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STRATEGY FOR YOUR FUTURE

ECONOMIC CHAOS: *...our new reality?*

Toronto Construction Association – AGM

February 24, 2026

Peter Hall

CEO, econosphere inc.

Senior Corporate Economic Advisor



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TARIFFS

**NO
MORE!**

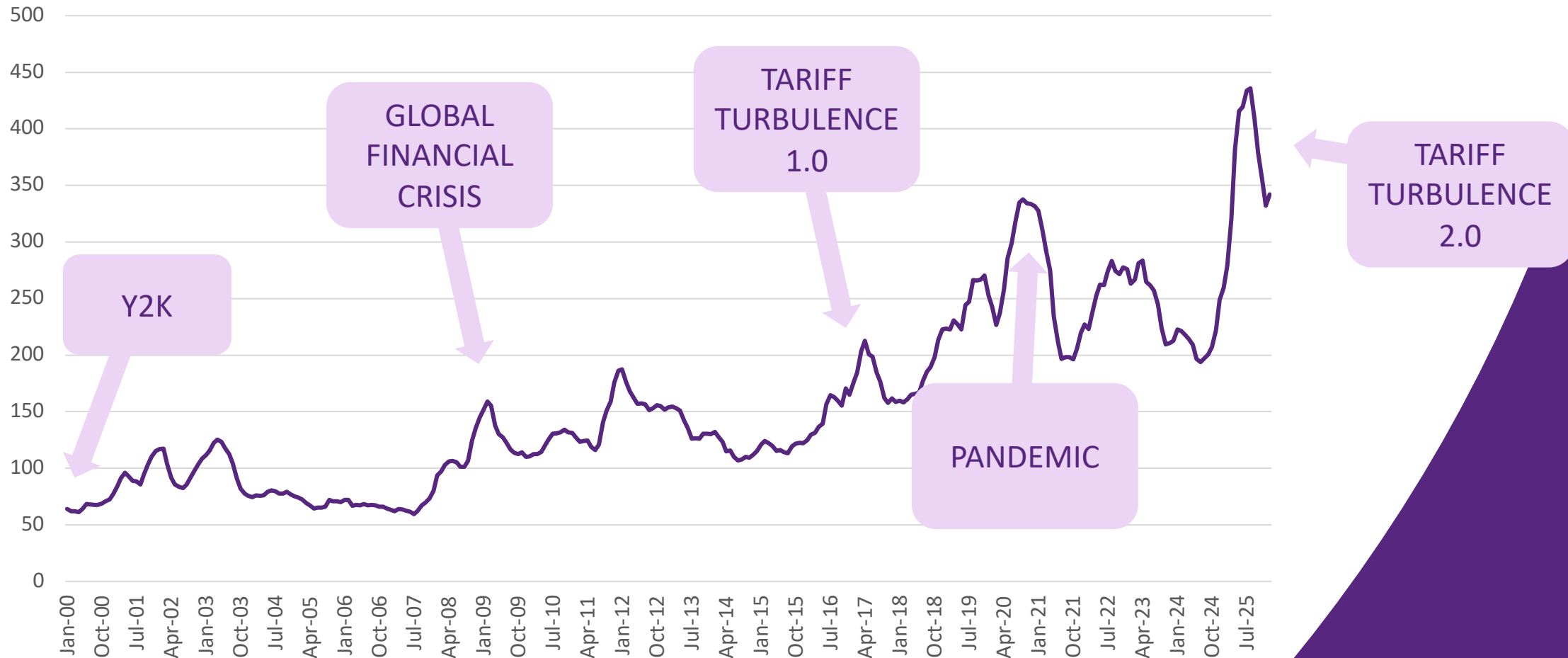
ENOUGH!

QUARANTINE

RECESSION

Economic Policy Uncertainty

6-month MA of world index, PPP weights, 1997-2015=100

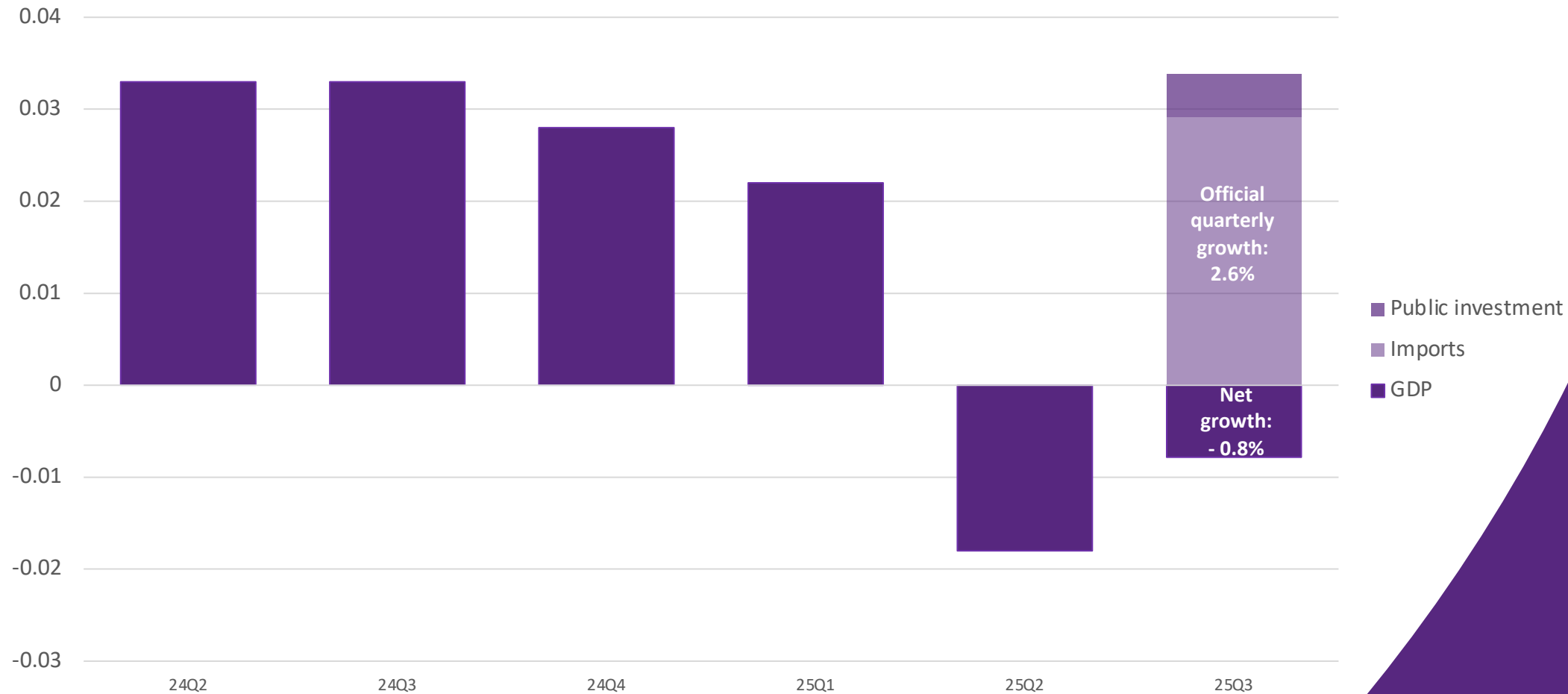


Sources: Economic Policy Uncertainty, econosphere inc.



