

Big jump in home prices in March

By Daren King

The Teranet–National Bank HPI jumped 1.5% to a new high in March, its 17th straight monthly rise. Its recent vigour coincides with historically high numbers of home sales in most regions of Canada, coupled with limited supply. The monthly jump of the unsmoothed HPI was even bigger – 2.7%, the most of any month since July 2006, taking the unsmoothed index to a cumulative rise of 11.9% since last June (left chart). The rapid rise of home prices continues in the great majority of large Canadian cities, with prices up 10% or more from a year earlier in an unprecedented 81% of the 32 urban markets surveyed (right chart). However, the magnitude of the price rise varies with category of dwelling. In the main metropolitan markets the rise was much smaller for the condo segment than for single-family homes. Among the reasons for the difference is a shift of preferences away from small dwellings in city centres toward larger homes in suburbs.

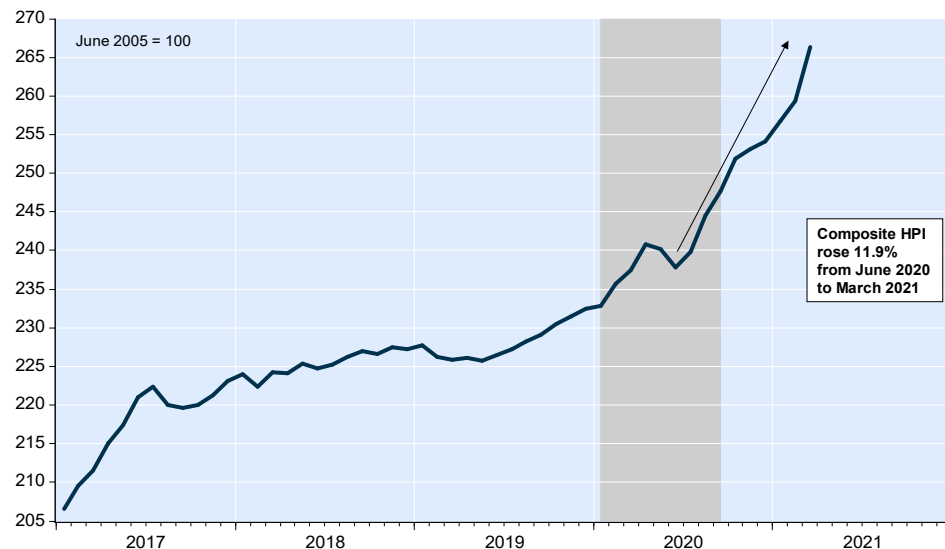
HIGHLIGHTS:

- The Teranet–National Bank Composite National House Price Index™ rose 1.5% in March.
- All 11 markets of the composite index were up on the month: Halifax (3.3%), Hamilton (2.8%), Toronto (1.9%), Vancouver (1.5%), Montreal (1.1%), Ottawa–Gatineau (1.1%), Winnipeg (1.1%), Victoria (1.0%), Quebec City (0.9%), Calgary (0.9%) and Edmonton (0.3%).
- From March 2020 to March 2021, the composite index advanced 10.8%, led by Halifax (22.5%), Hamilton (20.9%), Ottawa–Gatineau (19.0%), Montreal (16.1%) and Toronto (11.2%). Trailing the countrywide average were Victoria (10.5%), Quebec City (8.1%), Vancouver (7.9%), Winnipeg (7.8%), Edmonton (2.9%) and Calgary (1.8%).

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

Teranet–National Bank Composite HPI up strongly since June

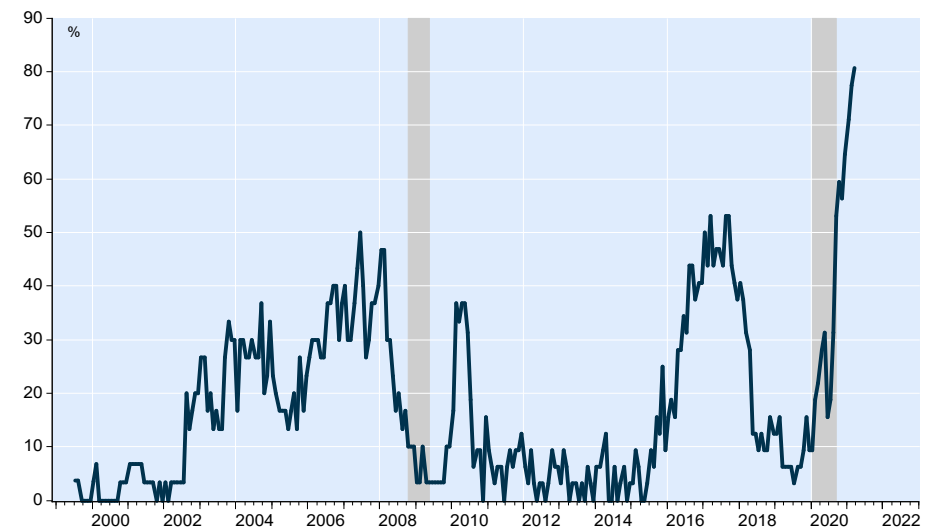
Seasonally adjusted Teranet–National Bank unsmoothed HPI



