



2026 FALL

Economic Update

Key Takeaways

Economic Growth Slowing: Signal49 Research projects real GDP growth of 1.2% year over year in Q3, with quarterly output 0.6% below Q2. Continued expansion in primary industries, manufacturing and selected service industries is being offset by weaker activity in other industries.

Business Activity Expanding While Purchasing Power Stagnates: The number of active employer businesses increased 2.2% in Q2, while retail sales are projected to grow 4.7% in Q3. However, disposable income per capita is expected to remain essentially unchanged. Limited growth in purchasing power could constrain the benefits of increased business activity.

Construction Remains Strong as Investment Mix Shifts: Investment in building construction increased 16.2% in Q2, driven by residential and institutional projects. Multiple dwellings are becoming a larger component of permit approvals. These additions could help ease housing pressures, although elevated prices and rising construction costs continue to challenge affordability.

Labour Supply Continues to Outpace Employment: Working-age population increased 3.3% in Q3, while employment grew only 0.8% and declined from Q2. Unemployment reached 6.3%, and wage growth slowed. The Region continues to benefit from a growing workforce, but weaker hiring points to a softening market, beyond recent balanced conditions.

Exports Recovering Among Saskatchewan's Largest Markets: Saskatchewan exports increased 28.1% in Q2, supported by energy, agricultural products and minerals. Stronger exports and commodity prices provide opportunities for the Region's producers, manufacturers and supporting businesses. The concentration of exports in a few major categories remains vulnerable to ongoing trade disputes.

TOTAL REAL GDP

\$27.413B

+ 1.2% change from Q3 2025

WORKING-AGE
POPULATION

317,400

+ 3.32% change from Q3 2025

UNEMPLOYMENT RATE

6.3%

+ 1.4 PP change from Q3 2025

CONSTRUCTION
INVESTMENT

\$886.2M

+ 16.19% change from Q2 2025

DOMESTIC EXPORTS
GROWTH

+28.1%

Provincial | Q2 2025 - Q2 2026

INFLATION RATE

3.69%

+ 1.71 PP change from Q3 2025

Slowing Economic Growth

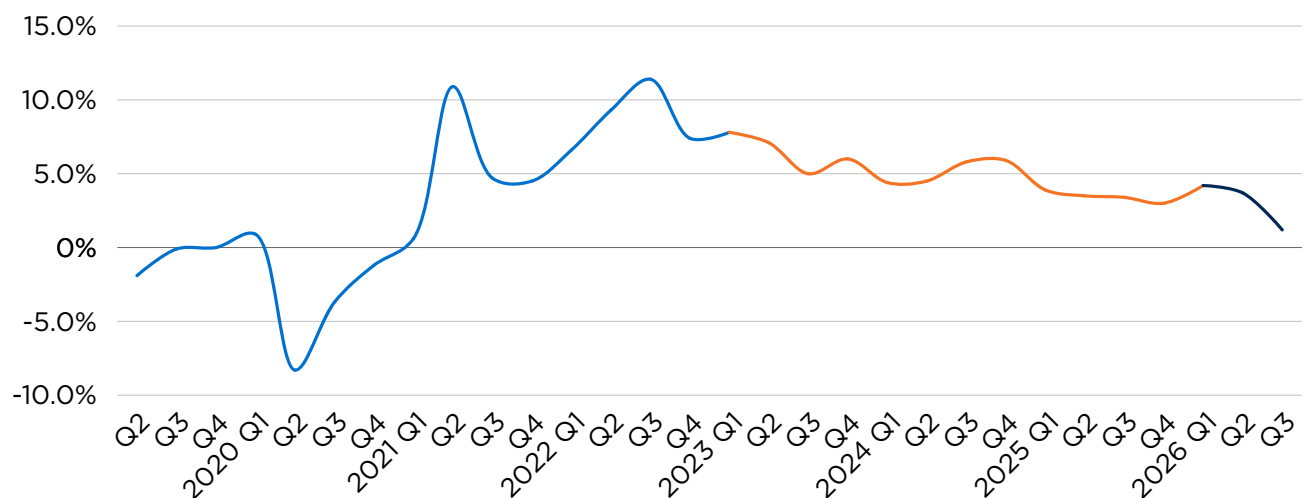
The Saskatoon Region entered the fall with continued economic growth, but at a notably slower pace. Signal49 Research projects real GDP growth of 1.2% year over year. This follows twenty-one consecutive quarters of growth near or exceeding 3%. The projected GDP also sat 0.6% below Q2; a short-term pullback rather than simply slower growth against last year.

Growth is expected to remain slow in Q4 before improving through 2027 and onwards. The Region remains on its growth trend, however the slow deceleration following immense growth through 2021-2022 appears to have reached a low point; predicted to rebound at a steadier pace of growth.

Industry GDP predictions provide a picture on from where this slow growth – or modest declines – is coming. Goods-producing industries are projected to grow 2.2% year over year in Q3, with growth especially strong in primary industries and utilities (+3.7%) and manufacturing (+1.3%). Services-producing industries are expected to grow 0.6%, with gains in accommodation and food services (+4.0%) and retail trade (+2.8%) offset by declines in professional, scientific and technical services (-3.6%), other services (-2.6%) and wholesale trade (-2.3%). Declines in professional, scientific and technical services – if not a seasonal shift – could be a result of uncertainty, or reduced federal research spending. The Bank of Canada's Q3 2026 Business Outlook Survey says trade tensions are weighing on some firms' investment plans.

