



# Housing and Mortgage Market Review: Quarterly Report - *July 2023*

Atlantic Canada sees housing demand rebound in the second quarter

## Highlights on what is driving the housing and mortgage market:

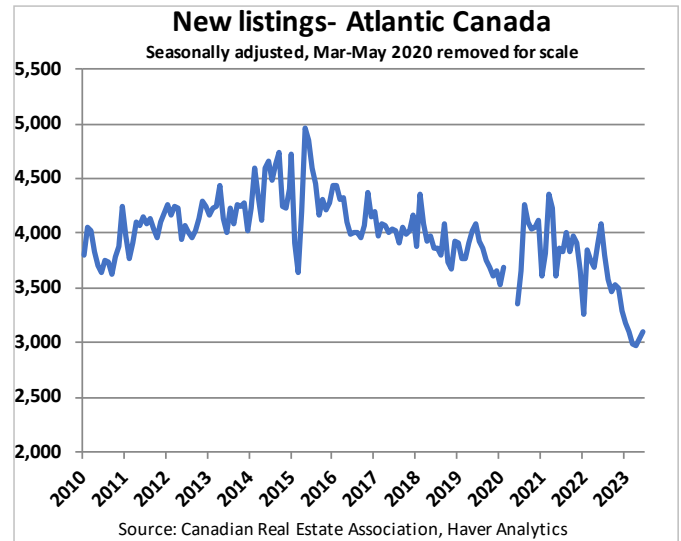
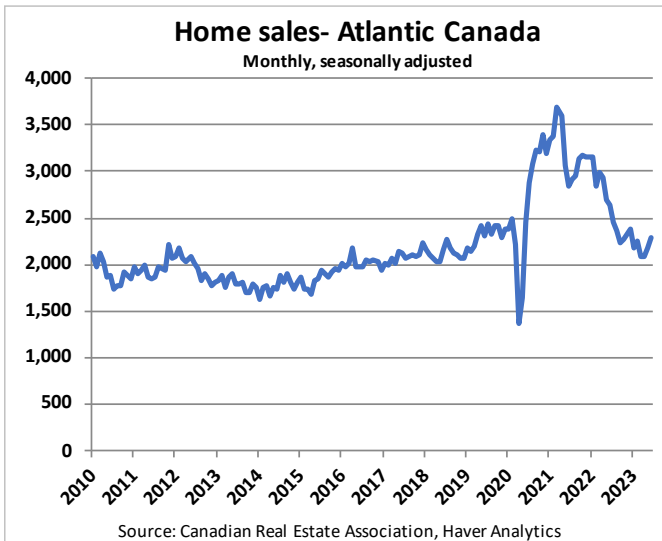
- Home sales rose strongly in the second quarter, but recent rate hikes will likely weigh on demand
- New listings and overall resale supply remain low across Atlantic Canada
- Population growth continues to set new records

# Housing and Mortgage Market Review

## Atlantic Canada

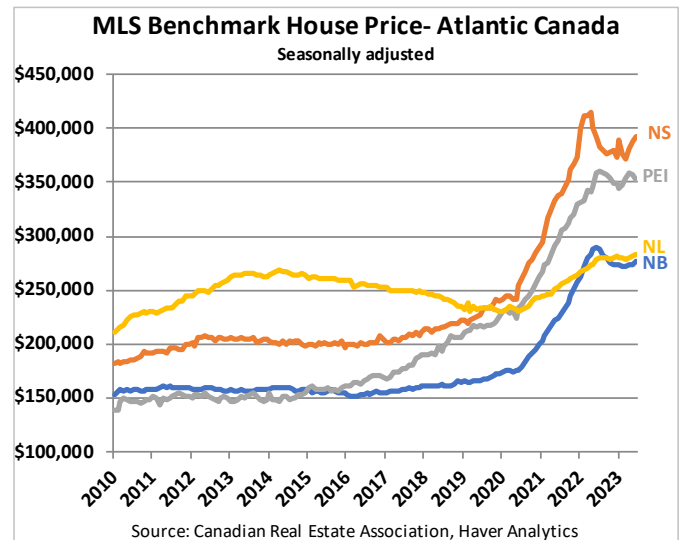
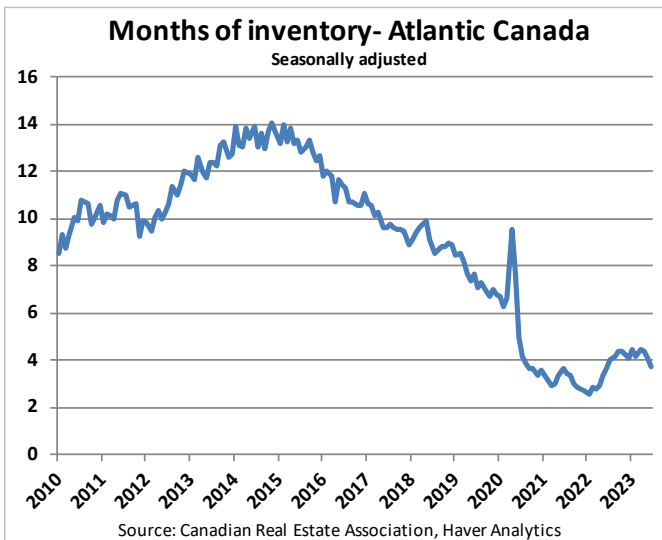
Seasonally adjusted home sales across Atlantic Canada remain well below the peak levels seen in 2021, but they did jump 5.1% in June. Demand may come under pressure in the coming months as the market digests the impact of the recent interest rate increases.

