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ECONOMIC AND DEVELOPMENT REVIEW MID-YEAR 2009

The Planning and Economic Development Committee recommends the following:

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

2. **Adoption of the recommendation contained in the following report dated October 7, 2009, from the Commissioner of Planning and Development Services.**

1. RECOMMENDATION

It is recommended that:

1. The *Economic and Development Review Mid-Year 2009* (*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 Mid-Year 2009 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, particularly through building activity. 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. Mid-year reports are abbreviated versions that highlight a number of mid-year economic indicators, which show that although building activity is significantly down, the Region continues to grow and housing resales are stable for the first six months of 2009.

4. ANALYSIS AND OPTIONS

HIGHLIGHTS

- In the first half of 2009, York Region's population grew by 12,650 people to reach a population of 1,024,650
- Unemployment in York Region was up to an estimated 8.8% from 5.8% this time last year
- York Region's unemployment rate was lower than the Provincial (9.4%) and GTA (9.8%) averages and slightly higher than the Canadian average (8.4%)
- Building activity in the Region was down
- The Region's building permits totalled 2,379, down 44% compared to the first half of 2008. The Region was ranked fifth across Canada for the number of residential units with permits issued during the first half of 2009
- The Region's estimated value of construction totalled $1.02 billion by mid-year 2009, a decrease of 32.7% from mid-year 2008; ICI construction accounted for $441 million by mid-year 2009, an increase of 0.5% from mid-year 2008
- By mid-year 2009, York Region had 2,094 housing starts, a decrease of 38.2% from mid-year 2008, and 3,999 housing completions, a decrease of 16.1%
- As of June 2009, semi-detached, town/row/attached, and apartment/condominium units accounted for 29% of the Region's total housing stock
- The total number of residential resales (7,876) was up slightly by 0.4%, while the total value was $3.37 billion, a decrease of 2.7% from the previous year. Despite a very slow start in the first quarter, 2009 remains among the top recorded years due to an increase in sales the second quarter.

POPULATION AND EMPLOYMENT

York Region's population growth moderated and unemployment rates increased in the first six months of 2009

The total population of York Region was estimated to be 1,024,650 by mid-year 2009 (*see Table 1*). Growth during the first half of the year was 12,650, down slightly from previous years. Population growth for the first half of 2007 and 2008 was 14,695 and 14,737 respectively. It is anticipated that growth in the second half of 2009 will also be down from recent years.

Table 1
York Region Population – Mid-Year 2009

Municipality	Population
Aurora	53,050
East Gwillimbury	22,900
Georgina	45,800
King	20,550
Markham	302,850
Newmarket	82,250
Richmond Hill	182,650
Vaughan	280,300
Whitchurch-Stouffville	34,300
York Region	**1,024,650**

Source: York Region Planning and Development Services Department, 2009.

In June 2009, York Region's unemployment rate was approximately 8.8%. This was lower than the Provincial (9.4%) and GTA (9.8%) averages and slightly higher than the Canadian average (8.4%).

PROPERTY MARKET AND BUILDING ACTIVITIES

York Region's residential real estate market resales increased slightly, while the average price of all dwelling types decreased slightly

Residential resales during the first six months of 2009 were 7,876 – an increase of 0.4% from the same time period in 2008. Similar increases were seen across the GTA. It should be noted that even with the low resales activity of the first quarter, the first half of 2009 was one of the strongest performances on record. Among all residential resales in York Region between January and June 2009, 37.2% were multiple unit dwellings. The value of all resales reached nearly $3.4 billion for the mid-year, second only to 2007's record breaking value. The average price of a single detached dwelling decreased by 4.8% from $519,405 to $494,605.

The number of new residential building permits were down significantly

During the first half of 2009, York Region issued building permits for 2,378 new residential units. When compared with the number of new units created in the first half of 2008, this represents a decrease of 44.1%. Residential building permits for the first half of 2007 and 2008 were 5,994 and 4,603 respectively. However, when compared to other cities, regions and regional districts across Canada, York Region still ranked fifth for the number of new residential units with permits issued in 2009 (*see Table 2*).

Table 2
Cross Canada Comparison Mid-Year 2009:
Residential Units with Building Permits Issued

Rank	Municipality	# of Units with Permits Issued
1	City of Toronto	7,243
2	City of Ottawa	3,332
3	City of Québec	2,858
4	Greater Vancouver Regional District	2,826
5	***York Region***	***2,378***
6	City of Montréal	2,076
7	City of Calgary	1,968
8	Peel Region	1,957
9	City of Edmonton	1,343
10	Halton Region	1,285

Source: Statistics Canada Building Permit Reports and Table 32.2 (unpublished), 2009; York Region Planning and Development Services Department, 2009.
Note: List includes cities, regions, and regional districts as defined locally.

The number of total housing starts fell 38.2% by mid-year 2009, decreasing from 3,389 in 2008 to 2,094 in 2009. The number of housing completions that occurred during the first half of 2009 decreased to 3,999, a 16.1% decrease from mid-year 2008.

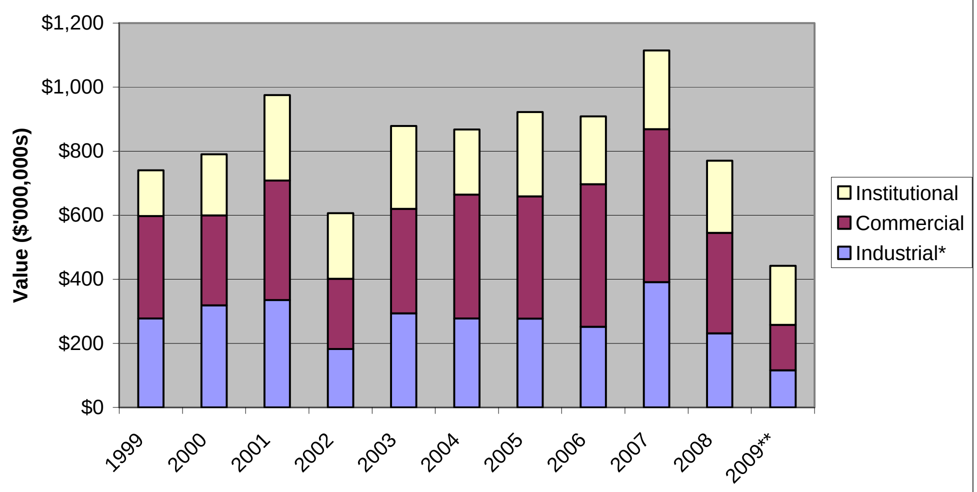
The Region’s Housing Directions Report and Regional Official Plan call for a balance between single detached and multiple unit dwellings in new home construction. Multiple unit dwellings, consisting of semi-detached, row/town/attached, and condominium/apartment units, accounted for 43.1% of the residential units completed by mid-year 2009. This is a decrease from mid-year 2008, when 48.3% of housing completions were multiple unit dwellings.

York Region’s total value of construction decreased, however ranked 4th highest across Canada

Total construction in York Region during the first half of 2009 was valued at $1.02 billion – a decrease of approximately $492 million when compared to mid-year 2008 figures. Residential construction values decreased by 46.3% from $1.07 billion in 2008 to $574.3 million at mid year 2009.

By mid-year 2009, the value of industrial, commercial and institutional (ICI) construction in York Region reached $441 million. This represents an increase of 0.51% from mid-year 2008 numbers. The value of construction in the ICI sector remained fairly stable between the last two mid-year periods. The institutional sector experienced an increase in total value, rising by $125.2 million, while the industrial and commercial sectors declined by 36.4% and 28.6% respectively. The proportion of the Region’s total construction value accounted for by ICI construction increased from 29.1% in 2008 to 43.42% in 2009 (see *Figure 1*).

Figure 1
ICI Construction Values: 1999 - Mid-Year 2009



Source: York Region Planning and Development Services, 2009.
Note: *Agricultural permits are included under the Industrial category
**2009 values represent mid-year numbers; remaining years represent full year numbers.

Despite the decreases in construction value between 2009 and 2008, when compared to cities, Regions, and Regional Districts as defined locally across Canada, York Region's performance was consistent with previous years (*see Table 3*). The Region ranked 4th across Canada for both 2008 and 2009 mid-years.

Table 3
Cross Canada Comparison Mid-Year 2009:
Values of Total Construction ($000's)

Rank	Municipality	Total Value
1	City of Toronto	$2,810,853
2	City of Calgary	$1,702,311
3	Greater Vancouver Regional District	$1,356,953
4	***York Region***	***$1,015,113***
5	City of Edmonton	$904,608
6	City of Québec	$865,006
7	City of Ottawa	$791,412
8	City of Montréal	$731,816
9	Peel Region	$605,638
10	Simcoe County	$484,101

Source: Statistics Canada Building Permit Reports and Table 32.2 (unpublished), 2009;
York Region Planning and Development Services Department, 2009.
Note: List includes cities, regions, and regional districts as defined locally.

