

# City of Winnipeg

## Economic Situation and Outlook

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Presented at the 2022 MABE Outlook Conference  
February 10, 2022

# Content Overview

1. COVID-19 Impact on the Municipal Government
2. Population
3. Housing and Building Investment
4. Employment and Business Counts
5. Near-term Outlook

**Disclaimer:** Any opinions expressed are solely my own and do not express the views or opinions of my employer.

# COVID-19's Impact on the Municipal Government

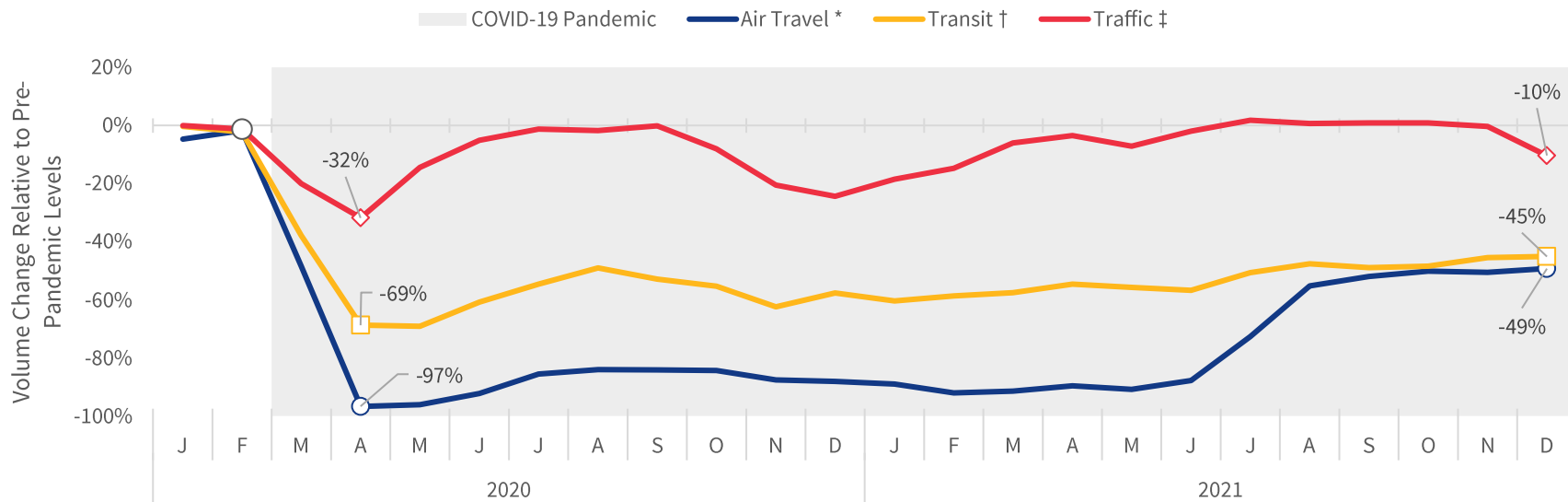
## Key risks facing the City of Winnipeg during the COVID-19 Pandemic

Category	Item	Risk	What's Happening
Tax Revenue	Property Tax	Taxpayers unable to pay	Share of taxes collected comparable to pre-pandemic levels (-0.05%)
	Business Tax	Taxpayers unable to pay	Share of taxes collected comparable to pre-pandemic levels (-0.56%)
	Entertainment Tax	Low revenue from tourism	\$1.6M shortfall for 2022 expected
Operations Revenue	Transit Fares	Low Ridership	\$26.0M shortfall for 2022 expected
	Recreation Fees	Recreation facility closures	\$2.7M shortfall due to lower fees expected

Source: City of Winnipeg Update on COVID-19 financial implications as of December 23, 2021 presented to the January 18, 2022 Standing Policy Committee on Finance; City of Winnipeg 2022 Preliminary Operating and Capital Budget Volume 2

# Transportation Trends during the Pandemic

Traffic has approached normal levels, but air travel and transit lag behind



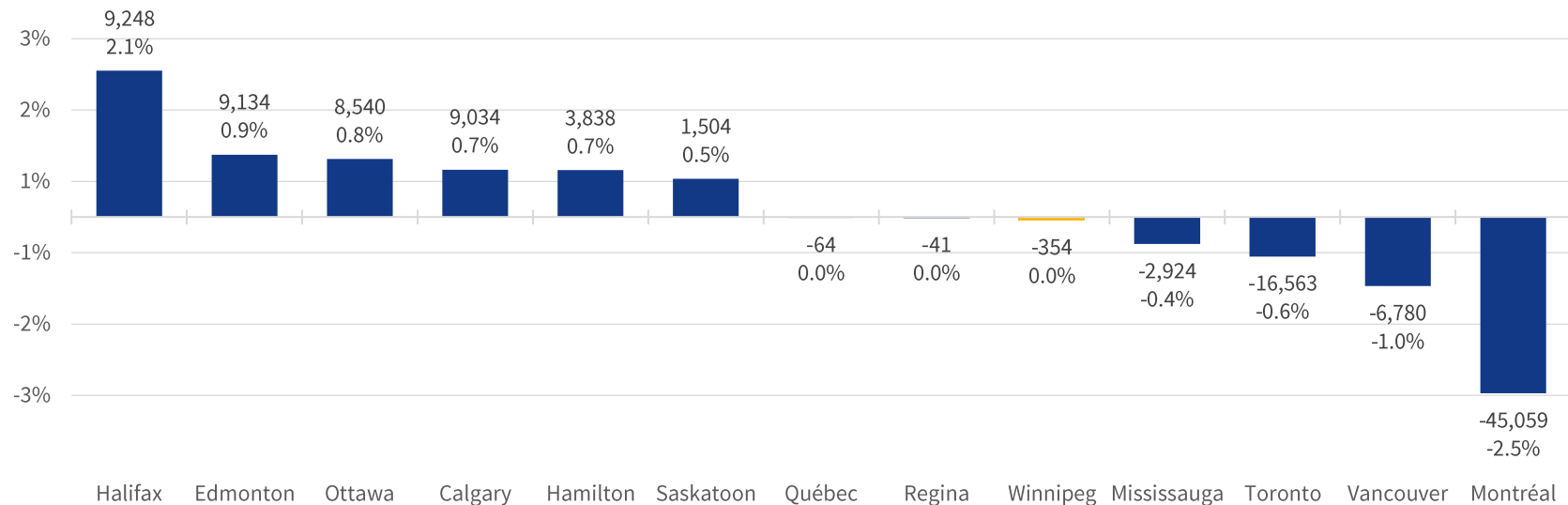
\* Source: Winnipeg Airports Authority, Historical Passenger Statistics. Measurement represents relative change in monthly passengers enplaned + deplaned compared to the same month in 2019 (City of Winnipeg calculations)

