

## Canada: Housing prices set to moderate in coming months

By Daren King

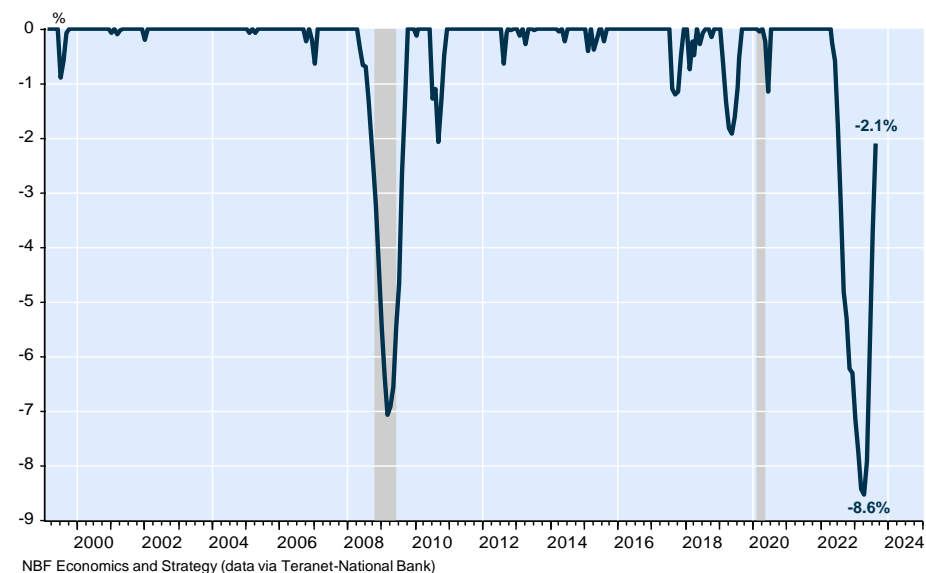
With renewed activity in the residential real estate market in recent months, the seasonally adjusted Teranet-National Bank composite index rose by 1.6% from July to August, the fourth consecutive monthly increase. As a result, the composite index is now just 2.1% below its all-time peak of April 2022, following a record cumulative decline of 8.6% over one year (left chart). The widespread nature of August's rise is also noteworthy, as this is the first time since March 2021 that monthly increases have been observed in all the CMAs included in the composite index. However, there is reason to believe that this strength is likely to be short-lived, given the slowdown observed in the resale market over the last two months in connection with the renewal of the Bank of Canada's monetary tightening cycle (right chart). Although price declines are expected in the coming months due to the growing impact of interest rates and the less favourable economic context, property price decreases should remain limited thanks to the support of historical demographic growth and the persistent lack of housing supply.

### HIGHLIGHTS:

- The Teranet-National Bank Composite National House Price Index™ rose by 1.6% in August after seasonal adjustment.
- After seasonal adjustment, all 11 markets in the composite index were up during the month: Calgary (+3.5%), Vancouver (+2.8%) and Hamilton (+2.4%) reported stronger-than-average growth, while growth Halifax (+1.4%), Quebec City (+1.3%), Toronto (+1.2%), Ottawa-Gatineau (+1.1%), Edmonton (+1.1%), Winnipeg (+0.7%), Montreal (+0.7%) and Victoria (+0.2%) were less vigorous.
- From August 2022 to August 2023, the composite index rose by 1.1%, the first annual increase in nine months. Growth was seen in Calgary (+6.2%), Halifax (+5.1%), Quebec City (+3.6%), Vancouver (+2.7%) and Toronto (+1.4%), while prices were still down in Edmonton (-0.3%), Victoria (-1.5%), Montreal (-1.7%), Hamilton (-1.7%), Ottawa-Gatineau (-2.3%) and Winnipeg (-3.6%).

