

Is the resale market stabilizing?

By Marc Pinsonneault

While the Composite Teranet-National Bank HPI dropped again in April, there are signs of stabilization. April's decline in the Composite index is the smallest in months. The cumulative decline over this seven-month stretch is only 1.8%, a moderate loss compared to the 2008-2009 recession, and even compared to shorter sequences of drops that occurred since then (left chart). The moderation of the recent price decline at the national level is partly due to Toronto, where the index edged down only 0.2% over that seven-month period. The resilience of the home resale market in the largest urban area in Canada is due to the performance of the condo segment, where the index was up 2.1% over the period (right chart). Judging from the active-listings-to-sales ratio, market conditions on the condo market have been tight over the last three years, suggesting that the upward trend in condo prices in Toronto is unlikely to be interrupted in the near future.

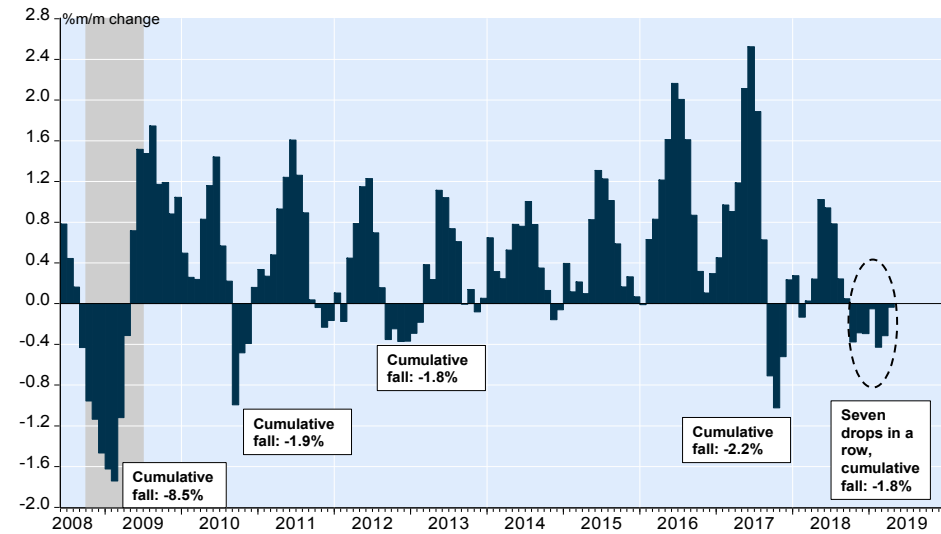
HIGHLIGHTS:

- The Teranet-National Bank Composite National House Price Index™ edged down 0.03% in April, a seventh monthly drop in a row.
- On a monthly basis, the index fell in Winnipeg (-2.0%), Halifax (-1.1%), Vancouver (-0.4%), Quebec City (-0.4%), Calgary (-0.3%) and Montreal (-0.2%). Indexes were up on the month for Ottawa-Gatineau (0.9%), Hamilton (0.8%), Toronto (0.3%), Victoria (0.2%) and Edmonton (0.1%).
- From April 2018 to April 2019, the Composite index rose 1.2%. The HPI declined in Calgary (-3.1%), Vancouver (-2.8%), Winnipeg (-0.8%) and Edmonton (-0.1%). The 12-month change was positive for Victoria (0.7%), Halifax (1.2%), Quebec City (2.0%), Hamilton (3.3%), Toronto (3.3%), Montreal (5.1%) and Ottawa-Gatineau (6.2%).

See charts and table on pages 2 and 3.

The Composite HPI drops in April for a seventh month in a row

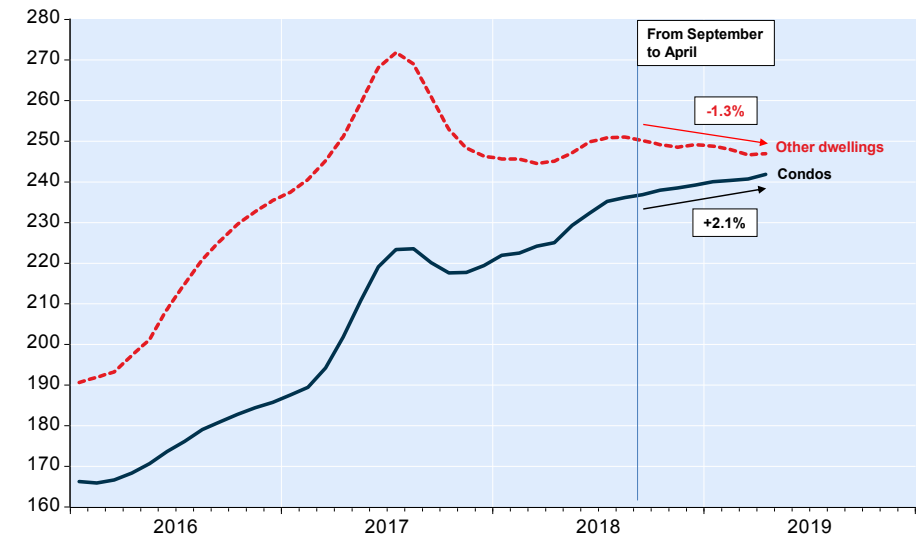
Teranet National Bank National Composite HPI (11)



