



City of Winnipeg Economic, Demographic, and Fiscal Outlook **2024 Update**

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Economic Outlook

A table with multiple columns and rows, containing numerical data. The text is small and difficult to read, but it appears to be a summary of economic indicators or financial data. The table is oriented vertically on the page.

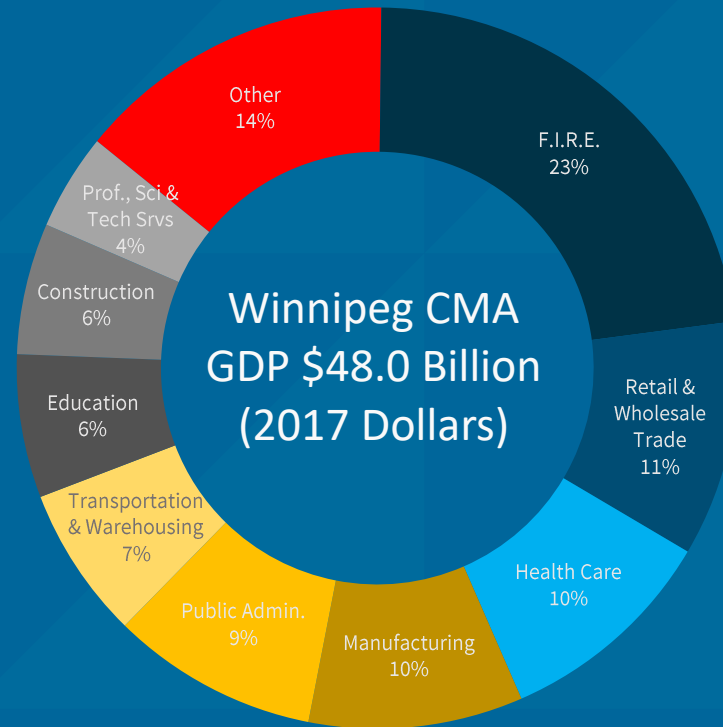
Winnipeg CMA Economic Outlook

In 2023, the Winnipeg Census Metropolitan Area's (CMA) GDP was \$48.0 billion (2017 dollars), making up 64.6% of Manitoba's economy and 2.0% of the national economy.

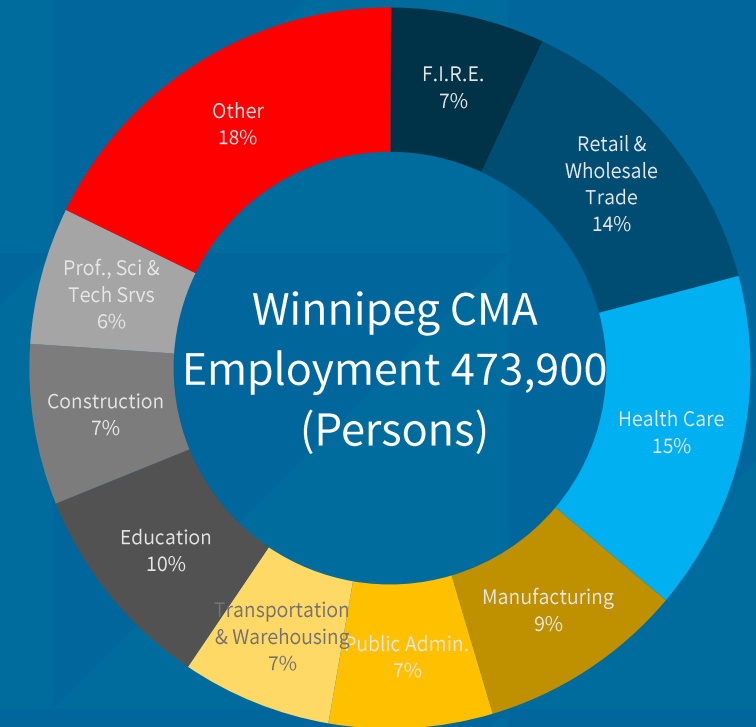
The Winnipeg CMA economy is well-diversified, with finance, insurance and real estate, retail and wholesale trade, healthcare, manufacturing and public administration sectors making up over half the regional economy in terms of both economic output and employment.

Looking forward, Oxford Economics forecasts a mild recession for Canada in the middle of 2024 followed by a recovery. Due to easing inflation and high household debt, they anticipate the Bank of Canada will continue cutting their overnight interest rate, ending at 2.75% by end of 2025. Winnipeg GDP growth is forecasted to be in the middle among Canada's large cities, increasing on average by +2.9% out to 2028.

2023 GDP by Industry



2023 Employment by Industry



Source: Oxford Economics June 2024 National Outlook, Statistics Canada

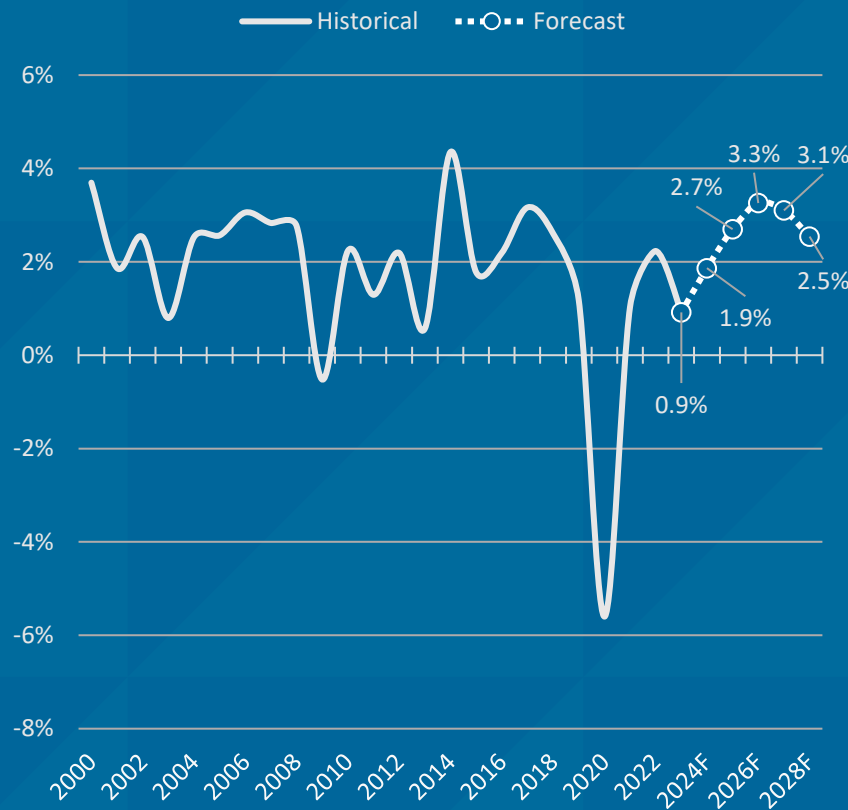
Gross Domestic Product (GDP)

The Winnipeg CMA economy grew by +0.9% in 2023, down from a +2.2% gain in 2022.

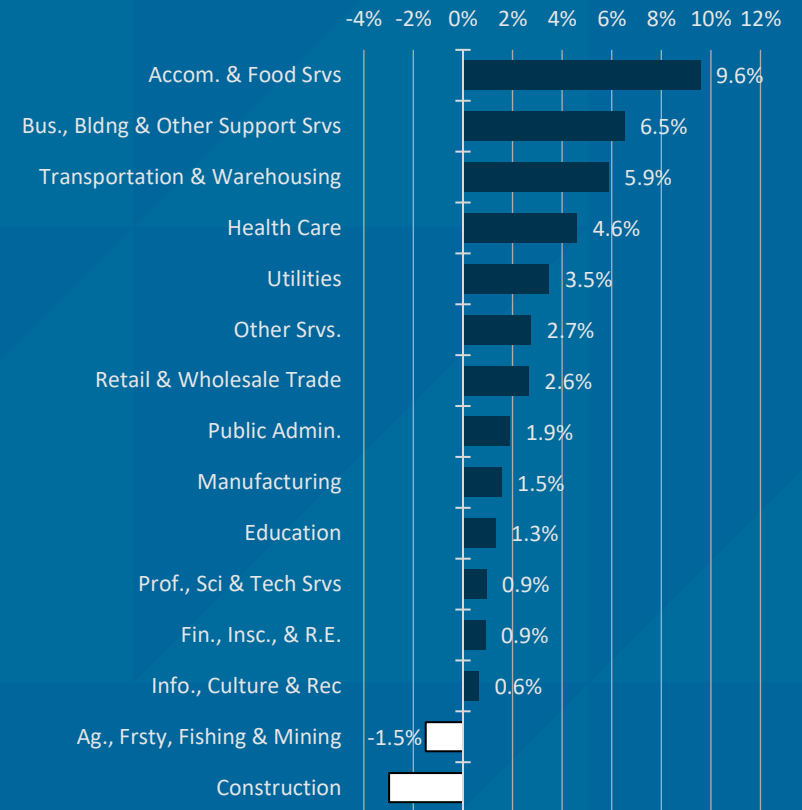
Winnipeg had soft GDP growth at +0.9% in 2023. Transportation and warehousing had the strongest growth at +13.8%, followed by retail and wholesale trade (+6.1%) and manufacturing (+2.9%). Due to the drought utilities had the largest decline (-5.7%) and high interest rates impacted construction (-5.4%).

In 2024 Winnipeg's GDP is expected to grow by +1.9%. Accommodation and food services is expected to see strongest growth at +9.6%, followed by business, buildings and other support services (+6.5%) and transportation and warehousing (+5.9%). Construction is forecasted to have the worst performance (-3.0%), due to continued elevated interest rates.

