Peel's Economic Pulse

2025 Economic performance and outlook

Peel Region

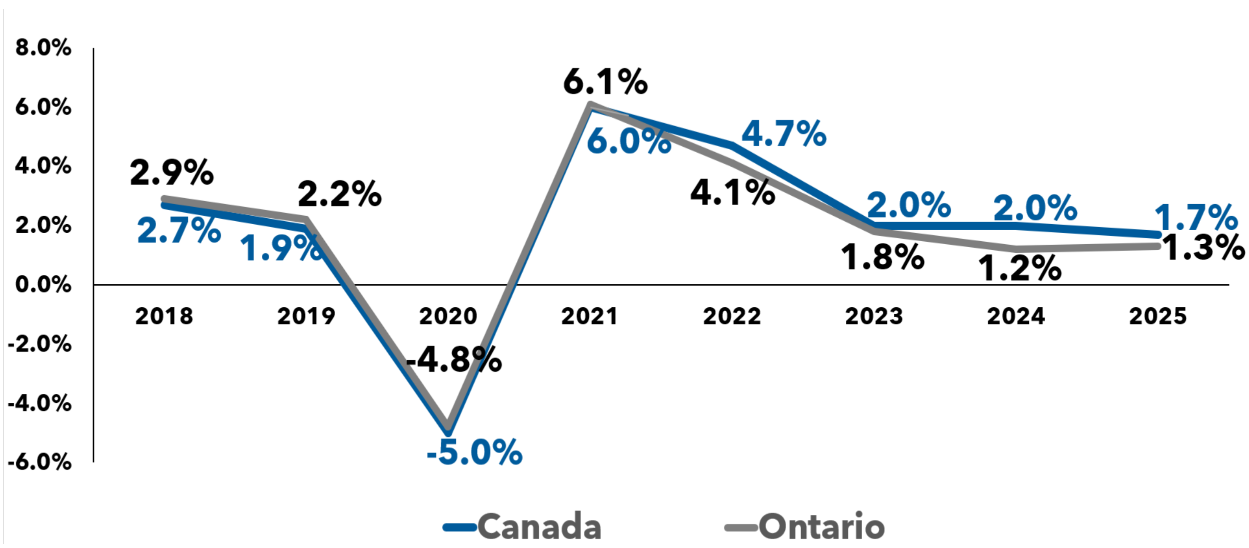
Table of contents

Macroeconomic environment: Economic resilience in uncertainty, unpredictability and change

The global economic environment underwent significant shifts in 2025, starting with the introduction of global tariffs by the United States (U.S.) early in the year. This marked the most significant shift in U.S. and global trade relationships in over 90 years. The introduction of the U.S. tariff exaggerated global economic uncertainty and unpredictability that was already elevated due to heightened global geopolitical tensions.

The change meant that Canada had to navigate a new and unanticipated economic path characterized by new tariffs imposed by its main trading partner. This occurred while elevated prices and high interest rates exaggerated challenges in some markets, such as housing. Despite these factors, both the Canadian and Ontario economies remained resilient and registered respective growth in real Gross Domestic Product (GDP) of 1.6% and 1.2% (estimated By Ontario Ministry of Finance) in 2025.

Annual changes in real gross domestic product (GDP)



Source: Statistics Canada

Impacts on Peel region

Peel region's economy is highly dependent on trade. Trade related activity accounts for a sizable proportion of Peel region's GDP and job creation, and a source of income for many residents of Peel region. This makes Peel region vulnerable to changes in international trade policy, particularly with the U.S., Canada's major trading partner. The U.S. implementation of global trade tariffs in 2025 had significant impacts on the local (Peel region) community.

1. Residents

Rising unemployment: Labour market conditions in Peel region deteriorated in 2025. Approximately 43,900 residents lost jobs leading to more unemployed residents and a rise in Peel region's annual average unemployment rate to a four year high of 10.0%.

Elevated affordability challenges: While Peel region's unemployment rate increased, the cost of necessities like food and housing remained elevated. In 2025, Canadian inflation rate slowed to 2.1%, but the cost of food and housing remained primary drivers of inflation with increases exceeding 3.0%. These changes kept affordability challenges elevated for many residents.

Higher insolvency cases: A total of 5,747 Peel region residents filed for consumer insolvency in 2025, approximately 16.9% higher than in 2024, as the number of both bankruptcies and proposals increased. This was the highest level of consumer insolvency in Peel region since this data became available in 2012. The increase in consumer insolvency cases in Peel region in 2025 extended the upward trend in cases observed since 2022 when inflation accelerated and interest rates increased.

2. Businesses

U.S. trade tariffs: New trade tariffs were implemented in 2025 by the U.S., Canada's main trading partner. As a result, uncertainty and unpredictability increased and added to pre-existing business risks. Many businesses in Peel region, particularly in trade dependent sectors like manufacturing, were negatively impacted. Stellantis Brampton, a motor vehicle assembly plant in Peel region, stopped retooling activities and entered an "operational pause" after the introduction of U.S. tariffs and a change in U.S. policy on electric vehicles. Over 3,000 workers were negatively impacted.

3. Peel Region

Peel Region continues to work to meet growing and evolving community needs, especially in areas such as housing. Higher prices after COVID-19 have made housing less affordable. To help, and in compliance with Bill 17, Peel Region is delaying development charges (DC) payments and offering grants for specified new rental housing projects.

While addressing critical needs, Peel Region, like other Canadian municipalities, is facing lower revenues due to changes like shifting land use as technological advancement and automation transform the way businesses operate. The continued balancing of needs and available resources remain critical to managing long-term financial sustainability risks.

OUTLOOK: Rising geoeconomic and geopolitical risks

Economic uncertainty and geopolitical tensions are elevated and have increased short to medium-term economic risks. The World Economic Forum's Global Risk Report released in January 2026, ranked geoeconomic confrontation as the world's greatest risk for the year ahead. This as trade policy shifted to the expanded use of trade tariffs, creating global uncertainty and unpredictability.

In February 2026, geopolitical tensions increased due to conflict in the Middle East. Since then, oil prices have risen significantly, and inflation and global economic growth risks have become more pronounced.

In Canada, the U.S. tariff and the expected renegotiation of the North American trade agreement (CUSMA), are creating uncertainty and slowing short-term growth expectations. Canadian economic growth is expected to slow to 1.4% in 2026 due to several factors. These include a more uncertain trade environment, global risks, and slower population growth. Ontario's economy faces similar challenges, with growth expected to slow to about 1.0% in 2026. Over the medium-term economic growth is expected to improve as short-term risks ease

Peel's performance review and outlook: Summary

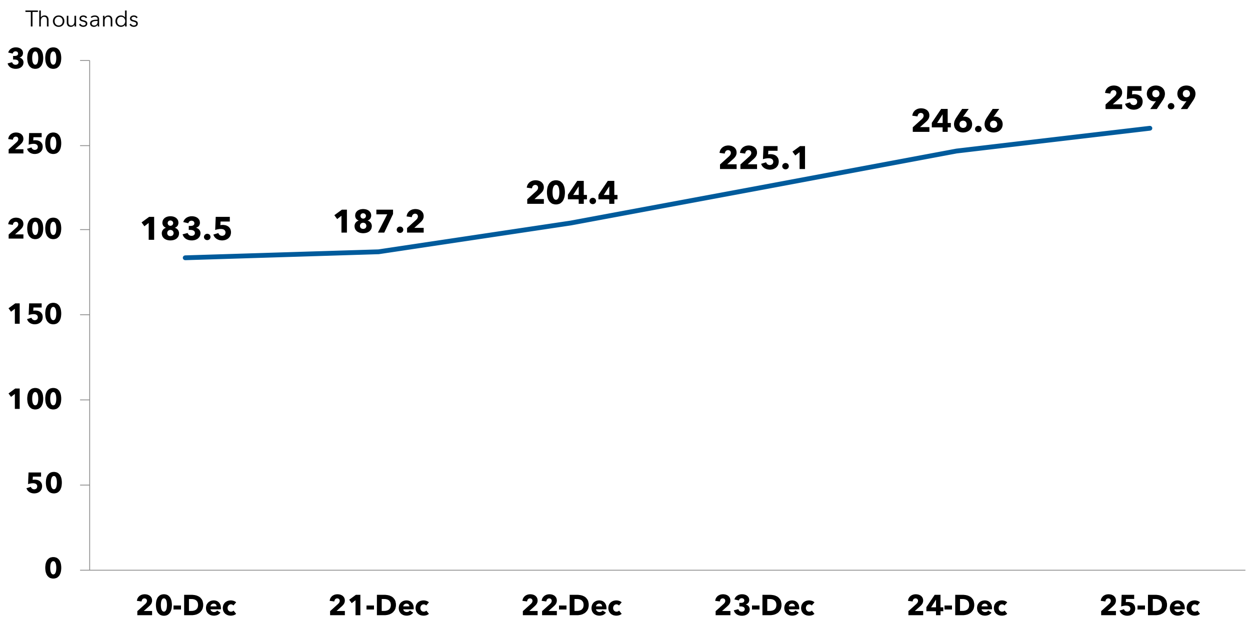
There were significant macroeconomic shifts in Canada in 2025. These included tariffs put in place by the U.S., Canada's main trading partner, and a lowering of Canadian immigration targets. Peel region's economy relies heavily on trade and immigration for growth and therefore these policy changes, along with the ongoing impacts of elevated prices and interest rates, hindered growth in Peel region in 2025. Peel region's GDP fell by 0.3%, Peel region's population declined by 1.3%, labour market conditions deteriorated and Peel Region's OW caseloads increased for the fourth consecutive year. Further, excluding the total value of building permits issued, all construction indicators registered negative changes, with activity levels reaching new or multi-decade lows.

