



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

Saskatchewan home sales jump in Q2 as prices near their all-time highs

Highlights on what is driving the housing and mortgage market:

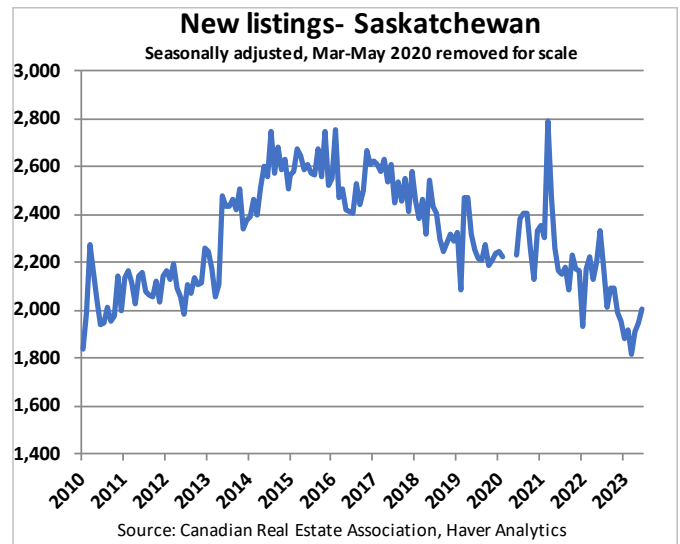
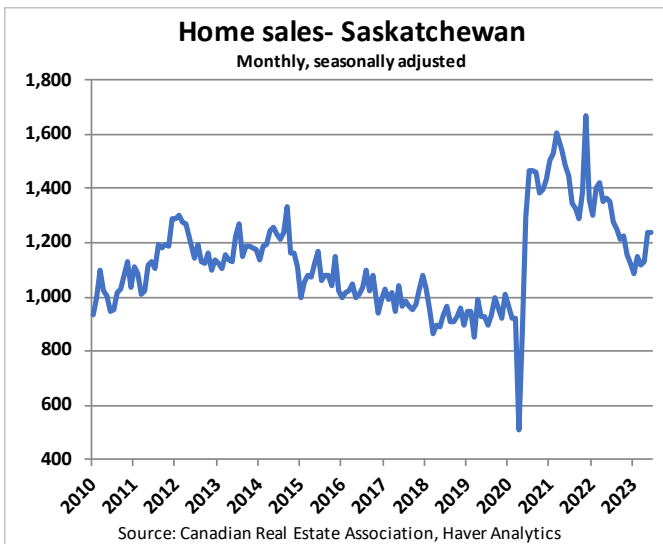
- Home sales across Saskatchewan rose strongly in the second quarter while supply lagged
- The province saw record population growth in Q2, underpinning strong housing demand
- Average resale house prices are nearly back to all-time highs

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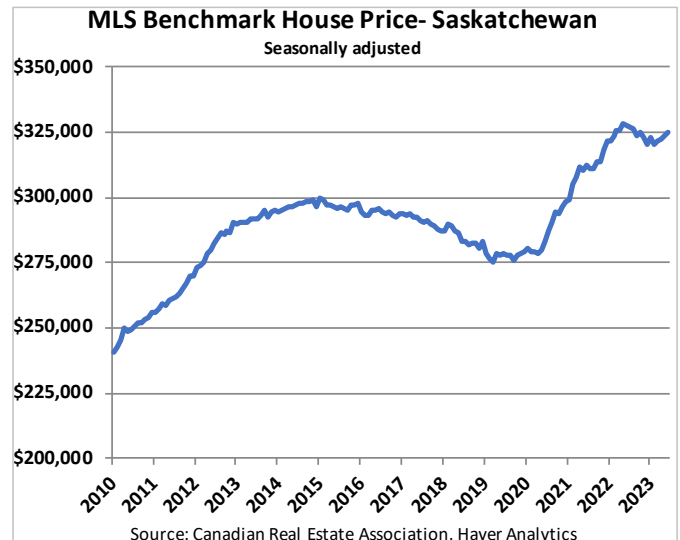
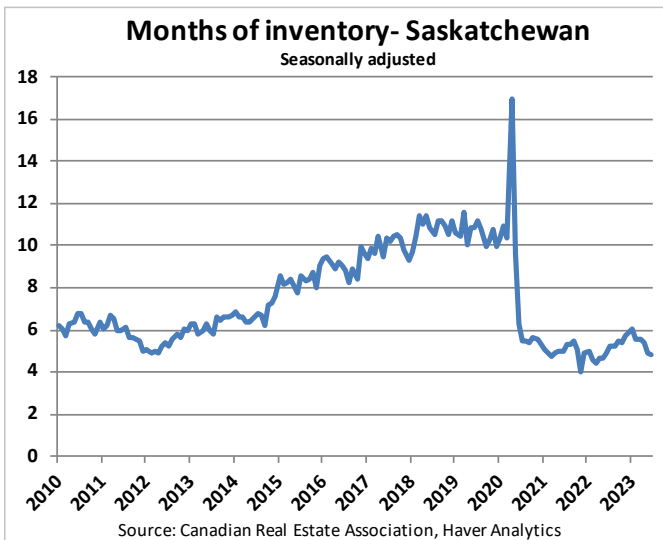
Seasonally adjusted home sales across Saskatchewan jumped 7.5% in Q2 but ended the quarter with sales flat in June. Demand may soften in the coming months as the market digests the recent interest rate increases.

