



## Canada: Another price decrease in October

By Daren King

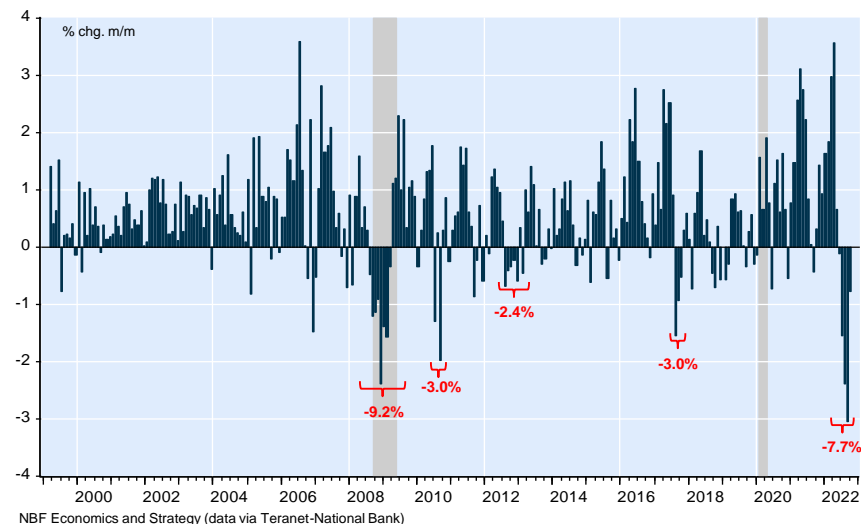
In October, the seasonally adjusted composite index continued to trend downward for the fourth consecutive month, with a decrease of 0.8% compared to the previous month. Although significant, the correction in property prices was less significant than that observed in the previous month (-1.9%), coinciding with a stabilization in sales during the month. Since its peak in May, the composite index (not seasonally adjusted) has already contracted by 7.7%, whereas during the financial crisis of 2008, prices only fell by 6.0% over the same period and by 9.2% in total over eight months (left chart). In a context where monetary policy will continue to be tightened in the coming months, house prices should continue their contraction and exceed that experienced during the financial crisis of 2008. Indeed, we anticipate a record cumulative decline of about 15% nationally by the end of 2023, assuming a policy rate that tops out around 4.0% and a Bank of Canada that throws some weight behind lowering rates in the second half of 2023. Although corrections are being observed in the vast majority of markets covered by the index, the CMAs that have experienced the most significant price growth over the past two years are also those that have recorded the sharpest declines to date (right chart). Ontario, British Columbia, and the Maritimes therefore appear to be more vulnerable, while the Prairie markets are less so, helped by a buoyant economic context.

### HIGHLIGHTS:

- The Teranet-National Bank Composite National House Price Index™ decreased by 0.8% in October compared to the previous month and after seasonal adjustments.
- After adjusting for seasonal effects, 9 of the 11 markets in the composite index were down during the month: Halifax (-4.7%), Hamilton (-2.8%), Winnipeg (-2.4%), Victoria (-2.0%), Quebec City (-1.7%), Toronto (-1.1%), Ottawa-Gatineau (-1.1%), Montreal (-1.0%) and Vancouver (-0.3%). Conversely, the Calgary (+1.8%) and Edmonton (+2.0%) markets were still up.
- From October 2021 to October 2022, the composite index increased by 4.9%. This growth was driven by Calgary (16.2%), Quebec City (8.6%), Montreal (8.4%), Edmonton (7.5%) and Halifax (6.7%). Growth was lower than average in Winnipeg (3.9%), Vancouver (3.7%), Toronto (3.6%), Ottawa-Gatineau (2.8%), Victoria (2.1%) and Hamilton (0.3%).

