



Brantford



On the Street

On the banks of the Grand River in Southern Ontario, Brantford is a hidden gem that was off the investor’s radar for many years. About an hour and a half drive from Toronto, the city is a prime location for those wanting access to the amenities a big city without the constant noise and activity living in a large city creates. For lifestyle, Brantford brags proximity to some of the most beautiful walking trails in Ontario. This, combined with the natural beauty of the region, has lead many people seeking the “small town” appeal of the area.

There are four universities and colleges located within the Brantford-Brant region, providing the city with a vibrant and younger population base and a great opportunity for investors. Over the coming years, we should witness a strong increase in average incomes, in-migration and diversification of the local economy.

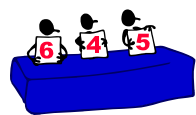
Becoming a Census Metropolitan Area (CMA) in 2006 due to its tremendous growth, Brantford has begun to create quite a buzz in recent years. With a population of over 90,000 residents and a projected population of 115,000 by 2020, Brantford has a promising economic outlook. Strong commercial, industrial, and residential development in the last few years has created new job opportunities and cemented Brantford on our list of Top Ontario Investment Towns.



Location

Located in Southern Ontario on the banks of the Grand River, Brantford is a great place for both families and businesses to put down some roots. Residents benefit from the nearby bustle of Toronto, one of Canada’s largest commercial centers, while at the same time enjoying a more laid-back lifestyle outside of the city limits.

With direct access to Highway 403, Brantford is an hour and a half drive southwest from Toronto (66 km). Close proximity to other major highways, rail lines, and three Canadian border crossings have raised the city’s profile in the eyes of businesses who know the importance of great transportation links. Brantford also experiences great exposure to American markets as it is quicker to drive from Buffalo to Detroit through Canada via Brantford than to travel south of Lake Erie and remain in the U.S.



Economic Scorecard

With access to both the Golden Horseshoe region and the United States, Brantford has a promising economic outlook. Strong commercial, industrial, and residential development in the last few years have created new job opportunities in the city and provided a great opportunity for real estate investors.

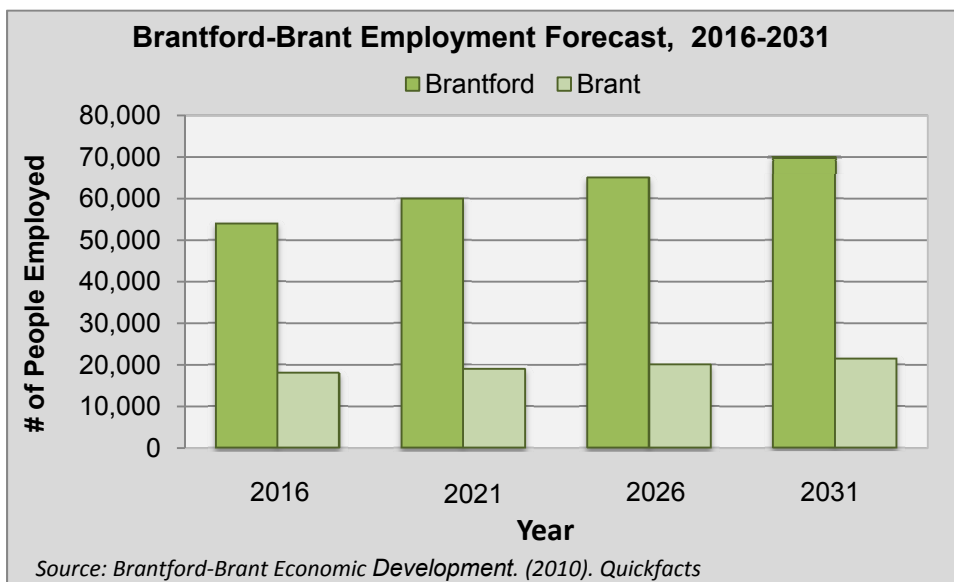
The coming years will definitely be defining ones for this region. Relatively low house prices and an increase in average rents, combined with lowering vacancy rates line Brantford up as a great location for investing in real estate.



