



Q4 2024

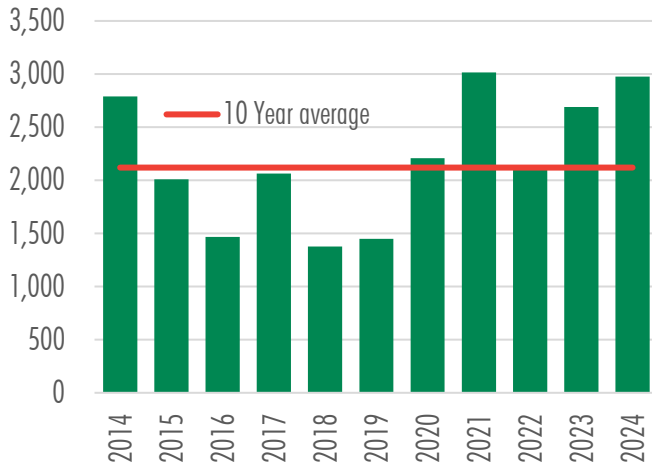
# SASKATOON NEW HOUSING MARKET OUTLOOK

FEBRUARY 2025





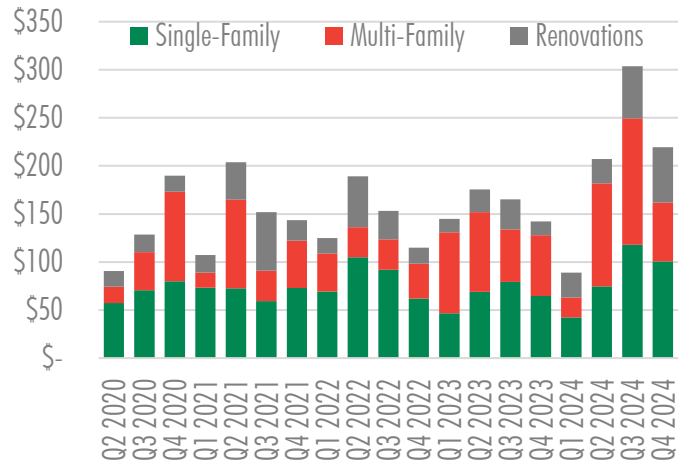
**FIGURE 1: NUMBER OF BUILDING PERMITS** — Excludes Renovations



Source: Saskatoon & Region Home Builders Association

In late 2024, Saskatoon's new housing market saw a surge in activity, driven by increasing buyer interest as declining interest rates made homeownership more accessible. However, this momentum was not enough to push annual sales beyond 2023 levels. A total of 1,109 new homes were sold throughout the year, matching the previous year, with monthly sales consistently falling below the 10-year average. 2024 likely marks the market's bottom, as it is the first year without a decline in sales (excluding 2021's uptick, which was driven by a slump in sales due to quarantine in 2020) since 2013. However, in recent weeks, Canada has experienced unprecedented uncertainty, driven by federal politics, domestic policy debates, and escalating international trade tensions—particularly the potential impact of tariffs. Despite an improving market, builders remained cautious in 2024, with 2,656 new housing starts—just a 0.3% increase from the previous year.

**FIGURE 2: VALUE OF BUILDING PERMITS**  
\$ Millions



Source: Saskatoon & Region Home Builders Association

**FIGURE 3: QUARTERLY NEW HOMES QUICK STATS**



**1,109 New Home sales in 2024**  
0% increase vs 2023



**2,977 Building permits in 2024**  
10.7% increase vs 2023



**3,735 Units under construction in December 2024**  
21.0% increase vs December 2023



**151 Completed and unabsorbed units as of December 2024**  
38.9% decrease vs December 2023

Source: Saskatoon & Region Home Builders Association & Canada Mortgage and Housing Corporation



