



2021

Halton Region
Economic Review





Message from Halton Regional Chair Gary Carr

On behalf of Regional Council, I am pleased to present the 2021 Economic Review.

While economies across the world have continued to feel the effects of COVID-19, our 2021 Economic Review points to a positive future for the region's economic growth and recovery. With more people and companies choosing to call Halton home, we saw significant business investment, a marked increase in residential and commercial construction and an improvement in our unemployment rate. Halton's recovery was bolstered by Halton's in-demand, highly skilled and predominantly professional labour force and the many supports available, including financial relief programs and advisory services to help local businesses navigate the pivots and changes.

Halton has continued to be a great place to do business. Here are some highlights from 2021:

- Total building permit construction value rose by 20 per cent to \$2.4 billion approved for development.
- Commercial building permit value increased by 51 per cent in 2021 and industrial construction value rose by 17 per cent – driven largely by an increase in warehouses and distribution centres.
- Halton's annual average unemployment rate was 6.5 per cent in 2021. This compares to a rate of 7.6 per cent for the Greater Toronto and Hamilton Area (GTHA), 8.3 per cent for Ontario and 7.7 per cent for Canada.

I also want to recognize our local business community. They have been challenged by uncertainties and restrictions and have shown remarkable resiliency. Our expert team of business advisors have been here since the beginning of the pandemic and will remain here to help businesses navigate the many local, Provincial and Federal supports available and find opportunities to succeed in the changing economy. This includes strategies to enhance digital presence, refine marketing tactics and keep in-person locations safe. Here are some Small Business Centre highlights from 2021:

- provided responses and supports to close to 6,000 inquiries;
- conducted over 1,000 one-on-one virtual consultations; and
- hosted more than 60 online workshops, webinars and events.

Our Global Business Centre has also provided assistance and guidance for those looking to export products and services to the U.S. and international markets, helping foster business creation and expansion in Canada and abroad.

I encourage you to read this year's Economic Review to learn more about investing in our regional economy. You can also visit the Invest Halton webpage on [halton.ca](https://www.halton.ca) to access our economic development services and supports for businesses. By maintaining a strong regional economy and helping businesses recover and succeed, we will keep Halton a great place to live, work, raise a family and retire.

Sincerely,

Gary Carr,
Halton Regional Chair

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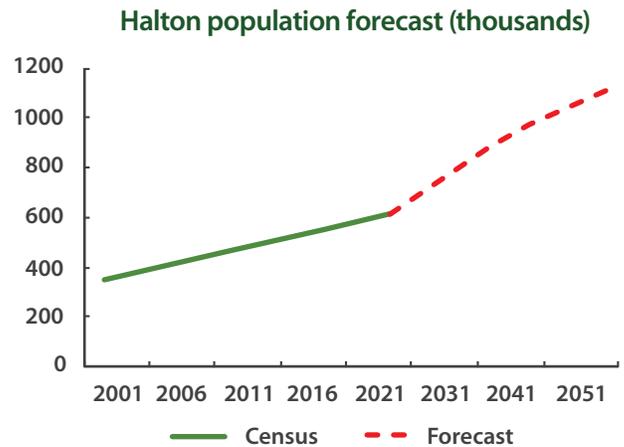
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haltonsbec.wordpress.com

A community poised for recovery and growth

Halton's prime location on the western edge of the Greater Toronto Area (GTA) and its proximity to major markets, highly educated workforce, abundant talent pipeline, and a diverse business community, positions Halton well for recovery and growth post COVID-19 pandemic. Halton has four communities: Burlington, Halton Hills, Milton and Oakville. With a population of approximately 600,000 residents, Halton is one of the fastest growing regions and most desirable communities to live in Canada.



Source: Statistics Canada Census and Places to Grow Plan



75%
Post-secondary attainment¹



234,800
Total jobs³



\$29.8B
GDP⁵



39.3
Average age¹



13,600
Number of employers³



#1
Lowest crime severity index in Canada⁴



\$139,315
Average household income¹



14,142 acres
Employment lands



969 km²
Land area



\$1,239,440
Average house price²



6.5%
Unemployment rate⁶



526 km²
Green space

1 Statistics Canada Census. 2016 estimate.

2 Toronto Real Estate Board (TREB). 2021 average.

3 Halton Region Employment Survey. 2021 estimate.

4 Of all Canadian municipalities with a population of 100,000 or more. Statistics Canada Crime Severity Index 2020.

5 Conference Board of Canada, 2020, 2021 forecast.

6 Statistics Canada Labour Force Survey. 2021 average.

Halton's economic highlights

6.5%

Halton unemployment rate in 2021

Lower than GTHA: 7.6%
Ontario: 8.3%
Canada: 7.7%

66.9%

Halton participation rate in 2021

Higher than GTHA: 66.2%
Ontario: 64.8%
Canada: 65.1%

\$2.4B

Total construction value in 2021

4.0M sq. ft.

Total non-residential floor area approved for construction in 2021

13,600

Total employers across Halton in 2021

234,800

Total jobs across Halton in 2021

Labour market

Halton's labour market stabilized in 2021, following a significant rise in unemployment in 2020 (9.3 per cent). Despite the ongoing waves of the COVID-19 pandemic that persisted throughout the past year, Halton's unemployment rate averaged 6.5 per cent, well below the broader Greater Toronto and Hamilton areas (GTHA), and provincial and federal rates. This is partly attributable to Halton's highly skilled, professional workforce that has been more easily able to shift to hybrid workforce models and work-from-home. Halton's labour force participation rate also increased in 2021, rising to an average of 66.9 per cent from 65.9 per cent in 2020. While both rates are positive signs of recovery in Halton's labour market, there is concern over the number of workers who have exited the workforce during the pandemic which are causing labour shortages in several sectors. In 2021, the number of Halton residents collecting employment insurance rose 145 per cent to reach over 14,750 adults.