Population and Income

Due to its rapid growth, Brantford was one of the six new CMAs that were added to the Federal Census in 2006. Since then, the area has continued to grow at an accelerated rate. According to the 2011 Federal Census, the population of the Brantford CMA was 135,501, an increase of 8.7% from 124,067 in 2006. In 2011, the City of Brantford had a population of 93,650, an increase of 3.8% from 2006¹⁹⁴.

The City of Brantford predicts it will see continued population growth in the next two decades, forecasting the population will hit 121,070 in 2031. The population growth would represent an increase of 27,420 from the 2011 federal census. During the same time period, the city expects to see employment within the city to reach 59,280¹⁹⁵.



It is estimated that one fifth of all jobs in the City of Brantford are in the manufacturing sector¹⁹⁶. Temporary plant closures and layoffs resulting from the downturn in the automotive industry during the economic recession affected unemployment in the city, with the unemployment rate sitting at 12.1% in July 2009 – the highest unemployment rate in Brantford in over 10 years¹⁹⁷.

However, new construction projects – funded by the provincial and federal governments’ infrastructure stimulus fund and the addition of new educational

institutions have added jobs to the local market. The unemployment rate in the city has steadily trended downwards since its peak in July 2009¹⁹⁸, sitting at 7.4% in December 2011¹⁹⁹.

By the end of 2011, 65,900 people in the Brantford CMA were employed, a slight decrease from 68,600. However, during the same time period, Brantford’s average weekly earnings continue to increase, rising from \$778 in December 2010 to \$801 in December 2011²⁰⁰.

¹⁹⁴ Statistics Canada. (2011). “Brantford, Ontario” (Code 3529006) and Brantford, Ontario (code 543)(table). 2011 Community Profiles. 2011 Census. Retrieved from <http://www12.statcan.gc.ca/census-recensement/2011/dp-pd/prof/details/page.cfm?Lang=E&Geo1=CSD&Code1=3529006&Geo2=CD&Code2=3529&Data=Count&SearchText=brantford&SearchType=Begins&SearchPR=01&B1=All&Custom=&TABID=1>

¹⁹⁵ City of Brantford. (March 2009). “Development charges background study – growth forecasts.” Retrieved from <http://www.brantford.ca/Population%20Projections%20%20Documents/DCBackgroundStudyGrowthForecasts2009-2031.pdf>

¹⁹⁶ CMHC. (October 2010). Rental Market Report - Hamilton and Brantford CMAs. Retrieved from http://www.cmhc-schl.gc.ca/odpub/esub/64227/64227_2012_M01.pdf?fr=1338830133781

¹⁹⁷ CMHC. (August 2009). “Housing Now - Hamilton and Brantford CMAs”.

¹⁹⁸ Brantford-Brant Economic Development. (2010). Brantford Labour Market Report.

http://www.brantfordbrant.com/Workforce/AvailableLabourForce/Documents/brantford_labour_market_report_Oct2010.pdf

¹⁹⁹ CMHC. (January 2012). “Housing Now – Hamilton and Brantford CMAs.” Retrieved from http://www.cmhc-schl.gc.ca/odpub/esub/64227/64227_2012_M01.pdf?fr=1338830133781

²⁰⁰ Ibid.

The Brantford CMA will continue to experience challenges in its labour market in 2012. While job growth has continued at a steady pace, the growing labour force will put pressure on the unemployment rate. Still concentrated primarily in the manufacturing sector, the Brantford CMA is currently undergoing a transition to include more knowledge-based industries, but this change to a more diversified economy will take some time²⁰¹.



Housing Trends

2011 was a slower year for building permits in the City of Brantford. Developers and builders took out 911, down slightly from 1,054 permits in 2010. The total building permit value for 2011 was \$90,794,000, down from \$167,315,000 in 2010. 2010 was a record construction year for the City of Brantford, second only to 2005, when the building permit value was \$211.8 million²⁰². Construction activity in 2011 was well above recession levels.

