

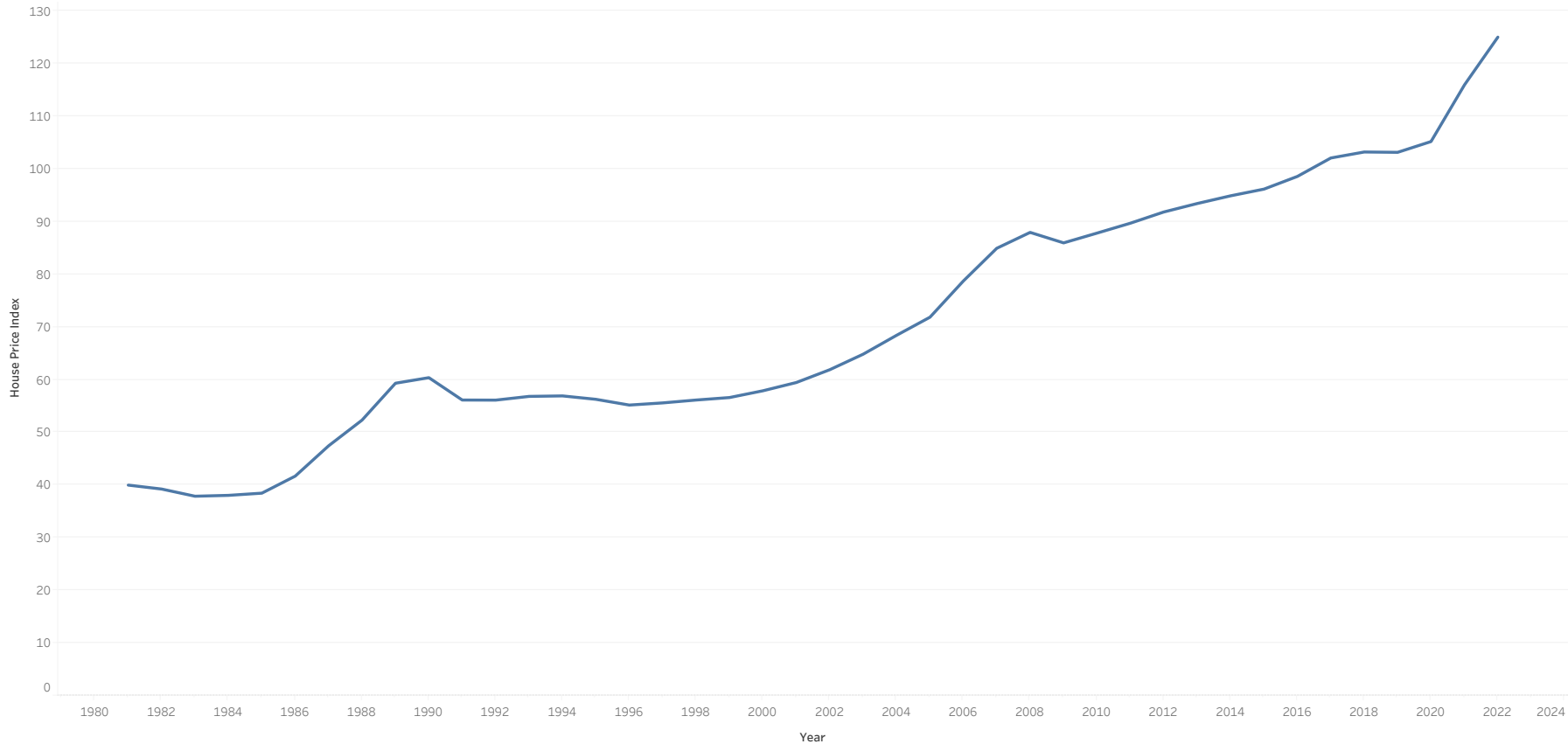
1	2	3	4	5	6	7	8	9	10	11	12	13
---	---	---	---	---	---	---	---	---	----	----	----	----



