

2021

Quarterly Economic Report – Greater Moncton and Southeast New Brunswick



Prepared by
3plus Corporation
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Greater Moncton and Southeast New Brunswickⁱ Quarterly Economic Report

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Q3 2020

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Introduction

This report presents a snapshot of Greater Moncton and Southeast New Brunswick’s economy. Greater Moncton and Southeast New Brunswick is defined as the tri-county area containing Westmorland, Albert, and Kent Counties. The report discusses key economic indicators such as population, labour, real estate and development, and industry.

Some data is not available at the tri-county level. In these cases, CMA-level data or tri-community data is used. The Greater Moncton CMA contains Moncton, Dieppe, Riverview, Sackville, and several other smaller communities in the region. The tri-community, or Greater Moncton Area, contains only Moncton, Dieppe, and Riverview.

Key takeaways

Population

Greater Moncton and Southeast New Brunswick’s population is growing steadily at around 2% per year. Immigration accounts for most of this growth, as the region has experienced more deaths than births in recent years. The 64+ age group is the fastest growing with a 45% growth rate over the past 10 years. The region’s aging demographics and low natural population growth rate accentuate the need for immigration and migration.

The number of permanent residents admitted to the region declined steeply in 2020. This is concerning as the region relies heavily on immigration.

Labour

Greater Moncton and Southeast New Brunswick’s unemployment rate typically exceeds the Canadian average. However, the region’s 2020 unemployment rate is below the Canadian average. The local and national unemployment rate climbed in 2020.

The number of job postings in the region has declined over the past 2 years. This may indicate fewer job vacancies. However, the number of people employed in the region has risen steadily which indicates the number of jobs is growing.

Real Estate & Development

Residential vacancy rates increased slightly year-over-year while rents increased nearly 8%. Residential building permit values shattered a record that was previously set in 2019. Overall building permit values also exceeded all previous years. Housing starts are also up 40% year-over-year.



Industry

Commercial rents are currently around \$25 per square foot. This represents a slight increase year-over-year. The commercial vacancy rate is currently 9.6%, which also represents a slight increase since last year. Commercial properties may have been negatively impacted by COVID-19, which forced many businesses to adopt remote working models.

In 2019, international export value decreased slightly year-over-year. The number of exporting establishments also decreased.

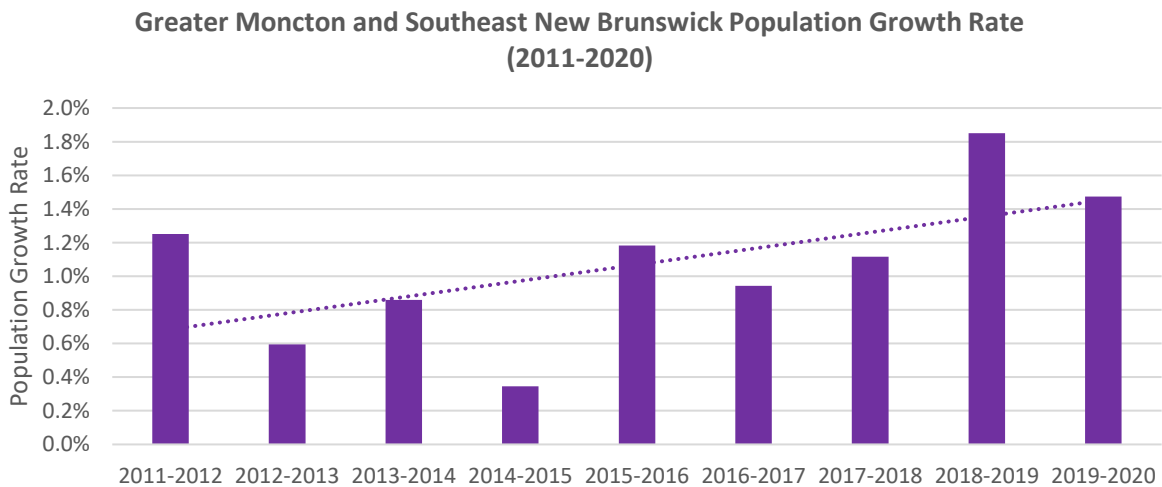
COVID-19

According to experimental Statistics Canada data, a net 144 businesses have closed in the region since January. These closures may be temporary or permanent. The largest number of closures occurred in June, several months after pandemic lockdowns were imposed.

Population

Current Population and Growth

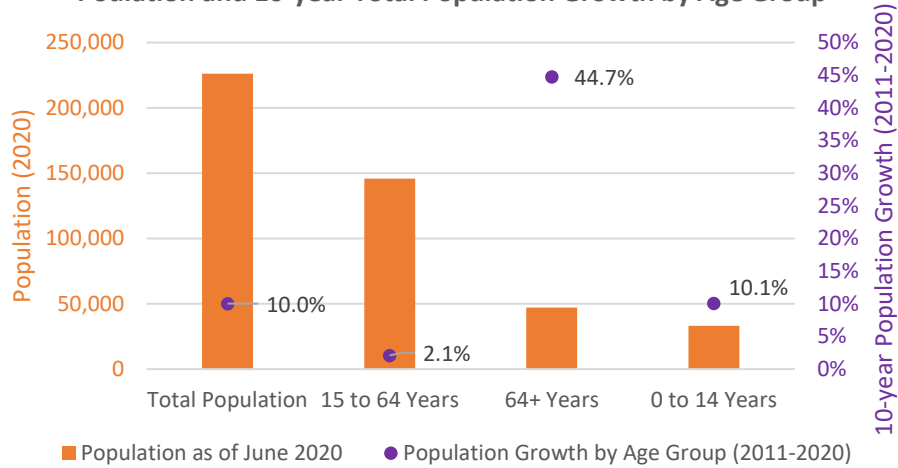
Greater Moncton and Southeast New Brunswick's population was 226,082ⁱⁱ in June 2020. From July 2019 to June 2020, the region's population grew by 1.5%. By comparison, the region's population grew 1.9% the year prior. The region's population growth rate has trended upwards since 2010 as displayed in the graph below.



The number of individuals in Greater Moncton and Southeast New Brunswick has grown 10% in the past 10 years. Individuals who are over 64 years old are the region's fastest-growing age demographic. The number of people over 64 grew 44.7% during the past 10 years, while the number of individuals 14 and under grew 10.1% and the number aged between 15 and 64 years grew 2.1%.



