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YORK REGION EMPLOYERS OPINION SURVEY 2004

The Community Services and Housing Committee recommends:

- 1. the presentation of Barb Jeffrey, Senior Planner, Long Range and Strategic Planning, be received**
- 2. staff be directed to respond to various concerns**
- 3. the adoption of the recommendations contained in the following report, October 28, 2004, from the Commissioner of Community Services and Housing and Commissioner of Planning and Development Services:**

1. RECOMMENDATIONS

It is recommended that:

1. This report and the attached Employers Opinion Survey 2004 be circulated to area municipalities, agencies and stakeholders throughout the Region.
2. The Next Steps and Communications Strategy outlined in Section 4.3 of this report be endorsed by Committee and Regional Council.

2. PURPOSE

The purpose of this report is to introduce the Employers Opinion Survey 2004 and provide a summary of the results of the Survey to Committee and Regional Council.

3. BACKGROUND

In 2000, The Regional Municipality of York conducted the first Employers Opinion Survey using a sample of 32 businesses. The purpose of such a survey was to collect the views of employees through comments made to their employers. In 2000, the anecdotal information collected from York Region employers' opinions in a number of key business areas which they believed influenced their work force including the following:

- Incentives are needed to draw employee applicants to businesses.
- Alternative Work arrangements are becoming more common.
- Commuting is an accepted reality, people would rather drive than uproot their families.
- Housing is more of an issue for family households.
- Businesses are losing potential employees because of housing costs.
- Housing is more affordable farther away.

- Traffic Congestion is having an impact on business operations.
- Local transit systems do not meet the needs of commuters.

In 2003 and 2004, the Region undertook a similar survey using questions from the initial survey and additional questions relating to transit and transportation. The 2004 Employers Opinion Survey provides anecdotal information from existing employers in the Region about their ability to attract and retain employees based on the employees' ability to find appropriate housing, transportation and transit within York Region.

Employers pointed out that a number of their employees face difficulties in finding appropriate accommodation, transportation and transit which could, in future, impact Regional economic growth and competitiveness. Attraction and retention of employees is becoming a growing issue in York Region – more so than in previous years, both for the highly specialized skill areas and for lower income positions.

The findings of the Employers Opinion Survey 2004 (*see Attachment 1*) support and further articulate the statistical findings of the report “Housing and Our Economy: Remaining Competitive”, as well as the Low Income Profile Report which was presented to Committee and Regional Council in June 2004. The Housing and Our Economy report is a separate report on the Community Services and Housing Committee Agenda for November 10, 2004.

4. ANALYSIS AND OPTIONS

The 2004 survey interviewed 75 businesses representing a range of business sectors, business sizes and locations. Its objective was to provide an employer's perspective and augment new statistical work in *Housing and Our Economy* and *The Low Income Profile*. Employers provided their comments in four main areas as follows:

4.1 Key Results of the Employers Opinion Survey 2004

4.1.1 Economic Vitality

In general, employers continue to feel that York Region offers significant advantages as a place to do business with attractive communities, lower house prices relative to Toronto, a bustling business environment, the talents and experience of the labour force living here, the Region's ability to draw applicants from a considerable distance, and the general availability of skilled immigrants in the Greater Toronto Area (GTA). Further, a number of employers have, in the past four years, expanded their operations in York Region due to demand or have expanded by merging different locations into operations within the Region. However, many employers feel that York Region's advantage as a place to do business is being adversely impacted by traffic congestion which limits both business operations and work force mobility. A number of employers felt that residential development in many parts of the Region had outpaced the planning and construction of an effective road system, to the detriment of business. Employers urged that the Region closely monitor the relationship between traffic congestion and the pace of residential development.

Despite the Region's ability to generally draw applicants, employers noted that a general skills shortage exists in a wide variety of occupational areas in York Region, as is the case in other parts of the GTA. A number of businesses expressed growing difficulty in attracting and retaining skilled labour and trades and most anticipate that this trend will continue. Empirical trend analysis supports this concern. A number of employers suggested that a more coordinated approach to career planning and skills training involving employers, Seneca College and other educational institutions, and the Region would be beneficial in countering this.

