

# 2021 Q1

## Quarterly Economic Report – Greater Moncton and Southeast New Brunswick



Prepared by  
3plus Corporation  
2021 Q1



# Greater Moncton and Southeast New Brunswick<sup>i</sup> Quarterly Economic Report

Prepared by 3+ Corporation

Q1 2021

## Contents

- Introduction .....2**
- Key takeaways .....2**
  - Population..... 2
  - Labour ..... 2
  - Real Estate & Development ..... 2
  - Industry ..... 3
  - COVID-19..... 3
- Population .....4**
  - Current Population and Growth ..... 4
  - New Permanent Residents..... 6
- Labour .....8**
  - Unemployment Rate ..... 8
  - Labour Force Participation Rate ..... 9
  - Number of People Employed ..... 10
  - Part-Time vs. Full-Time Employment ..... 11
  - Hiring Demand ..... 11
- Real Estate & Development.....12**
  - Average Housing Costs – Home Ownership..... 12
  - Average Housing Costs – Rents & Vacancy Rates ..... 13
  - Building Permit Values – Overall..... 14
  - Building Permit Values – Residential ..... 15
  - Building Permit Values – Non-Residential ..... 16
  - Housing Starts ..... 17
- Industry .....18**
  - Commercial Rents & Vacancy Rates ..... 18
  - Goods Trade – International Exports ..... 18
- COVID-19 .....19**
  - Business Openings and Closures..... 20



## 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 around three quarters of this growth. 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. The decline has continued into Q1 2021. This is concerning as the region relies heavily on immigration. Canada and other regions in Atlantic Canada have experienced steeper declines in permanent resident admissions.

### Labour

Greater Moncton and Southeast New Brunswick’s unemployment rate was below the Canadian average in 2020. However, the region’s unemployment rate is currently about 2% higher than the Canadian average.

The region has lost 6,300 full-time jobs over the past year and has gained 3,800 part-time jobs.

### Real Estate & Development

COVID-19 fueled increased housing demand and prices across Canada. Housing prices in Greater Moncton increased about 30% year-over-year in March 2021, while prices across Canada increased about 32%.



Greater Moncton and Southeast New Brunswick achieved record-setting housing starts and building permit values in 2020. Apartment construction represented over two-thirds of 2020 housing starts in the region.

## Industry

Commercial rents are currently around \$25 per square foot. This represents a slight decrease year-over-year. The commercial vacancy rate is currently 9.2%, which 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

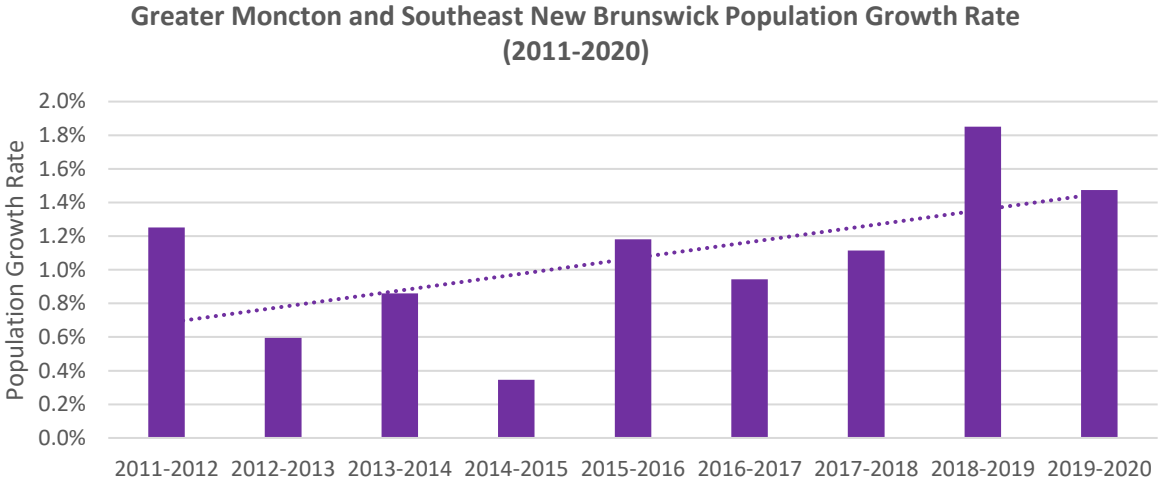
According to experimental Statistics Canada data, many businesses closed as COVID-19 restrictions began affecting the region. However, the number of net business openings has been positive every month since May 2021.



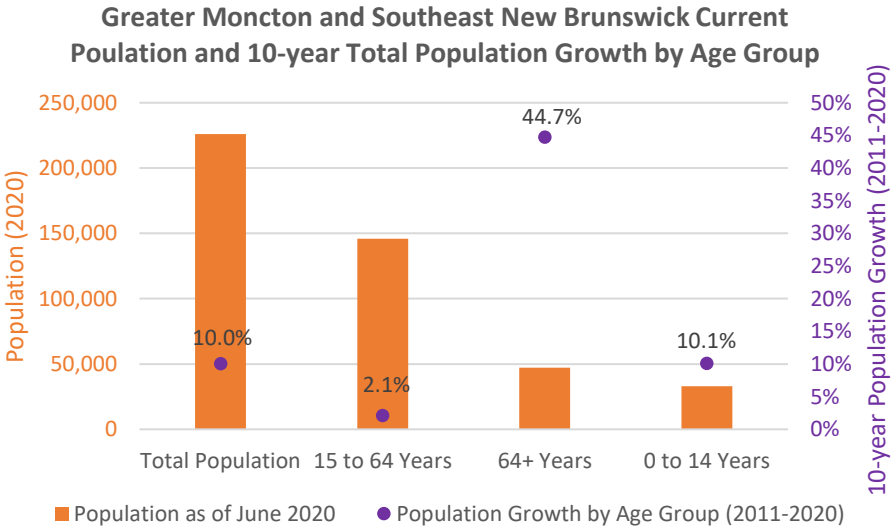
# Population

## Current Population and Growth

Greater Moncton and Southeast New Brunswick’s population was 226,082<sup>ii</sup> 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.



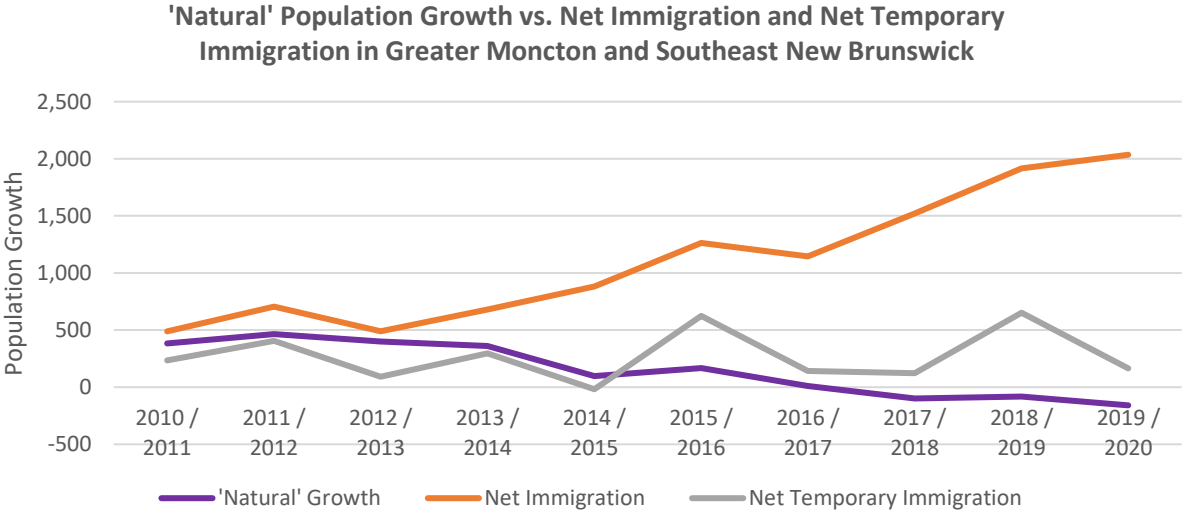
The number of individuals in Greater Moncton and Southeast New Brunswick has grown 10% in the past 10 years. Individuals who are over 64 years old are the region’s fastest-growing age demographic. The number of people over 64 grew 44.7% during the past 10 years, while the number of individuals 14 and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



