



► **Saskatoon Housing Starts – Soft Landing at Sustainable Levels**

INTRODUCTION

After experiencing a building boom from 2007 to 2014 (except for 2009), the Saskatoon residential construction market has slowed to a more sustainable pace since the start of 2015. Data released yesterday indicates that construction activity picked up for the fourth consecutive month in September, but remains well below the boom years.

LATEST FIGURES

According to the Canada Housing and Mortgage Corporation (CMHC), contractors and builders started construction on 208 new dwelling units in September 2016, up from 168 in September 2015. Of the 208 total units, 128 were single-detached houses and 80 were “other,” which consists of apartments/condos, row housing and semi-detached homes.

Converting the headline 208 start number to seasonally adjusted, annualized rate (SAAR), Saskatoon housing

starts were 2,224 units in September, the highest since April (see graph).

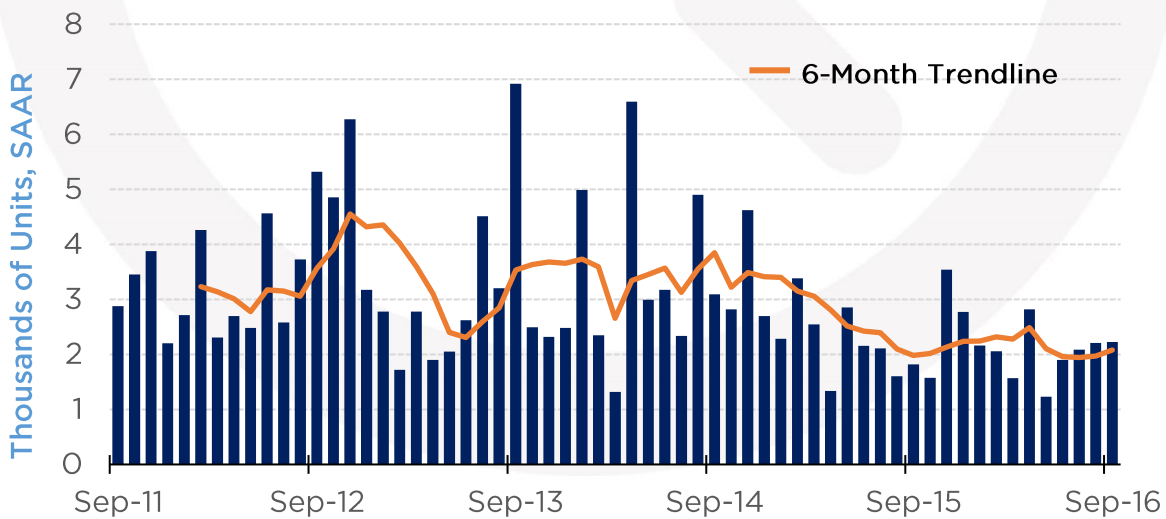
CONTEXT

Saskatoon housing starts are on pace for just over 2,000 units in 2016. This compares with ~2,300 in 2015 and 3,500 in 2014. Relative to where the market was a few years ago residential construction remains in the slow lane, however, looking at only the past 12 months, activity has picked up during Q3.

OUTLOOK

With many economic indicators on the Saskatoon Region showing stability, there’s nothing indicating the residential construction market is going to move sharply, either up or down, over the next few months. Longer-term, the typical drivers including population growth, commodity prices and employment levels will dictate the level of Saskatoon housing starts.

Saskatoon Housing Starts (SAAR)



Source: Canada Mortgage and Housing Corporation
 Note: Figures are monthly, SAAR: Seasonally adjusted, annualized rate

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