



City of Winnipeg Demographic, Economic, and Fiscal Outlook **2023 Update**

Presentation Outline

Demographic Outlook



- Population Growth
- Spatial Distribution of Population
- Changing Demographics
- Income and Education
- Housing

Economic Outlook



- Labour Force
- GDP by Sector
- Inflation

Municipal Fiscal Outlook



- Municipal Budget
- Revenue
- Property Taxes
- Expenditure



Demographic Outlook

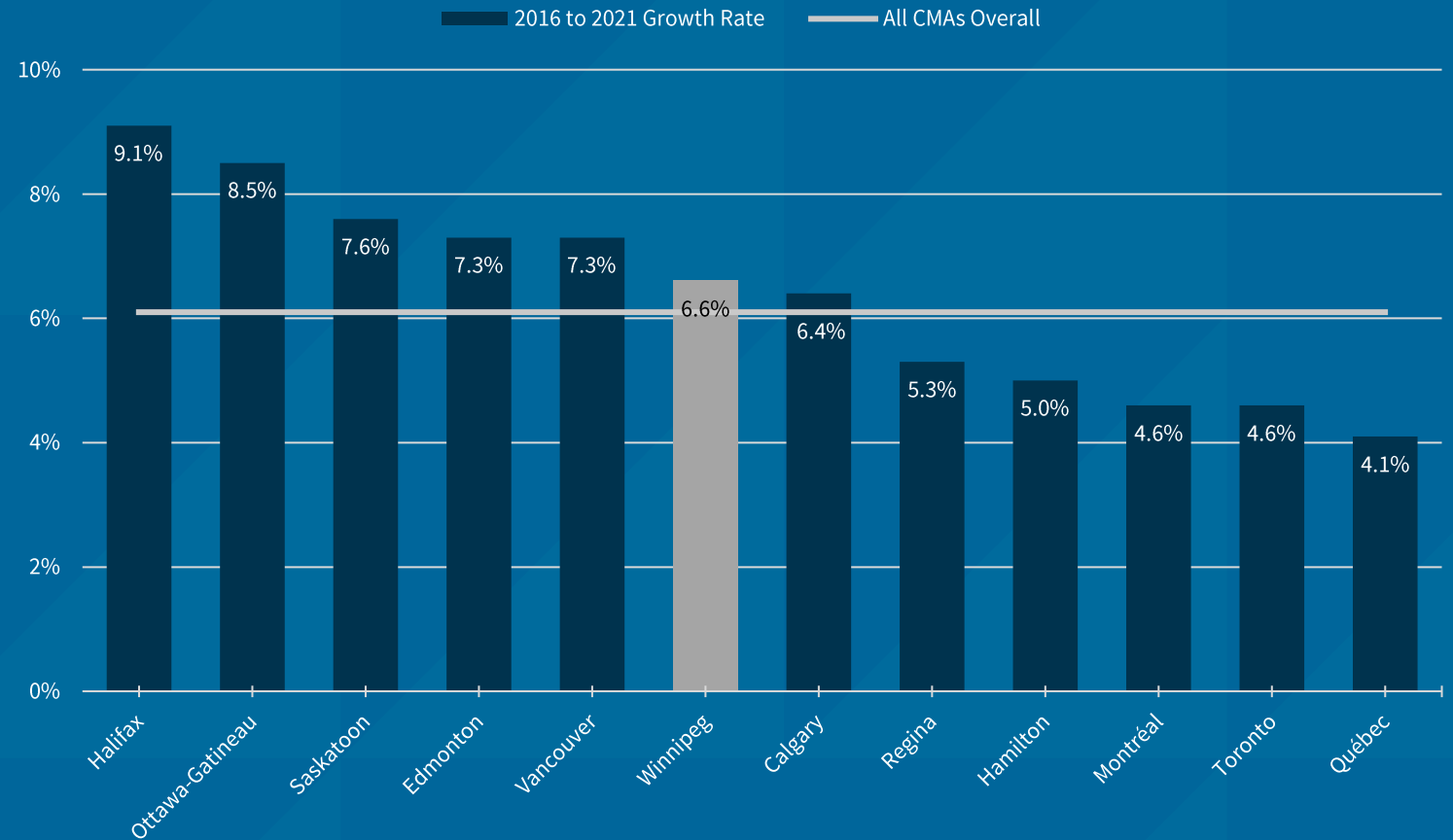
Winnipeg Demographic Outlook

The City of Winnipeg's enumerated population in the 2021 Census was 749,607, representing an increase of 44,363 residents or 6.6% compared to the 2016 census.

For the same year, the city's total estimated population was 772,900 – 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.

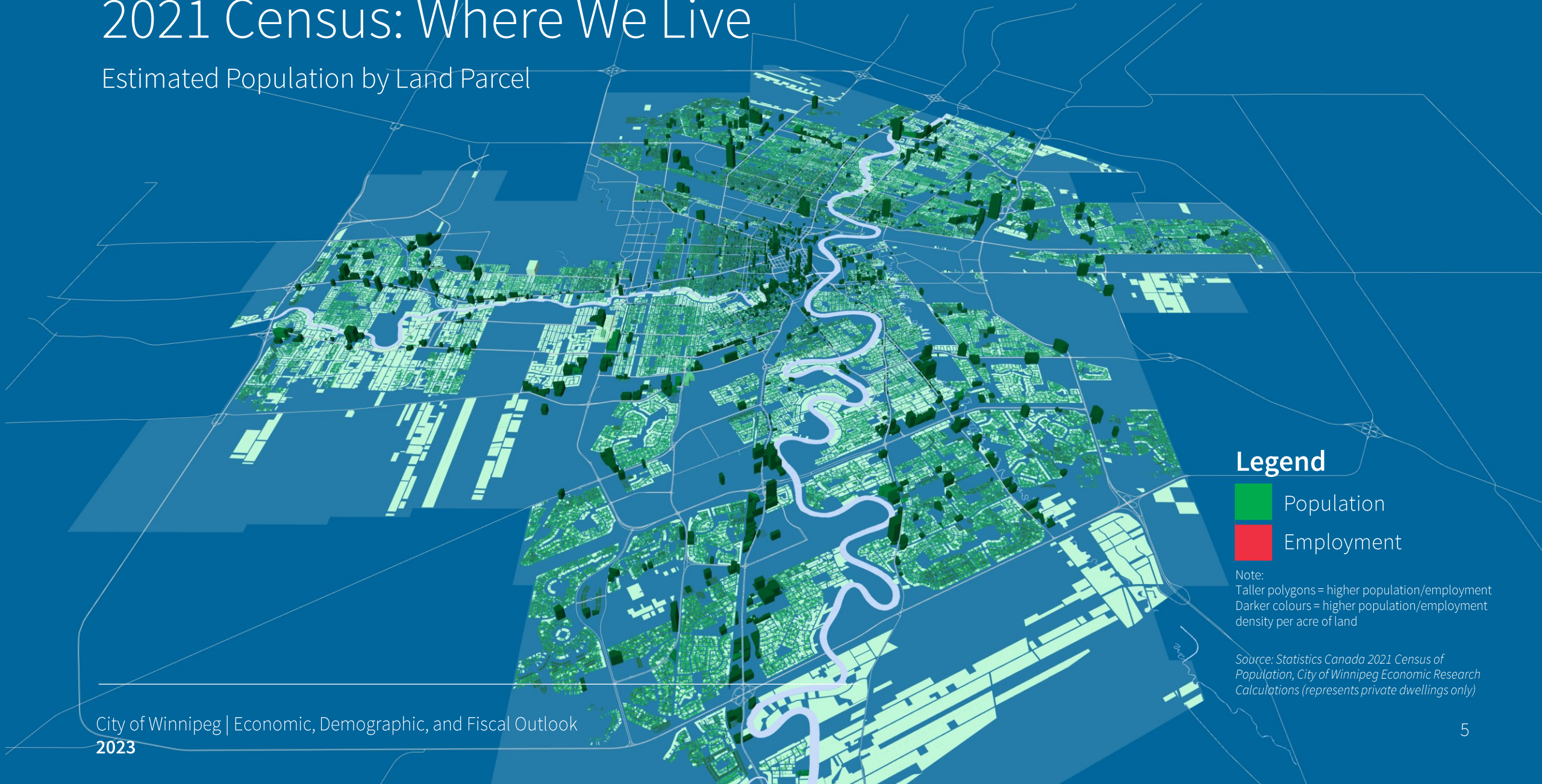
It is anticipated that international migration will be a continued source of population growth as the existing population ages and retires out of the labour force.



Source: Statistics Canada 2021 Census of Population

2021 Census: Where We Live

Estimated Population by Land Parcel



Legend

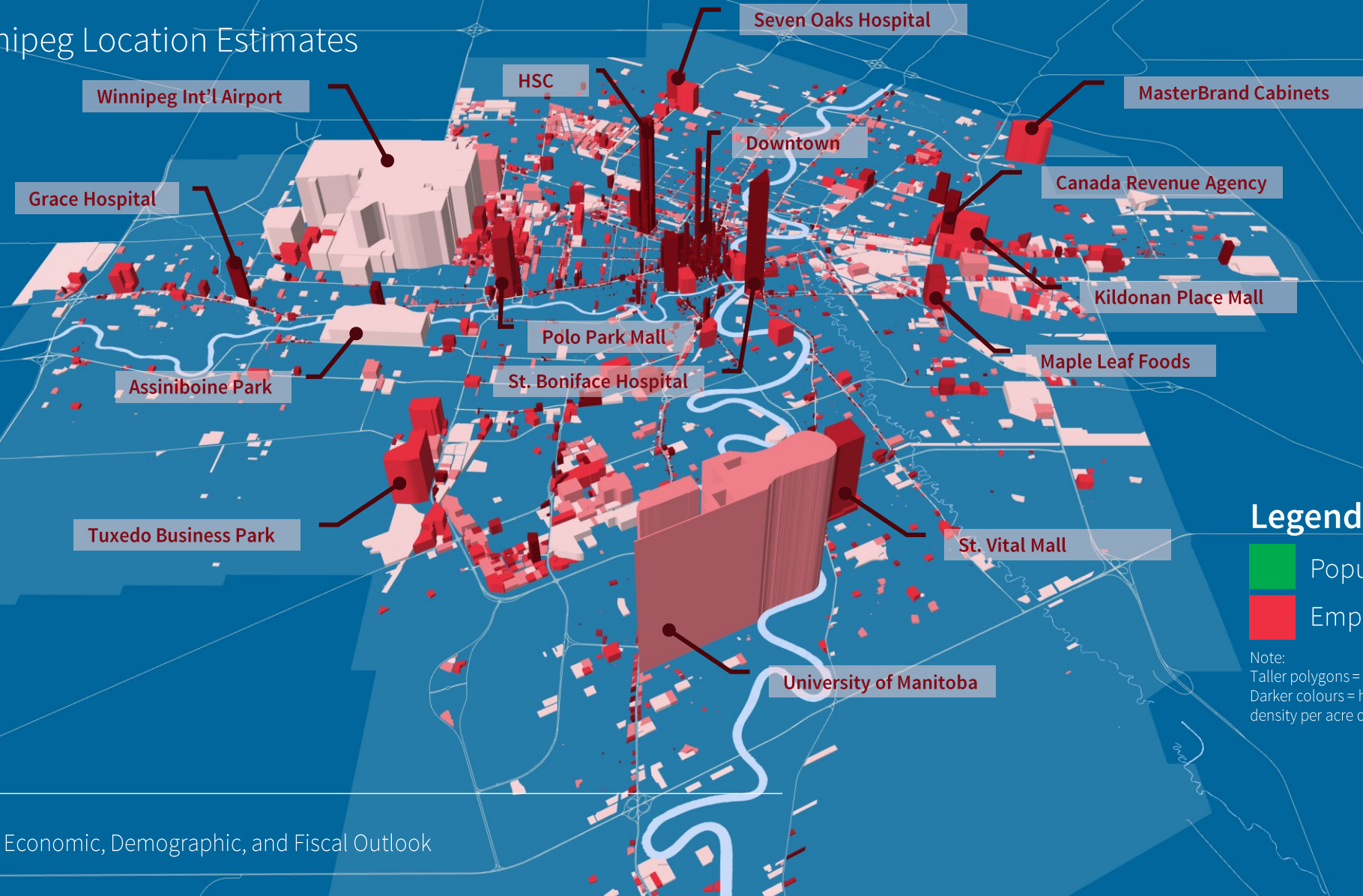
- Population
- Employment

Note:
Taller polygons = higher population/employment
Darker colours = higher population/employment density per acre of land

Source: Statistics Canada 2021 Census of Population, City of Winnipeg Economic Research Calculations (represents private dwellings only)

