

# New Housing Price Index, September 2022

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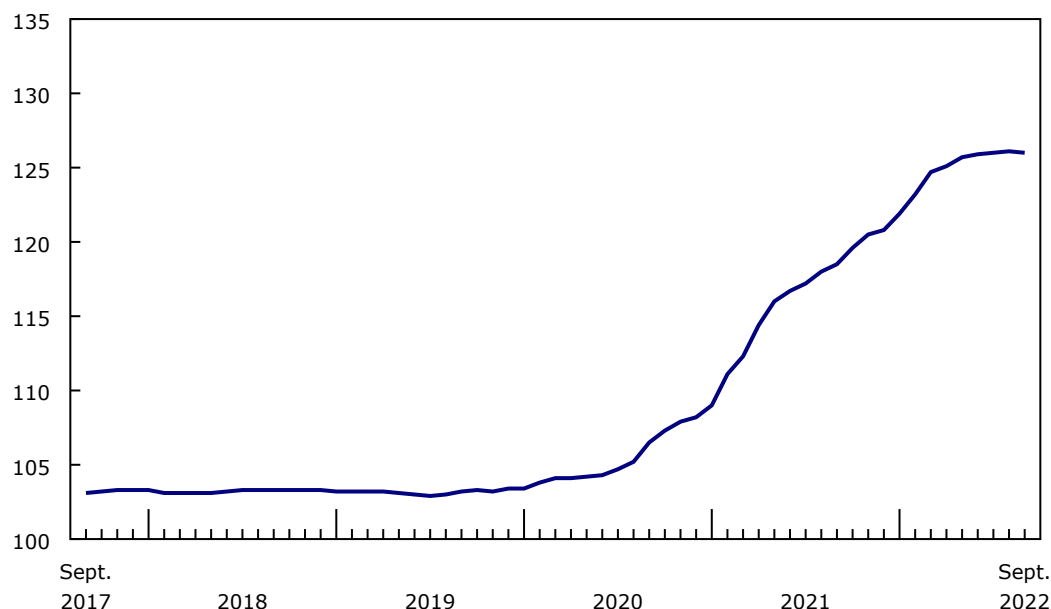
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## National overview

New home prices in Canada declined 0.1% in September—the first decrease since November 2019. Prices were up in 3 of the 27 census metropolitan areas (CMAs) surveyed, unchanged in 16 and down in 8.

### Chart 1 New Housing Price Index

index (December 2016=100)



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

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## Higher interest rates and decreasing construction costs play a role in the new home price decline

Higher interest rates helped curb the demand on housing, which was an intended consequence of the Bank of Canada trying to moderate the inflation rate in Canada. According to the [Canadian Real Estate Association \(CREA\)](#), the sales-to-new-listings ratio fell from 75.3% in March to 54.5% in September, indicating a move from a seller's market to a more balanced one.

Some of the builders that were surveyed cited lower construction costs as their reason for price change. Decreased demand for new construction homes in the United States helped lower [softwood lumber prices](#) in the Canadian market. Prices decreased 5.9% in September on a month-over-month basis, though they were 2.4% higher than year-ago levels.

This combination of lower demand for housing, lower construction costs and uncertainty regarding future interest rates contributed to the small decline in new home prices at the national level.



