



Peel's Economic Pulse, 2024

**Corporate Services, Finance
Division Peel Region**

Table of Contents

Growth, Economic Challenges and Uncertainties, Impacts & Outlook	2
Peel's Performance Review and Outlook	5
Performance Review & Outlook: Gross Domestic Product	5
Performance Review & Outlook: Population	8
Performance Review & Outlook: The Labour Market:	10
Performance Review & Outlook: The Business Sector:.....	13
Business Establishments	13
Business Insolvencies	14
Performance Review & Outlook: Taxable Assessment Base:.....	16
Performance Review & Outlook: The Construction Sector	18
Building Permits.....	19
Housing Starts and New Home Sales.....	20
Residential Resale	21
Peel's 2022 Ontario Works (OW) Review & Outlook.....	23
Emerging and Ongoing Risks	25

Growth, Economic Challenges and Uncertainties Impacts and Outlook

Subdued Economic growth in 2024

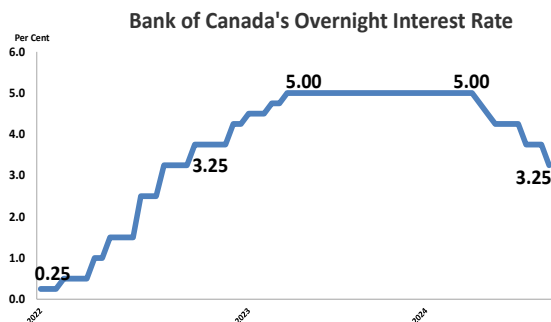
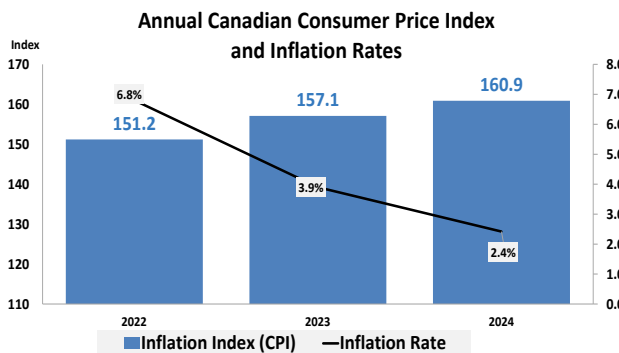
In 2024, economic growth continued in 2024 but remained subdued:

- The International Monetary Fund (IMF) estimated that global economic output grew by 3.3 per cent in 2024, which was below the 20-year average of 3.7 per cent.
- As measured by the change in real Gross Domestic Product (GDP), the Canadian economy grew by 1.7 per cent, a comparable rate compared with the 1.6 per cent increase registered in 2023.
- The Ontario' economy grew by 1.2 per cent in 2024, down from 1.8 per cent in 2023.
- In Peel, GDP remained relatively flat in 2024, as a 0.3 per cent growth in services was counterbalanced by a 1.4 per cent decline in the goods producing sector.
- Economic growth remained subdued in 2024 due to several factors, including global uncertainties associated with ongoing geopolitical tensions, and the protracted impacts of the higher inflation and rising interest rates on demand.

Inflation and interest rate declined but price level remained elevated

Canadian headline or year-over-year inflation rate decelerated from a peak of 8.1 per cent in June 2022 to 1.8 per cent in December 2024. Measured annually, the average inflation rate in Canada slowed from 6.8 per cent in 2022 to 2.4 per cent in 2024. In response to lower inflation, the Bank of Canada's trendsetting Overnight Interest Rate declined from a peak of 5 per cent in June 2024 to reach 3.75 per cent by year end. The rate continued to decline in early 2025.

Although inflation has slowed, lower inflation does not represent a fall in price level. It means that average prices are increasing at a slower pace, but prices continued to rise. Similarly, interest rates have started to fall but remained at a two year high 3.25 per cent at the end of 2024.



Impacts on Peel

Residents

Exaggerated affordability challenges due to elevated price levels. Consumer bankruptcies rose to a 12-year high.

Homelessness challenges due to population growth which outpaced growth in housing supply, which exaggerated housing costs.

Food insecurity risks remained elevated given high food prices. Food Bank usage continued to rise.

Businesses

Rising business costs given elevated price levels and interest rates.

United States tariffs have increased business costs, uncertainties and risk for Canadian businesses, including businesses in Peel.

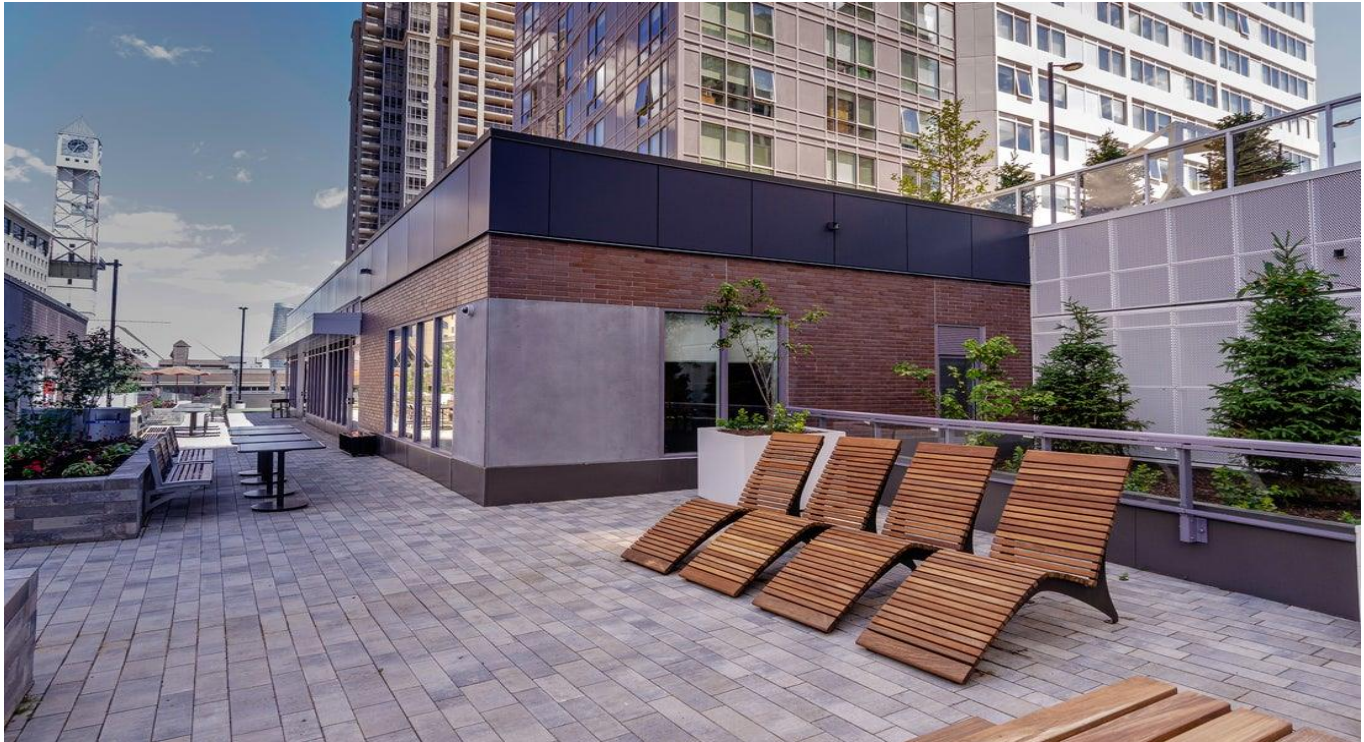
Higher business insolvencies in Peel. The number of insolvencies in Peel rose by 74.1 per cent to a multi-decade high 235 cases. Higher business insolvencies and proposals contributed to the increase.

Peel Region

The demand for some Regional services continued to increase in response accelerated population growth which magnified Peel increasing and evolving community needs.

