

The largest rise ever of the Composite HPI for a month of October

By Marc Pinsonneault

The strong performance of the Teranet-National Bank Composite HPI over the last three months coincides with very strong levels of home sales nationwide. In October, it became clear that the recent trend in sales more than made up for the spring lethargy caused by Covid-19 (See our [Housing Market Monitor](#)). Furthermore, sales were at historically high levels lately in most regions in Canada. This has translated into an unprecedented diffusion of monthly home price gains over the last three months in the 31 CMAs for which a Teranet-National Bank HPI is produced (left chart). That being said, the upward trend in home prices does not apply everywhere to all categories of dwellings. In Toronto, the rise in sales was mostly concentrated outside downtown in dwellings other than apartments (mostly detached, semi-detached and townhouses). On the opposite side, the recent trend in apartment sales remained weak. As for the Greater Montreal, Quebec Professional Association of Real Estate Boards reported a very significant increase in active listings for condominiums on the Island of Montreal, a sharp contrast with the other areas of that region. In fact, for both Toronto and Montreal, the Teranet-National Bank unsmoothed HPI for apartments (see methodology next page) has clearly decelerated over the last two months compared to other dwellings (right chart).

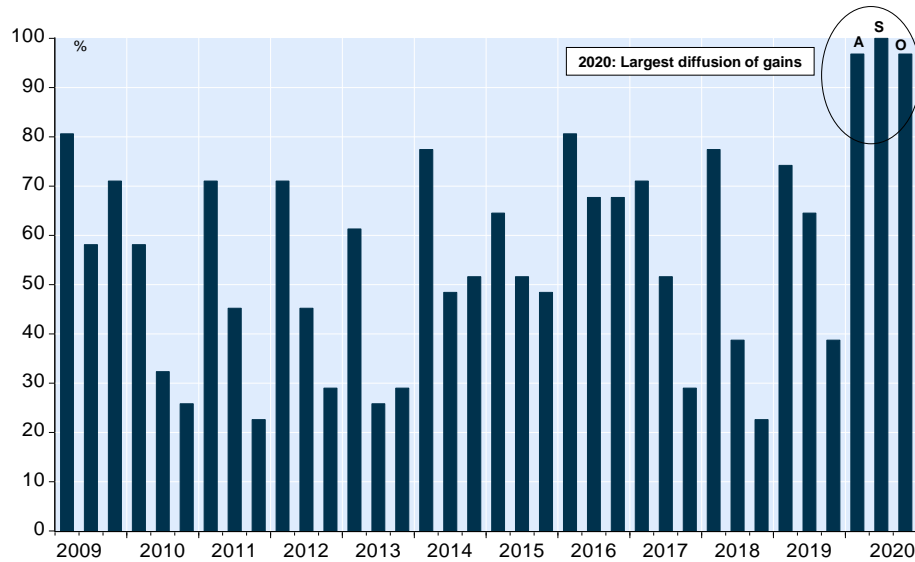
HIGHLIGHTS:

- The Teranet-National Bank Composite National House Price Index™ advanced 1.3% in October, the largest monthly increase ever for a month of October.
- On a monthly basis, there was a gain in all the 11 markets covered: Ottawa-Gatineau (+2.7%), Hamilton (+2.1%), Montreal (+1.8%), Victoria (+1.7%), Vancouver (+1.5%), Halifax (+1.5%), Toronto (+1.0%), Quebec City (+1.0%), Edmonton (+0.6%), Winnipeg (+0.5%) and Calgary (+0.1%).
- From October 2019 to October 2020, the Composite index rose 8.1%, led by Ottawa-Gatineau (17.1%), Montreal (13.2%), Hamilton (13.0%), Halifax (12.4%) and Toronto (9.5%). Lagging the countrywide average were Quebec City (6.3%), Vancouver (5.7%), Victoria (5.0%), Winnipeg (4.0%) and Edmonton (0.7%). Calgary was down 2.3% from a year earlier.

See note on methodology, charts and table on pages 2 and 3.

