

INSIGHTS REPORT



ISSUE #5:

IMPACT, GROWTH & CHANGE IN OOH

October 2021

President's Note

Welcome to the final issue of our COMMB Insights for the 2021 calendar year, and what an eventful year it has been. A rollercoaster of emotions as I look back through all that the out-of-home industry has endured from the early onset of 2020 to now the end of 2021. Who would have thought that, despite ever-changing legislation due to the pandemic, we would see such an incredible transformation across our industry? Truly, when faced with adversity, our industry pivoted and provided the necessary support for small businesses, communities, and our colleagues during an important time of need.

In this issue, we compare the calendar month of October to the prior quarter of Q3 to examine the trendline of consumer activity within opportunity to see exposure ranges of outdoor locations and within our place-based venue footprints. Our 2021 wrap-up issue will be ready in early February as we receive November's data in mid-December and December's data in mid-January. We'll compile the results and examine how far we grew as an industry during some of the most challenging months we've ever experienced.

I have to say, I am so proud of the OOH industry in Canada and how we came together to support one another, despite competition, we truly came together as an industry to support one another in times of need. This is something that will certainly stick with me for years to come. The collaboration and innovation that have thrived, the digital transformation, the willingness to adopt new approaches and new technologies – it's been an incredible year.

Canada's OOH marketplace continued to outperform the expected boost during the summer months and into fall, with the move towards 100 percent occupancy driven by the relaxed restrictions across the country, the increase in summer and back-to-school related activity and the rush to in-person events, social activities, and holiday festivities. While some market trajectories leveled

out in October, following this influx of movement back into the market almost all remained on an upward slope, even as cooler weather set in and patio season came to a close.

Now, with nearly every jurisdiction rescinding all or almost all COVID-19 restrictions, workers are acclimating to new routines, and businesses are getting back to full production (as far as the labour situation allows). Canadians are beginning to invest more on home improvements, entertainment, socializing, and other activities they placed on the backburner during the pandemic – a positive trend to economic recovery.

Canadians are buying into the recovery and voting with their wallets, demonstrated by their willingness to take on large debt such as mortgages. [Statistics Canada](#) says, "housing investment has emerged as the predominant contributor to economic activities and to capital stock." That indicates confidence in job stability and income levels.

Jobs, especially, continue to show promise. With more businesses reopening and expanding their capacity, the demand for labour rises. Unlike in some recoveries, federal and provincial governments are working to alleviate worker shortages rather than looking for ways to create jobs.

With many organizational return-to-work strategies in place, we believe consumers are cautiously optimistic, ensuring they follow appropriate protocols to protect themselves and their loved ones, but eager to embark upon holiday shopping, festivities, and New Year's celebrations.

All indicators are green, and we expect more consensus good news in the coming months.



Amanda Dorenberg
President, **COMMB**

Outdoor Canadian Market Overview

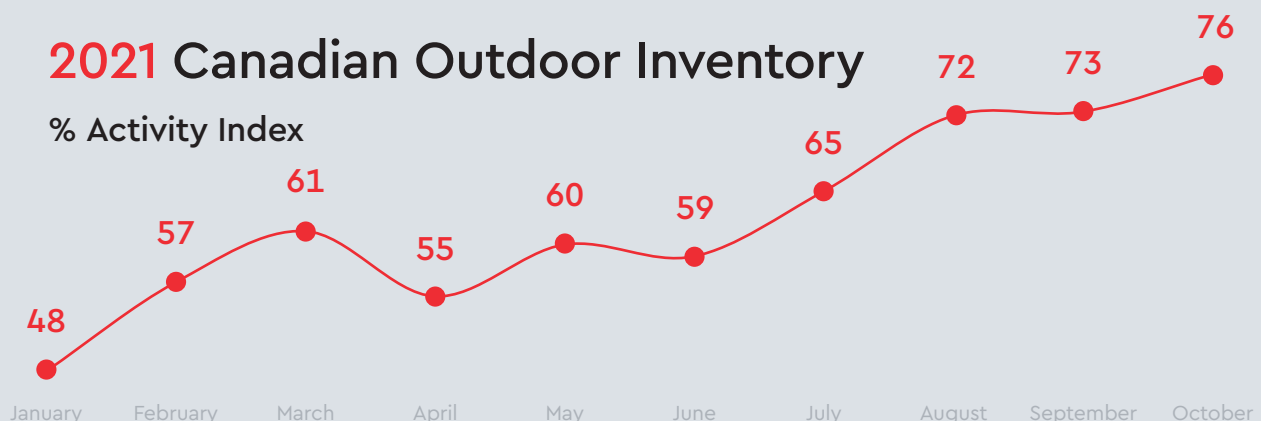
The rapid expansion of economic activity is leveling off, as Canadians for the most part have settled into new normal routines – remote and hybrid work environments, restaurant patronage, concerts, athletic events, and theatre attendance, etc. It is natural, and even encouraging, that activity is plateauing in several markets.

Recreational and business travel has not yet peaked, however people are on the roads running errands, commuting for work, taking kids to and from school and sports practice, dining out, and keeping appointments with doctors, lawyers, mechanics, and other professional service providers. It is an exciting time to be out-and-about, enjoying the festivities of the holiday season with friends and loved ones.

The activity index for Canada (below) shows the trend towards 2019 benchmarks continues steadily onward, with citizens getting out in October more than in any of the previous months of 2021. As expected, October once again provided a bridge period, a lull between the active summer vacation period and the frenzy that marks the holiday season. As such, we didn't expect a sudden surge in activity; we did anticipate a continued increase, and that's exactly what we observed.

