

Teranet-National Bank House Price Index

Economics and Strategy

March 19, 2025

Canada: Uncertainty curbs home prices in February

By Daren King

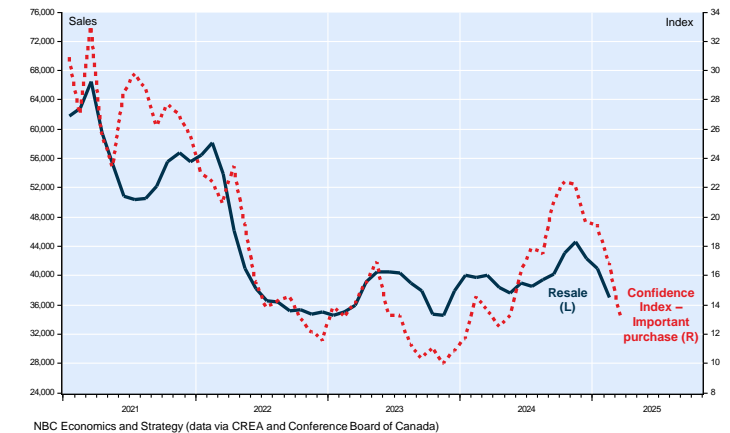
Highlights:

- The Teranet–National Bank Composite National House Price Index™ decreased by 0.1% from January to February after seasonal adjustment.
- Three of the 11 markets in the composite index were down during the month: Victoria (-1.4%), Vancouver (-0.9%) and Toronto (-0.5%). Conversely, prices rose in Halifax (+2.8%), Winnipeg (+0.9%), Montreal (+0.9%), Edmonton (+0.9%), Calgary (+0.8%), Quebec City (+0.6%), Ottawa-Gatineau (+0.3%) and Hamilton (+0.2%).
- From February 2024 to February 2025, the composite index increased by 2.9%. Growth was observed in nine of the 11 cities that make up the index: Quebec City (+14.0%), Halifax (+10.0%), Montreal (+8.2%), Calgary (+7.1%), Edmonton (+6.6%), Winnipeg (+4.4%), Ottawa-Gatineau (+4.3%), Vancouver (+3.1%) and Hamilton (+0.6%). Victoria (-0.8%) and Toronto (-0.3%) were the only markets to decline.

The Teranet-National Bank composite index decreased by 0.1% for a second consecutive month in February. This decline in prices comes at a time when the resale housing market has slowed sharply in recent months, due in part to uncertainty surrounding trade tensions with the United States. Consumer confidence is in free fall and the most recent data on their willingness to make major purchases (such as a property) indicate that the slowdown could continue (top graph). On a year-on-year basis, the increase in home prices is now limited to just 2.9%, with notable regional differences. Indeed, it is interesting to note that the highest price increases have been observed in the most affordable markets in the country, while the most expensive markets are at the bottom of the list (bottom graph). Unless the current trade war is resolved quickly, home prices are expected to remain under pressure, particularly in the least affordable markets. Although the Bank of Canada's recent interest rate cuts will provide some support to the real estate market, the inflation situation makes additional support increasingly uncertain, at least in the short term. This, combined with a significant moderation in population growth in a context of a less vigorous labour market than previously thought, represents a headwind for real estate asset prices in Canada.

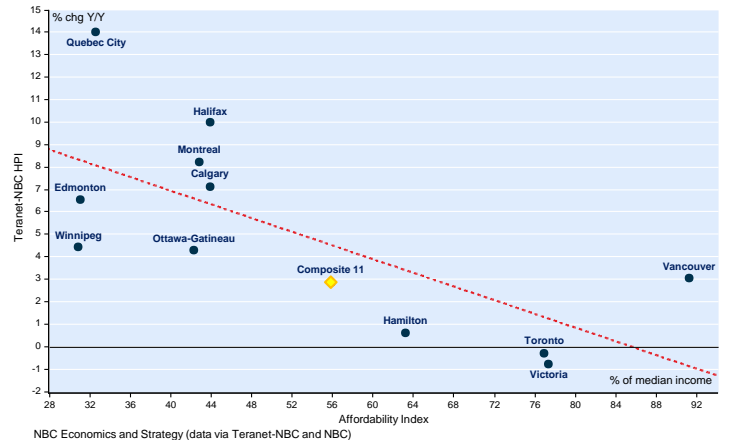
Canada: Home sales fall with consumer confidence

Transactions on the housing resale market and confidence index of consumers who believe that it is a good (or bad) time to make significant purchases such as a house (%good/(%good+%bad))



