

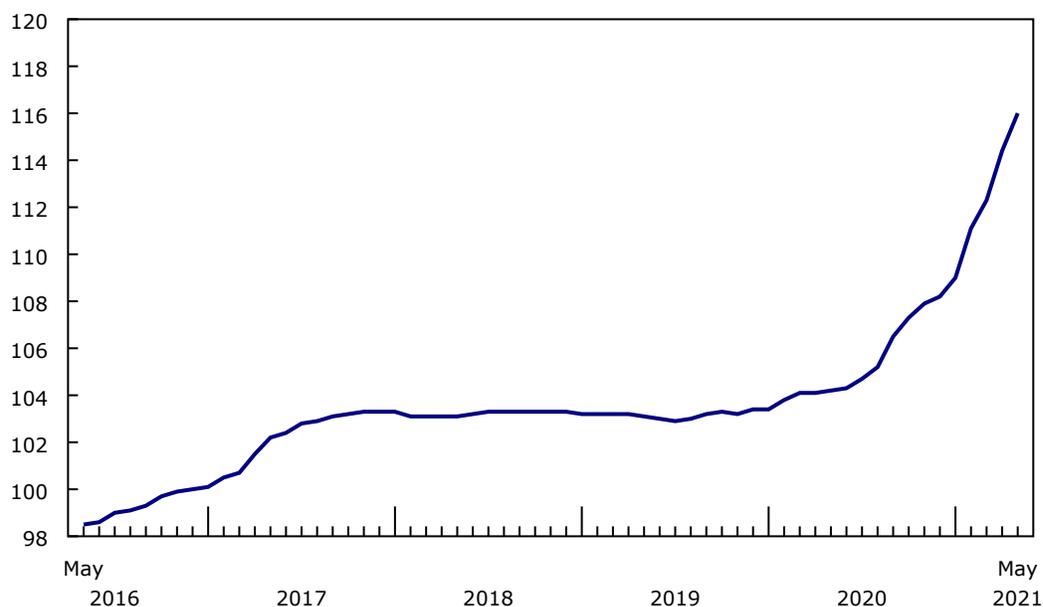
New Housing Price Index, May 2021

Released at 8:30 a.m. Eastern time in *The Daily*, Friday, June 18, 2021

New home prices increased 1.4% in May nationally, with prices up in 19 of the 27 census metropolitan areas surveyed.

Chart 1 New Housing Price Index

index (December 2016=100)



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

New Housing Price Index, monthly change

Winnipeg (+5.1%) reported the largest monthly increase in new home prices in May. According to the [Winnipeg Regional Real Estate Board](#), demand continued to outpace supply and the active listing supply at the end of May (2,768) was down 40.1% compared with the same month a year earlier (4,621).

New house prices in Calgary (+3.7%) rose at their fastest pace since July 2006. Part of the increase was attributable to the sale of homes priced at \$600,000 or more, which accounted for approximately 26% of total new home sales in May. The [Calgary Real Estate Board](#) reported an unadjusted benchmark price of \$455,200 for resale detached, semi-detached, row and apartment condominium homes in May, up 10.6% from a year earlier. This reflects, in part, the decrease in the number of months of inventory.

Builders reported that rising construction costs were contributing to higher new home prices nationally. Western Canada has been especially hard hit by building material shortages due to supply chain issues at lumber and steel mills, as well as rising transportation costs within Canada, and higher US import duties.

Nationally, in May, prices for lumber and other [products](#) were up 17.9% from the previous month and have more than doubled (+119.6%) year-over-year. Prices for fabricated metal products and construction materials were up 2.4% from April, and 15.0% higher year-over-year.



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New home prices continued to increase in Kitchener-Cambridge-Waterloo (+4.3%) and London (+4.1%) amid strong demand for larger homes.

Price growth slows in Canada's three largest markets

Price growth slowed in Canada's largest housing markets of Toronto (+0.4%), Vancouver (+0.8%) and Montréal (+1.4%). In May, fewer new and resale homes were sold in Toronto (-12.5%), Vancouver (-13.0%) and Montréal (-13.5%) compared with the previous month.