2021 Canadian Outdoor Inventory

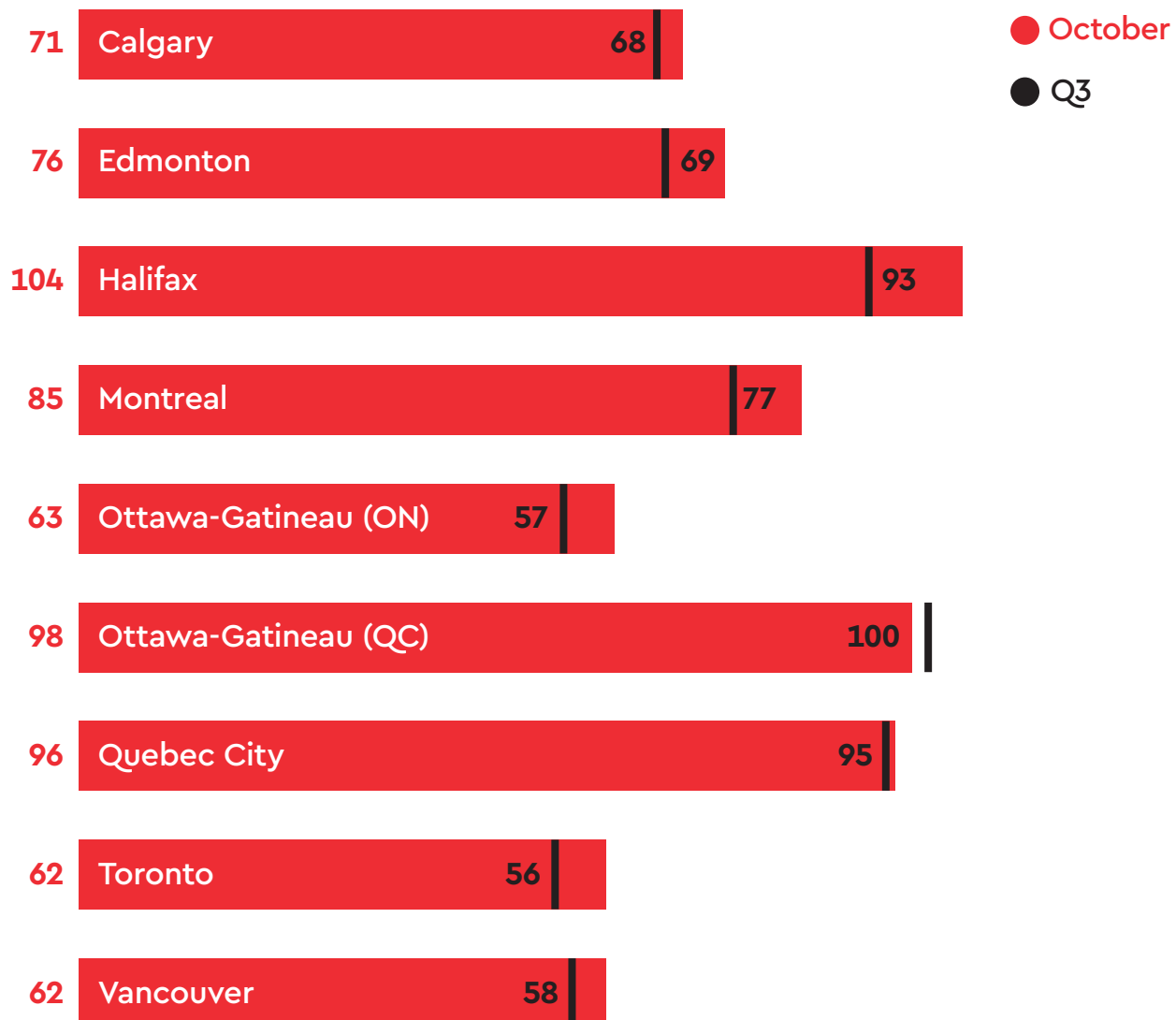
% Activity Index



The last report highlighted the tremendous growth from Q2 to Q3 to show the impact of the various reopenings and relaxation of COVID-related restrictions that occurred between the early summer months and the tail end of that season. The chart below compares October's values to those of Q3, showing the continued growth from the end-of-summer into the fall months. Virtually every market chalked up moderate to outstanding gains.

Market Overview – Outdoor

Activity Index vs Pre-COVID | October vs Q3

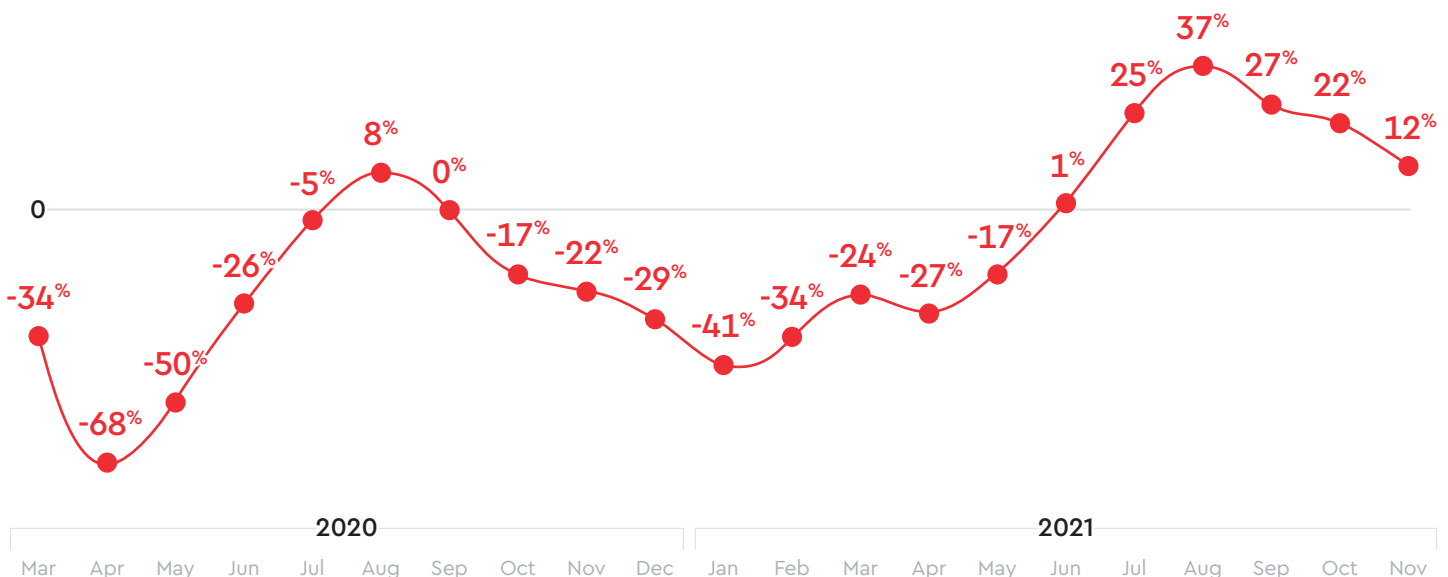


Halifax led the way, not only jumping 11 points from the Q3 standard but surpassing the city's pre-COVID performance, with the activity index pushing above 100. Ontario and British Columbia notched respectable gains as well and appear poised to make even greater strides in the coming months. These areas were among the most cautious in implementing and lifting COVID restrictions, leaving them with a bit of ground to make up in comparison to other areas. However, certainly trending positively, with immense potential as the two provinces with the largest international travel hubs.

Only Quebec City and Ottawa (QC) remained relatively steady, understandably, since both markets have shown steady recovery from early in 2021 and continue to remain steady.

