PROVINCIAL ECONOMIC FORECAST

TD Economics

June 22, 2017

PROVINCIAL ECONOMIES FIRING ON ALL CYLINDERS WITH GROWTH CONVERGING IN 2018

Highlights

- The near-term outlook for most provincial economies has improved since our last quarterly Provincial Economic Forecast in March. This is reflective of the stronger than expected growth and hiring performance in the first half of 2017, as the momentum from the end of 2016 carried through.
- After a three-year hiatus, we expect economic activity to rebound across the oil producing provinces, propelling them up the leaderboard this year and next. On the flip side, the expansions in Ontario and B.C. are projected to decelerate but remain at or slightly ahead of the national average. The remaining provinces are expected to record steady but modest gains in the 1-2% range over the forecast horizon.
- While economic prospects have brightened, the outlook is not without risks, with U.S. trade relations and domestic housing markets topping the list.

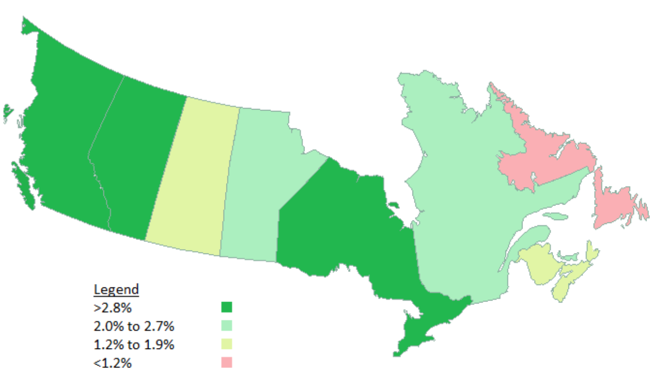
The near-term outlook for most provincial economies has improved since our last quarterly Provincial Economic Forecast in March, largely reflecting unexpectedly strong growth and hiring performances in the latter part of 2016 and first half of 2017. Eight provinces – all but Newfoundland & Labrador and Nova Scotia – have received notable upward adjustments to 2017 economic growth. Upgrades to nominal GDP growth for this year have been even more pronounced, and should benefit federal and provincial government coffers.

Recent laggards to climb the growth charts

Importantly, these hefty revisions to the 2017 view do not change the overriding theme embedded in recent forecast publications of convergence among provincial performances. After a three-year hiatus, we expect a rebound in the oil-producing provinces to propel them up the leaderboard this year and next. Indeed, after two years of deep recession, Alberta is anticipated to record nation-leading growth of 3.7% in 2017 – a sharp turnaround that is poised to account for a full percentage point of the 1.3 percentage point acceleration in Canada's forecasted growth rate to 2.8% this year. On the flip side, expansions in Ontario and B.C. are projected to decelerate, but remain at or slightly ahead of the national average. The remaining provinces are expected to record steady but modest gains in the 1-2% range over the forecast horizon.

While economic prospects have brightened this year, the outlook is not without risks. Ongoing uncertainty surrounding trade policy,

PROVINCIAL REAL GDP GROWTH FORECAST (2017)



Source: TD Economics. Forecast as of June 2017.

Beata Caranci, SVP & Chief Economist, 416-982-8067
Michael Dolega, Director & Senior Economist, 416-983-0500
Dina Ignjatovic, Economist, 416-982-2555

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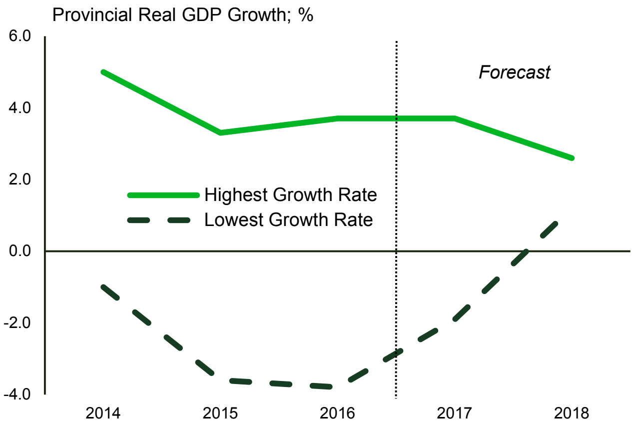
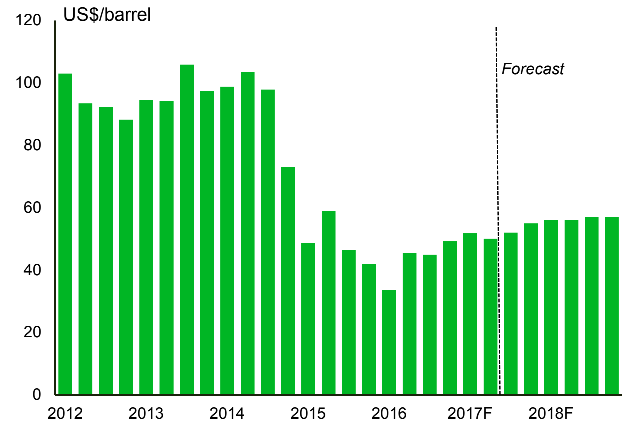
CHART 1: PROVINCIAL PERFORMANCE TO INCREASINGLY CONVERGE



