

ECONOMIC BULLETIN | SEPTEMBER 2018



OVERVIEW

	GEOGRAPHY	MOST RECENT PERIOD	LAST PERIOD (JUNE BULLETIN)	SAME PERIOD LAST YEAR	STATUS
Unemployment Rate July 2018 (3 Month Average)	Greater Sudbury Ontario	6.6% 5.7%	7.0% 5.6%	6.7% 6.3%	● ●
Total employment (000s) July 2018 (3 Month Average)	Greater Sudbury Ontario	80,400 7,253,000	80,300 7,205,700	81,500 7,098,000	● ●
Participation Rate July 2018 (3 Month Average)	Greater Sudbury Ontario	61.2% 64.7%	61.3% 64.4%	62.2% 64.9%	● ●
Employment Insurance Recipients May 2018 (3 Month Average)	Greater Sudbury Ontario	2,100 119,410	2,410 120,070	2,840 135,060	● ●
GDP (millions \$) Forecast 2018	Greater Sudbury	8,419	8,419	8,325	●
Average House Price	Greater Sudbury Ontario	\$282,659 \$573,396	\$248,589 \$566,168	\$285,202 \$543,006	● ●
Building Permits Issued (millions \$) June to July 2018	Greater Sudbury	\$59.06 \$164.26 (YTD)	\$83.47 \$104.76 (YTD)	\$126.05 \$232.68 (YTD)	● ●
Retail Sales (millions \$) Forecast 2018	Greater Sudbury	\$2,294	Annual	\$2,249 (2017)	●
Consumer Price Index Forecast 2018	Greater Sudbury	2.1%	Annual	1.6% (2017)	●
Business Bankruptcies Q1 2018	Greater Sudbury Ontario	2 235	Quarterly	2 224	● ●

● Unfavourable

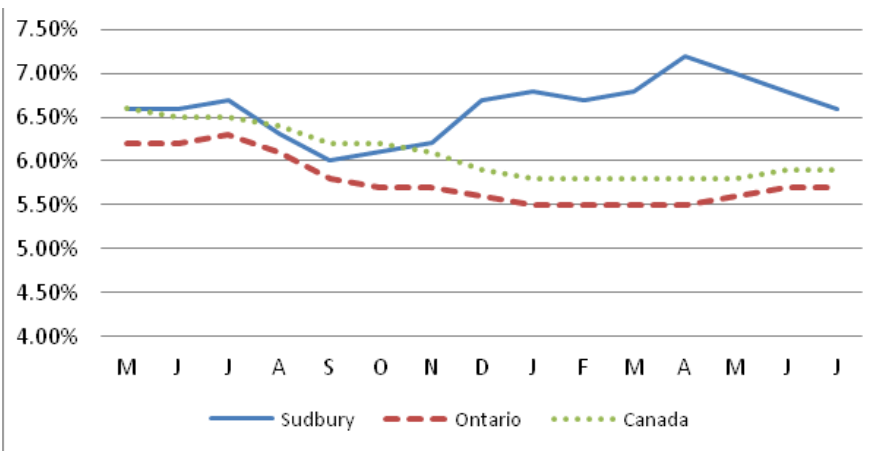
● No/Small change

● Favourable

investsudbury.ca
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LABOUR FORCE

UNEMPLOYMENT RATE



UNEMPLOYMENT RATE: YTD

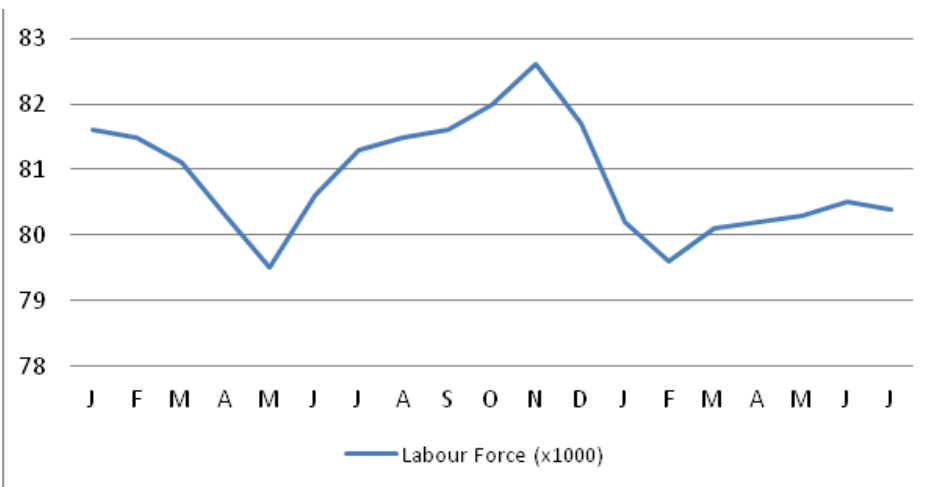
June 2018 - 6.8%
 July 2018 - 6.6%
 July 2017 - 6.7%

UNEMPLOYMENT RATE: ANNUAL

2017 - 7.0%
 2016 - 8.1%

The seasonally adjusted monthly unemployment rate for Greater Sudbury slightly decreased from 6.7% in July 2017 to 6.6% in July 2018. The unemployment rate is expected to hit 6.6% this year and 6.5% in 2019 as the labour force and employment rise at similar rates.

