

## The 12-month rise of home prices in June broke the 2017 record

By Daren King

In June the Teranet–National Bank HPI was up 16.0% from a year earlier, the largest 12-month gain on record. The record is the more impressive for beating the 14.2% rise of June 2017, which preceded the coming into effect of macroprudential measures to restrain home prices. At that time the price rises were concentrated in the markets of Vancouver and the Golden Horseshoe region including Toronto and Hamilton. This month's new record is based on countrywide rises across the regions covered by the index. Prices were up 10% or more in an unprecedented 90% of the 32 urban markets for which an index exists and 30% or more in an equally unprecedented 42% of these markets (left chart). The June monthly gain of 2.7% in the national composite index was its 20th consecutive monthly rise and the second largest since the beginning of the index in 1999 (right chart). However, it was the first deceleration from the month before (May rise 2.8%) since January. This cooling coincides with a slowing of growth in existing-home sales – their number declined in June for a third straight month. The moderation of the pace of sales could mean a slowing of price rises in the coming months. However, since the market remains vigorous by historical standards, we do not anticipate a decline of prices in the near term.

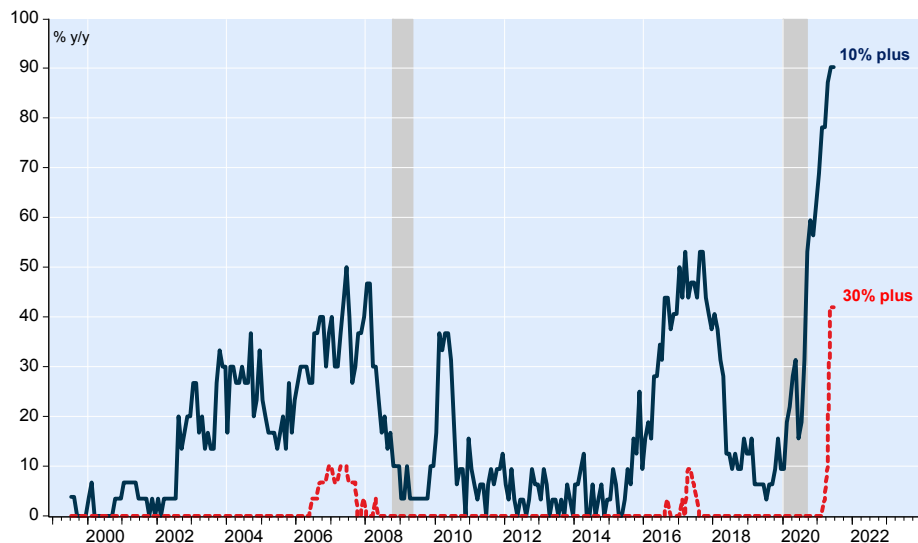
### HIGHLIGHTS:

- The Teranet–National Bank Composite National House Price Index™ rose 2.7% in June.
- All 11 markets of the composite index were up in the month: Ottawa–Gatineau (4.0%), Hamilton (3.8%), Victoria (3.6%), Halifax (3.5%), Montreal (3.4%), Vancouver (2.7%), Toronto (2.7%), Calgary (1.4%), Winnipeg (1.3%), Quebec City (1.3%) and Edmonton (1.1%).
- From June 2020 to June 2021, the composite index advanced a record 16.0%, led by Halifax (30.8%), Hamilton (28.0%), Ottawa–Gatineau (25.8%), Montreal (19.4%) and Victoria (18.5%). Trailing the countrywide average were Toronto (15.9%), Vancouver (14.7%), Quebec City (10.8%), Winnipeg (9.9%), Calgary (6.0%) and Edmonton (5.5%).

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

### Strong price rises in almost all Canadian markets

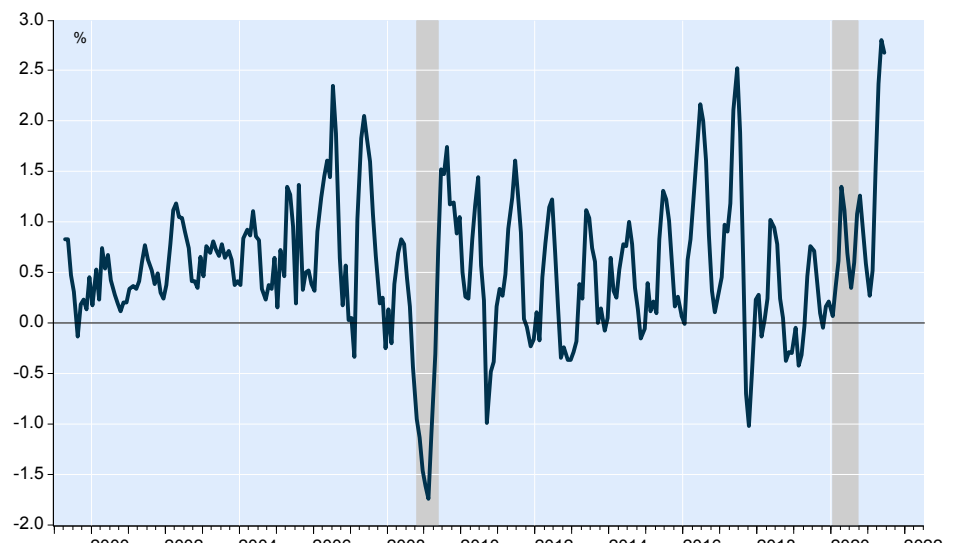
Proportions of urban markets\* with June prices up 10%+ and 30%+ from a year earlier