Accordingly, 2011 was a bit of a slower year for new home starts in the city. Brantford recorded a total of 305 housing starts in 2011, down from 402 the previous year. This is still significantly higher than the 238 starts recorded in 2009²⁰³. It's all about perspective – 2011 was a record year and it will be hard to compare to. Builders could not compete with the well-supplied and lower-priced resale market in 2011. The total number of single family units beginning construction in 2011 was 129, down from 197 in 2010. In 2011, 176 multi-family units began construction, down from 205 in 2010²⁰⁴.

Single-detached starts will remain the primary choice of buyers in the Brantford CMA, although townhouse starts will continue to grow in popularity in more urban areas. While single-family homes will remain dominant, expect to see a move towards different types of multi-family housing as single family home prices continue to rise as builders look for ways to make more efficient use of land²⁰⁵.

Home to four post secondary institutions, Brantford CMA also experiences a demand for student housing. The growth in university enrolment will also support the growing trend towards multi-family housing.



Sale and Rent

Home sales in 2011 were spurred on by existing homeowners looking to capitalize on the equity gains from the sale of their former homes. The number of sales dropped slightly in 2011 (1,971 from 2,086 in 2010) as fewer first time home buyers entered the market, but the total dollar volume of sales was higher, indicating that the homes sold in 2011 were more expensive than the previous year²⁰⁶.

²⁰¹ CMHC. (October 2011) "Housing Market Outlook – Hamilton and Brantford CMAs." Retrieved from http://www.cmhc-schl.gc.ca/odpub/esub/64303/64303_2011_B02.pdf?fr=1338832210514

²⁰² Marion, M. (2011) "City building permits top \$167 million". *The Brantford Expositor*. Retrieved from <http://brantfordexpositor.ca/ArticleDisplay.aspx?e=2955490>

²⁰³ CMHC. (January 2011). "Housing Now – Hamilton and Brantford CMAs." Retrieved from http://www.cmhc-schl.gc.ca/odpub/esub/64227/64227_2011_M01.pdf?fr=1336681422783

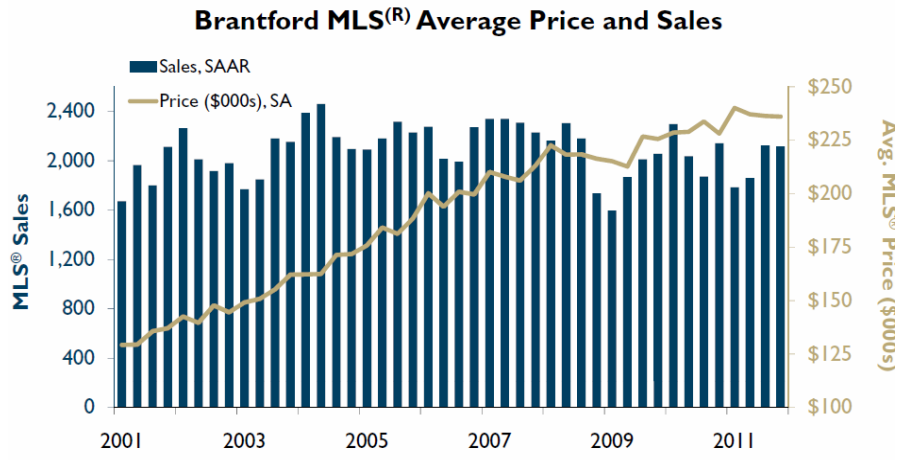
²⁰⁴ CMHC. (January 2012). "Housing Now – Hamilton and Brantford CMAs." Retrieved from http://www.cmhc-schl.gc.ca/odpub/esub/64227/64227_2012_M01.pdf?fr=1336680858281

²⁰⁵ CMHC. (October 2011). "Housing Market Outlook – Hamilton and Brantford CMAs." Retrieved from http://www.cmhc-schl.gc.ca/odpub/esub/64303/64303_2011_B02.pdf?fr=1338832210514

²⁰⁶ CMHC. (January 2012). "Housing Now – Hamilton and Brantford CMAs." Retrieved from http://www.cmhc-schl.gc.ca/odpub/esub/64227/64227_2011_M01.pdf?fr=1336681422783

The average price a home in the Brantford region was \$237,283 in 2011, a 3.5% from \$229,678 in 2010. The average price for a newly built absorbed home was \$353,197, up from \$346,660 the previous year²⁰⁷.

