

# Economic Update February 2019



The **New Housing Price Index** for St. John's Metro was 98.0 in November 2018 down -1.0%\*

The **Consumer Price Index** for St. John's Metro was 136.4 in December 2018 up 0.5%\*

**Retail trade** for Newfoundland and Labrador was \$734 million in November 2018 down -5.2%\*

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



... as of December 2018

Labour Force	121,000 (down 0.6%)
Unemployment Rate	7.5% (down 1.1 ppts)
Employment	111,300 (up 1.7%)
Participation Rate	65.2% (up 0.1 ppts)

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

## Business Briefs



### NL business investment intentions expected to increase in 2019: BDC

A new BDC survey shows 36% of entrepreneurs in N.L. plan to increase investments in their own companies in 2019, the most optimistic in the country. The high confidence in Newfoundland and Labrador is due to additional investment in the oil sector over the next few years. The production of oil from the Hebron offshore platform has been increasing over the last few months and it's forecast to increase in 2019. A strengthening oil sector is encouraging more entrepreneurs to invest in their companies. Confidence in the economy in Atlantic Canada declined from 65% last year to 59% this year – one of the key reasons business owners are holding back investments. View the report at [www.bdc.ca](http://www.bdc.ca).

### St. John's Real Estate Market

The overall office vacancy rate decreased slightly in the fourth quarter 2018 to 19.7% down from 21.4% in 2017, according to Cushman & Wakefield Atlantic. The average asking rent for the fourth quarter 2018 was \$34.77 per square foot in the St. John's metro area compared to \$34.78 in the fourth quarter 2017.

The overall industrial vacancy rate in St. John's metro decreased to 15.3% in the fourth quarter 2018 down from 18.2% in 2017. The average asking rent increased slightly in the fourth quarter 2018 to \$11.33 per square foot compared to \$11.21 in the fourth quarter 2017.

In the residential market, housing starts decreased by 5.4% in the City of St. John's to 280 units compared to 296 starts in 2017. In the St. John's metro area, housing starts fell by 12.7% to 632 units in 2018 compared to 763 started in 2017.

### Major Construction Projects City of St. John's, 2018 >\$10 million

#### Private investment

Winslowe Ridge Retirement living, 11 L'anse aux Meadows Cres

\$10.8

Bill Matthews Volkswagen, 90 Kelsey Dr.

\$11.0

ExxonMobil, 20 Hebron Way

\$11.3

Costco, 75 Danny Dr.

\$12.5

Long-term care facility 240 Waterford Bridge Rd.

\$26.5

Canopy Growth, 390 East White Hills Rd.

\$48.5

*Not a complete list of projects.*



## City Building Permits (year to date)

As of February 4, 2019 the value of:

- **Commercial** permits were down 82% to \$3,095,941 for 2019 over \$17,341,803 for 2018
- **Industrial** permits were valued at \$0 for 2018 and 2019
- **Government/Institutional** permits were down from \$2,000,000 in 2018 to \$0 in 2019\*
- **Residential** permits were down 80% over 2018: \$1,563,880 for 2019 over \$7,888,011 for 2018
- **Repair** permits were down 63%, from \$60,500 in 2018 to \$98,750 in 2019
- **Total** value of all permits was down 83% to \$4,758,571 for 2019 over \$27,290,314 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

## City Initiatives



No. 4 restaurant, 288 Duckworth St.  
 Mad Lad Marketing Inc., 5 Job St.  
 Wine Rack-It, 655 Topsail Rd.  
 The Rec Room, Avalon Mall  
 Hakim Optical, Village mall  
 Avalon Holographics Inc., 240 Waterford Bridge Rd.  
 Elixir Lounge, 260-268 Water St.  
 Dollarama, 354 Water St.  
 Feshii, 50 White Rose Dr.  
 Utec Survey, 21 Hallett Cres.  
 Electronics repair, 18 Harbour View Ave.

### Home-based Businesses

Music lessons, 67 MacBeth Dr.  
 Construction contractor, 29-33 King's Hill Rd.  
 Business consulting, 101 Waterford Bridge Rd.  
 Office for offsite car detailing, 42 Ennis Ave.  
 Massage therapist, 285 Pennywell Rd.  
 Cleaning business, 100 Watson St.

### 2019 Total 17

- Regular 11
- Home-based 6

## Economic Review 2018 St. John's metro

Real gross domestic product (GDP) is estimated to have increased by 1.0% to \$17.1 billion (in \$2012) in 2018, primarily due to an increase in oil production. Excluding the oil and gas industry, the St. John's metro economy, has measured by GDP, is estimated to have declined by 2.2%. Employment in the St. John's CMA increased by 0.7% to 110,700 while the unemployment rate remained unchanged at 8.4%. Household income increased by a modest 0.5% in 2018 to \$11.0 billion. The slow growth in household income was reflected in retail sales which decreased by 0.8% to \$4.0 billion.

The population of the St. John's CMA was estimated to be 220,500 as of July 1, 2018, a 0.6% increase from 2017. The full report can be found in the publications section at [stjohns.ca](http://stjohns.ca).

## Upcoming Events

- Feb 12 [Get Insta-Growth with Instagram](#)  
 Feb 18 [Expanding your markets to Europe?](#)  
 Feb 21 [BOMA NL Real Estate Forum](#)  
 Feb 21 [NLOWE - Passport for Growth - Diversify your Market](#)  
 Feb 22 [Deliver Your Message with Poise, Confidence, Clarity, and Character](#)  
 Feb 26 [Noia 2019 AGM & Industry Achievement Awards](#)  
 Mar 7 [Business ideas in ocean tech](#)  
 Mar 21 [Geoscience Day](#)



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