

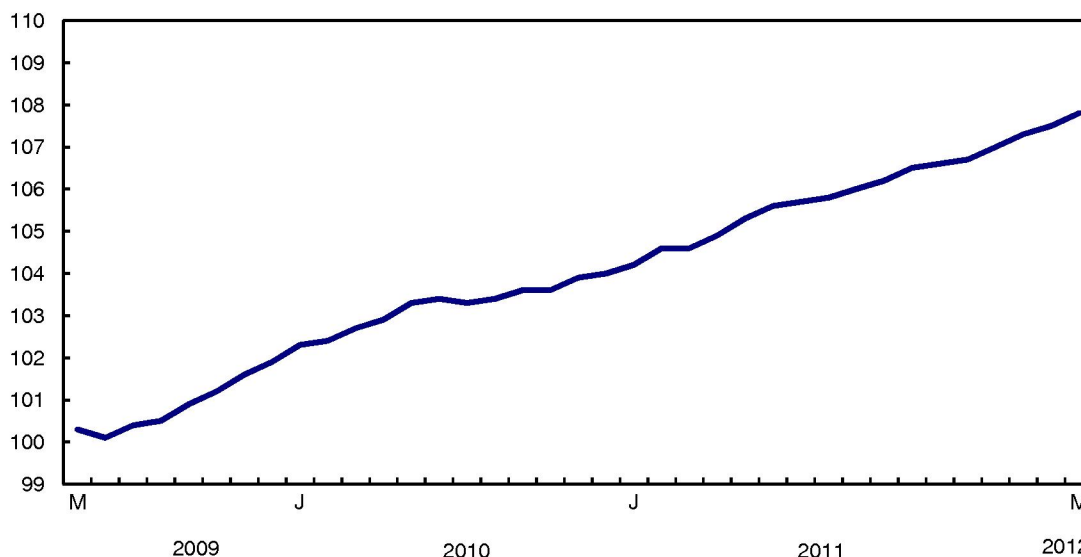
New Housing Price Index, May 2012

Released at 8:30 a.m. Eastern time in *The Daily*, Thursday, July 12, 2012

The New Housing Price Index (NHPI) rose 0.3% in May, following a 0.2% increase in April.

Chart 1 New Housing Price Index

index (2007=100)



The metropolitan regions of Toronto and Oshawa, and Calgary were the top contributors to the increase in May. The impact of these regions on the overall index was slightly offset by the decrease observed in Victoria.

In Toronto and Oshawa as well as in Calgary, the rise in prices was predominantly explained by market conditions.

From April to May, the aggregated metropolitan regions of Sudbury and Thunder Bay (+1.6%) posted the largest monthly price advance, followed by Toronto and Oshawa and by Regina (both +0.5%).

In Sudbury and Thunder Bay, price increases were primarily the result of improving market conditions and higher land prices.

Higher labour costs were the main reason for the price increase in Regina.

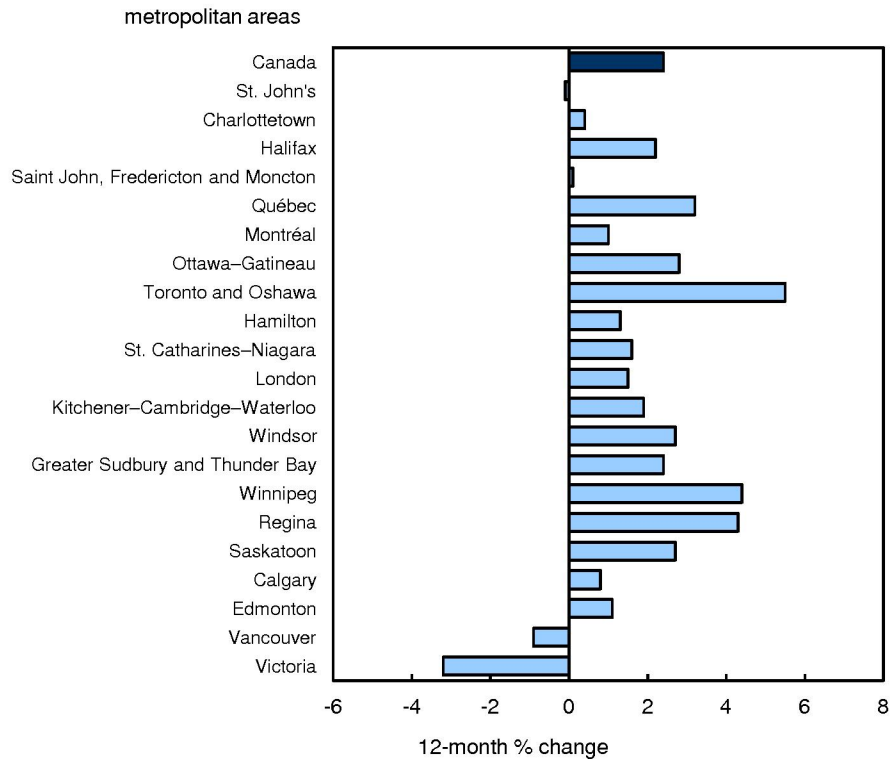
In May, prices were unchanged in 4 of the 21 metropolitan regions surveyed.

