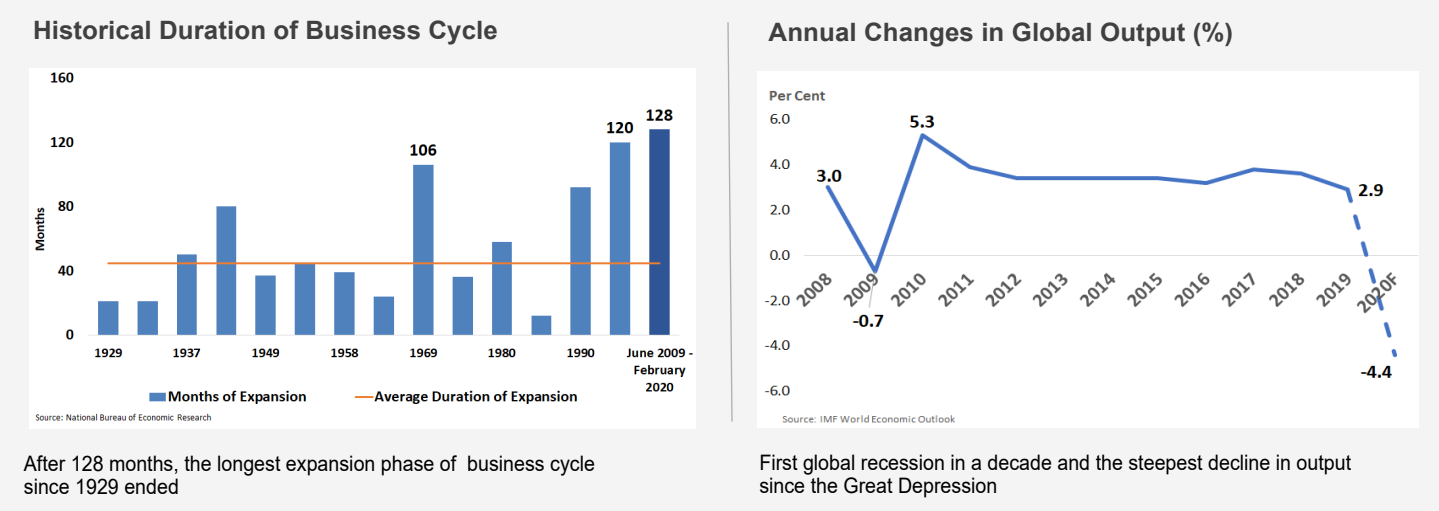


Peel's Economic Bulletin - 2020

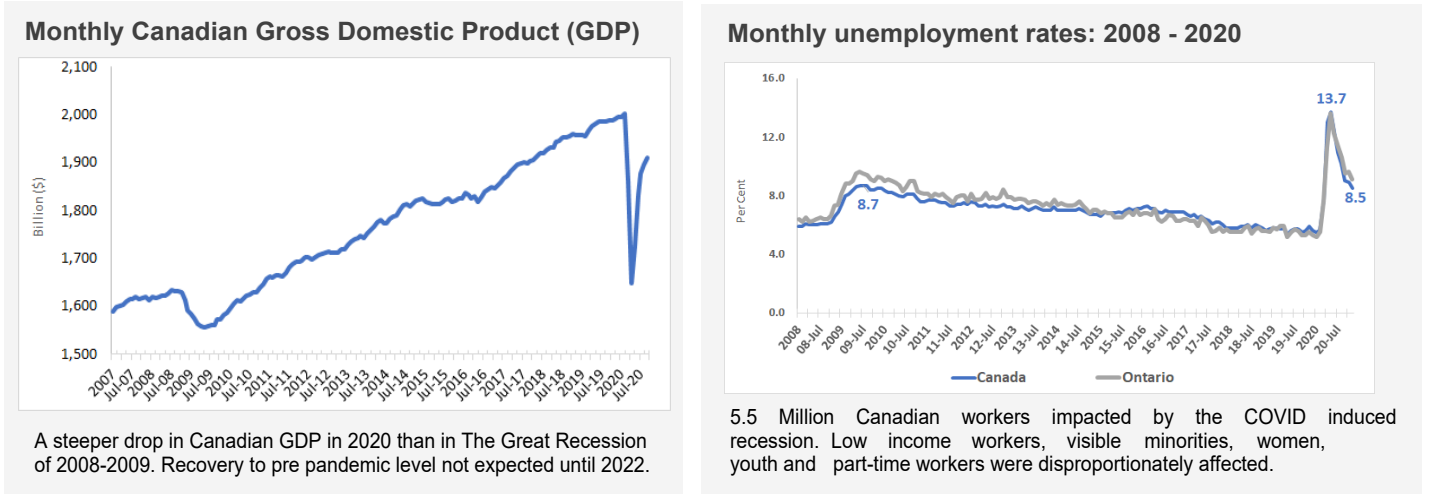
COVID-19 Pandemic Triggers Global Recession