Source: StatCan, TD Economics

CHART 2: CRUDE OIL PRICES



Source: Haver Analytics, Forecast by TD Economics as at May 2017.

with NAFTA renegotiation likely kick to off this summer, will keep exporters on their toes. The uncertainty is likely to limit business investment in regions dependent on trade with the United States. Already the Trump Administration has announced a countervailing duty on Canadian softwood lumber, which will hurt producers in a number of provinces, with B.C., Quebec and New Brunswick most exposed. An anti-dumping duty could follow in the coming weeks, exacerbating the impact.

The recent pullback in crude oil prices below US$45 per barrel highlights the ongoing challenges facing oil-producing provinces. We expect this decline to be transitory, with the WTI benchmark likely to rebound above US$50 per barrel in the second half of this year, as the OPEC/non-OPEC production cuts begin to impact global balances. However, persistent weakness in prices remains a possibility and poses downside risk to our forecast for Alberta, Saskatchewan and Newfoundland and Labrador.

On the domestic front, the housing market remains the key risk, particularly in regions that have seen an outsized contribution to growth in recent years such as B.C. and Ontario. In Ontario, the impact of recent measures by the provincial government to cool housing activity in the Greater Golden Horseshoe has so far had the intended consequences. Meanwhile, other markets – such as in B.C., Quebec and PEI – have experienced significant upside momentum. Ultimately, all markets will be impacted as interest rates begin to rise off their current extraordinarily low levels later this year.

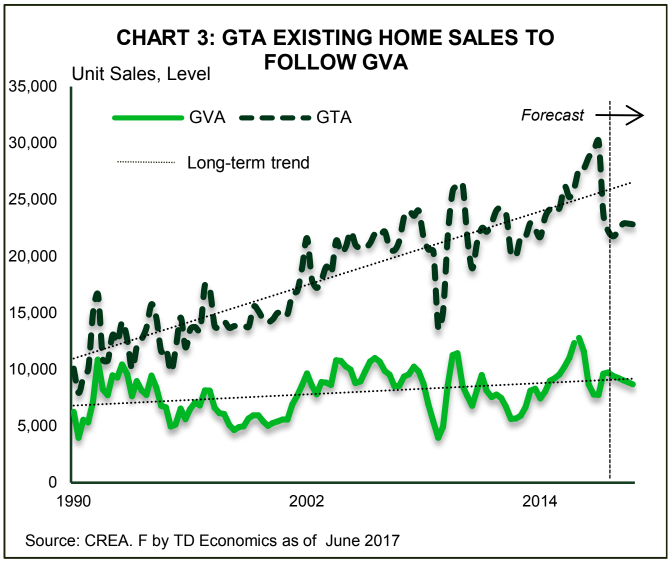
In light of broadening strength both sectorally and regionally, the pull forward of monetary policy tightening by the Bank of Canada to the fourth quarter of 2017 from mid-2018 was a key feature in our recently-released national economic forecast. Still, the Canadian central bank is assumed to move more slowly than the U.S. Federal Reserve in reducing stimulus, which will limit the upside for the Canadian dollar from current levels.

Ontario following BC style cooling in housing

Supported in part by booming real estate activity and strong population growth, Canada's unequivocal growth leaders since 2014 have been B.C. and Ontario, which chalked up impressive annual gains of 3.3% and 2.6%, respectively. Recent data are consistent with another outsized advance in real GDP of nearly 3% this year, before growth rates likely moderate to a more sustainable rate of about 2% in 2018.

