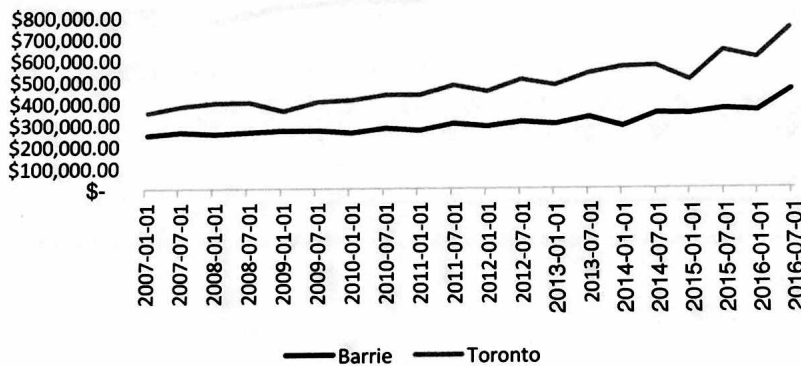


Barrie Home Prices

Historically, home prices in Barrie are highly correlated (.94) with those in the GTA. To a large degree, the two regions are subject to the same economic, demographic, and political forces. Over the last decade, both markets have been subject to a rapidly increasing home prices. The GTA to Barrie average home price gap has increased from \$102,000 in 2007 to just under \$300,000 in 2016. Both the rapid price appreciation, and the growing difference in purchase price are contributing to the slow migration of population from the GTA to Barrie. Often those moving to Barrie are originally from Barrie, but are choosing to relocate their families to the city to take advantage of lower house prices. One or both spouses then commute to the GTA for work using the nearby 400 highway or GO Train network.

Barrie vs. Toronto Average New Home Price (2016)



