

STATE OF THE ECONOMY

MARCH 25, 2026



PRESENTATION OUTLINE:

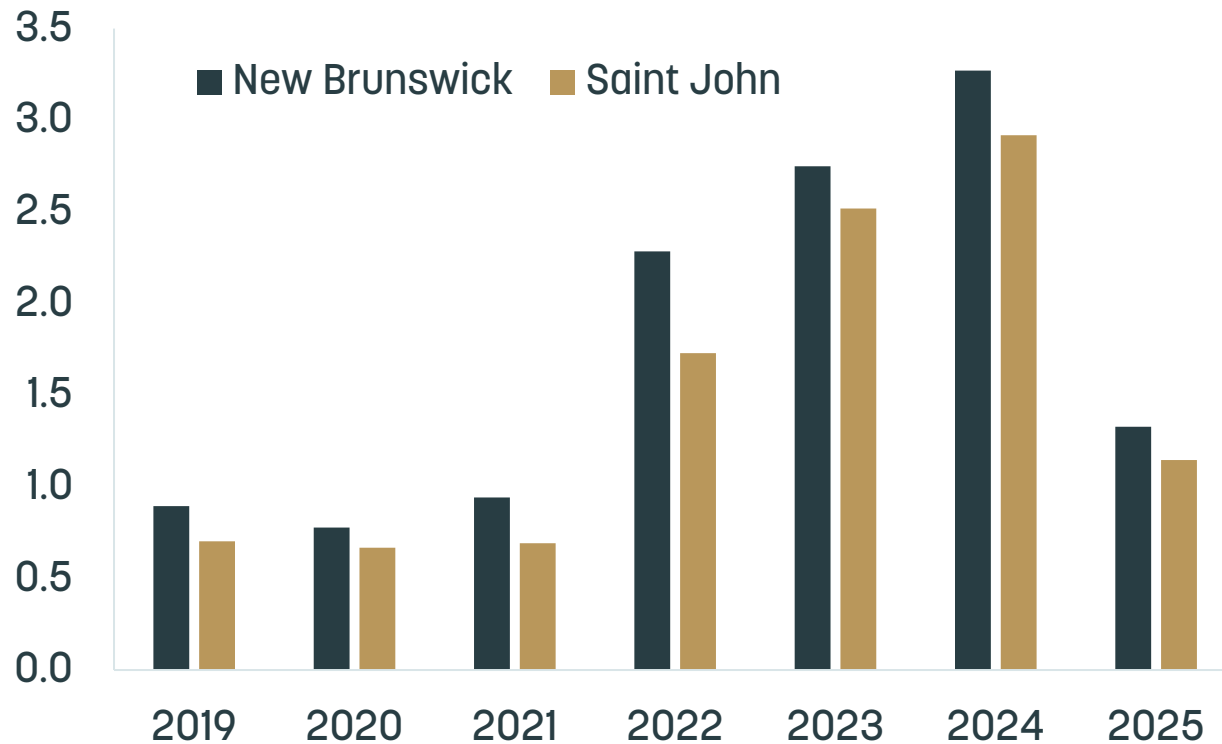
- Demographic trends
- Labour market conditions
- Consumer spending
- Exports
- Investment and construction activity
- Risks and opportunities in 2026



DEMOGRAPHIC TRENDS

POPULATION GROWTH HAS BEGUN TO EASE

POPULATION GROWTH (%)

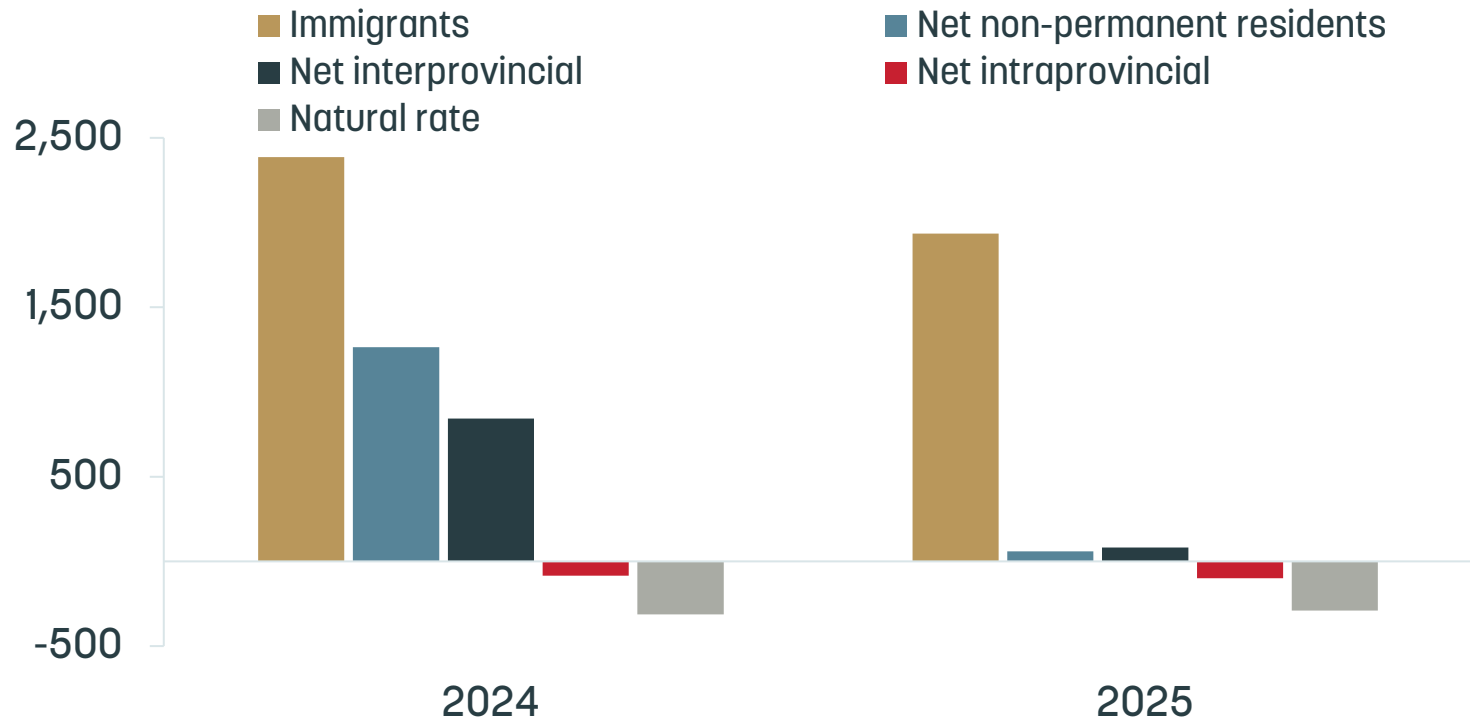


- Saint John's population continued to grow in mid-2025, reaching a record high of over 144,000.
- Provincial data point to slower regional population growth in the second half of 2025.
- Weaker population gains largely reflect shifts in federal immigration policy.

