

# HOUSING NOW

## Regina CMA



Canada Mortgage and Housing Corporation

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### New Home Market

#### Housing starts up after nine months

Housing starts in the Regina Census Metropolitan Area (CMA) totalled 440 units from July to September, up nine per cent from 405 units during the third quarter of 2010. To the end of September, area builders started construction of 1,140 units, up 24 per cent from 921 units during

the corresponding period in 2010. Increased production of both single-detached and multiple-family dwellings have accounted for the gains thus far.

#### Single-detached starts increase in the third quarter

Regina's builders started 260 single-detached homes in the third quarter of 2011, up 34 per cent from the 194 units that began construction



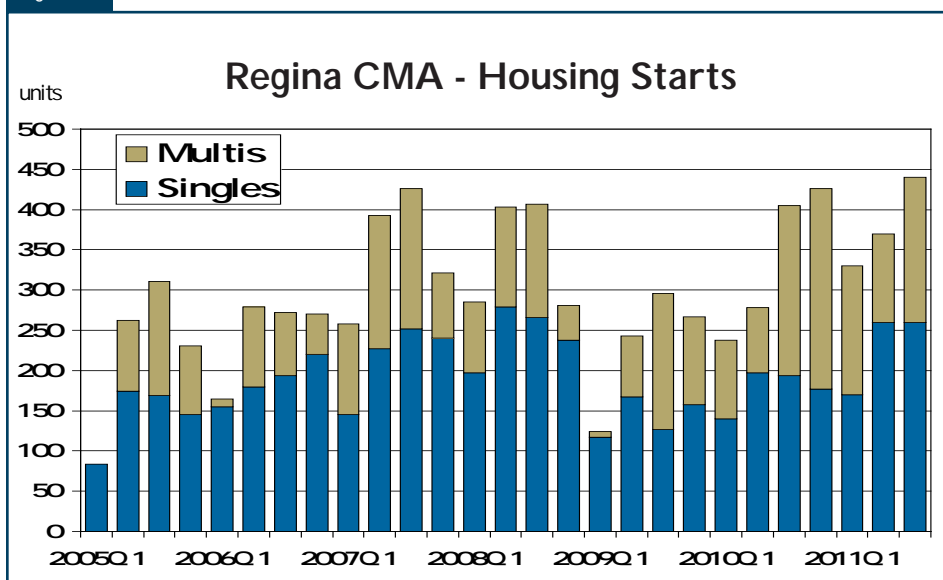
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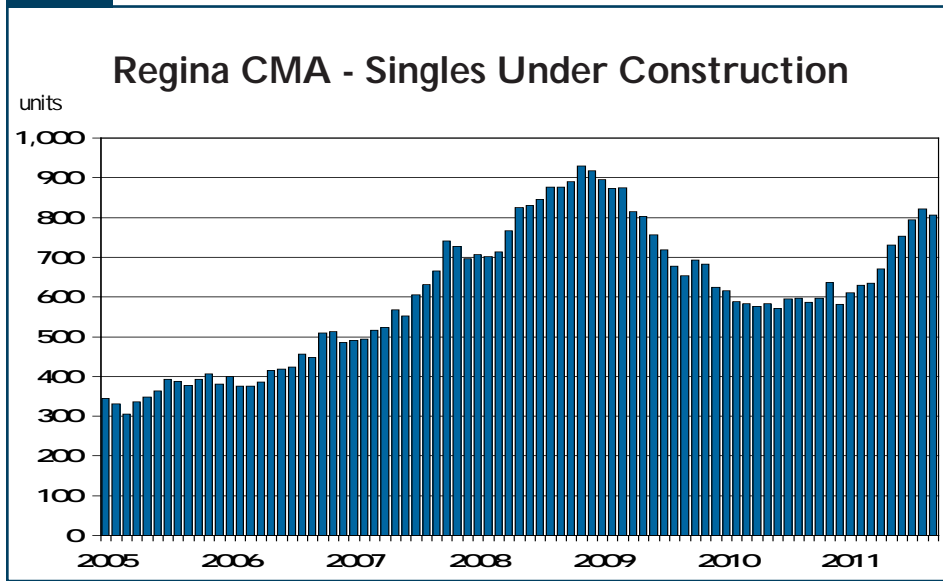
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Figure 1



Source: CMHC

Figure 2



Source: CMHC

during the same period in the prior year. To the end of September, the region's builders started construction of an average 77 units each month, a marked improvement over the 54 units which typically started construction in each month from 2001 to 2010. Driven by this increased pace of activity, single-detached starts after nine months amounted to 690 units, up 30 per cent from a year prior.

