

## Weakness intensifies in Vancouver, Calgary and Edmonton

By Marc Pinsonneault

In January, the downward trend in home prices intensified in Western Canada’s three largest metropolitan areas. The indexes for Vancouver, Calgary and Edmonton extended what are now the longest runs of months without an increase among the 11 metropolitan areas covered by the national index. It was a seventh month without an increase in Calgary, a sixth one in Vancouver and a fifth one in Edmonton. Home prices have been trending down in three of the past four years in Calgary and Edmonton while Vancouver shows no growth for the first time in six years (left chart). In City of Calgary, the listings-to-sales ratio was the highest for a month of January since 2014 (right chart) - the year when the oil price collapse occurred. Both Calgary and Edmonton are facing an outsized number of vacant new dwellings and continued price weakness. In Vancouver, where home sales have weakened in recent months, things appear to be stabilizing. After seasonal adjustment, Vancouver home sales indeed stabilized when compared to December. Solid labour markets in Greater Vancouver, where a near-record 72K jobs were added in the last six months, argue for a more stable listings-to-sales ratio and limited price deflation.

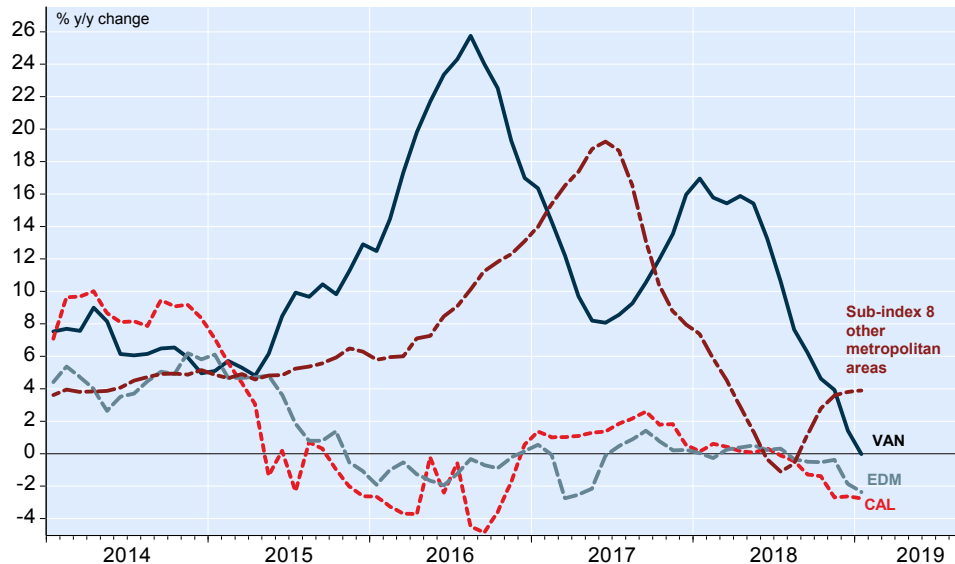
### HIGHLIGHTS:

- The Teranet-National Bank Composite National House Price Index™ dropped 0.1% in January, a fifth month in a row without an increase.
- On a monthly basis, the index fell in Edmonton (-0.8%), Calgary (-0.5%), Vancouver (-0.3%) and Ottawa-Gatineau (-0.3%). Indexes for Victoria and Hamilton were flat. There were monthly rises for Quebec City (+1.3%), Halifax (+0.7%), Montreal (+0.2%), Toronto (+0.1%) and Winnipeg (+0.1%).
- From January 2018 to January 2019, the Composite index rose 2.2%. It declined in Calgary (-2.8%) and Edmonton (-2.4%) while it was flat in Vancouver. The eight other markets in the composite index were up from a year earlier - Winnipeg (0.7%), Halifax (1.7%), Quebec City (3.1%), Toronto (3.6%), Montreal (4.5%), Hamilton (4.6%), Victoria (4.9%) and Ottawa-Gatineau (6.0%).

See charts and table on pages 2 and 3.

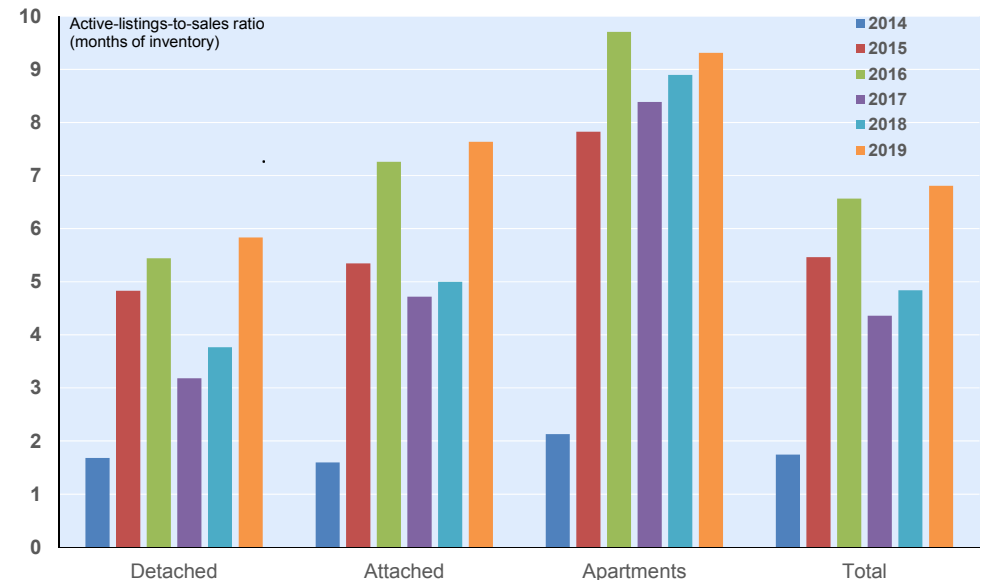
### Home price weakness intensifies in Vancouver, Calgary and Edmonton