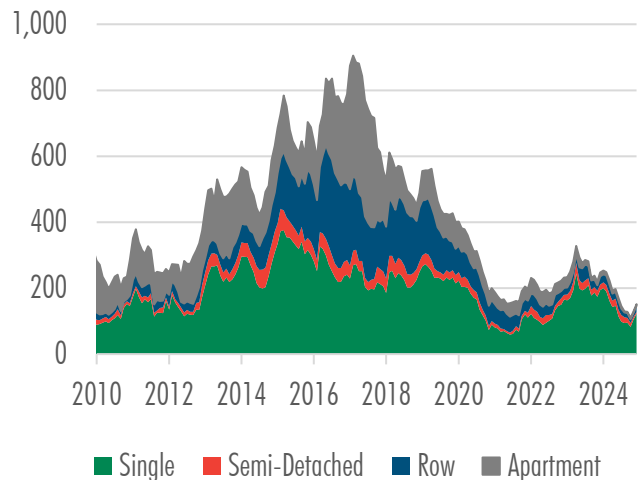


While apartment buildings continued to account for the largest share of housing starts (1,272 units), they experienced a sharp 20.1% decline compared to 2023. In contrast, ground-oriented homes (single-family, semi-detached, duplex, and townhouse), became the dominant segment, with 1,384 starts, a strong 31.0% increase from the previous year. This shift reflects changing consumer preferences, moving from rental-driven demand towards homeownership. Builders also continued to limit supply, with completed but unsold units dropping to 151 as of December 2024, down 38.9% from 2023 and 55.3% below the 20-year average. Regardless, optimism was growing, evidenced by rising homebuilding intentions. In 2024, builders pulled permits for 2,977 new housing units, up 10.7% from 2023.

2024 was the second-strongest year on record for Saskatoon's resale housing market, as strong demand combined with declining new listings led to record-low inventory at various points throughout the year. This persistent supply shortage contributed to upward pressure on prices, with the benchmark price finishing more than 7% higher than in December 2023.

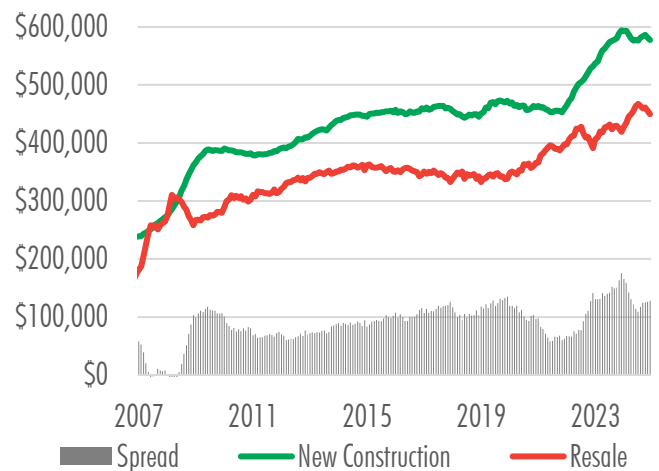
A key challenge for Saskatoon builders has been the price gap between new and resale homes. In December 2023, new homes were 41% more expensive, limiting their competitiveness. However, on a seasonally adjusted basis, the gap has since narrowed to \$128,113, or 27% above resale prices. Historically, a sustained gap below 30% has supported stronger new housing activity. It remains to be seen if the price gap will be maintained. At the onset of 2025, Saskatoon was expected to see a strong housing demand year. However, this outlook has become less certain due to the ongoing trade conflict with the US. Moreover, Builders could face challenges if construction materials become subject to higher tariffs. Additionally, rebuilding from disasters like California's January fires where 16,000 buildings were lost, may strain material supplies, raising costs for Saskatoon builders.

