

Connecting Voices. Building Business

Find us on Facebook
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Calendar of Events:



The Power Hour – A Chat with our Elected Leaders
 Friday, March 8th, 2024
 11:45 a.m. to 1:15 p.m.
 Location: Western Development Museum
 North Battleford, SK.
 Sponsored by:
 HRO Chartered Professional Accountants

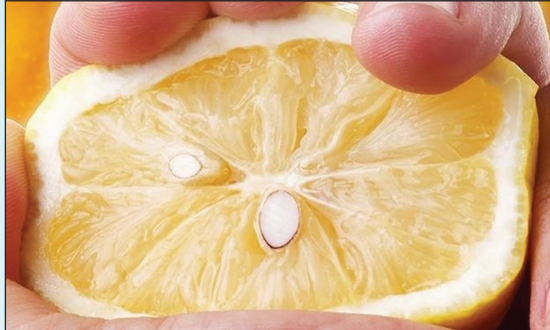


Getting Squeezed: The Impact of Rising Prices for Housing and Energy, Interest Rates and Costs on Canadian Consumers and Businesses

-Canadian Chamber of Commerce, Business Data Lab (BDL)

The Canadian Chamber of Commerce through their Business Data Lab has issued a report on the impacts of rising prices for housing, energy, interest rates and costs on Canadian consumers and businesses.

The Situation: Since March 2022, Canada's central bank has raised interest rates to try and control inflation, which increased borrowing costs for consumers and businesses. Higher interest rates make it more expensive to pay off debt (including mortgages), borrow to buy big ticket items and run a business. With greater debt service obligations, consumers have less money available for discretionary spending on other goods and services, which drives down business sales.



Looking back at longer-run inflation drivers, the BDL report finds that over the past two decades, housing and energy costs have increased at a faster rate than overall prices in all regions of the country.

Housing Costs: Canada's housing market is the most unaffordable it's been in over 30 years. For the typical Canadian household, this means that all-in housing-related expenses (which includes mortgage payments and utility fees) have ballooned to represent 55% of disposable income. The higher this percentage, the more difficult it is to afford a home.

Mortgages: The 5-year fixed mortgage rate has risen significantly from 1.9% in 2021 to more than 5.5%. Looking ahead, with almost 60% of all outstanding mortgages – representing \$900 billion – up for renewal in the next three years at higher interest rates, this is expected to act as a significant drag on consumer spending.

Energy Costs: Like housing, energy costs have also risen faster than other consumer items across provinces over the long run, with energy prices being more volatile.

Impact on Consumers: Across income levels, over half of Canadians are concerned about the cost of living and most (54-64%) are reducing their spending to protect against high inflation, especially lower-income households. BDL analysis finds that consumers in regions with greater housing affordability challenges, such as British Columbia and Ontario, have cut back more on their spending than consumers in more affordable regions.

Impact on Business: According to the Getting Squeezed report, inflation, input costs and interest rates/debt costs are the top three obstacles expected by businesses in the next three months. Small businesses, in particular are struggling with fuel and energy costs, wages, and taxes and regulations.

With consumers spending less, business sales are suffering, leading to lower business sentiment. BDL finds that in regions with the most unaffordable housing markets, businesses are more pessimistic about their sales, and are also less optimistic about their outlook for the year ahead.

What mechanisms could be causing this?

- When consumer costs for housing and/or energy rise faster than overall inflation, consumers adjust by reducing their spending on discretionary items like travel, entertainment, and eating out, which reduces business sales and lowers business sentiment.
- When interest rates rise, consumers need to spend more on debt servicing. Consumers adjust by reducing their spending on big ticket items typically purchased by borrowing, such as housing, home furnishings and cars, which reduces business sales and lowers business sentiment.

Looking Ahead: The bottom line is that Canada's affordability crisis is bad for both households and businesses. Communities across the country can't wait for the prospect of lower interest rates to solve the crisis. Proactive attention must be paid to Canada's economic health, with special consideration given to announced legislation and new regulations that could further aggravate the situation.

Annual Meeting of Members

-Battlefords & District Chamber of Commerce

In February, the members of the local Chamber of Commerce came together to hold their Annual Meeting of Members. Of course, there was the usual procedural items, like approval of minutes, review of financial statements, and setting bank signing authorities. Along with all of that, it was an opportunity for the board to share what it had been up to for 2023, but also for the organization to highlight items moving forward in 2024.

The Chamber board of directors with its staff and interns working on projects plan to see several new initiatives get started or come to fruition over the course of the year. A regular project for the Chamber each year is to produce its Community or Lake Communities Maps. For 2024-2025 it is the Communities Map highlighting North Battleford and Battleford. Updates are being worked on now to ensure the most up-to-date map for the community for resident and visitors alike. Work will continue to develop the online Relocation Guide, that was a key 2023 project – "Find Your Place – The Battlefords and Area Awaits".



New In 2024, work will commence on planning for funding of a Makerspace. This project is a ways off, but initial work is required to get some initial planning, business planning, and funding planning and applications processed.

Next up, with approval of summer interns (student) funding a project to introduce a network of Touchscreen Kiosks strategically placed around the community and region, that will provide residents, visitor and tourists with access to key information, "Things to Do; Places to Shop; Places to Stay; Places to Eat; and so much more will get underway."

Watch for updates on this project.

The interns will also be working on several key areas of focus for the Chamber, member records, and "Shop the Battlefords".

The Chamber also plans a series of networking events throughout the year, and 2024 will be no different. It is basically back to a full schedule of events post-covid, and they will include the 30th Anniversary Battlefords Business Excellence Awards in November. Nominations will be open in April.

With election season about to come upon us quickly, (in the fall), the Chamber will look to plan and host some events around allowing the community an opportunity to see and hear from candidates for both municipal and provincial elections.

2024 – We have hit the ground running, and it is indeed a busy year ahead.



10th Annual Chamber Business Golf Challenge

Friday May 24th, 2024
 North Battleford Golf & Country Club
 Title Sponsor: Bridges Chevrolet Buick GMC

New Chamber of Commerce Members:
 Frisch Engineered Products Ltd.
 382 – 16th Street West,
 P.O. Box 1570, Battleford, SK.
 306-937-4352

The Chamber Advantage



The Power of Connection

Chamber networking opportunities

"When I realized my team and I were profiting from our investment."



Real benefits for your business

Talk with your local advisor:
 Aaron Cadrin
 306-441-8269



SASKATCHEWAN CHAMBER OF COMMERCE

FOOD, FUEL, & FERTILIZER GLOBAL SUMMIT

MAY 6 & 7, 2024 | DELTA HOTELS BY MARRIOTT REGINA | REGINA, SK

Join us in Regina on May 6 and 7, 2024, for the second annual Food, Fuel, Fertilizer Global Summit—an unparalleled international event that highlights Saskatchewan's pivotal role in the global landscape. In the heart of Western Canada, our province boasts some of the most sustainable practices in producing the essentials the world depends on: food, fuel, and fertilizer.

