York Region

Office of the Chief Administrative Officer

MEMORANDUM

TO:	Members of Planning and Economic Development Committee
FROM:	Dino Basso, Executive Director, Office of the Chief Administrative Officer
DATE:	February 1, 2012
RE:	**Economic Indicators Update**

I am pleased to provide the most current York Region Economic Indicators prepared by the Economic Strategy Branch. The memorandum and accompanying presentation provides insight into the state of the York Region economy and how this relates to the directions of the global, national and provincial economies

Overall, the indicators continue to point to positive growth in the York Region economy. York Region's economic indicators continue to follow or exceed the federal and provincial recovery trends. As noted in the accompanying table, the Region continues to show solid employment gains through the year and strong year over year gains in the housing market. A slight dip in the total value of building permits over the same period in 2010 can be attributed to the significant rise in permit applications in late 2010 related to pending development charge rate increases.

York Region Key Indicator Highlights:

In December 2011, the total number of job postings was 3,325
⬆ 12% increase from the same period last year

In December 2011, York Region home re-sales reached 827 units
⬆ 8% increase from the same period last year

In November 2011, the total preliminary value of building permits reached $289 million
⬇ 2% decrease from the same period last year

This continued strength in the York Region economy may be attributed to a number of factors including:

- Flight of investment to 'safe' economic jurisdictions like Canada and York Region; as the global financial situation remains volatile, particularly in the European Union, investors are looking to sound, economically diverse locations to invest

- Recent Strengthening in the U.S. economic performance; Canada and York Region business rely to a great degree on exports to the U.S. and benefit from increased activity there

Finally, US Oil Prices on the week of December 23, 2011 reached $97.75 per barrel, still well below the 2008 peak of $142.52 per barrel set on July 4, 2008, and just below the psychological $100 per barrel mark. Stability in oil prices is important for York Region, as for every one cent increase in the price of oil Regional operations take on an additional cost of roughly $230,000 CAD.

If you require additional information, please contact Doug Lindeblom, Director, Economic Strategy Branch at 905-830-4444 x 1503.

Dino Basso
Executive Director, Office of the Chief Administrative Officer

Economic Indicators

Presentation to
Planning and Economic Development Committee

Doug Lindeblom,
Director, Economic Strategy

February 1, 2012

Key Highlights

Global Outlook

- Global growth continues to follow a positive recovery trend
- Volatility in Europe persists which could negatively impact all economies

US Outlook

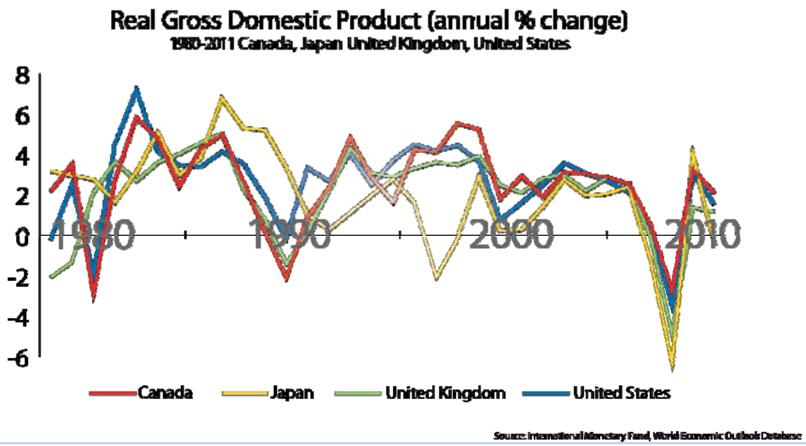
- US continues to show slow steady recovery, boding well for the Canadian economy including York Region

Regional Outlook

- York Region continues to help lead steady economic performance both nationally and provincially