† Source: City of Winnipeg. Measurement represents relative change in weekly transit boardings compared to the same week in 2019, averaged over the given month.

‡ Source: City of Winnipeg. Measurement represents relative change in weekly traffic volume compared to a February/March of 2020 baseline, averaged over the given month.

# 2020 to 2021 Population Growth in Urban Centres

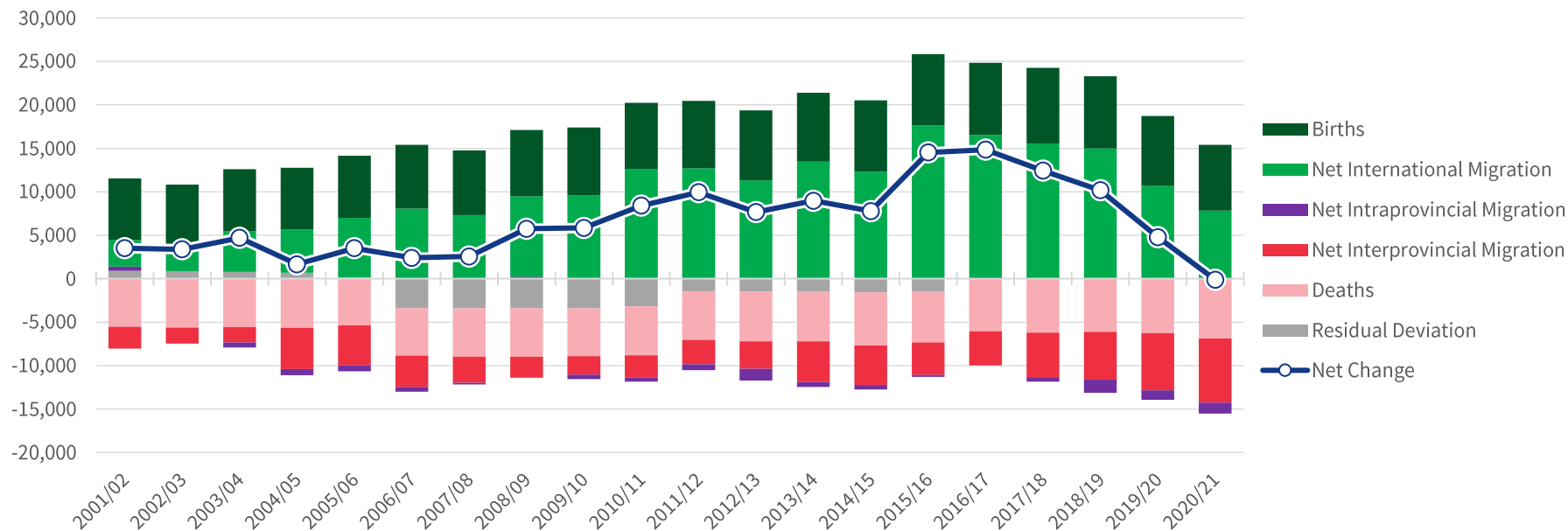
Pandemic is limiting migration – many cities faced with small to negative growth



Source: Statistics Canada Table 17-10-0142-01 Population Estimates, July 1, by census subdivision, 2016 boundaries

# Components of Population Change in Winnipeg

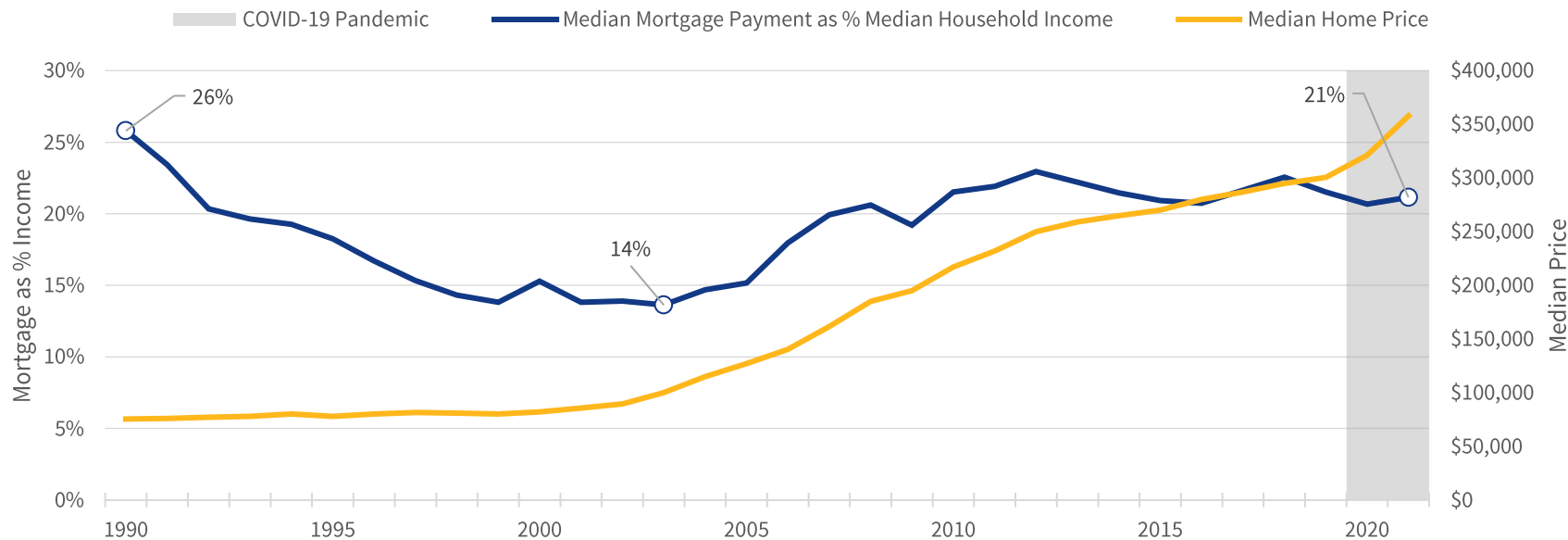
The Winnipeg Economic Region faces significant interprovincial out-migration