An examination of country-level data produced by [Waze](#) (below) provides a window into how mobility among folks in Canada changed between March 2020 and current trends. While the graph below indicates the stark declines that took place in April 2020 (and to some extent during one of the waves in Q4 2020/Q1 2021, it currently shows that Canadians are continuing to enjoy longer drives and took advantage of the late summer months to get outside.

Average % Change in Waze KMs Driven

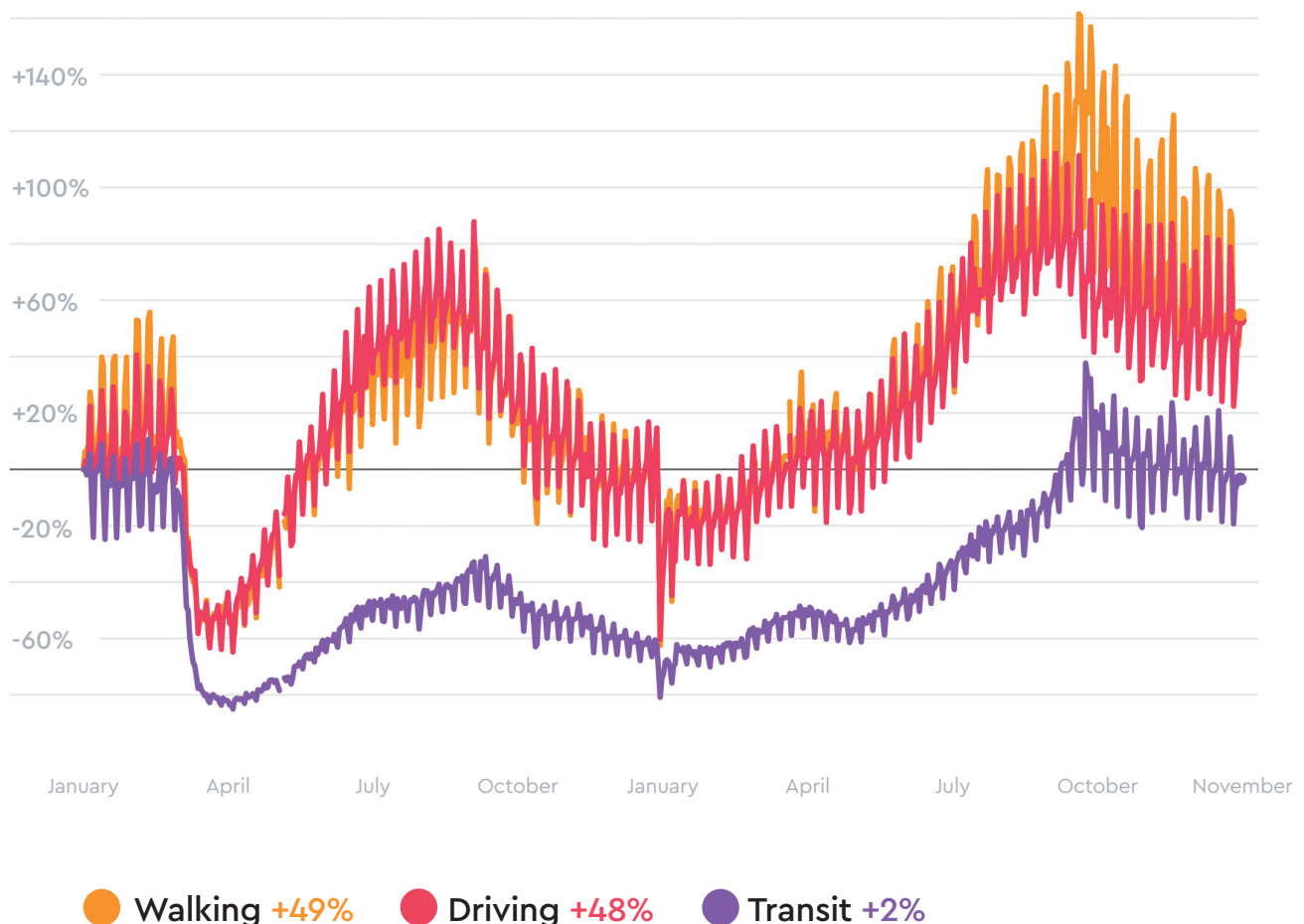


The results are significantly above baseline during the summer months of July and August, indicating that many consumers were enjoying some much needed summer vacation time with loved ones and continuing to trend above baseline throughout the beginning of Q4 2021, despite the colder temperatures. According to Waze data, Canadians last month still averaged 22 percent more kilometers driven as compared to the pre-pandemic baseline.

Apple's mobility trends confirm the Waze insights. [Apple's data](#) (below) paint a very similar picture to the Waze pattern above. Apple tracks volume of routing requests by mode of transportation and shows an increase in all modes through 2021.

Mobility Trends

Change in routing requests since January 13, 2020



Western & Central Canada Update

Alberta

Calgary and Edmonton posted three-point and seven-point gains, respectively, in October compared to Q3 to baseline, and with the [legislature](#) focused on creating jobs and spurring other economic activity, a continued recovery is underway. Alberta, one of the most aggressive provinces to reduce restrictions throughout the onset of the pandemic, has made great progress, however Alberta's economy is not expected to [fully recover](#) until the middle of 2022. Fortunately for the OOH industry, despite this fact, people are still out and about with more public events and greater mobility spreading enthusiasm for the OOH market and the economy in general. Every one of the product groups associated with the OOH activity index increased in both markets, with the largest increase observed in outdoor digital (+6 points) and street furniture (+8 points) in Calgary and Edmonton, respectively.

Calgary Product Groups

Activity Index | October vs Q3



Edmonton Product Groups

Activity Index | October vs Q3



Arena concerts are back in Calgary. Prominent country star [Eric Church](#) wowed at the Calgary Saddledome in October, something no other artist has done since Old Dominion closed out the pre-COVID era in February 2020 more than 20 months ago. The next act in the Saddledome (the Arkells) is slated for February 4, but there are plenty of acts on tap in smaller venues around the city that will surely draw music fans back to the scene.

Other time-specific and cultural events have also made a return to the region, assisting the continued drive towards baseline.