Source: Statistics Canada Labour Force Survey, Census and Employment Insurance Statistics

Building and development

The pace of development across Halton continued to accelerate in 2021, with a 20 per cent rise in total construction value approved for development over 2020. Growth was driven by another strong year in residential development, which rose 20 per cent as well. In terms of non-residential construction in Halton, the construction value reached over \$584 million in 2021 with 4.0 million square feet of non-residential total floor area (TFA) approved for construction. Much of the rise in non-residential TFA was attributed to large distribution logistics warehouses in Halton's employment areas.

Source: Statistics Canada Building Permit Survey and Halton Region

Business and jobs

Halton is home to a growing business community in a diverse range of industry sectors; with clusters in engineering, automotive, technology, financial services, food processing, and logistics distribution. There were 13,600 employers across Halton in 2021, employing 234,800 workers. The COVID-19 pandemic, however, has had a significant and enduring impact on many in Halton's business community. Non-essential businesses subjected to varying requirements for closures and restrictions have seen rising debt loads, have reduced their workforces, and have been challenged with supply chain disruptions and economic uncertainty.

Source: Halton Region Employment Survey and Halton COVID-19 Business Recovery Survey

Halton's economic highlights

Halton Economic Indicators	2017	2020	2021	1-year change	5-year change
Population ¹	569,787	610,517	624,094	2.2%	9.5%
Population density (per square km) ²	588	630	644	2.2%	9.5%
Gross domestic product ³	\$26.8B	\$29.0B	\$29.8B	2.7%	11.3%
Unemployment rate ⁴	4.0%	9.3%	6.5%	-2.8pp	2.5pp
Participation rate ⁴	70.3%	65.9%	66.9%	1.0pp	-3.4pp
Employment ⁴	67.5%	59.8%	62.5%	2.7pp	-5.0pp
EI beneficiaries ⁵	3,657	6,031	14,774	145.0%	304.0%
Ontario Works caseload ⁶	2,031	2,000	2,171	8.6%	6.9%
Jobs ⁷	231,576	228,400	234,800	2.8%	1.4%
Employers ⁷	13,413	13,647	13,600	-0.3%	1.4%
Business bankruptcy ⁸	31	15	16	6.7%	-48.4%
Total construction ⁹	\$3.1B	\$2.0B	\$2.4B	19.7%	-21.8%
ICI* construction ⁹	\$810M	\$491M	\$584M	19.0%	-27.9%
Residential construction ⁹	\$2.2B	\$1.5B	\$1.8B	19.9%	-19.6%
Non-residential total floor area (ft ²) ¹⁰	2.4M	1.7M	4.0M	136.2%	63.8%
Industrial total floor area (ft ²) ¹⁰	937,083	1.1M	3.4M	213.0%	264.4%
Office total floor area (ft ²) ¹⁰	105,933	258,985	69,862	-73.0%	-34.1%
Retail total floor area (ft ²) ¹⁰	558,405	46,714	102,985	120.5%	-81.6%
Industrial availability ¹¹	6.8%	3.2%	1.5%	-1.7pp	-5.3pp
Office vacancy ¹²	18.6%	16.5%	21.5%	5.0pp	2.9pp
Housing sales ¹³	8,994	9,898	11,821	19.4%	31.4%
Housing price ¹³	\$893,301	\$996,930	\$1,239,440	24.3%	38.7%
Average days on market ¹⁴	21	20	12	-40.0%	-42.9%
Housing starts ¹⁴	5,212	4,238	4,604	8.6%	-11.7%
Housing completions ¹⁴	4,267	3,338	3,963	18.7%	-7.1%

Sources

- 1 Halton Region Best Planning Estimates
- 2 Based on 969 km² land area
- 3 Conference Board of Canada
- 4 Statistics Canada, Labour Force Survey
- 5 Statistics Canada, Employment Insurance Statistics
- 6 Employment Halton (monthly average)
- 7 Halton Region Employment Survey
- 8 Office of the Superintendent of Bankruptcy Canada
- 9 Statistics Canada, Building Permits Survey
- 10 Halton Region, Non-Residential Development Charges database
- 11 CBRE. Rate excludes Halton Hills in 2017
- 12 CBRE. Rates in Burlington and Oakville
- 13 TREB, Market Watch
- 14 CMHC Starts and Completions Survey

* Industrial/Commercial/Institutional

Industrial and commercial development and real estate activity

Halton's development and real estate market

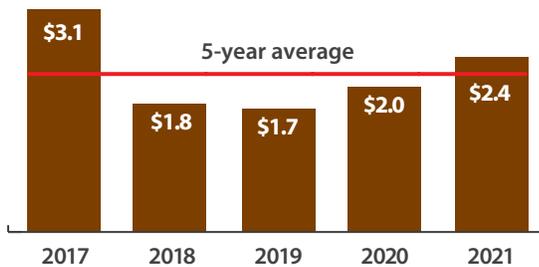
The pace and value of development across Halton continued to accelerate in 2021, with a 20 per cent rise in total construction value approved for development over 2020. Growth was driven by another strong year in residential development, which rose 20 per cent as well. Investment in non-residential development also grew in 2021 due to continued demand for industrial and warehouse distribution space in Halton's employment areas. Non-residential total floor area (TFA) associated with building permits issued in 2021 reached 4.0 million square feet, representing a 136 per cent increase over 2020 and above the 5-year average TFA in Halton of 3.0 million square feet per year.