Note: Population is as of July 1 each year.
Source: Statistics Canada

IMMIGRATION REMAINS THE KEY FACTOR SUPPORTING POPULATION GROWTH

COMPONENTS OF POPULATION GROWTH: SAINT JOHN REGION

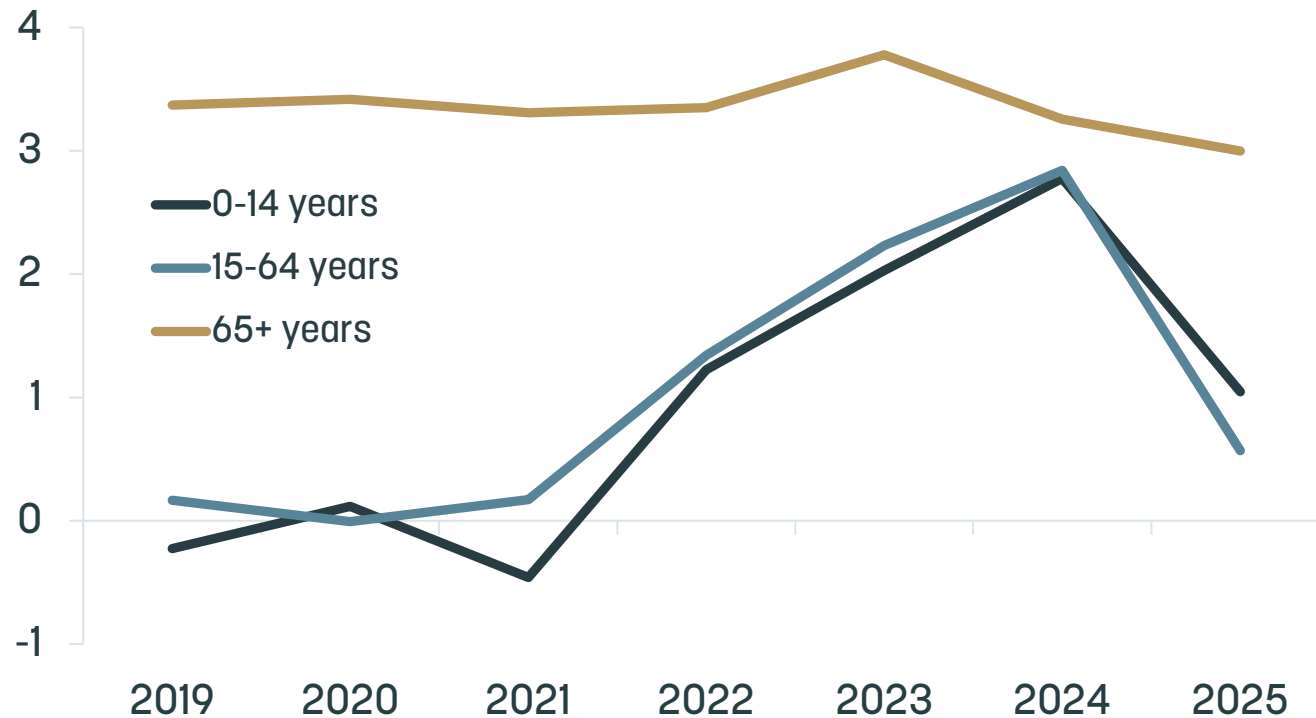


- About 15% of immigrants to New Brunswick settled in Saint John in 2025.
- Immigration and non-permanent resident gains severely weakened amid federal policy shifts.
- Interprovincial migration barely added to Saint John's population last year.

Note: Change in population is from July 1 to July 1 each year. Non-permanent residents include temporary foreign workers and international students
Source: Statistics Canada

SENIOR POPULATION GROWTH OUTPACING CORE WORKING-AGE GROWTH

POPULATION GROWTH: SAINT JOHN REGION (%)



- 21% of Saint John's population was aged 65 or older in 2025.
- About two-thirds of immigrants to Saint John are aged 20-49.
- Net non-permanent resident and interprovincial flows turned negative for ages 15-64 last year.

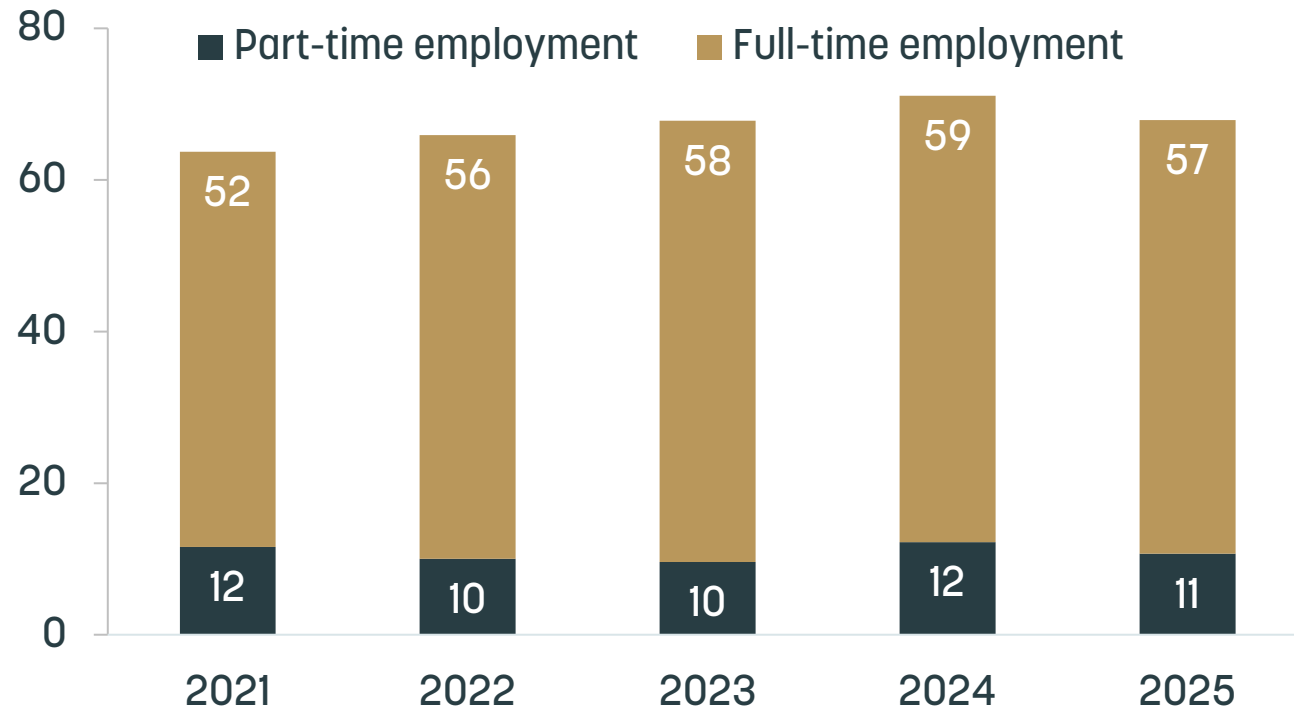
Note: Change in population is from July 1 to July 1 each year.
Source: Statistics Canada



LABOUR MARKET CONDITIONS

TOTAL EMPLOYMENT DIPS AFTER AN EXCEPTIONALLY STRONG YEAR

TOTAL EMPLOYMENT: SAINT JOHN REGION ('000)