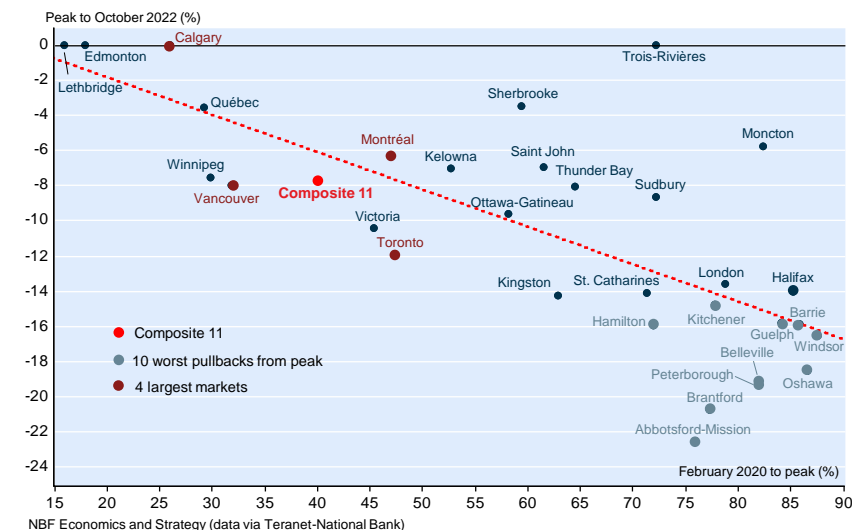
### Canada: Another decrease in prices in October

