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Lights, Camera, Action!

Building Upon Canada's Film & Television Industry

Stay-at-home measures imposed in 2020 and 2021 resulting from the COVID-19 global pandemic led to a significant increase in demand for screen-based entertainment content. Film and television production companies along with traditional TV networks and video streaming services, private investors and real estate developers are all moving forward with plans to capitalize on these new and expanded audiences. Canada – 'Hollywood North' – is well positioned to accommodate much of this growth with many industry players setting their sights on expanding in Canada, home to one of the world's most vibrant film/television production industries.



'Hollywood North' is a popular expression used to describe the film and television (TV) industry in Canada, most notably based in Vancouver and Toronto. The nickname reflects a historical understanding that Canada is widely considered an extension of the film and television production scene based in Hollywood, a neighbourhood of Los Angeles, California. Canadian actors and directors are prominent on the global stage and the industry is celebrated at large through international film festivals that recognize Canadian productions as well as international work.

The industry has expanded rapidly in recent years and demand for production, post-production and studio space in Canada's two hottest industrial and land markets, Vancouver and Toronto, has been building. Though the former are key production hubs, the province of Québec (mainly Montréal) is close behind with interest for studio space also gaining momentum in Calgary, Alberta.

Further recognition of Canada's growing role in North American film and television production came in April 2021 when California-based digital streaming giant Netflix announced that it would open its first Canadian corporate office in Toronto.



Production and Economic Contribution

Canada's film and TV industry has recorded significant growth with a greater number of local and international productions being shot in the country annually since the Great Recession of 2008. In the 2019/20 season (the most recent year of published data from the Canadian Media Producers Association (CMPA) that was released in June 2021 and covered April 2019 to March 2020), the film and TV industry generated \$9.3 billion in production volume, contributed \$12.2 billion to Canada's GDP, and provided employment for 244,500 people. However, according to the CMPA, the greater screen sector value chain across the country accounts for almost 347,000 jobs, nearly \$16 billion in labour income and slightly more than \$23 billion in GDP for the Canadian economy.

According to GoCompare, a British financial services comparison website, Canada is the third most filmed country in the world after the United States and the U.K. Film and TV production in Canada by U.S.-based producers increased dramatically in the second half of 2020 despite the COVID-19 pandemic thanks in part to Canada's internationally recognized health and safety protocols with both Toronto and Vancouver surpassing pre-pandemic production levels.

Future production levels look promising with streaming services like Netflix, Hulu, Amazon and more recently Apple and Disney+ having radically increased production output – challenging the traditional domain of studios and broadcasters. According to Nordicity, yearly production spending from these streaming services is expected to be more than \$65 billion by 2022, up from \$40 billion in 2018. Meanwhile, the value of the global post-production market is forecasted to grow 25% in the next three years.

At a Glance (2020)

\$9.3B / -1.1%

Production volume
year-over-year

244,500 / -5.4%

Jobs created
year-over-year

\$12.2B / -2%

Gross domestic product
year-over-year

\$6B / +5%

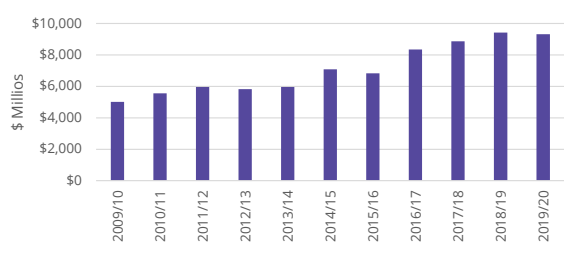
Foreign investment in production
year-over-year



Quick takes

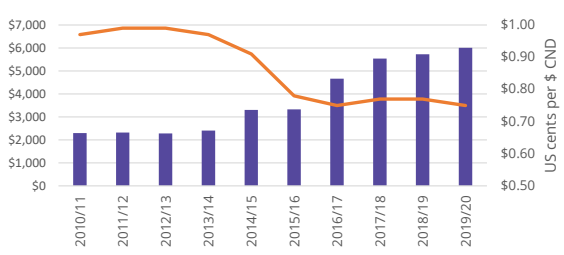
- Total GDP impact of film and TV production in Canada fell 2% year-over-year to \$12.2 billion during the 2019/20 season.
- Regionally, Ontario (38%) and British Columbia (30%) accounted for 68% of the total volume of film and TV production nationwide in 2019/20 – with Ontario outpacing British Columbia in eight of the past 10 years.
- Foreign investment in production in Canada increased \$286 million or 5% year-over-year to an all-time high of slightly more than \$6 billion in 2019/20 – up 162% over the previous 10 years.
- The number of jobs (i.e. person count) generated by film and TV production in Canada (including direct and spin-off impacts) totalled 244,500 in 2019/20 – down 5.4% over the 2018/19 season, but up 22% over the past five years.
- Direct Jobs (61% share of 2019/20 total) have grown by 28% over the past five years, while spin-off employment (39% share) has increased by almost 14% during the same period.