GDP Growth Rate Projections



GDP Growth by Industry, 2023 to 2024



Source: Oxford Economics June 2024 National Outlook, Statistics Canada

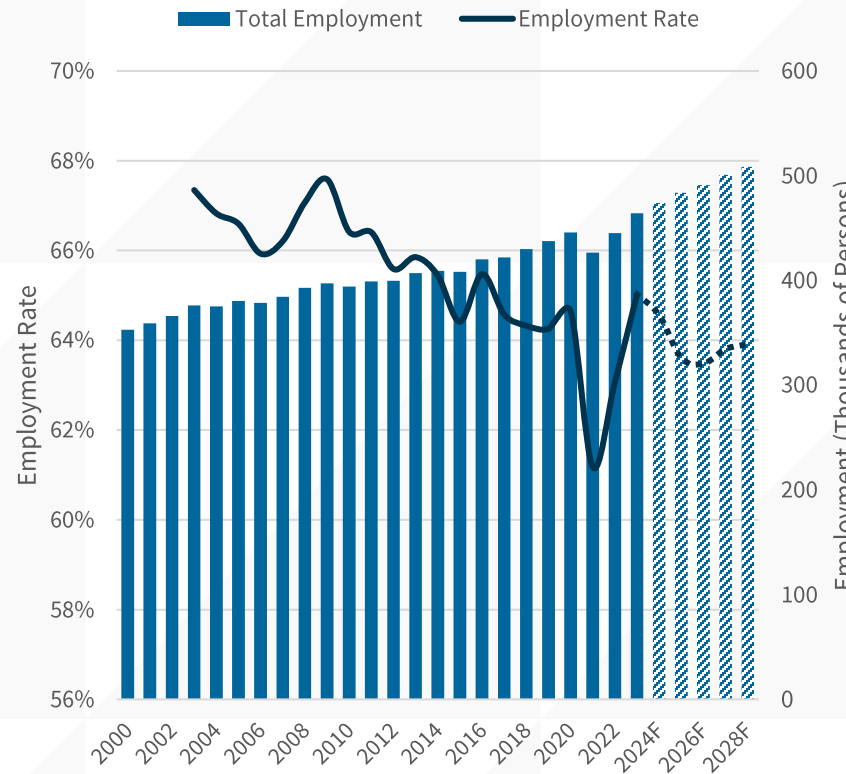
Labour Force

The Winnipeg CMA labour market continued to see strong growth in 2024 both in terms of employment and the employment rate.

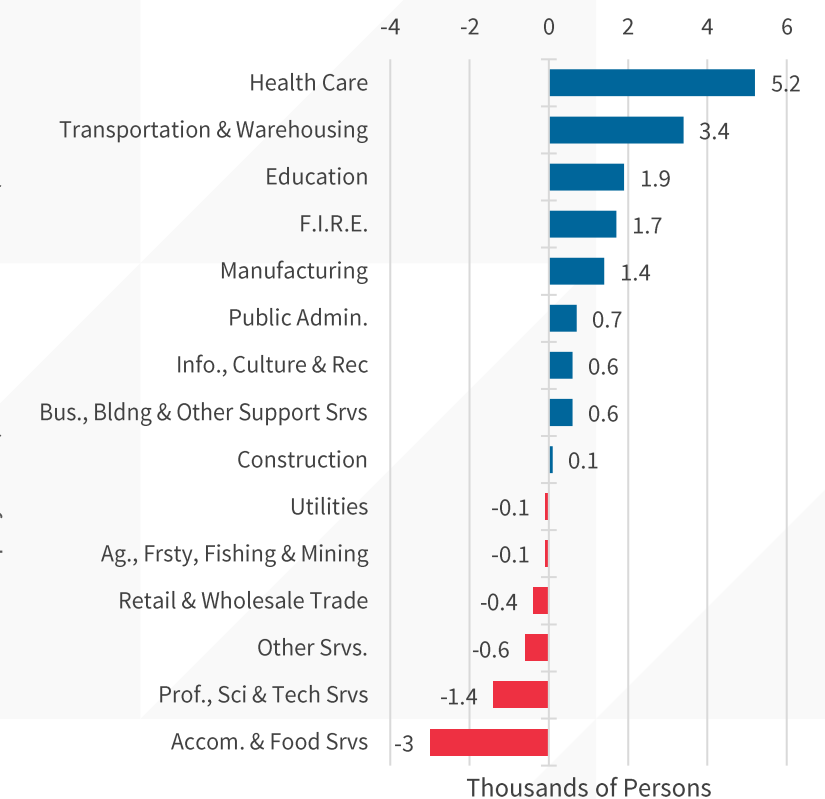
Despite weak GDP growth in 2023, Winnipeg's labour market showed strength, with employment increasing +9,600 persons, outpacing population growth, raising the employment rate to 65.0%.

Looking ahead, employment is expected to increase by +10,000 persons in 2024. However, this will not outpace population growth, resulting in the employment rate falling to 64.6%. Health care is anticipated to show the largest gain at +5,200 persons, followed by transportation and warehousing (+3,400), and education (+1,900). Accommodation and food services, and professional scientific and technical services are expected to have outsized declines of -3,000 and -1,400 persons, respectively.

Employment Projections



Employment Change - 2023 to 2024



Source: Oxford Economics June 2024 National Outlook, Statistics Canada

Inflation and Wages

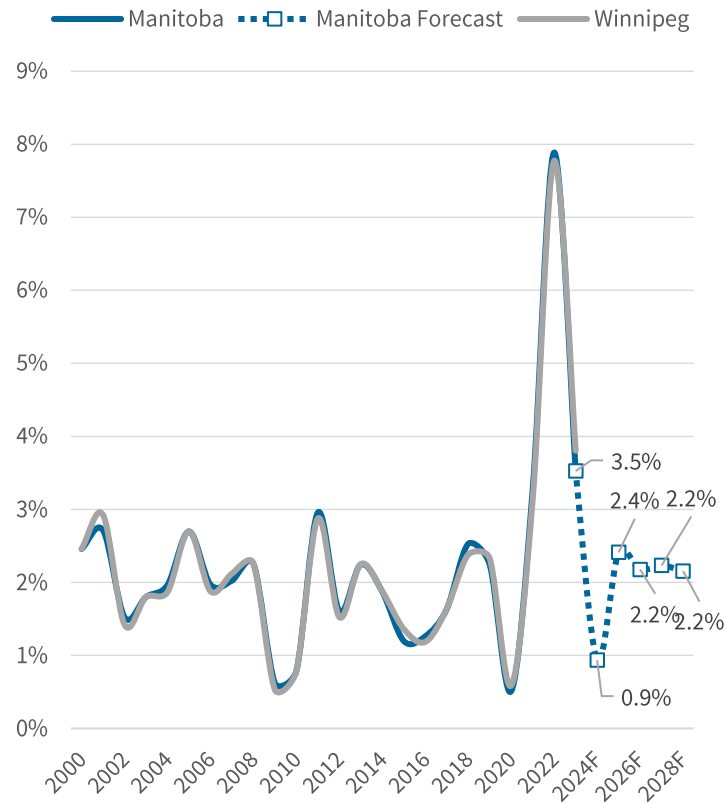
Following the multi-decade high of +7.8% CPI inflation in 2022, inflation significantly decelerated to +3.5% in 2023.

At a provincial level, transportation made the largest contribution to the decline in all-items CPI at -2.5%. Shelter and household operations, furnishings and equipment each lowered all-items CPI by -0.6% declines. Health and personal care had the strongest contribution at +0.2%, followed by food at +0.1%. All other major categories were either unchanged or declined.

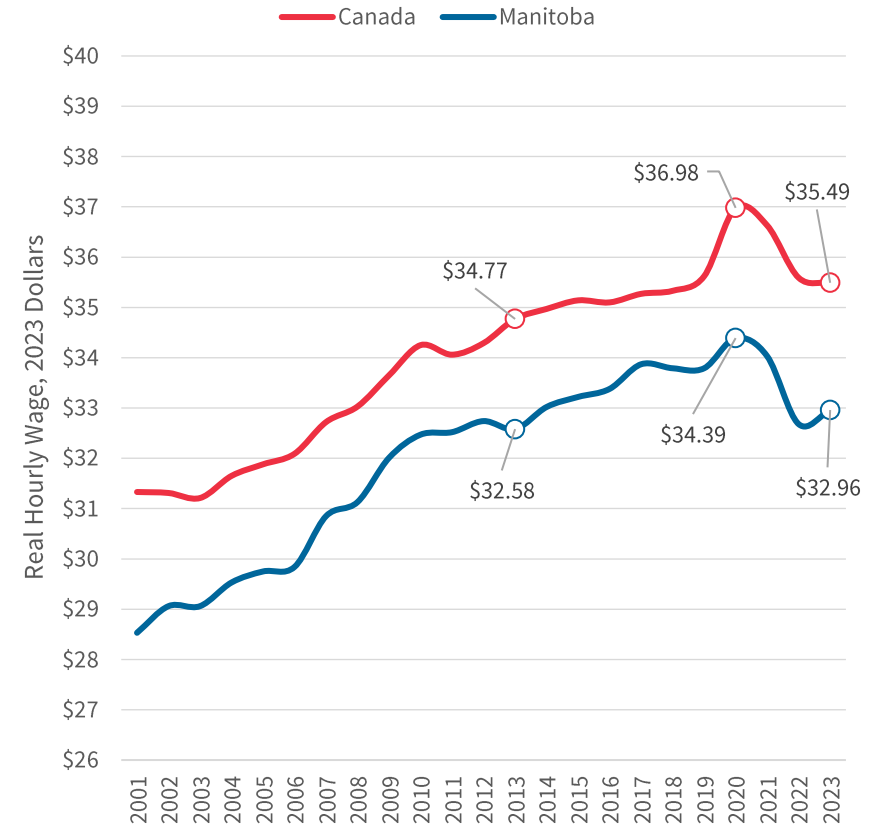
In 2024 inflation is forecasted to be +0.9%, in part due to the temporary cut in the provincial fuel tax.

While CPI inflation came down in 2023, inflation adjusted hourly wages (2023 dollars) in Manitoba continued to remain below their pre-pandemic level and were just above the level in 2013, impacting the purchasing power of workers income. In contrast, inflation adjusted hourly wages in Canada have nearly recovered to their 2019 level.

Annual CPI Inflation Forecast



Inflation Adjusted Hourly Wages



Source: Oxford Economics June 2023 National Outlook, Haver Analytics, Statistics Canada
 * National CPI data used in the absence of data available at the provincial level.

