

ECONOMIC BULLETIN | APRIL 2018



OVERVIEW

	GEOGRAPHY	MOST RECENT PERIOD	SAME PERIOD LAST YEAR	STATUS
Unemployment Rate March 2018 (3 Month Average)	Greater Sudbury Ontario	6.8% 5.5%	7.4% 6.3%	● ●
Total employment (000s) March 2018 (3 Month Average)	Greater Sudbury Ontario	80,100 7,186,900	81,100 7,071,000	● ●
Participation Rate March 2018 (3 Month Average)	Greater Sudbury Ontario	61.0% 64.4%	62.4% 65.0%	● ●
Employment Insurance Recipients January 2018 (3 Month Average)	Greater Sudbury Ontario	2,710 127,430	2,960 139,570	● ●
GDP (millions \$) Forecast 2018	Greater Sudbury	8,419	8,325	●
Average House Price	Greater Sudbury Ontario	\$248,589 \$566,168	\$259,920 \$622,784	● ●
Building Permits Issued (millions \$) January to March 2018	Greater Sudbury	\$21.68	\$59.59	●
Retail Sales (millions \$) Forecast 2018	Greater Sudbury	\$2.294	\$2.249 (2017)	●
Consumer Price Index Forecast 2018	Greater Sudbury	2.1%	1.6% (2017)	●
Business Bankruptcies Q3 2017	Greater Sudbury Ontario	3 874	5 970	● ●

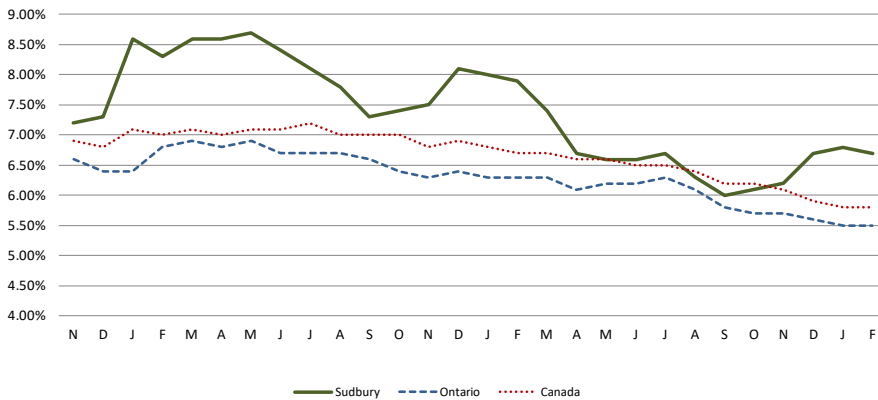
● Unfavourable

● No/Small change

● Favourable

investsudbury.ca
greatersudbury.ca

UNEMPLOYMENT RATE 2016-2017



Source: Statistics Canada

UNEMPLOYMENT RATE: YTD

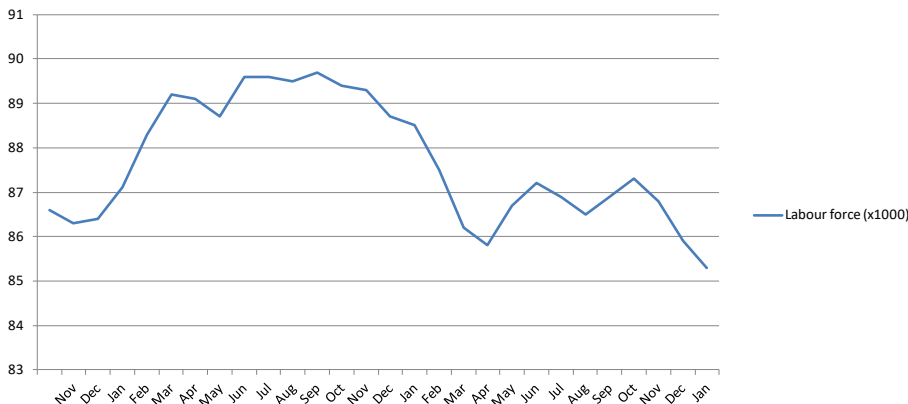
January 2018 - 6.80%
 February 2018 - 6.70%
 March 2018 - 6.80%
 March 2017 - 7.30%

UNEMPLOYMENT RATE: ANNUAL

2017 - 7.0%
 2016 - 8.1%

The seasonally adjusted monthly unemployment rate for Greater Sudbury fell from 7.3% in March 2017 to 6.8% in March 2018. The unemployment rate has decreased continually the past 12 months and is expected to remain relatively stable at 6.6% throughout 2018, according to the Conference Board of Canada.

