

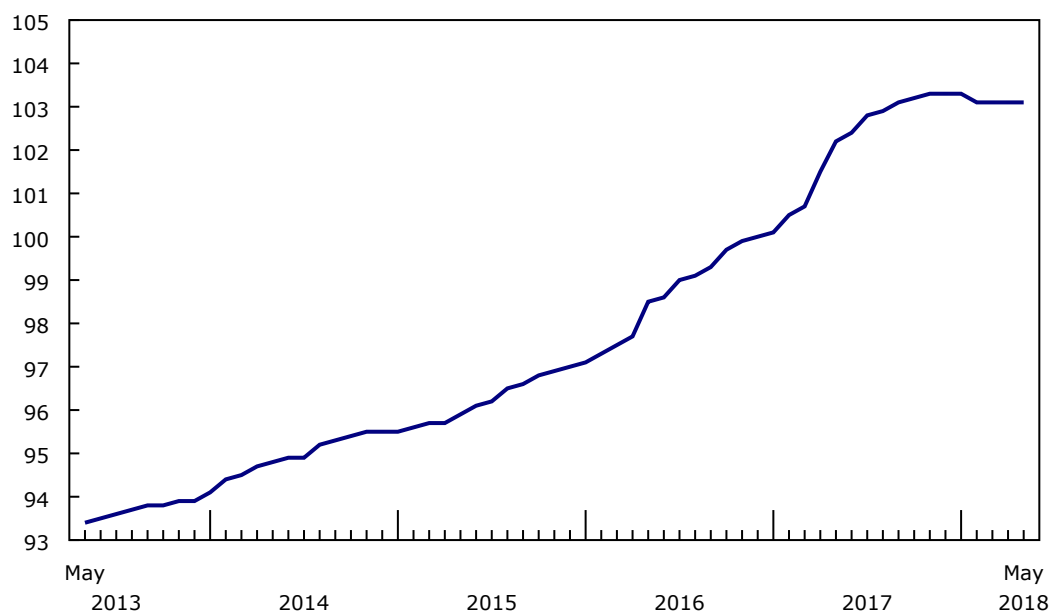
New Housing Price Index, May 2018

Released at 8:30 a.m. Eastern time in *The Daily*, Thursday, July 12, 2018

Canadian new house prices remained unchanged on a national basis in May, for a third consecutive month.

Chart 1 New Housing Price Index

index (December 2016=100)



Source(s): Table 18-10-0205-01.

New Housing Price Index, monthly change

New housing prices were flat or declined in 15 of the 27 census metropolitan areas (CMAs) surveyed in May. Recent mortgage rate hikes, along with tighter mortgage regulations, may have slowed the demand for new homes. The Bank of Canada reported that the rate for a conventional mortgage on a five-year term increased from 5.14% to 5.34% in May.

Toronto new home prices were unchanged in May, following four consecutive months of declines. The Canada Mortgage and Housing Corporation reported that, year to date, housing starts in Toronto were down 36.2% in May compared with the same period in 2017, reflecting a slower pace of construction for row, single and semi-detached new houses.

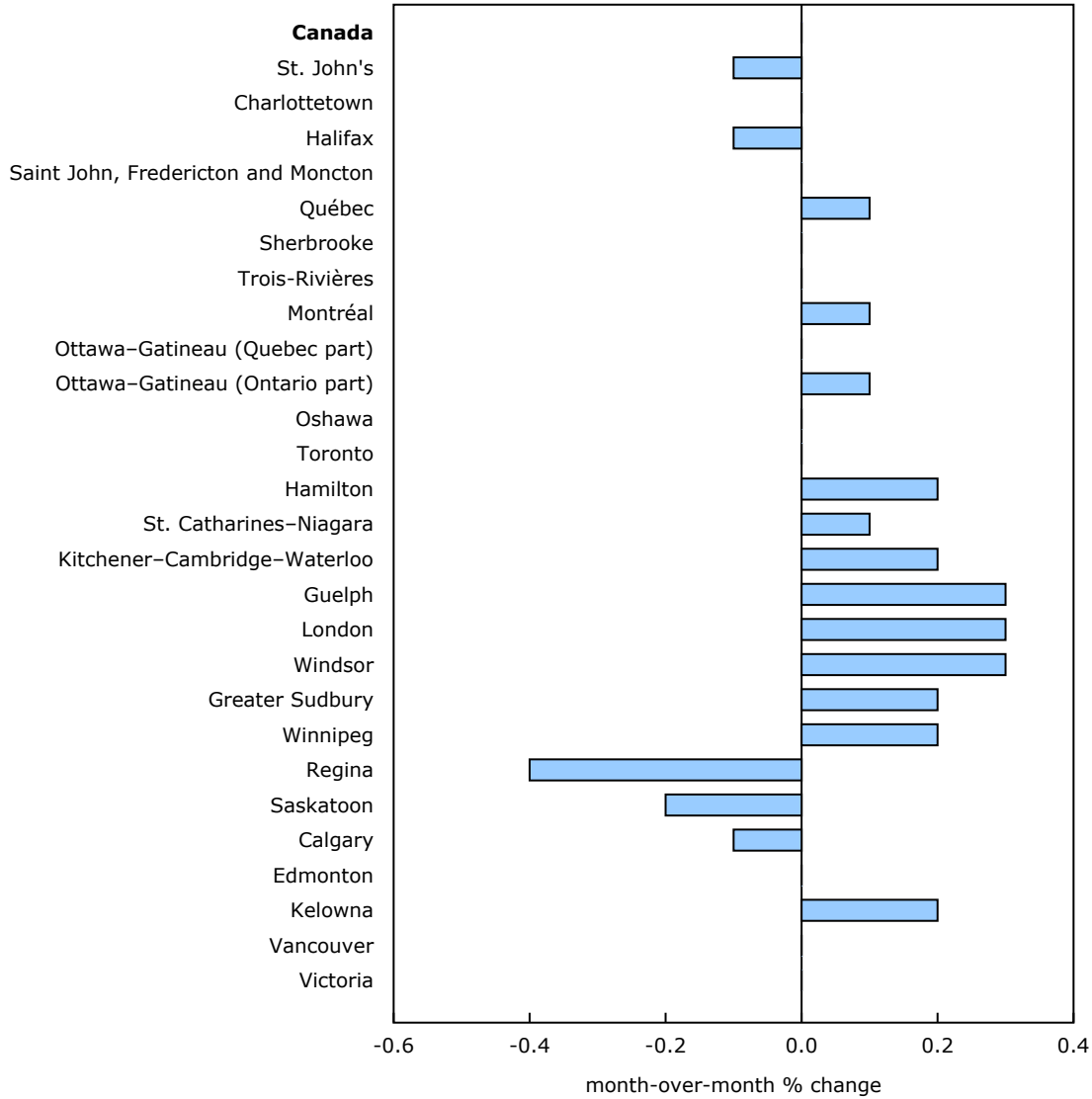
Overall growth in housing prices in Vancouver has been stalled for five consecutive months. In February 2018, the foreign buyers tax was increased from 15% to 20%, among other measures put in place by the government of British Columbia to address housing affordability.

