

REGINA'S ECONOMIC BRIEF

A strong prairie economy

The Greater Regina Area's (GRA) economy remained strong in the second quarter of 2024, with June year-over-year employment growth at 3.4% (5,000 positions more than the same period in 2023), surpassing the provincial rate (2.4%) and the June 2023 rate (2.1%). The GRA's unemployment rate is 6.8%, up from last year (4.4%) but down from last month (7%). Housing starts remain ahead of year-to-date 2023 levels. Slowing building permits, a higher unemployment rate, and a rise in part-time employment are the only soft spots in this month's data.

Source: Praxis Consulting (Unadjusted)

GRA's unemployment rate inches down

The GRA's average year-over-year unemployment rate shrunk from 7% in May 2024 to 6.8% in June 2024. Saskatchewan had the third-lowest unemployment rate among the provinces (5.5%) and was below the national average (6.4%).

Source: Government of Saskatchewan

Employment growth remains strong

In June 2024, the GRA added 5,000 jobs, a 3.4% increase from June 2023. Job growth provincially stood at 14,400 jobs, up 2.4% from June 2023, while the national growth was 327,000 (1.6%) over the same period.

Source: Statistics Canada

GRA, Saskatchewan inflation rates drop

Both the GRA and Saskatchewan recorded an all-item price growth of 1.4% year-over-year, down from May 2024's 1.5%. The national inflation rate also dropped to 2.7% in June from 2.9% in May, aligning with Bank of Canada targets.

Source: Statistics Canada

Rental prices on the rise

In July 2024, the average rental price for a one-bedroom apartment in Regina is \$1,320, up 22% from July 2023. This remains well below the national average of \$1,951.

Source: Rentals.ca

Year-over-year housing starts are down

In June 2024, total year-over-year housing starts fell by 19.5% (31 units) in Regina, down compared to 2023 (159 units). Saskatchewan saw a 35.1% decline, and Canada experienced a 12.8% drop. This trend could impact both short-term and long-term housing affordability in Canada.

Source: Statistics Canada

Growth in Housing Price Index slows

The average year-to-date Housing Price Index Benchmark Composite Price rose from \$301,650 in June 2023 to \$307,517 in June 2024, a 0.5% increase and down from last month's 2.2% growth. The Bank of Canada's July 24 rate cut (now 4.5%), and expected future cuts, will likely boost housing market activity and drive prices higher.

Source: Saskatchewan Realtor's Association

KEY NUMBERS

4.5%

THE NEW BANK OF CANADA OVERNIGHT INTEREST RATE AFTER A 0.25% CUT. THIS DECISION IS PART OF AN ONGOING EFFORT TO MANAGE INFLATION AND ENCOURAGE ECONOMIC GROWTH.

Source: Bank of Canada

56.9%

JUNE 2024 EMPLOYMENT RATE FOR REGINA'S YOUTH AGED 15 TO 24 YEARS, COMPARED TO 54.8% FOR CANADA AND 56.4% FOR SASKATCHEWAN.

Source: Statistics Canada

1.4%

REGINA'S INFLATION RATE FOR JUNE 2024, A DROP FROM LAST MONTH'S 1.5%.

Source: Statistics Canada

\$1,393

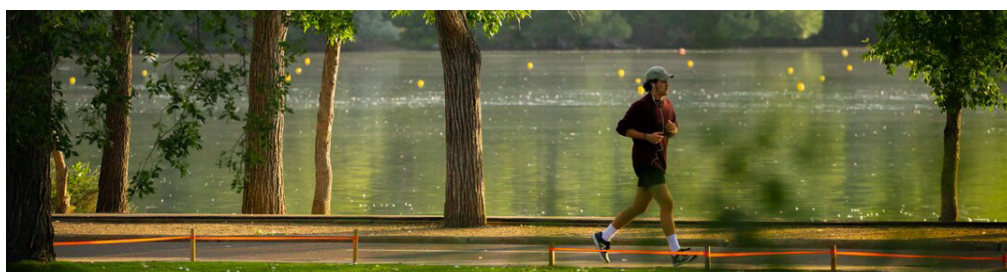
OVERALL AVERAGE RENT PRICE (ALL TYPES) IN REGINA FOR JUNE, COMPARED TO \$1,339 FOR SASKATCHEWAN.

Source: Rentals.ca

-19.5%

REGINA'S YEAR-OVER-YEAR DECLINE IN HOUSING STARTS, COMPARED TO -35.1% FOR SASKATCHEWAN AND -12.8% FOR CANADA.

Source: Government of Saskatchewan



POSITIVE

NEED TO WATCH

NEGATIVE

A DEEPER LOOK...

