

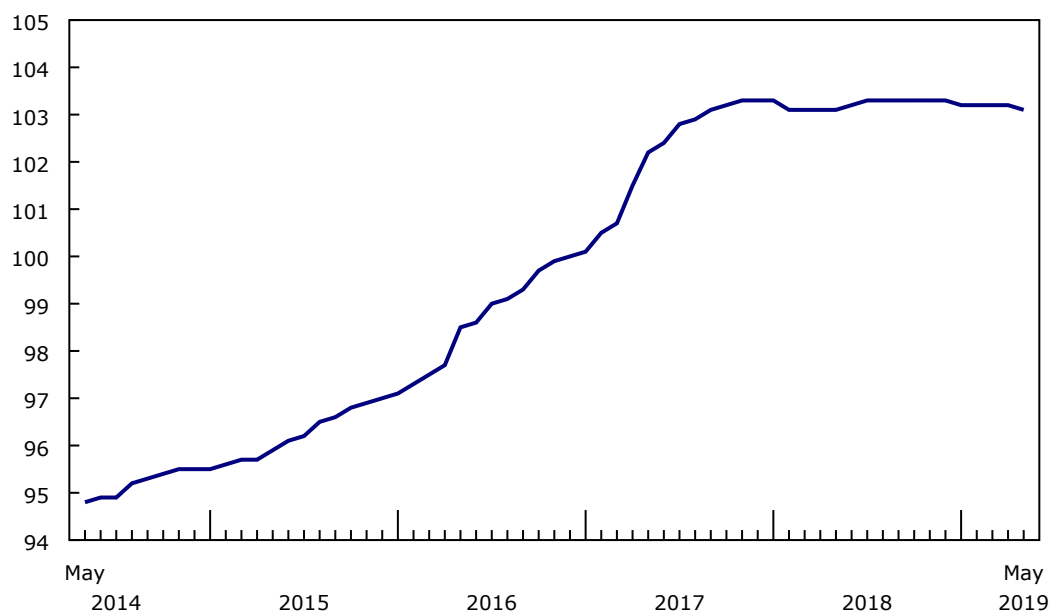
New Housing Price Index, May 2019

Released at 8:30 a.m. Eastern time in *The Daily*, Thursday, July 11, 2019

Nationally, new house prices were down 0.1% in May, after remaining unchanged for three consecutive months.

Chart 1 New Housing Price Index

index (December 2016=100)



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

New Housing Price Index, monthly change

In May, builders in 16 of the 27 census metropolitan areas (CMAs) surveyed reported flat or lower prices.

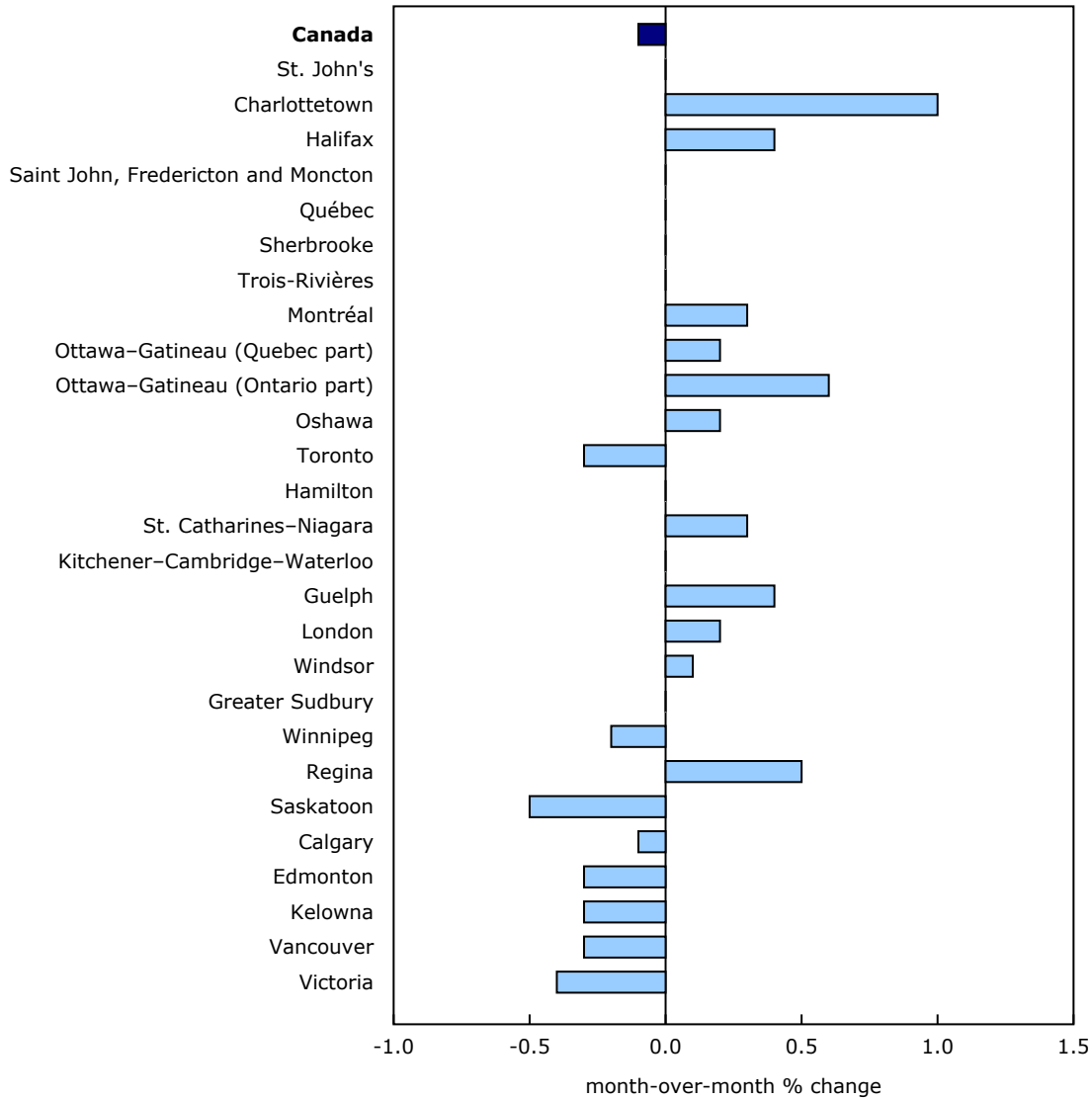
The largest declines of new home prices were in Saskatoon (-0.5%) and Victoria (-0.4%). Deteriorating market conditions were the primary reason for the decreases. The declines coincided with a higher unemployment rate in May in both CMAs. Saskatoon's unemployment rate has been above the provincial and national rate since October 2016. New residential listings were also down in Saskatoon (-4.0%) in May, according to the Canadian Real Estate Association.