Costs and Trends in Canadian Home Ownership

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13

National HPI trend

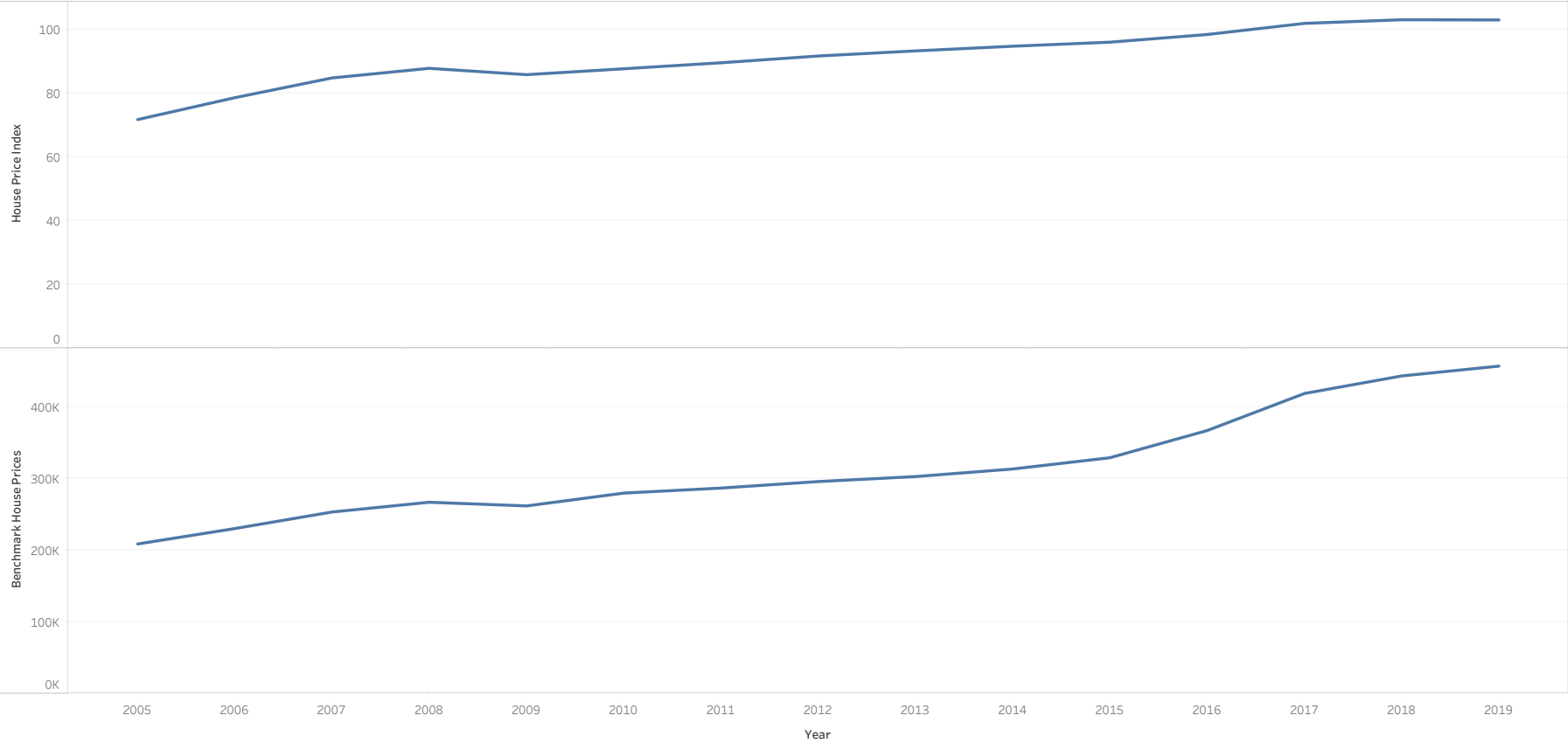


The trend in national House Price Index has been increasing gradually since the end of the 2007-2009 financial crisis, and increasing rapidly in recent years since the start of the pandemic in 2020.

Costs and Trends in Canadian Home Ownership

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13

House price trend vs benchmark

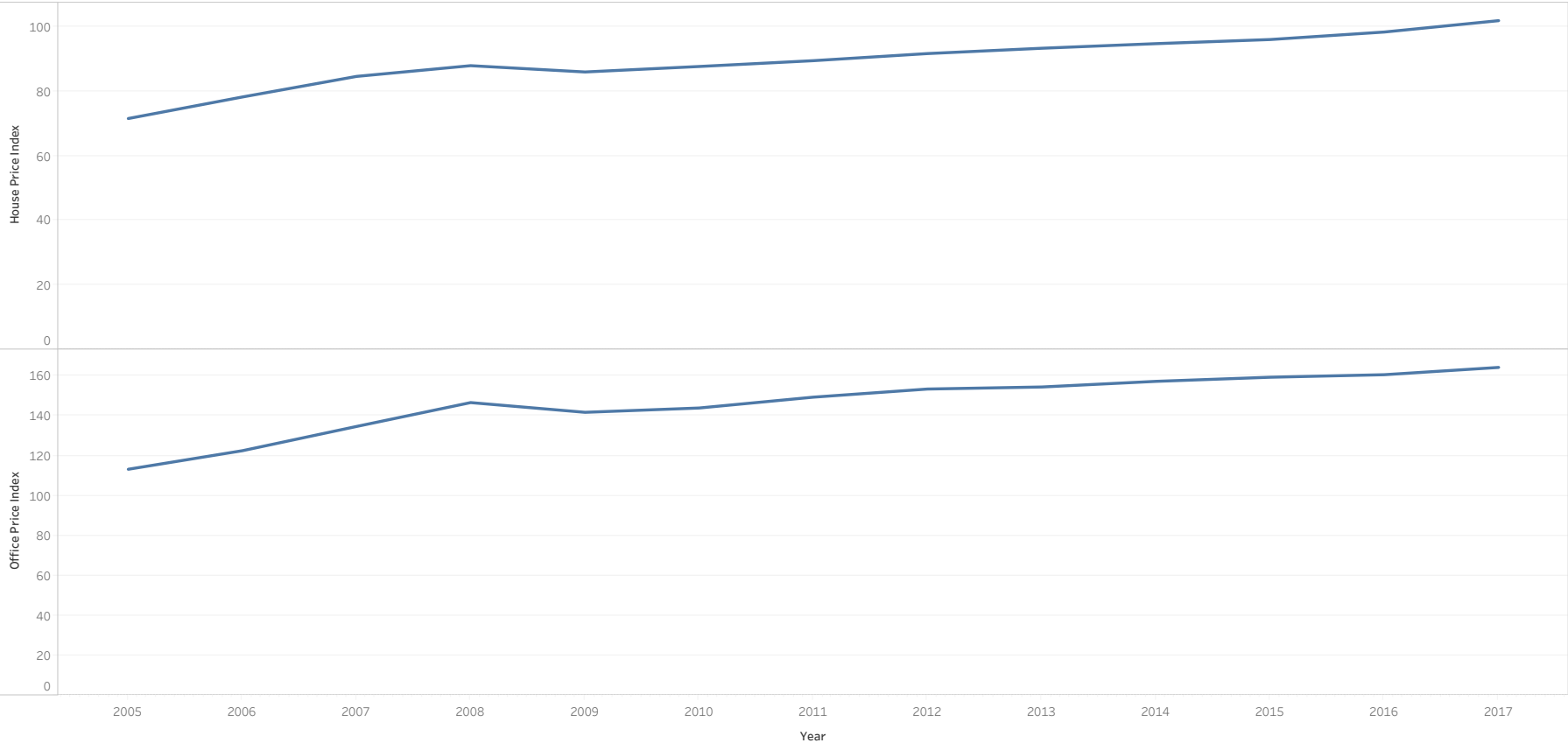


The trend in national House Price Index is compared with benchmark house prices for the same period. It shows both increasing gradually, with an increase in growth of the benchmark prices in recent years.

