

Canada: Prices continued to rise slightly in March

By Daren King

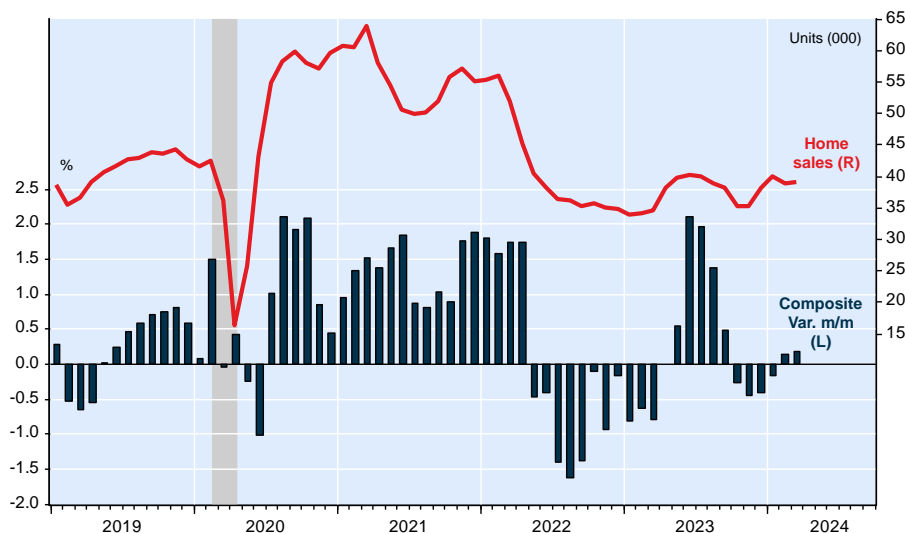
After returning to growth territory in February, the Teranet-National Bank Composite Index™ continued to rise in March, with a small gain of 0.2% on the previous month. This increase in home prices comes at a time when the housing market has regained strength since November (left chart), buoyed in particular by exceptional demographic growth, slightly more advantageous fixed mortgage interest rates and the anticipation of policy rate cuts by the Bank of Canada. Although these factors will continue to support the real estate market in the months ahead, we are cautiously optimistic about a significant recovery in the housing market in the coming months and stronger price growth. Indeed, many uncertainties remain, including a potential further deterioration in the labour market for young people, who are facing the worst affordability conditions in decades (right chart).

HIGHLIGHTS:

- The Teranet-National Bank Composite National House Price Index™ rose by 0.2% in March after seasonal adjustment.
- After seasonal adjustment, 4 of the 11 markets in the composite index were up during the month: Vancouver (+2.7%), Edmonton (+2.0%), Calgary (+1.8%) and Quebec City (+1.6%). Conversely, there were decreases in Ottawa-Gatineau (-2.0%), Hamilton (-2.0%), Halifax (-1.8%), Winnipeg (-1.4%), Montreal (-0.9%), Toronto (-0.6%) and Victoria (-0.4%).
- From March 2023 to March 2024, the composite index rose by 5.6%. Growth was seen in all 11 cities in the index. Increases were higher than average in Calgary (+14.3%), Quebec City (+10.9%), Toronto (+6.0%) and Halifax (+6.0%), while they were lower in Vancouver (+5.2%), Victoria (+5.2%), Edmonton (+4.0%), Montreal (+3.2%), Winnipeg (+2.7%), Hamilton (+2.5%) and Ottawa-Gatineau (+2.4%).

