**TORONTO**

# STAFF REPORT
# ACTION REQUIRED

# Economic Dashboard

| | |
|---|---|
| **Date:** | May 9, 2014 |
| **To:** | Economic Development Committee |
| **From:** | General Manager, Economic Development and Culture |
| **Wards:** | All |
| **Reference Number:** | |

## SUMMARY

This report updates the Toronto Economic Dashboard. It provides a summary of the most recent data available at the time this report was prepared for key economic indicators benchmarking the city's economic performance.

## RECOMMENDATIONS

**The General Manager, Economic Development & Culture recommends that:**

1. The Economic Development Committee receive this report for information.

### Financial Impact

There are no financial implications resulting from this report.

## DECISION HISTORY

At the January 28, 2011 meeting of the Economic Development Committee (EDC), staff made a presentation providing an overview of various trends and issues affecting Toronto's economy. After discussion among the committee members, the Committee Chair requested staff to submit a report updating the key indices that benchmark Toronto's economic health at each subsequent EDC committee meeting.

## COMMENTS

The Bank of Canada expects global economic growth to strengthen over the next three years, due to the following reasons:

- Fiscal consolidation in developed economies has dissipated significantly
- Private deleveraging also seems to be well advanced
- Uncertainty about future demand is declining, and
- Monetary policy continues to be highly accommodative.

The Bank of Canada predicts that the annual increase in the total output of goods and services produced globally will increase from 2.9% in 2013, to 3.3% in 2014 and 3.7% for 2015 and 2016.
http://www.bankofcanada.ca/wp-content/uploads/2014/04/mpr-2014-04-16.pdf

While this improvement would be very welcome, the recovery from the Great Recession is still tepid, as growth rates remain well below their historic levels. For example, the average annual global growth rate from 2002 to 2007 was 4.8% per year.

## United States

US economic growth slowed significantly in early 2014, but this slowdown was largely weather-related, as severe snowstorms led to lower construction activity, consumer spending and temporary disruptions in supply chains.

The Bank of Canada predicts that economic growth rates in the US will recover to an average of around 3% for the next three years. This view is corroborated by recent improvements in the purchasing managers' index, employment and motor vehicle sales. Total employment in the United States in April increased by 288,000 jobs, the largest jump in two years, which pushed the unemployment rate down from 6.7% to 6.3%.

## Europe

The Eurozone economy is also enjoying its strongest growth in two years. In its most recent Monetary Policy Report, the Bank of Canada upgraded its growth forecast for the Euro Area from 0.9% to 1.1% in 2014.

The Markit Eurozone PMI® Composite Output Index rose from 53.1 in March to 54 in April (a reading above 50 suggests that the economy is expanding). Service activity has risen for the ninth consecutive month, growing at the fastest pace since June 2011.

Manufacturing output increased for the tenth consecutive month. According to Markit chief economist, "the PMI is signalling that GDP is on course to rise by 0.5% in the second quarter, building on a 0.4% rise in the first quarter."

http://www.markiteconomics.com/Survey/PressRelease.mvc/10eff218657b4d30a2627449bcdacd14

## Rest of the World

At the same time as growth rates increased in many developed countries in late 2013, economic growth only increased modestly in most emerging countries. Economic growth in China is expected to be between 7-7.5% for the next three years, which is substantially lower than it was several years ago. Economic growth projections for several large emerging markets have all been downgraded recently. These include Brazil, Russia, South Africa and Turkey.

## Risks to the Forecasts

Financial conditions in many emerging markets have recently tightened and market volatility has increased. Geo-political risks have also increased, and there is a concern that as the Federal Reserve continues to cut back its bond buying, this could cause a sell-off of financial assets in emerging markets. Some analysts have speculated that the recent depreciation of the Turkish lira was caused by the tapering of the Federal Reserve's bond buying program in the United States.

Most economic projections for Canada predict that net exports and business investment will lead economic growth in Canada over the next two years. High household debt levels are expected to inhibit consumption growth in the next couple of years in Canada, and government spending is also expected to be flat or increase very slowly.

A potential risk to Canadian economy is that the expected shift from consumption and residential construction (which have supported economic growth over the past few years) to business fixed investment and export is yet to happen.

Since most of Canada's exports are to the United States, it is very troubling that Canada's market share of United States' non-energy imports has declined significantly in the last five years.

## Canadian Non-Energy Exports

Export-oriented sectors are the drivers of wealth creation in an economy. This is especially true in Canada, where they account for about one-third of national income. A discussion paper by the Bank of Canada examined Canadian non-energy exports. Its findings reveal that Canada has continued to lose market share in the US since the Great Recession, beyond what competitiveness measures, such as relative unit labour costs, would suggest.