2021 Census: Where We Work

City of Winnipeg Location Estimates



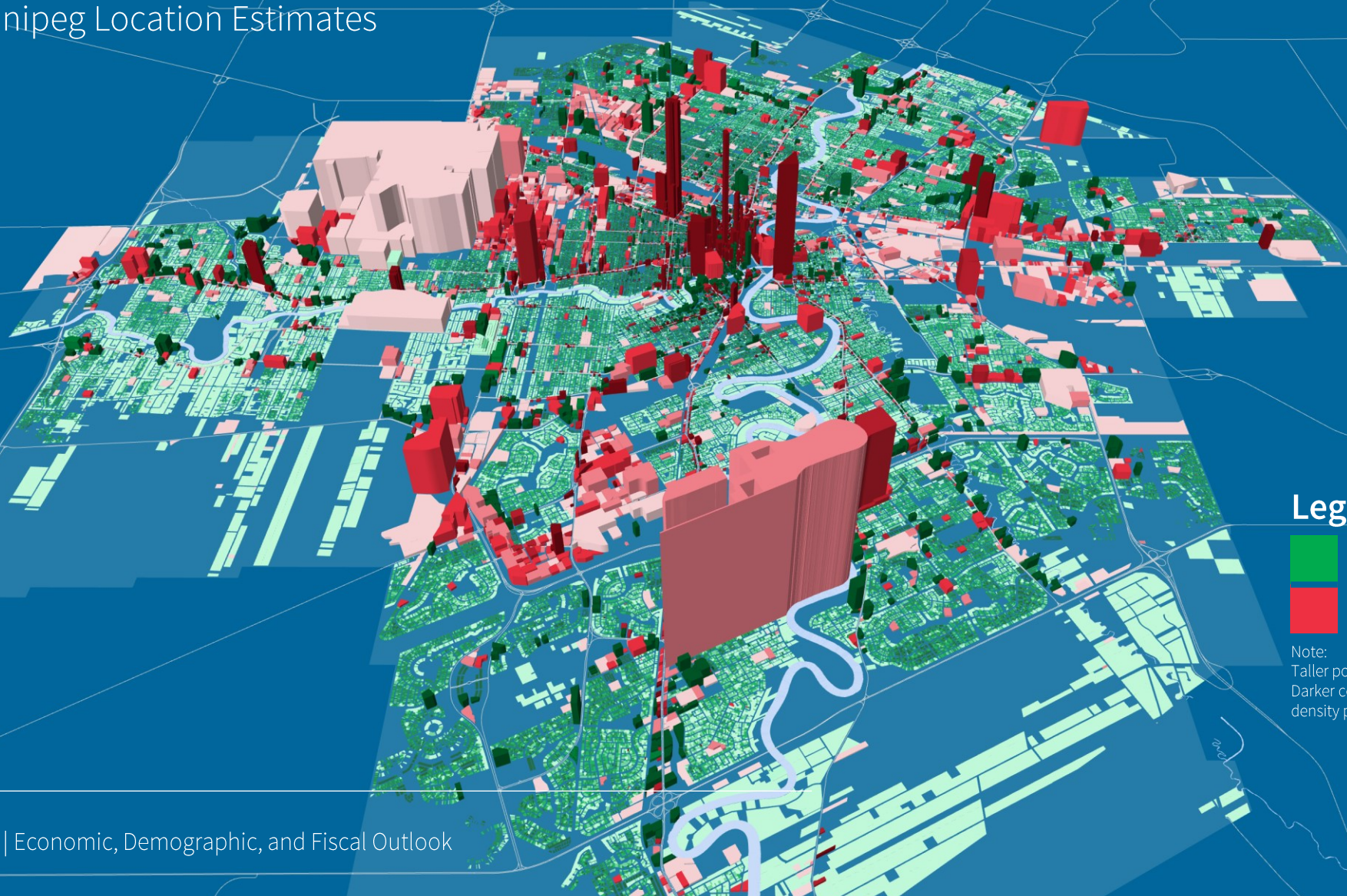
Legend

- Population
- Employment

Note:
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2021 Census: Where We Live and Work

City of Winnipeg Location Estimates



Legend

- Population
- Employment

Note:
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Population

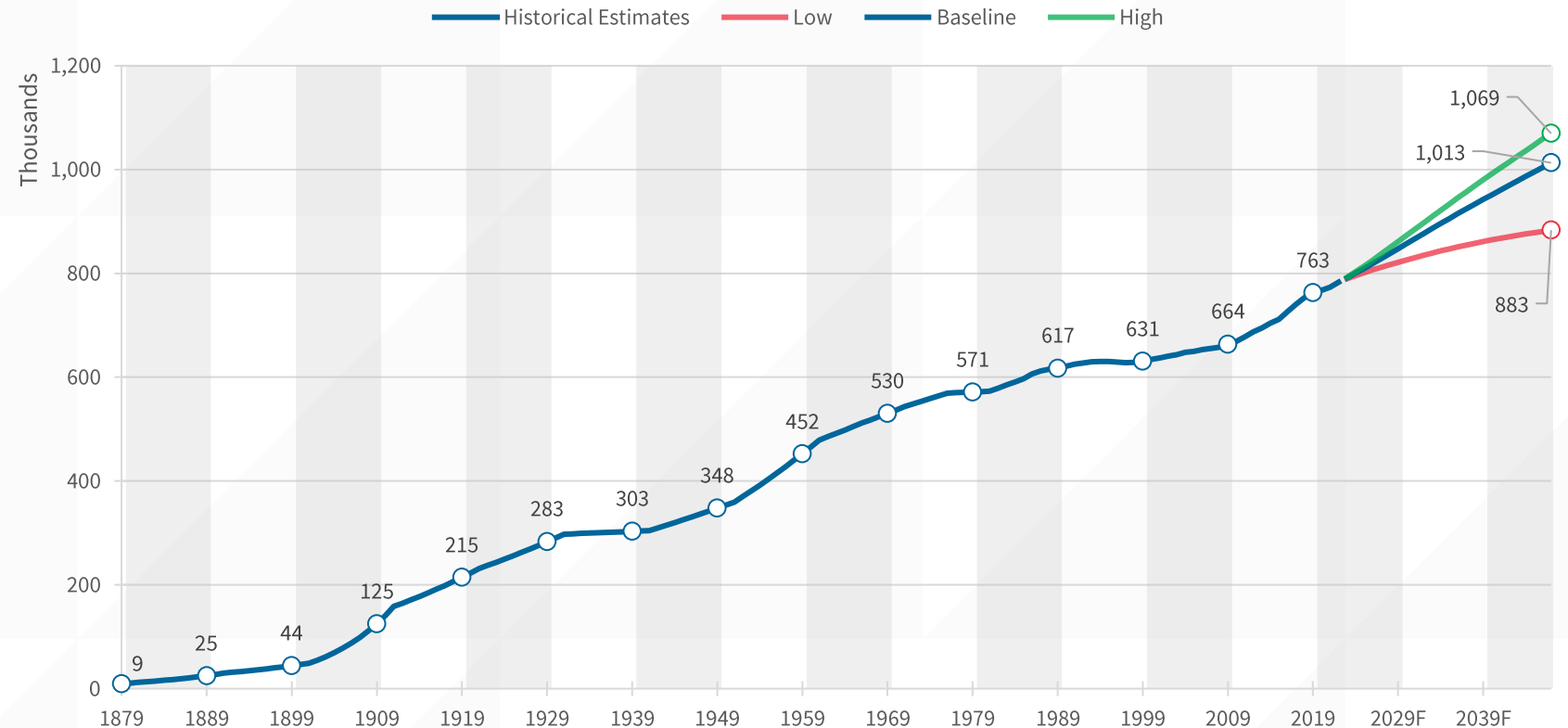
Winnipeg's population is currently anticipated to reach **1 million residents over the next 25 years.**

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 2023 Projections



Source: City of Winnipeg 2023 25-Year Population Projections by Scenario

Manitoba Population: Record Growth Past Few Quarters

Manitoba's population has grown at a record pace over the last year, by over 41,000 people.

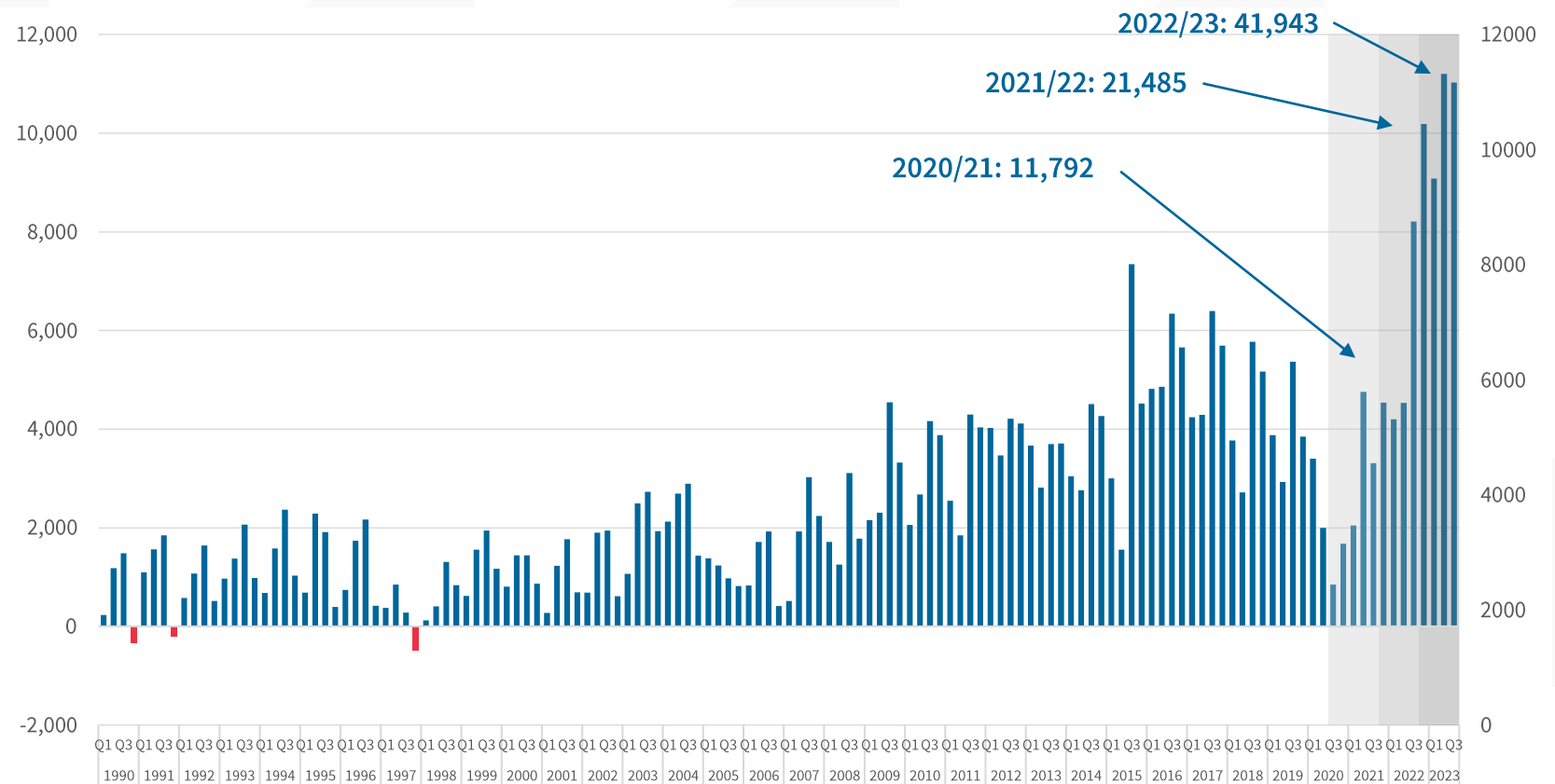
This is one of the largest periods of growth on record.

The significant growth in population is being entirely driven by international migration and non-permanent residents, particularly in the work permit holder's category.

In Q2 2023, there was an estimated 60,000 non-permanent residents in Manitoba, which is an increase of 56% compared to one year earlier.

54% of non-permanent residents are here on work permits only, 30% are on study permits only, and 16% are here with other permit types.

