



ICT & Digital Media

Raise your game



Halton is home to a diverse
technology ecosystem
where you can innovate
and grow.

Let us show you

halton.ca/investinhalton

Halton is the ideal location for ICT and digital media firms.



Why Halton is your best choice for relocation or expansion:

- abundant talent
- specialized resources
- global business cluster
- central location within Ontario's technology corridor
- access to a diverse set of businesses that rely on innovative Information and Communication Technology (ICT) solutions

Learn what makes Halton the premium choice for ICT and Digital Media firms...



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Market overview

One of the safest and most affluent areas in Canada, Halton has four communities: Burlington, Halton Hills, Milton and Oakville. With a population exceeding half a million people, Halton is part of Canada's largest metropolitan area, the Greater Toronto Area (GTA), which is home to more than 5.5 million people.

Canada's financial and business hub, the GTA is at the centre of a broader, still-rapidly-expanding economic region known as the Greater Golden Horseshoe (GGH). The population of this mega-region is 8.5 million—approximately one quarter of Canada's total population. The GGH is destined for strong growth, with the population expected to reach 13.5 million by 2041.

Halton had a growth rate of 14.2 per cent from 2006 to 2011, three times the City of Toronto and ahead of most other regions in the GTA. Strategically situated on the western side of the GTA, Halton is the region with the most rapid urban expansion and the best access to major regional and international transportation routes.

A premium of choice for ICT and Digital Media firms, Halton is renowned for having:

- a diverse and global business environment;
- a competitive cost of doing business;
- proximity to international airports and transportation; and
- one of the world's most livable communities.



Halton is located in Canada's Greater Golden Horseshoe between Toronto and the border to the United States. The four municipalities in Halton include: The City of Burlington and the Towns of Halton Hills, Milton and Oakville.

The information and communication technology (ICT) sector

Canada boasts a robust ICT sector, with a depth of talent in growing areas such as software development, computer equipment manufacturing, systems design, cloud computing and mobile technologies.

Canada has been a consistent global leader in the ICT sector. In 2013, Canada's ICT sector:

- comprised about 37,000 companies,
- generated \$160 billion in revenues,
- contributed \$70 billion to Canada's gross domestic product (GDP);
- employed approximately 531,000 workers, earning an average of \$70 thousand per year; and
- invested \$5 billion in research and development (R&D), which accounted for 32 per cent of all Canadian R&D expenditures.

Global Fortune 500 companies such as EMC2 and L3 Wescam have established headquarters and dedicated centres of excellence in Halton.

The Toronto area is Canada's largest information and communication technology cluster, employing half of the country's ICT workers. Some 11,500 ICT firms with 161,000 employees operate in the Toronto region, accounting for a third of the country's ICT sector.

Halton is home to a diverse and evolving ICT sector, including more than 300 firms.

The ICT sector in this region has remarkable breadth, covering a wide range of IT specializations:

- Software and systems design
- E-Commerce and FinTech
- Digital security
- Wireless technologies
- Cloud computing

ICT companies in Halton are at the centre of the wider GTA market that covers a diverse range of industries in manufacturing, finance and insurance, engineering, logistics, and, health care. These industries look to the ICT sector as an important enabler of innovation and growth and offer ICT firms opportunities to market proprietary systems and solutions here in Canada and abroad.

Halton raises the game when it comes to its desirability as a location for ICT-related companies in the Greater Toronto Area.

Notable ICT companies with a strong presence in Halton include:

- EMC2 (Fortune 500)
- ON Semiconductor
- Evertz Microsystems
- SEMTECH
- CPI Canada
- L-3 WESCAM (Fortune 500)



The digital media and gaming sectors

The strength of Canada's digital media sector comes from its exceptional talent in the film, animation, visual effects and video gaming industries.

The Canadian digital media industry employs more than 52,000 professionals and has annual revenues estimated between \$3.5 and \$5.1 billion.

Canada now has the third largest video game industry in the world (second only to the U.S. and Japan) and first on a per capita basis.

The Canadian video game industry is just one ICT niche market that is experiencing tremendous success and growth. In 2012, the industry generated over \$2.3 billion in GDP for the Canadian economy and directly spent approximately \$1.6 billion, up 12.5 per cent from 2010. The Canadian entertainment software industry employs over 16,500 employees, up 5 per cent from 2011.

Visual effects technology from Toronto has been used in hundreds of Hollywood movies, making the Greater Toronto Area (GTA), including Halton, a global content creation hub.

