




Economic Benefits Generated by Home Sales and Purchases Over MLS® Systems in Canada Between 2020 and 2022





Economic Benefits Generated by Home Sales and Purchases Over MLS® Systems in Canada between 2020 and 2022

Prepared for:
The Canadian Real Estate Association

Prepared by:
Altus Group Economic Consulting

33 Yonge Street Toronto Ontario M5E 1G4
Phone: (416) 641-9500 Fax: (416) 641-9501
economics@altusgroup.com
altusgroup.com

September 18, 2023

Table of Contents

Executive Summary 4

Economic Impacts of MLS® Systems Home Sales and Purchases 5

 Introduction 5

 Canada’s Macroeconomic Environment 6

 Housing Transactions Generate Significant Spending in the Economy 7

 Spin-Off Activity Is Rising Over Time 8

 Spin-Off Benefits of MLS® Systems Activity in Canada Average
 \$41.0 Billion Annually from 2020 to 2022. 9

 An Average of 233,209 Direct and Indirect Jobs Generated Annually
 by Home Sales and Purchases Through MLS® Systems in Canada 10

 Main Impacts from Housing Transactions are in Construction
 but Many Other Industries Also Benefit 12

 MLS® Systems Home Sales and Purchases Have a Major Impact
 on Job Creation in Every Province 14

Conclusion 16

Appendix 17

 Estimating Economic Benefits Generated by MLS® Systems
 Home Sales and Purchases 17

 Estimating The Expenditures Resulting From MLS® Systems
 Home Sales And Purchases 17

 Estimating The Economic Impacts of Expenditures Generated
 as a Result of Home Purchases. 18

EXECUTIVE SUMMARY

Resale housing transactions across Canada generate significant economic activity. The purchase and sale of homes via Canadian Multiple Listing Service® (MLS®) Systems¹ generates fees to professionals such as lawyers, appraisers, real estate professionals, surveyors, etc. as well as taxes and fees to government. In addition, when Canadians move to a new home, they typically purchase new appliances or furnishings and undertake renovations to tailor their new home to specific household requirements.

Altus Group estimates the average housing transaction between 2020 and 2022 in Canada generated an estimated \$75,968 in ancillary spending (spending by purchasers on items other than the actual home and land). Ancillary spending per transaction varied by region, ranging from approximately \$43,000 in Atlantic Canada to \$92,990 in British Columbia.

Considering there was an average of 572,500 home sales processed annually through MLS® Systems during between 2020 and 2022, ancillary spending attributable to moving homes totalled more than \$43.4 billion per year across Canada, a significant contribution to the overall Canadian economy.² Almost 50% of these spin-off benefits were generated in Ontario alone where home buyers contributed almost \$21 billion to the economy.

Direct and indirect employment resulting from home sales is also significant. An estimated 233,209 jobs were generated each year by average annual MLS® System resale housing activity in Canada between 2020 and 2022. Canada-wide, the finance, insurance, real estate, construction and professional service sectors benefited most from MLS® Systems home sales.

¹ Multiple Listing Service® and MLS® are registered certification marks owned by The Canadian Real Estate Association.

² The total is the sum of 10 provinces.



ECONOMIC IMPACTS OF HOME SALES AND PURCHASES OVER CANADIAN MLS® SYSTEMS

INTRODUCTION

Resale housing transactions across Canada generate significant economic activity. The purchase and sale of homes generates fees to professionals such as lawyers, appraisers, real estate professionals, surveyors, etc. as well as taxes and fees to government. In addition, home buyers often purchase new appliances or furnishings and typically undertake renovations to tailor their new home to specific household requirements.

To quantify these effects, the Canadian Real Estate Association (CREA) commissioned Altus Group Economic Consulting to prepare estimates of the economic impacts resulting from home sales and purchases over MLS® Systems in Canada between 2020 and 2022. At the national level, this report provides an update to similar efforts undertaken by Altus Group Economic Consulting on behalf of CREA since the early 1990s, and at the provincial level since 2007.

This report updates our analysis that was published in 2019 regarding the economic benefits from MLS® System home sales activity over the 2016-2019 period. Three measures of economic impact are assessed in this report:

- average ancillary spending per housing transaction (by region);
- annual average spin-off benefits based on all sales and purchases over Canadian MLS® Systems during the past three years; and
- annual average direct and indirect employment by sector generated through all sales and purchases over Canadian MLS® Systems during the past three years.

This report presents a review of these national and provincial estimates. The methodology used in its preparation is presented in the Appendix.



CANADA'S MACROECONOMIC ENVIRONMENT

The COVID-19 pandemic and ultra low interest rates set the macroeconomic backdrop for most of the 2020-2022 period. Though, these trends reversed course in 2022 with the full re-opening of the global economy, the resulting rising inflation and monetary tightening by the Bank of Canada.

For the period, the pace of national home sales recorded over Canadian MLS® Systems broke historical records, averaging 572,500, compared to the three-year average of 506,000 at the time of our last study (2016-2019).

Household investment and spending also hit record levels. Estimates suggest renovation spending in 2022 was up 54% from the time of the last report. Spending on big-ticket discretionary items, such as furniture and appliances, also accelerated when compared to the previous study.

