

# REGINA'S ECONOMIC BRIEFING

## GRA's economy is 'red hot'

Growth in The Greater Regina Area's economy fires up in the second half of 2023. September year-to-date employment growth remains positive at 2.7% over 2022, more than twice the provincial rate. October unemployment remains low at 5.2%. Higher interest rates are slowly being felt in new housing construction and home prices. However, non-residential permitting activity is well ahead of 2022 levels. The rate of inflation is moderating at 4.4% – its lowest level since early 2022.

Source: Praxis Consulting

## Lower unemployment in the GRA

The average year-to-date unemployment rate decreased from 5.1% in September 2022 to 4.9% in September 2023.

Source: Praxis Consulting

## Charge in CPI slows to 3.8%

The September year-over-year CPI change for Canada is 3.8% down from a 4.0% increase in August.

Source: Statistics Canada

## Labour force participation rate is up

The September year-over-year average labour force participation rate is up by 3.2 percentage points representing a 4.8% increase from the same time last year.

Source: Praxis Consulting

## Housing benchmark value continues a downward trend

The average year-to-date Housing Price Index Benchmark Composite Price is down from \$314,511 in September 2022 to \$304,900 in September 2023 as higher borrowing rates continue to impact resale housing demand.

Source: Praxis Consulting

## Bank of Canada holds interest rates steady for the fourth time this year

The Bank of Canada is leaving its overnight rate unchanged at 5%. This comes on the back of slowing inflation numbers and falling retail spending reported for September.

Source: Bank of Canada

## Government of Saskatchewan tackles rental affordability

The Government of Sask. announced its Secondary Suite Incentive (SSI) grant program, designed to improve housing affordability by generating supplementary income for homeowners and increasing the availability of rental units in the province.

Source: Saskatchewan.ca

## KEY NUMBERS

### \$718M

CANADA'S AUGUST TRADE SURPLUS, THE FIRST ONE SINCE APRIL 2023, MAINLY CAME FROM HIGHER CRUDE OIL PRICES AND THE REBOUND FROM THE BC PORT STRIKE.

Source: Statistics Canada

### \$12,500

THE AVERAGE ANNUAL COST OF RAISING A CHILD IN CANADA.

Source: Royal Bank of Canada

### \$1,417

REGINA'S AVERAGE ASKING PRICE FOR RENT IN SEPTEMBER, UP BY OVER 17 PER CENT YEAR-OVER-YEAR.

Source: Zumper.com

### 4,200+

NUMBER OF REGINA JOB VACANCIES.

Source: SaskJobs.ca

### 9%

PERCENTAGE OF NEW JOB POSTINGS GLOBALLY THAT ARE FULLY REMOTE, DOWN FROM 21% IN MARCH 2022 ACCORDING TO LINKEDIN.

Source: LinkedIn



# A DEEPER LOOK...

## A deeper dive into Regina's rental market

### A national perspective

Rent prices in Canada have become a major concern. Individuals are struggling to keep up with rent prices and governments are rigorously looking for ways to restore affordability within this sector.

Key factors impacting Canada's rental market include:

- Increased migration and newcomers
- Canadians are increasingly unable to afford houses
- Increasing costs of construction coupled with the rising cost of borrowing
- The Fall back-to-school rush
- Canada's ageing population

### Regina's rental market

Rent prices in Canada are rising faster than wage increases, leaving households with tighter budgets. However, unlike in Canada's two largest cities where a household must make at least \$161,000 annually to meet affordability metrics (30% of income)