Changes in Peel region's business sector and in Peel region's taxable assessment base were positive exceptions. There was a new record high 259,920 business establishments in Peel region in December 2025, approximately 5.4% more than in 2024, and total business insolvencies in Peel region fell for the first time since 2021. Peel region's total taxable assessment base also continued to increase in 2025, extending its long-term growth trend to more than 2 decades. However, in early 2026, geopolitical tensions heightened due to conflict in the Middle East. This along with pre-existing factors such as the U.S. trade tariffs, have raised global economic risks with negative implications for short-term economic performances at all economic levels, including in Peel region.

Performance review and outlook: Peel region's business sector

Sustained expansion in Peel region's business sector

Number of business establishments in Peel region

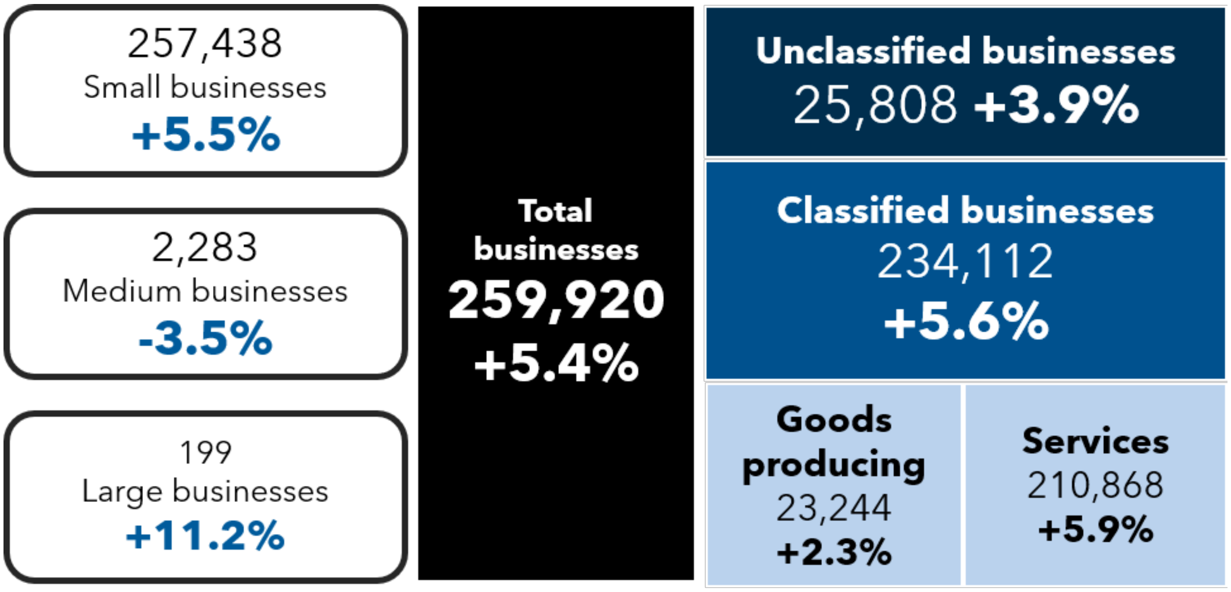


Source: Statistics Canada

Despite the rapidly changing environment, Peel region's business sector registered notable positive changes in 2025. In December 2025, there were 259,920 business establishments in Peel, 5.4% (13,298 establishments) more than there were in December 2024. This was a highest number of business establishments ever recorded in Peel region.

The expansion of Peel region's business sector between December 2024 and December 2025 reflected growth in most business establishment sub-categories. The only exception was medium sized businesses, (which employ between 100 to 499 employees), down 83 business establishments, or -3.5%. The decline may be the result of many factors, including adjustments in the number of employees, which changed the size classification to small or large businesses. In 2025, small businesses in Peel region added 13,361 businesses, up 5.5%, while large businesses added 20 businesses, up 11.2%.

Changes in business establishments in Peel region by major categories in December 2025



Source: Statistics Canada; Office of the Superintendent of Bankruptcies

Small businesses (businesses which employed less than 100 persons) continued to account for approximately 99% of business establishments in Peel region and fueled the positive performance of Peel region's business sector in 2025.

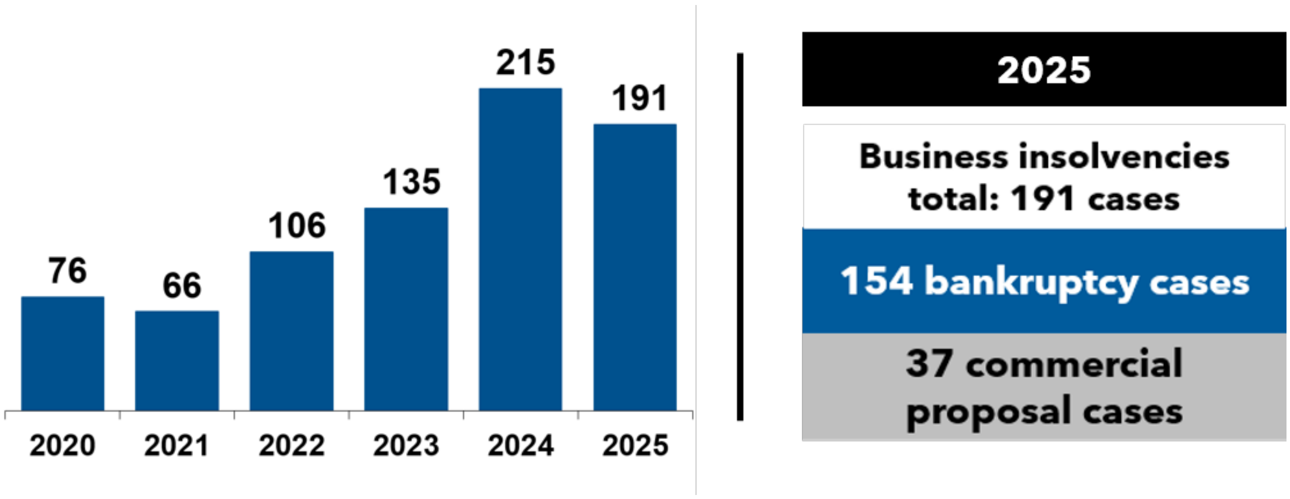
Total business establishments were made up of 234,112 that were classified in sectors defined by the North American Industrial Classification System (NAICS). A total of 23,244 businesses were classified in the goods producing sector and 210,868 in services, representing respective increases of 2.3% and 5.9%. Over the past 20 years, the service sector has increased it share of Peel region's business establishments by 8.5 percentage points, while the goods producing sector lost share proportionately. As a result, the service sector increased its share of business establishments in Peel region to a record high 90.1% in 2025.

Total business establishments that did not fit in NAICS classification (unclassified business establishments) totalled 25,808 businesses. This was 960 more businesses than in December 2024, up 3.9%.

Business insolvencies in Peel region fell for the first time in 4 years

In 2025, total business insolvencies in Peel region fell by 11.2% to 191 cases. This decline followed 3 consecutive years of increase, which occurred alongside a change to a higher price environment, characterized by higher inflation and interest rates. In 2025, inflation slowed to its lowest level in 5 years, and interest rates continued to trend downwards, contributing to a more stable price environment for many businesses.

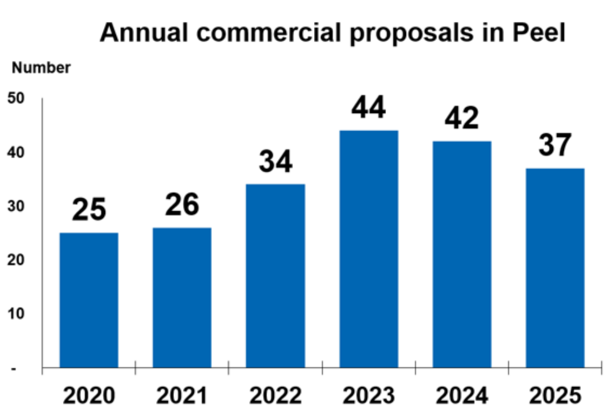
Annual business insolvencies in Peel region

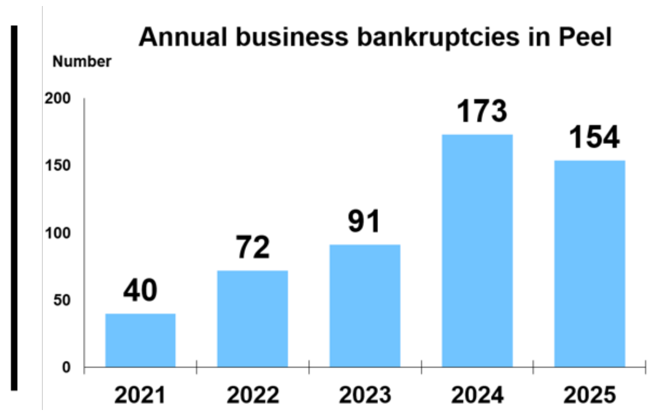


Source: Statistics Canada, Office of the superintendent of bankruptcies

Compared with 2024, total business proposals fell by 11.9% to 37 cases, while business bankruptcies fell from 173 cases in 2024 to 154 cases to influence the decline in total insolvencies in 2025.

