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ECONOMIC AND DEVELOPMENT REVIEW 2007

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, be received; and**

2. **The recommendation contained in the following report dated April 30, 2008, from the Commissioner of Planning and Development Services, be adopted:**

1. RECOMMENDATION

It is recommended that:

1. The *Economic and Development Review 2007, (Attachment 1)* be circulated by Planning amd Development Services staff 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 2007 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 York Region's economy has continued to grow throughout 2007.

4. ANALYSIS AND OPTIONS

4.1 HIGHLIGHTS

- York Region's total population was estimated to be 983,100 on December 31, 2007, an increase of approximately 32,400 people from December 2006.

- York Region contains 16.5% (2007) of the GTA's population and 15% (2006) of its employment.

- Building permits were issued for 10,404 new residential units in 2007. York Region issued the third largest number of new residential permits in the country.

- Housing completions reached 10,502 units in 2007.

- Total construction for 2007 was valued at approximately $3.50 billion, an increase of 380 million over 2006.

- Industrial, commercial, institutional (ICI) construction made up 32% of the total value of construction in York Region during 2007, an increase over 2006, where ICI construction accounted for 29%.

- The total estimated value of industrial construction boomed in 2007, reaching $391 million. This represents an increase of 55% over 2006 values.

- The value of commercial construction remained strong at $478 million, showing a 7% increase from the previous year.

- Institutional construction values were estimated at $246 million, a 16% increase from the total value of institutional construction in 2006.

- The estimated number of jobs as of December 2007 in York Region was approximately 485,000, an increase of about 15,000 over year-end 2006.
- The unemployment rate as of December 2007 in York Region was estimated to be 5.1%.

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

- As of mid-year 2007, there were approximately 40 private sector companies in York Region with 500 or more employees. These companies come from a broad diversity of sectors including manufacturing, computer technology, transportation, communications and commerce.

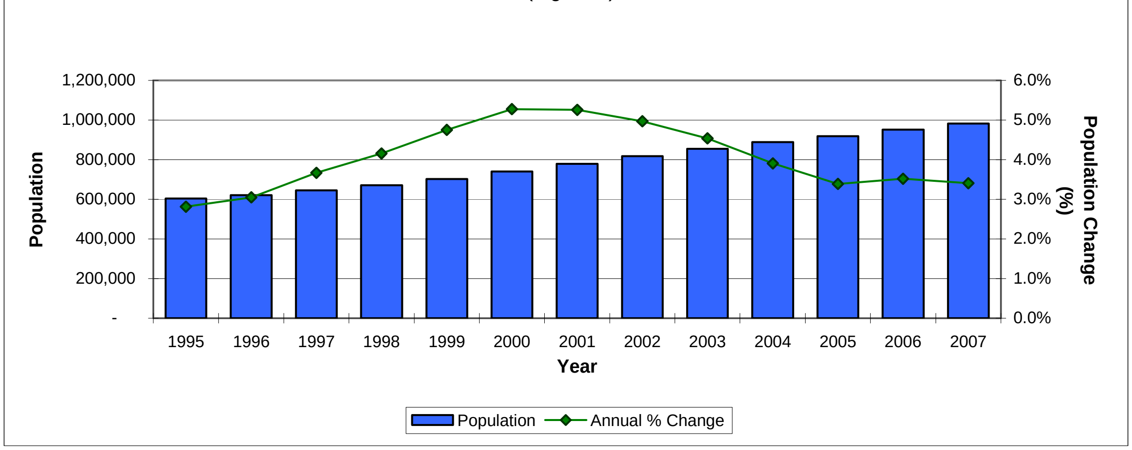
- Over the last three years, the average resale price for single detached dwellings has risen steadily from $435,707 in 2005, to $458,636 in 2006, and $480,637 in 2007.

- Numbers for 2006 show 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 Region is greater relative to both the GTA and Canada.

4.2 POPULATION AND EMPLOYMENT

During 2007, 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 2007, the Region's population had grown by approximately 32,400 people (3.5%) over the previous year, bringing the total estimated population to 983,100 people (see *Figure 1*). This growth is consistent with the average annual growth that York Region has experienced in recent years. In fact, in the last 5 years, the Region has grown by an average of approximately 33,100 people annually.



