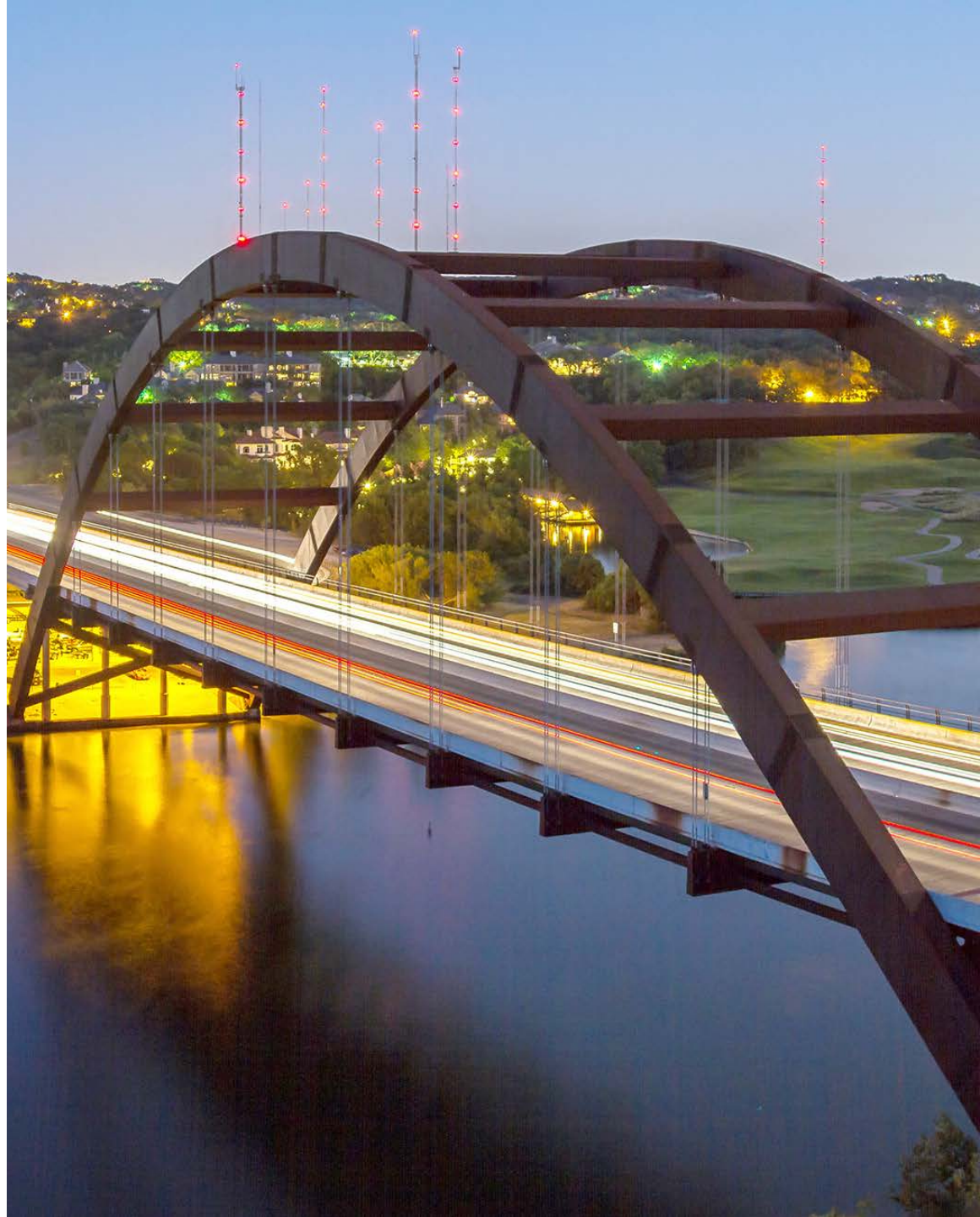




2016 Engineering & Construction Conference

June 15–17, 2016
The Westin Austin Downtown
Austin, Texas



General Session: International Panel



Wei Chen
China Desk Leader/Partner
International Center of Excellence
Deloitte Tax LLP



Jeffrey Plourde
Client Service Audit Partner
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Gaston Quignon
Partner, Tax and Legal in LATCO
Deloitte & Co. S.A.