The **B.C.** economy barely lost a step over the past year, despite the implementation of housing policy measures both provincially and federally. Despite a hefty decline of sales into the early part of this year, growth in home prices (as measured by quality-adjusted home price indices) has remained resilient, helping to sustain robust construction activity and leading to positive wealth effects on household spending. The broader picture has remained supportive, including healthy in-migration, solid gains in natural gas and overall exports, as well as robust tourism activity. Moreover, after falling by 40% from the peak, home sales have begun to bounce back to above their 5-year averages.

While the province's housing market appears to have more room to run in the near term, prospects for a moderate back-up in interest rates is expected to mitigate against a continued run-up in activity next year. Additionally, over the medium term, wealth effects on spending are expected



to start diminishing. Within the new housing market, construction is expected to simmer down on the heels of last year's 33% surge in building activity. The implementation of the softwood lumber duty stateside is another headwind.

There remains some uncertainty in the province on the political front following the May provincial election. While it is not set in stone, power is expected to shift to an NDP-Green party coalition, which campaigned against development of the Kinder Morgan Pipeline, the Site C hydroelectric project and LNG development. At the very least, this change in power, if it occurs, could lead to delays in getting these projects off the ground, although the economic impact would likely be more of a medium-term story.

In **Ontario**, all eyes have been on the impacts of provincial government measures announced in late April aimed to cool housing activity in the Greater Golden Horseshoe. Early evidence suggests that the changes are having their desired effects of reducing the frenzy in the housing market. As we noted in a recent report, baseline impacts of these changes over the near term are likely to be on the same order as those experienced in Vancouver, while higher interest rates later this year should help keep the market in check.

Furthermore, similar to B.C., any cooling in the housing market is unlikely to derail the overall economy, as other industries are expected to remain in expansion mode. Manufacturing should benefit from steady growth in the U.S. economy, with machinery, wood, plastics and rubber, chemicals, and food expected to record solid growth. Even auto and parts manufacturing should grow modestly, despite the closure of an assembly plant in mid-2017. Wealth effects from past gains in home prices should keep consumer spending propped up, alongside solid wage growth, which has been hovering around 4%. Moreover, the government announced a sizable increase in the minimum wage, with a 23% hike set to take effect at the start of 2018, followed by a further 7% increase in 2019. While this would be beneficial for those workers who will likely spend much of the additional income, the higher wages are likely to flow through to slightly higher inflation in both those years and could limit job gains as employers are induced to invest in labour-saving technologies.

Manitoba getting a boost from construction

Manitoba had a solid performance in 2016, with the economy expanding by 2.4%. Engineering construction played a key role, as it was up by 20% due in large part to two electric generation and transmission projects. Construction activity in the province is expected to remain strong going forward, with non-residential construction boosted by dam and transmission line projects, and homebuilding activity expected to jump by 40% this year. This should help keep growth around 2% this year, before a reversal in new home construction underpins a deceleration to 1.3% in 2018. Also weighing on growth next year will be the transfer of a nickel mine to 'care and maintenance' in October, reducing output at the end of this year and in 2018. What's more, Manitoba Hydro has asked to increase electricity rates by 8% in each of the next five years which would reduce the spending power of households. In its latest Budget, the provincial government focused on spending restraint, aiming to cap expenditure growth at 2% beginning in next year. Accounting for population growth and inflation, this implies a decline in public spending. Plans for a new cross border port have been announced which bodes well for growth, but there are no details yet as to the timing of the project.

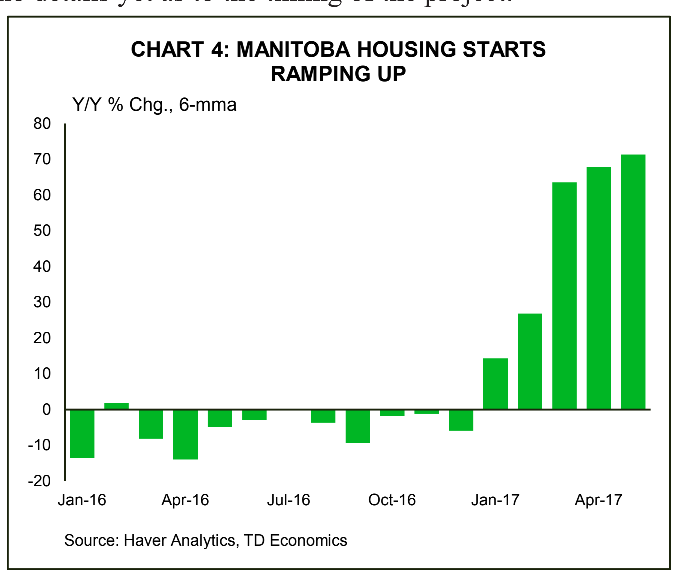
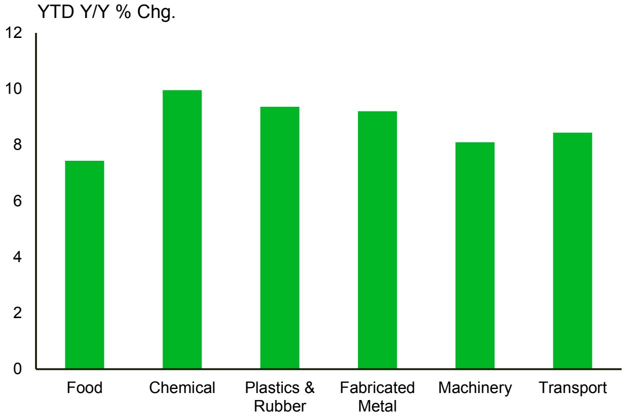


