

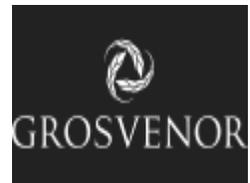
PROFILE ON TORONTO

Toronto in World Rankings

Toronto is one of the most liveable and competitive cities in the world as demonstrated by various international rankings and reports. In addition to securing its position on the world stage, Toronto's rankings confirm that it continues to offer a high quality of life for about 2.8 million residents who choose to live and work here.

- **Best City to Invest in Real Estate in the Long Term (Most Resilient City) – Grosvenor Group – April 2014**

According to Grosvenor Group, a U.K.-based real estate developer, the City of Toronto is the best bet for long-term investment in real estate according to their global resiliency ranking of 50 global cities. In fact, Canadian cities (Toronto, Vancouver and Calgary) were ranked as the top three cities based on a combination of low vulnerability and high adaptive capacity. Also according to the research, Canadian cities are well governed and well planned.



- **Most High-Rise Buildings Under Construction in North America – Emporis, SkyscraperPage - March 2014**



According to Emporis, a global provider of building information and SkyscraperPage.com, a web-based database of scale-model illustrations and diagrams of skyscrapers, Toronto continues to have the most high-rise buildings under construction in North America, maintaining a sizeable lead in both rankings over second ranked New York City and third ranked Mexico.

- **3rd Most Prosperous of Global Metropolitan Areas in Scorecard on Prosperity Ranking based on Livability and Economic Performance – Toronto Region Board of Trade – February 2014**

In its annual survey of 24 global metropolitan areas, the Toronto Region Board of Trade gave Toronto its highest ranking since the Board started benchmarking in 2009 -2nd in North America and 3rd overall. Toronto had a strong performance in labour attractiveness, and improved in its economic rankings.



- **Most Youthful City of 25 World Cities**
Youthful Cities Index, November 2013



The YouthfulCities 2014 Index analyzed 25 cities around the world from the perspective of young adults, in an attempt to quantify which cities are most attractive to young people aged 15 to 29 and how they can live, work and play in their urban settings. The study ranks cities based on 80 indicators in 16 categories and Toronto ranked high in the categories including, Diversity, Digital Access, Youth Employment, Food and Nightlife, Music and Film, Fashion and Art, Public Space, Sport and Gaming.

- **2nd Best Reputation of 100 Cities Worldwide**
Reputation Institute, October 2013



Toronto ranked second behind Sydney, Australia in an annual study, comparing the reputations of 100 cities worldwide, recently issued by the Reputation Institute. The annual study surveyed more than 22,000 people from the G8 countries and ranked the world's 100 most reputable cities based on levels of trust, esteem, admiration and respect, as well as perceptions regarding 13 attributes. The three key dimensions of the study are an advanced economy, appealing environment and effective government. The study results confirm the links between city reputations and economic outcomes, while also highlighting the key drivers of a good reputation. Toronto ranked as the top city to work in, the second most attractive city to live in, and the seventh highest ranked city in the invest category.

- **2nd Best North American City for Business Investment**
fDi Magazine, April/May 2013



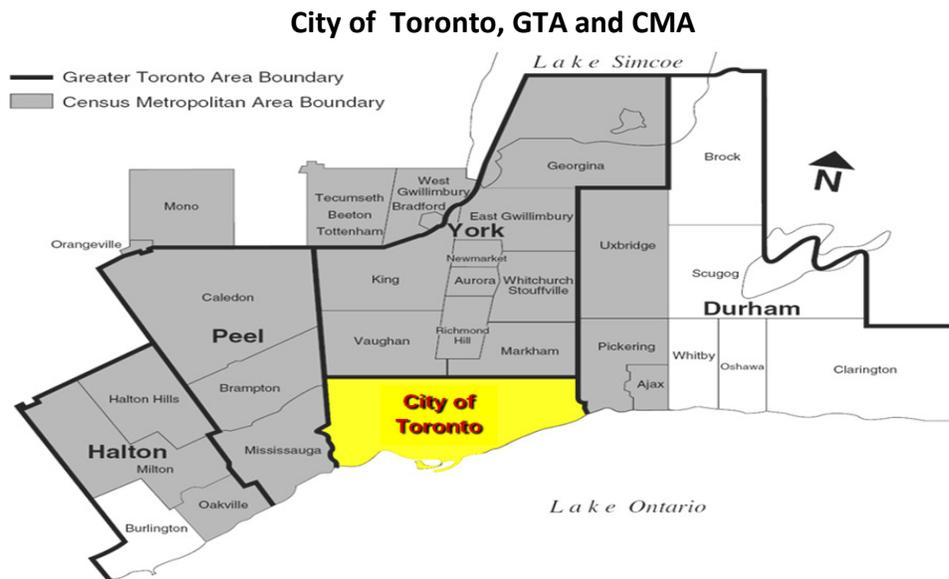
A leading global business publication has ranked Toronto as one of the best cities in North America for business investment. fDi Magazine (April/May 2013), published by the Financial Times Ltd., ranked Toronto in second place after New York City in the categories of "Overall North American Cities of the Future 2013/14." Toronto also placed second after New York City as a major North American city for business friendliness. The rankings by fDi Magazine are based on data collected for 422 cities under five categories: economic potential; human resources; cost effectiveness; infrastructure; and business friendliness.