Monthly change in Teranet-National Bank HPI



### Canada: Rapid declines after soaring increases

Price change from February 2020 to peak and from peak to October 2022

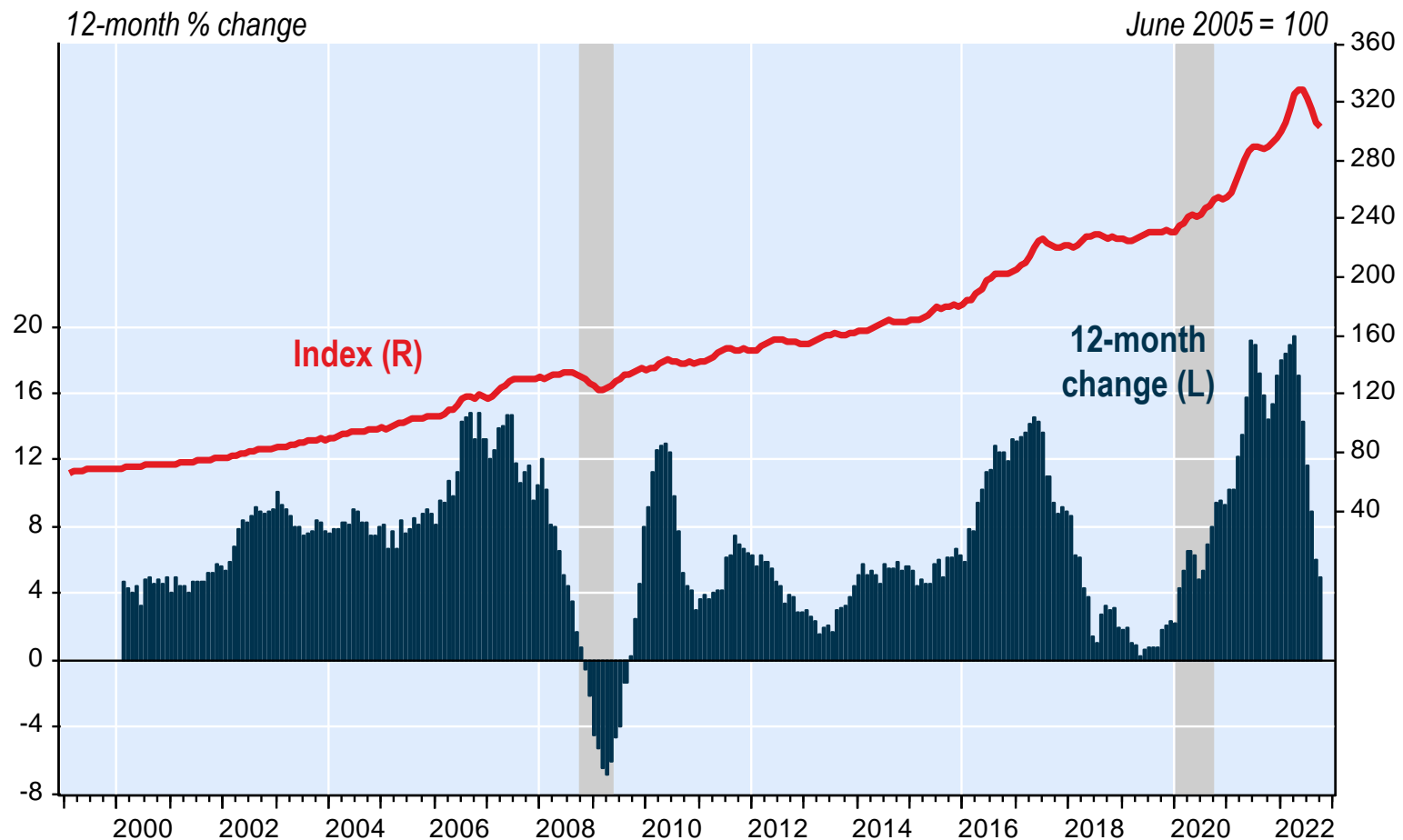


**NOTE ON METHODOLOGY:**

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.

Since September 2022, The Teranet-National Bank™ House Price Indices are presented on a raw (unsmoothed) basis, whereas their variation was previously smoothed over three months to allow evening-out month-to-month fluctuations. The unsmoothed version of the price measures allows for earlier detection of changes in market conditions. The provision of the unsmoothed version of the Teranet-National Bank™ indices also allows users to adjust the data to their specific needs.

## Teranet-National Bank National Composite House Price Index™



# Teranet-National Bank House Price Index

Economics and Strategy

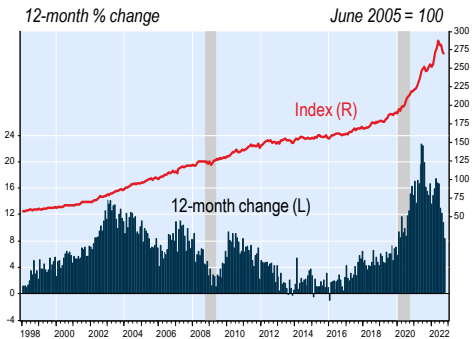
Metropolitan area	Index level *	% change m/m, NSA	% change m/m, SA	Prev. Month % change m/m, SA	% change y/y, NSA	% change from peak, NSA	Peak date, NSA
	October 2022						
Composite 11	302.21	-0.8%	-0.8%	-1.9%	4.9%	-7.7%	2022-05
Victoria	275.43	-1.2%	-2.0%	-4.6%	2.1%	-10.4%	2022-05
Vancouver	346.02	-0.1%	-0.3%	-3.5%	3.7%	-7.9%	2022-04
Calgary	220.14	2.0%	1.8%	1.2%	16.2%	0.0%	2022-10
Edmonton	201.87	2.1%	2.0%	0.5%	7.5%	0.0%	2022-10
Winnipeg	253.72	-3.1%	-2.4%	-1.8%	3.9%	-7.5%	2022-07
Hamilton	361.47	-2.9%	-2.8%	-2.0%	0.3%	-15.9%	2022-05