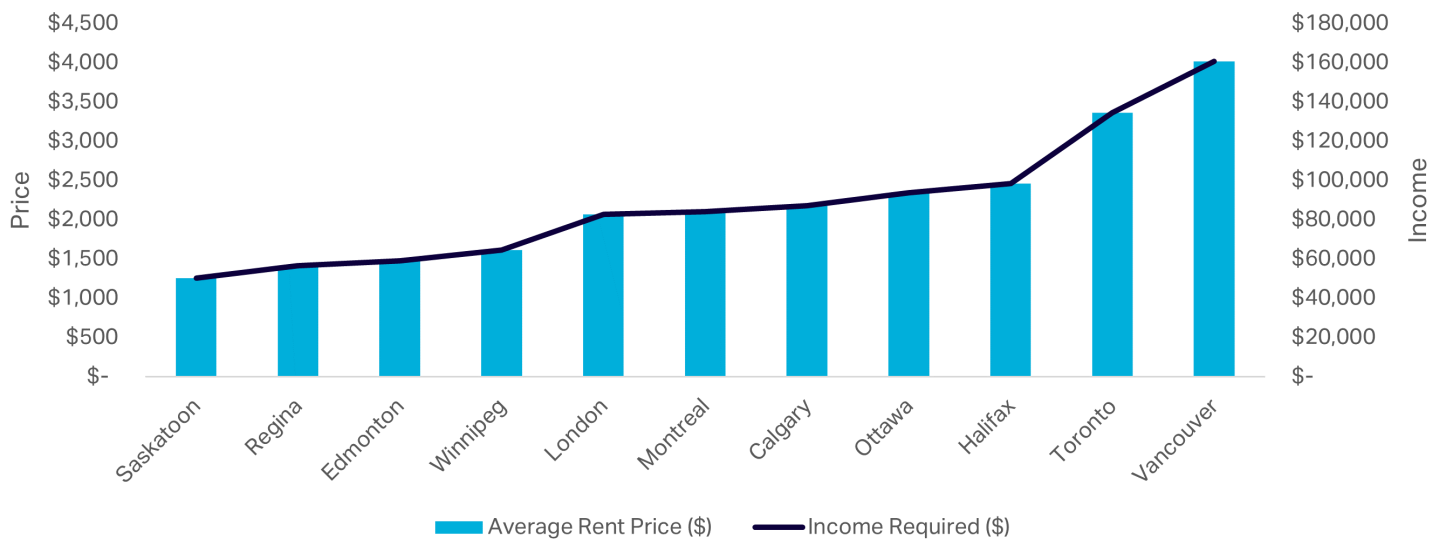
for an average rental, households in Regina only require about \$57,000 annual income to meet those same metrics.

Benefitting from a surge in apartment/condo units, Regina's year-to-date housing starts are up and so are building permits. This coupled with the city's affordability comes as good news for both renters and future homeowners who are looking to settle and grow their world here in Regina.

### Government measures to increase supply

1. The federal government has recently removed the GST on the construction of new rental apartments to increase supply and restore affordability
2. Others, including the federal minister of Immigration, have proposed capping international student numbers to restore affordability in the rental market
3. The Government of Saskatchewan has also announced:
  - i. A Provincial Sales Tax (PST) rebate for new home construction, effective April 1, 2023
  - ii. A Secondary Suite Program to increase rental availability

Average Rent Price vs Income Required to Meet Affordability for Canadian Cities



Source: Zumper.com, Economic Development Regina  
Data was collected as of October 14, 2023

## News Worth Watching

### Saskatchewan's 2023 throne speech delivered earlier this month

In the fall speech from the Throne, the Saskatchewan government outlined a plan aimed to build and protect the province.

Source: [Regina Leader-Post](#)

### Artificial intelligence to influence global advertising revenue

By the end of 2023, generative AI will touch about half of global advertising revenue.

Source: [GroupM](#)

### Scotiabank moves to cut 3% of its employees

As the Canadian economy slows down, Scotiabank joins the likes of RBC and TD bank to announce impending layoffs. The bank is expected to cut 2,700 jobs and work around a \$590 million hit in restructuring charges this month.

Source: [BNN Bloomberg](#)

### Canada's bank regulator won't relax stress test on mortgage renewals

The Office of the Superintendent of Financial Institutions will not waive the mortgage stress test for uninsured borrowers switching lenders at renewal, creating challenges for homeowners seeking lower interest rates.

Source: [The Globe and Mail](#)

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