**FIGURE 4: COMPLETED AND UNABSORBED NEW HOUSING UNITS**



Source: Canada Mortgage and Housing Corporation

**FIGURE 5: SPREAD BETWEEN RESALE AND NEW HOUSING**

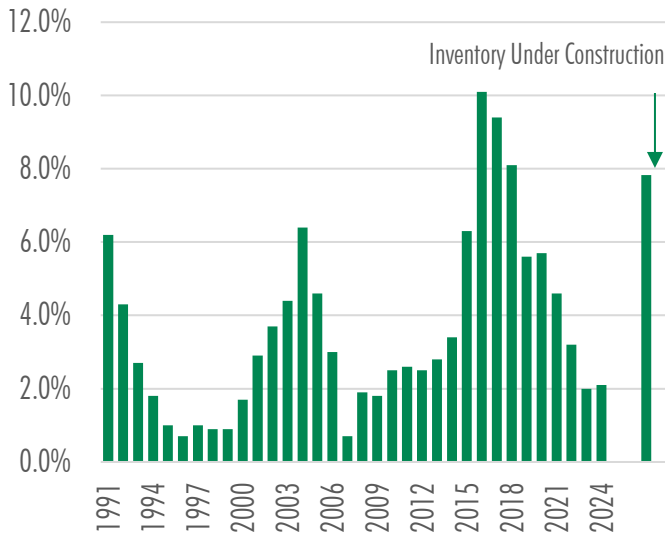


Source: Canada Mortgage and Housing Corporation & Saskatchewan Realtors Association





**FIGURE 6: VACANCY RATE PURPOSE-BUILT RENTAL MARKET**

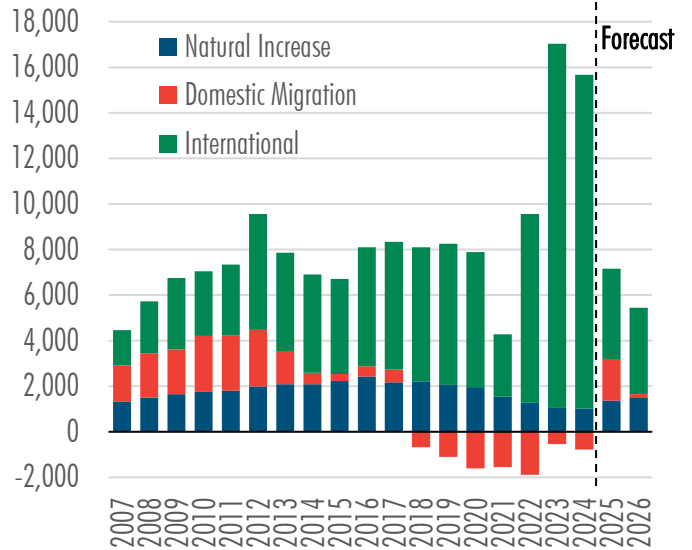


Source: Canada Mortgage and Housing Corporation

The rental market in Saskatoon remains strong, with a vacancy rate of 2.1% as of October 2024—slightly above 2.0% the previous year, but still the second lowest since 2010. Rent growth remained strong in 2024, rising 7.5% after an 8.9% increase in 2023, driven by demand for new construction. However, a key risk is the 2,397 rental units under construction (7.8% of total inventory). Despite record new supply in 2023, vacancies fell due to high immigration. Many new units will be completed in 12 to 36 months, just as population growth, especially among renters, slows.

Between 2022 and 2024, Saskatoon saw an influx of over 38,920 immigrants—equivalent to the total population growth from natural increase (births minus deaths) and domestic migration since 2008. However, population growth is expected to slow significantly due to a sharp decline in non-permanent residents, primarily temporary foreign workers and international students. The Canadian government has

**FIGURE 7: COMPONENTS OF POPULATION CHANGE**



Source: Saskatoon & Region Home Builders Association

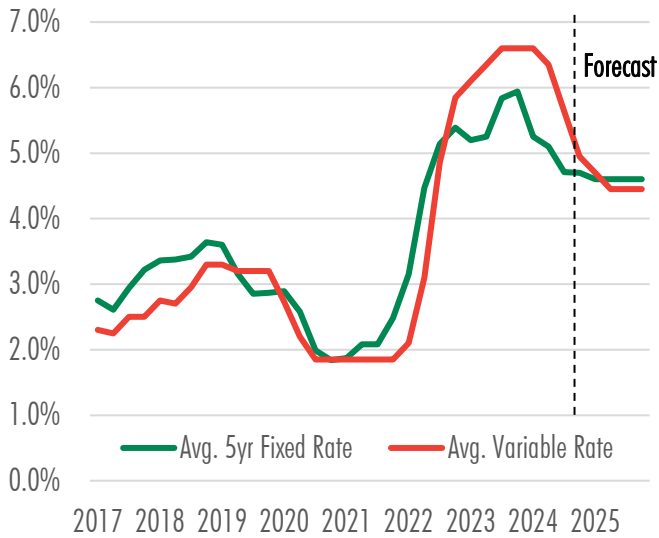
introduced new immigration policies aimed at reducing the number of non-permanent residents over the next 24 months while also lowering targets for new permanent residents in the coming years. While Saskatoon's population growth is expected to slow, it is still projected to outperform the rest of the province.