Source: Statistics Canada Table 17-10-0138-01 Components of population change by economic region, 2016 boundaries

# Median Mortgage Costs as % of Income

## Winnipeg CMA Estimates

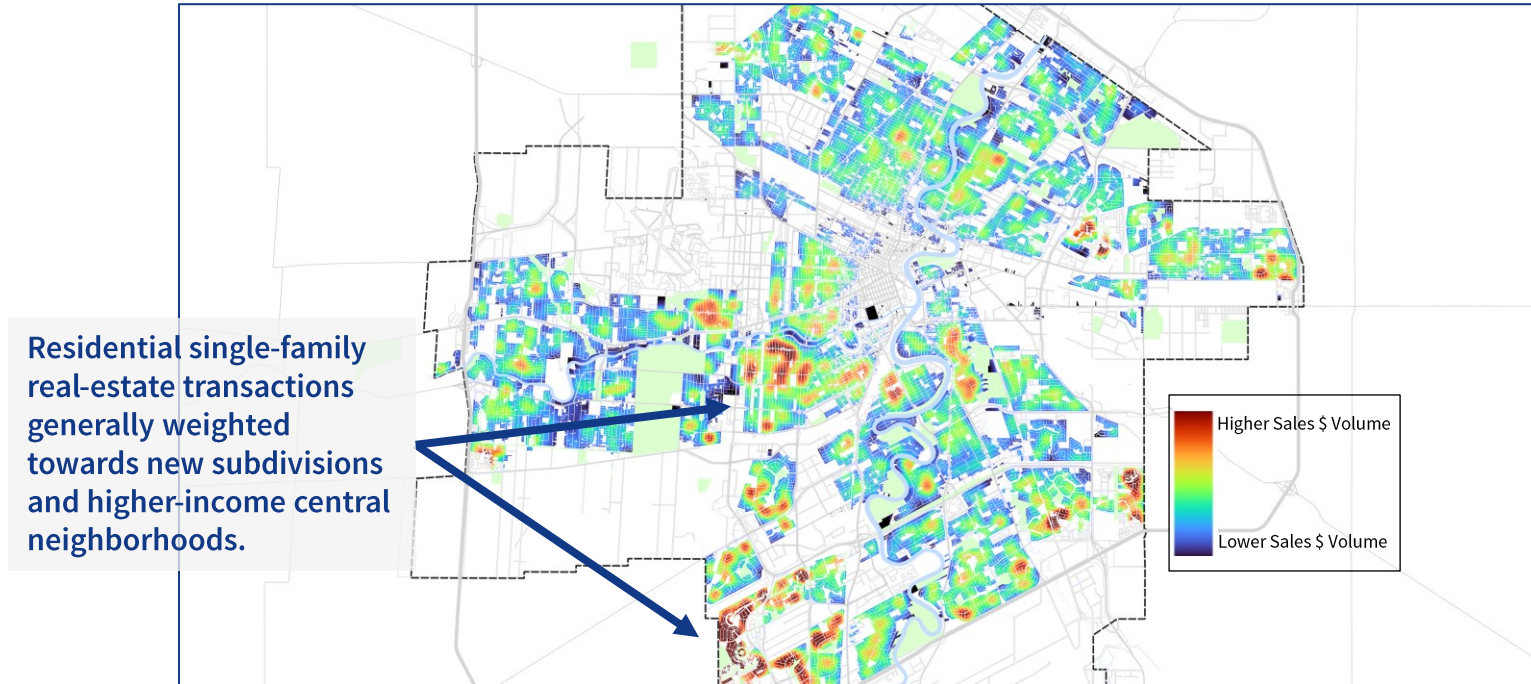


Source: Statistics Canada, Table 11-10-0190-01 Market income, government transfers, total income, income tax and after-tax income by economic family type; Statistics Canada, Table 34-10-0145-01 CMHC conventional mortgage lending rate, 5-year term; City of Winnipeg internal data and calculations.

Note: Assumes 20% down payment and 25 year amortization period. Statistics based on total gross median household income.