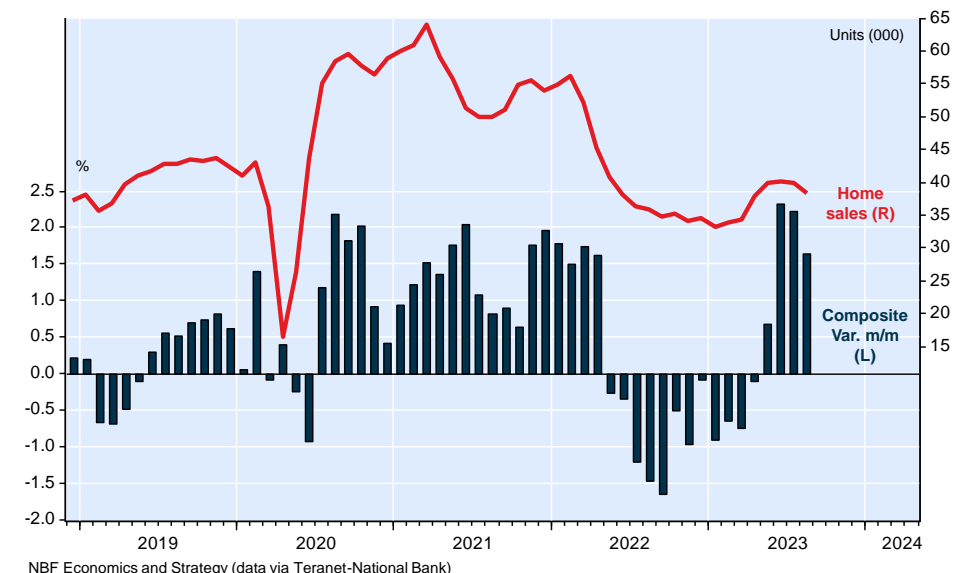
### Canada: Price correction practically erased

