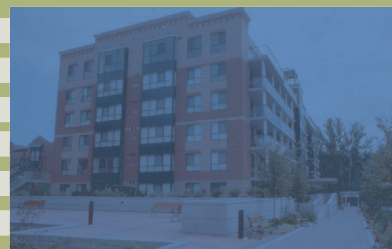




2004

HOUSING and our ECONOMY

Remaining Competitive



Executive Summary

Executive Summary

Introduction:

The Economic Vitality Goal in York Region's Official Plan is "To create a competitive and adaptable economic environment that encourages investment and a diversity of employment opportunities." The Region's Official Plan acknowledges that in order to encourage and accommodate future economic activities, a supply of a wide range of housing opportunities is required.

Community Services and Housing and Planning and Development Services Department staff have embarked on a variety of recent initiatives to determine the relationship between housing and labour markets. "A Competitive Assessment of York Region" report emphasized that transit, housing and skilled workforce are three key drivers that are of major importance in retaining the Region's economic competitiveness. The anecdotal evidence collected during the 2000 and 2004 Employer Opinion Surveys indicate that housing and transit affect the ability of York Region's employers to retain and attract employees.

One of the central issues arising from these initiatives is the need to better understand the link between housing costs and supply and York Region's rapid pace of employment growth. While York Region has been successful at generating jobs over the last ten years, there is growing evidence that a number of people working in York Region are not able to afford the type of housing currently available. As employment continues to grow, York Region may face a critical shortage of housing that is suited to meet the shelter needs of its workforce.

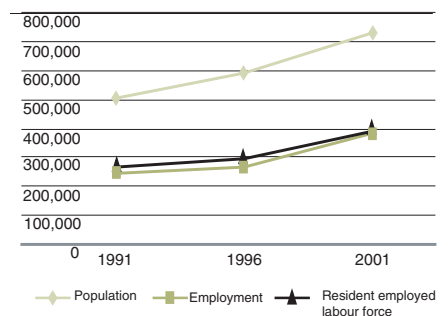
The purpose of the following study is to provide an integrated analysis of York Region's housing, employment, and labour force by comparing the occupations, household income, and living arrangements between York Region's resident employed labour force and in-commuters. The resulting analysis will help to identify competitive pressures facing York Region in meeting the current and future demands of its labour market. The study, including a profile of each of York Region's nine local municipalities, are described in detail in the "Housing and Our Economy, Remaining Competitive" report. The key findings are summarized in this document.

York Region's employment is growing faster than its population

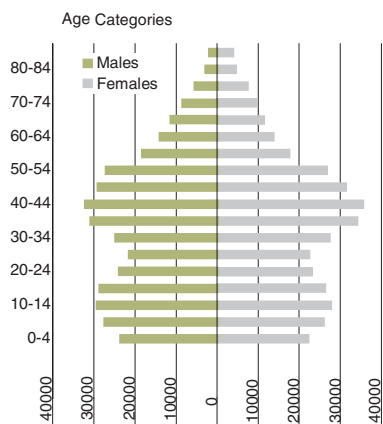
Due to York Region's location and attributes, its population, employment and labour force have increased and are expected to continue to grow at a rapid pace. Between 1996 and 2001, York Region has become the fastest growing Census Division in Canada and its population is projected to reach 1.28 million by 2026.



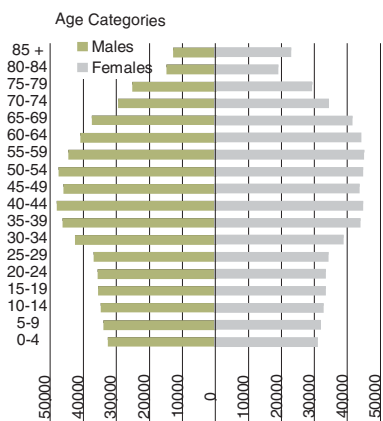
Population, Employment and Resident Employed Labour Force Growth, York Region 1991-2001



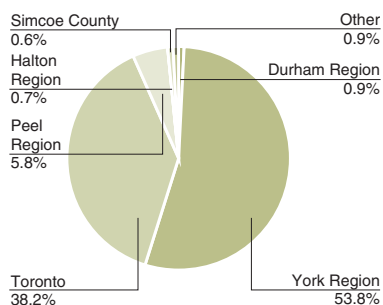
**York Region 2001
Age and Gender Composition**



**York Region 2026
Age and Gender Composition**



**York Region's Resident Employed
Labour Force by Place of Work**



Over the past decade, York Region's resident employed labour force has been increasing at approximately the same rapid pace as population.

