

# Economic Update **December 2019**



The **New Housing Price Index** for St. John's Metro was 97.0 in September 2019 down -1.5%\*

The **Consumer Price Index** for St. John's Metro was 138.9 in October 2019 up 0.4%\*

**Retail trade** for Newfoundland and Labrador was \$755 million in September 2019 up 0.9%\*

\* same month in the previous year. Source: Statistics Canada



... as of **October 2019**

|                    |                       |
|--------------------|-----------------------|
| Labour Force       | 124,600 (up 2.3%)     |
| Unemployment Rate  | 7.3% (down -1.5 ppts) |
| Employment         | 115,400 (up 3.9%)     |
| Participation Rate | 66.9% (up 1.3 ppts)   |

*St. John's CMA, seasonally adjusted, three-month moving average. Percentage change reflects the same month previous year. Source: Statistics Canada*

## Business Briefs



### Newcomers Entrepreneur Program

The St. John's Board of trade will be offering a pre-incubator **Newcomer Entrepreneurship Program** for newcomers who want to turn their ideas into start-up businesses. The program will build on the entrepreneurial spirit of newcomers and provide participants with training opportunities to grow their entrepreneurial and networking skills, guidance on preparing a business plan and learn from experts in the business development field. The program will run from January to March 2020. Deadline to apply is December 6. For further details visit [www.stjohnsbot.ca](http://www.stjohnsbot.ca)

### VitalSigns®

The [Harris Centre](#) and the [Community Foundation of Newfoundland and Labrador](#) (NL) have released the sixth [Vital Signs](#) report. According to the report, the average family income in 2017 was \$81,000 in the province, an 18% jump in the past 10 years, and the largest increase among all Canadian provinces in that time frame. Additionally, the average number of Newfoundlanders and Labradorians on income support has decreased eight per cent in the last eight years, with 32,811 people receiving such assistance in 2018. The report also highlights housing affordability, with the average house price in NL half that of the Canadian average. There's also a decent showing when it comes to household debt to disposable income ratio versus what that same household brings in, after income tax. The Canadian ratio is \$1.83 of debt for every \$1 of such income, while N.L.'s sits at \$1.44, in the middle of the provinces, lower than Alberta (which carries \$2.15 of debt for every \$1 coming in). Plus, that ratio is shrinking in NL, while it's growing nationally.

### Newfoundland and Labrador exports tops the charts

The national export outlook is for relatively modest growth in both 2019 and 2020, whereas the provincial outlooks are quite varied, according to Export Development Canada's latest [report](#). Several export sectors are performing well this year—most notably aerospace, industrial machinery and energy—offset by longer-term weakness in forestry and the auto sectors. Across Canada, Newfoundland and Labrador tops the charts, with offshore oil production lifting export growth by 14% this year and 15% in 2020 due to production at the Hebron offshore oil platform ramping up, and Hibernia and White Rose resuming full production. Additionally, production growth from several mines and new production from Tacora support a strong export outlook for the province. Other provinces don't come close in their forecast for export growth; next in line is Nova Scotia, at 9% this

year, but sliding to 4% in 2020. Weighed down by a weak auto sector, Ontario is weakest, showing a 1% overall decline in exports in 2020. British Columbia was the first to register a decline, though, with weak forestry exports leading to a 5% overall drop in 2019 before modest gains return next year. Quebec, P.E.I. and Alberta are steadily in the middle of the pack, while Manitoba, Saskatchewan and New Brunswick are on the softer side of the chart.



## City Building Permits (year to date)

As of December 2, 2019 the value of:

- **Commercial** permits were down-39% from \$263,051,708 in 2018 to \$160,999,369 in 2019
- **Industrial** permits were valued at \$5,000 for 2018 and \$1,812,266 for 2019
- **Government/Institutional** permits were down from \$12,713,470 in 2018 to \$2,826,650 in 2019\*
- **Residential** permits were down -34% to \$47,023,590 for 2019 over \$71,263,924 for 2018
- **Repair** permits were down -23%, from \$2,576,805 in 2018 to \$2,279,933 in 2019
- **Total** value of all permits was down -39% to \$214,941,808 for 2019 over \$349,610,907 for 2018

\* Note that this data does not include the full range of permit activity undertaken by the provincial government and Memorial University.



## Business Approvals

Restaurant, 320 Torbay Rd.  
Sushi Island, 394 Kenmount Rd.  
Highland Hair and Esthetics, 12-20 Highland Dr.  
Hair salon, 702 Water St.  
The Pantry, 155 Water St.  
Banana Republic Factory, Avalon Mall  
Old Navy, Avalon Mall  
Power & Associates Chartered Accountants, 84-86 Elizabeth Ave.  
Roosters Men's Grooming Center, 42 Danny Dr.  
Bakery, 85 Bond St.  
JeenesFit Studio, 40 Aberdeen Ave.  
Dunphy Molloy & Associates, 556 Topsail Rd.  
Soft Touch Hair Salon, 556A Topsail Rd.

### Home-based Businesses

Admin of senior care plan, 66 Mark Nichols Pl.  
Admin office for subcontractor, 8 Old Bay Bulls Rd.

### 2019 Total Year-to-Date 144

- Regular 99
- Home-based 45



## City Initiatives



### Changes to Downtown BIA Levy billing beginning in 2020

On November 27, Downtown St. John's (DTSJ) announced a change in the way the Business Improvement Area (BIA) Levy will be billed to businesses. This year, DTSJ has been working to determine the best means for future collection of the BIA Levy to ensure the Downtown St. John's BIA association is properly funded and can continue its vital operations. In other cities throughout Atlantic Canada where municipalities have introduced blended tax, the industry standard is to combine the BIA levy with the commercial mil rate. This process of combining the BIA levy with the commercial mil rate has been proven to ensure the fair and equitable distribution of the levy throughout the business improvement area. This is the method Downtown St. John's asked the City of St. John's to implement. In January 2020, commercial property owners within the Downtown BIA will see a levy of 0.8 mills placed on their tax bills. Property owners and businesses in the downtown with questions about the BIA Levy should contact DTSJ for details @ [downtownstjohns.com](http://downtownstjohns.com)

Downtown St. John's Business Improvement Area Map [www.downtownstjohns.com](http://www.downtownstjohns.com)

## Upcoming Events

- Dec 11 [Canada's Ocean Supercluster Project Development 101](#)  
Dec 11 [Info Session: Opportunities for Atlantic Canada Supply Chain in Global Offshore Wind Developments](#)  
Dec 11 [Brilliant Labs: Career Development Class Coding Activity](#)  
Dec 11 [Writing Strategies that Win Proposals](#)  
Dec 12 [Business Solutions Pop Up](#)  
Dec 17 [Fireside Chat with VC Scott Kupor Raising Venture Capital in Silicon Valley](#)  
Dec 19 [NLOWE Passport for Growth: Trade Commissioner Service](#)

