

CANADA'S
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Toronto Pearson Economic Zone is home to Canada's largest employment area

Report by

Deloitte.



In summary



Zone is home to **one out of seven Toronto Region jobs**, a Deloitte report finds.



From 2016 to 2024, 100,000 new jobs were added in the Pearson Economic Zone for a **total of 500,000+ jobs**.



The zone generates **7 percent of Ontario GDP**.



Vacancy rates in the zone are **below 1 percent**.



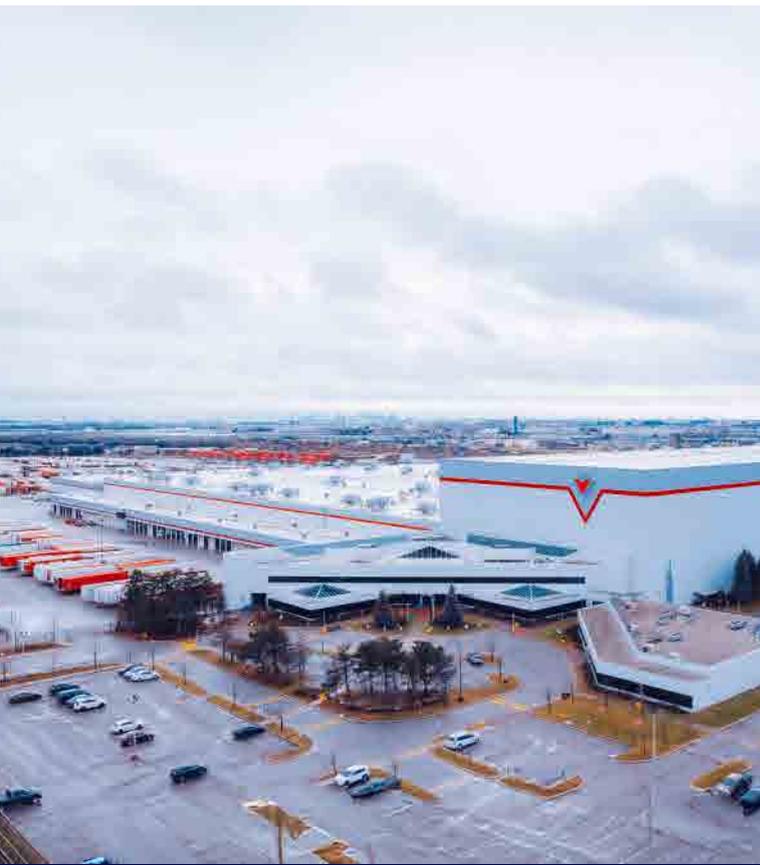
The zone contains **1 of every 10 businesses in Ontario** and the largest manufacturing concentration in North America.



Pearson Airport sits at the heart of an area of intensive industrial and commercial activity that helps sustain and enrich Canada's economy.



The Pearson Economic Zone (PEZ) covers more than 200 square kilometres of land, spanning parts of five municipalities – Toronto, Mississauga, Brampton, Caledon and Vaughan. That's the entire size of Kitchener and Waterloo, but with only industrial and commercial land uses.



Half a million people work within its borders – one in seven jobs in the Toronto Region. Indeed, only downtown Toronto is home to more jobs in Canada than the area around the airport, according to a 71-page report by Deloitte for the Greater Toronto Airport Authority.



The airport zone pumps
\$70.6-billion into the economy per
year, equal to 7 per cent of Ontario's
GDP, Deloitte estimates



And yet the report points out that the zone's ability to generate wealth for Canadians in the future faces considerable uncertainty because of a chronic shortage of available industrial and commercial land near the airport.



The airport urgently needs to expand. Toronto Pearson will begin work in 2025 on a multi-year investment program – the Long-Term Investments in Facilities and Terminals, or LIFT -- to prepare the airport for a sharp projected rise in passenger traffic in the decade ahead. The airport expects to handle 65 million passengers a year by the early 2030s, up from roughly 45 million in 2023. That will require upgraded terminals, expanded baggage and cargo handling, as well as more taxiways and parking spots for aircraft.

Businesses located in the PEZ are also in expansion mode, driven in part by growth in the manufacturing sector and shifting global supply chains, as well as demand for e-commerce warehousing and logistics space. MDA Space and Roche, are just a few of the companies that have made recent announcements about growing their operations in the PEZ.

Facilities typically need larger and taller buildings and space to manage complicated logistics



They also depend on close proximity to the airport as well as the two PEZ intermodal rail hubs and various 400-series highways.

Demand for land in proximity to the airport is strong. An analysis by Deloitte shows that the market for industrial land is high – with PEZ vacancy rates below 1% and industrial land prices and rents rising compared to surrounding areas. For example, industrial land prices have doubled in North Etobicoke in the past five years and tripled in Brampton East, outperforming the Greater Toronto area as a whole.



The needs of the airport and the area's major employers could face roadblocks as municipalities weigh competing demands to add new housing and create jobs. More people living in and around the airport could lead to building height limits and flight restrictions, as well as traffic congestion. That could make the land unsuitable for industrial and commercial use. Once lost for employment use, it's typically hard to get land back.



The single largest industry in terms of employment is manufacturing with **nearly 92,500 jobs**

That represents nearly 13 per cent of all factory jobs in Ontario – and the largest concentration of manufacturing business in North America.

Second is transportation and warehousing, with 70,000 jobs in the zone, representing nearly 18 per cent of the industry's employment province-wide. Third is wholesale trade with 66,786 jobs, followed by construction companies, with 45,396 jobs.

Interestingly, aviation industries represent a smaller share of the total \$70.6-billion in GDP generated by the Pearson zone in 2023. The aviation industry made up less than 7 per cent of the area's GDP. Far more important to the PEZ economy are manufacturing, at nearly 20 per cent of GDP, construction at 17.1 per cent, wholesale trade at 15.9 per cent and transportation at 10.5 per cent.





Driving economic opportunities for residents across the region

Warehousing activity is particularly intense around the airport. Indeed, more than half of GDP generated by the warehousing and storage activity in Ontario happens in the Pearson zone.

What is evident from the analysis is that Toronto Pearson and the employment lands surrounding it form an economic bond where co-location between a diverse array of sectors and the global connectivity of the airport delivers an outsized economic impact. This impact drives economic opportunities for residents across the region.