Since York Region's formation in 1971, its employment has been growing at a consistently faster rate than population. Between 1991 and 2001, York Region's employment has increased by over 50% or 132,500 jobs. By 2026, York Region's employment is forecasted to increase to 696,000 jobs.

York Region population is relatively young, however it is aging

In 2001, York Region's population was younger than the national or provincial population. By 2026, the number of York Region's seniors (aged 65 and over) is expected to increase almost 4 times over its current level and account for over 20% of the Region's population. This will increase the demand for housing that is affordable and suitable for York Region's diverse and aging population.

Competition on the global scale for skilled workers is likely to increase

Due to an aging population and a tendency to retire early in many western industrialized countries, competition on the global scale for skilled workers is likely to increase. Canada will be competing with other countries to attract immigrants to bolster the national labour market.

York Region's labour force is increasing; however additional support for the labour force will be required

York Region currently has a diverse, growing and resilient labour force. However, York Region's population trends pose a number of challenges - an aging population and a decrease in the proportion of the working age population, in the labour force participation rate, and replacement ratio between new workers entering the labour market and those leaving. These population trends are expected to continue to affect many areas across Canada. Therefore, York Region will be competing with other regions to attract and retain immigrant, inter-provincial migrants and youth to provide additional support for the Region's labour force.

Increase in employment is projected across all employment sectors

One of the current challenges for York Region is to attract diverse employment in order to maintain the balance between employment and population. It is anticipated that by 2026, over 250,000 new jobs will be added across all employment sectors.

Balance between total employment and York Region's employed labour force

Over the past decade, York Region's employment has increased faster than the resident employed labour force. As a result, by 2001, the difference between the size of the resident employed labour force and the number of jobs available in the Region decreased to just over 7,000.

The balance of work trips between York Region and the GTA has become more even, however the volume of trips remains high.

As York Region's economy is increasing and diversifying, it is providing more and more employment opportunities for the residents of York Region and the GTA. The balance of work trips between York Region and the GTA has become more even, however the volume of trips remains high. The difference between the number of York Region's residents that commuted to work outside of the Region and in-commuters decreased from 22,000 in 1991 to 7,300 in 2001.

York Region's live work ratio is improving but is still the lowest in the GTA

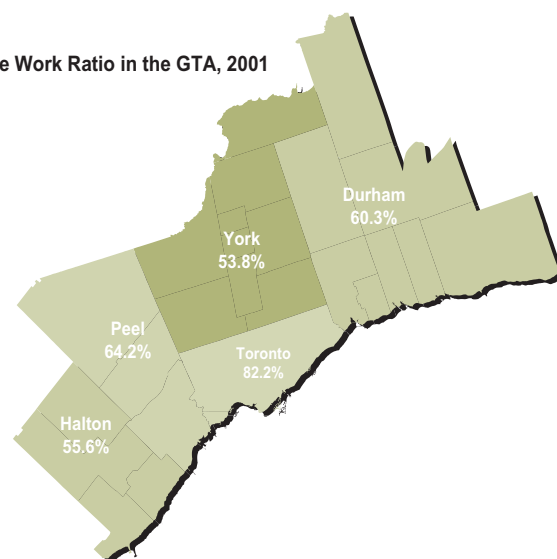
Between 1991 and 2001, the proportion of York Region's resident employed labour force that worked within the Region increased from 50.6% to 53.8%. Despite the recent increase in the proportion of residents that applied their skills within the Region, York Region's live work ratio was still the lowest in the GTA.

As people continue to commute between their places of work and residence, the resulting traffic congestion and increasing commute times can negatively impact the health, well being and quality of life of York Region's residents and workers. A better match between the skills of York Region's residents and the jobs available in the Region as well as between the jobs and the housing available for the Region's workforce will increase the live work ratio.