Elevated budget costs reflecting elevated price levels from past shift to a higher price environment. Although lower, current inflation continues to push price levels higher.

OUTLOOK: Unprecedented increase in risks and uncertainties



As the world emerges from the trough of the COVID-19 pandemic, trade tensions have increased global economic risks and reduced global growth outlook. At the time of writing, the International Monetary Fund (IMF) expects the growth in global output to be about 2.8 per cent in 2025, a slower pace of growth than the 3.3 per cent projected at the beginning of 2025. Projected growth in the United States (US) fell from 2.7 per cent at the start of 2025 to 1.8 per cent by April 2025, reflecting the expected impacts from trade tensions.

Heightened trade restrictions due to increased tariffs are expected to lower investment, economic growth, and employment, reduce market efficiency, disrupt supply chains, increase business challenges, and fuel inflation. This could have long-term negative consequences on economic growth and employment creation across the globe, including in Canada and Peel. Canadian economic growth is expected to remain subdued in the short to medium term given its close trade ties to a slowing United States (US) economy. Peel's economy is also likely to be negatively impacted given its large trade sector.

Peel's Performance Review and Outlook: Gross Domestic Product

Summary: Mixed performances with rising uncertainties

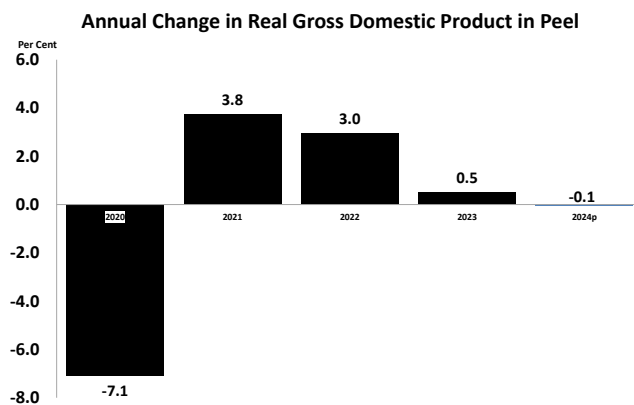
Changes in key growth indicators in Peel were mixed in 2024. Some broad indicators showed positive changes. These include population, total labour force, total employment, business establishments and taxable assessment base. Growth in these areas continued to reflect the positive impacts of Peel's many strategic advantages which continue to make Peel an attractive destination for newcomers. In addition, the price environment improved as inflation slowed and interest rates started to decline in the second half of the year. However, the effects of previous inflation and high interest rates kept prices and interest rates elevated and continued to be a barrier to growth in some price sensitive sectors of the economy, such as construction. Except for the total value of building permits issued, all tracked construction indicators showed negative changes in 2024. Additionally, although Peel's business sector grew, the number of business insolvencies increased to multi decade high.

Reflecting the mixed growth performance, Peel's GDP, which is the broadest measure of growth, remained relatively flat in 2024, and although there were more working residents, the growth in population contributed to a higher level of entry into the labour market, more residents classified as unemployed and an increase in Peel's unemployment rate to a three-year high 8.9 per cent.

Since the start of 2025, uncertainty and unpredictability have heightened due to US trade tariffs and the way they are being implemented. These are likely to negatively impact Peel's highly trade-oriented economy and constrain growth in the short to medium-term. However, long-term growth prospects remain positive. Peel's population, business sector and jobs created in Peel are expected to continue to grow.

Peel's GDP was Relatively flat in 2024

In 2024, It is estimated that the total goods and services produced in Peel Region, as captured by total real Gross Domestic product (GDP), remained relatively flat at approximately \$88.6 billion (in 2017 prices).



Source: The Conference Board of Canada

This followed a 0.5 per cent growth in 2023

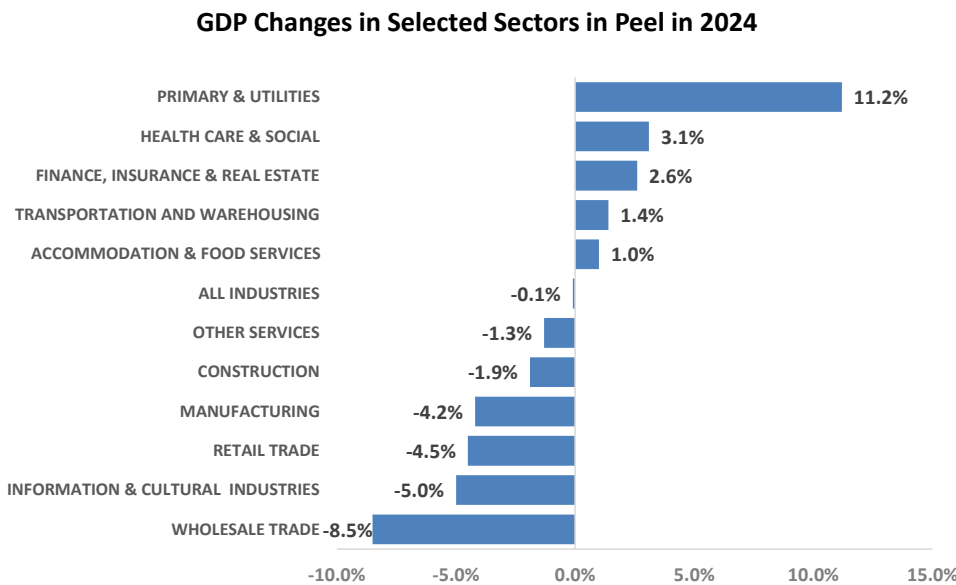
GDP growth in Peel slowed due to the protracted impact of a changed price environment characterized by elevated prices and interest rates. The GDP of the service sector continued to grow (0.3 per cent), but a 1.4 per cent decline in the GDP of the goods producing sector counterbalanced.

Peel's Performance Review and Outlook: Gross Domestic Product

The changed price environment weighed on Peel's GDP in 2024

High interest rates limit consumers' capacity to buy some things, including homes, while elevated prices diminish consumers' purchasing power and make them consume less. In 2024, sectors in Peel with price and interest rate sensitivity registered lower GDP in response to elevated price levels and high interest rates. These sectors include wholesale and retail trade, manufacturing, and construction, as shown on the figure below.

In contrast, many sectors whose performances can be influenced by demographic changes, registered more positive GDP performances in 2024. These sectors include healthcare and social assistance and transportation and warehousing.



Source: The Conference Board of Canada

In transportation and warehousing, the sub-sector “transit, ground passenger, scenic and sightseeing transportation” registered the strongest growth (11.1 per cent).

Growth is expected to be impacted by US tariffs in 2025. Relative to a non-tariff environment, Peel's GDP is projected to increase at a slower rate of about 1.3 per cent in a tariff environment in 2025 and is still subject to heightened uncertainty and unpredictability due to global trade tensions created by US tariffs and the unpredictable way in which they are being implemented.

Peel's Performance Review and Outlook: Gross Domestic Product

OUTLOOK: Global trade uncertainties have dampened economic outlook



In developing GDP forecast and assessing the impact of US tariffs on Peel economy, two scenarios were developed by the Conference Board of Canada and compared. The two scenarios are:

- **Baseline/tariff threat scenario** which assumes that there is the threat of tariffs, but no tariff is imposed. This is consistent with conditions which existed in December 2024; and
- **April 9 tariff scenario** which is consistent with the tariff environment as of early April 2025. In this scenario the U.S. imposes 25 per cent tariffs on steel and aluminum, autos and parts, and other goods deemed non-compliant with USMCA—assumed to affect 40 per cent of the dollar value of Canada's goods exports. The average effective tariff rate on Canadian goods is estimated to be at around 10 per cent. Tariffs on aluminum and steel are assumed to remain in place until the second quarter of 2026, while all other tariffs are assumed to be lifted at the end of the second quarter of 2025¹.