City of Toronto, GTA and CMA

The City of Toronto is Canada's largest city with a population of 2.8 million residents. It is the heart of a large urban agglomeration of 6.4 million called the Greater Toronto Area (GTA)¹. The City has one of the most ethnically diverse populations in North America. Almost one in four visible minority persons in Canada resides in Toronto. Nearly half of the city's population (47%) considers itself as part of a visible minority group.

The City of Toronto, with 89,000 businesses, is the major economic engine of the country. The City is both the political capital of the Province of Ontario and the corporate capital of Canada. As well, it is the major centre for culture, entertainment and finance in the country. The City is the home to more national and internationally ranked companies than any other city in Canada.

The GTA is one of the largest regional economies in North America, characterized by concentrated and fast-growing finance-related industries and highly specialized knowledge-based jobs. An estimated \$315 billion of goods and services (GDP 2013) are produced in the Toronto Census Metropolitan Area (CMA)². The City of Toronto accounts for half of this total (2013: \$157 billion). As well, the City accounts for 23% of Ontario's GDP and about 9% of the country's economic output.

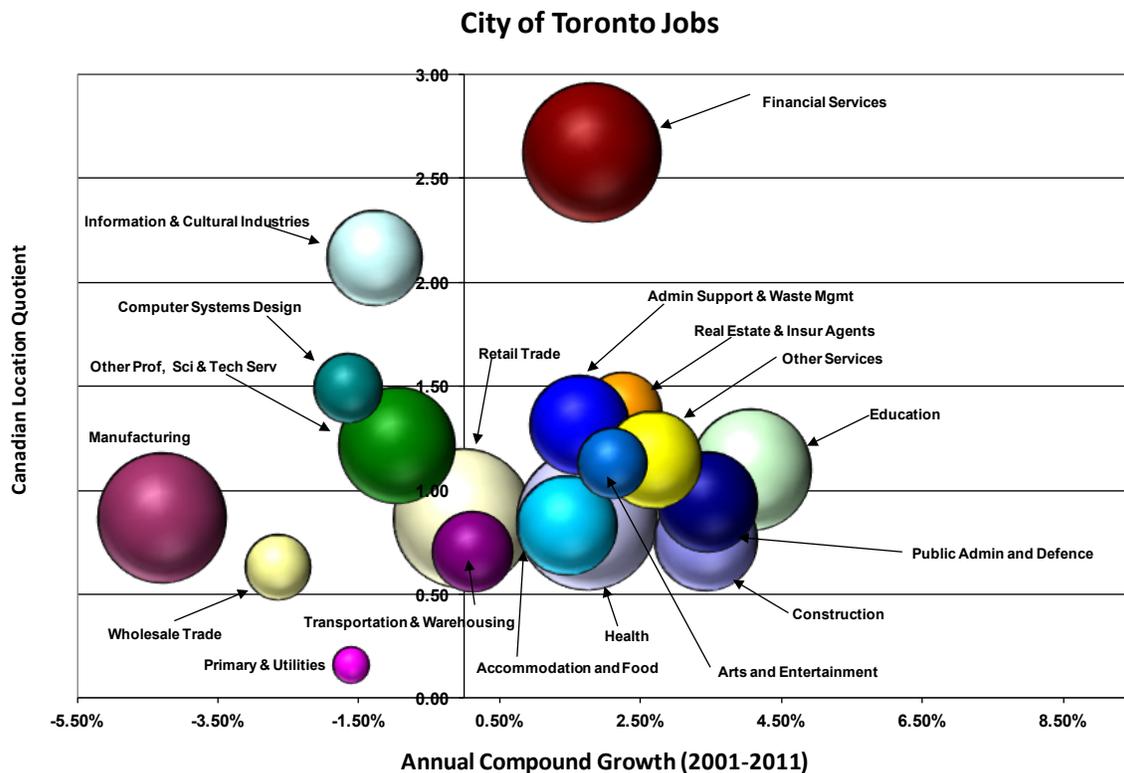


¹ Greater Toronto Area (GTA) refers to the City of Toronto plus the surrounding regions of Durham, York, Peel and Halton which include four upper tier and 24 lower tier municipalities.