Relationship to Vision 2026

The Economic and Development Review Mid-Year 2009 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 Mid-Year 2009 is a vehicle for highlighting and showcasing the Region as a destination to live, work and play.

5. FINANCIAL IMPLICATIONS

The majority of York Region's capital expenditures are due to growth; as such, Development Charges are a major source of funding for the Region's capital plan. The total DC's collected as of June 30, 2009 is $62.8 million compared to $93.8 million for the same period in 2008. The reduced collections reflect the economic slowdown. The Region will continue to monitor DC collections. Depending upon the length of the economic slowdown, if collections should continue at lower levels, this may impact the Region's ability to deliver future capital projects and it will have to evaluate alternative financing options to compensate for the lack of growth in its DC reserves.

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 Mid-Year 2009 is provided for in the 2009 approved budget.

6. LOCAL MUNICIPAL IMPACT

Regional economic indicators are important in evaluating economic trends across the Region. The Economic and Development Review, Mid-Year 2009 provides local municipal economic development and planning officials with a summary of York Region's economy. The information is used as a basis for making decisions, devising strategies and attracting new businesses to the Region.

7. CONCLUSION

The Region's population was estimated to be 1,024,650 in June 2009 – an increase of 12,650 over year-end 2008. While the number of new residential building permits issued (2,378) and the total value of construction ($1.02 billion) within York Region have decreased from mid-year numbers in 2008, the Region's position across Canada has remained stable. The value of ICI construction reached $441 million – an increase of

0.5% from the value recorded at mid-year 2008. The total number of residential resales was up by 0.4% or 7,876 resales, resulting in a total value of $ 3.37 billion.

The recession has had an impact on the overall national economy, affecting all regions of the country. In comparison to other municipalities in Canada, the Region’s economy has held up relatively well, as depicted by our cross country rankings in building permits issued and total values.

It is proposed that the attached Economic and Development Review Mid-Year 2009 be printed and distributed to local municipalities, Chambers of Commerce, Boards of Trade, involved business groups, libraries and other stakeholders. Additionally, the document will be made available through the Region’s website. 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 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 Mid-Year 2009

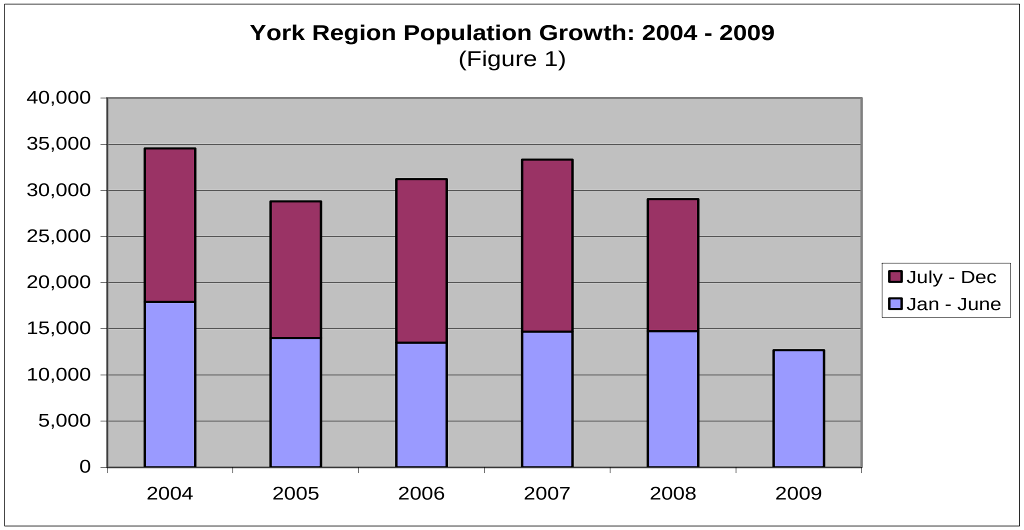
Presentation to Planning and Economic Development Committee

Paul Bottomley

October 7, 2009

Population Growth Remains Steady

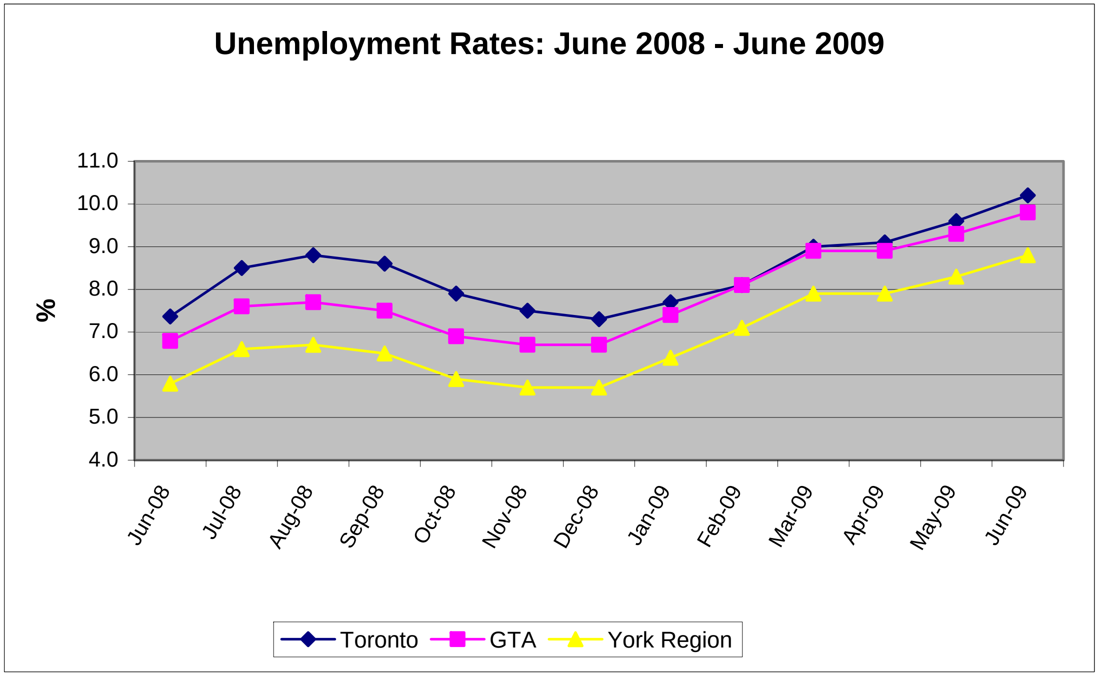
- As of June 2009:
  - 1,024,650 total residents, representing growth of 12,650 from year-end 2008 (1.3% increase)
  - Forecast of approximately 1,036,000 people by year-end



Source: York Region Planning and Development Services Department, 2009.

York Region's Unemployment Rate has Increased

- York Region's unemployment rate in June 2009 was 8.8% compared to 5.8% in June 2008

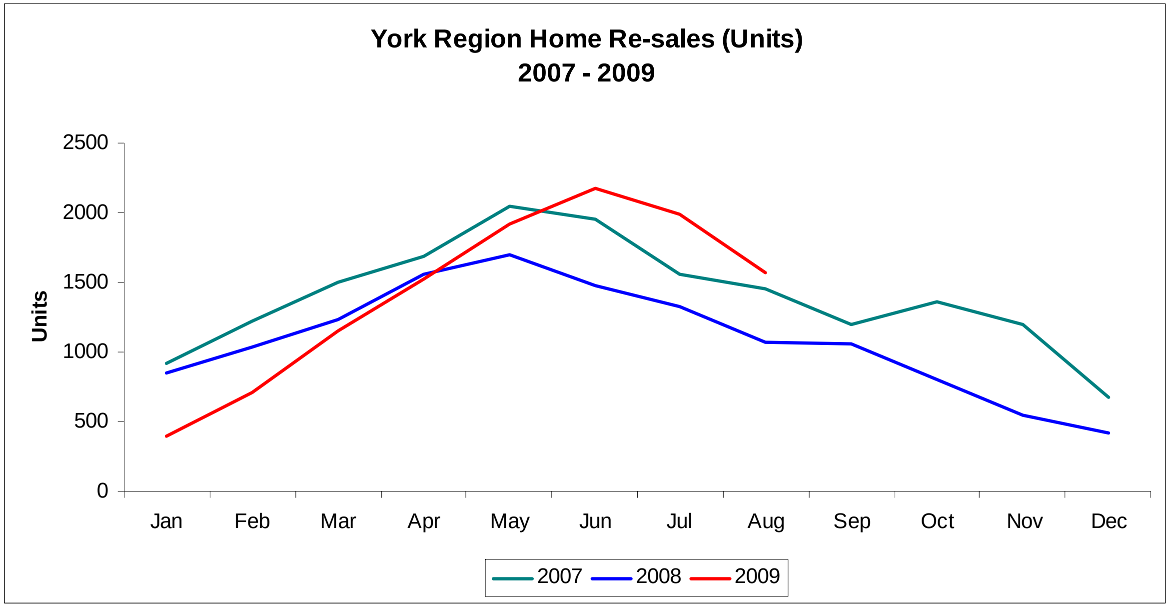


Source: Toronto Economic Development Division, Toronto Economic Indicators, 2008 & 2009.

