

THE
SAINT JOHN →
REGION

STATE OF THE ECONOMY 2024

ENVISION
Saint John

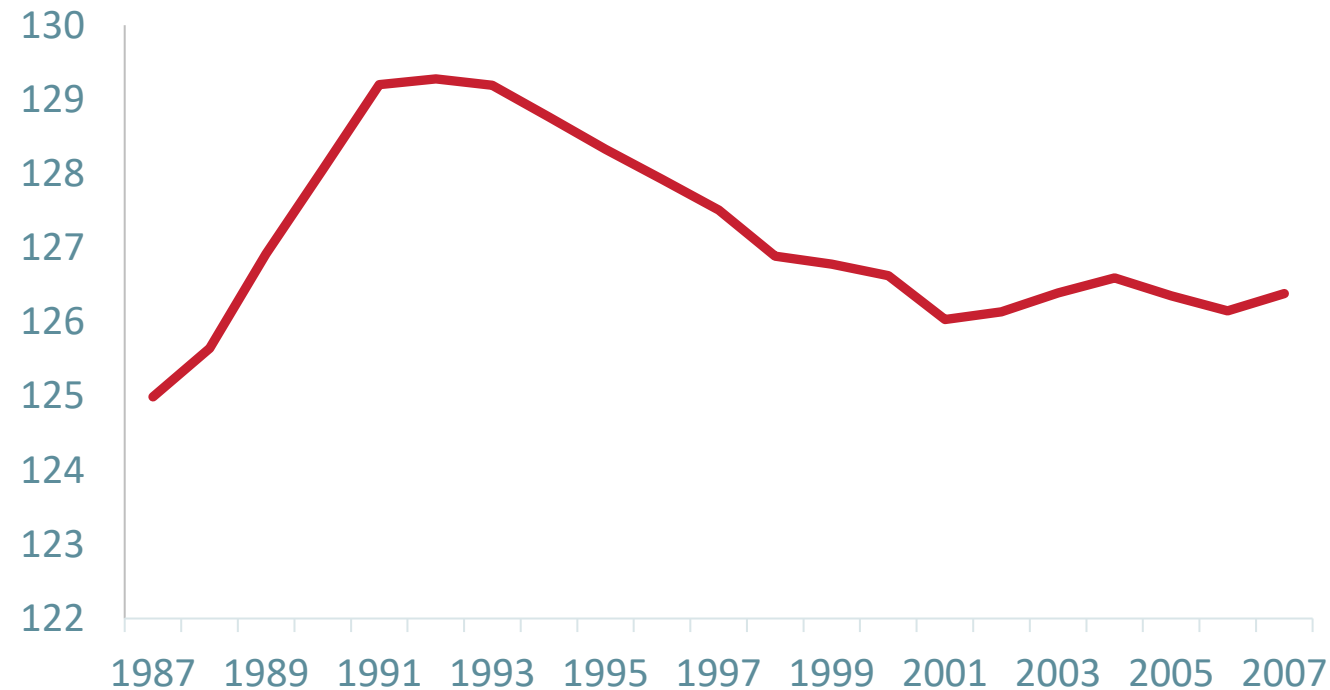
THE
REGIONAL
GROWTH
AGENCY

An aerial photograph of a multi-lane highway bridge crossing a river with turbulent rapids. The bridge has several cars and a truck on it. The water is dark and churning with white foam. On the right bank, there is a paved path and some greenery.

TURNING THE TIDE: REGIONAL POPULATION GROWTH HAS REBOUNDED

Manufacturing Business Decline Greatly Impacted Population Growth

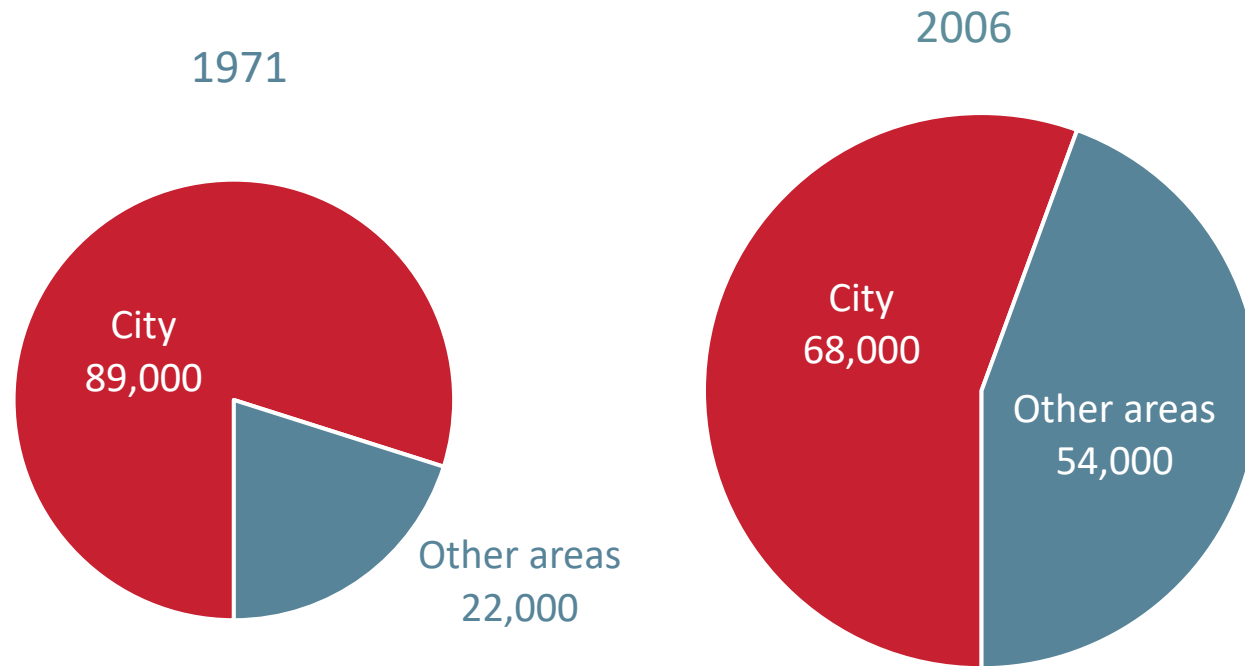
Population, Saint John Region (thousands)



- Several business closures and relocations occurred from the 1990's to early 2000's.
- The Region's employment dropped 4.6% from 1991 to 2001.
- Total population fell by almost 320 annually, on average, over that decade.

The City's Regional Share Declined

Saint John Region Population

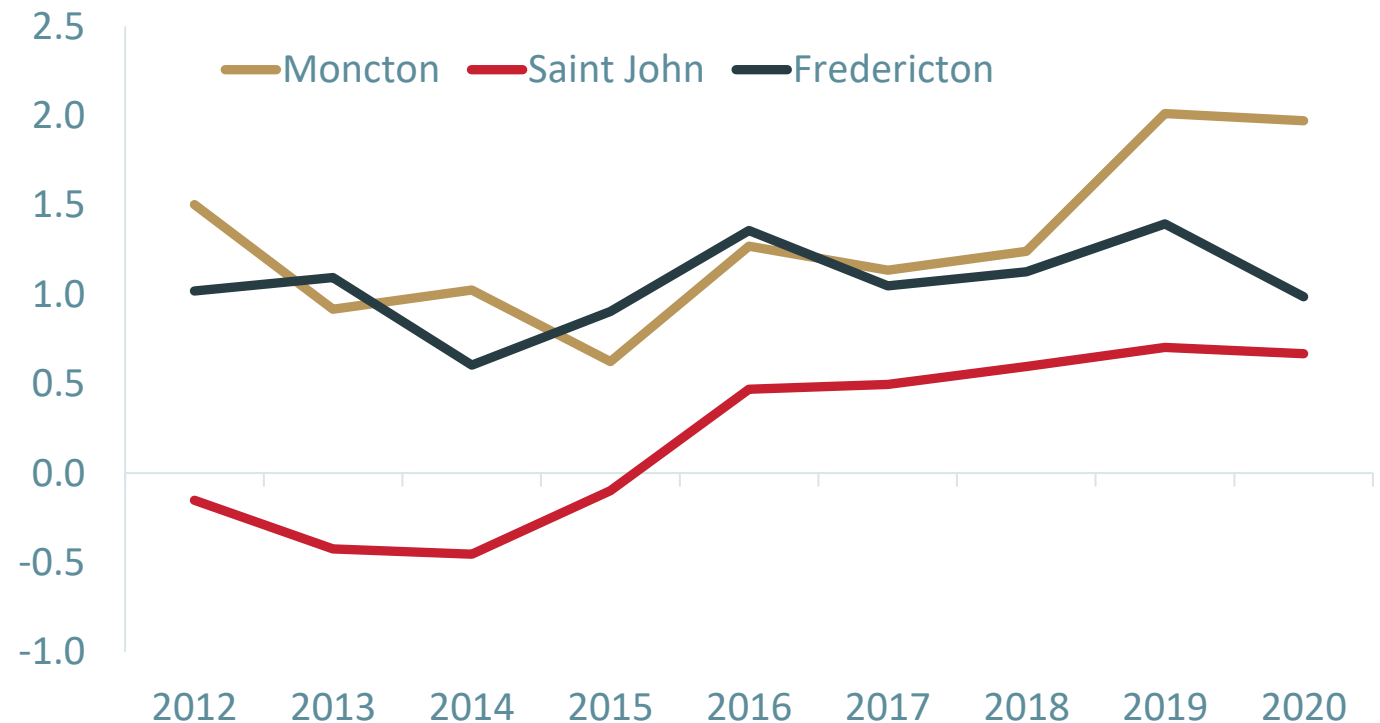


- The Saint John Region's population grew about 10% from 1971-2006 while the city's population dropped almost 24%.
- Moncton's regional and city population both expanded from 1971-2006.
- The City of Saint John had the highest rate of low after-tax income among New Brunswick cities by 2006.

