

Clause No. 20 in Report No. 9 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on May 15, 2014.

20
GROWTH AND DEVELOPMENT REVIEW 2013

Committee of the Whole recommends:

- 1. Receipt of the presentation by Doug Lindeblom, Director, Economic Strategy and Tourism, and Paul Bottomley, Manager, Growth Management.**
- 2. Adoption of the following recommendation contained in the report dated May 1, 2014 from the Executive Director, Corporate and Strategic Planning:**

1. RECOMMENDATION

It is recommended that this report be received for information.

2. PURPOSE

The purpose of this report is to provide Council with a snapshot of key development and demographic indicators in York Region as summarized in the Growth and Development Review 2013 (see *Attachment 1*) and report on the competitiveness of York Region's economy within the Greater Toronto and Hamilton Area (GTHA), the Province and Canada.

3. BACKGROUND

The annual Growth and Development Review report provides a broad perspective on important economic indicators

Since 1995, York Region has published two Growth and Development Review reports each year (known prior to 2013 as the Economic and Development Review); a mid-year version and a more fulsome year-end report. This year-end report highlights a number of key economic indicators, or sets of data which illustrate general trends in the economy. The 2013 year-end report includes information on:

- The economic outlook
- Population growth
- Residential market and building activity
- Industrial, Commercial and Institutional (ICI) market and building activity
- Overall construction value and tax assessment

Data for this review is sourced from Statistics Canada, the Canada Mortgage and Housing Corporation, the Toronto Real Estate Board, as well as private firms which published documents summarizing key trends within the GTHA and beyond. A thorough understanding of this information provides the background for effective policy development, *York Region Official Plan, 2010 (YROP-2010)* monitoring, and economic strategy documents.

4. ANALYSIS AND OPTIONS

Recovering Global and U.S. economies bode well for York Region's businesses and job growth

In 2013, the Global and United States economies continued to recover from the financial crisis of 2008/2009 with GDP growth of 3% and 1.9% respectively. The outlook for 2014 is one of strengthening activity with global GDP forecast to rise to 3.7%, and the U.S. GDP increasing to 2.8%. York Region has added approximately 59,000 jobs since the recession, and 118,000 residents. Interest rates remain low to spur economic activity. As the U.S. economy continues to show steady growth in employment and the housing market, this bodes well for the Canadian economy and York Region.

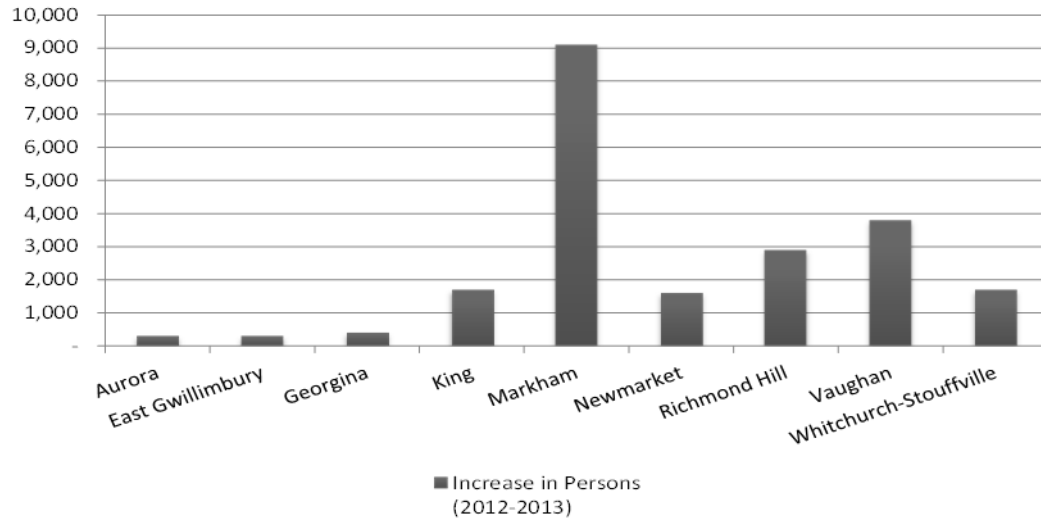
In 2013, York Region's population grew by 21,800, accounting for 22.5% of the GTHA annual growth

York Region's population grew by 21,800 (2%) in 2013 to 1,130,400 people. In accordance with *Places to Grow: Growth Plan for the Greater Golden Horseshoe*, the *YROP- 2010* included forecasted populations of 1,200,100 in the year 2016 (mid-year), and 1,500,000 million in 2031 (mid-year). While annual growth rates fluctuate, the 2013 growth of 21,800 people, and the 5 year average (2009-2013) of 23,680 new residents is slightly lower than required to meet the 2016 mid-year target of 1,200,100, but is on track to meet the 2031 target.

In 2013 all municipalities within York Region experienced growth. Markham, Vaughan and Richmond Hill recorded the greatest increases in population of 9,100, 3,800 and 2,900 people respectively. Growth within King Township and the Town of Whitchurch-Stouffville was considerable (each growing by approximately 1,700 people); given their rural nature and lower starting populations, these two municipalities experienced the greatest rate of growth within York Region for 2013 (see *Figure 1*). With the addition of 21,800 residents in 2013, representing a 22.5% share of the GTHA growth, York Region now accounts for 15.9% of the total GTHA population.

The Cities of Markham and Vaughan traditionally record the greatest population growth within the Region. While Markham's population growth significantly exceeded that of all other local municipalities in 2013, review of the past ten years reveal comparable 5-year and 10-year averages for both cities.

Figure 1
York Region 2013 Population Increase by Local Municipality



The residential property market was active in 2013, showing signs of increasing diversity of housing stock

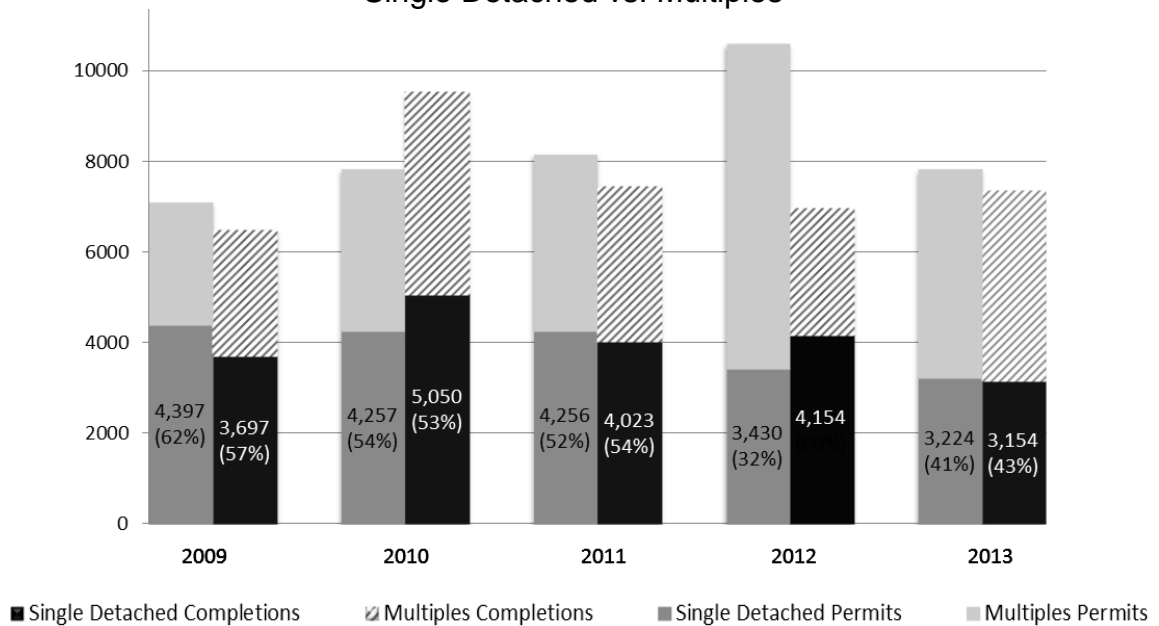
The residential housing market has been steady within York Region since 2009. Total resale numbers have fluctuated very little between 2009 and 2013, ranging from a low of 16,052 in 2010 to a high of 17,425 in 2011, with an average for the last 5 years of 16,591 units. House prices within the Region continue to rise, with the average cost of a residential unit (all dwelling types) being \$623,582 (see *Table 1*) and the average cost of a single-detached unit being \$737,374, up from \$702,035 in 2012. The York Region average resale housing price (all dwelling types) is roughly 20% higher than the Greater Toronto Areas (GTA) average of \$520,398 (GTHA data not available).

Table 1
Total number of Resales and Average Price (all dwelling types)

	Sales		Average Price (\$)	
	2012	2013	2012	2013
Aurora	909	918	\$567,567	\$593,707
East Gwillimbury	318	337	\$504,921	\$519,411
Georgina	875	839	\$316,909	\$329,295
King	285	282	\$871,956	\$875,671
Markham	4,385	4,666	\$603,465	\$632,956
Newmarket	1,522	1,424	\$454,431	\$493,050
Richmond Hill	3,173	3,295	\$670,258	\$705,464
Vaughan	3,976	3,919	\$631,073	\$657,784
Whitchurch-Stouffville	732	789	\$606,547	\$593,991
York Region Total	16,175	16,469	\$590,984	\$623,582

Trends in new housing activity can also be assessed through a review of building permits issued, and housing completions. Building permits show construction underway (or soon to be underway), and housing completions provide a record of units occupied, or ready to be occupied. A review of York Region building permits and housing completions over the last 5 years (*Figure 2*), confirms that the mix of housing available continues to diversify. Given the significant number of building permits issued in 2012 for multi-unit types, it is anticipated that housing completions will continue to include a large proportion of multi-unit types over the next few years. As summarized in a Community Planning Branch report to Council April 3, 2014, registration of Plans of Subdivision and Plans of Condominium peaked in 2012, prior to implementation of the Region's new Development Charges By-law, and 2013 saw an increase in draft approvals of Plans of Subdivision and Condominium, particularly for multi-unit dwelling types. It is therefore anticipated that housing completions will increase in coming years.

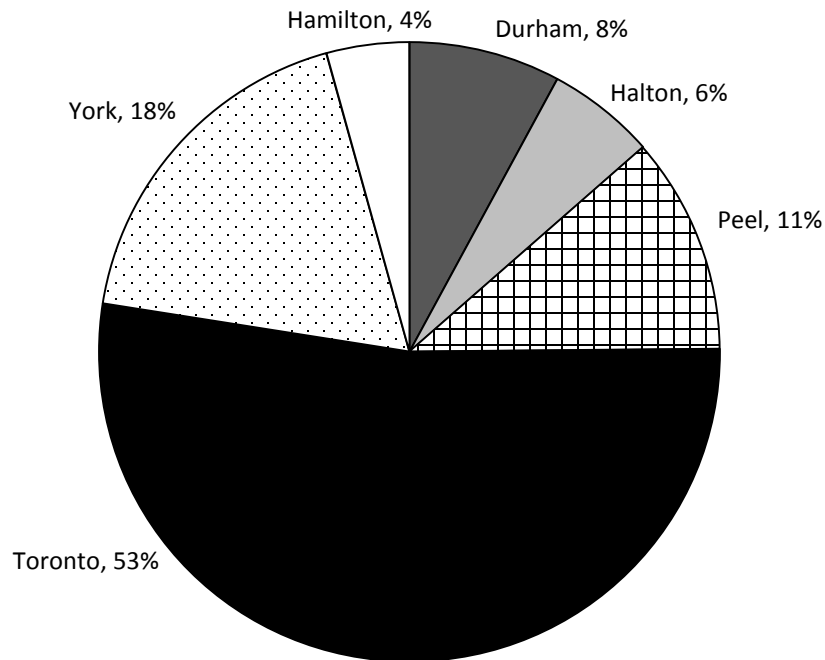
Figure 2
 Residential Building Permit and Housing Completions 2009-2013
 Single Detached vs. Multiples



Resale house prices within York Region continue to be high. Offering a range of affordable housing is an on-going priority for the Region. The *YROP-2010* includes requirements for a diversity of housing types and a minimum requirement of 25% to 35% affordable. This will promote the continuation of the trend towards a greater percentage of multiple unit dwellings, and affordable options.

York Region continues to be a strong contributor to GTHA activity accounting for an 18% share of 2013 GTHA residential building permits, second only to the City of Toronto who recorded 53% of the share (see *Figure 3*).

Figure 3
2013 GTHA Residential Building Activity: Shares by Municipality



York Region continues to show strong growth in employment numbers despite less Industrial, Commercial and Institutional building permit activity

While investment in new industrial, commercial and institutional (ICI) development has been on a slight decline since 2010 (see *Figure 4*), employment opportunities within the Region (job numbers) continue to increase. Since 2009, York Region has added a total of 59,000 jobs. As noted in the York Region Employment and Industry Report 2013, before Council in March 2014, York Region's employment growth outpaced National and Provincial averages in 2013. The lower activity in new ICI investment may, in part, be a result of the decreasing vacancy rates of existing employment facilities; new and expanding ICI uses are taking advantage of space available within existing buildings rather than building new. Within the GTHA, York Region accounted for 10.7% of the total ICI construction value. While Toronto and Peel recorded increases in ICI construction values for 2013, the remaining four GTHA municipalities, including York Region, recorded decreases in values between 2012 and 2013. According to Cushman & Wakefield (Industrial Real Estate Forecast, United States, Canada & Mexico) persistent sluggish U.S. export demand limited business expansion through 2013. With the U.S. projected to gain growth traction by the second half of 2014, business confidence is expected to drive renewed demand growth across the GTHA.

Figure 4
 York Region ICI Construction Values 2009-2013



Within Canada, York Region was the 8th largest contributor to ICI construction values, at \$738.6M (see *Table 2*), down 21.4% from \$940.2M in 2012. It should be noted that a few major projects can heavily influence annual ICI construction values. Accordingly, the right hand column of *Table 2* shows large changes from 2012, with five of the top 10 contributors to total ICI construction within Canada recording decreases from 2012 values.