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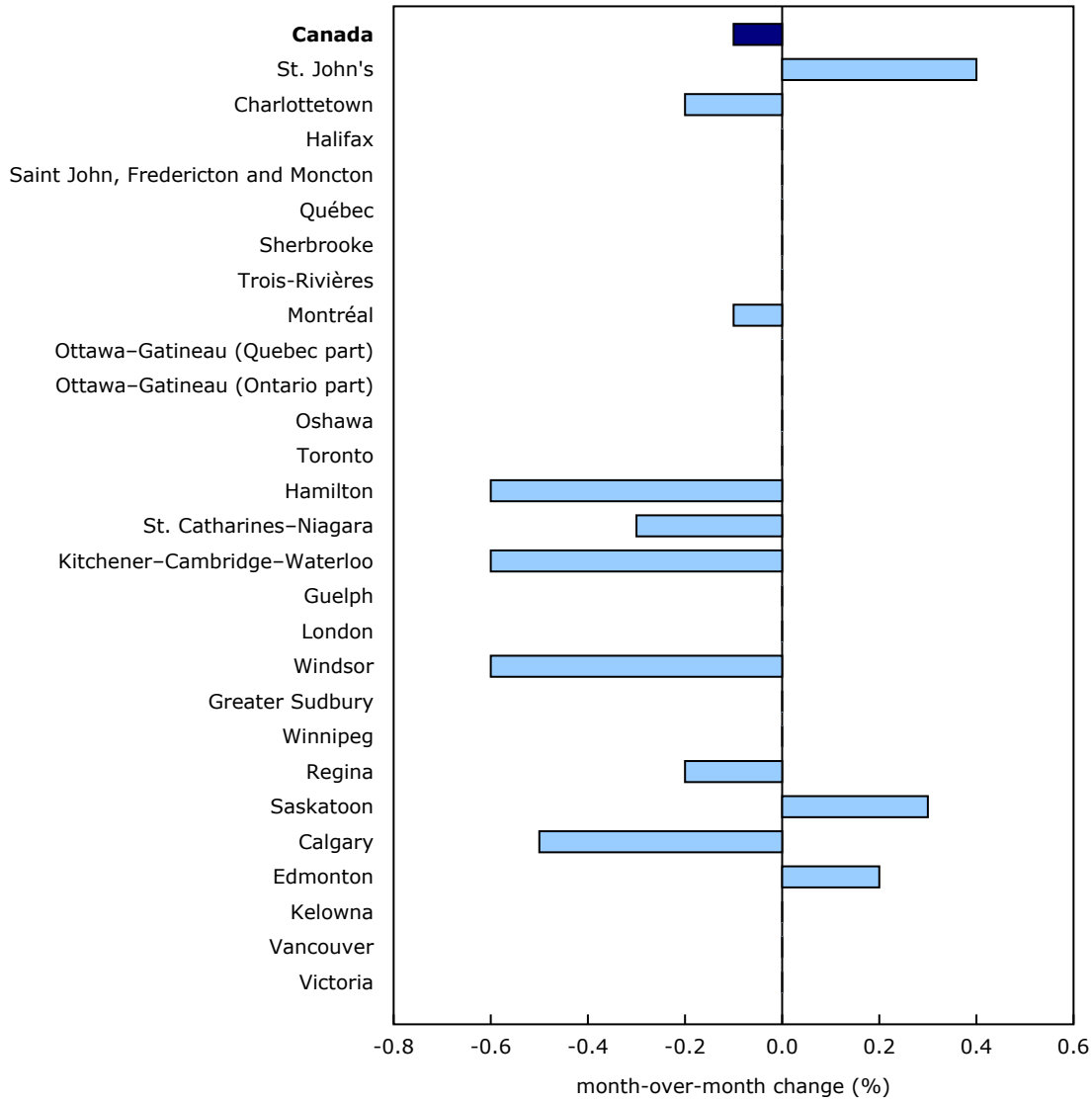
New home prices decreased the most in Hamilton, Kitchener–Cambridge–Waterloo and Windsor (each down 0.6%). In Hamilton, according to the [Realtors' Association of Hamilton–Burlington](#), increased supply and lower demand in the resale house market led to a correction in prices due to buyer hesitation amid rising interest rates and a belief in the potential for further price corrections. In Kitchener–Cambridge–Waterloo, builders cited bad market conditions as the reason for price decreases. The [Waterloo Region Association of Realtors](#) observed that the largest decline in sales for September was for townhouses and condos, which may suggest that higher borrowing costs are reducing the number of entry-level buyers in the housing market. Meanwhile, active listings in Windsor were 1,408 units in September, which is the highest it has been in over five years, but remained below the 10-year average, according to the CREA.

