

Economic Overview : Mid Year 2011



September 2011

About BEDC

BEDC's Mission:

BEDC is a partnership between the City of Burlington and the private sector, providing mutual benefits, which attracts and retains existing and prospective "winning" businesses and achieves a shared vision for Burlington.

Vision 2019

BEDC will provide the leadership necessary for Burlington to create and sustain a high performance economy that:

- Supports individual company success;
- Creates a dynamic business environment;
- Encourages innovation and the production of leading goods and professional services; and
- Strengthens the community's ability to provide its residents with an envious and balanced quality of life.

To achieve our shared vision, Burlington is committed to:

- Adding 10,000 new high-value jobs by 2019
- Supporting the growth of the professional services and advanced manufacturing sectors
- Creating 4 million square feet of new industrial/office space

Economic Update - 2011

	Burlington	Ontario
Population, 2006	164,415	12,160,282
Population, 2001	150,836	11,410,046
2001 to 2006 Population Change %	9.0	6.6
Total Private Dwellings	65,340	4,972,869
Population Density per Sq Km	885.2	13.4
Land Area (Sq Km)	185.74	907,573.82

	Burlington		
	Total	Male	Female
Total Population	164,415	78,985	85,425

	Ontario		
	Total	Male	Female
	12,160,282	5,930,700	6,299,580

Economic Update – cont'd

	Hamilton CMA	Toronto CMA	Ontario	Canada
Unemployment Rate %	6.4	8.3	7.5	7.2
Participation Rate %	65.4	67.7	66.8	66.8



2011:
Cautiously Optimistic..?



- New Investment & Business Expansions include:

- ◆ Attridge Transportation – business expansion
- ◆ Cambridge LLP – new business investment
- ◆ Crown Relocations – business expansion
- ◆ Frid & Russell – new business investment
- ◆ Grant Thornton LLP – new business investment
- ◆ Satcon Power Systems – business expansion
- ◆ Siemens Canada – business expansion
- ◆ Source Office Furnishings – new business investment
- ◆ Waxman Industrial Services – new business investment

Estimated jobs added: 425

- Downsizing/Company Closures

- ◆ Canadian Tire Financial Services – company relocation (Oakville)
- ◆ CGL: Customized Global Logistics – company relocation (Hamilton)
- ◆ Genum Corporation – outsourced division of work
- ◆ Peerless Pumps – company relocation (Oakville)

Estimated job losses: 115



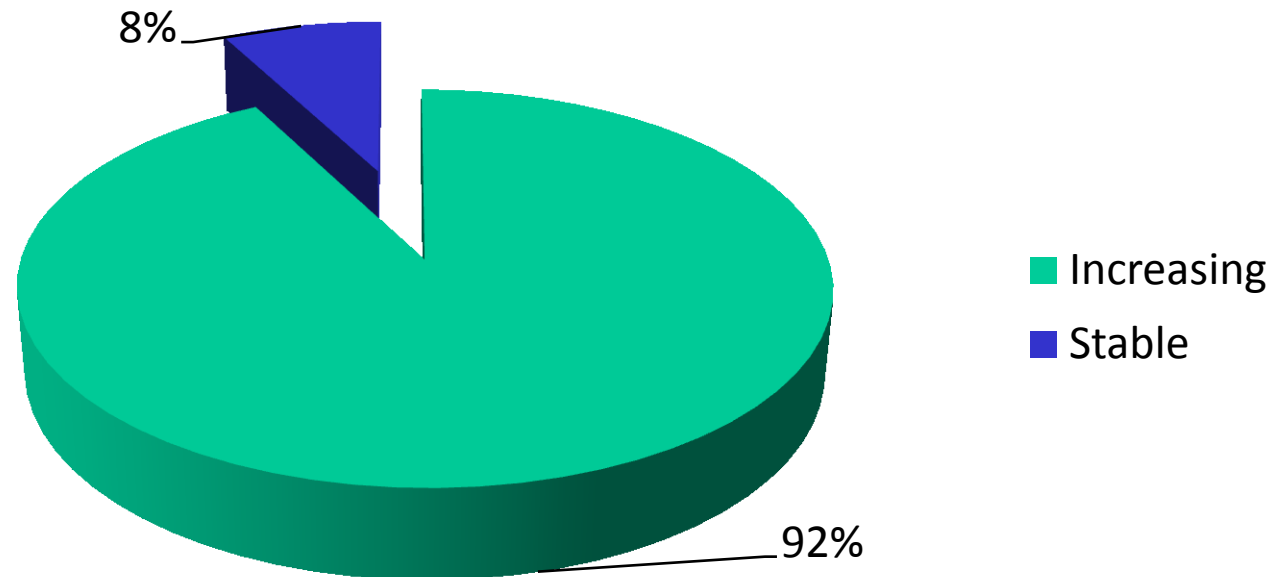
What business leaders are telling us:

From BEDC's corporate calls with business leaders over the last few months:

- New Product Development
- Market Development
- Business Expansion plans
- Workforce Training & Development
- Future Challenges

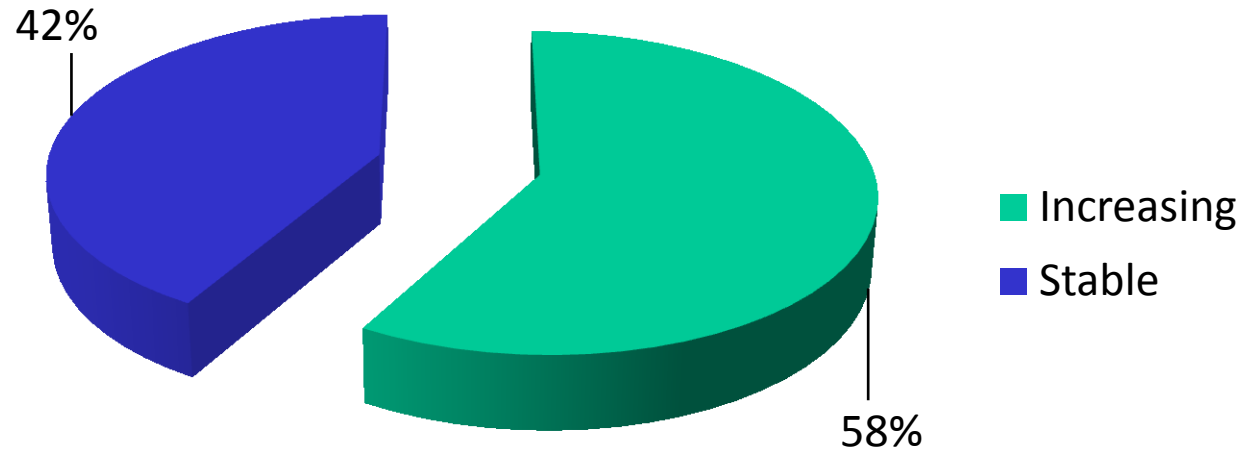
New Product Development:

Will there be new products developed in the next 2 years?



- Companies continue to focus their efforts on innovation through investing in new product development.
- 23% of companies interviewed spend greater than 6% of total sales on R&D

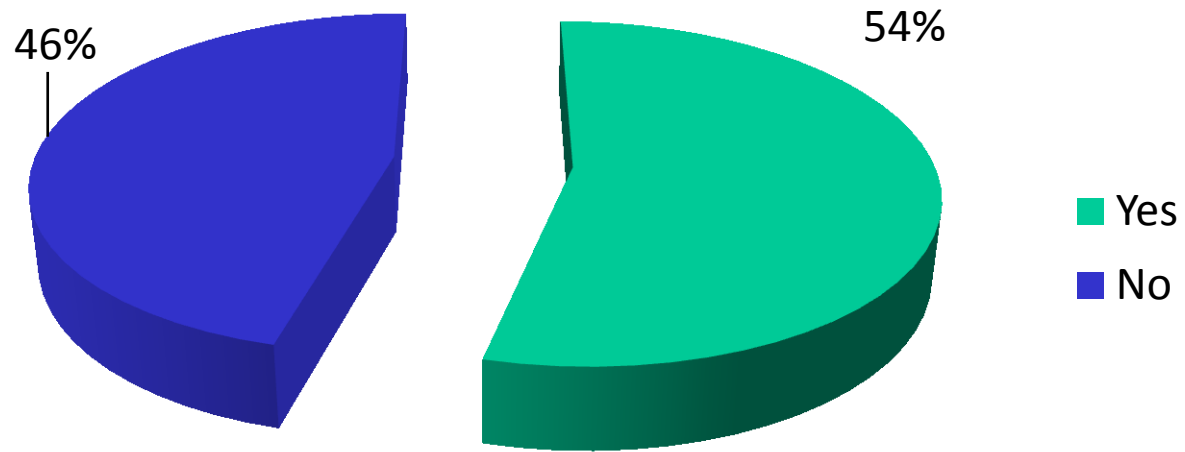
Market Development:



- 60% of companies interviewed have international based customers (inc. US).

