

ECONOMIC REPORT AND OUTLOOKS

Québec City CMA

2015 | 2016



**QUÉBEC
INTERNATIONAL**
Economic Development

QUÉBEC CITY CENSUS METROPOLITAN AREA

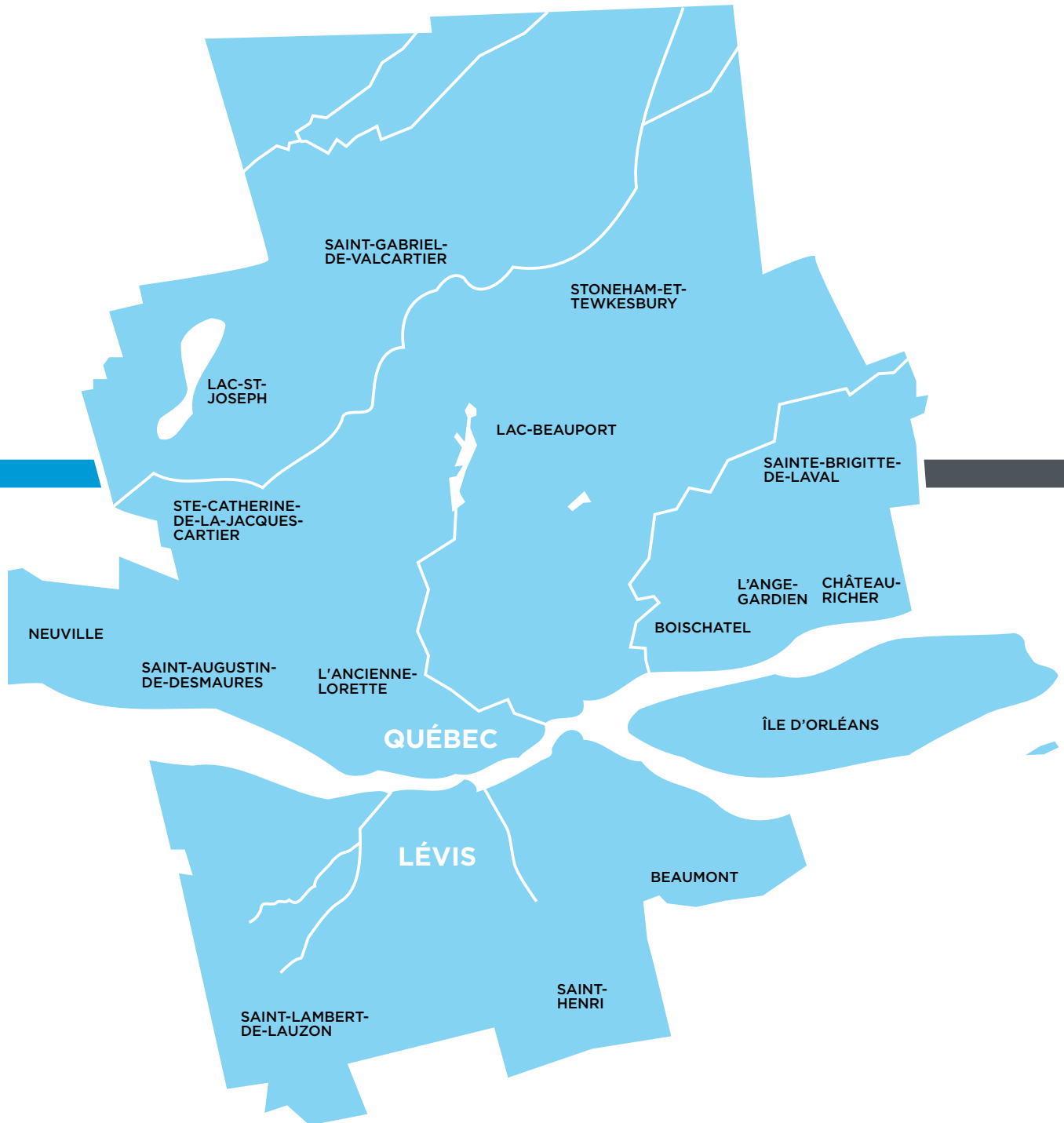


TABLE OF CONTENTS

Methodology	2
Note to readers	2
Summary	3
Economic growth	4
Purchasing power	6
Labour market	8
Non-residential investment	10
Competitive cost advantages	12
Housing market	14
Demographics	16
Tourism	18
Appendix 1	
Main economic indicators for the Québec City CMA	20
Appendix 2	
List of main private non-residential investment projects, in progress and announced, in the Québec City CMA	22
List of major public investment projects in progress and announced in the Québec City CMA	23
Appendix 3	
List of main private employers by activity sector in the Québec City CMA	24
Glossary	26





METHODOLOGY

The study *Economic Report and Outlooks 2015-2016 for the Québec City CMA*, conducted by Québec International, provides a picture of the key economic indicators for evaluating the region's performance. It takes an objective look at the results achieved in 2015 and those expected in the coming years. The study also makes it possible to compare the evolution of a number of economic regional variables with those in other Canadian metropolitan regions.

Eight themes were selected for this analysis: economic growth, purchasing power, the labour market, non-residential investment, competitive cost advantages, the housing market, demographics and tourism. The reader will find a list of major projects under way in the region in the appendices, as well as definitions of the analyzed economic indicators.

The study, performed by Québec International, relies on statistical data published by recognized organizations. Certain indicators were processed and analyzed to produce forecasts for the next five years.

NOTE TO READERS

This study was produced by the Department of Economics Studies and Strategic Monitoring of Québec International. The professionals on this team have a mandate to ensure the availability of quality economic information. They have been called upon to monitor the evolution of the economic situation and business environment at regional, national and international levels and to perform different research and analyses to identify opportunities, orient development strategies and to define actions to implement to support the growth of our regional economy. For more information on the services offered by Québec International, visit the website at Quebecinternational.ca.

This publication is based on information available in April 2016.

SUMMARY

2015 | 2016

The Québec City CMA has been positioned as an economic leader in Canada in recent years. The development strategies implemented to support the knowledge economy, diversify its industrial base, encourage the involvement of the private sector and increase the integration of innovative processes which provide high added value in the supply of goods and services have proven sound. Moreover, the sum of these actions enable the region to be proactive with respect to various constraints, such as the decline of the manufacturing sector through the 2000s, the rise of emerging countries, volatility of the Canadian dollar and instability of oil prices. Through these efforts, the Québec City region has had some of the best results across Canada in terms of its real GDP growth rate, its excellent employment prospects and the diversity of its investment projects.

The following analysis provides a picture of the evolution of these changing economic variables over the 2010-2015 period. It highlights the performance of the Québec City CMA which currently offers an attractive environment for companies wishing to set up or expand their activities in the area. To this effect, the 2016 edition of the Competitive Alternatives study by KPMG confirms that Québec City holds first place among all metropolitan areas with more than 100,000 inhabitants in mature markets for its cost competitiveness. This biannual study indicates that it costs 16.1% less to set up and do business in Québec City compared to the US city averages, a considerable improvement compared to the 9.3% achieved in 2014.

Our study also offers some medium-term perspectives. The availability of qualified workers, the expansion of high-growth sectors, the development of external markets, the attraction of foreign investment and the start-up of new businesses are also issues which will influence the future growth rate of the Québec City region. According to our forecasts, real GDP could grow by an average annual rate of 2% between now and 2020.

Therefore, it appears that efforts will be maintained to support high-growth sectors and to increase the competitiveness of businesses in the Québec City CMA. The willingness of socioeconomic actors to improve the business environment by modernizing infrastructure for transportation, education, R&D, and industrial parks and zones, will contribute to support the creation and expansion of businesses. Furthermore, the creation of synergies between research centres and the business community will make it easier to share expertise and promote expansion into new markets. Finally, the positive environment generated in the metropolitan area will be an asset for welcoming new immigrants, an essential factor for demographic growth.



ECONOMIC GROWTH

The Québec City CMA generated a real GDP of \$34.3 billion in 2015, an increase of 1.4% over 2014. The region registered higher growth than that observed for Québec (+1.1%) and Canada (+1.2%). We also emphasize that this result is the region's 24th consecutive year of growth, the longest period observed across Canada. In addition, the Québec City posted an annual average growth rate of 1.6% between 2010 and 2015, one of the highest performing municipal areas in eastern Canada.

All sectors contributed to economic growth in the Québec City region in 2015, a first since 2003. Continuing its recovery for the third consecutive year, the manufacturing sector registered a 4.9% annual growth rate. Its presence grew in the areas of production of high value added manufactures and benefited from improvements in certain factors, notably the depreciation of the Canadian dollar and the recovery in the US economy. The construction industry saw an annual gain of 3.4%, overcoming ground lost in the preceding two years. Completion of major residential projects, particularly in the rental market, combined with the gradual introduction of new non-residential projects, were also worthy of attention in the last year. The services sector maintained a slow rate of expansion with a 0.4% increase in annual production. Services for production (+0.7%) and consumption (+0.2%) were offset by tightened public administration (-0.3 %). Finally, often forgotten due to its small size (4% of the regional economy), the primary sector registered a 12.4% gain due to improved performance in agriculture and a modest recovery in the forestry industry.

