

Canada: Prices remained stable in June

By Daren King

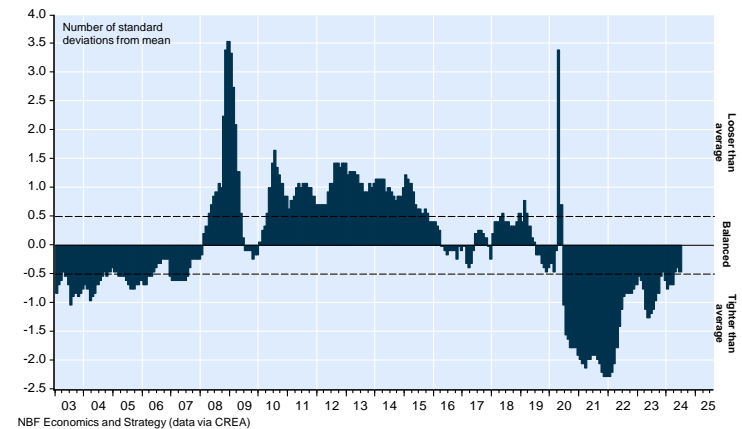
Highlights:

- The Teranet–National Bank Composite National House Price Index™ remained stable from May to June, after seasonal adjustments.
- Five of the 11 markets in the composite index were up during the month: Winnipeg (+3.9%), Edmonton (+2.3%), Quebec City (+1.1%), Calgary (+0.1%) and Toronto (+0.1%). Conversely, prices fell in Hamilton (-2.2%), Halifax (-0.8%), Ottawa-Gatineau (-0.8%), Vancouver (-0.3%) and Montreal (-0.3%), while they remained stable in Victoria.
- From June 2023 to June 2024, the composite index rose by 3.6%. Growth was observed in all 11 cities making up the index. Increases were higher than average in Calgary (+14.6%), Edmonton (+8.7%), Quebec City (+6.3%), Winnipeg (+5.8%), Halifax (+5.7%), Vancouver (+4.7%), Ottawa-Gatineau (+4.3%) and Montreal (+4.2%), while they were lower in Hamilton (+1.7%), Toronto (+0.8%) and Victoria (+0.2%).

After experiencing modest increases since the start of 2024, house prices in Canada's major urban centers remained stable in June, while market conditions for the housing market continue to indicate balanced conditions between buyers and sellers (top chart). It's true that the beginning of the monetary easing cycle in June encouraged more buyers to take action during the month, but we didn't see a major wave of new transactions that could have put upward pressure on prices. While record population growth, a shortage of housing supply and upcoming 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 coming months, 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). It's true that consumer confidence has been somewhat reinvigorated by the start of overnight rate cuts, but interest rates remain in highly restrictive territory for the time being.

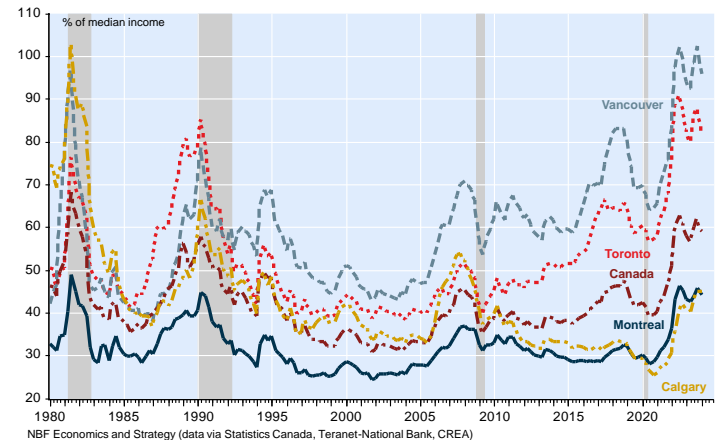
Canada: Housing market conditions remained balanced

End-of-month-listing-to-sale ratio. Last observation: June 2024



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)



