

The new boom town

Saskatoon forecast to bump Calgary as nation's top economic performer

By [BILL KAUFMANN](#), SUN MEDIA

Move over Calgary, Saskatoon's set to steal your economic thunder.

Saskatchewan's largest centre has earned its recently-coined nickname 'Saskaboom' for good reason, states the Conference Board of Canada (CCC), which predicts the city will lead all Canadian metropolitan areas with 4.7% economic growth in 2007.

Calgary, by comparison, is expected to take a breather from the dizzying 2006 pace of 7.7% economic expansion and two years as national leader to a still robust 4.4% -- the nation's second-best.

Calgary developer Michael Lobsinger said it's exactly that economic renaissance in Saskatoon that's driving his company's dream of developing a \$1 billion-plus hotel-office complex on the banks of the city's South Saskatchewan River.

"It has to make economic sense and it does," said Lobsinger, who heads Lake Placid Developments and originally hails from Saskatoon.

The CCC said healthy migration from other provinces due to both lower living costs and business opportunity have propelled Saskatoon to new heights.

New home prices in the city of 240,000 have ballooned by 51.4% this year over last, a figure that's captured the nation's attention, said Richard Corriveau, regional analyst for the Canada Mortgage and Housing Corporation.

Economic observers say players in Alberta's overheated economy have found an outlet in Saskatoon.

But the fact Calgary's building on its 2006 economic performance with a 4.7% gain is more than impressive, said Bruce Graham, president of Calgary Economic Development.

"The fact we're second after having a 7.7 percent year speaks to the durability of growth in this city," said Graham, adding Saskatoon didn't have as hard an act to follow as Calgary did.

"There are probably a few Calgarians who are quite thankful the growth rate's at a more sustainable level."

But Graham noted the CCC also expects Calgary to re-assume the economic leadership role from 2008-2011 with annual growth of around 4.3%.

"That horizon is the really important analysis," he said.

He also said Saskatoon should brace itself for some of the boom-fuelled social challenges Calgary has experienced.

Regina's forecast economic growth -- 3.5% -- is that city's strongest in a decade.