Note: Based on unadjusted 3-month moving averages; York Region unemployment figures are estimates.

Resale Residential Property Market recovered in 2nd quarter of 2009

- By mid-year 2009, 7,876 resales recorded in York Region, valued at nearly $3.4B
- Average resale price for single detached dwellings decreased 4.8% to $494,605

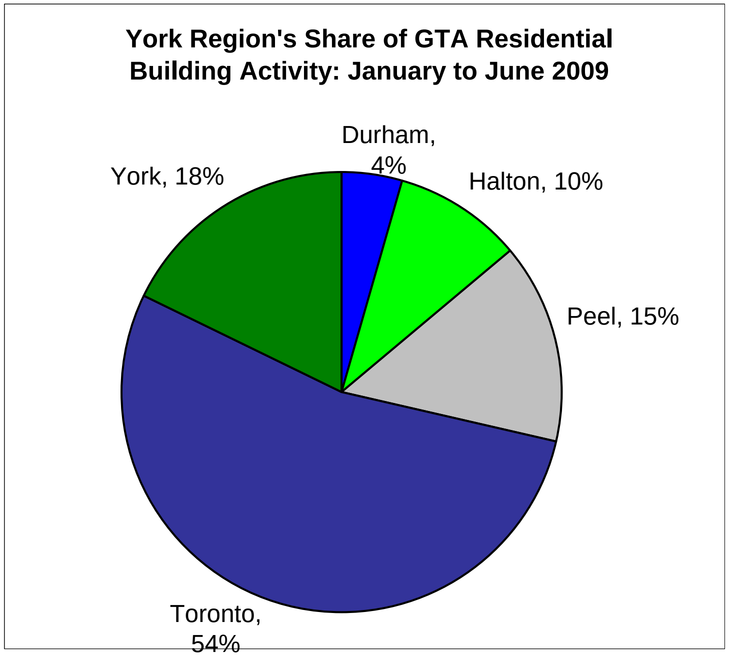


Industrial & Commercial Vacancy Rates Increased

- York Region's industrial vacancy rate was 7.6%, up from 5.8%
- Vacancy rate in commercial/office nodes ranged from 6.9% to 11.1%
- Lease rates in commercial/office nodes ranged from $13.78 to $18.64 per square foot

Building Permits Issued for 2,378 New Residential Units

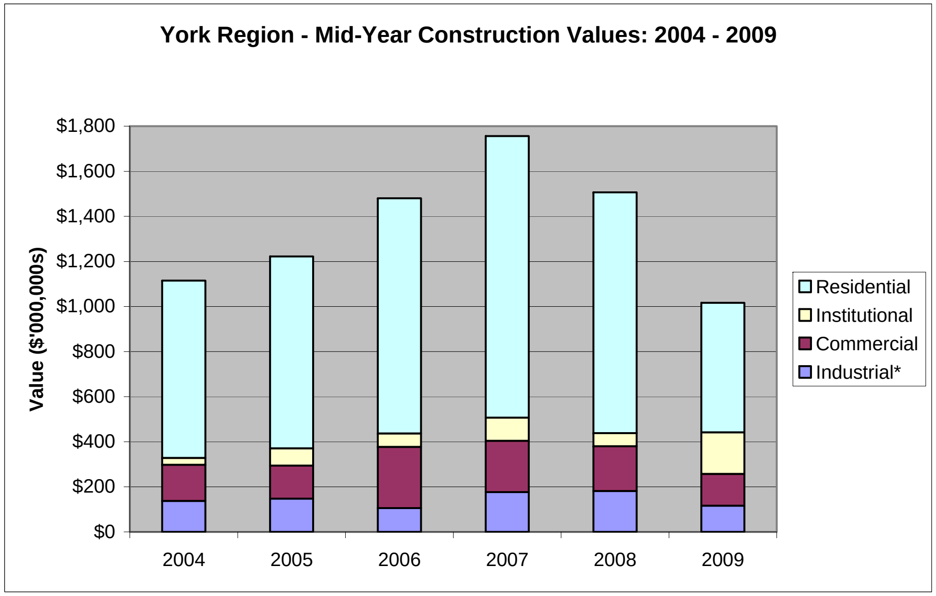
- Number of new residential units with permits issued down by 44%
- Permits were issued for over 13,400 new units in the GTA
  - York Region: 18% of GTA Total
- York Region ranked fifth in Canada



Building Permit Construction Values Down

- By mid-year 2009, the total value of construction reached nearly $1.02 billion – down 32.7%

- 43.4% of total value from ICI construction



Housing Starts and Housing Completions Declined

- During the first half of 2009, 2,094 housing units were started – a decrease of 38.2% from last year
  - 51.7% were multiple unit dwellings
- 3,999 housing units were completed – a decrease of 16.1% from last year
  - 43.1% were multiple unit dwellings

Key Points for Mid-Year 2009

- Population increased by 12,650 to reach 1,024,650
- Unemployment Rate up to 8.8%
- 2nd quarter strength in residential resale market – 7,878 sales valued at $3.4 billion
- Building permit construction values lower at $1.02 billion
  - ICI construction accounted for 43.4% of total
- Residential building permits and housing starts declined

Staff Recommends Publication & Circulation of EDR Mid-Year 2009

- Circulate published EDR Mid-Year 2009 (printed and digital copies) to public, local municipalities, and agencies.

- Make available on corporate website.

Council Attachment 1

Economic & Development Review Mid-Year 2009

Economic & Development Review

Mid-Year 2009

Table of Contents

*Please note that numerical data in this report has been rounded and, therefore, some totals may be affected.

Highlights

- *In the first half of 2009, York Region's population grew by 12,650 people to reach 1,024,650*
- *Unemployment in York Region was up to an estimated 8.8% from 5.8% this time last year.*
- *York Region's unemployment rate was lower than the Provincial (9.4%) and GTA (9.8%) averages and slightly higher than the Canadian average (8.4%)*
- *Building activity in the Region was down*
- *With 2,379 permits, York Region was ranked fifth across Canada for the number of residential units issues during the first half of 2009*
- *The Region's total estimated value of construction totalled $1.02 billion by mid-year 2009, a decrease of 32.7% from mid-year 2008; ICI construction accounted for $441 million by mid-year 2009, an increase of 0.5% from mid-year 2008*
- *By mid-year 2009,York Region had 2,094 housing starts, a decrease of 38.2% from mid-year 2008, and 3,999 housing completions, a decrease of 16.1%*
- *As of June 2009, semi-detached, town/row/attached, and apartment/condominium units accounted for 29% of the Region's total housing stock*
- *Residential resales bounced back during the second quarter of 2009. The total number of residential resales (7,876) were up slightly by 0.4%, while the total value was $3.37 billion on a decrease of 2.7% from the previous year. Despite a very slow start, 2009 remains among the top recorded years due to a surge in sales the second quarter*

