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PLANNING FOR TOMORROW

PART 1

YORK REGION POPULATION AND EMPLOYMENT FORECASTS

The Planning and Economic Development Committee recommends the following:

- 1. The presentation by Paul Bottomley, Manager, Growth Management, Economy and Information Research, Long Range and Strategic Planning, relating to Clauses 6 to 10 in this Committee Report be received;**
- 2. A Regional or Local Councillor from each local municipality be requested to “champion” the *Planning for Tomorrow* series to raise awareness in their communities; and**
- 3. The following recommendations contained in the report dated April 4, 2007, from the Commissioner of Planning and Development Services be adopted:**

1. RECOMMENDATIONS

It is recommended that:

1. Regional Council direct staff to work with the area municipalities to refine the forecast and land budget model.
2. The Regional Clerk distribute this staff report to the Ministry of Public Infrastructure Renewal (PIR), the Ministry of Municipal Affairs and Housing, and the area municipalities for information purposes.

2. PURPOSE

The purpose of this report is to present preliminary population and employment forecasts to the nine area municipalities of York Region. Three forecast scenarios are presented. These include 30% and 40% intensification scenarios that are based upon the Provincial Places to Grow forecasts and a 2051 forecast. These forecasts will be used as a basis for discussion, review and evaluation with Regional Council, local municipalities, public agencies, school boards, etc. and the Province, as we continue to refine and develop a preferred scenario.

This report is Part 1 in the series of Planning for Tomorrow reports being brought forward for information and discussion in the spring of 2007. The reports in the series are:

1. York Region Population and Employment Forecasts
2. 2031 York Region Land Requirements
3. York Region Residential Intensification Strategy
4. York Region Residential Area Analysis - Preliminary Report
5. Phase 2 - Public Engagement and Consultation

All five reports are to be considered at the Planning and Economic Development Committee meeting of April 4, 2007 and should be read in the order in which they are listed above.

3. OVERVIEW

- The preliminary population forecast (40% 2031 scenario) calls for 224,000 more people and 105,000 more jobs than are currently approved for in the Region's Official Plan for 2026.
- 1.5 million people and 801,000 jobs are forecasted for York Region by 2031.
- Household growth averages 10-11,000 per year during the 2006 to 2021 term, declining to 8-9,000 per year during 2021 to 2031.
- Total households will increase at a much faster growth rate than population during the forecast period.
- Existing strategic employment lands should be identified and preserved for high skill jobs to match our anticipated fast growing labour force.

4. BACKGROUND

4.1 Places to Grow

The Province prepared a *Growth Plan* for the Greater Golden Horseshoe (GGH) under the *Places to Grow Act*, 2005.

The Plan guides decisions on a wide range of issues including transportation planning, land-use planning, urban form, housing, natural heritage and resource protection. The Plan contains population and employment growth forecasts to 2031 for the GGH and sets out policy directions that focus growth on intensification in built up areas, urban growth centres, intensification corridors, major transit stations, brownfield and greyfield sites. These areas will provide the focus for transit and infrastructure investment to support growth. In order to achieve the Plan's intensification goals, 40% of all residential development annually is to occur within a municipality's built-up area by 2015 and each year thereafter.

The updated 2031 forecasts in the *Growth Plan* for York Region include a population of 1.5 million and employment of 780,000. York Region's current forecasts contained in the Regional Official Plan include a population of 1.28 million and 696,000 jobs by 2026.

Regional staff have conducted a detailed analysis and review of the updated forecast in the *Growth Plan* using the Region's own in-house forecasting model. The analysis includes an update of the Regions population and employment forecast model with input from the area municipalities, to determine the local distribution of growth.

A number of forecast scenarios have been developed that consider the range of growth options available to the Region. These include a 30% intensification scenario, a 40% intensification scenario and a 2051 forecast.

This report presents preliminary draft forecast figures for each of these scenarios for discussion purposes. Regional staff have been consulting with local municipal staff in the preparation of these preliminary forecasts and will continue to collaborate with them on a regular basis in the preparation of a final set of updated forecasts that will be incorporated into the Regional Official Plan.

The updated forecast work is part of a comprehensive Growth Management Review and Official Plan update that regional staff are undertaking. This forecast will be a key input to the Transportation, Water and Wastewater Master Plan updates, the Land Requirements Analysis (see separate report on this agenda) and the 25 Year Fiscal Impact of Growth Analysis.

5. ANALYSIS AND OPTIONS

5.1 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 particularly critical in determining requirements for both 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 patterns and are used by industry and business for investment decisions.

5.2 Current Regional Official Plan Forecasts

On July 1, 2006, York Region had an estimated population of 930,700, an estimated employment level of 455,000 jobs, and an estimated total of 278,000 households. The York Region Official Plan forecasts a 2026 population of 1.28 million people, and 696,000 jobs.

In comparison, the Provincial forecasts to 2031 predict an even greater amount of growth:

- A population forecast of 1.5 million.
- An employment forecast of 780,000 jobs.

This is 224,000 more people and 105,000 more jobs than has been approved in the current York Region Official Plan.

5.3 2006 Census

Statistics Canada released the first set of 2006 Census data on March 13, 2007. The data covered population and dwelling counts.