EMPLOYMENT



EMPLOYMENT: YTD

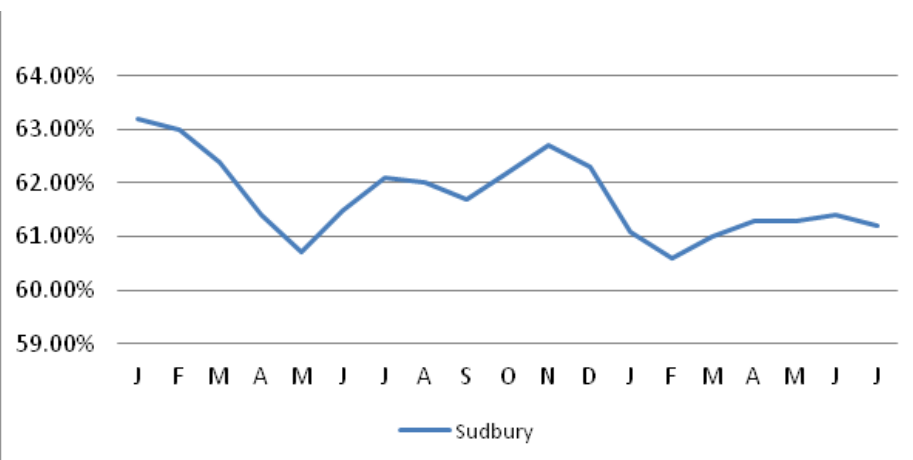
June 2018 - 80,500
 July 2018 - 80,400
 July 2017 - 81,500

EMPLOYMENT: ANNUAL

2017 - 81,300
 2016 - 81,400

The total number of people employed in Greater Sudbury is 80,400. The number of people employed decreased by 1,100 compared to July 2017. Employment rose in Ontario, with all the increase in part-time work. 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



PARTICIPATION RATE: YTD

June 2018 - 61.4%
 July 2018 - 61.2%
 July 2017 - 62.2%

PARTICIPATION RATE: ANNUAL

2017 - 62.0%
 2016 - 63.2%

The seasonally adjusted monthly participation rate for Greater Sudbury slightly dropped to 61.2% in July 2018 compared to 62.2% in July 2017.

LARGEST OCCUPATION GROUPS

	2016	2017	2016-2017 % change
Retail salespersons	3,448	3,232	-6%
Underground production and development miners	2,882	2,681	-7%
Transport truck drivers	1,940	2,253	16%
Food counter attendants, kitchen helpers and related support occupations	2,164	2,144	-1%
Cashiers	1,891	1,914	1%
Registered nurses and registered psychiatric nurses	1,777	1,727	-6%
Nurse aids, orderlies and patient service associates	1,337	1,543	15%
Retail and wholesale trade managers	1,691	1,510	-11%
Retail sales supervisors	1,145	1,377	20%
Early childhood educators and assistants	1,156	1,282	11%

MEDIAN SALARY WAGE

Greater Sudbury: \$25.25

Canada: \$25.47

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 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 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

Residential sales activity recorded through the MLS System of the Sudbury Real Estate Board numbered **276 units in June 2018**. This was **up 7.4% from June 2017** and came in above both the five and 10-year averages for the month, marking a rebound following a dip in sales in May.

On a year-to-date basis, home sales totaled **1,191 units over the first six months of the year**. This was up 2% from the same period in 2017 and also stood above all other years going back to 2012.

The **average price of homes sold in June 2018 was \$282,659**, edging down 0.9% from June 2017. The more comprehensive year-to-date average price was \$263,874, down a similar 1% from the first six months of 2017.

Source: The Canadian Real Estate Association

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 1085 building permits with a combined value of \$164.26 million between January and July 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 \$)

	July 2018 year-to-date	July 2017 year-to-date	YoY
Value	\$164.26	\$232.68	●
Number of permits	1085	1169	●

TOTAL VALUE ICI BUILDING PERMITS (millions \$)

	July 2018 year-to-date	July 2017 year-to-date	YoY
Value	\$120.61	\$187.05	●
Number of permits	238	284	●

The City issued \$120.61 million of building permits for non-residential (Industrial, Commercial and Institutional Building) structures between January and July 2018 compared to \$187.05 million the previous year.

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

	July 2018 year-to-date	July 2017 year-to-date	YoY
Residential	\$45.35	\$29.76	●
Commercial	\$19.63	\$24.34	●
Industrial	\$41.90	\$110.05	●
Institutional	\$56.60	\$67.94	●

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)

Greater Sudbury	Q1 2018	Q1 2017	%-change	YoY
Business bankruptcies	2	2	0.0	●
Consumer bankruptcies	197	204	-3.4%	●

Ontario	Q1 2018	Q1 2017	%-change	YoY
Business bankruptcies	235	224	4.9%	●
Consumer bankruptcies	9,272	9,644	-3.9%	●

Source: Office of the Superintendent of Bankruptcy Canada

The most recent statistics show no change in business bankruptcies and an increase in consumer bankruptcies for Q1 2018 compared to Q1 2017. Insolvency statistics for Greater Sudbury have been consistent over the past 24 months.