1. Population

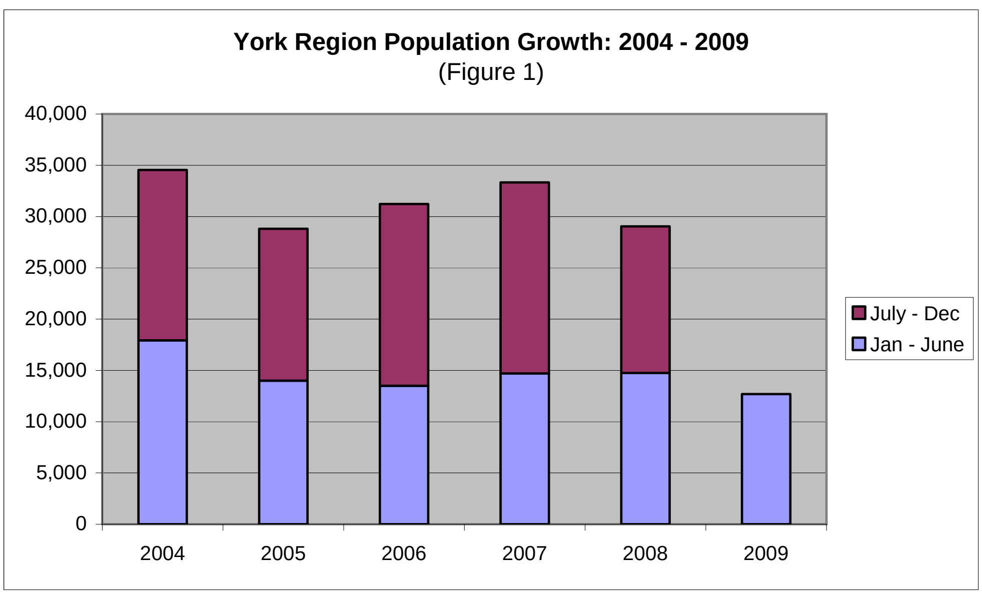
York Region's Population Growth

Since York Region's creation in 1971, its population has risen dramatically. In just over 35 years, the Region's population has increased more than sixfold, from 169,000 to 1,024,650 by June 2009 (Table 1). Over the last few years, the Region has experienced annual growth rates between 2.7 – 3.5%, equivalent to roughly 30,000 people per year. As illustrated in Figure 1, growth during the first half of the year was 12,650, down slightly from previous years. Population growth for the first half of 2007 and 2008 was 14,695 and 14,737 respectively. It is anticipated that growth in the second half of 2009 will also be down from recent years.

York Region Population - 6 Months Growth
Year-End 2008 - Mid-Year 2009
(Table 1)

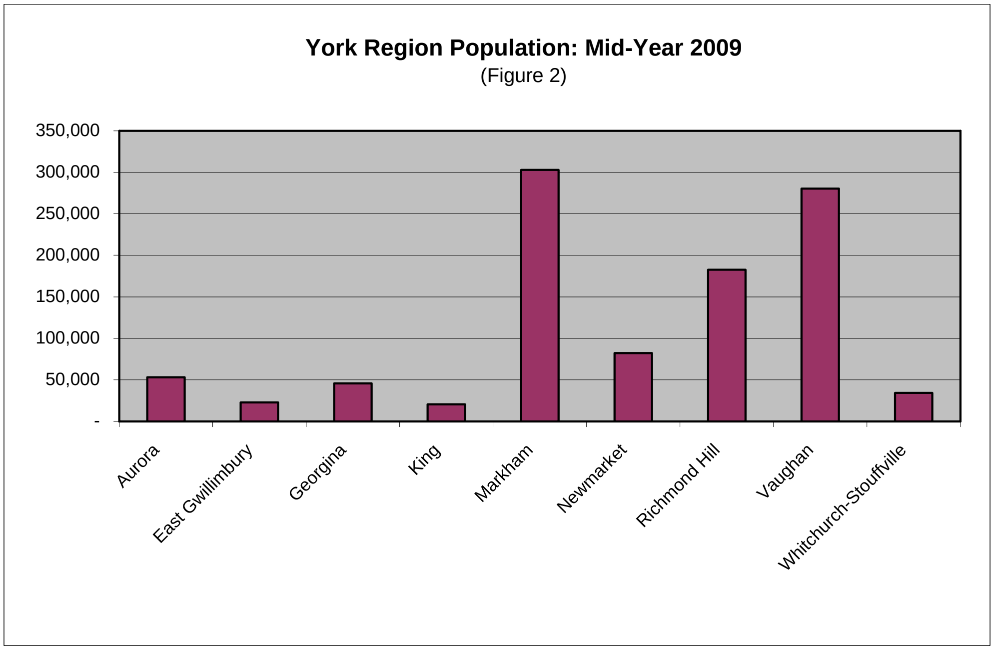
	Year-End 2008	Mid-Year 2009	Population Increase	Change (%)
Aurora	52,300	53,050	750	1.4%
East Gwillimbury	22,700	22,900	200	0.9%
Georgina	45,700	45,800	100	0.2%
King	20,500	20,550	50	0.2%
Markham	298,100	302,850	4,750	1.6%
Newmarket	81,400	82,250	850	1.0%
Richmond Hill	181,800	182,650	850	0.5%
Vaughan	276,700	280,300	3,600	1.3%
Whitchurch-Stouffville	32,800	34,300	1,500	4.6%
York Region Total	**1,012,000**	**1,024,650**	**12,650**	1.3%

Source: York Region Planning and Development Services Department, 2009.
Note: All figures in the Table are rounded.

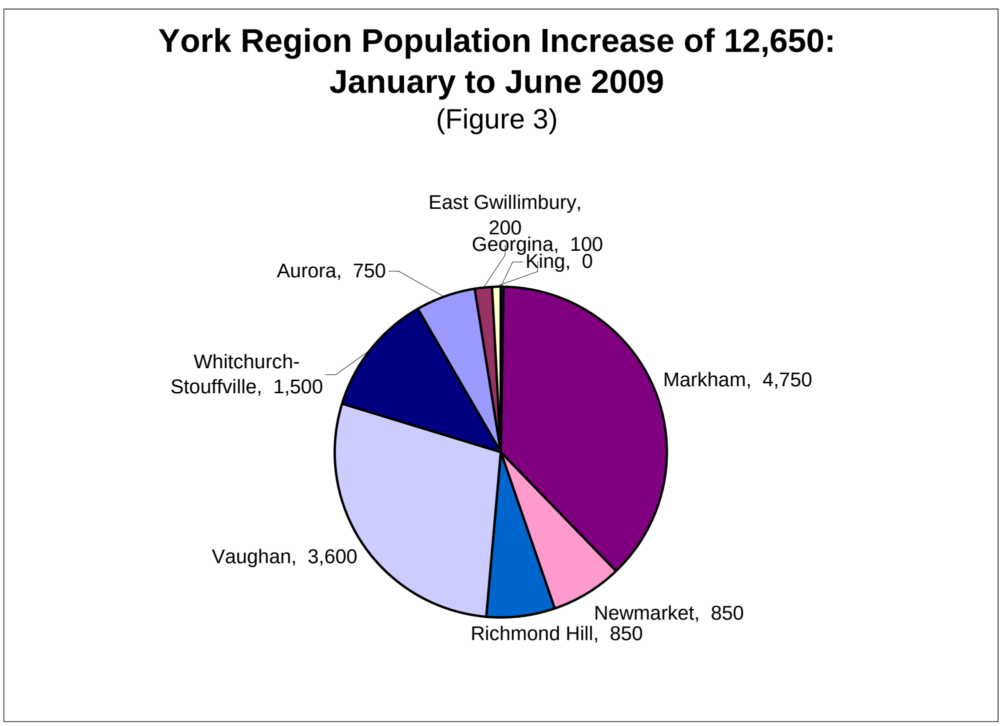


Source: York Region Planning and Development Services Department, 2009.

All of the nine local municipalities within York Region continue to experience population growth, with the more urban southern areas receiving the largest population increases (Figure 2). By mid-year 2009, the largest increases in population had occurred in Markham (4,750 people), followed by Vaughan (3,600 people), and Whitchurch-Stouffville (1,500 people) (Figure 3).



Source: York Region Planning and Development Services Department, 2009.



Source: York Region Planning and Development Services Department, 2009.
Note: All values in the Figure are rounded.