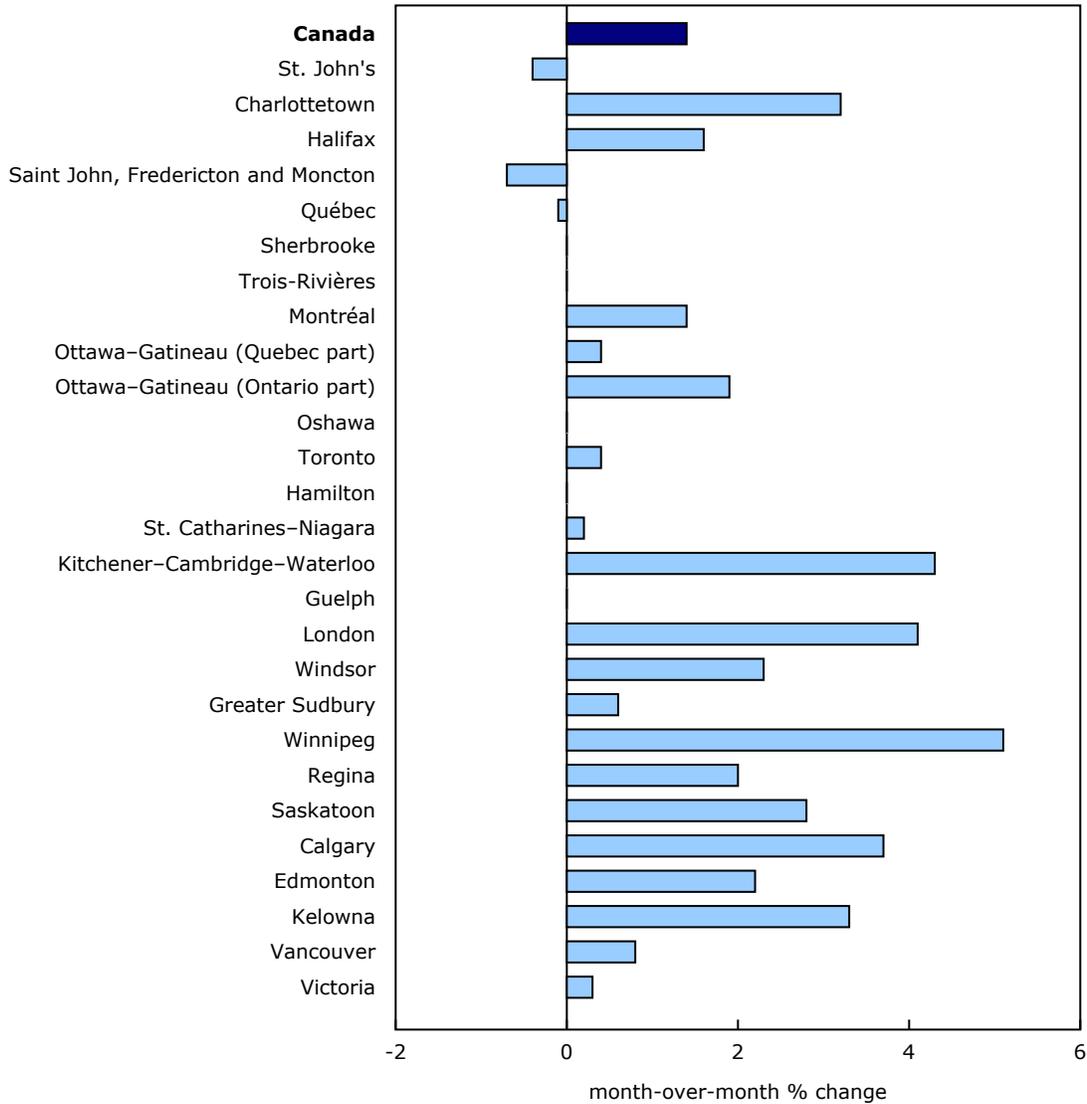
According to the [Canadian Real Estate Association](#), part of the sales slowdown in May could have been attributable to the lockdowns to slow the spread of COVID-19 in hot-spot regions of the country.

New Housing Price Index, 12-month change

Nationally, new home prices rose 11.3% year-over-year in May—the largest increase since November 2006.

New home prices were up in all 27 markets surveyed on a year-over-year basis, with prices rising at their fastest pace on record in Kitchener-Cambridge-Waterloo (+27.0%), Ottawa (+24.8%) and Windsor (+20.6%).