Costs and Trends in Canadian Home Ownership

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13

Office price index trend vs HPI

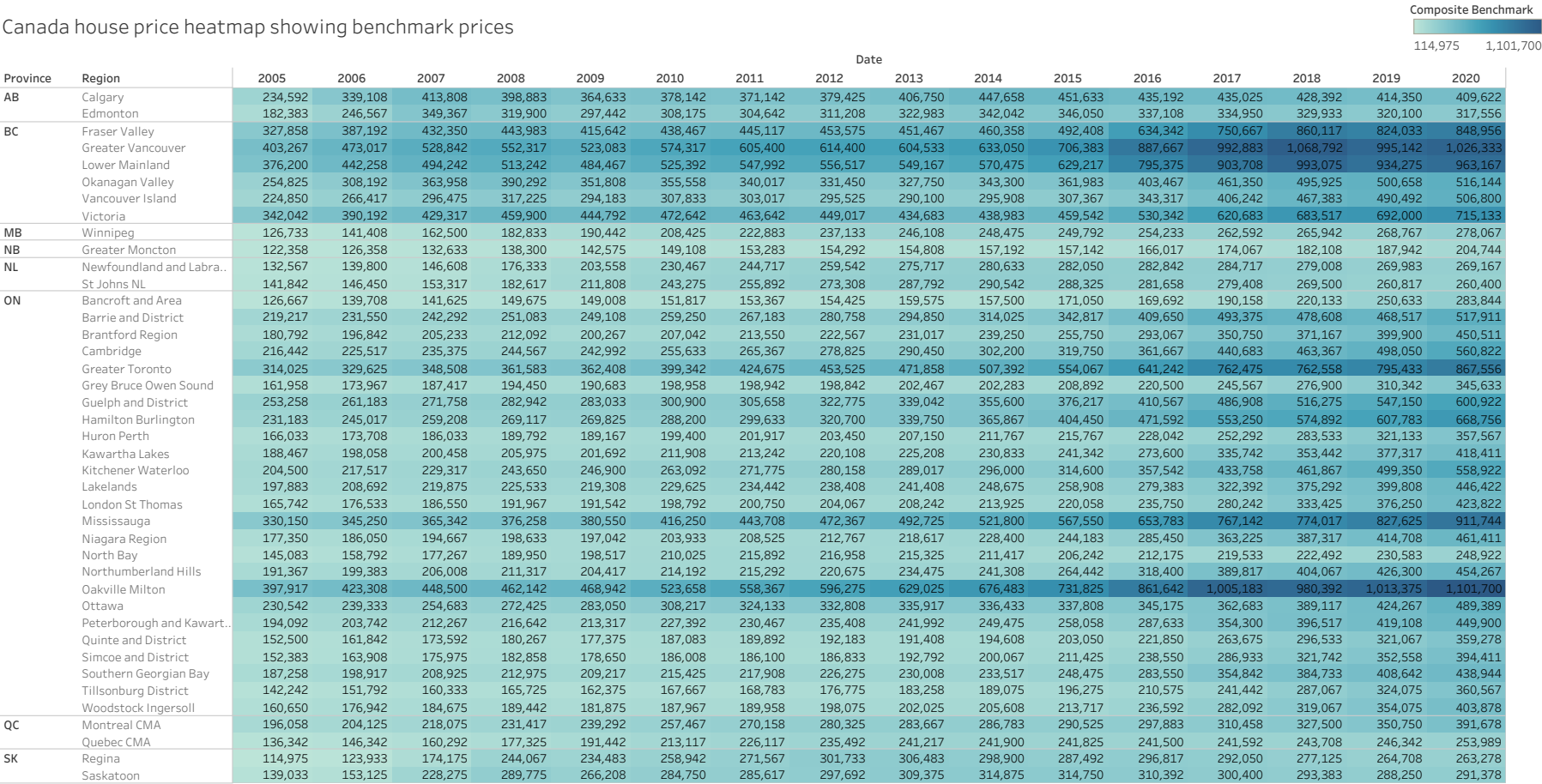


The trend in the national House Price Index is similar to the Office Price Index.

Costs and Trends in Canadian Home Ownership

1	2	3	4	5	6	7	8	9	10	11	12	13
---	---	---	---	---	---	---	---	---	----	----	----	----

Canada house price heatmap showing benchmark prices

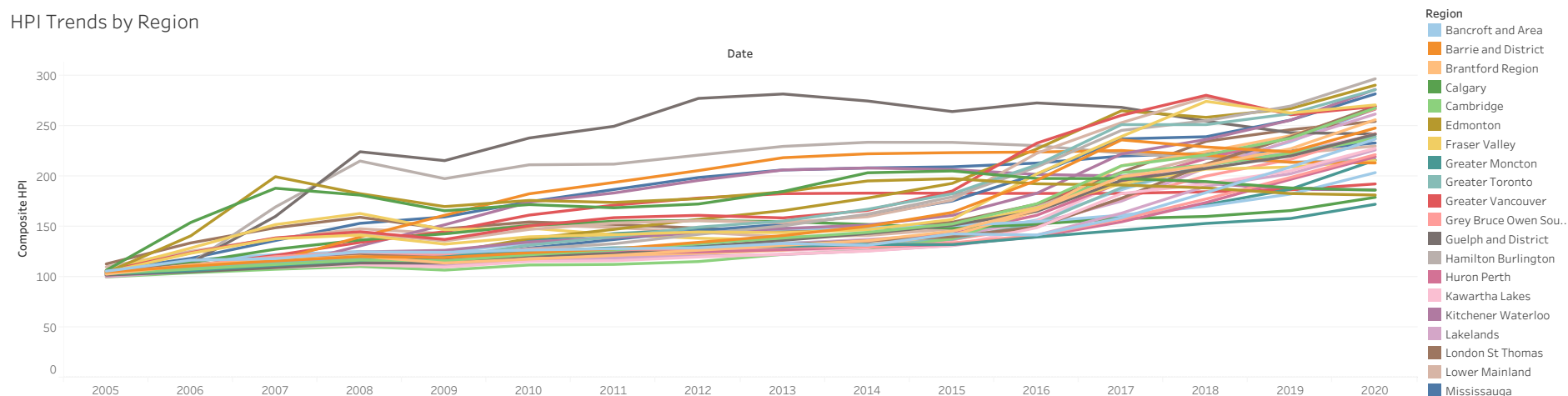


The heatmap of benchmark house prices shows relative differences between regions and over the years. Darker shading shows the gap between metropolitan centres and other areas is growing.

