

HOUSING MARKET ASSESSMENT

St. John's CMA

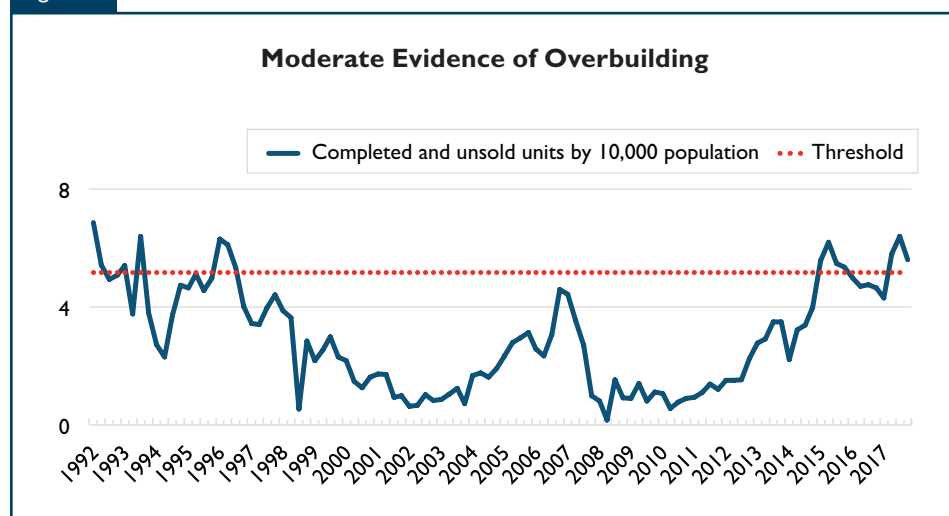
CANADA MORTGAGE AND HOUSING CORPORATION

First Quarter 2018

Overall, market vulnerabilities remain low

- A lack of economic growth has impacted housing demand negatively and resulted in ample inventory throughout the St. John's area housing market. A continued retraction in sales activity has led to the sales-to-listings ratio trending away from the threshold for vulnerable conditions as housing supply has outpaced demand since the end of 2012. Furthermore, a lack of employment growth since 2014, economic uncertainty and a shift to lower priced homes has pressured prices downward.¹
- There is moderate evidence of overbuilding in the St. John's CMA housing market that should be noted. The inventory of completed and unsold units relative to the population was 5.6 in the fourth quarter, higher than the threshold of five. Under construction units are low, which alleviates much of this vulnerability. Economic uncertainty and higher completions of rental units since 2012 relative to the population, led to a 7.2% vacancy rate, above the threshold of 6.9.

Figure 1



Source: Statistics Canada and CMHC. Last data point: 2017 Q4.

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

	Oct. 2017	Jan. 2018
Overheating	Low	Low
Price Acceleration	Low	Low
Overvaluation	Low	Low
Overbuilding	Moderate	Moderate
Overall Assessment	Low	Low

Degree of vulnerability
■ High ■ Moderate ■ Low



Chris Janes
Senior Market Analyst,
Atlantic

"There is a low degree of vulnerability in the St. John's CMA housing market. A lack of economic growth and mixed results among key housing market drivers such as population, income and employment continue to impact demand for housing negatively."

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¹ Results are based on data as of the end of September 2017 and local market intelligence up to end of December 2017. 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](#).

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