As a result of the tariffs imposed on Canada by the United States, Peel Region's real GDP is projected to fall by 0.7 per cent relative to a baseline scenario without tariffs in 2025. This represents a GDP loss of \$665 million. The manufacturing sector is expected to be the most impacted, with its GDP 3.0 per cent lower in 2025 due to the tariff. This translates into a GDP loss of approximately \$290 million. If tariffs are not lifted by mid-year as assumed in the April 9 tariff scenario, the impacts on Peel's economy are expected to be more significant. As tariffs are removed, Peel's real GDP growth is expected to recover to an annual average rate of about 2.3 per cent between 2025 and 2029. However, this is 0.2 percentage points lower than the 2.5 per cent growth that would be expected in the absence of tariff. Further, lower GDP in 2025 is expected to result in a reduced GDP level relative to GDP in a non-tariff scenario over the 2025 – 2029 forecast period, reflecting lower investments due to uncertainty.

¹ Excerpts from analysis prepared for Peel Region by the Conference Board of Canada.

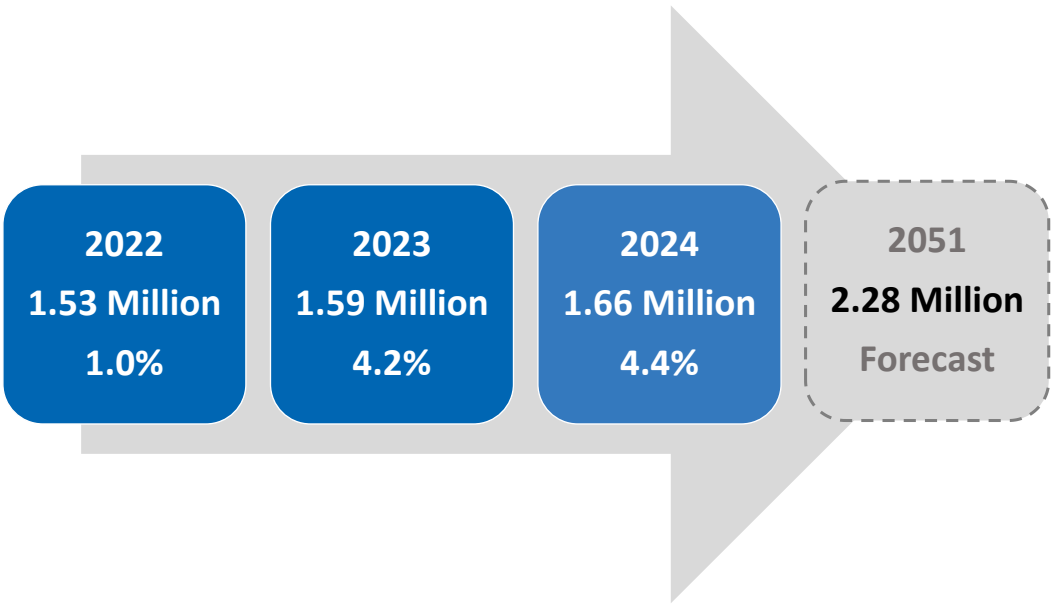
Peel’s Performance Review and Outlook: Population

Immigration supported continued population growth in Peel

Total population in Canada increased by 1.8 per cent in 2024, a slower growth than that registered in 2022 (+2.5 per cent) and 2023 (+3.1 per cent). Canadian population growth slowed in 2024 but was “higher than that in any year from 1972 to 2021. This may reflect a transition back to the population growth patterns seen before the start of the pandemic”².

In contrast, Peel’s population growth accelerated in 2024. Based on estimates from Statistics Canada, Peel’s total population stood at 1.66 million on July 1, 2024. This was 4.4 per cent higher than on July 1, 2023, and was just above the 4.2 per cent growth registered between July 1, 2022, and July 2023. Immigration remained the main source of growth in Peel’s population, accounting for over 60 per cent of the growth observed between July 1, 2023, and July 1, 2024.

Total population in Peel Region



Source: Statistics Canada - <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1710015201>

² Statistics Canada, [Canada’s population estimate, fourth quarter 2024](#), pp 1.

Peel's Performance Review and Outlook: Population

Outlook: Slower population growth due to Government's immigration reduction measures

In 2024, the Canadian government announced new measures aimed at reducing specified categories of immigrants to Canada as immigration is strengthened and more tailored to address changing needs. Changes include³:

- A cap in international student study permits;
- Alignment of post-graduation work permit with immigration goals and labour market needs; and
- Limiting work eligibility to spouses of master's degree students with longer programs.



These measures are expected to slow Peel's population growth during the period 2025 - 2027. However, as Canadian immigration policies are readjusted to meet Canadian population needs in the medium term, Peel's population growth is expected to improve, reflecting Peel's continued attractiveness to newcomers given its many strategic advantages. In addition to its location and transportation advantages which newcomers find attractive, Peel is:

- Near to large employment centers like Pearson International airport, which enhance the ability of newcomers to integrate relatively fast and thrive; and
- Culturally diverse and remains attractive to newcomers who are seeking rich cultural experiences and a home away from home.

Peel's population is expected to increase by over 600,000 residents to approximately 2.28 million persons by 2051.

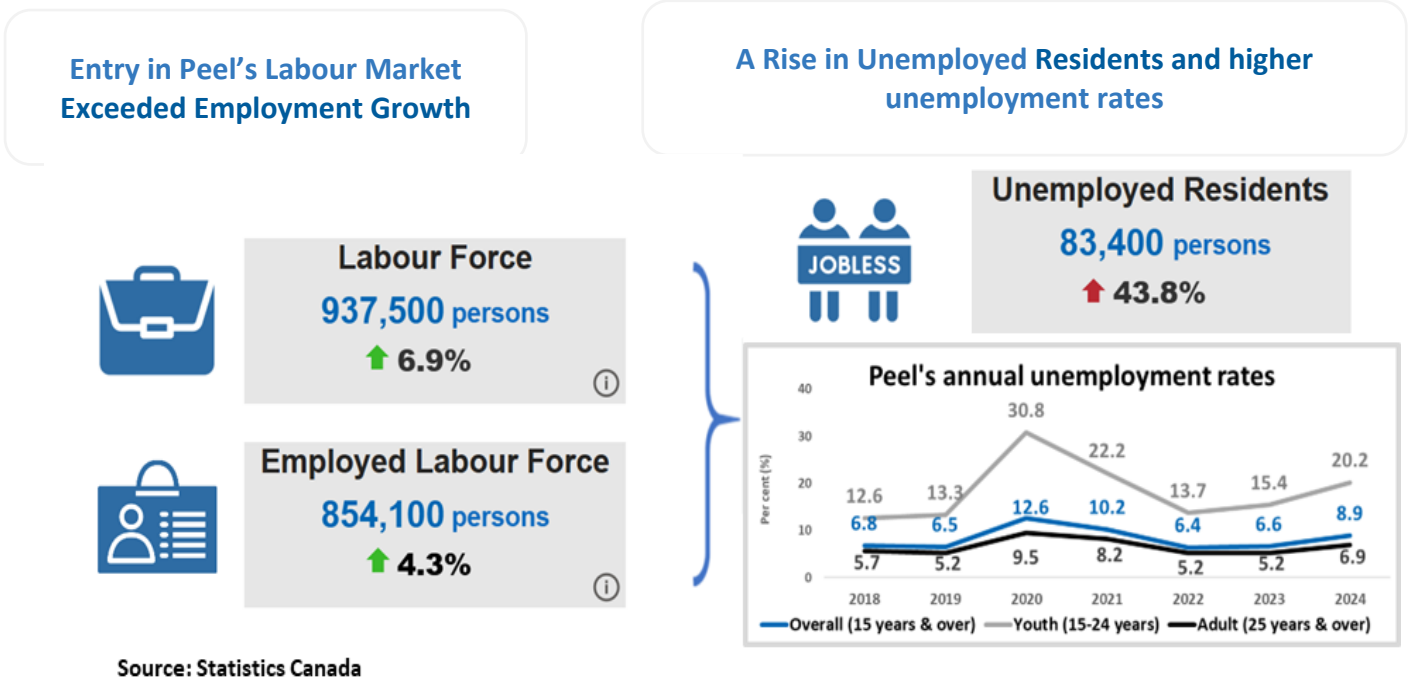
³ [Strengthening temporary residence programs for sustainable volumes - Canada.ca](https://www.canada.ca/en/immigration-refugee-citizenship/news/2024/04/strengthening-temporary-residence-programs-for-sustainable-volumes.html)

Peel's Performance Review & Outlook: The Labour Market

Strong population growth influenced Peel's labour market outcomes

Robust growth in population over the past two years influenced a strong 6.9 per cent increase in the number of residents who entered Peel's labour market in search of work in 2024. This translated into the addition of 60,500 persons to Peel's total labour force, representing the strongest annual growth since 2015. Growth pushed Peel's total labour force to a record 937,500 persons.