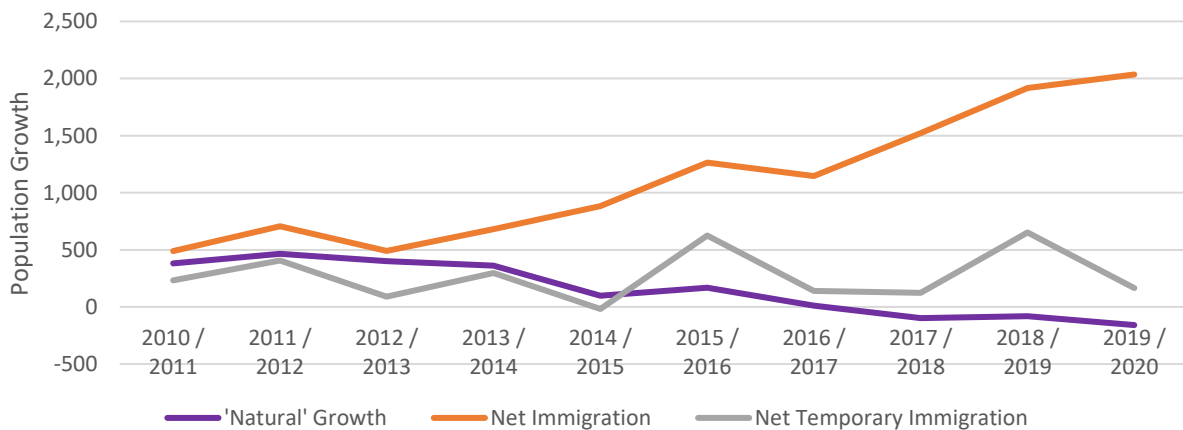
Greater Moncton and Southeast New Brunswick Current Population and 10-year Total Population Growth by Age Group



Most of Southeast New Brunswick’s growth comes from immigration. In 2018-2019, immigration accounted for over half of the region’s total population growth while ‘natural’ population growth (births minus deaths) was negative.

In recent years, immigration growth has accelerated while ‘natural’ population growth has slowed. Net temporary migration (defined as the number of immigrants minus the number of emigrants) has also accelerated slightly over the past few years. Immigration is becoming increasingly essential for growing the region’s population. ⁱⁱⁱ

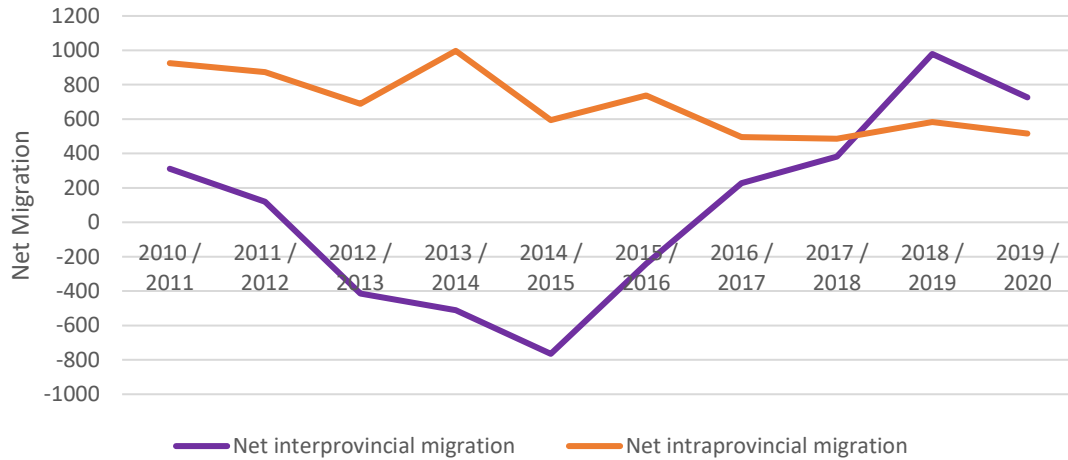
'Natural' Population Growth vs. Net Immigration and Net Temporary Immigration in Greater Moncton and Southeast New Brunswick



As shown in the graph below, interprovincial migration (migrants from other provinces) has trended upwards since 2015. However, intraprovincial migration (migrants from other areas of New Brunswick) has trended downwards. In 2019-2020, interprovincial migration accounted for 22.1% of the region’s population growth while intraprovincial migration accounted for 15.7% of growth.



Net Interprovincial and Intraprovincial Migration to Greater Moncton and Southeast New Brunswick by Year

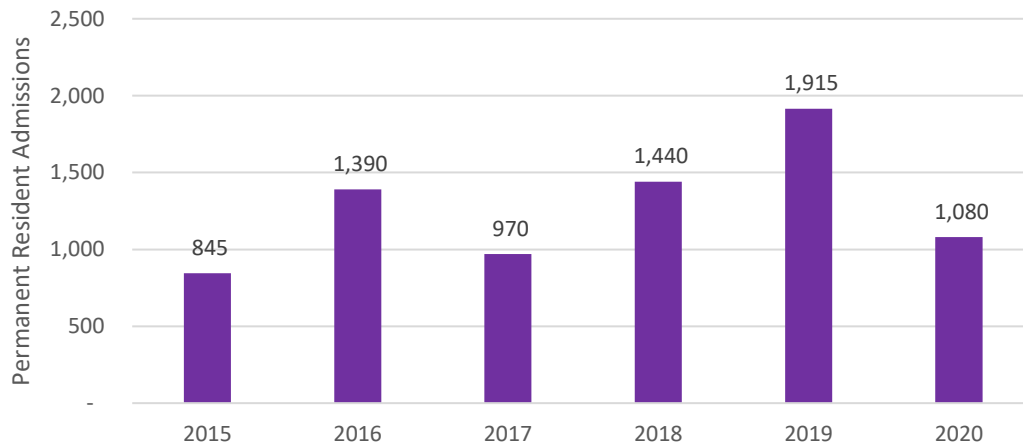


New Permanent Residents

Immigration, Refugees and Citizenship Canada (IRCC) publishes the number of new permanent residents by intended destination each quarter^{iv}. 1,080 permanent residents were admitted to Canada with the Greater Moncton CMA as their intended destination in 2020. The number of permanent residents admitted to the region increased each year from 2017 to 2019. However, the number of admissions in 2020 was about half the number of admissions in 2019. COVID-19 may have caused this drop in admissions. The graph below shows number of permanent residents admitted to the region from 2015 to 2020.

