

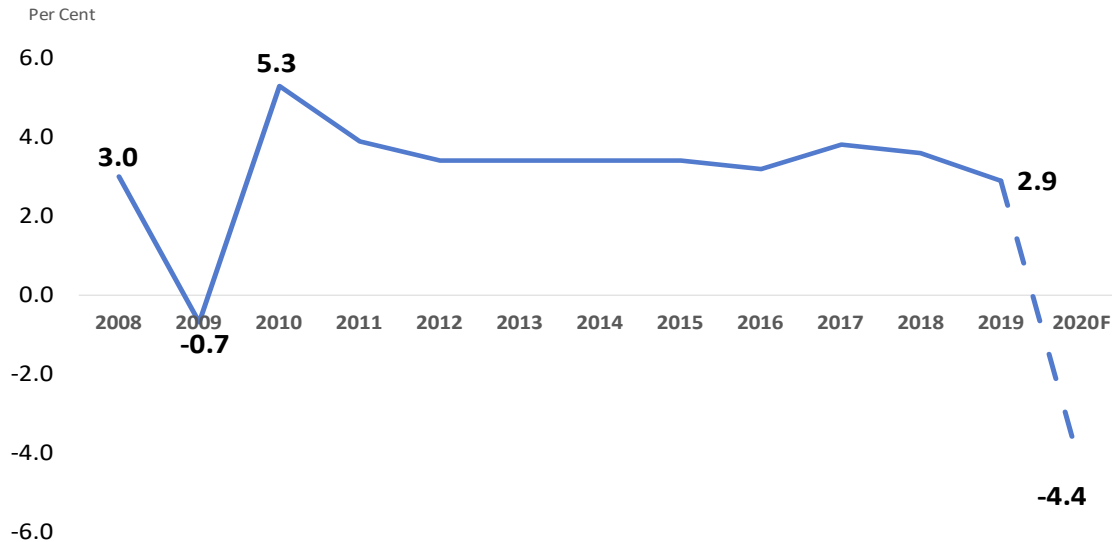
ECONOMIC IMPACT OF THE COVID-19 PANDEMIC ON PEEL

**Judith McWhinney,
Regional Economist**

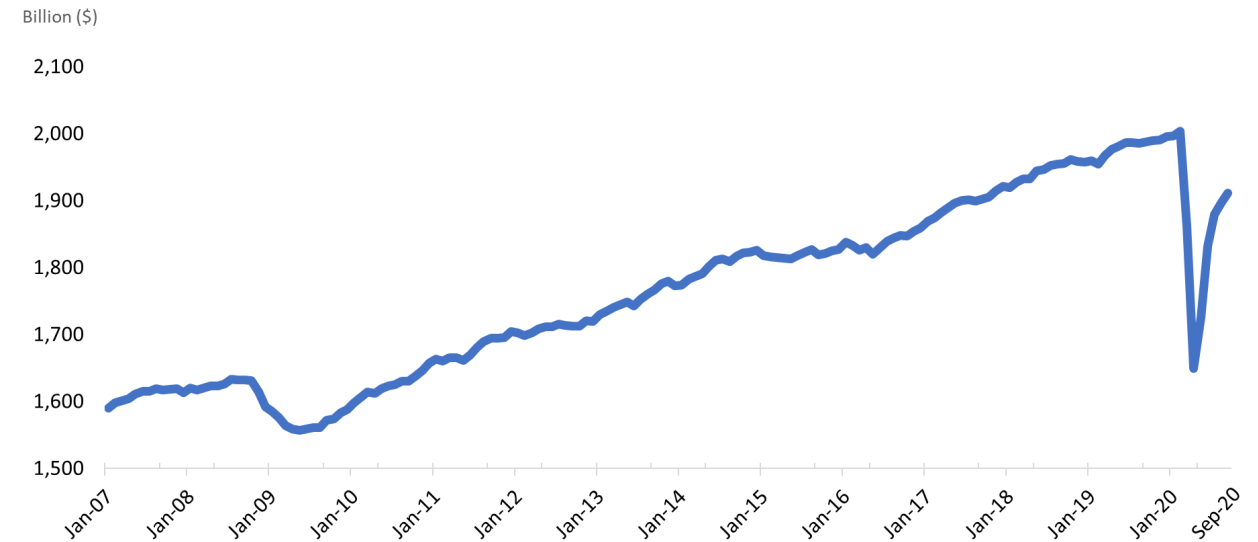
January 14, 2021

COVID-19 Pandemic Triggers a Global, National and Provincial Recession

Annual change in **global** output



Monthly **Canadian** Gross Domestic Product (GDP)