The total 2006 Census population released for York Region is 892,712. The 2006 Census population figure excludes the undercount (people that are missed during the enumeration). In 2001, the Census undercount was approximately 4.1% for York Region. Adding a 4.1% estimate for the undercount population brings the 2006 Census figure to approximately 929,300. This number is consistent with the York Region Planning Department estimate of 930,100 as of May 31, 2006 (Census day was May 16, 2006).

Similarly, York Region recorded 275,673 occupied households based on the 2006 Census. Regional Staff had estimated the number of total occupied households to be 277,006 as of May 31, 2006.

Regional staff will ensure that the York Region Population Forecast Model is updated to include these recent 2006 Census population and household figures. Overall, the Census confirmed our current estimates for 2006, and these estimates are already built into the forecast model. Therefore, Staff anticipate only minor adjustments will be required.

5.4 Population and Household Forecast Methodology

The York Region Planning and Development Services Department operates its own population, household and employment forecast model. The model uses the cohort (age group) survival method modified by migration that ages the population and calculates future growth based on assumptions on fertility rates, mortality rates and levels of net migration.

A number of key demographic assumptions will influence population growth in York Region including:

- Fertility and mortality rates
- Federal Immigration levels
- Net migration to York Region
- Ageing of the population
- Diversity

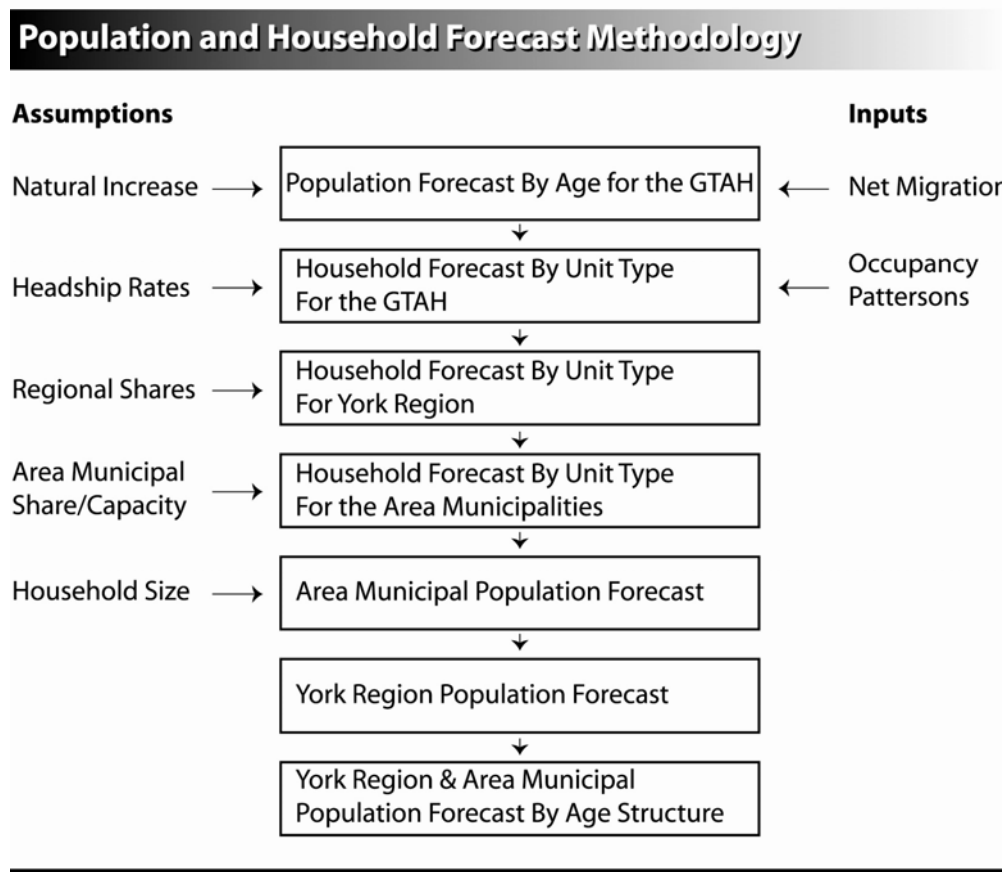
Among all demographic variables, net migration is the most sensitive and will continue to play a key role as the driving force of population growth in York Region. Refer to *Attachment 1: Forecast Sensitivity* for more information.

The model forecasts population and households for the GTAH and then distributes this growth to the Region and their respective area municipalities based on a share analysis of the housing market. The number of households and population that are likely to occur in both the area municipalities and the Region as a whole can be determined based on this analysis.

The Region's forecast complemented this top down approach with a policy driven perspective which includes the planning work and long-term growth management studies of the area municipalities. Detailed consideration was also given to the existing and planned inventory of development proposals.

Figure 1 depicts the methodology used by York Region's population and employment forecast model.