Commercial proposals and business bankruptcies in Peel region in 2025





Source: Statistics Canada, Office of the superintendent of bankruptcies

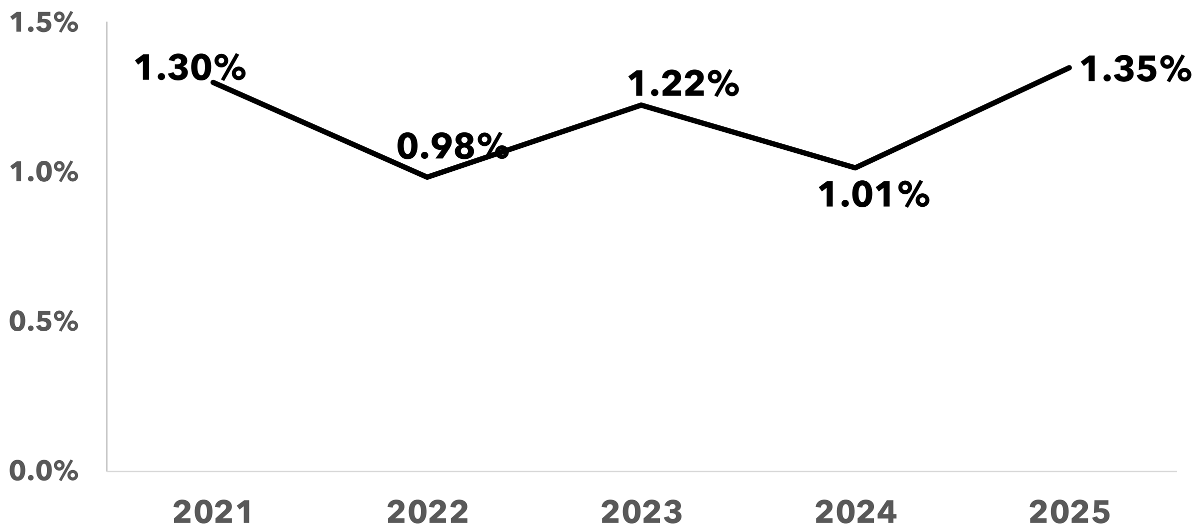
Performance review and outlook: Peel region's Taxable assessment base

Two and a half decades of sustained assessment base growth

Total taxable assessment base in Peel region grew by 1.35% in 2025 (for the 2026 tax year). This extended the sustained growth in Peel region's total taxable assessment base to 2 and a half decades (1999 – 2026). This long-term growth trend reflects significant population and business growth in Peel region over the period.

Between 1999 and 2012, and as Peel region grew rapidly, the annual average growth in Peel region's taxable assessment base averaged 2.78%. However, as total assessment base gets larger, it takes more to replicate historical growth levels. In subsequent years (2013 to 2026), annual average growth slowed to 1.3%.

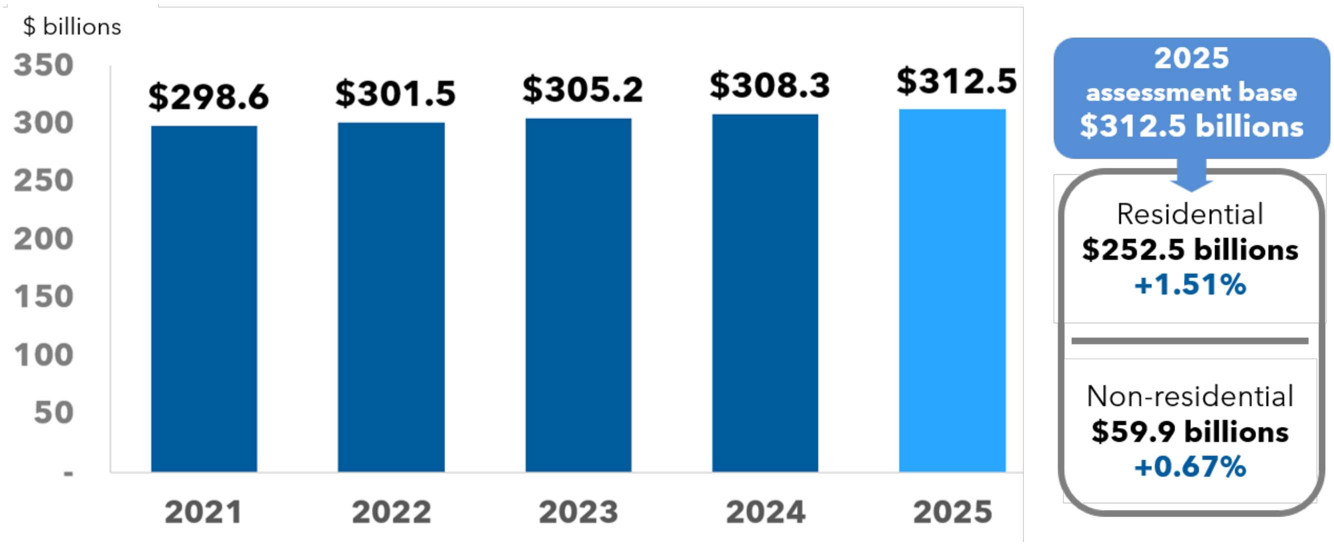
Annual growth in Peel region's total taxable assessment



Source: Municipal property assessment corporation

In 2025, growth was supported by both residential and non-residential assessment base. Total residential assessment base in Peel region led growth with an increase of 1.51%. This was the strongest growth since the 1.81% increase registered in 2019. The increase in non-residential assessment base remained positive in 2025 at 0.67%.

Peel region's total taxable assessment base: Annual



Source: Municipal property assessment corporation

Outlook: Peel region’s taxable assessment to continue to grow

Current growth plans for Peel region suggest continued growth in both Peel region’s residential and non-residential sectors. The population of Peel region is expected to increase to a total of 2.28 million persons by 2051, while Peel region’s business sector is expected to continue to expand to provide 1.07 million jobs over the same time horizon. These should support future taxable assessment growth in Peel region.

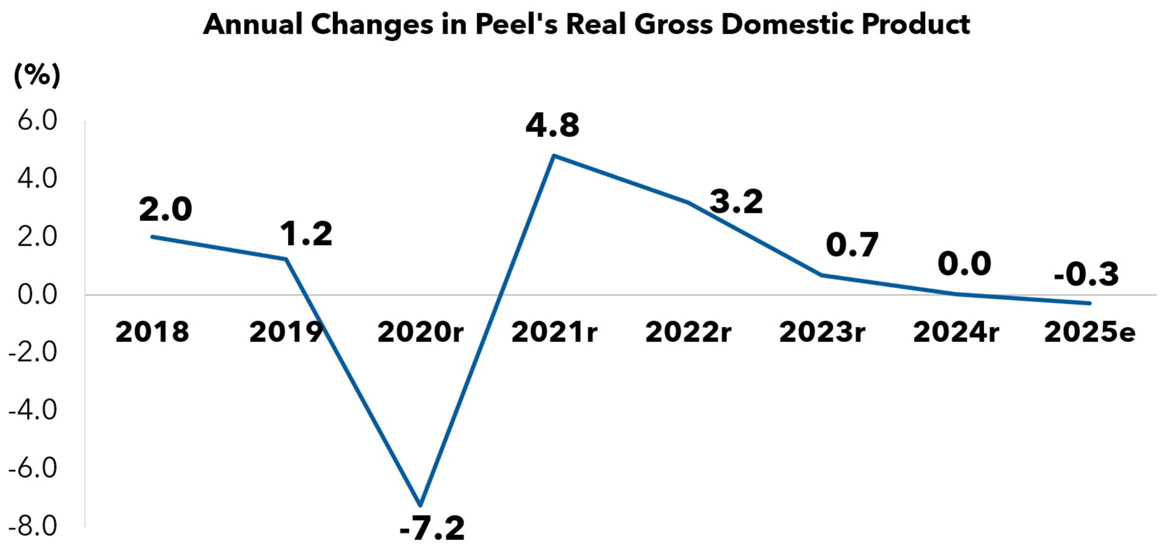
While growth in Peel region’s taxable assessment base is expected to continue over the next 2 decades, growth will likely remain relatively subdued as even with positive absolute changes, they will likely be lower in percentage changes given the large base to which it will be compared. Additionally, the use of more automated processes, the shift to online business, (including shopping) and remote working have all contributed to the decreased need for office and commercial spaces. Further, technological advancement and automation have changed and will probably continue to change the nature of non-residential growth.

Performance review and outlook: Peel region's Gross Domestic Product (GDP)

A changed policy environment constrained GDP growth

In 2025, Peel region's real GDP, which is the broadest measure of economic activity, fell by an estimated 0.3%. This was the first decline in Peel region's real GDP since the pandemic year of 2020, and it came after a flat GDP performance in 2024.

