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HOUSING AND OUR ECONOMY, REMAINING COMPETITIVE

The Community Services and Housing Committee recommends the adoption of the recommendation contained in the following report, October 28, 2004, from the Commissioner of Community Services and Housing and Commissioner of Planning and Development Services:

1. RECOMMENDATION

It is recommended that:

1. This “*Housing and Our Economy, Remaining Competitive*” report and *Attachments 1 and 2* be circulated to local municipalities, other agencies and stakeholders throughout York Region.

2. PURPOSE

The purpose of the “*Housing and Our Economy, Remaining Competitive*” and its attachments is to report on and analyze how employment, labour force and housing are connected to the strength of York Region’s economy. The report is also intended to provide Regional Council and staff with detailed information that can be used to monitor the effectiveness of the existing Regional policies as well as track employment and housing trends that will establish future policies.

3. BACKGROUND

In an effort to continue to increase the strength of York Region’s economy, staff have recently embarked on a number of initiatives to monitor and better understand various issues facing the Region’s employers and labour force.

“*A Competitive Assessment of York Region*” report identified transit, housing and skilled work force as three key drivers that are of major importance in ensuring the Region’s future economic development. Further, it indicated that access to a pool of appropriately trained individuals is being affected by the lack of affordable housing and an effective public transit system.

The anecdotal evidence collected during the 2000 and 2004 Employer Opinion Surveys confirm that York Region’s employers consider affordable appropriate rental housing, and affordable ownership housing to be the key issues for their employees.

A number of recent initiatives have identified housing in York Region as one of the key issues that continues to affect the Region’s employment and labour force. Staff have

undertaken a thorough analysis of the relationship between the housing and labour markets. A detailed review of a number of comprehensive statistical data sets has been conducted and described in the “*Housing and Our Economy, Remaining Competitive*” report (see Attachment 1). Specifically, this report focuses on the recent changes in labour force, employment, housing affordability and availability in York Region compared to the adjacent municipalities. Further, it provides statistical evidence to show how the housing situation in York Region affects the resident labour force, work force and employment. This report also includes a profile of each of the nine local municipalities in York Region.

4. ANALYSIS AND OPTIONS

In the thirty plus years since its creation, York Region’s population has grown dramatically. York Region’s diverse and vibrant community, where most of the residents enjoy a high quality of life, is attracting people from across Canada and from other countries. York Region’s ability to draw economic investment is manifested by its rapidly increasing and diversifying economy.

York Region’s population growth and economic development are expected to continue. By 2026, the Region’s population is projected to increase to 1.28 million residents living in 429,000 housing units. It is anticipated that by 2026, York Region’s total employment will reach 696,000 jobs. However, in order for York Region to remain the place of choice for residents and businesses, it has to address a number of existing and emerging issues.

4.1 Lowest Live Work Ratio in the Greater Toronto Area (GTA)

Between 1991 and 2001, the proportion of York Region’s resident employed labour force that worked within the Region increased from 50.6% to 53.8%. However, in 2001, York Region’s live work ratio was still the lowest in the GTA.

As people continue to commute between their places of work and residence, the resulting traffic congestion and increasing commute times can negatively impact the health, well being and quality of life of York Region’s residents and in-commuters. Also, relying heavily on in-commuters can affect the ability of York Region’s employers to retain their employees, as commuters find comparable jobs close to home.

The current analysis suggests that a better match between the skills of York Region’s residents and the jobs available in the Region as well as between the jobs and housing available for the Region’s work force, will increase the live work ratio.

4.2 York Region’s Employment and Labour Force

In most occupational categories, in 2001, the number of York Region’s jobs was almost equal to the number of the Region’s residents employed in these occupations. However, in a number of occupational categories, there was a significant difference between the number of York Region’s jobs and the Region’s residents employed in these occupations.

A large number of our residents had to commute to work outside of the Region and York Region's conversely, our employers had to rely on in-commuters to fill their positions.

4.2.1 Opportunity to Attract Jobs in Management, Business, Finance and Administration and in Social Science, Education, Government and Religion

The number of York Region's residents employed in management, business, finance and administration and in social science, education, government and religion was significantly larger than the number of jobs available in the Region. By locating in York Region, companies employing people in these occupations will gain access to a pool of well educated and highly skilled residents, including some residents that now have to commute outside of the Region for employment.