The Bank of Canada report studied 31 non-energy export categories to evaluate their individual performance and to identify which export subsectors will likely benefit from the recent depreciation of the Canadian dollar. There were four main findings:

1. About 55% (in value terms) of the 31 subsectors of non-energy exports have been performing as expected or outperforming their benchmarks. These include motor vehicle assembly (passenger cars and light trucks), commercial services, intermediate metal products, as well as food and beverage products.

2. The remaining subsectors have trailed their benchmarks, mostly due to longer-term structural declines. Sectors, such as furniture and fixtures, as well as clothing and textiles, have been falling steadily since the early 2000s. About three-quarters of the 21 export subcategories have been significantly below their respective benchmarks over the past decade.

3. Around half of the subsectors appear to be quite sensitive to fluctuations in the Canada/US exchange rate, most of which are consumer products and investment goods. The study showed that the transportation sector is also very sensitive to exchange rate movements, with four of its main subsectors making the list (other transportation equipment and parts, medium and heavy trucks, motor vehicle parts, and aircraft). About three quarters of the exchange rate sensitive sectors have been underperforming over the past decade. The majority of the export subsectors that have performed in line with or above their benchmarks tend to be less sensitive to movements in the Canadian dollar and are less likely to be affected from the recent currency depreciation.

4. Overall, the authors expect that about half of the non-energy export subsectors will have above average growth and will lead the recovery. These sectors include those linked to US construction activity, such as logging and building materials, as well as U.S. investment in machinery and equipment (industrial, electronic and electrical machinery and equipment, computers, and aircraft). The contribution of other sectors that have performed well over the past decade relative to foreign activity, such as commercial services and pharmaceutical products, is expected to continue.
http://www.bankofcanada.ca/wp-content/uploads/2014/04/dp2014-1.pdf

## Gross Domestic Product (GDP)

*Canada*

The most comprehensive indicator of economic activity is real GDP. The term "real" means that the series has been adjusted for inflation. In Canada, real GDP increased 0.2% in February over January. Output of the goods producing sector rose by 0.5%, which was driven by a very healthy increase of 1.5% in mining, quarrying, and oil and gas extraction. Output of service producing industries grew by 0.1%, led by growth in wholesale trade and real estate and rental and leasing. Year over year real GDP grew by 2.5% in February.

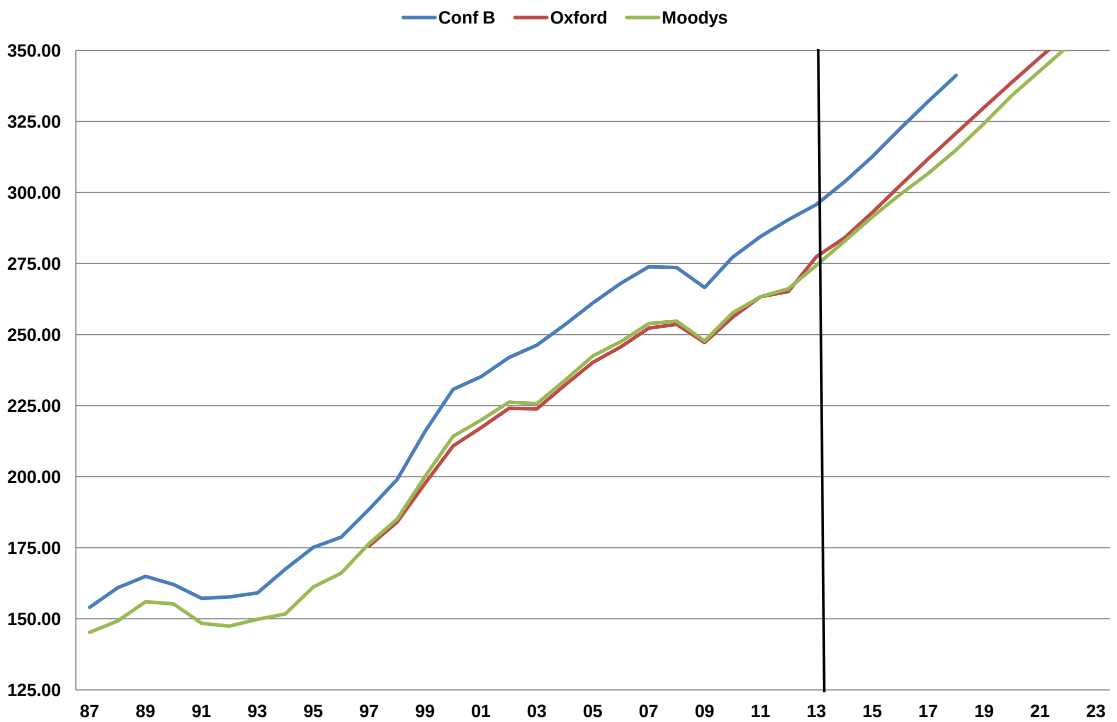
For the period of 2008 to 2013 the Canadian economy has out-performed most developed countries in the world.  Canada's recession was significantly less severe than in the US. In 2009, Canadian real GDP contracted by 2%, but it then rebounded strongly in 2010 (4.6%). By contrast, US real GDP declined both in 2008 (-0.3%) and 2009 (-2.8%); while the rebound in 2010 was less pronounced (2.5%). Now that fiscal consolidation and household deleveraging are less of a drag on the US economy, it is expected that US economic growth will outperform Canadian growth over the next three years.