The Brantford CMA resale market will be more balanced in 2012 as the sales-to-new-listings ratio moves lower. A more balanced resale market will mean an increase in the number of days a home is listed on the market and price growth is expected to be moderate. Global market turmoil will dampen job prospects and average earnings, constraining overall average price growth. Average home prices are only forecast to rise one per cent in the Brantford CMA in 2012.²⁰⁸



Source: CMHC. (January 2012). *Housing Now – Hamilton and Brantford CMAs*.

With less renters moving into homeownership in 2012, rents continued their upwards trend in 2011. The average rent for a private apartment in the city was \$769 as of October 2011, up from \$753 in October 2010. The average monthly rent for a bachelor unit was \$654, up from \$592 in October 2010; a one bedroom apartment was \$726, an increase from \$695 the previous year; a two bedroom unit rented for \$792, up from \$778; and a three bedroom apartment averaged at \$900, up from \$839²⁰⁹.



Vacancy Rates

The private apartment vacancy rate in the Brantford CMA experienced a decrease in 2011, with the overall vacancy rate sitting at 1.8% in October 2011, down from 3.7% in October 2010. Since the supply of rental units increased by less than 1% in 2011, strong rental demand was the main factor in declining vacancy rates. The vacancy rate for a one bedroom apartment was 2.1% in October 2011, a decrease from 4.3% the previous year; a two bedroom unit had a vacancy rate of 1.5%, down from 4%; and a three bedroom unit sat at 2.3%, up slightly from 1.8% in October 2010²¹⁰.

Employment rose for young people aged 15 to 24 in the Brantford CMA last year, allowing many people in this age group to move out of their parent’s homes and rent. During the same time period, employment for those aged 25 to 44 had still not recovered from pre-recession levels, meaning many people in this age category were unable to make the jump to homeownership²¹¹.

²⁰⁷ Ibid.

²⁰⁸ CMHC. (October 2012). "Housing Market Outlook – Hamilton and Brantford CMAs." Retrieved from http://www.cmhc-schl.gc.ca/odpub/esub/64303/64303_2011_B02.pdf?fr=1338832210514

²⁰⁹ CMHC. (2010). Rental Market Report - Hamilton and Brantford CMAs. (October 2010).

²¹⁰ Ibid.

²¹¹ Ibid.

Another factor in the CMA's decreasing vacancy rates is the increasing number of young people moving to the region to attend a post secondary institution²¹². With four post-secondary campuses located in the Brantford-Brant region, the student population is significant and will continue to grow in the foreseeable future.

The slower movement out of rental accommodation into home ownership is forecasted to keep more people in the rental market in 2012, further pushing down vacancy rates. With more people moving to the Brantford CMA for school, demand for rental units will rise, commanding higher average rents²¹³.



Economics

Strategically located in the heart of Canada's Golden Horseshoe, Brantford has a thriving business community. The completion of the Highway 403 section between Brantford and Ancaster in 1997 has proven to be a real advantage to the city's economy. Easy access to Hamilton, Toronto, and the United States have given many companies the incentive to put down roots in Brantford.

Recognized as a center for urban growth in the provincial growth plan, Brantford will continue to experience growth in all economic sectors. The current sectors pegged for growth in Brantford include: food manufacturing, plastics and rubber products, chemical manufacturing, machinery manufacturing, primary and fabricated metal, as well as products warehouse distribution²¹⁴.

