

# Teranet-National Bank House Price Index

Economics and Strategy

June 19, 2024

## Canada: Prices up in May despite a persistently sluggish resale market

By Daren King

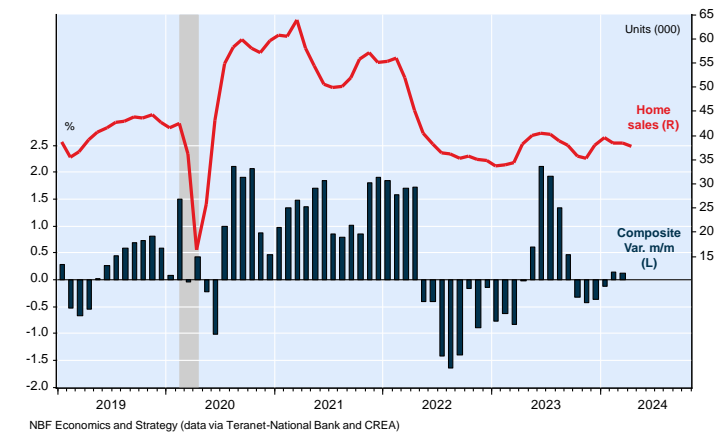
### Highlights:

- The Teranet–National Bank Composite National House Price Index™ rose by 0.5% from April to May, after seasonal adjustments.
- Seven of the 11 markets in the composite index were up during the month: Halifax (+1.5%), Hamilton (+1.1%), Calgary (+1.0%), Vancouver (+1.0%), Victoria (+0.8%), Toronto (+0.5%) and Quebec City (+0.5%). Conversely, prices fell in Edmonton (-0.7%), Winnipeg (-0.6%) and Ottawa-Gatineau (-0.2%), while they remained stable in Montreal.
- From May 2023 to May 2024, the composite index rose by 5.7%. Growth was observed in all 11 cities making up the index. Increases were stronger than average in Calgary (+16.4%), Halifax (+11.4%), Vancouver (+8.7%), Quebec City (+6.7%), Ottawa-Gatineau (+6.5%) and Edmonton (+5.9%), while they were lower in Winnipeg (+1.9%), Victoria (+2.2%), Toronto (+2.8%), Hamilton (+5.0%) and Montreal (+5.5%).

After remaining relatively stable since the start of 2024, house prices in Canada's major urban centers rose by 0.5% from April to May, against a backdrop of renewed optimism following the start of the monetary easing cycle by the Bank of Canada. The increase observed in May was entirely due to a rise in prices in the non-condo segment (+0.7%), while condo prices have remained relatively stable since August 2023 (top chart) as inventory in this segment continues to accumulate. While record population growth, the shortage of housing supply and the start of rate cuts by the Bank of Canada will continue to support the Canadian real estate market in the months ahead, we are cautiously optimistic about the magnitude of any recovery in the housing market in the months ahead and its potential impact on prices. Indeed, many uncertainties remain, including the risk of a further deterioration in the labour market, particularly among young people who are facing the worst affordability conditions in decades (bottom chart).

