



Housing and Mortgage Market Review: Quarterly Report - *October 2023*

Record population growth fuels Saskatchewan's robust housing demand

Highlights:

- Homebuyers in Saskatchewan were undeterred by high mortgage rates in Q3 as sales jumped
- Population growth continues to smash records across the province
- The resale market remains tilted towards sellers and prices continue to push higher for now

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Saskatchewan

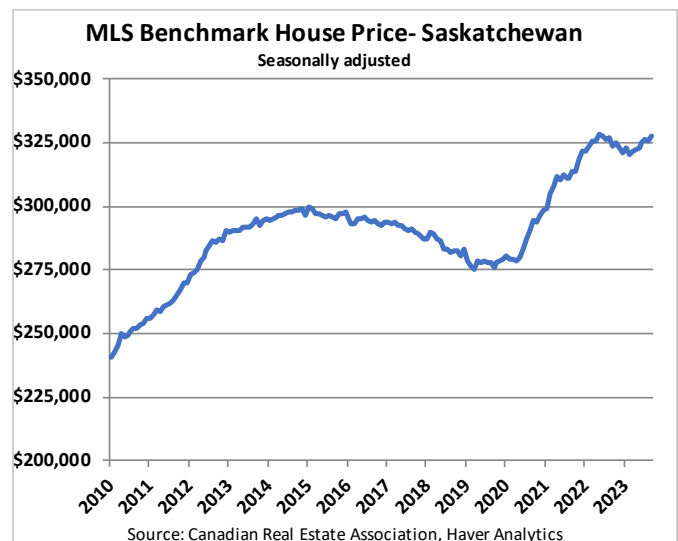
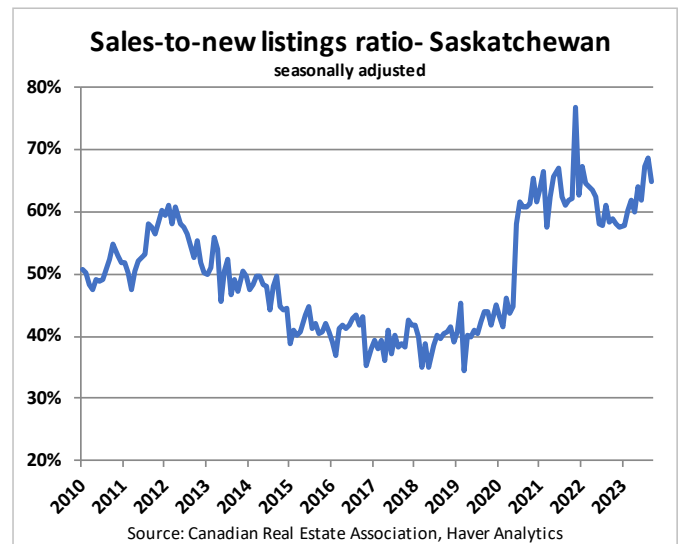
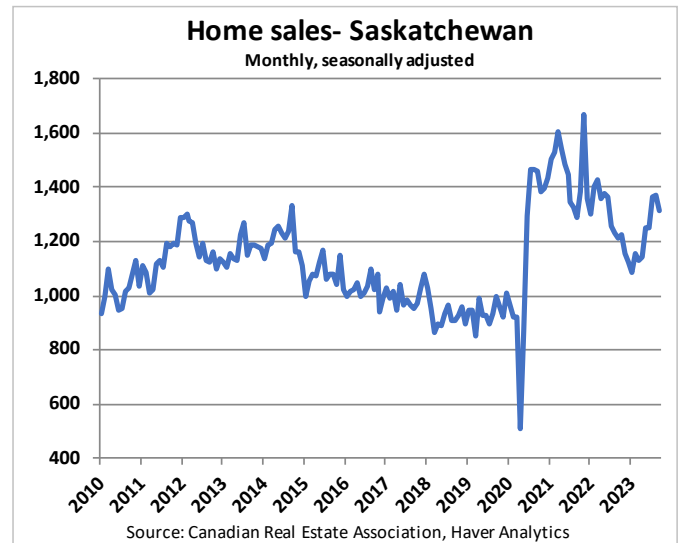
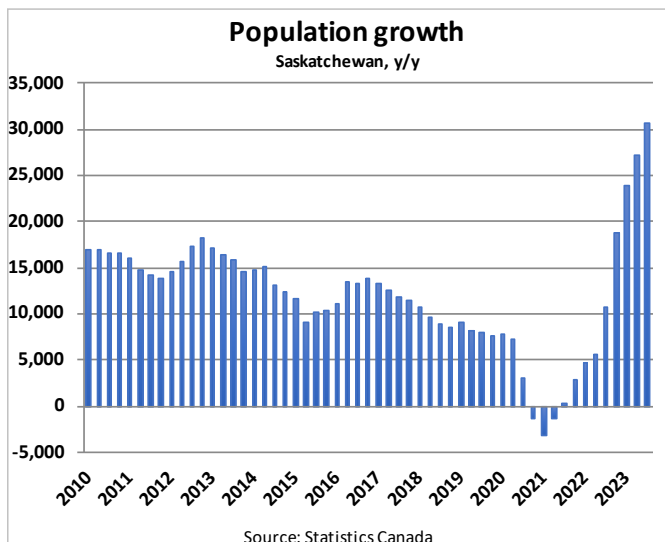
Mortgage rates may be at 15-year highs, but don't tell that to Saskatchewan homebuyers. Seasonally adjusted home sales across the province jumped 11% in the third quarter and remain well above normal levels over the past decade. We should expect demand to begin to moderate later this fall if the economy begins to cool as expected.