# Residential Home Sales Activity in 2021

Heatmap of Single Family Home Sales Activity weighted by Dollar Volume



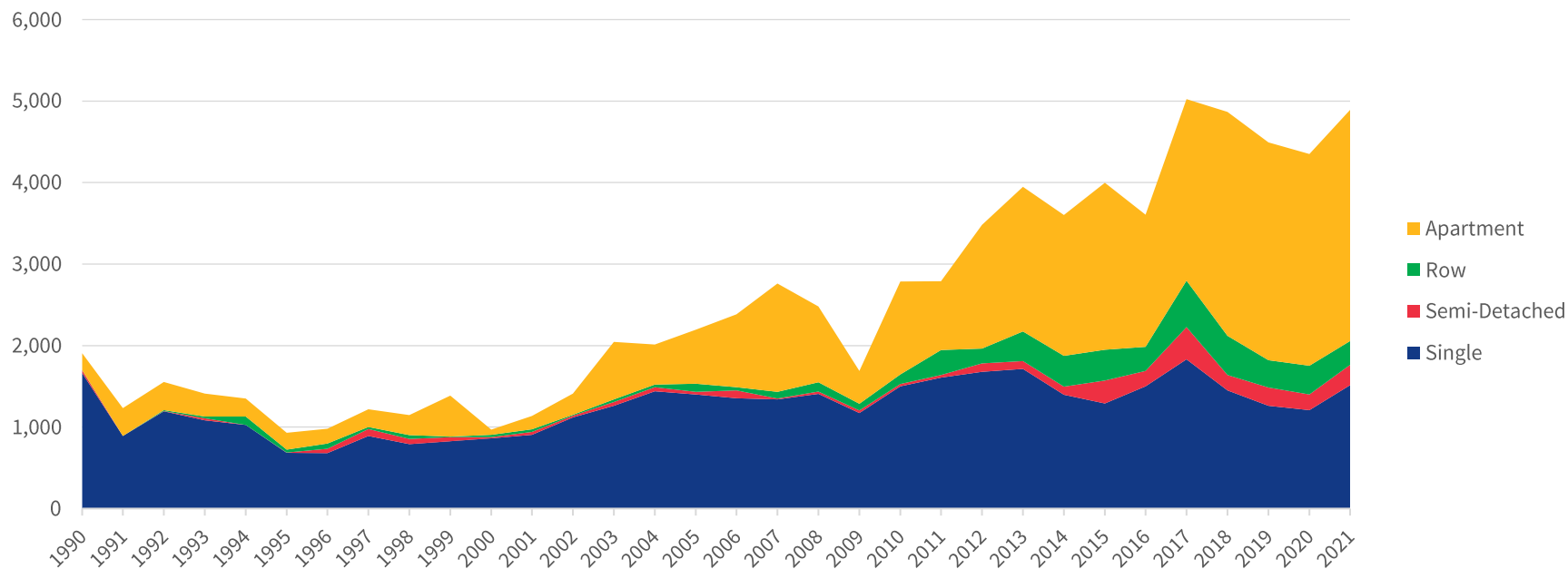
Source: City of Winnipeg internal data; City of Winnipeg Economic Research calculations.

Note: Excludes condo sales.



# Winnipeg Housing Starts

Housing starts, especially multi-unit dwellings, continue at normal rates

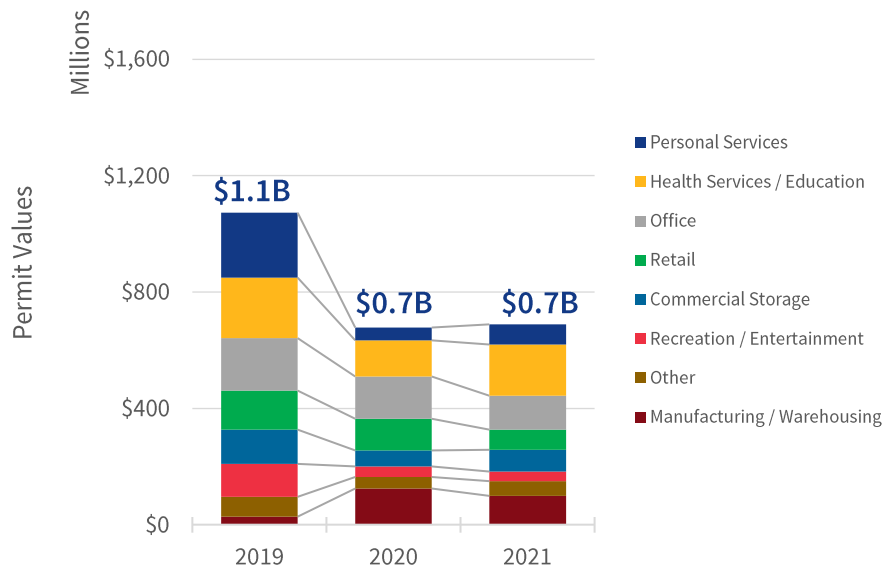


Source: CMHC Starts and Completions Survey

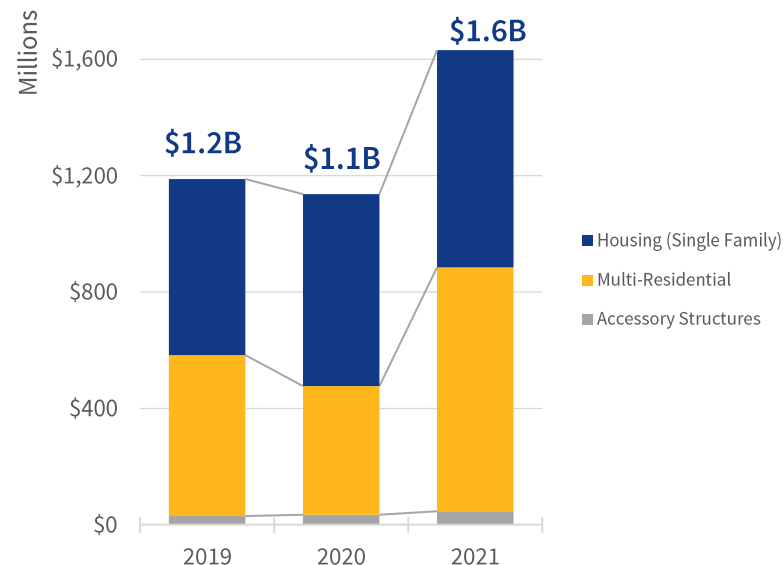
# Winnipeg Building Investment

Non-Residential has seen a decline due to the pandemic, while residential has been on the rise

## Non-Residential



## Residential



Source: City of Winnipeg, Property, Planning & Development Department.

