

Home prices at a new peak in January

By Daren King

The Teranet-National Bank HPI rose 0.3% in January, reaching an all-time high. The new record coincides with a historically high volume of home sales in most regions of Canada, coupled with limited supply. The seasonally adjusted unsmoothed Composite HPI has surged 7.8% since July (left chart). However, the uptrend of home prices does not encompass all categories of dwellings. In Toronto, the rise in sales volume was concentrated in single-family dwellings outside the downtown area, and did not take in condos. In the Greater Montreal market, a very large rise in condo listings on Montreal Island contrasts sharply with the peripheral areas of that market. In the Greater Vancouver and Victoria markets, as in Toronto and Montreal, price increases for single-family homes have significantly outpaced those for condos (right chart). Apart from a shift in preference induced by the pandemic, there is reason to believe the condo segment is affected by low immigration inflows and a persistently high unemployment rate among young workers.

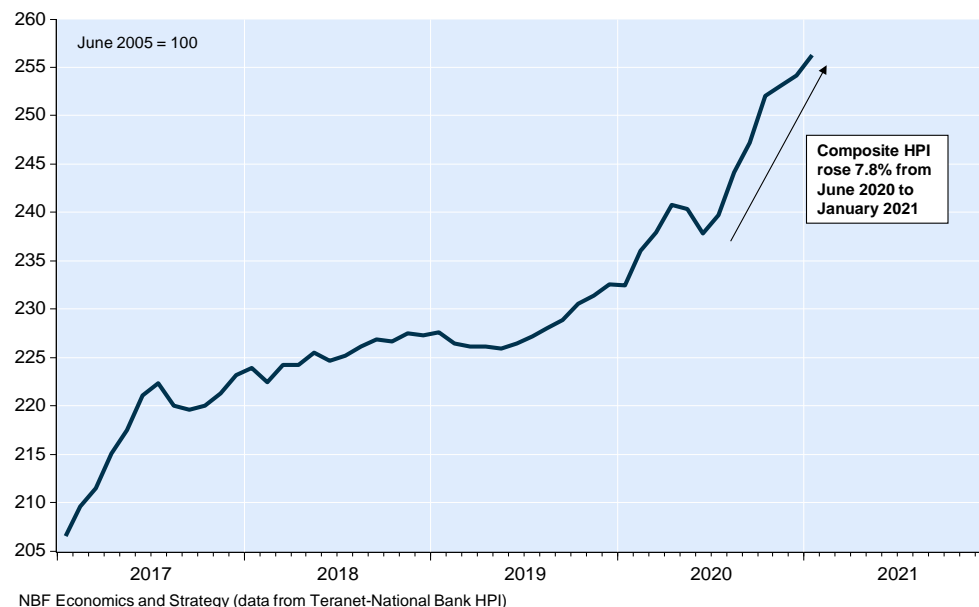
HIGHLIGHTS:

- The Teranet-National Bank Composite National House Price Index™ rose 0.3% in January.
- Seven of the 11 markets in the composite index were up on the month: Hamilton (2.0%), Montreal (1.0%), Victoria (0.6%), Halifax (0.4%), Vancouver (0.4%), Quebec City (0.3%) and Ottawa-Gatineau (0.1%). Down from the previous month were Toronto (-0.1%), Calgary (-0.2%), Edmonton (-0.4%) and Winnipeg (-0.4%).
- From January 2020 to January 2021, the Composite Index advanced 9.6%, led by Ottawa-Gatineau (19.6%), Halifax (16.9%), Hamilton (16.5%), Montreal (15.8%) and Toronto (10.0%). Lagging the countrywide average were Victoria (9.1%), Vancouver (7.3%), Quebec City (6.3%), Winnipeg (6.0%) and Edmonton (0.8%). Calgary was down 0.5% from a year earlier.

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

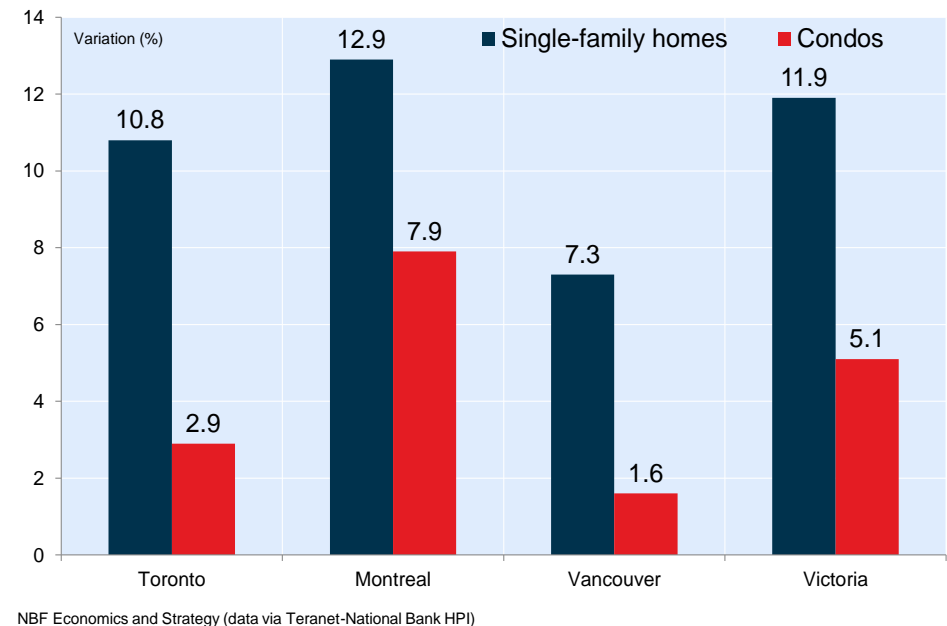
Teranet-National Bank Composite HPI up strongly since June

