Waterloo Region is one of the largest and fastest growing regions in Ontario. It has the tenth largest population in Canada and the fourth largest in Ontario. Between 2011 and 2016, Waterloo Region’s growth rate was 5.5 per cent, which exceeded both provincial and national growth rates of 4.6 per cent and 5 per cent respectively. Waterloo Region also attracts a large number of students to study at its post-secondary institutions, resulting in a total population for year-end 2016 of 583,500. The Province’s Growth Plan\(^1\) projects that Waterloo Region’s population will grow by 185,000 people over the next 15 years.

\(^1\)Places to Grow; Growth Plan for the Greater Golden Horseshoe (2017)
In 2016, there were 100,025 individuals in Waterloo Region who identified themselves as a visible minority. In total, visible minorities made up 19 per cent of the total population, which means two in ten people in Waterloo Region self-identified as visible minority.

Between 2011 and 2016, Mandarin and Cantonese were the two languages with the largest percentage growth, climbing in ranks amongst Waterloo Region's top mother tongues.
In 2016, Europe remained the most common birth place reported by immigrants in Waterloo Region. Compared to past years, the numbers of European immigrants living in the region is declining. However, the numbers of immigrants born in Asia are growing and make up over a third of the total immigrant population, compared to only a quarter in 2006.
The region’s labour force consisted of 303,400 people in 2017. The unemployment rate in the region dropped by almost half a percent in 2017, and has dropped by 4.6 per cent since the height of the recession in 2009.

Waterloo Region’s economy has adapted to Canada’s changing economic environment. While manufacturing remains the Region’s largest industry in terms of employment, the economy is increasingly diverse.

Between 2014 and 2016, Waterloo Region had the fastest growing tech labour pool in Canada, with a 53.6 per cent increase in tech jobs (more than 7,400 tech jobs added).

Momentum of Top Tech Talent Labour Pools 2014-2016

<table>
<thead>
<tr>
<th>Region</th>
<th>Growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Waterloo</td>
<td>53.6%</td>
</tr>
<tr>
<td>Toronto</td>
<td>16.1%</td>
</tr>
<tr>
<td>Vancouver</td>
<td>13.4%</td>
</tr>
<tr>
<td>Edmonton</td>
<td>11.2%</td>
</tr>
<tr>
<td>Montreal</td>
<td>5.0%</td>
</tr>
</tbody>
</table>

Source: CBRE Research, 2017 & Statistics Canada LFS (NOCs), June 2017

Source: 2017 Region of Waterloo Labour Force Report; Statistics Canada, CANSIM Table 282-0129 & 282-0131
HIGHLY SKILLED WORKFORCE
Education attainment by age cohort for Waterloo Region, 2016

In 2016, over half of Waterloo Region residents aged 25 to 64 had a college or university qualification. Approximately half of these individuals had college qualifications and the other half had university qualifications.

Overall, young adults (aged 25 to 34) were more likely to have a university education than any other age group.

EDUCATION AND MAJOR FIELD OF STUDIES
Graduates living in Kitchener-Cambridge-Waterloo CMA were more likely to have studied a Science, Technology, Engineering, and Mathematics (STEM) subject than anywhere else in Canada, tied with Calgary.

Adapted from 2016 Region of Waterloo Census Bulletin #9 – Employment and Education

55.8% Waterloo Region residents aged 25 to 64 had a college or university qualification

Adapted from 2016 Region of Waterloo Census Bulletin #9 – Employment and Education
EDUCATION

- The University of Waterloo was established in 1957 and is home to over 35,000 students.
- It is a pioneer in cooperative learning and currently has the world's largest co-op program with over 19,800 co-op students, and over 6,700 employer partners.
- It has been ranked the most innovative university in Canada for 25 straight years, as well as Top Comprehensive Research University in Canada for eight consecutive years by Research Infosource.
- It is one of only 14 schools in the world to be ranked five stars for research, teaching, employability, facilities and innovation by QS World University Ranking.

- Wilfrid Laurier University was established in 1911 and is home to 19,000 undergraduate and graduate students, of which 16,000 are located in Waterloo.
- Over 900 companies have partnered with the Laurier co-op program. Of the companies that have employed Laurier students, 97 per cent evaluated them as excellent, very good, or good.
- Laurier was ranked tenth overall in rankings conducted annually by Maclean's magazine in 2017. Laurier earned the number one ranking in student satisfaction for its outstanding student-community engagement.

- Conestoga College was established in 1967 and served approximately 15,500 full time students in 2016-2017.
- Following graduation, 65 per cent of students remain in the Region and contribute approximately $2.3 billion annually to the local economy.
- In 2016, 86.9 per cent of students found employment within six months and 90.8 per cent had satisfactory approval from their employer.
Kitchener-Cambridge-Waterloo had a GDP per capita of $51,536 in 2017, higher than both the Ontario and Canadian averages.