Single-detached completions from July to September amounted to 205 units, an increase of 14 per cent over the third quarter of 2010. Despite this uptick, year-to-date completions of 464 units continued to trail last year's elevated pace by 18 per cent. In alignment with the slower pace of completions, single-detached absorptions after nine months amounted to 444 units, down 22 per cent from the prior year. With completions outpacing absorptions by 20 units through September, the inventory of complete and unabsorbed units increased 57 per cent year-over-year to 55 units in September. When added to the 806 single-detached homes under

construction at the end of September, total supply numbered 861 units, 39 per cent more than the total supply in September 2010.

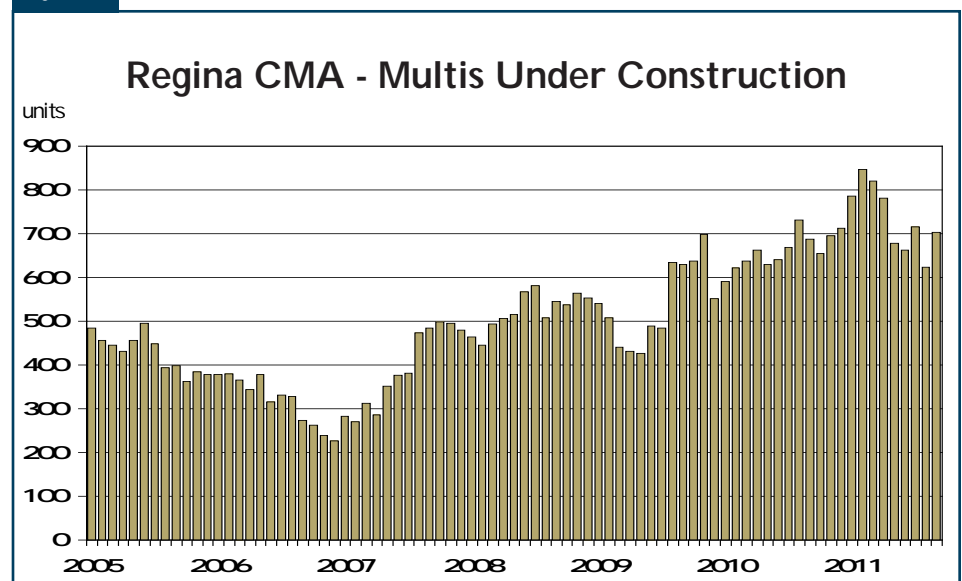
The average price of a new single-detached home absorbed in the Regina CMA during the third quarter was \$448,466, up from \$442,728 a year prior. During the first three quarters of 2011, the proportion

of units being absorbed for over \$450,000 increased to 41.5 per cent compared with 34.7 per cent of units occupied in the first nine months of 2010. Driven in part by this compositional shift, the year-to-date average price rose to \$467,979, nearly eight per cent higher than the corresponding period in 2010.

### Multi-family starts boosted by increased production of rental units

Multi-family starts, which consist of semi-detached units, rows, and apartments, totalled 180 units from July to September, down 15 per cent from 211 units in the third quarter of 2010. After nine months of activity, however, area builders started 450 units, up 15 per cent from the 390 units that broke ground during the first nine months of 2010. This uptick was mainly due to area builders stepping up construction of rental units as the 131 semi-detached, rows, and apartment rental starts tallied during the first three quarters of 2011 accounted for 29 per cent of

Figure 3



Source: CMHC

all multi-family production. To the end of September, multi-family starts accounted for 39 per cent of total new home production, up from an average share of 36 per cent from 2001 to 2010.

Multi-unit completions from July to September amounted to 141 units, down 15 per cent from the third quarter of 2010. After nine months of activity, 461 units were completed, a marked improvement over the 254 completions tallied a year prior. In alignment with the slower pace of completions last quarter, multi-family absorptions in the third quarter decreased by four per cent year-over-year to 156 units. After nine months, however, multi-family absorptions amounted to 488 units, up from 261 units a year prior.

With absorptions outpacing completions through September, multi-family inventory declined 42 per cent year-over-year to 50 units in September. Apartments represented 78 per cent of the unabsorbed inventory, down from 90 per cent at this time last year. When added to the 703 multi-family homes under construction at the end of September, total supply numbered 753 units, three per cent less than the total supply in September 2010.

## Resale Market

### Sales of existing homes surpass 2010 levels

Resale transactions in Regina improved during the third quarter as increased job and wage growth helped boost demand for resale homes. The 1,089 transactions recorded from July to September were up 11.8 per cent from the prior year. A

weak first quarter of sales gave way to progressively stronger activity in subsequent quarters, pulling year-to-date sales ahead of last year's corresponding levels since June. The 3,021 resale transactions tallied to the end of September marked a 5.5 per cent increase from the prior year.

