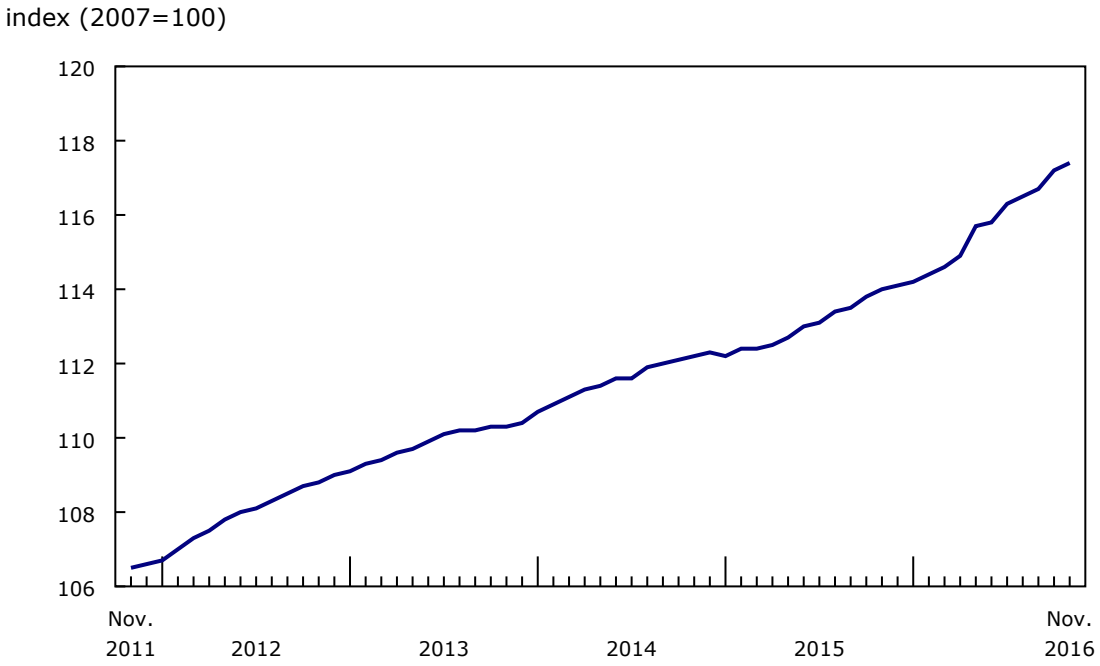
New Housing Price Index, November 2016

Released at 8:30 a.m. Eastern time in The Daily, Thursday, January 12, 2017

The New Housing Price Index (NHPI) rose 0.2% in November compared with the previous month. The advance was largely driven by price increases for new housing in Ontario.

Chart 1
New Housing Price Index



Source(s): CANSIM table 327-0046.

New Housing Price Index, monthly change

Among the 21 census metropolitan areas (CMAs) surveyed, new housing prices were up in 10, down in 4 and unchanged in 7.

London (+1.3%) and Hamilton (+0.7%) recorded the largest price gains among the CMAs covered by the survey. Builders in both CMAs reported improving market conditions and higher construction costs as reasons for the increases. This was the largest monthly rise in London since March 2010.

Prices also rose in Kitchener–Cambridge–Waterloo (+0.5%), the combined region of Toronto and Oshawa (+0.4%) and Calgary (+0.4%). Builders in Kitchener–Cambridge–Waterloo cited market conditions and higher construction costs as reasons for the gain. Builders in the combined region of Toronto and Oshawa reported a shortage of developed land as the primary reason for the higher prices. In Calgary, builders tied the price increase to the introduction of new energy-efficient building codes, as well as higher land development costs.

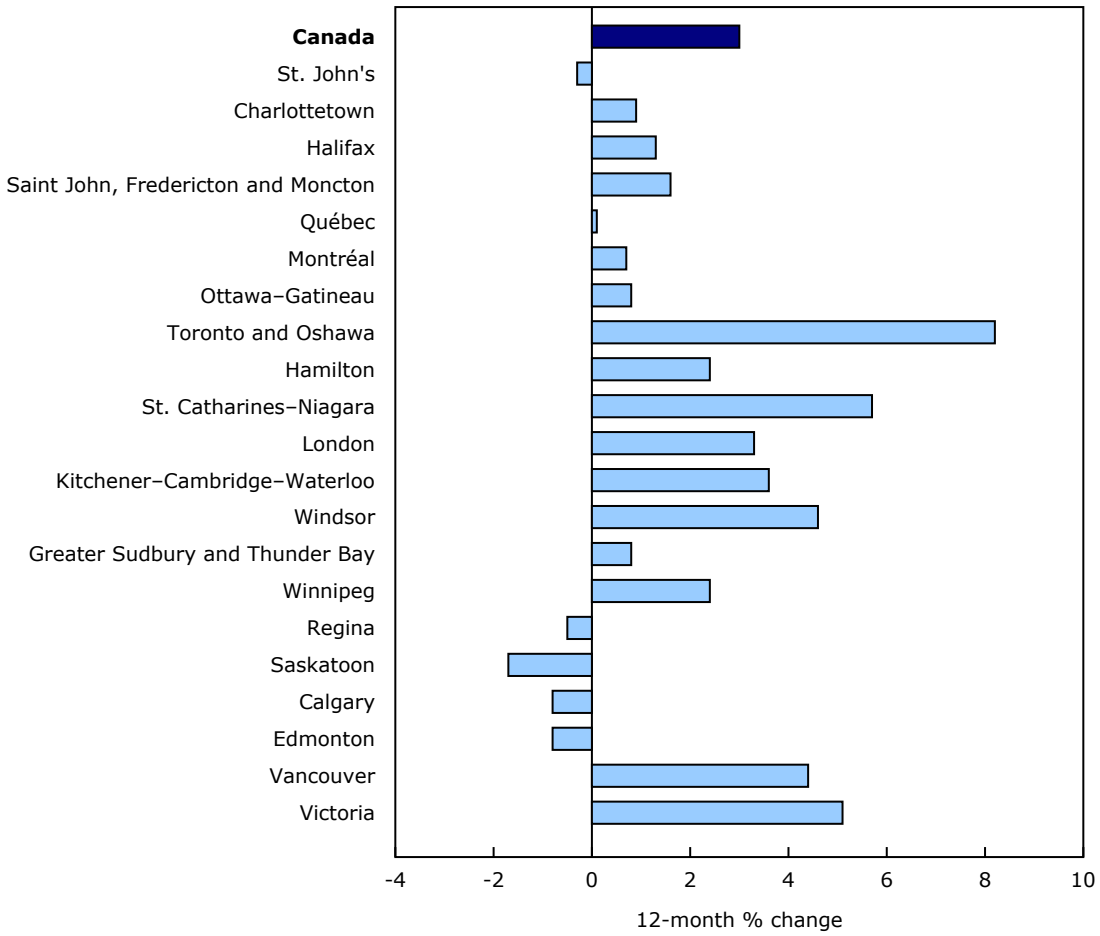
New housing prices fell 0.3% in Vancouver and Regina. Lower negotiated selling prices and new purchase incentives to stimulate sales were the main reasons for the decline in Vancouver—the first since January 2015. In Regina, deteriorating market conditions and new purchase incentives to stimulate sales contributed to the price decrease.