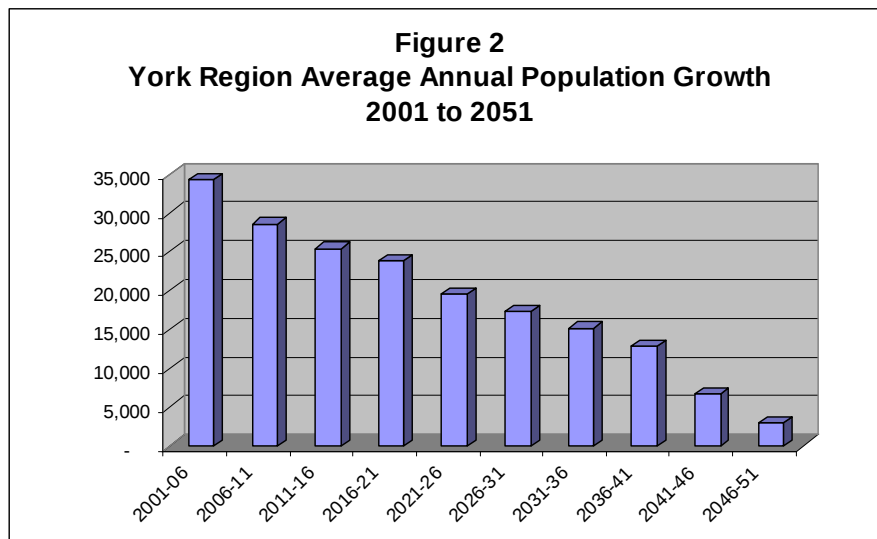
FIGURE 1



5.5 Summary of York Region Population and Household Forecast Scenarios

Regional staff have created three forecast scenarios based on intensification targets of 30%, 40% and a scenario to 2051 (see separate report on this agenda for an explanation on levels of intensification). The 2051 scenario builds out the remaining whitebelt lands and continues with intensification. The 30% and 40% scenarios use the Province's forecast of 1.5 million people to 2031.

Under the 40% scenario, the Region's average annual population growth is expected to decline during the forecast period, from approximately 28,600 per year during the 2006 to 2011 period down to approximately 17,300 per year during the 2026 to 2031 period, as depicted in *Figure 2*.



Demographic trends and a history of declining average household sizes (i.e. persons per unit) will contribute to a future situation where household growth will be faster than population growth. Over the forecast period of 2006 to 2031 households grow faster than population at a rate of approximately 1.3 to 1.

5.6 Summary of York Region Household Forecast Scenarios

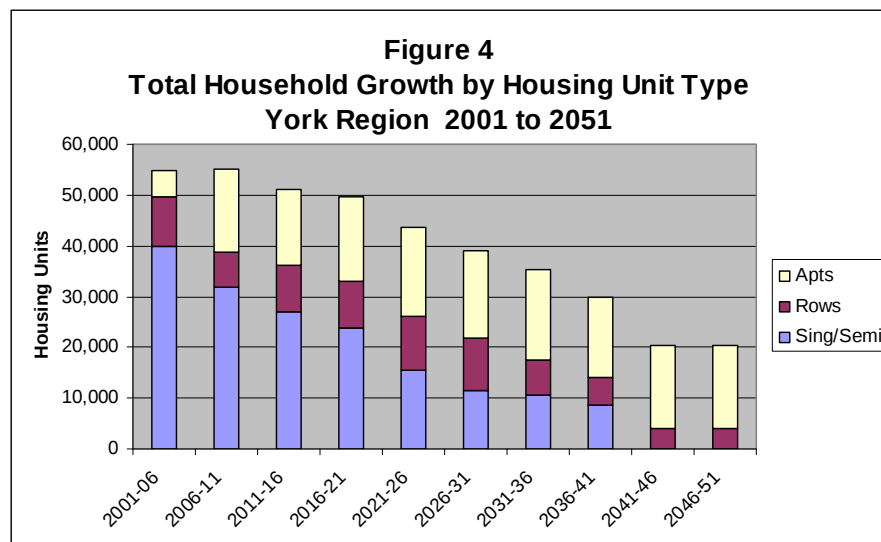
The 40% intensification requirement adds a new dimension to the population and household forecast modelling exercise, as intensification needs to be distributed to each of the area local municipalities and has implications on Greenfield land requirements. The 30% scenario was created by the Region as this is the policy target in the Region's current Official Plan. See *Figure 3* for a summary of all scenarios.

FIGURE 3 YORK REGION TOTAL HOUSEHOLDS BY FORECAST SCENARIO				
Year	ROP	30%	40%	2051
2006	278,000	278,000	278,000	278,000
2031	464,700	507,700	516,300	516,300
2006-31 Growth	186,700	229,700	238,300	238,300
2051	---	---	---	620,400
2031-51 Growth	---	---	---	104,100

The 30% and 40% scenarios were both based on a 1.5 million population forecast from Places to Grow. The difference between the two scenarios in the total housing stock are a reflection of different intensification levels and housing mix.

The pace of growth for the Region will be higher during the 2006 to 2021 period, averaging between 10-11,000 new units per year. The pace of growth after 2021 out to 2051 slows from an average of 8,700 down to 4,000 units per year. Land scarcity comes into play beyond the 2031 horizon, when it is estimated that all remaining whitebelt lands will be used up.

Figure 4 shows the unit share split of the 40% scenario and depicts the sharp and prolonged increase in apartment units during the post 2006 period.



