

New Housing Price Index, August 2023

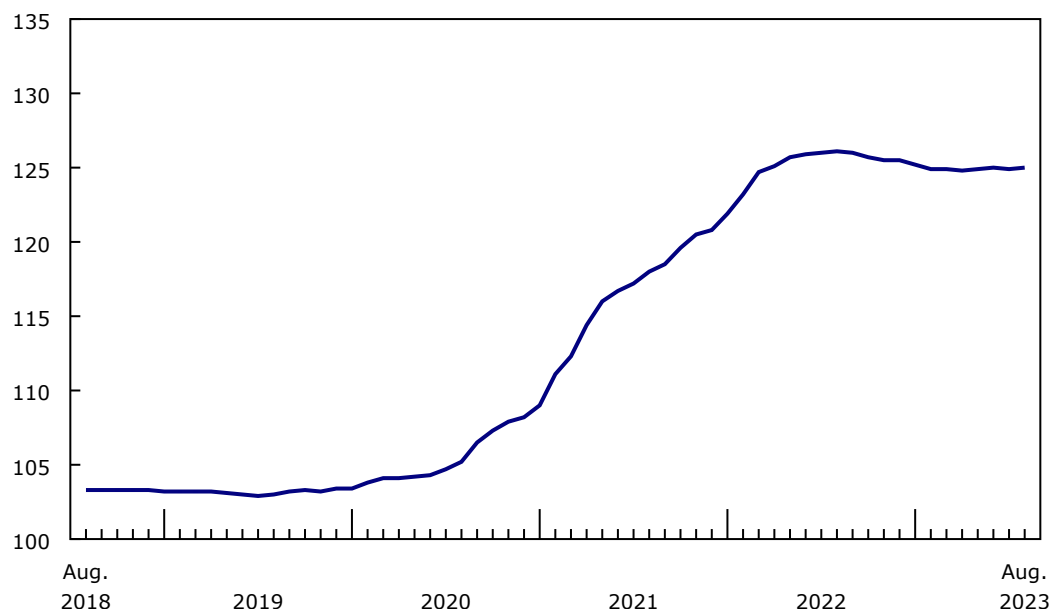
Released at 8:30 a.m. Eastern time in *The Daily*, Thursday, September 21, 2023

Canadian new home prices edge up in August

The national index edged up by 0.1% month over month in August. Prices were unchanged in 16 of the 27 census metropolitan areas (CMAs) surveyed, up in 5 and down in 6 CMAs.

Chart 1 New Housing Price Index

index (December 2016=100)



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

Calgary reports fourth consecutive monthly increase in new home prices

New home prices increased the most month over month in Calgary (+0.6%), Vancouver (+0.5%) and Sherbrooke (+0.4%). This was the fourth consecutive monthly increase in Calgary, with builders in the CMA noting construction costs as the reason for the price growth. The cost to construct a new house in Calgary rose by 1.1% (single-detached) and by 1.3% (townhouse) in the second quarter compared with the first quarter, as reported by the [Building Construction Price Index](#).

In August, prices decreased the most month over month in Ottawa (-1.3%), followed by Saskatoon (-0.3%) and Oshawa (-0.3%). This was the eighth consecutive decrease in Ottawa.

Ottawa leads yearly decline in August

Nationally, new home prices were down 0.9% year over year in August.

Borrowing costs remained elevated, with the Bank of Canada policy interest rate at 5.00% in August, compared with 2.50% in August 2022.