Diffusion of monthly gains in August, September and October each year

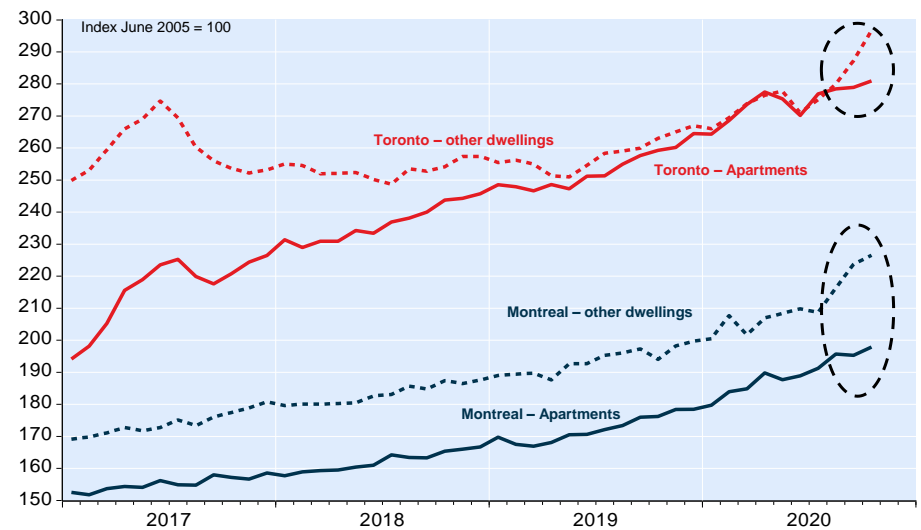
For 31 CMAs for which a Teranet-National Bank HPI is produced



NBF Economics and Strategy, data from Teranet-National Bank HPI

GTA, Montreal: Raw Teranet-National Bank HPI by type of dwellings

Seasonally adjusted data; last observation: October 2020



NBF Economics and Strategy, data from Teranet-National Bank HPI

Teranet-National Bank House Price Index

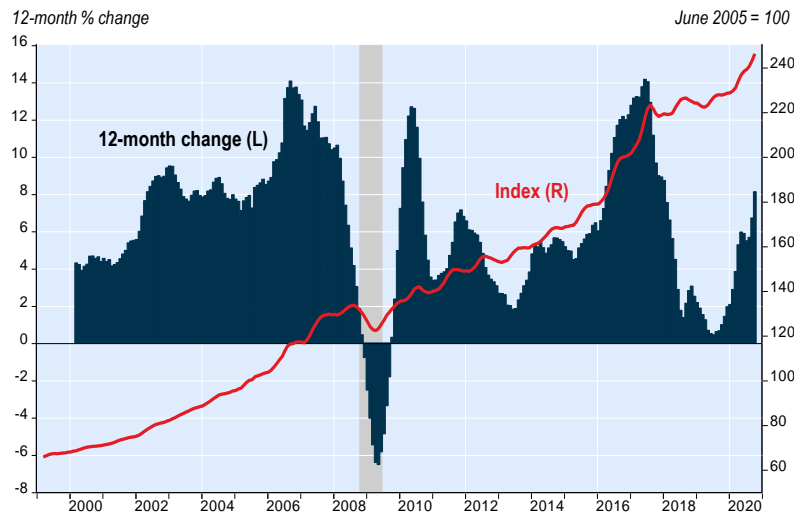
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NOTE ON METHODOLOGY:

The Teranet-National Bank House Price Index is based on the repeat sales methodology. The index is built from the price increase observed between two sales of the same property.

The indexes of the 11 metropolitan markets comprising the Teranet-National Bank Composite House Price Index™ are smoothed. Each month, the (unsmoothed) indexes are estimated for each of the last three months. The average monthly growth rate of these indexes becomes the growth rate of the smoothed index for the last month. This procedure allows evening-out month-to-month fluctuations.

Teranet-National Bank National Composite House Price Index™

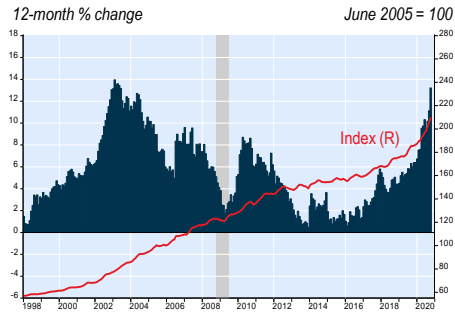


Metropolitan area	Index level * October 2020	% change m/m	% change y/y	% change from peak	Peak date
Composite 11	246.09	1.3%	8.1%	0.0%	2020-10
Victoria	221.63	1.7%	5.0%	0.0%	2020-10
Vancouver	288.26	1.5%	5.7%	-2.0%	2018-07
Calgary	173.24	0.1%	-2.3%	-8.0%	2014-10
Edmonton	176.28	0.6%	0.7%	-6.2%	2007-09
Winnipeg	220.20	0.5%	4.0%	0.0%	2020-10
Hamilton	277.95	2.1%	13.0%	0.0%	2020-10
Toronto	278.82	1.0%	9.5%	0.0%	2020-10
Ottawa-Gatineau	202.57	2.7%	17.1%	0.0%	2020-10
Montreal	209.46	1.8%	13.2%	0.0%	2020-10
Quebec	194.21	1.0%	6.3%	0.0%	2020-10
Halifax	179.15	1.5%	12.4%	0.0%	2020-10