Table 2
 2013 Top 10 Canadian Contributors of ICI Construction (1,000s)

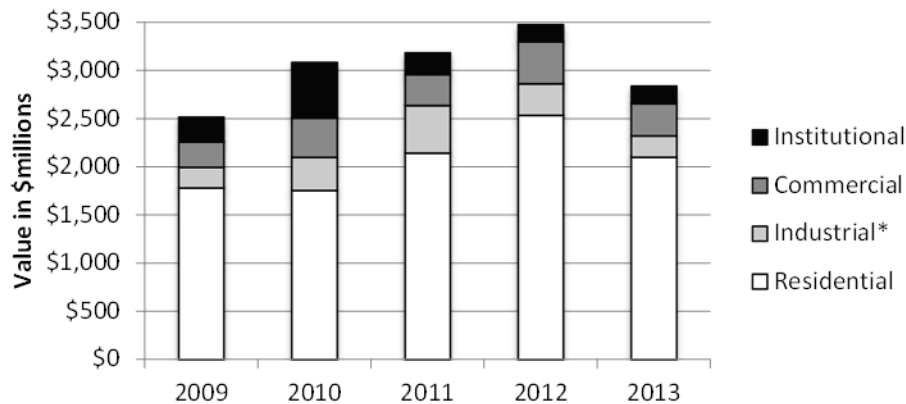
Rank	Municipality	Total Value	% Change From 2012
1	City of Toronto	\$3,426,342	21.3%
2	City of Calgary	\$2,571,710	45.4%
3	City of Montreal	\$1,948,262	27.4%
4	Greater Vancouver Regional District	\$1,776,754	-25.8%
5	City of Edmonton	\$1,376,162	18.2%
6	Peel Region	\$1,156,552	30.4%
7	City of Ottawa	\$960,480	-7.9%
8	York Region	\$738,592	-21.4%
9	Halton Region	\$707,205	-38.6%
10	City of Hamilton	\$680,602	-21.5%

Some notable ICI projects for which building permits were issued in 2013 included a \$46M subway expansion project in the City of Vaughan, a \$40M expansion to Vaughan Mills Mall, a \$35M Multi-Use Commercial centre in Vaughan, and a \$19M addition to a hotel within the City of Markham.

Overall construction values for 2013, at \$2.84 billion, were down from 2012 values but new construction continues to contribute to the Region's tax assessment which increased by 2.1% in 2013

As a result of decreased activity in both residential and ICI building permit issuance, overall construction values (ICI plus residential) were \$2.84 billion in 2013, down 18.3% from \$3.47 billion in 2012 (see *Figure 5*). Overall construction value is important as it is correlated with the new development component of tax assessment growth over subsequent years.

Figure 5
Construction Values by Type, 2009 – 2013



Note: *Agricultural permits are included under the industrial category.

The decrease in residential construction values may be a result of the large number of residential building permits issued in 2012 for high-rise projects which will likely not be recorded as completions for several years. It should be noted that a few, high value high-rise projects can result in large annual fluctuations within affected municipalities. Not all local municipalities recorded declines in overall construction, the City of Vaughan and the Towns of Aurora and Newmarket experienced increases from 2012 levels of 42%, 17% and 8% respectively.

Notwithstanding a reduction in overall construction values, new construction continues to contribute to tax assessment growth within the Region. York Region's overall tax assessment (new development and reassessments) grew by \$15.9 billion, an 8.2% growth rate. The 2013 assessment growth attributed to new development was 2.1% compared to 2012's growth rate of 2.3%.

York Region economic activity indicators are in line with broad trends within Canada and Ontario, and reflect a recovering global economy

Like other large municipal centres, York Region continues to grow, albeit at a slightly lower rate. The resale housing market was active in 2013 with sale numbers up and home prices increasing by an average of 5.5%. A review of building permits issued and housing completions revealed that the mix of new housing being constructed is in line with the direction articulated in the *YROP- 2010*, which is to increase the amount of multi-unit types being developed. This shift will help provide more affordable housing options within the Region.

A sluggish U.S. export demand climate resulted in limited ICI construction in the GTHA through 2013 and industrial and commercial building permit values in York Region registered declines from 2012 levels. None-the-less, York Region ranked eighth across the country for the value of ICI construction in 2013, and was third in the GTHA, behind Toronto and Peel Region. York Region continues to experience job growth as noted in the York Region Employment and Industry Report 2013 presented to Council in March 2014. Over the past 4 years, job growth in the commercial sector has outpaced growth in the industrial sector, but both have increased. With the U.S. projected to gain growth traction in the latter half of 2014, an increase in GTHA investment in new ICI construction is anticipated.

In summary, York Region continues to be a significant contributor to the Provincial and National economies, ranking within the top 10 municipalities in relation to:

- The Region's contribution to Canada's population
- Number of residential building permits issued
- Value of new ICI construction
- Value of total construction (ICI and residential combined)

Link to key Council-approved plans

The Growth and Development Review 2013 provides information that monitors the Region's economy as required by both the *YROP-2010* and *Vision 2051*. 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 Growth and Development Review is a vehicle for highlighting and showcasing the Region as a destination to live, work and play.

The *2011 to 2015 Strategic Plan* has objectives to "Support healthy communities through a broad range of housing choices and supports to meet the diverse needs of residents". It also seeks to "Position York Region as the 'Region of Choice' for innovative growing employment sectors". The Growth and Development Review monitors and reports on the Region's successes in these areas.

5. FINANCIAL IMPLICATIONS

The majority of York Region's capital expenditures are related to growth. As such, Development Charges (DCs) are a major source of funding for the Region's capital Plan. DCs are collected when a plan of subdivision is registered or when a building permit is issued. DCs collected in 2013 totalled approximately \$185.7M. The economic indicators presented in this report will allow Council to effectively monitor, evaluate and respond to variations in the Region's economic landscape.

6. LOCAL MUNICIPAL IMPACT

Regional economic indicators are important in evaluating economic trends across the Region. The Growth and Development Review 2013 provides local municipal economic development and planning officials with a summary of York Region's economy. The information is used as a basis for informing decision making, devising strategies, and attracting new businesses to the Region.

7. CONCLUSION

York Region economic indicators are in line with broad Canadian and Ontario trends. The U.S. economy continues to show steady recovery in the employment and housing market boding well for the Canadian economy and York Region. Population growth is moderating slightly, but on target to reach the 2031 population forecast of 1,500,000. York Region continues to be a significant contributor to the Provincial and National economies, ranking within the top 10 municipalities in relation to:

- The Region's contribution to Canada's population
- Number of residential building permits issued
- Value of new ICI construction
- Value of total construction (ICI and residential combined)

The attached Growth and Development Review 2013 will be posted on the Region's website for use by municipalities and agencies, local chambers of commerce and boards of trade, and the public.

For more information on this report, please contact Paul Bottomley, Manager, Policy, Research and Forecasting at (905) 830-4444 Ext. 71530.

The Senior Management Group has reviewed this report.

Attachments (1)

Growth and Development REVIEW



2013



This page intentionally left blank

Table of Contents

Highlights.....	6
1. Economic Outlook	8
The Global and United States Outlook is Positive	8
Economic Activity in Ontario, the GTA and York Region.....	10
York Region’s Economy Continues to Create Jobs.....	11
Hiring Demand in York Region Remains Steady	12
2. Population Growth	13
York Region’s Population Continues to Rise with 2% Growth in 2013	13
York Region’s Contribution to GTHA Growth is Significant	14
York Region is one of the Largest Municipalities in Canada.....	15
3. Residential Market and Building Activity	16
The Residential Property Market was active in 2013, with house prices increasing for the 6th consecutive year	16
Affordable Housing, Although Challenging, Remains a Priority for York Region	18
Residential Building Permits are Down from 2012.....	19
York Region Continues to Contribute Significantly to Residential Building Permit Activity in the GTHA	21
York Region was the 6th Largest Issuer of Residential Building Permits in Canada	22
Residential Completions were up for 2013.....	
The Diversity of Total Housing Supply Continues to Improve.....	24
4. Industrial, Commercial and Institutional Market and Building Activities.....	25
Industrial & Commercial Property Market	25
Institutional, Commercial and Industrial Building Activity in York Region Slows in 2013	26

5. Overall Construction Value, Development Charges and Tax Assessment.....30

Total Construction Value 30
Construction Activity – National Comparisons 32
Taxable Assessment..... 32

6. Final Observations34

List of Tables

Table 1.1 York Region 2013 Job Posting Activity 12
Table 2.1 York Region Population, 2012-2013 13
Table 2.2 Canada’s Largest Municipalities by Population, 2013 15
Table 3.1 Total Number of Resales and Average Price (all dwelling types) by Local Municipality, 2012-2013 16
Table 3.2 2013 York Region Resales & Average Prices by Dwelling Type 17
Table 3.3 York Region New Home Prices (\$1,000s) 17
Table 3.4 New Residential Units with Permits Issued in York Region, 2012-2013 19
Table 3.5 York Region Residential Building Permits with 10 Highest Construction Values, 2013 21
Table 3.6 Cross Canada Comparison 2013: Residential Building Permits 22
Table 3.7 York Region Residential Completions, 2012-2013 22
Table 4.1 York Region Industrial Market Overview, Q4 2013 25
Table 4.2 York Region Office Market Overview, Q4 2013 26
Table 4.3 York Region Industrial Building Permits, 2013 27
Table 4.4 York Region Commercial Building Permits with the 10 Highest Construction Values (2013) 27
Table 4.5 York Region Institutional Building Permits with 10 Highest Construction Values, 2013 28
Table 4.6 Cross Canada Comparison 2013: Values of ICI Construction (\$1,000s) 29
Table 5.1 Estimated Value of Total Construction (Residential and ICI) by Local Municipality, 2012-2013 31
Table 5.2 Estimate of Value of Construction (\$1,000s) by Local Municipality, 2012-2013 31
Table 5.3 Cross Canada Comparison 2013: Values of Total Construction (\$1,000s) 32

List of Figures

Figure 1.1 Global Growth Forecast (%).....	8
Figure 1.2 U.S. Job Growth Trends, 2007-2013	9
Figure 1.3 U.S. Annual Housing Starts, 2004-2013.....	9
Figure 1.4 Ontario and GTA Unemployment Rates, 2009-2013.....	10
Figure 1.5 Ontario and GTA Housing Starts, 2004-2013	11
Figure 1.6 York Region Total Employment, mid-year 2004-2013	11
Figure 2.1 York Region Annual Population Growth, 2004-2013.....	13
Figure 2.2 Population and Annual Increase by Local Municipality, 2012-2013	14
Figure 2.3 2013 Share of GTHA Growth	14
Figure 2.4 Share of 2013 GTHA Population by Municipality	15
Figure 3.1 York Region Total Resales and Average Price for All Dwelling Types, 2008-2013.....	16
Figure 3.2 York Region Affordable Threshold vs. Average Resale Price, 2006-2013	18
Figure 3.3 York Region Residential Building Permit Mix, 2009-2013.....	20
Figure 3.4 2013 New Residential Building Permit Mix by Local Municipality ...	20
Figure 3.5 York Region's Share of GTHA Residential Building Activity 2013 ...	21
Figure 3.6 Building Permit and Housing Completions: Single Detached vs. Multiples.....	23
Figure 3.7 Mix of Housing Stock in York Region.....	24
Figure 3.8 Mix of Total Housing Stock by Local Municipality 2013.....	24
Figure 4.1 York Region Industrial Inventory, Q4 2013.....	25
Figure 4.2 York Region ICI Construction Values, 2009-2013	26
Figure 4.3 GTHA ICI Construction Values, 2009-2013	28
Figure 5.1 Construction Value by Type, 2009-2013.....	30
Figure 5.2 York Region Assessment Growth, 2002-2013.....	32
Figure 5.3 GTA Taxable Assessment, 2013.....	33

Highlights

Data Sources

- The source for the information summarized in this report is *York Region, Office of the CAO, Long Range Planning Branch 2014*, unless otherwise noted

Economic Outlook

- York Region's GDP growth is strongly related to U.S. GDP growth
- According to the International Monetary Fund (IMF), global growth is expected to increase in 2014 to 3.7% over 2013 levels of 3.0%
- Both Canada and the U.S. are expected to have increases in GDP growth rates in 2014, at 2.2% and 2.8% respectively
- A strengthening U.S. and global economy will benefit York Region's businesses that export
- The U.S. federal reserve is expected to hold interest rates in 2014 as is the Bank of Canada
- In 2014, U.S. employment and housing starts are both anticipated to continued the upward trend of the previous 4 years

Population Growth

- York Region recorded 21,800 new residents (2% population growth) in 2013, to a year end population of 1,130,400
- Over the last 5 years, population growth within the Region has averaged 2.2%
- All municipalities experienced population growth in 2013, with growth rates ranging between 0.5% in Aurora to 7.6% in King Township
- Markham and Vaughan experienced the greatest population increases of 9,100 and 3,800 people respectively
- York Region accounted for a 22.5% share of the GTHA population growth, and now accounts for 15.9% of the total GTHA population
- York Region is the sixth largest municipality in Canada, just behind 5th place Calgary

Residential Market and Building Activity

- Residential resales recorded a slight increase of 1.8% to a total of 16,469 units
- The value of York Region residential resales was \$10.3 billion, up from \$9.5 billion in 2012
- The average resale price increased by 5.5% to \$623,582
- The gap between the affordable threshold (\$420,655 for 2013) and average resale price continues to increase
- The number of residential building permits issued, 7,830, is down 26.1% from 2012, but close to the 5 year average of 8,300

- Multiple unit dwellings accounted for 59% of new residential permits issued
- Markham and Vaughan accounted for approximately 73% of the total residential building permit activity in 2013
- York Region accounted for 18% of the GTHA's residential building permit activity , second to the City of Toronto's 53% share
- The number of residential building permits issued in York Region was the sixth highest in Canada in 2013, following closely behind the City of Montreal
- Residential completions in York Region increased by 5.6% in 2013

