

REGINA'S ECONOMIC BRIEF

Economic resilience

The Greater Regina Area's (GRA) economy remains strong in the second quarter, with 5% year-over-year employment growth, adding 7,200 jobs and contributing 44% of the province's job growth. Despite this growth, the GRA's unemployment rate rose to 7% from 4.6% a year earlier due to an influx of job seekers, primarily from increased international immigration. On other fronts, lower inflation has led to a rate cut by the Bank of Canada, and the value of building permits saw a healthy year-over-year increase of 71%.

Source: Praxis Consulting (Unadjusted)

Strong job growth

In May 2024, the GRA added 7,200 jobs, a 5% increase over May 2023. Provincially, employment rose by 16,200 jobs, up 2.7% from May 2023, and higher than the national growth rate (1.9%).

Source: Praxis Consulting

Housing Price Index continues recovery

The GRA's average year-over-year Housing Price Index Benchmark Composite Price is up 2.2% to \$314,000 in May 2024 from \$307,200 in May 2023.

Source: Saskatchewan Realtor's Association

GRA's inflation rate creeps up

The GRA's all-items price growth was 1.5% year-over-year in May, above last month's increase of 1.2%. National and provincial inflation rates also rose to 2.9% and 1.5%, respectively.

Source: Statistics Canada

Unemployment rate inches upward

In May 2024, the GRA's unemployment rate was 7%, higher than the provincial rate (5.6%). Strong population growth and the effects of higher borrowing costs on business expansion are key contributors.

Source: Government of Saskatchewan

A quiet month for Canadian housing

Nationally, month-over-month home sales (down 0.6% compared to 4% for Regina) and new listings (up 0.5% compared to 9% for Regina) were flat in May 2024. In the same period, housing transactions fell 5.9%. The recent (June 5) rate drop by the Bank of Canada is expected to boost activity.

Source: Canadian Real Estate Association

Rise in Canadian building permits

Canadian building permits have risen at the fastest pace since May 2020. Compared to May 2023, the value is up 49.1% nationally, 7.7% provincially, and 71% within the GRA.

Source: Statistics Canada

KEY NUMBERS

20.7M

NUMBER OF PEOPLE EMPLOYED IN CANADA IN MAY 2024, INCLUDING 614,400 PROVINCIALLY AND 151,400 IN THE GRA.

Source: Government of Saskatchewan

12,500

YEAR-OVER-YEAR INCREASE IN PRIVATE SECTOR EMPLOYMENT, COMPARED TO 2,700 FOR THE PUBLIC SECTOR IN SASKATCHEWAN.

Source: Government of Saskatchewan

\$7B

SASKATCHEWAN'S 2023 TOTAL EXPORTS TO THE ASIA-PACIFIC REGION.

Source: Government of Saskatchewan

5,400

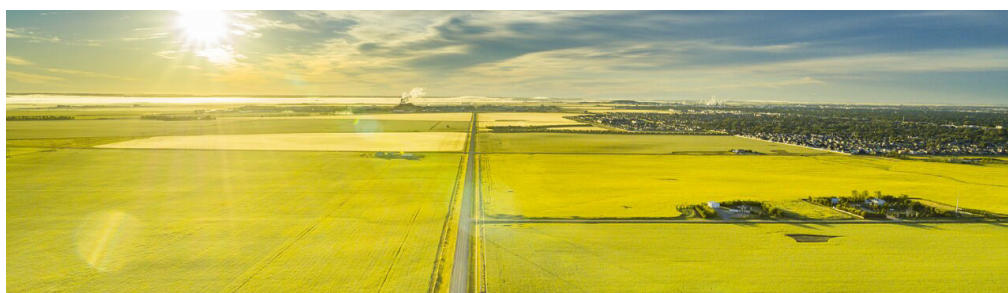
SASKATCHEWAN'S MONTH-TO-MONTH EMPLOYMENT CHANGE FOR MAY, THE FIRST SIGNIFICANT GAIN SINCE OCTOBER 2023, AND RANKING SECOND AMONG PROVINCES IN TERMS OF GROWTH (0.9%).