Canada: Prices continue to rise

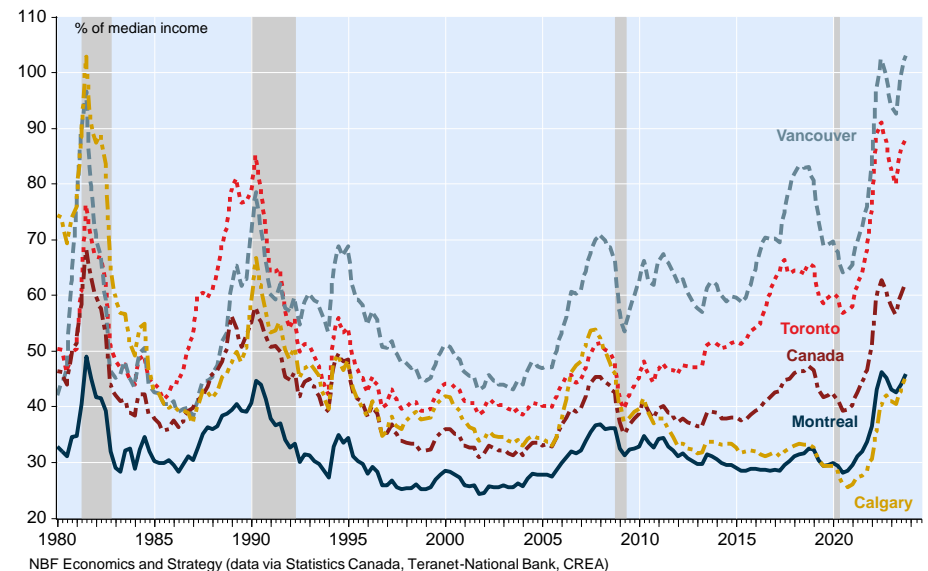
Number of transactions on the property resale market and monthly change (%) in Teranet-BNC HPI, seasonally adjusted



NBF Economics and Strategy (data via Teranet-National Bank and CREA)

Canada : Affordability challenges will limit ability to pay

Monthly mortgage payment on median home price, all types of dwellings (25 year amortization, 5-year term)



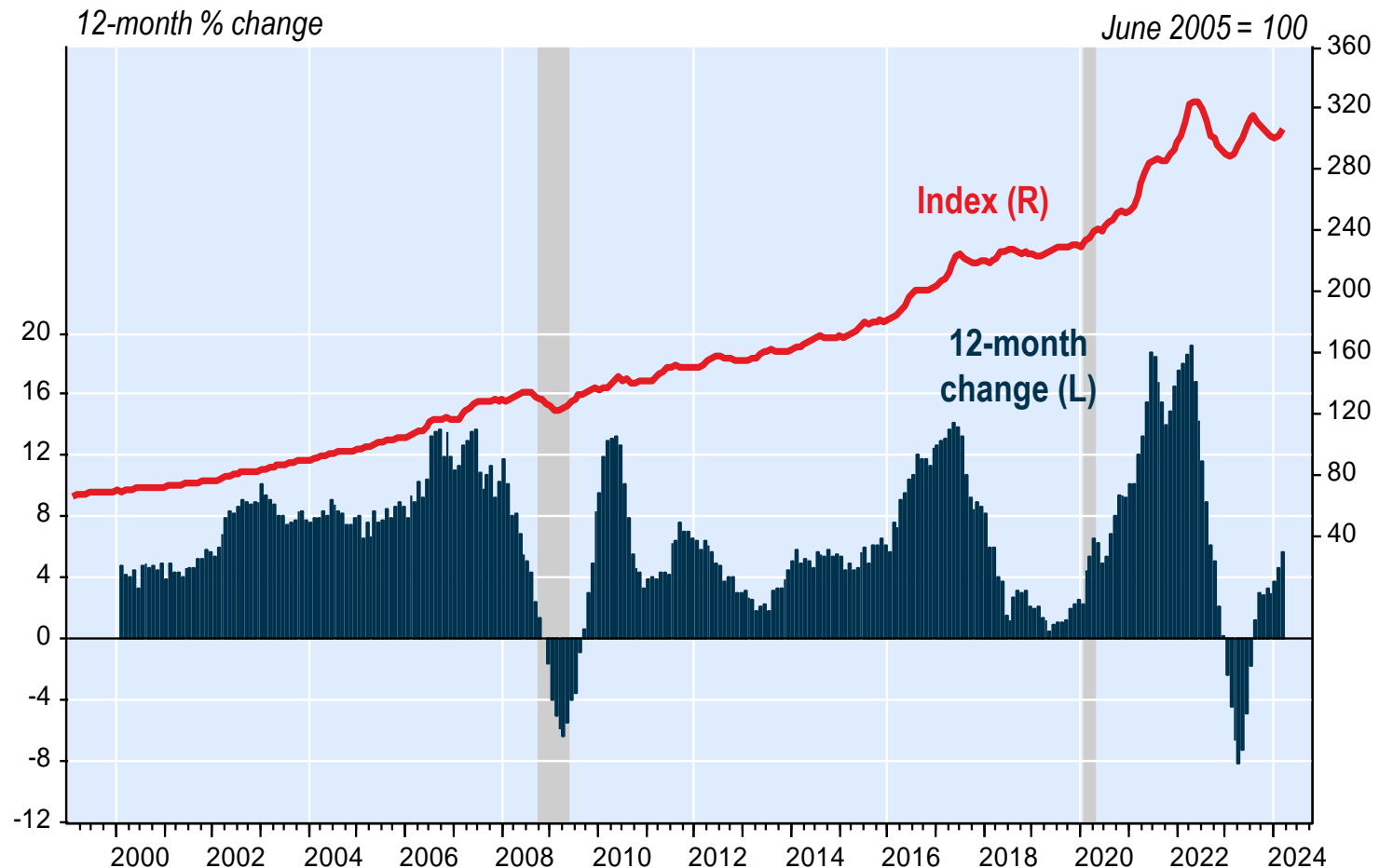
NBF Economics and Strategy (data via Statistics Canada, Teranet-National Bank, CREA)