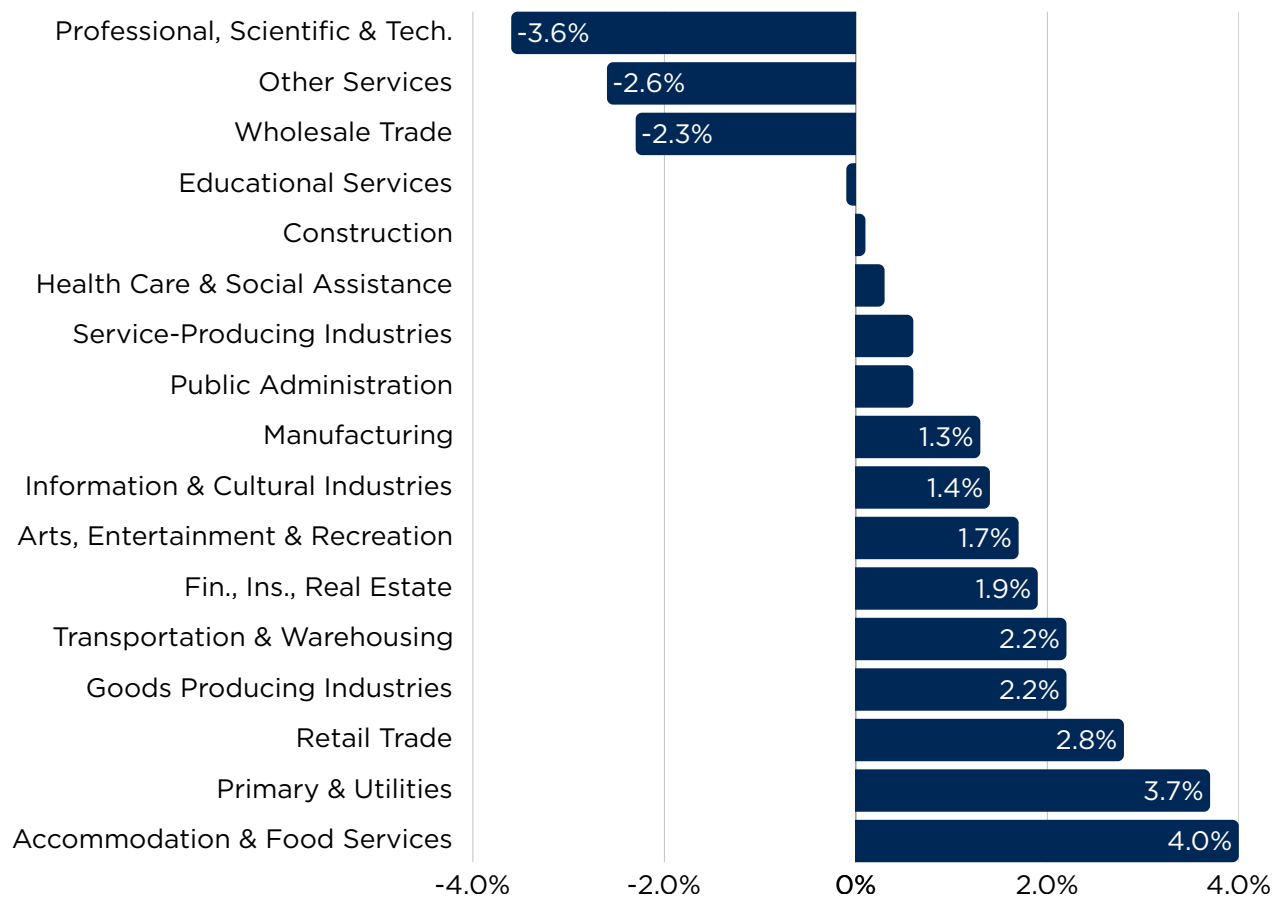
GDP Growth

YoY % Change



GDP Growth by Industry

YoY % Change



Business Activity Expands as Population Growth Slows

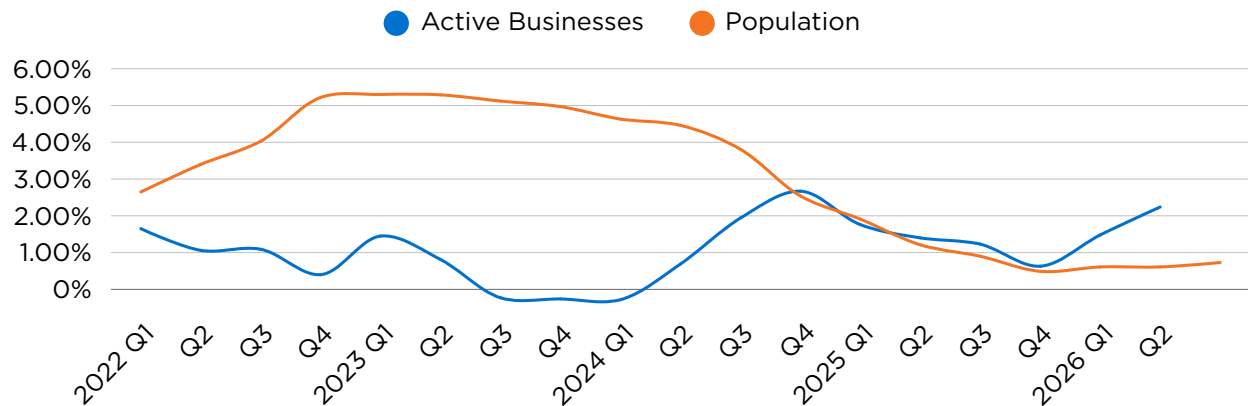
The Region had an average of 8,394 active employer businesses in Q2, a 2.2% year over year increase. Business openings rose 7.5%, while closures were relatively unchanged. Openings exceeded closures in each month of the quarter which suggests that business activity continued to expand despite softer labour-market conditions and uneven household demand.

Signal 49 Research projects retail trade to increase 4.7% year over year in Q3, along with sustained growth through the coming quarters, supporting the increased business activity seen in the Region.

Population growth is projected at only 0.7% year over year in Q3. This is a modest re-acceleration following slower growth over the last three quarters, indicating that the local customer base is expanding less quickly. Population growth is expected to approach 1.0% by Q4 2027.

