



# Top Ontario Investment Towns 2013-2018

Based on Key Economic Fundamentals



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# Top Ontario Investment Towns

## Executive Summary

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Although this continues to be a time of economic turbulence and confusion for many of Ontario's 13 million inhabitants, the housing market has continued to perform counter to the slow-down. That is why it is now especially important to choose your target real estate market very wisely. For the coming few years we will witness some regions underperform their economic fundamentals while others will out-perform.

As an investor or home-buyer it is critical that you consider the underlying economic structure propping up your region and confirm that it has long term sustainability. Identifying regions with a well structured and well supported future must remain #1 priority.

In this report, we are identifying cities, towns and regions that are poised to outperform other regions of the province over the next 3 – 5 years. Past, or even current, performance is not an indicator of how a region will perform in the future; that is why investors must focus solely on the economic fundamentals that will drive the real estate market in the future and a city's potential to generate positive annual income from. As part of the development of this Top Investment Town List, we have considered these key fundamentals:

- ☒ Is the area's average income increasing faster than the provincial average?
- ☒ Is the area's population growing faster than the provincial average?
- ☒ Is the area creating jobs faster than the provincial average?
- ☒ Does the area have more than one major employer?
- ☒ Is the area in the RBC Affordability Index Hot Zone (25% to 39%)?
- ☒ Will the area benefit from an economic or real estate ripple effect?
- ☒ Has the political leadership created an economic growth atmosphere?
- ☒ Is the Economic Development Office progressive and helpful?
- ☒ Is the area's infrastructure being built to handle the expected growth?
- ☒ Are there any major transportation improvements in the works?
- ☒ Is the area attractive to Baby Boomers' lifestyle?
- ☒ Is there a short term problem occurring that is slated to disappear in the future?
- ☒ Is there a noted increase in labour and materials cost in the area?

The answers to these questions provide a base from which to work while analyzing any region in North America. Especially during today's market turmoil and mixed economic signals this pure economic focus is critical. The long-term opportunities are there it will just take a practiced eye and a non-emotional outlook to uncover them. The good news is we have completed a lot of the initial research for you and the results follow.

# Top Ontario Investment Towns:

1. **Hamilton**
2. Kitchener & Cambridge
3. **Waterloo**
4. Barrie
5. **Brampton**
6. Ottawa
7. **Orillia**
8. Durham Region (Whitby, Pickering, and Ajax)
9. **Toronto**
10. Vaughan
11. **Brantford**



## Hamilton

Once known only as a hard-working steel town, Hamilton has quickly begun to shed this image in the eyes of potential investors. Several years of record breaking building permit values and exponential population growth have done wonders to change the city's reputation. Helmed by a forward-thinking government and Economic Development team, Hamilton's economic growth and investment potential have skyrocketed, landing this city at the top of our list of Ontario Investment Towns for the second year running. Only an hour away from two United States border crossings, links to major highways with access to local, national, and international markets, owner of the busiest port out of all the Great Lakes, and access to international rail lines and the Lester B. Pearson International Airport, it's easy to see why Hamilton continues to be a prime location to do business. Hamilton's lower housing prices and short driving distance to Toronto will continue to appeal to people who work in Canada's largest city, but live outside its borders.

## Kitchener & Cambridge

With their ever diversifying economies, Kitchener and Cambridge remain near the top of our list of Ontario investment towns. In order to maintain a strong economic presence, cities must constantly reinvent themselves in order to attract new investors and talent, and KC has done just that. By investing in new sectors, such as digital media, biotechnology, and life sciences, the Triangle has protected itself from job losses experienced in many other Ontario communities during the recession. The presence of world-leading companies such as Microsoft and Research in Motion attest to the Technology Triangle's R&D capabilities and significant competitive advantage the region has to offer. In-migration is strong, average incomes are strong, available older housing stock is there and overall job growth continues. Coined by the Real Estate Investment Network™ as "the economic Alberta of Ontario" in previous editions of this report, the two communities have continued to prove themselves worthy of this title.

## Waterloo

Located in Canada's Technology Triangle, Waterloo appears to have it all. Only an hour's drive from Toronto and Canada's busiest airport, the city is well-connected both nationally and internationally. The city is able to provide residents with world-class education from some of Canada's post-secondary institutions. It is easy for an investor to see the high rental income a city like Waterloo can offer, what with the high levels of immigration and the constant influx of students. However, a risk factor that potential investors must not ignore for the Waterloo region is the turmoil that Research in Motion (RIM) is currently facing. Waterloo's largest employer, any major restructuring of that business will have direct and secondary negative effects on the employment levels in the region and therefore the real estate market. Investors should pay very close attention to this continuing story. In addition, potential investors will have to keep in mind that the city's new rental licensing law may keep landlords from witnessing the same rental income they would receive if renting in Kitchener or Cambridge.

## Barrie

Located on the shores of Lake Simcoe, and less than an hour's drive from Toronto, Barrie is an attractive community for people seeking the nearness and vitality of the big city, but wanting a more laid-back lifestyle. Barrie has really begun to expand from a 'recreational' area to a solid year round diverse economy in recent years. Many Southern Ontarians still consider Barrie as just part of cottage country, but they could not be more wrong. Job growth, economic diversification,



major transportation improvements and a very aggressive Economic Development Team have helped Barrie to become a magnet for new residents, new development and new businesses. The addition of 2,293 hectares to the city's total land base has provided Barrie with much needed space for future development in addition to giving the city direct access to the Detroit-Windsor-Quebec City corridor via Highway 401. Investors should keep in mind the future development possibilities in this area when buying in the city.

### **Brampton**

The 9<sup>th</sup> largest city in Canada, Brampton has had no problem diversifying its economy. A short drive from the City of Toronto, Brampton offers great transportation links for businesses wanting the advantages a big city provides, without the cost. Featuring immediate access to a network of trans-continental highways and Canada's largest international airport, Brampton is open and ready for business. As people migrate to the Greater Toronto Area, many will see the advantages the city has to offer. One has only to look at the extensive list of infrastructure projects the city has seen in the last few years to know that the city is booming. For investors who are willing to do a little homework and pick their neighbourhoods carefully, Brampton can provide solid positive returns for years to come.

### **Ottawa**

Functioning as the nation's capital, the City of Ottawa enjoys an incredibly diverse economy. Unlike other cities that rely on a small number of industries or sectors, Ottawa's diversity allows it to weather an economic storm better than other communities. Numerous research and development centres and government institutions provide the city with a steady flow of quality renters. These people work in the city for shorter periods of time with no intention of making Ottawa their permanent residence. In addition, Ottawa's proximity to several post-secondary institutions will also provide investors with an active student rental market. According to the economic fundamentals, Ottawa should provide home buyers and real estate investors with solid returns on their investments over the coming years. Sophisticated investors will look towards revitalization areas, such as properties located along the O-Train expansion. Watch for new developments coming on board in the coming years as demand for rentals and condominium living continues to be strong.

### **Orillia**

Located in Southern Ontario, the City of Orillia is nestled between the shores of Lake Simcoe and Lake Couchiching. Orillia has become part of the "Sanctuary Trend" that we have witnessed in other areas of the country, such as Sylvan Lake in Alberta. People looking for that small town feel with the amenities of a major city like Toronto less than a two hour drive away have flocked to the city. Residential building will continue to rise to feed the growing demand. Once thought of as only a gateway to Ontario's cottage country and recreational activities, Orillia's leadership has focused on making the city an economic and educational center. With an increasing population and expansion of post secondary institutions, the city provides tremendous opportunity for investors.

### **Durham Region — Whitby, Ajax & Pickering**

The Durham Region, which includes the communities of Ajax, Whitby, and Pickering, lies just east of the City of Toronto. Functioning as the eastern gateway for the Greater Toronto Area (GTA), the Durham Region has access to a market of over 120 million people within a day's drive. The region has experienced a ripple effect from Toronto as people move east and west of the metropolis in search of more affordable homes. When reviewing the Durham Region's economic fundamentals, we see an area going through a positive transition. Others are identifying this as well, as shown by the increase in the number and quality of employers, the in-migration of a younger population and the planned expansion of post-secondary institutions. With one of the fastest growing populations in Canada - forecast to hit nearly one million people by 2031, the Durham Region has come to be known as an 'emerging power' within the GTA

### **Toronto**

With one of the most diverse economies in North America, Toronto has lots to offer both businesses and investors. The city will continue to be a major economic engine for Canada as the financial and head office capital of the nation. Its economic potential, combined with the influx of immigrants and post-secondary students the city sees each year will provide a continuing source of home ownership demand as well as rental demand in the housing market. With a population of over two million – larger than some of the provinces and territories in the country, it is impossible to rate Toronto as a whole. Some regions of the city will prove to be provincial leaders, while other regions will lag sadly behind. That is why, when considering a home purchase or investment in the city of Toronto, you must dive deeply into the facts and figures of your specific target neighbourhood.

### **Vaughan**

Over the past two decades, the City of Vaughan has transformed from a rural town into a metropolitan centre. With unbeatable transportation links to both national and international markets, as well as some of the lowest commercial and industrial taxes in the GTA, the city has no problem attracting new business. Once all the region's transportation projects are completed, Vaughan will be among the most accessible regions in the Greater Toronto Area. The expansion of the Spadina Line of the Toronto Transit Commission to the Vaughan Metropolitan Centre will only increase the attractiveness of the city in the eyes of business professionals looking for more affordable housing options on the outskirts of Toronto.

### **Brantford**

On the banks of the Grand River in Southern Ontario, Brantford is a hidden gem that was off the investor's radar for many years. About an hour's drive from Toronto, the city is a prime location for those wanting access to the amenities a big city without the constant noise and activity living in a large city creates. Becoming a Census Metropolitan Area (CMA) in 2006 due to its tremendous growth, Brantford has begun to create quite a buzz in recent years. With a projected population of 115,000 by 2020, Brantford has a promising economic outlook. Strong commercial, industrial, and residential development in the last few years has created new job opportunities and cemented Brantford on our list of Top Ontario Investment Towns. The four post-secondary institutions located in the Brantford-Brant area provide the region with a vibrant and younger population base and a great opportunity for investors. The city should witness a strong increase in average incomes, in-migration and diversification of the local economy. The coming years will definitely be defining ones for this region. Relatively low house prices and an increase in average rents, combined with lowering vacancy rates line Brantford up as a great location for investing in real estate.





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## Methods

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Many sources were consulted in order to provide the most comprehensive information. These included a variety of research reports published by Canadian Mortgage and Housing Corporation (CMHC), Statistics Canada's most recent census information available at the time of printing (2012), Multiple Listing Service (MLS), Canadian Home Builders' Association, City and Regional Real Estate Boards, local economic development offices and the Office of Budget and Management. Additionally, real estate investors and realtors® who were well acquainted with particular cities and towns were consulted to provide 'real time' and 'on the street' experiences that may be more applicable than government statistics can provide. This triangulation of data collection is anticipated to provide the reader with the most comprehensive information to form their investment strategies.

Please note that there may be inconsistency in some variables due to the different methods of data collection between many of these agencies. This is largely due to the parameters used to define each of the variables, that is, rental income may be based on all apartments or just one or two bedrooms, depending on the information available. Sale prices may be averages (the total value of sales divided by the total number of sales) or medians (half of the houses sold were worth more and half were worth less), or may include all sales or only new homes for example. The authors have taken these data inconsistencies into account when completing their analysis for this report. Where possible, sources are cited for cross reference.

**Please note that these towns and cities were chosen for their long-term potential**, not short term speculative market runs. With the exception of some of the statistics, the fundamentals do not change dramatically on a year to year basis. Barring extreme changes in towns' economics and politics, the ranking order of the list does not change much from each publication. The towns have been recommended as good places in which to invest based solely on the current data available. These are areas where investors should investigate buying and hold as rentals. Homeowners with long term hold positions can also use this report to identify regions in which to live. They are towns with a future, not just a past.

These data are merely a synopsis of the demographic and statistical data available. For a more comprehensive look at a particular city, please consult the source documents and the town's Economic Development office. Before you buy in a city to town it is important to visit it, spend some time there and choose your properties wisely.

Remember, with every real estate purchase, **investors must do their due diligence by thoroughly and independently researching and verifying all the information** available on the town and even more specifically the property itself.

There are always good deals in every market. Conversely, no matter how hot the market, there will always be properties that don't do well. The way to avoid owning one of these underperformers is to follow a proven investment system that forces you to ask the tough questions while ignoring market hype and misinformation.














The first level of investigating a town begins with the underlying economics. As a base from which to work, we begin by analyzing many cities and towns across the province using the REIN™ Goldmine Scorecard questions listed here. The answers to these questions help to narrow down the list to a smaller number of potentials. We then spend the majority of our time investigating these selected regions. The results of these further investigations lead to the report you have in your hands.

Even if a city or town of your choosing does not make the REIN™ Top Investment Towns list, this does not mean that you cannot do extremely well in your chosen region. To investigate any region in the country for long term potential, it is



imperative that you use the following questions as a base from which to work, as it will allow you to cut through any misinformation that may surround your target market.

It is also important to note that current market conditions are not signs of what the future market will hold, only the economics supporting a market can tell you what the future potential is. Here is a list of questions investors need to ask themselves before making real estate decisions.

-  Is the area's average income increasing faster than the provincial average?
-  Is the area's population growing faster than the provincial average?
-  Is the area creating jobs faster than the provincial average?
-  Does the area have more than one major employer?
-  Is the area in the RBC Affordability Index Hot Zone (25% to 39%)?
-  Will the area benefit from an economic or real estate ripple effect?
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-  Is the area attractive to Baby Boomers' lifestyle?
-  Is there a short term problem occurring that is slated to disappear in the future?
-  Is there a noted increase in labour and materials cost in the area?

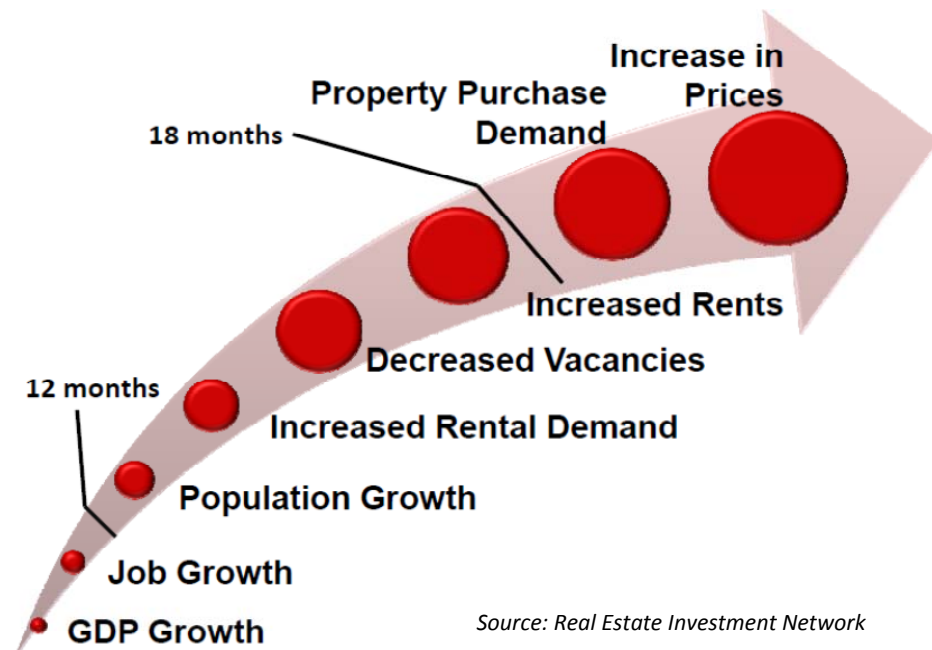
Although this continues to be a time of economic turbulence and confusion for many of Ontario's 13 million inhabitants, the housing market has continued to perform counter to the slow-down. That is why it is now especially important to choose your target real estate market very closely. For the coming few years we will witness some regions underperforming with respect to their economic fundamentals while others will out-perform.

As an investor or home buyer it is critical that you consider the underlying economic structure propping up your region and confirm that it has long term sustainability. Identifying regions with a well structured and well supported future must remain your number one priority.

Except for condos in downtown Toronto, which seem to defy economic logic on pricing and supply-demand equations, the house building industry has been affected by the economy more than the resale market.

### Future From Today

What does Ontario hold for home buyers and real estate investors? An examination of the economic drivers reveals all sorts of gems and all sorts of caution signals. It is important to look forward at the real motivators of housing prices instead of looking behind to the housing numbers.



Source: Real Estate Investment Network

Increased Rental Demand = Decreased Vacancies = Increased Rents = (18 months later) Property Purchase Demand = Increase in Property Prices

To make it easier to predict what is going to occur in their local real estate markets, investors and homebuyers can use the formula shown below. Long term increasing prices of real estate stem from economic (GDP) growth. Without economic growth a real estate market is not sustainable. Sure there can be upward and downward blips not attributed to economic growth, (such as when the governments meddle - as in 2010 with the introduction of the HST), but these are just short term unsupported blips.

GDP Growth = Job Growth = (12 months later) Population Growth =

This cycle works both ways, over roughly the same time lines. Sustainable real estate price increases occur approximately 18 months after a region's economy begins to grow and they drop approximately 18 months after the economy in a region begins to shrink. Here is a graphic representation of the **Long Term Real Estate Formula**.



Many experts believe the worst is over for the housing market in this province. However, based on the **Formula**, we are putting up warning signs that investors and homeowners really have to understand that this recovery will be regional and not all markets will do well.



## Population

As of the last federal census, the population of the Province of Ontario was 12,851,821, a growth of 691,539 from 12,160,282 in 2006. A population increase of 5.7%, Ontario's growth rate was actually below Canada's (5.9%) during the same time period. Over the last few decades, Canada has seen an increasing number of people migrating to Western Canada, a trend that could impact corporations' decision to locate in the province.

However, the largest province by population in Canada, Ontario still offers job seekers and employers opportunities found nowhere else in Canada. It is predicted that Ontario will remain a popular destination for immigrants, students, and job-seekers. The population of Ontario is predicted to hit 17.8 million by 2036 in a medium-growth scenario and up to 20.1 million in a high growth scenario<sup>1</sup>.

Ontario is home to the Greater Golden Horseshoe (GGH), one of the fastest growing regions in North America and the destination of choice for many people and businesses locating from other parts of Canada and around the world. It is estimated that the population of the Golden Horseshoe area will increase by four million people in the next 25 years<sup>2</sup>.

Located in the centre of the Greater Golden Horseshoe is Ontario's largest city, Toronto. Because Toronto itself is fast becoming an expensive place for housing, many people are choosing to live outside of the city and commute to work. Therefore, expect the majority of growth in Ontario to be near Toronto around the major highway networks such as the 401, 404, 410, and 407. Wherever there is good access to good transportation networks, there will be expansion. Thus the focus on transportation and infrastructure changes within this report.

The Province of Ontario, through its Places to Grow Act in 2005, implemented a growth strategy that "enables the government to plan for population growth, economic expansion and the protection of the environment, agricultural lands and other valuable natural resources in a coordinated and strategic way." It is important to remember that the Province's "Places to Grow" plan states that 40 per cent of all new development must occur within the existing urban boundaries. This will result in many areas building up instead of building out. The legislation will target 400 people and jobs per hectare for the 25 chosen areas, a density of 200 people and jobs for the 15 centres surrounding the highest density targets, and five centres with a target of 150 people per hectare<sup>3</sup>.

By comparison, the Bay Street corridor from Bloor Street to Lake Ontario has a density of 1000 people and jobs per hectare and the Annex is about 150 per hectare. Neighbourhoods with urban sprawl have about 30 people and jobs per hectare. The intended result is more high-rise condos, townhouses, and single-family units on smaller lots. For more information on the Places to Grow Act, please visit [www.pir.gov.on.ca/english/growth/ptg-act-2005.htm](http://www.pir.gov.on.ca/english/growth/ptg-act-2005.htm).

Immigration will continue to be a driver in the population growth of Ontario. New people to a region tend to rent upon arrival for a minimum of two years, thus boosting demand for rental accommodation. While

<sup>1</sup> Ontario Ministry of Finance. (2012). "Ontario Population Projections Update". Government of Ontario. Retrieved from <http://www.fin.gov.on.ca/en/economy/demographics/projections/#s2>

<sup>2</sup> Province of Ontario. (2006). "Places to Grow". Retrieved from <https://www.placestogrow.ca/images/pdfs/FPLAN-ENG-WEB-ALL.pdf>

<sup>3</sup> Ibid.

Ontario is losing current residents to the economically booming western regions of Canada, a resurgence of immigrants landing in Ontario in recent years has kept the population growing and boosted demand for rental accommodation. A maturing echo boom, immigration, and an increasing number of students moving to the GTA region will contribute to rental and first time buyer demand over the next several years.



## Housing Trends

The Ontario residential construction sector was booming in 2011, posting the highest level of annual starts since before the recession. At the end of 2011, the Province of Ontario recorded a total of 67,821 housing starts, up over 12 per cent from 2010. The strongest growth in residential construction was witnessed in Toronto, Thunder Bay, and Kingston. Job growth, low interest rates, and an active resale market were all contributing factors in increased residential construction in 2011<sup>4</sup>.

Multi-family construction boosted housing starts in 2011. By the end of 2011, the province saw 43,097 begin construction, up from 35,083 in 2010. Construction of apartment units (for both ownership and rental) was the main driver of

construction activity. Rising home prices and a decrease in the number of lots available for low-rise residential construction supported the demand for less expensive, higher density housing options<sup>5</sup>.

On the other hand, single detached construction has been on a downward trend since 2003. In 2011, a total of 24,724 single family units began construction, down from 25,350 in 2010. An aging population and smaller households have lead to a decrease in demand for single family homes in the last several years<sup>6</sup>. Add in land constraints and the rising cost of housing, and it's easy to see why multi-family construction is likely to remain popular with homebuyers and builders in coming years.

In 2011, the Province of Ontario introduced Bill affordable housing. Also known as the as the Strong Communities through Affordable Housing Act, the new

<sup>4</sup> CMHC. (January 2012). "Housing Now – Ontario Region." Retrieved from [http://www.cmhc-schl.gc.ca/odpub/esub/64143/64143\\_2012\\_Q01.pdf?fr=1338309836921](http://www.cmhc-schl.gc.ca/odpub/esub/64143/64143_2012_Q01.pdf?fr=1338309836921)

<sup>5</sup> Ibid.

<sup>6</sup> Ibid.

Standard two-storey								
Region	Average Price			Qualifying Income (\$)	RBC Housing Affordability Measure			
	Q1 2012 (\$)	Q/Q % ch.	Y/Y % ch.		Q1 2012 (%)	Q/Q Ppt. ch.	Y/Y Ppt. ch.	Avg. since '85 (%)
Canada*	403,600	2.1	5.3	88,100	48.7	0.5	1.2	43.9
British Columbia	668,800	0.3	2.3	129,300	73.4	-0.6	-0.6	55.1
Alberta	372,800	2.1	2.7	83,700	35.3	0.0	0.2	38.8
Saskatchewan	339,700	-4.0	5.8	76,800	39.8	-2.0	-0.1	38.3
Manitoba	290,800	1.1	4.1	67,400	38.4	-0.2	0.2	38.0
Ontario	430,400	2.4	8.4	96,500	49.6	0.9	3.0	44.6
Quebec	292,500	4.9	3.4	66,200	42.4	1.7	0.4	39.2
Atlantic	241,500	1.1	4.6	60,900	38.0	0.3	0.8	38.4
Toronto	618,000	2.7	9.1	129,800	62.6	1.3	4.1	54.6
Montreal	382,500	6.8	4.3	82,600	53.3	2.9	0.8	42.5
Vancouver	865,500	2.4	5.3	163,100	93.0	1.0	1.5	64.5
Ottawa	393,900	2.7	6.1	93,200	43.8	0.7	1.9	39.7
Calgary	418,200	0.8	1.8	89,700	37.5	-0.3	0.1	40.7
Edmonton	371,600	1.9	1.1	84,300	37.5	0.1	-0.2	37.5

Source: RBC. (May 2012). *Housing Trends and Affordability*.

Standard condominium								
Region	Average Price			Qualifying Income (\$)	RBC Housing Affordability Measure			
	Q1 2012 (\$)	Q/Q % ch.	Y/Y % ch.		Q1 2012 (%)	Q/Q Ppt. ch.	Y/Y Ppt. ch.	Avg. since '85 (%)
Canada*	235,800	1.7	3.4	52,000	28.8	0.3	0.3	27.1
British Columbia	311,400	1.8	0.7	61,700	35.0	0.1	-0.8	28.3
Alberta	212,300	0.1	-1.7	47,900	20.2	-0.3	-0.6	22.3
Saskatchewan	220,100	1.2	1.1	48,900	25.4	-0.2	-0.9	24.6
Manitoba	168,400	5.0	11.0	39,000	22.2	0.4	1.1	21.2
Ontario	257,500	1.9	5.6	58,400	30.0	0.4	1.2	28.1
Quebec	195,000	2.1	3.2	43,600	27.9	0.6	0.2	27.1
Atlantic	180,000	0.1	3.8	42,900	26.8	0.0	0.4	24.8
Toronto	332,400	1.8	5.2	71,200	34.4	0.5	1.4	31.6
Montreal	232,300	4.7	2.8	50,700	32.7	1.3	0.2	29.5
Vancouver	410,800	1.9	1.5	78,700	44.9	0.3	-0.7	32.7
Ottawa	268,400	2.2	6.0	61,400	28.9	0.4	1.3	24.0
Calgary	248,100	-0.2	-0.8	53,100	22.2	-0.4	-0.4	23.3
Edmonton	204,100	1.8	2.9	46,700	20.7	0.0	0.1	18.6

\* Population weighted average

legislation forces municipalities to permit secondary suites in their planning policies in order to provide additional opportunities for affordable housing. The new act will streamline over 20 provincial housing programs that are currently working independently and should eventually combine them into a more efficient system. Some municipalities have voiced concerns, saying the act leaves questions unanswered in regards to stress on infrastructure and services, parking challenges, and the possibility of declining property values<sup>7</sup>. In the end, the success of the act won't be known until cities begin implementing the new legislation.

CMHC predicts that housing starts will moderate in 2012 as economic and job growth begins to slow. Economic uncertainty will cause lower starts, ranging between 54,600 to 72,900 units in 2012 and 2013. With home prices expected to rise, demand for apartment ownership and rental units will remain strong<sup>8</sup>.

As the trend of later marriages, fewer children per family, two-working-parent households, less traditional family units, and an aging population continue, so do the acceptance and desirability of smaller homes and condominiums. The number of persons per household has declined significantly over the decades. What this means is fewer people living in each household resulting in cities and towns (even if they have a stagnant population growth) requiring more units of housing to accommodate the same number of people. Canada Mortgage and Housing Corporation's (CMHC, 2007) Market Analysis reports that a dominant demographic group – the baby boomers – will make housing choices based on the following traits:

- They will be primarily home owners with higher incomes that are less likely to move;
- Many will own large homes and are less likely to have a mortgage on that home;
- They tend to have older children, with fewer of these children still living at home;
- They will be unlikely to purchase a resale and tend to be less willing to rent part of the home;
- Most tend to be less willing to compromise on special features or to pay more or buy a smaller house; and
- More tend to be accepting of a move to a different home type or location as retirement approaches

A secondary demographic group is the 15 to 24 year olds. Their key housing choices tend to be as follows:

- They are mostly renters or living at home;
- They tend to believe their current home is too small;
- Over half of this group expects to get married and 1/3 expects to have children;
- Price is their primary impediment to buying a new home;
- They are more likely to buy a resale home rather than buy new;
- The majority tends to be willing to rent part of the home to assist them in making the mortgage payments; and
- They tend to be more likely to compromise on special features or buy a smaller home



## **Sale and Rent**

Concerns that the Ontario housing market would stumble have begun to disappear. Home resale activity rose in 2011 and property values once again began to rise. In fact, sales reached their highest level since 2007.

<sup>7</sup> Spicer, C. (19 July 2011). "Bill 140: The Plus and Minuses Of Ontario's Affordable Housing Bill." *The Collective PC Magazine*. Retrieved from <http://www.thecollectivepc.com/2011/07/bill-140-plus-and-minuses-of-ontarios.html>

<sup>8</sup> CMHC. (January 2012). "Housing Market Outlook – Ontario Region." Retrieved from [http://www.cmhc-schl.gc.ca/odpub/esub/65434/65434\\_2012\\_Q01.pdf?fr=1338310708156](http://www.cmhc-schl.gc.ca/odpub/esub/65434/65434_2012_Q01.pdf?fr=1338310708156)



Despite the growing economic turmoil in global financial markets, demand for residential real estate remained strong in Ontario. Job growth and low mortgage rates helped support sales in 2011<sup>9</sup>

In 2011, Ontario saw a total of 200,334 residential sales, an increase of 2.4% from 195,591 the previous year. During the same time period, the average price of a home in Ontario increased 7% to 366,272<sup>10</sup>. The tightest real estate markets in 2011 were experienced in northern and southern Ontario communities, including Hamilton, Toronto, Thunder Bay, and Sudbury. Eastern and southwestern markets, such as Kingston, St. Catharines-Niagara, Windsor, and London remained the coolest<sup>11</sup>

Sales are expected to moderate in 2012 before rising again in 2013. Repeat buying activity should dominate the real estate market in 2012, but an improving economy should encourage first time homebuyers in the beginning of 2013. Due to the economic uncertainty that remains, sales are forecasted to range between 171,120 to 218,600 in 2012 and 2013. Balanced market conditions should slow price growth into 2013<sup>12</sup>.

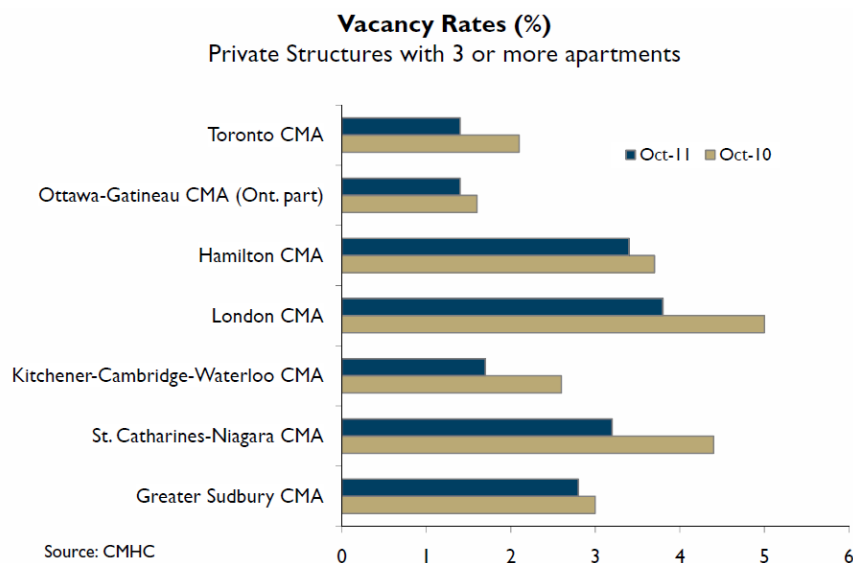
The demand for rental properties in Ontario will continue to grow as the rising price of building materials and the diminishing amount of serviceable land continues increase housing prices in the region. Generally, the rising cost of homeownership, increased immigration, and better job opportunities for young adults have boost the rental housing market which is good for investors.

According to CMHC's annual survey, the average rent for a private apartment in the Province of Ontario was \$945 as of October 2011, an increase from \$923 the previous year. The rent for a bachelor unit sat at \$741, up from \$708 in October 2010; a one bedroom apartment rented for \$866, up from \$844; a two bedroom apartment was \$1,002, up from \$980; and a three bedroom unit sat at \$1,234, up from \$1,205<sup>13</sup>.



## Vacancy Rates

Ontario apartment vacancy rates also experienced a decrease during this time period. The vacancy rate for an apartment sat at 2.2% in October 2011, down from 2.9% in the fall of 2010. The vacancy rate for a bachelor unit was 2.4%, down from 3% in October 2010; a one bedroom apartment had a vacancy rate of 2.2%, down from 2.9%; a two bedroom apartment was 2.2%, down from 2.9%; and a three bedroom unit sat at 2.2%, down from 2.4% in October



Source: CMHC. (January 2012). *Housing Now – Ontario Region*.

<sup>9</sup> CMHC. (January 2012). "Housing Now – Ontario Region." Retrieved from [http://www.cmhc-schl.gc.ca/odpub/esub/64143/64143\\_2012\\_Q01.pdf?fr=1338309836921](http://www.cmhc-schl.gc.ca/odpub/esub/64143/64143_2012_Q01.pdf?fr=1338309836921)

<sup>10</sup> Ibid.

<sup>11</sup> Ibid.

<sup>12</sup> CMHC. (January 2012). "Housing Market Outlook – Ontario Region." Retrieved from [http://www.cmhc-schl.gc.ca/odpub/esub/65434/65434\\_2012\\_Q01.pdf?fr=1338310708156](http://www.cmhc-schl.gc.ca/odpub/esub/65434/65434_2012_Q01.pdf?fr=1338310708156)

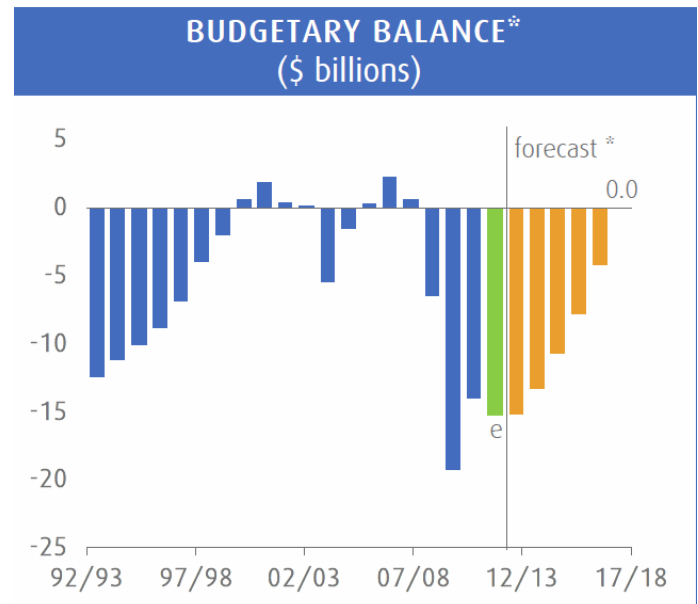
<sup>13</sup> CMHC. (October 2012). "Rental Market Report – Ontario Region." Retrieved from [http://www.cmhc-schl.gc.ca/odpub/esub/64507/64507\\_2011\\_B02.pdf?fr=1338310284359](http://www.cmhc-schl.gc.ca/odpub/esub/64507/64507_2011_B02.pdf?fr=1338310284359)

2010<sup>14</sup>. According to CMHC, all major centres in Ontario expect Kingston experienced declines in rental vacancy rates<sup>15</sup>.



## Economics

After leading the country out of the recession, Ontario's growth has slowed significantly. The province posted a real GDP growth of 1.8% in 2011 after a growth of 3% in 2010<sup>16</sup>. The province is expected to post a deficit of \$15.3 billion for the 2011/2012 Fiscal Year (FY). However, it's not all doom and gloom in Ontario. The provincial deficit is expected to decrease in the 2012/2013 FY, to \$15.2 billion, and the government predicts the province's budget may be balanced by as early as the 2017/2018 fiscal year<sup>17</sup>. In addition, the province's economy is expected to grow by 2.5% in 2013 and a further 2.6% in 2014<sup>18</sup>. Areas of the province will definitely experience some turmoil in the next few years. That is why it is now especially important to choose your target real estate market very closely. For the coming few years we will witness some regions underperforming with respect to their economic fundamentals while others will out-perform.



Source: BMO Capital. (2012).



## Manufacturing

Automobile manufacturing is dominant in Ontario. The province is home to five of the world's top automakers, as well as over 300 innovative parts manufacturers<sup>19</sup>. The "Big Three" automobile manufacturers, General Motors, Ford and Chrysler have major assembly plants throughout the GTA and beyond. Within a 100 kilometre radius of the GTA, two-thirds of Canada's light vehicles are produced. This region is the second largest automotive centre in North America and accounts for 60 percent (\$148 billion) of Canada's total output of vehicles and parts. The automobile assembly plants and parts manufacturers employed over 88,000 workers in 2011 that collectively produced more than 2.1 million vehicles<sup>20</sup>.

The demand for Canadian-made vehicles is on an upward trend, with many companies hiring or adding more shifts after the production hiatus caused by earthquake and tsunami in Japan lifted. An increase in U.S. employment through the fourth quarter of 2011 and into 2012 has increased sales of cars to the U.S. by 11%. Strengthening U.S. demand is expected to contribute to stronger manufacturing growth in Ontario in 2012,

<sup>14</sup> CMHC. (October 2012). "Rental Market Report – Ontario Region." Retrieved from [http://www.cmhc-schl.gc.ca/odpub/esub/64507/64507\\_2011\\_B02.pdf?fr=1338310284359](http://www.cmhc-schl.gc.ca/odpub/esub/64507/64507_2011_B02.pdf?fr=1338310284359)

<sup>15</sup> CMHC. (October 2012). "Rental Market Report – Ottawa." Retrieved from [http://www.cmhc-schl.gc.ca/odpub/esub/64423/64423\\_2011\\_A01.pdf?fr=1327677462350](http://www.cmhc-schl.gc.ca/odpub/esub/64423/64423_2011_A01.pdf?fr=1327677462350)

<sup>16</sup> Ontario Ministry of Finance. (April 2012). "Ontario Economic Accounts - Fourth Quarter of 2011." *Government of Ontario*. Retrieved from <http://www.fin.gov.on.ca/en/economy/ecaccts/>

<sup>17</sup> BMO Capital Markets. (27 March 2012). "Ontario Budget Highlights." Retrieved from <http://www.bmonesbittburns.com/economics/budget/2012on/budget.pdf>

<sup>18</sup> FMC Law. (5 December 2011). "Canada: Highlights Of The 2011 Ontario Economic Outlook And Fiscal Review." Retrieved from <http://www.mondaq.com/canada/x/155464/Highlights+Of+The+2011+Ontario+Economic+Outlook+And+Fiscal+Review>

<sup>19</sup> Government of Ontario. (2 May 2012). "Ontario's Auto Industry." Retrieved from [http://www.sse.gov.on.ca/medt/investinontario/en/Pages/OS\\_automotive.aspx](http://www.sse.gov.on.ca/medt/investinontario/en/Pages/OS_automotive.aspx)

<sup>20</sup> Ibid.

given that the province accounts for nearly half of Canada's total manufacturing output. Toyota also recently announced plans to boost auto production by one third and hire an additional 400 workers at their Woodstock plant. Additionally, Ford should soon recall 100 workers to begin a third shift at its engine plant in Windsor<sup>21</sup>. All in all, the outlook for Ontario's manufacturing sector is strong in 2012 and beyond.



## Mining

Ontario is Canada's leading destination for mining. In 2011, Ontario led the country with \$3.5 billion in capital investment in the mining sector. The Province of Ontario produces more than \$5 billion worth of minerals a year and is the world's second largest producer of nickel. Ontario is also an important producer of gold, copper, zinc, platinum, palladium, cobalt, and silver for Canada<sup>22</sup>. Over the last ten years, more new mines have opened in Ontario than any other province in Canada. The mining industry accounts for over 27,500 direct and 50,000 indirect jobs in the province. Ontario currently has 38 mines in operation, with another eight expected to open in the next ten years. Capital investment in mining is expected to increase to \$3.8 billion in 2012<sup>23</sup>.



## High Tech

When one thinks of a high-tech company in Ontario, Research in Motion (RIM) and the Blackberry are usually the first thoughts that come to mind. However, Ontario's Information and Communication Technology (ICT) sector is much bigger than that. With clusters in the GTA, Ottawa, Waterloo region, London, and Niagara region, Ontario's ICT sector employs nearly 260,000 people and is home to more than 6,400 high tech companies<sup>24</sup>. Companies looking to locate in the Ontario's technology corridor have found highly skilled, educated, and motivated workforces.



## Infrastructure

The Federal and Provincial Governments committed to billions of dollars in infrastructure spending as a way to stimulate the economy during the recent economic downturn. Most of these projects were completed between March and October 2011. These changes will not only positively impact employment across the province, but will ease congestion for commuters, reduce costs and time for businesses transporting goods, increase trade with the U.S. and other international markets (through decreased costs for transportation), and ease green house emissions due to idling.

For a complete list of Infrastructure Stimulus Fund projects in Ontario, please visit:

<http://www.buildingcanada-chantierscanada.gc.ca/media/news-nouvelles/2009/on-pl-eng.html>

2012 will be a big year for construction in Ontario as the province and the nation begin to recover from the recession. Projects currently underway in Ontario include: additions to Toronto's Light Rail Transit Network, St.

<sup>21</sup> Clinkard, J. (12 April 2012). "Auto industry should help drive Ontario economy faster in 2012." The Daily Commercial News. Retrieved from <http://dcnonl.com/article/id49673>

<sup>22</sup> Ontario Immigration. (8 July 2011). "Exploring Ontario." Government of Ontario. Retrieved from [http://www.ontarioimmigration.ca/en/about/OI\\_ABOUT\\_INDUSTRY\\_ECONOMY.html](http://www.ontarioimmigration.ca/en/about/OI_ABOUT_INDUSTRY_ECONOMY.html)

<sup>23</sup> Government of Ontario. (9 May 2012). "Mining in Ontario - Facts and Figures." Retrieved from <http://news.ontario.ca/mndmf/en/2012/05/mining-in-ontario---facts-and-figures.html>

<sup>24</sup> Ontario Technology Corridor. (2012). "Welcome to the Ontario Technology Corridor." Retrieved from <http://www.ontariotechnologycorridor.com/>



Joseph's Healthcare in Hamilton, and the Highway 407 extension project. For a complete list of projects currently under construction in the Province of Ontario, please visit:

<http://www.infrastructureontario.ca/>



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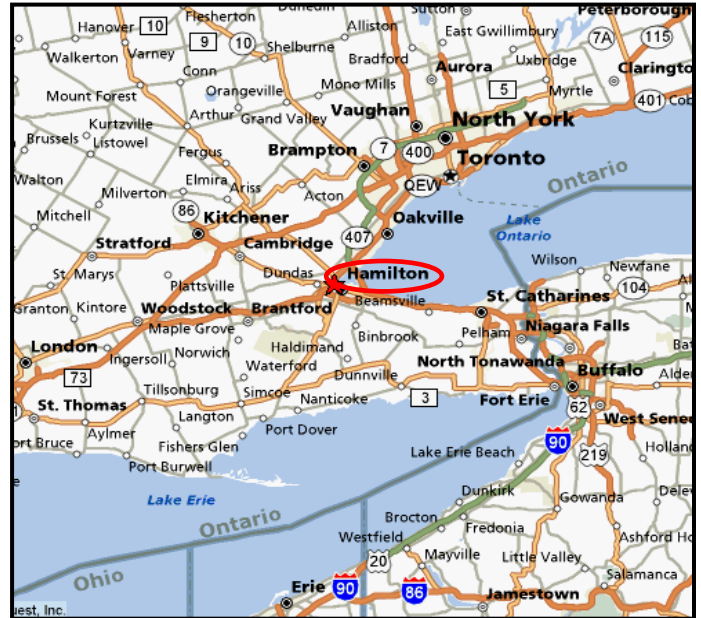


Hamilton

# Hamilton

## On the Street

Once known only as a hard-working steel town, Hamilton has quickly begun to shed this image in the eyes of potential investors. Several years of record breaking building permit values and exponential population growth have done wonders to change the city's reputation. Helmed by a forward-thinking government and Economic Development team, Hamilton's economic growth and investment potential have skyrocketed, landing this city at the top of our list of Ontario Investment Towns for the second year running.



Hamilton offers businesses with unparalleled transportation links. The city is only an hour away from two United States border crossings, close to major highways with access to national and international markets, owner of the busiest port out of all the Great Lakes<sup>25</sup>, and the home of an international airport. In today's global economy, the movement of goods in an efficient and cost-effective manner is critical, and Hamilton is able to provide both.

On the outskirts of the GTA, Hamilton is part of the 'most densely populated corridor of economic activity in Canada<sup>26</sup>.' Despite the economic downturn experienced in most of Ontario over the last four years, Hamilton's economy was stronger than ever. The city continued to break records for total building permit values, hitting \$818 million in 2008 and surpassing the \$1 billion mark in 2010<sup>27</sup>. Hamilton's relatively low real estate prices and short driving distance to Toronto will continue to appeal to families and businesses alike.

While still affected by the recession to some extent, the city's diverse economy protected it from the sharp declines experienced by other communities. Further diversification of the local economy was evident in 2011 with the type and amount of companies that relocated or expanded in the city. The city recently received a 92% diversity rating from the Conference Board of Canada<sup>28</sup>, helping to further break down the city's old stereotype. Hamilton's leadership has been very innovative with their revitalization plans throughout the city. Residents are witnessing re-developments including residential, commercial, industrial and recreational projects in all areas of Hamilton.



## Location

Hamilton is located at the western end of Ontario's Golden Horseshoe, on the banks of Lake Ontario. The Queen Elizabeth Way (QEW) provides the city with access to both Toronto, a market of over six million people,

<sup>25</sup> ---. (2010). "Top Ten Reasons". <http://www.investinhamilton.ca/why-hamilton/top-ten-reasons.html>

<sup>26</sup> Hamilton Economic Development. (2012). "Top Ten Reasons". *City of Hamilton*. Retrieved from <http://www.investinhamilton.ca/why-hamilton/top-ten-reasons.html>

<sup>27</sup> Hamilton Economic Development. (2012). "Demographics & Statistics." *City of Hamilton*. Retrieved from <http://www.investinhamilton.ca/locate-expand/demographics-statistics/>

<sup>28</sup> Hamilton Economic Development. (2012). "2011 Hamilton EcDev Annual Report." *City of Hamilton*. Retrieved from [http://issuu.com/hamiltonecdev/docs/2011\\_annualreport](http://issuu.com/hamiltonecdev/docs/2011_annualreport)

and Highway 401. Hamilton also offers residents and businesses with direct access to United States markets via the Detroit or Buffalo border crossings.

The city has positioned itself as a transportation hub for businesses. Air connections to international destinations are provided by the John C. Munro Hamilton International Airport, Canada's largest courier and cargo airport, generating more cargo flights than any other airport in the country. The city is also in close proximity to the Lester B. Pearson International Airport in Toronto and Buffalo Niagara International Airport, just across the border in New York. Hamilton businesses are also afforded easy access to a network of highways, international rail lines, and the Port of Hamilton – recognized as the busiest port out of all the Great Lakes<sup>29</sup>.



### **Economic Scorecard**

Only an hour away from two United States border crossings, links to major highways with access to local, national, and international markets, owner of the busiest port out of all the Great Lakes, and access to international rail lines and the Lester B. Pearson International Airport, it's easy to see why Hamilton continues to be a prime location to do business. Hamilton's lower housing prices and short driving distance to Toronto will continue to appeal to people who work in Canada's largest city, but live outside its borders.

The wheels have been set in motion to create a major high-tech industrial park in conjunction with growth at McMaster University, sparking an entrepreneurial spirit in the city. In fact, Hamilton's leadership has been very innovative with their revitalization plans throughout the city. Residents are witnessing re-developments including residential, commercial, industrial and recreational projects in all areas of Hamilton.



### **Population and Income**

As of the last federal census, the population of the City of Hamilton was 519,949<sup>30</sup>. By 2031, the population is expected to increase to 660,000 residents. Hamilton predicts this will increase the amount of households in the city to 270,000 and the number of people employed in the city to 300,000<sup>31</sup>.

The population of the Hamilton Census Metropolitan Area (CMA) was 721,053 as of the last federal census. The Toronto Region Research Alliance (TRRA) estimates that 185,090 of the residents in the CMA are immigrants. By 2015, it is estimated that 26.8% of Hamilton's population will have been born outside of Canada<sup>32</sup>.

Statistics Canada estimates that 2.8% of all immigrants settling in CMAs in Canada are settling in Hamilton, providing a wonderful multi-cultural feel to the city as well as an ongoing influx of new renters and eventual property buyers. The City of Hamilton predicts that its continued growth over the next 25 years will draw mainly

<sup>29</sup> Hamilton Economic Development. (2012). "Top Ten Reasons". *City of Hamilton*. Retrieved from <http://www.investinhamilton.ca/why-hamilton/top-ten-reasons.html>

<sup>30</sup> Statistics Canada. (2011). "Hamilton, Ontario" (Code 3 3525005) (table). 2011 Community Profiles. 2011 Census. Retrieved from <http://www12.statcan.gc.ca/census-recensement/2006/dp-pd/prof/92-591/details/page.cfm?Lang=E&Geo1=CSD&Code1=3521010&Geo2=PR&Code2=35&Data=Count&SearchText=brampton&SearchType=Begins&SearchPR=01&B1=All&Custom=>

<sup>31</sup> City of Hamilton. (2012). "Planning and Development FAQ's". Retrieved from <http://www.hamilton.ca/Hamilton.Portal/Templates/FaqDetail.aspx?NRMODE=Published&NRORIGINALURL=%2fHelp%2fCity%2b%2bHamilton%2bFAQs%2fPlanningDevelopmentFAQs%2f&NRNODEGUID=%2f7bDC4EDDBA-B0C3-4314-AB33-E3FAA6A358E5%7d&NRCACHEHINT=Guest#15>

<sup>32</sup> Toronto Region Research Alliance. (2011). "General Demographics Statistics: Hamilton CMA, Ontario, Canada". <http://www.trra.ca/en/reports/HamGenDemo.asp>

from migration and immigration to the region, as opposed to a natural increase. Hamilton has been receiving between 2,500-3,500 immigrants a year since 1994<sup>33</sup>.

Hamilton Current Trend Population Growth (Urban & Rural) 2006-2031		
Urban Area	2001 Population	2031 Population
Ancaster	30,155	39,565
Dundas	24,042	24,783
Flamborough	39,122	54,366
Glanbrook	13,685	34,515
Lower Stoney Creek	42,028	47,354
Upper Stoney Creek	18,319	30,153
Lower Hamilton	190,184	191,081
Upper Hamilton	142,682	148,442
Total	500,127	569,061
Source: City of Hamilton - Growth Related Integrated Development Strategy (2006)		

While Hamilton did experience an increase in its unemployment rate during the recession, things are certainly looking up for the city, with employment increasing by nearly 17,000 people between January 2010 and December 2011. As of December 2011, the unemployment rate sat at 6.4%, a decrease from 8.5% in January 2010. The average weekly pay for a resident of Hamilton was \$885 in December 2011, up from \$827 in January 2010.