Halton is also home to leading gaming companies such as Rockstar Toronto, located in Oakville. Rockstar games, including Grand Theft Auto and Max Payne, are developed in part at the Halton facility. This facility was recently expanded by merging Rockstar Vancouver with its Oakville studio.

Notable digital media companies with an extensive presence in Halton include:

- Rockstar Toronto
- Yakidoo
- Javelin Technologies
- Pelmorex Media
- Creative Bube Tube



Toronto offers the most competitive environment in the world for video game production, according to KPMG (see Exhibit 1)

Exhibit 1

Relative cost competitiveness of video game production
US Average = 100.0 (baseline)

Toronto	84.7	San Francisco	101.5
Shreveport	88.2	UK	104.4
Lafayette	95.2	Netherlands	105.9
Cincinnati	98.4	France	106.0
Albuquerque	98.4	Australia	108.6
Austin	98.8	Italy	112.9
Los Angeles	98.8	Japan	98.8
New York	98.8		

Source: Competitive Alternatives KPMG

Diverse, strong economy

With a strong core and rapidly growing suburban business clusters, the GTA is Canada's business and financial epicentre. Halton has enjoyed sustained population and economic expansion in its location on the western edge of the GTA, the area best positioned for continued growth.

Canada distinguished itself as having a sound financial system and a diverse economy because it came through the 2008 global downturn in a better position than most economies:

- Canada ranks second in Bloomberg's 2014 ratings of the most attractive countries for business, ahead of the U.S., which placed third.
- Canada places fourth in the Economist Intelligence Unit's list of the best countries in which to do business in 2014-2018, ahead of Australia, Sweden, and the U.S.
- In Forbes listing of the Best Countries for Business, Canada was eighth compared to the U.S. at 14.

Halton has enjoyed sustained population and economic expansion in its location on the western edge of the GTA, the area best positioned for continued growth.

Halton is a particularly attractive local economy within Canada and Ontario, exhibiting strong development, business and labour growth:

- Over the past decade, \$5.9 billion has been invested in non-residential development with over 40 million square feet of industrial and commercial space built.
- Approximately 13,200 businesses are located in Halton, employing over 218,000 workers.
- Halton has a highly educated labour force of over 281,000 people.
- Halton has been in a position of full employment (unemployment rate below 6 percent) since 2012. In 2014, Halton's unemployment rate was 4.4 percent, the lowest in Ontario, and Halton's participation rate was 73.6%, the strongest in Canada.

Why Halton sets the standard

Halton ranks highly for several important site selector criteria including:

1. Diverse, strong economy
2. Deep labour pool
3. Proximity to world-class post-secondary institutions
4. Low cost of doing business
5. Incentives to innovate
6. Regional and global connections
7. Market access
8. Robust office market



Deep labour pool

Businesses in Halton have access to the world's most educated pool of prospective employees. Halton's resident labour force currently stands at over 281,000 people, with an additional 4.5 million within easy commuting distance.

According to recent statistics, the percentage of Halton residents with post-secondary education was 74 per cent in 2011, well above the averages for Ontario (65 per cent) and Canada (64 per cent).

On the world stage, the Organisation for Economic Co-operation and Development reports that Canada has the highest percentage of adults holding a tertiary education among all member countries.

A significant portion of Halton's ICT professionals commute daily to workplaces outside the region (see Exhibit 2), representing an opportunity for Halton firms to attract and retain talent.



Halton's vibrant ICT and digital media ecosystem, and the talent they support, put Halton over the top as a desirable location to do business. Talent is attracted to the region for its high quality lifestyle, safe community and affordable cost of living.

Exhibit 2

Information and communication technologies/digital media commuting flow compared to employment within Halton

Segment	Reside in Halton	Employed in Halton	Net outflow (Inflow) from Halton
Computer & electronic products manufacturing	2,090	2,235	(145)
Software publishers	535	325	210
Motion picture & sound recording	1,010	625	385
Broadcasting	830	525	305
Telecommunications services	3,080	1,825	1,255
Data processing, hosting, and related services	335	160	175
Other information services	795	620	175
Specialized design services	1,265	1,100	165
Computer systems design and related services	5,655	4,240	1,415
Advertising, public relations, and related services	2,035	1,135	900
TOTAL	17,630	12,790	4,840

Source: Census 2011, OMAFRA Analyst Program

Proximity to world-class education

Halton is located at the centre of an education triangle, which is home to some of Canada's largest post-secondary institutions. The region is also home to world-renowned Sheridan College and McMaster University's DeGroote School of Business. Our next generation of employees is graduating from institutions of higher learning nearby.

