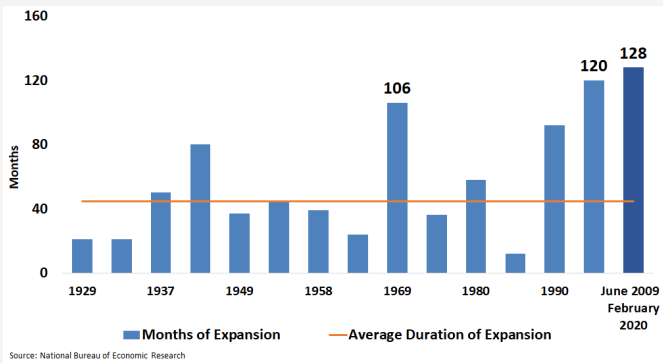


Peel's Economic Bulletin - 2020

COVID-19 Pandemic Triggers Global Recession

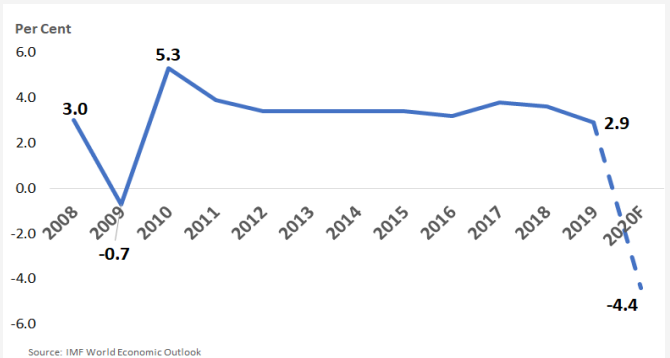
The Longest Economic Expansion on Record Ends

Historical Duration of Business Cycle



After 128 months, the longest expansion phase of business cycle since 1929 ended

Annual Changes in Global Output (%)

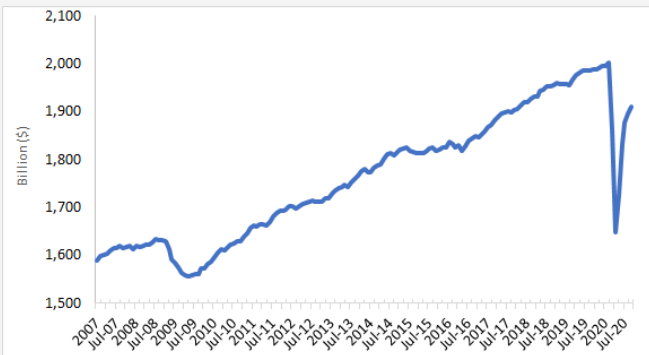


First global recession in a decade and the steepest decline in output since the Great Depression

IMPLICATION: Global recession elevates trade related risks for trade dependent Canadian Regions like Peel.

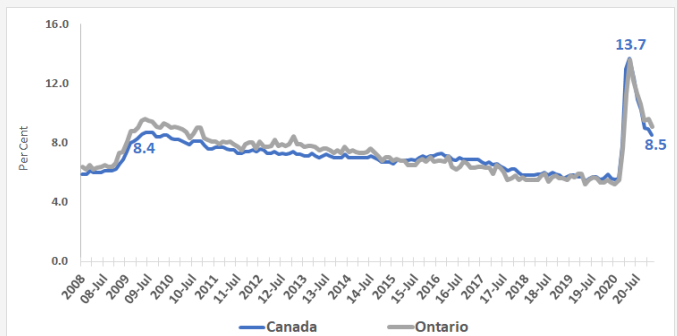
First Canadian Economic Recession in a Decade

Monthly Canadian Gross Domestic Product (GDP)



A steeper drop in Canadian GDP in 2020 than in The Great Recession of 2008-2009. Recovery to pre pandemic level not expected until 2022.

Monthly unemployment rates: 2008 - 2020



5.5 Million Canadian workers impacted by the COVID induced recession. Low income workers, visible minorities, women, youth and part-time workers were disproportionately affected.

