

ECONOMIC BULLETIN | DECEMBER 2018

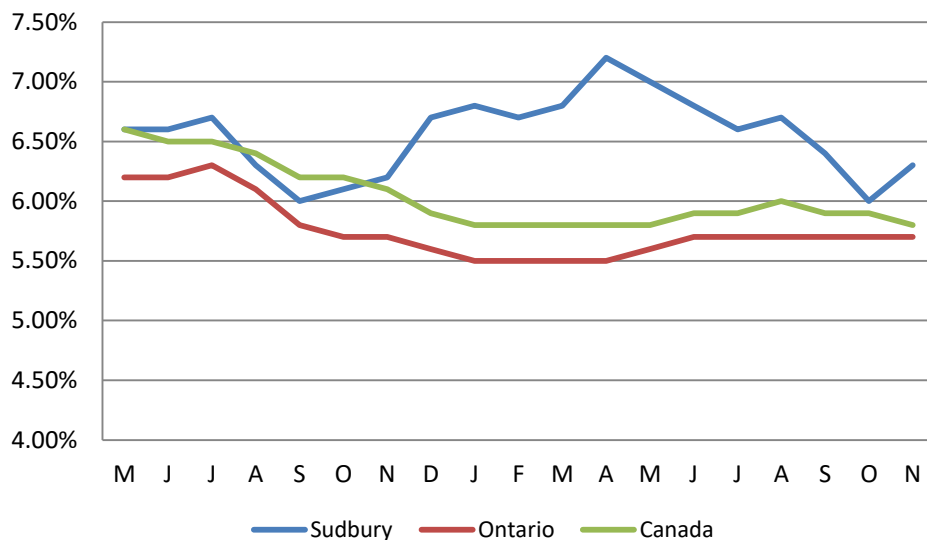


OVERVIEW

	Geography	Most Recent Period	Last period (OCTOBER BULLETIN)	Same Period Last Year	Status
Unemployment Rate	Greater Sudbury	6.3%	6.4%	6.4%	G
November 2018 (3 Month Average)	Ontario	5.7%	5.7%	5.7%	Y
Total employment (000s)	Greater Sudbury	82,500	80,900	81,800	G
November 2018 (3 Month Average)	Ontario	7,269,400	7,263,600	7,192,200	G
Participation Rate	Greater Sudbury	62.3%	61.3%	62.1%	G
November 2018 (3 Month Average)	Ontario	64.4%	64.5%	64.9%	R
Employment Insurance Recipients	Greater Sudbury	2,030	2,050	2,610	G
September 2018 (3 Month Average)	Ontario	116,910	120,430	130,970	G
GDP	Greater Sudbury	8,010	Annual	8,325	G
Average House Price	Greater Sudbury	\$249,368	\$277,333	\$254,854	G
October 2018	Ontario	\$588,440	\$577,550	\$556,075	R
Building Permits Issued (millions \$)	Greater Sudbury	\$76.98 (YTD)	\$35.38	\$34.60	G
October and November 2018		\$276.82 (YTD)	\$199.66 (YTD)	\$355.12 (YTD)	R
Retail Sales (millions \$)	Greater Sudbury	\$2,294	Annual	\$2,294	Y
Forecast 2018					
Consumer Price Index	Greater Sudbury	2.2%	Annual	1.6%	G
Forecast 2018					
Business Bankruptcies	Greater Sudbury	1	2	0	R
Q3 2018	Ontario	208	234	238	G

