

Saskatoon Home Prices Continue Steady Decline in Third Quarter

Slowing economic growth, falling demand, and high inventory levels weigh on home prices

SASKATOON, October 16, 2018 – According to the Royal LePage House Price Survey¹ and Market Survey Forecast released today, the aggregate home price in Saskatoon decreased 2.5 per cent year-over-year to \$369,665 in the third quarter of 2018.

When broken out by housing type, the median price of a two-storey home in the region decreased 3.0 per cent year-over-year to \$398,260, while the median price of a bungalow decreased 1.7 per cent year-over-year to \$337,057.

“Saskatoon’s housing market peaked in 2014, and we’ve seen a pretty consistent slowdown in the quarters since,” said Matt Miller, broker and owner, Royal LePage Saskatoon Real Estate. “It’s a buyer’s market. Slumping commodity prices have hurt the economy, and when you combine that with the new mortgage stress test rules and rising interest rates, we’ve seen less demand and higher levels of inventory.”

Miller added that the affordability in the region is helping young homebuyers in Saskatoon, stating that healthy inventory levels mean first-time buyers are able to find detached homes in desirable neighbourhoods.

Over the next three months, Saskatoon’s sales activity and prices are expected to slow as the market enters its slower winter season, before picking back up in the spring.

Nationally, year-over-year home prices made modest gains in many regions across Canada in the third quarter of 2018. The Royal LePage National House Price Composite², compiled from proprietary property data in 63 of the nation’s largest real estate markets, showed that the price of a home in Canada increased 2.2 per cent year-over-year to \$625,499 in the third quarter. When broken out by housing type, the median price of a two-storey home rose 1.4 per cent year-over-year to \$736,337, while the median price of a bungalow climbed 1.5 per cent to \$519,886. Condominiums continued to see the highest rate of appreciation nationally when compared to the detached segment, rising 6.7 per cent year-over-year to \$441,240.

Looking ahead, Royal LePage is projecting a further uptick in home price appreciation in the fourth quarter, forecasting a 1.5 per cent increase in the aggregate price of a home in Canada over the next three months.

“Positive economic fundamentals, supported by a new agreement on trade, should bolster consumer confidence across Canada and stoke demand in the nation’s real estate market,” said Phil Soper, president and CEO, Royal LePage. “Dangerously overheated regions have cooled

¹ Aggregate prices are calculated using a weighted average of the median values of all housing types collected. Data is provided by RPS Real Property Solutions.

² Beginning in the first quarter of 2018, seven real estate markets were added to the Royal LePage National House Price Composite. The new regions are smaller markets in Ontario, Alberta, Quebec and British Columbia. Due to the relative size of the markets, any change to the Royal LePage National House Price Composite is expected to be within 0.15 per cent.

considerably this year, while home prices have remained remarkably resilient. This is the soft landing that policy makers were hoping for.”

About the Royal LePage House Price Survey

The Royal LePage House Price Survey provides information on the three most common types of housing in Canada, in 63 of the nation’s largest real estate markets. Housing values in the House Price Survey are based on the Royal LePage National House Price Composite, produced quarterly through the use of company data in addition to data and analytics from its sister company, RPS Real Property Solutions, the trusted source for residential real estate intelligence and analytics in Canada. Commentary on housing and forecast values are provided by Royal LePage residential real estate experts, based on their opinions and market knowledge.

About Royal LePage

Serving Canadians since 1913, Royal LePage is the country’s leading provider of services to real estate brokerages, with a network of close to 18,000 real estate professionals in more than 600 locations nationwide. Royal LePage is the only Canadian real estate company to have its own charitable foundation, the Royal LePage Shelter Foundation, dedicated to supporting women’s and children’s shelters and educational programs aimed at ending domestic violence. Royal LePage is a Brookfield Real Estate Services Inc. company, a TSX-listed corporation trading under the symbol TSX:BRE.

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