Manitoba Quarterly Population Growth – 1990 to Current

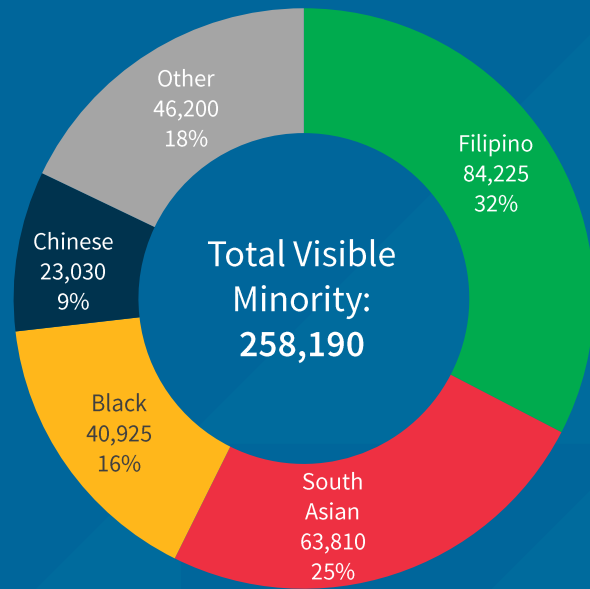


Source: Statistics Canada, Table 17-10-0009-01, Population Estimates, quarterly; Statistics Canada, Table 17-10-0121-01 Estimates of the number of non-permanent residents by type, quarterly

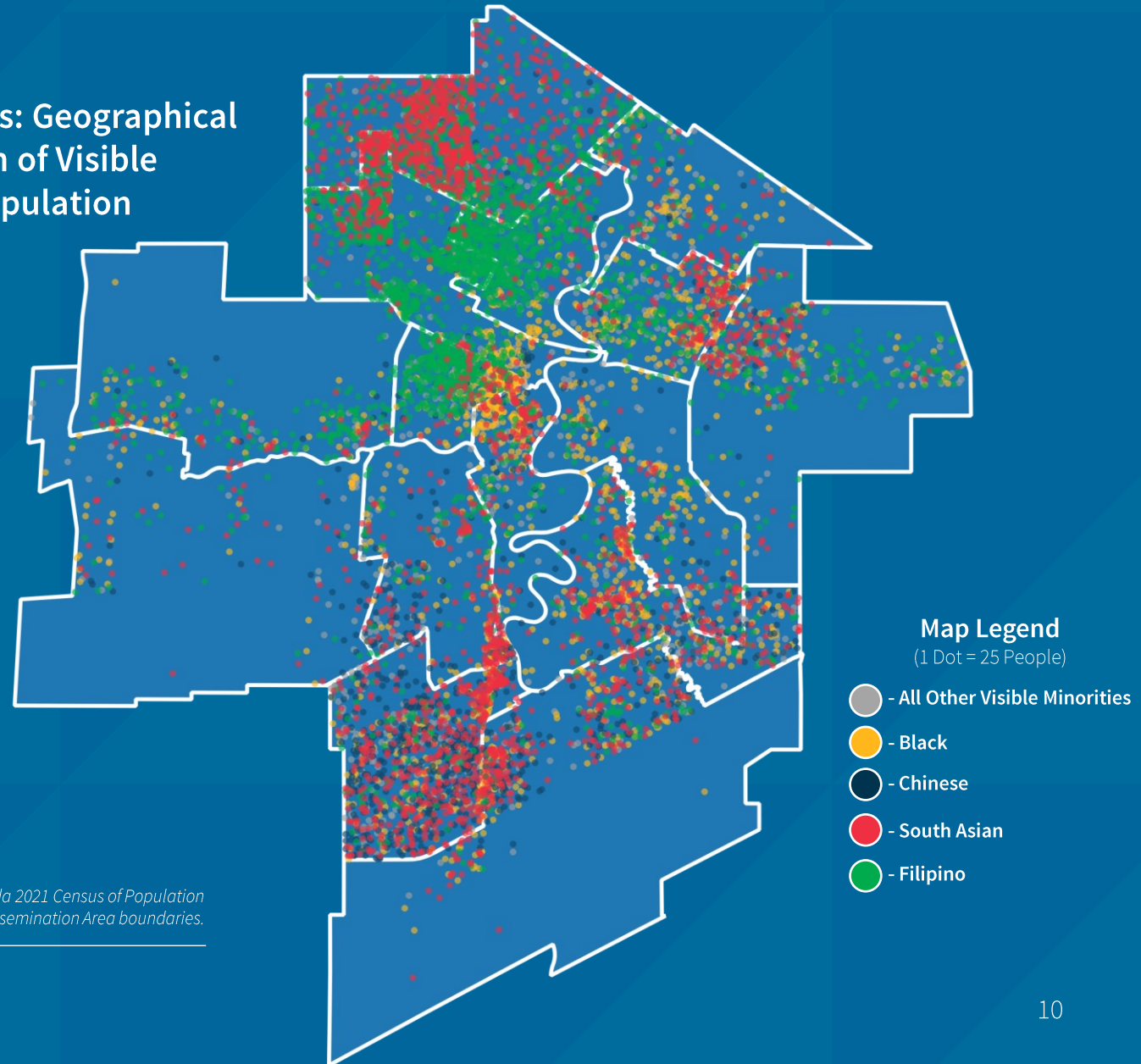
Visible Minorities

In 2021, visible minorities made up 31.5% of Winnipeg's total population, up from 12.5% in 2001.

As international migration remains a significant source of population growth, it is anticipated the share of population that are visible minorities will continue to increase.



2021 Census: Geographical Distribution of Visible Minority Population

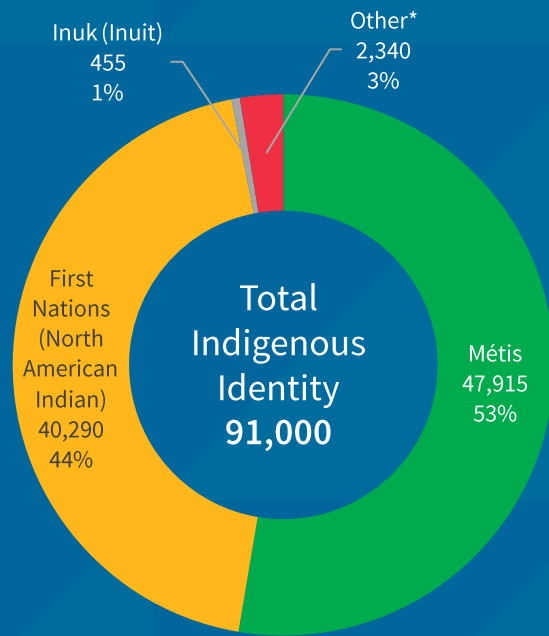


Source: Statistics Canada 2021 Census of Population
Note: Dots placed randomly within Census Dissemination Area boundaries.

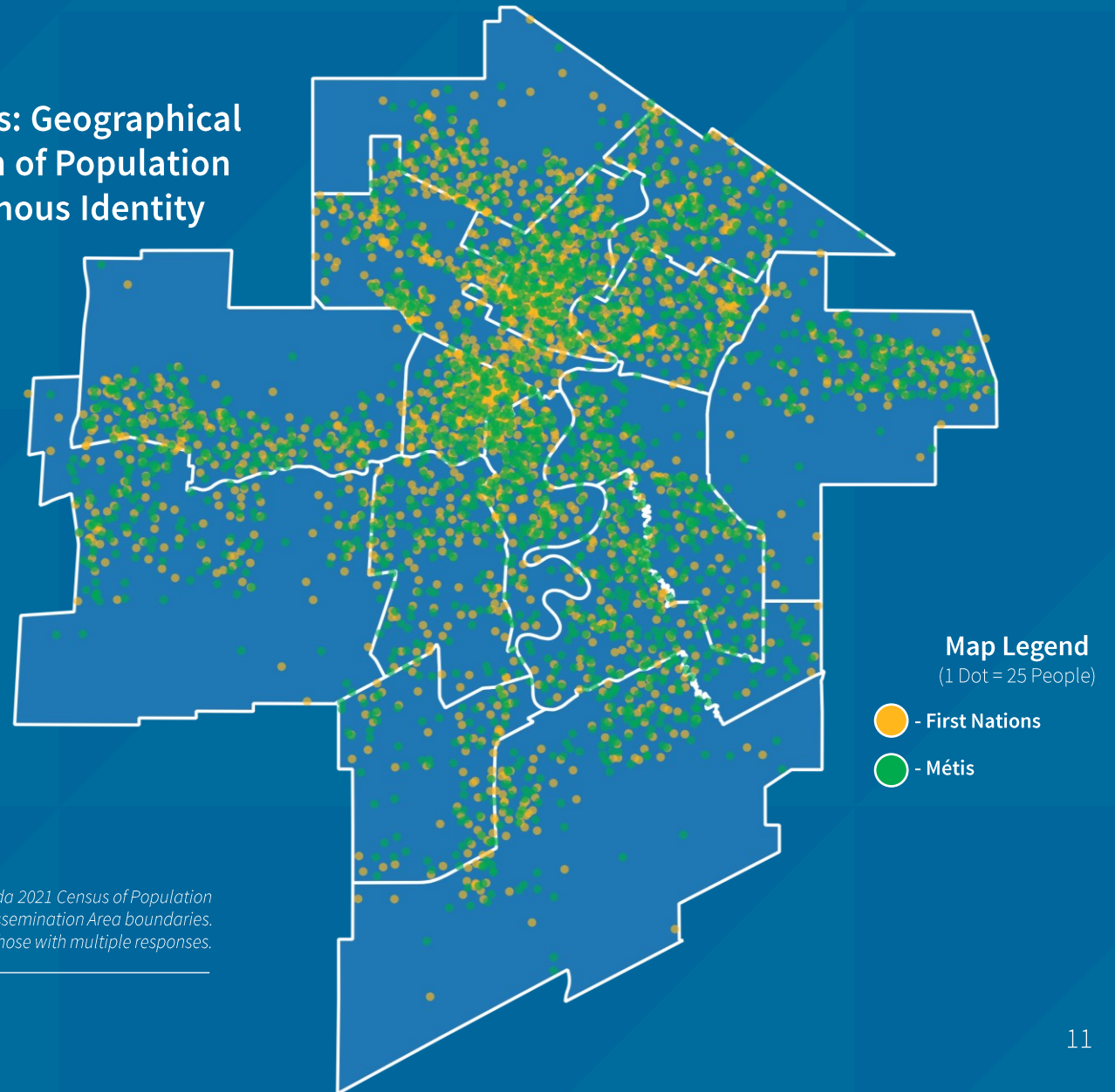
Indigenous Identity

In 2021, 12.4% of the population in Winnipeg had Indigenous identity, representing 91,000 people.

The largest group was Métis, representing 53% of those with Indigenous identity, followed by First Nations which represented 44%.



2021 Census: Geographical Distribution of Population with Indigenous Identity



Source: Statistics Canada 2021 Census of Population
Note: Dots placed randomly within Census Dissemination Area boundaries.
*Other category includes those with multiple responses.

Household Income

In 2021, the median household income for all census family types in the Winnipeg CMA was **\$77,000**.

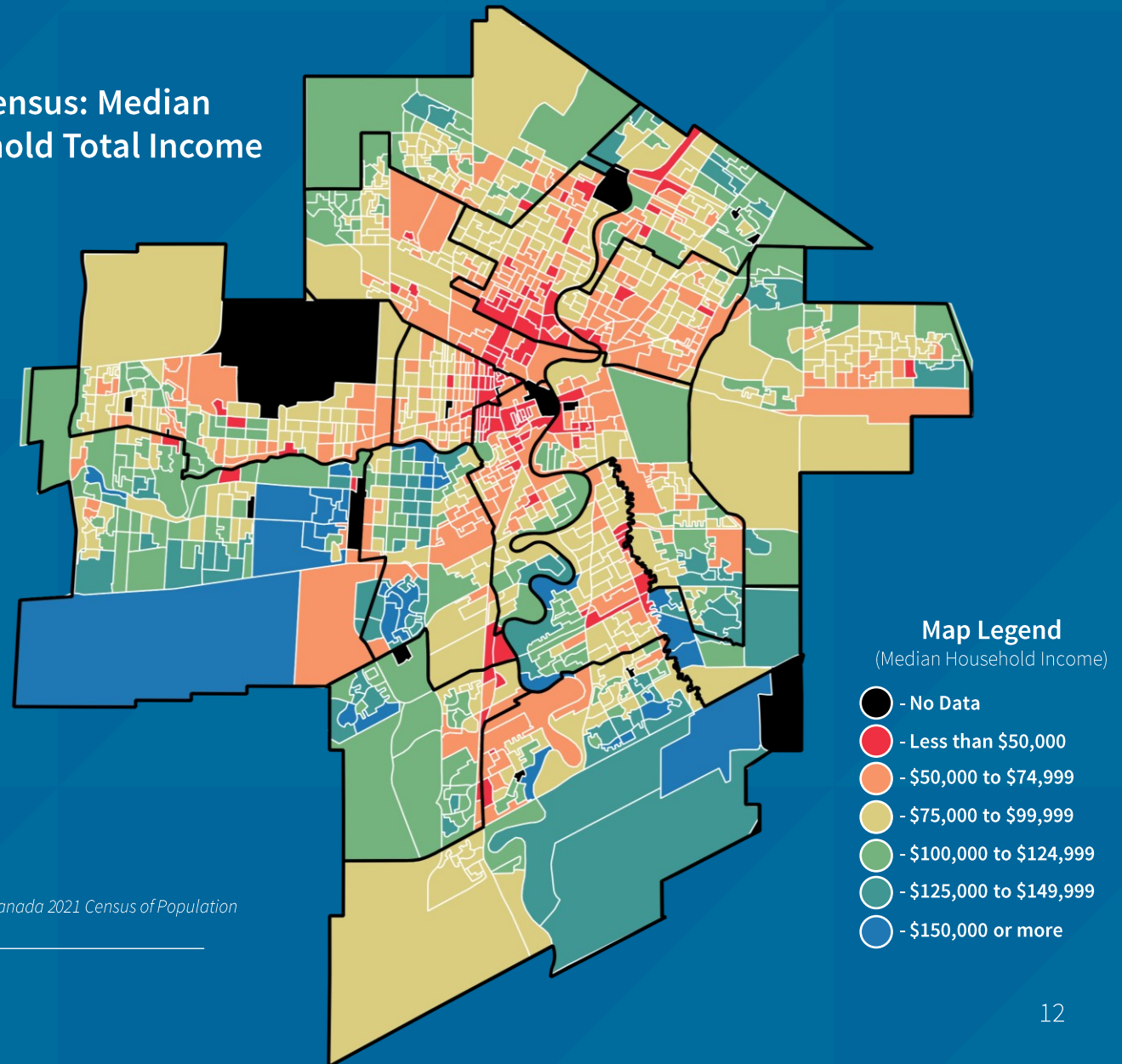
Real median employment income has increased from **\$61,000** in 1990 to **\$66,900** in 2021, representing an increase in real income of **9.7%** over 31 years.

