

Housing Market Update Greater Moncton



Housing market intelligence you can count on



Housing Market Drivers

Multi-Residential/Rental Market

New Home Market – Single Family Homes

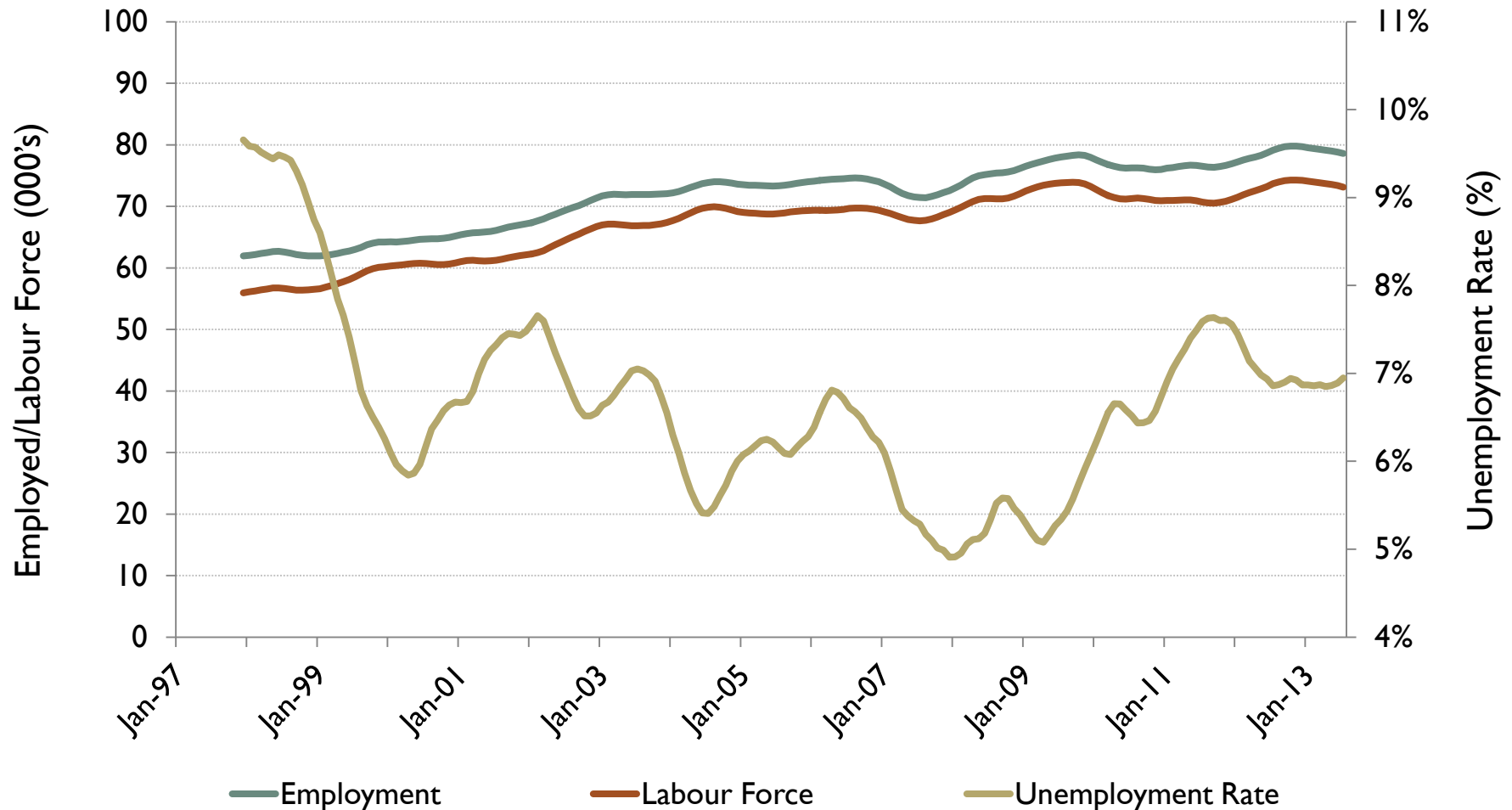
Resale Market

2013/2014 Outlook



Total Employment, Labour Force (000's) and Unemployment Rate (%)

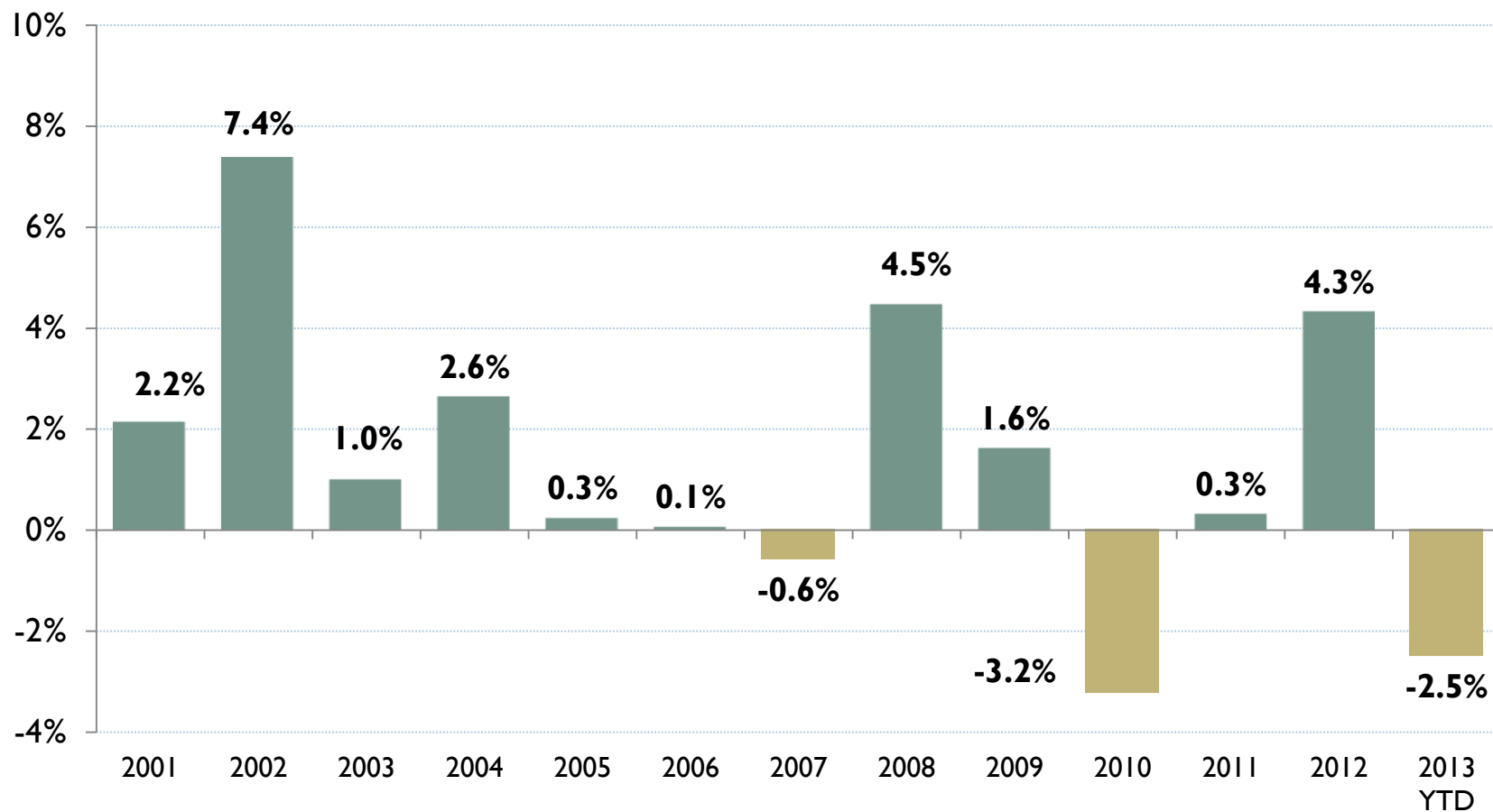
Moncton CMA



Annual Employment Growth



Moncton CMA



Average Annual
Increase (2001-2012)