\*32 in all  
NBF Economics and Strategy (Teranet–National Bank data)

### First slowing of monthly price rises since January

Monthly change of Teranet–National Bank House Price Index, unsmoothed, seasonally adjusted



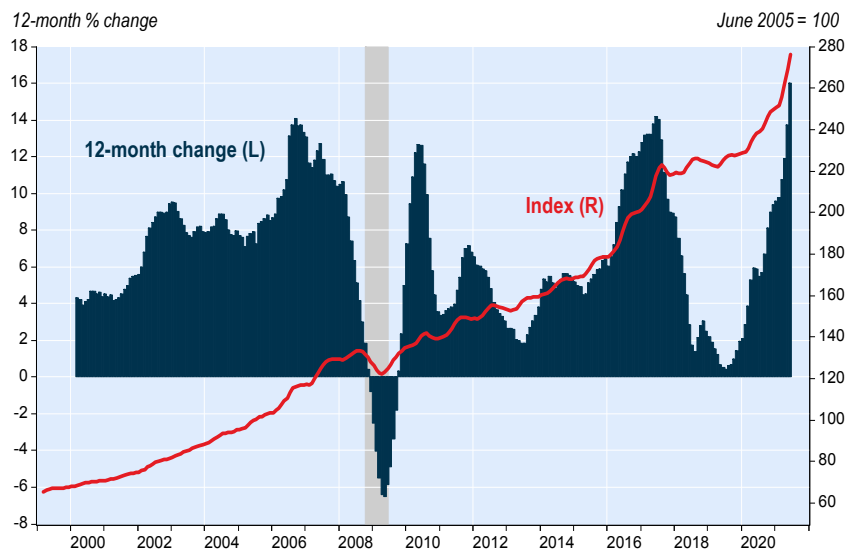
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**NOTE ON METHODOLOGY:**

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™**

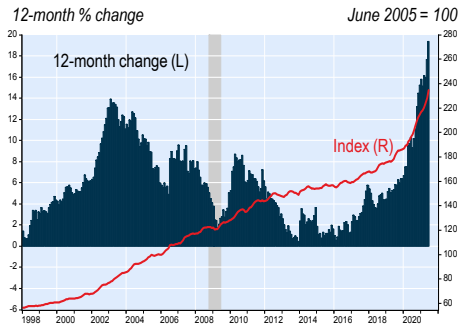


Metropolitan area	Index level * June 2021	% change m/m	% change y/y	% change from peak	Peak date
Composite 11	276.28	2.7%	16.0%	0.0%	2021-06
Victoria	252.23	3.6%	18.5%	0.0%	2021-06
Vancouver	323.16	2.7%	14.7%	0.0%	2021-06
Calgary	183.12	1.4%	6.0%	-2.8%	2014-10
Edmonton	181.46	1.1%	5.5%	-3.4%	2007-09
Winnipeg	235.72	1.3%	9.9%	0.0%	2021-06
Hamilton	334.68	3.8%	28.0%	0.0%	2021-06
Toronto	315.33	2.7%	15.9%	0.0%	2021-06
Ottawa-Gatineau	234.76	4.0%	25.8%	0.0%	2021-06
Montreal	234.77	2.8%	19.4%	0.0%	2021-06
Quebec	204.49	1.3%	10.8%	0.0%	2021-06
Halifax	222.43	3.5%	30.8%	0.0%	2021-06

