

REGINA'S ECONOMIC BRIEF

GRA concludes 2024 on a softer note

In December, year-over-year employment in the Greater Regina Area (GRA) grew by 0.9% (1,300 jobs) compared to 2023, with the region contributing about one-third of the province's year-to-date job growth. However, the unemployment rate rose to 6.1% from 4.4% in December 2023 as the labor force grew faster than jobs. Building permits, a key construction indicator, fell by \$8M (14.4%) year-over-year, while rising unemployment and slowing manufacturing sales highlighted economic challenges in late 2024.

Source: Praxis Consulting (Unadjusted)

Positive job growth

In December 2024, the GRA added 1,300 jobs, a 0.9% increase from December 2023. Provincial job growth stood at 11,600 jobs, up 1.9% from December 2023, while national growth was 434,100 (2.1%) over the same period.

Source: Statistics Canada

Rising unemployment

In December 2024, the GRA's average year-over-year unemployment rate was 6.1%, up from 4.4% in December 2023. Saskatchewan's unemployment rate was 5.9%, and below the national average of 6.5%.

Source: Statistics Canada

GRA end the year with a 2.1% inflation rate

Inflation in the GRA dropped to 2.1% in December 2024, down from 2.4% in November 2024. Saskatchewan and Canada's rates were 1.8%. These figures are still within the Bank of Canada's target.

Source: Statistics Canada

Manufacturing sales continue to fall

Year-over-year manufacturing sales in the GRA dropped by \$171M (21.6%), from \$790M in November 2023 to \$619M in November 2024. Interest rate cuts may help recovery, but potential U.S. tariffs pose a risk of further declines.

Source: Statistics Canada

Slowing rental prices in Regina

In December 2024, Regina's average apartment rent fell to \$1,308, down 0.9% from November and up just 1% year-over-year, a sharp slowdown from September's 16% increase. Regina remains the most affordable rental market among 25 Canadian cities compared.

Source: Rentals.ca

Housing Price Index Benchmark Gains Persist

The GRA's Housing Price Index Benchmark Value (HPI) rose from \$297,400 in November 2023 to \$313,400 in November 2024 (up 5.4%). HPI is expected to rise, driven by interest rate cuts and government support for first-time homebuyers.

Source: Saskatchewan Realtors Association

KEY NUMBERS

\$174M

EXPECTED LOSS IN GRA'S GDP AS A RESULT OF U.S. TARIFFS, EQUATING TO A LOSS OF \$1,129 PER RESIDENT.

Source: Economic Development Regina

2.1%

THE GRA'S INFLATION RATE FOR DECEMBER 2024. THE RATES FOR SASKATCHEWAN AND CANADA WERE BOTH 1.8%.

Source: Statistics Canada

\$1,308

AVERAGE APARTMENT RENTAL PRICE IN REGINA IN DECEMBER 2024, 38% BELOW THE NATIONAL AVERAGE OF \$2,109.

Source: Rentals.ca

6.1%

THE GRA'S UNEMPLOYMENT RATE IN DECEMBER 2024, UP FROM 4.4% IN DECEMBER 2023. THIS COMPARES TO SASKATCHEWAN (5.9%) AND CANADA (6.7%).

Source: Statistics Canada

395,000

PROJECTED DECREASE IN OVERALL PERMANENT RESIDENT ADMISSIONS TO CANADA IN 2025.

Source: Government of Canada



POSITIVE

NEED TO WATCH

NEGATIVE

A DEEPER LOOK...