1.7%

Employed 2012

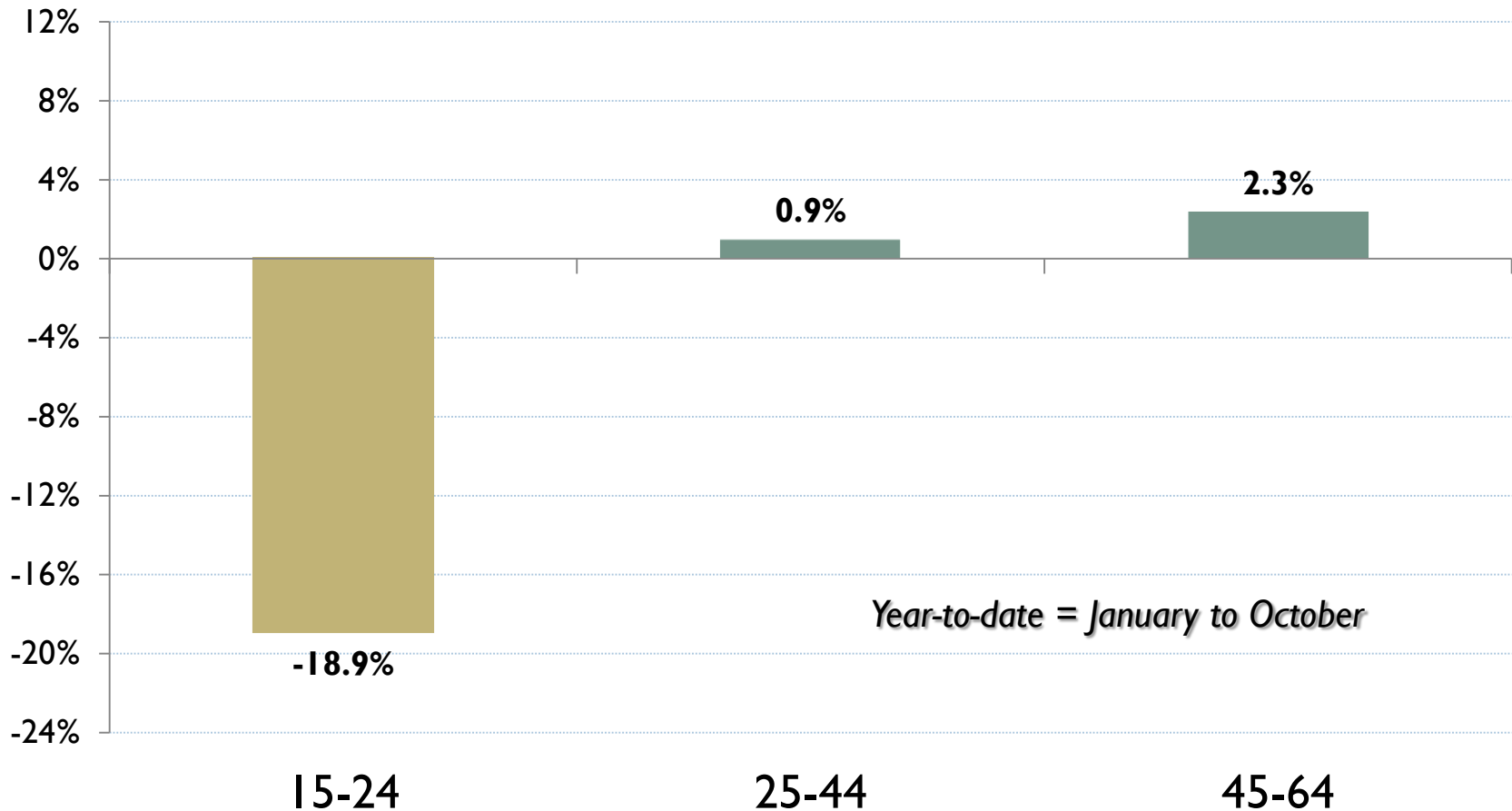
74,200

Annual Employment Change by Age Group

Year-to-Date 2013 vs. 2012



Moncton CMA

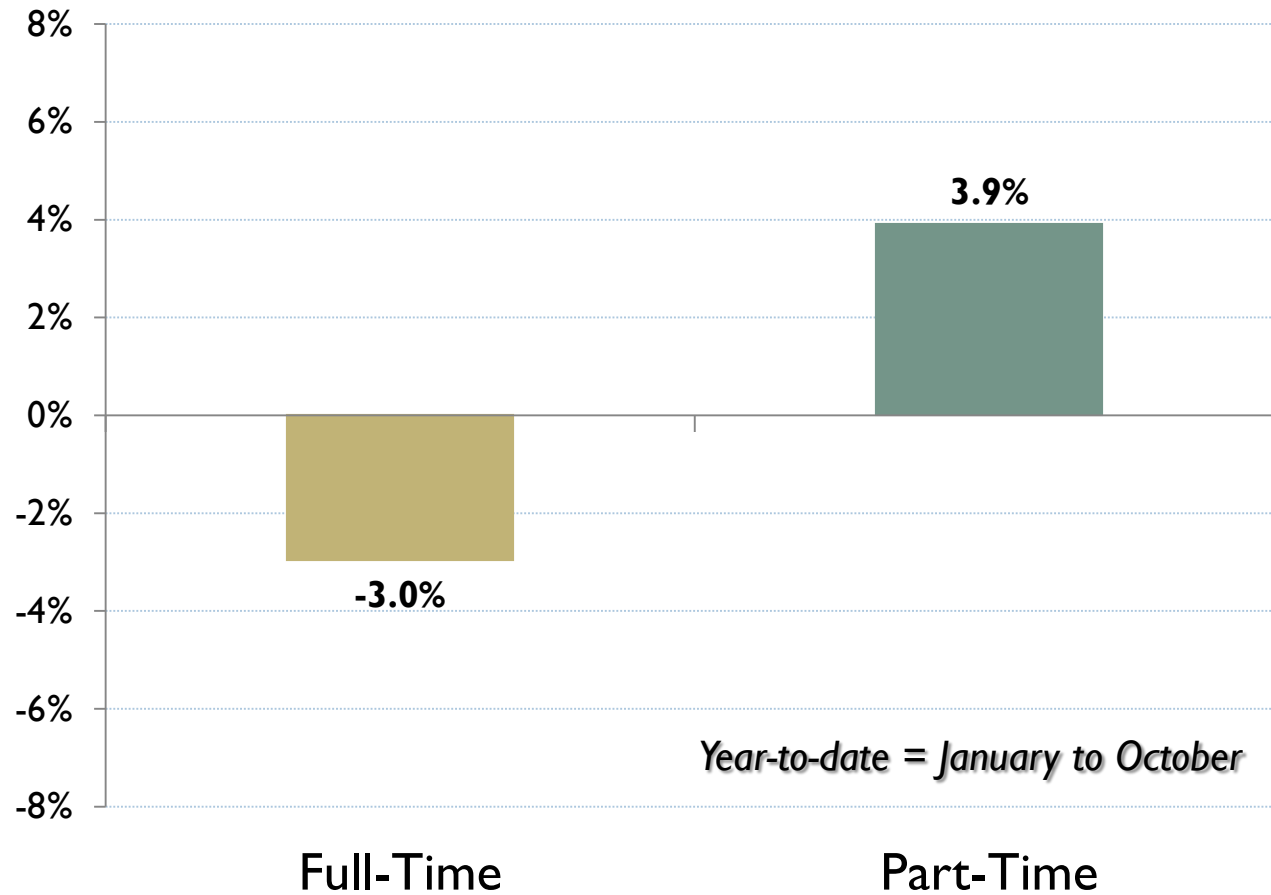


Annual Employment Change by Employment Type

Year-to-Date 2013 vs. 2012



Moncton CMA



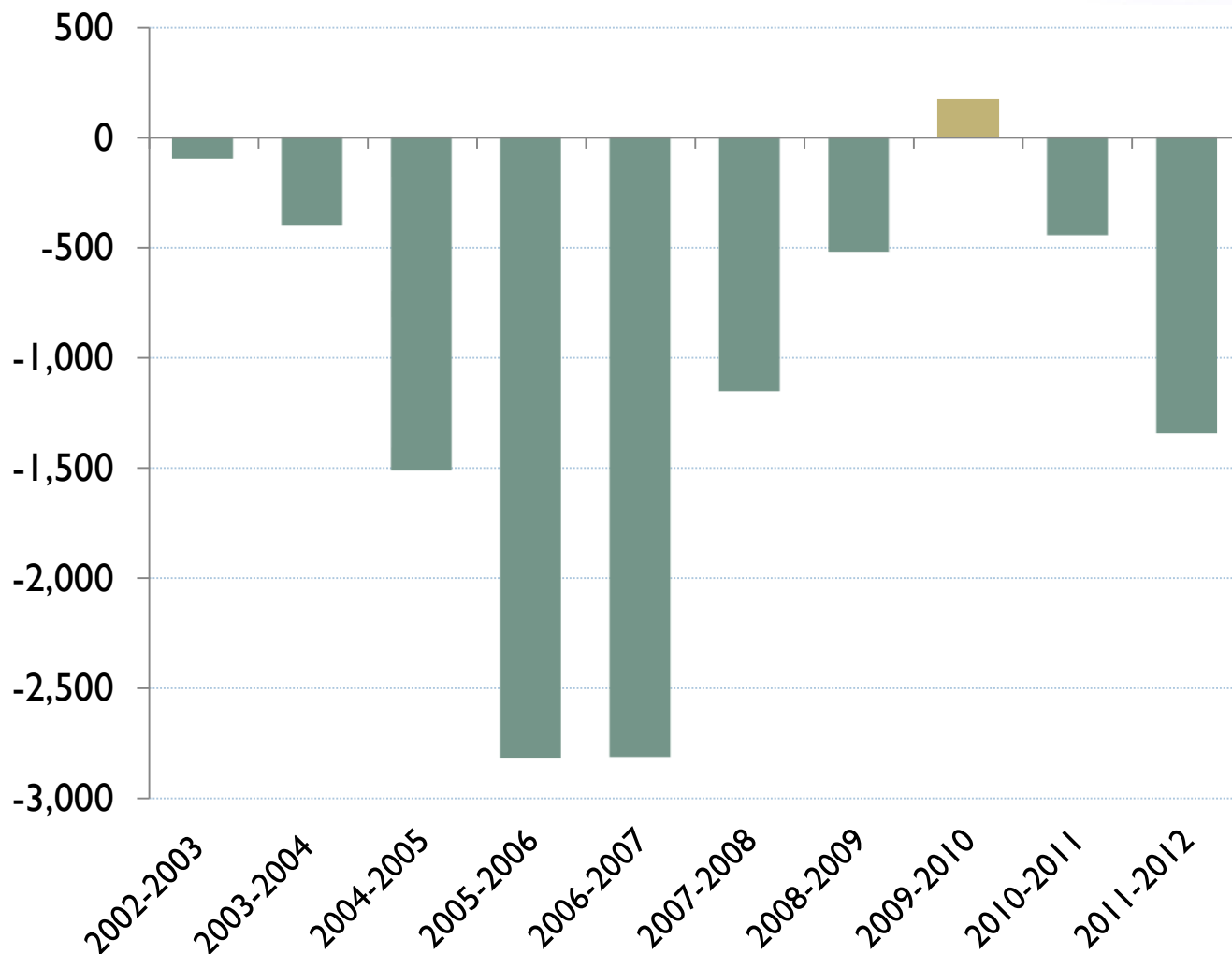
Provincial Migration to Alberta



Alberta continues to attract people from New Brunswick

Most of the people leaving are under 45 years of age

Migration slowed during the 2008/2009 recession



Net Migration 2002-2011



Total In-Migration: 2002-2011

66,510

Net Migration 2002-2011



Total In-Migration: 2002-2011

66,510



Total Out-Migration: 2002-2011

50,757

Net Migration 2002-2011



Total In-Migration: 2002-2011

66,510



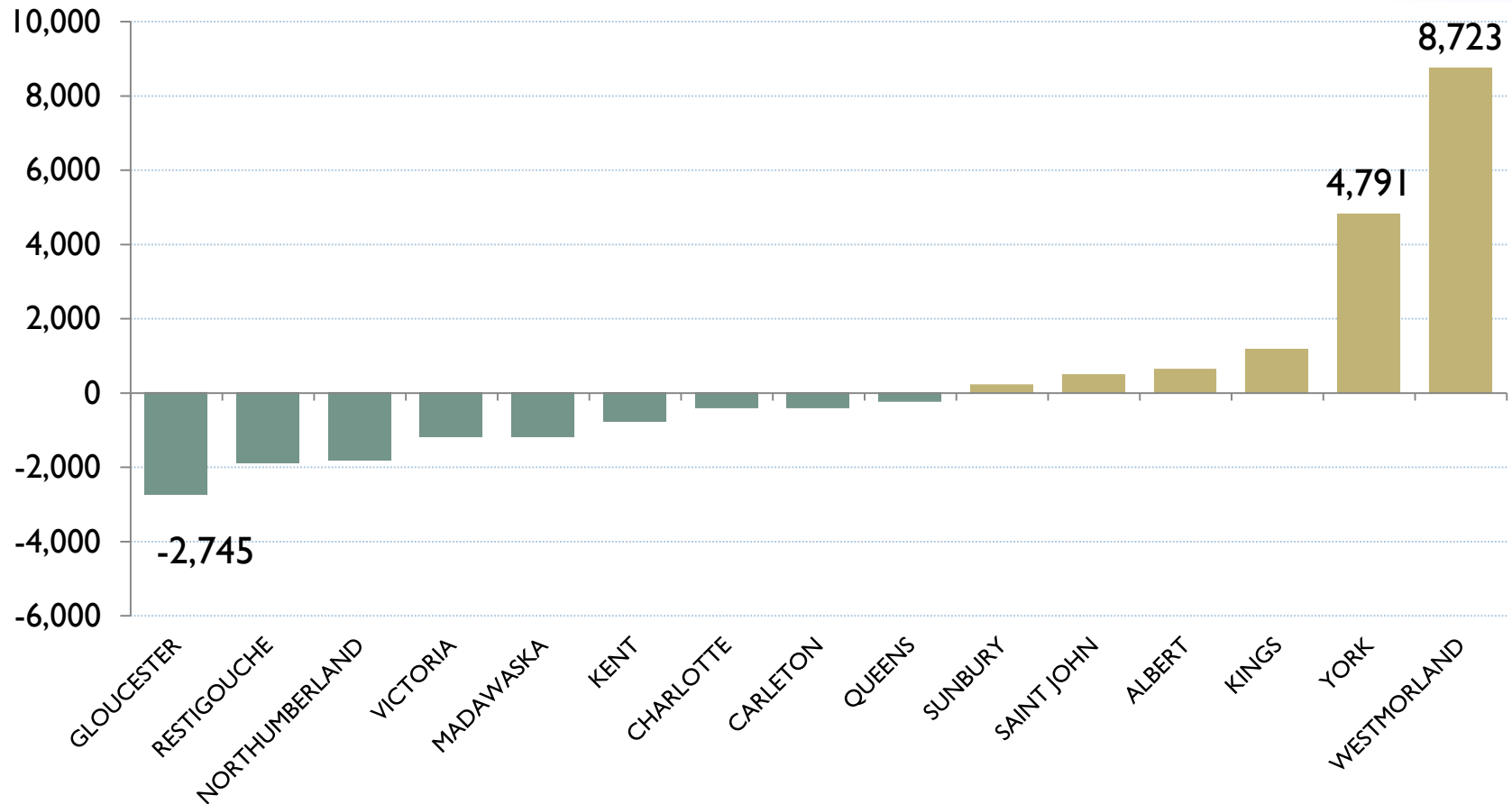
Total Out-Migration: 2002-2011

50,757

Net Population Gain

15,753

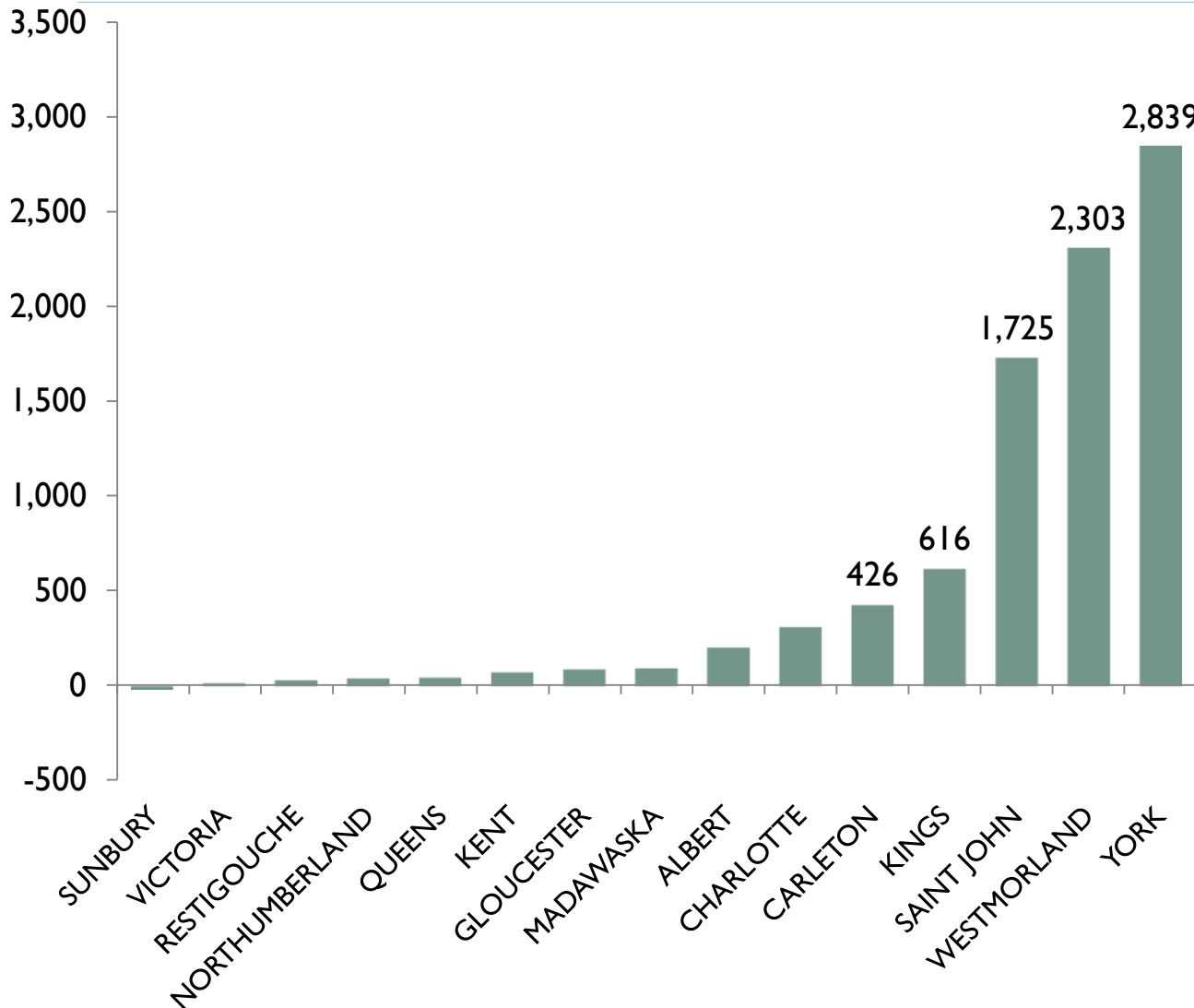
Net Migration by County 2006-2011



Only 2 counties recorded significant positive net-migration

Largest inflows of people were to the Moncton and Fredericton areas

International Migration by County 2006-2011

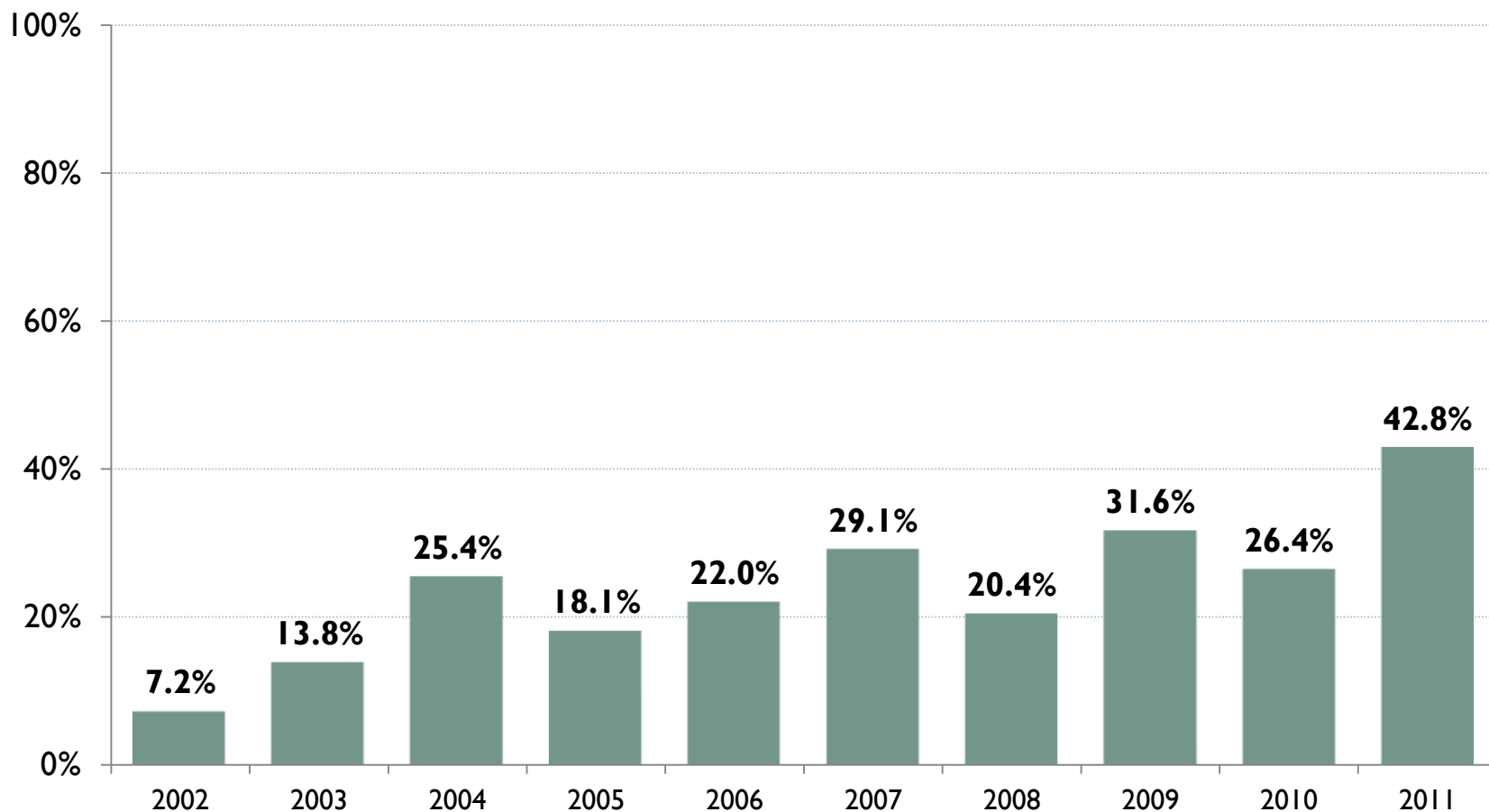


York County recorded the largest inflow of international migration



The inflow of international migrants is centered around the areas with universities

Percentage Share - International Migration 2002-2011



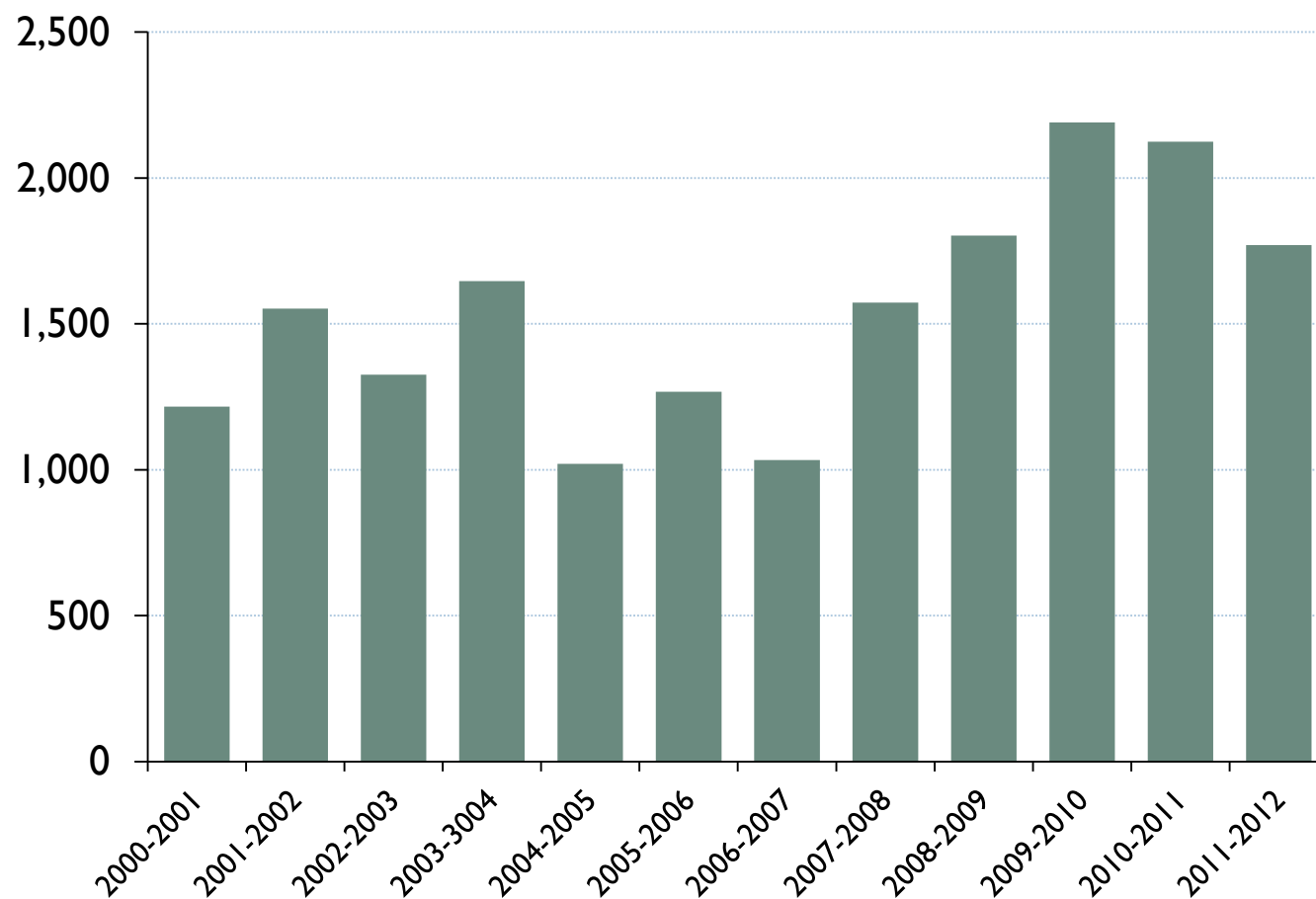
Net Migration – Greater Moncton

(Westmorland County)



Net Gain
Since
2000-2001
18,521

Average Annual
Gain Since
2000-2001
1,543



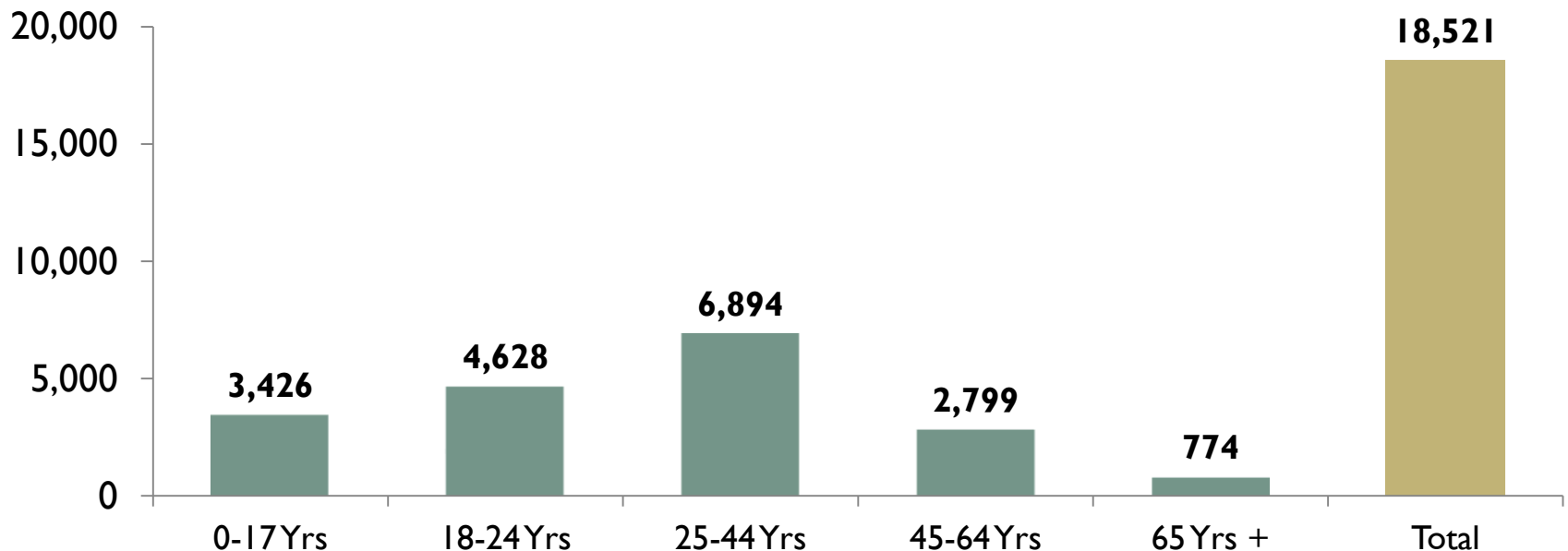
Net-Migration by Age Group (2000-2011)

Greater Moncton

(Westmorland County)



Total Share by Age Group				
0-17	18-24	25-44	45-64	65+
18.5%	25.0%	37.2%	15.1%	4.2%
80.7%				