The economic soundness shown in the Québec City region is reflected in the evolution of its GDP per capita, a variable which provides a measure of the quality of life of a population. In 2015, it was \$42,493 (\$37,950 in Québec as a whole), or 0.7% higher than in 2014 (+0.5 % in Québec). The region thus occupies a leading position in Québec. We are confident that the positive employment performance, as well as the increases in salaries and other income, are propitious factors for continued per capita GDP growth in the Québec City region in the coming years. Between now and 2020, the forecasts indicate an increase of about 5.5% relative to 2015, greater than the 2.9% observed between 2010 and 2015.

Note that the increase in GDP in the Québec City CMA was accompanied last year by a strong increase in employment (+2%). This scenario, also observed in the past, slowed productivity growth¹. In 2015, real GDP per worker was \$77,641 in the region (\$76,498 in Québec), 0.5% lower than 2014 (+0.2% in Québec). Despite this hiccup, productivity rose by an average of 0.3% annually between 2010 and 2015 (+0.6% in Québec). Assuming that all sectors contribute to sustaining the economic performance of the Québec City region, real GDP per worker could register an annual increase of nearly 1% through to 2020.

¹ Labour productivity is measured by dividing real GDP by the number of hours worked. This ratio indicates the value of goods and services produced for each hour of work completed. However, the number of hours worked is not available at the level of census metropolitan areas. Using the number of jobs enables us to get around this problem and thus know the value of goods and services produced per worker in each region.

2015 | 2016

Due to its diversified industrial structure, Québec is one of the most highly performing regions in Canada and this especially leads to an improved quality of life for its inhabitants and the productivity of its workers. To maintain its dynamism and to bring average GDP growth to around 2% per year by 2020, various economic stakeholders will have to continue to invest to take advantage of new opportunities abroad and to adjust to ongoing short-term constraints.

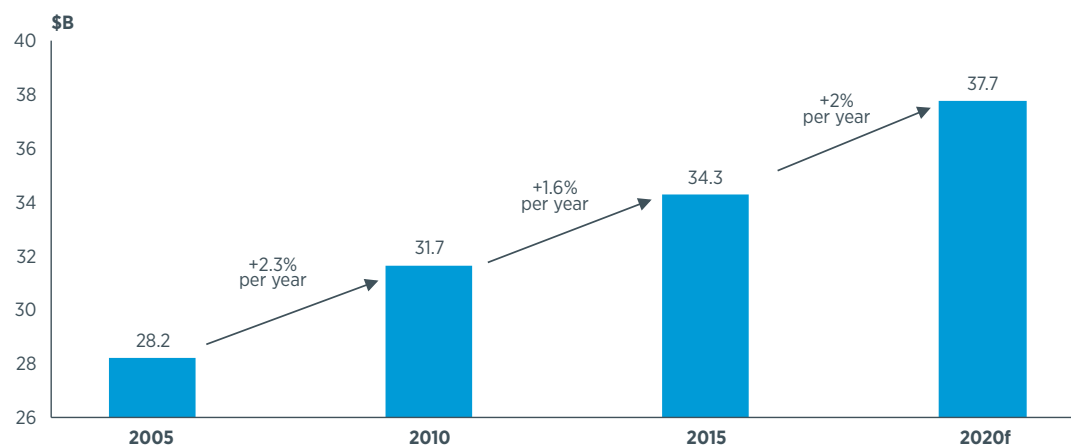
**ECONOMIC
GROWTH**

Real GDP: Profile of the 8 major Canadian CMAs

	Real GDP		GDP per worker		GDP per capita	
	2015 \$M	2014-2015 variation %	2015 \$	2014-2015 variation %	2015 \$	2014-2015 variation %
Québec	34,264.74	1.4	77,641	-0.5	42,493	0.7
Toronto	317,808.02	3.3	100,013	0.4	51,845	2.0
Montréal	166,520.70	1.3	81,644	0.3	41,008	0.5
Vancouver	122,520.87	3.4	94,399	1.7	48,923	2.2
Calgary	115,697.73	-2.5	141,788	-4.5	80,359	-4.8
Edmonton	88,492.64	-1.5	116,220	-3.6	64,912	-3.8
Ottawa	64,725.44	1.1	91,143	0.6	48,593	0.0
Winnipeg	36,304.31	1.7	85,512	-1.6	45,756	0.3

Sources: Conference Board of Canada, Statistics Canada and Québec International

Real GDP of the Québec City CMA Average annual growth per 5-year period



Sources: Conference Board of Canada and Québec International

Credit: Luc Antoine Couturier

PURCHASING POWER

AVERAGE SALARY

According to the Conference Board of Canada, on average, a worker could expect to earn \$42,248 in 2015 in the Québec City CMA (\$41,540 in Québec). The region registered a 1.8% increase over 2014 (+1.3% in Québec), a larger increase than the 0.5% observed in the previous year. The positive employment situation, particularly for full-time positions, the variety of positions held, as well as the need for workers throughout sectors of the economy, are all factors contributing to the increase in average salaries. With these strengths, the increases in salaries will continue in coming years in the Québec City. The outlook up to 2020 suggests an increase of about 2% annually, a rate of growth nearly similar to its Canadian counterparts.

PERSONAL DISPOSABLE INCOME

In 2015, the Québec City region recorded a personal disposable income per capita of \$34,230 (\$26,767 in Québec), or an increase of 3.4% compared to 2014 (+2.7% in Québec). It thus held on to 1st place in Québec and in Canada continued to reduce the gap between it and Ottawa and Vancouver. Furthermore, with average growth in PDI of 2.9% between 2010 and 2015, Québec City has established itself as one of the most successful in eastern Canada. The efforts to support economic expansion, rising salaries and the positive employment situation are all reflected in the increase in PDI per capita. The prospects suggest an annual increase of 3% between now and 2020.

INFLATION RATE

The price of the consumer basket rose gradually in the Québec City metro region, as was the case for other Canadian CMAs. In 2015, the inflation rate was 1% in Québec City (1.1% in Québec and in Canada). The upwards pressure on consumer prices remained limited, notably due to reduced energy costs. In addition, the increase in the inflation rate remained lower than that for PDI per capita and average salaries, a key factor for improved purchasing power. While the effects linked to the decline in energy prices could gradually taper off and prices of food and other consumer goods continue to rise, the rate of increase in the consumer basket should remain under 2% per year in Québec City over the next 5 years.

RETAIL SALES

The sound regional economic situation combined with income growth for individuals positively affects consumption. In 2015, retail sales reached \$13.5 billion in the region, a 1.6% increase over 2014 (+1% in Québec). Furthermore, the region can count on the impact of the arrival of new retailers, modernization of existing infrastructure and expansion of commercial services across the region. In a context where e-commerce is expected to grow, the performance of retailers in the region continues to depend on the factors listed above as well as efforts to remain competitive and to adjust to the effects of an aging population. According to the Conference Board of Canada, prospects are positive because sales should increase by an average of 3.7% per year through to 2020, exceeding the 2.2% average observed between 2010 and 2015.



Credit: Yves Tessier, Tassima

BANKRUPTCIES

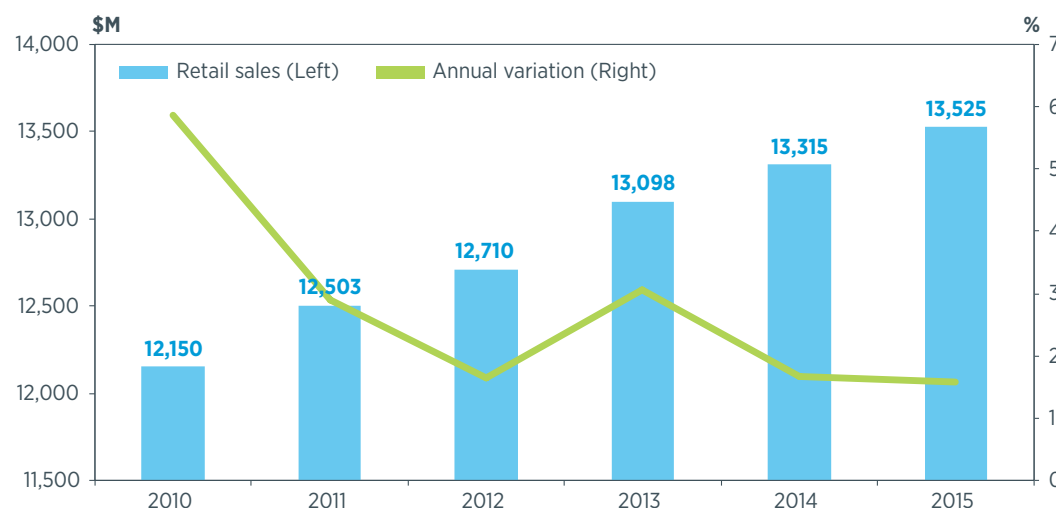
According to the Office of the Superintendent of Bankruptcy Canada, the Québec City CMA tallied 2,061 bankruptcies in 2015, 166 more than in 2014 (+8.8%). The region exceeded the 2,000 threshold for the first time in 5 years. Despite the increase in employment, the low inflation rate, favourable interest rates and the increase in disposable income, the financial health of consumers was shaken. In this context, 1,926 persons filed for bankruptcy, 178 more than in the preceding year (+10.2%). However, we remain confident that the situation is only temporary because the factors listed above are expected to continue in 2016 and 2017. In terms of businesses, the CMA counted 135 bankruptcy filing in 2015, 12 less than in 2014 (-8%). The capacity for innovation and market development have been assets for improving the financial performance of companies.