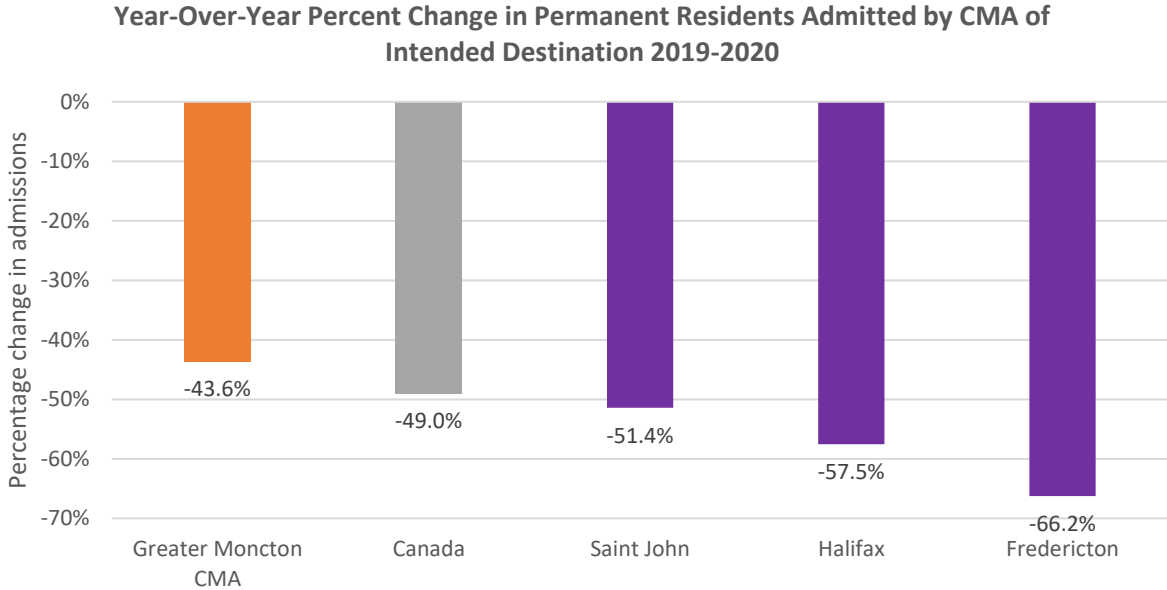
This drop in permanent resident admissions may be particularly concerning for the Greater Moncton CMA. As mentioned above, the region relies heavily on immigration to grow its population.

Number of New Permanent Residents Admitted to the Greater Moncton CMA by Year (2015-2020)





The Greater Moncton CMA experienced a smaller drop in permanent resident admissions compared with the Canadian average. The Greater Moncton CMA experienced a 43.6% drop in permanent resident admissions. However, Canada experienced a 49.0% drop and Fredericton experienced a 66.2% drop.



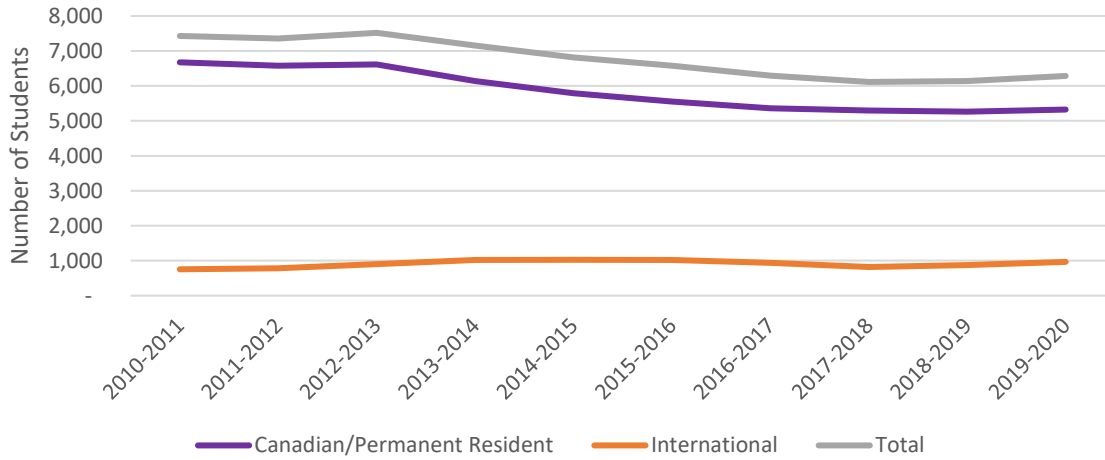
Education – Post-Secondary Enrolment at Public Institutions

According to the 2016 Census, 52% of Greater Moncton and Southeast New Brunswick residents have a post-secondary degree or diploma^v. 24% of residents have a college or CEGEP diploma, 18% have a university degree at the bachelor level or above, 8% have an apprenticeship or trades certificate or diploma, and 2% have a university certificate below the bachelor level.

The number of domestic and international students in Greater Moncton and Southeast New Brunswick has trended downwards in recent years^{vi}. However, enrolments among both groups increased slightly. Nearly 6,300 students were enrolled in public universities in the region during the 2019-2020 academic year.

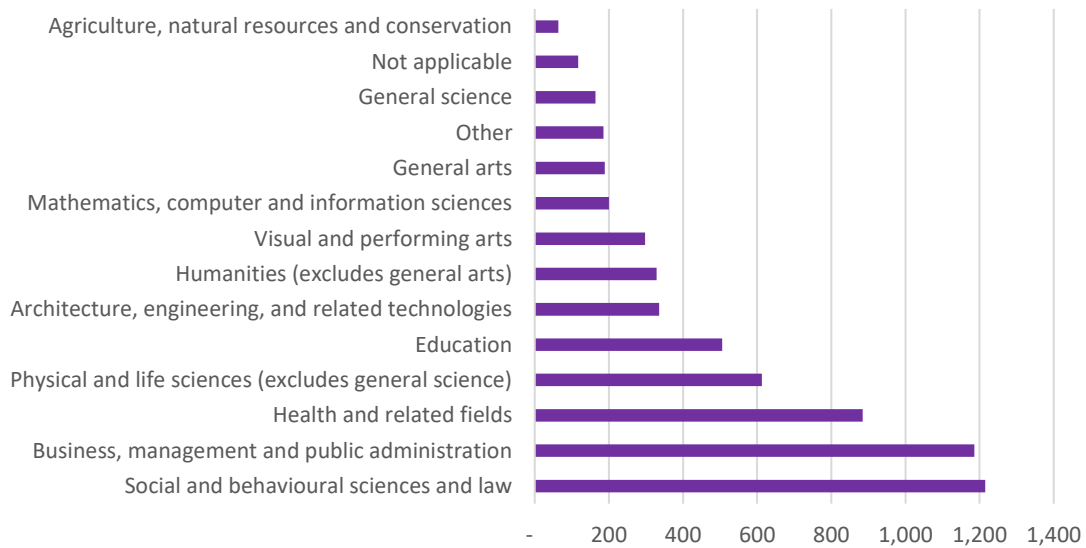


Number of Students Attending Public Universities in Greater Moncton and Southeast New Brunswick



The most common fields of study among public university students in the region are social and behavioural sciences and law, business, management, and public relations, and health and related fields.

