

Economic Review 2025

St. John's Census Metropolitan Area

ST. JOHN'S

The St. John's Census Metropolitan Area (CMA) economy grew by 5.0% in 2025, mainly due to strong growth in oil production. With a large share of the provincial oil and gas industry allocated to the CMA, variations in oil production play a key role in shaping the region's real gross domestic product (GDP). Offshore oil production reached 87.6 million barrels in 2025, a 14.6% increase from 2024, reflecting significantly higher production at the Hebron project and the return of the SeaRose floating, production, storage and offloading vessel (FPSO) following a refit.

GDP 
\$12.3 Billion
(excluding oil & gas)

Excluding oil and gas extraction, real GDP in the St. John's CMA increased by 1.1%. Growth outside of the oil and gas sector was mainly concentrated in services-producing industries such as public administration, wholesale and retail trade, and health care and social assistance.

Population and Labour Market

The population of the St. John's CMA grew by 1.3% in 2025, reaching an estimated 243,478 persons. This represents a moderation in growth compared to recent years, largely attributable to lower levels of immigration and continued natural population decline, with deaths outnumbering births.

Employment in the St. John's CMA averaged 126,500 persons in 2025, an increase of 3.1% (or 3,800 persons) from 2024. Employment in the services-producing sector increased by 3,200 persons, while employment in the goods-producing sector increased by 500 persons. On an industry basis, the largest employment gains were recorded in 'Information, culture and recreation' (+900 persons), 'Wholesale and retail trade' (+900 persons), 'Manufacturing' (+800 persons), and 'Public administration' (+600 persons). Notable employment losses were recorded in 'Professional, scientific and technical services' (-600 persons), 'Forestry, fishing, mining, quarrying, oil and gas' (-600 persons), and 'Transportation and warehousing' (-300 persons).



The annual unemployment rate in the St. John's CMA increased by 0.3 percentage points to 7.2% in 2025, as strong labour force growth outpaced employment gains. The participation rate rose by 0.7 percentage points to 66.1%, and the labour force expanded by 3.3% to 136,300 persons. This growth was driven primarily by higher labour force participation combined with an increase in the working-age population.



Household Income, Consumer Spending, Housing Market

Household income in the St. John's CMA totalled \$12.3 billion in 2025, up 1.8% from 2024, as increased employment levels and higher wages more than offset the end of transfers associated with the federal consumer carbon tax.

Consumer spending was an important economic driver in the St. John's CMA in 2025. Softer inflation, steady labour incomes, and ongoing population gains supported retail and services expenditures. Retail sales in the region totalled \$6.2 billion, up 4.3% from 2024, due to a combination of higher prices and a larger volume of sales.

Housing starts in the St. John's CMA totalled 1,037 units in 2025, an increase of 19.1% compared to 2024. Strong housing demand, driven by low inventory levels, rising home prices, and improving market conditions, all contributed to the increase in housing starts last year. In the real estate market, sales of single-detached homes increased by 1.6% to 819 units in 2025, while multi-family unit sales increased 8.0% to 473 units. The MLS® Home Price Index (HPI) composite benchmark price for homes in St. John's averaged \$382,800 in 2025, up 11.1% compared with 2024.¹

Consumer Price Index (CPI)

In 2025, inflation in the St. John's CMA continued to ease compared with recent years. The region's CPI rose by 1.3%, down from 2.2% in 2024 and well below the 32-year high of 5.9% recorded in 2022.

Although detailed CPI data for the CMA is not available, inflation patterns in the St. John's area typically mirror those of the province as a whole. Across Newfoundland and Labrador, inflation moderated for most major CPI components in 2025; however, several essential categories continued to experience above-average price growth. 'Shelter' saw the largest annual increase, rising 3.6%. Within this category, 'Water, fuel and electricity' grew by 6.8%, driven by higher electricity and fuel oil prices. 'Food' price inflation also remained elevated, increasing 3.0% overall. Growth was led by 'Food purchased from stores' (+3.6%), with notable increases in meat - especially fresh or frozen beef - as well as sugar, confectionery, coffee, and tea. In contrast, 'Food purchased from restaurants' increased 1.7%, a slower pace than the 4.5% rise recorded in 2024.

Lower overall energy prices continued to help moderate overall inflation in the province. On an annual basis, 'Energy' prices fell 2.2% in 2025, following a 0.7% increase the previous year. The most significant contributor to this decline was a 9.9% drop in 'Gasoline' prices, largely reflecting the removal of the federal consumer carbon price in April 2025 and lower global crude oil prices. The large drop in gasoline prices more than offset increases in other energy products such as electricity and home heating fuels.

¹ MLS® HPI is a real estate price index produced by the Canadian Real Estate Association (CREA) that measures changes in home prices by tracking the value of a "typical" residential property over time. Unlike average or median prices, the MLS HPI adjusts for differences in housing characteristics and market composition, providing a more accurate measure of underlying price trends.

Outlook for 2026

Looking ahead, the St. John's CMA economy is expected to continue to grow in 2026, though at a more moderate pace than in 2025. The oil and gas sector will be positively impacted by the planned start of production at the West White Rose project in the second quarter, while economic activity outside of the sector is expected to be moderate, partly due to a decline in capital investment and employment stemming from reduced major project construction activity.

External uncertainty remains elevated as the Canada-United States-Mexico Agreement (CUSMA) approaches its scheduled 2026 review, with potential implications for regional trade conditions. Although tariff tensions between the United States and Canada intensified during 2025, the majority of trade continued to be conducted under CUSMA provisions. Concurrently, efforts to diversify trade and investment relationships - particularly with Europe and Asia - gained momentum, which could help offset external risks and support new growth opportunities in 2026.



Economic Indicators, St. John's Census Metropolitan Area, 2024-2025

	2024	2025e
Real GDP (\$2017, \$M)	16,420	17,237
% Change	3.3%	5.0%
Real GDP (\$2017, \$M) excluding oil and gas	12,186	12,322
% Change	3.1%	1.1%
Employment (000s)	122.7	126.5
% Change	3.6%	3.1%
Labour Force (000s)	131.9	136.3
% Change	4.7%	3.3%
Unemployment Rate (%)	6.9	7.2
Change (ppt)	0.9	0.3
Participation Rate (%)	65.4	66.1
Change (ppt)	0.8	0.7
Household Income (\$M)	12,053	12,266
% Change	7.9%	1.8%
Retail Trade (\$M)	5,950	6,207
% Change	9.0%	4.3%
Housing Starts (units)	871	1,037
% Change	78.5%	19.1%
CPI (2002=100)	161.3	163.4
% Change	2.2%	1.3%
Population (000s)	240.4	243.5
% Change	3.4%	1.3%

Source: Statistics Canada; Economics Division, Dept. of Finance

e: estimate; \$M: millions; ppt: percentage point
000s: thousands