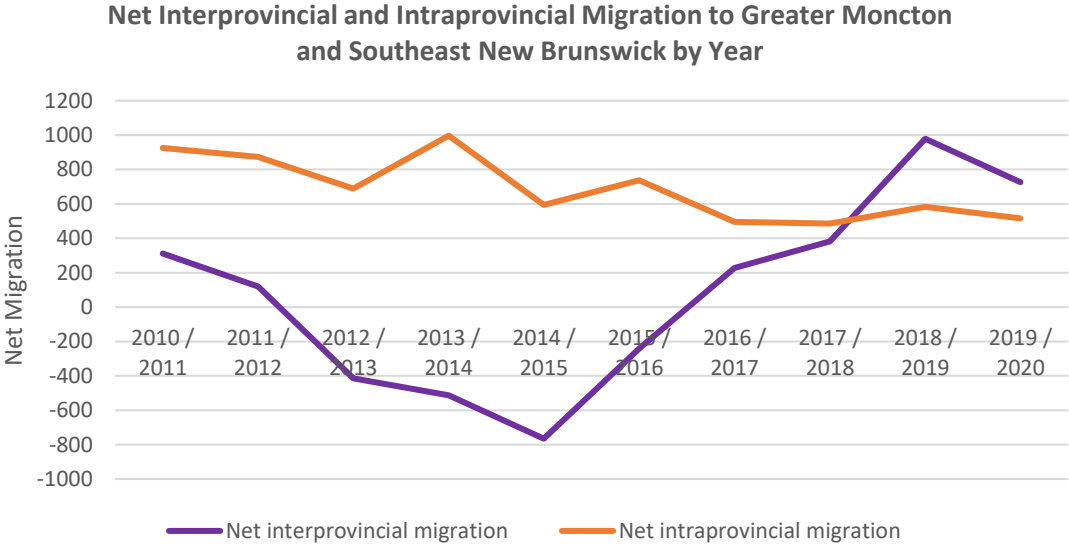


Most of Southeast New Brunswick’s growth comes from immigration. In 2018-2019, immigration accounted for over half of the region’s total population growth while ‘natural’ population growth (births minus deaths) was negative.

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. <sup>iii</sup>



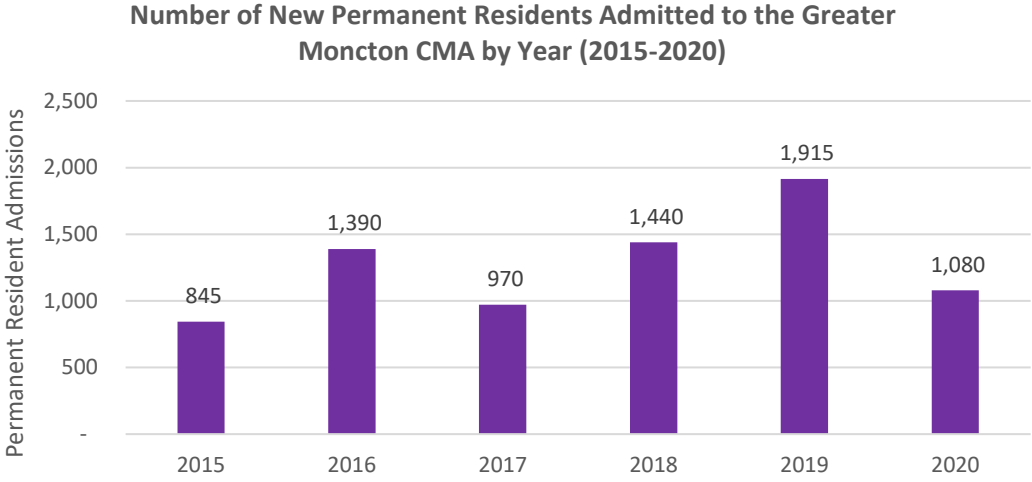
As shown in the graph below, interprovincial migration (migrants from other provinces) has trended upwards since 2015. However, intraprovincial migration (migrants from other areas of New Brunswick) has trended downwards. In 2019-2020, interprovincial migration accounted for 22.1% of the region’s population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





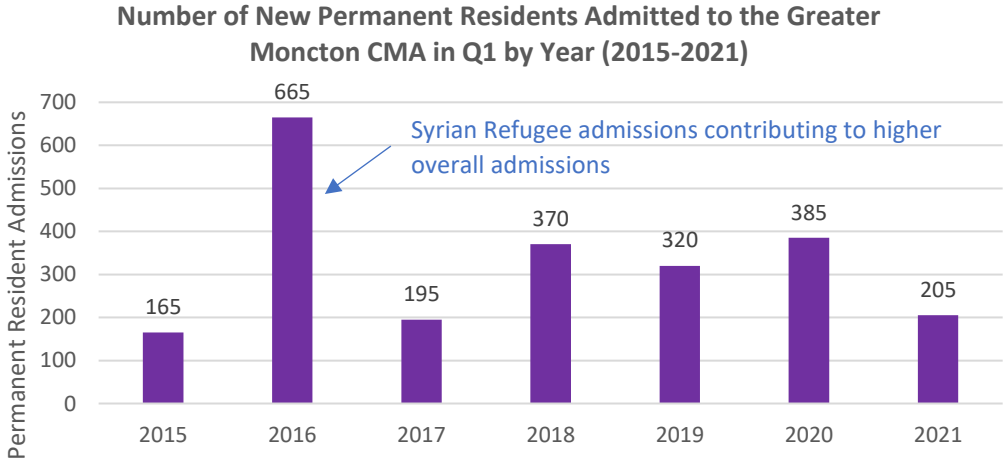
### New Permanent Residents

Immigration, Refugees and Citizenship Canada (IRCC) publishes the number of new permanent residents by intended destination each quarter<sup>iv</sup>. 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.



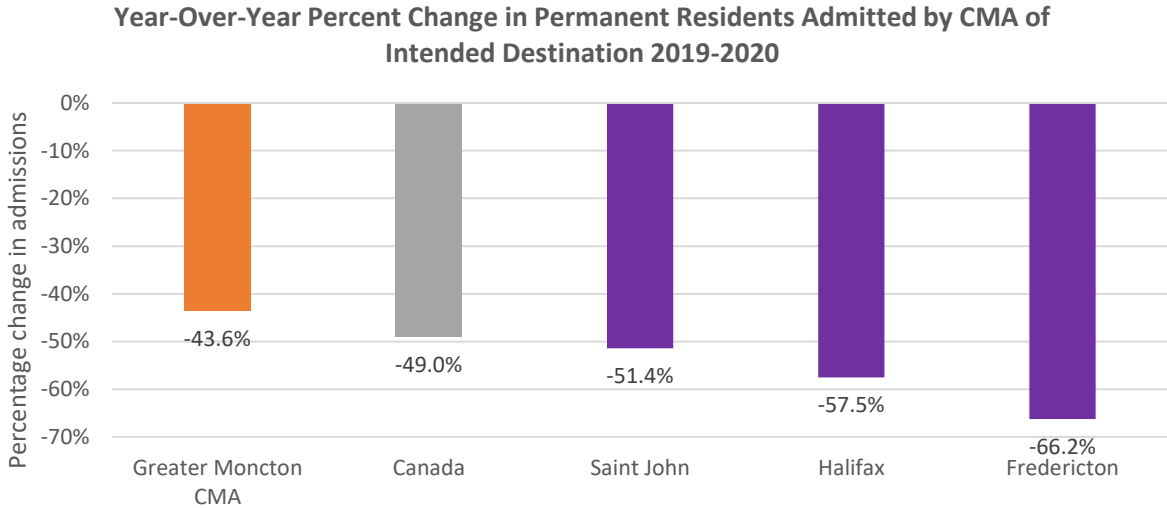
This drop in permanent resident admissions may be particularly concerning for the Greater Moncton CMA. As mentioned above, the region relies heavily on immigration to grow its population.

Q1 permanent resident admissions have been climbing since 2017 (the spike in permanent resident admissions in Q1 2016 was driven by Syrian refugees arriving in New Brunswick<sup>v</sup>). However, Q1 2021 permanent resident admissions were about half of Q1 2020 permanent resident admissions. This could indicate permanent resident admissions are still declining.





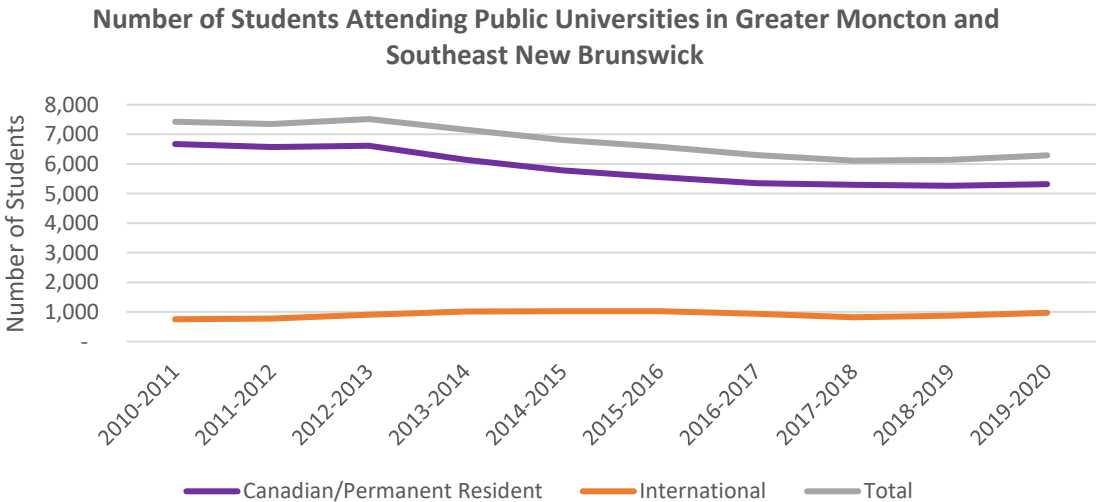
The Greater Moncton CMA experienced a smaller drop in permanent resident admissions compared with the Canadian average. The Greater Moncton CMA experienced a 43.6% drop in permanent resident admissions. However, Canada experienced a 49.0% drop and Fredericton experienced a 66.2% drop.



**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<sup>vi</sup>. 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<sup>vii</sup>. However, enrolments among both groups increased slightly in 2019-2020. Nearly 6,300 students were enrolled in public universities in the region during the 2019-2020 academic year.

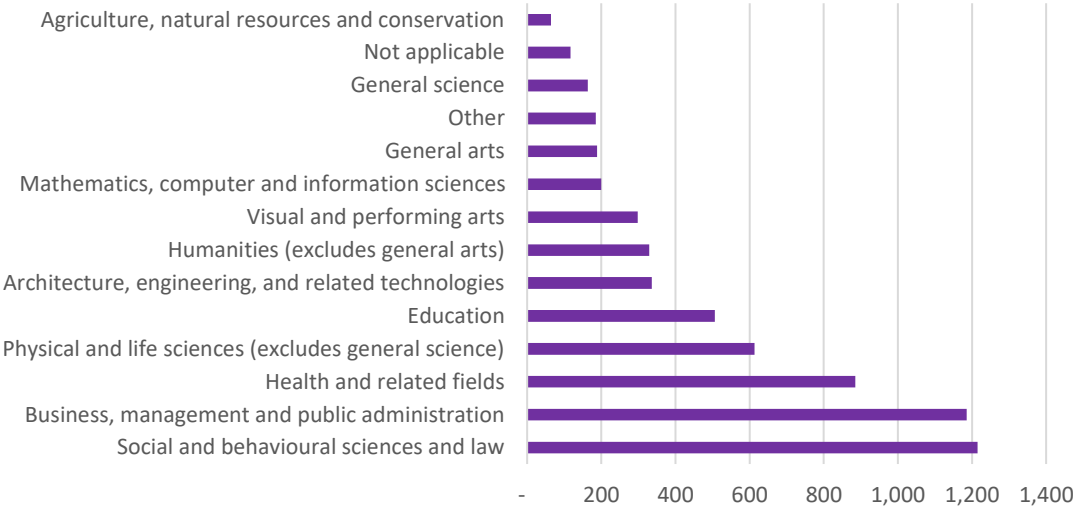






The most common fields of study among public university students in the region are social and behavioural sciences and law, business, management, and public relations, and health and related fields.

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

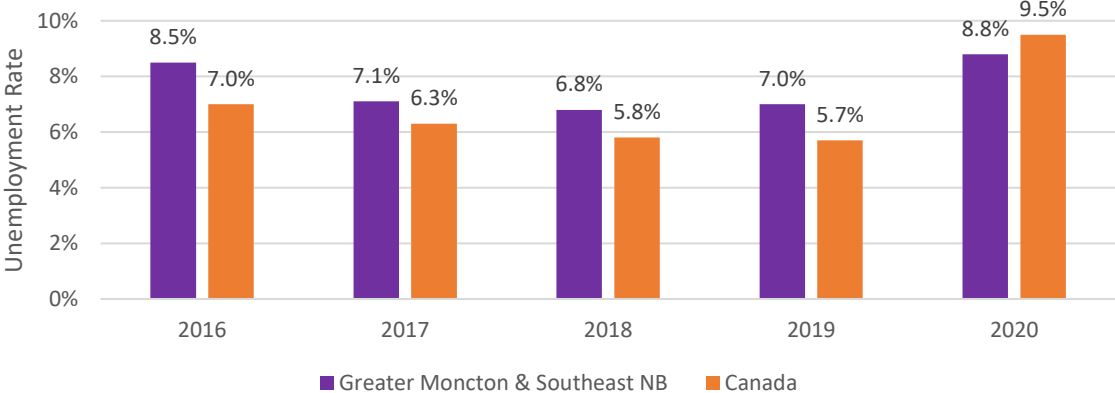


## Labour

### 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.

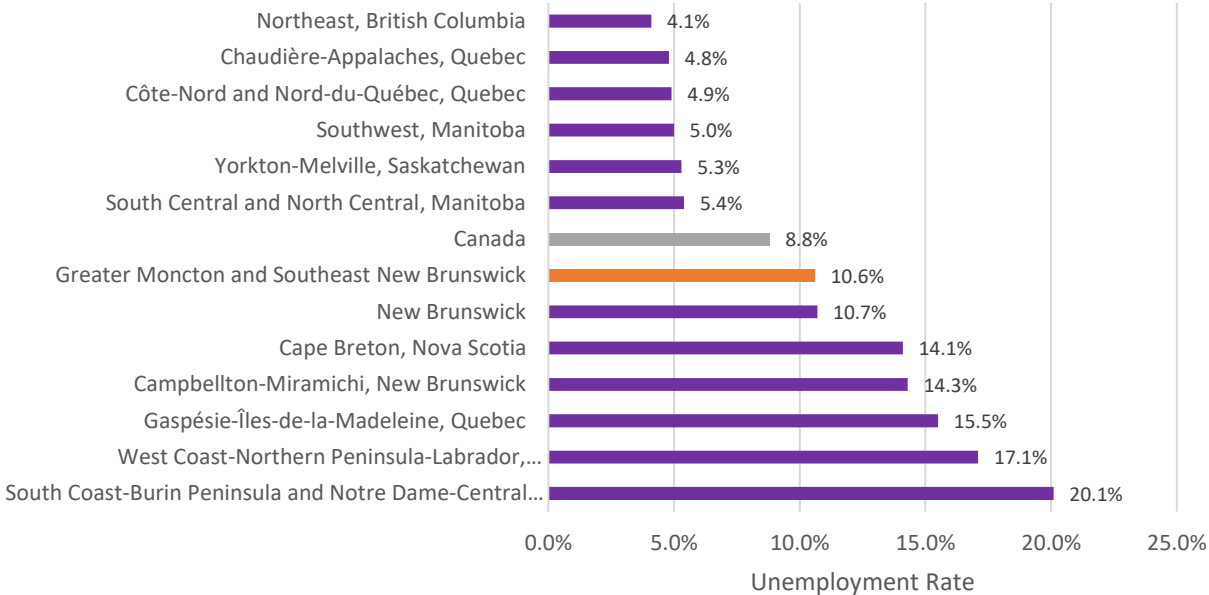
**Unemployment Rate in Greater Moncton and Southeast New Brunswick vs. Canada (2016-2020)**





As of March 2021, Greater Moncton and Southeast New Brunswick’s unemployment rate was about 2% higher than the Canadian average and slightly below the New Brunswick average. The region currently has the eighth-highest unemployment rate among Canadian economic regions. Five of the seven regions with higher unemployment rates are in Atlantic Canada. Regions with the lowest unemployment rates are located across central Canada, the Prairies, and British Columbia.