CHART 5: MANUFACTURING GAINS IN QUEBEC ARE BROADBASED



Source: Haver Analytics, TD Economics

Manufacturing boosting Quebec's economy

In **Quebec**, manufacturing activity kicked off the year with broad based momentum, following a disappointing 2016. This momentum should continue going forward, pushing growth above 2% this year. Several manufacturing industries, including food, chemicals, metals, machinery and transport are all set to grow at a solid pace. Wood manufacturing is also expected to remain healthy, although the recent announcement of softwood lumber duties for lumber headed to the U.S. poses some downside risk to the sector. Construction activity should help prop up growth this year, with housing starts expected to rise 5% and a number of non-residential projects providing additional support. That said, the strike that halted all construction in the province for a week in May will weigh during that month and shave back 2017 growth slightly. Healthy job gains and tax relief measures announced in the provincial budget should lead to strong consumer spending over the next two years. The budget also contained increased spending measures that could be supportive of growth going forward. Next year, growth will get a small boost from mining output, as an iron ore mine is set to restart at the end of this year. However, a contraction in homebuilding activity and a deceleration in the broader housing market will take some steam out of the economy. Still, growth should come in at a still healthy 1.7% in 2018.

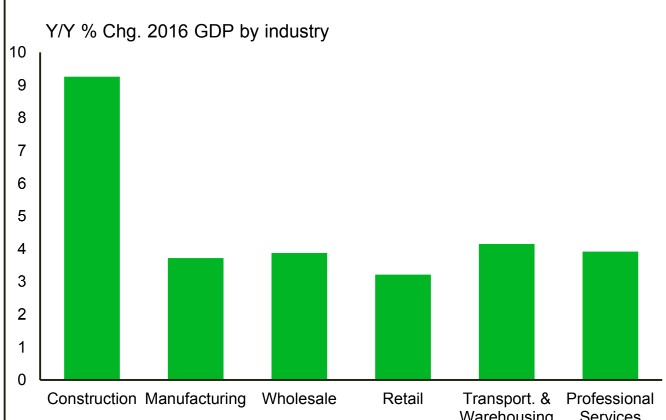
PEI leading the way in the East

Among the Maritime Provinces, **PEI** has been the clear outperformer, with the economy advancing by 2.4% in 2016 – tied with Manitoba for third in the country – and expected to continue growing at or above 2% through 2018. Strength has been fairly widespread, with construction, manufacturing, and a number of service sector industries advancing. Prospects remain bright for the province, as residential construction started the year off with a bang – housing starts are up 70% y/y – and will provide a solid lift to overall growth. Manufacturing also entered the year with some momentum and should remain quite healthy going forward this year, driven by the food and aerospace industry. Tourism has been a bright spot for the province and is expected to continue shining given the attractiveness of the Island's tourist destinations, as well as a stable and reasonably low Canadian dollar. Proposed changes to ferry service by the federal government is expected to result in improved service which could give tourism an added boost.

New Brunswick eked out a better-than-expected 1.4% pace of growth in 2016, driven by a solid performance in non-residential construction and tourism-related industries. While tourism should continue to support overall economic growth, the province will face some headwinds going forward. In addition to lower mining output with the closure of the potash mine last year and a sizable decline expected in residential construction this year, the softwood lumber duty poses a serious risk for the province's lumber industry. Most producers in the province were previously exempt from tariffs under the now-expired Softwood Lumber Agreement. Under the new U.S. initiatives, some sawmills could be forced to close if they are required to pay a hefty duty. Overall, economic growth in New Brunswick is expected to hold at just over 1% this year and next.