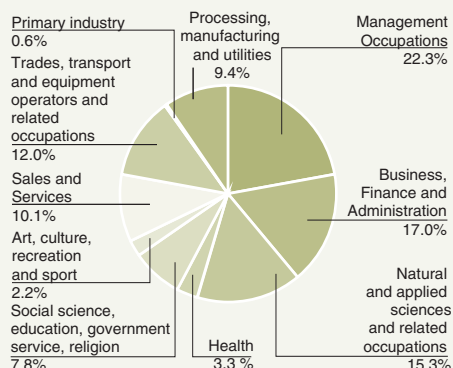
York Region's employment and labour force are increasing and diversifying

In most occupational categories, the recent increase in the number of jobs was almost equal to the increase in the number of York Region's residents employed in these occupations. The largest increases in the number of jobs and in the resident employed labour force were in management, business, finance and administration as well as in the natural and applied sciences and related occupations.

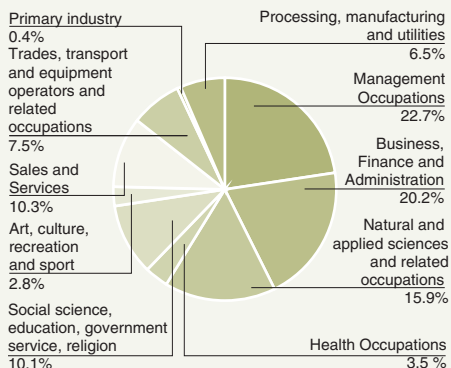
Live Work Ratio in the GTA, 2001



York Region's Employment Growth by Occupation 1996-2001



Resident Employed Labour Force Growth by Occupation 1996-2001



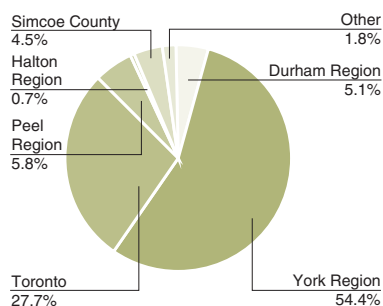
Good match between York Region's resident labour force and jobs in certain occupations

In certain occupational categories in 2001, the number of York Region's jobs was almost equal to the number of the Region's residents employed in these occupations. In these occupations, the recent changes in employment and labour force have maintained the balance between York Region's jobs and qualified Region's employees.

Opportunity to attract jobs in management, business, finance and administration and in social science, education, government and religion

The number of York Region's residents employed in management, business, finance and administration and in social science, education, government and religion was significantly larger than the number of jobs available in the Region. Further, except for management occupations, the mismatches between York Region's residents and jobs available in the Region have recently increased. By locating in York Region, companies employing people in these occupations will gain access to a pool of well educated and highly skilled residents, including some residents that now have to commute outside of the Region for employment.

York Region's Employment by Place of Residence



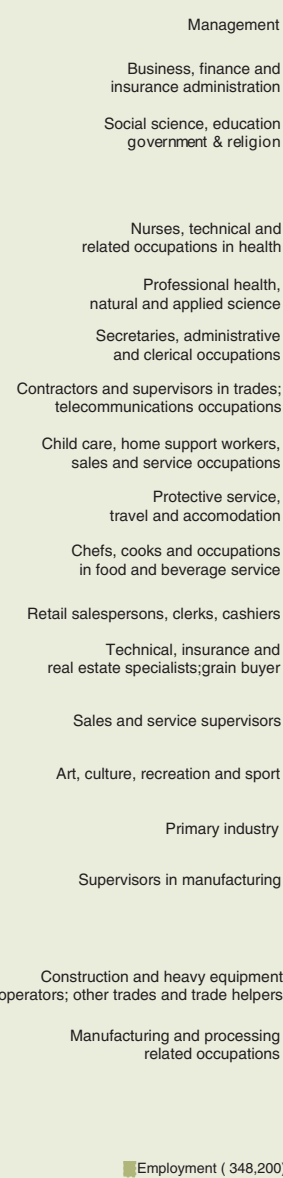
Mismatch in manufacturing, processing, construction and other trade sectors

The number of York Region's jobs in manufacturing, processing, construction and various trades related occupations was significantly larger than the number of the Region's residents employed in these occupations. Further, in these occupations, the mismatches between York Region's residents and jobs available in the Region have recently increased.