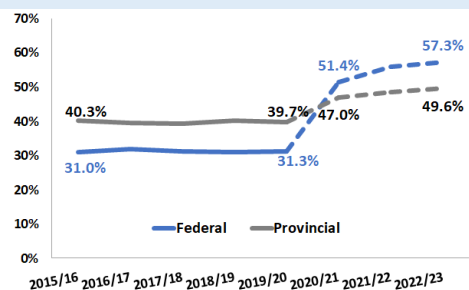
IMPLICATION: Macroeconomic environment is less supportive of local growth.

Lower Interest Rates to Contain Debt Servicing Costs of Higher Public Debt



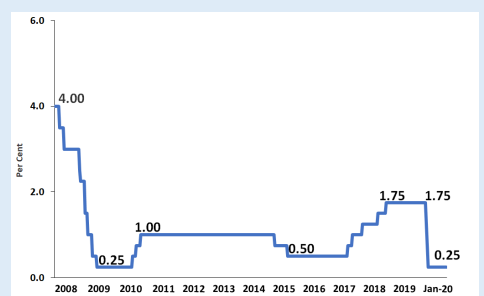
Over **\$385B** in direct federal and provincial support to affected individuals and businesses

Government Debt-to-GDP Ratio



Increased spending results in rising government debt

Bank of Canada overnight interest rates



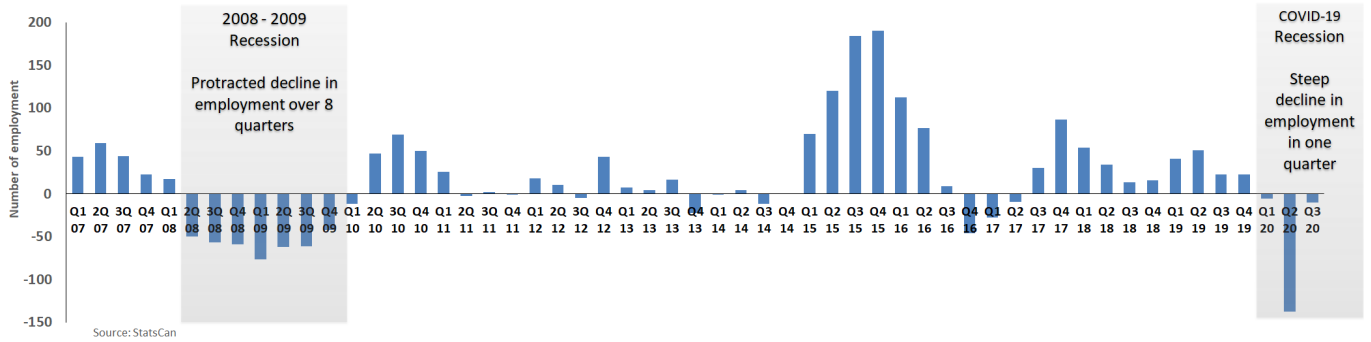
A return to historically low interest rates in 2020

IMPLICATION: The increase in federal and provincial government spending has supported individuals and businesses during the pandemic and resulted in higher public debt. Lower interest rates will make the higher government debt more manageable over the medium term. Over the long-term, higher debt and debt servicing cost may become a risk to funding for municipal programs.