HPI for Vancouver, Calgary and Edmonton vs. sub-index for 8 other metropolitan areas



NBF Economics and Strategy (data via Teranet-National Bank House Price Index)

### City of Calgary: Home resale market conditions worst in six years

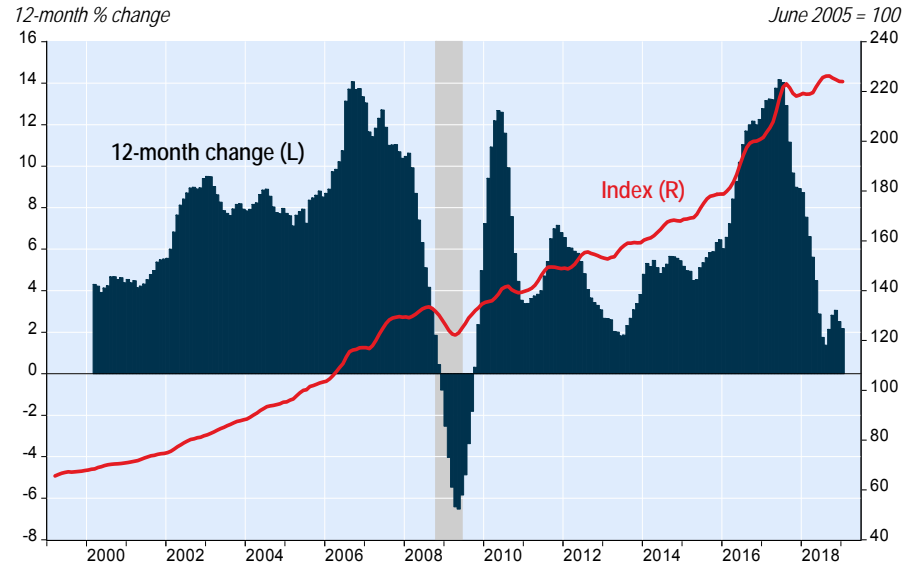


NBF Economics and Strategy (data from Calgary Real Estate Board)

**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™**

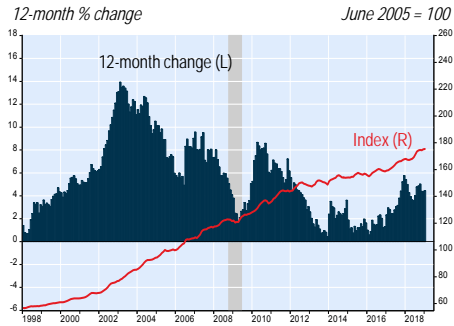


Metropolitan area	Index level January 2019	% change m/m	% change y/y	% change from peak	Peak date
Composite 11	223.96	-0.1%	2.2%	-1.0%	2018-09
Victoria	208.77	0.0%	4.9%	-0.5%	2018-09
Vancouver	284.58	-0.3%	0.0%	-3.2%	2018-07
Calgary	177.43	-0.5%	-2.8%	-5.8%	2014-10
Edmonton	176.00	-0.8%	-2.4%	-6.3%	2007-09
Winnipeg	208.27	0.1%	0.7%	-1.5%	2018-09
Hamilton	233.96	0.0%	4.6%	-1.5%	2017-08
Toronto	245.16	0.1%	3.6%	-3.8%	2017-07
Ottawa-Gatineau	161.00	-0.3%	6.0%	-0.3%	2018-12
Montreal	175.43	0.2%	4.5%	0.0%	2019-01
Quebec	184.58	1.3%	3.1%	0.0%	2019-01
Halifax	148.66	0.7%	1.7%	-0.9%	2018-07