New housing prices fell 0.2% in St. Catharines–Niagara and 0.1% in Montréal. Builders in both CMAs cited lower negotiated selling prices as the main reason for the declines.

New Housing Price Index, 12-month change

The NHPI increased 3.0% over the 12-month period ending in November, reflecting gains in 16 of the CMAs surveyed.

Chart 2
The combined metropolitan region of Toronto and Oshawa posts the highest year-over-year price increase



Source(s): CANSIM table 327-0046.

The combined metropolitan region of Toronto and Oshawa was the top contributor to the gain, recording the largest 12-month price increase (+8.2%) among the CMAs surveyed.

Other notable year-over-year gains were observed in St. Catharines–Niagara (+5.7%), Victoria (+5.1%), Windsor (+4.6%) and Vancouver (+4.4%).

Five metropolitan areas recorded year-over-year price declines in November. Saskatoon (-1.7%), Calgary (-0.8%) and Edmonton (-0.8%) posted the largest year-over-year decreases.

Note to readers

The New Housing Price Index (NHPI) 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 townhouses or row homes. The current value of the structure is independently indexed and is presented as the house series. 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 index is available at the Canada and provincial levels and for 21 census metropolitan areas.

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 provincial harmonized sales tax.

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

Infographic: Producer Price Indexes at a Glance

*The infographic "Producer Price Indexes at a Glance," which is part of Statistics Canada — Infographics (**11-627-M**), is available. This infographic demonstrates how producer price indexes for goods and services are calculated, and why they are important for the Canadian economy.*

Next release

The NHPI for December 2016 will be released on February 9, 2017.

Table 1
New Housing Price Index – Not seasonally adjusted[1]

	Relative importance[2]	November 2015	October 2016	November 2016	October to November 2016	November 2015 to November 2016
	%	(2007=100)			% change	
Canada	**100**	**114.0**	**117.2**	**117.4**	**0.2**	**3.0**
House only	**...**	**115.2**	**119.3**	**119.4**	**0.1**	**3.6**
Land only	**...**	**110.8**	**112.4**	**112.9**	**0.4**	**1.9**
St. John's	1.37	151.9	151.5	151.5	0.0	-0.3
Charlottetown	0.14	101.7	102.6	102.6	0.0	0.9
Halifax	0.83	118.4	119.7	119.9	0.2	1.3
Saint John, Fredericton and Moncton[3]	0.35	108.4	110.1	110.1	0.0	1.6
Québec	1.73	122.1	122.2	122.2	0.0	0.1
Montréal	5.94	118.2	119.1	119.0	-0.1	0.7
Ottawa–Gatineau	4.61	113.7	114.3	114.6	0.3	0.8
Toronto and Oshawa[3]	27.92	128.2	138.2	138.7	0.4	8.2
Hamilton	2.94	116.6	118.6	119.4	0.7	2.4
St. Catharines–Niagara	1.18	113.4	120.1	119.9	-0.2	5.7
London	1.57	116.0	118.3	119.8	1.3	3.3
Kitchener–Cambridge–Waterloo	1.31	114.3	117.8	118.4	0.5	3.6
Windsor	0.74	101.2	105.6	105.9	0.3	4.6
Greater Sudbury and Thunder Bay[3]	0.51	109.0	109.9	109.9	0.0	0.8
Winnipeg	3.02	140.2	143.4	143.5	0.1	2.4
Regina	1.37	157.0	156.7	156.2	-0.3	-0.5
Saskatoon	2.51	121.7	119.6	119.6	0.0	-1.7
Calgary	13.90	110.3	109.0	109.4	0.4	-0.8
Edmonton	14.03	91.7	91.0	91.0	0.0	-0.8
Vancouver	13.04	98.2	102.8	102.5	-0.3	4.4
Victoria	0.98	82.8	86.7	87.0	0.3	5.1

... 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 make up the **metropolitan areas** online.
Source(s): CANSIM table **327-0046**.

Available in CANSIM: table 327-0046.

Definitions, data sources and methods: survey number 2310.

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; **STATCAN.infostats-infostats.STATCAN@canada.ca**) or Media Relations (613-951-4636; **STATCAN.mediahotline-ligneinfomedias.STATCAN@canada.ca**).