Total construction

\$2.4B Halton's total building permit **construction value** in 2021.

\$10.9B Total building permit **construction value** in Halton over past 5 years.

Five-year trends in total construction value in Halton (billions)



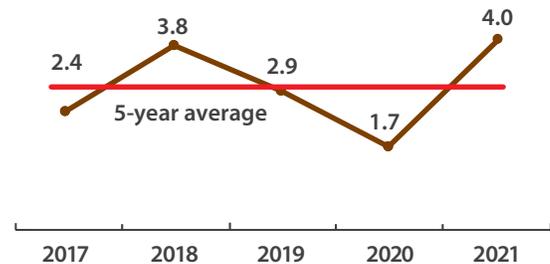
Source: Statistics Canada Building Permit Survey

Total floor area

4.0M sq. ft. Halton's non-residential **total floor area** approved for construction in 2021.

14.8M sq. ft. Halton's non-residential **total floor area** approved for construction over past 5 years.

Five-year trends in total non-residential floor area approved for construction in Halton (millions sq. ft.)



Source: Halton Region

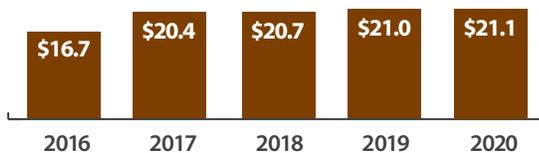


Industrial and commercial development and real estate activity

Non-residential assessment

Despite the COVID-19 pandemic, Halton Region continued to see year-over-year increase in non-residential assessment driven by the strong growth in industrial and commercial development. Over the past five years, non-residential assessment has grown 26 per cent to reach more than \$21.1 billion in 2020. Non-residential assessment accounted for 14 per cent of total current value assessment in the Region in 2020.

Non-residential property assessment in Halton, 2016-2020 (billions)



Source: Ontario Ministry of Municipal Affairs, Financial Information Returns

26%
Non-residential
assessment growth
over 5 years

Notable developments

Milton South Business Park – Four new industrial warehouses in Milton by Orlando Corporation

- 1820 Reading Court – To be occupied by General Mills Canada Corporation (\$41.3 million)
- 1890 Reading Court – Speculative (\$35.7 million)
- 1825 Reading Court – To be occupied by Princess Auto Distribution Centre (\$33.8 million)
- 1655 Reading Court – Speculative (\$29 million)

Bronte Creek Corporate Centre – New speculative industrial building in Burlington by Fengate Properties (\$25.5 million)

Parkway Logistics Centre – Two new industrial warehouses in Halton Hills by Triovest to be occupied by Innomar Strategies and Signode Packaging ULC (\$20.5 million)

Zeton – Addition to industrial facility in Oakville (\$19.2 million)

Summit Industrial Income REIT – Two new speculative industrial warehouses in Burlington (\$18.6 million)

Harvester Logistics Centre – New speculative industrial warehouse in Burlington by Hopewell Development (\$15.8 million)

Menkes Developments – New speculative multi-unit industrial facility in Milton (\$15 million)

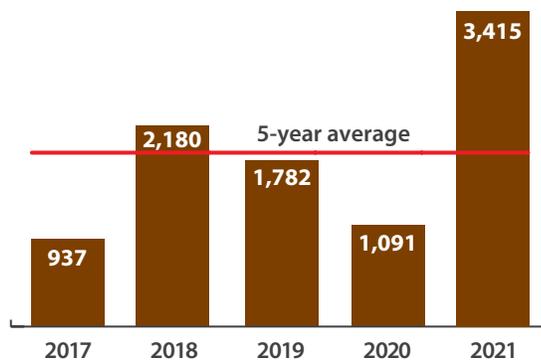


Industrial and commercial development and real estate activity

Industrial development

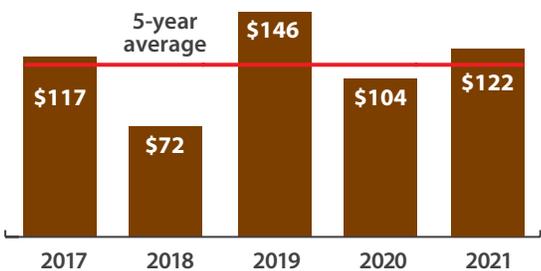
Total industrial floor area approved for construction across Halton increased sharply in 2021 from 1.1 million square feet in 2020 to just over 3.4 million square feet, driven by several large-scale distribution logistics developments that were initiated in 2021. Industrial building permit construction value also increased by 17 per cent in 2021 to \$122 million – above the five year average in Halton’s industrial construction value of \$112 million.

Five-year trends in industrial total floor area approved for construction (thousands sq. ft.)



Source: Halton Region

Five-year trends in industrial construction value in Halton (millions)



Source: Statistics Canada Building Permit Survey

Industrial real estate market

\$10.95/sq. ft. Halton industrial **average net rent** in 2021. Lower than GTA: \$11.38/sq. ft.

\$279.32/sq. ft. Halton industrial **average net sale price** in 2021. Lower than GTA: \$284.17/sq. ft.

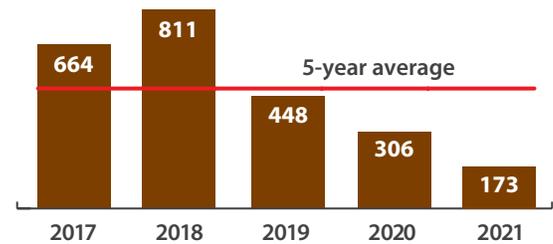
1.5% Halton industrial **availability rate** in 2021. Higher than GTA: 1.2%

1.7M sq. ft. Halton industrial floor area **absorbed** in 2021.