Canada: In recession

GDP, chained (2017) Canadian dollars, annualized growth, %

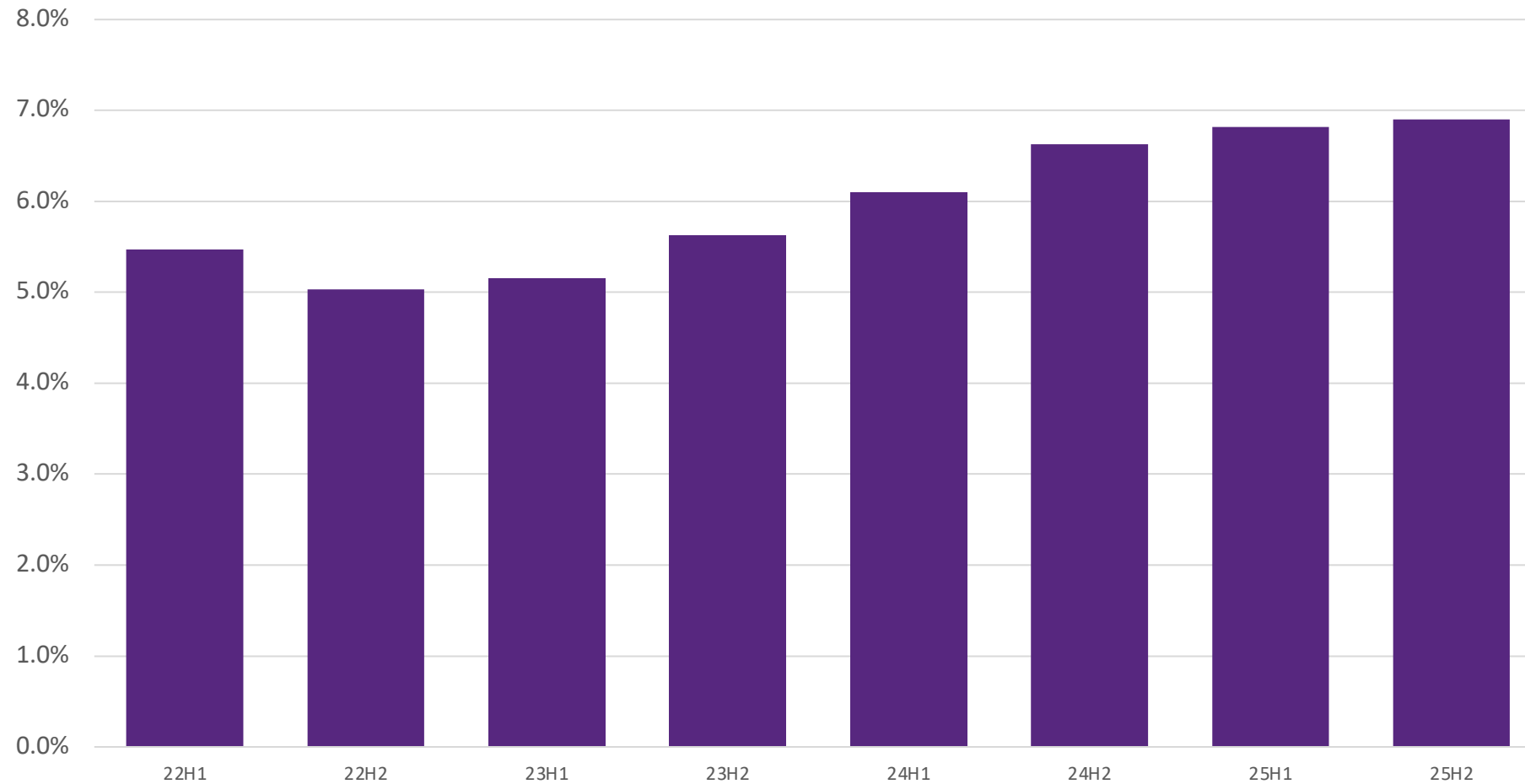


Source: Statistics Canada



Canada: Job market softening

Unemployment rate, 6-month intervals, %

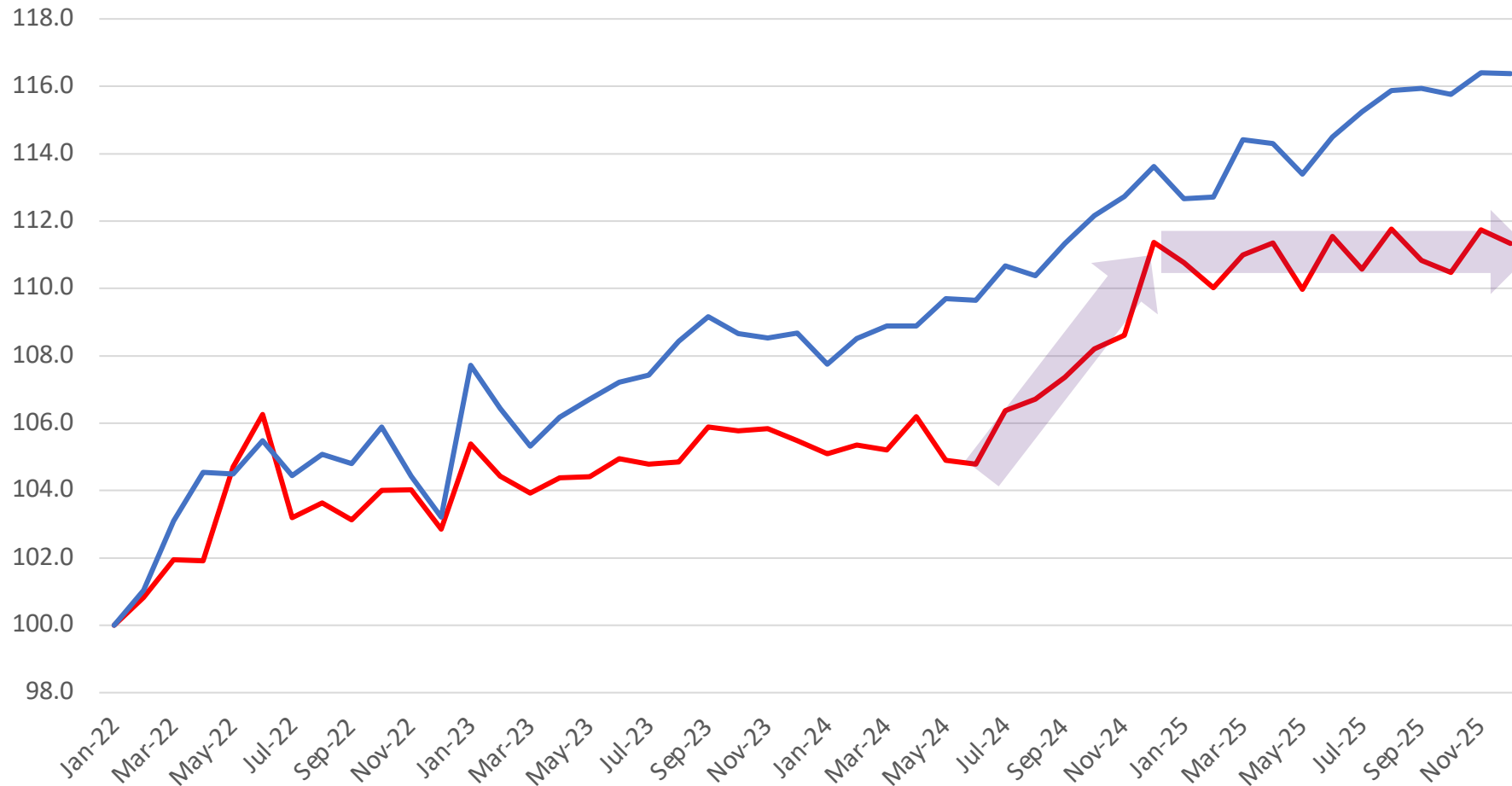


Source: Statistics Canada



Canada: Sales are flat