Profile of the purchasing power of the 8 major Canadian CMAs

	PDI per capita		Average salary		Inflation rate
	\$ 2015	Variation (%) 2014-2015	\$ 2015	Variation (%) 2014-2015	% 2015
Québec	34,230	3.4	42,248	1.8	1.0
Calgary	50,334	4.6	72,766	1.2	1.2
Edmonton	44,583	5.4	65,011	1.6	1.2
Ottawa	38,201	0.7	52,345	1.2	0.9
Vancouver	36,999	4.2	46,661	1.9	1.2
Toronto	34,954	2.8	50,996	2.0	1.6
Winnipeg	34,999	4.2	45,041	1.7	1.3
Montreal	31,659	3.2	43,157	2.0	1.4

Sources: Conference Board of Canada and Québec International

Portrait of retail sales City of Québec CMA



Sources: Conference Board of Canada and Québec International

PURCHASING POWER



Credit: Yves Tessier, Tassima

LABOUR MARKET

Our expectations were high for 2015 due to the recovery of the US economy, the expansion of the services sector and the start of new construction sites. The Québec City CMA rose to the challenge with the creation of 8,600 additional jobs compared to 2014, which followed the additional 5,200 jobs added in the previous year. The region thus closed 2015 with a peak of 442,300 jobs.

All economic sectors contributed to job creation in the Québec City region last year, for the first time since 2011. The services sector as a whole registered an annual gain of about 3,300 jobs. Wholesale & retail trade, education services, and health and social services contributed significantly to this performance. In construction, 2,700 jobs were created to respond to needs generated by the residential construction and infrastructure projects. As for the manufacturing sector, it continued with its recovery, registering an additional 2,500 jobs. The improvement in order books and competitive cost advantages for business operations in Québec City led some producers to set up or expand in the region.

The positive employment performance draws its dynamism from the entire regional economy, but most especially from the rise of the knowledge economy. Mature and developing sectors employing cutting-edge workers, which use intangible assets in activities requiring a high knowledge level or production in series, have seen an expanded need for workers in recent years. Looking back at the last 5 years, the results speak for themselves. Between 2010 and 2015, the Québec City CMA recorded 30,000 additional jobs². We find that 1 in 2 new jobs was linked to the knowledge economy. In this context, employment linked to the knowledge economy grew by 8.6% annually over a period of 5 years, exceeding the 7.5% obtained for total employment in the region. For comparison, in the rest of Québec and Canada as a whole, 1 in 3 new jobs was linked to the knowledge economy. Thus, unlike the Québec City region, in Québec as a whole, total employment grew faster than employment linked to the knowledge economy between 2010 and 2015. The presence of research centres, the importance of financial, insurance and administrative services, the increase in production of high value-added goods (chemical products, electronics parts, transportation equipment, metal products, etc.) and the completion of major projects are factors which have stimulated the creation of high knowledge jobs in the Québec City region in recent years; a situation that is expected to continue in the medium and long-term.

Other indicators also reflect the need for workers in the region. Having been positioned under 6% since 2004, the unemployment rate was 4.7% in 2015 (7.6% in Québec), one of the lowest in Canada. The Québec City region also ranked among the highest for unemployment among those aged 15-24 years (7.2%) and 25-54 years (4.1%) last year. As for the employment rate, it has continued its upward trend, reaching 66 % in 2015 (59.9% in Québec). Also, the rates observed in the 15-24 (70.4%) and 25-54 (89.2%) age groups were the highest observed in Canada. However, the increases in these indicators over the years suggests that the pool of available workers has become scarce in the region. This constraint implies a challenge for employers to find new candidates to ensure the growth of their business, to integrate new expertise, and eventually to fill positions for those who will retire. The replacement index in 2015 shows that for each 10 persons who are potentially able to retire (aged 55-64), there are 9 youth (aged 20-29) potentially able to enter the labour market.

² Based on a 3-year moving average

2015 | 2016

In sum, the need for workers is still very present in the region, notably due to diversification of its industrial base and the expansion of the knowledge economy. However, the scarcity of potential candidates is increasing and the beginning of 2016 gives very good insight in this regard. In this context, job creation will remain positive in the coming years, but the 1.2% annual increase observed between 2010 and 2015 could give place to a 1% average increase over the 2015-2020 period.

Employment market profile of the 8 major Canadian CMAs

	Employment ('000)		Variation (%)		Unemployment rate		Taux d'emploi	
	2015	2014-2015	2010-2015		Total	25-54 years	Total	25-54 years
Québec City	442.3	2.0	6.4		4.7	4.1	66.0	89.2
Toronto	3,176.7	2.9	10.3		7.0	5.9	62.2	80.0
Montréal	2,040.9	1.1	4.6		8.4	7.4	60.8	80.4
Vancouver	1,298.5	1.7	8.2		5.9	4.7	60.9	80.5
Calgary	815.8	2.0	16.3		6.4	5.7	69.1	83.9
Edmonton	761	2.2	19.0		6.0	5.1	69.0	82.5
Ottawa	710.6	0.5	3.6		6.5	4.9	64.7	84.3
Winnipeg	424.5	3.3	6.6		6.0	5.0	65.0	83.7

Sources: Statistics Canada and Québec International

Importance of knowledge economy in the labour market

		Change (%)	Proportion (%)	
		2010-2015	2010	2015
Québec City	Total employment	7.5	100	100
	Employment, knowledge economy	8.6	40.8	41.2
Québec	Total employment	4.6	100	100
	Employment, knowledge economy	3.5	47.1	46.6
Canada	Total employment	5.2	100	100
	Employment, knowledge economy	3.8	49.0	48.9
Ontario	Total employment	5.3	100	100
	Employment, knowledge economy	5.0	51.5	51.4

Note: Calculations based on 3-year moving average
Sources: Statistics Canada and Québec International

LABOUR
MARKET

4

NON-RESIDENTIAL INVESTMENT

According to Statistics Canada, \$863 million were invested in the non-residential sector in the Québec City CMA in 2015, a 19.5% decline relative to the exceptional year of 2014. The decline observed last year was not specific to Québec City – a 7.7% decrease was recorded for Québec as a whole. Canada-wide, capital expenditures saw a small increase of 0.3% in 2015.

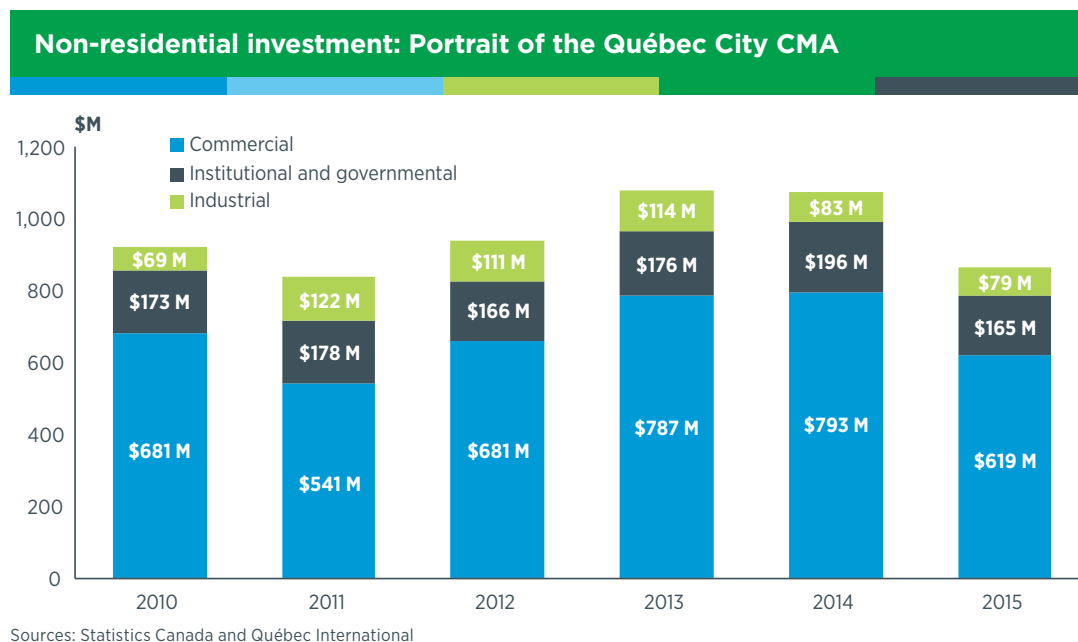
While the sums invested decelerated in the region last year, the hammers have not stopped their beating. To start with, several major projects were completed during the year, with more than 100 projects generating total evaluated expenditures of more than \$1.7 billion. The largest of these projects includes the Centre Vidéotron, commercial expansions on the North and South shores (Costco, Latulippe, Avril, Sportium, Les Galeries de la Capitale, Walmart, etc.), the opening of the Michelet innovation park which welcomed ABB, and the renovation of the Museum of Civilization. The year 2015 seems to have been a year for reflection on future needs and preparation for the potential launch of major non-residential projects. The Dallaire Group also attracted attention with its announcement of its project “Le Phare” which could generate investments in the range of \$600 million over the next 10 years. Likewise, major foreign subsidiaries announced their intention to expand their activities in the Québec City region (Medicago, OVH, Larian Studio, Microsoft, Gearbox, etc.). The total amounts invested by these subsidiaries will exceed \$500 million.