The most significant monthly price declines were recorded in Victoria (-0.8%) and Charlottetown (-0.4%).

Builders in Victoria recorded lower negotiated selling prices in May, while in Charlottetown, builders reduced their prices to stimulate sales.



Chart 2
Toronto and Oshawa posts the highest year-over-year price increase



Year over year, the NHPI was up 2.4% in May, following a 2.5% increase the previous month. The main contributor to the advance was the metropolitan region of Toronto and Oshawa.

The largest year-over-year price increases were recorded in Toronto and Oshawa (+5.5%), Winnipeg (+4.4%) and Regina (+4.3%).

Other significant year-over-year increases in contractors' selling prices were observed in Québec (+3.2%) and Ottawa-Gatineau (+2.8%).

Among the 21 metropolitan regions surveyed, 3 posted 12-month price declines in May, with Victoria (-3.2%) recording the largest decrease.

Note to readers

The New Housing Price Index measures changes over time in the selling prices of new residential houses agreed upon between the contractor and the buyer at the time of the signing of the contract. It is designed to measure the changes in the selling prices of new houses where detailed specifications pertaining to each house remain the same between two consecutive periods. The prices collected from builders and included in the index are market selling prices less value added taxes, such as the Federal Goods and Services Tax or the Harmonized Sales Tax.

The provincial government of British Columbia introduced legislation on May 14, 2012, announcing the return to a Provincial Sales Tax on April 1, 2013. From April 1, 2012, until March 31, 2013, there are new housing transitional rebates in place. After the transition is complete, the provincial sales tax on building materials in British Columbia will be embedded in contractors' selling prices of new houses. These changes will be reflected in the New Housing Price Index as reported by respondents.

The indexes published are final and not subject to revision. The indexes are not seasonally adjusted.

Table 1
New Housing Price Indexes – Not seasonally adjusted

	Relative importance ¹	May 2011	April 2012	May 2012	April to May 2012	May 2011 to May 2012
	%	(2007=100)			% change	
Canada total	100.00	105.3	107.5	107.8	0.3	2.4
House only	...	105.4	107.8	108.1	0.3	2.6
Land only	...	104.8	106.4	106.6	0.2	1.7
St. John's	1.99	147.0	146.6	146.9	0.2	-0.1
Charlottetown	0.25	102.1	102.9	102.5	-0.4	0.4
Halifax	1.25	111.6	114.0	114.1	0.1	2.2
Saint John, Fredericton and Moncton ²	0.67	107.7	108.0	107.8	-0.2	0.1
Québec	2.98	117.3	121.0	121.1	0.1	3.2
Montréal	10.79	114.2	115.2	115.3	0.1	1.0
Ottawa–Gatineau	5.67	112.3	115.0	115.4	0.3	2.8
Toronto and Oshawa ²	26.56	110.3	115.8	116.4	0.5	5.5
Hamilton	3.08	104.2	105.3	105.6	0.3	1.3
St. Catharines–Niagara	1.01	104.0	105.8	105.7	-0.1	1.6
London	1.58	107.9	109.5	109.5	0.0	1.5
Kitchener–Cambridge–Waterloo	2.32	107.6	109.6	109.6	0.0	1.9
Windsor	0.50	96.2	98.6	98.8	0.2	2.7
Greater Sudbury and Thunder Bay ²	0.62	105.4	106.2	107.9	1.6	2.4
Winnipeg	2.28	122.9	128.1	128.3	0.2	4.4
Regina	0.99	147.6	153.3	154.0	0.5	4.3
Saskatoon	1.76	115.9	119.0	119.0	0.0	2.7
Calgary	10.84	95.8	96.3	96.6	0.3	0.8
Edmonton	11.99	89.8	90.8	90.8	0.0	1.1
Vancouver	11.48	99.1	98.1	98.2	0.1	-0.9
Victoria	1.39	88.2	86.1	85.4	-0.8	-3.2

... not applicable

1. The relative importance is calculated using a price adjusted three-year average of the value of building completions for each metropolitan area.

2. In order to ensure data confidentiality, the following census metropolitan areas and census agglomeration are grouped together as follows: Saint John, Fredericton and Moncton; Toronto and Oshawa; and Greater Sudbury and Thunder Bay.

Note(s): View the census subdivisions that comprise the metropolitan areas online.

Available without charge in CANSIM: table 327-0046.

Definitions, data sources and methods: survey number 2310.

The first quarter 2012 issue of *Capital Expenditure Price Statistics* (62-007-X, free) will be available soon.

The new housing price indexes for June will be released on August 9.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Statistics Canada's National Contact Centre (toll-free 1-800-263-1136; 613-951-8116; infostats@statcan.gc.ca) or the Media Hotline (613-951-4636; mediahotline@statcan.gc.ca).