Monthly total retail sales, Canada, Jan 2022=100

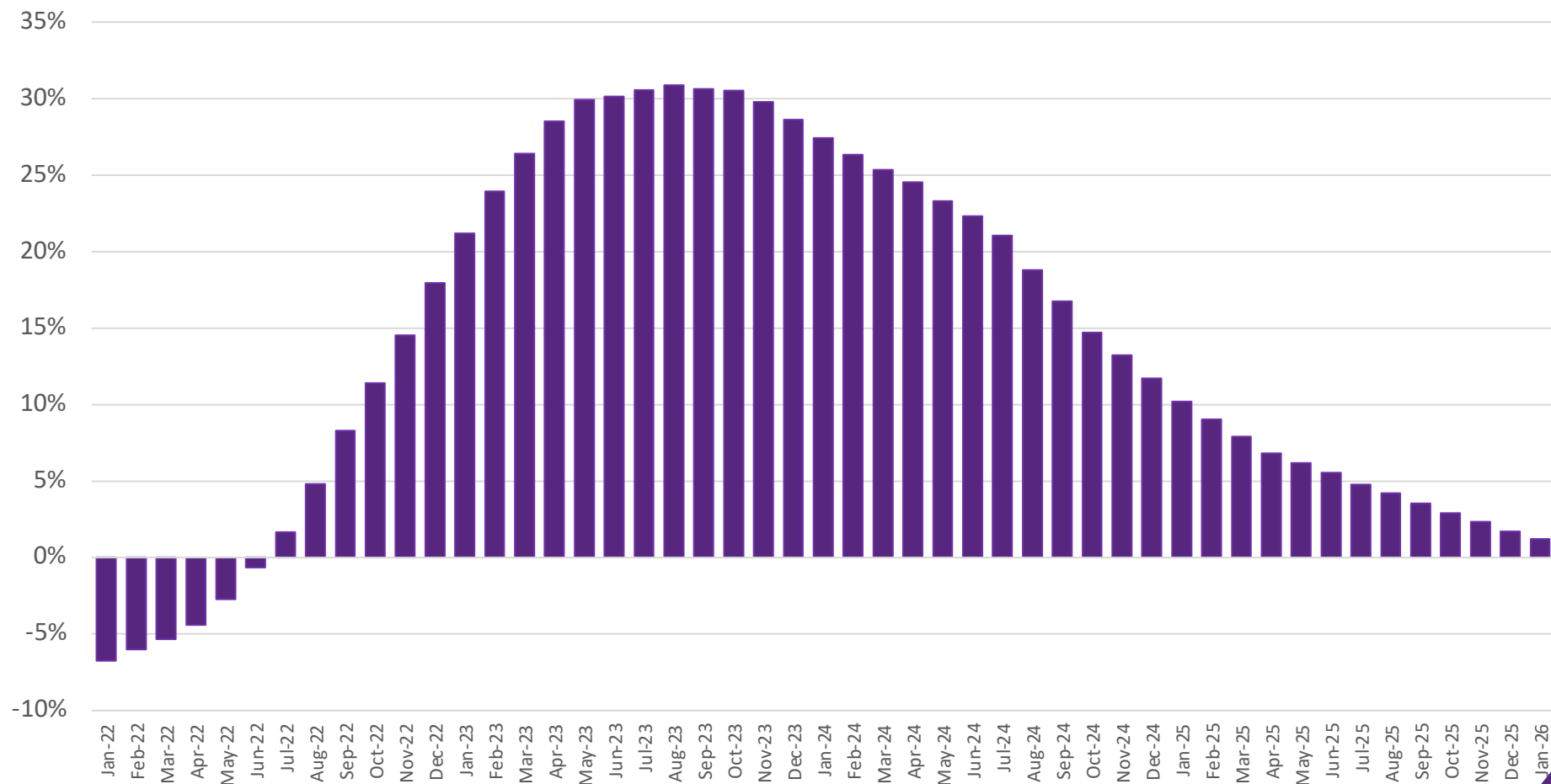


Source: Statistics Canada



Canada: Mortgage rate impact fading

Year-to-year growth, mortgage interest costs, %

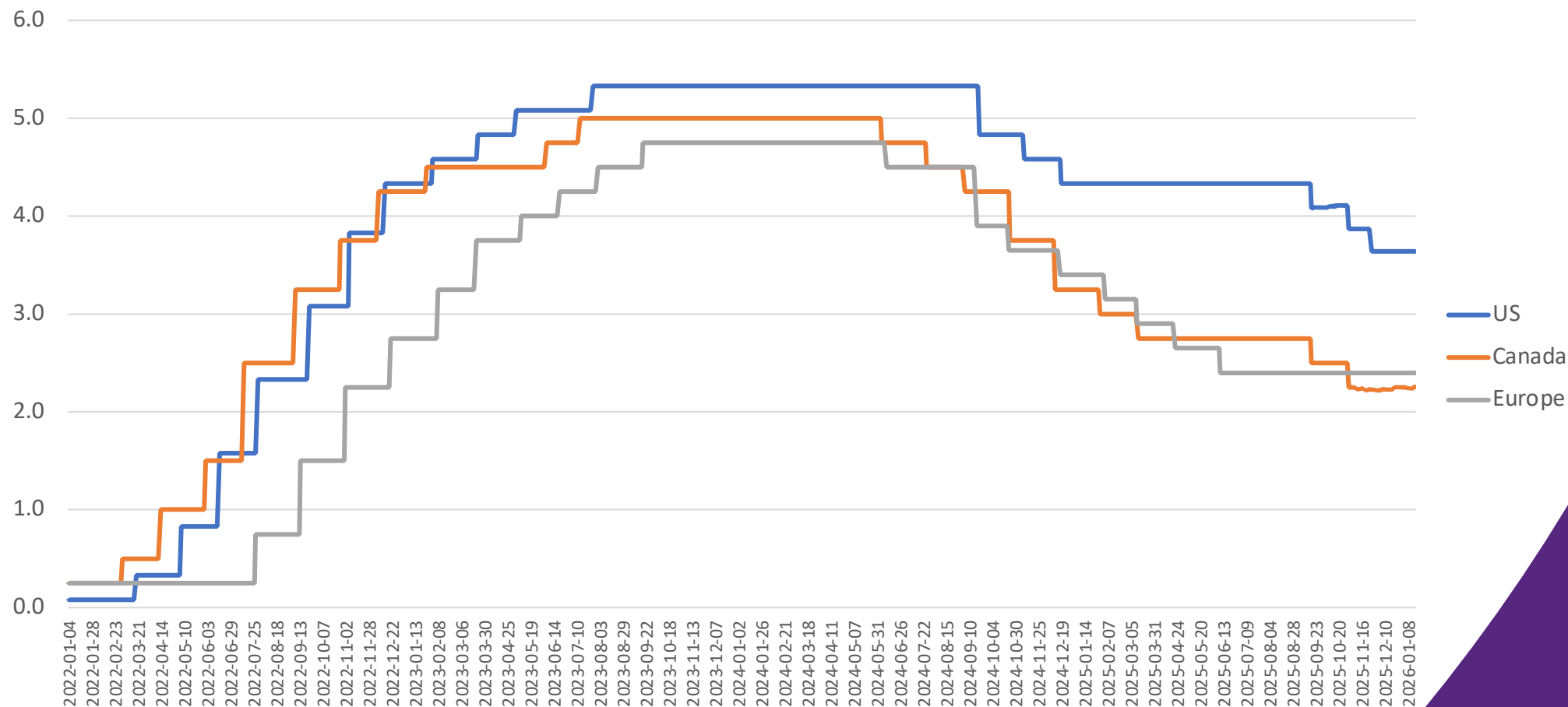


Source: Statistics Canada



Interest rates: On hold for now...

