

ECONOMIC BULLETIN | OCTOBER 2018



OVERVIEW

	GEOGRAPHY	MOST RECENT PERIOD	LAST PERIOD (SEPT BULLETIN)	SAME PERIOD LAST YEAR	STATUS
Unemployment Rate October 2018 (3 Month Average)	Greater Sudbury Ontario	6.0% 5.7%	6.6% 5.7%	6.1% 5.7%	● ●
Total employment (000s) October 2018 (3 Month Average)	Greater Sudbury Ontario	81,700 7,249,800	80,400 7,253,000	82,000 7,168,400	● ●
Participation Rate October 2018 (3 Month Average)	Greater Sudbury Ontario	61.7% 64.4%	61.2% 64.7%	62% 64.8%	● ●
Employment Insurance Recipients August 2018 (3 Month Average)	Greater Sudbury Ontario	2,050 120,430	2,100 119,410	2,610 134,000	● ●
GDP (millions \$) Forecast 2018	Greater Sudbury	8,010	8,419	7,915	●
Average House Price September 2018	Greater Sudbury Ontario	\$277,333 \$577,550	\$282,659 \$573,396	\$246,271 \$543,474	● ●
Building Permits Issued (millions \$) August to September 2018	Greater Sudbury	\$35.38 \$199.66 (YTD)	\$59.06 \$164.26 (YTD)	\$87.88 \$320.51 (YTD)	● ●
Retail Sales (millions \$) Forecast 2018	Greater Sudbury	\$2,294	Annual	\$2,249 (2017)	●
Consumer Price Index Forecast 2018	Greater Sudbury	2.2%	Annual	1.7% (2017)	●
Business Bankruptcies Q2 2018	Greater Sudbury Ontario	2 234	2 235	1 210	● ●

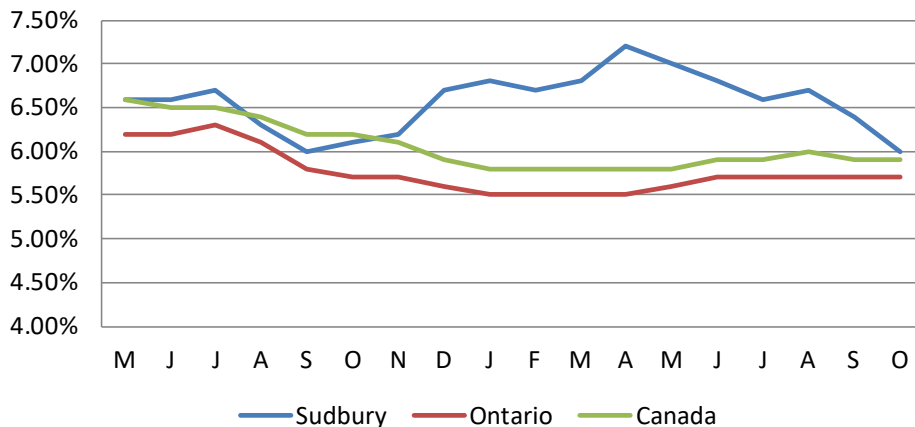
● Unfavourable

● No/Small change

● Favourable

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UNEMPLOYMENT RATE



UNEMPLOYMENT RATE: YTD

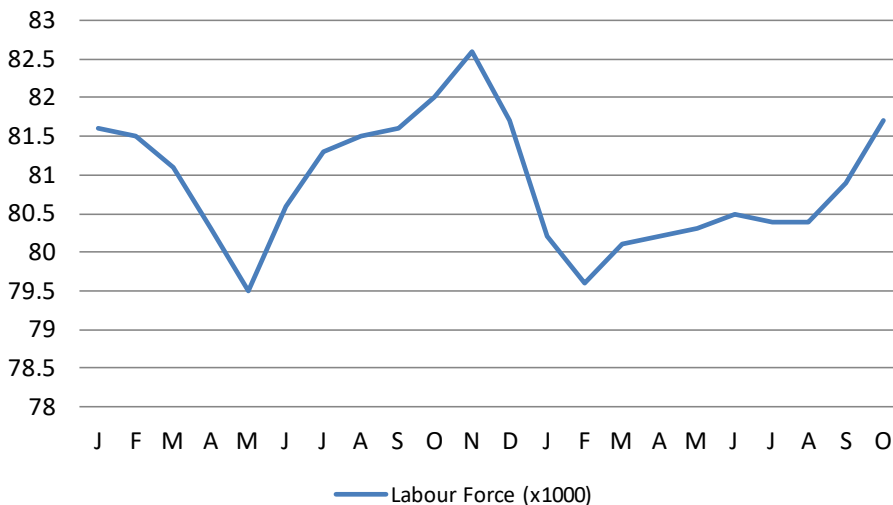
July 2018 - 6.6%
 October 2018 - 6.0%
 October 2017 - 6.1%

