

Housing market has momentum heading into 2020

By Marc Pinsonneault

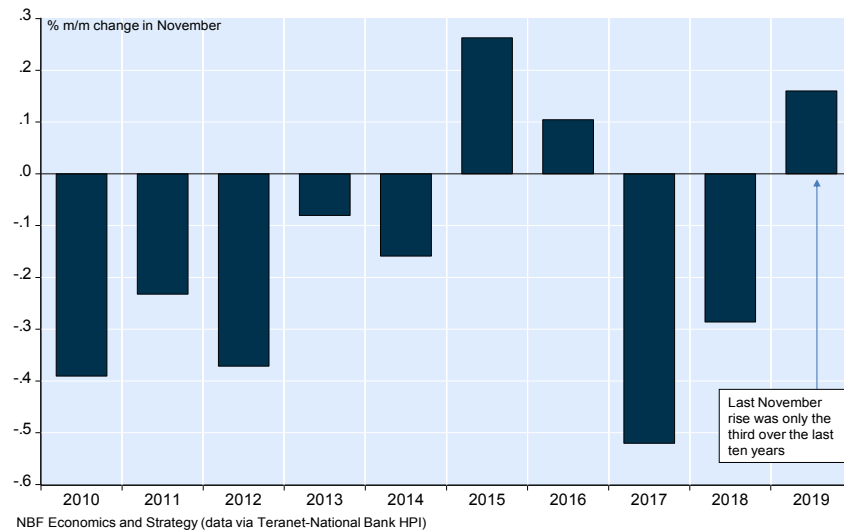
The national HPI increase in November is atypical at this time of the year, as it dropped seven times in that month over the last ten years (left chart). Furthermore, the two index monthly drops among the 11 metropolitan areas comprised in the national HPI constitute the lowest diffusion of declines in November over the last decade. If we add 14 other metropolitan areas not comprised in the national index, we have seven index drops last month, which is also the lowest diffusion of declines for a month of November over the decade. Consistent with the recovery of home sales, the two consecutive gains in Vancouver's index contributed to strengthen the national HPI. Meanwhile, Toronto's index stagnated over the last two months as home sales plateaued. But this is not worrisome, as the market remains balanced. Montreal's index displayed the most sustained performance, with 17 rises over the last 20 months, but it is second to Ottawa when it comes to cumulative growth over the period (15.4% for Ottawa against 11.0% for Montreal – right chart).

HIGHLIGHTS:

- The Teranet-National Bank Composite National House Price Index™ advanced 0.2% in November, on the heels of a 0.1% drop in October.
- On a monthly basis, the index retreated in 2 of the 11 markets covered: Halifax (-1.3%) and Winnipeg (-0.6%). Indexes were about flat in Toronto, Victoria and Ottawa-Gatineau. There were gains in Edmonton (+0.1%), Calgary (+0.2%), Montreal (+0.3%), Vancouver (+0.4%), Hamilton (+0.4%) and Quebec City (+1.0%).
- From November 2018 to November 2019, the Composite index rose 1.4%. National HPI 12-month growth was pulled down by the three largest western markets: Vancouver (-5.2%), Edmonton (-2.7%) and Calgary (-0.9%). The index was marginally up in Winnipeg (+0.2%), Victoria (+0.7%) and Quebec City (+0.9%). It grew more firmly in Toronto (+4.2%), Hamilton (+5.0%), Montreal (+6.4%), Halifax (+6.8%) and Ottawa-Gatineau (+8.1%).