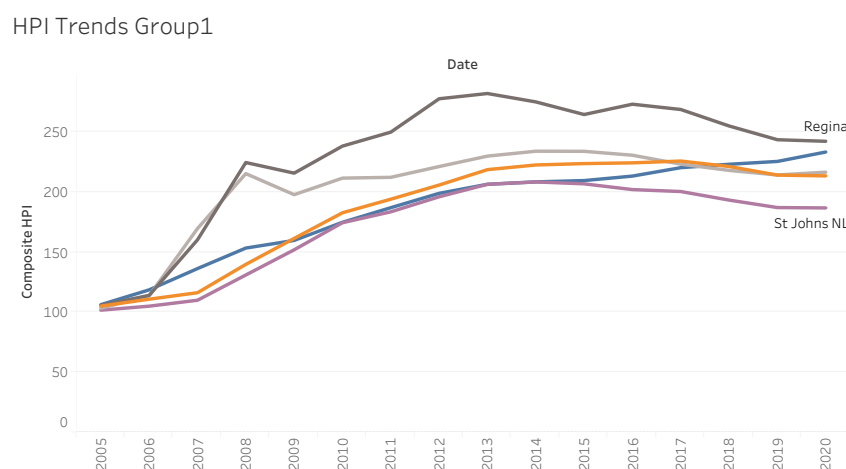
Costs and Trends in Canadian Home Ownership

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13

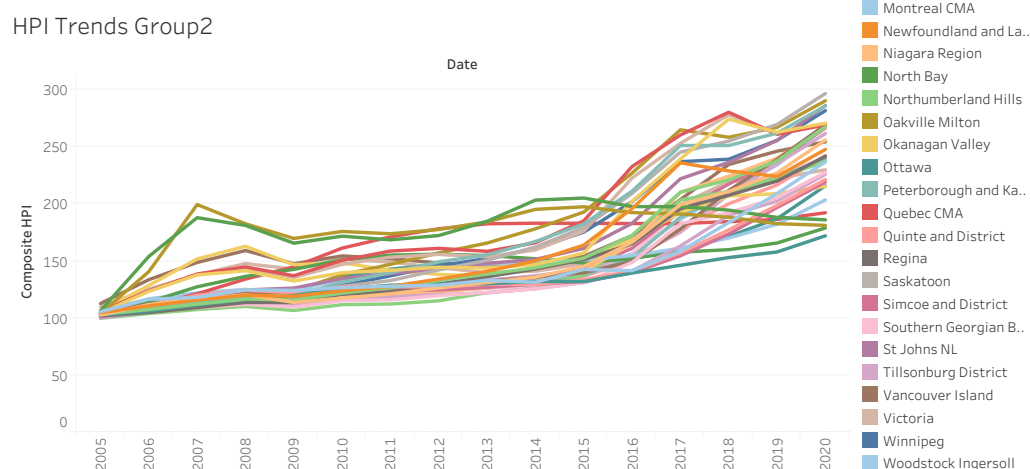
HPI Trends by Region



HPI Trends Group1



HPI Trends Group2



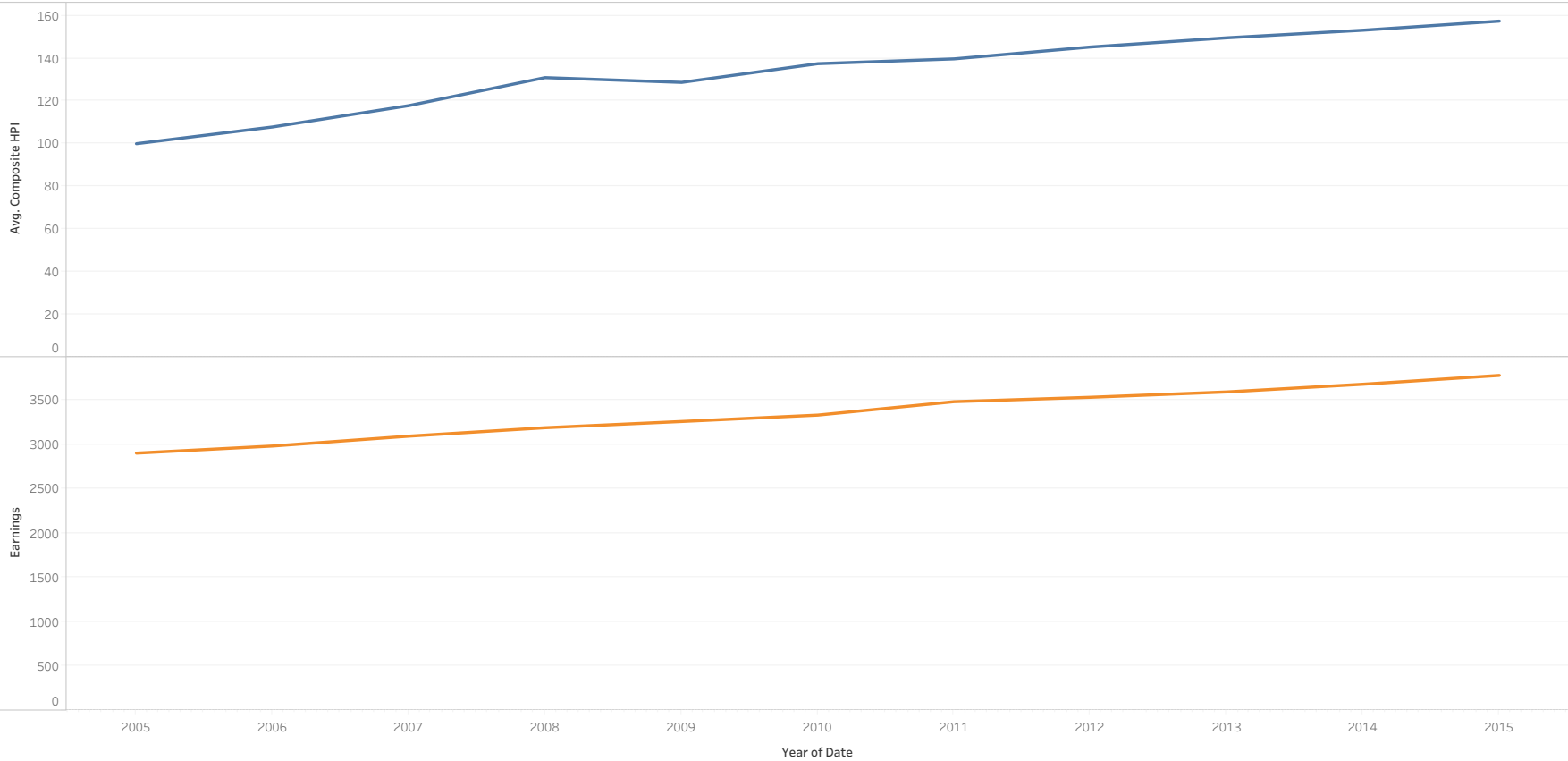
Regional trends in house prices shows a difference between some regions (Regina, Saskatoon, Winnipeg, St Johns and the rest of NL) and mostly GTA, Ontario, BC and major metropolises.

