

New Housing Price Index, May 2022

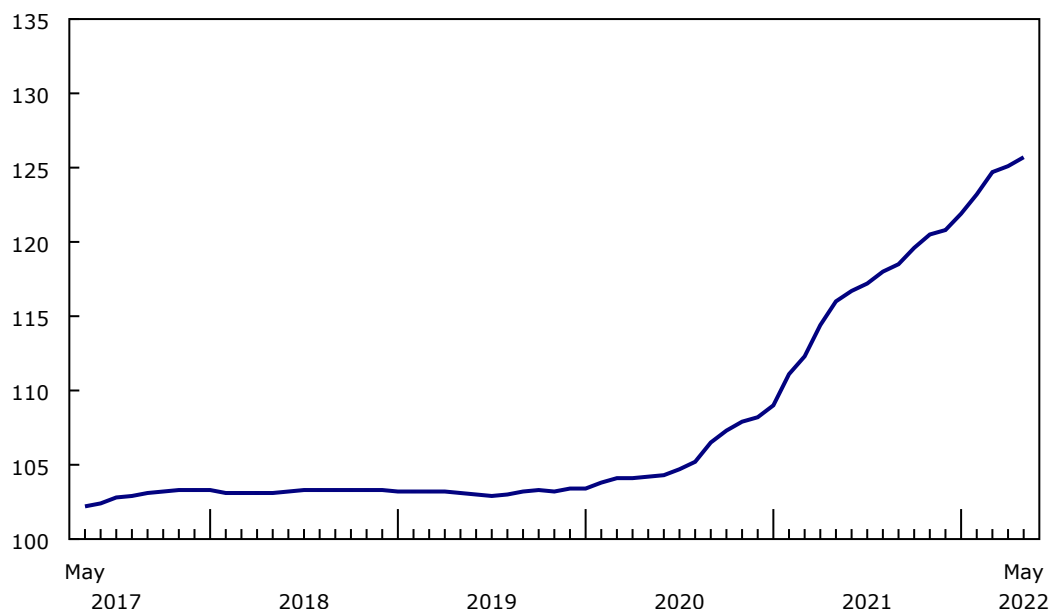
Released at 8:30 a.m. Eastern time in *The Daily*, Tuesday, June 21, 2022

National overview

New home prices for Canada were up 0.5% in May compared with April, following a 0.3% rise in the previous month. Prices were up in 14 of the 27 census metropolitan areas (CMA) surveyed and unchanged in the other half.

Chart 1 New Housing Price Index

index (December 2016=100)



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

New homes prices increase while the resale market shows signs of cooling

The price of new homes continued to rise in May due to sustained increased construction costs. On a year-over-year basis, a drop in [lumber and other wood product prices](#) (-19.3%) was not enough to offset the rising costs of other building materials in May. The price for energy and petroleum products was up 78.5% compared with May 2021, fabricated metal products and construction materials (+23.2%) as well as cement, glass, and other non-metallic mineral products (+8.7%) also recorded increases over the same period.

The Bank of Canada raised its overnight rate in March and in April, causing potential buyers to face higher mortgage rates. Following these rate hikes, the [Canadian Real Estate Association](#) (CREA) noted that the resale market showed signs of cooling, as national home sales decreased by 8.6% in May compared with April. Nationally, the benchmark price for resale homes decreased 0.8% on a month-over-month basis.

In May, rising construction costs continued to push new home prices up. However, the increasing mortgage rates seem to have had a larger impact on the resale market than on the new build market, reducing demand and prices of resale properties.

