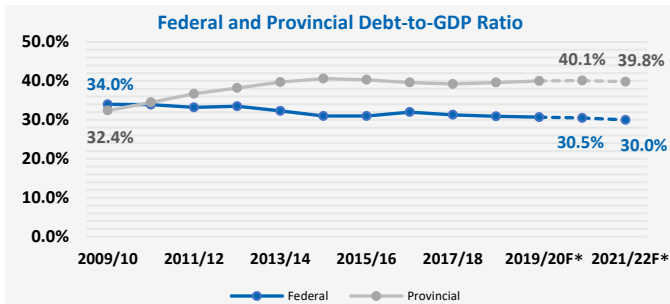


Peel's Economic Bulletin – 2019

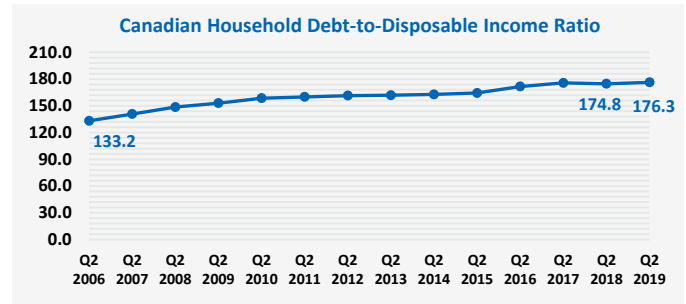
Macroeconomic Environment

- Continued Uncertainty, Slower Economic Growth and Heightened Expectations for an Economic Downturn
- Higher Employment and Record Low Unemployment Rate
- Low Inflation and Interest Rates
- Household Debt Remains Elevated
- Fiscal Deficit to Remain in the Medium Term



Source: Federal and Provincial Budgets

*F = Forecast



Source: STATCAN

IMPLICATION: Rapidly changing macroeconomic environment remains uncertain.

A Growing Population, Growing Labour Market and Lower Unemployment Rate in Peel

Population with Undercount
Q3 2019

1.49 Million

+0.7% ↑

Growth in population in all three local municipalities

Quarterly Average Labour Force
Q3 2019

933,000

+1.8% ↑

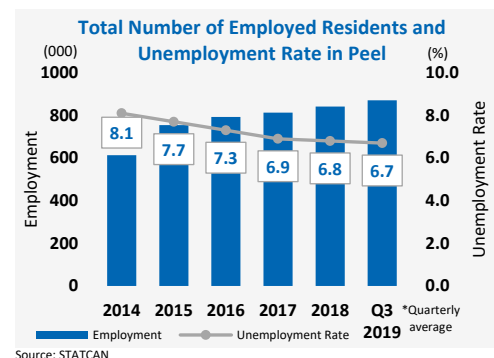
Residents working and looking for work is expanding

Quarterly Average Employed Labour Force
Q3 2019

870,000

+2.7% ↑

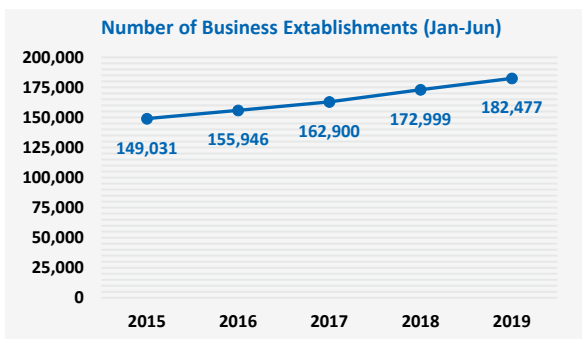
Residents who are successful in finding work is increasing



Source: STATCAN

IMPLICATION: Higher employment and lower unemployment rates will lower the demand for some Regional services.

Changing Business Sector



Source: STATCAN

68%

of business establishments have no employees

87.2%

of business establishments are in the service sector

12.8%

of business establishments are in the goods producing sector

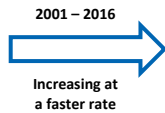
IMPLICATION: Changing nature of employment is a risk to municipal financial sustainability.

Peel's Economic Bulletin – 2019

The Changing Nature of Work – More Jobs Created in Peel are Home-based



34.7% increase in work from home jobs in Peel



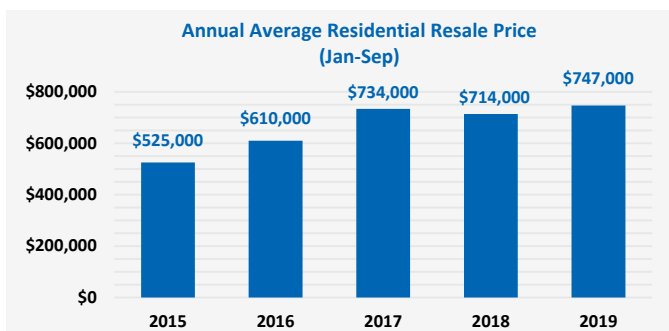
24.9% increase in total jobs created in Peel

Top Industries of Growth in Work from Home Jobs in Peel from 2001-2016	
Finance & Insurance	+103.4%
Transportation & Warehousing	+80.2%
Real Estate & Rental & Leasing	+80%

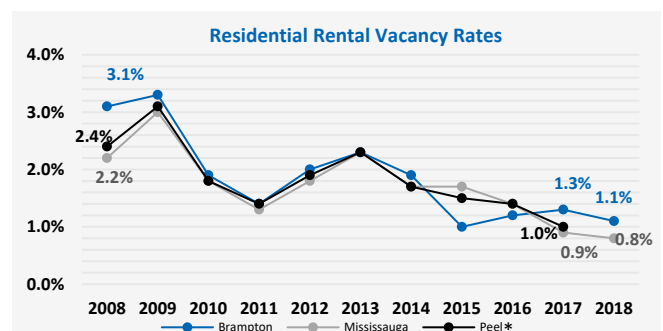
Source: STATCAN

IMPLICATION: Municipal revenues tools have not evolved to allow home-based workers to contribute to non-residential revenues.

Rising Cost of Housing



Source: Toronto Real Estate Board (TREB)



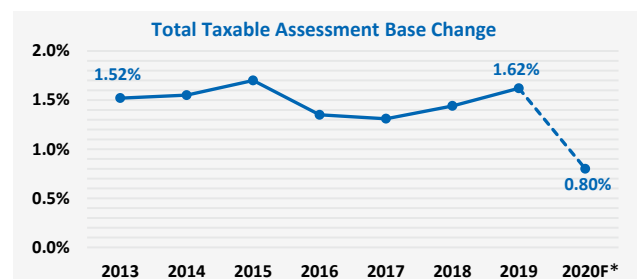
Source: Canadian Mortgage and Housing Corporation (CMHC)

*Peel data discontinued as of 2018

IMPLICATION: Demand for housing in Peel remains elevated.

Assessment Base Growth Slowed

Indicators	2013 - 2015	2016-2018	% Change
Average Annual Value of Building Permits Issued	\$3.55B	\$3.09B	-12.7% ↓
Average Annual Number of Housing Starts	6,355 Units	5,693 Units	-10.1% ↓



Source: Municipal Property Assessment Corporation (MPAC)

*F = Forecast

IMPLICATION: Lower assessment creates property tax pressures in the 2020 budget.

Ongoing and Emerging Risks

- Changing Legislative Environment
- Changing Nature of Employment
- Climate Change
- Aging Population

Adapting to Changing Economic Landscape

- Long Term Financial Planning Strategy
- Advocacy efforts on the risks to the changing nature of employment
- Housing Master Plan
- Climate Change Master Plan
- Growth Management Strategy