In total, there are 11 universities and nine colleges within a one-hour drive or less. No other Canadian location has such close proximity to so many leading educational institutions. Universities within one hour of Halton include:

- University of Toronto
 - including Mississauga campus
- McMaster University
 - including DeGroote School of Business
- University of Waterloo
- University of Guelph
- Ryerson University
- York University
- Wilfrid Laurier University
- Brock University
- OCAD University
- University of Ontario Institute of Technology
- Michener Institute

Each year, nearly 5,000 students from surrounding universities receive degrees (bachelor's, master's or doctorates) in engineering, in addition to significant graduates in the disciplines of computer science, mathematics and physical sciences (see Exhibit 2). This is even more significant when one considers the high standards being set in Ontario through its rigorous apprenticeship and trades programs.

In addition, Canada leads all G-7 countries in the level of R&D funding in post-secondary education as a share of GDP. This makes Halton's location in the education triangle particularly advantageous to engineering-centred businesses.

Canadian government granting agencies, such as the Natural Sciences and Engineering Research Council (NSERC), favour projects where private sector or other non-governmental partners are involved and are making cash or in-kind contributions to the projects undertaken by university researchers.

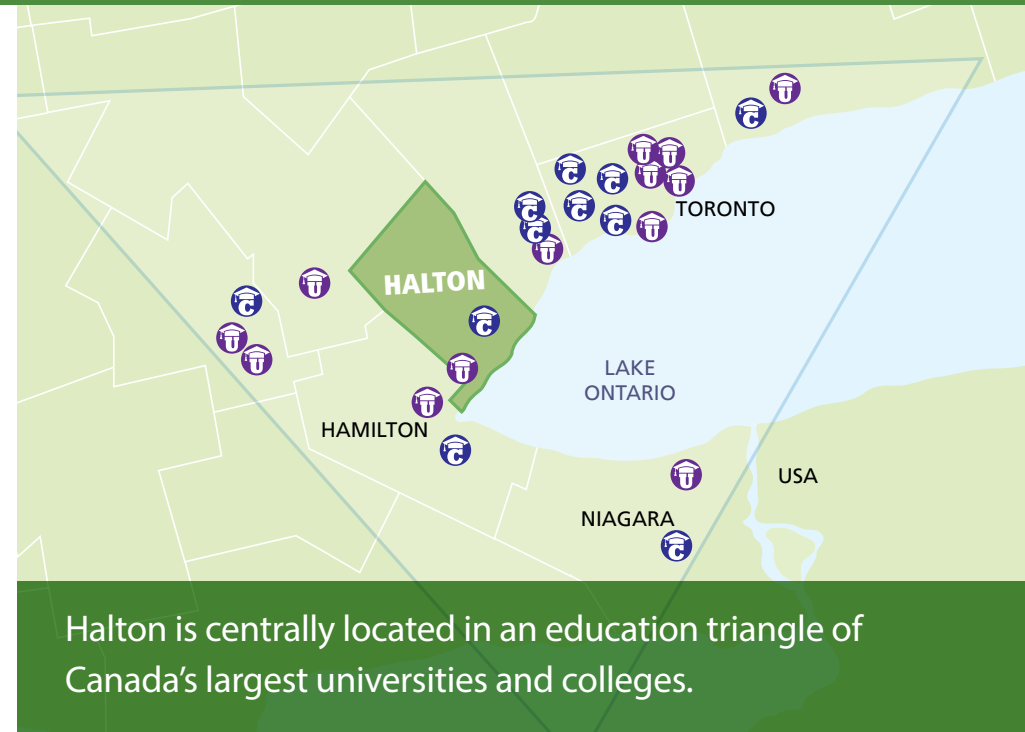


Exhibit 2

Number of graduates from select south-central Ontario universities (within one hour drive of Halton), 2012 –2013

Program of study	Bachelor's degrees	Master's degrees	Doctoral degrees	Top sources
Business & Commerce	6,888	2,229	29	Toronto, York, Ryerson, Laurier
Computer Science	751	155	64	Waterloo, Toronto, York, Ryerson
Engineering	3,118	1,355	314	Waterloo, Toronto, McMaster, Ryerson
Fine & Applied Arts	2,535	303	35	OCAD, York, Ryerson, Toronto
Mathematics	1,080	285	62	Waterloo, Toronto, York, McMaster

Source: Common University Data Ontario, Council of Ontario Universities

Halton's Sheridan College

Coined the “Harvard” of animation, Sheridan College in Halton produces high demand graduates and helps fuel the animation and gaming industry internationally.

