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# Provincial Economic Outlook – Summer Edition

Thus far, 2023 has demonstrated a better economic performance than we had projected in our previous edition of the Provincial Economic Outlook. To date, the soft-landing scenario generally used by governments during the 2023 provincial budget season is materializing. Revenge consumer spending, record-high immigration and the rebound in resale housing activity are on the front burner, although it comes at the cost of rising late consumer debt payments, eroding housing affordability and declining real GDP per capita. Climate transition projects and agriculture investments are also generally supportive from coast to coast. However, severe climate shocks will translate into additional costs pressures during the ongoing FY 2023-24. Furthermore, the lagged effect of tighter financial conditions weighing on consumers and businesses, combined with mounting concerns in China, point toward a more challenging end for 2023 and a softer pace of economic growth for 2024 than assumed during the 2023 budget season. Overall, we expect Canadian real GDP to gently decline in 2023Q4 and 2024Q1, for a very short-lived contraction of two quarters. As usual, this revisited report reviews our selection of economic and fiscal developments that merit attention for the investor base exposed to the Canadian provincial credit landscape. Detailed economic forecasts for 2023-24 are available at the end.

## British Columbia – Further LNG progress, growing concerns in China, and mixed news in the forestry sector

Among BC's key external economic partners, China's outlook stands out of the pack. China's recovery faded rapidly this summer after the early 2023 rebound tied to the lifting of COVID restrictions. In July, China's economy has slipped into mild deflation. Also, fixed investment in assets declined severely from a year ago. Fortunately, the 2023 BC Budget assumed a very conservative 2023 real GDP growth forecast of 4.4%, below the July IMF projection of 5.2%. Chinese authorities responded in late July and mid-August with stimulus targeting consumer spending, a much-needed impulse amid the elevated 4.9% China 2024 real GDP growth forecast imbedded in the BC budget.

Earlier this year, restructuration announcements in the sawmill industry deteriorated BC's labour market conditions. Unemployment jumped by 1.4pp so far this year to an above-pandemic level of about 5.5%. Solid U.S. housing starts and severe wildfires that suspended lumber operations across Canada contributed to lifting lumber prices close to the 2023 BC Budget projection of US$400 per thousands of board feet. Unfortunately, B.C. wildfire services spent all its allocated $204M budget as of mid-July, increasing the risk of another cost overrun relative to the 2023 Budget. The firefighting costs during previous years of extreme wildfires has been close to $1B. The first quarter fiscal update, to be released by September 30th, will likely provide some details on that front.

Without making Canada a global Liquified Natural Gas (LNG) leader like the U.S., Qatar and Australia, BC is home to several positive developments in the energy sector. First, the Cedar LNG, a smaller project with a lifespan of at least

25 years and projected to produce 3M tonnes of LNG per year, was given environmental approval in March. Second, the Woodfibre LNG project, with an annual export potential of 2.1M tonnes, is on track to be the first net-zero export facility on the planet. Third, the construction phase of the LNG Canada project in Kitimat is about 85% complete and phasing out. LNG Canada is expected to begin the production phase in 2025 and is projected to produce 14M tonnes per year.

Year-to-date population gains driven by international immigration have been very solid at 3%, although softer relative to Alberta and Ontario. Most regional housing resale markets in B.C. have been in sellers' territory, particularly in the Fraser Valley. The latest July report from the Real Estate Board of Greater Vancouver shows further acceleration in the benchmark price, up almost 10% during the last 6 months. Upbeat resale housing activity is poised to bring positive surprises for property transfer tax revenues relative to the 2023 BC Budget. Finally, the supply-demand imbalance in BC's housing market is unfortunately poised to deteriorate. Housing starts have been stable so far this year at an annualized level of 50K units, virtually matching the all-time high. Before the pandemic, housing starts were also close to 50K units annualized but total migration was half the pace observed today.

**Alberta – Supportive light-heavy oil spread, outperforming housing market**

Overall, the near-term outlook with respect to the oil industry is not perfect but supportive for Alberta's public finances. Extended production cuts through 2024 by OPEC and upward revisions to global demand allowed WTI prices to rebound close to the 2023 Alberta budget assumption of $US79 per barrel this summer. Furthermore, the WTI-WCS spread has been narrowing in line with the 2023 budget expectation so far, driven in part by wildfires and the Trans Mountain pipeline expected to deliver oil to the West Coast in the first quarter of 2024. Unfortunately, wildfires shuttered oil output last Spring. Oil production faltered by 24% y-o-y in June and by 2.7% year-to-date in the province, contrasting with the 2023 budget assumption of a modest increase.

