

# GROW

## WINNIPEG'S QUARTERLY ECONOMIC HIGHLIGHTS



ECONOMIC  
DEVELOPMENT  
WINNIPEG INC.

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Higher  
Farther  
Greener  
Faster  
Stronger  
Smarter  
Better  
Closer  
Brighter  
Richer

## ECONOMIC INDICATOR HIGHLIGHTS

### Winnipeg (Metropolitan Area) 1st Quarter 2011

	Q1 2011	% Change from Q1 2010	2011 Outlook* (% Change from 2010)
Population**	753,600	-	1.5
Employment	408,900	3.3	1.0
Unemployment Rate (%)	5.6	0.1	0.1
Gross Domestic Product at Basic Prices (Annual Millions \$2002)*	\$26,032	2.0	2.0
Retail Sales (Annual \$ Millions)*	\$10,057	2.7	2.7
Personal Disposable Income Per Capita (Annual \$)*	\$29,654	0.5	0.5
Consumer Price Index (2002=100)	116.9	2.3	1.7
Total Building Permits Value (\$ Millions)	\$299,630	26.0	-
Average Residential Detached Housing Price (\$)	\$238,987	7.2	-
Housing Starts	490	-26.1	-

**Note:** \* Conference Board of Canada's annual projections. Subject to adjustments in subsequent projections.

\*\*Statistics Canada Annual Estimates. CMA Population

**Source:** The Conference Board of Canada, Statistics Canada, Canada Mortgage and Housing Corporation (CMHC) and WinnipegREALTORS®

# TRENDS IN 2011

## CANADA

The Conference Board of Canada, in their Spring 2011 Metropolitan Outlook, projects real GDP growth in Canada of 2.0% in 2011. The Canadian economy is expected to face many of the same challenges from the fourth quarter of 2010 including a slow recovering U.S. economy, a slower housing market, lower employment growth and weaker consumer confidence. The Conference Board projects growth in real consumer spending will slow to between 2.0 and 2.5% from an annualized rate of 4%; it is also anticipated growth in disposable income will drop below 1% this year. Of crucial importance to Canada's economic fortunes will be the continued revitalization of the U.S. and global economies. The Conference Board of Canada projects Canada's GDP growth will advance by 2.7% within 2012.

Statistics Canada reported Canada's real GDP advanced by 1.0% within the first quarter of 2011. Final domestic demand rose 0.6% as consumer spending on goods and services was virtually unchanged in the first quarter, after increasing 1.1% in the fourth quarter of 2010. Business investment in plant and equipment increased 3.2%, the fifth consecutive quarterly expansion. Canadian exports grew 1.6% within the first quarter following a 2.1% increase in the previous quarter. Imports also increased at 2.2%, after dipping 0.1% in the previous quarter. All major industrial sectors, except for retail trade and arts, entertainment and recreation, increased their output in the first quarter. Expressed at an annualized rate, real GDP in the first quarter grew 3.9%, after expanding 3.1% in the fourth quarter of 2010.

In 2011, the value of the Canadian dollar against the U.S. currency ranged from 99 cents at the beginning of the year to 93 cents at the end of the second quarter. Currently the Canadian dollar is valued at \$1.06 U.S. The world price of oil averaged around \$94 (WTI, US\$/barrel) in the first quarter, up 11% from the previous quarter. Currently, the WTO price of oil averages \$96 (WTI, US\$/barrel). The price of natural gas averaged \$4.18 (US\$/mmbtu) during the first quarter of 2011; currently valued around \$4.30. Among other commodities, the market value of all precious and non-precious metals and minerals increased in the first quarter. The same applies to lumber and both grain and animal agricultural products.

The Bank of Canada's overnight rate of 1.0% remains unchanged from the third quarter of 2010 to the present day. The prime rate of 3.0% from September 2010 also remains unchanged. Canada's benchmark 10-year bonds yield averaged 3.31%, three-month treasury bills averaged near 0.96%. Canada's inflation rate was 2.6% during the first quarter of 2011.

