



July 19, 2021

## 2nd Quarter New Housing Starts

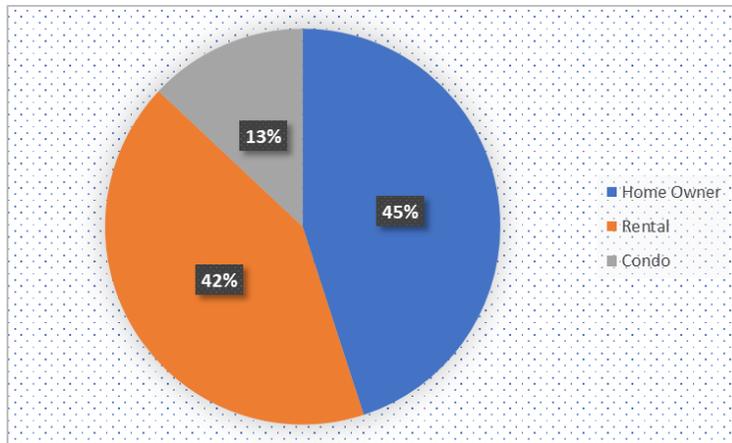
[CMHC](#) has reported 453 New Housing Starts in the Regina CMA for the first six months of 2021. This up 50.4% from the 301 new housing starts at this point last year.

Type	June 2021	YTD 2021
Single Detached	49	180
Semi Attached	6	28
Town House	13	46
Planned Group/Apartment	19	199
Duplex	0	0
<b>Total</b>	<b>87</b>	<b>453</b>

The 453 YTD new home starts are 24% below the 5-year average and 49% below the 10-year average.

Comparing June 2021 to June 2020, the average absorbed single-detached unit prices increased 19.8% to \$633,561. This is 75% of the national average of \$851,788.

### Housing starts by Market Type



The latest vacancy rate for the primary rental market is 7.5% (Oct 2020), which is the highest vacancy rate of any major City in Canada.

It could be speculated the for-purpose -rental market has grown exponentially in recent years due to increased federal and municipal programs focused on this area of the market, mixed with the increased mortgage requirements directed by the Government of Canada.

In Saskatchewan, the Provincial Governments has had a focus on homeownership and improving the provinces housing stock with the [PST Rebate for New Home Construction](#) , [First-Time Homebuyers Tax Credit](#) and the Home [Renovation Tax Credit](#).

### In Saskatchewan

According to CMHC's data, the 2074 housing starts in Saskatchewan are double the 1026 starts January to June of 2020. 76.1% of new housing starts this year are a result of the 1,580 starts in Saskatoon (up 901 from 2021).

As reported by the RRHBA earlier:

The City of Regina issued 328 New Home Building Permits in the first half of 2021. This is a decrease of 34 unit (9.4%) compared to the same period in 2020. What continues to be influx in 2021 is make up of new housing types.

Type	2020	2021
Single Detached	63	138
Semi Attached	90	72
Town House	156	38
Planned Group/Apartment	53	80
Duplex	0	0
Total	362	328

New Home permits continue below the 5 year (596 units) and 10-year averages (885 units). The first half of 2021 appears to be trending below the RRHBA forecast of 875 unit to 1050 starts in 2021. The value of New Home Building Permits reached \$52,422,759 year to date.

While many markets in Canada have seen a new home building boom throughout the pandemic, Regina has been much more muted. This may be partially explained by significant quantity of available resale homes in the market prior to the pandemic which seemed to absorb much of the demand.

A recent review of resale homes purchases in Regina revealed over 3,000 purchases in 2020. Approximately 79% were single detached, 13% attached and 8% apartment units. The ratio of unsold homes relative to the total housing stock has dramatically declined, dipping below .5%. This maybe signaling a change from a balanced housing market to an under supply on. As the Saskatchewan and Regina economy begins to open and grow, one could anticipate new housing demand will increase.

City of Regina issued 524 **Renovation Permits** for a value of \$11.7M. This is an increase of 125 (31.3%) permits and \$4.2 (55.9%). Basement development has led the renovation category with 135 permits issued, followed by 112 decks, 92 alterations and 85 new garages (detached).

**Note:** CMHC and City of Regina Building Permits housing units reported can differ when discussing housing starts. Canadian Mortgage and Housing Corporations (CMHC) views and data are based on their mix of observations of foundations started after a reviewed of permits issued.

The City of Regina Building Standards Branch provides data on how many building permits were issued. Often, both numbers can be referred to by different organization as the 'amount of housing starts'.

CMHC and the City of Regina numbers are accurate, but they are counting different things.

-30-

**For More Information contact:**

Stu Niebergall, President & CEO

[s.niebergall@reginahomebuilders.com](mailto:s.niebergall@reginahomebuilders.com) or 306-546-5221