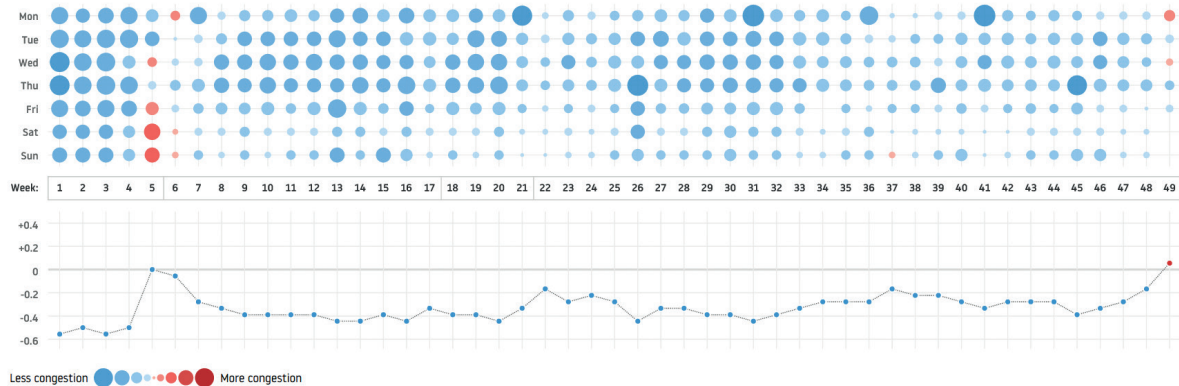
[Halloween 2021](#) made a huge return with 70+ ghost walks, pumpkin carving demonstrations, haunted houses, and fall carnivals scattered throughout the month of October.

The 35th annual [Edmonton International Film Festival](#) returned between October 1 and 10. Despite an imposed capacity limit of 50 percent, the festival permitted two showings of each film to accommodate cinephiles and was a huge success; it's exciting to see cultural events returning to our beloved neighbourhoods.

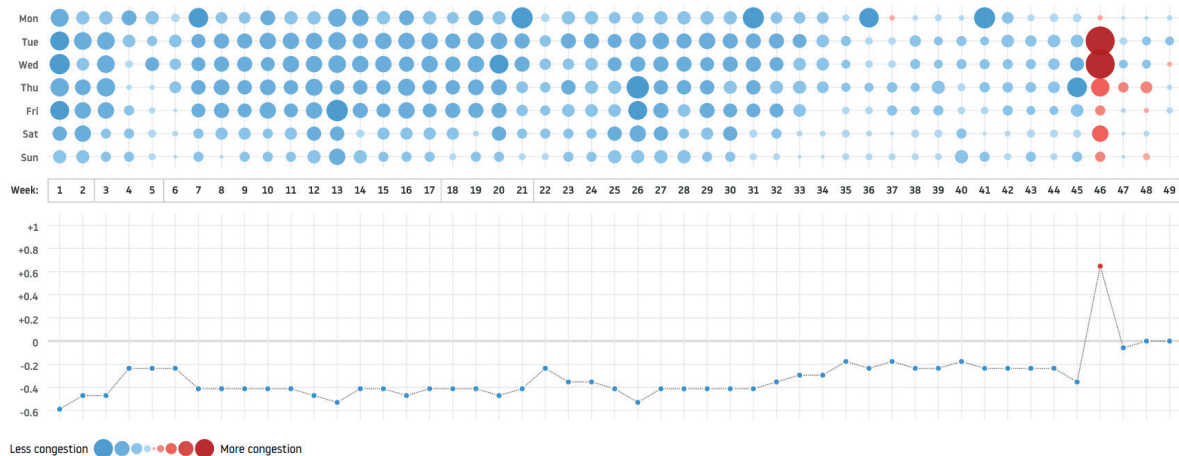
Traffic congestion in both [Calgary](#) and [Edmonton](#) is also picking up. Data published by Tomtom (below) compares daily and weekly congestion levels to those of 2019. An interesting observation is that in both markets, congestion rose as the year progressed, with some fluctuations and a few anomalies from week to week. However, the overall trend towards

baseline conditions is clearly observable. Congestion appears higher on Fridays, Saturdays and Sundays, which could reflect the newly adopted hybrid work-from-home initiatives.

Calgary Traffic | Difference from 2019



Edmonton Traffic | Difference from 2019



British Columbia

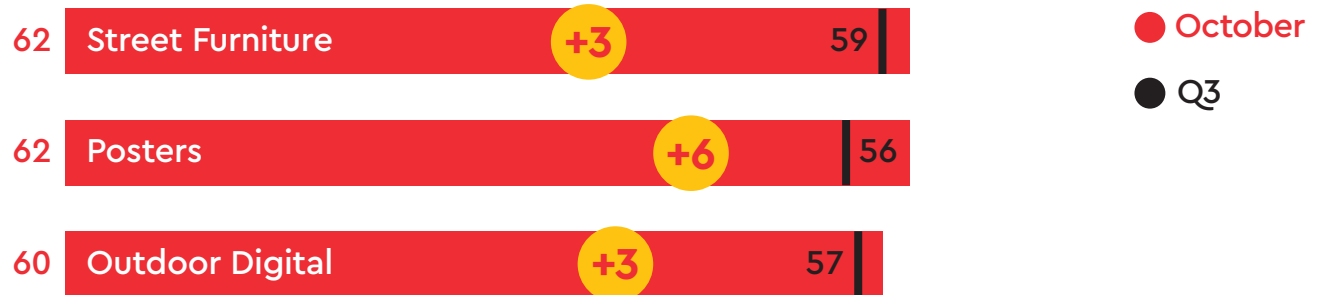
Smaller gains were the norm in Vancouver, as many pandemic restrictions remained in place until the final week of the month. Still, all OOH media experienced similar gains, indicating continued strength across the industry.

With sporting events, movies, weddings, parties and funerals permitted to operate at 100 percent capacity as of October 24, we expect a more pronounced jump in November and beyond, particularly with the festivities of the holiday season.

"There's nothing like the energy and excitement that fans bring to Canucks games and live events," said [Michael Doyle](#), President & CSE Business Operations of the Canucks organization. "We are thrilled to again be able to operate at full capacity."

Vancouver Product Groups

Activity Index | October vs Q3



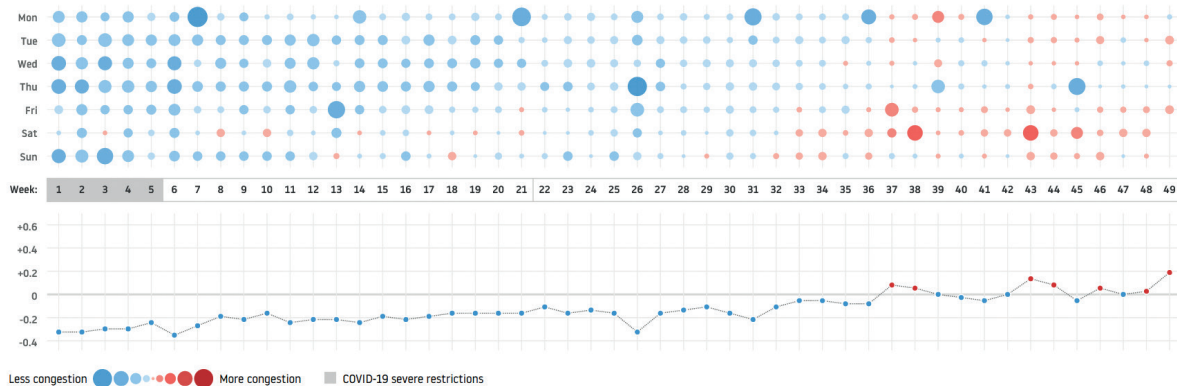
Canada is known as one of the most multicultural countries in the world, so it's no surprise that [Diwali Fest](#) made a welcome return to the Vancouver market. An annual South Asian arts and culture festival with the vision of breaking cultural barriers and celebrating the spirit of Diwali across the Greater Vancouver lower mainland. It was the perfect opportunity for people to get out and build a sense of community, to connect with one another again, in-person.