After a softer-than-expected 2016, **Nova Scotia**'s economy is expected to pick up some steam – with growth accelerating to 1.5% this year – driven largely by a double

CHART 6: PEI GROWTH HAS BEEN WIDESPREAD



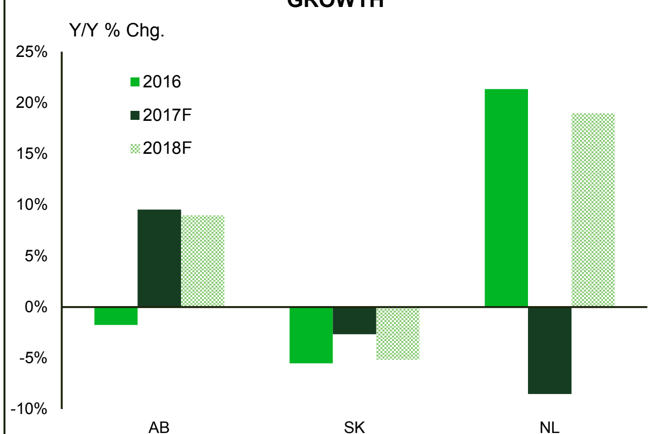
Source: Haver Analytics, TD Economics

digit increase in residential construction. A large chunk of the new home building is targeted toward seniors housing, which is in high demand given the province's aging population. Next year, however, new home starts are expected to fall by a similar magnitude, and will weigh on overall growth. Similarly, non-residential construction will help lift growth this year, but as major projects wind down – such as the Nova Centre and Maritime Link – support for economic growth will wane. Elsewhere, tourism is expected to remain strong going forward, while exports – particularly of seafood and agrifood – benefit from the implementation of Canada's free trade agreement with Europe in 2018.

Oil-producing regions see light at the end of the tunnel

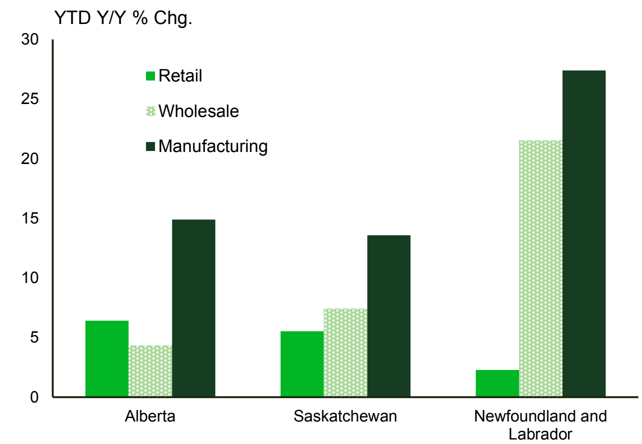
The oil-producing provinces had a mixed performance in 2016, with Newfoundland and Labrador managing to record growth of 1.9%, while the Alberta and Saskatchewan economies contracted for a second straight year. Indeed, **Alberta**'s larger-than-expected 3.8% contraction slightly outpaced that in 2015, providing scope for a bigger bounce back this year. Already, momentum in the province seems to have picked up, with manufacturing, retail sales, housing and employment all showing strength – a trend that is expected to continue throughout the year. A recovery in commercial real estate, however is lagging behind, with office vacancy rates still at 30%. While Alberta's recovery will be fairly widespread, the energy sector will play a key role, as new oil capacity and investment in the sector ramp up. The fire at an oil sands facility in mid-March that shut down production temporarily (expected to be running at full capacity by the end of June) is not anticipated to impact annual production levels, as planned maintenance was brought forward. The start-up of a new refinery in the province slated for the end of this summer will also contribute to growth in the sector. All told, Alberta's economy is projected to expand by 3.7% this year, before moderating to 2.6% in 2018. While an impressive performance – one that puts the province at the top of the leaderboard in both years – the growth is coming off a very low base and the level of economic activity in 2018 will remain below 2014 levels.

