

For Q2 2019, SREDA is giving the Saskatoon CMA rating a B-

“Economic indicators for Q2 2019 show continued stability in the local economy. While employment remains fairly flat unemployment has stayed near the 6% mark, falling from recent years of higher rates. The housing market continues to correct with home prices falling and starts trending lower than previous years. However, demand is increasing with a 9% year over year growth in sales. External factors like international trade relationships remain important to watch. Canada/China relations effect Saskatchewan agriculture exports and the unknown outcome of the USMCA agreement adds another layer of uncertainty.”

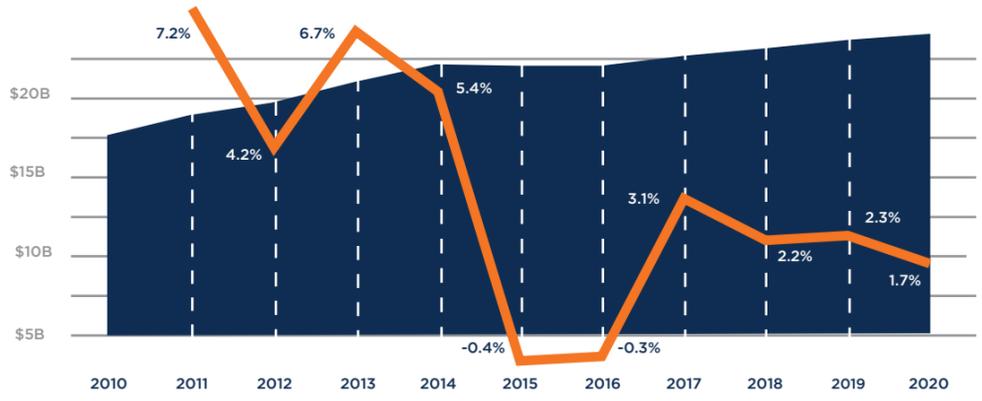


Q2 Economic Rating for the Saskatoon Region

- Alex Fallon, SREDA President & CEO

REAL GDP FORECASTS | \$23.74B for Q2

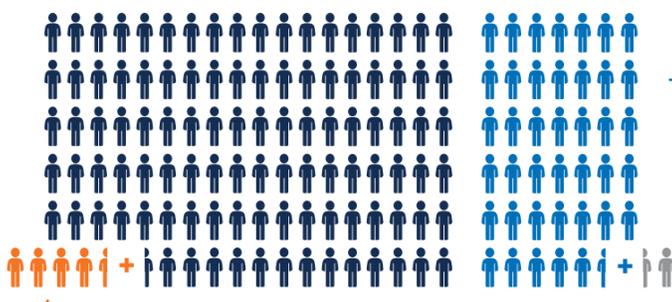
Compared to last quarter, the Conference Board of Canada has raised GDP growth projections for 2019 from 1.9% to 2.2%. It is important to note when comparing historical dashboards that the Conference Board of Canada has changed real GDP projections from 2007 dollars, to 2012 dollars causing values to increase.



Source: Conference Board of Canada

POPULATION | 328,245 (CMA Population)

Saskatchewan's total population in Q2 2019 is 1,171,668



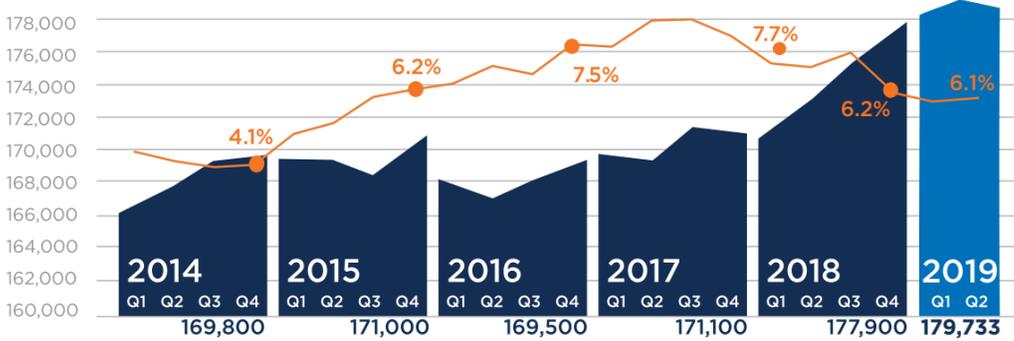
This is a 0.3% increase from Q2 2019

Source: Conference Board of Canada

As Saskatoon's population continues to grow, the city remains one of the youngest in Canada.

