

REGINA'S ECONOMIC BRIEF

Mixed economic signals

The Greater Regina Area's (GRA) year-over-year employment growth slowed to 1.5% (2,300 jobs), over the same period in 2023, less than half the provincial rate of 3.2%. Employment growth is driven by high-paying jobs in logistics, business services, and education. Despite rising employment, the GRA's year-over-year unemployment rate increased to 6.8% from 5.3% as more people enter the labour force and seek work than jobs are available. Housing starts and building permits are up year-over-year on 2023 data. The main uncertainties ahead are higher unemployment and the rise in part-time over full-time job openings.

Source: Praxis Consulting (Unadjusted)

Employment growth still positive

In August 2024, the GRA added 2,300 jobs, a 1.5% increase from August 2023. Provincial job growth stood at 19,200 jobs, up 3.9% from August 2023, while national growth was 318,500 (1.6%) over the same period.

Source: Statistics Canada

Unemployment rate inches up

The GRA's average year-over-year unemployment rate rose from 6.6% in July to 6.8% in August 2024, rising 1.5 percentage points over the past year. Saskatchewan's unemployment rate held steady at 5.4%, the lowest in the country and below the national average (6.6%).

Source: Statistics Canada

Housing Price Index Benchmark Value rising

The GRA's Housing Price Index Benchmark Value (HPI) rose from \$304,200 in August 2023 to \$312,900 in August 2024. Year-over-year, the HPI went up by \$8,700 (2.9%) in August 2024, a sign of an improving market.

Source: Saskatchewan Realtors Association

Rental prices going up

In August 2024, the average 3-bedroom apartment rental price in Regina is \$1,822, up 13% from August 2023. This remains more than 30% below the national average of \$2,708.

Source: Rentals.ca

GRA's inflation rate hits record low

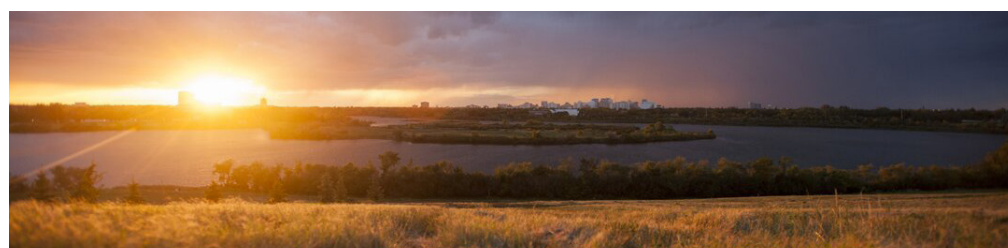
The GRA experienced a year-over-year price growth of 1.0%, below the provincial rate of 1.1%. Meanwhile, the national inflation rate fell to 2.0% in August which signals a cooling trend that is aligned with the Bank of Canada's target.

Source: Statistics Canada

Major rise in GRA building permit values

GRA building permit values rose 150.3% (\$51M) year-over-year, primarily due to a 205.3% (\$44M) increase in residential permits. National values increased 19.5%, while provincial values grew 109.3%.

Source: Statistics Canada



POSITIVE

NEED TO WATCH

NEGATIVE

KEY NUMBERS

1%

GRA'S INFLATION RATE FOR AUGUST 2024. THE RATES FOR SASKATCHEWAN AND CANADA WERE 1.1% AND 2.0% RESPECTIVELY.

Source: Statistics Canada

4.25%

THE BANK OF CANADA RATE FOLLOWING ITS THIRD CONSECUTIVE CUT ON SEPT. 4, 2024. THE NEXT RATE DECISION IS OCT. 23, 2024.

Source: Bank of Canada

11,200

NUMBER OF PEOPLE UNEMPLOYED IN THE GRA, COMPARED TO 10,900 IN JULY 2024. THE AUGUST FIGURE FOR SASKATCHEWAN IS 43,200.

