

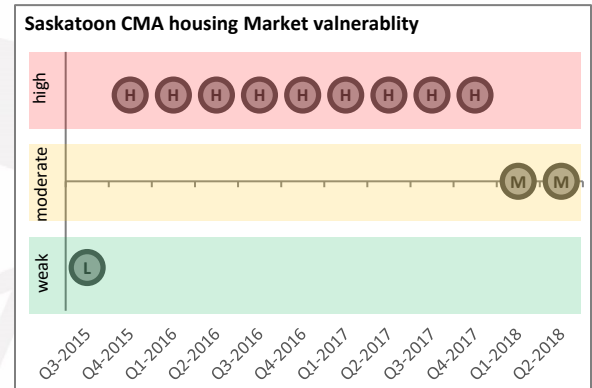


## ► Saskatoon CMA Housing Market moderately vulnerable

The Canada Mortgage and Housing Corporation (CMHC) released its Q2-2018 Housing Market Assessment, rating Saskatoon as having a moderate degree of vulnerability for the second consecutive quarter due to evidence of overbuilding (**Chart**).

### Highlights

- **Strong evidence of overbuilding** remain, but there are signs the imbalance is unwinding. The inventory of completed and unsold units shifted lower in the second quarter, and closer to the long-term threshold for moderate overbuilt.
- **Evidence of price acceleration remains weak** for the CMA as a whole. The average price has been steadily declining for the past couple of years, down 2.4% to \$335,653 in Q1-2018.
- **Low evidence of overvaluation** was detected due to downward pressure on house price.
- **Only weak signs of overheating.**



Nationally, the CMHC continues to rate Canada as having a high degree of vulnerability for the seventh consecutive quarter due to the detection of overvaluation and price acceleration.

### Housing Market Assessment

	Overall Assessment		Overheating		Price Acceleration		Overvaluation		Overbuilding	
	Q1-2018	Q2-2018	Q1-2018	Q2-2018	Q1-2018	Q2-2018	Q1-2018	Q2-2018	Q1-2018	Q2-2018
<b>Saskatoon</b>	moderate	moderate	weak	weak	weak	weak	weak	weak	high	high
Regina	moderate	moderate	weak	weak	weak	weak	weak	weak	high	high
Edmonton	moderate	moderate	weak	weak	weak	weak	weak	weak	high	high
Calgary	moderate	moderate	weak	weak	weak	weak	weak	weak	high	high
Winnipeg	moderate	moderate	weak	weak	weak	weak	weak	weak	moderate	moderate
Vancouver	high	high	moderate	moderate	moderate	moderate	high	high	moderate	moderate
Toronto	high	high	moderate	moderate	moderate	moderate	high	high	moderate	moderate
Ottawa	moderate	moderate	weak	weak	weak	weak	weak	weak	moderate	moderate
Montréal	moderate	moderate	weak	weak	weak	weak	weak	weak	moderate	moderate
Halifax	moderate	moderate	weak	weak	weak	weak	weak	weak	moderate	moderate
St. John's	moderate	moderate	weak	weak	weak	weak	weak	weak	moderate	moderate
Canada	high	high	moderate	moderate	moderate	moderate	high	high	moderate	moderate

Source: CMHC.

- **Overheating** is detected when sales greatly outpace new listings in the market for existing homes.
- **Price acceleration** is signaled when the growth rate of house prices increases rapidly.
- **Overvaluation** indicates that house prices are elevated compared to price levels supported by personal disposable income, population, interest rates, and other fundamentals.
- **Overbuilding** is flagged when apartment rental vacancy rates and/or inventory of newly built and unsold housing units are higher than normal.