² Toronto CMA (Census Metropolitan Area) refers to the municipalities assigned by Statistics Canada on the basis of labour market and commuting criteria. It comprises the City of Toronto and 23 other municipalities.

Key Employment Sectors

The following graphic recognizes the diverse nature of the City of Toronto's economy while providing some useful insights into the city's key employment sectors. The size of a sector bubble represents employment size. The horizontal position of a sector bubble on the graphic denotes industry growth rate. The vertical position on the graph denotes the concentration of the sector's employment within the city relative to other major cities in Canada. Therefore the sectors at the top of the chart principally export goods and services and the ones to the right are growing more rapidly than others.



From the graph it is noted that Financial Services and Information & Cultural industries (ie. telecommunications, broadcasting, libraries) have the highest concentration of employment in Toronto in comparison to other Canadian cities. The highest growth industries are Education, Public Admin and Defence, Construction and Real Estate & Insurance Agents. Health, Retail Trade, Financial Services and Manufacturing are the largest sectors in terms of employment.

One significant trend is that employment in the Manufacturing industry in the city, though still one of the largest sectors, has been on the decline at an average annual rate of 4.3% from 2001 to 2011. By 2011, the number of employed people in the Manufacturing industry was less than 2/3 of what it was in 2001.

The Financial Services sector is emerging as the one of Toronto's highest growth industries with a large and highly concentrated workforce. The Toronto region is home to the functional head offices of the five major banks in Canada and is considered to be one of the top ten financial centres in the world according to the Global Financial Centres Index. Banking in Canada is widely considered the most efficient and safest banking system in the world, ranking as the world's soundest banking system according to a 2008 World Economic Forum report, ahead of Sweden, Luxembourg, Australia, Denmark and the Netherlands. Most recently, five of Canada's biggest financial institutions have been named on a list of the world's strongest banks. The May 2012 study by Bloomberg Markets, which reviewed the quality and stability of a firm's holdings, indicated that Canada had the most banks on the list - five institutions. It is further proof that Canada has the most secure banking system in the world. According to Moody's Analytics, by 2017, Toronto is expected to surpass London in terms of total financial services jobs with Toronto expecting to add an additional 100,000 jobs in this sector by 2020 while London is expected to lose a further 30,000 jobs over the same period.

As part of the health sector, the biomedical and biotechnology cluster in Toronto is the fourth largest in North America. The Discovery District is a downtown research park with 7 million sq. ft. of facilities — Canada's largest concentration of research institutes, business incubators and business support services. The Medical and Related Sciences (MaRS) project, Faculty of Pharmacy building at the University of Toronto, and the Centre for Cellular and Biomolecular Research (CCBR) help give the Discovery District its name. A further 800,000 square foot addition to the Mars Centre was completed in January 2014.

