



Q3 2025

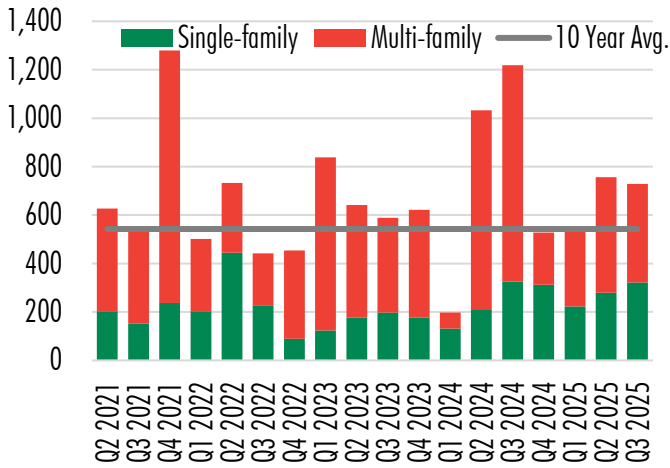
SASKATOON NEW HOUSING MARKET OUTLOOK

OCTOBER 2025





FIGURE 1: NUMBER OF BUILDING PERMITS – Excludes Renovations

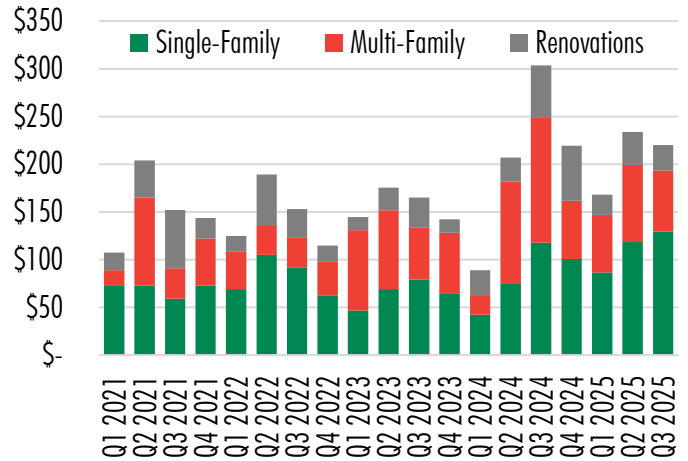


Source: Saskatoon & Region Home Builders Association

The Saskatoon new housing market experienced a setback in sales momentum in the fall of 2025 despite declining interest rates, as uncertainty at home and abroad weighed on buyer confidence. There were 317 housing units sold in Q3, representing an 11.5% decline compared to the same period in 2024. Despite this, year-to-date residential sales remain modestly higher than last year, reflecting the cautious return of buyers who had stepped back amid high borrowing costs and broader economic uncertainty. However, market activity remains well below pre-pandemic norms, and the recovery appears uneven across property types and price segments.

Affordability remains the main factor shaping decisions. However, new home buyers are taking more time to understand what they are purchasing, carefully reviewing builder reputations, specifications, and long-term costs. This heightened diligence reflects a more sophisticated market, where purchasers are less willing to act impulsively. Moreover, some buyers are frustrated by the low supply in the resale market and are gradually turning to new homes despite higher prices. They recognize that new construction better meets their needs with modern layouts, improved energy efficiency, and flexible designs.

FIGURE 2: VALUE OF BUILDING PERMITS
\$ Millions



Source: Saskatoon & Region Home Builders Association

FIGURE 3: QUARTERLY NEW HOMES QUICK STATS



317 New Home sales in Q3 2025
11.5% decrease vs Q3 2024



729 Building permits in Q3 2025
40.2% decrease vs Q3 2024



4,126 Units under construction in September 2025
18.2% increase vs September 2024



169 Completed and unabsorbed units as of September 2025
32.0% increase vs September 2024

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





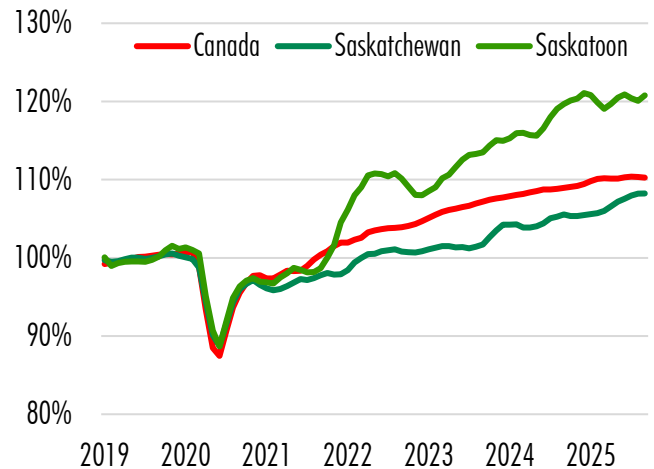
The boost from declining interest rates over the past two years has been limited by uncertainty. More recently, Canada's stalled trade talks with the U.S. are making businesses cautious, which in turn affects household confidence. However, public policy uncertainty also adds hesitation to buyers. For example, the GST relief for first-time buyers announced in May 2025 lacks full details, and buyers are waiting to see how it will be applied. Moreover, homes with secondary suites have seen strong demand, as rental income can help buyers qualify for mortgages. However, uncertainty surrounds the Saskatchewan Secondary Suite Incentive (SSI) program, which offers a grant of up to 35% of construction costs for suites built between April 2023 and March 2026. With the program set to expire, buyers are unsure if the incentive will still be available when they are ready to purchase.

After an extended pause, the Bank of Canada delivered back-to-back 25-basis-point cuts to its policy rate in its September and October 2025 meetings, as most economists had expected. The policy rate is now 2.5%. The move reflects growing slack in the labour market and a second-quarter GDP contraction. The Bank emphasized that it is closely watching incoming data and is ready to adjust policy if projections change. Yet, Canada faces structural challenges that monetary policy alone cannot solve.

This rate-cutting cycle is also unfolding differently than those of the past decade. While the move provides some relief to variable-rate mortgage holders, rising bond yields have pushed fixed mortgage rates upward, signalling that financial markets see limited room for further policy easing. As a result, the housing market is unlikely to experience the kind of stimulus that fueled previous upswings.

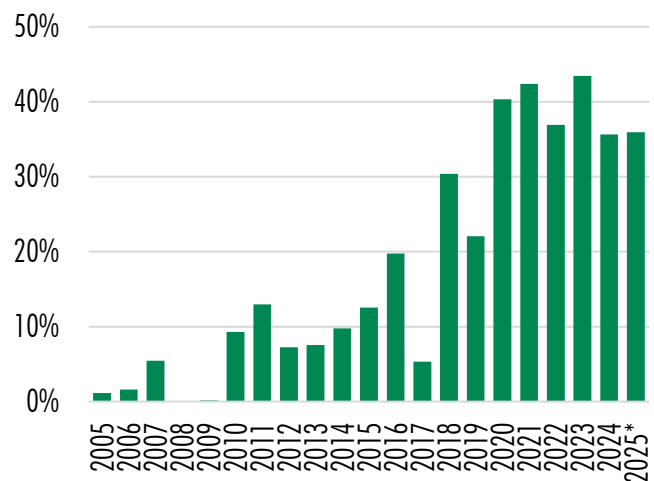
Despite challenges, Saskatoon's economy remains on a relatively solid footing. The region's unemployment rate stood at 5.3% in September 2025, well below the national average of 7%. Between 2019 and September 2025, total employment in Saskatoon rose 20.8%, compared to 10.3% nationally and 8.2% provincially, giving the city the highest job growth among major Canadian metros. Much of this growth comes from stable, well-paying sectors: 64% of jobs are in the public sector (healthcare, education, and government), while 15.9% are in utilities, mining, and oil and gas.

FIGURE 4: TOTAL EMPLOYMENT GROWTH (2019 = 100%)



Source: Statistics Canada

FIGURE 5: RENTAL UNITS AS A SHARE OF HOUSING STARTS



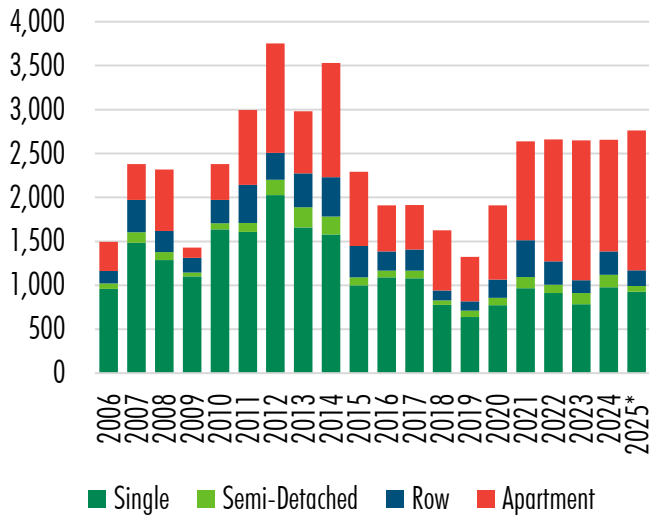
* January to September

Source: CMHC Housing Information Portal





FIGURE 6: SASKATOON HOUSING STARTS



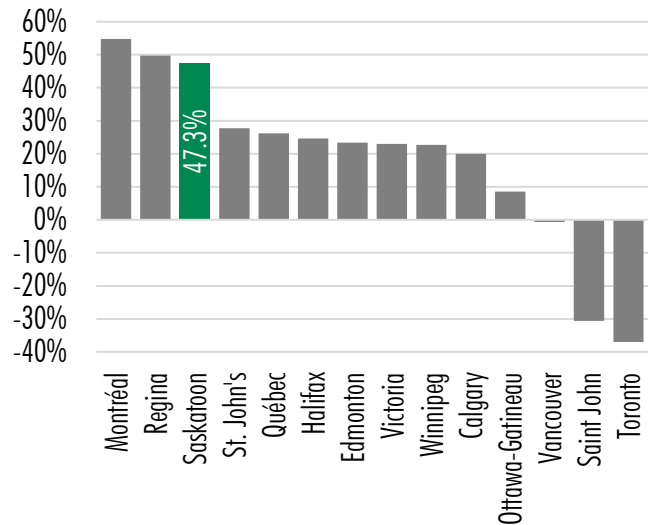
*January to September

Source: CMHC Housing Information Portal

Agricultural products such as canola and peas face pressure from international tariffs, but Saskatchewan’s resource sector, including oil, gas, and potash, continues to see strong demand from the U.S. More recently, the uranium industry is poised to benefit from a new \$80 billion U.S. nuclear energy agreement, highlighting the province’s growing role in global commodity markets.

Builders are feeling cautiously optimistic about the market, given the solid economic outlook. Year-to-date, Saskatoon has seen a strong relative increase in housing starts, ranking third among major Canadian metros, just behind Montreal and Regina. In Q3 2025, there were 1,034 housing starts, a 2.8% decline compared to Q3 2024, driven mainly by fewer multifamily projects. Despite this, single-family starts rose sharply by 32.2%, reaching the highest level since 2014, during the previous market boom. While rental units accounted for 58.4% of total starts in Q3, many of these projects were planned years ago. Year-to-date, rental starts make up 35.9% of total housing starts, slightly below the 2023 peak of 35.7%.

FIGURE 7: YEAR-TO-DATE HOUSING STARTS GROWTH BY CMA



Source: CMHC Housing Information Portal

Despite the growth in single-family construction, builders remain cautious about rapidly increasing supply. The inventory of unabsorbed new homes increased by 32% from September 2024 to September 2025, largely reflecting the low inventory in 2024 rather than a surge in demand.

In September 2025, Build Canada Homes was launched with an initial \$13 billion capitalization to accelerate housing development nationwide. Its effectiveness remains uncertain, and in the short term, it is unlikely to deliver meaningful housing in Saskatoon. No sites in the city have been fast-tracked, and federal land in the region that could be developed by the crown corporation is mostly outside the most desirable neighbourhoods.

Looking ahead, the market is expected to remain cautiously optimistic, though significant uncertainty lies on the horizon. Affordability will continue to be the key driver, and public policy can have a significant impact. Ground-oriented homes are expected to continue dominating construction, as the region remains one of the last in Canada where the dream of owning a single-family home is still attainable.



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.

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