

Barrie Market Overview

Overview

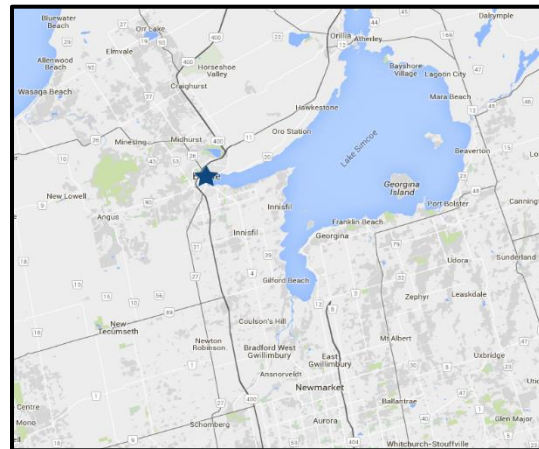
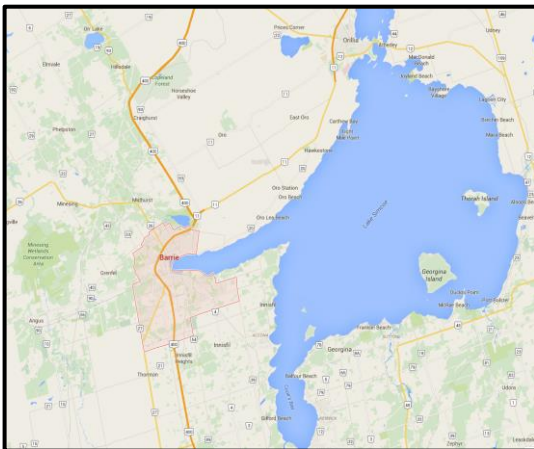
Barrie is a city in Central Ontario within the Country of Canada. The city is located on the western shores of Lake Simcoe and is located in the growth plan area of the Greater Golden Horseshoe.



The region of the Greater Golden Horseshoe is one of Canada’s most important regions as about two thirds of Ontario’s and about one quarter of Canada Gross Domestic Product (GDP) comes from this region. The City of Barrie encompasses around 2.8 percent of the region or about 897.47 square kilometres out of the total regions 31,561.57 square kilometres. Barrie’s location within the Greater Golden Horseshoe means that it is one of North America’s fastest growing regions and that residents of the City are part of the nine million people that live within this region.

The City of Barrie is located 94 kilometres north of Toronto, Ontario, 620 kilometres west of Montreal, Quebec, and is located 420 kilometres east of Detroit, Michigan in the United States. Highway 400 runs through Barrie with 5 interchanges and is connected to 3 major provincial highways (90, 27, and 11) along with Highway 400. There are two Go Train stations that service the Barrie area, giving commuter’s regular train service to Union Station and back during peak hours with summer weekend trains into the Greater Toronto Area. The city is also only 10 minutes away from the Lake Simcoe Regional Airport which allows for small aircraft at the airport and can accommodate both international passengers and freight.

City Maps



Economic Overview

The City of Barrie has a population of approximately 174,100 people as of December 2017 by Statistics Canada. The labour force is made up of approximately 122,000. The employment rate is 67.7% and unemployment rate of 3.4%. The residents in Barrie CMA have an average household income of \$90,293 with an average of 2.7 people living in a home, in 2016.

The key industries in Barrie are healthcare and social assistance (14.9%), hospitality (8.9%), construction (8.0%), and education (7.5%). The largest employers in the private sector were Wolf/Steel/Napolean Appliance with 800 employees, Georgian International Ltd. with 675 employees, Sinton Transportation with 589 employees and Transcom with 500 employees. The largest employers in Barrie by public sector was the Simcoe Muskoka Catholic District School Board with 3,400 employees, Georgian College with 2,500 employees and the Royal Victoria Regional Health Centre with 2,429 employees. Around fifty-five percent of the labour force in Barrie either has a high school diploma or college certificate with about eight percent having a trade certificate and fifteen percent having a university degree.