Annual changes in Peel region real GDP



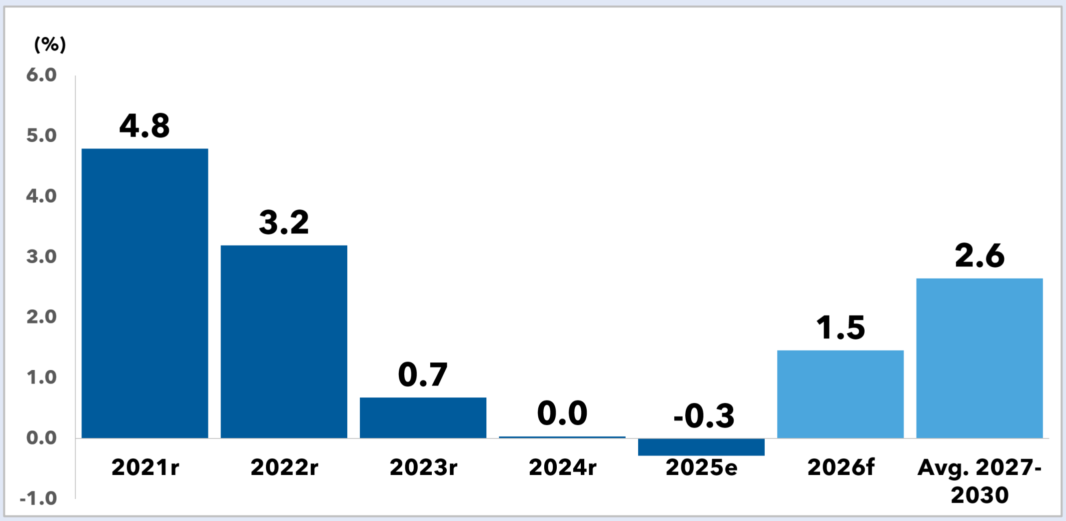
r – Revised, e – estimated
source: Signal49Research

The U.S. introduced global trade tariffs early in 2025. This altered the global trade landscape and contributed to a decline in Peel region's GDP. The tariffs raised costs, and created uncertainty particularly for trade-dependent industries, which make up about 36% of Peel region's GDP. Reflecting the impact of the tariff, the GDP of the goods producing sector in Peel region contracted by 1.5% in 2025, driven by declines in manufacturing (-4.8%) and construction (-0.6%). Overall growth in services was flat, as gains in some sectors were offset by declines in highly trade dependent sub-sectors like retail trade (-4.0%), wholesale trade (-3.7%) and transportation and warehousing (-0.9%).

Outlook: GDP growth to improve over the medium-term

Peel region's GDP medium-term forecast developed by Signal49Research is based on information available at the end of 2025. It explicitly incorporates U.S. tariff measures and Canada's countermeasures in place at the end of 2025 and assumes that these measures will remain in place throughout 2026. These measures which were put in place in 2025 have kept short-term economic risks elevated.

Annual average and forecasted changes in Peel Region's real GDP



r – Revised, e – estimated, f - forecast
source: Signal49Research

Peel Region faces short-term risks from trade uncertainty, pending CUSMA renegotiation, and rising geopolitical tensions, particularly conflict in the Middle East. A deeper or more protracted conflict in the Middle East could pose a downside risk to Peel region's outlook. Over the medium to long-term, many of these risks, particularly trade related risks, are expected to ease and support economic recovery. GDP is projected to rebound from a 0.3% decline in 2025 to 1.5% growth in 2026, with average annual growth of 2.6% from 2027 to 2030. New government incentives for home buyers, pent-up demand for housing, and increased government infrastructure investment are expected to support growth. Sectors like construction, finance, insurance, and real estate, and healthcare, are expected to lead to long term growth.

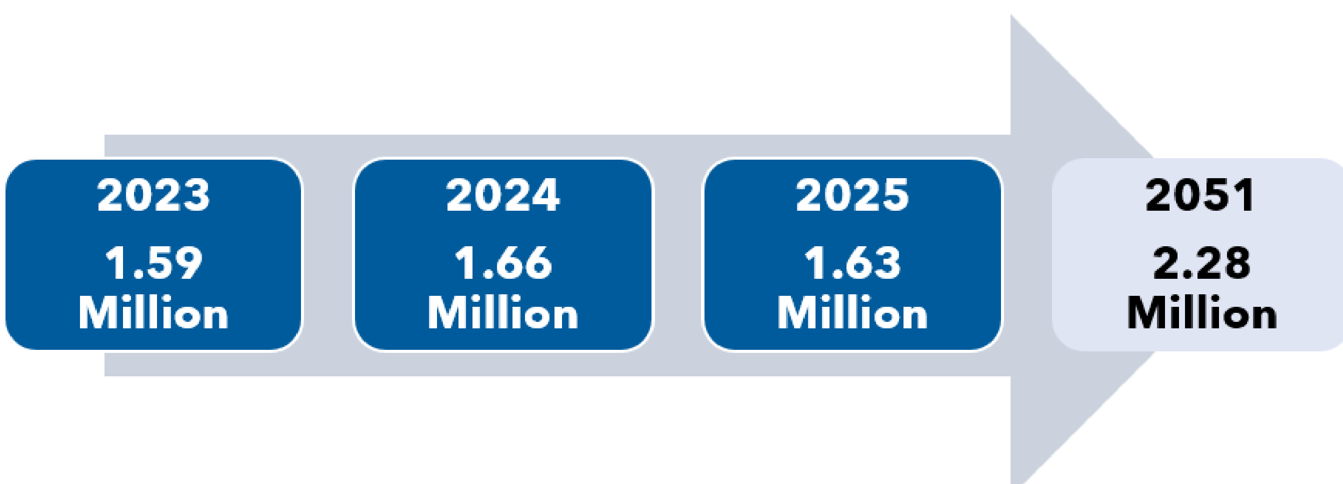
Performance review and outlook: Peel region's population

Lower Canadian immigration levels halted population growth in Peel region

Based on estimates by Statistics Canada, in July 2025, Peel region's total population was estimated at 1.63 million persons, or 1.3% lower than in July 2025. Peel region is an important destination for immigrants to Canada. As Canadian immigration levels fell, the number of new immigrants who came to Peel region in 2025 declined by 5.6% relative to 2024. Over the same period, an estimated 26,615 non-permanent residents left Peel region, contributing to the decline in total population.

There were lower populations in 2 of Peel region's 3 local municipalities in 2025. Populations in both the City of Mississauga and the City of Brampton (the 2 largest cities in Peel region), fell to account for the overall decline. Despite the year-over-year decline in population, Peel region remained the second largest region in the Greater Toronto Area (GTA) in 2025.

Estimated and forecasted total population in Peel Region



Source: Statistics Canada

Lower Canadian immigration also impacted population growth in Canada and Ontario. In Canada, population growth slowed from 3.0% in 2024 to 0.9% in 2025. Similarly, Ontario's population growth slowed from 3.3% to 0.7% respectively over the same period.

Outlook: Slower population growth in 2026 to 2028 before stronger long-term growth

Peel region remains an attractive location for new residents and businesses given its many strategic advantages. Peel region is located near large employment centers such as Pearson International airport. In an environment where economic risks are elevated, locations like Peel region that enhance opportunities to find employment, grow and thrive, will become more desirable. Other factors such as its cultural diversity, educated workforce and well-developed transportation network continue to boost Peel region's attractiveness to newcomers.

However, overall Canadian immigration targets have been adjusted downwards during the period 2026 – 2028 and will constrain population growth across Canada, including in Peel region, during the period. As a result, changes in Peel region's population are expected to be limited in the short-term. However, long term population targets remain unchanged. Peel region's population is expected to increase by over 600,000 residents to approximately 2.28 million persons by 2051.

Performance review and outlook: Peel region’s labour market

Peel region’s labour market adjusting to a changed environment

A decline in population in Peel region and increased economic uncertainty associated with U.S. trade tariffs were among the major influences on labour market changes in 2025. Fewer immigrants came to Peel region and there was significant outflow of non-permanent residents. These changes helped to influence an estimated 2.1% decline in Peel region’s total working age population. This followed a relatively strong 6.1% increase in the preceding year.

The number of Peel region’s working age population that were in the labour market working or looking for work (total labour force) also declined, down by 4.0% in 2025. This translated into the exit of approximately 37,500 residents from the labour market.

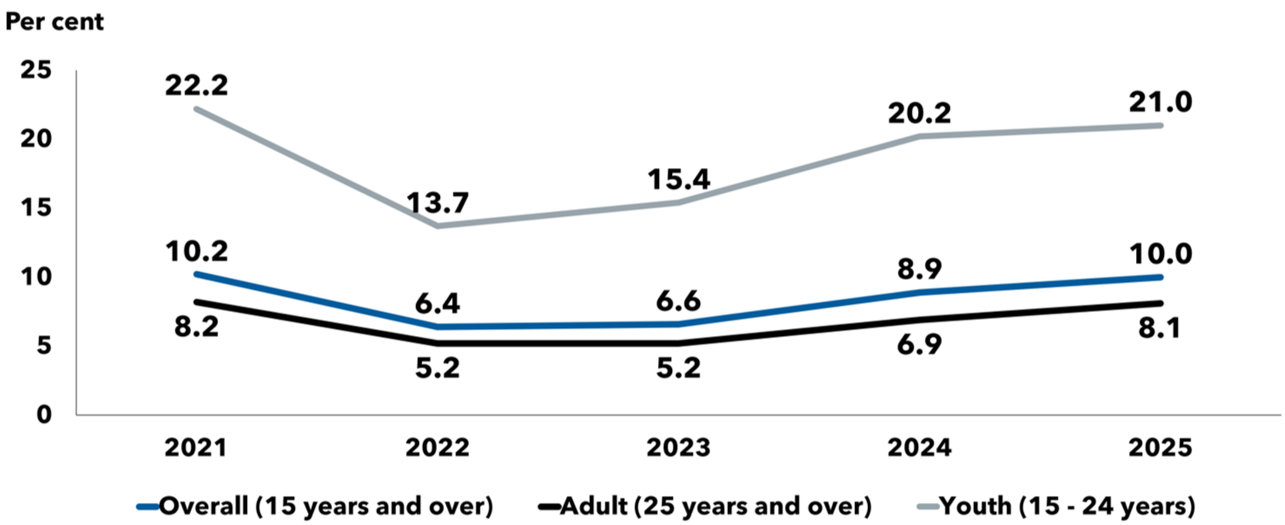
While residents left the labour market and therefore were not counted among the unemployed, the number of unemployed residents increased as 43,900 residents lost jobs.

