

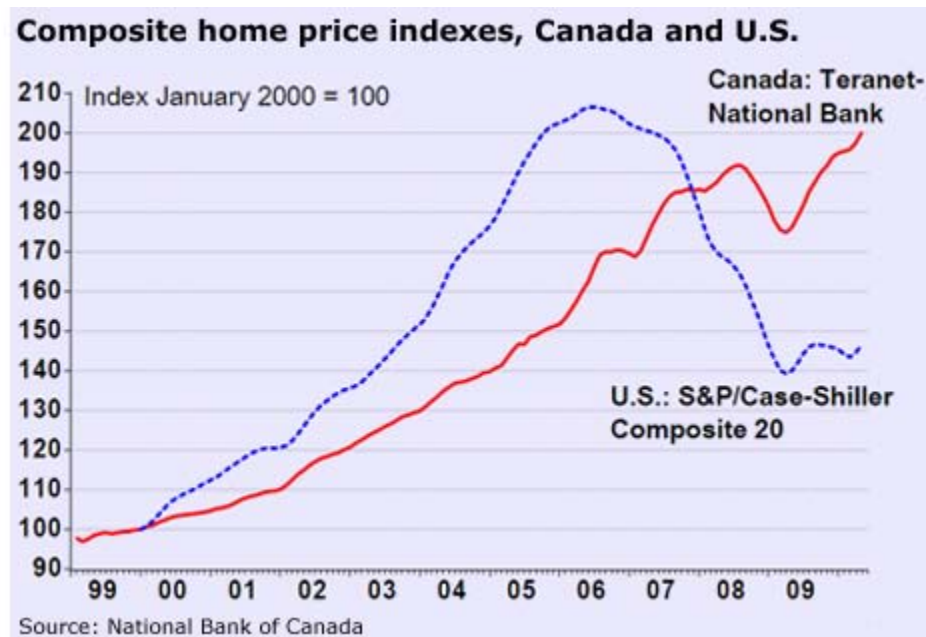
# House prices now 4.2% over peak: How cities are faring

Globe and Mail

## House prices still strong

Canadian house prices rose 1.3 per cent in May from a month earlier, and now stand 4.2 per cent above their pre-recession peak, according to a Teranet-National Bank composite house price index. It marked the 13th straight month of increases and the second that prices rose in each of the six regions it covers. National Bank economist Marc Pinsonneault contrasted that to the real estate market in the United States, where prices are down almost 30 per cent from their peak. In Canada, year over year, the index is up 13.6 per cent. The index differs from the measure used by the Canadian Real Estate Association.

"But we do not believe that acceleration in the Teranet-National Bank index will be sustained," he said in a research note. "... The number of existing homes sold has declined in each of the three months ending last June, and it did so to a much larger extent than the number of new listings. This heralds a deceleration in home price inflation, especially since a harmonized sales tax (HST) was introduced on July 1 in Ontario and B.C."



Among the gains:

- Ottawa, 2.3 per cent month over month, 11.4 per cent year over year
- Montreal, 1.8 per cent and 8.5 per cent
- Vancouver, 1.2 per cent and 17.1 per cent
- Calgary, 1.2 per cent and 7.8 per cent
- Toronto, 1.1 per cent and 16 per cent
- Halifax, 0.7 per cent and 5.6 per cent