



Q1 2025

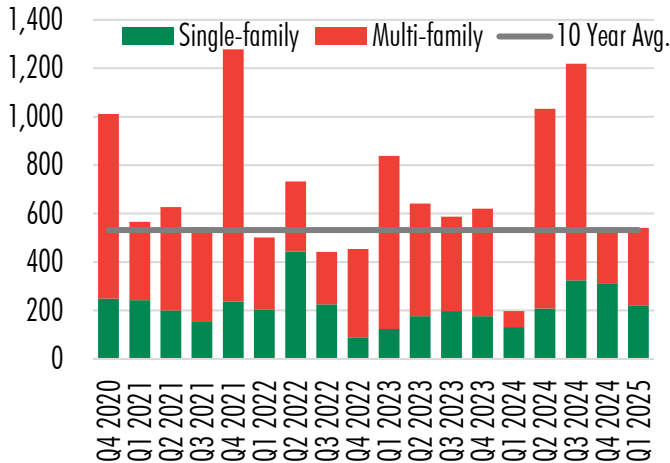
# SASKATOON NEW HOUSING MARKET OUTLOOK

APRIL 2025





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

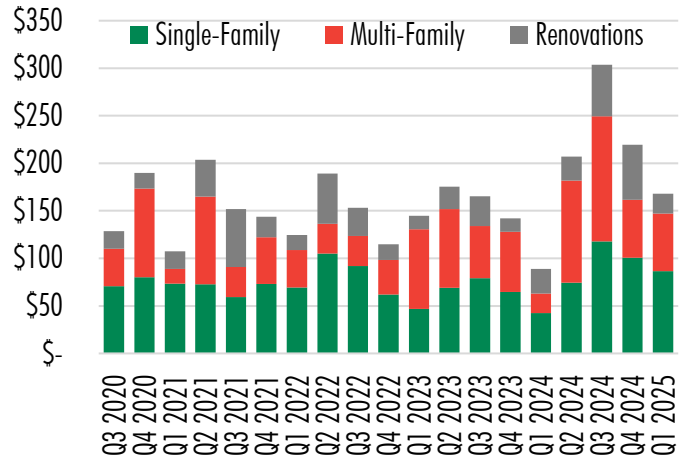


Source: Saskatoon & Region Home Builders Association

Amid external uncertainty, Saskatoon's new housing market entered 2025 with strong momentum. In Q1 2025, there were 289 new home sales, marking a 28.4% increase compared to the same period in 2024. While part of this growth reflects a weak 2024, the solid start to the year suggests a cautious recovery. Residential sales also exceeded the 10-year Q1 average, indicating renewed market strength. Financial markets have corrected sharply amid ongoing trade tensions, with rising concerns that the prolonged conflict could push the Canadian economy into recession. However, these factors have not yet impacted Saskatoon's new housing market.

Tight inventory in the resale market is increasingly pushing buyers toward the new home segment. Relative affordability has also improved, driven by falling mortgage rates and stable prices. The average monthly payment for a new single-family home in Saskatoon, based on an average price and 10% down payment, has dropped to \$2,803.12 — a 17.2% decline from the Q4 2023 peak. These conditions have reignited buyer confidence and driven a rebound in new home sales from the subdued levels of 2024.

