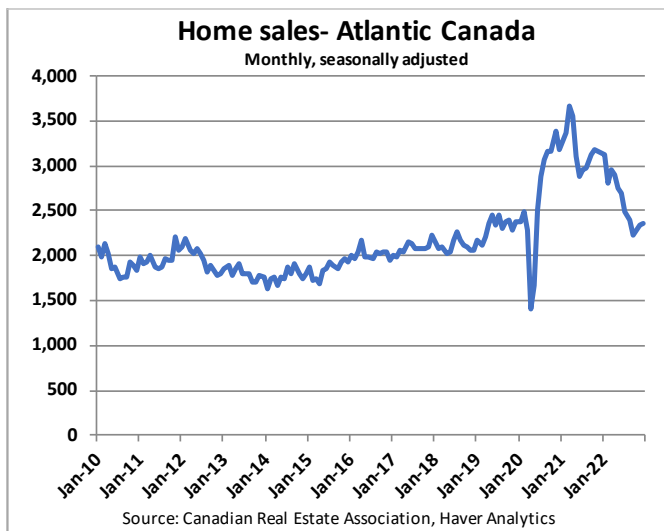




Housing and Mortgage Market Review: *January 2023*

Home sales tick down in Q4 but end the year on a positive note

Seasonally adjusted home sales across Atlantic Canada fell 2.1% in the fourth quarter relative to Q3. But there was a bright spot, as November and December saw solid monthly gains. Sales have now fully retraced the post-pandemic bounce and are back to 2019 levels.



We ended the year with roughly 4% more active listings compared to the same time last year, but inventory levels overall remain roughly half of typical levels over the past decade.

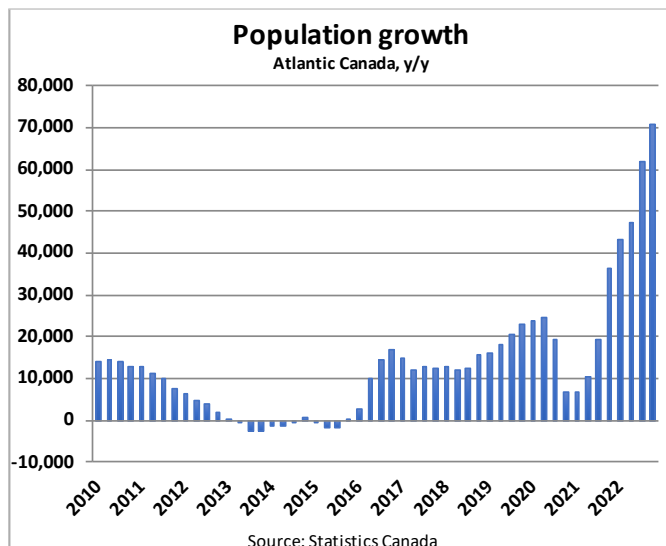
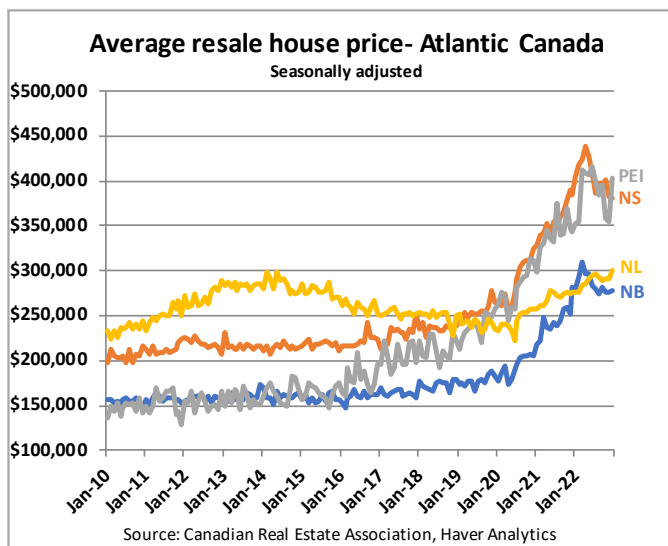
Months of inventory, a crude measure of supply and demand, has risen off the record lows from earlier this year but remains exceptionally low compared to decade norms. Demand may be down, but it remains a seller's market in most metros.



