



## Canada: Prices down from their peak across the country

By Daren King

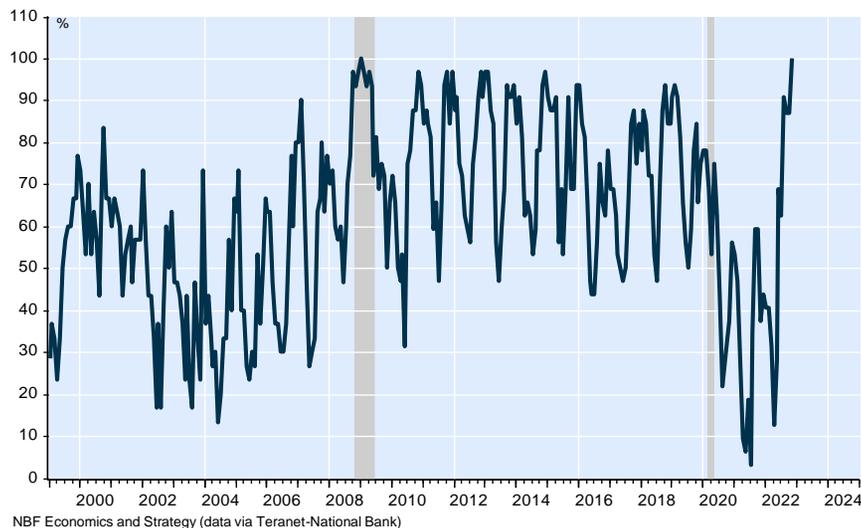
For the first time since the financial crisis of 2008, all of the cities covered by the Teranet-National Bank HPI have seen prices decline from their peak reached over the past 12 months, marking the end of a prosperous period for the Canadian real estate market (left chart). Indeed, price declines were observed in all markets covered, with the last cities on the list to experience contractions being Calgary, Edmonton, Lethbridge and Trois-Rivières. Since its peak in May 2022, the national composite index has already fallen by 9.0%, almost as much as during the last financial crisis (-9.2%). With the Bank of Canada raising its key interest rate again in December and mortgage rates remaining high, we believe that the impact on property prices should continue to be felt in the coming months. All in all, we still anticipate a total correction of about 15% in house prices nationally by the end of 2023, assuming that the policy rate does not increase further and begins to decline 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 1.1% in November compared to the previous month and after adjusting for seasonal effects, a fifth consecutive monthly decrease.
- After adjusting for seasonal effects, 8 of the 11 markets in the composite index were down during the month: Montreal (-2.2%), Hamilton (-1.9%), Vancouver (-1.5%), Ottawa-Gatineau (-1.3%), Winnipeg (-1.1%), Quebec City (-1.1%), Toronto (-0.9%) and Calgary (-0.8%). Conversely, the Halifax (+1.6%), Victoria (+0.9%) and Edmonton (+0.3%) markets were up.
- From November 2021 to November 2022, the composite index increased by 2.0%, the lowest annual growth since November 2019. This growth was driven by Calgary (14.6%), Edmonton (7.6%), Halifax (6.2%), Quebec City (5.7%), Montreal (4.7%) and Victoria (3.0%). Growth was lower than average in Winnipeg (1.2%), Vancouver (0.7%) and Ottawa-Gatineau (0.4%), while it remained stable in Toronto and was down in Hamilton (-0.9%).

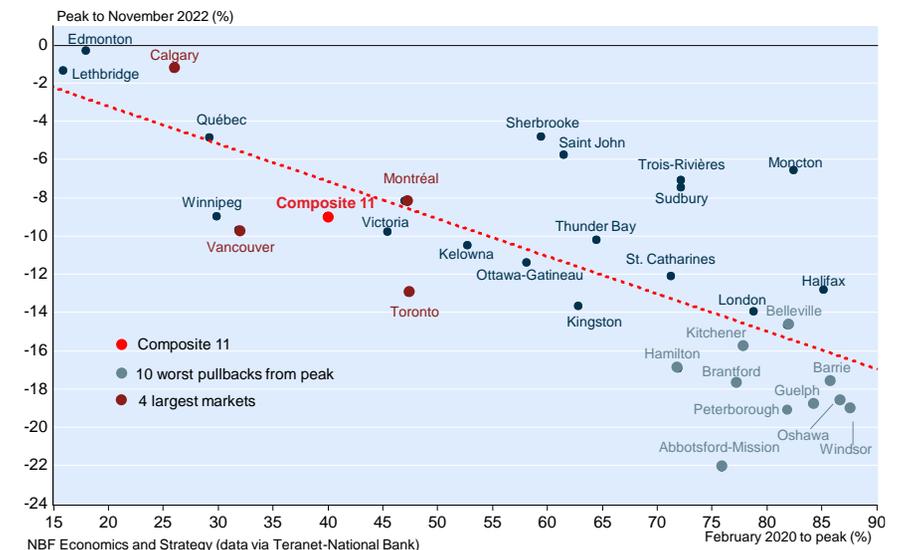
### Canada: Prices down from their peak in every market

