

Canada: Prices stabilize in April as resale market remains sluggish

By Daren King

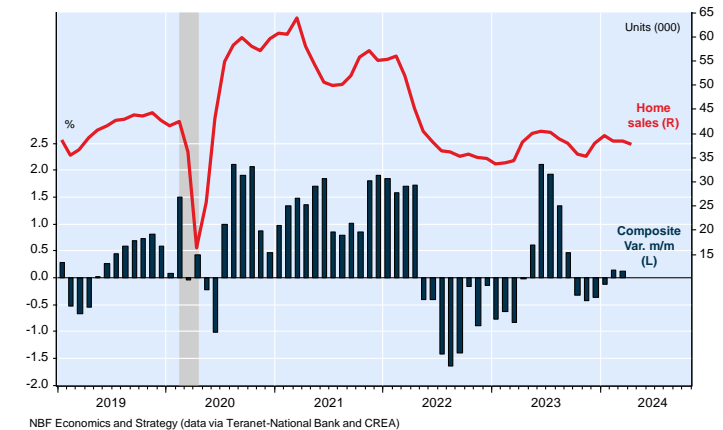
Highlights:

- The Teranet–National Bank Composite National House Price Index™ remained stable from March to April, after seasonal adjustments.
- Seven of the 11 markets in the composite index were up during the month: Edmonton (+2.3%), Montreal (+1.9%), Calgary (+1.9%), Ottawa–Gatineau (+0.5%), Vancouver (+0.4%), Hamilton (+0.4%) and Winnipeg (+0.3%). Conversely, declines occurred in Halifax (-0.7%), Toronto (-1.2%), Victoria (-1.9%) and Quebec City (-2.1%).
- From April 2023 to April 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 (+16.0%), Edmonton (+9.4%), Quebec City (+7.4%), Vancouver (+7.0%), and Montreal (+6.1%), while they were lower in Victoria (+2.2%), Toronto (+3.5%), Winnipeg (+3.7%), Hamilton (+3.8%), Halifax (+4.8%), and Ottawa–Gatineau (+5.5%).

Following growth in the previous two months in the wake of a slight upturn in the real estate market activity at the start of winter, house prices in Canada's major urban centres remained unchanged on a seasonally adjusted basis from March to April. This stabilization comes as resale market activity remains sluggish in the spring, with first-time homebuyers possibly on the sidelines awaiting possible interest rate cuts from the Bank of Canada by summer (top chart). Weakness is particularly noticeable in the country's largest city, Toronto, where the job market has deteriorated significantly in recent months (unemployment rate now 7.9% vs. 5.6% a year earlier). Although record demographic growth, a shortage of housing supply, more favourable fixed mortgage rates than last year and possible cuts in the policy rate will continue to support the Canadian real estate market in the months ahead, we are cautiously optimistic about the extent of an eventual 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).

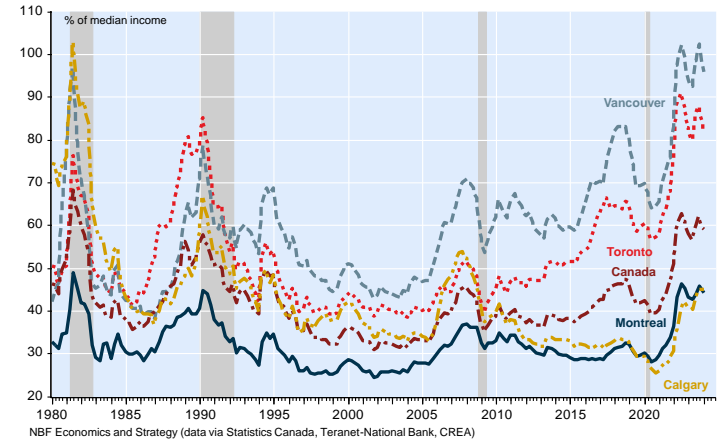
Canada: Prices stabilize in April

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)