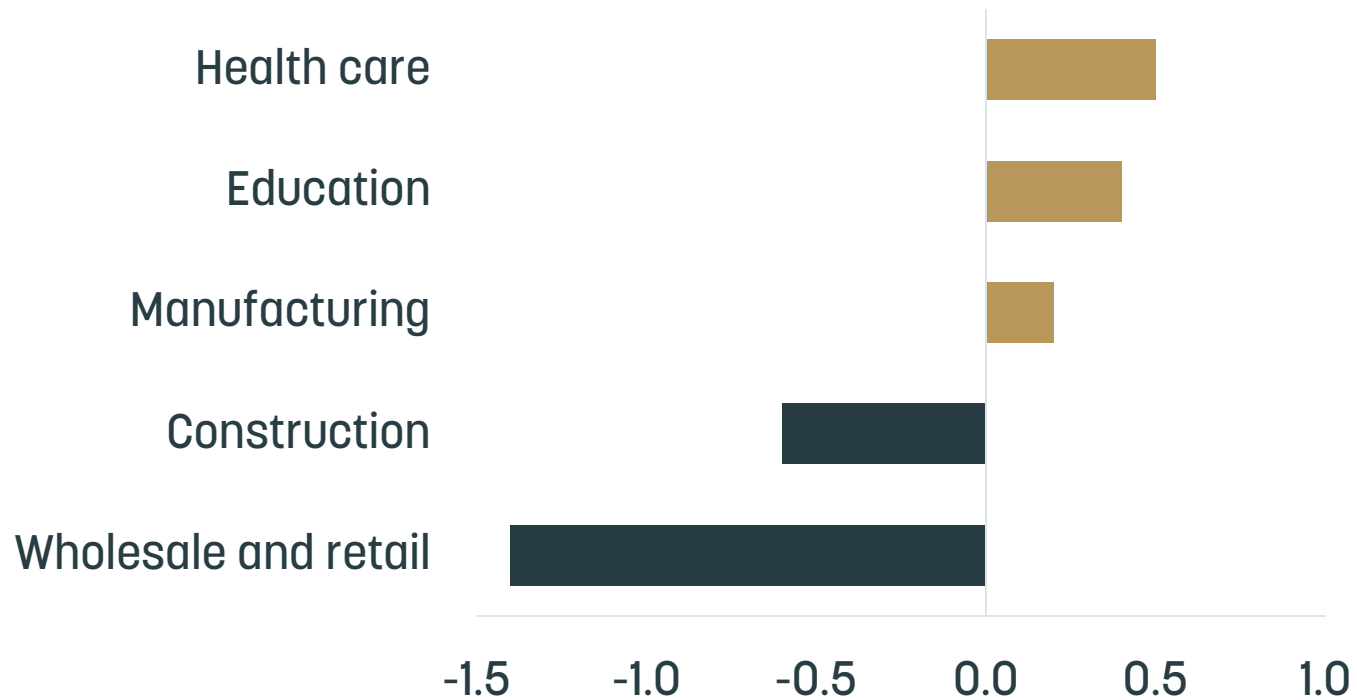


- Saint John's total employment fell by over 4% in 2025.
- The unemployment rate rose to 7.1%, with a sharper increase among youth.
- Labour market conditions also eased provincially and nationally last year.

Source: Statistics Canada

THREE OF THE FIVE LARGEST INDUSTRIES EXPERIENCE EMPLOYMENT GROWTH

EMPLOYMENT CHANGES IN LARGEST INDUSTRIES, 2025:
SAINT JOHN REGION ('000)

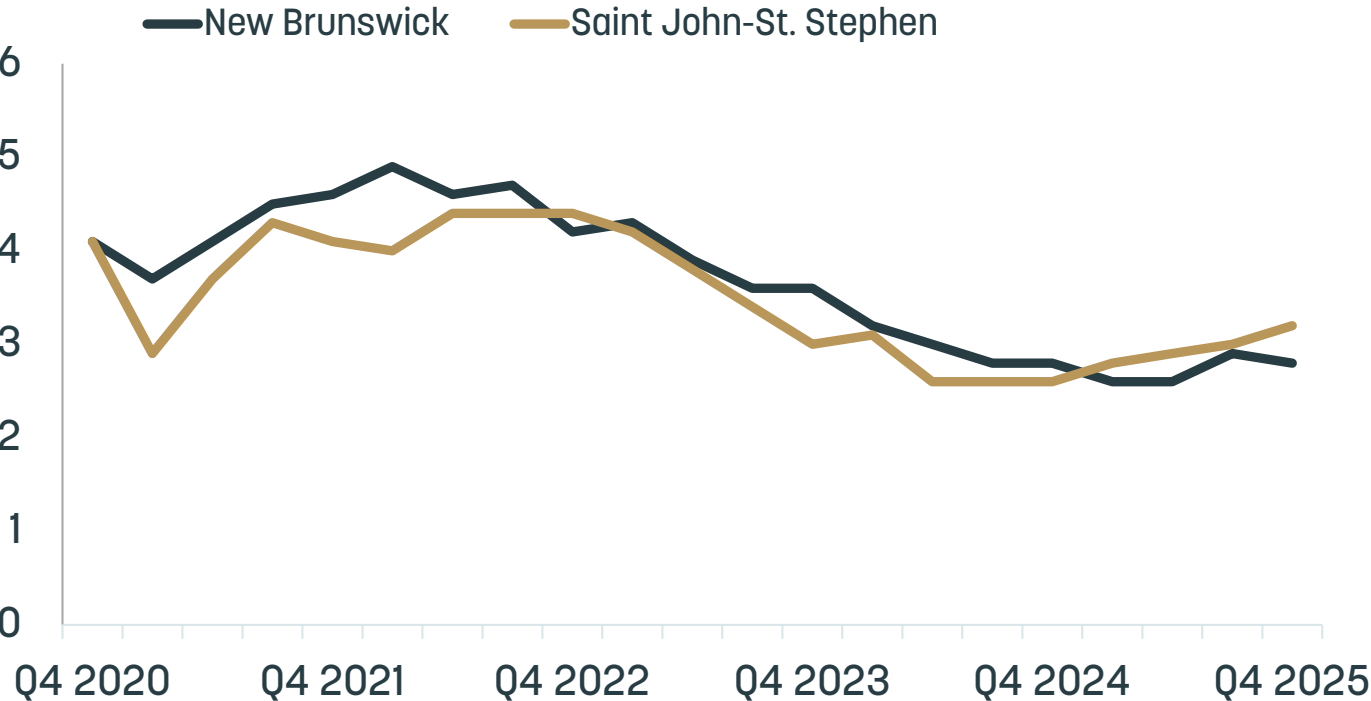


- Private sector employment fell by close to 5% in 2025. Public sector employment was up almost 2%.
- Health care and education led the region's job gains.
- Not all job losses are layoffs. Some occur when a worker leaves and the position is eliminated or left unfilled.

Note: Health care includes social assistance.
Source: Statistics Canada

JOB OPENINGS ARE RISING RECENTLY

JOB VACANCY RATE, ALL INDUSTRIES (%)



- The recent inching upward of the job vacancy rate mainly reflects rising retirements and slowing population growth.
- Saint John's vacancy rate stood at 3.2% in 2025 Q4.
- Job vacancies are elevated provincially in health care, accommodation and food services.