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

Toronto: Upward trend in condo prices

Teranet National Bank HPI for Toronto

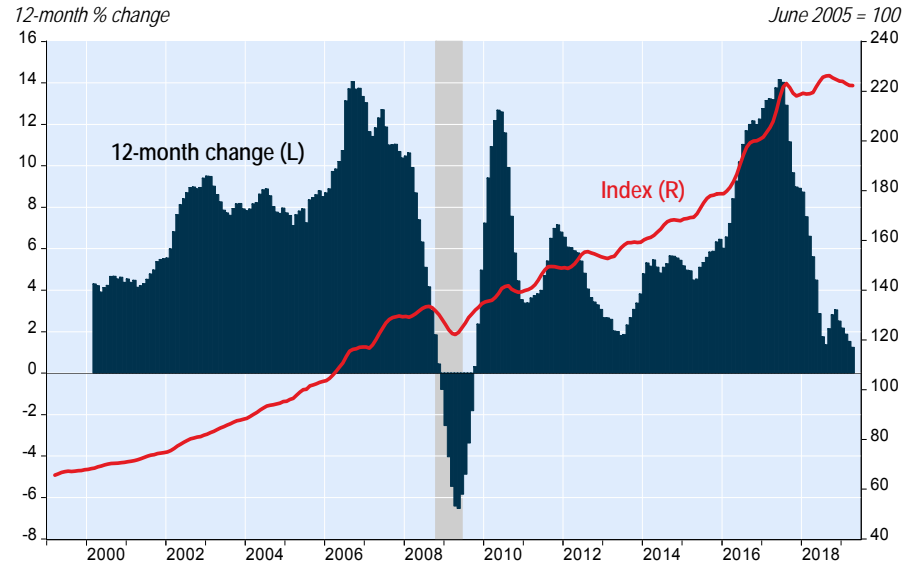


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NOTE ON METHODOLOGY:

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™

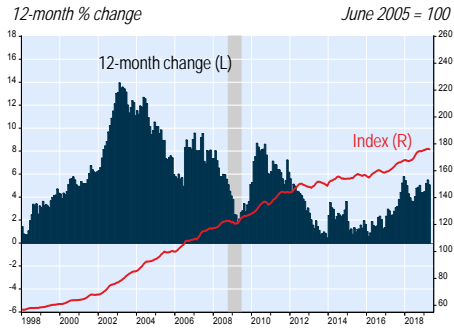


Metropolitan area	Index level April 2019	% change m/m	% change y/y	% change from peak	Peak date
Composite 11	222.22	0.0%	1.2%	-1.8%	2018-09
Victoria	202.77	0.2%	0.7%	-3.4%	2018-09
Vancouver	280.09	-0.4%	-2.8%	-4.7%	2018-07
Calgary	174.57	-0.3%	-3.1%	-7.3%	2014-10
Edmonton	176.66	0.1%	-0.1%	-6.0%	2007-09
Winnipeg	202.68	-2.0%	-0.8%	-4.2%	2018-09
Hamilton	232.44	0.8%	3.3%	-2.1%	2017-08
Toronto	244.56	0.3%	3.3%	-4.1%	2017-07
Ottawa-Gatineau	158.91	0.9%	6.2%	-1.6%	2018-12
Montreal	176.01	-0.2%	5.1%	-0.2%	2019-03
Quebec	182.65	-0.4%	2.0%	-1.0%	2019-01
Halifax	148.50	-1.1%	1.2%	-1.1%	2019-03

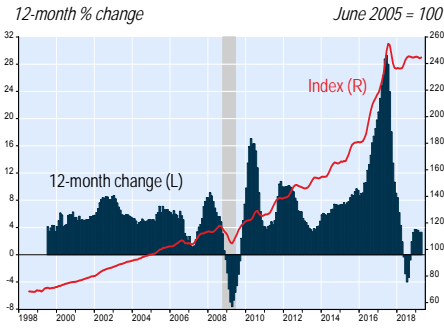
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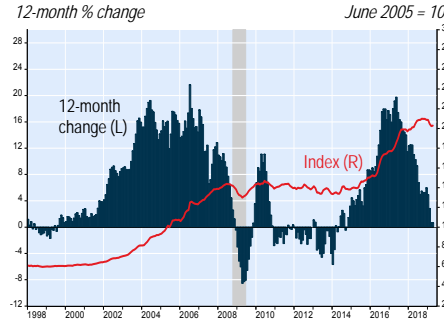
Montreal



