

April 15, 2024

# ENVISION SAINT JOHN: RESIDENTIAL MARKET STUDY

**ENVISION** THE REGIONAL  
Saint John GROWTH  
AGENCY

**Parcel**

1

## KEY FINDING #1

A diversity of housing supply is needed to ensure supply keeps pace with local demand while simultaneously responding to the varying needs of a growing population.

2

## KEY FINDING #2

Significant population growth and tight rental market conditions over the past four years has resulted in monthly rent increasing by approximately 10.3% annually.

3

## KEY FINDING #3

Recent increases in construction costs and interest rates is making new housing development more challenging. Heightened fees are increasing the price required to build housing and reducing the potential pool of buyers. Costs are also increasing the “risk free” rate of return and could lead some developers to pursue other options.

4

## KEY FINDING #4

Higher interest rates are also impacting how much the average homebuyer can spend on housing. This further reduces the pool of potential homebuyers.

5

## KEY FINDING #5

Forecast demand for housing in the Region is anticipated to be the strongest during the 2021 to 2031 period. During this period, construction will need to be nearly twice that of past trends.

6

## KEY FINDING #6

The Status Quo forecast assumes that single-detached units will be the primary form of housing in the Region over the forecast period. This will cause further deterioration in housing affordability, as the current price of a new single-detached unit is already out of reach for the average household. To restore affordability there needs to be a shift towards higher densities.

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# ENVISION SAINT JOHN: RESIDENTIAL MARKET STUDY

Parcel Economics Inc. ("Parcel") has been retained by Envision Saint John: The Regional Growth Agency ("Envision Saint John") to prepare a Residential Market Study and Housing Demand Projections for the Saint John Region ("the Region").

## Background

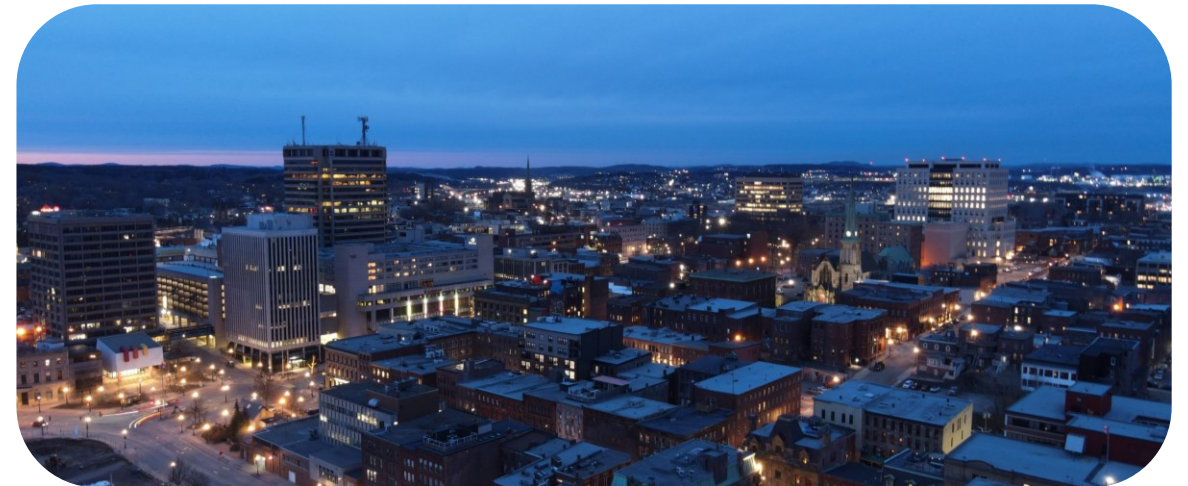
The Saint John Region has experienced unprecedented population growth in recent years as a result of people moving from higher-cost jurisdictions during the COVID-19 Pandemic and the more recent impact associated with higher Federal immigration targets and growth in the number of non-permanent residents.

Each of these factors has led to an increased need for housing in the Saint John Region, at a time when rising construction costs and higher interest rates have made it more challenging to build housing at a price-point that is affordable to the average household. It is clear that the traditional model for housing development in the Region, including large-lot single-detached dwellings on private services, will not address these challenges going forward.

Solving these challenges will require buy-in from developers/builders and municipalities as well as households, who will need to adjust their preferences in the face of rising housing costs.

## Purpose

The scope of this deliverable is to provide Envision Saint John and its municipal partners with an understanding of the potential demand for housing development over the next 20 years and some key recommendations on how the region can navigate the changing economic environment for the development industry.



## Approach

The following summarizes the principal tasks undertaken by Parcel in examining residential market conditions in the Saint John Region and forecasting demand for housing:

### Demographic Profile

As part of the demographic profile, we have examined population and household characteristics in the Saint John Region, with a focus on the characteristics that will impact demand for housing by unit type. This includes the age profile of residents, household size, income levels, affordability and recent migration trends.

In the **appendix** of this report, we have provided a similar profile of each municipality within the Saint John Region.

### Housing Market Profile

We have examined the profile of the housing market in the Saint John Region, including the housing stock by dwelling type (single-detached, row and apartments), recent trends in housing construction, as well as new and existing home prices. Based on the recent escalation in house prices and higher interest rates, we have also examined how recent changes have impacted the carrying cost of housing and its overall affordability.

### The Changing Economics of Development

We have examined how increasing construction costs and higher financing costs (for both homebuilders and homebuyers) have constrained the supply of housing in the Region that is attainable for the average household.

### Household Growth Forecasts

We have prepared household growth forecasts for the Saint John Region that are based on recent population growth forecasts prepared for Envision Saint John. These household growth forecasts take into consideration historical headship rates and housing type propensities to identify one possible growth trajectory for the Region.

Recognizing that higher construction costs are impacting the ability to deliver housing at affordable price points and higher interest rates are impacting the ability of the average household to afford housing, we have prepared an alternative household growth forecast that takes these recent changes into consideration, including how perceptions may need to change in the Region to ensure that housing is attainable.

## Market Sounding Interviews

We have conducted market sounding interviews with lenders and builders/developers in the Region to better understand the current challenges in delivering housing in the Region and what can be done to unlock new supply.

## Assumptions

There are several underlying and basic assumptions upon which the validity of the analysis and findings presented in this report depend. Based on our considerable experience as land economists, we recognize and appreciate the problems associated with making broad and generalized assumptions about future market conditions.

Undoubtedly, deviations from historical and current trends will take place in the future. However, core assumptions are required to determine the extent of such deviations. The official statistical sources utilized in our analysis (based largely on Statistics Canada, the Census of Canada, the Canada Mortgage and Housing Corporation ("CMHC") and Environics Analytics, which have been noted where utilized) are considered sufficiently accurate for the purposes of our analysis.

If for any reason major changes occur in the marketplace which would influence the basic assumptions stated above, the recommendations and/or conclusions in this report should be reviewed in light of circumstances and revised, if necessary.





# DEMOGRAPHIC PROFILE

SAINT JOHN (CMA)

## DEMOGRAPHIC PROFILE

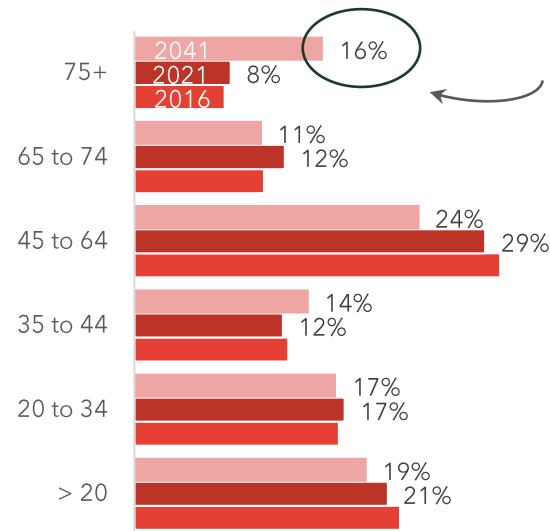
### An Aging Population and Smaller Household Sizes Point to Demand for Smaller Units

The population in the Saint John Region is aging. The share of the population age 65 and over (20% of the 2021 population) has grown since the previous Census in 2016. In the 20-year period between 2021 and 2041, the population age 65 and over is expected to grow by 16,200 persons and account for more than 1 in 4 persons in the Region (27%), based on the moderate population growth forecasts prepared by metroeconomics.

The Region is already characterized by having a large share of households with one or two persons (67%). As the population in the Saint John Region ages, the share of households with one or two person is expected to increase.

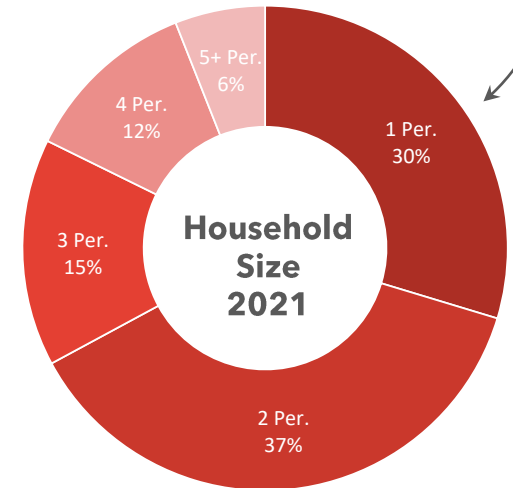
The aging population combined with an increasing number of one and two person households will increase demand for smaller housing units, including apartments units across the Region.

Age Profile, 2016, 2021 and 2041



Older people represent a growing share of the local population.

Smaller households comprise 67% of households in Saint John.





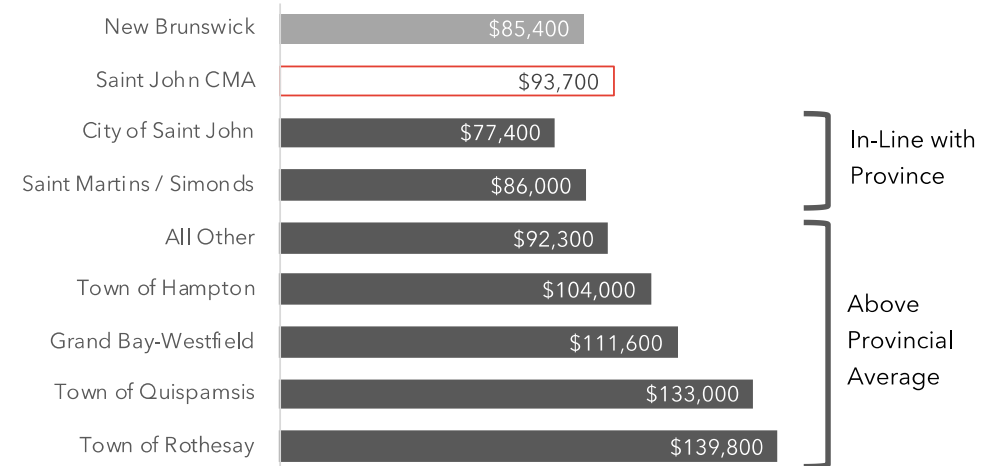
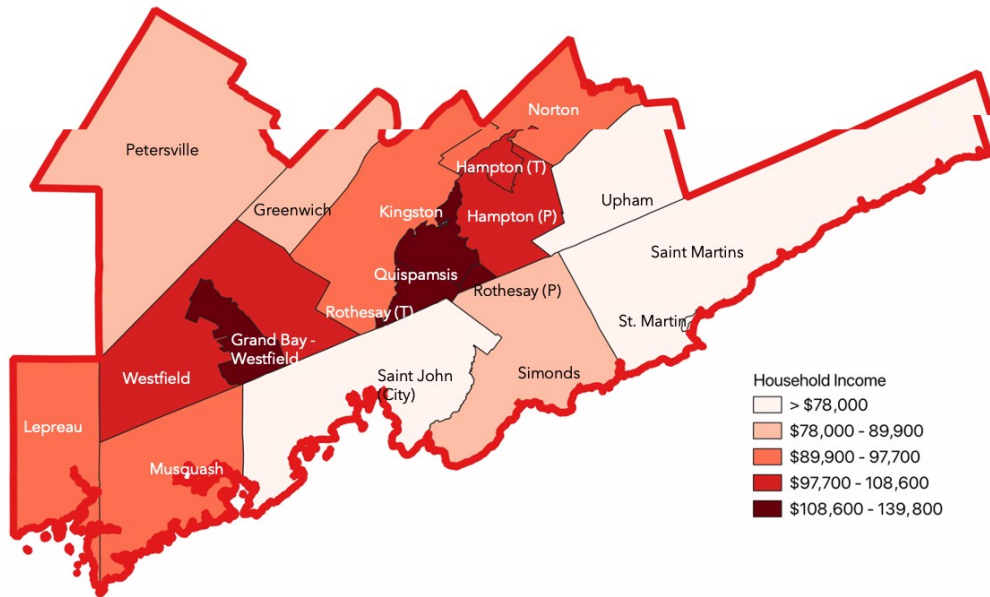
# ENVISION SAINT JOHN: RESIDENTIAL MARKET STUDY

## DEMOGRAPHIC PROFILE

### The Average Household Income of the Region Exceeds the Average Household Income in New Brunswick

Average household incomes in the City of Saint John, as well as more rural areas to the east, are lower than the northern municipalities of Quispamsis, Rothsay, Hampton and Grand Bay - Westfield. That being said, the Saint John Region overall had an average household income that was higher than the provincial average (\$93,700 per household versus \$85,400 per household).

Even within municipalities with higher average household incomes, the price points required to build new housing will impact affordability.



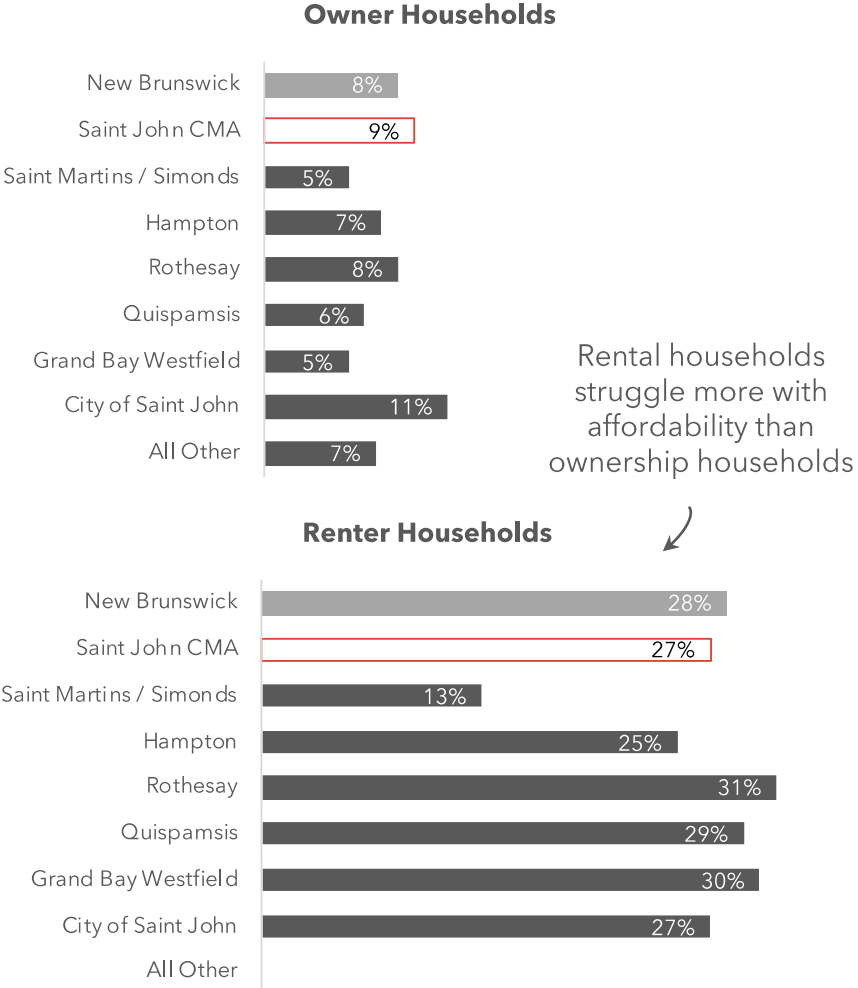
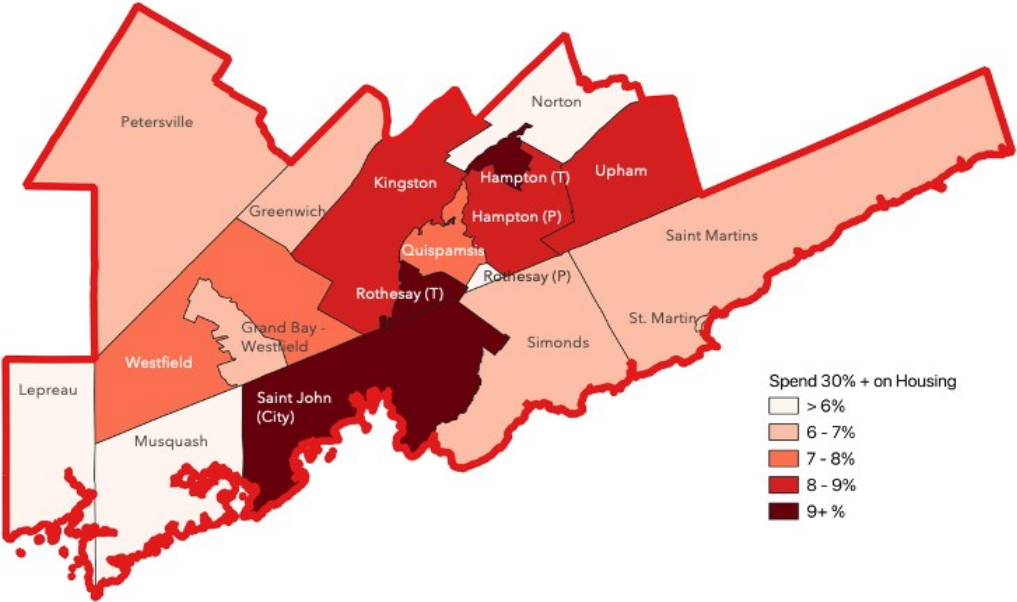
# ENVISION SAINT JOHN: RESIDENTIAL MARKET STUDY

## DEMOGRAPHIC PROFILE

### There is Variation in the Share of Households Spending > 30% of Income on Housing

Based on CMHC, housing is considered affordable if it costs less than 30% of a households before-tax income. With the lowest average household income, the City of Saint John has the highest share of households spending over 30% of their income on housing.

Even within municipalities such as Rothesay, Quispamsis and Hampton, which have higher household incomes, there is a relatively large share of households spending more than 30% of their income on housing. The share of households spending more than 30% of their income on housing has likely increased, as the information below reflects conditions in 2020, before inflation and interest rates started to rise.



Source: Statistics Canada.

# ENVISION SAINT JOHN: RESIDENTIAL MARKET STUDY

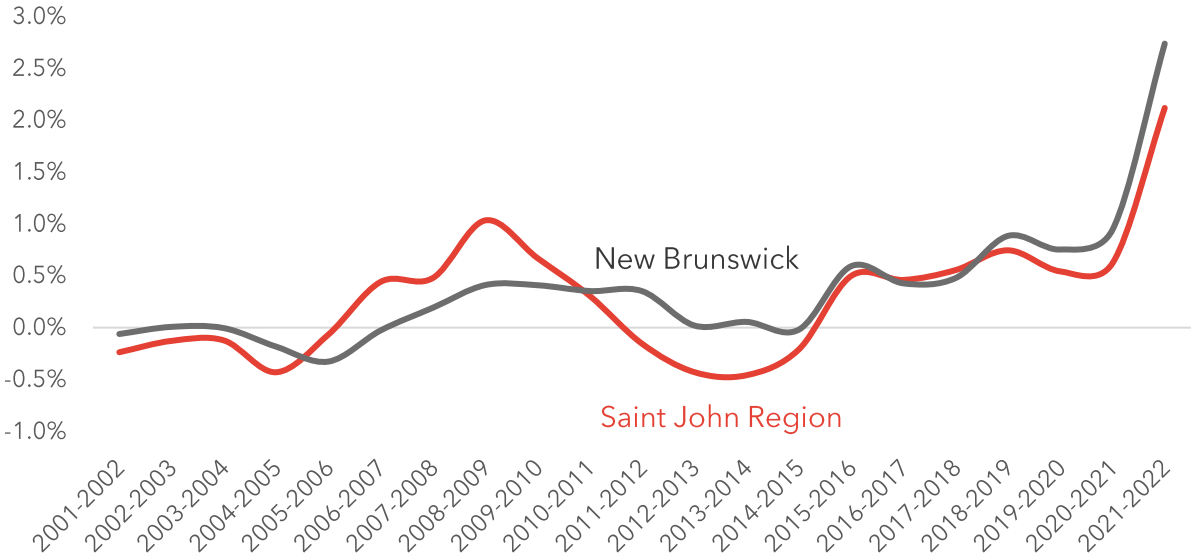
## DEMOGRAPHIC PROFILE

### Recent Population Growth Concentrated in Urban Municipalities

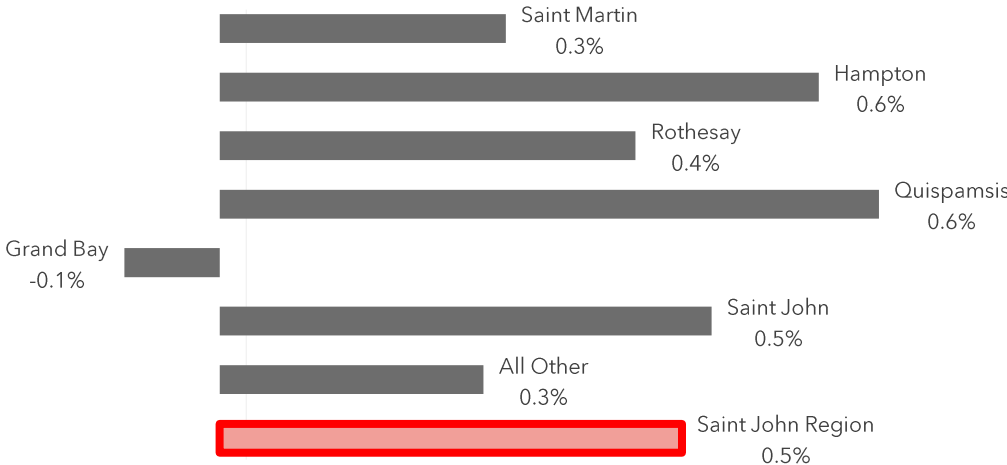
Over the past decade (2012 to 2022), population growth across the Saint John Region has not been evenly distributed. Generally, larger, more urban municipalities have experienced higher growth rates, largely tied to enhanced employment and housing opportunities.

The average annual population growth rate in the Saint John Region was lower than the provincial rate (0.7%) over the same period.

That said, population growth across the Saint John Region has changed dramatically since the start of the COVID-19 Pandemic. Since 2019, population growth in the Region has averaged 1.1% annually. Over this period, nearly every municipality in the Region experienced population growth, with the City of Saint John growing the fastest.



**Average Annual Population Growth Rate, 2012-2022**

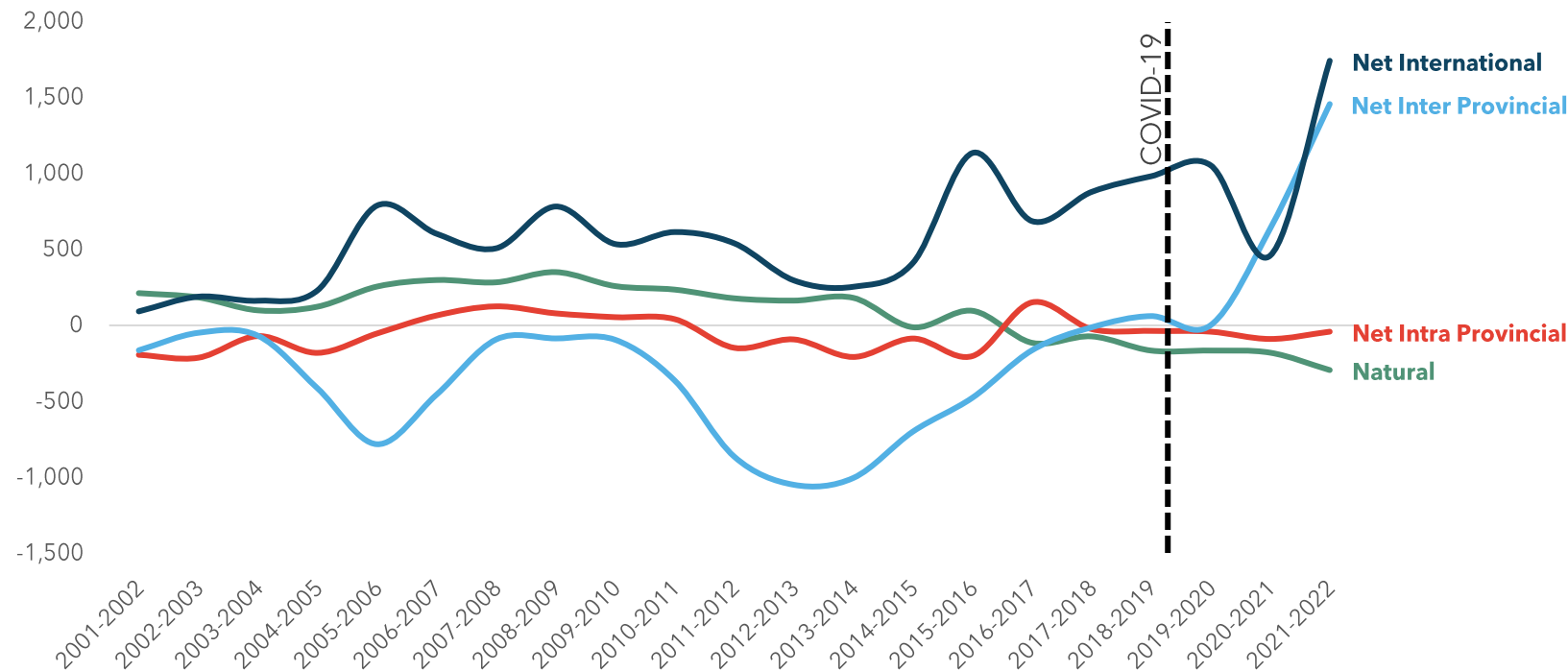


# ENVISION SAINT JOHN: RESIDENTIAL MARKET STUDY

## DEMOGRAPHIC PROFILE

### Migrants from Outside New Brunswick are Driving Population Growth in the Region

Population growth in the Region has been driven by migration. The profile of migration to the Region has changed in recent years. Over the past two decades, natural population growth (births minus deaths) and migration from elsewhere in New Brunswick have had little impact on population growth in the Region.



Source: Statistics Canada.

The most significant impact on population growth in recent years is related to net international migration, which is people moving to the Saint John Region from outside Canada, as well as net inter-provincial migration, which is people moving to Saint John from within Canada, but outside New Brunswick.

Net inter-provincial migration has had the most significant impact on population growth and the housing market in the Region. Prior to the COVID-19 Pandemic, there was generally an outflow of people from Saint John to other provinces. This changed during COVID, as many people had the opportunity to “work from anywhere” and decided to move to areas like Saint John, which offered more affordable housing and a better quality of life.

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## DEMOGRAPHIC PROFILE

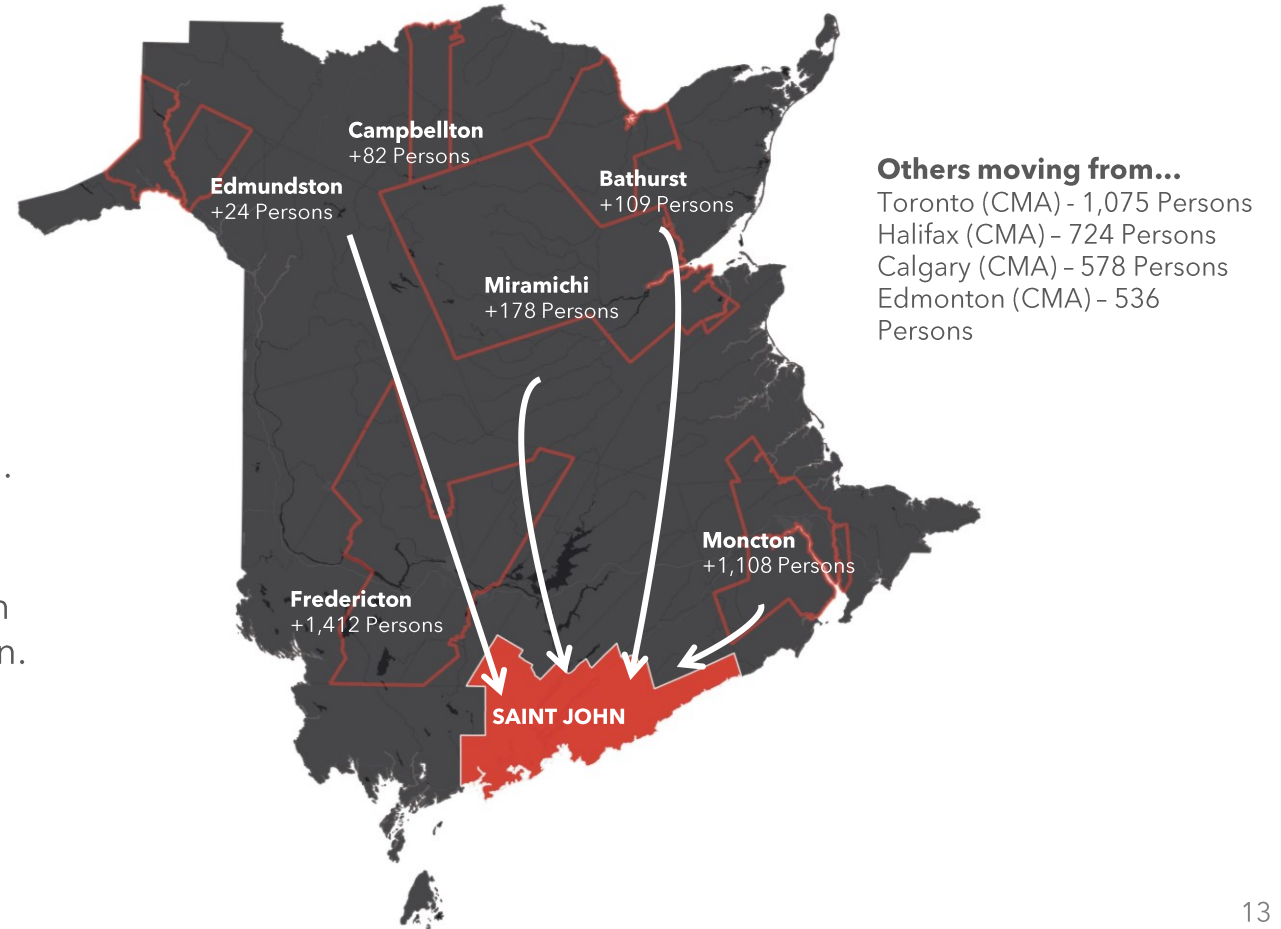
### Ontario is the Leading Source of Migration from Other Provinces

There are many people moving to the Saint John Region from other provinces in Canada, as well as elsewhere in New Brunswick.