Construction Inflation

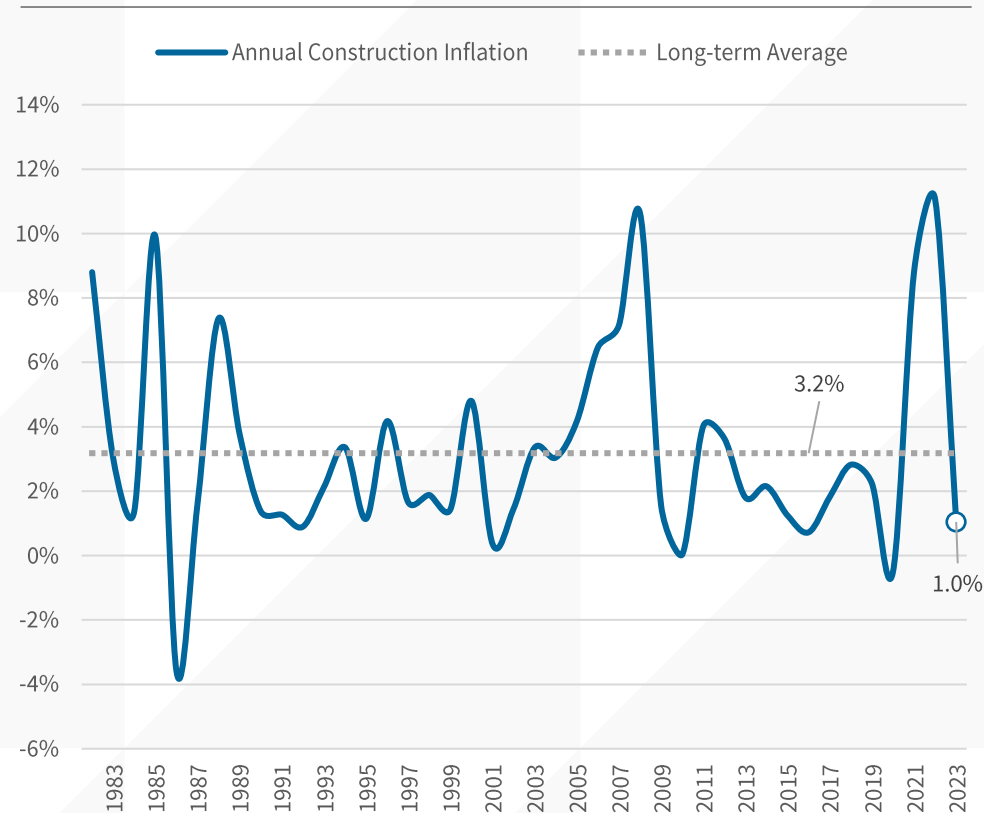
Construction inflation retreated from a multi-decade high of +11.1% in 2022 to +1.0% in 2023.

Construction inflation is much more volatile on an annual basis in comparison to CPI inflation. Inflation on assets purchased by municipalities has ranged from as high as 11.1% in 2022 to as low as -3.6% in 1986. However, the long-term average is 3.2% (3.0% prior to 2020).

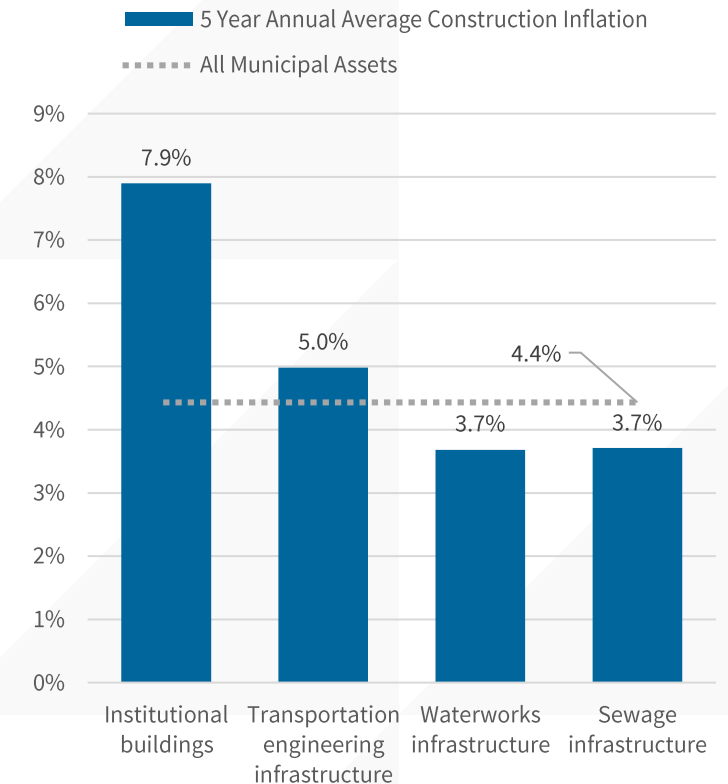
The majority of assets purchased by Manitoba municipalities are transportation engineering infrastructure (roads, bridges, and highways), sewage infrastructure, and waterworks infrastructure.

Prices paid for these assets will be strongly influenced by the price of labour, energy, and raw materials such as concrete, metal, and asphalt.

Construction Inflation in Manitoba*



Inflation by Asset Type, Last 5 Years



Source: Statistics Canada, Table 36-10-0608-01, Infrastructure Economic Accounts, Investment and Net Stock by Asset, Industry, and Asset Function
 * Data represents all assets purchased by Manitoba municipalities excluding educational services.



Demographic Outlook

Winnipeg Demographic Outlook

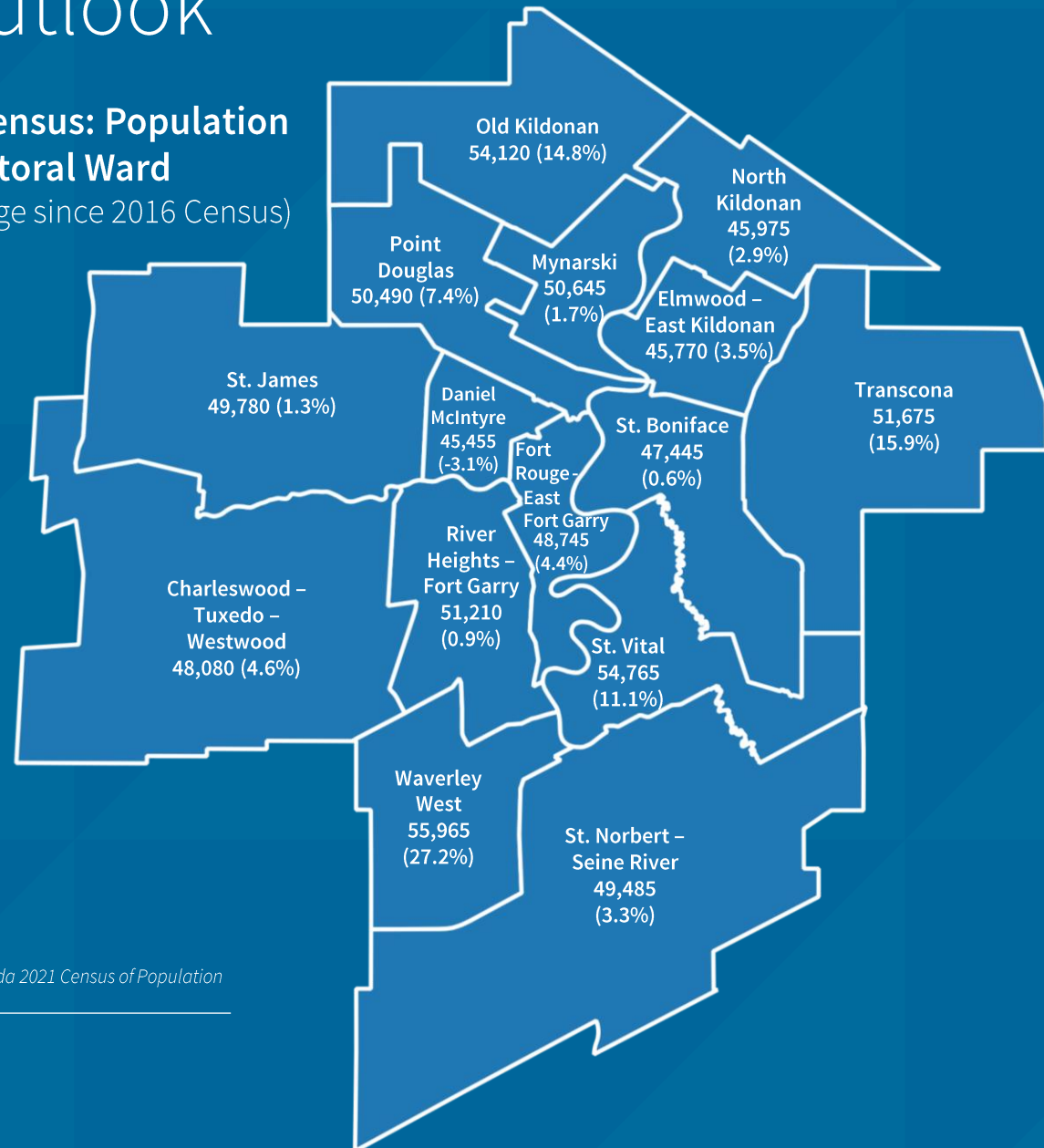
The City of Winnipeg's enumerated population in the 2021 Census was 749,607, representing an increase of 44,363 residents or 6.3% compared to the 2016 census.

For the same year, the city's total estimated population was 772,300 – a figure that also includes the estimated number of people not counted in the census for a variety of reasons.

Over the last two decades in particular, international migration has been a strong source of population growth. At the same time, the natural increase in population (births minus deaths) has decreased due to falling birth rates.

It is anticipated that international migration will be a continued source of population growth as the existing population ages and retires out of the labour force.

