

## House prices remain resilient in November

By Marc Pinsonneault / Daren King

Teranet-National Bank Composite HPI registered a record monthly gain for the month of November, as it did in October. This performance coincides with the persistence of historically high home sales in many regions in Canada in conjunction with a low supply. Since July, the seasonally adjusted unsmoothed Composite HPI surged 6.3% (left chart). That being said, the upward trend in Canadian home prices does not apply everywhere to all categories of dwellings. In Toronto, the rise in sales was mostly concentrated outside downtown in ground-level dwellings, at the expense of apartments. As for Greater Montreal, the 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 Greater Vancouver and Victoria too, price increases of ground-level dwellings are outpacing that of apartments (right chart). The outlook for that segment of the market is most impacted by immigration flows and the still-elevated unemployment rate among young workers, that is, potential first-time home buyers.

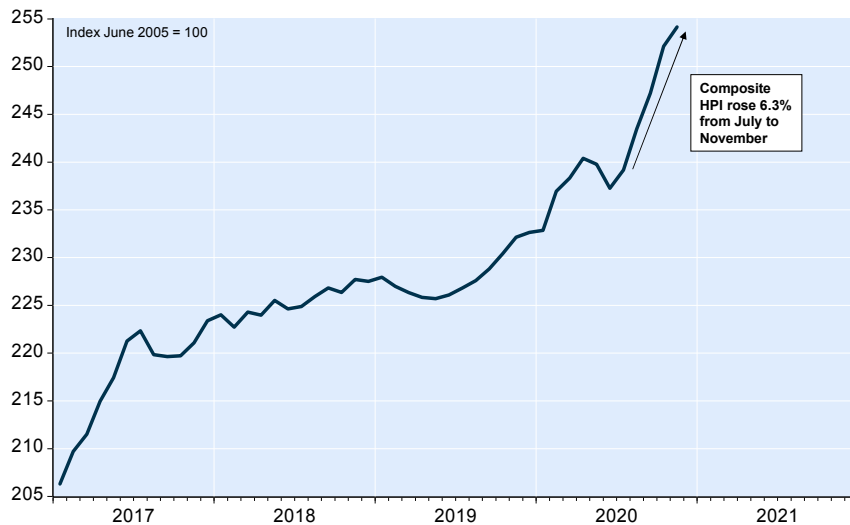
### HIGHLIGHTS:

- The Teranet-National Bank Composite National House Price Index™ advanced 0.9% in November, the largest monthly increase ever for a month of November.
- On a monthly basis, there was a gain in all the 11 markets covered: Hamilton (1.9%), Halifax (1.6%), Montreal (1.4%), Ottawa-Gatineau (1.3%), Victoria (1.1%), Vancouver (1.0%), Toronto (0.8%), Quebec City (0.7%), Winnipeg (0.6%), Edmonton (0.4%) and Calgary (0.2%).
- From November 2019 to November 2020, the Composite index rose 9.0%, led by – Ottawa-Gatineau (18.7%), Halifax (15.7%), Hamilton (14.7%), Montreal (14.5%) and Toronto (10.3%). Lagging the countrywide average were Vancouver (6.3%), Victoria (6.2%), Quebec City (5.9%), Winnipeg (5.3%) and Edmonton (1.0%). Calgary was down 2.3% from a year earlier.

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

### Teranet-National Bank Composite HPI up strongly since July

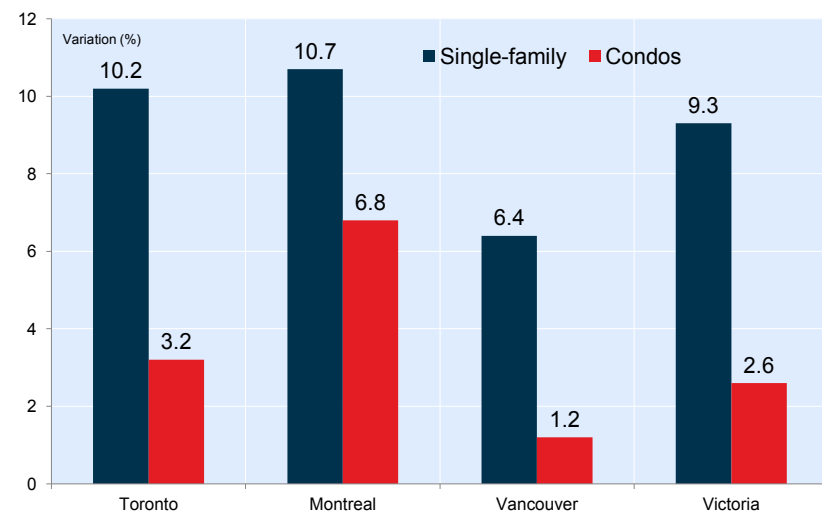
Seasonally adjusted Teranet-National Bank unsmoothed HPI