The former group, group 1 on the lower left, increases dramatically 2009-2013, then drops off in recent years. In contrast, the latter group 2, on the lower right, shows slower growth for the same time period and a rapid increase starting around 2015.

Costs and Trends in Canadian Home Ownership

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13

Canadian Earnings track HPI

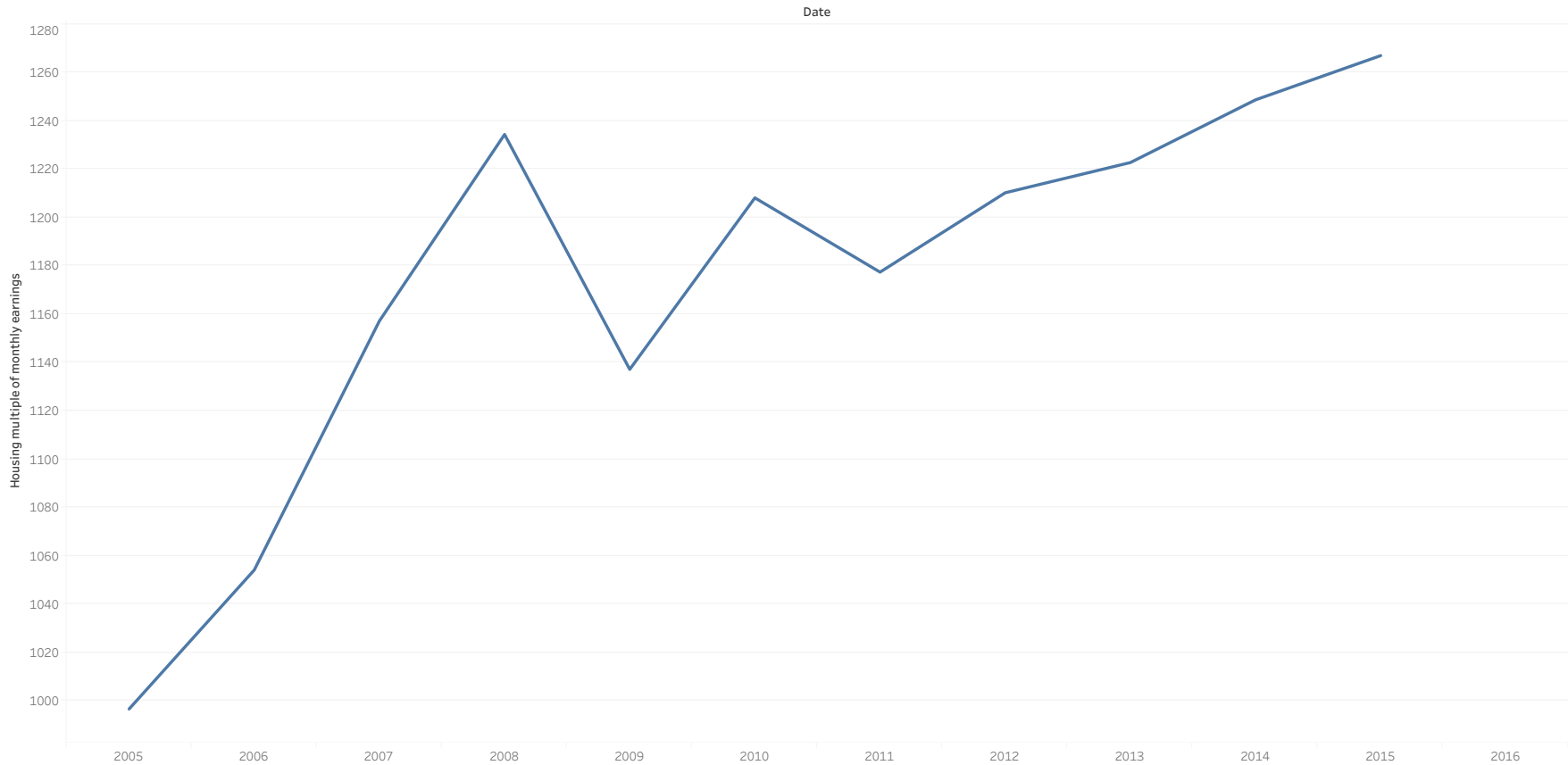


Average earnings track the House Price Index surprisingly closely, apart from a slowing in HPI growth during the financial crisis around 2008.