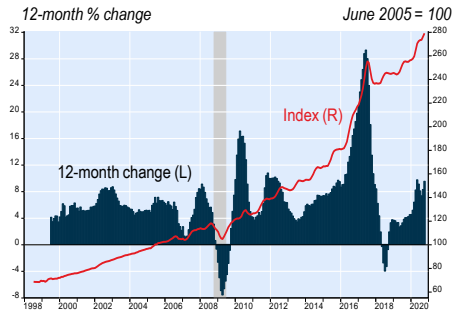
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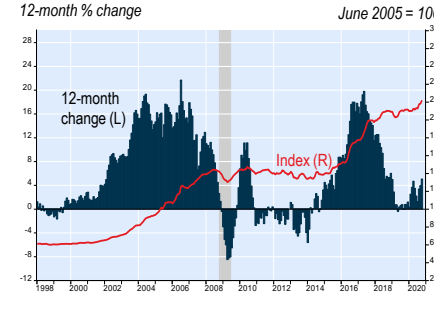
Montreal



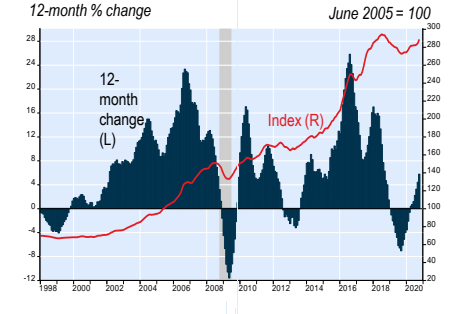
Toronto



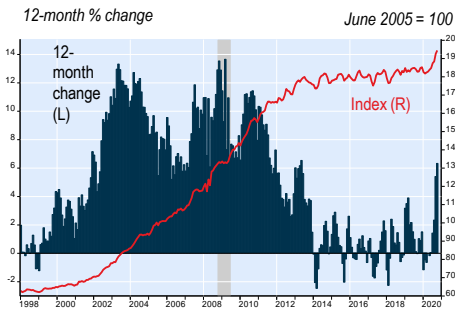
Victoria



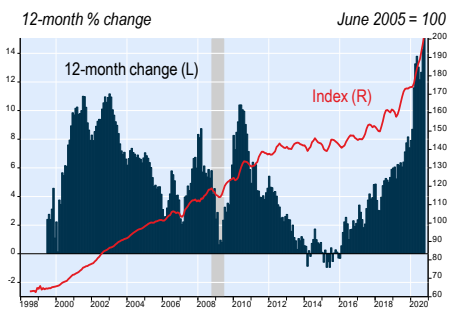
Vancouver



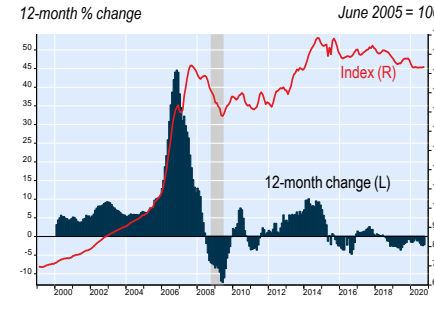
Quebec City



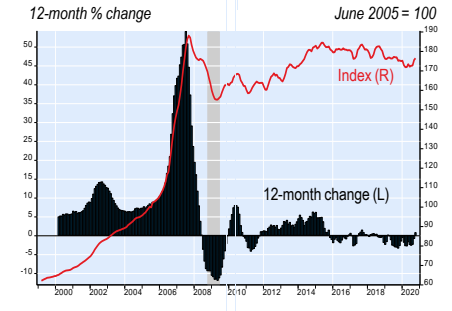
Ottawa-Gatineau



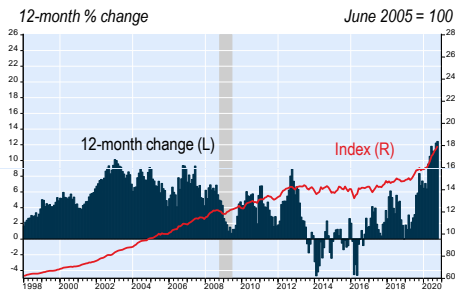
Calgary



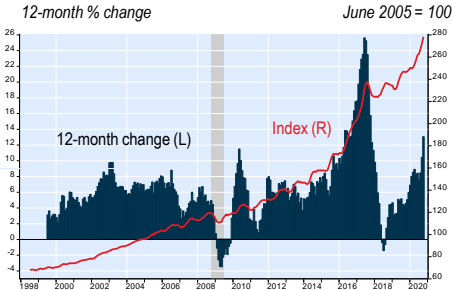
Edmonton



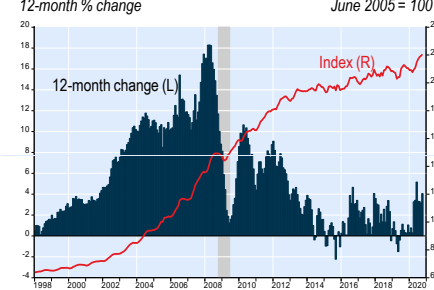
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