Between 2016 & 2021, a significant 8,200 person moved from other Canadian Provinces to the Saint John Region, including:

- **2,960 people** who moved from Ontario to Saint John.
- **1,700 people** who moved from Alberta to Saint John
- **1,360 people** who moved from Nova Scotia to Saint John.
- **2,190 people** who moved from All Other Provinces to Saint John.

Among those who moved to the Saint John Region from elsewhere in the Province, Fredericton and Moncton were the most common origin.



# ENVISION SAINT JOHN: RESIDENTIAL MARKET STUDY

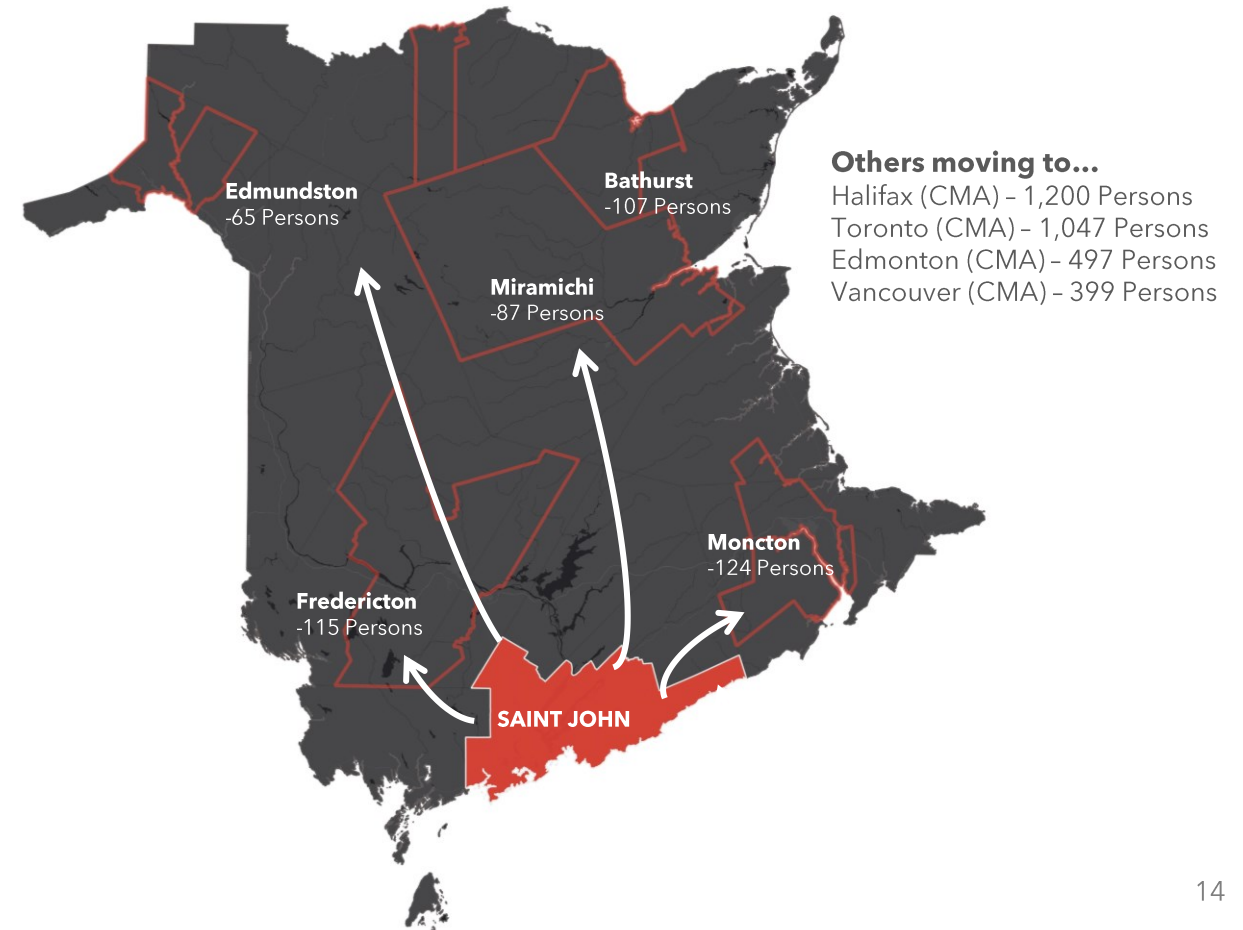
## DEMOGRAPHIC PROFILE

### The Number of Residents Leaving Saint John for Other Places in Canada is Comparably Minimal

There are also people moving from the Saint John Region to elsewhere in New Brunswick, as well as elsewhere in Canada.

Between 2016 and 2021, a small share of people moved to places in Ontario (some 2,500 persons) and to a lesser extent Nova Scotia. An even less significant share of people moved to places within New Brunswick, including Fredericton and Moncton.

While there are people leaving Saint John, the total amount is consistently less than the number of people moving to the Region.



# ENVISION SAINT JOHN: RESIDENTIAL MARKET STUDY

## DEMOGRAPHIC PROFILE

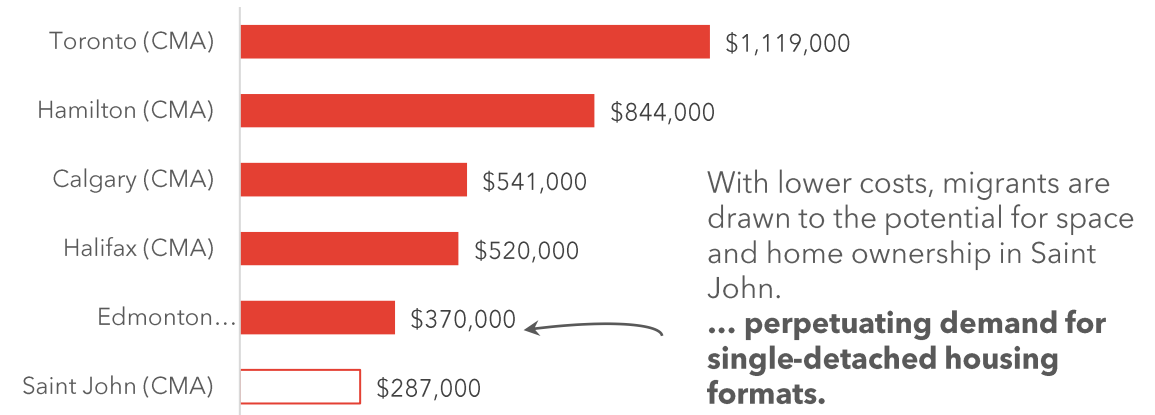
### Migrants Often Come from Places with Higher House Prices & Incomes

Migration to the Saint John Region from areas outside of New Brunswick is likely one of the largest factors driving increased housing prices in the Region. This is because many people moving to the area are coming from locations that have comparatively high household incomes and house prices.

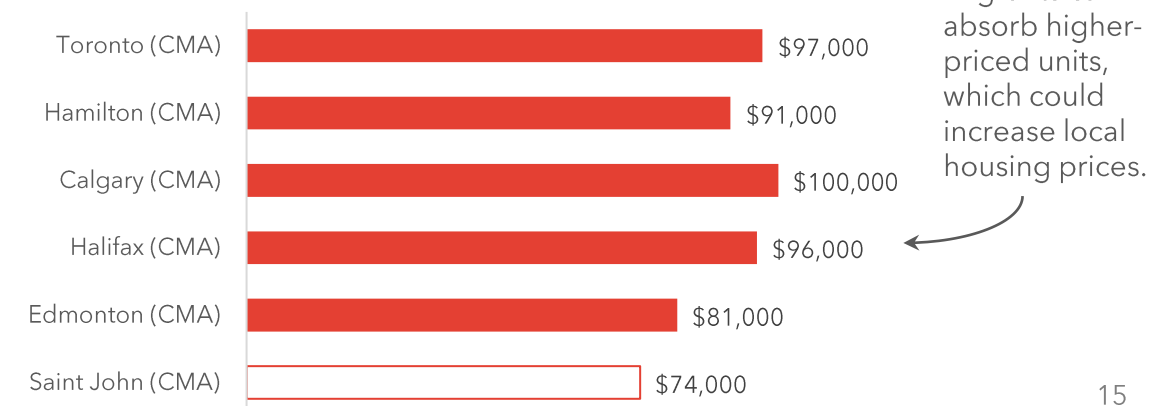
This puts upward pressure on local housing, as some of these households have a higher *"ability to pay"* or *"willingness to pay"* relative to individuals who have historically migrated to, or live in, the Saint John Region.

This trend has the potential to have an out-sized impact on single-detached house prices as those with higher incomes have an increased ability to carry the cost of higher mortgage payments.

Median Dwelling Value



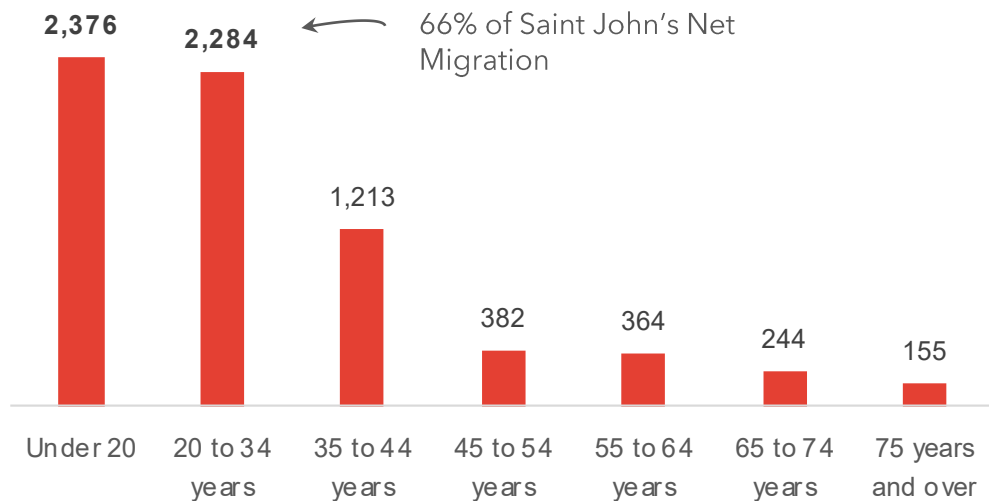
Median Household Income



## DEMOGRAPHIC PROFILE

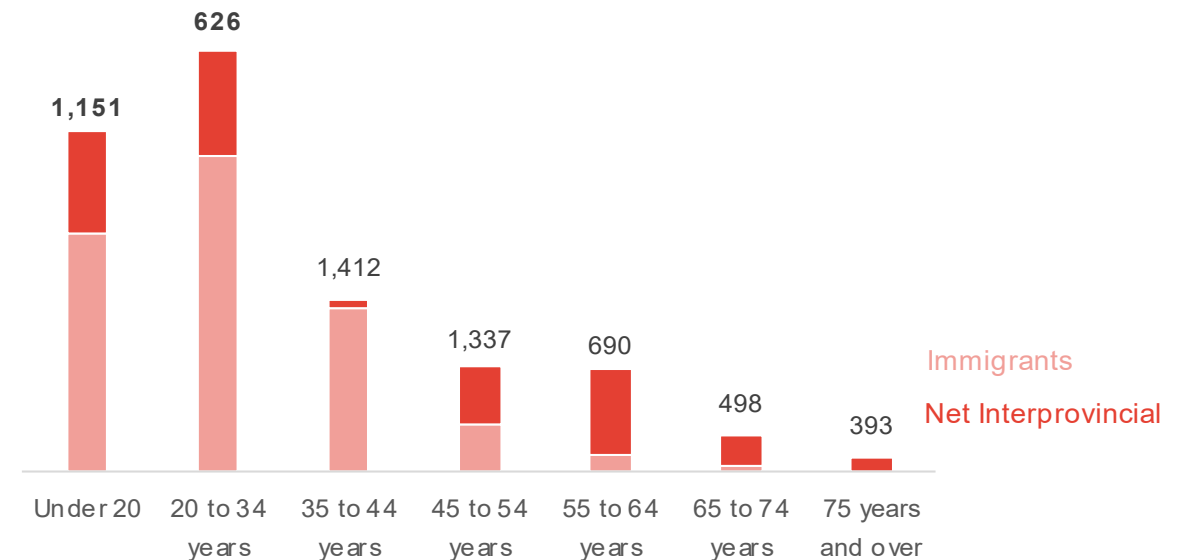
### Net Migration to Saint John is Led by Young People ...

Comparatively affordable home ownership opportunities are attractive to young people, especially those currently living outside New Brunswick. Nearly 2/3<sup>rd</sup>s of people migrating to the Saint John Region between 2017 and 2022 were under the age of 35. As noted earlier, this will increase demand for apartments in the short-term, but could also increase demand for ground-related units' overtime, as people settle into the community.



### ...and is Driven by Immigration & Interprovincial Migration

New immigrants will likely drive demand for higher density and more diverse housing options, particularly as individuals settle in and determine their housing needs post-arrival.





## DEMOGRAPHIC PROFILE

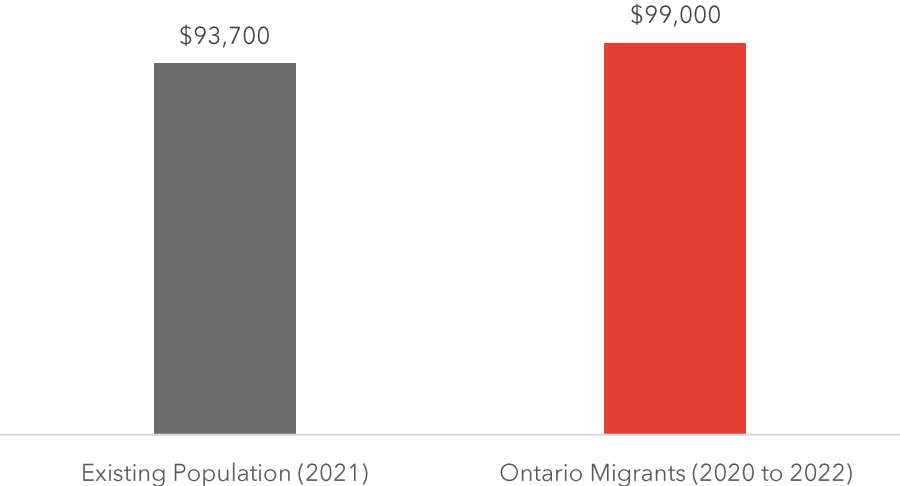
### Average Income of Migrants From Ontario is Generally Consistent with the Existing Population...

Based on data from Environics Analytics that was obtained by Envision Saint John, the average household income of Ontario migrants to the Region between 2020 and 2022, was approximately \$99,000 per year. This was slightly higher than existing residents in the Region (\$93,700).

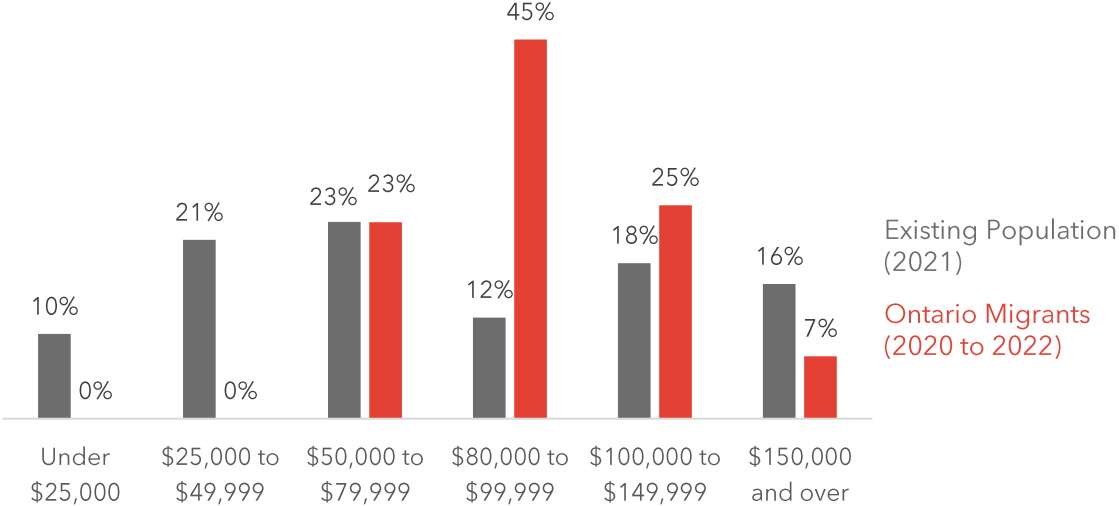
### ...But a Review of Income Profiles Shows a Larger Share of Ontario Migrants have a Household Income Exceeding \$80,000

While the average household income of existing residents and new migrants was similar, new migrants from Ontario are more likely to have higher household incomes (between \$80,000 & \$150,000 per year), increasing the affordable house price to \$310,000 to \$580,000 per year.

**Average Household Income**



**Household Income Distribution**



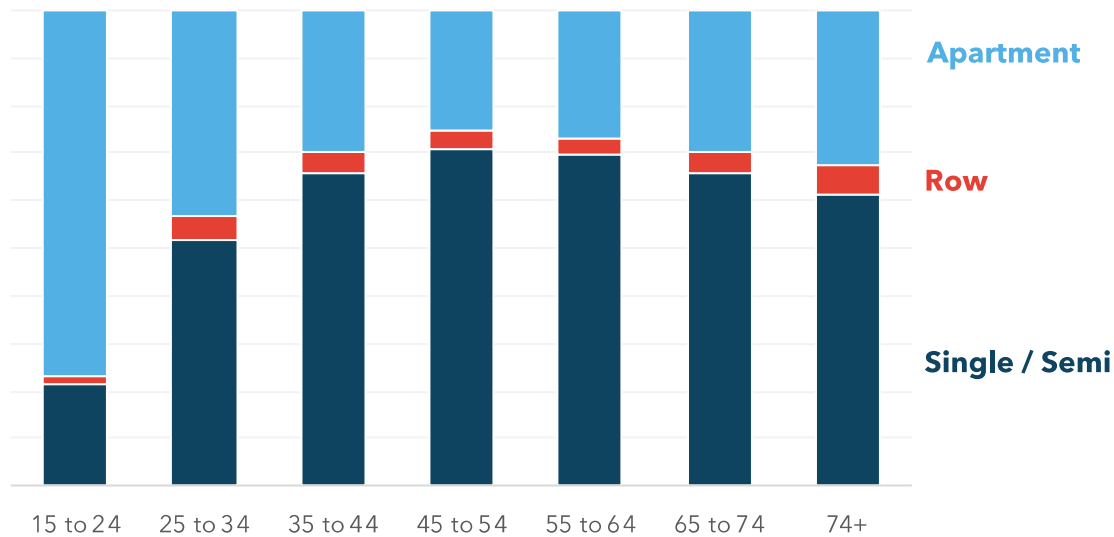
Source: Environics Analytics and Statistics Canada.

## DEMOGRAPHIC PROFILE

### Housing Propensity Changes with Age

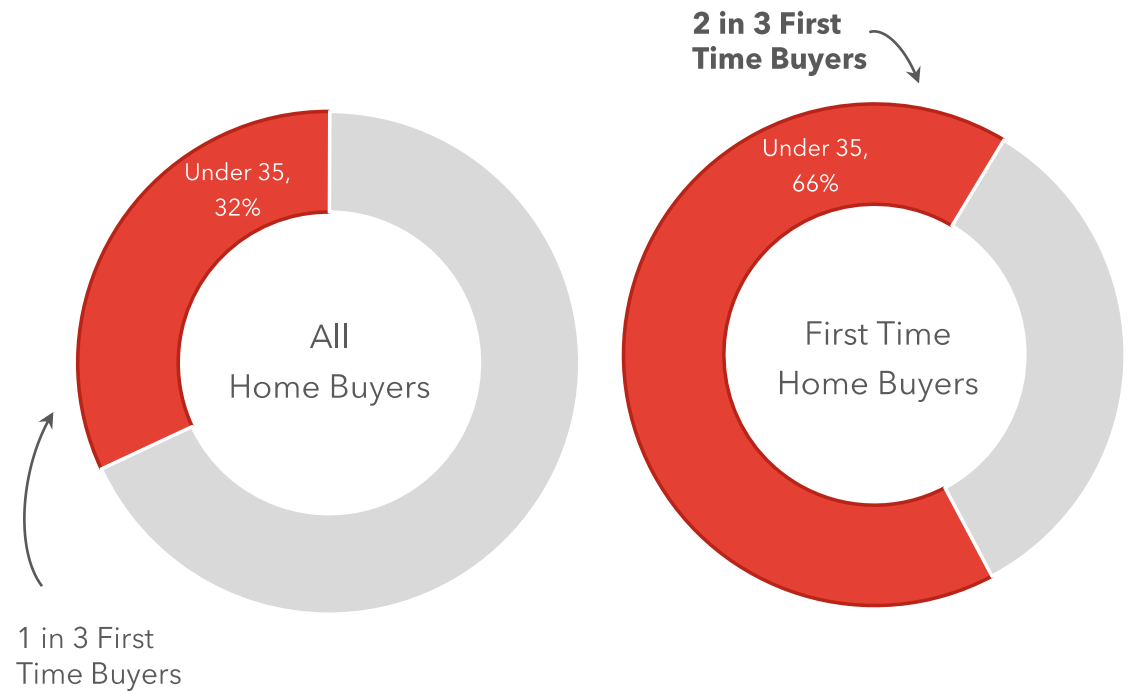
Demand for various types of housing, including single-detached, row houses and apartment units are largely a function of age. As shown below, people under the age of 25 have a higher propensity for apartment units.

Going forward, these propensities could change with the declining affordability of single-family homes.



### Young People Comprise the Majority of First Time Home Buyers

As the number of young people in Saint John increases, providing housing diversity that tailors to their needs, interests and incomes will become increasingly important.



## DEMOGRAPHIC PROFILE, KEY FINDINGS

1

### **Population Growth will Accelerate Demand for New Housing**

Population growth is already outpacing new housing supply. A diversity of housing supply is needed to ensure supply can keep pace with local demand while simultaneously responding to the varying needs of a growing population.

2

### **The Local Population is Aging**

In observing housing propensities in the Saint John Region, preferences for low-density housing tends to peak around the 55 to 64 age cohort at which point there is a corresponding uptick in demand for higher density housing formats. Growth in the number of older adults in Saint John is anticipated to drive demand for higher density housing.

3

### **Immigration to Saint John is Increasing**

Increased immigration is anticipated to increase demand for rental and other mid to higher density ownership formats in the Region as individuals seek housing that better reflects their needs, lifestyles and incomes.

4

### **Migration is Driven by Young People**

Young people typically reside in medium and higher density housing formats that better reflect their housing needs, economic capacities and preferences. This is often compounded by preferences for a more urban atmosphere, and a desire to live near to employment opportunities and recreational amenities. As a lack of supply pushes housing costs upward, growth in this age cohort will likely accelerate this dynamic.



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# HOUSING MARKET PROFILE

SAINT JOHN (CMA)

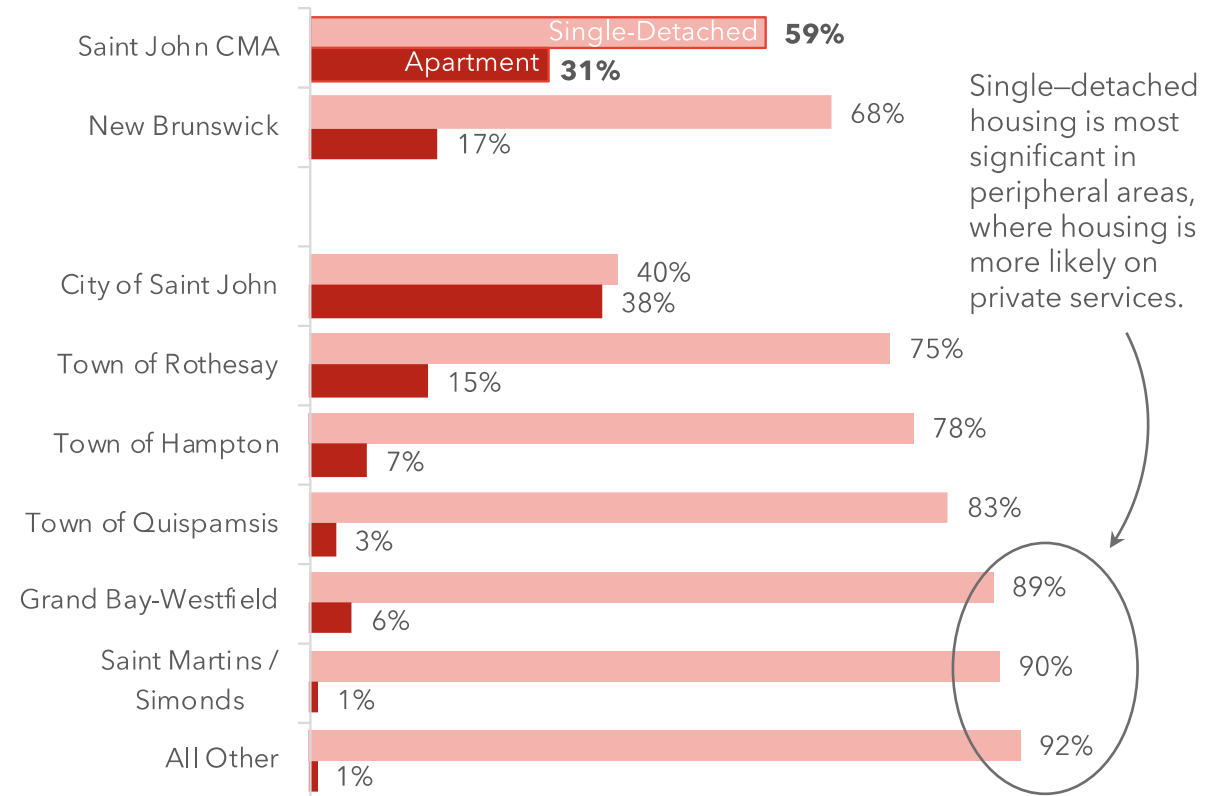
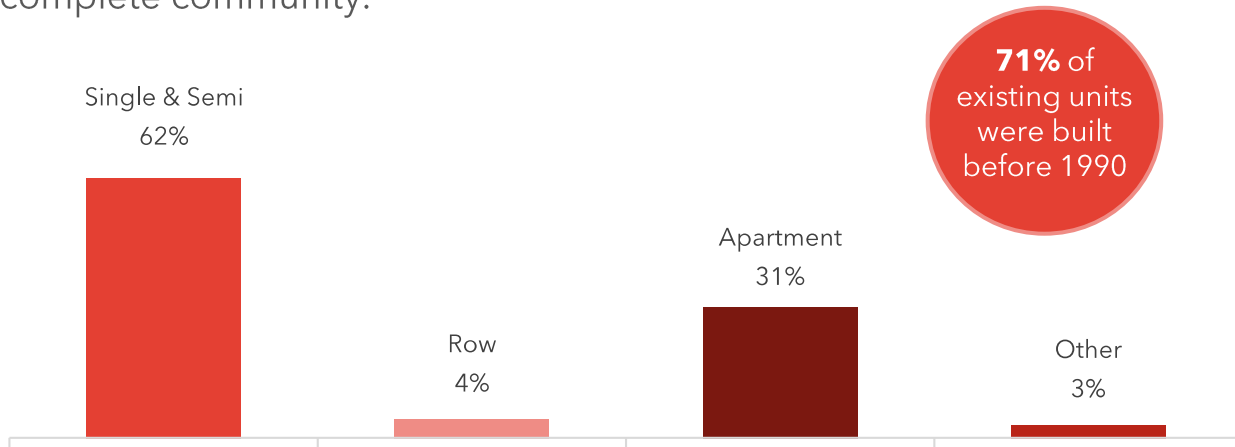
# ENVISION SAINT JOHN: RESIDENTIAL MARKET STUDY

## HOUSING MARKET PROFILE

### The Housing Stock is Dominated by Older, Low-Density Housing

Housing built since 2011 represents only 7% of the existing housing stock, largely explaining why the housing supply is primarily low-density housing (62% of total households).

