

New Housing Price Index, June 2020

Released at 8:30 a.m. Eastern time in *The Daily*, Tuesday, July 21, 2020

New house prices edged up 0.1% at the national level for the second consecutive month in June.

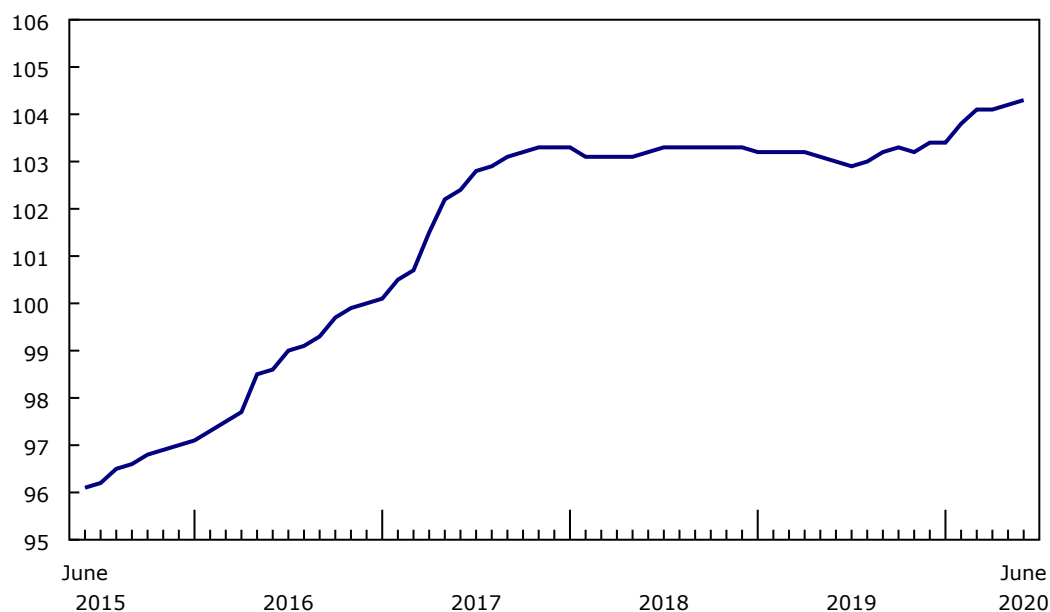
Impact of COVID-19 on the new housing market in June

In the third full month of modified operations, the residential builders surveyed reported increased sales volumes in June compared with a month earlier. While the real estate industry embraced new ways to serve their clients through the adoption of virtual tools and physical distancing measures, some builders in the residential construction industry also adapted to new technology, using new software to order and track deliveries of material more efficiently.

The residential construction industry continued to struggle with some labour and material shortages, as well as with the inability to operate at full capacity due to restrictions relating to physical distancing.

Chart 1 New Housing Price Index

index (December 2016=100)



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

St. Catharines–Niagara attracting buyers from Toronto

New house prices in St. Catharines–Niagara saw the largest increase (+1.0%) in June in response to good market conditions in the region. According to the Niagara Home Builders' Association, increasing demand has been seen from Toronto-area buyers who are now working remotely or commuting to their Toronto offices only periodically. The Niagara region has also been attracting retirees looking to settle in this Canadian wine-producing region.



New home prices rise in the more affordable smaller housing markets

While new home prices in Toronto were unchanged, prices increased in the nearby, more affordable census metropolitan areas (CMAs) of Kitchener–Cambridge–Waterloo (+0.7%) and Guelph (+0.5%).

Price of new houses in Vancouver edged up 0.1%, while buyers in Kelowna saw prices rise 0.4% in June.

New house prices declined the most in Regina (-0.5%) and Edmonton (-0.2%) as buyers negotiated lower selling prices.