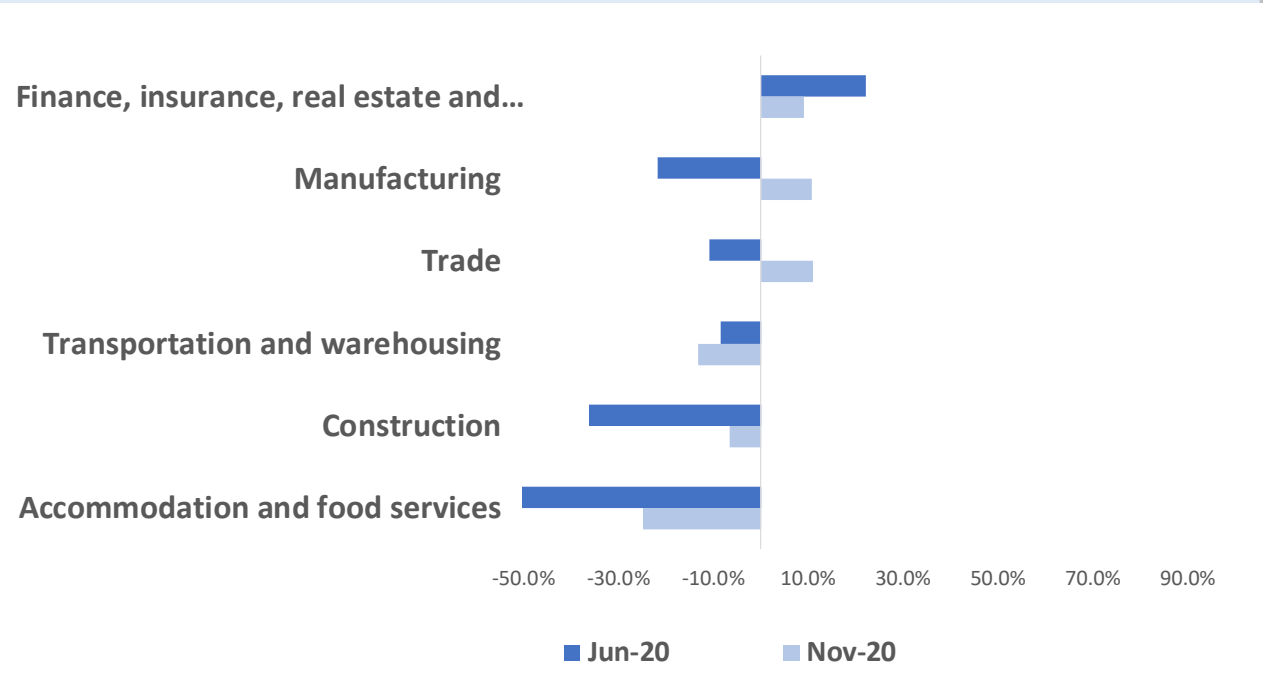


Implications & Outlook

- During this unprecedented global crisis, federal, provincial governments & Peel's Medical Officer of Health put measures in place to combat the spread of COVID-19.
- The economic impacts of the COVID-19 pandemic have been significant in Peel.
- The Canadian economy is not expected to return to pre-pandemic levels until 2022.