GDP growth:
Real GDP in Waterloo Region climbed from $25.80 billion in 2015 to $27.01 billion in 2017, exceeding Canada’s national growth rate.

Source: Statistics Canada Canadian Business Counts December 2017 & Conference Board of Canada, Metropolitan Outlook Winter 2018
BUILDING ACTIVITY
Percentage of units constructed in the Built UP Area (BUA) (2006-2017)

Source: 2017 Region of Waterloo Building Activity Report

Through the "Growth Plan for the Greater Golden Horseshoe, 2011" (Growth Plan), the Province of Ontario established a regional residential intensification target of 40 per cent by 2015. Through the Regional Official Plan, the Region of Waterloo established a more ambitious target of 45 per cent to help support ION rapid transit. The region’s rate of intensification has surpassed the Growth Plan and Regional Official Plan target every year since 2010.

HIGH MEDIAN HOUSEHOLD INCOME
Median household before-tax income for Waterloo Region, 2015

Adapted from 2016 Region of Waterloo Census Bulletin #5 – Income

LOWER HOUSING COSTS
Average Real Estate Prices, 2017 Q4

Source: Royal LePage National House Price Composite Q4, 2017
WATERLOO REGION KEY SECTORS

Advanced Manufacturing:
The Region’s manufacturing sector is the fourth largest in Canada. We have a number of leading research manufacturing institutions, including:
- Centre for Smart Manufacturing
- Centre for Advanced Materials Joining (CAMJ)
- Manufacturing Innovation Network (MIN)
- Centre for Intelligent Antenna and Radio Systems

Information Technology:
The Toronto-Waterloo Corridor boasts the second highest density of startups in the world. Headquarters of some of the world’s most renowned tech companies are here, including:
- Google
- OpenText
- CHIstance
- BlackBerry

Aerospace:
Waterloo Region is home to diverse aerospace talent, with 9 colleges and universities within commuting distance offering a combined 23 aerospace-related programs. Renowned companies in the local aerospace sector include:
- Honeywell
- Rockwell Automation
- Heroux Devtek
- Centra
Automotive:
Waterloo Region is home to more than 70 globally recognized companies focused on advancements in the automotive and autotech sector, including:

Business and Financial Services:
Waterloo Region is home to more than 15 internationally recognized business and financial services companies, including Ernst & Young, Deloitte, and Manulife. Several renowned financial technology (FinTech) incubators located in the Region including:

Food Processing:
Waterloo Region’s economy is supported by 1,400 farms and more than 130 regional food manufacturers. The food processing industry is reinforced by more than 150 research institutions and innovation hubs, including Conestoga College’s Institute of Food Processing Technology and the Ontario Agriculture College.
### Top Ten Private Employers in Waterloo Region in 2016

<table>
<thead>
<tr>
<th>Company</th>
<th>Service</th>
<th>Employment Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Toyota Motor Manufacturing</td>
<td>Auto Manufacturer</td>
<td>2,500+</td>
</tr>
<tr>
<td>Sun Life Financial</td>
<td>Finance and Insurance</td>
<td>2,500+</td>
</tr>
<tr>
<td>Manulife Financial</td>
<td>Finance and Insurance</td>
<td>2,500+</td>
</tr>
<tr>
<td>Honeywell Aerospace</td>
<td>Hardware for Space Industry</td>
<td>1,000 – 2,499</td>
</tr>
<tr>
<td>Home Hardware Head Office</td>
<td>Head Offices and Distribution Centre</td>
<td>1,000 – 2,499</td>
</tr>
<tr>
<td>Loblaw Companies Limited</td>
<td>Warehouse and Distribution Centre</td>
<td>1,000 – 2,499</td>
</tr>
<tr>
<td>BlackBerry</td>
<td>Telecommunication and Wireless Equipment</td>
<td>1,000 – 2,499</td>
</tr>
<tr>
<td>Challenger Motor Freight</td>
<td>Transport Trucking</td>
<td>1,000 – 2,499</td>
</tr>
<tr>
<td>Rockwell Automation Inc.</td>
<td>Electric Controls</td>
<td>750 - 999</td>
</tr>
<tr>
<td>Rogers Communications</td>
<td>Communication and Media</td>
<td>750 - 999</td>
</tr>
<tr>
<td>Open Text Corp.</td>
<td>Software Solutions</td>
<td>750 - 999</td>
</tr>
</tbody>
</table>

