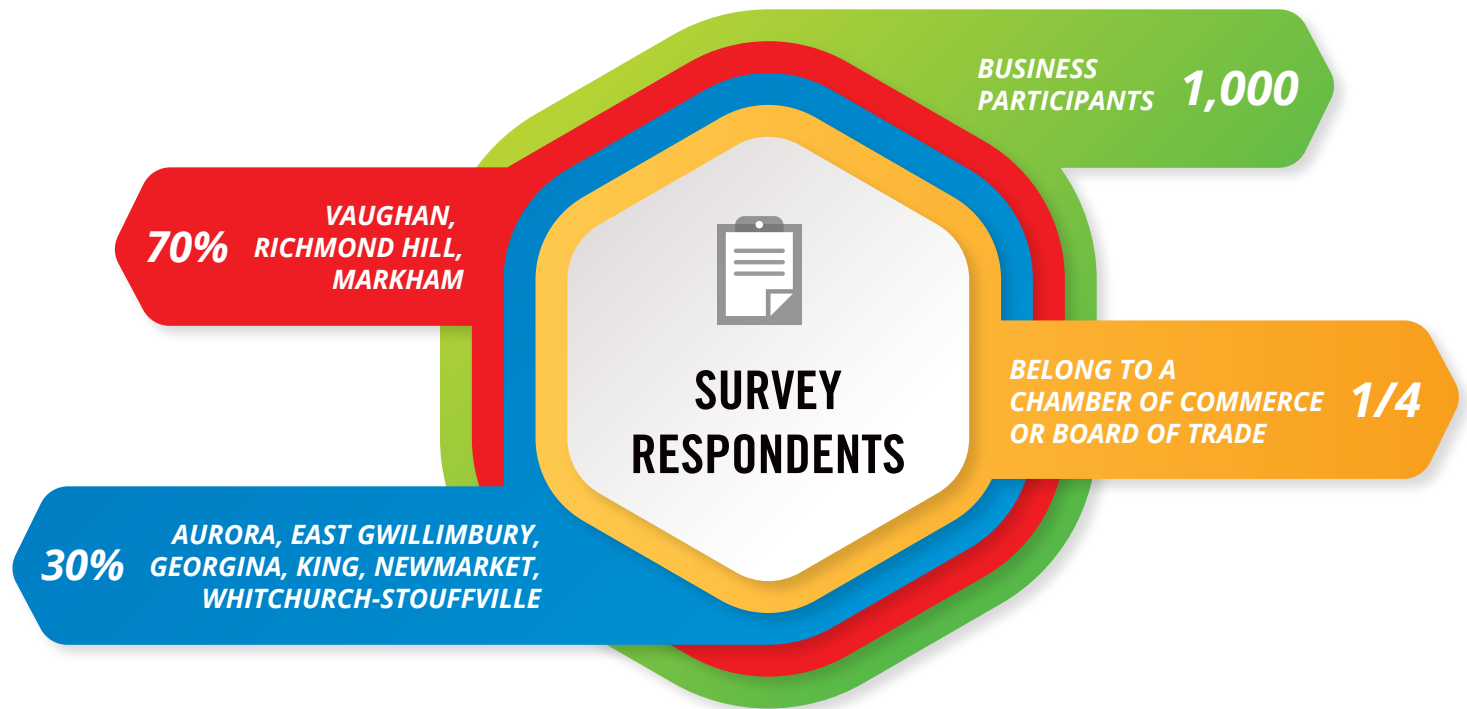
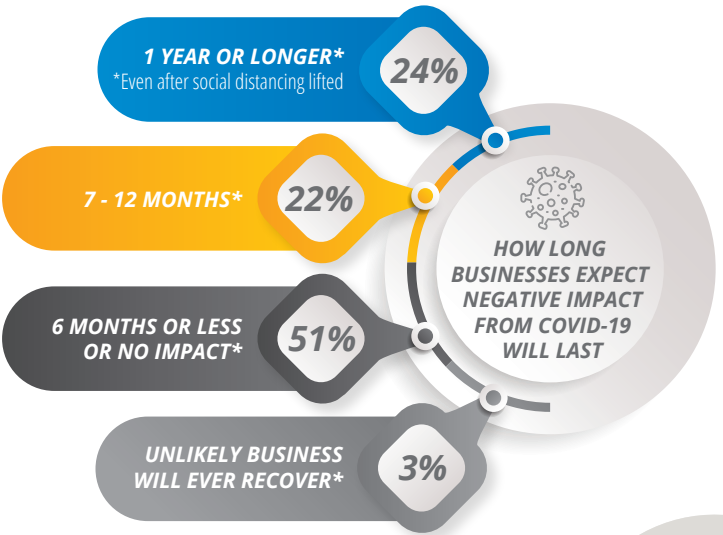
