

New Condominium Apartment Price Index, first quarter 2022

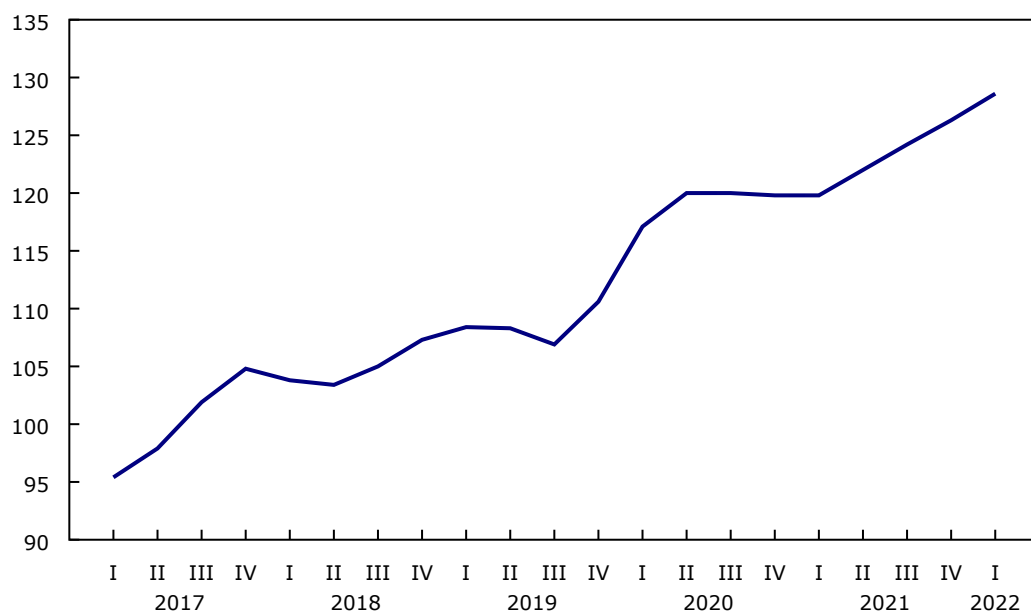
Released at 8:30 a.m. Eastern time in *The Daily*, Wednesday, May 4, 2022

Data for the New Condominium Apartment Price Index (NCAPI) are now available from the first quarter of 2017 up to and including the first quarter of 2022. Until February 2022, the NCAPI was published as a component of the Residential Property Price Index (RPPI) and covered only six census metropolitan areas (CMAs): Calgary, Montréal, Ottawa, Toronto, Vancouver, and Victoria. The RPPI was terminated with the release of the fourth quarter of 2021 data. This release marks the first publication of new condominium apartment price indexes for Edmonton, Halifax and Québec City, in addition to the six CMAs already published.

In the first quarter of 2022, prices for new condominium apartments for the nine CMA composite rose by 1.8% compared with the fourth quarter of 2021. Out of the nine CMAs, prices increased in four, decreased in three and were unchanged in two.

Chart 1
New Condominium Apartment Price Index

index (2017=100)



Source(s): Table 18-10-0273-01.

Vancouver posts the largest quarterly increase

Prices for new condominium apartments increased the most in Vancouver (+4.2%) in the first quarter of 2022, pushed up by declining inventories and continued demand for this type of dwelling. As opposed to single-family homes, condominium apartments remained a relatively affordable option for first-time home buyers, but also for investors wanting to jump into a hot rental market.

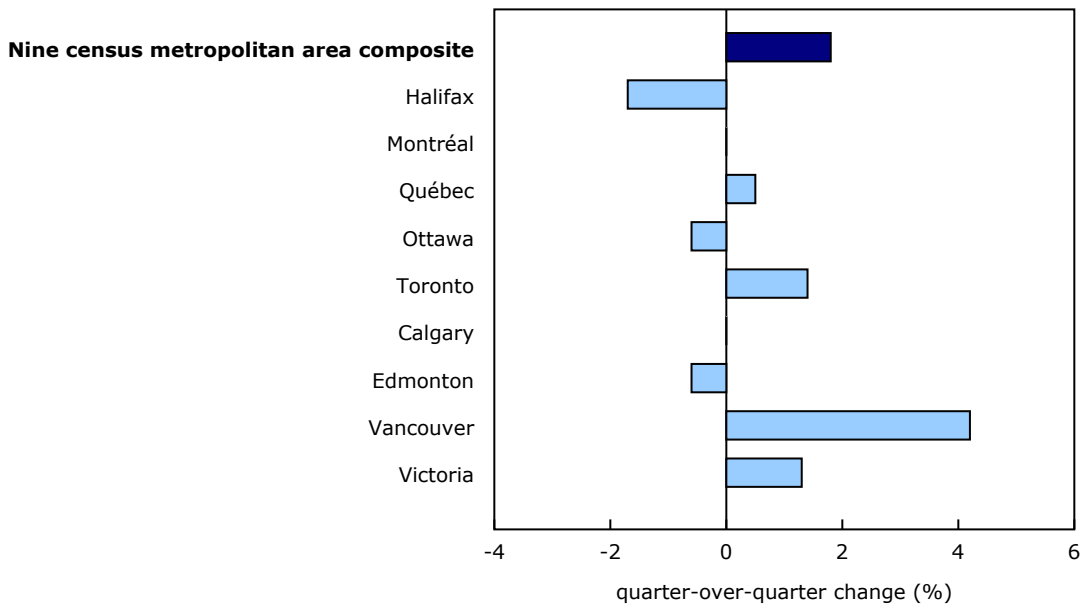
Vancouver recorded its highest year-over-year average rent increase (+29.9%) in March, as reported by [Rentals.ca](https://rentals.ca). Higher rents have been attracting investors in this city, reducing the supply of available units and in turn contributing to the upward price pressures for these new condominium apartments.



