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THE GROWTH OUTLOOK FOR THE GREATER GOLDEN HORSESHOE, REPORT

The Planning and Economic Development Committee recommends the adoption of the recommendations contained in the following report, February 15, 2005, from the Commissioner of Planning and Development Services:

1. RECOMMENDATIONS

It is recommended that:

1. Council receive this report and attachments for information.
2. This report be circulated to the local municipalities and regional agencies for their information and review.

2. PURPOSE

This report provides a summary of the document entitled “The Growth Outlook for the Greater Golden Horseshoe” released by the Province of Ontario, Growth Secretariat at the Ministry of Infrastructure Renewal on January 18, 2005. This document provides forecasted growth to 2031 for population, household and employment for the Greater Golden Horseshoe (GGH) and the Greater Toronto Area-Hamilton (GTAH).

3. BACKGROUND

A common set of population and employment forecasts including revisions and updates has been produced for the GTA since 1989. A series of forecasts were prepared and updated upon release of Census material in 1989, 1993 and 2000. The Province, the City of Toronto and the four regions in the GTA accepted these forecasts as the basis for long-term land use and infrastructure planning and investment decisions.

Hemson Consulting Ltd. was retained by the Province in April 2003 to update the 2031 population, household and employment forecasts for the Greater Golden Horseshoe (GGH). The GGH is comprised of the GTA and Hamilton (GTAH) and the surrounding ten Regions and Counties (Outer Ring) from Niagara to Simcoe to Northumberland.

This forecasting exercise has been overseen by a population and employment forecast steering committee that includes staff representation from the GTAH regions, the City of Toronto and the Province and the Outer Ring Technical Advisory Committee.

York Region staff have kept the Planning and Economic Development Committee updated on the progress of the forecast work through two previous reports, the first of which was presented to Committee on April 2, 2003 and the second on January 7, 2004.

These forecasts provide key information related to the Province's work on growth planning and will provide input to the principles and policies outlined in the provincial document "Places to Grow".

3.1 Purpose of Forecasts

Forecasts of population, households and employment serve a number of purposes and play a vital role in the planning of future regional services. They are a fundamental building block to virtually every major regional study including the designation of settlement and land use boundaries, and the planning for infrastructure projects, housing needs, and various health and social programs.

Forecasts are critical in determining requirements for transportation, sewer and water facilities, new schools, hospitals and medical services as well as for social and community services such as the police department and day care facilities. They also form the basis of regional development charges and are used by industry and business for investment decisions.

4. ANALYSIS AND OPTIONS

4.1 Greater Golden Horseshoe Forecast Assumptions

A number of principle assumptions are built into the Hemson forecast model regarding the economic future and prosperity of Ontario and its relation to population, household and employment growth. These assumptions are:

- A positive long term outlook for Canada, Ontario and the GGH economy, closely tied to economic fundamentals and competitiveness.
- A continued concentration of economic and population growth in large urban areas.
- A dynamic and diverse GGH economy with a strong manufacturing base.
- Migration will continue to be the primary generator of population growth.
- The population will continue to age, having enormous implications for growth and planning in the GGH.
- That appropriate long term infrastructure investment and funding arrangements are in place to accommodate growth pressures.

4.2 Greater Golden Horseshoe Forecast to 2031

Hemson prepared a low, reference and high forecast to 2031 using Census 2001 data as a base. The Reference forecast represents the most reasonable set of assumptions about the future economy. High and Low forecasts were prepared to provide a forecast range.

The Reference forecast indicates that population and employment of the GGH will increase by 3.7 million people, and 1.75 million jobs by 2031. Households will grow at a much faster rate than population, due primarily to the aging of the population, and a decline in overall household sizes. Households will grow by almost 1.7 million, increasing from 2.7 million today to 4.4 million.

4.3 Growth Distribution Scenarios for the Reference Forecast

To model the distribution of this large amount of growth throughout the GTAH and the Outer Ring (together comprising the GGH), three growth scenarios were prepared for the Reference forecast – the Current Trends Scenario, Compact Scenario and the More Compact Scenario.

The Current Trends Scenario is based on continuing the current policy trends, current growth and settlement patterns and it assumes that the required infrastructure can be provided to support the growth. It continues the recent pattern of smaller lots and higher densities for all housing forms. It also carries forward the high market share of semis and row housing within the housing market, a trend that only emerged in the past 10 years.