*Toronto Region*

We have three forecasts for GDP for the Toronto CMA: Conference Board of Canada, Moody's and Oxford Economics.  Statistics Canada does not produce sub-provincial GDP estimates and the Conference Board of Canada, Moody's and Oxford Economics use different methodologies; therefore, not only do the three forecasts differ, but the three historical series are also slightly different.

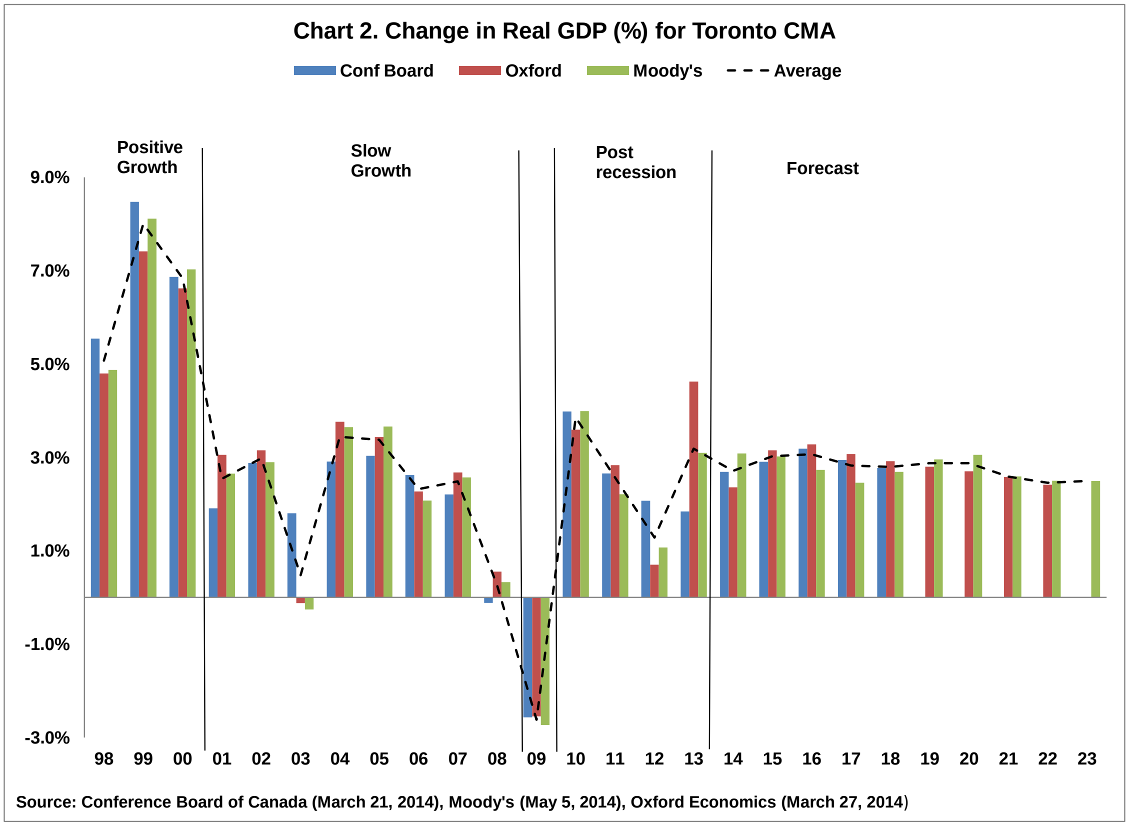
Chart 1 shows the three estimates for GDP for the Toronto CMA during the period of 1987-2013. The three GDP estimates all show similar trends for the region. The Conference Board's estimates are generally a bit higher than the other two estimates. In 2013, the Conference Board's GDP estimate for the Toronto CMA was approximately 7% higher than the estimates from the other two sources.