Total Volume of Film and Television Production in Canada



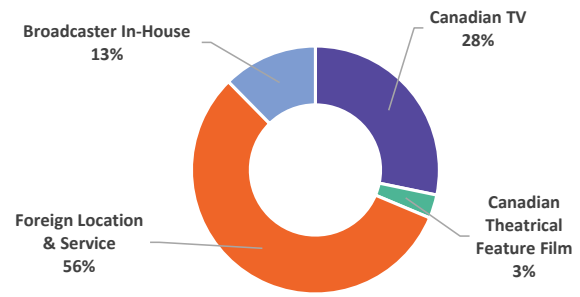
Source: Motion Picture Association of Canada, Profile 2020

Foreign Investment in Production in Canada vs Value of Canadian Dollar



Source: Motion Picture Association of Canada, Profile 2020; Bank of Canada ; Statistics Canada

Total Film & TV Production in Canada (\$ Billions)



Source: Motion Picture Association of Canada, Profile 2020

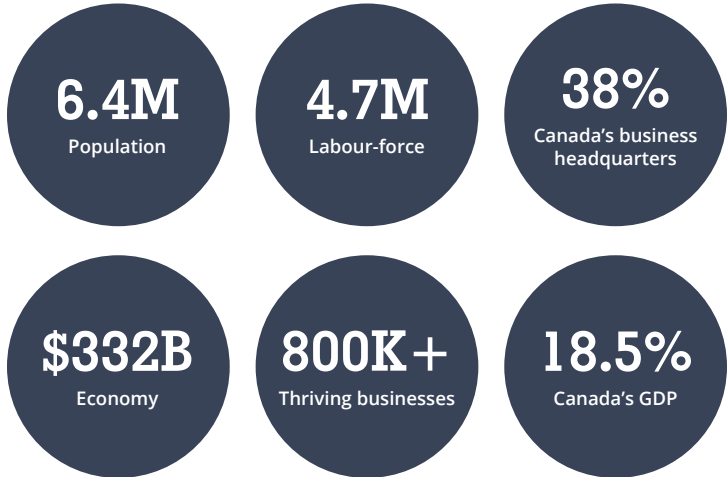
Incentives and Funding

The industry is supported by federal, provincial, territorial and municipal governments, which boost investment by domestic and foreign producers through incentives that help offset production costs. Big draws include a lower Canadian dollar, tax credits, immigration-friendly government policy, and a talented local labour force.

Incentives and tax credit programs cover broad industry categories such as film, video and animation, as well as digital media. An added benefit is that various federal and provincial tax credits can be combined to offer significant savings on qualified labour costs and total production costs.

Offsetting some of the lost revenue due to the pandemic, the 2021 Federal Budget included additional funding to support the industry. Telefilm Canada will receive \$105 million of new funding over the course of the next three years – effectively increasing the agency’s budget by 50% in the third year. Over the same three-year period, the government also pledged \$60 million to the Canadian Media Fund – focusing on supporting “productions led by people from equity-deserving groups”, and \$40 million to the Indigenous Screen Office – “ensuring Indigenous peoples can tell their own stories and see themselves reflected on-screen.”





- Nearly 100,000 new immigrants annually
- A diverse population with over 51% foreign-born
- More than 180 languages and major dialects spoken, with more than 240 ethnic groups
- 130 million people within an 800-km radius
- Fourth-largest city in North America
- Third-largest tech sector in North America
- Second-largest financial centre in North America
- Second-largest food and beverage industry in North America
- Two airports (YYZ and YTZ) serving 200 global destinations in 55 countries
- Trade agreements that provide access to nearly 1.7 billion consumers with a combined GDP of more than US\$62 trillion or more than one-half of the world's output of goods and services
- Five world-renowned universities and six internationally recognized colleges



The hubs - with room to grow

While Toronto and Vancouver are the primary film production markets, Hamilton - an extension of the Greater Toronto Area (GTA) - is also emerging with many plans of its own, including Aeon studio (80,000 sf on 7.5 acres) in the West Harbour neighbourhood.