Industrial, Commercial and Institutional market and Building Activity

- According to Cushman & Wakefield, the GTA industrial market has over 790 million square feet of inventory with York Region's inventory at 155.8 million, a 20% share
- York Region's Industrial vacancy rate at the end of 2013 was 4.9%, compared to the GTA average of 5.7%, vacancy rates around 5% are considered good
- The value of ICI construction decreased between 2012 and 2013 by 21%, with the value of institutional construction increasing by 3%, but decreases of 31.7% and 23.5% being recorded for the value of industrial and commercial building activity respectively
- Notable ICI projects for which building permits were issued in 2013 included a \$46M subway expansion project, a \$40M expansion to Vaughan Mills Mall, a \$35M Multi-Use commercial centre in Vaughan and a \$19M addition to a hotel within the City of Markham

Overall Construction Value, Development Charges and Tax Assessment

- Total estimated value of construction building permits issued in 2013 was approximately \$2.84 billion, down 18% from \$3.47 billion recorded in 2012
- York Region ranked sixth in total construction value among Canadian municipalities
- York Region's overall assessment growth (new assessments and reassessments) was 2.1% over 2012 levels
- York Region's share of the GTA's total assessment in 2013 was 19.8%, second to the City of Toronto who had 45.1% of the share

According to the International Monetary Fund (IMF) Global Growth is expected to increase in 2014 over 2013 levels

Emerging/developing economies expected to increase to 5.4% from 5.1%

China's growth to moderate slightly to 7.5% from 7.7%

Advanced economies to improve

Euro area turning the corner from recession to recovery

UK growth to increase to 2.4% from 1.8%

Growth in the U.S. will be stronger increasing to 2.8% from 1.9%

York Region GDP growth is related to the global recovery, particularly the U.S. recovery

Key External factors influencing growth of the Canadian, Ontario, and York Region economies

U.S. economy (largest market for York Region' businesses that export)

Oil prices

Value of the Canadian dollar

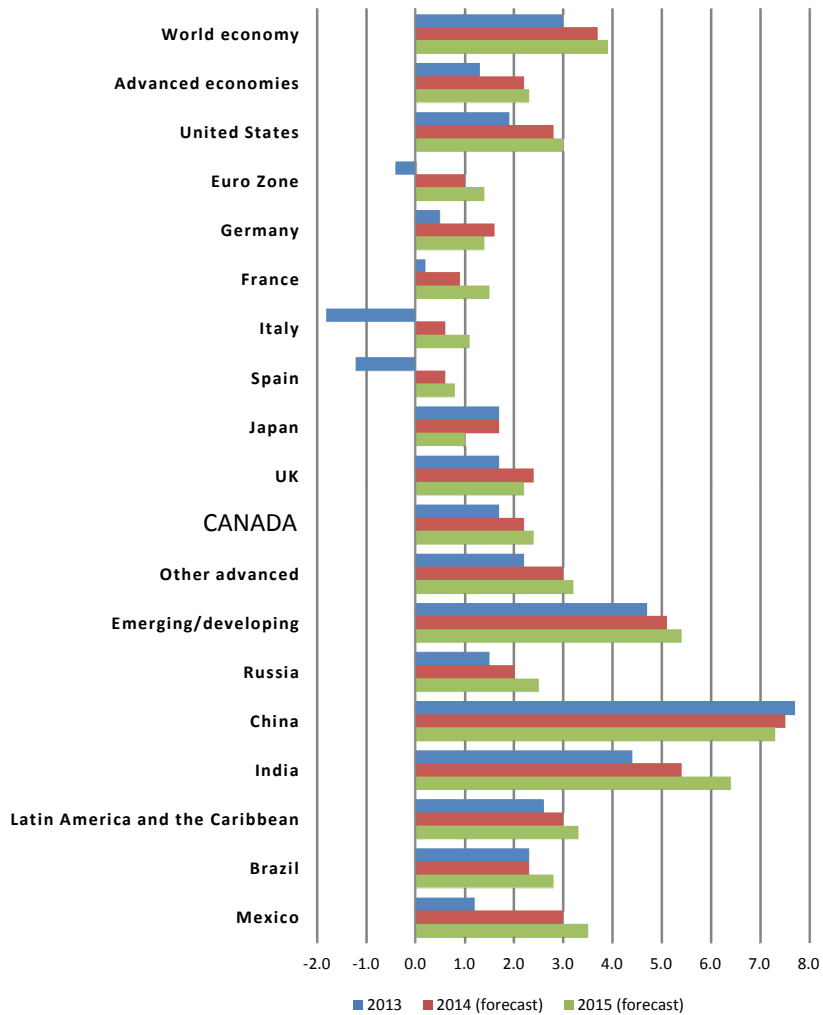
The U.S. federal reserve is holding interest rates to historic lows through 2014, the Bank of Canada is expected to also keep interest rates low

1. Economic Outlook

The Global and United States Outlook is Positive

- In 2013 the global economy continued to recover from the financial recession of 2008/2009 recording GDP growth of 3%
- The overall picture is one of strengthening activity with global GDP rising to 3.7% in 2014
- The U.S. recovery continues with GDP expected to be 2.8% in 2014, up from 1.9% in 2013
- In comparison to other advanced economies, Canada continues to fare well
- According to the IMF, Canada's GDP was 1.7% in 2013 and is forecast to grow to 2.2% in 2014 (Note: Canadian GDP growth is also forecasted and reported on by the Bank of Canada, values may vary slightly)

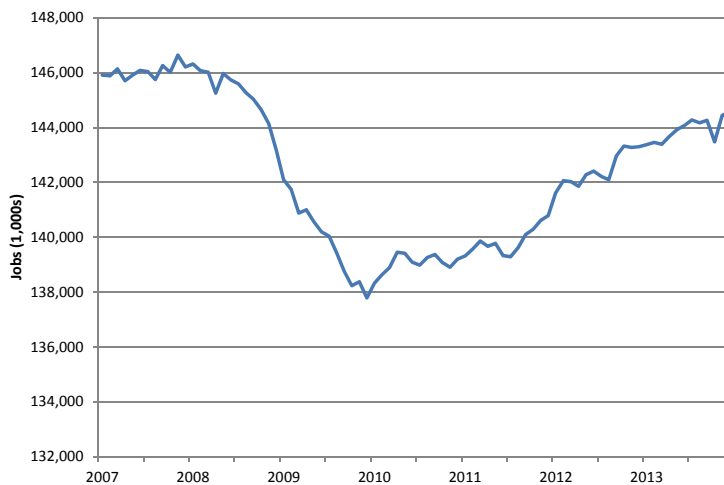
**Figure 1.1
Global Growth Forecast (%)**



Source: World Economic Outlook (January 2014); IMF

- U.S. labour market conditions are improving as U.S. employment trends show positive job creation (Figure 1.2)
- U.S. jobs in 2013 were up by almost 1.3 million for a total of 144.6 million jobs at year end
- A strengthening U.S. economy bodes well for York Region businesses that export to the U.S. market

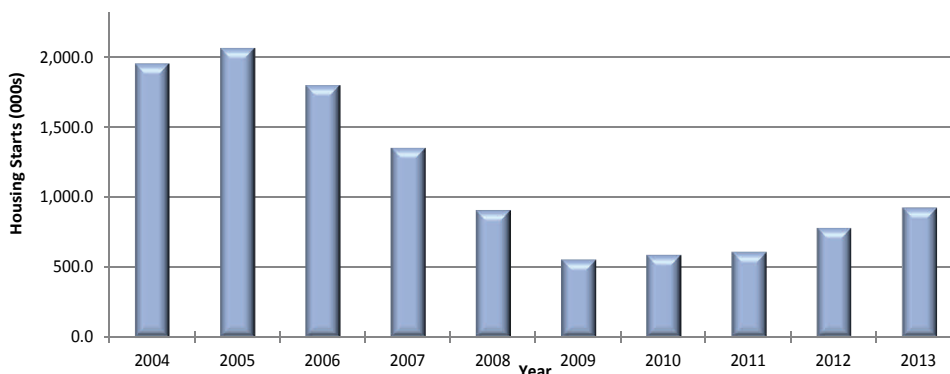
Figure 1.2
U.S. Job Growth Trends, 2007-2013



Source: U.S. Bureau of Economic Research

- U.S. housing starts recorded a 18.5% increase in 2013 to a total of 924,900
- U.S. housing starts are 67% higher than the low recorded in 2009 as a result of the 2008/2009 recession

Figure 1.3
U.S. Annual Housing Starts, 2004–2013



Source: U.S. Census Bureau—U.S. Department of Commerce

- While neither job growth rates, nor annual housing starts have recovered to pre-recession levels, recovery in both areas continues

There is a strong trade relationship between Canada and the U.S.

The U.S. continues to import more from Canada than it exports to Canada, 10.5% more in 2013

York Region businesses export \$4 billion worth of goods and services annually, the majority of which goes to the U.S.

A strengthening U.S. economy benefits York Region businesses that export to the U.S.

Oil prices have been on an upward trend since 1999

According to York Region Finance, every \$0.01 increase in fuel prices impact Regional operational costs by approximately \$230,000 per year

The price of oil at the end of 2013 was \$99.15, up \$9.01 (10%) since the end of 2012

Home sales reflect confidence in the U.S. economy and can increase demand for Canadian goods such as raw building materials and manufactured products

Interest Rates Remain Low

Low interest rates help stimulate the economy by increasing the money supply for investment purposes and consumer spending. However, low interest rates may contribute to increased household debt, which is at an all-time high in Canada. High levels of personal debt may be a risk to future economic prosperity.

Provincial Investment in Infrastructure will continue to stimulate the Provincial and York Region Economies

Toronto Transit Commission (TTC) expansion (within Toronto and into York Region)

400 series highways

VIVA Next

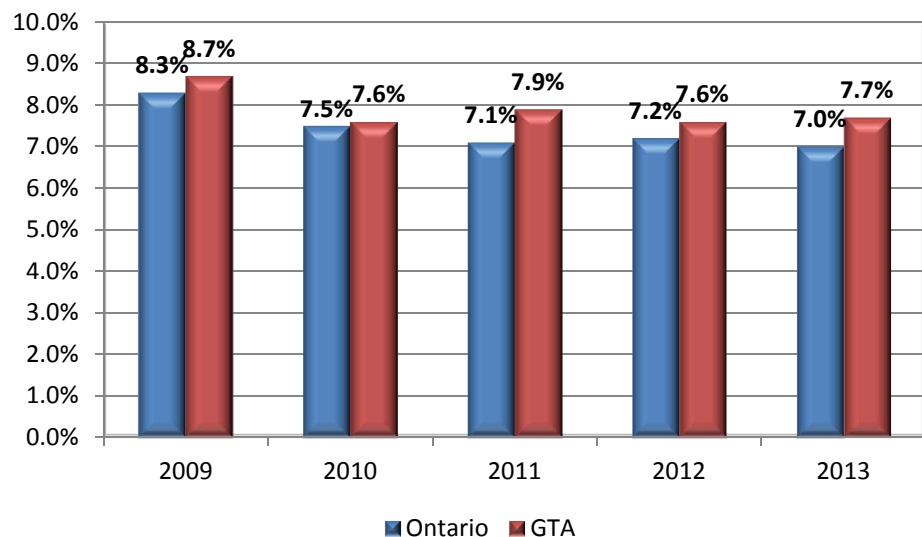
Go Transit

Vaughan Hospital

Economic Activity in Ontario, the GTA and York Region

- According to the Ontario Ministry of Finance, Ontario's GDP grew 1.3% in 2013 and is expected to increase to 2.2% in 2014
- Ontario's employment has completely recovered from losses during the recession, with approximately 468,000 jobs created since the spring of 2009
- Household spending, business investment and trade are expected to be large growth drivers with demand for new housing anticipated to remain strong
- The provincial unemployment rate has remained relatively stable, between 7.0% and 7.2% since 2011
- The unemployment rate in the Greater Toronto Area has also remained relatively stable since 2011, between 7.6% and 7.9%, historically York Region is approximately 1% below the GTA rate
- York Region's unemployment rate was estimated at 6.9% at year-end 2013

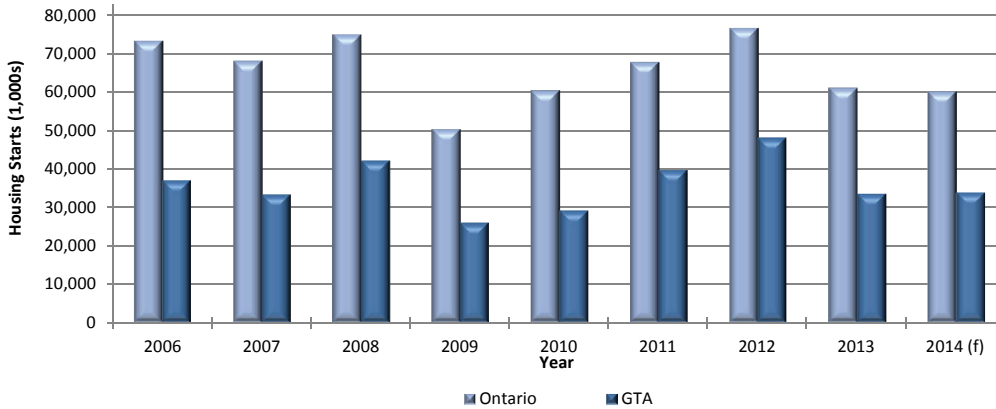
Figure 1.4
Ontario and GTA Unemployment Rates 2009-2013



Source: Toronto Economic Development Division, Toronto Economic Indicators
Note: Based on unadjusted 3-month moving averages

- Within the GTA, housing starts are anticipated to increase slightly over 2013 levels