Population and Active Business Growth

YoY % Change



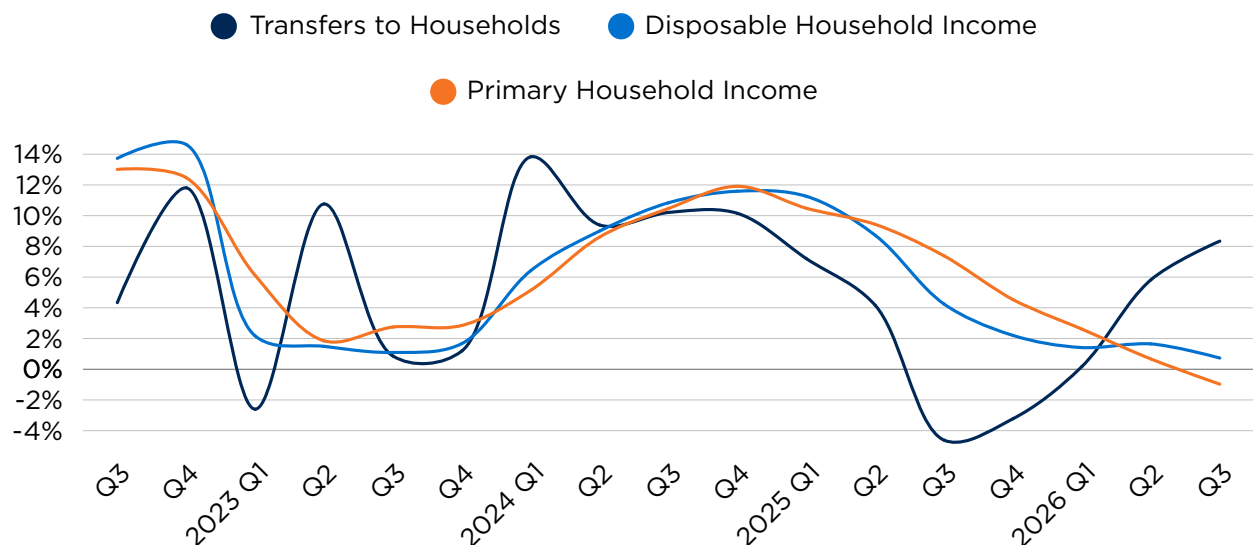
Household Income Relying More on Transfers

Household purchasing power is weaker this quarter which contrasts to the increased business activity in the Region. At an aggregate level, Signal49 projects the Region's disposable income to grow only 0.7% year over year in Q3. With population also projected to grow 0.7%, disposable income per resident is essentially unchanged before inflation. Price increases - with the Region's inflation at 3.9% in Q3 - therefore placing pressure on what, and how much that income can buy.

The composition of income helps explain the limited gains in disposable income. Primary household income is projected to fall 1.0%, while transfers received are expected to rise 8.3%. Rising transfers are supporting total household income which helps sustain consumption in the short term, however a weaker primary income base, relative to business growth and price increases may drive ongoing pressure on reduced consumption.

Household Income Composition

YoY % Change, Projections



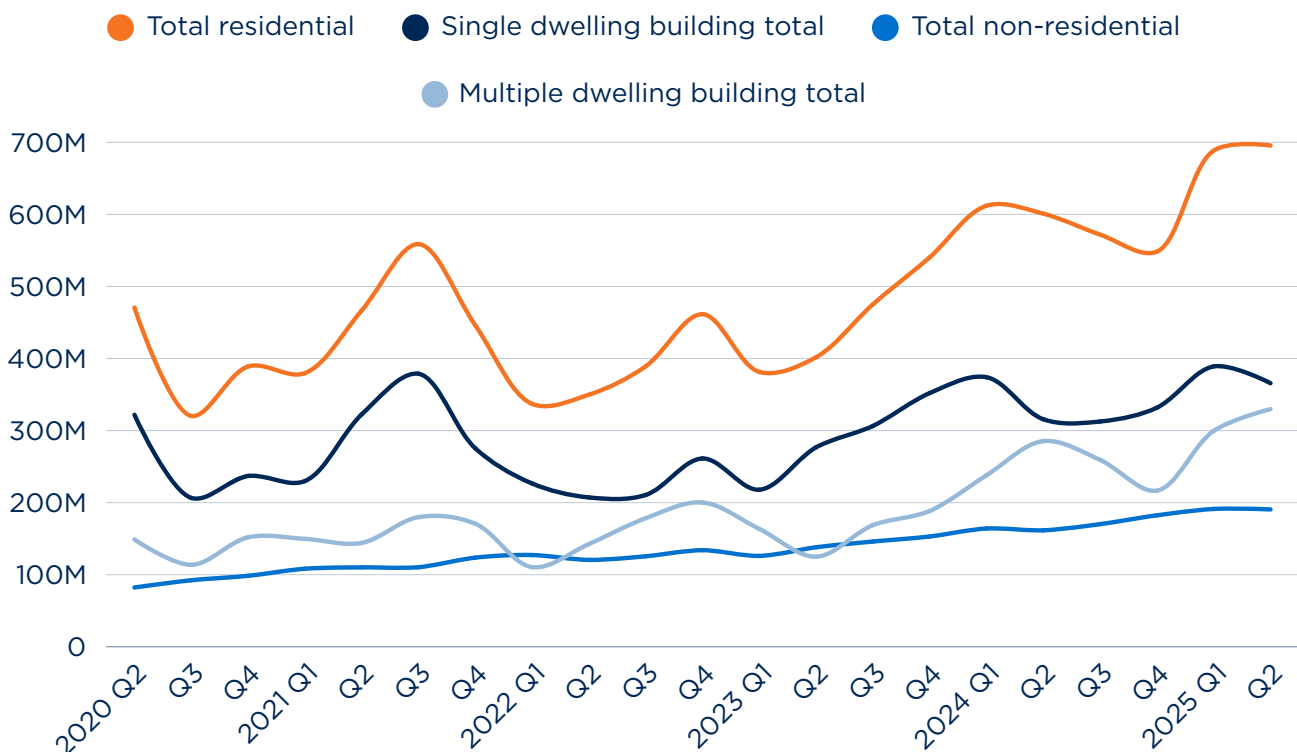
Residential and Institutional Projects Drive Construction Growth

Building construction is one of the clearest areas of strength in the Saskatoon Region. Investment in building construction totalled \$886.2 million in Q2 2026, up 16.2% year over year. Residential investment rose 15.7%, accounting for 77% of total investment growth.