Festivals like this will be instrumental in BC's economic viability because it is reliant on tourism for much of its gross domestic product. To illustrate, in 2019 the province's travel industry generated [\\$9 billion](#) in revenue.

[Congestion](#) in Vancouver has also picked up, but there's a much more balanced distribution between weekdays and weekends. While weekends are busier, in general, it just seems that congestion in the market is on the rise. Domestic highway and road travel should continue

to increase as businesses seek local sources for raw materials and local markets for finished goods as a bulwark against international supply chain bottlenecks.

Vancouver Traffic | Difference from 2019



Eastern Canada Update

Atlantic

Halifax continued its strong growth with a 12-point gain, eclipsing the 2019 baseline by four points. Surpassing pre-COVID numbers is a proud milestone, which the market and the out-of-home industry should be celebrating! Residents are back at work, with unemployment down to a manageable 6 percent, well off the pandemic-driven high and significantly better than last October's 8 percent.

Retail sales in September are up more than 13 percent during the past 12 months and are expected to continue to increase over the holiday shopping season. Various economic sectors in the Halifax market are experiencing increases in economic contribution with a rise in total employment rates by industry, being led, not surprisingly with the influx of online shopping, by transport and warehousing up +47.7 percent since November 2019. Closely following this sector is the professional, scientific, and technical employment rising an incredible +46.1 percent since November 2019.

The citizens and visitors to Nova Scotia are also definitely eager to get back to face-to-face events, and the Halifax Convention Centre is working to facilitate them by hosting more than 50 events throughout Q4 2021. Some of the conventions, like the Canadian Defence, Security & Aerospace Exhibition, drew more than 1,200 aerospace professionals from across Canada.

Halifax Product Groups

Activity Index | October vs Q3



"It was amazing to get back to meeting in person after two long years of waiting. The professional, experienced team at the Halifax Convention Centre helped us create a safe, engaging event, and our attendees are still talking about how great it was to be back together," noted Regina Lee, professor, York University, and member of the Association of Korean-Canadian Scientists and Engineers Convention organizing committee.

Other events, such as the Off the Eaten Path, the Asian Food Festival, sought to bring people out of their homes and back to restaurants with specially priced menu items, as well as to the Halifax Waterfront with a food carnival.

Ontario

Healthy gains of about seven points across the board marked all OOH product groups in both Toronto and Ottawa. That should continue, with the province's real GDP growing 6.7 percent for 2021 and another healthy projected increase of 4.1 percent in 2022. In even better news, much of that growth will come in the form of consumer spending, as Ontarians catch up on purchases they put off during the outbreak and spend a bit more freely with employment uncertainty on the wane.

Also boding well for OOH and marketing as a whole, Ontario tourism jumped in August, the most recent statistics available show 237,599 non-resident tourists

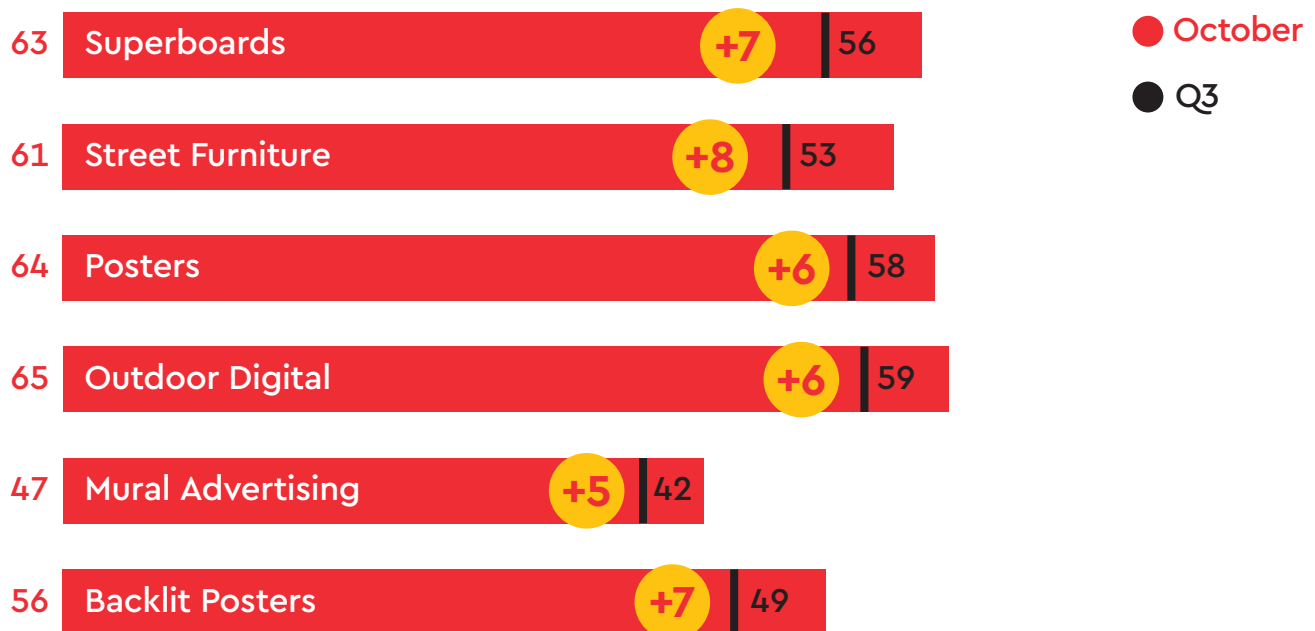
visiting the province directly (that is, entering Canada via Ontario). August was when the nation reopened to fully vaccinated Americans; 178,601 vehicles crossed the border in August. Approximately 40 percent of the 464,402 total from May to August, suggesting a disproportionate increase in August compared to vehicle crossings by month if they followed consistent, uniform month-to-month trends.

