

## Canada: Housing prices stabilize in April

By Daren King

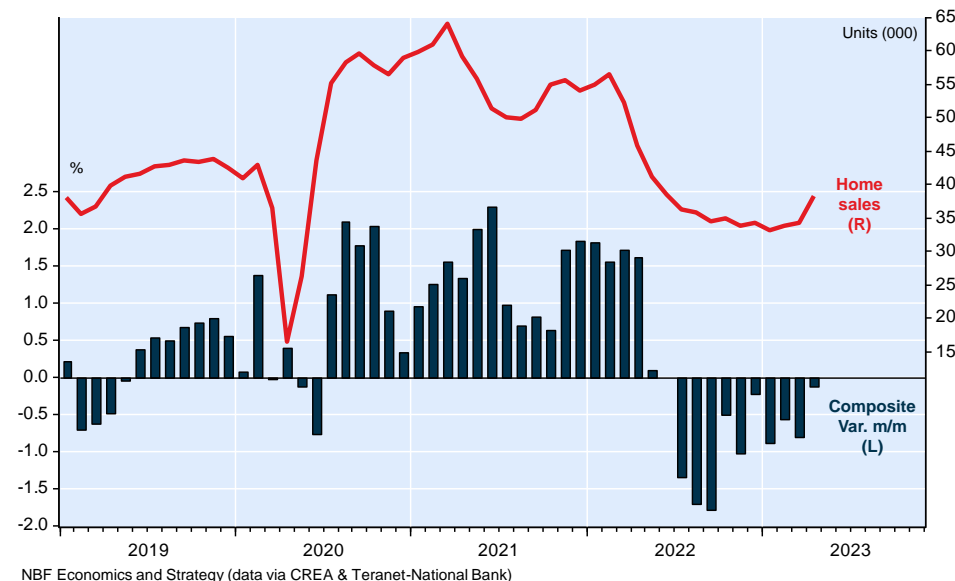
After seasonal adjustment, the Teranet-National Bank composite HPI remained essentially unchanged from March to April, recording a slight decline of 0.1% after a drop of 0.8% the previous month. This stabilization coincides with a resurgence of activity in the property resale market (left chart). A record cumulative drop of 8.7% from its spring 2022 peak was recorded during this downturn caused by extremely aggressive monetary tightening (right chart). In the coming months, it is highly likely that the composite index will return to short-term growth, supported by the renewed vigor of home sales in a context where supply remains low on a historical basis. This revival of the real estate sector is partly explained by the stabilization of interest rates. Indeed, now that the Bank of Canada has stopped raising its key rate in recent months, some buyers probably perceive less uncertainty and are taking action. A second factor explaining this increase is the strong demographic growth we are experiencing in the country, especially in large urban centers that attract newcomers. It remains to be seen whether this strength in the real estate market will be temporary in a context where interest rates are still high, lending conditions are tightening, and the labour market is not immune to a downturn.

### HIGHLIGHTS:

- The Teranet-National Bank Composite National House Price Index™ remained relatively stable in April with a slight decrease of 0.1% compared with the previous month and after adjusting for seasonal effects.
- After seasonal adjustment, 5 of the 11 markets in the composite index were down during the month: Edmonton (-2.5%), Ottawa-Gatineau (-2.1%), Vancouver (-0.9%), Hamilton (-0.5%) and Montreal (-0.2%). Conversely, prices increased during the month in Quebec City (+1.2%), Toronto (+0.7%), Winnipeg (+0.5%), Calgary (+0.3%) and Victoria (+0.1%), while they remained stable in Halifax.
- From April 2022 to April 2023, the composite index decreased by 8.5%, a record annual contraction. Price growth in Calgary (6.9%) and Quebec City (2.7%) was more than offset by declines in Edmonton (-0.4%), Montreal (-3.1%), Halifax (-4.6%), Winnipeg (-7.8%), Vancouver (-8.6%), Victoria (-8.8%), Ottawa-Gatineau (-9.7%), Toronto (-12.2%) and Hamilton (-14.8%).