4.2.2 Mismatch in Manufacturing, Processing, Construction and Other Trade Sectors

The number of York Region's jobs in manufacturing, processing, construction and various trade related occupations was significantly larger than the number of the Region's residents employed in these occupations. The housing situation in York Region, especially the availability of rental housing, is one of the reasons that people employed in these occupations in York Region live outside of the Region's borders.

4.3 Employment, Work Force and Housing Needs

York Region's employers have to rely heavily on employees that live outside of the Region and take advantage of a larger number of rental opportunities and a greater variety of more affordable housing available in adjacent municipalities. The differences between York Region's resident employed labour force and in-commuters with respect to their housing choices that have been identified as part of the current analysis, are consistent with the opinions of Regional employers that the lack of rental and affordable ownership housing are key issues for their employees.

4.3.1 A Significantly Higher Proportion of In-Commuters Rent

Of York Region's resident employed labour force, approximately 10% were tenants, including 4.5% that lived in rental apartments and row houses. In comparison, 32% of people that lived outside and commuted to work in the Region were tenants, including 26% that lived in rental apartments and row houses. An even higher proportion of in-commuters employed in manufacturing and processing related occupations (41%) and in construction and other trade related occupations (34%) were tenants.

4.3.2 A Significantly Higher Proportion of In-Commuters Live in Multiple Dwellings

Approximately 20% of York Region's resident employed labour force lived in semi-detached, row and apartment units. In comparison, 50% of people that lived outside and commuted to work in the Region lived in semi-detached, row and apartment units. Further, 66% of in-commuters employed in manufacturing and processing related occupations lived in multiple dwellings.

4.4 Housing in York Region and in the Adjacent Municipalities

Over the past decade, there was no overall improvement in the housing affordability in York Region. The proportion of York Region's households paying over 30% and over 50% of their income on housing has not changed, however the number of households has increased. Housing affordability of owner households remained unchanged, but there was an increase in the housing affordability issue of tenant households.

York Region's current housing situation does not compare favourably to the adjacent municipalities:

York Region's housing stock is diversifying, but not fast enough: As of December 31, 2003, the share of single-detached units in York Region's total housing has decreased to 73%, however it continues to be the highest in the GTA.

Compared to the GTA and most other "905" Regions, single detached units make up a larger share of the new housing built in York Region. This limits both the number of rental opportunities and the availability of relatively affordable, entry level housing.

Lowest share of rental units within the GTA: Between 1991 and 2001, the number of rental units in York Region has increased (26,400 to 30,600), however the share of rental units in the total housing stock has decreased (18% to 14%). In 2001, the share of rental units in York Region continued to be the lowest in the GTA.

Value of real estate in York Region is increasing: By mid-2004, the average resale price of a single family detached unit reached \$405,392. In 2003, the average resale house price in York Region has increased faster and was higher than the GTA average. The entry level price of a house like a standard townhouse in York Region was also higher compared to many areas in the surrounding municipalities.

4.5 Need to Address the Housing Situation to Continue to Attract Diverse Employment and Labour Force

4.5.1 York Region's Labour Force Challenges

York Region currently has a diverse, growing and resilient labour force. However, due to the unavoidable aging of the Region's population and a tendency to retire early, additional support for the resident labour force will be required in the future.

These demographic trends are expected to affect labour force availability in many other areas across Canada. Therefore, York Region will be competing with other regions to attract and retain immigrant, inter-provincial migrants and youth to bolster the Region's labour force. A wider variety and more affordable housing, including rental housing, will ensure that York Region continues to attract and retain youth and people from across Canada and from other countries.

4.5.2 Need to Remain Competitive for Future Economic Investment

As York Region's population continues to increase, one of the challenges facing the Region will be to attract employment and to maintain the jobs to population ratio. York Region's employment is projected to increase to 696,000 jobs by 2026, and job gains are expected in all employment sectors. The availability of skilled workers and suitable housing are important considerations that determine business location. York Region's housing situation has to be addressed to ensure that it does not negatively impact the Region's attractiveness for economic investment.