Demographics and Statistics

Barrie Economic Overview	
Data	Barrie
Population 2006	128,430
Population 2011	143,634
Average Household Income	\$86,833
Dominant Housing Types	Single Detached Dwellings
Labour Force Barrie CMA (Jan-15)	
Population (In Thousands)	165.7
Participation Rate	73.4
Unemployment Rate	5.50%
Largest Employers	
Private	Public
Sinton Transportation	Simcoe Muskoka Catholic District School Board
Wolf/Steek/Napolean Appliances	Royal Victoria Regional Health Centre
Georgian International Ltd.	Georgion College
Top Industries by Employment	
Industry	Percentage
Construction	13%
Retail Trade	12%
Professional, Scientific and Technical Services	12%
Health Care and Social Service	8%
Other Services	8%

City of Barrie Development Overview

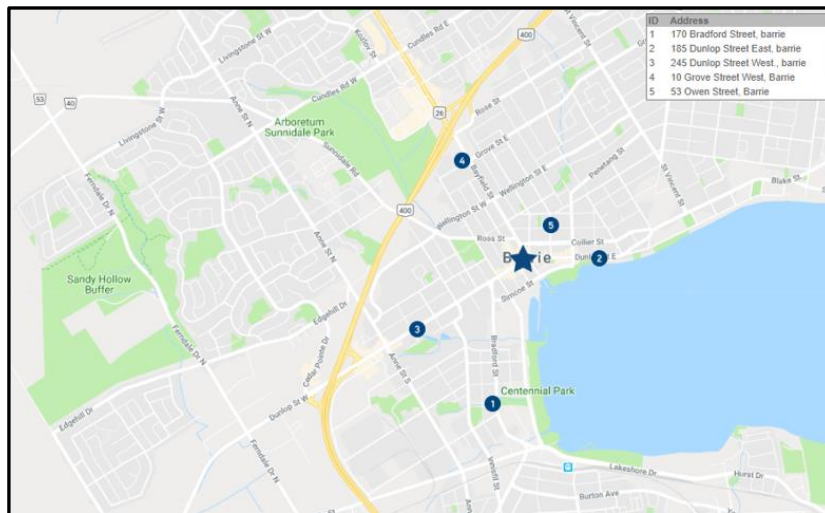
The City of Barrie has been witnessing land use intensification in the form of residential development. There are currently over 40 active residential development applications before the City, 12 of which are high-density residential projects with the remainder being low to medium-density residential projects. The high-density residential developments are primarily located in the core areas (Downtown Barrie and adjacent communities) of the City while the low to medium-density residential developments are further removed the core areas.

There are five residential development projects (four of which are high-density) within immediate proximity to the Subject. The closest project is located at 53-67 Owen Street, 70-78 Worsley Street and 55-77 McDonald Street, which has a proposal in place for the development of four high-rise residential condominium buildings.

The following chart depicts the relevant details of the four projects:

Development Application File Number	Address	Applicant	Details
D11-012-17	168 & 170 Bradford Street	Touchstone Overlay Systems Inc.	Touchstone Overlay Systems Inc. has applied for Site Plan Control for the construction of a rear-yard addition to an existing building. The applicant is proposing a two-storey Mixed-use Building with 2 ground-floor commercial units and 8 residential apartment units.
D11-001-2018	185-205 Dunlop Street East	AALTO Developments Inc.	The applicant proposes to build a mixed use 11 storey building with 193 residential condominium units, with ground floor commercial and a small roof top commercial use to be utilized as a restaurant, with underground parking.
D14-1647	233, 237, 241 & 245 Dunlop St W & Roll # 434203200405700	MDM Developments	The applicant proposes to built a 9 Storey Building with 108 Residential Apartment Units and Ground-floor Commercial uses.
D09-OPA64 & D14-1630	10-24 Grove Street West	Grove Street Developments Inc. (YMCA)	Grove Street Developments Inc. (YMCA) has proposed the development of 3 buildings ranging from 22-24 storeys with 2-, 4- and 8-storey buildings, total of 924 residential rental units with associated parking. The Applicant has submitted an Official Plan Amendment and Rezoning approved by Council on October 23, 2017; OPA document and zoning bylaw still to be approved by Council.
# D14-1645	53, 55, 59, 61, 67 Owen St; 70-74, 76, 78 Worsley St & 55, 57 McDonald Street	Barrie Owen Service Inc.	The applicant has submitted a Zoning By-law amendment to develop a 6-storey mixed-use podium building with two residential towers above; an eight 8-storey tower at the corner of Owen Street and McDonald Street and a 20-storey tower at the corner of Owen Street and Worsley Street. A sixth floor amenity level is proposed to connect the two towers.