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

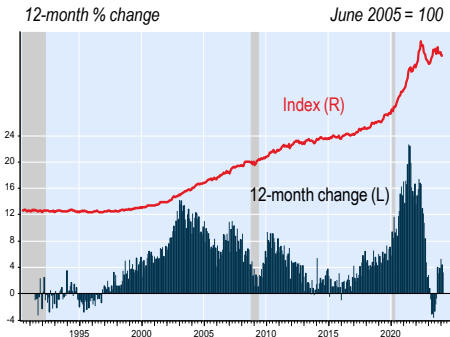
Metropolitan area	Index level *	% change m/m, NSA	% change m/m, SA	Prev. Month % change m/m, SA	% change y/y, NSA	% change from peak, SA	Peak date, SA
	March 2024						
Composite 11	305.74	1.6%	0.2%	0.1%	5.6%	-3.3%	2022-04
Victoria	282.16	-1.6%	-0.4%	1.4%	5.2%	-5.6%	2022-05
Vancouver	363.06	4.2%	2.7%	-0.8%	5.2%	-3.1%	2022-04
Calgary	237.63	2.4%	1.8%	1.7%	14.3%	0.0%	2024-03
Edmonton	198.15	1.9%	2.0%	-0.2%	4.0%	0.0%	2024-03
Winnipeg	245.68	-1.9%	-1.4%	-0.1%	2.7%	-5.4%	2022-05
Hamilton	357.16	-0.2%	-2.0%	-0.3%	2.5%	-14.8%	2022-05
Toronto	343.94	1.3%	-0.6%	0.5%	6.0%	-8.2%	2022-04
Ottawa-Gatineau	251.57	0.0%	-2.0%	1.1%	2.4%	-5.2%	2022-04
Montreal	267.04	-0.2%	-0.9%	-0.4%	3.2%	-2.4%	2022-06
Quebec	247.50	1.2%	1.6%	0.0%	10.9%	0.0%	2024-03
Halifax	287.94	2.1%	-1.8%	-1.8%	6.0%	-3.6%	2023-12
Other metropolitan areas							
Abbotsford-Mission, B.C.	359.60	2.8%	0.1%	-2.3%	8.4%	-15.5%	2022-04
Kelowna, B.C.	286.25	-1.1%	-3.9%	-3.2%	-3.3%	-9.5%	2022-03
Lethbridge, Alb.	214.37	3.3%	4.0%	-1.8%	9.2%	0.0%	2024-03
Barrie, Ont.	324.52	-1.5%	-1.9%	4.5%	1.3%	-15.5%	2022-05
Guelph, Ont.	324.99	-3.4%	-7.6%	1.8%	0.5%	-16.6%	2022-04
Brantford, Ont.	371.33	5.4%	1.9%	1.6%	8.1%	-8.0%	2022-05
Kitchener, Ont.	343.86	-1.1%	-4.3%	3.7%	4.0%	-13.0%	2022-04
St. Catharines, Ont.	346.28	3.3%	-1.6%	2.7%	1.6%	-10.2%	2022-05
Oshawa, Ont.	362.03	5.0%	0.4%	1.0%	7.3%	-14.6%	2022-05
Peterborough, Ont.	308.83	0.8%	-0.8%	-0.1%	4.9%	-15.8%	2022-05
London, Ont.	313.85	2.9%	0.2%	-1.8%	5.6%	-12.0%	2022-04
Kingston, Ont.	271.58	10.3%	12.0%	-6.8%	4.1%	-2.5%	2022-05
Belleville, Ont.	307.16	1.9%	-2.5%	0.4%	3.6%	-7.8%	2022-04
Sudbury, Ont.	297.45	-1.1%	-3.7%	6.8%	10.6%	-3.7%	2024-02
Thunder Bay, Ont.	266.03	1.2%	0.6%	0.5%	3.4%	0.0%	2024-03
Windsor, Ont.	297.91	2.5%	0.9%	-0.9%	2.6%	-11.1%	2022-05
Trois-Rivières, Qc	298.78	1.0%	-1.0%	7.8%	9.1%	-1.0%	2024-02
Sherbrooke, Qc	282.15	-0.5%	0.7%	-2.9%	4.6%	-2.2%	2024-01
Saint John, NB (June 2018=100)	173.92	-2.0%	-2.6%	4.1%	9.4%	-4.7%	2023-08
Moncton, NB (June 2018=100)	205.99	4.8%	8.9%	-0.2%	24.5%	0.0%	2024-03