The 40% scenario will prolong the availability of the whitebelt lands for residential development to after 2031. Once the whitebelt lands are developed, all new growth will come from intensification.

Housing Mix

Over the last decade, the housing market across the Region has become more diverse, with rows and apartments occupying a greater share of the overall housing stock. The 40% forecast scenario assumes that this shift towards more multiple type units will become more pronounced over the next 25 years and beyond.

As depicted in *Figure 5*, the current total housing stock contains 22% multiple units. This is forecast to increase to 37% by 2031 and to 44% by 2051.

FIGURE 5 YORK REGION HOUSING MIX BY SCENARIO			
	Singles/ Semis	Multiples (Rows/Apts)	Total Units
2006 %	216,217 78%	61,770 22%	277,987 100%
2031 30% %	329,032 65%	178,694 35%	507,726 100%
2031 40% %	325,884 63%	190,473 37%	516,357 100%
2051 %	345,294 56%	275,076 44%	620,370 100%

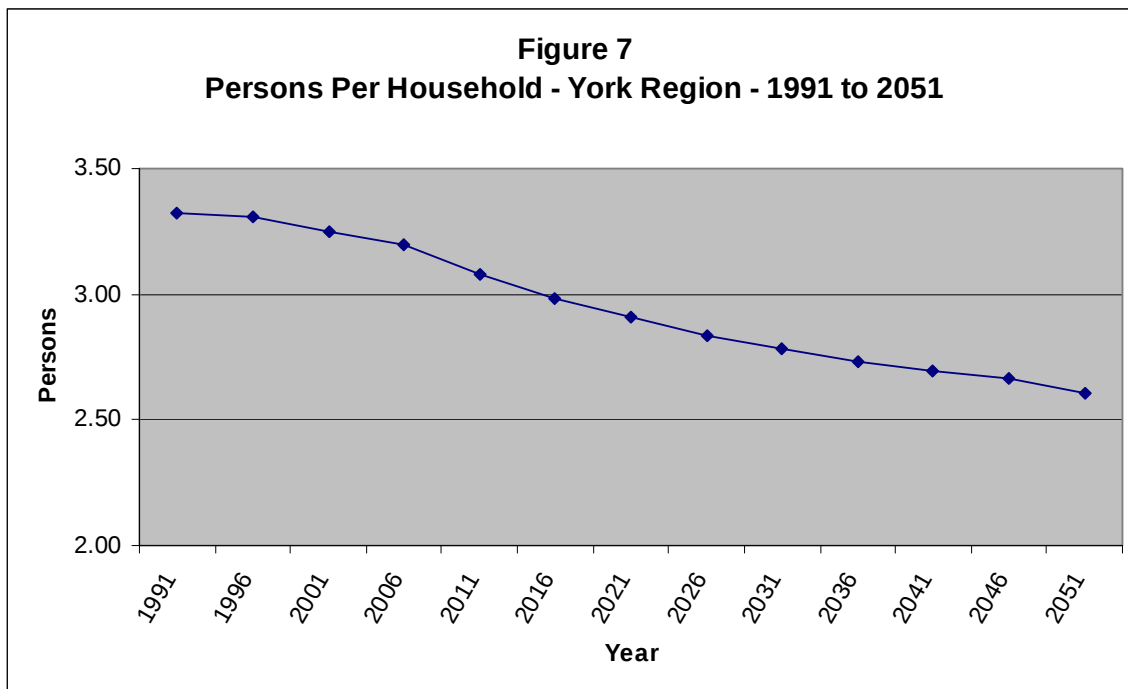
The forecast growth split between singles/semis and rows/apartments is depicted in *Figure 6 below*. As illustrated, the 40% scenario anticipates a smaller portion of single and semi growth over the 2006-31 period, 46% as apposed to 49% under the 30% scenario.

FIGURE 6 YORK REGION 2006-2031 AND 2051 FORECAST SCENARIO SUMMARY				
	<i>Population (000's)</i>	<i>Households (000's)</i>	<i>Growth Split in Total Units *</i>	<i>Intensification Units</i>
30%	1,500	504	49 / 51	62,900
40%	1,504	516	46 / 54	85,300
2051	1,693	620	38 / 62	143,400
<i>* Percentage split depiction of growth share required during 2006 to 2031 period between (Single + Semis / Rows + Apartments).</i>				

The Provincial requirement of 40% intensification generates a need for approximately 85,000 new intensification units in the Region by 2031. This level of intensification will be a challenge to achieve and is dependant on a market preference shift to apartments and row style houses.

5.7 Persons Per Unit

Household population divided by the number of households derives the persons per unit (PPU) factor. Household size figures in York Region decreased from an average of 3.7 persons in 1971 to 3.32 persons in 1991 and 3.25 in 2001. This trend is forecast to continue as depicted in *Figure 7*, declining to 2.78 in 2031.



The declining PPU is consistent with North American patterns and throughout the western world. It reflects a fertility rate below replacement level, an aging population, and an increase in empty nesters, childless and single person households. The PPU in 2051 is forecasted to be 2.6, which is the PPU the City of Toronto recorded in the 2001 Census.