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

### HPI for condos and other dwellings, selected metropolitan areas

Variation of the seasonally adjusted raw index from June to November



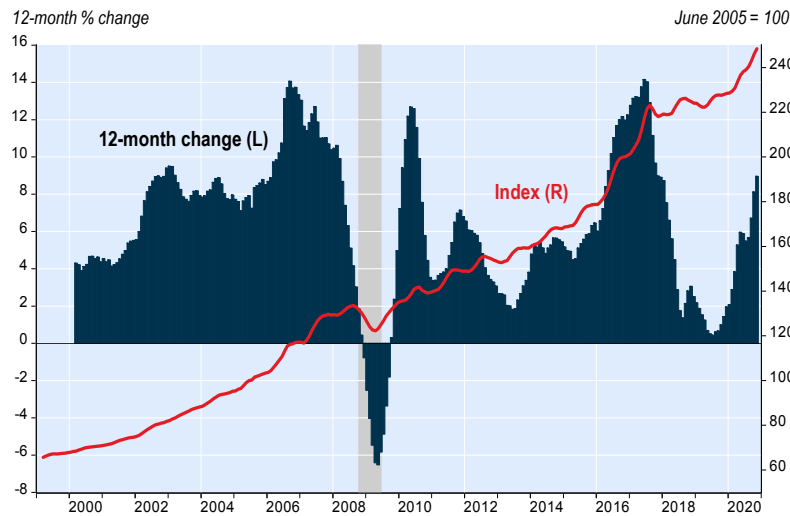
NBF Economics and Strategy (data via Teranet-National Bank HPI)

**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™**

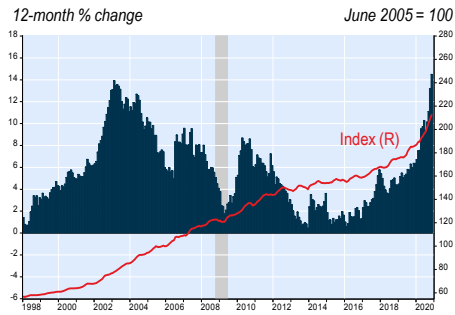


Metropolitan area	Index level * November 2020	% change m/m	% change y/y	% change from peak	Peak date
Composite 11	248.39	0.9%	9.0%	0.0%	2020-11
Victoria	224.10	1.1%	6.2%	0.0%	2020-11
Vancouver	291.05	1.0%	6.3%	-1.0%	2018-07
Calgary	173.66	0.2%	-2.3%	-7.8%	2014-10
Edmonton	176.95	0.4%	1.0%	-5.8%	2007-09
Winnipeg	221.46	0.6%	5.3%	0.0%	2020-11
Hamilton	283.13	1.9%	14.7%	0.0%	2020-11
Toronto	280.99	0.8%	10.3%	0.0%	2020-11
Ottawa-Gatineau	205.25	1.3%	18.7%	0.0%	2020-11
Montreal	212.43	1.4%	14.5%	0.0%	2020-11
Quebec	195.50	0.7%	5.9%	0.0%	2020-11
Halifax	182.04	1.6%	15.7%	0.0%	2020-11

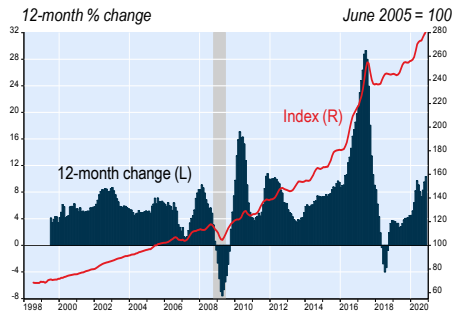
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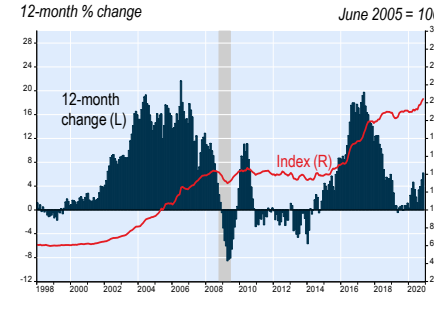
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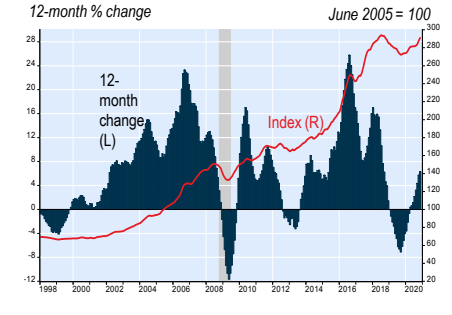
### Toronto