Finally, employers say and census research confirms that new Canadians are crucial to the Region's continued economic prosperity, but the coordinated institutional arrangements to help transition these employees into the work force and return them needs improvement. There could be an appropriate role for the Region in developing a strategy to work with industry, government, and non-profit partners to assist and accommodate such employees.

4.1.2 Availability and Affordability of Housing

Housing issues were canvassed in two areas; rental housing and ownership housing.

4.1.2.1 Rental Housing

Employers see the lack of decent affordable rental housing as a significant issue in most parts of the Region, particularly in the northern areas. The lack of decent affordable rental units hampers young employees and new Canadians who would otherwise choose to live close to their jobs in the Region. This, combined with limited transit in some areas has a significant impact on employee attraction and, equally important, employee retention which in turn affect business efficiency, costs and by extension competitiveness.

The results of this survey support the findings of recent statistical analysis (Housing and Our Economy: Remaining Competitive) which finds that 32% of the workers that commute to work in York Region and live in adjacent municipalities are renters. This suggests that for some of York Region's workforce, the lack of rental housing in York Region is a factor in the decision to live outside of the Region. The anecdotes and comments from employers are particularly telling. One employer commented that "The kids say that all there is around here are 'yucky' basement apartments for \$900 to \$1,000 a month". Others commented that some apartments available are "not where you'd want to see your own kids living"; or "A basement apartment in Holland Landing goes for \$1,150 a month. We pay good wages for the kind of work but who can afford that?"; while still others commented that "We do hire young professional staff and finding quality rentals is a real problem for them."

4.1.2.2 Housing Ownership

The Region is generally seen to have a good mix of housing available for purchase. Employers in the north tend to see prices as a negative, while those in the south, comparing prices to Toronto, tend to see the positive – almost all however acknowledge that new home prices, even for row housing and semi detached housing forms have risen

to the extent that many young families cannot or will not commit to homeownership in York Region as a first home.

It is accepted by employers that employees will commute in order to find houses they want and can afford. Employees who take jobs within the Region while owning homes elsewhere do not generally seek to relocate to the Region. The exception, as noted above, might be those who already own homes in Toronto, who might welcome the opportunity to move to a lower-cost environment with a shorter commute or immigrant employees who have “moved up” to housing in York Region as their second or third home address since arriving in this country.

Except for employees in professional and management positions, employers observe employees tend to buy in the Barrie, Bradford and Innisfil and along the Highway 407, 401 corridor areas, in order to be able to afford detached homes. Employers in the southern tier noted that employees are buying in Georgina and Milton for the same reason.

4.1.3 Transit Service

Employers complimented the Region for its expansion of transit. Nonetheless, expectations for the expansion of transit service throughout the Region run high. For example, extended service to the industrial areas of Aurora, Newmarket and Vaughan, closer integration with the TTC, closer integration with GO-service to the north of the Region, service tied to shift schedules, and more east-west transit connections were all cited as necessary support for York Region’s economy.

4.1.4 Traffic Congestion and Transportation Infrastructure

Traffic congestion was the most frequent issue expressed by employers, usually accompanied by specific examples of the impact that congestion was having on their operations, their costs, and/or their employees.

Several firms indicated they planned to relocate because of traffic congestion, and a couple of firms had recently done so. While these relocations were within the Region, the Region should monitor this activity to ensure that the businesses are retained. Similarly, a strategy should be considered to ensure that space is available for business relocation adjacent to future expressways.

Some industries have moved or consolidated their operations to York Region, in part because of its greater ease of mobility compared to Toronto or Mississauga. The relative lack of congestion in the northern part of the Region is still seen by several employers as an important economic development tool for the Region. Nonetheless, there is a strong sense among employers that large-scale upgrading of the transportation infrastructure is overdue, in order to retain an attractive business environment and to catch up with the traffic demands of existing development.

4.2 Key Conclusions of the Employers Opinion Survey 2004

The majority of the employers interviewed are growing, adding employees, competing successfully for business, and in several cases merging operations from outside the Region. The businesses are as diverse as are their employees.

However, employers recognize and are concerned about a number of challenges that if not addressed will affect business efficiency and costs and therefore impact on Regional prosperity.

