

Regina's Economic Briefing

JANUARY 2022

Looking Forward

Highlights

Closing 2021 with a bang!

Strong employment

Regina finished 2021 with record unemployment of 5%, driven by higher residential housing starts (net new 200 starts) and building permits (record net new permits of 41,000) signifying strength in the real estate market

Affordable Regina

With the average house price hovering around \$261,000, Regina remains one of the most affordable cities in Canada.

Indigenous Employment

Off-reserve Indigenous employment was up 6,300 jobs (+11.8%), all full-time positions. Indigenous youth employment was up 400 jobs (+4.6%) for eight consecutive months of year-over-year increases. Regina has one of the fastest-growing Indigenous populations in Canada and increases in Indigenous employment is critical for our economy as it helps mitigate labour shortages and contributes to a stronger labour force.

COVID Outlook

NUMBERS AS OF JANUARY 23, 2022
Source: Government of Saskatchewan

Due to the contagious nature of Omicron, reported cases of COVID-19 have increased in Regina.

Vaccination rate:

Ages 5–11: 63% first dose, 31% fully vaccinated

Ages 12+: 88% first dose, 85% fully vaccinated

Population: 220,179 first dose 205,674 fully vaccinated

Case rate:

Daily new cases: 358 (+29 daily change)

7-day average: 295 (-7 daily change)

Patient hospitalizations: 47 (+1 daily change)

Growing strength in Ag

With the rise in commodity prices such as crude oil, fertilizer, wheat, canola, and grain prices at record highs, Regina's economy should expect to stay strong in 2022.

Fueling the future

With the FCL and AGT announcement of a \$2-billion Integrated Agricultural Complex that will be both renewable diesel and canola crushing, Regina continues to establish itself as global centre for sustainable value-added agriculture.

Watch for higher borrowing costs

Inflation continues to affect consumers, which could result in increases to borrowing costs beyond 2021.

Travel & Omicron

December saw the second highest rate of passengers go through the Regina airport at 53,725, a 292% increase over December 2020. We're closely monitoring the impact of Omicron on passenger counts in future months.

Economic Trends

Source: Praxis Consulting, Statistics Canada

Consumer prices remain a concern

Regina's overall November inflation rate, while still a concern at 3.4%, is one of the lowest among comparable cities and well below the national rate of 4.7%. Major contributors to inflation are increases in the cost of energy (22%), transportation (9.6%) and food (4%).

Housing and construction market strength

The housing market in Regina continued its strong performance, with new housing starts up 39.3% year-over-year. In addition, the year-to-date total building permits are up 16.1% in 2021 over 2020.

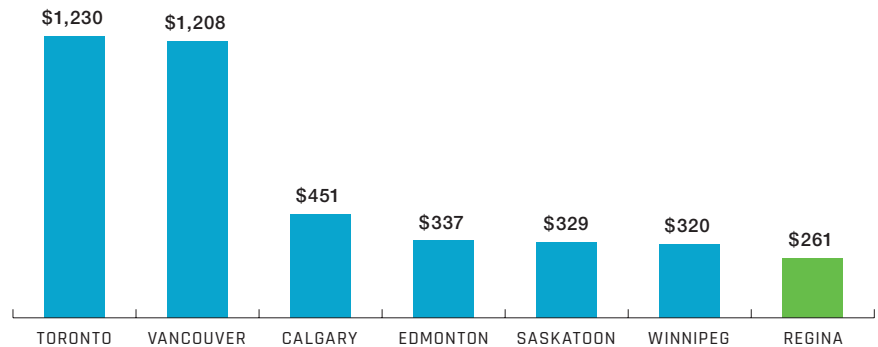
Employment bright spots

Regina's Wholesale and Retail Trade employment sector was the star performer in 2021, up 16.2% over 2020.

How Regina stacks up: housing market

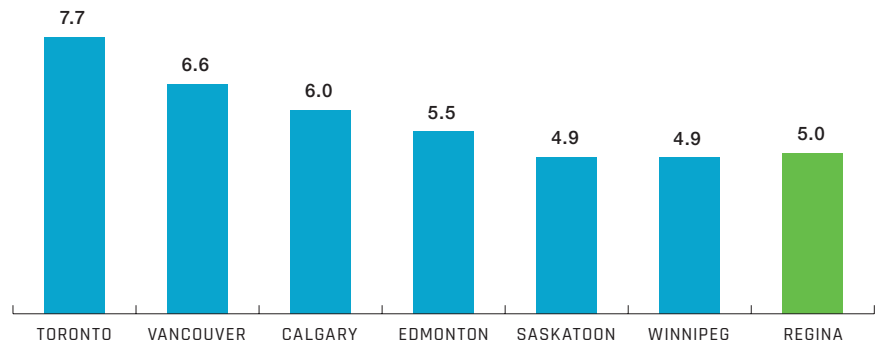
Average housing price, December 2021 (\$thousands)

Source: Canadian Real Estate Association (CREA)



Unemployment rate (%), December 2021

Source: Praxis Consulting Ltd., Statistics Canada



A deeper look at housing affordability

Source: Economic Development Regina Inc., Conference Board of Canada

Regina continues to rank as one of the most affordable cities in Canada. For every dollar income, a household needs \$0.54 to own a home and about \$1.02 to rent.

■ OWN
■ RENT