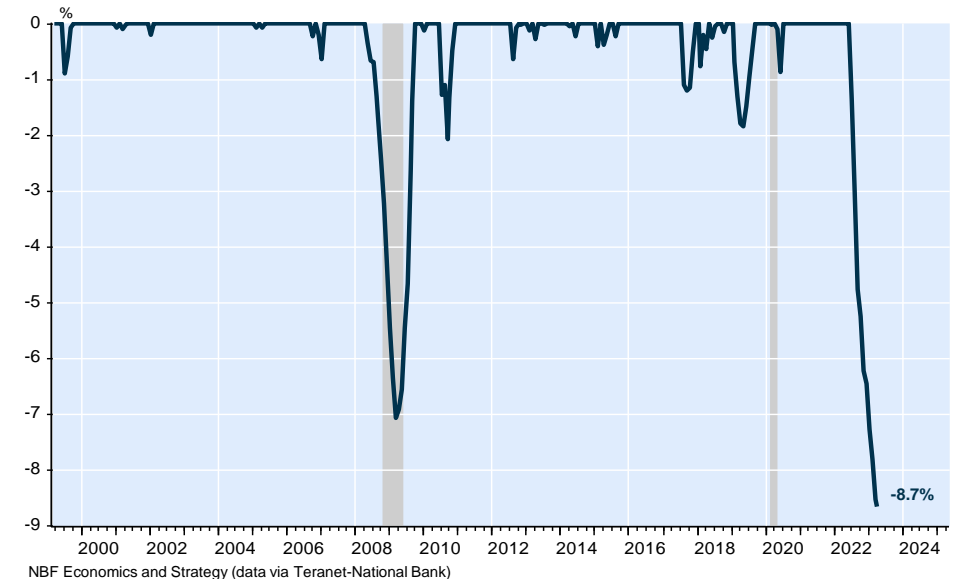
### Canada: Housing prices stabilizing

Number of transactions in the resale housing market and monthly change (%) in the Teranet-BNC HPI, seasonally adjusted