Commercial development

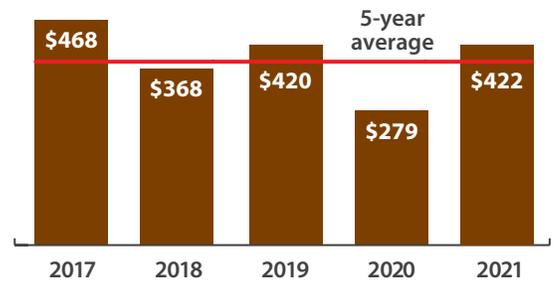
There was 69,862 square feet of office space approved for construction in 2021 and 102,985 square feet of retail, for a total of 172,847 square feet of new or expanded commercial real estate. This decline was attributable to a significant drop in the office sector, wherein total floor area approved in 2021 fell 73 per cent over 2020 as office employers continue to reexamine their space requirements in light of the COVID-19 pandemic. Overall, commercial building permit construction value totaled nearly \$422 million – above the five year average in Halton’s commercial construction value of \$391 million.

Five-year trends in commercial total floor area approved for construction (thousands sq. ft.)



Source: Halton Region

Five-year trends in commercial construction value in Halton (millions)



Source: Statistics Canada Building Permit Survey

Office real estate market*

\$17.70/sq. ft. Halton office **average net rent** in 2021. Lower than GTA: \$21.84/sq. ft.

21.5% Halton **office vacancy** in 2021. Higher than GTA: 13.3%

-247,519 sq. ft. Burlington and Oakville office floor area **absorbed** in 2021.

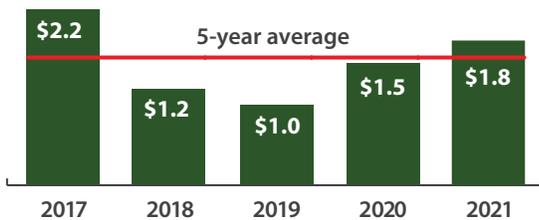
* Burlington and Oakville

Residential development and housing market

Halton continues to experience strong residential development and an in-demand housing resale market. There was just over \$1.8 billion in construction value for residential building permits issued in 2021 across Halton, representing a mix of both low, medium and high density housing stock. Over the past 5 years, there were nearly 19,900 new housing starts as well as over 19,200 housing completions within Halton, resulting in almost \$7.8 billion in residential development between 2017 and 2021. Halton's housing resale market has been equally robust over the past 5 years, with over 47,000 home sales during the period at an average price of approximately \$966,800. Halton's housing boom has resulted in a 38 per cent increase in Halton's property tax base since 2016, reaching just over \$130 billion in residential assessment in 2020.

Residential development

Five-year trends in residential construction value in Halton (billions)



Source: Statistics Canada Building Permit Survey

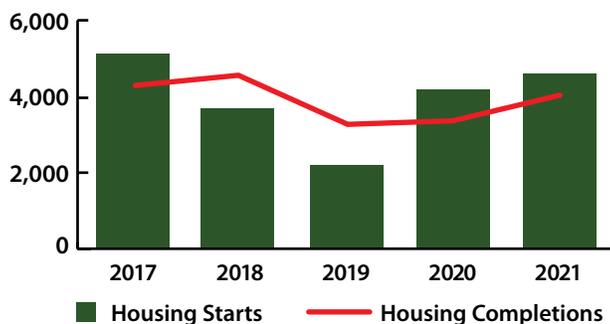
Five-year trends in residential property assessment in Halton (billions)



Source: Ontario Ministry of Municipal Affairs, Financial Information Returns

Housing market

Five-year trends in housing starts and completions in Halton



Source: CMHC Starts and Completions Survey

Five year trends in existing housing sales and average price in Halton



Source: Toronto Real Estate Board

Halton within the Greater Toronto and Hamilton Area

Development comparison

Across the Greater Toronto and Hamilton area (GTHA), Halton's market share of the \$28.5 billion in total building permit construction value remained relatively steady at 8 per cent in 2021. However, comparing Halton's total building permit construction value to those of other GTHA municipalities on a per capita basis adds perspective to the scale of development occurring in Halton. Per capita, Halton ranked third after York Region and the City of Toronto in total building permit value in the GTHA in 2021, reaching \$4,000 per capita. In terms of residential construction however, Halton held second place in 2021 behind York Region with \$3,021 in residential building permit construction value per capita.

GTHA comparison of total building permit construction value 2021 (per capita)



Source: Statistics Canada Building Permit Survey and 2021 Census

Investment attraction

The Greater Toronto and Hamilton Area (GTHA) continues to be a desirable location for development and business investment. Despite the COVID-19 pandemic significantly impacting trade flow and foreign direct investment (FDI) across all international markets in 2020, the Organisation for Economic Co-operation and Development (OECD) reported a rebound in global FDI during the first half of 2021, exceeding 2019 levels by 43 per cent.

Toronto Global

Foreign direct investment (FDI) is an important element in the growth of Halton's and the broader region's overall economies. Halton Region is a member of Toronto Global, which is an arms-length organization representing Greater Toronto Area (GTA) municipalities in lead generation and lead servicing activities to assist in bringing international investment to the GTA. Through Toronto Global, the unique value proposition of the GTA is marketed across key markets around the world, raising awareness and interest in bringing new investment to the GTA.

