2
ECONOMIC AND DEVELOPMENT REVIEW 2008

The Planning and Economic Development Committee recommends the following:

1. **Receipt of the presentation by Paul Bottomley, Manager of Growth Management, Economy and Information Research; and**

2. **Adoption of the recommendation contained in the following report dated March 4, 2009, from the Commissioner of Planning and Development Services.**

1. RECOMMENDATION

It is recommended that:

1. The *Economic and Development Review 2008* (Attachment 1) be circulated by Planning & Development Services in print and electronic form to the public, local municipalities and agencies, and be made available on the corporate website.

2. PURPOSE

The purpose of the Economic and Development Review 2008 is to examine key economic and demographic indicators in York Region. The report assesses the competitiveness of York Region's economy, as compared to its regional and national counterparts. The report also aims to provide Regional Council with a broader perspective on economic indicators. This information is used to prepare key economic policy and aids in the development of public and private sector economic investment strategies.

3. BACKGROUND

The Economic and Development Review has been published on a semi-annual basis since 1995. This year's report highlights a number of year-end economic indicators, which show that although York Region's economy has continued to grow throughout 2008, there are signs of a slowing economy.

4. ANALYSIS AND OPTIONS

HIGHLIGHTS

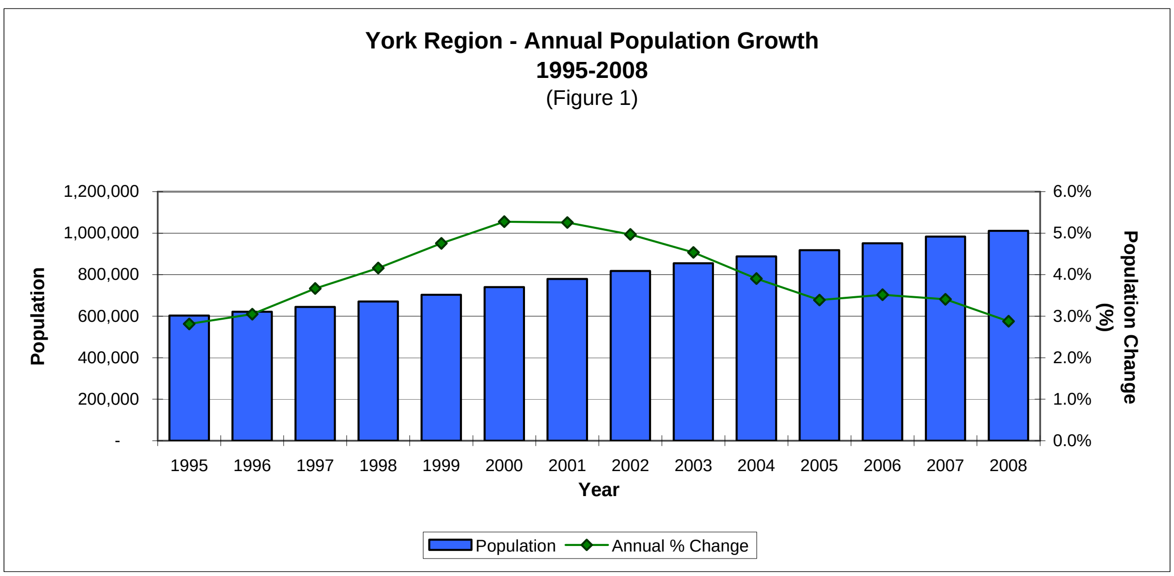
- Although many indicators show relatively strong performance in 2008, figures for the 4th quarter were down considerably, perhaps indicative of a considerably slower 2009.
- York Region's total population was estimated to be 1,011,360 on December 31, 2008, an increase of approximately 28,300 people from December 2007.
- York Region has 16.7% (2008) of the GTA's population and 15% (2006) of its employment.
- Building permits were issued for 8,305 new residential units in 2008. York Region issued the third largest number of new residential permits in the country.
- Housing completions reached 9,021 units in 2008, a decrease of 14.1% from 2007.
- Total construction for 2008 was valued at approximately $2.8 billion, a decrease of 20.1% or $705 million under 2007.
- Industrial, commercial, institutional (ICI) construction made up 27.5% of the total value of construction in York Region during 2008, a decrease from 2007, where ICI construction accounted for 32%.
- The total estimated value of industrial construction in 2008 came in at $231.5 million. This represents a decrease of 40.8% from 2007 values.
- Commercial construction values were estimated at $314.2 million, a 34.2% decrease from the total value of commercial construction in 2007.
- Institutional construction values were estimated at $224.7 million, a 8.6% decrease from the total value of institutional construction in 2007.
- The estimated number of jobs in York Region was approximately 490,000 (year end 2008).
- The unemployment rate as of December 2008 in York Region was estimated to be 5.7%.
- As of mid-year 2008, there were approximately 45 private sector companies in York Region with 500 or more employees, an increase of 5 from 2007. These companies come from a broad diversity of sectors including manufacturing, computer technology, transportation, communications and commerce.
- Over the last four years, the average resale price for single detached dwellings has continued to rise steadily from $435,707 in 2005, to $458,636 in 2006, to $480,637 in 2007 and $508,892 in 2008.
- The number of housing resales in York Region during the last quarter of 2008 dropped by 45.5% compared to the last quarter of 2007.
- The 2006 Census shows that relative to the GTA and Canada, York Region appears to have a "younger" population. The proportion of the Region's population above the age of 60 is lower than that of both the GTA and Canada. Conversely, the proportion of baby boomers in York Region is greater relative to both the GTA and Canada.

