

# REGINA'S ECONOMIC BRIEFING

## Building momentum into 2023

Regina's economy is showing remarkable resiliency. Home starts and building permits are virtually even with last year, residential building permits (a leading indicator of home construction) are ahead of 2021, average year-to-date total employment, mostly full-time, in the GRA remains ahead of the same time last year, the unemployment rate is low, and home prices remain buoyant. Of note, EDR continues to work with key community partners, including the Regina and District Chamber of Commerce to identify and address labour market challenges in the GRA.

Source: Praxis Consulting / Economic Development Regina

### Employment gains

Average YTD total employment in the GRA was up 2.0% or 2,808 positions in December 2022, over the same period in 2021.

Source: Praxis Consulting

### Slow down in building permits

November 2022 YTD building permits are down 0.8% over the same period in 2021.

Source: Praxis Consulting

### Construction activity

Reflecting sharp drops in both building permits and new home starts, YTD December 2022 construction employment was slightly down 2.3% (242) from the same period in 2021.

Source: Praxis Consulting / StatsCan

### Higher borrowing costs

On December 7, the Bank of Canada raised its benchmark lending rate by 50 basis points to 4.25%. Many experts believe that this will not be the final increase as the Bank works to reign in inflation. The next scheduled Interest Rate announcement is January 25.

Source: Praxis Consulting / Bank of Canada

### Housing inventory levels

Despite higher borrowing costs, the average YTD Housing Price Index Benchmark Composite Price is up from \$311,000 in December 2021 to \$321,642 in December 2022. According to the Saskatchewan Realtors Association, both new listings and inventory levels dropped in 2022, with the largest decline in inventory experienced in homes priced below \$500,000.

Source: Praxis Consulting / Saskatchewan Realtors Association

## KEY NUMBERS

### 6.6%

CPI ALL ITEMS IS AT 6.6%. INFLATION HAS SHOWS SIGNS OF SLOWING DOWN

Source: Praxis Consulting / StatsCan

### 5.0%

THE AVERAGE YTD UNEMPLOYMENT RATE MOVED FROM 6.9% IN DECEMBER 2021 TO 5.0% IN DECEMBER 2022

Source: Praxis Consulting / StatsCan

### 763,856

IN 2021, THE REGINA AIRPORT SAW A TOTAL OF 355,490 PASSENGERS. IN 2022, THIS NUMBER MORE THAN DOUBLED, REACHING A TOTAL VALUE OF 763,856 - A 114% INCREASE

Source: Regina Airport Authority

### 4,429

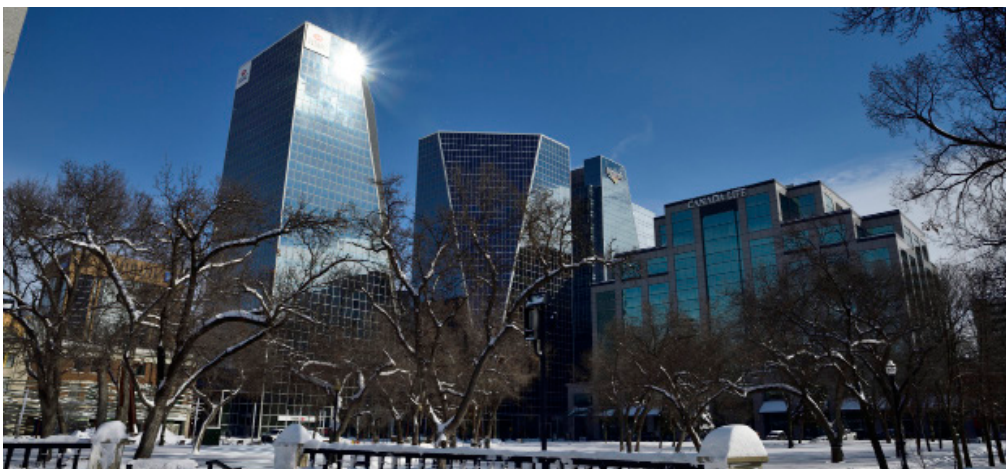
THE YEAR OVER YEAR POPULATION GROWTH RATE IN REGINA WAS 1.7%, OR AN INCREASE OF 4,429 IN TOTAL

Source: StatsCan

### 17.4%

REGINA'S OFFICE MARKET REMAINS STABLE WITH VACANCY RATES REACHING 17.4% IN THE DOWNTOWN MARKET. A NOTABLE TREND IN REGINA IS A RISE IN VACANCIES IN ITS SUBURBAN MARKET, WHICH ROSE TO 16.9%.