Compact and More Compact scenarios are policy forecasts to reflect a greater influence of policy intervention based on proposed growth plan strategies from the Province's "Places to Grow" discussion paper. The underlying growth planning objective is to make more efficient use of land by accommodating a significant amount of growth within existing urban areas. This is to be accomplished by directing more growth away from greenfields to priority and emerging urban centres and to better intensify brownfield, greyfields and urban corridors. It should be noted, the *Draft Growth Plan*, released by the Province in February 2005, identifies the Compact Scenario as the preferred scenario for planning purposes.

The distribution of growth within the GTAH is based on existing built form, existing physical constraints to growth and the overall share of building activity. The three scenarios vary primarily by housing mix, geographic distribution and by the varying levels of policy intervention required to achieve a more compact urban form. Policy intervention involves the shifting of housing preferences away from singles towards rows and apartments and to redirecting growth to emerging and priority areas as identified in the provinces "Places to Grow" discussion paper.

4.4 Forecast Growth for Greater Toronto Area – Hamilton to 2031

The updated Hemson forecast for the GTAH is 500,000 higher than what was previously forecasted. As such, the GTAH population is anticipated to increase by 2.8 million, reaching a total of 8.6 million, from 5.8 million in 2001. Households are expected to increase by 1.26 million. GTAH employment is forecast to increase by 1.39 million, reaching a total of 4.3 million jobs from 2.9 million in 2001.

The forecasts call for large increases in population, housing units and jobs over the next 30 years, somewhat higher than the 1989 forecasts. The forecasts are higher due to higher migration assumptions over the long term, more rapid declines in mortality rates and higher than anticipated growth experienced since the late 1990's.

The forecast assumes that national immigration will decline from about 218,000 immigrants annually in the 2001-2006 period, to just under 210,000 for the remainder of the forecast period. This rate reflects longer term patterns. Ontario's share of national immigration is anticipated to decline from about 56 percent today, to just under 54 percent, which is consistent with long term averages. Of Ontario's share, approximately 80 percent arrive in the GTAH.

The Federal Liberal governments red book has a policy immigration target of 1 percent of the Canadian population, which equates to approximately 300,000 immigrants annually. With the GTAH accommodating such a high share of national immigration, Canada's immigration policy has a direct influence on the level of immigration to the GTAH and therefore the level of population growth. If this target was to become federal policy, the GTAH population would increase even more dramatically.

The Province has released a discussion paper entitled "Places to Grow" which proposes to provide a detailed 30 year growth plan for the entire GGH area. The updated forecast anticipates the GGH will grow by almost 4 million people, bringing the population to over 11 million. Approximately 75 per cent of this growth (2.8 million) is projected to occur in the GTAH, with the remaining growth occurring in the larger urban centres in the outer ring.

The Province has stated it is committed to a more efficient use of land, by making the best use of existing infrastructure capacity and to increase overall compact urban form. The Province also states it is committed to making wise infrastructure investments which are consistent with their growth plan objectives. The Province provides a number of key objectives in determining how infrastructure dollars are invested efficiently (eg. supporting urban centres, promoting compact urban form, identifying and utilizing existing capacities, etc.).

The most important component of a region's attractiveness is its economic prospects, and its quality of life. Since the GTAH is anticipated to maintain its economic position within Canada, it will continue to attract high levels of migrants and increases in population growth.

4.5 Forecast Growth for York Region to 2031

The 2001 Census indicated that York Region had a total population of 760,000, an employment level of 390,000 jobs, and a total of 220,000 households.

The York Region Official Plan (Office Consolidation, September 30, 2004) forecasts a 2026 population of 1.28 million people, and 696,000 jobs. Previous York Region

Planning staff forecasts for 2031 anticipate 1.36 million people, 429,000 households and 734,000 jobs.

In comparison, the updated Reference forecast to 2031 presented by the Hemson report forecasts an even larger amount of growth:

- The population forecasts ranged from 1.45 to 1.53 million by 2031. The Compact Scenario forecasts 1.50 million 2031.
- The updated employment forecast ranged from 750,000 to 780,000 jobs. The Compact Scenario forecasts 780,000 jobs by 2031.
- The updated household growth forecast ranged from 490,000 to 510,000 new households. The Compact Scenario forecasts 500,000 new households.