LABOUR FORCE

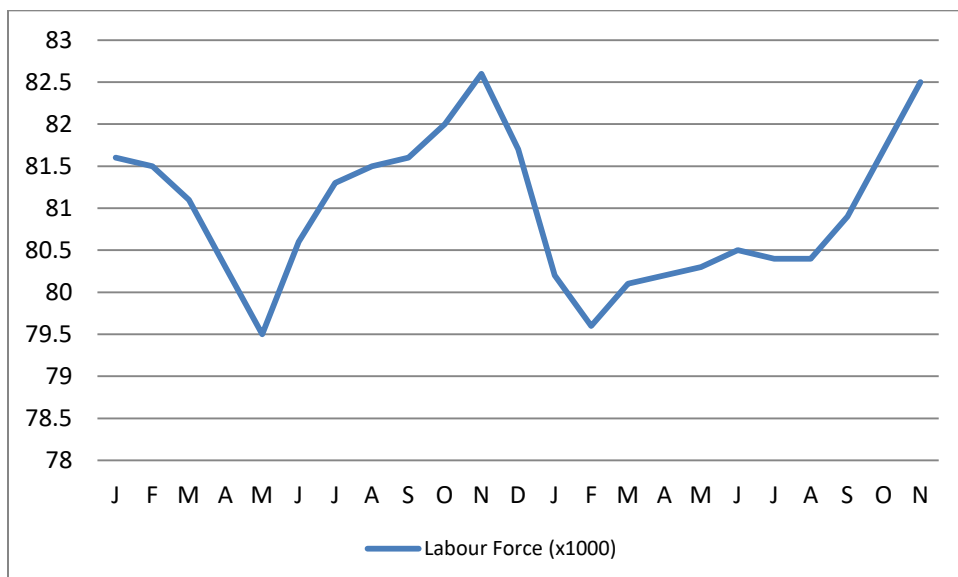
UNEMPLOYMENT RATE



The seasonally adjusted monthly unemployment rate for Greater Sudbury decreased from 6.4% in November 2017 to 6.3% in November 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.

	November 2018	September 2018	November 2017
Greater Sudbury	6.3%	6.4%	6.4%
Ontario	5.7%	5.7%	5.7%
Canada	5.8%	5.9%	6.1%

EMPLOYMENT

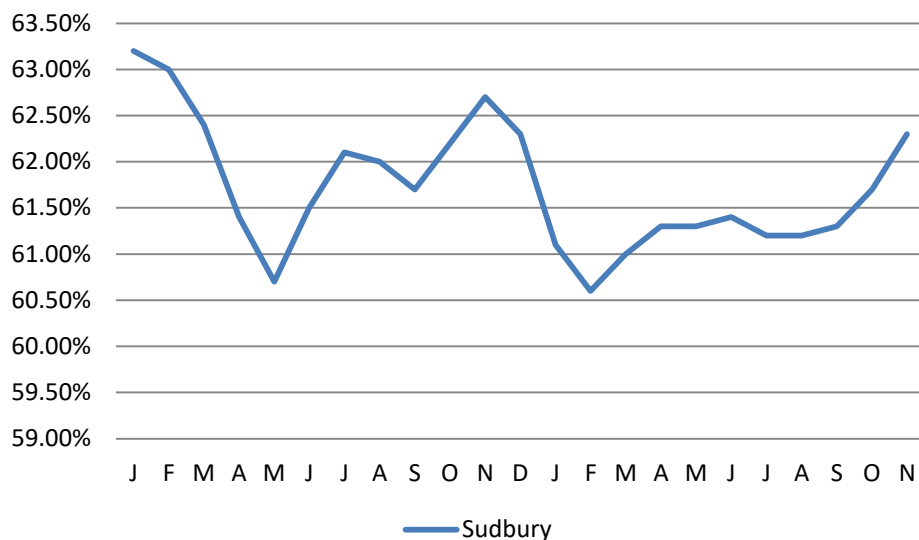


The total number of people employed in Greater Sudbury is 82,500. The number of people employed increased by 700 compared to November 2017.

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

	November 2018	September 2018	November 2017
Greater Sudbury	82,500	80,900	81,800

PARTICIPATION RATE



The seasonally adjusted monthly participation rate for Greater Sudbury slightly increased to 62.3% in November 2018 compared to 62.1% in November 2017.

November 2018 **September 2018** **November 2017**
 62.3% 61.3% 62.1%

Greater Sudbury

Labour Force Statistics Source: Statistics Canada

The Labour Force Survey (LFS) by Statistics Canada is seasonally adjusted monthly data. The results are presented as three month moving averages, because the single month data is considered volatile. As per Statistics Canada recommendations, data should always be compared to the previous year.

MEDIAN HOURLY WAGE

	Greater Sudbury	Canada
Median Hourly Wage (2017)	\$25.25	\$25.47

Source: EMSI Economic Modeling

Sectoral employment (000s)

	2015	2016	2017	2018 (F)	2019 (F)
Total Employment	82.3	81.7	81.1	80.8	81.6
Manufacturing	3.2	2.7	3.0	2.8	2.8
Construction	6.1	5.8	6.4	6.2	6.3
Primary and utilities	8.3	8.0	7.7	8.0	7.8
Wholesale and retail trade	14.2	12.0	12.9	12.9	12.6
Transportation and warehousing	2.9	3.3	2.9	2.5	2.8
Information and cultural industries	1.5	1.5	1.5	1.5	1.5
Finance, insurance, real estate, business, building, and other supporting industries	6.6	6.1	5.7	6.1	5.8
Professional, scientific, and technical services	4.4	3.7	3.1	3.7	3.4
Educational services	6.4	6.5	6.2	6.7	6.5
Health care and Social assistance	12.4	13.6	14.2	14.6	15.0