This reduced the number of working residents to 810,200 persons, 5.1% lower than in 2024, and resulted in an increase in Peel region's annual average overall unemployment rate from 8.9% in 2024 to 10.0% in 2025.

There were higher unemployment rates in all age cohorts, led by a 1.3 percentage points increase in the rate for core working age adults (25 – 64 years) to 8.3%. The unemployment rate for youth remained the highest at 21.0%.

Selected labour market indicators in Peel region in 2025

Annual average unemployment rates in Peel region



Source: Statistics Canada

Pervasive declines in employment

Compared with 2024, employment fell in most major employment categories and in the 3 major age groups in 2025. The steepest decline occurred in the youth (15-24 years) age cohort, down 9.7% to 81,800 positions. Employment of adults (25 years and over) declined by 4.5% to 708,200 persons.

Lower employment in 2025 reflected respective declines of 4.9% and 6.6%in full-time and part-time employment to 688,500 persons and 121,700 persons. Both types of employment fell in the youth and adult segments of the market.

Changes in selected employment categories in Peel region's labour market in 2025

Type of position	Major sectors	Age
Full time **-4.9%**	Goods producing **-5.1%**	Youth 15 to 24 years **-9.7%**
Part time **-6.6%**	Services **-4.2%**	Adults 25 years and older **-4.5%**

Source: Statistics Canada

Fewer Peel region residents worked in both major sectors

Compared with 2024, both the goods producing and service sectors employed fewer Peel region residents in 2025. Employment in the goods producing sector totalled 146,200 positions, down 9.2%. Manufacturing and construction, the 2 largest goods producing subsectors reduced employment by 8.5% and 11.7% respectively.

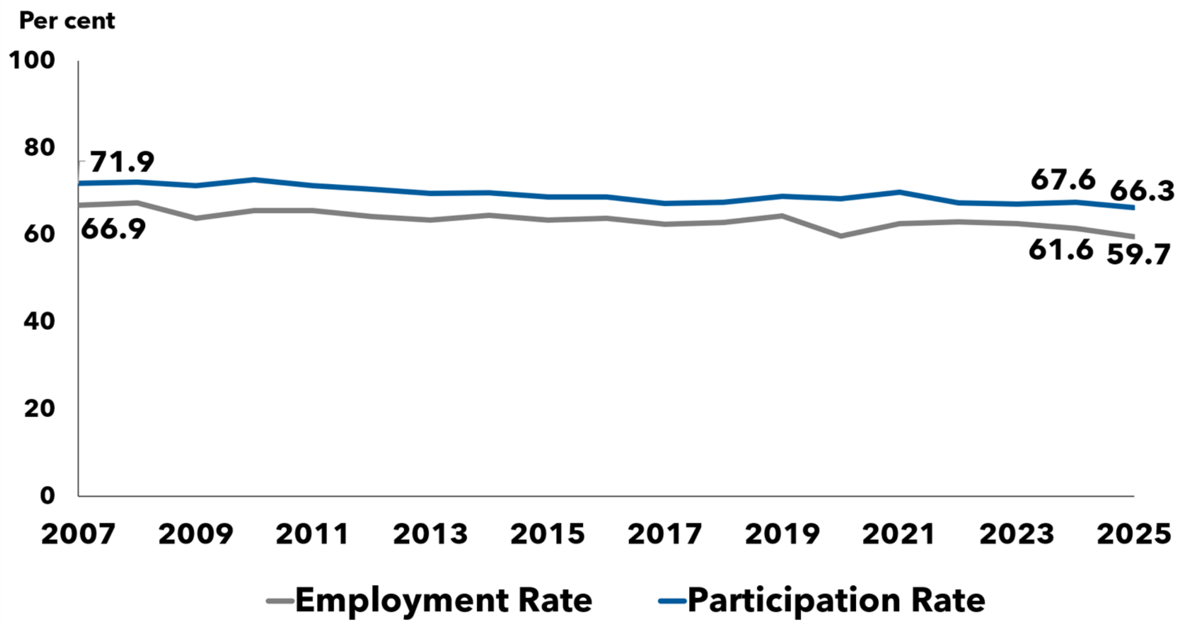
At 90,900 positions, manufacturing employment accounted for 11.2% of employed Peel region residents in 2025, down from a peak of 23.5%in 2004. This highlights the significant structural shifts that have occurred in Peel region's economy over the past 2 decades.

In 2025, a total of 664,000 Peel region residents were employed in services, down by 4.2% relative to 2024. Most of its sub-sectors recorded lower employment, led by trade with a 14.2% decline or 20,600 fewer positions. Notwithstanding, services increased its share of employment in the labour market from 81.1% in 2024 to 82.0% in 2025, extending the long-term sectoral shift in employment towards services.

Long-term declines in Peel region's participation and employment rates

As workers exited the labour market, the share of working-age residents who were working or looking for work (participation rate) fell from 61.6% in 2024 to 59.7% in 2025. Youth (15 – 24 years) registered the largest decline, with a 2.7 percentage points fall to 43.6%. Peel region's employment rate, which describes the share of working-age residents who are employed, also decreased, moving from 61.6% in 2024 to 59.7% in 2025.

Overall participation and employment rates in Peel region



Source: Statistics Canada

In addition to the exit of working age persons from the labour market, participation and employment rates can also decline due to retirement. Both rates have shown a long-term decline as baby boomers retire. Over the past 2 decades, the overall average participation rate in , Peel region's has declined from 70.6% to reach 66.3% in 2025. Peel region's employment rate declined from 66.1% to 59.7% over the same period.

Outlook: Labour market risks remain elevated

Several factors will likely shape labour market changes in Peel region in the short term. Trade uncertainty due to U.S. tariffs, the upcoming CUSMA negotiations, and increased uncertainty and unpredictability are causing businesses to remain cautious with hiring decisions. Based on the Bank of Canada's Business Outlook Survey for Q4 2025, business investments remain focused on maintenance rather than on expansion, and relative to the preceding quarter, more firms planned to reduce the size of their workforce.

Sectors such as manufacturing, trade, and transportation and warehousing are sensitive to trade disruptions and may be challenged to expand activities and workforce in the short run. On average, these sectors account for over 40% of employment in Peel region's labour market, suggesting some short-term downside risks to employment growth in Peel region.

In early 2026, labour market conditions in Peel region remained weak. Residents continued to exit the labour market, the number of employed residents fell, and Peel region's average quarterly unemployment rate increased.

Over the long term, employment conditions are expected to improve, bolstered by expansion in some sub-sectors such as healthcare and social assistance, and construction. Further, Peel region's current employment forecast suggests long term growth in the number of jobs that are created in Peel region. Over 60% of Peel residents work in Peel region and therefore should benefit from the planned job creation.

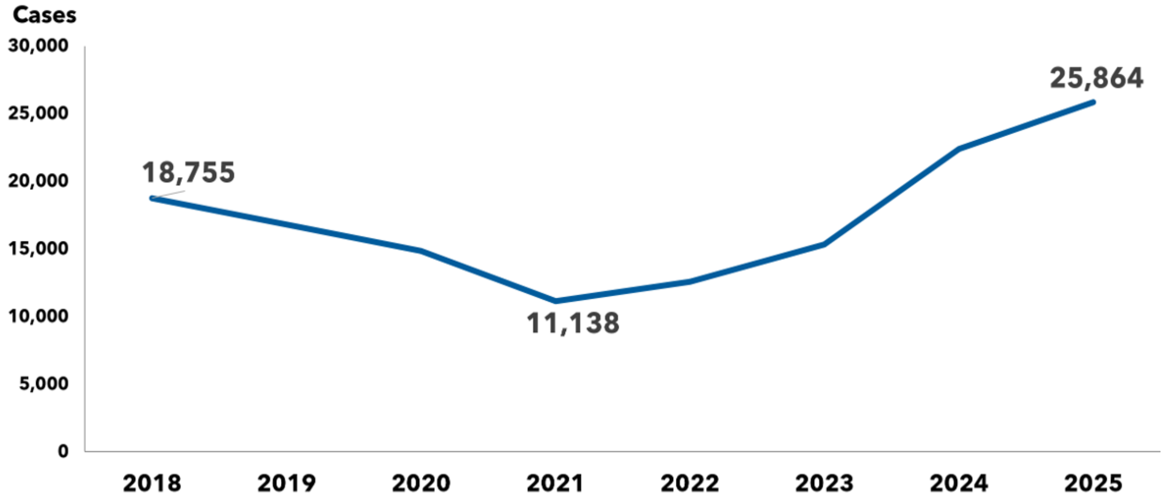
Performance review and outlook: Ontario Works caseloads in Peel region

Slower but sustained increase in Peel Region's OW caseloads

In 2025, average monthly Ontario Works (OW) caseloads for Peel region were 25,864 cases. This was 15.4% above the number of cases recorded in 2024 and the highest on record. Measured as a proportion of total population, Peel Region's monthly average OW caseloads stood at 1.58% in 2025, up from 1.35% in the preceding year.

There has been sustained annual increases in the average monthly OW caseloads in Peel region since 2021. Several factors contributed to higher caseloads during the period including, the ending of COVID-19 government supports, higher inflation and interest rates beginning in 2022, and in 2025, a worsening of labour market conditions associated with increased uncertainty and unpredictability due to U.S. tariffs. These factors contributed to exaggerated affordability challenges and increased need for many residents to seek social support, including those offered by OW.

