

▶ Saskatoon bankruptcies sticky in their decline

- **Consumer bankruptcies increase for the second straight year, but at a much softer pace.** The number of Saskatoon residents declaring bankruptcy rose 1.4% in 2017 to 373, a deceleration from 35.8% in 2016. Over the same period, the number of bankruptcy proposals increased 4.0% to 419.
- **Business bankruptcies accelerate to an eight-year high.** 31 local businesses declared bankruptcy in 2017, two-and-a-half times the number in 2016 and the highest since the global financial crises in 2009. Only three businesses chose to renegotiate terms.

Provincially, fewer people are filing for personal bankruptcy; opting to renegotiate terms

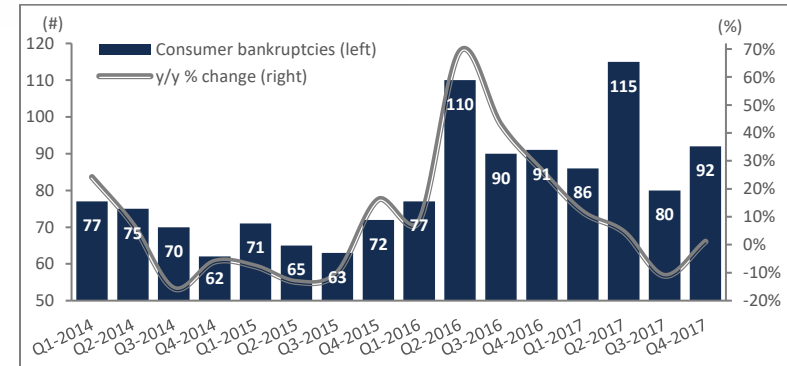
- **Consumer bankruptcies recede, proposals reach record level.** In 2017, 1,366 Sask. residents filed for outright bankruptcy, 3.9% fewer than the prior year. Over the same period, number of proposals jumped 14.0% to 1,754, the highest on record.
- **Business bankruptcies and proposals are also up.** In 2017, 105 Sask. businesses declared bankruptcy while 32 opted to restructure their debt to avoid bankruptcy.
- **62.5% of Sask. business bankruptcies came from construction (36.5%), accommodation & food service (15.4%), and transportation & warehousing (10.6%) industries.**

“After two successive rate hikes last year, we are starting to wonder if increasing borrowing cost is already putting pressure on Sask. households. The 2017 data shows many are avoiding outright bankruptcy by choosing to restructure their debts, which isn’t the cheapest alternative either. On the business side, the high share of construction sector and accommodation & food service bankruptcies are probably indicative of ongoing struggles in the housing market and impact of PST on Sask. restaurants.”

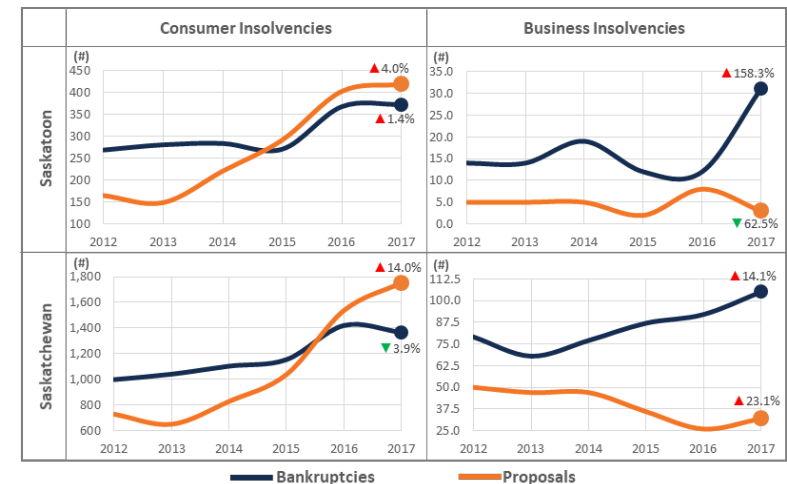
Gabriel Dzathor, Manager – Economic Forecasting and Analysis

Note: Bankruptcy proposal is an offer to creditors to settle debts under conditions other than the existing terms, which generally allow them to recover more than they would in a bankruptcy. Overall, bankruptcy amounts to a business-failure.

Saskatoon consumer bankruptcies up 1.1% y/y in Q4-2017...



Provincially, consumer bankruptcies have receded; business bankruptcies are up with Saskatoon accounting for 30% in 2017



Consumer and business bankruptcies

		2015	2016	2017	Q2-2017	Q3-2017	Q4-2017
YXE	Consumer bankruptcies	271	368	373	115	80	92
	Business bankruptcies	12	12	31	8	4	16
SK	Consumer bankruptcies	1,155	1,421	1,366	387	314	345
	Business bankruptcies	87	92	105	32	18	37

Source: Office of the Superintendent of Bankruptcy (not adjusted for seasonal variation)