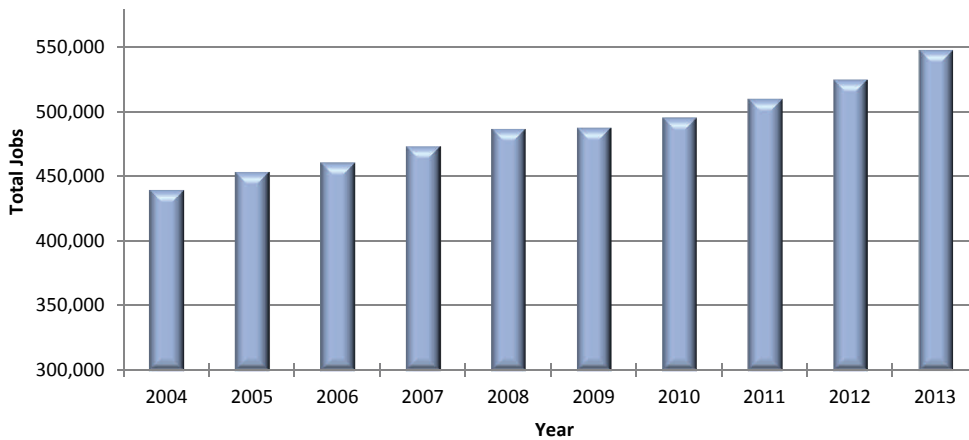
Figure 1.5
Ontario and GTA Housing Starts, 2004-2013



Source: Canada Mortgage and Housing Corporation

York Region’s Economy Continues to Create Jobs

Figure 1.6
York Region Total Employment, Mid-year 2004–2013



- Total employment within York Region has steadily increased over the past 10 years, holding total employment numbers even during the recession of 2008/2009

The GTA is a major economic centre of Ontario and Canada

Since the recession the GTA and York Region have added 468,000 and 59,000 jobs respectively

York Region’s population has increased by approximately 118,000 people since 2009

Local demand for computer and information systems professions reflects the strength of York Region's Information Technology sector

Computer and Information Systems Professionals (part of the "Natural and Applied Sciences" category) was the most in-demand sub-occupation by local employers in 2013 with 3,000 job postings or 7% of total

Service-oriented occupations represented 80% of job postings from employers within York Region

- A review of 2013 job postings within the Region indicates a vibrant local economy and vibrant job market
- 87% of postings were for permanent positions
- 80% of postings were service-oriented positions, including sales and customer service, business and finance, sciences, management and healthcare
- The 80%/20% trend (service-oriented jobs to trades and manufacturing) is consistent with overall trends in the Canadian labour market
- 82% of job postings were for employers in southern York Region, consistent with the geographic distribution of local business

**Table 1.1
York Region 2013 Job Posting Activity**

Occupational Category (NOC)	No. of Job Postings	Per Cent of All Job Postings
Sales and service occupations	8,267	19%
Business, finance and administration occupations	8,184	19%
Natural and applied sciences and related occupations	7,326	17%
Management occupations	6,761	16%
Trades, transport and equipment operators and related occupations	4,530	11%
Occupations unique to processing, manufacturing and utilities	2,410	6%
Health occupations	1,202	3%
Occupations in art, culture, recreation and sport	977	2%
Occupations unique to primary industry (e.g. natural resources and agriculture)	316	1%
Not Classified	2,377	6%
Total Number of Job Listings	42,350	100%

Source: Wanted Analytics Inc. 2013

2. Population Growth

York Region's Population Continues to Rise with 2% Growth in 2013

- The Region's population increased by approximately 21,800 persons in 2013 to a total population of 1,130,400
- The annual growth rate in 2013 was 2.0%, slightly lower than most recent years (Figure 2.1)

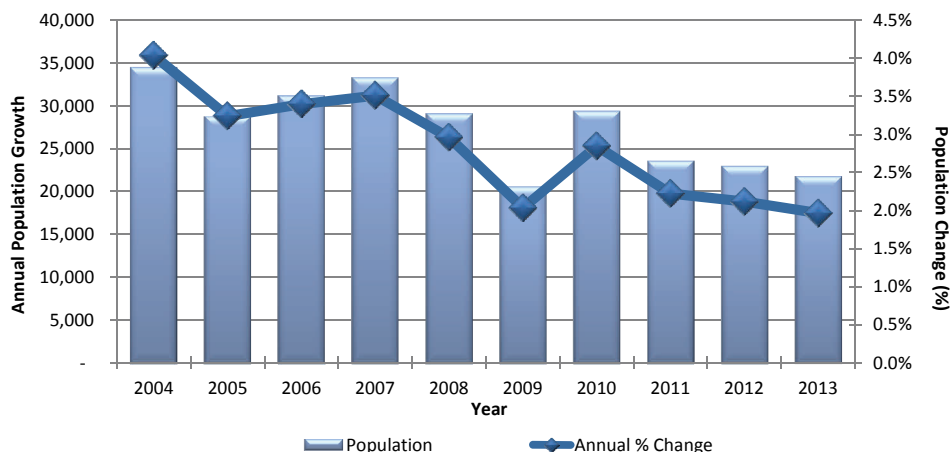
Table 2.1
York Region Population, 2012-2013

	2012	2013	Increase in Persons	Change (%)
Aurora	56,000	56,300	300	0.5%
East Gwillimbury	24,600	24,900	300	1.2%
Georgina	47,200	47,600	400	0.8%
King	22,400	24,100	1,700	7.6%
Markham	323,800	332,900	9,100	2.8%
New market	86,300	87,900	1,600	1.9%
Richmond Hill	195,100	198,000	2,900	1.5%
Vaughan	311,200	315,000	3,800	1.2%
Whitchurch-Stouffville	41,900	43,600	1,700	4.1%
York Region Total	1,108,600	1,130,400	21,800	2.0%

Note: Numerical data in this report has been rounded, some totals may be affected.

- Population growth within York Region has been steady for the last several years averaging 2.2% per year since 2009

Figure 2.1
York Region Annual Population Growth, 2004-2013



On-track to meet 2031 forecast of 1.5 million...

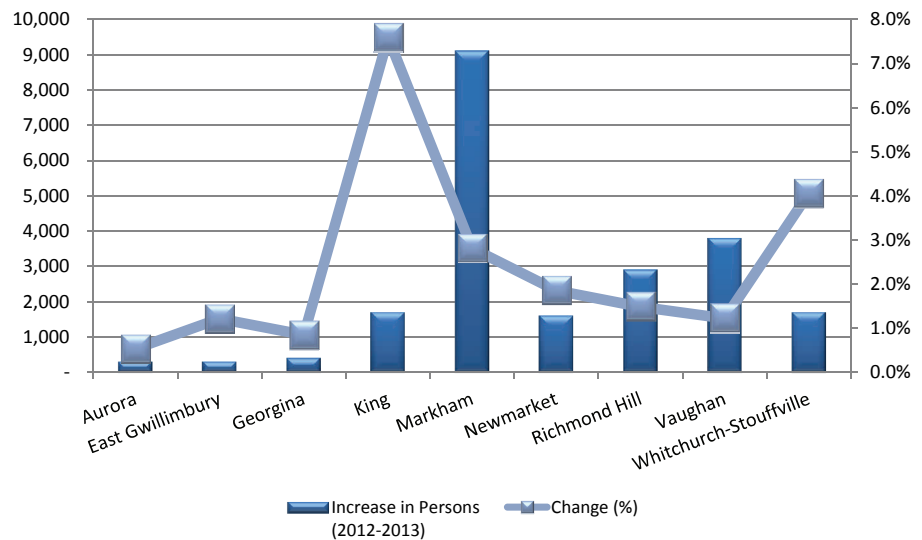
To reach 1,500,000 population by 2031, York Region needs to grow by approximately 370,000 people. Current population growth rates put the Region on target to meet the 2031 forecast of 1,500,000.

York Region is part of the broader GTHA Region encompassing over 7 million people

The area continues to attract significant numbers of migrants from the international sphere, from other provinces, and from within Ontario

An expanding transportation network, high quality of life, vibrant diversified economy and availability of serviced land all contribute to York Region being a major growth area in the GTHA

**Figure 2.2
Population and Annual Increase by Local Municipality (2012-2013)**

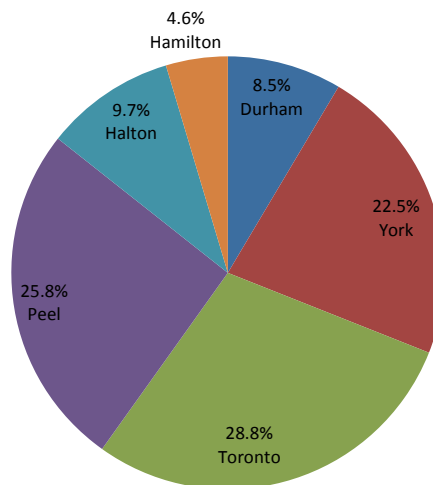


- All municipalities in York Region are growing (Figure 2.2) with the largest population increases in the Region’s southern half
- The City of Markham recorded the highest absolute population increase with 9,100 people
- King Township recorded the highest growth rate, 7.6% (1,700 people), followed by Whitchurch-Stouffville at 4.0%

York Region’s Contribution to GTHA Growth is Significant

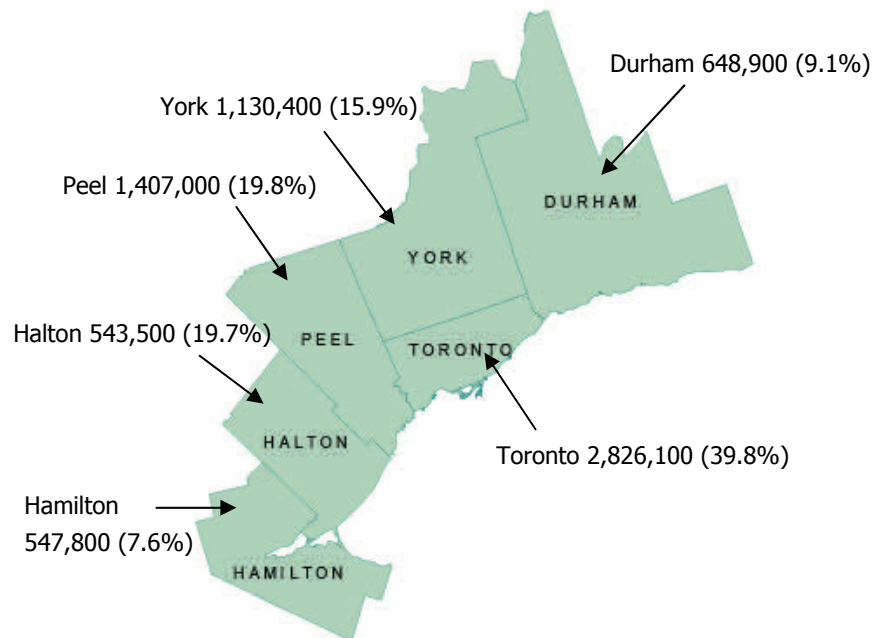
- By the end of 2013, the GTHA population was estimated at 7.1 million people, an increase of 97,000 or 1.4%
- In 2013 York Region’s share of the GTHA’s growth was 22.5%

**Figure 2.3
2013 Share of GTHA Growth**



Source: GTHA Municipalities, 2014

Figure 2.4
Share of 2013 GTHA Population by Municipality



York Region is one of the Largest Municipalities in Canada

- As of December 2013, York Region was the sixth largest municipality in Canada (Table 2.2)

Table 2.2
Canada's Largest Municipalities by Population, 2013

Rank	Municipality	Estimated Population (2013)
1	City of Toronto	2,826,100
2	Greater Vancouver Regional District	2,451,800
3	City of Montréal	1,960,000
4	Peel Region	1,407,000
5	City of Calgary	1,149,600
6	York Region	1,130,400
7	City of Ottawa	961,600
8	City of Edmonton	829,200
9	City of Québec	775,000
10	City of Winnipeg	714,100

Source: Various Municipalities, 2014.

Note: List includes cities, Regions, and Regional Districts as defined locally.



The greater Toronto economic region is generally defined to include Hamilton in recognition of its contribution to this urban centre; the Greater Toronto and Hamilton Area, or GTHA. Within this report, data have been presented for the GTHA where available, data which do not include Hamilton have been referenced accordingly (i.e. GTA).

Resale Homes Generate Significant Economic Activity

Use the services of a variety of professionals including: real estate agents, lawyers, appraisers, and surveyors

Generate taxes and fees

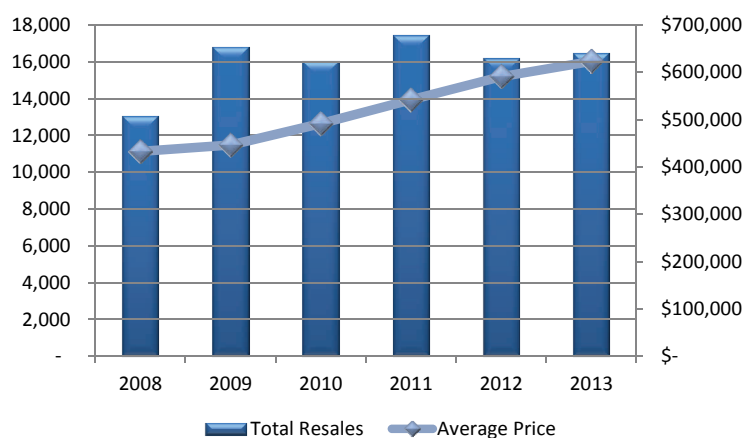
Generate associated spending on appliances, furniture, fixtures etc.

3. Residential Market and Building Activity

The Residential Property Market was active in 2013, with house prices increasing for the 6th consecutive year

- The number of residential resales in York Region during 2013 totalled 16,469 dwelling units (Figure 3.1), a slight increase of 1.8% (294 units) from 2012
- Total value of all York Region residential resales in 2013 was approximately \$10.3 billion – up from \$9.5 billion in 2012 and \$9.1 billion in 2011

Figure 3.1
York Region Total Resales and Average Price, 2008-2013



Source: Toronto Real Estate Board, Market Watch

According to research undertaken by Altus Group for the Canadian Real Estate Association, expenditures related to housing resale transactions across Canada over the 2010-2012 period generated \$22.5 billion per year, and supported over 176,000 jobs

Key 2013 York Region Resale Home Facts

Accounted for 18.9% of total number of GTA resales

Accounted for 22.5% of total GTA resale value

Average number of days a residential dwelling was on the market - 27 days

Average selling price - 98% of list price

Table 3.1
Total Number of Resales and Average Price (all dwelling types) by Local Municipality, 2012 and 2013

	Sales		Average Price (\$)	
	2012	2013	2012	2013
Aurora	909	918	\$567,567	\$593,707
East Gwillimbury	318	337	\$504,921	\$519,411
Georgina	875	839	\$316,909	\$329,295
King	285	282	\$871,956	\$875,671
Markham	4,385	4,666	\$603,465	\$632,956
Newmarket	1,522	1,424	\$454,431	\$493,050
Richmond Hill	3,173	3,295	\$670,258	\$705,464
Vaughan	3,976	3,919	\$631,073	\$657,784
Whitchurch-Stouffville	732	789	\$606,547	\$593,991
York Region Total	16,175	16,469	\$590,984	\$623,582

Source: Toronto Real Estate Board, Market Watch, 2012 - 2013.