2016: Regional Population Rebound Begins

- The Saint John Region saw sustained positive population growth starting in 2016.
- Employment and income levels increased, but the Region still has the second lowest median income among Atlantic CMAs.
- The employment and income gains did not lead to a bigger economy.

Population growth (%)



A large red construction crane is the central focus of the image, set against a clear, vibrant blue sky. The crane's lattice structure is detailed, and its long jib extends across the upper half of the frame. The overall scene conveys a sense of active construction and progress.

BUILDING ON RECENT PROGRESS

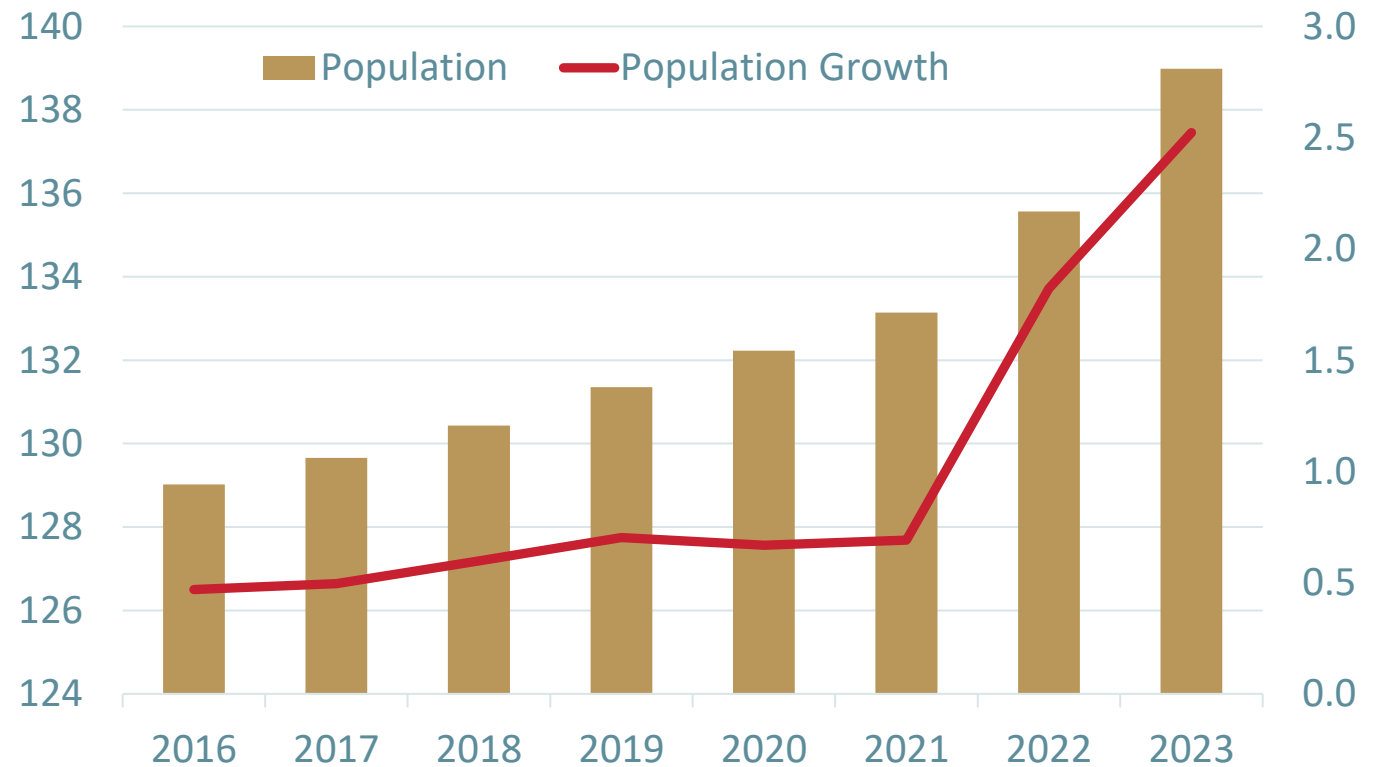


DEMOGRAPHIC CHANGES REMAIN ON A POSITIVE PATH

Highest Population Growth in 30 Years

- Saint John's population grew 2.5% in 2023, the highest rate in over 30 years.
- Average age declined for the first time in recent history to 43 years old.
- Population growth is expected to increase at a slower pace next year.

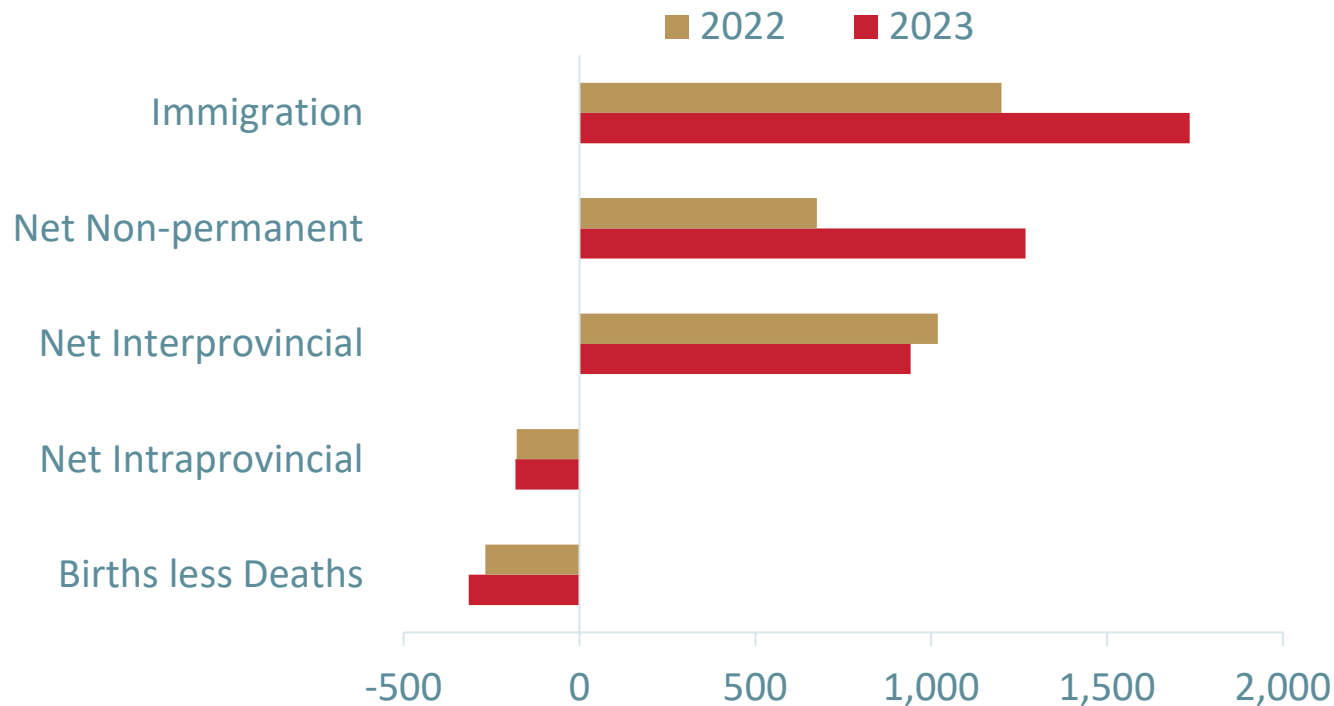
Population (left '000), population growth (right %): Saint John Region