**Chart 1. Total GDP for Toronto CMA ($billions 2007)**




Source: Conference Board of Canada (March 21, 2014), Moody's (May 5, 2014), Oxford Economics (March 27, 2014)

Chart 2 shows the annual growth of real GDP for the Toronto CMA, based on the three forecasts, also showing the average of the three forecasts.




Using the average of the three forecasts, the Toronto region economy is estimated to have grown by 3.2% in 2013, and it is expected that the Toronto region will grow by 2.7% in 2014 and 3.0% in 2015. Appendix 1 examines the differences among the three datasets in 2012 and 2013.

The projected growth rates for Toronto CMA are roughly 0.3-0.5% higher than the expected Canadian growth rates; however, the Toronto CMA's population is growing between 0.6% and 0.7% faster than the national average. Therefore, GDP per capita is expected to grow slightly slower in Toronto region than in the rest of Canada over the next two years.

Assuming population growth rates do not change, real GDP per capita produced in Toronto CMA is predicted to grow at a very respectable 1.2%-1.3% per year.

Over the last fifteen years, the Toronto region has gone through a number of economic cycles. During the period 1998 to 2000, the average annual growth was 6.6%, the highest growth over the last fifteen years. From 2001 to 2008, the region grew more modestly, as the average annual growth was just over 2.2%.

The 2008/2009 period was characterized by slow to negative growth due to the global recession. In 2009 GDP contracted by 2.6% in Toronto region.

In the post-recessionary period (2010-2013), the Toronto region continued grew at an average real rate of 2.7% per year. Using a simple average of the three forecasts that are available for the regional economy, the Toronto CMA is expected to see an average growth rate of 2.9% per year in the next five years.

The three forecasts also provide some industry breakout, which allow us to calculate GDP per job for broad sectors of the regional economy. GDP per job is a measure of productivity, that is the efficiency with which the economy uses labour to produce goods and services. Productivity will be higher in sectors that are more capital intensive.

Table 1 shows GDP per job by industry (in 2007 dollars) based on the average of three forecasts in the Toronto region from 1997-2018.

**Table 1. GDP per job ($) by industry for Toronto CMA - average of three forecasts (1997-2018)**

| | All Industries | Primary & Utilities | Construction | Manufacturing | Wholesale & Retail | Transport & Warehouse | Info, Culture, Recreation Accom & Other Serv | Financial Services Insurance & Real Estate | Business Services | Non-Commerical | Public Admin |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **NAICS** | | **11, 21, 22** | **23** | **31-33** | **41, 44-45** | **48-49** | **51, 71, 72, 81** | **52-53** | **54, 55, 56** | **61-62** | **91** |
| 1997 | 80,907 | 187,374 | 73,574 | 85,610 | 52,059 | 63,088 | 40,541 | 223,550 | 59,627 | 64,327 | 110,264 |
| 1998 | 82,347 | 170,717 | 74,593 | 86,968 | 56,403 | 63,103 | 42,167 | 232,463 | 62,442 | 62,078 | 108,516 |
| 1999 | 86,588 | 183,743 | 81,512 | 90,948 | 58,571 | 71,813 | 48,499 | 239,605 | 66,332 | 62,659 | 110,240 |
| 2000 | 88,760 | 192,251 | 78,295 | 96,111 | 59,695 | 70,862 | 49,561 | 257,231 | 69,992 | 62,408 | 113,199 |
| 2001 | 88,226 | 179,331 | 80,912 | 90,831 | 57,265 | 73,082 | 51,857 | 262,675 | 69,217 | 62,039 | 117,038 |
| 2002 | 89,216 | 175,734 | 84,401 | 89,278 | 62,129 | 72,791 | 50,610 | 264,162 | 70,271 | 61,434 | 116,255 |
| 2003 | 87,902 | 185,206 | 79,699 | 90,163 | 64,246 | 69,167 | 48,595 | 257,876 | 70,517 | 60,424 | 111,652 |
| 2004 | 89,269 | 168,611 | 81,402 | 88,648 | 63,778 | 72,646 | 52,675 | 251,959 | 72,639 | 60,576 | 118,202 |
| 2005 | 90,886 | 184,850 | 77,176 | 92,887 | 64,532 | 79,645 | 53,405 | 251,513 | 74,706 | 60,239 | 112,850 |
| 2006 | 91,894 | 184,779 | 77,241 | 97,586 | 65,803 | 78,889 | 52,950 | 247,338 | 75,631 | 60,589 | 122,278 |
| 2007 | 91,703 | 167,692 | 78,461 | 98,165 | 66,902 | 78,911 | 51,426 | 257,066 | 75,332 | 59,269 | 118,326 |
| 2008 | 90,132 | 166,386 | 70,331 | 94,437 | 66,488 | 73,018 | 52,817 | 257,391 | 72,969 | 60,166 | 110,166 |
| 2009 | 88,957 | 171,050 | 78,978 | 89,527 | 64,687 | 73,523 | 51,158 | 241,721 | 71,966 | 61,663 | 120,613 |
| 2010 | 90,401 | 158,236 | 79,596 | 97,150 | 68,230 | 78,635 | 53,287 | 251,961 | 67,357 | 60,393 | 113,971 |
| 2011 | 91,357 | 180,304 | 76,337 | 98,376 | 72,448 | 75,480 | 53,468 | 254,587 | 67,702 | 59,599 | 112,220 |
| 2012 | 91,191 | 188,148 | 80,886 | 99,536 | 72,295 | 79,354 | 51,537 | 258,675 | 67,588 | 58,913 | 116,844 |
| 2013 | 90,574 | 169,888 | 74,061 | 102,358 | 70,112 | 74,065 | 53,221 | 254,102 | 67,330 | 59,799 | 114,224 |
| 2014 | 91,620 | 160,751 | 80,542 | 105,502 | 70,676 | 75,144 | 53,397 | 248,954 | 68,093 | 60,316 | 120,081 |
| 2015 | 92,553 | 161,960 | 82,246 | 107,157 | 71,933 | 74,819 | 54,001 | 252,445 | 68,836 | 60,540 | 120,202 |
| 2016 | 93,638 | 162,920 | 83,255 | 109,120 | 73,212 | 75,651 | 54,722 | 255,547 | 69,671 | 60,856 | 121,651 |
| 2017 | 94,527 | 163,825 | 83,966 | 110,930 | 74,356 | 76,291 | 55,452 | 258,305 | 70,385 | 60,936 | 122,742 |
| 2018 | 95,449 | 164,886 | 84,754 | 112,610 | 75,524 | 76,943 | 56,188 | 261,111 | 71,064 | 61,086 | 123,997 |