Fed funds; Canada overnight; ECB marginal lending facility; %;

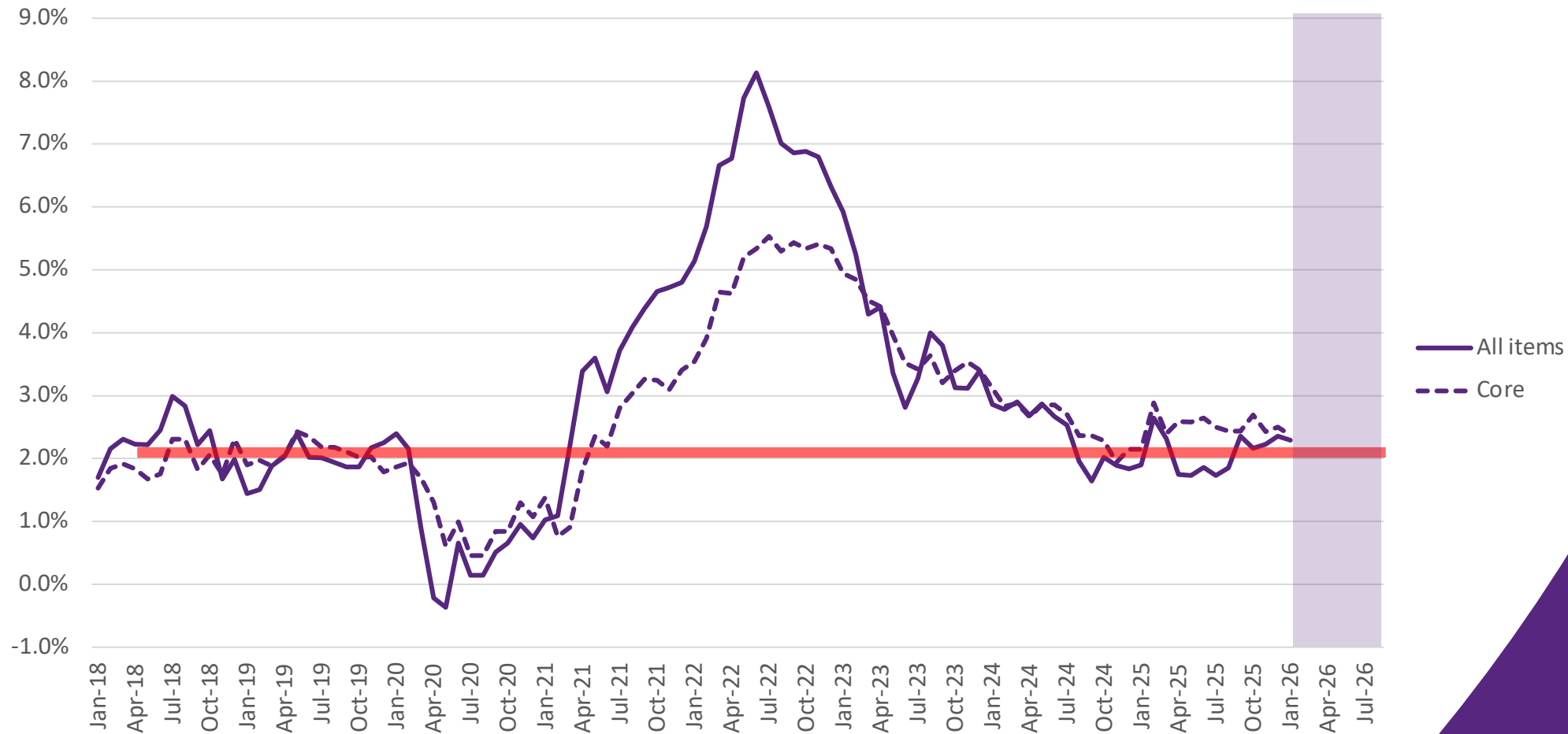


Sources: Bank of Canada, U.S. Federal Reserve Board, ECB



Canada: inflation looking good...

