

## Canada: Spectacular jump in house prices in July

By Daren King

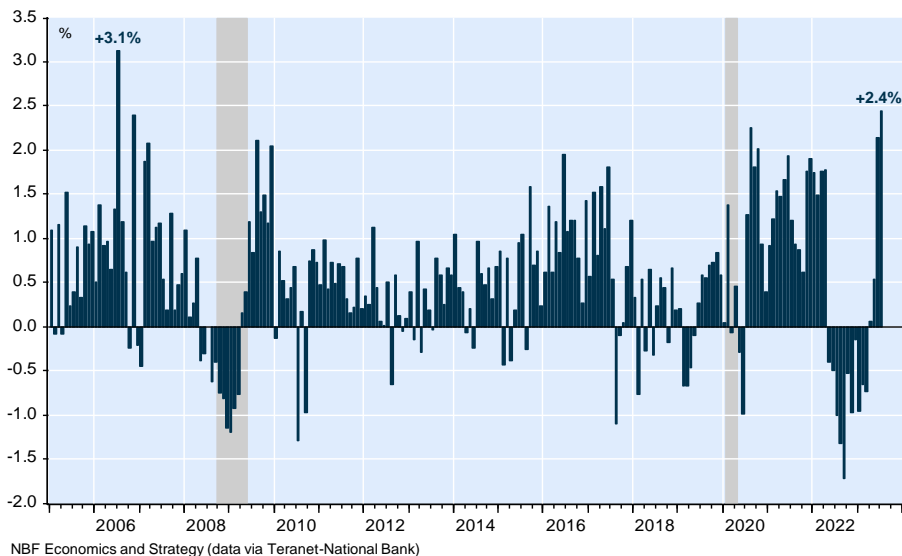
Following the recovery of the residential real estate market in recent months, the Teranet-National Bank composite index jumped by 2.4% from June to July, the fourth consecutive monthly increase, but also the second highest price increase ever recorded in a single month after the one observed in July 2006 (left chart). After a cumulative decline of 8.6% since peaking in April 2022, recent rises in the composite index have erased a part of this correction, which now stands at just 3.8%. Interestingly, the recent upturn in prices has been greatest in the cities that have seen the biggest corrections (right chart). However, only four of the 32 CMAs covered have completely erased their price declines: Saint John, Lethbridge, Quebec City and Trois-Rivières. Prices could continue to rise in the third quarter, supported by strong demographic growth and the lack of supply of properties on the market. That said, the deterioration in affordability with recent interest rate hikes in a less buoyant economic context should represent a headwind for house prices thereafter.

### HIGHLIGHTS:

- The Teranet-National Bank Composite National House Price Index™ rose by 2.4% in July after seasonal adjustment.
- After seasonal adjustment, 8 of the 11 markets in the composite index were up during the month: Halifax (+4.9%), Hamilton (+4.4%), Vancouver (+3.9%), Toronto (+3.5%), Victoria (+1.6%), Winnipeg (+1.3%), Ottawa-Gatineau (+0.6%) and Edmonton (+0.3%). Conversely, prices fell in Quebec City (-1.2%), Montreal (-0.9%) and Calgary (-0.3%).
- From July 2022 to July 2023, the composite index fell by 1.9%, a smaller contraction than in the previous month. Price increases in Calgary (+3.3%), Halifax (+2.1%) and Quebec City (+1.1%) were more than offset by declines in Edmonton (-0.1%), Vancouver (-0.6%), Toronto (-2.1%), Montreal (-2.6%), Victoria (-2.7%), Winnipeg (-5.2%), Ottawa-Gatineau (-5.4%) and Hamilton (-7.9%).