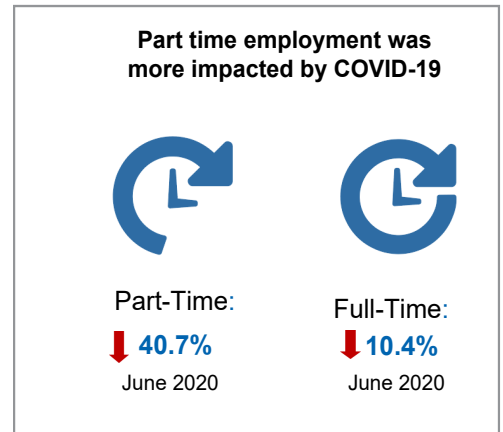
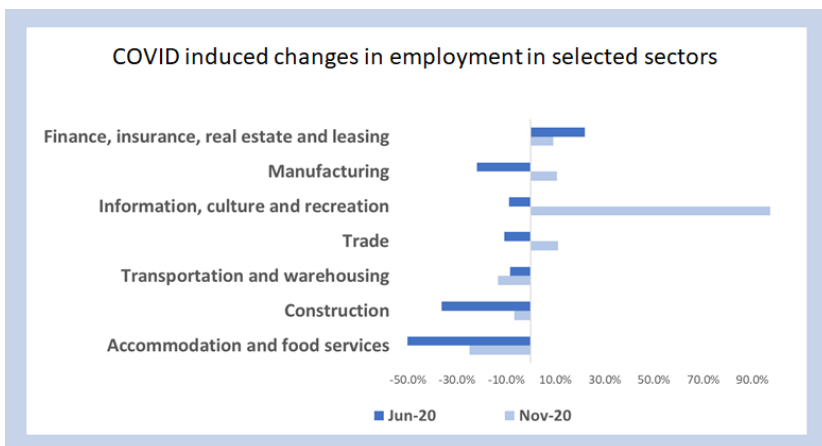
Peel's Economy Impacted by the Global Pandemic

Significant and Unequal Labour Market Impact Due to COVID-19

Changes in quarterly average employment in Peel fell in response to COVID-19

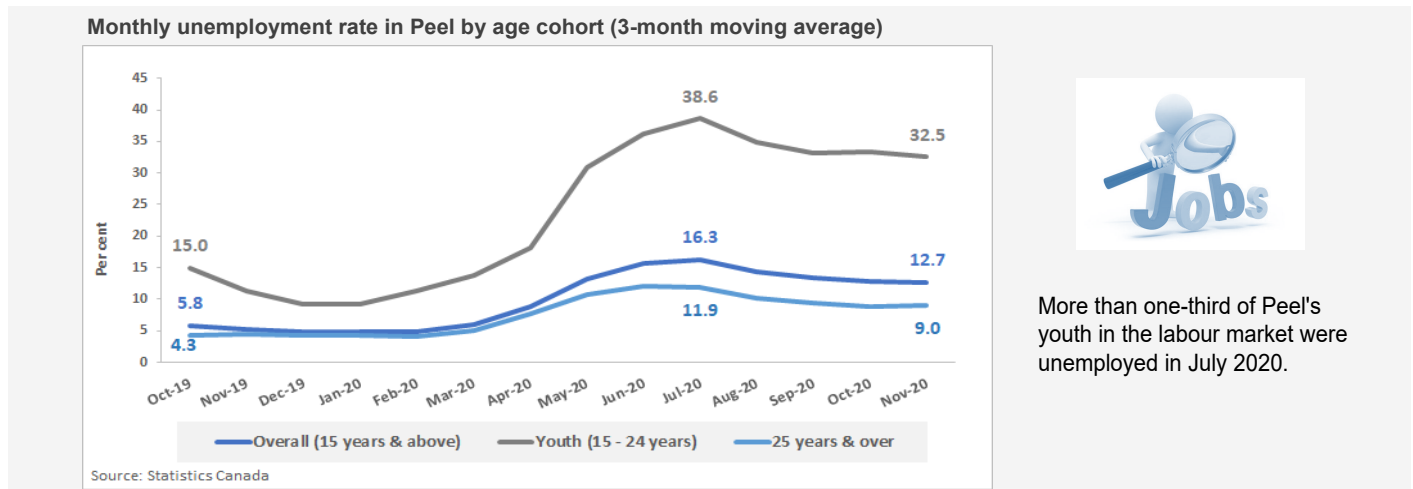


Industries such as restaurants, Accommodation, Arts and Entertainment were Hit Hard



Some sub-sectors were impacted more by COVID-19 restrictions than others

COVID-Induced Recession Pushed Peel's Unemployment Rates to Record Highs in 2020



More than one-third of Peel's youth in the labour market were unemployed in July 2020.