Top 10 Brantford Employers	
OLG Brantford Casino	900
Ferrero Canada Ltd.	800
S.C. Johnson and Son Ltd.	454
NCO Financial Services	450
Western Waffles	411
Excel Canada (P&G)	410
Apotex Pharmachem Inc.	404
Mitten Inc.	350
MYE Canada Operations Inc.	350
Maidstone Bakeries	350
<i>Source: Brantford-Brant Economic Development. (2012). Quickfacts.</i>	

Brantford's largest employer is the Ontario Lottery and Gaming Corporation. The OLG employs 1,045 people through Casino Brantford. The casino has generated approximately \$360 million in economic benefits for the region since it first opened in 1999²¹⁵. The casino recently underwent a \$38 million renovation and expansion, which included a 7,000 square foot addition and several new table games and slot machines²¹⁶.

One of Brantford's largest employment sectors is manufacturing, accounting for approximately one fifth of all jobs²¹⁷. Temporary plant closures and layoffs in the automotive industry as a result of the economic downturn affected unemployment in

the city, resulting in higher unemployment rates in the last couple of years.

A majority of Brantford's manufacturing companies are not involved in the automotive industry at all, which cushioned the city somewhat when compared to other municipalities reliant on the industry as their main source of income. Brantford's second largest employer is Ferrero Chocolates. Over 800 employees work at the plant²¹⁸, where Ferrero produces such items like Ferrero Rocher chocolates, Nutella and Tic Tac. In September 2011, Ferrero announced plans to expand its Brantford facility. Designs have not yet been

²¹² Ibid.

²¹³ Ibid.

²¹⁴ Brantford-Brant Economic Development. (2010). Quickfacts. www.brantford.ca/Economic%20Development/Quickfacts_2010.pdf

²¹⁵ Marion, Michael-Allan. (2009). "OLG says it plans to proceed with \$26M casino upgrades". (January 7, 2009).

²¹⁶ Brantford-Brant Economic Development. (2010). Quickfacts. www.brantford.ca/Economic%20Development/Quickfacts_2010.pdf

²¹⁷ CMHC. (2010). Rental Market Report - Hamilton and Brantford CMAs. (October 2010).

²¹⁸ Brantford-Brant Economic Development. (2010). Quickfacts. www.brantford.ca/Economic%20Development/Quickfacts_2010.pdf

released, but the company owns enough land adjacent to the current facility to eventually double its capacity²¹⁹.

Massilly Group, a leading supplier of metal food packaging products worldwide, recently announced plans to relocate from its existing North American facility in Mississauga to a larger one in Brantford. The company purchased the 207,317 square foot former home of Raymond Industrial Equipment at 406 Elgin Street – a \$14 million investment. Massilly currently employs 70 people and plans to expand when it moves to Brantford, creating around 15 new jobs for Brantford residents²²⁰.

The City of Brantford was thrilled to announce that Wipro Technologies, an IT and consulting firm, would make the city its Canadian headquarters in April 2012. The company began in India, but now has facilities all over the world. Located in what was once a call center in the Market Square building, the Brantford headquarters will handle technical support. The company is looking to hire 500 individual from the Brantford area over the next year²²¹.

There are four universities and colleges located within the Brantford-Brant region, providing the city with a vibrant and younger population base and a great opportunity for investors. A recent study by the City of Brantford showed that the post-secondary institutions resulted in an economic impact of \$43.33 - \$58.5 million annually²²². With the addition of Conestoga College to Brantford's downtown (covered in the infrastructure section) in the fall of 2012, this impact will only grow.



Infrastructure

Downtown Brantford has been designated as an "Urban Growth Centre" by the Ontario government as part of its Places to Grow Act. The Act states that 40% of all new development must occur within the existing urban boundaries, which will result in many new construction projects being focused on building up instead of building out. Density is maxed out at 50 people per hectare, which will result in more high-rise condos, townhouses, and single-family units on smaller lots.

There are four universities and colleges located within the Brantford-Brant region and several other educational facilities in close proximity in surrounding cities. This provides a consistent flow of renters and is also an indicator of future potential growth of new businesses, as witnessed just north in the Technology Triangle region of the province. Brantford has four university/college satellite campuses located in its downtown core: Wilfred Laurier University, Mohawk College, Nipissing University, and most recently Conestoga College. The presence of these secondary institutions is expected to be primary catalysts for future investment and construction downtown²²³.