During the first quarter national employment increased by 1.7% while labour force grew by 1.1%. The national unemployment rate in the first quarter dropped to 7.8% from 8.0% in the fourth quarter of 2010. The national unemployment rate currently sits at 7.4%

## WINNIPEG

In their Spring 2011 Metropolitan Outlook, The Conference Board of Canada forecasts real GDP growth for Winnipeg in 2011 of 2.0%. Although Winnipeg's GDP growth was below the Canadian average in 2010, has set the stage for recovery of the local economy. The Conference Board predicts Winnipeg's economy will keep pace with the national average in the coming years with growth of 2.4% in 2012 and 2.8% in 2013.

Within the first quarter of 2011, Winnipeg's employment grew by 3.3% while the unemployment rate was 5.6%. The Conference Board is job projecting employment growth in Winnipeg of 1.0% this year with jobs gains in several areas of the economy. It's anticipated Winnipeg's manufacturing sector will experience positive growth in 2011 after suffering in the past three years. The aerospace sector continues to progress with new investments by industry leaders including Boeing, StandardAero and Bristol Aerospace. Winnipeg's construction activity remains strong with current activities such as the new IKEA development, Canadian Museum for Human Rights, Disraeli bridge construction and the Chief Peguis Trail extension. Recently announced projects, including Stantec's new downtown head office with an ALT hotel and Winnipeg Convention Centre expansion, are positive developments for the industry.

Retail sales in Manitoba and Winnipeg continue to grow as Manitoba's first quarter retail sales improved 1.5% from the previous quarter. The Conference Board of Canada predicts Winnipeg's retail sales will grow by nearly 3% in 2011, which is similar to the national average.

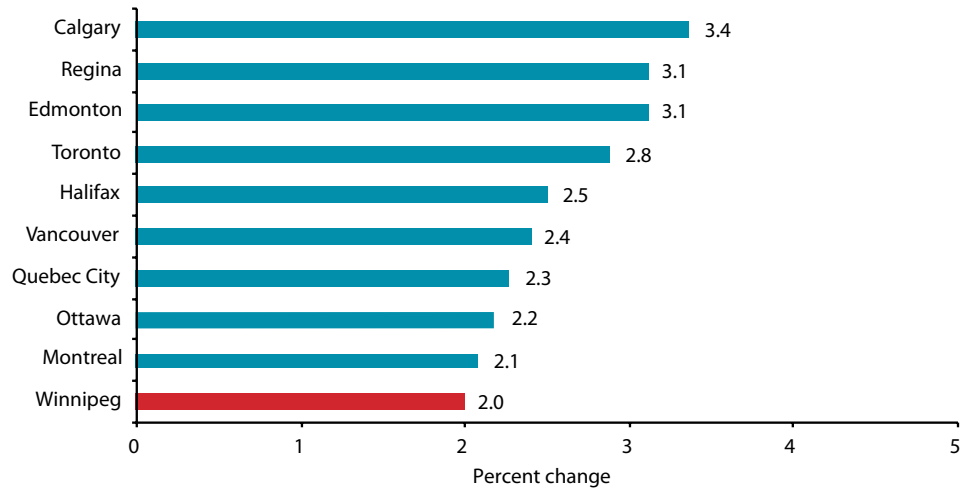
Growth of Winnipeg's residential and non-residential building permit values surpassed the Canadian average within the first quarter of 2011 at 26%. Building permit values posted strong growth in all market areas with the exception of commercial activity. After a solid year of growth in 2010, Winnipeg's residential building permit values advanced by 32% within the first quarter from the same period in 2010.

Winnipeg Realtors reported the number of homes sold during the first quarter of 2011 was up 10% from the same period in 2010. With higher sales, year-to-date dollar volume within the first quarter also improved (15%) from 2010 despite the continued rise in average home prices, which advanced 7% within the first quarter of 2011. MLS listings were also higher within the first quarter of 2011 from the same period last year.