New listings rose 3.1% in June but remain well below normal levels.



With improving demand and low supply, the housing market remains very tight overall with just 4.8 months of inventory currently for sale. This is well below the long-term average of closer to seven.

With the market still tilted towards sellers, prices remain firm. The MLS House Price Index for the province increased 0.5% in June to sit just 1% off all-time highs.



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Population growth smashes records

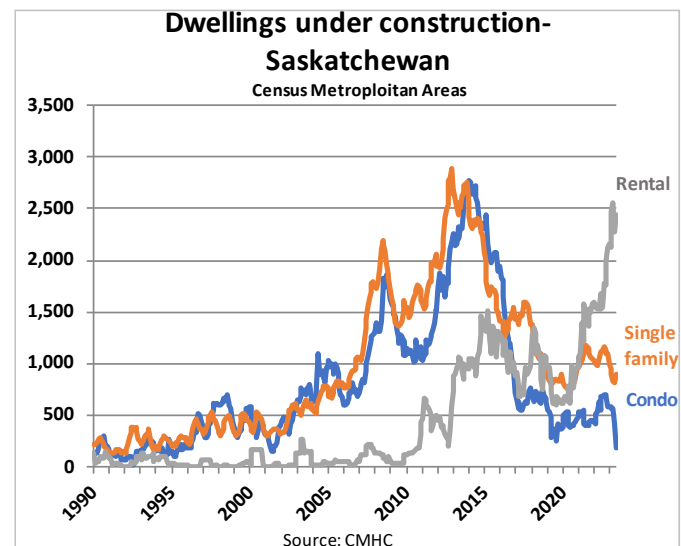
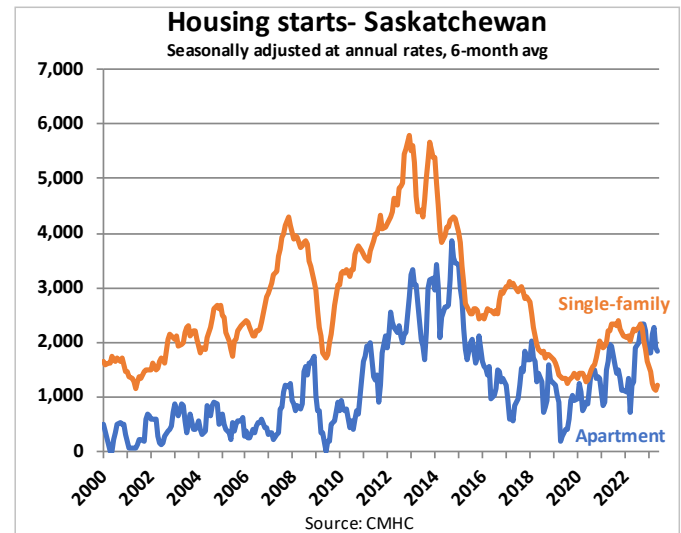
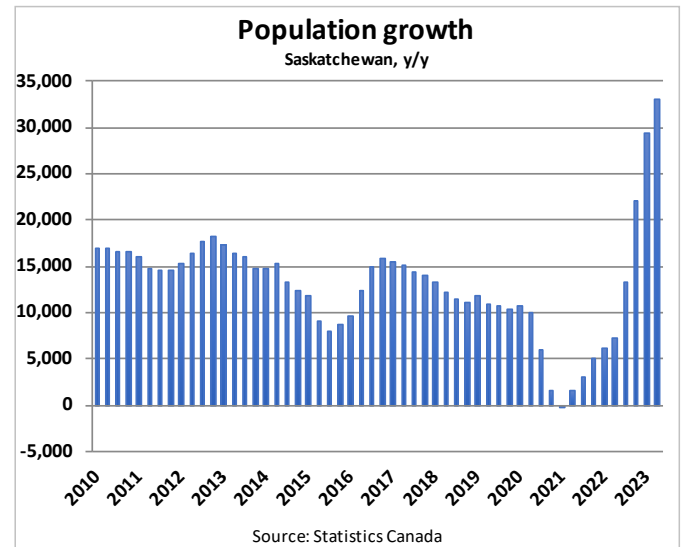
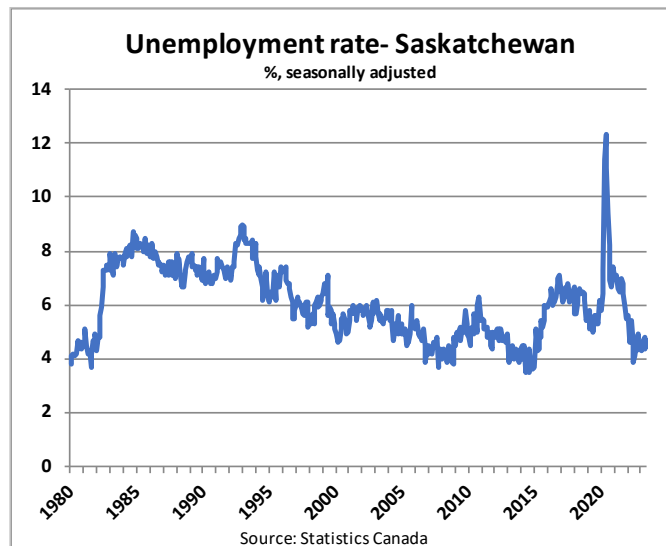
Saskatchewan's annual population surged by a record 33,000 in the second quarter.