Table 3.2
2013 Resales & Average Prices by Local Municipality and Dwelling Type

	Detached		Semi		Town/Row/Attach		Condo/Apt	
	Sales	Avg Price	Sales	Avg Price	Sales	Avg Price	Sales	Avg Price
Aurora	583	\$687,501	80	\$423,277	201	\$452,012	54	\$360,989
East Gwillimbury	292	\$546,779	10	\$402,825	32	\$334,358	3	\$218,167
Georgina	744	\$335,586	23	\$327,070	58	\$284,105	14	\$185,821
King	260	\$908,280	4	\$366,250	10	\$585,650	8	\$433,125
Markham	2,699	\$777,225	368	\$510,491	931	\$471,175	668	\$342,992
Newmarket	926	\$554,806	202	\$393,374	249	\$386,076	47	\$271,443
Richmond Hill	2,007	\$882,436	165	\$524,329	636	\$500,117	487	\$305,680
Vaughan	2,262	\$804,238	411	\$528,316	680	\$506,722	566	\$347,983
Whitchurch-Stouffville	570	\$664,278	84	\$418,274	123	\$398,869	12	\$485,400
York Region Total	10,343	\$737,374	1,347	\$484,772	2,920	\$469,312	1,859	\$333,373

Source: Toronto Real Estate Board, Market watch, 2013

- Region wide, the average price of a resale unit increased by 5.5% for all unit types, from \$590,984 in 2012 to \$623,582 in 2013 (Table 3.1)
- Single detached units increased by 5.0%, from \$702,035 in 2012 to \$737,374 in 2013

Table 3.3
York Region New Home Prices (\$1,000s)

	Detached	Semi	Row	Condo/Apt
Aurora	\$550 - \$1.6M	na	\$400 - \$500	\$300 - \$800
East Gwillimbury	\$450 - \$850	\$450 - \$550	na	na
Georgina	\$300 - \$950	\$500 - \$550	\$250 - \$500	\$500 - \$850
King	\$750 - \$2.4M	\$650 - \$700	\$550 - \$850	\$250 - \$750
Markham	\$600 - \$2.9M	\$500 - \$650	\$350 - \$1.1M	\$200 - \$2.0M
Newmarket	\$550 - \$850	\$450 - \$500	\$450 - \$650	na
Richmond Hill	\$600 - \$1.5M	\$650 - \$700	\$450 - \$1.1M	\$200 - \$1.1M
Vaughan	\$600 - \$2.9M	\$550 - \$600	\$350 - \$850	\$200 - \$1.5M
Whitchurch-Stouffville	\$500 - \$1.8M	na	\$350 - \$500	\$250 - \$650M
York Region	\$300 - \$2.9M	\$450 - \$700	\$250 - \$1.1M	\$200 - \$2.9M

Source: RealNet, 2014

Note: New home data only provides a snapshot of projects currently for sale with the range of prices asked. Some municipalities may only have one or two projects contributing to the data

- Single-detached homes range from \$300,000 in the Town of Georgina to \$2.9 million in the Cities of Markham and Vaughan
- Smaller markets may have limited new development projects underway with limited pricing options, as may be case for the Georgina condo market reflected in Table 3.3 (e.g. luxury, lake-front condominiums)

Total sales in the GTA's residential resale market increased by 1.6% in 2013 (87,111) compared to 85,731 in 2012

Average resale price (all dwelling types) in the GTA was \$520,398, an increase of almost 9% in comparison to the average of \$477,756 in 2012



What is considered a "Multiple Unit Dwelling"?

- Semi detached Units
- Town and Row Units
- Condominiums
- Apartments

The Importance of Diverse Housing Options

Well planned, diverse housing supports healthy communities, the economy, the transportation system, the environment, as well as public health and social services. Building complete communities begins with appropriate housing that meets the needs of residents and workers.



York Region Official Plan - 2010 Affordable Housing Targets for New Development

25% Region-wide

35% within Regional Centres and key development areas

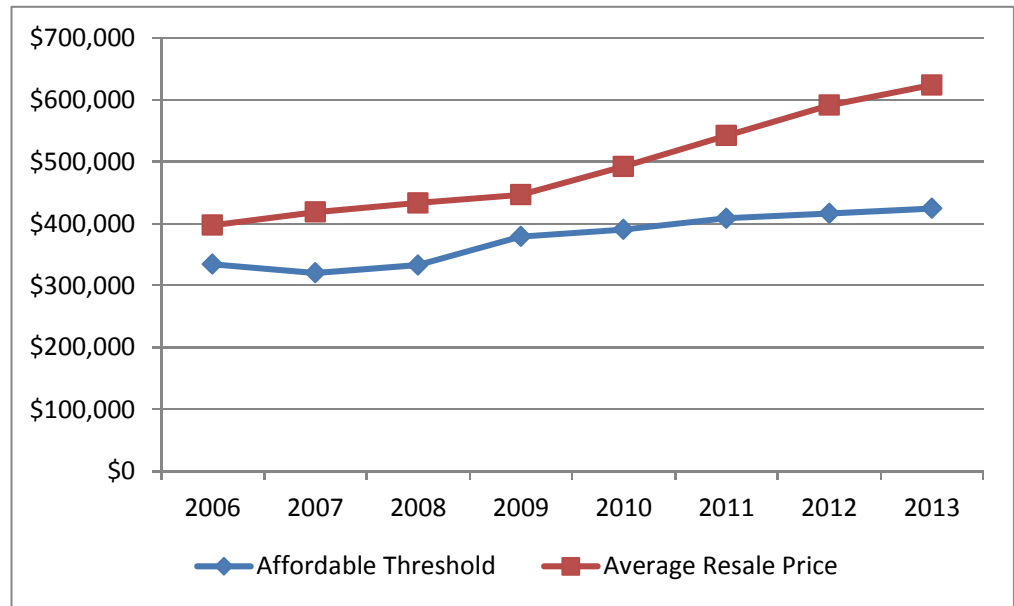
Calculating Affordability: New Census Data

The affordable threshold has been calculated based on 2006 income data, projected to 2013. Re-evaluation using updated National Household Survey data is required to confirm the relationship between the affordable threshold and average resale price.

Affordable Housing, Although Challenging, Remains a Priority for York Region

- The Region calculates affordable housing thresholds annually based on the provincially legislated definition of affordable
- The 2013 year-end maximum affordable ownership price in York Region was \$424,175
- The average 2013 resale price (all unit types) was \$623,582
- While Figure 3.2 identifies that there is an increasing gap between the affordable threshold and average resale price, new census data needs to be evaluated to confirm affordability thresholds

**Figure 3.2
York Region Affordable Threshold vs. Average Resale Price, 2006-2013**



New Affordable Housing Initiatives:

- The Region is in the process of developing Affordable Housing Implementation Guidelines which will outline steps to measure progress towards achieving the affordable housing targets of the York Region Official Plan - 2010 (YROP - 2010)
- The York Region Draft 10-Year Housing Plan assesses housing needs and proposes actions to address these needs
- The Human Services Planning Board of York Region is spearheading an initiative to create rental housing options for those who cannot afford or do not wish to own a home

Residential Building Permits are Down from 2012

- A total of 7,830 new residential building permits were issued in 2013
- 2013 figures represent a 26.1% decrease from the 2012 permit total of 10,598, and a 4.2% decrease from the 2011 figure of 8,171
- 2013 new residential building permits are close to the 5-year average of 8,308 (Figure 3.7)
- The drop in residential building permits between 2012 and 2013 can be attributed to the large number of apartments and multiple units issued permits in 2012 (Figure 3.3)

Table 3.4
New Residential Units with Permits Issued in York Region, 2012-2013

Municipality	2012	2013
Aurora	215	65
East Gwillimbury	100	57
Georgina	308	177
King	627	383
Markham	5,125	3,207
Newmarket	413	448
Richmond Hill	1,709	819
Vaughan	1,415	2,470
Whitchurch-Stouffville	686	204
York Region Total	10,598	7,830

Source: Local Municipal Building Permit Reports, 2012 and 2013; York Region Office of the CAO, Long Range Planning Branch, 2013.

- In 2013, multiple unit dwellings accounted for 59% of new residential permits issued, an indication of York Region's progress towards creating a more diversified housing stock (Figure 3.3)
 - In contrast, the 2002 proportion of new residential permits for multiple unit dwellings was 33%
- Markham and Vaughan accounted for approximately 73% of the total residential building permit activity in 2013 (41.0% and 31.6% respectively)
- The share of permits issued for apartment units has increased from 9% in 2009 to 37% in both 2012 and 2013

Building permit activity is an essential yardstick used to measure local investments and economic performance

The York Region Official Plan - 2010 has a requirement that 25% of new development be affordable, 35% within key development areas

While York Region can not control the affordability of the resale market, reporting resale values is important as a reflection of the overall affordability of the York Region housing market

Buying Affordable in York Region

The Affordability Target in York Region for 2013 was \$424,000

Based on an analysis of new residential dwellings currently on the market (Table 1.1), affordable options include:

- Condominiums throughout the Region
- Row/town houses within select municipalities
- Semis and singles in northern York Region

The resale market (Table 3.2) provides more options, with more singles and semis being affordable

Encouraging Affordability through New Development

The YROP - 2010 requires affordable housing implementation strategies for all new secondary plans which include:

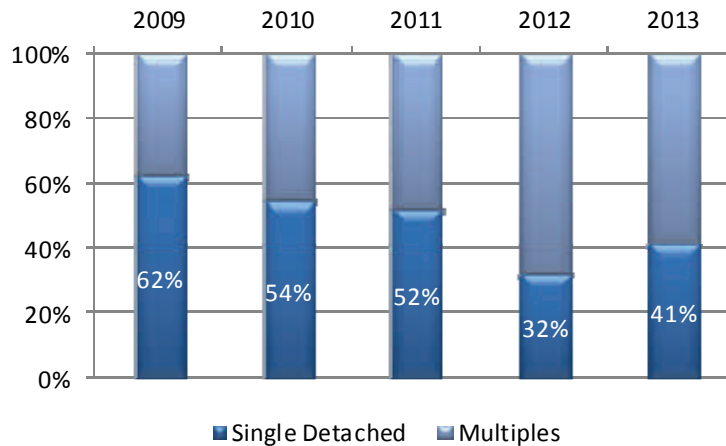
Specifications on how affordable housing targets will be met

Policies to achieve a mix and range of housing types within each level of affordability

Policies to ensure affordable larger sized family units

Consideration of locations for social housing developments.

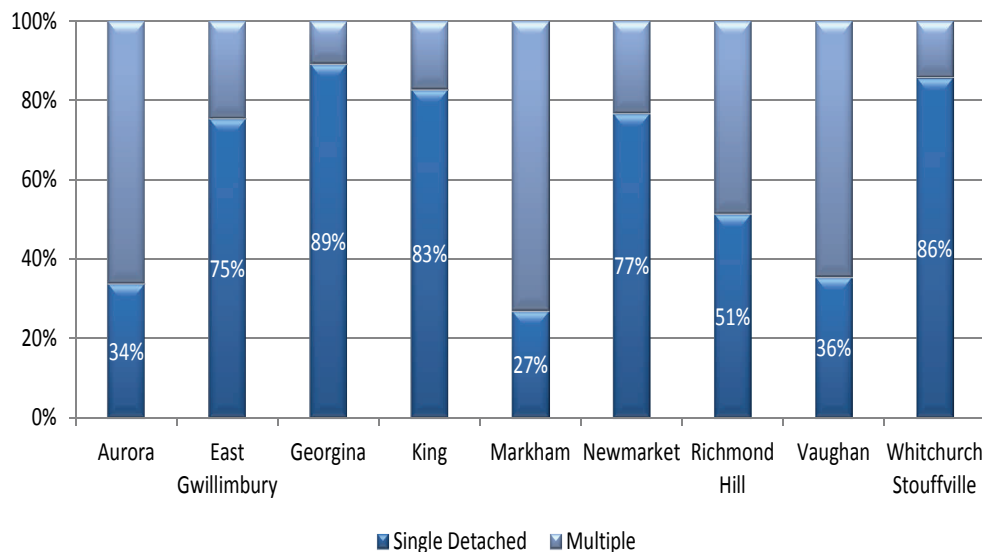
**Figure 3.3
York Region Residential Building Permit Mix 2009-2013**



Source: Canada Mortgage and Housing Corporation, Local Housing Market Report 2008 - 2012.