On February 1, President Trump signed executive orders imposing tariffs on imports from Canada, which were paused the next day for 30 days. This has caused significant economic uncertainty. This may slow activity as businesses and consumers turn cautious, while inflation risks rise, prompting close monitoring from the Bank of Canada. The Bank cut rates to 3% in January 2025, the lowest since September 2022, but future moves depend on U.S. trade policy. Economists remain deeply divided on whether further cuts or hikes are ahead.





**FIGURE 8: MORTGAGE INTEREST RATE FORECAST**

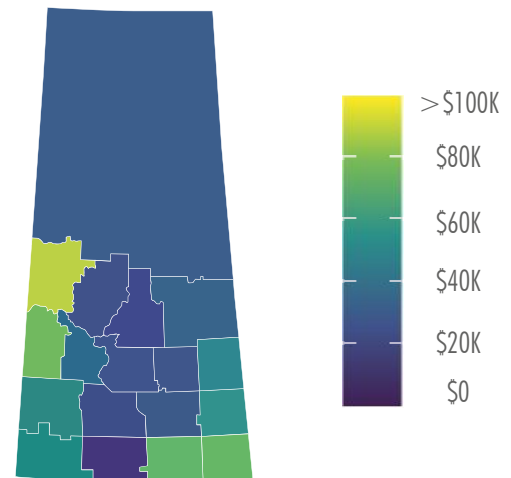


Source: Statistics Canada & BCREA Economics

Heading into 2025, the market's trajectory will largely depend on the outcome of the trade dispute and its broader economic impact. Tariffs remain the biggest risk to the local market. If tariff concerns ease, housing demand is expected to remain strong. However, housing starts may decline, driven by a slowdown in apartment construction with a softer rental market, while single-family home construction is likely to rise.

RBC estimates that sustained tariffs of this magnitude could push Canada into a recession, erasing up to three years of economic growth and reducing GDP by 3.4% to 4.2%. Saskatchewan, with its export-