The Longest Economic Expansion on Record Ends



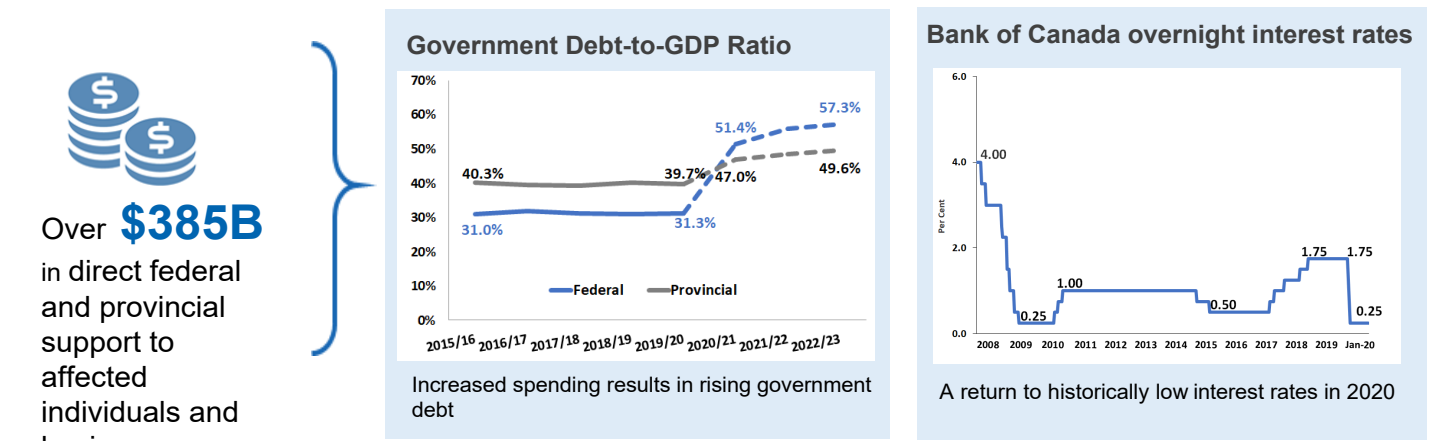
IMPLICATION: Global recession elevates trade related risks for trade dependent Canadian Regions like Peel.

First Canadian Economic Recession in a Decade



IMPLICATION: Macroeconomic environment is less supportive of local growth.

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

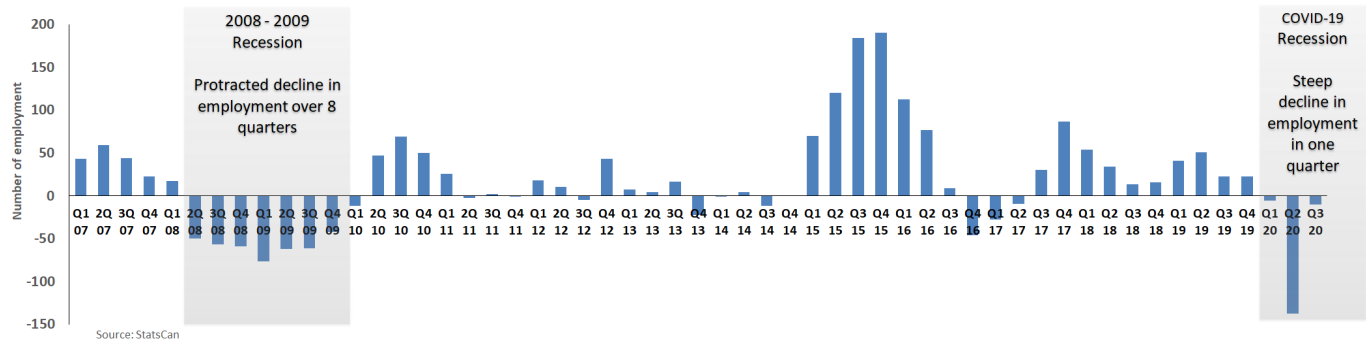


IMPLICATION: Higher government spending supported individuals and businesses during the pandemic. Federal and provincial debt have increased in response. Lower interest rates will make the higher government debt more manageable over the medium term. Over the long-term, higher debt cost may limit funding for municipal programs.

Peel's Economy Impacted by the Global Pandemic

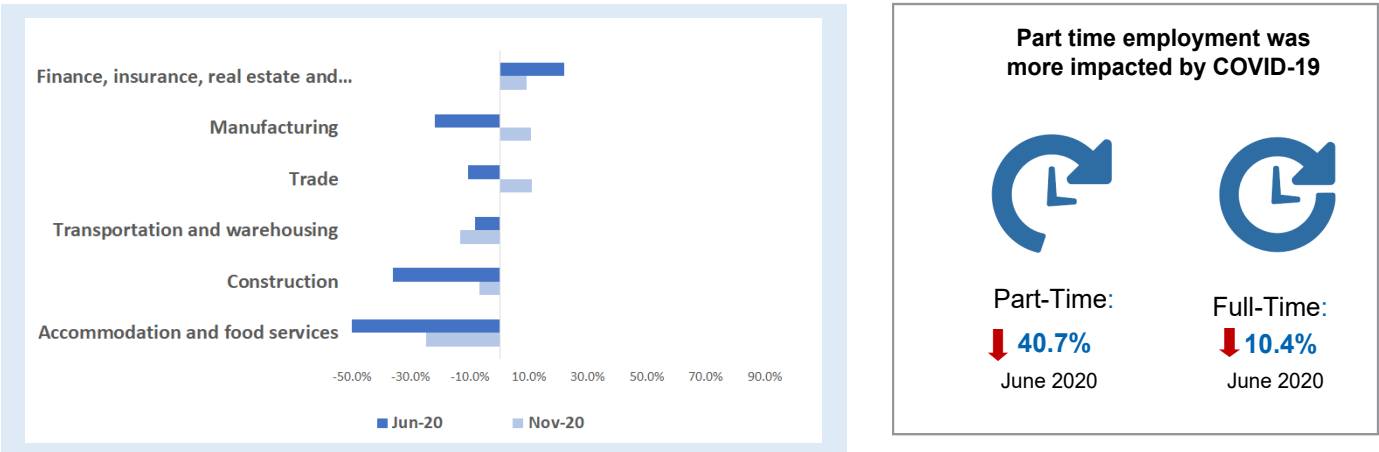
Significant and Unequal Labour Market Impact Due to COVID-19

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



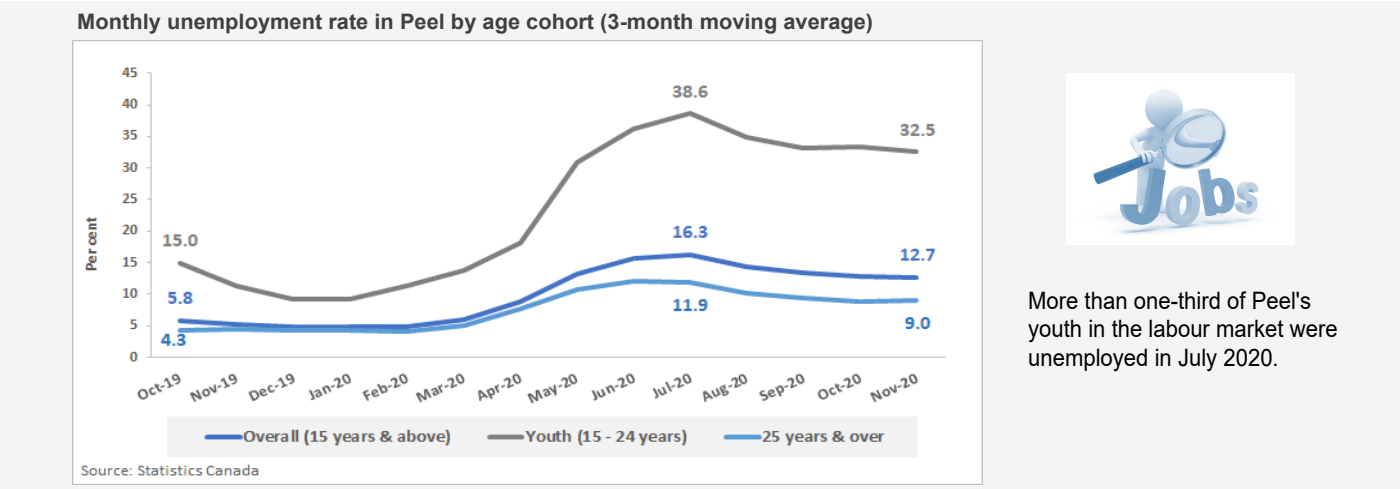
Industries such as restaurants, Accommodation, Arts and Entertainment were Hit Hard

COVID induced changes in employment in selected sectors



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

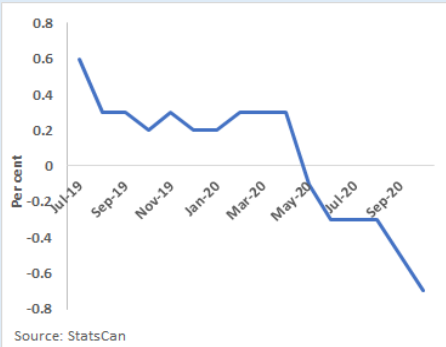


IMPLICATION: Labour market improvements will accelerate as the economy recovers, but Peel's unemployment rates are expected to remain elevated over the medium term and contribute to higher demand for some Regional services.

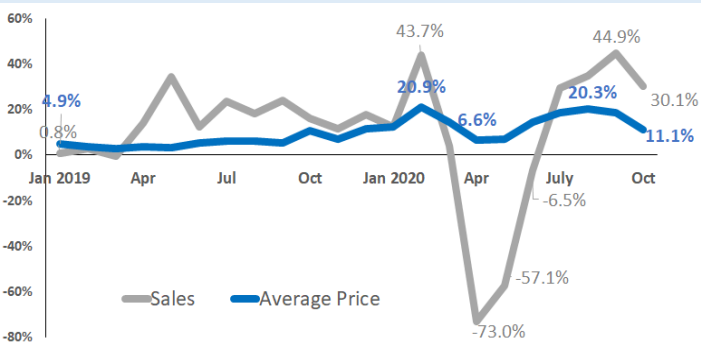
The Pandemic May be Deepening Affordability Challenges

The average price of a residential resale home in Peel increased.
November 2019 - November 2020:
up **16.9%**

Monthly changes in Canadian Mortgage Interest Cost Index

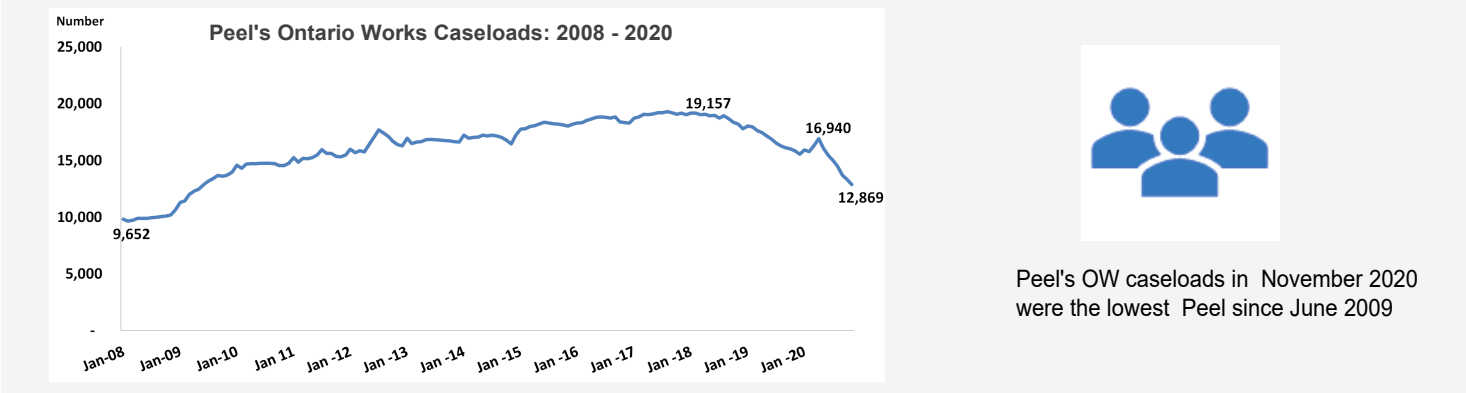


Year-Over-Year change in sales and average price of a residential resale units in Peel