Number of Students Attending Public Universities in 2019-2020 in Greater Moncton and Southeast New Brunswick by Field of Study



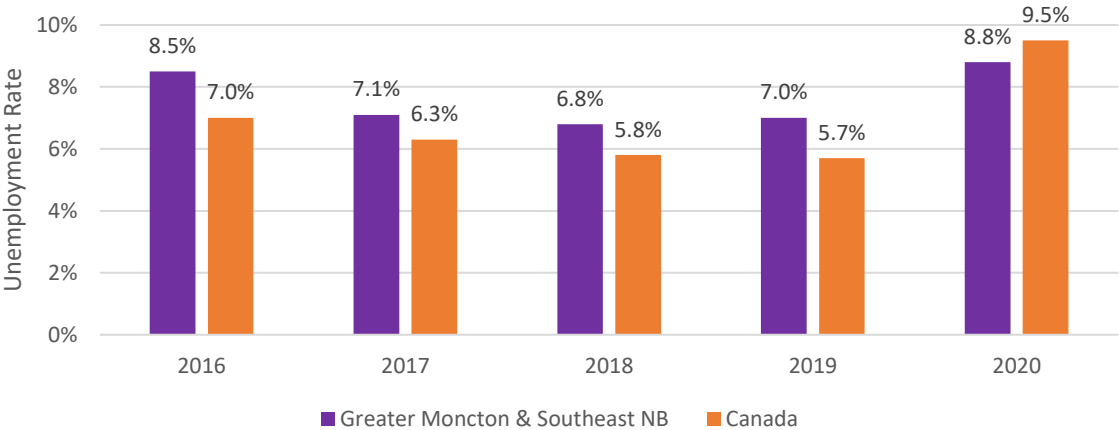


Labour

Unemployment Rate

Greater Moncton and Southeast New Brunswick's unemployment rate has exceeded the Canadian average in recent years. However, in 2020 the region's unemployment rate was below the national average. The region's labour market fared well compared to the rest of Canada at the beginning of the COVID-19 pandemic, which could account for the region's comparatively strong performance in 2020.

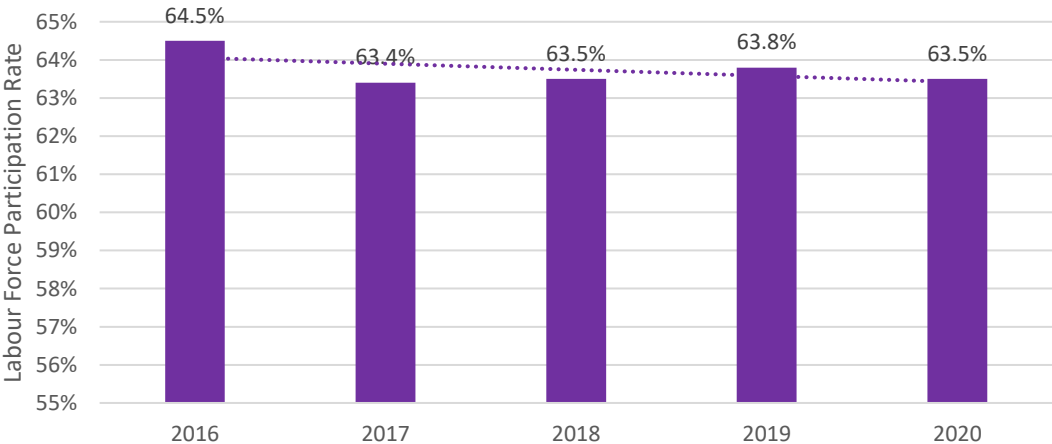
Unemployment Rate in Greater Moncton and Southeast New Brunswick vs. Canada (2016-2020)



Labour Force Participation Rate

Greater Moncton and Southeast New Brunswick's labour force participation rate was 63.5% in 2020, down slightly from 2019. The region's labour force participation rate has declined slightly over the past five years. This may be due to the region's aging demographics (see 'population growth' section).

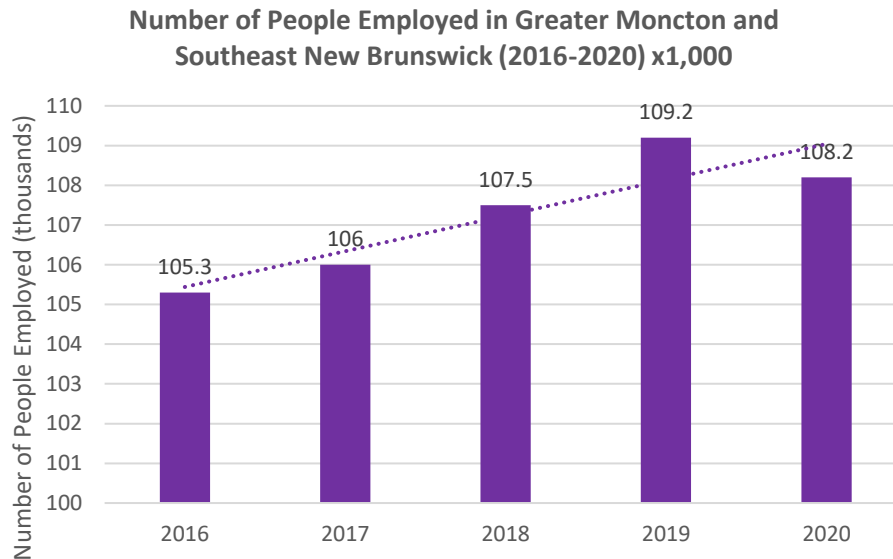
Labour Force Participation Rate in Greater Moncton and Southeast New Brunswick (2016-2020)





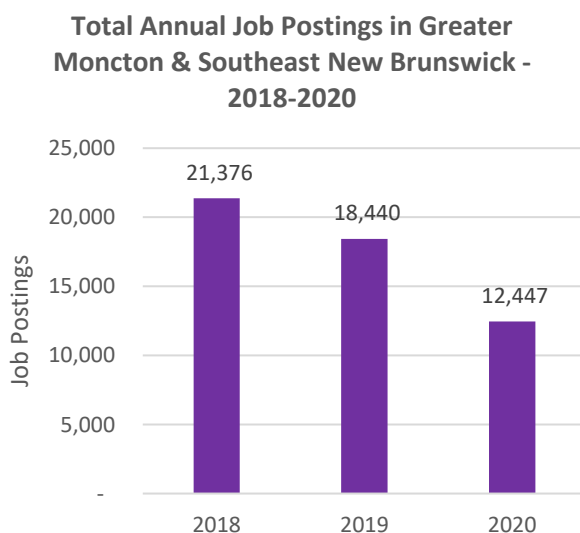
Number of People Employed

The number of people who are employed in Greater Moncton and Southeast New Brunswick dropped slightly from 2019 to 2020. However, over the number of people employed in the region has trended upwards over the past five years.



