

SASKATCHEWAN REAL ESTATE MARKETS REBOUNDED AS PROVINCE RE-OPENS: strong recovery expected

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For immediate release

Across the province, year-over-year sales were down nearly 14% from May of last year (nearly 13% year-to-date), new listings were down almost 20% (both year-over-year and year-to-date), and the median sale price was down 5.7% (down 2.2% year-to-date). Despite this negative performance, however, considering a pandemic that has led to a global recession, Saskatchewan's real estate market is performing quite well and will likely get better as the province continues to re-open.

New listings and sales closely tracked last year's numbers until the province declared a state of emergency in mid-March. Based on previous epidemics and the restrictions put in place to limit the spread of the outbreak, "we expected transactions to fall dramatically in April," said SRA CEO Jason Yochim. "But we also expect transactions to return to normal levels once restrictions are lifted", and we see that happening with new listings and sales up significantly from where they were this April.

And while sales prices have fallen (also consistent with evidence from previous pandemics), part of this decline is related to the higher levels of inventory due to reduced sales which, combined with weaker demand due to COVID restrictions, puts downward pressure on prices. As pent-up demand subsides and people begin to buy again, we should expect to see prices begin to return to normal as well.

Saskatchewan's market strength calls into question CMHC's recent projections about the province's real estate market, and CMHC's *Housing Market Outlook* ignores the local nature of real estate. For instance, Saskatoon and Regina account for over 50% of the sales in the province, and these two markets alone can have a significant impact on the province's overall performance. In addition, even at the height of the province's state of emergency, year-to-date (YTD) sales in North Battleford, Estevan, and Yorkton were up more than 10% from last year, and YTD prices in a number of markets were also up.

"I hear more frequently that our members are receiving multiple offers". So while the real estate sector in the province has been hit by COVID and continues to feel its effects, the outlook isn't nearly as grim as some are making it out to be, and we're already starting to see signs of recovery going into summer. "As the province continues to open up and our members take action to protect public safety," says Yochim, "I expect markets to make a strong recovery."

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