Statistics Canada
Statistique Canada

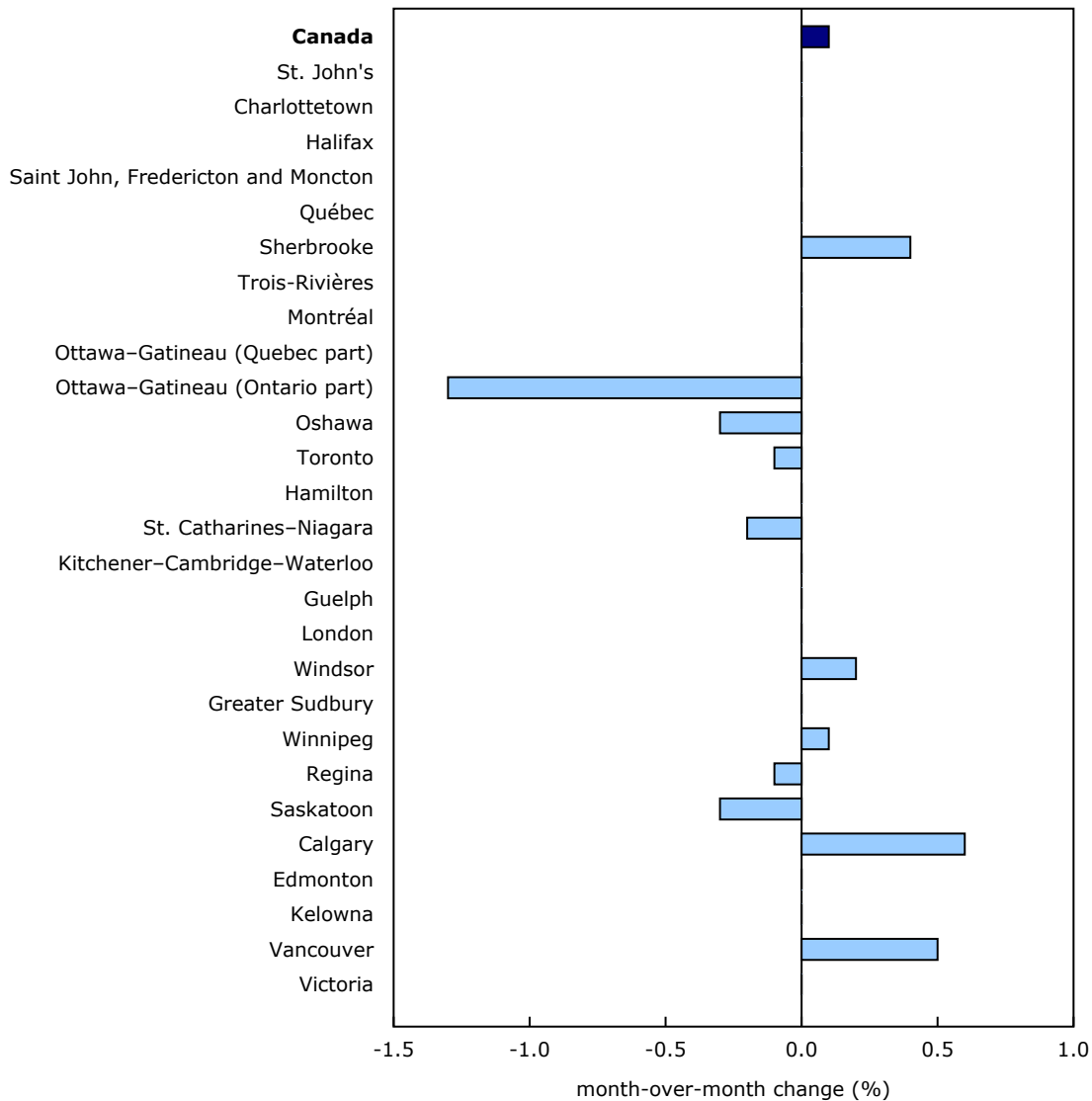
Canada

According to the [Canadian Home Builders' Association's Housing Market Index](#), builders' confidence in the residential construction sector remained low in the second quarter of 2023 (39.9) and well below the second quarter of 2022 (65.7), with builders noting challenges in converting prospective buyers into sales. In addition, some builders noted that discounts were needed to generate sales.

Ottawa recorded the largest year-over-year decline (-3.9%) in new home prices in August 2023. Higher mortgage rates have slowed the new housing market in Ottawa, with the [Canada Mortgage and Housing Corporation](#) reporting 53.8% more single family homes (single detached, semi-detached, and row) completed but not sold (unabsorbed inventory) in this CMA in August, compared with August 2022.

In August 2023, the largest year-over-year increases were reported in the CMAs of Québec (+3.5%), Calgary (+2.0%) and St. John's (+1.6%).

Chart 2
New house prices increase at the national level



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

Table 1
New Housing Price Index, not seasonally adjusted¹

	Relative importance ²	August 2022	July 2023	August 2023	July to August 2023	August 2022 to August 2023
	%	(December 2016=100)			% change	
Canada	100.00	126.1	124.9	125.0	0.1	-0.9
House only	...	129.8	128.2	128.1	-0.1	-1.3
Land only	...	117.2^E	116.7^E	117.0^E	0.3^E	-0.2^E
St. John's	0.23	105.2	106.9	106.9	0.0	1.6
Charlottetown	0.15	122.8 ^E	122.6	122.6	0.0	-0.2 ^E
Halifax	1.27	122.0	121.3	121.3	0.0	-0.6
Saint John, Fredericton and Moncton ³	0.56	119.5	119.5	119.5	0.0	0.0
Québec	0.75	125.3	129.7	129.7	0.0	3.5
Sherbrooke	0.24	111.5	112.7	113.1	0.4	1.4
Trois-Rivières	0.14	111.0	111.2	111.2	0.0	0.2
Montréal	3.87	151.5	151.9	151.9	0.0	0.3
Ottawa–Gatineau (Quebec part)	0.5	116.0	115.3	115.3	0.0	-0.6
Ottawa–Gatineau (Ontario part)	7.77	175.7	171.1	168.9	-1.3	-3.9
Oshawa	3.04	122.0	122.0	121.6	-0.3	-0.3
Toronto	21.75	115.6	115.1	115.0	-0.1	-0.5
Hamilton	1.86	116.8	115.6	115.6	0.0	-1.0
St. Catharines–Niagara	2.89	130.5	127.0	126.8	-0.2	-2.8
Kitchener–Cambridge–Waterloo	3.08	159.4	158.5	158.5	0.0	-0.6
Guelph	0.7	124.0	123.0	123.0	0.0	-0.8
London	3.54	148.1	145.2	145.2	0.0	-2.0
Windsor	1.39	148.7	145.6	145.9	0.2	-1.9
Greater Sudbury	0.17	122.0	119.9	119.9	0.0	-1.7
Winnipeg	2.19	143.6	141.4	141.5	0.1	-1.5
Regina	0.5	103.1	102.4	102.3	-0.1	-0.8
Saskatoon	1.04	109.0	106.5	106.2	-0.3	-2.6
Calgary	9.81	125.2	126.9	127.7	0.6	2.0
Edmonton	7.12	110.6	107.3	107.3	0.0	-3.0
Kelowna	2.03	124.6	123.6	123.6	0.0	-0.8
Vancouver	20.8	129.4	128.4	129.1	0.5	-0.2
Victoria	2.63	125.3	120.7	120.7	0.0	-3.7

... 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](#).

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 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 September will be released on October 24, 2023.

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).