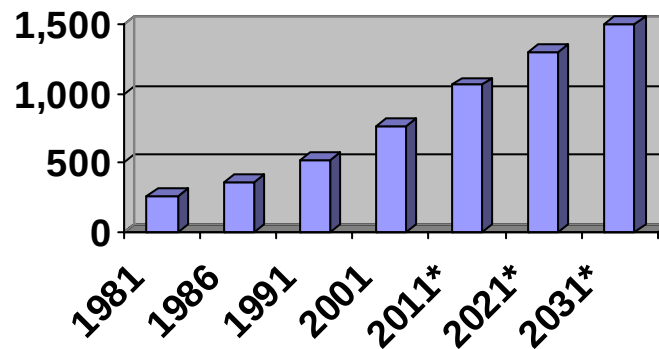
2031 Forecast Summary – York Region
(000's)

	2004 Existing	Updated 2031 Forecast (More Compact and Current Trends)	2005- 2031 Growth *	2005-2031 % Increase (Compact Scenario) *	Increase From Current 2031 Forecast *
Population	890	1.45 – 1.53	610	69	140
Employment	430	750 – 780	350	81	46
Housing	264	490 – 510	236	89	71

Note: * Figures based on Compact Scenario only.

The charts following illustrate the population growth within York Region and how it compares within the context of the GTAH. Note how the population growth within York Region remains very strong during the first ten year forecast period, but begins to decline during the 2011 to 2031 period. York Region is also forecasted to accept the largest total share of population growth, being 27 percent, during the 2001 to 2031 period of all other GTAH municipalities.

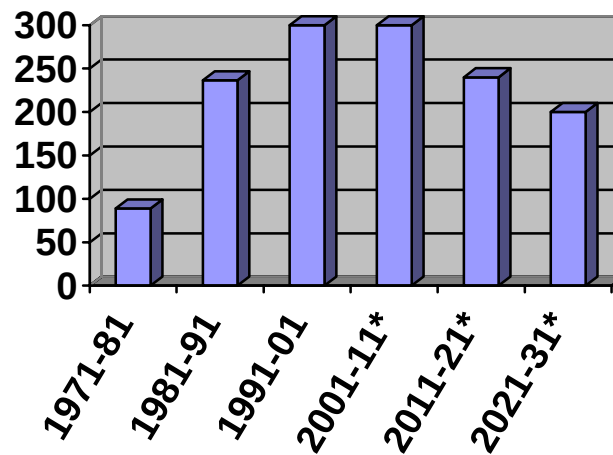
Total Population York Region 1981 - 2031 (000's)



Note: Based on forecasted growth.

Source: Statistics Canada and Hemson Consulting Ltd. using Compact Scenario.

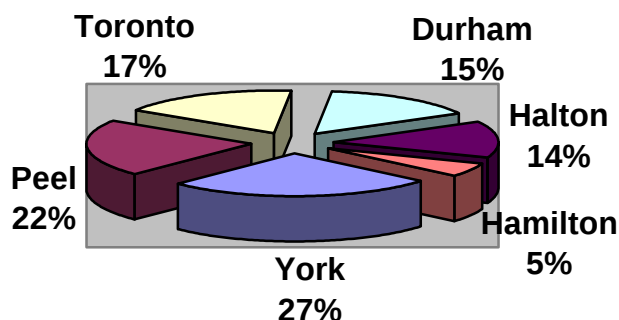
York Region Population Growth 1981 - 2031 (000's)



Note: Based on forecasted growth.

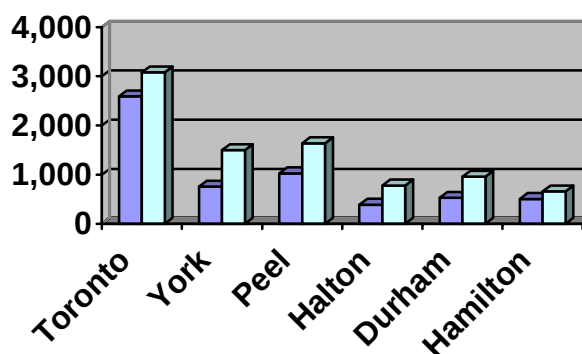
Source: Statistics Canada and Hemson Consulting Ltd. using Compact Scenario.