The city's downtown core continues to attract both businesses and residents. The core contains more than 1,600 businesses which employ approximately 23,400 people.

Between 2001 and 2010, 2,700 new residents moved into the city's core. The average salaries for people working in downtown Hamilton are reported to be well above the city and provincial averages, with a majority of the jobs in government, professional, financial or scientific fields<sup>34</sup>.



## Housing Trends

Despite the economic downturn experienced in most of Ontario over the last four years, Hamilton's economy was stronger than ever. The city continued to break records for total building permit values, hitting \$818 million in 2008 and surpassing the \$1 billion mark in 2010<sup>35</sup>. The total building permit value was down in 2011, to \$731,019,289<sup>36</sup>, but marks the fourth highest in the city's record. The total residential building permit value for the City of Hamilton was \$432,286,606, down slightly from \$590,900,000 in 2010. However, 2012 is shaping up to be another great building year. The total building permit value for the city was already sitting at \$271 million in the first quarter, an increase of \$75 million from the same time period in 2011<sup>37</sup>.

2011 was a bit of a slower year for new home starts in Hamilton. The City of Hamilton recorded a total of 1,645 housing starts in 2011, down from 2,282 the previous year. However, this is significantly higher than the 1,053 starts recorded in 2009<sup>38</sup>. It's all about perspective – 2011 was a record year and it will be hard to compare to. Builders could not compete with the well-supplied and lower-priced resale market. The total number of single family units beginning construction in 2011 was 926, down from 1,322 in 2010. The majority of single-family

<sup>33</sup> City of Hamilton. (2006). "Growth Integrated Development Strategy". Retrieved from [http://www.myhamilton.ca/NR/rdonlyres/81E38F84-D751-4364-93B7-C8D3D4D23F1E/0/Final\\_Growth\\_Report\\_May2006R.pdf](http://www.myhamilton.ca/NR/rdonlyres/81E38F84-D751-4364-93B7-C8D3D4D23F1E/0/Final_Growth_Report_May2006R.pdf)

<sup>34</sup> MacLeod, M. (19 January 2011). "Hamilton is a happenin' place". *The Hamilton Spectator*. Retrieved from <http://www.thespec.com/news/business/article/475520--downtown-is-a-happenin-place>

<sup>35</sup> Hamilton Economic Development. (2012). "Demographics & Statistics." *City of Hamilton*. Retrieved from <http://www.investinhamilton.ca/locate-expand/demographics-statistics/>

<sup>36</sup> City of Hamilton. (2012). "Economic development review 2011." Retrieved from <http://www.investinhamilton.ca/2011-hamilton-economic-review/>

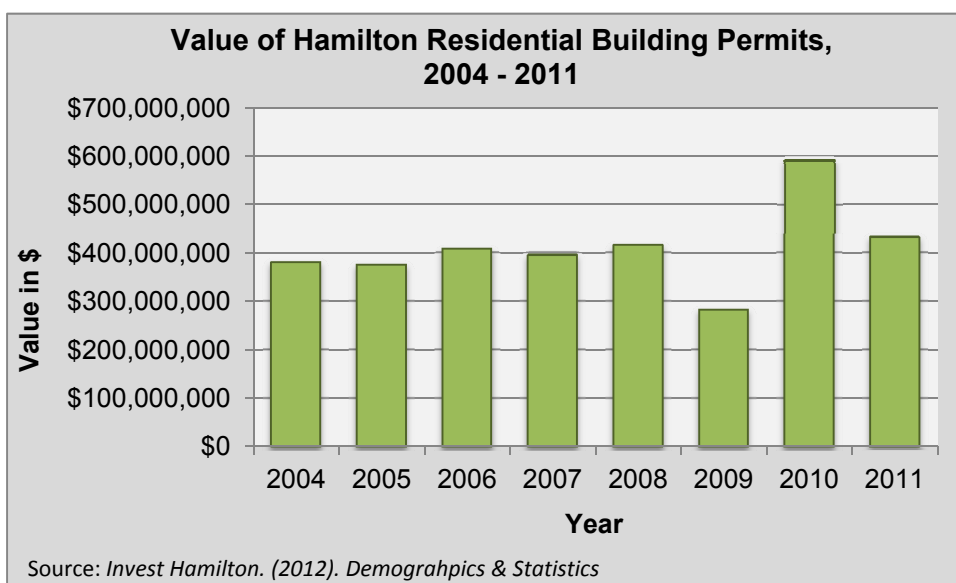
<sup>37</sup> Hamilton Economic Development. (2012). "Hamilton building permits bouncing toward a boom." Retrieved from <http://www.investinhamilton.ca/hamilton-building-permits-bouncing-toward-a-boom/>

<sup>38</sup> CMHC. (January 2011). "Housing Now – Hamilton and Brantford CMAs." Retrieved from [http://www.cmhc-schl.gc.ca/odpub/esub/64227/64227\\_2011\\_M01.pdf?fr=1336681422783](http://www.cmhc-schl.gc.ca/odpub/esub/64227/64227_2011_M01.pdf?fr=1336681422783)



housing starts occurred in suburban areas such as Dundas and Glanbrook. In 2011, 719 multi-family units began construction, down from 960 in 2010<sup>39</sup>.

In 2012, the level of new home starts is expected to remain relatively unchanged from 2011. Hamilton will continue to see a trend towards higher density residential projects, with low-rise starts concentrated in the more suburban markets of Ancaster, Glanbrook, Flamborough, Grimsby, and Stoney Creek. Expect to see an increase in housing starts in Grimsby and Flamborough, as these areas are ideally situated near major transportation routes<sup>40</sup>.



Migration to the Hamilton area has been steadily increasing in the last decade, creating a need for additional housing. Hamilton's lower housing prices and short driving distance to Toronto will continue to appeal to people who work in the Greater Toronto Area, but want to live in a city with a small-town feel. Hamilton was ranked as 11<sup>th</sup> most popular destination for movers traveling more than 50 miles<sup>41</sup>. If the demand for housing remains this strong in Hamilton, it will remain a top U-Haul destination for years to come.

The average household size in Hamilton is expected to contract by 11% by 2031. The city reports that 18%-20% of all bedrooms in Hamilton's low density housing remain unused. The city notes that the majority of unused bedrooms occur in single detached dwellings that are not occupied by the larger families for which they were designed. This means that as the population continues to grow, the city will require more dwelling units to accommodate the same total population<sup>42</sup>.

The Province of Ontario has recognized the decrease in household size as a primary cause in urban sprawl and has developed a plan to combat it. Beginning in 2015, Ontario's *Places to Grow Plan* will require 40% of all residential development to be constructed in a built-up area<sup>43</sup>. This residential intensification plan will lead to more multi-family housing options within Hamilton and other Ontario municipalities.



## Sale and Rent

Hamilton has a very diverse housing stock. Investors and home buyers will find just about any age, style, condition and type of property they want, all within a convenient 15 minute drive. No matter what your investment focus is, the city or its surrounding region is sure to carry your target property type.

<sup>39</sup> CMHC. (January 2012). "Housing Now – Hamilton and Brantford CMAs." Retrieved from [http://www.cmhc-schl.gc.ca/odpub/esub/64227/64227\\_2012\\_M01.pdf?fr=1336680858281](http://www.cmhc-schl.gc.ca/odpub/esub/64227/64227_2012_M01.pdf?fr=1336680858281)

<sup>40</sup> Ibid.

<sup>41</sup> U-Haul. (23 March 2011). "U-Haul Names Toronto As Top 2011 Canadian Destination". Retrieved from <http://www.uhaul.com/Articles/About/695/U-Haul-Names-Toronto-As-Top-2011-Canadian-Destination>

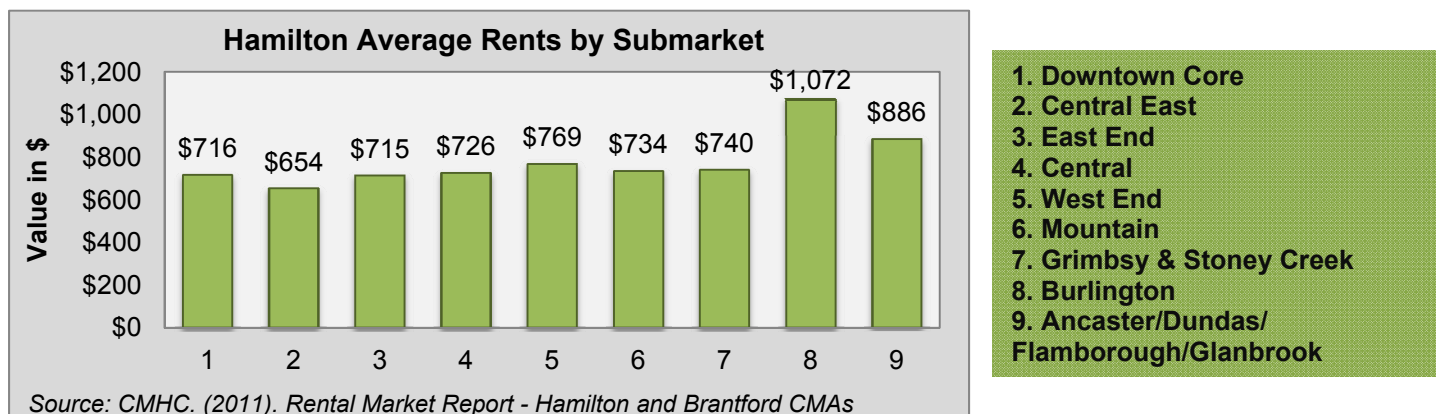
<sup>42</sup> City of Hamilton. (2006). "Growth Integrated Development Strategy". (May 2006). [http://www.myhamilton.ca/NR/rdonlyres/81E38F84-D751-4364-93B7-C8D3D4D23F1E/0/Final\\_Growth\\_Report\\_May2006R.pdf](http://www.myhamilton.ca/NR/rdonlyres/81E38F84-D751-4364-93B7-C8D3D4D23F1E/0/Final_Growth_Report_May2006R.pdf)

<sup>43</sup> Ibid.

The REALTORS® Association of Hamilton-Burlington (RAHB) reported a total of 1,142 sales for the region in April 2012, up 0.3% from the same month last year. However, listing inventory is down when compared to the same month last year. The number of active listings sat at 510 units in April 2012, almost 27% fewer than April 2011. Demand for resale properties is high, and homes have consistently sold in a shorter period of time and for a higher price than last year<sup>44</sup>.

The average sale price in Hamilton continues to climb year after year. The average sale price of a residential property in the region was \$377,951 in April 2012, an increase of 11.3% from April 2011. The average price of a condominium in the region was \$254,655, up 11.4% from the previous year<sup>45</sup>.

CMHC predicts that much of the demand for sales through 2012 will come from repeat buyers. Mortgage rates are expected to remain low through 2012, keeping homes relatively affordable. Many Hamilton residents will take advantage of low mortgage rates and upsize their home. Recent in-migration to Hamilton from other parts of the GTA will also support sales growth. Total sales for the region are forecast to hit 13,500 by the end of 2012<sup>46</sup>.



Although relatively affordable home prices and stable mortgage rates will increase sales in 2012, the jump into home ownership for first time buyers has become more difficult in recent years due to challenges in the labour market and rising house prices<sup>47</sup>. This, combined with young people moving into the region for school, will support demand in the rental market in 2012. The average rental rates in the city continue to increase, providing investors with increased cash flow from their properties. The average rent for a private apartment in the City of Hamilton was \$714 in October 2011, up from \$706 in October 2010. The average rent for a bachelor apartment was \$524 in October 2011, up from \$501 the previous year; the average rent for a one bedroom unit was \$659, an increase from \$648; two bedroom units averaged at \$780, up from \$774; and three bedroom apartment units sat at \$965, up from \$937 the previous year<sup>48</sup>.



## Vacancy Rates

The vacancy rate for a private apartment in the City of Hamilton has remained fairly stable over the past couple of years. In October 2011, the vacancy rate was 4.2%, a decrease from 4.5% 2010. The vacancy rate for a

<sup>44</sup> REALTORS Association of Hamilton-Burlington. (4 May 2012). "Low Inventory of Listings; Average Sale Price Continues to Rise." Retrieved from <http://www.rahb.ca/press/2012/120504pressreleaseApril.pdf>

<sup>45</sup> Ibid.

<sup>46</sup> CMHC. (October 2011). "Housing Market Outlook – Hamilton and Brantford CMAs." Retrieved from [http://www.cmhc-schl.gc.ca/odpub/esub/64303/64303\\_2011\\_B02.pdf?fr=1336684819042](http://www.cmhc-schl.gc.ca/odpub/esub/64303/64303_2011_B02.pdf?fr=1336684819042)

<sup>47</sup> Ibid.

<sup>48</sup> CMHC. (October 2011). "Rental Market Report - Hamilton and Brantford CMAs". Retrieved from [http://www.cmhc-schl.gc.ca/odpub/esub/64391/64391\\_2011\\_A01.pdf?fr=1336685283751](http://www.cmhc-schl.gc.ca/odpub/esub/64391/64391_2011_A01.pdf?fr=1336685283751)

bachelor unit was 5.1%, down from 7.1%; the vacancy rate for one-bedroom apartment unit was 3.8%, a decrease from 4.4% the previous year; two bedroom units had a vacancy rate of 4.4%, up slightly from 4.1%; and a three bedroom unit was 5.1%, down from 5.3% in October 2010<sup>49</sup>.

Vacancy rates were lower in the more expensive areas of Ancaster, Flamborough, Burlington, Dundas, and Glanbrook, continuing to show that high quality apartments, which these markets provide, are in high demand<sup>50</sup>.



## **Economics**

Hamilton has been steadily moving up Canadian Business Magazine's rankings as one of the best cities in which to do business in Canada (the city ranked as 7<sup>th</sup> in 2011) to the surprise of many GTA residents who still view Hamilton as only a 'Steel Town'. It is true that industrial manufacturing has been the driving force of Hamilton's economy for many years, representing approximately 4% of Ontario's total GDP. The sector provides an estimated 85,000 jobs for city residents, with \$5.6 billion being injected into the local economy each year. Heavy and general manufacturing, storage and warehousing, and steel production and processing remain dominate sectors in this industry<sup>51</sup>.



**U.S. Steel Factory, Hamilton**

However, the City of Hamilton has had its ups and downs over the last few years with U.S. Steel, one of the city's largest employers<sup>52</sup>. In November 2008, the plant shut down its furnace, leaving 2,100<sup>53</sup> workers stranded. The plant was fully shut down until July 2009, at which point the firm recalled its entire Hamilton workforce to work on maintenance and painting projects. Steel production at the plant resumed on August 2009<sup>54</sup>. However, the plant shut down its blast furnace again in October 2010, raising fears that the plant may never produce steel again<sup>55</sup>. In May 2012, U.S. Steel laid off nearly 10% of its workforce, citing a lack of demand for steel products<sup>56</sup>.

On the bright side, layoffs at U.S. Steel forced the city to branch out from steel processing into other profitable sectors. In addition to advanced manufacturing, the city has also recognized agri-business and food processing, clean technology, creative industries, goods movements, and life sciences as key industries. The city recently received a 92% diversity rating from the Conference Board of Canada<sup>57</sup>, helping to further break down the city's old stereotype as a steel town. Further diversification was evident in 2011 with the type and amount of companies that relocated or expanded in Hamilton. Companies such as Canada Bread Company,

<sup>49</sup> Ibid.

<sup>50</sup> Ibid.

<sup>51</sup> Ibid.

<sup>52</sup> Tourism Hamilton. (2009). "Top 10 Employers". <http://www.tourismhamilton.com/pagedetail.cfm?id=48>

<sup>53</sup> Nolan, Daniel. (4 March 2009). "Steelworkers shocked by news of plant closure". *The Hamilton Spectator*. Retrieved from <http://www.thespec.com/Local/article/523620>

<sup>54</sup> Powell, N. (28 August 2009). "City steelworkers return to work". *The Hamilton Spectator*. Retrieved from <http://www.thespec.com/article/625776>

<sup>55</sup> Arnold, Steve. (5 October 2010). "U.S. Steel starts shutdown". *The Hamilton Spectator*. Retrieved from <http://www.thespec.com/news/business/article/264546--u-s-steel-starts-shutdown>

<sup>56</sup> Arnold, S. (24 April 2012). "U.S. Steel lays off 50 this week, leaves blast furnace idle." *The Hamilton Spectator*. Retrieved from <http://www.thespec.com/news/business/article/711619--u-s-steel-lays-off-50-this-week-leaves-blast-furnace-idle>

<sup>57</sup> Hamilton Economic Development. (2012). "2011 Hamilton EcDev Annual Report." *City of Hamilton*. Retrieved from [http://issuu.com/hamiltonecdev/docs/2011\\_annualreport](http://issuu.com/hamiltonecdev/docs/2011_annualreport)

Best Western C Hotel, Parrish & Heimbecker, Carstar, Maple Leaf Foods, and Lafarge all opened or expanded their existing facilities in Hamilton in 2011<sup>58</sup>.

Hamilton's agriculture cluster contributes \$1.26 billion to the city's economy annually. Boosted by rich farming lands and its proximity to water sources, the majority of the 227,000 acres within Hamilton's farmed lands qualifies as prime agricultural land. Considering only 5 percent of Canada's land mass is considered 'prime agricultural land,' this number is significant. In recent years, the city has witnessed a spin-off to food processing and value-added agricultural-related businesses<sup>59</sup>. The region's great transportation links to national and international markets have allowed it to become one of the city's largest industries.

Speaking of food processing, in October 2011, Maple Leaf Foods announced plans to build a \$395 million processing plant in the Red Hill Business Park South as part of the company's massive restructuring. The move will bring 670 new jobs to Hamilton and add approximately \$2 million to the city's property tax base annually<sup>60</sup>. The state of the art facility is expected to open in 2014.



## Infrastructure

The funding keeps pouring in for McMaster University. In the past two years, the university has received \$38.5 million in Knowledge Infrastructure for several projects it had on the table. An investment of \$22 million will help fund upgrades at McMaster's Nuclear Reactor and Nuclear Research Building, creating new research space and allowing for increased production of medical and industrial isotopes. Additionally, the university received \$16.5 million for the construction of two new centres: The Centre for Cancer Education, Research, and Rehabilitation and the Centre for Spinal Cord Injury Education, Research, and Rehabilitation.

McMaster University also committed \$9.5 million to the McMaster Automotive Research Centre (MARC). After significant renovations, the Centre will occupy the former Camco warehouse building on Longwood Road. The first stage of the project has been approved by the university's board of governors and is expected to be a keystone of McMaster Innovation Park alongside the federal CANMET Materials Technology Laboratory that opened in March 2011. Construction of the first stage began in June 2011 and should be open in the summer of 2012<sup>61</sup>.

In 2011, St. Joseph's Healthcare broke ground on a new mental health facility in Hamilton. The 800,000 square foot hospital will provide state-of-the-art facilities to Hamilton residents living with mental illness and addiction. Once completed, the hospital will include: increased capacity of up to 305 single person inpatient beds, expanded outpatient support, and additional space for research and academic activity as the hospital becomes the home of the Department of Psychiatry and Behavioural Neurosciences at McMaster University. Construction on the project is expected to be completed in the summer of 2014. Labour for the project will be drawn from Hamilton and surrounding communities and it is expected to employ more than 650 workers during construction<sup>62</sup>.

<sup>58</sup> Hamilton Economic Development. (2012). "Hamilton building permits bouncing toward a boom." Retrieved from <http://www.investinhamilton.ca/hamilton-building-permits-bouncing-toward-a-boom/>

<sup>59</sup> Hamilton Economic Development. (2012). "Advanced Manufacturing". *City of Hamilton*. Retrieved from <http://www.investinhamilton.ca/key-industries/advanced-manufacturing/>

<sup>60</sup> Reilly, E. (20 October 2011). "\$390m Maple Leaf plant brings 670 new jobs to Mountain." *The Hamilton Spectator*. Retrieved from [http://www.thespec.com/news/economic\\_development/article/611728--390m-maple-leaf-plant-brings-670-new-jobs-to-mountain](http://www.thespec.com/news/economic_development/article/611728--390m-maple-leaf-plant-brings-670-new-jobs-to-mountain)

<sup>61</sup> Hemsworth, Wade. (4 March 2011). "McMaster commits \$9.5m to auto research centre". *The Hamilton Spectator*. Retrieved from <http://www.thespec.com/news/local/article/496074--mcmaster-commits-9-5m-to-auto-research-centre>

<sup>62</sup> St. Joseph's Healthcare Hamilton. (13 April 2011). "A new future for St. Joseph's Healthcare Hamilton West 5th Campus." *Canada Newswire*. Retrieved from <http://www.newswire.ca/en/story/758887/a-new-future-for-st-joseph-s-healthcare-hamilton-west-5th-campus>



Hamilton will see the construction of a new stadium to replace the aging Ivor Wynne Stadium before the Pan American games are held in the GTA in 2015. The project will cost approximately \$154 million and construction will be completed in 2014<sup>63</sup>. As the project originally called for a revamping of Ivor Wynne, details on the fairly new deal have not yet been released. However, the original deal would have seen the number of seats in the stadium increase to 25,000. Pan American organizers were to provide \$70 million with the city of Hamilton providing the remainder of the<sup>64</sup>.

The City of Hamilton has positioned itself as a transportation hub. With connections to three international airports (John C. Munro, Pearson International, and Buffalo Niagara), a network of highways, international rail lines, and the Port of Hamilton, the city offers businesses with unparalleled transportation links. A central point between the GTA and the U.S., many businesses have come to see the advantages that Hamilton has to offer in terms of moving goods and people. In 2011 alone, Hamilton saw investments from Purolator (\$9 million to expand its airport cargo centre), Lafarge (\$20 million to relocate to Hamilton Port Authority at Pier 22), Fluke Transport & Warehousing (opened a 175,000 square foot warehouse), and Richardson International (\$5.5 million to expand their Hamilton Port facility)<sup>65</sup>.

## Transportation

Ontario Government studies point to an expected population growth to nearly 2 million people in the Niagara, Halton, and Hamilton region. A sharp increase from the 1.3 million people living in the region in 2001, the Government fears that the current transportation system will not be able to handle the growth, with parts of the system at or beyond capacity already. With 21 million visitors expected by 2031 and truck volumes predicted to grow by 50% in the next 25 years<sup>66</sup>, the region's transportation system must rapidly evolve if expected to keep up with the enormous growth.

### Rapid Transit

In November 2008, Metrolinx (now merged with GO Transit), released the final copy of its transportation

strategy. The report identified four future rapid transit routes for the City of Hamilton to be constructed over the next 25 years.

Metrolinx listed 15 top priority 'early implementation' projects, which included a rapid transit expansion from McMaster University to Eastgate Square – known as the 'B-Line'. Included in the first 15 years of the plan was the 'A-Line', which starts at the airport and ends at Hamilton's waterfront. A third route was included in the first



### B-L-A-S-T Route Map

Source: City of Hamilton

<sup>63</sup> Knapper, B. (22 September 2012). "Ivor Wynne Stadium to be turned Pan-Am by 2014." *The Crown*. Retrieved from <http://www.thecrown.ca/story/ivor-wynne-stadium-be-turned-pan-am-2014>

<sup>64</sup> Brady, R. (12 January 2011). "Tiger Cats to make major stadium announcement this morning." *The Globe & Mail*. Retrieved from <http://www.theglobeandmail.com/sports/football/tiger-cats-to-make-major-stadium-announcement-this-morning/article1865362/>

<sup>65</sup> Hamilton Economic Development. (2012). "2011 Hamilton EcDev Annual Report." *City of Hamilton*. Retrieved from [http://issuu.com/hamiltonecdev/docs/2011\\_annualreport](http://issuu.com/hamiltonecdev/docs/2011_annualreport)

<sup>66</sup> Nolan, D. (27 February 2009). "Study eyes highway congestion." *The Hamilton Spectator*. Retrieved from <http://www.thespec.com/News/Local/article/521525>

25 years of the plan, following Mohawk Road from Ancaster to Main Street (known as the 'T-Line'). The fourth route, to be implemented after the first 25 years, is known as the 'S-Line', and would begin at Ancaster Business Park, near where Wilson Street and Garner Road meet up and terminate at Eastgate Square. The 'L-Line', the fifth and final proposed LRT line would begin at the proposed multi-modal station off of James Street South and Main Street West and end at Waterdown Commercial Centre off of Highway 6<sup>67</sup>.

However, investors should be cautious in areas slated for transit improvement as nothing is certain until the shovel hits the dirt. After three years of detailed design work, the project still has no definitive start date. Premier Dalton McGuinty recently suggested that all-day GO Train service would be the main focus of the city in the next little while<sup>68</sup>. Keep your eyes on the headlines for future updates on the situation.

### Go Transit

The only existing GO Transit station in Hamilton is the Lakeshore West Station. Currently, trains only run during rush hour and off hours are serviced by a bus service for areas beyond Aldershot. GO Transit is currently in talks to expand the Lakeshore West line to the Niagara Peninsula. A test project was undertaken in the summer of 2009 to add weekend train service to Niagara Falls. Over 40,000 people used the train service, greatly exceeding the expectations of GO officials. As the expansion was included in GO Transit's "GO 2020" strategic plan, it may become a reality sooner rather than later<sup>69</sup>.

For more details on the impact that transportation improvements can have on real estate values, download: The Hamilton Transportation Effect at: [www.reincanada.com](http://www.reincanada.com).



### **Top Investment Town**

Once thought of as a hard-working steel town, a forward-thinking economic development team has businesses and investors changing their views - as indicated by the record breaking building permit values Hamilton has experienced in recent years. Residents are witnessing re-developments including residential, commercial, industrial and recreational projects in all areas of Hamilton.

The City of Hamilton's real estate will continue to be a solid performer for both home owners and investors. The diversification of the economy coupled with the increase in accessibility provided by the transportation changes provides a strong economic base from which to work, as well as protecting the City from some of the economic downturn experienced in other areas in the province. The key here is to be proactive. The Hamilton market is a continual ebb and flow, with some neighbourhoods poised to do better than others, and some landlords poised to do better than others.



## Hamilton

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<sup>67</sup> City of Hamilton. (2012). "Rapid Transit". <http://www.myhamilton.ca/myhamilton/CityandGovernment/ProjectsInitiatives/RapidTransit/>

<sup>68</sup> Hamilton Light Rail Initiative. (2012). Retrieved from <http://hamiltonlightrail.com/>

<sup>69</sup> Chai, Carmen. (17 November 17 2009). "GO Transit considers expansion to Niagara Falls". *National Post*. Retrieved from <http://network.nationalpost.com/np/blogs/toronto/archive/2009/11/17/go-transit-considers-expansion-to-niagara-falls.aspx>



# Kitchener & Cambridge

## On the Street

Located in the Waterloo Region, the communities of Kitchener and Cambridge (KC) represent two thirds of Canada's 'Technology Triangle,' known as a competitive area in which to build high-tech businesses. With an ever diversifying economy, Kitchener and Cambridge remain on our list of Top Ontario Investment Towns. Their access to key Canadian, U.S., and international markets; superb transportation links (GO transit, access to the Lester B. Pearson International Airport, and Highway 401), and a forward-thinking economic development team leave them poised to be economic leaders in the province for many years to come.

Canada's Technology Triangle has access to a market of over 130,000,000 people within a 24 hour drive. Within this radius exists 60% of the Canadian population, 40% of the U.S. population, and 71% of Canada's manufacturers<sup>70</sup>. Its central location has lead many businesses to call the region home.

In order to maintain a strong economic presence, cities must constantly reinvent themselves in order to attract new investors and talent, and KC has done just that. By investing in new sectors, such as digital media, biotechnology, and life sciences, the Triangle has protected itself from job losses experienced in many other Ontario communities during the recession. The presence of world-leading companies such as Microsoft and Research in Motion attest to the Technology Triangle's R&D capabilities and significant competitive advantage the region has to offer.

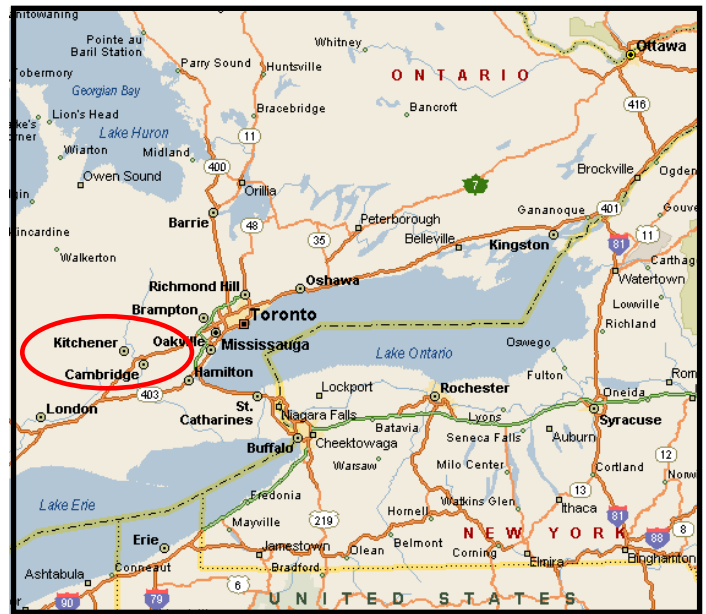
In-migration is strong, average incomes are strong, available older housing stock is there and overall job growth continues. Coined by the Real Estate Investment Network™ as "the economic Alberta of Ontario" in previous editions of this report, the two communities have continued to prove themselves worthy of this title.



## Location

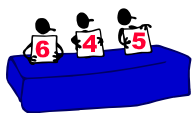
Canada's Technology Triangle is located in the Region of Waterloo. Cambridge is southeast of Waterloo and Kitchener and is located on the Grand and Speed Rivers.

The Triangle is located near Highway 401, one of Canada's busiest transit corridors. This conveniently offers the region access to the northeast and mid-west U.S. markets. The Triangle is a one hour drive from Toronto, Canada's head office capital and the nation's largest census metropolitan area (CMA). Only 45 minutes away from the Pearson International Airport, Kitchener and Cambridge have access to 60% of the U.S. market within a two hour flight time<sup>71</sup>.



<sup>70</sup> City of Waterloo. (2009). Land and Location City of Waterloo, Ontario, Canada. <http://www.city.waterloo.on.ca/DesktopDefault.aspx?tabid=1423>

<sup>71</sup> Canada's Technology Triangle. (2011). "Top 5 Reasons to Invest in the Waterloo Region". <http://www.techtriangle.com/invest>



## Economic Scorecard

With an ever diversifying economy, Kitchener and Cambridge remain on our list of Ontario investment towns. Their access to key Canadian, U.S., and international markets; superb transportation links (GO transit, access to the Lester B. Pearson International Airport, and Highway 401), and a forward-thinking economic development team leave them poised to be economic leaders in the province for many years to come.



## Population and Income

The Kitchener Census Metropolitan Area (CMA) is comprised of Kitchener, Waterloo, Cambridge, Woolwich and North Dumfries. As of the last federal census, the population of the CMA was 477,160, an increase of 5.7% from 2006<sup>72</sup>. The area continues its steady growth, in line with the provincial average between 2006 and 2001. The population of the CMA is predicted to reach 521,652 in 2015, an increase of 5.9% from 2010<sup>73</sup>. Analysts don't seem to think that the CMA's population growth will slow any time soon, and neither do we.

As of the last federal census, the population of the City of Kitchener sat at 219,153. The population recorded during the 2011 census represents an increase of 7.1% from 204,668 in 2006<sup>74</sup>. The city predicts that the population of Kitchener will continue its rapid growth, hitting 304,655 by 2031<sup>75</sup>.

The City of Cambridge had a total population of 126,748 as of the last federal census. The population recorded during the 2011 census represents an increase of 5.3% from a total of 120,371 in 2006<sup>76</sup>. The city's population is expected to hit 173,000 by 2029<sup>77</sup>.

Employment will remain a strong driver in people's decision to move into the region. The Kitchener CMA currently has over 256,600 employees<sup>78</sup>, attracting people looking for jobs to the area. Kitchener ranked as the 8<sup>th</sup> most popular destination for all Canadian U-Haul vehicles in 2011, moving up three spots from #11 in 2010. The U-Haul ranking takes into account all Canadian cities, regardless of size and tracked all movers travelling more than 50 miles to their destination<sup>79</sup>.

The median household income for the Kitchener CMA was \$72,860 in 2010. By 2015, the median household income is predicted to increase to \$87,795<sup>80</sup>. The average weekly wage of resident in the Kitchener CMA was \$862 as of December 2011, an increase from \$837 in December 2010<sup>81</sup>.

<sup>72</sup> Statistics Canada. (2011). "Kitchener, Ontario" (Code 541) (table). 2011 Community Profiles. *2011 Census*. Retrieved from <http://www12.statcan.gc.ca/census-recensement/2011/dp-pd/prof/details/page.cfm?Lang=E&Geo1=CMA&Code1=541&Geo2=PR&Code2=35&Data=Count&SearchText=kitchener&SearchType=Begin&SearchPR=01&B1=All&Custom=&TABID=1>

<sup>73</sup> Toronto Region Research Alliance. (2010). "General Demographics Report – Kitchener CMA". Retrieved from [http://www.trra.ca/en/reports/resources/CMA\\_Kitchener\\_General\\_Demographic\\_Report\\_10.pdf](http://www.trra.ca/en/reports/resources/CMA_Kitchener_General_Demographic_Report_10.pdf)

<sup>74</sup> Statistics Canada. (2011). "Kitchener, Ontario" (Code 3530013) (table). 2011 Community Profiles. *2011 Census*. Retrieved from <http://www12.statcan.gc.ca/census-recensement/2011/dp-pd/prof/details/page.cfm?Lang=E&Geo1=CSD&Code1=3530013&Geo2=CD&Code2=3530&Data=Count&SearchText=kitchener&SearchType=Begin&SearchPR=01&B1=All&Custom=&TABID=1>

<sup>75</sup> Kitchener Economic Development. (2011). "Fast Facts about Kitchener". *City of Kitchener*. Retrieved from [http://www.kitchener.ca/en/insidecityhall/resources/2011\\_01\\_Fast\\_Facts.pdf](http://www.kitchener.ca/en/insidecityhall/resources/2011_01_Fast_Facts.pdf)

<sup>76</sup> Statistics Canada. (2011). "Cambridge, Ontario" (Code 3530010) (table). 2011 Community Profiles. *2011 Census*. Retrieved from <http://www12.statcan.gc.ca/census-recensement/2011/dp-pd/prof/details/page.cfm?Lang=E&Geo1=CSD&Code1=3530010&Geo2=CD&Code2=3530&Data=Count&SearchText=cambridge&SearchType=Begin&SearchPR=01&B1=All&Custom=&TABID=1>

<sup>77</sup> Cambridge Economic Development. (2011). "Stats, Facts, and Profiles". *City of Cambridge*. Retrieved from [http://www.cambridge.ca/economic\\_development/stats\\_facts\\_and\\_profiles](http://www.cambridge.ca/economic_development/stats_facts_and_profiles)

<sup>78</sup> CMHC. (2011). "Housing Now - Kitchener and Guelph CMAs". (Q1 2010).

<sup>79</sup> U-Haul. (2011). "U-Haul Names Toronto As Top 2011 Canadian Destination". Retrieved from <http://www.uhaul.com/Articles/About/695/U-Haul-Names-Toronto-As-Top-2011-Canadian-Destination>

<sup>80</sup> Toronto Region Research Alliance. (2010). General Demographics Report – Kitchener CMA. [http://www.trra.ca/en/reports/resources/CMA\\_Kitchener\\_General\\_Demographic\\_Report\\_10.pdf](http://www.trra.ca/en/reports/resources/CMA_Kitchener_General_Demographic_Report_10.pdf)



After peaking at 10.1% in February 2010, the unemployment rate in Kitchener has begun to stabilize. As of December 2011, the unemployment rate in the Kitchener CMA was 6.6%, down from 7.3% in December 2010<sup>82</sup>.

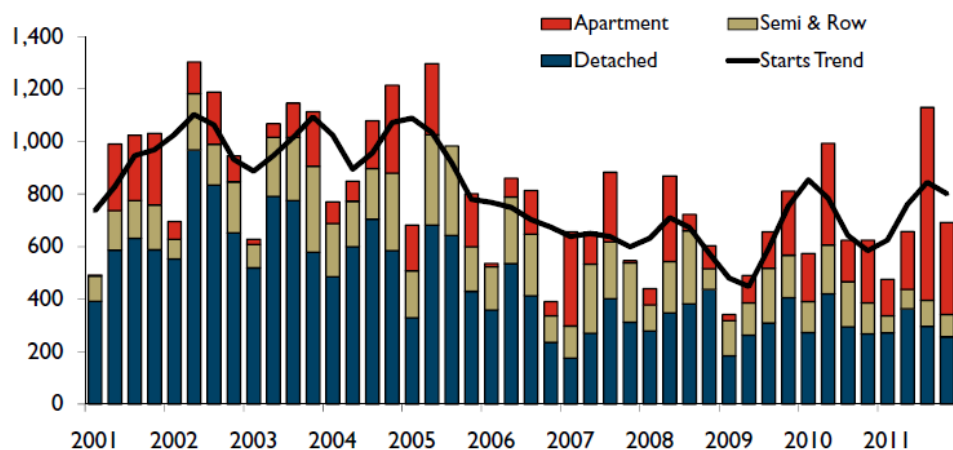


## Housing Trends

According to the Regional Municipality of Waterloo, \$1,276,041,000 in new construction took place in the Region of Waterloo in 2010, a slight decrease from \$1,468,855,000. However, the 2010 value was the highest value ever recorded in the region. The 2011 value, while lower than the previous year, is the second highest ever recorded in the region<sup>83</sup>. The construction value was comprised of approximately 45% in the non-residential sector and 55% in the residential sector.

The City of Kitchener also witnessed a high level of construction in 2011. In 2011, the total building permit value hit \$666,026,027, one of the highest years on record for the city. A total of \$269,647,125 in residential construction took place, up from \$254,441,167 in 2010. A total of \$24,560,010 in commercial construction took place, a slight decrease from \$32,690,000 the previous year<sup>84</sup>.

### Kitchener-Cambridge-Waterloo CMA Starts



Source: CMHC. (October 2011). *Housing Now – Kitchener and Guelph CMAs*.

During 2011, a total of 1,086 new residential units began construction in the City of Kitchener. This number represents a decrease of 16.6% from the 1,302 dwelling units that began construction in 2010. However, the number of units started in 2011 remains well above the 863 units that began construction in 2009. In 2011, a total of 566 units that began construction were single-family, down from 616 in 2010. The city also saw 470 multi-family units begin construction, a decrease from 686 the previous year<sup>85</sup>.

The City of Cambridge witnessed a high level of construction activity in 2011. However, a majority of the city's construction occurred in the non-residential sector. In 2011, the total building permit value for the City of Cambridge was \$333,500,000, a slight increase from \$327,700,000 in 2010. Only \$88,200,000 of the total value was in the residential construction sector, a decrease from \$110,700,000 the previous year<sup>86</sup>.

<sup>81</sup> CMHC. (January 2012). "Housing Now - Kitchener and Guelph CMAs". Retrieved from [http://www.cmhc-schl.gc.ca/odpub/esub/64239/64239\\_2012\\_Q01.pdf?fr=1337967832671](http://www.cmhc-schl.gc.ca/odpub/esub/64239/64239_2012_Q01.pdf?fr=1337967832671)

<sup>82</sup> Ibid.

<sup>83</sup> Regional Municipality of Waterloo. (2012). "Total Value of New Construction, 2001-2011." Retrieved from <http://www.regionofwaterloo.ca/en/resources/TotalValueofNewConstruction2001-2011.pdf>

<sup>84</sup> City of Kitchener. (2012). "Annual Building Report." Personal Communication.

<sup>85</sup> CMHC. (January 2012). "Housing Now - Kitchener and Guelph CMAs". Retrieved from [http://www.cmhc-schl.gc.ca/odpub/esub/64239/64239\\_2012\\_Q01.pdf?fr=1337967832671](http://www.cmhc-schl.gc.ca/odpub/esub/64239/64239_2012_Q01.pdf?fr=1337967832671)

<sup>86</sup> City of Cambridge. (2012). "Building Activity." Retrieved from [http://www.cambridge.ca/economic\\_development/building\\_activity](http://www.cambridge.ca/economic_development/building_activity)

Accordingly, Cambridge also recorded a slight decrease in the number of housing starts in 2011. The total number of residential units that began construction in 2011 was 584, down from 624 the previous year. In 2011, a total of 316 single family units began construction, down from 340 in 2010. The city recorded a total of 268 multi-family housing starts, down from 284 in 2010<sup>87</sup>.

Kitchener and Cambridge witnessed a surge in apartment starts in 2012. Both rental and condominium apartments have gained in popularity in recent years. Apartment starts in the Waterloo Region were up by nearly 50 per cent over 2010 – the highest level since 1989. Demand for apartment units primarily comes from university students and downsizing baby boomers<sup>88</sup>.

Despite a jump in apartment construction, starts for all other housing types experienced a decline. With many buyers taking advantage of favourable conditions before the HST came into effect in July 2010, sales declined in late 2010, causing a decline in starts in 2011<sup>89</sup>.

International migration remains the main force in the migration growth in the Kitchener CMA. Investors will be happy to note that migration does little to increase a housing ownership demand, as renting is the most common preference among people new to Canada. Within the first three years, 40% of new residents purchase a property and 60% continue to rent. After five years, 60% have become purchasers, 30% continue to rent and 10% have left for other regions.

As the population of Kitchener and Cambridge continues to increase at a rapid pace, the cities will see a decrease in available residential land. Higher density construction will increase in coming years in line with the province's Places to Grow Act and the Region of Waterloo's Official Plan<sup>90</sup>.



### **Sale and Rent**

As the cities of Kitchener and Waterloo share a real estate board, the date for home sales in both cities will be the same. Low interest rates attracted new buyers while sellers benefitted from steady gains in home prices. The total dollar volume of all residential properties sold in 2011 was \$1,881,532,761, an increase of 1.8% from 2010 and a clear reflection of price gains and demand for higher-end homes in the Waterloo Region<sup>91</sup>.

Home sales in the Kitchener-Waterloo Region started off slow in the first half of 2011, but steadily picked up steam, finishing the year just slightly below 2010 totals. In 2011, the Kitchener-Waterloo Region recorded a total of 6,187 sales. Sales in the region included 4,118 single family homes (down 0.3% from 2010), 1,200 condos (down 1.7% from 2010), 497 semi-detached homes (down 1.4% from 2010), and 372 townhomes (down 21.5% from 2010)<sup>92</sup>.

The average price of a home in the Kitchener-Waterloo Region was \$300,949 in 2011, a modest increase from 2010. The average sale price of a single-detached home was \$342,659 in 2011, up from \$329,797 and the average sale price of a condominium unit was \$205,354, an increase from \$198,363 the previous year<sup>93</sup>.

<sup>87</sup> CMHC. (January 2012). "Housing Now - Kitchener and Guelph CMAs". Retrieved from [http://www.cmhc-schl.gc.ca/odpub/esub/64239/64239\\_2012\\_Q01.pdf?fr=1337967832671](http://www.cmhc-schl.gc.ca/odpub/esub/64239/64239_2012_Q01.pdf?fr=1337967832671)

<sup>88</sup> Ibid.

<sup>89</sup> Ibid.

<sup>90</sup> CMHC. (October 2011). "Housing Market Outlook – Kitchener and Guelph CMAs." Retrieved from [http://www.cmhc-schl.gc.ca/odpub/esub/64323/64323\\_2011\\_B02.pdf?fr=1337970095407](http://www.cmhc-schl.gc.ca/odpub/esub/64323/64323_2011_B02.pdf?fr=1337970095407)

<sup>91</sup> Kitchener-Waterloo Real Estate Board. (January 2012). "K-W home sales ease ever so slightly in 2011, average sale price increases 4 percent." Retrieved from [http://www.kwar.ca/stats/December\\_2011\\_Media\\_Release.pdf](http://www.kwar.ca/stats/December_2011_Media_Release.pdf)

<sup>92</sup> Ibid.

<sup>93</sup> Ibid.

Real estate in the Cambridge area remains affordable. The average price of a home in Cambridge was \$312,473 as of March 2012. This is significantly below the Ontario average of \$389,342 and the Canadian average of \$369,677.<sup>94</sup>

The resale market will remain stable in 2012. An increased number of first-time homebuyers, who tend to purchase lower-priced homes, will put downward pressure on the region's average house price<sup>95</sup>.

Kitchener & Cambridge Private Apartment Average Rents, 2010 & 2011										
	Bachelor		One Bedroom		Two Bedroom		Three Bedroom		Total	
	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10
<b>Kitchener (East)</b>	\$619	\$613	\$733	\$724	\$845	\$839	\$977	\$986	\$815	\$810
<b>Kitchener (Central)</b>	\$550	\$541	\$700	\$701	\$902	\$876	**	\$1,133	\$794	\$776
<b>Kitchener (West)</b>	\$651	\$613	\$781	\$751	\$903	\$862	\$1,082	\$1,057	\$853	\$818
<b>Kitchener City</b>	\$601	\$582	\$742	\$728	\$869	\$850	\$1,002	\$1,006	\$822	\$806
<b>Cambridge City</b>	\$594	\$587	\$756	\$746	\$885	\$874	\$856	\$866	\$847	\$837
<b>Kitchener CMA</b>	\$608	\$589	\$751	\$740	\$889	\$872	\$1,010	\$1,012	\$842	\$828

*Source: CMHC. (October 2011). Housing Now - Kitchener and Guelph CMAs.*

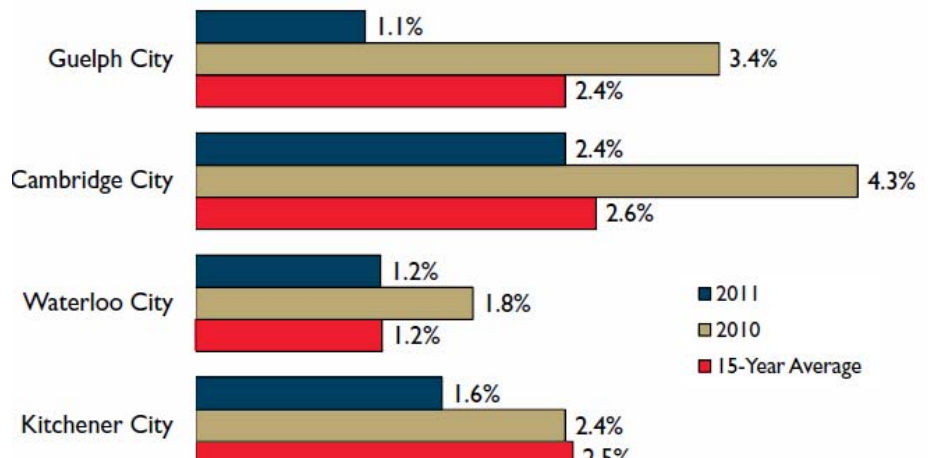
Due to the high levels of immigration and post secondary students in the area, the rental housing market in Kitchener and Cambridge has remained strong. The average rent for a private apartment in the Kitchener CMA was \$842 in October 2011, an increase from \$828 in October 2010. The average rent for a bachelor unit was \$608, up from \$589 the previous year; a one bedroom apartment rented at \$751, up from \$740; a two bedroom unit sat at \$889, up from \$872; and a three bedroom unit rented for \$1,010, down slightly from \$1,012 in October 2010<sup>96</sup>.



## Vacancy Rates

The steady decrease in vacancy rates in the Kitchener CMA shows the high level of interest in renting as opposed to owning. In October 2011, the vacancy rate for a private apartment was 1.7%, down from 2.6% in October 2010. The vacancy rate for a bachelor unit was 2.9%, up from 1.6% the previous year; a one bedroom apartment decreased to 1.5%, from 2.3%; a two bedroom unit sat at 1.6%, down from 2.9%; and the vacancy rate for a three bedroom apartment was

## Tight Rental Conditions in the Kitchener CMA



*Source: CMHC. (October 2011). Rental Market Report – Kitchener and Guelph CMAs.*

<sup>94</sup> City of Cambridge. (April 2012). "Stats, Facts, and Profiles". Retrieved from [http://www.cambridge.ca/economic\\_development/stats\\_facts\\_and\\_profiles](http://www.cambridge.ca/economic_development/stats_facts_and_profiles)

<sup>95</sup> CMHC. (October 2011). "Housing Market Outlook – Kitchener and Guelph CMAs." Retrieved from [http://www.cmhc-schl.gc.ca/odpub/esub/64323/64323\\_2011\\_B02.pdf?fr=1337970095407](http://www.cmhc-schl.gc.ca/odpub/esub/64323/64323_2011_B02.pdf?fr=1337970095407)

<sup>96</sup> CMHC. (October 2011). "Rental Market Report - Kitchener and Guelph CMAs". Retrieved from [http://www.cmhc-schl.gc.ca/odpub/esub/64399/64399\\_2011\\_A01.pdf?fr=1337968621125](http://www.cmhc-schl.gc.ca/odpub/esub/64399/64399_2011_A01.pdf?fr=1337968621125)

3.3%, down from 2.4% the previous year<sup>97</sup>.

These vacancy rates the Kitchener CMA experienced in 2011 are the lowest in a decade. Fewer rental households made the jump to home ownership this year as housing affordability decreased. In addition, the CMA witnessed an increased number of students and young adults renting in 2011. Nearly 30 per cent of the CMA's population is between the ages of 15 and 34, providing a large pool of potential renters. Low vacancy rates in some areas in the CMA are a direct correlation to the area's popularity with students<sup>98</sup>.

The vacancy rate in the Kitchener CMA is expected to move slightly higher in 2012, to 1.9%. There are currently 984 apartments under construction in the CMA, up from 668 units in 2010, which will create an increase in rental units available in the CMA. Renters will have a larger number of units to choose from, somewhat easing demand<sup>99</sup>.



## **Economics**

Straddling Highway 401, the Technology Triangle reaps the benefits of being located on Canada's Business Thoroughfare<sup>100</sup>. The region's optimal transportation links have allowed many different industries to set up base in the area. With an incredibly diverse economy, the Kitchener CMA offers competitive business costs, a highly skilled and educated workforce, a strategic location, and an available labour supply. All of these factors have lead globally competitive industry clusters relocating to the region.

The Kitchener CMA continues to outperform most other regions in the country, with leading indicators consistently placing the CMA near the top of all census metropolitan areas. In the past decade, Kitchener's economy has changed; shifting from a strong manufacturing base to include clusters focused on high technology, software and digital media, biotechnology, and education and knowledge creation<sup>101</sup>.