For nearly half a century, Sheridan College in Oakville has been attracting students from across Canada and around the world. Sheridan has grown from its roots as a local college of 400 students to one of Ontario's leading post-secondary institutions, educating over 50,000 students every year. Over that time, Sheridan has come to be recognized as a leader in animation and arts and design. Since 1985, top Sheridan graduates in their fields have gone on to receive nominations and Academy Awards and Emmys since 1985.

Ranked #1 animation school in the world

According to the Animation Career Review, Sheridan College ranks first in the world in their Top 100 Schools for Animation listings, beating out CalArts, Gobelins, SCAD, Dave School and VanArts. In the highly competitive animation and gaming industry, access to the best talent is critical. Sheridan's award-winning graduates have gone on in high numbers to companies like Pixar, Disney, Lucasfilm and many other prominent studios. In fact, most graduates have their choice of destination. Locating in Halton with access to the best of the best in digital animation will give digital media companies the competitive edge they need to rise to the top.



“When we surveyed the top animation employers...to see what the most sought-after graduate are, ALL of them said they would love to get their hands on a Sheridan College animation graduate.”

– Animation Career Review

Low cost of doing business

According to Competitive Alternatives, *KPMG's Guide to International Business Location Costs* (2014 edition), the Greater Toronto Area's (GTA) average costs of doing business across a range of sectors are lower than all 31 counterpart U.S. cities having a population of two million or more.

The combined Federal-Ontario rate of 25.6 per cent is more than 12 percentage points below the U.S. average, and the GTA has the lowest total corporate tax burden among 51 major cities in 10 countries, according to the KPMG report (see *Exhibit 4*).

The Ontario government has budgeted \$2.5 billion over 10 years for business support programs to attract new investment.

Within the GTA, Halton offers competitive property tax rates compared to the rest of the market—making it an ideal location within one of the world's best regions to do business.



Exhibit 4

Relative Corporate Taxes Payable Total Tax Index
Major US Cities Average = 100.0 (baseline)

Toronto	51.6	Cincinnati (US)	73.5	Detroit (US)	90.0	Los Angeles (US)	100.1
CANADA (Average)	53.6	London (UK)	75.0	Houston (US)	93.2	Melbourne (AU)	111.0
Vancouver	54.5	Cleveland (US)	80.2	Chicago (US)	93.9	New York City (US)	111.8
Montreal	55.6	Atlanta (US)	81.1	Seattle (US)	95.4	Frankfurt (GE)	116.0
Manchester (UK)	58.1	Pittsburgh (US)	81.9	San Diego (US)	96.3	Tokyo (JP)	127.3
Mexico City (MX)	70.9	Boston (US)	90.0	US (Major cities average)	100.0	Paris (FR)	166.9

Source: KPMG, "Competitive Alternatives Special Report: Focus on Tax" 2014

Incentives to innovate

Compared to the U.S., Canada's R&D tax incentives offer advantages beyond actual tax rates. These include:

- Greater predictability of the R&D tax credit because Canada's legislation does not have sunset provisions, whereas U.S. law typically requires renewal by Congress, something that can be delayed.
- All eligible annual R&D expenditures in Canada qualify, while in the U.S., only incremental R&D spending can be claimed.
- Larger and simpler allowances are provided for overhead expenditures and contracted research in Canada.

Ontario's R&D tax credits can reduce the after-tax cost of every \$100 invested in R&D up to nearly 60 per cent, when combined with federal R&D tax incentives.

In addition to the advantages identified, an Ontario corporation can claim R&D tax incentives even if its R&D costs are covered, in whole or in part, by payments from a foreign corporation, including its parent or government. Reflecting Canada's openness to foreign investment, foreign affiliates accounted for 32 per cent of Canada's business expenditure on R&D, a level that is second only to the U.K. among G-7 countries.

Canadian governments support innovation through financial incentives, favourable R&D tax credits and large investments in university and college research, much of it driven by business partnerships.