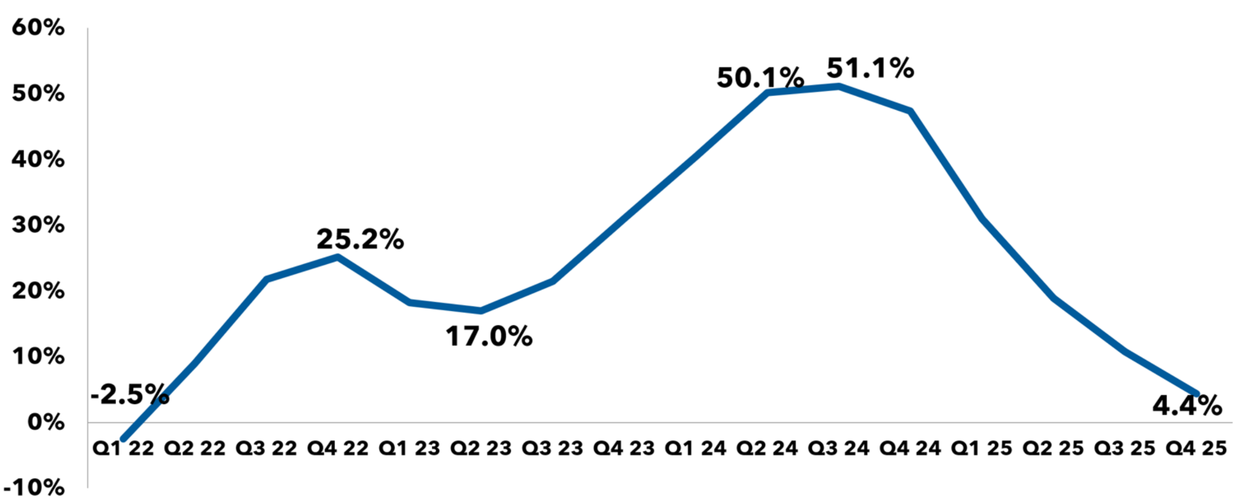
Average monthly OW caseloads in Peel region by year



Source: Peel human services

While Peel Region's average monthly OW caseloads continued to rise, the rate of growth has slowed from a peak of 46.1% in 2024 to 15.4% in 2025. Viewed on a quarterly basis, the slowing in the rate of increase is starker, with the year over year increases declining from a peak of 51.1% in Q3 2024 to 4.4%in Q4 2025.

Quarterly changes in average monthly OW caseloads in Peel Region's



Source: Peel human services

Outlook: Elevated affordability challenges to enhance risk for higher OW caseloads in 2026

The year over year increase in Peel Region's OW caseloads continued to decelerate in early 2026. This deceleration suggests that monthly OW caseloads for Peel Region should begin to show year over year declines in the short run and further slowing or a decline for the full year 2026.

However, there are important risks. At the time of writing, elevated uncertainty and unpredictability due to the conflict in the Middle East, triggered higher energy prices. These have increased the risk of a global economic slowdown (including in Canada), intensify labour market challenges, and push inflation higher; all of which can exaggerate already elevated affordability challenges in Peel region and increase the need for social support, including OW related supports.

Performance review and outlook: Peel region's construction sector

Economic uncertainty weighed heavily on housing market performance

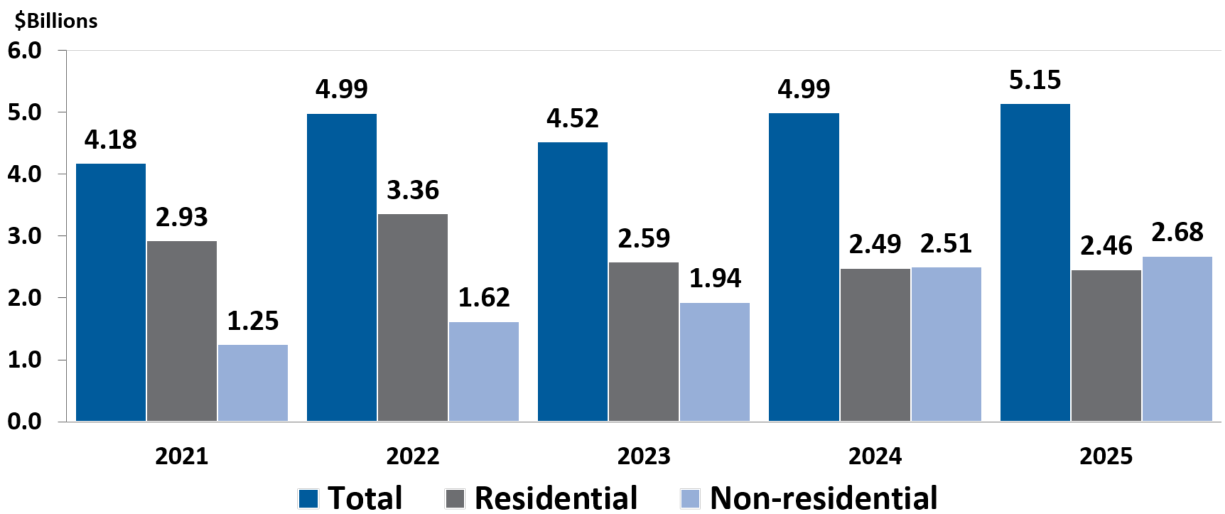
In 2023 and 2024, housing activities in Peel region and the broader GTA slowed, as housing prices rose sharply and interest rates increased. Although interest rates fell throughout 2025, they remained elevated. Mortgage holders who were renewing mortgages for the first time since the shift to higher interest rates faced steep cost increases.

In 2025, heightened uncertainty and unpredictability associated with the new tariff environment, the associated deterioration in labour market conditions and lower immigration, added another layer of influence on housing market performance. Many market participants changed to a wait and see posture as the tariff environment unfolded. These factors contributed to further slowing in housing market activities in Peel region and the broader GTA.

Building permits: The non-residential sector supported overall growth for the second consecutive year

In 2025, building intentions in Peel region, as measured by the total value of building permits issued, amounted to $5.15 billion. This was 3.1% higher than that recorded in 2024 and the highest value of total building permits ever recorded in Peel region. The source of the increase was non-residential building permits which totaled $2.68 billion, up 7.0%relative to 2024. Growth in the commercial (5.5%) and industrial (74.9%) sub-sectors supported the growth in non-residential building permits.

Annual value of building permits issued in Peel region: Total and major sub-sectors



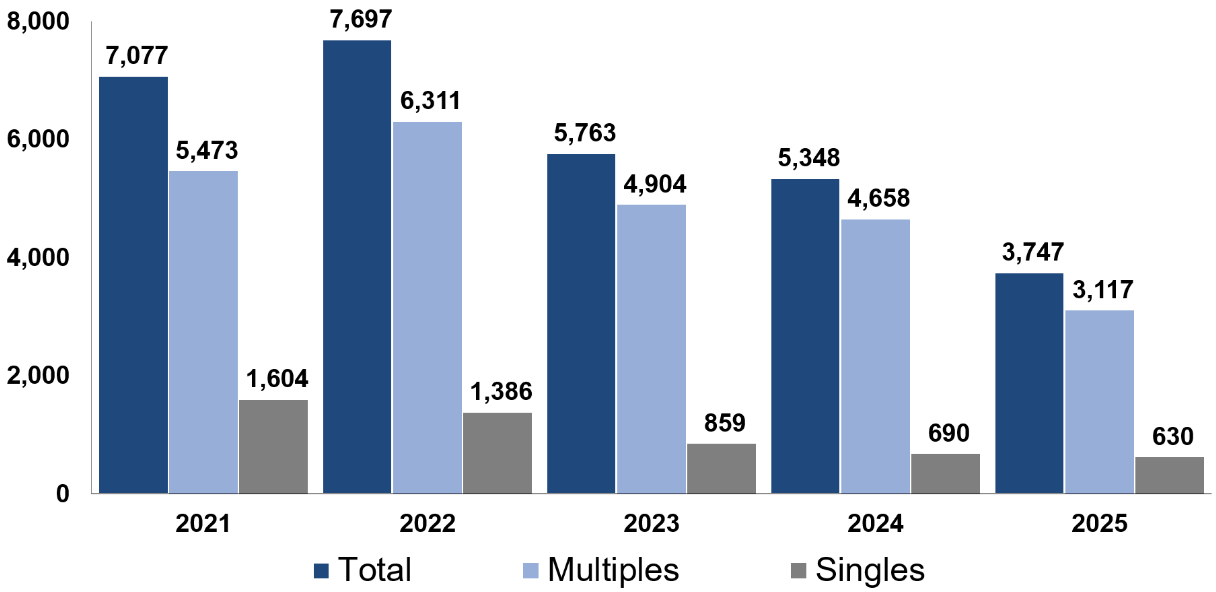
Source: Statistics Canada

For the third consecutive year, the total value of residential building permits issued in Peel region fell to reach $2.46 billion in 2025. This was 0.9% lower than in 2024 and the lowest value of residential building permits issued in Peel region since 2020, as elevated costs and interest rates continued to constrain housing demand.

Housing starts: Peel region's housing starts fell to a multi-decade low

In 2025, the number of housing starts recorded in Peel region was 3,747 units, which was 29.9% below that registered in 2024. This was the third consecutive year in which total housing starts in Peel region declined.