The strength in home sales activity over Canadian MLS® Systems between 2020-2022 was generally wide-spread across the provinces, with significant strength in the Atlantic and Prairie Provinces.

All told, results show average ancillary expenditures generated by the purchase and sale of homes through Canadian MLS® Systems have increased very modestly since the previous report, with increased renovation spending.

In 2022, the momentum shifted in Canada's largest housing markets due to climbing interest rates, suggesting some of this activity will unwind by the time of our next report.

HOUSING TRANSACTIONS GENERATE SIGNIFICANT SPENDING IN THE ECONOMY³

Purchases and sales of homes trigger additional expenditures that have broad economic impacts.

A breakout of ancillary expenditures among the various goods and services typically associated with housing transactions for Canada and its five regions⁴ is contained in Figure 1, highlighting spending for 2019 (the last year of which data is available).

Spending data for 2019 show that a household spent more on housing-related goods and services in each of the three years following a purchase. There are a number of professional fees involved in the sale of a home, including legal and real estate fees, mortgage insurance premiums, fees for appraisals, surveys, and other services. Households also tend to spend more on items to furnish and decorate their home, including furniture, textiles and appliances.

Figure 1

Estimated Expenditures Generated by the Average Housing Transaction, Canada and Provinces, 2019

	Canada	Atlantic Region	QC	ON	Prairie Region	BC
	<i>Dollars</i>					
General Household Purchases	4,247	4,000	3,989	4,534	4,782	7,533
Furniture and Appliances	7,106	5,325	7,464	9,282	6,077	8,547
Moving Costs	1,452	1,785	990	1,137	1,188	3,111
Renovations	21,914	16,231	16,592	26,764	18,388	20,727
Services: financial, legal, real estate appraisal, services survey, other professionals	27,358	14,270	18,299	33,187	19,575	37,212
Taxes (excluding GST)	8,819	1,846	3,259	14,062	910	12,003
Total	70,896	43,457	50,593	88,966	50,920	89,133

Source: Estimates by Altus Group Economic Consulting based on special tabulations from Statistics Canada 2019 Survey of Household Spending.

The analysis reflects the importance of renovation work associated with moving to the economy – a figure that includes repairs and alterations to both the structure and the yard. Canada-wide, about \$21,914 was spent incrementally (that is, over and above typical spending) on renovations by those who moved in the three years prior to 2019. This figure captures incremental spending by owners of recently purchased homes during the first three years after the purchase, as well as expenditures by those preparing their homes for sale. Across Canada, incremental spending on renovations in 2019 varied from \$16,231 per household in Atlantic Canada to \$26,764 in Ontario.

There are also significant expenditures for furniture, appliances and general household purchases such as bedding, towels, lighting fixtures, tools, blinds, etc. By region, households in Ontario spend the most on these discretionary items, while households in the Atlantic Region spend the least. Spending on furniture, appliances and general household items per household has fallen compared to the 2019 report, meanwhile renovation spending per household has increased.

³ For purposes of this paper, a transaction is defined as the sale of a home by a vendor to a purchaser and all ancillary expenditures typically associated with the change of ownership.

⁴ Analysis based on data from the Survey of Household Spending (SHS). Due to SHS sample sizes, some of the analysis had to be conducted on a regional rather than provincial basis.

Each transaction through Canadian MLS® Systems generated about \$14,062 and \$12,003 in annual transfer tax revenues and land registration fees for governments in Ontario and British Columbia, respectively, in 2019. These figures are significantly higher than regions elsewhere in Canada.

SPIN-OFF ACTIVITY IS RISING OVER TIME

Total ancillary spending related to an average transaction through Canadian MLS® Systems is rising over time. The \$70,896 per transaction spending estimated in 2019 was almost 11% higher than the estimate from the previous study.

Estimates of ancillary spending per transaction from several previous studies by Altus Group are set out in Figure 2. Although there was a small methodology change in the 2017 study, the figure shows the trend between 1991 and 2015 on the old basis, and the trend from 2015 to 2019 on the new basis.