The non-residential sector is doing well in the Québec City CMA. Between 2010 and 2015, \$958 million were invested annually on average, 6.8% higher than in the previous period. The increase will continue over the next 5 years due to important projects announced. The region will maintain its efforts to offer commercial, institutional and industrial space favourable to setting up new business or expanding existing ones, and will also facilitate the implementation of new technologies. In addition, major work will be extended or begin to respond to different needs relating to education, health, public transportation, transportation of goods and other public services.

Like last year, construction sites will start progressively in 2016, intensifying in the 2nd half of the year. The diversity of projects, the cost advantages of doing business in Québec City, and the will to offer space in response to new needs of businesses will stimulate non-residential investment. According to our estimates, there are nearly 160 in-progress or announced major projects in the Québec City CMA for which expenditures may reach \$9 billion. On the industrial side, investments are sustained by the desire to modernize infrastructure to improve processes and production costs. Moreover, the low vacancy rate of 3.7% observed on average for industrial parks³, suggests that the establishment and expansion of manufacturing enterprises will involve the construction of new infrastructure and the opening of new space. The expansion of the Saint-Augustin industrial park, the construction of the Michelet and Estimaerville innovation parks, and the opening of the Innoparc de Lévis are examples. In the commercial sector, expenditures are supported by improvement of existing infrastructure and the arrival of new retailers. The dynamics of this sector will also depend on actions to be taken to adjust to changing consumer habits towards e-commerce. As for the market for office buildings, 2016 may not be a stellar year. Certain public institutions continue to modernize their facilities. However, while the region posted the lowest vacancy rate in Canada, at 7.3% in December 2015, the market will continue to absorb some inventory before starting large projects.

³ Source : Côté Conseil immobilier

In the context analyzed above, the region demonstrates that it operates in an environment where builders and developers plan their projects over several phases, a situation which enables them to limit excess supply and to stabilize the increases in rents. It also demonstrates that this dynamic can coexist with in-progress or future building of infrastructure (airport, port, armoury, bus rapid transit (BRT), hospitals, etc.).



Non-residential vacancy rate for the Québec City CMA, 2016

Sector	Rive-Nord	Rive-Sud	RMR
Industrial	3.8%	3.4%	3.7%
Commercial	6.0%	7.1%	6.3%
Office	n.a.	n.a.	7.3%

Sources: Côté Conseil Immobilier and Altus Group



5

COMPETITIVE COST ADVANTAGES

The Québec City region is positioned as a leader in terms of business operating costs. The 2016 edition of the *Competitive Alternatives* study by KPMG confirms that Québec City holds first place for its cost competitiveness among metropolitan areas with more than 100,000 inhabitants in mature markets. This biannual study indicates that it costs 16.1% less to set up and do business in Québec City compared to the average of US cities, a considerable improvement compared to the 9.3% achieved in 2014.

The KPMG study evaluates 26 cost components associated with 19 types of activities, across 111 metropolitan regions located in 10 countries. The costs are compared to a US point of reference that is obtained by taking the average costs of the four largest US cities (New York, Los Angeles, Chicago and Dallas-Fort Worth). This KPMG analysis also compares factors which influence the choice of geographic location, such as the pool of qualified labour, the economic conditions, the degree of innovation, infrastructure, and also the cost and quality of life.

In the 2016 edition, the competitiveness of major international regions increased relative to US regions, in particular due to appreciation of the US dollar. For example, the Canadian exchange rate was \$1.34 for the 2016 fiscal year compared to \$1.05 in the 2014 fiscal year. However, the exchange rate does not explain the entire difference. The regions analyzed evolve in an increasingly competitive environment where the gap between jurisdictions is constantly narrowing. To distinguish itself internationally, the Québec City region can count on different Canadian and Québec governmental programs which offer diverse incentives for domestic and foreign businesses, such as tax credits or tax holidays, or low energy prices. Finally, due to its regional environment, Québec is differentiated by its low industrial rents and its competitive wages, which also contribute to reduced operating costs and offer a competitive business environment compared to other areas in Canada.

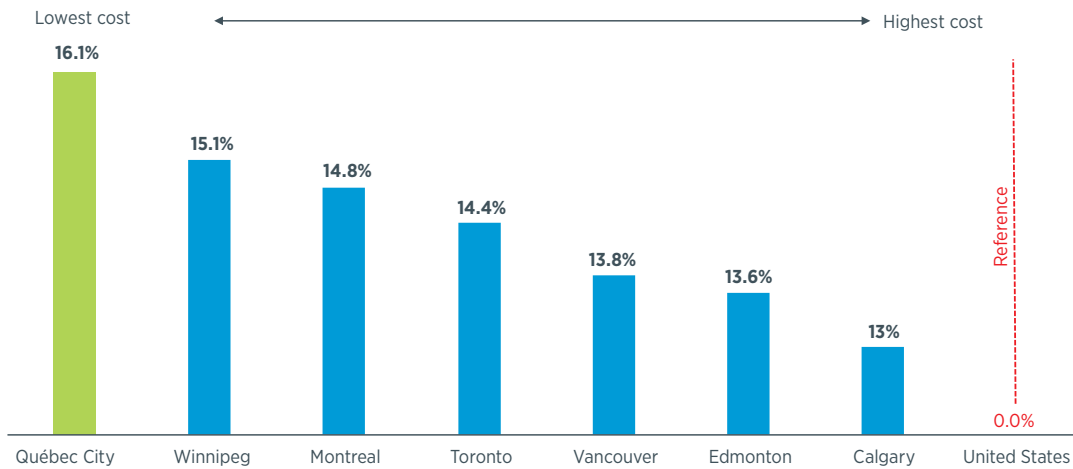
The 2016 results revealed that Québec has a notable competitive advantage at the global level in the 4 main areas of comparison: R&D (33.8%), business services (31.3%), digital services (29.3%) and manufacturing (9.8%). More specifically, in R&D, it is distinguished by cost advantages in clinical trials (34.7%), testing electronic systems (33.9%) and biomedical research (33.1%). Business services are based on financial services (32.7%) and shared service centres (32%). As for digital services, which are a strength in Québec City, they show their competitiveness in the sectors of video games (32%) and software development (26.9%). Note that for each of these sub-sectors, Québec City ranks 1st in the world among all regions with more than 100,000 inhabitants which are present in mature markets. For the manufacturing sector, Québec City offers lower operating costs than the average of US cities for all 12 sub-sectors. The production of medical supplies (13.4%), metal components (11.8%), pharmaceutical products (11.5%), plastic products (11.2%) and telecommunications equipment (9.9%) have the lowest costs at the regional level.

These results confirm that the region has the necessary tools to attract foreign businesses and support the competitiveness of local businesses. Québec also demonstrates its determination to keep its leading position to set up and operate a business in Québec and in Canada. To consolidate this reputation and stand out from its competitors, the region aims to maintain sustained economic growth and provide institutions and high level educational and research establishments, as well as industrial infrastructure and quality transportation.