Encouraged by the increased pace of sales, more homeowners listed their homes during the third quarter of 2011. There were 1,712 new listings from July to September, up from 1,565 during the third quarter of 2010. This helped lift new listings through September to 5,244 homes, slightly ahead of last year's corresponding level of 5,219 homes. With sales growth outpacing the growth in new listings, homes sold quickly and the number of active listings decreased in the third quarter.

There was an average of 1,464 homes available for sale at the end of each month, 8.8 per cent lower than the average of 1,605 active listings during the third quarter of 2010. The sales-to-active listings ratio (SALR) averaged 25 per cent during the third quarter of 2011, up from 20 per cent a year prior. Under these conditions, it took 38 days to sell the average home from July through September, one day fewer than in the third quarter of 2010 and indicative of balanced market conditions for Regina.

The third quarter of 2011 saw resale prices continue to rise as a growing proportion of sales occurred at the higher price ranges. The average price for the third quarter was \$275,463, an increase of 6.5 per cent over the third quarter of 2010. After nine months, 14.7 per cent of all resale transactions in Regina have transpired at the \$400,000 or more price range,

up from 11.6 per cent a year prior. Driven in part by this compositional shift, the average resale price came in at \$277,625 from January through September, up 7.7 per cent from the previous year.

## Economy

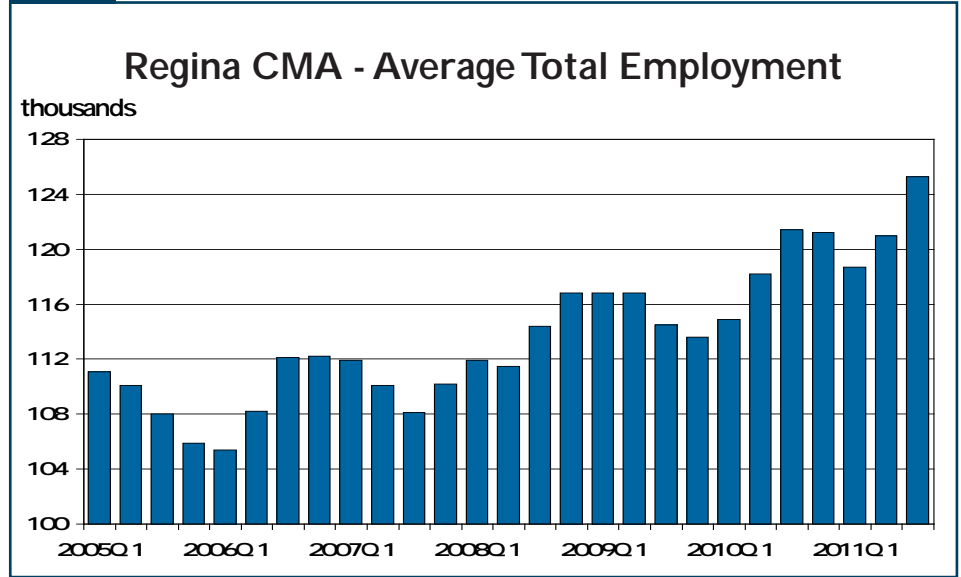
### Employment levels reach record high in third quarter

Building on last year's strong performance, Regina recorded an increase in job creation through September. Seasonally adjusted employment edged upwards from July to September to average 125,300 positions, a record high for the region and an increase of 3.6 per cent from the prior quarter. Payrolls expanded by 3.2 per cent from the prior year, representing the addition of 3,700 jobs, all of which were full-time positions. Given the strong job creation, the labour force recorded an increase in the seasonally adjusted participation rate in the third quarter to 74 per cent, 1.6 percentage points higher than in the second quarter and the highest on record going back to 1991.

