



**Teranet–National Bank National Composite House Price Index™
May Report: Monthly price rise of 0.3% in March**

TORONTO, ON – May 21, 2010 – Canadian home prices in March were up 11.6% from a year earlier, according to the Teranet–National Bank National Composite House Price Index™. This acceleration from 12-month rises of 7.5% in January and 9.9% in February is attributable to the deflation that was in progress 12 months earlier. This base effect will continue through the results for April, the anniversary of the index bottom. The composite index in March was up 11.7% from that bottom. However, this gain is strongly influenced by Toronto, up 16.3% from April 2009, and Vancouver, up 14.4% from May 2009. In the four other markets surveyed, the rise from the respective troughs is less than 9%.

Month-over-month increases have recently decelerated considerably. The February and March gains of the composite index, at 0.2% and 0.3%, were the smallest in the 11 months since it began reflating. Contributing to the deceleration was a string of three consecutive monthly declines in Calgary, where March prices were down 0.3% from the month before.

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.