UNEMPLOYMENT RATE: ANNUAL

2017 - 7.0%
 2016 - 8.1%

The seasonally adjusted monthly unemployment rate for Greater Sudbury decreased from 6.1% in October 2017 to 6.0% in October 2018. According to the Conference Board of Canada, the unemployment rate will rise from 6.7% last year to 7.0% this year, before falling to 6.6% next year.

EMPLOYMENT



EMPLOYMENT: YTD

July 2018 - 80,400
 October 2018 - 81,700
 October 2017 - 82,000

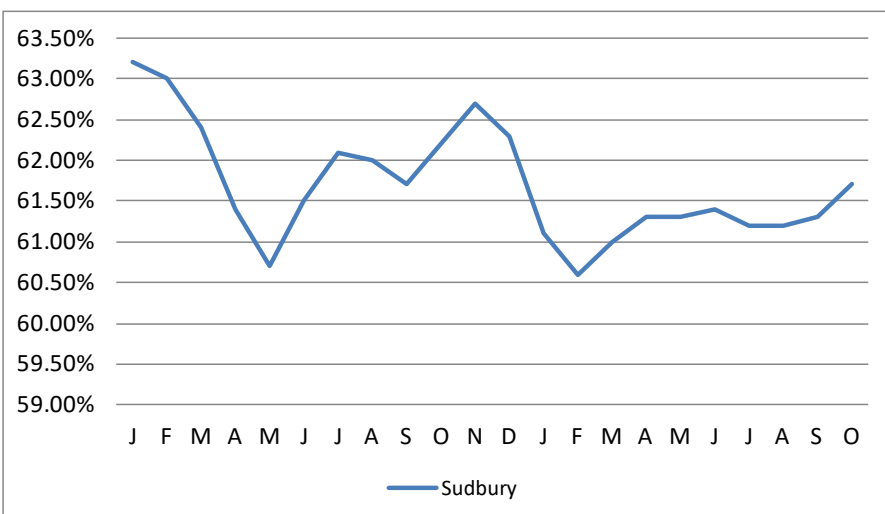
EMPLOYMENT: ANNUAL

2017 - 81,300
 2016 - 81,400

The number of people employed decreased by 300 compared to October 2017. In Ontario, employment increased by 36,000, the third increase in four months.

The Conference Board of Canada expects Sudbury's employment to drop 0.4% in 2018 but rise 1.1% in 2019.