The bigger story is on the supply side where new listings coming to market remain 30% below normal levels.



With demand on the rise and supply still constrained, the market balance is still tilted toward sellers. In June, there were only 3.7 months of inventory for sale, less than half of the long-term average.

Seasonally adjusted house prices were up in Q2 in most Atlantic provinces, with the exception of Prince Edward Island where prices ended the quarter effectively unchanged.



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### Population growth smashes records again

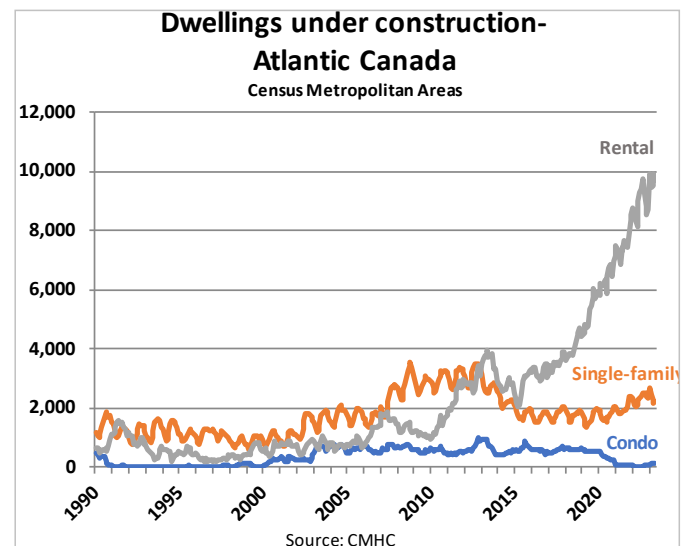
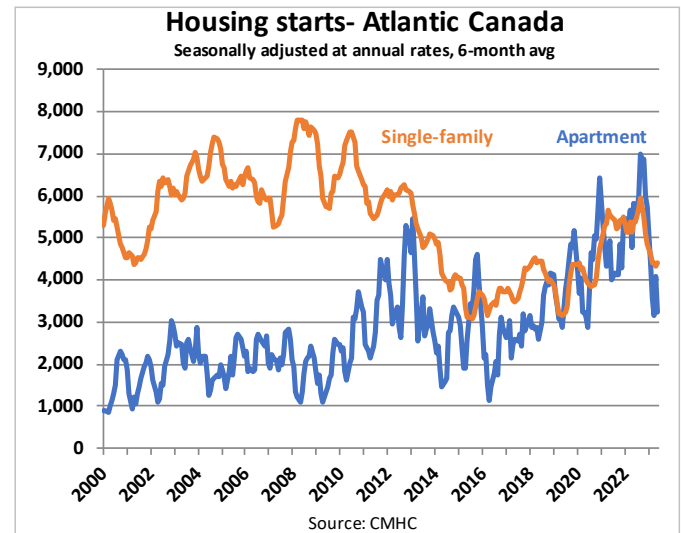
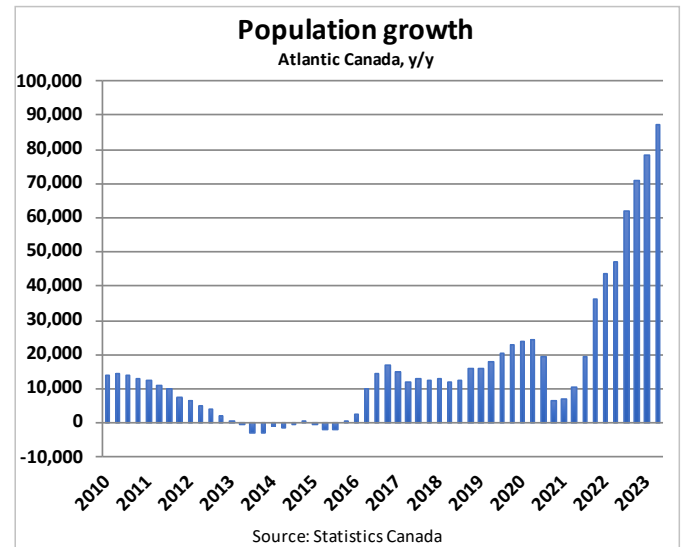
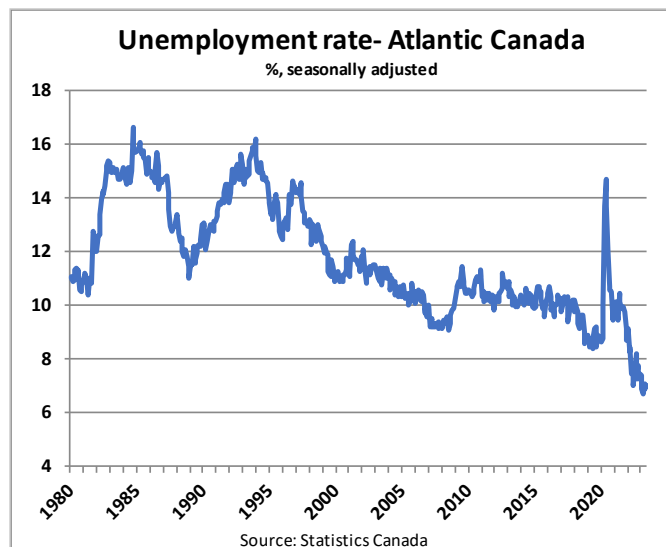
Annual population growth across Atlantic Canada surged to nearly 90,000 in the second quarter, a record by a wide margin.