Source: Government of Saskatchewan

6.8%

GRA'S UNEMPLOYMENT RATE COMPARED TO SASKATCHEWAN (5.8%) AND CANADA (6.6%).

Source: Government of Saskatchewan

\$85M

TOTAL VALUE OF ALL BUILDING PERMITS IN THE GRA FOR JULY, COMPARED TO \$390M FOR SASKATCHEWAN AND \$15B FOR CANADA.

Source: Statistics Canada

A DEEPER LOOK...

The GRA's housing construction statistics

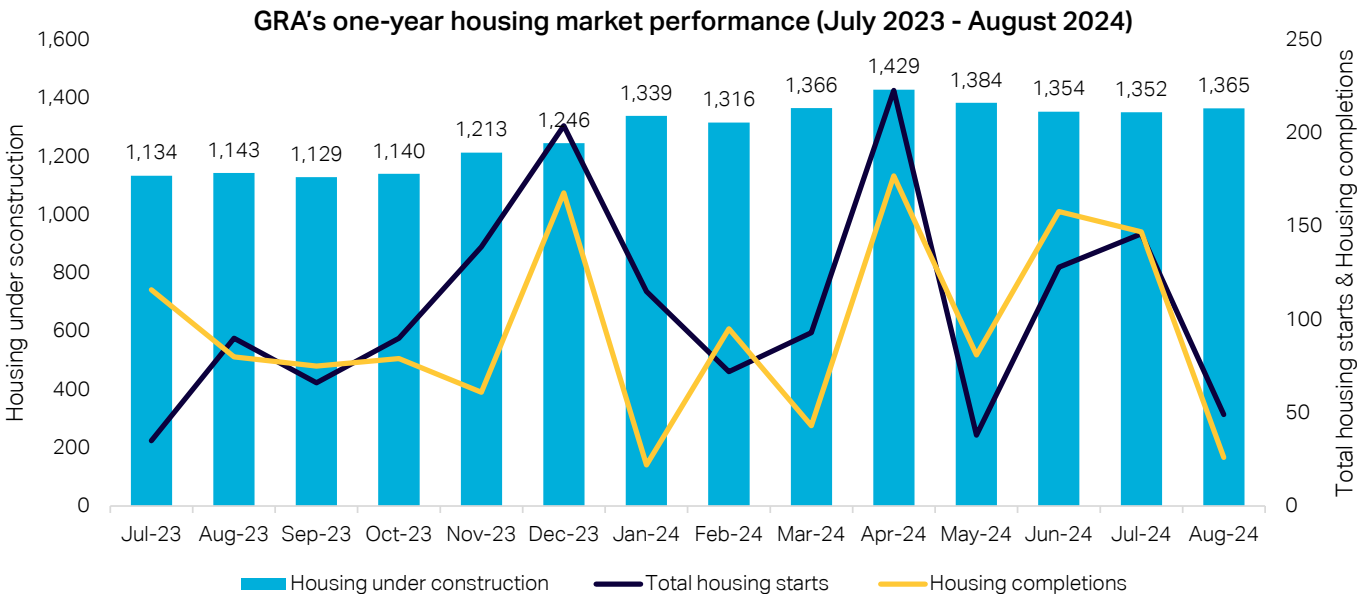
Housing availability influences affordability and cost of living. Fewer housing starts, construction, and completions reduce supply, potentially driving up home prices and rents that increases overall living expenses. Conversely, higher construction and completion rates usually ease housing market pressures, making homes more affordable. [July 2024's Economic Brief](#) shows how Regina remains one of the most affordable rental markets in Canada, despite significant rent increases in recent months.