- The Region's economic performance is being monitored to detect the impacts that a dynamically changing national and global economies will have on the Regional economy.

POPULATION AND EMPLOYMENT

During 2008, York Region experienced strong population growth, increased its share of the GTA's population, and ranked as one of the largest Regions in Canada

By the end of 2008, the Region's population had grown by approximately 28,300 people (2.9%) over the previous year, bringing the total estimated population to 1,011,360 people (see *Figure 1*). This pace of growth is slower than the average annual population increase that York Region has experienced in recent years, due to a slowdown in the number of housing completions. In the last 5 years, the Region has grown by an average of approximately 31,300 people annually.



Source: York Region Planning and Development Services Department, 1995 - 2008.

In 1997, the Region accounted for 13.1% of the GTA's total population. In 2008, 16.7% of the GTA now call the Region home. When compared to other cities, Regions and Regional Districts (as defined locally) across Canada, York Region retained its position as having the sixth largest total population – a ranking it has held since 2002 (see *Table 1*).

Table 1
Canada's Largest Municipalities 2008

Rank	Municipality	Est. Population (2008)
1	City of Toronto	2,637,300
2	Greater Vancouver Regional District	2,271,200
3	City of Montréal	*1,871,800*
4	Peel Region	1,313,100
5	City of Calgary	1,042,900
6	***York Region***	**1,011,400**
7	City of Ottawa	*898,150*
8	City of Edmonton	752,400
9	City of Québec	*728,900*
10	City of Winnipeg	*653,400*

Source: York Region Planning and Development Services, 2009; Various Municipalities, 2009.
Note: List includes cities, Regions, and Regional Districts as defined locally.

York Region experienced both an increase in total jobs and an increase in unemployment rates in 2008

York Region is estimated to have had approximately 490,000 jobs (year end 2008). Over the last 10 years, approximately 185,000 new jobs have been created within the Region. Although total employment did grow within the Region, there were more people looking for work by year end as the Regional unemployment rate rose to approximately 5.7% in December 2008 from 5.1% in December 2007. Even with this increase, the Regional unemployment rate is lower than National, Provincial, and GTA averages, indicating that York Region is a resilient and diversified economy and should be in a better position to withstand an economic downturn.

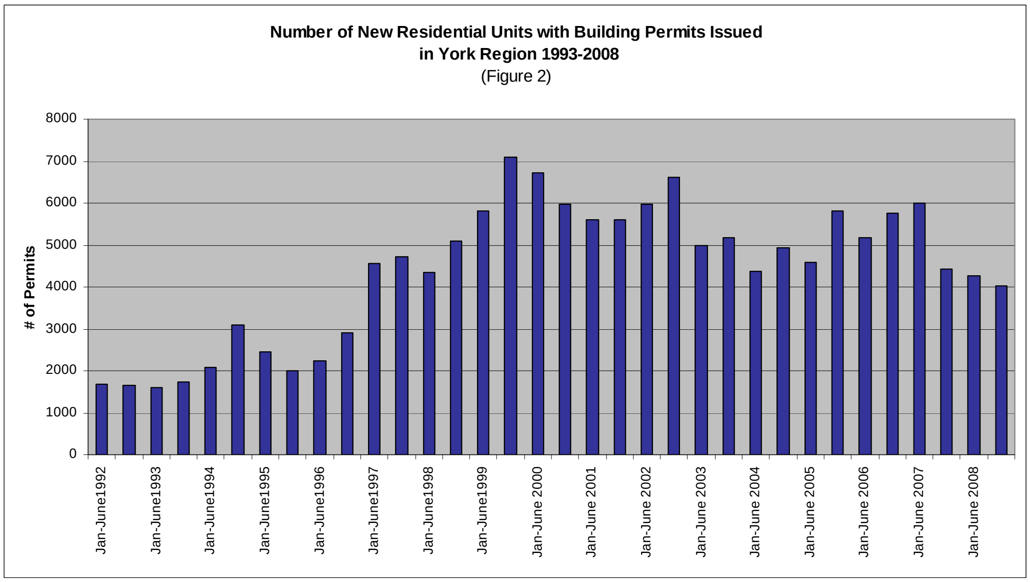
PROPERTY MARKET AND BUILDING ACTIVITIES

York Region's residential real estate market healthy but down from a peak year in 2007

8,046 single detached unit resales occurred during the year – a decrease of 24.5% from 2007. Each quarter of 2008 saw a decrease in total unit resales compared to 2007, but the 4th quarter experienced the largest drop at 45.5%. In addition, multiple dwelling unit resales decreased by 18% from 2007 numbers to total 5,019. The value of all resales in 2008 totalled $5.7 billion – a decrease of 18.6% from 2007. Although overall resale activity is down, the annual average sale price of all dwelling types increased during 2008. For example, the average resale value of a single detached unit increased by 4.9% from $484,741 in 2007 to $508,892 in 2008.

The supply of new residential units remained strong in 2008, while York Region's housing supply continued to become more diversified

In 2008, a total of 9,184 housing starts and 9,021 housing completions occurred in the Region, representing decreases of 17.6% and 14.1%, respectively, from 2007. The total number of residential building permits issued in 2008 decreased to 8,305 from 10,421 in 2007. The downward trend in total building permits issued began during the second half of 2007 (see Figure 2).



Source: York Region Planning and Development Services Department, 2008.

However, when compared to other cities, Regions and Regional Districts across Canada, York Region still ranked third for the number of new residential permits issued in 2008 (see *Table 2*).