CPI all-items, core, year-to-year change, %

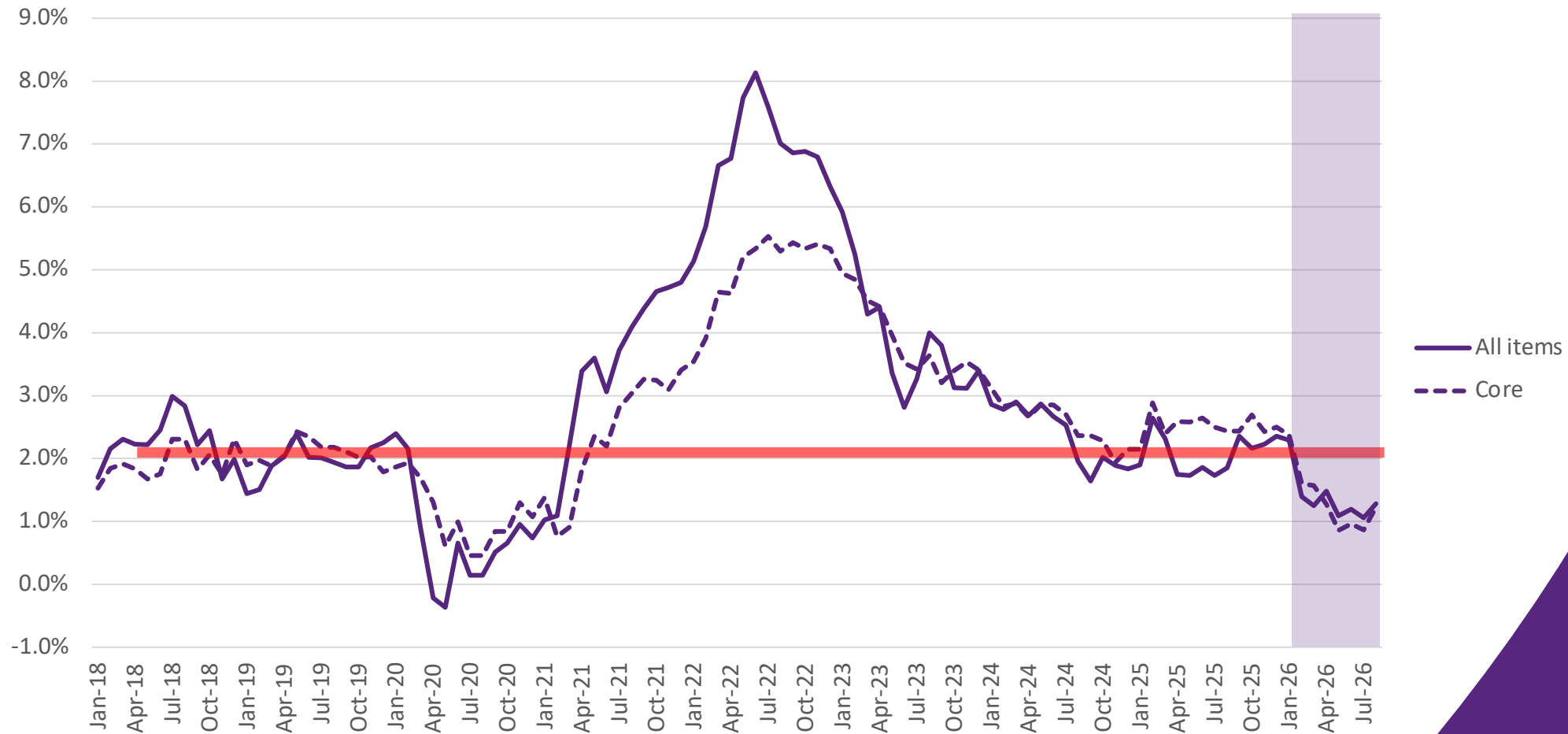


Sources: Statistics Canada, econosphere inc.



Canada: inflation worry flips

CPI all-items, core, year-to-year change, %

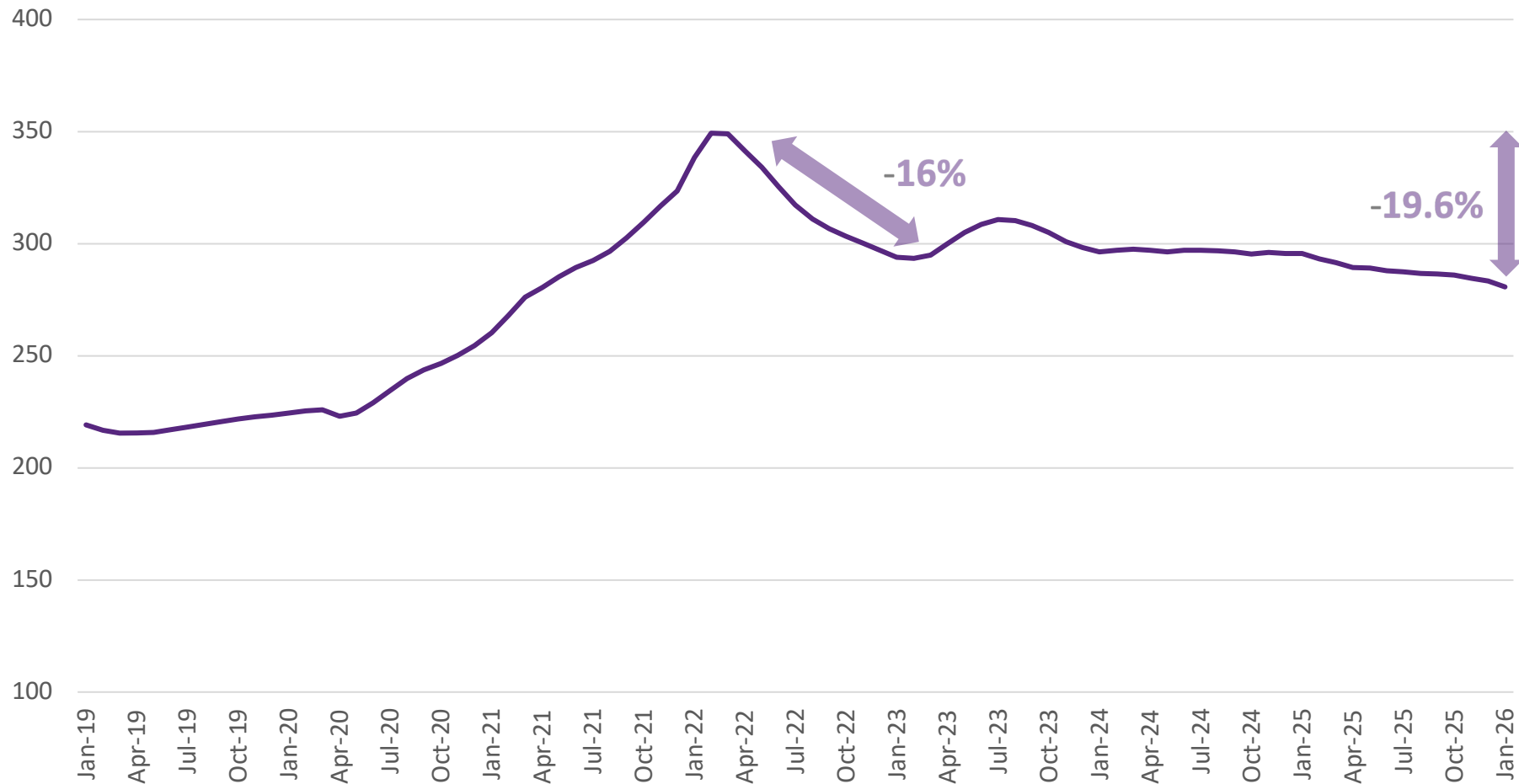


Sources: Statistics Canada, econosphere inc.