New home prices were also down in Edmonton, Kelowna, Toronto and Vancouver (each down 0.3%).

Charlottetown (+1.0%) had the largest price increase in May, with the rise attributed to higher construction costs.



Chart 2
New house prices are down 0.1% at the national level after remaining unchanged for three consecutive months



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

New Housing Price Index, 12-month change

New house prices at the national level were unchanged year over year in May.

Higher home prices, mortgage rate hikes and the federal government stress test remain some of the factors influencing the demand for housing. Potential buyers now need to save for a larger down payment in order to qualify for a mortgage.

In May, 11 CMAs reported year-over-year declines, led by Regina (-2.7%), Saskatoon and Victoria (each down 1.4%). New house prices continued to decrease on a year-over-year basis in Toronto (-0.6%) and Vancouver (-0.9%). According to the Canada Mortgage and Housing Corporation, the pace of new home construction slowed in these five CMAs year over year in May, with single-family housing starts down sharply in Regina (-42.1%), Toronto (-35.1%), Saskatoon (-25.9%), Vancouver (-16.2%) and Victoria (-11.4%).

Ottawa (+4.7%) recorded the largest movement among the 16 CMAs reporting year-over-year increases, followed by London (+3.0%) and Montréal (+2.7%). Federal measures have been put in place to cool the real estate market. At the same time, demand remains high in these CMAs.

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: singles, semi-detached 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 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.

Products

A video entitled "[Producer Price Indexes](#)" is available on the Statistics Canada Training Institute webpage. It provides an introduction to Statistics Canada's Producer Price Indexes—what they are, how they are made and what they are used for.

Statistics Canada has a new [Housing Market Indicators Dashboard](#). This web application provides access to key housing market indicators for Canada, by province and by census metropolitan area. These indicators are automatically updated with new information from monthly releases, giving users access to the latest data.

A data table highlighting changes in new home prices in Canada and select census metropolitan areas is available as part of the [Just the Facts](#) series.

Next release

The New Housing Price Index for June will be released on August 8.

Table 1
New Housing Price Index – Not seasonally adjusted¹

	Relative importance ²	May 2018	April 2019	May 2019	April to May 2019	May 2018 to May 2019
	%	(December 2016=100)			% change	
Canada	100.00	103.1	103.2	103.1	-0.1	0.0
House only	...	102.7	102.6	102.5	-0.1	-0.2
Land only	...	103.8	104.1	104.2	0.1	0.4
St. John's	0.68	98.9	97.8	97.8	0.0	-1.1
Charlottetown	0.27	100.5 ^E	100.1 ^E	101.1 ^E	1.0	0.6
Halifax	0.79	101.8	102.1	102.5	0.4	0.7
Saint John, Fredericton and Moncton ³	0.69	101.1	100.9	100.9	0.0	-0.2
Québec	1.32	100.7	100.8	100.8	0.0	0.1
Sherbrooke	0.43	100.6	101.4	101.4	0.0	0.8
Trois-Rivières	0.25	100.6	101.6	101.6	0.0	1.0
Montréal	5.43	102.5	105.0	105.3	0.3	2.7
Ottawa–Gatineau (Quebec part)	0.72	101.6	103.2	103.4	0.2	1.8
Ottawa–Gatineau (Ontario part)	5.38	106.8	111.1	111.8	0.6	4.7
Oshawa	2.77	104.7	103.4	103.6	0.2	-1.1
Toronto	29.06	103.2	102.9	102.6	-0.3	-0.6
Hamilton	2.55	103.6	103.9	103.9	0.0	0.3
St. Catharines–Niagara	2.19	105.2	106.4	106.7	0.3	1.4
Kitchener–Cambridge–Waterloo	2.22	103.8	104.3	104.3	0.0	0.5
Guelph	0.64	105.0	104.9	105.3	0.4	0.3
London	2.80	109.5	112.6	112.8	0.2	3.0
Windsor	1.35	104.5	106.6	106.7	0.1	2.1
Greater Sudbury	0.18	100.2	101.3	101.3	0.0	1.1
Winnipeg	2.93	103.7	104.8	104.6	-0.2	0.9
Regina	0.88	99.5	96.3	96.8	0.5	-2.7
Saskatoon	1.48	98.2	97.3	96.8	-0.5	-1.4
Calgary	8.15	99.5	98.5	98.4	-0.1	-1.1
Edmonton	9.96	99.6	99.0	98.7	-0.3	-0.9
Kelowna	1.73	103.6	103.2	102.9	-0.3	-0.7
Vancouver	13.50	108.9	108.2	107.9	-0.3	-0.9
Victoria	1.63	102.8	101.8	101.4	-0.4	-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 census 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).