**FIGURE 9: ESTIMATES OF U.S. EXPORTS PER WORKER**



Source: University of Calgary

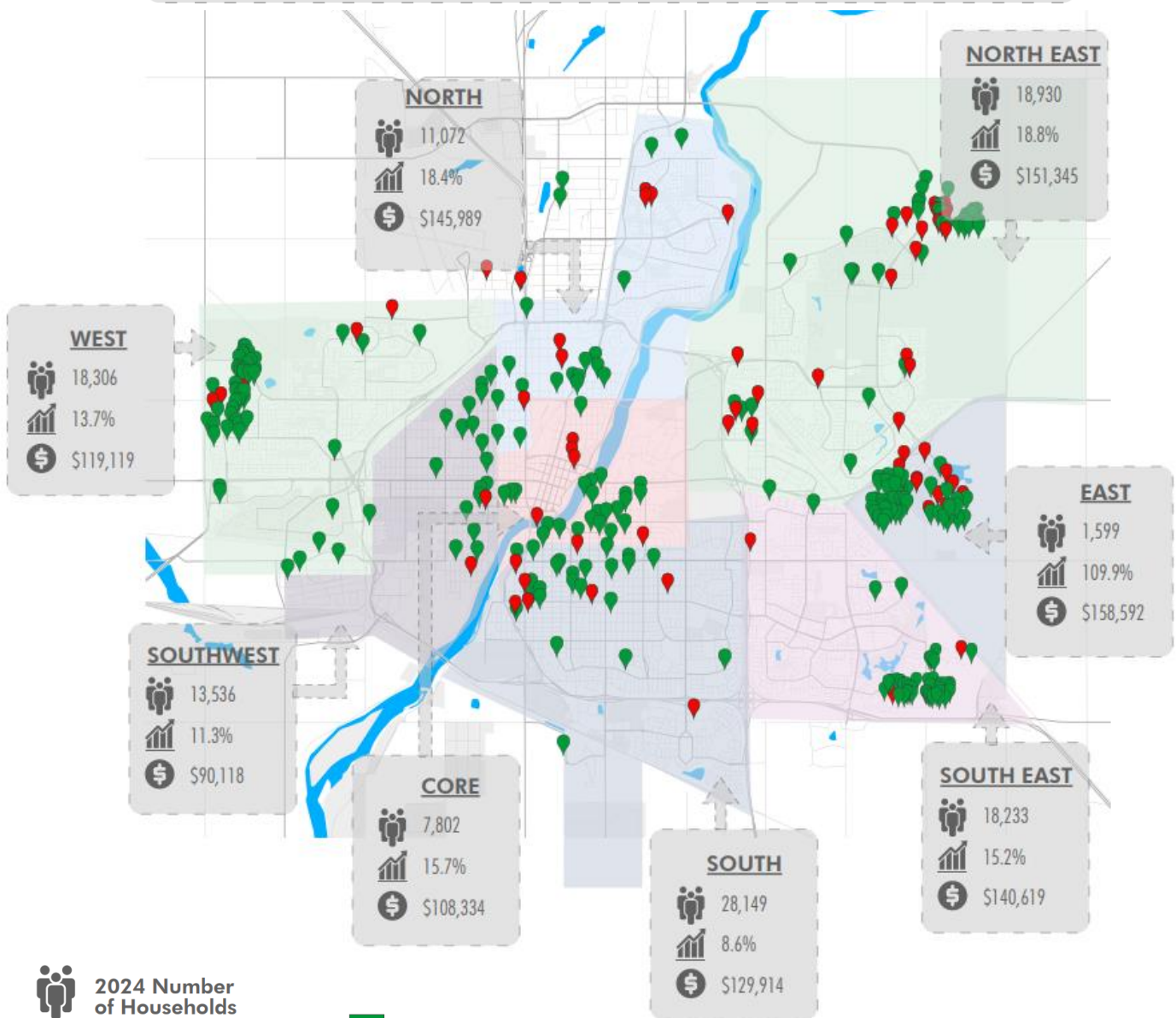
driven economy, is also vulnerable. In 2023, the province exported \$26.9 billion in goods to the U.S., following a record \$29.3 billion in 2022. According to a University of Calgary estimate, 9.9% of all jobs in Saskatchewan are at risk from U.S. tariff sanctions. Despite this, Saskatoon is poised to benefit from a strong investment in the economy throughout 2025. In 2024, Saskatchewan's capital expenditures hit \$19.6 billion, the second highest on record, driven by long-term major projects like the \$5.7 billion Jansen Potash Mine expansion. Several uranium and diamond projects are in feasibility studies, while infrastructure investments like Saskatoon's Central Library and BRT expansion add to the province's strong outlook.





## 2024 BUILDING PERMITS

	MARTENSVILLE	WARMAN	CORMAN PARK	PRINCE ALBERT
	3,936	4,367	2,853	17,609
	16.5%	17.3%	13.3%	3.5%
	\$155,273	\$169,977	\$205,473	\$107,267