- The 2013 breakdown of residential building permits was 41% single detached, 6% semi-detached, 16% row and 37% apartment
- The Cities of Markham and Vaughan issued the greatest number of building permits for multiple unit dwellings in 2013, with 2,341 and 1,592 respectively (Figure 3.4)

**Figure 3.4
2013 New Residential Building Permit Mix by Local Municipality**



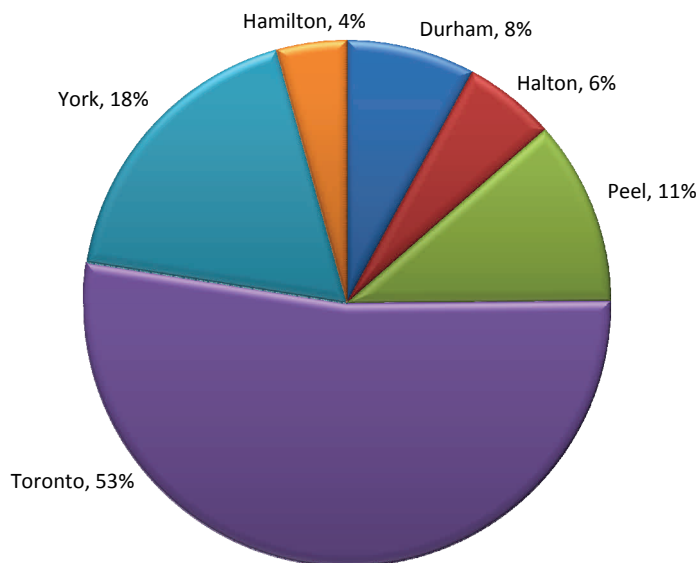
**Table 3.5
York Region Residential Building Permits
with 10 Highest Construction Values, 2013**

Project	Value \$1,000s	Municipality
37 Storey Condominium (Vaughan Metropolitan Centre)	\$65,874	Vaughan
15 Storey Condominium (Town Centre Blvd/Clegg Rd)	\$36,480	Markham
Condominium (Main Street Markham)	\$35,888	Markham
6 Storey Condominium (Old Thornhill)	\$32,067	Vaughan
4 Storey Condominium (Keele St/Major Mackenzie Dr)	\$26,266	Vaughan
10 Storey Condominium (Woodbridge)	\$25,000	Vaughan
11 Storey Condominium (South Town Centre Blvd/Clegg Rd)	\$22,536	Markham
7 Storey Condominium (Angus Glen Blvd/Stollery Pond Crescent)	\$22,204	Markham
5 Storey Condominium (Woodbridge)	\$19,762	Vaughan
10 Storey Condominium (Woodbridge)	\$16,183	Vaughan

York Region Continues to Contribute Significantly to Residential Building Permit Activity in the GTHA

- In 2013, 43,033 building permits were issued for new residential units across the GTHA, up from 42,228 in 2012
- York Region accounted for 18% of the GTHA's residential building permit activity, second to the City of Toronto's 53% share

**Figure 3.5
York Region's Share of
GTHA Residential Building Activity 2013**



Source: Local Municipal Building Permit Reports, 2013; Statistics Canada Table 32.2 (unpublished) 2013.

Impacts of the Shift in Housing Mix

In comparison to 2012, a greater number of residential units were completed in 2013 (393) to accommodate a smaller increase in population (1,200 fewer people than 2012). This is a result of a shift from the building of predominantly single-detached dwelling units, to a greater mix of housing types. People per unit, or PPU, are lower for apartments and row houses, housing types which are providing a greater contribution to residential completions. It is a result of this more diversified housing mix, which provides more options (including more affordable housing options), that more units are required to accommodate fewer people.

York Region Recorded the 6th Largest Number of Residential Building Permits Issued in Canada

- York Region continues to be a major contributor of new residential development, ranking 6th for building permits issued

Table 3.6
Cross Canada Comparison 2013: Residential Building Permits

Rank	Municipality	# of Permits	% Change from 2012
1	City of Toronto	22,650	53.9%
2	Greater Vancouver Regional District	19,938	6.9%
3	City of Calgary	13,742	36.3%
4	City of Edmonton	10,511	12.5%
5	City of Montréal	8,329	2.8%
6	York Region	7,830	-26.1%
7	City of Ottawa	5,191	-21.4%
8	City of Québec	4,917	-29.4%
9	Peel Region	4,872	-39.6%
10	Durham Region	3,397	30.9%

Source: Statistics Canada Building Permit Reports and Table 32.2 (unpublished), 2013; York Region Office of the CAO, Long Range Planning Branch, 2013

Note: Ranking is in comparison to cities, Region's and Regional Districts as defined locally.

Residential Completions were up for 2013

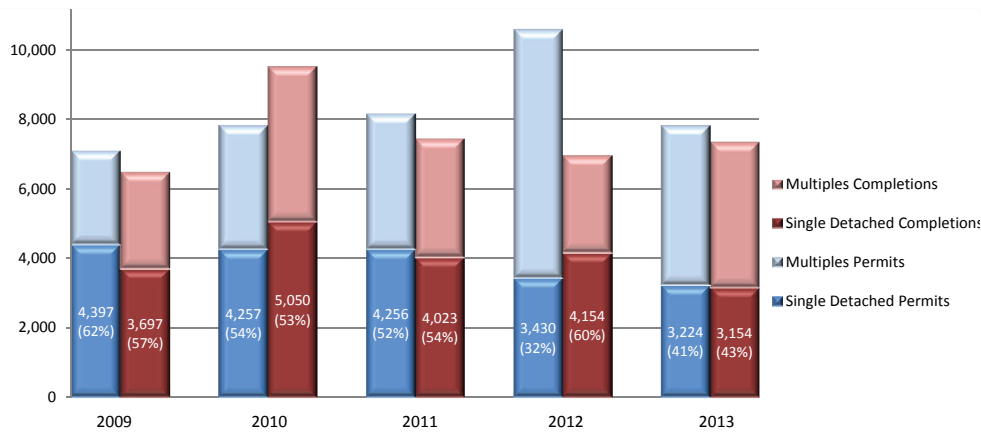
- Housing completions in the Region increased by 5.6%
- The mix of housing completions in 2013 was 73,154 (42.9%) single detached, 548 (7.5%) semi-detached units, 1,580 (21.5%) row houses and 2,068 (28.1%) apartments

Table 3.7
York Region Residential Completions 2012 and 2013

Municipality	2012	2013	% Change
Aurora	76	95	+25%
East Gwillimbury	175	93	-46.8%
Georgina	146	145	-0.7%
King	233	646	+177.3%
Markham	2,386	2,922	+22.5%
Newmarket	378	482	+27.5%
Richmond Hill	1,008	1,115	+10.6%
Vaughan	2,063	1,213	-41.2%
Whitchurch-Stouffville	492	639	+29.9%
York Region	6,957	7,350	+5.6%

- The number of residential building permits issued and the housing completions in 2013 are, on balance, comparable with figures from previous years

Figure 3.6
Building Permit and Housing Completions: Single Detached vs. Multiples



A more diversified housing stock provides more choice in the market for both existing and future residents

Diversified housing is important for:

providing affordable options

housing residents at different stages in their lives

reaching the Region’s intensification targets

creating more compact, transit supportive development.

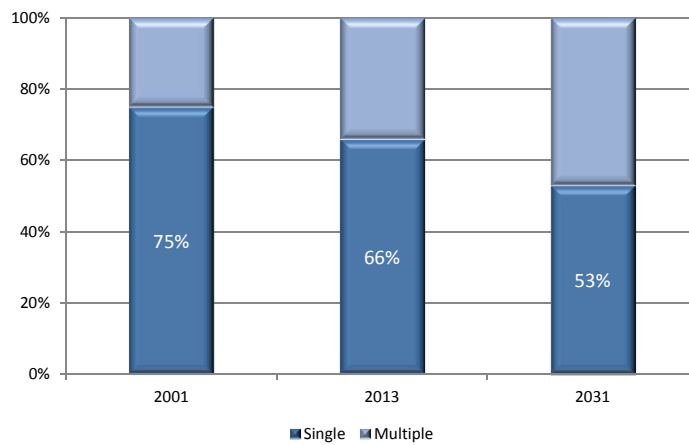
The Region’s role in community planning activities suggests a probable increase in building activity for 2014

	2012	2013
Plan of Subdivision Dwelling Units - New Applications	4,622	8,169
Plan of Subdivision Dwelling Units—Draft Approved	3,275	5,272
Plan of Condominium Dwelling Units—New Applications	1,317	3,530
Plan of Condominium Dwelling Units—Draft Approved	383	2,427

The Diversity of Total Housing Supply Continues to Improve

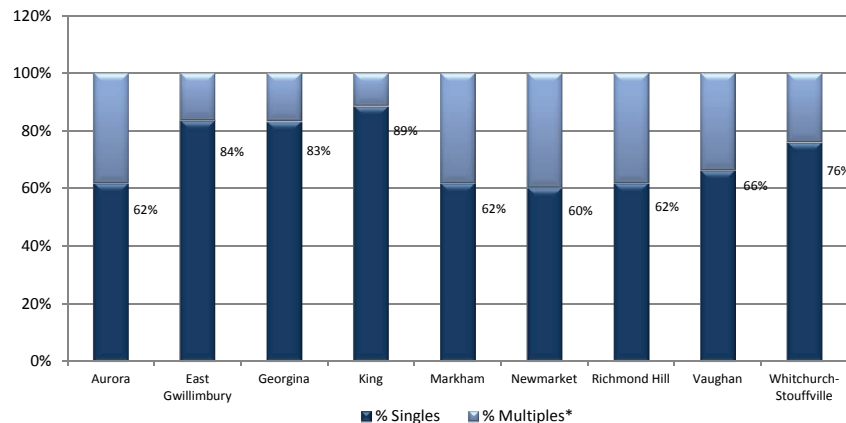
- While the Region’s new housing stock becomes increasingly diversified over time, the existing housing stock is comprised primarily of single detached dwellings
- The proportion of multiple unit dwellings in the Region’s housing stock has increased from 25% in 2001 to 34% in 2013
 - The proportion of multiple unit dwellings is forecasted to be 47% by 2031

Figure 3.7
Mix of Housing Stock in York Region



- The overall housing stock in 2013 was comprised of 66% single detached dwellings, 6% semi-detached units, 12% row house units and 16% apartment units
- Newmarket had the largest proportion of multiple unit dwellings, with 40% of its total housing stock
- King Township had the lowest proportion of multiple unit dwellings, with only 11% of its total housing stock (Figure 3.8)

Figure 3.8
Mix of Total Housing Stock by Local Municipality 2013

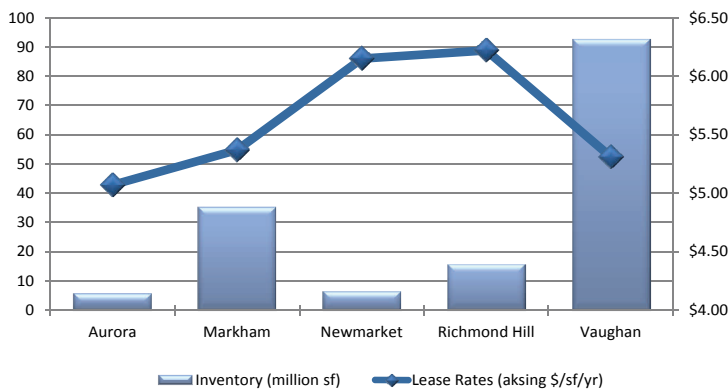


4. Industrial, Commercial and Institutional Market and Building Activities

Industrial & Commercial Property Market

- According to the Cushman & Wakefield Marketbeat Industrial Snapshot, the GTA industrial market has over 790 million square feet of inventory with York Regions' inventory at 155.8 million
- Throughout the GTA in 2013, persistent sluggish U.S. export demand resulted in limited business expansion
- The development market in Vaughan was active with over 832,000 square feet of new supply coming onto the market in 2013
- Anticipation of a stronger U.S. demand for Canadian exports in late 2014, and a more competitive Canadian dollar, should prompt manufacturers to expand

Figure 4.1
York Region Industrial Inventory



Source: Cushman & Wakefield LePage, Marketbeat: Greater Toronto Industrial Report

- At year-end 2013, York Region had an industrial inventory of 155.8 million square feet, with Vaughan contributing the greatest amount (Table 4.1)
- York Region's vacancy rate at the end of 2013 was 4.9%, lower than the GTA average of 5.7%
- The Region's industrial sale prices per square feet were \$84.99 at year-end 2013 compared to \$98.21 at year end 2012

Table 4.1
York Region Industrial Market Overview, Q4 2013

	Inventory (sq.ft.)	% Change from 2012	Vacancy Rate	Avg. net Rent	Avg. Sale Price
Aurora	5,689,528	1.3%	6.7%	\$5.07	\$61.43
Markham	35,259,482	-0.2%	4.6%	\$5.37	\$101.23
Newmarket	6,432,611	2.8%	11.3%	\$6.15	\$48.07
Richmond Hill	15,732,012	-0.6%	5.7%	\$6.22	\$146.57
Vaughan	92,699,337	0.7%	4.3%	\$5.31	\$116.42
Total	155,812,970	0.5%	4.9%	\$5.47	\$84.99

Source: Cushman & Wakefield LePage, Marketbeat: Greater Toronto Industrial Report

GTA statistics and observations presented in this section are based on the Cushman & Wakefield Marketbeat Industrial Snapshot for the GTA. The York Region municipalities included in their summaries are Aurora, Markham, Newmarket, Richmond Hill and Vaughan.