Most of York Region's jobs in manufacturing, processing, construction and other trade sectors filled by in-commuters

In 2001, approximately 46% of York Region's jobs were filled by people that lived outside of the Region's borders, mostly in the City of Toronto. In comparison, between 60% to 70% of York Region's jobs in manufacturing processing, construction and other trade sectors were filled by in-commuters. The housing situation in York Region, especially the availability of rental housing, is one of the reasons that people employed in these occupations in York Region live outside of the Region's borders.

Labour Force and Employment

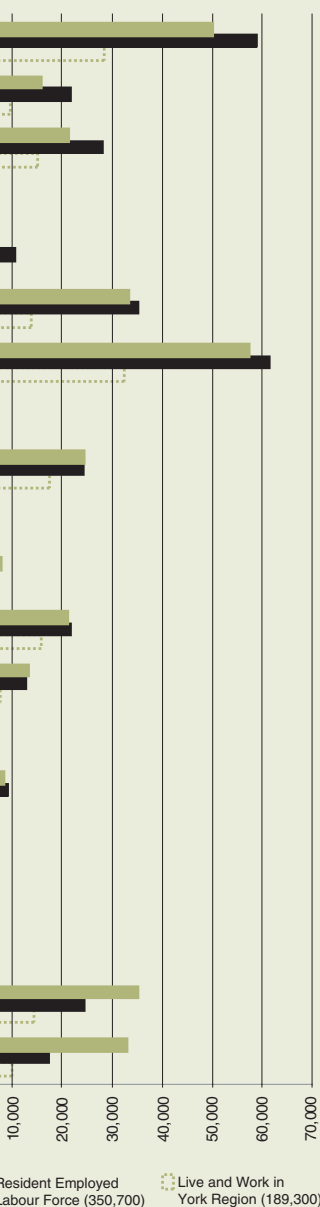


A significantly higher proportion of in-commuters rent

Of York Region's resident employed labour approximately 10% were tenants, including 5.5% that lived in rental apartments and row houses. In comparison, 32% of people that lived outside and commuted to work in the Region were tenants, including 26% that lived in rental apartments and row houses.

An even higher proportion of in-commuters employed in manufacturing and processing related occupations (41%) and in construction and other trade related occupations (34%) were tenants.

Income Comparison, York Region 2001



A significantly higher proportion of in-commuters live in multiple dwellings

Over 80% of York Region's resident employed labour force lived in single detached houses and almost 20% in semi-detached, row and apartment units.

In comparison, 50% of people that lived outside and commuted to work in the Region lived in single detached houses and 50% in semi detached, row and apartment units.

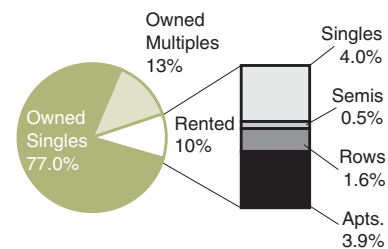
Further, only 34% of in-commuters employed in manufacturing and processing related occupations lived in single detached houses and 66% lived in semi-detached, row and apartment units.

Housing situation in York Region is affecting workers even in \$30,000-\$70,000 income households

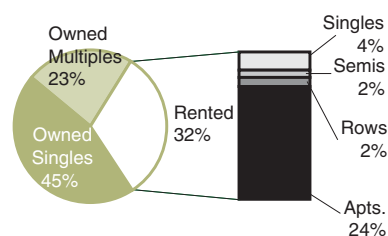
Compared to the proportion of tenants in York Region's resident employed labour force, a significantly higher proportion of in-commuters in households with total income below \$30,000 and in the \$30,000-\$70,000 were tenants. Also, a significantly higher proportion of York Region's resident employed labour force in households with total income of \$30,000-\$70,000 were paying over 30% and over 50% of the income on housing, compared to in-commuters in this income range.