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

Immigration is the Biggest Population Growth Driver

Components of population growth: Saint John Region

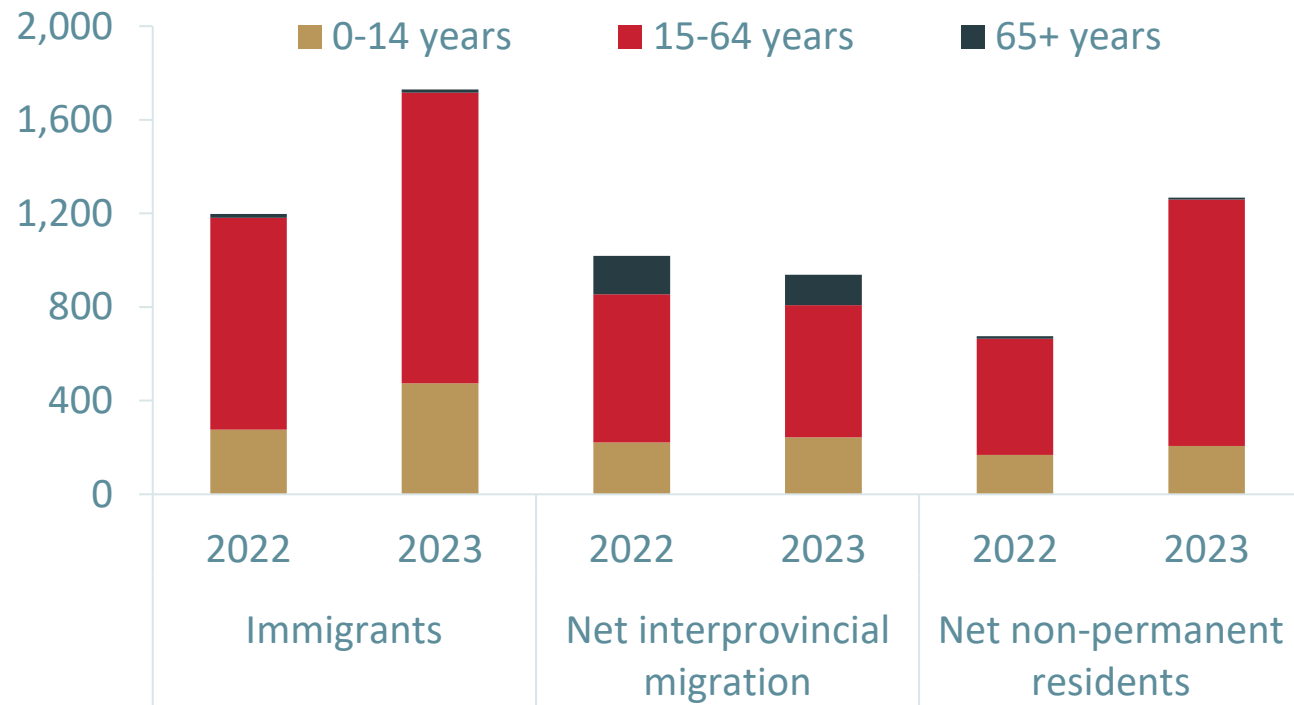


- Immigration was the largest contributor to population growth for the second year in a row.
- About 16% of immigrants to New Brunswick settled in Saint John in 2023.
- Non-permanent residents surged while net interprovincial migration slowed last year.

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

Shifting Migration Trends Lead to Younger Population

Components of population growth: Saint John Region



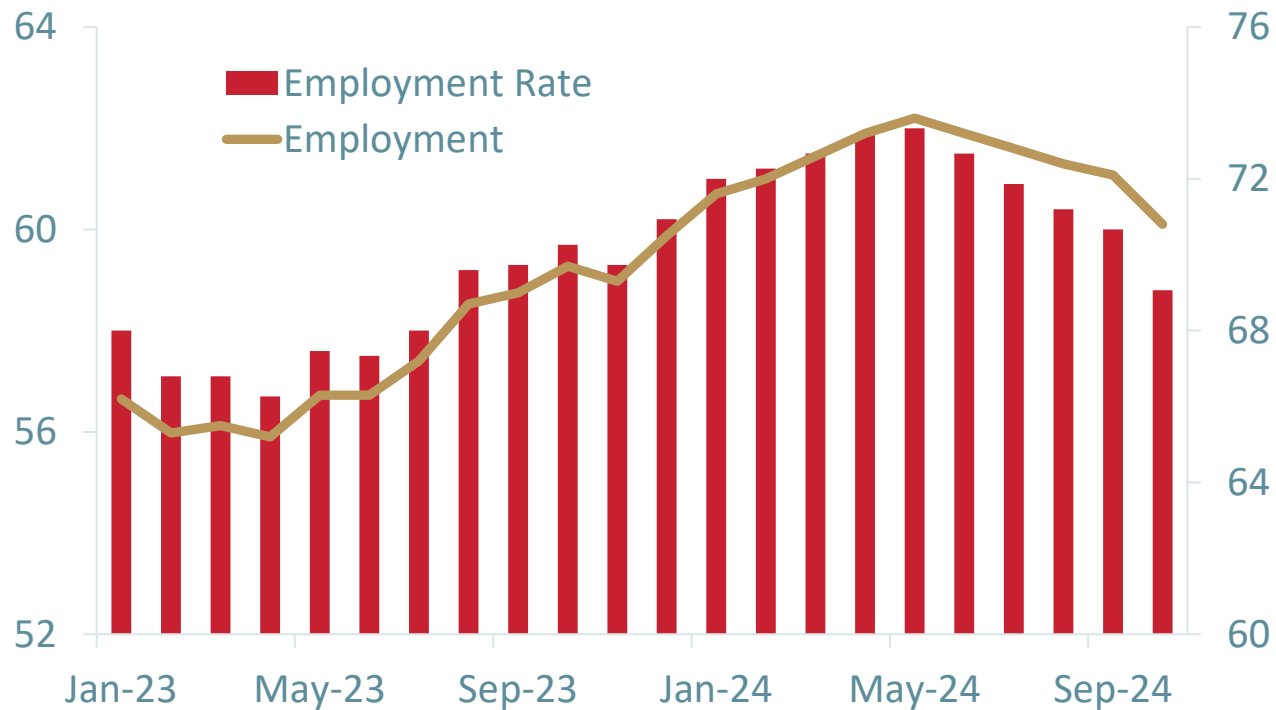
- More working age immigrants and non-permanent residents moved to the Region in 2023 compared to 2022.
- An increasing number of migrants are bringing children with them.
- Fewer seniors moved to Saint John from outside the province in 2023 compared to 2022.

A photograph of a factory worker in a white lab coat and hairnet, focused on her work. She is standing in a production line, surrounded by machinery and conveyor belts. The worker is handling small black containers with red caps. The background shows a complex industrial environment with various pipes, cables, and equipment. The overall scene is dimly lit, with a focus on the worker and the production line.

LABOUR MARKET GROWTH CONTINUES

Job Creation is Still Strong but Tapering Off

Employment rate (left %), employment (right '000): Saint John Region



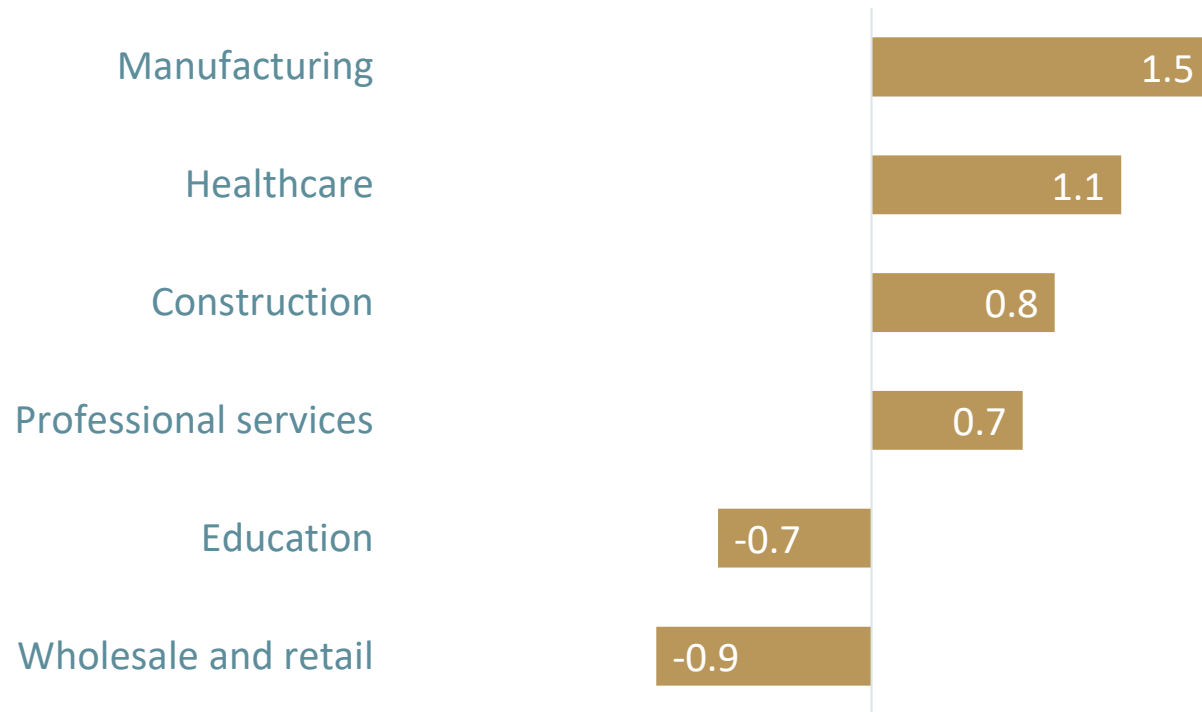
- The Region's employment increased 3.2% in 2023, surpassing its 2019 level.
- Employment grew 8.2% in 2024 up to October, higher than the employment rate increase of 5.0%.
- Labour demand will likely ease next year as weaker population growth limits spending growth.