EMPLOYMENT 2016-2017



Source: Statistics Canada

EMPLOYMENT: YTD

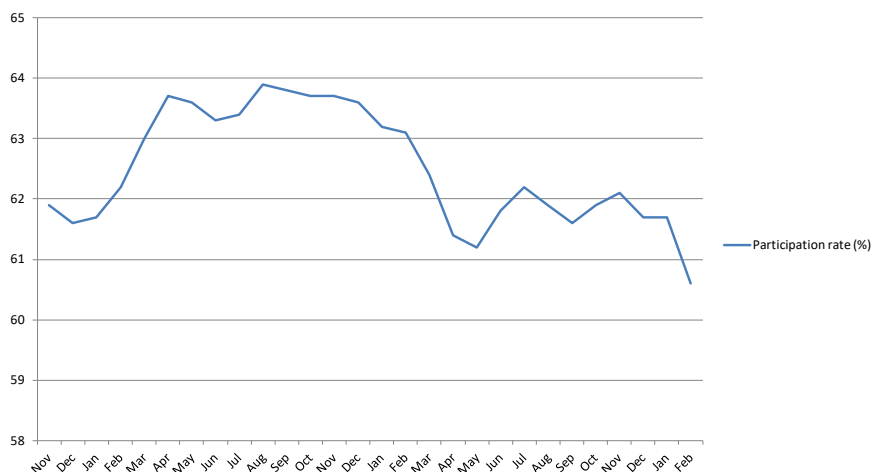
January 2018 - 80,200
 February 2018 - 79,600
 March 2018 - 80,100
 March 2017 - 81,100

EMPLOYMENT: ANNUAL

2017 - 81,300
 2016 - 81,400

The total number of people employed in Greater Sudbury is 80,100. The number of people employed decreased by 1,000 compared to March 2017. Certain factors such as retirement and out-migration have to be considered when analyzing fluctuations in the labour market. It is misleading to interpret decline in employment as explicit job losses.

PARTICIPATION RATE 2016-2017



Source: Statistics Canada

PARTICIPATION RATE: YTD

January 2018 - 61.1%
 February 2018 - 60.6%
 March 2018 - 61.0%
 March 2017 - 62.4%

PARTICIPATION RATE: ANNUAL

2017 - 62.0%
 2016 - 63.2%

The seasonally adjusted monthly participation rate for Greater Sudbury decreased to 61.0% in March 2018 compared to 62.4% in March 2017. The participation rate has remained stable over the past 12 months with minor fluctuations.

EMPLOYMENT BY SECTOR

Full-service restaurants and limited-service eating places - 5,277
Metal ore mining - 4,077
Elementary and secondary schools - 3,883

Public administration - 3,046
General medical and surgical hospitals - 2,696
Out-patient care centres - 1,943

MEDIAN SALARY WAGE

Greater Sudbury: \$23.63

Canada: \$23.97

Source: EMSI Economic Modeling

GDP

The Conference Board of Canada forecasts a modest annual increase in the local real GDP by 1% this year. The GDP advanced 2.1% in 2017 – only the second annual increase in the past six years, although the cumulative erosion was only 2.6% between 2011 and 2016. The recently improved GDP should spur an increase in employment throughout 2018

Greater Sudbury	2015	2016	2017	2018 (F)
Real GDP at basic prices (2007 millions \$)	8,234	8,154	8,325	8,419
%-change	-1.8	-1.0	2.1	1.1

HOUSING STARTS

The quarterly housing starts for single-detached and multiples in Greater Sudbury show a **decrease in housing starts from 47 in Q4 in 2017 compared to 83 in Q4 2016**. This represents an overall **negative change of -43.4%**.

The average house price for 2017 was **\$259,920**. There were 10 new homes started in the Greater Sudbury in December 2017 bringing the total number of **new home starts in 2017 to 195**; the lowest number of annual starts since 2001. Competition from a balanced resale market was a further limitation to new home construction in 2017.

Housing starts are forecast to rebound to 290 units this year, but ease to 260 units in 2019. Greater Sudbury's population is expected to be little changed over the next few years which will limit residential demand and keep housing starts at a modest rate.

The average house price in Greater Sudbury for Q1 2018 was \$248,589 compared to \$259,920 in Q1 2017.

BUILDING PERMITS

The City of Greater Sudbury issued 225 building permits totalling \$21 million between January and March 2018. The total value of permits is 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.

TOTAL VALUE OF PERMITS (millions \$)

	March 2018 year-to-date	March 2017 year-to-date	YoY
Value	\$21.68	\$59.59	●
Number of permits	225	212	●

TOTAL VALUE ICI BUILDING PERMITS (millions \$)

	March 2018 year-to-date	March 2017 year-to-date	YoY
Value	\$13.25	\$53.75	●
Number of permits	60	105	●

The City issued \$13 million of building permits for non-residential structures (Industrial, Commercial and Institutional) between January and March 2018 compared to \$53 million the previous year.

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

	March 2018 year-to-date	March 2017 year-to-date	YoY
Residential	\$8.58	\$4.85	●
Commercial	\$3.34	\$7.40	●
Industrial	\$7.26	\$10.24	●
Institutional	\$2.64	\$36.11	●

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)
Retail sales (\$ millions)	2,009	2,160	2,249	2,294
%-change	3.8	7.6	4.1	2.0
Consumer Price Index (2002 = 1.000)	1.274	1.297	1.318	1.345
%-change	1.2	1.8	1.6	2.1

Source: The Conference Board of Canada

FINANCIAL ACTIVITIES

INSOLVENCY (12-MONTH PERIOD)

	December 2017	December 2016	%-change	YoY
Business bankruptcies	3	5	-25%	●
Consumer bankruptcies	918	884	3.8%	●

	Q4 2017	Q3 2017	Q4 2016	%-change	YoY
Consumer bankruptcies	223	238	251	-6.3%	●

Source: Office of the Superintendent of Bankruptcy Canada

The most recent statistics show a decline in business bankruptcies and a slight increase in consumer bankruptcies for 2017. Consumer bankruptcies in Greater Sudbury have remained stable over the past 24 months.