



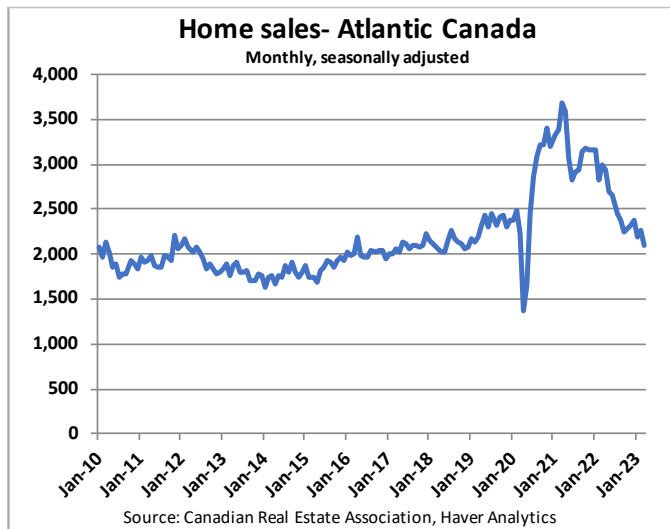
Housing and Mortgage Market Review: *April 2023*

Summary

Atlantic Canada continues to enjoy one of the most robust economic expansions in recent history. Strong population growth and a solid labour market continue to underpin housing demand. But these factors also could set up for a supply crisis in coming years if ample new supply is not brought online.

Despite drop in sales, Atlantic Canada’s housing markets remain well-balanced

Seasonally adjusted home sales across Atlantic Canada fell 5.9% in the first quarter of 2023 relative to Q1 2022. Demand has now fully retraced the “COVID bounce” with sales back to 2019 levels.



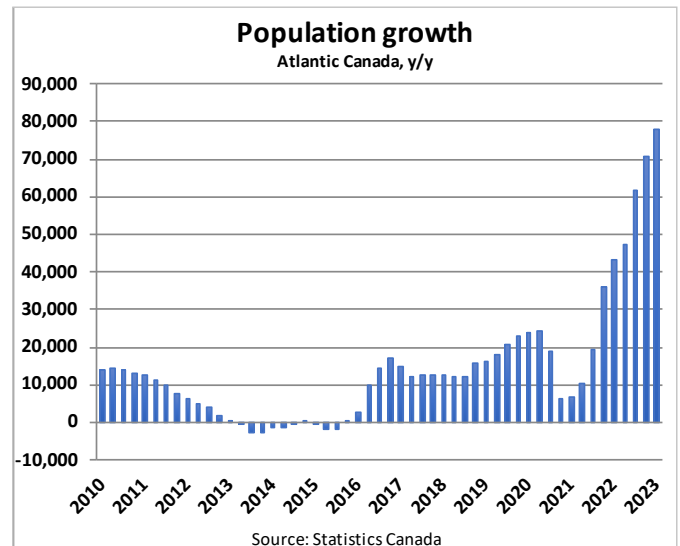
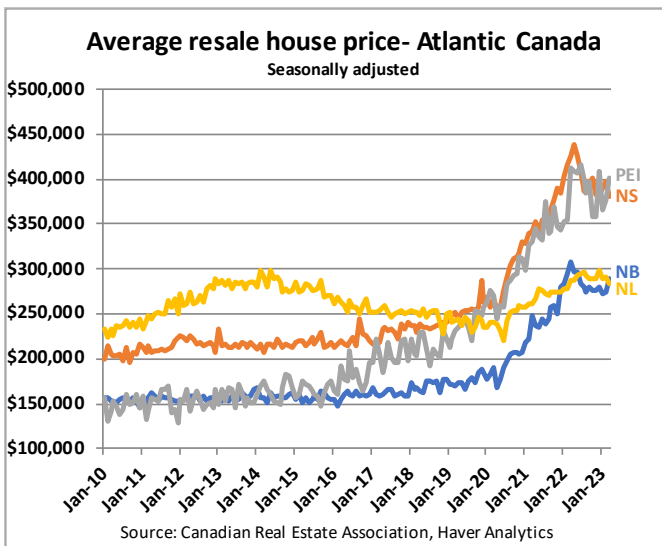
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Atlantic Canada

But while sales were down, new listings were down even further, falling 9.3% sequentially in Q1. That helped keep downward pressure on active inventory, which fell 4.5% in Q1 after adjusting for seasonality.

Months of inventory, a crude measure of supply and demand, ticked up slightly to 4.4 from 4 at the end of Q4. Still, that leaves it way below normal levels over the past decade, signaling that markets across Atlantic Canada are still very well balanced.

