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### **ECONOMIC AND DEVELOPMENT REVIEW MID-YEAR 2007**

**The Planning and Economic Development Committee recommends the following:**

- 1. The presentation by Mark KitzeImann, Planner, Long Range and Strategic Planning, be received; and**
- 2. The recommendation contained in the following report dated September 24, 2007, from the Commissioner of Planning and Development Services, be adopted:**

#### **1. RECOMMENDATION**

It is recommended that:

1. Staff forward the Economic and Development Review – Mid-Year 2007 in print and electronic format to the public, area municipalities and agencies, and provide it on the corporate website.

#### **2. PURPOSE**

The purpose of the Economic and Development Review – Mid-Year 2007 is to analyze several key economic and demographic indicators for York Region. The mid-year report is intended to give Council a regional and national perspective of building permit activity as an economic indicator to measure the growth and competitiveness of the Region's economy. This information is used by Regional Council as well as public and private sectors as baseline information to prepare such things as economic investment strategies.

#### **3. BACKGROUND**

The Economic and Development Review has been published on a semi-annual basis since 1995. The Mid Year report is an abbreviated version that highlights several economic indicators, indicating continued growth in the York Region economy through the first half of 2007.

##### **3.1 Highlights**

- The Region was home to 965,000 people in June 2007, representing a 14,300 person increase so far this year. The 12 month increase ending June 2007 is 31,600 persons.
- There were 6,012 building permits issued for new residential units in York Region during the first half of 2007, an increase of 15.2% from the same period in 2006.

- There were 5,903 housing starts and 4,636 homes completed within York Region during the first six months of 2007. Housing starts have increased by 12% over 2006 levels.
- The Region's total estimated construction value for the first six months of 2007 was \$1.76 billion, 19.0% higher than the total construction value recorded in the first half of 2006.
- In the first six months of 2007, York Region's residential construction was valued at \$1.25 billion, a 20.1% increase compared to the first six months of 2006.
- The value of ICI construction increased by 16.0% from \$437 million in mid-year 2006 to \$507 million in mid-year 2007.
- In the first half of 2007, 28.8% of total construction value in York Region was generated by industrial, commercial, and institutional (ICI) construction.
- The unemployment rate, as of June 2007, was estimated to be 5.9% in York Region.

#### 4. ANALYSIS AND OPTIONS

The total population of the Region was estimated to be 965,000 by June 30, 2007; an increase of 14,300 persons from year-end 2006. The Region added over 31,600 persons from mid year 2006 to mid year 2007.

Table 1 below, provides a national comparison of the population in Canada's largest municipalities (as defined locally), situating York Region's population as sixth compared to all urban areas across the country.

**Table 1**  
**Canada's Largest Municipalities**

| Rank      | Municipality                        | Population     |
|-----------|-------------------------------------|----------------|
| 1.        | City of Toronto                     | 2,632,000      |
| 2.        | Greater Vancouver Regional District | 2,181,000      |
| 3.        | City of Montreal                    | 1,874,000      |
| 4.        | Peel Region                         | 1,177,000      |
| 5.        | City of Calgary                     | 1,020,000      |
| <b>6.</b> | <b>York Region</b>                  | <b>965,000</b> |
| 7.        | City of Ottawa                      | 871,000        |
| 8.        | City of Edmonton                    | 730,000        |
| 9.        | City of Winnipeg                    | 652,000        |
| 10.       | City of Quebec                      | 532,000        |

Source: York Region Planning & Development Services 2007; municipal web sites.

Building permits (6,012) were up in the first six months of 2007, a 15% (792) increase over the same period in 2006. Housing starts (5,903) and completions (4,636) also experienced increases over 2006 levels. However, it appears that the housing market is continuing its trend of a more moderate pace of production after several successive years

of much higher growth. For example, in 2002, housing starts and completions were above 12,000 units for the year. For the full year of 2007, it is expected that total housing completions will be in the 10,000+ unit range. This construction is likely to result in growth of approximately 32,000 people.

The number of resales for single family detached homes in York Region in the first half of 2007 increased to 6,047 as compared to 5,349 during the same period of 2006. The total resales (3,273) of multi-family dwellings in the Region increased to 35.1% of the Region's total resale housing mix. The total value of all resales amounted to just over \$3.7 billion in the first half of 2007. The 2007 average resale value for a single family detached unit increased (4.5%) from \$458,857 in 2006 to \$479,438.

