

Moderate rise in the Composite Index in April

Teranet-National Bank Composite National HPI

m/m growth: April: +0.2% March: 0.0% Feb.: -0.1%

y/y growth: April: +5.6% March: +6.6% Feb.: +7.5%

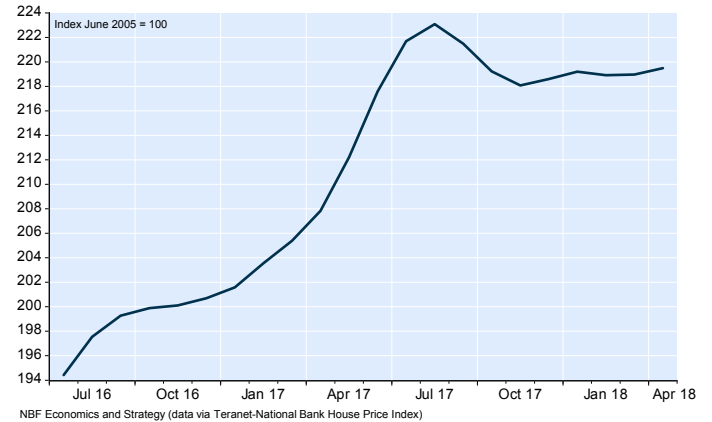
FACTS: The Teranet-National Bank Composite National House Price Index™ rose 0.2% in April. Eight of the 11 constituent metropolitan areas recorded increases in the month: Quebec City (+1.5%), Hamilton (+0.8%), Halifax (+0.6%), Vancouver (+0.3%), Edmonton (+0.3%), Toronto (+0.2%), Montreal (0.2%) and Victoria (+0.2%). The index was stable in Calgary, and dropped in Ottawa-Gatineau (-0.1%) and Winnipeg (-0.8%). On a y/y basis, the Composite index rose 5.6%, the lowest reading since September 2015. Vancouver (+15.9%) and Victoria (+11.0%) lifted the national average, while the index annual growth was more moderate in other metropolitan areas: Halifax (+5.3%), Hamilton (+4.5%), Montreal (3.9%), Ottawa-Gatineau (+3.0%), Quebec City (+2.4%), Toronto (+1.9%), Winnipeg (+1.2%), Edmonton (+0.4%) and Calgary (+0.2%). See charts on next page.

OPINION: After a difficult H2 2017, the Composite Index has stabilized in recent months (top chart). Moderate rises will likely continue to characterize the Composite index over the coming months, as conditions in the two major constituent home resale markets, Toronto and Vancouver, are now balanced (current active-listings-to-sales ratios close to their long-term average - middle chart). Let's recall that over the last two preceding years, conditions in both markets were very tight, triggering double-digit percentage increases in the Composite index on a y/y basis. We do not think that market conditions will deteriorate significantly from now on in both markets, as sales seem to have stabilized lately (bottom chart).

Marc Pinsonneault

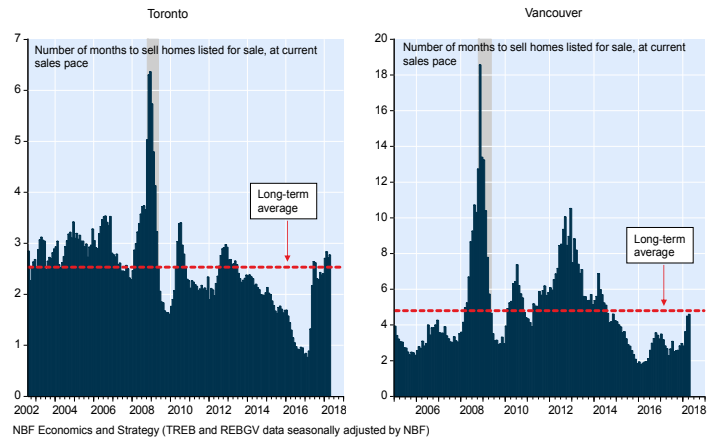
The Composite Index has stabilized in recent months

Teranet-National Bank National Composite House Price Index™



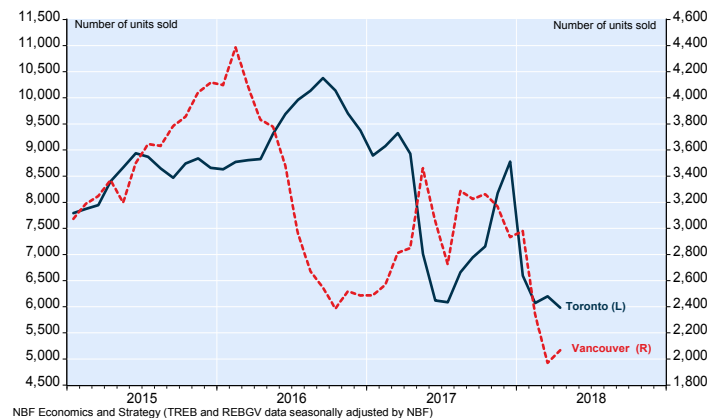
Toronto and Vancouver: Balanced home resale markets

Active-listing-to-sale ratio close to its long-term average. Last observation: April 2018