#DriveYourBusinessHere

In 2021, Halton Region partnered with Toronto Global on a regional investment attraction campaign for Halton, #DriveYourBusinessHere. This campaign featured the automation and e-mobility sector assets concentrated within Halton with a visually engaging, targeted paid digital display campaign along with direct outreach to more than

600 international companies that indicated a potential for global expansion and whose business, research and talent needs strongly align with Halton's automation and e-mobility assets. Large automation and e-mobility companies based in Halton were featured, such as Ford, Siemens, Eaton, and ABB. The campaign reached an international audience of over 16.8 million.

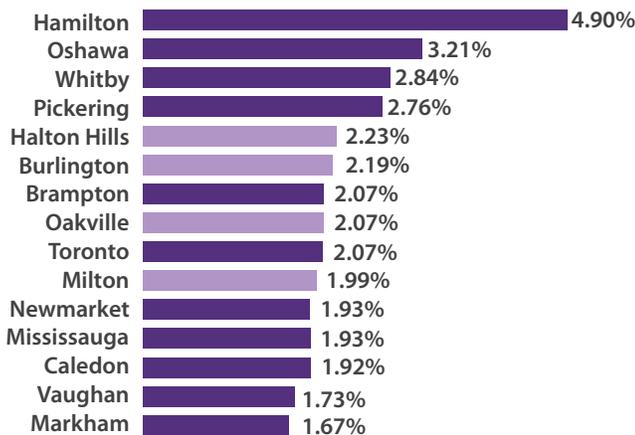


Halton within the Greater Toronto and Hamilton Area

Competitive costs

Halton Region has relatively competitive costs within the context of the Greater Toronto and Hamilton Area (GTHA). Halton's municipalities have among the lowest property tax rates within the GTHA and development charges, which in Halton Region are differentiated between retail and non-retail, are generally below the GTHA average for non-retail industrial and office development (i.e. industrial development charge chart below) and near the GTHA average for retail commercial development.

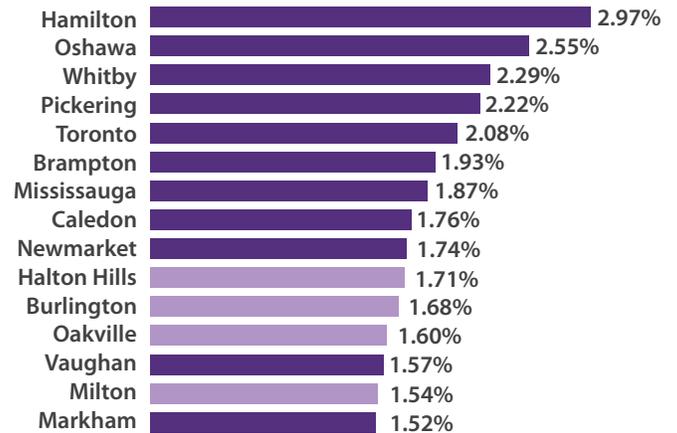
Industrial property tax rates across select GTHA municipalities in 2021



Source: BMA Municipal Study 2021.

Note: Industrial property tax rates are based on large industrial use (greater than 125,000 sq. ft.). Rates include municipal and education.

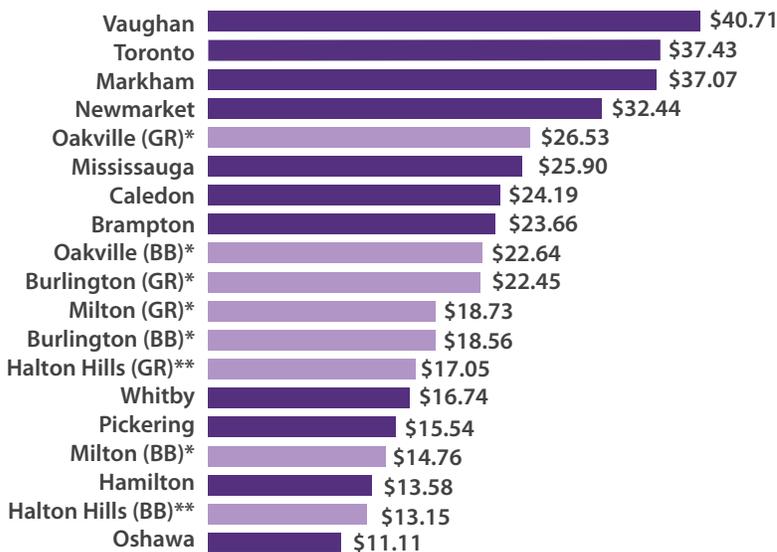
Office property tax rates across select GTHA municipalities in 2021



Source: BMA Municipal Study 2021.

Note: Office tax rates are based on commercial office building class. Rates include municipal and education.

Industrial development charge rates across select GTHA municipalities in 2021 (\$/sq. ft.)



(GR) Greenfield (BB) Built Boundary

Source: BMA Municipal Study 2021 and Region of Halton.

* Applies to non-retail (industrial & commercial office)

** Lower tier applies to non-retail (industrial only)

Office development charge rates across select GTHA municipalities in 2021 (\$/sq. ft.)



(GR) Greenfield (BB) Built Boundary

Source: BMA Municipal Study 2021 and Region of Halton.

* Applies to commercial retail

** Lower tier applies to non-industrial (commercial office and retail)

Preparing for the next phase of growth

Regional Official Plan Review

Halton's Regional Official Plan Review (ROPR) is currently in Phase 3 of the review process, which focuses on three key outcomes – policy directions, draft Regional Official Plan Amendments (ROPA), and a comprehensive update of the Regional Official Plan. These aspects of the ROPR will ensure that the Official Plan reflects the changes in Halton and remains consistent with the overall vision for growth in the Region. On July 6, 2021, ROPA 48 was adopted by Regional Council and defines the Regional Urban Structure. The Regional Urban Structure is a key premise for the Region's Integrated Growth Management Strategy, which will influence growth and development in Employment Areas.