Housing Market Drivers

Multi-Residential/Rental Market

New Home Market – Single Family Homes

Resale Market

2013/2014 Outlook

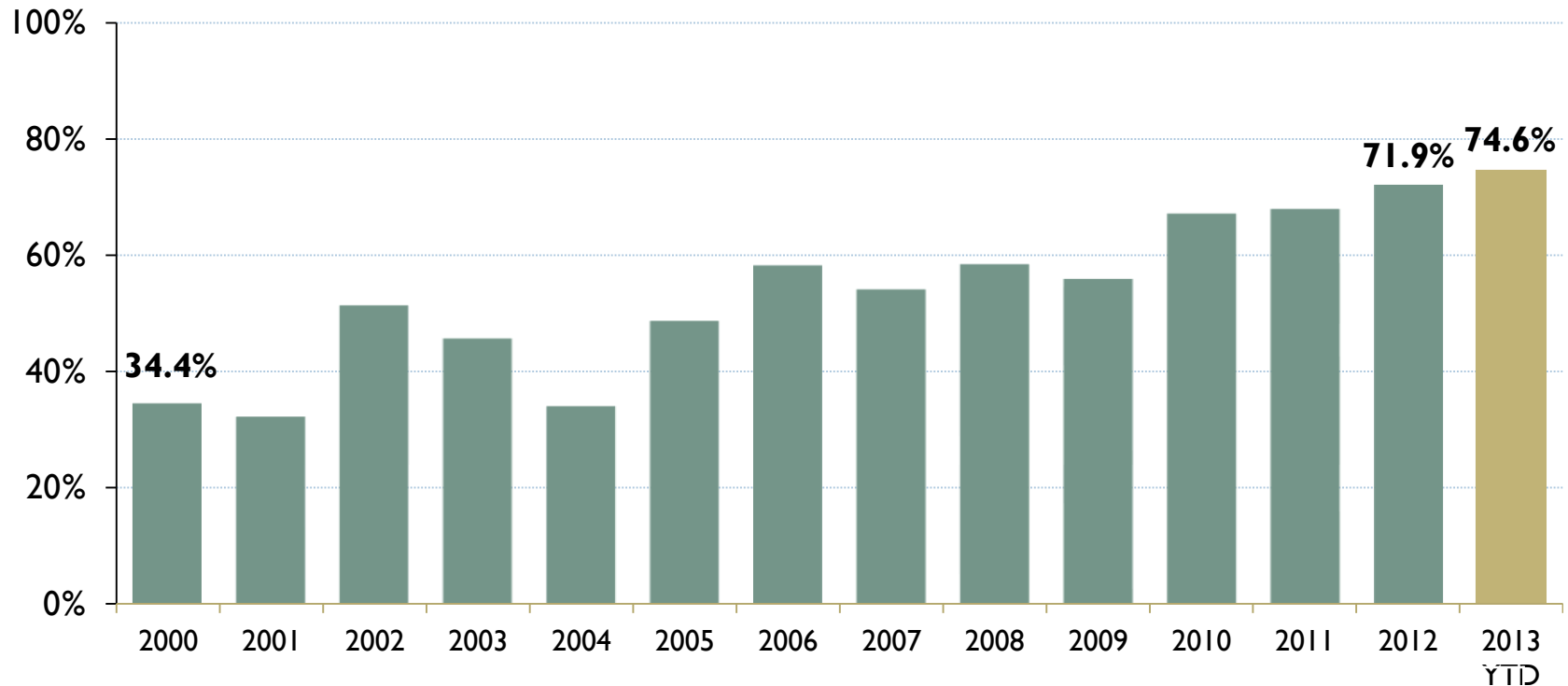


Multiple Starts as a Percentage of Total Starts

Moncton CMA



2013 YTD = January to August



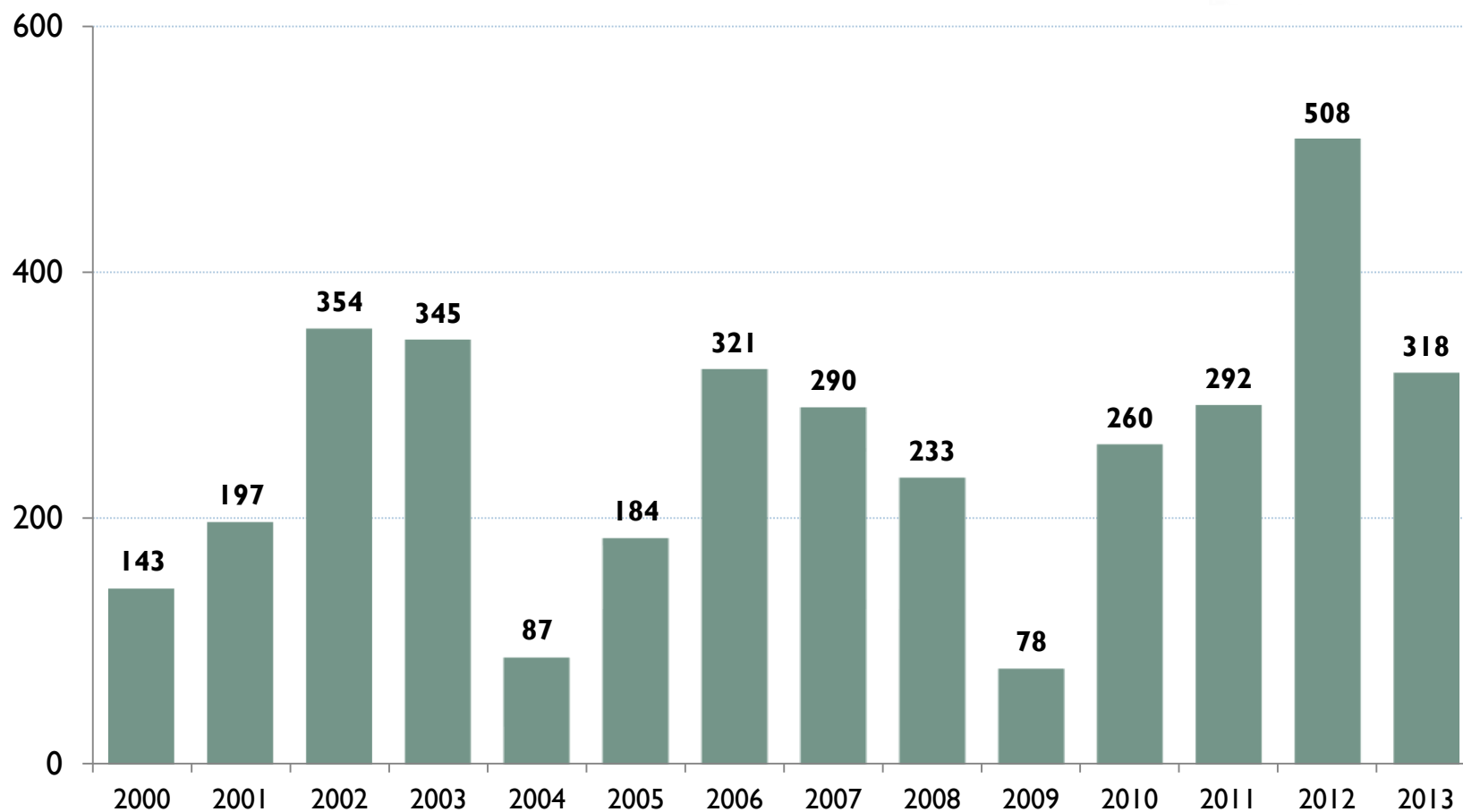
Residential construction shifted toward multi-residential units

Apartment and semi-detached units account for the change

Apartment Starts

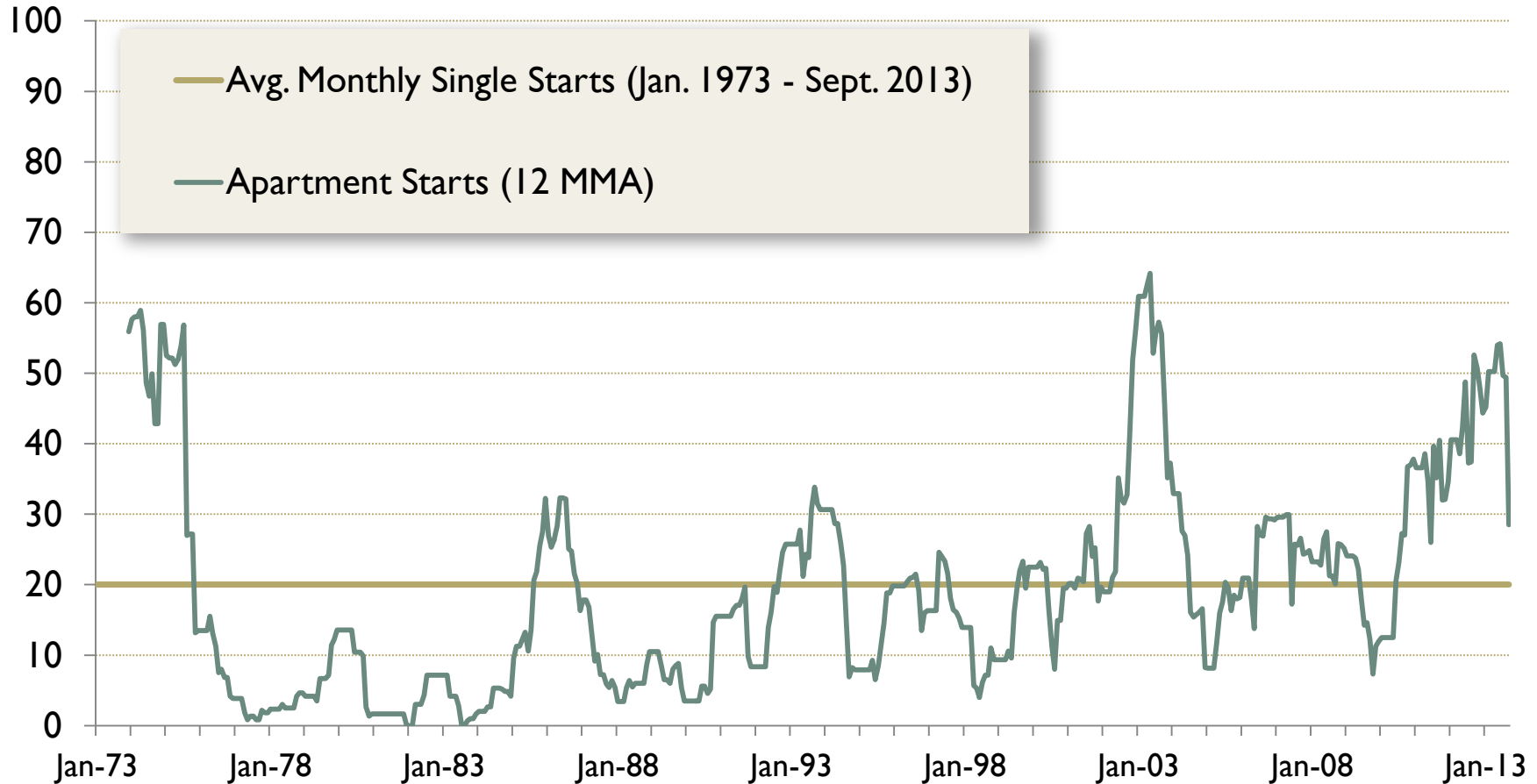
January to September

Moncton CMA



Apartment Starts – Historical Perspective

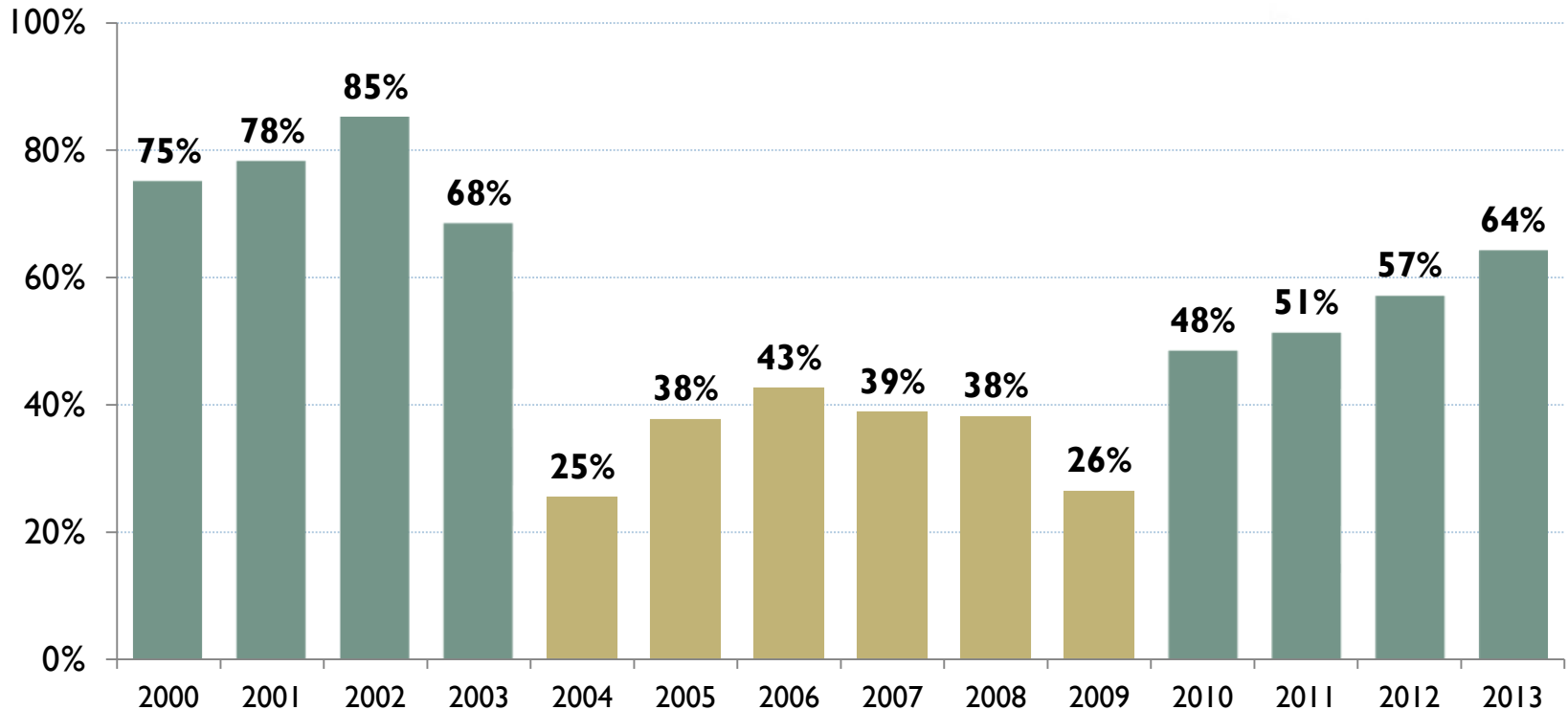
Moncton CMA



Apartment Starts as a % of Multiple Starts



Moncton CMA



2000-2003

2004-2009

2010-2012

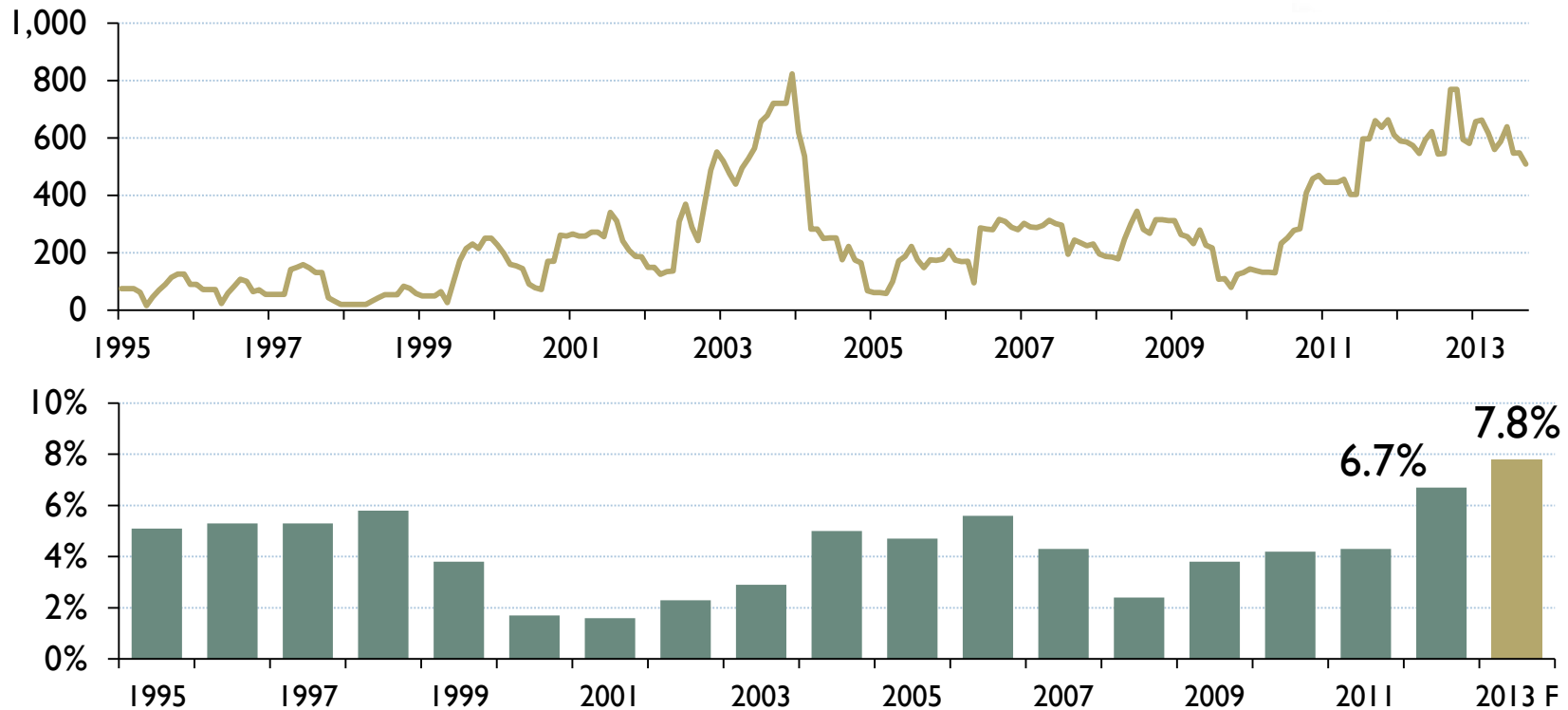
Apartments account for most multiple starts

- Semi-detached < \$150,000
- Mortgage payment comparable to monthly rent

Semi-detached units priced above \$150,000

Rental Market

Moncton CMA



Monthly Average
Under Construction

Jan. 2005 – Dec. 2010

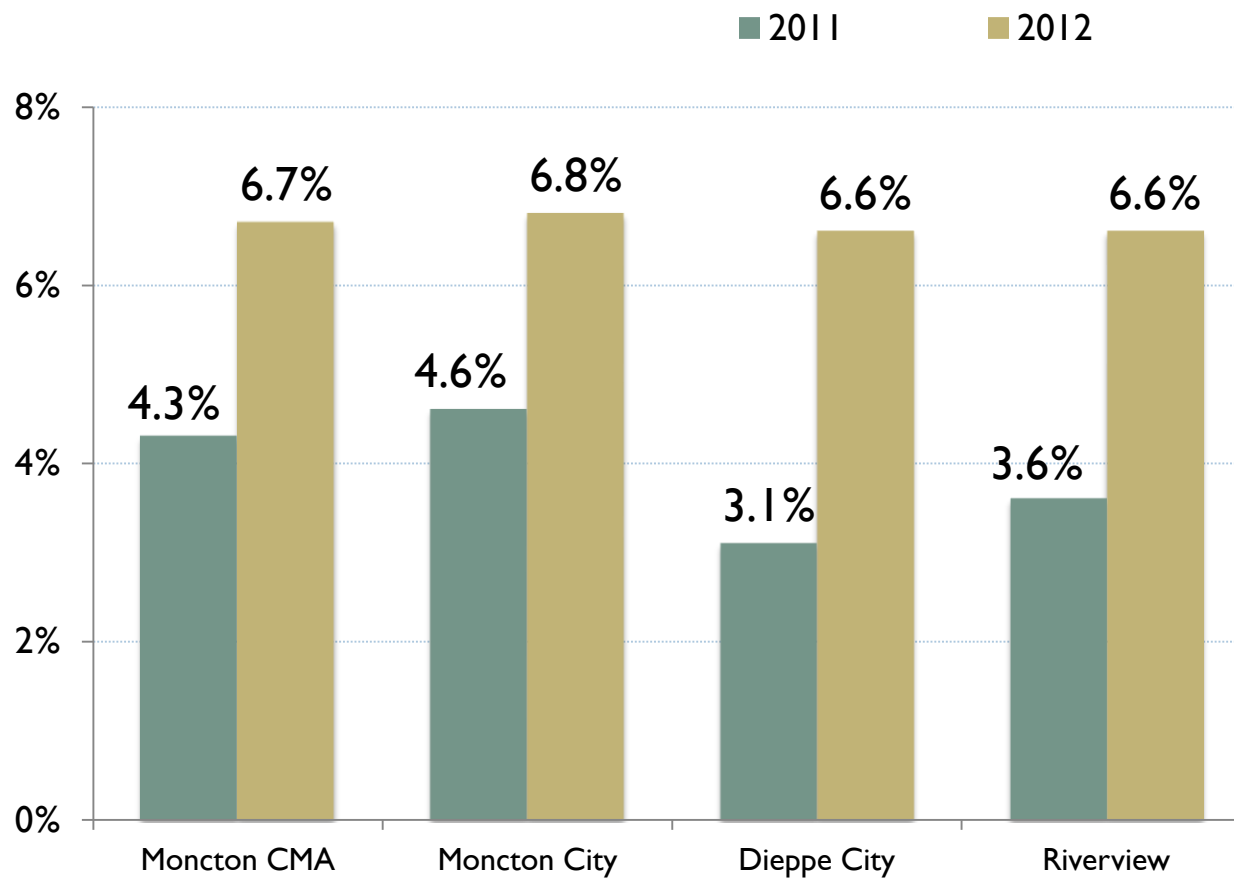
227

Jan. 2011 – Sep. 2013

576

Vacancy Rate by Submarket

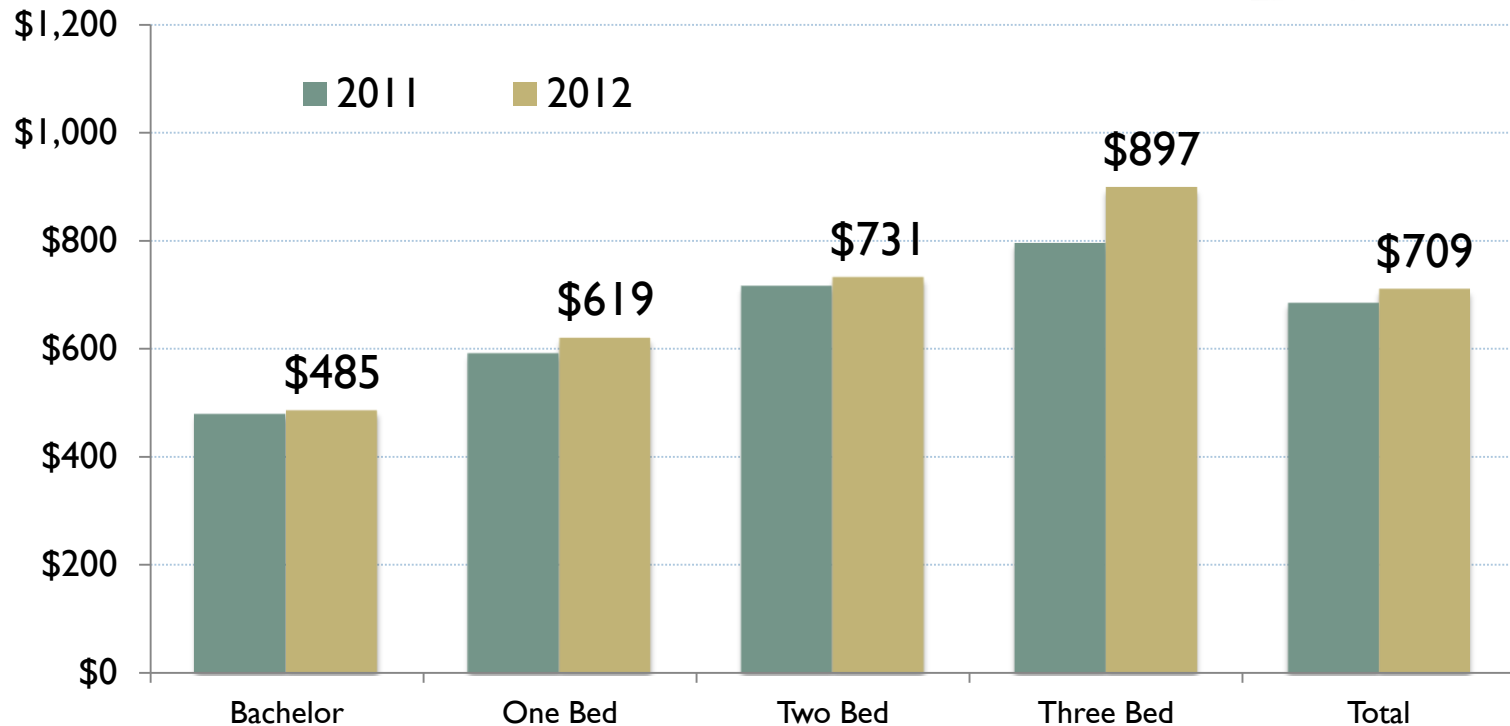
Moncton CMA



Private Apartment Average Rent (\$) by Unit Type



Moncton CMA



Estimate of Average Rent Change¹ – Oct 2011 to Oct 2012

One Bedroom Units

2.5%

Two Bedroom Units

1.9%

Three Bedroom Units

1.6%

¹The Percentage Change of Average Rent is a measure of the market movement, and is based on those structures that were common to the survey sample for both years.