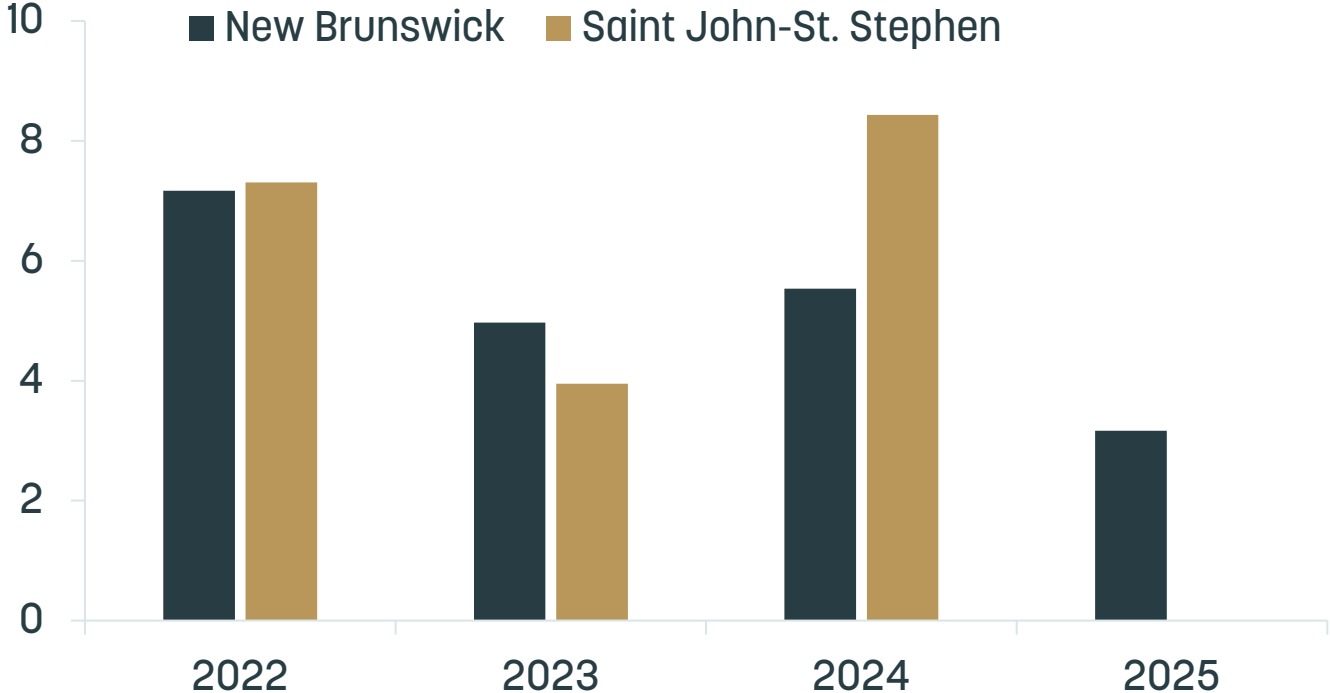
Note: Job vacancy rates are adjusted for seasonality.
Source: Statistics Canada



CONSUMER SPENDING

WAGE GROWTH MODERATES AS ECONOMIC CONDITIONS COOL

AVERAGE HOURLY WAGE GROWTH (%)

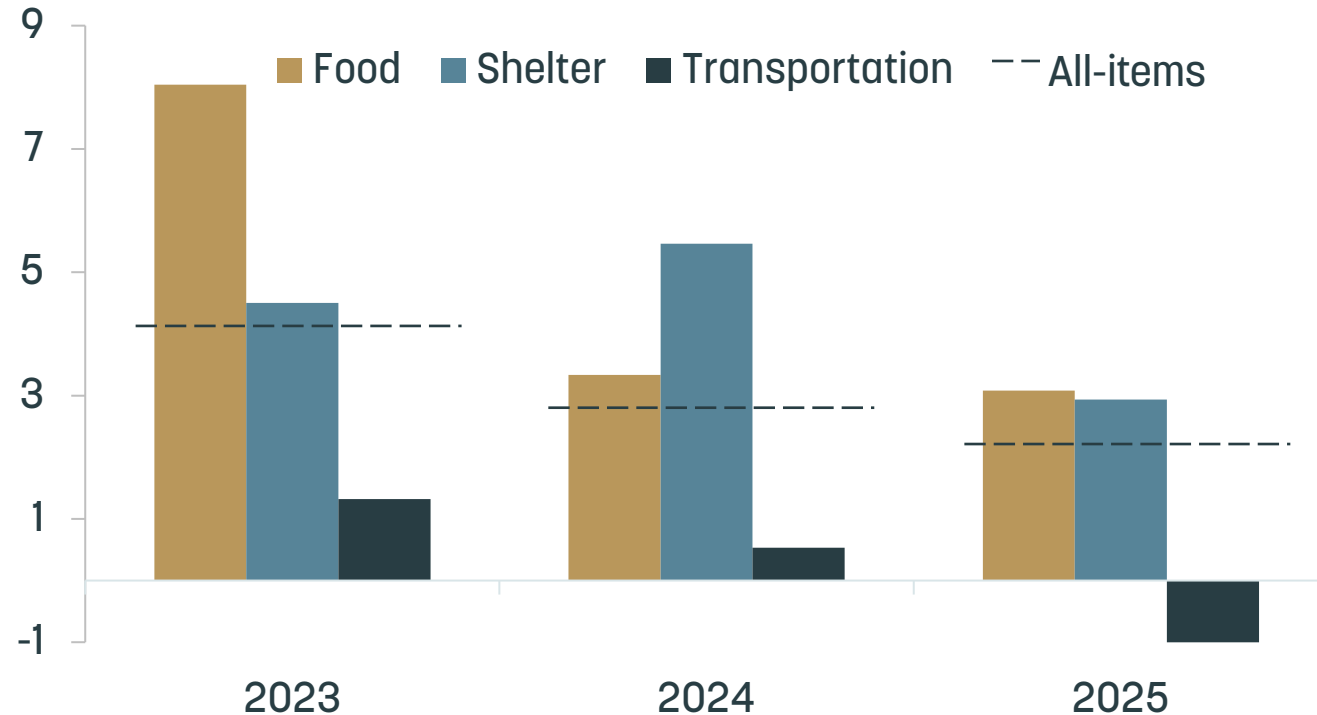


- Saint John’s average hourly wage rose over 8% in 2024, reaching \$31.12.
- New Brunswick’s average wage growth slowed from 5.5% in 2024 to 3.2% in 2025.
- Roughly 40% of firms province-wide expect to increase pay rates this year.