Source: Colliers International



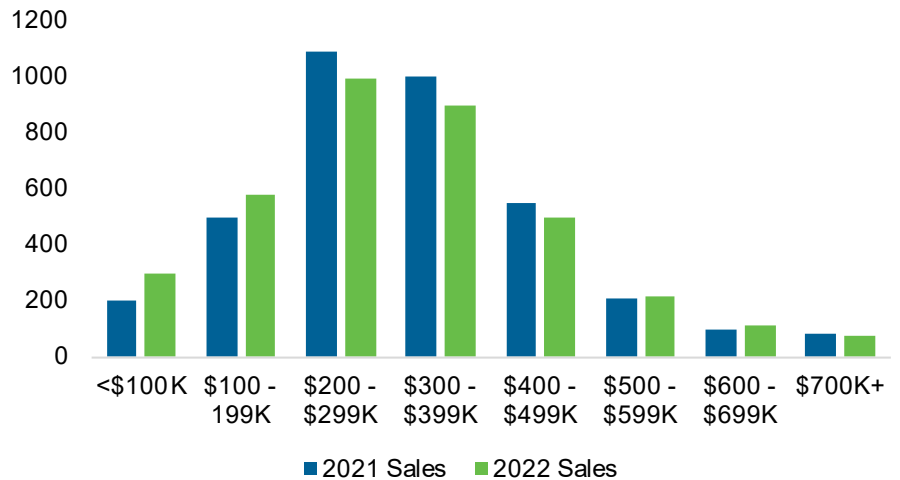
# A DEEPER LOOK...

## Regina's Residential Housing Analysis

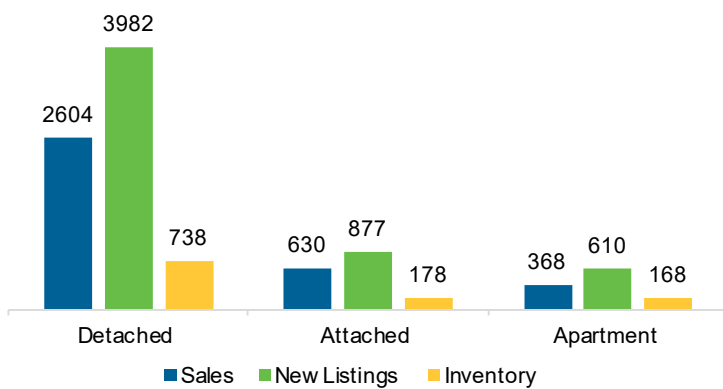
Both new listings and inventory levels experienced a pullback in 2022, with the decline in inventory largely in products priced below \$500,000. Shifts in both sales and supply resulted in increasing months of supply when compared to levels experienced early in 2022.

While this did take some pressure off prices, especially in Q4 2022, the benchmark price increased by over three per cent on an annual basis.

Residential Sales by Price Range



Jan - Dec 2022 Residential Inventory



From January 2022 to December 2022, detached homes sold 2,604 units, attached homes sold 630 units, and apartments sold 383 units. Moreover, 3,982 new listings were added to the detached inventory, 877 new units added to the attached inventory, and 610 new units were added to the apartment inventory.

As of year-end, the inventory for detached units, attached units and apartments are at 738, 178, and 168 respectively. This inventory information signifies an average of 3.62 months of supply. Essentially, this means that at the current rate of supply and demand, Regina has 3.62 months of inventory remaining to match the demands of its residents.

The average price for detached homes was \$344,905. The average price for attached homes was \$269,721, and the average price for apartments was \$207,421.

Source: Saskatchewan Realtors Association

## News Worth Watching

### Airport Update

Regina Airport Authority CEO James Bogusz is optimistic about 2023, despite the recent air travel route turmoil impacting the airport.

Source: [SaskToday](#)

### BHP recruiting in Saskatchewan

BHP to start recruiting hundreds in Saskatchewan to operate world's largest potash mine.

Source: [Regina Leader-Post](#)

### Mild recession expected

Most businesses expect mild recession, see inflation staying higher for longer, Bank of Canada survey finds

Source: [Regina Leader-Post](#)

### New Regina Partnership

A new agreement between the Regina Chamber and EDR focuses on providing the most up to date, Regina-specific research, data and analytics.

Source: [Economic Development Regina](#)