### **Some census metropolitan areas still increasing despite rising interest rates**

St. John's, Newfoundland, recorded the largest price increase (+0.4%) for new homes among the 27 CMAs surveyed in September. Newfoundland and Labrador had a record gain in net migration in the second quarter of 2022 with 3,068 people coming to the province. The demand for housing in St. John's remained elevated as the housing market remained relatively affordable compared with the rest of Canada.

The other two CMAs to record price increases were Saskatoon (+0.3%) and Edmonton (+0.2%).

**Chart 2**  
**New house prices decline at the national level**



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

**Year-over-year price growth moderates for the sixth month in a row**

Nationally, new home prices increased 6.3% on a year-over-year basis, decelerating for the sixth consecutive month.

Calgary (+14.2%) recorded the largest year-over-year gain in new home prices. Winnipeg also increased (+13.2%) along with Kitchener–Cambridge–Waterloo (+10.7%).

### 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 [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 introduces 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 October will be released on November 22.

**Table 1**  
**New Housing Price Index, not seasonally adjusted<sup>1</sup>**

	Relative importance <sup>2</sup>	September 2021	August 2022	September 2022	August to September 2022	September 2021 to September 2022
	%	(December 2016=100)			% change	
<b>Canada</b>	<b>100.00</b>	<b>118.5</b>	<b>126.1</b>	<b>126.0</b>	<b>-0.1</b>	<b>6.3</b>
House only	...	<b>120.1</b>	<b>129.8</b>	<b>129.7</b>	<b>-0.1</b>	<b>8.0</b>
Land only	...	<b>113.8<sup>E</sup></b>	<b>117.2<sup>E</sup></b>	<b>117.1<sup>E</sup></b>	<b>-0.1<sup>E</sup></b>	<b>2.9<sup>E</sup></b>
St. John's	0.22	102.3	105.2	105.6	0.4	3.2
Charlottetown	0.12	119.7 <sup>E</sup>	122.8 <sup>E</sup>	122.6 <sup>E</sup>	-0.2 <sup>E</sup>	2.4 <sup>E</sup>
Halifax	1.10	117.8	122.0	122.0	0.0	3.6
Saint John, Fredericton and Moncton <sup>3</sup>	0.45	114.1	119.5	119.5	0.0	4.7
Québec	0.60	116.7	125.3	125.3	0.0	7.4
Sherbrooke	0.21	105.2	111.5	111.5	0.0	6.0
Trois-Rivières	0.11	109.5	111.0	111.0	0.0	1.4
Montréal	3.88	142.0	151.5	151.4	-0.1	6.6
Ottawa–Gatineau (Quebec part)	0.52	115.0	116.0	116.0	0.0	0.9
Ottawa–Gatineau (Ontario part)	7.02	163.0	175.7	175.7	0.0	7.8
Oshawa	3.41	120.9	122.0	122.0	0.0	0.9
Toronto	21.69	111.1	115.6	115.6	0.0	4.1
Hamilton	2.07	116.1	116.8	116.1	-0.6	0.0
St. Catharines–Niagara	2.68	126.0	130.5	130.1	-0.3	3.3
Kitchener–Cambridge–Waterloo	3.13	143.1	159.4	158.4	-0.6	10.7
Guelph	0.72	123.3	124.0	124.0	0.0	0.6
London	3.13	136.3	148.1	148.1	0.0	8.7
Windsor	1.30	137.5	148.7	147.8	-0.6	7.5
Greater Sudbury	0.18	120.2	122.0	122.0	0.0	1.5
Winnipeg	2.38	126.8	143.6	143.6	0.0	13.2
Regina	0.52	97.6	103.1	102.9	-0.2	5.4
Saskatoon	0.99	105.3	109.0	109.3	0.3	3.8
Calgary	8.40	109.1	125.2	124.6	-0.5	14.2
Edmonton	6.96	103.5	110.6	110.8	0.2	7.1
Kelowna	1.91	119.4	124.6	124.6	0.0	4.4
Vancouver	23.79	122.6	129.4	129.4	0.0	5.5
Victoria	2.51	116.3	125.3	125.3	0.0	7.7

... 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](mailto:infostats@statcan.gc.ca)) or Media Relations ([statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca](mailto:statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca)).