### Canada : Record contraction in property prices

Decrease since the last peak, Teranet-NBC HPI, seasonally adjusted

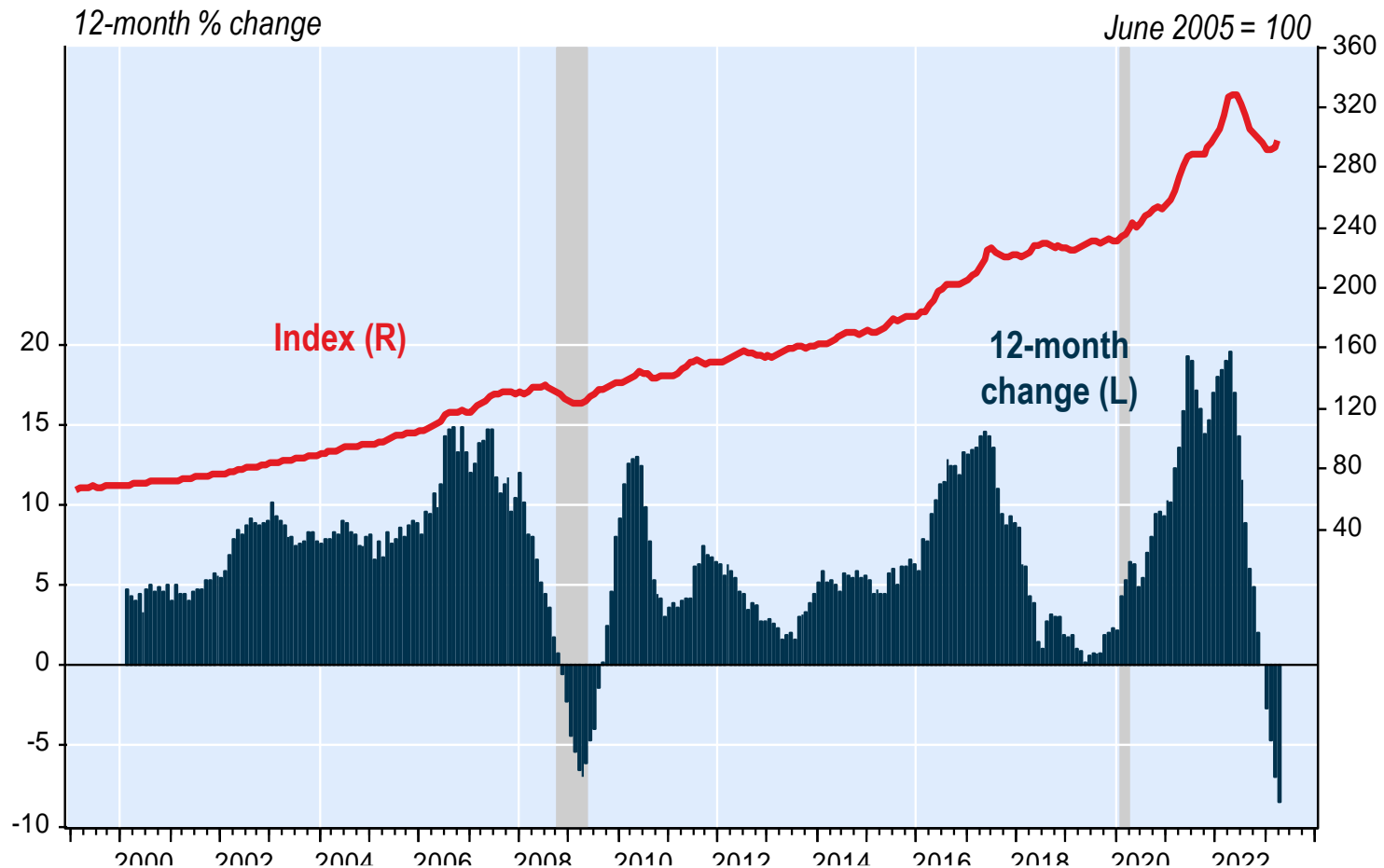


**NOTE ON METHODOLOGY:**

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

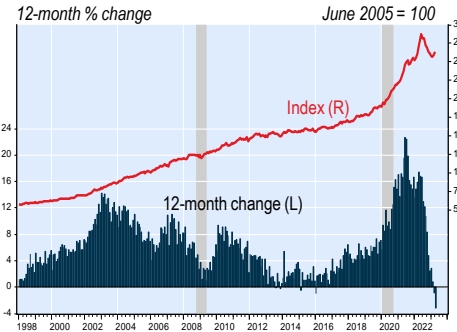
Metropolitan area	Index level *	% change m/m, NSA	% change m/m, SA	Prev. Month % change m/m, SA	% change y/y, NSA	% change from peak, SA	Peak date, SA
	April 2023						
Composite 11	297.66	1.8%	-0.1%	-0.8%	-8.5%	-8.7%	2022-05
Victoria	278.11	3.7%	0.1%	-4.6%	-8.8%	-10.8%	2022-05
Vancouver	343.74	-0.4%	-0.9%	0.3%	-8.6%	-8.6%	2022-04
Calgary	208.28	0.2%	0.3%	0.2%	6.9%	-3.3%	2022-10
Edmonton	184.46	-3.2%	-2.5%	-0.5%	-0.4%	-6.0%	2022-11
Winnipeg	245.28	2.6%	0.5%	-2.5%	-7.8%	-9.3%	2022-05
Hamilton	358.63	2.9%	-0.5%	-0.1%	-14.8%	-17.8%	2022-05
Toronto	336.65	3.8%	0.7%	-1.9%	-12.2%	-12.7%	2022-05
Ottawa-Gatineau	243.47	-0.9%	-2.1%	-0.2%	-9.7%	-10.2%	2022-06
Montreal	263.13	1.7%	-0.2%	0.4%	-3.1%	-7.6%	2022-06
Quebec	230.91	3.4%	1.2%	-0.1%	2.7%	-1.8%	2022-07
Halifax	275.73	1.5%	0.0%	2.5%	-4.6%	-6.4%	2022-05
<b>Other metropolitan areas</b>							
Abbotsford-Mission, B.C.	334.35	0.8%	-0.8%	-1.4%	-22.0%	-22.2%	2022-04
Kelowna, B.C.	298.61	0.8%	0.9%	-0.4%	-5.5%	-6.3%	2022-07