Note: 2021 data is preliminary, subject to annual review, and revision.

# Winnipeg Labour Market Summary

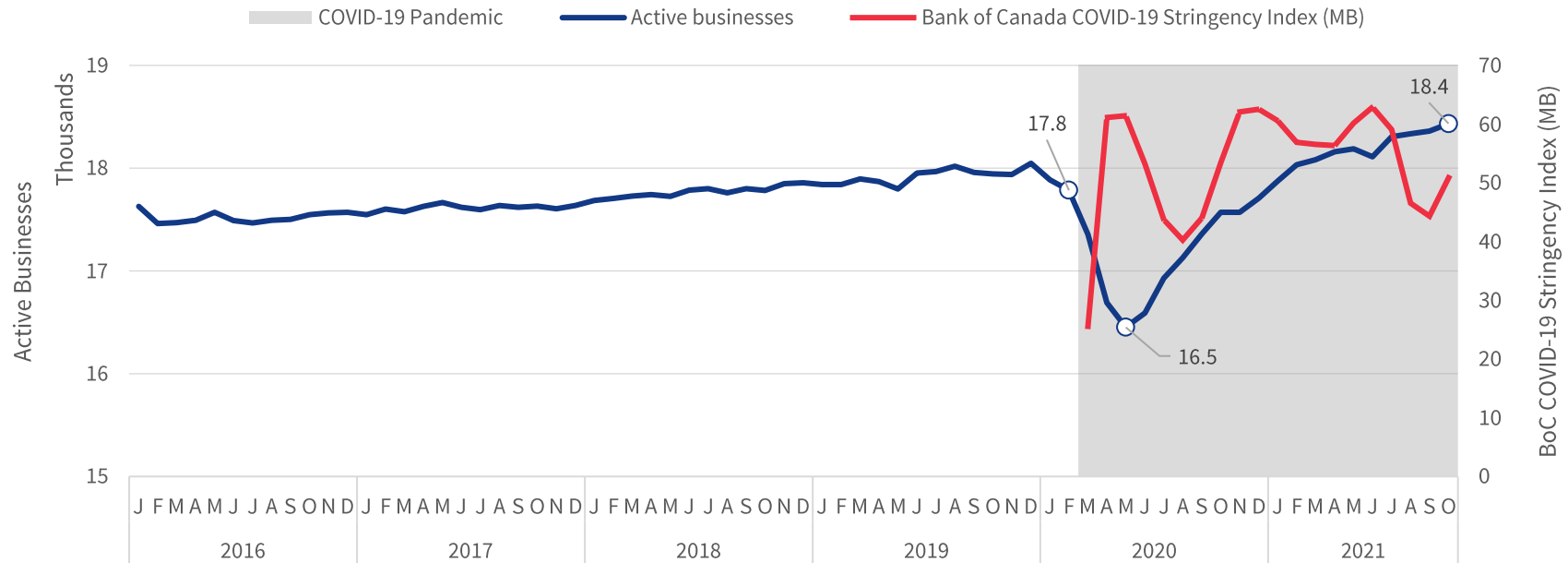
2021 labour market has recovered somewhat

Category	Indicator – Winnipeg ER	2019	2020	2021	% Change, 2020 to 2021
Labour Force	Labour Force	424,900	426,700	435,000	+8,300
	Not in Labour Force	204,900	210,000	205,100	-4,900
Employment	Total Employed	401,300	387,700	404,800	+17,100
	Employment Rate	63.7%	60.9%	63.3%	+2.4%
Unemployment	Total Unemployed	23,600	39,000	30,100	-8,900
	Unemployment Rate	5.6%	9.1%	6.9%	-2.2%

Source: Statistics Canada. Table 14-10-0393-01 Labour force characteristics, annual

# Winnipeg CMA Active Business Counts

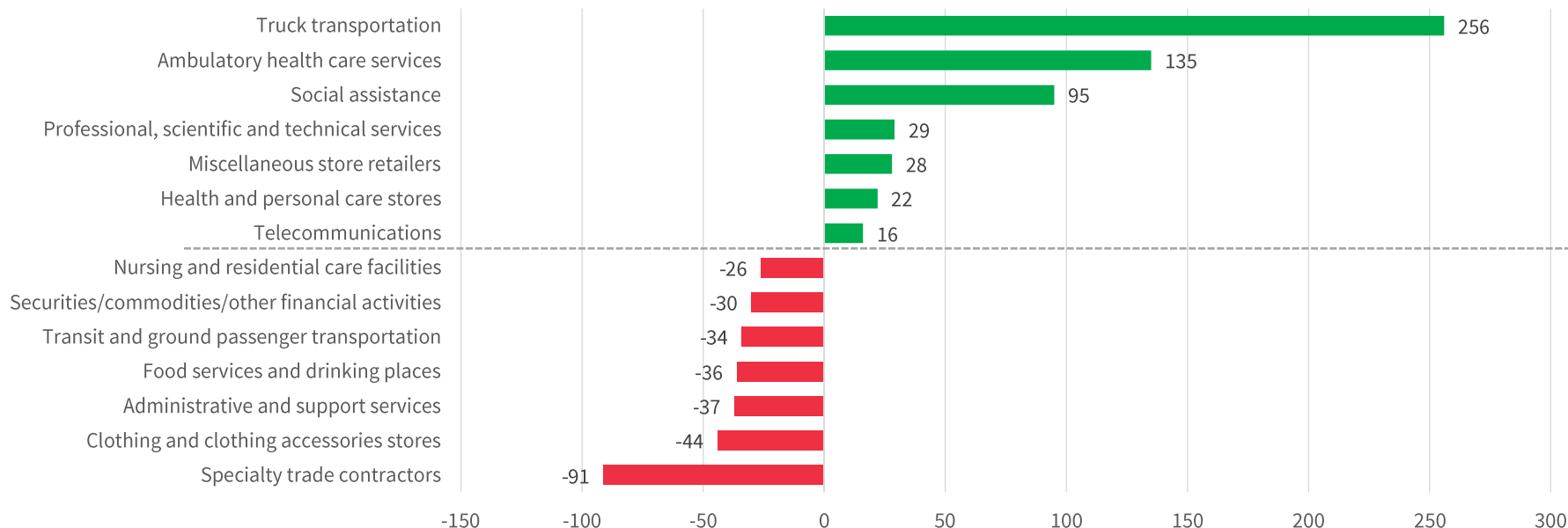
Active businesses correlated with lockdown stringency index