Source: 2016 Region of Waterloo Workplace Count & Area Municipalities

### Top Ten Public Employers in Waterloo Region in 2016

<table>
<thead>
<tr>
<th>Company</th>
<th>Service</th>
<th>Employment Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Waterloo</td>
<td>Education-Post Secondary</td>
<td>5,000+</td>
</tr>
<tr>
<td>Waterloo Region District School Board</td>
<td>Education-Primary and Secondary</td>
<td>5,000+</td>
</tr>
<tr>
<td>Conestoga College</td>
<td>Education-Post Secondary</td>
<td>2,500 - 4,999</td>
</tr>
<tr>
<td>Grand River Hospital</td>
<td>Health Services</td>
<td>2,500 - 4,999</td>
</tr>
<tr>
<td>Region of Waterloo</td>
<td>Municipal Public Service</td>
<td>2,500 - 4,999</td>
</tr>
<tr>
<td>Waterloo Catholic District School Board</td>
<td>Education-Primary and Secondary</td>
<td>2,500 - 4,999</td>
</tr>
<tr>
<td>City of Kitchener</td>
<td>Municipal Public Service</td>
<td>1,000 - 2,500</td>
</tr>
<tr>
<td>Cambridge Memorial Hospital</td>
<td>Health Services</td>
<td>1,000 - 2,500</td>
</tr>
<tr>
<td>Wilfrid Laurier University</td>
<td>Education-Post Secondary</td>
<td>1,000 - 2,500</td>
</tr>
<tr>
<td>St. Mary’s General Hospital</td>
<td>Health Services</td>
<td>1,000 – 2,500</td>
</tr>
</tbody>
</table>

Source: 2016 Region of Waterloo Workplace Count & Area Municipalities
RAIL ACCESS TO TORONTO

Source: Metrolinx, Train Map

The region is served by two passenger rail services, GO and VIA Rail. The Ontario government is committed to expanding GO services to Toronto, which will help to connect local companies to a larger talent pool within the Toronto-Waterloo Region Corridor. The Province of Ontario has received proposals for a rail tunnel project under highway 401 and 409 that will support faster all-day passenger service in the future.

RAPID TRANSIT

ION is the Region of Waterloo’s rapid transit system and is made up of light rail transit and bus rapid transit. ION light rail consists of a 19-kilometre route from the north Waterloo to south Kitchener, with 19 stops in between. ION is part of the Region of Waterloo’s plan to manage congestion and reduce urban expansion on valuable farmland. In partnership with the Federal and Provincial government, ION construction is complete and is preparing to take its first passengers in 2018.
On June 14, 2016, the Province of Ontario announced that they are committing $43 million to build a transit hub in downtown Kitchener. The transit hub will provide a centralized transit facility with seamless connections between walking, cycling, Grand River Transit (GRT), inter-city busses, GO Transit and VIA Rail. This project complements the ongoing revitalization of the Central Transit Corridor (CTC) and the Region’s connection to the Toronto-Waterloo Region Innovation Corridor (theCorridor.ca).

The Region of Waterloo International Airport (YKF) is located 10 minutes north of Highway 401, and is approximately 85 kilometers from Toronto. With over 1,000 acres of land, YKF is home to over 250 charter aircraft, 25 businesses, over 300 employees, and generates approximately $90.1 million in economic impact to the local economy (2016).

Daily scheduled air service is provided by WestJet, offering daily non-stop service to Calgary year-round with connections to other great destinations. Sunwing Airlines offers weekly direct service to Punta Cana, Dominican Republic from December through March. FlyGTA Airlines also offers several flights a day to Toronto Island Airport.
COST COMPETITIVENESS

TOTAL TAX AND CONTRIBUTION RATE
Small-medium Companies in G7 Countries

Canada had an average total tax and contribution rate of 20.9 per cent, including a 3.8 per cent profit tax rate, 12.9 per cent labour tax rate, and 4.2 per cent other tax rate. This ranks Canada as the second lowest total tax regime amongst OECD countries and the lowest amongst G7 countries for small-medium enterprises.

Canada and Ontario offer a variety of incentives to reduce the cost and risk associated with conducting Research and Development (R&D). Canada has some of the lowest costs for R&D amongst the OECD.

Source: Paying Taxes 2018: PwC & the World Bank Group

Source: KPMG, Competitive Alternatives 2016
Waterloo Region’s strategic location in the heart of southwestern Ontario is another reason for its thriving economy. Access to key global markets, which results from proximity to the United States, Toronto’s financial district, and four international airports, provides the Region’s economy with a high percentage of foreign customers compared to similar cities. Reaching global markets is vital for innovation, as it allows companies and economies to access an array of ideas, knowledge, talent and capital.

While Toronto-Waterloo corridor is yet to reach the heights of Silicon Valley, the startup ecosystem is one of the fastest growing. Measured in terms of total exit value, growth from 2013-2014 to 2014-2015 was 5.5 per cent, and output growth from 2010-2012 to 2013-2015 was 4.5 per cent, which were among the highest growth rates of all tech ecosystems.

1 Exit value refers to the proceeds received if an asset or business were sold.
2018 Community Profile – Executive Summary

June 1, 2018

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