With an inventory of almost 800 million square feet, the GTA is the largest industrial market in Canada and the third largest in North America

Net rental rates (referenced in tables 4.1 and 4.2) reflect the asking amount of dollars per square foot of space, not including related property taxes or utilities

Average net rent and average sale price are per square foot

- According to CB Richard Ellis' Toronto Office MarketView (Q4 2013), the GTA Office market has over 151.4M square feet of inventory, with just over 8% of it (12,378,962 sq. ft.) located in York Region's 3 key office districts (Table 4.2)
- CB Richard Ellis suggests that vacancy rates are not an indication of slowing demand, but rather tenant activity shifting, with demand varying by lease type, tenant size, market and asset class
- Vacancy rates are expected to continue rising in 2014 due both to new vacancies in existing stock and to new construction

**Table 4.2
York Region Office Market Overview, Q4 2013**

York Region Office Market Overview, Q4 2013				
	Total Inventory	% Change from 2012	Total Vacancy Rate	Average Net Rent
Markham North & Richmond Hill	7,449,132	0.7%	11.0%	15.97
Steeles Woodbine	2,860,816	5.0%	14.4%	13.18
Vaughan	2,069,014	3.1%	8.7%	17.29
GTA Total/Average	151,434,615	1.1%	9.4%	17.85

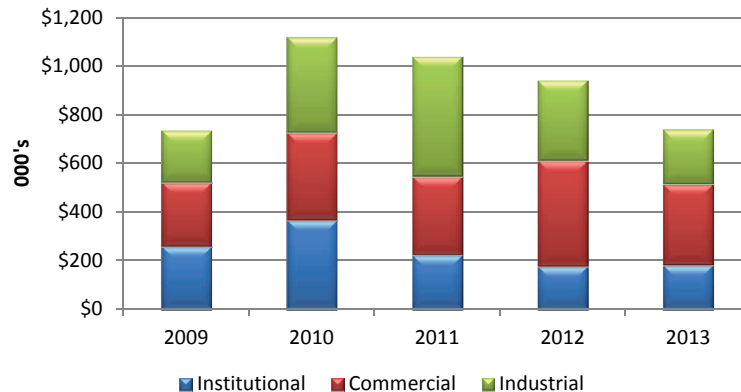
Source: CBRE Limited Research, Q4 2013

- In the 4th quarter, the City of Vaughan added 62,500 square feet of new office space
- A number of planned projects are expected to break ground in Markham and Richmond Hill in 2014

Institutional, Commercial and Industrial Building Activity in York Region Slows in 2013

- Total ICI construction in 2013 had a combined construction value of \$738.6 million, down from the 2012 value of \$940.2 million (Figure 4.2)
- The Region's ICI market continues to grow and annual fluctuations in ICI values are normal

**Figure 4.2
York Region ICI Construction Values 2009-2013**



- Industrial and commercial construction values were down from 2012 levels, 32% and 24% respectively, while institutional was up slightly (3%)

**Table 4.3
York Region Industrial Building Permits**

Project	Value \$000s	Municipality
Steeles West Station (Toronto-York Spadina Subway Extension, TTC)	\$46,080	Vaughan
Addition/Alteration to Storage Garage (South Town Centre Blvd)	\$21,015	Markham
Bus Storage/Maintenance/Wash Area (Go-Metrolinx)	\$18,540	East Gwillimbury
Expansion of Industrial Building (Zenway Blvd)	\$15,076	Vaughan
Viva Bus Operational Facilities (Leslie St/16th Ave)	\$11,170	Richmond Hill
Queenville Sewage Pumping Station Expansion (Queenville Side Road)	\$7,200	East Gwillimbury
Multi-Use Industrial Building (Concord)	\$4,997	Vaughan
Addition/Alteration to Manufacturing Plant Building (Woodbridge)	\$4,354	Vaughan
Addition/Alteration to Industrial Building (Woodbridge)	\$4,087	Vaughan
Multi-Use Industrial Building (Woodbridge)	\$4,000	Vaughan

- Some notable ICI projects for which building permits were issued in 2013 included a \$46M subway expansion project, a \$40M expansion to Vaughan Mills Mall, a \$35M Multi-Use Commercial Centre in Vaughan, and a \$19M addition to a hotel within the City of Markham

**Table 4.4
York Region Commercial Building Permits
with 10 Highest Construction Values (2013)**

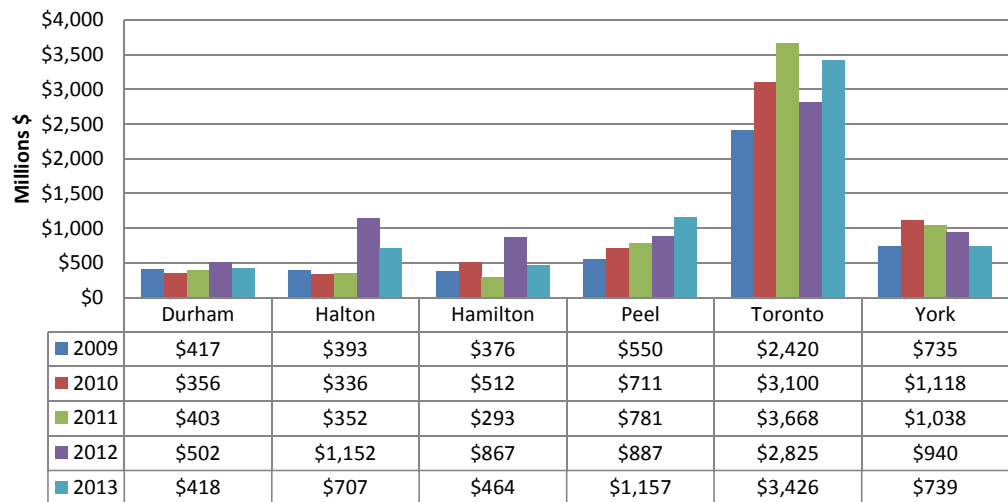
Project	Value \$000s	Municipality
Expansion of Vaughan Mills Mall (Jane St/Rutherford Rd)	\$40,385	Vaughan
Multi-Use Commercial (Concord)	\$35,632	Vaughan
Addition/Alteration to Hotel (Woodbine Ave/Steeles Ave E)	\$19,000	Markham
4 Storey Office Building (Woodbridge)	\$12,000	Vaughan
4 Storey Office Building (Jane St/Rutherford Rd)	\$10,000	Vaughan
6 Storey Professional Services and Office Unit (Yonge St/Centre St)	\$9,760	Aurora
Funeral Home (Thornhill)	\$8,668	Markham
Supermarket (Highway 27/Langstaff Rd)	\$8,371	Vaughan
3 Storey Office Building (Bass Pro Mills Dr/Edgeley Blvd)	\$7,143	Vaughan
Office Building (Keele St./Rutherford Rd)	\$6,800	Vaughan

**Table 4.5
York Region Institutional Building Permits (2013)
with 10 Highest Construction Values**

Project	Value \$000s	Municipality
Tommy Douglas Secondary School (Major Mackenzie Dr W / Weston Rd)	\$34,200	Vaughan
5 Storey Renessa Retirement Residences (Mulock Dr/Leslie St)	\$18,000	Newmarket
Elementary School (Woodbridge)	\$12,451	Vaughan
Addition/Alteration to Dr. G.W. Williams Secondary School (Yonge St / Wellington St E)	\$12,398	Aurora
Addition/Alteration to St. Andrew's College (Yonge St / St John's Sideroad)	\$10,446	Aurora
Robert Munsch Public School (Keele St / King St)	\$7,700	East Gwillimbury
Addition/Alteration to St. Mary and St. Samuel The Confessor Coptic Orthodox Church (McCowan Rd / 16th Ave)	\$7,379	Markham
Addition/Alteration to Aurora Family Leisure Complex (Yonge St / Wellington St East)	\$7,000	Aurora
Addition/Alteration to Newmarket's Old Town Hall (Davis Drive / Prospect St)	\$6,300	Newmarket
Addition/Alteration to St. Andrew's College (Yonge St / St John's Sideroad)	\$6,000	Aurora

- York Region accounted for 10.7% of the GTHA's total ICI construction value, down from 13.1% in 2012

**Figure 4.3
GTHA ICI Construction Values 2009—2013**



Source: Local Municipal Building Permit Reports, 2013; Statistics Canada Building Permit Reports, 2013.

- Overall, the GTHA recorded decreases in the value of ICI construction from 2012
- Peel and Toronto recorded increases in total ICI construction, while the remaining four GTHA municipalities, including York Region, experienced declines

Table 4.6
2013 Cross Canada Comparison: Values of ICI Construction (\$1,000's)

Rank	Municipality	Total
1	City of Toronto	\$3,426,342
2	City of Calgary	\$2,571,710
3	City of Montréal	\$1,948,262
4	Greater Vancouver Regional District	\$1,776,754
5	City of Edmonton	\$1,376,162
6	Peel Region	\$1,156,552
7	City of Ottawa	\$960,480
8	York Region	\$738,592
9	Halton Region	\$707,205
10	City of Hamilton	\$464,394

Source: Local Municipal Building Permit Reports, 2013; Statistics Canada Building Permit Reports, 2013.

Note: List includes cities, Regions, and Regional Districts as defined locally.

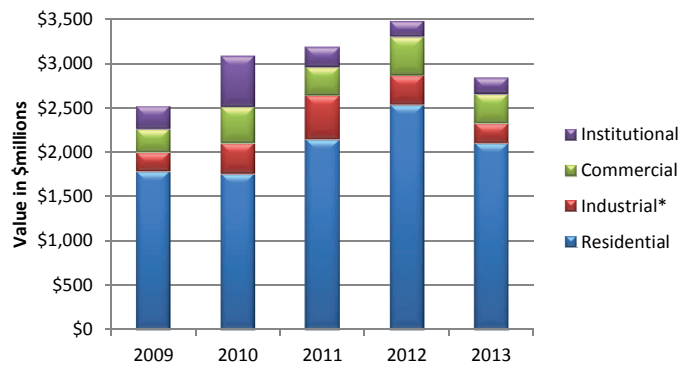
York Region ranked eighth across Canada for the value of its ICI construction in 2013 (Table 4.6) for the second year in a row

5. Overall Construction Value, Development Charges and Tax Assessment

Total Construction Value

- Total estimated value of construction in 2013 was approximately \$2.84 billion, compared to \$3.47 billion recorded in 2012, a decline of 18.3%

Figure 5.1
Construction Value by Type—2009-2013



Source: Local Municipal Building Permit Reports, 2008- 2012;

Note: *Agricultural permits are included under the industrial category

- Overall construction value is important as it is correlated with the new development component of tax assessment growth over subsequent years

An ICI 30% share of total construction value means that job opportunities are being provided to match the growth in the Region's labour force

In 2013, the ICI share of total construction value was 26.0%

The 5 year ICI share average is 30.2%

**Table 5.1
Estimated Value of Total Construction (Residential and ICI)
by Local Municipality 2012 and 2013**

Municipality	2012	2013	% Change
Aurora	\$90,790	\$106,588	17%
East Gwillimbury	\$73,862	\$60,488	-18%
Georgina	\$82,739	\$61,349	-26%
King	\$218,630	\$168,361	-23%
Markham	\$1,458,549	\$773,385	-47%
Newmarket	\$209,920	\$227,254	8%
Richmond Hill	\$366,817	\$251,404	-31%
Vaughan	\$777,549	\$1,102,988	42%
Whitchurch-Stouffville	\$195,315	\$85,376	-56%
York Region Total	\$3,474,170	\$2,837,193	-18.3%

Source: Local Municipal Building Permit Reports, 2011 and 2012; Office of the CAO, Long Range Planning Branch, 2012.

- As identified in Table 5.1, the largest decreases in total construction values were seen in Whitchurch-Stouffville (-56%), Markham (-47%) and Richmond Hill (-31%), while Vaughan and Aurora increased by 42% and 17%
- The Region's value of residential construction decreased by 17.2% from \$2.53 billion in 2012 to \$2.09 billion in 2013 (Table 5.2)

**Table 5.2
Estimate of Value (\$1,000's) of Construction* by Local Municipality
2012-2013**

Municipality	Residential		Industrial**		Commercial		Institutional		Total	
	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013
Aurora	\$73,299	\$37,166	\$1,472	\$8,206	\$11,849	\$20,858	\$4,171	\$40,358	\$90,790	\$106,588
East Gwillimbury	\$23,719	\$13,874	\$20,319	\$27,343	\$11,135	\$10,655	\$18,690	\$8,616	\$73,862	\$60,488
Georgina	\$75,845	\$55,621	\$754	\$670	\$4,841	\$2,713	\$1,299	\$2,344	\$82,739	\$61,349
King	\$204,436	\$157,721	\$4,044	\$5,136	\$5,211	\$2,614	\$4,939	\$2,890	\$218,630	\$168,361
Markham	\$1,106,971	\$644,475	\$99,805	\$27,821	\$210,199	\$78,930	\$41,574	\$22,159	\$1,458,549	\$773,385
Newmarket	\$155,709	\$183,517	\$5,417	\$1,804	\$43,084	\$12,349	\$5,709	\$29,585	\$209,920	\$227,254
Richmond Hill	\$236,535	\$194,901	\$14,090	\$15,523	\$24,554	\$25,487	\$91,638	\$15,494	\$366,817	\$251,404
Vaughan	\$475,156	\$738,360	\$176,329	\$132,003	\$118,900	\$175,073	\$7,164	\$57,552	\$777,549	\$1,102,988
Whitchurch-Stouffville	\$182,314	\$72,965	\$6,439	\$5,676	\$5,612	\$4,288	\$950	\$2,447	\$195,315	\$85,376
York Region Total	\$2,533,983	\$2,098,600	\$328,668	\$224,182	\$435,385	\$332,966	\$176,134	\$181,444	\$3,474,170	\$2,837,193

Note: *Estimated values of construction include additions, renovations, temporary structures and new construction

**Agricultural permits are included under the industrial category

The total current value assessment for taxable properties of \$209.8 billion includes both growth from new development and reassessments of existing inventory

Figure 5.2 only pertains to assessment growth associated with new development

Construction Activity - National Comparisons

- York Region ranked sixth in total construction value among Canadian municipalities, with a value of \$2.84 billion (Table 5.3).
- In 2012, York Region ranked fifth, with a value of \$3.47 billion.

Table 5.3
Cross Canada Comparison 2013: Values of Total Construction (\$'000's)

Rank	Municipality	Total Value
1	City of Toronto	\$7,986,455
2	Greater Vancouver Regional District	\$6,616,114
3	City of Calgary	\$6,013,531
4	City of Edmonton	\$3,874,521
5	City of Montréal	\$3,638,655
6	York Region	\$2,837,193
7	Peel Region	\$2,602,939
8	City of Ottawa	\$2,127,489
9	City of Québec	\$1,762,068
10	Halton Region	\$1,502,141

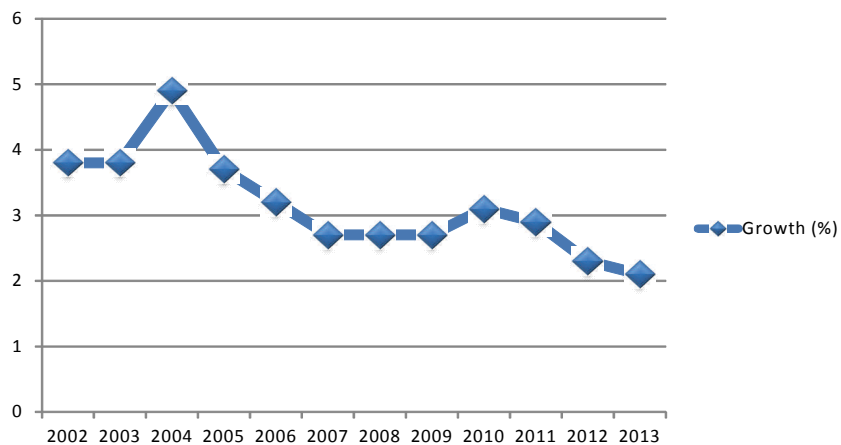
Source: Local Municipal Building Permit Reports, 2013; Statistics Canada Building Permit Reports and Table 32.2 (unpublished), 2013.