While the indexes aren't roaring in double digit growth like earlier in the pandemic, Toronto still made a strong push from Q3 into October.

Ontario's leaders have expressed optimism that the economic recovery is in full swing. The government recently announced that it anticipates no cuts to services or entitlements nor tax increases to ensure the province's bounceback. Instead, the pandemic deficit is significantly smaller than originally forecast, and revenue and commercial growth will be sufficient to fuel the recovery and even allow for additional spending on infrastructure, including roads and internet access. That bodes well for the OOH market because it will not only accommodate additional or improved driving routes but also make data, analytics, and forecasting more reliable.

Toronto Product Groups

Activity Index | October vs Q3

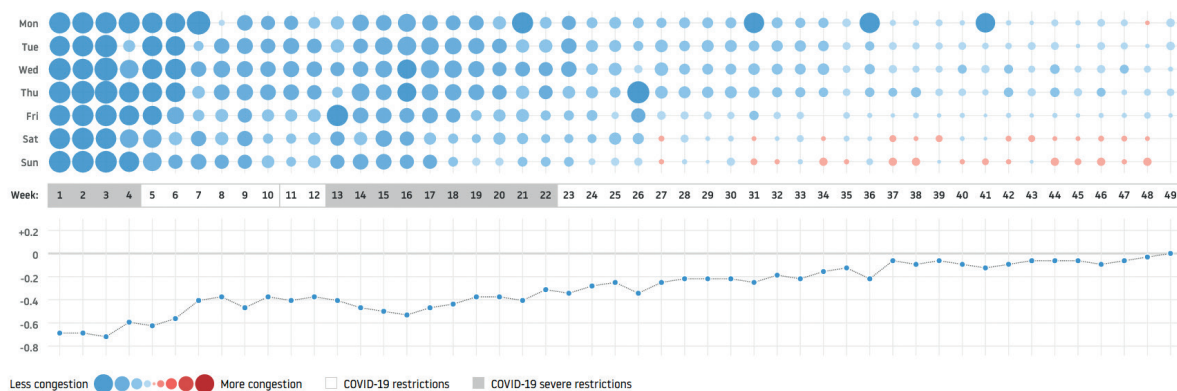


Tourism businesses will receive support from the Ontario Tourism Recovery Program to stabilize the industry and encourage growth. The \$100 million investment is destined for for-profit tourism businesses that were forced to fully or partially shut down during the pandemic. Hospitality, attraction, and transportation businesses can use a good portion of the grant money to put towards their reopening and direct clientele to their operations through OOH marketing initiatives, especially as domestic and U.S. travelers become more comfortable with renewed tourism excursions.

One of the biggest Halloween events in Toronto has always been the [Halloween Haunt](#) at Canada's Wonderland. In an effort to maintain safety while still bringing the scares, guests explored 11 outdoor "scare zones" and were permitted to get their thrills on all the usual rides. It speaks volumes as to how adaptable people (both organizers and guests) have become in regard to enjoying their favourite traditions.

TomTom's congestion indicator is, arguably, at its highest in [Toronto](#). Looking at the image below, the most recent weeks have seen near pre-pandemic levels of congestion, especially on the weekends.

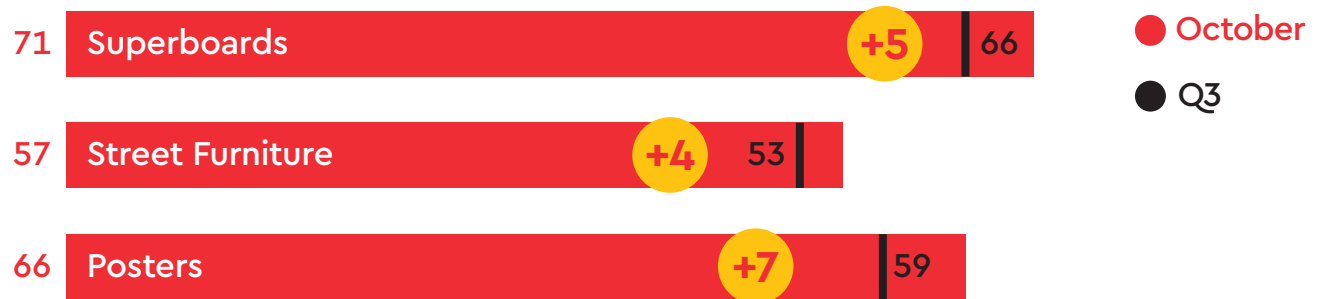
Toronto Traffic | Difference from 2019



As the nation's capital, it's no surprise that Ottawa is host to many multi-cultural events and festivities. One exciting event was the [Day of the Dead Festival](#), a Mexican tradition that brought music, dance, and the sweet smell of pastries to the Byward Market. "I am so happy to be here and to be part of it because it gives me a sense of community," remarked Gabriela Lopez, mistress of ceremonies. Being at the heart of Ottawa is like we can get together."

Ottawa (ON) Product Groups

Activity Index | October vs Q3

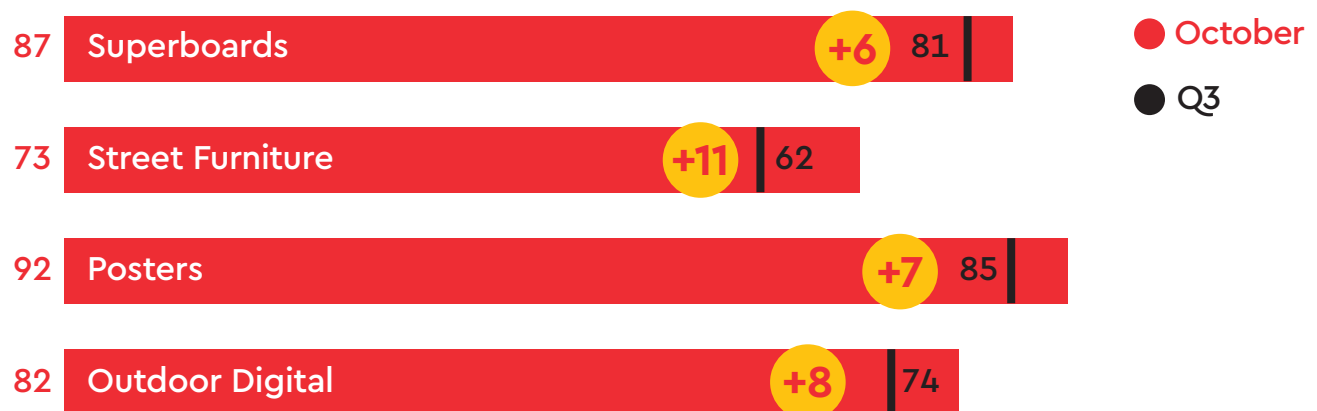


Quebec

Quebec City, which entered October at or near 90 percent of 2019 OOH product group activity, did not have much room for improvement. As such, it posted moderate growth, inching closer to the 2019 baseline. Montreal, however, which has progressed nicely through Q3, surged to an index of 85 from a Q3 index of 77. Street furniture, which was lagging other categories, led the way with an astounding 11-point gain to 73 on the activity index.