Among the 12 CMAs reporting gains in May, the largest increases were in Guelph, London and Windsor (+0.3% in each). Builders in Guelph attributed the rise to higher construction costs, while builders in London and Windsor cited market conditions as the primary reason for higher prices.



Despite the higher new home construction costs reported in several CMAs, increases were partly offset by builders offering incentives, such as promotional packages, rebates, and design credits, to promote sales in slowing housing markets.

Chart 2
Canadian new house prices remain unchanged on a national basis for a third month in a row



Source(s): Table 18-10-0205-01.

New Housing Price Index, 12-month change

New house prices rose 0.9% year over year in May. This was the smallest increase since February 2010. The largest 12-month gains were in Ottawa (+5.2%), Vancouver (+4.8%) and London (+4.6%).

Among the five CMAs reporting declines, Saskatoon (-1.4%) and Toronto (-1.3%) recorded the largest 12-month decreases.

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 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 27 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.

A Historical Timeline of Canadian Producer Price Statistics

"A Historical Timeline of Canadian Producer Price Statistics," which is part of the Prices Analytical Series (62F0014M), was created to showcase the key milestones in the history of Canadian producer price statistics. This historical timeline contains answers to questions such as: Who collected Canada's first statistics? What do Canadian producer price indexes measure?

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), demonstrates how producer price indexes for goods and services are calculated and why they are important for the Canadian economy.

Next release

The New Housing Price Index for June will be released on August 9.

Table 1
New Housing Price Index – Not seasonally adjusted¹

	Relative importance ²	May 2017	April 2018	May 2018	April to May 2018	May 2017 to May 2018
	%	(December 2016=100)			% change	
Canada	100.00	102.2	103.1	103.1	0.0	0.9
House only	...	101.7	102.7	102.7	0.0	1.0
Land only	...	103.1	103.7	103.8	0.1	0.7
St. John's	0.87	99.5	99.0	98.9	-0.1	-0.6
Charlottetown	0.18	99.8	100.5 ^E	100.5 ^E	0.0	0.7
Halifax	0.71	100.4	101.9	101.8	-0.1	1.4
Saint John, Fredericton and Moncton ³	0.87	100.1	101.1	101.1	0.0	1.0
Québec	1.34	100.3	100.6	100.7	0.1	0.4
Sherbrooke	0.47	99.9	100.6	100.6	0.0	0.7
Trois-Rivières	0.25	100.0	100.6	100.6	0.0	0.6
Montréal	5.16	100.6	102.4	102.5	0.1	1.9
Ottawa–Gatineau (Quebec part)	0.67	100.1	101.6	101.6	0.0	1.5
Ottawa–Gatineau (Ontario part)	4.65	101.5	106.7	106.8	0.1	5.2
Oshawa	2.51	103.7	104.7	104.7	0.0	1.0
Toronto	27.91	104.6	103.2	103.2	0.0	-1.3
Hamilton	2.68	101.6	103.4	103.6	0.2	2.0
St. Catharines–Niagara	1.94	103.7	105.1	105.2	0.1	1.4
Kitchener–Cambridge–Waterloo	2.17	103.6	103.6	103.8	0.2	0.2
Guelph	0.68	104.4	104.7	105.0	0.3	0.6
London	2.38	104.7	109.2	109.5	0.3	4.6
Windsor	1.34	101.5	104.2	104.5	0.3	3.0
Greater Sudbury	0.3	99.6	100.0	100.2	0.2	0.6
Winnipeg	2.72	101.8	103.5	103.7	0.2	1.9
Regina	1.02	100.2	99.9	99.5	-0.4	-0.7
Saskatoon	1.83	99.6	98.4	98.2	-0.2	-1.4
Calgary	9.52	99.5	99.6	99.5	-0.1	0.0
Edmonton	11.69	100.0	99.6	99.6	0.0	-0.4
Kelowna	1.68	100.7	103.4	103.6	0.2	2.9
Vancouver	13.03	103.9	108.9	108.9	0.0	4.8
Victoria	1.46	101.4	102.8	102.8	0.0	1.4

... not applicable

E use with caution

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 maintain the accuracy of the index, Saint John, Fredericton and Moncton are published together.

Note(s): View the census subdivisions that make up the [census metropolitan areas](#) online.

Source(s): Table [18-10-0205-01](#).

Available tables: table [18-10-0205-01](#).

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).