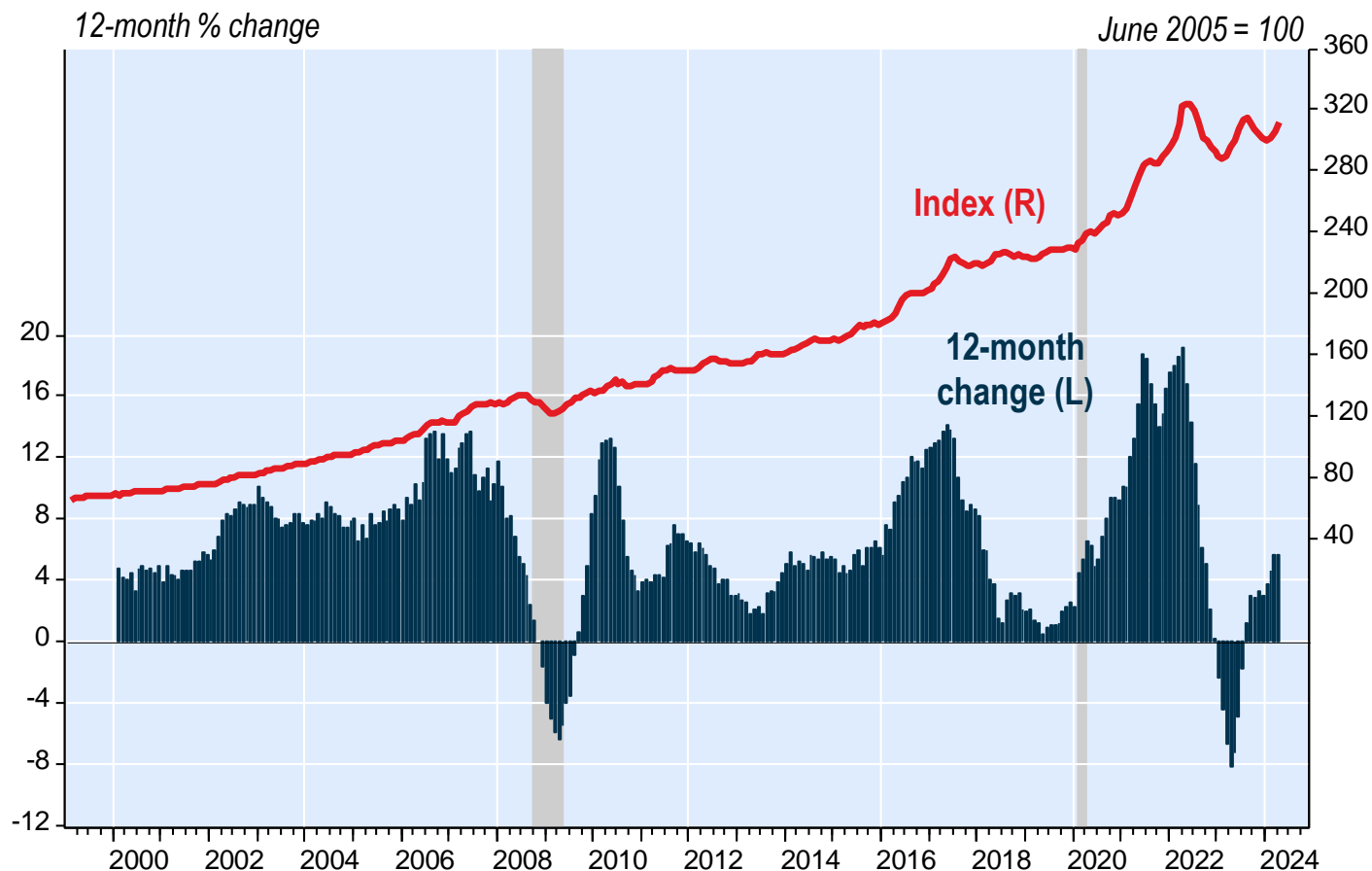


Note on methodology:

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™



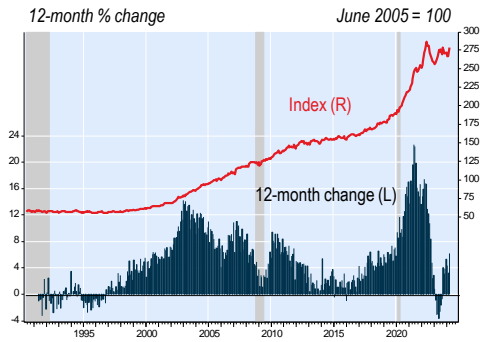


Metropolitan area	Index level *	% change m/m, NSA	% change m/m, SA	Prev. Month % change m/m, SA	% change y/y, NSA	% change from peak, SA	Peak date, SA
	April 2024						
Composite 11	311.52	1.9%	0.0%	0.1%	5.7%	-3.3%	2022-04
Victoria	284.24	0.7%	-1.9%	-0.5%	2.2%	-7.7%	2022-05
Vancouver	367.71	1.3%	0.4%	2.8%	7.0%	-2.4%	2022-04
Calgary	241.55	1.6%	1.9%	1.9%	16.0%	0.0%	2024-04
Edmonton	201.73	1.8%	2.3%	2.1%	9.4%	0.0%	2024-04
Winnipeg	254.46	3.6%	0.3%	-1.4%	3.7%	-5.1%	2022-05
Hamilton	372.13	4.2%	0.4%	-2.1%	3.8%	-14.5%	2022-05
Toronto	348.30	1.3%	-1.2%	-0.7%	3.5%	-9.4%	2022-04
Ottawa-Gatineau	256.84	2.1%	0.5%	-2.1%	5.5%	-4.8%	2022-04
Montreal	279.24	4.6%	1.9%	-0.9%	6.1%	-0.5%	2022-06
Quebec	247.90	0.2%	-2.1%	1.5%	7.4%	-2.1%	2024-03
Halifax	288.97	0.4%	-0.7%	-2.0%	4.8%	-4.5%	2023-12
Other metropolitan areas							
Abbotsford-Mission, B.C.	354.86	-1.3%	-2.3%	0.1%	6.1%	-17.4%	2022-04
Kelowna, B.C.	305.50	6.7%	6.2%	-4.7%	2.3%	-4.2%	2022-07
Lethbridge, Alb.	215.04	0.3%	0.6%	4.3%	9.4%	0.0%	2024-04
Barrie, Ont.	329.74	1.6%	-1.7%	-1.9%	1.3%	-17.2%	2022-05
Guelph, Ont.	349.75	7.6%	6.1%	-8.0%	8.4%	-11.7%	2022-04
Brantford, Ont.	347.25	-6.5%	-9.1%	4.0%	-0.6%	-15.9%	2022-05
Kitchener, Ont.	354.89	3.2%	0.4%	-4.2%	5.4%	-12.5%	2022-04
St. Catharines, Ont.	336.70	-2.8%	-2.8%	-2.0%	-0.5%	-12.9%	2022-05
Oshawa, Ont.	366.30	1.2%	-1.1%	-0.2%	2.4%	-15.9%	2022-05
Peterborough, Ont.	309.59	0.2%	-1.5%	-1.0%	-2.3%	-17.3%	2022-05
London, Ont.	319.71	1.9%	0.0%	0.1%	6.5%	-12.3%	2022-04
Kingston, Ont.	270.01	-0.6%	-4.9%	11.6%	10.6%	-7.3%	2022-05
Belleville, Ont.	315.16	2.6%	-1.4%	-3.0%	-0.6%	-10.9%	2022-04
Sudbury, Ont.	303.89	2.2%	0.7%	-3.5%	11.5%	-2.9%	2024-02
Thunder Bay, Ont.	269.28	1.2%	-1.9%	-0.4%	13.6%	-2.3%	2024-02
Windsor, Ont.	305.41	2.5%	-0.7%	0.8%	5.7%	-11.8%	2022-05
Trois-Rivières, Qc	307.10	2.8%	0.0%	-1.2%	6.3%	-1.1%	2024-02
Sherbrooke, Qc	279.69	-0.9%	-1.3%	0.9%	3.1%	-3.9%	2024-01
Saint John, NB (June 2018=100)	174.29	0.2%	-1.6%	-2.6%	6.0%	-6.5%	2023-08
Moncton, NB (June 2018=100)	206.17	0.1%	-4.9%	8.9%	14.0%	-4.9%	2024-03

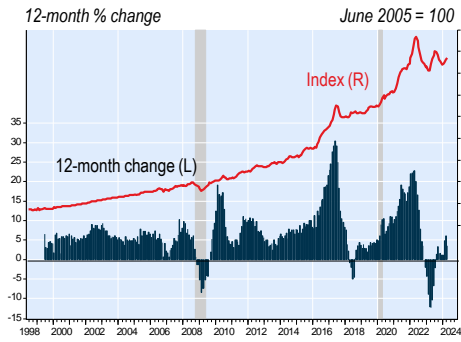
*June 2005=100 except indicated otherwise.