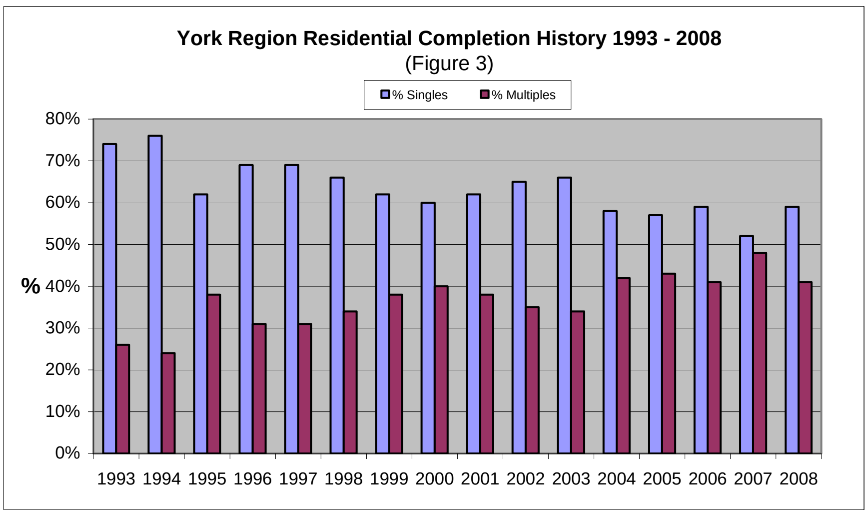
Table 2
Comparative Residential Building Permits Across Canada 2008

Rank	Municipality	# of Permits
1	Greater Vancouver Regional District	14,838
2	City of Toronto	13,873
3	***York Region***	***8,305***
4	City of Ottawa	6,744
5	City of Calgary	6,593
6	City of Montréal	6,054
7	Peel Region	5,896
8	City of Québec	5,878
9	Halton Region	5,660
10	City of Edmonton	4,541

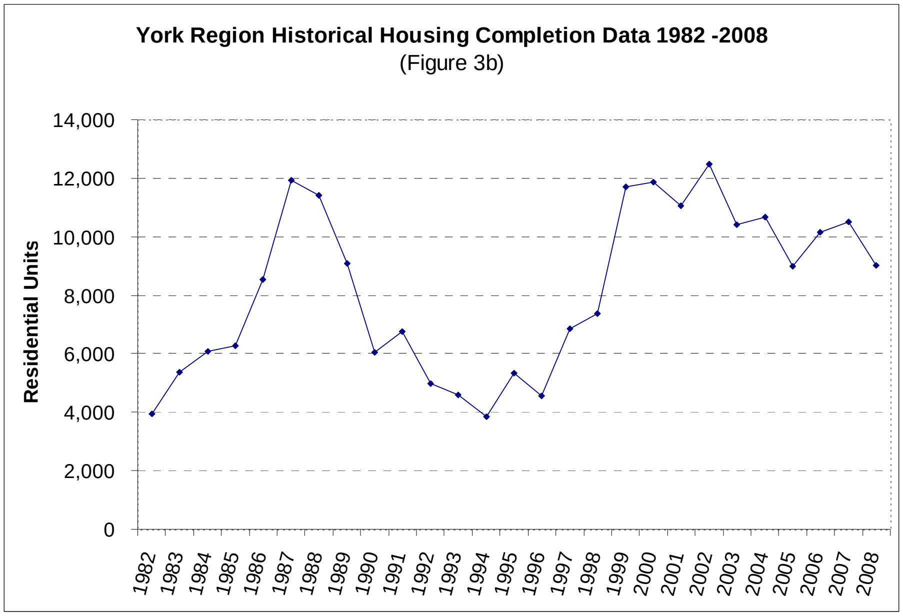
Source: Statistics Canada Building Permit Reports and Table 32.2 (unpublished), 2008.
Note: List includes cities, Regions, and Regional Districts as defined locally.

Reviewing the mix of residential unit types completed in 2008, 59% were single detached units, 8% were semi-detached units, 15% were row houses, and 18% were apartments. Compared with 2007, the biggest change in the Region's housing mix occurred for single and semi detached units, which respectively accounted for 52% and 11% of 2007's housing completions.

The Region's Housing Directions Report and Regional Official Plan call for a balance between single detached and multiple unit dwellings in new housing construction. A review of the historical residential unit completion mix shows the proportion of single detached homes gradually decreasing (see *Figure 3*). This trend of a more balanced mix of housing types represents a positive step towards providing an increased number of housing choices in the Region.



Source: Canada Mortgage and Housing Corporation, Local Housing Market Report 1993 - 2008.



Source: Canada Mortgage and Housing Corporation, 2009.