4.5.3 Increase in Sales and Service Sector will Continue

As the population in York Region continues to increase and diversify, it will bring about an increase in population related sales and service sector jobs. The data suggests that people employed in sales and service related occupations tend to work close to home, live in lower income households and spend a significant share of their income on housing. York Region will have to compete with other regions to attract and retain residents to fill these positions in the Region. Preventing potential labour force shortages in the sales and service sector occupations will ensure that the quality of life in York Region is not negatively impacted.

4.6 Next Steps

Staff from various Regional departments will review and report back on the corporate response to issues raised through this report, *The Low Income Profile* and *The Employer Opinion Survey*. Areas to be considered include: Housing, Economic Development, Transportation, Planning and Community Services.

4.7 Relationship to Vision 2026

This report supports the following four goals of Vision 2026:

1. Under *A Vibrant Economy*, the goal of "Attracting and Supporting Businesses" contains the following aim:
 - "Supporting business start-ups, and the incubation, expansion and diversification of businesses".
2. Under *Responding to the Needs of Our Residents*, the goal of "Meeting People's Basic Needs" contains the following aim:
 - "Facilitating access to job opportunities".
3. Under *Housing Choices for Our Residents*, the goal of "Providing Appropriate Housing Mix and Supply" contains the following aims:
 - "Encourage a wider variety of housing types, to increase the choices available to residents".
 - "Encouraging the production of housing that residents can afford to rent and buy".

4. Under the *Housing Choices for Our Residents*, the goal of “Planning for Strong Live, Work , Play and Learn Connections” contains the following aims:
 - “Achieving better connections between where residents live, work, play and learn”.
 - “Working to match the needs of employees with housing options”.

5. FINANCIAL IMPLICATIONS

This report focuses on a number of existing and emerging issues that affect the strength of York Region’s economy. Maintaining a vibrant economy is essential to the Region’s financial well being.

Statistical data used in this analysis was purchased with funds allocated within the approved 2004 budget.

6. LOCAL MUNICIPAL IMPACT

Understanding the long range outlook and how the Region’s current employment, labour force and housing situation impact on the economy can assist in local planning and decision-making.

A detailed profile of each local municipality is included in the “*Housing and Our Economy, Remaining Competitive*” report. Area municipal staff have been consulted regarding the statistical information relevant to their municipality.

7. CONCLUSION

The “Housing and Our Economy, Remaining Competitive” report contains the findings of a detailed statistical analysis of the relationship between employment, labour force and housing to the strength of York Region’s economy. This report and the Executive Summary (*see Attachment 2*) both highlights the strengths of the Region’s economy and identifies a number of existing and emerging issues that have to be addressed in order for York Region to remain attractive as a place of residence and for economic investment.

The findings of this report combined with those of the Low Income Profile and the conclusions of the 2004 Employer Opinion Survey indicate that York Region has to better position itself to address the current and future housing needs of the Region’s work force, labour force and employers. Employee attraction and retention might become issues that adversely affect the Region’s employers if their workers have to live outside of York Region to be able to find rental or more affordable ownership housing.

An increased supply of affordable housing is necessary in order for York Region to support its resident labour force, workers and employers and therefore remain

economically competitive and maintain a high quality of life. In addition to affordable home ownership, York Region would benefit greatly from a larger stock of rental housing to attract and retain key employees including those at the moderate and lower end of the pay scale.

The report identifies the occupational categories where the number of jobs available in York Region are significantly less than the number of residents employed in these occupations. Therefore, attracting companies that employ people in these occupations will increase employment opportunities for York Region's residents that now have to commute outside of the Region for employment. York Region's live work ratio will also increase when housing and employment opportunities are improved.

It is expected that various demographic trends, including aging of the population and a tendency to retire early, will continue to affect the availability of labour force in many areas across Canada. York Region's housing situation will be an important factor in attracting and retaining youth, inter-provincial migrants and immigrants to provide additional support to the Region's labour force. Also, given the current housing situation in York Region, attracting and retaining residents to fill the Region's positions in sales and service sector occupations will be difficult, yet important for maintaining the Region's high quality of life.

The "*Housing and Our Economy, Remaining Competitive*" report and a number of recent initiatives clearly indicate that York Region's economy continues to increase and diversify. More integrated approaches between economic development, housing and employment will be needed to meet the demands of the Region's labour market. Affordable ownership and rental housing will play an important role in supporting the growth of employment sectors including those that currently rely on in-commuters and lower and moderate income households for their labour supply.

The Senior Management Group has reviewed this report.

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