CHART 7: OIL PRODUCTION TO SUPPORT GROWTH



Source: CAPP, TD Economics

CHART 8: OIL-PRODUCING PROVINCES GAINING SOME MOMENTUM



Source: Haver Analytics, TD Economics

The rebound in **Saskatchewan** is expected to be more modest than Alberta's given that the contraction was shallower. However, growth in the province is expected to accelerate to 2% by 2018. The recovery is likely to be broad based, with manufacturing, wholesale and retail sales all picking up steam so far this year. And like Alberta, the energy sector is likely to contribute to growth this year, with rig counts nearly doubling during the first half of the year. Agriculture and mining are also expected to be supportive of growth. However, housing is unlikely to turn the corner until 2018, when both sales and homebuilding activity are projected to pick up. Providing some modest offset will be fiscal belt tightening, as the government is planning to reduce spending in the current fiscal year. Moreover, the increase in the PST and various other consumption taxes (only partially offset by lower income taxes) combined with the elimination of some tax credits will increase the tax burden on households and reduce disposable income. Still, a stronger job market should support consumer spending.

Despite the surprise performance last year – which pushed economic growth firmly into positive territory – **Newfoundland and Labrador**'s economy is not quite out of the woods. Much of the growth stemmed from a surge in oil production in the latter part of the year. Indeed, most other industries contracted last year, highlighting the fact that the province is struggling to gain some traction. That said, manufacturing and wholesale trade kicked off the year on a strong note, while retail spending also appears to be picking up some steam. Going forward, a few industries will see some improvement but challenges remain. Construction is likely to provide a major offset as double digit declines are expected in homebuilding activity this year. Meanwhile, higher fees and taxes that took effect in January will limit household spending. Moreover, the economy is unlikely to receive the same boost from oil production as it did last year. In fact, oil production is likely to give back some of last year's gains, weighing on economic activity. As such, we expect the economy to fall back into recession in 2017, contracting by nearly 2%. Next year, the economy will slowly improve, helped along by an uptick in the resource sector. A significant rise in oil output from the ramp up of the Hebron project, combined with construction of the West White Rose offshore project set to begin in late-2017, and higher output from an iron ore expansion project slated to come online in mid-2018 should all help to bring growth back into positive territory in next year.

Bottom Line

A strong handoff from 2016, combined with a remarkably robust start to the year, which has seen growth broaden, has led us to further upgrade our outlook for most regions in 2017. The theme of convergence among provincial growth rates remains in place however, with the oil producing regions rising to the top of the leaderboard by 2018, while growth B.C. and Ontario slow from their above-trend pace. While economic prospects have brightened, the outlook is not without risks, with U.S. trade relations, oil prices and domestic housing markets topping the list.

SUMMARY TABLES

REAL GROSS DOMESTIC PRODUCT (GDP) Annual average per cent change	2014	2015	2016E	2017F	2018F
CANADA	2.6	0.9	1.5	2.8	1.9
N. & L.	-1.0	-2.0	1.9	-1.9	1.8
P.E.I.	1.5	1.3	2.4	2.2	2.0
N.S.	0.8	1.0	0.9	1.5	1.2
N.B.	-0.1	2.3	1.4	1.2	1.2
Québec	1.3	1.2	2.0	2.3	1.7
Ontario	2.7	2.5	2.7	2.9	1.9
Manitoba	1.5	2.2	2.4	2.0	1.3
Sask.	2.4	-1.3	-1.0	1.8	2.0
Alberta	5.0	-3.6	-3.8	3.7	2.6
B.C.	3.3	3.3	3.7	2.9	2.0

E|F: Forecast by TD Economics as at June 2017.
Source: Statistics Canada / haver Analytics

NOMINAL GROSS DOMESTIC PRODUCT (GDP) Annual average per cent change	2014	2015E	2016E	2017F	2018F
CANADA	4.5	0.2	2.1	5.8	3.8
N. & L.	-1.3	-11.5	0.3	3.0	2.8
P.E.I.	3.5	3.9	3.4	4.4	4.1
N.S.	1.7	2.4	1.9	3.6	2.7
N.B.	1.0	2.9	2.3	4.6	3.2
Québec	1.9	2.6	3.5	4.4	3.3
Ontario	4.7	4.9	4.7	5.3	3.9
Manitoba	2.5	3.1	3.1	4.6	3.3
Sask.	1.3	-5.7	-2.0	6.2	4.3
Alberta	8.9	-12.5	-6.2	9.3	4.6
B.C.	5.2	3.8	4.8	5.9	4.0

E|F: Forecast by TD Economics as at June 2017.
Source: Statistics Canada / haver Analytics