Canada: Housing doldrums

Monthly average selling price, Canada, Jan 2005=100

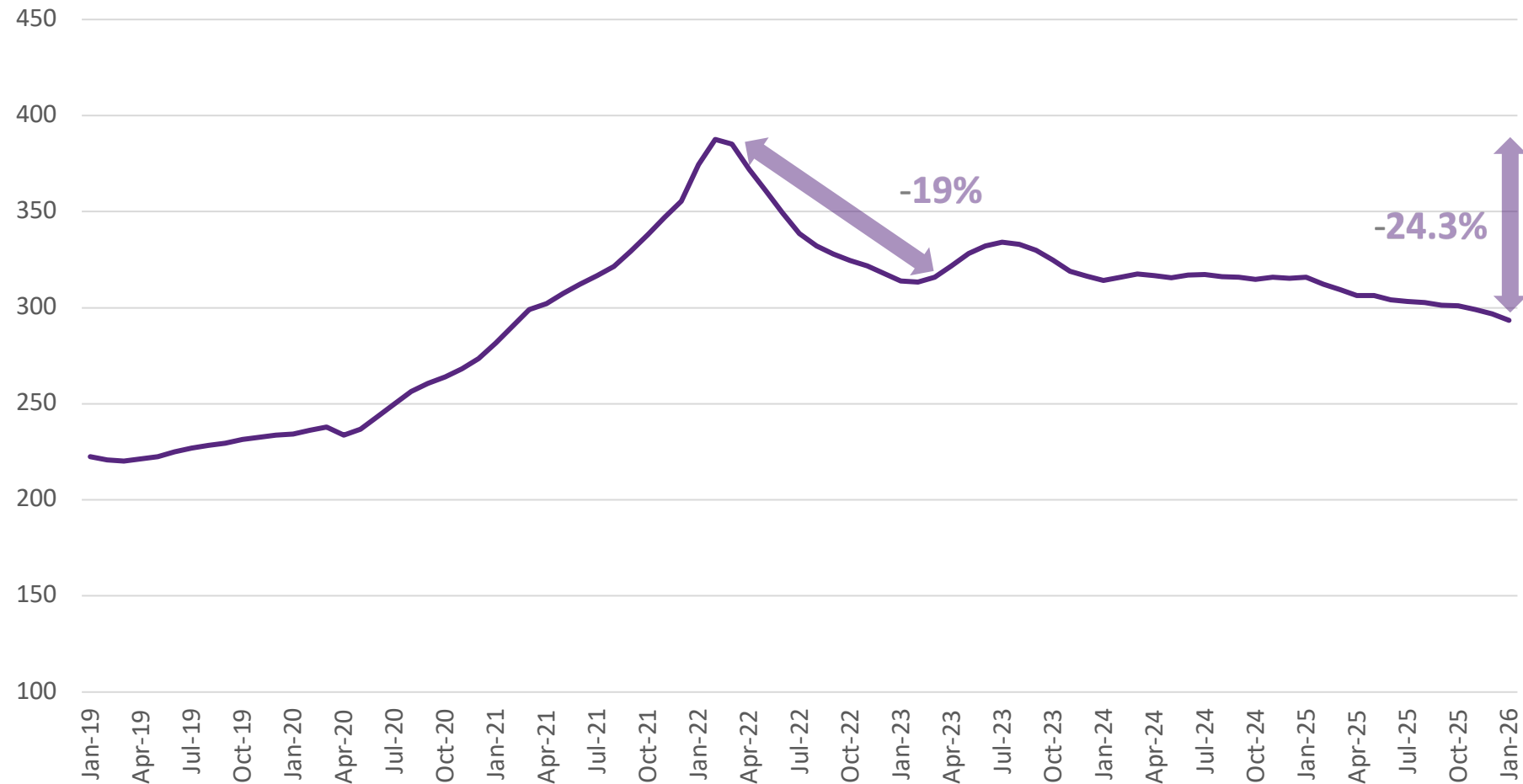


Source: CREA



Ontario: Worse...

Monthly average selling price, Canada, Jan 2005=100

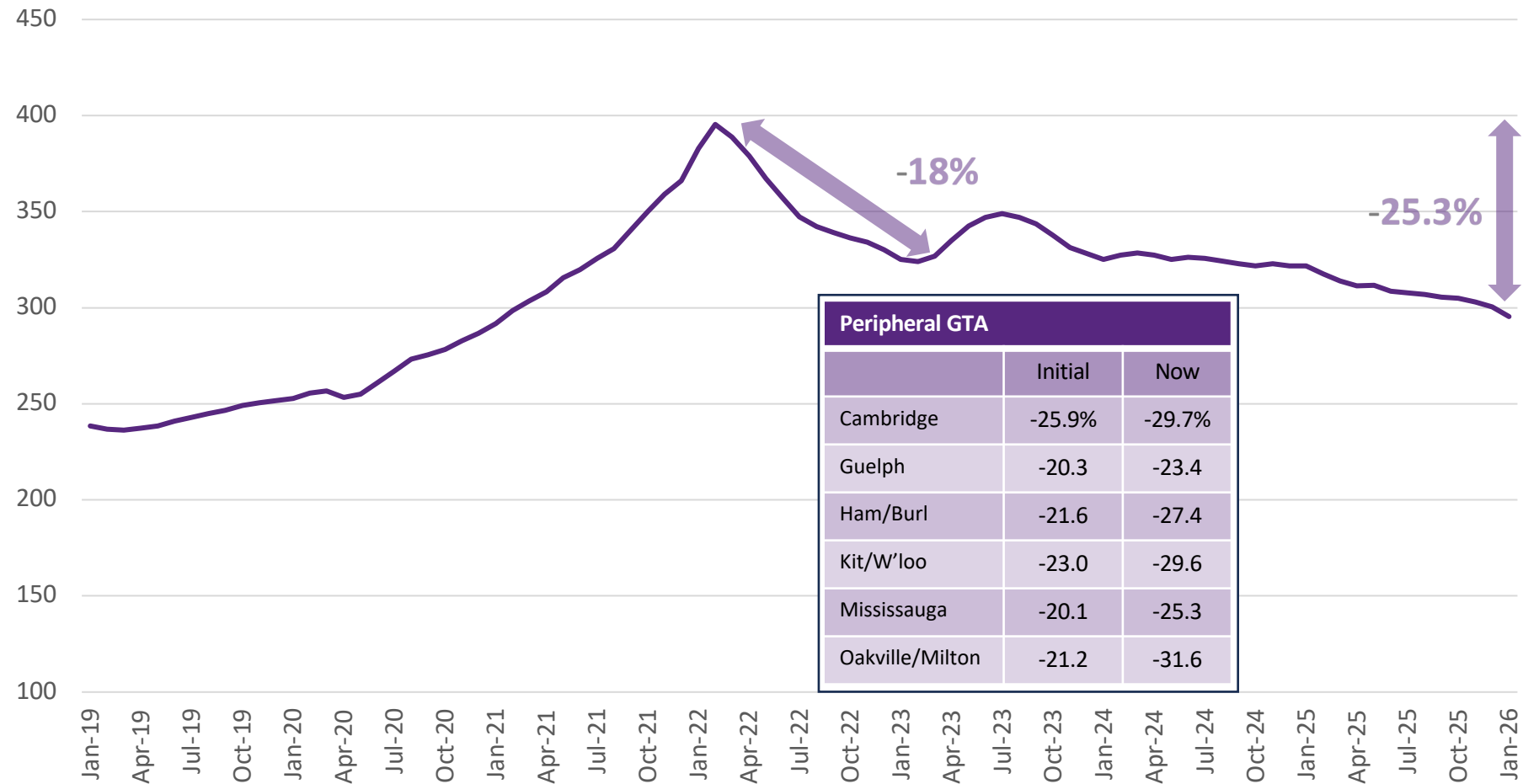


Source: CREA



GTA: Recently, worse still...

Monthly average selling price, Canada, Jan 2005=100



Source: CREA



Canada: Impact of immigration

Latest (25Q3) population estimates and projections (M1)

Population category	Avg, '00-'20	2021	2022	2023	2024	2025E	2026P	2027P
Immigration	258,225	406,046	437,612	471,817	483,654	414,112	454,000	417,000
Net emigration	(29,152)	(39,161)	(58,570)	(64,080)	(64,452)	(68,148)	(57,800)	(56,100)
Net non-permanent residents	65,099	77,487	538,711	789,106	396,606	(387,189)	(374,700)	(179,200)
Total	294,172	444,372	917,953	1,196,843	815,808	(41,225)	21,500	181,700
Net new housing requirement	-	37,550	155,895	225,668	130,409	(83,849)	(68,168)	(28,118)
Cumulative housing req.*	-	(17,450)	83,445	254,113	329,522	190,673	67,505	(15,613)

Source: Statistics Canada, econosphere inc.