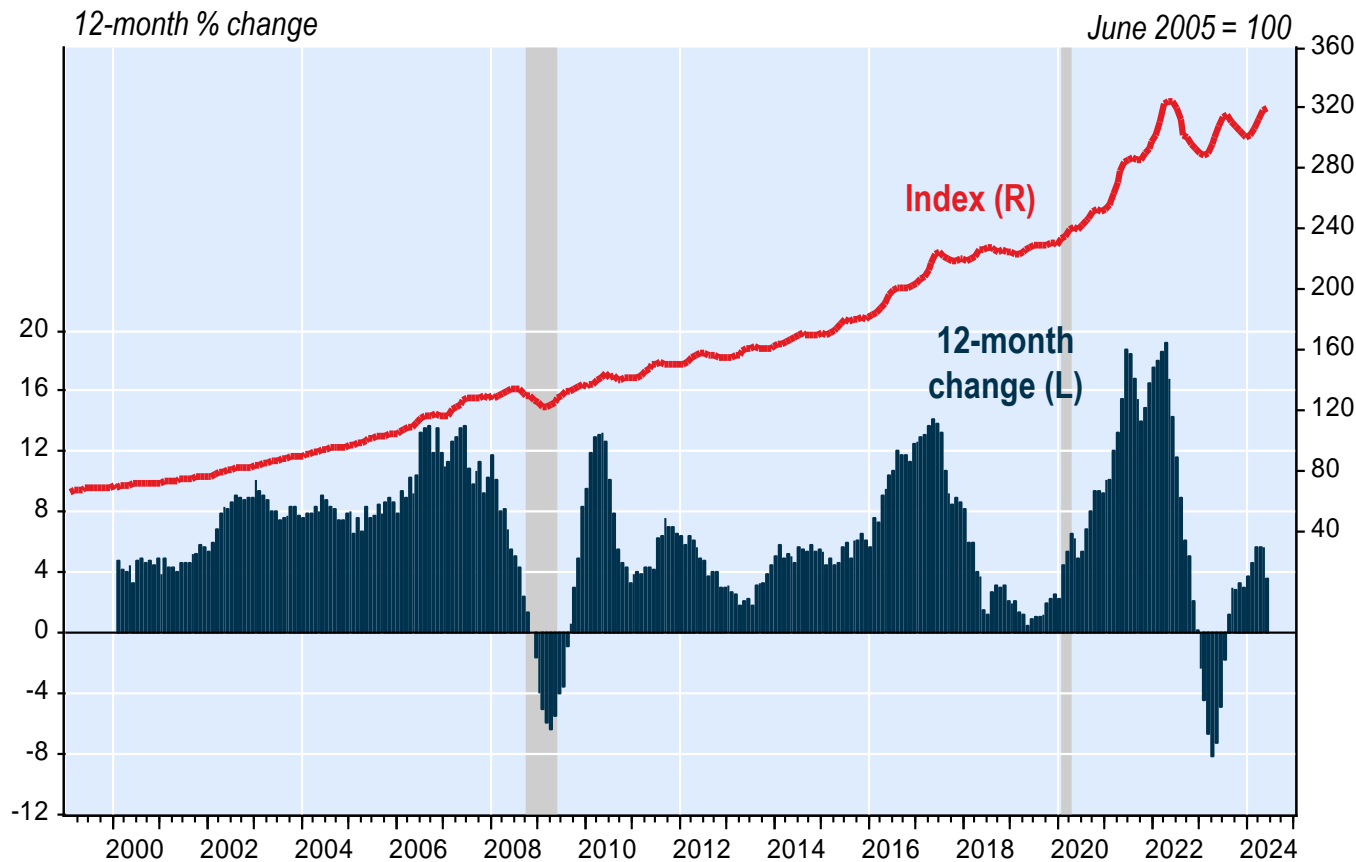


Note on methodology:

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™



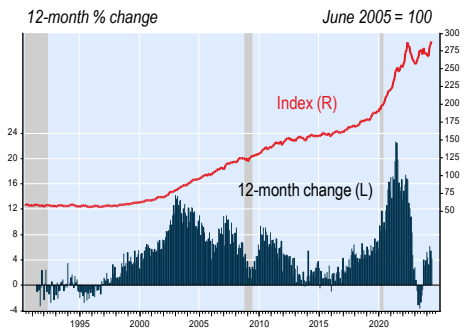


Metropolitan area	Index level *	% change m/m, NSA	% change m/m, SA	Prev. Month % change m/m, SA	% change y/y, NSA	% change from peak, SA	Peak date, SA
	June 2024						
Composite 11	318.42	0.5%	0.0%	0.2%	3.6%	-3.1%	2022-04
Victoria	290.99	1.0%	0.0%	0.8%	0.2%	-6.7%	2022-05
Vancouver	372.66	0.1%	-0.3%	0.6%	4.7%	-2.0%	2022-04
Calgary	249.25	1.1%	0.1%	0.8%	14.6%	0.0%	2024-06
Edmonton	205.78	2.2%	2.3%	-0.1%	8.7%	0.0%	2024-06
Winnipeg	265.12	2.7%	3.9%	-0.5%	5.8%	-1.8%	2022-05
Hamilton	370.84	-1.3%	-2.2%	1.0%	1.7%	-15.0%	2022-05
Toronto	355.99	0.0%	0.1%	0.0%	0.8%	-9.2%	2022-04
Ottawa-Gatineau	265.80	0.9%	-0.8%	-0.2%	4.3%	-5.8%	2022-04
Montreal	287.53	1.8%	-0.3%	0.0%	4.2%	-0.4%	2023-10
Quebec	258.81	2.6%	1.1%	0.5%	6.3%	-0.4%	2024-03
Halifax	295.19	-1.8%	-0.8%	1.6%	5.7%	-3.4%	2023-12
Other metropolitan areas							
Abbotsford-Mission, B.C.	364.14	-1.1%	0.4%	1.8%	5.5%	-15.4%	2022-04
Kelowna, B.C.	299.73	-1.2%	-2.1%	0.1%	-1.7%	-6.2%	2022-07
Lethbridge, Alb.	224.37	2.3%	1.4%	2.1%	11.7%	0.0%	2024-06
Barrie, Ont.	343.51	0.6%	0.2%	1.7%	0.7%	-15.1%	2022-05
Guelph, Ont.	345.01	-0.7%	0.8%	-3.0%	1.1%	-13.7%	2022-04
Brantford, Ont.	361.87	1.1%	1.8%	1.8%	3.1%	-13.3%	2022-05
Kitchener, Ont.	355.71	-1.0%	-2.1%	0.6%	-0.7%	-13.7%	2022-04
St. Catharines, Ont.	345.30	-1.4%	-0.4%	1.0%	2.9%	-12.3%	2022-05
Oshawa, Ont.	368.64	0.5%	0.3%	0.9%	0.8%	-14.7%	2022-05
Peterborough, Ont.	324.32	0.3%	-2.0%	0.9%	0.9%	-17.8%	2022-05
London, Ont.	320.87	0.5%	-0.6%	-2.5%	0.9%	-15.2%	2022-04
Kingston, Ont.	283.91	2.8%	0.8%	-1.4%	3.8%	-7.6%	2022-05
Belleville, Ont.	313.65	0.1%	-2.7%	1.4%	0.7%	-12.1%	2022-04
Sudbury, Ont.	317.46	2.8%	2.7%	-3.0%	6.9%	-4.6%	2024-02
Thunder Bay, Ont.	297.04	7.6%	3.5%	0.1%	13.0%	0.0%	2024-06
Windsor, Ont.	309.60	-1.4%	-2.3%	1.1%	2.9%	-12.3%	2022-05
Trois-Rivières, Qc	319.19	2.6%	-0.8%	1.1%	8.5%	-0.9%	2024-02
Sherbrooke, Qc	297.12	2.1%	0.7%	1.5%	6.6%	-1.3%	2024-01
Saint John, NB (June 2018=100)	179.36	-2.8%	-7.1%	8.8%	11.8%	-7.1%	2024-05
Moncton, NB (June 2018=100)	209.26	-1.3%	-1.6%	1.9%	13.9%	-4.7%	2024-03

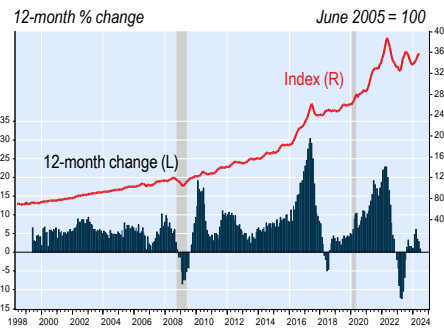
*June 2005=100 except indicated otherwise.