While low-density dwellings continue to be the primary housing format, recent apartment development has begun to diversify the housing stock, primarily in the City of Saint John, and to a lesser extent the Town of Rothesay. As the population in the Saint John Region ages, there is likely to be more demand for apartment units. This will require the Region to diversify their housing stock to create a more complete community.



# ENVISION SAINT JOHN: RESIDENTIAL MARKET STUDY

## HOUSING MARKET PROFILE

### There is a Mismatch Between Household Size and Dwelling Size Across the Region

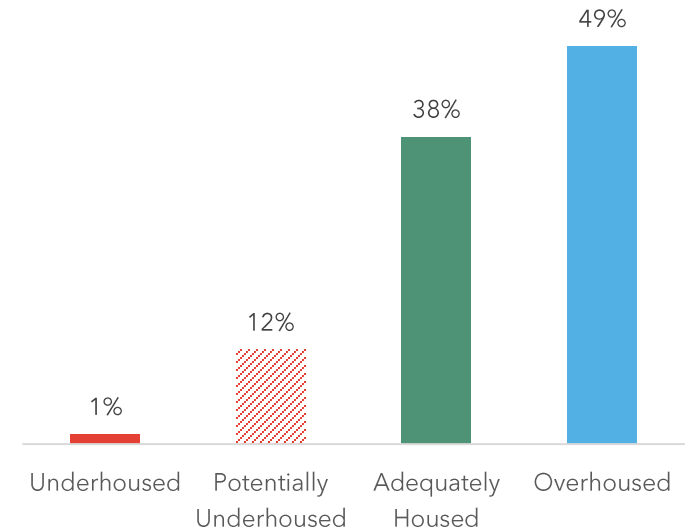
Consistent with the large number of one and two person households and the majority of households living in single-detached housing, nearly 50% of households in the Saint John Region can be characterized as being “overhoused”, meaning there are more bedrooms in the dwelling unit than people. This represents a total of approximately 27,500 households.

The mismatch in the Region between household size and dwelling size highlights the current need for smaller units, including one and two-bedroom units. This need will only intensify as the population in the Saint John Region grows.

Adequately housed

		Household Size			
		1 person	2 persons	3 persons	4+ persons
Dwelling Size	1 bedroom	4,965	1,055	50	75
	2 bedrooms	5,800	6,745	1,510	545
	3 bedrooms	4,235	9,080	4,115	3,955
	4+ bedrooms	1,535	4,030	2,775	5,385

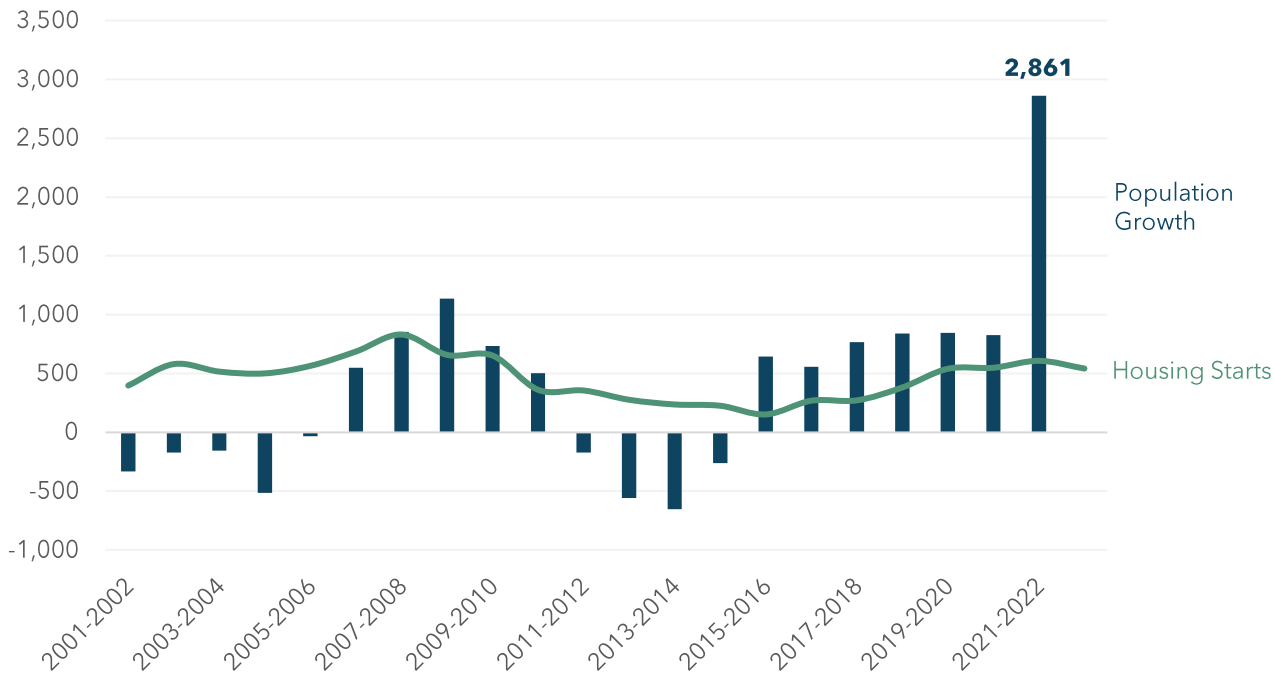
Overhoused



## HOUSING MARKET PROFILE

### Housing Construction is Insufficient to Support Population Growth

While the population has grown significantly since 2016, the development of new housing has not responded to increased demand.



### Housing Completions Lag Behind Population Growth

Despite significant population growth across the Saint John Region, annual housing starts are well behind historical averages. As shown, during 2009 to 2015, the Region produced 350 new units per year despite declining population.

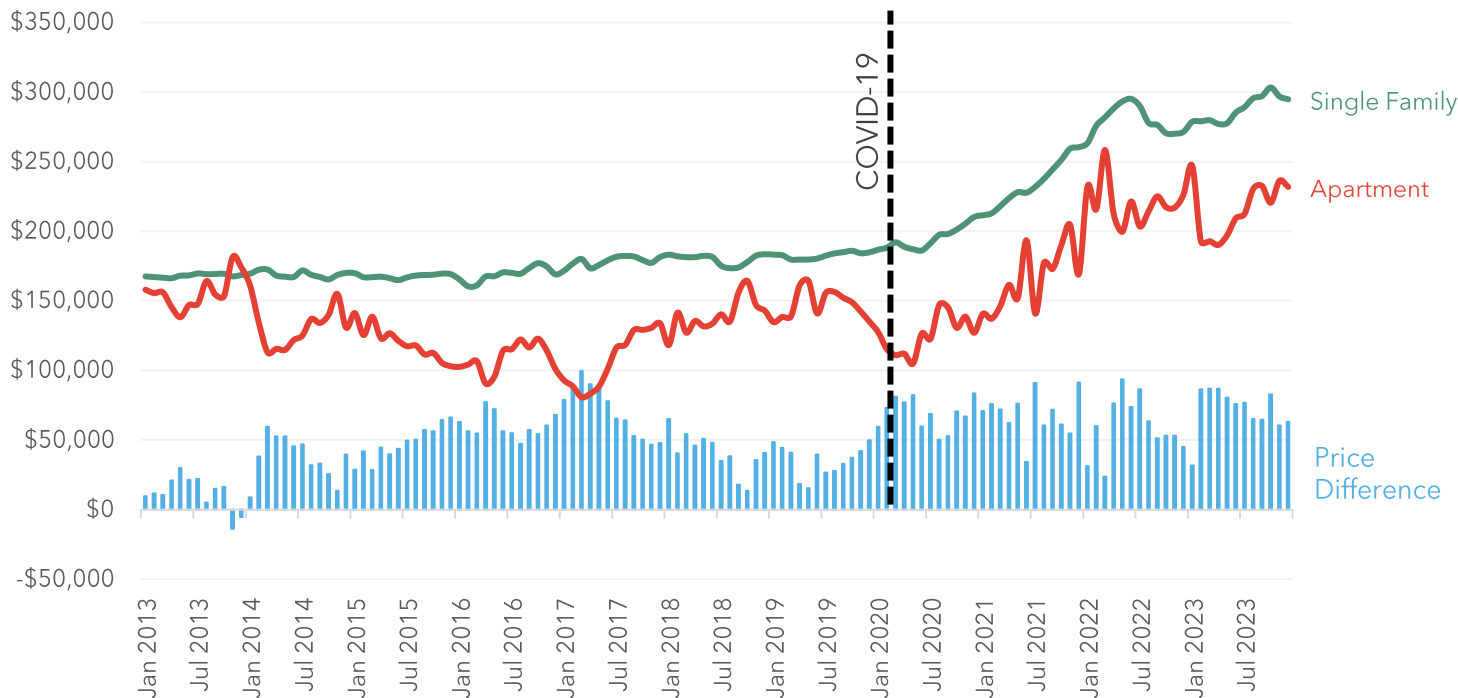
Flash forward to 2016 to 2022, housing starts only increased to 440 units per year despite a significant increase in population growth.

	POPULATION CHANGE	AVERAGE HOUSING STARTS
2009 to 2015	-68 persons / year	350 per year
2016 to 2022	1,116 persons / year	440 per year

## HOUSING MARKET PROFILE

### The Price of Housing Continues to Increase, Particularly Since the Start of the COVID-19 Pandemic

Since the start of the COVID-19 Pandemic, the price of a **single-detached home has increased 57%**, while the price of an apartment has doubled. Price escalation will create demand for a greater range of housing types at various price points as a growing number of people are unable to afford the heightened costs associated with traditional housing formats.



Rising house prices are correlated with increased migration to the Saint John Region, and a lack of new housing construction.

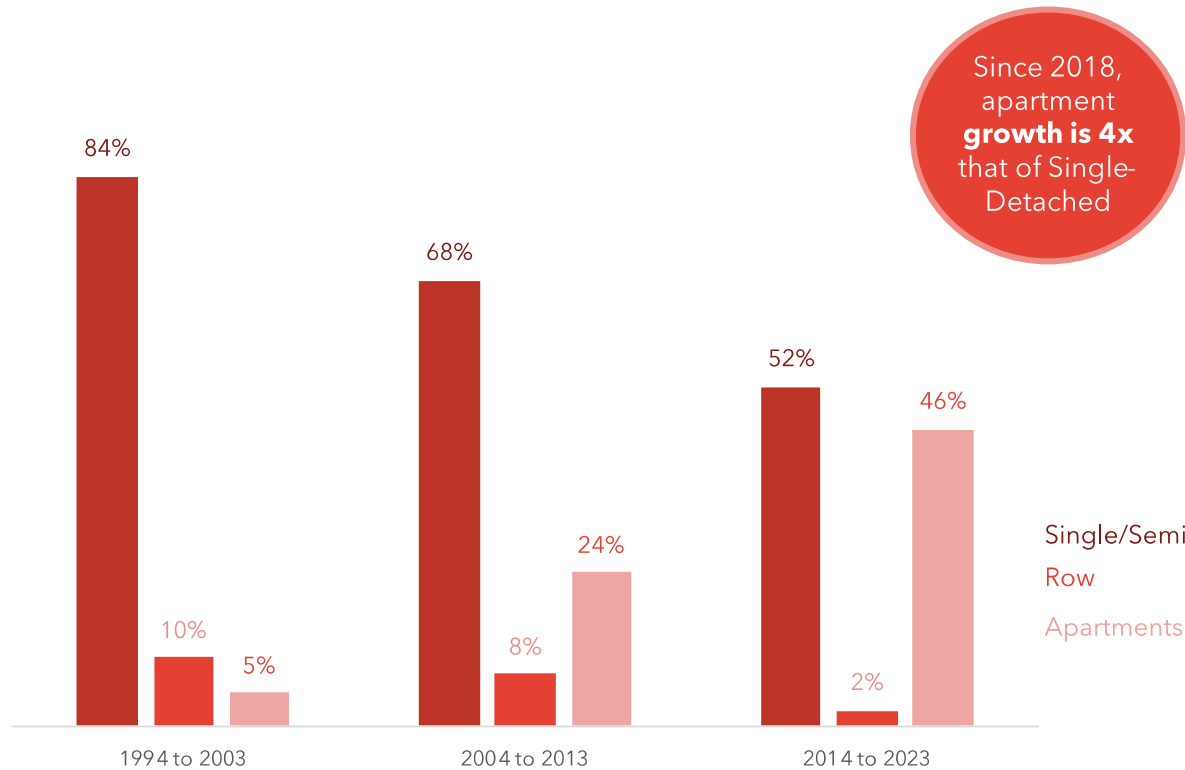
Even the price of apartment units, which have traditionally been a more affordable housing option, has increased in recent years.



## HOUSING MARKET PROFILE

### New Housing Development Gradually Includes More Apartments...

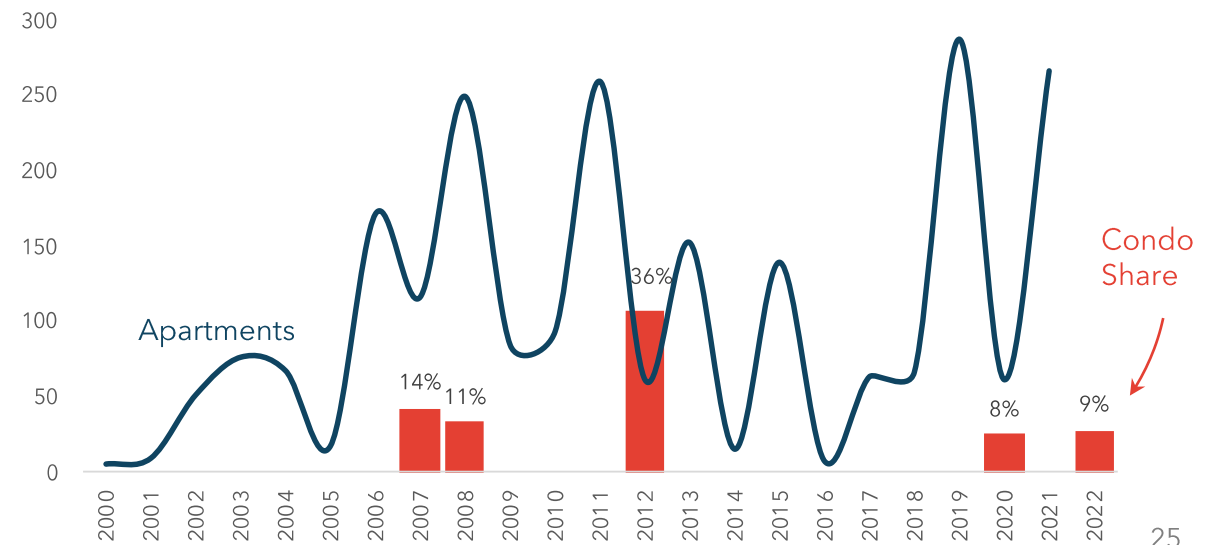
Likely influenced, in part, by rising migration to the Region and increasing house prices, growth in apartment construction has increased significantly in recent years relative to historical trends.



Source: CMHC.

### ... But Virtually No Condominium Apartment Construction

Nearly all apartment construction has been purpose-built rental units. The lack of condominium apartment construction is likely due, in part, to the relatively attainable price points of single-detached units. However, eroding affordability of single-detached housing, could result in renewed demand for condominium apartment units as an affordable ownership alternative.



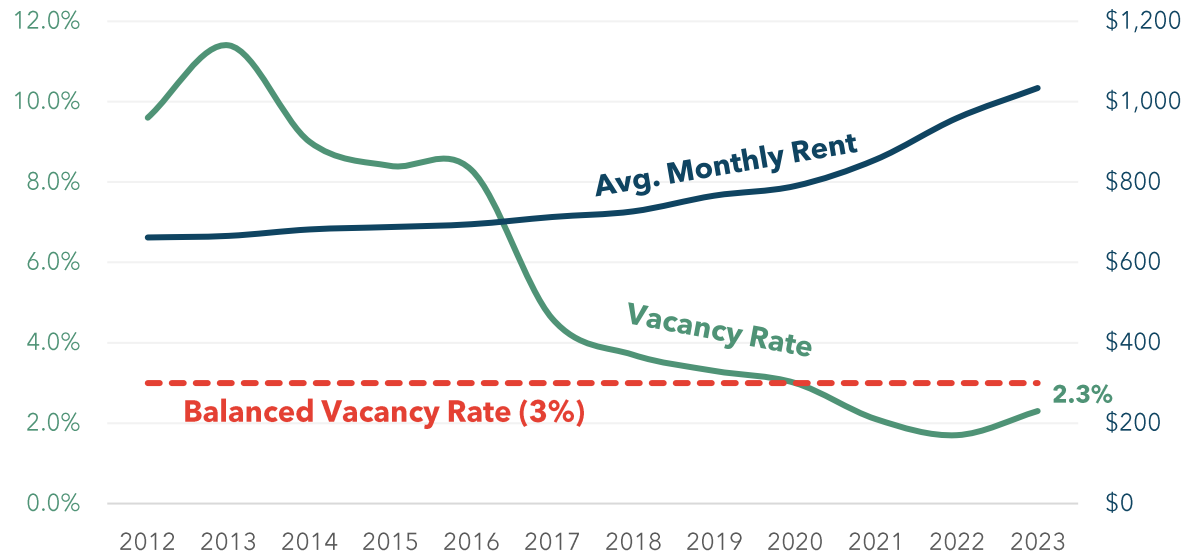
# ENVISION SAINT JOHN: RESIDENTIAL MARKET STUDY

## HOUSING MARKET PROFILE

### Affordability Challenges are also Apparent Across the Rental Housing Market

While the vacancy rate for purpose-built rental apartments has been trending lower since the recent peak in 2013, the rental market can be characterized as “tight” since 2020, which is a vacancy rate below 3%. A vacancy rate below 3% has influenced the recent acceleration of average monthly rent compared to historical trends.

Between 2012 and 2019 the average vacancy rate in the Region was 7.2%. During this period average monthly rent grew by about 2.2% annually. Since 2020, the vacancy rate has averaged 2.3% (below the balanced rate of 3.0%) and average monthly rent has increased by 10.3% annually, faster than the rate of general inflation.



	VACANCY RATE	AVERAGE MONTHLY RENT
2012 to 2019	<b>7.2%</b>	\$701 per month Avg. Annual Growth = <b>2.2%</b>
2020 to 2023	<b>2.3%</b>	\$911 per month Avg. Annual Growth = <b>10.3%</b>

## HOUSING MARKET PROFILE, KEY FINDINGS

1

### **Low Density Housing Consumes the Majority of the Existing Housing Stock**

Single-detached housing is the most significant housing format across the Saint John Region. Historically, there was no incentive for people to consider or require other housing options as single-detached housing was affordable to most households.

2

### **The Housing Supply is Insufficient to Support Population Growth**

Current and new housing supply is insufficient to support the current and anticipated population growth trajectory. Higher density housing formats will be necessary to keep pace with rising housing demand across Saint John.

3

### **Challenges in the Rental Housing Market**

The rental housing market has been impacted by recent increases in migration, as people tend to rent before buying in an area. The tight rental market conditions over the past four years has resulted in monthly rent increasing by approximately 10.3% annually.

4

### **Increased Housing Prices Will Necessitate Housing Diversity**

Further to above, increased competition for fewer units has increased local housing prices. This means a growing number of households are unable to afford the large-lot single-detached housing units that prevail across the Region today.



**ECONOMICS OF  
DEVELOPMENT**

SAINT JOHN (CMA)

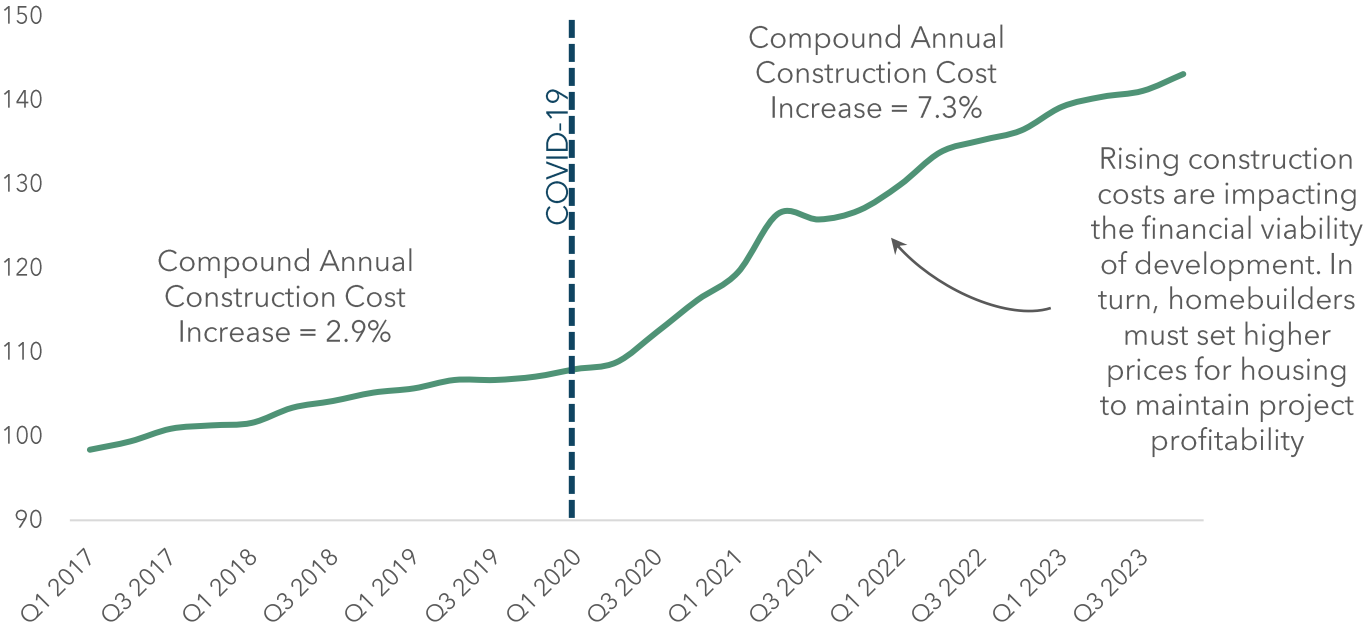
# ENVISION SAINT JOHN: RESIDENTIAL MARKET STUDY

## ECONOMICS OF DEVELOPMENT

### Construction Costs Have Accelerated Since the Start of COVID

Prior to COVID, the residential construction price index in the Moncton CMA (data not available for Saint John Region) increased by 2.9% annually. Since COVID, construction costs have been increasing by 7.3% annually.

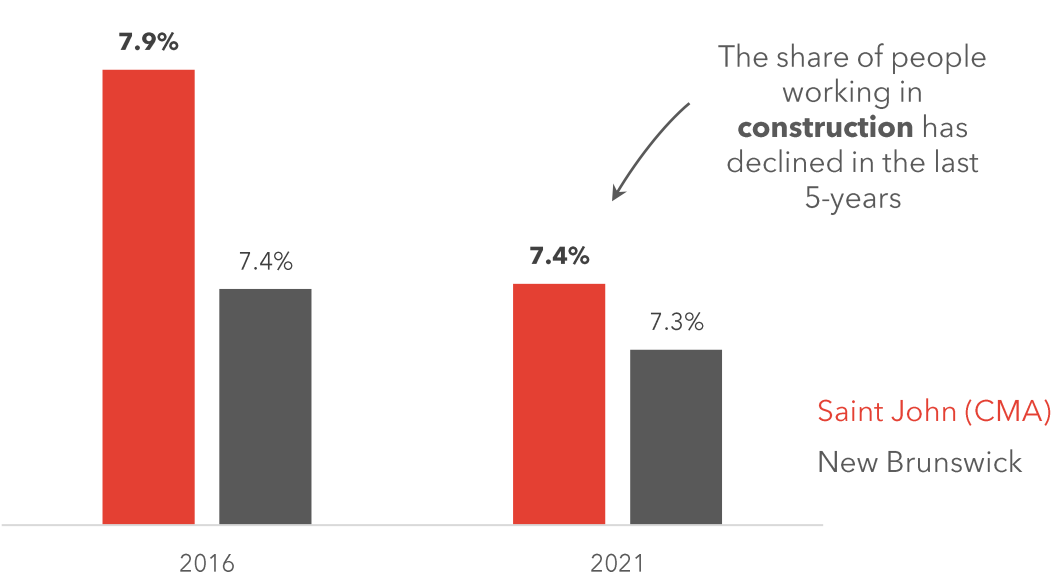
**Residential Construction Price Index - Moncton**



### Construction Represents a Declining Share of the Workforce

It is our understanding from market sounding interviews that, while the cost of materials in the Region have started to increase at a slower pace, the **lack of skilled trades people** has increased the costs of labour.

**Construction - % of Labour Force**



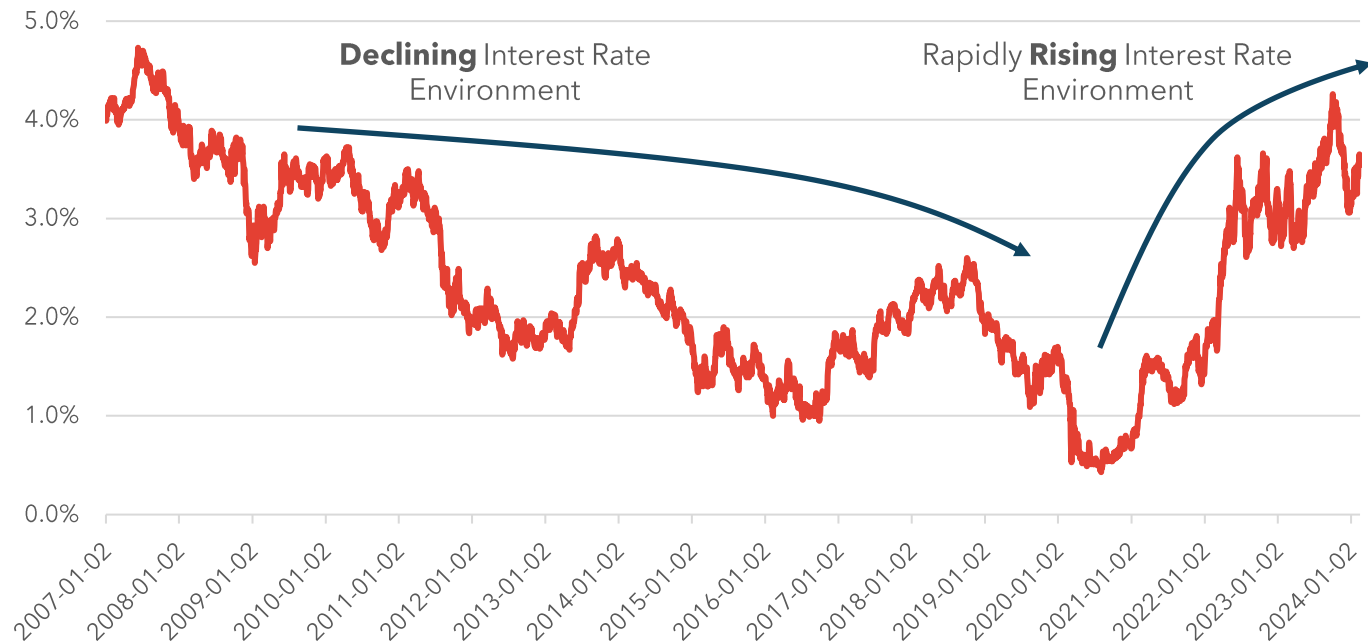
Source: Parcel based on Statistics Canada.

## ECONOMICS OF DEVELOPMENT

### Rising Interest Rates Are Cutting Multiple Ways - Supply Side Impacts

The rapid escalation in bond prices has made financing new housing projects more expensive, on top of rising construction costs. This has resulted in some projects not “penciling”, as they are no longer financially viable.

**10-year Gov't of Canada Bond Rate**



Source: Parcel based on Bank of Canada.

Projects not “penciling” has reduced the supply of new housing during a period of accelerating population growth in the Region.

Projects are simultaneously impacted by rising interest rates, as this presents another obstacle developers much consider when moving forward with a development.

For example, when bond rates were 1%, a developer may have considered the construction of a rental apartment building that yielded 4%. However, with bond yields now around 4%, that same developer may choose to put their money into a safer asset, such as a bond, rather than engaging in a higher risk development project.

This too reduces the supply of housing in the Region.