Costs and Trends in Canadian Home Ownership

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13

Housing cost taking from earnings

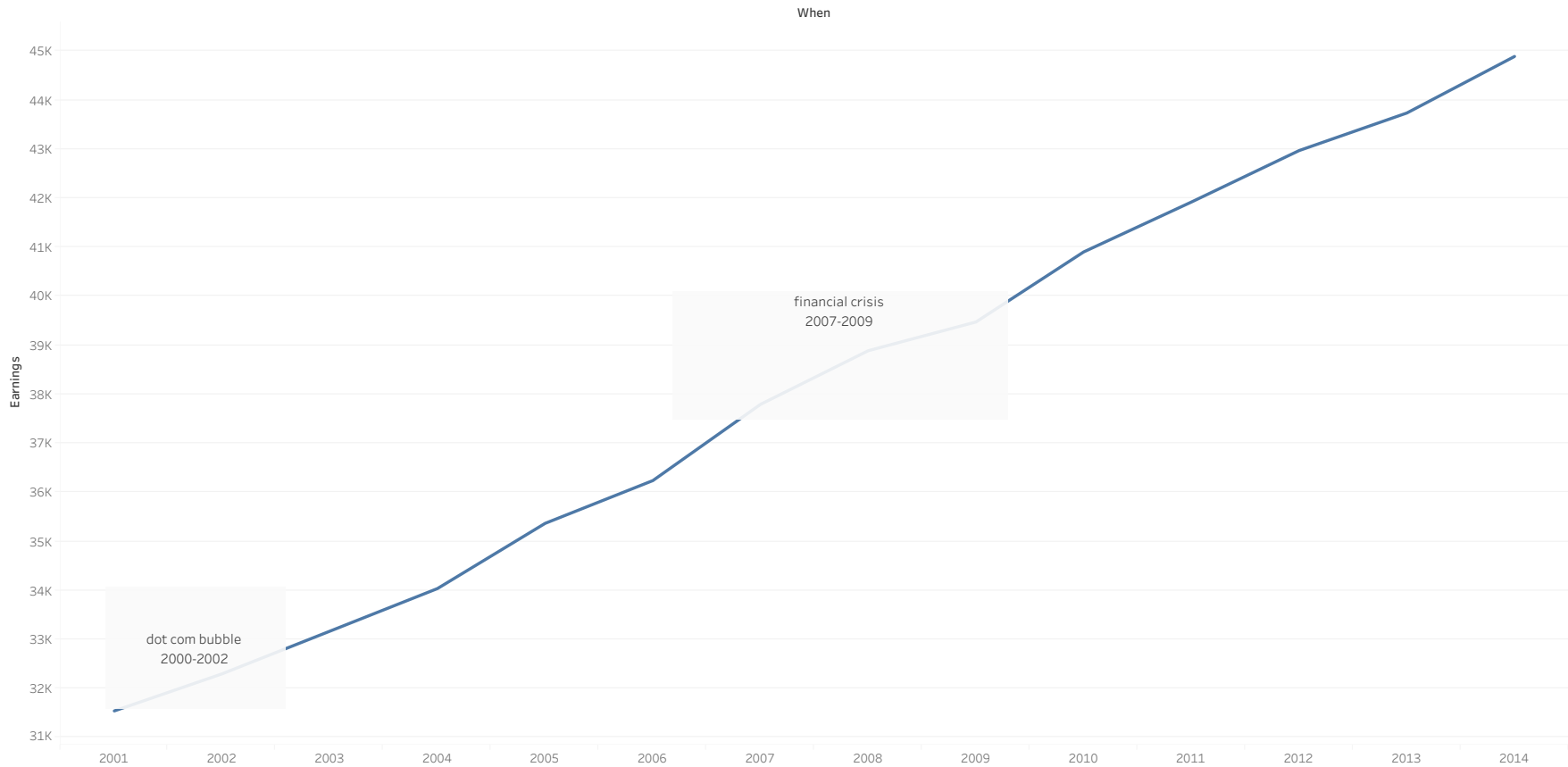


The benchmark cost of a house is shown as a multiple of average earnings. There was a steep increase in housing as a multiple of earnings from 2005-2008, dropping dramatically around the financial crisis. The trend steepens again from 2011-2016.

Costs and Trends in Canadian Home Ownership

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13

Canadian average monthly earnings

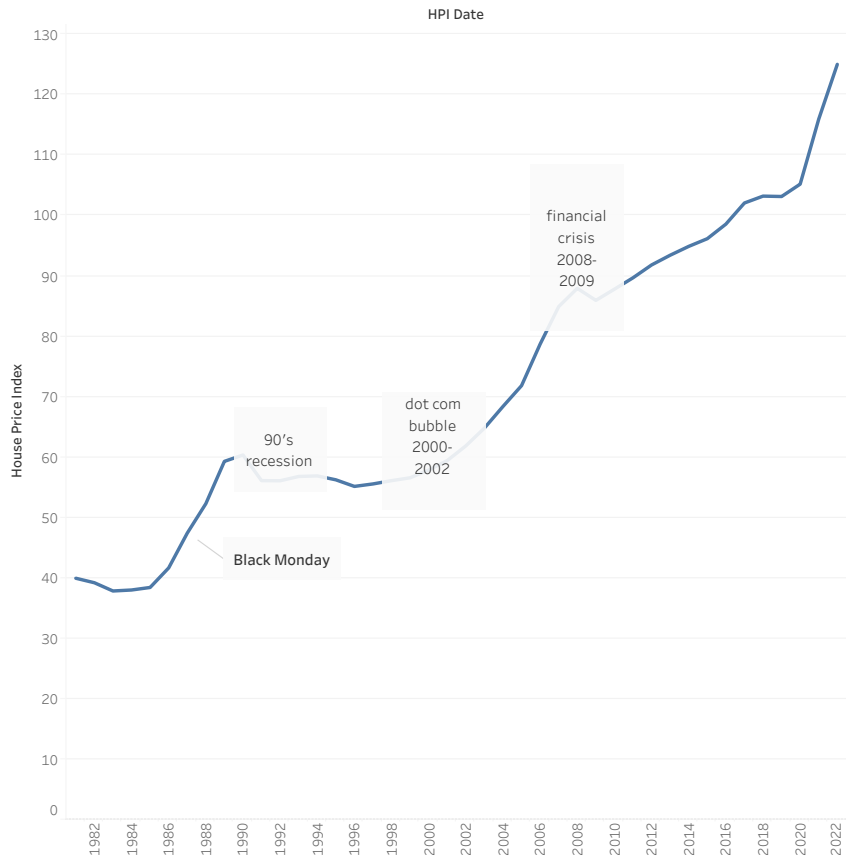


I only have data for two of the financial crises mentioned, but they seem to have little effect on average earnings. Later slides show a contrasting larger effect on other economic indicators.

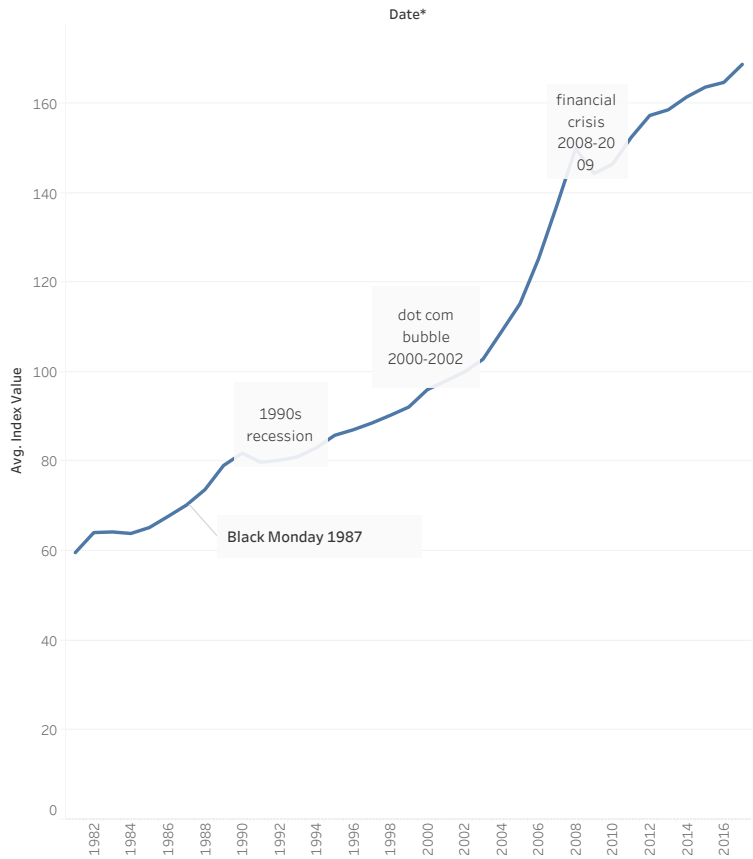
Costs and Trends in Canadian Home Ownership