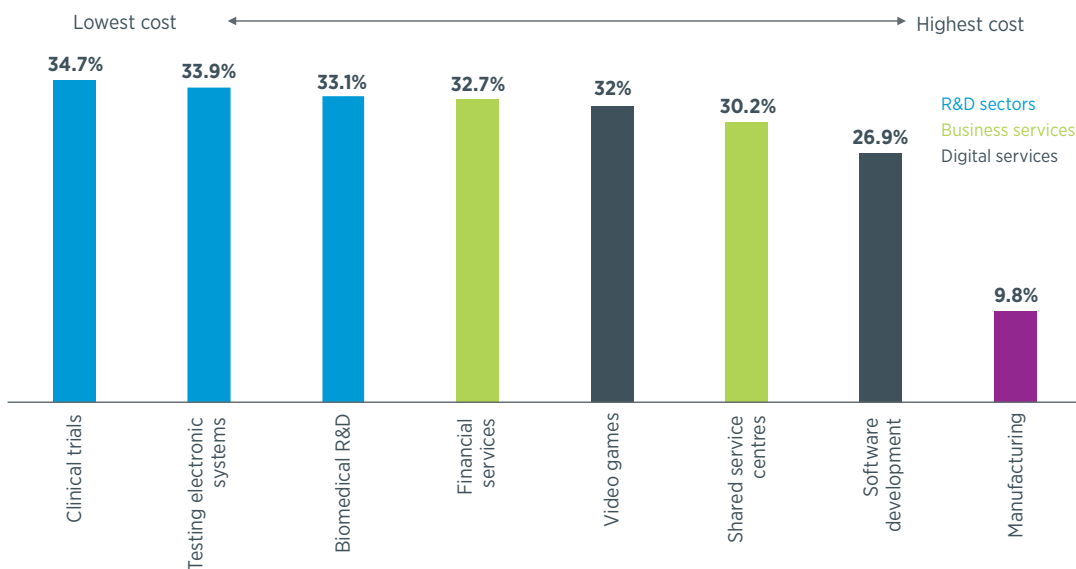
2015 | 2016

**Cost advantages of operating a business:
Ranking of 7 main Canadian CMAs**



Source: Competitive Alternatives Study, KPMG, 2016

**Cost advantages of operating a business in the Québec City CMA
By sub-sector of activity, 2016**



Source: Competitive Alternatives Study, KPMG, 2016

**COMPETITIVE
COST ADVANTAGES**



6

HOUSING MARKET

The residential results of the Québec City CMA slightly surpassed our expectations in 2015. Housing starts posted a 22.3% increase, to 5,442 units, putting an end to two consecutive annual declines. The resale market continued to accelerate. The region registered 6,623 transactions for pre-existing properties, a 2.4% increase with respect to 2014.

The positive performance of housing starts last year can be explained by considerable growth in the construction of rental units. The residential housing stock grew by 4,155 apartments, as opposed to 2,843 in 2014, a 46.2% increase. The region has not seen this level of activity in 20 years. In the short-term, it is highly probable that the prolongation of certain projects which started in 2015 and the flow of units will bring the number of new projects to about 2,500 units annually. The increase in the vacancy rate, which was 4% in October 2015 (3.1% in October 2014), could also lead to some adjustments. In the medium-term, the significant increases in migration, the aging of the population, revitalization of certain neighbourhoods and sound employment prospects will lead to sustained demand in the rental market. Therefore, rental projects could revolve around 3,000 units a year. Note that the decrease in the vacancy rate for elderly homes (4.7% in 2015) points to a probable increase in short- and medium-term needs in the region.

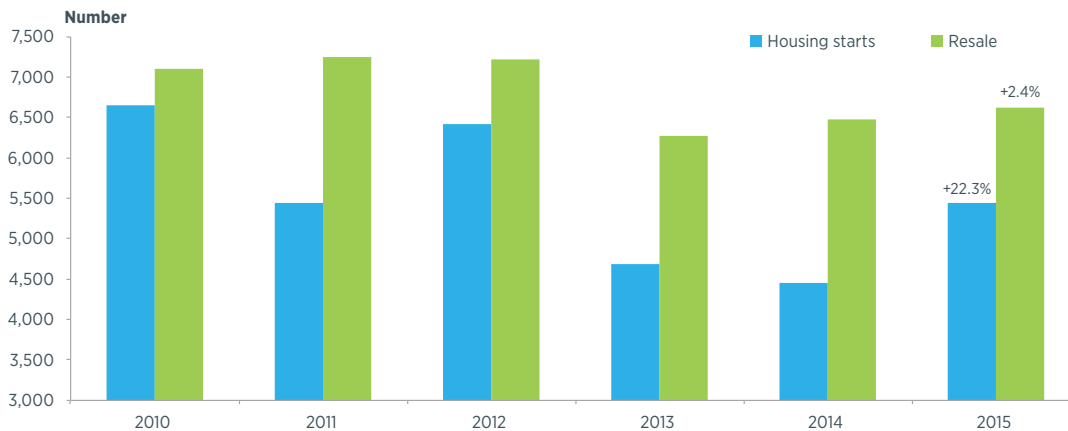
For single family homes, there were 826 new starts last year, or a 6.9% decline compared to 2014. The scarcity of available and affordable land, as well as the increase in the supply in the market of existing homes, are both factors keeping this market under 1,000 units per year. As for semi-detached and townhouses, 461 units were added in 2015, a 35.9% decline compared to 2014. The region has made with the completion of projects started earlier and rising inventories. For 2016, the gradual launch of new projects could bring the total towards 600 units. The interest of young families to find an affordable property and ongoing improvements in household income are factors supporting the demand for this type of property.

Many residential construction projects are coming in 2016 and the following years. According to a Québec International compilation, the metropolitan region has nearly one hundred large residential projects which are either in progress or announced, with an estimated \$3 billion in potentiel investments. Their completion will bring an additional 13,000 units onto the market over the next 5 years. However, discipline remains the name of the game to limit oversupply. In terms of resales, the Québec City region seems to have attained an equilibrium of around 6,500 transactions per year. In 2015, 6,623 properties changed hands, a 2.4% increase over 2014. All market segments contributed to this growth. Single family dwellings, which accounted for 70% of resales, saw sales increase by 3%. Co-owned units, which accounted for 23% of resales, saw sales increase by 2%. Multi-unit (“plex”) properties with 2-5 units accounted for 7% of transactions in 2015, equivalent to 2014. As for the average sale price, the increase was moderate. Last year, the average trading price of a residential unit was \$265,569, 0.4% higher than in 2014. In the case of single family homes, the average price was \$275,347, 1% higher than in the previous year. The average transaction for a “plex” was \$306,484, stable compared to 2014. As for co-owned properties, the average price declined by 1% to \$224,243.

As opposed to the number of housing starts, the economic performance of the Québec City region, demographic growth and access to low financing rates help support demand for existing properties. As for price increases, they will remain in the range of 1% annually for some time due to new stock coming onto the market (+5% in 2015) and lengthening of the time a property spends on the market before sale (between 3 and 5 months in 2015).



Housing market: Portrait of the Québec City CMA



Sources: Canada Mortgage and Housing Corporation (CMHC) and Centris

Main residential projects in progress and announced in the Québec City CMA

Company	Geographic area	Residential project	Investment (\$M)
SSQ Realty Inc	Québec City	Cité Verte - 800 units	350.0
Fonds de placement immobilier Cominar	Beauport	Faubourg du Moulin - 2,000 units	325.0
Société immobilière Huot	Lebourgneuf	L'Aventura - 1,000 units	200.0
Construction Citadelle	Québec City	Beau Port sur le Fleuve	250.0
Construction SMB	Québec City	Mesnil Vert	250.0
Les Constructions Première Classe	Lac-Beauport	Latitude 46 - 230 units	160.0
Société immobilière Leboeuf	Lac-Beauport	Quartier Exalt - 360 units	120.0
Immostar Inc.	Saint-Nicolas	Cinépac - 800 units	110.0
Développement B&L	Québec City	Seigneurie de Beauport	100.0
Groupe Maurice	Québec City	Residence for retired persons	85.0

Compilation: Québec International



DEMOGRAPHICS

The Québec City CMA accounts for 9.8% of Québec population. It is the second largest population area in Québec after Montréal (49.1%). In 2015, the region had 806,359 inhabitants, 0.7% more than in 2014 (+0.6% in Québec). Economic development, a factor which is favourable to demographic growth, allows Québec City to follow the most optimistic forecast scenario of the Institut de la statistique du Québec. Between 2010 and 2015, the region recorded cumulative demographic growth of 5.2%, exceeding the provincial average of 4.2%.

Natural demographic growth (births minus deaths) is one of the factors behind improved demographic outcomes. As occurred throughout Québec, the Québec City region had a relatively high number of births (8,416 in 2014). However, the Quebec population is aging and the region is not immune to this phenomenon. In fact, the number of deaths has increased gradually, with the effect of decreasing the natural growth rate. According to the available data, the region tallied 2,527 more births than deaths in 2014, a 6.1% decline on an annual basis.

Concerns about the aging population could intensify in Québec City due to its effect on the relative size of the working age segment of the population. For the last two consecutive years, the share of the population aged 15 to 64 in the Québec City region declined, by 0.1 percentage points (pp) in 2014 and by 0.4 pp in 2015 (-0.1 pp and -0.2 pp in Québec). This decline affects their weight as a share of the population which has declined from 70% in 2010 to 67% in 2015 (similar in Québec as a whole) and is expected to be 60% by 2025. Maintaining the downward trend, which will accentuate the scarcity of available workers, will limit employment growth and the beginning of 2016 offers a glimpse of the effects it may have. Other age categories have increased in relative size in the Québec City region. The 65-and-above age group increased by an average of 4.3% annually during 2010 and 2015. This group represented 18.5% of the population in the region last year, as opposed to 15.7% 5 years earlier and could rise to 24% by 2025. During the same period, the population share of the 14 and under age group increased by 0.6 pp over the last 5 years, enabling it to maintain a 14.5% share of the population, which could rise to 16% within the next 10 years.