The Manitoba Bureau of Statistics reported strong growth in Manitoba's exports of 29.7% within the first quarter of 2011. The strongest demand from the United States came from western and mid-western states. Within the first quarter, exports improved for nickel, medicaments, petroleum products and various agricultural commodities such as grains, livestock and vegetables. Manitoba's manufacturing shipments also posted strong growth within the first quarter of 2011 of 9% after a couple of difficult years.

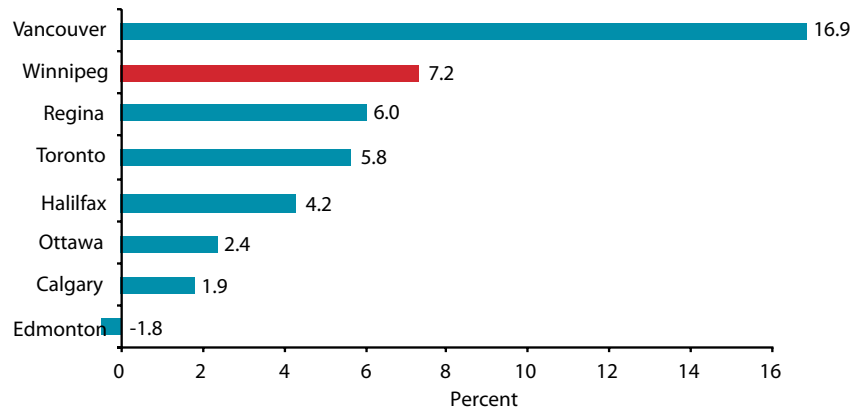
# SELECT CITY COMPARISONS

## Projected Real Gross Domestic Product Annual Percent Change 2010 - 2011 Select Metropolitan Areas



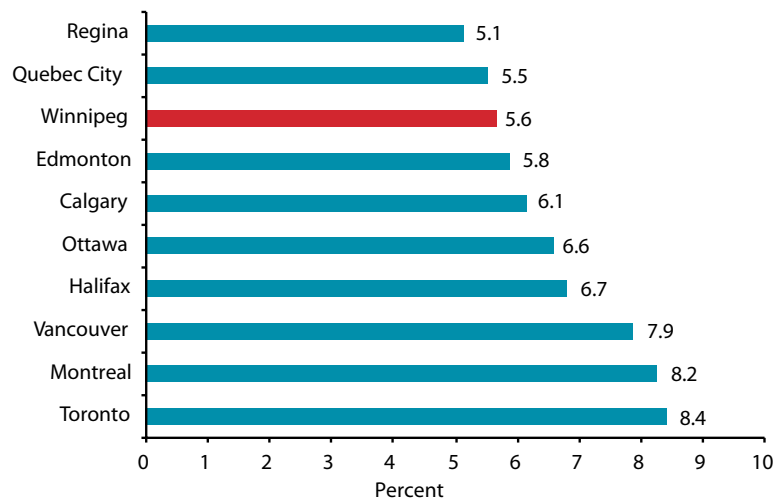
Source: Conference Board of Canada – Metropolitan Outlook Spring 2011

## Average House Prices Annual Percent Change 2010 - 2011 Select Metropolitan Areas



Source: CREA

## Unemployment Rate Select Metropolitan Areas Q1 2011



Source: Statistics Canada

# LABOUR FORCE INDICATORS

(1ST QUARTER YEAR-TO-DATE)

<b>WINNIPEG</b>	<b>Q1 2011 YTD</b>	<b>Q1 2010 YTD</b>	<b>% CHANGE YTD</b>
Population 15 years plus (000)	619.7	598.0	3.6
Labour Force (000)	433.0	419.2	3.3
Employment (000)	408.9	395.9	3.3
Unemployment (000)	24.1	23.3	11.0
Not in Labour Force (000)	186.7	178.8	4.4
Unemployment Rate*	5.6	5.5	0.1
Participation Rate*	69.9	70.1	-0.2*
Employment Rate*	66.0	66.2	-0.2