Median Income: All Census Families



Source: Statistics Canada, Table 11-10-0191-01 Income statistics by economic family type and income source; Statistics Canada 2021 Census of Population
 Note: Data displayed by Census Dissemination Area boundaries

2021 Census: Median Household Total Income

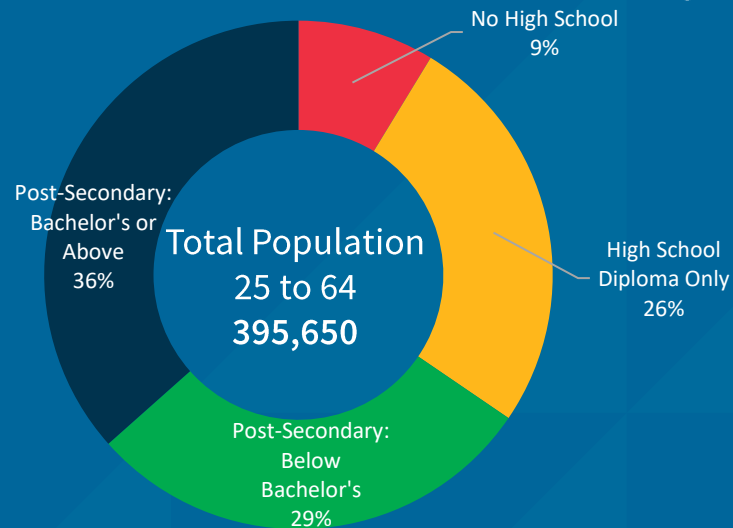


Education

In 2021, 65% of people in Winnipeg aged 25 to 64 had some form of post-secondary education, compared to 67% total for Canada.

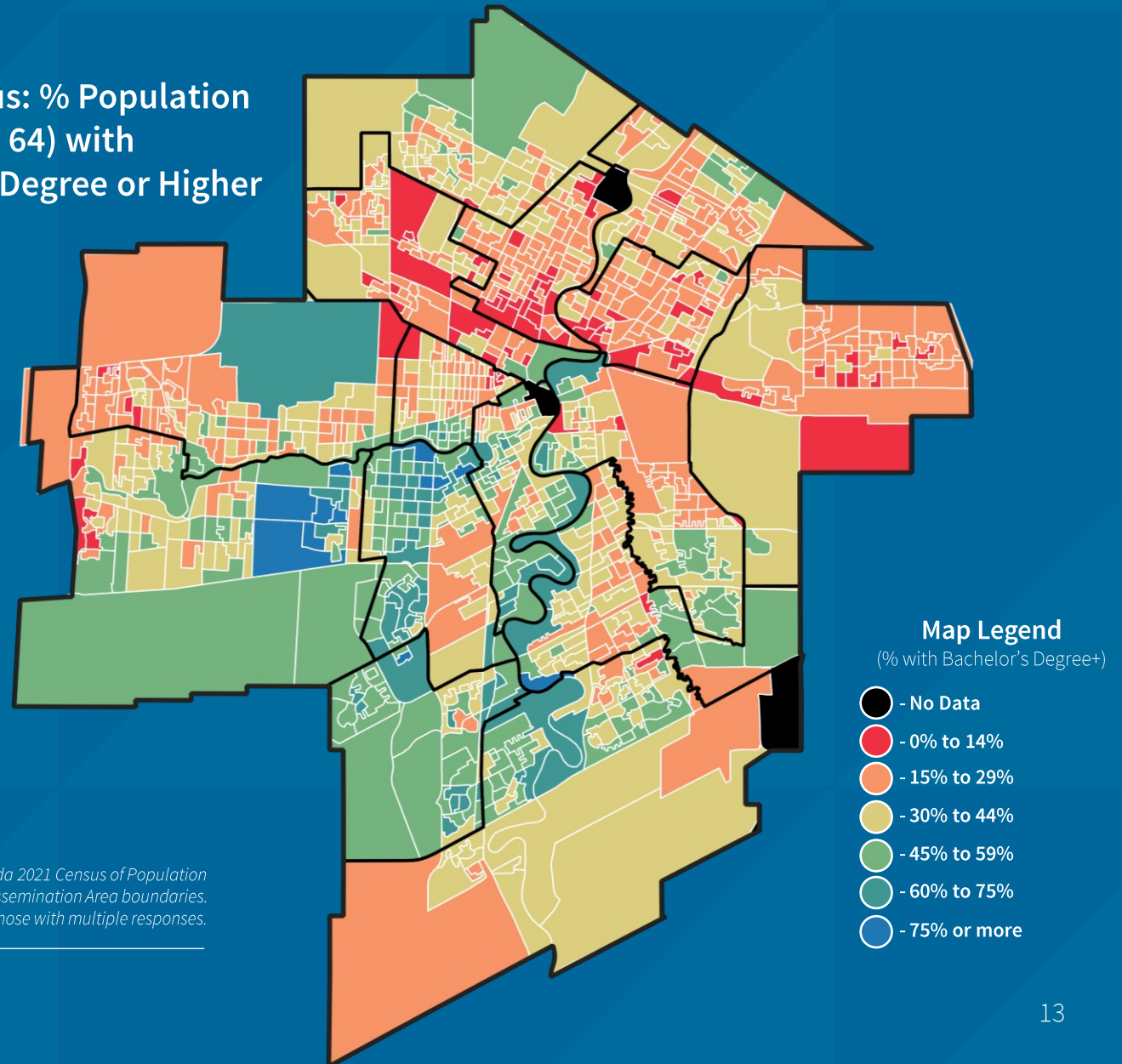
Winnipeg (and Canada) has become a lot more educated over the last 20 years. In 2001, 25% of people in Winnipeg didn't even have a high school diploma but by 2021, this had fallen to 9%. Currently 36% have a Bachelor's degree or above, but in 2001 this figure was 22%.

Distribution of Educational Attainment in Winnipeg



Source: Statistics Canada 2021 Census of Population
 Note: Dots placed randomly within Census Dissemination Area boundaries.
 *Other category includes those with multiple responses.

2021 Census: % Population (aged 25 to 64) with Bachelor's Degree or Higher



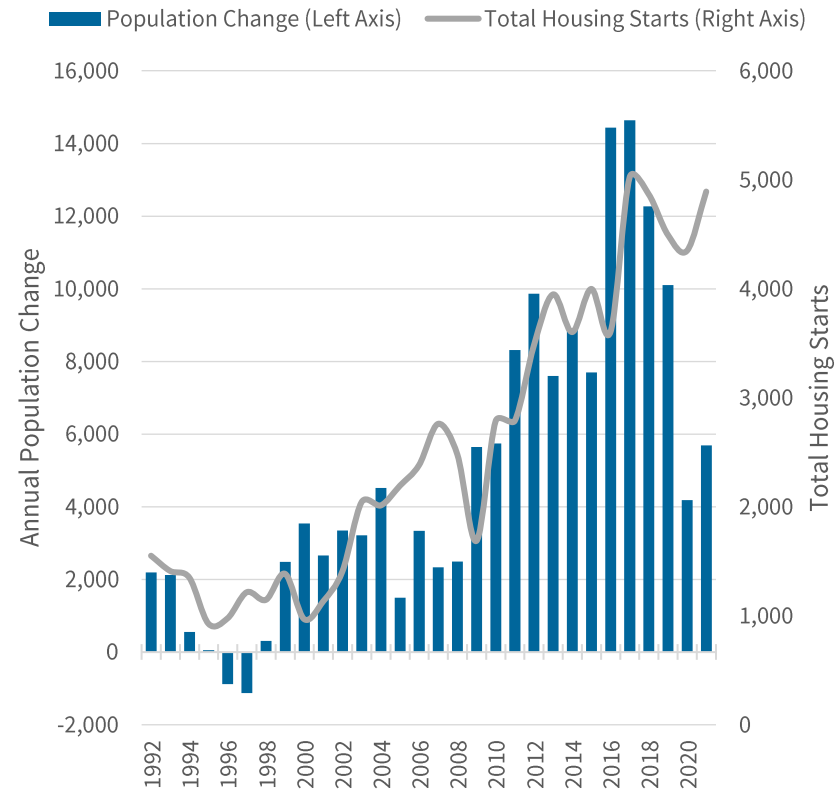
Housing

Winnipeg's housing market remains one of the most affordable in the country, with the price of an average single detached home being \$406,200 in the resale market and \$619,400 for brand new units in July 2023.

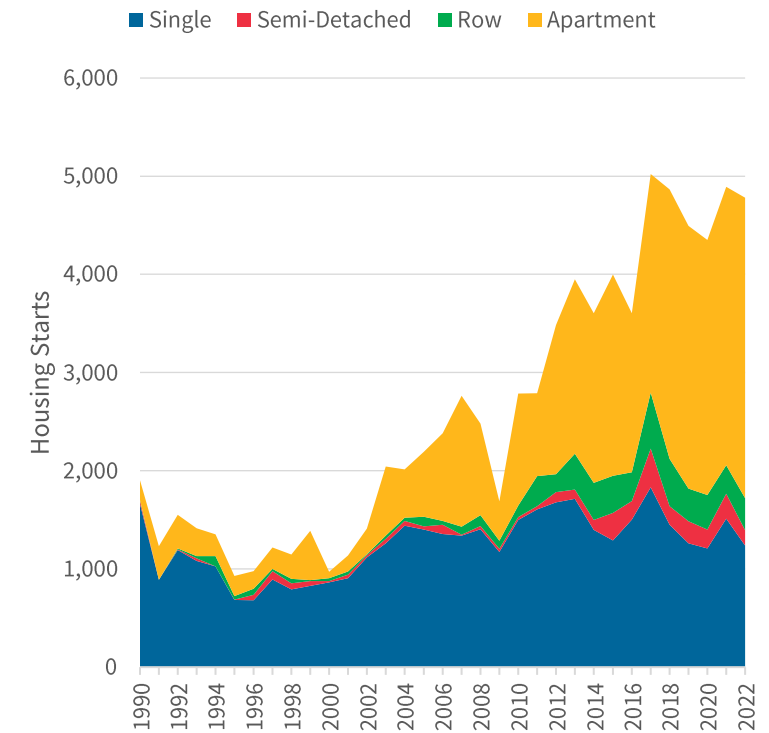
While housing starts have increased with population growth, the type of unit has changed significantly since 1990. Multi-family units comprised only **13%** of housing starts in 1990, but by 2022 they made up **74%** of all housing starts.

Housing starts are expected to moderate over the coming months as the effect of interest rate increases are anticipated to cool demand as borrowing costs increase, but high immigration levels and rising rents may offset some of the effect of increasing mortgage rates.

Housing Starts & Population Growth



Winnipeg Housing Starts by Type



Source: Winnipeg Regional Real Estate Board, CMHC Starts and Completions Survey, Statistics Canada, Table 17-10-0142-01 Population estimates, July 1, by census subdivision, 2016 boundaries

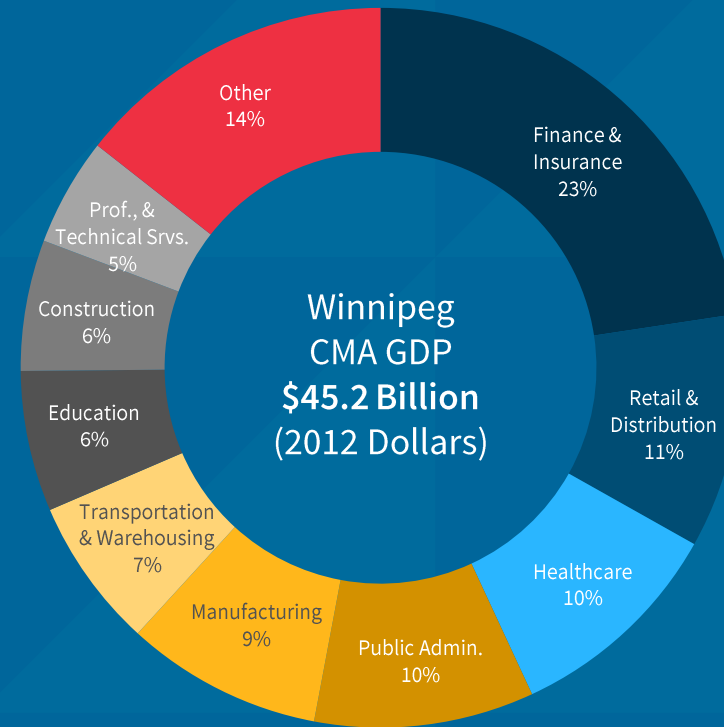
Winnipeg CMA Economic Outlook

In 2022, the Winnipeg CMA's GDP was \$45.2 billion, making up 64.3% of Manitoba's economy and 2.1% of the national economy.