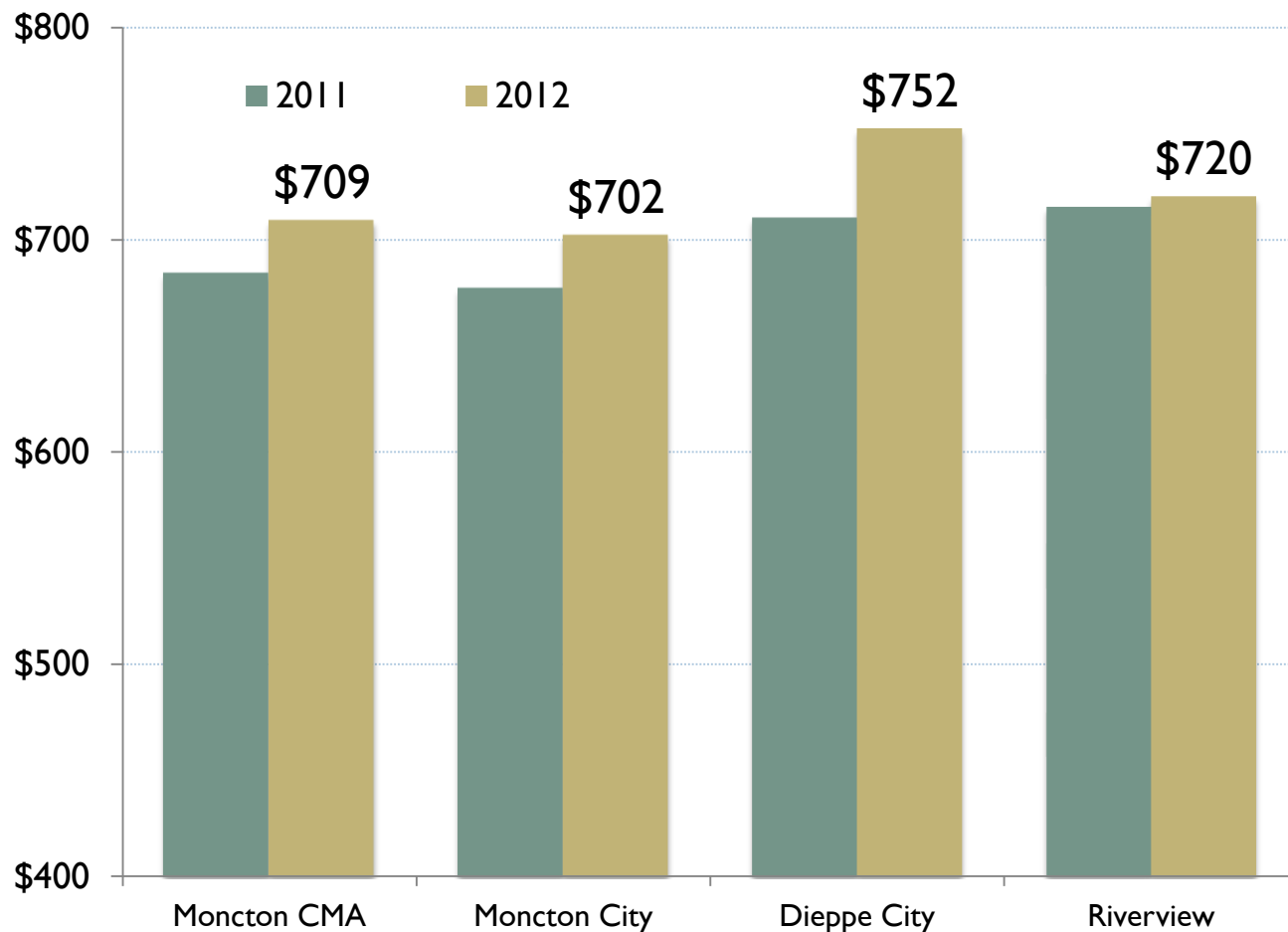
Private Apartment Average Rent (\$) by Submarket

Moncton CMA



The average rent was higher in all zones in 2012

The City of Dieppe posted the highest average rent in 2012



2013/2014 Outlook

Rental Market				
Moncton CMA	2012	2013F	% Change	2014F
Vacancy Rate	6.7%	8.0%	1.3 pts	9.5%
Average Rent (Two Bedroom)	\$731	\$745	+ 2%	\$760



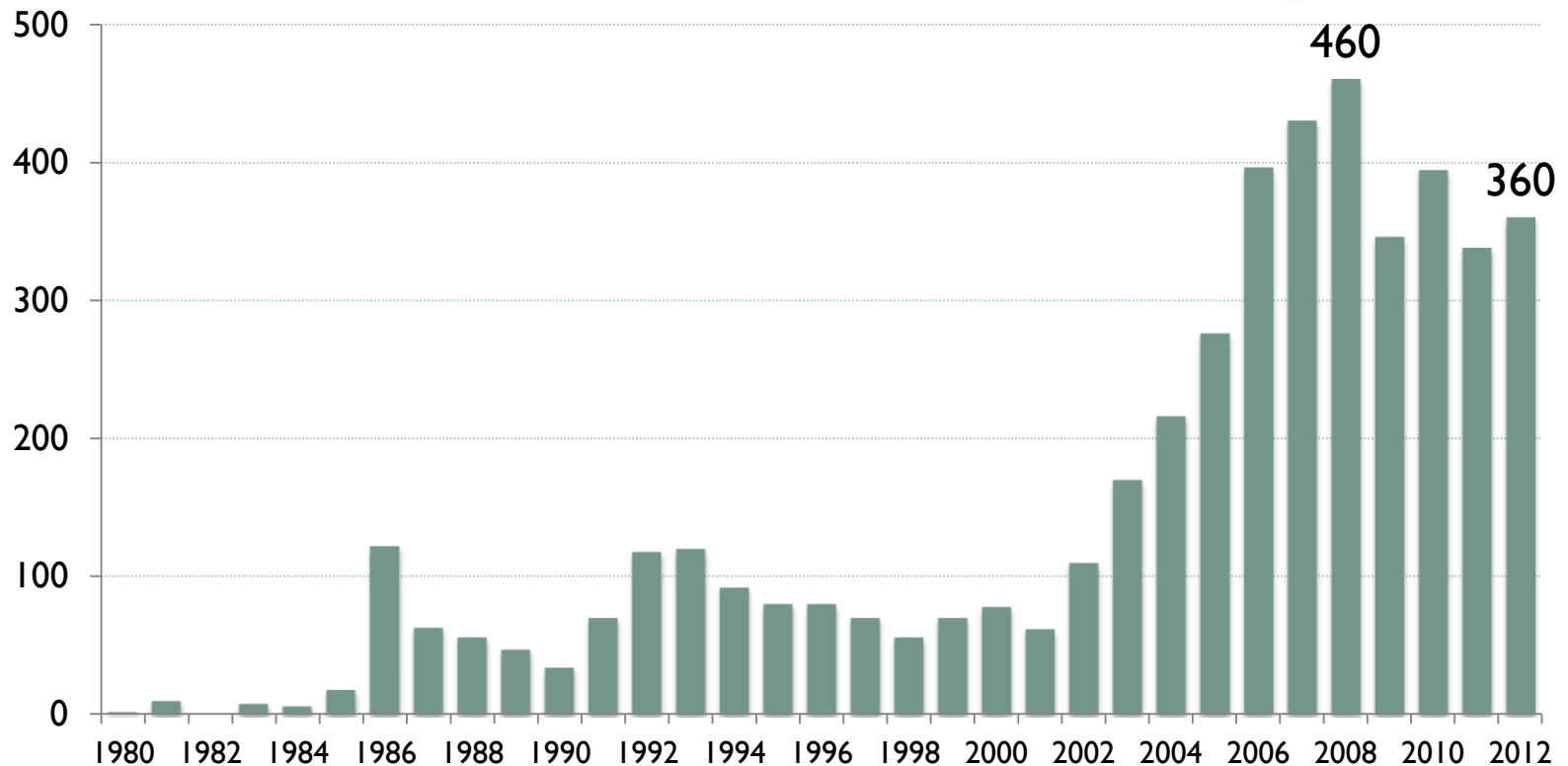
Further increase in the vacancy rate expected in 2013



Expected rent increase in 2013 will range between 1.5% and 2.5%

Semi-Detached Starts – Historical Perspective

Moncton CMA



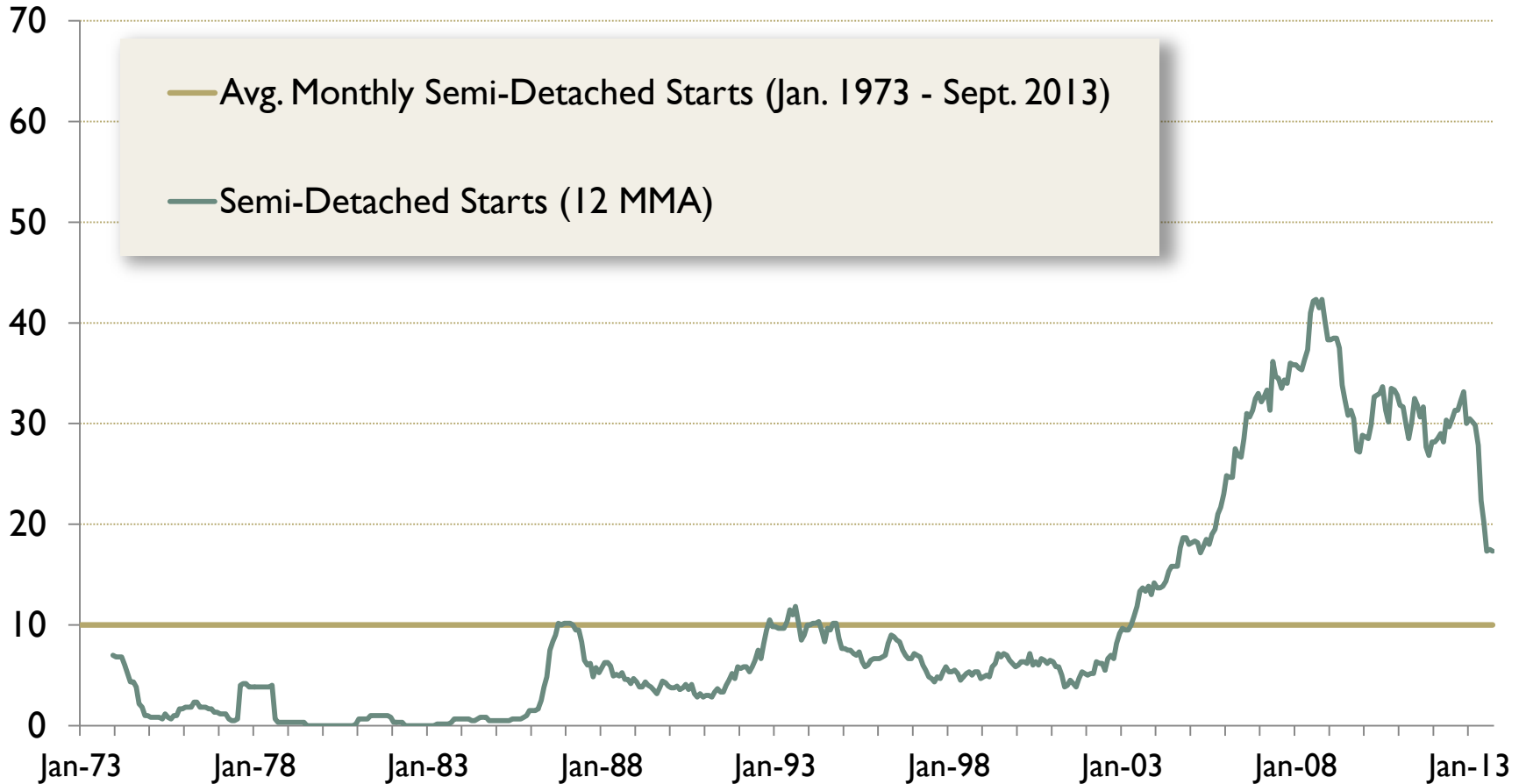
7th Consecutive year with
over 300 semi-detached
starts

Growth driver during
the past decade:
Price

Average Starts 2005-2012
375

Semi-Detached Starts – Historical Perspective

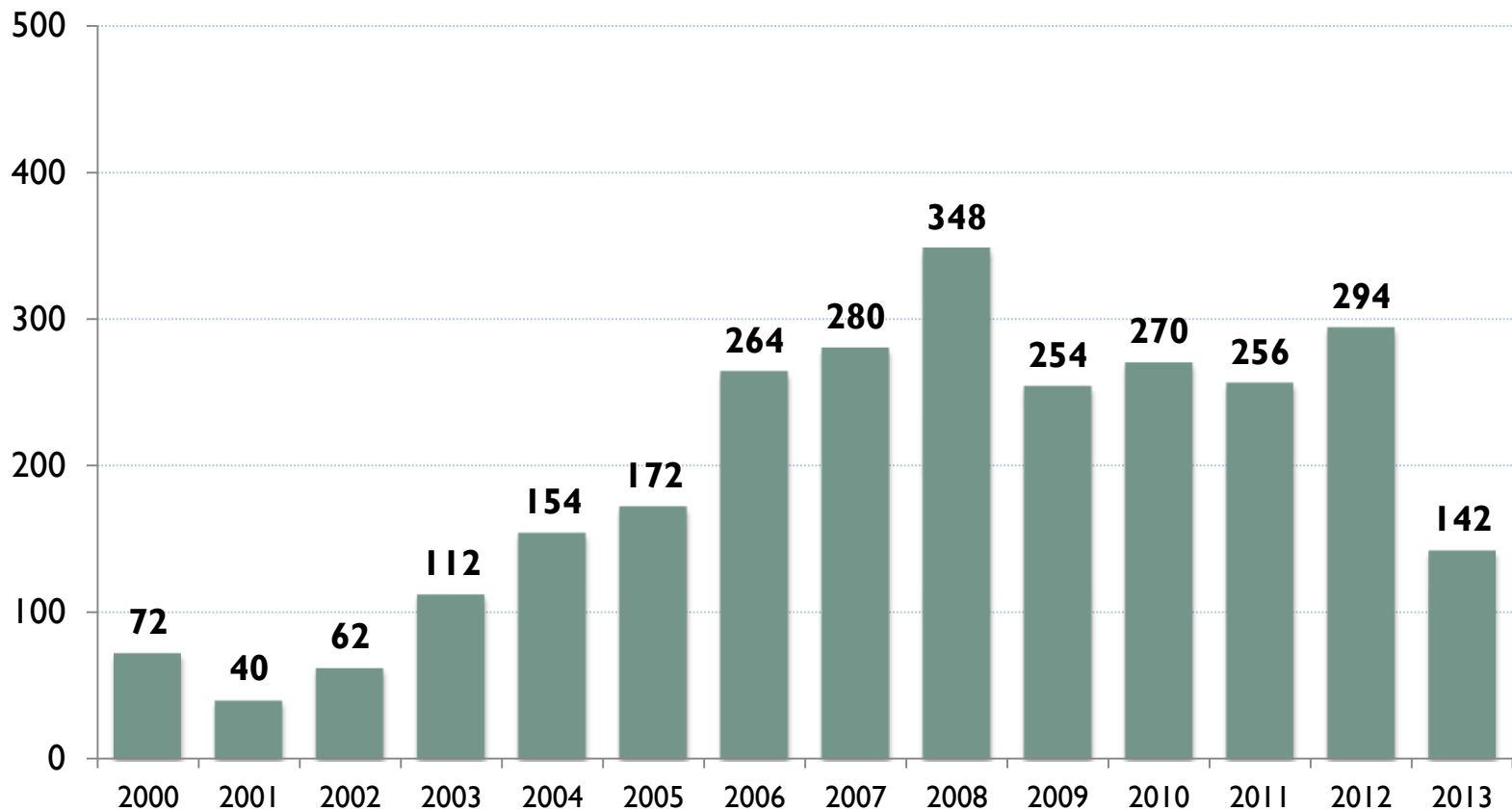
Moncton CMA



Semi-Detached Starts

January to September

Moncton CMA



Single-Detached vs. Semi-Detached Starts

Moncton CMA



YTD = January to September

2002
-2008

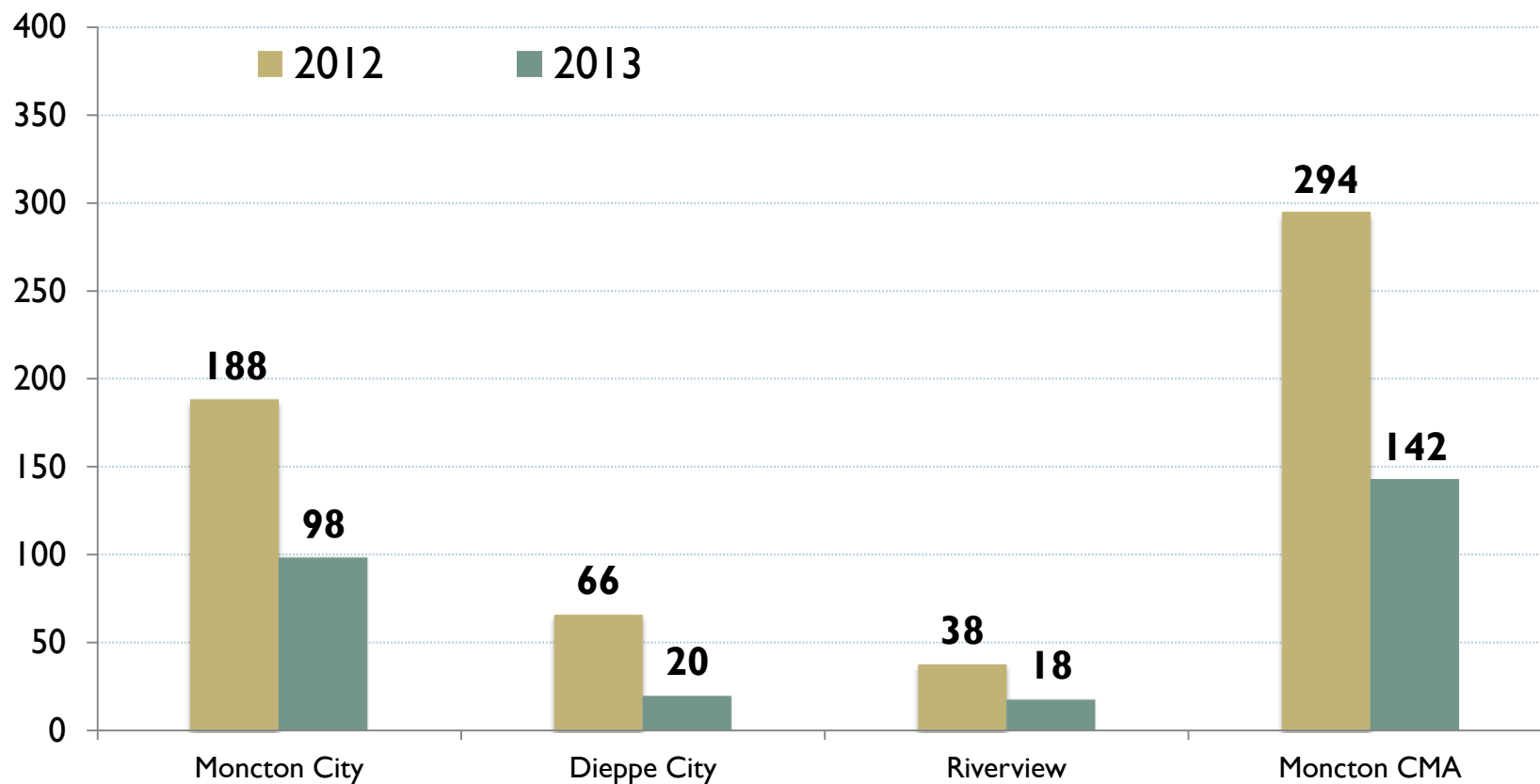
The decline in single starts was offset
by rising semi-detached starts

