

Canada: Home price rises moderate in September

By Daren King

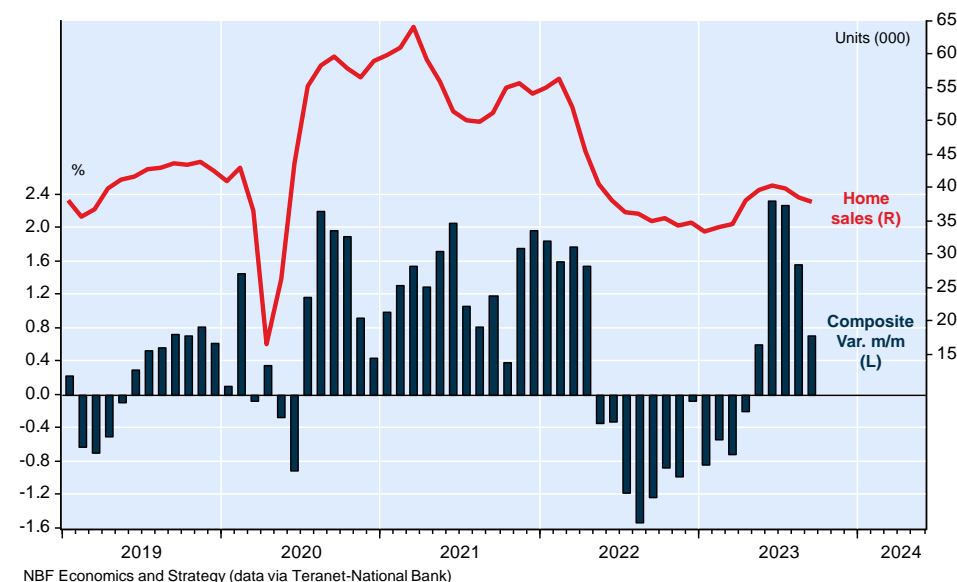
In September, the Teranet-National Bank Composite Index™ continues to grow, so that house prices are now just 1.6% off their April 2022 peak, a clear improvement on the record 8.6% decline we saw in April 2023. However, with real estate activity slowing, price growth moderated compared to the previous month for the third consecutive month, with September's 0.7% increase less than half that seen in August (left chart). Of the 31 cities covered in September, 71% experienced slower growth than the previous month, the most generalized slowdown since July 2022 and the second most widespread in the last nine years (right chart). Given the growing impact of policy rate hikes, the recent increase in longer-term bond rates and the less buoyant economic context, there is reason to believe that price declines could occur by the end of the year. However, they 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 0.7% in September after seasonal adjustment.
- After seasonal adjustment, all 11 markets in the composite index were up during the month: Halifax (+1.9%), Ottawa-Gatineau (+1.7%), Victoria (+1.7%), Vancouver (+1.1%) and Calgary (+0.9%) posted stronger-than-average growth, while Winnipeg (+0.7%) matched the composite index, and Montreal (+0.1%), Hamilton (+0.1%), Edmonton (+0.2%), Toronto (+0.5%) and Quebec City (+0.5%) saw less vigorous increases.
- From September 2022 to September 2023, the composite index rose by 3.0%, the second consecutive annual increase. Growth was seen in Halifax (+6.0%), Calgary (+6.0%), Vancouver (+5.8%), Victoria (+4.4%), Quebec City (+4.2%) and Toronto (+3.2%), while prices were stable in Ottawa-Gatineau and still falling in Edmonton (-0.7%), Montreal (-0.8%), Hamilton (-1.0%) and Winnipeg (-1.2%).