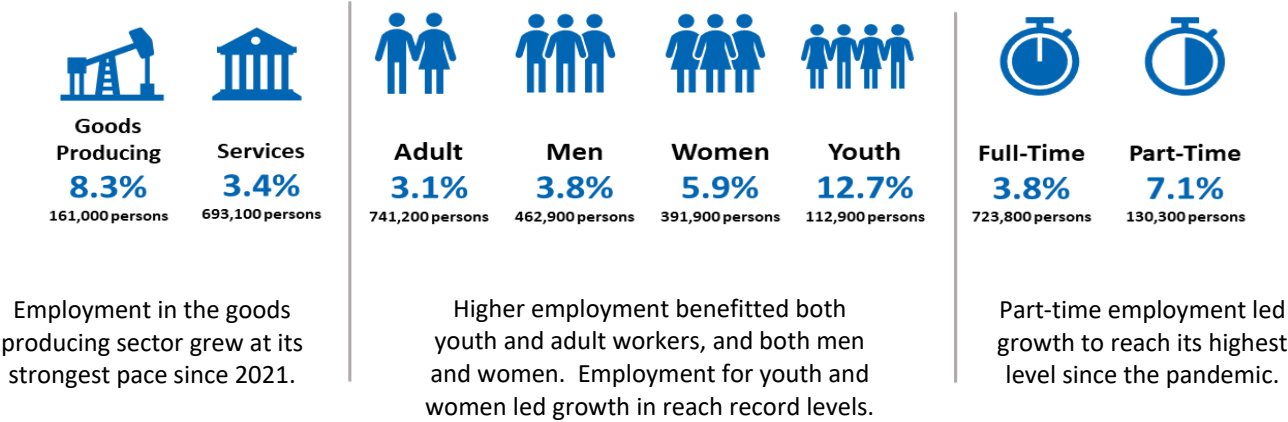
The number of Peel's working residents (employment) also increased in 2024, up by 4.3 per cent, or by 35,000 positions. However, this was lower than the 60,500 residents who entered the labour market, resulting in an increase in the number of residents classified as unemployed, and an increase in Peel's annual average unemployment rate to a 3-year high 8.9 per cent in 2024.



Peel's Performance Review & Outlook: The Labour Market

Pervasive employment gains led to record employment level in Peel

In 2024, total employment in Peel's labour market increased by 4.3 per cent or 35,000 positions to reach a total of 854,100 positions, the highest level of employment ever recorded in Peel. Employment increased in all major employment categories. The strongest gain was in youth (15-24 years) employment, which increased by 12.7 per cent. However, entry of youth (15-24 years) into the labour market increased by 19.2 per cent to outpace employment growth, resulting in more unemployed youth (15-24 years) and an increase in the youth (15-24 years) unemployment rate.



Source: Statistics Canada

Employment by sector: In 2024, employment in the goods producing sector increased by 4.3 per cent to 161,000 positions, its highest level in three years. Both its major sub-sectors – manufacturing (11.2 per cent) and construction (7.8 per cent) rose. Employment in services increased by a lower 3.4 per cent to reach a record 693,100 positions, as eight out of its eleven sub-sectors registered higher employment. With higher growth in the goods producing sector its share of employment rose from 18.1 per cent in 2023 to 18.9 per cent in 2024.

Participation and employment rates: The 6.9 per cent growth in the labour force in 2024 outpaced the 6.1 per cent increase in Peel's working age population, resulting in an increase in Peel's participation rate from 67.1 per cent in 2023 to 67.6 per cent in 2024. However, employment growth (4.3 per cent) lagged the increase in Peel's working age population resulting in a decline in Peel's employment rate from 62.7 per cent in 2023 to 61.6 per cent in 2024.

Peel's Performance Review & Outlook: The Labour Market



As a small and open economy, the Canadian economy is likely to be impacted negatively by trade tensions associated with US trade tariffs. At the time of writing, economic growth forecasts for the Canadian and Ontario economies suggest a slowing in growth in 2025 as economic risks due to US tariffs heighten. Based on the Bank of Canada's Q1 2025 Business Outlook Survey, "business sentiment [in Canada] has deteriorated, and many businesses are delaying important decisions, such as those related to investment and hiring, until they have a clearer outlook"⁴.

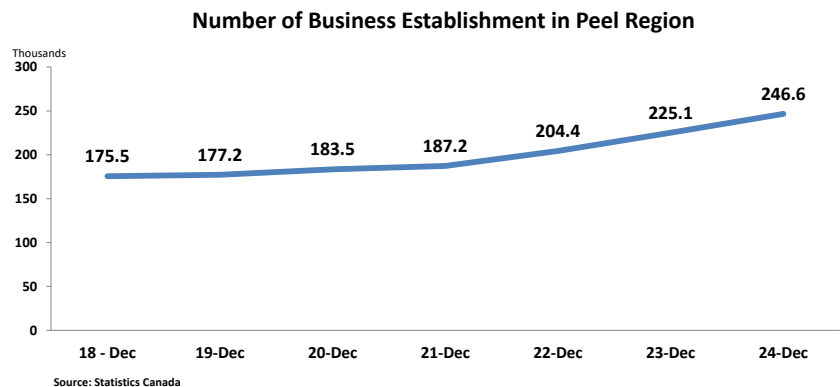
Peel's economy is vulnerable to negative tariff impacts given its significant exposure to trade with about 40 per cent of Peel residents worked directly in trade related sectors, including manufacturing. While it is too early to attribute to trade uncertainties, employment in Peel's labour market fell and Peel's unemployment rate increased in Q1 2025. Employment losses in highly trade-oriented sectors such as manufacturing, trade, and transportation and warehousing, contributed to the decline in employment observed. In the short run, labour market conditions are expected to deteriorate. However, long-term prospects remain positive. Total jobs in Peel are expected to increase from an estimated 766,000 in 2024 to 1.07 million by 2051. Over 60 per cent of Peel's residents work in Peel and should benefit from planned job creation in Peel over the long-term.

⁴ [Business Outlook Survey—First Quarter of 2025 - Bank of Canada](#)

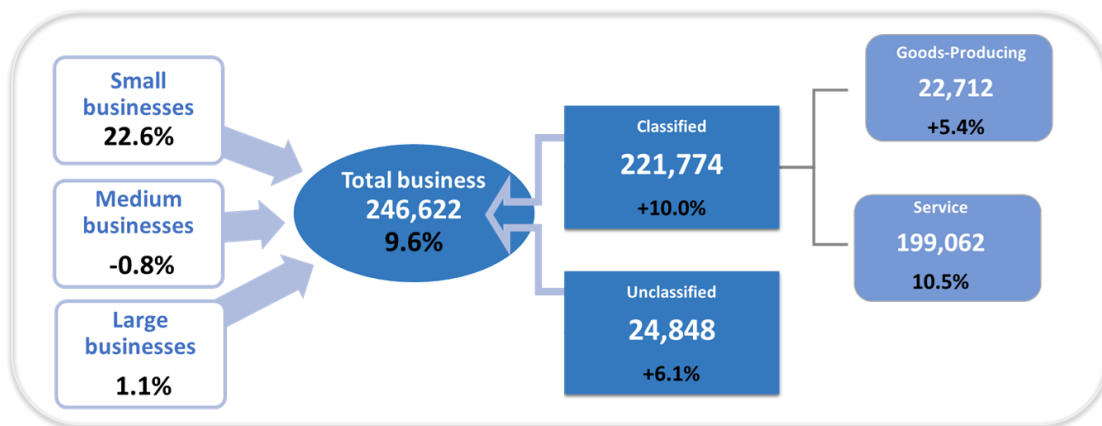
Peel’s Performance Review & Outlook: The Business Sector

New record high 246,622 business establishments in Peel Region

In December 2024, there were a record 246,622 business establishments in Peel Region. Compared with December 2023, this represented more business establishments in most segments of Peel’s business sector, as shown in the figure below.