Source: Aeon Studio Group



Tax incentives

35%
Ontario Film & Television Tax Credit

21.5%
Ontario Production Services Tax Credit

18%
Ontario Computer Animation & Special Effects Tax Credit

Toronto Film industry

- The largest economic cluster for the creative economy in Canada
- One of North America's largest film and television production centres
- In 2019, City of Toronto attracted more than \$2.2B in production investment that employed more than 30,000 Torontonians
- Toronto currently welcomes more than 1,500 productions annually, through domestic productions and foreign service productions

Toronto's largest existing production studios

Studio	City	Address	Facility Size (sf)	Owner/Developer
Cinespace (Kipling Avenue)	Etobicoke	777 Kipling Ave.	720,000	Cinespace
Pinewood Studios	Toronto (Port Lands)	225 Commissioners St.	364,200	Pinewood Studio Group
Cinespace (Booth Avenue)	Toronto	30 Booth Ave.	177,200	Cadillac Fairview
Cinespace Marine Terminal (Netflix)	Toronto (Port Lands)	8 Unwin Ave.	165,000	Ports Toronto
Revival Film Studios	Toronto (Leslieville)	629 Eastern Ave.	143,500	SmartCentres REIT

New studio developments on the horizon

- **First Studio Toronto** (Markham Movie Land) 800,000 sf on 20 acres in Markham proposed by a consortium of industry professionals.
- **Downsview Studio** a partnership between investors; PSP Investments & Hackman Capital Partners have plans for a 1,000,000-sf development on the Downsview Airport Lands.
- **Basin Media Hub** an 8.9-acre waterfront development parcel in Toronto's Port Lands, is expected to provide up to 500,000 on a long-term land leased from the city.
- **Studio Bottega** development in Mississauga planning for 450,000 sf near Pearson International Airport.

Studio locations in the GTA



Source: Avant by Avison Young

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- Third-largest city in Canada after Toronto and Montreal
- B.C. is the most ethnically diverse province in Canada. Almost 30% of British Columbians immigrated to B.C. from another country. Just under one-quarter of people in B.C. are a visible minority
- 2nd-best city in North America for international meetings
- 1st in North America in 2020 for high-tech software/ services job growth
- 10th in the world for healthy living in 2021; the only city in North America in top 10
- Vancouver International Airport (YVR) is the second busiest in Canada behind Toronto Pearson International Airport (YYZ) and was ranked by Skytrax as the best airport in North America in 2021



Tax incentives

28%–34%

British Columbia Production Services Tax Credit - Provincial

35%

Film Incentive BC

16%

Digital Animation, Visual Effects and Post-Production Tax Credit (DAVE)