York Region - Annual Population Growth 1995-2007
(Figure 1)

Source: York Region Planning and Development Services, 2007.

In 1997, the Region accounted for only 13.1% of the GTA's total population. In 2007, 16.5% 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 2007

Rank	Municipality	Est. Population (2007)
1	City of Toronto	2,624,150
2	Greater Vancouver Regional District	2,249,700
3	City of Montreal	1,871,800
4	Peel Region	1,277,200
5	City of Calgary	1,019,900
6	***York Region***	***983,100***
7	City of Ottawa	888,100
8	City of Edmonton	759,900
9	City of Québec	728,900
10	City of Winnipeg	653,400

Source: York Region Planning and Development Services, 2008; Various Municipalities, 2008.
Note: List includes cities, Regions, and Regional Districts as defined locally.

York Region experienced an increase in jobs and low unemployment rates in 2007

By year-end 2007, York Region is estimated to have had approximately 485,000 jobs – an increase of about 15,000 since 2006. Over the last 10 years, approximately 178,000 new jobs have been created within the Region. Strong employment growth within the Region led to a Regional unemployment rate of approximately 5.1% in December of 2007, which was lower than National, Provincial, and GTA averages. These factors indicate that York Region is a resilient and diversified economy that is better able to withstand economic downturns.

4.3 PROPERTY MARKET AND BUILDING ACTIVITIES

York Region's residential real estate market recorded a very strong year

10,747 single detached unit resales occurred during the year – an increase of 11.1% over 2006. In addition, multiple dwelling unit resales increased by 10.3% over 2006 numbers to total 6,111. The value of all resales in 2007 totalled $7.0 billion, while the average resale value of a single detached unit increased by 4.8% from $458,636 in 2006 to $480,637 in 2007.

The supply of new residential units maintained its strength in 2007, while York Region's housing supply continued to become more diversified

In 2007, a total of 11,142 housing starts and 10,502 housing completions occurred in the Region, representing increases of 12.0% and 3.3%, respectively, over 2006. The total number of residential building permits issued in 2007 decreased slightly to 10,404 from

10,933 in 2006. 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 2007 (see *Table 2*).

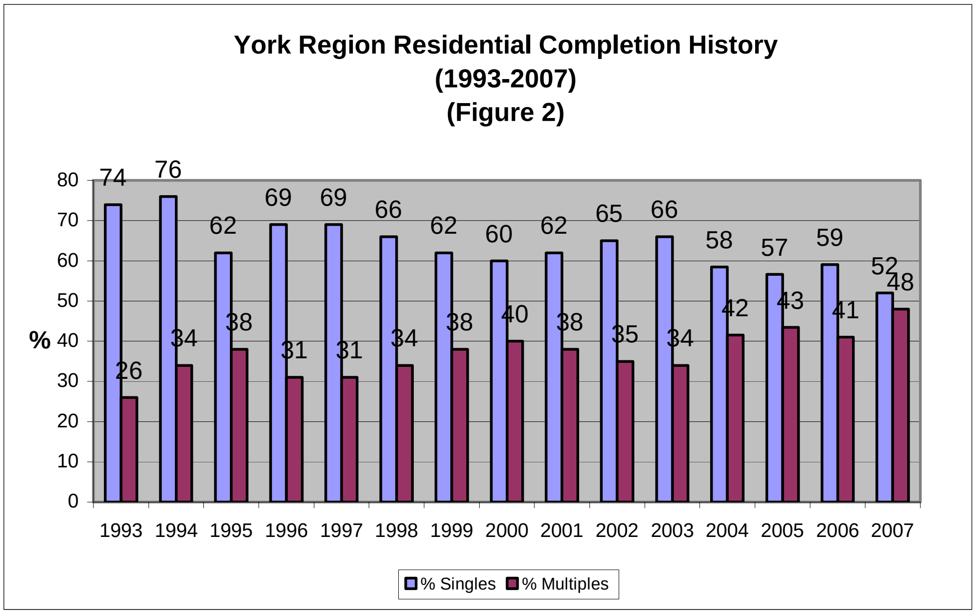
Table 2
Comparative Residential Building Permits Across Canada 2007