Peel’s Business Sector Expanded in 2024



Source: Statistics Canada

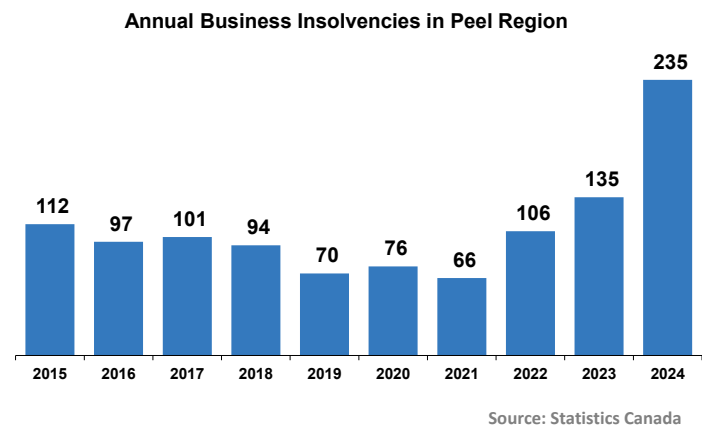
Long-term shift towards services continued

Businesses in the service sector led the expansion of Peel’s business sector in 2024, and as a result, the long-term increase in the share of services in Peel’s business sector continued. In December 2024, approximately 89.8 per cent of Peel’s businesses were in the service sector compared with 89.3 per cent a year earlier. In 2001 when Peel-specific data became available, approximately 79.6 per cent of businesses in Peel were in services. The share of Peel’s business sector accounted for by the goods producing sector have declined proportionately.

Peel’s Performance Review & Outlook: The Business Sector

Higher business insolvencies

The government of Canada introduced the Canada Emergency Business Account (CEBA) program to help eligible small and medium-sized businesses cover operating costs during the COVID-19 pandemic. Many businesses benefitted from this program and remained in business during and immediately after

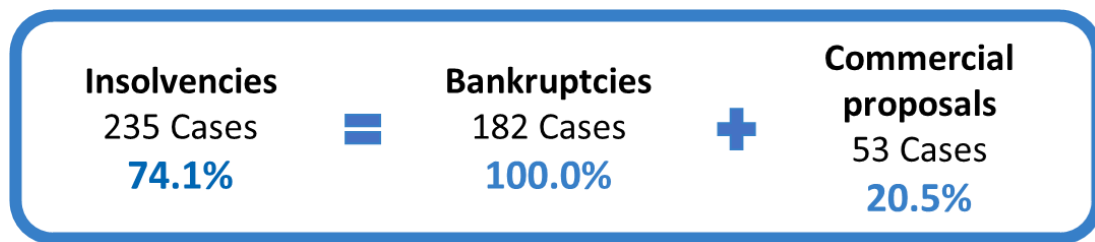


the pandemic in 2020 and 2021. During the period, business insolvencies in Peel remained relatively low.

In 2022, there was a shift to a higher price macroeconomic environment characterized by rising inflation, higher input costs, and rising interest rates, which resulted in higher debt service costs. Further, there was the post pandemic reopening of the economy, including the full reopening of the courts where insolvency cases are processed. These factors contributed to a gradual rise in business insolvencies in Peel.

The increase in business insolvencies in Peel continued through to 2024, when total cases jumped by 74.1 per cent relative to the preceding year to 235 cases, the highest in more than 15 years.

Higher business bankruptcies and proposals contributed to the increase in business insolvencies observed in Peel in 2024.



Source: Statistics Canada

Peel's Performance Review & Outlook: The Business Sector

OUTLOOK: More uncertain and unpredictable business environment due to US tariffs

On the heels of the COVID-19 pandemic which amplified longer term risks, and a shift to a higher price environment, trade uncertainty due to the US tariffs represent a significant risk to many businesses in Canada, including in Peel.

Risks are especially elevated for those businesses with significant exposure to trade. In 2024, about 34 per cent of Peel's businesses were directly exposed to trade. Others with indirect links to trade activities also face increased risks.

The Bank of Canada Business Outlook Survey for the first quarter of 2025 indicated a deterioration in business sentiment. According to the report, uncertainties have increased, and businesses expect cost to rise because of the inflationary impacts from the tariff.

Given current business uncertainties, the rate of expansion in Peel's business community is likely to slow in the short run. However, over the longer-term, and as the business environment improves, more favourable changes in Peel's business sector are expected to resume as Peel continues to benefit from its many strategic advantages. These include:

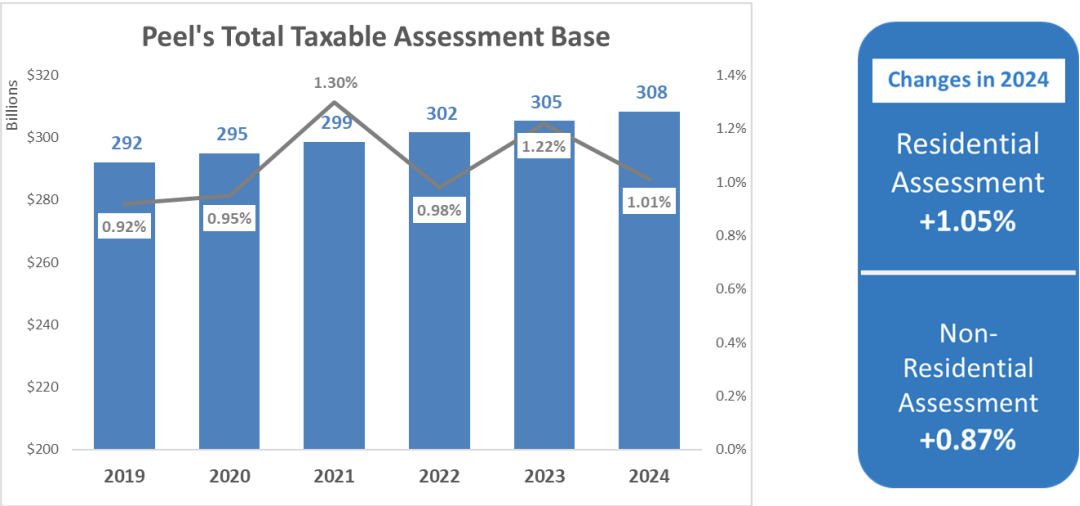
- Peel's location in the largest Canadian economic hub, the GTA,
- A young and highly educated workforce, and
- An advanced transportation network, comprising five 400-series highways and Pearson International Airport, which link businesses to the rest of Canada and the world.



Peel’s Performance Review & Outlook: 2024 Taxable Assessment Base

Peel’s taxable assessment base expands as Peel grows

- Peel’s total taxable assessment base continued to grow in 2024 (for the 2025 tax year) registering a change of 1.01 per cent. With the growth in 2024, the uninterrupted expansion in Peel’s taxable assessment base extended to 25 years.
- Growth in both residential (1.05 per cent) and non-residential (0.87 per cent) taxable assessments contributed to the overall growth observed.
- The annual growth in Peel’s total taxable assessment base peaked at 3.96 per cent in 2005. Since then, growth has been lower reflecting many factors including the fact that as the base increased, higher values are required to generate the same level of growth as before. In 2024, the growth of 1.01 per cent observed fell below the long-term average of 2.11 per cent, but was in line with more recent growth trend of around 1.0 per cent annually.