Figure 1 highlights fluctuations in three key metrics including Total Housing Starts, Housing Under Construction, and Housing Completions:

- 1. Housing Starts:** Housing starts fluctuated significantly, peaking in December 2023 and April 2024 due to interest rate changes, economic growth, and seasonal factors. A dip in February 2024 likely resulted from winter slowdowns, uncertainty about Bank of Canada rate decisions, and supply chain issues.
- 2. Housing Under Construction:** Housing under construction steadily increased until April 2024, indicating a robust pipeline of ongoing projects fueled by sustained demand, investment confidence, and urban development. A slight decrease in mid-2024 was due to completed projects and fewer new starts.
- 3. Housing Completions:** Housing completions mirrored trends in starts, peaking alongside previous construction increases. Low points in January and March 2024 suggest delays from weather, supply chain issues, or labor shortages, but a recovery by July 2024 suggests some stabilization.

Economic factors like monetary and fiscal policies, inflation, material costs, and demographic shifts significantly influence housing market trends. The data shows a cyclical relationship between starts, under-construction units, and completions, underscoring the housing market's interconnected nature.

Fluctuations in housing metrics reflect the complex interaction between economic conditions, market demand, and external factors. These indicators are crucial for understanding and predicting housing market performance.



Source: Economic Development Regina, Statistics Canada

News Worth Watching

Bigger rate cuts on the horizon?

Following the U.S. Federal Reserve's bold 50-basis-point interest rate cut, economists are speculating the Bank of Canada may follow suit with a larger rate cut of its own at its upcoming October meeting

Source: [Financial Post](#)

Rent hikes in smaller Canadian markets surpass declines in major cities

A report shows that, while August rents dropped in Canada's largest markets, it rose in smaller ones, continuing a months-long trend.

Source: [The Globe and Mail](#)

Mortgage loan rules are changing in Canada

The insured mortgage cap will rise from \$1M to \$1.5M, allowing more people to qualify with less than a 20% down payment.

Source: [CTV News](#)

Bank of Canada could cut rates to 2.5% by next year

The Bank of Canada cut interest rates by 25 basis points for the third consecutive time, bringing the benchmark rate to 4.25%.

Source: [Financial Post](#)

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GRA REPORT CARD

YEAR OVER YEAR

Aug 2023	Aug 2024	Chg	%Chg
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Employment

151,200	153,500	2,300	↑ 1.5%
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Employment Rate (%)

5.3	6.8	1.5	↑ -
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Housing Price Index
Benchmark Value (\$)

304,200	312,900	8,700	↑ 2.9%
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Consumer Price Index
(2002=100)

162.4	164.1	1.7	↑ 1.0%
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July 2023	July 2024	Chg	%Chg
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Housing Starts Total
(Units)

35	146	111	↑ 317.1%
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Building Permits Total
(\$000s)

33,792	84,588	50,796	↑ 150.3%
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Building Permits
Residential (\$000s)

21,410	65,367	43,957	↑ 205.3%
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Building Permits
Non-Residential (\$000s)

12,382	19,221	6,839	↑ 55.2%
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2022	2023	Chg	%Chg
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Population (persons)
July 1

260,534	271,119	10,585	↑ 4.1%
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2023	2024f	Chg	%Chg
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Gross Domestic Product
(2012 \$M)

17,518	17,779	261	↑ 1.5%
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YEAR TO DATE

Aug 2023 ytd	Aug 2024 ytd	Chg	%Chg
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145,063	151,288	6,225	↑ 4.3%
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4.8	6.2	1.3	↑ -
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303,050	308,813	5,763	↑ 1.9%
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160.2	162.8	2.6	↑ 1.6%
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July 2023 ytd	July 2024 ytd	Chg	%Chg
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588	815	227	↑ 38.6%
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325,704	342,111	16,407	↑ 5.0%
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131,569	171,032	39,463	↑ 30.0%
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194,135	171,080	-23,055	↓ -11.9%
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ECONOMIC
DEVELOPMENT

REGINA

Sources: Statistics Canada Cansim 2820128, 0270034, 326-0020, 0260003, 0510056, MLS® HPI, and Conference Board of Canada Major Cities Outlook June 2022 Outlook. Note: All data presented above is raw/not seasonally adjusted.