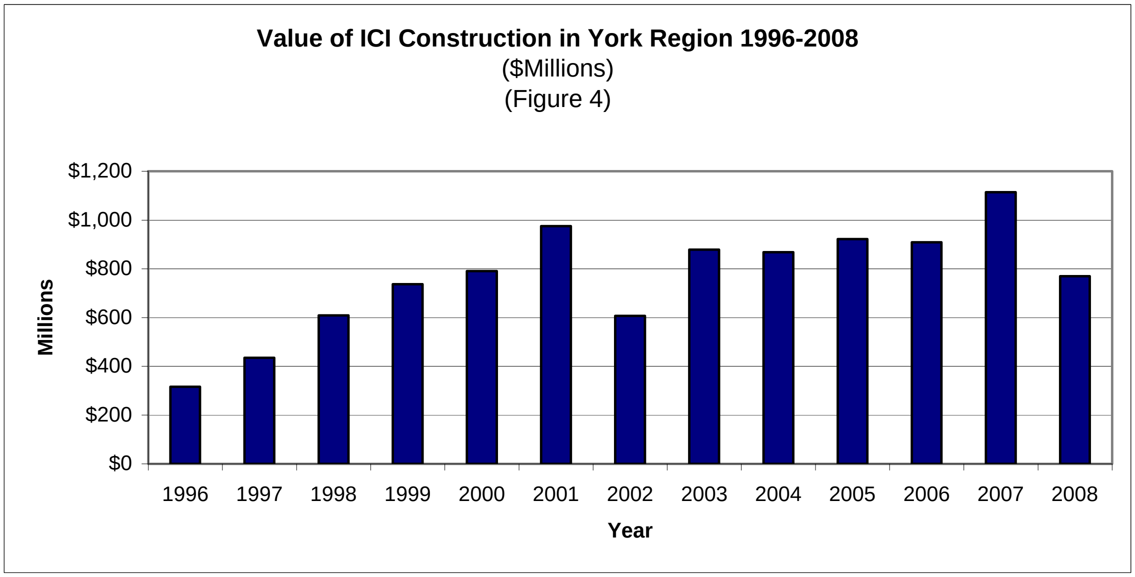
Total housing completions for York Region in 2008 were 9,021, representing a 14.1% decline from 2007. As depicted by the historical completion data chart above (Figure 3b) housing completions are still at a healthy level when compared to the past recessionary periods of the early eighties and early nineties.

In 2008, the Region reviewed 45 plans of subdivision and 8 plans of condominium representing, 9,874 residential units and 149.68 hectares of industrial/commercial lands. Comparatively, the Region reviewed 53 plans of subdivision and 36 plans of condominium in 2007, representing 12,362.5 residential units and 149.72 hectares of industrial/commercial lands.

York Region's total value of construction decreased across all sectors – residential, industrial, commercial, and institutional – in 2008, yet the Region still ranked among the top four across Canada

Total construction in York Region during 2008 was valued at $2.8 billion – a decrease of $705 million from 2007. All sectors (residential, industrial, commercial, and institutional) experienced decreases in the total value of their construction for the 2008 calendar year. This is compared to the relatively high values in 2007. The residential, commercial, and institutional sectors experienced decreases of 15.1%, 34.2% and 8.6%, respectively. The largest decrease occurred in the industrial sector, finishing 2008 with a decrease of $159.7 million (40.8%) under its value of construction in 2007.
The value of ICI construction has increased in York Region from 1996-2008. Since 1996, the annual value of non-residential construction has more than doubled from $316 million to $770 million in 2008 (see *Figure 4*). The last six months of 2008 saw a significant

decline in total ICI construction as compared to 2007 levels. Total ICI values for the second half of 2008 were $331.9 million, down 45.3% compared to 2007.



Source: York Region Planning and Development Services Department, 2008.

Compared to earlier years, 2008 has not been a year of strong growth for the total value of construction in York Region. 2008 was the lowest since 2002, but still only $100 million less per year than the 2003-2006 period. The poor 2nd half of 2008 however may be a harbinger of what is to come in 2009. York Region still posted the fourth largest total construction value in the country (see *Table 3*).

Table 3
Cross Canada Comparisons 2008: Values of Total Construction ($000's)

Rank	Municipality	Total Value
1	City of Toronto	$5,720,398
2	Greater Vancouver Regional District	$5,578,940
3	City of Calgary	$3,955,194
4	***York Region***	***$2,801,370***
5	City of Edmonton	$2,159,666
6	Peel Region	$2,071,465
7	City of Montréal	$1,769,189
8	Halton Region	$1,700,200
9	City of Ottawa	$1,698,831
10	City of Québec	$1,559,504

Source: Area Municipal Building Permit Reports, 2008; Statistics Canada Building Permit Reports and Table 32.2 (unpublished), 2008.
Note: List includes cities, Regions, and Regional Districts as defined locally.

The total residential construction value of residential permits in York Region was approximately $2.03 billion. When compared to other cities, Regions and Regional Districts, this value is the third largest in the country for 2008 (see *Table 4*).

Table 4
Cross Canada Comparisons 2008: Values of Residential Construction ($000's)

Rank	Municipality	Residential Value
1	Greater Vancouver Regional District	$3,385,938
2	City of Toronto	$2,941,922
3	***York Region***	***$2,030,903***
4	City of Calgary	$1,491,110
5	Halton Region	$1,124,800
6	City of Ottawa	$1,031,568
7	Peel Region	$1,011,539
8	City of Edmonton	$914,295
9	City of Québec	$902,035
10	City of Montréal	$888,006

Source: Area Municipal Building Permit Reports, 2008; Statistics Canada Building Permit Reports and Table 32.2 (unpublished), 2008.
Note: List includes cities, Regions, and Regional Districts as defined locally.

The total value of all ICI construction in 2008 placed the Region seventh in Canada (see *Table 5*). All ICI sectors decreased in the Region by 30.9% compared to the strong performance in 2007. ICI decreased by 15.2% compared to the more typical 2006 totals.