Source: Data from Municipal Property Assessment Corporation (MPAC) Adjusted by the Provincially Prescribed Tax Rate Calculation Adjustment as provided by Online Property Tax Analysis System

OUTLOOK: Expansion in Peel's taxable assessment base in line with planned growth



The growth in Peel's population has accelerated in recent years and is expected to continue to grow to a total of 2.28 million persons by 2051. Peel's business sector has also expanded in recent years and is expected to continue to grow. As the sector grows, the number of jobs in Peel is expected to rise to about 1.07 million in 2051.

The sustained growth expected in both residential and non-residential sectors in Peel suggests continued growth in Peel's taxable assessment base over the long-term, although at subdued rates like those observed in recent years, given several factors including:

- The need for higher increases in assessment base value required to generate previous rates of growth given a larger base; and
- The changing nature of non-residential development. Technological advancement and automation have and will likely continue to change non-residential land usage given the use of more automated processes, the shift to online business, including shopping, and remote working, all of which have contributed to the reduced need for office and commercial space. These trends are likely to continue.

Peel's Performance Review & Outlook: The Construction Sector

Past shift to higher prices influenced 2024 construction activities

The post COVID-19 shift to elevated price levels and high interest rates worsened household unaffordability and resulted in a reduction in consumer demand for many goods and services, including housing. While the rate of change in the cost of housing has eased, average prices have increased to levels outside the reach of many and therefore consumer demand remained weak in 2024.

Some of the factors that continued to influence changes in construction activities in Peel in 2024 included the following:



Slower changes in construction costs, but costs continued to rise: Construction costs (both residential and non-residential) in the Toronto CMA increased at a slower rate in 2024. The change in the Residential Construction Price Index slowed from 25.1 per cent in 2022 and 12.7 per cent in 2023, to 4.3 per cent in 2024. Positive rates of change indicate that prices continued to climb, although at a slower rate. As a result, construction costs were higher in 2024 and influenced housing price. Labour shortage was a key driver of increased costs in 2024. In the Q4 2024 Building Construction Price Index report, builders noted that the industry continued to face cost pressure from skilled labour shortages and related labour rate increases⁵. This challenge is associated with the aging workforce and intensified after the pandemic.



Elevated interest rates: Canadian interest rates remained high throughout the first half of 2024. The Bank of Canada's Overnight interest rate stayed at 5.0 per cent, its highest level in over two decades. The rate was reduced in the second half of 2024 and was lower at 3.25 per cent by December 2024. The Canada Mortgage and Housing Corporation (CMHC) conventional mortgage lending rate, 5-year term, declined from 6.31 per cent in January 2023 to 5.35 per cent in December 2024. However, rates remained elevated above the 10-year average of 3.9 per cent prior to the start of rate increase in 2022, and therefore kept the carrying cost of a home above the affordable range of many.

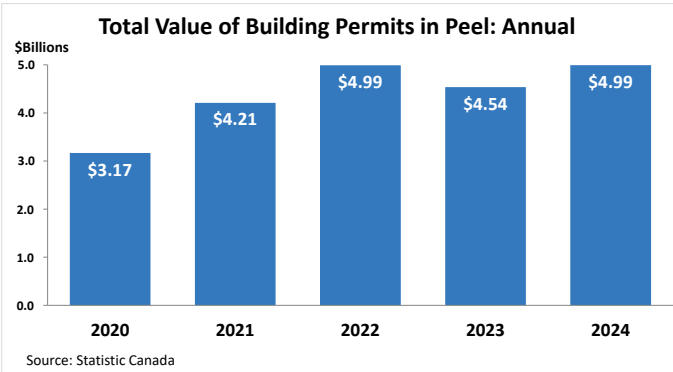
⁵ [Building Construction Price Index](#), Statistics Canada, Pg. 1

Peel’s Construction Sector Review & Outlook: Building Permits

The non-residential sector pushed building intentions to record level

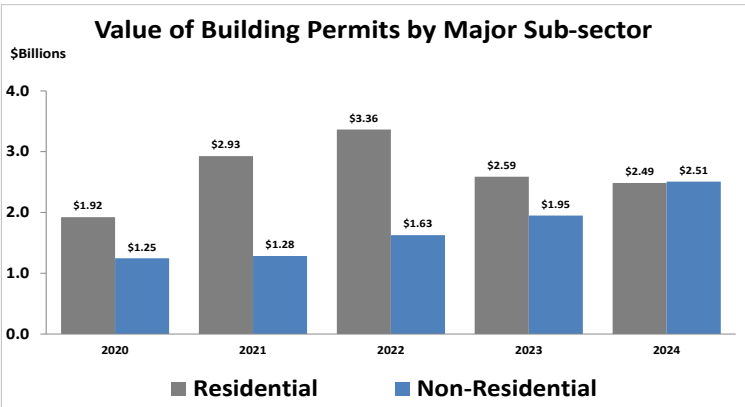
The changed price environment characterized by elevated prices and high interest rates continued to influence changes in Peel’s residential construction in 2024. Higher prices and borrowing costs continued exaggerated housing unaffordability and lowered residential building intentions in Peel.

As a result, the total value of residential building permits registered its second consecutive annual decline in 2024, down by approximately 3.9 per cent relative to 2023, to a four-year low \$2.49 million. The total number of units associated with the total value of residential building permits issued in 2024 also declined, moving from 10,501 units in 2023 to 7,747 units in 2024 (-26.2 per cent).



However, the total value non-residential building permits issued increased and supported an overall increase in building intentions in Peel in 2024.

- The total value of non-residential building permits issued in Peel increased by 15.1 per cent to \$2.51 million, the highest on record.



A more than doubling (108.0 per cent) of institutional building permits to \$0.56 million, and double digit increases in commercial (16.6 per cent) and industrial (14.5 per cent) building permits to \$1.35 million and \$0.60 million respectively underpinned the increase.

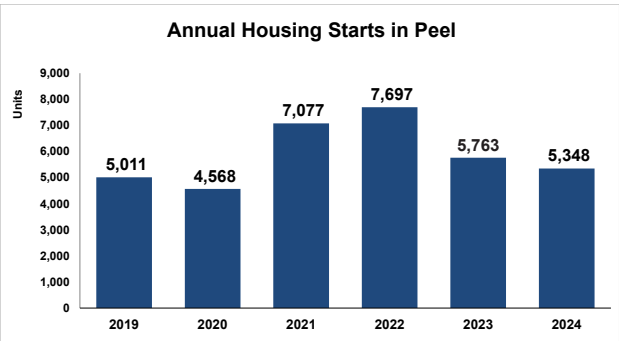
- 2024 marked the second consecutive year in which commercial building permits increased, after falling in the two years following the COVID-19 pandemic.

Reflecting the growth in non-residential building permits, the total value of building permits issued in Peel increased by 10.1 per cent in 2024 to return to the record \$4.99 million registered in 2022.

Peel’s Construction Sector Review & Outlook: Housing Starts and New Home Sales

Peel’s housing starts declined to near pre-pandemic average

The total number of housing starts recorded in Peel fell by 7.2 per cent in 2024 to a four-year low of 5,348 units. This was the second consecutive annual decline in housing starts in Peel. The number of single starts fell by 19.7 per cent to 690 units to lead the decline, but multiple starts contributed with a 5 per cent fall to 4,658 units.