In October 2011, the City of Kitchener received a shocking blow to its manufacturing sector. The Schneider Food plant, owned by Maple Leaf Foods, will shut its doors once and for all in 2014 as the company undergoes a massive restructuring. Maple Leaf's distribution centre in Kitchener is expected to close a year earlier than the processing plant, in 2013. The closures will mean the loss of over 1,200 local jobs over the next two years. The company said it is committed to working with the city to find a new purpose for the 25-acre plant and give workers time to find new jobs. The city remains optimistic, hoping to attract new employers to recover the coming job losses<sup>102</sup>. The shutdown may just be the push the city needs to create an even more diverse economy, not reliant on any one economic sector.

<sup>97</sup> Ibid.

<sup>98</sup> Ibid.

<sup>99</sup> CMHC. (October 2011). "Housing Market Outlook – Kitchener and Guelph CMAs." Retrieved from [http://www.cmhc-schl.gc.ca/odpub/esub/64323/64323\\_2011\\_B02.pdf?fr=1337970095407](http://www.cmhc-schl.gc.ca/odpub/esub/64323/64323_2011_B02.pdf?fr=1337970095407)

<sup>100</sup> Canada's Technology Triangle. (2009). Presentation to REIN on January 20, 2009 by Catharine Gerhard – Business Development Officer.

<sup>101</sup> City of Kitchener. (2007). "Community Profile". <http://www.kitchener.ca/en/insidecityhall/resources/CommunityProfile.Pdf>

<sup>102</sup> Mercer, G. (19 October 2011). "Maple Leaf Foods closing Kitchener Schneider's plant, 1,200 jobs to be lost." *The Record*. Retrieved from <http://www.therecord.com/news/business/article/611727--maple-leaf-foods-closing-kitchener-schneider-s-plant-1-200-jobs-to-be-lost>



While a large portion of Kitchener's workforce may have been employed by Maple Leaf Foods, the city has several other large employers. Once Maple Leaf Foods closes its doors, the city's largest employer will be Manulife Financial with 1,200 employees. With Arvato Services Inc. (954 employees), Conestoga College (720 employees), Rogers Communications (720), and Kuntz Electroplating Inc. (600)<sup>103</sup> close behind, it is clear the city has shifted away from a manufacturing base towards a well-rounded economy.

The City of Kitchener has plans to create an "innovation district" on the site of a former public works yard on Bamm Street. City staff believe the creation of the district could create as many as 15,000 jobs and attract up to 4,000 residents within a five-minute walk of King and Victoria streets. The eight-acre property will be planned as an 'urban business park,' home to a series of four and five storey buildings that will accommodate offices, laboratories, as well as retail and personal services on the first floor. Tentative future plans would see the surface parking lots within 600 metres of King and Victoria streets similarly developed, eventually creating five million square feet of new building space in the core<sup>104</sup>. Stay tuned as this project develops.

The City of Cambridge is home to many nationally and internationally recognized companies. Top employers in Cambridge include Toyota Motor Manufacturing Canada Inc. (4,500 employees), Challenger Motor Freight Inc. (1,500 employees), Loblaw Companies Ltd. (1,205), Cambridge Memorial Hospital (1,100 employees), and ATS Automation Tooling Systems Inc. (1,000 employees)<sup>105</sup>.

As the economic benefits of the region are realized by more companies, businesses will continue to move into the Technology Triangle, creating an even more diverse economy.



## Infrastructure

In August 2011, Conestoga Campus completed construction of a satellite campus in the City of Cambridge, allowing the college to welcome an additional 3,000 students each year. The new campus is strategically located on Highway 401 at Fountain Street, directly across from the existing Doon campus in Kitchener, and will be the main site for the college's School of Engineering and Information Technology. The Alliance of Ontario Food Processors has also established an Institute of Food Processing Technology on the new site. The new building is situated on a 131.5



**Conestoga College, Cambridge Campus**

*Source: Wonderful Waterloo*

<sup>103</sup> Kitchener Economic Development. (2011). "Fast Facts about Kitchener". *City of Kitchener*. Retrieved from [http://www.kitchener.ca/en/insidecityhall/resources/2011\\_01\\_Fast\\_Facts.pdf](http://www.kitchener.ca/en/insidecityhall/resources/2011_01_Fast_Facts.pdf)

<sup>104</sup> Pender, T. (3 November 2011). "Kitchener 'innovation district' has potential to create 15,000 jobs." *The Record*. Retrieved from <http://www.therecord.com/news/local/article/619862--kitchener-innovation-district-has-potential-to-create-15-000-jobs>

<sup>105</sup> Cambridge Economic Development. (2011). "Community Profile". *City of Cambridge*. Retrieved from <http://www.cambridge.ca/relatedDocs/CambridgeCommunityProfile.pdf>

acre parcel of land purchased from the City of Cambridge and represents the first phase of the college's expansion plans<sup>106</sup>.

In July 2011, the Minister of Health approved the second phase of Cambridge Memorial Hospital's Redevelopment Project. Construction began in the fall of 2011 to upgrade the hospital's existing infrastructure and to prepare for the construction of a new wing. In total the \$200 million project includes 78,000 square feet of renovations and 175,000 square feet of new construction. The hospital is currently in the planning phase for the new wing and the project is expected to go to tender in the spring of 2013<sup>107</sup>.

The City of Kitchener's vision for an 'innovation district' may already be coming true. Located on Breithaupt Street, only two streets over from Victoria Street, sits Breithaupt Block: a redevelopment project that will turn a group of industrial buildings into technology and office space. The project is scheduled to be completed sometime in 2012. The project has no confirmed tenants, but developers are in talks with several high-tech companies<sup>108</sup>. Rumor has it that Facebook is looking to lease some space in one of the redeveloped buildings<sup>109</sup>.

Another major project that will impact the communities of Kitchener and Cambridge is the construction of a new bridge that will span the Grand River from Fairway Road in east Kitchener to Kossuth Road in north Cambridge. The bridge represents the first new crossing of the Grand River in almost 50 years. The \$51 million project is scheduled to be completed by the end of 2012<sup>110</sup>.

#### **Highway:**

In June 2009 it was announced that Highway 8 would receive a major overhaul through Kitchener. The \$68 million project will see Highway 8 expanded from four lanes to eight lanes from north of Grand River to King Street East. The highway will be widened from four lanes to six lanes from King Street East to Sportsworld Drive. The project also includes the construction of a single-lane northwest ramp, median barrier, and storm sewer system. Lane resurfacing will occur from Sportsworld Drive to Highway 401. The entire project is scheduled to be completed by November 2012<sup>111</sup>.

Work has also begun on a three-year project to widen the highway between Fischer-Hallman Road and Courtland Avenue. Construction in 2012 will be focused on the section of the highway between Fischer-Hallman and Westmount Road. The \$150-million project is scheduled to be completed sometime in 2015<sup>112</sup>.

#### **Rapid Transit:**

In June 2011, the Regional Municipality of Waterloo approved LRT as the preferred technology for the Region of Waterloo's rapid transit system. The project will be built in two phases<sup>113</sup>:

- 1) LRT running from Conestoga Mall in Waterloo to Fairview Park Mall in Kitchener. Bus Rapid Transit (BRT) will then run from Fairview Park Mall to Ainslie Terminal in Cambridge.
- 2) LRT will be installed from Fairview Park Mall in Kitchener to Ainslie Terminal in Cambridge.

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<sup>106</sup> Conestoga College. (2012). "Cambridge Campus – Phase One." Retrieved from [http://www.conestogac.on.ca/about/construction/cambridge\\_phase1.jsp](http://www.conestogac.on.ca/about/construction/cambridge_phase1.jsp)

<sup>107</sup> Cambridge Memorial Hospital. (2012). "Building CMH." Retrieved from [http://www.cmh.org/your\\_hospital.php?pid=78](http://www.cmh.org/your_hospital.php?pid=78)

<sup>108</sup> Pender, T. (17 December 2011). "The Breithaupt Block: Breathing new life into old factories." *The Record*. Retrieved from <http://www.therecord.com/print/article/640963>

<sup>109</sup> Bach, B. (25 November 2011). "Facebook taking office space in Kitchener at the Breithaupt Block." *Commercial Real Estate in Waterloo Region*. Retrieved from <http://www.benjaminbach.com/kitchener-waterloo/facebook-taking-space-in-kitcheners-breithaupt-block/#>

<sup>110</sup> Flanagan, R. (19 April 2012). "Major projects abound this construction season." *Kitchener Post*. Retrieved from <http://www.kitchenerpost.ca/news/major-projects-abound-this-construction-season/>

<sup>111</sup> Transport Canada. (2010). "Highway 8 Expansion (Kitchener)". <http://www.tc.gc.ca/eng/programs/surface-highways-ontario-1732.htm>

<sup>112</sup> Flanagan, R. (19 April 2012). "Major projects abound this construction season." *Kitchener Post*. Retrieved from <http://www.kitchenerpost.ca/news/major-projects-abound-this-construction-season/>

<sup>113</sup> Region of Waterloo. (2012). "Route map." Retrieved from [http://rapidtransit.region.waterloo.on.ca/pdfs/2012\\_RT\\_Route\\_Map.pdf](http://rapidtransit.region.waterloo.on.ca/pdfs/2012_RT_Route_Map.pdf)

Construction on Phase 1 of the project is scheduled to begin in 2014<sup>114</sup>. Houses located 800 metres from these LRT stations will see a positive increase in value. Visit [www.rapidtransit.region.waterloo.on.ca](http://www.rapidtransit.region.waterloo.on.ca) for more information on the project and a complete list of stations.

### **GO Train Expansion:**

Located on Weber Street West, near the corner of Victoria Street, the Kitchener GO station opened on December 19, 2011. GO Trains will run Mondays to Fridays during rush hours, providing Kitchener residents with a ride in to Toronto in the morning and a ride out in the afternoons/early evening. The station offers 120 free parking spaces for Kitchener commuters. The Region of Waterloo is planning to build an additional 130 parking spaces sometime in 2012<sup>115</sup>.

For more details on the impact that transportation improvements can have on real estate values, download The GTA Transportation Effect at: [www.reincanada.com](http://www.reincanada.com).



### **Top Investment Town**

The Kitchener CMA is a region under transformation. Once a manufacturing centre, the region is morphing into a high-tech and life sciences mecca. In spite of the overall loss of momentum in the Ontario economy, Kitchener and Cambridge continue to shine. The region's optimal transportation links have allowed many different industries to set up base in the area. With an incredibly diverse economy, the Kitchener CMA offers competitive business costs, a highly skilled and educated workforce, a strategic location, and an available labour supply.

While no longer ranking number one in our Top Ontario Investment Towns report, Kitchener and Cambridge still offer great investment opportunities. In-migration is strong, average incomes are strong, available older housing stock is there and overall job growth continues. KC will remain part of the "Economic Alberta of Ontario" in the foreseeable future.



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### **City of Cambridge**

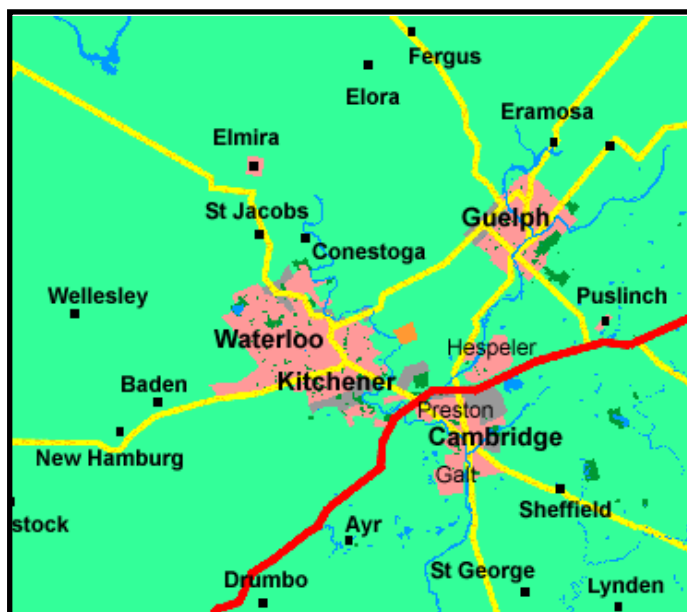
Economic Development  
Box 669, 50 Dickson St  
Cambridge, ON N1R 5W8  
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E-mail: [econdev@cambridge.ca](mailto:econdev@cambridge.ca)  
Web: [www.cambridge.on.ca](http://www.cambridge.on.ca)

<sup>114</sup> Region of Waterloo. (2012). "About the project." Retrieved from <http://rapidtransit.region.waterloo.on.ca/about-the-project.html>

<sup>115</sup> Mackenzie, R. (25 November 2011). "GO Trains head to Kitchener and Guelph". *Transit Toronto*. Retrieved from [http://transit.toronto.on.ca/archives/weblog/2011/11/25-go\\_trains\\_.shtml](http://transit.toronto.on.ca/archives/weblog/2011/11/25-go_trains_.shtml)

## On the Street

Waterloo has been able to reinvent itself throughout history: beginning as a rural farming community, the city then transformed itself into an industrial-based city, and more recently the city has become known as a mecca for technology and telecommunications companies. The reinvention of the city's economy in the last several years has led to investment in the information technology sector, a venture which has protected the city from job losses experienced in many other Ontario communities during the recession.



Home to the Perimeter Institute for Theoretical Physics, the Centre of International Governance Innovation, and the University of Waterloo Research and Technology Park, companies locating here will find a highly skilled labour force. The city is already recognized as "One of the World's Top 7 Intelligent Communities" by the Intelligent Community Forum (ICF) and is home to over 500 technology companies, including: Research In Motion (RIM), IBM, McAfee, and Descartes Systems<sup>116</sup>.

Located in Canada's Technology Triangle, Waterloo appears to have it all. Only an hour's drive from Toronto and Canada's busiest airport, the city is well-connected both nationally and internationally. The city is able to provide residents with world-class education from some of Canada's top universities (the University of Waterloo and Wilfred Laurier University) and one of Ontario's premier colleges (Conestoga College). The city offers residents a mix of urban and country living options at affordable prices. In fact, 80% of Waterloo residents live within a 30-minute drive from work<sup>117</sup>.

Still recognized as part of the "economic Alberta of Ontario," Waterloo will continue to offer real estate investors great opportunities. However, potential investors will have to keep in mind that the city's new rental licensing law may keep landlords from witnessing the same rental income they would receive if renting in Kitchener or Cambridge. With new and increasingly costly and confusing rental licensing rules, landlords will find it challenging to provide affordable housing to larger families or students. Potential investors must ensure they read all of the licensing regulations before they jump into this market.



## Location

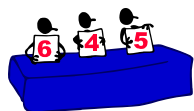
As part of Canada's Technology Triangle, Waterloo has access to a market of over 130,000,000 people within a 24 hour drive. Within this radius exists 60% of the Canadian population, 40% of the U.S. population, and 71% of Canada's manufacturers<sup>118</sup>. Waterloo shares a border with Guelph to the East and Kitchener to the South.

<sup>116</sup> Waterloo Economic Development. (2012). "Investment and Community Profile." City of Waterloo. Retrieved from <http://www.city.waterloo.on.ca/DesktopDefault.aspx?tabid=597>

<sup>117</sup> Ibid.

<sup>118</sup> Waterloo Economic Development. (2012). "Location, location, location." *City of Waterloo*. Retrieved from <http://www.city.waterloo.on.ca/DesktopDefault.aspx?tabid=1035>

Waterloo is located near Highway 401, one of Canada's busiest transit corridors. This conveniently offers the city access to the northeast and mid-west U.S. markets. The city is a one hour drive from Toronto, Canada's head office capital and the nation's largest census metropolitan area (CMA).



## **Economic Scorecard**

Bolstered by strong immigration and an influx of students attending post-secondary institutions in the area, Waterloo offers investors a consistently strong rental market. However, investors will need to tread cautiously this year to see the impacts the city's new rental licensing system has. The licensing system will not only mean stricter regulations for most landlords, but an increase in operating costs. The new regulations have the potential to drop an investor's positive cash flow opportunities, which must be factored into any analysis of income potential. Learn the rules, then speak directly to investors who have properties in the city, before you decide to jump into this market.



## **Population and Income**

According to Statistics Canada, the City of Waterloo had a population of 98,780 as of the last federal census, an increase of 1.3% from 97,475 from 2006. However, the Statistics Canada population count fails to take into account the city's non-resident post-secondary student population of 27,640 that resided in Waterloo at the time. If you add the student population to the city's total, the current population of Waterloo actually sits at approximately 123,000 persons<sup>119</sup>, a significant increase from the 2006 population tally. And the population of the city is expected to keep growing, hitting 150,000 by 2031<sup>120</sup>.

A majority of Waterloo's rapid population growth is due to the high number of immigrants locating in the city. The City of Waterloo is split into 17 different areas, with some areas experiencing a higher number of immigrants than others. Regions of the city with the highest levels of immigration include Westside, accounting for 650 immigrants between 2001 and 2006; Columbia, accounting for 615 immigrants; Beechwood, accounting for 450 immigrants; Beechwood West, accounting for 350 immigrants; and Lincoln, accounting for 315 immigrants<sup>121</sup>.

Between April 2011 and April 2012, the labour force in the Kitchener-Cambridge-Waterloo region experienced an increase. Total employment in the region sat at 282,800 in April 2012, up 6% from the previous year. The participation rate was 73.5%, the highest among all Ontario economic regions for that time period. The unemployment rate was 6.6% in April 2012, a decrease from 7.2% in 2011<sup>122</sup>.

With unemployment rates on a downward trend, Waterloo provides its residents with strong incomes and a stable economy. The city will continue to experience a strong attraction of new residents and a growing student population. All of these elements are key for real estate investors.

<sup>119</sup> Waterloo Economic Development. (2012). "Statistical Profile." *City of Waterloo*. Retrieved from <http://www.waterloo.ca/DesktopDefault.aspx?tabid=1453>

<sup>120</sup> Ibid.

<sup>121</sup> Waterloo Economic Development. (2007). "Statistical Profiles Document Library". *City of Waterloo*. Retrieved from <http://www.city.waterloo.on.ca/DesktopDefault.aspx?tabid=1284>

<sup>122</sup> Waterloo Economic Development. (2010). "Investment Prospectus." *City of Waterloo*. Retrieved from [http://www.city.waterloo.on.ca/Portals/57ad7180-c5e7-49f5-b282-c6475cdb7ee7/CS\\_EDM\\_documents/Invest\\_Per09.pdf](http://www.city.waterloo.on.ca/Portals/57ad7180-c5e7-49f5-b282-c6475cdb7ee7/CS_EDM_documents/Invest_Per09.pdf)

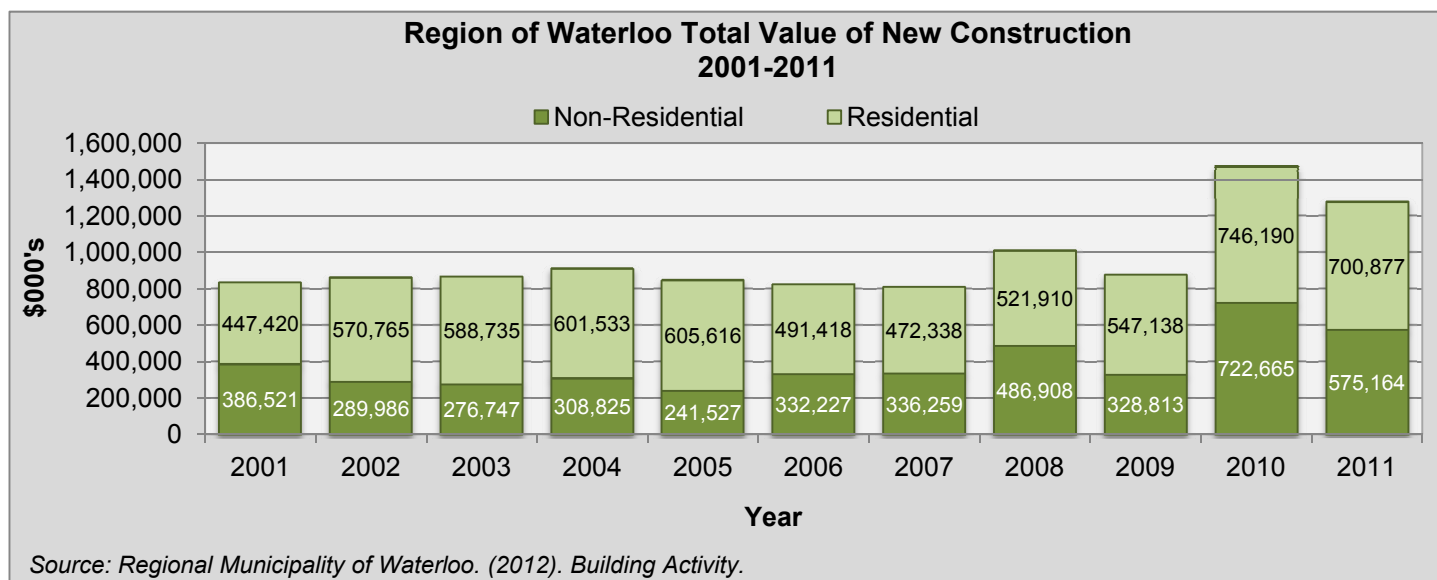




## Housing Trends

According to the Regional Municipality of Waterloo, \$1,276,041,000 in new construction took place in the Region of Waterloo in 2011, a slight decrease from \$1,468,855,000 in 2010. However, the 2010 value was the highest value ever recorded in the region. The 2011 value, while lower than the previous year, is the second highest ever recorded in the region<sup>123</sup>. The construction value was comprised of approximately 45% in the non-residential sector and 55% in the residential sector.

In the residential construction sector, permits were issued for a total of 3,341 units in 2011, a decrease of 19% from 4,138 units in 2010. However, the 3,341 units that began construction in 2011 are 3% above the 30-year regional average of 3,223 units. The total value of residential construction was \$700,900,000 in 2011, down from \$758,900,000 in 2010<sup>124</sup>.



For the city of Waterloo itself, the construction value of building permits issued in 2011 was over \$450,000,000. While significantly below the \$800,000,000 in total building permit value the city recorded in 2010, the 2011 total value was still well above the \$344,000,000 recorded in 2009 and more than double the city's historical average<sup>125</sup>.

CMHC reports that housing starts in the City of Waterloo have increased dramatically from 2010 levels. The total number of residential units beginning construction was 1,051 in 2011, an increase of 69.5% from 620 in 2010. The number of single family dwelling units that began construction in 2011 was 86, down from 115 in 2010. The number of multi-family units created in 2011 was 965, a significant increase from 505 in 2010<sup>126</sup>.

<sup>123</sup> Regional Municipality of Waterloo. (2012). "Total Value of New Construction, 2001-2011." Retrieved from <http://www.regionofwaterloo.ca/en/resources/TotalValueofNewConstruction2001-2011.pdf>

<sup>124</sup> Regional Municipality of Waterloo. (2012). "2011 building permit activity and growth monitoring." Retrieved from <http://www.regionofwaterloo.ca/en/resources/2011BuildingActivityReport.pdf>

<sup>125</sup> City of Waterloo. (March 23, 2012). "State of the City Address". Retrieved from <http://www.city.waterloo.on.ca/DesktopDefault.aspx?tabid=2361>

<sup>126</sup> CMHC. (January 2012). "Housing Now - Kitchener and Guelph CMAs." Retrieved from [http://www.cmhc-schl.gc.ca/odpub/esub/64239/64239\\_2012\\_Q01.pdf?fr=1337810402312](http://www.cmhc-schl.gc.ca/odpub/esub/64239/64239_2012_Q01.pdf?fr=1337810402312)

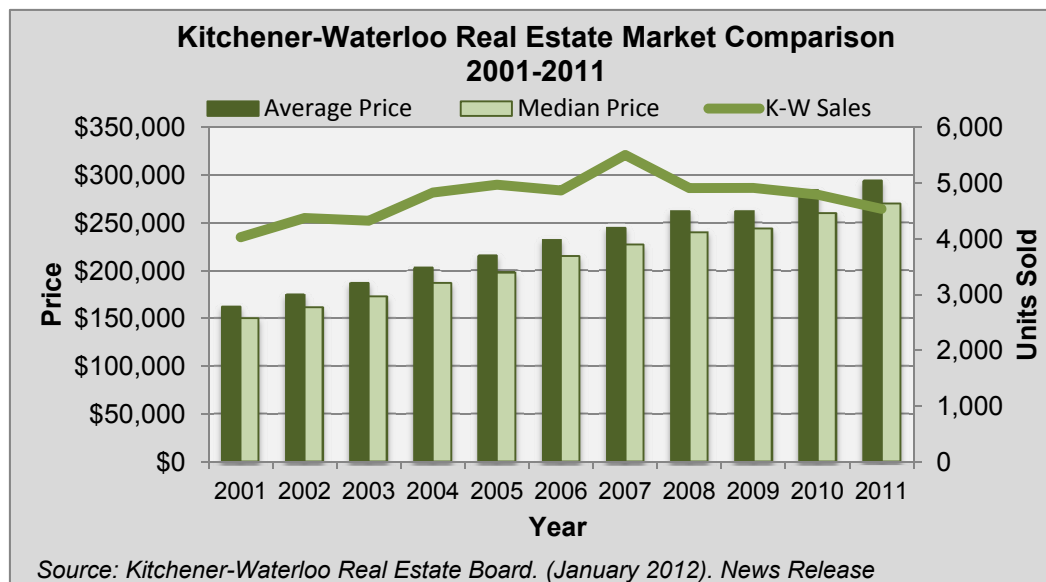
International and interprovincial migration are the main forces in behind population growth in the City of Waterloo; however, this migration does little to increase a housing ownership demand, as renting is the most common preference among people new to Canada. Investors should take note of this as new migrants drive both rental demand and property purchases in a region. Within the first three years, 40% of new residents purchase a property and 60% continue to rent. After five years, 60% have become purchasers, 30% continue to rent and 10% have left for other regions.

As of April 1, 2012, the City of Waterloo officially enacted its new rental licensing bylaw. The law requires any individual who is renting out a low-rise (apartments are excluded) residential unit in Waterloo to apply for a rental housing license for that residence. The cost of a rental license in the city runs between \$300 and \$800<sup>127</sup>. If a landlord has more than three people in his/her rental unit, the unit must comply with the minimum distance separation (MDS) requirements under the zoning bylaw<sup>128</sup>. As many properties in Waterloo are rented out to students, this new bylaw has the potential to severely impact a landlord's rental income. Several landlords have banded together to bring their case before the Ontario Human Rights Commission<sup>129</sup>. Stay tuned to see if any changes are made to the rental bylaw in coming months.



## Sale and Rent

With a strong local economy, the Waterloo Region continues to be a desirable place to live. Low interest rates attracted new buyers while sellers benefitted from steady gains in home prices. The total dollar volume of all residential properties sold in was \$1,881,532,761, an increase of 1.8% from 2010 and a clear reflection of price gains and demand for higher-end homes in the Waterloo Region<sup>130</sup>.



Home sales in the Waterloo Region started off slow in the first half of 2011, but steadily picked up steam, finishing the year off just slightly below 2010 totals. In 2011, the Waterloo Region recorded a total of 6,187 sales. Sales in the region included 4,118 single family homes (down 0.3% from 2010), 1,200 condos (down 1.7% from 2010), 497 semi-detached homes (down 1.4% from 2010), and 372 townhomes (down 21.5% from 2010)<sup>131</sup>.

<sup>127</sup> City of Waterloo. (20 June 2011). "Summary of license fees." Retrieved from [http://www.waterloo.ca/Portals/57ad7180-c5e7-49f5-b282-c6475cdb7ee7/PS\\_BYLAW\\_documents/2011\\_LicenceFeesRentalHouses.pdf](http://www.waterloo.ca/Portals/57ad7180-c5e7-49f5-b282-c6475cdb7ee7/PS_BYLAW_documents/2011_LicenceFeesRentalHouses.pdf)

<sup>128</sup> City of Waterloo. (2012). "Frequently asked questions." Retrieved from <http://www.city.waterloo.on.ca/desktopdefault.aspx?tabid=3169>

<sup>129</sup> Outhit, J. (17 April 2012). "Landlords attack Waterloo bylaw on rental housing." The Record. Retrieved from <http://www.therecord.com/news/local/article/706740--landlords-attack-waterloo-bylaw-on-rental-housing>

<sup>130</sup> Kitchener-Waterloo Real Estate Board. (January 2012). "K-W home sales ease ever so slightly in 2011, average sale price increases 4 percent." Retrieved from [http://www.kwar.ca/stats/December\\_2011\\_Media\\_Release.pdf](http://www.kwar.ca/stats/December_2011_Media_Release.pdf)

<sup>131</sup> Ibid.

The average price of a home in the Waterloo Region was \$300,949 in 2011, a modest increase from 2010. The average sale price of a single-detached home was \$342,659 in 2011, up from \$329,797 and the average sale price of a condominium unit was \$205,354, an increase from \$198,363 the previous year<sup>132</sup>.

Due to the high levels of immigration and post secondary students in the area, the City of Waterloo's rental housing market has remained strong. The average rent for a private apartment in the City of Waterloo was \$913 in October 2011, an increase from \$899 in October 2010. The average rent for a bachelor unit was \$688, up from \$660; a one bedroom apartment rented at \$786, up slightly from \$783; a two bedroom unit sat at \$968, up from \$947; and a three bedroom unit rented for \$1,188, up from \$1,177 in October 2010<sup>133</sup>.



## Vacancy Rates

The vacancy rate for a private apartment in the City of Waterloo remains low. In October 2011, the vacancy rate for a private apartment was 1.2%, a decrease from 1.8% in October 2010. The vacancy rate for a one bedroom apartment sat at 1.2%, down from 2.4% in October 2010; a two bedroom had a vacancy rate of 0.9%, down from 1.4%; and the vacancy rate for a three bedroom apartment was 4.2%, up from 1.1% the previous year<sup>134</sup>. The increased vacancy rate in larger rental units may be due to an increased number of people purchasing their first homes as interest rates remained low in 2011.



## Economics

Over the past 100 years, Waterloo has undergone a massive transformation. The city has evolved from a rural farming community, to an industrial city, to one of the world's most important technological hubs. The City of Waterloo has a diverse manufacturing base as well as a very prominent high technology sector, with over 3,130 businesses in these sectors. The city also boasts a strong insurance and financial services sector, occasionally referred to as 'Hartford North'<sup>135</sup>.

Home to the Perimeter Institute for Theoretical Physics, the Centre of International Governance Innovation, and the University of Waterloo Research and Technology Park, companies locating here will find a highly skilled labour force. The city is already recognized as "One of the World's Top 7 Intelligent Communities" by the Intelligent Community Forum (ICF) and boasts knowledge-based companies such as Research In Motion (RIM), IBM, McAfee, and Descartes Systems within its city limits<sup>136</sup>.

### Waterloo's Top 5 Employers

Name	# of Employees
Research in Motion (RIM)	5,200
University of Waterloo	3,130
Sunlife Financial	2,700
Manulife Financial, Canadian Operations	2,400
Wilfrid Laurier University	1,047
<i>Source: City of Waterloo. (2012). Investment and Community Profile</i>	

<sup>132</sup> Ibid.

<sup>133</sup> CMHC. (October 2011). "Rental Market Report - Kitchener and Guelph CMAs". Retrieved from [http://www.cmhc-schl.gc.ca/odpub/esub/64399/64399\\_2011\\_A01.pdf?fr=1337882541618](http://www.cmhc-schl.gc.ca/odpub/esub/64399/64399_2011_A01.pdf?fr=1337882541618)

<sup>134</sup> Ibid.

<sup>135</sup> Waterloo Economic Development Committee. (2010). "Investment Prospectus". *City of Waterloo*. Retrieved from [http://www.city.waterloo.on.ca/Portals/57ad7180-c5e7-49f5-b282-c6475cdb7ee7/CS\\_EDM\\_documents/Invest\\_Per09.pdf](http://www.city.waterloo.on.ca/Portals/57ad7180-c5e7-49f5-b282-c6475cdb7ee7/CS_EDM_documents/Invest_Per09.pdf)

<sup>136</sup> City of Waterloo. (2011). "Investment and Community Profile". <http://www.city.waterloo.on.ca/DesktopDefault.aspx?tabid=599>

The Waterloo Region is also home to over 150 research institutes<sup>137</sup>, helping it to achieve a strong national and even international reputation. The governments of the City of Waterloo, the Region of Waterloo, the Province of Ontario, and Canada have all worked together with the University of Waterloo to create the University of Waterloo's Research and Technology Park. It is reported that UW accounts for 22% of all technology spin-offs from Canadian universities and generates \$1.1 billion a year in economic impact in the Waterloo region<sup>138</sup>.

Waterloo is home to numerous post-secondary institutions, offering a continuous supply of new graduates to the knowledge-based and high technology companies that form large sections of the city's economy. Many of Canada's brightest young people have chosen to study in the Waterloo area, leading to a large and intelligent labour pool. Currently, there are over 24,000 thousand full-time and part-time students at the University of Waterloo, 13,000 full-time and part-time students at Wilfrid Laurier University and 6,900 full-time students at Conestoga College<sup>139</sup>.

It is easy for an investor to see the high rental income a city like Waterloo can offer, what with the high levels of immigration and the constant influx of students. However, a risk factor that potential investors must not ignore for the Waterloo region is the turmoil Research in Motion (RIM) is currently facing. Waterloo's largest employer, any major restructuring of that business will have direct and secondary negative effects on the employment levels in the region and therefore the real estate market. Investors should pay very close attention to this continuing story.



## Infrastructure

Waterloo's post secondary institutions are constantly expanding to meet the demands of its many students. Conestoga College recently finished two major construction projects at its Waterloo campus in 2010. In March 2010 construction was completed on the new roofing training centre. The 10,000 square foot facility offers the college a chance to enhance the quality and training of professional roofers. In December 2010, construction was completed on the new Heating, Refrigeration, and Air Conditioning (HRAC) Training Centre. This 10,000 square foot addition to the main building of the Waterloo campus is anticipated to be one of Ontario's most advanced HRAC skills training centres<sup>140</sup>.

The University of Waterloo has witnessed a construction boom in the last several years. The university recently completed construction on the Math 3 building, the Environment 3 building, and the Engineering 6 Building. Projects currently under construction include the Quantum Nanotechnology Building, which is scheduled to open in the fall of 2012. The completion of these projects will help the city develop an even more highly skilled labour force, contributing to the city's economy.

### Highway:

Despite congestion and rush-hour slowdowns, the Province of Ontario has no immediate plans to widen Highway 85 through Waterloo. The Province does however hope to repave the highway, beginning sometime between 2012 and 2014. The repaving will occur from Lancaster Street to King Street with plans to repave the

<sup>137</sup> Bow, J. (8 June 2006). "Waterloo a magnet for think-tank synergy." *Business Edge Magazine*. Retrieved from <http://www.businessedge.ca/archives/article.cfm/waterloo-a-magnet-for-think-tank-synergy-12797>

<sup>138</sup> City of Waterloo. (2012). "Collaboration." Retrieved from <http://www.city.waterloo.on.ca/desktopdefault.aspx?tabid=1424>

<sup>139</sup> Ibid.

<sup>140</sup> Conestoga College. (2010). "Campus Expansion Projects – Waterloo". <http://www.conestogac.on.ca/about/construction/waterloo.jsp>



highway between Krug and Lancaster Streets at a later date. The entire project will include repairs to 14 bridges, improved lighting, and overhead signs<sup>141</sup>.

### **Rapid Transit:**

In June 2011, the Regional Municipality of Waterloo approved LRT as the preferred technology for the Region of Waterloo's rapid transit system. The project will be built in two phases<sup>142</sup>:

1) LRT running from Conestoga Mall in Waterloo to Fairview Park Mall in Kitchener. Bus Rapid Transit (BRT) will then run from Fairview Park Mall to Ainslie Terminal in Cambridge.

2) LRT will be installed from Fairview Park Mall in Kitchener to Ainslie Terminal in Cambridge.

Construction on Phase 1 of the project is scheduled to begin in 2014<sup>143</sup>. Houses located 800 metres from these LRT stations will see a positive increase in value. Visit [www.rapidtransit.region.waterloo.on.ca](http://www.rapidtransit.region.waterloo.on.ca) for more information on the project and a complete list of stations.

### **GO Train Expansion:**

Located on Weber Street West, near the corner of Victoria Street, the Kitchener GO station opened on December 19, 2011. GO Trains will run Mondays to Fridays during rush hours, providing Kitchener residents with a ride in to Toronto in the morning and a ride out in the afternoons/early evening. The station offers 120 free parking spaces for Kitchener commuters. The Region of Waterloo is planning to build an additional 130 parking spaces sometime in 2012. While the City of Waterloo will not be receiving a GO station, it will still benefit from the proximity of the Kitchener station<sup>144</sup>.

For more details on the impact that transportation improvements can have on real estate values, download The GTA Transportation Effect at: [www.reincanada.com](http://www.reincanada.com).



### **Top Investment Town**

Once appearing on our Top Ontario Towns list as the triple threat of 'KWC,' Waterloo stands alone. It is easy for an investor to see the high rental income a city like Waterloo can offer, what with the high levels of immigration and the constant influx of students – and that is why the city remains on our list of Top Investment Towns. Waterloo continues to see strong in-migration, job growth, average incomes above the provincial norm, and an available older housing stock. However, investors will need to tread cautiously in the next year to see what impact the new rental licensing system will have on the city's rental universe. The licensing system will mean stricter regulations for most landlords and a potential drop in rental income since the number of rentable bedrooms per dwelling unit has been limited.



### **City of Waterloo**

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<sup>141</sup> Outhit, J. (26 February 2011). "Expressway getting another facelift". *The Waterloo Record*. Retrieved from <http://www.therecord.com/opinion/columns/article/493190--expressway-getting-another-facelift>

<sup>142</sup> Region of Waterloo. (2012). "Route map." Retrieved from [http://rapidtransit.region.waterloo.on.ca/pdfs/2012\\_RT\\_Route\\_Map.pdf](http://rapidtransit.region.waterloo.on.ca/pdfs/2012_RT_Route_Map.pdf)

<sup>143</sup> Region of Waterloo. (2012). "About the project." Retrieved from <http://rapidtransit.region.waterloo.on.ca/about-the-project.html>

<sup>144</sup> Mackenzie, R. (25 November 2011). "GO Trains head to Kitchener and Guelph". *Transit Toronto*. Retrieved from [http://transit.toronto.on.ca/archives/weblog/2011/11/25-go\\_trains\\_.shtml](http://transit.toronto.on.ca/archives/weblog/2011/11/25-go_trains_.shtml)

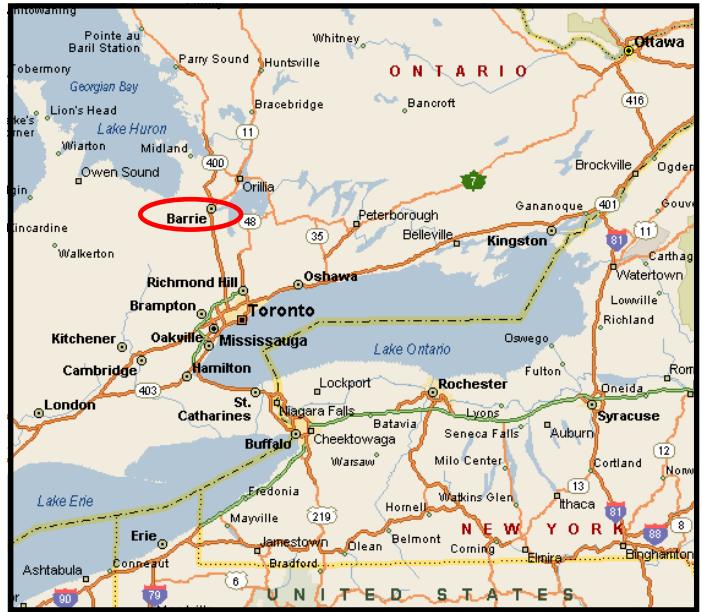
## On the Street

Located on the shores of Lake Simcoe, and less than an hour's drive from Toronto, Barrie is an attractive community for people seeking the nearness and vitality of the big city, but wanting a more laid-back lifestyle.

Barrie has really expanded from its historic past of being a 'recreational' area to a solid year round diverse economy in recent years. Many Southern Ontarians still consider Barrie as just part of cottage country, but they could not be more wrong. Job growth, economic diversification, major transportation improvements and a very aggressive Economic Development Team have helped Barrie to become a magnet for new residents, new development and new businesses.

Barrie has witnessed tremendous growth in the past decade. Between 2001 and 2006, the Barrie CMA experienced an annual average growth rate of 4.9%, designating it as the fastest growing area in Canada<sup>145</sup>. Barrie's population is expected to reach 180,000 by 2031<sup>146</sup>. The city will have to work hard to keep infrastructure needs on par with the expected growth Barrie will be seeing in the next 20 years.

Designated by the Province of Ontario as a Growth Centre, Barrie will continue to grow faster than much of the surrounding region. The city will continue to see further job growth, economic diversification, and transportation improvements. The recent addition of 2,293 hectares to the city's total land base has provided Barrie with much needed space for future development.



## Location

Situated on the banks of Lake Simcoe, 90 kilometres north of Toronto, Barrie offers residents an excellent lifestyle and a myriad of recreational opportunities. The city has access to over 131 million consumers within one day's drive in both Canadian and U.S. markets. Over 8.4 million people live within a 100 mile radius, providing Barrie with access to one quarter of Canada's population and buying power<sup>147</sup>.

Located at a hub of major highway routes connecting to the north, south, east and west, the City of Barrie functions as a regional centre serving the Simcoe Area. Access to the downtown Toronto market and the Detroit-Windsor-Quebec City corridor are provided via Highway 400, Highway 27 and Yonge St (Highway 11).

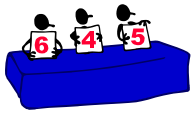
Barrie is also well-connected with both air and rail links. Less than a 20 minute drive from downtown Barrie, the Lake Simcoe Regional Airport offers residents with small recreational aircraft to larger corporate, regional and

<sup>145</sup> Barrie Economic Development. (2010). "Rapid Growth Advantage". City of Barrie. Retrieved from [http://www.barrie.ca/WCMAAdmin/Images/wwwbarrie.ca/PDFs\\_EDO/Rapid%20Growth%20Advantage.pdf](http://www.barrie.ca/WCMAAdmin/Images/wwwbarrie.ca/PDFs_EDO/Rapid%20Growth%20Advantage.pdf)

<sup>146</sup> City of Barrie. (n.d.). "Intensification." Retrieved from [http://www.barrie.ca/Doing%20Business/PlanningandDevelopment/Documents/Presentation\\_GBHBH\\_v2-Intensification.pdf](http://www.barrie.ca/Doing%20Business/PlanningandDevelopment/Documents/Presentation_GBHBH_v2-Intensification.pdf)

<sup>147</sup> Barrie Economic Development. (2012). "Location Advantage". City of Barrie. Retrieved from <http://www.barrie.ca/Doing%20Business/profile/Pages/LocationAdvantage.aspx>

commercial aircraft. The city is also served by GO Transit via the company's rail service. The Barrie GO line runs from Union Station in downtown Toronto to Allendale Station in Barrie.



## **Economic Scorecard**

Barrie has really expanded from its historic past of being a 'recreational' area to a solid year round diverse economy in recent years. Designated by the Province of Ontario as a Growth Centre, Barrie will continue to grow faster than much of the surrounding region. The city will benefit from this designation, which will further encourage job growth, economic diversification, and transportation improvements.

However, one must not entirely forget Barrie's past as primarily 'cottage country'. Given its location on Kempenfelt Bay, recreational properties will continue to be in demand and prices in this niche market will continue upward.



## **Population and Income**

Barrie has witnessed tremendous growth in the past decade. Between 2001 and 2006, the Barrie CMA experienced a growth of 23.8%, designating it as the fastest growing area in Canada<sup>148</sup>. Between 2006 and 2011, the city's rapid growth slowed down a bit, but still remained on par with the provincial average. As of the last federal census (2011), the City of Barrie had a population of 135,711, a growth of 5.7% from 2006<sup>149</sup>. Barrie's population is expected to reach 180,000 by 2031<sup>150</sup>. The city will have to work hard to keep infrastructure needs on par with the expected growth Barrie will be seeing in the next 20 years.

With a median age of 37.2 (as of the 2011 federal census), the city is also recognized as having one of the youngest population in the country. Approximately 19.3% of the population in the City of Barrie is below the age of 15<sup>151</sup>. This will translates into an above average number of renters coming on the market.

Barrie has experienced a fluctuation in its average weekly earnings in the past few years. As of December 2011, the average weekly earnings for an employee in the CMA were \$864, a decrease from \$871 in December 2010<sup>152</sup>. However, as of March 2012, the average weekly earnings had since risen to \$892, well above 2010 levels<sup>153</sup>.

Like the average weekly earnings, the unemployment rate has also experienced some fluctuation in the Barrie CMA over the last few years. As of December 2011, the unemployment rate sat at 10.3%, an increase from 8.4% in December 2010<sup>154</sup>. The increase in the CMA's unemployment rate may be due to the increasing

<sup>148</sup> Barrie Economic Development. (2010). "Rapid Growth Advantage". City of Barrie. Retrieved from [http://www.barrie.ca/WCMAdmin/Images/wwwbarrieca/PDFs\\_EDO/Rapid%20Growth%20Advantage.pdf](http://www.barrie.ca/WCMAdmin/Images/wwwbarrieca/PDFs_EDO/Rapid%20Growth%20Advantage.pdf)

<sup>149</sup> Statistics Canada. (2011). "Barrie, Ontario" (Code 3543042) (table). 2011 Community Profiles. 2011 Census. Retrieved from <http://www12.statcan.gc.ca/census-recensement/2006/dp-pd/prof/92-591/details/page.cfm?Lang=E&Geo1=CSD&Code1=3521010&Geo2=PR&Code2=35&Data=Count&SearchText=brampton&SearchType=Begin&SearchPR=01&B1=All&Custom=>

<sup>150</sup> Ibid.

<sup>151</sup> Barrie Economic Development. (November 2009). "5 year economic development strategy and action plan." *City of Barrie*. Retrieved from [http://www.barrie.ca/WCMAdmin/Images/wwwbarrieca/PDFs\\_EDO/Profile%202%20-%20Age%20&%20Gender%20-%20May%202008.pdf](http://www.barrie.ca/WCMAdmin/Images/wwwbarrieca/PDFs_EDO/Profile%202%20-%20Age%20&%20Gender%20-%20May%202008.pdf)

<sup>152</sup> CMHC. (January 2012). "Housing Now – Barrie CMA." Retrieved from [http://www.cmhc-schl.gc.ca/odpub/esub/65571/65571\\_2012\\_Q01.pdf?fr=1337188028625](http://www.cmhc-schl.gc.ca/odpub/esub/65571/65571_2012_Q01.pdf?fr=1337188028625)

<sup>153</sup> CMHC. (March 2012). "Housing Now - Barrie CMA". Retrieved from [http://www.cmhc-schl.gc.ca/odpub/esub/65571/65571\\_2012\\_Q02.pdf?fr=1337199080687](http://www.cmhc-schl.gc.ca/odpub/esub/65571/65571_2012_Q02.pdf?fr=1337199080687)

<sup>154</sup> CMHC. (January 2012). "Housing Now – Barrie CMA."

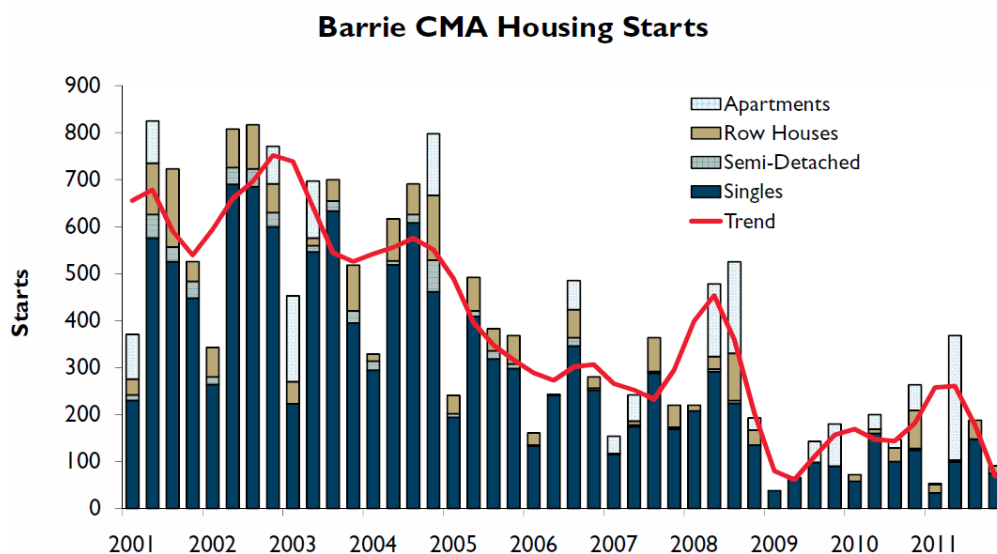
number of people encouraged to join the workforce as the economy begins to improve. As of March 2012, the unemployment had since dropped back to 9.2%<sup>155</sup>.



## Housing Trends

As the population continues to grow, the Barrie CMA will face pressure to provide enough housing. The strong population growth that the city witnessed in the past years has lead to an increase in demand for housing in the city. The housing market in Barrie continues to improve, with building permit values and housing starts increasing from 2010 levels.

In 2011, the City of Barrie recorded a total building permit value of \$407,073,869, nearly double the total building permit value of \$247,956,910 recorded in 2010. The commercial building permit value for year end was \$164,786,629 in 2010, an increase from \$58,979,285 the previous year. The total residential building permit value for 2011 was \$147,401,561, up from \$124,039,455 in 2010<sup>156</sup>.



As can be expected with the growth in residential building permit values, the number of housing starts in the city experienced an increase in 2011. The total number of housing starts for 2011 was 489, an increase of 7.5% from 455 in 2010. The City of Barrie saw 166 single family starts in 2011, down from 251 in 2010. During the same period of time, Barrie saw a total of 323 multi-family units begin construction, a significant increase from 204 in 2010<sup>157</sup>.

For the first time since 1990, the share of new singles to total housing starts in the Barrie CMA fell to 51 per cent. Apartment starts were abundant in Barrie, especially during the first half of 2011. Since 2007, the share of singles in the total number of housing starts has been on a downward trend, signifying that Barrie is slowly becoming a more urban and dense city. A growing population and a dwindling supply of available land have made higher density dwelling types a more popular choice<sup>158</sup>.

Ontario's Places to Grow Act has also played a part in encouraging the shift towards higher density housing. As outlined in the plan, downtown Barrie is to achieve a minimum of 150 residents and jobs per hectare by 2031<sup>159</sup>.

<sup>155</sup> CMHC. (March 2012). "Housing Now - Barrie CMA".