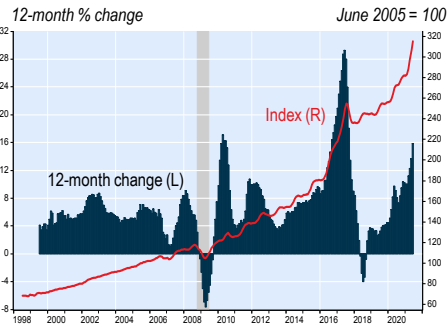
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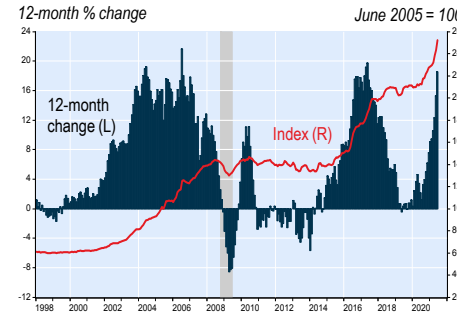
### Montreal



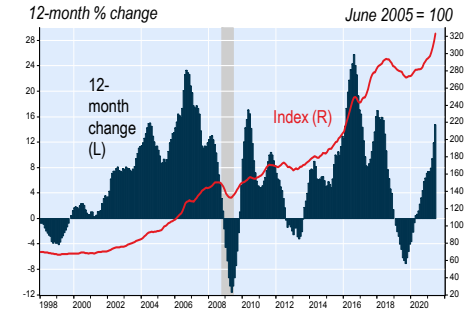
### Toronto



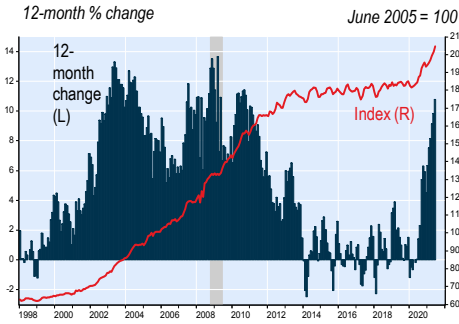
### Victoria



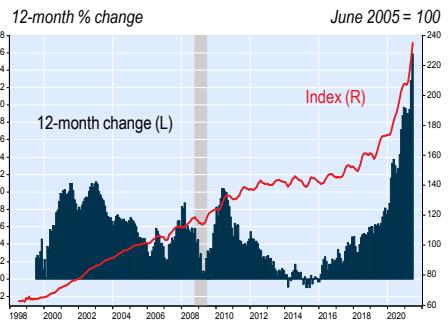
### Vancouver



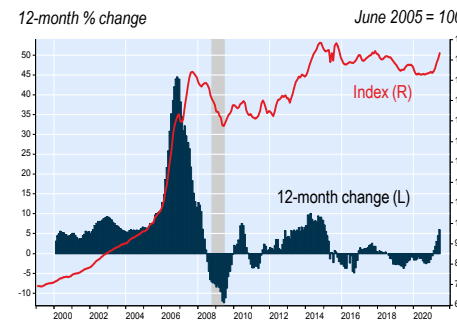
### Quebec City



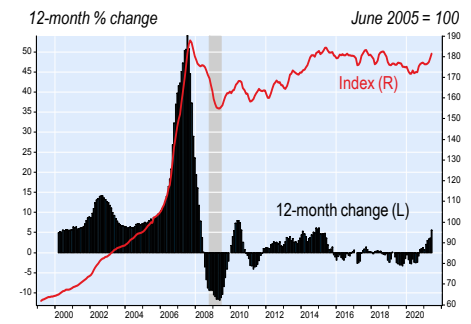
### Ottawa-Gatineau



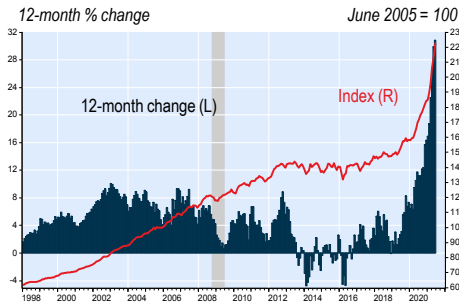
### Calgary



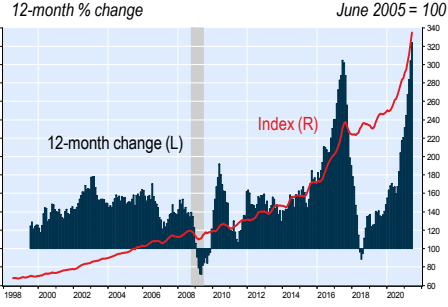
### Edmonton



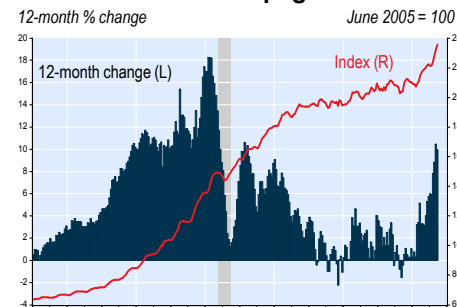
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### Winnipeg



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Economics and Strategy

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