*June 2005=100 except indicated otherwise.

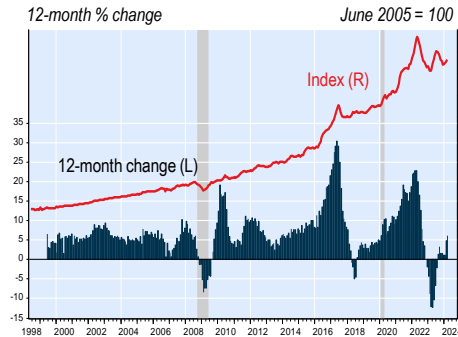
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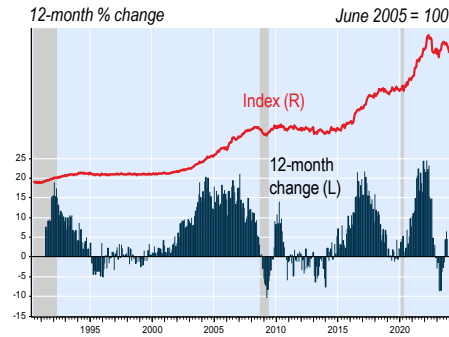
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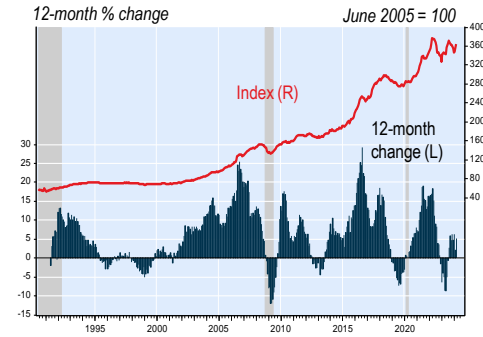
Toronto