2. Economic Activity

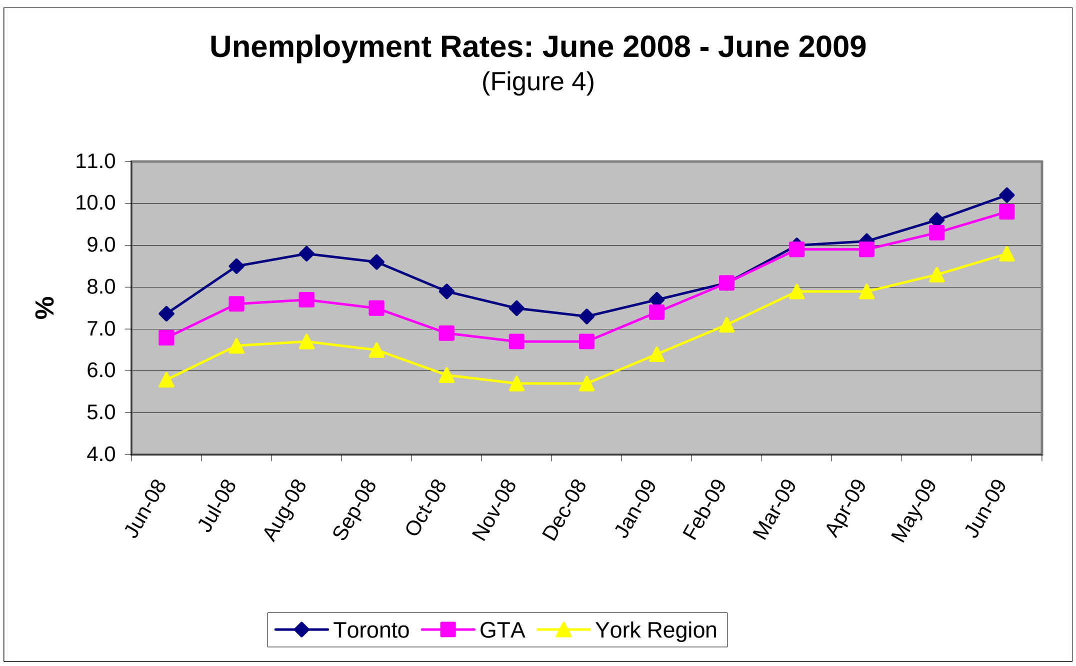
Labour Market Conditions

Statistics Canada estimates that since October 2008, approximately 370,000 jobs have been lost in Canada. Canada's unemployment rate in June 2009 was 8.4%, significantly higher than the rate recorded one year earlier of 6.0%.

The unemployment rate in Ontario for June 2009 at 9.4% was higher than the national average of 8.4%, and has increased significantly from the June 2008 figure of 6.5%.

The City of Toronto's unemployment rate increased from 7.4% in June 2008 to 10.2% in June 2009. The GTA's unemployment rate also increased from 6.8% to 9.8%.

Human Resources and Social Development Canada estimates put York Region's historical unemployment rate at 1 – 2% lower than the GTA. Thus, York Region's unemployment rate in June 2009 was approximately 8.8% - higher than the current national average and significantly higher than the 5.8% recorded in June 2008 (Figure 4).



Source: Toronto Economic Development Division, Toronto Economic Indicators, 2008 & 2009.

Note: Based on unadjusted 3-month moving averages; York Region unemployment figures are estimates.

3. Property Market

Residential Property Market

The Toronto Real Estate Board's Market Watch Report tracks home resales across the GTA. The report notes that the number of resales in 2009 has increased from last year's numbers. The Toronto Real Estate Board sees the market slowly shifting towards a better balance between sellers and buyers, after several years of favouring sellers. The number of resales that occurred from January to June 2009 in York Region totalled over 7,876 units (Table 2) a slight increase of 0.4% from mid year 2008. The total value of resales reached nearly $3.4 billion – second only to 2007's record breaking value, yet a decrease of 2.7% from mid year 2008.

York Region Resales and Average Prices: All Dwelling Types
January to June 2009
(Table 2)

	Detached		Semi		Town/Row/Attach		Condo/Apt.	
	Sales	Avg. Price	Sales	Avg. Price	Sales	Avg. Price	Sales	Avg. Price
Aurora	283	$488,893	53	$308,960	109	$333,933	14	$280,429
East Gwillimbury	92	$384,716	0	$0	18	$241,739	1	$173,000
Georgina	349	$274,535	7	$239,857	32	$207,700	2	$148,750
King	94	$718,607	0	$0	3	$331,000	4	$209,000
Markham	1,446	$503,406	184	$352,072	412	$323,608	176	$286,001
Newmarket	439	$386,102	92	$277,354	148	$272,760	27	$214,722
Richmond Hill	1,151	$558,140	112	$363,375	429	$356,347	324	$233,529
Vaughan	920	$524,412	251	$369,685	259	$342,156	214	$268,367
Whitchurch-Stouffville	184	$504,540	16	$312,100	31	$276,258	0	$0
York Region Total	**4,958**	**$494,605**	**715**	**$345,223**	**1,441**	**$327,647**	**762**	**$255,197**

Source: Toronto Real Estate Board, Market Watch, 2009.

Multiple unit dwellings consist of semi-detached, row/town/attached, and condominium/apartment units. The resale of multiple unit dwellings in York Region totalled just over 2,900 units between January and June 2009. This represents a decrease of 3.0% (90 units) from last year's mid-year period. Of all the residential resales that occurred in York Region during this period, 37.2% were multiple unit dwellings. In 2008, 38.3% of all resales were multiple unit dwellings.

Table 3 compares the number of resales and the average price of single detached dwellings in each municipality during the first six months of 2008 and 2009. While the total number of single detached resales increased by 2.4%, the average price decreased by 4.8%.

York Region Resales and Average Prices: Single Detached Dwellings
January to June 2008 & 2009
(Table 3)

	Mid-Year Sales		Mid-Year Avg. Price	
	2008	**2009**	**2008**	**2009**
Aurora	258	283	$522,713	$488,893
East Gwillimbury	105	92	$446,098	$384,716
Georgina	339	349	$275,907	$274,535
King	91	94	$732,218	$718,607
Markham	1,361	1,446	$519,290	$503,406
Newmarket	397	439	$403,032	$386,102
Richmond Hill	1,149	1,151	$587,496	$558,140
Vaughan	938	920	$558,722	$524,412
Whitchurch-Stouffville	202	184	$525,657	$504,540
York Region Total	**4,840**	**4,958**	**$519,405**	**$494,605**

Source: Toronto Real Estate Board, Market Watch, 2008 - 2009.

Industrial Property Market

Cushman & Wakefield LePage tracks the industrial market in five of the nine area municipalities in York Region: Aurora, Markham, Newmarket, Richmond Hill and Vaughan. According to Cushman & Wakefield LePage, the total inventory of industrial buildings in York Region increased slightly (0.3%) between the second quarters of 2008 and 2009. The Region's vacancy rate fluctuated throughout the year, finishing the second quarter of 2009 at 7.6% - an increase from the 5.8% recorded in the second quarter of 2008 (Table 4).

Vacancy Rates and Total Inventory of Industrial Buildings in York Region: 2008 - Mid-Year 2009
(Table 4)

	1st Qtr. 2008		2nd Qtr. 2008		3rd Qtr. 2008		4th Qtr. 2008		1st Qtr. 2009		2nd Qtr. 2009	
	Inventory (sq.ft.)	Vacancy Rate	Inventory (sq.ft.)	Vacancy Rate	Inventory (sq.ft.)	Vacancy Rate	Inventory (sq.ft.)	Vacancy Rate	Inventory (sq.ft.)	Vacancy Rate	Inventory (sq.ft.)	Vacancy Rate
Aurora	6,154,384	8.4%	6,264,904	2.7%	6,388,787	7.8%	6,384,109	8.1%	6,235,892	9.0%	6,235,892	7.6%
Markham	35,996,491	6.2%	35,965,684	6.8%	36,139,560	6.8%	36,155,436	6.6%	35,728,680	6.6%	35,829,984	8.0%
Newmarket	6,546,367	3.4%	6,628,400	4.8%	6,675,879	4.3%	6,701,859	3.8%	6,633,658	5.9%	6,658,480	7.2%
Richmond Hill	13,314,372	4.6%	13,563,236	6.4%	13,878,583	5.8%	13,900,578	5.6%	13,935,070	4.5%	13,808,877	6.1%
Vaughan	86,681,920	4.2%	87,971,977	5.6%	88,574,734	6.7%	88,715,735	7.9%	88,294,987	7.8%	88,352,533	7.6%
Total	**148,693,534**	**4.9%**	**150,394,201**	**5.8%**	**151,657,543**	**6.6%**	**151,857,717**	**7.2%**	**150,828,287**	**7.2%**	**150,885,766**	**7.6%**

Source: Cushman & Wakefield LePage, Marketbeat: Greater Toronto Area Industrial Report, 2008Q1 - 2009Q2.

Commercial/Office Property Market

CB Richard Ellis tracks three different office nodes in York Region: Markham North & Richmond Hill, Steeles/Woodbine, and Vaughan. At the end of the second quarter in 2009, the vacancy rates of these nodes ranged from 6.9% in Vaughan to 11.1% in

Markham North & Richmond Hill. The vacancy rate for the GTA at the end of the second quarter in 2009 was 8.4%.When compared to the second quarter of 2008, the vacancy rate increased in all areas, with the largest increase occurring in the Steeles Woodbine node, with 5.4% in 2008 and 9.1% in 2009 (Table 5).