<sup>156</sup> Barrie Economic Development. (January 2012). "Monthly Building Report December 2011". *City of Barrie*. Retrieved from <http://www.barrie.ca/Documents/dec2011.pdf>

<sup>157</sup> CMHC. (January 2012). "Housing Now – Barrie CMA." Retrieved from [http://www.cmhc-schl.gc.ca/odpub/esub/65571/65571\\_2012\\_Q01.pdf?fr=1337188028625](http://www.cmhc-schl.gc.ca/odpub/esub/65571/65571_2012_Q01.pdf?fr=1337188028625)

<sup>158</sup> Ibid

<sup>159</sup> Government of Ontario. (2005). "Places to grow act." Retrieved from <https://www.placestogrow.ca/content/ggh/plan-cons-english-all-web.pdf>



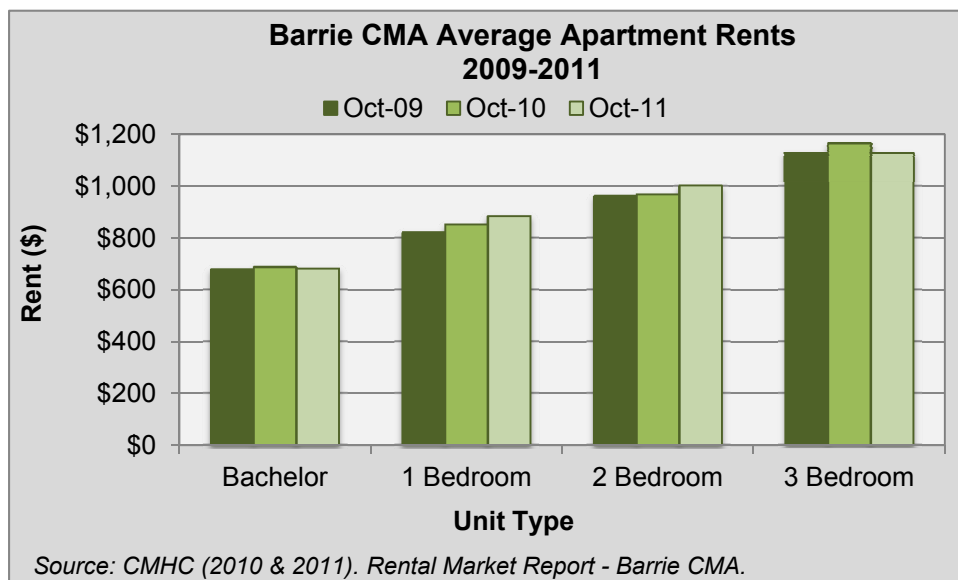
As home to Georgian College's head campus, Barrie also experiences a demand for student housing. With over 10,000 full-time students enrolled at the college each year<sup>160</sup>, there is a significant need for affordable housing in the City. The growth in university enrolment will lead to an increasing trend in multi-family housing.



## Sale and Rent

Barrie experienced an increase in overall sales in 2011, showing that the region's real estate market is finally stabilizing after the recession. In the past two years, Barrie has witnessed an increase in jobs, with full-time positions accounting for a large portion of this increase. With potential homebuyers feeling more secure about their job situation, many chose to make the leap into homeownership in 2011. In fact, sales in 2011 increased faster than new home listings, indicating a substantial return of first-time buyers to the Barrie real estate market<sup>161</sup>.

The year-over-year average price of a home for sale in the Barrie region has increased slightly. The average price for all homes sold in Barrie region was \$287,588, up 2% from \$281,966. CMHC reported the average price of a new single-detached home in the CMA to be \$416,757 in 2011, up from \$407,200 the previous year<sup>162</sup>.



Prices in the south end of Barrie are substantially higher. As purported in "The GTA Transportation Effect: The Impact of Transportation Improvements on Housing Values in the Greater Toronto Area"<sup>163</sup> houses near the new GO station have increased. The Barrie South Station opened in December 2007 on a line beginning at Union Station in Toronto. Because of this, this area is a hotspot for urban professionals and commuters who find the attraction of lower housing prices coupled with an easy commute to the city irresistible. The station is located

at the intersection of Mapleview Drive and Yonge Street and has a 480 stall park and ride as well. Homes located within an 800 metre radius (and farther given the park and ride) command a premium over similar units located farther from the station<sup>164</sup>. Allendale GO Station opened in Barrie in January 2012. Watch for the same trend to occur around this station.

The Barrie real estate market is expected to remain balanced in 2012. Increased activity in 2011 was driven by the expanding economy, low mortgage rates, and first time homebuyers finally entering the market. In 2012,

<sup>160</sup> Barrie Economic Development. (2012). "People." *City of Barrie*. Retrieved from <http://www.barrie.ca/Doing%20Business/profile/Pages/People.aspx>

<sup>161</sup> CMHC. (January 2012). "Housing Now – Barrie CMA." Retrieved from [http://www.cmhc-schl.gc.ca/odpub/esub/65571/65571\\_2012\\_Q01.pdf?fr=1337188028625](http://www.cmhc-schl.gc.ca/odpub/esub/65571/65571_2012_Q01.pdf?fr=1337188028625)

<sup>162</sup> Ibid.

<sup>163</sup> See [www.reincanada.com](http://www.reincanada.com) for the complete report.

<sup>164</sup> Re/Max. (2008). "Affordability Report 2008." Retrieved from [http://www.remax-oa.com/MediaNewsroom/Lists/PressReleases/Attachments/1/REMAX\\_Affordability08\\_RPT.pdf](http://www.remax-oa.com/MediaNewsroom/Lists/PressReleases/Attachments/1/REMAX_Affordability08_RPT.pdf)

sales are expected to plateau as consumers exercise caution due to uncertainty in the global economy and slower job growth. The average price is forecast to increase by a modest 2% in 2012<sup>165</sup>.

Due to the high level of young people looking for affordable housing, demand for rental units in the city has increased. The average rent for a private apartment in the CMA was \$958 in October 2011, up from \$930 in October 2010. The average rent for a bachelor unit was \$681, down slightly from \$687 the previous year; a one bedroom unit rented for \$884, up from \$851; a two bedroom apartment averaged \$1,001, up from \$968; and a three bedroom unit rented for \$1,126, down slightly from \$1,164 in October 2010<sup>166</sup>.

Employment growth is expected to slow in 2012. Uncertainty about job security will keep potential first-time homebuyers in the rental market for another year. With the market remaining tight, the average rent is expected to increase again in 2012<sup>167</sup>.

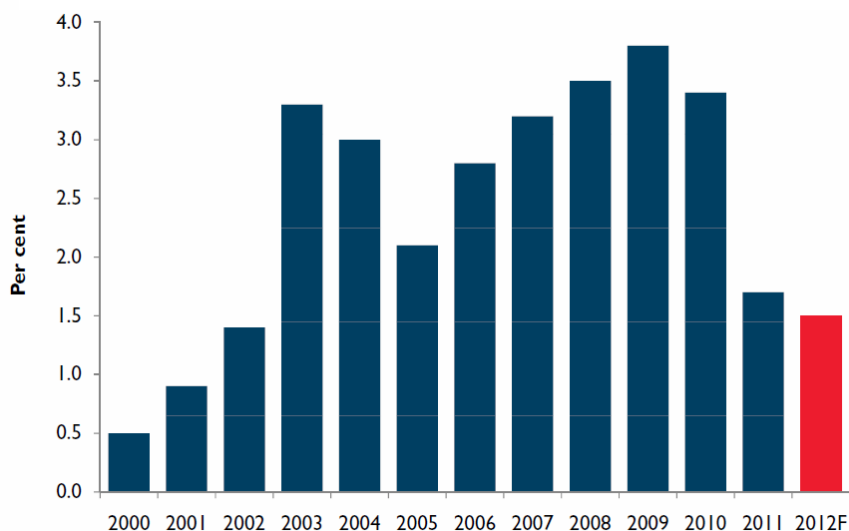


## Vacancy Rates

Due to higher demand, vacancy rates in the city have decreased for the second consecutive year. The vacancy rate for a private apartment was 1.7% as of October 2011, a decrease from 3.4% the previous year and the lowest it has been since 2007. A bachelor unit had a vacancy rate of 13%, a sharp increase from 6.8% the previous year; a one bedroom apartment sat at 1.2%, down from 3.7% in October 2010; a two bedroom apartment had a vacancy of 1.3%, down from 2.9%; and a three bedroom unit was 0%, down significantly from 4.7% in October 2010<sup>168</sup>.

The 0% vacancy rate in three bedroom apartments in the Barrie region shows the number of potential first time homebuyers who have chosen to delay purchasing a house. Usually first time buyers are renters of the larger, more expensive apartment units first<sup>169</sup>.

**Barrie CMA Vacancy Rates**



Source: CMHC. (October 2011). *Rental Market Report – Barrie CMA*.

Barrie also witnessed a large increase in the number of people between the ages of 20 and 24, providing a strong supply of potential renters<sup>170</sup>. These people are beginning to move out of their parents' homes and are looking for more affordable housing options.

<sup>165</sup> CMHC. (October 2012). "Housing Market Outlook – Barrie CMA." Retrieved from [http://www.cmhc-schl.gc.ca/odpub/esub/65712/65712\\_2011\\_B02.pdf?fr=1337208383308](http://www.cmhc-schl.gc.ca/odpub/esub/65712/65712_2011_B02.pdf?fr=1337208383308)

<sup>166</sup> CMHC. (October 2011). "Rental Market Report – Barrie CMA." Retrieved from [http://www.cmhc-schl.gc.ca/odpub/esub/65772/65772\\_2011\\_A01.pdf?fr=1337188442112](http://www.cmhc-schl.gc.ca/odpub/esub/65772/65772_2011_A01.pdf?fr=1337188442112)

<sup>167</sup> Ibid.

<sup>168</sup> CMHC. (October 2010). "Rental Market Report – Barrie CMA."

<sup>170</sup> CMHC. (October 2011). "Rental Market Report – Barrie CMA." Retrieved from [http://www.cmhc-schl.gc.ca/odpub/esub/65772/65772\\_2011\\_A01.pdf?fr=1337188442112](http://www.cmhc-schl.gc.ca/odpub/esub/65772/65772_2011_A01.pdf?fr=1337188442112)

There are currently no new rental accommodations under construction in the Barrie CMA. As such, no new rental supply is expected to come on the market in 2012, causing further downward pressure on the vacancy rate. By the end of 2012, the vacancy rate is expected to decrease to 1.5%<sup>171</sup>.



## **Economics**

Barrie has become an increasingly attractive prospect for businesses looking to expand their operations. Over 8.4 million people live within a 100 mile radius, giving Barrie access to one quarter of Canada's population and buying power<sup>172</sup>. Barrie is recognized as Central Ontario's economic engine. The city functions as a regional provider of education (Georgian College), health (Royal Victoria Hospital), as well as for retail and business services.

Due to a rapid increase in population in recent years, the City of Barrie was designated as an Urban Growth Centre by the province of Ontario. This designation will assist the city to continue to grow even faster than much of the surrounding region. It is estimated that over 16,700 workers from the Greater Toronto Region (GTR) commute to the city each day for work. The Simcoe Area is expected to have a population of 667,000 by 2031. Barrie is expected to account for one third of this future population and 40% of the job growth<sup>173</sup>.

A rapid population increase and subsequent housing demand left Barrie with very little room for future infrastructure growth. On December 15, 2009, the Barrie-Innisfil Boundary Adjustment Act received Royal Assent, effectively extending the southern boundary of Barrie to include 2,293 hectares of land previously



**Saldon Health and Wellness Centre**

*Source: Georgian College*

belonging to the Town of Innisfil<sup>174</sup>. The Act provides Barrie with an additional 2,293 hectares for commercial, industrial, and residential development as well as direct access to the Detroit-Windsor-Quebec City corridor via Highway 401. The city is currently preparing a Secondary Plan to create a vision for the annexed lands. The final plan should be completed by December 2012<sup>175</sup>.

Georgian College is one of the fastest growing colleges in Ontario, with a 68.5 per cent increase in enrolment between 2000 and 2010. The college currently boasts an enrolment of more than 10,000

students a year<sup>176</sup>. Construction was recently completed on the college's \$65 million Saldon Centre for Health and Wellness. The 165,000 square foot campus is the largest expansion in Georgian history, and will provide the community with 400 new full and part-time jobs, bringing the Georgian payroll up to \$16 million a year. The economic impact of construction on the college is estimated at \$98 million, the equivalent effect of a mid-sized corporation moving to the city<sup>177</sup>.

<sup>171</sup> Ibid.

<sup>172</sup> City of Barrie. (2010). "Location Advantage". <http://www.barrie.ca/Doing%20Business/profile/Pages/LocationAdvantage.aspx>

<sup>173</sup> City of Barrie. (2009). "Rapid Growth Advantage".

[http://www.barrie.ca/WCMAdmin/Images/wwwbarrie.ca/PDFs\\_EDO/Rapid%20Growth%20Advantage.pdf](http://www.barrie.ca/WCMAdmin/Images/wwwbarrie.ca/PDFs_EDO/Rapid%20Growth%20Advantage.pdf)

<sup>174</sup> Barrie Economic Development. (2012). "Planning for the Annexed Lands". City of Barrie. Retrieved from <http://www.barrie.ca/City%20Hall/growth/Pages/PlanningfortheAnnexedLands.aspx>

<sup>175</sup> Barrie Economic Development. (2012). "Planning for the Annexed Lands." City of Barrie. Retrieved from <http://www.barrie.ca/City%20Hall/growth/Pages/PlanningfortheAnnexedLands.aspx>

<sup>176</sup> Georgian College. (2012). "Georgian College facts at a glance." Retrieved from <http://www.georgiancollege.ca/news/about-georgian>

<sup>177</sup> Georgian College. (2009). "Construction on Georgian's new Centre for Health and Wellness begins". Retrieved from <http://www.georgianc.on.ca/news/learning/construction-health-and-wellness>

Barrie has hundreds of acres of land available for development, some of it serviced and ready for development. Business parks, such as the Mapleview West Business Park, South Barrie Industrial Park, or the land surrounding the Lake Simcoe Regional Airport, provide companies with prime locations to locate their businesses<sup>178</sup>.

The city witnessed the construction of a couple of smaller, industrial operations in 2012. PPG Industries recently relocated from Toronto to occupy part of the 300,000-square-foot former Bemis Manufacturing facility at 200 Fairview Road. Equipment installation began in November 2011 and the plant began operation in January 2012<sup>179</sup>. R&M Plastics opened a plant at 282 King St. this summer in Mapleview Industrial Park in the summer of 2012, creating 25 new jobs for Barrie residents<sup>180</sup>.

Barrie will also witness the opening of TD Bank Group's Technology and Operations centre in late 2012. The \$85 million project will be built in south Barrie. It is not yet known how many people will be employed at the 180,000 square foot facility, or how many new jobs will be created. However, the addition of TD Bank's Technology and Operations centre shows that Barrie is fast becoming known as a data-processing centre, a new potential growth sector for the city<sup>181</sup>.

The City of Barrie was ecstatic when IBM announced it had chosen to locate its data and processing centre within the city. The 109,000 square foot facility will be located on the east side of Bayview Drive, just south of Churchill Drive. The \$210 million project could create as many as 145 full-time research and development jobs when completed<sup>182</sup>. The fact that IBM chose Barrie over many other cities that were competing for the facility will show the global economy the competitive advantage that Barrie has to offer.



## Infrastructure

The planning department of Barrie is getting ready for growth. As part of the province's "Places to Grow Act", the city is committed to ensuring its infrastructure can keep up with the growth. With 180,000 people expected to call Barrie home in 2031, the city has its work cut out for it. The recent addition of 2,293 hectares to Barrie's total land base will certainly help fill current residential, industrial, and commercial needs.

The Simcoe Region will benefit from an expansion of the Royal Victoria Regional Health Centre. Adding an additional 400,000 square feet, the Phase 1 Expansion project has nearly doubled the size of the hospital, and provides an additional 165 inpatient beds. In addition to the expansion, approximately 100,000 square feet of the existing facility will undergo extensive renovations<sup>183</sup>. The \$450 project will also create the Simcoe Muskoka Regional Cancer Centre, providing advanced diagnostics and radiation treatment. The expansion was completed in May 2012 and renovations to the existing building will be completed in the fall of 2013<sup>184</sup>.

<sup>178</sup> Barrie Economic Development. (2012). "Development opportunities." City of Barrie. Retrieved from <http://www.barrie.ca/Doing%20Business/profile/Pages/Opportunities.aspx>

<sup>179</sup> PPG Industries. (12 October 2011). "PPG glass fabrication plant in Barrie, Ontario, to begin operation in January."

<sup>180</sup> Bruton, B. (24 April 2011). "New jobs coming to Barrie." *The Barrie Examiner*. Retrieved from <http://www.thebarrieexaminer.com/ArticleDisplay.aspx?e=3101810&archive=true>

<sup>181</sup> Bruton, B. (11 February 2011). "TD Banking on Barrie." *The Barrie Examiner*. Retrieved from <http://www.thebarrieexaminer.com/ArticleDisplay.aspx?archive=true&e=2975000>

<sup>182</sup> Bruton, B. (17 April 2012). "IBM going to Barrie." *The Barrie Examiner*. Retrieved from <http://www.thebarrieexaminer.com/ArticleDisplay.aspx?e=3528734>

<sup>183</sup> Royal Victoria Regional Health Centre. (2012). "About RVH." Retrieved from [http://www.rvh.on.ca/Home.aspx?PageID=809&mid=\\_ctl0\\_MainMenu\\_\\_ctl1-menultem001](http://www.rvh.on.ca/Home.aspx?PageID=809&mid=_ctl0_MainMenu__ctl1-menultem001)

<sup>184</sup> Royal Victoria Regional Health Centre. (17 May 2012). "Royal Victoria Regional Health Centre celebrates the completion of hospital expansion." Retrieved from <http://www.newswire.ca/en/story/976839/royal-victoria-regional-health-centre-celebrates-the-completion-of-hospital-expansion>



## Go Train Expansion

The City of Barrie is serviced by the Barrie GO Train Line. It extends from Union Station in Toronto to Barrie and includes the following stations: Union Station, York University, Rutherford, Maple, King City, Aurora, Newmarket, East Gwillimbury, Bradford, Barrie South, and the new Allandale Waterfront GO Station.

Construction was recently completed on Barrie's second GO Station. The Allandale Waterfront GO station is located at the former Allandale train station site on the city's waterfront. The station includes bus bays and a park and ride with approximately 120 parking spaces<sup>185</sup>.

Although it is still in its early days, the return of the GO Train service to Barrie will increase the growing demand for property in the whole region. The effect will even be felt as far out as the southern shores of Georgian Bay, as this train service now makes it possible to live in a lifestyle driven area and still have easy access to the Central Business District in Toronto.

For more details on the impact that transportation improvements can have on real estate values, download: The GTA Transportation Effect at: [www.reincanada.com](http://www.reincanada.com).



## Top Investment Town

As we review the Barrie's fundamentals, it's easy to see why the city continues to rank so high as a Top Ontario Investment Town. Steadily shedding its image as part of 'cottage country', the city's economic development team has helped propel Barrie towards a more diverse economy.

The Simcoe Area is expected to have a population of 667,000 by 2031. Barrie is expected to account for one third of this future population and 40% of the job growth. The city provides a great opportunity for investors as continued migration to the region increases demand for the rental market. Designated by the Province of Ontario as a Growth Centre, Barrie will only continue to grow faster than much of the surrounding region.

The addition of 2,293 hectares to the city's total land base has provided Barrie with much needed space for future development in addition to giving the city direct access to the Detroit-Windsor-Quebec City corridor via Highway 401. Investors should keep in mind the future development possibilities in this area when buying in the city.



## Barrie Economic Development

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<sup>185</sup> Government of Ontario. (16 February 2011). "Making Public Transit Better For Barrie GO Commuters". Retrieved from <http://www.news.ontario.ca/mto/en/2011/02/making-public-transit-better-for-barrie-go-commuters.html>

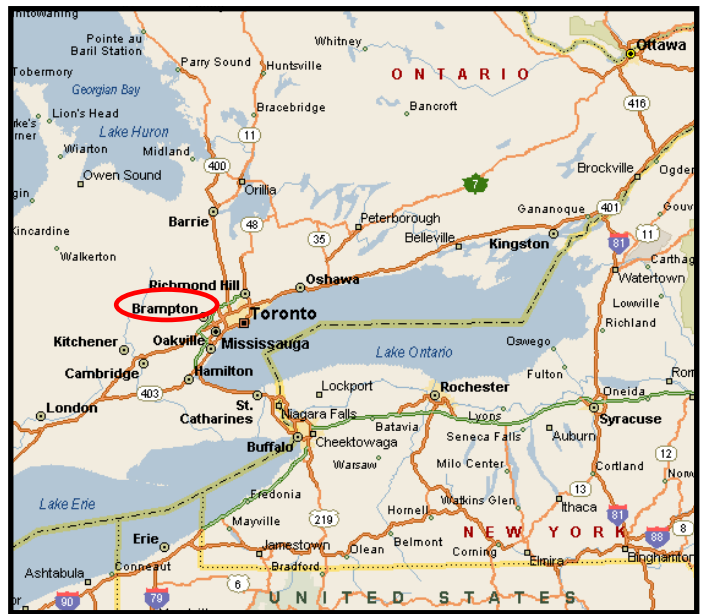
# Brampton

## On the Street

Brampton is a city that has it all. A 20 minute drive from the Lester B. Pearson International Airport, the city provides local residents and businesses with access to national and international markets. Brampton is currently the 9<sup>th</sup> largest city the country and among the top ten most active construction markets in all of Canada.

There's a reason so many companies have chosen to locate their headquarters in the city. Industry leaders like Hudson Bay Company and Loblaws Companies Ltd. have been located in Brampton for years, and more have begun to follow as other companies see the competitive advantages the city has to offer. Air Canada recently broke ground on their Systems Operations Control Centre which will essentially be the new "nerve centre" of the airline and will create 500 new knowledge-based jobs when it opens in 2014<sup>186</sup>.

Strong transportation links via air, highway, and rail will continue to benefit Brampton, attracting many different types of industries to the region. In 2011, the city welcomed 242 new businesses and created a total of 1,538 new jobs<sup>187</sup>. With its close proximity to the Toronto Pearson International Airport and access to the GTA's extensive road and rail network, Brampton will witness population growth for decades to come.



## Location

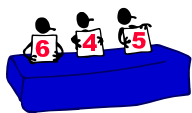
As one of the 29 municipalities that comprises the GTA, Brampton enjoys access to 120 million consumers within a 24 hour drive<sup>188</sup>. Brampton businesses find themselves right next door to Canada's largest airport, the Lester B. Pearson International Airport. This proximity to international markets, combined with a sophisticated transportation system for local markets, has led thousands of businesses to choose Brampton as their key location in North America.

Brampton is bordered by Highway 50 (Vaughan) to the East, Winston Churchill Blvd (Halton Hills) to the West, Mayfield Road (Caledon) to the North and the Hydro Corridor (Mississauga) to the South.

<sup>186</sup> Criscione, P. (29 February 2012). "Brampton home to new Air Canada 'nerve centre.'" *Brampton Guardian*. Retrieved from <http://www.bramptonguardian.com/news/business/article/1308173--brampton-home-to-new-air-canada-nerve-centre>

<sup>187</sup> Brampton Economic Development. (2012). "Brampton 2011 Economic Activity Report". *City of Brampton*. Retrieved from <http://www.brampton.ca/en/Business/edo/business-knowledge/Economic-Reports-Papers-Statistics/Documents/Annual%20Economic%20Reports/AnnualReport2011.pdf>

<sup>188</sup> Brampton Economic Development. (2012). "Access to a great transportation network." *City of Brampton*. Retrieved from <http://www.brampton.ca/en/Business/edo/Choose-Brampton/Pages/Transportation-System.aspx>



## Economic Scorecard

Brampton is part of the Peel Region, which also encompasses the City of Mississauga and the Town of Caledon. Just north of Lester B. Pearson International Airport, Brampton provides prime access to both national and international markets. Brampton's highly diversified economy remained steady during the economic storm of the past few years and will continue to attract additional businesses in the years ahead.

A short drive from the City of Toronto, Brampton offers great transportation links for businesses wanting the advantages a big city provides, without the cost. Featuring immediate access to a network of trans-continental highways and Canada's largest international airport, Brampton is open and ready for business. As people migrate to the Greater Toronto Area, many will see the advantages the city has to offer.

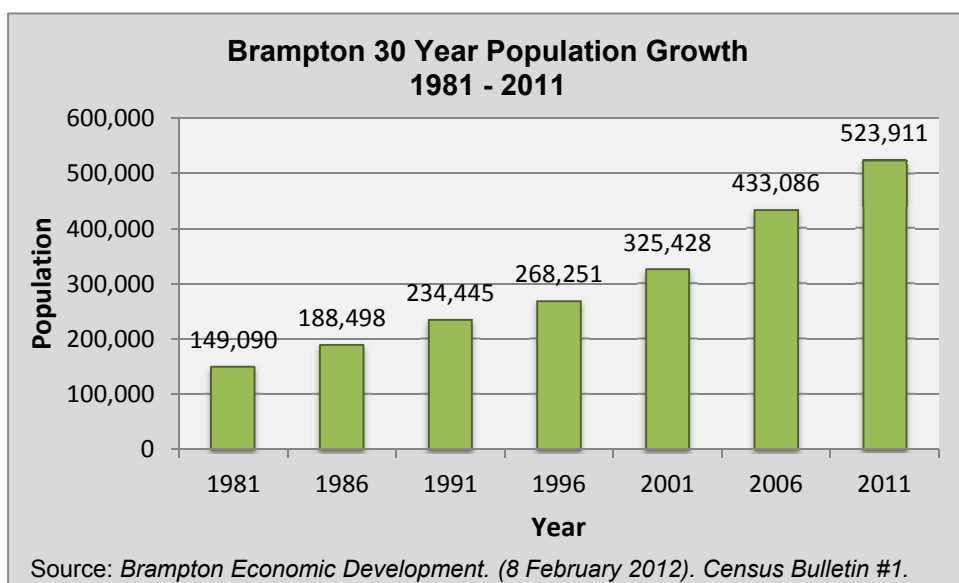


## Population and Income

As of the last federal census, the population of Brampton was 523,911. Between 2006 and 2011, the population of Brampton increased by a staggering 20.8%, making it the third fastest growing city in Canada, behind only Calgary and Toronto<sup>189</sup>. To put this in perspective, the population of Brampton increased by 90,105 residents – almost the same population as the entire city of Guelph – in five years!

Brampton is currently the 9<sup>th</sup> largest city in Canada and the 4<sup>th</sup> largest municipality in Ontario. The average annual population increase in the City of Brampton between 2006 and 2011 was 4.16%. An additional 214,089 people will call the city home by 2031, for a total population of 738,000<sup>190</sup>. The city will have to work hard to keep its infrastructure needs on par with the demands of a rapidly growing city.

In addition to being one of the fastest growing, Brampton also has the unique distinction of being the youngest community in the GTA. The median age of Brampton residents was 34.7 years as of the 2011 federal census, compared with 38.6 years in the GTA<sup>191</sup>.



<sup>189</sup> Brampton Economic Development. (8 February 2012). "Census bulletin #1: Population and dwelling counts." *City of Brampton*. Retrieved from [http://www.brampton.ca/en/Business/edo/business-knowledge/Economic-Reports-Papers-Statistics/Documents/Census%20Bulletins/2011\\_Census\\_Bulletin\\_1\\_Population\\_and\\_Dwelling\\_Counts.pdf](http://www.brampton.ca/en/Business/edo/business-knowledge/Economic-Reports-Papers-Statistics/Documents/Census%20Bulletins/2011_Census_Bulletin_1_Population_and_Dwelling_Counts.pdf)

<sup>190</sup> Brampton Economic Development. (2012). "Brampton at a glance." City of Brampton. Retrieved from <http://www.brampton.ca/en/Business/edo/business-knowledge/Pages/Brampton-At-a-Glance.aspx>

<sup>191</sup> Statistics Canada. (2011). "Brampton, Ontario" (Code 3521010) (table). 2011 Community Profiles. *2011 Census*. Retrieved from <http://www12.statcan.gc.ca/census-recensement/2011/dp-pd/prof/details/page.cfm?Lang=E&Geo1=CSD&Code1=3521010&Geo2=CMA&Code2=535&Data=Count&SearchText=toronto&SearchType=Begins&SearchPR=01&B1=All&Custom=&TABID=1>

Brampton continues to see tremendous growth not only in the number of people moving to the city, but the number of businesses and employment that are added each year as well. In 2012, the city welcomed 242 new businesses and created a total of 1,538 new jobs<sup>192</sup>. Better yet, around 40 per cent of Brampton's labour force both live and work in the city<sup>193</sup>.

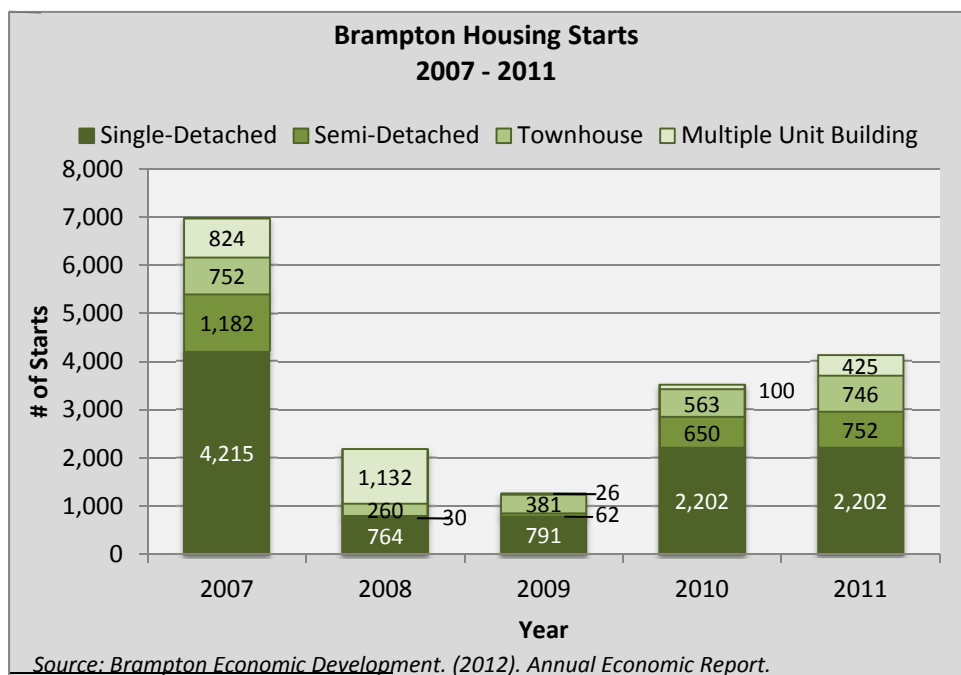
The unemployment rate in the Peel Region is on a downward trend. Experiencing some fluctuations in 2011, the rate sat at 9.3% as of January 2012<sup>194</sup>. If new jobs continue to be created, the unemployment rate should continue its downward trend in 2012.



## Housing Trends

As the population continues to grow, the City of Brampton will face pressure to provide enough housing. As predicted, the strong population growth that the city has already witnessed has led to an increase in demand in both single and multi-family housing. In 2011, Brampton witnessed a 22.8 per cent increase in residential development over 2010<sup>195</sup>.

In 2012, the City of Brampton recorded a total of 3,775 housing starts. This is an increase from the 3,515 housing starts the city recorded in 2010. In 2011, single-detached dwellings comprised 1,852 of the total starts, while multi-family housing accounted for the remaining 1,923 starts. In 2010, the city recorded 2,202 single family starts and 1,313 multi-family housing starts.



The city has done an excellent job curbing urban sprawl when you consider the city's rapid population growth. In 2011, Brampton's population density was 1,967.1 persons per square kilometre, up 20.94 per cent from 1,626.5 per square kilometre reported in the 2006 federal census<sup>196</sup>. As the city looks to increase density, multi-family units will continue to grow in popularity.

Brampton's total building permit value for 2011 was \$1,602,947, an increase from \$1,472,432,311 in 2010. The city's residential sector saw a burst in growth in 2011,

<sup>192</sup> Brampton Economic Development. (27 March 2012). "Brampton's 2011 annual economic report now available." *City of Brampton*. Retrieved from <http://www.brampton.ca/en/Business/edo/bramfacts-headlines/Pages/article.aspx/308/Brampton's-2011-Annual-Economic-Report-Now-Available>

<sup>193</sup> Brampton Economic Development. (2011). "Vibrant Workforce." *City of Brampton*. Retrieved from <http://www.brampton.ca/en/Business/edo/Choose-Brampton/Pages/Vibrant-Workforce.aspx>

<sup>194</sup> Brampton Economic Development. (January 2012). "Brampton economic indicators: January 2012." *City of Brampton*. Retrieved from <http://www.brampton.ca/en/Business/edo/business-knowledge/Documents/Monitoring%20The%20Economy/Brampton%20Economic%20Indicator%20-%20Jan%202012.pdf>

<sup>195</sup> City of Brampton. (2012). "Annual Economic Report: 2011." *City of Brampton*. Retrieved from <http://www.brampton.ca/en/Business/edo/business-knowledge/Economic-Reports-Papers-Statistics/Documents/Annual%20Economic%20Reports/AnnualReport2011.pdf>

<sup>196</sup> Ibid.



resulting in it being the fifth largest residential market in Canada as well as the second largest residential market in the GTA. The residential building permit value was \$1,303,054, up from \$1,064,340,174 in 2010<sup>197</sup>.

The City of Brampton is currently reviewing its residential planning policies to allow for secondary units in homes. To be recognized as a second unit, the dwelling must have a separate means of access from the primary home, with a self-contained kitchen and bathroom facilities. The review is being conducted to comply with the introduction of Bill 140 by the provincial government, requiring municipalities to allow for secondary units in homes in order to provide greater opportunities for affordable housing in Ontario. Secondary units were permitted by law in Brampton prior to 1998, and approximately 2,800 secondary units already exist. The city wants to stress that the introduction of Bill 140 does not mean that existing illegal secondary units will now become legal. The City of Brampton still needs to finalize its policy to determine what will be considered acceptable as a secondary unit<sup>198</sup>.



## Sale and Rent

Households confident in their economic state have taken advantage of the Brampton resale market. At the end of 2011, a total of 12,939 houses had been listed on the market, with 7,646 sales. This is an increase from the 5,777 houses listed on the market in 2010 and 3,315 sales. The total sales volume for 2011 was \$2,902,211,838, up from \$1,193,587,981 the previous year<sup>199</sup>.

The average price for a home in Brampton was \$379,573, up slightly from \$360,057 in 2010. The median price for a previously existing home was \$361,000 and the average days on the market (DOM) was low, sitting at 23<sup>200</sup>. As of March 2012, Detached houses averaged \$466,645, semi-detached homes were \$365,875, and condos averaged \$255,451<sup>201</sup>.

However, averages, especially in a market as large and diverse as Brampton's, can be misleading. There are still many affordable older neighbourhoods in the region, even this close to the GTA's job centers. A little hunting can lead to the discovery of hidden gems.

The average rent for a private apartment in Brampton sat at \$1,052 at the end of 2011, up slightly from \$1,037 at the end of 2010. The average rent for a bachelor apartment sat at \$748, up from \$737 in October 2010; a one bedroom apartment rented for \$953, up from \$937; a two bedroom unit was \$1,095, up from \$1,085; and a three bedroom apartment rented for \$1,232 in October 2011, up from \$1,210 in October 2010<sup>202</sup>.



Source: Toronto Real Estate Board (2012).  
CMHC – Housing Now – GTA (2011).

<sup>197</sup> Ibid.

<sup>198</sup> CanIndia News. (27 April 2012). "Second units in Brampton under review." Retrieved from <http://canindia.com/2012/04/second-units-in-brampton-under-review/>

<sup>199</sup> Toronto Real Estate Board (TREB). (2012). "Toronto Real Estate Board Market Watch: December 2011." Retrieved from [http://www.torontorealestateboard.com/market\\_news/market\\_watch/2011/mw1112.pdf](http://www.torontorealestateboard.com/market_news/market_watch/2011/mw1112.pdf)

<sup>200</sup> Ibid.

<sup>201</sup> TREB. (2012). "Toronto Real Estate Board Market Watch: March 2012." Retrieved from [http://www.torontorealestateboard.com/market\\_news/market\\_watch/2012/mw1203.pdf](http://www.torontorealestateboard.com/market_news/market_watch/2012/mw1203.pdf)

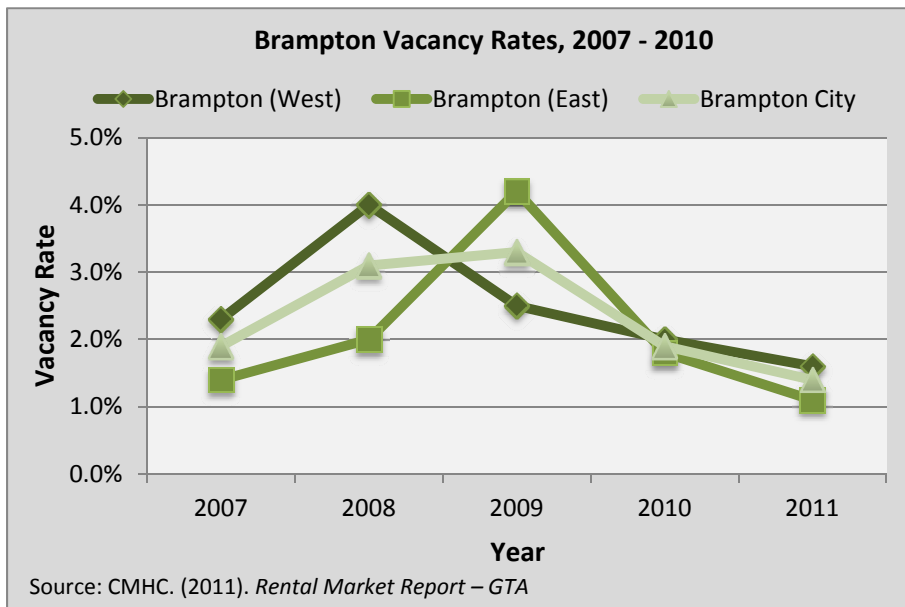
<sup>202</sup> CMHC. (2011). "Rental Market Report - Greater Toronto Area". Retrieved from [http://www.cmhc-schl.gc.ca/odpub/esub/64459/64459\\_2011\\_A01.pdf?fr=1335471965406](http://www.cmhc-schl.gc.ca/odpub/esub/64459/64459_2011_A01.pdf?fr=1335471965406)

Geographic location continues to play a major role in Brampton, with rents the highest in the more desirable eastern portion of the city and the lowest in the west.



## Vacancy Rates

Vacancy rates in Brampton have decreased in the past year. In October 2011, the vacancy rate for a private apartment was posted at 1.4%, down from 1.9% in October 2010. The vacancy rate for a bachelor unit was 3%, down significantly from 4.3% the previous year; the vacancy rate for one-bedroom apartments was 1.9%,



down from 2.2% the previous year; two bedroom units had a vacancy rate of 0.9%, down from 1.6%; and a three bedroom unit was 1.8%, down from 2.4% in October 2010<sup>203</sup>.

It is interesting to note that the vacancy rate in west Brampton is now almost as low as the vacancy rate in East Brampton. For several years the west end dragged up the overall vacancy of a private apartment in the city, but this is no longer the case. As of October 2011, the vacancy rate of an apartment in West Brampton was 1.6%, while the vacancy rate in East Brampton was marginally lower at 1.1%<sup>204</sup>.

It is important to examine areas on a micro level to gauge a true value of rent and vacancy. A quick look at the classifieds and online rentals websites will give a more succinct look at particular areas and neighbourhoods.



## Economics

Only a half hour drive from Toronto, and served by Highways 407, 410, 427, 402, and 401, Brampton's great transportation links have led many industries and companies to call the city home. The 9<sup>th</sup> largest city in Canada<sup>205</sup>, Brampton has had no problem diversifying its economy. Major industries in the city include: advanced manufacturing, information and communication technology, business services, life sciences, food and beverage services, and retail administration logistics<sup>206</sup>.

<sup>203</sup> Ibid.

<sup>204</sup> Ibid.

<sup>205</sup> City of Brampton. (2012). "Annual Economic Report: 2011." City of Brampton. Retrieved from <http://www.brampton.ca/en/Business/edo/business-knowledge/Economic-Reports-Papers-Statistics/Documents/Annual%20Economic%20Reports/AnnualReport2011.pdf>

<sup>206</sup> City of Brampton. (2009). Brampton at a Glance. <http://www.brampton.ca/en/Business/edo/business-knowledge/Pages/Brampton-At-a-Glance.aspx>

As of December 2011, there were 8,075 businesses operating in Brampton. Total employment within the city was 152,577; with 113,373 full-time positions, 31,093 part-time positions, and 8,521 contracted-based jobs<sup>207</sup>. In 2011, the city welcomed 242 new businesses and created a total of 1,538 new jobs<sup>208</sup>. Major employers in the city include Rogers Communications, Chrysler Canada, Maple Lodge Farms, Loblaw Companies Ltd., Canadian Tire Corporation, and Olymel L.P.<sup>209</sup>.

Brampton's central location and transportation links have lead many companies to locate their national headquarters within the city. Companies with head offices in Brampton include Maple Lodge Farms, Loblaw Companies, the Hudson's Bay Company, Santa Maria Foods, Velcro Canada, xpedx, Brita Canada, and Bacardi Canada Inc<sup>210</sup>.

DHL recently announced that the company would construct its national headquarters in Brampton. The opening of the new facility will see DHL consolidating its operations in the Toronto region. The company previously had three facilities in the Toronto area: one in Markham and two in Brampton. DHL has had a presence in Brampton for over ten years and employs nearly 350 people in the city. It is hoped that the new facility will reduce costs and improve operating procedures, allowing the company to expand even further. The new facility includes a 34,000 square foot office space and a 100,000 square foot warehouse and will be located on Parkshore Drive<sup>211</sup>.

Brampton's Chrysler Canada plant has experienced a 180 degree turn from its position just three years ago. Bankrupt in 2009, Chrysler was forced to shut down all of its plants in North America for several weeks. Saved from Chapter 11 bankruptcy when most of its assets were purchased by Fiat<sup>212</sup>, the future of the employees at the Brampton plant remained unclear for a time. However, things have begun to look up for the Brampton plant. Chrysler Canada began producing its 2011 Dodge Charger as well as the 2011 Dodge Challenger at the Brampton plant in December 2010. The plant also began producing the 2011 Chrysler 300 in January 2011. Chrysler is one of Brampton's largest employers and biggest manufacturer<sup>213</sup>. Its 3,437 employees represent a large portion of vehicle manufacturing and transportation jobs in Brampton.



**Brampton Chrysler Plant**

Overall, when you look at the diverse economy of Brampton, it contrasts (positively) with many of the region's cities that are reliant on one industry or employer for the majority of their economic activity. This has provided Brampton with some economic stability during the economic downturn.

<sup>207</sup> City of Brampton. (2012). "Annual Economic Report: 2011." City of Brampton. Retrieved from <http://www.brampton.ca/en/Business/edo/business-knowledge/Economic-Reports-Papers-Statistics/Documents/Annual%20Economic%20Reports/AnnualReport2011.pdf>

<sup>208</sup> Brampton Economic Development. (2012). "Brampton 2011 Economic Activity Report". *City of Brampton*. Retrieved from <http://www.brampton.ca/en/Business/edo/business-knowledge/Economic-Reports-Papers-Statistics/Documents/Annual%20Economic%20Reports/AnnualReport2011.pdf>

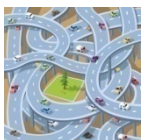
<sup>209</sup> Brampton Economic Development. (2012). "Brampton at a glance." City of Brampton. Retrieved from <http://www.brampton.ca/en/Business/edo/business-knowledge/Pages/Brampton-At-a-Glance.aspx>

<sup>210</sup> Brampton Economic Development. (2012). "Brampton at a glance." City of Brampton. Retrieved from <http://www.brampton.ca/en/Business/edo/business-knowledge/Pages/Brampton-At-a-Glance.aspx>

<sup>211</sup> City of Brampton. (15 March 2012). "DHL Express consolidates facilities and opens new national headquarters in Brampton." Retrieved from <http://www.brampton.ca/en/Business/edo/bramfacts-headlines/Pages/article.aspx/304/DHL-Express-Consolidates-Facilities-and-Opens-New-National-Headquarters-in-Brampton>

<sup>212</sup> The Brampton Guardian. (27 August 2009). "Lack of parts may stall Chrysler's 2010 line". *The Brampton Guardian*. <http://www.thebramptonguardian.com/brampton/business/article/75225>

<sup>213</sup> Chrysler Canada. (February 2012). "Brampton assembly plant and Brampton satellite stamping plant." *Chrysler*. Retrieved from <http://www.media.chrysler.com/newsrelease.do?sessionId=2FE6BCE3DB869BF00E48CAD8693D3C89?&id=332&mid=105>



## Infrastructure

One of the largest and fastest growing cities in the country, Brampton is under constant pressure to ensure its infrastructure keeps up with demand. Within the GTA, Brampton was second only to Toronto in total construction, residential construction, and institutional construction in 2011. In fact, Brampton had the 6<sup>th</sup> most active construction market in all of Canada, ahead of Vancouver, Winnipeg, and Quebec City<sup>214</sup>.

Notable industrial activity in 2011 included a 36,000 square foot addition to Peel Plastic Products at 49 Rutherford Road South, an 18,000 square foot expansion to Johnson Matthey Ltd's operations at 130 Glidden Road, and the addition of 40,000 square feet to DHL's existing facility on Parkshore Drive, which will act as the company's new national headquarters<sup>215</sup>.

In the commercial sector, notable activity included the construction of a 64,000 square foot Hampton Inn at The Gore Road and Queen Street East, construction of the 27,000 square foot Grand Empire Banquet and Conference Centre at 100 Nexus Road, and RioCan's 80,000 square foot addition at Shoppers World<sup>216</sup>.



In 2011, Bramalea City Centre also completed its last stage of construction and renovation. The mall provides over 1 million square feet of retail shopping and services to over 12 million customers per year, drawing from Brampton and surrounding communities in the GTA. The scope of this major renovation included the creation of an additional 323,000 square feet of shopping space and the creation of over 417,000 square feet of underground parking<sup>217</sup>. The City of Brampton welcomed the Canadian Blood Services, the Hilton Garden Inn, and many new national and international retailers as part of the expansion<sup>218</sup>.

Redevelopment is ongoing on the Peel Memorial Hospital (PMH). William Osler Health System, the company in charge of the development, hopes to create a state-of-the-art health and wellness centre, providing patients with acute care and wellness services all under one roof. The memorial hospital has sat empty since Brampton Civic hospital opened in 2007<sup>219</sup>. Demolition on the old hospital began in December 2011 and was completed in February 2012<sup>220</sup>. Tenders from developers will be accepted in 2012, with construction on the new Peel Memorial Hospital beginning in the summer of 2013 and completed by 2015<sup>221</sup>.

Early in 2012, Brampton witnessed Air Canada break ground on their Systems Operations Control Centre. The building will essentially be the new "nerve centre" of the airline and creating 500 new knowledge-based jobs

<sup>214</sup> Brampton Economic Development. (2012). "Brampton 2011 Economic Activity Report". *City of Brampton*. Retrieved from <http://www.brampton.ca/en/Business/edo/business-knowledge/Economic-Reports-Papers-Statistics/Documents/Annual%20Economic%20Reports/AnnualReport2011.pdf>

<sup>215</sup> Ibid.

<sup>216</sup> Ibid.

<sup>217</sup> Carillion Canada. (2011). "Bramalea City Centre major renovation." Retrieved from <http://www.carillion.ca/Divisions/Building%20Construction/Projects/Active%20Projects/Retail/retail-projects/?NID=116>

<sup>218</sup> Brampton Economic Development. (2012). "Brampton 2011 Economic Activity Report". *City of Brampton*. Retrieved from <http://www.brampton.ca/en/Business/edo/business-knowledge/Economic-Reports-Papers-Statistics/Documents/Annual%20Economic%20Reports/AnnualReport2011.pdf>

<sup>219</sup> The Brampton Guardian. (2010). "Peel Memorial takes next step". <http://www.bramptonguardian.com/news/article/915692--peel-memorial-takes-next-step>

<sup>220</sup> William Osler Health System. (10 February 2012). "Our redevelopment process." Retrieved from <http://www.williamoslerhc.on.ca/body.cfm?id=677>

<sup>221</sup> Panjwani, R. (16 August 2012). "Province moves on Peel Memorial." The Brampton Guardian. Retrieved from <http://www.bramptonguardian.com/news/article/1057709--province-moves-on-peel-memorial>



when it opens in 2014<sup>222</sup>. Located at Ironbridge Road, the addition of this building will cement Air Canada as one of the top 10 employers in Brampton and a major contributor to the local economy<sup>223</sup>.

Maple Leaf Foods, Canada's largest food processor, will expand its existing Brampton facility in 2012. Part of a \$560 million initiative to increase productivity and reduce operating costs, the company will inject \$25 million into the Brampton expansion project, creating approximately 38 new jobs<sup>224</sup>.

### **Bus Rapid Transit**

Züm is Brampton Transit's new Bus Rapid Transit (BRT) service. Implemented in September 2010 from downtown Brampton to the transit hub at York University, Brampton Transit experienced an immediate increase in ridership<sup>225</sup>. A second line was added in September 2011, along Main Street and Hurontario. In 2012, Züm will begin operating a new line on Steeles Avenue between the Shoppers world Terminal and Humber College's North Campus in Ontario. A new transit terminal will be built at the northwest corner of Main Street and Steeles Avenue to accommodate the new line<sup>226</sup>.

### **GO Train**

Brampton is currently serviced by the Kitchener GO Train line (formerly known as the Georgetown Line). GO Transit hopes to meet increasing ridership demand on this line with the Georgetown South Project. The project will extend from Bathurst Street in Toronto to Highway 247 in the Peel Region and will include the addition of two tracks on the north half of the Georgetown South project (bringing up the total on that end to three) and an addition of one track on the south end of the project, bringing the total on that end to five tracks. The project will also accommodate existing and future CN freight train and VIA Rail service as well as a new Air Rail Link between Pearson International Airport and Union Station. Work is expected to be completed in 2015<sup>227</sup>.