Lethbridge, Alb.	196.64	0.2%	-0.5%	0.9%	3.9%	-2.5%	2022-10
Barrie, Ont.	325.64	1.7%	-2.0%	-1.3%	-16.1%	-19.7%	2022-05
Guelph, Ont.	322.63	-0.2%	-1.8%	-1.2%	-18.4%	-20.8%	2022-05
Brantford, Ont.	349.20	1.6%	-1.2%	-1.2%	-14.9%	-14.9%	2022-04
Kitchener, Ont.	336.59	1.8%	-1.0%	-0.4%	-16.7%	-17.0%	2022-04
St. Catharines, Ont.	338.43	-0.7%	-1.5%	-0.1%	-11.6%	-13.1%	2022-05
Oshawa, Ont.	357.74	6.0%	3.3%	-2.8%	-16.5%	-17.3%	2022-05
Peterborough, Ont.	316.98	7.7%	4.5%	-3.8%	-9.5%	-16.7%	2022-05
London, Ont.	300.26	1.0%	-1.3%	-0.6%	-17.7%	-17.9%	2022-04
Kingston, Ont.	244.24	-6.4%	-11.1%	2.0%	-13.1%	-15.1%	2022-05
Belleville, Ont.	317.19	7.0%	0.6%	0.9%	-10.0%	-10.3%	2022-04
Sudbury, Ont.	272.49	1.3%	-1.7%	-0.4%	-12.2%	-12.3%	2022-04
Thunder Bay, Ont.	237.04	-7.9%	-12.8%	17.9%	-9.5%	-14.9%	2022-02
Windsor, Ont.	288.99	-0.5%	-2.8%	2.7%	-10.8%	-15.7%	2022-05
Trois-Rivières, Qc	288.88	5.4%	3.1%	2.1%	14.3%	0.0%	2023-04
Sherbrooke, Qc	271.34	0.6%	0.5%	12.8%	8.4%	0.0%	2023-04
Saint John, NB (June 2018=100)	164.45	3.5%	1.2%	-2.2%	6.6%	-3.1%	2022-07
Moncton, NB (June 2018=100)	180.85	9.3%	5.9%	0.2%	4.4%	-2.5%	2022-07

\*June 2005=100 except indicated otherwise.

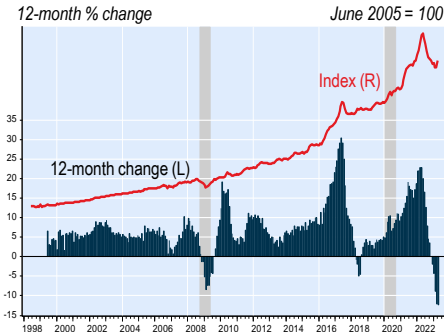
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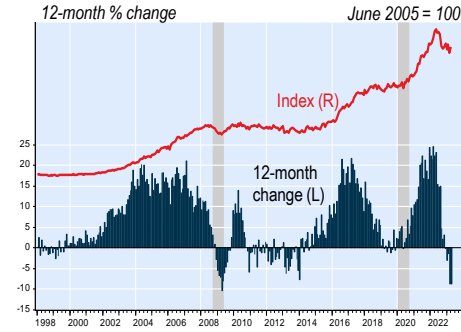
### Montreal