Selected Office Market Vacancy Rates: 2006 - Mid-Year 2009

(Table 5)

	2006				2007				2008				2009	
Office Nodes	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr
Markham North & Richmond Hill	8.4%	8.4%	9.1%	11.0%	10.8%	10.2%	9.3%	8.4%	9.2%	8.7%	7.8%	8.8%	9.8%	11.1%
Steeles Woodbine	7.8%	7.2%	7.2%	6.6%	7.3%	9.5%	8.9%	7.8%	7.6%	5.4%	7.7%	8.2%	8.6%	9.1%
Vaughan	4.6%	4.5%	3.9%	5.3%	6.0%	5.5%	5.9%	5.1%	8.4%	6.5%	6.7%	4.5%	6.6%	6.9%
GTA Total/Average	**9.2%**	**9.2%**	**9.7%**	**8.9%**	**8.2%**	**8.2%**	**7.6%**	**7.2%**	**6.8%**	**6.7%**	**6.6%**	**6.8%**	**7.7%**	**8.4%**

Source: CB Richard Ellis, Office Market Review, 2006 - 2009.

At the end of the second quarter of 2009, the lease rates per square foot in York Region ranged from $13.78 (Steeles/Woodbine) to $18.64 (Vaughan). The office market lease rate for the GTA decreased, from $16.75 per square foot in the second quarter of 2008, to $16.24 per square foot in 2009 (Table 6).

Selected Office Market Lease Rates ($/sq.ft.): 2006 - Mid-Year 2009

(Table 6)

	2006				2007				2008				2009	
Office Nodes	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr
Markham North & Richmond Hill	10.32	13.71	14.60	13.75	14.09	14.02	15.53	14.51	15.63	15.41	15.19	14.81	15.22	14.86
Steeles Woodbine	14.38	13.64	10.65	11.58	12.31	13.24	12.81	13.32	13.47	13.29	14.25	14.41	14.24	13.78
Vaughan	13.60	13.38	12.59	13.79	13.86	13.81	14.64	14.58	16.42	17.56	17.46	16.58	18.54	18.64
GTA Total/Average	**15.05**	**15.02**	**15.05**	**14.81**	**14.91**	**15.00**	**15.92**	**16.46**	**16.62**	**16.75**	**16.62**	**16.77**	**16.93**	**16.24**

Source: CB Richard Ellis, Office Market Review, 2006 - 2009.

4. Building Activity

Residential Building Permits

Building permit activity is a standard indicator of local investment and economic performance. In the first half of 2009, York Region experienced a 44.0% decrease over the first half of 2008 in the number of new residential units with permits issued. The decline in permits issued that occurred, particularly during the fourth quarter of 2008, has continued into the first half of 2009 (Table 7 and 7b).

Number of New Residential Units with Permits Issued in York Region: January 2008 to June 2009

(Table 7)

	2008		2009
Municipality	**Jan - June**	**July - Dec**	**Jan - June**
Aurora	264	267	256
East Gwillimbury	7	96	64
Georgina	80	47	41
King	10	13	32
Markham	1,375	1,098	544
Newmarket	242	340	147
Richmond Hill	173	808	254
Vaughan	1,585	1,054	695
Whitchurch-Stouffville	514	332	345
York Region Total	**4,250**	**4,055**	**2,378**

Source: Local Municipal Building Permit Reports, 2008 and 2009;
York Region Planning and Development Services Department, 2009.

Number of New Residential Units with Permits Issued in York Region: Quartery from January 2008 to June 2009

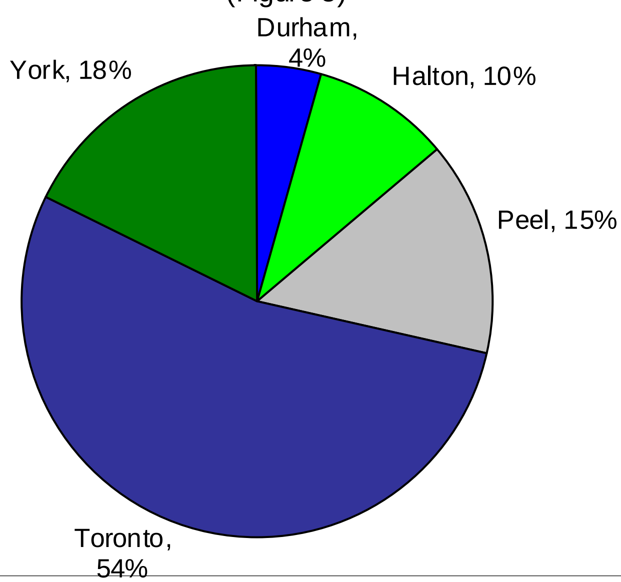
(Table 7b)

	2008				2009	
Municipality	**1st Qtr**	**2nd Qtr**	**3rd Qtr**	**4th Qtr**	**1st Qtr**	**2nd Qtr**
Aurora	58	206	144	123	182	73
East Gwillimbury	1	6	77	19	32	32
Georgina	38	42	34	13	12	30
King	1	9	10	3	0	32
Markham	614	761	873	225	228	316
Newmarket	78	164	105	237	45	102
Richmond Hill	79	94	779	29	126	128
Vaughan	792	793	566	486	141	554
Whitchurch-Stouffville	269	245	154	178	81	264
York Region Total	**1,930**	**2,320**	**2,742**	**1,313**	**847**	**1,531**

Source: Local Municipal Building Permit Reports, 2008 and 2009;
York Region Planning and Development Services Department, 2009.

Building permits were issued for 13,464 new residential units in the GTA between January and June 2009, down from 20,172 for the first half of 2008, a 33.3% decline. Permits issued within York Region accounted for 18% of these units. Within the GTA, York Region had the second highest proportion of new units with permits issued, behind the City of Toronto. This is consistent with recent years, with the exception of 2007 where York Region placed first. The shares of other municipalities in the GTA, including Durham (4%), Halton (10%), Peel (15%), and Toronto (54%), are displayed in Figure 5.

York Region's Share of GTA Residential Building Activity: January to June 2009
(Figure 5)



Source: Local Municipal Building Permit Reports, 2009;
Statistics Canada Table 32.2 (unpublished), 2009.

York Region is among the top municipalities across Canada for the number of new residential units with permits issued during the first half of 2008 (Table 8). It must be noted that this ranking is in comparison to cities, regions, and regional districts as defined locally. In recent years, York Region has ranked 3rd, 4th, and 5th at the mid-years for 2007, 2008, and 2009, respectively.

Cross Canada Comparison Mid-Year 2009: Residential Building Permits
(Table 8)

Rank	Municipality	# of Permits
1	City of Toronto	7,243
2	City of Ottawa	3,332
3	City of Québec	2,858
4	Greater Vancouver Regional District	2,826
5	**York Region**	**2,385**
6	City of Montréal	2,076
7	City of Calgary	1,968
8	Peel Region	1,957
9	City of Edmonton	1,343
10	Halton Region	1,285

Source: Statistics Canada Building Permit Reports and Table 32.2 (unpublished), 2009;
York Region Planning and Development Services Department, 2009.
Note: List includes cities, regions, and regional districts as defined locally.

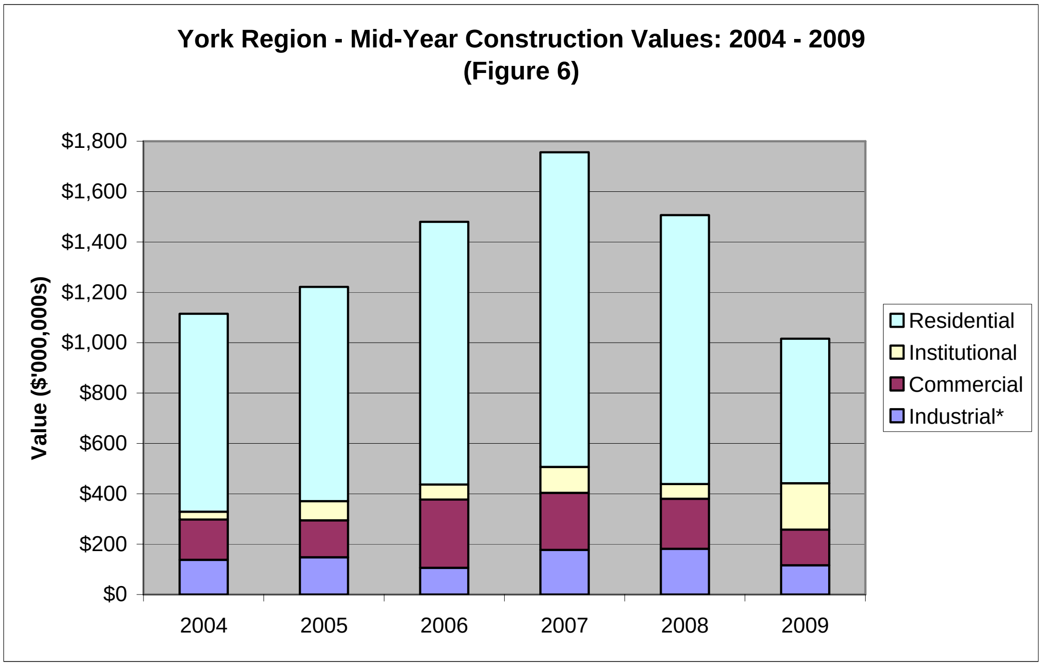
Construction Value

The value of construction that occurred within the Region during the first half of 2009 reached over $1.0 billion – a value 32.7% lower than that recorded in the first half of 2008. Table 9 shows the value of construction experienced by each municipality, broken down by the various sectors. The institutional sector was the only sector to experience an increase in its value of construction over last year's mid-year figures. The proportion of residential to ICI sector construction changed in comparison to previous mid-years. In 2009, ICI sector construction accounted for 43.4% of the total value of construction – a significant increase from last year's 29.1%. An increase in institutional construction activity during the first half of 2009 helped ensure that total ICI values remained stable (Figure 6).