2021 Census: Population By Electoral Ward
(% Change since 2016 Census)



Source: Statistics Canada 2021 Census of Population

Population

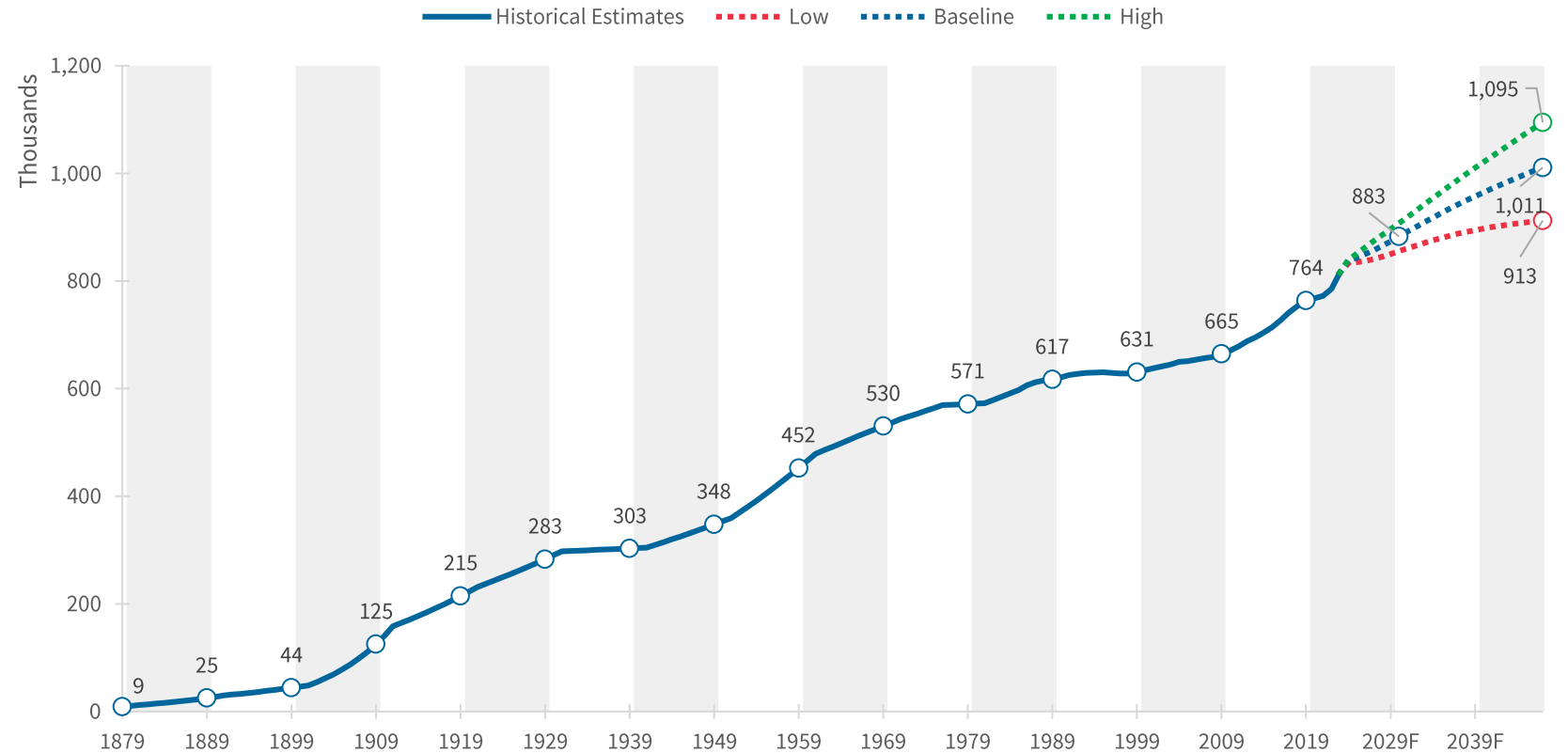
Winnipeg’s population is currently anticipated to reach 1 million residents by 2046.

Winnipeg has seen periods of significant population growth, and periods where growth was slow or even absent such as the 1990s.

Winnipeg saw significant growth during the two decades that followed the second world war (1949 to 1969), where population grew by an estimated **182 thousand** people. Winnipeg also saw significant growth from 2009 to 2019, with the City growing by **nearly 100,000** people during this decade, a strong contrast to the nearly non-existent population growth observed in the 1990s.

Looking forward, a variety of scenarios have been produced to project where population may be 25 years from now, with international migration being a continued source of growth.

City of Winnipeg Historical Population Estimates and 2024 Projections



Source: City of Winnipeg 2024 25-Year Population Projections by Scenario

Recent Immigration Trends

From 2022 to 2023, the Winnipeg CMA grew by over 33 thousand people (+3.9%) and the City of Winnipeg grew by 30 thousand people (+3.9%).

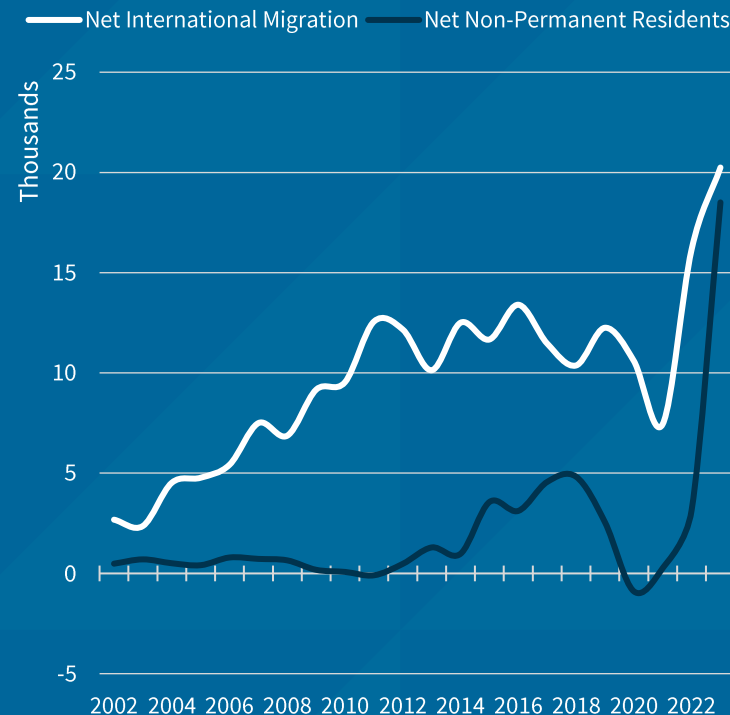
This likely represents the single-largest year of population growth for the CMA and City.

This growth has been mainly driven by international migration and non-permanent residents.

Of note, a sharp increase in non-permanent residents coming to Manitoba on a work permit has been observed. Between the second quarters of 2022 and 2024, this category increased from 15,267 to 42,488, an increase of 28,572 or 205%.

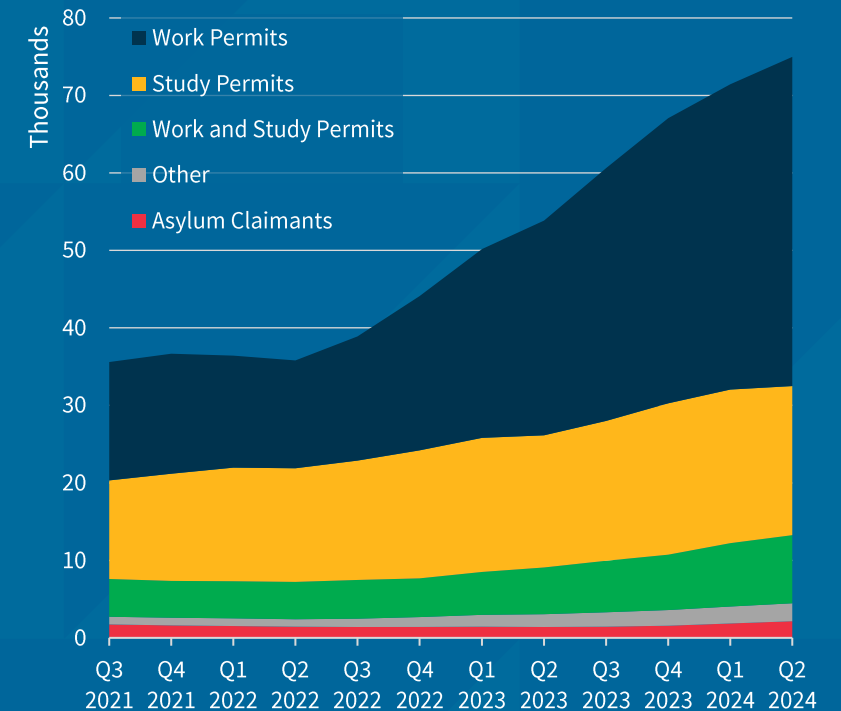
A large increase in non-permanent residents is anticipated to occur into 2024, but the outlook into 2025 and beyond remains uncertain.

Winnipeg CMA: Immigration Trends



Source: Statistics Canada, Table 17-10-0149-01 Components of population change by census metropolitan area and census agglomeration, 2021 boundaries; Statistics Canada, Table 17-10-0121-01 Estimates of the number of non-permanent residents by type, quarterly.

Manitoba: Non-Permanent Residents



Family and Individual Income

In 2022, the median household income for all census family types in the Winnipeg CMA was \$78,200.

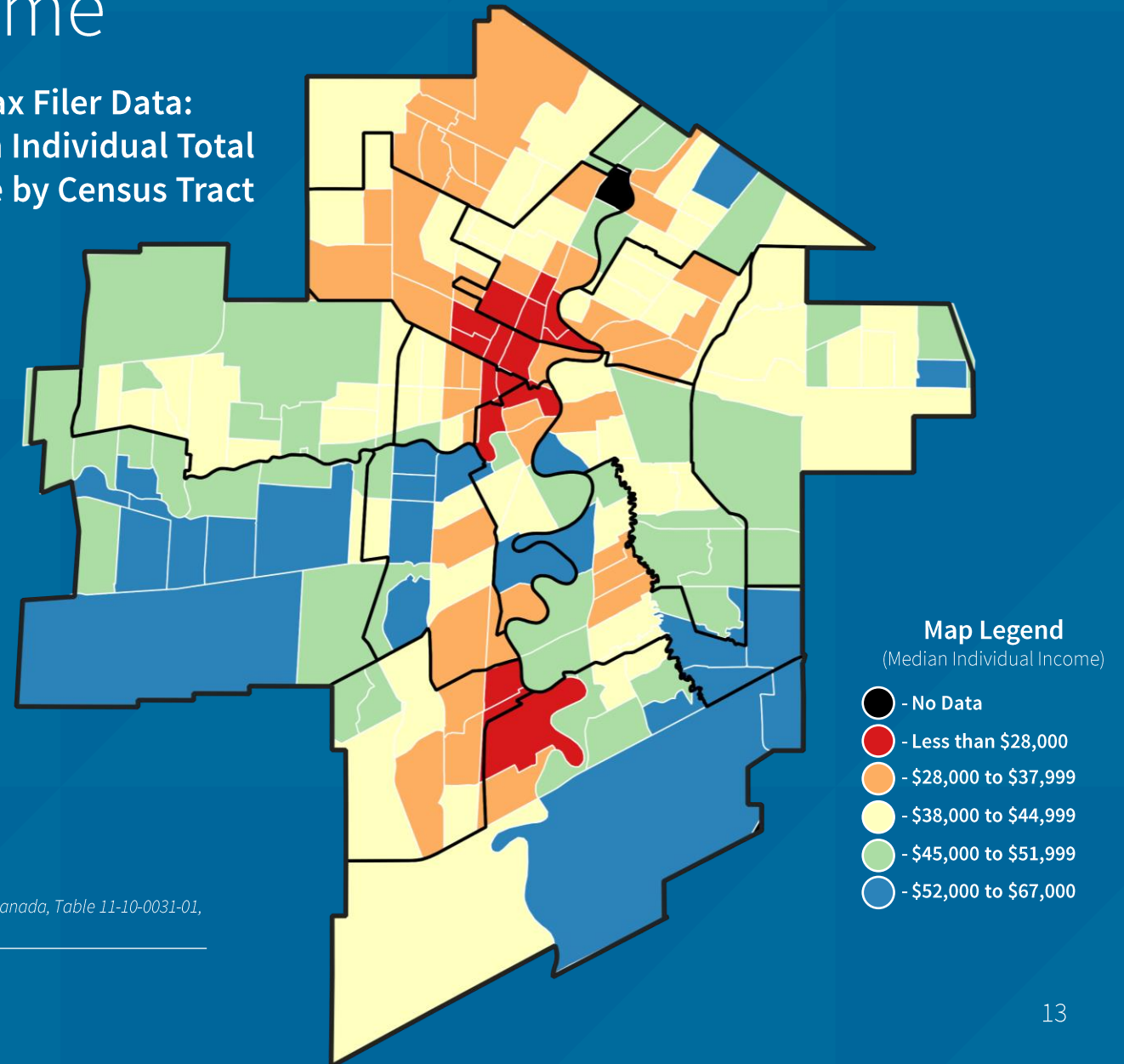
Real median employment income has increased from \$65,100 in 1990 to \$69,900 in 2022 representing an increase in real income of 7.4% over 32 years.