Source: Conference Board of Canada (Mar 21, 2014), Oxford Economics (Mar 27, 2014) and Moody's (May 5, 2014)

GDP per job for the Toronto region grew at an average of 0.7% per year during the period of 1998-2013. The highest annual average growth rate of 3.1% occurred during 1998-2000 period. This high growth in GDP per job is consistent with the Toronto region's strong annual economic growth (6.6%) between 1998 and 2000.

GDP includes "imputed rent", which is embedded in the FIRE sector (finance, insurance and real estate). Imputed rent is used to estimate the output of owner occupied dwellings (ie the rent they would have had to pay to occupy this space).

The inclusion of imputed rent in the GDP of FIRE inflates the GDP per job estimates for this sector in Table 1. GDP forecasts from these three sources do not separate out imputed rent. However, imputed rent accounts for more than one-fifth of FIRE GDP in the city of Toronto and more than one-third of FIRE GDP in the rest of CMA.

## Labour Force

Arguably, the most comprehensive and timely survey-based indicator that is available for the local economy in Toronto is the Labour Force Survey. This monthly survey is collected by place of residence and is available for the city of Toronto and the Toronto region (CMA), as well as Ontario and Canada.

Over the past year, labour force indicators for city of Toronto residents, as reported by Statistics Canada, have exhibited a great deal of volatility. The seasonally adjusted monthly unemployment rate reached a five-year low in August 2013 of 7.1%. It then jumped to 10.0%, and it had subsequently fallen back to 9.0% in March 2014.

In April 2014, the seasonally adjusted monthly unemployment rate for city residents increased from 9.0% to 9.2%; however, this increase was entirely because more people were attracted to the labour force. The total number of employed city residents increased by 21,000 in April 2014 and the employment to population ratio increased by 0.6%.

The seasonally adjusted monthly labour force participation rate for city of Toronto residents peaked in June 2013 at 68.1%. It now stands at 66.3%, which is slightly higher than the Ontario and Canadian averages. The unemployment rate, however, remains approximately 2 percent above the Ontario and Canadian totals.

## Building Activity

According to Skyscraperpage.com, there were 147 high-rise and mid-rise buildings under construction in the city of Toronto on April 17, 2014, equal to a year ago and significantly higher than any other North American city.

Data from Skyscraperpage.com also allow us to compare Toronto with other North American cities by the size of buildings under construction. Comparing Toronto with New York City, we see that in the case of the very largest buildings, New York City has slightly more 50+ storey buildings under construction than Toronto; however, Toronto has significantly more buildings under 50 stories.

On a monthly basis, the total value of building permits issued in the city of Toronto in March 2014 declined by 6.3% compared to a year ago. The rest of Toronto CMA municipalities experienced a 24.4% decline at the same time.