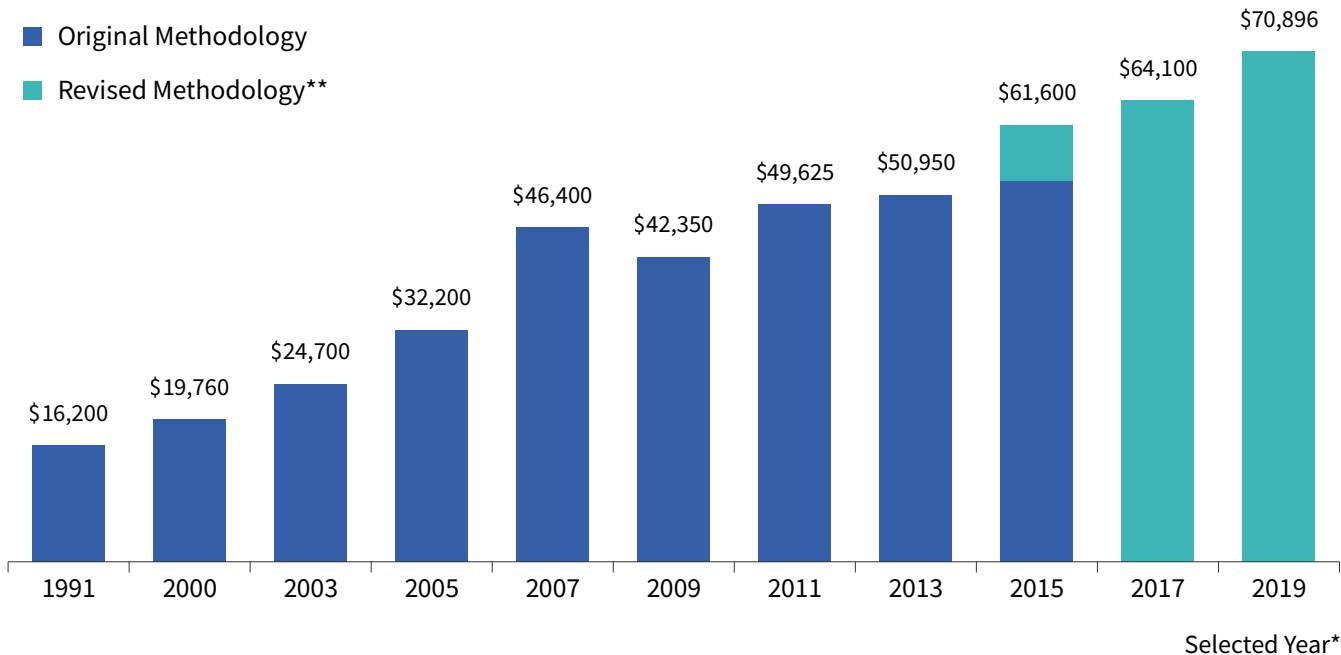
Based on the original methodology, between 1991 and 2015, average ancillary spending per transaction is estimated to have risen from \$16,200 to \$53,952, which amounts to a 5.1% annual average rate of growth.

On the revised methodology basis, between 2015 and 2019, average ancillary spending per transaction is estimated to have risen from \$61,600 to \$70,896, which amounts to a 3.6% annual average rate of growth.

A full explanation of the change in methodology can be found in the Appendix.

Figure 2

Ancillary Expenditures Generated by the Average Housing Transaction on MLS® Systems, Canada, 1991-2019



* Based on previous Altus Group Economic Consulting's reports for CREA.

** Revised methodology includes repair and renovation spending by vendors (see Appendix)

Source: Altus Group Economic Consulting.

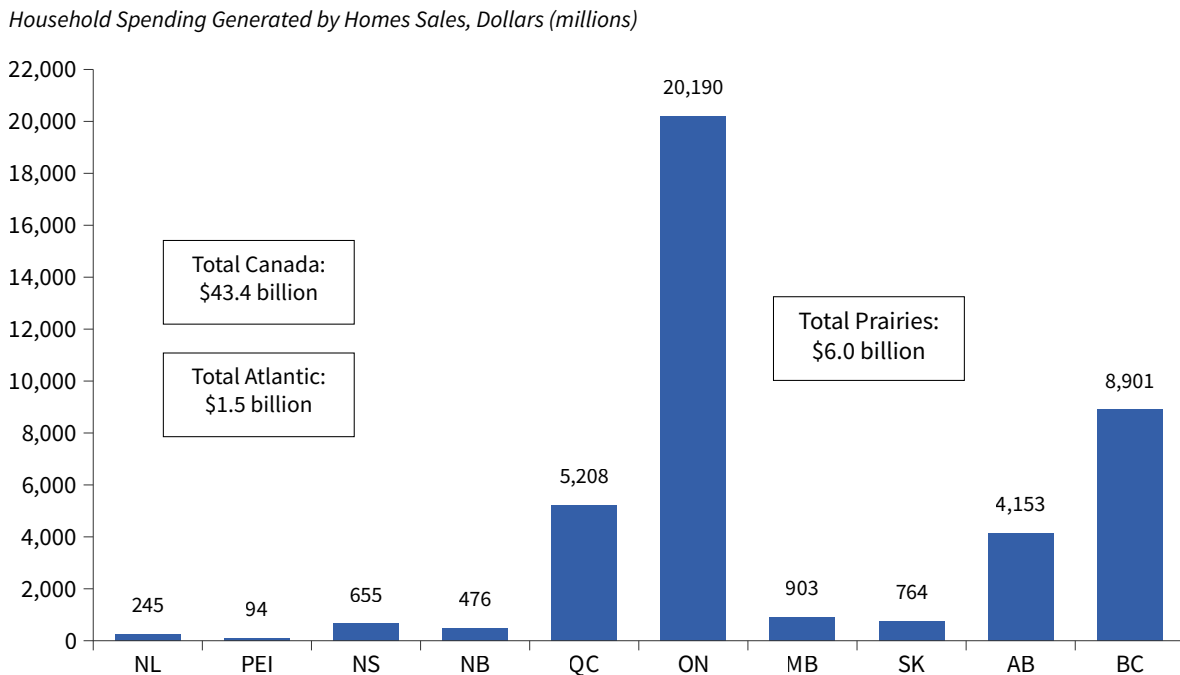
SPIN-OFF BENEFITS OF MLS® SYSTEMS ACTIVITY IN CANADA AVERAGE \$43.0 BILLION ANNUALLY FROM 2020 TO 2022

Accounting for inflation since 2019, the current study estimates that \$75,968 in total ancillary expenditures over a three year period were generated by the average housing transaction in Canada between 2020 and 2022.