Seasonally adjusted Teranet-National Bank unsmoothed HPI



HPI for condos and other dwellings, selected metropolitan areas

Variation of the seasonally adjusted raw index from June 2020 to January 2021



Teranet-National Bank House Price Index

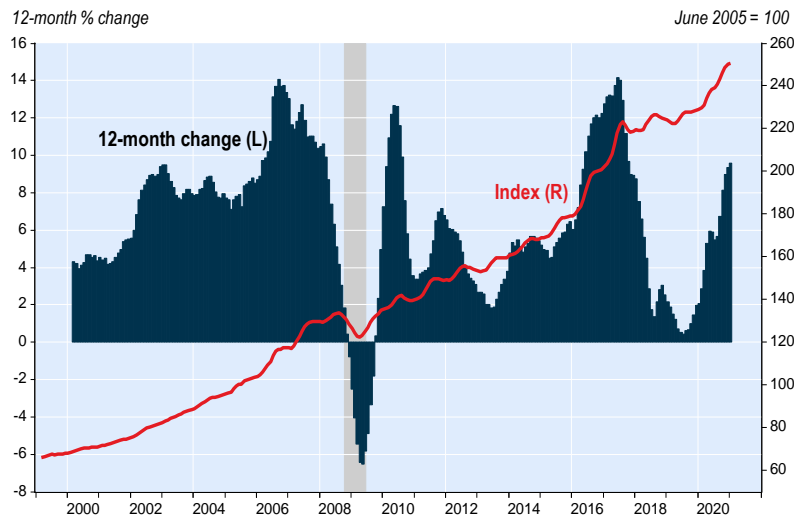
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NOTE ON METHODOLOGY:

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™

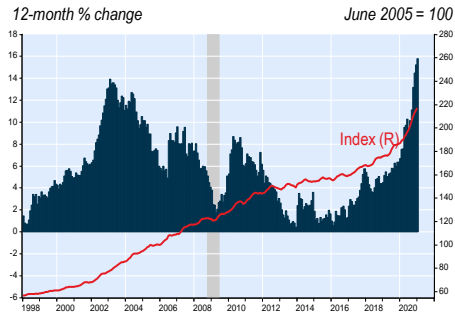


Metropolitan area	Index level * January 2021	% change m/m	% change y/y	% change from peak	Peak date
Composite 11	250.50	0.3%	9.6%	0.0%	2021-01
Victoria	228.41	0.6%	9.1%	0.0%	2021-01
Vancouver	294.39	0.4%	7.3%	0.0%	2021-01
Calgary	173.67	-0.2%	-0.5%	-7.8%	2014-10
Edmonton	176.38	-0.4%	0.8%	-6.1%	2007-09
Winnipeg	221.32	-0.4%	6.0%	-0.4%	2020-12
Hamilton	291.14	2.0%	16.5%	0.0%	2021-01
Toronto	281.86	-0.1%	10.0%	-0.1%	2020-12
Ottawa-Gatineau	207.75	0.1%	19.6%	0.0%	2021-01
Montreal	216.73	1.0%	15.8%	0.0%	2021-01
Quebec	193.95	0.3%	6.3%	-0.8%	2020-11
Halifax	185.01	0.4%	16.9%	0.0%	2021-01

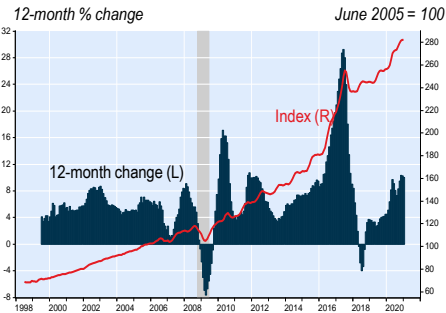
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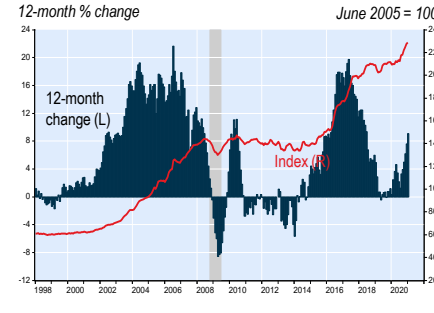
Montreal