Note: Employment rate is the share of people aged 15+ who have a job. Monthly data are three month moving averages, adjusted for seasonality.

Source: Statistics Canada

Most Key Industries are Experiencing Employment Gains

Employment changes in largest industries, year-to-date October 2024: Saint John Region ('000)



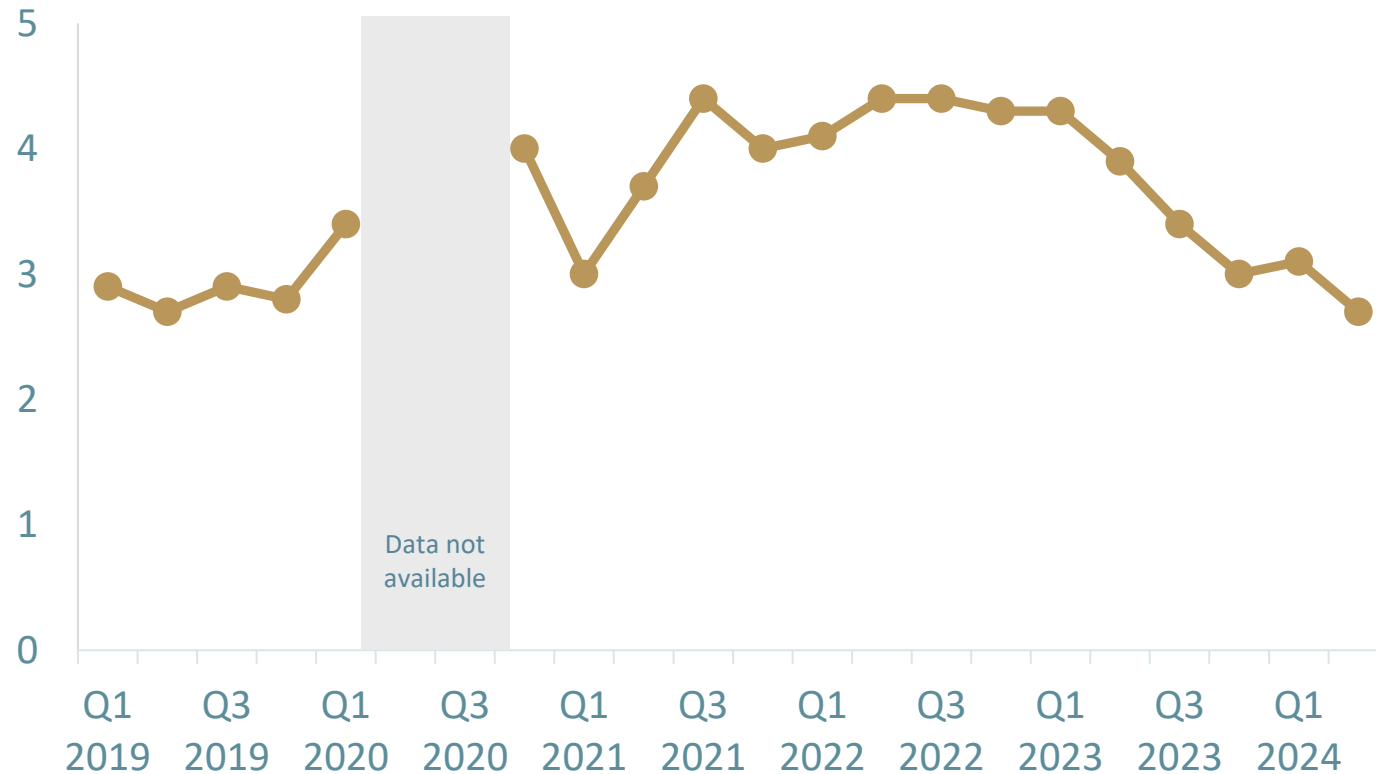
- Wholesale and retail, healthcare, and construction had the largest shares of total jobs in 2023.
- Manufacturing has the biggest job gain so far this year, followed by healthcare.
- Industries that rely on immigrants and temporary workers may see weaker employment growth in 2025.

Note: Monthly data are three month moving averages, unadjusted for seasonality. Health care also includes social assistance.

Source: Statistics Canada

Labour Shortages are Improving

Job vacancy rate, Saint John-St. Stephen (%)

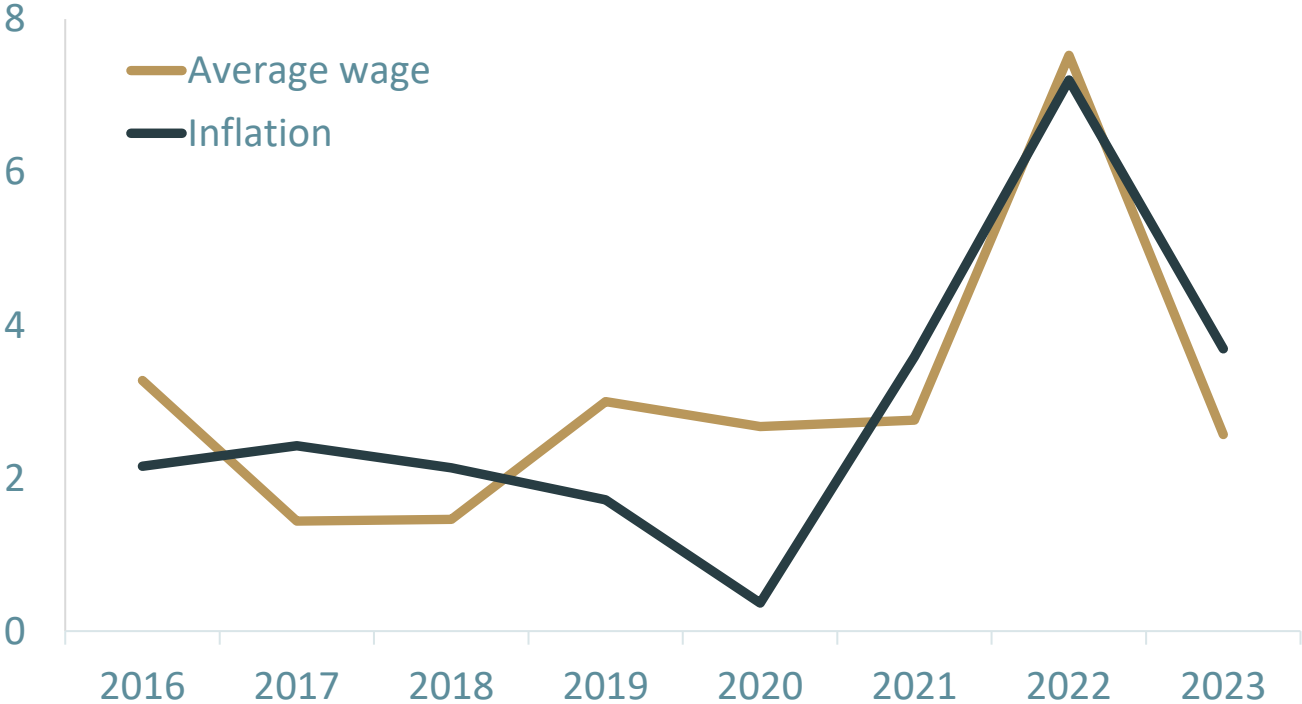


- The job vacancy rate increased significantly from 2015 Q4 to 2021 Q3 where it peaked at 4.4%.
- The latest vacancy rate of 2.7% is slightly below 2019 levels.
- Job openings are highest for wholesale and retail, admin services, trades, and transportation.

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

Wage Growth Slows With Reduced Labour Demand

Average wage growth and inflation: Saint John Region (%)



- The average hourly wage increased to \$29.16 in 2023.
- The Region’s 2023 average wage was above the provincial rate of \$28.74.
- Inflation-adjusted wages rose 0.7% provincially in the first eight months of 2024.