There are a large number of resale housing transactions in Canada every year. Between 2020 and 2022, an average of 572,500 homes changed hands per year through Canadian MLS®.⁵

Figure 3

Average Annual Spin-Off Benefits of MLS® Systems Activity, Canada and Provinces, 2020-2022



Note: Figures may not add up due to rounding.

Source: Altus Group Economic Consulting based on Statistics Canada Survey of Household Spending.

Considering these sales generated an average of \$75,968 in additional expenditure per transaction, it's clear home purchases and sales generate significant volumes of spending and major spin-offs to other industries. For the average of 572,500 homes processed annually through MLS® Systems in Canada between 2020 and 2022, spending attributable to moving totalled approximately \$43 billion per year – a significant contribution to the total Canadian economy.

The distribution of spending has also shifted compared to the 2019 study. Compared to the 2016-2018 period (studied in the 2019 report), total incremental spending is higher; however, there's been a shift in spending toward renovations, professional services and taxes, away from most other spending categories related to moving.

Spin-off benefits from MLS® System home sales and purchases were significant in all provinces. Figure 3 illustrates total ancillary spending by province. While Quebec, Ontario, Alberta and British Columbia – Canada's most populous provinces – accounted for most of the spending, all provinces experienced millions of dollars in annual spin-off benefits from home sales.

⁵ This analysis excludes Yukon, the Northwest Territories and Nunavut.



AN AVERAGE OF 233,209 DIRECT AND INDIRECT JOBS GENERATED ANNUALLY BY HOME SALES AND PURCHASES THROUGH MLS® SYSTEMS IN CANADA

Expenditures on activities such as the purchase or sale of a home result in three distinct rounds of impacts on the economy (see Figure 4):

- **Direct impacts** – economic activity in the industries supplying products and services to home buyers. Examples include the jobs generated in the appliance, construction and real estate sectors involved in producing and providing the specific goods and services required by purchasers.
- **Indirect impacts** – economic activity in industries providing goods and services to the industries involved in the direct round. Examples include the raw materials and components used in producing appliances purchased by home buyers; the wood and other industries involved in providing inputs to the manufacture of building products used in home renovations; and the computers and other goods used by financial and real estate

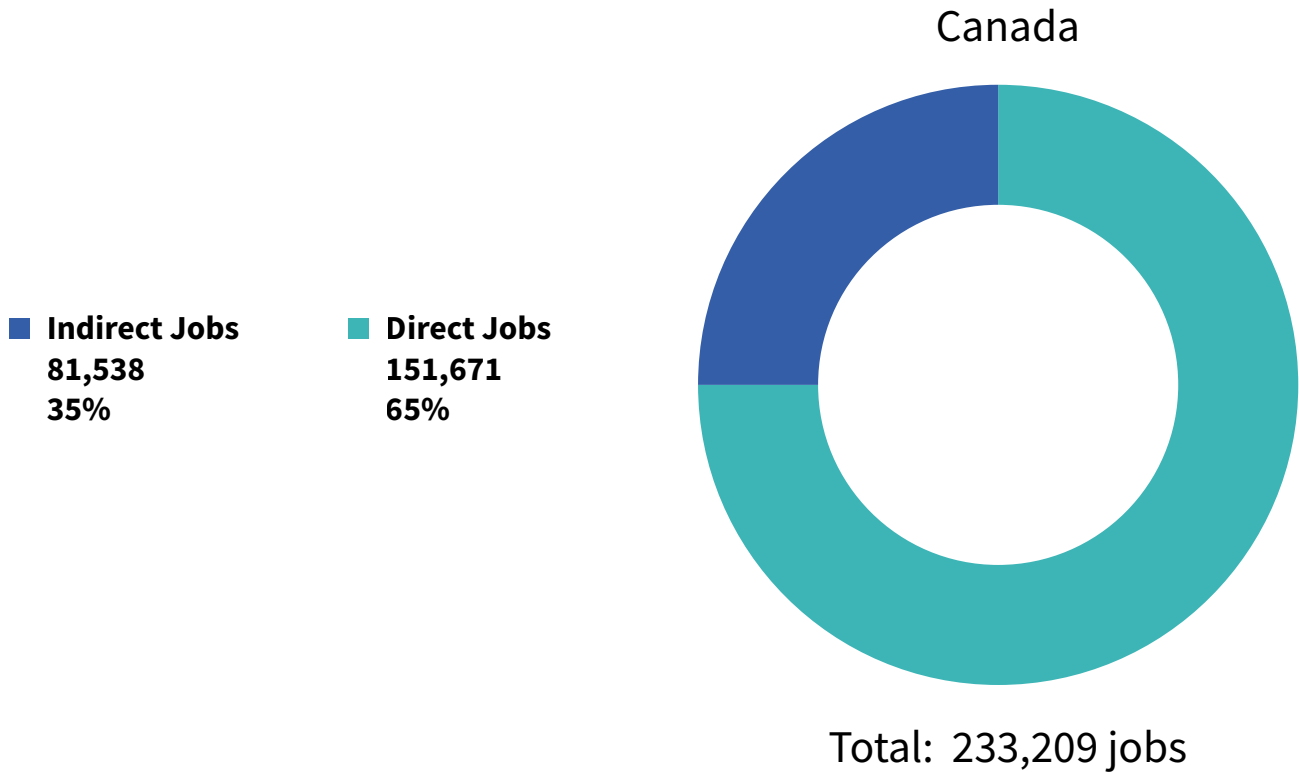
service firms involved in the sale or financing for the home. The chain reaction spreads across the economy and provides employment in a wide range of industries that supply those directly involved in providing goods and services to the home buyer.