Real Median Income: All Census Families



Source: Statistics Canada, Table 11-10-0191-01 Income statistics by economic family type and income source; Statistics Canada, Table 11-10-0031-01, Labour income profile of tax filers by sex

2022 Tax Filer Data: Median Individual Total Income by Census Tract



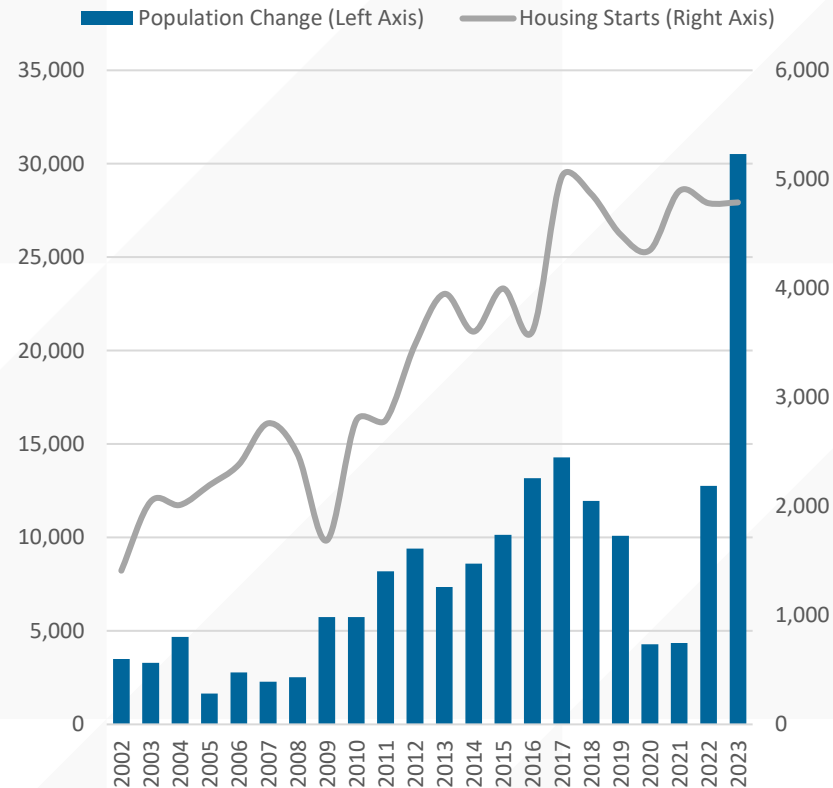
Housing

Winnipeg’s housing market remains one of the most affordable in the country, with the price of an average single detached home being \$446,000 in the resale market and \$642,800 for brand new units in July 2024.

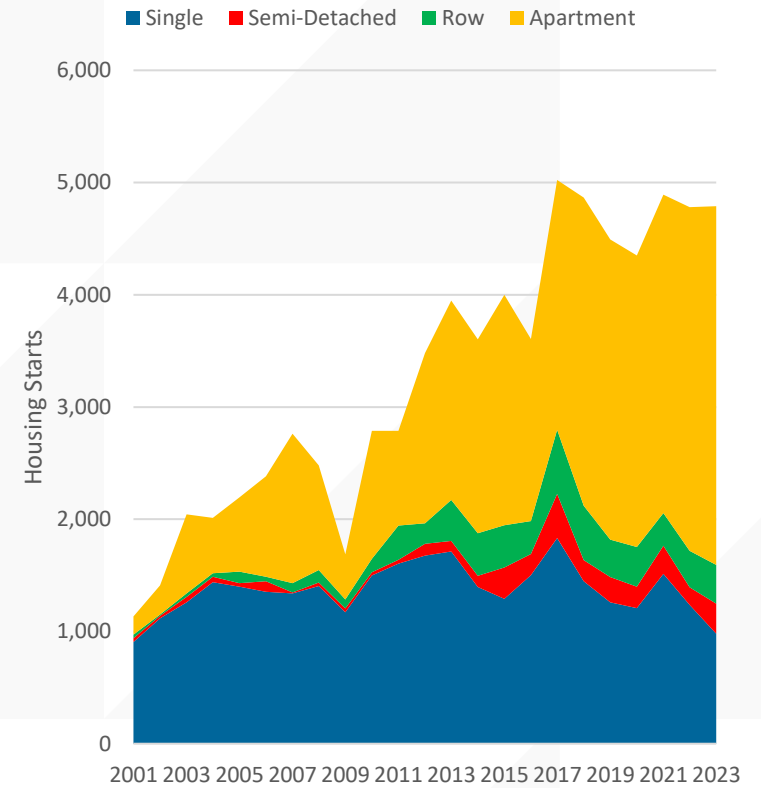
While housing starts have increased with population growth, the type of unit has changed significantly since 2001. Multi-family units comprised only 20% of housing starts in 1990, but by 2023 they made up 75% of all housing starts.

An increase in housing starts is anticipated in 2025 and 2026 due, in part, to falling interest rates and the CMHC’s Housing Accelerator Fund (HAF).

Housing Starts and Population Growth



Winnipeg Housing Starts by Type



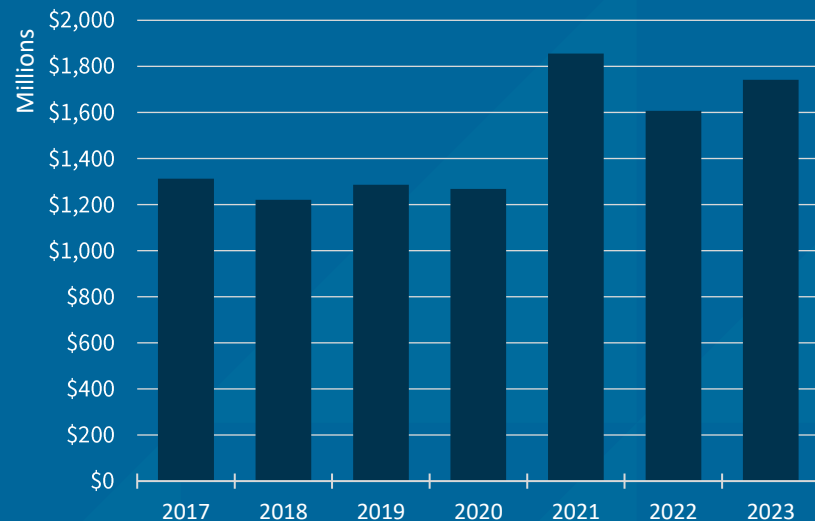
Source: Winnipeg Regional Real Estate Board, CMHC Starts and Completions Survey, Statistics Canada, Table 17-10-0155-01 Population estimates, July 1, by census subdivision, 2021 boundaries

Permit Activity: Residential

In 2023, residential permit activity totaled \$1.74B in the Winnipeg CMA, an increase of 8.4% compared to 2022.

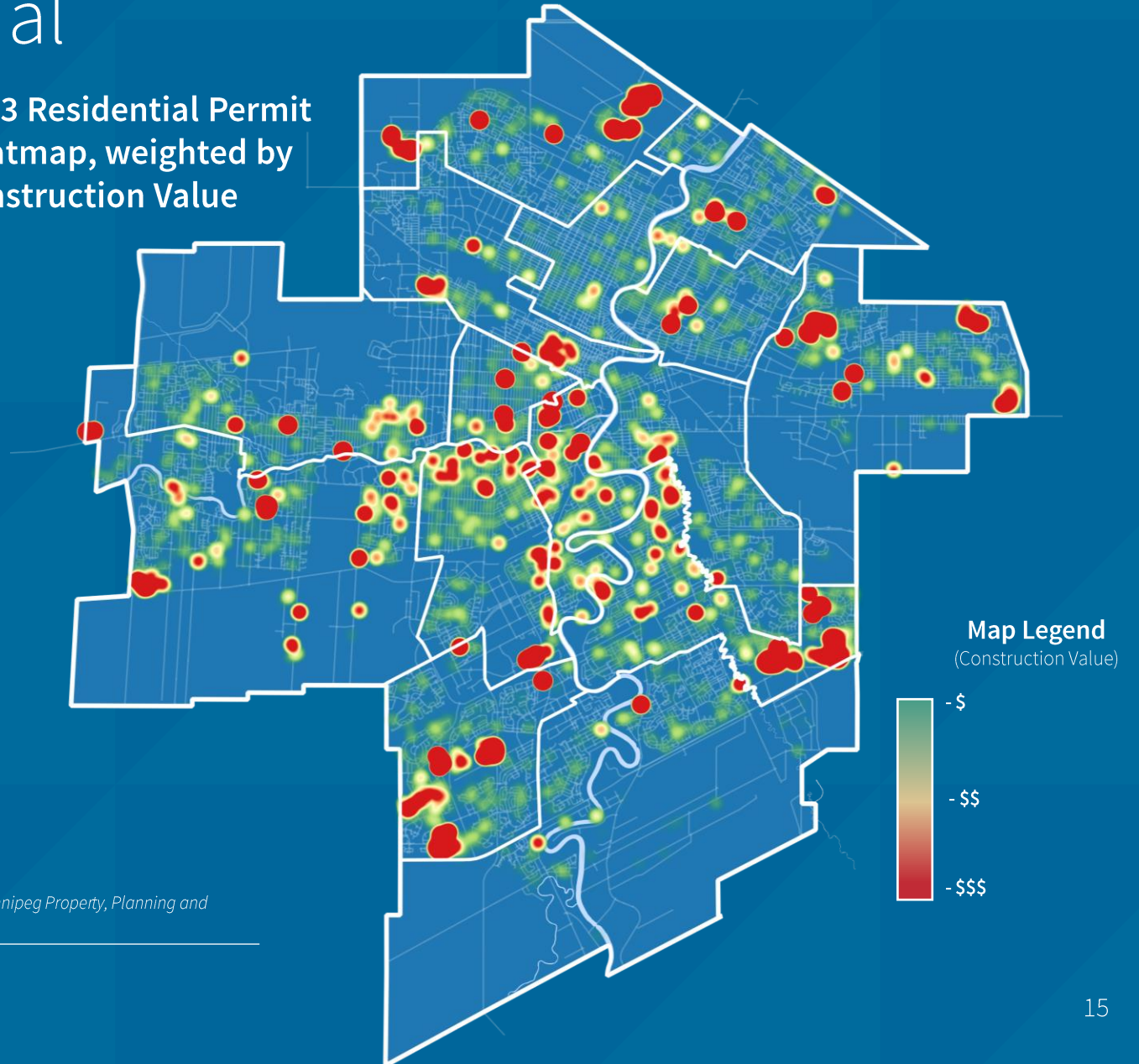
For 2023 in Winnipeg, residential permit activity was generally concentrated in new and emerging neighborhoods, along with mature neighborhoods seeing infill activity.