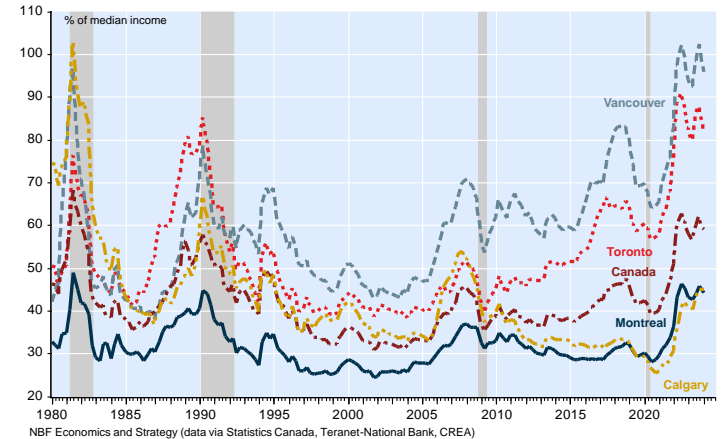
### Canada: Prices stabilize in April

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



### 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)



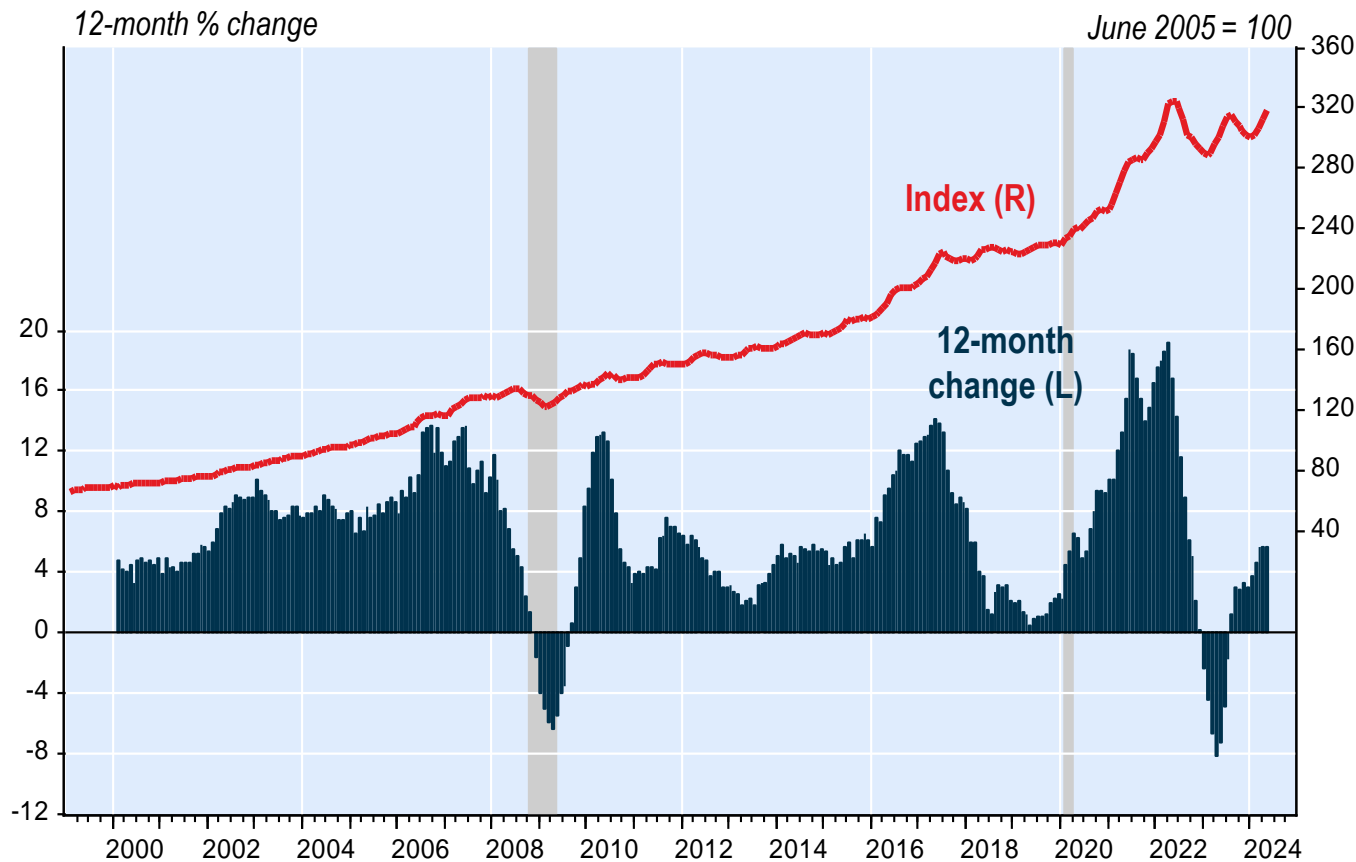


**Note on methodology:**

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™**



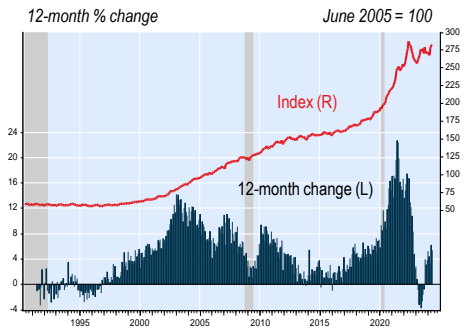


Metropolitan area	Index level *	% change m/m, NSA	% change m/m, SA	Prev. Month % change m/m, SA	% change y/y, NSA	% change from peak, SA	Peak date, SA
	May 2024						
Composite 11	316.91	1.7%	0.5%	0.0%	5.7%	-2.8%	2022-04
Victoria	288.14	1.4%	0.8%	-1.9%	2.2%	-6.7%	2022-05
Vancouver	372.33	1.3%	1.0%	0.6%	8.7%	-1.3%	2022-04
Calgary	246.62	2.1%	1.0%	1.9%	16.4%	0.0%	2024-05
Edmonton	201.39	-0.2%	-0.7%	2.2%	5.9%	-0.7%	2024-04
Winnipeg	258.22	1.5%	-0.6%	0.3%	1.9%	-5.6%	2022-05
Hamilton	375.77	1.0%	1.1%	0.5%	5.0%	-13.0%	2022-05
Toronto	356.10	2.2%	0.5%	-1.2%	2.8%	-8.9%	2022-04
Ottawa-Gatineau	263.35	2.5%	-0.2%	0.5%	6.5%	-5.0%	2022-04
Montreal	282.35	1.1%	0.0%	2.3%	5.5%	-0.3%	2022-06
Quebec	252.26	1.8%	0.4%	-2.0%	6.7%	-1.7%	2024-03
Halifax	300.46	4.0%	1.5%	-0.6%	11.4%	-2.8%	2023-12
<b>Other metropolitan areas</b>							
Abbotsford-Mission, B.C.	368.04	3.7%	1.7%	-2.0%	7.7%	-15.8%	2022-04