In 2009, Wilfred Laurier University's Brantford campus completed construction on a 80,000 square foot University Centre. The \$26 million building includes new classrooms, lecture halls, tutorial rooms, office space, a full service food court, and a university bookstore. The project also included 60 new residence spaces to

²¹⁹ Foodprocessing-technology.com. (2012). "Ferrero Confectionary, Production Plant, Ontario, Canada." Retrieved from <http://www.foodprocessing-technology.com/projects/ferrero/>

²²⁰ Brantford-Brant Economic Development. (2012). "Business Updated – Spring/Summer 2012." Retrieved from http://www.brantfordbrant.com/News/Publications/Documents/BU_SpringSummer2012_WEB.pdf

²²¹ CTV News. (28 February 2012). "Wipro seeking hundreds of employees in Brantford." Retrieved from <http://swo.ctv.ca/servlet/an/local/CTVNews/20120228/wipro-technologies-jobs-hiring-brantford-120228/20120228?hub=SWOHome>

²²² City of Brantford. (7 February 2012). "Post-Secondary Economic Impact Study for Brantford & Area." Retrieved from http://www.brantford.ca/news_room/news_releases/Pages/Post-SecondaryEconomicImpactStudyforBrantfordArea.aspx

²²³ City of Brantford. (2010). "Invest in Brantford". <http://www.brantford.ca/business/InvestInBrantford/Pages/default.aspx>

keep up with the demands of first-year enrolment at the university²²⁴. The Centre is expected to help increase the university's enrolment to 2,500 from its current 1,900 in the next few years²²⁵.

Conestoga College will open a campus in downtown Brantford in September 2012. The college will offer a two-year business diploma program and a one-year post-graduate certificate in Human Resources Management. The college plans to offer additional programs in the areas of business, health, media, and community service in the future as enrolment grows. The college expects each program to attract 20 to 30 students this fall, a modest start, but the institution notes that Laurier's Brantford campus opened in 1999 with just 39 students and two full-time faculty members²²⁶.

The Wayne Gretzky Sports Centre in Brantford is also undergoing an extensive renovation and expansion project. The project is valued at over \$50 million and will receive contributions from all three levels of government. Demolition of parts of the old building is complete and construction of the four-pad arena has begun. The project includes the construction of a new 25 meter pool, an additional therapy pool, a fitness centre, a new dryland training arena, and a new football field. Work on the project is expected to be completed by the end of 2012²²⁷.



Artist's Rendering of the Wayne Gretzky Sports Complex

Source: City of Brantford



Top Investment Town

The City of Brantford offers businesses great transportation links to both the Golden Horseshoe region and the United States. With access to 190 million potential customers located within a one-day drive and attractive real estate values, Brantford will continue to see more businesses choose to open a location in the city.

The four post-secondary institutions located in the Brantford-Brant area provide the region with a vibrant and younger population base and a great opportunity for investors. The city should witness a strong increase in average incomes, in-migration and diversification of the local economy.

The coming years will definitely be defining ones for this region. Relatively low house prices and an increase in average rents, combined with lowering vacancy rates line Brantford up as a great location for investing in real estate.



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²²⁴ Ibid.

²²⁵ Wilfred Laurier University. (2010). "Construction - Laurier Brantford's University Centre". http://www.wlu.ca/page.php?grp_id=95&p=10333

²²⁶ Ruby, M. (28 February 2012). "Conestoga hitches wagon to Brantford." Retrieved from <http://www.brantfordexpositor.ca/2012/02/27/conestoga-hitches-wagon-to-brantford>

²²⁷ City of Brantford. (2012). "Wayne Gretzky Sports Centre Update". Retrieved from http://www.brantford.ca/news_room/news_releases/Pages/WayneGretzkySportsCentreUpdate.aspx