Share of Population Growth in the GTAH (Compact Scenario) 2001-2031



Source: Statistics Canada and Hemson Consulting Ltd. using Compact Scenario.

Total Population by Municipality 2001 and 2031 (000's)



Source: Statistics Canada and Hemson Consulting Ltd. using Compact Scenario.

4.6 Challenges for York Region

Dramatic Shift in Housing Choices and Preferences Required

To accommodate this growth, there is general consensus for the requirement of more compact, mixed use communities, organized around a system of centres and corridors,

served by effective transit systems. This will involve a shift in housing choices and preferences, towards providing more compact units such as row housing and apartments. There continues to be a high demand for ground related housing. The more rapid growth in households over population will result in a decline in average household size. This has significant implications as more housing will be required to house the same forecasted level of population.

Infrastructure Investment

Significant infrastructure investment is required to accommodate the large amount of growth forecasted. The continued effect of under investment in infrastructure (eg. transit, housing, roads and human services) that has occurred over the past two decades will affect the future distribution of employment in the GTAH. Timely investment in physical and social infrastructure is critical to support the levels of forecasted growth depicted. The end result must provide for the servicing in priority areas in a timely manner.

It should be noted that the required infrastructure to accommodate 1990's growth is not in the ground due to delays resulting from Provincial approvals not being received in a timely fashion. Currently, provincial infrastructure investment has not kept up with the growth rate.

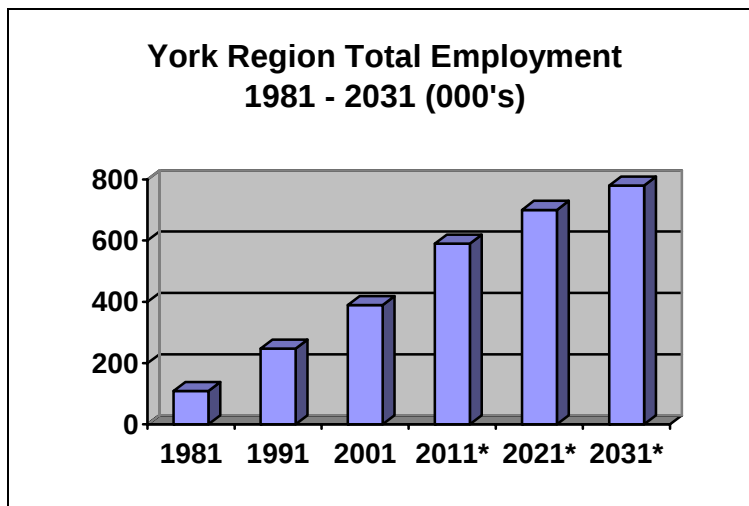
A complete list of all infrastructure requirements to accommodate the forecasted growth will be produced by Regional Staff and presented to Committee. This list could be presented to the Province as evidence towards the amount of infrastructure investment required in order to accommodate the forecasted growth.

Better Financial / Planning Tools and Coordination

A significant change to the way we grow requires a significant change in the way we do business. Environmental approvals need to be better coordinated and simplified (eg. EA's for transit, environmental approvals). Additional planning tools are required to facilitate Centres and Corridors and compact urban form (eg. as of right development in approved Key Development Areas). It is also necessary to re-examine existing fiscal tools and tax policy to ensure they promote mixed use development (eg. TIF's, Corporate tax policy).