Winnipeg CMA: Residential Permit Values



Source: Statistics Canada, Table 34-10-0285-01, Building permits, by type of structure and type of work; City of Winnipeg Property, Planning and Development Department

2023 Residential Permit Heatmap, weighted by Construction Value

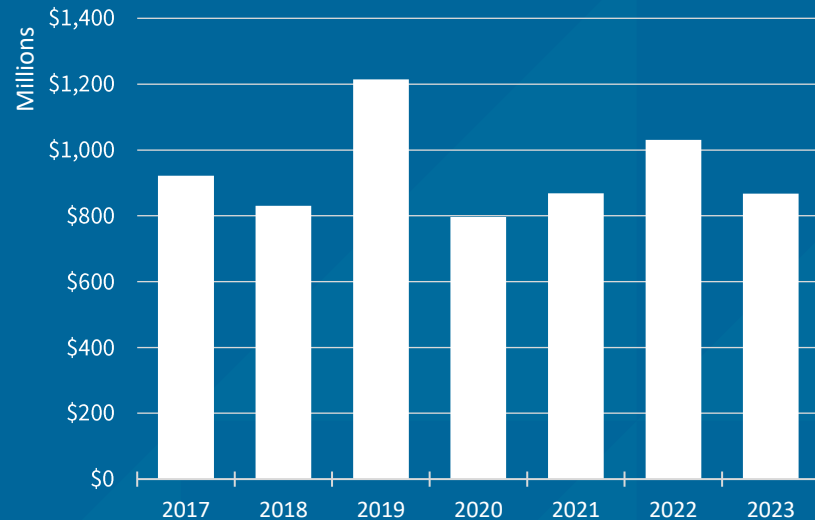


Permit Activity: Non-Residential

In 2023, non-residential permit activity totaled \$0.87B in the Winnipeg CMA, a decrease of 15.9% compared to 2022.

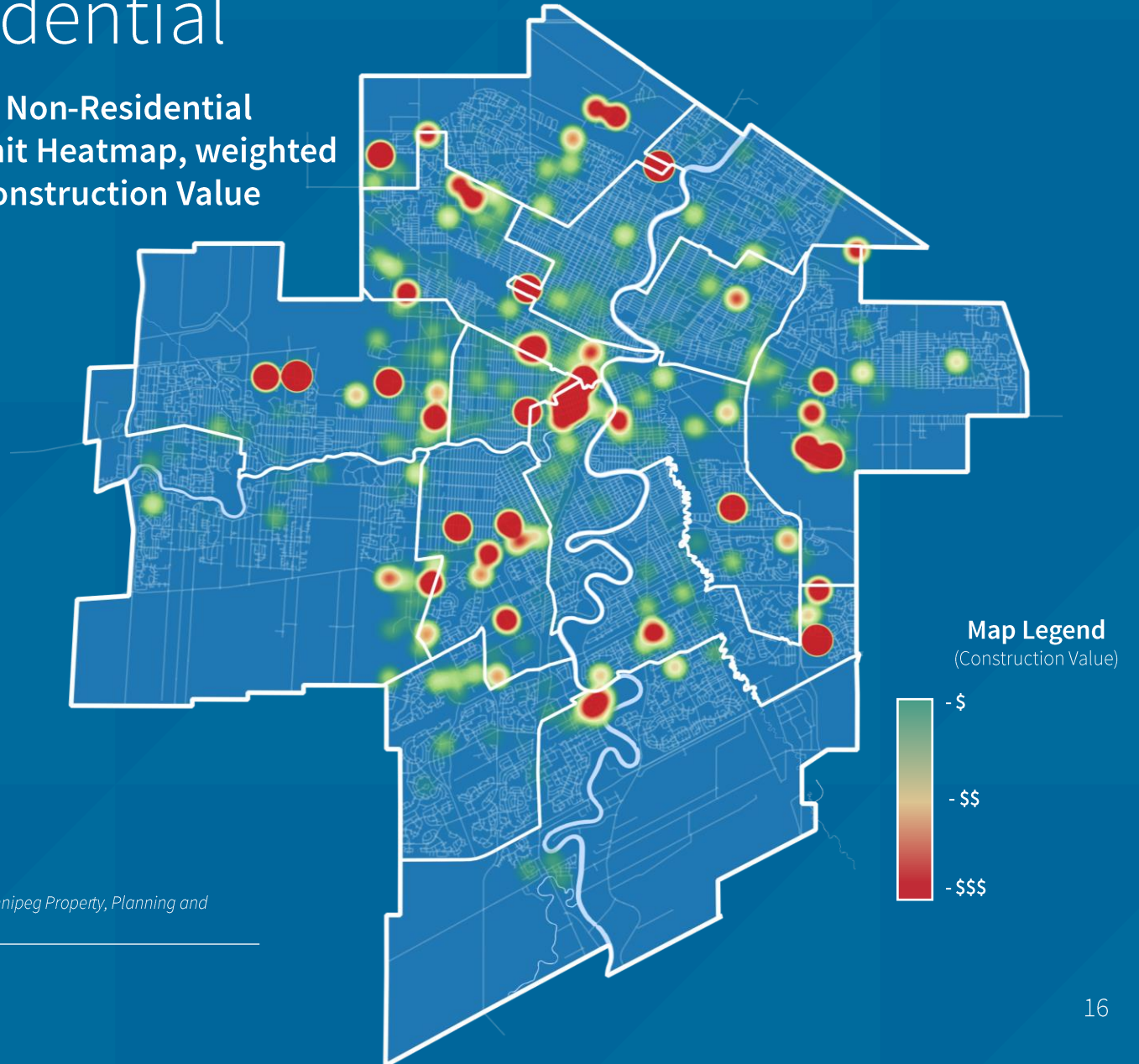
For 2023 in Winnipeg, non-residential permit activity was generally concentrated in downtown and in industrial areas.

Winnipeg CMA: Non-Residential Permit Values



Source: Statistics Canada, Table 34-10-0285-01, Building permits, by type of structure and type of work; City of Winnipeg Property, Planning and Development Department

2023 Non-Residential Permit Heatmap, weighted by Construction Value





Fiscal Outlook



Basket of Tax-Supported Services

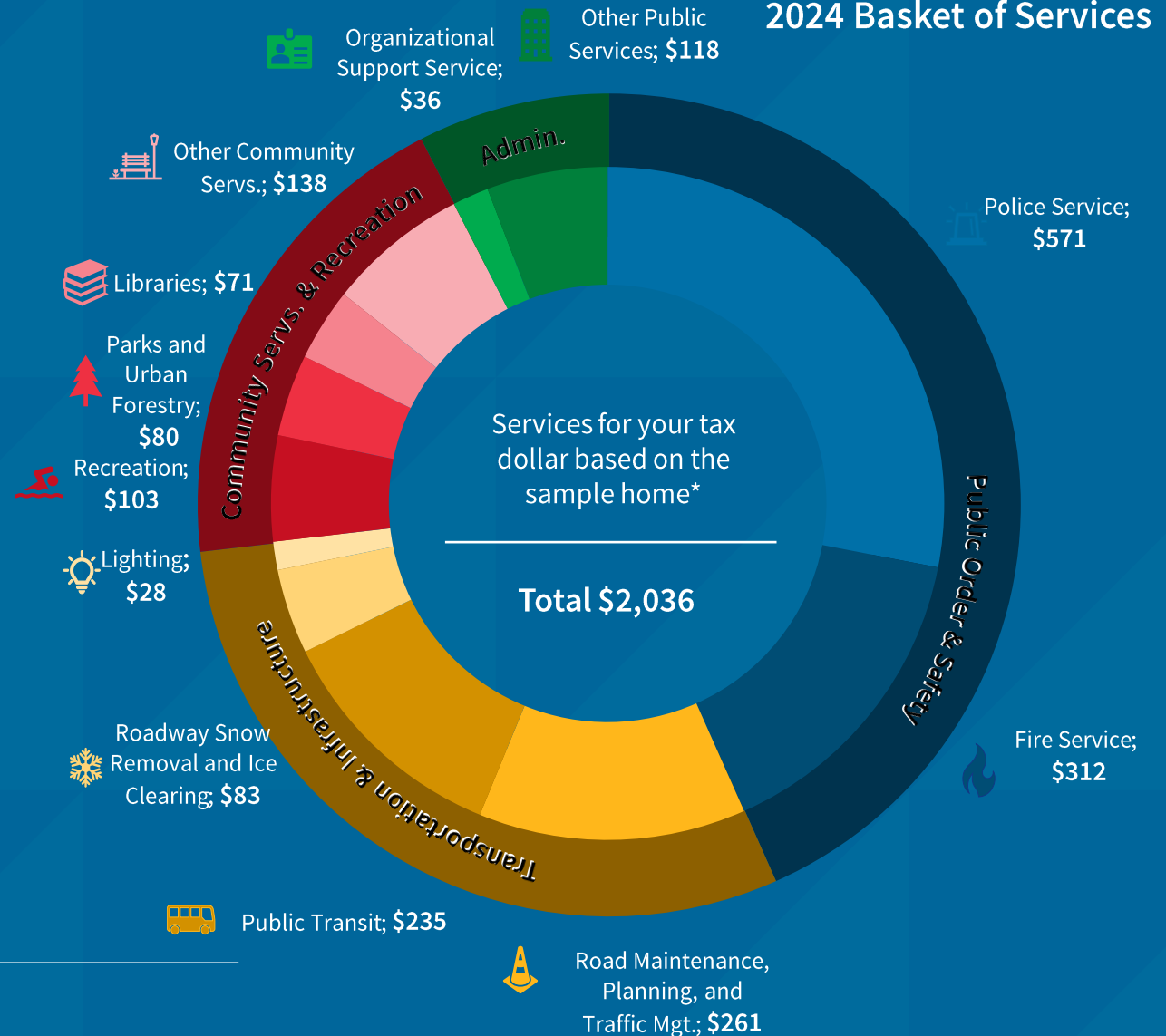
In 2024, the municipal property tax bill is \$2,063 for the typical homeowner based on the 2024 adopted budget. This is an increase of \$69 or 3.5% relative to 2023. The typical frontage levy is anticipated to be \$348.

