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FOR IMMEDIATE RELEASE

RESIDENTIAL TRENDS IN HRM

How the Aging Population Affects the Housing Market

The Nova Scotia job creation rate has slowed during the past decade. Consequently, activity in both the resale market and in new housing construction has reduced. The aging population is increasing rapidly in the Atlantic Region, and average single dwelling sales are decreasing. What are the tipping points for residential sales in HRM?

According to statistics from the Canadian Association of Accredited Mortgage Professionals (CAAMP), most first-time and second-time Canadian homebuyers are aged 25-34. Subsequent buying is most often among those aged 50-59. Less than 2% of home purchases are made by those who are 70 years or older. As the population ages, more people are less likely to purchase first-time, second-time, or even subsequent homes. Additionally, in Atlantic Canada, only 35% of homebuyers are first-time purchasers, which is 10 percentage points below the national average

Based on the NSAR MLS[®] and Turner Drake in-house data, the most commonly purchased home in HRM is single-detached. More than half of those purchasing this type of home are typically second-time buyers. On the lower side of the market, there are approximately 878 purchases of semi-detached and row homes in HRM each year, about two-thirds of which are typically bought by first-time buyers.

As the majority of single-detached purchasers who are first-time buyers (aged 34 and under) and subsequent buyers (aged 50-59) reaches peak levels, we predict the single-detached demand to level off, and then decline. The HRM population reached its peak levels of these age groups in 2015. Therefore, housing market sales will continue to decline slowly throughout 2016 and in the next few years.

Turner Drake & Partners Ltd. is a multi-disciplinary firm of real estate consultants offering valuation, property tax, counselling, economic intelligence, planning and Lasercad[®] space measurement advice, throughout Atlantic Canada and Ontario; together with brokerage (sales and leasing) services in Nova Scotia, New Brunswick and Prince Edward Island.

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If you would like more information about this topic, or wish to schedule an interview with Alexandra Baird Allen, please call (902) 429-1811 ext. 323 or email abairdallen@turnerdrake.com.