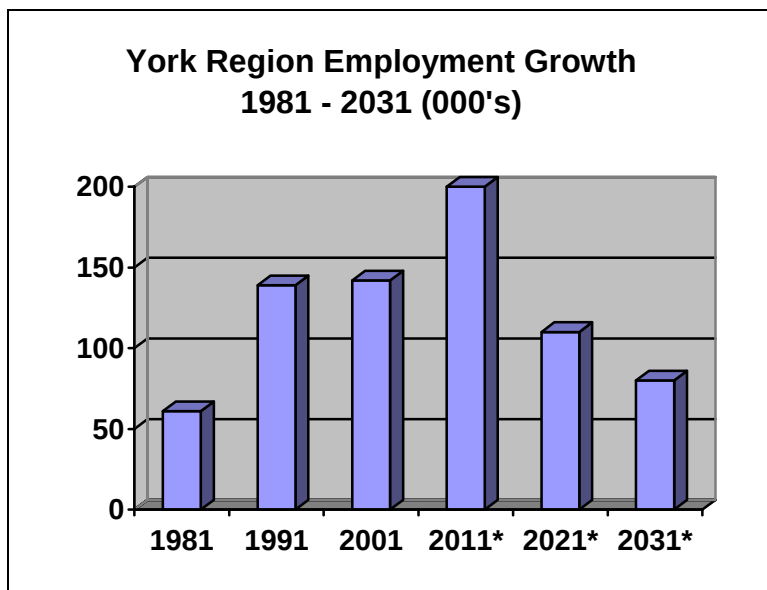
Better Live-work Proximity is Essential

More success is required in creating mixed-use areas with residential and employment opportunities within the same community. Mixed-use communities, as promoted by the York Regions Centres and Corridors Plan, create more viable use of public transit and will help improve the overall quality of life for its residents.



Note: Based on forecasted growth.

Source: Statistics Canada and Hemson Consulting Ltd. using Compact Scenario.



Note: Based on forecasted growth.

Source: Statistics Canada and Hemson Consulting Ltd. using Compact Scenario.

Job Creation

The new Hemson forecasts call for the creation of 320,000 to 350,000 new jobs in York Region over the next 27 years. The Regions Economic Development Strategy will help facilitate job creation. Key challenges include the designation of adequate employment lands, ensuring efficient movement of goods, creating a strong office presence in our Centres and Corridors and ensuring compact efficient use of our employment areas.

Population Aging

Current trends lead toward a continued overall aging of the population. As the population ages, the average household size will continue to decline, with a greater proportion of “empty-nester” households. Census 2001 data indicated there were 67,500 persons over the age of 65 in York Region. The over 65 age group is forecast to be 291,600 by 2031. This equates to a 332% increase over 30 years, or an average 11.1% increase per year. Despite the aging of the population, the overall age structure of the GGH remains relatively young due to high levels of migration. Age structure and household formation have key implications for housing demand.

4.7 Legal Perspective

Growth Plans for the Greater Golden Horseshoe would be prepared under the *Places to Grow Act, 2004*. Section 12 of the *Draft Act* provides that municipalities must amend their official plans to conform with the growth plan no later than the statutory 5 year reviews of an official plan mandated by the *Planning Act*. These amendments would proceed under the normal provisions of the *Planning Act* and are therefore subject to being appealed to the Ontario Municipal Board. Under Section 13, the Ministers of Public Infrastructure Renewal and of Municipal Affairs and Housing, may jointly, by order, amend a municipal official plan to conform to a growth plan.

Even prior to amending its official plan, a municipality’s decisions under the *Planning Act* must conform to the growth plan. Under Section 14 of the *Places to Grow Act* a growth plan prevails in the case of conflict with an official plan, zoning by-law or Provincial Policy Statement. With respect to a matter relating to the natural environment or human health, the direction in any of these planning instruments that provides more protection prevails.

4.8 Next Steps

There are a number of initiatives for staff to undertake in order to fully analyze the implications of accommodating the forecasted growth.

In addition to a work plan that is discussed in more detail below, Staff will be reporting back to Committee on the following issues:

- The legislative requirements in the context of these forecasts and their implications to the local municipalities.
- Raising the awareness of the provincial government in areas such as ensuring key infrastructure is in place to accommodate the increased population and streamlining the environmental assessment process.
- Suggesting how the targets will be met, i.e. a new planning framework.
- Initiating a communication process with the public on an explanation for this level of growth, the impact of these forecasts and the lifestyle changes that may effect the growth pattern. This includes public and stakeholder input on key public policy decisions to determine where, how and if we can accommodate the forecasted growth.

- Compiling and documenting a list of all infrastructure requirements needed by York Region to accommodate the Province's forecasted growth. This list will be presented to Committee before being presented to the Province in a written submission at a later date.

Regional Staff will be conducting a number of initiatives within it's workplan as discussed below:

Updating York Region's Forecast Model

The Region intends to establish an inter departmental approach to review Hemson's forecast work. In addition, the Region will conduct a more detailed analysis of the Hemson report. This analysis will inform the updating of the Regions population and employment forecast model in early 2005, with input from the local municipalities, to determine the local distribution of growth.