Source: Statistics Canada

INFLATION IS EASING BUT PRICES ARE ELEVATED

ANNUAL AVERAGE CONSUMER INFLATION:
NEW BRUNSWICK (%)

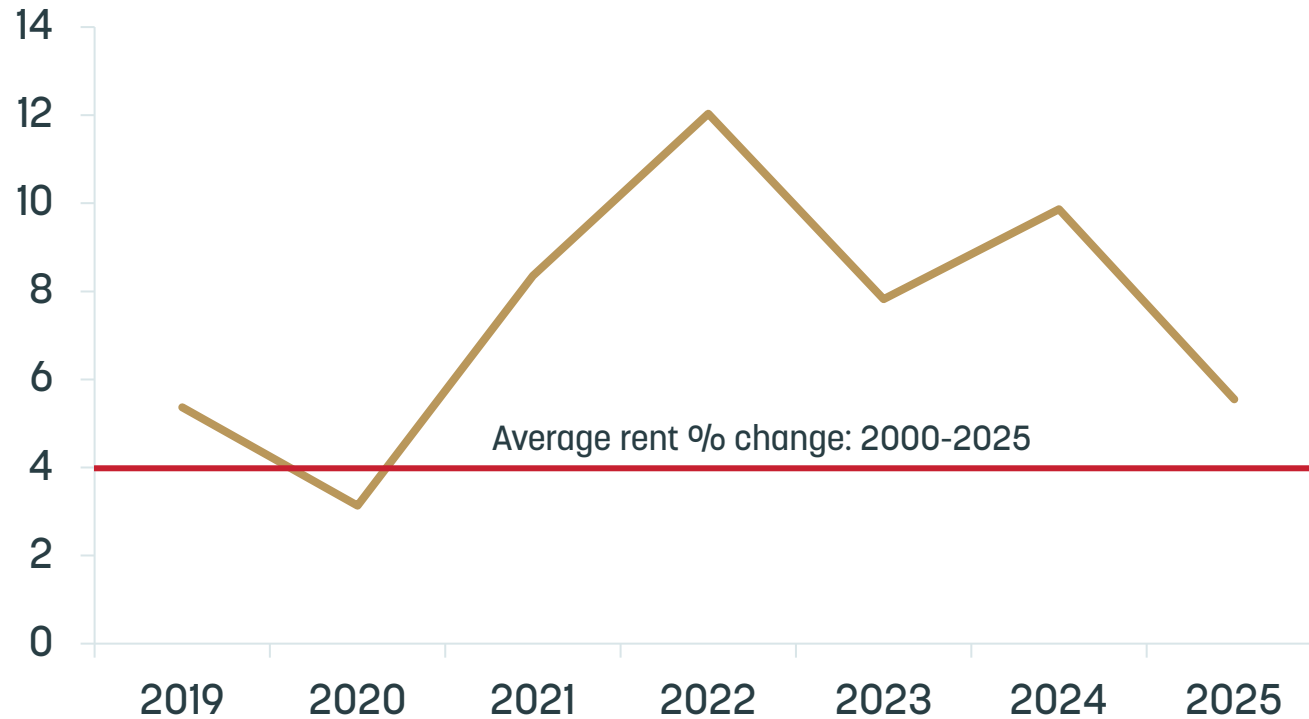


Source: Statistics Canada

- Saint John's inflation rate typically hovers around the provincial rate. It was 1.8% in 2025.
- Overall consumer prices in the region rose nearly 20% over the past five years.
- Rental inflation (6.6%) is much higher than owned accommodation inflation (2.4%) in New Brunswick.

AFFORDABILITY PRESSURES PERSIST IN THE RENTAL MARKET

AVERAGE RENT: SAINT JOHN REGION (% CHANGE)

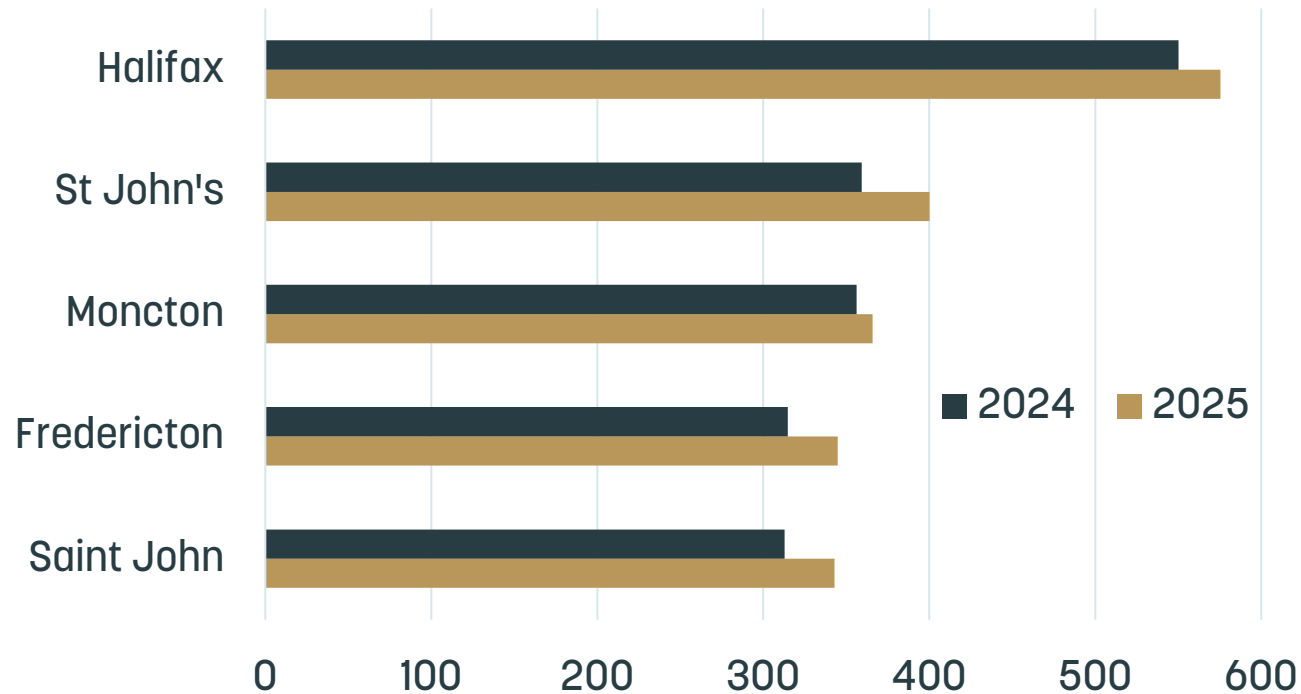


- Saint John's average rent rose 5.5% last year, reaching \$1,200 monthly.
- Rental unit completions fell 63% in 2025.
- Slower growth in newcomers to the region and lower interest rates helped ease some pressure on rents and vacancy rates.

Note: The rental data are for October each year.
Source: Canada Mortgage and Housing Corporation