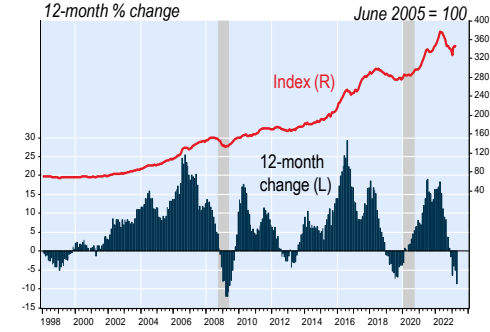
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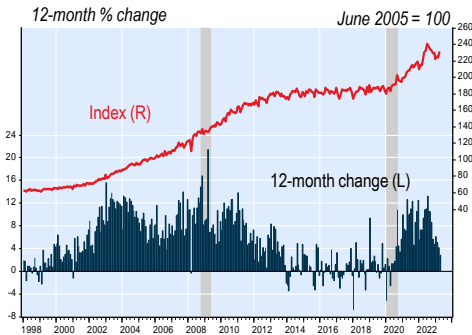
### Victoria



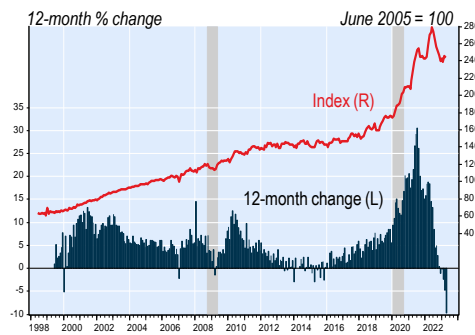
### Vancouver



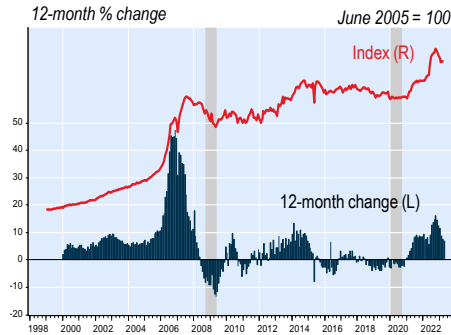
### Quebec City



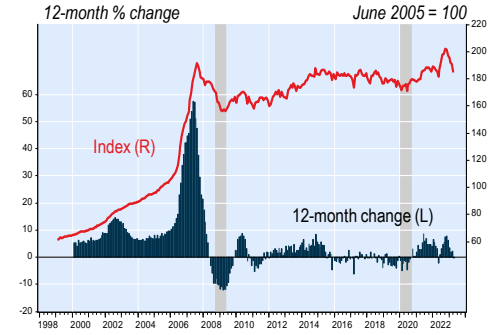
### Ottawa-Gatineau



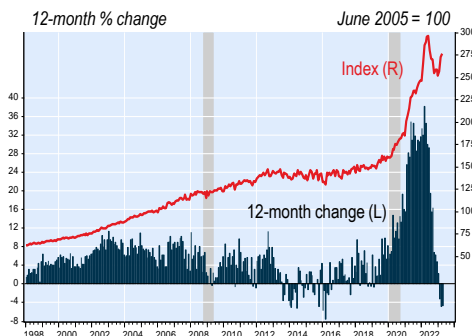
### Calgary



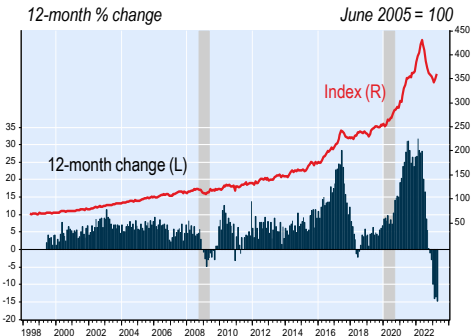
### Edmonton



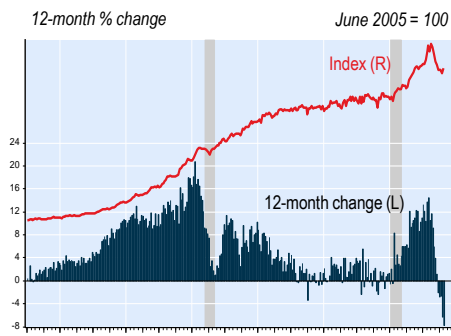
### Halifax



### Hamilton



### Winnipeg



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