Hiring Demand

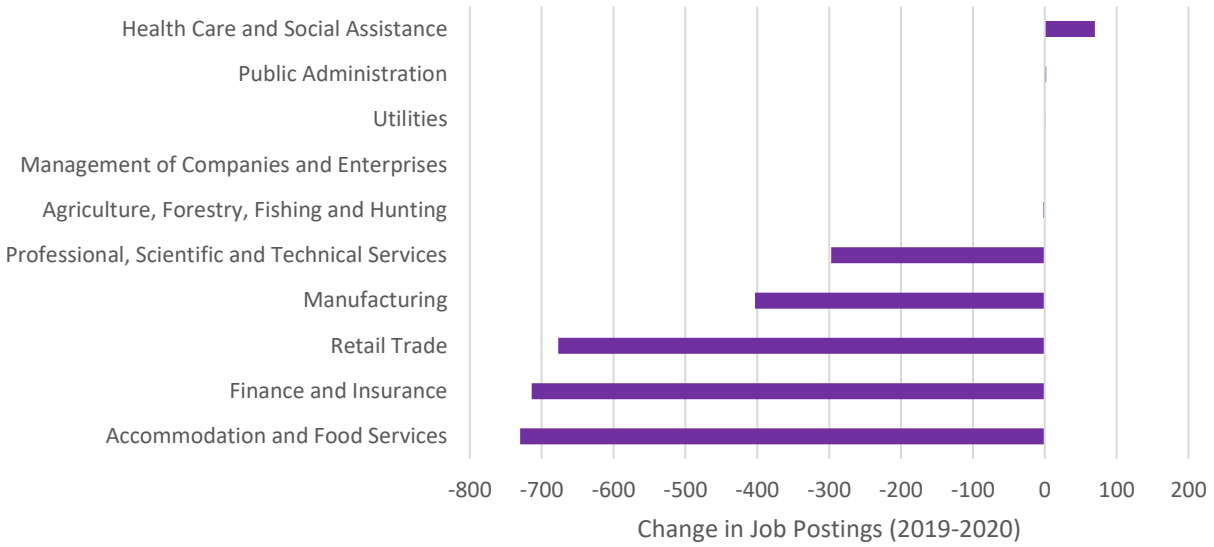
Hiring demand has trended downwards since 2018^{vii}. The number of job postings in Greater Moncton and Southeast New Brunswick dropped 14% from 2018 to 2019, and 33% from 2019 to 2020. This may reflect weaker hiring demand in the region.



The graph below shows the five industries with the largest and smallest drops in employment year-over-year. The accommodation and food services sector reduced hiring by the greatest amount. COVID-19 may have caused reduced hiring demand in this sector in 2020.



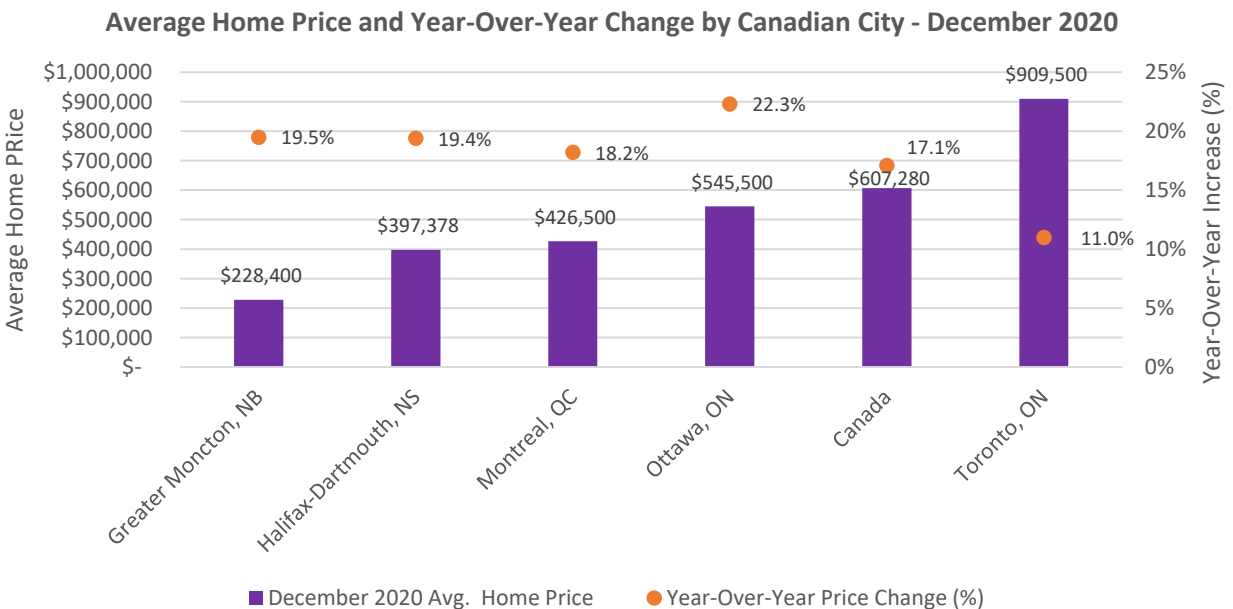
Change in Number of Job Postings by Industry in Greater Moncton & Southeast New Brunswick - five industries with highest and lowest losses from 2019 to 2020



Real Estate & Development

Average Housing Costs – Home Ownership

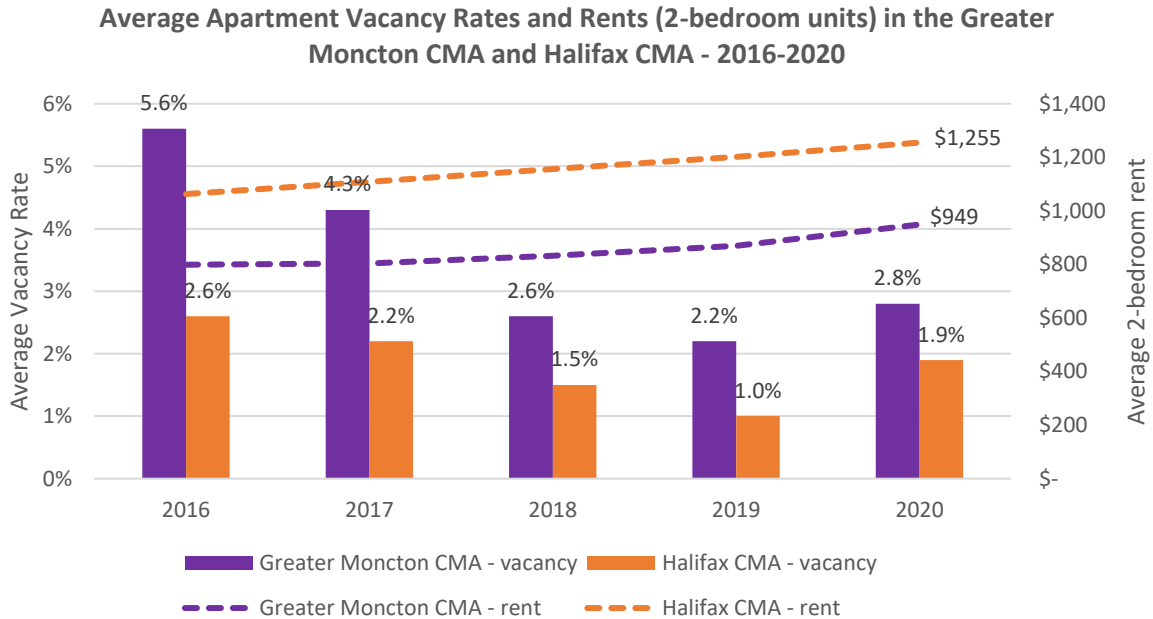
Home prices increased Canada-wide year-over-year by an average of 17.1% in December 2020. The average home price in Greater Moncton increased by 19.5% to \$228,400. Housing prices across Canada surged during the COVID-19 pandemic.



