

HOUSING MARKET ASSESSMENT

Moncton CMA

CANADA MORTGAGE AND HOUSING CORPORATION

First Quarter 2020

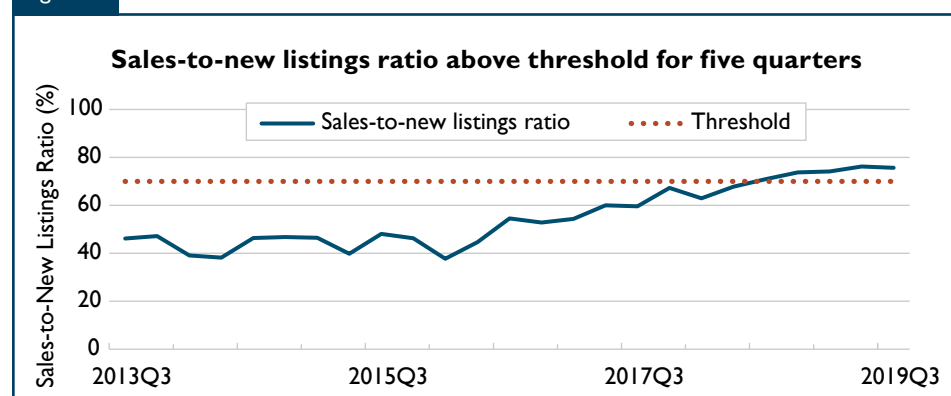
An increase in new listings not enough to offset increased demand for homes

- Overheating conditions persist in Moncton as the sales-to-new listings ratio has been above the critical threshold in the past five quarters. Demand for homes in Moncton has been increasing whilst overall residential listings continued on a downward trend since 2016.
- However, the number of new listings in Moncton increased 8% in the third quarter compared to a year ago¹ which was not enough to offset increased demand.
- The sales-to-new listing ratio in the third quarter of 2019 decreased slightly from the previous quarter but remained above the overheating threshold.

Overall, market vulnerabilities remain low

- Prices continue to increase as the market tightens. A sustained increase in the population of young adults and a drop in nominal interest rates between the second and third quarter of 2019 are the housing market fundamentals supporting price growth.
- Though the growth in observed prices was higher than that supported by housing market fundamentals, overvaluation and price acceleration indicators remain below their critical threshold, hence a low degree of vulnerabilities is maintained.
- There is no evidence of overbuilding as most new homes are sold upon completion and the rental apartment vacancy rate is low. Overall, results continue to support a low degree of vulnerability for Moncton.

Figure 1



Sources: CREA and calculations (threshold) by CMHC

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

**Results Overview
Moncton CMA**

	Nov. 2019	Feb. 2020
Overheating	High	High
Price Acceleration	Low	Low
Overvaluation	Low	Low
Overbuilding	Low	Low
Overall Assessment	Low	Low

Degree of vulnerability
■ High ■ Moderate ■ Low



Kelvin Ndoro
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"Overheating conditions persist in Moncton. New listings increased for two consecutive quarters but not enough to offset strong demand for homes."

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