Unequal Impacts of the Pandemic on Some Residents & Businesses

COVID-19 induced changes in employment in selected sectors

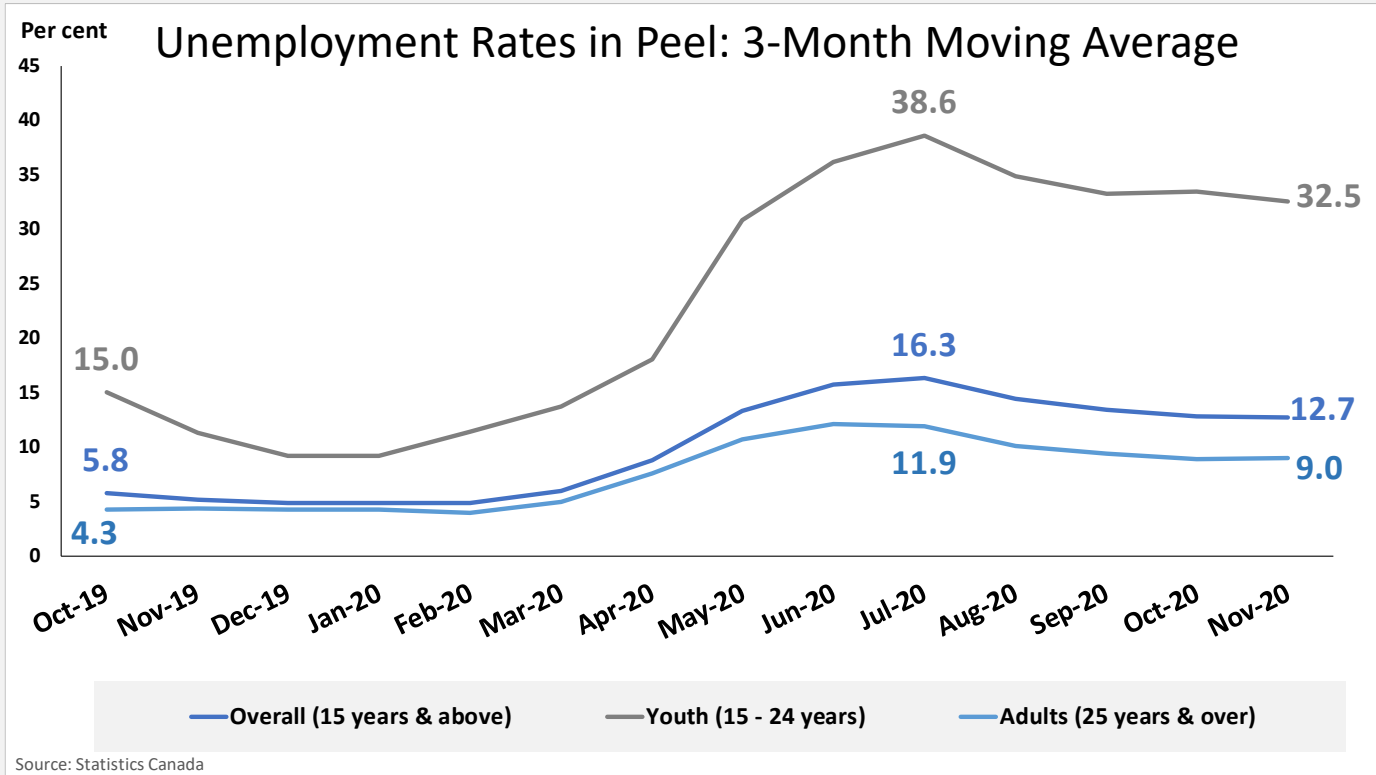


- Small businesses hard hit
- Significant negative impacts on some industries
- Loss of employment disproportionately affected some workers

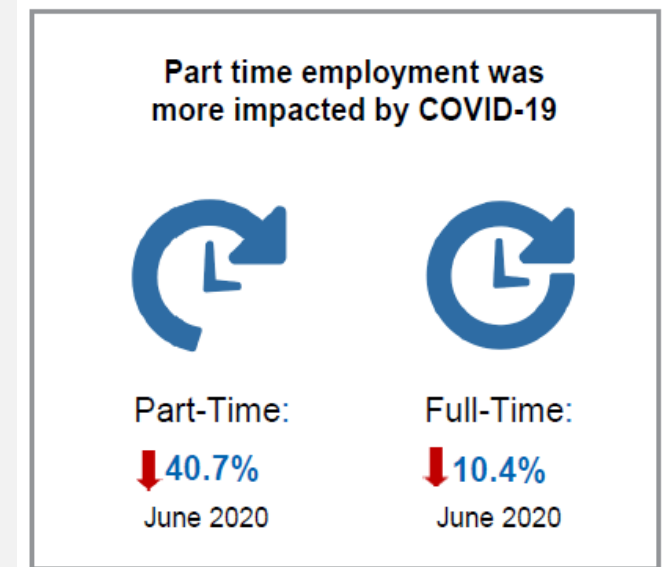
Implications & Outlook

- The interplay of multiple factors that impacted the health of Peel's residents prior to this pandemic are now amplified due to COVID-19.
- Measures to combat the second wave of the pandemic will likely extend COVID-19 impacts on affected sectors and vulnerable groups including low-income earners, visible minorities and youth.
- Business closures and bankruptcy expected to rise in upcoming months.

