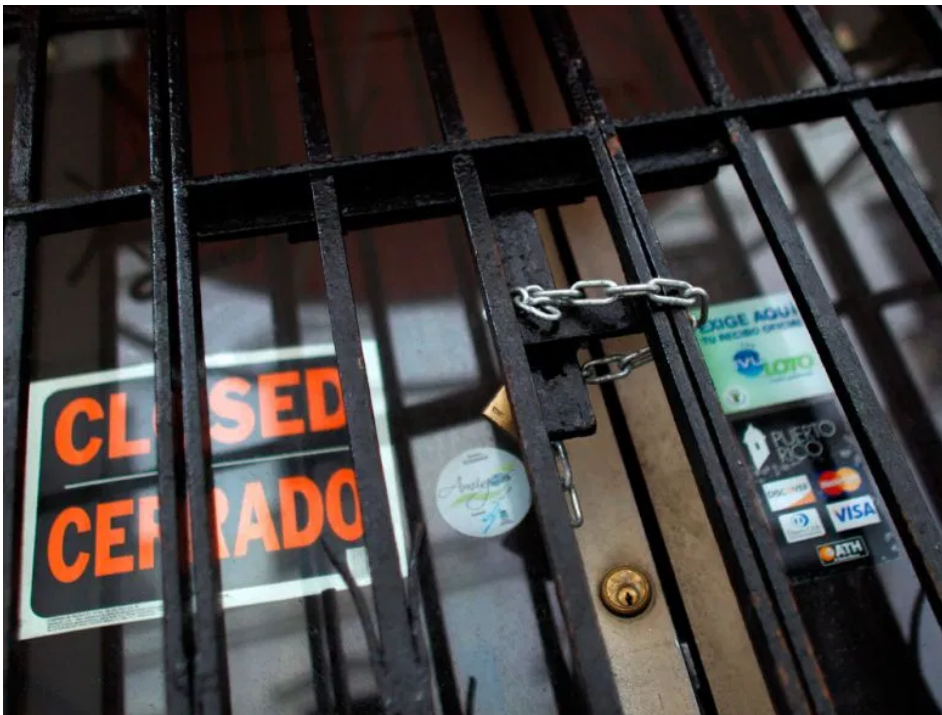
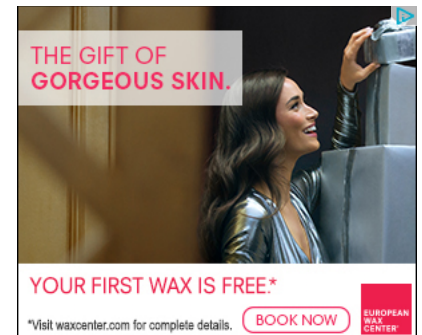


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# Posthaste: IMF weighs in on Canadian housing — and Vancouver homeowners say good-bye to 80% of income

*Stuff you need to know*Service sectors are now showing the strain of global trade wars. *Getty Images*

PAMELA HEAVEN

## Posthaste

EVERYTHING YOU NEED TO KNOW BEFORE STARTING YOUR WORK DAY

October 3, 2019  
10:56 AM EDT

Good morning!

Filed under  
**Executive**

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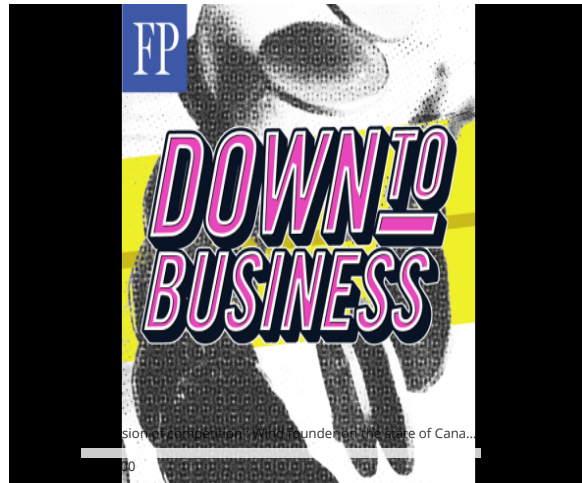
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cars and auto parts from Europe. Trade wars and the uncertainty that comes with them have taken a toll on global manufacturing. The U.S. ISM index this week sent markets into a tizzy when it fell to its lowest since June 2009. Now the services sector is showing the strain, says BMO Economics senior economist Jennifer Lee. The U.S. non-manufacturing ISM is out later this morning, but other readings are already 'pretty disturbing,' she writes in her morning note. Measures in Japan and the eurozone have all fallen in September from August with Germany's services PMI at the lowest since 2016.

With Toronto homes sales [surging 22% in September](#) and the annual rate of price growth hitting its highest this year, Toronto Real Estate Board President Michael Collins this morning called on Federal candidates to go beyond the "demand-side" policies they are proposing and focus on increasing housing supply. "Demand for ownership housing increased throughout the spring and summer of 2019 compared to the very slow pace of sales experienced in 2018. That being said, many first-time buyers are still experiencing difficulty finding an affordable home," said Collins. (The average selling price for all home types in Toronto rose 5.8 per cent to \$843,115). The International Monetary Fund agrees. The IMF [said in a report this week](#) that well-meaning policies in Canada to improve affordability by increasing a households' capacity to borrow most often have the opposite effect. By studying the dynamics of house prices in 11 Canadian cities, the IMF determined that households being able to borrow more money has quickly been reflected in higher home prices. "To more sustainably address housing affordability, regional and federal authorities in Canada need to work together to develop and implement a comprehensive housing supply strategy," said the IMF.



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