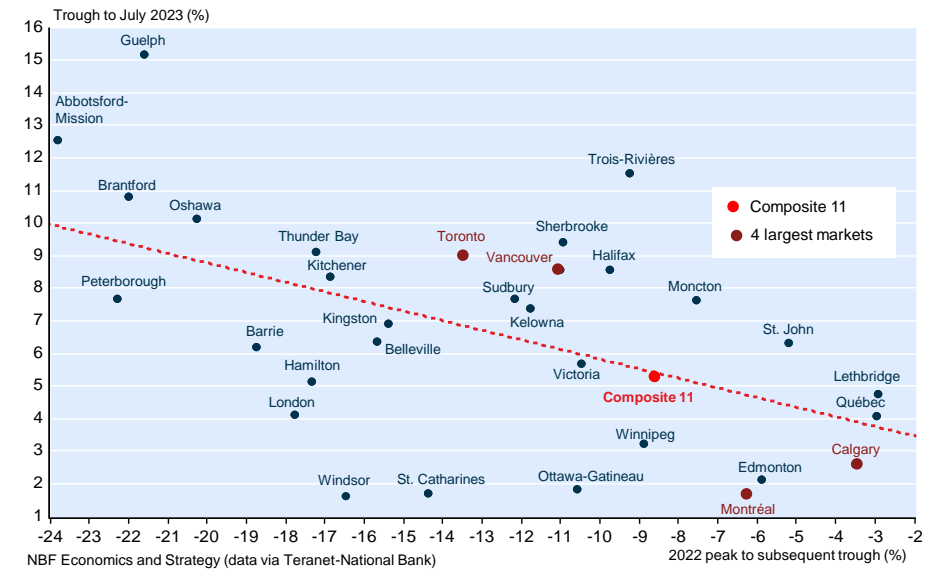
### Canada : Strongest monthly rebound since July 2006

Monthly change (%) in the Teranet-BNC HPI, seasonally adjusted



### Canada: Major increases in cities with significant corrections

Price change from 2022 peak to subsequent trough (%) and from trough to July 2023

