

# Economic Fundamentals of Vaughan, ON

## Presented Exclusively to Real Estate Investment Network

### Vaughan.

Open for Business.


BUSINESS AND INVESTMENT PROFILE





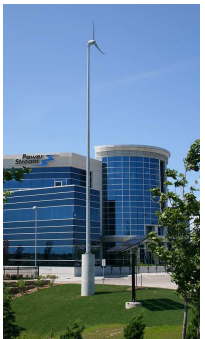
### Presentation Summary

- How Does Vaughan Measure Up?
- A Growth Centre
- Connected
- Leader in Construction Activity
- Robust & Diverse Economy
- Well-Trained & Multi-Lingual Labour Force
- Low Cost Business Location
- Cost Competitive Position
- Infrastructure Investments
- Large and Competitive Employment Lands
- Strategic Location: Vaughan Enterprise Zone
- Strong & Stable Real Estate
- The Future Downtown: Vaughan Metropolitan Centre
- Vaughan Metropolitan Centre, Well-Connected
- Accelerating Innovation
- Destination of Choice



### How Does Vaughan Measure Up?

- Located in the economic engine of Canada, the Greater Toronto Area (GTA), Vaughan has access to a labour force of more than 3.2 million
- A business-friendly jurisdiction with the second lowest industrial property taxes in the GTA
- It's Canada's continental gateway and distribution hub: CN's largest classification yards and CP's largest intermodal terminal are located in Vaughan
- World markets are easily accessible: Pearson International Airport, Canada's busiest airport is 20 minutes away and our road distribution networks provide access to 135 million US consumers and 20 million Canadian consumers within one-day's drive
- Vaughan led the country as the municipality with the largest job increase over the 2001-2006 period, 22.2% growth
- Vaughan is located in a region with a strong research & development focus—nine universities and eight colleges are within commuting distance



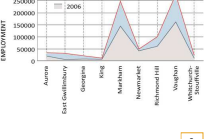
### A Growth Centre

- Historically, Vaughan has been one of the fastest growing municipalities in Canada
- Current 2009 population of 280,000 people is expected to grow to 418,000 by 2031
- Employment growth is projected to grow from 160,000+ jobs (2008) to 275,900 jobs by 2031
- Population-driven employment (i.e. retail, business and personal services) have been rising in response to the population growth experienced over the last decade

In 2008, Canadian Business Magazine ranked Vaughan as the 12th best city in Canada in which to do business. Among the GTA cities on the list, Vaughan held the highest ranking.




### POPULATION & EMPLOYMENT GROWTH PROJECTIONS

### Connected

- Canada's busiest airport, Pearson International Airport is located on the western boundary of Vaughan, within a 20 minute drive
- Continental gateway location for rail
- Provincial highway systems provide direct access to the US interstate highway system in less than 1.5 hours drive
- Port of Toronto located just 30 km south of Vaughan

Access to 135 million US and 20 million Canadian consumers within a one-day drive.



### DISTANCE TO SELECTED CITIES

CITY	KILOMETRES	MILES	DRIVING TIME (HRS)
Kitchener-Waterloo	107	66	1.25
Windsor	146	91	1.75
Buffalo	176	109	2.5
Detroit	214	133	4.75
Ottawa	460	286	5
Cleveland	486	302	5.75
Pittsburgh	528	328	6.2
Montreal	752	467	6.2
New York City	808	503	9.25
Philadelphia	819	509	9.1
Washington DC	823	512	10.2
Chicago	842	523	9.25
Boston	903	562	10
Charlotte	1,299	807	13.2
Atlanta	1,536	954	16.3
Memphis	1,569	975	16.5

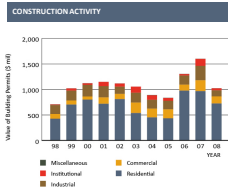
Source: Mapquest

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### Leader in Construction Activity

- Vaughan is one of the leading municipalities in Canada in terms of value of building permits on a per capita basis
- Despite the economic softening, Vaughan consistently places among the top ten Canadian municipalities for construction activity



	VALUE (\$ MIL)	# PERMITS
Toronto	\$ 2,712,258	12,637
Calgary	\$ 3,955,194	14,263
Edmonton	\$ 2,357,003	5,683
Montreal	\$ 1,790,120	30,933
Ottawa	\$ 1,688,182	6,930
Vancouver	\$ 1,432,822	4,139
Mississauga	\$ 1,054,821	3,556
Vaughan	\$ 1,022,478	3,796
Quebec	\$ 983,327	5,145
Wood Buffalo	\$ 948,079	2,337
Winnipeg	\$ 887,209	6,720
Brampton	\$ 863,155	3,388
London	\$ 799,320	3,646
Hamilton	\$ 763,505	3,385
Saskatoon	\$ 608,352	3,331
Regina	\$ 517,912	1,841
Battle	\$ 500,790	1,831

Source: Statistics Canada, Publication 64-625-XWE, September 2009

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### Robust & Diverse Economy