### **Light Rail**

Part of Move Ontario's 2020 projects, a light rail line is planned from Queen Street in Brampton to Lakeshore Road in Mississauga<sup>228</sup>. The cities of Brampton and Mississauga have worked together to create the Hurontario/Main Street Master Plan, which details the two cities' vision for the corridor. Light Rail Transit (LRT) was determined to be the preferred method of transportation for the corridor, and the potential route is currently in the Preliminary Design phase. If all goes according to plan, the project could begin in 2014 – provided it receives enough funding from the three levels of government<sup>229</sup>. Visit the Hurontario-Main LRT Project website page to learn more: <http://lrt-mississauga.brampton.ca/EN/Process-and-Timelines/Pages/Welcome.aspx>.

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<sup>222</sup> Criscione, P. (29 February 2012). "Brampton home to new Air Canada 'nerve centre.'" *Brampton Guardian*. Retrieved from <http://www.bramptonguardian.com/news/business/article/1308173--brampton-home-to-new-air-canada-nerve-centre>

<sup>223</sup> Brampton Economic Development. (2012). "Brampton 2011 Economic Activity Report". *City of Brampton*. Retrieved from <http://www.brampton.ca/en/Business/edo/business-knowledge/Economic-Reports-Papers-Statistics/Documents/Annual%20Economic%20Reports/AnnualReport2011.pdf>

<sup>224</sup> City of Brampton. (19 October 2011). "Maple Leaf Foods announcement includes Brampton investment." Retrieved from <http://www.brampton.ca/en/Business/edo/bramfacts-headlines/Pages/article.aspx/295/Maple-Leaf-Foods-Announcement-includes-Brampton-Investment>

<sup>225</sup> ---. (2011). "2010: The highs and lows". <http://www.bramptonguardian.com/news/cityhall/article/924017--2010-the-highs-and-lows>

<sup>226</sup> Brampton Transit. (2012). "About Züm." *City of Brampton*. Retrieved from <http://www.brampton.ca/en/residents/transit/zum/Pages/welcome.aspx>

<sup>227</sup> Go Transit. (2011). "Georgetown South Project". Retrieved from <http://www.gotransit.com/gts/en/project/default.aspx>

<sup>228</sup> CityNews. (16 June 2007). "Ontario Unveils \$17.5 Billion Transit Expansion Plan To Woo Voters". Retrieved from <http://www.citytv.com/toronto/citynews/news/local/article/13906--ontario-unveils-17-5-billion-transit-expansion-plan-to-woo-voters>

<sup>229</sup> Hurontario-Main LRT Project. (2012). "Process and Timelines." *City of Brampton*. Retrieved from <http://lrt-mississauga.brampton.ca/EN/Process-and-Timelines/Pages/Welcome.aspx>



Strong transportation links via air, highway, and rail will continue to benefit Brampton, attracting many different types of industries to the region. With close proximity to the Toronto Pearson International Airport and access to the GTA's extensive road and rail network, Brampton will continue to grow in the foreseeable future.

As people continue to migrate to the Greater Toronto Area, many will be attracted to Brampton, making it one of the fastest growing cities in Canada. One has only to look at the extensive list of infrastructure projects the city has seen in the last few years to know that the city is booming. For investors who are willing to do a little homework and pick their neighbourhoods carefully, Brampton can provide solid positive returns for years to come.



# **BRAMPTON**

## **Flower City**

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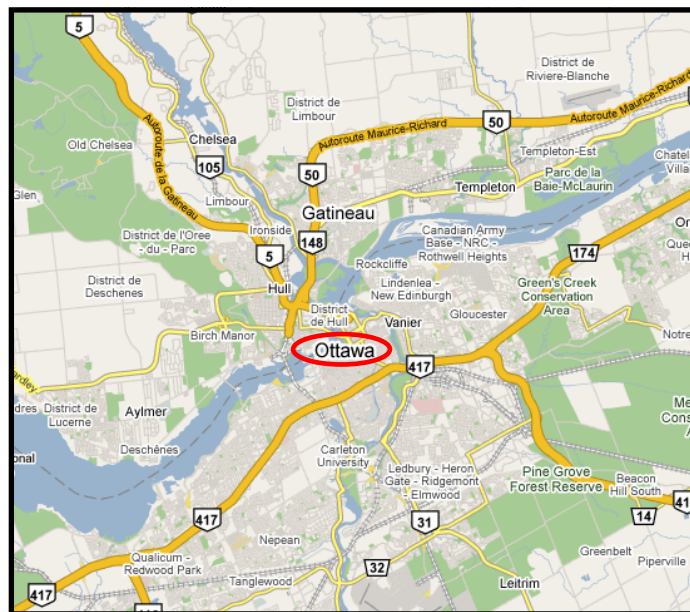
Web: [www.brampton.ca/economic-development](http://www.brampton.ca/economic-development)



# Ottawa

## On the Street

Functioning as the nation's capital, the City of Ottawa enjoys an incredibly diverse economy. Unlike other cities that rely on a small number of industries or sectors, Ottawa's diversity allows it to weather an economic storm better than other communities. This diversity is what cushioned the city from the economic downturn experienced in many Canadian cities in the last few years.



The city's proximity to many universities, colleges, and research and development centres have all contributed to Ottawa's designation as the city with the highest educated workforce in all of Canada. The constant influx of students combined with adult professionals on temporary assignments ensures a constant source of potential renters for the city.

With a population of nearly 900,000, the City of Ottawa is the fourth largest city in Canada and the second largest in the Province of Ontario. The city is large enough to support the finest amenities, such as shopping districts and world-class entertainment facilities. However, with over 90 per cent of the city's area in a country-like setting<sup>230</sup>, residents who live outside of the downtown corridor get that small-town feel.

Ottawa citizens enjoy unparalleled economic well-being, health, and overall quality of living. Mercer ranked the city as having the second highest quality of living of any large city in the Americas, and 14<sup>th</sup> highest in the world in its 2010 Quality of Living Survey<sup>231</sup>. In 2012, the city was also ranked as the best place to live in all of Canada for the third consecutive year by MoneySense Magazine<sup>232</sup>.

Due to the consistent above-average wage employment provided by being the nation's capital, Ottawa's real estate market is not prone to a boom-bust cycle that other areas experience. The city added over 20,000 jobs in 2011 and currently has an unemployment rate that is significantly below the national average<sup>233</sup>. This is good news for both investors focusing in this area as well as Ottawa residents, who have not felt the harsh effects of the economic downturn experienced in other parts of the country.



## Location

Nestled at the junction of the majestic Ottawa, Rideau and Gatineau Rivers, Ottawa is not only the nation's capital, but the economic centre of Eastern Ontario. The city is split into two distinct sections by the Greenbelt, a 203.5 square kilometre swath of parkland in which real estate development is strictly controlled. Buildings located north of the parkland are referred to as being 'inside' the Greenbelt, where the city's downtown core is found.

<sup>230</sup> City of Ottawa. (2011). "Frequently Asked Questions". [http://www.ottawa.com/about/faq\\_e.shtml](http://www.ottawa.com/about/faq_e.shtml)

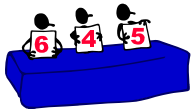
<sup>231</sup> Invest Ottawa. (2012). "Choose Ottawa." *City of Ottawa*. Retrieved from <http://international.investottawa.ca/choose-ottawa/>

<sup>232</sup> MoneySense Magazine. (20 March 2012). "Canada's best places to live 2012." Retrieved from <http://www.moneysense.ca/2012/03/20/canadas-best-places-to-live-2012/>

<sup>233</sup> Invest Ottawa. (February 2012). "Invest Ottawa to bolster economic development." Retrieved from <http://news.investottawa.ca/news-releases/2012/02/invest-ottawa-to-bolster-economic-development>

The major highways in the Ottawa area are the 417 (Queensway), 416, 174, 7, 16 and 31 in the Province of Ontario; and the 148, 50 and 5 from Quebec. The city is only an hour away from the nearest border crossing (Ontario/Ogdensburg, NY) via Highway 416 or 417.

As the capital city of Canada, Ottawa will always have strong links to international markets. The Ottawa International Airport is just a 20 minute drive from downtown and offers flights to most major Canadian and U.S. cities, as well as flights to Europe, the Caribbean, and South America.



## Economic Scorecard

With a population of over 900,000, the City of Ottawa enjoys an incredibly diverse economy. Unlike other municipalities that rely on a small number of industries or sectors, Ottawa's diversity has allowed it to weather an economic storm better than other communities. In addition, Ottawa citizens consistently experience the above-average wage employment provided by being that nation's capital. This means that Ottawa's real estate market is not prone to a boom-bust cycle that other areas experience - good news for both Ottawa residents and investors looking to focus in this area.

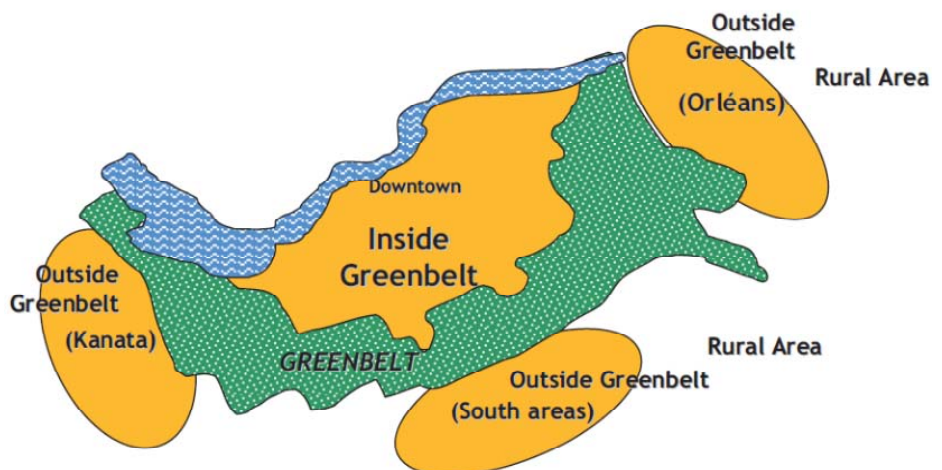


## Population and Income

According to the latest Statistics Canada federal census data, the population of Ottawa was 883,391 in 2011, an increase of 8.8 per cent from 812,129 in 2006<sup>234</sup>. This population growth is well above the provincial average, which was recorded to be a 5.7 per cent increase over the same time period. The city is expected to continue its steady growth, reaching a population of 1,136,000 by mid-2031<sup>235</sup>.

The share of the population living inside the Greenbelt continues to decline. In 2010, the majority of population growth for the city took place in urban centres outside the Greenbelt and rural areas. In urban areas outside the Greenbelt, it is estimated that the population increased by 9,920, bringing the estimated total population for that region to 296,270. Of the urban centres outside the Greenbelt, South Nepean experienced the most

growth, followed by Kanata-Stittsville, and Orléans<sup>236</sup>.



**Map of Ottawa**

Source: City of Ottawa. (2010). "Annual Development Report 2009."

<sup>234</sup> Statistics Canada. (2011). "Ottawa, Ontario" (Code 3506008) (table). 2011 Community Profiles. 2011Census. Retrieved from <http://www12.statcan.gc.ca/census-recensement/2011/dp-pd/prof/details/page.cfm?Lang=E&Geo1=CSD&Code1=3506008&Geo2=PR&Code2=35&Data=Count&SearchText=ottawa&SearchType=Begin&SearchPR=01&B1=All&Custom=&TABID=1>

<sup>235</sup> Invest Ottawa. (2012). "Annual Development Report 2010". City of Ottawa. Retrieved from [http://www.ottawa.ca/city\\_services/statistics/dev\\_report/pdf/adr\\_2010\\_en.pdf](http://www.ottawa.ca/city_services/statistics/dev_report/pdf/adr_2010_en.pdf)

<sup>236</sup> Ibid.

Due to its low cost of living and numerous employment opportunities, many immigrants are attracted to the Ottawa area. Ottawa is currently the second largest recipient of immigrants in Ontario. In 2009, the Ottawa-Gatineau region saw a net migration increase of 9.3 per cent, the fifth highest of any Census Metropolitan Area (CMA) in Canada<sup>237</sup>.

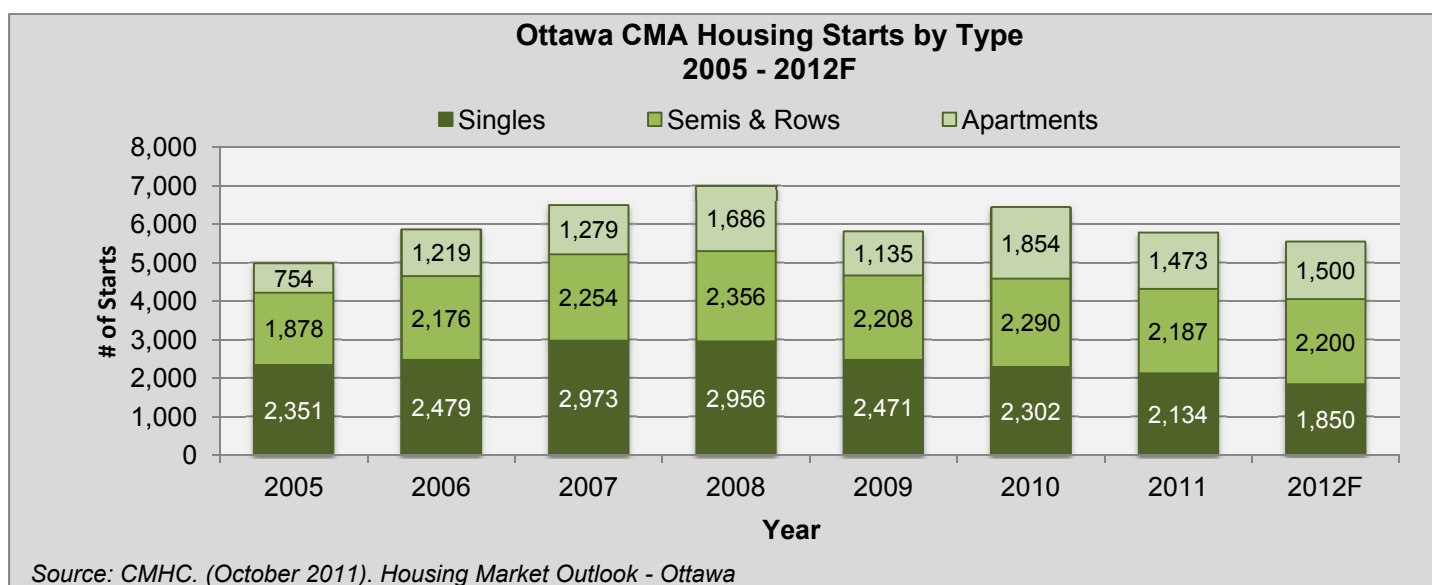
Since government jobs are among the highest paid in town, Ottawa consistently posts high average weekly earnings. In December 2010, the average weekly earnings for an Ottawa-Gatineau resident (Ontario portion) was \$1,014. At the end of 2011, the weekly earnings rose even higher, averaging at \$1,021<sup>238</sup>.

After reaching near record lows in 2008, the unemployment rate sat at 6% in 2009 and rose to 6.7% in 2010. In 2011, the unemployment rate steadily decreased as the economy continued to improve. As of December 2011, the unemployment rate in the Ottawa region sat at 6%, well below the national average. The Ottawa region performed well in 2011, adding more than 20,000 jobs over the past year<sup>239</sup>.



## Housing Trends

After a booming construction year in 2010, the Ottawa real estate market has downshifted in 2011. In 2011, a total of 5,521 residential units began construction, down 8.7 percent from 6,046 the previous year. The number of single family units beginning construction remained relatively unchanged from the previous year, with 1,957 started in 2011, down slightly from 2,035 in 2010. The city also witnessed a decrease in multi-family unit construction, with 3,564 units started in 2011, down from 4,011 the previous year<sup>240</sup>.



Builders experienced an increase in demand for single-family dwellings in 2011, accounting for nearly 40 per cent of market activity. The surge in demand resulted from improving economic conditions and higher full-time employment. Nearly 80 percent of all new single-detached units that began construction were located outside

<sup>237</sup> Ibid.

<sup>238</sup> CMHC. (2010). "Housing Market Outlook - Ottawa (Ontario part of Ottawa-Gatineau CMA)". (Fall 2010).

<sup>239</sup> Ibid.

<sup>240</sup> CMHC. (January 2012). "Housing Market Outlook - Ottawa (Ontario part of Ottawa-Gatineau CMA)." Retrieved from [http://www.cmhc-schl.gc.ca/odpub/esub/64187/64187\\_2012\\_M01.pdf?fr=1337013557812](http://www.cmhc-schl.gc.ca/odpub/esub/64187/64187_2012_M01.pdf?fr=1337013557812)

of the Greenbelt. Construction activity in Cumberland, Gloucester, and Goulburn increased in 2011, while Nepean retained the highest number of starts – accounting for over a quarter of all construction activity in the city<sup>241</sup>.

Townhomes also witnessed an increase in demand in 2011. Smaller and more affordable than single-detached homes, many first-time homebuyers are attracted to row housing. In addition, row housing has become increasingly appealing to empty-nester households looking for smaller, lower-maintenance homes<sup>242</sup>.

Condos also remained a popular choice in 2011, accounting for nearly a quarter of the city's total construction. Similar to row housing, condos are gaining popularity among first-time home buyers and empty-nesters. Vanier, Rockcliffe, Nepean, and Cumberland saw the highest number of condo construction projects in 2011<sup>243</sup>.

CMHC predicts that housing starts in the Ottawa region will continue to follow new home buying preferences in favour of more affordable housing options. Demand for condo apartments will continue to rise, and when combined with semi-detached and row housing, will overtake single-detached homes as the dominant low-rise dwelling type for the first time in over a decade. Single-detached activity will mainly occur outside the Greenbelt, in areas such as Cumberland and Gloucester<sup>244</sup>.

Migration to the city, rising steadily since 2006, will continue to support rental demand. CMHC predicts that apartments will become increasingly popular with renters over the next few years. Expect to see more high-rise condo development in the city's core, particularly in areas near major transit routes<sup>245</sup>.



## **Sale and Rent**

2011 was a typical year for home sales in Ottawa. The Ottawa Real Estate Board (OREB) recorded a total of 14,412 sales in 2011, an increase of 1.7 per cent from the previous year. Resale homes in 2011 were slight above the five-year average of 14,326. The market began the year quietly, before picking up momentum and eventually posting the best November on OREB's record. Past board president Joanne Tibbles had this to say about Ottawa's performance in 2011: "In many ways, it epitomized Ottawa's real estate market: no dizzying highs, no dramatic lows, just slow and steady growth over the long term<sup>246</sup>."

The average resale price of a home in the Ottawa rose to \$344,791 by the end of 2011, an increase of 5 per cent from \$328,439 in 2010. Price increases were witnessed in every category. Single detached homes were up 5.1 percent to \$385,529, and row homes were up 4.9 percent to \$309,796<sup>247</sup>.

It is interesting to note that not only are multi-family units becoming a more popular form of residential construction, they are also becoming more popular as a resale item. Condo resales experienced a 1.3 per cent increase in sales over 2010 and a 4.5 per cent increase in overall price<sup>248</sup>.

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<sup>241</sup> Ibid.

<sup>242</sup> Ibid.

<sup>243</sup> Ibid.

<sup>244</sup> CMHC. (October 2011). "Housing Market Outlook – Ottawa (Ontario part of Ottawa-Gatineau CMA)." Retrieved from [http://www.cmhc-schl.gc.ca/odpub/esub/64311/64311\\_2011\\_B02.pdf?fr=1337015432640](http://www.cmhc-schl.gc.ca/odpub/esub/64311/64311_2011_B02.pdf?fr=1337015432640)

<sup>245</sup> Ibid.

<sup>246</sup> Ottawa Real Estate Board. (11 January 2012). "2011 a typical year for homes sales in Ottawa." Retrieved from [http://www.century21.ca/margaret.burniston/Blog/2011\\_a\\_typical\\_year\\_for\\_homes\\_sales\\_in\\_Ottawa](http://www.century21.ca/margaret.burniston/Blog/2011_a_typical_year_for_homes_sales_in_Ottawa)

<sup>247</sup> CMHC. (October 2011). "Housing Market Outlook – Ottawa (Ontario part of Ottawa-Gatineau CMA)." Retrieved from [http://www.cmhc-schl.gc.ca/odpub/esub/64311/64311\\_2011\\_B02.pdf?fr=1337015432640](http://www.cmhc-schl.gc.ca/odpub/esub/64311/64311_2011_B02.pdf?fr=1337015432640)

<sup>248</sup> Ibid.



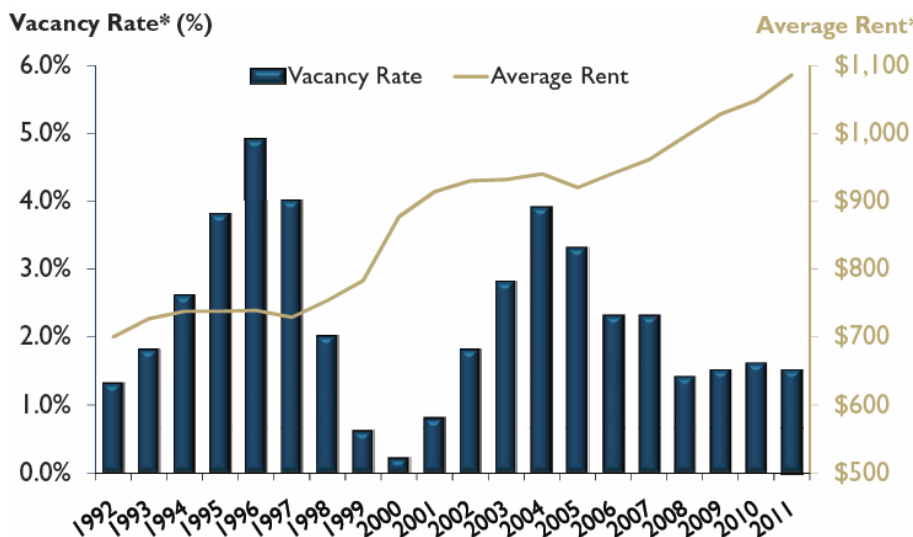
While historically low mortgage rates continue to support demand for owner-occupied housing, the pace of first-time homebuyers entering the market has lessened due to a higher average home price. Since the average rent for a two-bedroom apartment unit remains 25 per cent more affordable than the mortgage on a home, younger households are remaining in the rental pool longer<sup>249</sup>.

The average rent for an apartment also witnessed positive growth in 2011. The average rent for a private apartment in the Ottawa CMA was \$976 in October 2011, up from \$947 the previous year. A bachelor unit rented for \$727, an increase from \$715 in 2010; a one bedroom apartment averaged at \$899, up from \$877; a two bedroom apartment was \$1,086, up from \$1,048; and a three bedroom unit rented for \$1,322, up from \$1,312<sup>250</sup>.



## Vacancy Rates

The Ottawa CMA's already low apartment vacancy rate decreased marginally last year, dropping from 1.6% in 2010 to 1.4% in the fall of 2011. The vacancy rate for a bachelor unit sat at 1.3%, a slight increase from 0.9% the previous year; a one bedroom apartment had a vacancy rate of 1.3%, down from 1.6%; a two bedroom unit was 1.5%, down slightly from 1.6% in October 2010; and a three bedroom apartment sat at 2.6%, an increase from 2.2% the previous year<sup>251</sup>.



Source: CMHC. (October 2011). *Rental Market Report – Ottawa*.

The increase in vacancy of three bedroom apartment units in the CMA dragged up the overall vacancy rate. This slight increase in vacancy rates in three bedroom units may be due to first time homebuyers leaving the rental market. First time buyers are usually renters of the larger, more expensive apartment before they make their first home purchase. However, as house prices rise, renting has proved to be a more affordable option than renting, delaying the move of many residents into home ownership.

Sitting at 1.4%, Ottawa tied Toronto for the third lowest vacancy rate in all of Ontario. An increase in net in-migration in recent years has been a major factor

supporting strong rental demand. As the capital of Canada, Ottawa sees a greater than average proportion of highly skilled immigrants. As recent research suggests that the great majority of newcomers tend to rent upon arrival and take up to four years to buy a home, rental demand will be supported by this growing trend for years to come<sup>252</sup>.

<sup>249</sup> CMHC. (October 2011). "Rental Market Report – Ottawa". Retrieved from [http://www.cmhc-schl.gc.ca/odpub/esub/64423/64423\\_2011\\_A01.pdf?fr=1337014270642](http://www.cmhc-schl.gc.ca/odpub/esub/64423/64423_2011_A01.pdf?fr=1337014270642)

<sup>250</sup> Ibid.

<sup>251</sup> Ibid.

<sup>252</sup> Ibid.

In 2012, rental vacancy rates are expected to drop even further. CMHC predicts that the vacancy rate in the Ottawa CMA will drop to 1.2 per cent, the lowest rate since 2001<sup>253</sup>.



## Economics

The second largest city in Ontario, Ottawa enjoys an incredibly diverse economy. The city is known as a world class tourism destination as well as a global technology and business sector. Many companies in the Ottawa region are involved in key competitive sectors such as telecommunications, software, wireless technologies, life sciences, defense and security, and multimedia. The city also benefits from newer growth sectors such as environmental technologies, biophotonics, and micro electromechanical systems<sup>254</sup>.

As the capital city of Canada, the City of Ottawa will always have a large government presence. The Public Administration and Services bolsters Ottawa's labour market and will continue to do so in the foreseeable future. The city enjoys a balanced economy, with government employment remaining stable during other sector's peaks and valleys. In addition to dozens of federal government organizations, Ottawa is also home to hundreds of foreign embassies. The federal government is Ottawa's largest employer, with over 100,000 government employees working within the city<sup>255</sup>.

Ottawa boasts the highest number of residents with post-secondary education in Canada, with more engineers, scientists, and PhDs per capita than any other city in that nation<sup>256</sup>. The strength of the Capital City's labour force has lead to its emergence as a global technology and business centre. Over 1,900 high-tech companies had come to call the city home, employing nearly 75,000 people. The city now has the second largest concentration of science and engineering employment in North America, surpassed only by the Silicon Valley<sup>257</sup>.

Ottawa Major Employers	
Company Name	Sector
<b>10,000 employees</b>	
Federal Government	Federal Agencies
Ottawa Hospital (amalgamated)	Health
<b>5,000 to 9,999 employees</b>	
Ottawa-Carleton District School Board	Education
City of Ottawa - Administration	Local Government
University of Ottawa	Education
<b>2,000 to 4,999 employees</b>	
Carleton University	Education
Bell Canada	Communications
Ottawa-Carleton Catholic School Board	Education
City of Ottawa - OC Transpo	Transportation
Algonquin College	Education
Children's Hospital of Eastern Ontario	Health
Source: City of Ottawa. (2006). Major Employers in City of Ottawa	

The Capital City is also one of the top sites for R&D (research and development) and conducts approximately 90% of the nation's industrial telecommunications research and development<sup>258</sup>. Some of Canada's most notable R&D organizations are based in Ottawa, including: National Research Council, Communications Research Centre, Agriculture and Agri-Food Canada, National Sciences and Engineering Research Council, Ottawa Life Sciences Council, and Canada Institute for Scientific and Technical Information (CISTI)<sup>259</sup>. In 2009, 27 of the top 100 Corporate R&D spenders came from the Ottawa region. These R&D spenders accounted for

<sup>253</sup> Ibid.

<sup>254</sup> City of Ottawa. (2012). "Do Business in Ottawa". Retrieved from [http://www.ottawa.com/doBusiness/main\\_e.shtml](http://www.ottawa.com/doBusiness/main_e.shtml)

<sup>255</sup> Invest Ottawa. (2012). "Government. City of Ottawa". Retrieved from <http://sectors.investottawa.ca/key-sectors/government>

<sup>256</sup> City of Ottawa. (2012). "Ottawa's Workforce". [http://www.ottawa.ca/business/economic\\_profile/ott\\_workforce\\_en.html](http://www.ottawa.ca/business/economic_profile/ott_workforce_en.html)

<sup>257</sup> Government of Canada. (2010). "Ottawa-Gatineau". Retrieved from <http://investincanada.gc.ca/eng/explore-our-regions/ontario/ottawa-gatineau.aspx>

<sup>258</sup> Invest Ottawa. (2012). "Choose Ottawa." City of Ottawa. Retrieved from <http://international.investottawa.ca/choose-ottawa/>

<sup>259</sup> City of Ottawa. (2012). "R & D in Ottawa." Retrieved from [http://ottawa.ca/en/city\\_hall/statisticsdata/economic\\_profile/research\\_dev/index.html](http://ottawa.ca/en/city_hall/statisticsdata/economic_profile/research_dev/index.html)

\$4.31 billion (approximately 76%) of the \$5.68 billion spent by the top Corporate R&D spenders in the province<sup>260</sup>.

The city is also known for its presence in the wireless technology world. The world's top four wireless companies (Alcatel-Lucent Technologies Inc., Cisco Systems Inc., LM Ericsson and Huawei Technologies Company Ltd) all have development facilities located within the city. The city is home to 55 firms focusing solely in the wireless industry and a further 200 that are involved in wireless technology in some way. The wireless technology sector accounts for nearly 18,000 jobs in the City of Ottawa<sup>261</sup>.



## Infrastructure

Ottawa's urban areas outside of the Greenbelt have experienced tremendous growth in the last few years. The population of South Urban Community (SUC) has grown faster than its infrastructure has been able to keep up, causing increasing traffic congestion and delays on the Rideau River crossings on Bridge Street and Hunt Club Road. The construction of a new bridge across Rideau River has begun to connect Earl Armstrong Road and Strandherd Drive, in order to decrease traffic congestion and create new travel patterns for residents of SUC. However, construction on the project stalled in March 2012 when the project's contractor, ConCreate, went into receivership. A new contractor has since been found and the project should be finished only a few months off the original completion date (the end of 2012)<sup>262</sup>.

Construction is booming at the University of Ottawa. Renovations to Vanier Hall were completed in December 2010, providing the university with an additional 7,541 square metres of usable space. Currently under construction, the Social Sciences tower will be 15 stories and provide the university with an additional 11,700 square metres of learning space. Once completed, the \$112.5 million project will be able to house 7,000 undergraduate students, 1,000 graduate students, as well as 250 researchers and professors<sup>263</sup>.

In February 2012, The City of Ottawa officially opened the Capital Exhibition Centre, Ottawa's new location for conferences, trade shows, and social gatherings. Located on Uplands Drive near the Ottawa International Airport, the centre represents the largest purpose-built event space in eastern Ontario. The 220,000 square foot facility is expected to inject \$30 million into the economy annually. Only 15 minutes from downtown Ottawa, the centre is perfectly positioned to attract new business and entertainment events to Ottawa<sup>264</sup>.

For a complete list of construction projects that are underway in the City of Ottawa, please visit [http://www.ottawa.ca/en/city\\_hall/planningprojectsreports/construction/map/index.html](http://www.ottawa.ca/en/city_hall/planningprojectsreports/construction/map/index.html).

## Light Rail

Ottawa is currently serviced by the O-Train, an 8 kilometre light rail service running from Greenboro Station in the south to Bayview Transitway station near downtown Ottawa. Talks of expanding the O-Train have gone back and forth for the past six years. Original plans to expand the O-train were quashed in 2006 when the new council came to office, citing the project would be too costly.

<sup>260</sup> Invest Ottawa. (2010). "The Ottawa Report – 2010". Retrieved from [http://investottawa.ca/files/2011/01/2010\\_OttawaReport.pdf](http://investottawa.ca/files/2011/01/2010_OttawaReport.pdf)

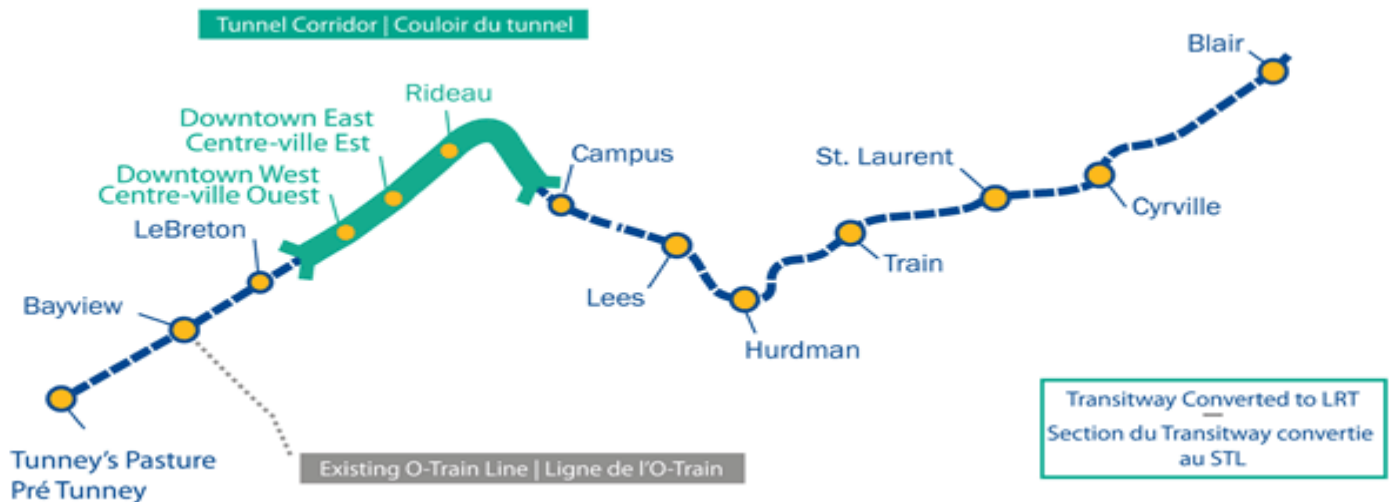
<sup>261</sup> Invest Ottawa. (8 December 2011). "Ottawa's white hot wireless ecosystem getting hotter." *City of Ottawa*. Retrieved from <http://news.investottawa.ca/news-releases/2011/12/ottawa%e2%80%99s-white-hot-wireless-ecosystem-getting-hotter/>

<sup>262</sup> Cockburn, N. (11 May 2012). "Strandherd-Armstrong bridge expected to be within bond budget." *The Ottawa Citizen*. Retrieved from <http://www.ottawacitizen.com/news/Strandherd+Armstrong+bridge+expected+within+bond+budget/6608557/story.html#ixzz1uyqVGW3O>

<sup>263</sup> University of Ottawa. (2012). "Current construction projects." Retrieved from [http://www.uottawa.ca/services/immeub/eng/construction\\_projects.htm](http://www.uottawa.ca/services/immeub/eng/construction_projects.htm)

<sup>264</sup> Watson, J. (28 February 2012). "Capital Exhibition Centre officially open for business." Retrieved from <http://www.jimwatsonottawa.ca/en/news/capital-exhibition-centre-officially-open-business>

However, talks of expanding the O-Train or adding some form of light rail to the city began surfacing again in 2009. In May 2009, the City of Ottawa approved the first leg of the proposed light rail system. Ottawa's new LRT system will run from Tunney's Pasture in the west to Blair Station in the east. The new line will include a 2.5 kilometre underground tunnel beneath the city's downtown core beginning just after Lebreton Station and ending near the University of Ottawa. There will be a total of 13 new stations; ten above ground and three underground in the tunnel<sup>265</sup>. Construction on the project will begin in early 2013, with the line completed and fully operational by mid-2018<sup>266</sup>.



### Map of Phase 1 of the O-Train Expansion

Source: Ottawa Light Rail. (2012). *Routes & Stations*.

This light rail announcement is very important for real estate investors. In studies conducted across North America, the values of homes in neighbourhoods close to mass transit had premiums ranging between 3% and 40%, depending on the different types of housing and socioeconomic positions of the real estate owners. The positive effects of proximity to rail transit, however, were limited to homes located within an 800 metre radius of stations. Additionally, development sites near rail stations have tended to draw a higher density of development, resulting in a higher value or rent for these homes. In areas in which the average incomes were at or below the median, the closer a dwelling was located to transit, the higher its resale value and rent. For more information on the effects of transportation improvement and specifically, the impact of light rail on property values, see "The Gateway Effect", a free downloadable report on [www.reincanada.com](http://www.reincanada.com).



### Top Investment Town

As Canada's fourth largest city, Ottawa enjoys an incredibly diverse economy. Cushioned from the harshest impacts of an economic recession, Ottawa has never promised a huge premium to investors but instead offers a constant income with stable and solid returns. Numerous research and development centres and government institutions provide the city with a steady flow of quality renters. These people work in the city for shorter periods of time with no intention of making Ottawa their permanent residence. In addition, Ottawa's proximity to several post-secondary institutions will also provide investors with an active student rental market.

<sup>265</sup> Ottawa Light Rail. (2012). "Routes & Stations." City of Ottawa. Retrieved from <http://www.ottawalightrail.ca/en/routes-stations>

<sup>266</sup> Ottawa. Light Rail. (February 2012). "Next steps." City of Ottawa. Retrieved from <http://www.ottawalightrail.ca/en/project-plan/next-steps>

According to the economic fundamentals, Ottawa should provide home buyers and real estate investors with solid returns on their investments over the coming years. Sophisticated investors will look towards revitalization areas, such as properties located along the O-Train expansion. Watch for new developments coming on board in the coming years as demand for rentals and condominium living continues to be strong.



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# Orillia

## On the Street

Located in Southern Ontario, the City of Orillia is nestled between the shores of Lake Simcoe and Lake Couchiching. Outside the Greater Toronto Area (GTA), the city offers small-town character that continues to attract both families and businesses.

Boasting two lakes in addition to year-round outdoor recreational activities, Orillia has become part of the “Sanctuary Trend” that we have witnessed in other areas of the country, such as Sylvan Lake in Alberta.

People looking for that small town feel with the amenities of a major city like Toronto less than a two hour drive away have flocked to the city. Residential building will continue to rise to feed the growing demand.

Acting as a gateway to northern Ontario’s cottage country in Muskoka, the city sees its fair share of tourists annually. In the heart of lake country, Orillia has mistakenly been given the reputation of being primarily a retirement community. However, Orillia has a higher percentage of people in the 20-29 age category than Simcoe County as a whole<sup>267</sup>. With two post secondary institutions close by, Orillia has seen an increasing demand for student housing.

The recent construction of the new Lakehead Campus will impact Orillia for years to come. The influx of students, support staff and support businesses will help to drive this city’s economy and help to level out the up and down cycles that most cities of its size experience.

A recent boom in residential and commercial construction shows that Orillia has become not only a place to play, but a place to *live*.



## Location

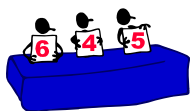
The City of Orillia is located 90 minutes north of the Greater Toronto Area (GTA), on the shores of Lakes Simcoe and Couchiching. Orillia has two major highway corridors providing access to municipalities to the north, south, east, and west of the city. Highway 12 runs east/west from Oshawa to the banks of Georgian Bay. Highway 400/Highway 11 runs north/south from Toronto to North Bay and beyond<sup>268</sup>.

Orillia is recognized as a port-of-call on the Trent-Severn Waterway System, a 385 km recreational waterway that links Lake Ontario and Georgian Bay. The waterway ensures lots of visitors travel through Orillia and adds to the appeal of the city as a place to live, work, and play.

<sup>267</sup> City of Orillia. (2010). “Affordable Housing Action Plan”.

<http://www.orillia.ca/common/Documents/CityManager/Orillia%20Housing%20Action%20Plan%20Report%20FINAL%20April%202020%202010.pdf>

<sup>268</sup> Orillia Economic Development Committee. (2012). “The City of Orillia Municipal Profile.” City of Orillia. Retrieved from <http://www.orillia.ca/en/doingbusinessinorillia/resources/municipalprofile.pdf>



## Economic Scorecard

Once thought of as only a gateway to Ontario's cottage country and recreational activities, Orillia's leadership has focused on making the city an economic and educational center. With an increasing population and expansion of post secondary institutions, the city provides tremendous opportunity for investors. People looking for that small town feel with the amenities of a major city like Toronto less than a two hour drive away have flocked to the city. Residential building will continue to rise to feed the growing demand.



## Population and Income

The population of the City of Orillia was 30,586 as of the last federal census. This represents an increase of 1.1% from 30,259 in 2006. For the Census Agglomerate (CA) of Orillia, which includes Orillia and the Town of Severn, the population was 40,731 in 2011, an increase of 0.5% from 40,532 in 2006<sup>269</sup>. As the commercial centre for the region, Orillia benefits economically from healthy surrounding communities. These numbers do not capture the tens of thousands of seasonal residents who own vacation properties in the Orillia area and shop and dine in the city.

As mentioned earlier, Orillia is part of the Simcoe Region. Encompassing Simcoe Country, the City of Barrie, and the City of Orillia, the Provincial Growth Plan forecasts a total of 667,000 residents and 254,000 jobs for the Simcoe Region by 2031. This represents a growth of approximately 229,900 residents and 73,300 jobs for the region<sup>270</sup>, and Orillia stands to reap some of this growth. The steady increase in population projected by the province points to a need to keep new construction on pace with expected growth rates.

The City of Orillia expects the number of people employed in the city to hit 19,234 by 2021. This number is predicted to increase to 21,595 by 2031. The employment was forecast assuming that the City has 0.51 jobs for every resident<sup>271</sup>.

Orillia is steadily moving up the list as one of the Best Places to Live in Canada. In 2011, MoneySense ranked the city as the 39<sup>th</sup> best place to live in all of Canada, with an average household income of \$65,285 and an unemployment rate of 8.2%<sup>272</sup>.



## Housing Trends

Offering year round outdoor recreational activities and two lakes within city limits, Orillia is part of the "Sanctuary Trend," also witnessed in Sylvan Lake, Alberta. The majority of people moving to Orillia from the Greater Toronto Area (GTA) are relocating here for the lifestyle. This trend has increased since Barrie, to the south, began to get GO train service into the heart of Toronto.

<sup>269</sup> Statistics Canada. (2012). "Orillia, Ontario" (Code 3543052) and Orillia, Ontario (Code 569) (table). 2011 Community Profiles. *2011 Census*. Retrieved from <http://www12.statcan.gc.ca/census-recensement/2011/dp-pd/prof/details/page.cfm?Lang=E&Geo1=CSD&Code1=3543052&Geo2=CMA&Code2=569&Data=Count&SearchText=orillia&SearchType=Begin&SearchPR=01&B1=All&Custom=&TABID=1>

<sup>270</sup> York Region. (4 April 2012). "Report No. 3 of the Planning and Economic Development Committee Regional Council Meeting of March 22, 2012." Retrieved from <http://www.york.ca/NR/rdonlyres/byphnhhrbpd47dggceixahmkeyq7hqm7le3dznuiqhzwvubkoja2iinc75x4yiolujqivb fddnh6lw2ubdtiqjgna/rpt+3+cls+4.pdf>

<sup>271</sup> City of Orillia. (2006). "Population and Employment Forecasts." Retrieved from <http://www.orillia.ca/en/insidecityhall/resources/populationforecasts.pdf>

<sup>272</sup> Ross, S. (17 April 2011). "We're 59! Orillia makes list of Canada's best places to live." *The Orillia Packet & Times*. Retrieved from <http://www.orilliapacket.com/ArticleDisplay.aspx?e=2568453&archive=true>

The average household size in Orillia is shrinking. In 2006, one and two-person households accounted for 64.1% of all households. The higher proportion of smaller households in recent years indicates an aging population, where many homes are occupied by senior couples or single seniors. However, smaller households are also indicative of a higher number of younger singles. With two post secondary institutions close by, Orillia will continue to see an increasing demand for student housing<sup>273</sup>. The City needs to ensure that it supplies a significant number of smaller units suited to single occupants to meet this demand.

The City of Orillia predicts an increase of about 4,500 households between 2006 and 2031, meaning a corresponding number of housing units will need to be built in order for the Orillia housing market to keep up with the anticipated growth. This adds up to an average of approximately 180 new housing units that will need to be created each year<sup>274</sup>.

Orillia Building Permits 2001 - 2011		
Year	(\$ ) Value of All Permits (Millions)	Residential Units Created
2001	23.5	53
2002	25.8	107
2003	99.0	190
2004	37.4	163
2005	52.2	151
2006	35.3	189
2007	72.4	265
2008	60.8	152
2009	89.0	74
2010	89.7	232
2011	105.4	366
Source: City of Orillia. (2010). <i>Municipal Profile</i> .		

Housing starts in Orillia have hit record highs for the city in the past two years, proving that the city has recovered from the recession. After a sharp decline in building in 2009 with only 74 new residential units started, 232 began construction in 2010, followed by a further 366 in 2012<sup>275</sup>. The majority of gains in Orillia's housing starts were in multiple-residential buildings, which rose by 67% over 2010<sup>276</sup>.

2012 is shaping up to be another great year for residential construction, with a few residential projects already underway. A condominium development planned for the site of the former Atlas Block manufacturing plant will add 177 new multi-family units to Orillia's housing market. Residential developers are planning to target retirees with condominium-style living in 2012<sup>277</sup>.



## Sale and Rent

Investing in Orillia involves doing a lot of extra homework. It is very difficult to find information on average and median home prices in the region. We suggest looking at the MLS listings in the area in which you are hoping to invest in order to get a more detailed look. The average sale price for a home in Orillia was \$242,026 in 2011, up from \$233,352 in 2010. The number of sales was also higher in 2011 when compared with 2010. In 2011, 390 units sold, up from 384 in 2010<sup>278</sup>.

<sup>273</sup> City of Orillia. (March 2010). "Affordable Housing Action Plan". Retrieved from <http://www.orillia.ca/common/Documents/CityManager/Orillia%20Housing%20Action%20Plan%20Report%20FINAL%20April%2020>

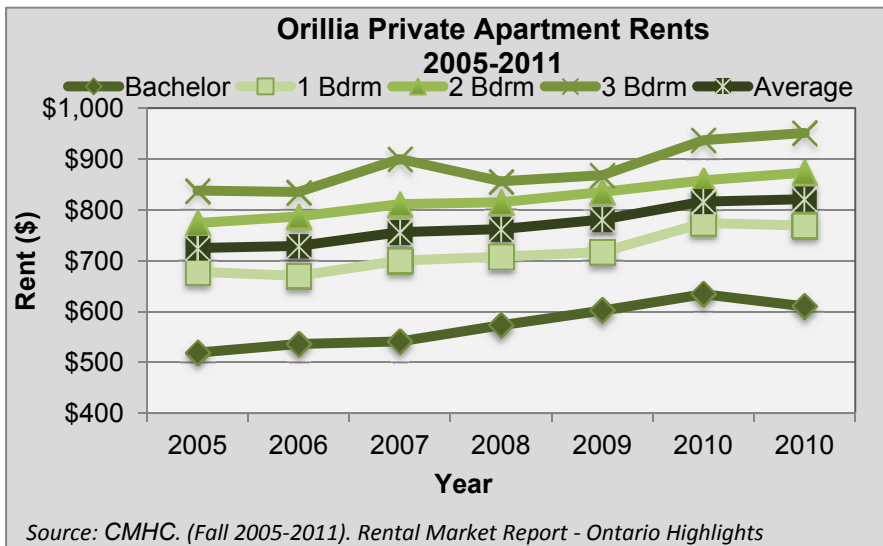
<sup>274</sup> City of Orillia. (2010). "Affordable Housing Action Plan". <http://www.orillia.ca/common/Documents/CityManager/Orillia%20Housing%20Action%20Plan%20Report%20FINAL%20April%2020>

<sup>275</sup> Orillia Economic Development Committee. (2012). "Building Permits." *City of Orillia*. Retrieved from <http://www.orillia.ca/en/doingbusinessinorillia/buildingpermits.asp>

<sup>276</sup> Minassian, M. (29 February 2012). "Building boom taking shape." *The Orillia Packet & Times*. Retrieved from <http://www.orilliapacket.com/ArticleDisplay.aspx?e=3478665>

<sup>277</sup> Ibid.

<sup>278</sup> Jackson, B. (11 January 2012). "Average Home Prices in Orillia." Personal Communication.



The average rent for a private apartment in the Orillia CA sat at \$821 in October 2011, an increase from \$816 at the end of 2010. The average rent for a bachelor apartment sat at \$610, down from \$634 in October 2010; a one bedroom apartment rented for \$769, down slightly from \$774 the previous year; a two bedroom unit was \$873, up from \$858; and a three bedroom apartment rented for \$951 in October 2011, up from \$937 in October 2009<sup>279</sup>.



## Vacancy Rates

The vacancy rate for a private apartment in the Orillia CA increased slightly in 2011. The overall vacancy rate for an apartment in the Orillia area was 4.3% in October 2011, up from 2.6% in October 2010. The vacancy rate for a one bedroom unit was 5.1%, an increase from 3.2% in 2010; a two bedroom apartment was 3.2%, up from 1.6%; and a three bedroom unit sat at 8.5%, up from 6.1% in October 2010<sup>280</sup>.



## Economics

While the Simcoe Region is seen as having a fairly diverse economy, Orillia has a high concentration of workers in the service sector. Retail, entertainment and recreation, accommodation, food, and the arts represent a significant portion of the workforce, and have increased 15.4% since 2001. A report by MillierDickinsonBlais, commissioned by the City of Orillia, cautions that this may have a negative effect on the overall average income level in the city, as wages in the sales and service sector are typically lower<sup>281</sup>.

The high percentage of workers employed in accommodation and food services and arts and entertainment sectors can perhaps be attributed to the presence of Casino Rama. Although the large Casino Rama is not officially located in Orillia, it will continue to have a strong positive economic impact on the city. Approximately 3,700 people are currently employed by the Casino<sup>282</sup>.

Between 2001 and 2007, Orillia saw a 44.4% increase in the number of businesses operating within the city. At the same time, the city also experienced a 55.3% increase in self-employed or cottage industry operations.

<sup>279</sup> CMHC. (October 2011). "Rental Market Report - Greater Toronto Area". Retrieved from [http://www.cmhc-schl.gc.ca/odpub/esub/64507/64507\\_2011\\_B02.pdf?fr=1337719484046](http://www.cmhc-schl.gc.ca/odpub/esub/64507/64507_2011_B02.pdf?fr=1337719484046)

<sup>280</sup> Ibid.

<sup>281</sup> Ibid.

<sup>282</sup> Orillia Economic Development Committee. (2012). "Major Employers List". City of Orillia. Retrieved from <http://www.orillia.ca/en/doingbusinessinorillia/resources/majoremployerslist.pdf>



Much of the growth occurred in the Professional, Scientific, and Technical services and Construction sectors. The increase in professional service firms in the city will help support the idea of growing a high value service economy in the city<sup>283</sup>.

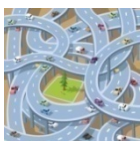
Research suggests that in addition to supplying work for its own labour force, Orillia also supplies a number of residents from neighbouring communities with jobs. Approximately 23% of residents (1,215 people) from surrounding townships commute to Orillia for work, with the highest proportion coming from the Town of Severn. An additional 625 people travel daily from the City of Barrie for work in the City of Orillia. A majority of these jobs occur in the healthcare, public administration, and retail sectors<sup>284</sup>.