Source: Statistics Canada Table 33-10-0270-01 Experimental estimates for business openings and closures for Canada, provinces and territories, census metropolitan areas, seasonally adjusted; Bank of Canada COVID-19 Stringency Index (for Manitoba)

# Top Gains/Losses in Businesses by Industry

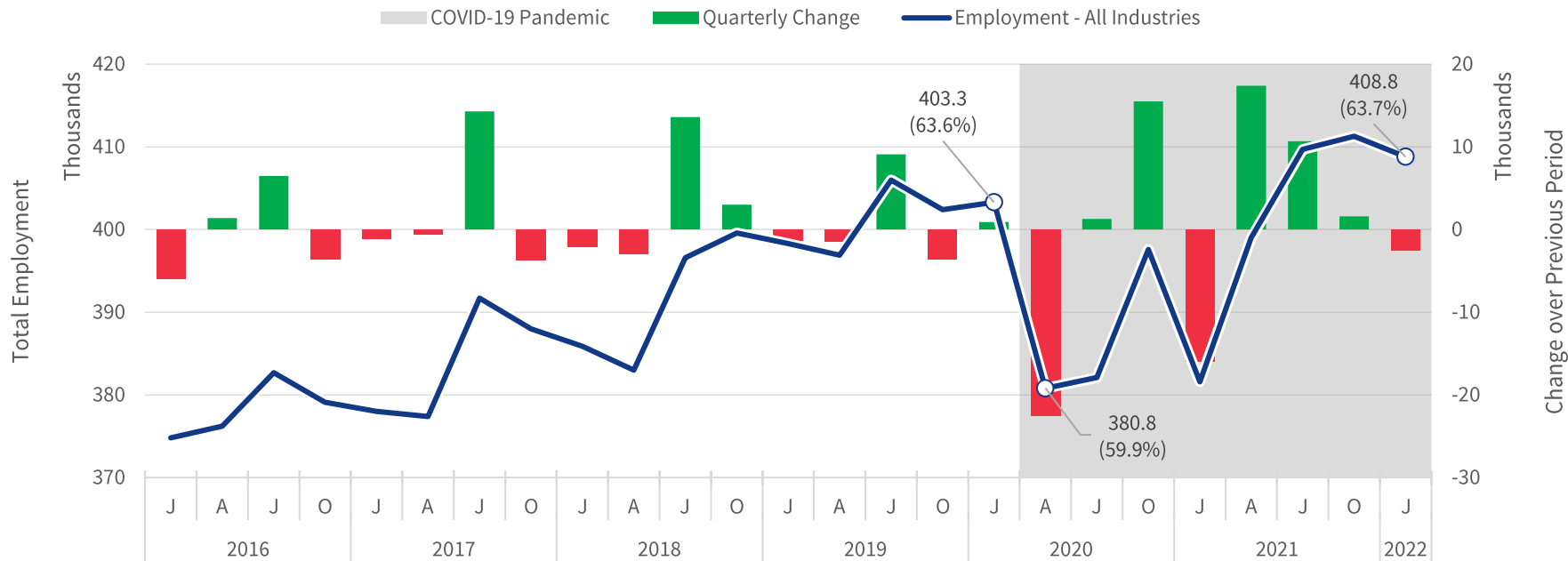
June 2019 vs. June 2021 Winnipeg CMA Business Counts by 3-Digit NAICS



Source: Statistics Canada Canadian Business counts, establishment and location counts, employment size and North American Industry Classification System (NAICS), June 2019 and June 2021 for Winnipeg CMA