Single-dwelling and multi-dwelling construction both rose relatively equally, highlighting the Saskatoon Region's balanced housing building environment. Institutional and governmental investment increased 74.1% to \$66.9 million, carrying much of the non-residential growth. Commercial investment grew only 5.5%, and industrial investment (-22.4%) saw a fifth consecutive quarter of year over year reductions.

This current state shows that the Region's construction growth is heavily concentrated in residential and institutional construction. However, modest or declined growth in commercial and industrial construction does not indicate a lack of activity. In Q2, the Saskatoon Region's industrial and commercial construction sector saw \$17 million and \$106 million worth of investment, respectively.

Investment in Building Construction



New Permits Favour Housing While Institutional Permits Fall

The upcoming phase of construction looks different from the work currently underway. Q2 building permit values rose 5.52% on a four-quarter rolling average basis, but residential and non-residential permits moved in opposite directions. Residential permits increased 9.36%, with multiple-dwelling leading the increase, rising 55.6%. This indicates that ongoing multiple-dwelling residential developments are continuing to progress, and that new multi-family housing continues to be a priority in the Saskatoon Region's building environment.

Non-residential permits fell by 2.06%, however the individual components show us a different story. The decrease was driven by a sharp fall of 31.1% in institutional permits, after several consecutive quarters of exceptionally high permit values. The decrease appears to be a return to the rolling quarterly trend. Industrial and commercial permits, on the other hand saw a turnaround from recent low points, growing by 3.25% and 15.91% respectively. This suggests that despite the current lower investment in industrial and commercial building construction, the pipeline is beginning to fill with projects, which is likely to boost investment in the coming quarters.

Building Permits - Saskatoon CMA

Q2 2026 - 4-Quarter Rolling Average



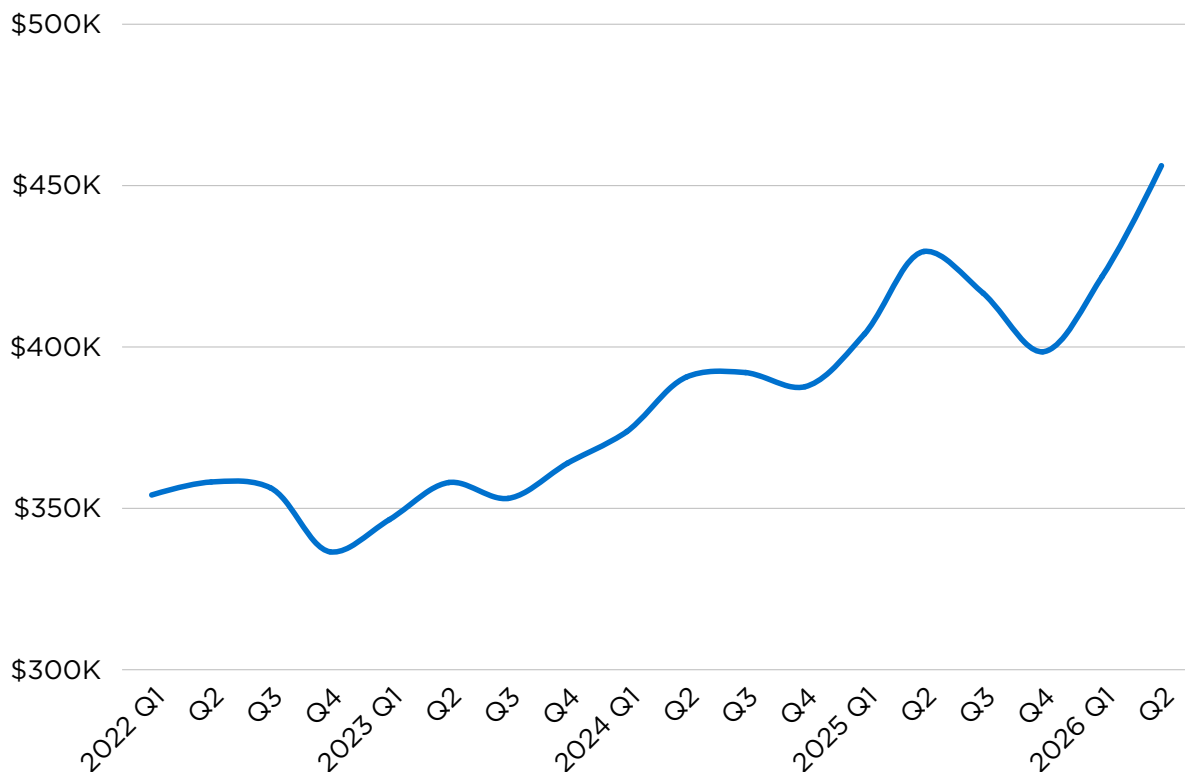
Housing Prices Remain Elevated

Housing affordability remains a challenge despite a lower policy interest rate. The Bank of Canada's overnight rate target ended Q3 at 2.25%, unchanged from the end of 2025 and 25 basis points below the end of Q3 2025. This provides a lower financing-rate backdrop than a year earlier, although the cost of buying or building a home remains elevated.

In Q2 2026, the average of monthly median sale prices in the Saskatoon CMA reached an all-time high of \$456,150. Average monthly sales were nearly unchanged at 600, while average inventory fell 1.7% to 993 listings. New listings increased 3.4%, however low inventory (-1.7%) continues to place upward pressure on prices.