From a strategic point of view, Alberta's main challenge remains tied to the global climate transition. In its latest long term oil outlook report, the International Energy Agency says global peak oil will occur earlier than previously expected, in 2028, because of the fast-growing electric vehicle transition and additional efficiency savings.

Otherwise, what strikes out relates to Alberta's population booming like never before, up 200K over the last 12 months on a mix of massive international and interprovincial inflows, the latter led by Ontario. The Calgary Real Estate Board reported an extremely tight resale market amid the sky-high sales-to-new listings ratio of 82% in July. Home prices are up in all segments from a year ago: high single-digit growth appreciation for detached homes and double-digit growth for row and condo units. Edmonton's resale housing conditions have not tightened to the same degree. Home prices are close to flat relative to a year ago according to the July report released by the Edmonton Real Estate Board. Homebuilding activity in Edmonton has also declined moderately from last year but remained resilient in Calgary. Finally, the substantially lower CPI readings of 2023 reflect several targeted fiscal measures at the provincial level to ease the rising cost of living.

Next step? Market participants will watch for the first quarter fiscal update to be released by August 31st.

**Saskatchewan – Bright long-term potash and agricultural outlook**

Saskatchewan's potash production reached a massive 37% of global market share in 2022 according to the 2023 Saskatchewan budget. Year-to-date mineral production, including potash, is surprisingly down. However, the long-term outlook remains very bright. Most notably, the Jansen potash mine with an annual production capacity of 4.35

megatons will commence its production phase in 2026. This project should generate double-digit growth in the province's potash output and additional non-renewable resource revenues.

Short-term agricultural developments are more under pressure relative to long term prospects. Farmers planted more seeds than usual last Spring, hoping for a great 2023 season. However, dry conditions reported during the summer are poised to translate into a below-average season for canola and wheat, a drag on real GDP this year. Overall, 2023 appears on track to generate softer agriculture production than the very good year of 2022 without reliving the disappointing year of 2021. Also, construction of additional canola crushing capacity in the eastern part of the province will begin this Fall. Escalating Russia-Ukraine tensions lifted wheat prices in recent weeks, reflecting growing uncertainty relative to global food security tied to Russia's ability to send crops to global markets through the Black Sea.

Otherwise, Saskatchewan reaps fiscal benefits from tight global oil conditions, supportive of the budget WTI 2023 assumption of US$80 per barrel. In contrast to Alberta and N&L, oil production in Saskatchewan has been rising mildly so far this year, another supportive development for the government planning a supersized $1B surplus in FY 2023-24 and debt reduction. The first quarter fiscal update will be released before the end of August.

On the domestic front, Saskatchewan has welcomed fewer immigrants than most provinces during 2022 and the first half of 2023. Accordingly, the pool of available workers has virtually stalled. Nominal retail sales underperformed peers, down on a year-over-year basis. Resale housing conditions are in sellers' market territory in Saskatoon and Regina but balanced in the rest of the province. The trend in housing starts has been stable so far this year. Overall, home prices have increased at a slower pace than elsewhere in the country.

## Manitoba – Solid consumer spending, promising long-term mining potential

On the domestic front, households will benefit from an after-tax disposable income improvement. Fiscal measures announced in the 2023 budget included a major increase in the basic personal amount in 2023 and higher tax brackets in 2024. Unsurprisingly, consumer spending has outperformed provincial peers, although resale housing activity has not rebounded as strongly as other provinces so far this year. Farm cash receipts have been on a very steep uptrend since 2020. Canola and wheat crop conditions have been cited as fair to good as of early August. Overall, we currently track real GDP growth to come in higher than the 2023 Manitoba budget forecast of 0.7% and unemployment to come in below the 5.4% assumption for 2023. Investors will receive further details in the first quarter fiscal update to be released by the end of September.

Another positive development this summer relates to production beginning at the province's first potash mine located in Harrowby near the Saskatchewan border. With a production capacity of 250K tonnes of potash per year, the mine has a relatively smaller potential relative to Saskatchewan's powerhouse (6.7M tonnes extracted during the first 6 months of 2023). It is estimated the potash mine could generate $5-$6M in fiscal revenues according to a spokesperson for the province, a tiny amount.

