

## SREDA'S ECONOMIC RATING

# C

FOR THE SASKATOON REGION

“The Saskatoon Region economy continued to demonstrate strength and resilience over the previous quarter. Despite the ongoing weakness in commodity prices, several key economic indicators pointed to stability and, in some cases, modest growth compared to Q2. Given recent improvements in local economic data, SREDA remains cautiously optimistic on the near-term economic outlook and is maintaining its “C” rating for the Saskatoon Region economy.”

**Alex Fallon, President & CEO, SREDA**

## GDP & POPULATION

GROSS DOMESTIC PRODUCT

# \$17.6B

▲ 0.0% Change from Q2 2016

CMA POPULATION

# 311,700

▲ 0.5% Change from Q2 2016

POPULATION AGE 15+

# 258,100

▲ 0.5% Change from Q2 2016

“The growth driving components of our business mix have changed significantly over the past nine months. Overall employment is essentially flat year on year and population growth continues. These facts offer stability for our economic prospects. While some components of the business community are experiencing growth, other portions of Saskatoon’s business base are experiencing lower activity levels.” - Kent Smith-Windsor, Executive Director of the Greater Saskatoon Chamber of Commerce.



## EMPLOYMENT

UNEMPLOYMENT RATE

# 6.5%

▼ -0.4% Change from Q2 2016

EMPLOYMENT RATE

# 65.0%

▲ 0.2% Change from Q2 2016

LABOUR FORCE

# 179,400

▲ 0.4% Change from Q2 2016

PARTICIPATION RATE

# 69.5%

▼ -0.1% Change from Q2 2016

“Although there has been some business contractions and employee reductions in the marketplace, the majority of Saskatoon businesses have withstood the lower activity and volume relatively unscathed. With oil prices becoming consistently stronger and companies ramping up production, there is cautious optimism that the trough is now behind us.” - Keith Moen, Executive Director of the North Saskatoon Business Association.



## HOUSING

HOUSING STARTS (YTD)

# 1,501

▼ -9.3% Change from Q3 2015

BUILDING PERMITS (YTD)

# \$557.5M

▼ -19.6% Change from Q3 2015

EXISTING HOME SALES (YTD)

# 1,451

▼ -3.2% Change from Q3 2015

AVERAGE HOME PRICE

# \$357,879

▲ 2.3% Change from Q3 2015

“Inventory levels of existing housing stock are slowly being reduced, currently sitting at 13% above the five year average. This is due to above average sales in August and a reduction in the number of additional units to the MLS system. Recent Federal changes affecting buyers qualifying for high ratio mortgages will likely impact sales in the weeks ahead.” - Jason Yochim, CEO of the Saskatoon Region Association of Realtors.



## OTHER INDICATORS - Saskatoon

NEW BUSINESS LICENCES (Q3)

292

▼ -0.7% Change from Q3 2015

YXE PASSENGER TRAFFIC  
(Q3 YTD)

1.096M

▼ -0.1% Change from Q3 2015

"A soft July was followed by enhanced performance in the later part of Q3. Air passenger numbers remained close to record levels. Total tourism volume was slightly off 2015 numbers. Recent Statistics Canada Data received in August confirmed tourism expenditures of \$541 million annually." - Todd Brandt, CEO of Tourism Saskatchewan.



## Saskatchewan (August YTD)

WEEKLY EARNINGS (JULY YTD)

\$984

▲ 0.4% Change from 2015

WHOLESALE TRADE

\$15.54B

▼ -12% Change from 2015

NEW CAR SALES

\$1.41B

▼ -3.4% Change from 2015

RETAIL SALES

\$12.5B

▲ 0.9% Change from 2015

Q3 2016

## SECTOR NEWS



### CONSTRUCTION

Construction on \$300-million condominium, hotel and office tower project at River Landing to begin in October

Work is underway on a 220-room complex containing two separate hotels as part of the UofS College Quarter development

SaskPower completes a \$330 million transmission line in northern Sask

Sask. home renovations up 34% year-over-year from 2015Q1

Drywall prices shoot through the roof after the federal government imposes preliminary anti-dumping tariffs of up to 276% on gypsum board products imported from the United States