These findings suggest that for some of York Region's workers, even in households with relatively high total income, the lack of rental housing and the limited stock of more affordable multiple dwelling housing were factors in the decision to live outside of the Region.

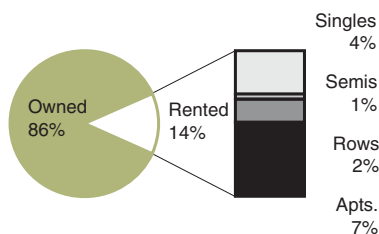
York Region's Resident Employed Labour Force by Tenure and Structure Type



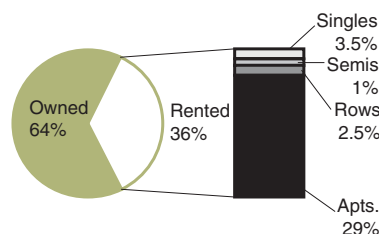
York Region's In-Commuters by Tenure and Structure Type



York Region's Housing Stock by Tenure and Structure Type, 2001



GTA Housing Stock by Tenure and Structure Type, 2001



2004 Employer Opinion Survey: housing in York Region is a key issue for employees

The 2004 Employer Opinion Survey confirms that York Region's employers consider affordable appropriate rental housing, and affordable ownership housing to be the key issues for their employees.

Fastest increase in the housing stock in the GTA

Between 1991 and 2001, York Region housing stock has increased by over 48%, the fastest growth rate within the GTA. It is estimated that York Region's housing stock will increase to 430,000 units by 2026.

The share of rental units in York Region housing stock has decreased and continues to be the lowest within the GTA

Between 1991 and 2001, the number of rental units in York Region has increased, but the share of rental units in the total housing stock has decreased. This trend was also observed in other areas in the GTA, and on the national level. In 2001, the share of rental units in York Region's housing stock continued to be the lowest within the GTA.

The value of York Region's real estate is high

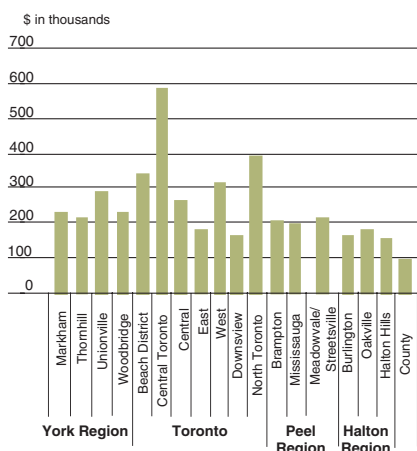
By mid 2003, the average resale price in York Region increased to almost \$340,000 and was higher than the GTA average or the average price in the City of Toronto. Entry level price of a house, like a standard townhouse, in York Region was also higher compared to many areas in the surrounding municipalities. By mid 2004, the average resale price of a single-family detached dwelling in York Region has reached \$405,392.

No improvement in overall housing affordability

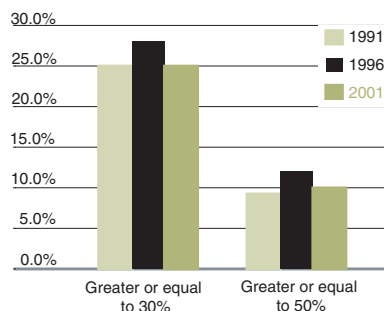
Between 1991 and 2001, there was no overall improvement in the housing affordability in York Region:

- 1 in every 4 households was paying over 30% of the total income on housing.
- 1 in every 10 households was paying over 50% of the total income on housing.
- The number of households paying over 30% and over 50% of the total income on housing has increased.
- Housing affordability of owner households remained generally unchanged, but there was an increase in issues related to rental housing affordability.

Fair Market Value of a Standard Townhouse



Proportion of York Region's Total Households Paying Over 30% and Over 50% of Household Income on Housing



More rental housing required to meet the needs of workers and residents

The following table illustrates why low to moderate income households might tend to choose renting over homeownership.