Over the long run, one major development relates to the new 20-year integrated energy policy. The Manitoba government plans to more than double energy capacity by primarily expanding wind power, rather than building costly new hydro projects. For example, the Keeyask station producing electricity since 2021 cost nearly $9B to build, exerting financial pressures for Manitoba Hydro and ultimately the province. Energy conservation and GHG reduction are also part of the 20-year plan. Finally, one key element of Manitoba's long-term industrial progress relates to the new critical mining strategy aiming to fast-track mining exploration and extraction. Manitoba is home of 29 of the 31 commodities on Canada's 2021 Critical Minerals list including lithium, graphite, cobalt, and other rare earth elements.

Manitoba notably has world class lithium potential to eventually boost production beyond the existing Tanco mine and contribute to the construction of electric vehicle batteries globally.

**Ontario – EV transition moving forward, housing affordability deteriorates**

The cumulative shortfall of U.S. motor vehicle sales during 2020-21-22 is very supportive for Ontario's auto manufacturing sector even if the U.S. economy eventually goes into mild recession in late 2023 and early 2024.

Furthermore, the electric vehicle transition in Ontario gains traction as the International Energy Agency projects the annual number of global EV sales to more than double in 2028 versus today. The construction phase of the EV Volkswagen plant in St. Thomas will begin in 2024 and last until 2027. In addition, the Stellantis EV battery plant located in Windsor is under construction. The province will provide up to $5B in tax breaks to Stellantis based on production over a 10-year term, in response to the appealing incentives of the U.S. Inflation Reduction Act to attract green investments. Also, potential for future lithium extraction grows in Thunder Bay. And the province pursues efforts toward net zero electricity with the announced expansion of the Bruce Power plant, the first large scale nuclear project in Canada in about three decades.

In the household sector, consumer spending per capita in real terms is nearly flat on a year-over-year basis, showing the gradual pinch of high interest rates. We expect consumer spending per capita to contract modestly in the upcoming quarters. In respect to housing, potential homebuyers are extremely sensitive to Bank of Canada's actions and expectations. During the BoC pause of early 2023, resale transactions and home prices rebounded very strongly across the province, particularly in the GTA. Then, in June and July, when the BoC hiked two consecutive times by 25 basis points, the number of sales pulled back according to the Greater Toronto Real Estate Board. Housing starts are making a solid comeback, including in the GTA, due to the completion of delayed projects in late 2022.

Finally, the First Quarter Update released on August 14th did not contain any surprises, showing solid financial results for FY 2023-24. Total expenses and revenues of the general fiscal framework are both close to $204B, resulting in a tiny $0.3B deficit before the $1B reserve. However, $0.8B out of the $4B contingency fund set aside was withdrawn to finance the development of industrial land for large-scale manufacturing investments and targeted services such as policing. Standard & Poor's, Moody's and DBRS Morningstar have all placed Ontario's credit ratings on positive outlook after the 2023 March Budget showing ambitious, realistic targets (net debt-to-GDP ratio under 40%; net debt-to-revenues ratio under 200%; interest on debt-to-revenue under 7.5%).

**Quebec – Robust business investment, resilient households**

The latest Quebec Monthly Report on Financial Transactions was released on June 29th. It revealed a $5.1B deficit for FY 2022-23 before the use of the $0.5B stabilization reserve, virtually matching the 2023 budget estimate of $5B. The $5.1B shortfall resulted from total expenses running $2B above revenues, on top of a large $3.1B transfer to the Generations Fund. This marks a deterioration in Quebec's financial situation versus the $772M deficit of FY 2021-22, as operational spending jumped by 7% and debt servicing soared 17% to $10B, outpacing the 5.5% increase in own-source revenues.

As for FY 2023-24, the March 2023 budget pegged the fiscal deficit to $4B. The economic context remains favorable to surpass the 2023 real GDP growth budget assumption of 0.6%. Food and transport manufacturers have propelled shipments higher in value terms during the first half of 2023. Similarly, service sector activity has expanded slightly on a year-over-year basis. Still, other industries will keep growth tempered relative to other provinces. Residential construction activity is going through a contraction phase after above-trend years. Severe forest fires in the northern regions notably temporarily shut down mining, forestry and some tourism activities during the second quarter.