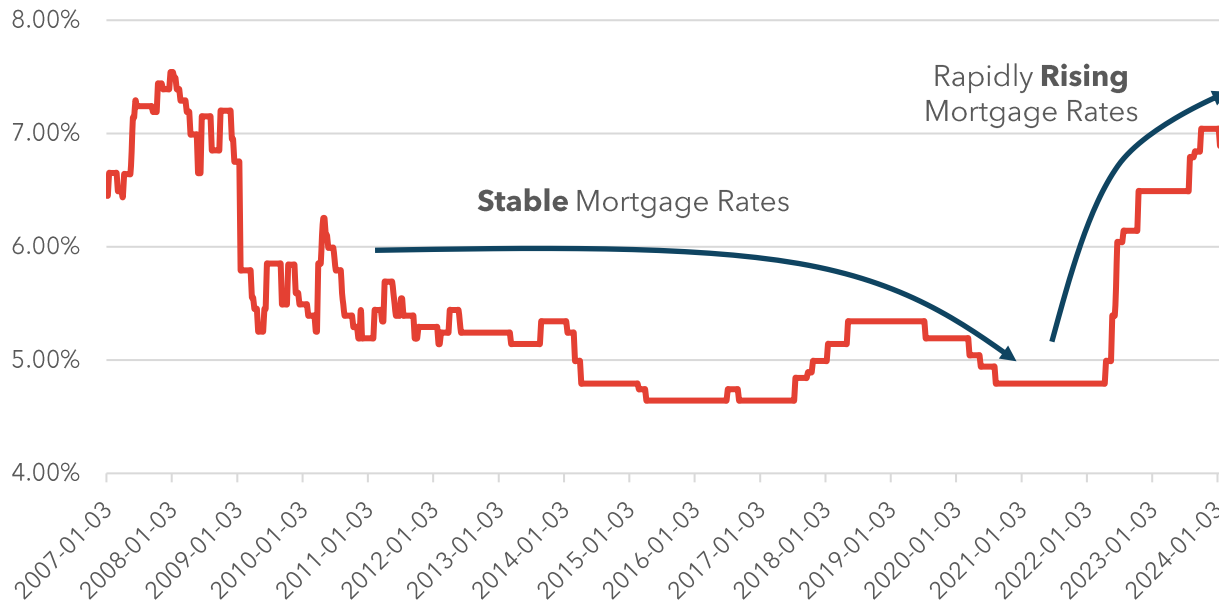
## ECONOMICS OF DEVELOPMENT

### Rising Interest Rates Are Cutting Multiple Ways - Demand Side Impacts

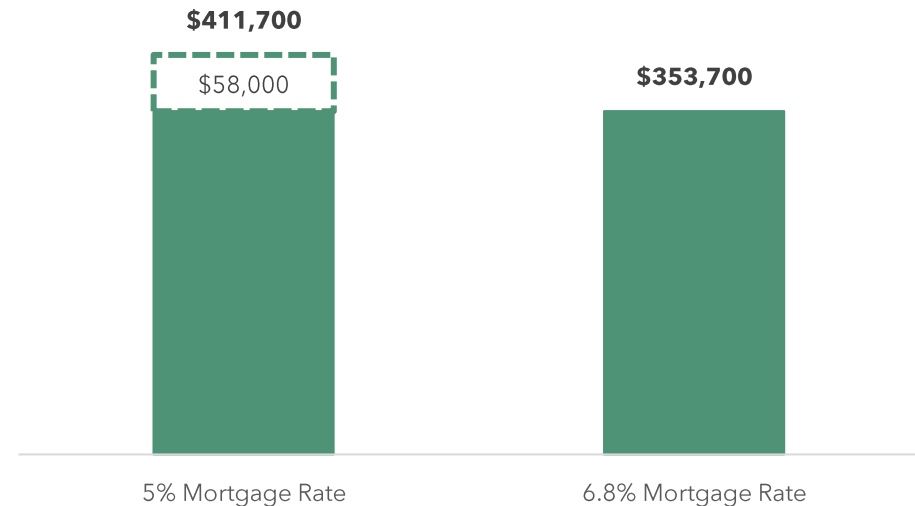
On the demand side, rapidly rising mortgage rates are impacting how much people can afford to spend on housing, particularly in an environment where inflation remains elevated.

While the cost to build new housing has increased, increasing mortgage rates have resulted in the average household being able to afford less. As shown, based on the 5-year fixed mortgage rate rising from 5.0% to 6.8%, the average household can finance approximately \$58,000 less, based on the same gross debt service ratio.

**5-year Conventional Mortgage Rate**



**Maximum House Price Based on 30% GDSR**



Source: Parcel based on CMHC & MLS data. \* Pricing to be updated when data is available.

## ECONOMICS OF DEVELOPMENT

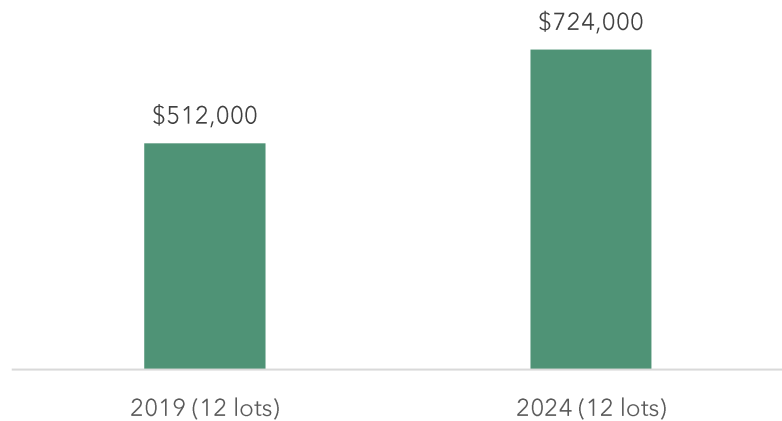
### Increasing Densities Can Bring Down Home Prices & Restore Affordability

In 2019, a *Single Family Residential Development Cost Competitive Analysis* was prepared on behalf of Envision Saint John. This report estimated that based on engineering / design costs, planning / development fees and municipal infrastructure costs, a residential development with 100 metres of frontage cost approximately \$512,000. In considering the development of 12 lots with 8.3 metres of frontage, this results in some \$42,700 per lot.

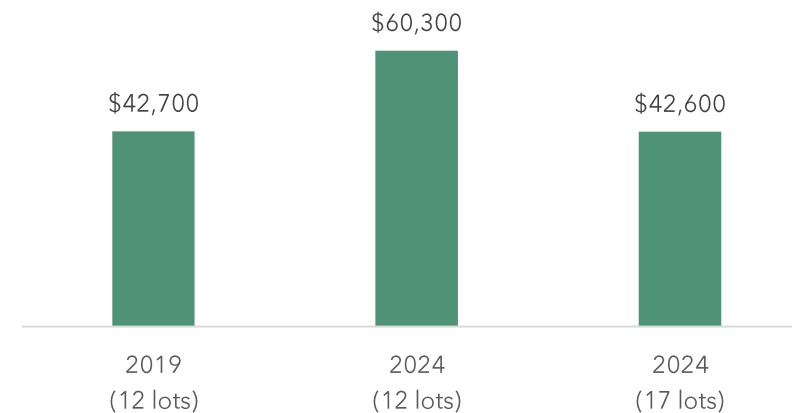
Since this analysis was prepared, infrastructure costs have nearly doubled and housing construction costs have increased by 25%. This means that the same development would have infrastructure costs of nearly \$725,000, or about \$60,000 per lot.

To bring municipal infrastructure costs per lot back down to 2019 levels, densities would need to be increased to 17 lots on a 100 metre street length, or 5.9 metres of frontage per lot.

**Total Cost for New Development With 100-metres of Street Length**



**Total Cost Per Lot for New Development With 100-metres of Street Length**





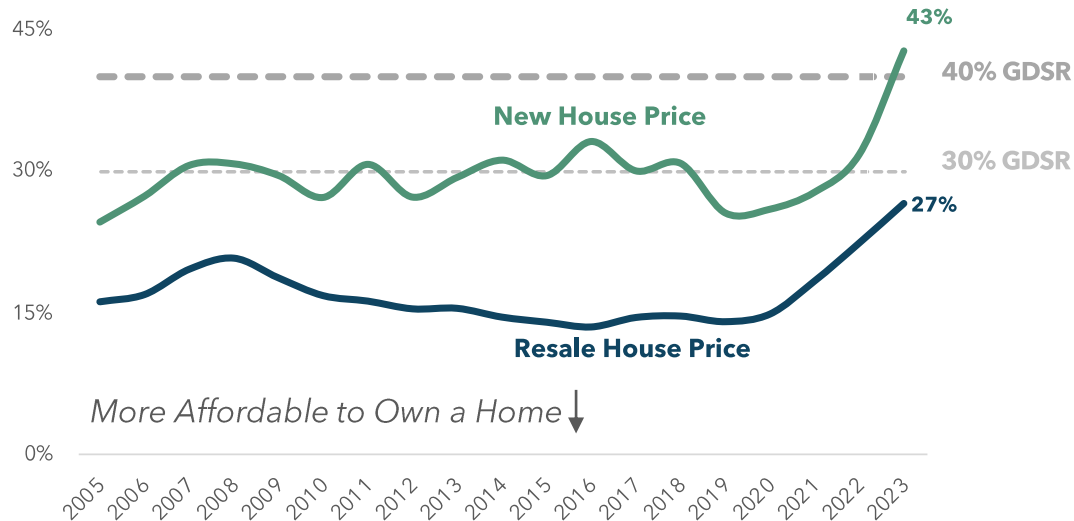
## ECONOMICS OF DEVELOPMENT

### Rising Home Prices Could Push Some Households to Higher-Density Forms of Housing

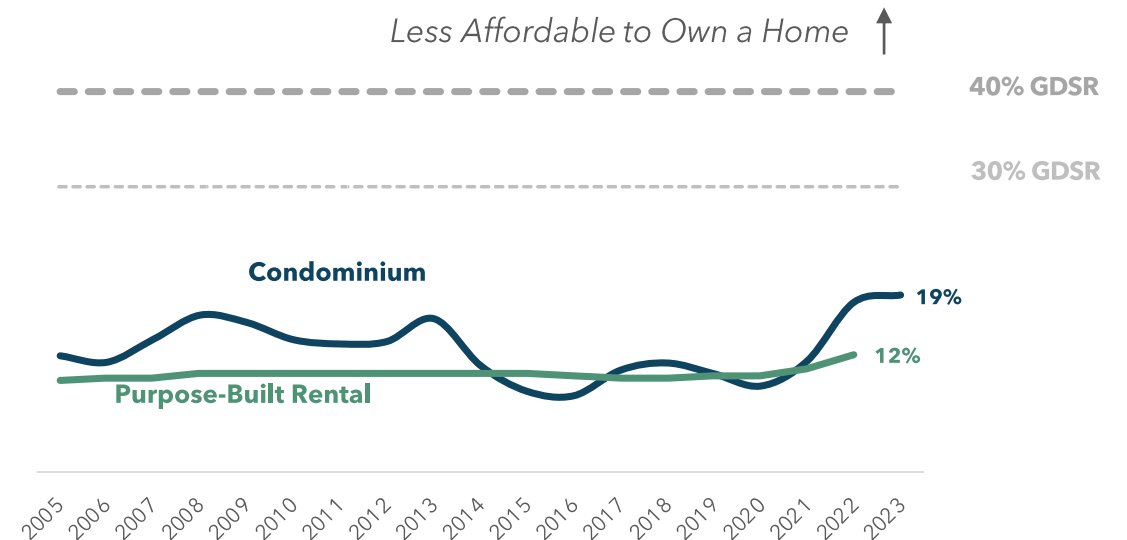
Historically, home buyers only needed to spend about 30% of their household income to afford a new single-detached home in the Region. Recent increases in house prices has resulted in the average household needing to spend **43% of their income** to afford the average price of new single-detached homes.

To restore affordability, households will need to shift to higher density forms of housing (if available) such as smaller lot singles, row units and apartment units. As shown, condominium apartment units and purpose-built rental apartment units are still affordable for the average household in the Saint John Region.

**Single-Detached Housing**



**Apartment**



## ECONOMICS OF DEVELOPMENT, KEY FINDINGS

1

### **Rising Construction Costs & Interest Rates Are Impacting Affordability**

Recent increases in construction costs and interest rates are making new housing development more challenging in multiple ways. It is increasing the price required to build housing, reducing the potential pool of buyers. It is also increasing the “risk free” rate of return and could lead some developers to pursue other options.

2

### **Higher Interest Rates Are Also Impacting Demand for Housing**

At the same time, higher interest rates are impacting how much the average homebuyer can spend on housing. This further reduces the pool of potential homebuyers.

3

### **Municipalities Have Few Options to Help Restore Affordability**

The tools available to municipalities to help restore affordability are limited, as they do not impact construction costs or interest rates. One option available to municipalities is to allow for higher densities to bring down certain costs per unit.



# HOUSING FORECAST

SAINT JOHN (CMA)

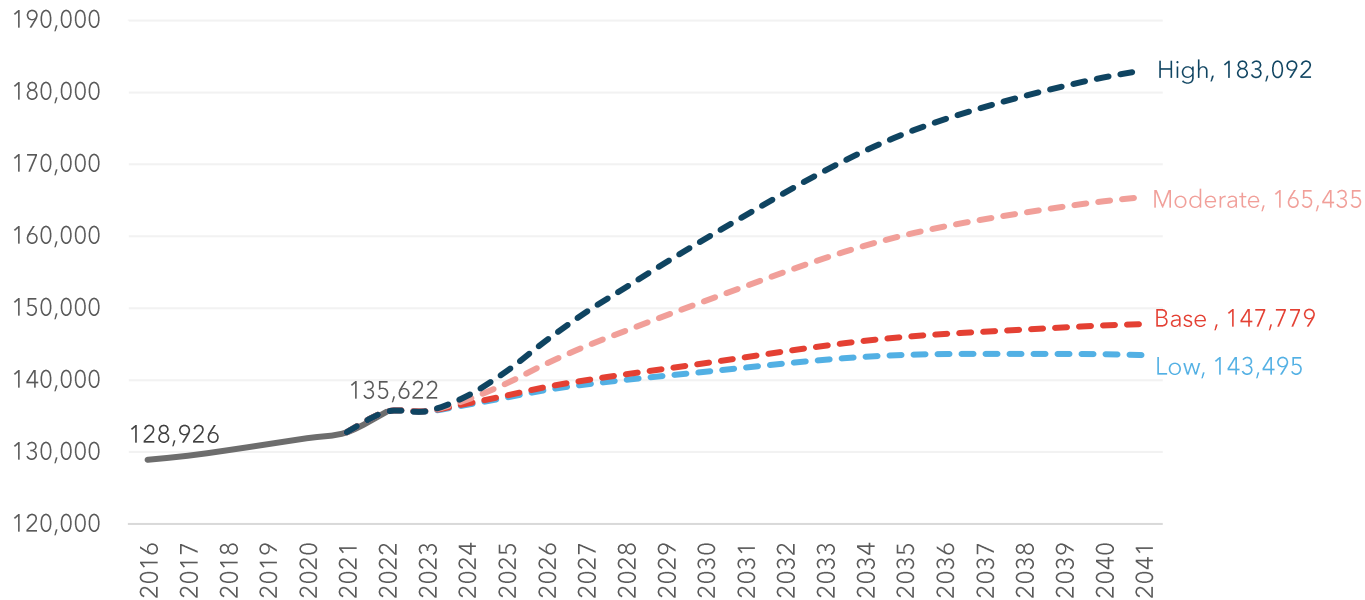
# ENVISION SAINT JOHN: RESIDENTIAL MARKET STUDY

## HOUSING FORECAST

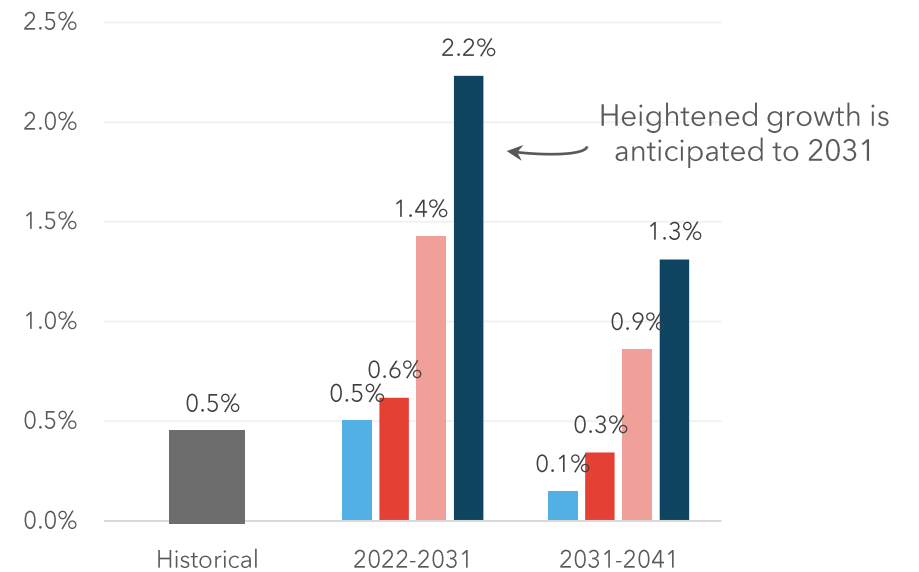
### Population Growth in the Region is Anticipated to be Strongest Over the Next 10 Years

Recent population growth trends in the Region are anticipated to continue, based on population forecasts prepared by metroeconomics for Envision Saint John. Even in the Base Case forecasts, the Region could add some 10,700 new people between 2021 and 2041. High-growth forecasts suggest this number could grow to as high as 50,300 new residents.

In all population growth scenarios, net migration to the Region is anticipated to account for most of population growth. This will have significant implications on housing demand.



Average Annual Population Growth Rate



Source: Growth Projections by Deloitte & metroeconomics to 2041.

## HOUSING FORECAST

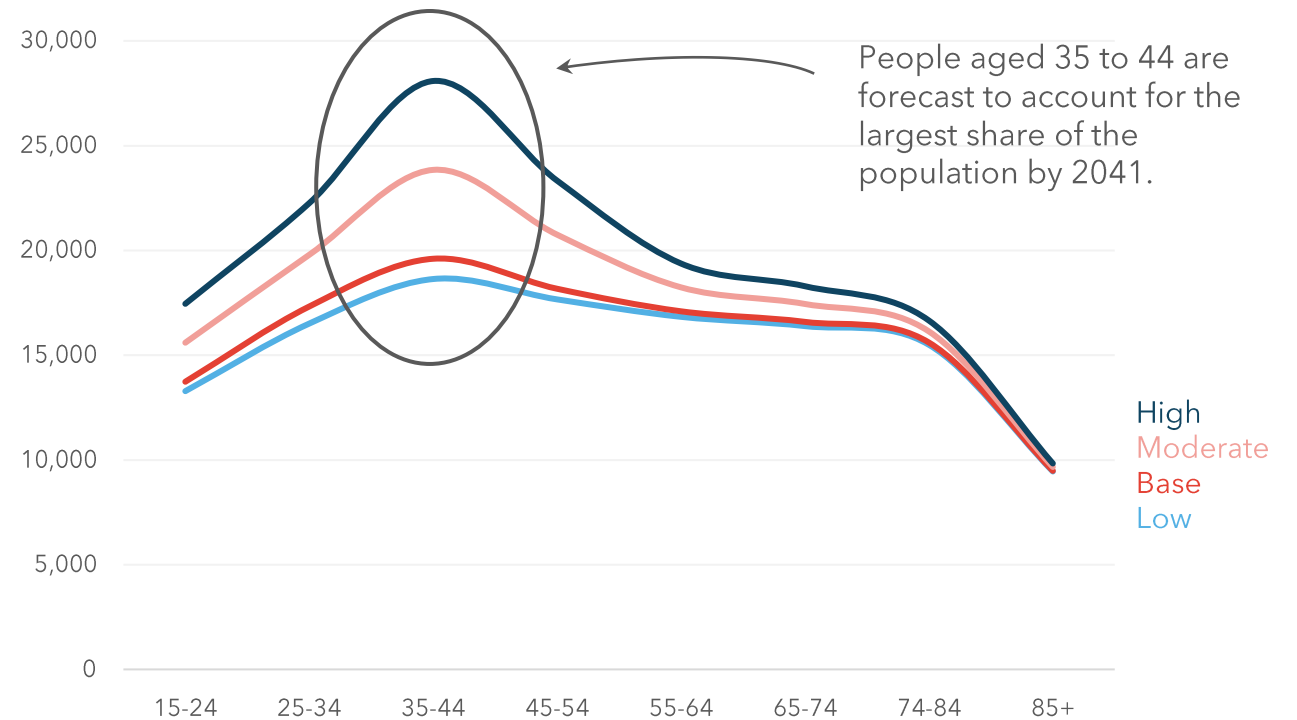
### People Between the Ages of 35 to 44 are Anticipated to Account for Most Population Growth Going Forward

As will be discussed later in this report, population growth by age group will have a significant impact on housing demand, including the type of housing, demanded in the future.

The population forecasts prepared by metroeconomics show that by 2041, the 35 to 44 age cohort are anticipated to be the dominant age group in the Region in all forecast scenarios.

As the 35 to 44 age cohort has historically had a higher propensity for ownership single-detached housing in the Region, significant growth in this age cohort will influence demand for this type of housing, assuming it can be provided at a price that is attainable for the average household.

Population by Age Group - Saint John Region, 2041



## HOUSING FORECAST

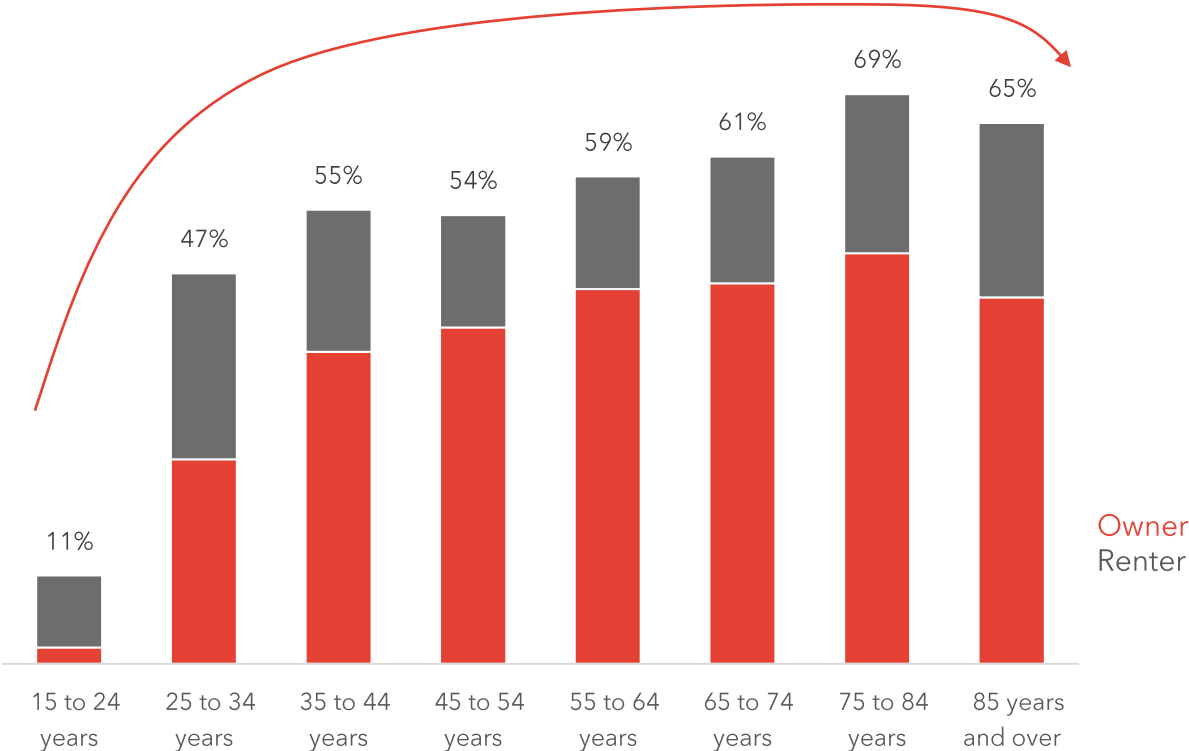
### Residents' Have a Higher Propensity for Ownership

In forecasting household growth, we have utilized the population forecasts prepared by metroeconomics. These forecasts extend to 2041 (a 17-year growth horizon). For the purposes of forecasting household growth, we have also highlighted the amount of housing that will be required over the next 10-years, to highlight the more immediate need for housing in the Saint John Region.

We have translated these population forecasts by age group into household growth by using a headship rate methodology. This methodology takes into consideration current and historical headship rates, or the share of persons within each age cohort that are considered to be the head of the household. These headship rates by age cohort are then applied to the population forecasts to determine growth in the number of households.

As shown, headship rates trend higher and peak in the age 75 to 84 cohort, before declining slightly in the 85 and over age cohort, as a growing share of households move into seniors housing.

Headship Rates by Age Cohort & Housing Tenure - Saint John Region

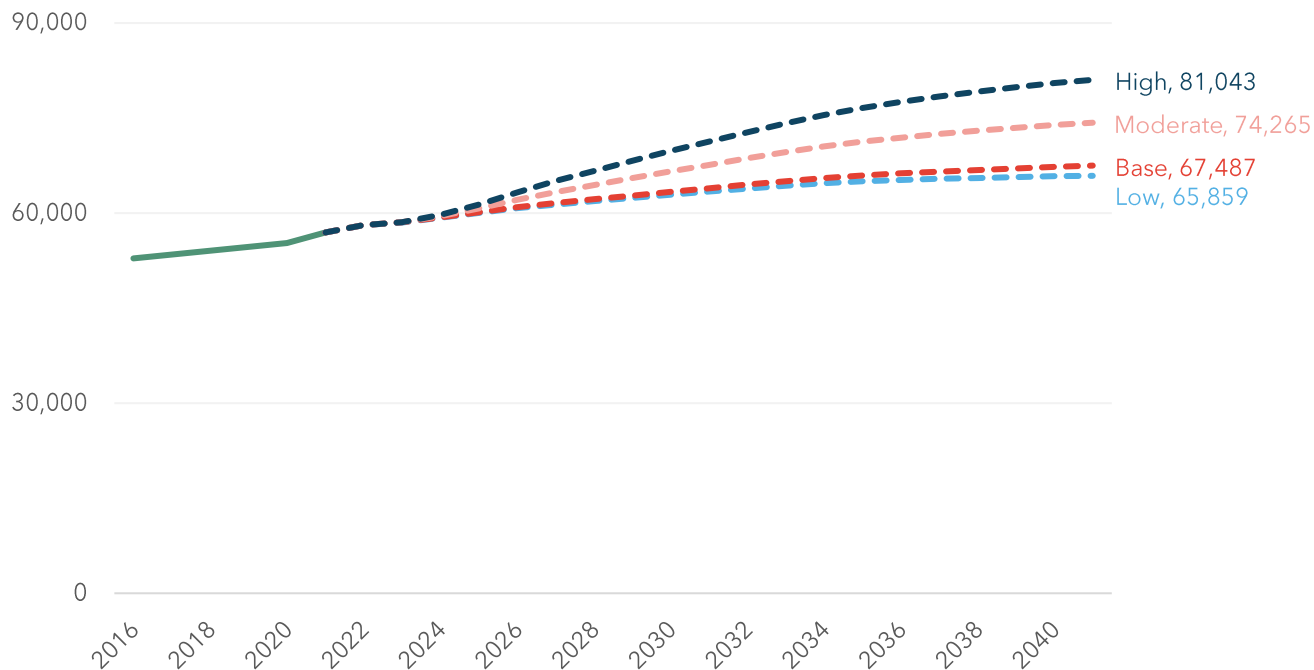


# ENVISION SAINT JOHN: RESIDENTIAL MARKET STUDY

## HOUSING FORECAST

### Population Growth is Anticipated to Generate Significant Demand for New Housing

Based on the forecast scenarios by Parcel, most household growth is anticipated to occur by 2031. Even in the Low Scenario, the required housing construction is anticipated to be nearly double that occurring over the past 10-years. There is clearly an urgent need to develop new housing to accommodate growth.



	HOUSEHOLD GROWTH 2021-2031	HOUSEHOLD GROWTH 2031-2041
<b>10-Year Avg. Starts</b>		
Total	<b>3,770 units</b>	
Average Annual	380 / year	
<b>Low</b>		
Total	<b>6,500 households</b>	<b>2,500 households</b>
Average Annual	650 / year	250 / year
<b>Base</b>		
Total	<b>7,000 households</b>	<b>3,600 households</b>
Average Annual	700 / year	360 / year
<b>Moderate</b>		
Total	<b>10,700 households</b>	<b>6,700 households</b>
Average Annual	1,070 / year	670 / year
<b>High</b>		
Total	<b>14,400 households</b>	<b>9,700 households</b>
Average Annual	1,440 / year	970 / year

Source: Growth Projections by Parcel based on Deloitte & metroeconomics to 2041.

# ENVISION SAINT JOHN: RESIDENTIAL MARKET STUDY

## HOUSING FORECAST

### There is Anticipated to be Demand for Both Ownership & Rental Units

Over the 2021 to 2041 period, nearly 70% of housing demand will be for ownership units, with rental units accounting for the remaining 30% of housing demand.

That said, recognizing that immigration to the Region (from elsewhere in Canada and outside Canada) will account for most of the growth—particularly in the High Scenario—anticipated demand for rental housing could be even higher than forecast.

Demand for rental housing is anticipated to occur in the early stages of the forecast period, as this is when immigration is forecast to be the greatest.

Household Growth by Tenure, 2021-2041





## HOUSING FORECAST

### Approach to Forecasting Household Growth by Dwelling Type

We have prepared two household growth forecasts by dwelling type (i.e., single-detached, semi-detached, row and apartment units).

This includes a Status Quo Forecast and an Alternative Forecast, as described below:

#### Status Quo Forecast

This forecast relies on historical housing type propensities for the Saint John Region from the Census of Canada.

Later in this section of the report, we discuss the implications of moving forward with the Status Quo and the potential impact on housing affordability.

#### Alternative Forecast

The Alternative Forecast is focused on what will be needed to help restore affordability in the Saint John Region. It assumes a housing type propensity that is more heavily weighted towards semi-detached and row units. It also considers how higher residential densities (units per acre) and smaller unit sizes will contribute towards improving affordability in the Region.

Recognizing challenges associated with forecasting, it is likely that actual housing growth by dwelling type will end up somewhere in the middle of the Status Quo and Alternative forecasts. However, the Saint John Region needs to plan for a diversity and mix of housing that is affordable to households moving to the Region either way.