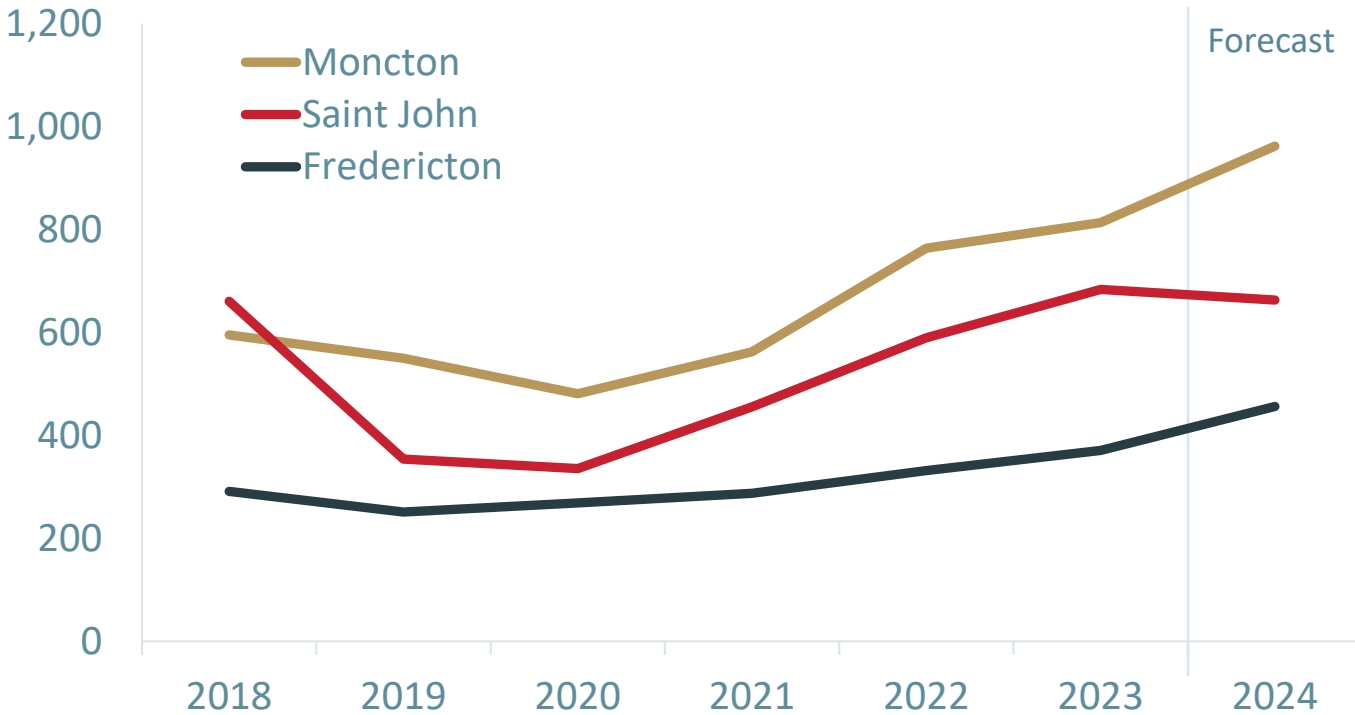
Source: Statistics Canada



ROBUST CAPITAL INVESTMENT,
YET HOUSING DEMAND
OUTPACING SUPPLY

Substantial Investment in Saint John Since Pandemic

Major project investment (\$ million)

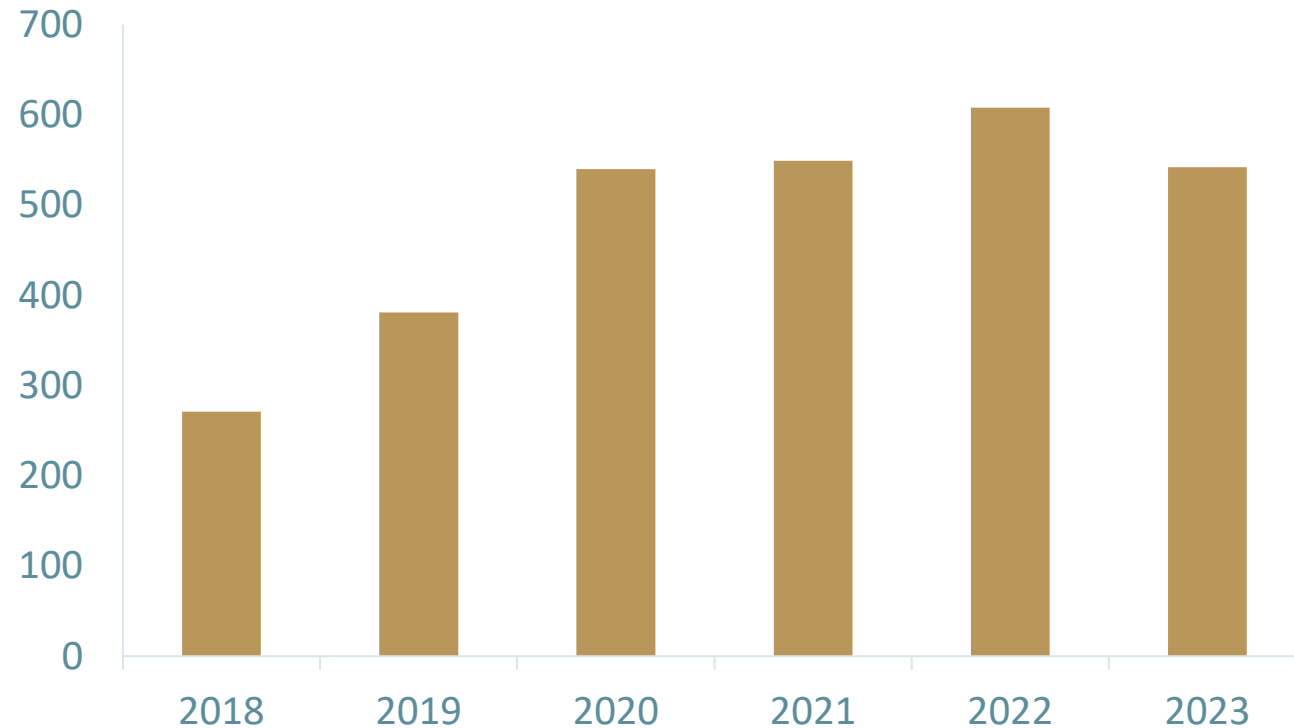


- Capital project spending in Saint John is forecasted to be \$663 million in 2024, down 3% from 2023.
- Housing and education are the largest investment growth sectors in 2024.
- Investment in major housing projects is expected to double this year to \$81 million.

Source: Atlantic Economic Council

Housing Starts Not Rising Fast Enough

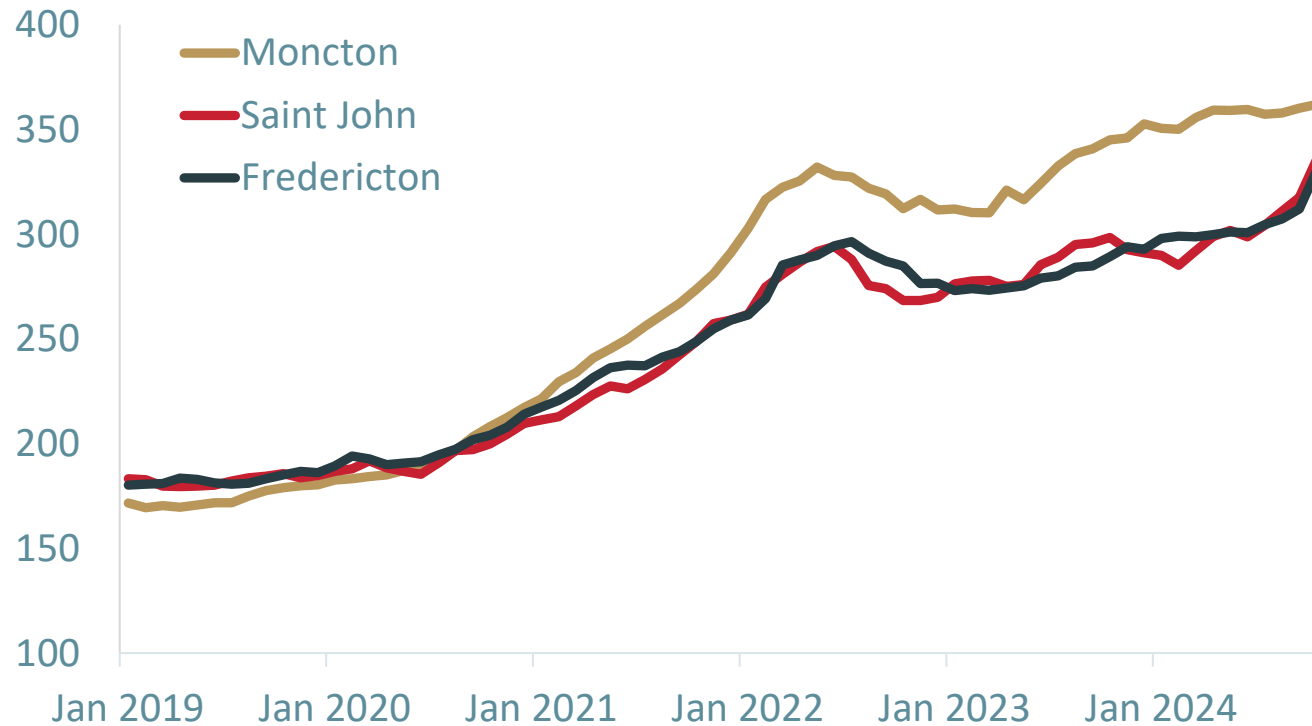
Housing starts: Saint John Region



- Housing starts rose 39% in 2024 up to October, reaching over 600.
- Recent population growth trends should warrant 1,000 to 1,500 units annually.
- Declining interest rates should help boost starts next year, if companies can find the workers they need.