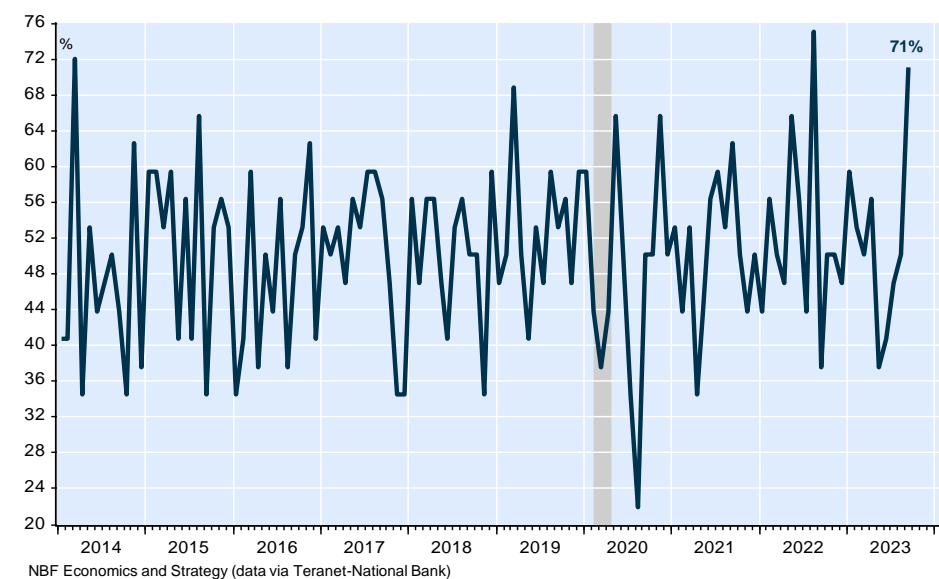
Canada: Price rises losing momentum

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



Canada: Growth moderates in most markets

Proportion (%) of markets with lower monthly growth than the previous month

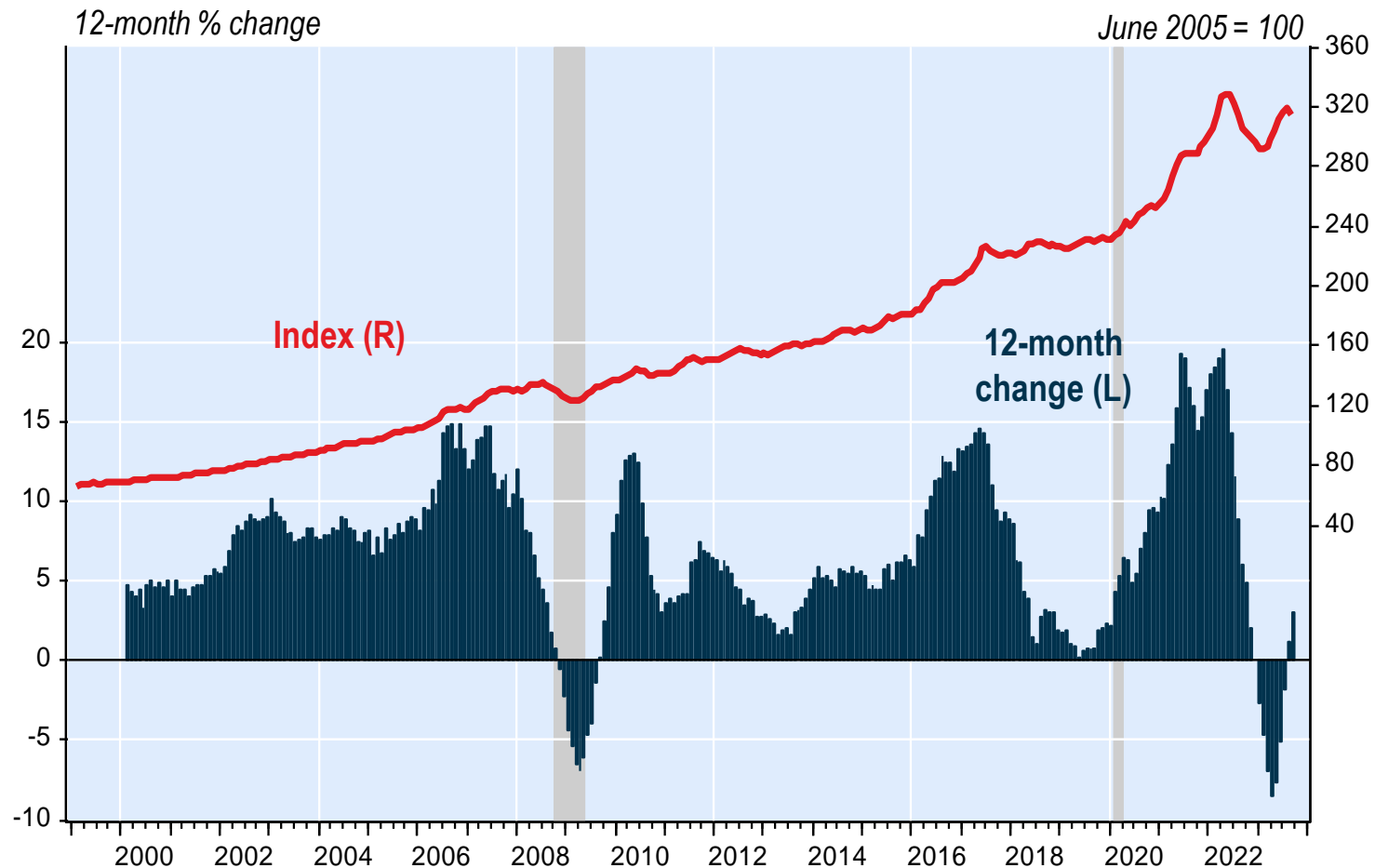


NOTE ON METHODOLOGY:

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

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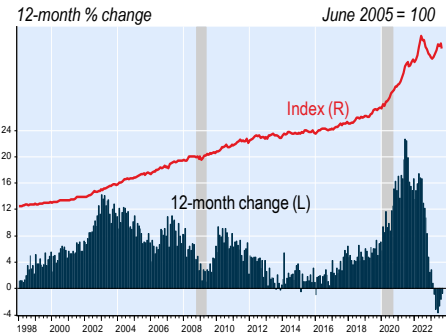
Metropolitan area	Index level *	% change m/m, NSA	% change m/m, SA	Prev. Month % change m/m, SA	% change y/y, NSA	% change from peak, SA	Peak date, SA
	September 2023						
Composite 11	313.67	-1.3%	0.7%	1.6%	3.0%	-1.6%	2022-04
Victoria	290.81	-1.3%	1.7%	0.3%	4.4%	-3.5%	2022-05
Vancouver	366.60	-1.0%	1.1%	2.7%	5.8%	0.0%	2023-09
Calgary	228.89	0.2%	0.9%	3.3%	6.0%	0.0%	2023-09
Edmonton	196.32	-0.1%	0.2%	1.1%	-0.7%	-2.4%	2022-11
Winnipeg	258.75	-0.8%	0.7%	0.8%	-1.2%	-4.4%	2022-05
Hamilton	368.46	-2.6%	0.1%	2.2%	-1.0%	-11.3%	2022-05
Toronto	354.11	-1.4%	0.5%	1.1%	3.2%	-4.1%	2022-04
Ottawa-Gatineau	256.04	-1.2%	1.7%	1.3%	0.0%	-5.7%	2022-04
Montreal	270.09	-2.4%	0.1%	0.7%	-0.8%	-4.0%	2022-06
Quebec	243.97	-0.8%	0.5%	1.2%	4.2%	0.0%	2023-09
Halifax	286.03	0.7%	1.9%	1.5%	6.0%	0.0%	2023-09
Other metropolitan areas							
Abbotsford-Mission, B.C.	364.33	0.4%	2.3%	2.4%	3.5%	-10.2%	2022-04
Kelowna, B.C.	315.19	1.0%	1.9%	2.9%	4.4%	-0.6%	2022-07
Lethbridge, Alb.	209.77	4.1%	3.6%	-4.0%	4.3%	-0.5%	2023-07
Barrie, Ont.	328.05	-2.6%	0.6%	-0.6%	-2.7%	-13.9%	2022-05
Guelph, Ont.	354.11	-0.7%	2.5%	1.7%	4.6%	-6.2%	2022-02
Brantford, Ont.	361.32	0.8%	1.4%	2.1%	-1.2%	-10.1%	2022-05
Kitchener, Ont.	352.19	-1.6%	1.9%	0.5%	2.3%	-8.1%	2022-04
St. Catharines, Ont.	345.70	-1.7%	0.9%	2.9%	-2.5%	-9.0%	2022-05
Oshawa, Ont.	359.16	-3.1%	-0.3%	0.9%	-0.2%	-12.1%	2022-05
Peterborough, Ont.	318.27	-4.9%	-1.6%	2.3%	8.3%	-15.3%	2022-05
London, Ont.	321.12	-0.4%	1.5%	2.5%	4.2%	-10.4%	2022-04
Kingston, Ont.	260.20	-4.2%	-0.8%	1.0%	-2.5%	-9.0%	2022-05
Belleville, Ont.	298.78	-5.5%	-0.3%	-0.6%	-2.7%	-11.1%	2022-04
Sudbury, Ont.	301.20	-5.4%	-5.8%	7.3%	1.1%	-5.8%	2023-08
Thunder Bay, Ont.	263.90	0.2%	-0.1%	2.1%	3.9%	-7.2%	2022-02
Windsor, Ont.	299.11	-0.4%	0.2%	2.3%	2.4%	-12.6%	2022-05
Trois-Rivières, Qc	295.81	0.6%	1.0%	1.1%	6.1%	0.0%	2023-09
Sherbrooke, Qc	283.17	7.0%	5.2%	0.6%	11.1%	0.0%	2023-09
Saint John, NB (June 2018=100)	177.38	-4.9%	-5.2%	9.5%	14.0%	-5.2%	2023-08
Moncton, NB (June 2018=100)	191.55	-3.0%	-2.8%	5.3%	7.8%	-2.8%	2023-08

*June 2005=100 except indicated otherwise.