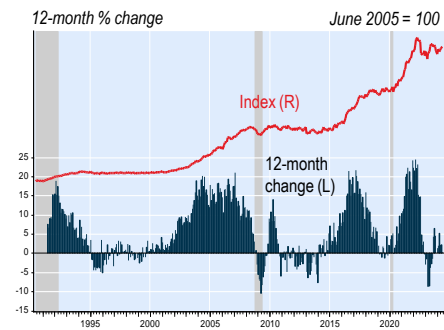
Montreal



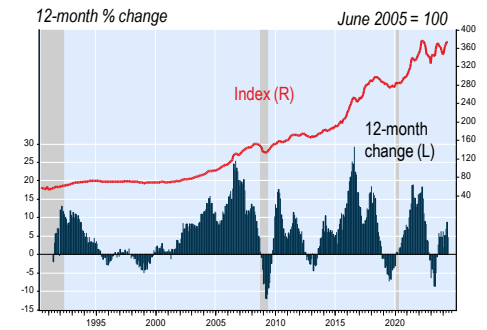
Toronto



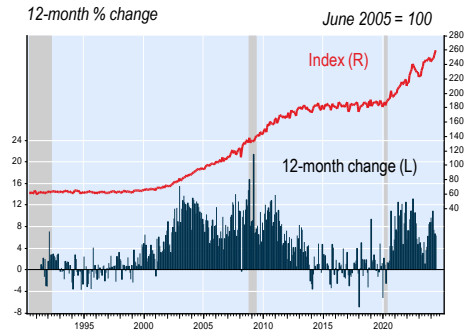
Victoria



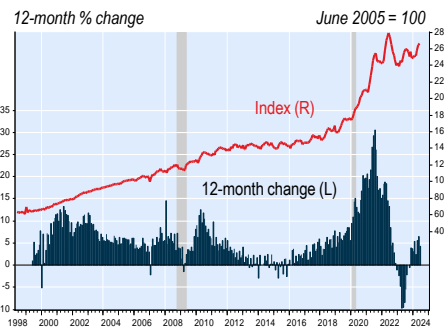
Vancouver



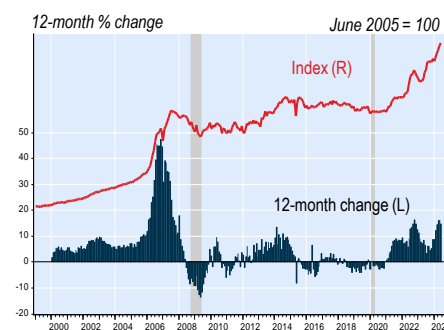
Quebec City



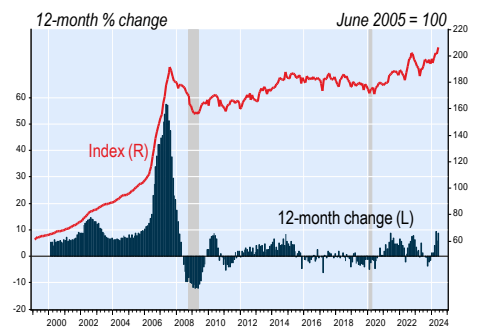
Ottawa-Gatineau



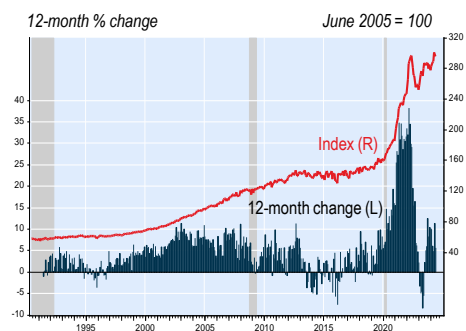
Calgary



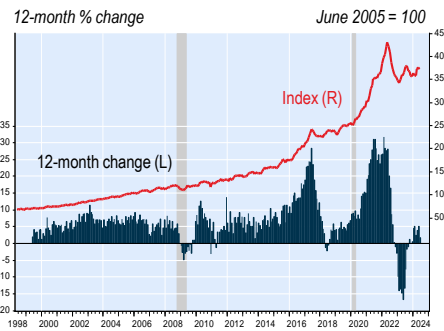
Edmonton



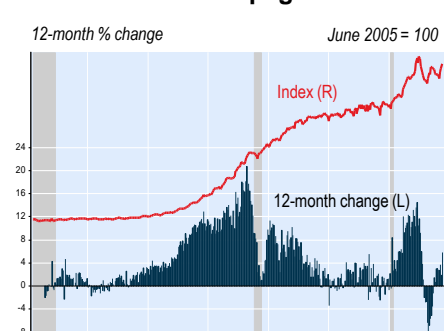
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