On a quarterly basis, in the first three months of 2014, the City of Toronto issued $1.7 billion of building permits, which was an increase of 41.6% over the same period of 2013.

In the first quarter of 2014 the increase in building permit activity in the city of Toronto was led by a substantial jump of 101.1% in residential permits issued ($1.04 billion) over the same period of 2013 ($518 million).The value of commercial building permits also rose in the first quarter by 34% compared to last year.  On the other hand, in the first quarter of 2014 there was a significant decline in the industrial (-71.3%) and institutional (-67.7%) value of building permits compared to same period of last year.

The total value of building permits issued in the 905 municipalities was $1.38 billion in the first quarter of 2014. Both residential and non-residential permits issued were lower by 19.5% and 8.1% respectively. Only commercial permits recorded an increase of 6.2%, from $266 million in 2013q1 to $282 million in 2014q1.

The building permit data in the attached presentation are three month averages, in order to smooth the monthly fluctuations in these data.

## Office Market

The office vacancy rate in the city of Toronto increased for the third consecutive quarter in 2014q1. According to Cushman & Wakefield, in the last year, office vacancy rates increased from 5.5% to 6.7% in the city of Toronto and from 9.7% to 11.3% in the 905 municipalities. Data from other real estate firms show similar increases in vacancy rates in the last year. Furthermore, Cushman & Wakefield, like most observers, is predicting that office vacancy rates will continue to increase across the GTA in 2014.

Downtown office vacancy rates remain much lower than elsewhere in the city and in the rest of the Toronto region. However, vacancy rates increased faster in downtown than elsewhere in the city and region in 2014q1.  The downtown office vacancy rate rose from 5% in 2013q4 to 5.8% in 2014q1. Large increases in vacancy rates were also experienced in the office nodes at Bloor and Islington (+4.5%) and DVP South (+3.3%). At the same time, the office vacancy rate in Consumers Road declined by 3.2%.

Perhaps more important than the vacancy rate is the change in occupied office space, also known as the "absorption rate", as this indicator more directly measures the demand for office space than the vacancy rate.

In 2013q4, there was a very large increase (+2.2 million sq ft) in the office inventory downtown when several new buildings were completed, which explains why downtown office vacancy rates rose at the same time as occupied space increased by 1,756,000 sq ft.

However, in sharp contrast to the previous quarter, total occupied space downtown fell by 553,000 sq ft in 2014q1. Total occupied office space also decreased in the rest of the city of Toronto (ie outside the downtown) and in the 905 municipalities in 2014q1.

Over the last year (2013q1-2014q1), total occupied office space downtown has increased by 874,000 sq ft. At the same time, it has decreased by 838,000 sq ft in the rest of the city and decreased by 471,000 sq ft in the 905 municipalities.

In addition to the substantial completions of downtown office space in late 2013, there is also 5.1million sq ft of class A space currently under construction in seven major new downtown office buildings, which is more than any other North American city other than New York City. There has been a strong trend back to the downtown. Young professionals, especially those living in the new downtown condos, do not want to work in suburban office park settings with few amenities and the requirement to own a vehicle.

The new office towers offer companies a number of advantages, such as energy efficiency, lower maintenance costs and the ability to accommodate more workers. The new office buildings are laid out differently than most existing offices. Personal workspaces continue to shrink while the amount of space allocated for shared areas has been increased. This process has been described as "densification", and it is well advanced in places like London where office rents are considerably higher than in Toronto.

According to research by CBRE, the tenants pre-leasing space in the new downtown office buildings are actually reducing the amount of office space that they occupy by 15%. Five years ago tenants pre-leasing space in new downtown buildings were increasing their occupied space by 31%. Since employment growth in the downtown core has been healthy, the trend to densification is a result of firms reducing their office space requirements per employee.

According to a survey by CoreNet Global, the average square feet per worker (FWS) decreased from 225 sq ft in 2010 to 176 sq ft in 2013 globally and slightly more than half of respondents project an average of 100 sq. ft. or less per worker as the norm in five years. http://www.corenetglobal.org/publications/newsdetail.cfm?Itemnumber=17990

The new office buildings, currently under construction in Toronto, such as RBC Waterpark Place, the Globe and Mail Centre, 100 Adelaide Street West and One York Street are designed to be 100-120 sq ft per person.

According to Sandy McNair, president of Altus InSite “ten or 15 years ago the bank towers and their neighbours in the downtown financial district would have been at about 260 square feet of space per person. Today that would be closer to 160 sq ft per person.