Unequal Negative Employment Impacts From COVID-19



Part-time Employment More Impacted



Employment Shock by Age: June 2020

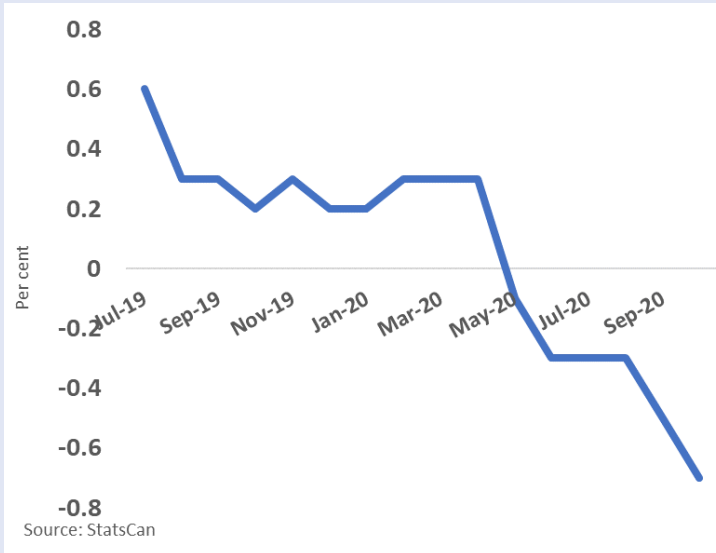
Adults (25 years and over): 9.1 per cent
Youth (15 – 24 years): 37.0 per cent

Implications & Outlook

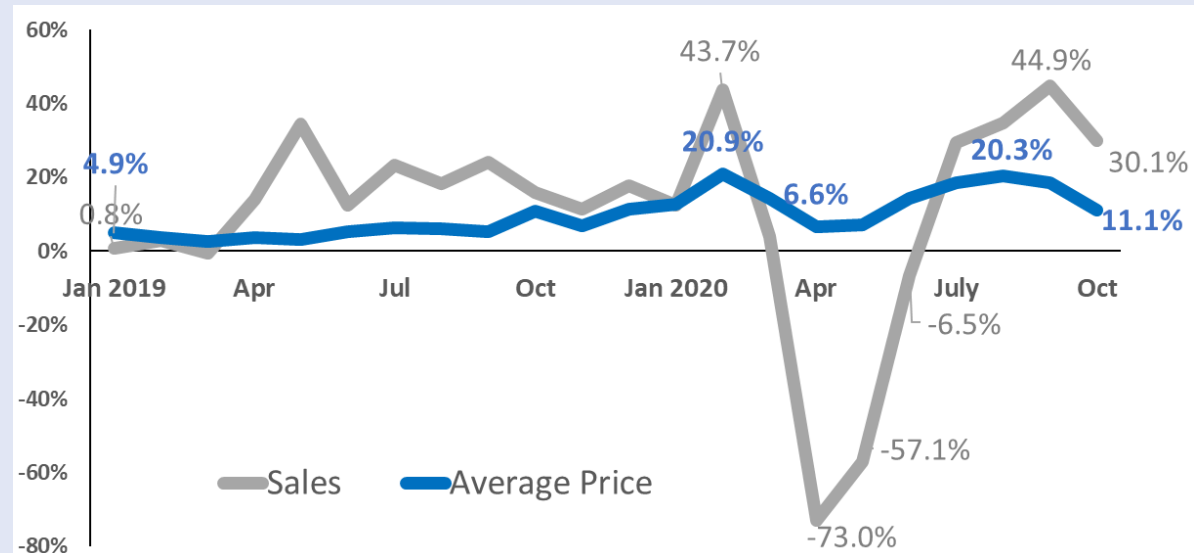
- Peel's unemployment rate doubled in July 2020 and is expected to remain elevated in 2021.
- Elevated unemployment rates, business closures, and changes to federal and provincial government support programs are expected to result in higher demand for some Regional programs in 2021.

Deepening Affordability Challenges

Monthly changes in Canadian Mortgage Interest Cost Index



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



Average Price of a residential housing unit in Peel
Nov 19 – Nov 20:
16.9%

Implications & Outlook

- Historically low interest rates to continue to result in higher demand for housing and increasing prices
- Housing unaffordability and food insecurity risks likely continue to increase.
- The proposed 2021 budget includes investments to address the expected increase in demand for services.