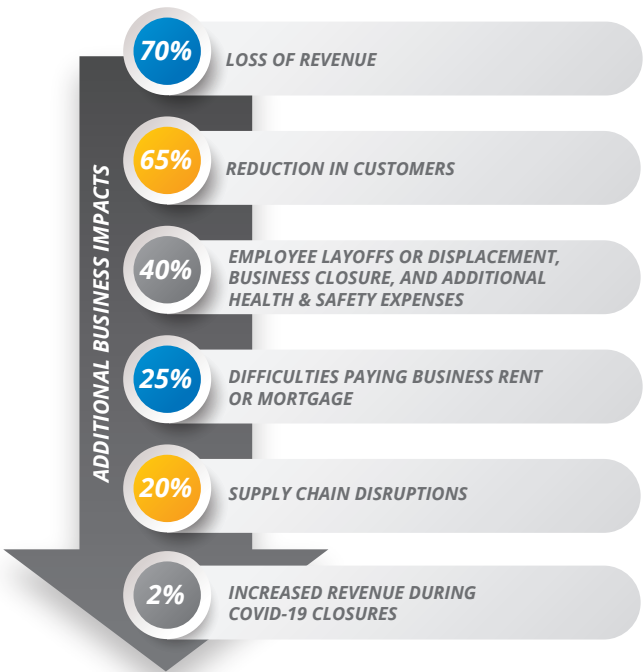
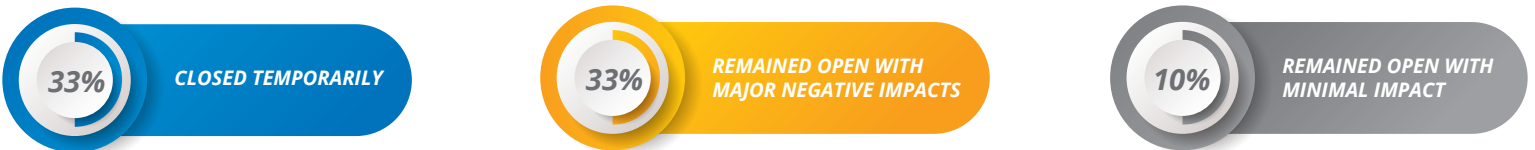