Then you've got firms like Telus at 100 sq ft per person, and Royal Bank and TD that are moving to 120 sq ft per person on their newer premises."
http://www.theglobeandmail.com/report-on-business/industry-news/property-report/as-firms-look-for-savings-the-workplace-gets-an-overhaul/article16122749/

The addition of new and more efficient office space will pose a challenge for the owners of existing office buildings, and some experts note that it may be difficult to retrofit older buildings in order to accommodate more workers.

Of course, all firms will not choose the new office environments, and there is also often a significant difference between planned FSWs and the actual FSWs achieved by firms and there are several standards for how to measure office floor areas in use. http://www.normmiller.net/wp-content/uploads/2012/08/Estimating-Office-Space-Requirements-Sept-18-2012.pdf However, even a 10% reduction in the FSW ratio would free up 7 million sq ft of office space downtown and 17 million sq ft across the region.

## Housing

Total March year-to-date housing starts in 2014 in the Toronto CMA, as reported by CMHC (7,090 units) are up by 5.9% compared to the same period of 2013. Year-to-date housing starts in the city of Toronto increased substantially (39.6%) compared to 2013. In fact, housing starts only increased in the city of Toronto and Durham region (16.5%), while declining in York (-34%), Peel (-27.4%), and Halton (-58.2%) regions, as well as in the reminder of the Toronto CMA (-21.3%). The vast majority (94.8%) of housing starts in the city of Toronto was in the high-rise sector.

The number of residential units under construction also continues to rise. As of March 2014, there were 48,967 residential units under construction in the city of Toronto, an increase of 7.9% over March 2013.

Pre-sales of new residential units are in healthy recovery mode in 2014. After a soft 2013, March year-to-date pre-sales in the GTA were 8,928, which is higher compared to 2013 (59.6%) and 2012 (6.9%). City of Toronto residential pre-sales in March were 143.9% higher than same period of 2013 and 38.6% higher than in March 2012. Pre-sales in the rest of the GTA also rose.

Residential re-sale data for the city of Toronto continue to show strong growth in prices, while units sold are marginally lower. The average house price ($641,666) in the city of Toronto in April 2014 was 11.3% higher than a year ago and total units sold decreased by 1.3% over April 2013. The decline in sales was accompanied by a 5.1% decline in active listings, which has reduced supply and put upward pressure on prices. The strongest price increases were for semi-detached houses (18%) and townhouses (17.1%). The condominium segment was the only one to record a marginal increase (1%) in active listings, which partially explains the weak price gains (1.4%).

## Retail Sales

After seasonally adjusted retail sales rebounded in January 2014 from a soft December, February retail sales were flat in the Toronto CMA on a month-over-month basis, but were 3.1% higher on a year-over-year basis.

The largest increases in retail sales in February 2014 compared to the same period a year ago were: used car dealers (20.5%), specialty food stores (18.4%) and home furnishings stores (14.1%). The largest declines in retail sales in February 2014 compared to a year ago were in other motor vehicle dealers (-9.1%) and furniture stores (-6.7%).

## CONCLUSION

Toronto CMA economy is expected to grow by 2.7% in 2014 and 3.0% in 2015.

The City of Toronto issued $1.7 billion of building permits in the first quarter of 2014, which is an increase of 41.2% over the first quarter of 2013. First quarter housing starts also posted a robust increase of 39.6% over last year.

Labour force indicators for city of Toronto residents, as reported by Statistics Canada, have exhibited a great deal of volatility over the last year. In April 2014, the seasonally adjusted monthly unemployment rate for city residents increased from 9.0% to 9.2%; however, this increase was entirely because more people were attracted to the labour force. The total number of employed city residents increased by 21,000 in April 2014 and the employment to population ratio increased by 0.6%.

Over the last year, total occupied office space downtown increased by 874,000 sq ft. At the same time, occupied office space decreased by 838,000 sq ft in the rest of the city and decreased by 471,000 sq ft in the 905 municipalities. In addition to the substantial (2.1 million sq ft) of completions of downtown office space in late 2013, there is also 5.1million sq ft of class A space currently under construction in the downtown core. There is also a trend of "densification", as personal workspaces continue to shrink.