- **Spin-off impacts** – the “multiplier” effect resulting from the expenditure of incomes generated in the first two rounds. The wages, salaries and other income that accrue to households as a result of the direct and indirect rounds will, in turn, generate economic activity and additional jobs as these households spend their incomes in the general economy. The relationship between these spin-off impacts and the initial expenditure resulting from the purchase of a home is less clear than for the direct and indirect rounds – much household spending would occur regardless of whether it’s financed by wages and salaries, or through unemployment insurance, other government transfers or savings if the direct and indirect employment did not occur. All told, the magnitude of jobs induced by this round of economic impact could be an additional 81,538 jobs across Canada.⁶

⁶ Based on multipliers from Statistics Canada.

Figure 4

Average Annual Direct and Indirect Employment Generated by MLS® Systems Home Sales, Canada, 2020-2022



Source: Altus Group Economic Consulting based on Statistics Canada Input-Output Model.

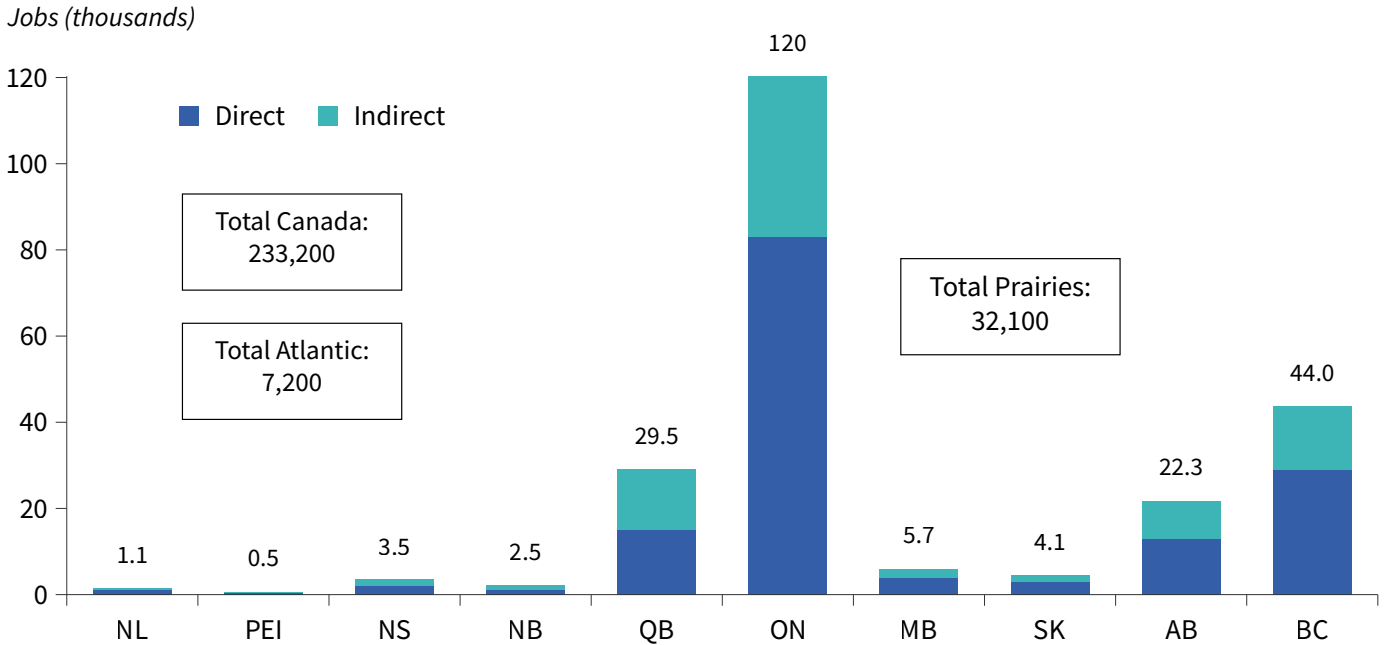
Direct and indirect employment generated by home sales over Canadian MLS® Systems is significant. It's estimated 233,209 jobs were generated annually by national sales over the 2020-2022 period. Most of these jobs (151,671) were generated in the direct round – the jobs required to produce the goods and services purchased by home buyers. The remaining 81,538 jobs were generated to provide inputs necessary to produce the goods and services that were purchased directly by home buyers.

Results from the current analysis show a marginally smaller multiplier for job impacts compared to previous studies. Jobs impacts tend to change over time due to productivity factors.

Figure 5 illustrates the provincial distribution of direct and indirect jobs generated by home sales and purchases.

Figure 5

Average Annual Direct and Indirect Employment Generated by MLS® Systems Home Sales by Province, 2020-2022



Note: Totals may not add up due to rounding.

