



Q2 2025

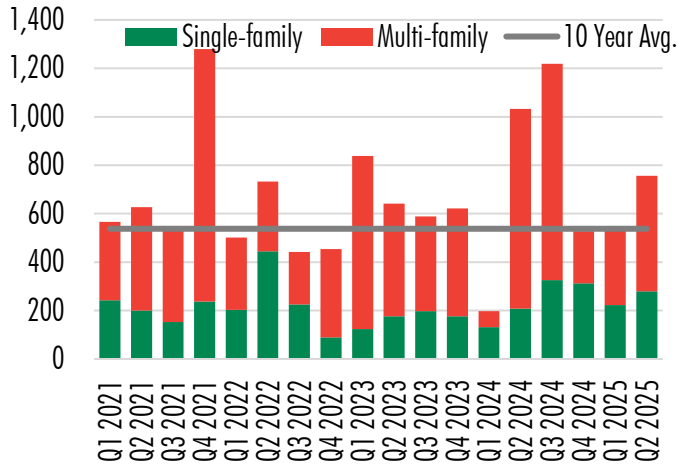
SASKATOON NEW HOUSING MARKET OUTLOOK

AUGUST 2025





FIGURE 1: NUMBER OF BUILDING PERMITS – Excludes Renovations

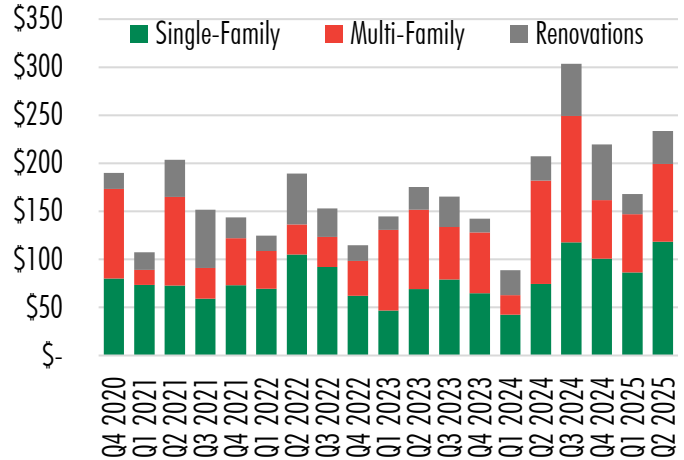


Source: Saskatoon & Region Home Builders Association

The Saskatoon new housing real estate market continued to show signs of resilience in Q2 2025, underpinned by a stable local economy, relative affordability, and increasing buyer confidence. A total of 319 new home sales were recorded, showing a 10.4% year-over-year increase. This growth was primarily driven by the single-family segment, which saw a 37.9% increase in sales compared to Q2 2024. By contrast, sales activity across all multi-family home types declined during the same period. The Saskatoon market has now recorded three consecutive quarters of year-over-year sales growth, though sales in every month aside from March have remained below the 10-year average for each month. While market momentum is improving, sales remain below the pre-pandemic levels.

Saskatoon ranks as the most affordable housing market among Canada's largest cities, with a median price of \$580,000 for a newly built single-family home in Q2 2025. Furthermore, affordability is expected to improve due to recent policy announcements related to PST and GST rebates on new homes.

FIGURE 2: VALUE OF BUILDING PERMITS
\$ Millions



Source: Saskatoon & Region Home Builders Association

FIGURE 3: QUARTERLY NEW HOMES QUICK STATS



319 New Home sales in Q2 2025
10.4% increase vs Q2 2024



757 Building permits in Q2 2025
26.7% decrease vs Q2 2024



3,816 Units under construction in June 2025
33.6% increase vs June 2024



150 Completed and unabsorbed units as of June 2025
12.3% decrease vs June 2024

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





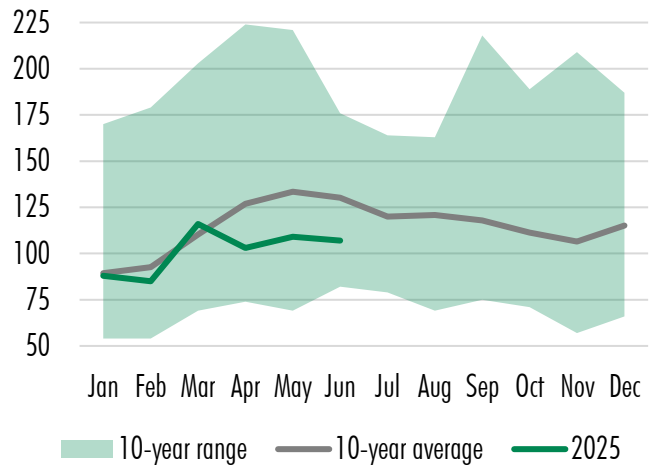
The provincial government has made the PST rebate permanent for all buyers of newly built homes priced under \$550,000, excluding the value of land and appliances. The rebate is gradually reduced for homes priced between \$450,000 and \$550,000. At the federal level, Bill C-4 was introduced on June 5, 2025, proposing a new GST rebate for first-time homebuyers on eligible new homes priced up to \$1 million. Similar to the provincial rebate, the federal rebate would be reduced for homes priced between \$1 million and \$1.5 million. Although the bill has not been passed yet, it's meant to take effect retroactively from May 27, 2025. However, the unclear application process has caused frustration for both builders and buyers as they wait for royal assent.

In the first six months of 2025, builders applied for building permits for 1,298 new housing units, the second-highest total since 2015. However, much of the recent construction activity has been in the purpose-built rental segment, which continues to grow amid favourable financing conditions provided by CMHC. As of June 2025, there were 2,644 rental units under construction, an all-time high for the region. A large percentage of the units currently under construction are located in the northeast area of the city. Notably, the inventory of rental units under construction now represents 14.1% of Saskatoon's total rental stock as of 2024, raising concerns about oversupply given the recent population growth slowdown.

Recent building permit data suggests that developers are becoming cautious about a potential oversupply in the multi-family sector. In Q2 2025, builders applied for permits to construct 757 new residential units, down 26.7% compared to the same quarter last year. The decline was driven largely by a sharp 42.1% year-over-year drop in multi-family permits. In contrast, single-family construction remains relatively strong, supported by steady demand and competitive pricing.

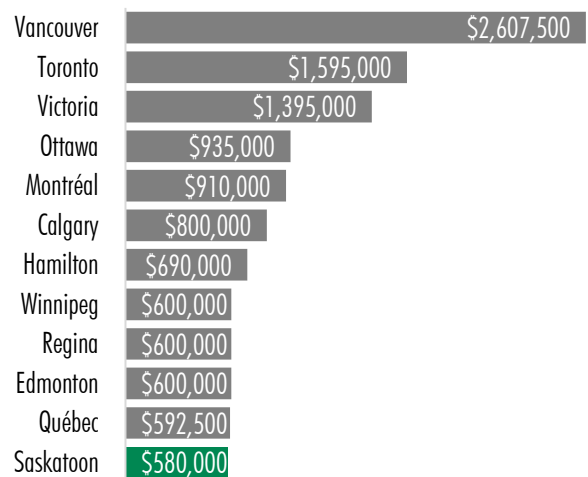
The Bank of Canada held its key interest rate steady at 2.75% during Q2, opting for a wait-and-see approach amid ongoing global uncertainty. While inflation dipped to 1.9% in June, slightly below the Bank's 2% target, the Bank has provided little future guidance. Economists remain divided on the likelihood of future cuts, and mortgage rates are expected to remain stable through the remainder of 2025. Fixed mortgage rates, which move with bond yields, are also anticipated to see minimal movement in the near term, as concerns over public debt and geopolitical instability affect investor confidence.

FIGURE 4: SASKATOON NEW HOME SALES



Source: CMHC Housing Information Portal

FIGURE 5: Q2 2025 MEDIAN PRICE NEW CONSTRUCTION SINGLE-FAMILY HOME

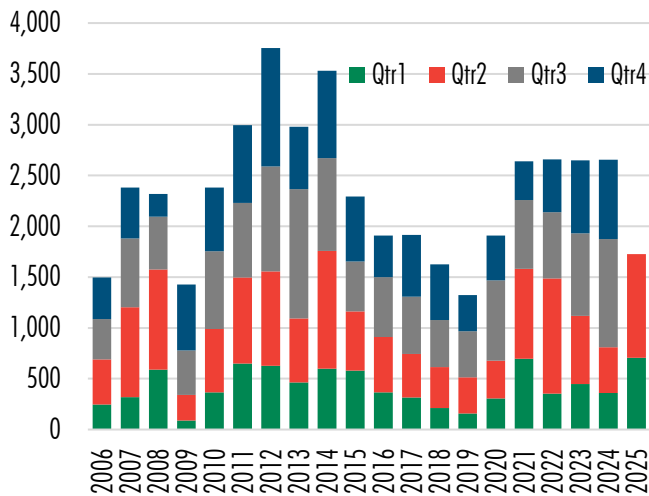


Source: CMHC Housing Information Portal





FIGURE 6: SASKATOON HOUSING STARTS

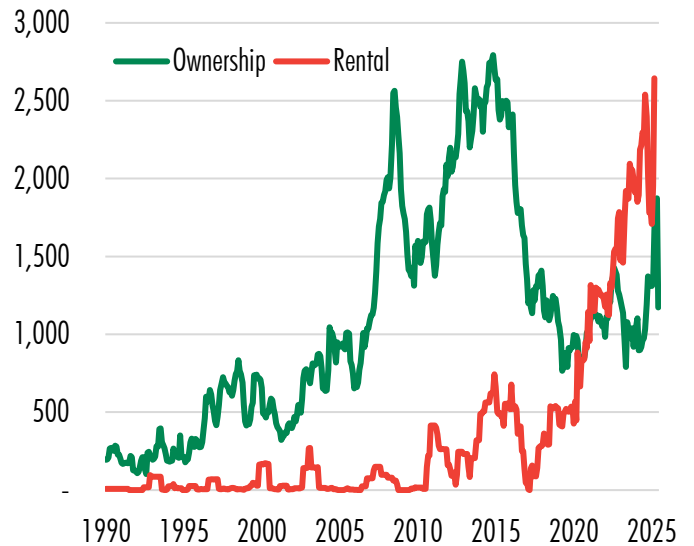


Source: CMHC Housing Information Portal

Despite broader headwinds, Saskatoon’s local economy remains resilient, supported by a solid demand in commodity markets. At the same time, the introduction of Bill C-5 (legislation aimed at fast-tracking major infrastructure and resource projects) has been met with cautious optimism in the region. Resource development, particularly in mining and oil & gas, remains a key pillar of the local economy. The bill may help restore investor confidence after years of regulatory uncertainty.

As of June 2025, Saskatoon recorded the fourth-lowest unemployment rate among Canadian metropolitan areas at 4.6%, down 0.5 percentage points from the previous year. Labour market strength has provided an additional layer of stability to the housing sector. However, demographic shifts could pose challenges in the months ahead. Changes to immigration policy are expected to slow population growth, particularly among international students and temporary workers, groups that often form the core of the rental market. This could lead to a softening in the

FIGURE 7: HOUSING UNDER CONSTRUCTION BY INTENDED USE



Source: CMHC Housing Information Portal

purpose-built rental market, placing downward pressure on rents. This in turn could make homeownership more expensive relative to renting and delay homeownership for some households.

Despite persistent global uncertainty, the Saskatoon housing market enters the second half of 2025 with a sense of cautious optimism. Households appear to have largely adjusted to higher interest rates, and the region’s relative affordability continues to attract buyers, including those relocating from other provinces. Overall, Saskatoon remains well-positioned due to its affordability, economic stability, and growing regional confidence. However, ongoing tracking of rental demand and population trends will be key to assessing short-term supply and demand.



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

<https://saskatoonhomebuilders.com/>

Saskatoon & Region
Home Builders'
Association