Business investment remains robust, supportive for the long-term economic outlook. For instance, a large $1.4B aluminum smelter expansion in the Saguenay region will increase pots production and cut greenhouse gas emissions, starting in 2026. A cathode plant under construction in Bécancour will enter its production phase in 2025, key for the global EV transition. Also, very encouraging exploration results have been recently announced in respect to phosphate mining, raising hopes of eventual production of lithium ferrous phosphate batteries.

Business sentiment has improved so far this year, as fewer small businesses report a lack of domestic demand relative to other provinces according to the Canadian Federation Independent Businesses (CFIB) survey. Indeed, most indicators show a resilient household sector. The level of consumer insolvencies in Quebec is rising but notably stands below pre-pandemic levels, contrasting with BC and Ontario where insolvencies are higher than in 2019. Also, growth in the compensation of employees has been moderating since the highs of 2021-22 although the reduction of tax rates for the lower two income brackets, effective since July, will keep household disposable income growth vibrant. That being said, nominal household expenditures growth has been running above disposable income growth for quite some time, an unsustainable situation pointing toward softness in consumer spending in the upcoming quarters.

On the regional front, the net interregional population outflow from Montreal favouring other regions remains large. International immigration has kept the labour force growing fast in the Montreal area. The Quebec government said earlier this summer it could increase the number of permanent immigrants entering the province to 60K annually by 2027, up from 50K. Such a move would ease the top impediment to sales (labour shortages) and the top cost concern (wage costs) reported by small business owners in Quebec, according to the CFIB survey.

Strong population growth outside of Montreal brings disparities in housing market activity. Year-to-date numbers show softer resale transactions and a stronger increase in new listings in Montreal relative to Gatineau, Drummondville, Saguenay, Trois-Rivières, Sherbrooke and Quebec City. In contrast to several Canadian cities, more rental units have been brought to the market in recent years in the Montreal area. Housing starts in Montreal weakened to a greater extent relative to the rest of Canada and versus other cities in the province so far this year. Overall, Quebec's 2023 total housing starts are on track to come in below B.C.'s for the first time since 2019, and to a level unseen since 2016-17.

**New Brunswick – Economic outlook supportive to keep fiscal books in black ink**

New Brunswick, like many other provinces, is dealing with record population growth. The resale market remains sharply in sellers' territory with average home prices staying slightly north of $300K. Nominal exports are moderately down year-to-date. Bad weather conditions are delaying the start of the lobster fishing season. Irving Oil announced a 7-week maintenance project at its refinery starting in September. Overall, current economic conditions are supportive of the 2023 budget projection of a mild $40M surplus for FY 2023-24 following the unusually large surplus of FY 2022-23 that allowed the province to bring down the net debt-to-NGDP ratio below the 30% mark. The NB government will release its first quarter fiscal update by the end of August as usual.

**Nova Scotia – Dealing with booming population and adverse climate shocks**

Nova Scotia is experiencing record high population growth resulting from many Canadians moving from Ontario and new entrants. Halifax's population advanced by 4% alone last year. Home prices have appreciated to a greater extent in the Halifax and South Shore regions relative to the rest of the province. Solid full-time employment gains are supportive to keep the housing market in sellers' territory and retail sales growth above the national average. Homebuilding activity remains buoyant in the rental segment. Otherwise, cargo activity at the port of Halifax has strengthened so far this year. However, Nova Scotia is one of the two provinces – with B.C. – where businesses' capital spending could decline in 2023 according to Statistics Canada's latest intentions survey.

Overall, the economic outlook generally appears stronger than assumed in the 2023 Nova Scotia budget even if full-time employment has been stagnant lately. The PC government's dedication to fix healthcare led to the projection of a small deficit and an equally small increase in public debt during FY 2023-24. But, after Hurricane Fiona last year, severe floods led to disruptions in economic activity in July and to the destruction of some public and private infrastructure. These floods will unfortunately translate into unexpected costs for the province even if Ottawa will provide some financial assistance. The net fiscal impact should be revealed as the year unfolds. The first fiscal update will be released on or before September 30th.

