

Vancouver's HPI finally up in October

By Marc Pinsonneault

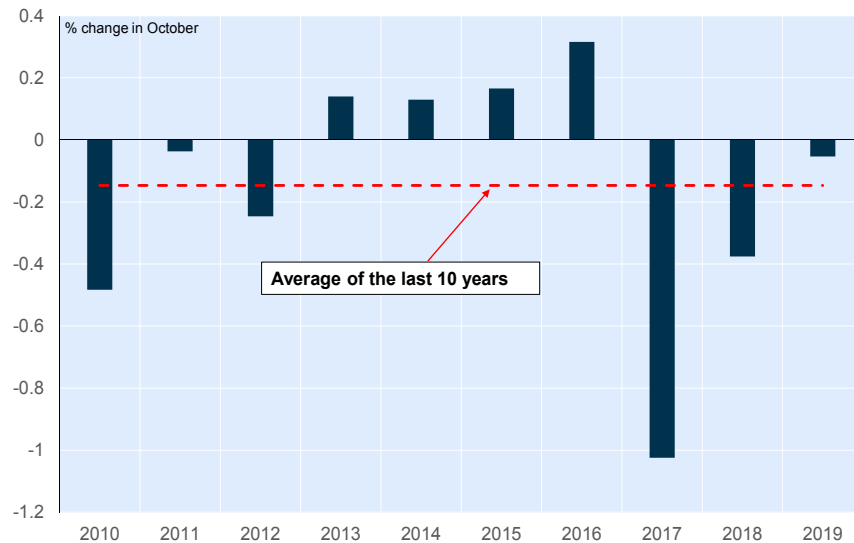
The fact that the national HPI began the fourth quarter with a dip is not troublesome. The fourth quarter is typically a lethargic period for the index. Indeed, last month's decline was smaller than the average of the last ten Octobers (left chart). We do not think that October heralds a downward trend on the national home resale market. We rather welcome the first monthly rise of Vancouver's index in 15 months. This is consistent with the strong revival of Vancouver home sales since August (right chart). On the other hand, October ended a run of six monthly rises in Toronto and Hamilton. Same story for the five-months runs of Montreal and Winnipeg. But there are no reasons to believe that October's drops in these metropolitan areas are the start of a trend. Judging from the most recent data, the resale market remains balanced in Toronto and Winnipeg, and favorable to sellers in Montreal and Hamilton.

HIGHLIGHTS:

- The Teranet-National Bank Composite National House Price Index™ dropped 0.1% in October, interrupting a sequence of five monthly increases.
- On a monthly basis, the index retreated in 6 of the 11 markets covered: Edmonton (-1.0%), Winnipeg (-0.4%), Toronto (-0.2%), Hamilton (-0.2%), Calgary (-0.1%) and Montreal (-0.1%). The index was up in Quebec City (+0.1%), Vancouver (+0.2%), Ottawa-Gatineau (+0.2%), Victoria (+0.7%) and Halifax (+1.3%).
- From October 2018 to October 2019, the Composite index rose 1.0%. Over the period, the HPI was pulled down by the three largest western markets: Vancouver (-6.2%), Edmonton (-3.4%) and Calgary (-1.7%). The index was marginally up in Winnipeg (+0.3%), Victoria (+0.7%) and Quebec City (+1.0%). It grew more firmly in Toronto (+4.1%), Hamilton (+4.5%), Montreal (+6.0%), Ottawa-Gatineau (+7.7%) and Halifax (+8.3%).

See charts and table on pages 2 and 3

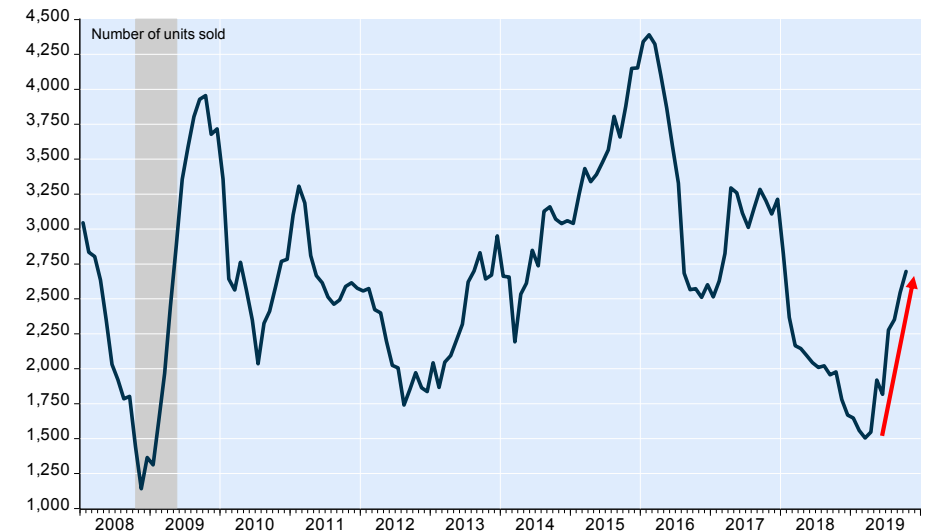
National HPI: Variations in October each year



NBF Economics and Strategy (data via Teranet-National Bank HPI)

Vancouver: Strong recovery of home sales

Monthly home sales, seasonally adjusted. Last observation: October 2019.

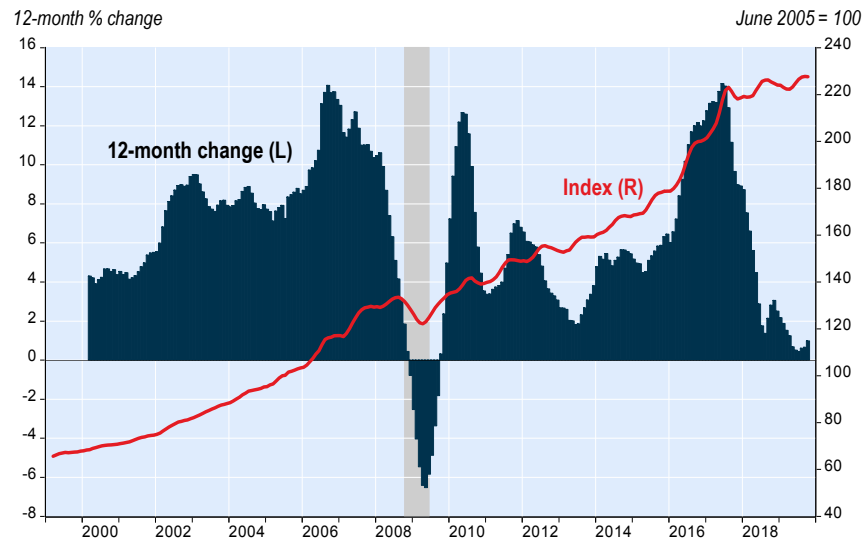


NBF Economics and Strategy (data via CREA)

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™

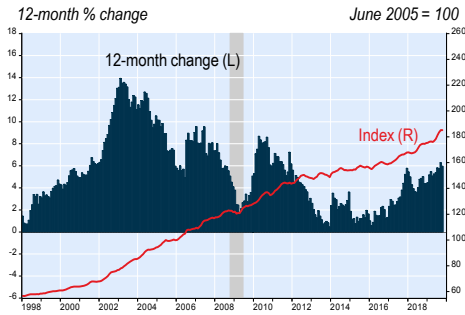


Metropolitan area	Index level October 2019	% change m/m	% change y/y	% change from peak	Peak date
Composite 11	227.60	-0.1%	1.0%	-0.1%	2019-09
Victoria	211.07	0.7%	0.7%	0.0%	2019-10
Vancouver	272.67	0.2%	-6.2%	-7.3%	2018-07
Calgary	177.40	-0.1%	-1.7%	-5.8%	2014-10
Edmonton	174.99	-1.0%	-3.4%	-6.9%	2007-09
Winnipeg	211.69	-0.4%	0.3%	-0.4%	2019-09
Hamilton	245.94	-0.2%	4.5%	-0.2%	2019-09
Toronto	254.61	-0.2%	4.1%	-0.2%	2019-09
Ottawa-Gatineau	172.94	0.2%	7.7%	0.0%	2019-10
Montreal	185.07	-0.1%	6.0%	-0.1%	2019-09
Quebec	182.70	0.1%	1.0%	-1.1%	2019-07
Halifax	159.42	1.3%	8.3%	0.0%	2019-10

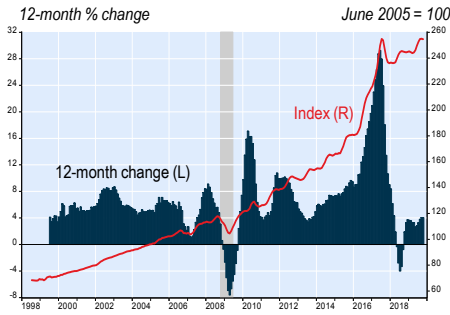
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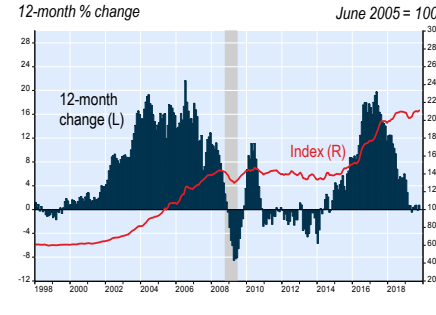
Montreal



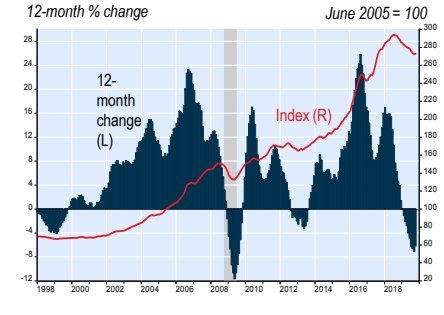
Toronto



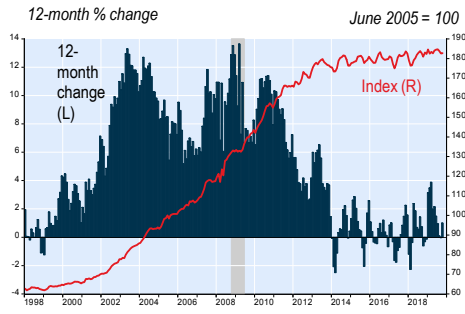
Victoria



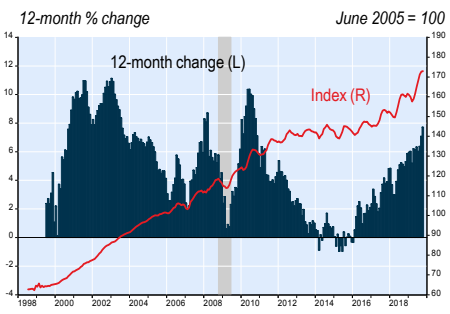
Vancouver



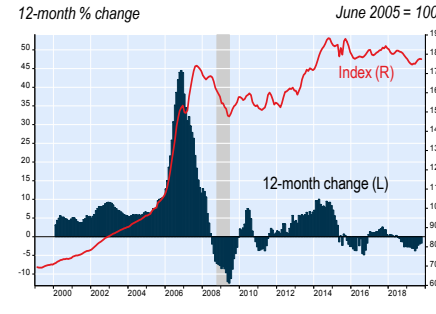
Quebec City



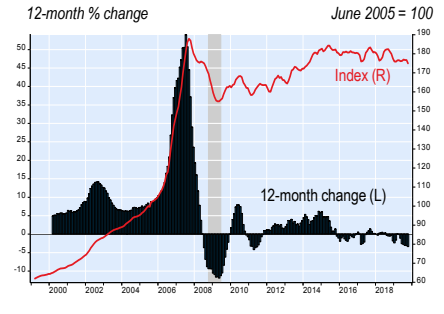
Ottawa-Gatineau



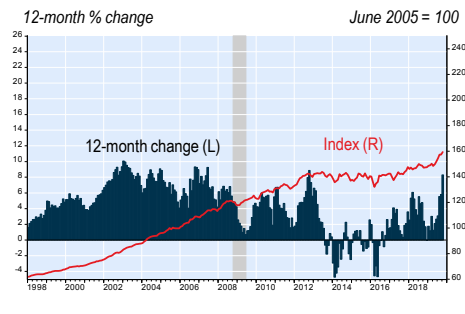
Calgary



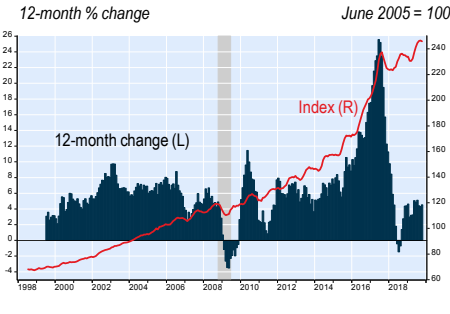
Edmonton



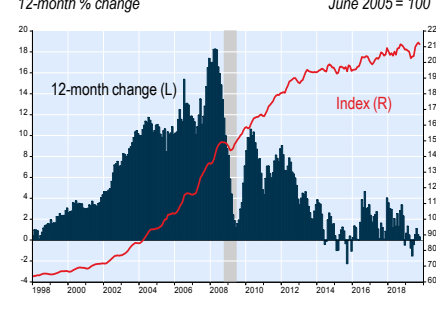
Halifax



Hamilton



Winnipeg



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