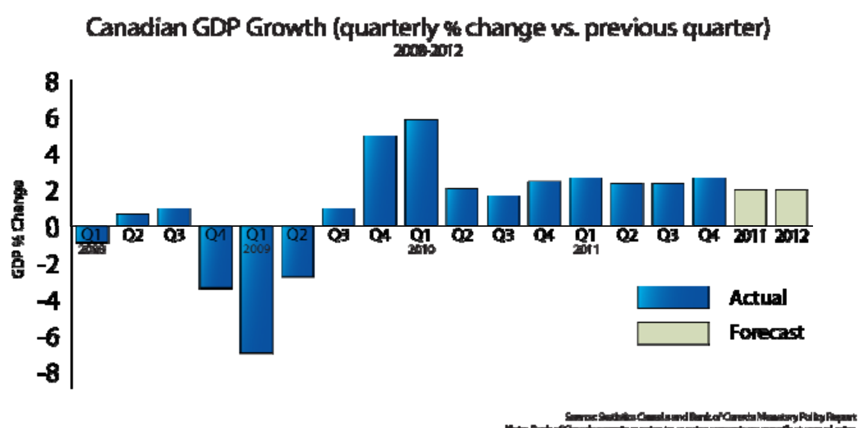
Global GDP: Canada, Japan, UK, US

Global recovery is slow; Regional GDP growth is strongly related



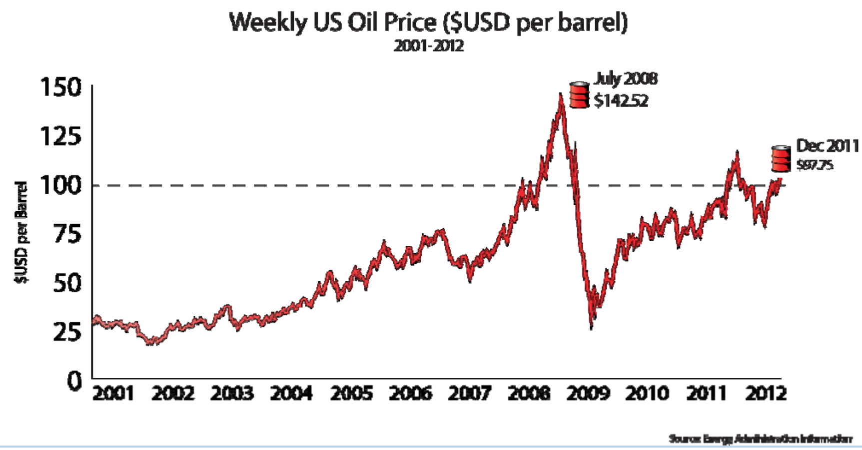
Bank of Canada GDP Forecasts

Achieving forecasts dependent upon Global performance



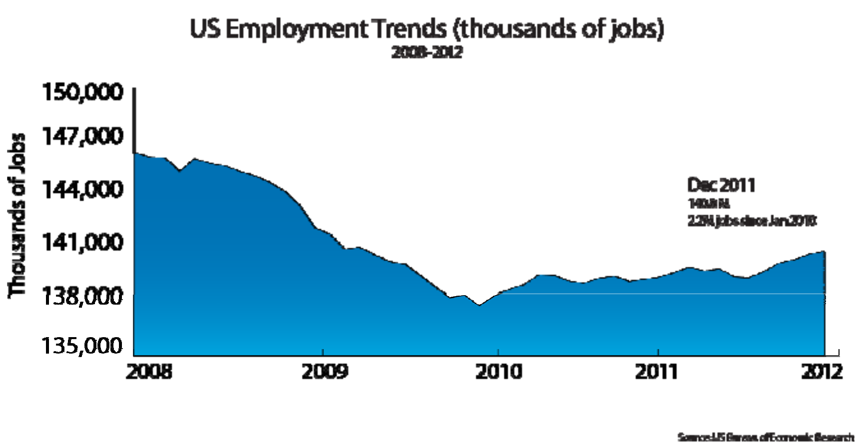
US Oil Prices

Oil prices impact Regional operation costs significantly