Source: Altus Group Economic Consulting based on Statistics Canada Input-Output Model.

All told, jobs generated directly and indirectly through the sale and purchase of MLS® System homes accounted for more than 1% of jobs across the Canadian economy.

MAIN IMPACTS FROM HOUSING TRANSACTIONS ARE IN CONSTRUCTION BUT MANY OTHER INDUSTRIES ALSO BENEFIT

The construction industry represents a large share of jobs generated by the home sales through Canadian MLS® Systems. Approximately 84,734 jobs were supported in this sector during the 2020-2022 period (Figure 6). Jobs in this sector benefitted from significant spending on renovation and repairs related to housing transactions. Most of the jobs created (97%) in construction were in the direct round (Figure 7). In general, renovation and repair expenditures typically occur when someone prepares their home for sale or moves into a home and these works are directly related to a home purchase.

The finance, insurance and real estate industry also benefitted from MLS® System home sales. During the 2020-2022 period, almost 43,428 (19% of the total) jobs were generated through these transactions. Jobs in this sector benefitted from real estate commissions. Most of the jobs in finance, insurance and real estate industries are generated in the direct round (see Figure 7). Lawyers, real estate professionals, appraisers, surveyors, etc. all play a significant role in the sale of a home. About 80% of the jobs generated in these industries are in the direct round.

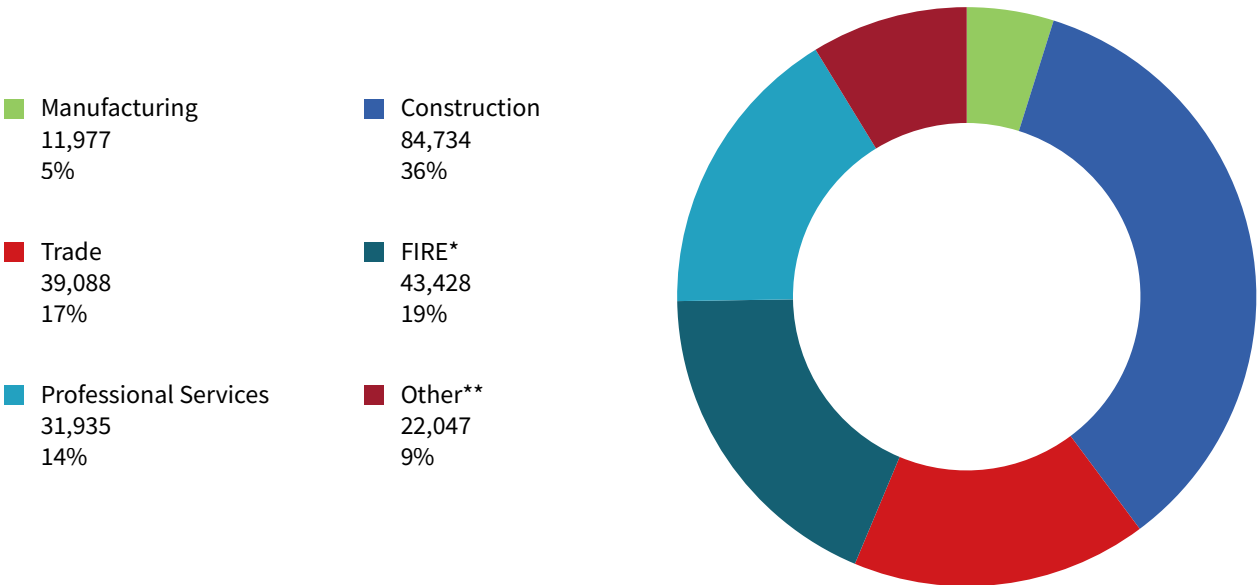
Trades benefit from MLS® System home sales as well. During the 2020-2022 period, MLS® home sales created an estimated 39,088 trade jobs, largely related to increased consumer spending on items such as furniture, appliances and general household spending. This sector also benefits from increased renovation activity and the knock-on effects to spending on housing-related durable items.

Professional services, including legal, design and technology services, also represent a large share of jobs generated by the home sales through MLS® Systems. Approximately 31,935 jobs have been created in those sectors during the three year period and most of those jobs are from the indirect round.

Figure 6

Average Annual Direct and Indirect Employment, by Industry, Generated by MLS® Systems Home Sales, 2020-2022

Canada



*Finance Insurance and Real Estate ** Includes public service jobs.

Source: Altus Group Economic Consulting based on Statistics Canada Input-Output Model.

A significant number of jobs were also created in a variety of other industries – Manufacturing and other services all have jobs that rely on economic activity generated by the sale and purchase of homes over MLS® Systems in Canada.

Among other industries most of the employment impacts are in the indirect round – supplying goods and services to industries involved in the direct round.

Figure 7

Average Annual Direct and Indirect Employment by Industry Generated by MLS® Systems Home Sales and Purchases, Canada, 2020-2022

	Direct	Indirect	Total	Distribution	Direct as % of Total
	<i>Jobs</i>			<i>%</i>	
Manufacturing	2,090	9,887	11,977	5	17
Construction	82,679	2,056	84,734	36	98
Trade	24,212	14,876	39,088	17	62
FIRE ¹	34,795	8,632	43,428	19	80
Professional Services	5,801	26,134	31,935	14	18
Other ²	2,095	19,952	22,047	9	10
Total	151,671	81,538	233,209	100	65

¹ Finance, Insurance and Real Estate

² Includes Public Services

Source: Altus Group Economic Consulting based on Statistics Canada Input-Output Model.