- 2024 Number of Households
- 2029 Household Growth
- Average Household Income

- Single-Family
- Multi-Family





## SASKATOON CMA DEMOGRAPHICS

### POPULATION

#### POPULATION



374,852

#### POPULATION GROWTH 2024 - 2029



15.2%

#### POPULATION UNDER 35 YEARS



46.3%

### HOUSING

#### TOTAL HOUSEHOLDS

135,672

2.6 PERSONS PER HOUSEHOLD



#### RENTAL VACANCY RATE

2024

2.1%

#### AVERAGE NEW SINGLE-FAMILY HOME PRICE

\$ 589,289

10.9 % YEAR OVERYEAR

### INCOME

#### AVERAGE HOUSEHOLD INCOME

2024

\$ 133,092



#### HOUSEHOLD INCOME GROWTH

2024 - 2029

17.9%

## SASKATOON CMA ECONOMIC STATISTICS

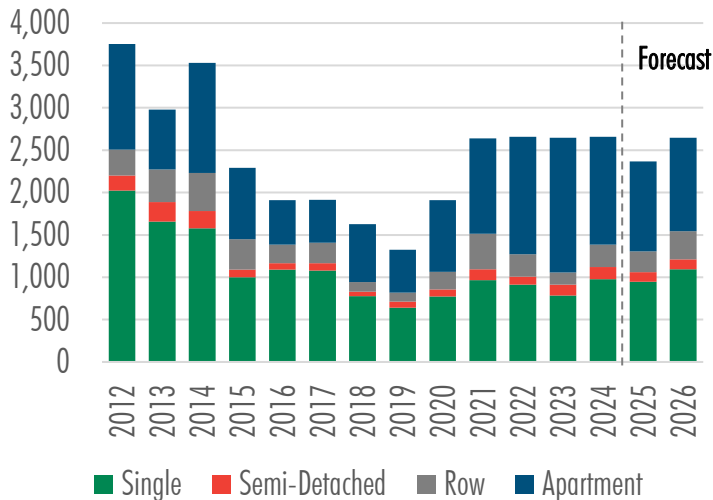
	2024E	2025F	Change	% Change
Real GDP Growth	3.3%	2.1%	-1.2%	-36.8%
GDP Per Capita	\$66,457	\$66,282	-175.0	-0.3%
Employment	204,430.0	206,900.0	2,470.0	1.2%
Unemployment Rate	4.4%	4.7%	0.0	7.6%
Population Saskatoon CMA	374,852	383,814	8,962	2.4%

Source: Conference Board of Canada





## HOUSING START FORECASTS SASKATOON CMA



	2025F
Canadian Bank's Average	2,400
<b>Saskatoon &amp; Region Home Builders Association</b>	
Optimistic	2,500
Realistic	2,300
Pessimistic	2,200

Source: Saskatoon & Region Home Builders Association

Source: Saskatoon & Region Home Builders Association with data from BuildForce Canada

### HISTORICAL AVERAGES

	Starts	Year
5 Year Average	2,502	2020-2024
Highest in last 5 years	2,659	2022
Lowest in last 5 years	1,909	2020

10 Year Average	2,158	2015-2024
Highest in last 10 years	2,659	2022
Lowest in last 10 years	1,323	2019

25 Year Average	2,092	2000-2024
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Source: CMHC Housing Market Information Portal  
And SRHBA Data

### BANKS FORECAST

	Saskatchewan 2025 forecast	Saskatoon*
BMO	4,200	2,100
Scotia	5,500	2,800
RBC	4,700	2,400
TD	4,500	2,300
National Bank	5,000	2,600
Laurentian Bank	3,900	2,000
<b>Bank Average</b>	<b>4,600</b>	<b>2,400</b>

\*Based on the 10-year average housing start distribution throughout Saskatchewan

Source: Economic Outlooks provided by respective Banks

### MLS HOUSING STATISTICS

MLS	2024
Average Days on Market	44
Months of Inventory	2.38
Average Price	\$413,439

Source: Saskatchewan Realtors Association

\*\*\*All data is based on CMHC reporting and not City of Saskatoon Building Permits. Different numbers can often be communicated when discussing housing starts. Canadian Mortgage and Housing Corporations (CMHC) views and data are based on their mix of observations of foundations started after they have reviewed permits issued.



*The Saskatoon & Region Home Builders' Association is invested in bringing insight to public policy decision makers on matters that effect the residential construction industry, while connecting our members with opportunities.*

## CONTACT

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Saskatoon & Region  
**Home Builders'**  
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