<b>Manitoba</b>	<b>Q1 2011 YTD</b>	<b>Q1 2010 YTD</b>	<b>% Change YTD</b>
Population 15 years plus (000)	949.0	930.6	2.0
Labour Force (000)	660.3	646.5	2.1
Employment (000)	625.6	612.0	2.2
Unemployment (000)	34.7	34.5	0.6
Not in Labour Force (000)	288.7	284.1	1.6
Unemployment Rate*	5.3	5.3	0.0*
Participation Rate*	69.6	69.5	0.1*
Employment Rate*	65.9	65.8	0.1*

<b>Canada</b>	<b>Q1 2011 YTD</b>	<b>Q1 2010 YTD</b>	<b>% Change YTD</b>
Population 15 years plus (000)	27,865.5	27,554.4	1.1
Labour Force (000)	18,668.4	18,466.4	1.1
Employment (000)	17,224.1	16,944.3	1.7
Unemployment (000)	1,444.4	1,522.1	-5.1
Not in Labour Force (000)	9,197.1	9,088.0	1.2
Unemployment Rate*	7.8	8.2	-0.4
Participation Rate*	67.0	67.0	0.0*
Employment Rate*	61.8	61.5	0.3*

Source: Statistics Canada

\* rate change only

# REAL ESTATE INDICATORS

(1ST QUARTER YEAR-TO-DATE)

## BUILDING PERMIT VALUES (\$000s)

Winnipeg	Q1 2011 YTD	Q1 2010 YTD	% CHANGE YTD
Total Residential & Non-Residential	\$299,630	\$237,843	26.0
Residential	\$214,957	\$163,008	31.9
Non-Residential	\$84,673	\$74,835	13.1
Industrial	\$13,553	\$4,619	193.4
Commercial	\$40,151	\$47,885	-16.2
Institutional & Governmental	\$30,969	\$22,331	38.7

Source: Statistics Canada

## HOUSING MARKET ACTIVITY

Canada	Q1 2011 YTD	Q1 2010 YTD	% Change YTD
MLS Average House Price	\$365,170	\$341,105	7.1
<b>Winnipeg</b>			
MLS Average Detached Sale Price	\$238,987	\$222,992	7.2
MLS Residential Unit Sales	2,533	2,309	9.7
MLS Dollar Volume (\$ millions)	\$571	\$494	15.6
Single-Family Housing Starts	348	364	-4.4
Total Housing Starts	490	663	-26.1

Source: Statistics Canada, Winnipeg REALTORS®, Canada Mortgage & Housing Corporation

## OFFICE SPACE

	Q1 2011 YTD	Q1 2010 YTD	% Change YTD
Class A Average (Downtown) Net Rent	\$16.85	\$16.91	-0.4
Overall Vacancy*	5.2%	6.2%	-1.0
Class B Average Net Rent	\$13.26	\$13.22	0.3
Overall Vacancy*	10.6%	12.2%	-1.6
Class C Average Net Rent	\$9.95	\$9.11	9.2
Overall Vacancy*	11.5%	8.4%	3.1
Total Office Space			
Average Rent	\$12.42	\$11.97	3.8
Average Overall Vacancy*	9.1%	9.3%	-0.2

Source: Cushman & Wakefield

\* rate change only

# OTHER INDICATORS

(1ST QUARTER YEAR-TO-DATE)

<b>MANUFACTURING SHIPMENTS (\$Millions)</b>	<b>Q1 2011 YTD</b>	<b>Q1 2010 YTD</b>	<b>% CHANGE YTD</b>
Canada	\$140,389,704	\$128,609,747	9.2
Manitoba	\$3,759,151	\$3,448,184	9.0

Source: Statistics Canada

<b>RETAIL TRADE (\$ millions)</b>			
Canada	\$96,676,150	\$94,226,160	2.6
Manitoba	\$3,515,185	\$3,386,853	3.8

Source: Statistics Canada

<b>MERCHANDISE EXPORTS (\$Millions)</b>			
Canada	\$111,781	\$98,575	13.4
Manitoba	\$2,770	\$2,478	11.8