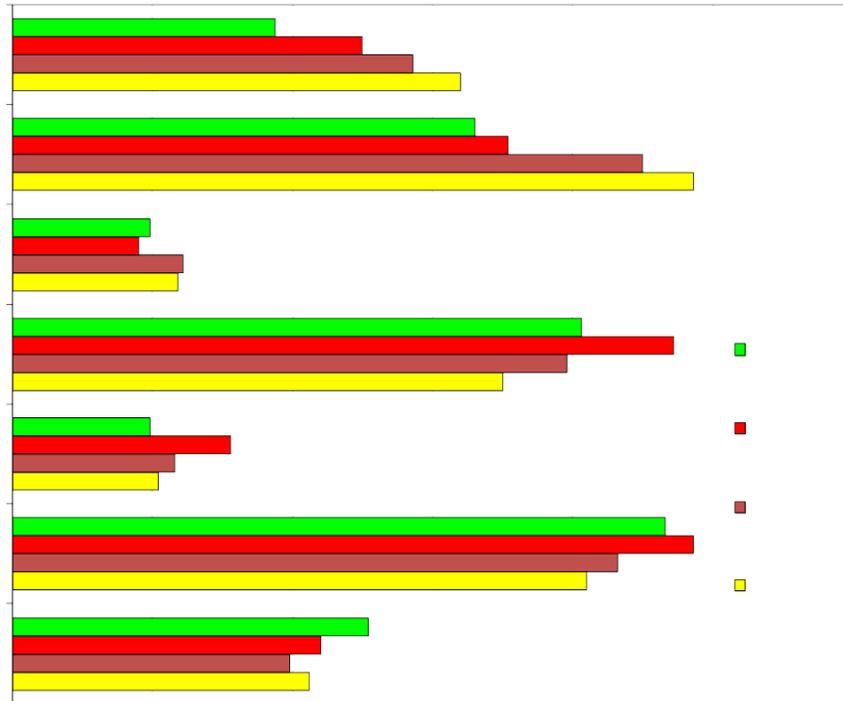
Continued investment in the Arts, Entertainment and Recreation sector is vitally important for the attraction of tourists and film production to the City. Toronto has undergone a 'cultural renaissance' with the unprecedented building and architectural transformation of close to a dozen major arts and cultural institutions, including the Michael Lee-Chin Crystal (an expansion of the Royal Ontario Museum), the Art Gallery of Ontario, the new home of the Toronto International Film Festival, the Four Seasons Centre for the Performing Arts which is the new home of the National Ballet of Canada and the Canadian Opera Company, and the Gardiner Museum of Ceramic Art. In fall 2013, Ripley's Aquarium of Canada opened its doors as a major new tourist attraction in City featuring 450 species of more than 15,000 fish. The production of domestic and foreign film and television is a major local industry. Toronto contains the headquarters of the major English language Canadian television networks such as CBC, CTV, Citytv and Global. Toronto is home to two national daily newspapers (Globe and Mail and National Post), two local daily newspapers (Toronto Star and Toronto Sun), approximately 79 ethnic newspapers/magazines, and many other community papers.

Workforce

Toronto has a large educated, skilled and multilingual workforce. Toronto is the home to four universities (University of Toronto, York University, Ryerson University, and Ontario College of Art and Design), and four community colleges (Centennial, Seneca, Humber and George

Brown). More than 60% of Toronto workers have post-secondary degrees, diplomas or certificates.

Population Age 25 – 64 by Education



Source: Statistics Canada - Census (2011)

With an estimated 1.4 million people working in the City of Toronto, it continues to be a net importer of labour from the surrounding regions. The net inflow of people to the city is estimated to be over two hundred thousand people every day. However the surrounding regions are changing rapidly in that they are experiencing growth in manufacturing and other types of employment and thus transforming themselves from residential suburbs to employment destinations. The rest of the GTA has now also become a net importer of labour from the surrounding regions beyond the GTA.

Economic Growth

Canada emerged from the world's economic recession (technically defined as two consecutive quarters of negative GDP growth) in late 2009. According to Statistics Canada, the 2008-2009 recession was less severe than those in 1981-1982 and 1990-1992 with respect to economic contraction and employment. Moreover, Canada's recession was less pronounced than in other major industrialized countries.

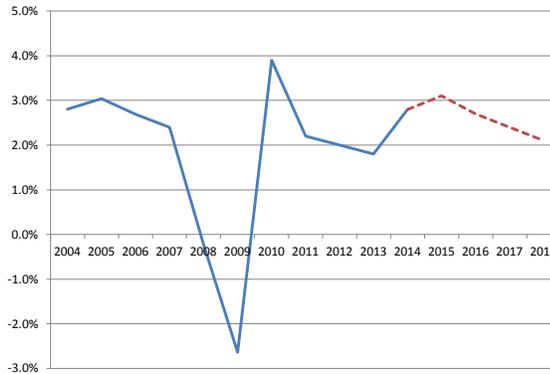
In 2010 and 2011, Canada's strong economic rebound was driven by buoyant consumer spending, a hot housing market, and significant government fiscal stimulus. However, economic growth slowed from 2.5% in 2011 to 1.7% in 2012 and 1.8% in 2013, due to a retreat in household, business and government spending, a weak economic recovery in Europe and mixed signals coming from the U.S. economy. Canada's real GDP is forecasted to see a return to above 2% growth from 2013-2017, as interest rates are expected to remain low and the U.S. economy is continuing to show slow but steady improvement. Specifically, the Conference Board of Canada is forecasting growth of 2.4% in 2014 and 2.6% in 2015 before slipping back to economic growth levels of 2.4% in 2016, 2.2% in 2017 and 1.9% in 2018.