In November 2021, Council also received the draft Preferred Growth Concept outlining how the Region will grow over the next 30 years. The Preferred Growth Concept will provide options for how Halton will be able to accommodate another 482,000 people and 222,000 jobs to meet the provincial requirement of 1,100,000 people and 500,000 jobs by 2051. Five Growth Concepts were put forth for consideration and explore various approaches for the Region to be able to achieve conformity with Provincial growth policies.

In February 2022, Council approved a motion directing staff to prepare a Regional Official Plan Amendment (ROPA 49) that advances a modified Preferred Growth Concept to accommodate growth in two phases:

- Population and employment growth before 2041 will be directed to the existing approved urban boundary.
- A clear framework will be provided for when and how planned growth between 2041 and 2051 should be distributed. This framework will be based on principles of minimizing land consumption, making the most efficient use of land and infrastructure, and achieving other principles of the Growth Plan.

Findings of the Affordable Housing Task Force, Natural Heritage and Water Resources Impact Assessment and Agricultural Impact Assessment are being considered in the preparation of the policy framework for growth post-2041. The specific distribution of growth post-2041 will be defined in a ROPA prior to, or in parallel, with the next statutory 5-year Official Plan review.

Infrastructure investment

The focus of Halton Region's infrastructure investment strategy is to ensure critical infrastructure is in place and existing assets are maintained to promote a high quality of life and economic growth in the Region. Plans to invest and deliver on capital improvement projects will ensure that the Region's strong economy will continue to leverage its competitive edge to remain a top-tier location for investment. The 2022 Halton Region Budget builds upon the objectives identified in the 2019-2022 Strategic Business Plan and presents detail around infrastructure-related future expenditure. In the Budget Plan, the Region's 10-year capital program has a projected cost of \$5.7 billion dollars between 2022 and 2031 and includes \$3.3 billion allocated to growth-related infrastructure. \$2.7 billion of the projected cost will also be directed to addressing the State-of-Good-Repair capital program for existing infrastructure.

The Capital Budget for 2022 is \$453.8 million, which is \$113.5 million higher than previously projected in the 2021 budget. Of the total 2022 budget, 45 per cent (\$206 million) is reserved for water and wastewater services, while 54.5 per cent is for the Region's transportation program.

2022-2031 capital infrastructure highlights include:

- \$48.2 million for Dundas Street – widening 4 to 6 lanes from Northampton to Appleby Line and from Tremaine Road to Bronte Road
- \$34.3 million for Tremaine Road – new 4 lane road from Steeles Avenue to Hwy 401 Interchange
- \$31.9 million for Wyecroft Road – extension east of Burloak Drive to Bronte Road
- \$26.3 million for Trafalgar Road – widening 4 to 6 lanes from Dundas Street to Britannia Road
- \$14.4 million for road resurfacing and related works
- \$7.1 million for Steeles Avenue – truck inspection station and widening from 4 to 6 Lanes from Regional Road 25 to Trafalgar Road

Employment lands

Halton Region aims to achieve sustainable economic prosperity for Halton through the provision of necessary infrastructure by the Region in support of the timely development of employment areas and Halton's economic base. Section 170 (3) of the Regional Official Plan outlines that it is the policy of the Region to ensure, through municipal comprehensive reviews and through provisions in Local Official Plans and Zoning By-laws, a ten-year supply of employment lands at all times for the Region as a whole. Further, under Section 170 (4.1) of the Regional Official Plan it is the policy of the Region to consider strategic investment in infrastructure to enhance the timely development of employment lands. These provisions help ensure that Halton is competitive for new industrial and commercial development opportunities.

The largest portion of employment land currently under or nearing development in Halton is concentrated in Milton's Derry Green Business Park and the Premier Gateway Business Park in Halton Hills. Both areas are primed to receive a significant portion of large-scale non-residential development in the Region over the next decade.

In 2021, office developments in Halton Region continued to be impacted by the COVID-19 pandemic and the increased prevalence of "work from home." Commercial office employment uses have slowed throughout the Region since 2020 and it is anticipated that this trend may continue until developers see more certainty in workplace patterns post-pandemic. However, while the pandemic may continue to slow office employment growth in the near-term, growth in this development class in Halton is expected to accelerate around strategic nodes and corridors and be a significant part of employment growth over the planning horizon.

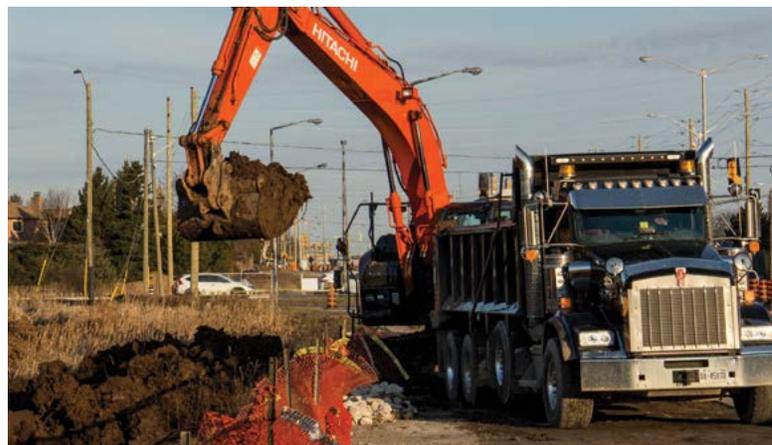
Halton non-residential development

Non-residential development continues to be strong for Halton Region. The current 2021 development pipeline forecast, as measured through development applications for non-residential buildings, includes 18 commercial, 34 industrial and 12 institutional applications underway which amount to over 11.7 million square feet of new non-residential development expected to be built in Halton. This prospective floor area increase is in addition to the approximately 5 million square feet of new non-residential development continuing through the application approval process from pre-2021.