Property taxes are used to pay for a variety of municipal public services, including police, fire, public transit, road maintenance, snow removal, and recreation.

43% of property taxes are used to pay for public order and safety, 30% for transportation and infrastructure, 19% for community services and recreation, and 8% for general administration and other corporate functions.

The funds generated from the frontage levy are primarily used to also support investments in transportation and infrastructure, including road renewal and active transportation projects.

2024 Basket of Services



Source: 2024 Adopted Budget

*Excludes \$348 Street Renewal Frontage Levy

Note: Road Maintenance is combined with Traffic Management

Municipal Revenue

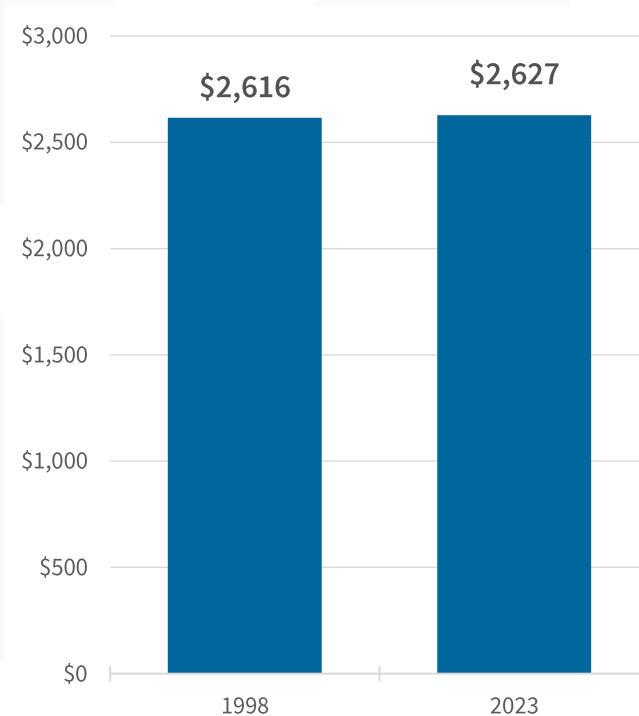
Real per-capita municipal revenue has grown by \$11 since 1998.

In 1998, total consolidated revenue to the City was \$952.3 million and in 2023, it was \$2,142.6 million, which represents an increase of 125%.

However, over the same period the City's population has grown by 30% and the local Consumer Price Index (CPI) has increased by 73%. The result is that real municipal revenue per-capita has increased from \$2,616 in 1998 to \$2,627 in 2023, an increase of \$11.

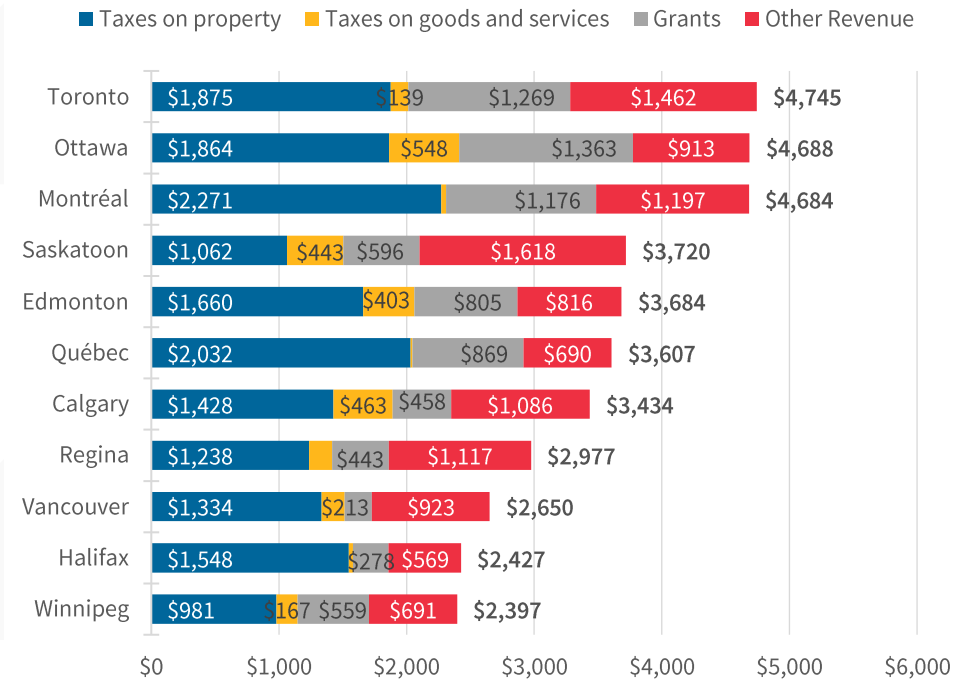
When comparing consolidated revenue across Canadian municipalities, in 2020 Winnipeg had the lowest per-capita revenue at \$2,397.

Real Consolidated Revenue Per-Capita, 2023 Dollars



Source: City of Winnipeg 1998 and 2022 Annual Financial Reports; Statistics Canada Table 18-10-0005-01, Consumer Price Index, annual average, not seasonally adjusted for Winnipeg CMA; Statistics Canada, Table 17-10-0142-01, Population Estimates, July 1, by Census Subdivision, 2016 Boundaries

Consolidated Revenue by Source Across Canadian Cities, 2020

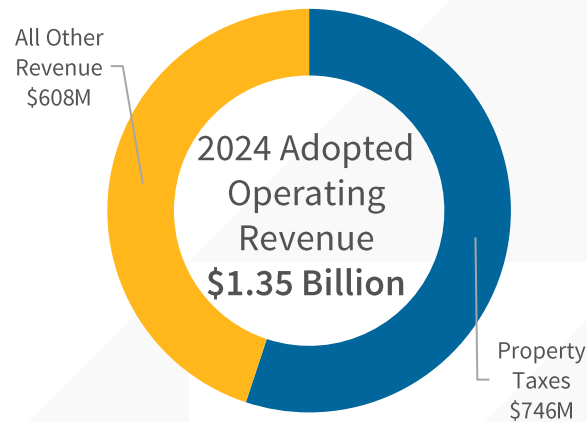


Source: Statistics Canada, Table 10-10-0169-01, Canadian government finance statistics for individual municipalities and other local public administrations, as reported by municipalities (x 1,000); Statistics Canada, Table 17-10-0155-01 Population estimates, July 1, by census subdivision, 2021 boundaries

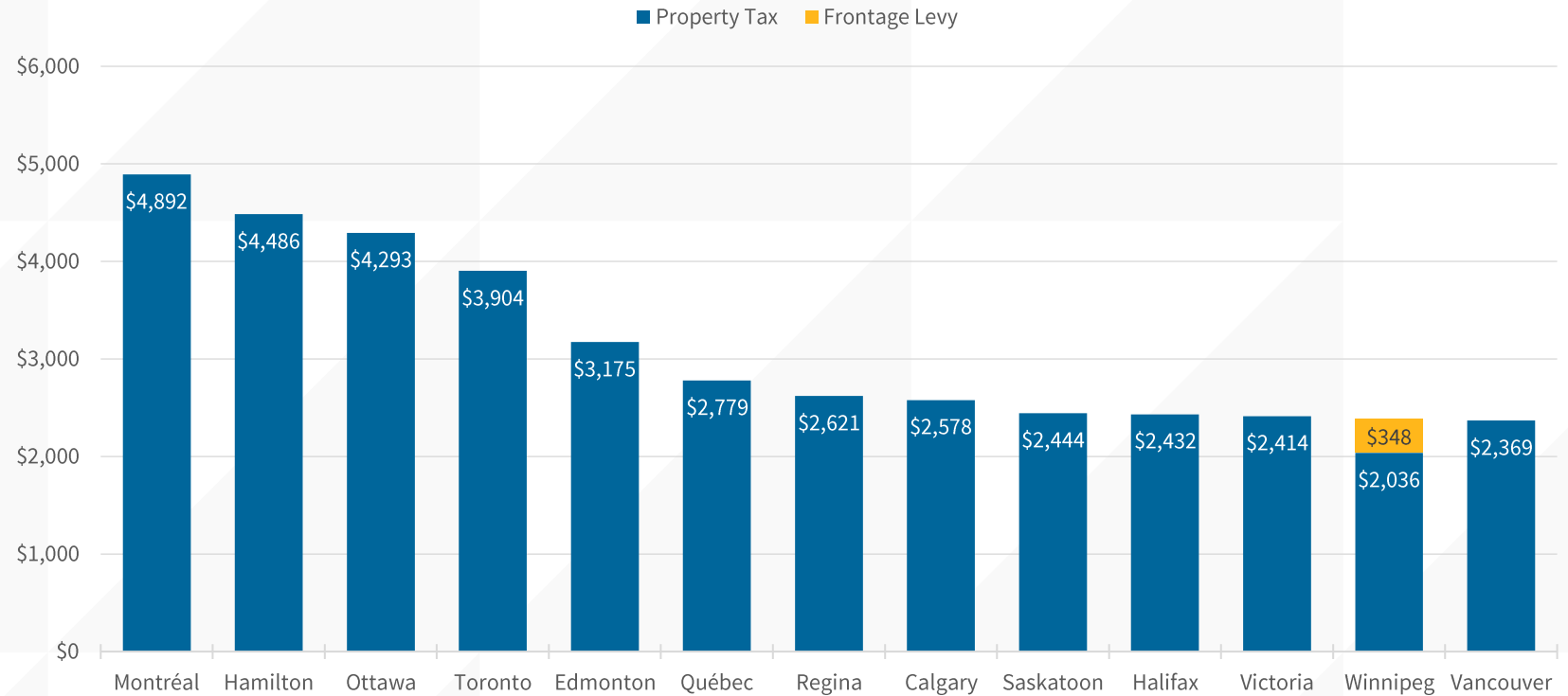
Property Taxation: Current Year

In 2024, Winnipeg has the second-lowest municipal property tax bill for the typical homeowner among major cities in Canada, inclusive of frontage levies.