2016 Average Home Price

\$749,000
Toronto

\$457,000
Barrie

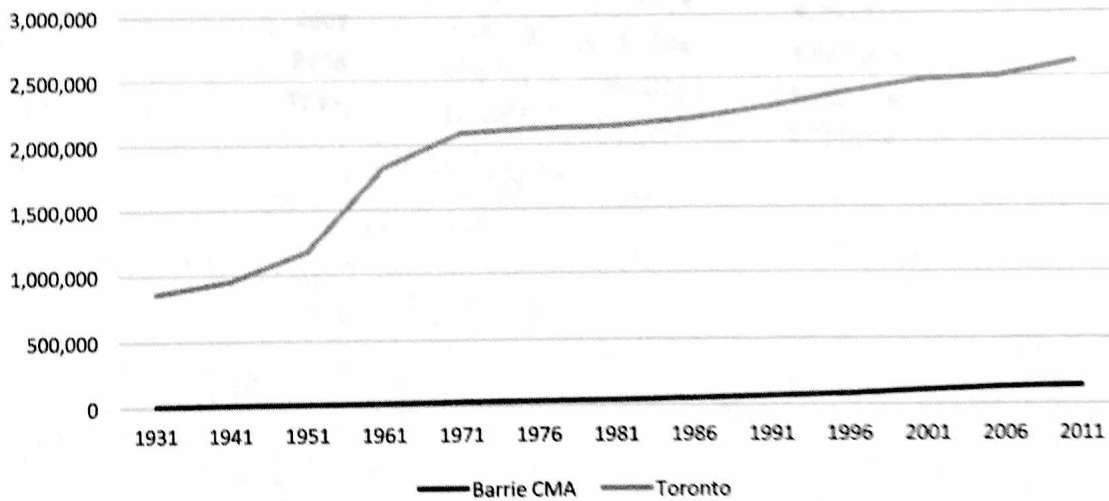
94%
Price Correlation

Source: Toronto Real Estate Board, Barrie & District Real Estate Board

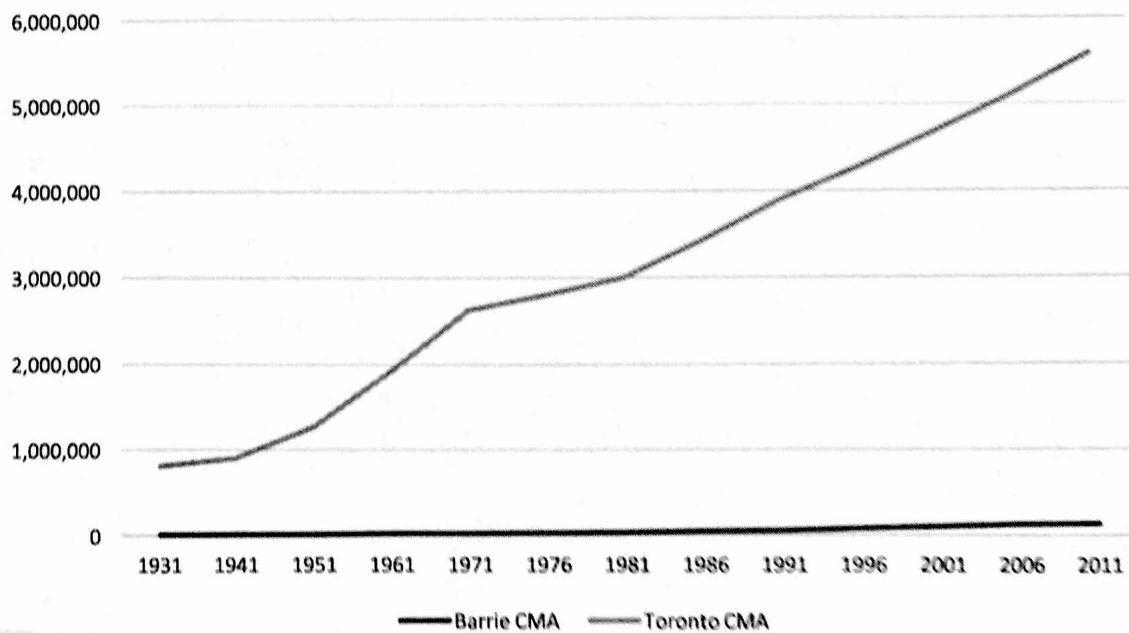
The trend of rapidly increasing real estate prices cannot be applied broadly throughout the entire Barrie market. Price appreciation is localized primarily in the south of Barrie, nearest the Allandale Waterfront and Barrie South GO Stations. Existing homes and new construction are targeted primarily at the GTA commuter. These commuters are sensitive to both price and commuting time. Their choice was made primarily by choosing the price they want to pay, and finding the best option (size, schools, location, amenities, etc.) for that price within an acceptable commuting distance. The 1-way train trip from Allandale Waterfront to Union is 1 hour and 43 minutes long, a very long commute even by GTA standards. Only the most price sensitive commuters are willing to make this commute, and even this is at the very upper end of what acceptable commutes are in North America.

The highest price growth in Barrie is in the south of the city near the GO Stations. The remainder of the city is not subject to the same upwards price pressures as the south, as it is not attractive to GTA commuters.

Barrie CMA and Toronto Populations



Barrie CMA and Toronto CMA Populations



Addendum

Barrie CMA, Toronto, and Toronto CMA population growth since 1931

Barrie and Toronto's populations are highly correlated. Data from Statistics Canada indicates that the correlation between the Barrie CMA and Toronto is .803. Interestingly, the correlation between the Barrie CMA¹ and Toronto CMA² is a much stronger .955. Though both strong, these correlations are notably different. This difference is related to the urban boundaries and density of Toronto. As the city of Toronto became increasingly built up in the 70s and 80s, and the availability of unbuilt land decreased, new residents moved to the suburbs and Toronto's population growth slowed. The population of Toronto increased by approximately 25% between 1971 and 2011, while during this period the population of the Barrie CMA grew by almost 5-fold. A comparison between the Barrie CMA and Toronto CMA (which includes the suburbs) yields a stronger correlation of .955. Between 1971 and 2011, the population of the Toronto CMA grew approximately 2-fold.

Correlation: Barrie CMA vs. Toronto = .803

Correlation: Barrie CMA vs. Toronto CMA = .955

¹ Barrie CMA: City of Barrie, Innisfil, Springwater

² Toronto CMA: Ajax (Town), Aurora (Town), Bradford West Gwillimbury (Town), Brampton (City), Caledon (Town), Chippewas of Georgina Island First Nation (Indian reserve), East Gwillimbury (Town), Georgina (Town), Halton Hills (Town), King (Township), Markham (Town), Milton (Town), Mississauga (City), Mono (Town), New Tecumseth (Town), Newmarket (Town), Oakville (Town), Orangeville (Town), Pickering (City), Richmond Hill (Town), Toronto (City), Uxbridge (Township), Vaughan (City), Whitchurch-Stouffville (Town)