Chart 2
New house prices are up 1.4% at the national level



Source(s): Table 18-10-0205-02.

Outlook for the new housing market

The Office of the Superintendent of Financial Institutions (OSFI) announced that they will tighten the qualifying rate for uninsured mortgages to 5.25%, or the mortgage contract rate to plus 2.0%—whichever is higher, on mortgages approved on June 1, 2021 and after.

The Department of Finance will align with OSFI by establishing the same minimum qualifying rate for insured mortgages. Minimum qualifying rates ensure borrowers can make their mortgages payments in the event of a loss in income or higher mortgage rates. Under these new rules, borrowing power will be reduced by about 4.0% to 4.5%.

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 the contract is signed. The detailed specifications for 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 and the provincial harmonized sales tax.

The survey covers the following dwelling types: new single homes, semi-detached homes and town homes (row or garden 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 (see [Methodology of 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 article "[The resilience and strength of the new housing market during the pandemic](#)" examines the changes in new home prices in Canada for the 27 surveyed CMAs captured in the NHPI and compares the ranking of cities based on prices six months into the pandemic (August 2020 compared with February 2020).

The article "[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 "[The impact of COVID-19 on Key Housing Markets](#)," part of the series *Statistics Canada — Infographics (11-627-M)*, is available. It provides an outlook on the housing market before, during and after the onset of the COVID-19 pandemic.

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* web page. 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 launched the [Producer price indexes portal](#) as part of a suite of portals for prices and price indexes. It 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 June will be released on July 21.

Table 1
New Housing Price Index, not seasonally adjusted¹

	Relative importance ²	May 2020	April 2021	May 2021	April to May 2021	May 2020 to May 2021
	%	(December 2016=100)			% change	
Canada	100.00	104.2	114.4	116.0	1.4	11.3
House only	...	103.6	114.3	116.6	2.0	12.5
Land only	...	105.1	112.9	113.4	0.4	7.9
St. John's	0.31	97.2	102.1	101.7	-0.4	4.6
Charlottetown	0.13	102.6 ^E	115.2 ^E	118.9 ^E	3.2 ^E	15.9 ^E
Halifax	1.02	104.4	116.0	117.8	1.6	12.8
Saint John, Fredericton and Moncton ³	0.45	103.2	110.2	109.4	-0.7	6.0
Québec	0.55	100.8	115.3	115.2	-0.1	14.3
Sherbrooke	0.21	103.9	104.0	104.0	0.0	0.1
Trois-Rivières	0.10	103.1	108.3	108.3	0.0	5.0
Montréal	3.75	113.8	133.9	135.8	1.4	19.3
Ottawa–Gatineau (Quebec part)	0.45	107.9	114.1	114.6	0.4	6.2
Ottawa–Gatineau (Ontario part)	5.68	124.0	151.9	154.8	1.9	24.8
Oshawa	1.84	103.5	113.7	113.7	0.0	9.9
Toronto	24.32	102.8	109.5	109.9	0.4	6.9
Hamilton	2.25	105.2	116.1	116.1	0.0	10.4
St. Catharines–Niagara	2.52	109.0	123.8	124.0	0.2	13.8
Kitchener–Cambridge–Waterloo	2.56	110.0	134.0	139.7	4.3	27.0
Guelph	0.80	108.8	120.4	120.4	0.0	10.7
London	2.33	116.2	125.0	130.1	4.1	12.0
Windsor	1.08	108.6	128.0	131.0	2.3	20.6
Greater Sudbury	0.14	102.8	118.0	118.7	0.6	15.5
Winnipeg	2.35	105.5	116.8	122.7	5.1	16.3
Regina	0.57	92.9	93.9	95.8	2.0	3.1
Saskatoon	1.02	96.5	100.3	103.1	2.8	6.8
Calgary	7.87	96.9	101.5	105.3	3.7	8.7
Edmonton	7.53	97.6	100.5	102.7	2.2	5.2
Kelowna	1.89	103.8	113.5	117.3	3.3	13.0
Vancouver	25.92	106.9	120.0	120.9	0.8	13.1
Victoria	2.35	102.6	112.4	112.7	0.3	9.8

... 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): Tables [18-10-0205-01](#), [18-10-0205-02](#) and [18-10-0210-01](#).

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).