



Teranet–National Bank National Composite House Price Index™ January Report: Deceleration except in Halifax

TORONTO, ON – January 28, 2009 – In November, house prices rose barely 0.6% from their year-earlier level, according to the Teranet–National Bank National Composite House Price Index™. As the graph below shows, the deceleration of home-price inflation that began in February 2008 is continuing. The increase in prices seen in November was lower than the rate of inflation, a sign that the market as a whole is becoming more favourable to buyers, contrary to what it was between 2002 and 2007. During that period, booming demand accelerated annual price growth to a range of 7% to 10%, and sometimes higher. November was also the third month in a row during which the index level dropped. Consecutive monthly decreases had not been seen since March 2007.

The report can be accessed at www.housepriceindex.ca

The Teranet–National Bank House Price Index™ is estimated by tracking observed or registered home prices over time using data collected from public land registries. All dwellings that have been sold at least twice are considered in the calculation of the index. This is known as the repeat sales method; a complete description of the method is given at www.housepriceindex.ca.

The Teranet–National Bank House Price Index™ is an independently developed representation of average home price changes in six metropolitan areas: Ottawa, Toronto, Calgary, Vancouver, Montreal and Halifax. The national composite index is the weighted average of the six metropolitan areas. The weights are based on aggregate value of dwellings as retrieved from the 2006 Statistics Canada Census. According to that census, the aggregate value of occupied dwellings in the metropolitan areas covered by the indices was \$1.168 trillion, or 53% of the Canadian aggregate value of \$2.207 trillion.