Toronto	340.06	-0.9%	-1.1%	-1.8%	3.6%	-11.9%	2022-05
Ottawa-Gatineau	251.48	-1.8%	-1.1%	-1.0%	2.8%	-9.6%	2022-06
Montreal	268.07	-1.5%	-1.0%	-1.6%	8.4%	-6.4%	2022-06
Quebec	231.37	-1.2%	-1.7%	-0.3%	8.6%	-3.6%	2022-07
Halifax	254.35	-5.7%	-4.7%	0.6%	6.7%	-14.0%	2022-06
<b>Other metropolitan areas</b>							
Abbotsford-Mission, B.C.	331.94	-5.7%	-3.3%	-2.7%	2.0%	-22.5%	2022-04
Kelowna, B.C.	298.04	-1.3%	-0.6%	-3.2%	6.5%	-7.0%	2022-07
Lethbridge, Alb.	203.45	1.2%	2.3%	0.3%	9.9%	0.0%	2022-10
Barrie, Ont.	337.31	0.0%	-0.3%	-0.6%	3.6%	-15.9%	2022-05
Guelph, Ont.	338.32	0.0%	-1.4%	-2.3%	2.7%	-15.8%	2022-05
Brantford, Ont.	333.26	-8.8%	-6.5%	0.9%	-2.3%	-20.8%	2022-05
Kitchener, Ont.	344.47	0.1%	-1.3%	-0.3%	2.3%	-14.8%	2022-04
St. Catharines, Ont.	340.00	-4.1%	-4.9%	-1.6%	-0.1%	-14.1%	2022-05
Oshawa, Ont.	350.74	-2.5%	-1.4%	-2.6%	1.3%	-18.5%	2022-05
Peterborough, Ont.	309.18	5.2%	5.6%	-11.7%	-2.3%	-19.2%	2022-05
London, Ont.	315.29	2.3%	2.0%	-5.4%	2.7%	-13.6%	2022-04
Kingston, Ont.	257.18	-3.6%	-2.5%	-2.6%	6.1%	-14.2%	2022-05
Belleville, Ont.	284.93	-7.2%	-6.6%	-4.2%	-5.3%	-19.1%	2022-04
Sudbury, Ont.	289.84	-2.7%	-1.2%	-0.6%	9.1%	-8.6%	2022-05
Thunder Bay, Ont.	247.64	-2.5%	-2.3%	-0.9%	4.2%	-8.0%	2022-07
Windsor, Ont.	290.88	-0.4%	-1.1%	-4.5%	3.7%	-16.5%	2022-05
Trois-Rivières, Qc	283.53	1.7%	0.7%	5.4%	31.1%	0.0%	2022-10
Sherbrooke, Qc	264.59	3.8%	1.0%	-3.4%	12.2%	-3.4%	2022-07
Saint John, NB (June 2018=100)	156.65	0.7%	3.4%	-0.8%	21.0%	-6.9%	2022-07
Moncton, NB (June 2018=100)	176.71	-0.6%	2.1%	-4.5%	14.2%	-5.8%	2022-07