York Region Estimated Value ($000's) of Construction*: January to June 2008 & 2009
(Table 9)

	Residential		Industrial**		Commercial		Institutional		Total	
Municipality	**Jan - June 2008**	**Jan - June 2009**	**Jan - June 2008**	**Jan - June 2009**	**Jan - June 2008**	**Jan - June 2009**	**Jan - June 2008**	**Jan - June 2009**	**Jan - June 2008**	**Jan - June 2009**
Aurora	$73,950	$56,833	$7,157	$5,697	$22,856	$9,138	$18,091	$65,433	$122,054	$137,101
East Gwillimbury	$3,045	$11,430	$57	$276	$376	$2,194	$170	$180	$3,647	$14,081
Georgina	$17,524	$8,761	$0	$31,424	$4,440	$665	$7,430	$11,130	$29,394	$51,980
King	$7,575	$9,857	$1,067	$372	$1,867	$2,475	$280	$125	$10,788	$12,829
Markham	$390,201	$139,244	$59,243	$9,295	$47,633	$24,976	$3,526	$3,320	$500,603	$176,835
Newmarket	$44,325	$32,755	$1,181	$22,275	$10,000	$4,991	$531	$37,568	$56,036	$97,589
Richmond Hill	$41,235	$49,308	$9,645	$14,580	$17,071	$12,672	$5,757	$10,083	$73,708	$86,643
Vaughan	$397,142	$193,081	$99,060	$31,269	$91,834	$82,726	$19,677	$49,607	$607,713	$356,683
Whitchurch-Stouffville	$93,628	$73,058	$4,152	$319	$2,557	$1,911	$2,903	$6,086	$103,240	$81,375
York Region Total	**$1,068,625**	**$574,328**	**$181,561**	**$115,506**	**$198,633**	**$141,748**	**$58,365**	**$183,531**	**$1,507,184**	**$1,015,114**

Source: Local Municipal Building Permits Reports, 2008 & 2009; Statistics Canada Building Permits Reports, 2008 & 2009; York Region Planning and Development Services Department, 2008 & 2009.
Note: *Estimated values of construction include additions, renovations, temporary structures and new construction
**Agricultural permits are included under the industrial category



Source: York Region Planning and Development Services, 2009.
Note: *Agricultural permits are included under the Industrial category

When compared to other cities, regions, and regional districts as defined locally, York Region consistently ranks among the highest values of total construction (Table 10). In the first half of both 2008 and 2009, York Region held the 4th highest total value across Canada.

Cross Canada Comparison Mid-Year 2009: Values of Total Construction ($000's)
(Table 10)

Rank	Municipality	Total Value
1	City of Toronto	$2,810,853
2	City of Calgary	$1,702,311
3	Greater Vancouver Regional District	$1,356,953
4	**York Region**	**$1,015,113**
5	City of Edmonton	$904,608
6	City of Québec	$865,006
7	City of Ottawa	$791,412
8	City of Montréal	$731,816
9	Peel Region	$605,638
10	Simcoe County	$484,101

Source: Statistics Canada Building Permit Reports and Table 32.2 (unpublished), 2009;
York Region Planning and Development Services Department, 2009.
Note: List includes cities, regions, and regional districts as defined locally.

A number of large scale construction projects have occurred within York Region during the first half of 2009. Table 11 is a list of the 20 highest valued building permits. This list includes projects from 6 different municipalities and all economic sectors, demonstrating that the construction industry is not reliant upon a single economic sector or one particular area of the Region.

Building Permits with the 20 Highest Construction Values in York Region: January to June 2009
(Table 11)

Project	Value $000s	Use	Municipality
Police Station	$55,000.00	Institutional	Aurora
Apartment Building (Woodbridge Gates Inc.)	$44,694.00	Residential	Vaughan
Retirement Residence	$32,000.00	Institutional	Newmarket
Industrial Building	$30,000.00	Manf-Industrial	Georgina
Apartment Building (Ridgewood Developments)	$22,000.00	Residential	Aurora
Retirement Residence (DCMS GP Dufferin Steels Inc.)	$20,734.13	Institutional	Vaughan
Industrial Office (Newmarket South Development)	$19,736.00	Manf-Industrial	Newmarket
Office Building (Roybridge Holdings Inc.)	$16,646.28	Commercial	Vaughan
Apartment Building	$14,685.00	Residential	Markham
Government Building Addition	$14,500.00	Institutional	Vaughan
Police Station	$10,000.00	Institutional	Aurora
Office Building (First Capital Asset Management Corporation)	$10,000.00	Commercial	Vaughan
Elementary School	$8,180.00	Institutional	Georgina
Elementary School	$8,000.00	Institutional	Richmond Hill
Industrial Building (Balco Development Limited)	$7,500.00	Manf-Industrial	Richmond Hill
Institutional Alteration	$7,345.45	Institutional	Vaughan
Industrial Building (Ganz Realty Ltd.)	$7,059.15	Manf-Industrial	Vaughan
New Industrial Building (Bloorguard Investment Co Ltd)	$6,972.00	Manf-Industrial	Markham
Office Building (Condor Properties Ltd)	$6,662.40	Commercial	Vaughan
Office Building (7330 Keele St. Developments)	$6,417.32	Commercial	Vaughan

Source: Local Municipal Building Permit Reports, 2009.

Housing Starts

The number of total housing starts fell 38.2% by mid-year 2009, decreasing from 3,389 in 2008 to 2,094 in 2009 (Table 12). In addition, the proportion of multiple unit dwelling housing starts increased, from 34.4% by mid-year 2008 to 51.7% by mid-year 2009.

Housing Starts by Municipality in York Region: January to June 2008 & 2009

(Table 12)

	Jan - June	
Aurora	**2008**	**2009**
Singles	108	120
Semis	0	40
Rows	11	0
Apts.	0	153
Total	**119**	**313**

	Jan - June	
East Gwillimbury	**2008**	**2009**
Singles	4	7
Semis	0	4
Rows	6	33
Apts.	0	0
Total	**10**	**44**

	Jan - June	
Georgina	**2008**	**2009**
Singles	70	15
Semis	0	0
Rows	0	6
Apts.	0	0
Total	**70**	**21**

	Jan - June	
King	**2008**	**2009**
Singles	10	4
Semis	0	0
Rows	0	0
Apts.	0	0
Total	**10**	**4**

	Jan - June	
Markham	**2008**	**2009**
Singles	851	98
Semis	230	30
Rows	127	109
Apts.	27	138
Total	**1,235**	**375**

	Jan - June	
Newmarket	**2008**	**2009**
Singles	93	149
Semis	2	12
Rows	46	98
Apts.	0	0
Total	**141**	**259**

	Jan - June	
Richmond Hill	**2008**	**2009**
Singles	140	83
Semis	0	20
Rows	21	69
Apts.	0	0
Total	**161**	**172**

	Jan - June	
Vaughan	**2008**	**2009**
Singles	719	350
Semis	32	88
Rows	147	57
Apts.	352	225
Total	**1,250**	**720**

	Jan - June	
Whitchurch-Stouffville	**2008**	**2009**
Singles	229	186
Semis	38	0
Rows	126	0
Apts.	0	0
Total	**393**	**186**

	Jan - June	
York Region	**2008**	**2009**
Singles	2,224	1,012
Semis	302	194
Rows	484	372
Apts.	379	516
Total	**3,389**	**2,094**

Source: Canada Mortgage and Housing Corporation, Local Housing Market Report, 2008 and 2009.

