

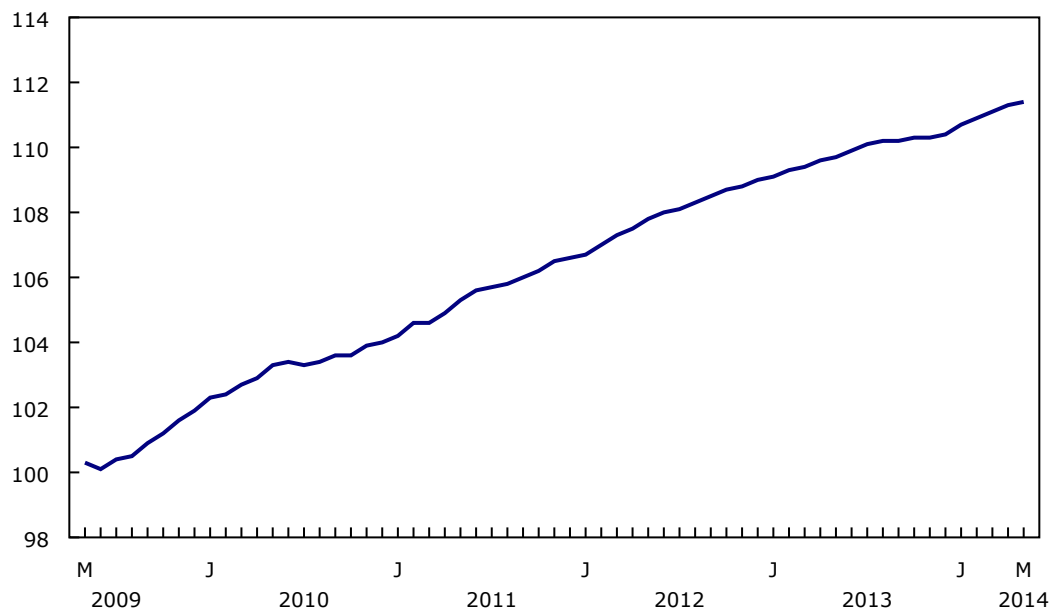
New Housing Price Index, May 2014

Released at 8:30 a.m. Eastern time in *The Daily*, Thursday, July 10, 2014

The New Housing Price Index (NHPI) rose 0.1% in May, following five months of gains ranging from 0.1% to 0.3%. The increase was largely the result of higher new home prices in the Prairie region.

Chart 1 New Housing Price Index

index (2007=100)



The census metropolitan area (CMA) of Calgary (+0.8%) was the top contributor, recording the largest monthly price advance among the CMAs covered by the survey. Builders reported higher material and labour costs, market conditions, and an increase in the cost of developed land as the reasons for the gain. Prices for new homes in Calgary have been rising since December 2012.

The combined region of Sudbury and Thunder Bay posted a price advance of 0.5% in May. Builders reported that higher material and labour costs, as well as new building code requirements and new land development fees contributed to the gain. The increase followed eight consecutive months of no price changes, and was the largest since May 2013.

Prices in Edmonton increased 0.3%, as builders reported improved market conditions following a slow start to the year. This was the largest monthly price movement in Edmonton since June 2013.

New home prices in Regina rose by 0.4% in May, as builders reported higher material and labour costs. The increase was the largest in that CMA since October 2013. Other significant month-over-month gains occurred in the CMAs of Hamilton and London (both up 0.3%), where new housing prices rose as a result of market conditions.

Prices were unchanged in 7 of the 21 metropolitan areas surveyed.



New housing prices were down for the third consecutive month in Ottawa–Gatineau and Vancouver (both down 0.2%). Higher land values in Ottawa–Gatineau were outweighed by lower negotiated selling prices and promotional pricing to stimulate sales, while price increases in Vancouver were offset by lower negotiated selling prices.

Prices also declined in St. John's and Charlottetown (both down 0.1%). The decrease in St. John's followed eight months of little or no price change.

On a year-over-year basis, the NHPI rose 1.5% in May, with Calgary (+7.6%) and the combined metropolitan region of Toronto and Oshawa (+2.0%) leading the annual advance.

Other significant year-over-year increases occurred in Saskatoon (+2.7%), St. Catharines–Niagara (+2.6%) and Windsor (+2.2%).

Among the 21 census metropolitan areas surveyed, 5 posted 12-month price declines in May: Vancouver (-1.5%), Ottawa–Gatineau (-1.2%), Victoria (-1.1%), Charlottetown (-1.0%) and Québec (-0.1%).

