

Corman Park housing construction slows: report

BY TRICIA HRYCAN, FOR THE STARPHOENIX DECEMBER 16, 2009

The housing boom has been extinguished, at least for now, in the area around Saskatoon.

The Rural Municipality of Corman Park's year-end development summary shows new housing starts slowed in the RM in 2009.

The report shows the total value of construction on multi-parcel housing was more than \$11.2 million in 2007, \$7 million in 2008 and \$2.6 million in 2009.

The total value of construction on single-parcel housing was \$10.3 million in 2007, \$14.8 million in 2008 and \$8 million in 2009.

Paul Caton, senior market analyst for Canada Mortgage and Housing Corp., says he expected the total value of construction to drastically drop.

"I'm not surprised that any manufacturer would cut production in their efforts to reduce inventory."

Multi-parcel housing includes duplexes, semi-detached units, fourplexes, apartments and row housing.

Single-parcel housing is commonly referred to as a "single-detached" unit.

Caton says 2007 and 2008 were historically high years for home construction.

"The housing starts we're seeing this year, although significantly down from 2007 and 2008, is not far off from what we saw pre-2007."

Glen Grismer, director of planning for Corman Park, says the drop has been caused by a dip in housing sales.

"There just weren't many of them. As the numbers dropped off, so, too, of course, is . . . the value of permits that were issued.

"We did have very exceptionally high housing starts the previous couple of years so it's not surprising, given the economic difficulties of the past year, that they've dropped off fairly significantly."

The development summary says residential renovations and additions have seen a dramatic increase in 2009 from 2008.

"Obviously, people are deciding to stay rather than move to new homes and they're instead looking to

make improvements to the ones they have. Secondly, there were government programs that assisted renovations," Grismer said.

Caton says what the province has seen in 2009 is a normal reaction to a home construction boom.

"We did have a surge in activity all over Canada in 2007 and 2008, but truly those years were outstanding and remarkable for Saskatchewan."

Caton says the next two years should see a more robust housing market than that of 2009.

"Our forecast that we'll be publishing soon will indicate that we will see an increase in housing production in 2010 and 2011 in Saskatchewan, over and above what we saw in 2009."

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