Moving together: The employment-unemployment paradox in 2024

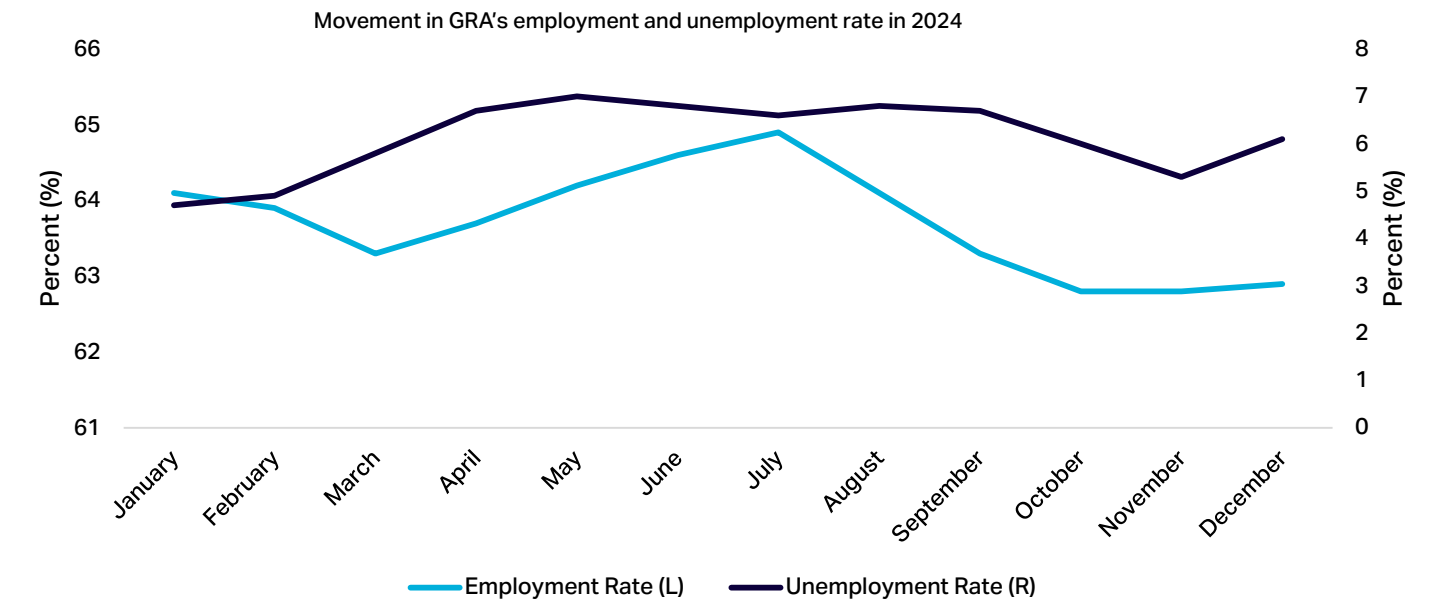
In the Greater Regina Area (GRA), the data shows both employment and unemployment rates are rising simultaneously. This paradox typically occurs when more people, such as recent graduates, newcomers, or those returning to work, join the workforce. This increases economic activity, and as a result, creates jobs. It also increases the number of individuals actively seeking work, leading to a temporary rise in unemployment as the labour market adjusts.

In 2024, the employment rate fluctuated, peaking in summer, while unemployment rose to 7% in May. This suggests more people joined the workforce, but job availability couldn't keep up, simultaneously raising both employment and unemployment rates.

Recent immigration policy changes in Canada could worsen labour shortages and skill mismatches in the GRA. With fewer immigrants entering the workforce, employers may struggle to find qualified workers. Similarly, job seekers may face a lack of opportunities that match their skills. A slowdown in immigration also reduces consumption, as fewer new residents means less demand for goods and services. This slump in economic activity could further limit businesses' ability to hire, intensifying challenges in sectors already facing mismatched labour supply and hindering overall economic growth in the region.

Bank of Canada interest rate cuts can stimulate economic activity by encouraging investment and job creation. However, as more people enter the labour market, such as discouraged workers, the unemployment rate may rise temporarily in smaller regions like the GRA. This can intensify the employment-unemployment paradox, emphasizing the need for policies that match job growth with workforce skills.

The paradox and impact of immigration cuts are felt nationwide. Policymakers must focus on immigration reforms, education and training, talent attraction, and aligning workforce skills with market needs for sustainable growth.



Source: Economic Development Regina, Conference Board of Canada

News Worth Watching

Canada approves Bunge Global SA's acquisition of Viterra Limited

Canada approves Bunge's acquisition of Viterra with conditions to protect competition, boost investment, and ensure economic benefits for Canadians.

Source: Reuters

Inflation dips on GST holiday, BoC rate cut ahead

Canada's annual inflation rate eased to 1.8% in December, driven by the GST holiday, keeping the Bank of Canada on track for a rate cut next week amid looming U.S. tariffs.

Source: The Globe and Mail

Premiers call for unity against U.S. tariff threats; Alberta seeks energy exemption

Premiers pledge unity on Canada-U.S. relations, except Alberta's Danielle Smith.

Source: MSN

EDR report highlights the value of small businesses

EDR released its *State of Small Business* report, an in-depth analysis of the small business ecosystem in Canada, Saskatchewan, and the GRA.

Source: Economic Development Regina

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