Median Sales Price

Average of Monthly Medians by Quarter



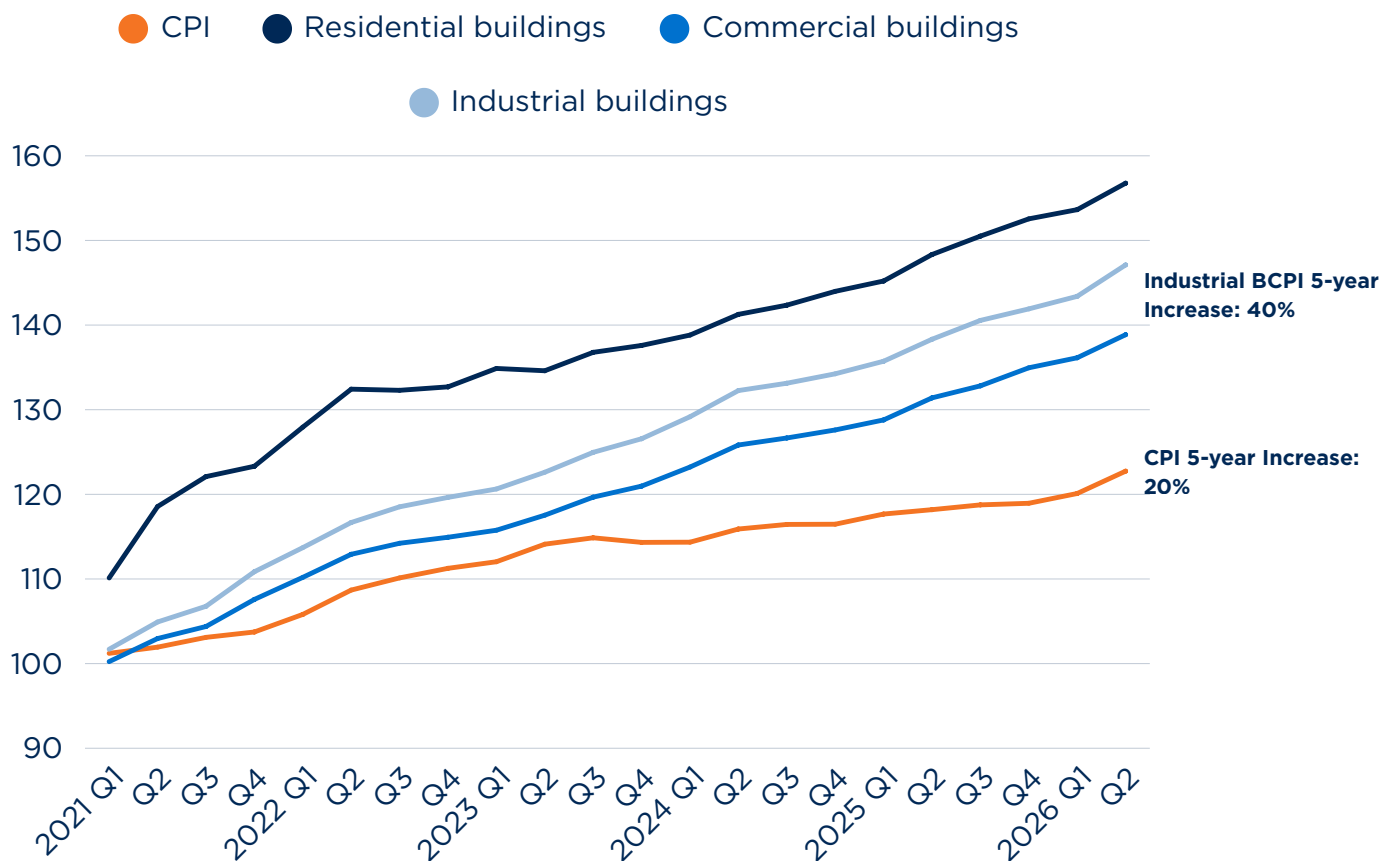
Building Cost Increases Continue to Outpace Inflation

Building costs continue to rise more quickly than consumer prices. In Q2, the residential Building Construction Price Index increased 5.7% year over year, contrasted with 3.9% inflation on consumer prices in the same quarter. Commercial (5.7%), and industrial (6.4%) construction costs both increased significantly. These increases add to the cost of delivering new space for business and housing, even with a lower policy interest rate than a year earlier.

More completions could ease pressure on available housing, while the shift toward multiple dwellings could broaden the range of homes being built. Neither change, however guarantees improved affordability. Construction-cost increases may also continue to put pressure on housing costs.

Price Indices - Consumer and Building Construction

2020 annual average = 100



Labour Supply Remains Strong as Hiring Slows

The SREDA 2026 Saskatoon Region Labour Force Analysis described a transition from exceptionally tight conditions toward a more balanced labour market. Complete Q3 data shows an important development to this trend. The Region continues to add potential workers, and employment, however slower hiring persisted, resulting in another quarterly decline in employment along with a lower participation rate, and a significantly increased unemployment rate