PARTICIPATION RATE



PARTICIPATION RATE: YTD

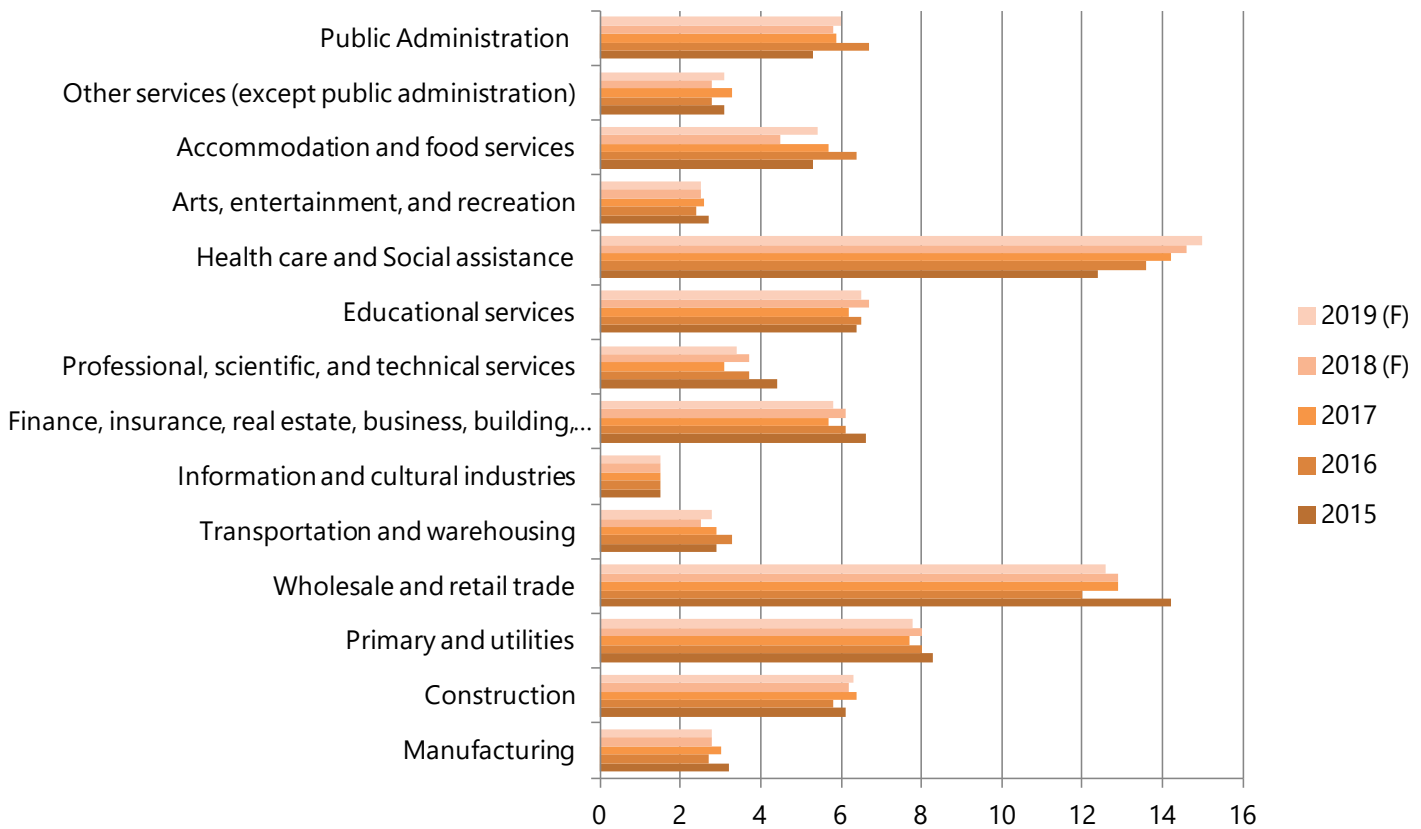
July 2018 - 61.2%
 October 2018 - 61.7%
 October 2017 - 62%

PARTICIPATION RATE: ANNUAL

2017 - 62.0%
 2016 - 63.2%

The seasonally adjusted monthly participation rate for Greater Sudbury slightly dropped to 61.7% in October 2018 compared to 62% in October 2017.

SECTORAL EMPLOYMENT (000s)



Source: Conference Board of Canada, Metropolitan Outlook - Summer 2018

MEDIAN SALARY WAGE

Greater Sudbury: \$25.25

Canada: \$25.47

Source: EMSI Economic Modeling

GDP

The Conference Board of Canada has released its second Metropolitan Outlook for 2018. According to it, Canada's real GDP is forecast to grow by 1.9% in 2018 and 2.0% in 2019, down from 3.0% in 2017. Greater Sudbury's real GDP growth will hit 1.2% in 2018 and a similar 1.1% in 2019. It is expected that stronger nickel prices should boost Sudbury's economy.

Greater Sudbury	2015	2016	2017	2018 (F)	2019 (F)	2020 (F)
Real GDP at basic prices (2007 millions \$)	7,884	7,877	7,915	8,010	8,096	8,186
%-change	-1.1	-0.1	0.5	1.2	1.1	1.1

HOUSING STARTS

The newest report on housing was released by Canada Mortgage and Housing Corporation in Q3 2018. According to the statement, the quarterly housing starts for single detached and multiples have **increased slightly from 54 units in Q2 2017 to 60 units in Q2 2018**. This represent overall **positive change of 11.1%**. Year-to-date data suggests negative change of -1.6% when comparing Q2 2017 with 63 units to Q2 2018 with 62.