- Vaughan's business base is comprised of 9,000 enterprises
- Diverse economic base has allowed the City to successfully weather the national and international economic challenges
- Vaughan's economic base includes manufacturing, wholesale trade, transportation & logistics and construction trades
- An innovative technology sector is emerging, with products ranging from communications, space laser instrumentation, green automotive technologies, video and computer gaming and building technologies



#### SELECTED CORPORATE HEADQUARTERS IN VAUGHAN

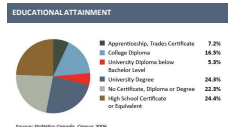
CORPORATE NAME	# OF EMPLOYEES
Adidas Canada Ltd.	350
Affiliated Industries/Martinez	305
Arlo Foods Inc.	30
Asia Ability Canada Inc.	65
Bausch & Lomb	107
Care Operations Ltd.	500
Cardinal Health Canada	150
Canair Consumer Products Inc.	140
Concord Confections Inc.	450
Digital Security Controls Ltd.	320
Fred Deery Imports Ltd.	140
Giant	3000
Jones Apparel Group Of Canada Inc.	85
MDS Analytical Technologies	625
Mico Ltd.	138
Optech	250
The Royal Group*	10
Regentech Inc.	100
St. Joseph Communications	335
Sony Canada Inc.	51

\* Does not include all Royal Group's employees  
Source: various sources - 1995, October 2008 # of employees - 1995, October 2009

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### Well-Trained & Multi-Linguistic Labour Force

- A diverse population with multi-linguistic capabilities, high educational attainment and skills training offers a competitive edge in business
- 80% are under the age 55; the median age is 35.9 years
- 30% have a university education compared with the provincial figure of 24%
- 20% of new residents in Vaughan are immigrants



Source: Statistics Canada, Census 2006



Source: Statistics Canada, Census 2006

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### Low Cost Business Location

MUNICIPALITY	INDUSTRIAL	COMMERCIAL
Vaughan	2.600001%	2.307028%
Markham	2.502299%	2.299051%
Richmond Hill	2.608217%	2.312544%
Mississauga	2.883025%	2.518007%
Brampton	3.123738%	2.712451%
Malton	2.427739%	2.323487%
Toronto	4.003330%	3.846236%

Source: City of Vaughan, Finance Department Study, July 2009

Category	Rate
City Services	\$19.38/sq.m.
Region (Industrial / office)	\$307.44/sq.m.
Region (Retail)	\$259.96/sq.m.
Education	\$5.46/sq.m.

Source: City of Vaughan, Finance Department, July 2009

Vaughan has one of the lowest industrial and commercial taxes in the GTA:  
Industrial rate: 2.600001%  
Commercial rate: 2.307028%

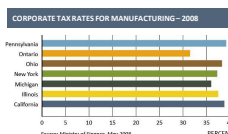
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### Cost Competitive Position

- The City of Vaughan continues to attract investors by making substantial investments in infrastructure and power utilities, offering competitive pricing on services to keep operating costs low and maintaining one of the lowest commercial and industrial tax rate in the GTA
- Canada is a source for some of the world's most generous R&D tax credits with significantly more eligible costs than the US
- With the lowest health expenditures as a percentage of GDP than all G7 countries, Canada remains a desirable location for business investment

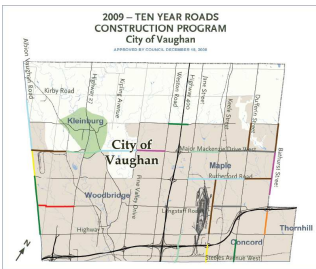


KPMG's comprehensive 2008 Competitive Alternatives study of international business costs confirmed that Ontario business costs are among the most competitive of the G7 countries.



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### Infrastructure Investments



- Integrated public transit systems create accessibility to all extents of the Greater Toronto Area
- Vaughan is well positioned with excellent highway accessibility including Highways 407, 404 and 427
- Extensive transportation infrastructure investments are currently being planned, including the Hwy 427 extension, two subways and bus rapidways
- Excluding rapid transit improvements, York Region has \$1.2 billion of infrastructure to go into the ground within the next two years
- The Yonge Street Subway extension project, extending the subway along the eastern boundary of Vaughan is also in the planning stages

Roads Project	Year	Roads Project	Year
Highway 407	2009	Highway 404	2010
Highway 427	2010	Highway 401	2011
Highway 403	2011	Highway 402	2012

Source: York Region, Transportation Services Department, 2008

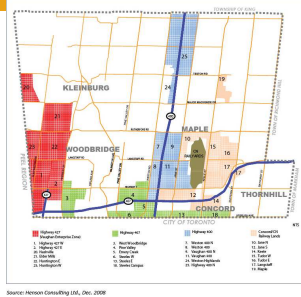
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### Large and Competitive Employment Lands

- One of the main reasons for Vaughan's strong employment growth is its long history of providing a large and competitive employment land supply
- The key employment areas are oriented to four transportation corridors: Highway 427 (Vaughan Enterprise Zone), Highway 407, Highway 400 and the CN Concord Rail Yards
- Vaughan will be home to 113,700 new jobs by 2031. Of those, 30% will be office, retail or service commercial jobs
- About 60% or 78,000 jobs are expected to be located on designated employment lands



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### Strategic Location: Vaughan Enterprise Zone

- Situated at the boundaries of Toronto, Brampton and Vaughan with direct access to Highway 427 and 407
- The Vaughan Enterprise Zone encompasses over 2,410 acres of employment land
- An environmental assessment for the extension of Highway 427 is expected to be completed by 2010, opening the Enterprise Zone for further industrial and commercial developments
- Home to national head offices and international logistic centres, including for Conair/Cuisinart, Husky Foods, Sobeys and Totaline Transport. They are joined by manufacturers such as Daco Manufacturing, Jeld-Wen Windows and Doors and Window Seal
- Projected to accommodate employment for over 60,000 people



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### Strong & Stable Real Estate

- Vaughan's supply of available greenfield employment lands is the largest in the GTA
- Vaughan enjoys one of the most dynamic industrial and commercial real estate environments in the Greater Toronto Area. Demand for industrial space and land has remained strong and competitive

INDUSTRIAL REAL ESTATE STATISTICS FOR SELECTED CITIES Q2 - 2009

MUNICIPALITY	TOTAL INVENTORY (SQ FT)	OVERALL VACANCY RATE	DIRECT WEIGHTED AVG. NET RENT (SQ FT)	DIRECT WEIGHTED AVG. SALE PRICE (SQ FT)	DIRECT WEIGHTED AVG. TNA (SQ FT)
Vaughan	88,952,553	7.6%	\$5.25	\$88.55	\$2.36
Richmond Hill	13,808,877	8.3%	\$5.25	\$97.76	\$3.27
Markham	33,629,384	8.0%	\$5.36	\$99.32	\$3.42
Mississauga	178,625,833	8.0%	\$5.43	\$88.04	\$3.05
Brampton	86,960,075	6.3%	\$5.06	\$95.04	\$2.85
Oakville	26,186,180	6.4%	\$5.04	\$95.73	\$2.84
Pickering	8,364,855	5.8%	\$4.91	\$95.82	\$3.09

Source: Cushman Wakefield/Lapage, Greater Toronto Industrial Report, Q2 2009



The important factors attracting business to Vaughan include low taxes, an abundance of land, great quality of life and a pro-business attitude.



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### The Future Downtown: Vaughan Metropolitan Centre

- Vaughan Metropolitan Centre is the future downtown for the City of Vaughan, a regional centre and an urban growth centre for the province
- The planned downtown development is the largest development project in the City's history offering all amenities of urban lifestyle including business offices, residences, entertainment and cultural facilities, pedestrian shopping areas and urban squares

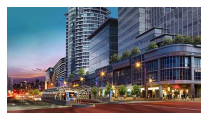


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### Vaughan Metropolitan Centre, Well-Connected



- The planned subway terminal at Highway 7 and Jane Street will link Vaughan to downtown Toronto and York University providing ease of movement for millions of residents, employees and visitors into Vaughan
- The downtown is expected to accommodate a resident and employment population of over 30,000



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### Accelerating Innovation

- Creativity and innovation drives business growth. Nine universities and eight colleges are within commuting distance of Vaughan
- The Toronto Region has Canada's largest concentration of world-class R&D centres
- Modern medical services and healthcare are available in Vaughan. In addition to the new Vaughan Community Health Centre, the country's leading medical researchers and world-class hospitals are within a 30-minute drive
- Vaughan's future hospital will be closely connected to the region's strong medical devices sector, while providing specialized health services



POST-SECONDARY INSTITUTIONS CLOSE BY

UNIVERSITIES	COLLEGES
McMaster University	Centennial College
Ontario College of Art and Design	Centennial College
Ryerson University	Durham College
University of Guelph	George Brown College
University of Ontario	Humber College
University of Toronto	Mohawk College
University of Waterloo	Seneca College
Wilfrid Laurier University	Shenandoah Institute of Technology
York University	




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# Economic Fundamentals of Vaughan, ON

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## Destination of Choice



- Vaughan offers an attractive lifestyle with safe and clean communities, a variety of housing choices, up-to-date recreational facilities, excellent schools, parks and extensive green space, as well as leisure and entertainment venues
- Vaughan's extensive green space includes 740 hectares of active parkland, 340 hectares of passive parkland and 300 acres of woodlots
- The City is home to some of Canada's premier tourist attractions such as Canada's Wonderland, the McMichael Canadian Art Collection and Vaughan Mills Mall



COMPARATIVE HOUSING PRICES (SINGLE-FAMILY)		
	AVERAGE PRICE	MEDIAN PRICE
Thornhill	\$899,063	\$483,000
Maple, Woodbridge, Kitchburg	\$522,439	\$488,500
Greater Toronto Area Average	\$484,615	\$453,000

AVERAGE PRICES BY TYPE AND AREA		
TYPE OF HOUSE	MAPLE WOODBRIDGE KITCHENING	THORNHILL
Detached house	\$452,439	\$591,063
Semi-detached house	\$373,088	\$598,000
Townhouse	\$388,750	\$187,500
Condo apartments	\$303,429	\$382,365
Link house	—	\$500,000
Attached/row	\$344,135	\$442,429

Source: Toronto Real Estate Board, July 2006

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