

REGINA'S ECONOMIC BRIEFING

Accelerating economic growth

The Greater Regina Area's economic growth is accelerating in the second half of 2023. August year-to-date employment growth remains positive at 2.0% over 2022, almost twice the provincial rate. Unemployment remains low at 4.8%. Employment growth is being driven by well-compensated full-time positions in professional, scientific and technical services, and manufacturing. Higher interest rates are being felt in new housing construction and home prices. However, non-residential permitting activity is well ahead of 2022 levels.

Source: Praxis Consulting

Sustained employment gains in the GRA

Average year-to-date total employment in the GRA was up 2.0% or 2,875 positions from 151,200 in August 2023 over the same period in 2022.

Source: Praxis Consulting

Surge in building permits

July 2023 year-to-date building permits are up 15.9% over the same period in 2022. Sub-sectors which posted increases were industrial, and institutional and governmental.

Source: Praxis Consulting

Removal of GST on the construction of new rental apartments

The new tax regime is part of a handful of incentives intended to build more homes and enhance housing affordability in Canada.

Source: CTV News

Bank of Canada holds interest rates again

The Bank of Canada opted to hold its key interest rate steady at 5% as the economy showed signs of cooling. August CPI numbers, however, suggest the bank will need to do more to reach its inflation target of 2%.

Source: Bank of Canada

Inflation is up again

Regina's year-over-year rate of change in the all-items Consumer Price Index (inflation) in August 2023 over August 2022 is 4.6%, up from 3.1% for July, and above the national average of 4.0%.

Source: Statistics Canada

Housing benchmark value trends down

The average year-to-date Housing Price Index Benchmark Composite Price is down from \$315,000 in August 2022 to \$305,288 a year later. These decreases are a result of higher lending rates.

Source: Praxis Consulting

KEY NUMBERS

4.0%

CANADA'S ANNUAL INFLATION RATE IN AUGUST JUMPED TO 4.0% FROM 3.3% IN JULY. CORE MEASURES THAT FILTER OUT EXTREME PRICE CHANGES ALSO ROSE TO 4.0% FROM 3.8%.

Source: Bank of Canada

593,400

PEOPLE EMPLOYED IN SASKATCHEWAN IN AUGUST 2023, A 0.8% YEAR-OVER-YEAR INCREASE.

Source: Praxis Consulting

\$85M

TOTAL VALUE OF BUILDING PERMITS IN REGINA FOR JULY 2023 A 79% INCREASE OVER THE SAME PERIOD LAST YEAR.

Source: Praxis Consulting

28.9%

REGINA'S PERCENTAGE OF INCOME NEEDED TO COVER HOMEOWNERSHIP COSTS. LOWEST AMONG MAJOR CANADIAN CITIES.

Source: RBC Economics

359

THE NUMBER OF SALES RECORDED IN REGINA'S REAL ESTATE MARKET FOR AUGUST, A YEAR-OVER-YEAR INCREASE OF NEARLY 6.0% AND 22.0% ABOVE LONG-TERM, 10-YEAR TRENDS.

Source: Canadian Real Estate Association



A DEEPER LOOK...

A deeper dive into the residential real estate activity in Regina

A closer look at housing market trends

The average year-to-date Housing Price Index Benchmark Composite Price is down from \$315,000 in August 2022 to \$305,288 in August 2023, as higher lending rates continue to negatively impact resale housing demand and push more buyers to seek out more affordable options within the market.

The City of Regina reported 359 sales in August, a year-over-year increase of nearly 6% and 22% above long-term, 10-year trends. Regina reported a benchmark price of \$313,100 in August, down from \$319,200 in July and \$318,700 in June.

Demand for residential housing in the first half of 2023 has retreated as the Bank of Canada continued raising interest rates. As the cost of borrowing increases, household debt burdens grow larger, inflation remains persistently elevated, and household budgets remain constrained.