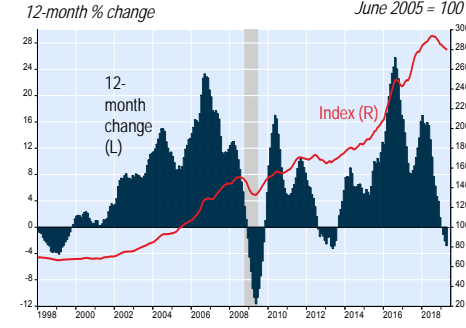
Toronto



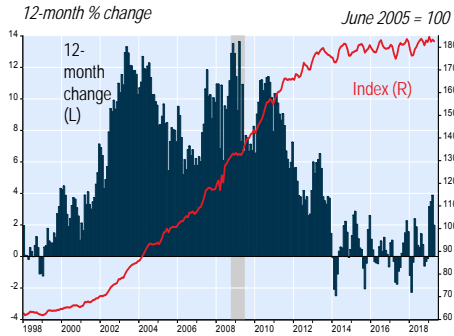
Victoria



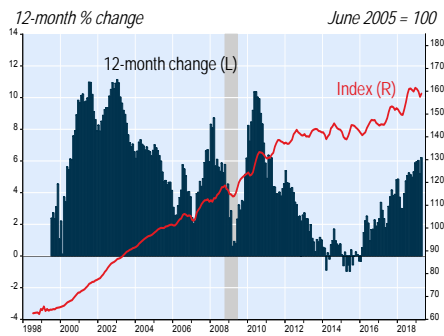
Vancouver



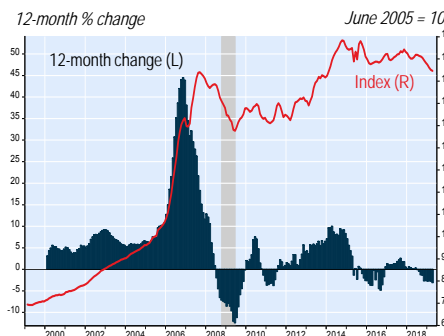
Quebec City



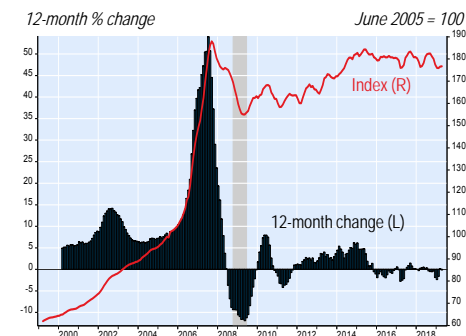
Ottawa-Gatineau



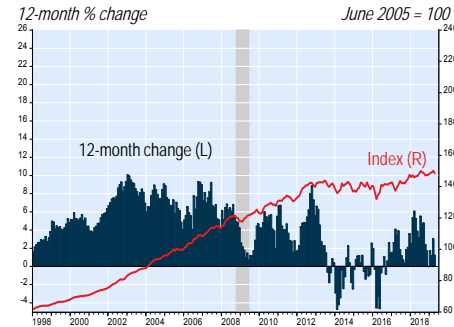
Calgary



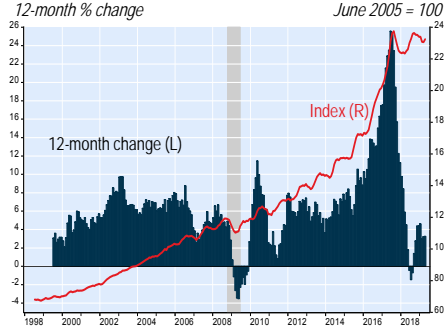
Edmonton



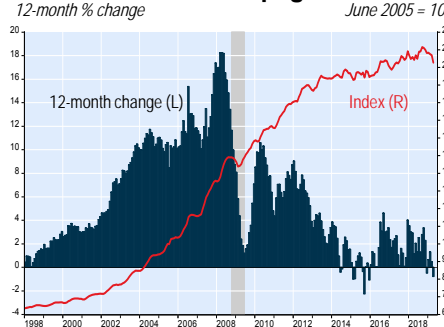
Halifax



Hamilton



Winnipeg



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Economics and Strategy



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