## HOUSING FORECAST: STATUS QUO

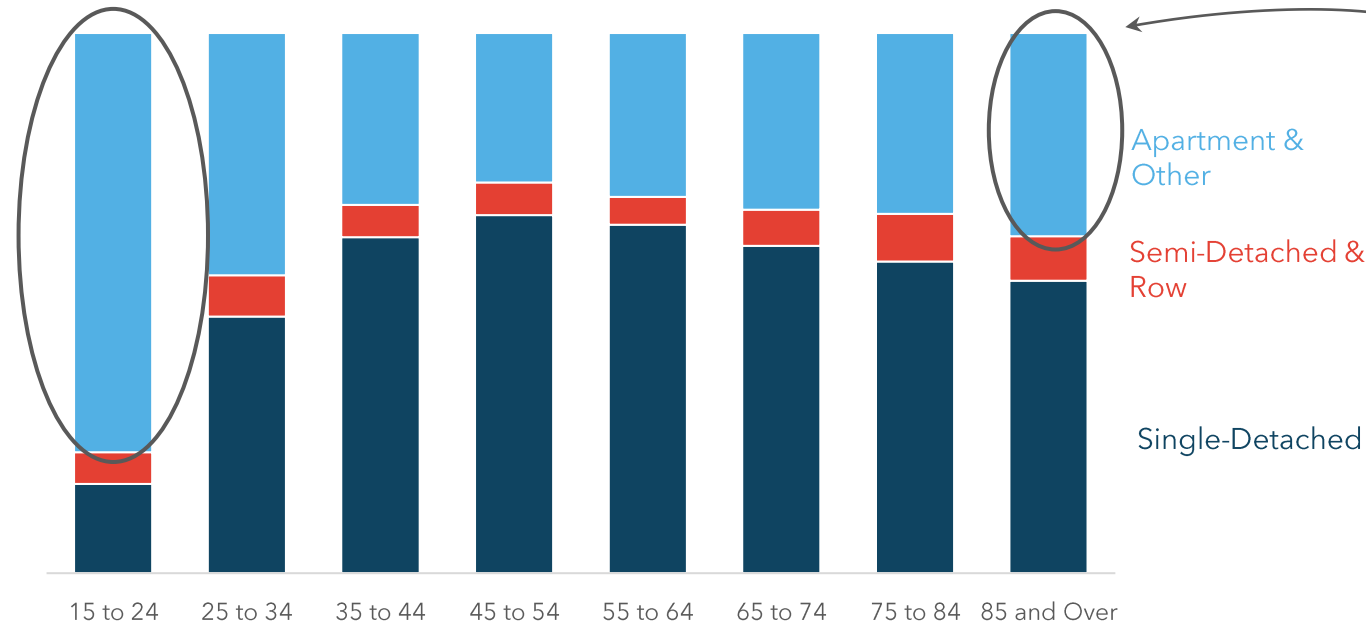
### Growth Trends Will Generate Demand for a Diversity & Range of Housing Types

In preparing the Status Quo Forecast, we have relied on historical housing type propensities by the age of the household head, or the likelihood of each age cohort to live in various types of housing. Historical propensities show that while low density housing is the preferred housing option across most age categories, there is some differentiation among older and younger cohorts.

For the Status Quo Forecast, we have held these housing type propensities by age group constant throughout the forecast period to determine demand for housing by unit type.

**Housing Type Propensities by Age Cohort - Saint John (CMA)**

Young people show a preference for higher density housing types, likely due to costs and lifestyle needs.



Similarly, headship rates for low-density housing seems to peak around the 55 to 64 age category, before beginning to decline. There is a corresponding uptick in headship rates for apartment units, and to a lesser extent semi-detached and row units.

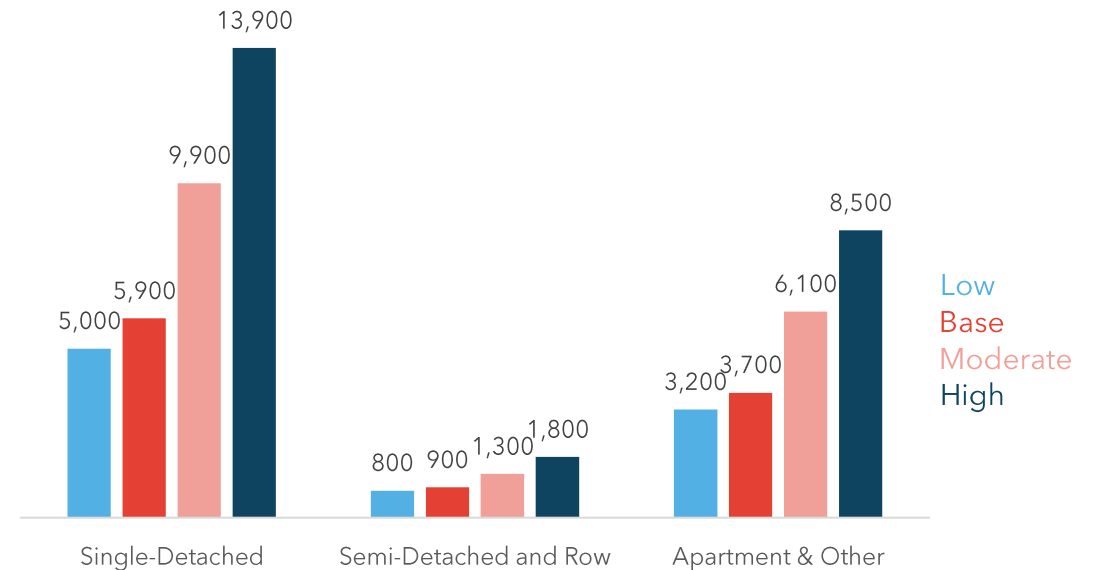
## HOUSING FORECAST: STATUS QUO

### Demand is Anticipated to Be Driven by Single-Detached and Apartment Units in the Status Quo Forecast.

Based on the Status Quo Forecast, single-detached units are anticipated to account for the majority of housing growth going forward. This is followed by apartment units and row units.

As discussed in the Economics of Development Section of this report, a heavy reliance on single-detached units to satisfy housing demand could have negative implications on housing affordability. The average carrying cost of a new single-detached unit in the Region already absorbs 43% of the household income for the average household.

Household Growth, 2021-2041



## HOUSING FORECAST: STATUS QUO

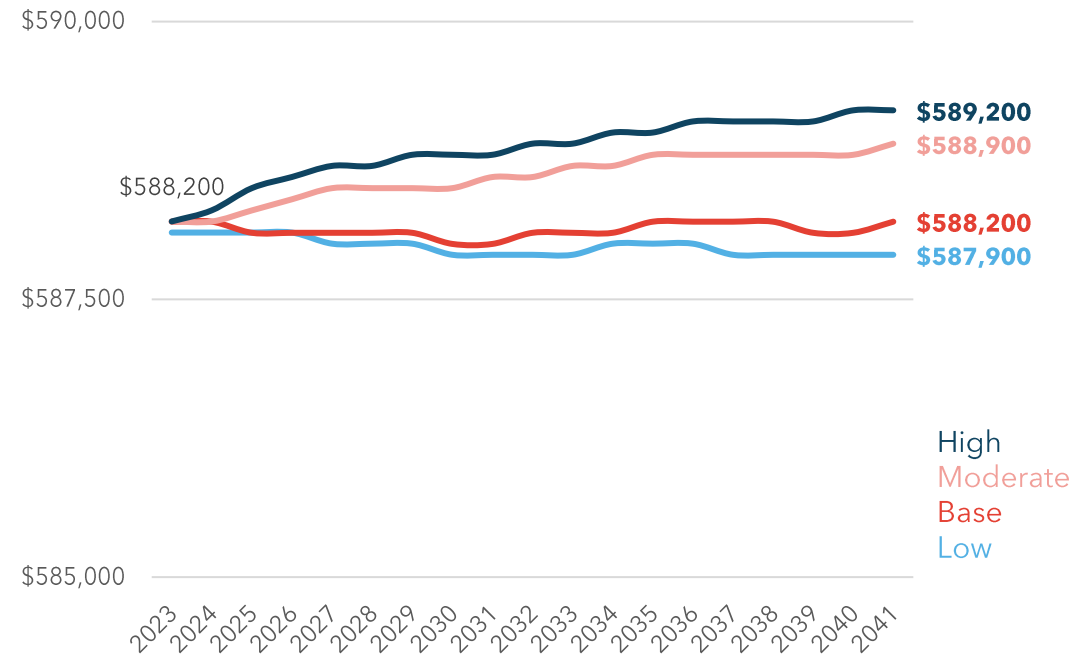
### A Heavy Reliance on Single-Detached Units in the High & Moderate Scenarios Will Impact Affordability

To put this forecast into perspective, based on the average household income in the Saint John Region, some \$104,000, and assuming 30% of income is directed to housing costs, the maximum affordable house price in the Region is \$349,400.

As shown in the chart to the right, using the average sales price of new housing unit completed in 2023, the average house price in Saint John is forecast to range between \$587,900 to \$589,200 (in 2024 dollars). Therefore, a household earning an average household income will not be able to afford ground-related housing in the Region.

For this analysis, we have stripped out house price growth and wage growth to provide an apples-to-apples comparison of the future scenario. However, if house price growth continues to outpace income growth, affordability in the Region will become worse than shown in the chart on the right.

**Weighted Average New Ground-Related House Price, 2023-2041**



Note: For the purpose of this analysis, we have assumed an average single-detached unit size of 1,500 square feet and house price of \$595,000. For semi-detached and row units, we have assumed an average unit size of 1,500 square feet and unit price of \$544,000.

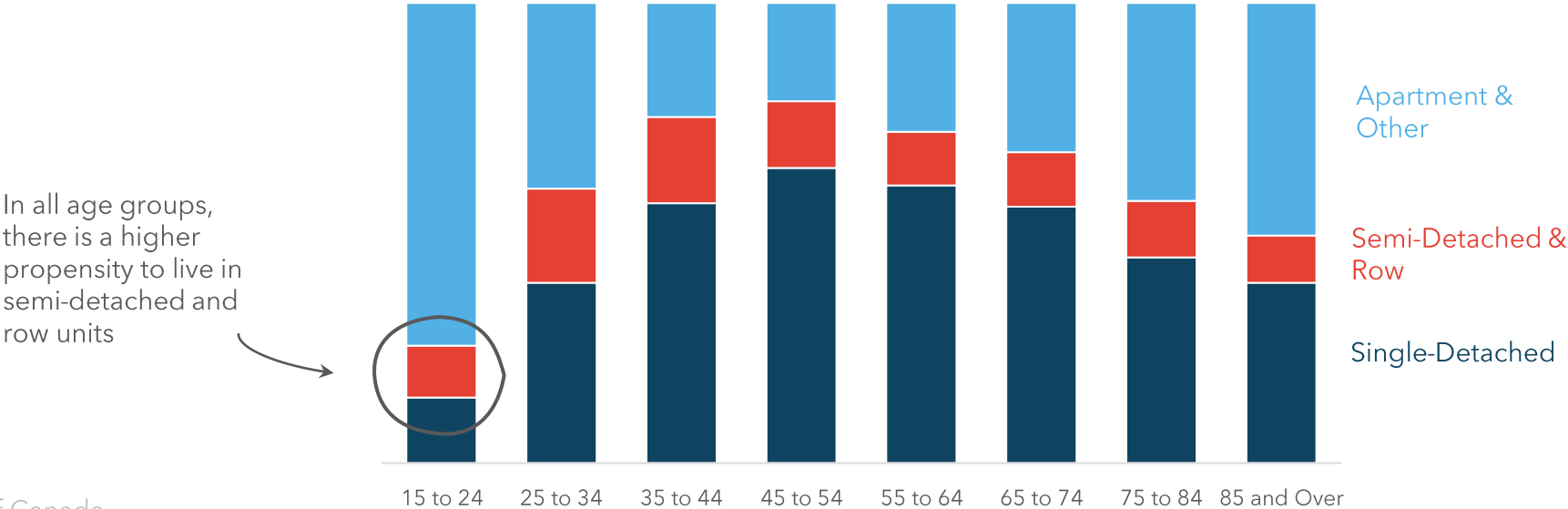
## HOUSING FORECAST: ALTERNATIVE FORECAST

### For All Age Groups, Housing Propensities are Shifted Away from Single-Detached Towards Row Units

Recognizing that the average price for a new ground-related house in the Region will not be affordable to the average household, we have prepared an Alternative Forecast that places a greater emphasis on semi-detached and row units. This forecast also considers the impact of increasing densities (units per acre) and reducing unit sizes on housing affordability.

In preparing the Alternative Forecast, we have relied on housing type propensities by the age of the household head that shift a greater share of household growth to semi-detached and row units and away from single-detached units. The purpose of this analysis is to demonstrate the impact that alternative propensities could have on housing demand forecasts.

Housing Type Propensities by Age Cohort - Alternative Forecast



Source: Census of Canada.

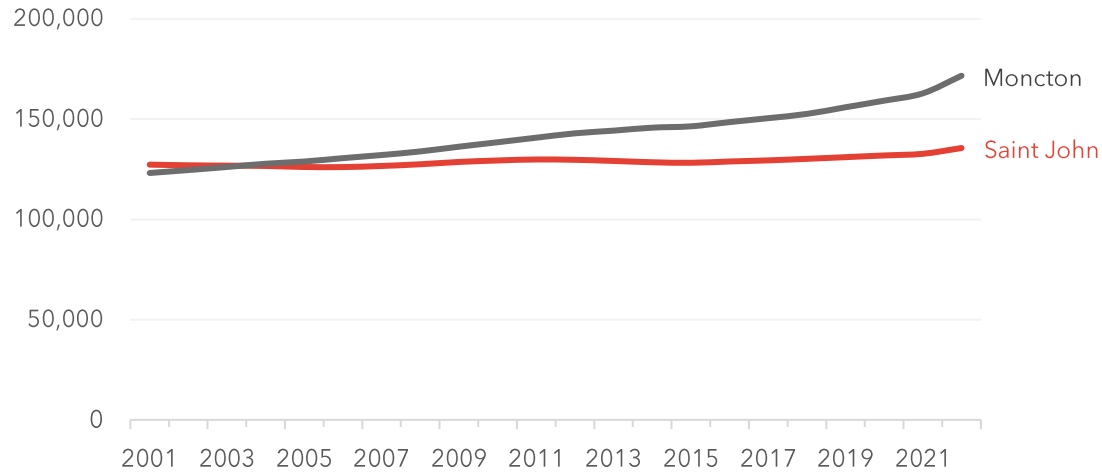
# ENVISION SAINT JOHN: RESIDENTIAL MARKET STUDY

## HOUSING FORECAST: ALTERNATIVE FORECAST

### The Alternative Housing Demand Forecast

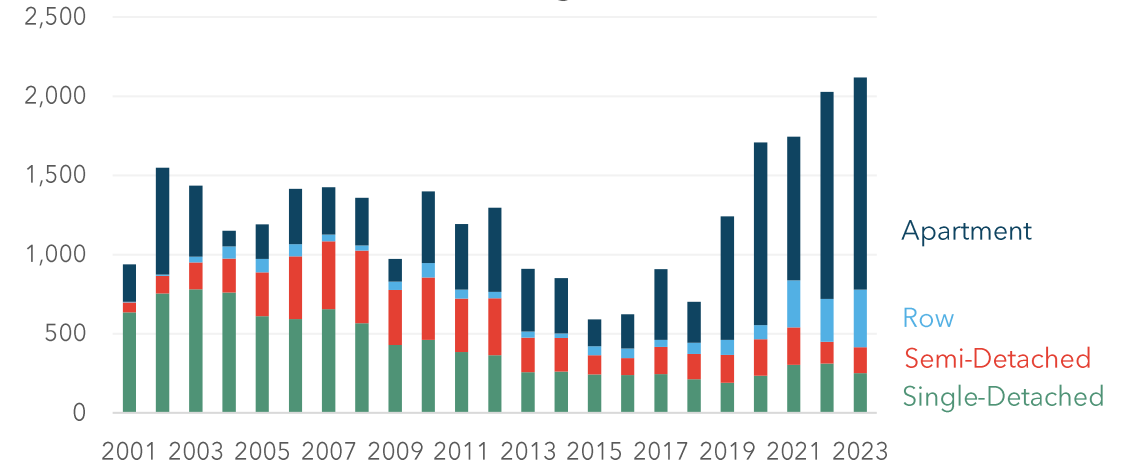
In preparing this forecast, we have considered housing type propensities in Moncton, as the Moncton Region has experienced stronger residential construction activity in recent years, particularly across semi-detached, row and apartment units. This has provided Moncton with a greater range and supply of housing, potentially contributing to higher population growth in recent years.

Population

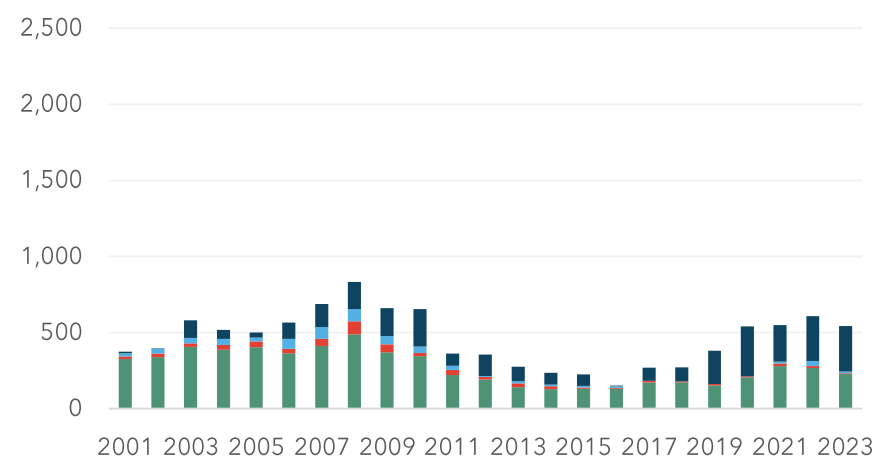


Source: Statistics Canada and CMHC.

Moncton Housing Starts



Saint John Housing Starts



# ENVISION SAINT JOHN: RESIDENTIAL MARKET STUDY

## HOUSING FORECAST: ALTERNATIVE FORECAST

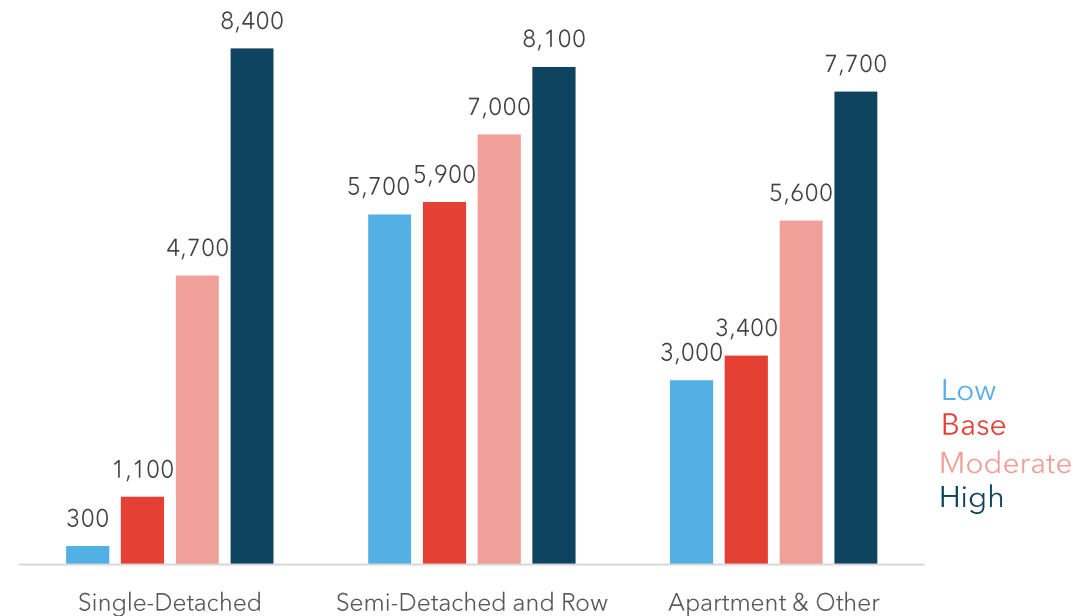
### The Alternative Forecast Results in a Shift to Semi-Detached and Row Units

Based on the Alternative Forecast, single-detached units are anticipated to account for a modest share of future demand under the Low and Base population forecasts. Under the Moderate and High population forecasts, single-detached units are anticipated to account for some 30% of new housing. This is significantly below past trends, where single-detached units have accounted for nearly 60% of housing construction in the Region.

Therefore, under all scenarios in the Alternative Forecast, there is anticipated to be a shift in demand away from single-detached units and towards semi-detached, row and apartment units.

Furthermore, semi-detached and row units are anticipated to account for most of future housing construction under the low and base population forecasts. They are also expected to account for some 35% of housing construction under the moderate and high forecasts. The difference in demand forecasts by dwelling type between the four population growth scenarios is due to the age profile of the population in each scenario.

Household Growth, 2021-2041



# ENVISION SAINT JOHN: RESIDENTIAL MARKET STUDY

## HOUSING FORECAST: ALTERNATIVE FORECAST

### Impact of Increasing Densities and Reducing Unit Sizes

The table on the right outlines how increases in density, measured in units per acre, and smaller unit sizes impact end unit prices. For the Status Quo scenario for single-detached units, we have assumed units would not be on municipal services, which result in lower densities and lower infrastructure costs.

Under the Alternative Scenario, as shown, assuming serviced lands for single-detached units, reducing lot frontage to 5.6 metres per unit and reducing unit sizes to 1,200 square feet results in an end-unit price of \$462,600 per unit. While this is higher than the affordable house price (\$349,400), it is still \$112,900 less than under the Status Quo Scenario.

For townhouse units, we have assumed a density of 26 units per acre and reduced unit sizes from 1,500 square feet to 1,200 square feet. As shown, this results in an end unit price of \$431,800 per unit, which is about \$118,000 per unit less than the Status Quo Scenario.

These Alternative end unit prices are utilized in forecasting future house prices in the Region.

	Single-Detached		Semi-Detached / Townhouse	
	Status Quo	Alternative	Status Quo	Alternative
<b>Land</b>				
Units Per Acre	7	18	18	26
Land Price Per Unit	\$29,000	\$22,000	\$22,000	\$15,000
<b>Infrastructure Costs</b>				
Cost Per Linear Metre (Saint John)	\$2,900	\$6,500	\$6,500	\$6,500
Frontage (metres)	14.3	5.6	5.6	3.8
Infrastructure Costs Per Unit	\$41,000	\$36,000	\$36,000	\$25,000
<b>House Construction Costs</b>				
Cost Per sq.ft. (unfinished basement)	\$210	\$210	\$205	\$205
Unit Size (sq.ft.)	1,500	1,200	1,500	1,200
Hard Construction Costs	\$315,000	\$252,000	\$307,500	\$246,000
Soft Construction Costs	\$94,500	\$75,600	\$92,250	\$73,800
<b>Total Land and Construction Costs Per Unit</b>	\$479,500	\$385,600	\$457,750	\$359,800
<b>Developer Profit</b>	\$96,000	\$77,000	\$92,000	\$72,000
<b>Total Home Price</b>	<b>\$575,500</b>	<b>\$462,600</b>	<b>\$549,750</b>	<b>\$431,800</b>
Price per Sq.ft.	\$384	\$386	\$367	\$360



# ENVISION SAINT JOHN: RESIDENTIAL MARKET STUDY

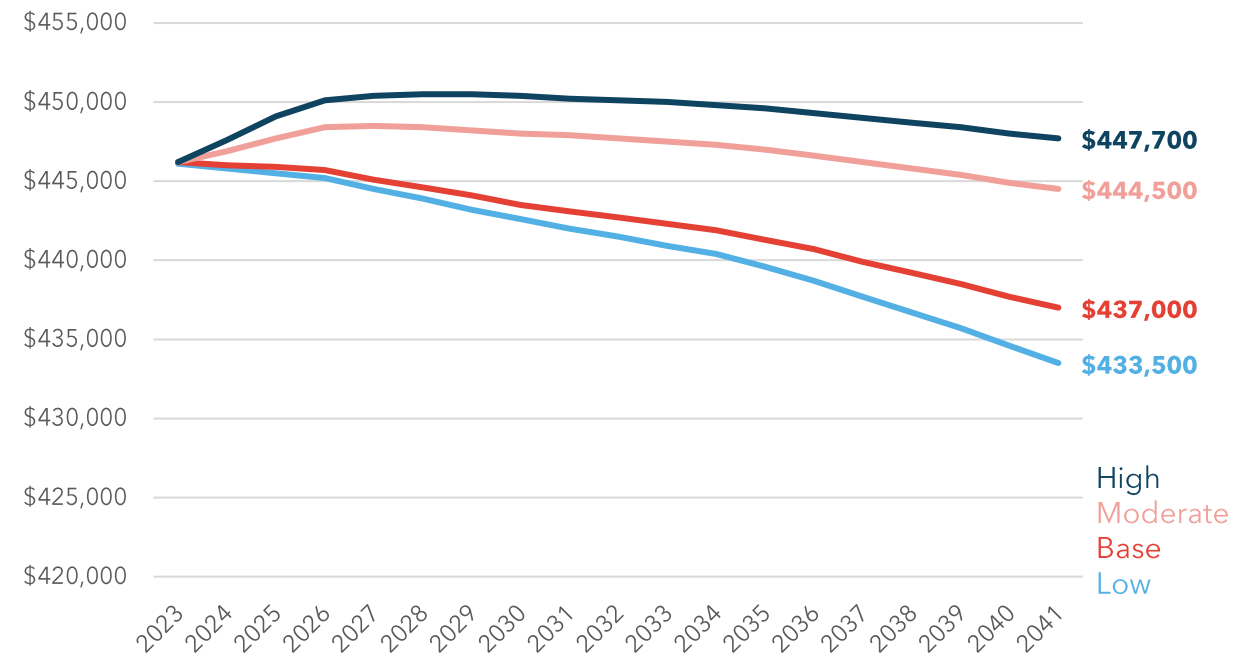
## HOUSING FORECAST: ALTERNATIVE FORECAST

### The Shift to Semi-Detached and Row Units will Bring Down House Prices Relative to the Status Quo Scenario

Based on these assumptions, the end unit price in the Alternative Scenario declines to between \$433,500 and \$447,700 per unit. This is a reduction of \$140,000 to \$155,000 per unit in comparison to the Status Quo and shows the impact that shifts in demand, as well as higher densities can have on improving affordability in the Region.

While these end unit prices are higher than the affordable house price of \$349,400, they still increase the pool of potential purchasers in the Region.

Weighted Average New Ground-Related House Price, 2023-2041



## HOUSING FORECAST, KEY FINDINGS

1

### **Demand for Housing is Anticipated to be Strongest in the Near-term**

Utilizing the population forecasts prepared by Metro Economics, demand for housing in the Region is anticipated to be strongest during the 2021 to 2031 period. Even under the Low Scenario, housing construction will need to be nearly twice as high as past trends to accommodate growth.

2

### **Housing Preferences of the 35 to 44 Age Cohort Will Influence Demand**

Based on population forecasts, the housing preferences of the 35 to 44 age cohort will play a large role in the dwelling types and tenures demanded across the Region.

3

### **Affordability Will Continue to Deteriorate Under the Status Quo**

The Status Quo forecast assumes that single-detached units will be the primary form of housing in the Region over the forecast period. This will result in the further deterioration of affordability, as the current price of a new single-detached unit is out of reach for the average household.

4

### **A Shift to Semi-Detached and Row Units Will Help Affordability**

Under the Alternative forecast, shifting a greater share of demand to semi-detached and row units and increasing densities will help improve affordability in the Region.



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# MARKET SOUNDINGS

SAINT JOHN (CMA)

# ENVISION SAINT JOHN: RESIDENTIAL MARKET STUDY

## MARKET SOUNDING INTERVIEWS

### Overview

As part of this Residential Market Study, we have conducted Market Sounding interviews. These interviews were conducted over a three-month period and included engagement with lenders, consultants, modular home manufacturers as well as builder/developers that are actively engaged in providing new housing in the Saint John Region.

The purpose of these market soundings was to “ground” the preliminary findings from our demographic and housing market profile, based on the opinions and experiences of those working in the area.

We have organized the findings of these market soundings under three key themes, being:

- 1 Trends in Demand for Housing**
- 2 Challenges Facing the Development Industry**
- 3 How Envision Saint John and its Municipal Partners Can Help**

## MARKET SOUNDING INTERVIEWS

### THEME 1: Trends in Demand for Housing

1

#### There is Demand For All Housing Types

Price is guiding demand more than housing type. Demand for housing is so high that any new house in Saint John will be purchased. Purchasers are more willing to consider denser forms of housing than in the past.

2

#### Increasing Need for Apartments

Currently, seniors have limited opportunities to downsize. The absence of higher-density housing means that seniors continue to occupy low-density housing products, limiting the opportunity to “recycle” the existing housing stock.

3

#### Housing with Secondary Suites

Opportunity to respond to demand for housing that accommodates multi-generational and renter households. At the same time, this will help some residents offset the rising costs of ownership. Secondary suites are currently not permitted in some “zones” across the Region.

4

#### Rental Apartments

In-line with rising home prices, there is heightened demand for rental housing. Significant recent immigration is fueling the need for rental housing.

## MARKET SOUNDING INTERVIEWS

### THEME 2: Challenges Facing the Development Industry

1

#### Macroeconomic Challenges

Project financing is challenged due to rising construction costs & high interest rates. Also, CMHC funding is focused on apartment development, making single-family development more challenging at current interest rates.

2

#### Insufficient Returns to Warrant Investment

Investment returns for single-family housing are not sufficient to warrant development. Builders are re-focusing their efforts elsewhere, which is impacting the supply of new housing.

3

#### Lack of Skilled Trades People

Limited skilled trades in Saint John have increased wages and limited developers' capacity to deliver housing. While materials costs have stabilized, labour costs continue to rise.