MLS® SYSTEMS HOME SALES AND PURCHASES HAVE A MAJOR IMPACT ON JOB CREATION IN EVERY PROVINCE

Figure 8 illustrates employment impacts from ancillary spending related to the sale and purchase of homes through MLS® Systems by province and region. Some notable observations include:

- Ontario experienced the highest relative job impact from MLS® System home sales of any province. Home sales and purchases over MLS® Systems in Ontario generated just under 119,927 direct and indirect jobs per year between 2020 and 2022.
- British Columbia had the second largest job impact, with 43,965 jobs generated per year by MLS® Systems activity between 2020 and 2022.
- The Atlantic Region had the lowest relative regional economic impact from existing home sales. Total jobs generated by the sale and purchase of MLS® Systems homes in the Atlantic Region – approximately 7,600 jobs – accounts for about one in 116 jobs across that economy, compared with one in 79 jobs Canada-wide.
- In Ontario and Manitoba, the proportion of jobs generated in construction is higher than the national average – 43% and 41% in the regions, respectively, versus the national average of 36%.
- Home sales over MLS® Systems in Alberta generated the highest proportion of jobs in sectors tied to finance, insurance and real estate with 27% of the jobs generated in these sectors, compared to the national average of 18.6%.
- The sale and purchase of homes in Quebec via MLS® Systems generated about 29,543 jobs annually during the 2020-2022 period. Despite having significantly higher transaction activity since the last report, ancillary spending from MLS® Systems activity has fallen in the province relative to the last study.
- Atlantic Canada has the lowest relative regional economic impact from existing home sales. Total jobs generated by the sale and purchase of MLS® Systems homes in Atlantic Canada – approximately 7,600 jobs. This mostly reflects the fact that Atlantic Canada is much smaller than the other regions studied in this report. However, total jobs generated per million dollars of spending is also lower in the Atlantic Region, perhaps due to a large senior population who downsize.

Figure 8

Average Annual Direct and Indirect Employment By Industry, Generated by MLS® Systems Home Sales and Purchases, by Province, 2020-2022

	NL	PEI	NS	NB	QC	ON	MB	SK	AB	BC
Direct Jobs										
Manufacturing	0	0	100	30	1,555	2,525	310	85	345	690
Construction	230	205	970	855	7,090	23,380	1,280	790	4,330	9,560
Trade	175	105	550	380	3,980	11,980	730	575	2,615	5,350
FIRE ¹	280	100	740	360	7,065	21,730	810	320	5,480	13,435
Professional Services	120	80	410	265	1,605	8,670	375	285	1,340	4,060
Other ²	40	20	120	185	915	4,005	230	145	1,225	2,375
Total	845	510	2,890	2,075	22,210	72,290	3,735	2,200	15,335	35,470
Indirect Jobs										
Manufacturing	45	0	250	280	3,475	5,350	555	250	1,100	1,845
Construction	5	0	25	10	255	655	45	20	115	225
Trade	60	35	210	115	1,840	4,575	290	190	980	1,900
FIRE	50	40	195	135	1,635	5,215	365	160	765	1,995
Professional Services	70	60	410	290	3,535	10,045	440	290	1,855	4,460
Other	105	50	405	310	3,660	8,435	690	380	2,120	4,145
Total	335	185	1,495	1,140	14,400	34,275	2,385	1,290	6,935	14,570
Total (Direct and Indirect) Jobs										
Manufacturing	45	0	350	310	5,030	7,875	865	335	1,445	2,535
Construction	235	205	995	865	7,345	24,035	1,325	810	4,445	9,785
Trade	235	140	760	495	5,820	16,555	1,020	765	3,595	7,250
FIRE	330	140	935	495	8,700	26,945	1,175	480	6,245	15,430
Professional Services	190	140	820	555	5,140	18,715	815	575	3,195	8,520
Other	145	70	525	495	4,575	12,440	920	525	3,345	6,520
Total	1,180	695	4,385	3,215	36,610	106,565	6,120	3,490	22,270	50,040

¹ Finance, Insurance and Real Estate

² Includes Public Services

Source: Altus Group Economic Consulting based on Statistics Canada Input-Output Model.



CONCLUSION

Home sales over MLS® Systems are a major contributor to the economy in Canada. Benefits of existing home sales include:

- an additional \$43 billion per year in household spending on household items, taxes related to the purchase and sale of a home and renovation activity; and
- this additional spending contributes \$51 billion in gross domestic product (economic activity) to the economy, and generates 233,209 new jobs.

APPENDIX

ESTIMATING ECONOMIC BENEFITS GENERATED BY MLS® SYSTEMS HOME SALES AND PURCHASES

This appendix reviews the methodology used to generate estimates of the economic benefits resulting from MLS® Systems home sales and purchases in Canada. The methodology can be broadly divided into two sections:

- estimating the expenditures resulting from MLS® home sales and purchases; and
- estimating the economic impacts of these expenditures.