At the provincial level, Ontario was amongst the harder-hit provinces in the latest recession due to its concentration of automotive and other manufacturing industries. After taking a heavy beating in 2009, Ontario rebounded with healthy growth of 3.5% in 2010 largely due to a quick recovery in auto and parts exports, outperforming all Canadian provinces. Global economic uncertainty and a sluggish U.S. economic recovery contributed to a lower level of growth of 1.8% in 2011 and 1.7% in 2012 and 1.2% in 2013. The Conference Board is forecasting that Ontario's real GDP will rebound to 2.2% growth in 2014 followed by 2.6% growth in 2015, fuelled by rising exports, particularly in the United States. Economic growth is then expected to slip starting in 2016 with the Conference Board forecasting economic growth of 2.4% in that year, 2.3% in 2017 and 1.9% growth in 2018. Employment growth is expected to remain modest throughout the forecast period.

At the local level, the goods sector was hardest hit during the economy downturn that began in Toronto in the third quarter of 2008 into 2009. However, the region's economy rebounded in 2010 with impressive real GDP growth of 3.9%, led by renewed strength in manufacturing, construction, and wholesale and retail trade, as well as government stimulus spending. Unrest in the global economy and weaker consumer spending contributed to a slowdown in economic growth of 2.2% in 2011, 2.0% in 2012 and 1.8% in 2013. The housing sector remained resilient, however, which in turn had a positive impact on the finance, insurance and real estate sectors. Preparation for the 2015 Pan Am Games in Toronto and Hamilton is expected to provide an economic stimulus in non-residential construction in the years leading up to event. As well, revitalization of the Queen's Quay area and Union Station, LRT expansion along Eglinton, Sheppard and Finch Avenues and the Toronto-York Spadina Subway extension are large projects that will continue to support the local construction industry. As the following chart illustrates, the Conference Board is forecasting that Toronto CMA is expected to encounter growth of 2.8% real GDP growth in 2014, 3.1% in 2015 and an average of 2.4% over the 2016-

2018 forecast period. The higher economic growth in the forecast period is supported by an improving U.S. economy which will in turn boost growth in many sectors including manufacturing, warehousing and transportation.

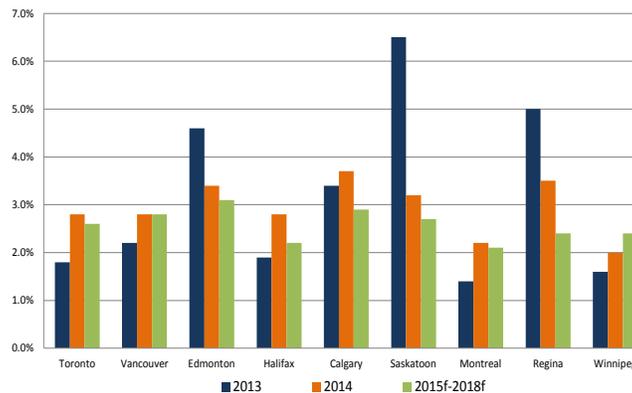
GDP Growth Rate Toronto CMA



Source: Conference Board of Canada Metropolitan Outlook: Winter 2014

The following chart compares the economic growth of major Canadian city-regions (CMAs). Going forward, Toronto will see healthy, improving growth, but will trail behind the mid-west regions (Calgary, Edmonton, Saskatchewan and Regina) as their strong oil sand construction activities and the expanding energy sectors help propel faster growth in those regions.

Real GDP Growth Major Canadian City Regions (CMA)



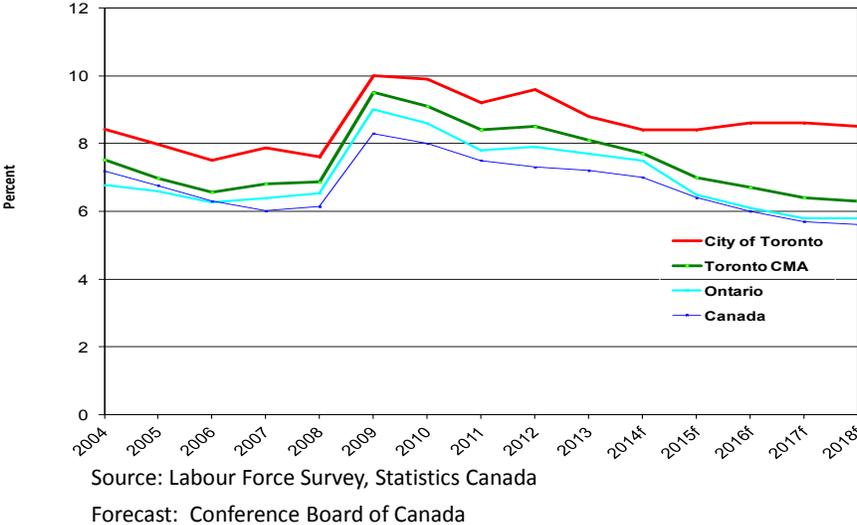
Source: Conference Board of Canada Metropolitan Outlook: Winter 2014