Source: Government of Saskatchewan

18.2%

CANADIANS INVOLUNTARILY WORKING PART-TIME AS OF MAY BECAUSE THEY COULDN'T FIND FULL-TIME JOBS OR DUE TO POOR ECONOMIC CONDITIONS. THE RATE IS UP FROM 15.4% LAST YEAR.

Source: Statistics Canada



POSITIVE

NEED TO WATCH

NEGATIVE

A DEEPER LOOK...

The employment-unemployment paradox

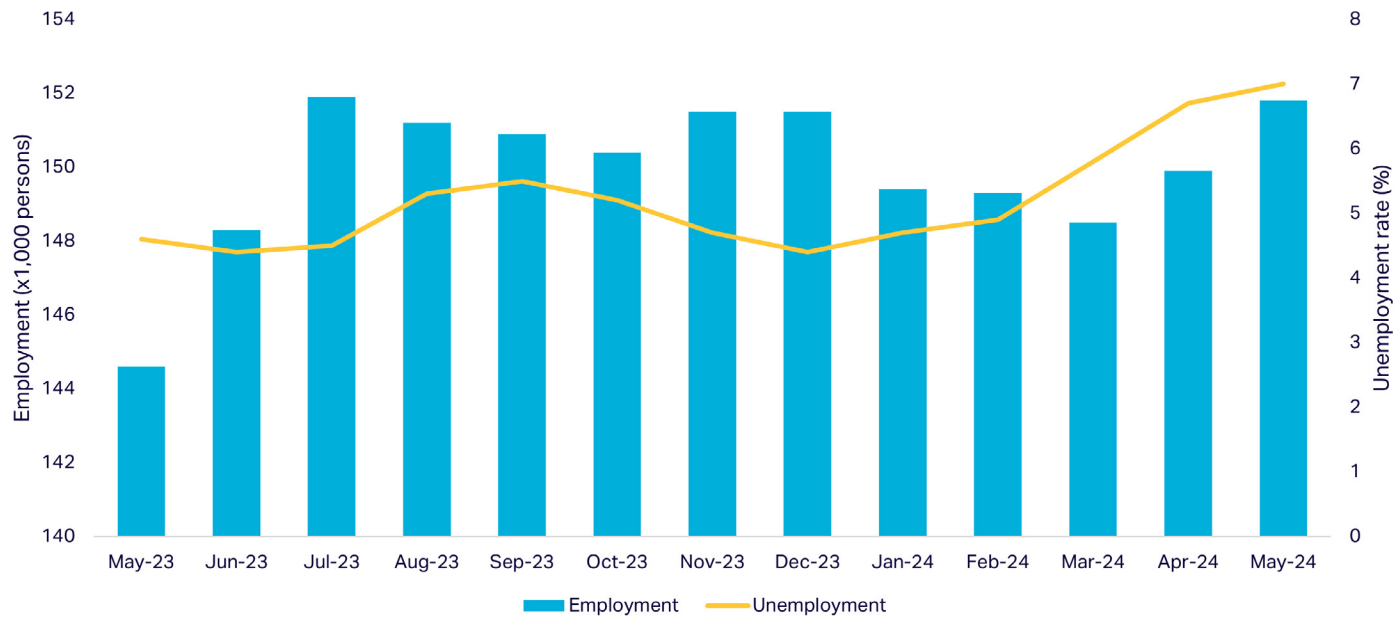
The employment-unemployment paradox occurs when both employment and unemployment rates rise simultaneously. Normally, a thriving economy creates new jobs, leading to higher employment. Over the past year, Regina's economy has been strong, with significant job creation in logistics, manufacturing, and finance. In May 2023, 145,000 Regina residents were employed and the unemployment rate was 4.6%. A year later, employment has risen to 152,000, but the unemployment rate also increased to 7%.