Toronto and Vancouver: Home sales stabilized lately

Last observation: April 2018

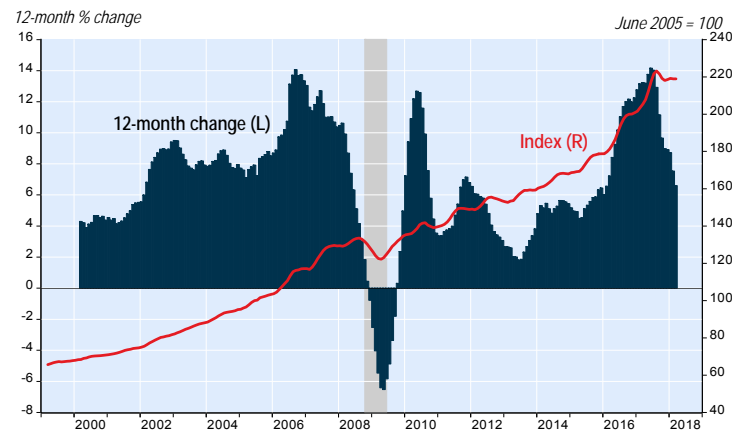


Teranet-National Bank House Price Index

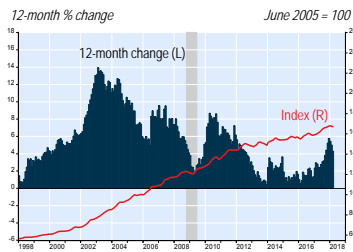
Note on methodology:

The indexes of the 11 metropolitan markets comprising the Teranet-National Bank Composite House Price Index™ are smoothed. Each month, the (unsmoothed) indexes estimated for each of the last three months are averaged to produce that month's index. This procedure allows evening-out month-to-month fluctuations.

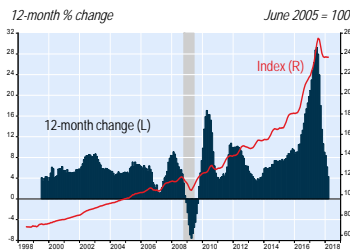
Teranet-National Bank National Composite House Price Index™



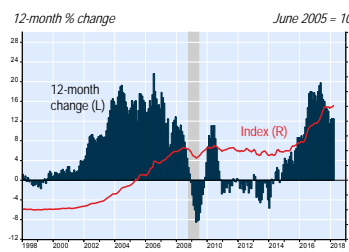
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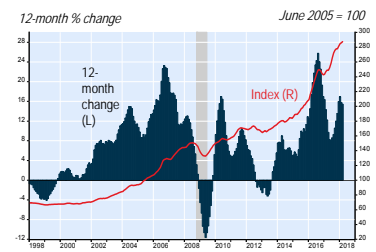
Toronto



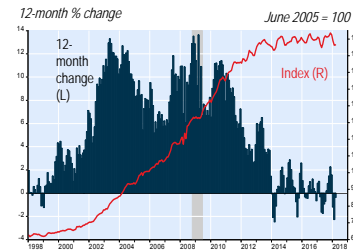
Victoria



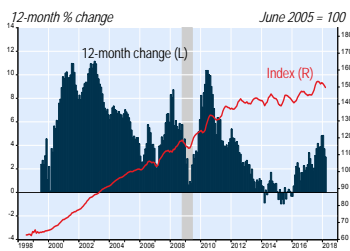
Vancouver



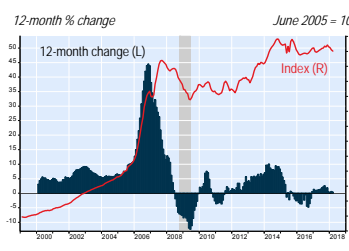
Quebec City



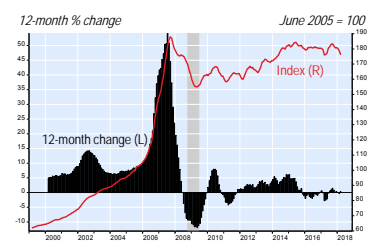
Ottawa-Gatineau



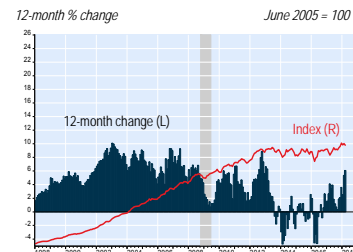
Calgary



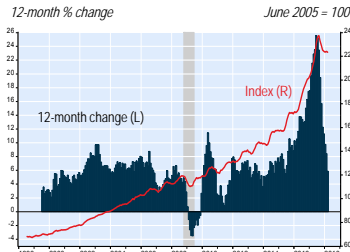
Edmonton



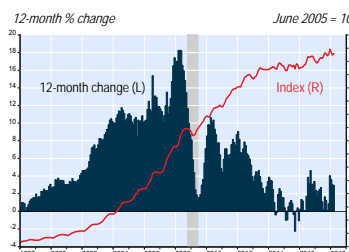
Halifax



Hamilton



Winnipeg



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Economics and Strategy

Montreal Office

514-879-2529

Stéfane Marion

Chief Economist and Strategist
stefane.marion@nbc.ca

Paul-André Pinsonnault

Senior Fixed Income Economist
paulandre.pinsonnault@nbc.ca

Krishen Rangasamy

Senior Economist
krishen.rangasamy@nbc.ca

Marc Pinsonneault

Senior Economist
marc.pinsonneault@nbc.ca

Matthieu Arseneau

Senior Economist
matthieu.arseneau@nbc.ca

Angelo Katsoras

Geopolitical Analyst
angelo.katsoras@nbc.ca

Kyle Dahms

Economist
kyle.dahms@nbc.ca

Jocelyn Paquet

Economist
jocelyn.paquet@nbc.ca

Toronto Office

416-869-8598

Warren Lovely

MD & Head of Public Sector Strategy
warren.lovely@nbc.ca

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