According to the [Canada Mortgage and Housing Corporation](#), the inventory of under-construction condominium apartments decreased by 4.7% in the first quarter of 2022 compared with the fourth quarter of 2021. This was the third consecutive quarter of declining inventories. While supply remained low, demand for housing continued to increase, which was influenced by a [high number of in-migrants moving into British Columbia](#) over the past year. Interprovincial net migration reached levels not seen since 1994 in the first and second quarters of 2021.

New condominium apartment prices also increased in Toronto (+1.4%) and in Victoria (+1.3%). The [Building Industry and Land Development Association](#) reported low inventories of condominium apartments in Toronto, along with a higher number of sales in January and February 2022. Based on average sales for the past 12 months, units available on the market represented only 3 months of total inventory, signaling a shortage of units as a balanced market would have 9 to 12 months of inventory.

Chart 2
Quarterly Price Variations of New Condominium Apartments



Source(s): Table 18-10-0273-02.

Moderation in price acceleration following two years of the COVID-19 pandemic induces higher market activity

From 2020 to 2022, due to the impacts of the pandemic, the demand in the real estate markets shifted towards larger living space for buyers. This caused single-family home prices to accelerate faster than condominium apartment prices. Increased sales, along with record-low home supply continued to push prices up, leaving condominium apartments relatively more affordable for many buyers in Toronto, Vancouver, Montréal, Ottawa, and Victoria.

Nationally, new condo apartments' prices rose 7.3% year over year in the first quarter of 2022, mostly driven by price accelerations in Toronto (+8.9%) and in Vancouver (+8.3%). Vancouver recorded the highest annual price increase since the start of the NCAPI series in 2017.

On a year-over-year basis, for the second consecutive quarter, prices for new condominium apartments rose at a slower pace in Montréal (+3.5%), Ottawa (+2.6%), and Victoria (+2.4%).

Calgary (+2.8%) recorded its fifth consecutive quarter of new condominium price increase on a year over year basis in the first quarter of 2022. In 2021, [levels of interprovincial net migration in Alberta increased sharply](#) in the second and third quarters, following decreases over the previous five quarters and to levels not seen since 2015.

Table 1
New Condominium Apartment Price Index, not seasonally adjusted

	Relative importance ¹	Second quarter 2021	Third quarter 2021	Fourth quarter 2021	First quarter 2022	Fourth quarter 2021 to first quarter 2022	First quarter 2021 to first quarter 2022
	%	(2017=100)			% change		
Nine census metropolitan area composite	100.0	122.0	124.2	126.3	128.6	1.8	7.3
Halifax	0.3	123.7 ^E	126.4 ^E	123.0 ^E	120.9 ^E	-1.7 ^E	2.5 ^E
Montréal	10.4	122.6	122.7	122.1	122.1	0.0	3.5
Québec	0.5	102.3 ^E	99.5 ^E	97.7 ^E	98.2 ^E	0.5 ^E	-1.6 ^E
Ottawa-Gatineau (Ontario part)	1.1	137.2	140.4	140.4 ^E	139.6 ^E	-0.6 ^E	2.6 ^E
Toronto	58.4	131.2	134.8	138.0	140.0	1.4	8.9
Calgary	2.1	79.4	80.5	80.9	80.9 ^E	0.0 ^E	2.8 ^E
Edmonton	0.8	87.9	88.4	85.9	85.4	-0.6	-0.5
Vancouver	24.5	111.9	112.8	115.2	120.0	4.2	8.3
Victoria	2.0	142.6	145.3	143.8 ^E	145.7 ^E	1.3 ^E	2.4 ^E

^E use with caution

1. The relative importance is derived from sales values from the Canada Mortgage and Housing Corporation's Market Absorption Survey.

Source(s):

Table [18-10-0273-01](#).

Table [18-10-0273-02](#).

Table [18-10-0274-01](#).

Note to readers

The New Condominium Apartment Price Index (NCAPI) is a quarterly series that measures changes over time in the developers' selling prices of units in newly-built apartment-style condominiums, where detailed specifications pertaining to each unit remain comparable between two consecutive periods.

The NCAPI is computed using a unit-value approach, wherein the price of a unit is standardized by its square-footage to give a price per square foot. Quality adjustments are made prior to calculating these unit prices in order to produce a constant-quality index.

The NCAPI is available for Halifax, Calgary, Edmonton, Montréal, Québec City, Ottawa, Toronto, Vancouver, Victoria and for the composite of these nine census metropolitan areas.

The NCAPI has a one quarter revision period and is not seasonally adjusted.

Products

The [Technical Guide for the New Condominium Apartment Price Index \(NCAPI\)](#) is now available. This document provides details on the methodology used to calculate the NCAPI.

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 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 Condominium Apartment Price Index for the second quarter will be released on August 5.

Definitions, data sources and methods: survey number [5236](#).

Available tables: [18-10-0273-01](#) and [18-10-0274-01](#).

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; infostats@statcan.gc.ca) or Media Relations (statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca).