

2021 Q3

Quarterly Economic Report – Greater Moncton and Southeast New Brunswick



Southeast Labour Market Partnership
Partenariat du marché du travail du Sud-Est
NEW BRUNSWICK | NOUVEAU-BRUNSWICK

Prepared by
3+ Corporation
2021 Q3

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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, development, and industry.

Some data is not available at the tri-county level. In these cases, Census Metropolitan Area (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 1-1.5% 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 highlight the need for immigration and migration.

The number of permanent residents admitted to the region declined steeply in 2020. The decline has continued into 2021. This is concerning, as the region relies heavily on immigration. Permanent resident admission has also declined across Canada and New Brunswick during COVID-19.

However, there are anecdotal reports of higher-than-usual interprovincial migration in 2020 and 2021. This may help offset the reduction in permanent resident admissions.

Labour

Greater Moncton and Southeast New Brunswick currently has record-high employment. The region has gained over 12,000 full-time jobs in two years and has lost 3,500 part-time jobs for a net gain of nearly 9,000 jobs. The region has a lower unemployment rate, and a higher labour force participation rate, than the national and provincial averages.

Real Estate & Development

COVID-19 fueled increased housing demand and prices across Canada. Housing prices in Greater Moncton increased about 35% year-over-year in September 2021, while prices across Canada increased about 14%. Despite significant increases in housing costs, Greater Moncton’s housing prices remain low

relative to most other regions. The average home in Greater Moncton costs around \$287,000, while the average home in Canada costs around \$687,000.

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. Building permit values continued to climb in 2021.

Industry

Commercial vacancy rates have climbed nearly two percentage points over the past two years. The region currently has an 11.1% commercial vacancy rate. Businesses pivoting to remote work may have contributed to higher vacancy rates. Commercial rents have also increased slightly. Industrial vacancy rates are at a record-low.

Export values from the Greater Moncton CMA increased over 50% year-over-year in 2020. This is due to large increases in retail and manufacturing exports.

COVID-19

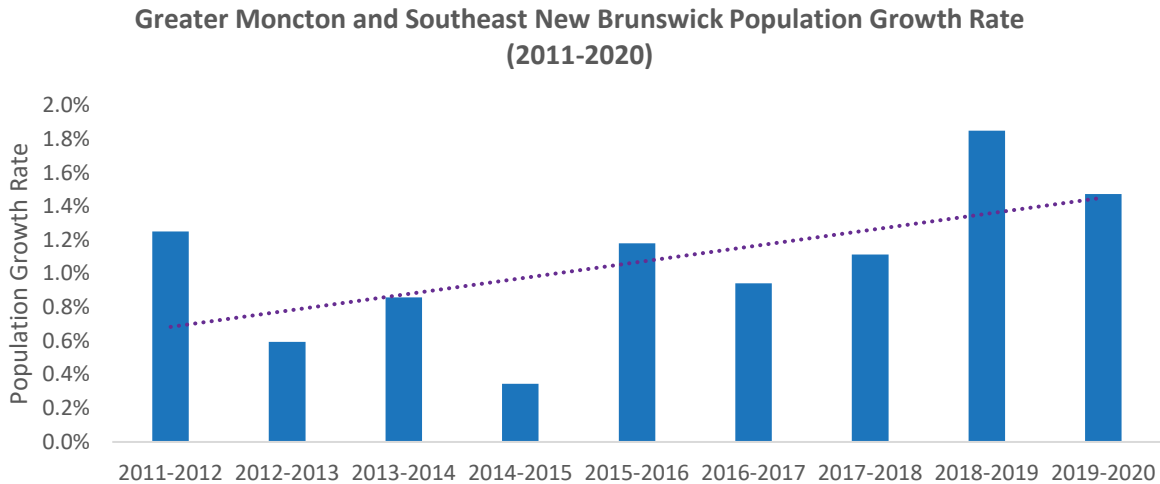
The number of individuals collecting Employment Insurance (EI) in the region has more than doubled this year. In July 2019, around 6,600 residents collected EI benefits. In July 2021, the region had more than 15,000 recipients. After the Canadian Emergency Response Benefit (CERB) program ended in October 2020, EI requirements were loosened. This may have contributed to the current spike in recipients.

The number of active businesses in the Greater Moncton CMA dropped in 2020. However, business counts have since recovered to 2019 levels.

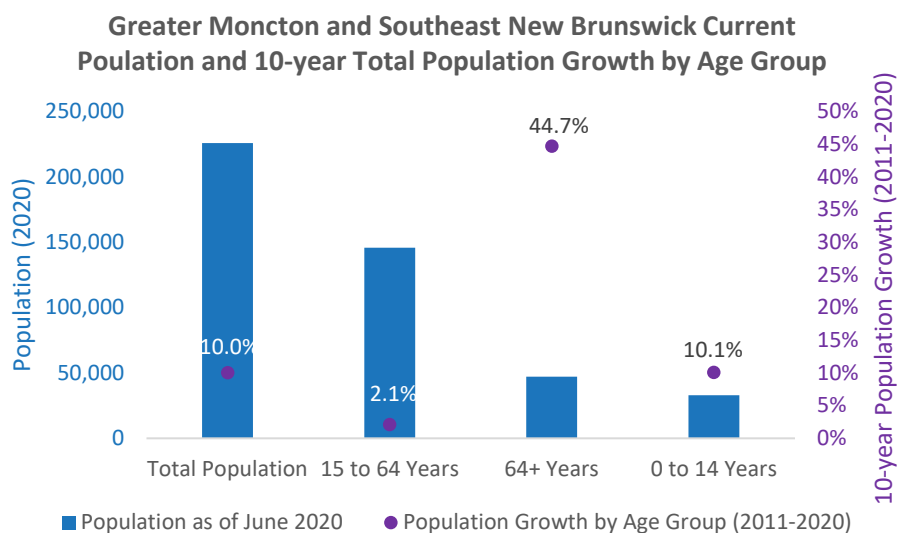
Population

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.



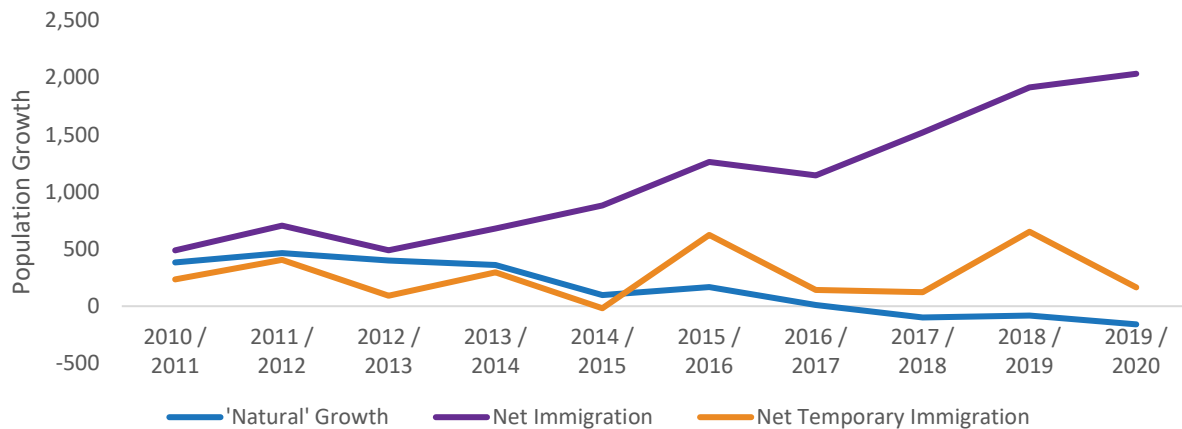
The number of individuals in Greater Moncton and Southeast New Brunswick has grown 10% in the past 10 years. Individuals who are over 64 years old are the region's fastest-growing age demographic. The number of people over 64 grew 44.7% during the past 10 years, while the number of individuals 14 and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



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.

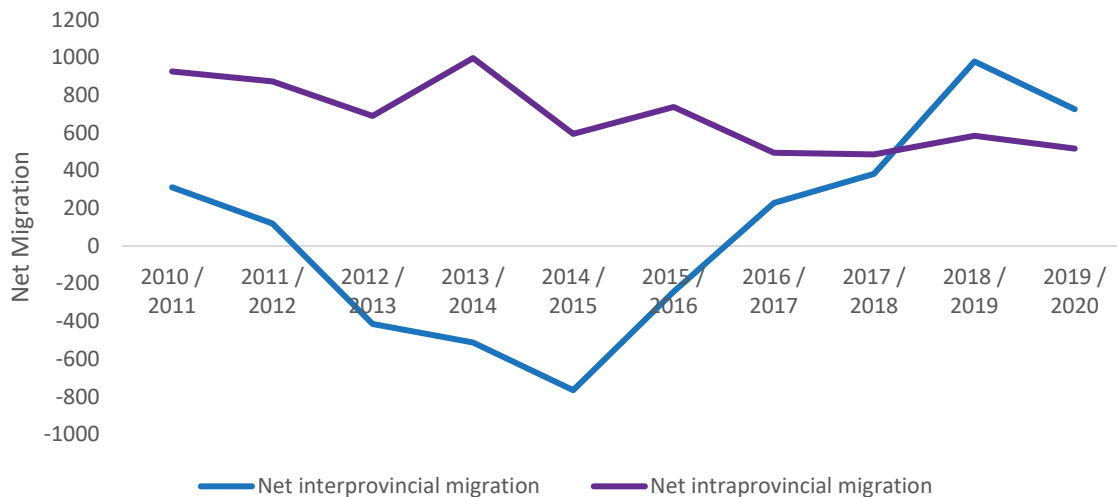
In recent years, immigration growth has accelerated while ‘natural’ population growth has slowed. Net temporary migration (defined as the number of immigrants minus the number of emigrants) has also accelerated slightly over the past few years. Immigration is becoming increasingly essential for growing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

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



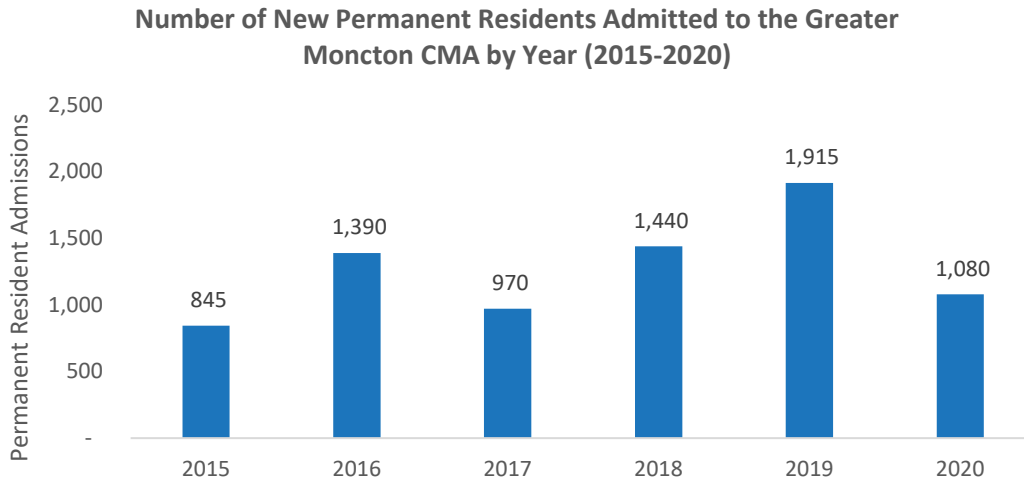
As shown in the graph below, interprovincial migration (migrants from other provinces) has trended upwards since 2015. However, intraprovincial migration (migrants from other areas of New Brunswick) has trended downwards. In 2019-2020, interprovincial migration accounted for 22.1% of the region’s population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

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



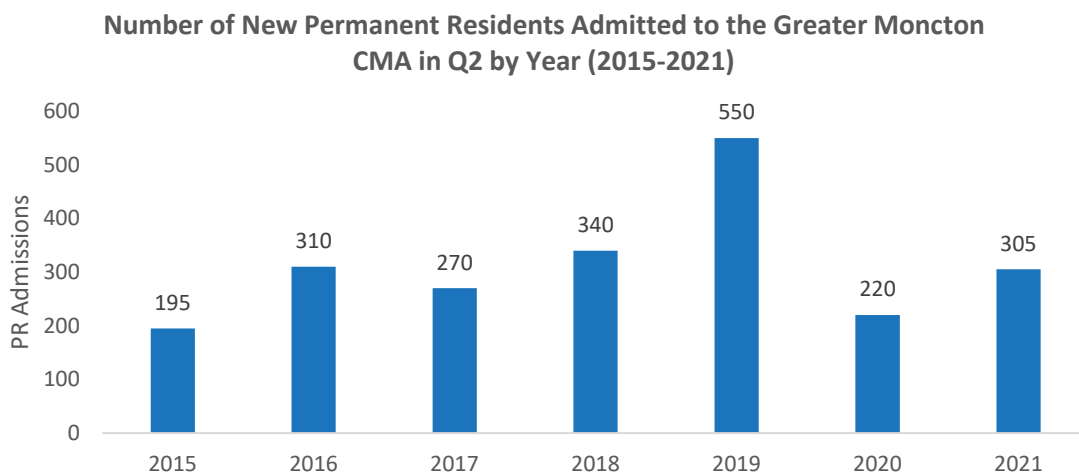
New Permanent Residents

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.

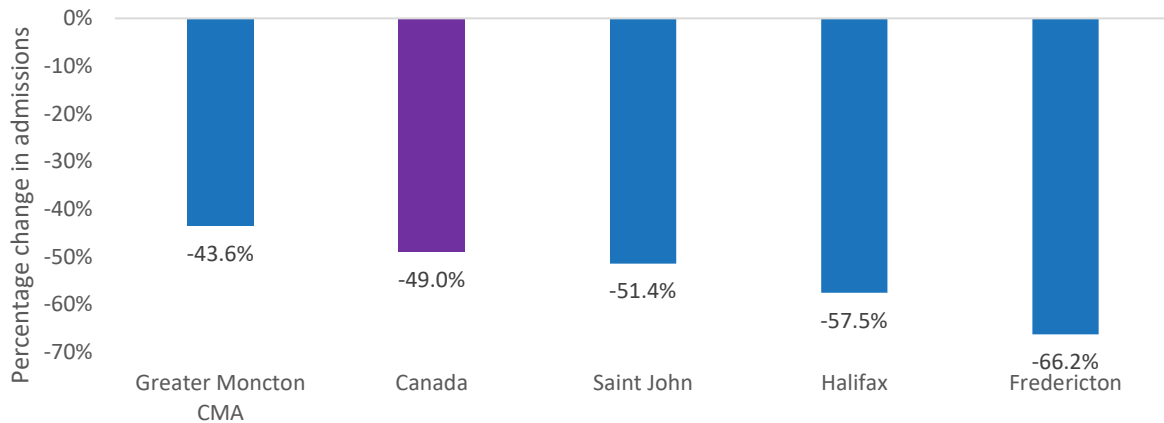
Q2 permanent resident admissions are higher in 2021 than in 2020.



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.

Year-Over-Year Percent Change in Permanent Residents Admitted by CMA of Intended Destination 2019-2020

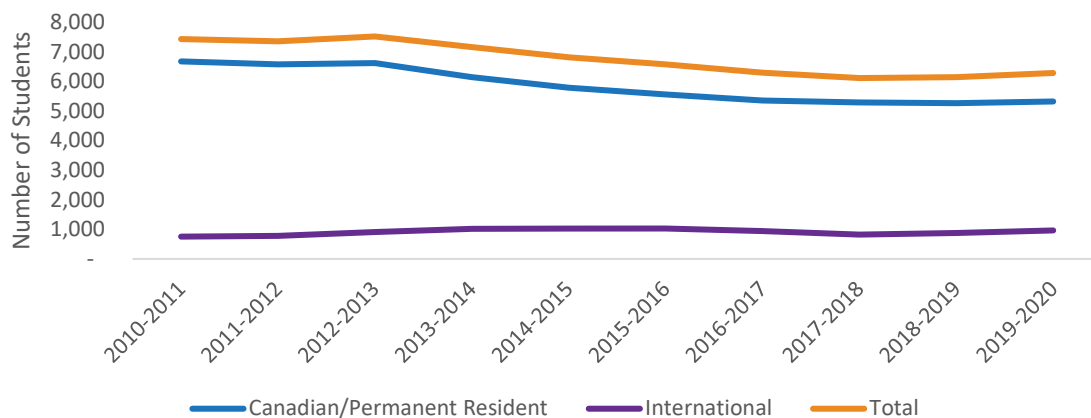


Education – Post-Secondary Enrolment at Public Institutions

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.

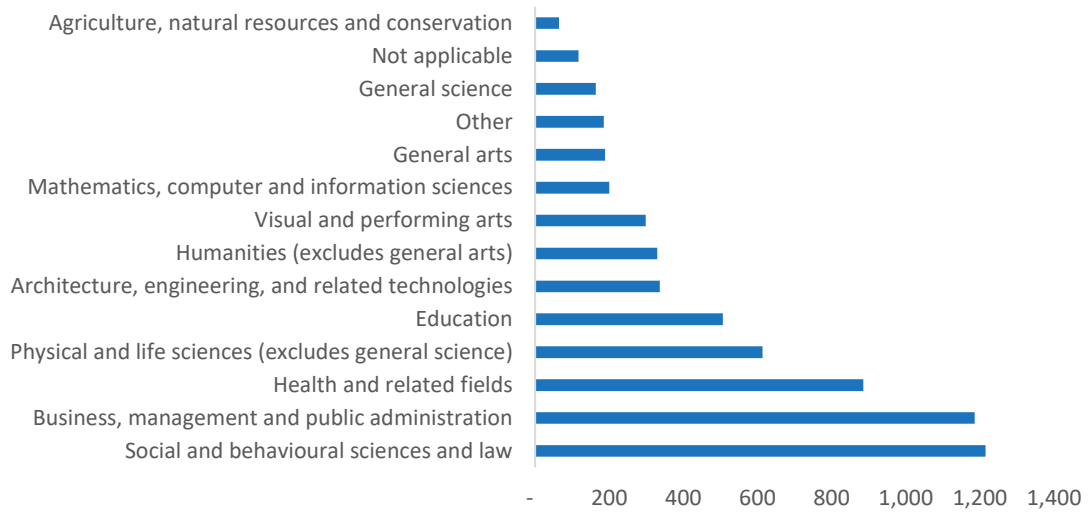
The number of domestic and international students in Greater Moncton and Southeast New Brunswick has trended downwards in recent years^{vi}. However, enrolments among both groups increased slightly in 2019-2020. Nearly 6,300 students were enrolled in public universities in the region during the 2019-2020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

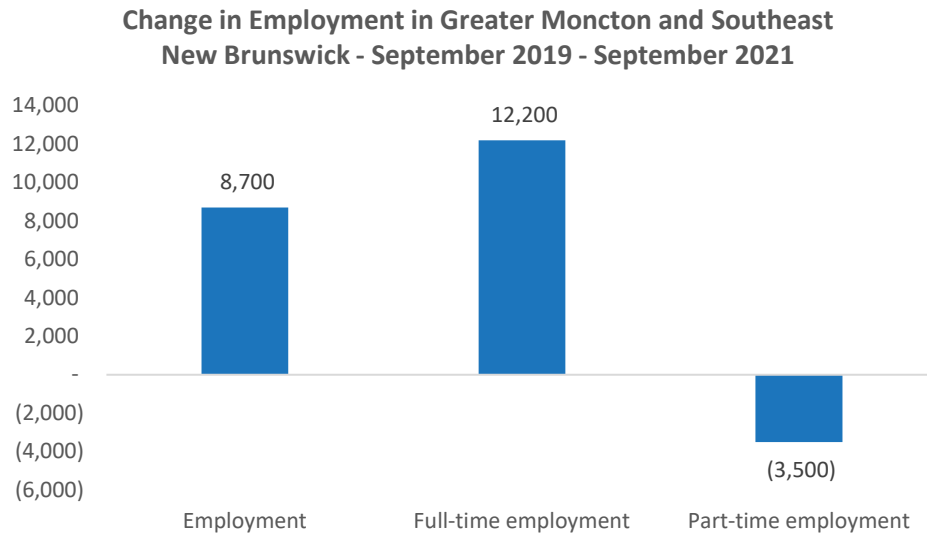
Number of Students Attending Public Universities in 2019-2020 in Greater Moncton and Southeast New Brunswick by Field of Study



Labour

Change in Employment

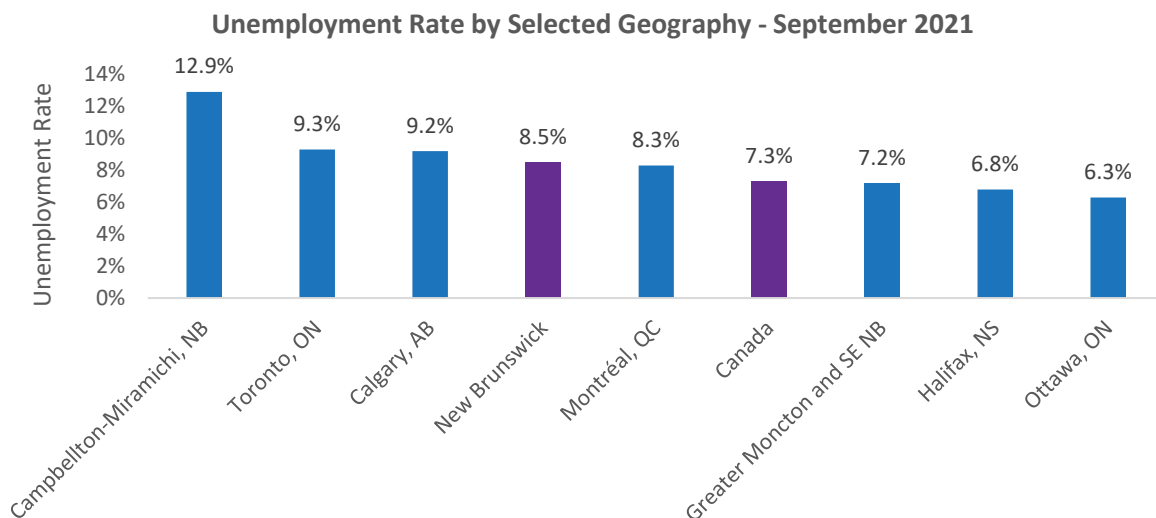
Greater Moncton and Southeast New Brunswick has nearly 9,000 more jobs than prior to COVID-19^{vii}. The region has gained 12,200 full-time jobs and lost 3,500 part-time jobs.



Unemployment Rate

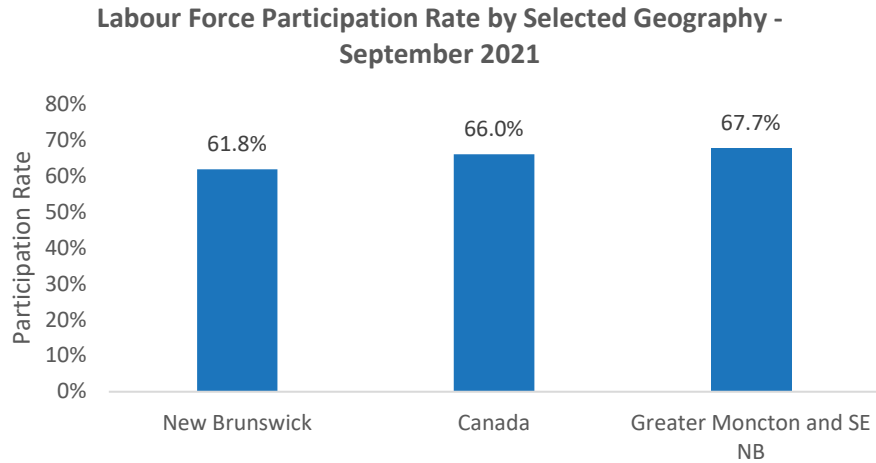
Despite increased employment, Greater Moncton and Southeast New Brunswick's unemployment rate remains higher than pre-COVID levels. This means the region's labour force size is increasing faster than the number of jobs.

The region currently has a lower unemployment rate than Canada and New Brunswick overall.



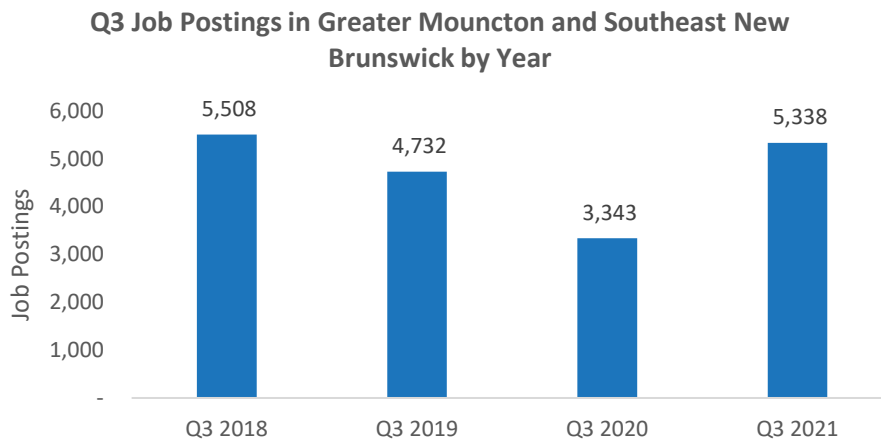
Labour Force Participation Rate

Greater Moncton and Southeast New Brunswick's labour force participation is higher than the provincial and national averages.



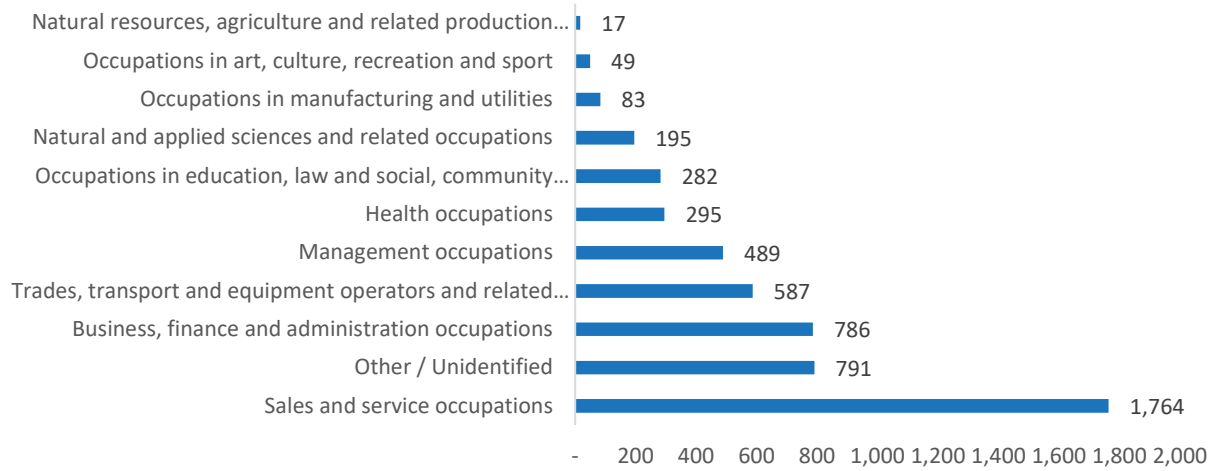
Hiring Demand

Hiring demand returned to pre-pandemic levels in Q3 2021^{viii}. Q3 2021 job postings were slightly higher than Q3 2018 postings and nearly 60% higher than Q3 2020 postings.



Nearly one-third of job postings in Q2 2021 were for Sales and service occupations. There were approximately 800 job postings for Business, finance and administrative occupations. Natural resources, agriculture, and related occupations had the fewest job postings

Q3 2021 Job Postings by Occupation Category

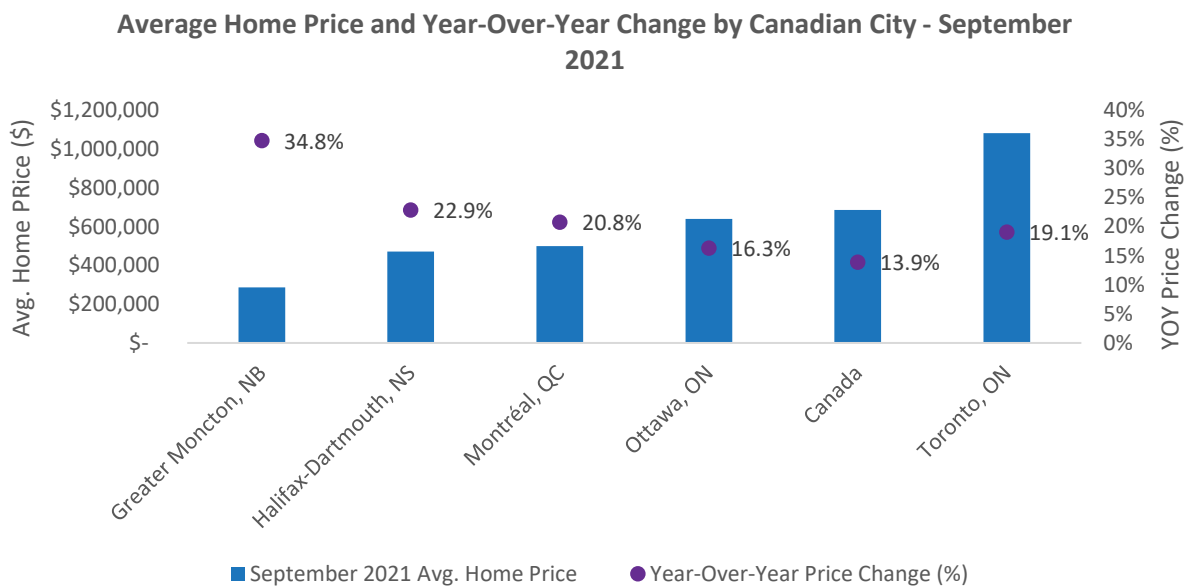


Real Estate & Development

Average Housing Costs – Home Ownership

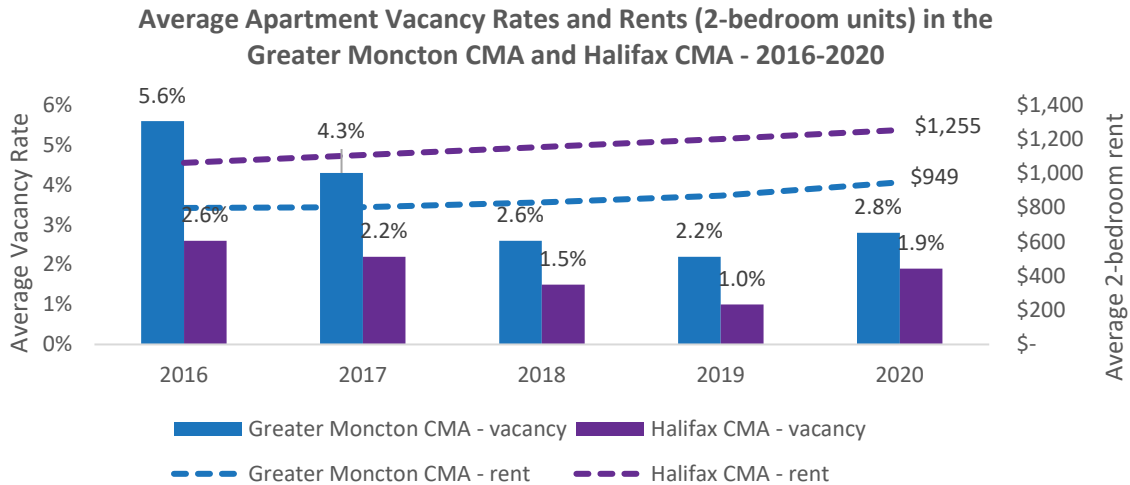
Housing prices across Canada surged during the COVID-19 pandemic. The average home price in Greater Moncton increased by 34.8% year-over-year in September 2021, while average home prices across Canada increased 13.9%^{ix}.

Despite price increases, housing in Greater Moncton remains affordable relative to most Canadian cities. The average home in Greater Moncton costs about \$287,000, while the average home in Canada costs just under \$687,000.

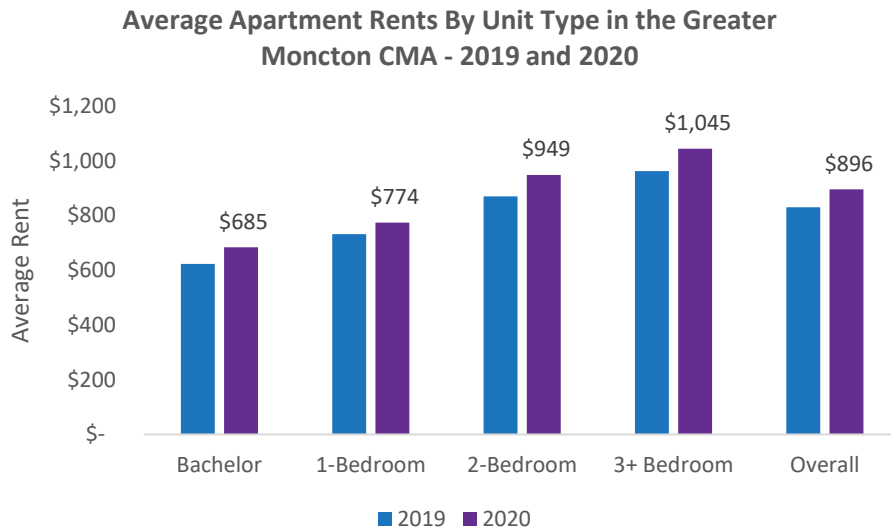


Average Housing Costs – Rents & Vacancy Rates

Rents have also increased significantly. Average 2-bedroom residential rent increased by 9.1% in the Greater Moncton Area from 2019 to 2020^x. 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.

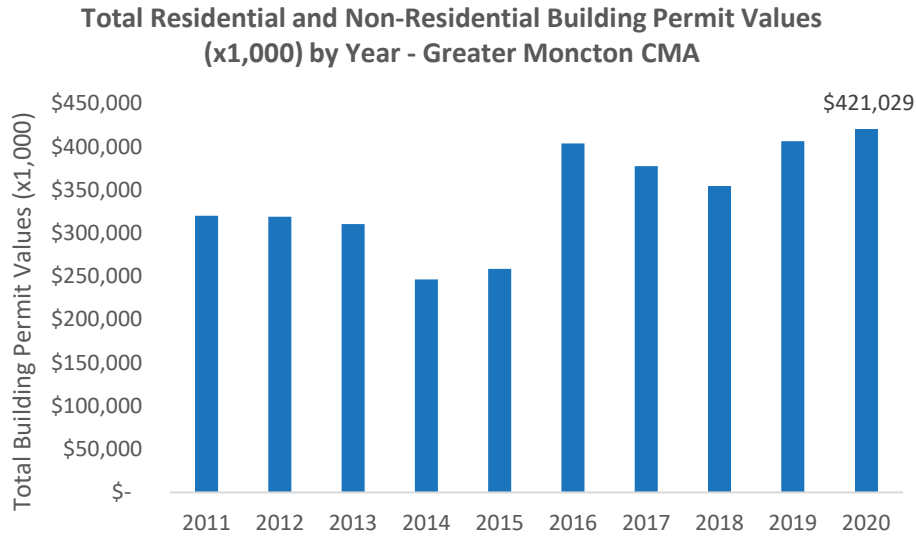


Average rents increased for every unit type from 2019 to 2020. 2-bedroom units had the largest relative year-over-year increase. Two-bedroom unit rent prices increased 9.1% year-over-year, while bachelor apartment rents increased 9.8%, 1-bedroom rents increased 5.7%, and 3+-bedroom apartment rents increased 8.5%. Overall rents increased 7.8% year-over-year.

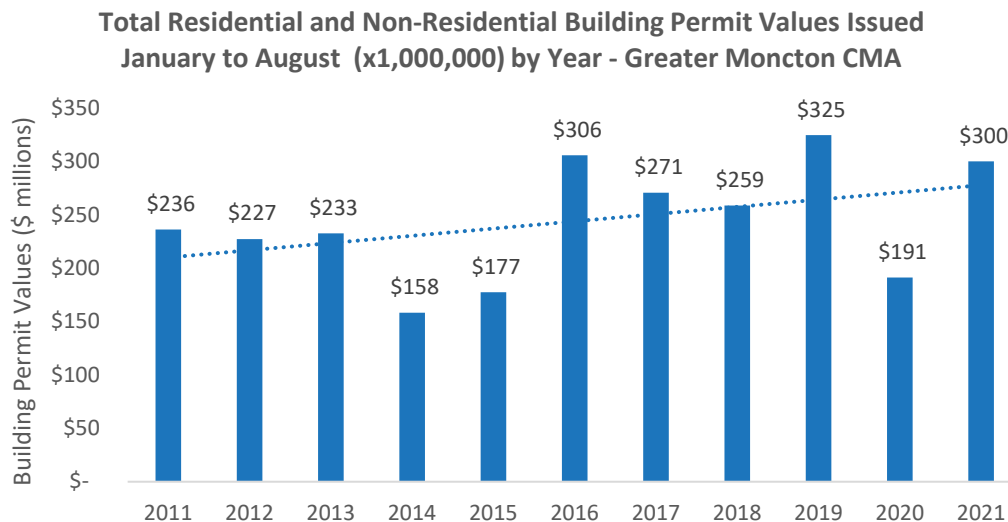


Building Permit Values – Overall

\$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^{xi}. The rise in building permit values was driven by residential building permits, as discussed below.

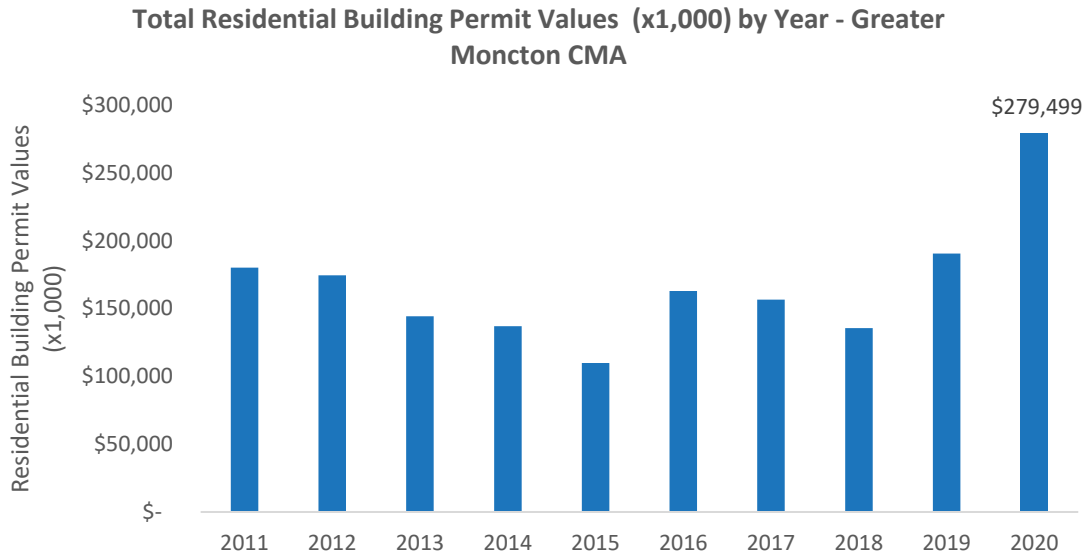


The value of building permits issued so far in 2021 exceeds 2020 levels. By August 2021, \$300 million in building permits were issued year-to-date. Building permit values from January to August have trended upwards over the past 10 years.

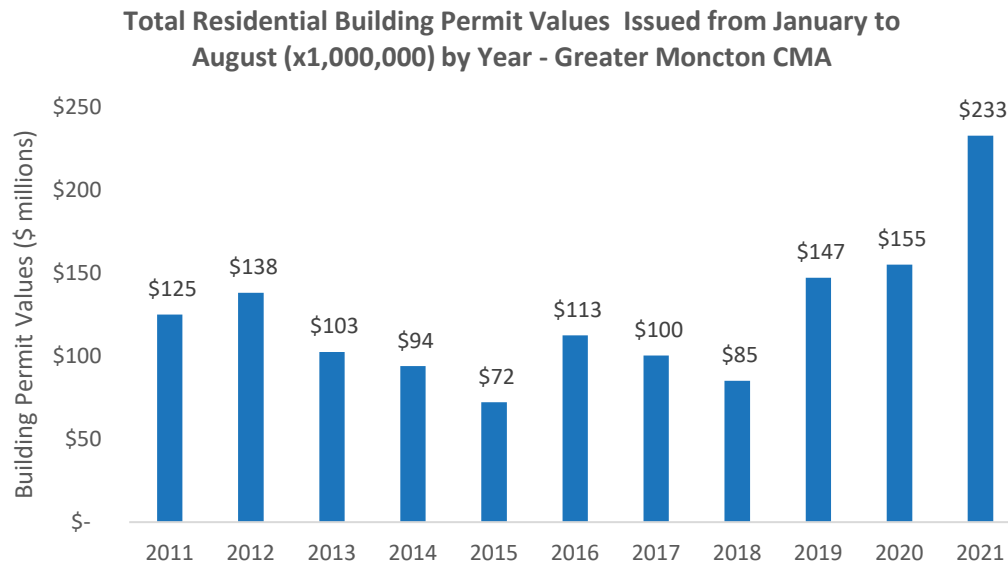


Building Permit Values – Residential

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.

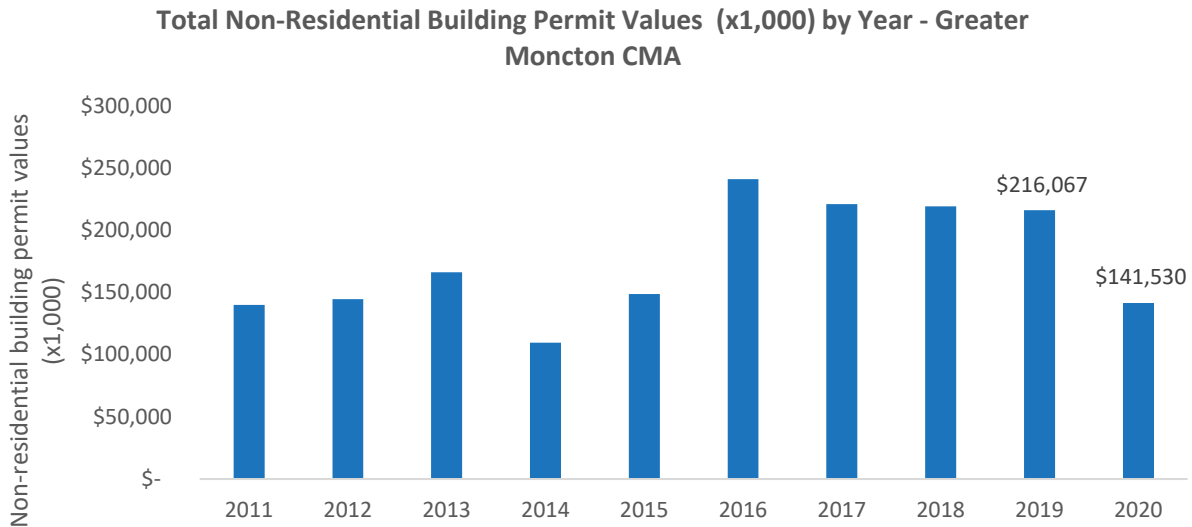


Approximately \$233 million in residential building permit values were issued between January and August 2021. This represents a record for these months.

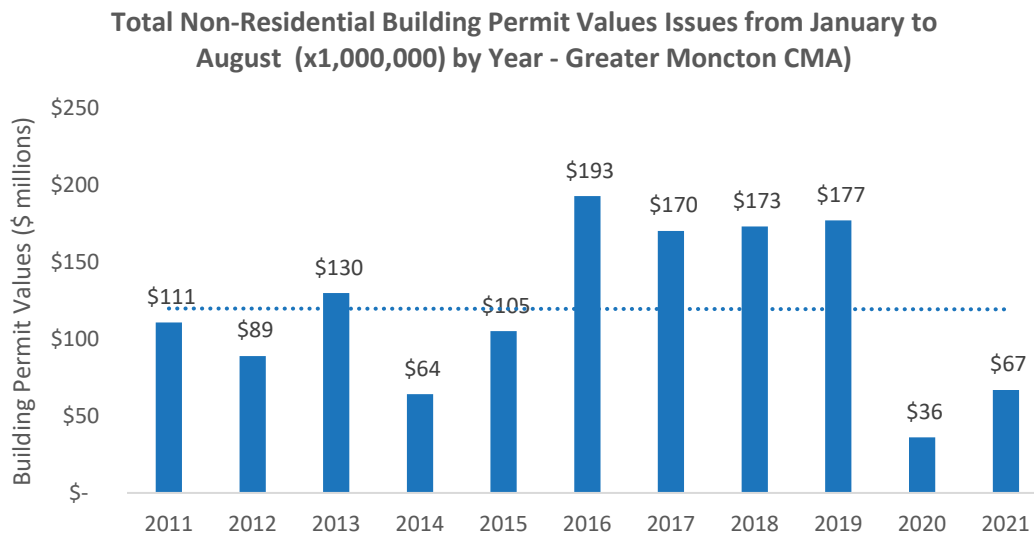


Building Permit Values – Non-Residential

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



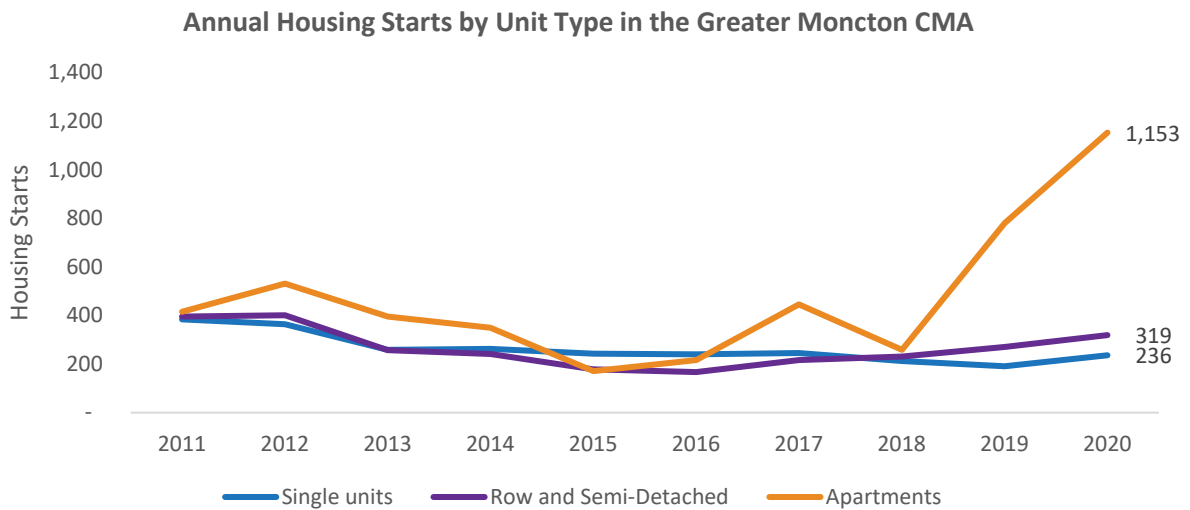
Non-residential building permit values in January and August are at their 2nd lowest level in at least 10 years.



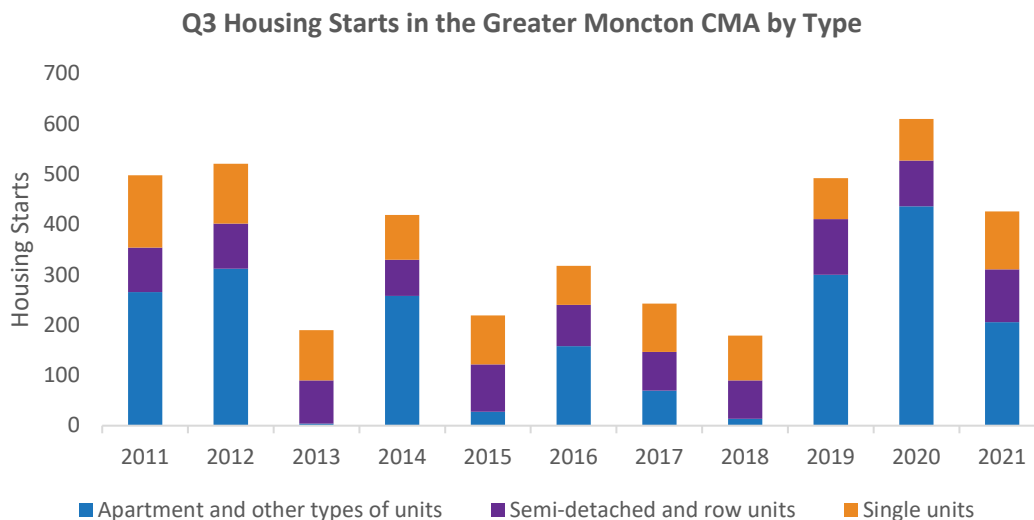
Housing Starts

Housing starts in the Greater Moncton CMA are up nearly 38% in 2020 compared with the previous year^{xii}. 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.



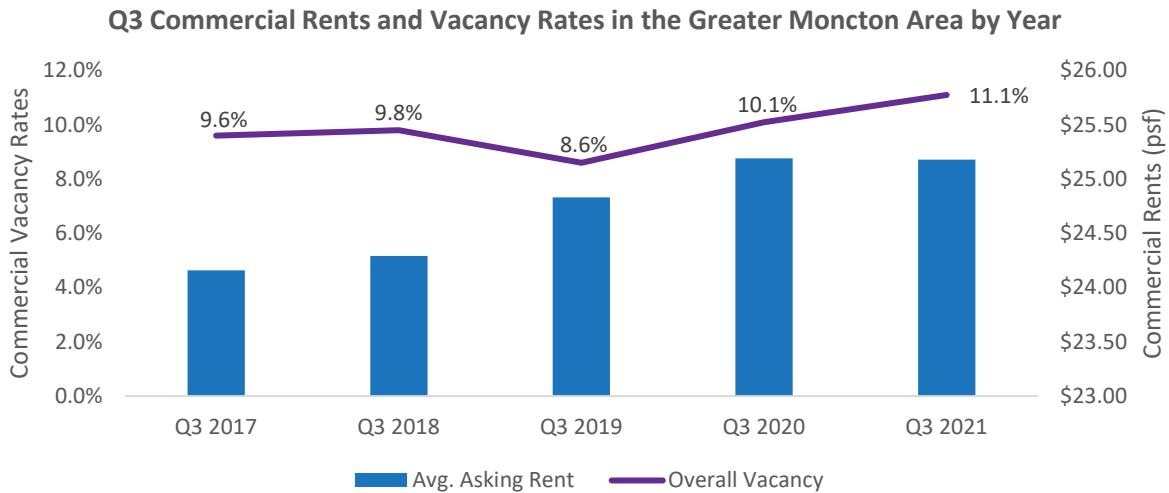
Q3 housing starts in Greater Moncton are at their lowest level in three years. Apartments accounted for about half of Q3 housing starts, while semi-detached and single units each made up about a quarter.



Industry

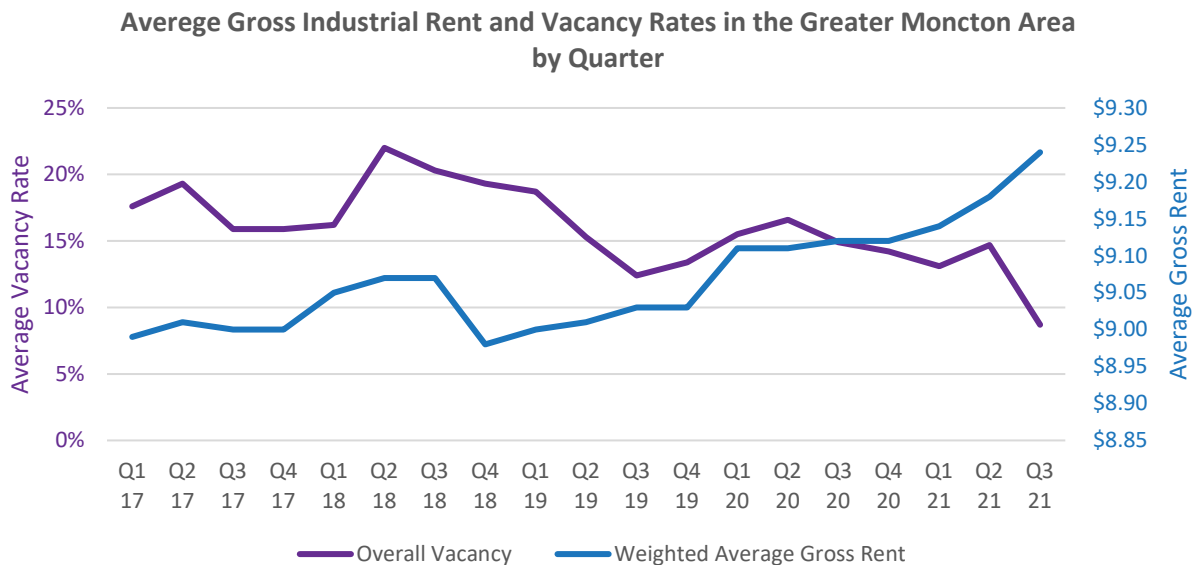
Commercial Rents & Vacancy Rates

Commercial vacancy rates have increased one percentage point since in the past year, and nearly two percentage points in the past two years^{xiii}. The current commercial vacancy rate is 11.1%. Average commercial rents have decreased slightly in the past year to \$25.18 per square foot.



Industrial Rents & Vacancy Rates

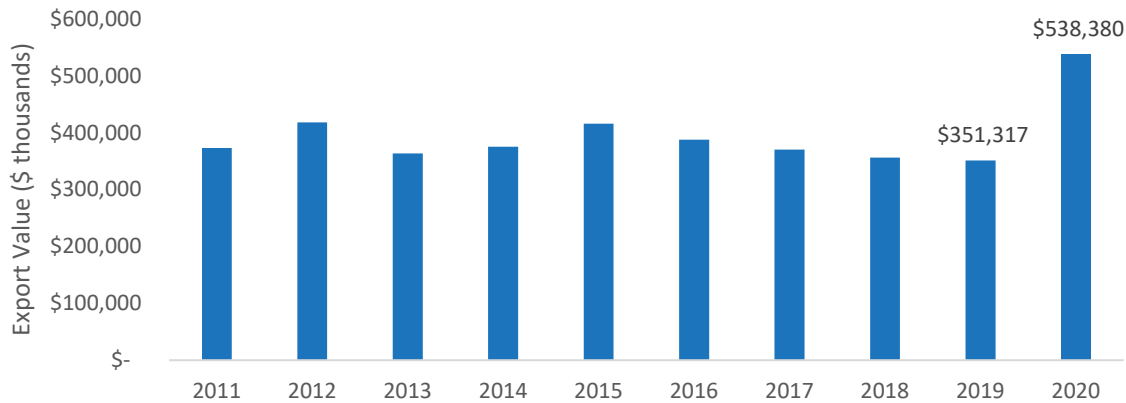
Industrial vacancy rates in Greater Moncton have declined over the past five years while rents have climbed. Average gross industrial rent is currently \$9.24 per square foot. The industrial vacancy rate is currently 8.7%, which is an historic low.



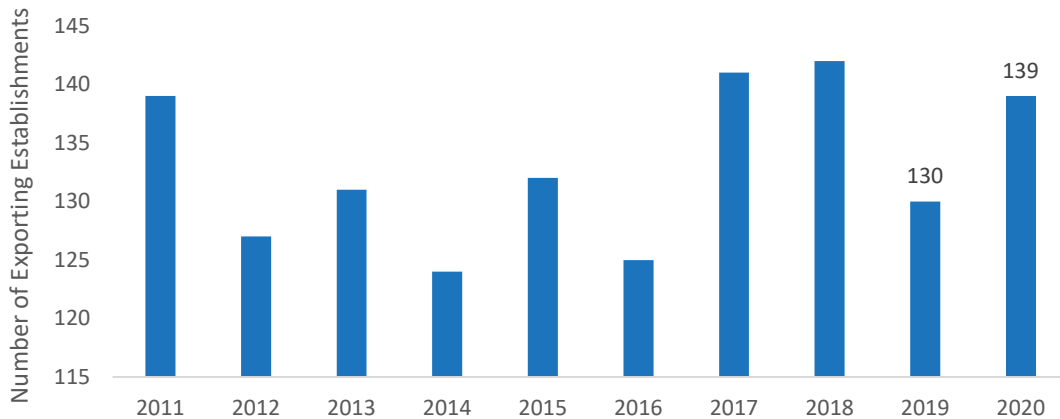
Goods Trade – International Exports

Businesses in the Greater Moncton CMA exported \$538 million in goods in 2020^{xiv}. This represents a 53% year-over-year increase in international exports. In total, 139 businesses in the Greater Moncton CMA are exporters. The number of exporters also increased from 2019 to 2020.

International Export Value from the Greater Moncton CMA - 2011-2020



Number of Establishments Exporting from the Greater Moncton CMA - 2011-2021



The manufacturing and retail sectors caused most of the year-over-year growth in export value. These sectors are the region's largest exporters. Manufacturing export value grew 56% year-over-year, and retail trade exports grew 201% year-over-year.

Manufacturing and retail trade are also the region’s largest exporters. Manufacturing accounts for over two-thirds of the region’s export value, while retail trade accounts for over 15%.

Top Five Exporting Sectors from the Greater Moncton CMA - 2019 and 2020

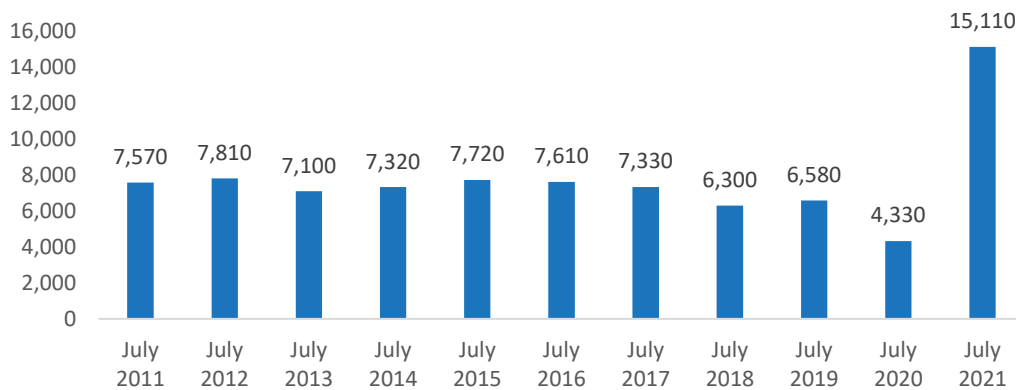


COVID-19

Employment Insurance Recipients

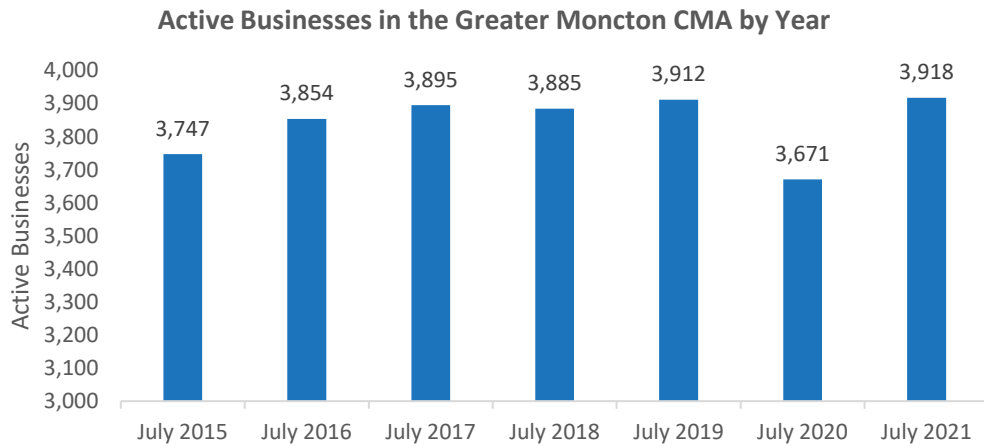
The number of regular employment insurance (EI) recipients has more than doubled in Greater Moncton and Southeast New Brunswick over the past two years^{xv}. Prior to COVID-19, there were typically 6,500 to 7,500 EI recipients in the region each July. However, in July 2021, there were 15,110 recipients. The federal government loosened criteria for EI recipients due to COVID-19. This may have contributed to the spike in recipients.

Regular Employment Insurance (EI) Beneficiaries in Greater Moncton and Southeast New Brunswick by Year (July)



Business Openings and Closures

Statistics Canada publishes experimental estimates for the number of active businesses in the Greater Moncton CMA^{xvi}. The number of active businesses in the CMA dropped about 6% year-over-year in July 2020. However, by July 2021, the number of active businesses returned to 2019 levels.



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} Statistics Canada. Table 14-10-0387-01 Labour force characteristics, three-month moving average, unadjusted for seasonality, last 5 months
- ^{viii} Vicinity Jobs
- ^{ix} The Canadian Real Estate Association (CREA) Price Map <https://www.crea.ca/housing-market-stats/national-price-map/>
- ^x Statistics Canada. Table 34-10-0133-01 Canada Mortgage and Housing Corporation, average rents for areas with a population of 10,000 and over
- ^{xi} Statistics Canada. Table 34-10-0066-01 Building permits, by type of structure and type of work (x 1,000)
- ^{xii} 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)
- ^{xiii} Cushman and Wakefield Atlantic
- ^{xiv} Statistics Canada. Table 12-10-0138-01 Trade in goods by exporter characteristics, by industry of establishment and census metropolitan area (x 1,000).
- ^{xv} Statistics Canada. Table 14-10-0323-01 Employment insurance beneficiaries by census division, monthly, unadjusted for seasonality
- ^{xvi} Statistics Canada. Table 33-10-0270-01 Experimental estimates for business openings and closures for Canada, provinces and territories, census metropolitan areas, seasonally adjusted