Economic Indicators

- **Unemployment Rate**

Within the Toronto region, the city and the rest of the CMA region ("905") exhibited different economic growth patterns. In the city, job losses during the recession coupled with decreased participation rates led the city's unemployment rate to increase to 10% in 2009, a level not seen since the early/mid-1990s. Despite having emerged from the recession the Toronto's unemployment rate remained stubbornly high at 9.9% in 2010, 9.2% in 2011 and 9.6% in 2012. Going forward, while slow improvement is expected, the City's unemployment rate will continue to lag the rest of the CMA, Ontario and Canada and remain persistently higher than pre-recession levels at 8.8% in 2013, 8.4% in 2014 and 2015 and 8.6% in 2016.

Unemployment Rates



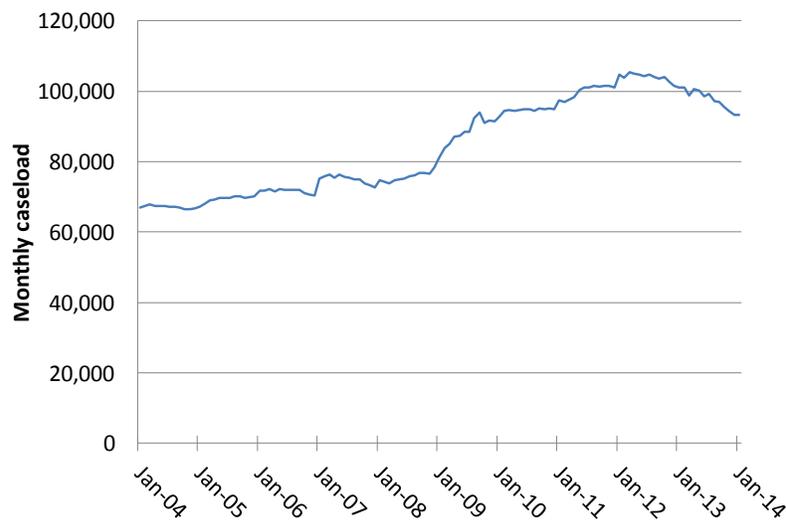
- **Social Assistance Caseload**

The number of cases and people on social assistance are largely dependent on the unemployment rate, and to a certain extent, population and participation rate. The City's Social Assistance (Ontario Works) caseload has followed a similar historical trend as its unemployment rate (although lagging by anywhere from six to 12 months). The following chart shows the caseload trending upward until 2012 with the rate of increase being most pronounced after the start of the last recession in 2009. Since January 2009, the number of cases rose from approximately 81,000 monthly cases to a peak of 105,000 monthly cases in April 2012, before dropping back as a result of improved employment conditions to a level of 93,200 at the end of 2013.

Commencing in 2012, a new category of cases was added to the Ontario Works Caseload statistics. These are Ontario works cases at City Hostels that are now referred to the Ontario Disability Support Program which amounted to approximately 17,000 cases in 2013.

Social Assistance Caseload

Monthly Caseload: 3-month average
Jan 2004 – Jan 2014



- **Transit Ridership**

The Toronto Transit Commission ("TTC") established a new record for 12-month ridership with a projected 528 million riders in 2013, representing an impressive 14 million rider increase over the 2012 actual ridership. Another record is projected for 2014 with a budgeted ridership of 540 million. The TTC is in the process of replacing its aging fleet and meeting future growth expectations through the procurement of new subway cars, buses and light rail vehicles. The TTC has also embarked on a number of customer service enhancements to meet the demands of the growing ridership, including the implementation of a Customer Charter, public washroom refurbishments, in-service subway car cleaning, the addition of station managers at select subway stations and the roll out of debit and credit card acceptance for Metropasses at collectors' booths.

TTC Ridership