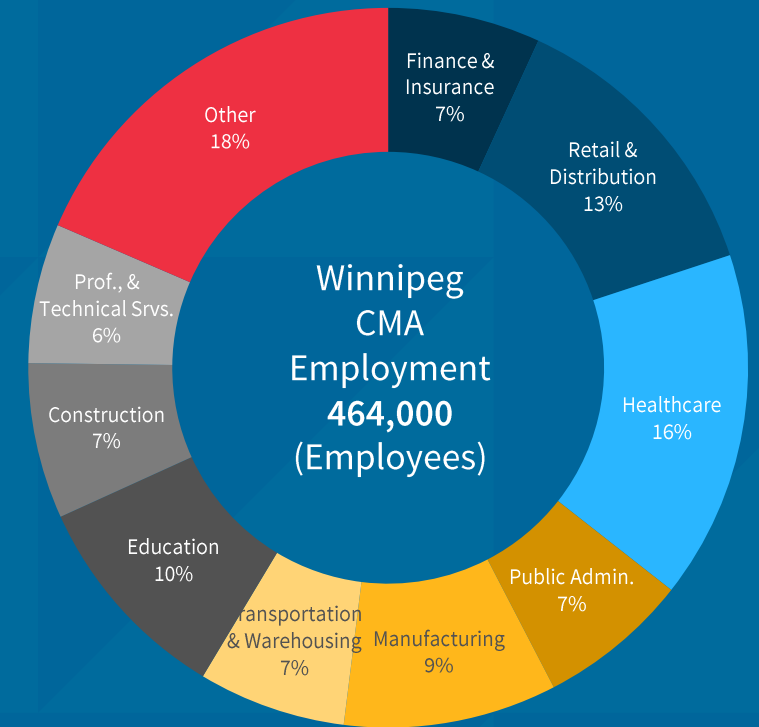
The Winnipeg Census Metropolitan Area's (CMA) economy is well-diversified, with the finance and insurance, retail and distribution, healthcare, public administration, and manufacturing sectors making up over half the regional economy in terms of both economic output and employment.

Looking forward, several global macroeconomic headwinds are anticipated to impact both local and national economic growth. The effects of rising interest rates, high household debt, and tightening financial conditions may lead to an economic slowdown that could reduce both output and employment.

2022 GDP by Industry



2022 Employment by Industry



Source: Oxford Economics June 2023 National Outlook, Haver Analytics, Statistics Canada

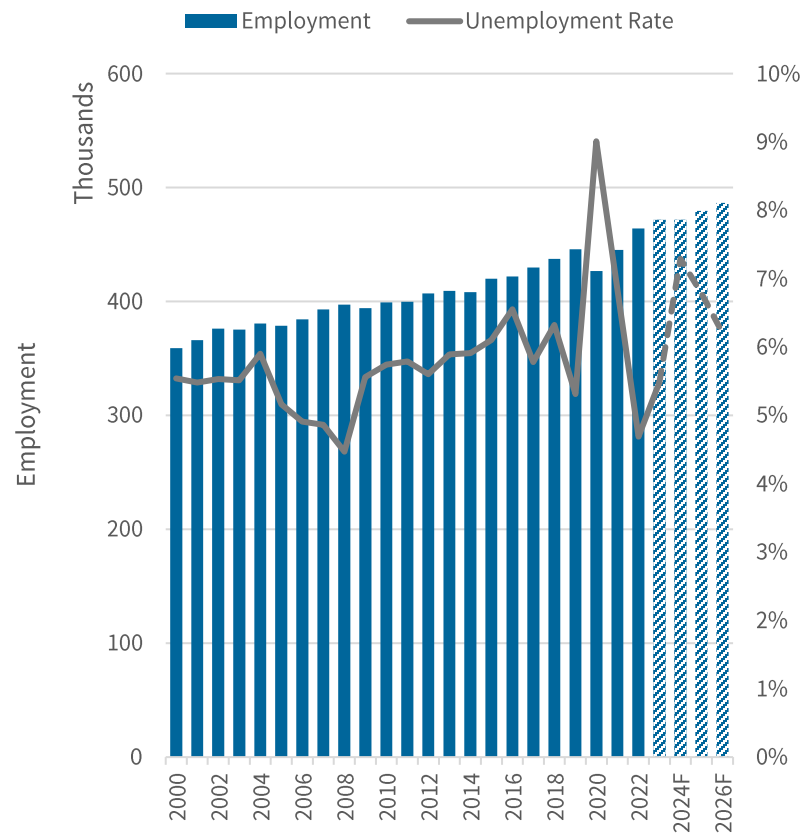
Labour Force

The local labour market in the Winnipeg CMA has largely rebounded from the effects of the COVID-19 pandemic, with unemployment falling to 4.7% in 2022.

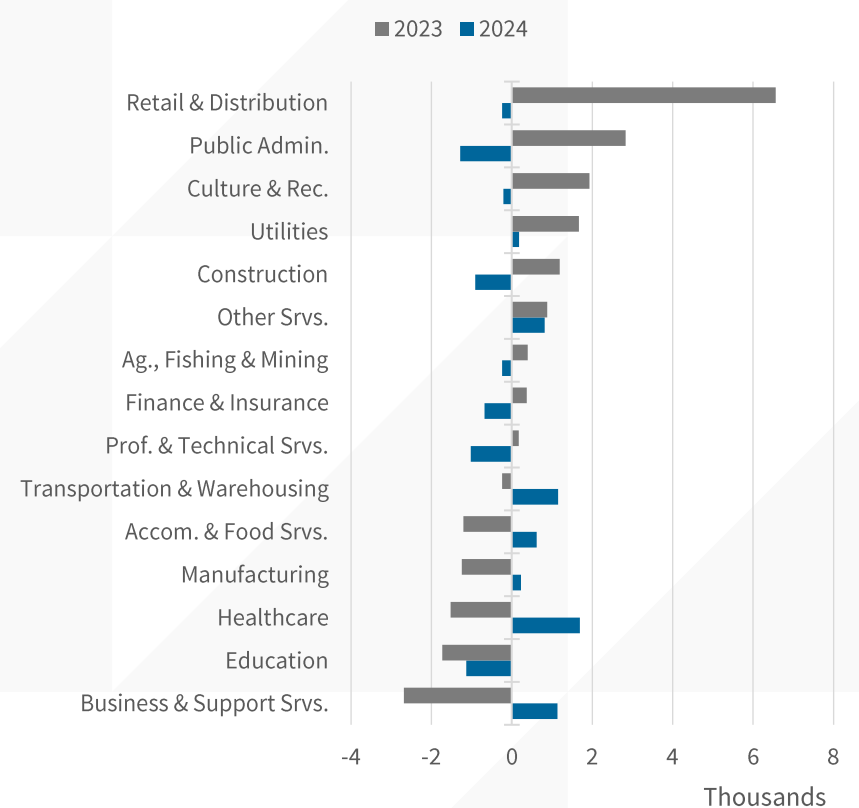
Despite resilient labour markets in Canada, rising debt servicing and borrowing costs from recent interest rate increases are expected to squeeze household budgets and business investment.

These effects could lead to a marginal increase in unemployment to 5.5% in 2023. Business and support services, education, healthcare, and manufacturing are expected to post declines in employment this year, with retail, public administration, utilities, and construction showing gains.

Employment Projections



Employment Change by Industry



Source: Oxford Economics September 2023 National Outlook, Haver Analytics, Statistics Canada

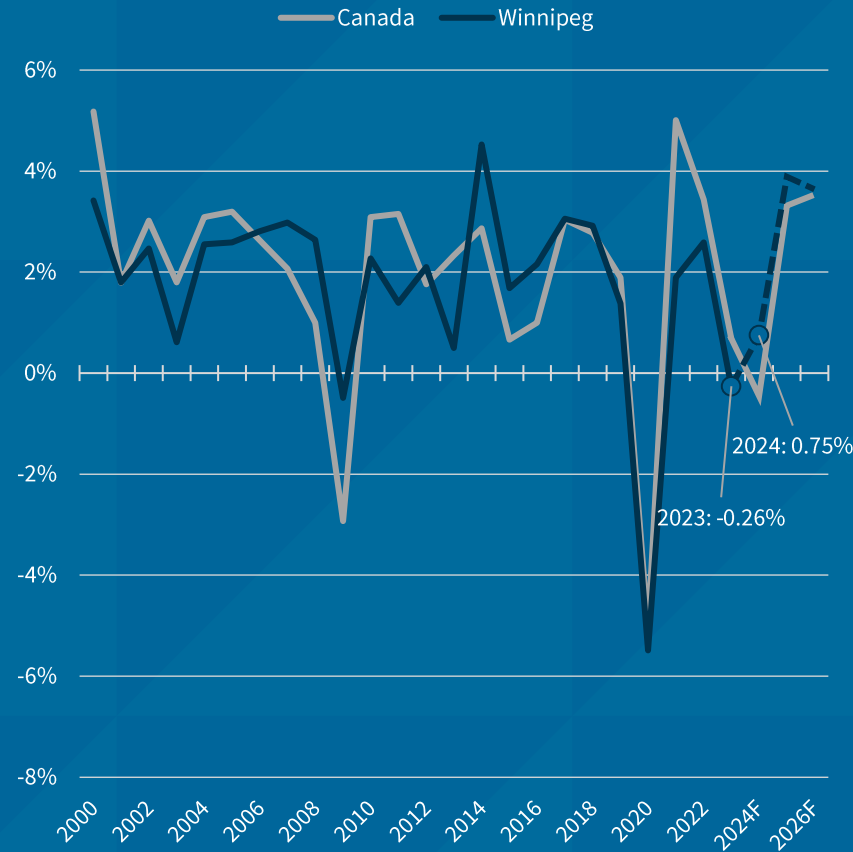
Gross Domestic Product (GDP)

The Winnipeg CMA economy grew by 2.6% in 2022, up from a 1.9% gain in 2021 and a record 5.5% decline in 2020 from the COVID-19 pandemic.

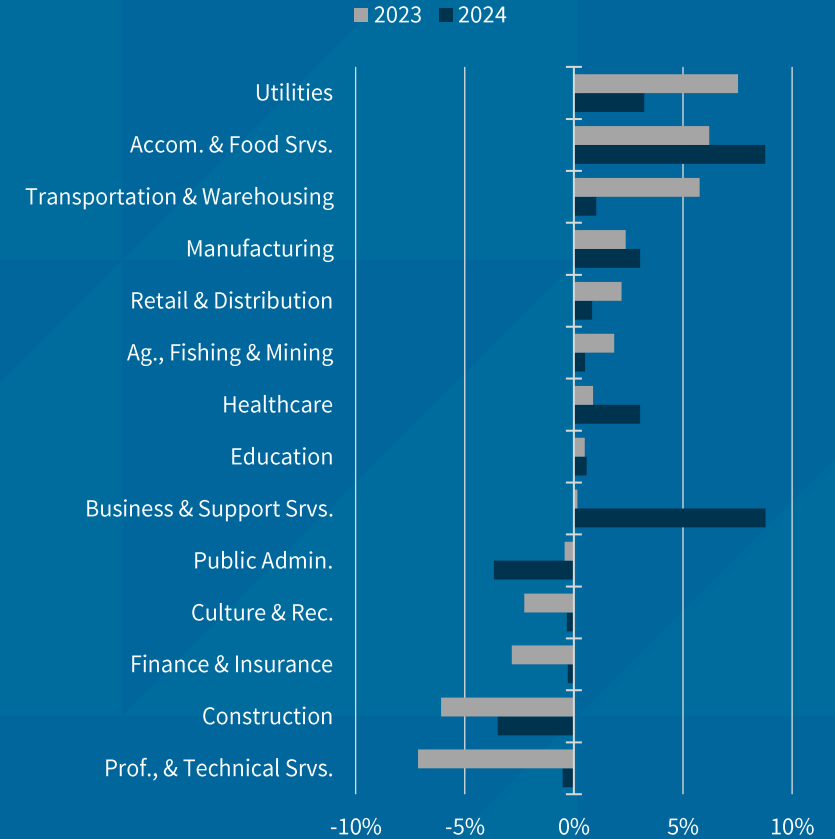
While the resurgence in gross domestic product has brought the local economy back to pre-pandemic levels, a mild recession in Canada and locally is expected over the next few quarters, with Winnipeg's GDP anticipated to decline by **0.26%** for 2023, followed by **0.75%** growth in 2024.