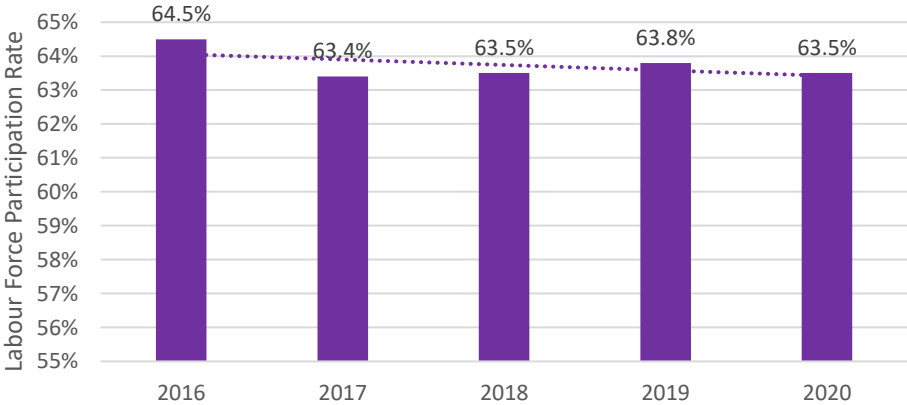
**Unemployment Rate by Selected Economic Region (March 2021, 3-month moving-average)**



**Labour Force Participation Rate**

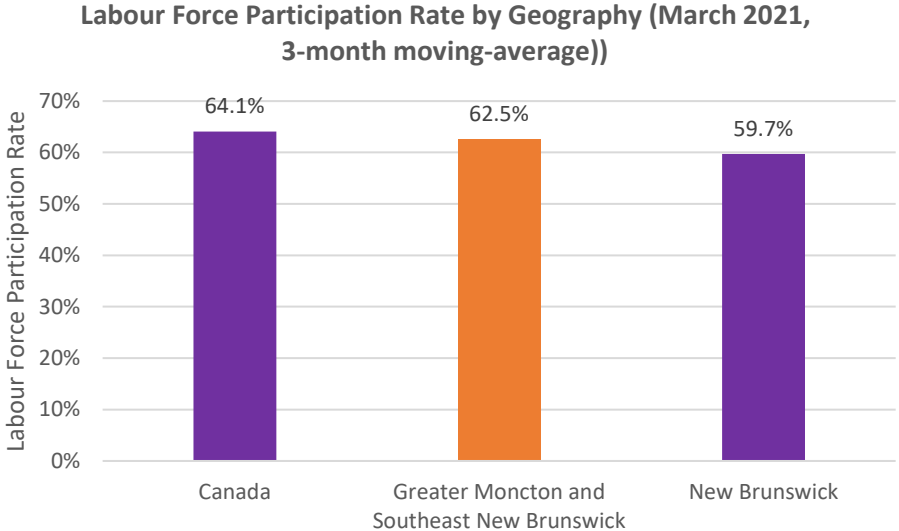
Greater Moncton and Southeast New Brunswick’s labour force participation rate was 63.5% in 2020, down slightly from 2019. The region’s labour force participation rate has declined slightly over the past five years. This may be due to the region’s aging demographics (see ‘population growth’ section).

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



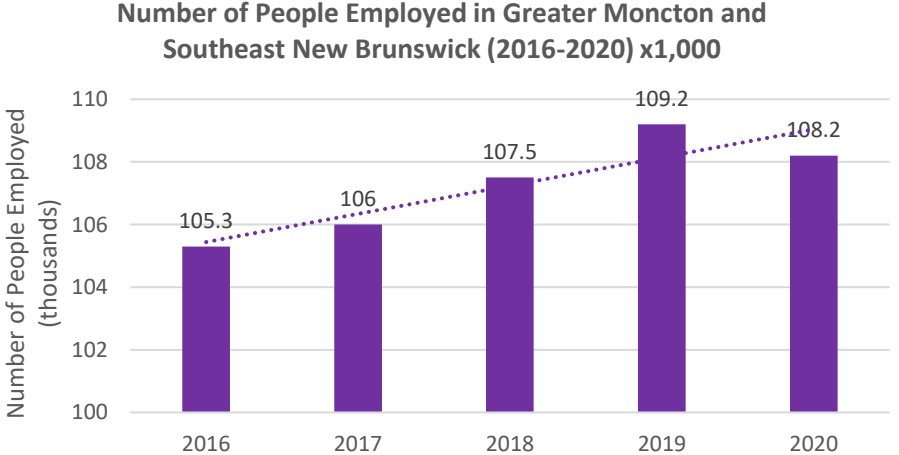


As of March 2021, Greater Moncton and Southeast New Brunswick’s labour force participation rate was slightly below the Canadian average, and slightly above the New Brunswick average.



### 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, the number of people employed in the region has trended upwards over the past five years.

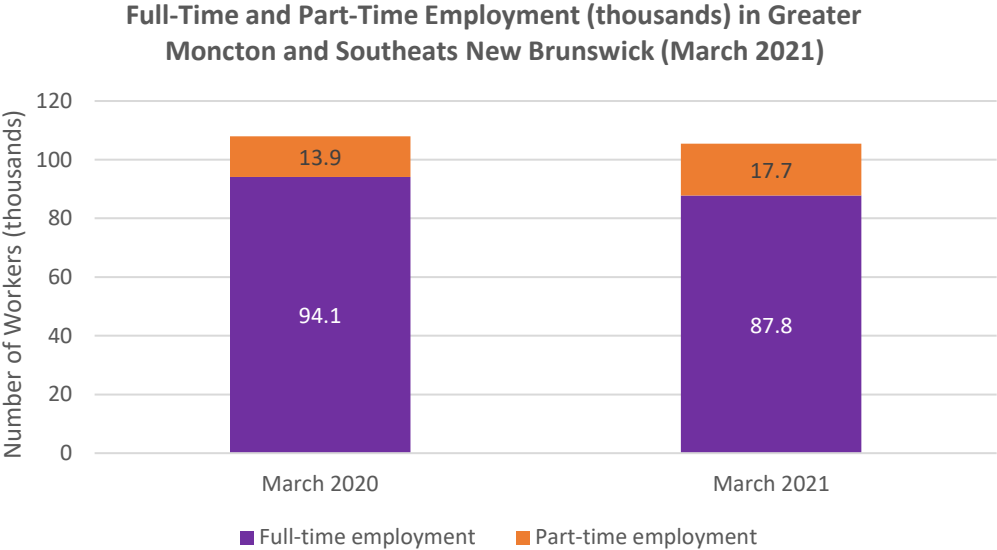


COVID-19 and related public health policies may have contributed to lower employment levels in 2020.



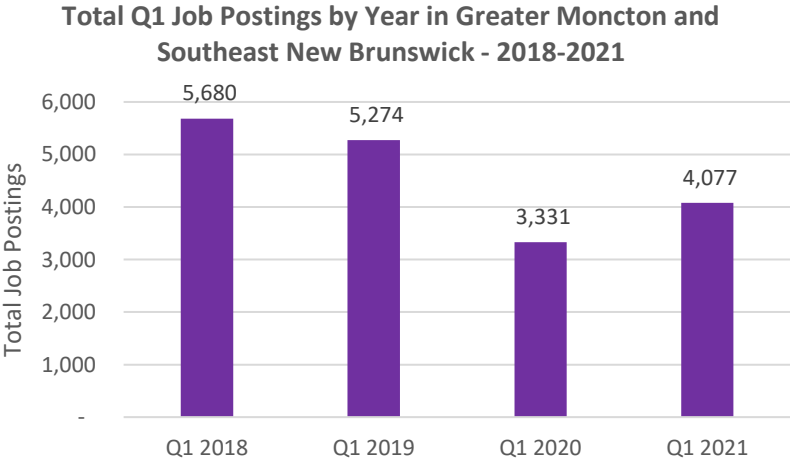
### Part-Time vs. Full-Time Employment

Greater Moncton and Southeast New Brunswick lost 2,500 total jobs year-over-year in March 2021. The region lost 6,300 full-time jobs and gained 3,800 part-time jobs. This decline in jobs, particularly full-time jobs, may be due to public health restrictions related to COVID-19.