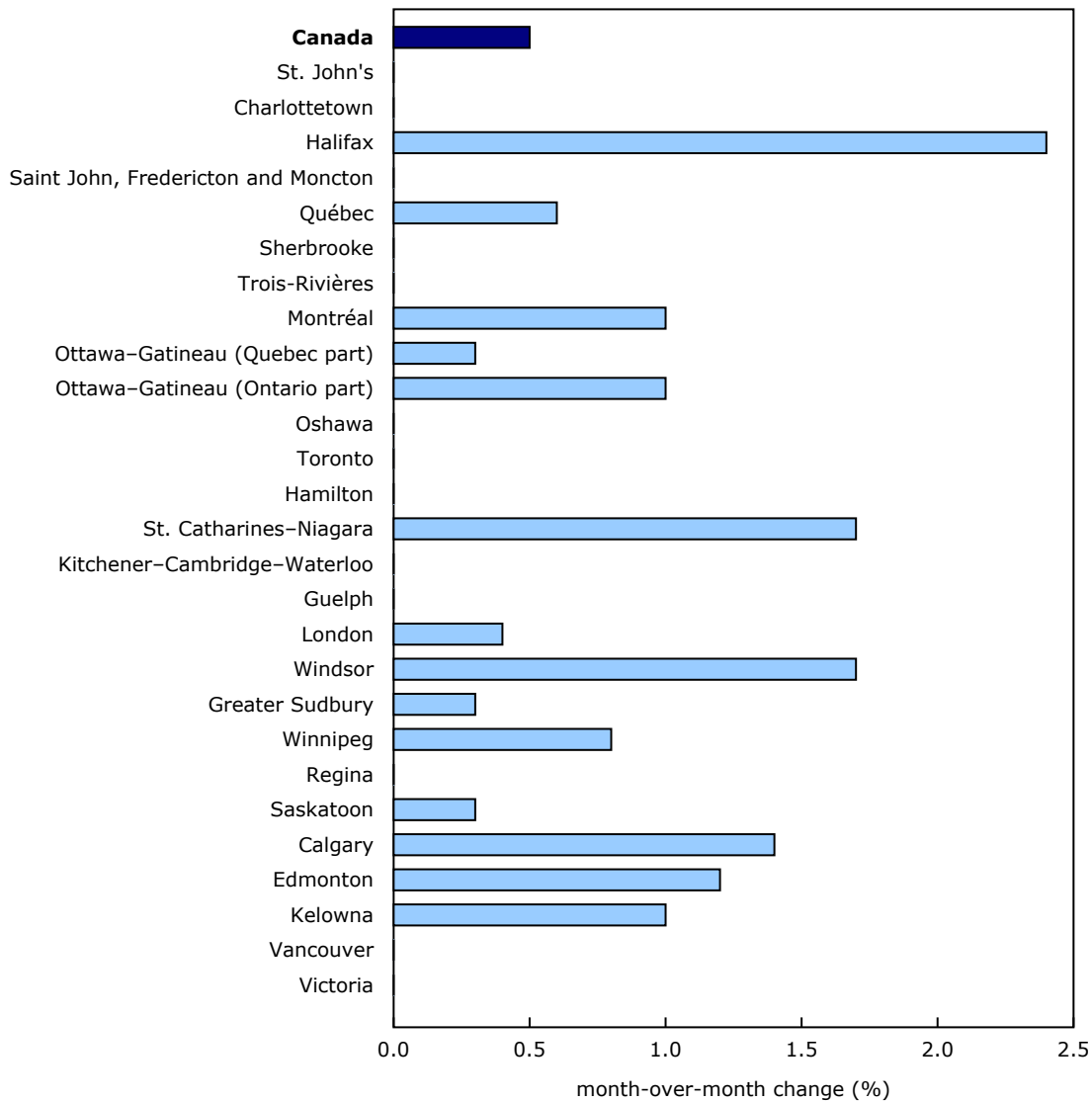


Halifax housing demand driving home sales and prices upwards

Halifax (+2.4%) recorded its highest monthly increase to new home prices in May since February 2021. CREA noted that in May, sales activity increased in three CMAs, including Halifax. Nova Scotia experienced a net increase of 4,487 of its population in the fourth quarter of 2021, where [2,430 people were international migrants](#) and [2,057 were interprovincial migrants](#). In May, the MLS® Home Price Index benchmark price for a single-family home in Halifax was \$541,900, much lower than the Canada composite of \$822,900. Increases to net migration and the relative affordability of home prices in the region compared to the rest of Canada may have contributed to the high housing demand amid a tight supply. Additionally, bidding wars which started last year were still ongoing in Halifax, applying upward pressure to home prices as buyers tried to secure a home.

New home prices rose 1.7% in both St. Catharines–Niagara and Windsor, recording the largest price increases among the Ontario CMAs surveyed. Average home prices continued to remain relatively more affordable in Windsor compared to the neighbouring Golden Horseshoe, making homes more appealing for buyers looking to buy in the region.

Chart 2
New house prices rise at the national level



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

Year-over-year prices continued to rise across the country

Nationally, new home prices rose 8.4% year-over-year in May, the smallest increase since March 2021.

Calgary (+18.9%) reported the greatest year-over-year increase in May. The last time Calgary led the national index was in January 2007. New home prices also increased in Winnipeg (+17.0%) and in Kitchener–Cambridge–Waterloo (+14.2%).

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 townhomes (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.

Products

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

The article titled "[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 [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 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 2021	April 2022	May 2022	April to May 2022	May 2021 to May 2022
	%	(December 2016=100)			% change	
Canada	100.00	116.0	125.1	125.7	0.5	8.4
House only	...	116.6	128.6	129.4	0.6	11.0
Land only	...	113.4^E	116.7^E	116.8^E	0.1^E	3.0^E
St. John's	0.22	101.7	104.7	104.7	0.0	2.9
Charlottetown	0.12	118.9 ^E	121.3 ^E	121.3 ^E	0.0 ^E	2.0 ^E
Halifax	1.1	117.8	119.1	122.0	2.4	3.6
Saint John, Fredericton and Moncton ³	0.45	109.4	119.5	119.5	0.0	9.2
Québec	0.6	115.2	124.0	124.8	0.6	8.3
Sherbrooke	0.21	104.0	111.5	111.5	0.0	7.2
Trois-Rivières	0.11	108.3	111.0	111.0	0.0	2.5
Montréal	3.88	135.8	150.4	151.9	1.0	11.9
Ottawa–Gatineau (Quebec part)	0.52	114.6	115.7	116.0	0.3	1.2
Ottawa–Gatineau (Ontario part)	7.02	154.8	171.8	173.6	1.0	12.1
Oshawa	3.41	113.7	122.0	122.0	0.0	7.3
Toronto	21.69	109.9	115.6	115.6	0.0	5.2
Hamilton	2.07	116.1	116.8	116.8	0.0	0.6
St. Catharines–Niagara	2.68	124.0	128.3	130.5	1.7	5.2
Kitchener–Cambridge–Waterloo	3.13	139.7	159.5	159.5	0.0	14.2
Guelph	0.72	120.4	124.0	124.0	0.0	3.0
London	3.13	130.1	147.2	147.8	0.4	13.6
Windsor	1.3	131.0	144.3	146.7	1.7	12.0
Greater Sudbury	0.18	118.7	121.4	121.8	0.3	2.6
Winnipeg	2.38	122.7	142.4	143.6	0.8	17.0
Regina	0.52	95.8	103.0	103.0	0.0	7.5
Saskatoon	0.99	103.1	107.3	107.6	0.3	4.4
Calgary	8.4	105.3	123.5	125.2	1.4	18.9
Edmonton	6.96	102.7	109.4	110.7	1.2	7.8
Kelowna	1.91	117.3	123.2	124.4	1.0	6.1
Vancouver	23.79	120.9	128.6	128.6	0.0	6.4
Victoria	2.51	112.7	125.3	125.3	0.0	11.2

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