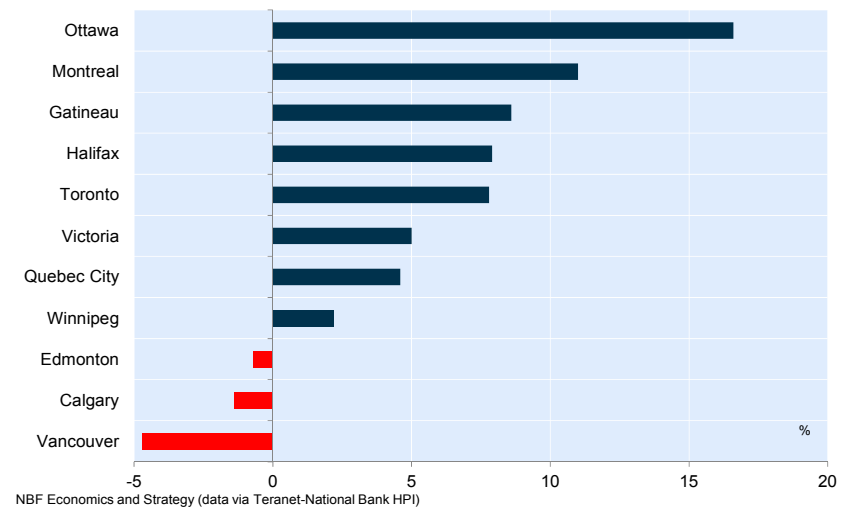
See charts and table on pages 2 and 3

National HPI: m/m change in November each year



Teranet-National Bank HPI: Performance over last 20 months

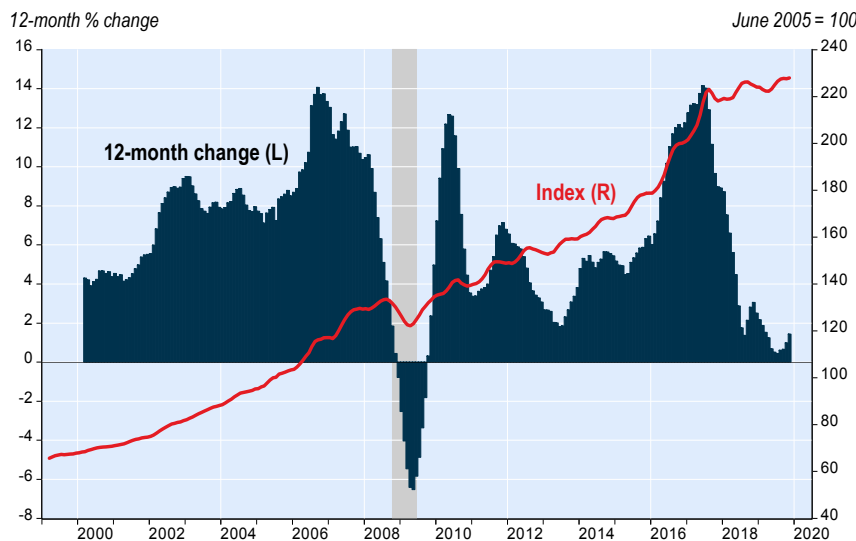
HPI growth from March 2018 to November 2019



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™

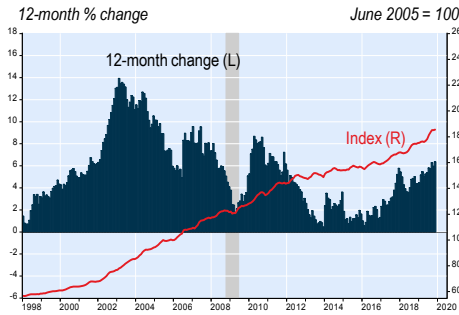


Metropolitan area	Index level November 2019	% change m/m	% change y/y	% change from peak	Peak date
Composite 11	227.96	0.2%	1.4%	0.0%	2019-11
Victoria	211.11	0.0%	0.7%	0.0%	2019-11
Vancouver	273.78	0.4%	-5.2%	-6.9%	2018-07
Calgary	177.69	0.2%	-0.9%	-5.7%	2014-10
Edmonton	175.20	0.1%	-2.7%	-6.8%	2007-09
Winnipeg	210.39	-0.6%	0.2%	-1.0%	2019-09
Hamilton	246.90	0.4%	5.0%	0.0%	2019-11
Toronto	254.70	0.0%	4.2%	-0.1%	2019-09
Ottawa-Gatineau	172.89	0.0%	8.1%	0.0%	2019-10
Montreal	185.56	0.3%	6.4%	0.0%	2019-11
Quebec	184.61	1.0%	0.9%	0.0%	2019-07
Halifax	157.30	-1.3%	6.8%	-1.3%	2019-10

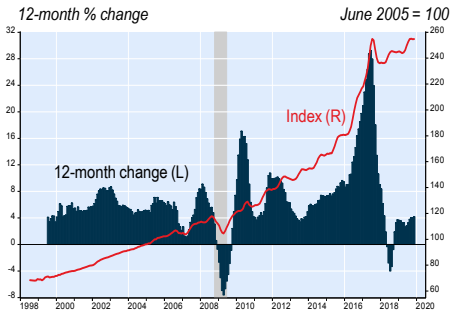
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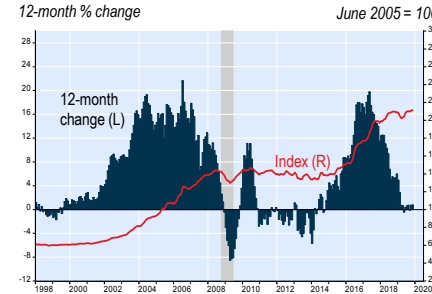
Montreal