2009
-2012

Both market segments decline
due to weakening demand

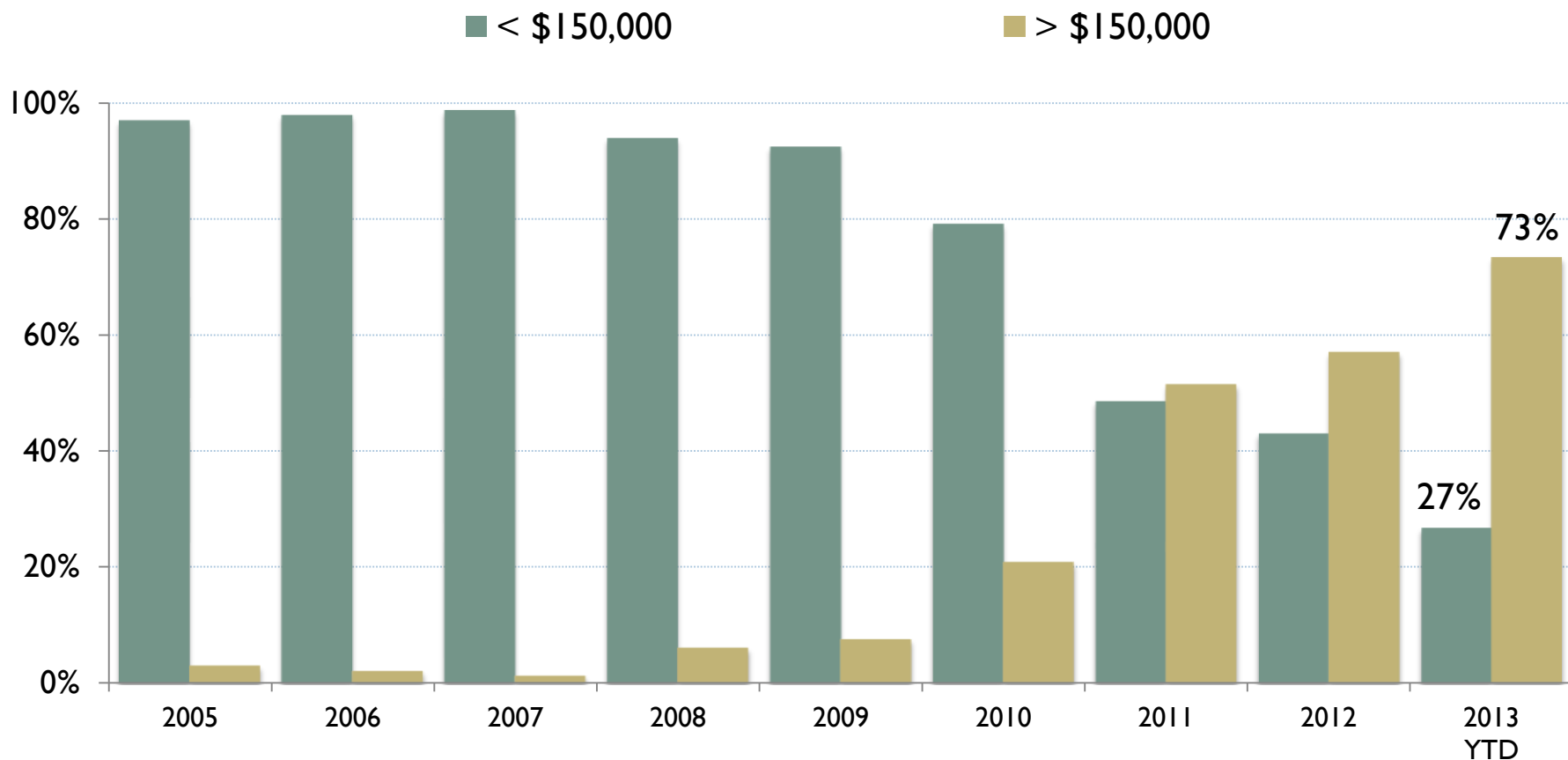
Semi-Detached Starts by Submarket

Moncton CMA



Percentage of Absorbed Semi-Detached Units by Price Range

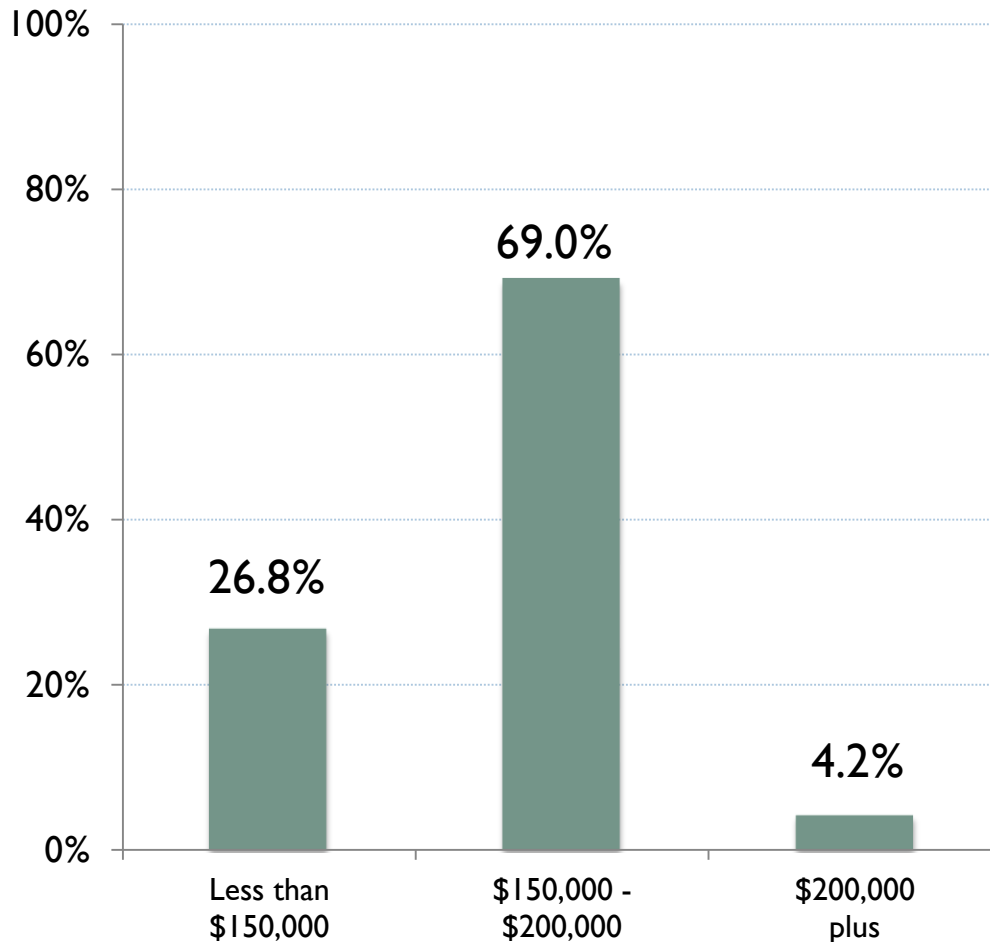
Moncton CMA



2013 YTD = January to August

Percentage of Absorbed Semi-Detached Units by Price Range (January to July – 2013)

Moncton CMA



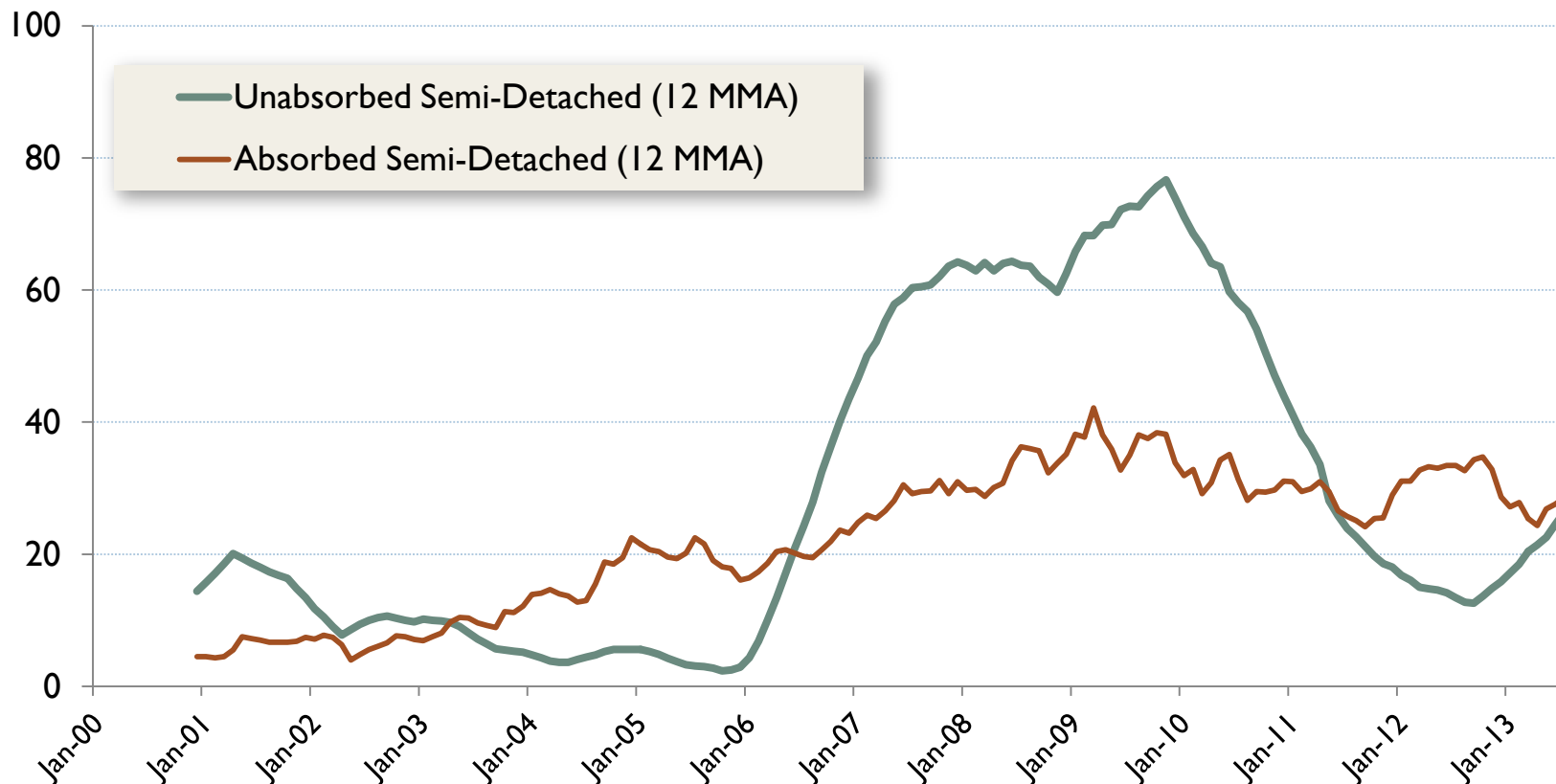
Semi-Detached Unit	Two Bedroom Unit
Monthly Carrying Cost	Average Rent
2008	
\$846 ¹	\$656
2013	
\$1,208 ²	\$731

¹Based on \$120,000 fixed rate mortgage/25 year amortization, 5 year fixed - posted rate 5.7% + property tax

²Based on \$170,000 fixed rate mortgage/25 year amortization, 5 year fixed - posted rate 5.2 % + property tax

Semi-Detached Homes – Absorbed and Unabsorbed Units (12 month moving average)

Moncton CMA



Supply of unabsorbed units trending upward in 2013 despite decreased starts due to reduced demand

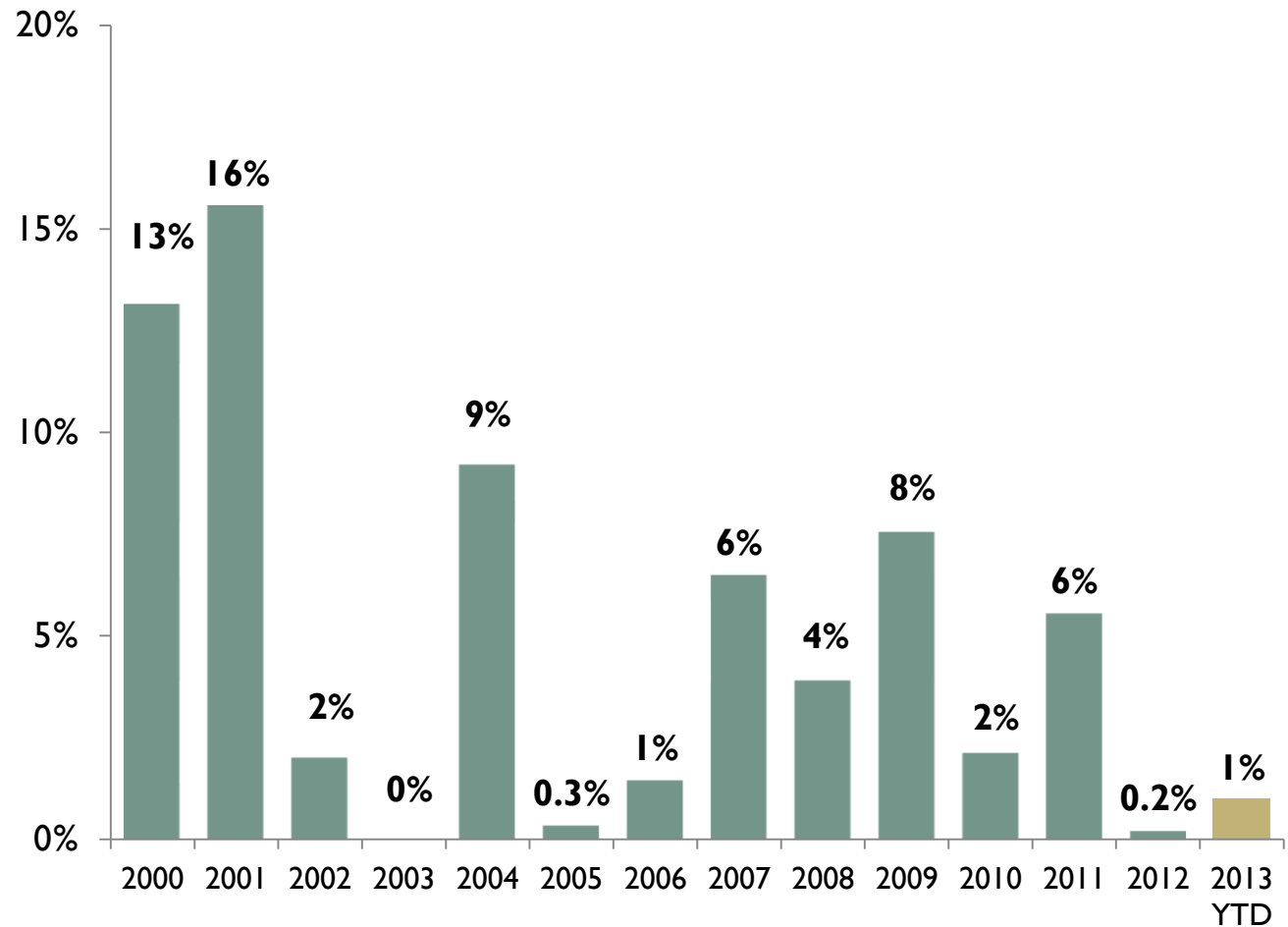
Condominium Starts as a Percentage of Multiple Starts

Moncton CMA



Condominium starts
as a percentage of
multiple starts
remain low in 2013

In recent years,
condominium starts
have been mostly
row-type units



2013 YTD = January to August

2013/2014 Outlook

Multiple Starts				
Moncton CMA	2012	2013F	% Change	2014F
Multiple Starts	933	650	- 30%	420



Significant increase in the rental inventory will put upward pressure on the local vacancy rate leading to reduced apartment starts



Increased supply of new rental units and rising prices for new semi-detached units will likely to result in fewer semi-detached starts