Montreal Product Groups

Activity Index | October vs Q3

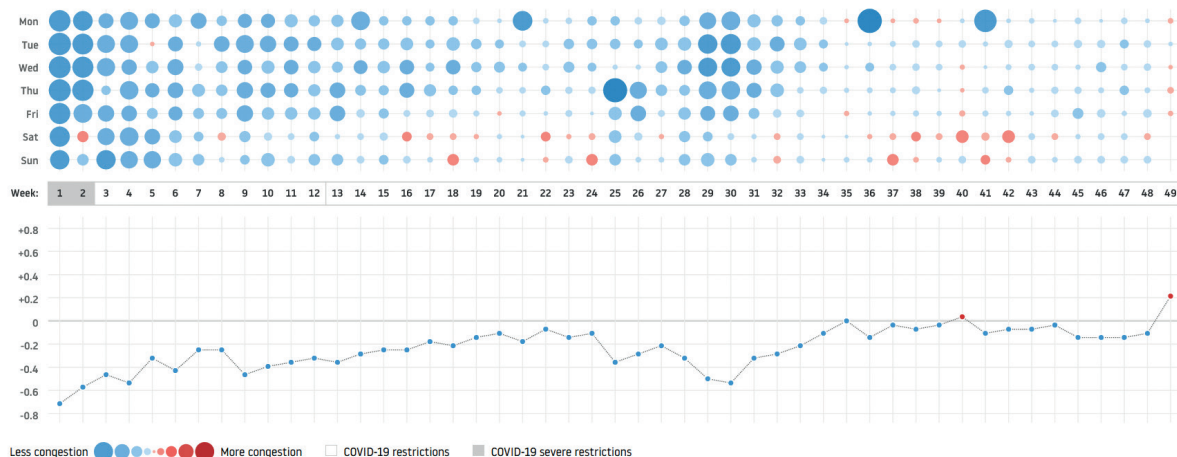


Urban OOH locations should see increased visibility and traffic in the medium and long term as residents seem eager to move back to city cores. The [Montreal City Centre Report](#) lists sales and prices of new and existing condos in the downtown corridor on the increase, with new condo construction up by 65 percent and rental housing up by 53 percent. The return of university students to downtown augments this turn towards greater saturation.

Autumn is festival season in Montreal, with [events](#) like Montreal Beer Fest and the 50th annual Festival du nouveau cinéma (New Cinema Festival) drawing people into the streets. Of course, it wouldn't be Montreal without music. Headliners like deadmau5, Ricky Martin, and Enrique Iglesias made grand returns and brought out the crowds.

The [congestion index](#) from TomTom paints a similar picture to that of Toronto and Vancouver. As the year has progressed, the roads have steadily become busier. Weekends continue the pattern and are especially busy.

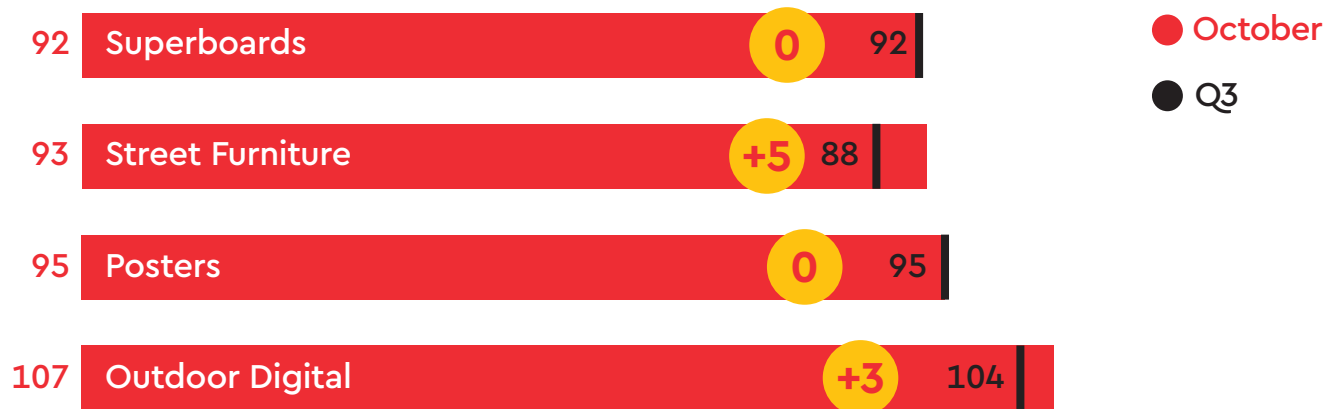
Montreal Traffic | Difference from 2019



Conventions are thriving in Quebec City, as well. The Quebec City [ComicCon](#) returned with guest stars such as Georges St-Pierre in attendance, more than 100 exhibitor booths, and more than 54,000 square feet of shopping.

Quebec City Product Groups

Activity Index | October vs Q3



Tourism in Quebec City is on the rise, as well. While October data is not yet available, [September](#) saw 197 percent more airport passengers compared to 2020. If that's any indication, it shows that people are still very much interested in flying to see that beautiful city when given the chance.

Quebec Airport

	September 2021	Total 2021
Passenger growth index	↗ +196,5%	↘ -70,5%
Domestic flights	↗ +193,0%	↘ -45,1%
International flights	-	↘ -99,6%

Hotel Statistics

	September 2021	Total 2021
Number of available rooms	354,537 rooms ↗ +8,0%	354,537 rooms ↗ +11,2%
Number of rented rooms	176 806 rooms ↗ +48,2%	176 806 rooms ↗ +9,4%
Average daily rate	176,63 \$ ↗ +35,3%	176,63 \$ ↗ +18,2%
Revenue per available unit	88,08 \$ ↗ +85,6%	88,08 \$ ↗ +16,3%
Total hotel revenue	31 229 216 \$ ↗ +100,5%	31 229 216 \$ ↗ +29,3%

Place-Based

Only something as pervasive and devastating as the pandemic could keep Canadians away from such ingrained activities as hockey, theatre, music, and friendly get-togethers. So, perhaps the reopening of youth hockey rinks and the return to competition from Mites to the NHL represent the final indicator that Canada has overcome the challenge and is ready to retake its place on the world economic stage.