Rank	Municipality	# of Permits
1	Greater Vancouver Regional District	22,807
2	City of Calgary	12,488
3	***York Region***	***10,404***
4	City of Toronto	10,401
5	Peel Region	10,155
6	City of Edmonton	8,908
7	City of Montreal	7,150
8	City of Ottawa	6,695
9	Halton Region	4,641
10	Durham Region	3,606

Source: Statistics Canada Building Permit Reports and Table 32.2 (unpublished), 2007.
Note: List includes cities, Regions, and Regional Districts as defined locally.

Reviewing the mix of residential unit types completed in 2007, 52% were single detached units, 11% were semi-detached units, 17% were row houses, and 20% were apartments. Compared with 2006, the biggest change in the Region's housing mix occurred for single detached units and apartments, which respectively accounted for 59% and 14% of 2006's housing completions. This is indicative of a shift towards higher densities and a more compact built form in the Region. This shift was much more prevalent in the southern end of York Region, particularly in Markham, Vaughan and Richmond Hill.

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 2*). 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.



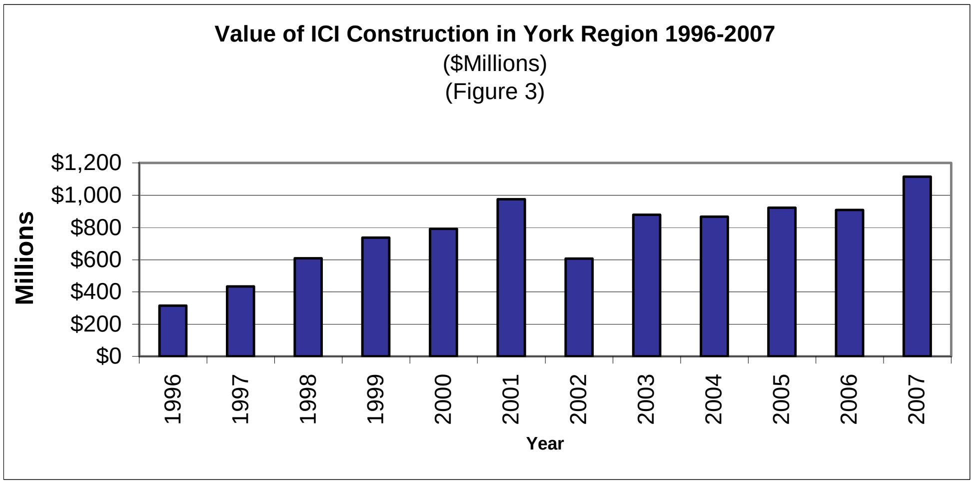
Source: Canada Mortgage and Housing Corporation, 1993-2007.

In 2007, draft approval was given to 1,231 dwelling units in 10 Plans of Subdivision, and 363 units in 6 Condominium Plans. This represents a decrease in draft approvals from 2006, which is likely due to both short term shortages of servicing infrastructure and delays in approvals caused by a number of municipal Official Plan reviews. With a total of 46,991 draft approved and registered unbuilt units, the Region has a 4.5 year supply of draft approved and registered units/lots based on the forecasted average production of the 10,500 units per year (2006 – 2016). This is within the Regional Official Plan's supply target range of three to seven years.

York Region's total value of construction increased across all sectors – residential, industrial, commercial, and institutional – in 2007, ranking the Region among the top five across Canada

Total construction in York Region during 2007 was valued at $3.5 billion – an increase of $382 million over 2006. All sectors (residential, industrial, commercial, and institutional) experienced increases in the total value of their construction for the 2007 calendar year. The residential, commercial, and institutional sectors experienced increases of 8%, 7% and 16%, respectively. The largest increase occurred in the industrial sector, finishing 2007 with an increase of $140 million (55%) over its value of construction in 2006. Investments made through new or expanded ICI (industrial, commercial, and institutional) buildings will add approximately 20,000 new jobs to the Region.