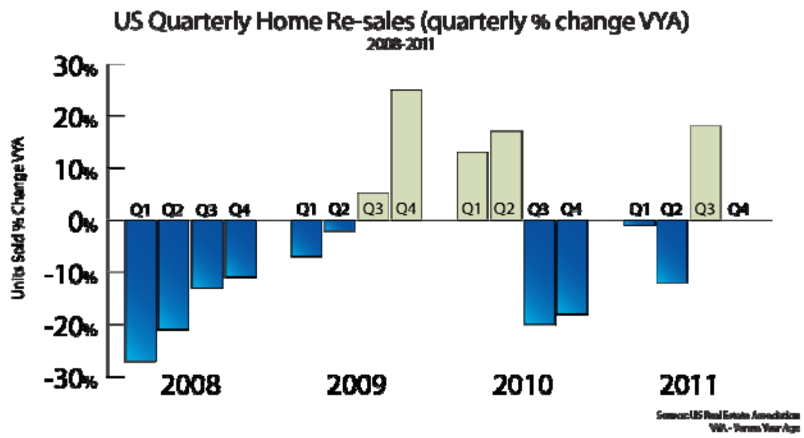
US Employment Trends

U.S. continues to show slow steady progress in job creation



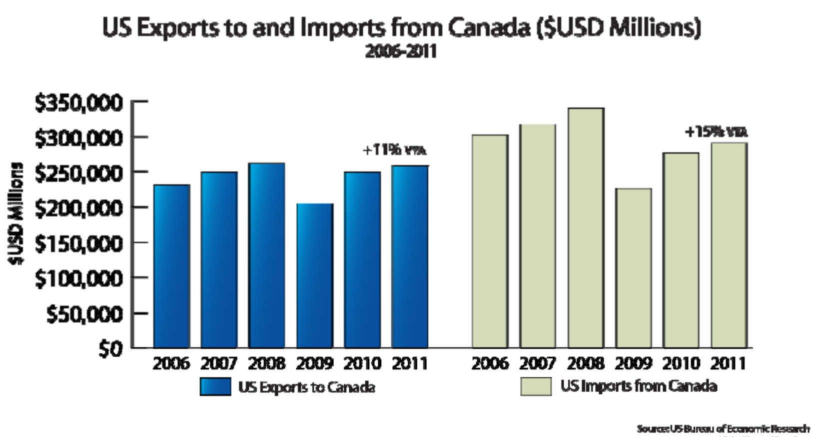
US Home Re-sales

U.S. home re-sales show first positive signs since early 2010



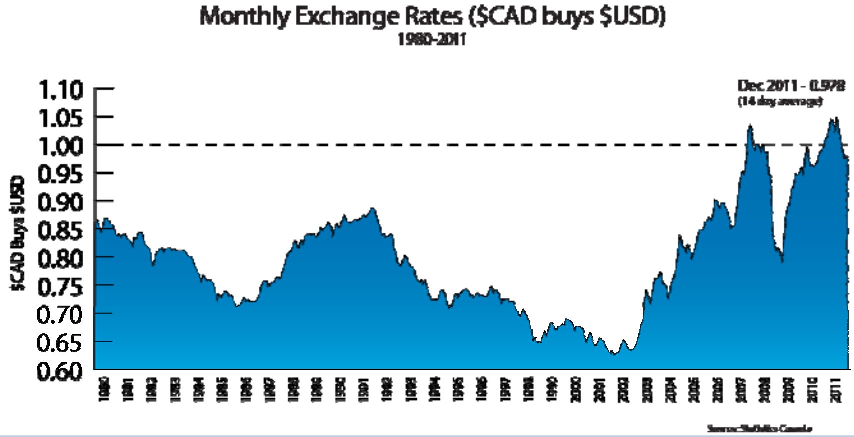
US / Canada Trade

Regional businesses trade heavily with U.S.; benefitting from increases in activity