**PEI – Exports and tourism activity lead the way higher**

There have been several reports among market participants and economists about revenge spending post-pandemic. However, this consumer behaviour has likely not led to record high tourist activity on the Island according to early summer indications. Mechanical problems put out of service some ferries during the second half of June and early July. In percentage terms, PEI's population grew more during the last year than any other province. To put this in perspective in number terms, adding 7K residents is the equivalent of population growth in the larger provinces of N&L and NB during some of the past years. Nominal exports soared by almost 30% year-to-date. Potato exports rebounded following last year's U.S. ban and the Canadian federal government's suspension related to the finding of potato wart. Lastly, significant full-time job gains are supportive for fiscal revenues. The PEI 2023 budget forecasts a moderate $98M deficit for FY 2023-24.

**Newfoundland & Labrador – Mixed news in the oil sector**

Oil production has fallen significantly so far this year as the Terra Nova field goes through an extended maintenance period, acting as a drag on real GDP. Accordingly, nominal exports are down by more than 20% despite supportive Brent oil prices. Odds of seeing output from the Terra Nova Floating Production Storage and Offloading Vessel (FPSOV) in 2023 have diminished. Investors should monitor future updates on the Terra Nova maintenance situation. As we noted in previous reports, N&L's long-term outlook brightened last year when Ottawa approved the Bay du Nord deepwater oil project. But the project has been shelved for 3 years in late May due to challenging market conditions including soaring costs. On a positive note, the $3.2B expansion at the West White Rose FPSOV advances. Brent crude oil prices have been very close to the 2023 budget assumption of US$86 per barrel so far this summer. Supportive oil prices led S&P to confirm N&L's long-term A+ rating with a stable outlook last July. Also, mining exploration continues to remain vibrant, including in the gold sector. Population growth has been accelerating but to a lower extent than other provinces. Lastly, by 2030, more stringent clean fuel regulations from the federal government are projected to exert a larger dent in N&L's economy relative to the 3 other Atlantic provinces according to the Atlantic Provinces Economic Council.

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| Real GDP Growth (%) | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|
| **Canada** | -5.1 | 5.0 | 3.4 | 1.6 | 0.7 |
| **N&L** | -4.6 | 0.6 | -1.7 | 1.0 | 1.2 |
| **PEI** | -1.6 | 7.9 | 2.9 | 1.9 | 0.8 |
| **NS** | -3.5 | 6.2 | 2.6 | 2.0 | 0.9 |
| **NB** | -2.7 | 5.9 | 1.8 | 1.3 | 0.7 |
| **Quebec** | -5.0 | 6.0 | 2.6 | 1.1 | 0.6 |
| **Ontario** | -4.7 | 5.2 | 3.6 | 1.8 | 0.7 |
| **Manitoba** | -4.4 | 1.8 | 3.9 | 1.7 | 0.9 |
| **Sask** | -4.8 | -0.9 | 5.7 | 2.2 | 1.3 |
| **Alberta** | -8.0 | 4.8 | 5.1 | 2.6 | 1.1 |
| **BC** | -3.0 | 6.1 | 3.6 | 1.3 | 0.6 |

Source: Stat. Can.; forecast: LBS Econ. Research and Strategy.

| Nominal GDP Growth (%) | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|
| **Canada** | -4.5 | 13.6 | 10.9 | 3.1 | 3.7 |
| **N&L** | -10.0 | 17.7 | 11.3 | -0.5 | 3.5 |
| **PEI** | 1.4 | 14.3 | 7.4 | 4.5 | 2.9 |
| **NS** | 0.0 | 10.9 | 7.4 | 5.2 | 3.1 |
| **NB** | -1.6 | 13.8 | 7.1 | 4.4 | 2.8 |
| **Quebec** | -1.9 | 11.8 | 9.6 | 3.7 | 2.8 |
| **Ontario** | -2.9 | 10.3 | 9.6 | 4.3 | 2.9 |
| **Manitoba** | -1.3 | 8.4 | 9.8 | 2.9 | 3.1 |
| **Sask** | -7.6 | 13.1 | 20.7 | 1.3 | 3.6 |
| **Alberta** | -15.7 | 26.2 | 20.9 | 1.3 | 3.4 |
| **BC** | -0.7 | 14.2 | 8.9 | 2.2 | 2.8 |

Source: Stat. Can; forecast: LBS Econ. Research and Strategy.