Map of the Subject and the Active Developments



Residential Demand in Barrie



The new numbers released by the Barrie and District Association of Realtors (BDAR) suggest sales and the average price for real estate in Barrie have started to trend upwards¹. According to the June 2018 figures, the price of homes in Barrie increased by 2.8 percent year over year while the number of the sales rose 25.4 percent. The total number of sales in June was 252. This is a sharp contrast to the last two months, which saw a decrease in both prices and number of sales. Overall, the County experienced a 14.7 percent increase year over year for the month of June, and the figures also show a 0.96 percent increase in the listing prices from May 2018.

Currently, there is no available database on pre-sale residential condominium units in Barrie. As such, we have looked at the adjacent major market place, the Greater Toronto Area. According to RealNet's June 2018 Greater Toronto Area High-Rise Projects report, the benchmark price for new high-rise condominiums have increased by 23.5% between June 2017 and June 2018. The report further stated that the benchmark price has increased by 6.5% from May to June. As the condominium prices within the GTA continue to proliferate, Barrie's condominium market will become a more attractive alternative market place.

According to the CMHC Dwelling Count and Housing Distribution data, apartment dwellings are becoming the second most popular type of accommodation, behind single-detached dwellings. That said, between 2011 and 2016, apartment dwellings (5+ storeys) grew by approximately 9% and apartment dwellings (<5-storeys) grew by approximately 16.1% while detached dwelling only grew by 5.1% over the 5-year term. Barrie is starting to see a gradual shift in residential accommodation type.

Barrie has also been experiencing growth in the rental market. The statistics released by Padmapper on June 13, 2018 suggest that Barrie is still fourth most expensive city in Canada to rent an apartment for the third consecutive month. Barrie's median rental prices were reported to be high enough to be considered the second most expensive city in Ontario, just behind Toronto².

Conclusion

Taking into consideration of the development trends in the area, the housing prices, and the steady growth in the rental market, the City of Barrie is becoming an attractive market to own residential assets.

¹ Barrie real estate market begins to show signs of gaining strength, BDAR says, Global News, retrieved on July 15, 2018, <https://globalnews.ca/news/4322609/barrie-real-estate-prices/>

² Barrie reports fourth highest rental rates in Canada for third consecutive month, Global News, retrieved on July 31, 2018, <https://globalnews.ca/news/4276474/barrie-rental-prices/>



BARRIE MARKET OVERVIEW

BARRIE MARKET OVERVIEW

Simcoe County;

- The City of Barrie is located within the County of Simcoe in Central Ontario, which is ideally situated just north of the Greater Toronto Area, stretching from the shores of Lake Simcoe to Georgian Bay.
- Many of the 16 municipalities in Simcoe County are located directly along Highway 400 and Highway 11 while others have quick access to the highways through 850km of well-kept county roads.
- Simcoe County's location has a marketplace of approximately 7 million people within a 3 hour drive and the County also has access to rail and regional airport facilities.
- With over 16,000 companies, the business community in the County of Simcoe is diverse and growing.
- The region is also home to internationally known institutions like Casino Rama, Georgian College, Canadian Forces Base Borden, Lakehead University and the Ontario Provincial Police Headquarters.
- Honda of Canada Manufacturing has been established in Simcoe County since 1986 and continues growing along with the community.
- Tourism is another vital industry in Simcoe County, providing a diversity of jobs and economic impact in a variety of sectors including accommodations, restaurants, destinations, events and retail.
- Simcoe County plays host to over 6.7 million visitors annually that contributes more than \$570 Million in spending to the region's economy.
- The natural beauty of Simcoe County includes 31,000 acres of County owned forests, the splendor of Wasaga Beach, the world's longest fresh water beach, many ski resorts and award-winning golf courses.