YORK REGION COVID-19 BUSINESS IMPACT & RECOVERY SURVEY RESULTS



COVID-19 SHUTDOWN IMPACT ON YORK REGION BUSINESS COMMUNITY

INCLUDING CLOSURES, LOSS OF REVENUE, LAYOFFS, AND LASTING IMPACTS

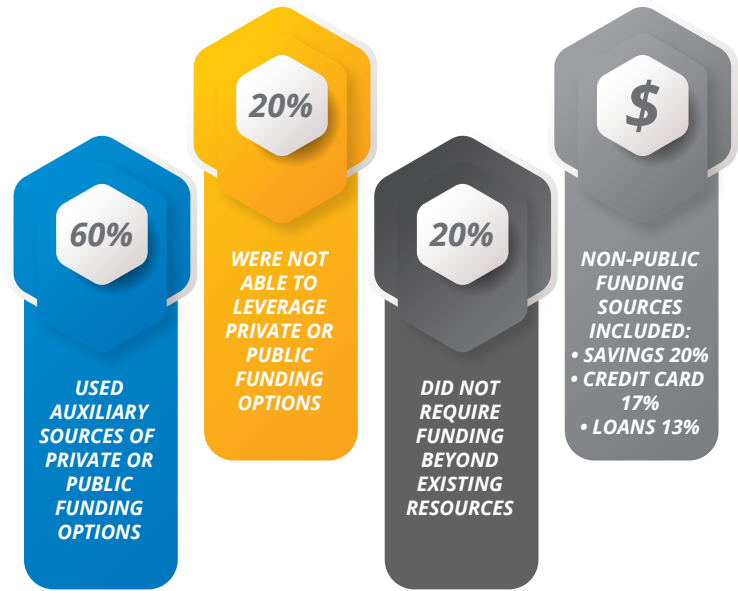


FINANCIAL IMPACT & FUNDING SUPPORT LEVERAGED BY BUSINESS COMMUNITY

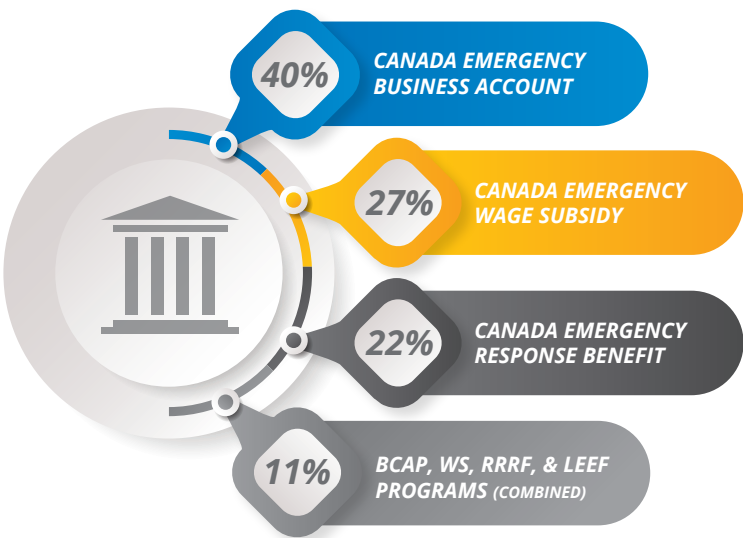
INCLUDING SALES LOSS, AUXILIARY FUNDING ACCESS, AND FEDERAL GOVERNMENT FUNDING PROGRAM USAGE