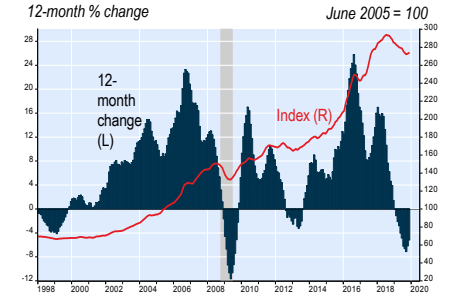
Toronto



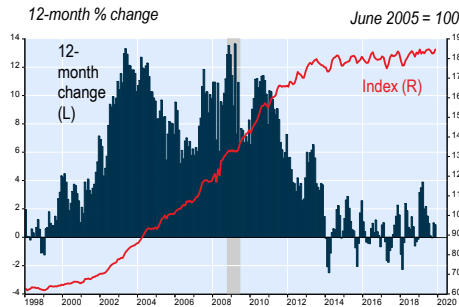
Victoria



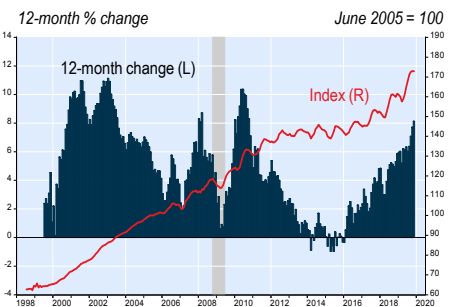
Vancouver



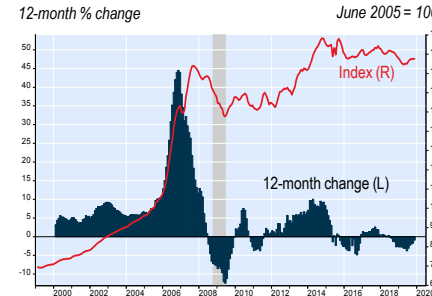
Quebec City



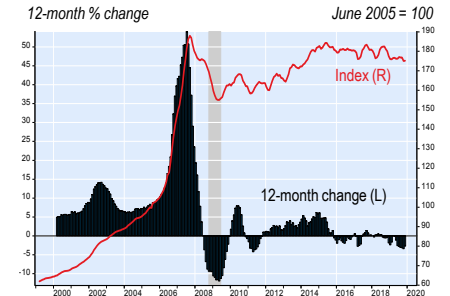
Ottawa-Gatineau



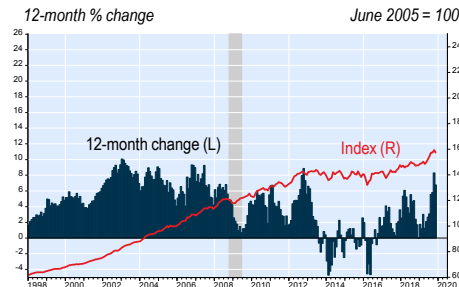
Calgary



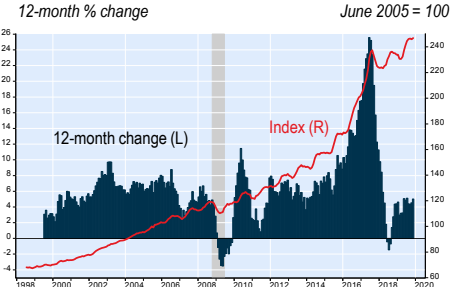
Edmonton



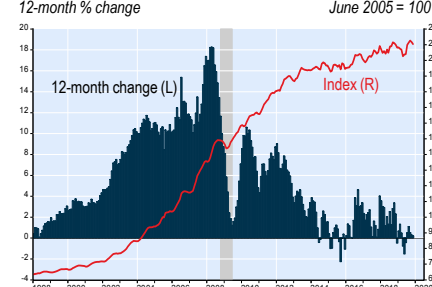
Halifax



Hamilton



Winnipeg



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