4

#### Uncertainty Around PAC Timelines

There is increasing uncertainty around development approval timelines associated with requirements of the Community Planning Act. Delays at the Planning Advisory Committee increase project timelines, generate project uncertainty and increase costs.

## MARKET SOUNDING INTERVIEWS

### THEME 3: How Envision Saint John and its Municipal Partners Can Help

1

#### Pre-Approval & Pre-Zoning of Lands

This could potentially help speed up the development process and reduce costs, while also promoting available land opportunities.

2

#### Advocacy: Removal of HST on Rental Housing

The removal of the provincial portion of HST on new rental housing would help project feasibility and increase the supply of new rental apartments.

3

#### Advocacy: Assessed Value

The ...

4

#### Advocacy: Support for Modular & Prefabrication Housing (Timing Issue)

CMHC currently requires materials to be “on-site” before releasing funds. This creates complications for modular and prefabricated housing, as manufacturers require payment in full before units leave the manufacturing facility.

5

#### Coordinated Infrastructure Investment

Infrastructure costs (water, sewer, roads) can be up to \$60,000 per door for single-detached housing and \$18,000 to \$20,000 per door for apartment units. Coordinated infrastructure investment between the public and private sector could help reduce these costs.



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# CONCLUSIONS

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SAINT JOHN (CMA)



## CONCLUSIONS

Unprecedented levels of population growth in the Saint John Region—driven by immigration—has created new challenges for the area, including heightened demand for housing and pressure on the existing housing stock. Simultaneously a range of external factors have decreased the affordability of housing, ultimately diminishing the ability for traditional low-density housing development to meet the needs of current and future residents.

In light of these trends, this study has examined existing and potential future housing trends to help Envision Saint John and its municipal partners better understand what demand for housing in the area may look like over the next 20-years. Establishing a collective understanding will be key in helping the Region navigate change going forward and in garnering support from other parties, including; developers, builders, municipal officials and households.

Diversifying the housing stock in the Saint John Region will be key to overcoming existing challenges and in ensuring that housing continues to meet the needs of those living or moving to the Saint John Region.

Diversification involves the introduction of varying housing types and tenures that more directly respond to the needs of an aging population, an influx of young migrants, the declining affordability of local housing (particularly low-density formats), and the broader socio-economic needs of different households. It will also ensure that there is enough new housing supply to support and sustain ongoing and anticipated population growth.

Enabling and encouraging medium and higher density development is also key as the development industry continues to grapple with rising construction costs and interest rates (i.e., project financing), diminishing project returns and a lack of skilled trades people. As these factors increase costs—and ultimately the housing prices need to justify development prices to developers—promoting and accommodating higher-densities is one of few ways to sustain new housing supply while providing more affordable housing options.



# APPENDIX

PROFILES BY MUNICIPALITY




# CITY OF SAINT JOHN

RESIDENTIAL MARKET STUDY

# ENVISION SAINT JOHN: RESIDENTIAL MARKET STUDY

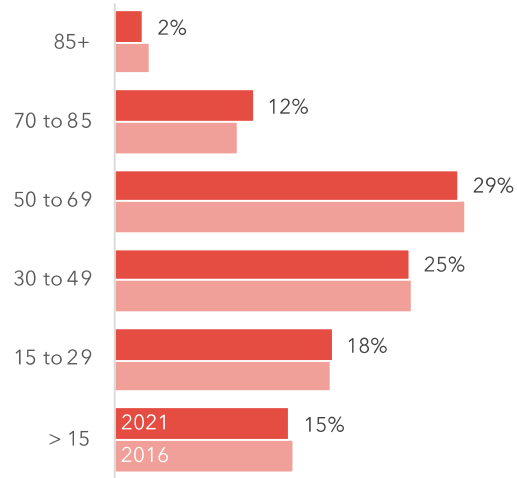
## CITY OF SAINT JOHN, MARKET PROFILE

 **71,850**  
Total Population


 **54%**  
Of Saint John (CMA) Population


 **\$77,400**  
Average Household Income

 **11%**  
Unemployment Rate



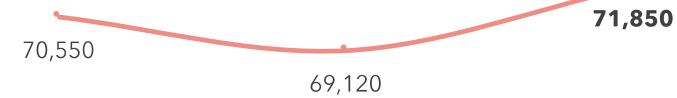
 **\$174,000**  
Average Value of Dwellings

 **54%**  
Own Their House

 **19%**  
Spend >30% on Shelter

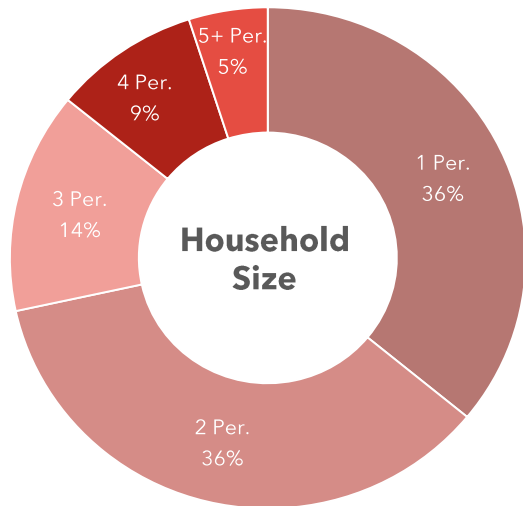
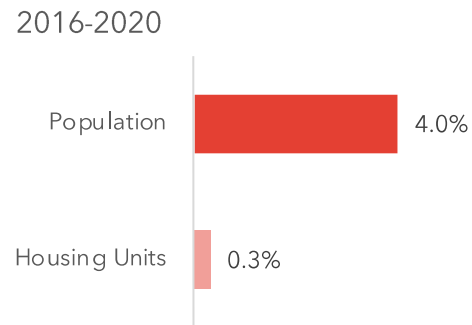
**Up 4%**  
from 2016  
**\$1,000**  
Median Monthly Shelter Costs  
for Owned Dwellings

### Population Change (2011-2021)



Saint John's population has **grown 4%** since 2016

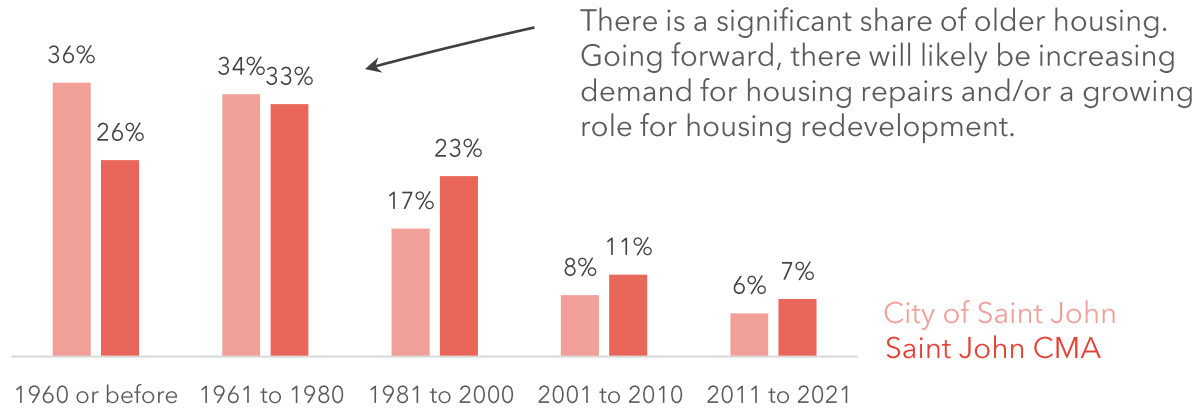
### Housing Growth vs. Population Growth 2016-2020



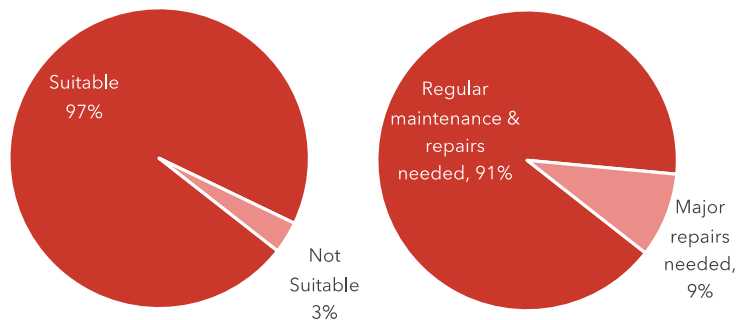
## CITY OF SAINT JOHN, HOUSING TRENDS

### Age of Local Housing Stock

Is generally older than the Saint John CMA

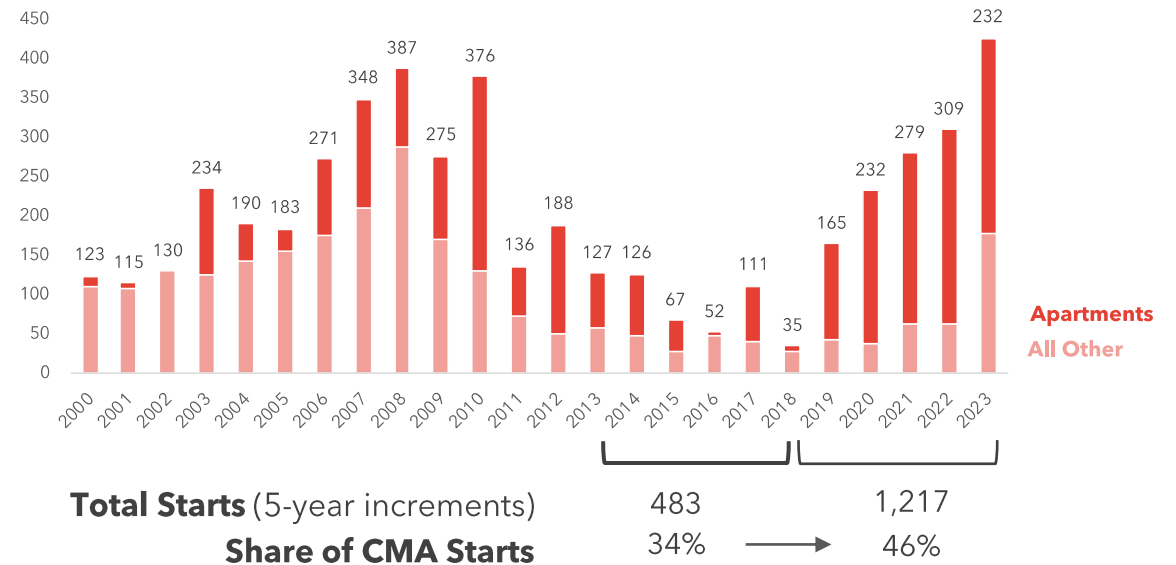


### Housing Quality (2021)



### Total Housing Starts (2000-2023)

Has increasingly favored apartment construction, thereby increasing the total supply of new housing in the City of Saint John.



Total housing starts in the City of Saint John has doubled in the last 5-years, accounting for 87% of housing starts across the CMA.

Housing construction in the City of Saint John is dominating new housing development across the CMA, owing largely to recent increases in the volume of apartment units.

# ENVISION SAINT JOHN: RESIDENTIAL MARKET STUDY

## CITY OF SAINT JOHN, HOUSING TRENDS

### There is Continued Demand for Smaller Units in the City of Saint John

Some 45% of households in the City of Saint John can be characterized as being “overhoused”, meaning there are more bedrooms in the dwelling unit than people. This represents a total of approximately 14,200 households.

Relative to the Region, a greater share of households are “adequately housed”, likely due to the heightened presence of apartments. That said, there is still a mismatch between household and dwelling size, validating the continued need for smaller units. This need will only intensify as the population of the City grows.

Adequately housed

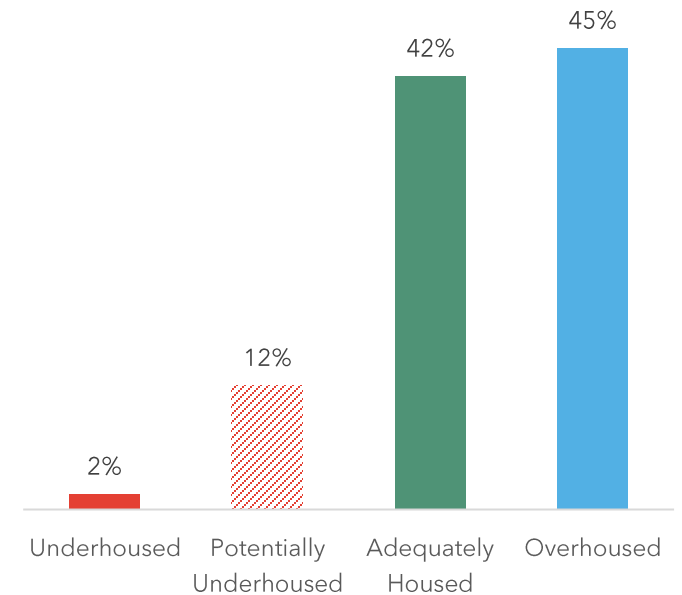
### City of Saint John

		Household Size			
		1 person	2 persons	3 persons	4+ persons
Dwelling Size	1 bedroom	4,265	795	30	50
	2 bedrooms	4,040	4,570	1,045	400
	3 bedrooms	2,350	4,385	2,405	1,980
	4+ bedrooms	760	1,595	1,060	2,095

Underhoused

Potentially underhoused

Overhoused





**SAINT MARTINS, ST.  
MARTINS & SIMONDS**

RESIDENTIAL MARKET STUDY

# ENVISION SAINT JOHN: RESIDENTIAL MARKET STUDY

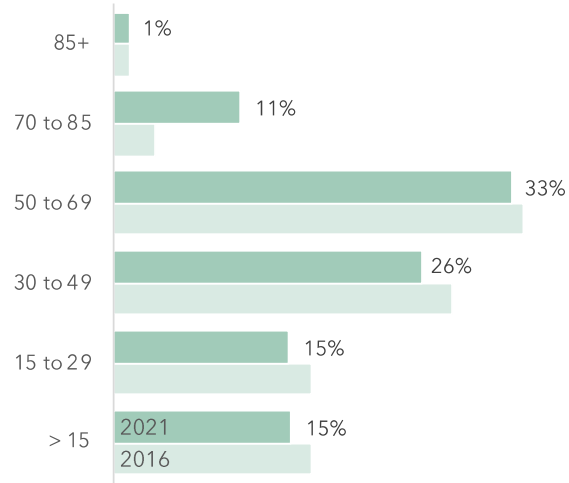
## SAINT MARTINS, ST MARTINS & SIMONDS, MARKET PROFILE

**5,340**  
Total Population

**4%**  
Of Saint John (CMA) Population

**\$86,000**  
Average Household Income

**11%**  
Unemployment Rate



**\$192,000**  
Average Value of Dwellings

**92%**  
Own Their House

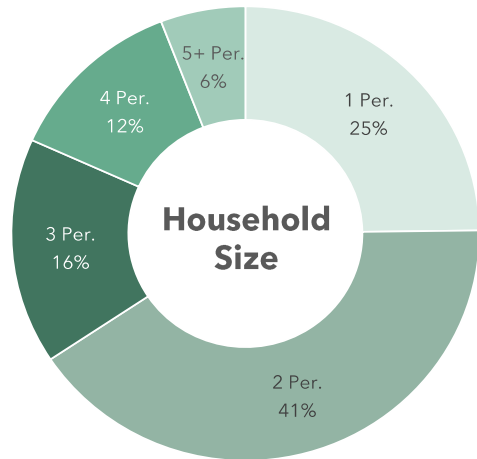
**7%**  
Spend >30% on Shelter

**Down 3% from 2016**  
**\$692**  
Median Monthly Shelter Costs for Owned Dwellings

### Population Change (2011-2021)

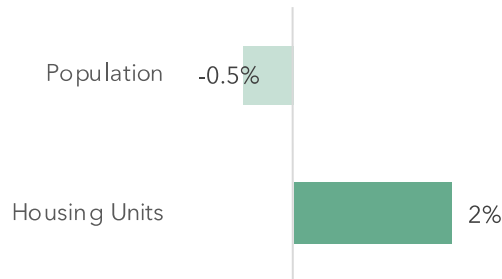


The population has **declined 0.5%** since 2016



### Housing Growth vs. Population Growth

2016-2020



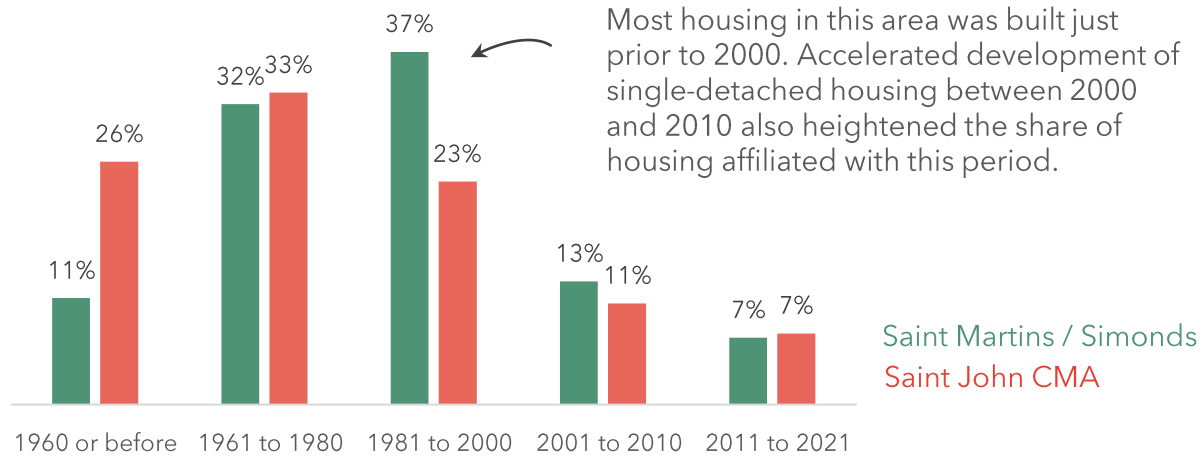


# ENVISION SAINT JOHN: RESIDENTIAL MARKET STUDY

## SAINT MARTINS, ST MARTINS & SIMONDS, HOUSING TRENDS

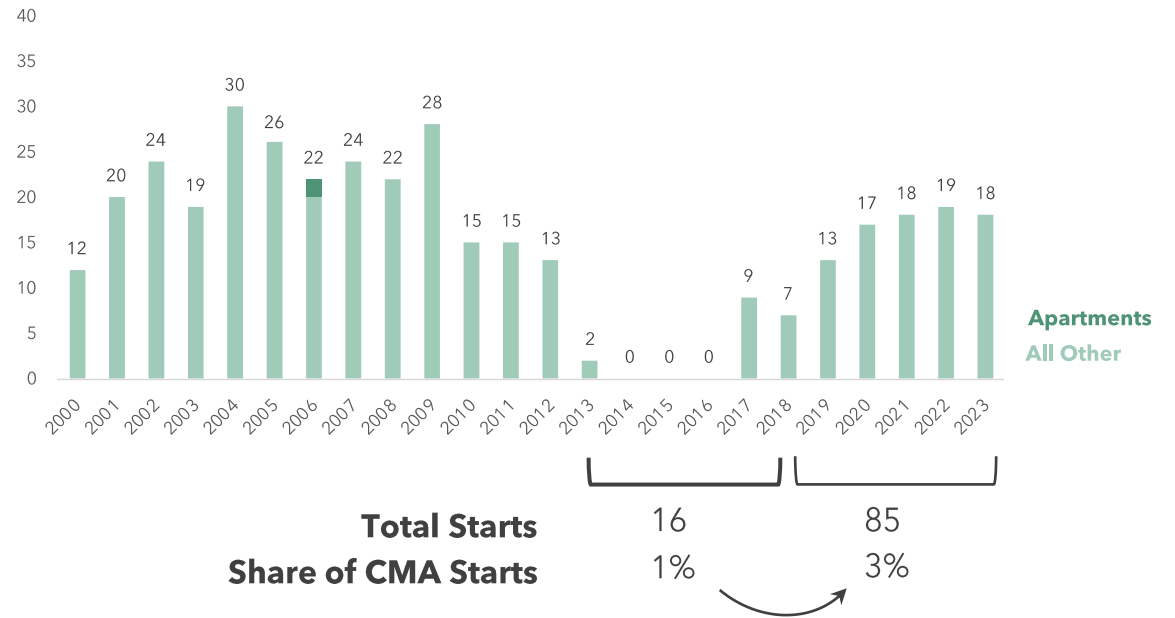
### Age of Local Housing Stock

Includes a mix of older and newer housing stock

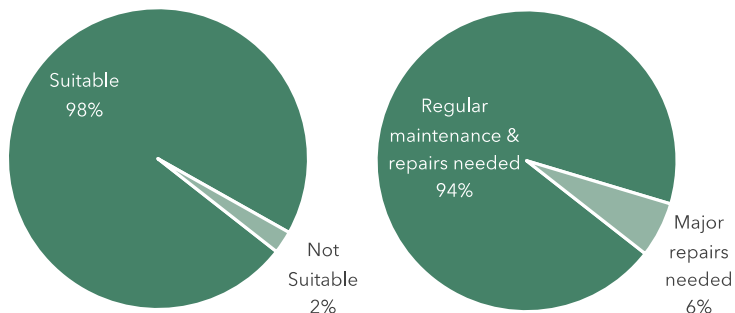


### Total Housing Starts (2000-2023)

Has started to increase recently, after years of very limited development



### Housing Quality (2021)



Recent increases in housing starts across this area, has increased the proportion of housing accommodated in these areas. That said, as a peripheral location, housing starts still lag other municipalities in the area overall.

Ownership of large-lot single-detached housing continues to dominate housing development. With no apartment development in the last ten-years.

# ENVISION SAINT JOHN: RESIDENTIAL MARKET STUDY

## SAINT MARTINS, ST MARTINS & SIMONDS, HOUSING TRENDS

### Demand for Smaller Units will Increase with Continued Population Growth and Escalating House Prices

Some 53% of households in the the area can be characterized as being "overhoused", meaning there are more bedrooms in the dwelling unit than people. This represents a total of approximately 1,200 households.

Like the Region, this mismatch between household size and dwelling size highlights demand for smaller units, including one and two-bedroom units. This need will only intensify as the population of the City continues to grow and housing prices increase.

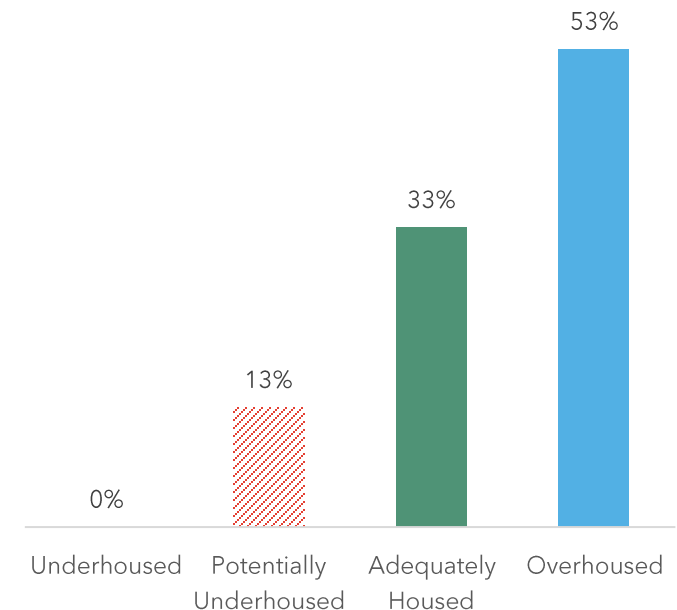
Adequately housed **Saint Martins, St. Martins & Simonds**

Dwelling Size	Household Size			
	1 person	2 persons	3 persons	4+ persons
1 bedroom	80	20	0	0
2 bedrooms	150	280	50	0
3 bedrooms	255	475	220	225
4+ bedrooms	60	140	100	160

Overhoused

Underhoused

Potentially underhoused






# TOWN OF HAMPTON

RESIDENTIAL MARKET STUDY

# ENVISION SAINT JOHN: RESIDENTIAL MARKET STUDY

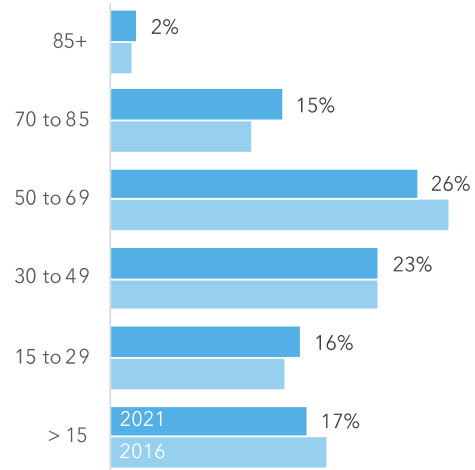
## TOWN OF HAMPTON, MARKET PROFILE


 **4,410**  
Total Population


 **3%**  
Of Saint John (CMA) Population


 **\$104,000**  
Average Household Income

 **10%**  
Unemployment Rate



 **\$260,400**  
Average Value of Dwellings

 **83%**  
Own Their House

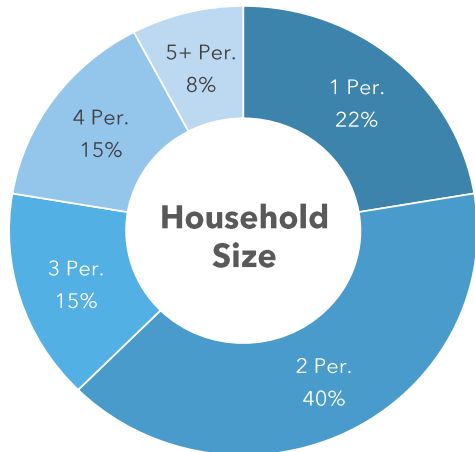
 **10%**  
Spend >30% on Shelter

**Up 1%**  
from 2016  
**\$980**  
Median Monthly Shelter Costs  
for Owned Dwellings

### Population Change (2011-2021)

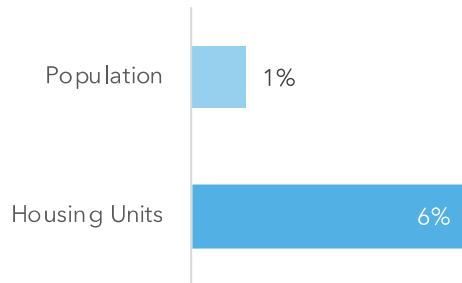


Hampton's population has **grown 1%** since 2016



### Housing Growth vs. Population Growth

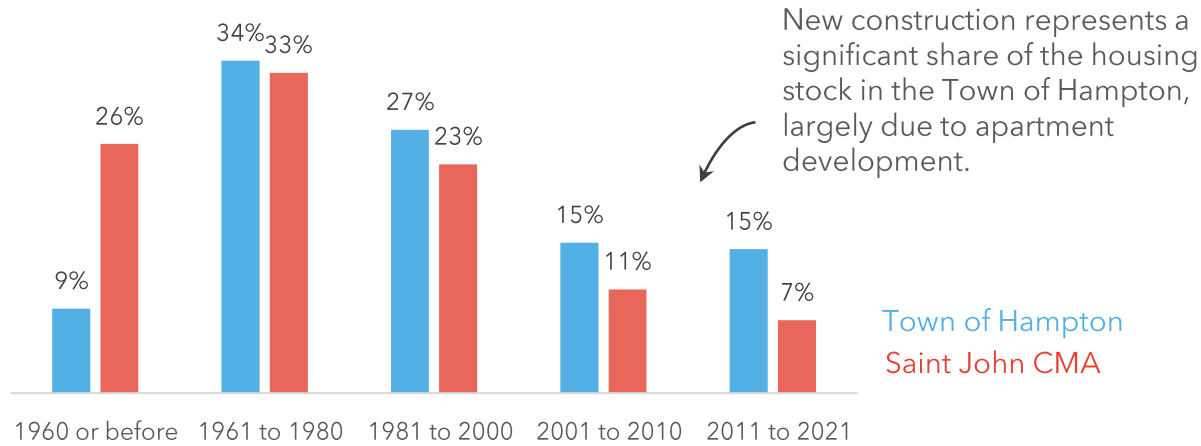
2016-2020



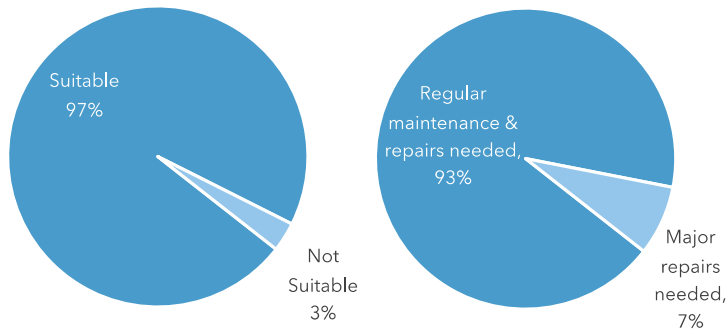
# ENVISION SAINT JOHN: RESIDENTIAL MARKET STUDY

## TOWN OF HAMPTON, HOUSING TRENDS

### Age of Local Housing Stock

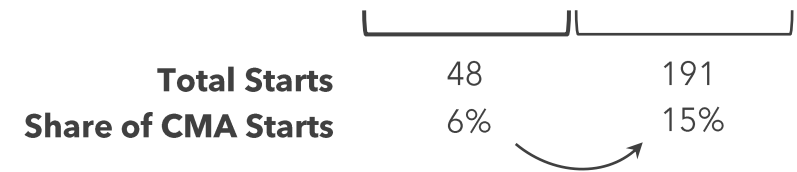
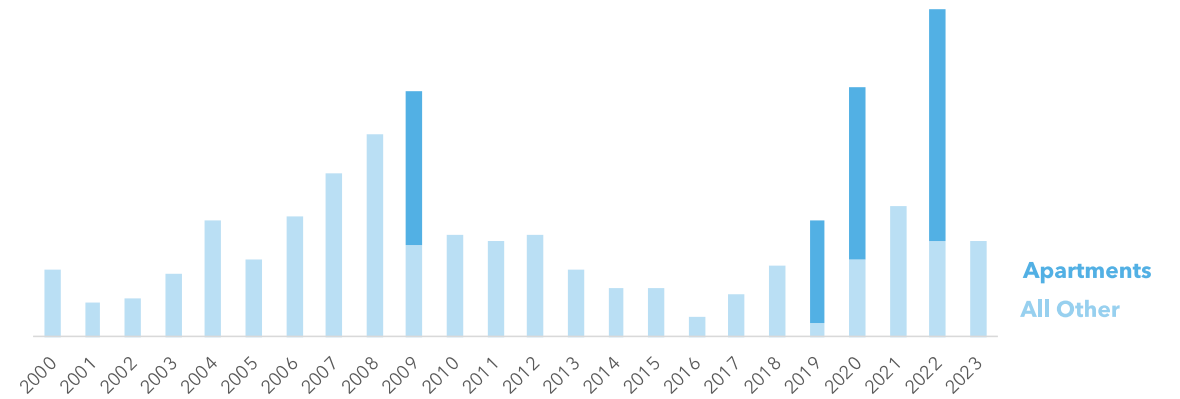


### Housing Quality (2021)



### Total Housing Starts (2000-2021)

Has been steady since 2010, with significant increases most recently



An **increase in amount** of housing starts, while also accounting for an **increased share** of overall housing starts across the CMA.