Chart 2
Calgary posts the largest year-over-year price increase

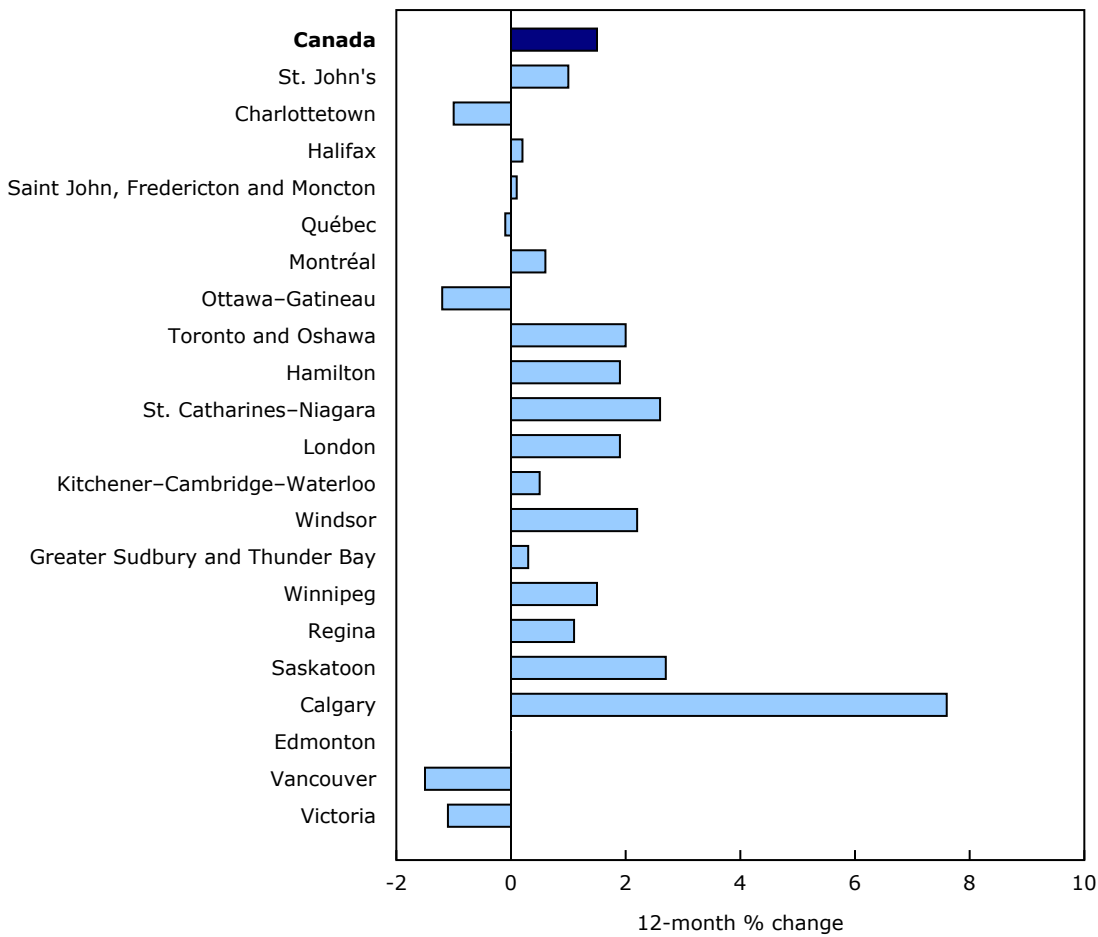


Table 1
New Housing Price Index – Not seasonally adjusted¹

	Relative importance ²	May 2013	April 2014	May 2014	April to May 2014	May 2013 to May 2014
	%	(2007=100)			% change	
Canada total	100.0	109.7	111.3	111.4	0.1	1.5
House only	...	110.4	112.3	112.5	0.2	1.9
Land only	...	107.8	108.6	108.8	0.2	0.9
St. John's	1.76	149.6	151.3	151.1	-0.1	1.0
Charlottetown	0.18	103.2	102.3	102.2	-0.1	-1.0
Halifax	1.15	117.4	117.6	117.6	0.0	0.2
Saint John, Fredericton and Moncton ³	0.46	108.4	108.5	108.5	0.0	0.1
Québec	2.35	122.7	122.6	122.6	0.0	-0.1
Montréal	8.27	116.6	117.2	117.3	0.1	0.6
Ottawa–Gatineau	4.50	116.3	115.1	114.9	-0.2	-1.2
Toronto and Oshawa ³	28.01	119.4	121.8	121.8	0.0	2.0
Hamilton	3.20	108.5	110.3	110.6	0.3	1.9
St. Catharines–Niagara	1.03	109.2	112.0	112.0	0.0	2.6
London	1.65	111.1	112.9	113.2	0.3	1.9
Kitchener–Cambridge–Waterloo	1.67	111.2	111.7	111.8	0.1	0.5
Windsor	0.73	99.1	101.1	101.3	0.2	2.2
Greater Sudbury and Thunder Bay ³	0.61	108.4	108.2	108.7	0.5	0.3
Winnipeg	2.77	135.8	137.8	137.9	0.1	1.5
Regina	1.31	158.2	159.4	160.0	0.4	1.1
Saskatoon	2.63	120.1	123.4	123.4	0.0	2.7
Calgary	12.18	101.7	108.5	109.4	0.8	7.6
Edmonton	12.68	91.0	90.7	91.0	0.3	0.0
Vancouver	11.78	97.3	96.0	95.8	-0.2	-1.5
Victoria	1.08	84.8	83.9	83.9	0.0	-1.1

... not applicable

1. Values have been rounded.

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

3. 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.

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 survey covers the following dwelling types: single dwellings, semi-detached houses and row houses (town houses or garden homes). The survey also collects contractors' estimates of the current value (evaluated at market price) of the land. These estimates are independently indexed to provide the published series for land. The residual (total selling price less land value), which mainly relates to the current cost of the structure, is also independently indexed and is presented as the estimated house series.

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 index is not subject to revision and is not seasonally adjusted.

Available in CANSIM: table 327-0046.

Definitions, data sources and methods: survey number 2310.

The New Housing Price Index for June will be released on August 14.

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; infostats@statcan.gc.ca) or Media Relations (613-951-4636; mediahotline@statcan.gc.ca).