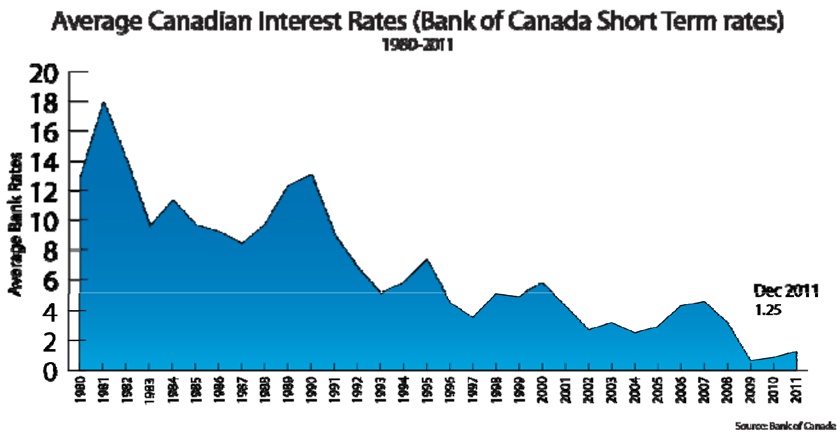
Canada / US Exchange Rates

$CAD continues at or near parity through 2011; supporting trade with US



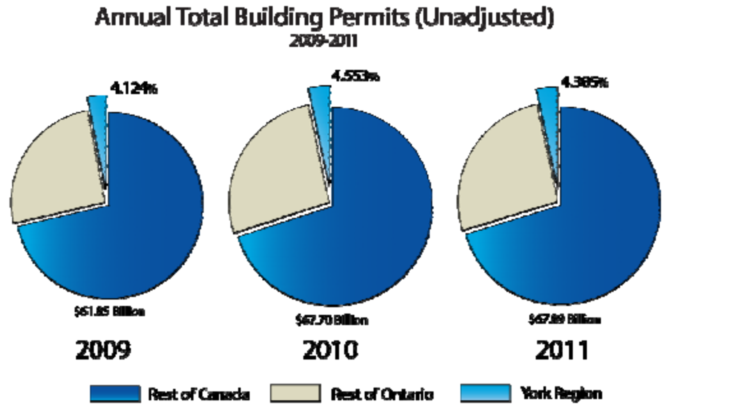
Canadian Interest Rates

Interest rates expected to remain at historic lows through 2012

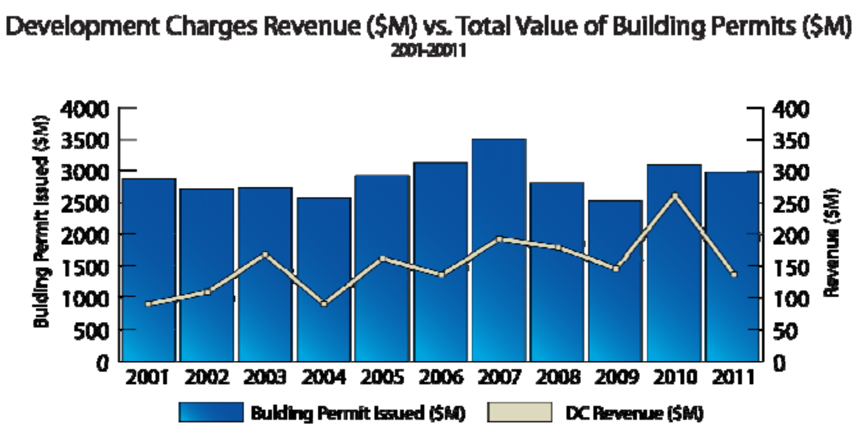


National, Ontario & Regional Building Permit Value

York Region is a leader in construction value both nationally and provincially

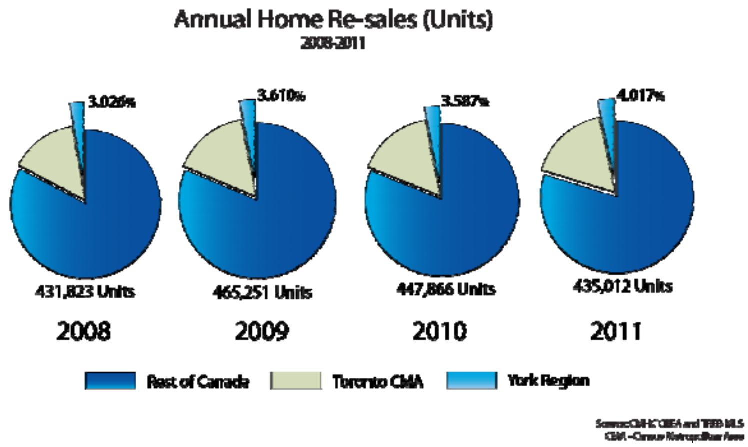


York Region Building Permit Value and Development Charges

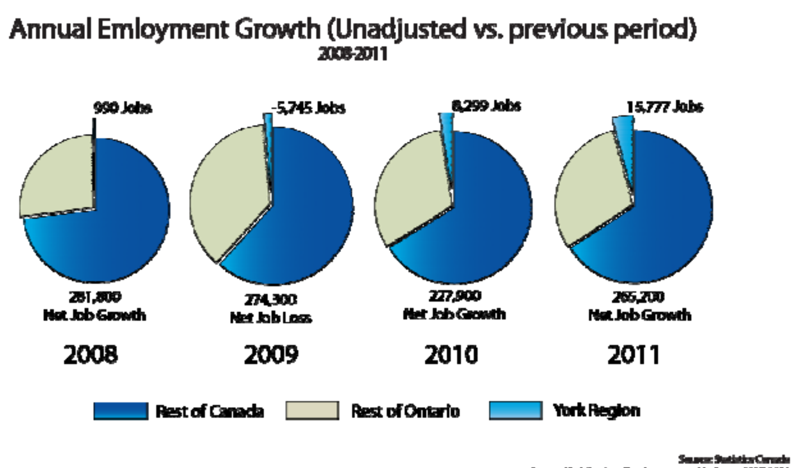