Proportion of markets covered by the Teranet-NBC HPI that are down from their peak reached in the last twelve months



### Canada: Rapid declines after soaring increases

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

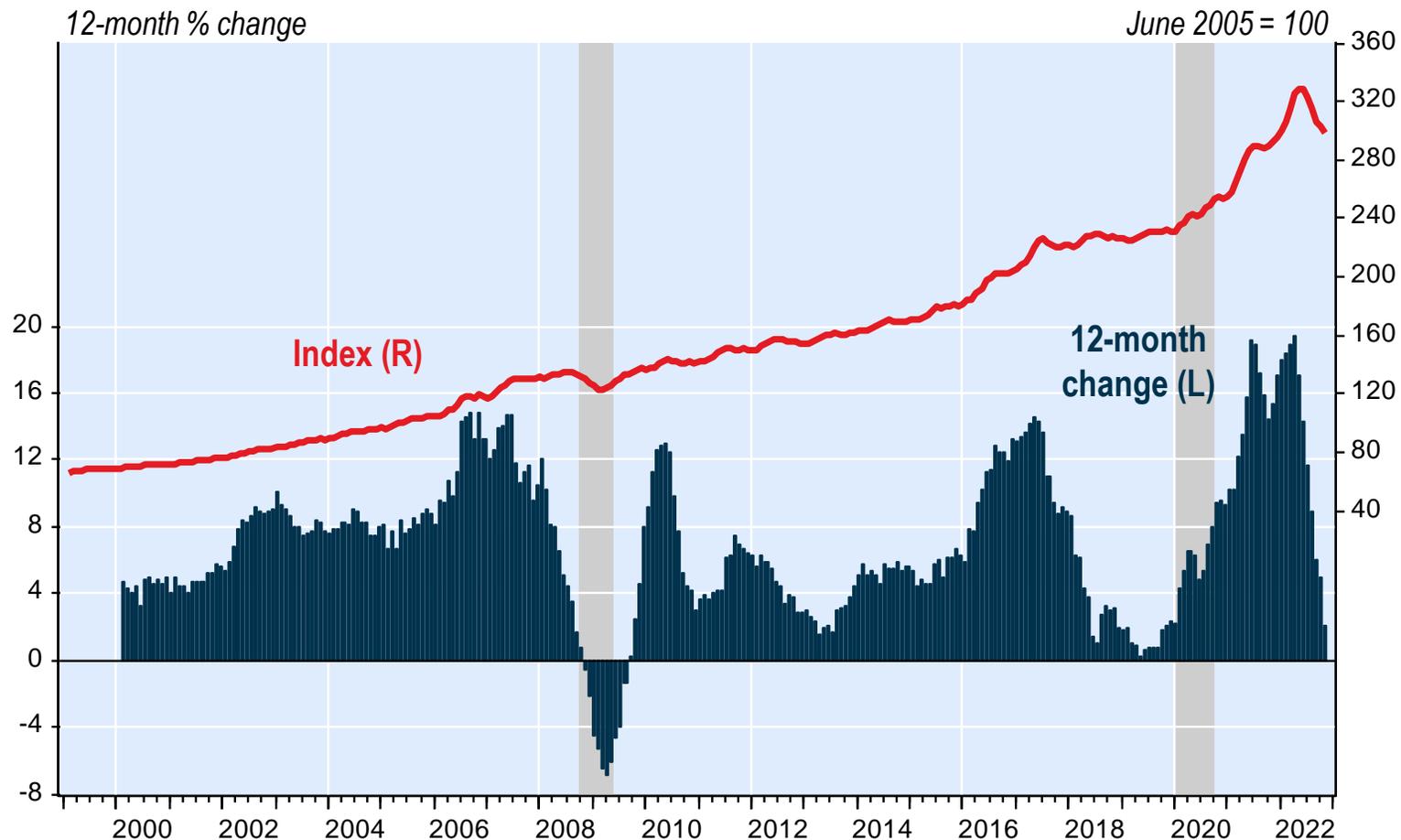


**NOTE ON METHODOLOGY:**

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

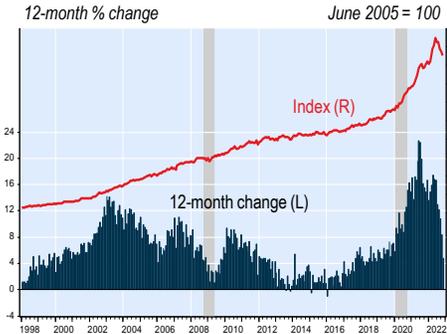
Metropolitan area	Index level *	% change m/m, NSA	% change m/m, SA	Prev. Month % change m/m, SA	% change y/y, NSA	% change from peak, NSA	Peak date, NSA
	November 2022						
Composite 11	298.14	-1.3%	-1.1%	-0.8%	2.0%	-9.0%	2022-05
Victoria	277.55	0.8%	0.9%	-2.1%	3.0%	-9.8%	2022-05
Vancouver	339.42	-1.9%	-1.5%	-0.3%	0.7%	-9.7%	2022-04
Calgary	217.44	-1.2%	-0.8%	1.7%	14.6%	-1.2%	2022-10
Edmonton	201.24	-0.3%	0.3%	1.9%	7.6%	-0.3%	2022-10
Winnipeg	249.83	-1.5%	-1.1%	-2.4%	1.2%	-9.0%	2022-07
Hamilton	357.32	-1.1%	-1.9%	-2.8%	-0.9%	-16.9%	2022-05
Toronto	336.20	-1.1%	-0.9%	-1.0%	0.0%	-12.9%	2022-05
Ottawa-Gatineau	246.49	-2.0%	-1.3%	-1.3%	0.4%	-11.4%	2022-06
Montreal	262.92	-1.9%	-2.2%	-1.1%	4.7%	-8.2%	2022-06
Quebec	228.30	-1.3%	-1.1%	-1.7%	5.7%	-4.9%	2022-07
Halifax	257.94	1.4%	1.6%	-4.8%	6.2%	-12.8%	2022-06
<b>Other metropolitan areas</b>							
Abbotsford-Mission, B.C.	333.83	0.6%	-1.9%	-3.4%	-1.3%	-22.1%	2022-04
Kelowna, B.C.	286.99	-3.7%	-4.7%	-0.7%	-0.7%	-10.5%	2022-07
Lethbridge, Alb.	200.75	-1.3%	-0.2%	2.4%	8.6%	-1.3%	2022-10
Barrie, Ont.	330.56	-2.0%	-2.3%	-0.4%	1.2%	-17.6%	2022-05
Guelph, Ont.	326.51	-3.5%	-2.4%	-1.3%	-1.5%	-18.8%	2022-05
Brantford, Ont.	346.50	4.0%	1.3%	-6.4%	-1.6%	-17.6%	2022-05
Kitchener, Ont.	340.51	-1.1%	-1.6%	-1.1%	-2.0%	-15.8%	2022-04
St. Catharines, Ont.	348.04	2.4%	2.5%	-4.9%	0.8%	-12.1%	2022-05
Oshawa, Ont.	350.35	-0.1%	-1.5%	-1.0%	-2.9%	-18.6%	2022-05
Peterborough, Ont.	309.63	0.1%	3.5%	5.7%	1.1%	-19.1%	2022-05
London, Ont.	314.05	-0.4%	0.0%	2.0%	3.1%	-13.9%	2022-04
Kingston, Ont.	258.94	0.7%	-1.5%	-2.5%	-0.3%	-13.6%	2022-05
Belleville, Ont.	300.68	5.5%	5.9%	-6.8%	1.0%	-14.6%	2022-04
Sudbury, Ont.	293.63	1.3%	0.7%	-1.0%	5.9%	-7.4%	2022-05
Thunder Bay, Ont.	241.86	-2.3%	0.0%	-2.2%	1.3%	-10.2%	2022-07
Windsor, Ont.	282.43	-2.9%	-1.3%	-1.2%	-2.4%	-19.0%	2022-05
Trois-Rivières, Qc	263.44	-7.1%	-4.0%	0.9%	12.3%	-7.1%	2022-10
Sherbrooke, Qc	260.90	-1.4%	-0.1%	1.1%	11.0%	-4.8%	2022-07
Saint John, NB (June 2018=100)	158.62	1.3%	-1.1%	3.0%	10.7%	-5.7%	2022-07
Moncton, NB (June 2018=100)	175.25	-0.8%	-0.9%	2.0%	9.9%	-6.5%	2022-07

\*June 2005=100 except indicated otherwise.