Halton Employment Land Concierge

As outlined in Halton Region's Strategic Business Plan 2019-2022, the Employment Land Concierge service within Halton Region's Economic Development division aims to facilitate non-residential development and job growth in Halton Region. The employment land concierge service enhances the Region's continued focus on streamlining business processes to improve customer experience and the development review process, both of which are actions set out in the Strategic Business Plan.

Since its launch in early 2020, the Halton's employment land concierge service has aimed to provide a high level of customer service to proponents of commercial and industrial projects in the region. This includes supporting non-residential developments in the Region's development approval process by acting as an on-going liaison between applicants, staff, external agencies and other stakeholders. In its second year of operation, the concierge service saw success acting to facilitate communication, provide context to complex projects and work with internal and external stakeholders to identify balanced solutions to advance non-residential projects.



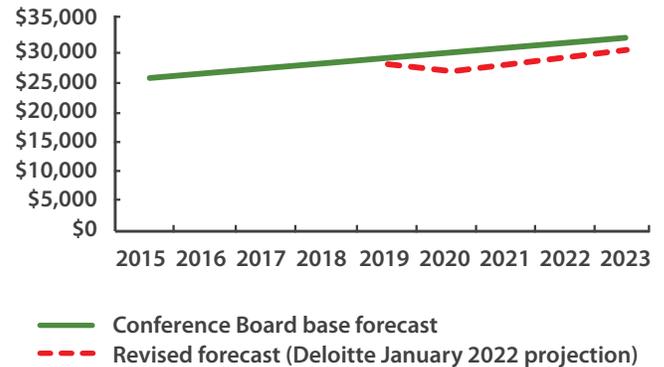
Halton's business community

Economic impact

The COVID-19 pandemic has had a significant economic impact across the country, with Gross Domestic Product (GDP) falling 5.2 per cent in 2020. Despite earlier forecasts of a speedy recovery beginning in 2021, Deloitte now estimates a more protracted economic stabilization due to the successive waves of the pandemic witnessed throughout 2021 resulting in stalled economic growth. Compounding challenges in economic recovery are labour shortages, inflation, and supply chain issues. Despite these challenges, however, consumer spending continues to rise and global demand is expected to remain strong, fuelling investment.

In Halton, a diversified industrial base and skilled labour force has long sustained a strong regional economy. Pre-pandemic, the Conference Board of Canada estimated that Halton's GDP would reach \$29.8 billion in 2021. Using the latest national forecasts reported by Deloitte as a proxy, however, it is reasonable to assume that Halton's economy contracted in a similar fashion in 2020 and economic recovery may last well into 2023.

Forecasted real GDP in Halton 2015-2023
(\$ millions 2007)



Source: Conference Board of Canada (revised using Deloitte Economic Outlook January 2022)

Halton COVID-19 Business Recovery Survey

In November 2021, the Region and the Local Municipalities surveyed Halton businesses on how the COVID-19 pandemic continues to impact their operations and to gain insight on what measures and/or supports would best aid businesses as they move towards reopening and recovery. Almost 700 responses were collected from Halton business owners in the "Halton COVID-19 Business Recovery Survey." Survey results indicate that the pandemic, including varying requirements for closures and restrictions, has had a significant and enduring impact on local businesses. Almost half of survey respondents reported being classified as non-essential during legislated closures throughout 2021 and these businesses were the most negatively impacted. Halton business owners expressed concern over supply chain and logistics disruptions, employee shortages and continuing economic uncertainty challenging their business recovery efforts.



Survey highlights

90% of Halton businesses deemed **non-essential** reported **declines in revenues**

77% of Halton businesses estimated it will take **over a year to recover to pre-pandemic** revenue levels

55% of Halton businesses have taken on **additional debt** since the pandemic began

34% of Halton businesses **decreased** their number of **paid staff**

37% of Halton business owners identified **supply chain or logistics disruptions** as their biggest challenge during recovery

49% of Halton business owners **altered their product offering or service delivery method**

50% of Halton businesses report receiving support from the **Canada Emergency Wage Subsidy** program



Top employers (private sector)

Ford Motor Company of Canada (Oakville Assembly Complex) – headquarters and automotive assembly, Oakville (3,700+ employees)

DSV Canada – headquarters and freight logistics, Milton (1,000+ employees)

Evertz Microsystems – headquarters and electronics manufacturing, Burlington (1,000+ employees)

Karmax Heavy Stamping (division of Magna) – automotive parts manufacturing, Milton (1,000+ employees)

Geotab – headquarters and telematics services and fleet management, Oakville (1,000+ employees)

Collins Aerospace – aerospace parts manufacturing, Oakville (1000+ employees)

Sofina Foods (Fearmans Pork) – meat processing, Burlington (950+ employees)

Modatek Systems (division of Magna) – automotive parts manufacturing, Milton (900+ employees)

Gordon Food Service – food and beverage distribution, Milton (900+ employees)

Siemens Canada – headquarters and engineering technology professional services, Oakville (700+ employees)

Business news and highlights

Although the COVID-19 pandemic continued to have significant negative impacts on Halton's business community and overall economy in 2021, there were numerous investment and business expansion announcements, new businesses were launched, and businesses continued to alter their operations in response to changing conditions and public health restrictions.