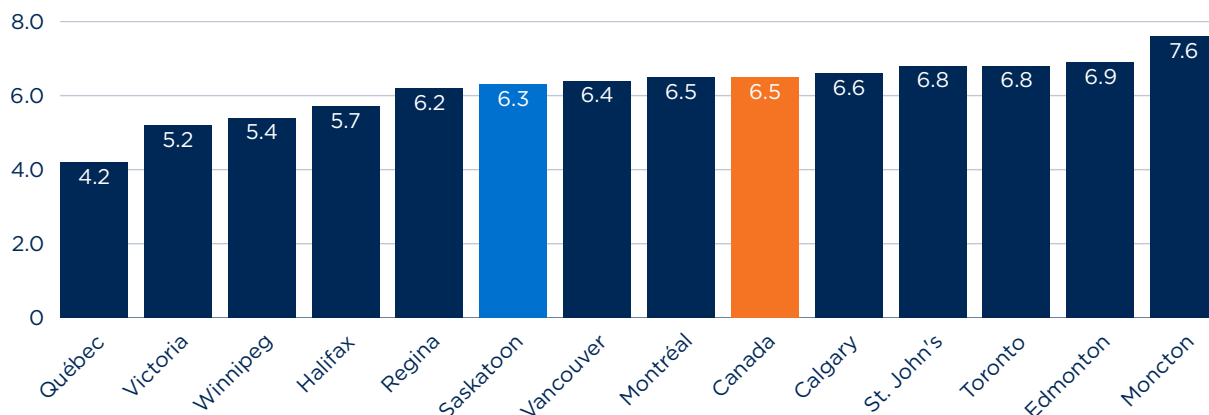
The working-age population was up 3.3% year over year, maintaining its rate seen in Q2. The labour force grew 2.3% much slower than Q2's 3.1% increase. The potential labour pool continues to grow, however the population is translating into available labour at a slower rate, resulting in a lower participation rate of 69.1% in Q3.

Employment grew only 0.8%, another dramatic slow in year over year employment growth. Quarterly, employment also saw an actual decrease from Q2. These shifts continue placing pressure on the labour market, and the unemployment rate increased again to 6.3%. The quarterly employment decline indicates that the labour market may be seeing signs weakness. The Region's substantial population and labour force growth remain particularly strong. However, weak employment growth may suggest that hiring difficulties persist and employers may be finding it increasingly difficult to recruit skilled workers.

The Region's competitive position remained strong; however, some indicators have weakened. Working-age population growth ranked first among major Canadian CMAs. Participation fell from 70.0% to 69.1%, moving from second to third among the comparison set, however lower participation alone does not yet suggest discouraged-worker behaviour, as many participants remain searching for work. The employment rate declined from 65.8% to 64.7% however this remains among the highest in the Country.

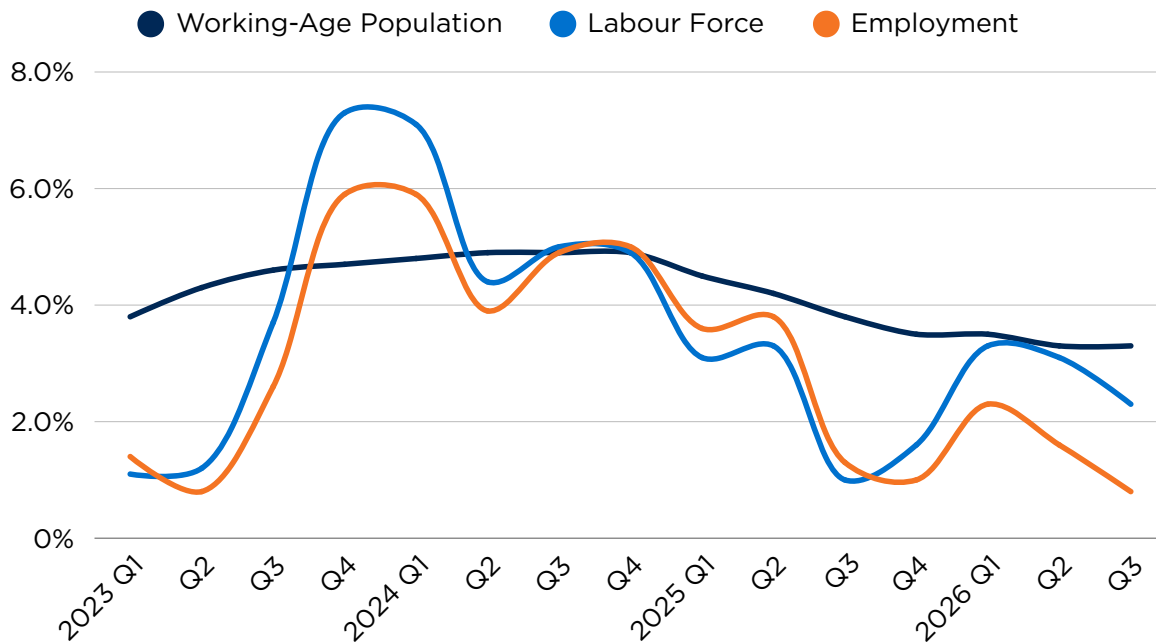
Unemployment Rate

Q3 2026



Labour Market Indicator Growth

YoY %Change



Selective Hiring Continues but the Sources of Growth Shift

Manufacturing (27.3%), finance (25.2%) and health care (11.1%) employment continued to expand in Q3, year over year. Overall, goods-producing employment increased 8.0%, while services employment fell 1.9%. Growth remained in selected industries as opposed to consistent growth across all industries. Agriculture and utilities both saw sharp Q3 declines of 19.3% and 27.4% respectively. Accommodation and food services remained above last year, but growth slowed to 10.3%.

Wage growth has also begun to slow, along with the increase in unemployment signalling reduced competition for workers. Saskatchewan average hourly wages rose 1.3% year over year in Q3, slowing from 4.0% in Q2 and falling below the Canadian average. Overall wages also saw a quarterly decline of 1.5%, the largest single quarter wage decline seen in over 10 years. Wage movements remain scattered across occupation types; however, the decline was primarily driven by wage losses in manufacturing with a 7.3% year over year decline. All occupation types saw quarterly declines other than art, culture and recreation.

These shifts together suggest — despite the greater available labour pool and reduced wage pressures — that employers may be experiencing less hiring needs due to shifts in consumer demand, or that employers are seeing even greater difficulty in hiring workers with the appropriate skills and experience.