Mark Stephenson
Partner, Tax
Deloitte LLP



Bessy Triantafyllos
Partner, Tax
Deloitte Canada

2:15 – 3:45 p.m.

E&C Trends

Canada

Canada's Top 10 List

1. Housing prices are on the rise

Average Home prices (in thousands)

922



Vancouver

696



Toronto

442



Calgary

375



Ottawa

344



Montreal

Price to Income Ratio

11.6
:1



7:1



3.9:
1



5.7:
1



5:1



Canada's Top 10 List (cont'd)

2. Drop in oil prices



Canada's Top 10 List (cont'd)

3. Drop in Canadian Dollar

Canadian dollar : US dollar daily close rate from January 1, 2013 to June 10, 2016



Canada's Top 10 List (cont'd)

4. New government



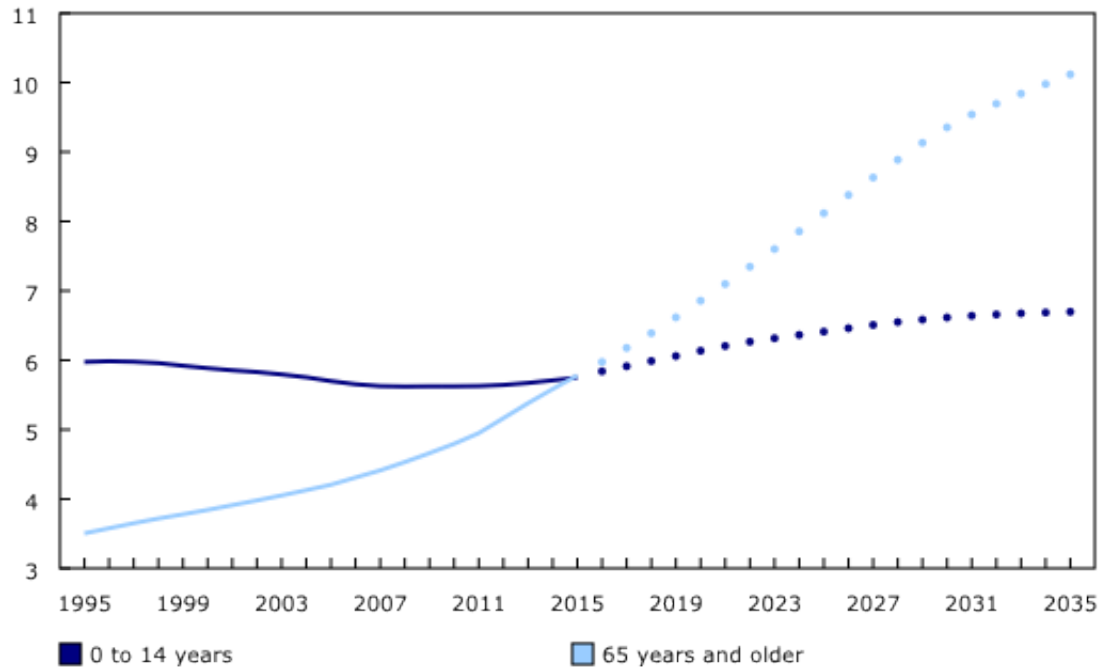
- Budget 2016 promised the following in infrastructure spending:
 - \$2.5B in transit infrastructure over next 2 years
 - \$1.8B in green infrastructure over next 2 years
 - \$2.2B in social infrastructure over next 2 years
 - Promised to admit 300,000 new refugees as permanent residents in 2016
 - Increased personal tax rates for high-income earners. Contributes to brain drain?....
- ...not to worry!
 - Since Super Tuesday, Google searches in the US of "how can I move to Canada" have increased by 1150%