The contribution of migration is an important component to assist the natural growth rate and moderate the effect of the aging population. The Québec City region has also accentuated its attractiveness to international immigrants. Between 2010 and 2015, it attracted an average of 3,200 persons per year, exceeding the annual average of 2,320 observed between 2005 and 2010. The region welcomed 6.1% of international immigrants who settled in Québec in the last 5 years, as opposed to 5% between 2005 and 2010. Their increased presence is beneficial for the region. Among immigrants who obtained their permanent residence status, 46% were 25 to 44 years of age⁴ (45% in Québec). Note that 72% of them hold a post-secondary diploma (62% in Québec)⁵. Also, they tend to integrate well into the labour market in Québec, as demonstrated by their 73.2% employment rate in 2015, the highest in Canada⁶.

The attraction the Québec City region has over international immigrants will need to be transposed towards interprovincial immigration. Currently, for each person who settles in Québec City, 1.5 persons head to another province (same for Québec as a whole). This shortfall

⁴ Source: Statistics Canada, National Household Survey, 2011

⁵ Source: Idem

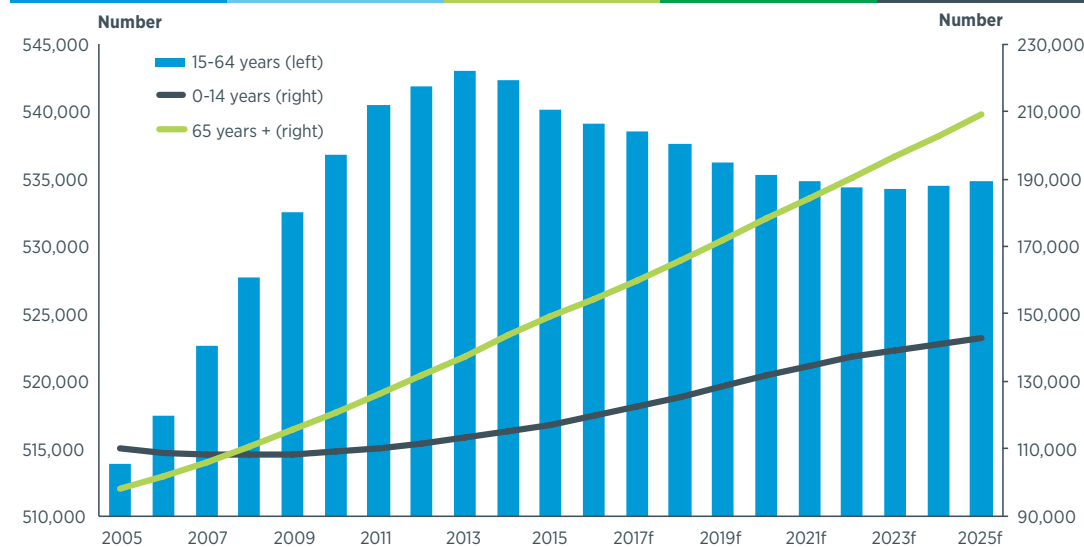
⁶ Source: Statistics Canada, Labour Force Survey, 2015

2015 | 2016

is reflected in net interprovincial migration. Between 2010 and 2015, we counted an average of 620 more outgoing than incoming persons, 4.4% higher than during the 2005 to 2010 period (+14.4% in Québec). Efforts such as the 1000raisons.Québec campaign may contribute to slowing down migration and attract, most especially, workers and entrepreneurs who are able to support business growth and economic development in the greater Québec City region.

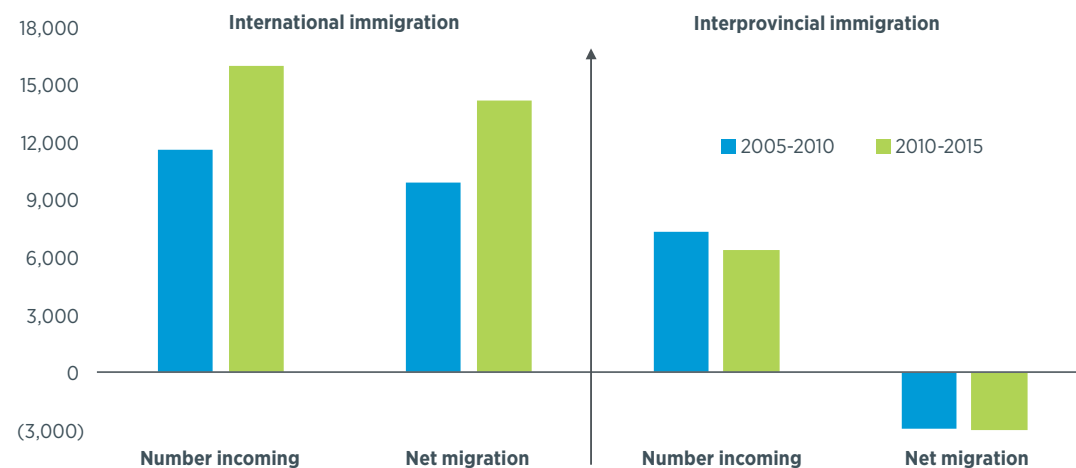
Demographics: Change in population in the Québec City CMA, 2005-2025

Growth rate relative to 2005



Sources: Institut de la statistique du Québec and Québec International

Portrait of migration in the Québec City CMA



Sources: Institut de la statistique du Québec and Québec International

DEMOGRAPHICS



TOURISM

The Québec City region is today a tourist destination which offers historical, cultural and natural attractions of international reputation. This industry includes companies which are mostly engaged in accommodation and food services, recreation and entertainment, in services for travellers and in public transportation. The economic weight of tourism in the region is thus relatively important. Many factors influence its overall performance from one year to the next. We find that the composite index of tourism activity was at 101.1 in 2015 compared to 100.9 in 2014, a 0.2 percentage point increase. This moderate gain in the index reflects a number of indicators, including hotel occupancy, store visits, and activity at the airport and the Port of Québec.

The index of attendance at tourism sites and attractions declined by 1.3 pp last year. One of the reasons cited to explain this decline is the particularly harsh winter in the region, the coldest in the last 20 years, which would have contributed to the 5.6% decline in business for outdoor activities. However, this decline was offset by the increase in other indicators, such as the store visits index, which has been trending upward since 2012.

As for the port, 2015 was a very good year for cruise tourism. Despite the decline in the number of cruise passengers (-7.1%), a new record of visits was attained with 122 stops by 29 ships. The forecasts for 2016 are no less optimistic. More than 100 cruise ship stops will bring visitors to the Port of Québec, a dozen of which are in the luxury or premium categories and 6 ships from 3 new routes will make their inaugural visit.

For the 13th consecutive year, the Jean-Lesage International Airport saw the number of passengers increase (2%) to reach a total of 1,584,713 passengers in 2015. This increase can be explained by the growth in domestic travellers (+6%) which account for the majority of visitors to the terminal (57.7%). Passengers to international destinations also increased in 2015 (+3.2%) in particular due to the increase in flights going south. The coming United States customs preclearance facility and construction projects and implementation of advanced airport technologies suggest an even more promising future for the airport in Québec City.

Regarding accommodation, the hotel occupancy index continued to rise last year with a 0.8 percentage point increase over 2014. The favourable exchange rate for international tourists was an important factor in promoting local spending. For 2016, new facilities will open their doors, including the Village Vacances Valcartier hotel complex and the Marriott Courtyard hotel in the Lebourgneuf district.

With investment projects underway or announced, the hotel and restaurant services sector will continue to generate significant economic benefits for the Québec City region. In 2015 alone, this sector generated more than 32,000 jobs in the Québec City CMA, more than 7% of total employment.



