

Hamilton-Niagara Peninsula Economy Forecasted to Grow in 2014, Construction and Agriculture to Lead the Way

Hamilton Chamber of Commerce and the Credit Unions of Ontario outlook 2014 economic outlook for Hamilton - Niagara Peninsula Region

Hamilton, ON, Jan 15, 2014: Economic conditions in the Hamilton-Niagara Peninsula region have held steady in 2013, despite a weakening labour market and sluggish activity in the manufacturing sector, according to a new economic outlook released by the Hamilton Chamber of Commerce, in partnership with the Ontario Chamber of Commerce and the Credit Unions of Ontario.

After contracting by 1.5 percent in 2013, the overall labour force for the region is set to grow by about 1 percent in 2014 to 765,000 persons. The unemployment rate will hold steady at 7.1 percent through 2014, and is projected to shrink to 6.6 percent by 2015, below the projected provincial average.

Non-residential construction has been a positive driver of the economy in 2013. Private-sector construction will remain high throughout 2014, led by large scale investments including the Pan Am stadium in Hamilton, the St. Catharines-Niagara area Performing Arts Centre, and a \$200-million retail outlet.

Housing prices in the region have risen by 12 percent since 2011, but will slow slightly over the next two years to about 2 percent per year as a result of higher interest rates and policy-induced slowing.

"The Hamilton Story, driven primarily by housing prices data and a lower than average unemployment rate, is getting significant national attention," says Keanin Loomis, President & CEO of the Hamilton Chamber of Commerce. "Those of us working hard on Hamilton's renewal know the Hamilton economy is still on the upswing in spite of difficult global economic headwinds since 2008 and a rocky year for our labour market in 2013 as demonstrated in the report. The positive outlook in the report for 2014 and 2015 will further add to that momentum."

Agriculture and agri-food activity will continue to be an economic driver for the region. Hamilton-Niagara Peninsula has seen the opening of Canada Bread Company's \$100-million bakery, while benefitting from a national consolidation of Maple Leaf Foods operations that led to a \$395-million facility in Hamilton and a distribution plant in Puslinch slated to be operational by 2014. The region is also benefitting from agriculture-related investment, with National Steel Car winning a contract to construct 1,000 rail cars for Saskatchewan's potash industry.

"As evidenced by the lack of hand-wringing over the closure of US Steel operations, Hamilton is buoyed by the fact that we are the most diversified economy in Canada. Through our support for local business and advocacy initiatives in emerging sectors, the Chamber will continue to provide leadership in the community to further develop life sciences, creative industries and advanced manufacturing and in the attraction of a younger workforce." Loomis adds.

The report also highlights how the Hamilton area continues to move towards a knowledge-based economy anchored by McMaster Innovation Park, which houses Canmet Labs and a new automotive research centre.

Key Facts and Highlights:

- Employment is expected to grow by 15,000 over the next two years.
- The unemployment rate is projected to drop to 6.6 percent by 2015, down from 7.2 percent in 2012.
- The housing market is sluggish, as housing sales will dip in the next two years, a continuing trend in the region.
- Housing prices in the region have risen significantly since 2011, and growth will slow slightly over the next two years. Average housing prices have risen from \$295,000 in 2011 to a projected \$343,000 in 2015.
- The region will see a fairly significant increase (4.4 percent) in the number of residential building permits issued in 2014.
- The region is expected to create 15,000 jobs over the next two years, making it a strong performer in Southern Ontario.

Download the full economic outlook at: <https://db.tt/aK9ZKwBT>

Established in 1845, the Hamilton Chamber of Commerce is the definitive “Voice of Hamilton Business”. Representing over 1000 members and 75,000 employees, it champions the interests of ethical, free enterprise by effectively engaging business, community, and government leaders in the promotion of the long-term economic prosperity of our region.

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