EMPLOYMENT Annual average per cent change	2014	2015	2016	2017F	2018F
CANADA	0.6	0.9	0.7	1.5	0.7
N. & L.	-1.9	-1.0	-1.4	-2.4	-0.4
P.E.I.	-0.5	-0.9	-2.3	1.7	0.1
N.S.	-1.1	0.1	-0.4	0.9	0.0
N.B.	-0.2	-0.5	-0.1	0.3	0.2
Québec	-0.1	1.0	0.9	1.5	0.6
Ontario	0.8	0.7	1.1	1.3	0.7
Manitoba	0.1	1.5	-0.5	1.4	0.5
Sask.	1.0	0.6	-0.9	0.6	0.7
Alberta	2.2	1.2	-1.6	1.0	1.0
B.C.	0.6	1.3	3.1	3.0	0.8

E|F: Forecast by TD Economics as at June 2017.
Source: Statistics Canada / haver Analytics

UNEMPLOYMENT RATE Annual, per cent	2014	2015	2016	2017F	2018F
CANADA	6.9	6.9	7.0	6.6	6.5
N. & L.	11.9	12.8	13.4	14.3	14.4
P.E.I.	10.6	10.4	10.8	10.1	10.0
N.S.	9.0	8.6	8.4	8.0	7.9
N.B.	9.9	9.8	9.6	8.7	9.0
Québec	7.7	7.6	7.1	6.2	6.0
Ontario	7.3	6.8	6.6	6.3	6.4
Manitoba	5.4	5.6	6.1	5.6	5.7
Sask.	3.8	5.0	6.3	6.2	5.9
Alberta	4.7	6.0	8.1	8.0	7.5
B.C.	6.1	6.2	6.0	5.4	5.4

E|F: Forecast by TD Economics as at June 2017.
Source: Statistics Canada / haver Analytics

CONSUMER PRICE INDEX (CPI) Annual average per cent change	2014	2015	2016	2017F	2018F
CANADA	1.9	1.1	1.4	1.8	2.0
N. & L.	1.9	0.4	2.7	3.0	2.3
P.E.I.	1.6	-0.6	1.2	2.0	2.1
N.S.	1.7	0.4	1.2	1.7	2.2
N.B.	1.5	0.5	2.2	2.4	2.0
Québec	1.4	1.1	0.7	1.3	1.7
Ontario	2.3	1.2	1.8	2.0	2.1
Manitoba	1.8	1.2	1.3	1.9	2.1
Sask.	2.4	1.6	1.1	1.5	2.2
Alberta	2.6	1.2	1.1	2.0	2.5
B.C.	1.0	1.1	1.9	1.9	1.8

E|F: Forecast by TD Economics as at June 2017.
Source: Statistics Canada / haver Analytics

RETAIL TRADE Annual average per cent change	2014	2015	2016	2017F	2018F
CANADA	5.1	2.6	5.1	4.0	3.8
N. & L.	3.6	0.6	0.2	2.1	3.2
P.E.I.	3.6	2.8	7.7	6.1	3.0
N.S.	2.7	0.2	4.6	3.3	2.3
N.B.	3.6	2.1	1.8	3.5	3.1
Québec	2.4	1.8	6.2	4.8	3.5
Ontario	5.8	5.5	7.1	5.0	3.6
Manitoba	4.4	1.6	4.2	3.6	3.2
Sask.	5.0	-2.9	2.2	4.2	4.6
Alberta	7.9	-4.0	-1.2	4.5	5.0
B.C.	6.3	6.9	7.4	5.6	3.9

E|F: Forecast by TD Economics as at June 2017.
Source: Statistics Canada / haver Analytics

HOUSING STARTS Thousands of units					
	2014	2015	2016	2017F	2018F
CANADA	189.1	193.5	198.4	205.0	193.1
N. & L.	2.3	1.8	1.4	1.1	1.2
P.E.I.	0.5	0.5	0.6	0.9	0.9
N.S.	3.1	3.9	3.7	4.2	3.6
N.B.	2.3	2.0	1.9	1.7	1.8
Québec	39.1	36.7	38.6	40.6	38.5
Ontario	58.6	69.0	75.3	75.4	70.0
Manitoba	6.2	5.6	5.3	7.4	6.0
Sask.	8.3	5.2	4.9	4.8	4.9
Alberta	40.6	37.5	24.6	28.8	27.7
B.C.	28.3	31.5	42.1	40.2	38.5