BARRIE MARKET OVERVIEW (continued)

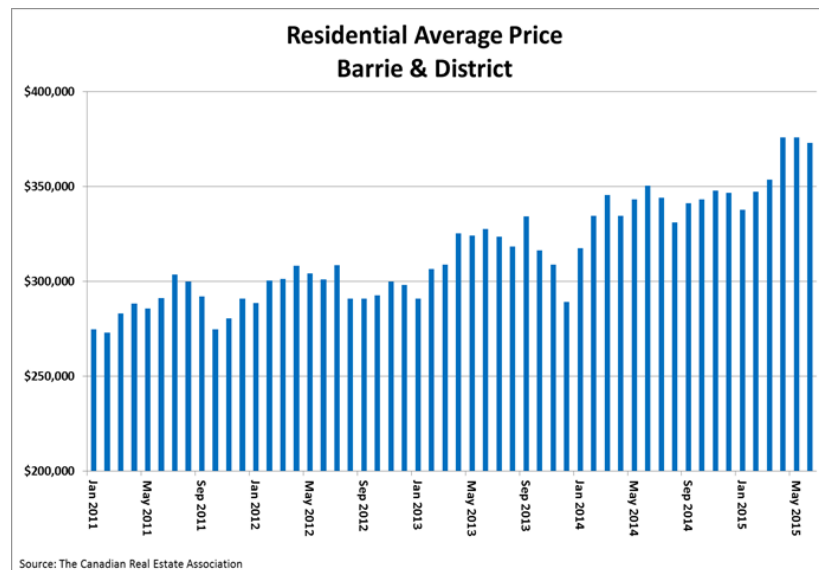
City of Barrie;

- Barrie is located in the central portion of Southern Ontario, approximately 90 km (56 miles) north of Toronto within the Greater Golden Horseshoe subregion, accessible via Provincial Highway 400 and Highways 26 and 11.
- Public transportation within the City is provided by Barrie Transit and GO Transit connects the City to the Greater Toronto Area (GTA) through daily train and bus service at two different Barrie stations.
- The City of Barrie continues to be one of Canada's fastest growing and dynamic cities and its location in proximity to the GTA allows for easy commuting, while still offering scenic wilderness and recreational activities right outside your door.
- Barrie's population is approximately 143,000 people and the projected growth rate over the next 10 years is 40%-60%.
- Barrie has been designated an Urban Growth Centre by the Province of Ontario under the Places to Grow act and the City successfully annexed 2,293 acres (9.28 square kilometres) of land from the neighbouring Town of Innisfil to the south and southeast on January 1, 2010.
- The City has an abundance of parkland, totaling over 90 parks and comprising in excess of 300 hectares.
- The Barrie Molson Centre is considered Central Ontario's premier sports and entertainment centre.
- Barrie's historic downtown and waterfront are at the heart of its tourism industry which is home to numerous annual festivals and events including Kempenfest, one of the largest outdoor arts and crafts celebrations in Ontario.
- In the summer months, the City boasts several beaches and is also very popular for boating in Kempenfelt Bay and Lake Simcoe as it connects to the Trent Severn Waterway.
- There are numerous winter recreation activities and facilities in the surrounding area including Horseshoe Resort, Snow Valley, Mount St. Louis Moonstone and Blue Mountain.
- There are two main performing arts venues in the City; the Mady Centre For The Performing Arts located downtown at the Five Points intersection, and the Georian Theatre located in Barrie's north end on the main campus of Georgian College.
- Georgian College has over 10,000 full-time students, approximately 25,000 part-time students and has the highest graduate employment rate in Ontario at 94%.
- Georgian College is also home to the Sadlon Centre for Health and Wellness. Opened in 2011, this \$65 Million, 165,000 square foot facility has allowed the college to double the number of health program students to 3,000.
- The recently constructed Centre for Sustainable Technologies is also located in the Georgian College Campus. This new \$8 Million, 18,000 square foot facility opened in 2009 and serves as a learning lab for new technology and systems.

BARRIE MARKET OVERVIEW (continued)

Housing Market;