Decrease since last Teranet-BNC HPI peak, seasonally adjusted



### Canada: Price rises losing momentum

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

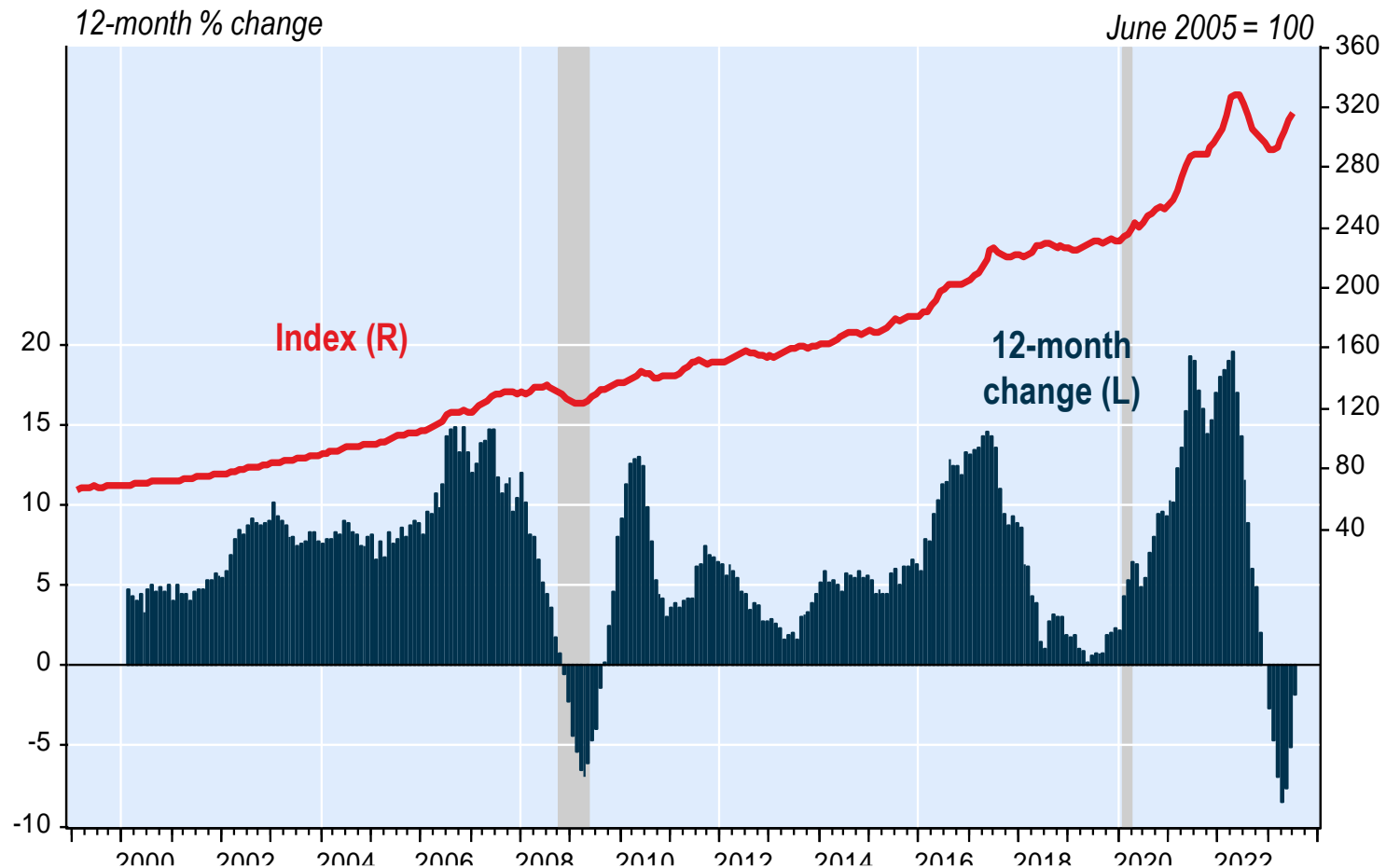


**NOTE ON METHODOLOGY:**

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

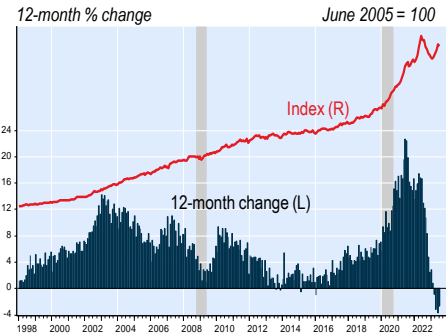
Metropolitan area	Index level *	% change m/m, NSA	% change m/m, SA	Prev. Month % change m/m, SA	% change y/y, NSA	% change from peak, SA	Peak date, SA
	July 2023						
Composite 11	315.88	1.8%	2.4%	2.1%	-1.9%	-3.8%	2022-04
Victoria	294.80	1.5%	1.6%	1.7%	-2.7%	-5.4%	2022-05
Vancouver	365.76	2.8%	3.9%	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.

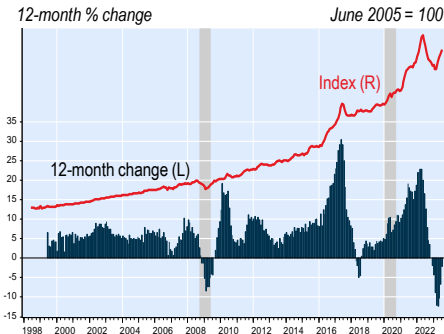
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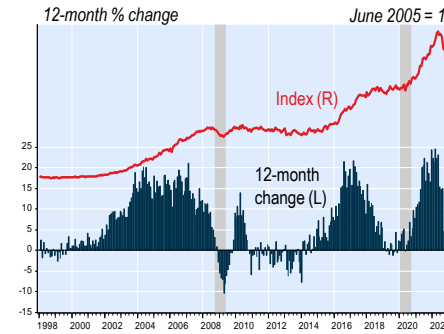
### Montreal



