

HOUSING MARKET ASSESSMENT

Halifax CMA

CANADA MORTGAGE AND HOUSING CORPORATION

Fourth Quarter 2018

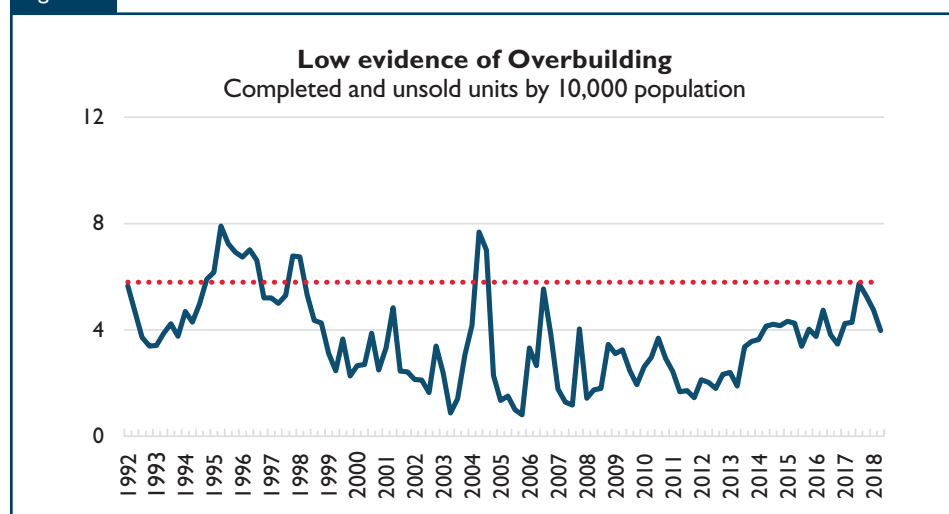
The Halifax CMA exhibits a low degree of housing market vulnerabilities

- As sales remain elevated, the number of new listings added to the market over the first two quarters of 2018 has declined to a low not recorded since the first half of 2003¹. This has caused the sales-to-new listings ratio to climb to 64% as of second quarter of 2018, representing the third consecutive quarter of growth, although still below the overheating threshold of 85%.
- The Halifax market shows low evidence of overvaluation as actual house prices remain below the levels explained by fundamentals. This is supported by strengthening demographic and economic fundamentals including strong population gains, especially in the young adult population (age 25-34) as well as improving employment levels.

Overbuilding indicator continues to trend downward

- After nearing its threshold in the third quarter of 2017, the overbuilding indicator has been consistently declining over the past three quarters. The number of completed and unsold units relative to the population now sits at 3.98, the lowest point since the fourth quarter of 2016. With the number of completions increasing year-over-year by almost 30%, inventories of single-detached units are higher compared to the same period last year. However, a rise in demand on both the resale and new home construction markets bolstered by population growth has helped to neutralize this significant increase in newly completed units.

Figure 1



Last data point: 2018 Q2

Sources: Statistics Canada and CMHC

**Results Overview
Halifax CMA**

	Jul. 2018	Oct. 2018
Overheating	Low	Low
Price Acceleration	Low	Low
Overvaluation	Low	Low
Overbuilding	Low	Low
Overall Assessment	Low	Low

Degree of vulnerability
■ High ■ Moderate ■ Low



Katelyn MacLeod,
Senior Analyst,
Economics

"Low evidence of housing market vulnerabilities remains apparent in the Halifax market. While strengthening fundamentals has helped diminish the concerns of overbuilding, limited resale supply continues to create an upward trend in the sales-to-new listings ratio."

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¹ Results are based on data as of the end of June 2018 and local market intelligence up to end of August 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](#).

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