

# SREDA INSIGHTS

## ▶ HOUSING STARTS DOWN BUT NOT OUT

While residential construction activity remains slow compared to recent years, the number of new homes being started in the Saskatoon Region moved higher for the second consecutive month in July.

### LATEST FIGURES

Contractors and builders began construction on 2,111 seasonally adjusted, annualized (SAA) residential units in July, up from 1,909 in June and virtually unchanged from 2,108 in July of last year. So far in 2016, Saskatoon Region housing starts are on pace for about 2,000 units, down slightly from roughly 2,300 in 2015.

### CONTEXT

At the peak of the residential construction market in 2012, housing starts in the Saskatoon Region totaled approximately 3,700 units. Hence, with housing starts currently on pace for 2,000 units in 2016, there is

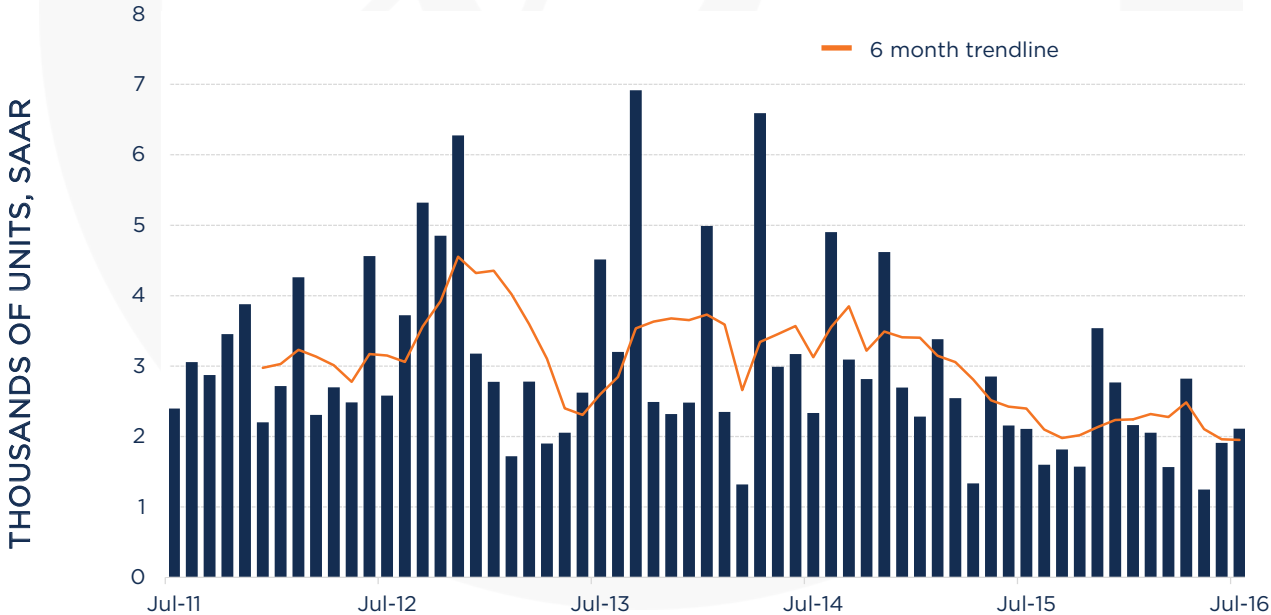
definitely less work for those employed in residential construction.

Looking beyond the Saskatoon Region, housing starts in Saskatchewan as a whole recorded their strongest month in over a year in July, with 5,061 SAA units started. While the small gain in the Saskatoon Region contributed to this jump, activity in Regina really picked up with starts in the capital up 34% month-over-month in July.

### THE OUTLOOK

This morning's housing starts report bolsters the notion that residential construction activity in the Saskatoon Region may have found a floor. The jump observed in July, not just in the Saskatoon Region but the province as whole, will also be welcome news for many builders.

### SASKATOON HOUSING STARTS (SAAR)



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

SREDA Insights provides commentary and analysis on key economic issues influencing Saskatoon Region businesses and industry. By providing timely, digestible and relevant economic analysis, SREDA helps local businesses adapt to changing market conditions. SREDA provides SREDA Insights to its members in conjunction with other ongoing initiatives through its Economic Forecasting & Analysis division.