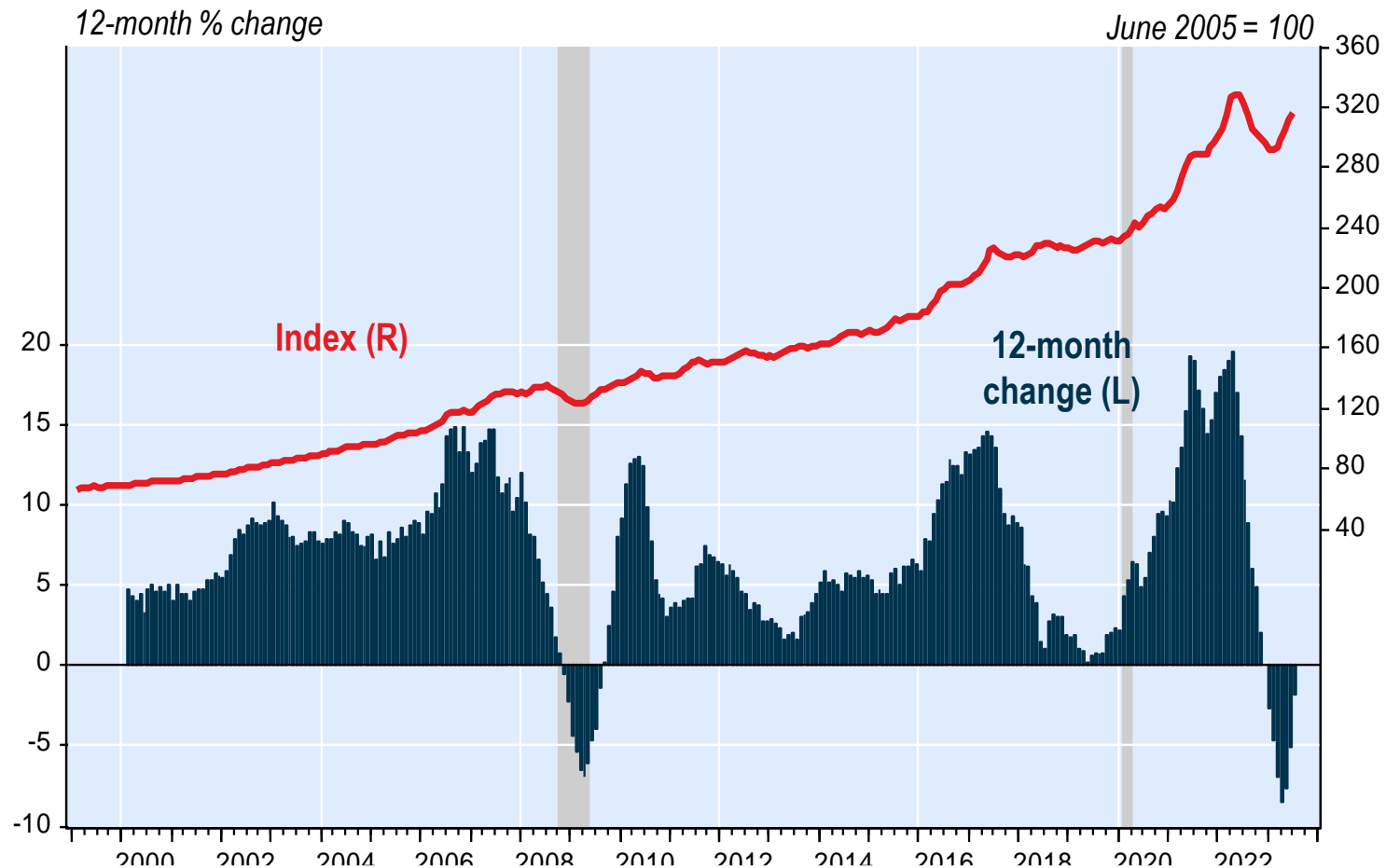


**NOTE ON METHODOLOGY:**

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

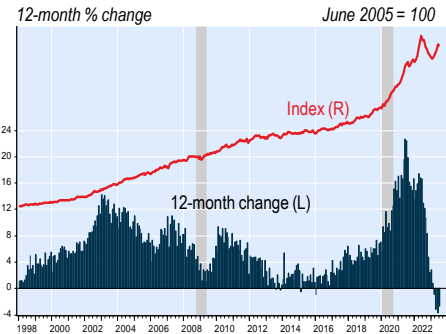
Metropolitan area	Index level *	% change m/m, NSA	% change m/m, SA	Prev. Month % change m/m, SA	% change y/y, NSA	% change from peak, SA	Peak date, SA
	July 2023						
Composite 11	315.88	1.8%	2.4%	2.1%	-1.9%	-3.8%	2022-04
Victoria	294.80	1.5%	1.6%	1.7%	-2.7%	-5.4%	2022-05
Vancouver	365.76	2.8%	3.9%	2.9%	-0.6%	-3.4%	2022-04
Calgary	219.37	0.9%	-0.3%	2.1%	3.3%	-1.0%	2022-10
Edmonton	191.78	1.3%	0.3%	0.2%	-0.1%	-3.9%	2022-11
Winnipeg	260.24	3.9%	1.3%	-0.2%	-5.2%	-6.0%	2022-05
Hamilton	376.58	3.2%	4.4%	0.1%	-7.9%	-13.1%	2022-05
Toronto	360.78	2.2%	3.5%	2.6%	-2.1%	-5.7%	2022-04
Ottawa-Gatineau	258.98	1.6%	0.6%	1.2%	-5.4%	-8.9%	2022-04
Montreal	273.59	-0.9%	-0.9%	1.5%	-2.6%	-4.7%	2022-06
Quebec	242.62	-0.4%	-1.2%	2.3%	1.1%	-1.2%	2023-06
Halifax	286.15	2.5%	4.9%	2.4%	2.1%	-2.0%	2022-05
<b>Other metropolitan areas</b>							
Abbotsford-Mission, B.C.	361.79	4.8%	7.2%	1.6%	-4.8%	-14.2%	2022-04
Kelowna, B.C.	303.91	-0.3%	-0.5%	0.2%	-5.2%	-5.3%	2022-07
Lethbridge, Alb.	210.14	4.6%	1.9%	2.3%	7.2%	0.0%	2023-07