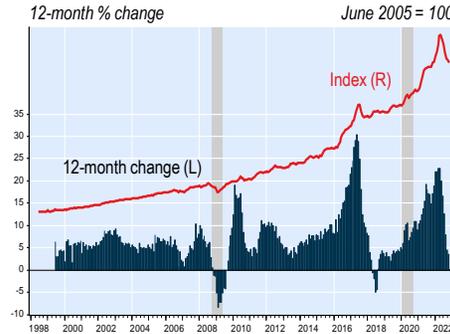
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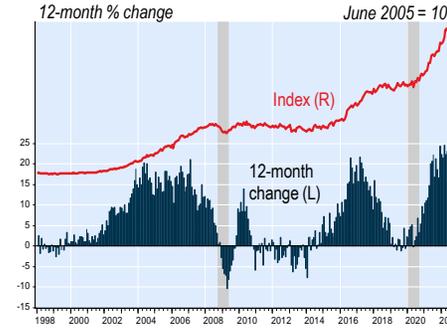
### Montreal



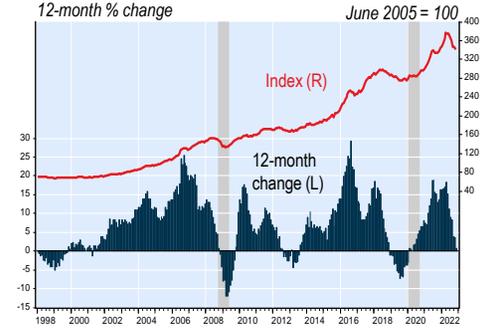
### Toronto



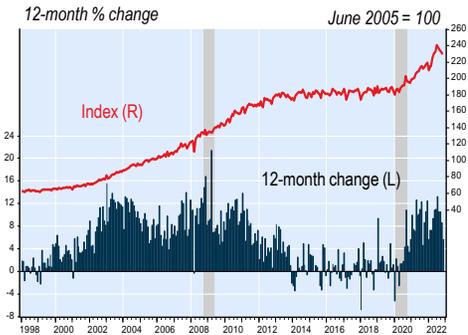
### Victoria



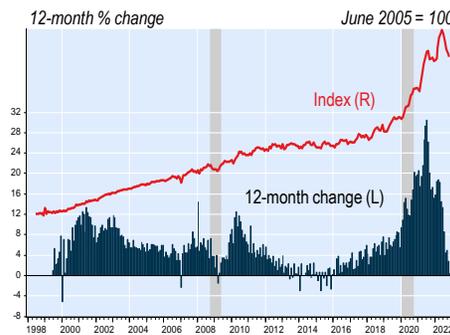
### Vancouver



### Quebec City



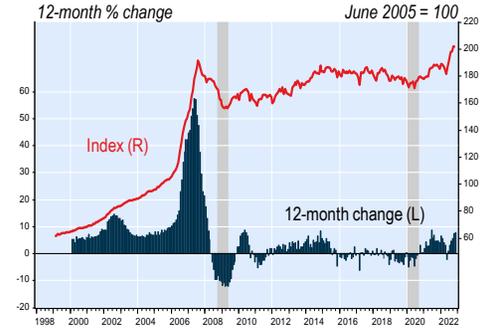
### Ottawa-Gatineau



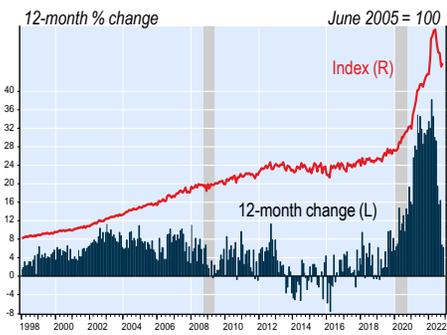
### Calgary



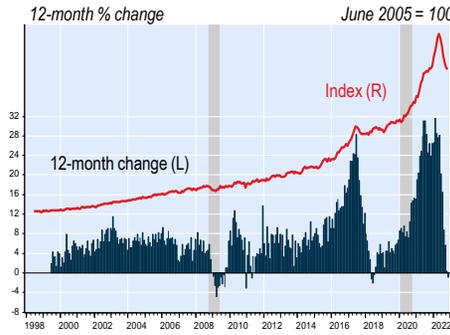
### Edmonton



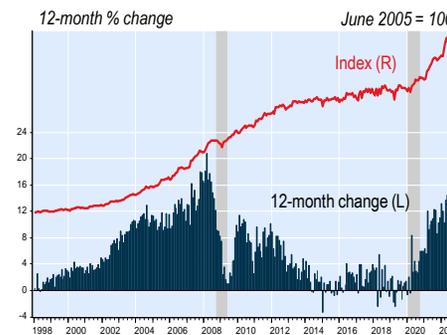
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Economics and Strategy

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