5.8 Local Municipal Population Distribution

The local distribution methodology used to project population and housing growth within the Region has been developed considering a number of key factors including:

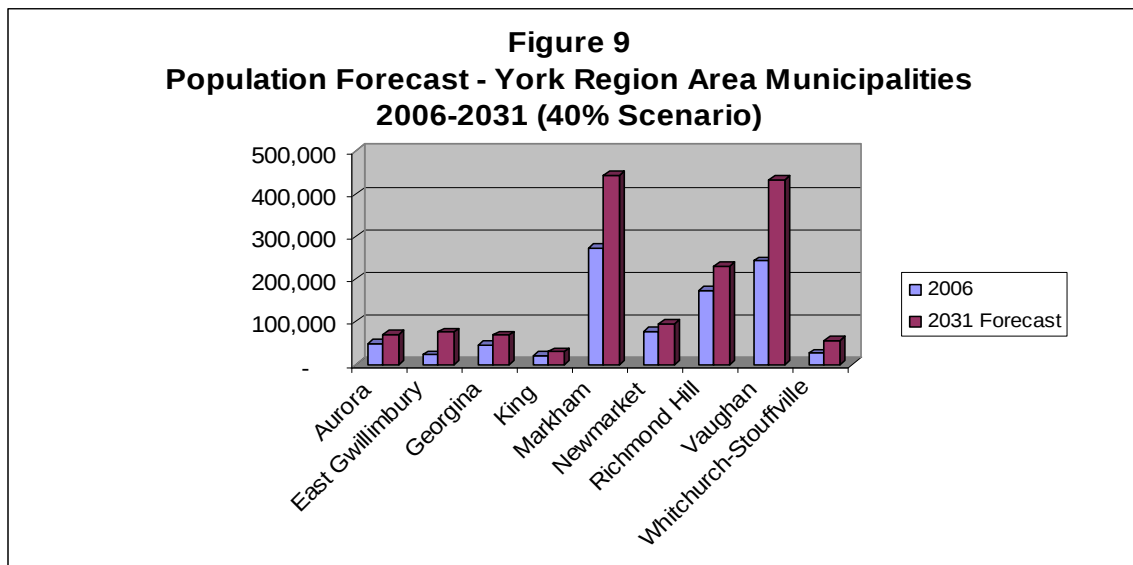
- The impacts of servicing constraints and land supply on future growth rates.
- Historical development activity, market demand and demographic changes.
- Local municipal Official Plan policy and growth management work.

The population forecasts for all municipalities will increase, some significantly. Figures 8 and 9 illustrate the draft 40% scenario that is based on the Places to Grow forecast of 1.5 million people. The pace of growth as depicted in these figures will create significant demands for infrastructure, human services and result in significant financial demands.

Figure 8 York Region Population Forecast Model (40% Scenario) Total Population for 2006 and 2031 by Local Municipality					
	Total Population 2006	Total Population 2031	Population Growth 2006-31	2006-31 Share of Growth (%)	2006-31 Avg Annual Increase (%)
Aurora	49,000	70,750	21,750	4%	1.5%
East Gwillimbury	22,350	75,300	52,950	9%	5.0%
Georgina	45,000	68,700	23,700	4%	1.7%
King	20,400	30,100	9,700	2%	1.6%
Markham	273,300	444,100	170,800	30%	2.0%
Newmarket	77,800	96,100	18,300	3%	0.8%
Richmond Hill	173,500	229,900	56,400	10%	1.1%
Vaughan	243,400	433,000	189,600	33%	2.3%
Whitchurch-Stouffville	26,000	56,700	30,700	5%	3.2%
York Region	930,750	1,504,650	573,900	100%	1.9%

Approximately 73% of the anticipated population growth will occur in the Region's southern municipalities of Markham, Vaughan and Richmond Hill. The third and last remaining large amount of whitebelt lands are located in East Gwillimbury (refer to separate report on this agenda regarding the Region's land budget). Under the 40% scenario, the whitebelt lands are anticipated to last beyond the 2031 horizon.

In some municipalities (Aurora, Georgina, King, Newmarket and Richmond Hill) the 2031 forecasted population is lower than the current Regional Official Plan, due primarily to development restrictions associated with the Oak Ridges Moraine and the Greenbelt.



5.9 Employment Forecasts

Employment Forecast Background

Maintaining a balance between population and employment is an important consideration in York Region. This balance is essential to ensure the economic vitality of the Region as outlined in the Regional Official Plan. The effective placement of employment growth in terms of volume, location and employment type will help determine the economic direction of York Region and ultimately help address several key challenges including the need to attract high quality employment that matches the skills of area residents. The employment forecast has been developed in conjunction with the Regional population forecasts and will be used as input into the infrastructure and financial master plan exercises.

A number of key employment trends are emerging on a national basis such as labour force shortages, the retiring baby boomers, the integration of new immigrants into the labour force, the importance of small businesses and knowledge workers, and the impact on local economies of off shore manufacturing. All these factors and more will affect employment significantly. Regional Staff will be conducting a more detailed employment area analysis on trends occurring in the local employment areas to determine specifics on current employment sectors and existing densities.

Employment Forecast Methodology

The employment forecast methodology is based on an evaluation of the Places to Grow employment forecast to 2031 and an activity rate analysis for York Region. The employment distribution to each area municipality is based on applying anticipated shares to York Region's total forecast employment. This share distribution is evaluated and checked through an activity rate analysis for each area municipality.