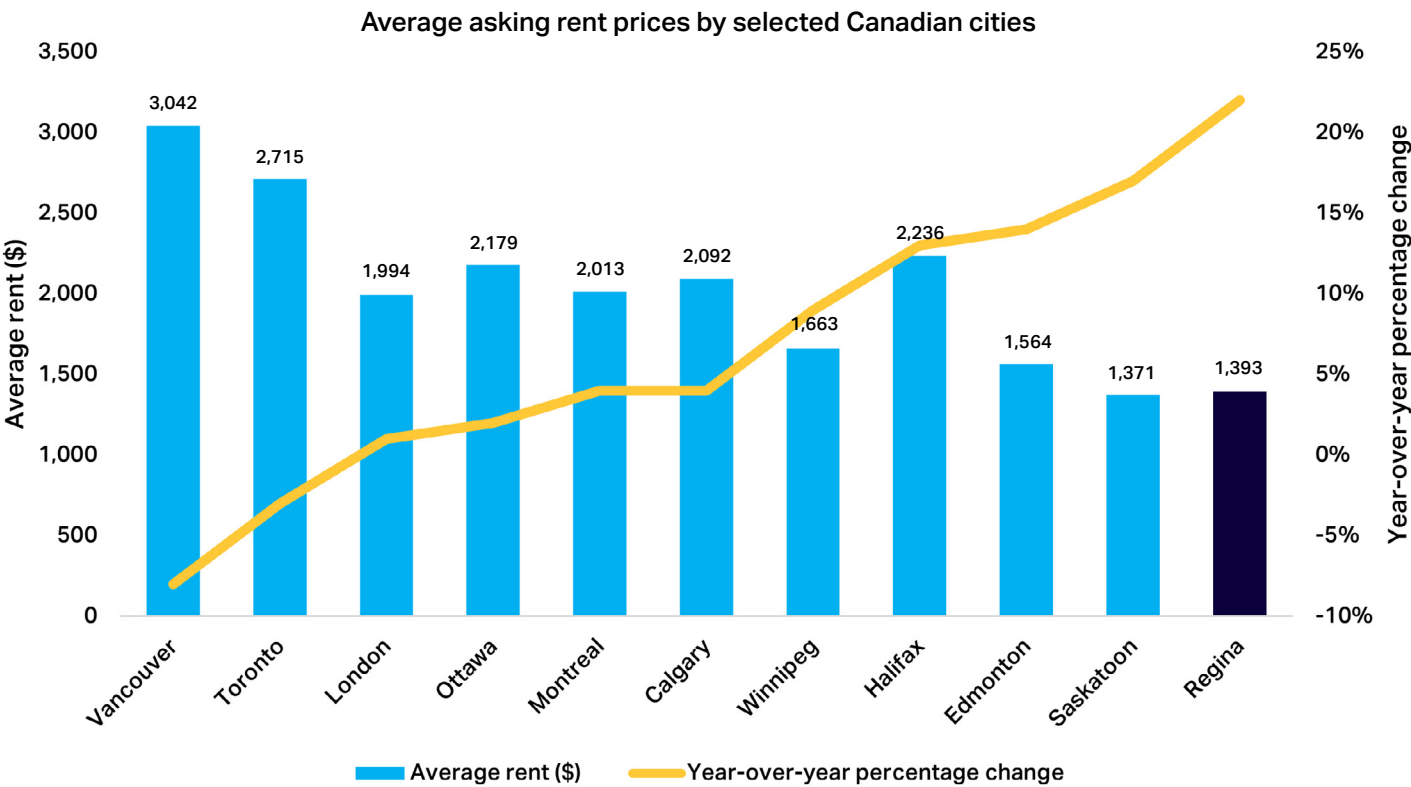
Regina's rental market

Despite a year-over-year increase, rent remains among the most affordable in major cities

Regina's rental market is under pressure from three key factors: population growth, economic factors, and a limited supply of rental properties. These elements have created a perfect storm, resulting in a 22% increase in year-over-year rental prices. Understanding these dynamics is crucial for policymakers and stakeholders aiming to address housing affordability and ensure sustainable housing development in the city. As Regina grows, strategic planning and investment in new housing developments will be essential to balance supply and demand and stabilize the rental market.

In June, cities in the prairie provinces saw the highest year-over-year rent increases, with Regina leading at 22%. In contrast, Vancouver and Toronto experienced rent decreases of -8% and -3% year-over-year, respectively, from higher vacancy rates due to residents moving to more affordable regions, and an oversupply of rental units. Regina's smaller market and tighter supply dynamics create a different scenario where demand significantly outweighs supply, leading to rent increases. Edmonton and Saskatoon also saw notable rises (14% and 17% respectively) driven by similar factors. Average asking rents in the fastest-growing prairie cities ranged from \$1,150 in Lloydminster to \$1,663 in Winnipeg.

All factors considered, Regina's average rent (\$1,393) for all types ranks 24th out of 25 cities (Rentals.ca) - two-thirds the national average of \$2,146.



Source: Economic Development Regina, Rentals.ca

News Worth Watching

University of Regina to receive SMR research funding

The U of R will receive over \$90K to study long-term disposal strategies for intermediate-level and non-fuel high-level wastes from SMRs in Saskatchewan.

Source: [Nuclear Engineering International](#)

The Bank of Canada cuts rates again in July

The Bank of Canada cut its overnight rate target to 4.5%, with the Bank rate at 4.75% and the deposit rate at 4.5%. Promising labor market and inflation data support the Bank's efforts to restore price stability.

Source: [The Conference Board of Canada](#)

Regina council approves debt financing and tax increase for library renewal

Regina's city council approved a request from the Regina Public Library board of directors to take on debt to finance the renewal of the central library branch.

Source: [CBC News](#)

WestJet announces record-level investments across Sask this winter

WestJet announced major investments in its Saskatchewan network, improving domestic connections and expanding winter service to the U.S. and sunny destinations.

Source: [WestJet](#)

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