



Housing and Mortgage Market Review: Quarterly Report – *January 2024*

Atlantic Canada maintains housing market momentum in Q4 amid slowdown

Highlights:

- Home sales across Atlantic Canada bucked the national trend by posting solid gains in Q4
- Population growth cooled slightly last quarter but remains exceptionally strong
- Businesses continue to churn out new jobs while the unemployment rate remains near record-low level

Housing and Mortgage Market Review

Atlantic Canada

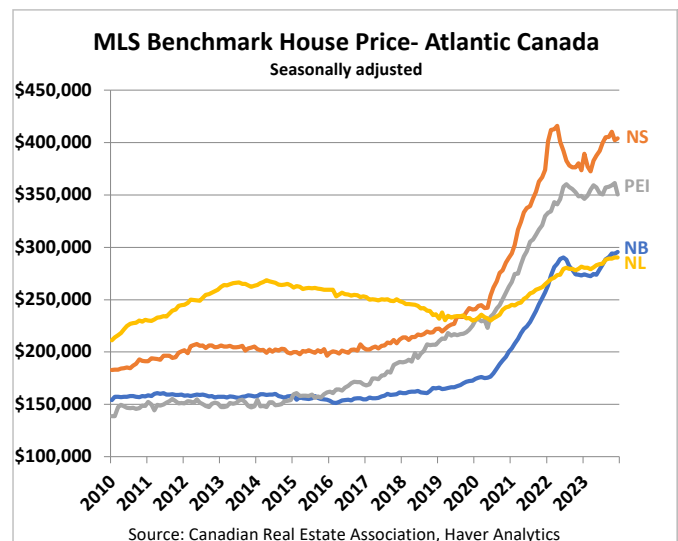
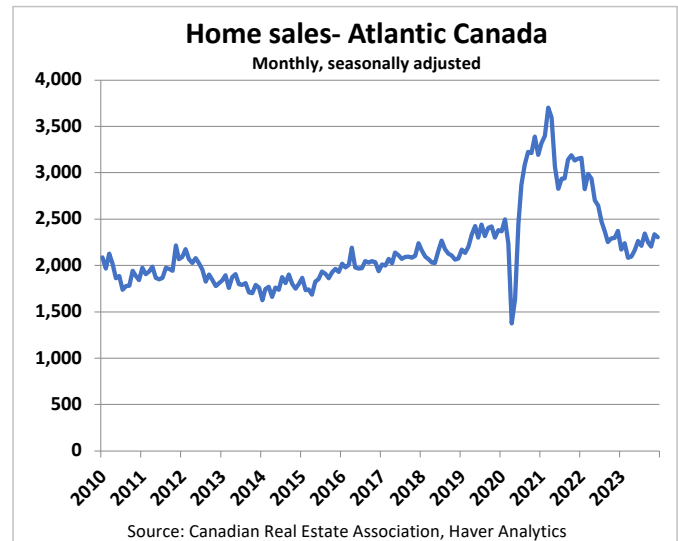
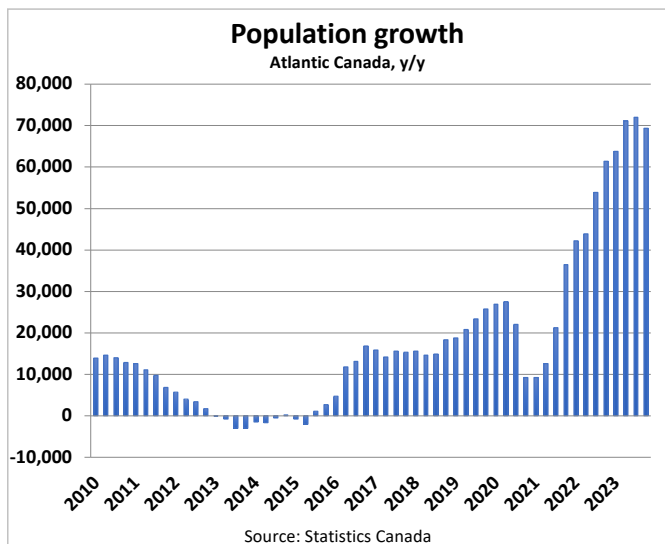
Despite high interest rates and some uncertainty around the strength of the national economy, housing markets across Atlantic Canada performed well in the fourth quarter with seasonally adjusted home sales rising 1.5% relative to Q3 levels. Compare that to the national quarterly decline of 6.2%.

New listings were also higher, up 4% in the quarter, which helped keep the market in balanced territory. The sales-to-new listings ratio remains above 60% across Atlantic Canada, well above normal levels over the past decade.

While markets across Atlantic Canada remained balanced, there was a bit of softness in house prices last quarter. The seasonally adjusted MLS House Price Index was down 1.1% on the quarter in New Brunswick, down 1.3% in Nova Scotia, while PEI and Newfoundland saw prices down 1.7% and 0.7% respectively.