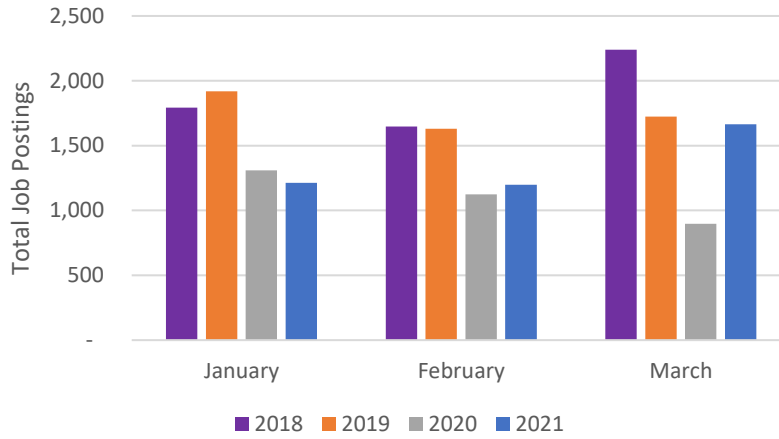
### Hiring Demand

Hiring demand in Q1 2021 was higher than demand in Q1 2020. However, 2021 demand is still below 2018 and 2019 levels. Most of the year-over-year increase in Q1 2021 hiring demand happened in March. COVID-19 began to affect the Canadian economy in March 2020, and many businesses slowed hiring during this period. Hiring in March 2021 was closer to pre-pandemic levels.





**Q1 Job Postings by Month - Greater Moncton and Southeast New Brunswick - 2018-2021**

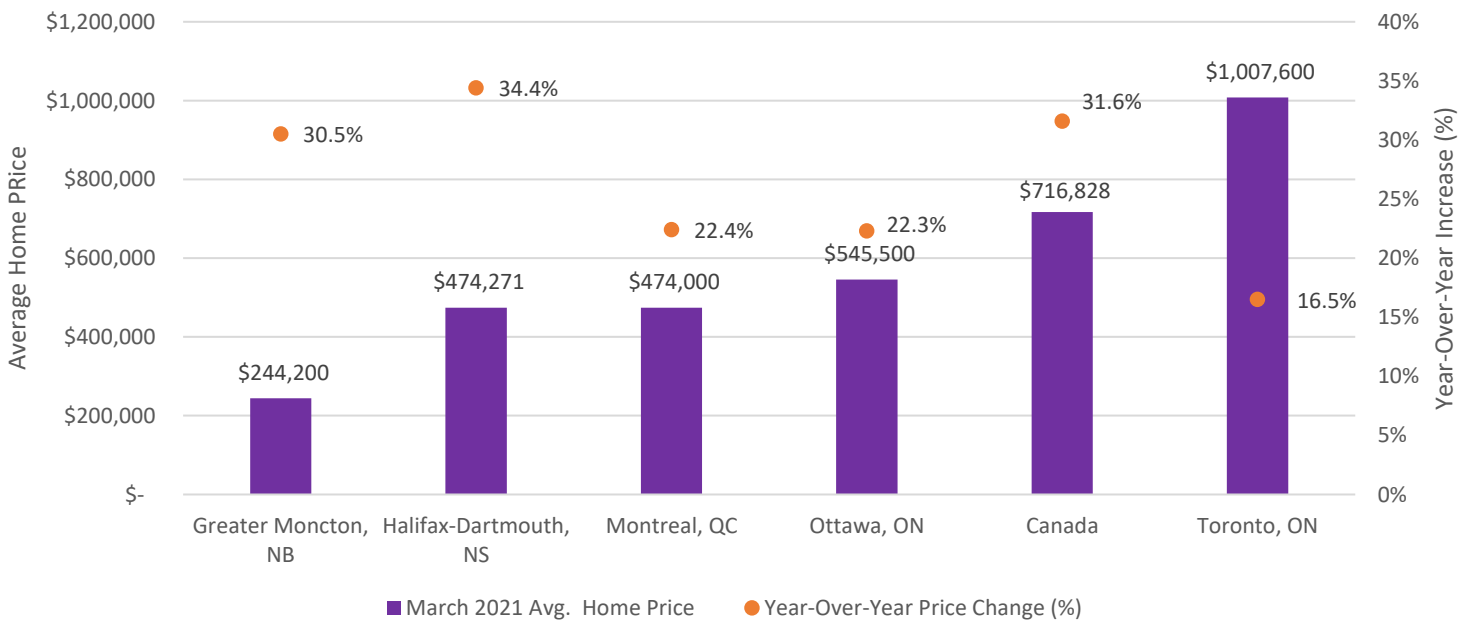


## Real Estate & Development

### Average Housing Costs – Home Ownership

Home prices increased Canada-wide year-over-year by an average of 31.6% in March 2021. The average home price in Greater Moncton increased by 30.5% to \$244,200. Housing prices across Canada surged during the COVID-19 pandemic.

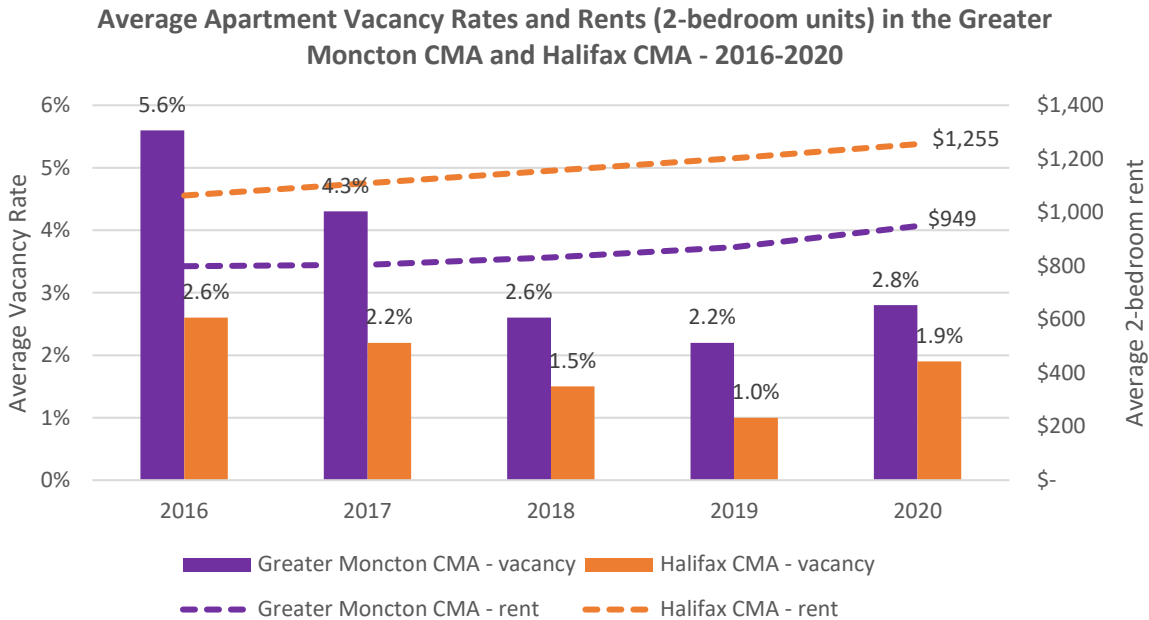
**Average Home Price and Year-Over-Year Change by Canadian City - March 2021**



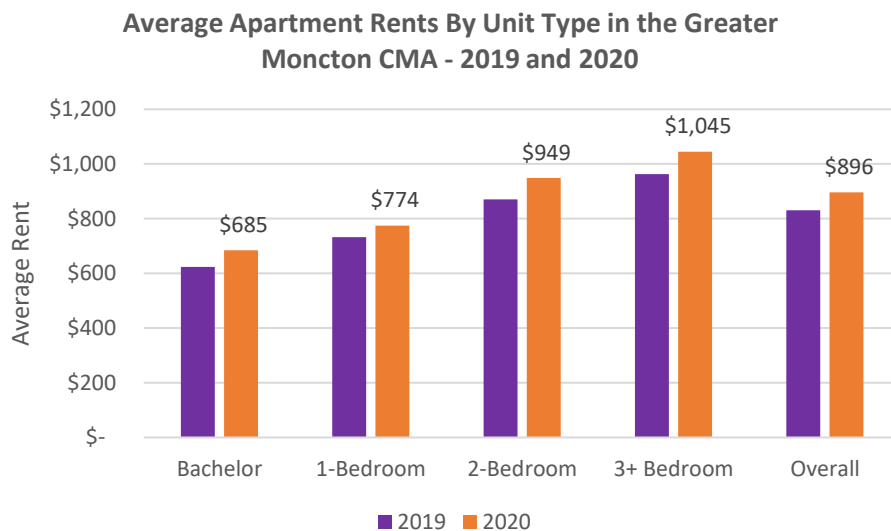


## Average Housing Costs – Rents & Vacancy Rates

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.