F: Forecast by TD Economics as at June 2017.
Source: CMHC / haver2 Analytics

HOUSING STARTS Per cent change					
	2014	2015	2016	2017F	2018F
CANADA	0.6	2.3	2.5	3.3	-5.8
N. & L.	-21.3	-19.5	-22.9	-18.0	6.8
P.E.I.	-18.5	4.1	1.9	64.6	0.1
N.S.	-21.7	26.4	-4.0	12.1	-12.5
N.B.	-17.8	-15.1	-5.4	-9.4	6.2
Québec	3.9	-6.3	5.4	5.0	-5.1
Ontario	-3.8	17.7	9.2	0.1	-7.1
Manitoba	-17.6	-9.8	-4.5	39.9	-19.7
Sask.	-0.1	-37.4	-5.7	-1.9	1.6
Alberta	12.5	-7.5	-34.5	17.1	-3.7
B.C.	4.4	11.4	33.6	-4.4	-4.3

F: Forecast by TD Economics as at June 2017.
Source: CMHC / haver2 Analytics

EXISTING HOME SALES Thousands of units					
	2014	2015	2016	2017F	2018F
CANADA	476.7	502.3	534.7	521.1	507.9
N. & L.	4.2	4.3	4.1	3.5	3.5
P.E.I.	1.4	1.7	2.0	2.1	2.2
N.S.	8.9	9.2	10.0	10.2	10.5
N.B.	6.3	6.7	7.2	7.9	8.1
Québec	70.6	74.1	78.2	84.2	87.1
Ontario	201.5	220.6	242.0	217.6	202.2
Manitoba	13.8	14.0	14.6	14.9	15.1
Sask.	13.7	12.2	11.7	11.1	11.6
Alberta	71.8	56.5	52.2	56.5	57.5
B.C.	84.1	102.5	112.2	112.6	109.6

F: Forecast by TD Economics as at June 2017.
Source: Canadian Real Estate Association

EXISTING HOME SALES Per cent change					
	2014	2015	2016	2017F	2018F
CANADA	4.4	5.4	6.5	-2.6	-2.5
N. & L.	-3.5	2.4	-3.9	-15.1	0.7
P.E.I.	-0.6	17.0	21.9	4.5	3.8
N.S.	-2.2	3.2	8.1	1.8	3.3
N.B.	0.0	6.5	7.3	10.2	2.1
Québec	-0.8	5.0	5.5	7.7	3.3
Ontario	2.1	9.5	9.7	-10.1	-7.1
Manitoba	0.3	1.7	3.8	2.1	1.9
Sask.	1.2	-10.6	-4.5	-5.3	4.3
Alberta	8.6	-21.3	-7.6	8.2	1.9
B.C.	15.2	22.0	9.5	0.3	-2.6

F: Forecast by TD Economics as at June 2017.
Source: Canadian Real Estate Association

AVERAGE EXISTING HOME PRICE Thousands of C$					
	2014	2015	2016	2017F	2018F
CANADA	406.7	440.6	487.3	519.5	508.4
N. & L.	285.2	276.5	256.6	255.4	263.2
P.E.I.	163.6	162.1	176.8	194.9	205.6
N.S.	213.2	217.7	219.8	228.4	233.3
N.B.	161.0	159.3	161.8	165.9	165.9
Québec	271.4	275.3	283.9	296.0	302.9
Ontario	428.3	460.5	531.7	614.5	590.2
Manitoba	264.7	268.2	276.3	285.3	290.4
Sask.	298.0	296.8	294.5	294.8	297.0
Alberta	399.9	391.5	393.2	403.2	412.4
B.C.	570.4	637.2	681.4	701.2	714.2

F: Forecast by TD Economics as at June 2017.
Source: Canadian Real Estate Association

AVERAGE EXISTING HOME PRICE Per cent change					
	2014	2015	2016	2017F	2018F
CANADA	6.6	8.3	10.6	6.6	-2.1
N. & L.	0.5	-3.0	-7.2	-0.5	3.0
P.E.I.	5.5	-0.9	9.1	10.2	5.5
N.S.	-0.7	2.1	1.0	3.9	2.1
N.B.	-0.2	-1.0	1.6	2.5	0.0
Québec	1.4	1.5	3.1	4.3	2.3
Ontario	6.7	7.5	15.5	15.6	-4.0
Manitoba	1.5	1.3	3.0	3.3	1.8
Sask.	3.7	-0.4	-0.8	0.1	0.7
Alberta	5.2	-2.1	0.4	2.5	2.3
B.C.	6.1	11.7	6.9	2.9	1.9

F: Forecast by TD Economics as at June 2017.
Source: Canadian Real Estate Association