NBF Economics and Strategy (data via Teranet–National Bank)

Strong price growth affects most markets in the country

Share of regional markets* where prices rose by 10% or more in the last 12 months



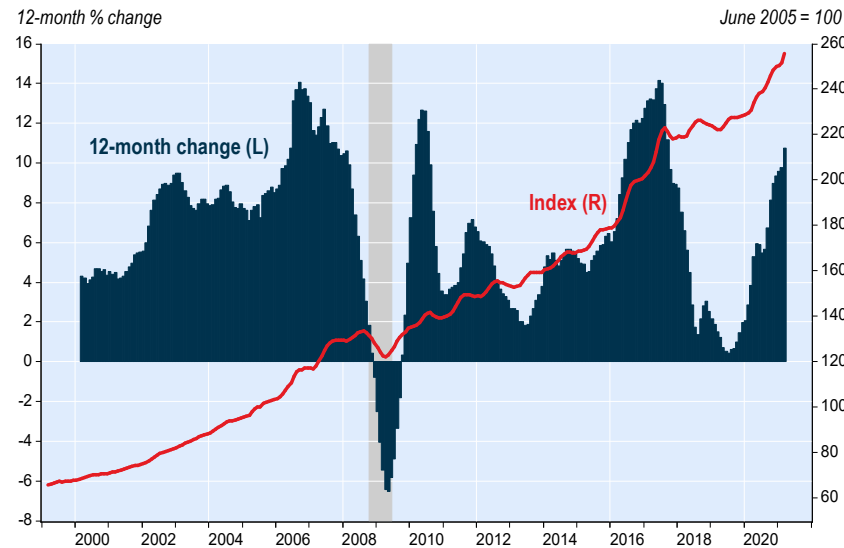
*32 markets in total
NBF Economics and Strategy (data via Teranet–National Bank)

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™

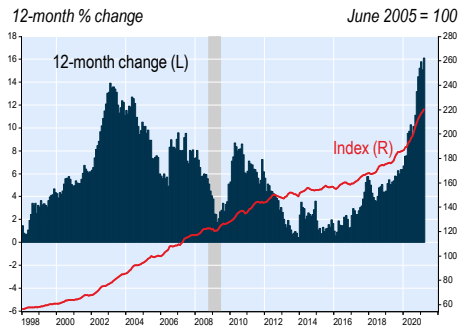


Metropolitan area	Index level * March 2021	% change m/m	% change y/y	% change from peak	Peak date
Composite 11	255.68	1.5%	10.8%	0.0%	2021-03
Victoria	231.80	1.0%	10.5%	0.0%	2021-03
Vancouver	301.37	1.5%	7.9%	0.0%	2021-03
Calgary	175.95	0.9%	1.8%	-6.6%	2014-10
Edmonton	176.74	0.3%	2.9%	-5.9%	2007-09
Winnipeg	223.56	1.1%	7.8%	0.0%	2021-03
Hamilton	302.59	2.8%	20.9%	0.0%	2021-03
Toronto	288.37	1.9%	11.2%	0.0%	2021-03
Ottawa-Gatineau	209.10	1.1%	19.0%	0.0%	2021-03
Montreal	220.15	1.1%	16.1%	0.0%	2021-03
Quebec	196.99	0.9%	8.1%	0.0%	2021-03
Halifax	195.68	3.3%	22.5%	0.0%	2021-03

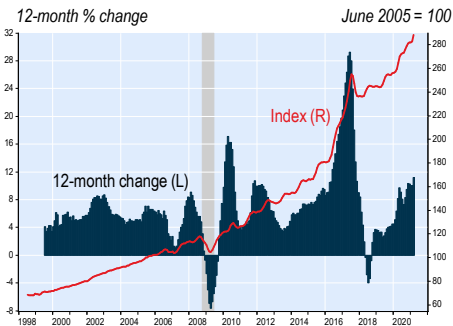
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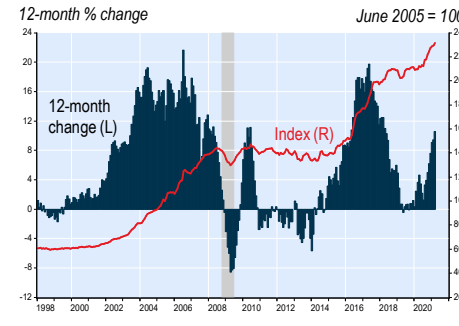
Montreal



