



Windsor-Sarnia Labour Market Monitor

~December 2009~

An overview of the Economic Region 570, ranging from Windsor to Sarnia, includes the census division of Chatham-Kent, and the counties of Essex and Lambton. The Labour Market Monitor is a monthly report focusing on labour market information produced by local Labour Market Information Analysts. For further information contact: mary.toffanello@servicecanada.gc.ca

Labour Force Trends/Survey

Employment in the Windsor-Sarnia economic region declined by 18,500 from December 2008 to December 2009. Job losses came from full-time employment (-11,300) and the rest from part-time employment (-7,200). The labour force fell by 13,900 due to fewer people working or searching for work. Declining employment caused the employment rate to drop by 3.6 percentage points to 56.1% and the participation rate fell by 2.7 percentage points to 62.3%. The number of unemployed people increased by 4,700 from December 2008 to December 2009, causing the unemployment rate to rise from 8.1% to 9.9%. This is the highest unemployment rate among all eleven economic regions in Ontario. Over the same period, the provincial unemployment rate rose from 6.4% to 8.3%. For more information, visit the Statistics Canada website at: <http://www40.statcan.gc.ca/l01/cst01/lfss05d-eng.htm>

Labour Market News by Industry

Accommodation and food services

A Little Caesars Pizza franchise opened in Amherstburg at the Walmart plaza.

Cross border travel by United States residents to Canada fell 2.6% in October 2009 from the previous month. It was the first decline in four months, both in same-day and overnight trips. Travel by Canadians to the U.S. also declined at 1.7%.

Agriculture

Completion of the \$120-million expansion at Suncor Energy's Mooretown ethanol plant next year means more corn will be needed to supply the plant. Currently Suncor buys 80% of its corn locally. Suncor will need roughly double the amount it was previously using, about 40 million bushels. Local farmers are getting slightly better prices for their corn from Suncor and other Ontario ethanol plants.

Construction

Construction of a new municipal hall in Leamington started this month. Oscar Construction was awarded the \$9.3-million contract.

The Windsor-Detroit bridge project received federal environmental approval this month, having already obtained final approval under US environmental legislation. The \$5-billion project, which still has a few major hurdles to surpass, could be underway as soon as 2011.

Construction activity in Sarnia has increased this year. In the first 11 months, \$95.9 million in permits were issued, up from \$94.7 million over the same period in 2008. City administration is expecting to issue a few more major project permits before year-end.

New home construction in Lambton County was up significantly in November. The Sarnia-Lambton Home Builders Association has experienced its slowest season in four or five years but in November building starts totalled 25 units. Twenty-two of the 25 homes were in Sarnia. This compares to only nine local housing starts in November 2008. The milder weather late in the year, improving consumer confidence, as well as a stronger resale market all had a positive effect.

Construction began on two major education projects at St. Clair College - a new fitness facility at the Thames Campus in Chatham and a media studies complex in Windsor. Architecturra Inc. and Amico Design Build were awarded contracts to renovate the old Salvation

Army building for the Windsor campus. This project is slated for completion in March 2010.

Educational services

St. Clair College received over \$1.5 million in funding from the Ontario provincial government's College Equipment and Renewal Fund to upgrade classroom and laboratory facilities.

Finance, insurance, real estate and leasing

Windsor's apartment vacancy rate dropped to 13% this October from 14.6% in October 2008. It was the only market in Ontario to see a decline, according to the Canada Mortgage and Housing Corporation (CMHC) fall rental market report. Reasons for the decline include record enrolment at St. Clair College and the University of Windsor and a decrease in first-time homebuyers. There has been no new rental construction in Windsor.

In October, the price of new homes in Windsor increased 0.2% from the previous month. This increase was slightly below the Canadian average increase of 0.3%. According to the Conference Board of Canada, 17 of Canada's 27 census metropolitan areas (CMAs), including Windsor, were showing positive expectations in December 2009 compared with the previous month.

In the Windsor-Essex region, the volume of home sales was up 69% in November compared to a year ago. The average house price of \$153,548 for November 2009 shows a decrease of almost \$16,700 from the same time a year earlier.

The home resale market in Sarnia showed strength in November, with sales up \$9.5 million over November 2008. Total sales for November reached \$25.8 million, the highest November total in a decade, and the average sale price climbed to \$188,566 from \$175,498 a year ago. Total 2009 cumulative sales of \$277 million, however, showed a decrease from the \$316 million cumulative total for November 2008.