Exhibit 4

R&D incentives (public, private or foreign ownership)

	Large manufacturer	Large non-manufacturer
R&D expenditure	\$100.00	\$100.00
Ontario tax credits (OBRI+ORD)	(\$23.60)	(\$23.60)
Canada investment tax credit	(\$11.46)	(\$11.46)
Tax deductions	(\$16.24)	(\$17.21)
After-tax cost of R&D	\$48.70	\$47.73

Source: InvestinOntario

Major technology providers with a presence in the GTA include:

- IBM
- SAP
- Oracle
- HP
- Microsoft
- Infosys
- SAS
- Google



Regional and global connections

Today's fast-paced, globally-connected businesses need to move product quickly and efficiently. Southern Ontario's transportation infrastructure provides Halton-based companies with efficient methods of moving people and products.

Products need to be shipped to meet demand and workers often need to travel across the globe on short notice. Halton's transportation infrastructure is especially well-positioned to meet these needs because it offers:

- Direct access to the largest highway network in Canada, with regional, provincial and international linkages (over 30 interchanges to 400-series highways in Halton);

- A brief 40-minute commute to downtown Toronto via rapid transit;
- A less than one hour drive from the U.S. international border (Niagara-Buffalo); and
- Proximity to four international airports, including Toronto Pearson, Hamilton, Billy Bishop and Buffalo.

The Toronto Pearson International Airport, neighbouring Halton, is Canada's principal airport and a major North American gateway, handling more international passengers than any airport in North America other than New York's JFK. Toronto Pearson serves more than 30 Canadian cities, 87 U.S. cities, and 30 international destinations.



Market access

Canada is a global trading nation and has established free trade agreements with more than 10 countries, providing competitive advantages across a range of industry sectors. The North American Free Trade Agreement (NAFTA) with the U.S. and Mexico has been Canada's longest standing trade agreement and the pending Comprehensive Economic and Trade Agreement (CETA) between Canada and the European Union would be Canada's largest with access to a \$18 trillion market.

Canada's trade agreements enable companies to compete on a more level playing field and help eliminate trade barriers. More recently, Canada has been moving toward developing trade agreements that address labour mobility, intellectual property and investment.

Robust office market

Halton's class "A" business parks offer modern, flexible office space along the active and visible Oakville-Burlington highway corridor and close to GO Transit rapid transit. Office space inventory in these premium locations now exceeds the size of the downtown Toronto Financial District: over 66 million square feet, which accommodates 325,000 office workers.

Halton's business parks provide easy access to major highways, airports and public transit, as well as a direct connection to the GTA's talent pool. Sites offer an ideal mix of market access, proximity to ICT industry clusters, innovation incubators and centres of excellence, with conveniently located amenities and services for employees.

Halton's strong growth and available shovel-ready lands, have provided for an abundance of greenfield development opportunities at competitive prices. In 2014, 2.7 million square feet were added to Halton's real estate inventory.

Office space in Halton is priced 23 to 44 per cent lower than comparable sites in Toronto.



Discover Halton's Business Parks

Halton's innovation ecosystem

Halton has a supportive and diverse innovation and technology ecosystem that is supported by several organizations with complementary mandates.

Halton Hive

The Halton Hive is an open concept shared office space reengineered for technology professionals, startups, freelancers and entrepreneurs. Those in the technology space know that “collisions”, the probable introductions to other local tech businesses (ICT, Digital Media, ecommerce, etc.) or professionals, often produce economic and/or professional growth. The mission of the Halton Hive is to create a unique space to grow, collaborate and learn from other creative professionals in a fun co-working atmosphere.

HalTech

HalTech is part of the Ontario Network of Entrepreneurs (ONE), with strong support from local and regional governments and local educational institutions. As

a provincial-government-supported collaborative network of organizations across Ontario, ONE's goal is to connect entrepreneurs and companies to services and programs to innovate and gain a competitive advantage. Serving the municipalities of Halton, HalTech provides support to get innovators, technology-based businesses, entrepreneurs and researchers connected to a network of professionals who will take a concept from idea to reality.

Milton Education Village Innovation Centre

The Milton Education Village (MEV) Innovation Centre provides an ecosystem for technology intensive businesses. The Centre offers flexible working spaces, services and amenities to provide technology companies a dynamic place to work, meet, share ideas and grow. The mission of the Centre is to provide collaborative space, acceleration/incubation, business services, education and training.