| Unemployment Rate (%) | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|
| **Canada** | 9.7 | 7.5 | 5.3 | 5.4 | 6.2 |
| **N&L** | 14.5 | 13.1 | 11.2 | 10.1 | 9.9 |
| **PEI** | 10.7 | 9.9 | 7.5 | 7.6 | 7.9 |
| **NS** | 9.9 | 8.6 | 6.6 | 6.5 | 7.0 |
| **NB** | 10.4 | 9.1 | 7.2 | 6.4 | 6.8 |
| **Quebec** | 9.0 | 6.1 | 4.3 | 4.4 | 4.9 |
| **Ontario** | 9.8 | 8.2 | 5.6 | 5.8 | 6.3 |
| **Manitoba** | 8.2 | 6.4 | 4.5 | 4.8 | 5.1 |
| **Sask** | 8.3 | 6.5 | 4.7 | 4.9 | 5.3 |
| **Alberta** | 11.5 | 8.5 | 5.8 | 6.1 | 6.5 |
| **BC** | 9.2 | 6.5 | 4.6 | 5.3 | 5.8 |

Source: Stat. Can.; forecast: LBS Econ. Research and Strategy.

| Employment (annual change in %) | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|
| **Canada** | -5.6 | 5.0 | 4.0 | 2.2 | 0.7 |
| **N&L** | -6.4 | 3.6 | 4.3 | 1.8 | 0.8 |
| **PEI** | -3.5 | 4.1 | 5.3 | 1.7 | 0.7 |
| **NS** | -4.6 | 5.6 | 3.6 | 2.5 | 0.9 |
| **NB** | -3.0 | 3.2 | 2.7 | 2.8 | 0.7 |
| **Quebec** | -5.4 | 4.4 | 3.1 | 1.9 | 0.6 |
| **Ontario** | -5.4 | 5.2 | 4.6 | 2.9 | 0.9 |
| **Manitoba** | -4.3 | 3.7 | 3.2 | 1.9 | 0.8 |
| **Sask** | -5.0 | 2.6 | 3.5 | 0.9 | 1.0 |
| **Alberta** | -7.0 | 5.5 | 5.2 | 3.3 | 1.3 |
| **BC** | -6.2 | 6.2 | 3.1 | 1.1 | 0.6 |

Source: Statistics Can, LBS Econ. Research and Strategy.

| CPI Inflation (%) | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|
| **Canada** | 0.7 | 3.4 | 6.8 | 3.8 | 2.3 |
| **N&L** | 0.2 | 3.7 | 6.4 | 3.3 | 2.1 |
| **PEI** | 0.0 | 5.1 | 8.9 | 3.6 | 2.1 |
| **NS** | 0.3 | 4.1 | 7.5 | 3.8 | 2.2 |
| **NB** | 0.2 | 3.8 | 7.3 | 3.7 | 2.1 |
| **Quebec** | 0.8 | 3.8 | 6.7 | 3.9 | 2.3 |
| **Ontario** | 0.6 | 3.5 | 6.8 | 3.8 | 2.3 |
| **Manitoba** | 0.5 | 3.2 | 7.9 | 4.0 | 2.3 |
| **Sask** | 0.6 | 2.6 | 6.6 | 4.0 | 2.3 |
| **Alberta** | 1.1 | 3.2 | 6.5 | 3.4 | 2.3 |
| **BC** | 0.8 | 2.8 | 6.9 | 3.8 | 2.3 |

Source: Stat. Can; forecast: LBS Econ. Research and Strategy.

| Housing Starts (000s of units) | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|
| **Canada** | **218** | **271** | **262** | **228** | **223** |
| **N&L** | 0.8 | 1.0 | 1.4 | 1.1 | 0.9 |
| **PEI** | 1.2 | 1.3 | 1.3 | 1.0 | 1.0 |
| **NS** | 4.9 | 6.0 | 5.7 | 5.5 | 5.3 |
| **NB** | 3.5 | 3.8 | 4.7 | 3.6 | 3.5 |
| **Quebec** | 54.1 | 67.8 | 57.1 | 39.0 | 41.0 |
| **Ontario** | 81.3 | 99.6 | 96.1 | 88.0 | 84.0 |
| **Manitoba** | 7.3 | 8.0 | 8.1 | 6.9 | 6.5 |
| **Sask** | 3.1 | 4.2 | 4.2 | 3.9 | 3.7 |
| **Alberta** | 24.0 | 31.9 | 36.5 | 31.0 | 35.0 |
| **BC** | 37.7 | 47.6 | 46.7 | 48.0 | 42.0 |

Source: CMHC; forecast: LBS Econ. Research and Strategy.