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



Source: Saskatoon & Region Home Builders Association

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



**289 New Home sales in Q1 2025**  
28.4% increase vs Q1 2024



**541 Building permits in Q1 2025**  
174.6% increase vs Q1 2024



**3,459 Units under construction in March 2025**  
23.1% increase vs March 2024



**143 Completed and unabsorbed units as of March 2025**  
35.9% decrease vs March 2024

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



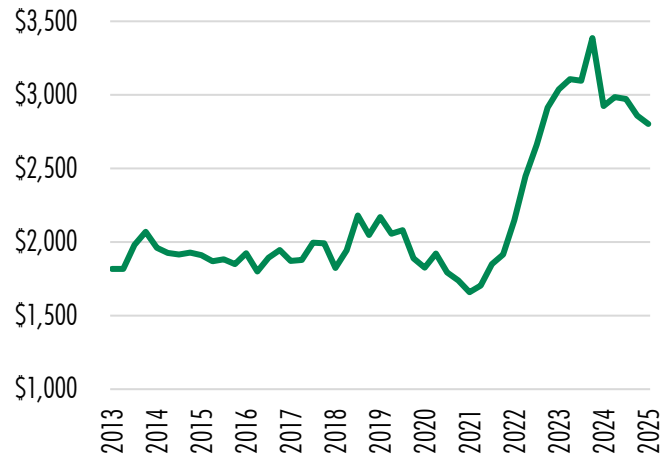


Trump's new tariffs have rattled global financial markets and raised concerns about an economic slowdown. In Canada, attention has shifted from the direct impact of tariffs to concerns about weaker U.S. and global growth affecting the domestic economy. This prompted the Bank of Canada to hold its key interest rate at 2.75% at its April 2025 meeting, following seven consecutive cuts since April 2024. The Bank is balancing the conflicting effects of the trade war on inflation, slower growth easing inflation, but uncertainty, tariffs, and supply disruptions could drive it higher. The Bank also continues to stress that monetary policy cannot resolve trade tensions or fully shield the economy. The Bank has outlined several scenarios, all indicating ongoing economic weakness.

While further interest rate cuts are expected globally to fend off a recession, the Bank of Canada is unlikely to return to the ultra-low rates seen during the pandemic. Additionally, fixed mortgage rates, which are tied to bond yields, have been affected by recent developments. Although 10-year Government of Canada bond yields are lower than a year ago, they have risen recently in response to U.S. tariff news.

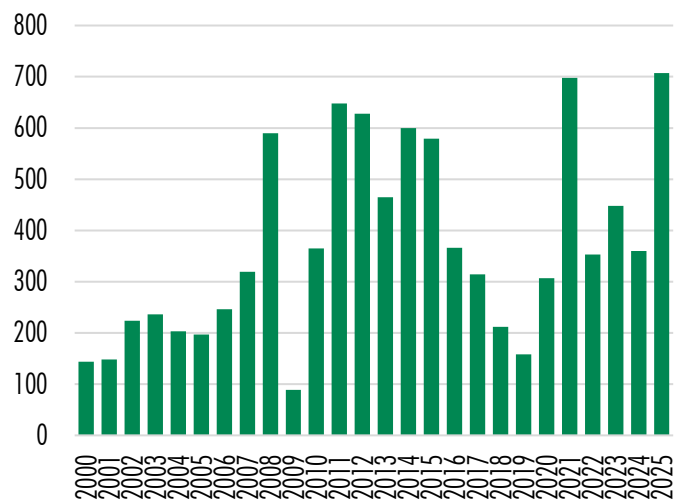
Economic uncertainty hit a record high in March, rising more than sixfold since the U.S. election. Contributing factors include fluctuating U.S. tariffs and concerns about their severity. Domestically, political uncertainty grew following Prime Minister Trudeau's resignation, a leadership race in February, and a tight federal election that saw the Liberal Party remain for a fourth consecutive term. Prolonged uncertainty can dampen the economy as businesses and consumers delay or cancel spending, with lasting effects on investment and growth.

**FIGURE 4: MORTGAGE PAYMENT FOR A NEW SINGLE FAMILY HOME**



Based on a 10% downpayment and a 25-year amortization  
Source: Saskatoon & Region Home Builders Association