Home Ownership Prices Keep Climbing

Single family benchmark home price, Saint John Region (\$ '000)

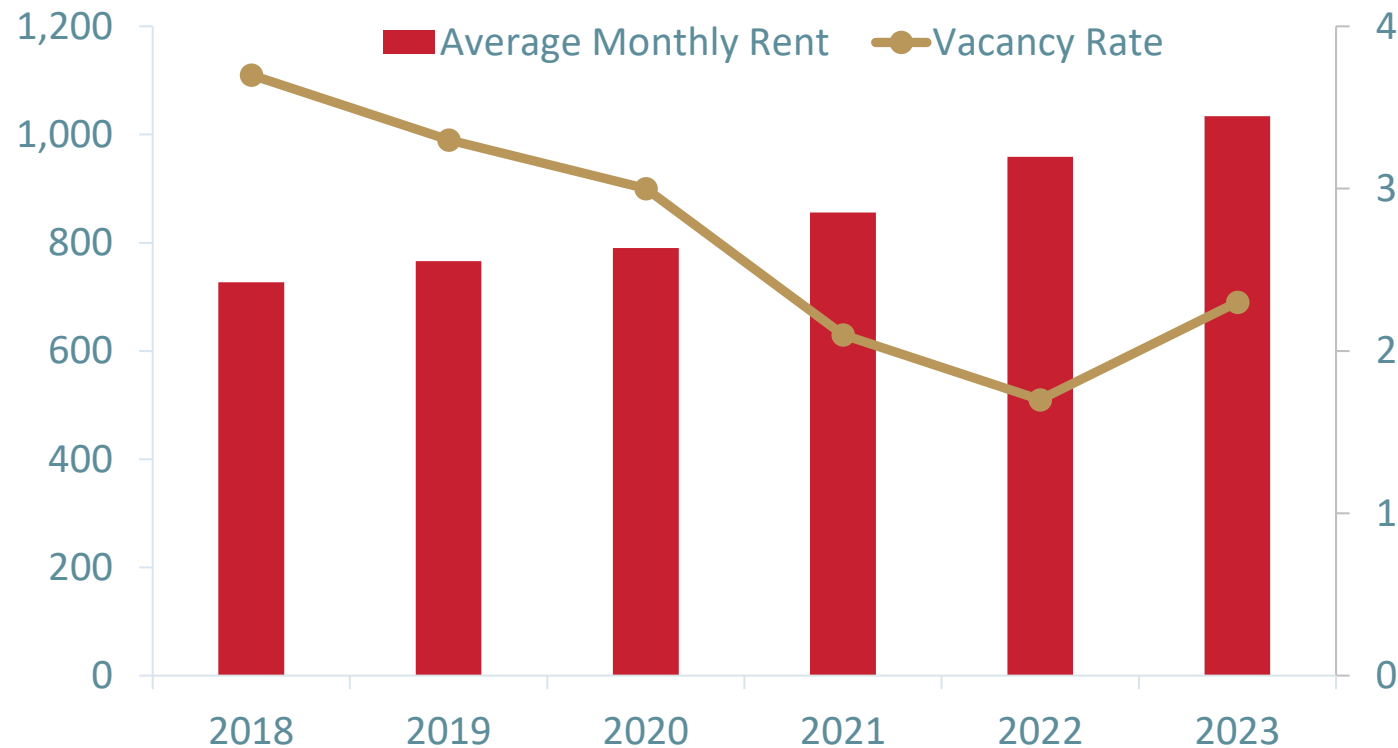


- The average resale home price reached a record high \$335,000 in October 2024.
- Saint John's average resale price is 7% below Moncton's and 40% below Halifax's.
- New housing prices are also on the rise as construction costs continue to grow.

Note: Monthly data are seasonality adjusted
Source: Canadian Real Estate Association

High Rent Increases Reflect Low Vacancy

Average rent (left \$), vacancy rate (right %): Saint John Region

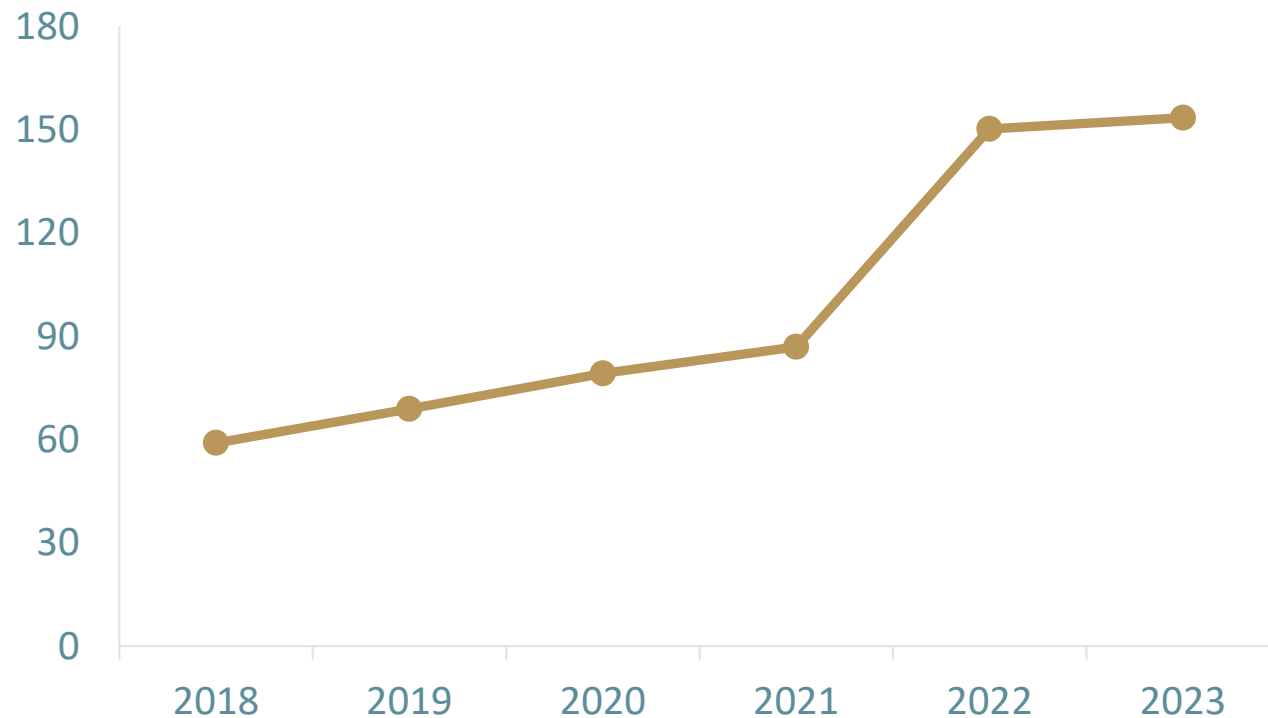


- The rental market has been tight since 2020 with vacancy rates below 3%.
- Tight conditions over the last four years led to a 9.4% annual average increase in monthly rent.
- Apartment completions are up 144% this year to October.