# Winnipeg Economic Region Employment

Current employment is above pre-pandemic levels

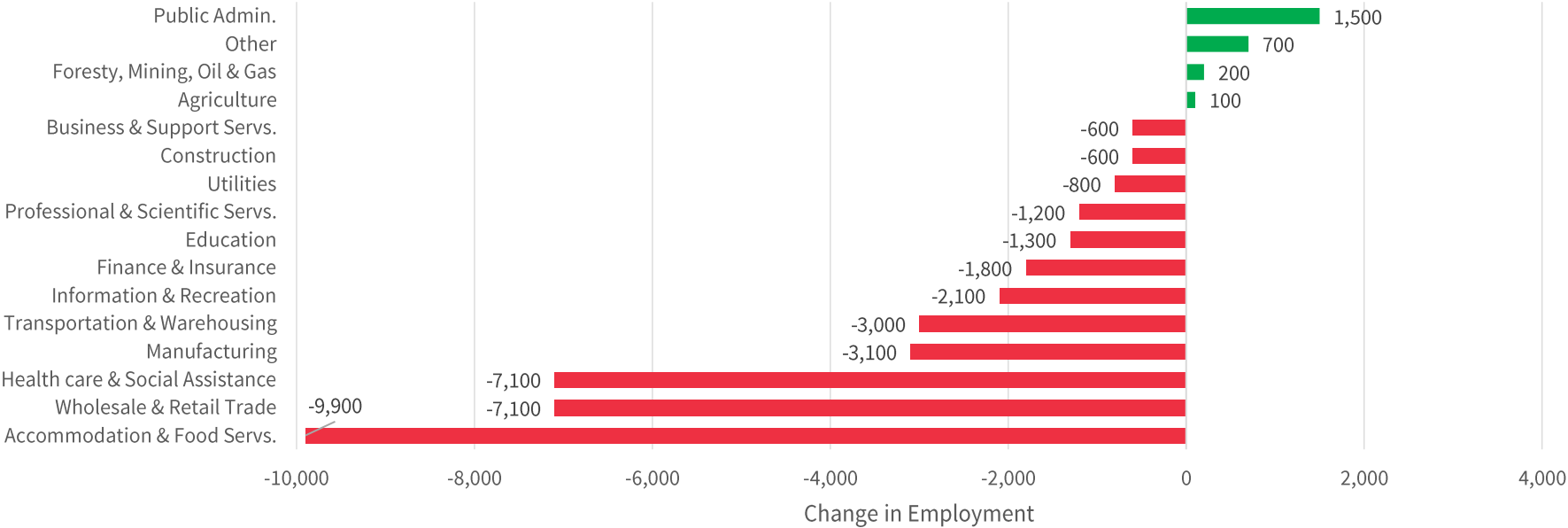


Source: Statistics Canada. Table 14-10-0388-01 Employment by industry, three-month moving average, unadjusted for seasonality.

Note: Employment rates displayed in brackets.

# Pandemic Effects on Employment by Industry

Pre-Pandemic vs. Trough: February 2020 versus June 2020, Winnipeg ER



Source: Statistics Canada. Table 14-10-0388-01 Employment by industry, three-month moving average, unadjusted for seasonality.

# Change in Employment by Neighborhood

Pre-Pandemic vs. Trough: February 2020 versus June 2020, Winnipeg ER

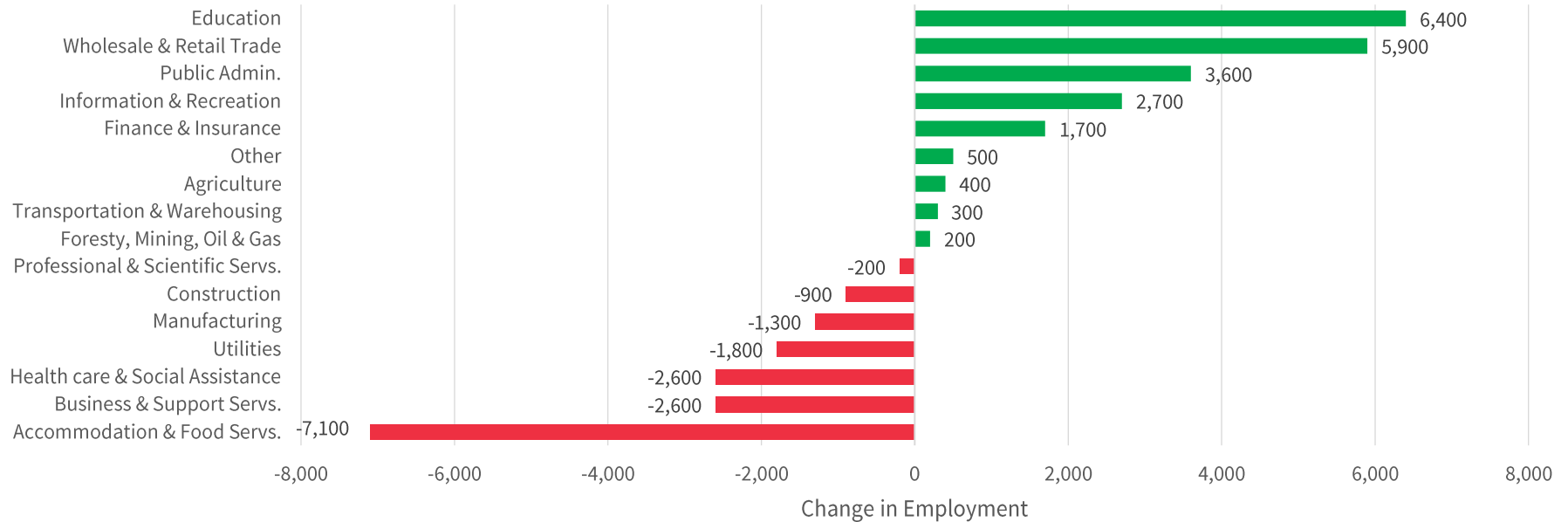


Source: Statistics Canada. Table 14-10-0388-01 Employment by industry, three-month moving average, unadjusted for seasonality; Statistics Canada 2016 Census of Population; City of Winnipeg Economic Research calculations