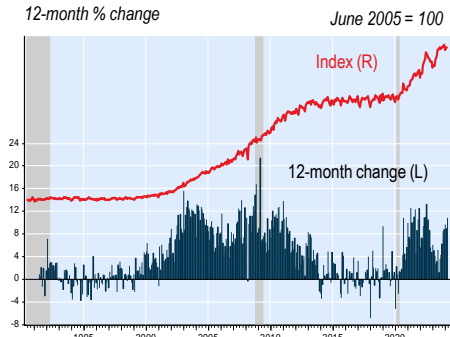
Victoria



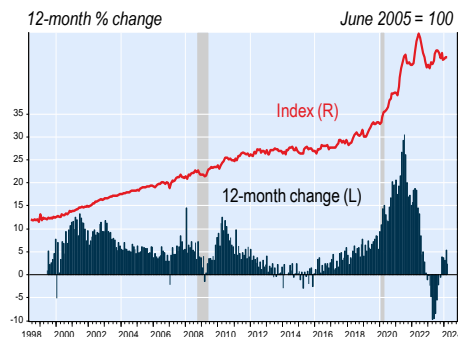
Vancouver



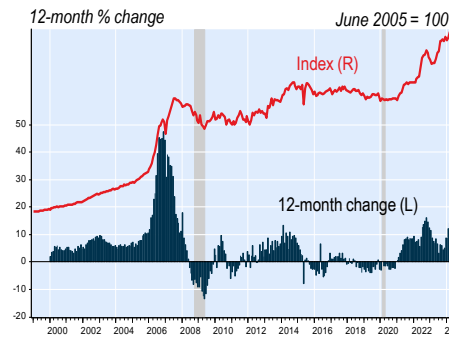
Quebec City



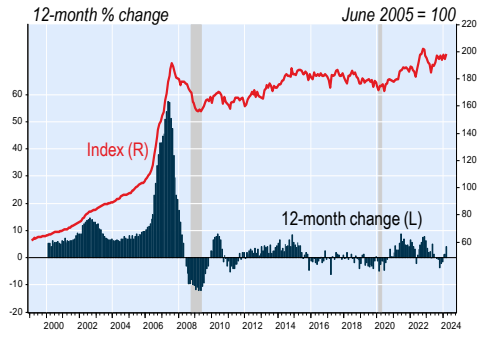
Ottawa-Gatineau



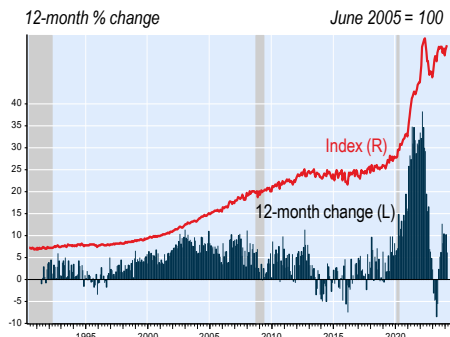
Calgary



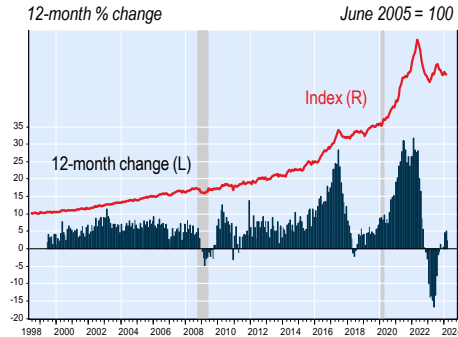
Edmonton



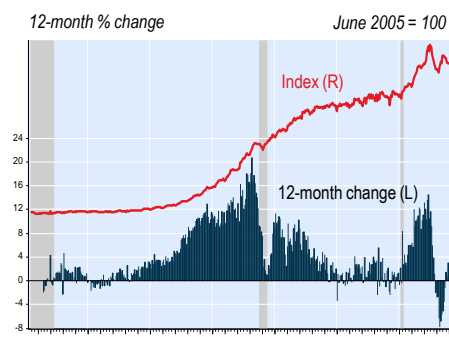
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