Sandwiched between Lake Simcoe and Lake Couchiching, Orillia sees its fair share of tourists annually. Part of the Trent-Severn waterway system, the city has become a popular stopping off point for both power and sail boaters. Parks Canada estimates that the annual boat traffic on the waterway is over 25,000. The city's tourism industry also benefits from a number of Provincial and private campgrounds<sup>285</sup>.

Orillia also benefits from the presence of two post-secondary education institutions. Located just off Highway 11, the Orillia campus of Georgian Bay College boasts an enrolment of over 1,600 students<sup>286</sup>. The Orillia campus of Lakehead University is located on University Avenue. First opening in downtown Orillia in 2006, the university expanded to its new 500 University Avenue location in September 2010<sup>287</sup>. As of the 2011/2012 school year, the University had an enrolment of over 1,100 students between its two campuses.



Kubota Canada recently announced it would expand its existing Orillia facilities. Currently the city's largest manufacturing employer, the expansion will allow the company to hire 15 more employees. The new \$12.4 million facility will be located adjacent to Kubota's existing operation on Commerce Road. The addition of 39,000 square feet will allow the plant to produce friction material for the use in the production of automotive brake pads. Construction on the project began in June 2012 with the first phase of production forecasted to begin in April 2013<sup>288</sup>.



## Infrastructure

A project that will help increase the number of long-term, higher paying jobs in the city is the construction of the \$45 million permanent campus of Lakehead University. The 80,000-square-foot facility will be able to

<sup>283</sup> Ibid.

<sup>284</sup> MillierDickinsonBlais. (2009). "City of Orillia Economic Development Strategy". The City of Orillia. Retrieved from <http://www.city.orillia.on.ca/common/Documents/EDC/City%20of%20Orillia%20EDC%20Strategic%20Plan.pdf>

<sup>285</sup> Orillia Economic Development Committee. (2012). "The City of Orillia Municipal Profile." City of Orillia. Retrieved from <http://www.orillia.ca/en/doingbusinessinorillia/resources/municipalprofile.pdf>

<sup>286</sup> Georgian College. (2012). "Welcome to the Orillia Campus." Retrieved from <http://www.georgianc.on.ca/campuses/orillia/>

<sup>287</sup> Lakehead University. (2012). "Facilities." Retrieved from <http://orillia.lakeheadu.ca/facilities/>

<sup>288</sup> City of Orillia. (27 April 2012). "City assists Kubota with major expansion." Retrieved from <http://www.orillia.ca/en/News/indexBusiness.aspx?feedId=1e290861-66e8-4183-9878-1ba7bf86e107&catId=69dc47ea-a32b-48bb-b0c7-814986452e07&context=true&newsId=b82e0dc5-2759-46e7-9853-7e3489541e3b>



accommodate up to 1,200 students. The first phase of the construction project was finished in September 2010, with the completion of an academic building. The second phase of the project; construction of the first residence facility (271 beds) and food service building opened in the fall of 2011<sup>289</sup>.

The Orillia Public Library and Market Square opened in June 2011<sup>290</sup>. The 44,000 square foot building is located at Market Street and Mississauga Street, near the Opera House. The two storey library includes a youth area, a historical collection, and a reading area. Outside the library is a 900 square foot space that now serves as a public market for residents, with single stalls that include electricity and water hook-ups<sup>291</sup>.

The city has once again delayed construction on its Multi-Use Recreation Facility (MURF), a year-round wellness and active living centre that was to provide recreation and sports opportunities for all Orillia residents. The MURF was to be developed at two sites: West Street Recreation Centre (building), including an adventure park and outdoor activity area and Kitchener Park, to be re-designed as a major soccer facility<sup>292</sup>. However, city council once again put the brakes on the project, voting against using West Street as a location for the MURF project. It remains to be seen whether or not city council will scrap the project once and for all<sup>293</sup>.

On a more positive note, the City of Orillia will witness an increase in commercial facilities this year at the SmartCentres development on Murphy Road. In June 2012, the city will see the opening of a second Staples Business Depot. Michaels and Sleep Country have also recently begun construction on the site. About 30% of the SmartCentres property is still awaiting development<sup>294</sup>, providing businesses with plenty of opportunity.

Across Highway 12, RioCan is planning to split the former Walmart building into smaller units. The 106,000 square foot building will be split into retail units of no less than 5,381 square feet. RioCan believes that tenants could move in by next spring, or perhaps even earlier. The company also plans to construction two new buildings in front of the existing former Walmart facility. The proposed buildings would be approximately 6,500 square feet in size and could hold retail, financial institutions, or restaurants<sup>295</sup>.

Orillia city council has determined that a revitalization of the city's waterfront and downtown will be a key to Orillia's future success. The Downtown Tomorrow project calls for links between downtown Orillia and the Lake Couchiching waterfront. The study will be broken down into two definitive areas<sup>296</sup>:

- 1) The Primary Focus area, which includes currently existing downtown and waterfront areas, will include short and medium-term action items over the next five years.
- 2) The Secondary Focus area will include suggested action items that will occur over a longer term, between the next ten and twenty years.

The process of revitalizing Orillia's downtown and waterfront will involve plenty of consultation with property owners in the study area as well as municipal committees and the general public. Please visit [www.orillia.ca/en/doingbusinessinorillia/dtownwfront.asp](http://www.orillia.ca/en/doingbusinessinorillia/dtownwfront.asp) to view project updates.

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<sup>289</sup> elnfo University. (2011). "Lakehead University – Orillia". <http://www.electronicinfo.ca/en/page.php?id=8&uid=572688&j=1&flash=1>

<sup>290</sup> Daily Commercial News. (6 December 2010). "Work continues on new public library in Orillia, Ontario". Retrieved from <http://dcnonl.com/article/id41945>

<sup>291</sup> Vartiamaki, S. (2009). "Orillia Market Square aims for LEED® Silver certification". *The Orillia Packet & Times*. Retrieved from <http://dcnonl.com/article/id34301>

<sup>292</sup> City of Orillia. (2011). "Building our MURF!". [http://www.orillia.ca/MURF/murf\\_facilities\\_ov.htm](http://www.orillia.ca/MURF/murf_facilities_ov.htm)

<sup>293</sup> Irwin, J. (23 May 2012). "The morphing of the MURF." *The Orillia Packet & Times*. Retrieved from <http://www.orilliapacket.com/ArticleDisplay.aspx?e=3568169>

<sup>294</sup> Ross, S. (10 April 2012). "Big box, big business." *The Orillia Packet & Times*. Retrieved from <http://www.orilliapacket.com/ArticleDisplay.aspx?e=3528539>

<sup>295</sup> Ibid.

<sup>296</sup> City of Orillia. (2012). "Downtown Tomorrow." Retrieved from <http://www.orillia.ca/en/doingbusinessinorillia/dtownwfront.asp>

Once thought of as only a gateway to Ontario's cottage country and recreational activities, Orillia's leadership has focused on making the city an economic and educational center. The local economy has grown to produce an ever diverse job base, assisting the region to compete as an economic center with Barrie, despite its smaller population.

With an increasing population and expansion of post secondary institutions, there appears to be a tremendous opportunity for investors to provide student housing. In addition, as traditional family units change and smaller homes are sought, there is an increased demand for condominiums in Orillia in recent years that did not exist before.

Investors in Orillia will find a diverse selection of properties to add to their portfolios and should enjoy several years of outperforming most other regions of the province.



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# Durham Region:

## Ajax, Whitby, & Pickering



### On the Street

The Durham Region, which includes the communities of Ajax, Whitby, and Pickering, lies just east of the City of Toronto. Functioning as the eastern gateway for the Greater Toronto Area (GTA), the Durham Region has access to a market of over 120 million people within a day's drive<sup>297</sup>. Offering an extensive system of provincial highways and regional arterial roads, the region facilitates the movement of goods and people. An abundant supply of land, supporting transportation infrastructure, and educational facilities have begun to attract families and businesses alike to the region.

The region has experienced a ripple effect from Toronto as people move east and west of the metropolis in search of more affordable homes. When reviewing the Durham Region's economic fundamentals, we see an area going through a positive transition. Others are identifying this as well, as shown by the increase in the number and quality of employers, the in-migration of a younger population and the planned expansion of post-secondary institutions. With one of the fastest growing populations in Canada - forecast to hit nearly one million people by 2031, the Durham Region has come to be known as an 'emerging power' within the GTA<sup>298</sup>.

Poised to become one of the key economic drivers in the coming decade, improvements in the Region's transportation network must occur before Durham will reach its full potential. The region's strategic location, shovel ready development lands, and increasingly diverse economy provide the perfect environment for businesses and investors alike. A forward-thinking economic development team has already attracted many businesses to the Region and will continue to do so in the near future.



### Location

The Region of Durham is just east of the City of Toronto and is part of the Greater Toronto Area. Situated in Southern Ontario near the western end of Lake Ontario, the Durham Region also belongs to an area known as the Golden Horseshoe – the most populous and highly developed region in all of Canada. The Greater Golden Horseshoe is home to 8.1 million people, which represents two-thirds of all Ontarians and one-quarter of all Canadian citizens<sup>299</sup>.

The Durham region encompasses an area of approximately 2,590 square kilometres (1,000 square miles). The region consists of the Cities of Pickering and Oshawa, the Towns of Ajax and Whitby, the Municipality of Clarington, and the Townships of Scugog, Brock, and Uxbridge.

<sup>297</sup> Region of Durham. (2012). "Overview of Durham Region". Retrieved from <http://www.durham.ca/default.asp?nr=/corpoverview/overview.htm&setFooter=/includes/corpFooter.inc>

<sup>298</sup> Region of Durham. (2010). "The Regional Municipality of Durham Annual Report 2009". Retrieved from <http://www.durham.ca/departments/finance/annualreports/2009AnnualReport.pdf>

<sup>299</sup> Ibid.



## Economic Scorecard

The Durham Region, which includes the communities of Ajax, Whitby, and Pickering, has experienced a ripple effect from the City of Toronto in the last decade. The economic development offices of the city and towns have truly raised the profile of the region. They are no longer considered just well located bedroom communities, and the region is beginning to exploit its location, lifestyle and other unique attributes. The Durham region has worked hard in becoming a stand-alone economic power in the GTA and the results of this hard work are beginning to show.



## Population and Income

According to the 2011 federal census, the population of the Region of Durham was 608,124, a growth of 8.4% from 561,258 in 2006<sup>300</sup>. The population of Ajax increased to 109,600 in 2011, up 21.6% from 2006; Whitby's population increased to 122,022, up 9.7%; and the population of Pickering increased to 88,721, up 1%<sup>301</sup>.

By the end of 2016, the Durham Region forecasts a population of 729,030 residents, a growth of 29.9% from the 2006 census numbers. The Town of Ajax is forecasted to have a population of 126,325, an increase of 40.1% from 2006. The population of Whitby is predicted to increase to 140,625 by the end of 2016, an increase of 26.5%. The City of Pickering is expected to experience a growth of 60.6% to 141,125 at the end of 2016<sup>302</sup>. All of these projections, if correct, will mean a need for more housing, especially housing catering to the aging baby boomers and smaller families.

As of the last federal census, the Durham Region had a median age of 39.2. This is slightly below the median age of the Province of Ontario (40.4) and the median age of the country (40.6)<sup>303</sup>.

The 2006 federal census showed the median family income for all census families in the Durham Region to be \$80,872, higher than the Ontario average of \$69,156<sup>304</sup>.



## Housing Trends

In 2011, the total building permit value for the Region of Durham was \$1.5 billion, an increase of 11.7% from \$1.3 billion in 2010. The \$1.5 billion permit building value recorded in 2011 remains well above the 30-year historical average of \$845.8 million for the Durham Region. In 2011, the region recorded a total residential building permit value of \$1.02 billion, a growth of 23.3% from \$828.9 million in 2010<sup>305</sup>.

<sup>300</sup> Statistics Canada. (2011). "Durham, Ontario" (Code Code 3518) (table). 2011 Community Profiles. *2011 Census*. Retrieved from <http://www12.statcan.gc.ca/census-recensement/2011/dp-pd/prof/details/page.cfm?Lang=E&Geo1=CD&Code1=3518&Geo2=PR&Code2=35&Data=Count&SearchText=durham&SearchType=Begin&SearchPR=01&B1=All&Custom=&TABID=1>

<sup>301</sup> Statistics Canada. (2011). Community Profiles – Durham, Ajax, Whitby, and Pickering. [www.statcan.com](http://www.statcan.com)

<sup>302</sup> ---. (September 2009). "Durham Regional Profile". [http://www.durhambusiness.ca/do-business/assets/demographics\\_5\\_4219766178.pdf](http://www.durhambusiness.ca/do-business/assets/demographics_5_4219766178.pdf)

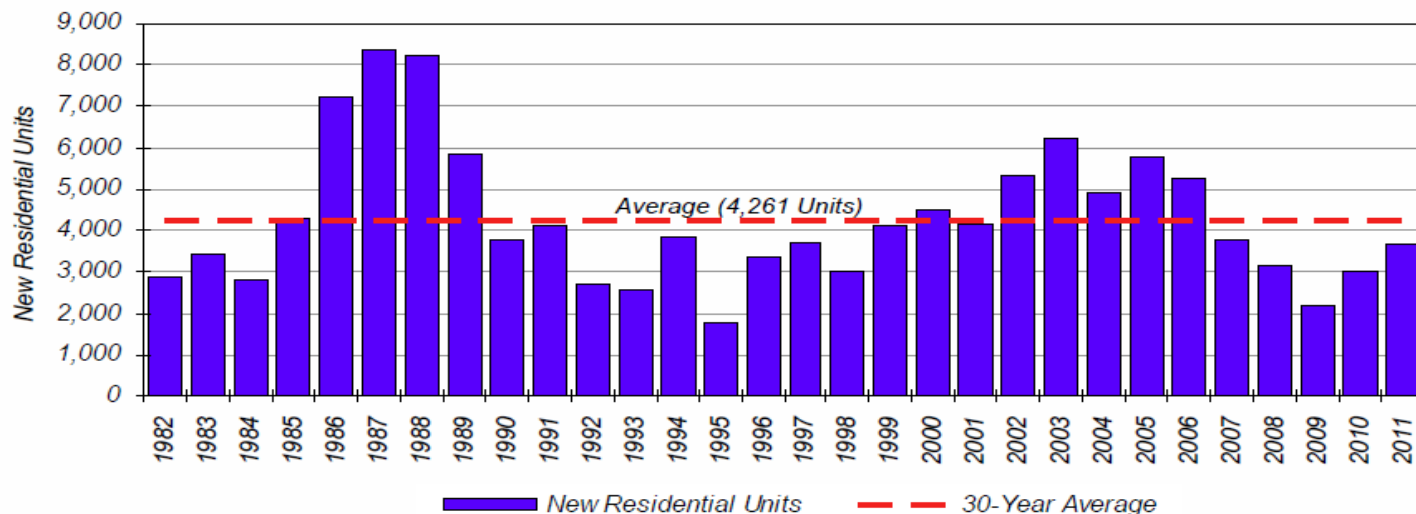
<sup>303</sup> Statistics Canada. (2011). "Durham, Ontario" (Code Code 3518) (table). 2011 Community Profiles. *2011 Census*. Retrieved from <http://www12.statcan.gc.ca/census-recensement/2011/dp-pd/prof/details/page.cfm?Lang=E&Geo1=CD&Code1=3518&Geo2=PR&Code2=35&Data=Count&SearchText=durham&SearchType=Begin&SearchPR=01&B1=All&Custom=&TABID=1>

<sup>304</sup> Statistics Canada. (2006). "Durham, Ontario" (Code Code 3518) (table). 2006 Community Profiles. *2006 Census*. Retrieved from <http://www12.statcan.gc.ca/census-recensement/2006/dp-pd/prof/92-591/details/page.cfm?Lang=E&Geo1=CD&Code1=3518&Geo2=PR&Code2=35&Data=Count&SearchText=durham&SearchType=Begin&SearchPR=01&B1=All&Custom=>

<sup>305</sup> Region of Durham. (February 2012). "2011 Annual building permit activity review." Retrieved from [http://www.durham.ca/departments/planned/planning/stats-n-facts/building/2011/BPAR\\_JantoDec\\_11.pdf](http://www.durham.ca/departments/planned/planning/stats-n-facts/building/2011/BPAR_JantoDec_11.pdf)

The 11.7% increase in building permit values is attributed to an increase in the construction of all residential housing types. Additionally, almost all of the municipalities in the Durham region saw an increase in the total number of residential units built, with the exception of Oshawa<sup>306</sup>.

### ***New Residential Units Approved for Construction in Durham 1982 - 2011***



Source: Region of Durham. (February 2012). 2011 Annual Building Permit Review.

In 2011, the Region of Durham witnessed a total of 3,667 housing starts, an increase from 3,012 units the previous year. The region has witnessed a growing number of multi-family construction projects over the last several years. While the majority of homes built in the region are still single family dwellings, the number is quickly decreasing. In 2011, single family units accounted for 56.5% of all dwelling units built in the region, down from 59.7% in 2010. In contrast, apartment units now account for 16.4% of all dwelling units built, up from 10.4% the previous year<sup>307</sup>.

In 2011, the Town of Ajax witnessed a total of 752 residential units begin construction, an increase from 686 units in 2010. Total building permit values for the town sat at \$200 million, up from \$155.4 million the previous year.

The City of Pickering also experienced an increase in housing starts in 2011. The total number of building starts for the year sat at 584, up from 267 in 2010. The total residential building permit value for 2011 was \$146.4 million, a substantial growth from \$101.1 million<sup>308</sup>.

The Town of Whitby recorded a total of 823 housing starts in 2011, up from 652 in 2010. The total residential building permit value for the year was \$235.1 million, almost a \$100 million increase from \$168,000,000 million in 2010<sup>309</sup>.

<sup>306</sup> Ibid.

<sup>307</sup> Ibid.

<sup>308</sup> Ibid.

<sup>309</sup> Ibid.





## Sale and Rent

According to the Region of Durham, the average price of a newly absorbed single-detached dwelling was \$406,652 in 2011, a decrease of 2.3% from \$416,297 in 2010. However, the average price of a resale home in the region increased in 2011. The average price of a resale home was \$317,232 in 2011, an increase of 4.7% from \$303,011 in 2010. The number of sales increased 0.7% from 9,738 in 2010 to 9,807 in 2011<sup>310</sup>.

According to the Toronto Real Estate Board, the average price of a home in Ajax was \$347,075 in 2011, an increase from \$330,805 in 2010. A total of 2,936 homes were listed on the market, with 1,773 sales made. This accounted for a sales volume of \$615,364,102, the second highest in the Durham region in 2011. A home listed for sale in Ajax spent an average of 25 days on the market. As of December 2011, the average price of a single family home was \$347,500; condo apartments were \$188,400; and townhouses were \$237,340<sup>311</sup>.

In the City of Pickering, the average price of a home in 2011 was \$372,691. A total of 2,101 homes were listed on the market in 2011, with 1,323 sales made. The city recorded a total sales volume of \$493,070,116, the third highest in the Region of Durham for the year. A home in Pickering spent an average of 26 days on the market. As of December 2011, the average price of a single family home was \$384,500; condo apartments were \$193,958; and townhouses were \$221,987<sup>312</sup>.

Whitby reported an average price of \$341,819 in 2011, an increase from \$316,843 in 2010. During the same time period, the city recorded a sales volume of \$709,616,142, the highest in the Durham region for the year. In 2011, a total of 3,308 homes were listed on the market, with 2,076 sales. A house in Whitby only spent an average of 24 days on the market in 2011. As of December 2011, the average price of a single family home was \$352,500; condo apartments were \$272,780; and townhomes were \$221,000<sup>313</sup>.

**Durham Region Private Apartment Average Rents, 2010 & 2011**

	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom		Total	
	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11
<b>Durham Region</b>	\$661	\$671	\$803	\$822	\$916	\$953	\$1,092	\$1,129	\$899	\$935
<b>Pickering/Ajax/Uxbridge</b>	\$697	***	\$832	\$968	\$1,002	\$1,063	\$1,169	\$1,180	\$1,038	\$1,109
<b>Whitby</b>	\$717	\$710	\$869	\$892	\$962	\$1,023	\$1,049	\$1,068	\$932	\$975

**Source: CMHC. (Fall 2011). Rental Market Report - Greater Toronto Area.**

The Durham region, although very diverse geographically, proves to have a very consistent rental market. The reported vacancy rate has gone down between 2010 and 2011, and the average rents in the region increased. The average rent for a private apartment was \$935 in October 2011, up from \$899 in October 2010. The average rent for a bachelor unit was \$671, up from \$661; a one bedroom apartment averaged at \$822, up from \$803; a two bedroom unit was \$953, up from \$916; a three bedroom unit sat at \$1,129, up from \$1,092 in October 2010<sup>314</sup>.

<sup>310</sup> Ibid.

<sup>311</sup> Toronto Real Estate Board. (5 January 2012). "Market Watch – December 2011." Retrieved from [http://www.torontorealestateboard.com/market\\_news/market\\_watch/2011/mw1112.pdf](http://www.torontorealestateboard.com/market_news/market_watch/2011/mw1112.pdf)

<sup>312</sup> Ibid.

<sup>313</sup> Ibid.

<sup>314</sup> CMHC. (2011). "Rental Market Report - Greater Toronto Area". (Fall 2010).



## Vacancy Rates

The vacancy rate for an apartment in the region sat at 2% in October 2011, down from 2.7% in October 2010. The vacancy rate for a bachelor unit was 1.8%, down slightly from 1.9%; a one bedroom apartment had a vacancy rate of 2.5%, down from 3.5% in 2010; a two bedroom apartment unit sat at 1.8%, down from 2.5% the previous year; and three bedroom apartments in the region recorded a vacancy rate of 1.6%, a decrease from 1.8% in October 2010<sup>315</sup>.

Durham Region Private Apartment Vacancy Rates, 2010 & 2011										
	Bachelor		One Bedroom		Two Bedroom		Three Bedroom		Total	
	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11
<b>Durham Region</b>	1.9%	1.8%	3.5%	2.5%	2.5%	1.8%	1.8%	1.6%	2.7%	2.0%
<b>Pickering/Ajax/Uxbridge</b>	0.0%	***	1.0%	***	0.4%	3.3%	1.0%	2.2%	0.6%	2.8%
<b>Whitby</b>	0.0%	0.0%	3.1%	0.7%	0.6%	1.0%	1.2%	0.7%	1.5%	0.8%

**Source: CMHC. (Fall 2011). Rental Market Report - Greater Toronto Area.**



## Economics

The eastern gateway to the Greater Toronto Area, the Durham Region offers prime access to a market of 5 million people, and 120 million more American and Canadian citizens within a day's drive<sup>316</sup>. Offering an extensive system of provincial highways and regional arterial roads, the region facilitates the movement of goods and people. A skilled labour force, abundant supply of land, supporting transportation infrastructure, and educational facilities will continue to attract businesses and families to the region.

As 'Ontario's Energy Capital,' the region currently produces 30% of the province's energy supply. Durham continues to be seen as a prime location for energy growth and investment, as evidenced by the location of numerous companies in the energy industry, including Global Emission Systems, AECL, Wardrop Engineering, and Areva<sup>317</sup>.

In addition to producing energy, the Region's other significant sectors include Manufacturing (40,530 people employed), Retail trade (36,610), Health Care and Social Assistance (27,980), Construction (20,755), and Educational Services (20,335)<sup>318</sup>.

Ajax's labour force is comprised of about 50,000 workers. Approximately 1,890 businesses operate within the town, the majority of which are small businesses with 4 employees or less. The town has an economic base with a concentration of Business, Finance, and Administrative occupations (23.8%), as well as Sales and Service (23.1%), and Trades and Transport (13.7%). Top commercial employers in the town include Rouge

<sup>315</sup> Ibid.

<sup>316</sup> Region of Durham. (2010). "Overview of Durham Region".  
<http://www.durham.ca/default.asp?nr=/corpoverview/overview.htm&setFooter=/includes/corpFooter.inc>

<sup>317</sup> Region of Durham. (2009). "Focus your Vision". Retrieved from [http://www.durhambusiness.ca/do-business/assets/economic-report\\_5\\_2345911423.pdf](http://www.durhambusiness.ca/do-business/assets/economic-report_5_2345911423.pdf)

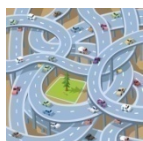
<sup>318</sup> Ibid.

Valley Health Centre with 847 employees, followed by Atlas Logistics Inc. with 700 employees, Messier-Dowty Inc. with 600 employees, and Invista Dupont Canada Inc. with 450 employees<sup>319</sup>.

The Town of Whitby employs over 81,624 workers. The town's economic base is concentrated in the sales and service (18,521 employees), business and finance (18,332 employees), and management (10,583 employees) occupations<sup>320</sup>. Whitby's largest private sector employers include Lear Corporation (795 employees), Sobey's Whitby Retail Support Centre (770), Gerdau Ameristeel Corp. (550), Patheon Inc. (550), Johnson Controls (350), and TST Automotive (300)<sup>321</sup>.

Over 31,000 people are currently employed in the City of Pickering. The city's main industries include Energy, Bio-Technologies, Advanced Manufacturing and Warehousing, Engineering, International Call Centres, Automotive Related Products, Pharmaceuticals, Logistics, and Environmental Technologies. The City has over 3,000 businesses with major companies including Ontario Power Generation (4,500 employees), Rogers Call Centre (750), Purdue Pharma Canada (390), Aspect Retail Logistics (359), and Municipal Property Assessment (350)<sup>322</sup>.

The Durham Region's skilled labour force, numerous research and development opportunities, well developed infrastructure, and training and educational facilities have begun to attract an increasing number of businesses. With one of the fastest growing populations in Canada, the region has definitely earned its title as the 'emerging power' within the GTA<sup>323</sup>.



## Infrastructure

Ajax, Pickering, and Whitby will benefit from several major projects in the Durham Region. In March 2011, Oshawa witnessed the opening of its downtown University of Ontario Institute of Technology (UOIT) campus. The \$35 million project will attract more students to the region and ultimately add to the highly skilled workforce in the Durham Region<sup>324</sup>.

The Town of Whitby's largest development project is the ongoing campus expansion of Durham College. The \$36 million project will be completed in three phases. Phase one of the project introduced energy efficient programs such as energy audit and renewable energy technologies to the campus. The second phase of the project saw an additional 20,000 square feet added to the Whitby campus, featuring an expanded shop area and space for programs focused on trades and technology. The third phase of the project will be the creation of 30,000 square foot building located on the west side of the Whitby campus that will be focused on hospitality and tourism programs<sup>325</sup>.

## Highway

The Region of Durham has been crying out for transportation improvements to connect Highway 407 to Highway 401 for over ten years. A number of studies were completed in the early 1990's, but nothing ever came to fruition. The Province of Ontario and the Durham Region both recognize the deficiencies in the region's current transportation system, noting that many transportation links between Durham and the rest of

<sup>319</sup> Town of Ajax. (2008). "Labour Force Information". Retrieved from <http://www.townofajax.com/AssetFactory.aspx?did=7127>

<sup>320</sup> Town of Whitby. (n.d.). "Community Profile". Retrieved from [http://www2.whitby.ca/asset/cm-business\\_communityprofile-complete.pdf](http://www2.whitby.ca/asset/cm-business_communityprofile-complete.pdf)

<sup>321</sup> Town of Whitby. (2008). "Community Profile". Retrieved from [http://www2.whitby.ca/asset/cm-community\\_communityprofile-2008.pdf](http://www2.whitby.ca/asset/cm-community_communityprofile-2008.pdf)

<sup>322</sup> City of Pickering. (2012). "Community Profile." Retrieved from <http://www.cityofpickering.com/business/economic/pdfs/Profile.pdf>

<sup>323</sup> Region of Durham. (2010). "The Regional Municipality of Durham Annual Report 2009". Retrieved from <http://www.durham.ca/departments/finance/annualreports/2009AnnualReport.pdf>

<sup>324</sup> University of Ontario Institute of Technology. (March 8, 2011). "UOIT celebrates grand opening of downtown Oshawa campus". [http://www.uoit.ca/EN/main2/about/news\\_events/news\\_archives/news\\_releases/2011/20110308\\_1.html](http://www.uoit.ca/EN/main2/about/news_events/news_archives/news_releases/2011/20110308_1.html)

<sup>325</sup> Durham College. (2010). "Whitby campus construction and expansion". <http://www.durhamcollege.ca/construction/whitby.php>

the Greater Golden Horseshoe are at capacity and will not be able to handle the area's projected future growth.

On June 3, 2010, the Minister of the Environment made the decision to allow the 407 East transportation corridor to proceed. Transportation improvements will include the extension of Highway 407 from Brock Road in Pickering to Highway 35/115 in Clarington as well as two north-south links that will connect the Highway 407 extension to Highway 401: one in Whitby (the West Durham Link) and the other in the municipality of Clarington (the East Durham Link), and the protection of a dedicated transitway corridor (60 metre right-of-way width plus transitway stations)<sup>326</sup>. The Highway 407 extension will occur in two phases: the first will see 407 extended from Brock Road in Pickering to Harmony Road by 2015 and the second phase will continue this extension on to Highway 35/115 in Clarington by 2020<sup>327</sup>.

### GO Transit

Construction is currently underway at the Ajax and Pickering GO Train stations. In Ajax, crews are building a new 1,000 space multi-level parking structure. The project will also include tunnel access to platforms, bicycle storage, and a new Kiss & Ride area. The project is expected to be completed in early 2013<sup>328</sup>.

The City of Pickering will also see the construction of a new multi-level parking structure. The parkade will accommodate an additional 1,500 cars and include access to the new bridge across Highway 401. The project is expected to be completed in late 2013<sup>329</sup>.



### Top Investment Town

When reviewing the Durham Region's economic fundamentals, we see an area going through a positive transition. Others are identifying this as well, as shown by the increase in the number and quality of employers, the in-migration of a younger population and the planned expansion of post-secondary institutions.

The Durham region has worked hard in becoming a stand-alone economic power in the GTA and the results of this hard work are beginning to show. Once considered an area of bedroom communities on the outskirts of the GTA, the region is beginning to exploit its location, lifestyle and other unique attributes. The region's strategic location, shovel ready development lands, and increasingly diverse economy provide the perfect environment for businesses and investors alike.



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<sup>326</sup> 407 East Environmental Assessment. (2010). "407 East Environmental Assessment Report". <http://www.407eastea.com/AssessmentReport.htm>

<sup>327</sup> Gilligan, Keith. (March 10, 2011). "Province makes new decision on Hwy. 407 in Durham". <http://www.durhamregion.com/article/173271>

<sup>328</sup> GO Transit. (2012). "Ajax GO Station - Train & bus station." Retrieved from <http://www.gotransit.com/publicroot/en/travelling/stations.aspx?station=ajgo>

<sup>329</sup> GO Transit (2012). "Pickering GO Station - Train & bus station." Retrieved from <http://www.gotransit.com/publicroot/en/travelling/stations.aspx?station=PKGO>

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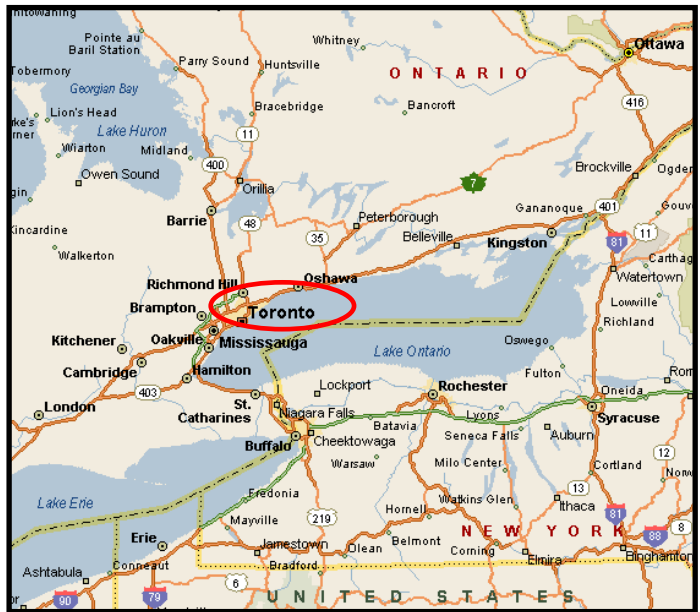
## On the Street

The provincial capital of Ontario and the largest city in Canada, Toronto offers amenities and business opportunities found nowhere else in North America. A global economic centre, the city will continue to experience growth as it is recognized as a prime location for both businesses and home owners.

As the financial and head office capital of the country, Toronto continues to be a major economic engine for Canada. The city boasts 82 companies with over \$1 billion in over annual revenue each, including: all of Canada's "Big Five" banks, Canadian headquarters of two of the world's largest banks, and six of Canada's top insurers. On its own, the city generates nearly a fifth of Canada's Gross Domestic Product (GDP). At \$263 billion, Toronto's GDP per capita is greater than the global centres of Berlin and Hong Kong<sup>330</sup>.

Nearly 40% of all Canada's jobs are located within the city. People are drawn to the city due to the many employment opportunities it offers. In fact, the GTA currently receives 43% of all new immigrants to Canada. Toronto was ranked as the number one U-Haul destination in 2011, the tenth year in a row it has won this distinction<sup>331</sup>. Strong growth of immigration to the city will help to provide an ongoing source of both rental and ownership demand in the housing market.

With a population of over two million – larger than some of the provinces and territories in the country, it is impossible to rate Toronto as a whole. Some regions of the city will prove to be provincial leaders, while other regions will lag sadly behind. That is why, when considering a home purchase or investment in the city of Toronto, you must dive deeply into the facts and figures of your specific target neighbourhood.



## Location

The City of Toronto is located in Southern Ontario on the northwestern shore of Lake Ontario. Toronto's outlying regions form the Greater Toronto Area (GTA), home to more than 5.5 million people<sup>332</sup>. As the largest city in Canada, Toronto has some of the best transportation links the country has to offer. Travelling by car, the city can be reached by several major routes. Highways 401 and 2 enter Toronto from the west and east; Highway 400 runs north and connects with Highway 401.

Toronto was recently reorganized to include more neighbourhoods in its CMA. The old City of Toronto is known as the Downtown and remains the most densely populated part of the city. Upscale neighbourhoods

<sup>330</sup> Invest Toronto. (2010). "Invest to succeed. Invest Toronto." *City of Toronto*. Retrieved from <http://www.investtoronto.ca/InvestAssets/PDF/brochures/Invest-Brochure.pdf>

<sup>331</sup> U-Haul. (2012). "U-Haul Names Toronto As Top 2011 Canadian Destination". <http://www.uhaul.com/Articles/About/695/U-Haul-Names-Toronto-As-Top-2011-Canadian-Destination>

<sup>332</sup> Invest Toronto. (2010). "Invest Toronto Brochure." <http://www.investtoronto.ca/InvestAssets/PDF/brochures/Invest-Brochure.pdf>

such as The Annex, Forest Hill, Yorkville, and Rosedale are part of the downtown, as well as St. James Town, Regent Park, Moss Park, and Parkdale – areas with higher populations of immigrants due to more lower priced and social housing.

For those entering or leaving the city by air, Toronto is home to two airports. The Pearson International Airport is the busiest airport in Canada and offers service to 82 countries as well as dozens of North American destinations. The downtown island airport, Billy Bishop Toronto City Airport, is great for personal and business travel within North American.



### **Economic Scorecard**

With one of the most diverse economies in North America, Toronto has lots to offer both businesses and investors. The city will continue to be a major economic engine for Canada as the financial and head office capital of the nation. Its economic potential, combined with the influx of immigrants and post-secondary students the city sees each year will provide a continuing source of home ownership demand as well as rental demand in the housing market.



### **Population and Income**

During the last federal census, the population of the City of Toronto was recorded to be 2,615,060, an increase of 4.5% from 2,503,281 in 2006<sup>333</sup>. This was slightly lower than the national average (5.7%), but higher than the 0.9% increase recorded between 2001 and 2006<sup>334</sup>. In contrast, the population of the Toronto CMA grew to 5,583,064 in 2011, an increase of 9.2% from 5,113,149 in 2006<sup>335</sup>. The growth of the Toronto CMA's population reveals a dramatic increase in demand for properties outside the city's core.

As of the 2006 federal census, half of Toronto's population was comprised of first generation immigrants (over 10% arrived between 2001 and 2006) and half had a mother tongue other than English or French<sup>336</sup>. According to the United Nations Development Program, Toronto has the second-highest percentage of foreign-born population among world cities, after Miami, Florida. However, while Miami's foreign-born population consists mostly of Cubans and other Latin Americans, no single nationality or culture dominates Toronto's immigrant population<sup>337</sup>.

The make-up of a population is important to note, as studies have shown that most immigrants arriving to Canada rent for the first two to three years before deciding whether to buy a property. A high level of immigration will provide investors with an ongoing source of renters, and eventually buyers, for their properties. The GTA currently receives 43% of all new immigrants to Canada<sup>338</sup>.

<sup>333</sup> <sup>333</sup> Statistics Canada. (2011). "Toronto, Ontario" (Code3520005) (table). 2011 Community Profiles. *2011 Census*. Retrieved from <http://www12.statcan.gc.ca/census-recensement/2011/dp-pd/prof/details/page.cfm?Lang=E&Geo1=CSD&Code1=3520005&Geo2=CMA&Code2=535&Data=Count&SearchText=toronto&SearchType=Begin&SearchPR=01&B1=All&Custom=&TABID=1>

<sup>334</sup> Statistics Canada. (2006). "Toronto, Ontario" (Code3520005) (table). 2006 Community Profiles. *2006 Census*. Retrieved from <http://www12.statcan.gc.ca/census-recensement/2006/dp-pd/prof/92-591/details/page.cfm?Lang=E&Geo1=CSD&Code1=3520005&Geo2=PR&Code2=35&Data=Count&SearchText=toronto&SearchType=Begin&SearchPR=01&B1=All&Custom=>

<sup>335</sup> Statistics Canada. (2011). "Toronto, Ontario" (Code535) (table). 2011 Community Profiles. *2011 Census*. Retrieved from <http://www12.statcan.gc.ca/census-recensement/2011/dp-pd/prof/details/page.cfm?Lang=E&Geo1=CSD&Code1=3520005&Geo2=CMA&Code2=535&Data=Count&SearchText=toronto&SearchType=Begin&SearchPR=01&B1=All&Custom=&TABID=1>

<sup>336</sup> Ibid.

<sup>337</sup> Kopun, F., Keung, N. (5 December 2007). "A city of unmatched diversity." *The Toronto Star*. Retrieved from <http://www.thestar.com/News/GTA/article/282694>

<sup>338</sup> Invest Toronto. (2010). "Invest Toronto Brochure." <http://www.investtoronto.ca/InvestAssets/PDF/brochures/Invest-Brochure.pdf>

As of the 2006 federal census, the median age of Toronto residents was 38.4. This was below the national median of 39.5<sup>339</sup>, meaning Toronto is made up of a slightly younger demographic. Nearly one third of Toronto's labour force is between the ages of 25 and 44<sup>340</sup>, representing a large pool of well-educated workers for employees to choose from.

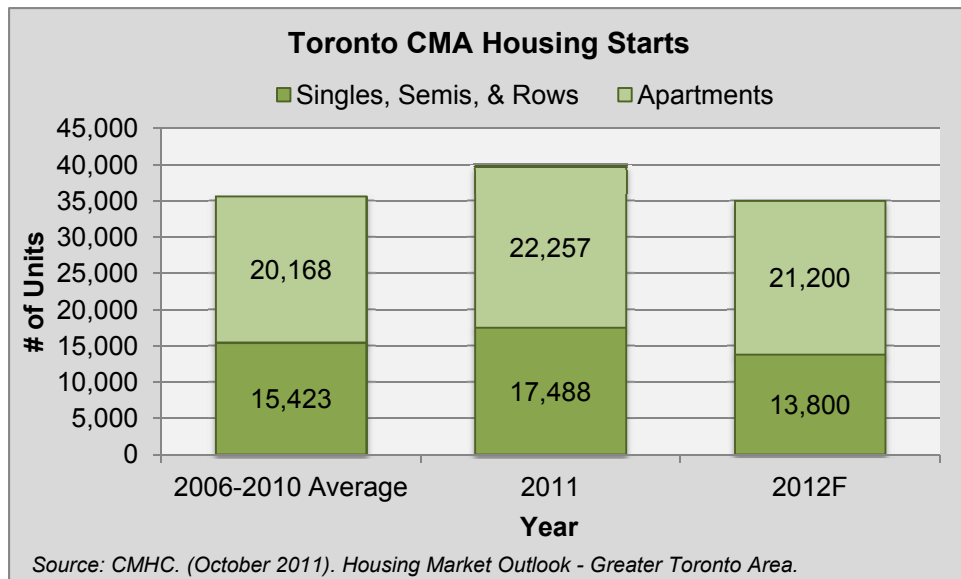
Employment in the Toronto region has steadily increased over the last two years. As of December 2011, approximately 2,946,000 people in the Toronto CMA were employed, an increase from 2,873,000 in January 2010. The unemployment rate has been steadily trending downwards as well, from 9.5 per cent in January 2010 to 8.6 per cent in December 2011<sup>341</sup>. As of March 2012, the unemployment rate in the Toronto CMA remained at 8.6%<sup>342</sup>.

As of December 2011, the average weekly earnings for a resident in the Toronto region was \$894, an increase from \$886 the previous year. CMHC predicts the Toronto labour market will maintain the number of jobs it has recovered and created coming out of the recession, but will see little further growth in 2012. The unemployment rate should hold steady as fewer people look for work<sup>343</sup>.



## Housing Trends

It appears the Toronto housing market has fully recovered from the recession. In 2011, builders in the City of Toronto began construction on a total of 18,972 units. This is an increase from the 13,425 units that began construction in 2010. A total of 1,030 single family dwellings began construction in 2011, up from 931 the previous year. During the same time period, 17,942 multi-family units began construction, an increase from 12,494 in 2010<sup>344</sup>.



The Toronto CMA also saw an uptick in 2011. A total of 39,745 units began construction in 2011, an increase of over 10,000 units from 29,195 the previous year. In 2011, a total of 11,247 single family dwellings were started and 28,498 multi-family units began construction<sup>345</sup>.

The construction of multi-family buildings (particularly apartments), soared in 2011. For only the second time in the past 20 years, apartments made up over half of all housing starts in the GTA.

<sup>339</sup> Statistics Canada. (2006). "Toronto, Ontario" (Code3520005) (table). 2006 Community Profiles. 2006 Census.

<sup>340</sup> Invest Toronto. (2012). "Labour Force." *City of Toronto*. Retrieved from <http://www.investtoronto.ca/World-Class-Talent/Labour-Force.aspx>

<sup>341</sup> CMHC. (January 2012). "Housing Now - Greater Toronto Area." Retrieved from [http://www.cmhc-schl.gc.ca/odpub/esub/64163/64163\\_2012\\_M01.pdf?fr=1336415434306](http://www.cmhc-schl.gc.ca/odpub/esub/64163/64163_2012_M01.pdf?fr=1336415434306)

<sup>342</sup> CMHC. (April 2012). ". "Housing Now - Greater Toronto Area." Retrieved from [http://www.cmhc-schl.gc.ca/odpub/esub/64163/64163\\_2012\\_M04.pdf?fr=1336415124140](http://www.cmhc-schl.gc.ca/odpub/esub/64163/64163_2012_M04.pdf?fr=1336415124140)

<sup>343</sup> CMHC. (October 2011). "Housing Market Outlook - Greater Toronto Area." Retrieved from [http://www.cmhc-schl.gc.ca/odpub/esub/64319/64319\\_2011\\_B02.pdf?fr=1336416164842](http://www.cmhc-schl.gc.ca/odpub/esub/64319/64319_2011_B02.pdf?fr=1336416164842)

<sup>344</sup> CMHC. (January 2012). "Housing Now - Greater Toronto Area." Retrieved from [http://www.cmhc-schl.gc.ca/odpub/esub/64163/64163\\_2012\\_M01.pdf?fr=1336415434306](http://www.cmhc-schl.gc.ca/odpub/esub/64163/64163_2012_M01.pdf?fr=1336415434306)

<sup>345</sup> Ibid.

While the vast majority of these units were condominiums, purpose-built rentals also experienced the strongest year in recent history, with nearly 2,000 units beginning construction. Single family housing starts also recorded their best year since 2008, but were outshone by the sheer number of multi-family construction projects<sup>346</sup>.

The housing market is expected to stay elevated in 2012 on the strength of condominium apartment construction. Low rise housing starts are expected to fall below 15,000 units in 2012, only the second time since the early 1990s. A lack of available land and competition from resale homes will be strong factors limiting single-family dwelling construction. Condominium apartments on the other hand are expected to hit the highest level of starts ever recorded over a two-year span between 2011 and 2012<sup>347</sup>.

Steady immigration into the Toronto region has played a role in the increasing demand for new apartments. The demand for condominium apartments has increased due to the number of households looking for an affordable entry point into home ownership. An aging baby boomer population, currently gearing up for retirement, has also moved towards this market as a means of downsizing.



## Sale and Rent

The Greater Toronto Area's real estate market was hot, hot, hot in 2011 and has continued to be strong in 2012. MLS sales steadily increased throughout 2011, driving the total number of sales four percent higher than 2010 and marking the second best annual performance ever for the Toronto Real Estate Board (TREB).

At the end of 2011, a total of 89,347 sales had been recorded<sup>348</sup>. Low mortgage rates continued to attract buyers to the real estate market. If buyers had not been constrained by a shortage of listings in 2012, the Toronto Real Estate Board believes the GTA could have easily hit a new sales record<sup>349</sup>.

GTA Resale Market					
	2008	2009	2010	2011F	2012F
MLS Sales	76,387	89,255	88,214	90,500	88,500
MLS New Listings	163,169	136,096	154,167	150,000	161,000
MLS Average Price	\$379,943	\$396,154	\$432,264	\$465,100	\$469,700
Source: CMHC. (October 2011). <i>Housing Market Outlook - Greater Toronto Area</i> .					

The average selling price for a home in the Greater Toronto area was \$465,412, an increase of eight percent from an average of \$431,276 in 2010. The level of inventory remained below the pre-

recession normal in 2011, leading to very tight market conditions. Competitions between buyers lead to a strong upward pressure on selling prices. The average price of a home in the City of Toronto was \$501,971 in 2011 and the median price was \$399,000<sup>350</sup>.

Resale market activity is expected to remain steady throughout 2012, with sales remaining close to previous years. A total of 88,500 real estate transactions are expected to take place in 2012, while prices will remain relatively flat with an annual growth rate of only one per cent<sup>351</sup>.

<sup>346</sup> Ibid.

<sup>347</sup> CMHC. (October 2011). "Housing Market Outlook - Greater Toronto Area." Retrieved from [http://www.cmhc-schl.gc.ca/odpub/esub/64319/64319\\_2011\\_B02.pdf?fr=1336416164842](http://www.cmhc-schl.gc.ca/odpub/esub/64319/64319_2011_B02.pdf?fr=1336416164842)

<sup>348</sup> Toronto Real Estate Board. (5 January 2012). "Market Watch – December 2011." Retrieved from [http://www.torontorealestateboard.com/market\\_news/market\\_watch/2011/mw1112.pdf](http://www.torontorealestateboard.com/market_news/market_watch/2011/mw1112.pdf)

<sup>349</sup> Ibid.

<sup>350</sup> Ibid.

<sup>351</sup> CMHC. (October 2011). "Housing Market Outlook - Greater Toronto Area." Retrieved from [http://www.cmhc-schl.gc.ca/odpub/esub/64319/64319\\_2011\\_B02.pdf?fr=1336416164842](http://www.cmhc-schl.gc.ca/odpub/esub/64319/64319_2011_B02.pdf?fr=1336416164842)

More affordable areas in the GTA should see above-average growth next year as first-time home buyers look to enter into home ownership. Below-average priced areas within the GTA such as Scarborough, Burlington, and the north-west end of the City of Toronto should see the bulk of this growth<sup>352</sup>.

Zone	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11
Zone 1-Toronto (Central)	884 a	928 a	1,105 a	1,188 a	1,554 b	1,614 a	2,496 d	**	1,208 a	1,252 a
Zone 2-Toronto (East)	723 a	755 a	934 a	911 a	1,156 a	1,158 a	1,340 c	1,559 b	964 a	978 a
Zone 3-Toronto (North)	853 a	866 a	1,088 a	1,108 a	1,456 a	1,432 a	2,043 b	2,088 b	1,196 a	1,202 a
Zone 4-Toronto (West)	679 a	720 a	945 a	957 a	1,203 a	1,233 a	1,450 b	1,716 c	983 a	985 a
Toronto-Former City (Zones 1-4)	804 a	843 a	1,047 a	1,081 a	1,395 a	1,417 a	1,931 b	2,136 b	1,126 a	1,147 a
Zone 5-Etobicoke (South)	678 a	701 a	811 a	835 a	972 a	1,009 a	1,233 a	1,292 b	882 a	916 a
Zone 6-Etobicoke (Central)	846 b	**	944 a	1,120 c	1,114 a	1,277 b	1,267 a	1,388 a	1,090 a	1,244 b
Zone 7-Etobicoke (North)	781 a	933 a	877 a	929 a	998 a	1,048 a	1,078 a	1,117 a	995 a	1,045 a
Etobicoke (Zones 5-7)	706 a	825 c	876 a	970 b	1,049 a	1,146 a	1,206 a	1,278 a	1,003 a	1,093 a
Zone 8-York	675 a	729 a	873 a	895 a	1,073 a	1,087 a	1,569 d	1,437 b	955 a	973 a
Zone 9-East York	726 a	750 a	899 a	906 a	1,138 a	1,137 a	1,451 b	1,444 a	1,003 a	1,017 a
Zone 10-Scarborough (Central)	734 a	736 a	850 a	866 a	968 a	989 a	1,105 a	1,120 a	919 a	935 a
Zone 11-Scarborough (North)	824 a	831 a	919 a	935 a	1,057 a	1,079 a	1,231 a	1,223 a	1,021 a	1,040 a
Zone 12-Scarborough (East)	757 a	730 a	849 a	863 a	953 a	979 a	1,088 a	1,105 a	943 a	963 a
Scarborough (Zones 10-12)	756 a	749 a	862 a	878 a	980 a	1,004 a	1,114 a	1,130 a	948 a	967 a
Zone 13-North York (Southeast)	735 a	753 a	896 a	917 a	1,056 a	1,080 a	1,287 a	1,295 a	1,016 a	1,036 a
Zone 14-North York (Northeast)	791 c	1,023 b	987 a	1,051 a	1,248 b	1,258 a	1,377 b	1,426 b	1,196 a	1,218 a
Zone 15-North York (Southwest)	720 a	737 a	871 a	859 a	1,022 a	1,031 a	1,224 a	1,301 a	962 a	974 a
Zone 16-North York (N.Central)	754 a	717 a	972 a	964 a	1,139 a	1,170 a	1,312 a	1,334 a	1,094 a	1,109 a
Zone 17-North York (Northwest)	644 a	659 a	811 a	820 a	953 a	966 a	1,109 a	1,147 a	911 a	928 a
North York (Zones 13-17)	694 a	743 a	893 a	907 a	1,070 a	1,085 a	1,254 a	1,284 a	1,020 a	1,037 a
Toronto (Zones 1-17)	778 a	822 a	950 a	979 a	1,135 a	1,161 a	1,346 a	1,374 a	1,041 a	1,067 a

### Toronto CMA Apartment Average Rents (\$) by Zone and Bedroom Type

Source: CMHC. (2011). Rental Market Report – Greater Toronto Area.