Silicon Halton

Silicon Halton is a grassroots organization for established technology companies that have achieved revenue and profits but need to network and collaborate to build profitable growth and commercialize innovation. Today, Silicon Halton has more than 1,100 members, seven peer-to-peer (P2P) networking groups and over 60 “meet-ups” per year.



Halton ICT business case: **Javelin Technologies**

Javelin Technologies' growth has validated Halton as the right place for a leader and innovator like Javelin to be headquartered. Javelin Technologies has grown to be Canada's number one provider of 3D solutions for engineering and manufacturing companies. Building on its expertise with 3D computer-aided design software and 3D Printing, Javelin has also spawned an emerging venture – Cinema Suite – that is developing innovative 3D software for video and film production and game designers.

Why Halton region?

Halton's diverse manufacturing sector has been a foundation for Javelin's success. The aerospace, nuclear, automotive, water technology and food- processing sectors have world-class manufacturing firms driven to sustain competitiveness with the most advanced software.

Javelin Technologies has also launched a new software product that allows video game developers and film makers to test and review prospective scenes on their computers, giving them a preview before utilizing specialized equipment which can quickly mean high costs. This has led to a suite of software extensions available on the Unity game development platform, allowing in-game sequencing, cut-scene creation, and film pre-visualization without the need for programming or scripting.

"Halton is home to Sheridan College, which has an international reputation as one of the world's best animation schools," says John Carlan, Managing Director. Javelin turned to Sheridan as the critical partner to realize the new film and game development concept. Carlan credits Sheridan with providing "inspiration, critical resources and great ongoing support."



In addition to providing project management and programmers, Sheridan College took the lead in identifying federal funding designed to encourage business partnerships with researchers in universities and college. Sheridan also provided collaboration facilities on campus and at its Screen Industries Research and Training Centre.

Sheridan programmers developed a motion capture tool to record body movements that can be applied to animating characters within the program, as well as created realistic virtual cameras within the program, so designers can get a scene preview from different camera positions. To tie all the tools together, programmers also developed editing options. Initial commercial connections in California were aided by the access to soft-landing spaces facilitated for Cinema Suite by the Canadian Digital Media Network which enjoys government financial backing. Telefilm Canada also provided financing. Cinema Suite, the new company that Javelin established, is now building a revenue stream.

The overall climate for innovation in Ontario is very beneficial and Halton companies are the beneficiaries. R&D tax incentives in Canada are among the most favourable. In addition, digital media tax incentives have ensured Ontario is a place of choice for digital media companies. This is on top of already low statutory and effective corporate tax rates that are well below US levels.

Halton: The place to be in the Greater Toronto Area and Canada!

The Toronto metropolitan area as a whole ranks fourth globally in the Economist Intelligence Unit's Livability Ranking for 2014. The Toronto region is one of the world's most cosmopolitan and multicultural, where more than 150 languages are spoken—an important advantage in today's globalized business environment.

Despite its attractiveness as a place to live, work, and play, the Toronto region is an extremely affordable metro area according to Mercer's Worldwide Cost of Living Survey. Toronto ranks as the world's 101st most costly city, meaning its costs are below Los Angeles, Miami, Chicago, Berlin, Dubai, Melbourne, Vienna, Rome, Paris, Sydney, New York and London, among many others.

Within the Greater Toronto Area, Halton stands out because:

- Halton is ranked Canada's safest large municipality.
- Halton public schools are especially well-regarded, and the region offers many private primary and secondary schools.
- Halton has 25 kilometers (15.5 miles) of prime Lake Ontario shoreline frontage, contrasted with varied topography and lifestyle opportunities inland.

- The average household income in Halton is \$119,000, compared to the Canadian average of \$86,000.
- Housing in Halton is relatively affordable compared to other areas of the Greater Toronto Area.
- Access to major attractions, including Toronto's CN Tower, Niagara Falls and Canada's wine country, Royal Botanical Gardens, and several theatres, galleries and museums.
- Plenty of recreational opportunities, including cycling, skiing, sailing, shopping, fine dining, racetracks, casinos and sporting attractions.





Halton Region's Economic Development Division: Your source for Halton business information

With a strong and robust economy, Halton is one of the best places in Canada to do business. Ask us about the region's market accessibility, our skilled and educated workforce, growth potential, above average lifestyle, competitive costs, business properties and any other topics related to business opportunities throughout Halton.

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Hours of operation

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We welcome your inquiries and look forward to connecting with you.