With the exception of 2002, the value of ICI construction has increased steadily in York Region from 1996-2007. Since 1996, the annual value of non-residential construction has more than tripled from $316 million to $1.1 billion in 2007 (see *Figure 3*).



Source: York Region Planning and Development Services Department, 2007.

When looking at the total value of construction in York Region, 2007 was another year of impressive growth, posting the fifth largest total construction value in the country (see *Table 3*).

Table 3
Cross Canada Comparisons 2007: Values of Total Construction ($000's)

Rank	Municipality	Total Value
1	Greater Vancouver Regional District	$7,012,039
2	City of Calgary	$5,509,564
3	City of Toronto	$4,329,803
4	Peel Region	$3,619,675
5	***York Region***	***$3,506,574***
6	City of Edmonton	$1,967,734
7	City of Montreal	$1,901,121
8	City of Ottawa	$1,866,911
9	Halton Region	$1,676,028
10	Durham Region	$1,287,099

Source: Area Municipal Building Permit Reports, 2007; Statistics Canada Building Permit Reports and Table 32.2 (unpublished), 2007.
Note: List includes cities, Regions, and Regional Districts as defined locally.

The total residential construction value of residential permits in York Region was approximately $2.39 billion. When compared to other cities, Regions and Regional Districts, this value is the fourth largest in the country for 2007 (see *Table 4*).

Table 4
Cross Canada Comparisons 2007: Values of Residential Construction ($000's)

Rank	Municipality	Residential Value
1	Greater Vancouver Regional District	$4,761,050
2	Peel Region	$2,460,432
3	City of Calgary	$2,440,129
4	***York Region***	***$2,387,286***
5	City of Toronto	$2,183,170
6	City of Edmonton	$1,221,410
7	City of Ottawa	$1,074,222
8	Halton Region	$1,024,525
9	City of Montreal	$900,486
10	Durham Region	$861,081

Source: Area Municipal Building Permit Reports, 2007; Statistics Canada Building Permit Reports and Table 32.2 (unpublished), 2007.
Note: List includes cities, Regions, and Regional Districts as defined locally.

The total value of all ICI construction in 2007 placed the Region fifth in all of Canada (see *Table 5*). While all sectors fared well in the Region, commercial construction accounted for 43% of its total ICI value of construction. In fact, York Region posted the largest commercial construction value in Canada for the second year in a row.

Table 5
Cross Canada Comparisons 2007: Values of ICI Construction ($000's)

Rank	Municipality	Industrial	Commercial	Institutional	Total
1	City of Calgary	$2,726,598	$74,145	$268,692	$3,069,435
2	Greater Vancouver Regional District	$1,732,366	$124,205	$394,418	$2,250,989
3	City of Toronto	$1,541,113	$110,040	$495,480	$2,146,633
4	Peel Region	$518,028	$353,721	$287,494	$1,159,243
5	***York Region***	***$391,158***	***$477,605***	***$245,768***	***$1,114,531***
6	City of Montreal	$530,962	$123,937	$345,736	$1,000,635
7	City of Ottawa	$427,557	$49,241	$315,891	$792,689
8	City of Edmonton	$609,403	$63,196	$73,725	$746,324
9	City of Québec	$400,729	$86,531	$169,216	$656,476
10	Durham Region	$137,600	$142,200	$244,300	$524,100

Source: Area Municipal Building Permit Reports, 2007; Statistics Canada Building Permit Reports and Table 32.2 (unpublished), 2007.
Note: List includes cities, Regions, and Regional Districts as defined locally.

Relationship to Vision 2026

The Economic and Development Review 2007 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 2007 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 2007 is provided for in the 2008 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

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 a fundamental driver for effective decision-making, devising strategies and attracting new businesses to the Region.

It is proposed that the attached Economic and Development Review 2007 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 Ext. 1530, or John Waller, Director of Long Range and Strategic Planning at Ext. 1525.

The Senior Management Group has reviewed this report.

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