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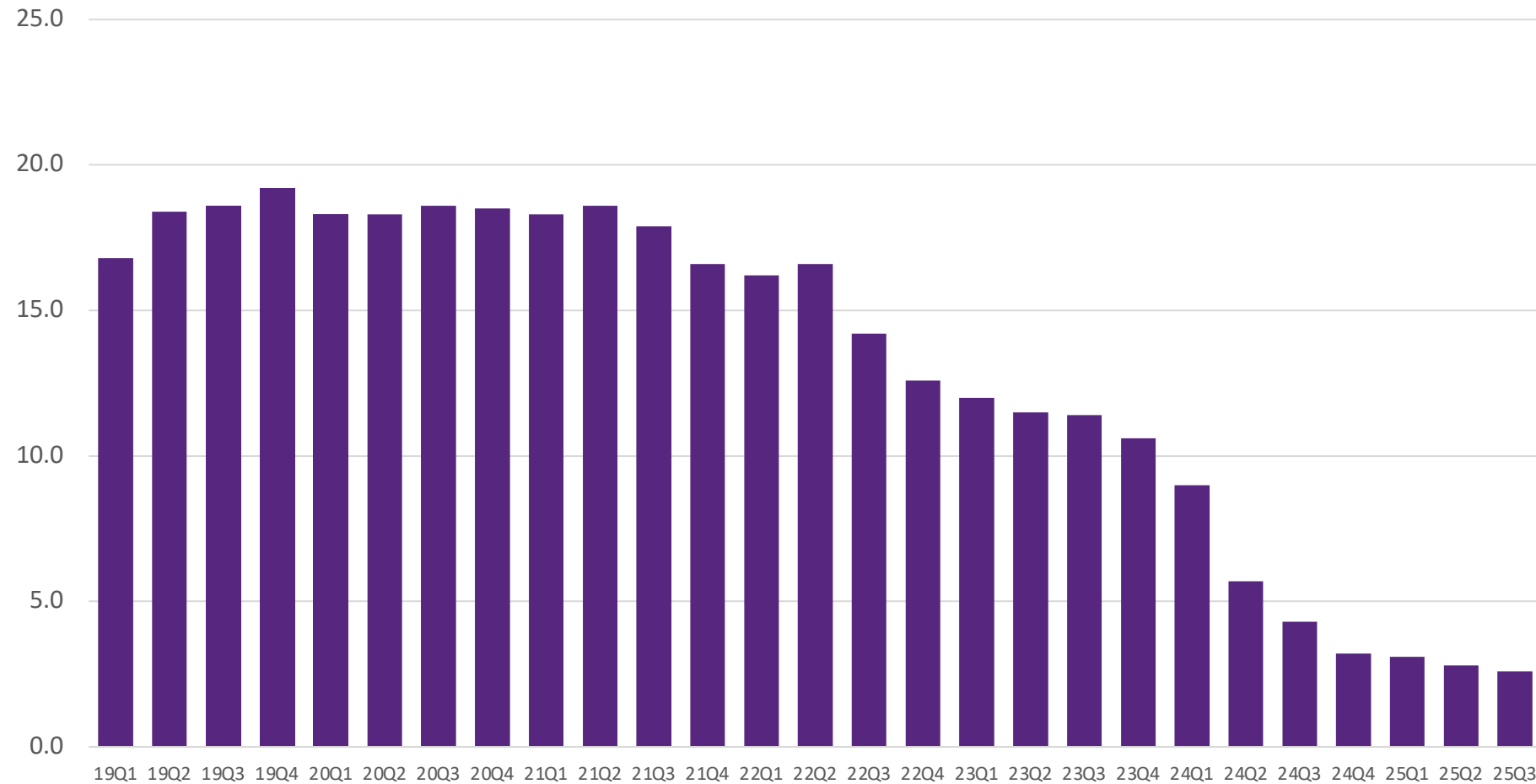
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Source: Statistics Canada, econosphere inc.

Canada: Office construction plummeting

National office inventory under construction, MSF

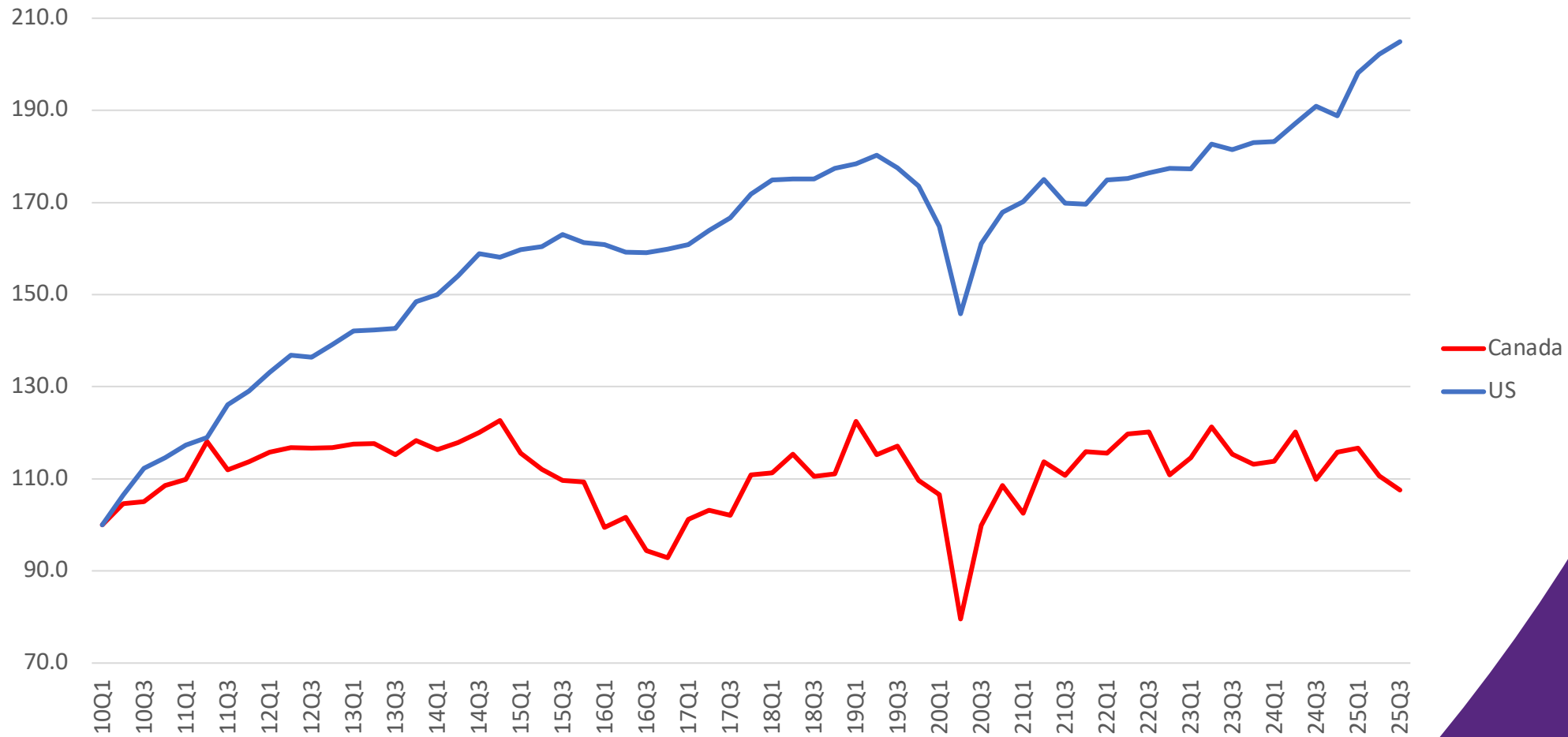


Source: CBRE



Canada: Investment woes

Investment in machinery and equipment, Canada and US, 2010Q1=100



Sources: Statistics Canada, US Bureau of Economic Analysis



Global Forecast Projections 2026-27					
(Annual percentage change)					
Region	Country	2024	2025e	2026f	2027f
North America	United States	2.8	2.2	2.3	2.1
	Canada	2.0	1.7	1.2	1.0
	Mexico	1.2	0.4	1.5	1.6
		2.5	2.0	2.1	2.0
Europe	Germany	-0.5	0.3	1.0	1.0
	United Kingdom	1.1	1.4	1.0	1.2
	France	1.1	0.7	0.7	1.0
	Italy	0.7	0.6	0.8	1.1
		0.7	0.9	1.0	1.2
Asia	China	5.0	4.9	4.6	4.3
	Japan	0.1	1.2	0.7	1.0
	India	6.5	7.4	6.4	6.6
	ASEAN	4.7	4.6	4.4	4.3
		4.7	4.9	4.4	4.3
Central and South America	Brazil	3.4	2.3	1.7	1.7
		2.2	2.3	2.0	2.0
MENA		2.4	3.5	3.8	3.5
Sub-Saharan Africa		4.0	4.1	4.4	4.2
World		3.3	3.4	3.2	3.2
Developed Markets		1.4	1.4	1.5	1.5
Emerging Markets		4.1	4.4	4.1	4.0