New listings rose 2.7% in the third quarter on a seasonally adjusted basis, but even with this increase in supply, the market remains firmly in seller's territory with a sales-to-new listings ratio of 65% in September.

With the market balance still tight, house prices continue to grind higher. The MLS House Price Index for the province rose 0.9% in the third quarter.

Population growth continues to break records

It shouldn't be a surprise that housing demand is still strong in Saskatchewan given the trend in population growth, which just set a new record in the third quarter. The province has now grown by 31,000 people in the past year, more than double the rate of growth over the past 20 years.



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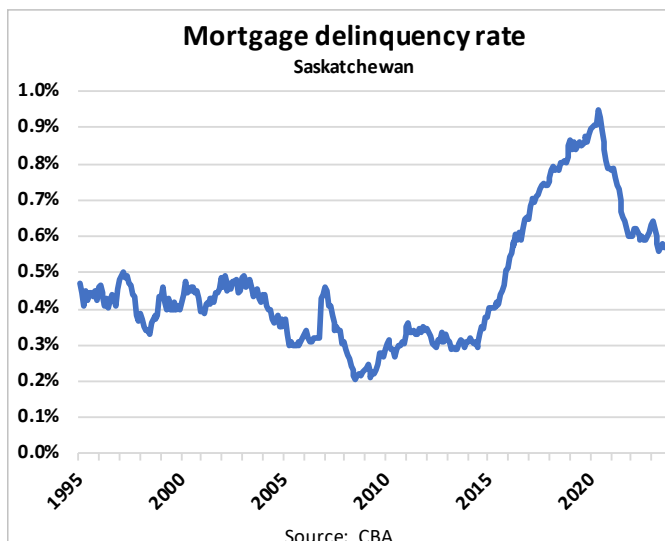
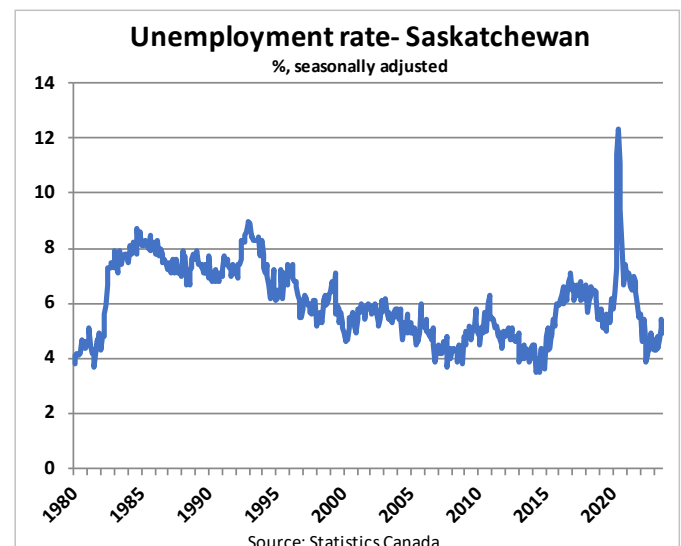
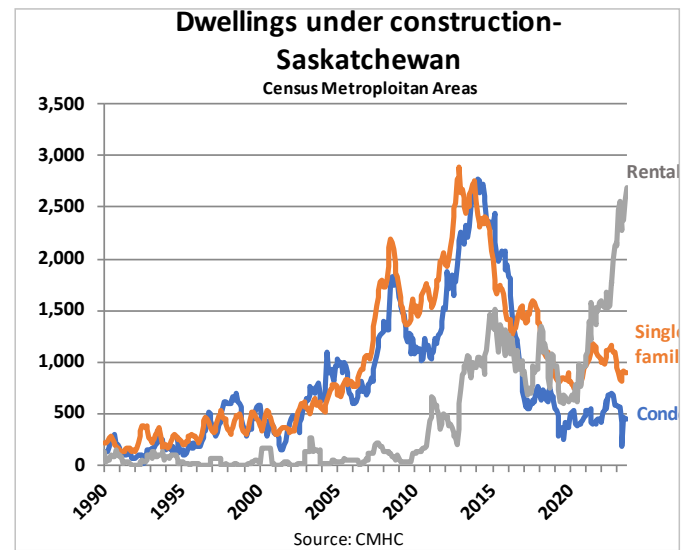
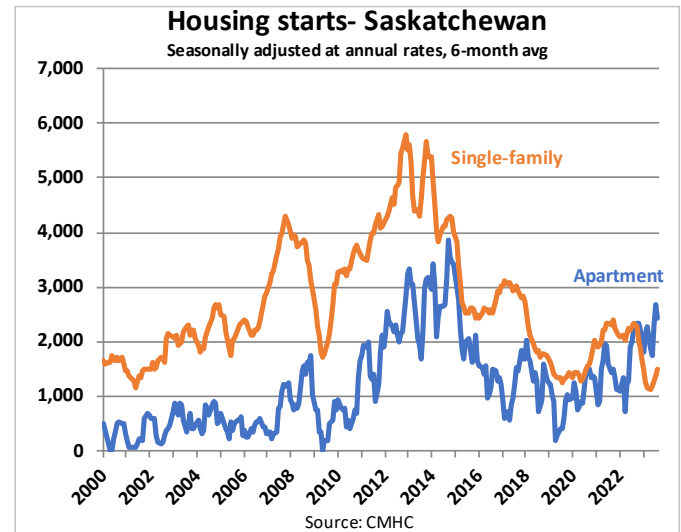
Even with strong population growth, housing starts remain weak, particularly in the single-family segment where starts are near 20-year lows.

Dwellings under construction across the province rose 14% in the third quarter, but they continue to skew heavily to purpose-built rentals, which now account for over 60% of the new construction pipeline. That's not great news for would-be buyers hoping for more supply in the resale market.

Labour market remains firm

Saskatchewan's economy continues to perform reasonably well, but there are signs of cooling at the margins. Total employment increased by 3,100 positions in Q3, but that wasn't enough to account for strong population growth. Consequently, the unemployment rate ticked up 0.2% to hit 4.9%.

The mortgage delinquency rate across Saskatchewan was effectively unchanged last quarter at 0.57%. That's relatively high compared to other Canadian provinces and the national average of 0.15%, but it is a sharp improvement relative to pre-pandemic levels of over 0.90%.



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Summary:

The housing market in metro areas across Saskatchewan remains on solid footing, driven by strong population growth and a robust labour market. Even with relatively affordable housing, at least compared to other parts of the country, we should expect rising mortgage rates to put some downward pressure on demand in the coming months.



**Any forecasts contained in this report are accurate as of the date indicated.*