

HOUSING MARKET ASSESSMENT

St. John's CMA¹

CANADA MORTGAGE AND HOUSING CORPORATION

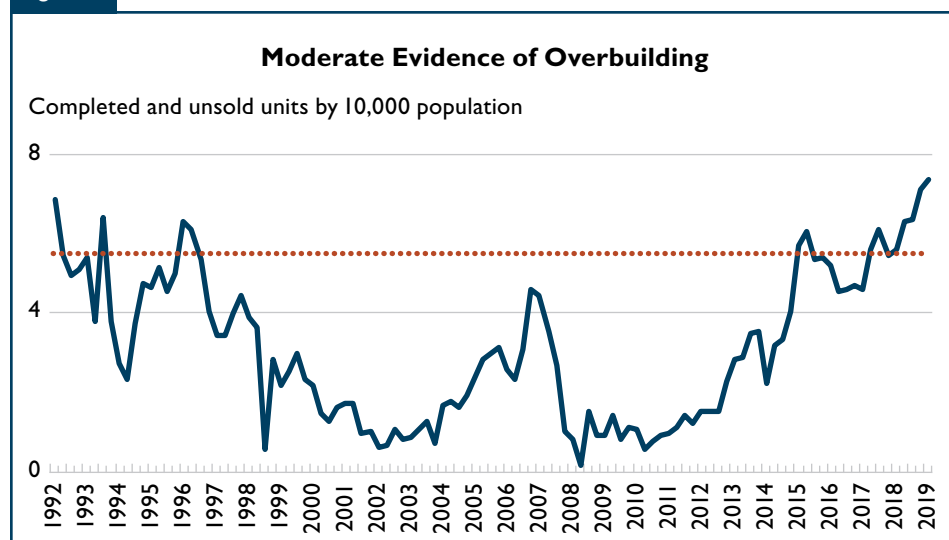
Third Quarter 2019

Low degree of vulnerability

An overall low degree of housing market vulnerability is maintained for the St. John's region's housing market. Despite improving employment levels and gains in the inflation-adjusted personal disposable income, housing demand remains lackluster, affected by muted GDP and population growth. This resulted in fewer first quarter sales, higher listings and declining prices. As a result, the overheating, overvaluation and price acceleration indicators remain below levels that would signal vulnerabilities.

Moderate evidence of overbuilding continues to be observed in the St. John's region. An upward trend in the number of completed and unsold units relative to the population remains. This is the result of stagnant demand for higher-priced newly built homes and interprovincial out-migration impacting population growth. However, the number of units under construction is relatively low, inline with considerably fewer housing starts in 2018 and has helped alleviate some of the overbuilding vulnerability. Past economic weakness also slowed in-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 low 6% range and is trending downward below the threshold level.

Figure 1



Sources: Statistics Canada and CMHC
Last Data Point: 2019Q1

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

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

	May 2019	Aug. 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

"The St. John's region's housing market continues to perform in line with economic and demographic fundamentals – specifically, population, income and employment. As a result, there are no significant signs of overheating, price acceleration or overvaluation."

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