Halton Small Business Centre and Global Business Centre – Fostering businesses creation and expansion

In 2021, the Halton Small Business Centre continued to be actively engaged with local business organizations and assisted small business owners to respond to the challenges of the pandemic, navigate federal and provincial COVID-19 funding and grant programs, and create safe workplaces. The Small Business Centre assisted clients with updating business plans, and enhancing digital capabilities and marketing tactics to respond to the impacts of the pandemic. The Small Business Centre continued to work with new and aspiring entrepreneurs on their start-up journey through ongoing business advisory support and training.

In 2021, the Small Business Centre:

- Fielded 5,900 inquiries
- Conducted nearly 1,070 one-on-one virtual client consultations

- Awarded \$60,000 in start-up grants through the Starter Company Plus training, mentoring and grant program. 80 per cent of grant recipients were female founded businesses, and 25 per cent were new Canadians.
- Disbursed \$24,000 in start-up grants through the Summer Company training, mentoring and grant program for young entrepreneurs
- Hosted over 60 virtual workshops, seminars and events

The Centre delivered new programs for its clients that provided over 630 hours of mentoring and coaching to Halton entrepreneurs.

The Halton Global Business Centre (GBC) worked with numerous small businesses in 2021 to provide assistance and guidance for those exploring and undertaking exporting of products and services to the U.S. and international markets. The Global Business Centre also hosted an Export Summit, with representatives from Halton's business community, Invest Buffalo, and the provincial and federal governments.



Halton businesses transforming to compete in a digital world – Digital Main Street

Local Economic Development offices in partnership with the Digital Main Street program – a collaborative initiative led by FedDev Ontario and private partners – worked to help Halton small businesses adopt new technologies and improve their online presence. The program provides grants and free one-on-one support to help businesses compete digitally including developing a 'Google My Business' profile, utilizing social media and basic website and e-commerce set-up. In 2021 over 700 Halton businesses participated in the program with 139 businesses receiving grants totalling \$347,500.

2021 Business highlights

Spark Power announced new training initiatives at new campus in Oakville

Spark Power announced free training to upskill 500 electrical workers at their new state-of-the-art Spark Training Centre in Oakville. The company also announced support for students in under-represented populations and investment in outreach programs to promote electrical trades in Ontario.

AceAge Inc. received funding to scale its operations and hire 50 skilled employees

The Province announced support for the healthcare technology company that plans to grow its team to 70 employees with the addition of 50 skilled jobs in Burlington.

Terrestrial Energy Inc. announced plans to hire more highly skilled positions

Terrestrial Energy announced that it was recruiting for 27 highly skilled positions at its headquarters in Oakville and anticipated hiring 80 more engineers and scientists over the next 12 months.

Federal government announced support for Gerrie Electric to consolidate operations

Gerrie Electric received federal funding to help the company consolidate its distribution operations into a 76,000 sq. ft. facility in Burlington, hire 10 skilled jobs and maintain more than 450 jobs in Burlington.

Outcast Foods opened facility dedicated to upcycling waste stream food

Outcast Foods opened a new 45,000 sq. ft. manufacturing and distribution headquarters in Burlington. The plant is the world's first, purpose-built facility dedicated to upcycling the many different types of waste stream food.

Met-Tech received funding to develop a new process to recycle textile waste

Burlington-based Met-Tech Inc. received funding through the Canadian Plastics Innovation Challenge to develop a low-cost process to recycle more textile waste such as clothing.

Siemens opened first Canadian MindSphere Application Center

Siemens Canada opened its first Canadian MindSphere Application Center at its headquarters in Oakville. The Center is the first of its kind in North America to focus specifically on smart energy grids, intelligent buildings and industry digitization solutions.



The Pearle Hotel and Spa opened in Burlington

The Pearle Hotel and Spa opened in Burlington. The 151 room, 9-storey luxury hotel will employ 300 at full capacity and offers 11,000 sq. ft. commercial space with spa, restaurant, cafe and other amenities as well as 10,000 sq. ft. of meeting space that can accommodate functions of up to 586 guests.

Business news and highlights



Province announced support for the expansion of postsecondary education and long-term care in Milton

The Province announced support for a new Laurier University and Conestoga campus and Schlegel Villages long-term care facility and space for a potential hospice by the Townsend Smith Foundation at the Milton Education Village. The new campus is expected to open in 2024 and accommodate 6,700 students.

Endress+Hauser opened new Customer Experience Centre in Burlington

Endress+Hauser Canada Ltd. moved into its new 47,000 sq. ft. state-of-the-art Customer Experience Centre. The Centre is the company's new \$28-million platform in Canada for showcasing its best-in-class instrumentation technology.

Kerr's Candy moved into new state-of-the-art facility

Kerr's Candy moved into their new state-of-the-art production, packaging, and distribution facility in Oakville. The company plans to expand by adding 15 to 20 positions over the next year.



Invest Halton

Investment, insight and concierge services

- Employment Land Concierge services
- Investment and site selection assistance
- Coordination of site visits and tours
- Statistics on Halton's economy and demographics
- Business expansion and relocation assistance
- Employment land development monitoring
- Industry and workforce analysis
- Liaison between government agencies, industry organizations and local businesses



Halton Small Business Centre

Entrepreneurship services

- One-on-one business consulting and coaching
- Assistance with business and name registration
- Information about government programs and funding opportunities
- Seminars, mentoring and grant programs
- Youth entrepreneur programs
- Resources, templates, publications and business directories



Halton Global Business Centre

Export and import services

- Free one-on-one export counseling and market entry support
- Workshops, seminars and entrepreneurship programs
- Information and referrals to government agencies and programs
- Networking opportunities
- Tools and resources