Winnipeg's property taxes increased by **3.50%** in 2024. Property taxes account for **55%** of total tax-supported operating revenue.



2024 Typical Municipal Residential Property Tax Bill Across Canada



Source: Each city's budget documents, media articles, and/or taxation websites.
All information represents 2024 Adopted Budgets.

Property Taxation: History

Since 1991, property tax increases have averaged **1.9% per year.***

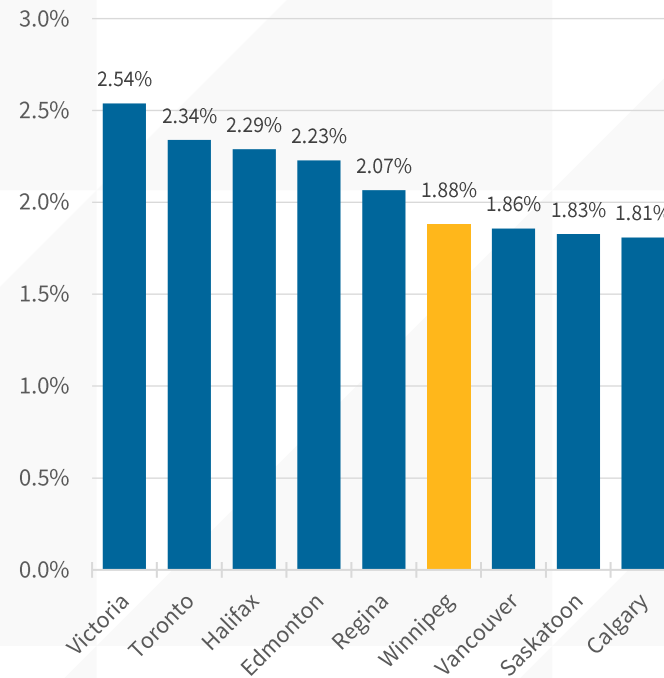
This growth rate is among the lowest out of 12 major cities in Canada, with only Montréal (1.3% per year) and Halifax (1.0% per year) ranking lower.

The average growth rate in average/typical property taxes for the homeowner across the 12 major cities is 3.2% since 1991.

As a share of after-tax income earned by citizens, residential property taxes took up 1.88% of after-tax income earned by all people in Winnipeg in 2022. This was lower than the 2.12% weighted average of the cities surveyed.

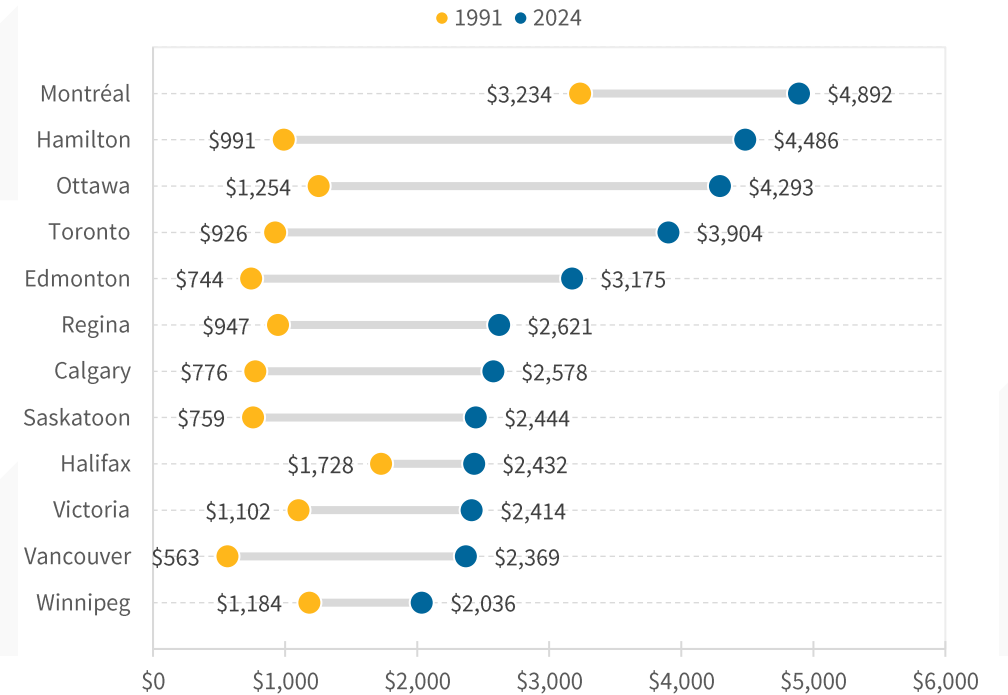
* Represents the compound annual growth rate in the average municipal property tax bill since 1991, including years of property tax decreases and freezes.

Residential Property Tax as Share of After-Tax Income, 2022



Sources: City of Calgary 2022 Property Tax Survey; Statistics Canada, Table 11-10-0051-01 Tax Filers and dependents with income by total income, income taxes paid and after-tax income, sex and age

Typical Property Tax Across Canada, 1991 vs. 2024



Sources:
1991 data - 1991 City of Edmonton Property Tax Survey
2024 data - various municipal government websites and media outlets

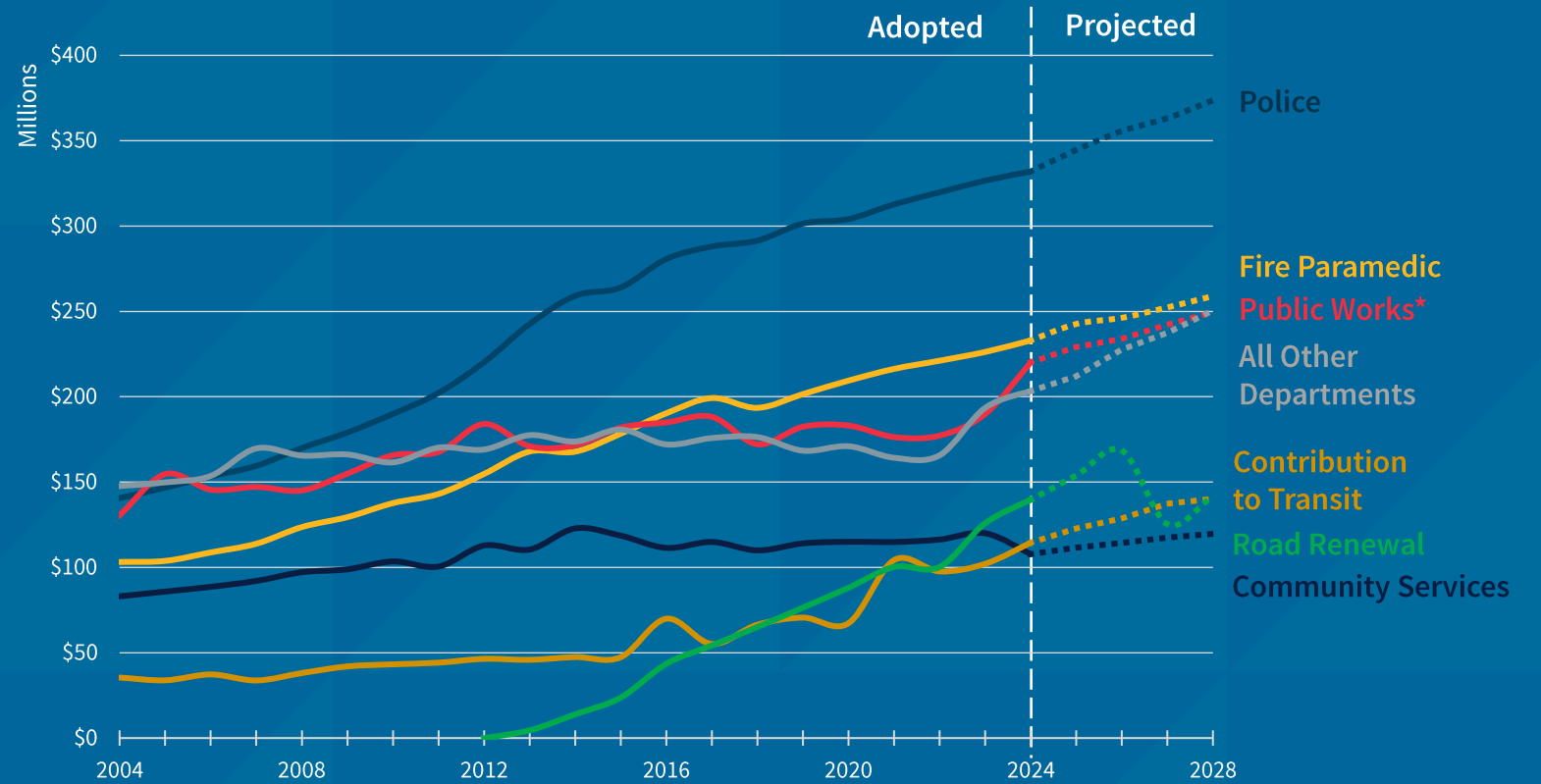
Municipal Expenditure

Operating expenditures have increased by \$660 million, or 95% since 2004.

Significant increases have been seen in the Contribution to Transit (244%), Police Service (137%), and Fire Paramedic Service (127%) since 2004. The road renewal budget has also been a source of significant budgetary expenditure.



Municipal Expenditure History and Projection (2024 Adopted Budget)



Source: 2004 to 2024 City of Winnipeg Adopted Budgets
 * Public Works excludes Road Renewals, which are displayed separately



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