Table 5
Cross Canada Comparisons 2008: Values of ICI Construction ($000's)

Rank	Municipality	Industrial	Commercial	Institutional	Total
1	City of Toronto	$304,953	$1,843,098	$630,425	$2,778,476
2	City of Calgary	$154,343	$1,591,325	$718,416	$2,464,084
3	Greater Vancouver Regional District	$123,727	$1,710,326	$358,949	$2,193,002
4	City of Edmonton	$139,524	$828,550	$277,297	$1,245,371
5	Peel Region	$250,202	$536,855	$272,869	$1,059,926
6	City of Montréal	$76,380	$580,013	$224,790	$881,183
7	***York Region***	***$231,466***	***$314,241***	***$224,760***	***$770,467***
8	City of Ottawa	$23,940	$426,396	$216,927	$667,263
9	City of Québec	$125,633	$391,058	$140,778	$657,469
10	Waterloo Region	$85,089	$271,081	$230,825	$586,995

Source: Area Municipal Building Permit Reports, 2008; Statistics Canada Building Permit Reports and Table 32.2 (unpublished), 2008.
Note: List includes cities, Regions, and Regional Districts as defined locally.

Relationship to Vision 2026

The Economic and Development Review 2008 helps to promote Regional economic vitality as outlined in both the Regional Official Plan and Vision 2026. The monitoring of economic trends allows York Region to assess the competitiveness of its economy and evaluate and respond to changes in the economic climate. Furthermore, the Economic and Development Review 2008 is a vehicle for highlighting and showcasing the Region as a destination to live, work and play.

5. FINANCIAL IMPLICATIONS

The economic indicators presented in this report will allow York Region Council to effectively monitor, evaluate and respond to variations in the Region's economic landscape. Printing and distributing the Economic and Development Review 2008 is provided for in the 2009 approved budget.

6. LOCAL MUNICIPAL IMPACT

Regional economic indicators, as presented in this document, are important in evaluating economic trends across the Region. The adoption of this report's recommendations provides all those using this document (including local municipal economic development and planning officials) with a summary of York Region's economy. This will provide a primer for policy decision-making, devising strategies, and attracting new businesses to the Region.

7. CONCLUSION

Although many indicators show relatively strong performance in 2008, figures for the 4^{th} quarter were down considerably, perhaps indicative of a considerably slower 2009. Regional economic indicators, as presented in this document, are vital in assessing and responding to economic trends across York Region. The acceptance of the recommendations of this report will provide all those using this document, including local municipal economic development and planning officials, with a summary of York Region's economy. This publication will be useful for effective decision-making, devising strategies and attracting new businesses to the Region.

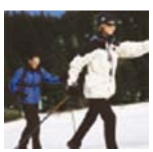
It is proposed that the attached Economic and Development Review 2008 be printed and distributed widely to local municipalities, Chambers of Commerce, Boards of Trade, involved business groups, libraries and other stakeholders. The Region's Economic Development Department will also use this report to channel vital data on the Region to employers in York Region, and aid businesses in establishing or relocating within York Region.

For more information on this report, please contact Paul Bottomley, Manager of Growth Management, Economy & Information Research at (905) 830-4444 Ext. 1530, or John Waller, Director of Long Range and Strategic Planning at (905) 830-4444 Ext. 1525.

The Senior Management Group has reviewed this report.

(The attachment referred to in this clause is attached to this report.)




Economic and Development Review 2008

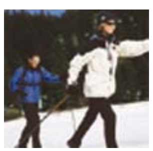
Presentation to Planning and Economic Development Committee