Saskatoon's median age is 35.8, low compared to the 41.2 national median age and the median age of the 10 biggest cities in Canada (the lowest being Brampton at 36.5).

JOBS | Employment Level (179,733) & Unemployment Rate (6.1%)



Month over month employment gains are holding steady in 2019, compared to the strong gains seen in the first half of 2018.

Source: Statistics Canada Table 14-10-0294-01

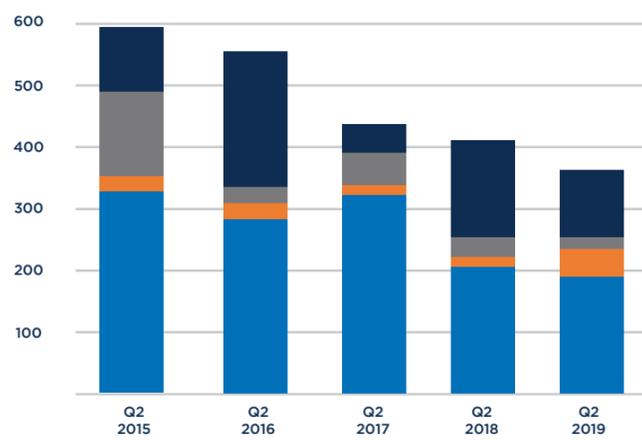
Q2 is the start of summer vacation for post-secondary students, and an opportunity to gain valuable work experience and money before the next educational year starts. In June 2019, Saskatchewan student unemployment was 4.7 percentage points lower than 2018. Employment is trending towards part-time, growing 27%, with full-time employment levels dropping 10%.

Headlines

Strike finally resolved for Saskatoon Co-op

After five and a half months, employees and Saskatoon Co-op reached an agreement in April.

RESIDENTIAL | Housing Starts & Average Home Price (\$328,520)



Source: CMHC Starts and Completions Survey

Housing Starts (515)

Housing starts (down 16%) and average home prices (down 1.7%) continue to decline in Saskatoon. However, with housing demand up 9% the market could be starting to balance out. Mortgage stress test rules are still in effect, but low interest rates and decreasing prices are benefiting buyers.

Types of housing starts



INFRASTRUCTURE

BRT route and bike lane future decided

Council decided to remove bike lanes on 4th Avenue and conduct public consultation on the future of bike lanes on 3rd Avenue. They also approved BRT lines down Broadway and 1st avenues.

Speculation on the new downtown arena

The goal is to finalize a spot by the end of 2019. Many locations have been suggested including, the Midtown parking lot on 22nd Street, the former STC station, city yards north of the police station, and a riverside spot between Victoria Park and Idylwyld Drive to name a few.

Condo announcements for downtown core

Construction started on the 17-story condo on top of the Broadway Bridge, the 10-story rental apartment on Broadway Avenue and Main Street, and a seven-story infill condo development on University Drive. Two 23-story apartments were also announced in City Park.

Construction complete on two major facilities

The Nutrien Wonderhub, a children's museum, opened to the public on June 28. Construction was also completed on the Jim Pattison Children's Hospital and it is expected to open in the fall.

OTHER

Beyond Meat takes off

Beyond Meat went public and took off. It can be found as a vegetarian option at fast food restaurants and has sparked heated debates as to where it should be housed in grocery stores. Whatever the case, it could mean big business for Saskatchewan with its main ingredient being pea protein.

Two Nutrien executives moved to Saskatoon

Nutrien announced the move of their Chief Strategy Officer and Chief Legal Officer to the Saskatoon office after months of making headlines for a lack of senior representation in Saskatoon.

Multiple decisions made drastically effecting future of energy industry

After losing the Carbon Tax case in Saskatchewan, the case is being taking to the Supreme in December. The Trans Mountain pipeline has been re-approved by the Federal government but still requires further approval to start construction. The controversial Bill C-69 & B-48 were passed by the Senate.

Canada & China's trade relationship status becomes more complicated

Since the arrest of Huawei's CFO, Canada has been dragged into the trade war between the U.S. and China. In addition to the Canola ban, China's agriculture export restrictions on Canada have been expanded to include the limiting of soybean and pea exports, and most there has been a suspension of meat product exports to China.