There is a rising concern by employers about transportation, transit and housing costs affecting attraction/retention of employees. New Canadians are seen as a critical part of labour force but there is a need to provide a greater level of support to fully integrate these individuals into the mainstream of the labour pool.

There is an acute shortage of affordable rental and starter housing evident which negatively affects attraction and retention of employees. In particular many lower paid workers, new Canadians and younger workers are unable to find appropriate and affordable housing in York Region. This requires either a long commute from their places of residence or in some cases limits ability of these key workers to apply for and maintain employment in the Region.

While the Region has improved transit significantly since the first Employers Opinion Survey was undertaken in 2000, there is still a need for further transit improvements in the extent of routes, scheduling and in fare and service integration with service in Toronto.

Transit improvements however, are not seen as eliminating the need for additional transportation infrastructure improvements. Most employers also see these as critical in moving people and goods and maintaining our competitive advantage.

4.3 Next Steps

This Survey is the third piece of a collaborative effort by Community Services and Housing and Planning and Development Services to empirically examine demographics and other trends in order to enhance the Region's ability to understand and plan to meet future needs in a strategic manner. It is important that the results of the Employee Opinion Survey 2004, along with the statistical analysis and trends contained in the "*Housing and Our Economy: Remaining Competitive*", *The Low Income Profile* reports and the Regional Economic Strategy be communicated widely. It is recommended that the following elements be incorporated into a Communications Strategy:

- Preparation of an information package and circulation to employers in the Region, agencies, Chambers of Commerce, municipalities and other stakeholders.
- The information package will contain Description of other Regional initiatives ongoing, including but not limited to:

- Summary Fact Sheet of the Employers Opinion Survey 2004.
- Executive Summary of the “*Housing and Our Economy: Remaining Competitive*” report.
- Summary Fact Sheet of Low Income Profile.
- Summary of the Regional Economic Strategy.
- Transit routing and Service Improvements including plans for fare integration.
- Roads improvement highlights.

Preparation and circulation of thank you letters and the information package to all participating employers.

In addition to the above, a number of participating employers requested specialized information from the Region. Responses to these employers will be tailored to their specific requests and appropriate information and follow-up undertaken in consultation with affected Regional Departments.

Finally, in response to the findings from the work that has been done recently, staff from various Regional departments will review and report back on a corporate response to issues raised through this report, the Low Income Profile and the “Housing and Our Economy Report”.

4.4 Relationship to Vision 2026

This preparation of the Employers Opinion Survey 2004 provides anecdotal information that provides feedback and directs future work on four goals of Vision 2026:

A Vibrant Economy, Responding to the Needs of Our Residents, Housing Choices for Our Residents, and Infrastructure for a Growing Region.

This report is consistent with the directions of Visions 2026 and provides additional support for Regional programs.

5. FINANCIAL IMPLICATIONS

This Study was undertaken within the approved budget allocations for 2003 and 2004. No additional funds are required for this study. Further assistance to employers in the Region will be undertaken with existing departmental resources.

6. LOCAL MUNICIPAL IMPACT

This report can be used to inform planning and decision making. Local municipal staff will be circulated copies of this report when approved for release.

7. CONCLUSION

The Employer Opinion Survey 2004 has provided anecdotal information that reflects and supports recent statistical work contained in the reports *“Housing and Our Economy: Remaining Competitive”*, and *The Low Income Profile*.

Employers interviewed in the Region were appreciative of the opportunity to communicate with the Region and forthcoming about their issues. They have provided valuable input to assist the Region in focusing on ways to maintain its economic competitiveness. A number expressed a willingness to partner with the Region to find solutions.

Key elements addressed in employer comments include a rising concern by employers about transportation, transit and housing costs affecting attraction/retention of employees, the shortage of skilled workers in some areas and the need to improve both transit and transportation infrastructure to meet the needs of business and residents. While some issues such as training are the responsibility of other levels of government and the school board there are a number of issues which employers mentioned that are the responsibility of Municipal government such as issues related to:

- Transit.
- Rental/Affordable Housing.
- Transportation infrastructure and traffic congestion.

All issues are however interrelated and require a co-ordinated response.

The Senior Management Group has reviewed this report.

(The attachment referred to in this clause was included in the Agenda for the November 10, 2004 Committee meeting.)