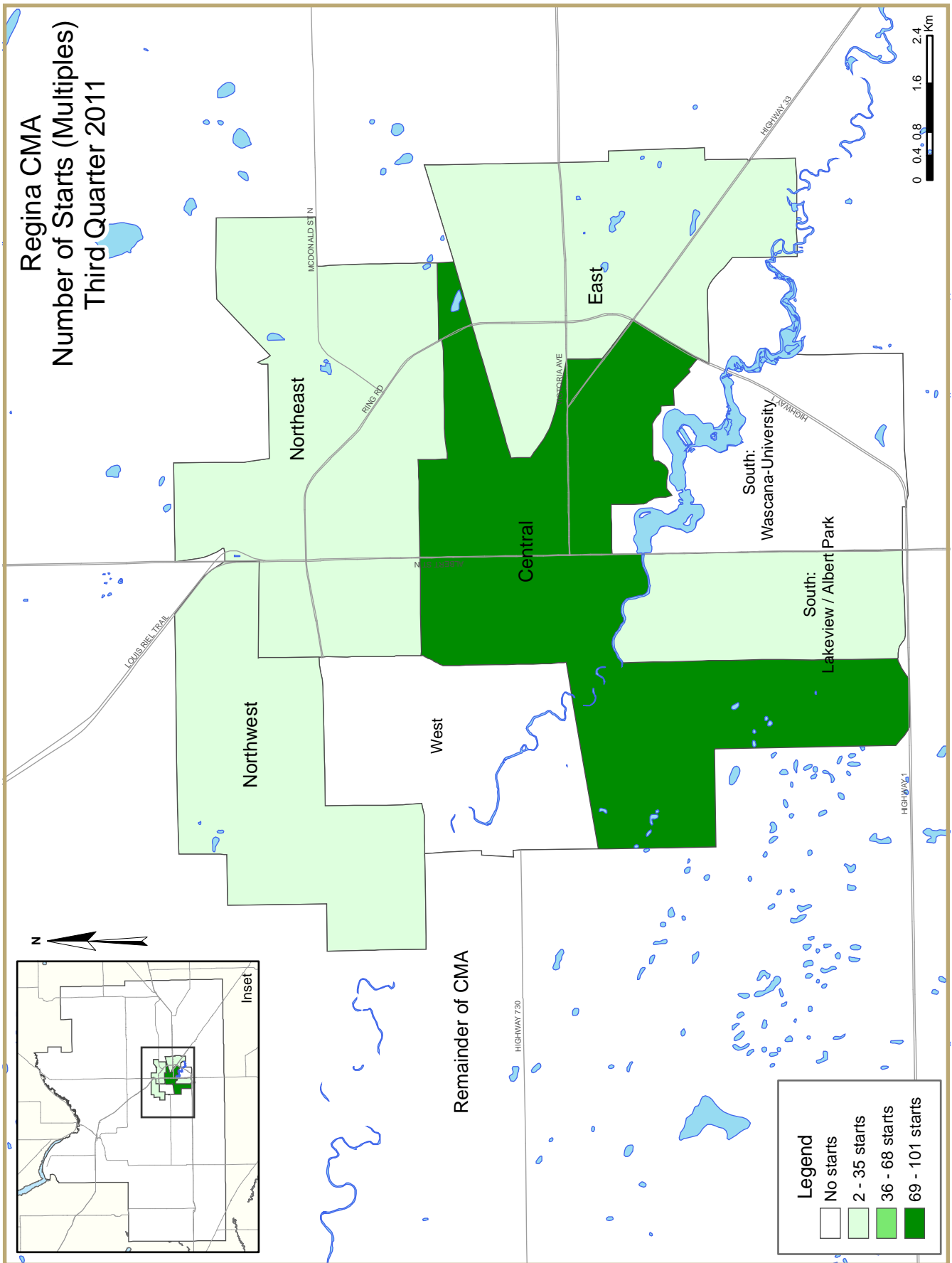
With the pace of job growth surpassing the rate of expansion in the labour force, the seasonally adjusted unemployment rate moderated from 5.2 per cent during the second quarter to 4.4 per cent in the third, maintaining tight labour market conditions which continue to support wage growth. With an average of \$913 to the end of September, Statistics Canada's average weekly earnings for Regina improved by 6.6 per cent year-over-year, helping to maintain strong housing demand.

Promising job figures in the second quarter led to a rise in inter-provincial net-migration in Saskatchewan, however year-to-date levels continue to lag behind 2010. Inter-provincial net-migration amounted to 1,239 persons from April to June this year, more than doubling the 556 net-migrants in the same period last year. Due to losses in the first quarter, however, Saskatchewan gained only 646 net migrants from other provinces and territories in the first six months of the year, down 51 per cent from the year before. Meanwhile, non-permanent residents and international migrants increased year-over-year in the second quarter, rising to 2,681 from 2,344 in 2010. The above inputs pushed up total net-migration in Saskatchewan. In the second quarter, total net-migrants amounted to 3,920, up 35 per cent from 2010 levels. On a year-to-date basis, Saskatchewan gained 4,823 total net-migrants, seven per cent below last year's elevated pace.

Figure 4



Source: Statistics Canada Regina, SA Employment, All Ages (15+), Total, Both sexes





























































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