Housing Market Drivers

Multi-Residential/Rental Market



New Home Market – Single Family Homes

Resale Market

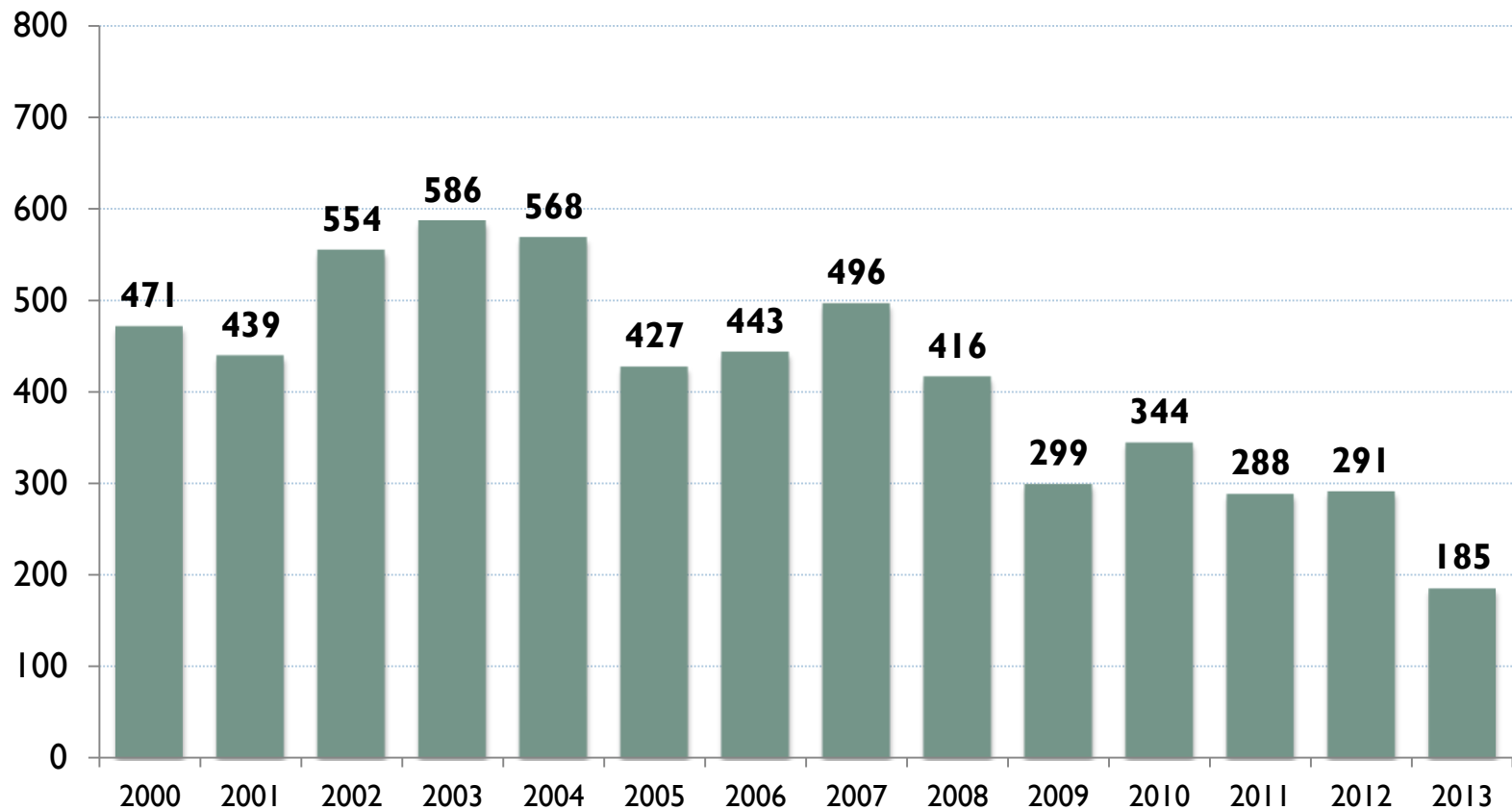
2013/2014 Outlook



Single-Detached Starts

January to September

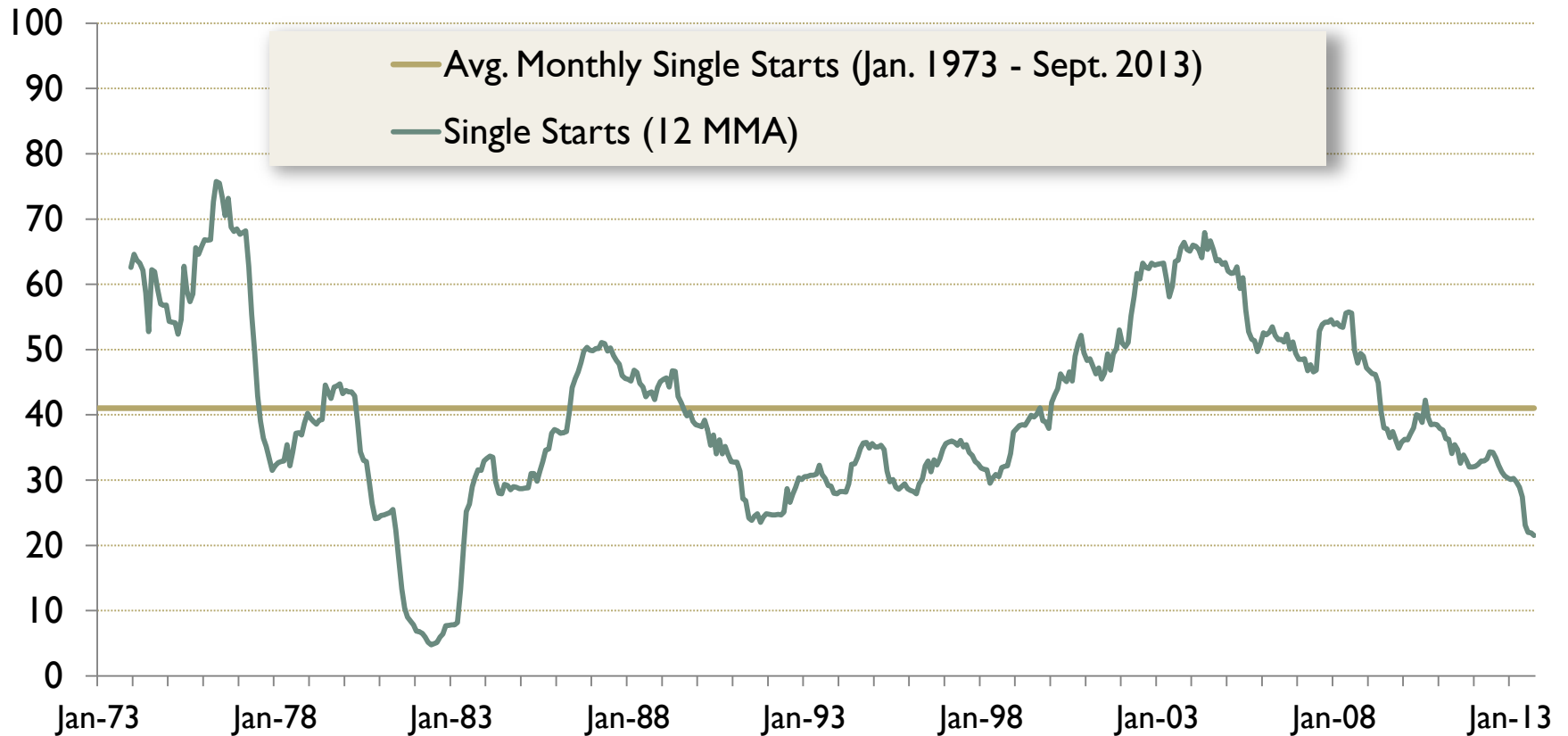
Moncton CMA



Single-detached starts trending down since 2003

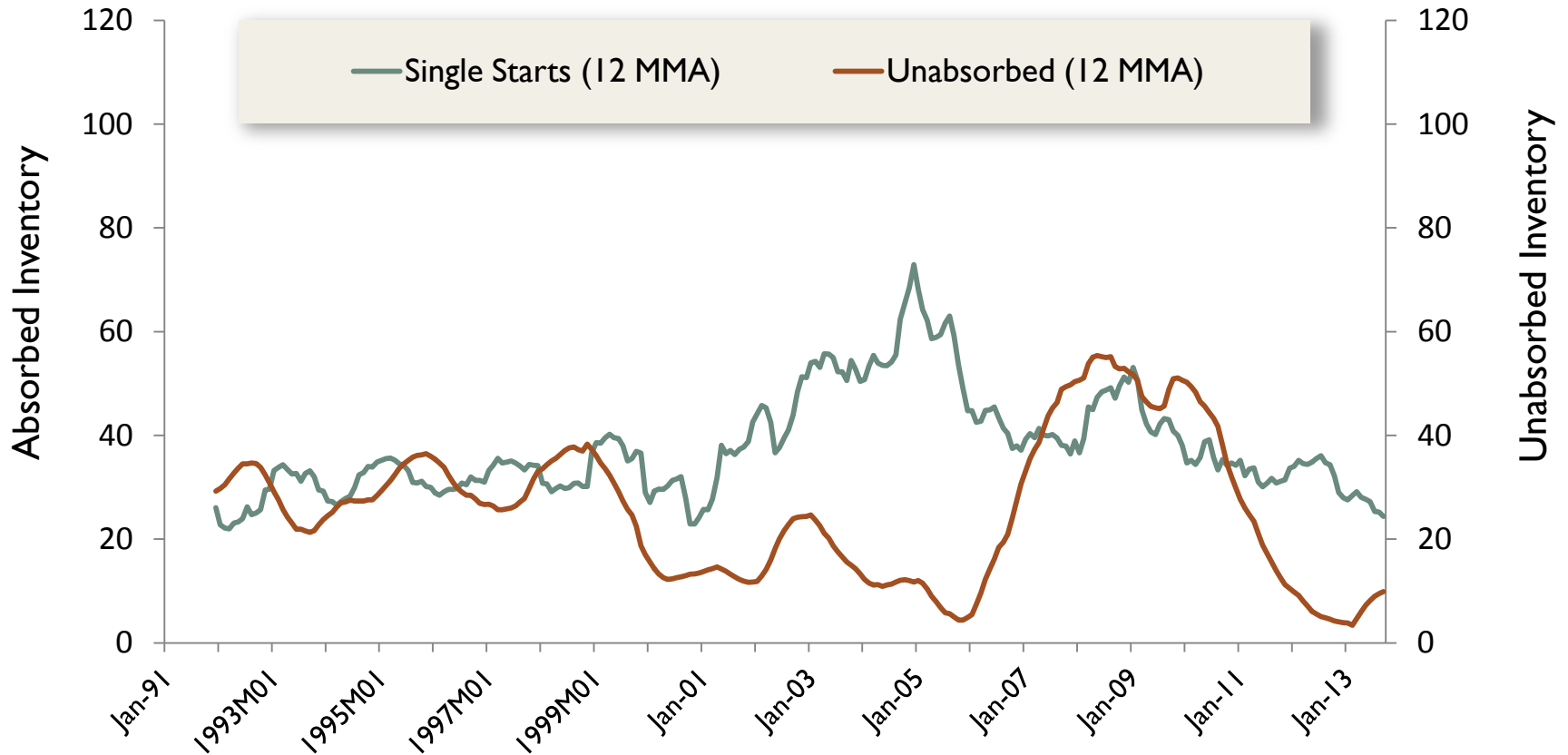
Single-Detached Starts – Historical Perspective

Moncton CMA



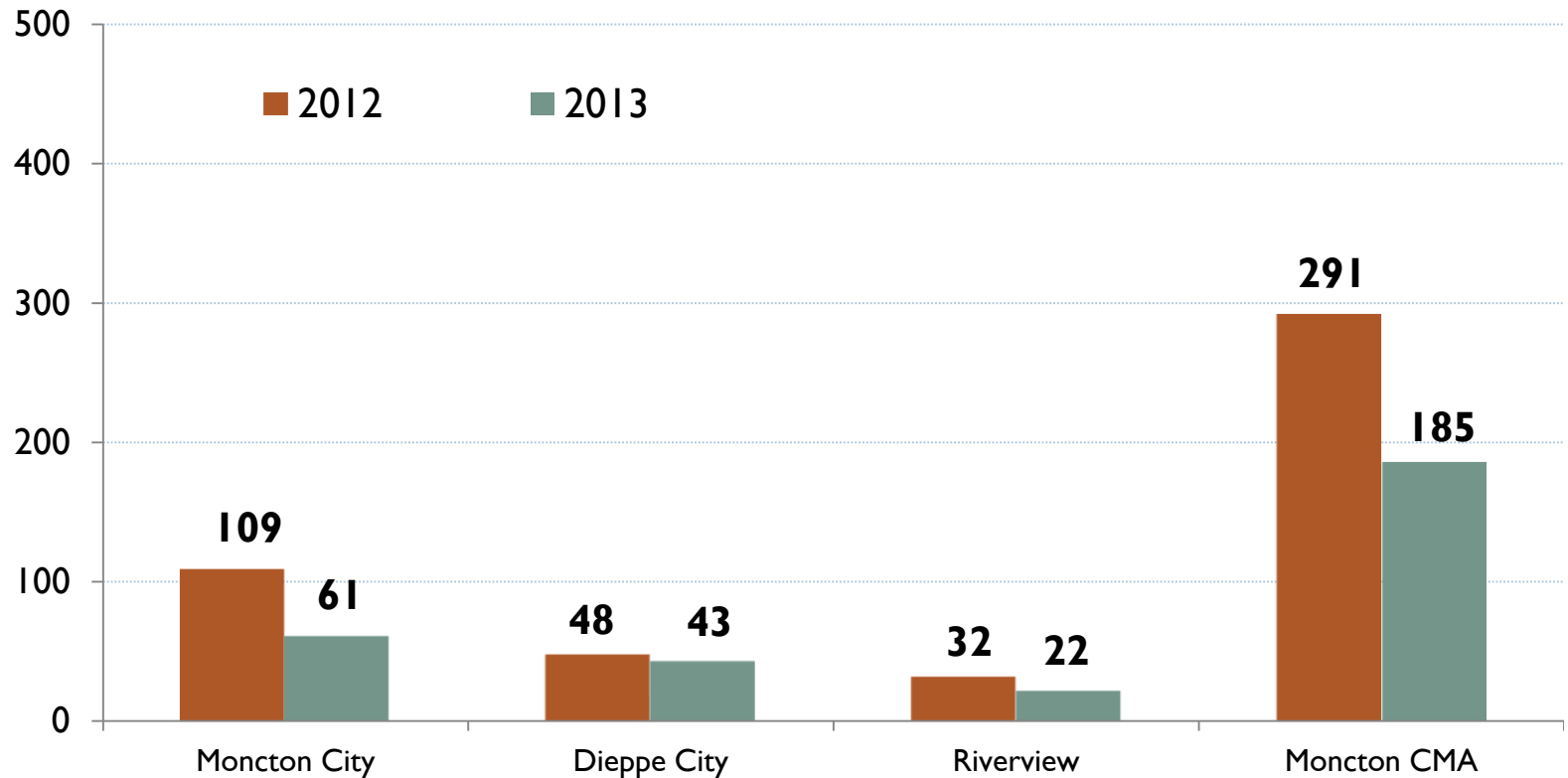
Single Starts and Unabsorbed Single-Detached Units

Moncton CMA



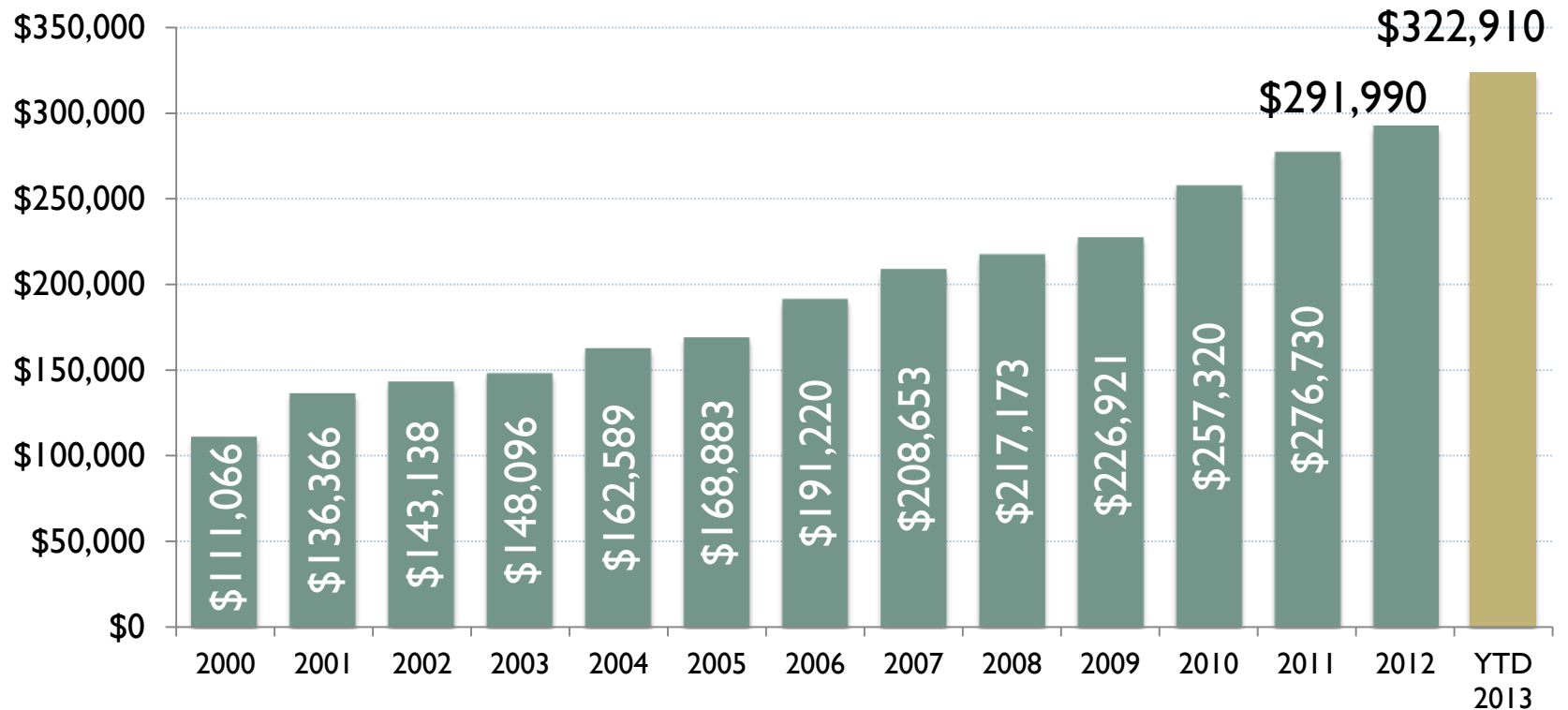
Single Starts by Submarket

Moncton CMA



Average New Home Price

Moncton CMA



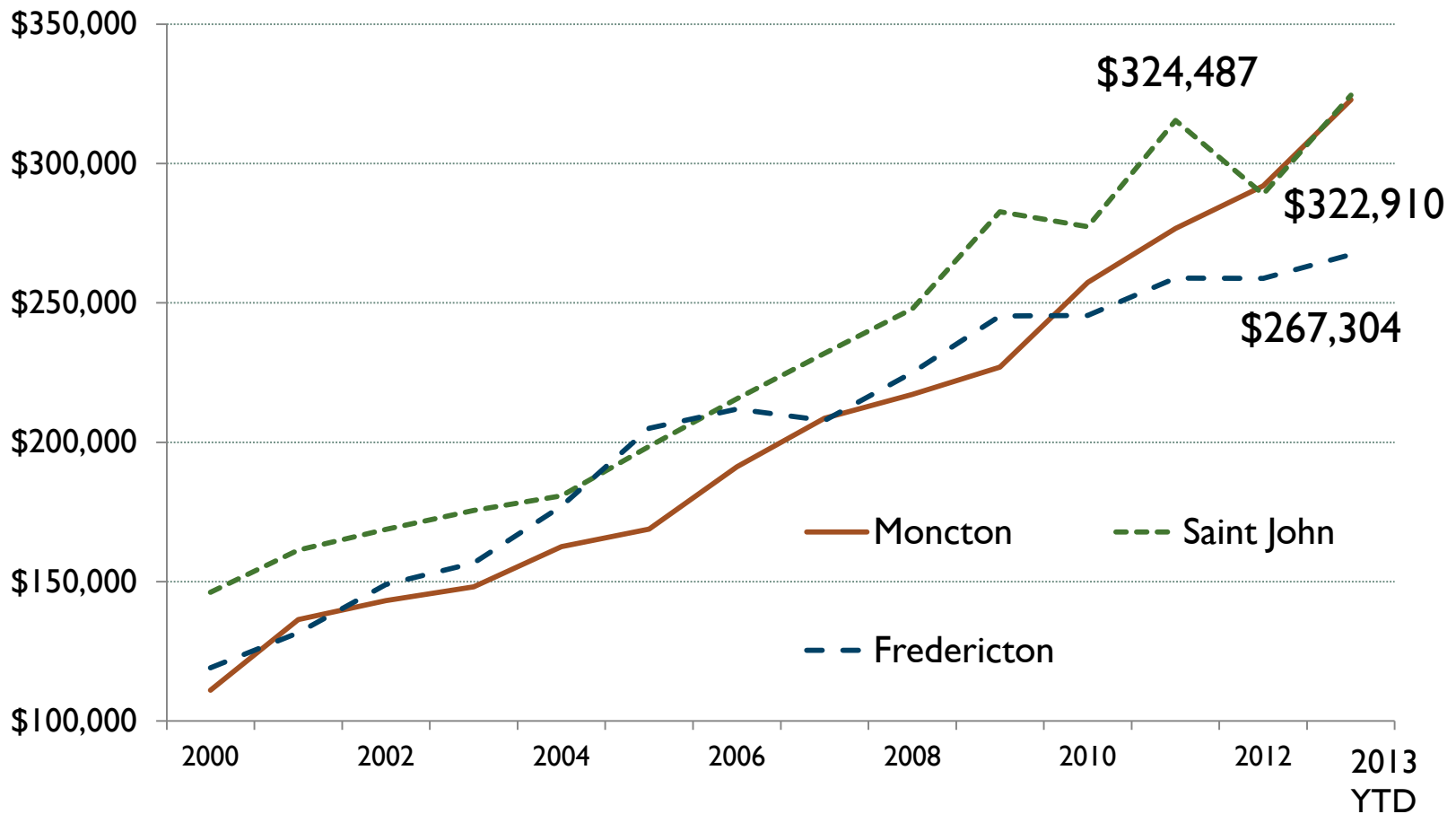
2013 YTD = January to September

Annual Increase
10 Year Average + 7.5%

Average Two Storey (2012)
\$333,419

Average New Home Price

Moncton CMA



2013 YTD = January to September

2013/2014 Outlook

Single Starts				
Moncton CMA	2012	2013F	% Change	2014F
Single Starts	364	240	- 34%	230