Arts, entertainment, and recreation	2.7	2.4	2.6	2.5	2.5
Accommodation and food services	5.3	6.4	5.7	4.5	5.4
Other services (except public administration)	3.1	2.8	3.3	2.8	3.1
Public Administration	5.3	6.7	5.9	5.8	6.0

Source: The Conference Board of Canada, Metropolitan Outlook – Summer 2018

GDP

The Conference Board of Canada has released 2nd 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.

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

Source: The Conference Board of Canada

Stronger nickel price should boost Sudbury's economy.

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 multiplies have **increased slightly from 54 units in Q2 2017 to 60 units in Q2 2018**. This represents 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	n/a	n/a
Total	60	54	62	63

Source: Canada Mortgage and Housing Corporation

Residential sales activity recorded through the MLS® System of the Sudbury Real Estate Board numbered **236 units in October 2018**. This was down just 2.5% or just six sales from the record for the month of October in 2017. The October 2018 sales figure was the second best ever for the region.

On a year-to-date basis, home **sales totaled 2,150 units** over the first 10 months of the year. This edged down a slight 1.5% from the same period in 2017.

The average price of homes sold in October 2018 was \$249,368, down 2.2% from October 2017. The more comprehensive **year-to-date average price was \$264,916**, edging up 1.5% from the first 10 months of 2017.

Source: The Canadian Real Estate Association <http://creastats.crea.ca/sudb/>

RENTAL MARKET

Vacancy rates (Apartment)

Primary Rental Market	October 2017	October 2018
Bachelor	5.7%	N/A
1 Bedroom	4.6%	2.4%
2 Bedroom	4.3 %	2.8%
3 Bedroom +	6.0%	N/A
Total	4.5%	2.6%

Source: Canada Mortgage and Housing Corporation (Rental Market Survey)

Greater Sudbury and Kingston bucked the provincial trend by being the only markets posting a significant drop in rental vacancy rates while Thunder Bay, Kitchener and St. Catharines-Niagara posted the biggest increase in vacancy rates.

Average Rent (Apartment)

	October 2017	October 2018
Bachelor	\$659	\$641
1 Bedroom	\$848	\$855
2 Bedroom	\$1,048	\$1,052
3 Bedroom +	\$1,195	\$1,204

Source: Canada Mortgage and Housing Corporation (Rental Market Survey)

BUILDING PERMITS

The City of Greater Sudbury issued 1792 building permits with a combined value of \$276.82 million between January and November 2018. The total value of permits is lower compared to the same period last year. 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 Building permits (millions \$)

	November 2018 year-to-date	November 2017 year-to- date	YoY
Value	\$276.82	\$355.12	Red
Number of Permits	1792	1890	Red

Total Value ICI Building Permits (millions \$)

	November 2018 year-to-date	November 2017 year-to- date	YoY
Value	\$189.90	\$278.80	Red
Number of Permits	390	429	Red

The City issued \$189.90 million of building permits for non-residential (Industrial, Commercial and Institutional Building) structures between January and November 2018 compared to \$278.80million the previous year.

Value of Building Permits – Greater Sudbury (millions \$)

	November 2018 year-to-date	November 2017 year-to-date	YoY
Residential	\$85.80	\$75.44	Green
Commercial	\$38.51	\$50.75	Red
Industrial	\$58.75	\$147.41	Red
Institutional	\$92.63	\$80.64	Green

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 on 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 ACTIVITY

Insolvencies

Greater Sudbury	Q3 2018	Q3 2017	%-change	YoY
Business Bankruptcies	1	0	n/a	Yellow
Consumer Bankruptcies	208	238	-12.6%	Green

Ontario	Q3 2018	Q3 2017	%-change	YoY
Business Bankruptcies	215	215	0.0%	Yellow
Consumer Bankruptcies	9,407	9,182	2.5%	Red

Source: Office of the Superintendent of Bankruptcy Canada

There has been an increase in business bankruptcies in Q3 2018 comparing to Q2 2013. On the other hand, consumer bankruptcies have decreased by 12.6% in comparison to last year.