Canada's Top 10 List (cont'd)

5. Aging population

Projected population of Canadians ages 65+ versus ages 14 and under

number (millions)



Canada's Top 10 List (cont'd)

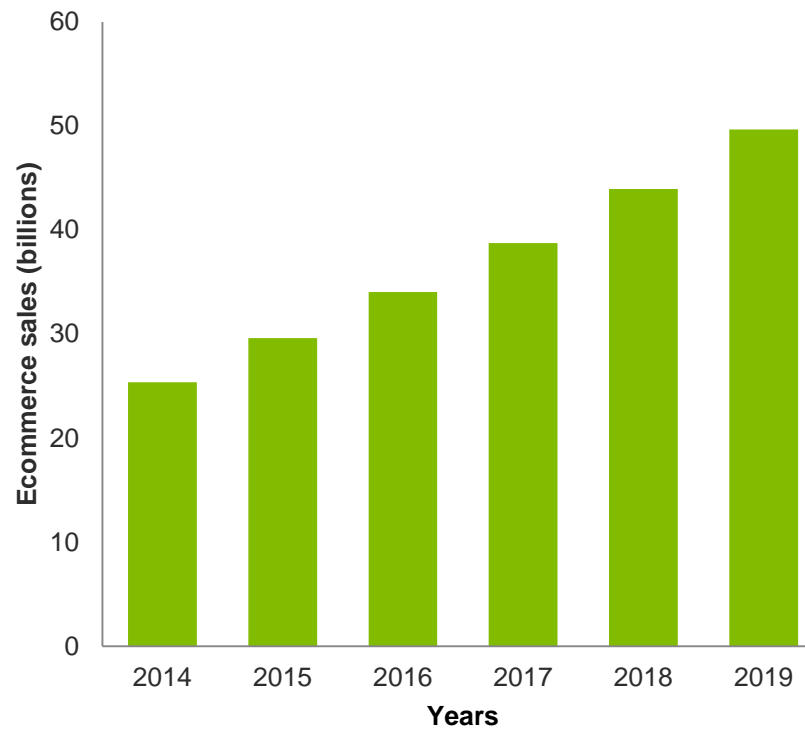
6. Expansion of transit systems



Canada's Top 10 List (cont'd)

7. Rise in e-commerce

Retail ecommerce sales estimates in Canada (billions of CAD)



Canada's Top 10 List (cont'd)

8. Changing work environment



Deloitte's new corporate headquarters in Amsterdam has been certified as the most sustainable office building in the world by Building Research Establishment Environmental Assessment Methodology (BREEAM) with a score of 98.36%

- 430,000 square feet
- Generates its own electricity - south façade is covered with solar panels on all surfaces that aren't windows
- Heating and cooling is part solar/part aquifer thermal energy storage system (uses wells to provide heating during the cool periods and cooling during warm periods)
- First building to make use of Philips' Ethernet-powered LED connected lighting for offices
- Light and temperatures are paired with sensors
- Rainwater is collected for flushing the building's toilets and watering its green areas
- 500 bicycle parking spaces on-site

Canada's Top 10 List (cont'd)

9. Influx of luxury brands



Canada's Top 10 List (cont'd)

10. M&A Activity

Prior year review:

- Total transaction volume in Canadian property market of \$11.7 billion in 2015 versus \$14.2 billion in 2014;
- The decline in transaction volume was mostly a result of a lack of product rather than a lack of demand;
- Transactions were notably skewed toward Eastern Canada, with only \$381 million of property trading in Alberta and Saskatchewan (vs. a five-year average of \$1.9 billion); and
- M&A activity in the Canadian real estate capital markets increased in 2015, with \$3.6 billion of transactions (5 transactions in public REIT market) completed during the year vs. \$2.4 billion in 2014.

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