For this year, sectors such as utilities are expected to do well whereas sectors such as construction may decline as business and household investment in building stock may fall in higher interest rate environment.

GDP Growth Rate Projections



GDP Change by Industry Projections



Source: Oxford Economics September 2023 National Outlook, Haver Analytics, Statistics Canada

National Gross Domestic Product (GDP) per Capita

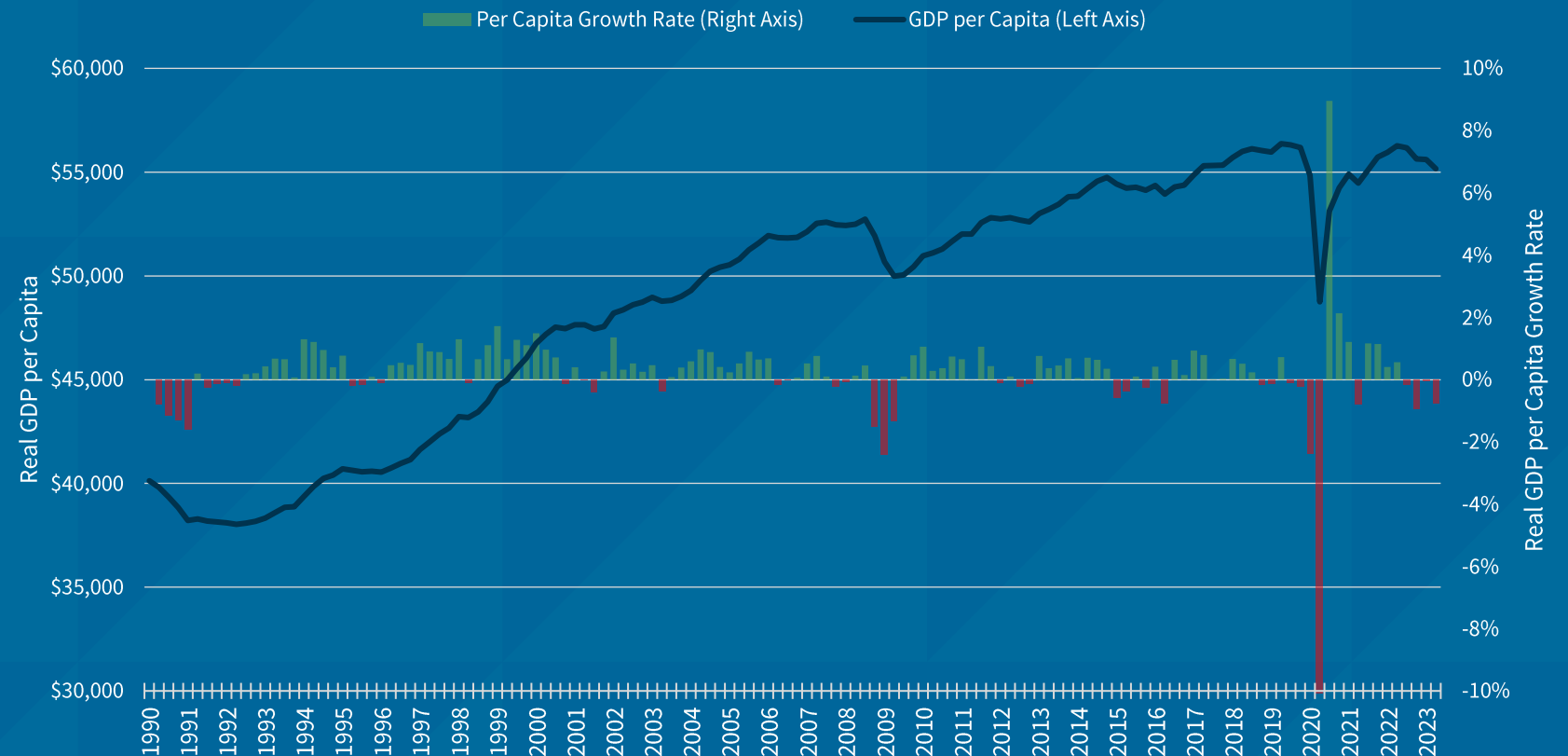
In Canada, growth in GDP has been relatively flat over the last few quarters: +0.6% in Q1 and 0.0% in Q2 of 2023. On a per-capita basis, it is declining.

Both Manitoba and Canada's population has been surging over the last year and a bit, with most provinces posting record numbers for population growth.

However, total real GDP growth has been minimal this year so far, and as a result, GDP per person is on the decline.

This may suggest that productivity and output per worker is slowing despite record increases in population.

Canada: Real GDP per Capita



Source: Statistics Canada, Table 36-10-0104-01 Gross domestic product, expenditure-based, Canada, quarterly; Statistics Canada, Table 17-10-0009-01, Population Estimates, quarterly;

Inflation

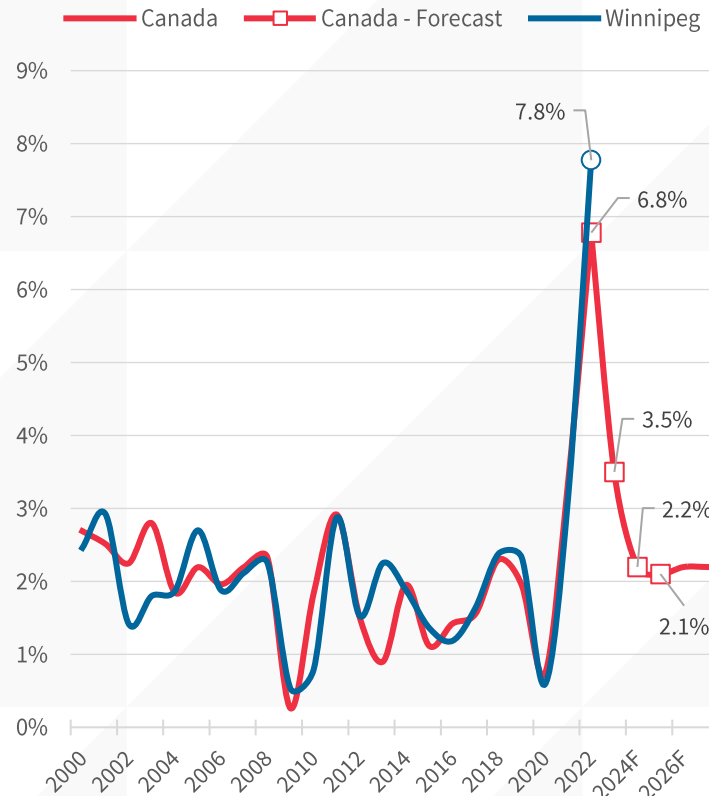
Inflation has been a major concern across the world following the impacts of the COVID-19 pandemic. In Winnipeg, Consumer Price Index (CPI) inflation was **7.8% in 2022**.

As a response, the Bank of Canada has raised interest rates **4.80%** between February 2022 and July 2023, representing the second-most aggressive hiking cycle in history.

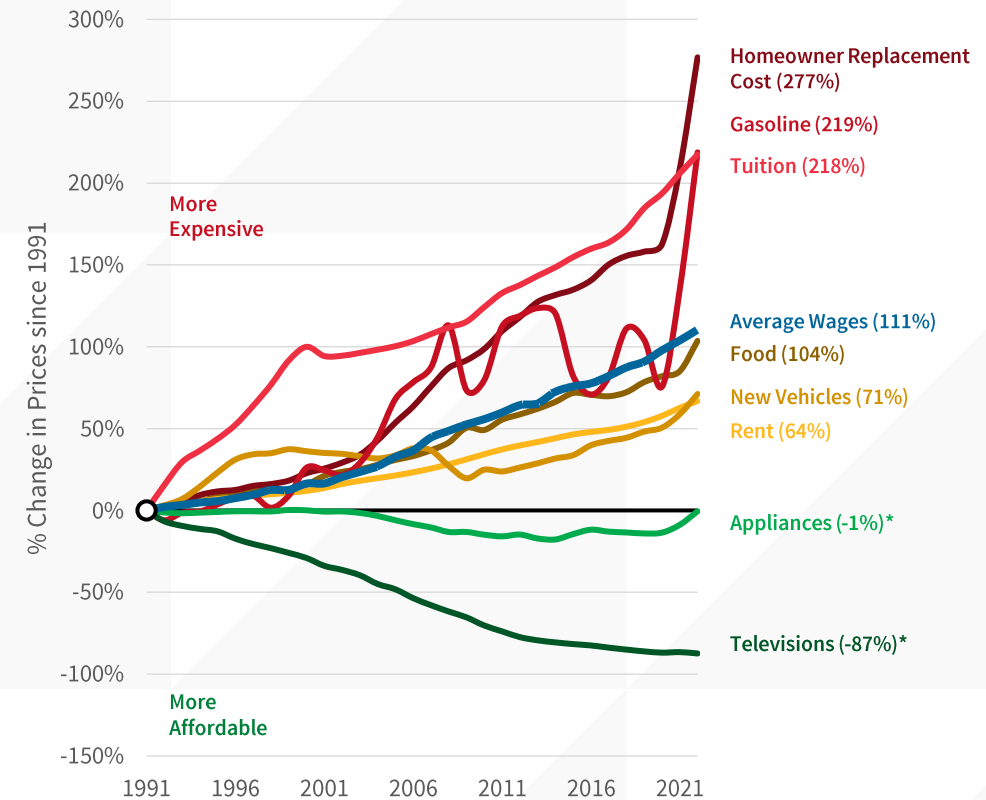
In 2022, consumers have faced significant increases in the prices of food, homes and rent, energy, and other consumer goods.

Recent CPI data suggests price increases may be decelerating, and it is anticipated inflation may fall to **3.5%** at a national level in 2023, and moderate to **2.2%** in the following year.

Annual Inflation Forecast



Price Changes in Manitoba Since 1991



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.



Fiscal Outlook



City of Winnipeg Fiscal Outlook

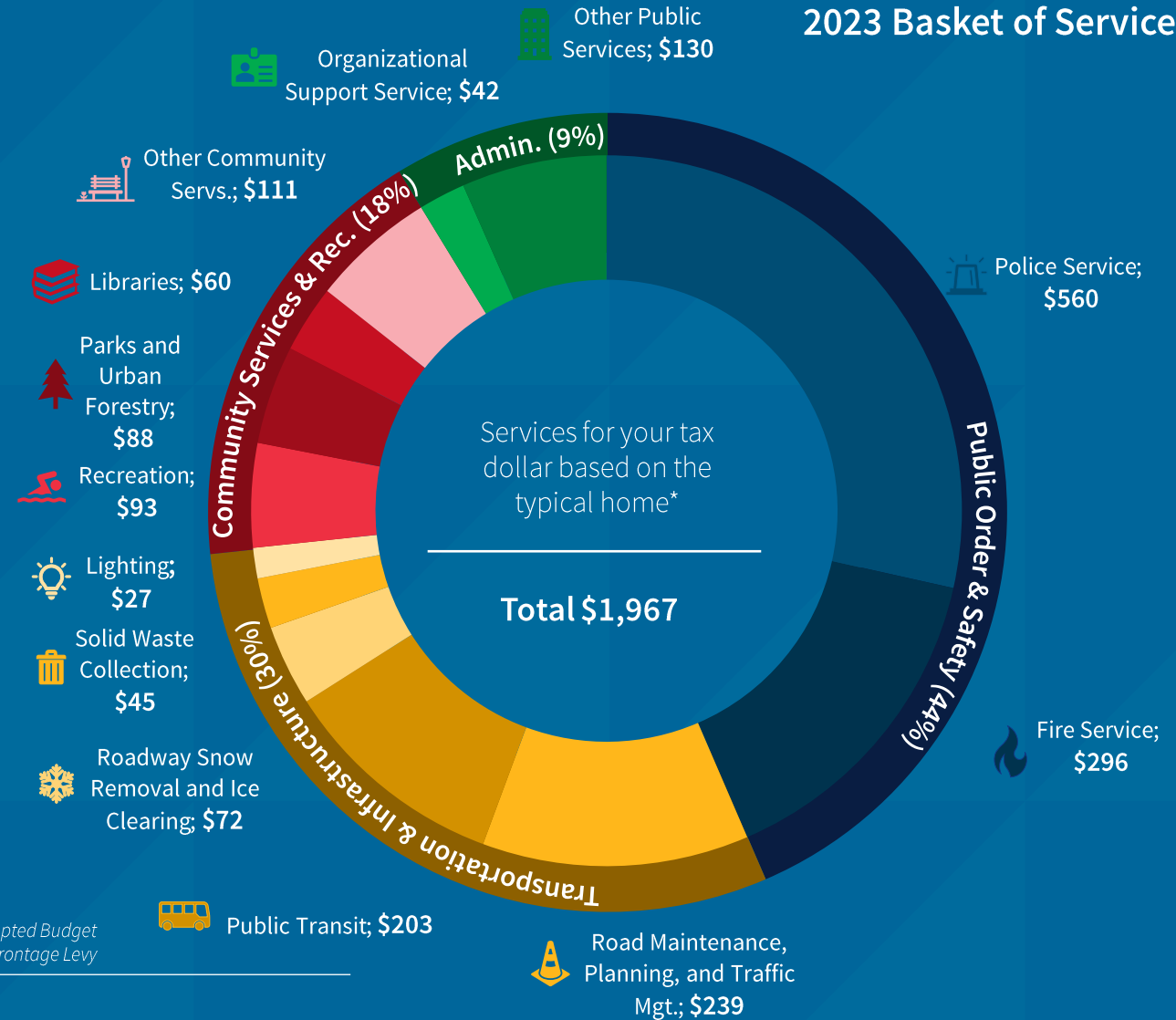
In 2023, the municipal property tax bill was \$1,967 for the typical homeowner, an increase of \$67 or 3.5%, relative to 2022. The typical frontage levy was \$348, an increase of \$75, or 27.5%, relative to 2022.