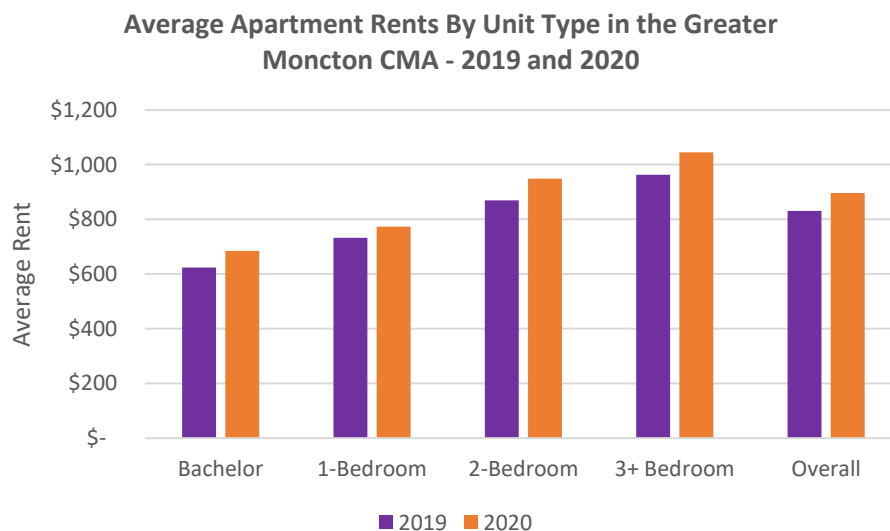


Average Housing Costs – Rents & Vacancy Rates

Average 2-bedroom residential rent increased by 9.1% in the Greater Moncton Area from 2019 to 2020. Rents have increased nearly 19% over the past 5 years. However, vacancy rates increased slightly year-over-year from 2.2% to 2.8%. Halifax's rents and vacancy rates also increased year-over-year in 2020. Average 2-bedroom rent in Halifax rose 4.4% year-over-year while vacancy rates rose from 2.2% to 2.8%. The table below displays rents and vacancy rates in Halifax and Greater Moncton from 2016-2020.



Average rents increased for every unit type from 2019 to 2020. 2-bedroom units had the largest relative year-over-year increase. Two-bedroom unit rent prices increased 9.1% year-over-year, while

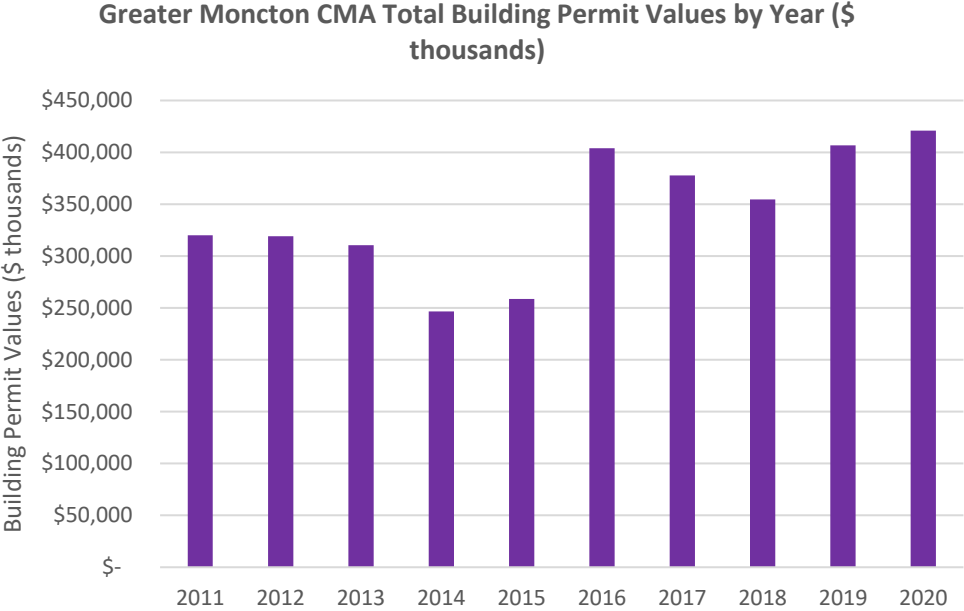




bachelor apartment rents increased 9.8%, 1-bedroom rents increased 5.7%, and 3+-bedroom apartment rents increased 8.5%. Overall rents increased 7.8% year-over-year.

Building Permit Values – Overall

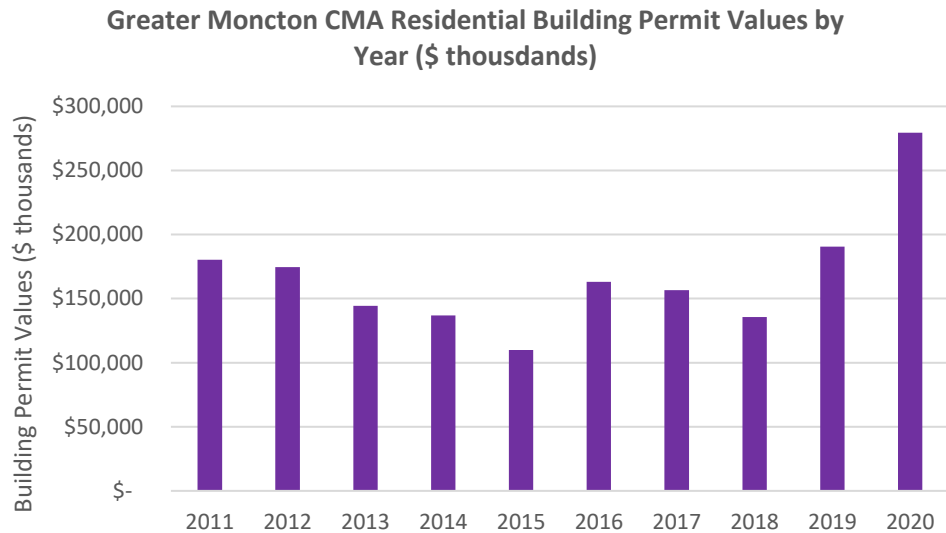
Building permit values in the Greater Moncton CMA reached record levels in 2020. Permit values exceeded \$421 million. This represents a 3.6% increase from 2019, which was also a record-setting year.