**FIGURE 5: HISTORICAL HOUSING STARTS Q1 ONLY**

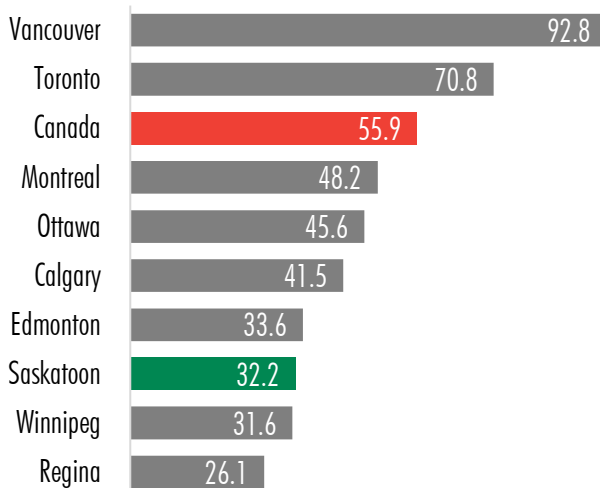


Source: CMHC Housing Information Portal





**FIGURE 6: % OF INCOME NEED TO COVER HOMEOWNERSHIP COSTS**

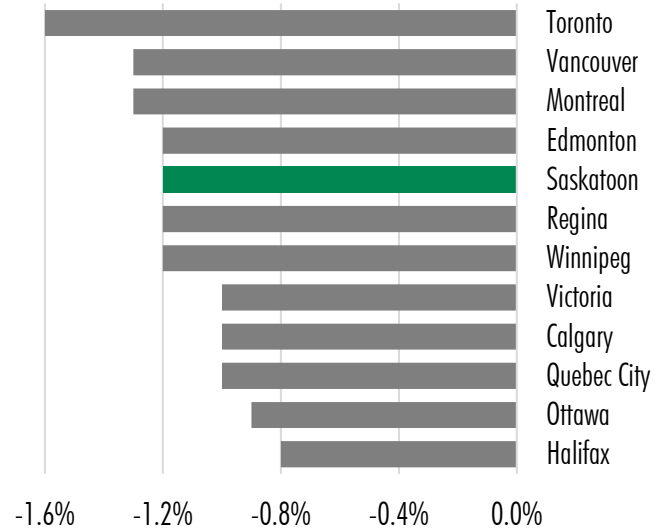


Source: RBC Economics

Despite ongoing market uncertainty, home builders in Saskatoon are showing cautious optimism, supported by a continuing boom in population that continues to drive housing demand. Inventory under construction reached an all-time high in December 2024, and while it has eased slightly since then, it remains near record levels. Reflecting this momentum, housing starts in Q1 2025 reached 707 units, the highest ever recorded, marking a 96.4% increase compared to the same period last year. Builder confidence remains strong, with building permits for 541 new housing units filed in Q1 2025. This represents a 174.6% increase year-over-year and above the 10-year average. Importantly, the market is undergoing a shift in focus. Previously new construction was dominated by rental-oriented projects, whereas supply is now increasingly led by the ownership market, particularly for single-family homes, as Saskatoon continues to offer some of the most affordable housing options in the country.

According to the conference board of Canada, 36% of Saskatoon's economic activity remains reliant on goods-producing industries,

**FIGURE 7: MAJOR CMA TARIFF IMPACT TO GDP IN Q2 2025**



Source: Conference Board of Canada

which are more vulnerable to trade wars. The agriculture, mining, and construction sectors will face challenges from reduced trade, increased input costs, and weaker global demand for resources, and tariffs will hit the city's manufacturing sectors particularly hard. Real GDP is expected to fall 1.2 per cent below baseline for the second quarter and 0.4 per cent for 2025.

Strong fundamentals suggest cautious optimism will persist, but builders are likely to remain measured, avoiding significant supply increases ahead of confirmed demand. They will monitor potential tariffs impacting material costs and supply chains, which could affect construction timelines and pricing. Policy changes under a new Liberal government may shift market dynamics, though it will take months for the impact of federal initiatives to become clear. Economic uncertainty could lead some buyers to adopt a wait-and-see approach, creating pent-up demand. Ultimately, the market's direction will depend on broader economic conditions and the pace of consumer confidence recovery.



*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

**Nicole Burgess**

**Chief Executive Officer**

Ph: (306)955-5188

[ceo@saskatoonhomebuilders.com](mailto:ceo@saskatoonhomebuilders.com)

<https://saskatoonhomebuilders.com/>

Saskatoon & Region  
**Home Builders'**  
Association