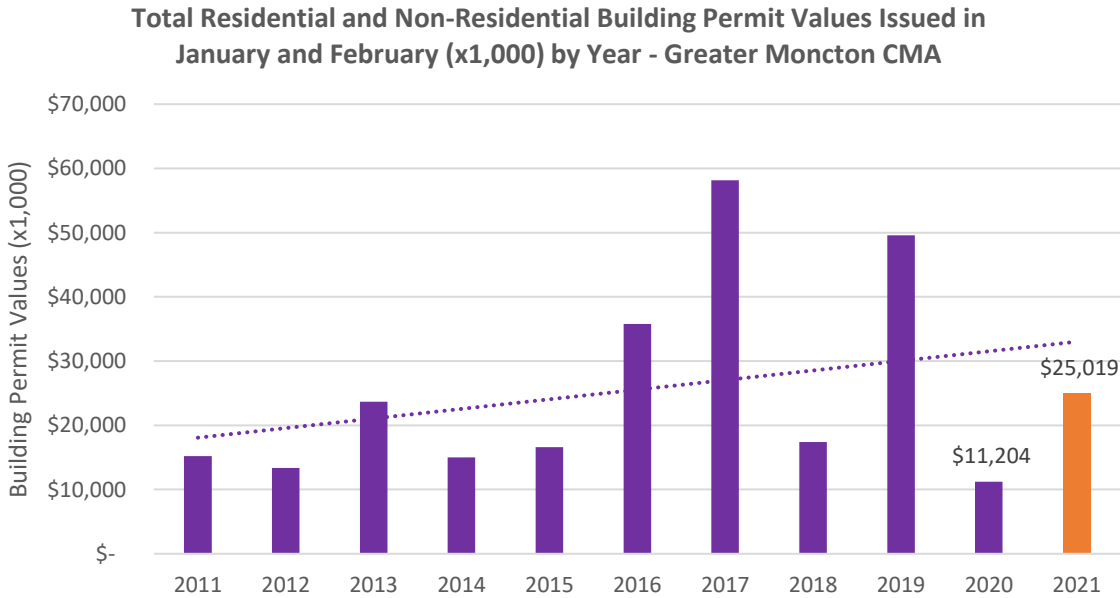


### Building Permit Values – Overall

\$421 million in building permits were issued in 2020, which represents a 3.6% year-over-year increase and a historic record for the region. The rise in building permit values was driven by residential building permits, as discussed below.



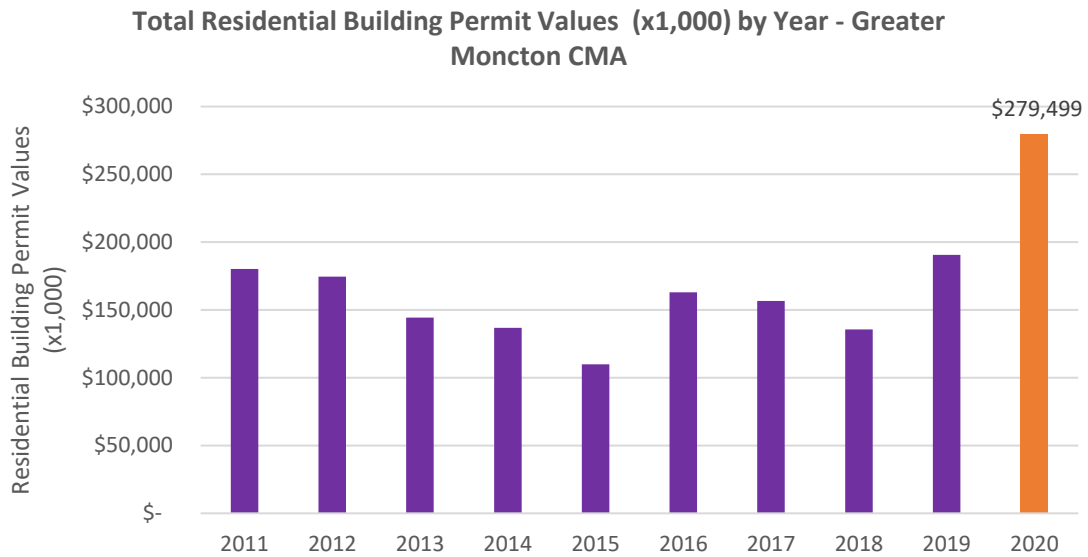
The value of building permits issued so far in 2021 exceeds 2020 levels. By February 2021, \$11.2 million in building permits were issued year-to-date. By February 2021, over \$25 million in building permits were issued. Building permit values in January and February have trended upwards over the past 10 years.



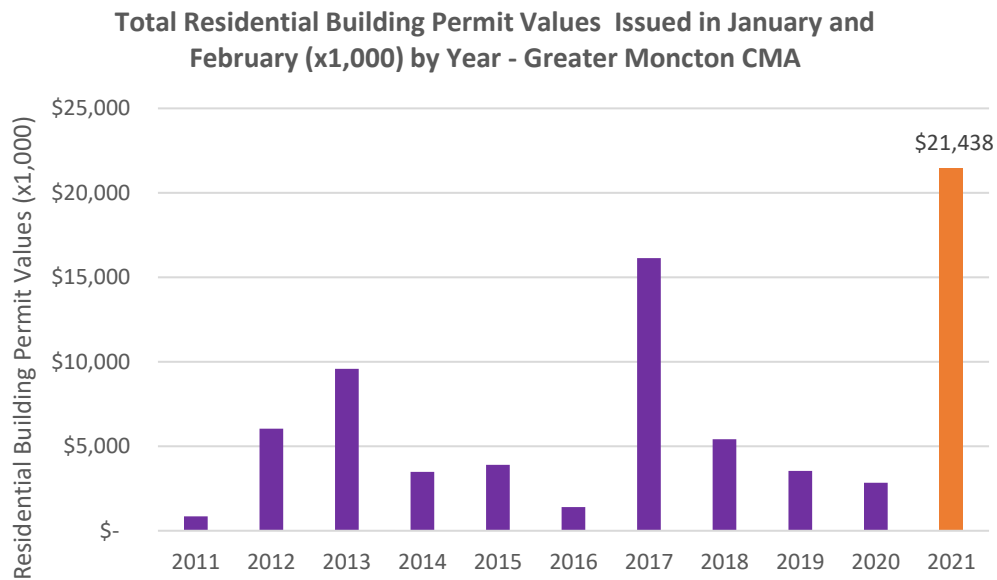


## Building Permit Values – Residential

Approximately \$280 million in residential building permits were issued in 2020. This is a historic record for the Greater Moncton CMA and represents a 47% increase year-over-year.



Approximately \$21.5 million in residential building permit values were issued in January and February 2021. This represents a record for these months.