As the cost of home ownership increases, renting becomes a more attractive option for potential first-time home buyers. The average rent for a private apartment in the Toronto CMA was \$1,066 in October 2011, up from \$1,040 in October 2010. The average rent for a bachelor unit was \$819, up from \$777; a one bedroom apartment rented for \$977, up from \$949 the previous year; a two bedroom unit averaged at \$1,149, up from \$1,123; and a three bedroom apartment rented for an average of \$1,349, up from \$1,322 in October 2010<sup>353</sup>.



### Vacancy Rates

Increasing house prices in the Toronto CMA continue to draw people into the rental market, leading to a decrease in vacancy rates. The vacancy rate for a private apartment in the CMA was 1.4% in October 2011, down from 2.1% in October 2010 – and the lowest rate in 10 years. Vacancy rates declined largely to improved employment conditions, a rising population of younger households, and a slower outflow of renters into homeownership<sup>354</sup>.

The vacancy rate for a bachelor apartment sat at 1.6%, down from 2.3% the previous year; a one bedroom unit had a vacancy rate of 1.5%, down from 2.4%; a two bedroom apartment sat at 1.3%, down from 1.9% in

<sup>352</sup> Ibid.

<sup>353</sup> Ibid.

<sup>354</sup> Ibid.



October 2010; and a three bedroom unit had a vacancy rate of 1.6%, remaining unchanged from the previous year<sup>355</sup>.

Zone	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11	Oct-10	Oct-11
Zone 1-Toronto (Central)	1.6 b	0.8 a	1.1 a	1.0 a	1.0 a	1.0 a	1.6 c	**	1.2 a	1.0 a
Zone 2-Toronto (East)	2.3 c	1.7 c	3.0 c	1.5 b	1.1 a	0.5 a	0.0 d	**	2.3 b	1.2 a
Zone 3-Toronto (North)	1.4 a	0.9 a	1.8 a	0.9 a	1.8 a	1.1 a	2.0 c	2.8 c	1.7 a	1.0 a
Zone 4-Toronto (West)	3.8 c	2.3 c	2.5 b	2.4 c	2.1 c	1.7 c	0.4 b	0.2 b	2.6 a	2.1 b
Toronto-Former City (Zones 1-4)	2.2 a	1.3 a	1.8 a	1.4 a	1.6 a	1.2 a	1.4 a	1.8 c	1.8 a	1.3 a
Zone 5-Etobicoke (South)	3.6 d	2.0 c	3.6 b	2.9 b	2.9 b	2.4 b	0.5 b	0.0 c	3.2 b	2.5 b
Zone 6-Etobicoke (Central)	0.0 c	1.0 a	2.2 b	1.3 a	1.9 b	1.2 a	1.3 a	1.1 a	1.8 b	1.2 a
Zone 7-Etobicoke (North)	**	0.0 d	0.8 a	0.2 b	1.6 c	0.2 b	2.0 c	**	1.6 c	2.1 c
Etobicoke (Zones 5-7)	2.9 c	1.6 c	2.7 a	1.9 a	2.1 a	1.4 a	1.4 a	3.1 d	2.2 a	1.8 a
Zone 8-York	2.4 b	1.3 a	4.3 a	1.5 a	3.1 b	1.2 a	2.6 c	0.5 a	3.6 a	1.3 a
Zone 9-East York	3.3 c	2.1 b	2.9 a	1.9 a	1.7 a	1.6 a	2.2 b	1.8 a	2.4 a	1.8 a
Zone 10-Scarborough (Central)	3.3 d	3.1 d	3.3 a	1.9 a	2.5 a	1.3 a	2.9 a	1.0 a	2.9 a	1.6 a
Zone 11-Scarborough (North)	1.2 a	4.5 a	1.3 a	1.5 a	2.2 a	1.0 a	2.1 b	1.8 c	1.9 a	1.3 a
Zone 12-Scarborough (East)	3.2 d	2.0 c	1.7 a	0.7 a	1.9 a	1.2 a	1.8 a	0.5 a	1.8 a	1.0 a
Scarborough (Zones 10-12)	2.9 b	3.0 c	2.5 a	1.5 a	2.2 a	1.2 a	2.1 a	0.9 a	2.3 a	1.3 a
Zone 13-North York (Southeast)	2.0 c	0.0 c	2.7 a	0.9 a	1.7 a	1.2 a	1.6 b	1.6 b	2.1 a	1.1 a
Zone 14-North York (Northeast)	0.9 a	1.0 a	1.8 a	0.3 a	1.5 a	0.9 a	0.9 a	1.4 a	1.5 a	0.8 a
Zone 15-North York (Southwest)	1.8 c	3.8 d	3.5 b	1.4 a	2.1 a	1.7 b	1.1 a	0.1 b	2.6 a	1.5 a
Zone 16-North York (N.Central)	0.8 d	**	1.4 a	1.0 a	1.7 a	0.4 a	1.9 c	0.3 a	1.6 a	0.7 a
Zone 17-North York (Northwest)	0.7 a	3.1 b	3.4 a	3.0 a	2.3 a	2.0 a	2.4 a	2.2 a	2.7 a	2.4 a
North York (Zones 13-17)	1.2 a	3.0 c	2.6 a	1.4 a	1.9 a	1.3 a	1.7 a	1.3 a	2.1 a	1.4 a
Toronto (Zones 1-17)	2.3 a	1.5 a	2.4 a	1.5 a	2.0 a	1.3 a	1.7 a	1.6 a	2.2 a	1.4 a

### Toronto CMA Apartment Vacancy Rates (%) by Zone and Bedroom Type

Source: CMHC. (2011). Rental Market Report – Greater Toronto Area.

Rental market conditions are expected to remain tight next year, with the average vacancy rate sitting at around 1.3%<sup>356</sup>.



## Economics

Toronto is Canada's economic capital. On its own, the city generates nearly a fifth of Canada's Gross Domestic Product (GDP). At \$263 billion, Toronto's GDP per capita is greater than the global centres of Berlin and Hong Kong. Toronto is the largest financial services centre in Canada and the third largest on the continent (behind only New York and Chicago), employing over 232,200 people. All five of Canada's banks have their headquarters in the city, and two of the world's largest banks have chosen to locate their Canadian headquarters within the city. As if that wasn't enough, the city is also the home of the Toronto Stock Exchange (TSX), the third largest stock exchange in North America<sup>357</sup>. When you add it all up, you can see why Toronto is considered a world class centre for business.

The proportionate employment sectors show that Toronto has an incredibly diverse economy. In fact, the city is considered to have one of the most diverse economies in all of North America. Functioning as the economic

<sup>355</sup> Ibid.

<sup>356</sup> Ibid.

<sup>357</sup> Invest Toronto. (2010). "Invest to succeed. Invest Toronto." *City of Toronto*. Retrieved from <http://www.investtoronto.ca/InvestAssets/PDF/brochures/Invest-Brochure.pdf>

centre for Canada, many of the city's sectors such as Life Sciences, ICT, and Financial Services, rank in the top five on the continent by size<sup>358</sup>.

Toronto is home to a majority of the country's corporate headquarters and transnational corporate offices. In fact, 82 companies individually generating over \$1 billion in annual revenue are headquartered in the city<sup>359</sup>. Toronto's largest employers include: Rogers Telecommunications, Shoppers Drug Mart, and Canada's five largest banks – the Royal Bank of Canada, TD Canada Trust, Scotiabank, the Bank of Montreal, and the Canadian Imperial Bank of Commerce<sup>360</sup>.

Changes continue to take place in the sectors that make up Toronto's economy. The Office sector continues to be the city's largest sector, employing 623,300 people in 2010. In the past ten years, the Institutional sector has grown to become the city's second largest source of employment, growing from a 13.9% share of total employment in 2000 to 16.4% in 2010. In contrast, the manufacturing sector continues to decline, from 192,300 jobs in 2000 to 129,500 in 2010 – representing only 10% of total employment<sup>361</sup>.

Employment in the Toronto CMA is concentrated into five main areas: Downtown and four centres outlined in the Official Plan as areas of designated employment growth. Downtown Toronto is the largest employment cluster in the GTA, with 511,300 jobs accounting for over one third of all jobs found in the city. North York Centre has experienced five consecutive years of job growth, and is the largest mixed use centre outside of downtown. Yonge-Eglinton accounts for 15,800 jobs, or 3.1% of the jobs in downtown and the Centres. A large portion of jobs in this Centre are in the Office sector, with 75.8% of the total employed in this sector. The second smallest Centre, Scarborough accounts for 4.2% of the total jobs in Downtown and the Centres. Scarborough's employment base increased by 500 jobs in 2010, bringing the total to 14,700. The smallest Centre, Etobicoke, experienced a decrease of 1,400 jobs from 2009, the third year of significant employment decrease in a row. The Centre now only accounts for 1.8% of the total job base in Downtown and the Centres<sup>362</sup>.

In 2010, the City of Toronto welcomed 3,340 new businesses. According to the city, 53.2% of the new establishments are located Downtown, or in the Centres or Employment Districts. New establishments that dominated 2010 occupancy include Restaurants, Law Firms, Computer Services and Financing Services.<sup>363</sup>

	2005-2010						2009-2010	
	2005	2006	2007	2008	2009	2010	Net Change	% Change
a. Downtown	387,200	395,200	415,200	424,900	420,500	432,800	45,600	11.8%
b. North York Centre	29,100	30,400	34,000	34,600	34,700	38,800	9,700	33.3%
c. Yonge-Eglinton	15,400	15,800	15,500	15,400	15,500	15,800	400	2.6%
d. Scarborough Centre	14,800	14,000	13,000	13,800	14,200	14,700	-100	-0.7%
e. Etobicoke Centre	10,600	10,700	11,100	10,400	9,900	9,200	-1,400	-13.2%
<b>Downtown and the Centres</b>	<b>457,100</b>	<b>466,000</b>	<b>488,800</b>	<b>499,200</b>	<b>494,700</b>	<b>511,300</b>	<b>54,200</b>	<b>11.9%</b>
<b>Rest of City</b>	<b>805,100</b>	<b>812,000</b>	<b>812,800</b>	<b>811,600</b>	<b>798,500</b>	<b>787,000</b>	<b>-18,100</b>	<b>-2.2%</b>
<b>City Total</b>	<b>1,262,200</b>	<b>1,278,000</b>	<b>1,301,600</b>	<b>1,310,800</b>	<b>1,293,200</b>	<b>1,298,300</b>	<b>36,100</b>	<b>2.9%</b>

### Toronto Total Employment Centres and Downtown, 2005-2010

Source: City of Toronto

In addition to acting as the economic centre of Canada, the City of Toronto offers access to eight world class universities and colleges, including the University of Toronto, Ryerson University, and Seneca College. The

<sup>358</sup> Ibid.

<sup>359</sup> Invest Toronto. (2012). "Business environment." *City of Toronto*. Retrieved from <http://www.investtoronto.ca/Business-Toronto/Business-Environment.aspx>

<sup>360</sup> Invest Toronto. (2012). "Economic overview." *City of Toronto*. Retrieved from <http://www.investtoronto.ca/Business-Toronto/Business-Environment/Economic-Overview.aspx>

<sup>361</sup> City of Toronto. (March 2011). "Toronto employment survey 2010." Retrieved from <http://www.toronto.ca/demographics/pdf/survey2010.pdf>

<sup>362</sup> Ibid.

<sup>363</sup> Ibid.

diversity of the city's economy and talented labour force continue to provide companies with talented professionals and suppliers to help them meet today's market demands.

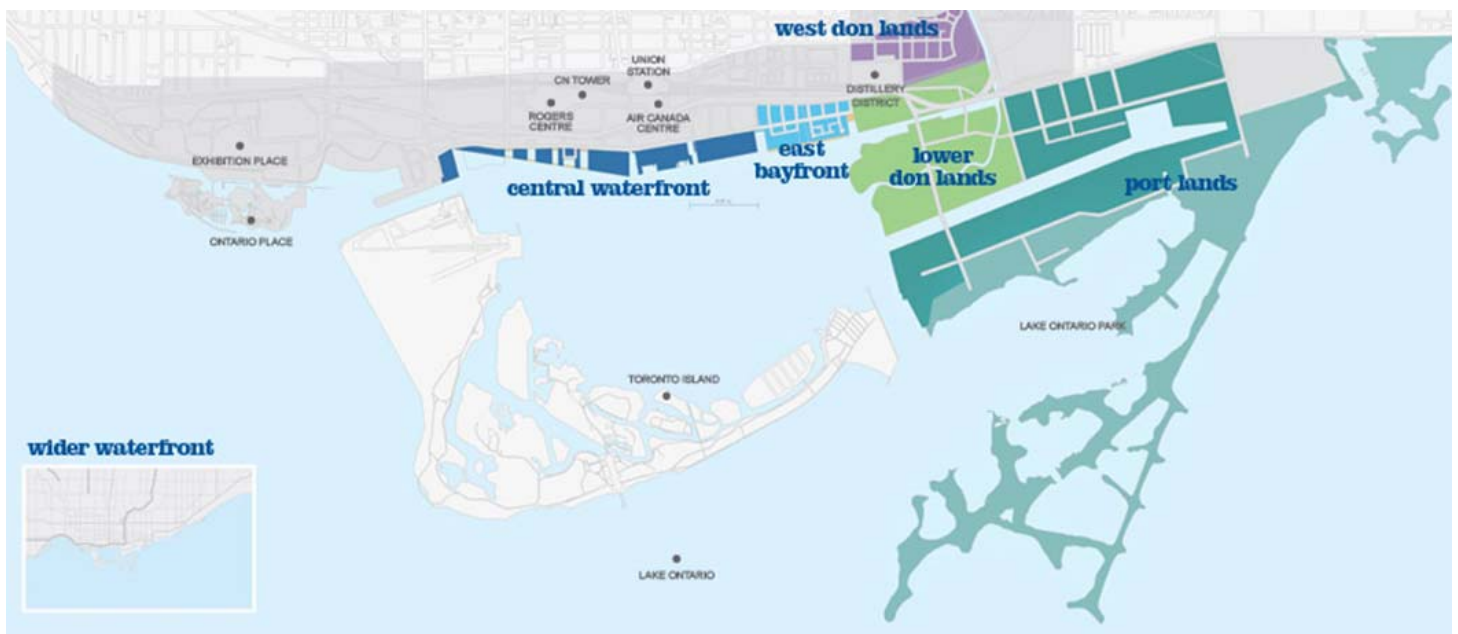


## Infrastructure

The largest city in Canada, the list of infrastructure projects currently underway in Toronto is exhausting. For the sake of saving trees, we have only included a few that we feel investors should be aware of. For the complete list of major projects currently underway in the City of Toronto, please visit [www.toronto.ca/involved/projects.htm](http://www.toronto.ca/involved/projects.htm).

## Waterfront Redevelopment

Created by the Governments of Canada and Ontario and the City of Toronto, Waterfront Toronto was put together to deliver Toronto citizens a revitalized waterfront. The team has a 25-year mandate to transform 2,000 acres of brownfield lands on Toronto's waterfront into 'beautiful, sustainable mixed-use communities and dynamic public spaces.' The project is one of the largest infrastructure projects in North America and probably the largest waterfront redevelopment initiative ever undertaken in the world<sup>364</sup>.



### The Toronto Waterfront

Source: Waterfront Toronto

The revitalized waterfront will feature sustainable, mixed-used neighbourhoods. An improved quality of life in waterfront communities is expected to draw employment and help guarantee that Toronto's waterfront is recognized both locally and internationally<sup>365</sup>. The project area includes: East Bayfront, the West Don Lands, the Lower Don Lands, and the Port Lands. In addition to these new communities, Waterfront Toronto also

<sup>364</sup> Waterfront Toronto. (2012). "About us." *City of Toronto*. Retrieved from [http://www.waterfronttoronto.ca/about\\_us](http://www.waterfronttoronto.ca/about_us)

<sup>365</sup> Ibid.

encompasses the revitalization of well-established areas, such as the Central Waterfront. For more information on the project, visit [www.waterfronttoronto.ca](http://www.waterfronttoronto.ca).

### West Don Lands

Toronto was named as the location for the 2015 Pan American Games. The city needed a place to house all the athletes, and decided to incorporate an athlete's village into the existing plans for the West Don Lands. Originally, the build-out of the 80 acres that make up the West Don Lands was planned to occur slowly over the course of 12 years. However, with the announcement of the Pan Am Games, more than half of the community will be developed before 2015. After the games, the Athlete's Village will be converted into a mixed-use neighborhood, its original intended purpose. Any facilities required for the Athlete's Village, but not part of the long-term needs of the community, will be built as temporary structures<sup>366</sup>.

The 80 acre area will offer 6,000 new residential units, space for employment and commercial buildings, an elementary school, two day care centres, and nearly 9.3 hectares of park/public spaces. Work is already underway, with construction of the area's flood protection landform almost complete<sup>367</sup>.

### **Light Rail/Subway**

The average daily commute time for a Toronto resident is 80 minutes. This is higher than residents who live in the far larger cities of London, New York, Berlin, and Los Angeles<sup>368</sup>. In an effort to address this commuting nightmare, Metrolinx has put together a plan for the construction of new transit routes in the Greater Toronto Area. In its 'The Big Move' report released in 2008, Metrolinx outlined new transportation projects that will cost \$2 billion annually over the next 25 years<sup>369</sup>. There were four projects marked for funding by the Province of Ontario: 1) the expansion of the Sheppard LRT line east, 2) the creation of the Finch West LRT line, 3) the Eglinton Crosstown LRT line, and 4) the Scarborough RT project which will redevelop the existing line into light rail technology and extend it to the Sheppard East Station<sup>370</sup>.

### Sheppard East LRT

The existing Sheppard Line is a 5.5 kilometre subway running from Sheppard/Yonge Station on the Yonge-University-Spadina line to Don Mills Station. There are plans to extend the line east to a new terminus at Meadowvale Road in northeast Scarborough. The Sheppard extension will not be a subway, but an LRT line<sup>371</sup>.

### Finch West LRT

The Finch West LRT line will run from the Finch Station on the Yonge-University-Spadina line to Humber College. The 17 kilometre line will run west from Finch Station along Finch Avenue West, connecting with Finch West Station (also on the Yonge-University-Spadina line), to Highway 27 where it will then turn south to

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<sup>366</sup> Waterfront Toronto. (2012). "Toronto 2015 Pan/Parapan American Games athletes' village." City of Toronto. Retrieved from [http://www.waterfronttoronto.ca/explore\\_projects2/west\\_don\\_lands/2015\\_pan\\_american\\_games](http://www.waterfronttoronto.ca/explore_projects2/west_don_lands/2015_pan_american_games)

<sup>367</sup> Waterfront Toronto. (2012). "West Don Lands." Retrieved from [http://www.waterfronttoronto.ca/explore\\_projects2/west\\_don\\_lands](http://www.waterfronttoronto.ca/explore_projects2/west_don_lands)

<sup>368</sup> Globe and Mail. (March 25, 2011). "Compare Toronto's 80-minute commute with other major cities".

<http://www.theglobeandmail.com/news/national/toronto/compare-torontos-80-minute-commute-with-other-major-cities/article1944624/>

<sup>369</sup> Metrolinx. (2008). "The Big Move – Message from the Chair". <http://www.metrolinx.com/mx/thebigmove/en/index.aspx>

<sup>370</sup> Toronto Transit Commission. (2010). "Current Projects".

[http://www3.ttc.ca/About\\_the\\_TTC/Projects\\_and\\_initiatives/Transit\\_city/Current\\_Projects/index.jsp](http://www3.ttc.ca/About_the_TTC/Projects_and_initiatives/Transit_city/Current_Projects/index.jsp)

<sup>371</sup> Toronto Transit Commission. (2012). "Current Projects." Retrieved from

[http://www3.ttc.ca/About\\_the\\_TTC/Projects\\_and\\_initiatives/Transit\\_city/Current\\_Projects/index.jsp](http://www3.ttc.ca/About_the_TTC/Projects_and_initiatives/Transit_city/Current_Projects/index.jsp)

Humber College Boulevard, and terminate at Humber College. The LRT will replace an incredibly busy bus route, while providing fast and frequent service through North York and Etobicoke<sup>372</sup>.

### Eglinton Crosstown LRT

The Eglinton-Scarborough Crosstown LRT will run along Eglinton Avenue from Jane Street in the west to Kennedy Road in the east. From there, it will connect to the Scarborough LRT to terminate at Scarborough Centre. Construction on the \$8.2 billion project began in 2011 and the line is expected to be in service by 2020<sup>373</sup>.

### Scarborough RT

The existing Scarborough Rapid Transit (RT) is a 6.5 kilometre line running from Kennedy Station to McCowan Road. In order to merge successfully with the Eglinton Scarborough Crosstown LRT line, the existing tracks and vehicles on the Scarborough RT line need to be upgraded to LRT<sup>374</sup>.

### Spadina Extension Plans to Vaughan

Currently, there are 32 stations along the Yonge-University-Spadina line. Construction is starting on an extension to York University northwest of Downsview Station, and into the city of Vaughan to the proposed Vaughan Metropolitan Centre. Six new stations are planned along the 8.6 km extension (6.2 km in the City of Toronto and 2.4 km in York Region). Construction has already begun and service is planned to begin in late 2015<sup>375</sup>.

For more details on the impact that transportation improvements can have on real estate values, download: The GTA Transportation Effect at: [www.reincanada.com](http://www.reincanada.com).



### **Top Investment Town**

With one of the most diverse economies in North America, Toronto has a lot to offer both businesses and investors. As the financial and head office capital of Canada, the city will continue to be a major economic engine for the nation.

As the largest employment centre in Canada (nearly 40% of all Canada's jobs are located within the city), the city's population will continue to grow. The influx of immigrants and post-secondary students the city sees each year will provide a continuing source of home ownership demand as well as rental demand in the housing market.

With a population of over two million – larger than some of the provinces and territories in the country, Toronto is a city that cannot be painted with one brush. Taken as a whole, the city's real estate market will underperform many of the surrounding regions. Yet, key neighbourhoods will have breakout years, outperforming

<sup>372</sup> Toronto Transit Commission. (March 2010). "Notice of Completion of Environmental Project Report: Etobicoke-Finch West Light Rail Transit". [http://www.toronto.ca/involved/projects/etobicoke\\_finch\\_w\\_lrt/pdf/2010\\_03-11\\_notice\\_of\\_completion.pdf](http://www.toronto.ca/involved/projects/etobicoke_finch_w_lrt/pdf/2010_03-11_notice_of_completion.pdf)

<sup>373</sup> Lorinc, John & Morrow, Adrian. (2011). "Toronto Mayor Rob Ford's transit plan wins provincial approval". <http://www.theglobeandmail.com/news/national/toronto/toronto-mayor-rob-fords-transit-plan-wins-provincial-approval/article1963854/>

<sup>374</sup> Toronto Transit Commission. (October 2010). "Notice of Completion of Environmental Project Report: Scarborough Rapid Transit Conversion and Extension". Retrieved from [http://www.toronto.ca/involved/projects/scarborough\\_rapid\\_transit/epr/notice\\_of\\_completion\\_epr\\_srt.pdf](http://www.toronto.ca/involved/projects/scarborough_rapid_transit/epr/notice_of_completion_epr_srt.pdf)

<sup>375</sup> Toronto Transit Commission. (2012). "Toronto-York Spadina Subway Extension Overview". Retrieved from [http://www3.ttc.ca/Spadina/About\\_the\\_Project/Overview.jsp](http://www3.ttc.ca/Spadina/About_the_Project/Overview.jsp)



many regions of the province. This offers a good lesson in ignoring generalities and focusing on specifics when you are investing. Do your homework!



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## On the Street

Located immediately north of Toronto, the City of Vaughan has a diverse economy that attracts both businesses and investors. Vaughan's superb transportation links, and its proximity to the largest economic engine of Canada (Toronto), set the city up for both residential and job growth.

Vaughan is rapidly moving away from being considered a bedroom community of the GTA to being a region of economic and job growth. Between 1986 and 2006, Vaughan's population experienced a growth of 276 per cent. There are currently over 9,000 businesses located in the city, employing approximately 160,000 people. The latest federal census figures show that the city gained 25,000 jobs between 2001 and 2006, an increase of 22.2 per cent - and the highest growth rate of any city in Canada<sup>376</sup>.



Vaughan continues to be one of the province's fastest-growing communities. Population, housing prices, and construction values have experienced tremendous growth in the last decade. The city has two mega construction projects on its roster at the moment: The Vaughan Metropolitan Centre and the extension of the Toronto Transit Commission's Spadina Line from downtown Toronto into Vaughan. The completion of these projects will open Vaughan up to more working professionals who will reside here and commute into Toronto.

The Province of Ontario identified the city as a priority urban centre and the GTA's urban gateway in its Places to Grow Act<sup>377</sup>, and it's easy to see why. Vaughan's extensive transportation network, available land, and some of the lowest commercial and industrial property taxes in the GTA continue to attract new businesses to the area. Vaughan's slogan "the city above Toronto" may prove true in an economic sense and is likely to continue its exponential growth in coming years.



## Location

Just north of Toronto, the City of Vaughan comprises 275 square kilometres. Situated in the economic heart of the country, the city has access to two-thirds of the Canadian market (20 million people) and 135 million U.S. consumers within a 24 hour drive<sup>378</sup>. "The City above Toronto" includes the growing communities of Concord, Kleinburg, Maple, Thornhill, and Woodbridge.

Vaughan is blessed with exceptional transportation links, providing the city with both national and international connections. Several major highways transect the city (including Highways 400, 407, and 427) and provide access to highway systems in the GTA, including Highway 401 and the Queen Elizabeth Highway. The city also has great rail transportation links: both Canadian National (CN) and Canadian Pacific (CP) rail companies

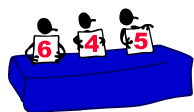
<sup>376</sup> Vaughan Economic Development. (2012). "Business in Vaughan". *City of Vaughan*. Retrieved from [http://www.city.vaughan.on.ca/index.php?option=com\\_content&task=view&id=273&Itemid=478](http://www.city.vaughan.on.ca/index.php?option=com_content&task=view&id=273&Itemid=478)

<sup>377</sup> Vaughan Economic Development. (2012). "Development Opportunities." *City of Vaughan*. Retrieved from [http://www.city.vaughan.on.ca/index.php?option=com\\_content&task=view&id=282&Itemid=478](http://www.city.vaughan.on.ca/index.php?option=com_content&task=view&id=282&Itemid=478)

<sup>378</sup> Vaughan Economic Development. (2012). "Where's Vaughan". *City of Vaughan*. Retrieved from [http://www.city.vaughan.on.ca/index.php?option=com\\_content&task=view&id=293&Itemid=478](http://www.city.vaughan.on.ca/index.php?option=com_content&task=view&id=293&Itemid=478)

have their largest rail facilities in Vaughan. The city is also only a 15 minute drive from Canada's largest and busiest international airport, the Lester B. Pearson.

The city is located in a region with a strong focus on research and development. There are nine universities and eight colleges within driving distance<sup>379</sup>.



## Economic Scorecard

Over the past two decades, the City of Vaughan has transformed from a rural town into a metropolitan centre. With unbeatable transportation links to both national and international markets, as well as some of the lowest commercial and industrial taxes in the GTA<sup>380</sup>, the city has no problem attracting new business. The extension of the Spadina Line to the Vaughan Metropolitan Centre will only increase the attractiveness of the city in the eyes of business professionals looking for more affordable housing options on the outskirts of Toronto.

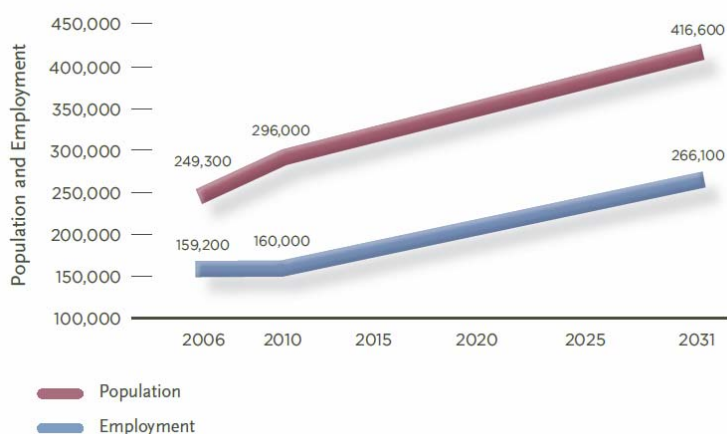
The city's leadership is handling the tremendous growth better than others in the province, and with their positive steps towards densification and affordable housing, council and planning departments are setting Vaughan up for a long term win.



## Population and Income

As of the last federal census (2011), the population of the City of Vaughan sat at 288,301; an increase of 20.7% from the 238,866 recorded during the 2006 census<sup>381</sup>. In the last 20 years, the City of Vaughan has transformed from a rural community to a major urban centre in the GTA. Between 1986 and 2006, the city's population grew 276% from 65,000 people. This earned Vaughan the title of Canada's fastest growing municipality among communities with populations greater than 100,000<sup>382</sup>.

Vaughan continues to be one of the fastest growing communities in Canada. It is projected that the number of residents in the city will increase to a staggering 430,000 by 2031. In addition to the rapidly growing population, the city forecasts it will also experience rapid business growth. With the largest supply of new employment lands in the GTA, it is predicted that the number of businesses will grow from the current 9,000 and that the number of employees will increase from the current 160,000<sup>383</sup> to 278,000 by 2031<sup>384</sup>.



**Vaughan Population & Employment Growth Projections**  
Source: Vaughan Economic Development. (2011). "Community Profile."

<sup>379</sup> City of Vaughan. (2009). "Vaughan – Open for Business". [http://www.vaughan.ca/images/stories/business/pdf/InvestmentProfile\\_English.pdf](http://www.vaughan.ca/images/stories/business/pdf/InvestmentProfile_English.pdf)

<sup>380</sup> City of Vaughan. (2010). "Business in Vaughan". [http://www.city.vaughan.on.ca/index.php?option=com\\_content&task=view&id=273&Itemid=478](http://www.city.vaughan.on.ca/index.php?option=com_content&task=view&id=273&Itemid=478)

<sup>381</sup> Statistics Canada. (2012). "Vaughan, Ontario" (Code 3519028) (table). 2011 Community Profiles. 2011 Census. Retrieved from <http://www12.statcan.gc.ca/census-recensement/2011/dp-prof/details/page.cfm?Lang=E&Geo1=CSD&Code1=3519028&Geo2=PR&Code2=35&Data=Count&SearchText=ontario&SearchType=Begins&SearchPR=01&B1=All&Custom=&TABID=1>

<sup>382</sup> Vaughan Economic Development. (2012). "Statistics". City of Vaughan. Retrieved from [http://www.city.vaughan.on.ca/index.php?option=com\\_content&task=view&id=247&Itemid=481](http://www.city.vaughan.on.ca/index.php?option=com_content&task=view&id=247&Itemid=481)

<sup>383</sup> Ibid.

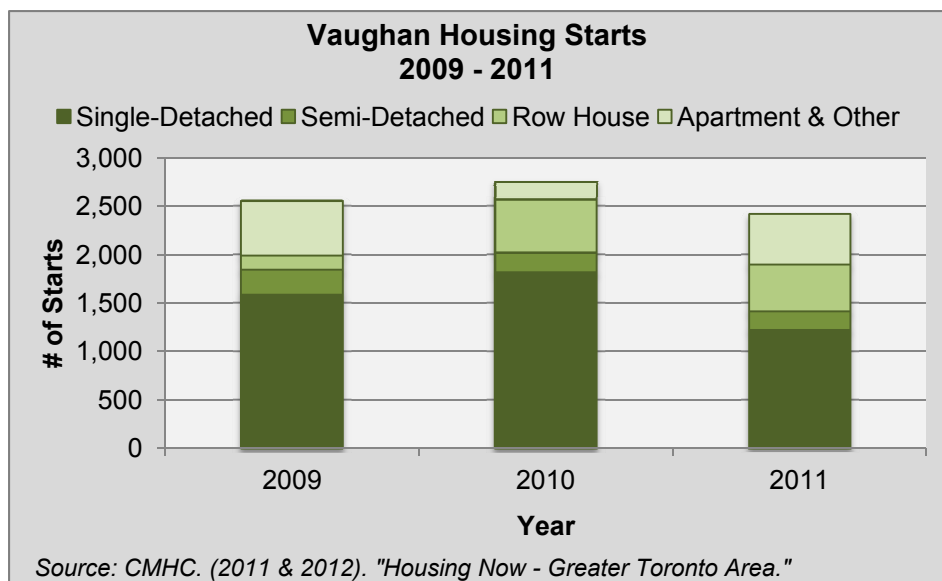
In addition to the exponential growth predicted for Vaughan, the city also enjoys a higher than average household income. In 2010, the average household income for a Vaughan family was estimated to be \$123,800<sup>385</sup>. To take this into consideration, the median household income in Ontario was \$69,156 as of the 2006 federal census<sup>386</sup>.

According to Statistics Canada, over 40 per cent of Canada's recent immigrants chose the GTA as their home base. Located above Toronto's northern border, Vaughan is a multicultural community. Nearly 45 per cent of the city's population is comprised of immigrants, compared to the Provincial average of 28 per cent<sup>387</sup>. Studies have shown that most immigrants arriving to Canada rent for the first two to three years before deciding whether to buy a property. This provides investors with an ongoing source of renters, and eventually buyers, for their properties.



## Housing Trends

Vaughan has become a preferred location for investment, the country's third highest municipality (behind only Wood Buffalo and Waterloo) in terms of per capita of building permits issued<sup>388</sup>. The city's total building permit value has exceeded the billion dollar mark the past six years in a row, and equates to approximately \$3 million of investment a day<sup>389</sup>.



The total building permit value for 2011 was \$1,039,000,000, down from \$1,406,700,000 in 2010 – which was the second highest year on record. The building permit value that Vaughan experienced last year is exceptionally high when compared to other cities of comparable size across the country. The residential building permit value in 2011 sat at \$619,600,000, down from \$877,300,000 in 2010. The commercial building permit value was \$67,300,000, down from \$203,500,000 in 2010<sup>390</sup>.

<sup>384</sup> Vaughan Economic Development. (2009). "Strategic Plan 2020." *City of Vaughan*. Retrieved from [http://www.vaughantomorrow.ca/vv2020/pdf/vv2020\\_StrategyBook.pdf](http://www.vaughantomorrow.ca/vv2020/pdf/vv2020_StrategyBook.pdf)

<sup>385</sup> MoneySense Magazine. (2010). "Canada's Best Places to Live". Retrieved from <http://list.moneysense.ca/rankings/best-places-to-live/2010/DisplayProfile.aspx?profile=55>

<sup>386</sup> Statistics Canada. (2006). "Vaughan, Ontario" (Code 3519028) (table). 2006 Community Profiles. *2006 Census*. Retrieved from <http://www12.statcan.gc.ca/census-recensement/2006/dp-pd/prof/92-591/details/Page.cfm?Lang=E&Geo1=CSD&Code1=3519028&Geo2=PR&Code2=35&Data=Count&SearchText=vaughan&SearchType=Begin&SearchPR=01&B1=All&Custom=>

<sup>387</sup> Vaughan Economic Development. (2011). "Community Profile." *City of Vaughan*. Retrieved from [http://www.city.vaughan.on.ca/images/stories/business/pdf/Community\\_Profile\\_English\\_2011.pdf](http://www.city.vaughan.on.ca/images/stories/business/pdf/Community_Profile_English_2011.pdf)

<sup>388</sup> City of Vaughan. (November 2011). "Development & construction." Retrieved from [http://www.city.vaughan.on.ca/index.php?option=com\\_content&task=view&id=285&Itemid=478](http://www.city.vaughan.on.ca/index.php?option=com_content&task=view&id=285&Itemid=478)

<sup>389</sup> City of Vaughan. (2011). "Strengthening Our Economy: Vaughan Construction Growth Exceeds \$1 Billion". Retrieved from [http://www.city.vaughan.on.ca/index.php?option=com\\_content&task=view&id=613&Itemid=990](http://www.city.vaughan.on.ca/index.php?option=com_content&task=view&id=613&Itemid=990)

<sup>390</sup> Vaughan Economic Development. (2012). "New construction in Vaughan tops billion dollar mark in 2011." *City of Vaughan*. Retrieved from [http://www.vaughan.ca/index.php?option=com\\_content&task=view&id=719&Itemid=1137](http://www.vaughan.ca/index.php?option=com_content&task=view&id=719&Itemid=1137)

Vaughan has also seen soaring levels of housing starts in the past decade. In 2011, the total number of housing starts was 2,417, down slightly from 2,662 starts in 2010. Construction began on a total of 1,222 single-family dwellings, down from 1,816 the previous year. 1,195 multi-family units began construction in 2011, an increase from 846 in 2010<sup>391</sup>.

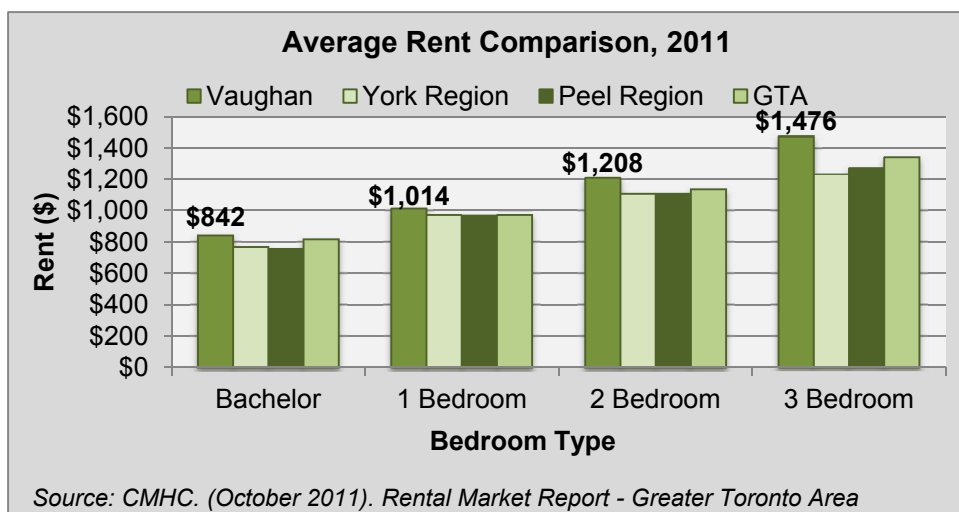
While there is a large variety of housing types in Vaughan, over 65 per cent of the city's housing inventory is currently composed of single-family homes. However, a number of apartment buildings and row houses have been built in the past few years, showing a new trend toward multi-family housing options<sup>392</sup>. With the Province's Growth Plan stating that a minimum of 40 per cent of all residential development will occur within a built up area by 2015, the trend in multi-family development will increase. The Vaughan Corporate Centre, also known as the Vaughan Metropolitan Centre, must accommodate 200 residents and jobs per hectare, as defined in the Province's Places to Grow plan<sup>393</sup>.



## Sale and Rent

Vaughan's real estate market remains red hot. At the end of 2011, a total of 6,613 houses had been listed on the market, with 4,198 sales<sup>394</sup>. This accounted for a sales volume of \$2,381,348,204, one of the highest for a municipality in the northern GTA.

According to the Toronto Real Estate Board (TREB), the 2011 year end price of a home in Vaughan was \$567,258. The median price of a home was \$520,000. Houses sold for 98% of their list price with an average of 23 days on the market (one of the lowest DOM in the northern GTA)<sup>395</sup>, showing the city maintains a vibrant real estate market. As of March 2012, the media price of a home in Vaughan had increased to \$589,500<sup>396</sup>.



Stand by for a big increase in units coming on the market as the Vaughan Metropolitan Centre develops in the wake of the new subway station. Combined with the Places to Grow Act, a buildup of this area is anticipated and investors should be aware of the flood of new condos hitting the market at the same time.

<sup>391</sup> CMHC. (January 2012). "Housing Now - Greater Toronto Area." Retrieved from [http://www.cmhc-schl.gc.ca/odpub/esub/64163/64163\\_2012\\_M01.pdf?fr=1335903207750](http://www.cmhc-schl.gc.ca/odpub/esub/64163/64163_2012_M01.pdf?fr=1335903207750)

<sup>392</sup> City of Vaughan. (2009). "Housing". [http://www.city.vaughan.on.ca/index.php?option=com\\_content&task=view&id=331&Itemid=481](http://www.city.vaughan.on.ca/index.php?option=com_content&task=view&id=331&Itemid=481)

<sup>393</sup> Province of Ontario. (2005). "Places to Grow". <https://www.placestogrow.ca/images/pdfs/fplan-eng-web-all.pdf>

<sup>394</sup> Toronto Real Estate Board (TREB). (2011). "Toronto Real Estate Board Market Watch". (JDecember, 2010). [http://www.torontorealestateboard.com/consumer\\_info/market\\_news/mw2010/pdf/mw1012.pdf](http://www.torontorealestateboard.com/consumer_info/market_news/mw2010/pdf/mw1012.pdf)

<sup>395</sup> Toronto Real Estate Board (TREB). (2012). "Toronto Real Estate Board Market Watch." Retrieved from [http://www.torontorealestateboard.com/market\\_news/market\\_watch/2011/mw1112.pdf](http://www.torontorealestateboard.com/market_news/market_watch/2011/mw1112.pdf)

<sup>396</sup> TREB. (March 2012). "Toronto Real Estate Board Market Watch." Retrieved from [http://www.torontorealestateboard.com/market\\_news/market\\_watch/2012/mw1203.pdf](http://www.torontorealestateboard.com/market_news/market_watch/2012/mw1203.pdf)



Due to their closeness and market similarities, CMHC has decided to include the communities of Richmond Hill, King, and Vaughan in one survey area (Zone 25) for the Greater Toronto Rental Market Report. The average rent for a private apartment was \$1,132 at the end of 2011, from \$1,071 in October 2010. The average rent for a bachelor apartment sat at \$842, up from \$829; a one bedroom unit rented for \$1,014, up from \$971; a two bedroom apartment sat at \$1,208, up from \$1,144 in October 2010; and a three bedroom unit rented for \$1,476 in October 2011, up from \$1,405 in October 2010<sup>397</sup>.



## **Vacancy Rates**

Vacancy rates in the Richmond Hill/Vaughan/King region continue to be very low. The vacancy rate for a private apartment in Zone 25 was 0.9% in October 2011, down from 1.9% in October 2010. The vacancy rate for a bachelor unit sat at 2.7%, a significant decrease from 6.2% the previous year; a one bedroom apartment was 1%, down from 2.4%; and a two bedroom unit had a vacancy rate of 0.5%, down from 1.1% in October 2010<sup>398</sup>. Again, investors need to be vigilant and monitor vacancy rates and inventory once the units around the Metropolitan Centre emerge.



## **Economics**

Vaughan has a very diverse economy, which has provided the city with stability through different economic cycles. With the lowest commercial and industrial taxes in the GTA<sup>399</sup>, many companies have chosen to locate their headquarters here. Corporate head offices located in Vaughan include: Bausch & Lomb Canada, MDS Analytical Technologies, Concord Confections, Sanyo Canada, and Adidas Solomon Canada<sup>400</sup>.

The City of Vaughan forecasts it will experience rapid business growth over the next 20 years. There are currently over 9,000 businesses operating within the city, employing approximately 160,000 people<sup>401</sup>. By 2031, it is predicted that the number of employees will increase to 278,000, a growth of over 100,000 people<sup>402</sup>. When you consider the fact that the city gained 25,000 jobs between 2001 and 2006, an increase of 22.2%, and has the highest job growth rate in the country<sup>403</sup>, it's not hard to see why. Vaughan's extensive transportation network, available land, and low property taxes will continue to mark it as attractive for businesses.

The largest economic sectors in Vaughan are manufacturing, construction and wholesale<sup>404</sup>. The city continues to attract investors by making substantial investments in its infrastructure and power utilities (average electricity

<sup>397</sup> CMHC. (October 2011). "Rental Market Report - Greater Toronto Area". Retrieved from [http://www.cmhc-schl.gc.ca/odpub/esub/64459/64459\\_2011\\_A01.pdf?fr=1335907589743](http://www.cmhc-schl.gc.ca/odpub/esub/64459/64459_2011_A01.pdf?fr=1335907589743)

<sup>398</sup> Ibid.

<sup>399</sup> Vaughan Economic Development. (2012). "Top 10 reasons to locate in Vaughan." *City of Vaughan*. Retrieved from [http://www.city.vaughan.on.ca/index.php?option=com\\_content&task=view&id=253&Itemid=478](http://www.city.vaughan.on.ca/index.php?option=com_content&task=view&id=253&Itemid=478)

<sup>400</sup> Vaughan Economic Development. (2012). "Business in Vaughan". *City of Vaughan*. Retrieved from [http://www.city.vaughan.on.ca/index.php?option=com\\_content&task=view&id=273&Itemid=478](http://www.city.vaughan.on.ca/index.php?option=com_content&task=view&id=273&Itemid=478)

<sup>401</sup> Vaughan Economic Development. (2012). "Statistics". *City of Vaughan*. Retrieved from [http://www.city.vaughan.on.ca/index.php?option=com\\_content&task=view&id=247&Itemid=481](http://www.city.vaughan.on.ca/index.php?option=com_content&task=view&id=247&Itemid=481)

<sup>402</sup> Vaughan Economic Development. (2009). "Strategic Plan 2020." *City of Vaughan*. Retrieved from [http://www.vaughantomorrow.ca/vv2020/pdf/vv2020\\_StrategyBook.pdf](http://www.vaughantomorrow.ca/vv2020/pdf/vv2020_StrategyBook.pdf)

<sup>403</sup> Ibid.

<sup>404</sup> Ibid.

costs are well below charges in other communities in the GTA<sup>405</sup>), which explains the high proportion of jobs in the manufacturing and construction sectors.

Vaughan's Top 10 Employers	
United Parcel Service Canada Ltd.	2,226
City of Vaughan	1,778
Grand & Toy	701
Ganz	700
Co-Ex-Tec	600
Toromont Cat	553
Ab Sciex	530
Mytox Manufacturing	500
407 ETR	476
Noble Trade Plumbing Supplies Inc.	460
Source: Vaughan Economic Development. Top 100 Employers.	

Vaughan is an entrepreneurial community. Small and medium-sized businesses comprise 96.86 per cent of all businesses in the city and over half of the jobs. Large businesses (those employing up to 500 workers) account for only 2.85 per cent of all businesses and 28.93 per cent of all jobs. Corporations (companies with more than 500 employees) in Vaughan account for a mere 0.29 per cent of all businesses, but provide the city with 14.55 per cent of all jobs<sup>406</sup>. As of October 2008, there were only 26 corporations located within the City of Vaughan<sup>407</sup>. However, with low taxes and large parcels of available land, the number of corporations choosing to locate in the city will surely grow.

Vaughan has over 2,654 acres of land available for development, the second largest inventory of vacant industrial and commercial land within the GTA. Approximately 28 per cent of this land is already serviced and ready for development<sup>408</sup>. Business parks, such as the Vaughan West Business Park<sup>409</sup>, provide companies with prime locations to locate their business.

The main development area in Vaughan at the moment is the Vaughan Metropolitan Centre. Designated as the city's new downtown, the centre provides 179 hectares of opportunities for new commercial, retail, and residential spaces. By 2031, the Vaughan Metropolitan Centre is expected to provide the city with a minimum of 11,500 new jobs and accommodate approximately 25,000 residents<sup>410</sup>. Companies already occupying land in the Centre include: Toromont Industries, Bentall LP, First Vaughan Investments, Land Services Group, First Liberty, and Mircom Technologies Ltd<sup>411</sup>.



## Infrastructure

The next 20 years will see the City of Vaughan transforming into a fully urban space. With the population expected to hit 430,000 by 2031, the city will be hard pressed to keep up with development demands. The city's leadership has done a fantastic job handling Vaughan's tremendous growth so far, and with their positive steps towards densification and affordable housing, council and planning departments are setting Vaughan up for a long term win.

<sup>405</sup> Vaughan Economic Development. (2012). "Top 10 reasons to locate in Vaughan." *City of Vaughan*. Retrieved from [http://www.city.vaughan.on.ca/index.php?option=com\\_content&task=view&id=253&Itemid=478](http://www.city.vaughan.on.ca/index.php?option=com_content&task=view&id=253&Itemid=478)

<sup>406</sup> Vaughan Economic Development. (2009). "Business and Employment Profile". *City of Vaughan*. Retrieved from <http://www.city.vaughan.on.ca/business/pdf/Vaughan%20-%202009%20Business%20and%20Employment%20Profile.pdf>

<sup>407</sup> Vaughan Economic Development. (2012). "Employment sectors." *City of Vaughan*. Retrieved from [http://www.city.vaughan.on.ca/index.php?option=com\\_content&task=view&id=359&Itemid=481](http://www.city.vaughan.on.ca/index.php?option=com_content&task=view&id=359&Itemid=481)

<sup>408</sup> Vaughan Economic Development. (2012). "Top 10 reasons to locate in Vaughan." *City of Vaughan*. Retrieved from [http://www.city.vaughan.on.ca/index.php?option=com\\_content&task=view&id=253&Itemid=478](http://www.city.vaughan.on.ca/index.php?option=com_content&task=view&id=253&Itemid=478)

<sup>409</sup> Zzen. (n.d.). "Vaughan West Business Park – Master Plan." Retrieved from [http://www.dtzbarnicke.com/client/JJB/JJB+UW\\_V504\\_MainEngine.nsf/resources/Vaughan+West+PDF/\\$file/VWBP-MasterPlan.pdf](http://www.dtzbarnicke.com/client/JJB/JJB+UW_V504_MainEngine.nsf/resources/Vaughan+West+PDF/$file/VWBP-MasterPlan.pdf)

<sup>410</sup> Vaughan Economic Development. (2012). "Vaughan's downtown vision." *City of Vaughan*. Retrieved from [http://www.city.vaughan.on.ca/index.php?option=com\\_content&task=view&id=490&Itemid=478](http://www.city.vaughan.on.ca/index.php?option=com_content&task=view&id=490&Itemid=478)

<sup>411</sup> Vaughan Economic Development. (2009). "The Vaughan Metropolitan Centre". *City of Vaughan*. Retrieved from [http://www.city.vaughan.on.ca/images/stories/business/pdf/VaughanMetropolitanCentre\\_web.pdf](http://www.city.vaughan.on.ca/images/stories/business/pdf/VaughanMetropolitanCentre_web.pdf)

In Ontario's 2005 Places to Grow plan, Vaughan was recognized as a centre for urban growth. As such, it is expected to have 200 residents and jobs combined per hectare in its downtown core by 2031<sup>412</sup>. The city has recognized Vaughan Metropolitan Centre as its future downtown core and the York Region's Official Plan appoints the Metropolitan Centre as an important regional node<sup>413</sup>.