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## SIGNATURE

Michael H. Williams, General Manager
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## ATTACHMENTS

Attachment:  Economic Dashboard Presentation – May 2014

# Appendix 1

**Three Forecasts of Employment, GDP and Annual GDP Growth by Industry for Toronto CMA in 2012 and 2013**

| | All Industries | Primary & Utilities | Construction | Manufacturing | Wholesale & Retail | Transport & Warehouse | Info, Culture, Recreation Accom & Other Serv | Financial Services Insurance & Real Estate | Business Services | Non-Commerical | Public Admin |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Total Employment (thousands)** | | | | | | | | | | | |
| **2012** | | | | | | | | | | | |
| Conf B | 3,007 | 26 | 170 | 343 | 444 | 150 | 488 | 304 | 470 | 505 | 109 |
| Oxford | 2,997 | 28 | 171 | 341 | 440 | 150 | 486 | 302 | 471 | 501 | 108 |
| Moody's | 3,008 | 27 | 172 | 342 | 442 | 150 | 487 | 303 | 472 | 503 | 109 |
| **2013** | | | | | | | | | | | |
| Conf B | 3,120 | 30 | 193 | 335 | 474 | 173 | 484 | 321 | 484 | 514 | 113 |
| Oxford | 3,117 | 30 | 193 | 338 | 472 | 172 | 484 | 318 | 481 | 514 | 114 |
| Moody's | 3,122 | 30 | 193 | 339 | 473 | 173 | 485 | 318 | 481 | 515 | 115 |
| **Total GDP ($millions 2007)** | | | | | | | | | | | |
| **2012** | | | | | | | | | | | |
| Conf B | 290,468 | 6,008 | 14,829 | 37,081 | 35,512 | 14,746 | 26,994 | 81,041 | 31,513 | 30,146 | 13,941 |
| Oxford | 265,192 | 4,342 | 13,660 | 32,289 | 30,359 | 10,439 | 23,882 | 77,057 | 31,884 | 29,204 | 12,076 |
| Moody's | 266,170 | 4,784 | 12,989 | 32,799 | 29,953 | 10,534 | 24,416 | 77,015 | 32,085 | 29,551 | 12,045 |
| **2013** | | | | | | | | | | | |
| Conf B | 295,819 | 6,530 | 15,146 | 36,365 | 35,850 | 14,784 | 27,586 | 83,835 | 32,011 | 30,894 | 13,914 |
| Oxford | 277,456 | 4,945 | 14,897 | 32,333 | 32,498 | 11,904 | 24,276 | 81,454 | 32,096 | 30,167 | 12,885 |
| Moody's | 274,410 | 3,824 | 12,839 | 34,895 | 31,132 | 11,652 | 25,496 | 77,864 | 33,227 | 31,227 | 12,253 |
| **Annual Change in GDP** | | | | | | | | | | | |
| **2012** | | | | | | | | | | | |
| Conf B | 2.1% | 3.1% | 3.4% | 2.4% | 0.6% | 1.2% | 2.1% | 2.4% | 1.4% | 2.5% | 0.4% |
| Oxford | 0.7% | -4.8% | 2.6% | -0.1% | 4.1% | -1.5% | 0.8% | -0.9% | 2.2% | 4.9% | -6.2% |
| Moody's | 1.1% | -4.9% | -0.9% | 2.0% | 4.1% | -0.6% | 1.1% | -0.4% | 2.6% | 5.0% | -5.9% |
| Average | 1.3% | -2.2% | 1.7% | 1.4% | 2.9% | -0.3% | 1.3% | 0.3% | 2.1% | 4.2% | -3.9% |
| **2013** | | | | | | | | | | | |
| Conf B | 1.8% | 8.7% | 2.1% | -1.9% | 1.0% | 0.3% | 2.2% | 3.4% | 1.6% | 2.5% | -0.2% |
| Oxford | 4.6% | 13.9% | 9.1% | 0.1% | 7.0% | 14.0% | 1.7% | 5.7% | 0.7% | 3.3% | 6.7% |
| Moody's | 3.1% | -20.1% | -1.2% | 6.4% | 3.9% | 10.6% | 4.4% | 1.1% | 3.6% | 5.7% | 1.7% |
| Average | 3.2% | 0.8% | 3.3% | 1.5% | 4.0% | 8.3% | 2.8% | 3.4% | 1.9% | 3.8% | 2.7% |
| **2012 & 2013** | | | | | | | | | | | |
| Conf B | 4.0% | 12.0% | 5.6% | 0.4% | 1.5% | 1.5% | 4.3% | 5.9% | 3.0% | 5.1% | 0.2% |
| Oxford | 5.4% | 8.5% | 11.9% | 0.0% | 11.4% | 12.3% | 2.5% | 4.7% | 2.9% | 8.4% | 0.1% |
| Moody's | 4.2% | -24.0% | -2.1% | 8.6% | 8.2% | 9.9% | 5.5% | 0.7% | 6.2% | 11.0% | -4.3% |
| Average | 4.5% | -1.2% | 5.1% | 3.0% | 7.1% | 7.9% | 4.1% | 3.8% | 4.1% | 8.1% | -1.3% |

Source: Conference Board of Canada (March 21, 2014), Oxford Economics (March 27, 2014) and Moody's (May 5, 2014)