AUXILIARY FUNDING ACCESS



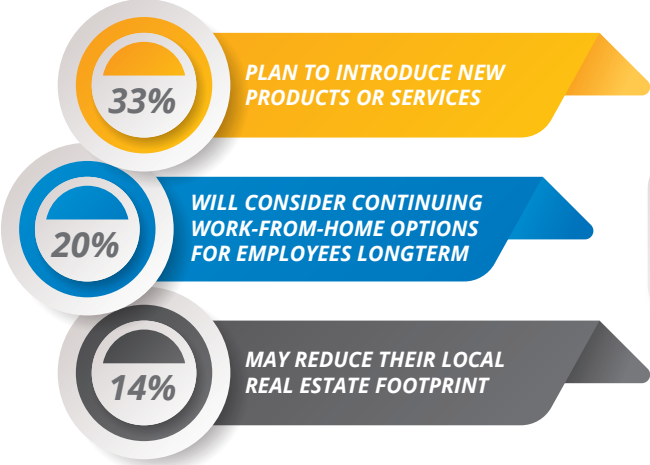
FEDERAL FUNDING SUPPORT PROGRAM USAGE



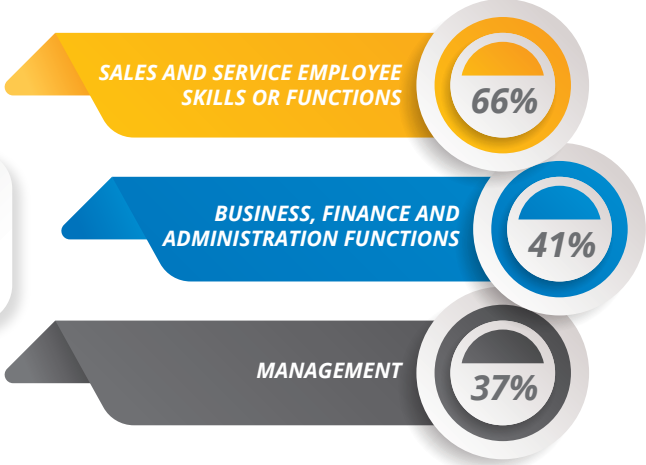
THE ROAD TO BUSINESS RECOVERY IN YORK REGION

INCLUDING NEW MEASURES BEING ADOPTED, CRITICAL BUSINESS FUNCTIONS FOR RECOVERY, AND REGIONAL SUPPORT

NEW MEASURES BEING ADOPTED



CRITICAL FUNCTIONS FOR RECOVERY



WHAT SURVEY RESPONDENTS ARE LOOKING FOR IN REGIONAL SUPPORT



Survey partners: The Regional Municipality of York, local municipalities, York Region Business Coalition, Chambers of Commerce and Boards of Trade, and the Workforce Planning Board of York Region

Survey objective: Help economic development stakeholders in York Region to continue providing relevant information to the local business community, develop programs and services to support local business recovery, and advocate for provincial and federal resources.

Survey period: May 27 - June 14, 2020. Crowdsourcing of responses.

Data disclaimer: Data from crowdsourced surveys cannot be statistically applied to the overall business community and should be treated as directional only.

KEY RESULTS AND INSIGHT:

THE YORK REGION COVID-19 BUSINESS IMPACT AND RECOVERY SURVEY

York Region's business community speaks up, with nearly 1,000 completing the COVID-19 Business Impact & Recovery Survey

On May 27th, 2020 the York Region Business Impact and Recovery survey was launched by the Regional Municipality of York, in partnership with local municipalities, the York Region Business Coalition of Chambers of Commerce and Boards of Trade, and the Workforce Planning Board of York Region to assess the implications of COVID-19 on the local business community. The survey was undertaken as part of the ongoing York Region Business Recovery Support Partnership and received nearly 1,000 submissions prior to the survey closing on June 14th.

The aggregated results below provide insight on how York Region's local business community has been dealing with the economic impact of COVID-19 and its path to business recovery. The information collected from the survey will help guide economic development stakeholders from across York Region to provide relevant information to the business community, develop programs and services to support local business recovery, and advocate for upper-level government resources.

Close to 1,000 representatives from the York Region business community completed the survey, with about:

- 70% of respondents being located in York Region's southern municipalities (Markham, Richmond Hill, and Vaughan)
- 30% from Northern York Region's 6 municipalities (Aurora, East Gwillimbury, Georgina, King, Newmarket, and Whitchurch-Stouffville)
- 1/4 of respondents are members of a local Chamber of Commerce or Board of Trade

The distribution of respondents by industry sectors, while not statistically representative of the local economic base, mirrors the diversity of York Region's business community. The top industry sectors for survey respondents were:

- Professional services
- Healthcare and social assistance
- Educational services
- Arts, entertainment, and recreation
- Accommodation and food services
- Retail trade
- Manufacturing

York Region's business community was significantly impacted by COVID-19

Mandated business closures and physical distancing measures due to COVID-19 have had tremendous impacts on businesses across Canada. In York Region, business respondents indicated:

- Over 1/3 had to close their business temporarily
- An additional 1/3 continued operations but reported major negative impacts on their business
- Roughly 10% of businesses remained opened with minimal impact, or were able to retool their operations
- 3% of respondents reported that their businesses were closed permanently