Canada: Higher price increase in the most affordable markets

Annual change (%) in Teranet-NBC HPI and NBC Affordability Index (monthly mortgage payment as % of median household income)



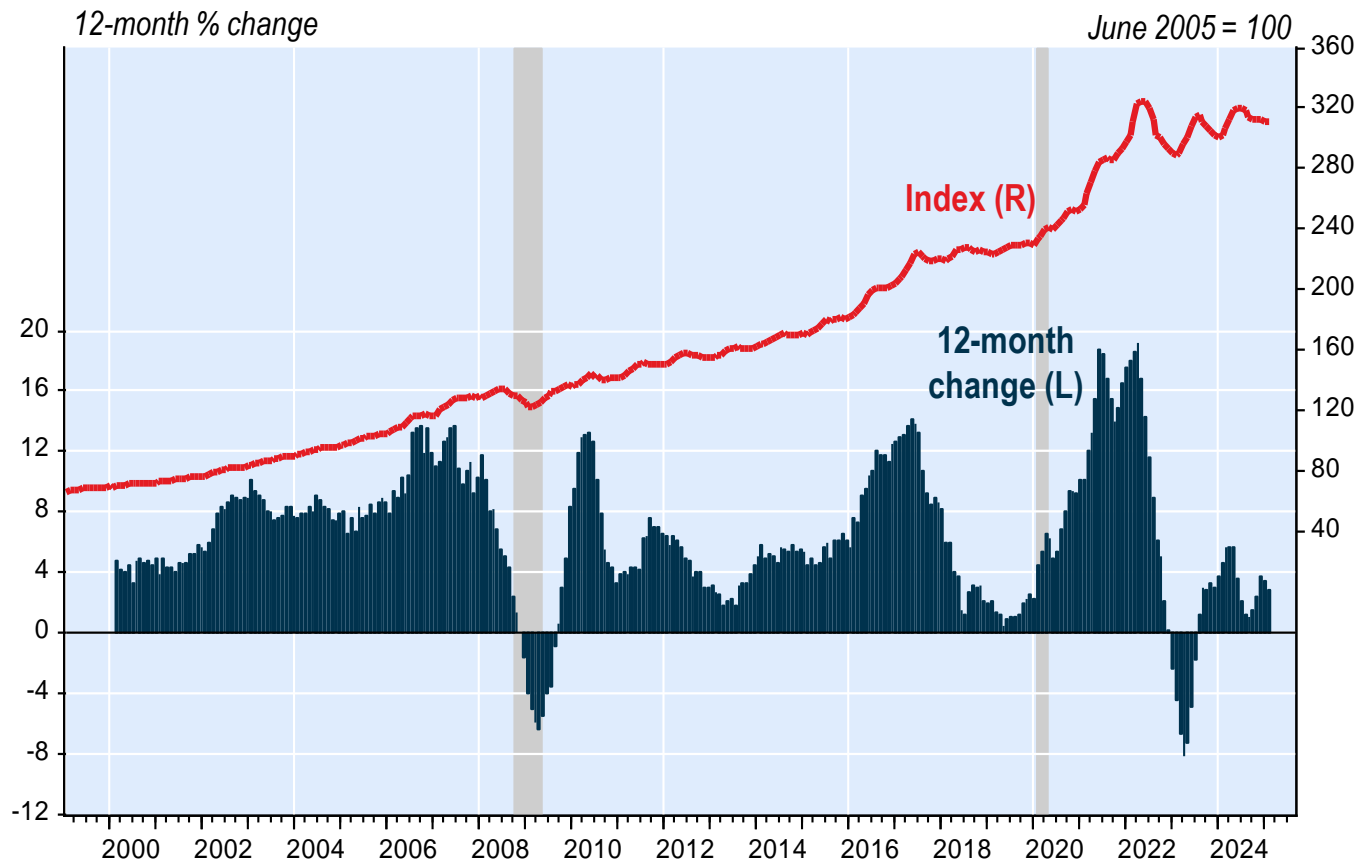


Note on methodology:

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™



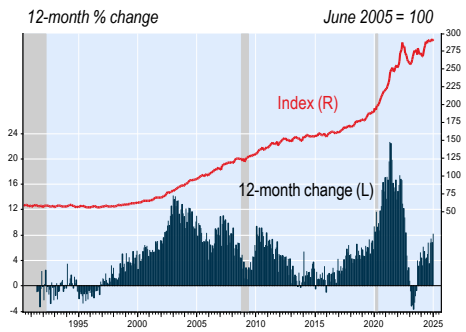


Metropolitan area	Index level *	% change m/m, NSA	% change m/m, SA	Prev. Month % change m/m, SA	% change y/y, NSA	% change from peak, SA	Peak date, SA
	February 2025						
Composite 11	309.72	-0.1%	-0.1%	-0.1%	2.9%	-0.6%	2022-04
Victoria	284.68	0.5%	-1.4%	0.6%	-0.8%	-6.3%	2022-05
Vancouver	358.89	-0.1%	-0.9%	-0.8%	3.1%	-1.7%	2024-12
Calgary	248.56	-0.2%	0.8%	0.9%	7.1%	0.0%	2025-02
Edmonton	207.28	-0.8%	0.9%	0.6%	6.6%	0.0%	2025-02
Winnipeg	261.57	0.9%	0.9%	-1.5%	4.4%	-0.6%	2024-12
Hamilton	360.11	-0.3%	0.2%	-1.5%	0.6%	-12.1%	2022-05
Toronto	338.47	-0.3%	-0.5%	-0.1%	-0.3%	-8.1%	2022-04
Ottawa-Gatineau	262.24	0.0%	0.3%	0.6%	4.3%	0.0%	2025-02
Montreal	289.67	-0.3%	0.9%	0.4%	8.2%	0.0%	2025-02
Quebec	278.96	0.9%	0.6%	3.2%	14.0%	0.0%	2025-02
Halifax	310.24	5.8%	2.8%	1.1%	10.0%	0.0%	2025-02
Other metropolitan areas							
Abbotsford-Mission, B.C.	361.08	-1.5%	-1.8%	1.1%	3.2%	-12.6%	2022-04
Kelowna, B.C.	296.18	1.1%	2.2%	-3.2%	2.3%	-2.9%	2022-03
Lethbridge, Alb.	227.80	1.0%	1.0%	1.4%	9.8%	0.0%	2025-02
Barrie, Ont.	327.02	1.4%	-0.3%	0.2%	-0.7%	-14.5%	2022-05
Guelph, Ont.	340.68	-1.9%	-0.4%	0.7%	1.3%	-8.5%	2022-05
Brantford, Ont.	348.58	5.4%	3.4%	-4.0%	-1.1%	-13.5%	2022-05
Kitchener, Ont.	345.32	-0.3%	0.7%	0.1%	-0.7%	-9.4%	2022-04
St. Catharines, Ont.	340.44	1.1%	1.5%	0.2%	1.5%	-8.0%	2022-05
Oshawa, Ont.	343.24	-1.1%	-0.4%	-0.6%	-0.4%	-14.8%	2022-05
Peterborough, Ont.	316.06	-0.4%	-0.2%	1.6%	3.2%	-13.0%	2022-05
London, Ont.	312.62	0.2%	1.4%	1.3%	2.5%	-10.2%	2022-04
Kingston, Ont.	262.41	-3.3%	-2.8%	-2.8%	6.5%	-5.5%	2024-12
Belleville, Ont.	305.83	0.6%	3.6%	-2.9%	1.5%	-6.6%	2022-04
Sudbury, Ont.	314.36	-0.4%	2.9%	0.1%	4.5%	0.0%	2025-02
Thunder Bay, Ont.	268.43	-5.1%	-1.3%	-1.5%	2.1%	-3.4%	2024-10
Windsor, Ont.	298.31	-0.3%	0.4%	-0.2%	2.6%	-9.3%	2022-05
Trois-Rivières, Qc	360.49	1.9%	2.8%	8.5%	21.9%	0.0%	2025-02
Sherbrooke, Qc	306.60	4.1%	6.7%	-6.0%	8.1%	-1.6%	2024-08
Saint John, NB (June 2018=100)	203.13	13.4%	9.8%	3.4%	14.5%	0.0%	2025-02
Moncton, NB (June 2018=100)	221.78	10.4%	8.3%	4.4%	12.8%	0.0%	2025-02

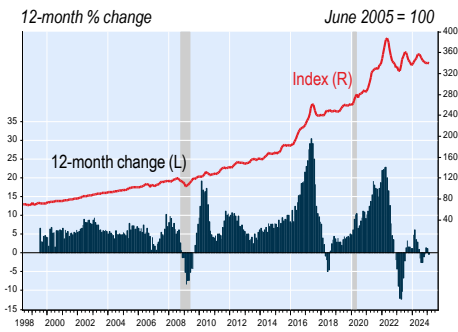
*June 2005=100 except indicated otherwise.