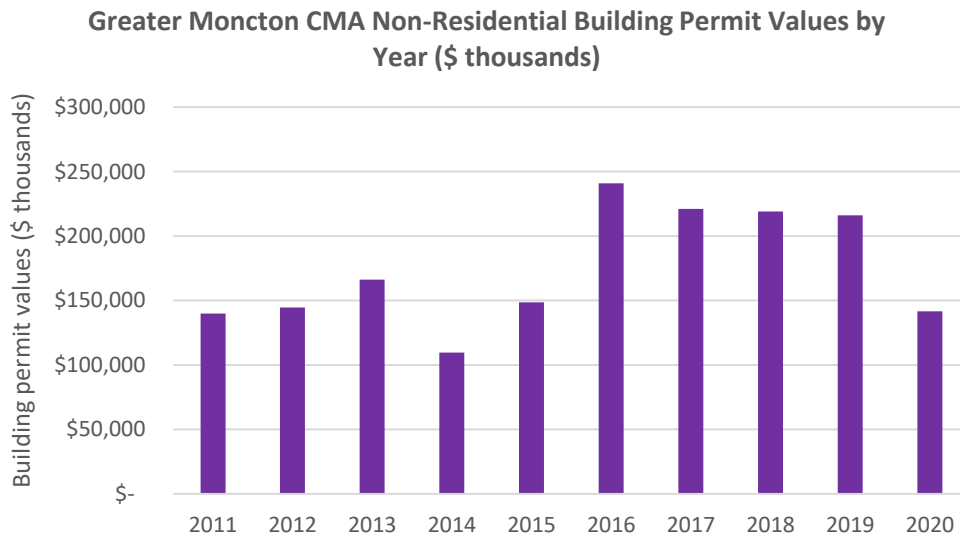
Building Permit Values – Residential

Residential building permits drove the year-over-year increase in building permit values. 2020 residential building permit values broke a record that was set in 2019. Residential permit values grew nearly 47% from 2019 to 2020.



Building Permit Values – Non-Residential

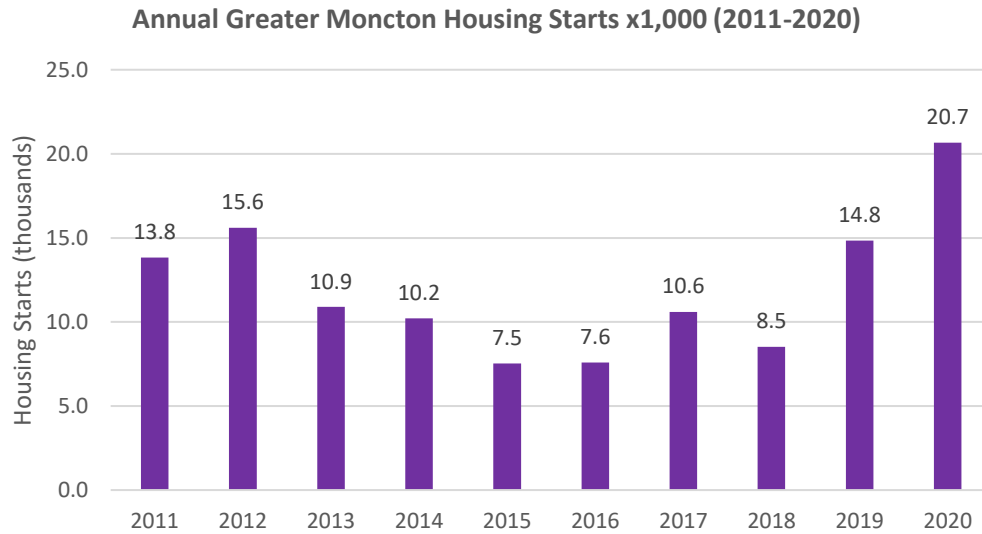
Non-residential building permit values declined nearly 35% year-over-year in 2020.





Housing Starts

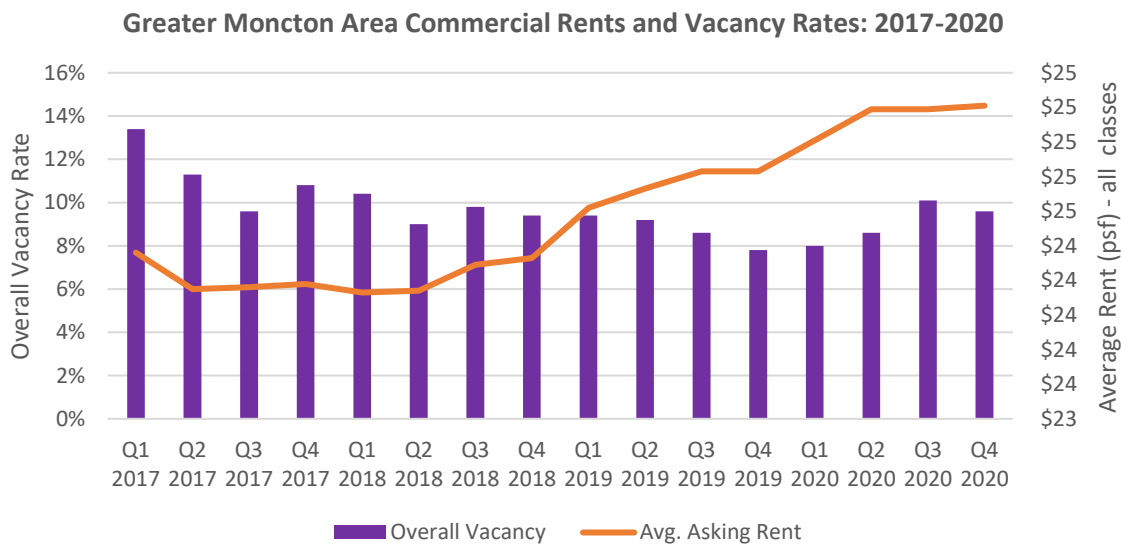
Housing starts in the Greater Moncton CMA are up nearly 40% in 2020 compared with the previous year^{viii}. The region experienced 20,700 housing starts in 2020. According to Statistics Canada's data, which goes back to 2006, this is the highest number of annual housing starts in the region.



Industry

Commercial Rents & Vacancy Rates

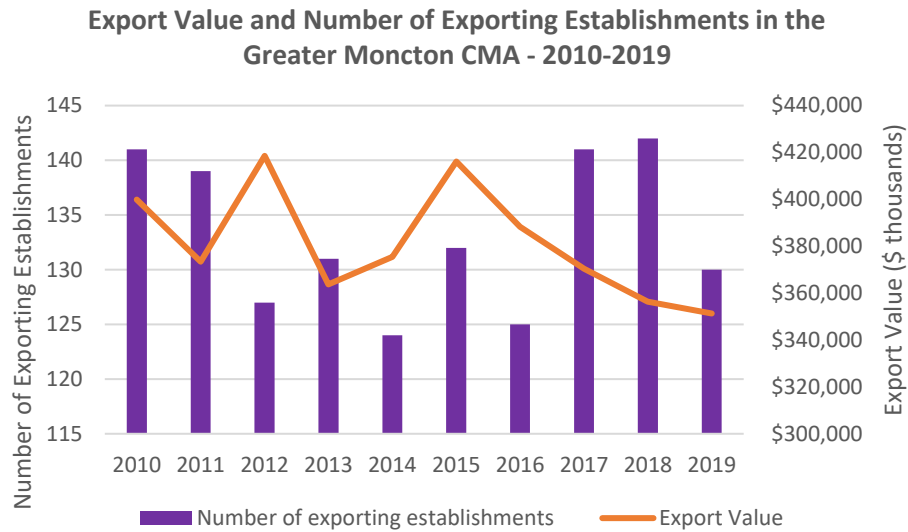
Overall commercial vacancy in the Greater Moncton Area is 9.6% and average asking rent is \$25.21 per square foot^{ix}. Commercial vacancy rates and average asking rents have trended upwards since mid-2019.