Barrie, Ont.	343.42	0.7%	1.8%	1.7%	-8.0%	-13.7%	2022-05
Guelph, Ont.	356.40	4.4%	6.0%	0.5%	-4.4%	-9.7%	2022-02
Brantford, Ont.	363.73	3.7%	1.9%	8.8%	-9.1%	-13.6%	2022-05
Kitchener, Ont.	364.74	1.8%	2.6%	4.3%	-4.2%	-9.9%	2022-04
St. Catharines, Ont.	346.38	3.2%	1.7%	-1.4%	-10.5%	-12.9%	2022-06
Oshawa, Ont.	368.24	0.7%	2.5%	4.2%	-5.6%	-12.2%	2022-05
Peterborough, Ont.	334.53	4.1%	2.8%	0.0%	-6.7%	-16.3%	2022-05
London, Ont.	322.02	1.2%	1.9%	-0.5%	-9.3%	-14.4%	2022-04
Kingston, Ont.	274.87	0.5%	1.3%	0.9%	-5.7%	-9.5%	2022-05
Belleville, Ont.	312.46	0.3%	1.3%	0.1%	-7.8%	-10.3%	2022-04
Sudbury, Ont.	305.87	3.0%	3.0%	1.0%	-2.5%	-5.4%	2022-04
Thunder Bay, Ont.	262.38	-0.1%	0.4%	2.1%	-2.6%	-9.7%	2022-02
Windsor, Ont.	300.58	-0.1%	0.3%	1.3%	-6.6%	-15.1%	2022-05
Trois-Rivières, Qc	294.58	0.1%	-0.5%	1.3%	5.8%	-2.0%	2023-04
Sherbrooke, Qc	272.49	-2.2%	-3.8%	5.4%	-0.6%	-3.8%	2023-06
Saint John, NB (June 2018=100)	170.01	5.9%	6.3%	-4.0%	1.0%	0.0%	2023-07
Moncton, NB (June 2018=100)	187.08	1.8%	1.3%	1.0%	-0.2%	-0.5%	2022-07

\*June 2005=100 except indicated otherwise.

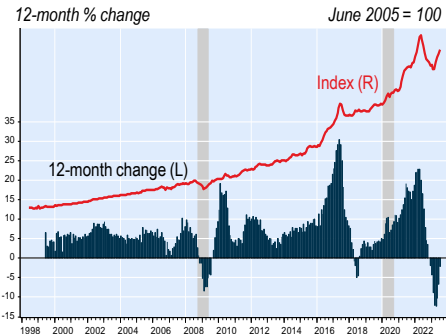
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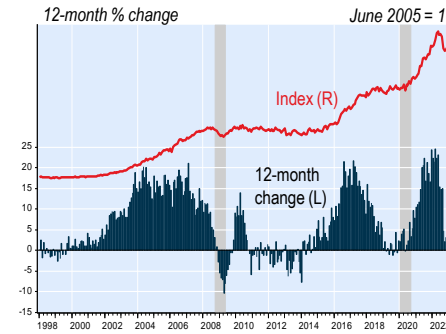
### Montreal