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

44% of property taxes are used to pay for public order and safety, 30% for transportation and infrastructure, 18% for community services and recreation, and 9% 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.

2023 Basket of Services



Source: 2023 Adopted Budget
* Excludes \$348 Street Renewal Frontage Levy

Municipal Revenue

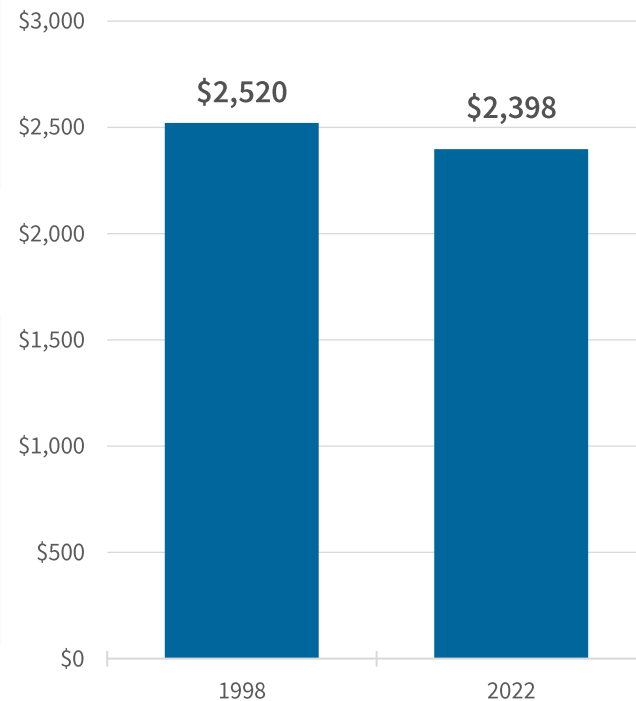
Real per-capita municipal revenue has fallen by 5% since 1998.

In 1998, total consolidated revenue to the City was **\$952.3** million and in 2022, it was **\$1,877.8** million, which represents an increase of **97%**.

However, over the same time period the City's population has grown by **25%** and the local Consumer Price Index (CPI) has increased by **66%**. The result is that real municipal revenue per-capita has decreased from **\$2,520** in 1998 to **\$2,398** in 2022.

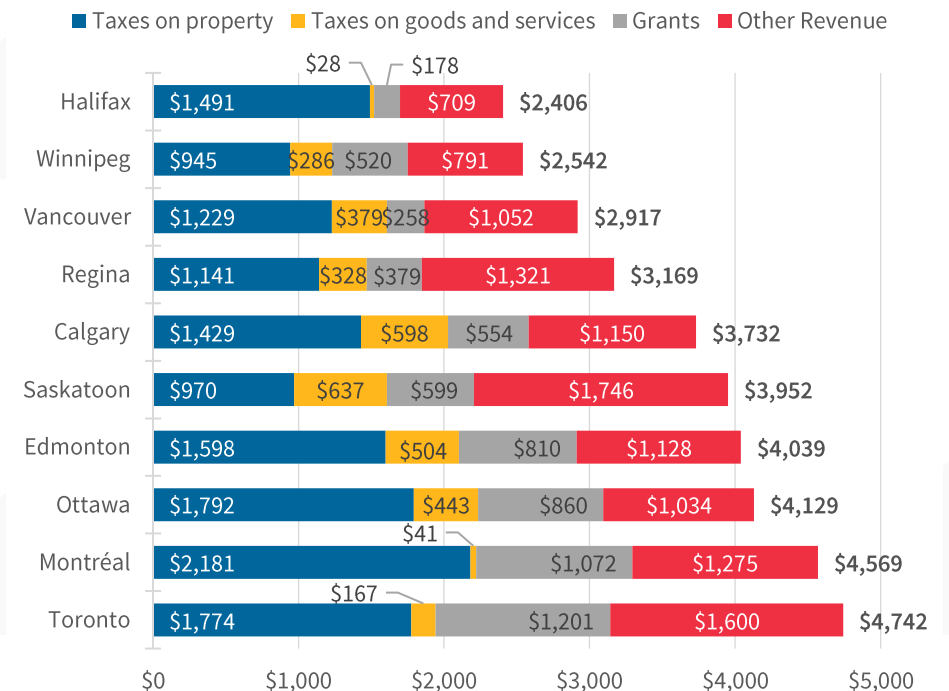
When comparing consolidated revenue across Canadian municipalities, in 2018 Winnipeg had the second lowest per-capita revenue at **\$2,542**.

Real Consolidated Revenue Per-Capita, 2022 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, 2018

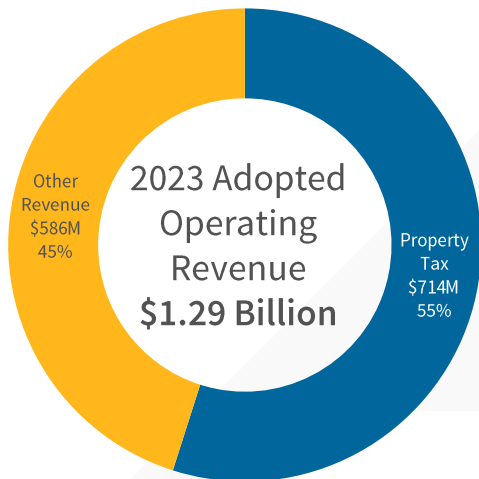


Source: Statistics Canada, Table 10-10-0162-01 Canadian government finance statistics for individual municipalities and other local public administrations; Canada, Table 17-10-0142-01 Population estimates, July 1, by census subdivision, 2016 boundaries

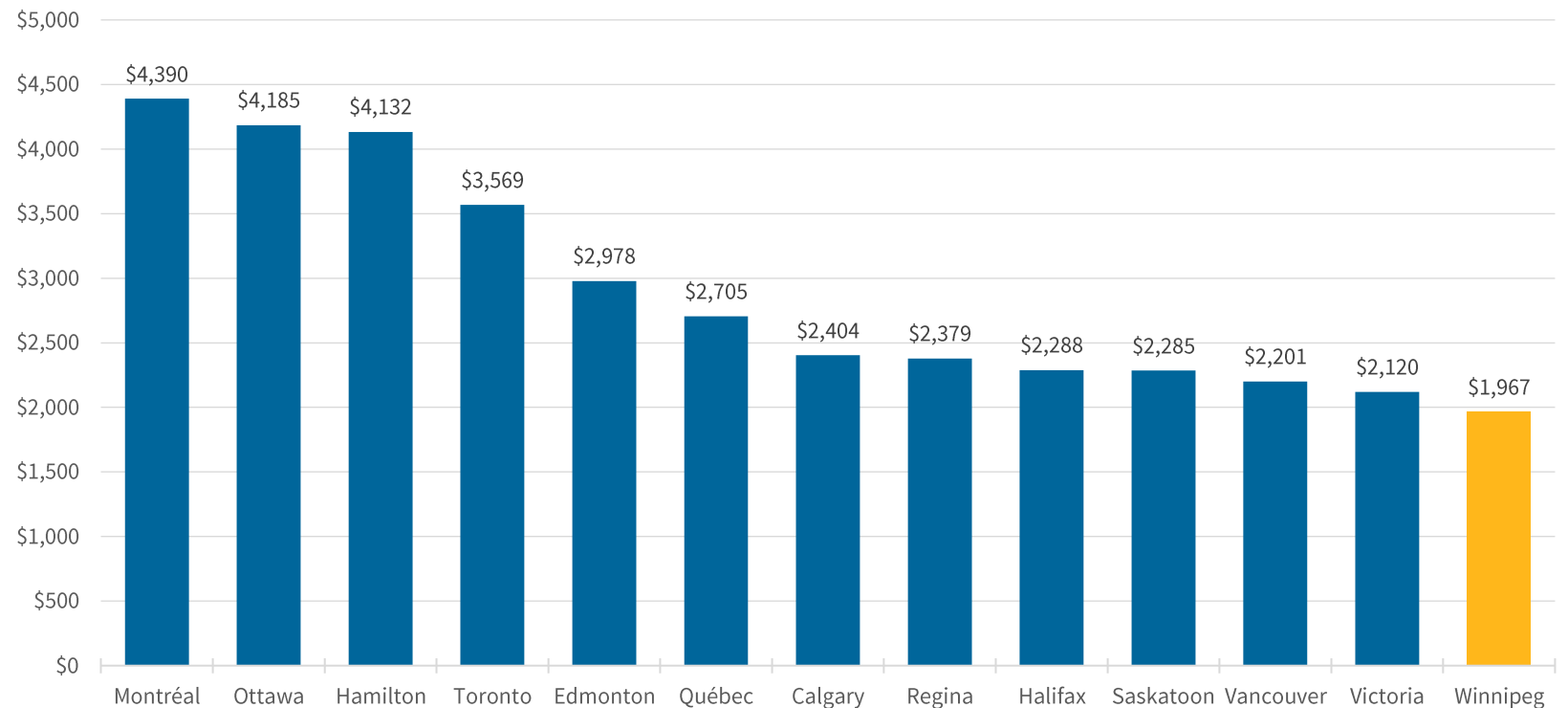
Property Taxation: Current Year

In 2023, Winnipeg had the lowest municipal property tax bill for the typical homeowner among major cities in Canada.

Winnipeg's property taxes were increased by **3.50%** in 2023, after several years of **2.33%** increases. Property taxes account for **55%** of total operating revenue.



2023 Typical Municipal Residential Property Tax Bill Across Canada



Source: Each city's budget documents and/or taxation websites.
 Note: Chart Excludes other fees and charges on property, such as frontage levies.

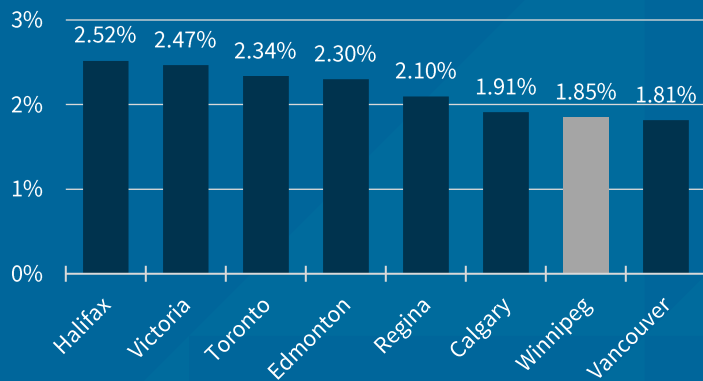
Property Taxation: Share of Income

In 2021, residents of Winnipeg paid 1.85% of their after-tax income towards residential property tax. This is among the lowest share out of major Canadian cities.