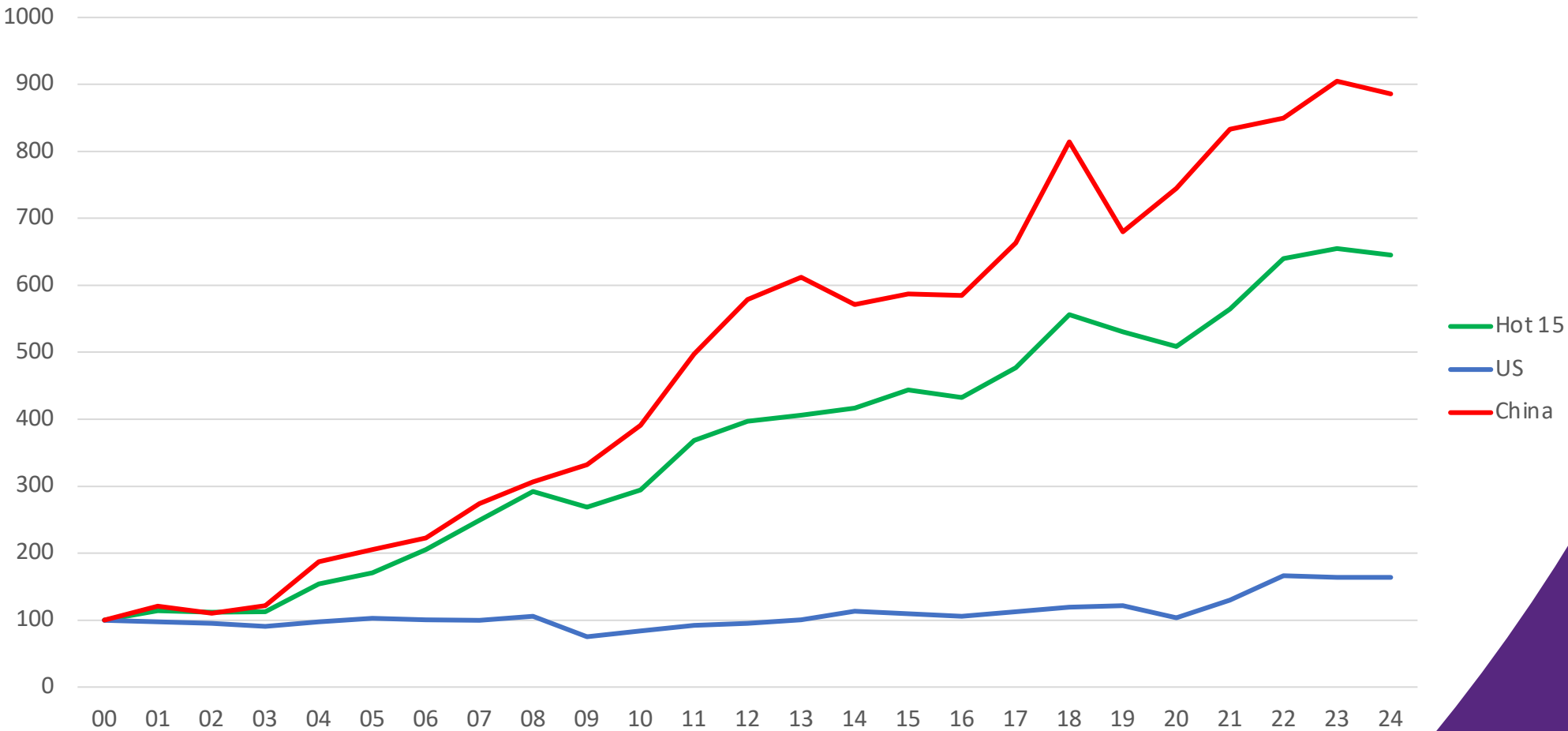
ANCHOR
NEWS NETWORK

BREAKING NEWS - TRADE DEAL SIGNED IN THE WHITE HOUSE THIS AFTERNOON
"BEST DEAL EVER SIGNED BY THREE NATIONS IN HUMAN HISTORY"

BREAKING NEWS BREAKING NEWS BREAKING NEWS BREAKING NEWS BREAKING NEWS BREAKING NEWS BREAKING NEWS

Diversification: actual experience

Indexes of growth by market, 2000=100



Sources: Statistics Canada; econosphere inc.



Budget impact

Measures by category, \$ billions

Economic and Fiscal Developments, Policy Actions, and Measures Since FES 2024

Category:	2025–26	2026–27	2027–28	2028–29	2029–30
1. Building a Stronger Canadian Economy	-0.1	-3	-3	-2.6	-4.6
<i>Generational Infrastructure Investments (net)</i>		-2.2	-2.3	-2.6	-1.9
2. Shifting from Reliance to Resilience	-3.1	-4.7	-3.7	-2.9	-2.1
<i>Equipping companies for growth and diversification</i>	0.4	-1.0	-1.7	-1.3	-1.0
<i>Supporting workers</i>	-2.0	-2.4	-0.4	-0.1	-0.1
<i>A New Trade Infrastructure Strategy</i>	0	-0.7	-1.1	-1.3	-1.0
3. Empowering Canadians	-9.2	-10.2	-10.1	-9.7	-9
<i>Launching Build Canada Homes</i>	-0.8	-1.8	-1.7	-1.4	-1.0
<i>Eliminating GST for first-time homebuyers</i>	-0.1	-0.7	-1.0	-1.0	-1.1
<i>Middle class tax cut</i>	-4.0	-5.5	-5.7	-5.9	-6.2
4. Protecting Canada's Sovereignty and Security	-7.3	-11.7	-13.3	-15.2	-15.4
<i>Reinvesting in the Canadian Armed Forces</i>	-7.2	-10.0	-11.5	-13.1	-14.0
5. Creating a More Efficient and Effective Government	-0.5	7.8	11.4	16.4	16.1
<i>Comprehensive expenditure review</i>	0.0	8.6	10.4	12.8	12.4
<i>Optimizing productivity in government</i>	0.0	0.0	1.3	3.3	3.3





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Wrapup

- Status quo outlook: disaster
 - Volatility/uncertainty
 - Recession
 - Weak consumer
 - Trouble with dominant export customer
- Opportunities: in non-traditional places
 - Diversification: a game-changer
 - Public funds jump-start things
 - Private funds move in
 - Defense strategy is promising



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Thank you!

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Questions/discussions

An abstract graphic featuring a large, solid purple sphere. A thin, light purple arrow curves from the left side of the sphere, passing behind it, and points towards the upper right. A larger, semi-transparent purple arrow also points in the same upward-right direction, starting from the bottom left and extending towards the top right.