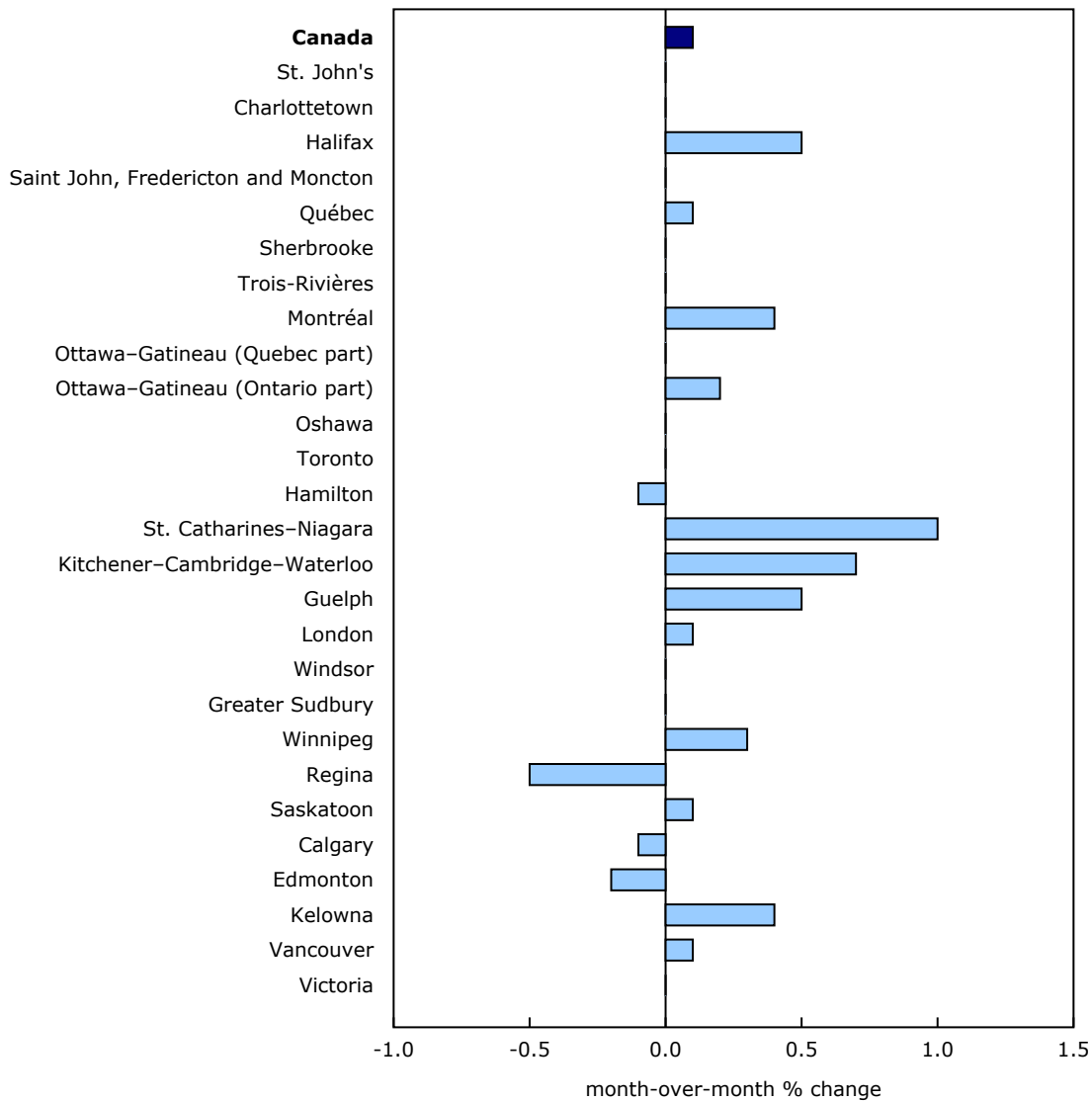
New Housing Price Index, 12-month change

At the national level, new house prices rose 1.3% in the 12-month period ending in June, following a 1.1% rise in May. On a year-over-year basis, prices have been increasing for seven consecutive months at the national level.

For the 12th month in a row, the largest year-over-year price increases occurred in Ottawa (+10.4%) and Montréal (+8.1%).

In June, new home prices decreased the most on a year-over-year basis in Regina (-4.4%) and Edmonton (-1.2%), and have been negative since February 2018 in Regina and since August 2018 in Edmonton.

Chart 2
New house prices are up 0.1% at the national level



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

Outlook for the new housing market during COVID-19

As working from home becomes more prevalent, we may see an increase in the demand for larger living spaces that single-family homes can offer, causing a shift in demand from condominium apartments towards single houses. Builders may start catering to buyers' preferences by offering additional office space in the design of their new homes to accommodate remote working arrangements. We expect to see continued home buyer demand in the more affordable CMAs surrounding Toronto and Vancouver and anticipate that this demand will strengthen if current pandemic-driven circumstances persist.

Note to readers

The New Housing Price Index (NHPI) measures changes over time in the selling prices of new residential houses. The prices are those agreed upon between the contractor and the buyer at the time of the signing of the contract. The detailed specifications pertaining to each new 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 provincial harmonized sales tax.