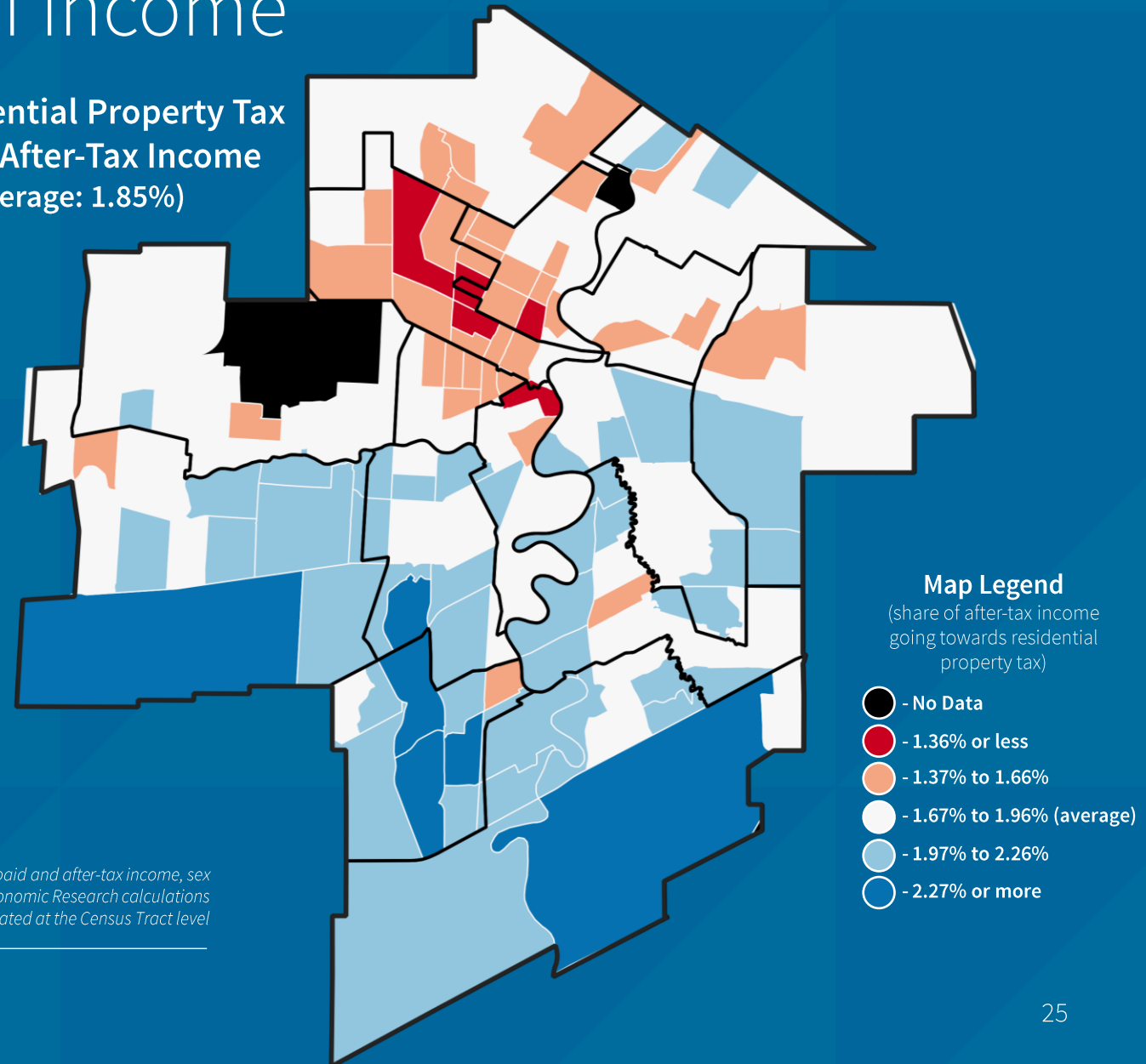
Residents of Winnipeg earned approximately \$24 billion in after-tax income and paid \$448 million in residential property tax in 2021. While 1.85% of income overall earned went to property taxes, this share varies by geography.

2021 Residential Property Tax as Share of After-Tax Income (City-wide average: 1.85%)

2021 Residential Property Tax as % of Total After-Tax Income



Source: 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 (T1FF Table I-08); City of Calgary 2021 Property Tax Survey; City of Winnipeg Economic Research calculations
 Note: After Tax Income and Residential Property Tax calculated at the Census Tract level



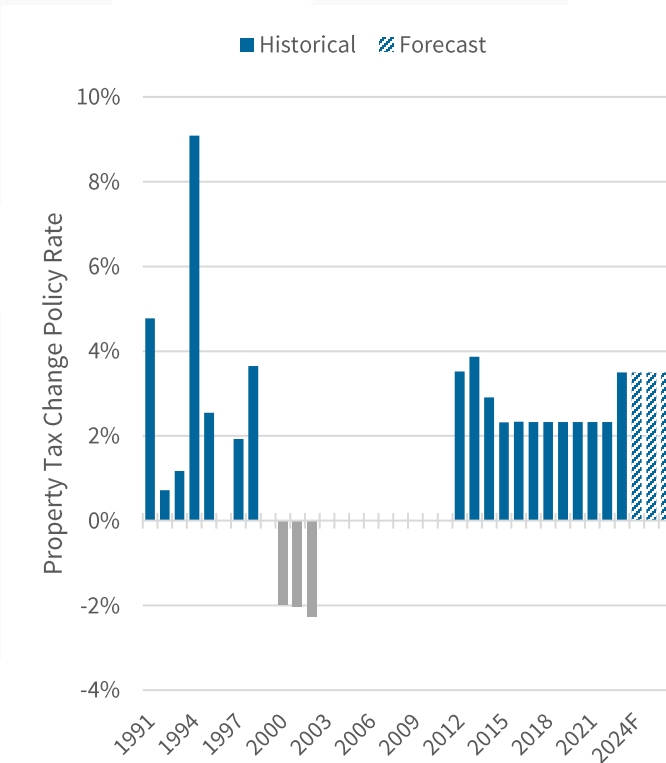
Property Taxation: History

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

The property tax change policy rate has varied significantly since 1991. Policy rates have been as high as **9%** increase in 1994 and as low as a **2%** decrease in 2002, with several years of property tax freezes in the mid 2000s.

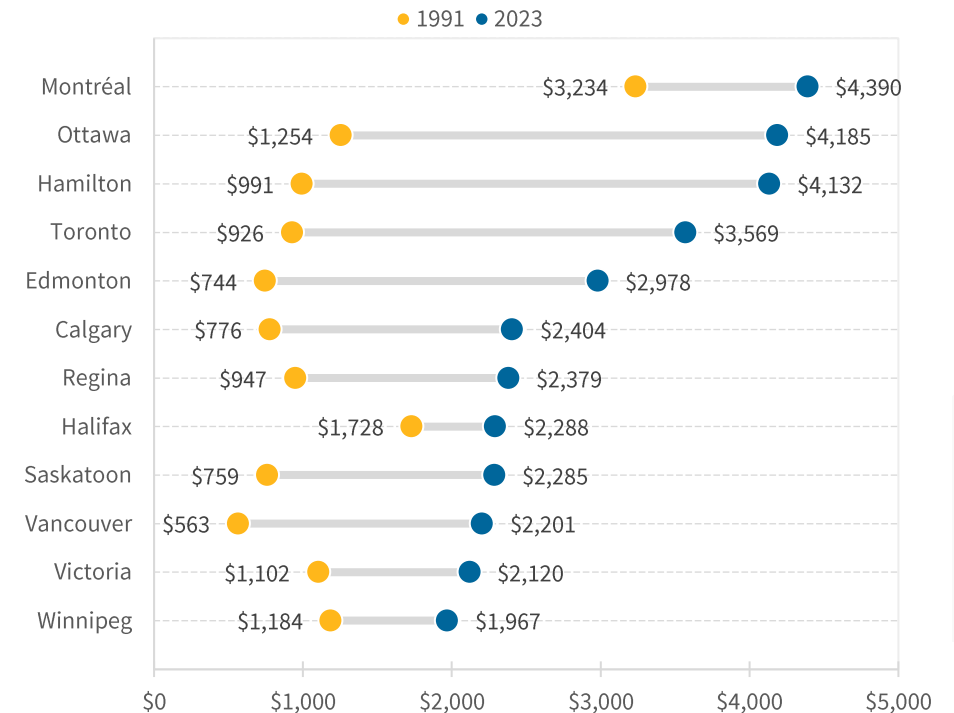
Winnipeg had a relatively high typical property tax bill of **\$1,184** in 1991 according to the City of Edmonton property tax survey. It has since kept property tax increases modest, resulting in one of the smallest increases in taxes for the average homeowner over the last three decades, with the typical bill increasing to **\$1,967** in 2023.

Property Tax Change Policy History



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

Typical Property Tax Across Canada, 1991 vs. 2023



Sources:
1991 data - 1991 City of Edmonton Property Tax Survey
2023 data - Each city's budget documents and/or taxation websites.

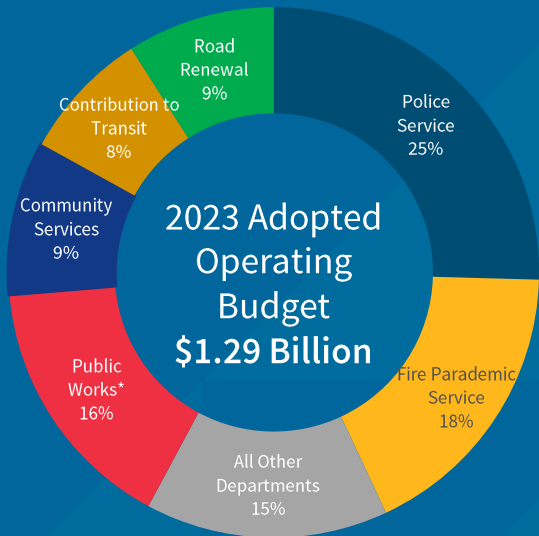
Municipal Tax Revenue per Acre



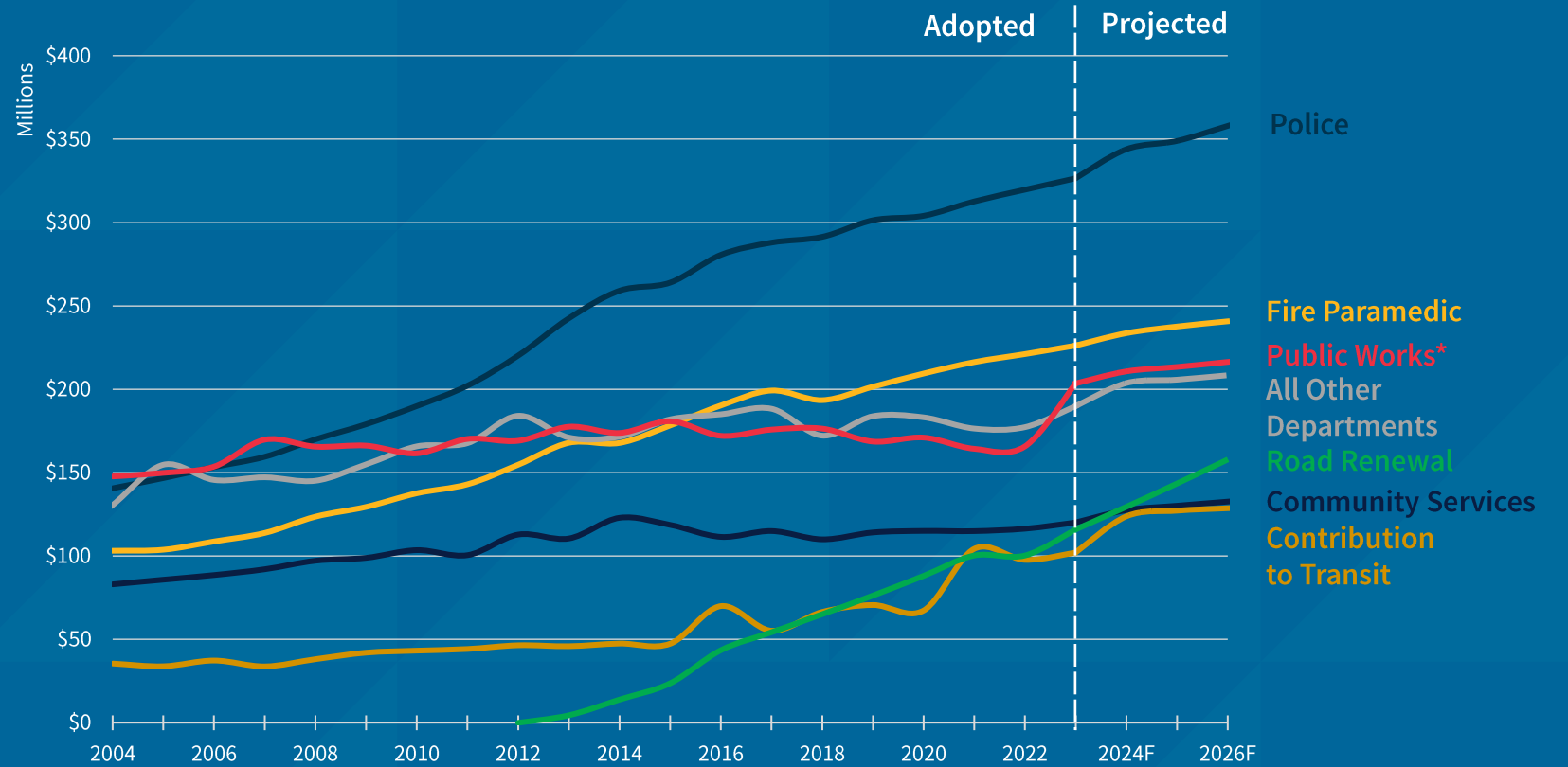
Municipal Expenditure

Operating expenditures have increased by \$605 million, or 87% since 2004.

Significant increases have been seen in the Contribution to Transit (188%), Police Service (132%), and Fire Paramedic Service (119%) since 2004. The road renewal budget has also been a source of significant budgetary expenditure.



Municipal Expenditure History and Projection (2023 Adopted Budget)



Source: 2004 to 2023 City of Winnipeg Adopted Budgets
 * Public Works excludes Road Renewals, which are displayed separately



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