\*June 2005=100 except indicated otherwise.

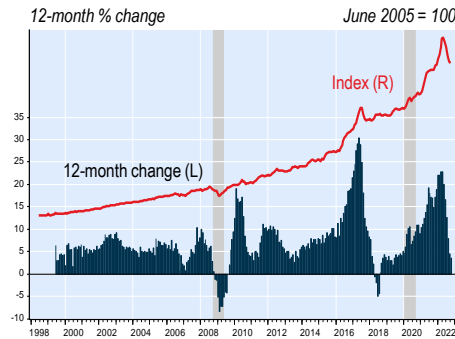
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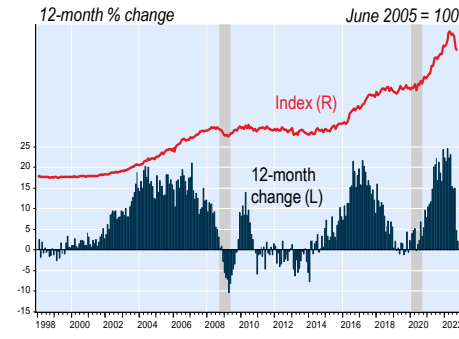
### Montreal



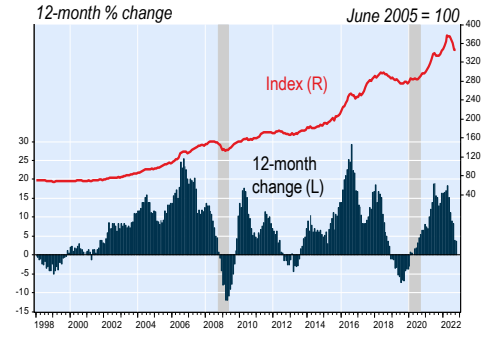
### Toronto



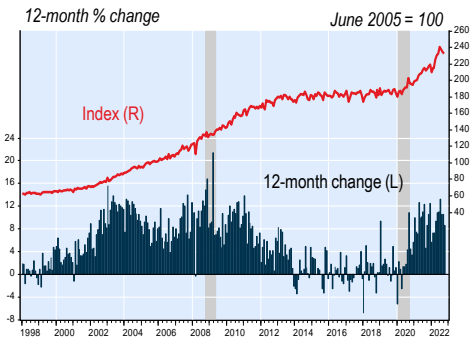
### Victoria



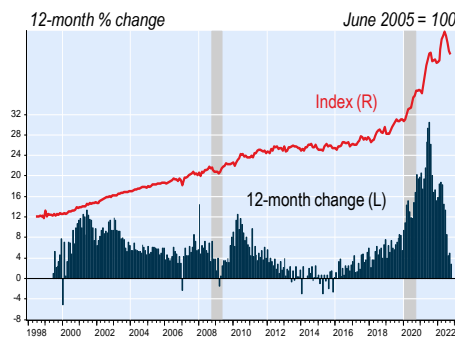
### Vancouver



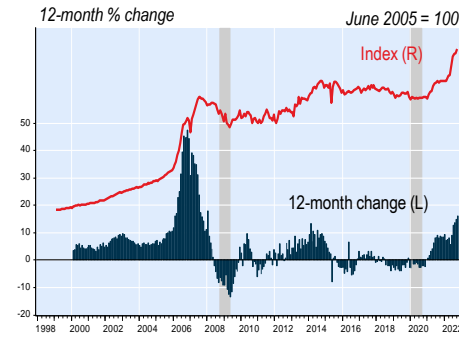
### Quebec City



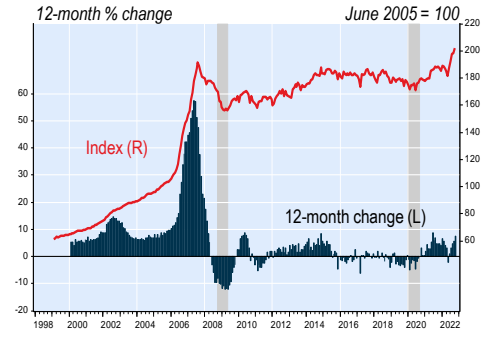
### Ottawa-Gatineau



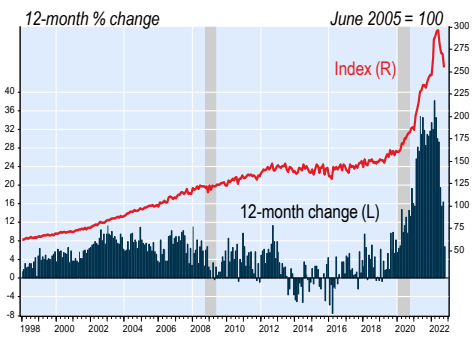
### Calgary



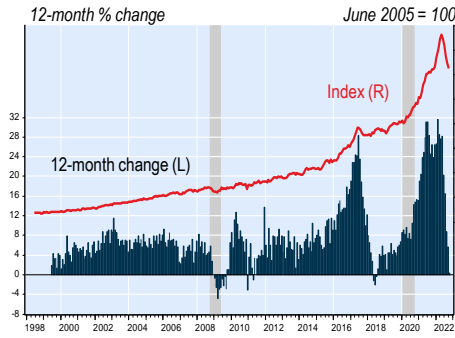
### Edmonton



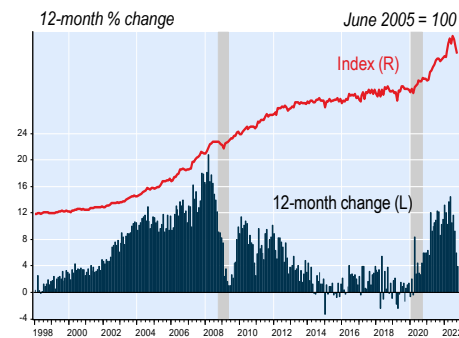
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### Hamilton



### Winnipeg



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