Total number of housing starts in Peel region by segment



Sources: Canada mortgage and housing corporation (CMHC)

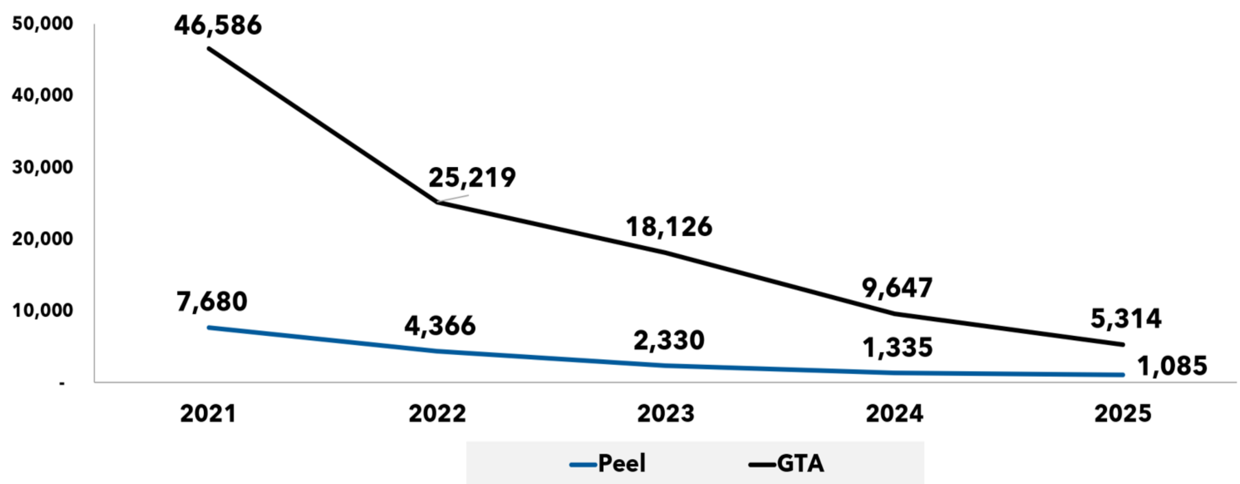
Between 2024 and 2025, both single and multiple starts fell. The number of single starts declined by 8.7% to a multi-decade low 630 units, while multiple starts declined by 33.1% to 3,117 units, its lowest level in over a decade.

The decline in housing starts in Peel region was part of a contraction in starts in the broader Toronto CMA and the GTA, where total starts fell by respective rates of 30.8% and 17.4% to 26,087 units and 37,547 units respectively.

New homes: Sales hit record lows in the GTA

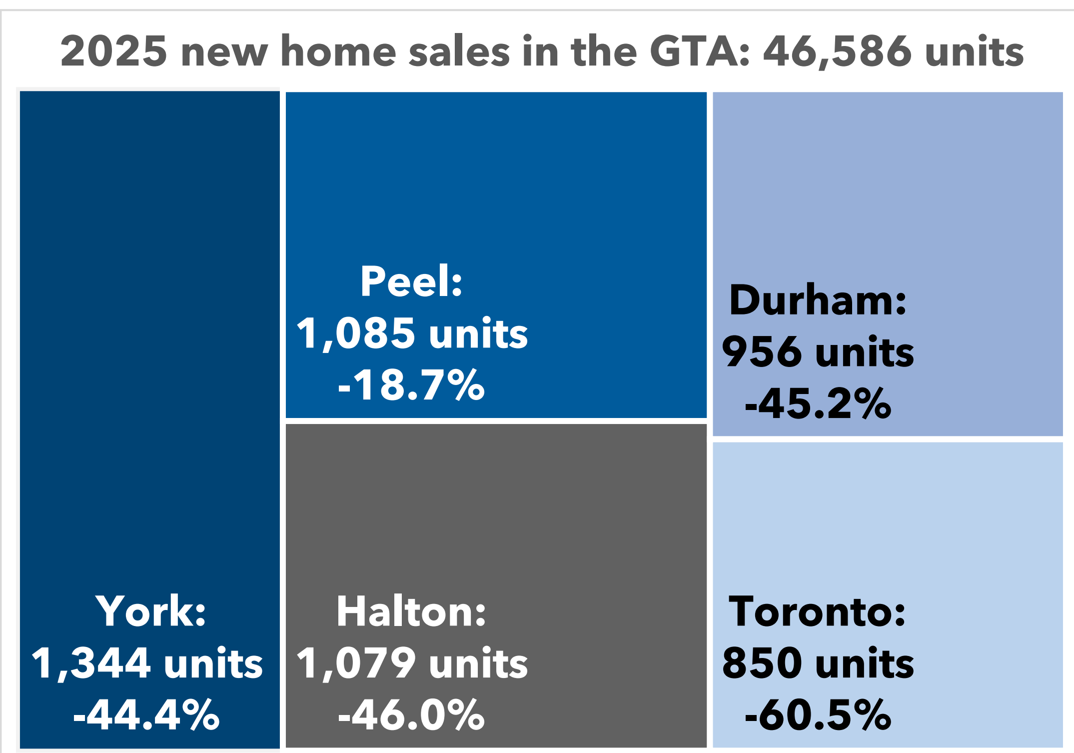
New home sales in Peel region registered another year of decline in 2025, falling by 18.7% relative to 2024 to 1,085 units. This was just 14.1% of total new home sales recorded in Peel region 4 years earlier, prior to the shift to higher prices and interest rates. Since then, the 2 primary expenses associated with homeownership – the average home price and interest rates – have risen, pushing homeownership out of the reach of many. Lower sales in Peel region in 2025 resulted from the decline in single-family homes, down 30.3% to 688 units. The sale of condominiums remained subdued at 397 units, just above the 348 units sold in 2024.

Number of new home sales in Peel region: Annual



Source: Altus Analytics

Compared with 2024, total new home sales in the GTA dropped 44.9% to 5,341 units in 2025, the lowest sales in any year since record keeping started 45 years ago. New home sales fell in all GTA regions to influence lower sales in the GTA.



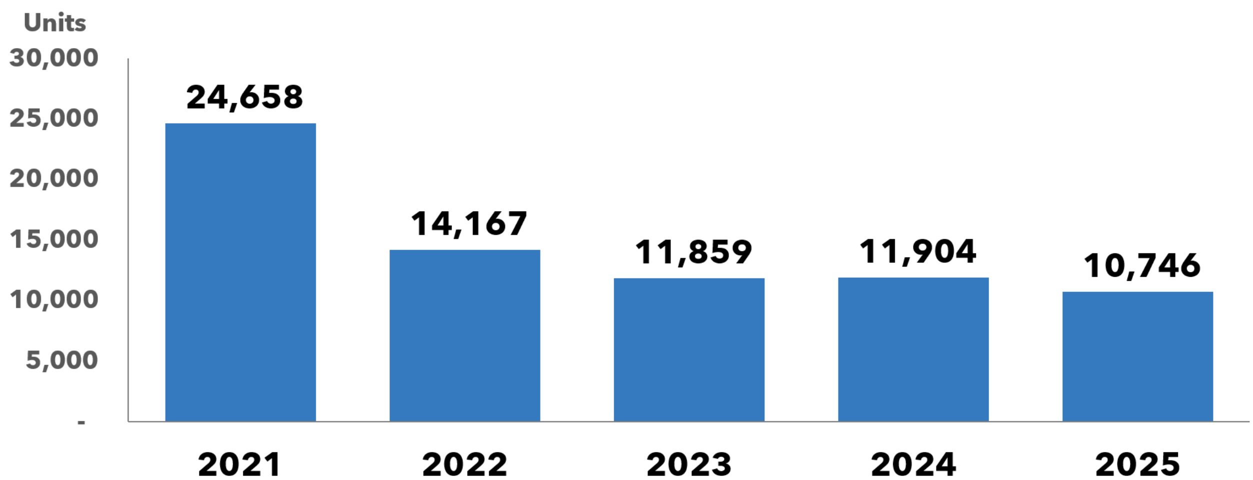
Source: Altus Analytics

Both single-family home sales (3,247 units) and the sale of condominiums (2,067 units) fell by double digits, dipping to 63.0% and 89.0% below the 10-year average annual sales, respectively.

Residential resale market: Record low residential resale activity in Peel region

In 2025, the number of residential resale units sold in Peel region fell by 9.7% to 10,746 units, or the lowest annual sales in over 2 decades. This was the third annual decline in sales recorded in Peel region in the past 4 years and occurred simultaneously with rapid and significant changes in the economic environment which have eroded housing affordability for many.