While the Town has maintained a relatively even share of ground-oriented development in recent years, increases in total supply has been influenced by the development of apartment units.

This has helped diversify the local housing stock and provide more affordable housing options in the Town.

# ENVISION SAINT JOHN: RESIDENTIAL MARKET STUDY

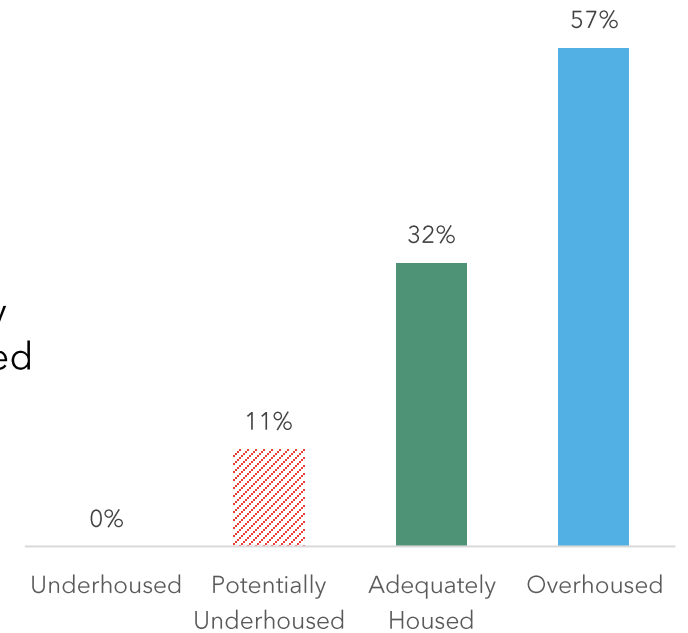
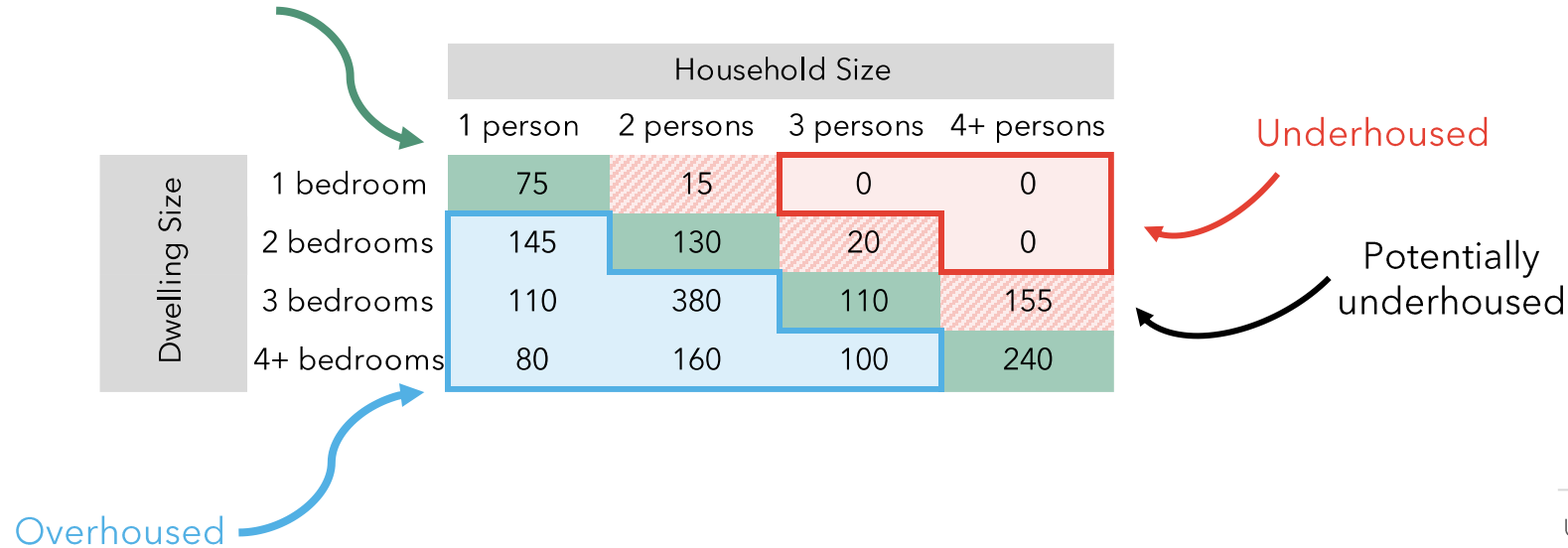
## TOWN OF HAMPTON, HOUSING TRENDS

### The “Overhoused” Population in the Town of Hampton Exceeds the Region

Consistent with the large number of one and two person households and most households living in single-detached housing, some 57% of households in the Town of Hampton can be characterized as being “overhoused”, meaning there are more bedrooms in the dwelling unit than people. This represents a total of approximately 975 households.

The mismatch between household size and dwelling size highlights the need for smaller, more diversified units in the Town of Hampton, including one and two-bedroom units. This need will only intensify as housing prices continue to rise.

Adequately housed






# TOWN OF ROTHERSAY

RESIDENTIAL MARKET STUDY

# ENVISION SAINT JOHN: RESIDENTIAL MARKET STUDY

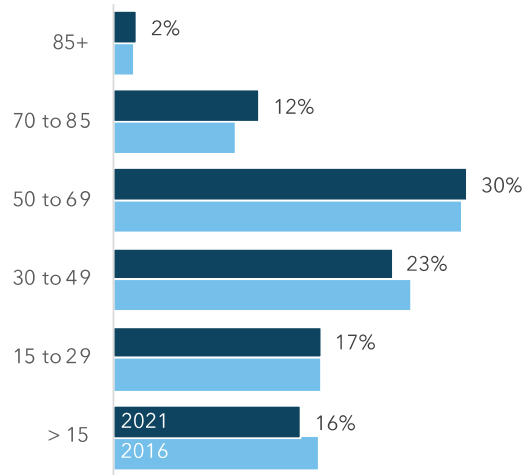
## TOWN OF ROTHESAY, MARKET PROFILE

 **12,150**  
Total Population


 **9%**  
Of Saint John (CMA) Population


 **\$139,800**  
Average Household Income

 **9%**  
Unemployment Rate



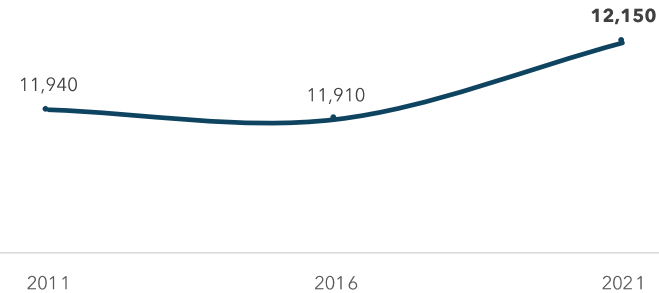
 **\$352,400**  
Average Value of Dwellings

 **81%**  
Own Their House

 **13%**  
Spend >30% on Shelter

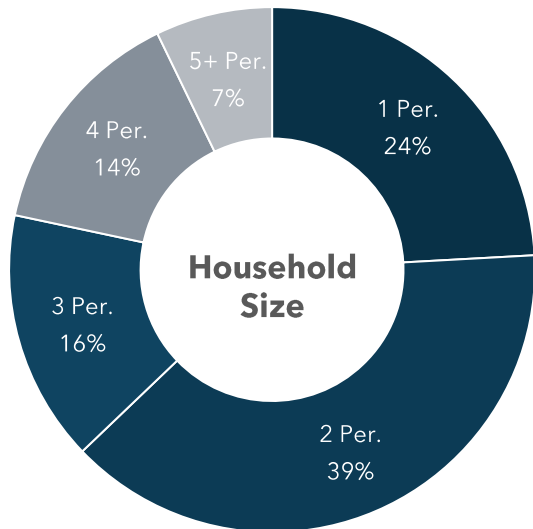
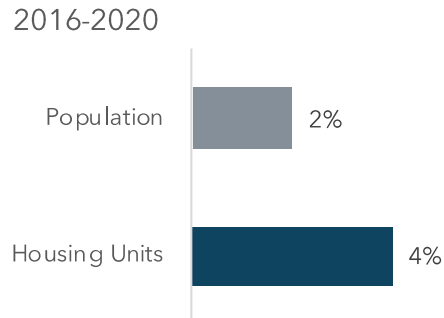
**Up 8%**  
from 2016  
**\$980**  
Median Monthly Shelter Costs  
for Owned Dwellings

### Population Change (2011-2021)



Rothesay's population has **grown 2%** since 2016

### Housing Growth vs. Population Growth 2016-2020

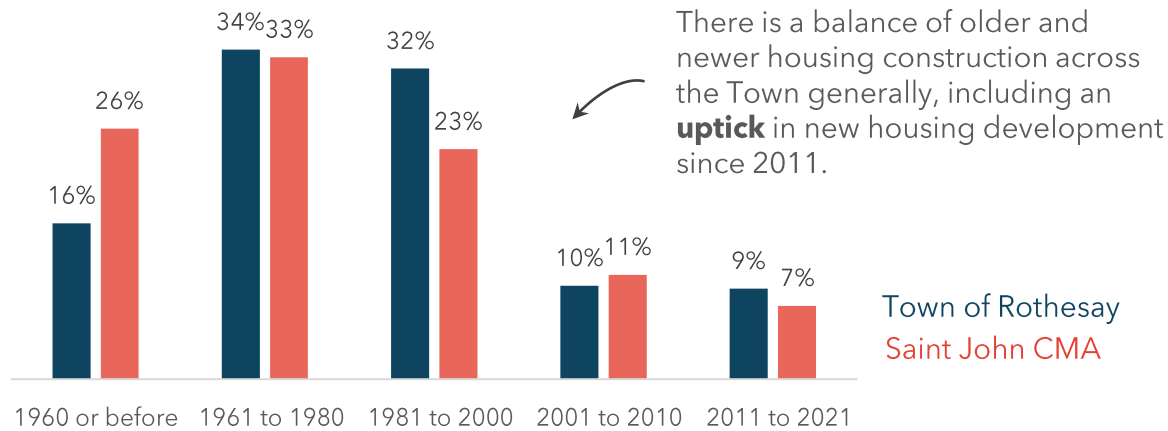




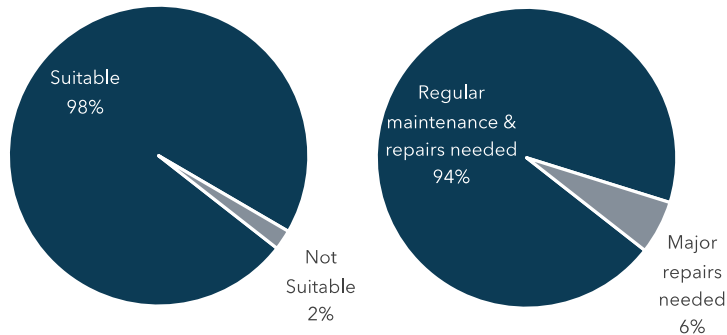
# ENVISION SAINT JOHN: RESIDENTIAL MARKET STUDY

## TOWN OF ROTHESAY, HOUSING TRENDS

### Age of Local Housing Stock

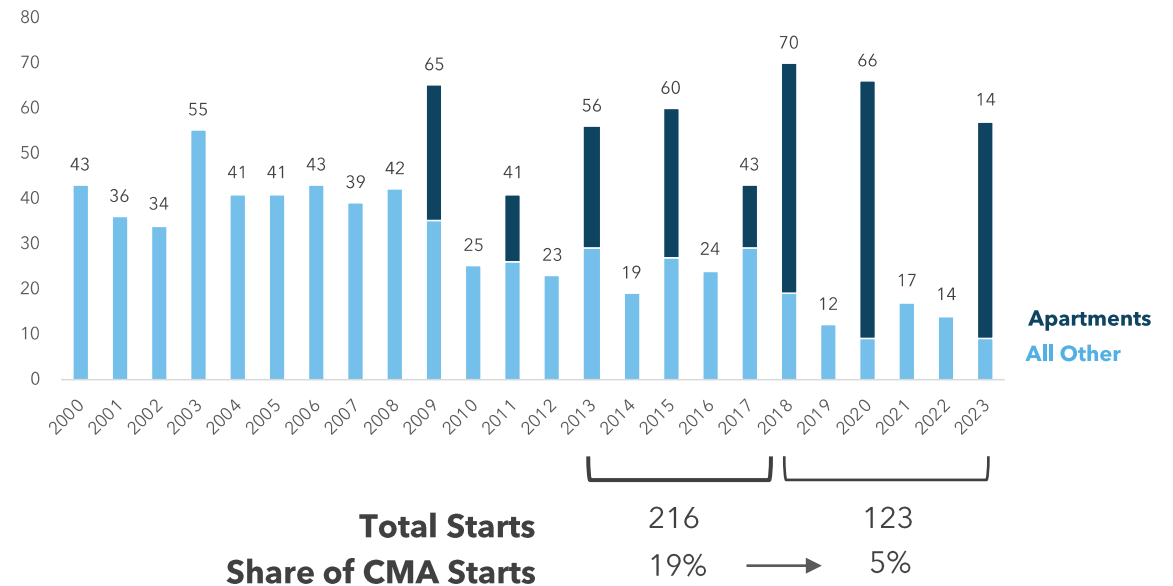


### Housing Quality (2021)



### Total Housing Starts (2000-2023)

Has been steady since 2010, with significant increases most recently



Recent housing starts have tracked **similar to previous periods**, albeit including a more diverse stock of housing. A gradual decline in the development of ground-related units, has coincided with an uptick in apartment unit starts aimed at better accommodating seniors, non-traditional families and young persons.

New higher density development also reflects the Town's interest in curbing urban sprawl and reducing development costs.

# ENVISION SAINT JOHN: RESIDENTIAL MARKET STUDY

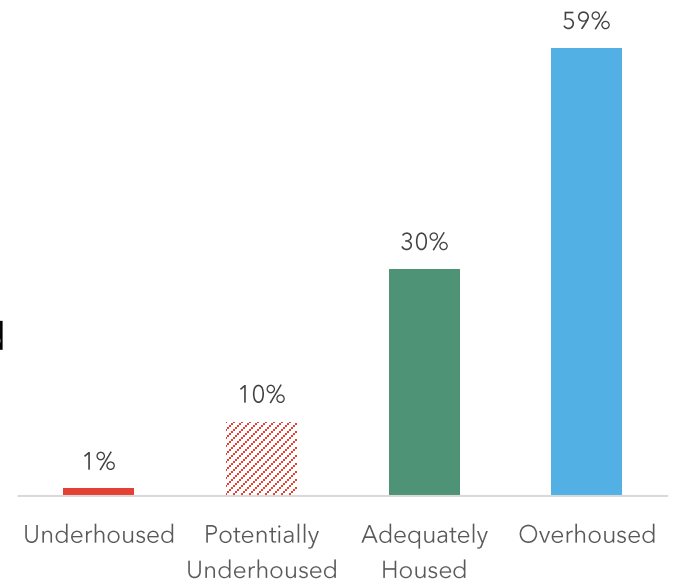
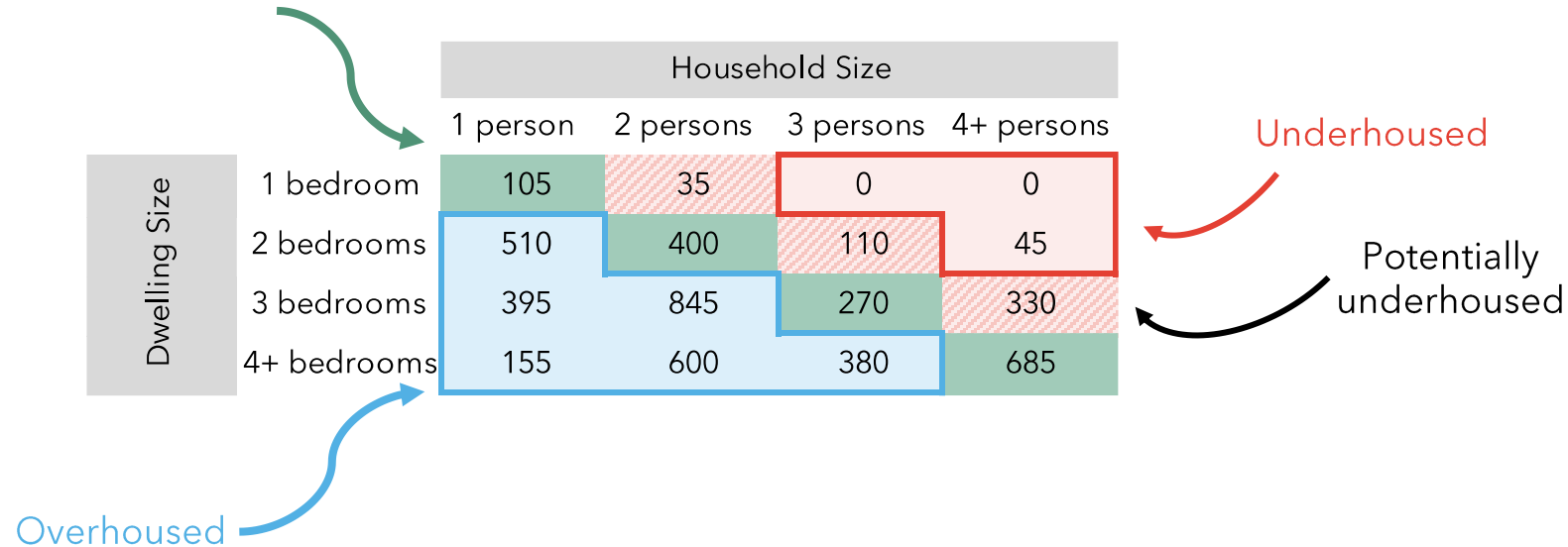
## TOWN OF ROTHESAY, HOUSING TRENDS

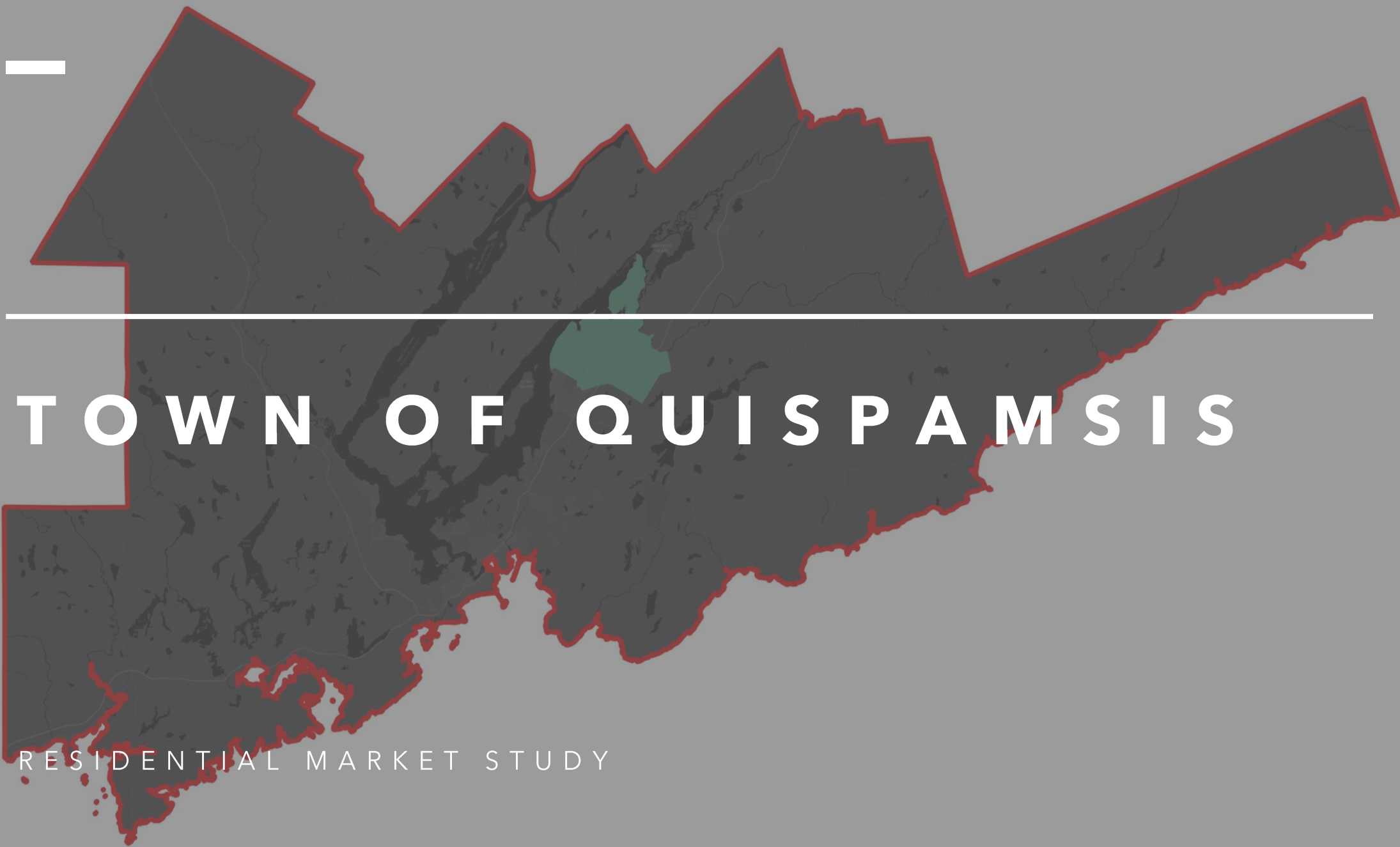
### The “Overhoused” Population in the Town of Rothesay Exceeds the Region

Consistent with the large number of one and two person households and most households living in single-detached housing, some 59% of households in the Town of Rothesay can be characterized as being “overhoused”, meaning there are more bedrooms in the dwelling unit than people. This represents a total of approximately 2,900 households.

The mismatch in the Town of Rothesay between household size and dwelling size highlights the current need for smaller units. This need will only intensify as the population grows and development costs rise.

Adequately housed






# TOWN OF QUISPAM SIS

RESIDENTIAL MARKET STUDY

# ENVISION SAINT JOHN: RESIDENTIAL MARKET STUDY

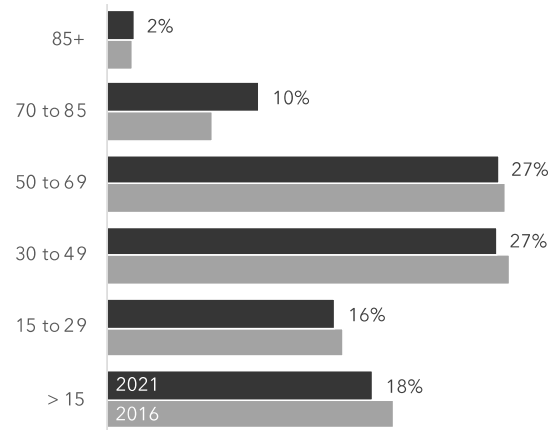
## TOWN OF QUISPAMISIS, MARKET PROFILE

 **19,150**  
Total Population


 **14%**  
Of Saint John (CMA) Population

 **\$133,000**  
Average Household Income

 **7%**  
Unemployment Rate



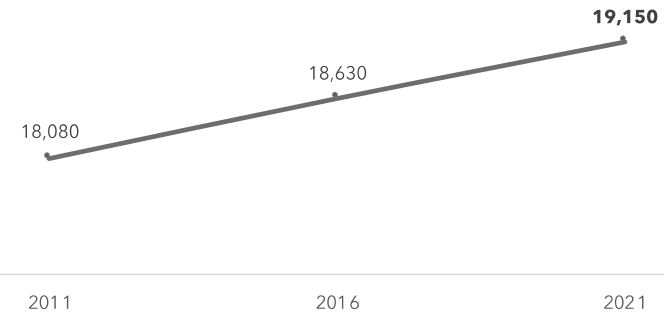
 **\$299,200**  
Average Value of Dwellings

 **91%**  
Own Their House

 **8%**  
Spend >30% on Shelter

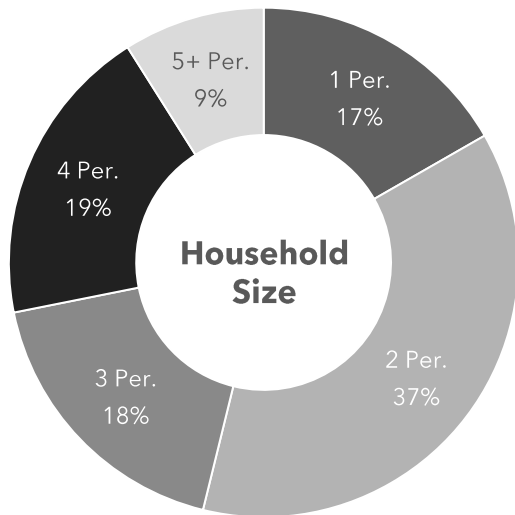
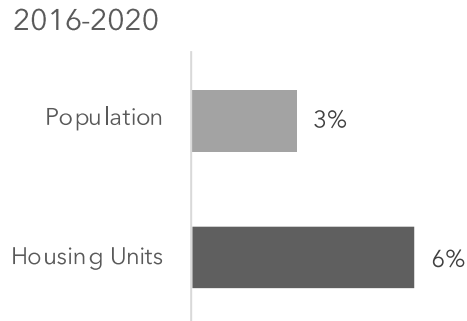
**Up 8%**  
from 2016  
**\$1,260**  
Median Monthly Shelter Costs  
for Owned Dwellings

### Population Change (2011-2021)



Quispamsis' population has **grown 3%** since 2016

### Housing Growth vs. Population Growth 2016-2020



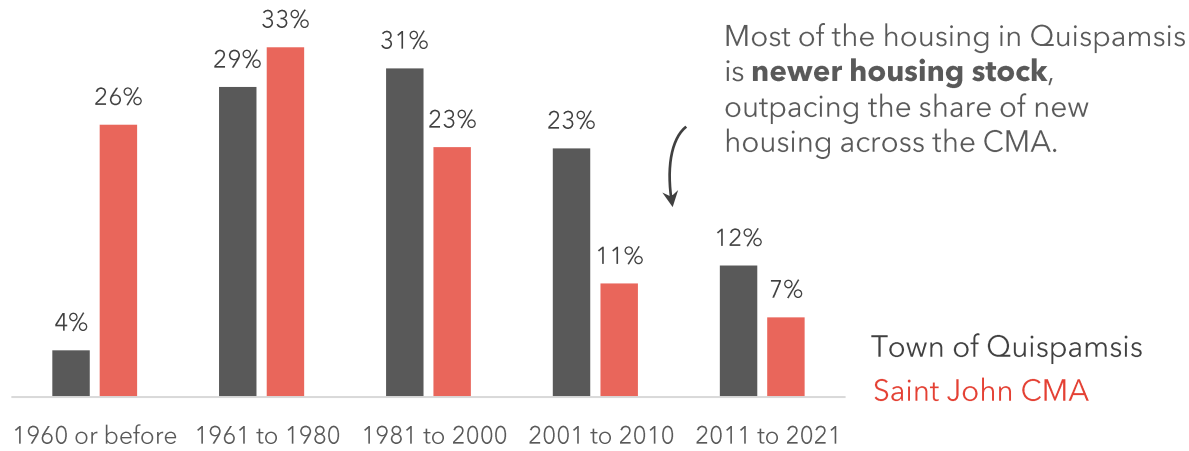
Source: Census of Canada, Realtor.ca & CMHC.

