

# Economic Review, 2021

## St. John's Census Metropolitan Area




### Economy



# GDP



In 2021, there were signs of economic recovery in the St. John's Metropolitan Area (CMA) following declines in 2020 related to the COVID-19 pandemic. Estimated real gross domestic product (GDP) decreased by 0.6% in 2021 to \$16.4 billion (\$2012), primarily due to lower offshore oil production. Production decreased by 9.6% to 94.0 million barrels in 2021, mainly due to lower production at Hibernia. Excluding oil and gas extraction, the CMA's real GDP increased by 7.0%, as private sector industries such as Construction; Finance, insurance, real estate, rental and leasing; and Accommodation and food services rebounded compared to 2020 levels when restrictions and related shutdowns due to COVID-19 were more prominent.



### Labour Market

Employment in the St. John's CMA held steady in 2021 at 106,300 persons as both the goods-producing sector and the services-producing sector experienced little change in employment levels during the year. The labour force declined by 1.6% in 2021, to 115,300 participants and the participation rate decreased by 1.4 percentage points to 63.4%. The unemployment rate decreased by 1.9 percentage points to 7.8%.




### Household Income Retail Sales

Household income increased by 1.0% in 2021 to \$11.6 billion, as gains in labour compensation were partly offset by fewer pandemic related federal transfers to individuals. Retail sales increased by 9.0% to \$4.3 billion as consumer spending returned to pre-pandemic levels.




### Population

The population of the St. John's CMA was estimated to be 214,674 in 2021, a 0.3% increase from the previous year as gains in immigration (+652) and net intraprovincial migration (+1,016) more than offset losses due to net interprovincial out-migration (-308) and a decline in non-permanent residents [2] (-487).

### Real Estate

Housing starts increased by 30.1% in 2021 to 544 units mostly due to historically low mortgage rates and pent up demand. The sale of single detached units in St. John's [1] increased 31.3% to 985 in 2021. The sale of multiple-family units also increased during the year, up 88.3% to 482.



<sup>1</sup>The sale of single detached and multiple-family homes refers to the City of St. John's. Data is unavailable for the CMA.

<sup>2</sup> Non-permanent residents are persons who have been legally granted the right to live in Canada on a temporary basis under the authority of a temporary resident permit, along with members of their family living with them. Non-permanent residents include foreign workers, foreign students, the humanitarian population and other temporary residents.



### Outlook for 2022

The economy in the CMA is expected to remain steady in 2022, as gains from the continuing recovery in the tourism and hospitality sector are partly offset by the end of construction activity on the Muskrat Falls hydro project and lower oil production. Most private sector service industries are also expected to return to normal in 2022. Although lower oil production and decreased capital investment on major projects are expected to hamper growth, other indicators such as employment; retail sales; and housing starts should improve as pandemic restrictions loosen.

Economic Indicators, St. John's CMA

	2020	2021e
Real GDP (2012\$M)	16,523	16,421
% Change	-4.7	-0.6
Employment (000s)	105.8	106.3
% Change	-4.9	0.5
Labour Force (000s)	117.2	115.3
% Change	-2.7	-1.6
Unemployment Rate (%)	9.7	7.8
Change	2.0 ppts	-1.9 ppts
Participation Rate (%)	64.8	63.4
Change	-2.3 ppts	-1.4 ppts
Household Income (\$M)	11,470	11,587
% Change	2.7	1.0
Retail Trade (\$M)	3,903	4,253
% Change	-1.1	9.0
Housing Starts	418	544
% Change	-12.9	30.1
Consumer Price Index (2002=100)	139.2	143.8
% Change	0.4	3.3
Population (000s)	213,929	214,674
% Change	0.4	0.3

Source: Statistics Canada; Economic and Project Analysis Division, Dept. of Finance e: estimate