HOMEOWNERSHIP COSTS RISING WHILE REMAINING RELATIVELY AFFORDABLE

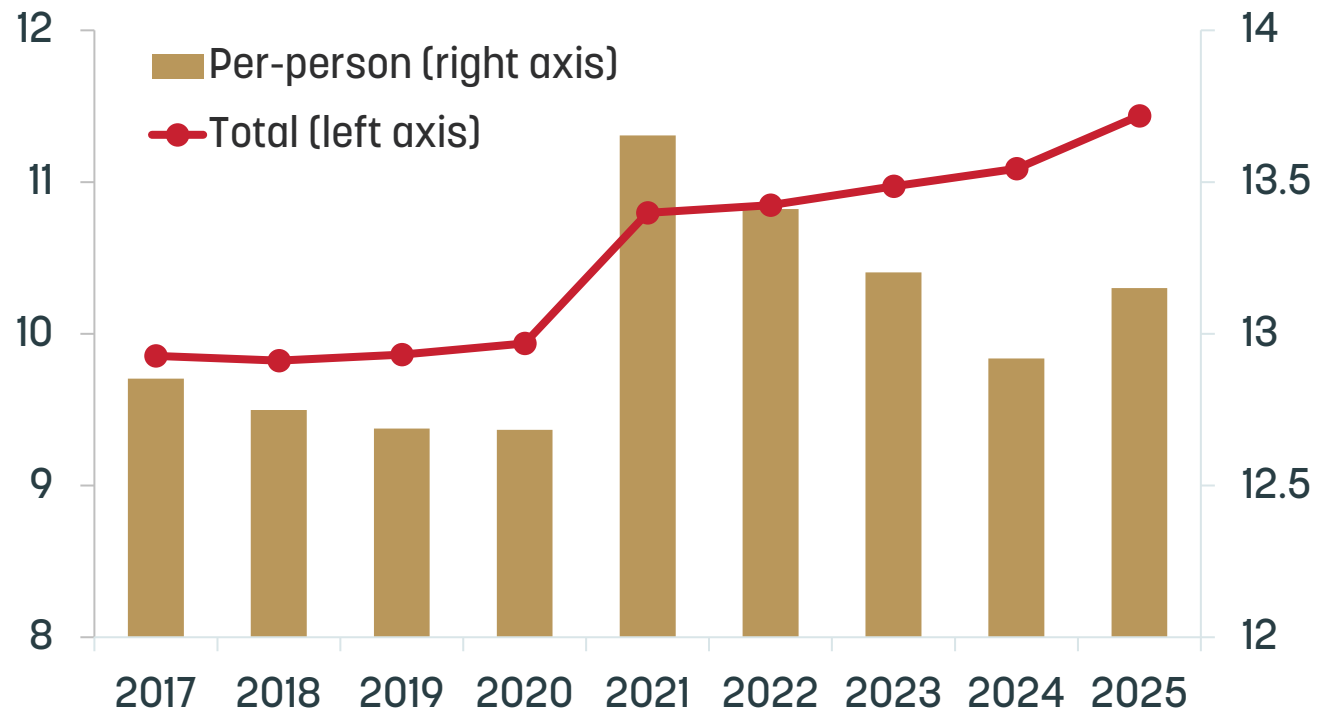
SINGLE FAMILY BENCHMARK HOME PRICE (\$ '000)



- Saint John's average single family home price rose 9.6% in 2025 to nearly \$343,000.
- Home price-to-income ratios increased across Atlantic cities, with Saint John having the lowest ratio.
- Housing completions intended for homeownership fell 10% in 2025.

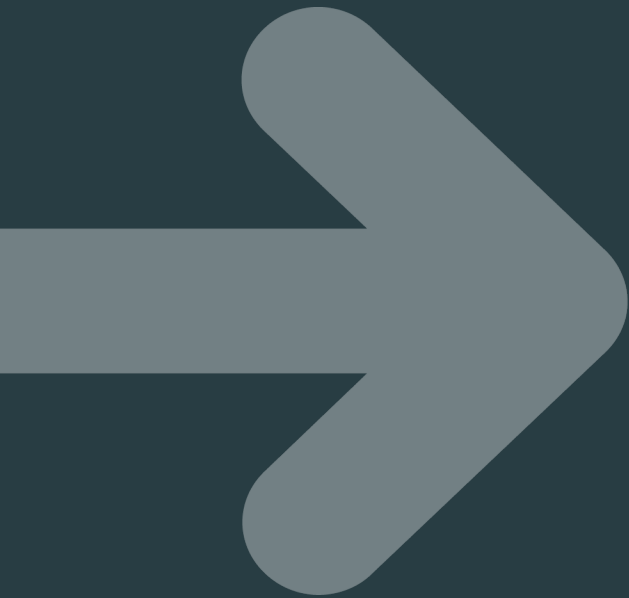
RETAIL SPENDING STRONG IN AGGREGATE, MORE MODEST PER PERSON

INFLATION-ADJUSTED RETAIL SALES, PER-PERSON (\$ THOUSAND) AND TOTAL (\$ BILLION): NEW BRUNSWICK



- Inflation-adjusted retail sales rose 3.1% provincially in 2025, supported by real wage gains and lower interest rates.
- On a per-person basis, retail sales increased at a slower rate of 1.8%.

Source: Statistics Canada, Atlantic Economic Council



EXPORTS

TARIFF HEADWINDS ON EXPORT PERFORMANCE

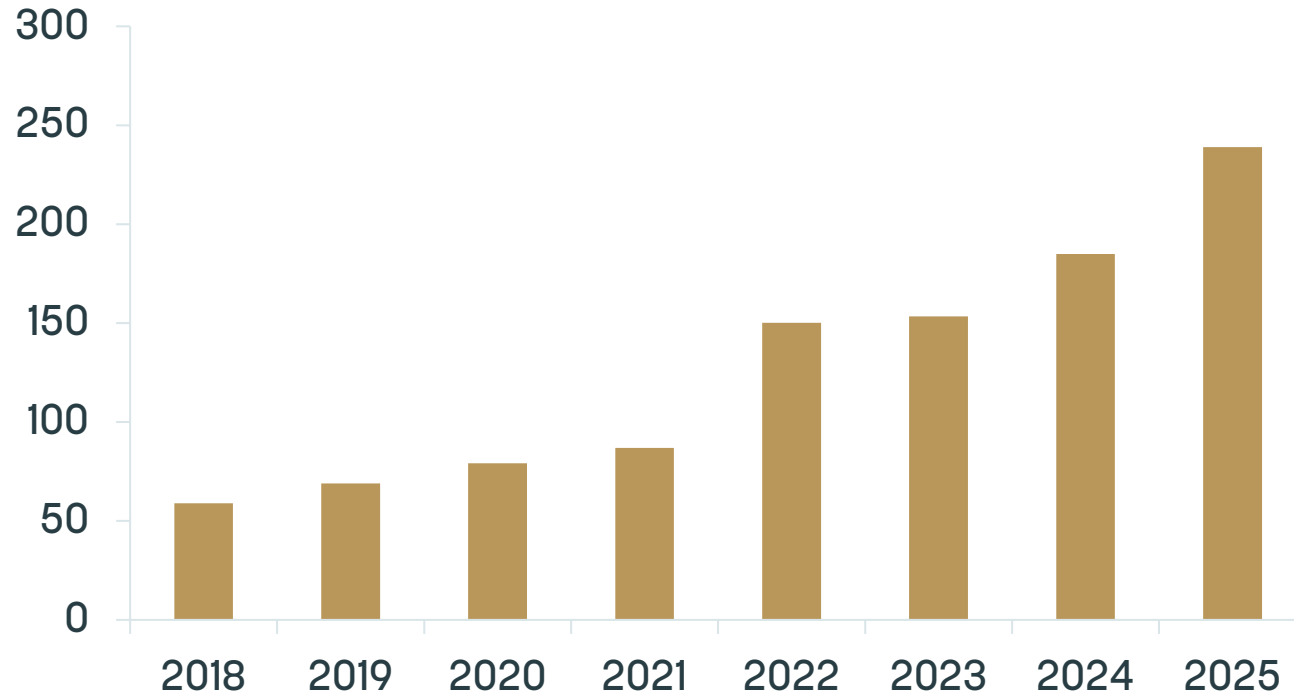
SELECT TRADING PARTNERS: NEW BRUNSWICK

US	CHINA	OTHER
% of total New Brunswick exports (2025)		
90	1	9
% change in export value (2024-2025)		
-8	-26	-6

- Over two-thirds of the province's exports originate from Saint John.
- New Brunswick's total exports declined 8% from 2024 to 2025.
- Refined oil to the US accounts for about 50% of the province's total exports.