Evaluation of the Places to Grow Forecast

The employment forecast for York Region in Places to Grow anticipates 780,000 jobs in York Region by 2031. York Region staff evaluated this forecast in the context of local municipal population growth and activity rates. The activity rate is defined as the percentage of total jobs to the total number of residents. For example, the activity rate for York Region based on the 2001 Census was 52%, which would mean that there are 52 jobs for every 100 residents.

Calculating the Region's and local municipal future activity rates was based on an analysis that included the following:

- An evaluation of historical activity rates from previous Census periods. This historical trend analysis captures economic cycles and illustrates changes in the activity rate as a municipality matures and evolves.
- An assessment of local municipal employment land supply and the availability of future infrastructure (the transportation network, and water and sewer servicing requirements) and potential environmental land constraints.

- An evaluation of the future employment forecast for the Greater Golden Horseshoe (GGH) and the GTAH and York Region's anticipated share of this forecasted employment. The GTAH forecast exercise provided a detailed look at long term changes in the economy and in the future labour force.

Local municipal activity rates are assumed to remain stable in the municipalities of Markham, Newmarket and Vaughan and to increase in the remaining municipalities between 2006 and 2031. Activity rates in Aurora, East Gwillimbury, Georgina, King and Whitchurch-Stouffville are increased from 2001 levels as these municipalities continue to mature into more urban communities. The activity rate in Richmond Hill is assumed to increase from 39% in 2001 to approximately 42.5% in 2031 as the 2001 rate is lower than many mature communities in the GTAH.

Figure 10 York Region Employment Activity Rates 2001 and 2031 by Local Municipality		
	2001	2031
Aurora	44%	50%
East Gwillimbury	22%	45%
Georgina	19%	35%
King	34%	40%
Markham	61%	60%
Newmarket	54%	54%
Richmond Hill	39%	43%
Vaughan	67%	67%
Whitchurch-Stouffville	37%	41%
York Region	52%	55%

As shown in *Figure 10*, the activity rate for York Region increases from 52% in 2001 to 55% by 2031 resulting in a total job forecast of 801,400 jobs compared to the *Places to Grow* forecast of 780,000 jobs.

Employment Categories

The employment forecast is divided into 3 distinct categories: Major Office, Population Related and Employment Land Employment. A brief description of these three employment categories is provided below:

Major Office Employment

Major office employment is defined as employment occurring in office buildings of 1,860 square metres (20,000 sq.ft.) or larger. City or town halls, police stations, hospitals and school board offices are not included in this category and are classified as population related employment. Finance, insurance and real estate activities and business services are typical examples of this type of office employment. Major office employment can occur within an existing urban area and typically does not require vacant greenfield land areas.

Population Related Employment

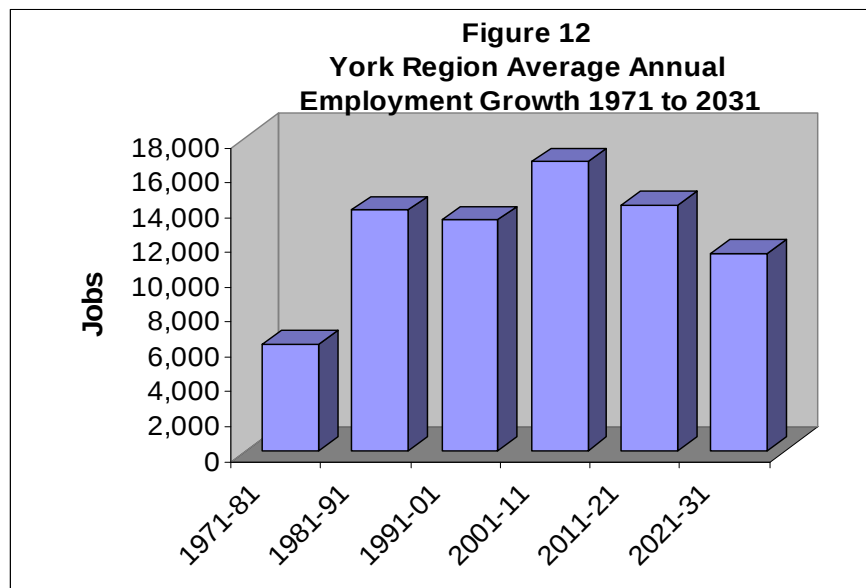
Population related employment consists primarily of employment which serves the local population such as retail services, education services, municipal government services, social and community services, medical services and local office uses (local banks, local legal and accounting offices etc). This employment tends to evolve according to the location of the resident population. According to the 2004 York Region Employment Survey, this type of work constitutes an estimated 40% of the Region's total employment.

Employment Lands Employment

Employment lands employment occurs in industrial or employment areas and includes such activities as manufacturing, research and development, wholesale, warehousing, etc., and does not include employment already classified in the other two categories. This type of employment generally requires new vacant land for development.

Based on analysis performed on 2004 York Region Employment Survey data, the following summary of the distribution of Employment by category is found in *Figure 11* below. York Region staff will be updating this information to reflect the findings of the 2006 York Region Employment survey in the coming months.