Exports Rebound Strongly Across the Largest Markets

Saskatchewan exports recovered in Q2 after a softer start to 2026. Average monthly domestic exports reached \$4.444 billion, up 28.1% year over year. This growth was led by the province's largest export merchandise including energy products (+48.6%), farm, fishing and intermediate food products (+20.5%), and metal ores and non-metallic minerals (+20.3%).

Growth was also clear in Saskatchewan's largest trading relationships. Exports to the United States rose 39.2% year over year in Q2, while exports to China increased 82.0%. Newly imposed tariffs from the United States on Canada have thus far shown little impact on exports, with marginal declines through July and August, although future declines are likely to affect some merchandise types as price shocks adjust US demand.

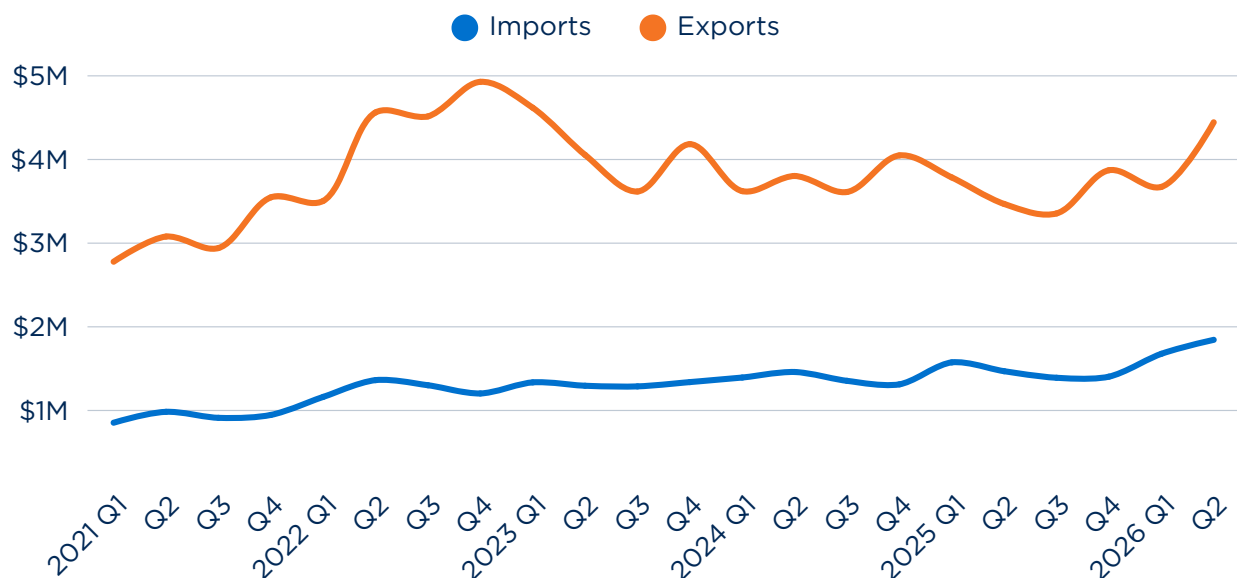
Average monthly imports increased 25.5%, however Saskatchewan still maintained a large trade surplus, with an even larger increase in exports.

Commodity prices strengthened in Q3, a particularly beneficial trend for the Saskatoon Region's commodity driven economy. The Bank of Canada's total Commodity Price Index increased 16.3% year over year. All segments saw price increases including energy (22.9%), minerals (19.0%), and agriculture (7.3%).

The provincial exports remained highly concentrated in farm, fishing and intermediate food products, energy products, and metal ores and non-metallic minerals, which together represented 95.5% of Q2 export value. The Saskatoon Region is poised to benefit directly from these sustained exports and high prices, with its value-added manufacturing and business support environment. Despite this strong growth, the highly concentrated export market leaves the province vulnerable to strong trade shifts as a result of ongoing global trade disputes.

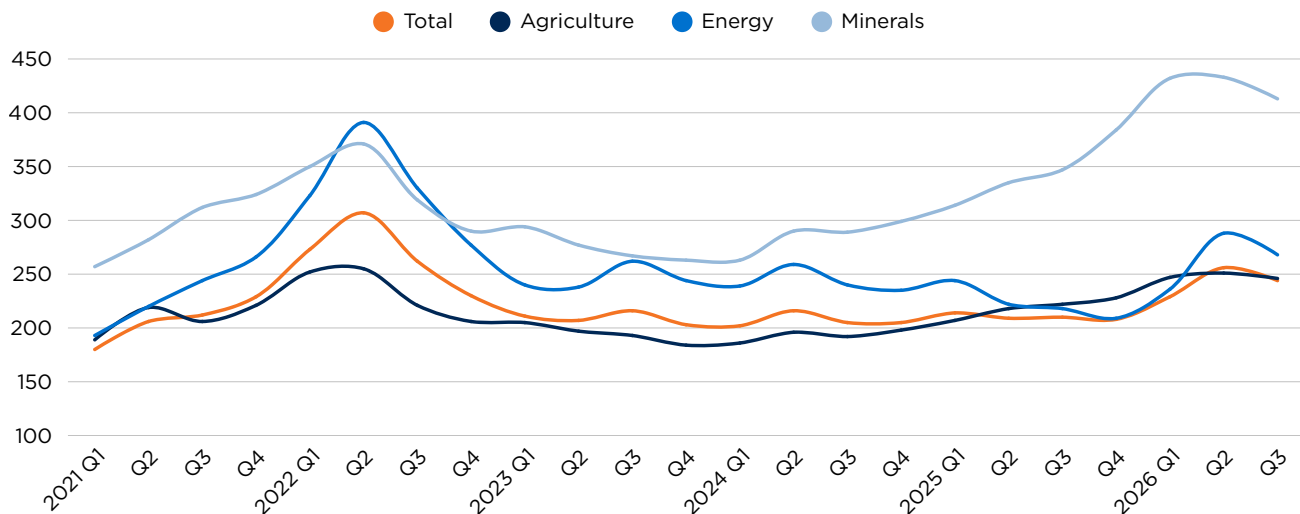
Saskatchewan Imports & Exports to World

Average monthly trade by quarter



Commodity Price Indices

2000=100



What These Shifts Mean for the Region

The Saskatoon Region's strengths this fall are visible in residential construction, institutional work, manufacturing and health-care employment, and an expanding employer-business base. Saskatchewan's export rebound provides an opportunity for the region's value-added and exporting economy to benefit, but the economic struggles are becoming evident. Employment is not keeping pace with labour force growth, and household income growth per capita is flat.