Paul Bottomley

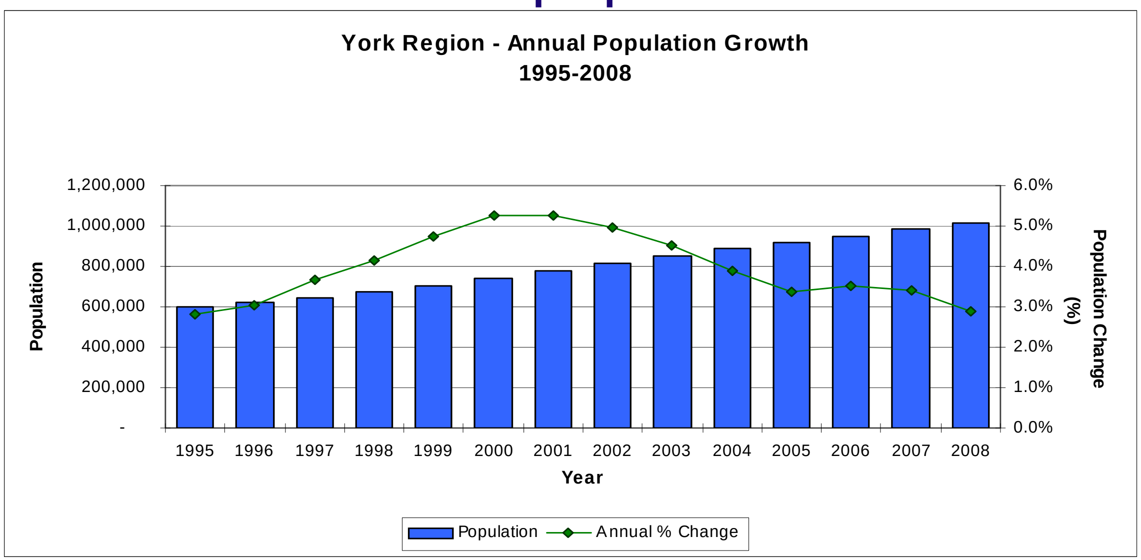
April 8, 2009

Strong Population Growth



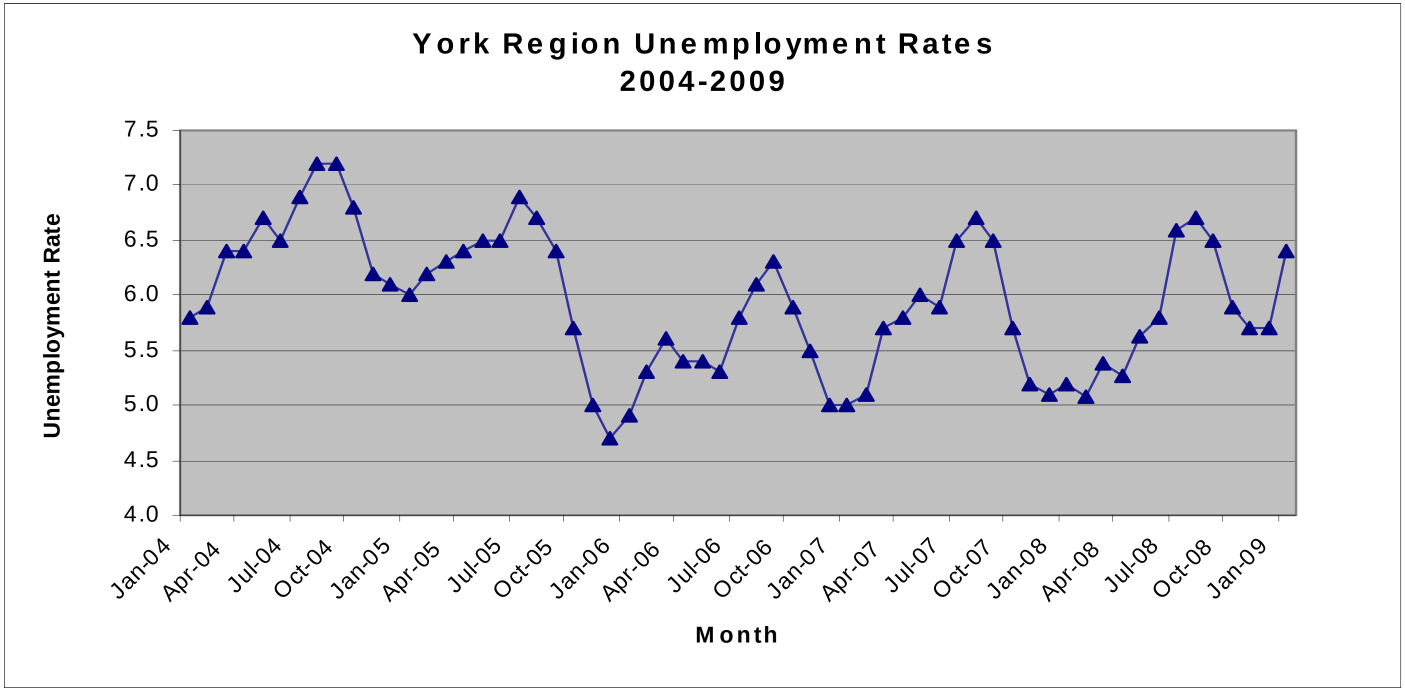




- As of December 2008:
  - 1,011,400 total residents
  - 28,300 new in the past year
  - 2.9% increase over year-end 2007
  - 16.7% of GTA's population



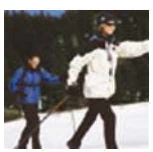
York Region's Unemployment Rate has been Increasing

- Approximately 490,000 jobs within the Region
- December 2008 unemployment rate of 5.7% in York Region, 6.7% in the GTA



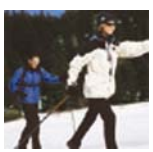
Continued Strength in Resale Residential Property Market




- York Region's total residential resales (13,065) valued at $5.7 billion
- Average resale prices:
  - $508,892 (single detached)
  - $257,115 (condo/apartment)
- Average residential resale price 20% higher than GTA
- Total resales in the 4^{th} Quarter dropped by 46% compared to 2007

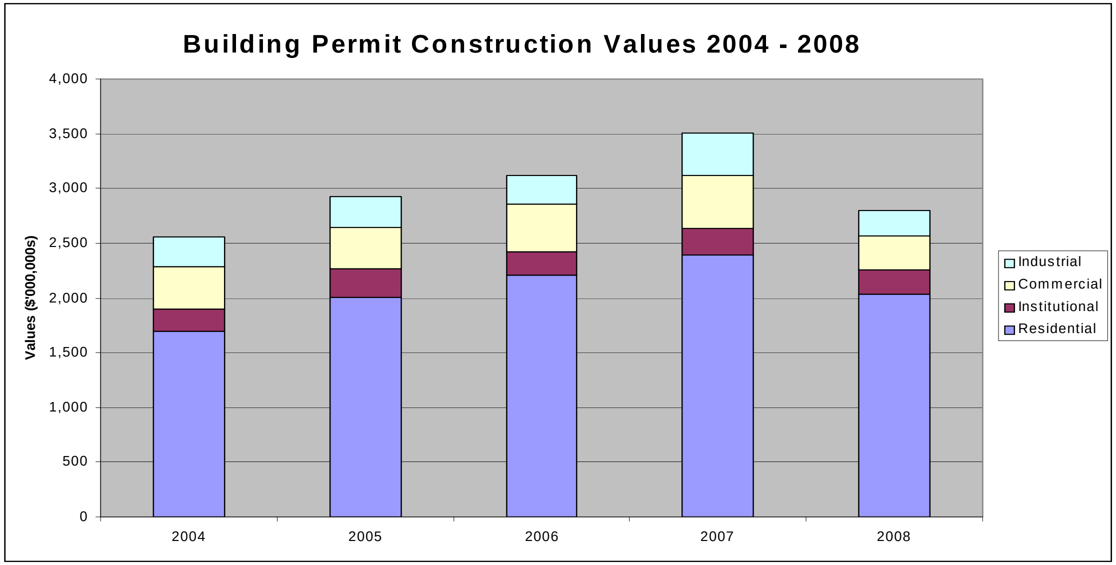
Industrial Vacancy rates increased - Commercial/Office rates remain similar