PORT SAINT JOHN PLAYS VITAL ROLE IN TRADE DIVERSIFICATION

CONTAINERIZED CARGO: PORT SAINT JOHN (TEU '000)

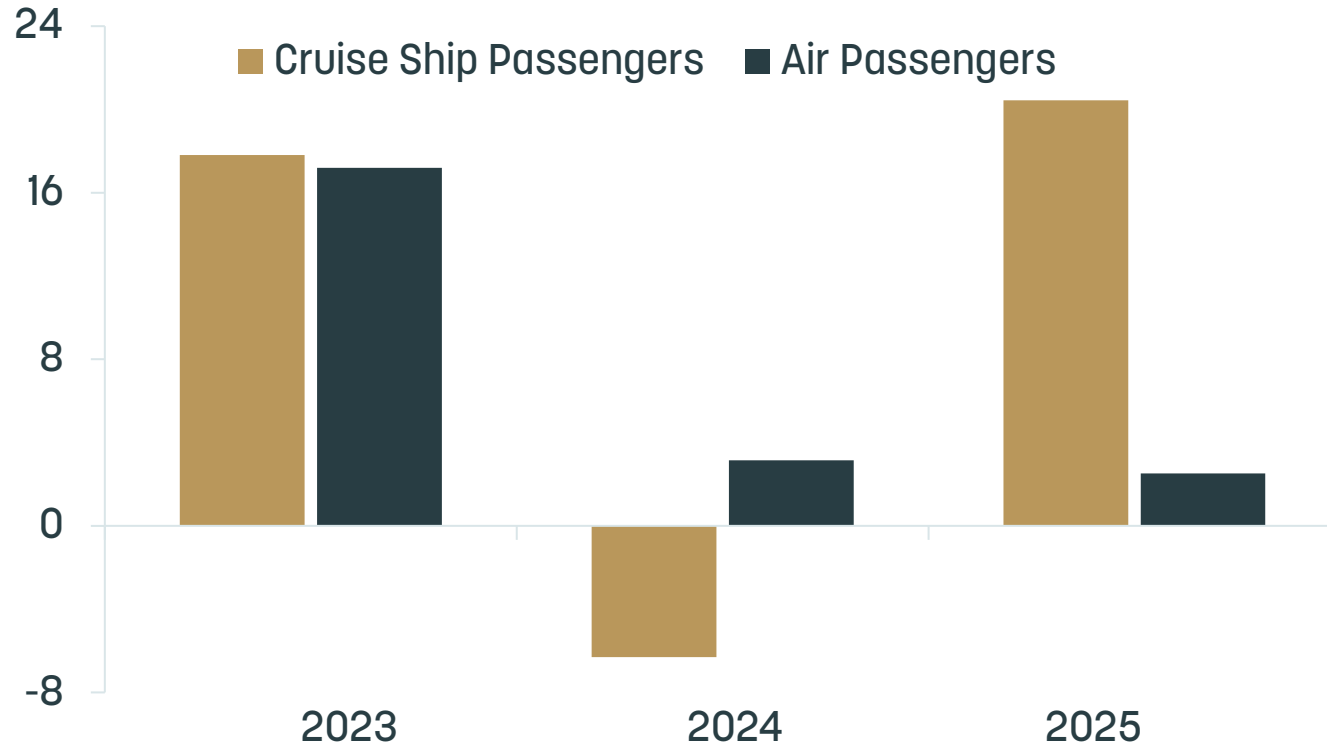


- Major infrastructure investments became operational in 2025, including new container cranes and the completion of the West Side Modernization Project.
- Container throughput grew significantly last year to about 240,000 TEUS.
- Further expansion is underway. A cold storage facility scheduled to open in 2026.

Note: TEU = twenty-foot equivalent unit
Source: Port Saint John

TOURISM ACTIVITY STRENGTHENED IN 2025

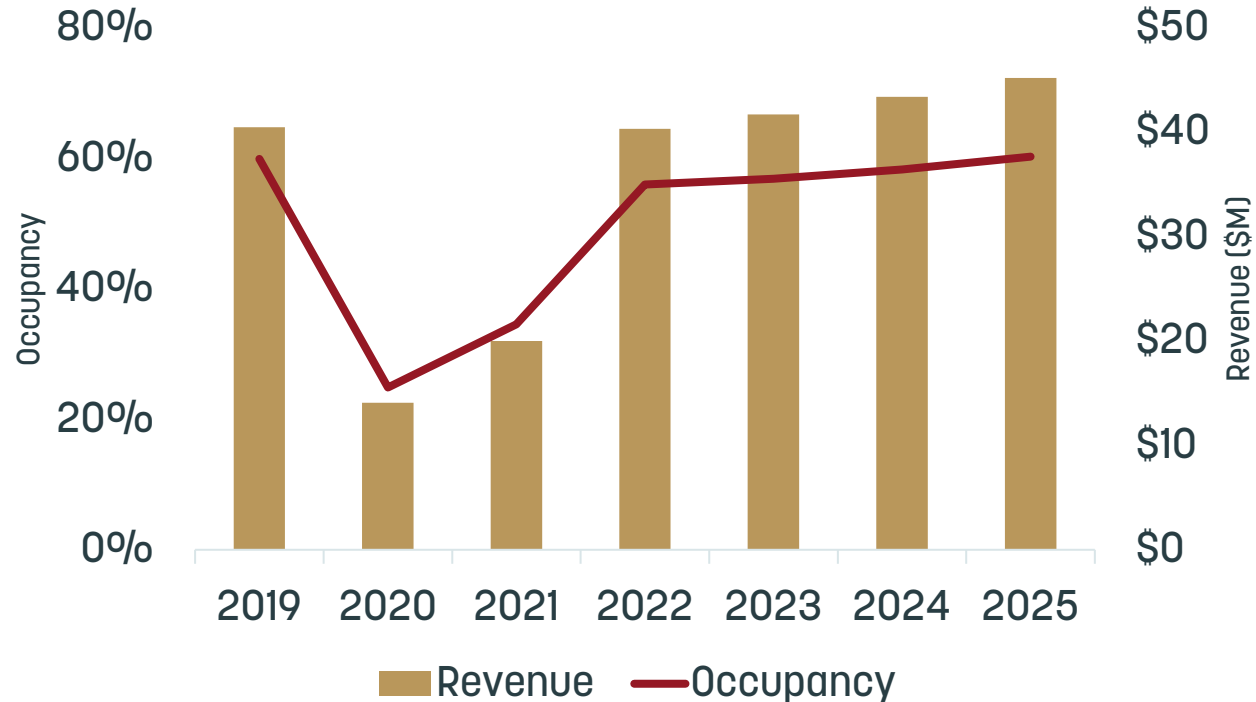
PASSENGER COUNT GROWTH RATE (%): SAINT JOHN



- Cruise passenger traffic exceeded 196,000, up 20% from 2024.
- Air passenger traffic rose 2.5% in 2025 to more than 185,000 travelers.

