

New Housing Price Index, January 2023

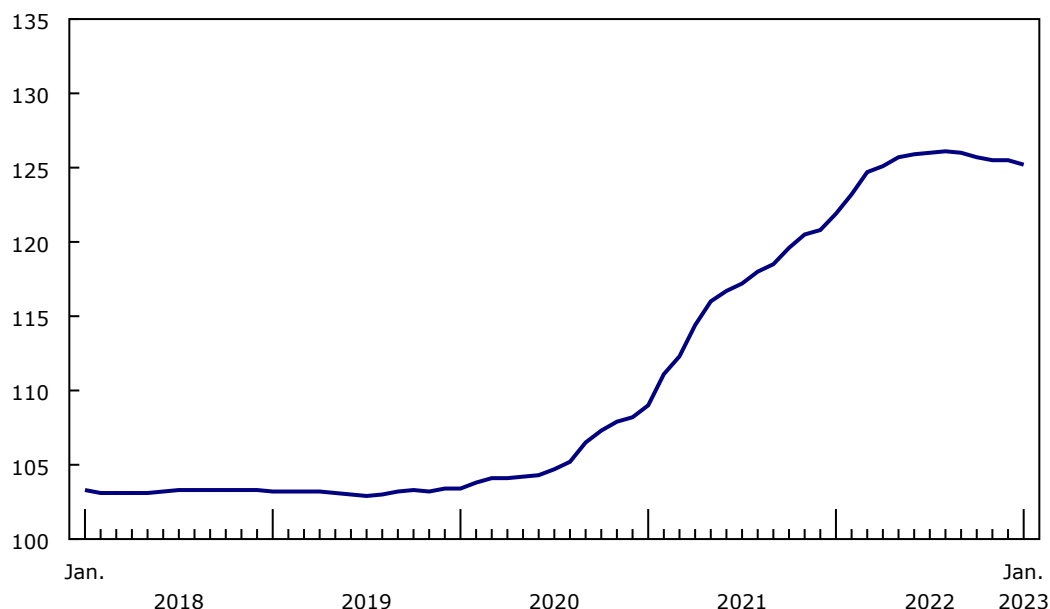
Released at 8:30 a.m. Eastern time in *The Daily*, Wednesday, February 22, 2023

New home buyers see another month of cooling house prices

New home prices in Canada declined 0.2% month over month in January. Prices were down or unchanged in 25 of the 27 census metropolitan areas (CMAs) surveyed and up in 2.

Chart 1 New Housing Price Index

index (December 2016=100)



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

Higher mortgage rates continued to put downward pressure on new house prices

Borrowing costs rose again in January, as the Bank of Canada increased the policy interest rate an additional 25 basis points, bringing it to 4.5%. As mortgage rates have increased, housing demand has been impacted, with the [Canada Mortgage and Housing Corporation \(CMHC\)](#) reporting 18.7% more single-family homes (single detached, semi-detached, and row) completed but not sold (unabsorbed inventory) in December 2022 compared with the same month in 2021. In addition, the [price of softwood lumber](#) fell again in January, declining a total of 61.2% since the high in March 2022, reducing builders' construction costs.

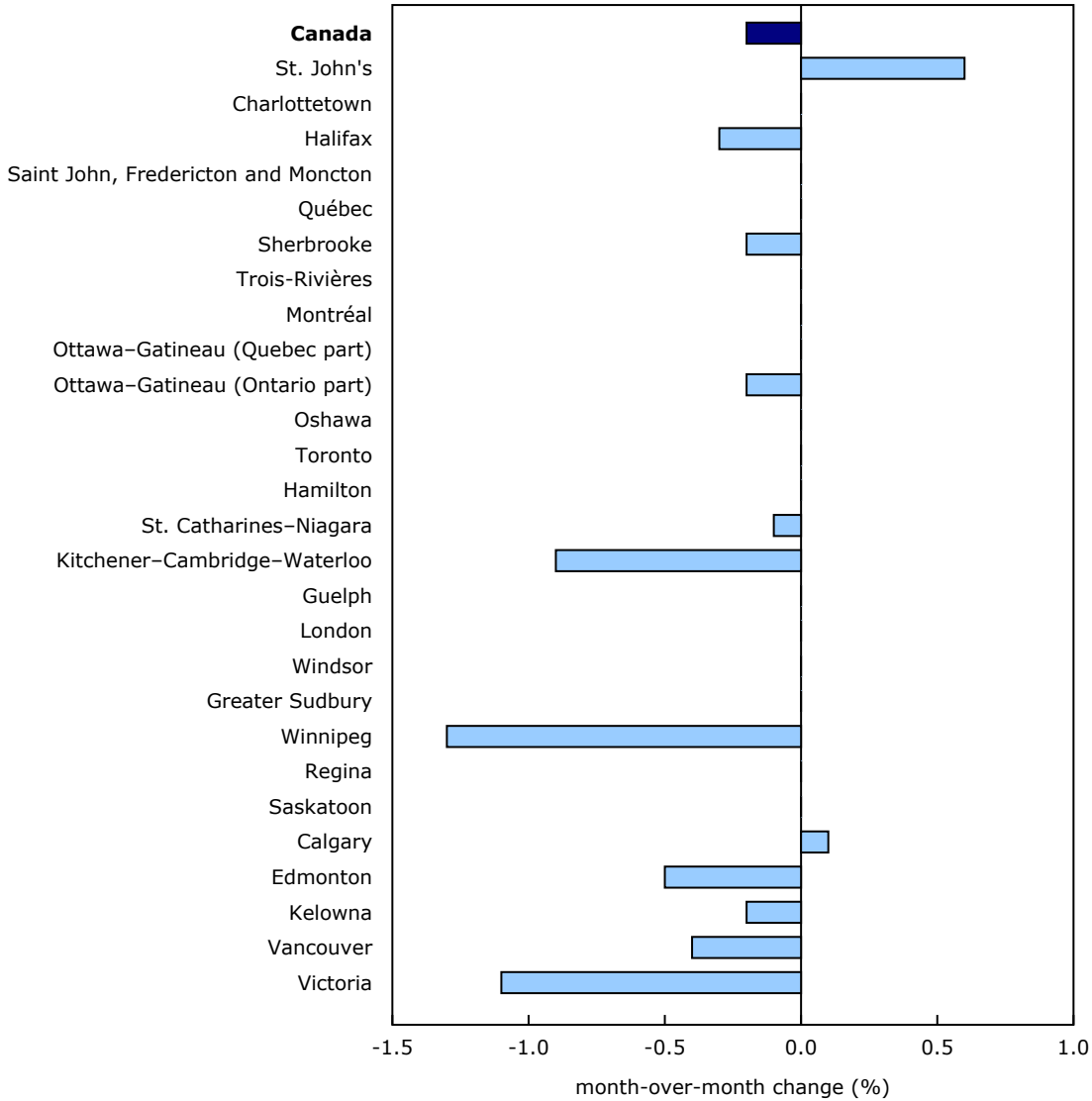
These changes were felt by builders, as 10 CMAs saw decreases in new home prices in January, the most since September 2018. Winnipeg (-1.3%) recorded the largest decrease in January 2023, followed by Victoria (-1.1%) and Kitchener-Cambridge-Waterloo (-0.9%). Builders reported deteriorating market condition and decreased construction costs as the reasons for the declines.