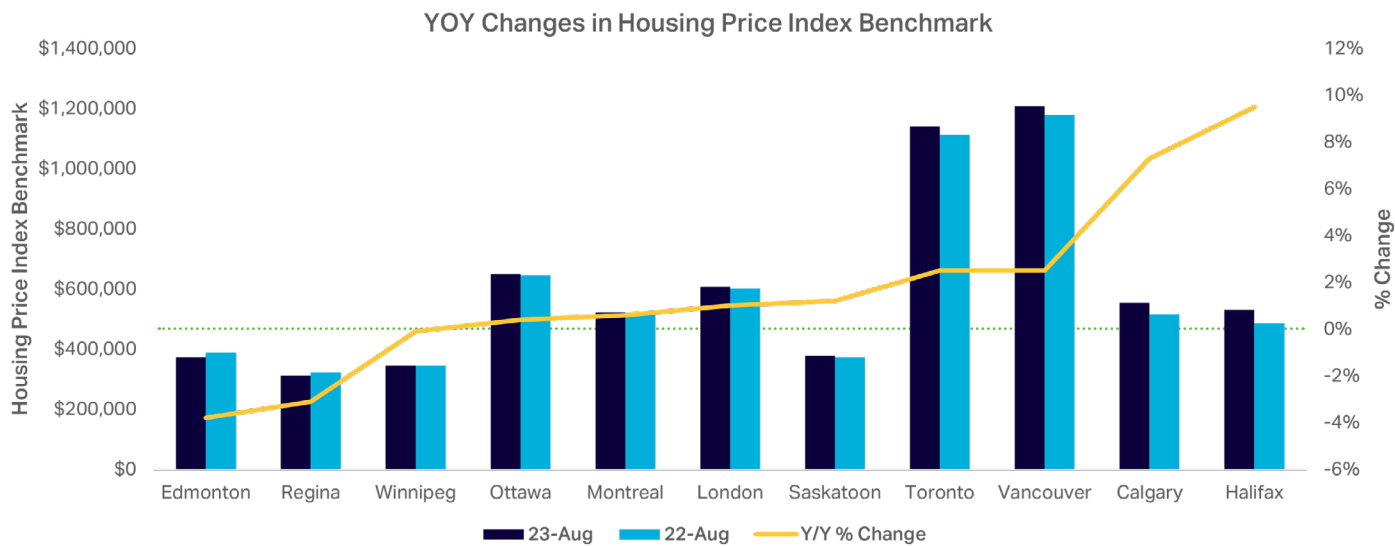
Factors to consider

In contrast, some factors provided support to the housing demand including:

- Increased migration
- The 5.4% decrease in the unemployment rate
- The Regina region's affordability advantage
- An improvement in wages

The impact

Overall, the net effect of the push and pull factors in housing demand suggests that the higher interest rate regime has substantially negated the effects of positive factors, resulting in a decline in housing demand.



Source: Canadian Real Estate Association, Economic Development Regina

News Worth Watching

Regina's rapid housing initiative project

Silver Sage Housing Corporation's new 29-unit permanent supportive housing facility located at the corner of Broad Street and 5th Avenue in Regina is now open and ready for tenants to move in.

Source: [SaskToday](#)

Green bin collection begins in Regina

In hopes of saving space in the landfill and reducing greenhouse gas emissions, the City of Regina officially began collection for its new green bin program as part of its Renewable Regina 2050 plan.

Source: [CTV News](#)

Travel advisory

Canada has updated its travel advisory for India to include warnings about protests and "negative sentiments" towards Canadians in light of a recent breakdown in Canada-India relations. The Indian government has halted all visa services for Canadian citizens.

Source: [CTV News](#)

Sustained growth in renewable diesel activity

The Canola Council of Canada estimates that the U.S. biofuel market could consume up to 6.5 million tonnes of Canadian canola annually by 2030, up from 1.8 million tonnes today. Most of that growth in demand is expected to come from renewable diesel.

Source: [Producer](#)

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