Source: Canadian Mortgage and Housing Corporation

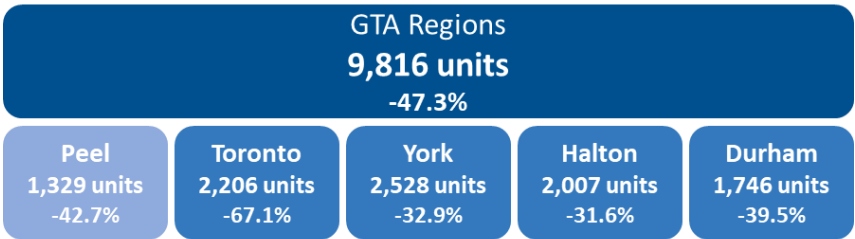
In response to the lowering of interest rates to a two-decade low in 2020, the number of starts in Peel increased in 2021 and 2022. The shift to a higher interest rate environment beginning in 2022, resulted in higher construction and mortgage renewal costs, which returned the number of housing starts in Peel to near pre-pandemic average in 2023 and 2024. Housing starts in the GTA, and the Toronto CMA also declined during the same period.

New home sales in Peel continued to decline

New homes sales in Peel declined again in 2024 as high interest rates and elevated prices continued to erode housing affordability.

Total new home sales in Peel fell by 42.7 per cent to 1,329 units, following a revised decline of 46.8 per cent in 2023. Sales of condominium units declined by 73.7 per cent to 352 units in 2024, after falling by 63.3 per cent in 2023. The number of single-family units sold fell by 0.8 per cent to 977 units in 2024. The number of units sold in all five GTA Regions fell, resulting in 47.3 per cent fewer new homes sold in the GTA in 2024.

New home
sales by GTA
Region in 2024



Source: Altus Group

Peel’s Construction Sector Review & Outlook: Residential Resale

Near record low activities in Peel’s residential resale market

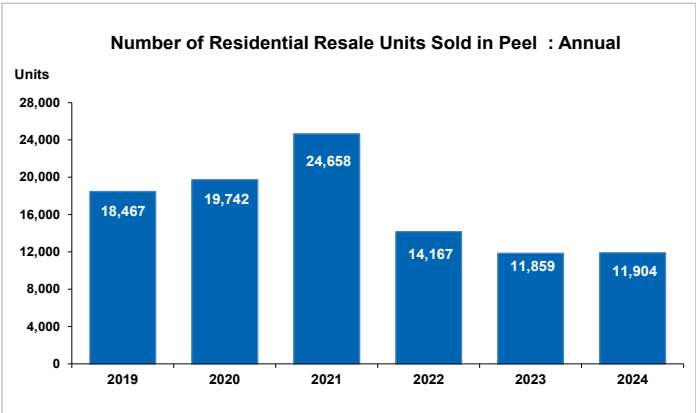
The number of residential resale units sold in Peel in 2024, remained near a multi-decade low of 11,904 units, or just above the 11,859 units recorded in 2023.

The subdued market activities continued against the backdrop of elevated home ownership costs as home prices remained out of the reach of many, and although mortgage rates slowly trended down during the year, they remained elevated. In this environment, housing demand remained constrained and kept activities in Peel’s residential resale market relatively flat.

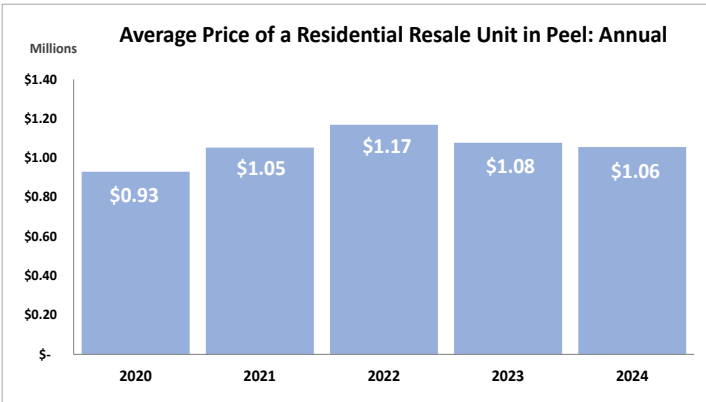
After two years of relatively large declines, residential resale activities in the broader GTA increased in 2024 when 67,610 residential resale units were sold, 2.5 per cent higher than in the preceding year. However, sales remained below the 10-year average reflecting the current environment.

The average price of a residential resale unit sold in the GTA fell in 2024 reflecting lower average prices in four of five GTA Regions.

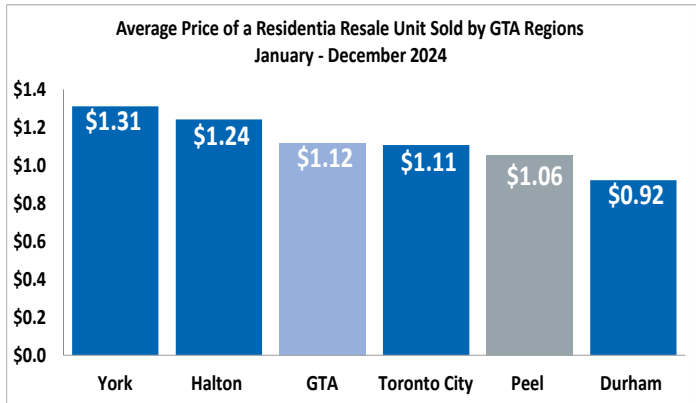
The average price of a residential resale unit sold in Peel in 2024 was approximately \$1.06 million, down from \$1.08 million in 2023. The average price in the GTA was \$1.12 million in 2024, down from \$1.13 million in 2023.



Source: Statistics Canada



Source: Toronto Real Estate Board



Source: Toronto Real Estate Board

Peel's Construction Sector Outlook

OUTLOOK: Elevated short-term risks on a long-term growth path

Peel remains a prime growth area in the GTA given its many strategic advantages that make it attractive to both new residents and businesses.



Reflecting in part Peel's attractiveness to newcomers, Peel's population growth accelerated in recent years, and is expected to continue to grow over the long-term to reach 2.28 million by 2051. This suggests that construction activity in Peel will remain relatively buoyant over the same time horizon. However, short-term risks to the performance of the building construction industry have increased in recent months given the global trade tensions associated with the US tariffs. Key risks include the following:

- **Increased uncertainty**, which is likely to limit demand as consumers adopt a wait-and-see approach before making major financial commitment such as home buying. Businesses are likely to adopt similar position until uncertainty fades.
- **Higher costs** associated with the imposition of tariff by the US, and counter tariff by the Canadian government, may make building construction less profitable and reduce short-term construction activities.
- **Economic slowdown** which is expected to be an outcome of the trade tensions. As economic activities slow, unemployment is likely to rise and further reduce housing affordability and demand for residential construction. A downturn will also negatively impact non-residential construction as businesses reduce activities.

In addition, although interest rates have declined since mid-2024, it remains elevated and may act as a constraint to many potential homeowners.

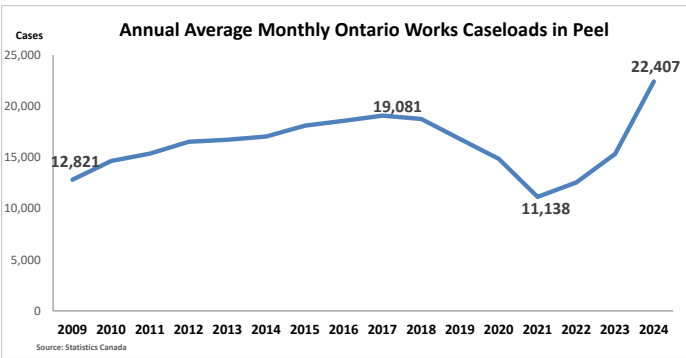
These risks are likely to limit growth in the construction industry in the short to medium-term. However, risks will dissipate over the long-term, allowing construction activities in Peel to resume its long-term growth path and facilitate the planned growth in Peel

Peel’s Ontario Works (OW) Review & Outlook

Peel’s OW caseloads climb to a multi-decade high

Peel’s average monthly OW caseloads jumped by 46.1 per cent in 2024 to a multi-decade high 22,407 cases.