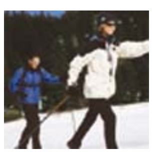
- York Region’s industrial vacancy rate was 7.2%, compared to 4.6% in 2007
- Vacancy rates in commercial/office nodes ranged from 4.5% - 8.8%

Building Permit Construction Values Remain High

- Total construction value declined to $2.8 billion from $3.5 billion in 2007
- 27.5% of the total construction value generated by ICI Sectors
- Residential construction declined 15% to $2.03 billion



Residential Building Permits: Top Canadian Municipalities



	Municipality	# of Permits
1.	Greater Vancouver Regional District	14,838
2.	City of Toronto	13,873
3.	**York Region**	**8,305**
4.	City of Ottawa	6,744
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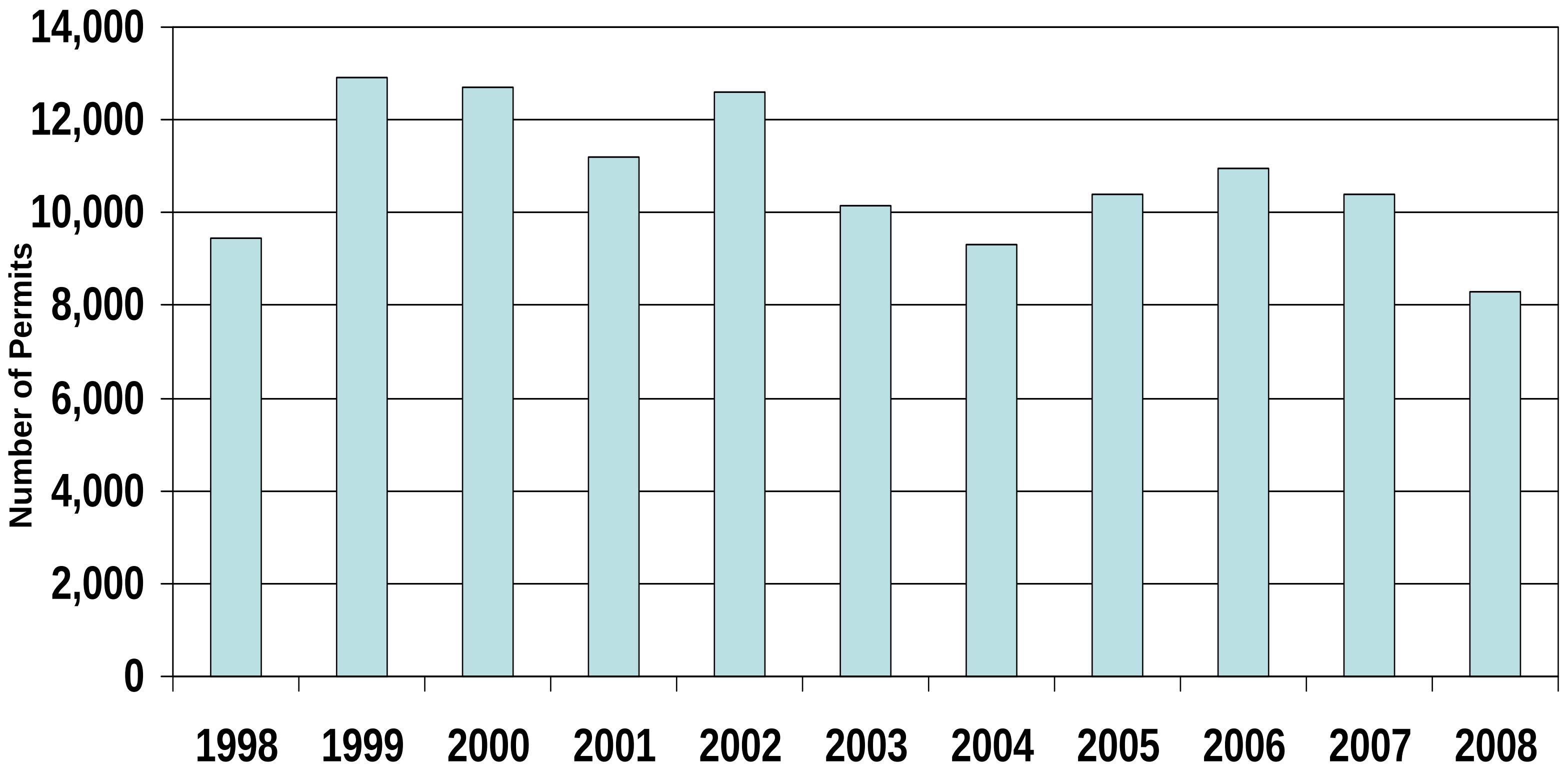
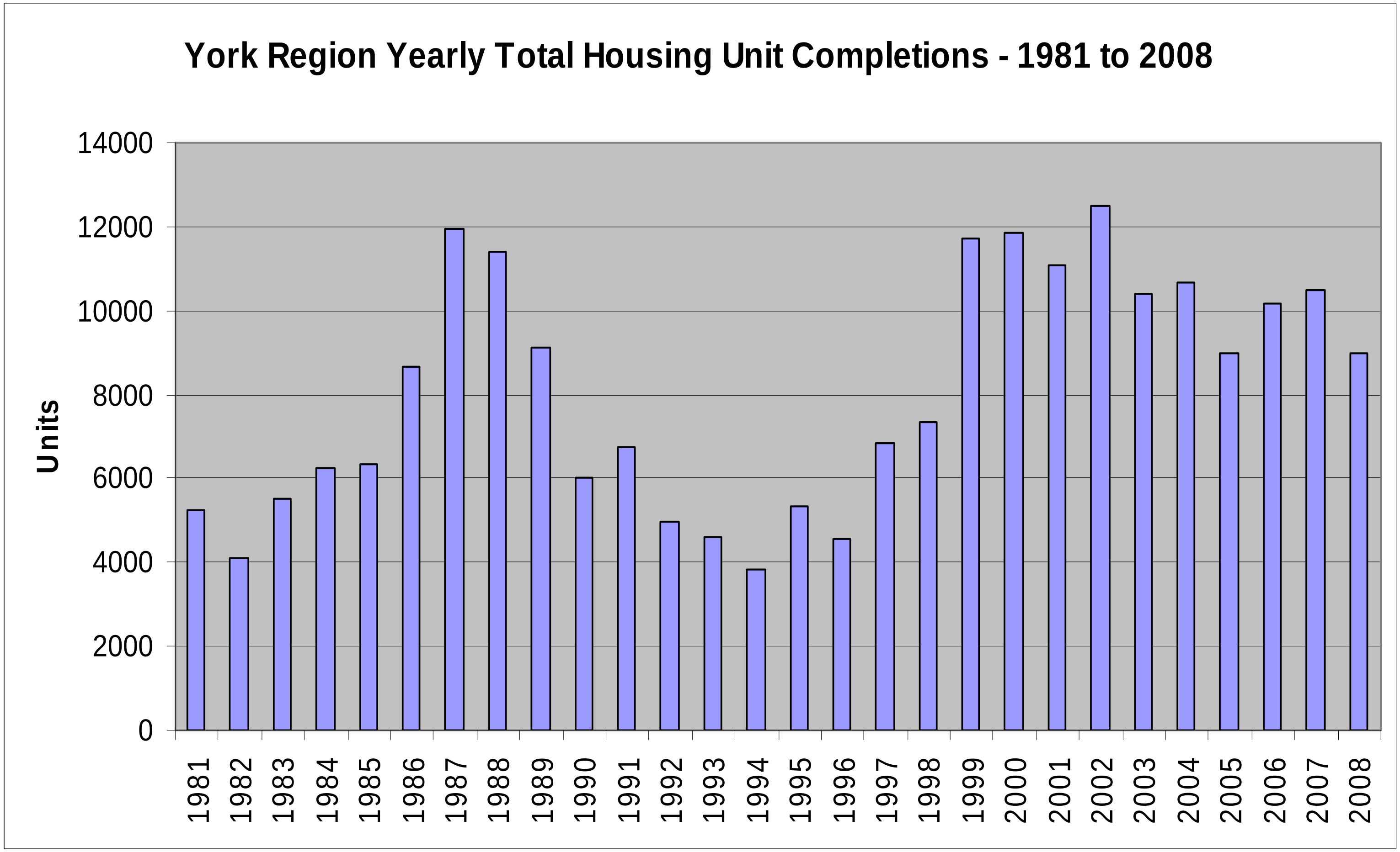
Building Permits Issued for 8,305 New Residential Units