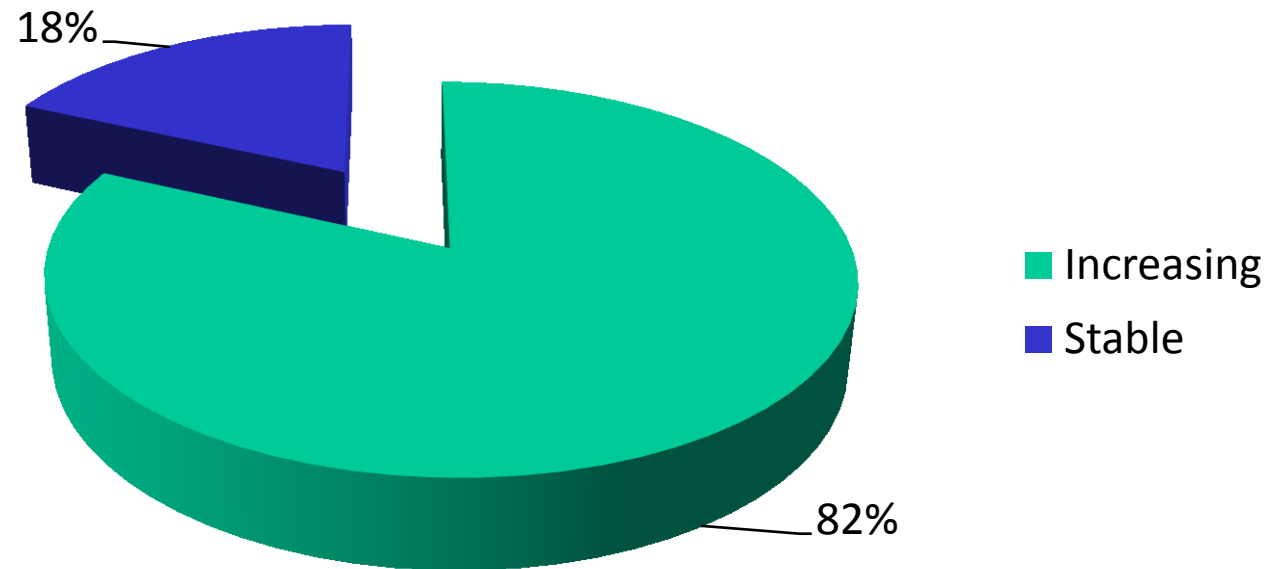
Business Expansion Plans:

Does your company plan to expand in the next 3 years?



- This expansion figure has seen a significant jump since last years growth estimation of 46%; demonstrating that Burlington companies are cautiously optimistic about expansion
- BEDC staff is currently working with 11 existing companies on their expansion and/ or relocation plans.

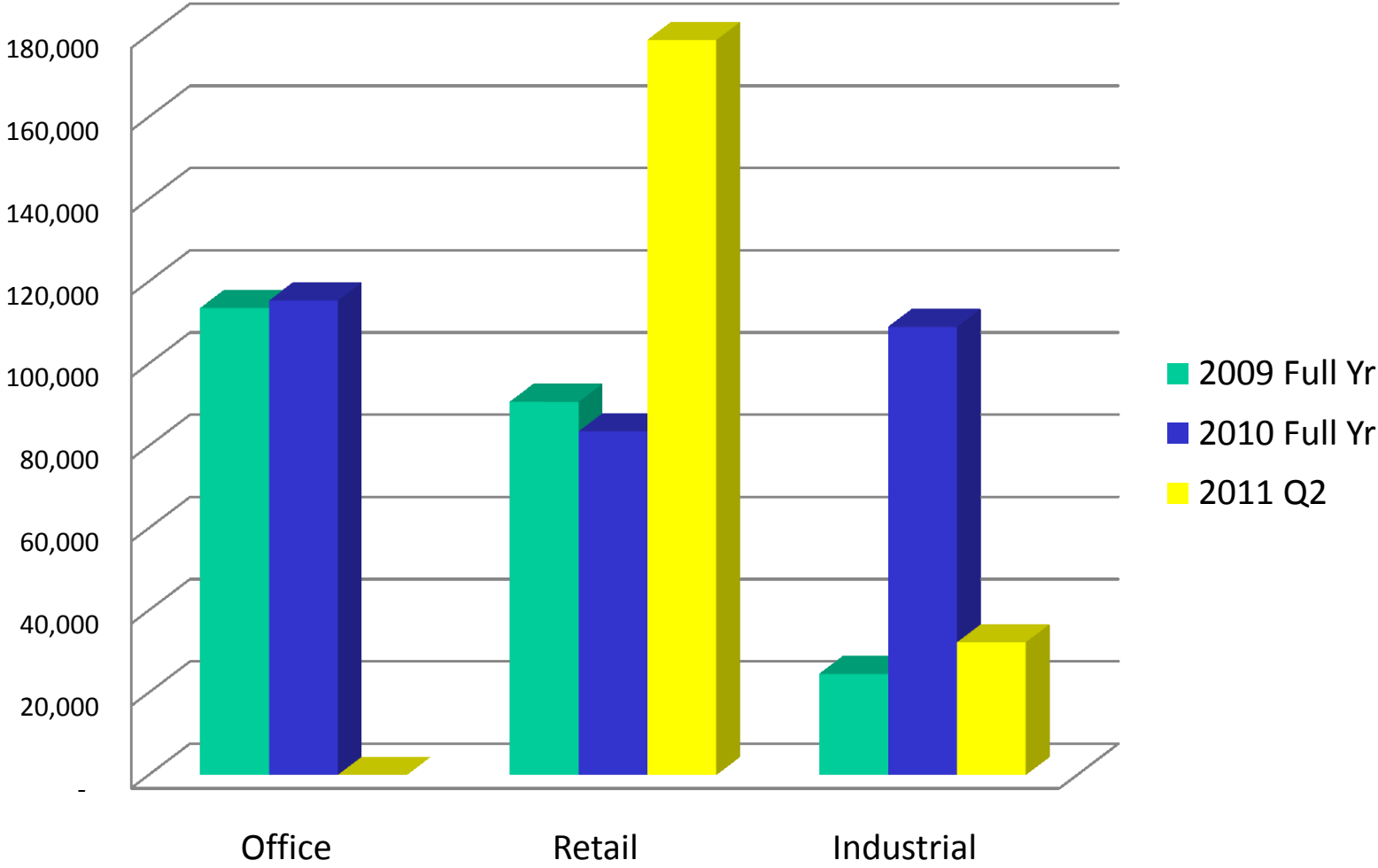
Workforce Training & Development: Company Investment in Employee Training is