In Winnipeg, CMHC reported that the number of new single-family homes completed but not yet sold increased 40% year over year in December 2022. These circumstances may potentially give buyers more options in choosing a new home and more bargaining power in negotiating its price.



Meanwhile, prices for new homes increased in St. John's (+0.6) and Calgary (+0.1) in January 2023.

Chart 2
New house prices decline at the national level



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

Slowed year-over-year price growth continues

Nationally, new home prices increased 2.7% on a year-over-year basis in January 2023, significantly lower than the 11.8% year-over-year increase reported in January 2022, when the market was still hot.

In the resale housing market, the Canadian Real Estate Association reported that the national sales to new listings ratio for the resale homes stood at 57.8 in January 2023 compared with 77.9 in January 2022, pointing to a cooling market. A ratio between 40 and 60 points to a balanced market, higher than 60 points to a seller's market, and less than 40 points to a buyer's market.

Calgary (+10.9%) recorded the largest year-over-year gain in new home prices in January 2023, followed by Windsor (+5.9%) and Québec (+5.3%). These increases have moderated compared with January 2022, when annual growth stood at 15.3% in Calgary, 21.0% in Windsor and 10.2% in Québec.

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](#) web page. 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 February will be released on March 22.

Table 1
New Housing Price Index, not seasonally adjusted¹

	Relative importance ²	January 2022	December 2022	January 2023	December 2022 to January 2023	January 2022 to January 2023
	%	(December 2016=100)			% change	
Canada	100.00	121.9	125.5	125.2	-0.2	2.7
House only	...	124.3	129.2	128.9	-0.2	3.7
Land only	...	115.5^E	116.6^E	116.5^E	-0.1^E	0.9^E
St. John's	0.23	104.7	105.6	106.2	0.6	1.4
Charlottetown	0.15	119.5 ^E	122.6 ^E	122.6 ^E	0.0 ^E	2.6 ^E
Halifax	1.27	117.8	122.0	121.6	-0.3	3.2
Saint John, Fredericton and Moncton ³	0.56	115.5	119.5	119.5	0.0	3.5
Québec	0.75	119.8	126.1	126.1	0.0	5.3
Sherbrooke	0.24	107.5	111.5	111.3	-0.2	3.5
Trois-Rivières	0.14	111.0	111.0	111.0	0.0	0.0
Montréal	3.87	144.4	151.7	151.7	0.0	5.1
Ottawa–Gatineau (Quebec part)	0.5	115.7	116.0	116.0	0.0	0.3
Ottawa–Gatineau (Ontario part)	7.77	166.4	175.1	174.8	-0.2	5.0
Oshawa	3.04	122.0	122.0	122.0	0.0	0.0
Toronto	21.75	114.1	115.6	115.6	0.0	1.3
Hamilton	1.86	116.1	116.1	116.1	0.0	0.0
St. Catharines–Niagara	2.89	128.3	130.1	130.0	-0.1	1.3
Kitchener–Cambridge–Waterloo	3.08	154.7	158.8	157.3	-0.9	1.7
Guelph	0.7	124.0	124.0	124.0	0.0	0.0
London	3.54	144.7	147.1	147.1	0.0	1.7
Windsor	1.39	139.5	147.8	147.8	0.0	5.9
Greater Sudbury	0.17	121.4	121.4	121.4	0.0	0.0
Winnipeg	2.19	135.2	142.2	140.4	-1.3	3.8
Regina	0.5	100.0	102.1	102.1	0.0	2.1
Saskatoon	1.04	106.1	108.6	108.6	0.0	2.4
Calgary	9.81	112.5	124.7	124.8	0.1	10.9
Edmonton	7.12	104.5	109.5	109.0	-0.5	4.3
Kelowna	2.03	120.6	123.4	123.1	-0.2	2.1
Vancouver	20.8	127.1	128.2	127.7	-0.4	0.5
Victoria	2.63	121.7	125.0	123.6	-1.1	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 homes 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: [18-10-0205-01](#) and [18-10-0210-01](#).

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).