HOUSING STARTS BY DWELLING TYPE

	Q2 2018	Q2 2017	YTD - 2018	YTD - 2017
Single	37	36	39	39
Multiple	23	18		
Total	60	54	62	63

Source: Canadian Mortgage and Housing Corporation

Residential sales activity recorded through the MLS® System of the Sudbury Real Estate Board numbered 199 units in September 2018. This was a decline of 30.7% from the record for the month of September set in 2017.

On a year-to-date basis, home sales totaled 1,914 units over the first nine months of the year. This edged down 1.4% from the same period in 2017.

The average price of homes sold in September 2018 was \$277,333, rising 11.2% from September 2017. The more comprehensive year-to-date average price was \$266,834, edging up 1.9% from the first nine months of 2017.

RENTAL MARKET

The average vacancy rate is **expected to continue increasing** through 2019.

APARTMENT VACANCY RATES

Primary Rental Market	2017
Bachelor	5.7%
1 Bedroom	4.6%
2 Bedroom	4.3 %
3 Bedroom +	6.0%
Total	4.5%

AVERAGE RENT COST

Apartment Type	2017
1 Bedroom	\$848
2 Bedroom	\$1,048

Source: Canada Mortgage and Housing Corporation

BUILDING PERMITS

The City of Greater Sudbury issued 1485 building permits with a combined value of \$199.66 million between January and September 2018. The total value of permits is slightly lower compared to the same period last year; however the City issued a higher number of building permits compared to the previous year due to an increase in residential permits. It is important to note that 2017 was a record year for building permits in Greater Sudbury with a combined value of \$366.36 million.

TOTAL VALUE OF PERMITS (millions \$)

	September 2018 year-to-date	September 2017 year-to-date	YoY
Value	\$199.66	\$320.51	●
Number of permits	1485	1563	●

TOTAL VALUE ICI BUILDING PERMITS (millions \$)

	September 2018 year-to-date	September 2017 year-to-date	YoY
Value	\$138.93	\$257.26	●
Number of permits	313	366	●

The City issued \$138.93 million of building permits for non-residential (Industrial, Commercial and Institutional Building) structures between January and September 2018 compared to \$257.26 million the previous year.

VALUE OF BUILDING PERMITS – GREATER SUDBURY (millions \$)

	September 2018 year-to-date	September 2017 year-to-date	YoY
Residential	\$63.07	\$79.89	●
Commercial	\$29.21	\$42.39	●
Industrial	\$50.51	\$137.52	●
Institutional	\$59.20	\$77.45	●

Source: Building Services, City of Greater Sudbury

RETAIL SALES

The combined output of Sudbury's wholesale trade and retail trade industries grew 3.6% in 2017, the most since 2014. The wholesale trade industry has expanded more rapidly, rising an average of 5.7% per year, well above retail trade's 3.2% annual increase. Last year was an exception, as retail trade expanded 4.6%, well above the 2.5% wholesale trade increase.

The Conference Board of Canada expects slower 0.4% combined growth in 2018, as wholesale trade output rises 0.5% and its retail counterpart 0.4%. Higher interest rates and last year's modest decline in Sudbury's household income will weigh in consumer spending.

	2015	2016	2017	2018 (F)	2019 (F)
Retail sales (\$ millions)	2,003	2,141	2,260	2,281	2,312
%-change	3.7	6.9	5.6	0.9	1.3
Consumer Price Index (2002 = 1.000)	1.274	1.297	1.319	1.347	1,373
%-change	1.2	1.8	1.7	2.2	1.9

Source: The Conference Board of Canada

FINANCIAL ACTIVITIES

INSOLVENCY

Greater Sudbury	Q2 2018	Q2 2017	%-change	YoY
Business bankruptcies	2	1	100%	●
Consumer bankruptcies	242	253	-4.3%	●

Ontario	Q2 2018	Q2 2017	%-change	YoY
Business bankruptcies	234	210	11.4%	●
Consumer bankruptcies	10,201	10,090	1.1%	●

Source: Office of the Superintendent of Bankruptcy Canada

There has been an increase in business bankruptcies in Q2 2018 comparing to Q2 2017. On the other hand, consumer bankruptcies have decreased by 4.3% in comparison to last year.