Housing and Mortgage Market Review

Atlantic Canada

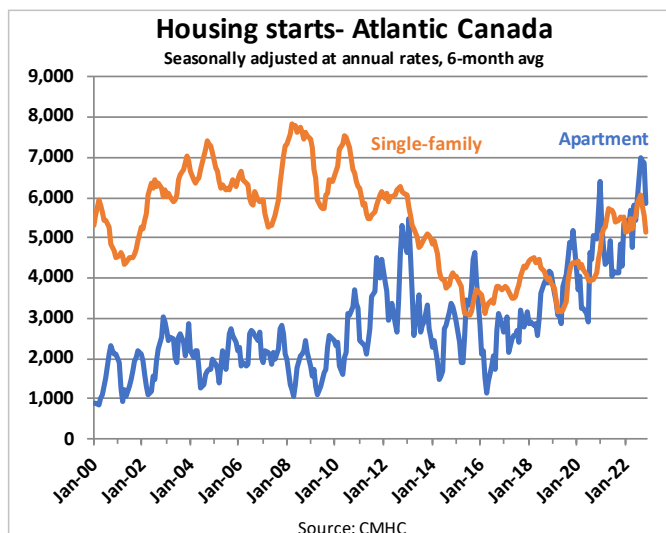
Seasonally adjusted average house prices were mixed in the fourth quarter relative to Q3, with New Brunswick (-0.9%) and Nova Scotia (-3.9%) posting declines, while PEI (+1.5%) and Newfoundland and Labrador (+3.7%) saw rising values.



Population growth sets a new record

Provinces across Atlantic Canada have collectively seen their populations swell by a record 70,000 people over the past year, including 25,000 last quarter alone.

Housing starts slipped in the fourth quarter. Apartment starts (including condos and purpose-built rentals) remain near record highs, but single-family starts are still well below levels seen from 2000-2010 in spite of exceptionally strong population growth.



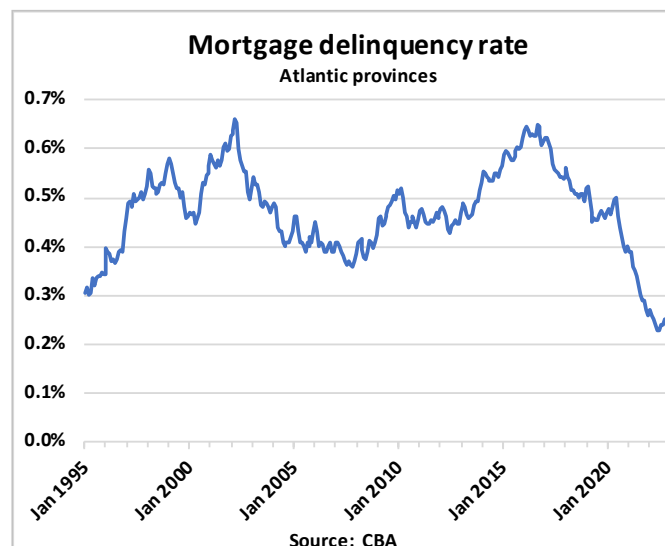
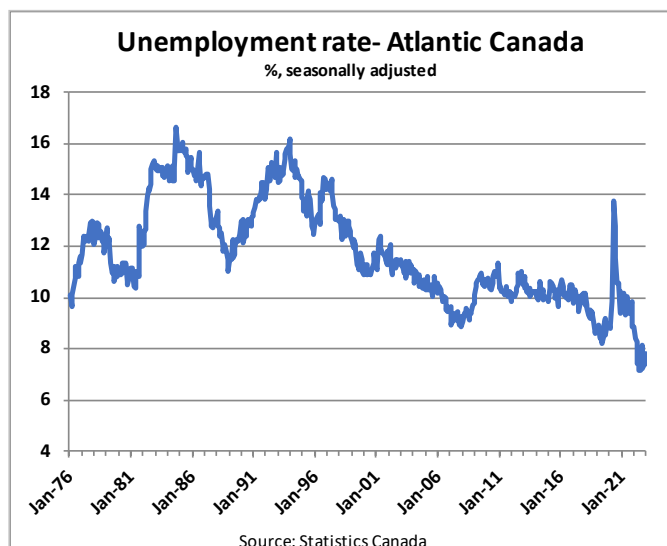
Labour market ends the year on solid footing

The economies throughout Atlantic Canada collectively created 12,000 new jobs in the fourth quarter while the unemployment rate remains near record lows of just 7.8%.



Housing and Mortgage Market Review

Atlantic Canada



With the labour market still on solid footing, mortgage delinquencies remain near record lows of just 0.24%.

Granted, this is a lagging indicator that tells us more about the strength of the economy 6-12 months ago than it does about today, but it's impressive nonetheless. With rising rates pressuring borrowers and with leading indicators pointing to a sharp slowdown in economic activity on deck, expect delinquencies to begin to normalize off these record lows in 2023.

What it all means: Rising interest rates have weighed on housing demand in Atlantic Canada, but low supply and a strong economy (at least so far) have kept markets well balanced and prices firm. That may change in 2023 if Canada lands in a recession, as many forecasters are predicting.

Strong population growth and low levels of new supply should help support housing over the longer term.

**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.



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