Housing Completions

A total of 3,999 houses were completed within York Region during the first six months of 2009. In comparison, 4,764 homes were completed during the first half of 2008 (Table 13). This represents a decrease of 16.1% from the previous year. The proportion of these completions that were multiple unit dwellings also decreased. By mid-year 2008, 48.3% of housing completions were multiple unit dwellings. By mid-year 2009, this had decreased to 43.1% (Figure 6).

Housing Completions by Municipality in York Region: January to June 2008 & 2009

(Table 13)

	Jan - June	
Aurora	**2008**	**2009**
Singles	167	193
Semis	0	8
Rows	26	17
Apts.	0	0
Total	**193**	**218**

	Jan - June	
East Gwillimbury	**2008**	**2009**
Singles	11	25
Semis	0	38
Rows	4	16
Apts.	0	0
Total	**15**	**79**

	Jan - June	
Georgina	**2008**	**2009**
Singles	95	29
Semis	0	0
Rows	0	0
Apts.	0	0
Total	**95**	**29**

	Jan - June	
King	**2008**	**2009**
Singles	6	11
Semis	0	0
Rows	0	0
Apts.	0	0
Total	**6**	**11**

	Jan - June	
Markham	**2008**	**2009**
Singles	654	706
Semis	92	156
Rows	228	135
Apts.	810	562
Total	**1,784**	**1,559**

	Jan - June	
Newmarket	**2008**	**2009**
Singles	102	224
Semis	0	6
Rows	37	0
Apts.	0	0
Total	**139**	**230**

	Jan - June	
Richmond Hill	**2008**	**2009**
Singles	294	102
Semis	10	8
Rows	100	9
Apts.	4	221
Total	**408**	**340**

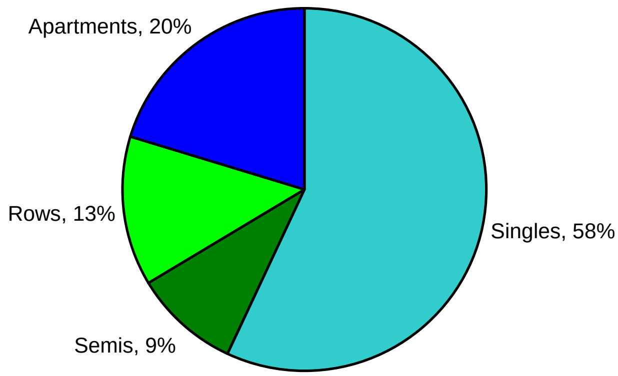
	Jan - June	
Vaughan	**2008**	**2009**
Singles	785	715
Semis	212	112
Rows	222	120
Apts.	473	29
Total	**1,692**	**976**

	Jan - June	
Whitchurch-Stouffville	**2008**	**2009**
Singles	347	272
Semis	32	48
Rows	53	237
Apts.	0	0
Total	**432**	**557**

	Jan - June	
York Region	**2008**	**2009**
Singles	2,461	2,277
Semis	346	376
Rows	670	534
Apts.	1,287	812
Total	**4,764**	**3,999**

Source: Canada Mortgage and Housing Corporation, Local Housing Market Report, 2008 and 2009.

Mix of Housing Completions in York Region: January to June 2009
(Figure 6)



Source: Canada Mortgage and Housing Corporation, Local Housing Market Report, 2009.

Residential units can be tracked throughout their construction cycle – from issued permits to starts to completions. A comparison of residential units in this cycle during the first half of 2008 and 2009 is illustrated in Table 14.

York Region Residential Building Activity: January to June 2008 & 2009
(Table 14)

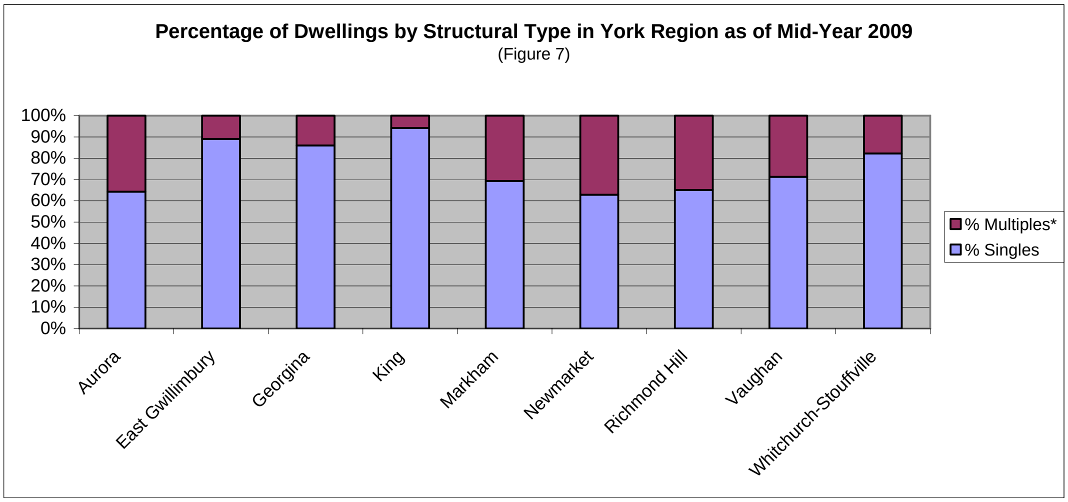
	Jan - June 2008	Jan - June 2009	% Change
New Residential Permits	4,250	2,378	-44.0%
Housing Starts	3,389	2,094	-38.2%
Housing Completions	4,764	3,999	-16.1%
Housing Resales	7,848	7,876	0.4%

Source: Canada Mortgage and Housing Corporation, Local Housing Market Report, 2008 and 2009; Toronto Real Estate Board, Market Watch, 2009; York Region Planning and Development Services Department, 2009;

Housing Diversity

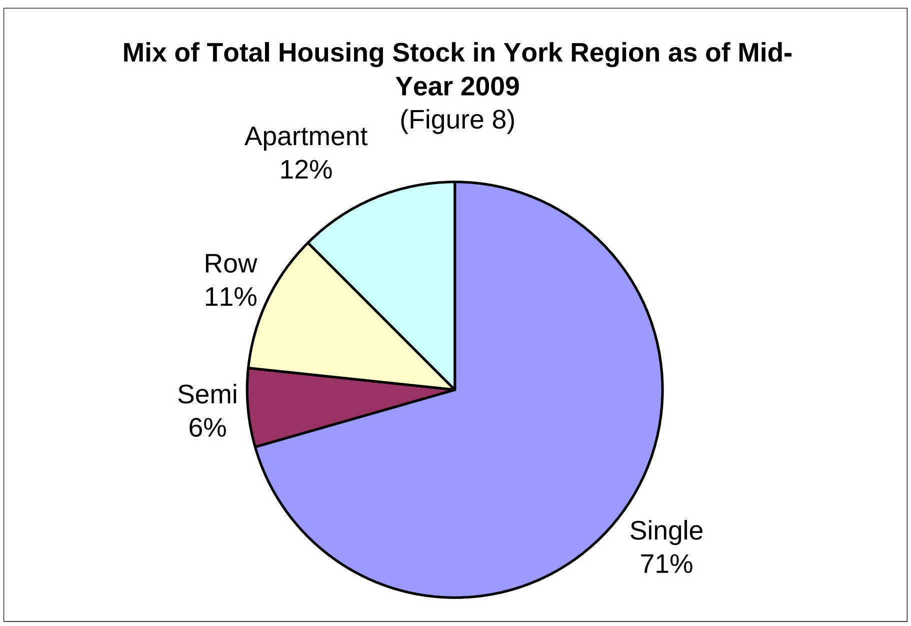
As outlined in the Region's Housing Supply Strategy, one of York Region's key goals is to encourage the further diversification of its housing stock. A balanced mix of housing types would ensure that the needs of the Region's workers and residents are better met. Although the Region's housing stock is composed primarily of single detached dwellings, the stock is becoming increasingly diversified.

For example, in the last ten years, the proportion of single detached dwellings has fallen from 80% of the total housing stock to 71%. This percentage varies considerably between the various local municipalities. The highest proportion of single detached dwellings occurs in King, at 94%, with the lowest proportion occurring in Newmarket, at 63% (Figure 7).



Source: York Region Planning and Development Services Department, 2009.
Note: *Multiples include semi-detached, row, duplexes and apartment units.

As the percentage of single detached units has decreased, more housing choice has become available to the residents of the Region. As of June 30, 2009, 29% of York Region's total housing stock was made up of multiple unit dwellings – 6% semi-detached, 11% row houses, and 12% apartment units (Figure 8).



Source: York Region Planning and Development Services Department, 2009.

This is an encouraging trend, as the Region seeks to provide more housing options for its diverse population. The trend towards higher density development should also result in a more efficient land use pattern.