Some cities and provinces returned to full commerce and less-restrictive precautions later than others. As a result, their place-based OOH use and other economic indicators may lag slightly. But as we have seen from the performance of more aggressive regions, it does not take much for the population to regain its taste for gathering, dining out, shopping in person, and enjoying the multitude of visual, musical, and performance art available in Canada.

With all areas now operating at more or less full capacity, we expect all jurisdictions to move forward not only to equalling the 2019 baseline, but to make up for lost time and missed opportunities to generate revenues and expand everyone's quality of life. Particularly as we enter the holiday season, in-person festivities, celebrations, and gatherings are ramping up, so we expect to see an increase in activity throughout the duration of the 2021 calendar year.

Campus/Arena

For two networks that were for the most part completely shut down during the earlier portions of the year, the campus and arena networks in Canada have rebounded tremendously. From Q3, the networks have seen an average increase of +13 points into October.

A [research poll](#) of 1,203 Canadian students by KPMG provided some insight into the minds of students and their perspectives on post-secondary education in 2021. The top line? Students want to be back in school. Socialization is a huge part of the educational experience, whether it's collaboration in class or team building through sports. While there's still some hesitancy, especially around shared campus residences, the overall sentiment is a desire to get back on campus.

78% of post-secondary students agree the pandemic has "fundamentally changed" their expectations of their higher education experience.

76% believe the university of the future will bear little resemblance to today's educational institutions.

88% want the post-secondary institution experience (e.g., registration, payment, course materials, etc.) to be digitally accessible online or via mobile phone, saying it should be "really easy to use and straightforward."

71% called campus life important to them and were looking forward to returning to in-person classes.

65% intend to play varsity sports and participate in clubs and events even though they acknowledge catching the COVID virus remains a risk.

The interest is not just domestic, either. Canada's education system is arguably one of the best in the world, with many fantastic post-secondary schools for people to attend. Students around the world know this and, in a [recent survey](#) from IDP Connect, 39 percent rated Canada as their top choice for post-secondary studies.

So how are schools [responding](#)? This fall, 51.6 percent of post-secondary schools in Canada are delivering programs in-person, while 41.2 percent are continuing with a hybrid model. Only 4.6 percent are planning to offer courses predominantly, if not entirely, online. Comparatively, in September 2020, just 4 percent of schools planned to offer in-person, 40 percent hybrid, and 53 percent completely virtual. More than 1.4 million domestic students enrolled in Canadian universities in 2021, representing 2 percent overall growth (more than 22,000 additional students). This is consistent with the rate of growth during the past five years.

Arenas are a staple of Canadian society. That's apparent by just how many there are in the country compared to others: 2,860 indoor and 5,000 outdoor, as compared to the 2,050 total in the United States.

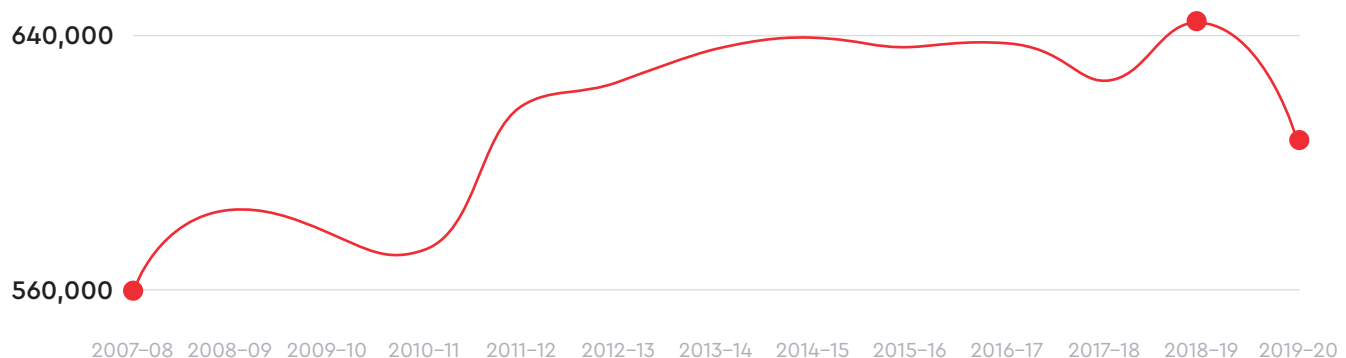
Countries by number of ice hockey rinks in 2019/20

	Indoor	Outdoor
Canada	2,860	5,000
United States	1,541	500
China	887	300
Russia	790	6,012
Sweden	365	34
Finland	284	69
Germany	218	45
Czechia	196	13

Rinks coming back means the world not just to kids, but adults, as well. Community skating, lacrosse, hockey, and curling are just some of the various activities these facilities host, and their impact spans generations.

In the 2018–19 season, registered hockey players reached an all-time high of over 640,000. We saw a massive dip the following season due to arena closures and season cancellations. However, with the reopening, there are plenty of reasons to be optimistic about seeing people return to the rinks, either to play or to watch their kids compete.

Number of registered hockey players in Canada from 2007 to 2020



According to the Ontario Minor Hockey Association, 80 percent of players in a 3,000-person survey said they used hockey to “reduce feelings of isolation, their stress level and anxiety.” The organization also said close to 80 percent of respondents plan on returning to the game when arenas open back up in the fall.

“Hockey is as Canadian as maple syrup. It’s in our blood.” OMHA Executive Director [Ian Taylor said](#).

Summary

All signs point to a happy holiday season with active advertisers leveraging OOH as a powerful medium, as all OOH environments and product groups in just about every jurisdiction continue to post solid gains. Canadians are driving more locally as they patronize neighborhood businesses, and longer distances as they satisfy pent-up urges to travel domestically. This means increased congestion both in urban cores and on major commuter thoroughfares and inter-provincial highways. International visitation is up as well, with fewer restrictions on entry into Canada.

Professional and university sports, music concerts, holiday festivals, movie theatres, and other entertainment venues are welcoming more people, and organizations of all types will be eager to promote their products and services with OOH advertising.

While inflation remains a concern, provincial deficits seem to be under control, freeing more money for relief and recovery. All in all, we see no reason to doubt that Canada’s economy and the OOH industry will keep climbing higher.

We are anticipating the closeout issue of our COMMB Insights recapping 2021 to tell a strong story for Q4 overall performance and are predicting a powerful Q1-2022 return to OOH as most organizations and businesses enact a minimum three day in-person work schedule.

The COMMB team is wishing all of our readers a very happy and safe holiday season, and a wonderful and prosperous New Year.

Thank You!



↙ Get in touch!

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