TOURISM ACTIVITY STRENGTHENED IN 2025

HOTEL REVENUE AND OCCUPANCY: SAINT JOHN REGION



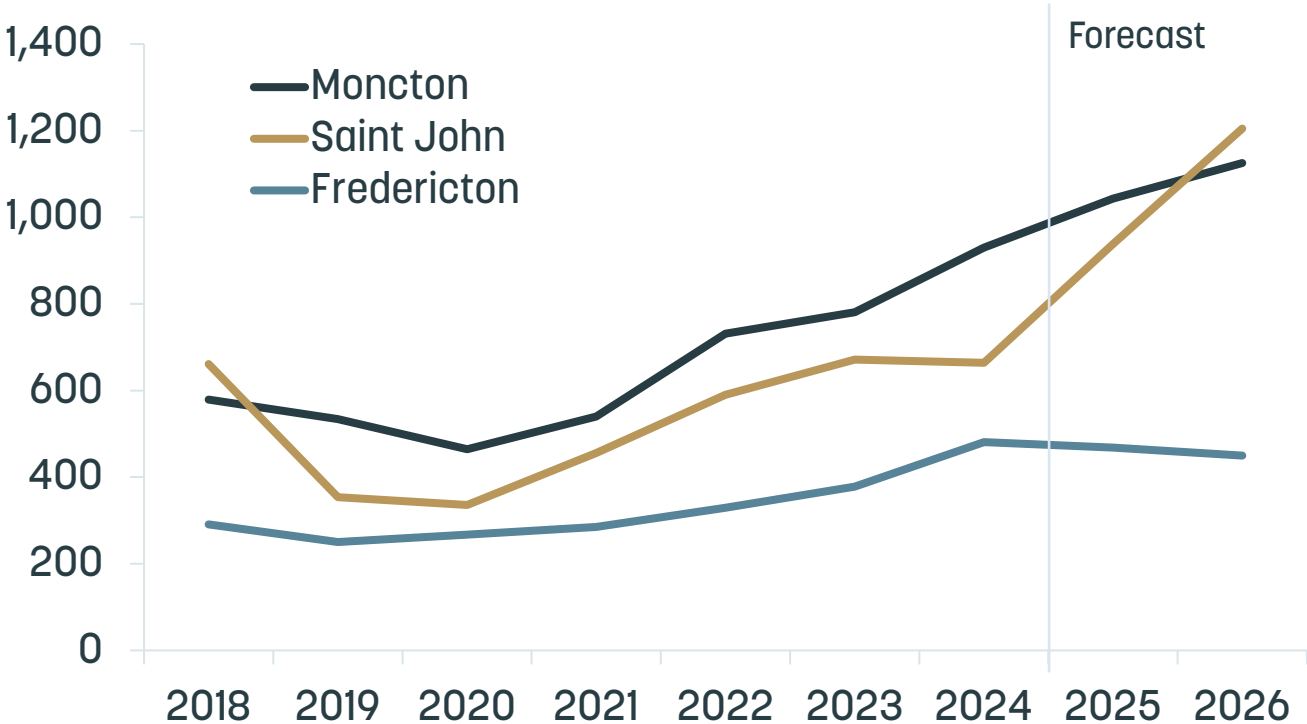
- Hotel occupancy rose to 60% in 2025.
- Hotel revenues were up 4% year-over-year while the average daily rate increased just 1%.
- Hotel revenue growth was driven more by higher volumes than prices.



INVESTMENT AND CONSTRUCTION ACTIVITY

SAINT JOHN TO LEAD THE PROVINCE IN CAPITAL INVESTMENTS THIS YEAR

MAJOR PROJECT INVESTMENT (\$ MILLION)

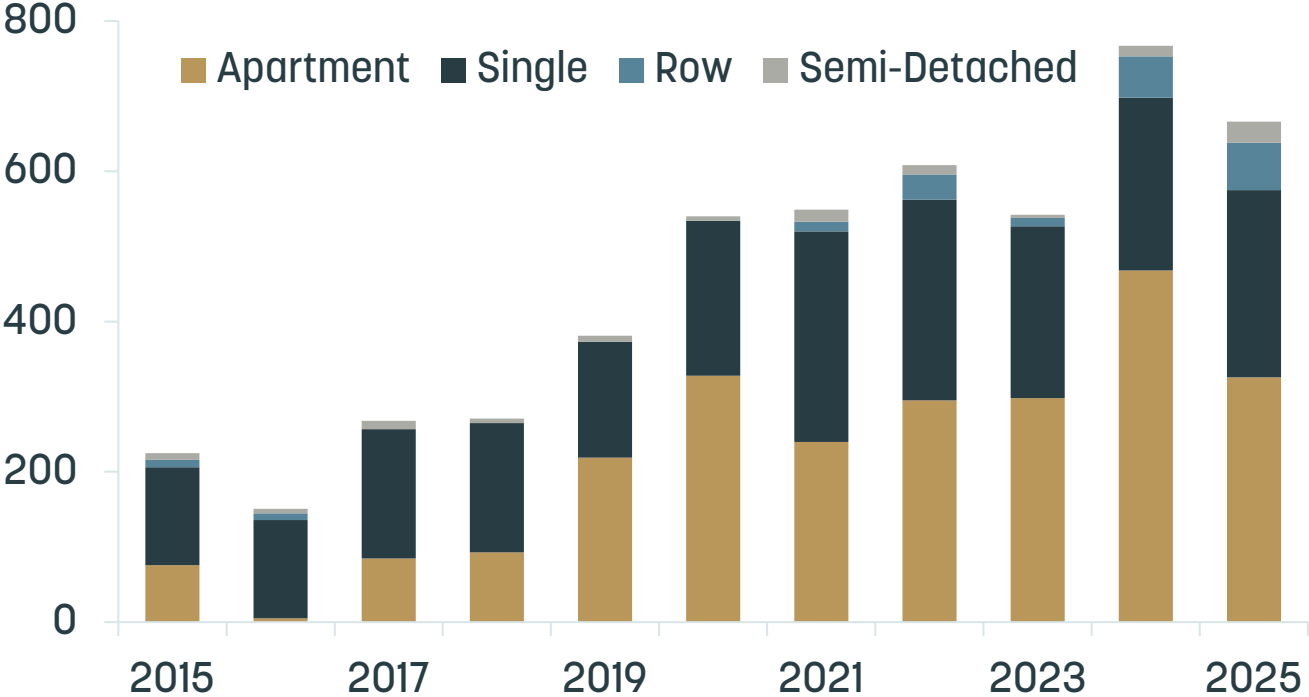


- Major investment activity in Saint John is broad-based, with manufacturing accounting for the largest share of project value.
- Capital investment is estimated to have surged 40% in 2025.
- The region is on track to reach a record high of \$1.2 billion in capital spending this year.

Source: Atlantic Economic Council

RESIDENTIAL DEVELOPMENT REMAINS HIGH

HOUSING STARTS: SAINT JOHN REGION



- The region issued 520 permits for new residences in 2025, over 100 more than in 2024.
- Housing starts exceeded 660 in 2025, the fourth-highest level on record.
- Labour availability is a key constraint for the construction industry, with high job vacancy rates and rising retirements.

Source: Canada Mortgage and Housing Corporation



KEY RISKS AND OPPORTUNITIES

RISKS

01. SLOWING
POPULATION GROWTH

02. US TRADE
UNCERTAINTY
AND TARIFFS

03. HOUSING
AFFORDABILITY
PRESSURES



OPPORTUNITIES

01. TRADE MARKET
DIVERSIFICATION

02. PORT SAINT JOHN'S
EXPANSION

03. SPRUCE LAKE
INDUSTRIAL PARK



THANK YOU