IMPLICATION: Labour market improvements will accelerate as the economy recovers, but Peel's unemployment rates are expected to remain elevated over the medium term and contribute to higher demand for some Regional services.

The Pandemic May be Deepening Affordability Challenges

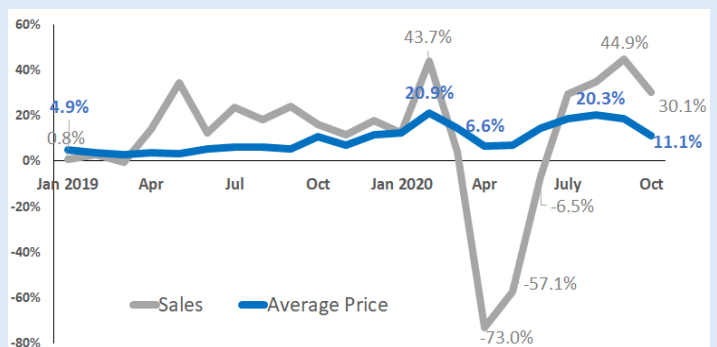


Average price of a residential resale home in Peel
November 2019 - November 2020:
16.9%

Monthly changes in Canadian Mortgage Interest Cost Index

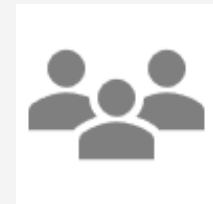
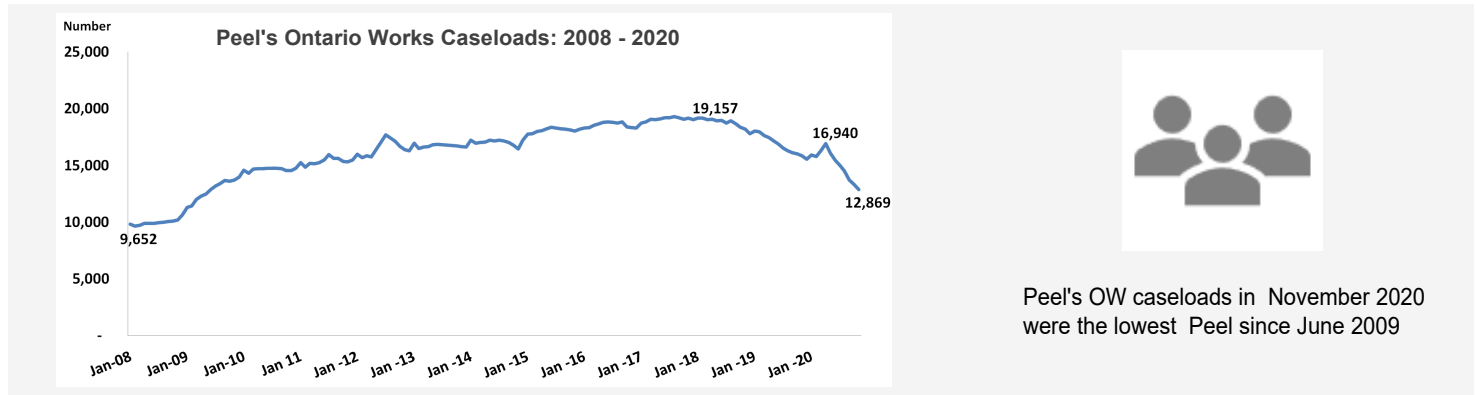


Year-Over-Year change in sales and average price of a residential resale units in Peel



IMPLICATION: Historically low interest rate reduced the carrying cost of a mortgage and increase the demand for housing purchase resulting in the increased in resale housing prices in 2020. Higher home prices and higher food prices during the pandemic may have increased housing unaffordability and food insecurity risks.