The average price of a new home has increased significantly in 2013



Reduced demand will lead to fewer starts in 2013

Housing Market Drivers

Multi-Residential/Rental Market

New Home Market – Single Family Homes



Resale Market

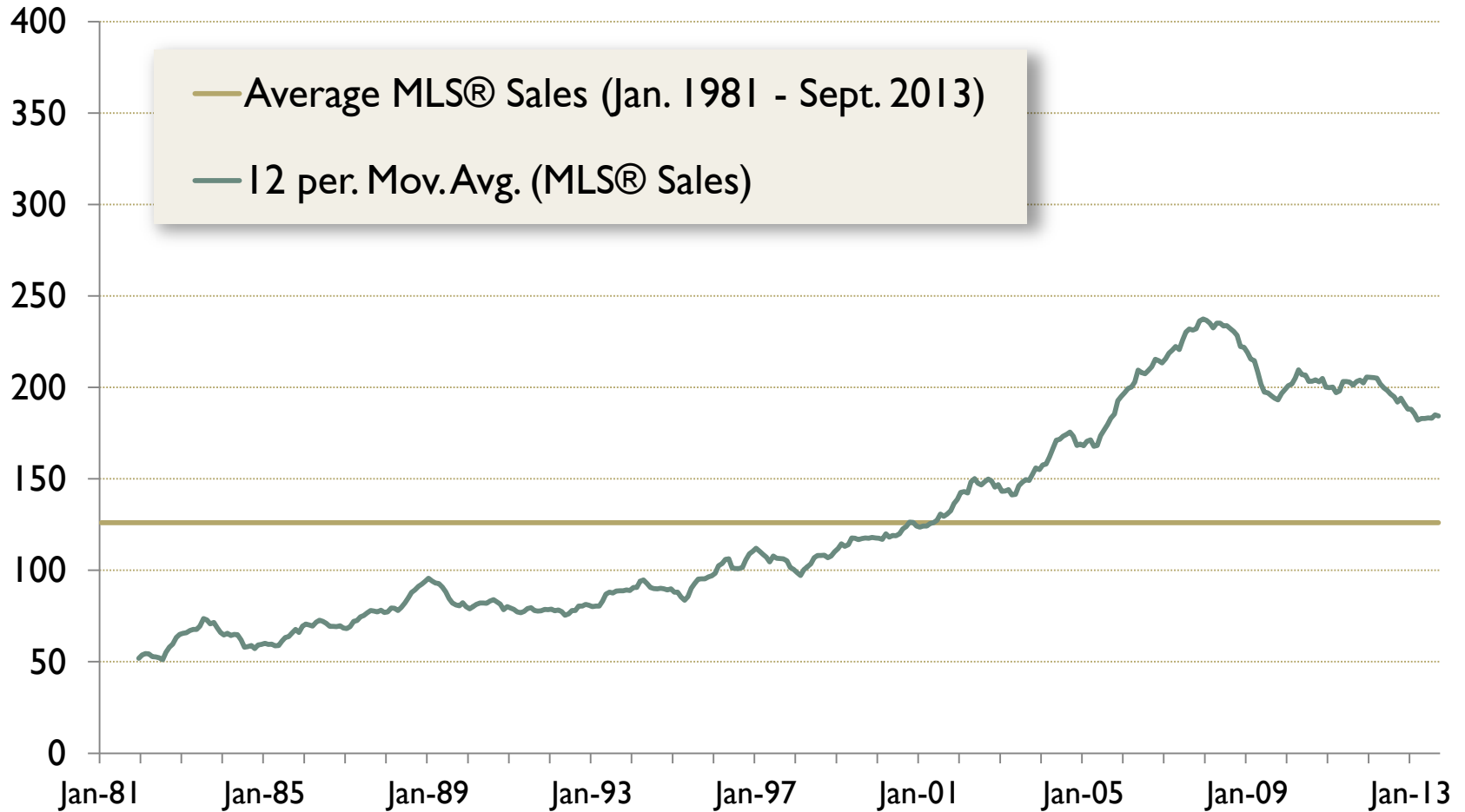
2013/2014 Outlook



MLS® Unit Sales

January to September

Moncton CMA



MLS® Unit Sales

January to September

Greater Moncton



Source: CREA

MLS® is a registered trademark of the Canadian Real Estate Association

MLS® Sales by Submarket

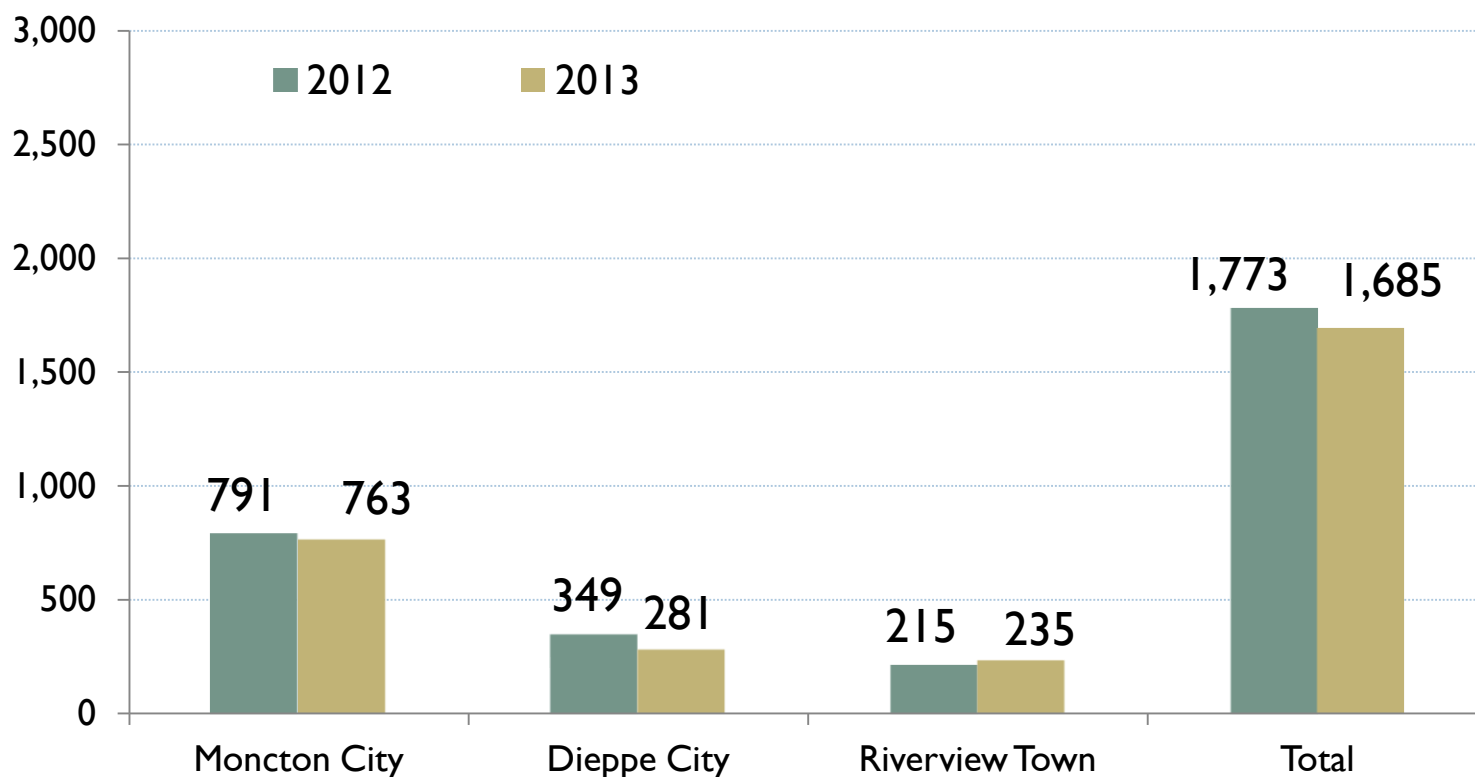
January to September



Greater Moncton

Year-over-Year Change

Moncton City	Dieppe City	Riverview
-3.5%	-19.5%	+9.3%



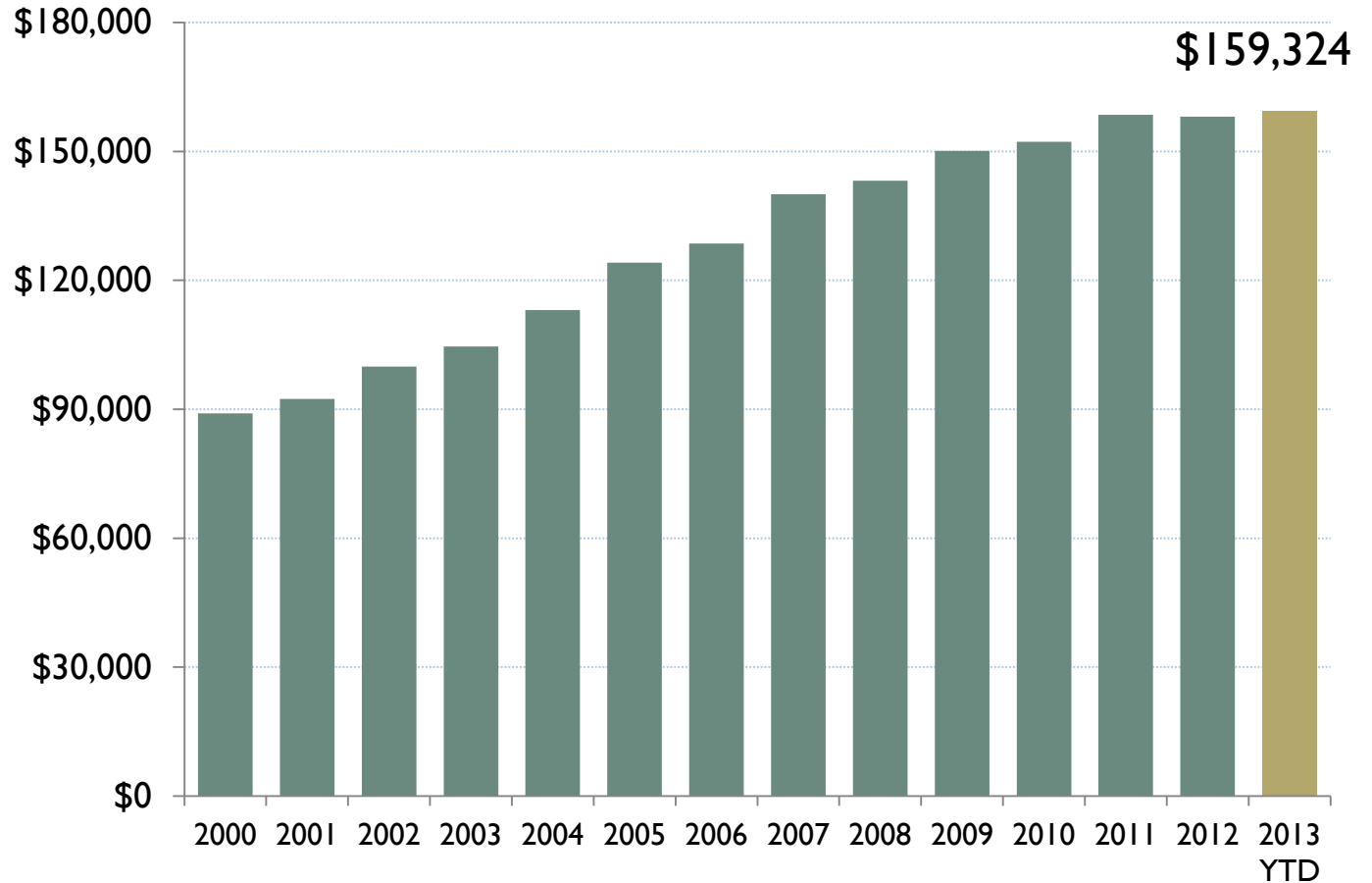
Average MLS® Sale Price

Greater Moncton



2011 Average
MLS® Sale Price
\$158,561

2012 Average
MLS® Sale Price
\$158,107



YTD = January to October

Source: CREA

MLS® is a registered trademark of the Canadian Real Estate Association

Annual Price Growth (%) – Greater Moncton

January to October



Greater Moncton

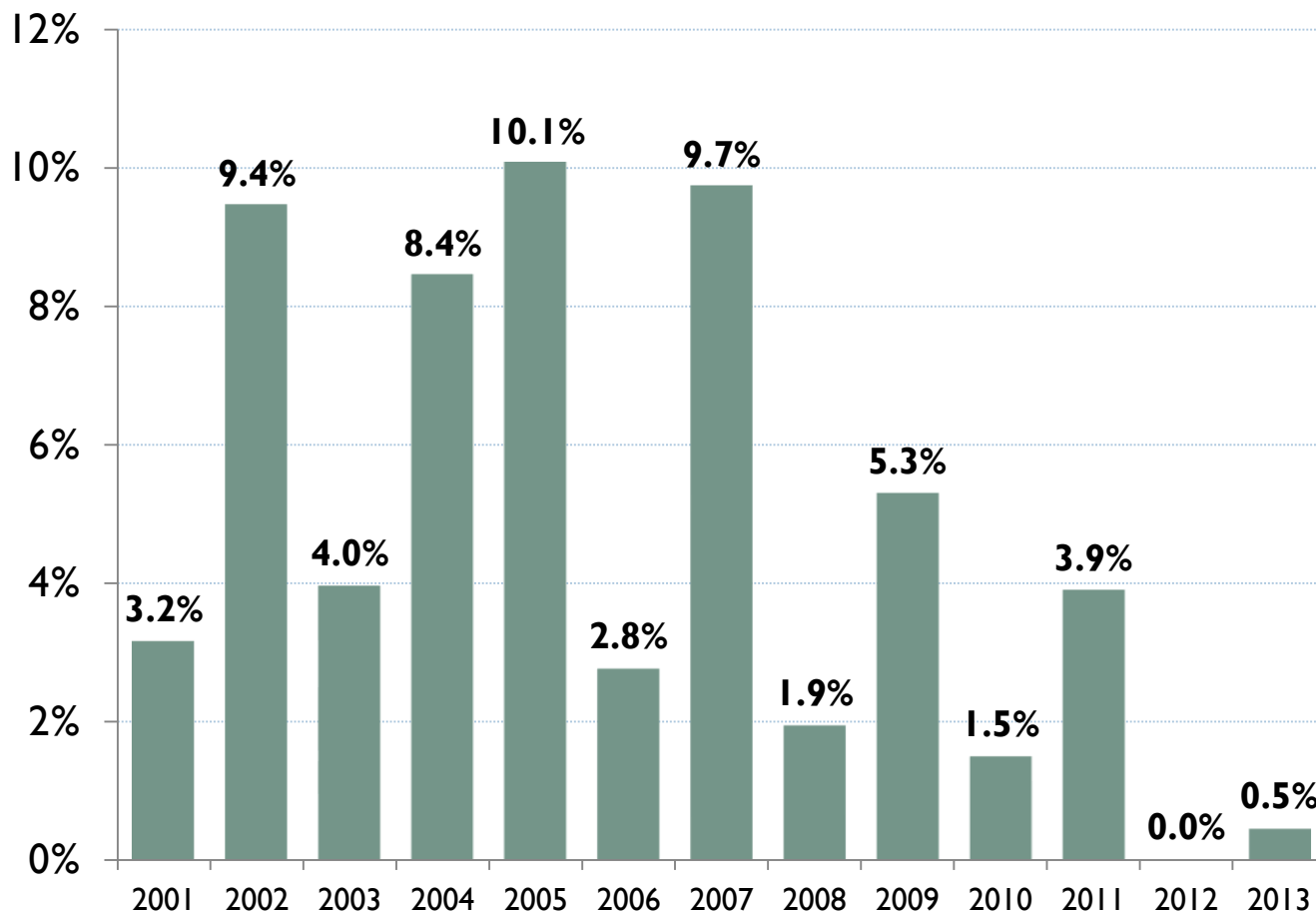
Average %
Change
2001-2007

+ 6.8%

MLS® Sales
peaked in 2007

Average %
Change
2008-2013

2.2%



Average MLS[®] Price by Submarket

January to September



Greater Moncton

Year-over-Year
Change in
Average MLS[®]
Sale Price

Moncton City
+2.3 %

Dieppe City
+ 0.7 %

Riverview
+ 2.2 %

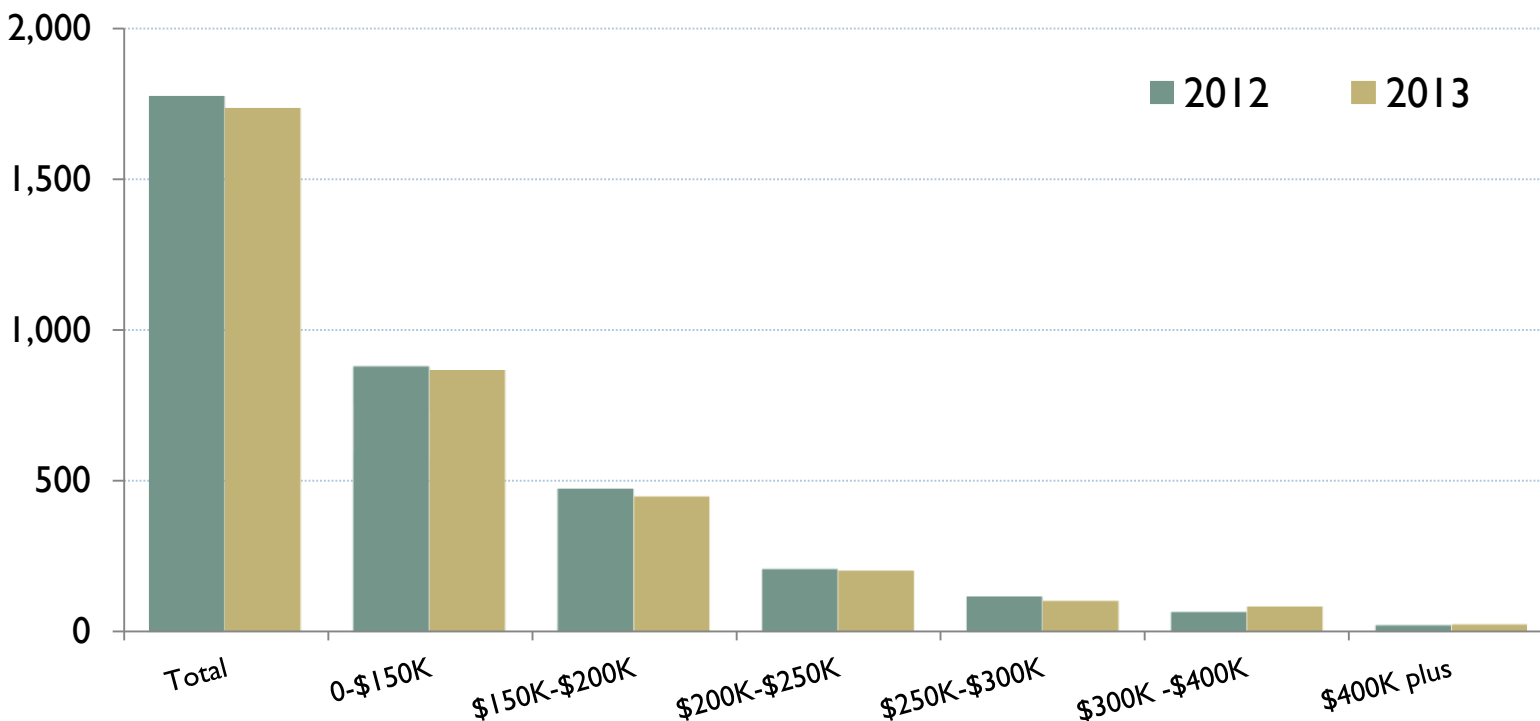


MLS® Sales by Price Range

January to September



Greater Moncton



% Share of
Total Sales

50.1%

25.9%

11.7%

6.0%

4.9%

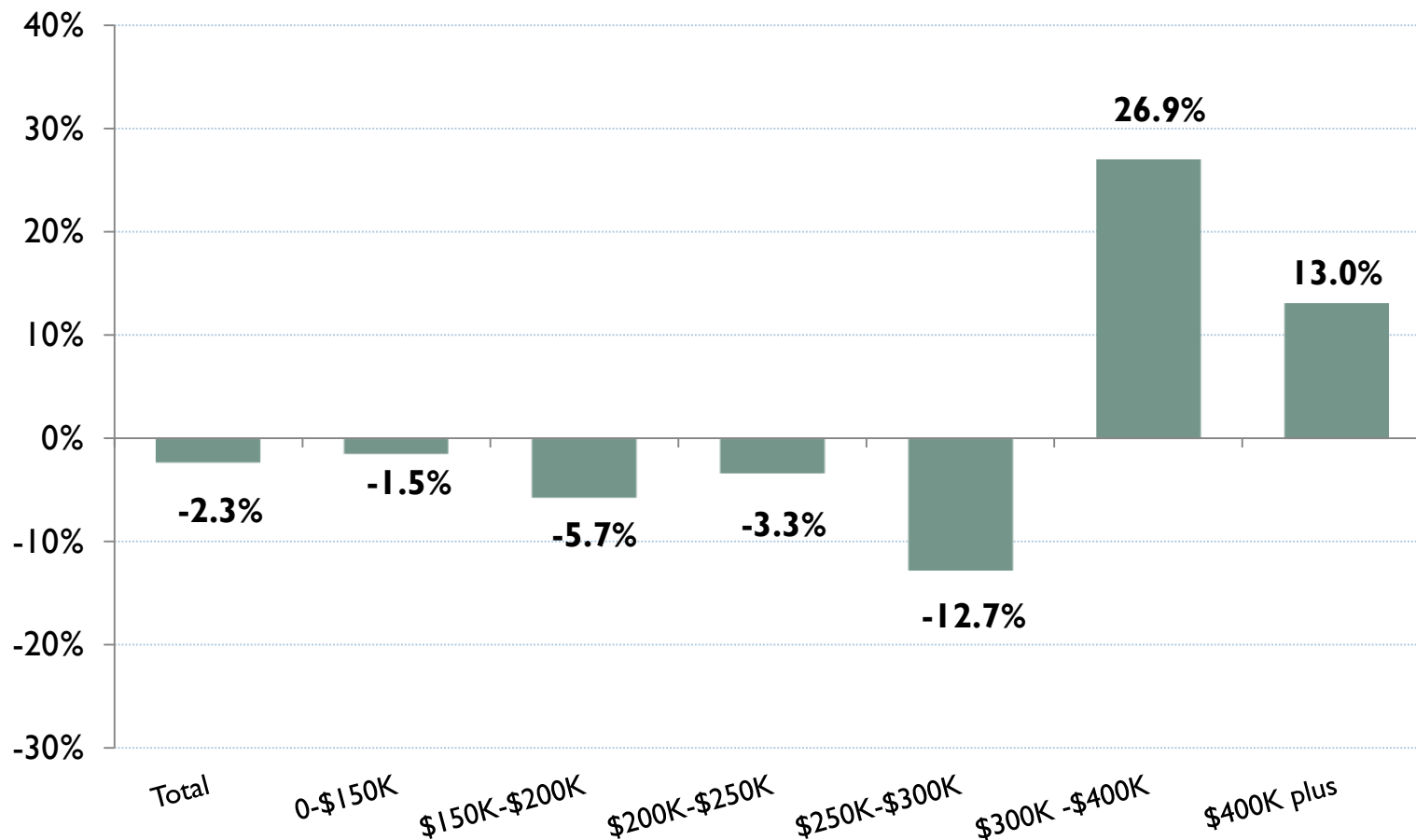
1.5%

Percentage Change in MLS® Sales by Price Range

January to September



Greater Moncton



New Listings

January to October

Greater Moncton

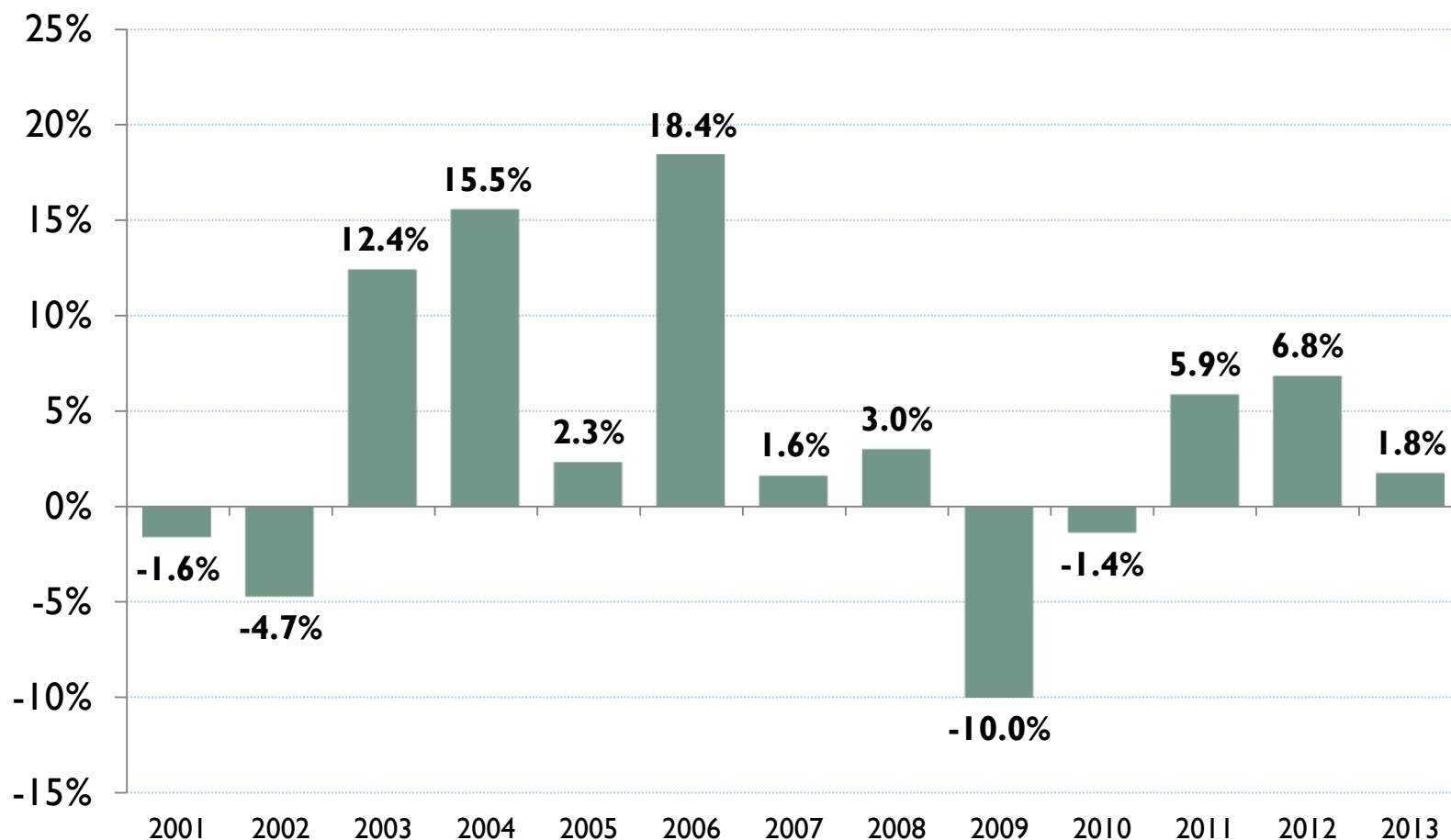