Number of residential resale units sold in Peel region: Annual

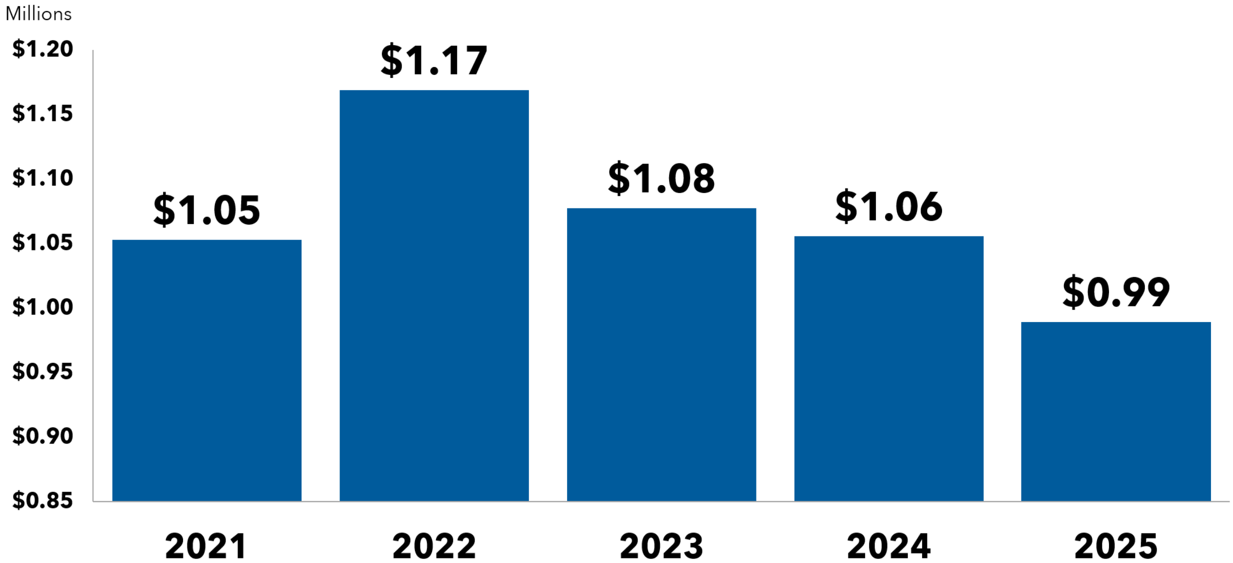


Source: Toronto real estate board

As sales fell, the average price of a residential resale unit in Peel region also fell for the third consecutive year in 2025. At $988,987, the average price was 6.3% lower than in 2024, and below the $1 million mark for the first time in 5 years. This made resale home price in Peel region one of the lowest in the GTA.

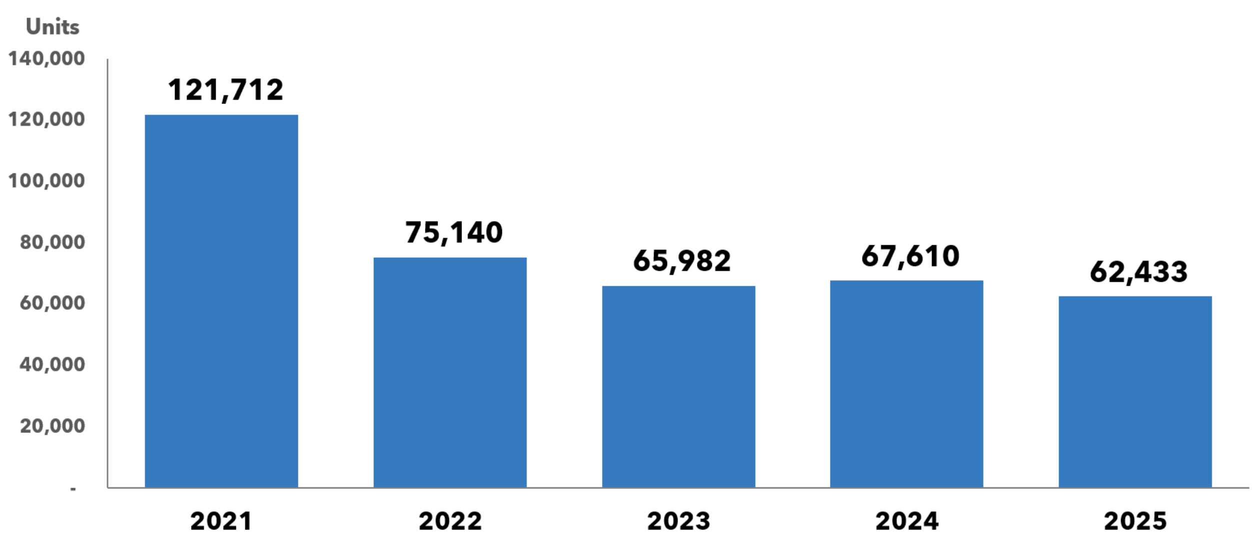
The number of residential resale homes sold in the GTA in 2025 also declined, down by 11.2% to 62,392 units. This was the lowest annual sales in the GTA in 25 years. Average price of a residential resale home in the GTA also fell, moving from $1.12 million in 2024 to $1.07 million in 2025, its lowest level in 5 years.

Average price of a residential resale unit sold in Peel region: Annual



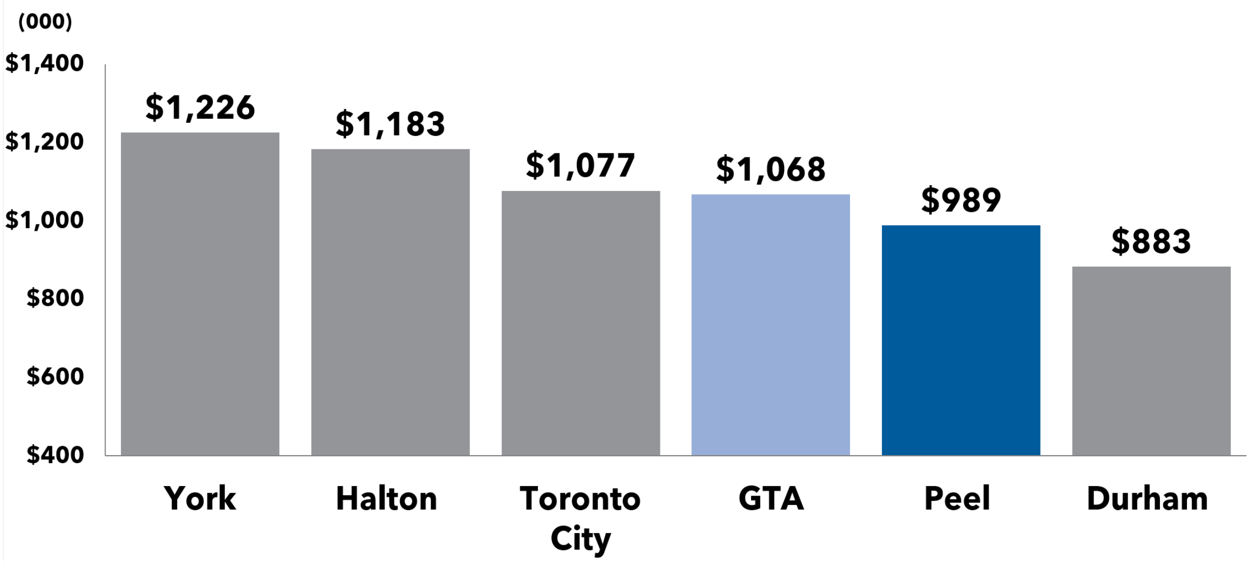
Source: Toronto real estate board

Annual number of residential resale unit sold in the GTA



Source: Toronto real estate board

2025 annual average price of a residential resale unit in GTA by region



Source: Toronto real estate board

Outlook: Construction activities to remain low in the short-term

The decline in construction activity in Peel region in recent years has been linked to major macroeconomic changes that have impacted housing affordability. These include higher construction costs, rising home prices, elevated interest rates, and labour market challenges.

At the beginning of 2026, geopolitical tensions and associated rise in economic risks such as inflation, and an increased possibility of a global economic downturn emerged. These will add to pre-existing influences and continue to constrain the demand for housing in the short-term. However, medium to long-term prospects remain positive given several factors including the following:

- **Peel region is attractive to newcomers**: Peel region remains an attractive destination for new residents and businesses given its many strategic advantages.
- **Peel region is a price competitive location:** Home prices have fallen in recent years. In Peel region, the average price of a residential resale home fell from a peak of $1.17 million in 2022 to $988,987 in 2025. This made Peel region one of the most price affordable GTA regions, which may make it more attractive to buyers.
- **Planned home building in Ontario:** The Province of Ontario plans to build 1.5 million homes by 2031. This, together with municipal initiatives to support this goal, should spur building activity in Peel region over the medium to long-term.
- **Long-term growth in population:** Peel region's population is expected to increase from 1.66 million in 2025 to 2.28 million by 2051. Both residential and non-residential construction activity will increase to accommodate an additional 600,000 persons to Peel region in just over 2 decades.

Emerging and ongoing risks and outlook for Peel region

Short-term risks to ease in the medium-term

Peel region has many strategic advantages which will continue to support long term growth. These include its large young and well-educated population, a highly developed transportation network including Pearson International airport, and a rich and diverse culture that is attractive to newcomers. However, like the broader Canadian and Ontario economies, Peel region faces numerous economic risks, both macro and local. At the macro level, global geopolitical and economic risks have increased. U.S. trade tariffs in early 2025 changed global trade relations, and increased uncertainty and unpredictability.

On the heels of this major trade shift, geopolitical tensions increased to unprecedented levels in early 2026 with the outbreak of conflict in the Middle East. This resulted in a sharp increase in average crude oil prices which if continued throughout 2026, will enhance pre-existing risks and increased the likelihood of an oil induced global economic shock that will negatively impact the Canadian, provincial and local economies.

Reflecting the changed macroeconomy, growth expectations for 2026 for both Canada and Ontario have been downgraded to around 1.0%. Similarly, based on forecasts developed by Signal49Research (former Conference Board of Canada), the negative impacts of the changed global trade environment on Peel region's economy are expected to continue into 2026. Following a tariff induced 0.3% decline in 2025, growth expectations for Peel region in 2026 were lowered from 2.5% to 1.5%.

Associated with the economic slowdown, the risks of slower labour market expansion and elevated unemployment rates remain. However, as trade uncertainties ease, medium term growth expectations for Peel region improves to an average of 2.6% between 2027 and 2030. Planned public investment in healthcare, and a pickup in the demand for housing are expected to also contribute to Peel region's medium-term growth. Long-term growth prospects remain positive.