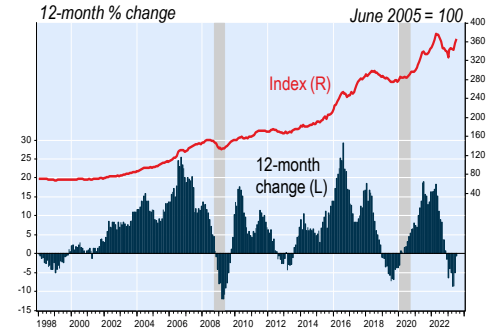
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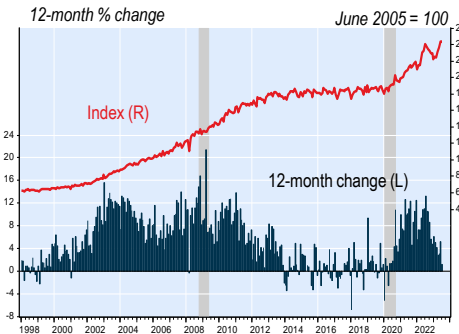
### Victoria



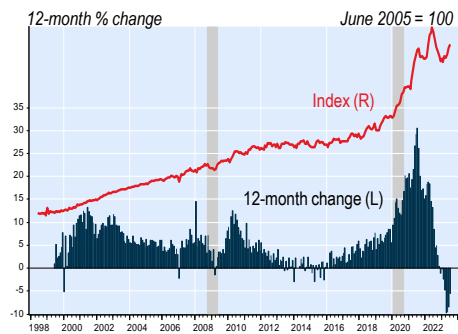
### Vancouver



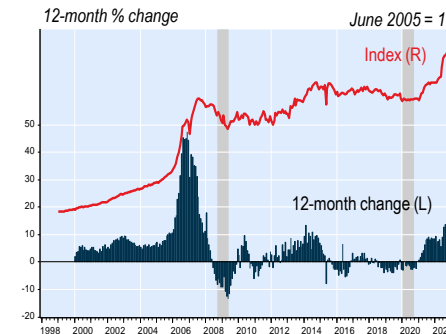
### Quebec City



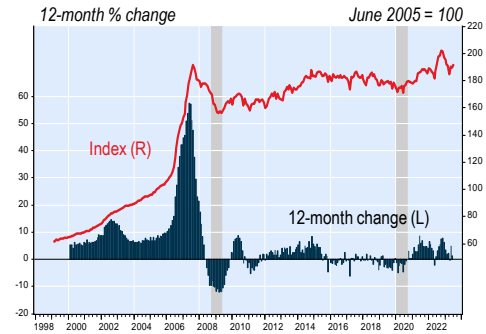
### Ottawa-Gatineau



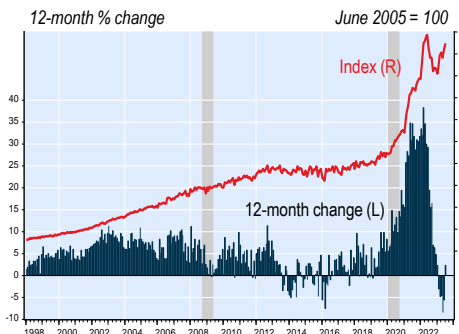
### Calgary



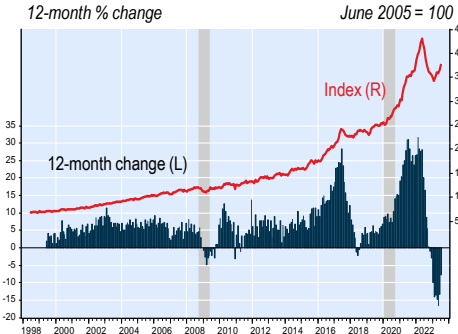
### Edmonton



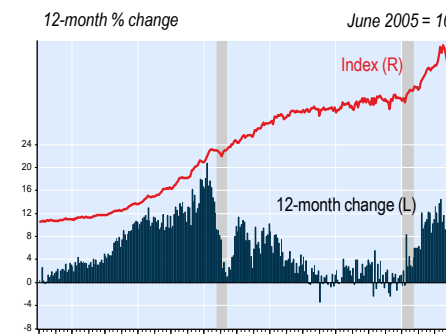
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### Hamilton



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