

## HOUSING MARKET ASSESSMENT

## St. John's CMA

CANADA MORTGAGE AND HOUSING CORPORATION

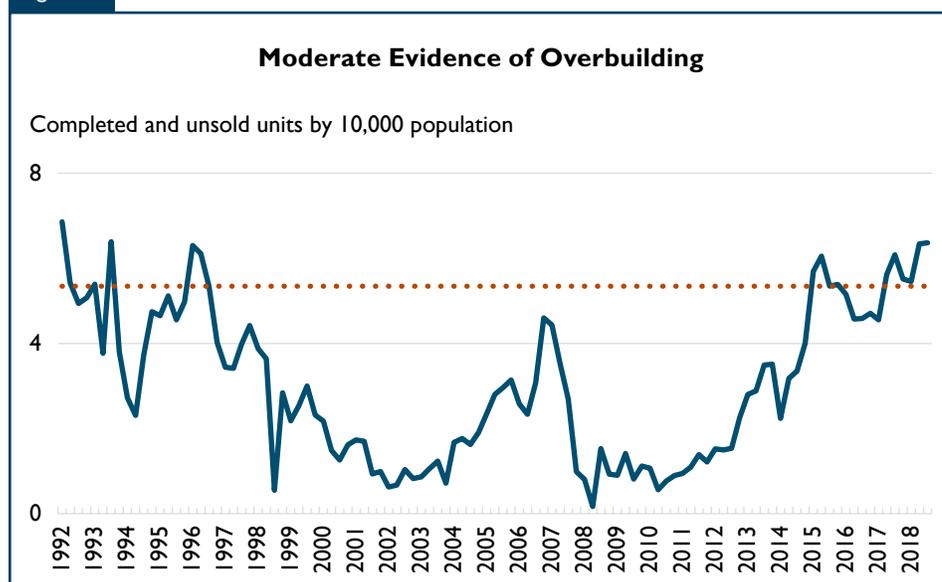
First Quarter 2019

**Low evidence of vulnerability**

Muted economic activity, as indicated by the absence of employment growth, continues to translate into lower levels of demand for housing throughout the St. John's area. This lower demand context is evident via a higher number of listings and fewer sales. As a result, the indicators that measure overheating, price acceleration and overvaluation remain below levels of concern. As expected, this environment, combined with a demand shift away from single-detached to lower-priced multi-segment housing options, has kept average prices flat-to-slightly lower.

There is still moderate evidence of overbuilding in the St. John's area housing market. The inventory of completed and unsold units relative to the population continues to pose some concern. However, the number of units under construction is relatively low, inline with fewer housing starts in 2018, which should reduce future evidence of overbuilding. Considerable past economic weakness slowed net migration, resulting in a decline in rental demand and higher completions of rental units relative to the population and pushed the vacancy rate over 7% in 2016/2017. However, the vacancy rate is now in the 6% range and is trending well below any level of concern.

Figure 1



Source: Statistics Canada and CMHC  
Last data point: 2018Q3

<sup>1</sup> Results are based on data as of the end of September 2018 (the annual rental apartment vacancy rates are from October 2018) and local market intelligence up to the end of December 2018. CMHC continuously monitors market developments and will issue HMA updates on a quarterly basis. A detailed description of the framework is available in the appendix of the [National edition](#).

**Results Overview  
St. John's CMA**

	Oct. 2018	Feb. 2019
Overheating	Low	Low
Price Acceleration	Low	Low
Overvaluation	Low	Low
Overbuilding	Moderate	Moderate
<b>Overall Assessment</b>	Low	Low

Degree of vulnerability  
■ High ■ Moderate ■ Low



**Chris Janes**  
Senior Analyst  
Economics

*"The state of the St. John's area housing market remains broadly in line with population, income and employment activity and as a result, there are no significant signs of overheating, price acceleration or overvaluation. The performance of these market drivers is improving in relative terms and may lead to increased future housing activity."*

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- Housing Market Outlook, Highlight Reports – Northern Housing
- Housing Market Outlook, Canada and Major Centres
- Preliminary Housing Starts Data
- Rental Market Reports, Canada and Provincial Highlights
- Rental Market Reports, Major Centres
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