



SREDA NEED-TO-KNOW

Saskatoon CMA Housing Market Outlook

The Canada Mortgage and Housing Corporation (CMHC) released its 2017 Fall Housing Market Outlook for Saskatoon CMA, projecting modest gains in new and resale housing markets and gradual decline in rental vacancy rate over the next two years (see table below).

Highlights

- Total housing starts in the Saskatoon CMA are on pace to end 2017 slightly higher than in 2016, mostly because of continued gains in single-detached construction.
- Existing home sales are expected to decline in 2017 as the impact of job losses in the previous year, tighter mortgage rules and rising mortgage rates reduce demand for resale homes.
- Elevated listings on the resale market has kept market conditions tilted towards buyers this year, putting downward pressure on the average home price.
- Apartment vacancy rates are expected to remain historically high this year, and start to decline next year.

Job growth and improving consumer sentiment are expected to slightly increase sales in the coming years, reduce the unabsorbed inventory from the prior year and support modest advances in home construction.

Saskatoon CMA Housing Market Outlook

	2014	2015	2016	2017 (F)		2018 (F)		2019 (F)	
				Low	High	Low	High	Low	High
Housing starts	3,531	2,293	1,909	1,740	2,140	1,760	2,150	1,800	2,200
Existing home sales (MLS)	3,996	5,215	4,693	4,455	4,530	4,510	4,590	4,585	4,665
Average home price (\$)	341,061	342,727	343,534	335,130	339,120	336,000	340,000	338,490	342,510
Rental vacancy rate, Oct. (%)	3.4	6.5	10.3	10.0		7.5		6.0	
Two-bedroom Ave. rent (\$)	1,091	1,087	1,100	1,070		1,075		1,085	

Source: CMHC, Fall 2017