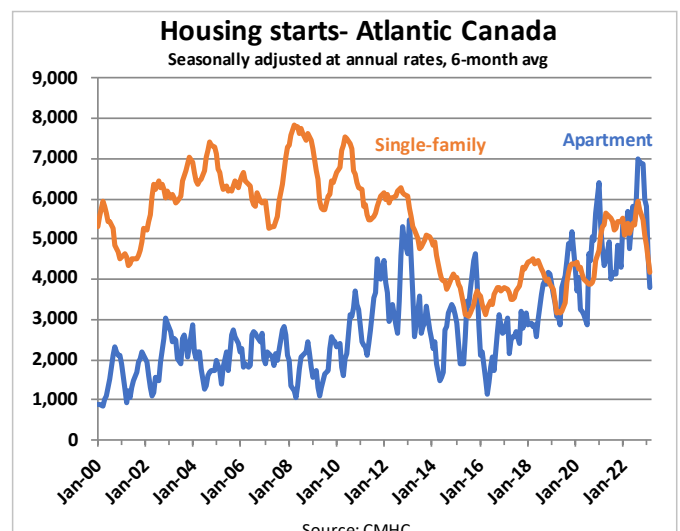
With markets well balanced and inventory levels falling, house prices were generally positive in Q1, led by PEI (+2.5%), New Brunswick (+0.6%) and Nova Scotia (+0.2%), while Newfoundland and Labrador saw a modest 1.5% decline on the quarter.



Population growth smashes records again

Annual population growth across Atlantic Canada hit nearly 80,000 in Q1, a record by a wide margin.

Concerningly, housing starts fell sharply last quarter, notably for the single-family segment where they fell to two-year lows. The combination of low resale inventory, strong population growth and slowing construction activity sets the stage for a potential supply crisis in coming years if something doesn't change.

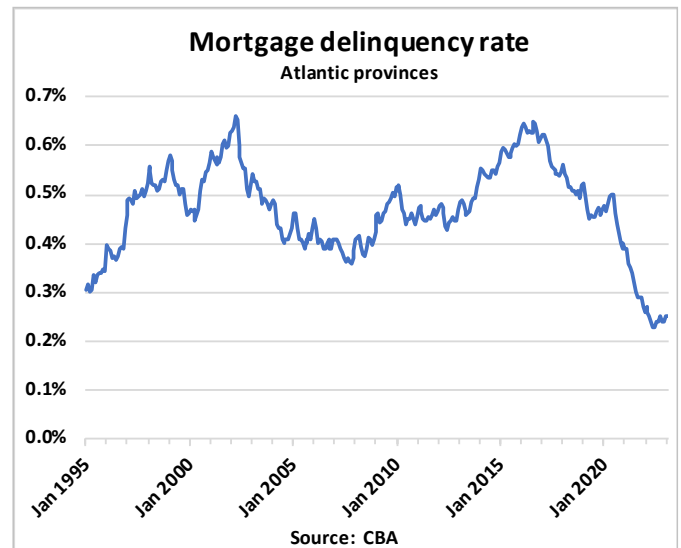
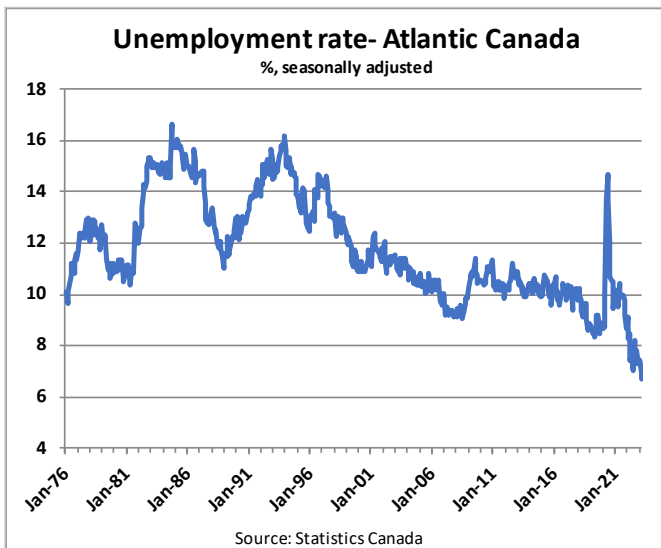


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New record low in unemployment rate

Atlantic Canada saw 14,000 new jobs created in Q1 while the combined unemployment rate across all provinces fell to a record low of just 6.7%.



Mortgage delinquencies remain near record lows but are showing signs of inflecting upwards, a trend that should continue through 2023 as the lagged impact of higher interest rates filters through to households and businesses.

**Any forecasts contained in this report are accurate as of the date indicated.*

Ben Rabidoux is the founder of Edge Realty Analytics (www.edgeanalytics.ca), which equips top real estate and mortgage professionals with timely research and insightful marketing infographics to help them stand apart from the competition and stay engaged with their clients and prospects.

He is also the founder and president of North Cove Advisors, a market research firm serving institutional and high net worth clients since 2013 that is consistently ranked top 5 for Canadian economic coverage by Brendan Wood International.

He is a frequent guest and contributor in major media outlets, including Bloomberg, The Wall Street Journal, Reuters, The Globe and Mail, The Toronto Star, Macleans, and many others.