Several factors explain this paradox:

- 1. Growing labour force:** A strong economy attracts more people to the job market. Individuals who were not previously looking for work, such as stay-at-home parents, retirees, and new-residents moving to the city, start seeking jobs. People may re-enter the job market for a variety of reasons, which increases the labour force.
- 2. High interest rates:** Higher interest rates make borrowing more expensive for businesses, slowing down new investments and expansions. Despite this, existing businesses still need to hire to maintain operations, contributing to higher employment.
- 3. Booming local businesses:** The addition of 7,200 jobs year-over-year indicates economic growth in key sectors like manufacturing, logistics, and finance. More businesses are hiring due to increased demand and operational needs.
- 4. Inflationary pressures:** High inflation reduces consumers' purchasing power prompting households to make decisions to maintain their standard of living. This may include seeking other or additional employment. It also impacts employers' cost of doing business and ability to compete for talent.

These labor market dynamics result in more people looking for jobs than there are new jobs available. As a result, despite higher employment, the unemployment rate rises because not everyone finds a job immediately. This paradox shows that rising unemployment can indicate a healthy, growing economy when there are more people actively seeking work.

Employment-unemployment trends in Regina



Source: Economic Development Regina, Statistics Canada

News Worth Watching

Interest rates could increase home prices

Some Saskatchewan real estate watchers expect recent interest rate cuts to raise prices for home buyers as demand continues to exceed supply.

Source: [Regina Leader-Post](#)

Saskatchewan leads nation in retail trade

Today, Statistics Canada reported that Saskatchewan led the nation in retail trade growth for April 2024, with sales surging by 8.5% to \$2.2 billion compared to March 2024.

Source: [Government of Saskatchewan](#)

A million-dollar rain? Make it \$1 billion

An inch of rain can have a massive impact on the yield potential of Sask farms. For cropland in the southern 1/3 of Sask, EDR has calculated a \$1B boost in yield potential.

Source: [Economic Development Regina](#)

Home rental demand at all-time high

A third of Canadian households are renters, marking the highest percentage ever recorded. The increase is attributed to Canada's aging population and the high cost of homeownership.

Source: [Financial Post](#)

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GRA REPORT CARD

YEAR OVER YEAR

	May 2023	May 2024	Chg	%Chg
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Employment

144,600	151,800	7,200	↑	5.0%
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Employment Rate (%)

4.6	7.0	2.4	↑	52.2%
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Housing Price Index
Benchmark Value (\$)

307,200	314,000	6,800	↑	2.2%
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Consumer Price Index
(2002=100)

161.1	163.5	2.4	↑	1.5%
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	April 2023	April 2024	Chg	%Chg
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Housing Starts Total
(Units)

62	223	161	↑	259.7%
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Building Permits Total
(\$000s)

25,405	43,452	18,047	↑	71.0%
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Building Permits
Residential (\$000s)

22,079	20,197	-1,882	↓	-8.5%
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Building Permits
Non-Residential (\$000s)

3,326	23,256	19,930	↑	599.2%
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	2021	2022	Chg	%Chg
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Population (persons)
Aug 1

260,534	271,119	10,585	↑	4.1%
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	2022	2023f	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

	May 2023 ytd	May 2024 ytd	Chg	%Chg
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141,820	149,780	7,960	↑	5.6%
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4.9	5.8	0.9	↑	18.8%
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299,840	306,540	6,700	↑	2.2%
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159.2	162.1	2.9	↑	1.8%
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	April 2023 ytd	April 2024 ytd	Chg	%Chg
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158.8	161.8	3.0	↑	1.9%
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353	503	150	↑	42.5%
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138,257	165,709	27,452	↑	19.9%
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63,318	50,419	-12,899	↓	-20.4%
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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.