National, Toronto and York Region Home Re-sales

York Region is commanding an increasing share of home re-sale activity

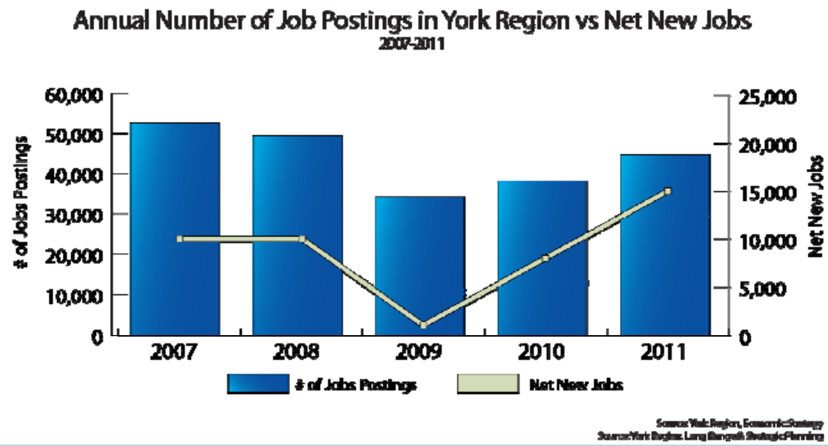


National & Ontario Employment Growth



York Region Advertised Job Postings

Job postings especially in high value sectors were strong through 2011



Summary

- Overall, the indicators continue to point to positive growth in the York Region economy
- York Region's economic indicators continue to follow or exceed the federal and provincial recovery trends – York Region is a leader in economic growth