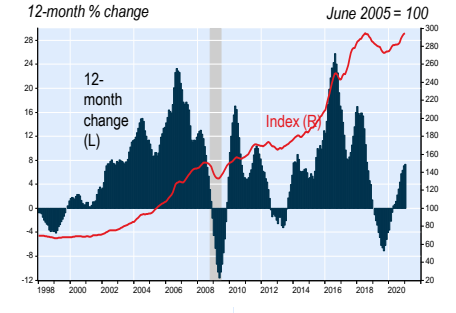
Toronto



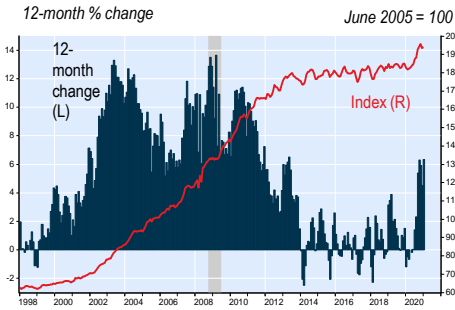
Victoria



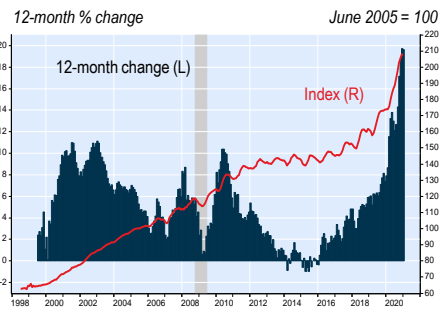
Vancouver



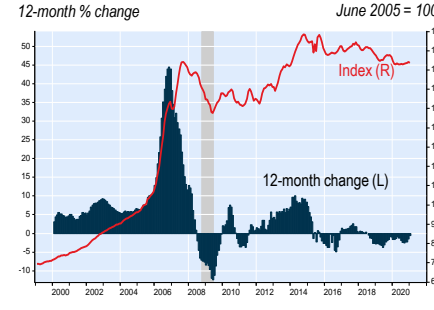
Quebec City



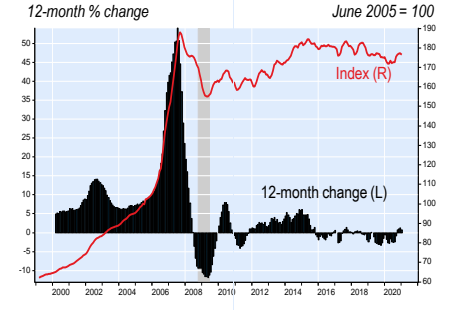
Ottawa-Gatineau



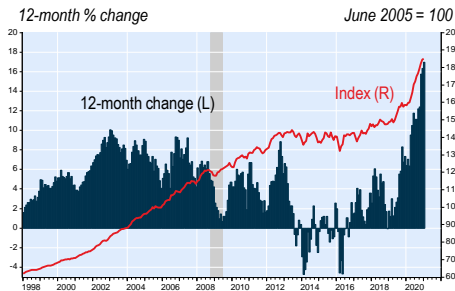
Calgary



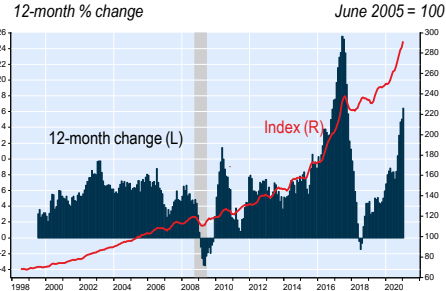
Edmonton



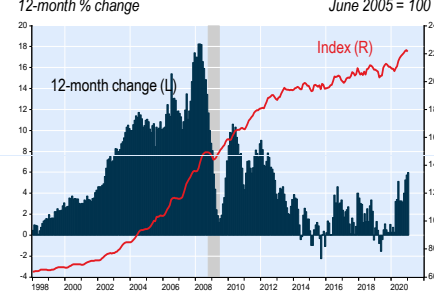
Halifax



Hamilton



Winnipeg



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Montreal Office

514-879-2529

Stéfane Marion

Chief Economist and Strategist
stefane.marion@nbc.ca

Paul-André Pinonnault

Senior Economist
paulandre.pinonnault@nbc.ca

Daren King

Economist
daren.king@nbc.ca

Matthieu Arseneau

Deputy Chief Economist
matthieu.arseneau@nbc.ca

Angelo Katsoras

Geopolitical Analyst
angelo.katsoras@nbc.ca

Jocelyn Paquet

Economist
jocelyn.paquet@nbc.ca

Kyle Dahms

Economist
kyle.dahms@nbc.ca

Camille Baillargeon

Intern Economist
camille.baillargeon@nbc.ca

Toronto Office

416-869-8598

Warren Lovely

Chief Rates and Public Sector Strategist
warren.lovely@nbc.ca

Taylor Schleich

Rates Strategist
taylor.schleich@nbc.ca

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