

HOUSING MARKET ASSESSMENT

St. John's CMA¹

CANADA MORTGAGE AND HOUSING CORPORATION

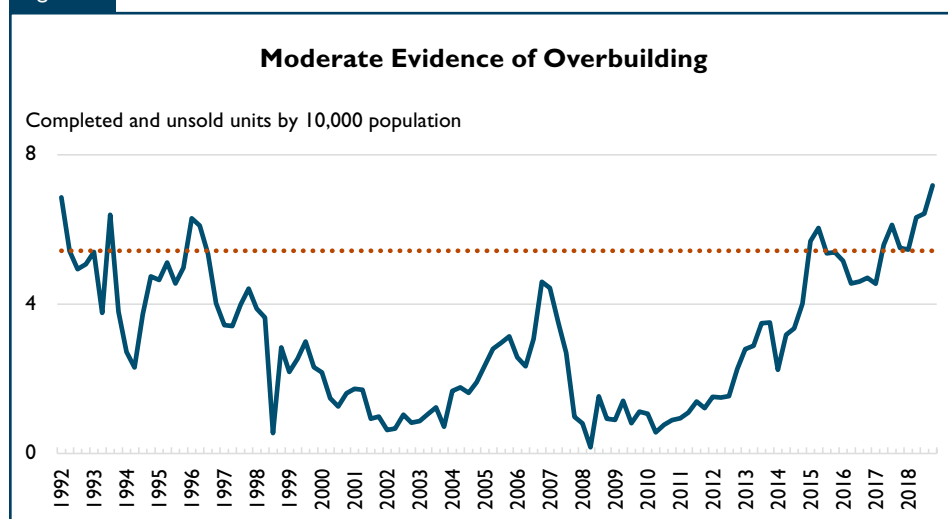
Second Quarter 2019

Low evidence of vulnerability

Improving economic activity, as indicated by the return of employment growth, has not translated into increased demand for housing throughout the St. John's area to date. This lower demand environment was evident in the form of higher listings and fewer sales in 2018 and has continued into 2019. As a result, the indicators that measure overheating, price acceleration and overvaluation remain below levels of concern. As expected, this environment, combined with affordability challenges among some prospective buyers, has resulted in a demand shift away from higher-priced to lower-priced housing options and kept average prices flat-to-slightly lower.

There is 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 considerably fewer housing starts in 2018 and should help reduce overbuilding going forward with population growth expected to help. 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 downward below any level of concern.

Figure 1



Sources: Statistics Canada and CMHC
Last Data Point: 2018Q4

Results Overview St. John's CMA

	Feb. 2019	May 2019
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 Analyst,
Economics

“St. John's area housing market activity continues to be aligned with fundamental drivers of demand. In particular, population, income and employment. Accordingly, there are no significant signs of overheating, price acceleration or overvaluation. These housing market drivers are improving in relative terms and should lead to increased future housing activity.”

SUBSCRIBE NOW!

Get email notifications when CMHC publications are released or updated. Sign up for a free myCMHC account for enhanced site access, including one-click subscriptions to the reports and tables that matter to you.

Get your [myCMHC account](#) today!

¹ Results are based on data as of the end of December 2018 (the annual rental apartment vacancy rates are from October 2018) and local market intelligence up to the end of March 2019. A detailed description of the framework is available in the appendix of the [National edition](#).

CMHC HELPS CANADIANS MEET THEIR HOUSING NEEDS.

Canada Mortgage and Housing Corporation (CMHC) has been helping Canadians meet their housing needs for more than 70 years. As Canada's authority on housing, we contribute to the stability of the housing market and financial system, provide support for Canadians in housing need, and offer unbiased housing research and advice to Canadian governments, consumers and the housing industry. Prudent risk management, strong corporate governance and transparency are cornerstones of our operations.

For more information, visit our website at www.cmhc.ca or follow us on [Twitter](#), [LinkedIn](#), [Facebook](#), [Instagram](#) and [YouTube](#).

You can also reach us by phone at 1-800-668-2642 or by fax at 1-800-245-9274.
Outside Canada call 613-748-2003 or fax to 613-748-2016.

Canada Mortgage and Housing Corporation supports the Government of Canada policy on access to information for people with disabilities. If you wish to obtain this publication in alternative formats, call 1-800-668-2642.

©2019 Canada Mortgage and Housing Corporation. All rights reserved. CMHC grants reasonable rights of use of this publication's content solely for personal, corporate or public policy research, and educational purposes. This permission consists of the right to use the content for general reference purposes in written analyses and in the reporting of results, conclusions, and forecasts including the citation of limited amounts of supporting data extracted from this publication. Reasonable and limited rights of use are also permitted in commercial publications subject to the above criteria, and CMHC's right to request that such use be discontinued for any reason.

Any use of the publication's content must include the source of the information, including statistical data, acknowledged as follows:

Source: CMHC (or "Adapted from CMHC," if appropriate), name of product, year and date of publication issue.

Other than as outlined above, the content of the publication cannot be reproduced or transmitted to any person or, if acquired by an organization, to users outside the organization. Placing the publication, in whole or part, on a website accessible to the public or on any website accessible to persons not directly employed by the organization is not permitted. To use the content of this CMHC publication for any purpose other than the general reference purposes set out above or to request permission to reproduce large portions of, or the entire content of, this CMHC publication, please send a Copyright request to the Housing Knowledge Centre at Housing_Knowledge_Centre@cmhc.ca. Please provide the following information: Publication's name, year and date of issue.

Without limiting the generality of the foregoing, no portion of the content may be translated from English or French into any other language without the prior written permission of Canada Mortgage and Housing Corporation.

The information, analyses and opinions contained in this publication are based on various sources believed to be reliable, but their accuracy cannot be guaranteed. The information, analyses and opinions shall not be taken as representations for which Canada Mortgage and Housing Corporation or any of its employees shall incur responsibility.

Housing market intelligence you can count on

PUBLICATIONS AND REPORTS AVAILABLE ONLINE

Local, regional and national analysis and data on current market conditions and future trends.

- Housing Information Monthly
- Housing Market Assessment
- Housing Market Insight
- Housing Now Tables
- Housing Market Outlook, Canada
- 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
- Seniors' Housing Reports
- Mortgage and Consumer Credit Trends Report

DATA TABLES AVAILABLE ONLINE

- Funding and Securitization Data
- Household Characteristics
- Housing Market Data
- Housing Market Indicators
- Mortgage and Debt Data
- Rental Market Data

HOUSING MARKET INFORMATION PORTAL

*The housing data you want,
the way you want it.*

- ✓ Information in one central location
- ✓ Desktop and mobile friendly
- ✓ Neighbourhood-level data

cmhc.ca/hmiportal

SUBSCRIBE NOW

*Get email notifications when
CMHC publications are released
or updated. Sign up for a free
myCMHC account for enhanced
site access, including one-click
subscriptions to the reports
and tables that matter to you.*

**Get your myCMHC
account today!**

Get the market intelligence you need today!

Find all the latest trends, research and insights at cmhc.ca/housingmarketinformation

Housing Observer

Featuring quick reads and videos on...

- Analysis and data
- Timely insights
- Updates to housing conditions, trends and much more!

Subscribe today to stay in the know!

www.cmhc.ca/observer