Land Supply / Demand Exercise

The Region will use the updated forecasts as input towards a Region wide land budget analysis (land supply/demand). The land budget analysis will help to determine how much land will be required to accommodate the future population and employment growth, and the potential level of intensification required in the existing urban boundary. An intensification analysis will be revisited to determine how to use the current built form in the most efficient manner to accommodate the forecast growth.

Vacant Employment Land Inventory Update

Additional analysis is required to gain a better understanding of employment growth and the type of building space and land required to accommodate the employment growth. Employment land employment (i.e. industrial/ business parks) needs versus office market needs have implications on the distribution of employment growth in York Region. The regions Vacant Land Inventory will be updated and used as input into the needs for additional employment lands that may be required outside the of the existing urban envelopes.

Financial Impact

A development charges and fiscal impact analysis will be conducted to assess the costs of infrastructure and services required for the forecasted growth. The results of these studies will provide data inputs for Regional housing needs studies, potential impacts on the transportation and water and wastewater master plans and the Human Services funding model.

Regional Planning staff will meet with all nine local municipalities on a regular basis to discuss growth distribution and its related impacts. This process has already begun with an initial meeting on January 24, 2005, to brief local municipal planners on the Hemson report. Transportation, water and sewer Master Plan updates will be undertaken with the forecasts used as a benchmark.

4.9 Relationship to Vision 2026

Vision 2026 is York Region's strategic plan for the future that establishes the overall vision and direction for Regional Council and the Region's employees. Examining growth trends on population, economic and employment growth in the GTA are essential elements for monitoring progress on Vision 2026's eight goal areas and for ensuring the programs and policies designed to achieve these goals are effectively implemented. Population, household and employment forecasts are the basis for many corporate strategic planning initiatives including transportation planning, sewer and water infrastructure, growth management, human services, housing needs and development charges.

5. FINANCIAL IMPLICATIONS

The forecasts presented by this report assume that the necessary infrastructure is provided to support this high level of growth. This will require that all funding and investment are in place in a timely manner to provide required transportation, water, sewer and road infrastructure, in addition to all human services requirements. Analyses of the implications of the new forecasts identified in section 4.7 are provided for in the programs 2005 budget.

6. LOCAL MUNICIPAL IMPACT

It is recommended that this report be circulated to the local municipalities for review and comment. Regional staff will continue to keep local municipal planning staff informed on any forecast and Provincial Policy updates.

A formal consultation and review process will be conducted with local municipal staff for York Region's planned 2005 forecast review and related growth management work. Regional staff will work with the local municipalities to ensure they are provided with the most up-to-date population and employment growth forecasts that are specific to their needs. This will enable local municipal staff to make informed decisions in planning for communities, infrastructure and services.

A formal communication program will be conducted to inform the public of the social, economic and environmental benefits of compact development, required to implement the desired growth patterns.

7. CONCLUSION

In April 2003, Hemson Consulting was retained to provide population, household and employment forecasts for the GTAH and the GGH and its constituent upper tier municipalities for long term planning purposes.

The forecasts were completed and released on January 18, 2005. The Reference forecast anticipates a total of 8.6 million people and 4.3 million jobs in the GTAH by 2031.

The forecasts call for very large increases in population, households and jobs in York Region during this period. The *Draft Growth Plan*, released February 2005 by the Province, identifies the Compact Scenario forecasted figures as the preferred scenario for planning purposes. By 2031, the Region's Population is expected to increase by 610,000 people. Employment is expected to increase by 320,000 jobs. The forecasted growth almost doubles the current status of population, household and jobs within the next 27 years to 2031. This growth will create significant pressure on the Region's infrastructure, program delivery and human service requirements.

A complete list of all infrastructure requirements to accommodate the forecasted growth will be produced by Regional Staff and presented to Committee. It is recommended that this list be presented to the Province as evidence towards the amount of infrastructure investment required in order to accommodate the Province's forecasted growth.

York Region is planning to undertake a review of its own population and employment forecasts during 2005 that will be based on the Hemson forecast. Staff will be conducting a series of studies in 2005 to analyse the impact of these forecasts and will report back to Committee on a regular basis.

The Senior Management Group has reviewed this report.