

# Key Drivers of Demand, Current Conditions & Outlook for the St. John's Area Housing Market & Economy

Dept. of Economics Visiting  
Speaker: Chris Janes

Jan. 18, 2019 3:30-5:00p.m Arts  
& Admin Bldg. Rm AA1043

This event is open to the public.  
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When oil prices declined during the 2008/2009 global financial crisis, the St. John's area housing market never experienced any measured negative impact on the overall demand for housing. In fact, positive market momentum driven by unprecedented economic activity and capital project announcements, saw the local housing market surge during this time. It was the beginning of a growth cycle that led to robust demand, as well as double-digit price growth for several years. The St. John's area housing market was one of the only markets in Canada relatively unaffected by the oil price decline during the global financial crisis. Recent analysis, however, indicates the local housing market has been aligned with lower oil prices since mid-2014, with lower sales and housing starts activity, as well as a 10% decline in the average house price. The province's challenging fiscal situation because of lower oil prices has impacted consumer sentiment negatively and caused many potential home buyers to hold-off on their intentions to buy homes.

Increased economic activity and an increasing employment trend did not impact housing market activity positively in 2018, but is expected to in 2019 and 2020 in-line with the province's economic recovery. Positive net intraprovincial migration should support the St. John's area housing market over 2018/2019 as continued growth in the working age population shows that many workers are still coming to the capital region seeking employment prior to leaving the province for job opportunities elsewhere. Sales activity in the under \$300,000 segment will remain robust, with first-time buyers and millennials recognizing now as possibly an opportune time to enter the market as the economic rebound takes hold and uncertainty fades. To the extent that oil prices stabilize, economic growth will follow and re-stimulate increased housing activity throughout the St. John's region.

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Chris Janes is a housing market insights professional at Canada Mortgage and Housing Corporation (CMHC) focused on effectively communicating market dynamics to stakeholders. Chris is a frequent presenter and keynote speaker at industry events and is the local media spokesperson for CMHC. He is also on the board of directors of the Canadian Home Builders Association of NL (CHBANL) and an affiliate member of the Newfoundland and Labrador Association of Realtors and the Prince Edward Island Real Estate Association. Chris was formally educated at Memorial University where he obtained bachelor of commerce and master of business administration degrees.

Funding provided by the Vice-President Academic's "Support for Scholarship in the Arts at Memorial Program" and the Collaborative Applied Research in Economics (CARE) initiative.