

# ST. JOHN'S & AREA

NEWFOUNDLAND

6%

2016 AVERAGE RESIDENTIAL SALE PRICE  
**\$279,356**

THE DOWNTURN IN NEWFOUNDLAND & LABRADOR'S COMMODITY SECTOR IN RECENT YEARS HAS CONTINUED TO IMPACT ST. JOHN'S HOUSING MARKET, WITH THE AVERAGE RESIDENTIAL SALE PRICE DOWN SIX PER CENT YEAR-OVER-YEAR IN 2016.

Activity has also softened slightly, with the number of sales declining to 2,752 in 2016 to 2,808 in 2015. The market is expected to remain a buyer's market in 2017, with good selection of product and approximately nine months of inventory on the market.

The new provincial government introduced a two per cent HST rate increase in their 2016 budget among other tax raises, contributing to slowed activity in the housing market. Renewed optimism heading into 2017 is fuelled by the anticipated expansion of off shore oil exploration, with three new oil rigs scheduled to come to the province in the new year, while the low Canadian dollar is anticipated to continue to provide a boost to both the fishing and tourism sectors. St. John's market is expected to remain flat in 2017 with lower oil prices likely to have the biggest impact on the market in coming years.

## FIRST-TIME BUYERS

First-time buyers drive demand in St. John's and the surrounding area, representing approximately 60 per cent of sales in 2016. New construction of both smaller single-family detached homes and condos priced between \$220,000 and \$270,000 has provided a wide array of options for first-time home owners looking to enter the market.

## CONDO MARKET

Condo sales are a small segment of St. John's & area residential real estate market, representing five per cent of sales in the region. Demand has softened in recent years due to the downturn in the commodity sector which has resulted in a pause in new development projects. Both millennials and retirees are active in the city's condo market.

## LUXURY HOMES

The luxury market was slow in 2016 largely due to low oil prices in recent years and industry wide cutbacks. There were 91 sales for properties over \$500,000 in St. John's in 2016, compared to 204 sales in 2015. Activity in the upper end of the market is expected to stay flat in 2017.



## FUTURE TRENDS

- The low Canadian Dollar is expected to have a positive impact on both tourism and the province's fishing industry in 2017
- Further foreign investment in Newfoundland & Labrador's oil and gas sector, such as the Statoil & Husky offshore oil exploration projects and the development of the Hebron Gravity Base Structure are expected to create new employment opportunities in the province
- The RE/MAX 2017 average residential sale price expectation for St. John's and area is stable

AVERAGE RESIDENTIAL SALE PRICE  
(ST. JOHN'S & AREA)



Source: Historical values are sourced from CREA or local board statistics. Estimates and forecasts are based on the opinion of independent RE/MAX broker/owners and affiliates.