Even with strong population growth, housing starts remain weak, particularly in the single-family segment where starts are near 20-year lows. The sets up for a potential future supply crunch if these trends persist.

Dwellings under construction across the province have fallen 11% since the end of Q1, driven by declines in the condo single-family segment, which offset a rise in rental construction activity.

Economic momentum continues

Saskatchewan's economy continues to perform well. Total employment increased by 2,000 positions in Q2 while the unemployment rate remained unchanged near a record-low of just 4.7%.



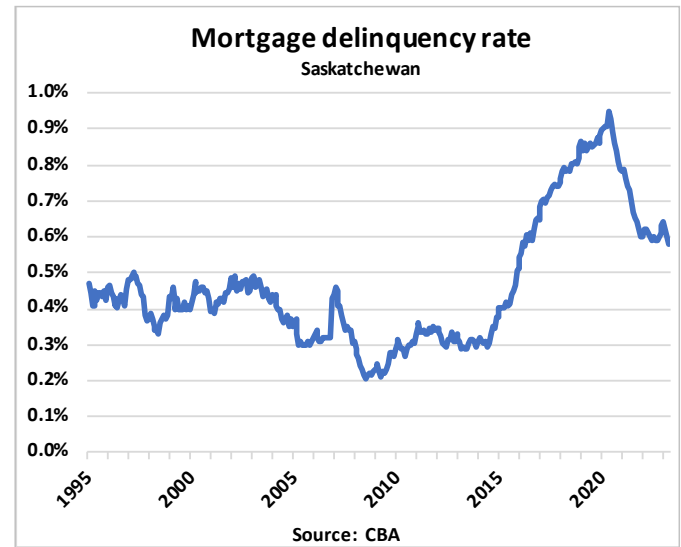
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Mortgage delinquencies ticked lower last quarter and are now at the lowest level since 2016. Given the recent rise in interest rates and a potential softening in the economy later this year, we may see this trend reverse course in coming months.

Summary:

The housing market in metros across Saskatchewan remains on solid footing, driven by strong population growth and a robust labour market. Rising interest rates may pressure demand in the near term as the market adjusts to new affordability constraints, but long-term fundamentals remain intact.



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

Ben Rabidoux is the founder of Edge Realty Analytics (www.edgeanalytics.ca), which equips top real estate and mortgage professionals with timely research and insightful marketing infographics to help them stand apart from the competition and stay engaged with their clients and prospects.

He is also the founder and president of North Cove Advisors, a market research firm serving institutional and high net worth clients since 2013 that is consistently ranked top 5 for Canadian economic coverage by Brendan Wood International.

He is a frequent guest and contributor in major media outlets, including Bloomberg, The Wall Street Journal, Reuters, The Globe and Mail, The Toronto Star, Macleans, and many others.