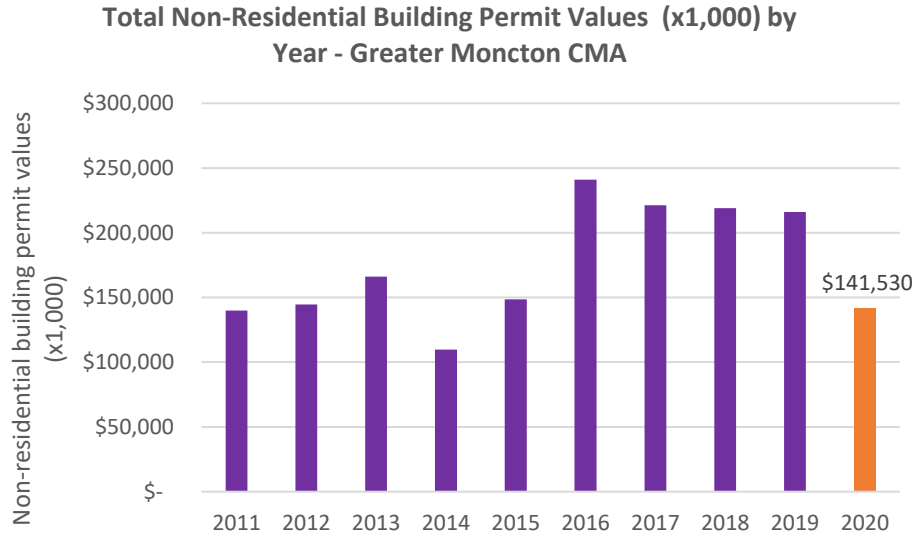




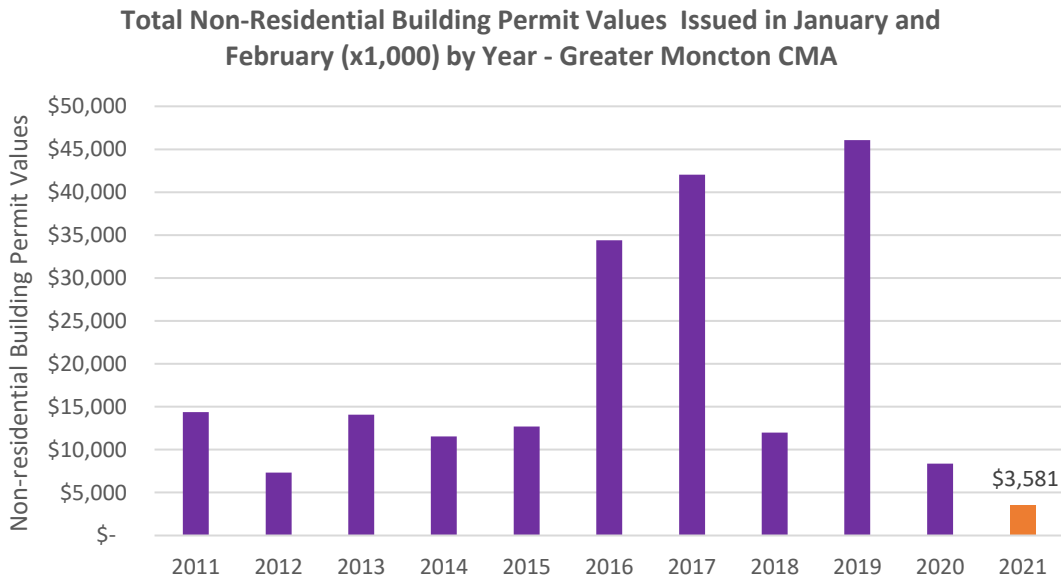


## Building Permit Values – Non-Residential

Non-residential building permit values declined 34% year-over-year in 2020.



Non-residential building permit values in January and February are at their lowest level in at least 10 years.

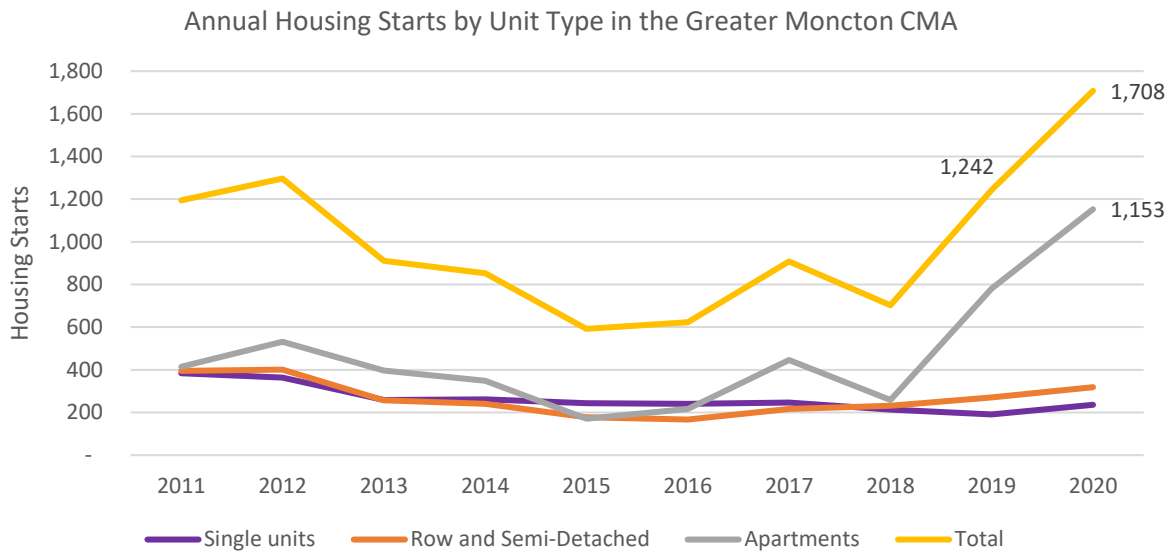




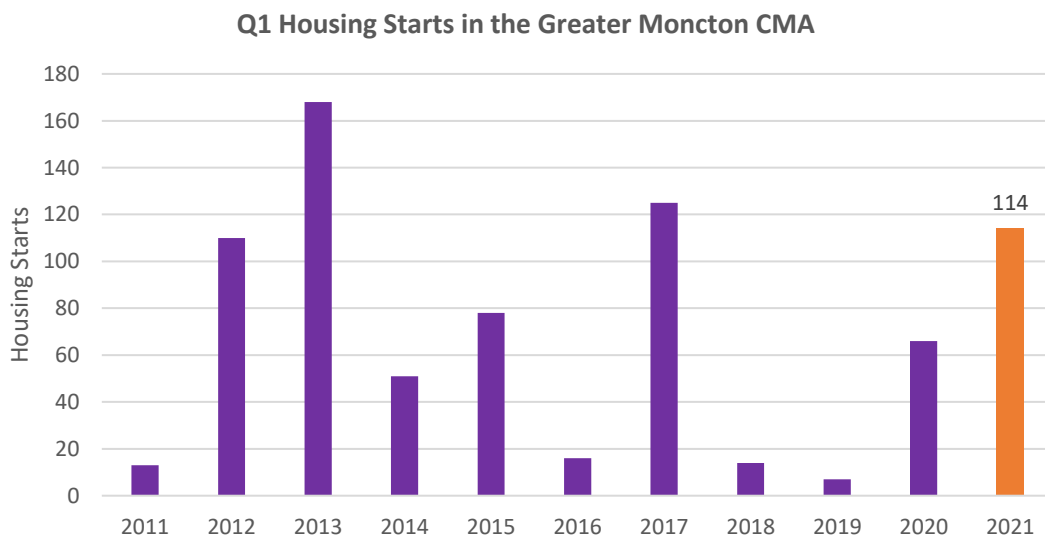
## Housing Starts

Housing starts in the Greater Moncton CMA are up nearly 38% in 2020 compared with the previous year<sup>viii</sup>. The region saw 1,708 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.

Apartment building construction is driving the increase in housing starts. Annual apartment starts in 2020 are nearly 3.5 times higher than apartment starts in 2018. Single unit and semi-detached starts have stayed relatively constant. Now, apartment starts account for over two-thirds of overall housing starts.



Q1 2021 housing starts are significantly higher than Q1 2020 housing starts, as shown in the graph below. This could indicate continuing momentum in the region's housing market.