Health care and social assistance

The Ontario government announced approval for an additional 19 family health teams, including one in Chatham. Family health teams consist of various health professionals including physicians, nurses, social workers and dietitians. The Chatham team is expected to be operational by 2011 or 2012.

The Windsor-Essex Therapeutic Riding Association will soon be able to provide services to more special needs clients. Using \$1.45 million in funding from the federal and provincial governments, a new riding facility is being built in Essex on North Malden Road. Construction on the project must begin before March 2010.

Manufacturing

The Ford Motor Company announced that the new engine for its 2011 Mustang GT will be built at the Essex Engine plant in Windsor. About 300 of the 991 Ford workers currently on layoff will be recalled when production begins in February 2010.

A new manufacturing facility producing piping and pressure vessel testing tools will open up in Wallaceburg in 2010. Advanced Emissions Technologies Ltd. of Sarnia announced that it will bring 50 to 75 skilled manufacturing jobs to the area, with the possibility of 50 to 150 more jobs in the longer term. The company plans to open in the former Waltec building.

Automotive parts suppliers and laid-off auto sector workers in the Windsor area could benefit from the announcement of a second shift at the Toyota plant in Woodstock. The expansion will take place at the end of March 2010 with 800 new jobs at the plant.

The normal Christmas shutdown at Chrysler plants in Ontario was extended this year. The Windsor plant shutdown, which started December 21st, is ending the week of January 18, 2010. The closing of a stamping plant in Twinsburg, Ohio and reallocation of the work to other factories were given as factors for the extension.

Public administration

Leamington City Council voted to disband its local police force and use a service contract with the Ontario Provincial Police (OPP). The option chosen by Council will keep the police office open 24 hours a day and retain 10 full-time jobs currently attached to the local service. Some dispatcher positions will be affected.

Transportation and warehousing

Truck traffic crossing the Blue Water Bridge into the United States increased 10% in November compared to last year in the same month. Likewise, early numbers for December show

2,800 trucks headed to the U.S. daily compared to 2,300 a year ago.

The shutdown of the Detroit-Windsor Truck Ferry for maintenance for 12 weeks beginning this month may slow truck traffic into the U.S., in that it will force some trucks out of their way to the Blue Water Bridge at Sarnia-Port Huron. Trucks carrying hazardous material as well those oversize or overweight tractor trailers are unable to use the Ambassador Bridge.

According to the Port Huron Lakes Pilots Association, Great Lakes freighter traffic was down this shipping season. The group had 40% fewer trips this year and attributed the decrease to a decline in commodities central to many North American industries, such as, iron ore, coal, limestone and grain. The season ends with the closing of the St. Lawrence Seaway on December 29th.

Utilities

Helios Energy Inc., a solar farm in the Amherstburg area, received federal environmental assessment (EA) approval for two phases of its \$300-million project. The 35-megawatt project is a venture with California-based SunPower Corporation, which manufactures solar panels and the mounting equipment.

Enbridge Inc. signed an agreement with First Solar to buy an additional 60 megawatts of electrical capacity from its solar farm in

southeast Sarnia. The \$300-million expansion, which will result in one of the largest photovoltaic solar energy facilities in North America, will generate enough power to meet the needs of over 12,800 homes. First Solar is using its own thin film photovoltaic technology in constructing the solar project for Enbridge. Construction of the 60-megawatt phase is expected to start this month and be operational by December 2010. First Solar does not anticipate requiring additional workers to complete the expansion.

First Solar also announced plans to build two more solar energy farms in St. Clair Township. The proposed sites include an industrial property adjacent to Highway 40 at Rokeby Line and a farmland site east of Baseline Road, between Bentpath Line and the McKeough Floodway. Pending provincial approval, these two new projects could begin in early 2011. Public consultations are planned for January 2010.

Note: In preparing this bulletin, Service Canada has taken care to provide clients with labour market information from reliable sources that is timely and accurate at the time of publication. Since labour market conditions are dynamic, some of the information presented here may have changed since the bulletin was published. Readers are encouraged to also refer to other sources for additional information on the local economy and labour market. Information contained in this bulletin does not necessarily reflect official policies of Service Canada.