17.5%

Interactive Digital Media Tax Credit

Vancouver Film industry

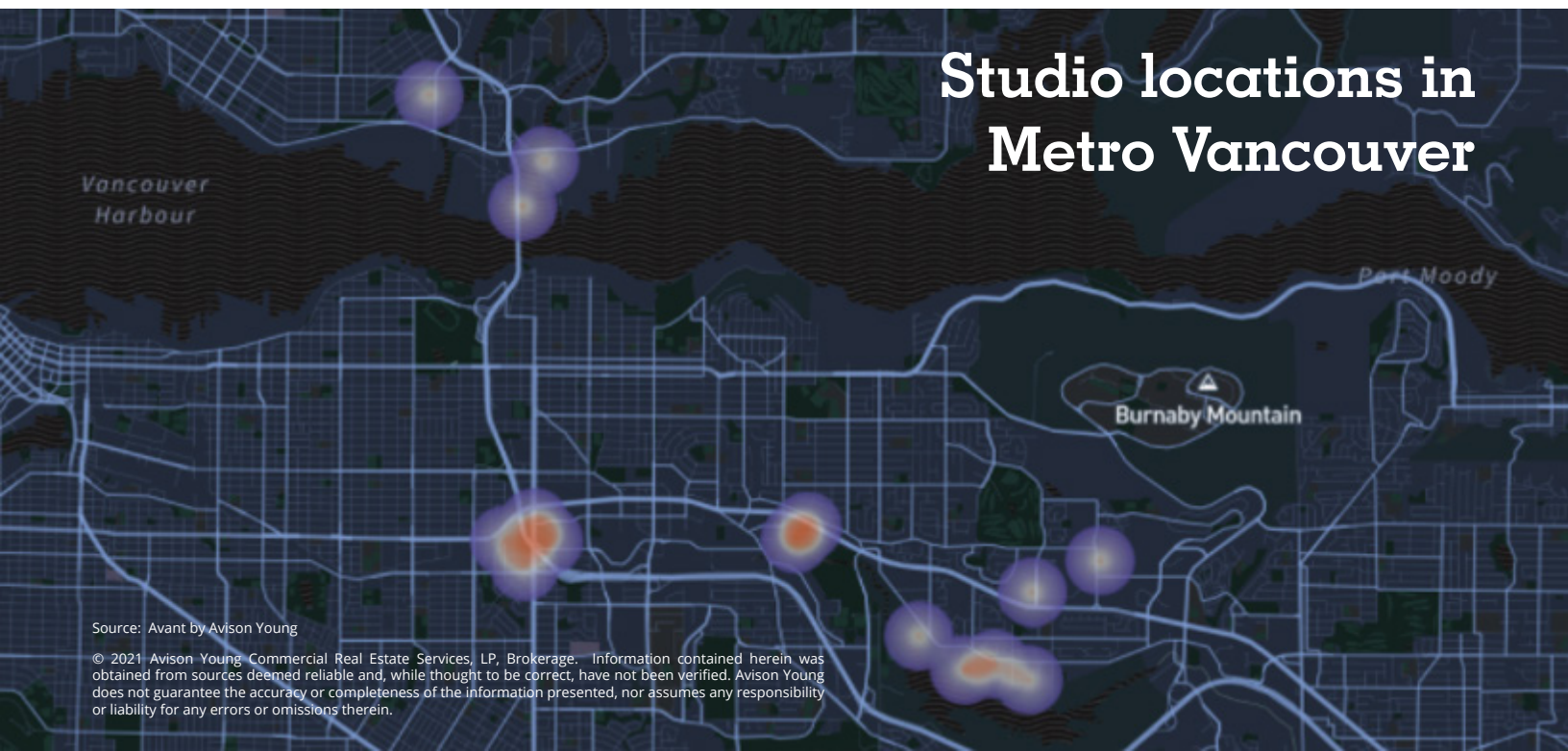
- \$4.1B+ in spending (2019) in B.C. - \$3.1B spent on physical production
- Third-largest production hub in North America, behind Los Angeles and New York City
- Largest production hub in Canada
- Labour pool provides crew depth for 50 simultaneous full-scale productions
- 70,000+ professionals, 250+ service businesses
- Annual average of 400 productions in B.C.
- 40 years' experience in full-service film production
- World's largest VFX and animation cluster with more than 100 companies
- World's second-largest VR/AR ecosystem with 200+ VR/AR companies

Metro Vancouver's largest existing purpose-built production studios

Studio	City	Address	Facility Size (sf)	Owner/Developer
Mammoth Studios	Burnaby	2880 Underhill Ave.	528,856	Bosa Development
Vancouver Film Studios	Vancouver	3500 Cornett Rd.	359,900	McLean Group
Canada Motion Picture Park	Burnaby	8085 Glenwood Dr.	316,800	Canadian Motion Picture Park ULC
Bridge Studios	Burnaby	2400 Boundary Rd.	252,600	Larco Investments
North Shore Studios	North Vancouver	555 Brooksbank Ave.	152,000	Bosa Development

New studio developments on the horizon

- **Martini Film Studios** - Announced at TIFF in 2019, Martini Film Studios has proposed a new 600,000-sf studio complex on a 25-acre site in Langley, a 40-minute drive from downtown Vancouver
- **The City of Burnaby** announced in February 2021 that it is seeking offers to lease or for purchase an undeveloped 17.1-acre site in Burnaby's Big Bend district for development as a film/TV production studio. Offers were still under review in August 2021



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Let's talk

Looking for more information on this report? Contact our research and insight leaders.



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