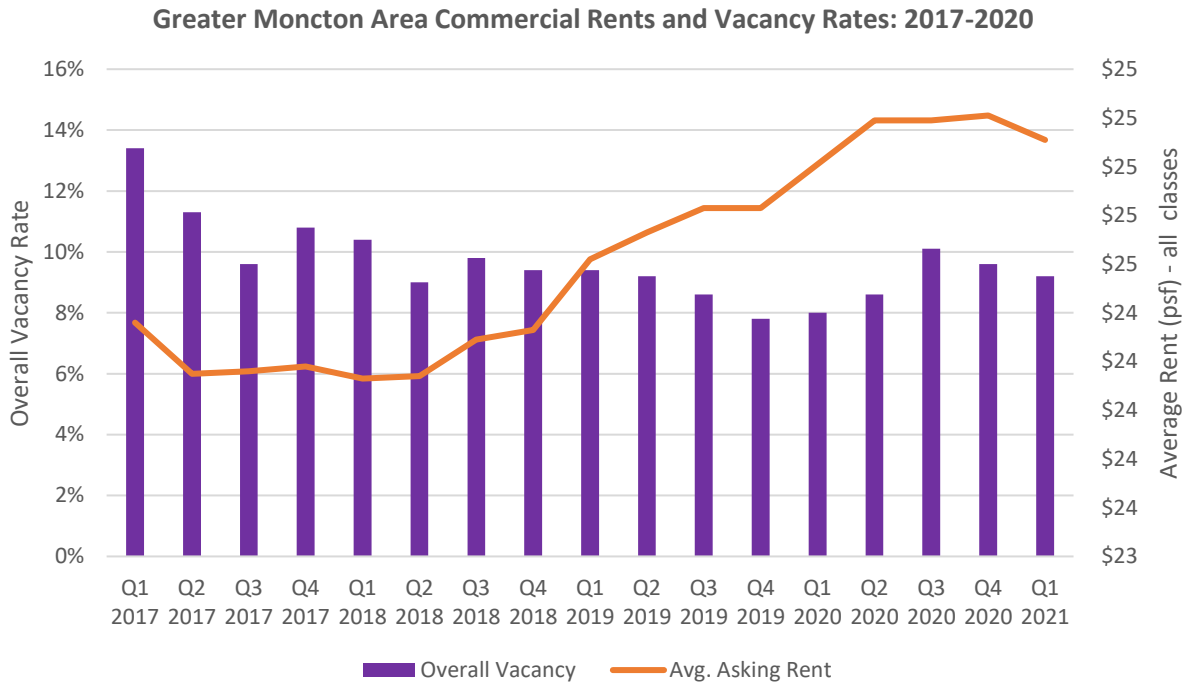




## Industry

### Commercial Rents & Vacancy Rates

Overall commercial vacancy in the Greater Moncton Area is 9.2% and average asking rent is \$25.11 per square foot<sup>ix</sup>. Commercial vacancy rates and rents have trended slightly downwards in recent quarters.

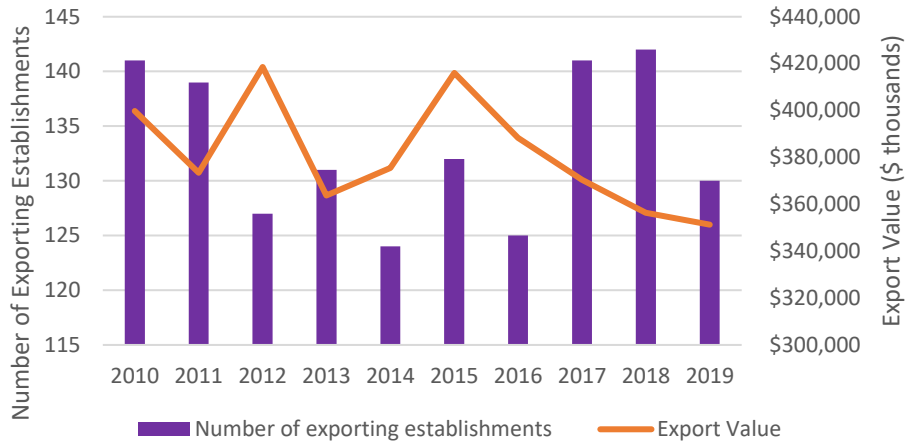


### Goods Trade – International Exports

Businesses in the Greater Moncton CMA exported \$351 million in goods in 2019<sup>x</sup>. 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.

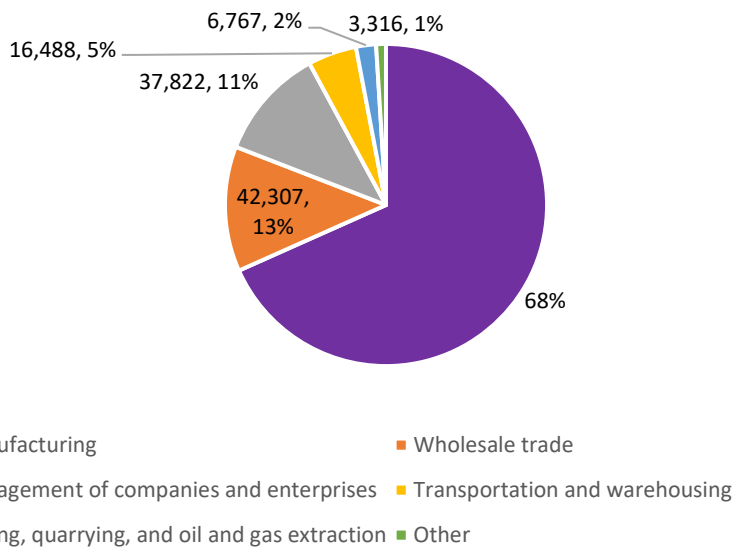


### Export Value and Number of Exporting Establishments in the Greater Moncton CMA - 2010-2019



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%.

### 2019 Exports by Industry - Greater Moncton CMA

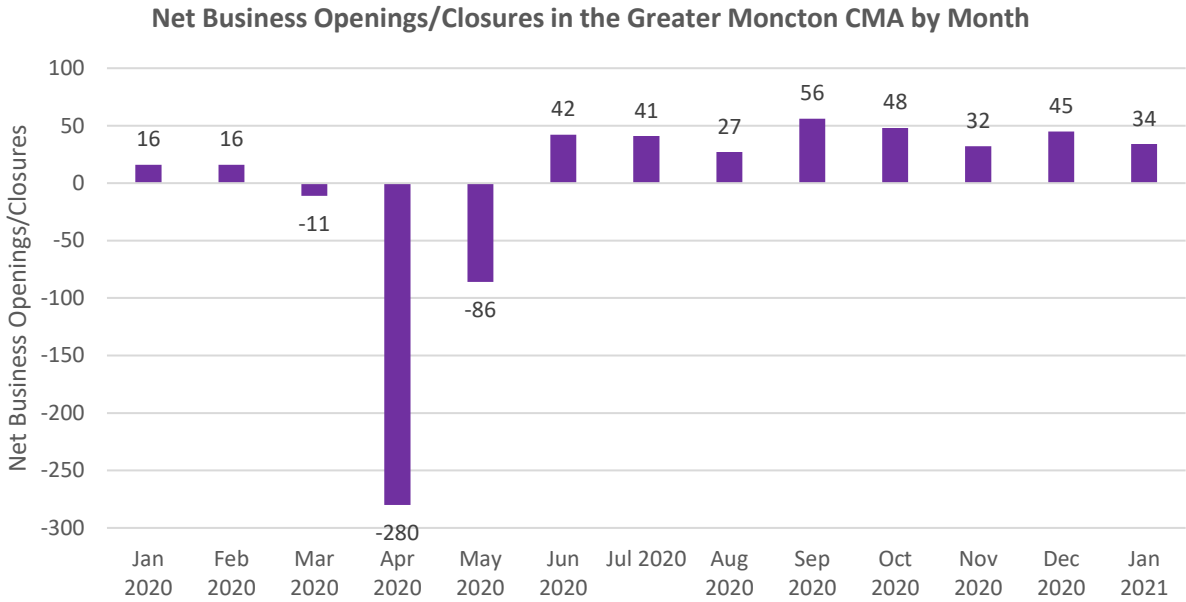


COVID-19



## Business Openings and Closures

Statistics Canada publishes experimental estimates for the number of business openings and closures by CMA<sup>xi</sup>. The table below displays the net number of business openings (openings minus closures) by month for 201, 2020, and 2021. Many businesses closed in April and May of 2020 as pandemic restrictions began. However, net openings have been positive in every month since May 2020.





## Endnotes

---

<sup>i</sup> 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.

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

<sup>iii</sup> Net immigration refers to total immigrants minus total emigrants

<sup>iv</sup> IRCC 'Canada – Admissions of Permanent Residents by Province/Territory and Census Metropolitan Area (CMA) of Intended Destination'

<sup>v</sup> <https://www.cbc.ca/news/canada/new-brunswick/new-brunswick-population-records-refugees-1.3643021>

<sup>vi</sup> 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.

<sup>vii</sup> Maritime Provinces Higher Education Commission

<sup>viii</sup> 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)

<sup>ix</sup> Cushman Wakefield Atlantic

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

<sup>xi</sup> Statistics Canada. Table 33-10-0270-01 Experimental estimates for business openings and closures for Canada, provinces and territories, census metropolitan areas, seasonally adjusted