Ontario Works Caseloads Continued to Trend Down Due to Increased Government Supports



Peel's OW caseloads in November 2020 were the lowest Peel since June 2009

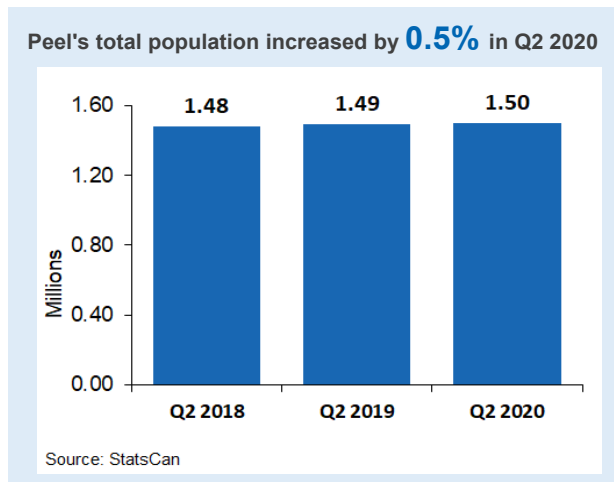
IMPLICATION: With elevated unemployment rates, business closures, increasing housing unaffordability, and as government income supports transition into new programs which are expected to benefit fewer residents, demand for income and housing supports is expected to rise in 2021.

Temporary Halt in Immigration Slowed Population Growth in Peel

Immigration accounts for over **80%** of Peel's population growth.



51.5% of Peel's population are immigrants.



5,944 persons moved to Peel between the second quarters of 2019 and 2020

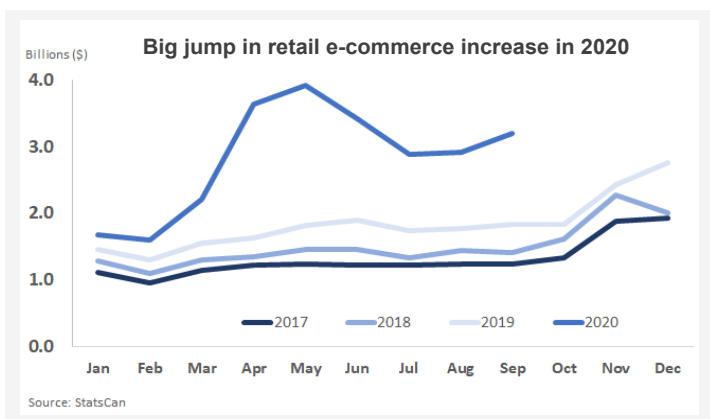
City/Town	Population
City of Brampton	4,244 to 664,900 persons
Town of Caledon	307 to 75,300 persons
City of Mississauga	1,393 to 757,600 persons

IMPLICATION: The halt in immigration slowed population growth in 2020 with limited impact. An extended halt in immigration would negatively impact residential growth in Peel.

COVID-19 Accelerated Remote Work and Online Shopping Trends



Retail e-commerce sales increased by **126.3%** in April 2020



"Some 84% of employers are set to rapidly digitalize working processes, including a significant expansion of remote working."



"Once the pandemic is over, 14.7% of businesses anticipate that all of their workforce will continue to primarily telework or work remotely."



"Pre-pandemic, nine in 10 organizations had less than 20 per cent of their workforce working remotely. COVID-19 has flipped this on its head. Now, nearly two thirds of organizations have at least 60 per cent of their workforce working remotely."

IMPLICATION: Acceleration remote work and online shopping may further limit office and commercial developments and worsen the shifts in the Region's property tax revenues away from the non-residential sectors.

Advocacy Efforts Support Peel's Outcomes

Short-term Advocacy: Secure federal and provincial funding for incremental costs and loss of revenue associated with the COVID-19 pandemic.

Medium-term Advocacy: Over the medium to long term, the Region will continue to advocate for a review of provincial/municipal funding.

Long-term Advocacy: Increased efforts to build a deeper understanding of the needs of municipalities and for a range of progressive and diversified revenue tools to support community outcomes and municipal financial sustainability.



The Region supports advocacy efforts for cargo to be included in the PILT formula and the elimination of the legislated 5% cap on GTAA PILT