Population growth slows slightly

Annual population growth fell below 70,000 in Q4 for the first time in the past three quarters. Still, that represents a rate of growth that is nearly quadruple the 30-year average, and it will help drive housing demand over the longer term.



Housing and Mortgage Market Review

Atlantic Canada

Housing starts jumped 30% in Q4 on the back of a surprise surge in purpose-built rental apartment starts in Nova Scotia.

That increase in rental starts drove an 11.2% increase in dwellings under construction in Q4. There are now over 12,000 rental apartments being built across Atlantic Canada, a record by a wide margin.

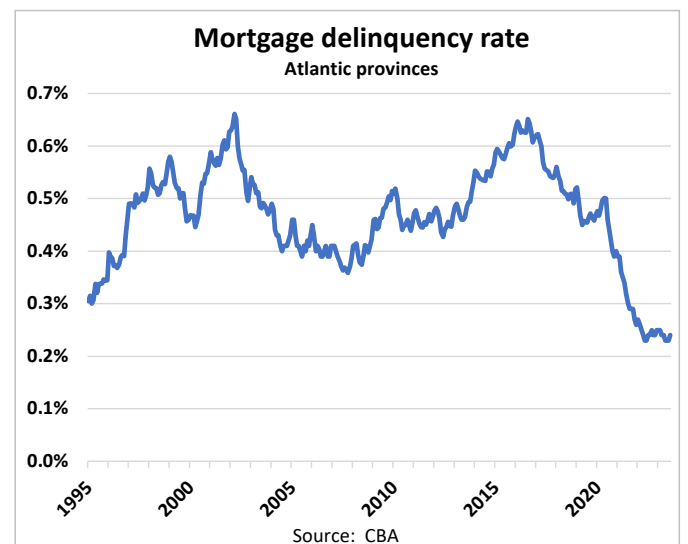
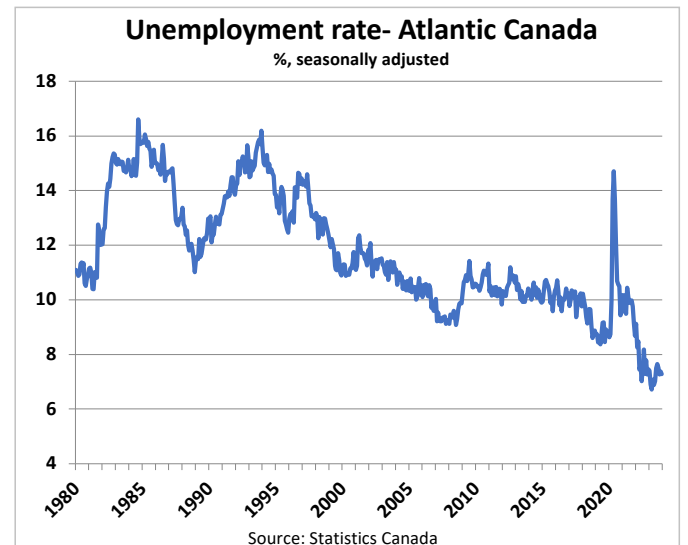
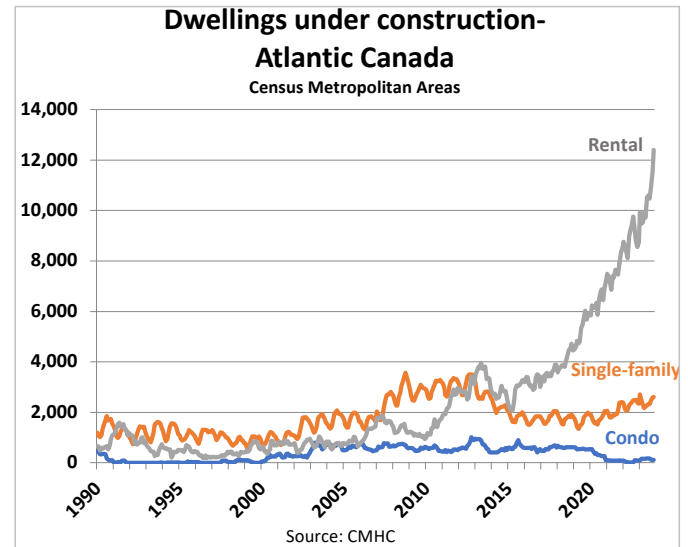
Economic momentum continues

The economy across Atlantic Canada created 18,000 new jobs in the fourth quarter, building on the 9,000 created in Q3. The unemployment rate ended the year at 7.3%, down from 7.5% in the third quarter. It remains near the lowest level on record.

In large part due to the strength of the labour markets, mortgage delinquency rates remain remarkably stable and near all-time lows in spite of high interest rates.

What it all means

Housing markets in metros across Atlantic Canada shrugged off higher mortgage rates in Q4 and remain on solid footing. Solid long-term fundamentals like strong population growth and a robust labour market should continue to underpin housing demand through 2024.



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