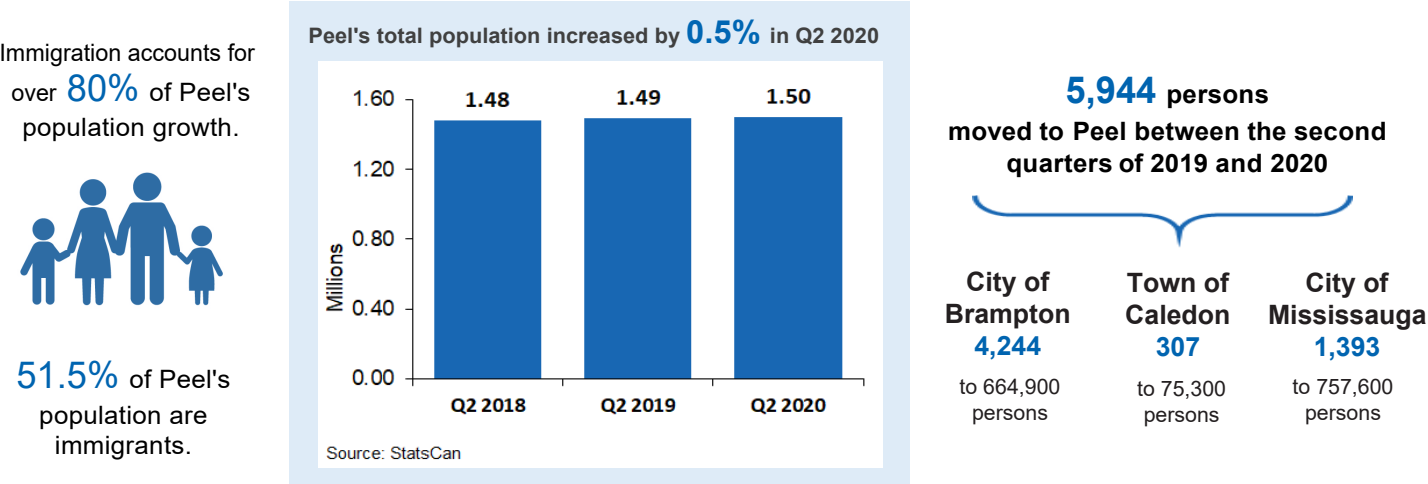
IMPLICATION: Historically low interest rate reduced the carrying cost of a mortgage and increase the demand for housing purchase. Residential resale housing prices increased in 2020. Higher home and food prices during the pandemic may have increased housing unaffordability and food insecurity risks.

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



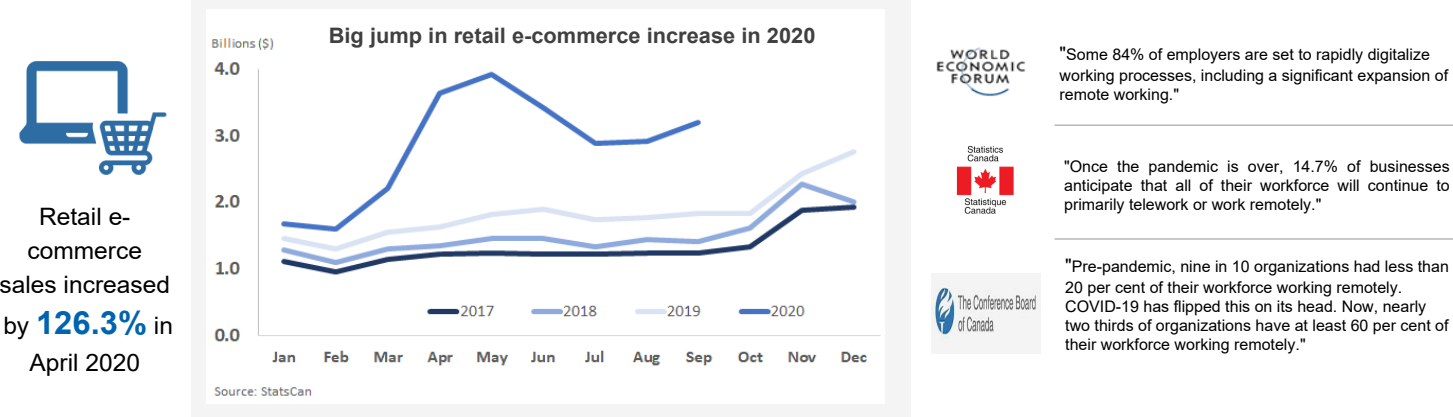
IMPLICATION: With elevated unemployment rates, business closures, increasing affordability challenges and ongoing changes to federal and provincial government support programs (or when these supports end), higher demand for income and housing supports is expected in 2021.

Temporary Halt in Immigration Slowed Population Growth in Peel



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



IMPLICATION: Acceleration in 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 sector.

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