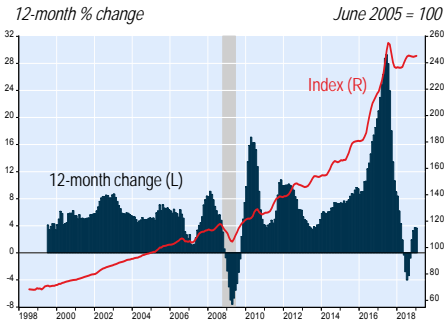
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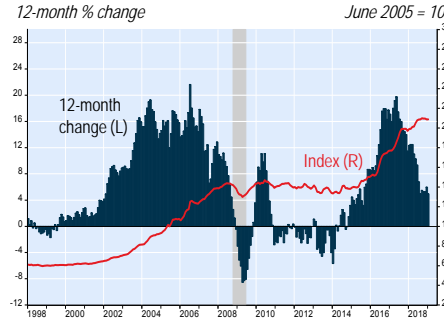
### Montreal



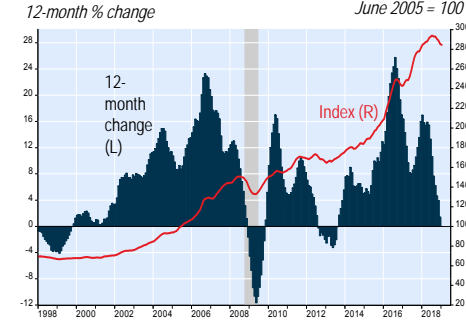
### Toronto



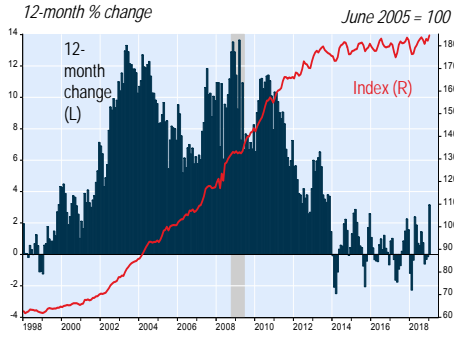
### Victoria



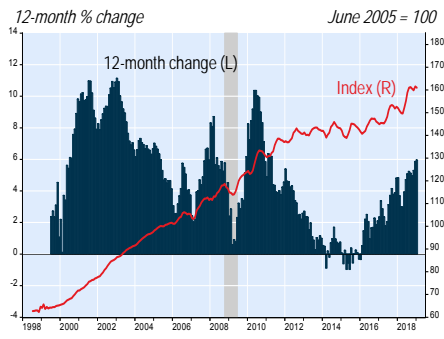
### Vancouver



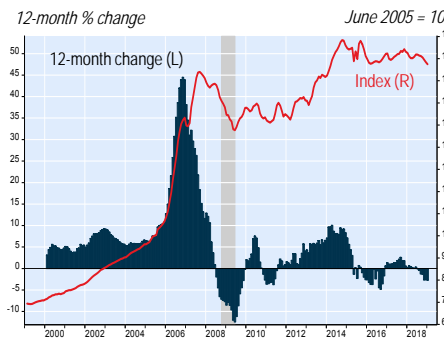
### Quebec City



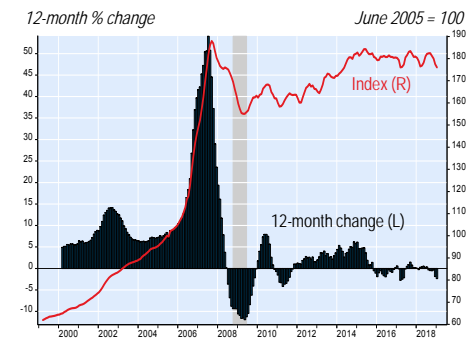
### Ottawa-Gatineau



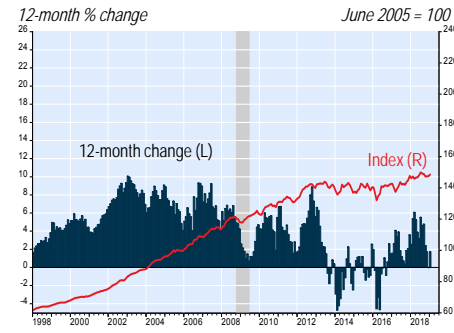
### Calgary



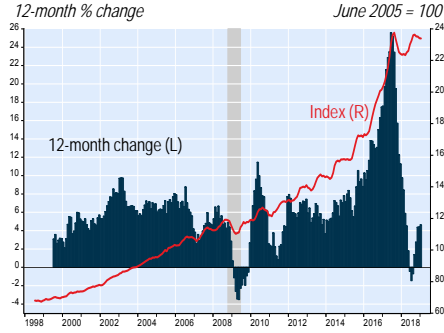
### Edmonton



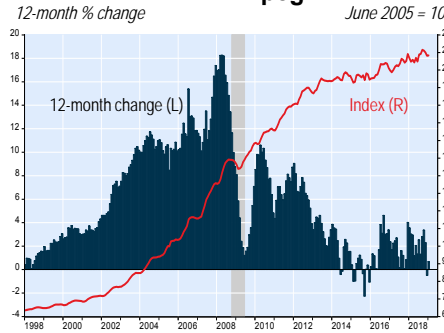
### Halifax



### Hamilton



### Winnipeg



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Economics and Strategy



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