

Economic Fundamentals of Vaughan, ON

Presented Exclusively to Real Estate Investment Network

Vaughan.
Open for Business.

BUSINESS AND INVESTMENT PROFILE



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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



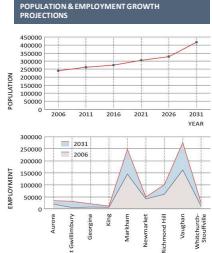
A Growth Centre



- 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. Of the 20 cities in the GTA cities on the list, Vaughan held the highest ranking.



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



CITY	KILOMETRES	MILES	DRIVING TIME (HRS)
Kitchener/Waterloo	107	66	1.25
Niagara Falls	146	91	1.75
Buffalo	176	109	2.5
Montreal	274	172	4.75
Ottawa	460	286	5
Cleveland	486	302	5.75
Pittsburgh	528	328	6.2
Montreal	552	343	6.2
New York City	628	392	8.25
Philadelphia	819	509	9.3
Washington DC	823	511	10.2
Chicago	842	523	9.25
San Jose	903	561	10
Charlotte	1,239	770	13.2
Atlanta	1,536	954	16.3
Memphis	1,569	975	16.5

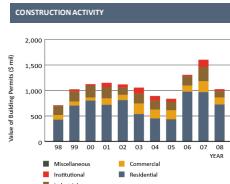
Source: Mapquest

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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



2008 TOP CANADIAN CITIES BY BUILDING PERMIT VALUE

	VALUE (\$'000)	# PERMITS
Toronto	\$5,717,258	32,457
Calgary	\$3,955,194	14,263
Vancouver	\$2,955,365	10,023
Montreal	\$1,769,129	10,935
Ottawa	\$1,698,182	6,930
Vancouver	\$1,432,822	4,139
Markham	\$1,204,421	3,156
Waterloo	\$1,023,678	3,795
Quebec	\$983,327	9,145
Winnipeg	\$943,075	2,357
Edmonton	\$897,209	6,730
Victoria	\$886,155	3,588
London	\$793,320	3,646
Hamilton	\$767,501	3,185
Saskatoon	\$608,952	3,331
Kelowna	\$517,912	1,841
Brampton	\$501,790	1,813

Source: Statistics Canada, Publication 64-001-XPE, 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

TOP 10 SECTORS BY EMPLOYMENT



SELECTED CORPORATE HEADQUARTERS IN VAUGHAN

COMPANY NAME	# OF EMPLOYEES
Adidas Canada Ltd.	100
Avon Products/Maritrea	300
Avon Products/Maritrea	30
Avon Products/Maritrea	65
Bausch & Lomb	107
Bausch & Lomb	500
Cardinal Health Canada	150
Conair Consumer Products Inc.	140
Concord Confections Inc.	450
First Data Group Inc.	320
First Data Group Inc.	140
Genetech	1000
Jones Apparel Group Of Canada Inc.	85
Motorola Technologies	625
Merck	138
Merck	250
Merck	10
St. Joseph Communications	109
Sampy Canada Inc.	335
Sampy Canada Inc.	53

* Does not include all Non-Government Companies

Source: contact info - MTS, October 2008 # of employees - MTS, October 2008

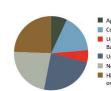
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Well-Trained & Multi-Linguistic Labour Force

- 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



EDUCATIONAL ATTAINMENT



Source: Statistics Canada, Census 2006

LABOUR FORCE BY OCCUPATION



Source: Statistics Canada, Census 2006

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Low Cost Business Location

SELECTED GTA INDUSTRIAL & COMMERCIAL TAX RATES		
MUNICIPALITY	INDUSTRIAL	COMMERCIAL
Markham	2.530315%	2.290013%
Richmond Hill	2.608173%	2.313014%
Mississauga	2.883852%	2.518057%
Brampton	2.123738%	2.711051%
Markham	4.877016%	2.232405%
Markham	4.635131%	2.846236%

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

SELECTED GTA INDUSTRIAL & COMMERCIAL TAX RATES		
CITY SERVICES	INDUSTRIAL	COMMERCIAL
Region (municipal / office)	\$107.44/sq.m.	
Region (retail)	\$259.96/sq.m.	
EDUCATION	\$5.06/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: 2.300013%
Commercial rate: 2.307030%

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Cost Competitive Position

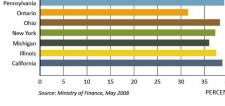


- The City of Vaughan continues to attract investors by making substantial investments in infrastructure and power utilities, offering competitive pricing on services to keep operating costs low and maintaining one of the lowest commercial and industrial tax rate in the GTA
- Canada is a source for some 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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Source: Ministry of Finance, May 2008



Source: Ministry of Finance, May 2008

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Infrastructure Investments



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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 employment areas are oriented to major 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

Source: Nelson Consulting Ltd., Dec. 2009

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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 development

• Home to national head offices and international logistic centres, including for ConAir/Cuisinart, Husky Foods, Sobey's and Totalline 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 (SF)	OVERALL VACANCY (%)	DIRECT WEIGHTED NET RENT (\$/SF/M)	DIRECT AVAIL. SALE PRICE (\$/SF)	DIRECT WEIGHTED AVG. TMF (\$/SF/M)
Markham	88,932,455	3.4%	\$4.54	\$4.54	\$4.54
Richmond Hill	13,800,877	6.1%	\$6.21	\$97.76	\$3.27
Markham	35,829,984	8.0%	\$5.94	\$99.52	\$3.42
Mississauga	178,625,631	8.0%	\$5.43	\$88.04	\$3.05
Brampton	96,707,725	6.8%	\$5.06	\$88.04	\$3.81
Dundas	29,146,180	6.8%	\$5.04	\$65.73	\$2.84
Markham	8,254,855	5.8%	\$4.91	\$95.82	\$3.09

Source: Colliers Worldwide, Greater Toronto Industrial Report, Q2 2009

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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 region

• 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

VAUGHAN METROPOLITAN CENTRE LOCATION

Source: FDI Collaborative Inc.

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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 easily providing ease of movement for workers, residents, employees and visitors into Vaughan

• The downtown is expected to accommodate a resident and employment population of over 30,000

SUBWAY LINES

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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, including 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
York University	Centennial College
Ontario College of Art and Design	Georgian College
Ryerson University	Durham College
University of Guelph	George Brown College
University of Ontario Institute of Technology	York University
York University	Markham College
University of Waterloo	Seneca College
Wilfrid Laurier University	Sh尔don Institute of Technology

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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 options
- 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	\$589,683	\$483,000
Mark, Woodbridge, Kleinburg	\$522,439	\$488,500
Greater Toronto Area Average	\$584,001	\$475,000

AVERAGE PRICES BY TYPE AND AREA

TYPE OF HOUSE	MARK, WOODBRIDGE, KLEINBURG	THORNHILL
Detached house	\$527,419	\$489,483
Semi-detached house	\$373,088	\$398,000
Townhouse/condos	\$326,750	\$317,500
Condo apartments	\$303,429	\$282,365
Unit in building	—	\$360,400
Attached/crow	\$346,135	\$442,400

Source: Toronto Real Estate Board, May 2008

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