- Investment in staff training has seen a dramatic shift from previous years where, for the most part, it was stable.
- Investment in proficiency and remedial skills are driving the investment in skills training.

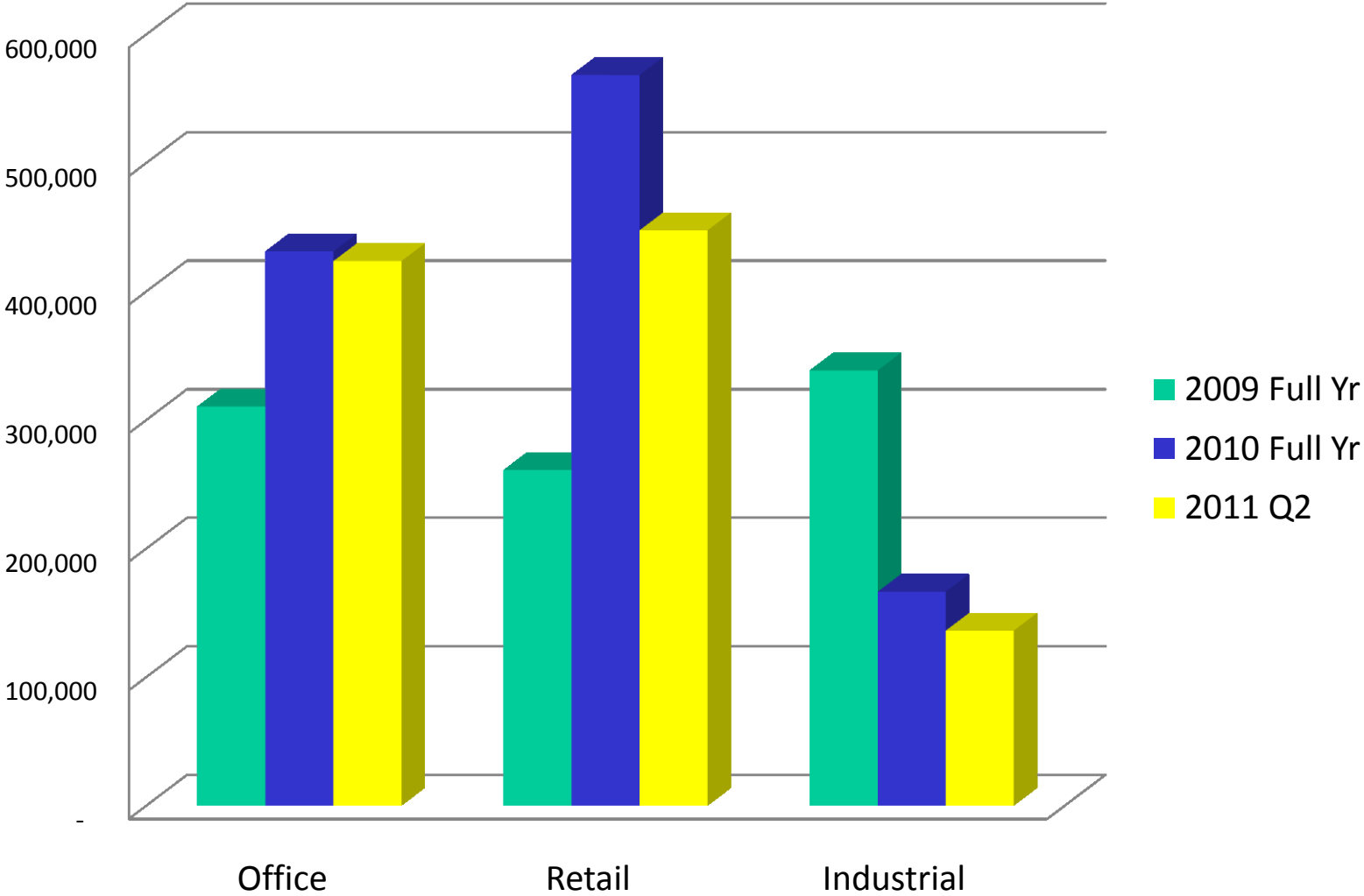
Building Activity:

New Construction (Sq.Ft.)



Building Activity:

Renovated Space (Sq.Ft.)





Future Challenges:

- Continued uncertainty around the current economic climate, especially given fluctuating US markets.
- Companies abilities to adapt and remain flexible to shifting business practices; the new global reality.
- Decreasing outbound commuting patterns.
- Remaining steady on municipal Development Charges.
- Decreasing ICI vacancy rates.
- Attracting new business investment.
- Demographic shifts occurring in the global labour pool.



Recent Announcements



Office:

- **Proposed relocation of IKEA Canada and Burlington retail store** – resulting in a multi-million dollar new 480,000 sf design-build facility; the creation of 100 new jobs; and the retention of over 500 jobs in the community.

Industrial:

- **Expansion and relocation of Neelands Refrigeration** – This long-established Burlington company is relocating to a new design-build facility, and will be the first commercial build on Alton Business Park, at the west end of Palladium Way.
- **4151 North Service Road** – this vacant industrial building, which used to accommodate Maytag, is now under renovation to house at least 3 new industrial units. To date, one unit is leased with the others gaining interest from existing and new investors.
- **ABS Machining** – They are expanding from their existing 25,000 sf industrial facility to include a new design-built facility, doubling their size capacity.

Retail:

- **Appleby Mall** – The newly-renovated and redesigned Appleby Mall is now well under construction with many of the existing stores being relocated into their new facilities.
- **Appleby Line & Dundas Street** – This area has seen a significant increase in commercial build in the last few months, and will continue to with the current development of Fortinos.



BEDC Update



Economic Development Strategic Goals

- Adjust to the current and evolving economic situation.
- Capture growth desired in value-added sectors.
- Focus on the need for continuous business innovation.
- Provide business community leadership to support a prosperous community.

Workplan Update

Next Generation Manufacturing Strategy:

- Launched Strategy in Fall 2010
- On target to achieve 5 of the 14 actions by end of 2011
- These are:
 - Next Generation Building Stock – Lean, Green & Connected
 - Manufacturing Employment – Culture of Engagement
 - Business Services Initiative
 - Risk Management Collaborative
 - Social Media information session completed

Investment Attraction Strategy:

Working with Foreign Direct Investment contacts to strategically target key sectors for targeted investment leads. BEDC will participate in upcoming investment tradeshows targeting financial services and clean-tech industries.

BEDC Networking Events

- Hosted 6 corporate events
- Over 1,400 attendees achieved
- 4 corporate networking events remaining in 2011

Progress on Strategy to Date:

Success Measure	Progress to Date
Create in excess of 10,000 jobs	1,430 jobs created
Build over 4 million sf of ICI space	608,000 sf of new ICI space added
Increase the # of jobs in target sectors	27% of new jobs in professional services
Increase the # of companies exporting	42% of companies exporting goods/ services
Increase manufacturing output by 10-15%	Manufacturing sales returning to pre-recession levels
Establish specific growth targets for key employment districts by 2010	Target of 13,000+ jobs identified for employment lands
Have over 50% of its companies indicate they have/ or are planning to develop new products/ services	92% of companies surveyed in 2011 are investing in new product development



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