# Pandemic Effects on Employment by Industry

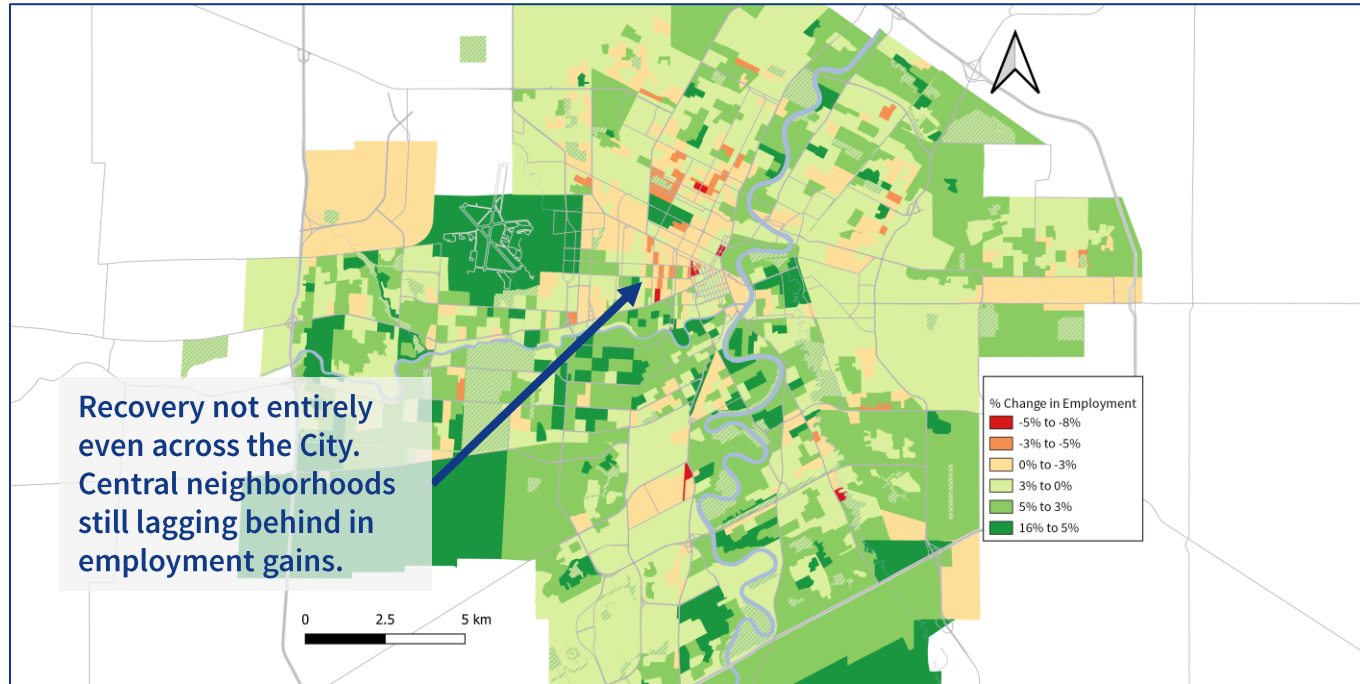
Pre-Pandemic vs. Current: February 2020 versus January 2022, Winnipeg ER



Source: Statistics Canada. Table 14-10-0388-01 Employment by industry, three-month moving average, unadjusted for seasonality.

# Change in Employment by Neighborhood

Pre-Pandemic vs. Current: February 2020 versus January 2022, Winnipeg ER



Source: Statistics Canada. Table 14-10-0388-01 Employment by industry, three-month moving average, unadjusted for seasonality; Statistics Canada 2016 Census of Population; City of Winnipeg Economic Research calculations

# Winnipeg CMA Near-Term Outlook

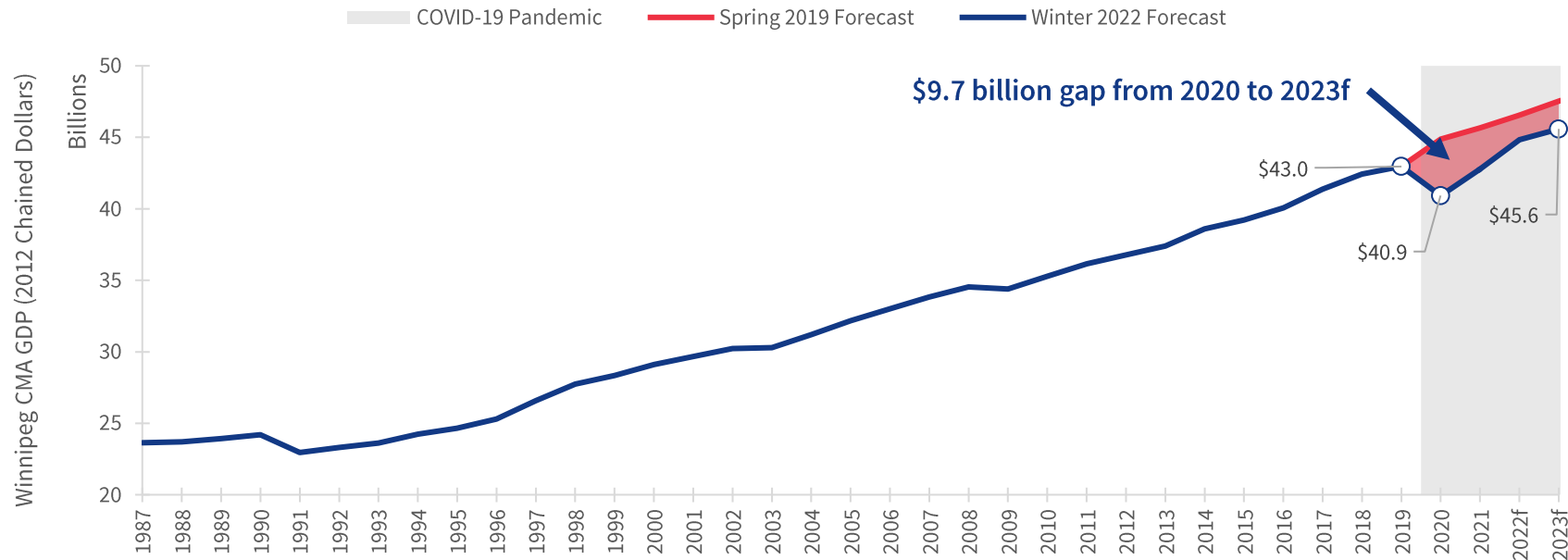
Continued growth could be at risk from pandemic uncertainty

Variable	2019	2020	2021	2022F
GDP (% Change)	1.3%	-4.7%	4.6%	4.8%
Total Employment	441,500	426,000	442,500	448,000
Unemployment Rate	5.4%	8.9%	7.0%	5.7%
Total Household Income (% Change)	2.8%	7.1%	1.4%	0.2%
Housing Starts	4,970	5,040	5,670	5,580

Source: Conference Board of Canada, Metropolitan 1 Spring 2022 Data. Some values rounded for ease of presentation.

# Winnipeg CMA GDP

4.7% decline observed for 2019 to 2020 with 4.6% growth from 2020 to 2021



Source: Conference Board of Canada, Metropolitan 1 for Winnipeg CMA – Spring 2019 and Spring 2022 Data



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