Connected to the city's major highway network, with easy access to Highway 400 or 407, the Vaughan Metropolitan Centre will be well-served by public transit. By 2031, it is expected that the Centre will provide more than 11,500 new jobs and have a resident population of over 25,000. The Vaughan Metropolitan Centre provides 179 hectares of opportunities for new commercial, retail, and residential spaces<sup>414</sup>.

Vaughan is currently in the process of constructing a new Civic Centre. Vaughan's current civic centre was last renovated in 1982, when the city's population was a mere 36,815. With a population of nearly 300,000, the building was no longer able to keep up with demand. The new Civic Centre will be built in three phases. The first phase of the project, the city hall, was officially opened on September 25, 2011. Phases two and three of the project will include the construction of the Chamber of Commerce, a Public Library, and a Civic Tower building<sup>415</sup>.



**Vaughan's new Civic Centre**

*Source: City of Vaughan*

The city's growing population has raised health care concerns among residents. Currently serviced by the York Central Hospital, ambitious plans are underway to build a hospital in Vaughan itself. The new hospital, which has the blessing of provincial government, will be located at Major Mackenzie Drive and Jane Street. The hospital will provide Vaughan residents with state-of-the-art emergency services, intensive care beds, as well as 80 per cent single patient rooms for superior infection prevention and control<sup>416</sup>. The new hospital will be designed, built, and operated by York Central Hospital. The project is currently in stage two planning and is expected to go to tender between 2014 and 2015<sup>417</sup>.

## Highway

Highway 427 runs from immediately south of the Queen Elizabeth Way/Gardiner Expressway interchange in Toronto to Highway 7 in Vaughan. The 21 kilometre highway is Ontario's second busiest freeway by volume, with no fewer than 12 lanes between the QEW/Gardiner and Highway 401. It is a primary feeder route to the Pearson International Airport.

In November 2008, a regional road connection joining Highway 427 to Highway 7 in Vaughan opened. The new roadway is an 800 metre, four lane road extension of Highway 427 from Highway 7 to Zenway Boulevard,

<sup>412</sup> Province of Ontario. (2005). "Places to Grow". Retrieved from <https://www.placestogrow.ca/images/pdfs/fplan-eng-web-all.pdf>

<sup>413</sup> City of Vaughan. (2009). "Vaughan Metropolitan Centre". Retrieved from [http://www.city.vaughan.on.ca/index.php?option=com\\_content&task=view&id=266&Itemid=480](http://www.city.vaughan.on.ca/index.php?option=com_content&task=view&id=266&Itemid=480)

<sup>414</sup> Vaughan Economic Development. (2012). "Vaughan's downtown vision." City of Vaughan. Retrieved from [http://www.city.vaughan.on.ca/index.php?option=com\\_content&task=view&id=490&Itemid=478](http://www.city.vaughan.on.ca/index.php?option=com_content&task=view&id=490&Itemid=478)

<sup>415</sup> City of Vaughan. (25 September 2011). "Vaughan celebrates official opening of new City Hall." Retrieved from [http://www.vaughan.ca/index.php?option=com\\_content&task=view&id=685&Itemid=288](http://www.vaughan.ca/index.php?option=com_content&task=view&id=685&Itemid=288)

<sup>416</sup> Government of Ontario. (21 July 2011). "McGuinity government providing families better care closer to home." Retrieved from <http://news.ontario.ca/mohltc/en/2011/07/ontario-approves-new-hospital-in-vaughan.html>

<sup>417</sup> City of Vaughan. (3 February 2012). "Vaughan hospital approved for next stage of planning." Retrieved from [http://yorkcentral.on.ca/main/pdfs/release\\_ych\\_february%203%202012.pdf](http://yorkcentral.on.ca/main/pdfs/release_ych_february%203%202012.pdf)

including a signalized intersection at Zenway Boulevard. The connection is designed to help reduce traffic congestion until the provincial government moves forward with plans to extend Highway 427<sup>418</sup>.

The Environmental Assessment for the proposed Highway 427 extension was completed in January 2010 and the project is free to move into the Detail Design phase. Current plans will likely extend the highway to Rutherford Road or possibly Major Mackenzie Drive<sup>419</sup>. It is important to note that the project is not currently listed as part of the Southern Highways Program, Ontario Ministry of Transportation's five-year investment plan in highway construction for Southern Ontario<sup>420</sup>.



### Spadina Line Extension

Source: Toronto Transit Commission

### Light Rail

Currently, there are 32 stations along the Yonge-University-Spadina line. Construction is starting on an extension to York University northwest of Downsview station, and into the city of Vaughan to the proposed Vaughan Metropolitan Centre. Six new stations are planned along the 8.6 km extension (6.2 km in the City of Toronto and 2.4 km in York Region). Construction has already begun and service is planned to begin in late 2015. The six new stations along this line are: Sheppard Avenue West, Parc Downsview Park Lands; Finch West, at the corner of Keele Street and Finch Avenue; York University, near the common of York University; Steeles West, at Northwest Gate and Steeles Avenue; Highway 407, adjacent to Highway 407 and Jane Street; and at the Vaughan Metropolitan Centre, near Highway 7<sup>421</sup>. There will be 400 parking spaces at the Finch West station, 1,900 at Steeles West, and 600 at the

Highway 407 station<sup>422</sup>.

The growth of the Vaughan Metropolitan Centre, with its proposed residences and commercial space will change the face of the whole region. The addition of this station will be a catalyst for growth and property demand, and although it is not slated to open until 2015, the announcement has already spurred enthusiasm for the completion of the project. These demand drivers will influence property values until at least 2020 (five

<sup>418</sup> The Brampton News. (5 November 2008). "New Hwy 427 Connection in Vaughan Open". Retrieved from <http://www.thebramptonnews.com/articles/3875/1/New-Hwy-427-Connection-in-Vaughan-Open/Page1.html>

<sup>419</sup> City of Vaughan. (2011). "Highway 427 Extension Committee" Retrieved from <http://www.city.vaughan.on.ca/427extension/index.cfm>

<sup>420</sup> Government of Ontario. (2010). "Southern highways program: 2010-2014." Retrieved from <http://www.mto.gov.on.ca/english/pubs/highway-construction/southern-highway-2010/southern-highways-2010.pdf>

<sup>421</sup> Toronto Transit Commission. (2011). "Spadina Subway Extension - Overview". Retrieved from [http://www3.ttc.ca/About\\_the\\_TTC/Projects\\_and\\_initiatives/Spadina\\_subway\\_extension/Overview.jsp](http://www3.ttc.ca/About_the_TTC/Projects_and_initiatives/Spadina_subway_extension/Overview.jsp)

<sup>422</sup> Ibid.



years past expected completion date). The area surrounding the TTC station (Vaughan Line) will experience a significant increase in property demand due to access to the transportation system.

For more details on the impact that transportation improvements can have on real estate values, download: The GTA Transportation Effect at: [www.reincanada.com](http://www.reincanada.com).



### **Top Investment Town**

There is no denying that Vaughan has been one of the fastest growing communities in the province, growing a whopping 276% between 1986 and 2006. With exceptional transportation links to other communities in the Toronto region and the lowest commercial and industrial taxes in the GTA, Vaughan has no problem attracting new business.

Once all the region's transportation projects are completed, Vaughan will be among the most accessible regions in the Greater Toronto Area. The expansion of the Spadina Line of the Toronto Transit Commission to the Vaughan Metropolitan Centre will only increase the attractiveness of the city in the eyes of business professionals looking for more affordable housing options on the outskirts of Toronto.

Vaughan is on a journey; transitioning from a suburban municipality into a fully metropolitan community. With forecasts for continued rapid population growth in the next two decades, city leadership will need to create long-term plans on how best to handle future infrastructure demands. So far, the city's current leadership has handled the tremendous growth better than other cities in the province, and with their positive steps towards densification and affordable housing, council and planning departments are setting Vaughan up for a long term win.



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# Brantford



## On the Street

On the banks of the Grand River in Southern Ontario, Brantford is a hidden gem that was off the investor's radar for many years. About an hour and a half drive from Toronto, the city is a prime location for those wanting access to the amenities a big city without the constant noise and activity living in a large city creates. For lifestyle, Brantford brags proximity to some of the most beautiful walking trails in Ontario. This, combined with the natural beauty of the region, has lead many people seeking the "small town" appeal of the area.

There are four universities and colleges located within the Brantford-Brant region, providing the city with a vibrant and younger population base and a great opportunity for investors. Over the coming years, we should witness a strong increase in average incomes, in-migration and diversification of the local economy.

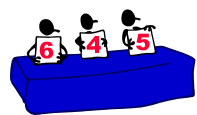
Becoming a Census Metropolitan Area (CMA) in 2006 due to its tremendous growth, Brantford has begun to create quite a buzz in recent years. With a population of over 90,000 residents and a projected population of 115,000 by 2020, Brantford has a promising economic outlook. Strong commercial, industrial, and residential development in the last few years has created new job opportunities and cemented Brantford on our list of Top Ontario Investment Towns.



## Location

Located in Southern Ontario on the banks of the Grand River, Brantford is a great place for both families and businesses to put down some roots. Residents benefit from the nearby bustle of Toronto, one of Canada's largest commercial centers, while at the same time enjoying a more laid-back lifestyle outside of the city limits.

With direct access to Highway 403, Brantford is an hour and a half drive southwest from Toronto (66 km). Close proximity to other major highways, rail lines, and three Canadian border crossings have raised the city's profile in the eyes of businesses who know the importance of great transportation links. Brantford also experiences great exposure to American markets as it is quicker to drive from Buffalo to Detroit through Canada via Brantford than to travel south of Lake Erie and remain in the U.S.



## Economic Scorecard

With access to both the Golden Horseshoe region and the United States, Brantford has a promising economic outlook. Strong commercial, industrial, and residential development in the last few years have created new job opportunities in the city and provided a great opportunity for real estate investors.

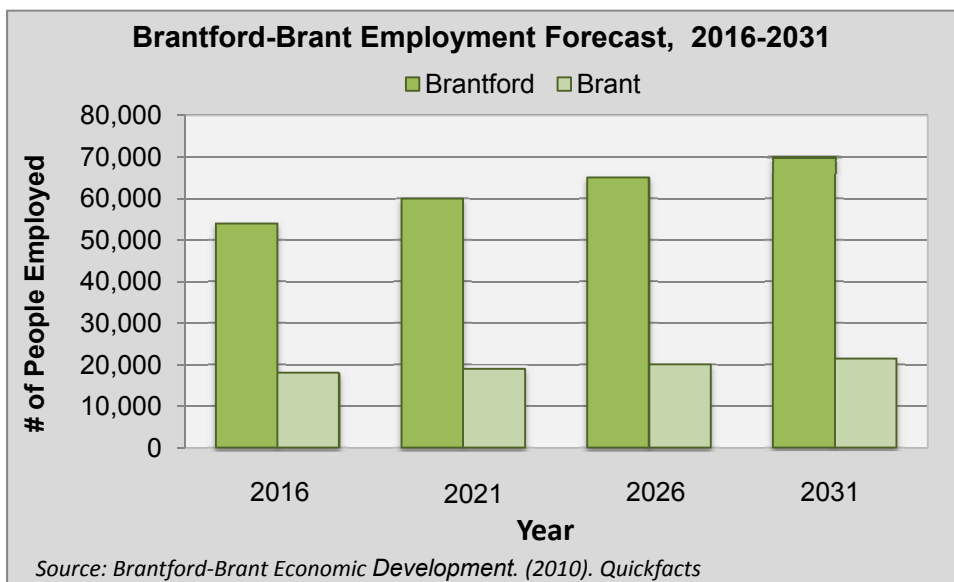
The coming years will definitely be defining ones for this region. Relatively low house prices and an increase in average rents, combined with lowering vacancy rates line Brantford up as a great location for investing in real estate.



## Population and Income

Due to its rapid growth, Brantford was one of the six new CMAs that were added to the Federal Census in 2006. Since then, the area has continued to grow at an accelerated rate. According to the 2011 Federal Census, the population of the Brantford CMA was 135,501, an increase of 8.7% from 124,067 in 2006. In 2011, the City of Brantford had a population of 93,650, an increase of 3.8% from 2006<sup>423</sup>.

The City of Brantford predicts it will see continued population growth in the next two decades, forecasting the population will hit 121,070 in 2031. The population growth would represent an increase of 27,420 from the 2011 federal census. During the same time period, the city expects to see employment within the city to reach 59,280<sup>424</sup>.



It is estimated that one fifth of all jobs in the City of Brantford are in the manufacturing sector<sup>425</sup>. Temporary plant closures and layoffs resulting from the downturn in the automotive industry during the economic recession affected unemployment in the city, with the unemployment rate sitting at 12.1% in July 2009 – the highest unemployment rate in Brantford in over 10 years<sup>426</sup>.

However, new construction projects – funded by the provincial and federal governments' infrastructure stimulus fund and the addition of new educational

institutions have added jobs to the local market. The unemployment rate in the city has steadily trended downwards since its peak in July 2009<sup>427</sup>, sitting at 7.4% in December 2011<sup>428</sup>.

By the end of 2011, 65,900 people in the Brantford CMA were employed, a slight decrease from 68,600. However, during the same time period, Brantford's average weekly earnings continue to increase, rising from \$778 in December 2010 to \$801 in December 2011<sup>429</sup>.

<sup>423</sup> Statistics Canada. (2011). "Brantford, Ontario" (Code 3529006) and Brantford, Ontario (code 543)(table). 2011 Community Profiles. 2011 Census. Retrieved from <http://www12.statcan.gc.ca/census-recensement/2011/dp-pd/prof/details/page.cfm?Lang=E&Geo1=CSD&Code1=3529006&Geo2=CD&Code2=3529&Data=Count&SearchText=brantford&SearchType=Begin&SearchPR=01&B1=All&Custom=&TABID=1>

<sup>424</sup> City of Brantford. (March 2009). "Development charges background study – growth forecasts." Retrieved from <http://www.brantford.ca/Population%20Projections%20%20Documents/DCBackgroundStudyGrowthForecasts2009-2031.pdf>

<sup>425</sup> CMHC. (October 2010). Rental Market Report - Hamilton and Brantford CMAs. Retrieved from [http://www.cmhc-schl.gc.ca/odpub/esub/64227/64227\\_2012\\_M01.pdf?fr=1338830133781](http://www.cmhc-schl.gc.ca/odpub/esub/64227/64227_2012_M01.pdf?fr=1338830133781)

<sup>426</sup> CMHC. (August 2009). "Housing Now - Hamilton and Brantford CMAs".

<sup>427</sup> Brantford-Brant Economic Development. (2010). Brantford Labour Market Report.

[http://www.brantfordbrant.com/Workforce/AvailableLabourForce/Documents/brantford\\_labour\\_market\\_report\\_Oct2010.pdf](http://www.brantfordbrant.com/Workforce/AvailableLabourForce/Documents/brantford_labour_market_report_Oct2010.pdf)

<sup>428</sup> CMHC. (January 2012). "Housing Now – Hamilton and Brantford CMAs." Retrieved from [http://www.cmhc-schl.gc.ca/odpub/esub/64227/64227\\_2012\\_M01.pdf?fr=1338830133781](http://www.cmhc-schl.gc.ca/odpub/esub/64227/64227_2012_M01.pdf?fr=1338830133781)

<sup>429</sup> Ibid.

The Brantford CMA will continue to experience challenges in its labour market in 2012. While job growth has continued at a steady pace, the growing labour force will put pressure on the unemployment rate. Still concentrated primarily in the manufacturing sector, the Brantford CMA is currently undergoing a transition to include more knowledge-based industries, but this change to a more diversified economy will take some time<sup>430</sup>.



## **Housing Trends**

2011 was a slower year for building permits in the City of Brantford. Developers and builders took out 911, down slightly from 1,054 permits in 2010. The total building permit value for 2011 was \$90,794,000, down from \$167,315,000 in 2010. 2010 was a record construction year for the City of Brantford, second only to 2005, when the building permit value was \$211.8 million<sup>431</sup>. Construction activity in 2011 was well above recession levels.

Accordingly, 2011 was a bit of a slower year for new home starts in the city. Brantford recorded a total of 305 housing starts in 2011, down from 402 the previous year. This is still significantly higher than the 238 starts recorded in 2009<sup>432</sup>. It's all about perspective – 2011 was a record year and it will be hard to compare to. Builders could not compete with the well-supplied and lower-priced resale market in 2011. The total number of single family units beginning construction in 2011 was 129, down from 197 in 2010. In 2011, 176 multi-family units began construction, down from 205 in 2010<sup>433</sup>.

Single-detached starts will remain the primary choice of buyers in the Brantford CMA, although townhouse starts will continue to grow in popularity in more urban areas. While single-family homes will remain dominant, expect to see a move towards different types of multi-family housing as single family home prices continue to rise as builders look for ways to make more efficient use of land<sup>434</sup>.

Home to four post secondary institutions, Brantford CMA also experiences a demand for student housing. The growth in university enrolment will also support the growing trend towards multi-family housing.



## **Sale and Rent**

Home sales in 2011 were spurred on by existing homeowners looking to capitalize on the equity gains from the sale of their former homes. The number of sales dropped slightly in 2011 (1,971 from 2,086 in 2010) as fewer first time home buyers entered the market, but the total dollar volume of sales was higher, indicating that the homes sold in 2011 were more expensive than the previous year<sup>435</sup>.

<sup>430</sup> CMHC. (October 2011) "Housing Market Outlook – Hamilton and Brantford CMAs." Retrieved from [http://www.cmhc-schl.gc.ca/odpub/esub/64303/64303\\_2011\\_B02.pdf?fr=1338832210514](http://www.cmhc-schl.gc.ca/odpub/esub/64303/64303_2011_B02.pdf?fr=1338832210514)

<sup>431</sup> Marion, M. (2011) "City building permits top \$167 million". *The Brantford Expositor*. Retrieved from <http://brantfordexpositor.ca/ArticleDisplay.aspx?e=2955490>

<sup>432</sup> CMHC. (January 2011). "Housing Now – Hamilton and Brantford CMAs." Retrieved from [http://www.cmhc-schl.gc.ca/odpub/esub/64227/64227\\_2011\\_M01.pdf?fr=1336681422783](http://www.cmhc-schl.gc.ca/odpub/esub/64227/64227_2011_M01.pdf?fr=1336681422783)

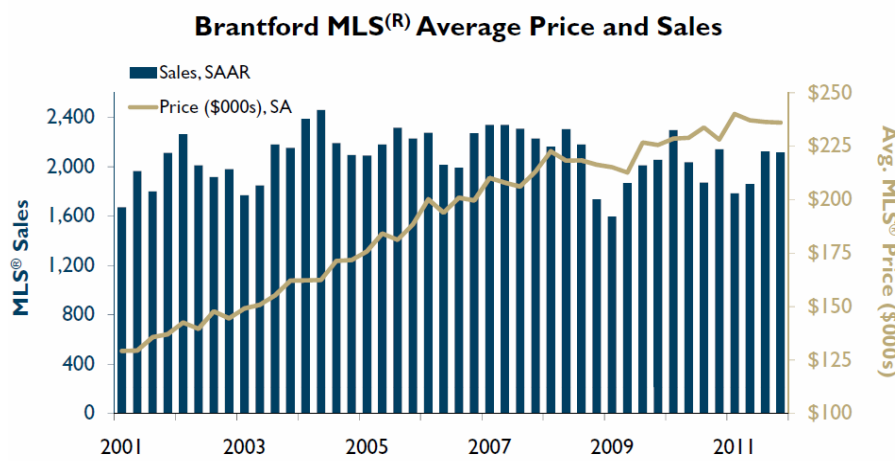
<sup>433</sup> CMHC. (January 2012). "Housing Now – Hamilton and Brantford CMAs." Retrieved from [http://www.cmhc-schl.gc.ca/odpub/esub/64227/64227\\_2012\\_M01.pdf?fr=1336680858281](http://www.cmhc-schl.gc.ca/odpub/esub/64227/64227_2012_M01.pdf?fr=1336680858281)

<sup>434</sup> CMHC. (October 2011). "Housing Market Outlook – Hamilton and Brantford CMAs." Retrieved from [http://www.cmhc-schl.gc.ca/odpub/esub/64303/64303\\_2011\\_B02.pdf?fr=1338832210514](http://www.cmhc-schl.gc.ca/odpub/esub/64303/64303_2011_B02.pdf?fr=1338832210514)

<sup>435</sup> CMHC. (January 2012). "Housing Now – Hamilton and Brantford CMAs." Retrieved from [http://www.cmhc-schl.gc.ca/odpub/esub/64227/64227\\_2011\\_M01.pdf?fr=1336681422783](http://www.cmhc-schl.gc.ca/odpub/esub/64227/64227_2011_M01.pdf?fr=1336681422783)

The average price a home in the Brantford region was \$237,283 in 2011, a 3.5% from \$229,678 in 2010. The average price for a newly built absorbed home was \$353,197, up from \$346,660 the previous year<sup>436</sup>.

The Brantford CMA resale market will be more balanced in 2012 as the sales-to-new-listings ratio moves lower. A more balanced resale market will mean an increase in the number of days a home is listed on the market and price growth is expected be moderate. Global market turmoil will dampen job prospects and average earnings, constraining overall average price growth. Average home prices are only forecast to rise one per cent in the Brantford CMA in 2012.<sup>437</sup>



With less renters moving into homeownership in 2012, rents continued their upwards trend in 2011. The average rent for a private apartment in the city was \$769 as of October 2011, up from \$753 in October 2010. The average monthly rent for a bachelor unit was \$654, up from \$592 in October 2010; a one bedroom apartment was \$726, an increase from \$695 the previous year; a two bedroom unit rented for \$792, up from \$778; and a three bedroom apartment averaged at \$900, up from \$839<sup>438</sup>.

Source: CMHC. (January 2012). *Housing Now – Hamilton and Brantford CMAs*.



## Vacancy Rates

The private apartment vacancy rate in the Brantford CMA experienced a decreased in 2011, with the overall vacancy rate sitting at 1.8% in October 2011, down from 3.7% in October 2010. Since the supply of rental units increased by less than 1% in 2011, strong rental demand was the main factor in declining vacancy rates. The vacancy rate for a one bedroom apartment was 2.1% in October 2011, a decrease from 4.3% the previous year; a two bedroom unit had a vacancy rate of 1.5%, down from 4%; and a three bedroom unit sat at 2.3%, up slightly from 1.8% in October 2010<sup>439</sup>.

Employment rose for young people aged 15 to 24 in the Brantford CMA last year, allowing many people in this age group to move out of their parent's homes and rent. During the same time period, employment for those aged 25 to 44 had still not recovered from pre-recession levels, meaning many people in this age category were unable to make the jump to homeownership<sup>440</sup>.

<sup>436</sup> Ibid.

<sup>437</sup> CMHC. (October 2012). "Housing Market Outlook – Hamilton and Brantford CMAs." Retrieved from [http://www.cmhc-schl.gc.ca/odpub/esub/64303/64303\\_2011\\_B02.pdf?fr=1338832210514](http://www.cmhc-schl.gc.ca/odpub/esub/64303/64303_2011_B02.pdf?fr=1338832210514)

<sup>438</sup> CMHC. (2010). Rental Market Report - Hamilton and Brantford CMAs. (October 2010).

<sup>439</sup> Ibid.

<sup>440</sup> Ibid.

Another factor in the CMA's decreasing vacancy rates is the increasing number of young people moving to the region to attend a post secondary institution<sup>441</sup>. With four post-secondary campuses located in the Brantford-Brant region, the student population is significant and will continue to grow in the foreseeable future.

The slower movement out of rental accommodation into home ownership is forecasted to keep more people in the rental market in 2012, further pushing down vacancy rates. With more people moving to the Brantford CMA for school, demand for rental units will rise, commanding higher average rents<sup>442</sup>.



## Economics

Strategically located in the heart of Canada's Golden Horseshoe, Brantford has a thriving business community. The completion of the Highway 403 section between Brantford and Ancaster in 1997 has proven to be a real advantage to the city's economy. Easy access to Hamilton, Toronto, and the United States have given many companies the incentive to put down roots in Brantford.

Recognized as a center for urban growth in the provincial growth plan, Brantford will continue to experience growth in all economic sectors. The current sectors pegged for growth in Brantford include: food manufacturing, plastics and rubber products, chemical manufacturing, machinery manufacturing, primary and fabricated metal, as well as products warehouse distribution<sup>443</sup>.

Top 10 Brantford Employers	
<b>OLG Brantford Casino</b>	900
<b>Ferrero Canada Ltd.</b>	800
<b>S.C. Johnson and Son Ltd.</b>	454
<b>NCO Financial Services</b>	450
<b>Western Waffles</b>	411
<b>Excel Canada (P&amp;G)</b>	410
<b>Apotex Pharmachem Inc.</b>	404
<b>Mitten Inc.</b>	350
<b>MYE Canada Operations Inc.</b>	350
<b>Maidstone Bakeries</b>	350
<i>Source: Brantford-Brant Economic Development. (2012). Quickfacts.</i>	

Brantford's largest employer is the Ontario Lottery and Gaming Corporation. The OLG employs 1,045 people through Casino Brantford. The casino has generated approximately \$360 million in economic benefits for the region since it first opened in 1999<sup>444</sup>. The casino recently underwent a \$38 million renovation and expansion, which included a 7,000 square foot addition and several new table games and slot machines<sup>445</sup>.

One of Brantford's largest employment sectors is manufacturing, accounting for approximately one fifth of all jobs<sup>446</sup>. Temporary plant closures and layoffs in the automotive industry as a result of the economic downturn affected unemployment in

the city, resulting in higher unemployment rates in the last couple of years.

A majority of Brantford's manufacturing companies are not involved in the automotive industry at all, which cushioned the city somewhat when compared to other municipalities reliant on the industry as their main source of income. Brantford's second largest employer is Ferrero Chocolates. Over 800 employees work at the plant<sup>447</sup>, where Ferrero produces such items like Ferrero Rocher chocolates, Nutella and Tic Tac. In September 2011, Ferrero announced plans to expand its Brantford facility. Designs have not yet been

<sup>441</sup> Ibid.

<sup>442</sup> Ibid.

<sup>443</sup> Brantford-Brant Economic Development. (2010). Quickfacts. [www.brantford.ca/Economic%20Development/Quickfacts\\_2010.pdf](http://www.brantford.ca/Economic%20Development/Quickfacts_2010.pdf)

<sup>444</sup> Marion, Michael-Allan. (2009). "OLG says it plans to proceed with \$26M casino upgrades". (January 7, 2009).

<sup>445</sup> Brantford-Brant Economic Development. (2010). Quickfacts. [www.brantford.ca/Economic%20Development/Quickfacts\\_2010.pdf](http://www.brantford.ca/Economic%20Development/Quickfacts_2010.pdf)

<sup>446</sup> CMHC. (2010). Rental Market Report - Hamilton and Brantford CMAs. (October 2010).

<sup>447</sup> Brantford-Brant Economic Development. (2010). Quickfacts. [www.brantford.ca/Economic%20Development/Quickfacts\\_2010.pdf](http://www.brantford.ca/Economic%20Development/Quickfacts_2010.pdf)

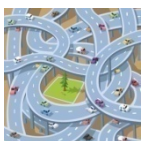


released, but the company owns enough land adjacent to the current facility to eventually double its capacity<sup>448</sup>.

Massilly Group, a leading supplier of metal food packaging products worldwide, recently announced plans to relocate from its existing North American facility in Mississauga to a larger one in Brantford. The company purchased the 207,317 square foot former home of Raymond Industrial Equipment at 406 Elgin Street – a \$14 million investment. Massilly currently employs 70 people and plans to expand when it moves to Brantford, creating around 15 new jobs for Brantford residents<sup>449</sup>.

The City of Brantford was thrilled to announce that Wipro Technologies, an IT and consulting firm, would make the city its Canadian headquarters in April 2012. The company began in India, but now has facilities all over the world. Located in what was once a call center in the Market Square building, the Brantford headquarters will handle technical support. The company is looking to hire 500 individual from the Brantford area over the next year<sup>450</sup>.

There are four universities and colleges located within the Brantford-Brant region, providing the city with a vibrant and younger population base and a great opportunity for investors. A recent study by the City of Brantford showed that the post-secondary institutions resulted in an economic impact of \$43.33 - \$58.5 million annually<sup>451</sup>. With the addition of Conestoga College to Brantford's downtown (covered in the infrastructure section) in the fall of 2012, this impact will only grow.



## Infrastructure

Downtown Brantford has been designated as an "Urban Growth Centre" by the Ontario government as part of its Places to Grow Act. The Act states that 40% of all new development must occur within the existing urban boundaries, which will result in many new construction projects being focused on building up instead of building out. Density is maxed out at 50 people per hectare, which will result in more high-rise condos, townhouses, and single-family units on smaller lots.

There are four universities and colleges located within the Brantford-Brant region and several other educational facilities in close proximity in surrounding cities. This provides a consistent flow of renters and is also an indicator of future potential growth of new businesses, as witnessed just north in the Technology Triangle region of the province. Brantford has four university/college satellite campuses located in its downtown core: Wilfred Laurier University, Mohawk College, Nipissing University, and most recently Conestoga College. The presence of these secondary institutions is expected to be primary catalysts for future investment and construction downtown<sup>452</sup>.

In 2009, Wilfred Laurier University's Brantford campus completed construction on a 80,000 square foot University Centre. The \$26 million building includes new classrooms, lecture halls, tutorial rooms, office space, a full service food court, and a university bookstore. The project also included 60 new residence spaces to

<sup>448</sup> Foodprocessing-technology.com. (2012). "Ferrero Confectionary, Production Plant, Ontario, Canada." Retrieved from <http://www.foodprocessing-technology.com/projects/ferrero/>

<sup>449</sup> Brantford-Brant Economic Development. (2012). "Business Updated – Spring/Summer 2012." Retrieved from [http://www.brantfordbrant.com/News/Publications/Documents/BU\\_SpringSummer2012\\_WEB.pdf](http://www.brantfordbrant.com/News/Publications/Documents/BU_SpringSummer2012_WEB.pdf)

<sup>450</sup> CTV News. (28 February 2012). "Wipro seeking hundreds of employees in Brantford." Retrieved from <http://swo.ctv.ca/servlet/an/local/CTVNews/20120228/wipro-technologies-jobs-hiring-brantford-120228/20120228?hub=SWOHome>

<sup>451</sup> City of Brantford. (7 February 2012). "Post-Secondary Economic Impact Study for Brantford & Area." Retrieved from [http://www.brantford.ca/news\\_room/news\\_releases/Pages/Post-SecondaryEconomicImpactStudyforBrantfordArea.aspx](http://www.brantford.ca/news_room/news_releases/Pages/Post-SecondaryEconomicImpactStudyforBrantfordArea.aspx)

<sup>452</sup> City of Brantford. (2010). "Invest in Brantford". <http://www.brantford.ca/business/InvestInBrantford/Pages/default.aspx>

keep up with the demands of first-year enrolment at the university<sup>453</sup>. The Centre is expected to help increase the university's enrolment to 2,500 from its current 1,900 in the next few years<sup>454</sup>.

Conestoga College will open a campus in downtown Brantford in September 2012. The college will offer a two-year business diploma program and a one-year post-graduate certificate in Human Resources Management. The college plans to offer additional programs in the areas of business, health, media, and community service in the future as enrolment grows. The college expects each program to attract 20 to 30 students this fall, a modest start, but the institution notes that Laurier's Brantford campus opened in 1999 with just 39 students and two full-time faculty members<sup>455</sup>.

The Wayne Gretzky Sports Centre in Brantford is also undergoing an extensive renovation and expansion project. The project is valued at over \$50 million and will receive contributions from all three levels of government. Demolition of parts of the old building is complete and construction of the four-pad arena has begun. The project includes the construction of a new 25 meter pool, an additional therapy pool, a fitness centre, a new dryland training arena, and a new football field. Work on the project is expected to be completed by the end of 2012<sup>456</sup>.



**Artist's Rendering of the Wayne Gretzky Sports Complex**

*Source: City of Brantford*



### **Top Investment Town**

The City of Brantford offers businesses great transportation links to both the Golden Horseshoe region and the United States. With access to 190 million potential customers located within a one-day drive and attractive real estate values, Brantford will continue to see more businesses choose to open a location in the city.

The four post-secondary institutions located in the Brantford-Brant area provide the region with a vibrant and younger population base and a great opportunity for investors. The city should witness a strong increase in average incomes, in-migration and diversification of the local economy.

The coming years will definitely be defining ones for this region. Relatively low house prices and an increase in average rents, combined with lowering vacancy rates line Brantford up as a great location for investing in real estate.



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<sup>453</sup> Ibid.

<sup>454</sup> Wilfred Laurier University. (2010). "Construction - Laurier Brantford's University Centre". [http://www.wlu.ca/page.php?grp\\_id=95&p=10333](http://www.wlu.ca/page.php?grp_id=95&p=10333)

<sup>455</sup> Ruby, M. (28 February 2012). "Conestoga hitches wagon to Brantford." Retrieved from <http://www.brantfordexpositor.ca/2012/02/27/conestoga-hitches-wagon-to-brantford>

<sup>456</sup> City of Brantford. (2012). "Wayne Gretzky Sports Centre Update". Retrieved from [http://www.brantford.ca/news\\_room/news\\_releases/Pages/WayneGretzkySportsCentreUpdate.aspx](http://www.brantford.ca/news_room/news_releases/Pages/WayneGretzkySportsCentreUpdate.aspx)



## Tier 2 Investment Regions

There are many regions and towns within the province of Ontario that can provide an investor with decent returns on real estate investments. Obviously, not all can make the Top Investment Towns list every year. Some regions just didn't measure up when the actual underlying economic fundamentals were reviewed and a minimum five-year time horizon was considered.

Many regions that seem to have great potential today and in fact are much talked about begin to pale when you begin projecting job growth, population growth, average income growth and property purchase prices out to 2017. That being said, a number of regions that did not quite make the Top Investment Towns did make the "Tier 2 Investment Regions." Carefully selected properties in these Tier 2 Regions can provide an investor with strong cash flow and opportunity for long-term equity appreciation, we just caution that you must have a very long-term investment horizon and be even more diligent on your investigations before moving forward.

These regions are not secondary or Tier 2 in any other way except for long term property investment potential. Of the hundreds of cities and towns in the province, these Tier 2 regions were specially selected for mention in this report as they were very close to making the main list. Some may not have made the list because of high housing values that preclude an investor from entering the market, vacancy rates that are a little too high, there is a lack of inventory for sale, infrastructure projects are too far from completion, or they are areas in transition that still have a ways to go before becoming great investment locations. Here is the list of towns our economic model has indicated as Tier 2 opportunities. Make sure you do that extra little bit of due diligence when purchasing in these towns:



### Markham

Jostled from its spot as one of our Top Ontario Investment Towns a few years ago, investors should exercise a bit more caution in the Markham market. The city was not immune to the economic downturn felt in the rest of the province, with even IBM, Markham's top employer, facing layoffs at its head office on Steeles Avenue<sup>457</sup>. However, the city was not as badly hit as other areas of the province, due to its diverse economy. Markham is home to more than 400 head offices and over 900 high tech and life sciences companies<sup>458</sup>. All that is needed for Markham to reappear on our Top Investment Towns list is a little bit of restructuring in the local economy.



### Mississauga

As the sixth largest city in Canada, Mississauga has a population of over 713,000<sup>459</sup>. Functioning as a gateway into Canada, the City is home to Lester B. Pearson International Airport, the largest and busiest airport in the country. Home to a University of Toronto satellite campus as well as Sheridan college<sup>460</sup>, Mississauga benefits from a large student population. While the City will definitely prove a great place to invest, the towns that made our Top Investment list just proved to be higher-level performers.

<sup>457</sup> Grasser, K. (22 January 2009). "IBM, Markham's biggest employer, confirms layoffs". *Yorkregion.com*. Retrieved from <http://www.yorkregion.ca/article/87093>

<sup>458</sup> City of Markham. (2009). "Economic Profile". Retrieved from [http://www.markham.ca/NR/rdonlyres/3A5704C2-14B8-4D87-BE6C-D3F748A56D7B/0/economicprofile\\_midear09.pdf](http://www.markham.ca/NR/rdonlyres/3A5704C2-14B8-4D87-BE6C-D3F748A56D7B/0/economicprofile_midear09.pdf)

<sup>459</sup> Statistics Canada. (2011). "Mississauga, Ontario" (Code 3521005) (table). 2011 Community Profiles. *2011 Census*. Retrieved from <http://www12.statcan.gc.ca/census-recensement/2011/dp-pd/prof/details/page.cfm?Lang=E&Geo1=CSD&Code1=3521005&Geo2=CD&Code2=3521&Data=Count&SearchText=mississauga&SearchType=Begin&SearchPR=01&B1=All&Custom=&TABID=1>

<sup>460</sup> City of Mississauga. (2010). "A great place to live." Retrieved from [http://www.mississauga.ca/file/COM/A\\_Great\\_Place\\_to\\_Live\\_2010.pdf](http://www.mississauga.ca/file/COM/A_Great_Place_to_Live_2010.pdf)



## Guelph

Located in one of the strongest economic regions of Canada, Guelph benefits from its proximity to Toronto. The city features a diverse economy with a strong presence in the agriculture, life science, environmental technology, technology economy, and advanced manufacturing sectors<sup>461</sup>.

With a skilled labour force of over 275,000 people, Guelph offers many opportunities for business. The city recently announced plans to build a transit system to meet the needs of the people working, living, and or studying in Guelph (the city is home to the University of Guelph, so those focused on student housing will certainly benefit from the combined transit and university). Currently in the study phase, the city's plans will establish a long-term growth strategy for transit services and investigate Bus Rapid Transit and Light Rail options<sup>462</sup>. With a population projected to hit 169,000 by 2031 (a growth of 43,230 residents from 2011)<sup>463</sup>, the city holds many opportunities for investors who perform their due diligence.



## Whitchurch-Stouffville

Previously on the Top Ontario Investment Towns list, Whitchurch-Stouffville just missed the mark this year. The city is trying hard to shed its image as a bedroom community for people working in the Greater Toronto Area. The big driver for the area will continue to be location and lifestyle, and from this growth we should witness an expanding local job base, rather than it continuing to service as a bedroom community for the surrounding cities. Whitchurch-Stouffville will go through the inevitable growing pains as diversification continues; however, there is no stopping Whitchurch-Stouffville from maturing into the city it can be. Both home buyers and investors will enjoy a strong, leading market in the coming years.



## St. Catharines

Located in southern Ontario, 19 kilometres from the nearest border crossing, the city has superb access to key U.S. markets. This city stands to benefit from the Niagara Peninsula GO Train Line when it is built. With some of the lowest housing prices in the province's major urban

centres<sup>464</sup>, St. Catharines proves to be a great place to invest.

<sup>461</sup> City of Guelph. (2011). "2011 Community Profile." Retrieved from <http://www.guelph.ca/uploads/business/2011%20Community%20Profile-revMar11.pdf>

<sup>462</sup> City of Guelph. (2010). "Guelph Transit Growth Strategy and Plan and Mobility Services Review". [http://guelph.ca/uploads/CDDS%20Engineering/Transit%20Growth/Guelph\\_Transit\\_Final\\_Report\\_.pdf](http://guelph.ca/uploads/CDDS%20Engineering/Transit%20Growth/Guelph_Transit_Final_Report_.pdf)

<sup>463</sup> City of Guelph. (2011). "2011 Community Profile." Retrieved from <http://www.guelph.ca/uploads/business/2011%20Community%20Profile-revMar11.pdf>

<sup>464</sup> City of St. Catharines. (2009). "Market Profile". [http://www.stcatharines.ca/forbusiness/ecodevt/eco\\_dev\\_market.asp](http://www.stcatharines.ca/forbusiness/ecodevt/eco_dev_market.asp)



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Don R. Campbell is a Canadian-based real estate investor, researcher, author and educator. He is founding partner of The Real Estate Investment

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Don is the author of the best-selling Canadian real estate book *Real Estate Investing in Canada*. Published in May 2005, with a combined total of over 100,000 copies of all his books sold, *Real Estate Investing in Canada* is the all-time best-selling real estate book in Canadian history. *Real Estate Investing in Canada 2.0* was released in 2009 with an update on current market conditions and includes a section on property management to help investors better manage their portfolios. Don's second book, *97 Tips for Canadian Real Estate Investors* was released in 2006 and became a #1 best-seller with over 20,000 copies sold. His third book, titled *51 Success Stories of Canadian Real Estate Investors*, chronicles real estate investors' stories and follows with detailed analyses of their journeys so that all investors can mirror the successes and avoid the pitfalls. *81 Financial and Tax Tips for the Canadian Real Estate Investor*, released in February 2010, is a practical, compact, and easy-to-understand guide to accounting and tax-saving strategies. Published in 2011, *Secrets of the Canadian Real Estate Cycle* enables investors to assess local markets and decide the best investment tactics based on the key factors that drive cycles. *Real Estate Joint Ventures: The Canadian Investors Guide to Raising Money and Getting Deals Done* was released in November 2011.

Don shares his analyses and strategies through the Real Estate Investment Network™ (REIN™) and his entertaining and informative presentations have been attended by thousands of real estate investors across North America, Europe, and Australia. His company's research and systems have been developed and continuously refined over the last twenty years and are based solely on proven Canadian strategies that work in today's market environment.

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Melanie joined REIN™ in 2006 as a research analyst and has contributed in many areas including Top Investment Towns; the Impact of Transportation Improvements on the Lower Mainland, Calgary, Edmonton and Greater Toronto and the Hamilton region; grow-ops and methamphetamine labs in rental housing and crime prevention through environmental design. Melanie holds a Master's Degree in Criminal Justice from California State University, San Bernardino and a Bachelor's Degree in Criminology from Simon Fraser University. She has worked with law enforcement agencies in southern California on many projects including a methamphetamine task force and Community Oriented Policing initiatives. In Canada, Melanie consulted with local transit agencies to help reduce crime at rapid transit stations along the Millennium line and has helped develop crime prevention and safety projects with various law enforcement agencies around the Lower Mainland.

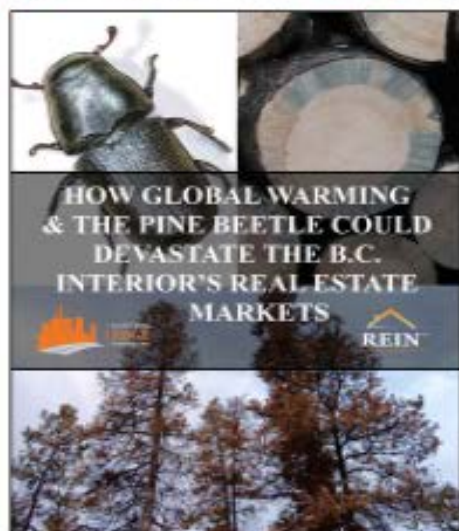
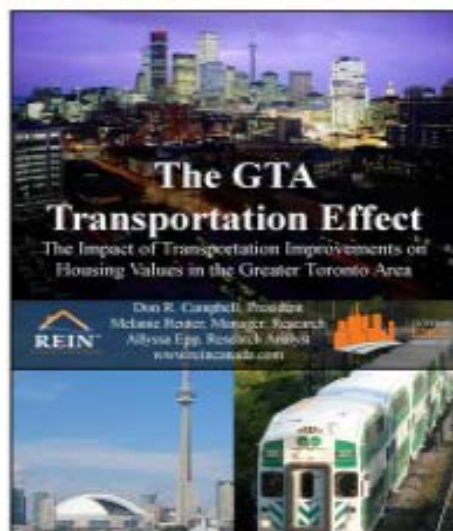
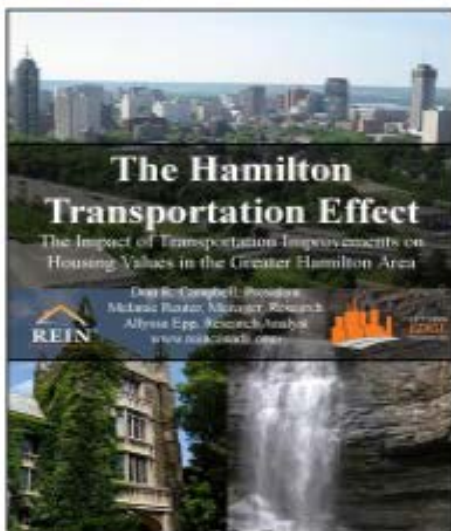
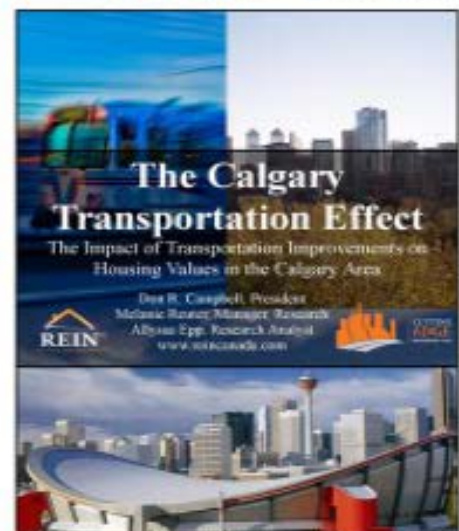
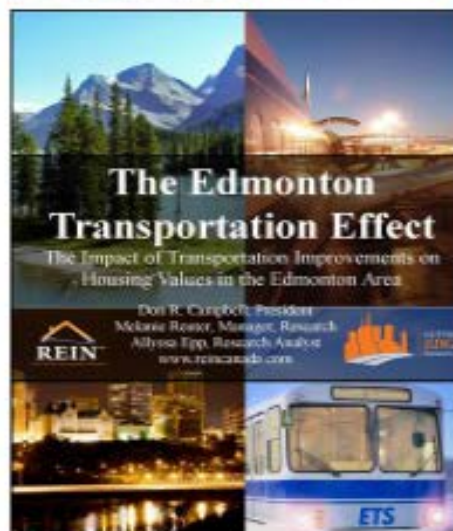
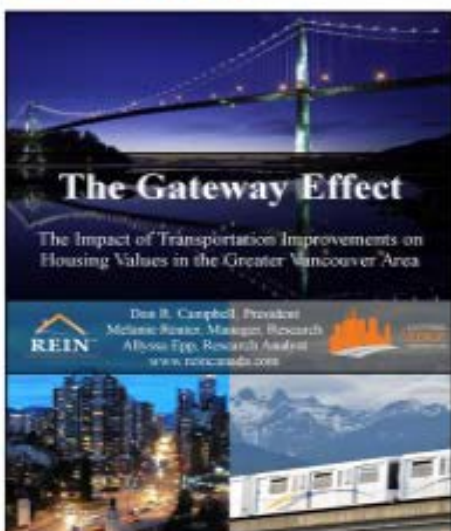
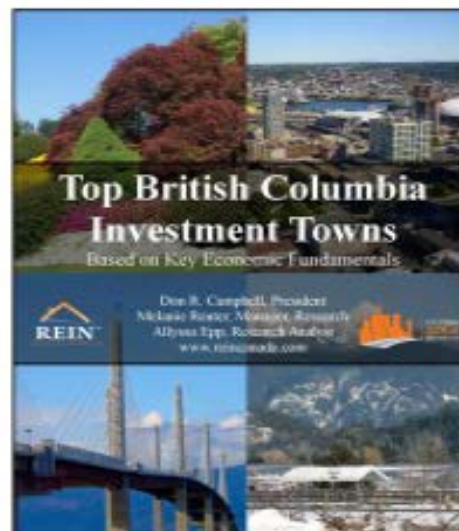
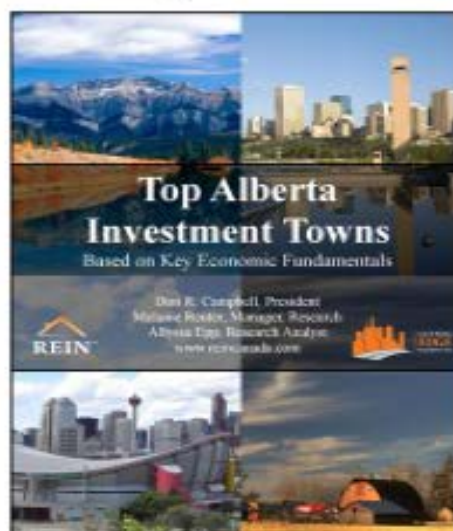
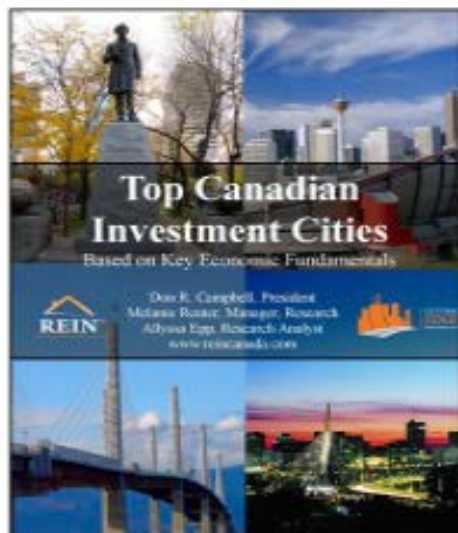
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Allyssa first joined the REIN™ team in 2008 as a research assistant. In the past four years, Allyssa has contributed to many of REIN's research reports, including: the Top Alberta Investment Towns report, Top Ontario Investment Towns report, the Gateway Effect, Calgary Transportation Effect, and Edmonton Transportation Effect. Since her addition to the REIN team™, the company has been able to produce several new cutting edge reports, including: the Top BC Investment Towns, Top Canadian Investment Towns, and Hamilton Transportation Effect. Her work has been published in the *Canadian Real Estate Magazine* on more than one occasion. Allyssa is currently pursuing her Bachelor of Business Administration Degree with a Communications minor at the University of the Fraser Valley.



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