The survey covers the following dwelling types: singles, semi-detached and townhouses or row homes. The index is available at the national and provincial levels, and for 27 census metropolitan areas (CMAs).

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

In addition to this monthly release, the NHPI has also been integrated into the [Residential Property Price Index \(RPPI\)](#). The RPPI is a quarterly series that measures changes over time in the prices of residential properties for Montréal, Ottawa, Toronto, Calgary, Vancouver and Victoria. An aggregate for these six CMAs is also available. The RPPI provides a price index for all components of the housing real estate market—new and resale—in addition to a breakdown between houses and condominium apartments.

Products

The [New Housing Price Index: Interactive Dashboard](#), which allows users to visualize statistics on new housing prices, is available.

The [Housing Market Indicators](#) dashboard, which provides access to key housing market indicators for Canada, by province and by CMA, is also available.

For more information on the topic of housing, visit the [Housing statistics](#) portal.

The video "[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 compiled and what they are used for.

Statistics Canada has launched the [Producer price indexes portal](#) as part of a suite of portals for prices and price indexes. This web page provides users with a single point of access to a wide variety of statistics and measures related to producer prices.

Next release

The New Housing Price Index for July will be released on August 21.

Table 1
New Housing Price Index—not seasonally adjusted¹

	Relative importance ²	June 2019	May 2020	June 2020	May to June 2020	June 2019 to June 2020
	%	(December 2016=100)			% change	
Canada	100.00	103.0	104.2	104.3	0.1	1.3
House only	...	102.4	103.6	103.7	0.1	1.3
Land only	...	104.2	105.1	105.2	0.1	1.0
St. John's	0.41	97.3	97.2	97.2	0.0	-0.1
Charlottetown	0.14	101.1 ^E	102.6 ^E	102.6 ^E	0.0	1.5 ^E
Halifax	0.81	102.5	104.4	104.9	0.5	2.3
Saint John, Fredericton and Moncton ³	0.47	100.9	103.2	103.2	0.0	2.3
Québec	0.49	100.7	100.8	100.9	0.1	0.2
Sherbrooke	0.18	101.4	103.9	103.9	0.0	2.5
Trois-Rivières	0.09	101.6	103.1	103.1	0.0	1.5
Montréal	3.51	105.6	113.8	114.2	0.4	8.1
Ottawa–Gatineau (Quebec part)	0.39	104.4	107.9	107.9	0.0	3.4
Ottawa–Gatineau (Ontario part)	4.42	112.5	124.0	124.2	0.2	10.4
Oshawa	1.37	103.7	103.5	103.5	0.0	-0.2
Toronto	29.1	102.6	102.8	102.8	0.0	0.2
Hamilton	2.06	104.6	105.2	105.1	-0.1	0.5
St. Catharines–Niagara	2.09	106.7	109.0	110.1	1.0	3.2
Kitchener–Cambridge–Waterloo	2.15	104.5	110.0	110.8	0.7	6.0
Guelph	0.68	105.5	108.8	109.3	0.5	3.6
London	2.08	113.2	116.2	116.3	0.1	2.7
Windsor	1.04	106.7	108.6	108.6	0.0	1.8
Greater Sudbury	0.13	101.0	102.8	102.8	0.0	1.8
Winnipeg	2.22	104.4	105.5	105.8	0.3	1.3
Regina	0.72	96.7	92.9	92.4	-0.5	-4.4
Saskatoon	1.16	96.9	96.5	96.6	0.1	-0.3
Calgary	7.83	97.4	96.9	96.8	-0.1	-0.6
Edmonton	7.3	98.6	97.6	97.4	-0.2	-1.2
Kelowna	1.88	103.3	103.8	104.2	0.4	0.9
Vancouver	25.11	107.8	106.9	107.0	0.1	-0.7
Victoria	2.16	101.0	102.6	102.6	0.0	1.6

... 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 sales values of singles, semi-detached and townhouses or row homes 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](#).

A new study, titled [Price trends and outlook in key Canadian housing markets](#), looks at where the housing market was at the onset of the COVID-19 pandemic, sheds light on what has happened since then, and explores the challenges of the Canadian market going forward.

The infographic [Impact of COVID-19 on Key Housing Markets](#), part of the series *Statistics Canada – Infographics (11-627-M)*, is now available. It provides an outlook of the housing market prior to, during and after COVID-19.

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).