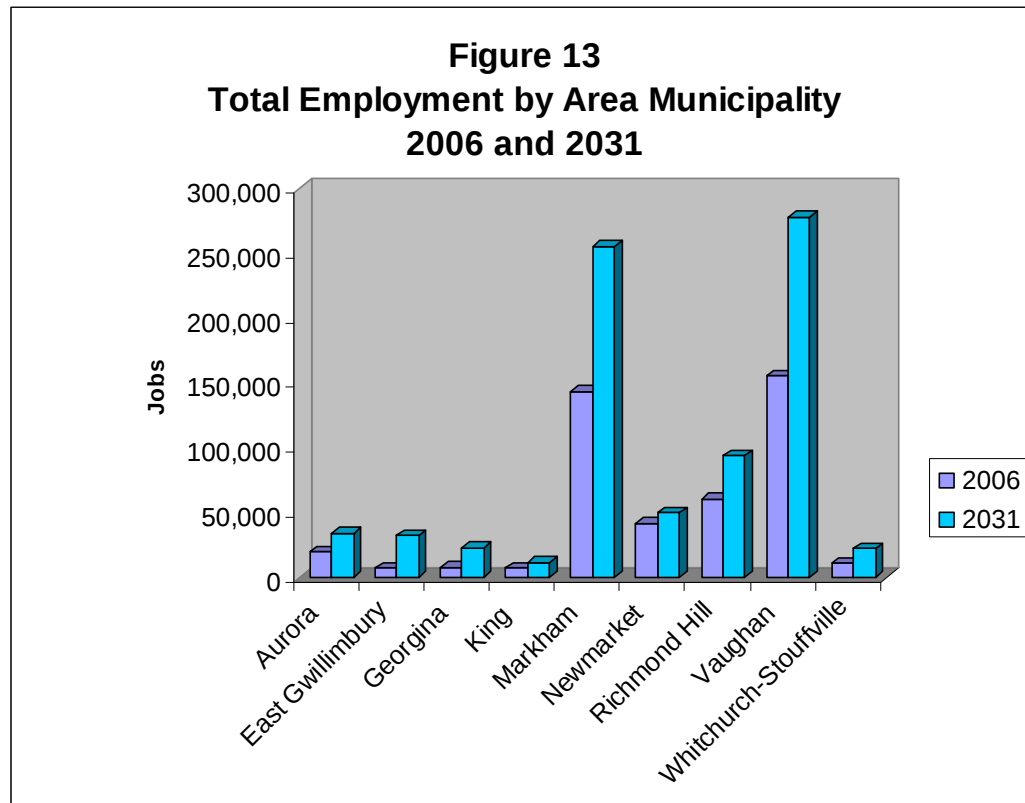
Figure 11	
Employment by Category	%
Population Related	40%
Employment Land	47%
Major Office	14%
Total Employment	100%
Note: Columns may not sum due to rounding.	



Employment Forecast by Type and Municipality

Employment is expected to grow from an estimated 455,000 jobs in 2006 to approximately 800,000 jobs by 2031. This represents an average annual growth rate of 3.0% during the 25 year period. This forecast is approximately 20,000 jobs above the 780,000 outlined in the Provincial Growth Plan. This growth will be matched to the population growth during the same period.

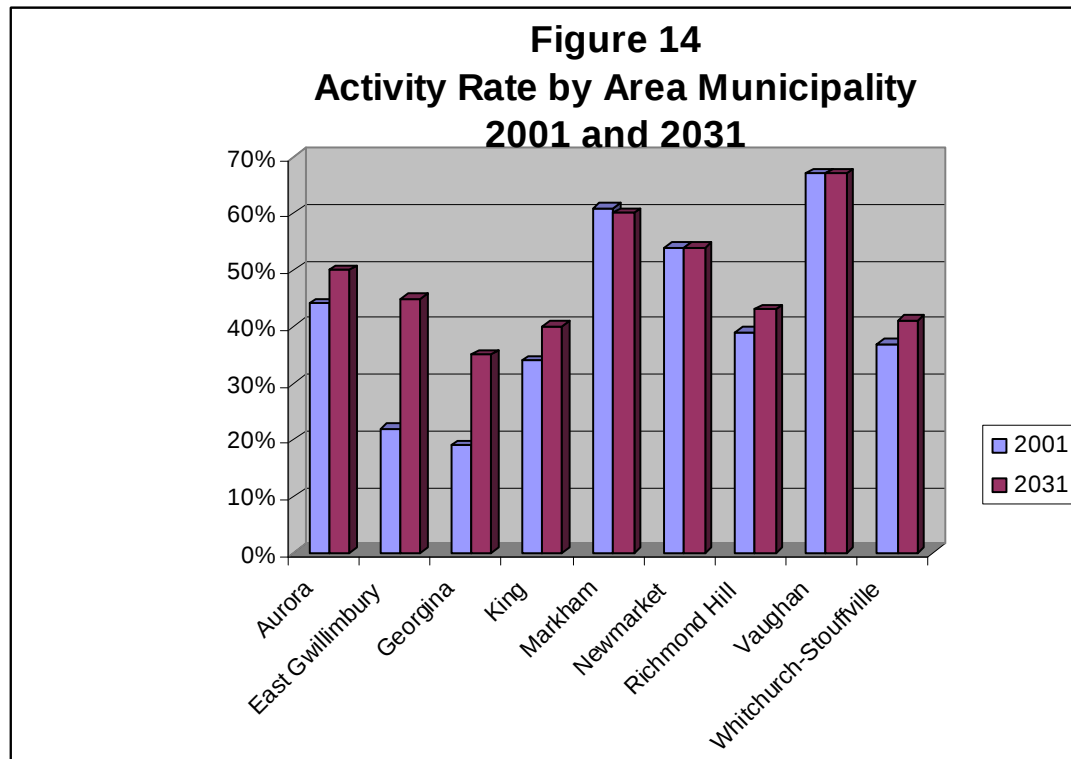
Figure 12 illustrates the historical average annual growth levels for York Region between 1971 and 2031. As evidenced in the chart, York Region is expected to grow by an average of 16,000 jobs per year during the 2006 to 2021 period, and then by 11,500 per year between 2021 and 2031.