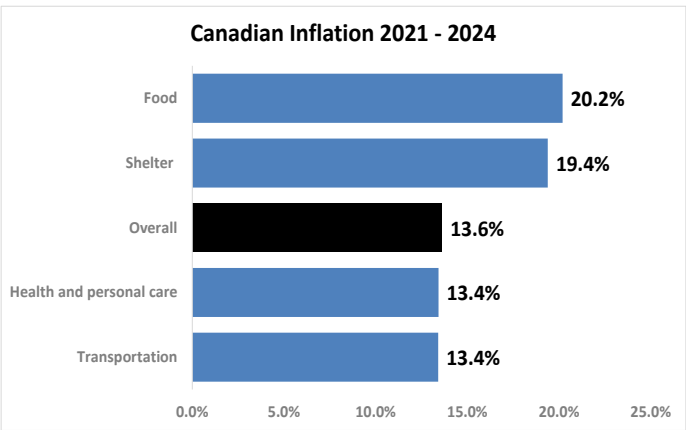
This was the third straight year in which Peel’s average monthly caseloads increased. This upward trend started in late 2021 after the end of government supports to Canadians impacted by the pandemic.



Source: Peel Human Services

After supports ended, Canada's price environment changed to one that was marked by elevated prices and rising interest rates. Inflation peaked at 6.8 per cent in 2022 before slowing to 3.9 per cent in 2023 and 2.4 per cent in 2024. However, lower inflation means that prices continued to increase, but at a slower rate.

Higher consumer prices since 2021 were fueled mostly by increases in the price of necessities such as food and shelter. Between 2021 and 2024, average prices in Canada as measured by the change in the Consumer Price Index (CPI) over the period, increased by 13.6 per cent, led by respective increases of 20.2 per cent and 19.4 per cent in the prices of food and shelter.



Source: Statistics Canada

These price changes have eroded consumer affordability in Canada, including in Peel, and forced many, particularly those who were already vulnerable, to seek social supports, including those provided by OW. Monthly OW caseloads in Peel registered sustained increases throughout 2024 to culminate in the 46.1 per cent rise in average monthly caseloads for the year. The ratio of average monthly OW caseloads to Peel’s population also increased in 2024 to a more than two decade high 1.35 per cent.

Peel's Ontario Works (OW) Review & Outlook

The increase in OW caseloads to continue in 2025

Many of the factors which have resulted in higher OW caseloads in Peel over the past three years remain. These include elevated prices, high interest rates, higher population and more unemployed residents. In addition, broad economic risks have increased.

The global trade war caused by the US tariff is estimated to be already having negative economic effects. It has increased uncertainty and unpredictability and related economic risks, which are likely to have negative impacts on employment, income and affordability, and the demand for social services, including those offered by OW.

Peel's average monthly caseloads continued to increase in early 2025 but at a slower pace than in the preceding year. They are expected to continue to increase in the short run given prevailing risks.

However, the change in Canadian immigration policy in late 2024 should slow population growth and dampen the increase in OW caseloads throughout 2025. For the full year 2025, Peel's average monthly OW caseloads are expected to be approximately 26,000, about 16 per cent higher than in 2024, down significantly from the 46.1 per cent increase registered in 2024.

Longer term changes in Peel's OW caseloads are uncertain given heightened economic uncertainty and unpredictability.



Emerging and ongoing Risks and outlook for Peel

Unprecedented risks and uncertainties in a changing global landscape



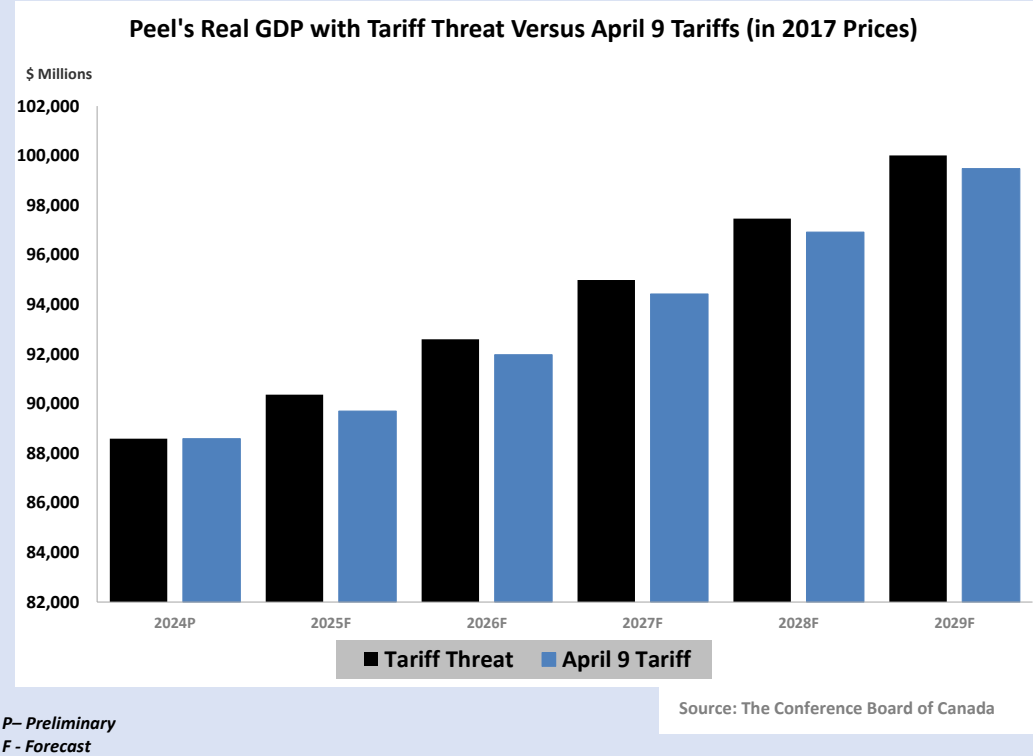
In early 2025, risks and uncertainties have increased to levels not observed in recent years and are expected to influence changes at all economic levels in the short to medium-term. The United States government announced a series of tariff measures on countries across the globe with far reaching negative implications for global trade and growth. According to the International Monetary Fund, “new tariff measures by the United States and countermeasures by its trading partners have been announced and implemented, ending up in near-universal US tariffs on April 2 and bringing effective tariff rates to levels not seen in a century. This on its own is a major negative shock to growth”⁶.

In Canada, growth projections have been downgraded since the implementation of tariffs given Canada’s trade dependence on the US and the deep interconnectedness of the Canadian and US economies. Similarly, the economies of Ontario and Peel are dependent on trade, particularly with the US, and therefore, US tariffs and counter tariffs by Canada are expected to have negative repercussions for both economies.

⁶ [International Monetary Fund World Economic Outlook](#), April 2025; pp. XV

Emerging and ongoing Risks and outlook for Peel Cont'd

Based on analysis conducted for Peel by the Conference Board of Canada, and assuming that most of the current US tariff measures are short-lived, the impacts from the US tariff on Peel’s economy will be felt most in 2025. Further, “the initial economic shock through disrupted trade, dampened investment, and price volatility reverberates across sectors, slowing recovery”⁷ in 2025. As a result of US tariffs, Peel’s real GDP is expected to fall short of GDP in a non-tariff scenario by \$665 million in 2025 or 0.7 per cent lower. Peel’s economy is expected to remain on this lower path during the forecast period 2025-2029.



There remains considerable uncertainty regarding the impacts that US tariffs will ultimately have on Peel’s economy given continuous changes in US trade policy. Since preparing these forecasts using data available as at early April, some rates have already changed. This rapidly changing trade landscape presents both downside and upside risks, as tariffs can be left for more extended periods and at different rates than assumed, and result in more negative outcomes. Alternatively, they can be removed early, allowing for quicker rebound in economic activity.

⁷ Economic Outlook for the Peel Region under Alternative Tariff Scenarios, The Conference Board of Canada.