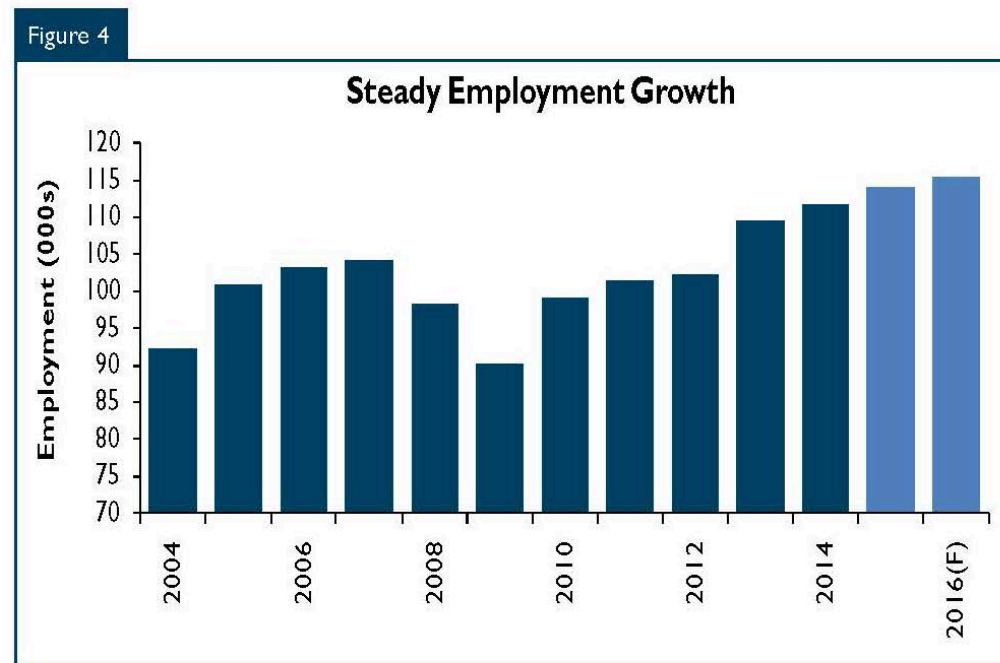
- Residential property sales recorded through the MLS System of the Barrie & District Association of REALTORS Inc. numbered 609 units in June 2015, an increase of 10.1% from June 2014. This was the third best level of any month on record, and marked the first time in history that June sales surpassed the 600 mark.
- Within the City of Barrie, sales activity rose 29.5% on a year-over-year basis.
- On a year-to-date basis, home sales totaled 2,818 units over the first half of 2015. This was up 13.6% from 2014 and marked the best start to any year on record.
- The year-to-date average price figure for homes sold within the City of Barrie was \$339,353. This was a 5.5% increase compared to the year-to-date average selling price in 2014.
- The year-to-date average price figure for the surrounding areas was \$406,866, an increase of 10.5% from the year-to-date average selling price in 2014.
- Overall supply is currently trending at the lowest levels in more than a decade and demand is still outpacing new supply, resulting in some of the lowest levels of overall inventory on record.



BARRIE MARKET OVERVIEW (continued)

Economic Trends;

- The Barrie economy is set to grow along with Ontario, supported by the improving economy south of the border, the depreciation of the Canadian dollar and low oil prices.
- The improving economy and the housing price differential with the GTA attracts migrants to the Barrie area, particularly from the GTA.
- Barrie has one of the lower unemployment rates in Ontario. Employment is expected to pick up by 2.2% in 2015 and 1.2% in 2016.
- The jobless rate will drop lower to 5% in 2015. Most of the jobs in Barrie are in services, retail and tourism where wages are relatively low. With the improving economy, the average wage is expected to adjust up, driven by more manufacturing and construction jobs.



Source: Statistics Canada, CMHC forecasts

BARRIE MARKET OVERVIEW (continued)

Urban Growth Centre (UGC);

- In 2009, the City of Barrie Intensification Study was completed by the Planning Services Department and adopted by Council.
- The Study designates nodes and corridors throughout the City that have been identified for their capacity to achieve higher densities.
- The principle areas where intensification is encouraged includes the Urban Growth Centre (UGC) comprised of downtown Barrie and Allandale Centre and the primary and secondary corridors consisting of arterial roads such as Bayfield Street, Dunlop Street, Essa Road, Duckworth Street and Yonge Street.
- The creation of these new intensification areas will facilitate the development of medium and high density uses and will dramatically change the current characteristics of these areas.
- The City of Barrie is mandated to achieve the growth targets as required by the Province through the Growth Plan for the Greater Golden Horseshoe. **These targets require the construction of an additional 4,115 new apartment/condominium units in the downtown core over a 10 year period commencing in 2014. That represents two new projects that are the equivalent size of the Five Points project, every year for 10 years, or about 20 new projects of that size in total over this period of time.**