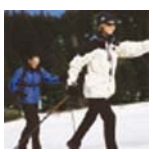


Housing Completions Declined



Key Points for 2008

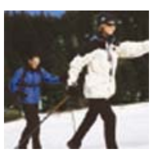



- Population increased by 28,300 to reach 1,011,400
- Number of jobs estimated at 490,000
- Continued strength in residential resale market
- Industrial vacancy rates increased to 7.2%
- York Region's total value of construction was $2.8 billion, down from $3.5 billion
  - ICI construction accounted for 27.5% of total construction value
- Building Permits issued for 8,305 new residential units
- 4th Quarter performance was down considerably

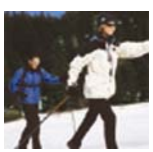
Staff Recommends Publication & Circulation of EDR 2008




- Circulate published EDR 2008 (printed and digital copies) to public, local municipalities, and agencies.
- Make available on corporate website.

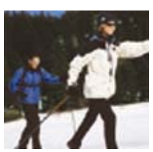
Question: Industrial Permit Values



- Changes in ICI seen throughout York Region from 2007 to 2008.

	Change in Value ($000s)	% Change from 2007
Aurora	$ 29,525	52.5%
East Gwillimbury	$ -17,680	-90.4%
Georgina	$ 9,188	169.5%
King	$ -11,134	-44.7%
Markham	$ 46,779	31.2%
Newmarket	$ -54,511	-73.4%
Richmond Hill	$ -29,510	-22.6%
Vaughan	$ -331,742	-52.4%
Whitchurch-Stouffville	$ 14,960	72.0%

Annual Value of ICI Construction in York Region - 1996 to 2008



- Historical changes in ICI values seen in York Region from 1996 to 2008.