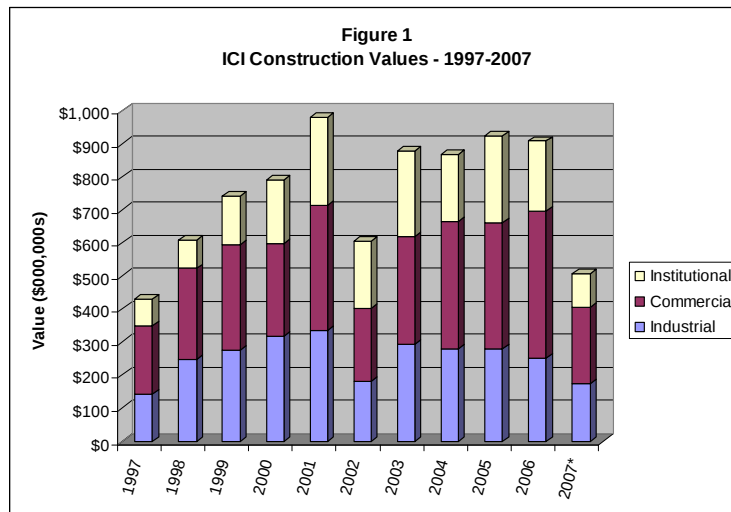
The number of new residential units with building permits issued in York Region in the first half of 2006 ranks York Region fourth in Canada (Table 2).

**Table 2**  
**Comparative Residential Units with Building Permits Issued**  
**Across Canada Mid-Year 2006 and 2007**

| Name of Municipality                   | Number of New Units with Building Permits Issued |              |
|----------------------------------------|--------------------------------------------------|--------------|
|                                        | 2006                                             | 2007         |
| 1. Greater Vancouver Regional District | 10,164                                           | 12,283       |
| 2. City of Calgary                     | 10,132                                           | 9,175        |
| 3. City of Edmonton                    | 8,446                                            | 8,542        |
| 4. <b>York Region</b>                  | <b>5,162</b>                                     | <b>6,012</b> |
| 5. Peel Region                         | 3,182                                            | 4,676        |
| 6. City of Toronto                     | 9,202                                            | 3,200        |
| 7. City of Ottawa                      | 4,113                                            | 2,970        |
| 8. City of Montreal                    | 5,229                                            | 2,869        |
| 9. Halton Region                       | 1,928                                            | 2,209        |
| 10. Durham Region                      | 3,063                                            | 1,659        |

Source: Statistics Canada Building Permits & York Region Planning & Development Services, 2006 and 2007.

The value of ICI construction increased 17.3% from \$433 million in the first half of 2006 to \$507 million by mid-year 2007. The proportion of ICI construction versus residential decreased slightly from 29.3% for mid-year 2006 compared to 28.8% for the first half of 2007. The shares of York Region's ICI construction values remained consistent with historical levels, as depicted in Figure 1.



Source: Statistics Canada Building Permits & York Region Planning & Development Services, 2007  
Note: 2007 figures are mid year only, all others are full year.

#### **4.1 Relationship to Vision 2026**

The Economic and Development Review – Mid-year 2007 supports the Vision 2026 goal of economic vitality. Through the continued monitoring of economic trends, the Region can gauge the competitiveness of its economy and evaluate and respond to changes. Furthermore, the Economic and Development Review highlights and showcases the Region's strengths as a destination to live, work and play.

### **5. FINANCIAL IMPLICATIONS**

The economic indicators presented in this report allow Regional staff and Council to monitor, evaluate and respond quickly to changes in the Region's economy. Printing and distributing the Economic and Development Review – Mid-Year 2007 is provided for in the 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 2007 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 and employment growth remain strong. Residential building permits increased by 15.2% from the total number of residential permits issued in mid-year 2006 and industrial, commercial and institutional construction values were 16.0% higher than the first half of 2006. The Region's population was estimated to be 965,000 in June 2007, an increase of 14,300 people since December 2006.

It is recommended that the attached Economic and Development Review – Mid-Year 2007 report be received for information. It is proposed that the report be printed and distributed widely to area municipalities, Chambers of Commerce, Boards of Trade, other business groups, libraries and other stakeholders. This report will be posted on the Region's web site. The Region's Economic Development Department will also use this report to provide vital data on the Region to employers in York Region, as well as businesses considering locating in York Region.

For more information on this report, please contact Mark Kitzelmann, Planner, Long Range and Strategic Planning Branch, at 905-830-4444 ext 1543 or [mark.kitzelmann@york.ca](mailto:mark.kitzelmann@york.ca).

The Senior Management Group has reviewed this report.

*(The attachment referred to in this clause, with corrected Figure 4, is attached to this report.)*