Kelowna, B.C.	303.41	-0.7%	0.2%	6.0%	1.4%	-4.1%	2022-07
Lethbridge, Alb.	219.41	2.0%	2.1%	0.7%	13.1%	0.0%	2024-05
Barrie, Ont.	341.32	3.5%	1.7%	-1.7%	2.1%	-15.4%	2022-05
Guelph, Ont.	347.33	-0.7%	-3.0%	5.8%	0.9%	-14.5%	2022-04
Brantford, Ont.	358.08	3.1%	1.6%	-9.1%	9.0%	-14.9%	2022-05
Kitchener, Ont.	359.18	1.2%	0.8%	0.6%	5.5%	-11.7%	2022-04
St. Catharines, Ont.	350.25	4.0%	1.2%	-3.0%	1.5%	-11.9%	2022-05
Oshawa, Ont.	366.77	0.1%	0.9%	-1.1%	3.6%	-15.0%	2022-05
Peterborough, Ont.	323.25	4.4%	0.9%	-1.4%	3.6%	-16.1%	2022-05
London, Ont.	319.16	-0.2%	-2.5%	-0.3%	1.3%	-14.6%	2022-04
Kingston, Ont.	276.21	2.3%	-1.4%	-4.9%	3.8%	-8.4%	2022-05
Belleville, Ont.	313.31	-0.6%	1.5%	-1.4%	3.6%	-9.6%	2022-04
Sudbury, Ont.	308.77	1.6%	-2.9%	-0.4%	3.7%	-7.1%	2024-02
Thunder Bay, Ont.	276.06	2.5%	0.0%	-1.7%	10.4%	-2.4%	2024-02
Windsor, Ont.	314.04	2.8%	1.2%	-0.8%	7.8%	-10.2%	2022-05
Trois-Rivières, Qc	311.20	1.3%	1.2%	0.0%	10.5%	0.0%	2024-05
Sherbrooke, Qc	290.91	4.0%	1.4%	-1.2%	10.0%	-2.2%	2024-01
Saint John, NB (June 2018=100)	184.59	5.9%	8.8%	-1.7%	14.6%	0.0%	2024-05
Moncton, NB (June 2018=100)	212.01	2.8%	1.9%	-4.8%	17.9%	-3.0%	2024-03

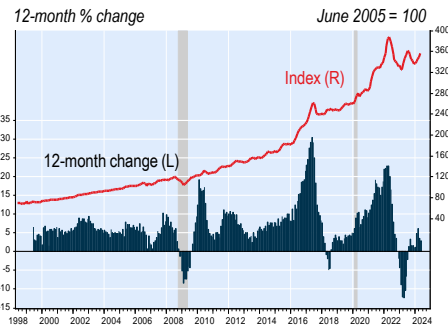
\*June 2005=100 except indicated otherwise.