Sask. needs \$51B worth of infrastructure over the next 10-20 years (CMC Saskatchewan Report)



### AGRICULTURE

Rain and snow in October delay harvest and lower crop quality

China lifts parts of 13-year ban on Canadian beef

Richardson Pioneer to build three new crop input facilities in Sask

China agrees to an extension in the canola dispute

Canadian crop production forecast increased to 34.2 million tonnes, second-largest ever

Federal Minister of Agriculture announces expanded market access for Canadian beef into Mexico



### SCIENCE AND TECHNOLOGY

7Shifts Inc. wins the 2016 Startup Canada Award for high-growth entrepreneurship

A new \$63 million Collaborative Science Research Building is to be constructed at the UofS.

UofS researchers develop vaccine for deadly pig virus ((PEDV)

A new SRC initiative aimed at developing and commercializing new oil extraction technologies could provide oil producers with access to the billions of barrels of crude buried deep beneath west-central Sask



### MANUFACTURING

Federated Co-op announces new fertilizer plants in Hanley and Brandon. Slated to open early 2017. Combined cost to be \$75M

Mitsubishi Hitachi announces closure of Saskatoon plant. More than 150 employees given layoff notices

Great Western Brewing Company filed an action in court seeking to have Alberta's markup on their beer declared unconstitutional



### WHOLESALE AND RETAIL TRADE

Preston Crossing's fifth phase takes shape

Ikea opens 'collection point' in Saskatoon

International flights from Canada are the most expensive in the world

Vehicle sales in Saskatchewan continue to taper off as the economy cools



### ENERGY

OPEC agrees to limit production (range of 32.5 to 33 million bpd)

Oil climbs above US\$50 in early October for first time since June 2016

Husky oil spill creates water issues for Prince Albert and other northern communities

Revenue from Sask. land rights sales fell to \$34M year-to-date in October, down from \$46M in 2015 and \$180M in 2014

Renewable energy now accounts for 11% of Canadian energy



### MINING

PotashCorp and Agrium announce intention to merge, resulting in US\$36B agricultural giant

Weil Group Resources began operations at its helium plant in Manko

Potash production at Legacy potash mine delayed six months after equipment collapse

De Beers to begin drilling for diamonds in northern Saskatchewan

Belaruskali signs deal to deliver potash to China for \$219/tonne in July

Q3 2016

## TOP NEWS

### SASKATOON REGION

Saskatoon ranked third-best city for business in Canada by Canadian Business magazine and ProfitGuide.com

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Save-On-Foods to open 3 Saskatoon supermarkets within the next 18 months

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Saskatoon hosts World Indigenous Business Forum August 23 - estimated to generate \$3 million in economic spin-off

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University of Saskatchewan announces plan for new \$41-million rink

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Saskatoon civic election held October 26

### SASKATCHEWAN

Potash Corp and Agrium announce plans to merge creating new \$36 billion agriculture giant

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2016 crop volumes projected to be well above average although wet and cold October dampens optimism as harvest slows and crop quality declines

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According to BMO, our provincial economy is expected to grow a 0.5% this year, partially reversing the 1.4% decline in 2015. Rebound to nearly 2% growth expected in 2017

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SLGA announced they're removing some barriers for craft beer manufacturers in the province, including allowing craft brewers the ability to direct deliver their products to Saskatchewan retailers

### CANADA

IMF projects Canadian economic growth of 1.2% in 2016 and 1.9% in 2017

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Federal Government announced new mortgage rules requiring stress-testing for insured mortgages

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Federal Government announced implementation of a \$10/tonne carbon tax starting in 2018, rising to \$50/tonne by 2022

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Fort McMurray set for highest home construction activity in 20 years according to CMHC

### INTERNATIONAL

Britain is expected to start Brexit process by March; sterling falls to 3-decade low

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Bayer agrees to buy Monsanto in \$66 billion deal that could reshape agriculture

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Enbridge announces intention to purchase Spectra Energy. Deal expected to create 'energy infrastructure colossus' with \$48 billion of future projects

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U.S. labour market continues to firm, adding 156k jobs in September, while inflation remains benign

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U.S. economy grows less than expected in Q2 as inventories fall for first time since 2011

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WTO cuts 2016 world trade growth forecast to 1.7%



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