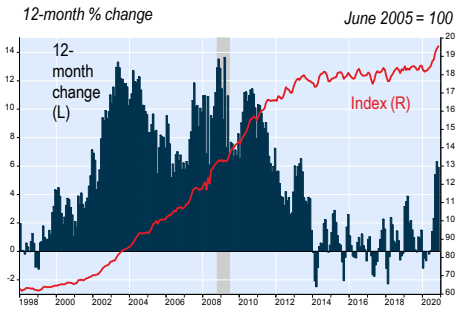
### Victoria



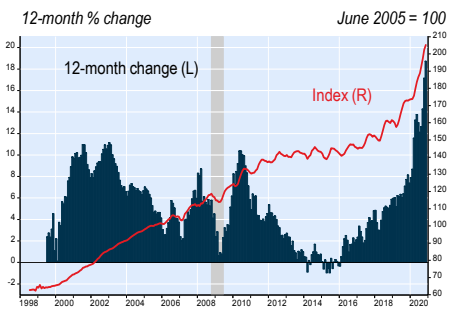
### Vancouver



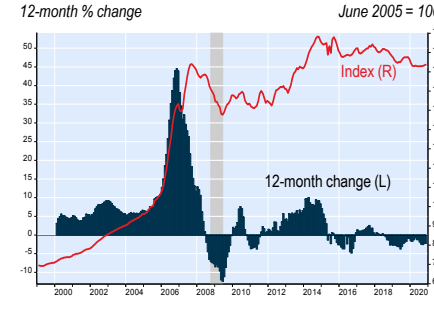
### Quebec City



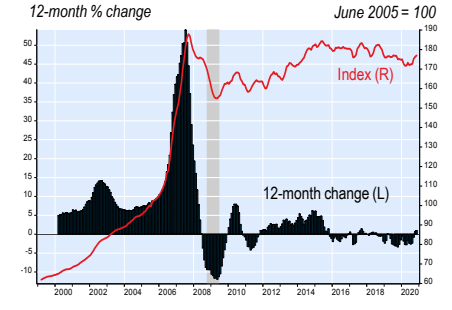
### Ottawa-Gatineau



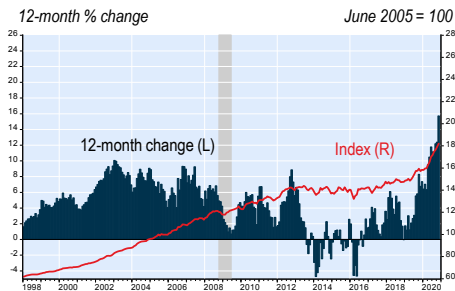
### Calgary



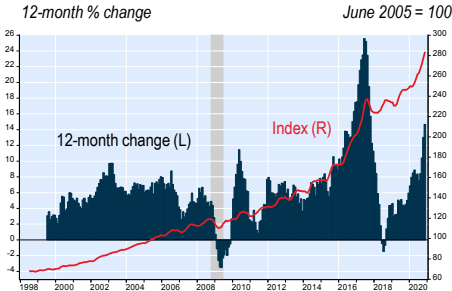
### Edmonton



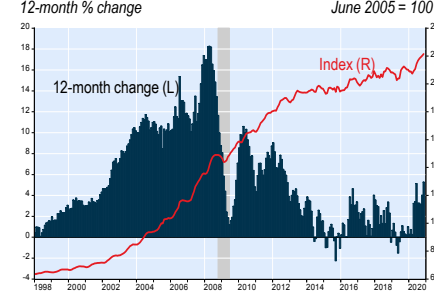
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### Winnipeg



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Economics and Strategy

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