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13

Housing Price Index



Office Price Index



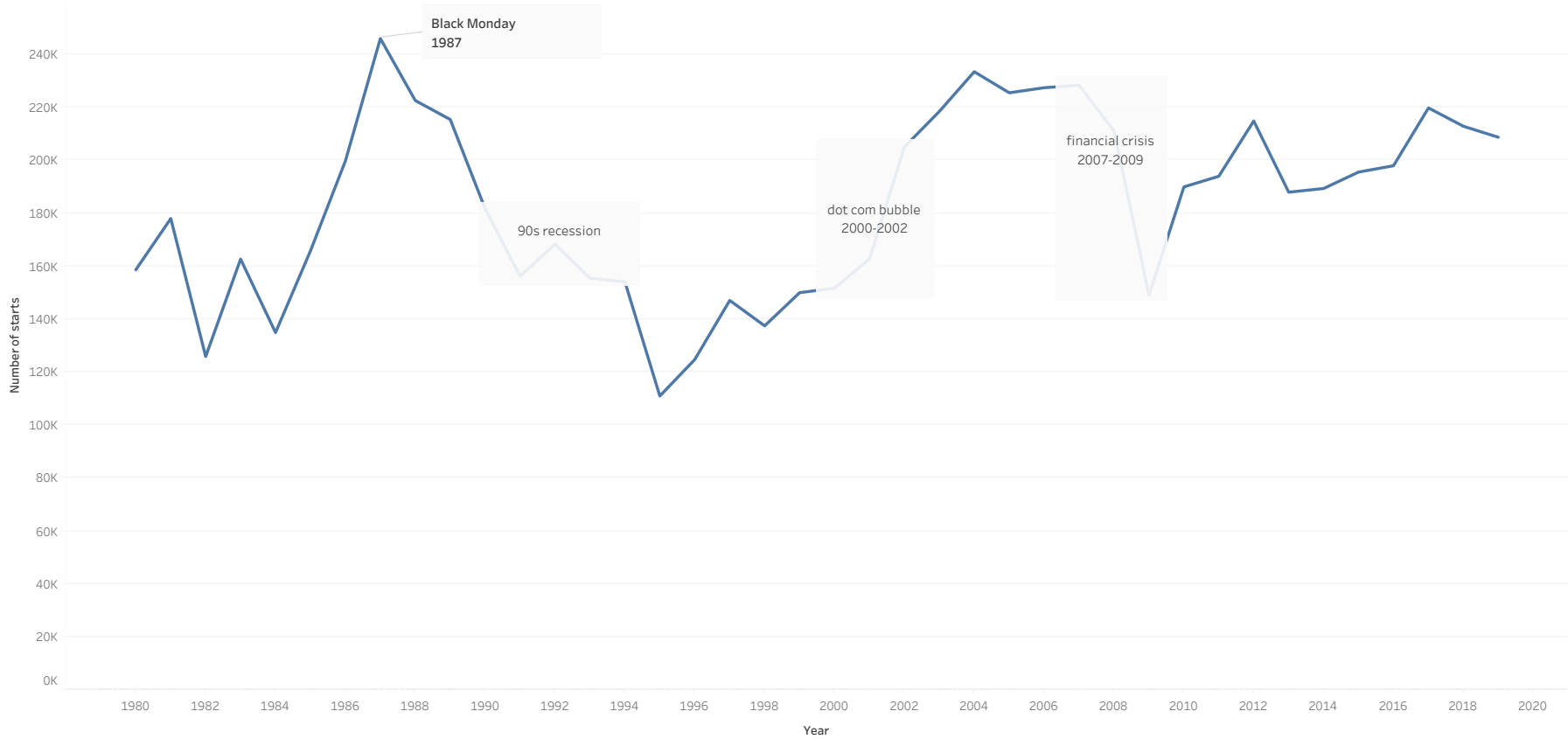
Highlight Year of HPI Date
No items highlighted

The impact of financial crises on housing and office market price indexes is similar. Both are affected by the 90's recession and the 2008-2009 financial crises. They are less affected by Black Monday in 1987 and the dot com bubble 2000-2002.