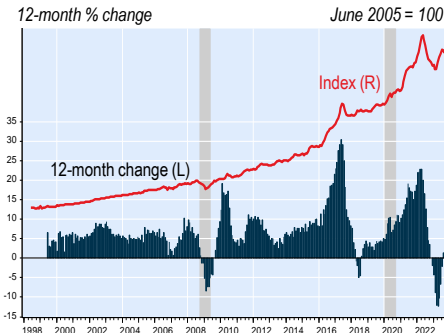
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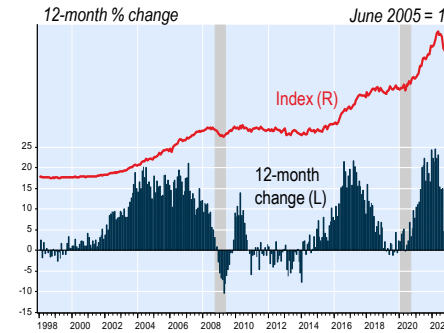
Montreal



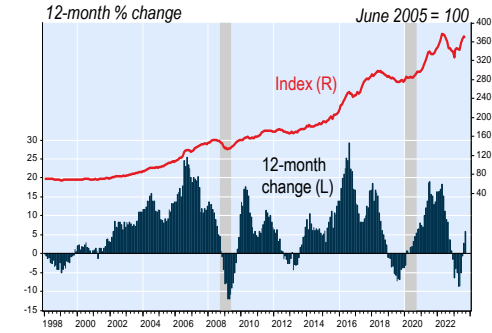
Toronto



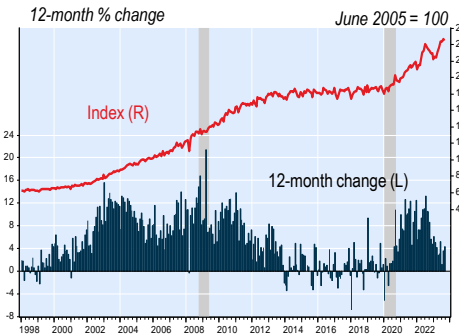
Victoria



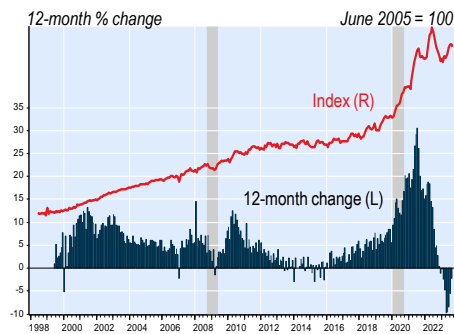
Vancouver



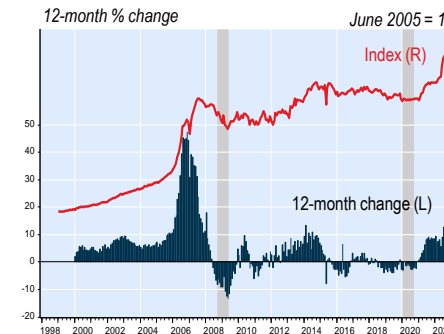
Quebec City



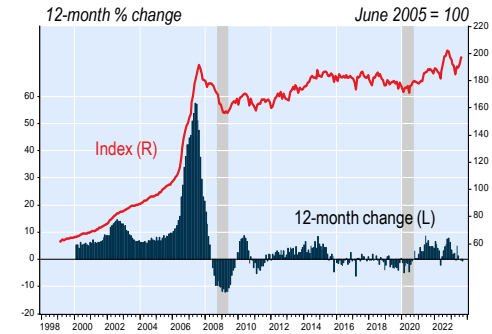
Ottawa-Gatineau



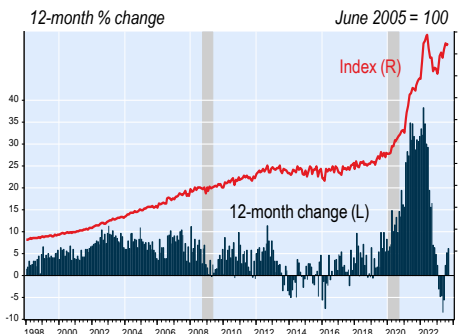
Calgary



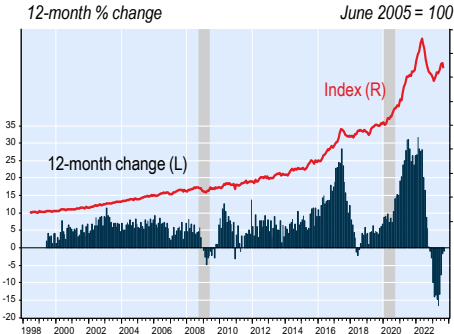
Edmonton



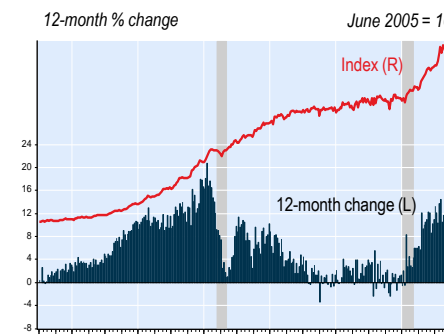
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