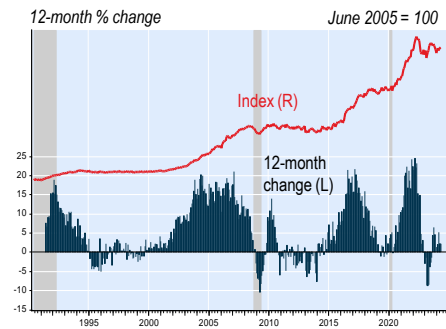
### Montreal



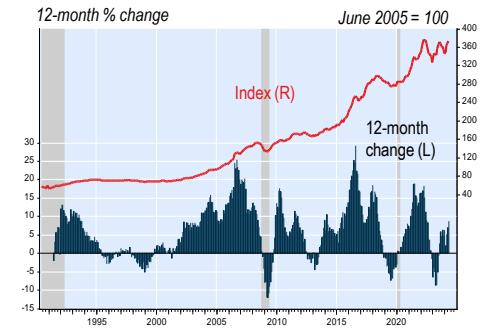
### Toronto



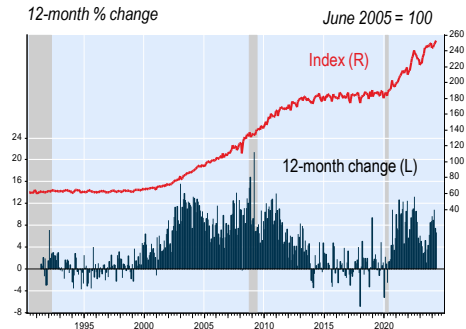
### Victoria



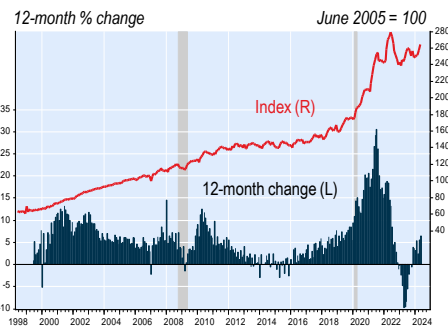
### Vancouver



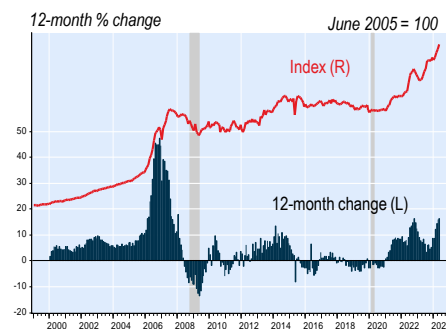
### Quebec City



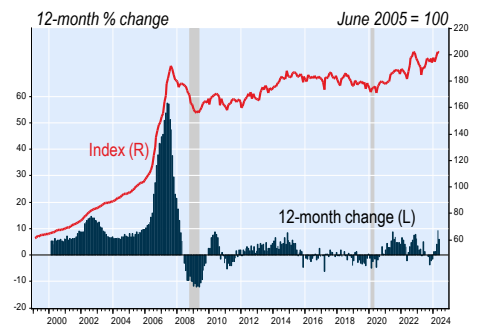
### Ottawa-Gatineau



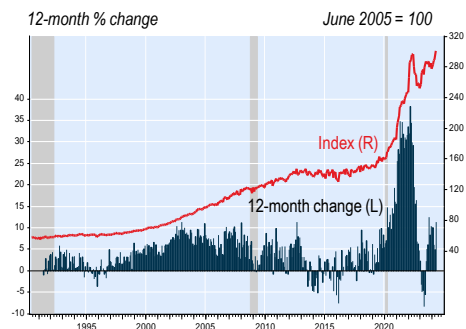
### Calgary



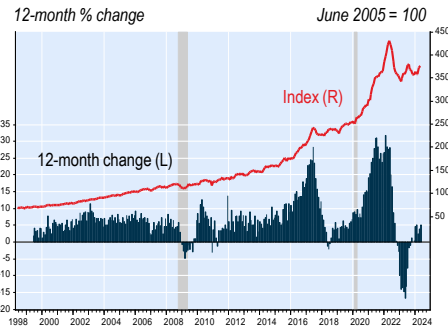
### Edmonton



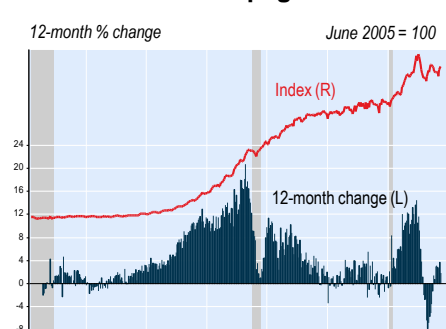
### Halifax



### Hamilton



### Winnipeg



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