Costs and Trends in Canadian Home Ownership

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13

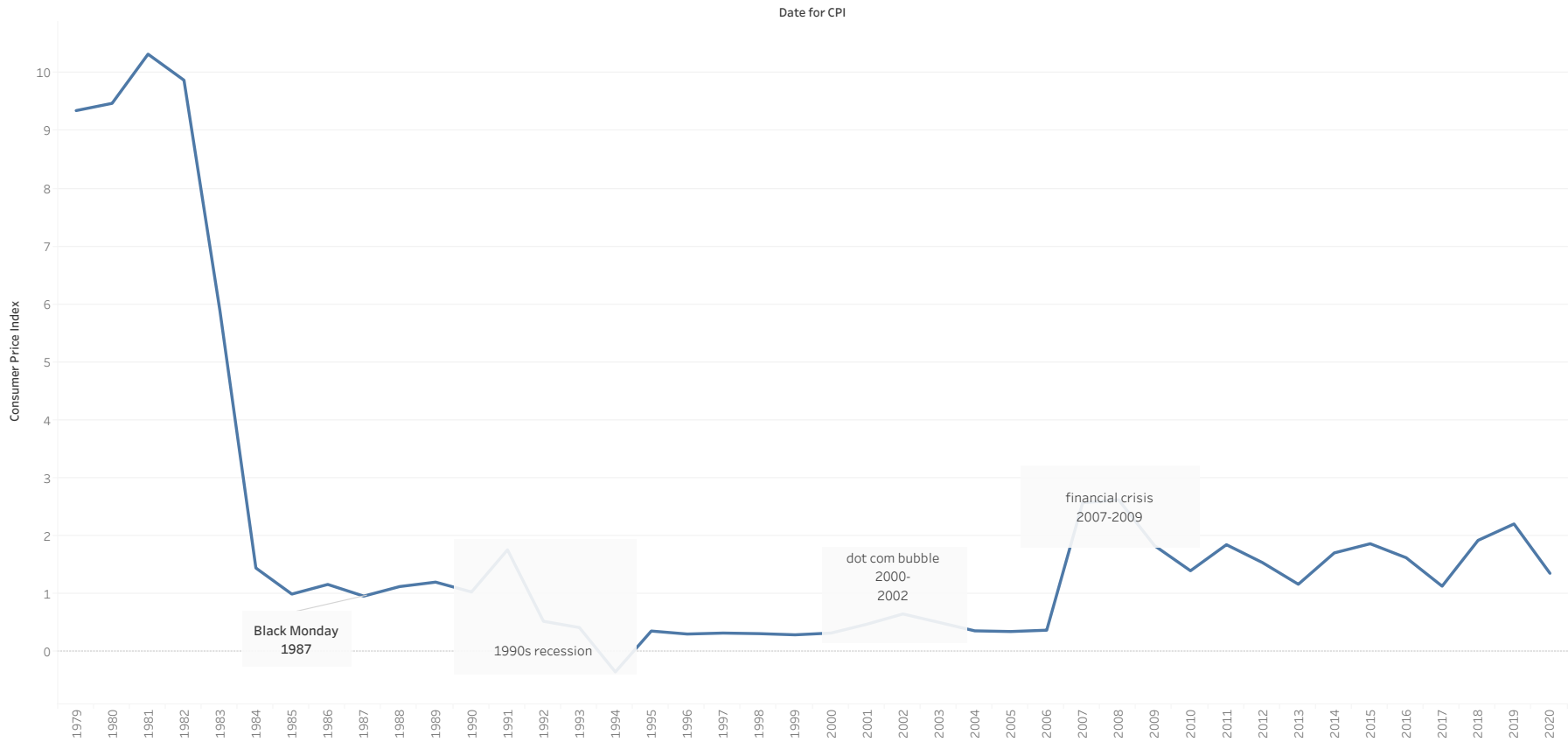
Housing Starts



The impact of crises on house construction appears to be the most dramatic, compared to other economic indicators.

Costs and Trends in Canadian Home Ownership

Consumer Price Index

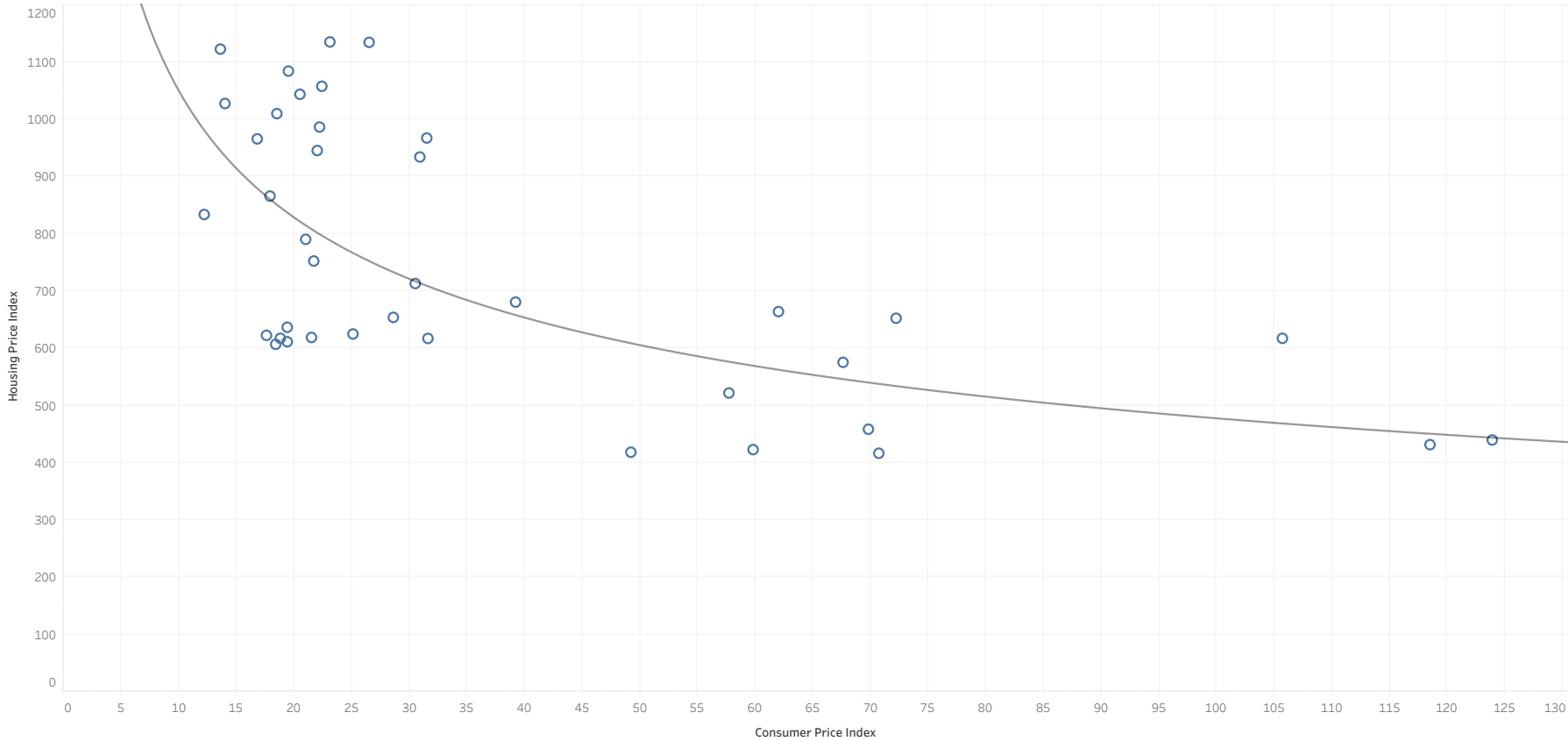


Major financial crises have a measurable impact on the Consumer Price Index, a measure of inflation that excludes housing costs.

Notable: The apparently high inflation at the start of the graph is not an error. Canada experienced high inflation in the seventies and early eighties. Anti-inflationary measures, like interest rate increases, controlled inflation but also triggered a recession.

Costs and Trends in Canadian Home Ownership

CPI v HPI



There is a relationship between the Housing Price Index and the Consumer Price Index, with an r-value of 0.47.