KEY INDUSTRIES FORM THE FOUNDATION OF THE REGION'S ECONOMY

Transportation: Port Saint John Expansion

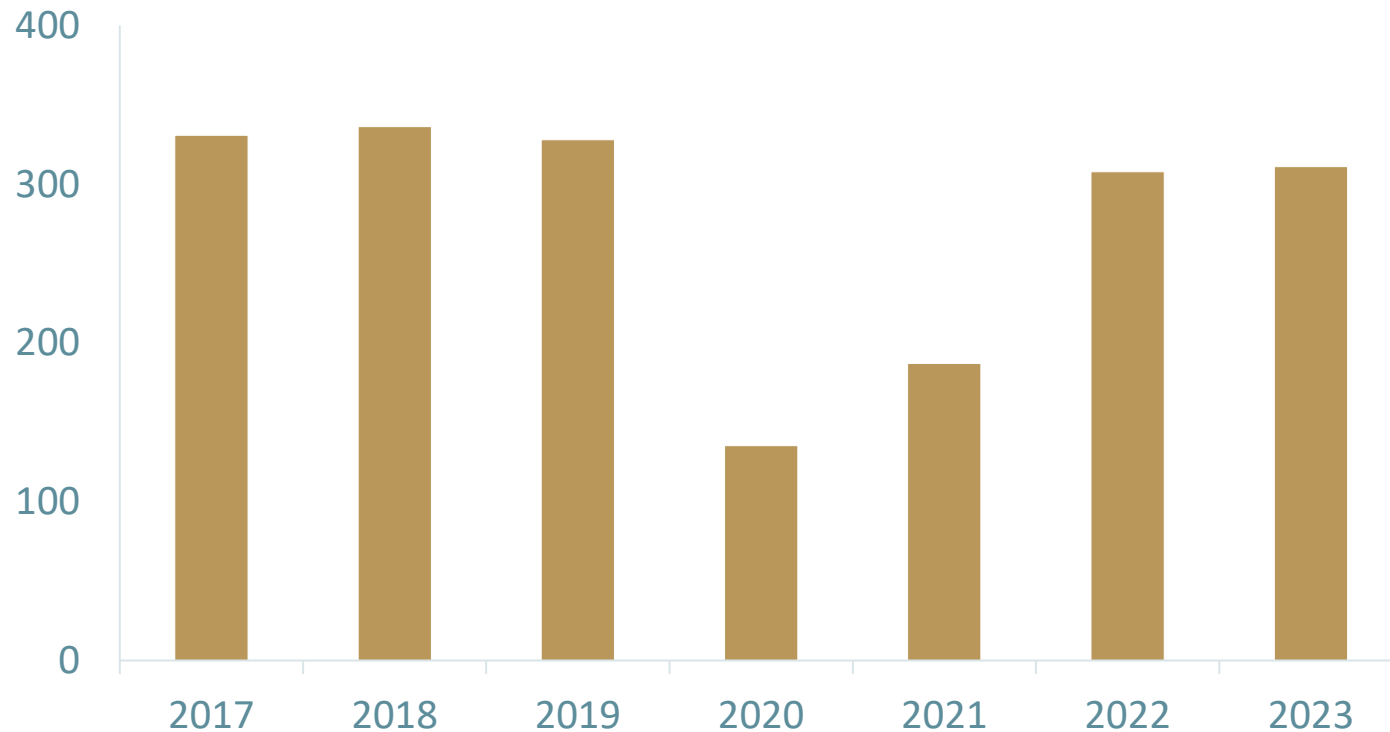
Containerized cargo (TEU '000): Port Saint John



- Port Saint John was the only Canadian port to record container cargo growth in 2023.
- Upgrades will increase annual capacity to 800,000 TEUs by end of 2025.
- Port Saint John expects to have two new cranes in operation by 2025.
- The logistics sector added 680 jobs between 2018 and 2023.

Tourism: The Rebound is Underway

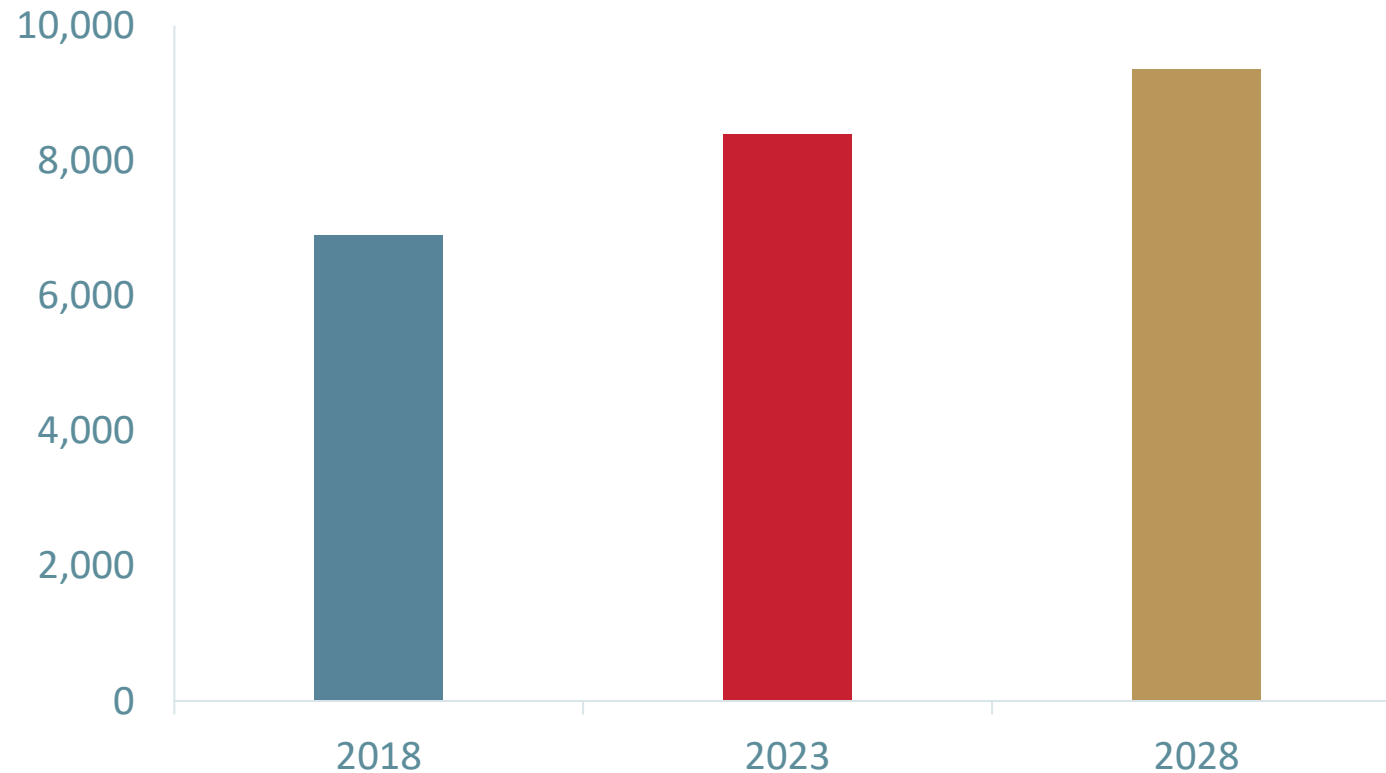
Hotel room nights sold: Saint John Region (nights '000)



- High inflation and interest rates have been limiting industry growth.
- Air passengers increased 17% in 2023 but are still below the 2019 level.
- Cruise passengers totaled 163,000 this year, which is lower than in 2022 and 2019.