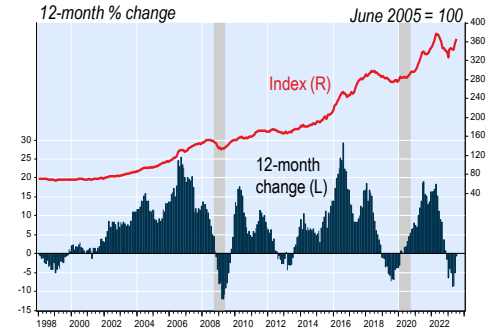
### Toronto



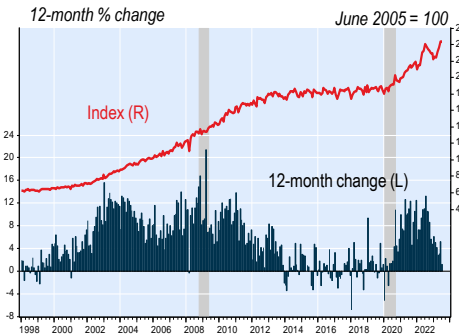
### Victoria



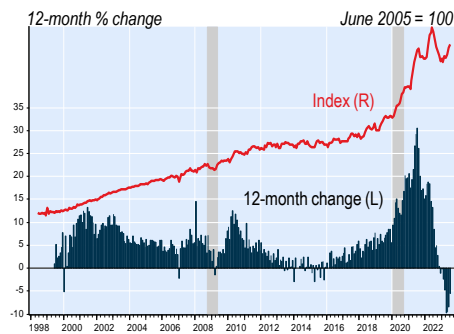
### Vancouver



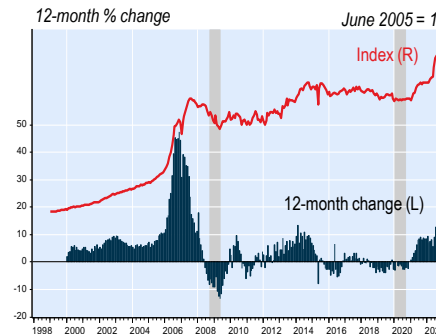
### Quebec City



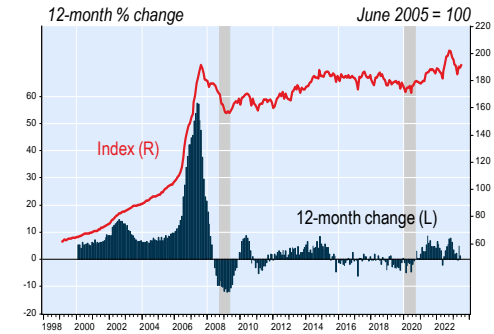
### Ottawa-Gatineau



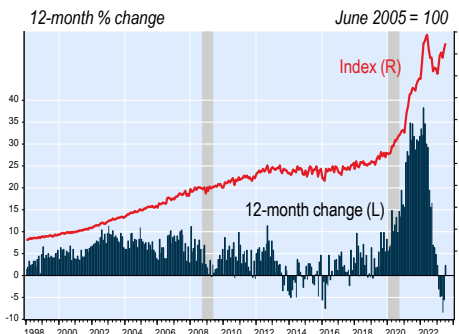
### Calgary



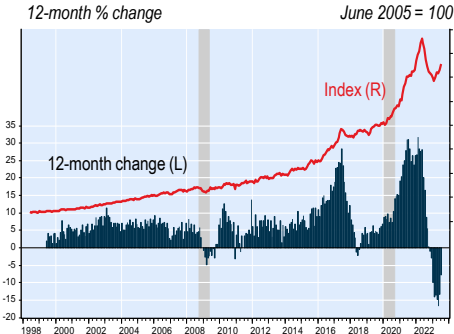
### Edmonton



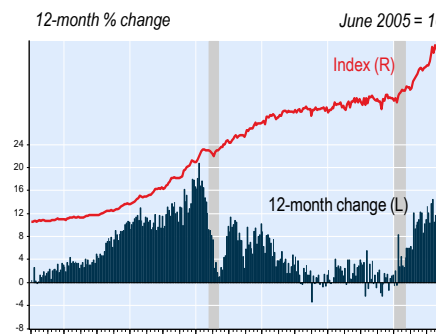
### Halifax



### Hamilton



### Winnipeg



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Economics and Strategy

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