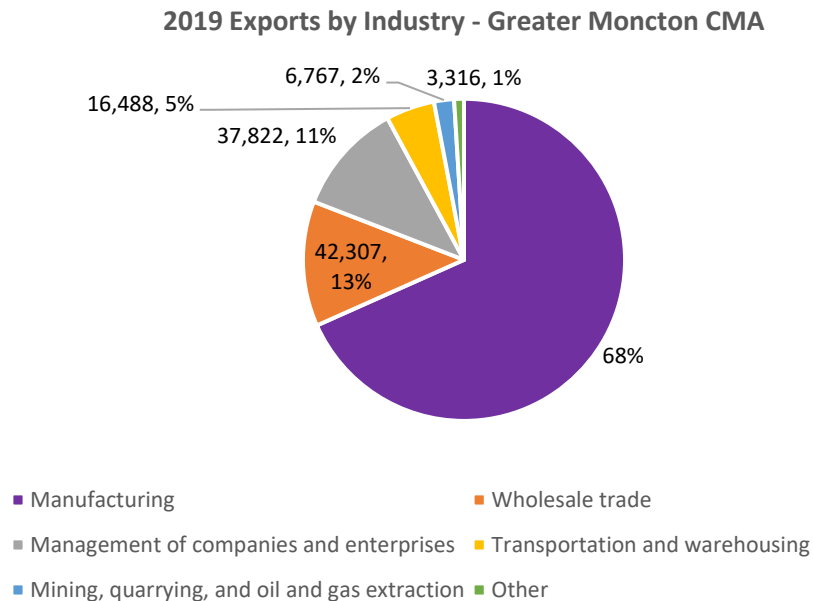


Goods Trade – International Exports

Businesses in the Greater Moncton CMA exported \$351 million in goods in 2019*. In total, 130 businesses in the Greater Moncton CMA are exporters. The number of exporting establishments and the total value of goods exports decreased from 2018-2019.



Manufacturing goods account for over two-thirds of the Greater Moncton Area’s export value. Wholesale trade accounts for 13% of export value, while management of companies and enterprises accounts for 11%.



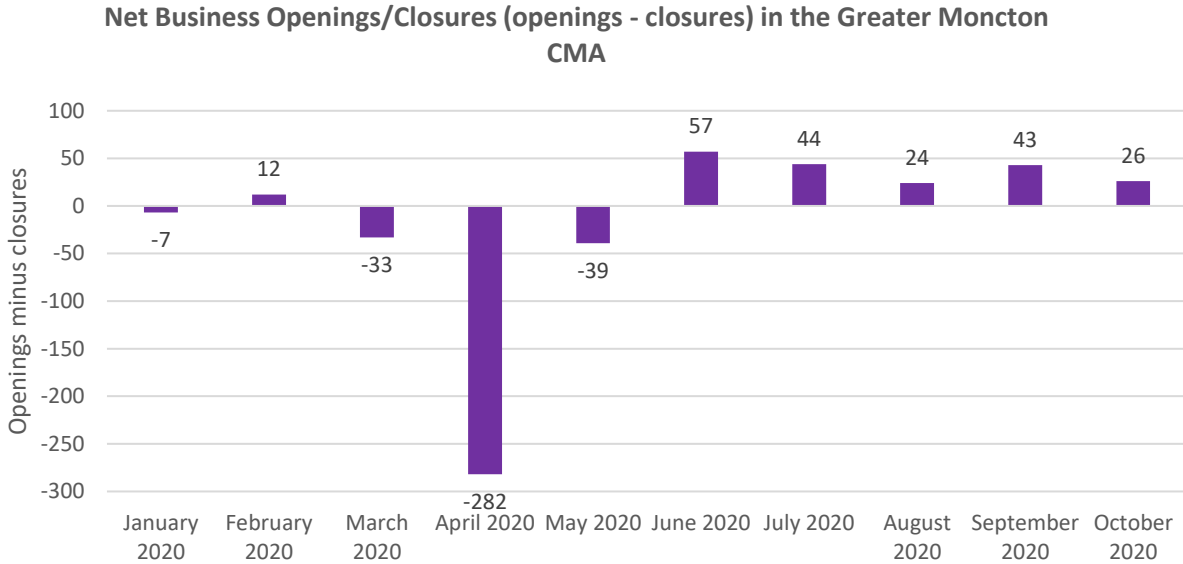


COVID-19

Business Openings and Closures

Statistics Canada publishes experimental estimates for the number of business openings and closures by CMA^{xi}. The table below displays the net number of business openings (openings minus closures) by month for 2019 and 2020. As of October 2020, a net 144 businesses had closed year-to-date.^{xii} April was the worst month with 282 closures. However, a net 155 businesses has opened since then.

COVID-19 measures reduced tourism and mandated temporary business closures and physical distancing. Loss of revenue from these events likely forced some businesses to close.





Endnotes

ⁱ Greater Moncton & Southeast New Brunswick a.k.a. the 'Moncton – Richibucto Economic Region' a.k.a. 'Southeast New Brunswick' refers to the area encompassing Westmorland, Albert, and Kent Counties.

ⁱⁱ Statistics Canada. Table 17-10-0137-01 Population estimates, July 1, by economic region, 2016 boundaries

ⁱⁱⁱ Net immigration refers to total immigrants minus total emigrants

^{iv} IRCC 'Canada – Admissions of Permanent Residents by Province/Territory and Census Metropolitan Area (CMA) of Intended Destination'

^v Statistics Canada. 2017. Moncton--Richibucto [Economic region], New Brunswick and Moncton [Census metropolitan area], New Brunswick (table). Census Profile. 2016 Census. Statistics Canada Catalogue no. 98-316-X2016001. Ottawa. Released November 29, 2017.

^{vi} Maritime Provinces Higher Education Commission

^{vii} Vicinity Jobs

^{viii} Statistics Canada. Table 34-10-0156-01 Canada Mortgage and Housing Corporation, housing starts in all centres 10,000 and over, Canada, provinces, and census metropolitan areas, seasonally adjusted at annual rates, monthly (x 1,000)

^{ix} Cushman Wakefield Atlantic

^x Statistics Canada. Table 12-10-0138-01 Trade in goods by exporter characteristics, by industry of establishment and census metropolitan area (x 1,000).

^{xi} Statistics Canada. Table 33-10-0270-01 Experimental estimates for business openings and closures for Canada, provinces and territories, census metropolitan areas, seasonally adjusted

^{xii} Business closures refer to the number of businesses that previously had a positive number of employees, and now have zero employees.