Crédit: Claudel Huot

Tourism indicators in the Québec City region

	2013	2014	2015	Change 2014-2015 %
Composite index of tourism activity	100	100.9	101.1	0.2
Hotel occupancy index	100	102.7	103.5	0.8
Attendance at tourism sites and attractions index	100	99.1	97.8	-1.3
Store visits index	100	105.0	106.6	1.5
Restaurant visits index	100	98.1	97.7	-0.4
Jean-Lesage international airport use index	100	107.7	109.9	2.0

Source: Office du tourisme de Québec

TOURISM



Credit: Claudel Huot

APPENDIX 1

MAIN ECONOMIC INDICATORS FOR THE QUÉBEC CITY CMA

	2005	2012	2013	2014	2015	2016f
Real GDP (\$M)	28,201.4	32,941.3	33,340.6	33,798.3	34,264.7	34,950.0
Annual change (in %)	2.3	1.6	1.2	1.4	1.4	2.0
Real GDP per capita (\$)	39,067	41,951	42,013	42,201	42,493	43,041
Annual change (in %)	1.8	0.5	0.1	0.4	0.7	1.3
Personal disposable income per capita (\$)	25,041	31,785	32,506	33,091	34,230	34,827
Annual change (in %)	2.3	3.7	2.3	1.8	3.4	1.7
Average salary (\$)	34,074	39,866	41,264	41,482	42,248	42,710
Annual change (in %)	-0.4	3.2	3.5	0.5	1.8	1.1
Population	721,871	785,228	793,570	800,879	806,359	812,000
Annual change (in %)	0.5	1.1	1.1	0.9	0.7	0.7
Labour market						
Active population	403,000	452,000	449,800	457,900	464,200	460,000
Annual change (in %)	3.6	0.7	-0.5	1.8	1.4	-0.9
Number of jobs	380,600	429,100	428,500	433,700	442,300	440,000
Annual change (in %)	3.8	0.9	-0.1	1.2	2.0	-0.5
Job creation	14,100	3,900	-600	5,200	8,600	-2000
Manufacturing	40,700	27,600	28,400	31,300	33,800	n.a.
Food processing	5,200	5,500	4,300	6,100	4,700	n.a.
Chemical products	n.a.	1,900	2,000	n.a.	1,600	n.a.
Rubber and plastic products	2,100	n.a.	1,600	1,500	1,500	n.a.
Metal products	2,600	3,400	3,100	2,000	2,600	n.a.
Transportation equipment and machinery	3,800	2,500	4,500	3,500	1,700	n.a.
IT, electrical and electronic products	2,700	n.a.	n.a.	2,800	2,300	n.a.
Construction	17,300	23,100	25,000	23,300	26,000	n.a.
Services	316,200	374,600	370,700	373,700	377,000	n.a.
Public services	117,100	146,700	143,800	144,200	151,900	n.a.
Financial insurance and real estate services	29,700	34,400	31,600	31,600	32,200	n.a.
Professional, scientific and technical services	21,700	38,800	38,300	37,300	35,900	n.a.
Commerce	61,500	59,100	61,600	61,600	64,700	n.a.
Transport and warehousing	15,600	16,600	18,400	14,400	13,100	n.a.
Hotel and restaurant industry	26,700	31,500	28,100	34,300	32,700	n.a.
Unemployment rate (in %)	5.5	5.0	4.7	5.3	4.7	4.5
Labour force participation rate (in %)	67.9	68.9	68.0	68.8	69.3	68.0
Employment rate (in %)	64.1	65.4	64.8	65.2	66.0	65.0

2015|2016

APPENDIX 1

	2005	2012	2013	2014	2015	2016f
Housing market						
Housing starts	5,835	6,416	4,680	4,449	5,442	n.a.
Annual change (in %)	(5.7)	17.8	-27.1	-4.9	22.3	n.a.
Re-sale market	n.a.	7,219	6,273	6,468	6,622	6,600
Annual change (in %)	n.a.	-0.3	-8.6	3.1	2.4	-0.3
Average sale price (\$)	n.a.	257,942	267,203	264,366	265,198	265,730
Annual change (in %)	n.a.	5.1	3.6	-1.1	0.3	0.2
Vacancy rate (in %)	1.4	2.0	2.3	3.1	4.0	5.0
Retail sales (\$M)	9,793	12,710	13,098	13,315	13,525	14,032
Annual change (in %)	5.2	1.7	3.1	1.7	1.6	3.7
Inflation rate (in %)	2.2	2.2	0.9	1.3	1.0	1.7
Office buildings						
Vacancy rate (in %)	4.3	6.0	6.0	6.2	7.3	n.a.
Gross rent (\$/ft ²)	17.80	21.76	21.70	21.73	22.72	n.a.
Number of buildings	182	209	216	218	220	n.a.
Total square feet	15,230,134	17,739,855	18,508,926	18,643,453	18,825,928	n.a.
Value of building permits (\$000)	1,204,754	1,664,723	1,796,451	1,608,363	1,459,019	n.a.
Commercial (\$000)	264,152	318,685	547,664	326,380	298,627	n.a.
Industrial (\$000)	53,280	66,172	118,552	65,907	71,225	n.a.
Institutional (\$000)	63,294	108,621	193,226	190,067	129,595	n.a.
Residential (\$000)	824,028	1,171,245	937,009	102,009	959,572	n.a.
Personal bankruptcies	n.a.	1,755	1,867	1,748	1,926	n.a.
Business bankruptcies	n.a.	113	131	147	135	n.a.
Hotel occupancy rate (in %)	56.3	57.4	57.8	58.2	61.7	n.a.

f: forecast n.a.: not available

Sources: Conference Board of Canada, Statistics Canada, Canada Mortgage and Housing Corporation, Québec Statistical Institute, Québec Federation of Real Estate Boards, Office of the Superintendent of Bankruptcy Canada, Altus Group, Desjardins Group and Québec International



APPENDIX 2

LIST OF MAIN, PRIVATE, NON-RESIDENTIAL, INVESTMENT PROJECTS IN PROGRESS OR ANNOUNCED IN THE QUÉBEC CITY CMA

Investment (\$M)	Business	Geographic area	Sector of activity	Project
600.0	Groupe Dallaire	City of Québec	Mixed Real estate	Real estate project - Le Phare
500.0	Port of Québec	City of Québec	Transportation	Expansion and modernization of port facilities
277.0	Jean-Lesage International Airport	City of Québec	Transportation	Expansion and modernization of airport facilities
245.0	Medicago	City of Québec	Health	Construction of a research and production complex
200.0	Oxford	City of Québec	Commercial	Modernization - Galeries de la Capitale
125.0	Développement immobilier GCS	City of Québec	Mixed real estate	Real estate complex - La Ceinture de la Pyramide
110.0	Ivanohé-Cambridge	City of Québec	Commercial	Modernization - Place Ste-Foy
65.0	Village Vacances Valcartier	Saint-Gabriel-de-Valcartier	Accommodation	Construction of a hotel and an indoor water park
60.0	Ex Machina	City of Québec	Culture and leisure	Construction of a concert hall - Le Diamant
54.0	TELUS	City of Québec	ITC	Improvement of the cellular and fibre optic network
35.0	Olympus NDT	City of Québec	Fabrication	Construction of a research centre
32.9	OVH	City of Québec	ITC	Construction of a laboratory
30.0	Lixi Group	City of Québec	Accommodation	Construction - Hotel Marriott Courtyard
30.0	Hampton Inn & Suites	Lévis	Accommodation	Construction - Hotel
18.0	YMCAs of Québec	City of Québec	Culture and leisure	Construction of a community centre

2015 | 2016

LIST OF MAIN PUBLIC INVESTMENT PROJECTS IN PROGRESS OR ANNOUNCED IN THE QUÉBEC CITY CMA

Investment (\$M)	Public entity	Geographic area	Sector of activity	Project
2,600.0	Société québécoise des infrastructures	City of Québec	Health	Construction of Enfant-Jésus mega hospital
165.0	Government of Canada	City of Québec	Defense	Modernization - La Citadelle
158.0	Hôtel-Dieu de Lévis	Lévis	Health	Construction of integrated regional centre for cancerology
130.0	Commission de la capitale nationale du Québec	City of Québec	Culture and Leisure	Promenade de Champlain - phase 3
124.5	City of Québec	City of Québec	Services publics	Construction of a biogas plant
104.0	Government of Canada	City of Québec	Defense	Reconstruction - Armoury
97.5	City of Québec	City of Québec	Culture and Leisure	Construction - Covered skating rink
95.0	Ministry of Transportation of Québec	City of Québec	Transportation	Repair - Québec Bridge
60.0	National Assembly of Québec	City of Québec	Public services	Modernization and standardization of security systems
60.0	Research Centre of the Québec Mental Health Institute (IUSMQ)	City of Québec	Health	Expansion
56.0	City of Québec	City of Québec	Culture and Leisure	Modernization of the Gabrielle-Roy library
40.0	Société québécoise des infrastructures	City of Québec	Culture and Leisure	Development - Place des canotiers
40.0	City of Québec	City of Québec	Public security	Redeployment of police services
38.8	RAMQ	City of Québec	Insurance	Modernization of premises
28.0	Ministry of transportation of Québec	City of Québec	Transportation	Widening - Henri-IV Autoroute

APPENDIX 2



APPENDIX 3

LIST OF MAIN EMPLOYERS BY ACTIVITY SECTOR IN THE QUÉBEC CITY CMA

Information technology	Number of employees
CGI	1,000 - 2,400
Fujitsu Conseil	1,000 - 2,400
TechnoConseil inc.	300 - 499
G.D.G. Informatique et gestion inc.	300 - 499
ACCEO Solutions	100 - 299

