



## RECORD HIGH SALES IN 2021 FOR SASKATCHEWAN

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**For immediate release:**

Saskatchewan set a housing sales record with 17,387 sales in 2021, a new high which surpassed the previous record in 2007 by 17 per cent. While the pandemic has triggered vast disruptions and challenges for some sectors of the economy, housing boomed.

“Improved savings from those not financially impacted by COVID-19, combined with low lending rates has supported the strong sales environment we saw throughout 2021. For Saskatchewan, this shift was welcome news as the economic landscape pre-pandemic caused challenges in the housing market,” said SRA CEO Chris Guerette.

While new listings did improve this year, inventory levels still trended down throughout most of the year. 2021 inventory levels in the province were 16 per cent below long-term trends, a significant shift from a few years ago where supply levels hit record highs.

Reductions in inventory and strong demand ensured the market favored the seller throughout most of the year. This resulted in an annual benchmark price gain of over seven per cent. While the price gains were significant, it was not enough to erase the losses recorded throughout 2015- 2019 and prices remain three per cent below the 2014 high.

There is also significant variation depending on property type and location. In Saskatchewan, single family home prices are only one per cent below previous highs, whereas condominium properties remain 17 per cent below the 2014 high.

“Housing is an important component to the overall economy and the availability of affordable ownership options can help attract people to a city. Creating a robust system of affordability metrics that considers supply, average salaries and housing prices is something policy makers should be incorporating into their analysis,” said Guerette.

Despite recent economic uncertainty caused by the Omicron variant, inflationary pressure is expected to persist, and lending rates are expected to rise. This will weigh on housing sales in 2022. However, we are entering the New Year with low levels of inventory indicating it will take some time for the market to shift toward more balanced conditions.

With tight conditions expected to persist throughout the earlier part of the year, we could continue to see some price growth in 2022 albeit at a much slower pace than was experienced in 2021.

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## *Regional Highlights*

Every region except the Southeast Region hit a record level of sales in 2021. However, all areas did record substantial gains in sales this year and were all well above long term averages for their region. All regions also recorded easing supply levels and tightening months of supply, causing many regions to shift from conditions that favoured the buyer to on that favoured the seller. Tightening supply demand balances helped support price gains across most region in the province with the largest price gains occurring in the Melfort and Yorkton region this year.

### *Price Trends*

Estevan remains the only larger areas in Saskatchewan to continue to see price declines this year. However, tightening conditions in that market did start to help support some upward price momentum causing the pace of price decline to ease. Prices did improve in every other region ranging from an annual gain of 13 per cent in Warman to the lowest price gain of three per cent in Weyburn. While prices improved across most areas, full recovery has not occurred across all areas. New record prices occurred in Saskatoon, Martensville, Warman, Humboldt, Melfort, North Battleford and Meadow Lake.

### *City of Saskatoon*

With 5,403 sales in 2021, Saskatoon not only reached record highs but was 19 per cent higher than the previous record set in 2014. While new listings also improved this year it was not enough to prevent inventory levels from declining. On average inventory levels in Saskatoon this year were 19 per cent lower than the 10-year average.

Strong sales and falling supply levels caused the months of supply to average under three months this year. It has not been that low on an annual basis since 2006. The tighter market conditions help support the significant price gains recorded this year. While the pace of growth has slowed from earlier in the year on an annual basis prices improved by over eight per cent. Thanks to gains in the single-family market prices have recovered from the highs set back in 2014. However, this is not the case in the condominium market where prices remain well below previous highs.

### *City of Regina*

Regina also reported record high sales in 2021. However, Regina inventory levels have not declined as much as in Saskatoon. Inventory levels in 2021 declined by four percent on average, but levels remain consistent with long term trends. This in part is due to the significant gain in new listings in the market.

While this market did not necessarily see the same supply challenges as Saskatoon, conditions were still far tighter than anything seen since 2013. The tight conditions did support price growth this year. On an annual basis residential prices improved by six per cent. The gains over the past two years were not enough to offset the losses recorded in earlier years and prices remain below the 2013 annual high.