Source: Statistics Canada (balance of payments basis) Manitoba Bureau of Statistics

<b>AVERAGE WEEKLY EARNINGS</b>			
Canada	\$872	\$840	3.8
Manitoba	\$803	\$774	3.7

Source: Statistics Canada

<b>BANKRUPTCIES - WINNIPEG CMA</b>			
Consumers	265	325	-18.5
Businesses	9	10	-10.0

Source: Industry Canada

<b>CONSUMER PRICE INDEX</b>			
Canada – All Items	118.4	115.4	2.6
Winnipeg – All Items	116.9	114.3	2.2

Source: Statistics Canada

<b>AIRPORT STATISTICS</b>			
Total Passenger Volumes	843,472	865,121	-2.5

Source: Winnipeg Airports Authority

<b>FINANCIAL (YTD Average)</b>			
Prime Rate (%)	3.00%	2.25%	0.8
Exchange Rate (CDN\$ in US\$)	\$1.01	\$0.96	5.2
Canada 10-year Benchmark Bond (%)	3.31%	3.45%	-0.1

Source: Bank of Canada

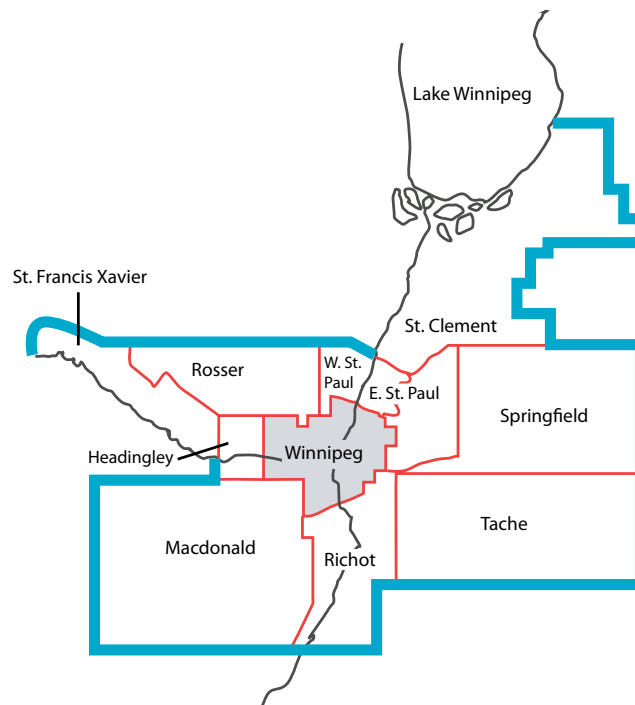
<b>CREDIT RATING - CITY OF WINNIPEG</b>	
Standard & Poor's	AA
Moody's Investor Services	Aa1

# WINNIPEG CMA

Census Metropolitan Area (CMA) refers to the municipalities assigned by Statistics Canada on the basis of labour market and commuting criteria, comparable to the U.S. Metropolitan Statistical Area (MSA). The Winnipeg CMA is comprised of the city of Winnipeg plus 10 adjacent municipalities. The city of Winnipeg represents a significant majority of the economic activity and over 90% of the population in the CMA.

Winnipeg lies in the heart of Canada and at the geographic centre of North America. Winnipeg has the most diverse economy of major cities in Canada. Winnipeg is an economic hub, a major trade and transportation centre, an arts and culture centre, and a city of creativity and diversity.

Key industries include: transportation and distribution, aerospace, agri-business, financial services, life sciences, information and communications technology, tourism, energy and environment, advanced manufacturing and cultural industries.



## ECONOMIC DEVELOPMENT WINNIPEG INC.

Economic Development Winnipeg Inc. is a not-for-profit organization that leads and facilitates investment, partnership, capacity building, tourism and the management of market information. Led by a private sector board with core funding from the City of Winnipeg and Province of Manitoba, Economic Development Winnipeg Inc. promotes Winnipeg as an ideal place to live, work, invest and visit.

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