Telecommunications	Number of employees
HS Télécom	300 - 499
TELUS Québec	100 - 299
Signalisation Ver-Mac	100 - 299
Siemens Canada Ltée	less than 100
Orizon Mobile	less than 100

Electronics	Number of employees
Olympus NDT Canada	300 - 499
Festo Didactic	300 - 499
Gecko Alliance	100 - 299
Éclairage Contraste ML inc.	100 - 299
Techsol Marine	less than 100

Optics-photonics	Number of employees
EXFO	500 - 699
Creaform inc.	300 - 499
Optel Vision	100 - 299
ABB inc. division solutions analytiques	100 - 299
TeraXion	100 - 299

Software	Number of employees
Oracle Taleo Canada	300 - 499
Innovmetric Logiciels	100 - 299
Microflex 2001 L.L.C.	less than 100
Baan	less than 100
CTRL Informatique	less than 100

Web development	Number of employees
Ellicom	less than 100
Mirego	less than 100
NovAxis Solutions inc.	less than 100
De Marque	less than 100
Spektrum	less than 100

Digital arts	Number of employees
Valéa productions	less than 100
EX MACHINA	less than 100
Rodeo FX	less than 100
Nova Film	less than 100
Productions Dinosaures 3D inc.	less than 100

Interactive entertainment	Number of employees
Ubisoft	300 - 499
Frima Studio	300 - 499
Beenox inc.	100 - 299
Animation Squeeze Studio	less than 100
Sarbakan	less than 100

Biopharmaceutical	Number of employees
GlaxoSmithKline	500 - 699
Inventiv Health Clinical	300 - 499
BD Diagnostics-GeneOhm	300 - 499
Medicago	100 - 299
Endoceutics	less than 100

Insurance	Number of employees
Desjardins Sécurité financière	4,000 - 5,400
iA Groupe financier	1,000 - 2,400
Capitale assurances et gestion du patrimoine	1,000 - 2,400
SSQ Assurances générales	700 - 999
Promutuel Assurance	700 - 999

Health and education	Number of employees
CHU de Québec	10,000 - 15,000
Université Laval	5,000 - 9,999
Institut universitaire de cardiologie et de pneumologie de Québec	1,500 - 2,999
Commission scolaire des Découvreurs	1,500 - 2,999
Institut universitaire en santé mentale de Québec	1,000 - 1,499

2015 | 2016

APPENDIX 3

Medical technologies	Number of employees
Corporation STERIS Canada	100 - 299
Savard Ortho Confort	100 - 299
M2S Électronique	100 - 299
Orthofab	less than 100
TSO3	less than 100

Cosmetics and Natural health products	Number of employees
Pharmalab	100 - 299
Atrium Innovations inc.	less than 100
PerfectLAB	less than 100
BainUltra inc.	less than 100
Lucas Meyer Cosmetics	less than 100

Food processing	Number of employees
Avico	500 - 699
Biscuits Leclerc Itée	500 - 699
Frito Lay Canada	300 - 499
Alex Coulombe Itée	300 - 499
Multi-Marques	300 - 499

Wood processing	Number of employees
Teknion	700 - 999
Préverco inc.	100 - 299
Produits Forestiers Résolu	100 - 299
Concept Avanti	less than 100
Cuisines Bernier inc.	less than 100

Rubber, plastic and composite materials	Number of employees
PH Tech inc.	100 - 299
Novik	100 - 299
Groupe PolyAlto	100 - 299
Caron et Guay	100 - 299
Tilton inc.	less than 100

Metal products	Number of employees
Supermétal	300 - 499
Canam-ponts	300 - 499
Solaris Québec inc.	300 - 499
Julien	100 - 299
Sani Métal	100 - 299
Honco	100 - 299

Machinery and Transportation equipment	Number of employees
Davie	700 - 999
Labrie Enviroquip Group	300 - 499
SBI Fabricant de poêles international inc.	100 - 299
G.E. Canada	100 - 299
Wajax Systèmes de puissance	100 - 299

Environment and energy	Number of employees
Gaz Métro	1,000 - 2,400
Valéro	500 - 699
Gaudreau Environnement inc.	100 - 299
Services Matrec inc.	100 - 299
GLR inc.	100 - 299

Finance	Number of employees
Fédération des Caisses Desjardins du Québec	6,000 - 7,400
Banque Nationale	700 - 999
Banque Royale	100 - 299
Banque Laurentienne	100 - 299
CIBC	100 - 299

Accommodation	Number of employees
Hôtel Palace Royal	1,000 - 2,400
Fairmont Le Château Frontenac	700 - 999
RCR	700 - 999
Village Vacances Valcartier	500 - 699
Camp de Jour Keno	500 - 699

Restaurants	Number of employees
Mc Donald's	1,000 - 2,400
Tim Hortons	1,000 - 2,400
Restaurant Normandin	1,000 - 2,400
Rôtisseries St-Hubert	1,000 - 2,400
Ashton (Chez)	500 - 699



GLOSSARY

DEMOGRAPHICS

Natural growth

Change in the total size of a population due to births and deaths.

Census metropolitan area (CMA)

An area consisting of one or several neighbouring municipalities situated around a major urban centre. To form a census metropolitan area, the urban centre should have at least 100,000 inhabitants. To form a census area, the urban centre must have at least 10,000 inhabitants.

Net migration

Net migration is the difference between the number of persons entering a jurisdiction and the number who leave during a year. This concept is independent of nationality.

LABOUR MARKET

Unemployed

A person available to work who is without work and who is actively searching for work.

Employment

The totality of persons having performed any sort of work for remuneration or to obtain a profit as well as persons absent from their work but who maintain an employment link.

Replacement index

The replacement index is the ratio between the number of youth (aged 20-29 years) who may potentially enter the labour market and the number of persons who are liable to retire (aged 55-64 years), multiplied by 100.

Active population

Civilian population aged 15 and over, not in any institution or on a native reservation, who is employed or unemployed.

Working age population

Civilian population aged 15 to 64.

Average salary

The amount paid to full-time (more than 30 hours a week) workers during a normal working year.

Labour force participation rate

Active population expressed as a percentage of the population aged 15 and over.

Unemployment rate

Number of unemployed persons expressed as a percentage of the active population.

Employment rate

Number of persons with a job expressed as a percentage of the population aged 15 and over.

ECONOMIC ACCOUNTS

Bankruptcy

State of being bankrupt or becoming bankrupt.

Gross domestic product

Value with no double counting of goods and services produced in a region over a given period of time, without considering whether the production factors are foreign owned or not. The GDP at base prices corresponds to the GDP calculated at market prices, minus applicable taxes levied on products, plus consumer subsidies.

Personal disposable income

Personal income minus direct taxes on individuals, social insurance contributions and other current transfers to public administrations.

Inflation rate

Inflation is the loss of purchasing power of currency associated with a general and sustained increase in price levels.

INVESTMENTS AND BUILDING PERMITS

Investments

Investments are expenditures on fixed assets relating to new construction, improvements to existing buildings as well as the purchase of new machines and equipment. These expenditures exclude the purchase of land or used machines or equipment (so long as they are not imported).

Public sector investments

These are capital expenditures of public enterprises and public administration, carried out at the federal, provincial or local level.

Building permits

The value of building permits is the value of construction permits to construct new buildings or to perform capital improvements on buildings.

Value of building permits

The value of intended construction of building in the non-residential and residential sectors.

HOUSING MARKET

Co-ownership

A mode of property ownership where the ownership of a real estate asset is shared in lots between co-owners.

Rental housing

Residential housing or building available for rent.

Plex

Rental property with 2-5 housing units.

Single family dwelling

Individual housing unit entirely separated from other dwellings or buildings.

Housing starts

Number of new housing units in a given geographic region, for which construction began in a particular year.

Average sale price

Average selling price of a housing unit during a given period.

Re-sales

Number of sales of pre-existing units during a given period.

Vacancy rate

The indicator of the vacancy rate of rental housing measures the percentage of all apartments and townhouses which are unoccupied and for rent.

TOURIST ACTIVITY

Hotel occupancy rate

Ratio between the average number of occupied rooms and the number of rooms offered by hotels open in a given area.

OTHER

Durable good

Good which is not destroyed during its use and which generally undergoes wear and tear over the long-term.

Non-durable good

Consumer good which disappears or is destroyed after its first use, except in cases where its value generally declines rapidly over time and/or it undergoes a change into a different type of commodity.





Manufacturing sector

The manufacturing sector is comprised of establishments whose principle activity is to transform materials or substances into new products by chemical, mechanical or physical processes.

Public services

Includes services of general interest provided by private or public enterprises as well as public administration and education, health or social services.

MAIN ABBREVIATIONS

n.a.: data not available

f: forecast

r: revised data

pp: percentage points

\$: in dollars

M: in millions

B: in billions





In order to fulfil its various roles, Québec International is reliant on financial support from the Government of Québec, Economic Development Canada and the City of Québec, as well as from a vast network of public and private partners.