

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

Dept. of Economics Visiting
Speaker: Chris Janes

Sept. 15, 3-4:30p.m Arts &
Admin Bldg. Rm A1046

This event is open to the public.
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When oil prices declined in 2008-2009, the St. John's area housing market experienced no measurable negative impact on sales, construction activity, or prices. In fact, positive market momentum driven by unprecedented economic activity and capital project announcements, saw the St. John's area housing market surge during this time. It was the beginning of a growth cycle that led to robust sales and construction activity, as well as double-digit price growth for several years. The local housing market was one of the only housing markets in Canada to be relatively unaffected by the 2008 oil price decline and global financial crisis. Recent activity, however, indicates the St. John's area housing market has been aligned with lower oil prices since mid-2014, with flat-to-lower sales and construction activity, as well as evident price pressures. The province's dismal fiscal situation has impacted consumer sentiment negatively and likely caused many potential home buyers to hold-off on their intentions to purchase a home.

In light of the negative economic impacts of the oil industry's downturn and the provincial government's fiscal situation, housing market softness is expected to continue for the remainder of 2017 and 2018, as buyers and sellers wait on the sidelines amid an array of unprecedented economic and housing sector uncertainty. Beyond the obvious income and employment pressures, current concerns are centred on evolving housing and economic trends as well what it will take to see the local economy return to some form of a recovery. The current economic decline and lower oil price environment could have other effects on the housing sector, especially with an aging population and a possible negative shift in migration and population if a recovery does not take hold sooner rather than later. Exacerbating this is the fact that many workers in the St. John's region are dependent not only on NL economic growth, but also economic growth and benefits from the Alberta economy. The ongoing challenges in Alberta's oil based economy will likely continue to be an additional drag on housing demand and economic growth for NL and the St John's region.

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Chris Janes is a Senior Market Analyst for Canada Mortgage and Housing Corporation (CMHC) in Newfoundland and Labrador (NL). As a housing markets and indicators professional, Chris focuses primarily on effectively communicating housing market dynamics to stakeholders. He is a frequent speaker at various industry events and is the local media spokesperson for CMHC. As an active member of the local home building community, Chris is also involved with the Canadian Home Builders Association of NL (CHBANL) as a member of the Board of Directors. Chris was formally educated at Memorial University where he obtained a Bachelor of Commerce (1996), a Graduate Diploma in Information Technology (1999) and a Master of Business Administration (2002).

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