The key question moving forward is whether today's construction and export gains can translate into ongoing employment and purchasing-power gains, rather than just broad GDP gains.

Methodology

Our analysis combines Statistics Canada data, Signal49 Research estimates and forecasts, Saskatchewan REALTORS® Association market statistics, and Bank of Canada series to provide a quarterly snapshot of the Saskatoon Region economy. Saskatoon CMA is the primary geography. Saskatchewan wages and merchandise trade, provincial retail sales, and Canadian policy rates and commodity prices provide additional context.

Year-over-year comparisons use the same quarter of the previous year. For monthly series, complete quarters are used where possible. Missing months are not treated as zero or projected to a full quarter. Release lags mean that the latest quarter differs across indicators.

Labour measures average monthly three-month moving averages, rather than independent calendar-quarter observations. Industry employment is not seasonally adjusted. Rate changes are percentage points. The population comparison includes 14 comparable CMAs; participation and employment-rate comparisons include 13.

Construction investment and permit values are summed to quarterly totals. Trade is presented as average monthly values within each quarter. Prices, wages, inventory and business counts are averaged. Housing prices are averages of monthly medians; a true quarterly median would require transaction-level data. Quarterly price-index growth is calculated from quarterly average index levels. GDP is measured in 2017 dollars, and annual GDP growth is calculated from average quarterly levels in the raw Signal49 series. Forecasts are distinguished from observed results.

Industry employment is measured in people, not job vacancies or positions. Primary household income and transfers are Signal49 forecast aggregates.

Glossary

Real Gross Domestic Product (GDP) measures the volume of economic production after removing the effects of price changes. [Statistics Canada](#)

Primary Household Income is income arising from households' participation in production and ownership of productive assets. It includes employee compensation, income from unincorporated businesses and property income. It excludes current transfers such as social benefits. [Statistics Canada](#)

Household Disposable Income is the income available for household consumption and saving after adding current transfers received to primary income and subtracting current transfers paid, including income taxes and social contributions. [Statistics Canada](#)

Household Transfers Received are current receipts that redistribute income rather than compensate households directly for production or ownership of assets. They include social benefits and other current transfers received from governments and other sectors. [Statistics Canada](#)

Active Employer Businesses are businesses reporting at least one employee during the reference month. This measure describes businesses with employment and does not include every registered or self-employed business.

Opening Businesses are businesses moving from no employees in the preceding month to at least one employee in the current month. Openings can include new businesses, new operating locations and businesses resuming activity, including seasonal operations. They are not exclusively newly incorporated companies.

Closing Businesses are businesses moving from at least one employee in the preceding month to no employees in the current month. A closure can be temporary, seasonal or permanent and does not necessarily represent bankruptcy or a permanent business exit.

Investment in Building Construction measures spending by households, businesses and governments on building construction, excluding land. It captures the value of construction work taking place during the reporting period. Current-dollar investment can increase because of higher construction prices, greater activity, or both. [Statistics Canada](#)

Building Permits measure construction intentions authorized through permits issued by municipalities. [Statistics Canada](#)

Median Sale Price is the middle price when completed sales are ordered from lowest to highest. [Canadian Real Estate Association](#)

Housing Inventory is the number of properties actively listed for sale at the reporting date.

New Listings count properties newly listed for sale during the reporting period.

Housing Starts count dwelling units when construction reaches the start stage. A permit or excavation alone does not constitute a start.

Housing Completions count dwelling units when proposed construction work is finished.

Single-Detached and Multiple Dwellings distinguish housing types. A single-detached building contains one dwelling separated from other buildings. Multiple dwellings include units in semi-detached buildings, row housing, apartments and other multi-unit structures.

Consumer Price Index (CPI) measures changes over time in the prices paid by consumers for a representative basket of goods and services. The basket holds quantities constant between updates so that index movements reflect price changes.

Building Construction Price Index (BCPI) measures changes in contractors' selling prices for constructing new buildings. Prices include materials, labour, equipment, overhead and profit. They exclude value-added taxes and costs associated with land, land assembly, building design, land development and real estate fees. [Statistics Canada](#)

Working-Age Population refers here to the population aged 15 and older covered by the Labour Force Survey

Labour Force comprises people classified as employed or unemployed during the survey reference week.

Employment includes people who worked for pay or profit, performed qualifying unpaid work in a family business, or had a job but were temporarily absent for reasons such as illness, vacation or a labour dispute.

Unemployment includes people without work who were available and had searched during the preceding four weeks. It also includes qualifying temporary layoffs and available people with a job scheduled to start within four weeks.

Unemployment Rate expresses unemployed people as a percentage of the labour force.

Participation Rate expresses the labour force as a percentage of the population aged 15 and older.

Employment Rate expresses employed people as a percentage of the population aged 15 and older.

Average Hourly Wage measures employees' usual hourly wages at their main job before deductions, including tips, commissions and bonuses.

Commodity Price Index refers here to the Bank of Canada's index tracking price movements for commodities produced in Canada and sold in world markets.

Policy Interest Rate is the Bank of Canada's target for the overnight interest rate. It is the principal rate used to implement monetary policy and influences other borrowing and lending rates.

Four-Quarter Rolling Average is the average of the current quarter and the preceding three quarters. It smooths short-term fluctuations. A year-over-year change compares that rolling average with the corresponding rolling average one year earlier; it should be distinguished from growth in a single quarter.

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