Healthcare: Services Extend Provincially

Healthcare employment: Saint John Region

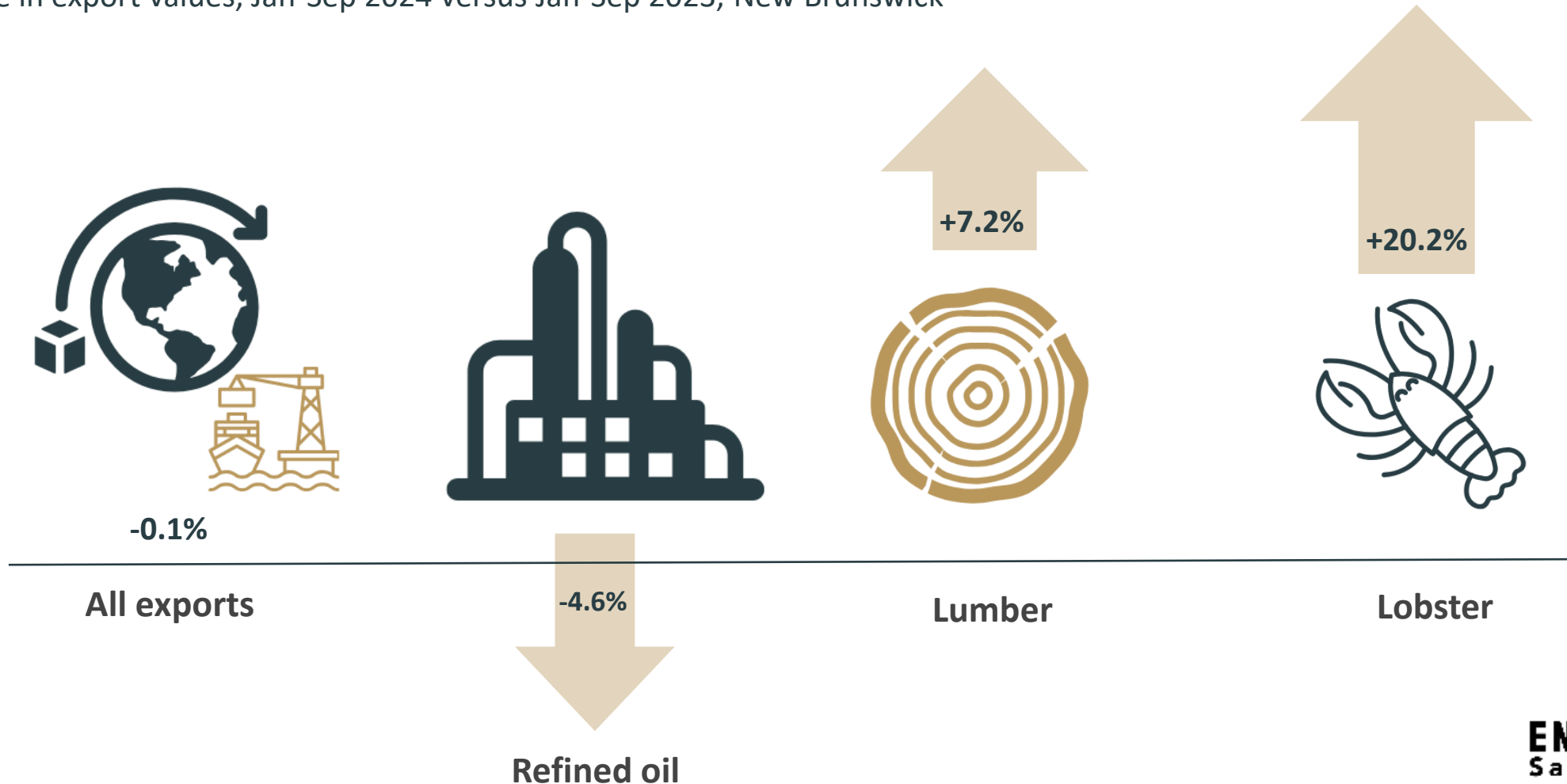


- Healthcare jobs represented 13% of total employment in 2023, up from 11% in 2018
- The industry's employment is forecast to grow 12% from 2023 to 2028

Note: 2028 is a forecast.
Source: Lightcast

Saint John Contributes to the Province's Largest Exports

Change in export values, Jan-Sep 2024 versus Jan-Sep 2023, New Brunswick





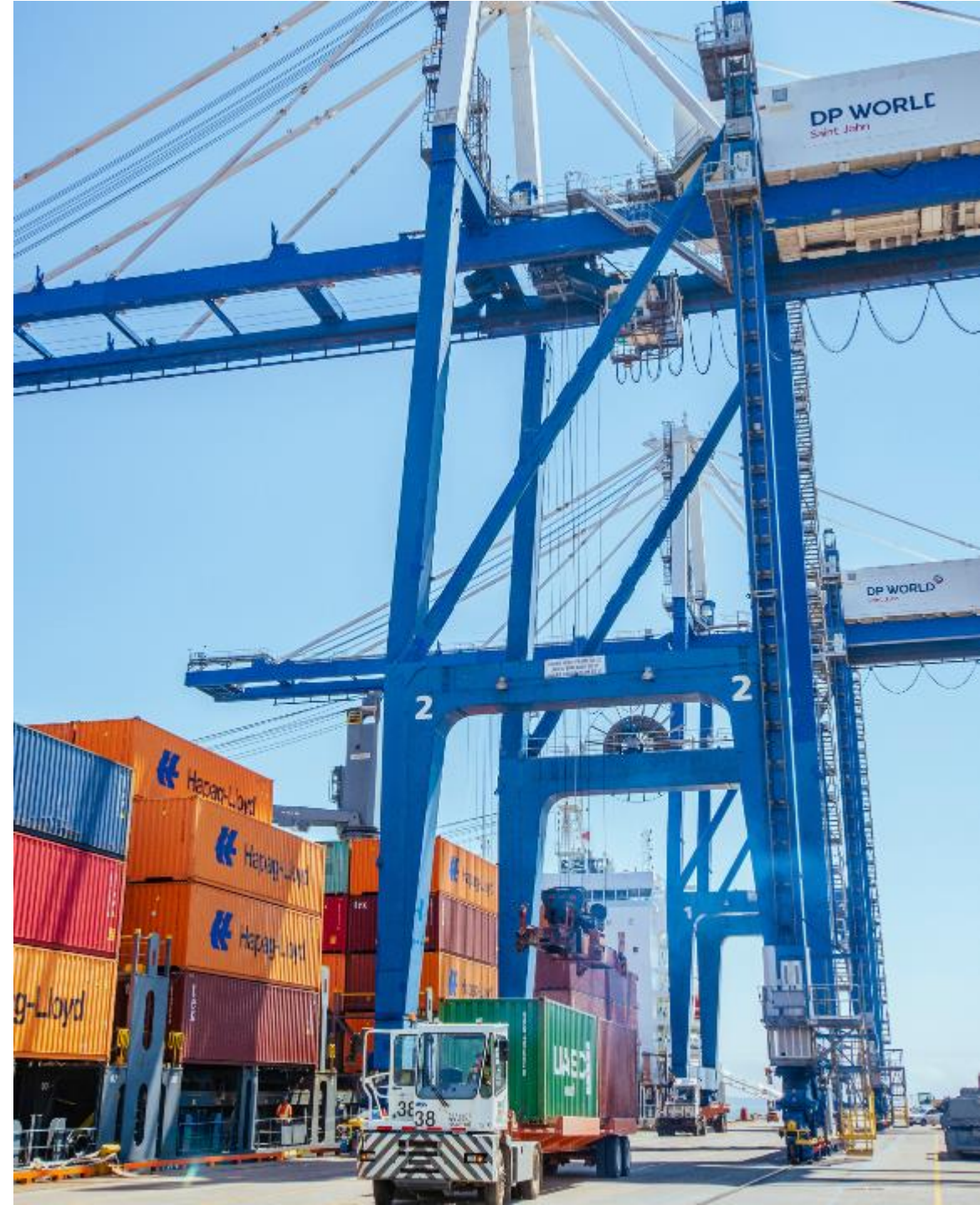
WHAT'S NEXT

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Port Expansion

- Port Saint John has completed a \$247 million Port modernization project, with container capacity increasing to 800,000 TEUs and future growth in container traffic will bring employment to the Region.
- The introduction of operating partner, DP World, and their global reach to the Region is an important driver for container growth.
- The return of CPKC is giving Saint John the strategic advantage of three class 1 rail lines.





Reshoring

- Protectionism is leading to shorter supply chains, fueling industry reshoring, nearshoring, or friend-shoring.
- Industrial growth in Canada is strong with low vacancy and increasing land prices.
- Saint John is well positioned in Atlantic Canada with a strong industrial labour force, major industrial assets and significant government controlled industrial land holdings.

Climate Change & Net-Zero Transition

- Saint John has strength in the energy sector and is an important player in Atlantic Canada's energy transition.
- Opportunities for generational investments in new production and technology could drive clean growth.
- **Risks:** competitiveness of existing assets and manufacturing input costs, government regulations.

Source: Statistics Canada





Healthcare

- Saint John has a strong healthcare cluster with 18.5% of provincial employment located in the Region.
- This sector has experienced over 20% employment growth in the past five years, with continued growth expected.
- Investments at UNBSJ's Integrated Health Initiative and the Health and Technology District Saint John can transform healthcare into an economic export for the Region.

An aerial photograph of a port area in Saint John, New Brunswick, Canada. The image shows a large industrial facility with several large, light-colored warehouse-like buildings. The facility is surrounded by numerous colorful shipping containers stacked in rows. In the foreground, a multi-lane highway curves along the left side of the port. The background features a dense urban area with various buildings and a large body of water, likely the Bay of Fundy. The sky is clear, and the overall scene is brightly lit.

KEY TAKEAWAYS

A smiling woman wearing a grey hijab is the central focus of the image. She is in a classroom or meeting room, with other people blurred in the background. The text is overlaid on the image in a large, white, sans-serif font.

**IMMIGRATION IS CRITICAL TO THE
GROWTH OF THE REGION.**

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An aerial photograph of a city waterfront development. In the foreground, a large, paved pedestrian plaza with several circular green spaces and young trees is visible. People are walking and sitting on the plaza. To the right, a multi-story brick building with a modern glass entrance is situated. A road with cars and a bus is visible. In the background, a river flows, and a bridge spans across it. The sky is blue with some clouds.

**POPULATION GROWTH HAS BEEN
EXCEEDING ECONOMIC GROWTH.**

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MOMENTUM IS BUILDING.

**THERE ARE STRONG
OPPORTUNITIES TO GROW THE
ECONOMY.**

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