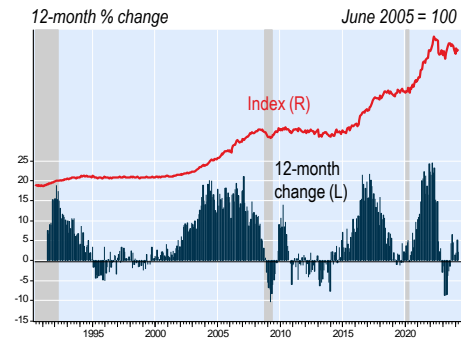
Montreal



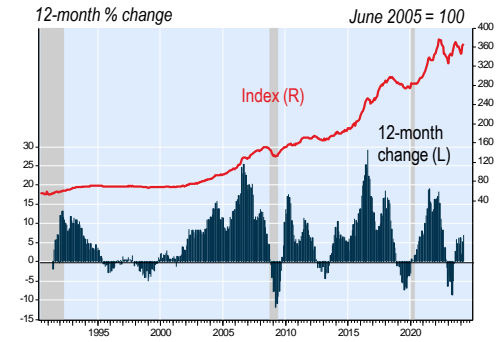
Toronto



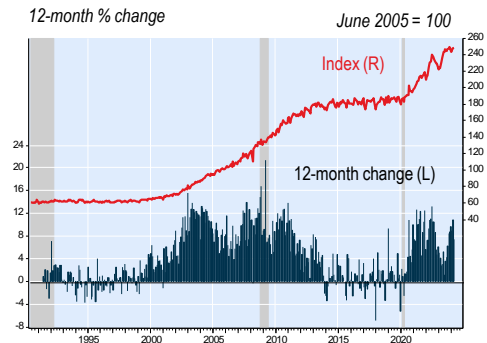
Victoria



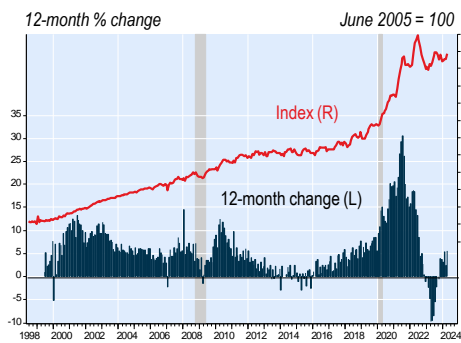
Vancouver



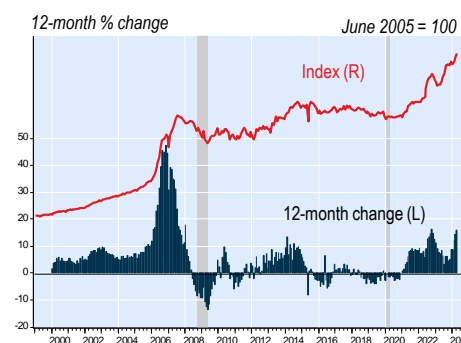
Quebec City



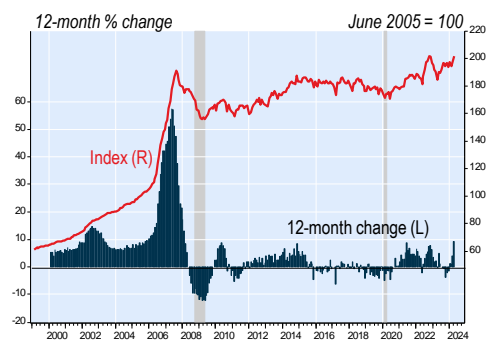
Ottawa-Gatineau



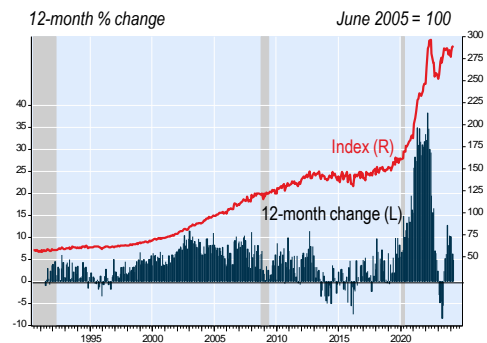
Calgary



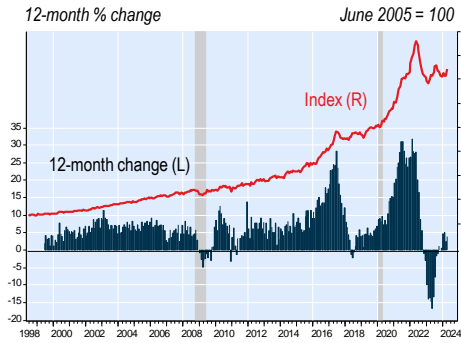
Edmonton



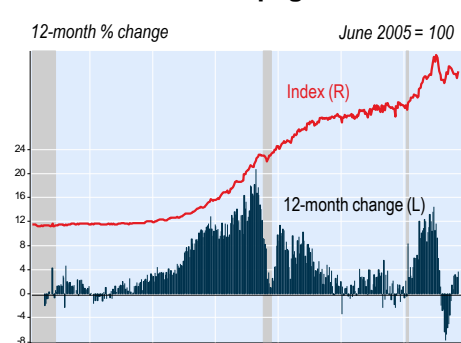
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