# ENVISION SAINT JOHN: RESIDENTIAL MARKET STUDY

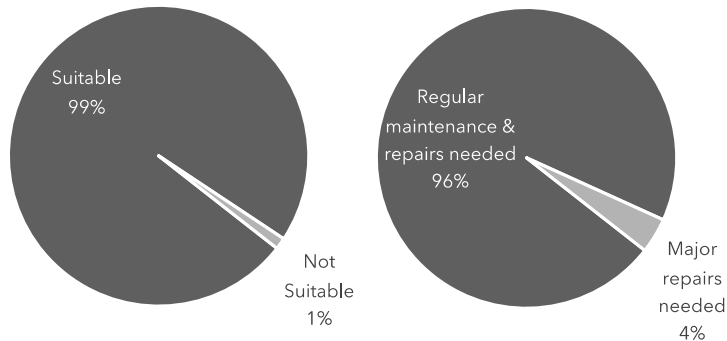
## TOWN OF QUISPAMISIS, HOUSING TRENDS

### Age of Local Housing Stock

Is generally newer than the Saint John CMA

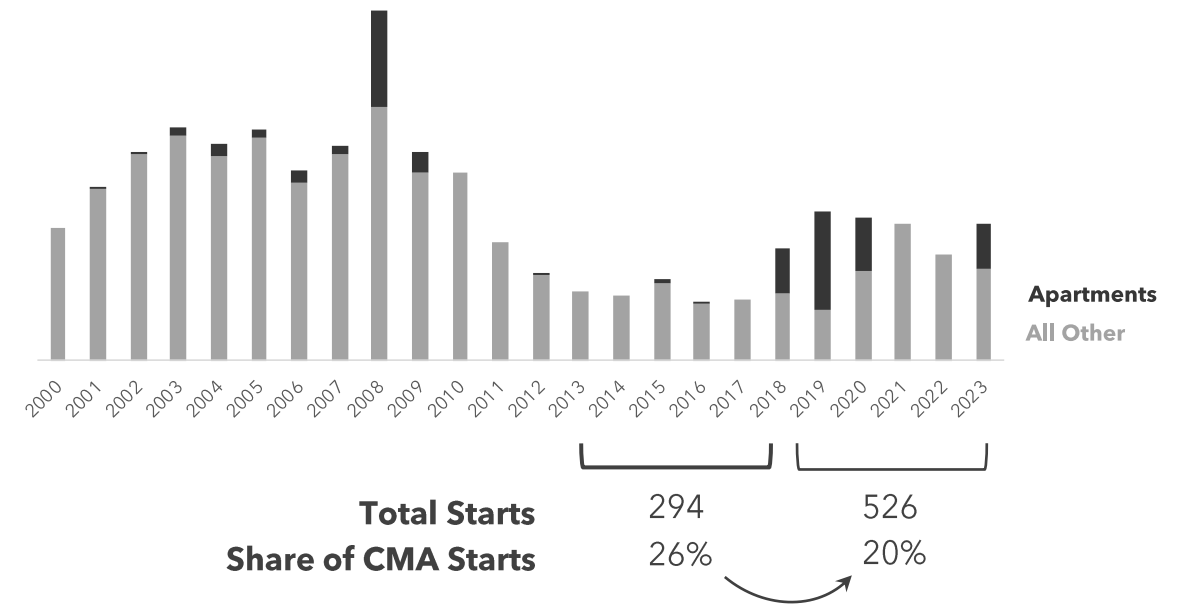


### Housing Quality (2021)



### Total Housing Starts (2000-2023)

Has gradually included a heightened concentration of apartment development



Historically, a significant share of housing starts in the Saint John CMA have occurred in Quispamsis. Recent higher density development has perpetuated this trend more recently.

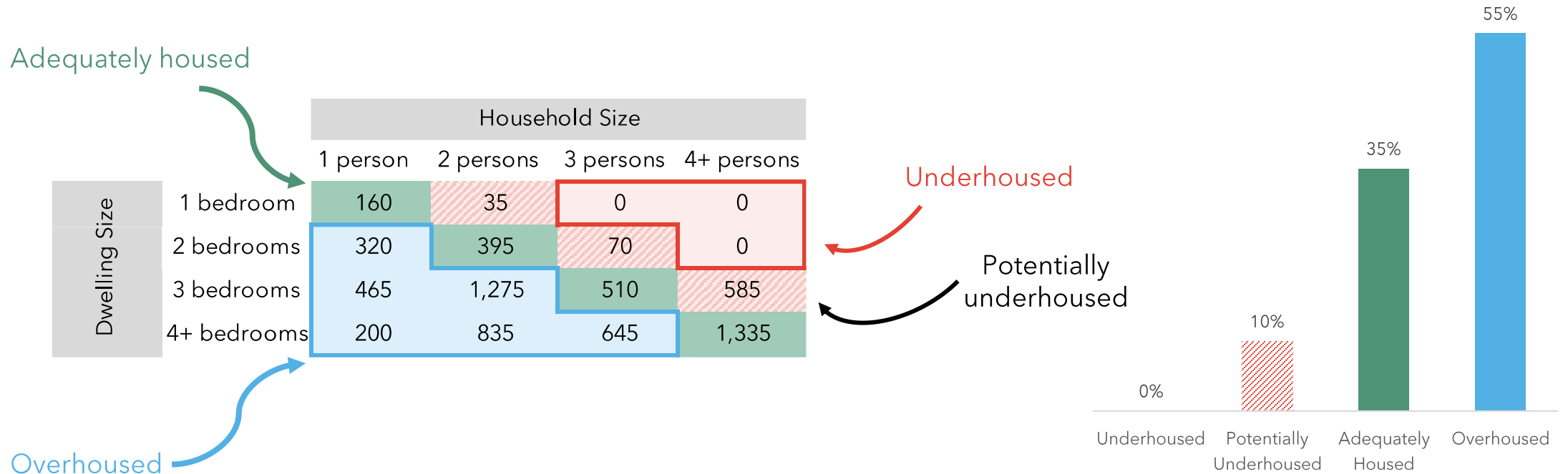
Growth and an aging population has generated the need for higher density housing (allowing people to downsize). Diversifying the housing stock is key to supporting people of various needs, especially as the local housing stock is primarily comprised of single-detached housing formats.

## TOWN OF QUISPAMISIS, HOUSING TRENDS

### The Aging Population and the Prominence of Single-detached Housing Highlights Demand for Smaller Units

Consistent with the large number of one and two person households, an aging local population, and the prominence of single-detached housing, some 55% of households in Quispamsis can be characterized as being “overhoused”, meaning there are more bedrooms in the dwelling unit than people. This represents a total of approximately 37,000 households.

The mismatch between household size and dwelling size highlights the current need for smaller units, including one and two-bedroom units. Growth and an aging population will only intensify this need, particularly if the Town wants to continue supporting people of various needs.






**TOWN OF GRAND BAY -  
WESTFIELD**

RESIDENTIAL MARKET STUDY

# ENVISION SAINT JOHN: RESIDENTIAL MARKET STUDY

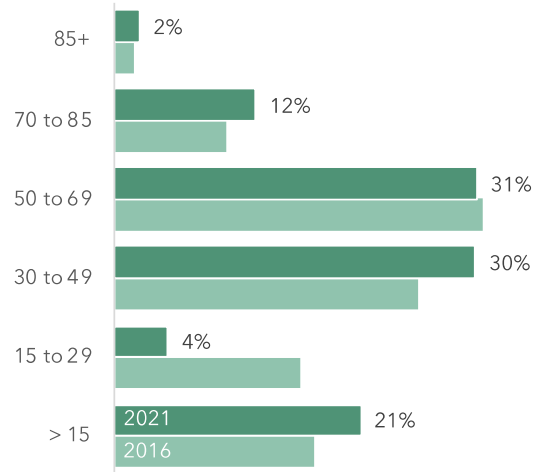
## TOWN OF GRAND BAY-WESTFIELD, MARKET PROFILE

 **5,040**  
Total Population


 **4%**  
Of Saint John (CMA) Population

 **\$111,600**  
Average Household Income

 **6%**  
Unemployment Rate



 **\$239,600**  
Average Value of Dwellings

 **91%**  
Own Their House

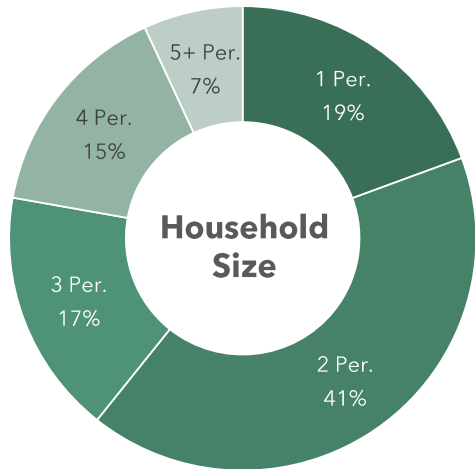
 **7%**  
Spend >30% on Shelter

**Down 3% from 2016**  
**\$950**  
Median Monthly Shelter Costs for Owned Dwellings

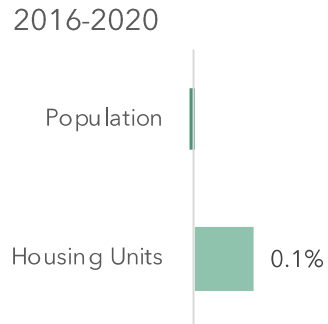
### Population Change (2011-2021)



The population has **not changed** since 2016



### Housing Growth vs. Population Growth 2016-2020

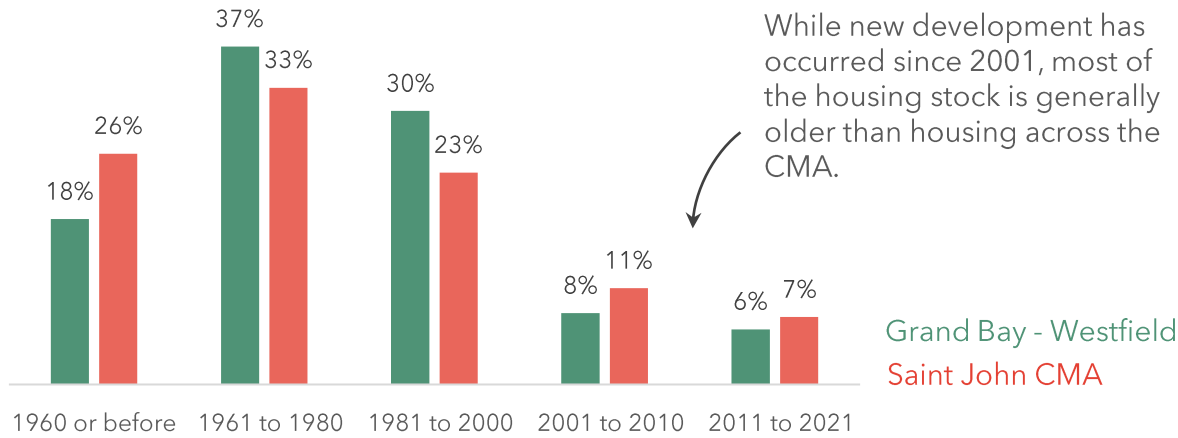




# ENVISION SAINT JOHN: RESIDENTIAL MARKET STUDY

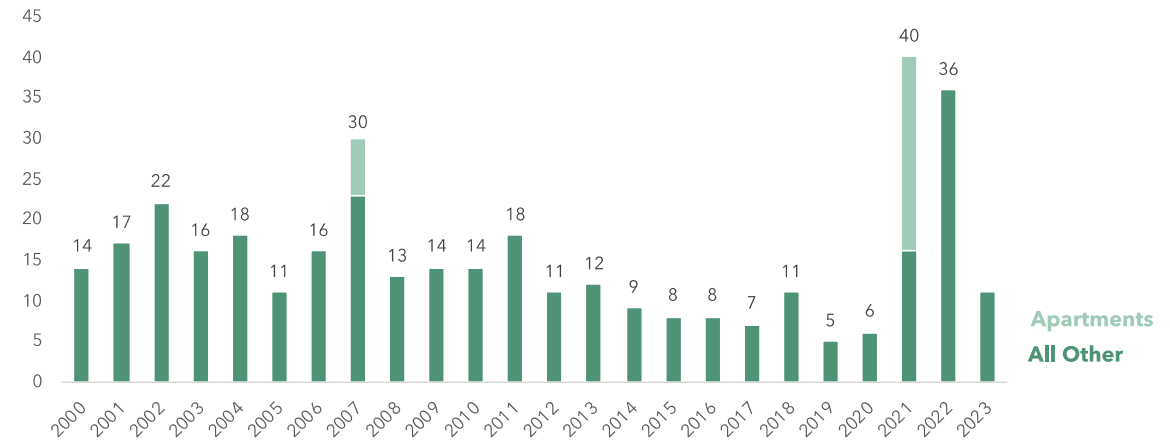
## TOWN OF GRAND BAY-WESTFIELD, HOUSING TRENDS

### Age of Local Housing Stock

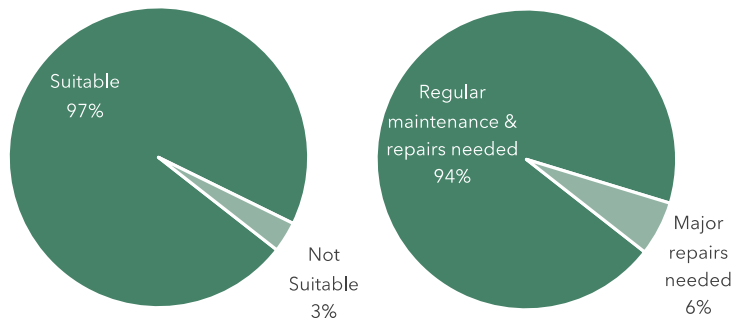


### Total Housing Starts (2000-2023)

Has been steady historically, with significant increases since 2021



### Housing Quality (2021)



**Total Starts** 43 → 123  
**Share of CMA Starts** 5% → 10%

Recent increases in housing starts is tied to the development of apartment units, including a new development in 2021. Heightened activity was sustained in 2022 with an increase in ground-oriented units. Council efforts to spur housing development—including bylaw changes and frontage fee reductions—has proven effective in diversifying the local housing stock.

More recently, housing starts have been in-line with historical trends suggesting only modest uptake for higher density housing development locally.

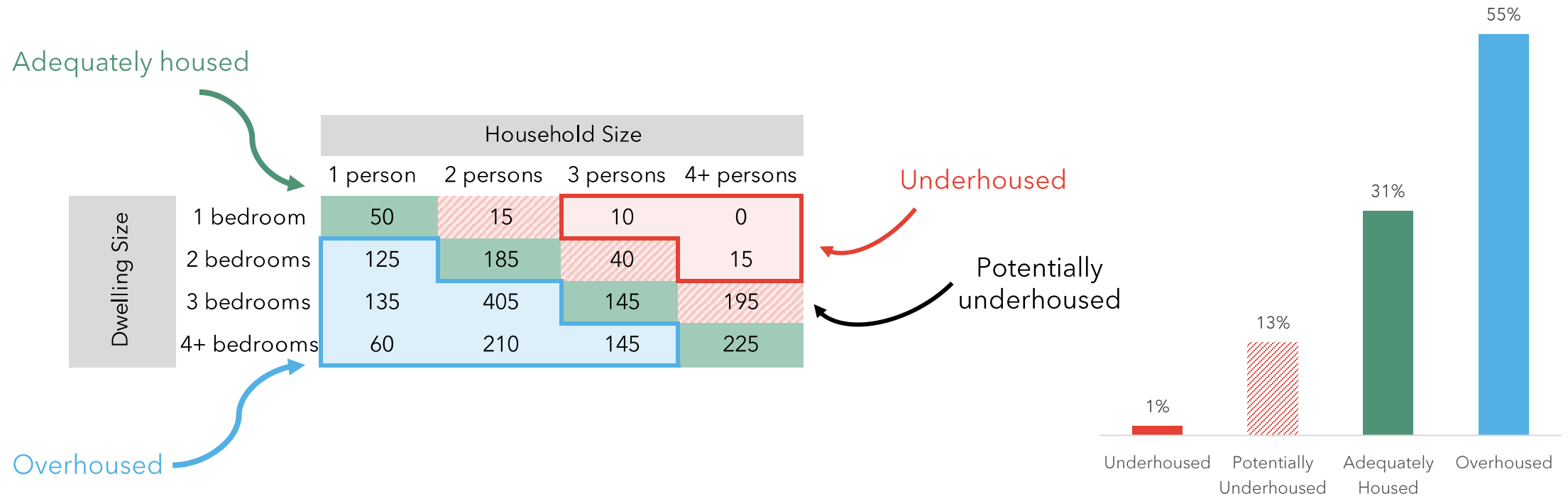
# ENVISION SAINT JOHN: RESIDENTIAL MARKET STUDY

## TOWN OF GRAND BAY-WESTFIELD, HOUSING TRENDS

### The Aging Population and Smaller Household Sizes Point to Demand for Smaller Units

Consistent with the large number of one and two person households and the significant share of households living in single-detached housing, some 55% of households in the Town of Grand-Bay Westfield can be characterized as being “overhoused”, meaning there are more bedrooms in the dwelling unit than people. This represents a total of approximately 1,100 households.

The mismatch in the Town between household size and dwelling size highlights the current need for smaller units, including one and two-bedroom units. This need will only intensify as the population grows and housing demand increases.






A map showing a residential market study area. The area is outlined in red and filled with a dark grey color. The text "ALL OTHER" is overlaid in white, bold, uppercase letters. Below the map, the text "RESIDENTIAL MARKET STUDY" is written in white, uppercase letters. A white horizontal line is positioned above the text "ALL OTHER".

# ALL OTHER

RESIDENTIAL MARKET STUDY


# ENVISION SAINT JOHN: RESIDENTIAL MARKET STUDY

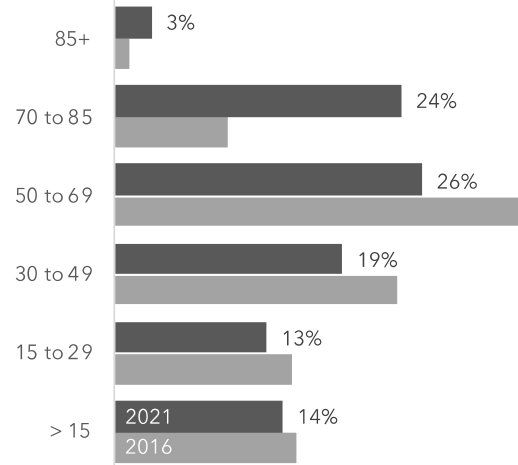
## ALL OTHER, MARKET PROFILE

 **14,800**  
Total Population

 **11%**  
Of Saint John (CMA) Population

 **\$92,300**  
Average Household Income

 **10%**  
Unemployment Rate



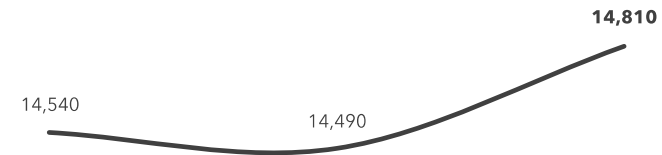
 **\$202,400**  
Average Value of Dwellings

 **94%**  
Own Their House

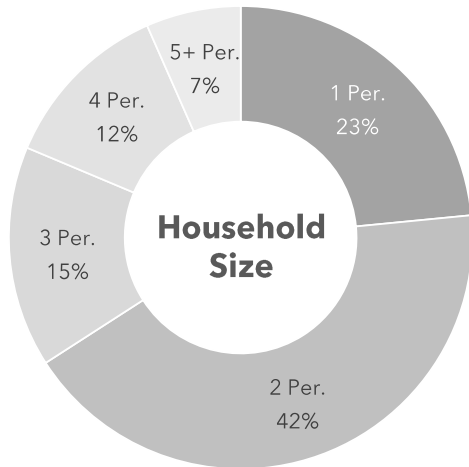
 **7%**  
Spend >30% on Shelter

**Up 7%**  
from 2016  
**\$714**  
Median Monthly Shelter Costs  
for Owned Dwellings

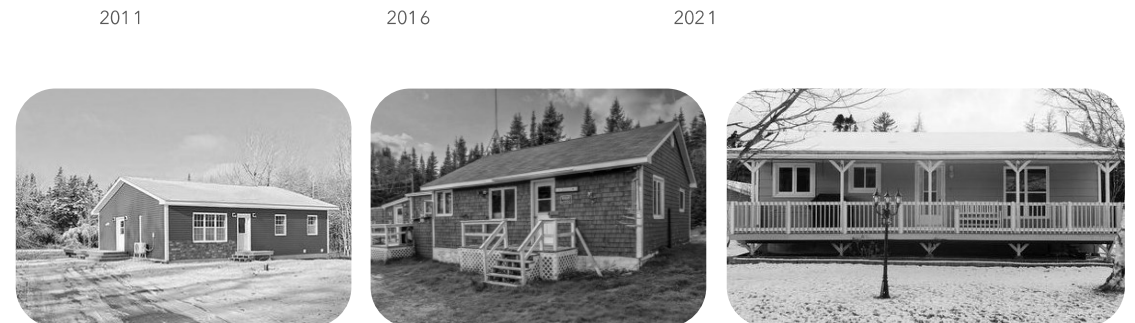
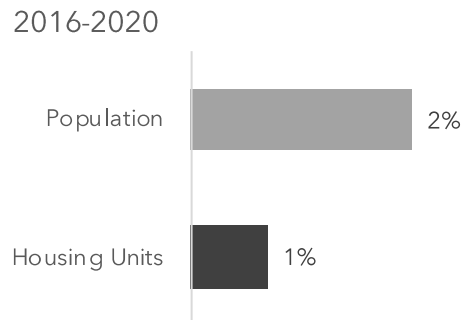
## Population Change (2011-2021)



The population has **grown 2%** since 2016



## Housing Growth vs. Population Growth 2016-2020

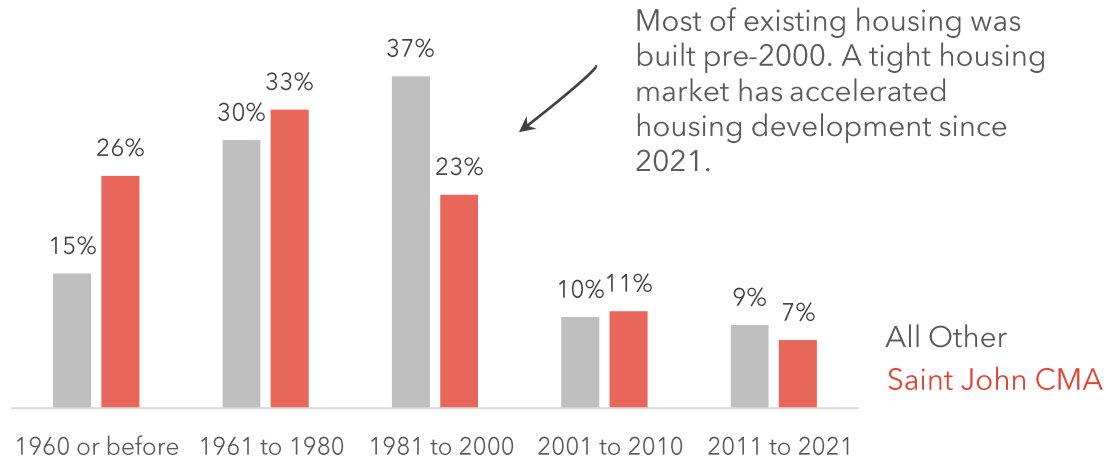


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## ALL OTHER, HOUSING TRENDS

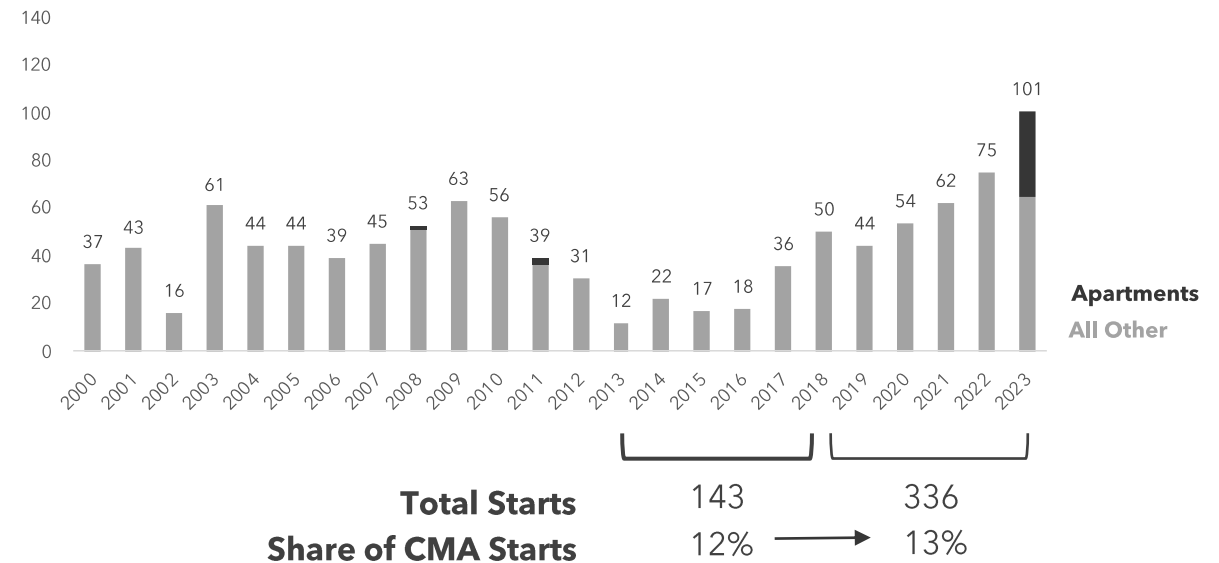
### Age of Local Housing Stock

Is generally older than the Saint John CMA

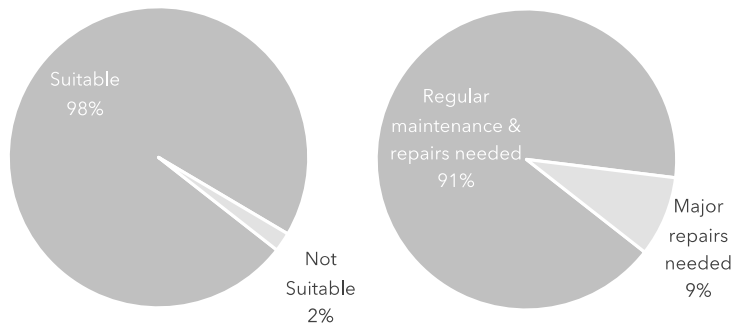


### Total Housing Starts (2000-2023)

Has significantly increased in the last 5-years



### Housing Quality (2021)



Housing starts have generally increased, with continued emphasis on single-detached units. This is due to the relative availability and affordability of land in these areas, combined with the lower costs of ownership housing for purchasers.

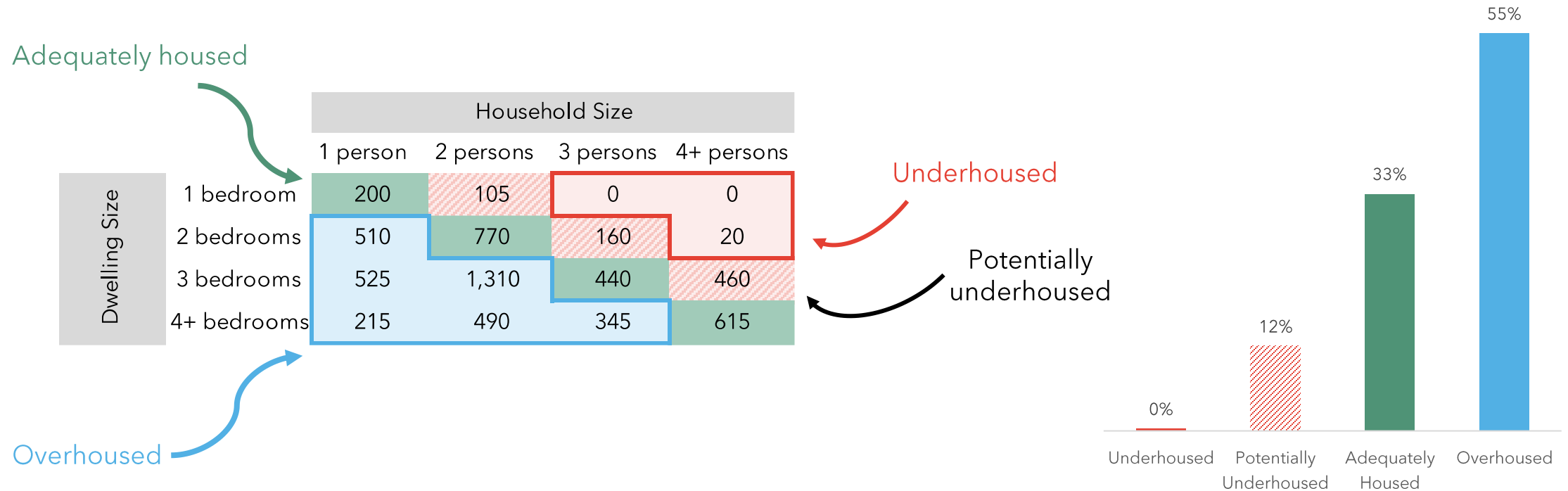
While a rental apartment building was recently developed in Rothesay (P), there is continued apprehension in the role for medium and higher density development. Much of this is influenced by municipal and resident concerns over traffic and congestion, or the potential impact of these developments on community character.

## ALL OTHER, HOUSING TRENDS

### The Aging Population and Smaller Household Sizes Point to Demand for Smaller Units

Consistent with the large number of one and two person households and the significant share of households living in single-detached housing, 55% of households can be characterized as being “overhoused”, meaning there are more bedrooms in the dwelling unit than people. This represents a total of approximately 3,400 households.

The mismatch between household size and dwelling size highlights the current need for smaller units, including one and two-bedroom units and a greater diversity of housing types. This need will only intensify as the housing prices and housing demand in these area increase.



# CONTACT US

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