In terms of growth by area municipality, several communities are expected to see significant growth in the next 25 years. As illustrated in *Figure 13*, a large proportion of the growth in York Region is expected to occur in both Vaughan and Markham. In fact, these two areas account for approximately 235,300 (68%) of the total 347,000 forecasted growth of total employment in York Region.

In addition, strong employment growth is expected in both Georgina and East Gwillimbury. This growth reflects the development of the Keswick Business Park and

the Queensville Employment Area as well as areas proposed in the East Gwillimbury Corridor Employment study. It is also important to note that all nine area municipalities are expected to experience employment growth.



In the employment forecast, activity rates were adjusted to account for changes in these factors at an area municipal level. As evidenced in *Figure 14*, the forecast assumes that activity rates in Aurora, East Gwillimbury, Georgina and King will increase gradually over time, while the remaining area municipalities will remain relatively stable.

Areas where the activity rate is expected to increase can be viewed as an opportunity to improve the live work ratio. These areas will provide increased employment opportunities within the community, providing residents with the choice of local employment. Improving the live work ratio is essential to reducing traffic congestion and commute times within the GTA.

Key Challenges

- As highlighted in a report prepared by York Region analyzing the links between housing and the labour market (Housing and our Economy 2004), approximately 47% of the York Region labour force commutes outside of York Region daily. This live/work percentage is the lowest in the GTA. York Region must work to reduce the proportion of the labour force that is employed outside of the Region. A reduced live work ratio can reduce commute time and traffic congestion throughout the GTA.

- York Region is home to a highly skilled labour force. In fact, the number of York Region residents employed in highly skilled jobs (such as management, business, finance, administration and social science, education, government and religion) is larger than the available jobs in the Region. As a result, the Region must work to attract a larger proportion of these high skill jobs to match our anticipated labour force.
- The Region must ensure that we monitor the amount and location of retail employment (especially big box). York Region has seen strong growth in retail employment. In fact, retail employment has grown 62% between 1998 and 2005. A large proportion of these jobs are either part time or seasonal, and are not typically high paying. The Region and area municipalities must combine to attract a broad range of employment to York Region. Moreover, it is important to preserve existing employment lands from potential retail Big Box uses.

5.10 Next Steps

The next steps for the Region's approach in distributing the population and employment forecasts to the area municipalities include:

- Continue to consult with area municipalities to determine their specific distribution of housing units, population and employment.
- Use Regional forecasts as input into the infrastructure master plans, fiscal analysis and natural heritage evaluation.
- Present the refined forecasts to Council and proceed with a Regional Official Plan Amendment.

5.11 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.

6. FINANCIAL IMPLICATIONS

The forecasts presented in 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 the necessary transportation, water, sewer and road infrastructure and human services anticipated.

7. LOCAL MUNICIPAL IMPACT

The preliminary forecasts in this report have been prepared in consultation with area municipalities and agencies. Discussions are continuing with the area municipal staff to refine the forecasts. When the forecasts are finalized, the area municipalities will use the proposed forecasts for long term planning initiatives, including growth management studies, capital infrastructure projects and social and health service programs.

8. CONCLUSION

The preliminary forecasts call for very large increases in population, households and employment in York Region during the period 2006 to 2031. By 2031, the Region's population is expected to increase by approximately 574,000 people. Employment is expected to increase by approximately 345,000 jobs.

The preliminary population forecast (40% 2031 scenario) calls for 224,000 more people and 105,000 more jobs than are currently approved for in the Region's Official Plan for 2026. A total of 1.5 million people and 801,000 jobs are forecasted for York Region by 2031.

Demographic trends indicate that total households will increase at a much faster rate than population during the forecast period. Given this forecast demand for housing, existing employment lands should be preserved for high skill jobs to match our anticipated fast growing labour force.

Overall, this amount of forecasted growth will create significant pressure on the Region's infrastructure, program delivery and human service requirements.

For further information about this staff report, please contact Paul Bottomley, Manager of Growth Management, Economy & Information Research at 905-830-4444 extension 1530 or paul.bottomley@york.ca.

The Senior Management Group has reviewed this report.

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