A summary of the methodology used by Altus Group Economic Consulting to generate each of these estimates is provided below.

ESTIMATING THE EXPENDITURES RESULTING FROM MLS® SYSTEMS HOME SALES AND PURCHASES

To provide estimates of the amount spent by families who moved to a new house, special tabulations were obtained from Statistics Canada's 2019 Survey of Household Spending. These tabulations provided estimates of the expenditures by families during the first, second and third years after purchasing a home, versus all other homeowners. The average expenditures of families who had moved in either 2019, 2018 or 2017 versus those who had not moved were then compared for a variety of expenditure categories that were considered likely to be affected by moving to a different home. From these data and additional analysis, estimates of the average expenditures generated by families who move to a different dwelling were prepared.

This analysis was conducted at the national level. It was then indexed to the regional level, based on the average spending per reporting homeowner for any given spending category compared with spending Canada-wide. Suppression of data from the Survey of

Household Spending because of small sample sizes in some provinces confined some of the analysis to the regional level.

It should be noted that, generally, these include only the expenditures incurred by the family that moved to a dwelling. This included items such as moving costs, new appliances or equipment to be used in the home, renovation expenditures, fees paid to lawyers, surveyors, mortgage lenders, etc. The two exceptions are:

- the analysis includes a calculation to account for real estate brokerage fees generated from transactions via Canadian MLS® Systems, which in most cases are borne by the property vendor; and
- renovation and repair spending by vendors preparing their homes for sale was estimated and incorporated in the analysis. Statistics Canada data was used to quantify the Canada-wide level of renovation-related spending, and survey data sources were used to estimate the share of renovation-related spending accounted for by owners planning to sell their home.

The inclusion of vendor renovation and repair spending is consistent with the approach in the 2019 and 2017 studies. However, studies prior to 2017 included only purchaser renovation and repair spending, so some caution should be exercised in interpreting trends in the findings from earlier studies.

The analysis did not distinguish between those moving into a new home versus a resale home, and it did not include the additional economic impacts that would have been generated through the construction of new homes.



ESTIMATING THE ECONOMIC IMPACTS OF EXPENDITURES GENERATED AS A RESULT OF HOME PURCHASES

Estimates for the economic impact of additional expenditures generated by moving to a different home were derived using Statistics Canada's Interprovincial Input-Output Model. The model used in this study relates to the year 2019. An input-output model is used to estimate the impacts of various types of economic activities. It is an accounting framework of an economy's production system. It shows the interconnections that exist between the various sectors of the economy when goods and services are produced. Using an input-output model, it's possible to determine which goods and services are required to achieve a certain production level in a particular industry – or the economy as whole.

The model can take an estimate of expenditures on a given economic activity (in this case, moving to a different home) and translate it into the impacts on various industries – and ultimately, the amount of income and jobs created. A key component of an input-output model is the set of “input structures” for each economic activity covered by the model. An input structure literally splits the original expenditure among all the different inputs that are used in that economy activity. For example, in purchasing a home, expenditures are incurred in a variety of industries – appliances, construction, various service industries, etc. Each of these industries has an input structure of its own that involves inputs from a variety of other industries plus labour and owners of firms in that industry.

An input-output model includes a full array of input structures that have been estimated for all industries in the economy. Use of the model in this analysis involves estimating the impacts of spending incurred by those who move to a different dwelling. To generate these estimates, it was necessary first to provide an “input structure” for households that move to a different dwelling. To formulate this input structure, the estimates of average expenditures generated by families who move to a different dwelling derived from the analysis of the Survey of Household Spending were converted into the input categories used by the Statistics Canada Interprovincial Input-Output model. Specifically, estimated spending per mover by region in each of the affected expenditure categories is reflected in the table summarized in the report (Figure 1).

This input structure was used by Statistics Canada to simulate the impacts on spending by movers using the Interprovincial Input-Output model. In generating the estimates, Statistics Canada grossed the expenditures up to \$641.0 million excluding taxes (i.e. to cover the estimated spending of 10,000 movers), then distributed among the 10 provinces via an index of average MLS® Systems transactions over the study period. The results were re-estimated by Altus Group Economic Consulting based on average annual home sales over MLS® Systems from 2016-2018 and are presented in the main body of the report.

Findings are presented in terms of “jobs” generated. This is the term used by the Input-Output Division of Statistics Canada in its estimates of employment generated. The term “jobs” is close to but not the same as “person-years of employment”. The estimate of jobs provides the number of workers that would be employed for a full-year; however, the estimate includes both full and permanent part-time jobs at the ratios appropriate for each of the industries involved.

The Interprovincial Input-Output model was run as one single simulation for all 10 provinces. Thus, the impacts of trade flows between provinces are embedded in the estimates. In this way, the jobs generated by province presented in Figure 8 of the report reflect the impact of home sales in all provinces. Although most jobs are generated from sales in the same province, some cross-provincial effects are present. For example, if a home buyer in British Columbia purchases a washing machine manufactured in Quebec, that ancillary spending will help create manufacturing jobs in Quebec. Conversely, if a home buyer in Prince Edward Island engages the services of a moving company that uses gasoline mined in Alberta and refined in Ontario as an input, that ancillary spending activity will help generate jobs in Alberta and Ontario respectively.