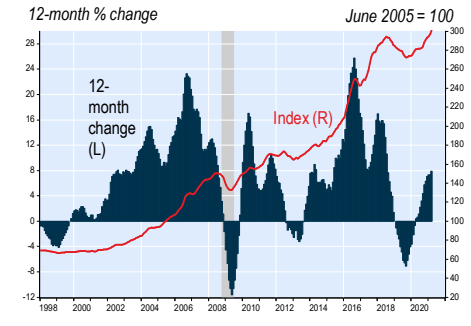
Toronto



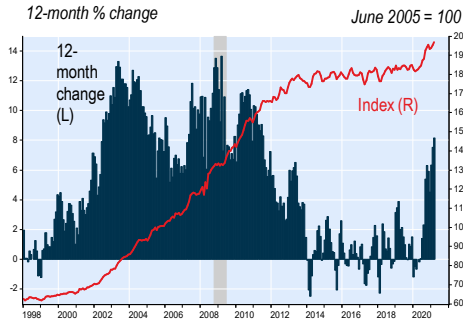
Victoria



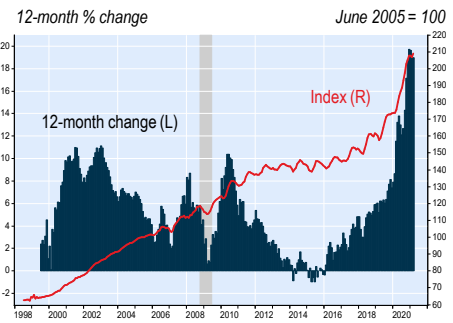
Vancouver



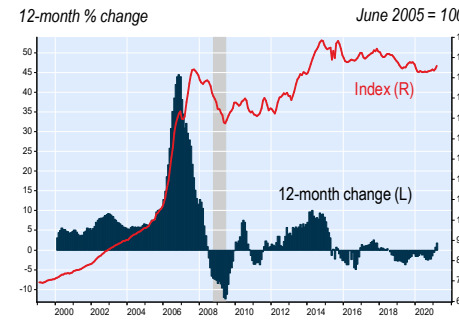
Quebec City



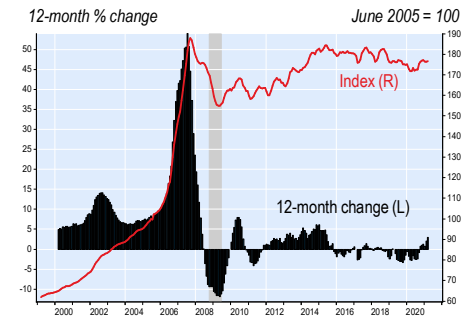
Ottawa-Gatineau



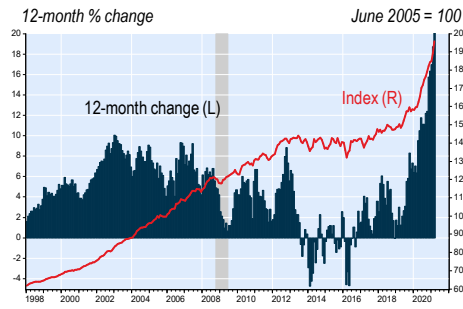
Calgary



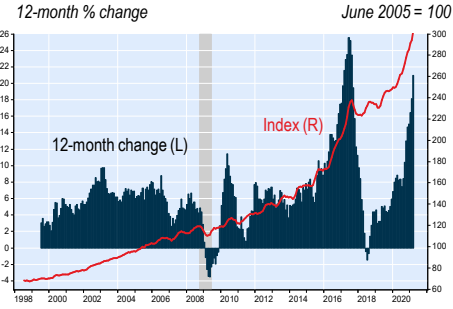
Edmonton



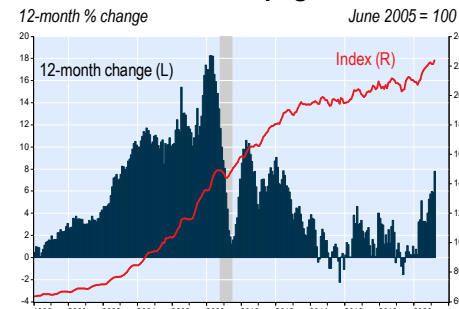
Halifax



Hamilton



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