Advocacy Efforts Support Peel Outcomes

Short – Term: Secure federal and provincial funding for incremental costs and loss of revenues 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 tools to support community outcomes and municipal financial sustainability.

\$44.5 M

Federal/Provincial
Safe Restart

\$18.7 M

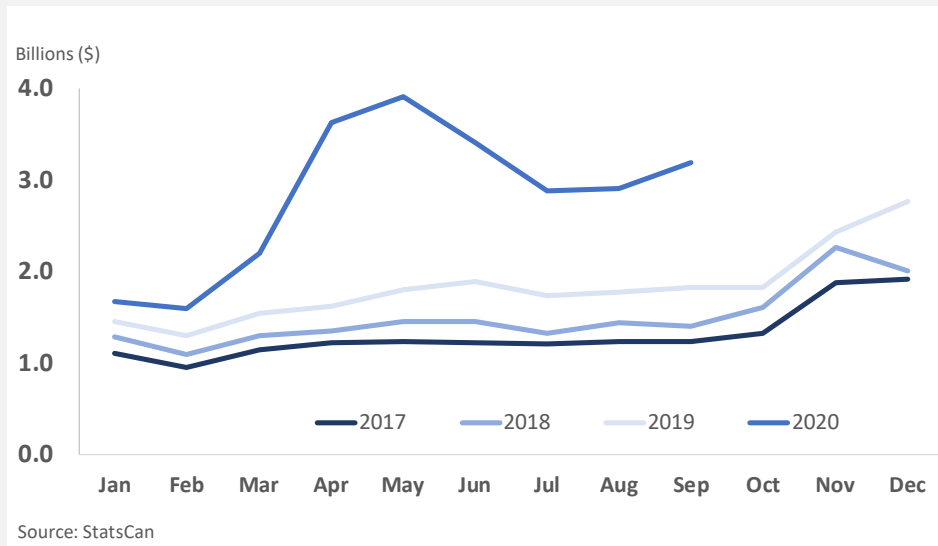
COVID-19
Infrastructure
Resiliency Stream

Implications & Outlook

- Advocacy efforts support Peel in receiving funding for incremental costs and loss of revenue associated with the COVID-19 pandemic; there is no significant short-term impact on Regional revenues from the pandemic.
- The Region supports the advocacy efforts of the City of Mississauga for the elimination of the legislated 5 per cent cap on the GTAA Payment in Lieu of Taxes (PILT).
- Regional revenue loss from PILT is estimated at \$6 million to \$8 million in 2022.

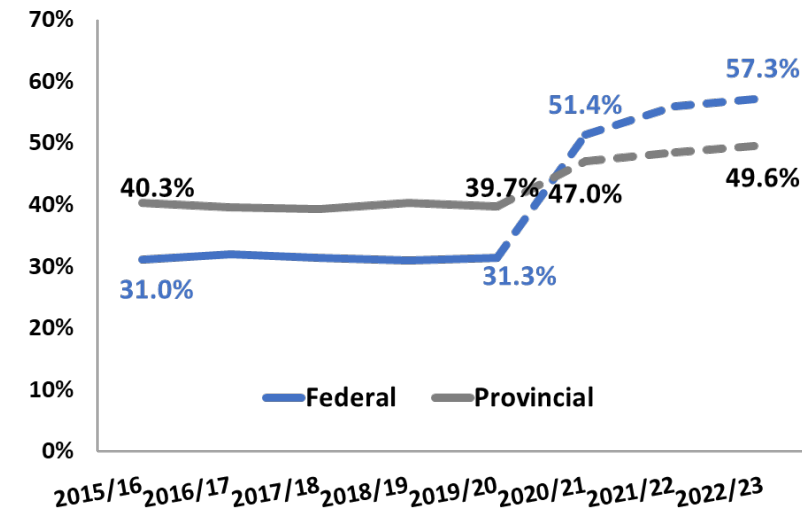
Ongoing Risks Facing Peel

Big jump in retail E-commerce increase in 2020




Retail e-commerce sales increased by **123.6%** in April 2020

Higher Federal and Provincial Debt-to-GDP Ratios



Implications & Outlook

- An extended halt in immigration would negatively impact residential growth in Peel.
- Accelerated trends may further limit office and commercial developments and worsen shifts in the Region's property tax revenues away from the non-residential sector.

Thank You

Q & A