Even with record population growth and a tight resale market, developers pulled back on construction activity in Q2 with both single- and multi-family housing starts declining on a quarterly basis.

The number of dwellings currently being built across Atlantic Canada rose 1% from the end of Q1, primarily due to increasing rental construction.

### Labour market stalls in Q2

After adding 14,000 new jobs in the first quarter, Atlantic Canada saw net job losses of 5,000 in the second quarter. This pushed the unemployment rate up 0.3%, but it remains barely above all-time lows as the labour market remains very strong.





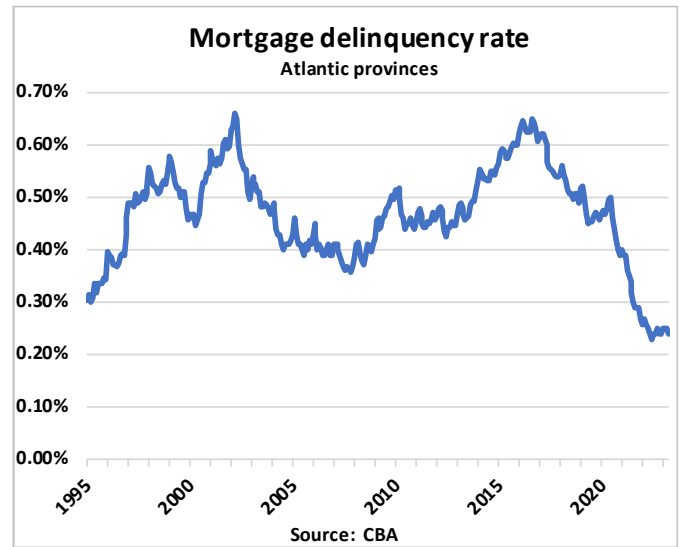
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Mortgage delinquencies remain near record lows but are showing signs of inflecting upwards. Rising interest rates and a likely slowdown in economic activity later this year will keep delinquencies trending upwards, likely well into 2024.

### Summary:

Demand for housing remains very strong in Atlantic Canada, driven by record population growth and a solid labour market. Rising rates may pressure the market in the near term, but long-term fundamentals remain very solid.



*\*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](http://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.