Tenure/Housing Form	Average Cost	Assumed Down Payment	Mortgage and Property Tax Payments/Year	Rent Payments/Year
Single Detached	\$405,000	\$100,000	\$27,000	n/a
Single Detached	\$405,000	\$50,000	\$31,000	n/a
Row/Townhouse	\$272,000	\$27,200	\$21,000	n/a
2 Bedroom Rental Apt.	n/a	n/a	n/a	\$11,400
3 Bedroom Rental Apt.	n/a	n/a	n/a	\$12,900

York Region's housing stock is diversifying, but not fast enough...

The share of single detached units in York Region's housing stock decreased from 81% in mid 1980's to 75% in 2001 to 73% as of December 31, 2003.

York Region's share of single detached units in the total housing stock continues to be the highest in the GTA. Also, compared to the GTA and most other "905" Regions, single detached units make up a larger share of the new housing built in York Region. This limits both the number of rental opportunities and the availability of relatively affordable, entry level housing.

Increased supply of affordable housing is critical to maintaining York Region's economic competitiveness and high quality of life

Transit, housing and a skilled workforce are three key drivers for maintaining York Region's competitiveness to retain and attract economic investment.

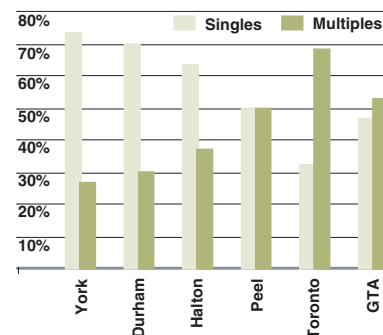
York Region currently has a diverse, growing and resilient labour force. However, in the face of the emerging demographic changes and increased global competition for skilled workers, the Region has to position itself to respond to the challenges of attracting and retaining employees.

Conclusions:

York Region's employers rely heavily on in-commuters. The high number of in-commuters contributes to traffic congestion and can affect employee retention as commuters find comparable jobs close to home. The housing and transit situations in York Region are two main concerns that are continuously expressed by York Region's employers.

As the population in York Region and the GTA continues to increase and diversify, there will be an increased demand for workers in sales and service related occupations. As census work done for the Low Income Profile also indicated, people employed in these occupations tend to work close to home, live in lower income households and spend a significant share of their income on housing. York Region

Composition of York Region's and the GTA Housing Stock, 2001



will have to compete with other regions to attract and retain residents to fill various sales and service sector positions in the Region. Preventing potential labour force shortages in these occupations will ensure that the quality of life in York Region is not negatively impacted.

York Region's growing mismatch in some manufacturing, processing, construction, and other trade sector occupations maybe linked to housing. Household income for many employed in these sectors tends to be in the low to moderate range - as York Region continues to attract and retain goods producing sectors, an adequate supply of affordable housing is needed to help reverse the current trend to fill these jobs with in-commuters and curtail the associated costs of growing traffic and congestion. Also, relying heavily on in-commuters can affect the ability of York Region's employers to retain their employees, as commuters find comparable jobs close to home.

The findings of this report suggest that York Region does not compare favourably to the adjacent municipalities in terms of rental opportunities, existing housing mix as well as average and entry level house prices. Even though increasingly diverse housing is being built in York Region, the new housing stock continues to have one of the highest shares of single detached units within the GTA. Therefore, York Region housing stock continues to limit the number of rental opportunities and the availability of relatively affordable, entry level housing.

An increased supply of affordable housing is necessary in order for York Region to support its resident labour force and employers and therefore remain economically competitive and maintain a high quality of life. In addition to affordable home ownership, York Region would benefit greatly from more affordable rental housing to attract and retain key employees including those at the moderate and lower end of the pay scale.

It is also important to note that to meet the needs of an additional 400,000 people in the next 20 years, the Region will have to have a broader array of housing types including multi-residential housing as well as more affordable opportunities for first-time home owners.

Clearly, as York Region's economy continues to diversify and attract a broader range of occupations, more integrated approaches between economic development, housing, and employment will be needed to meet the demands of York Region's labour market. Affordable rental and owned housing will play an important role in supporting the growth of employment sectors including those that currently rely on in-commuters and lower to moderate income households for their labour supply.