New Listings (% Change) – Greater Moncton

January to October



Greater Moncton



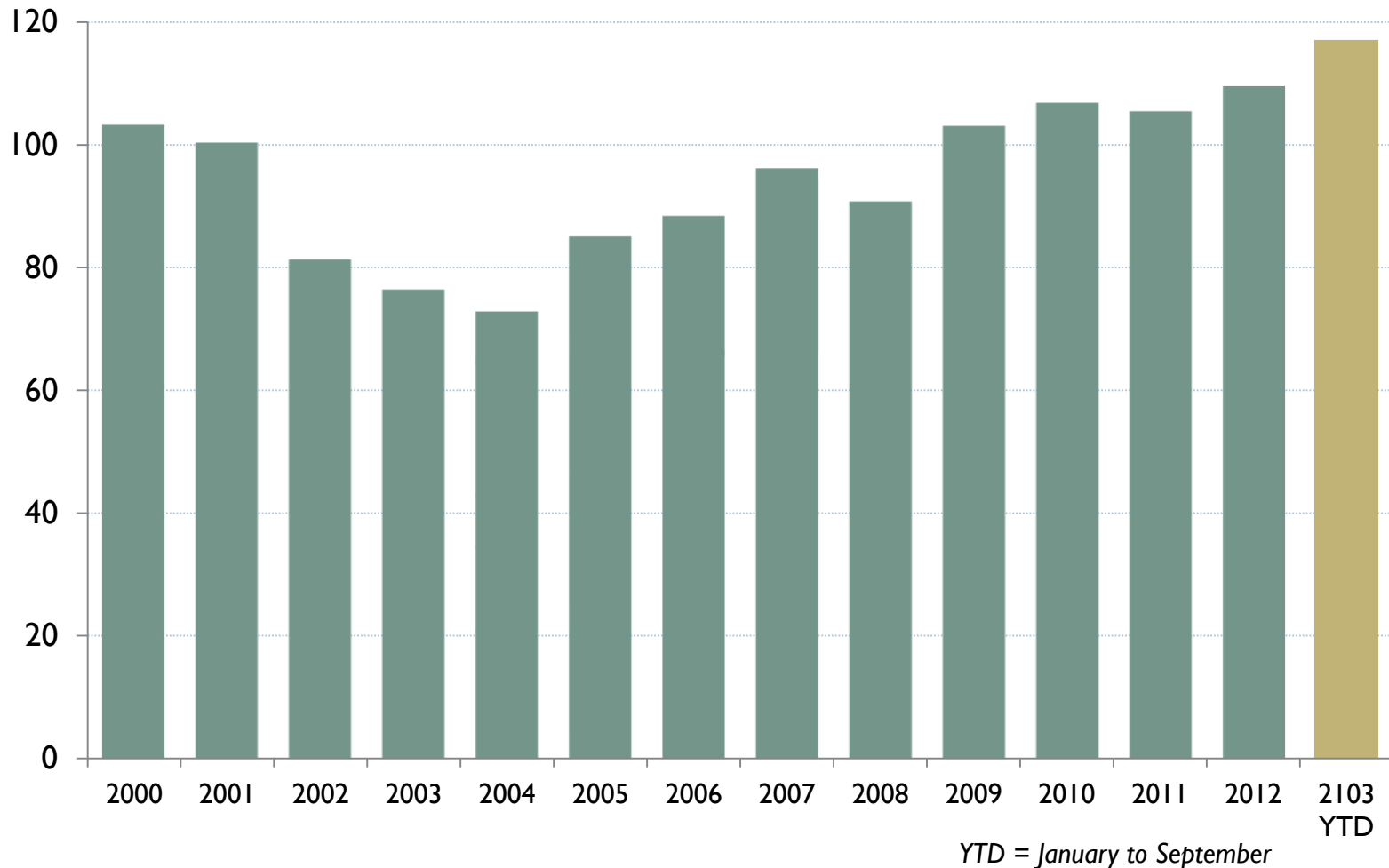
Source: CREA

MLS® is a registered trademark of the Canadian Real Estate Association

CANADA MORTGAGE AND HOUSING CORPORATION

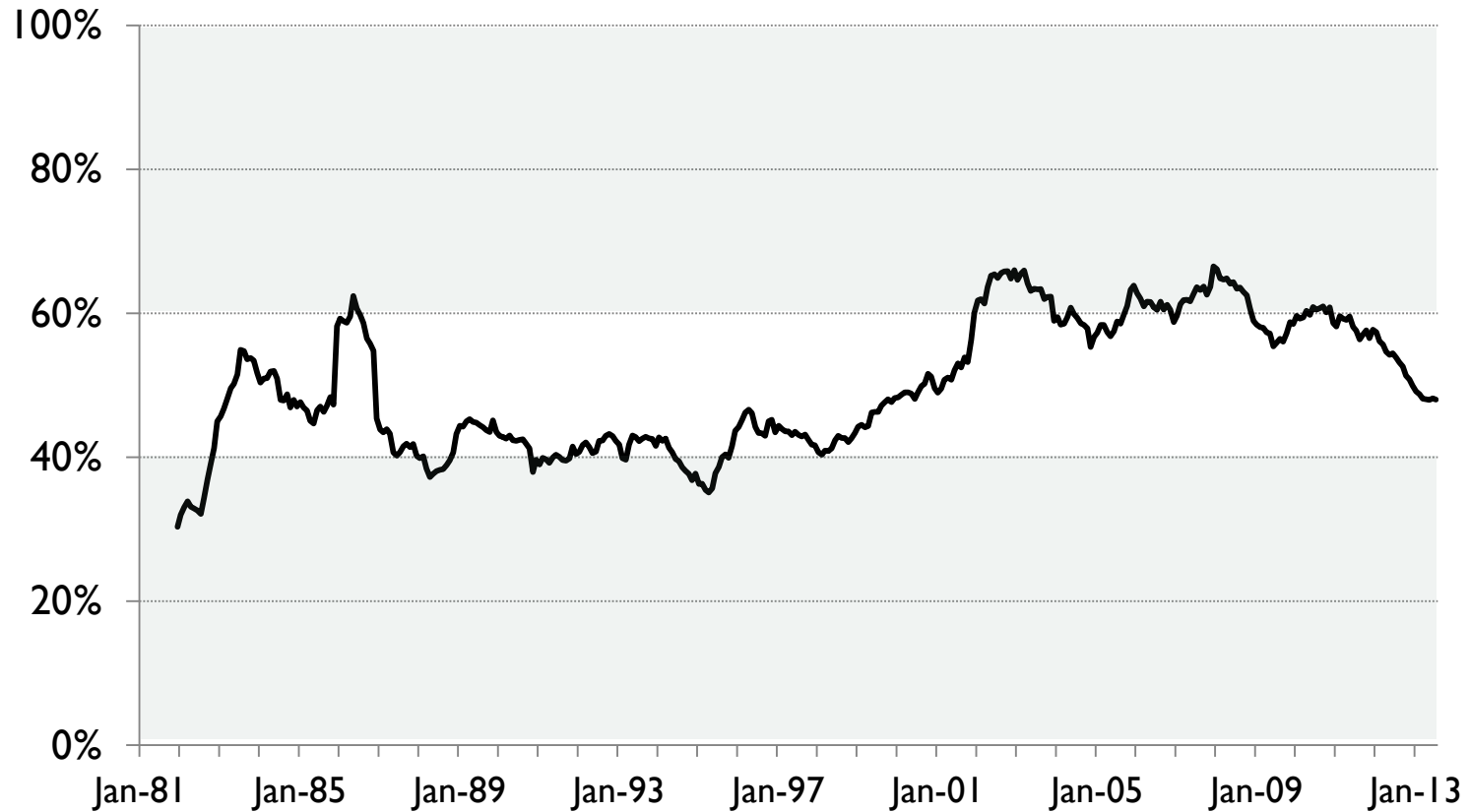
Average Days on Market

Greater Moncton



Sales to New Listings Ratio

Greater Moncton



A sales to new-listings ratio between 40% and 60% generally indicates a **BALANCED** market.

Source: CREA

MLS® is a registered trademark of the Canadian Real Estate Association

CANADA MORTGAGE AND HOUSING CORPORATION

Resale Market Classification

Greater Moncton



Current Conditions – Resale Market

MLS® Sales	Decreasing	Buyer's
New Listings	Rising	Buyer's
Sales to New Listings Ratio	Decreasing	Buyer's
Price Growth	Slowing	Balanced towards Buyer's
Days on Market	Increasing	Balanced towards Buyer's

Greater Moncton

BUYER'S

Housing Market Drivers

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New Home Market – Single Family Homes

Resale Market

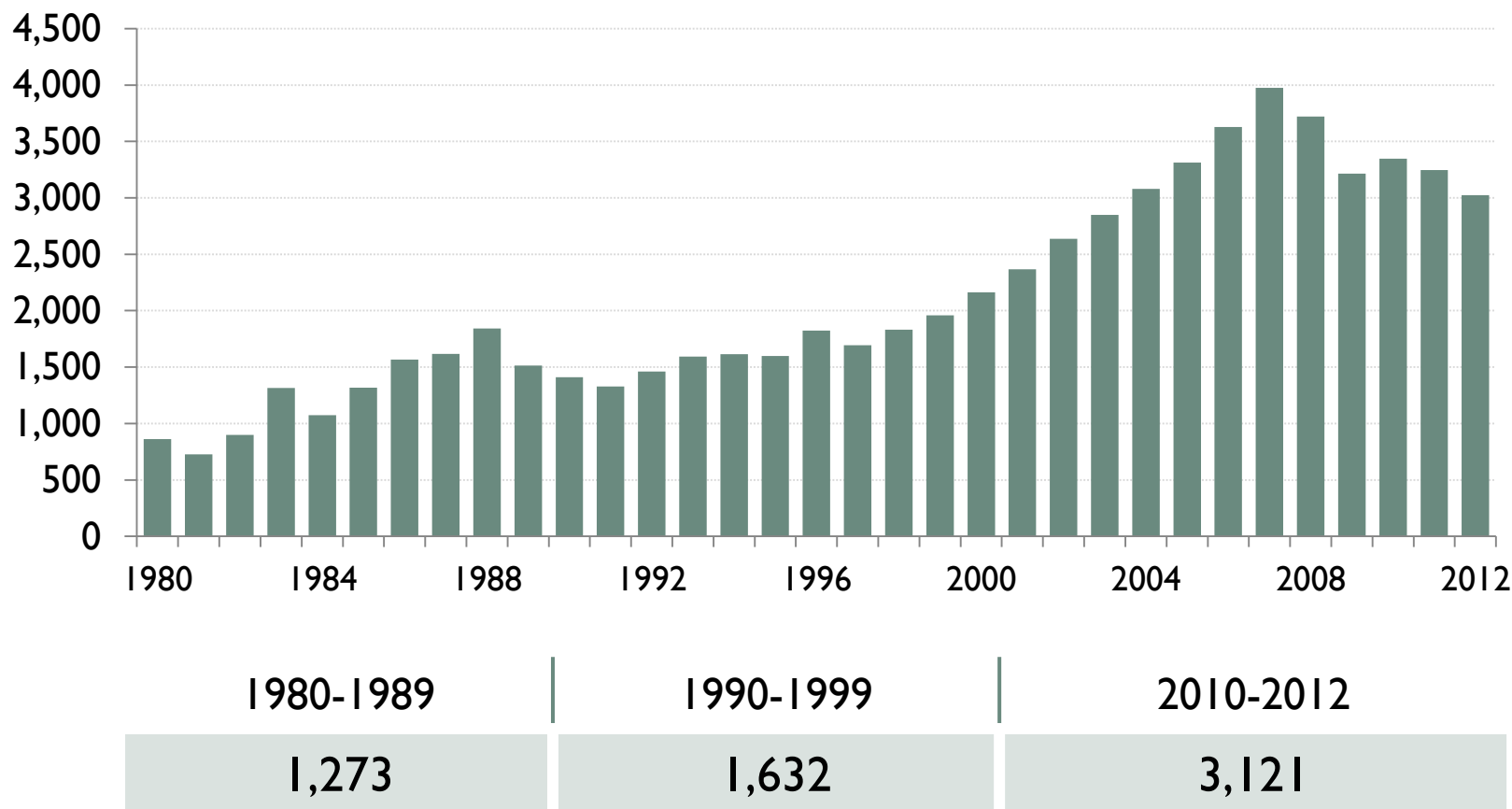


2013/2014 Outlook



2013 Outlook

Annual Transactions – New and Existing Home
Greater Moncton
(Semi-detached + Row + Single-detached + MLS® Sales)



2013/2014 Outlook

Resale Market				
Moncton CMA	2012	2013F	% Change	2014F
MLS® Sales	2,259	2,150	- 4.8%	2,050
Average Price	\$158,106	\$156,500	-1%	\$156,000



Moderate decline in existing homes sales expected in both 2013 and 2014

2013/2014 Outlook

Residential Housing Starts				
Moncton CMA	2012	2013F	% Change	2014F
Total Housing Starts	1,297	890	-31%	650
Single Starts	364	240	-34%	230
Multiple Starts	933	650	-30 %	420

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Thank You

Questions?

www.cmhc.ca

or

**Call Claude Gautreau
at (506) 851-2742**