Unsurprisingly, revenue loss was the greatest impact of the COVID-19 crisis on local businesses, reported by 70% of survey respondents. Other impacts due to the pandemic included:

- Reduction in customers (65%)
- Employee lay-offs or displacement, business closure and additional workplace health & safety expenses (40%)
- Difficulties paying their business rent or mortgage (25%)
- Supply chain disruptions (20%)
- Increased revenue during the COVID-19 closures (2%)

Businesses turned to additional sources of financing to handle the economic downturn

As noted above, COVID-19 containment measures had a significant impact on sales/revenue for businesses in York Region in 2020 compared to the same period in 2019:

- Over 40% saw their sales drop by 75%
- An additional 33% reported a revenue drop of between 30% - 75%

As a result many businesses owners were looking to turn to additional sources of financing to keep the business afloat:

- 60% used supplementary sources of financing to handle the impact of COVID-19
- 20% were unable to tap into additional public or private funding
- 20% did not require additional financing beyond their existing resources

The Canadian government rolled out a range of emergency financial programs to help businesses and business owners deal with the COVID-19 crisis. Survey respondents indicated their use of these programs with:

- Canada Emergency Business Account (CEBA), which provides interest-free loans to Canadian small businesses (nearly 40%)
- Canada Emergency Wage Subsidy (CEWS), which subsidizes employee wages (27%)
- Canada Emergency Response Benefit (CERB) which provides financial support to employed and self-employed Canadians (22%)
- A large share of survey respondents were able to utilize two or more of the programs

The least utilized government programs were the Business Credit Availability Program (BCAP), Work-Sharing Program (WS), Regional Relief & Recovery Fund (RRRF), and Large Employer Emergency Financing Facility (LEEFF). It should be noted that some of the programs were introduced later than others which may explain lags in application rates.

Among the respondents that tapped into non-government funding sources 20% used their savings, followed by credit cards and bank loans with 17% and 13%, respectively.

The impact of COVID-19 on the local business community will be felt even after all physical distancing measures are lifted

While the local economy entered the Province of Ontario's phase 2 on June 19th and started opening back up, the impact of COVID-19 on the local business community is likely to continue to be felt beyond the immediate term. Respondents indicated:

- 24% are expecting to experience negative impact on their business for a year or longer even after all physical distancing measures will be lifted
- An additional 22% expect their recovery to take between seven months and a year with a similar share noting four to six months for recovery
- 3% of respondents indicated that it is unlikely their business will recover

The largest share of respondents cited decrease in revenue/sales, public health fears leading to business disruptions, uncertain cash flow, and decreased demand for products/services as areas with the highest level of continued impact within the first year after all physical distancing measures are lifted.

Productivity, access to financial credit or workforce retention, and workforce attraction were noted as concerns with medium-level residual impact, whereas continued supply chain or goods movement disruptions are expected to have minimal residual impact on survey respondents.

York Region's business community's road to recovery

As business is unlikely to get back to pre-pandemic normal for quite some time, survey respondents indicated that they prepare to adopt new measures as they slowly try to transition back to full operation:

- 1/3 plan to introduce new products or services, closely followed by the introduction of new information technology tools into their business operations, long-term employee health and safety measures and reconfiguration of office or facility space layout
- 20% will consider continuing work-from-home arrangements for employees in the long term
- 14% may reduce their local real estate footprint.

From a workforce perspective, respondents indicated their most critical functions for business recovery will be:

- Sales and service employee skills or functions (66%)
- Business, finance and administration functions (41%)
- Management (37%)

Businesses will also require continued support from regional and local governments and economic development organizations to facilitate their recovery, with respondents looking for:

- Information on government financial assistance business programs (60%)
- Support with marketing visibility (45%)
- Business networking opportunities (30%)
- Business advocacy vis-à-vis the provincial and federal governments (roughly 25%)