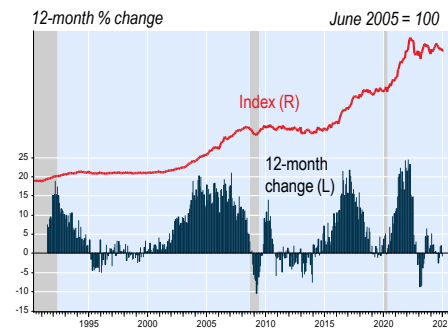
Montreal



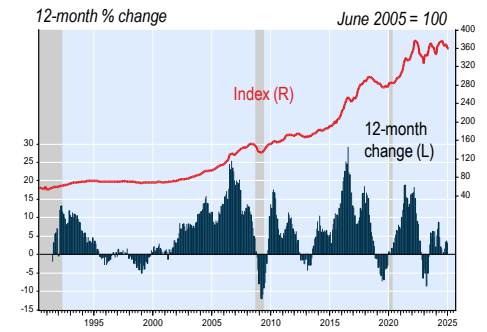
Toronto



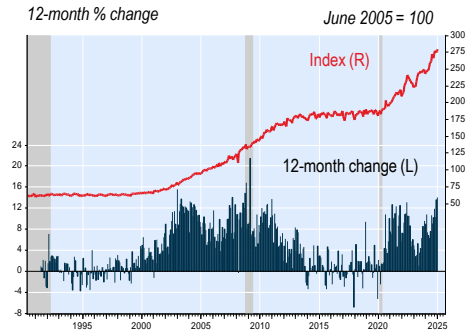
Victoria



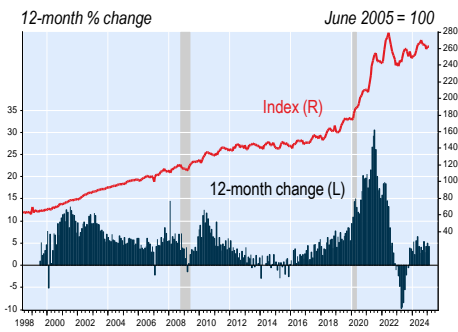
Vancouver



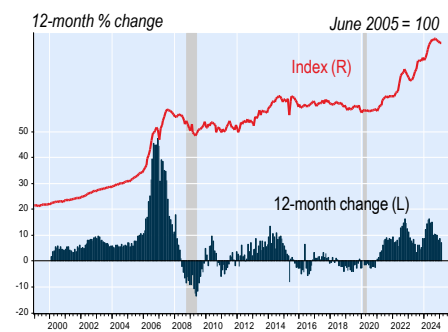
Quebec City



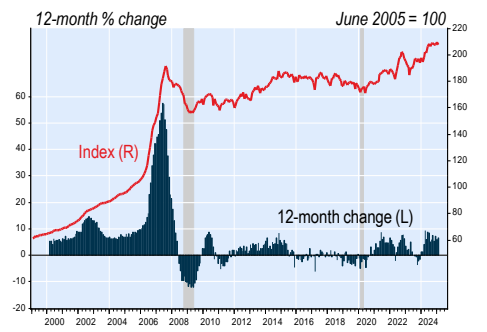
Ottawa-Gatineau



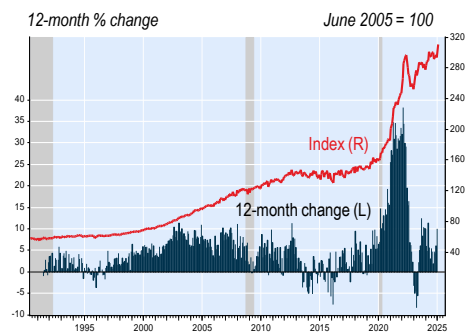
Calgary



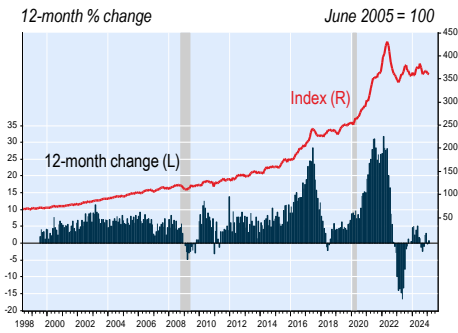
Edmonton



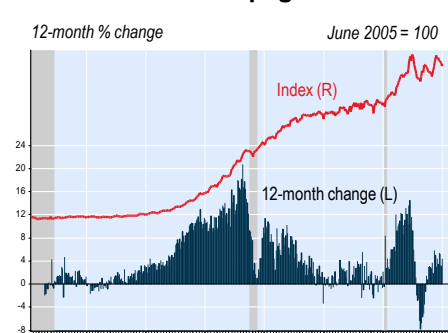
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