Note: List includes cities, Regions, and Regional Districts as defined locally.

Taxable Assessment

- York Region's assessment growth for 2013 was 8.2%, or \$15.9 billion
- Assessment growth attributed to new development was 2.1% in 2013

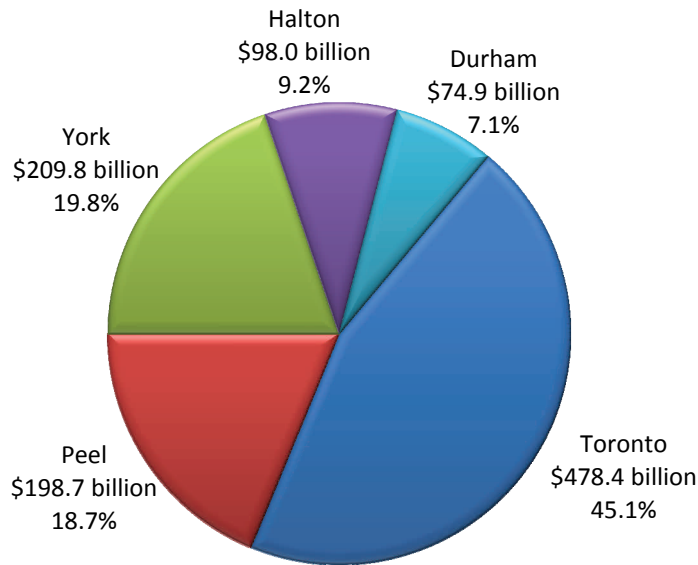
Figure 5.2
York Region Assessment Growth Attributed to New Development 2002-2013



Source: York Region Finance Department

- York Region’s share of the GTA’s total assessment in 2013 was 19.8%, the largest share after the City of Toronto
- While Peel Region has a higher population, York Region has the higher assessment value

**Figure 5.3
GTA Taxable Assessment 2013**



Source: York Region Finance Department.

Note: Based on Municipal Property Assessment Corporation data and does not include 'Payments in Lieu' (PIL) and exempt properties.

6. Final Observations

- Growth and development within York Region is strongly influenced by U.S. and global growth
- Since the financial recession, York Region has grown by 118,000 people and 59,000 jobs
- The total York Region population reached 1,130,400 in December 2013 and there were an estimated 548,000 jobs at mid-year, on target to reach 2031 targets of 1,500,000 and 780,000 residents and jobs respectively
- York Region economic activity indicators were in line with broad trends within Ontario for 2013
- In the GTHA, the Region recorded the second highest share of residential building activity behind Toronto, and the sixth highest across Canada
- While housing prices continue to be high within the Region, affordable options are available through a combination of unit types and location
- A sluggish U.S. export demand climate resulted in limited business expansion in the GTHA through 2013 and industrial and commercial building permits values in York Region registered declines over 2012 levels. Nevertheless, York Region ranked eighth across the country for the value of ICI construction in 2013, and was the third highest in the GTHA, behind Toronto and Peel Region
- Moving forward into 2014, strengthening economic activity in the U.S. is a welcome sign for the Canadian economy and for export firms in York Region

Growth and Development Review 2013

Presentation to Committee of the Whole

Doug Lindeblom
Director, Economic Strategy

Paul Bottomley
Manager, Policy, Research and Forecasting, Long Range Planning

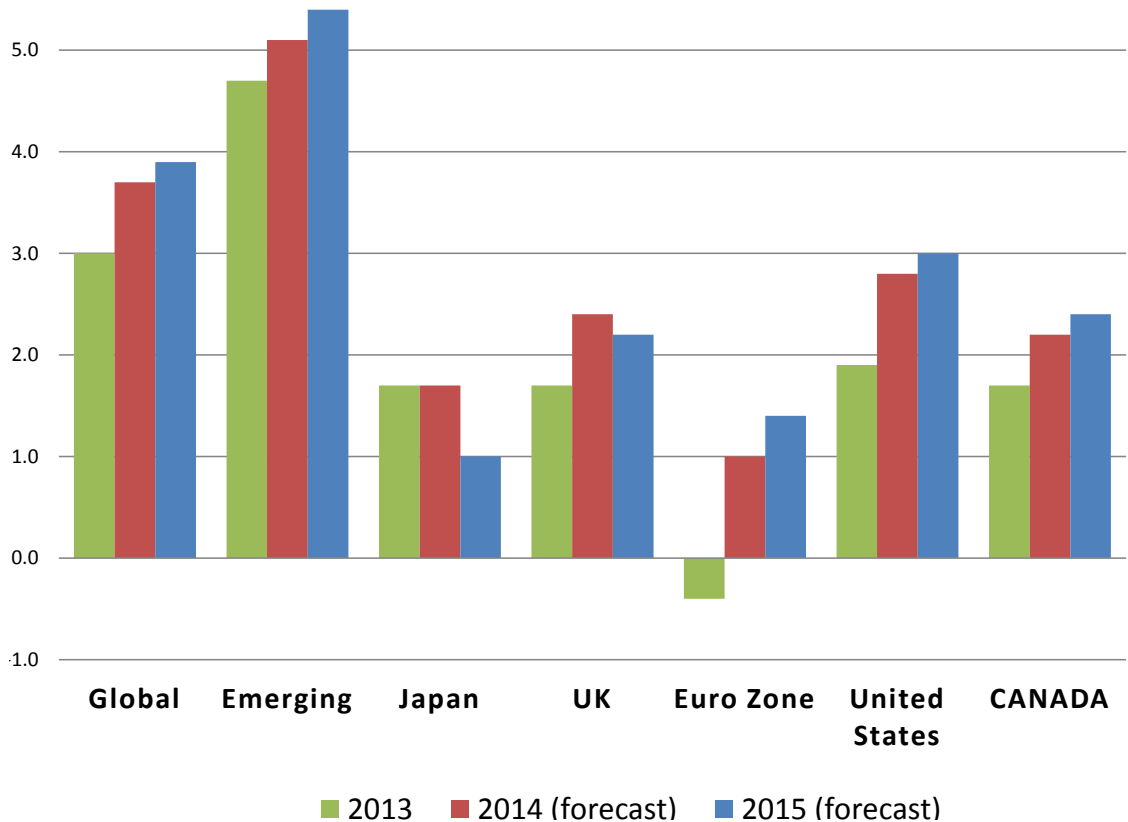
May 1, 2014

Presentation Highlights

- ❑ Continued Global / U.S. economic recovery
- ❑ Historic low interest rates
- ❑ Growth: York Region remains among the top
- ❑ On pace to meet growth targets

Economic Outlook

Global Current and Projected Growth in Gross Domestic Product

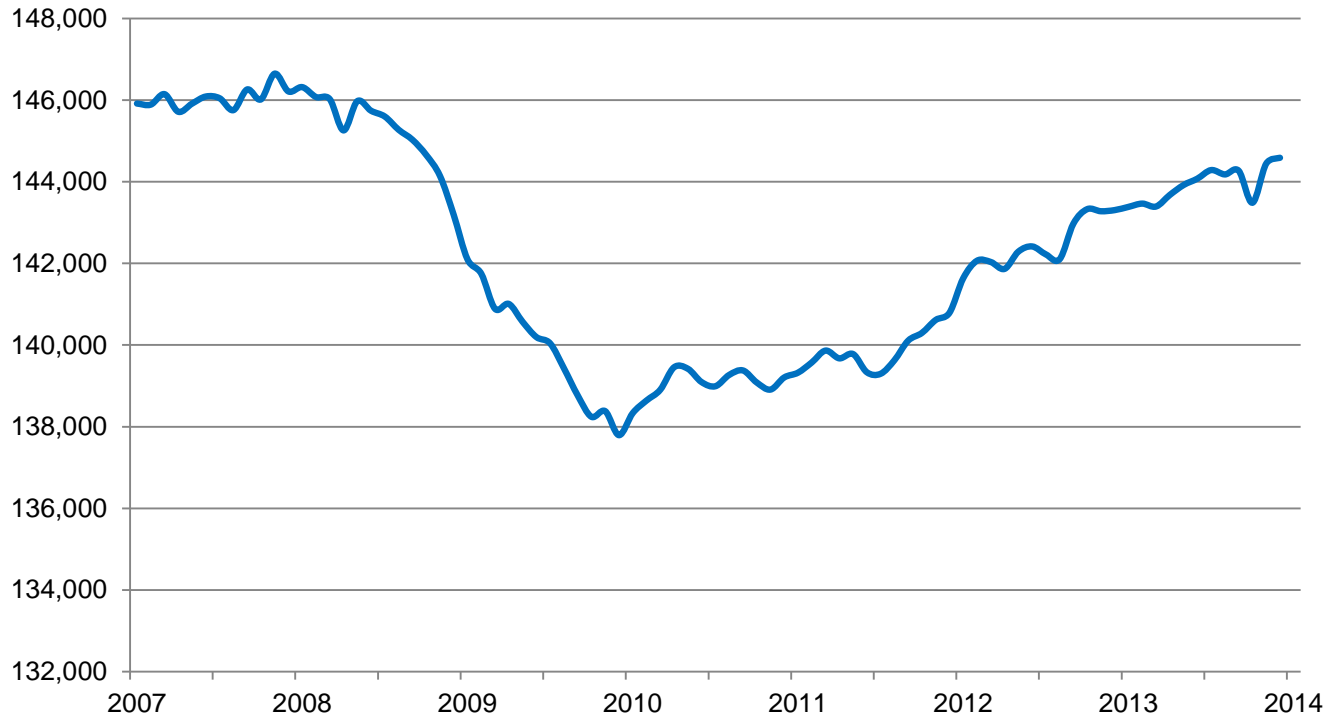


Source: GDP Growth, International Monetary Fund, World Economic Outlook Database

Strengthening GDP growth across the globe bodes well for business and job growth

U.S. Employment Trends Continue to Show Positive Job Creation

U.S. Job Growth Trends, 2007-2014



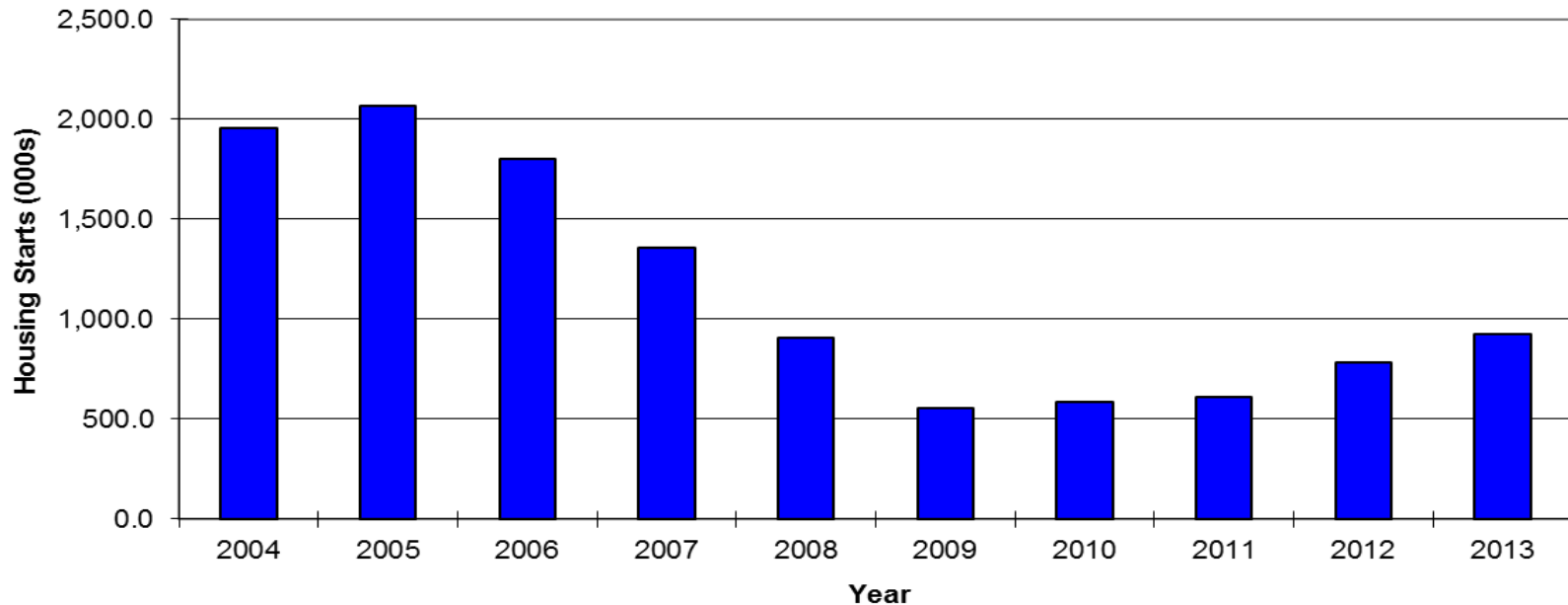
**U.S. Job Growth
December 2013
144,586 Jobs**

Source: U.S. Bureau of Economic Research

A strengthening U.S. economy benefits York Region businesses that export

U.S. Home Starts Show Positive Signs

U.S. Home Starts - 2004 to 2013

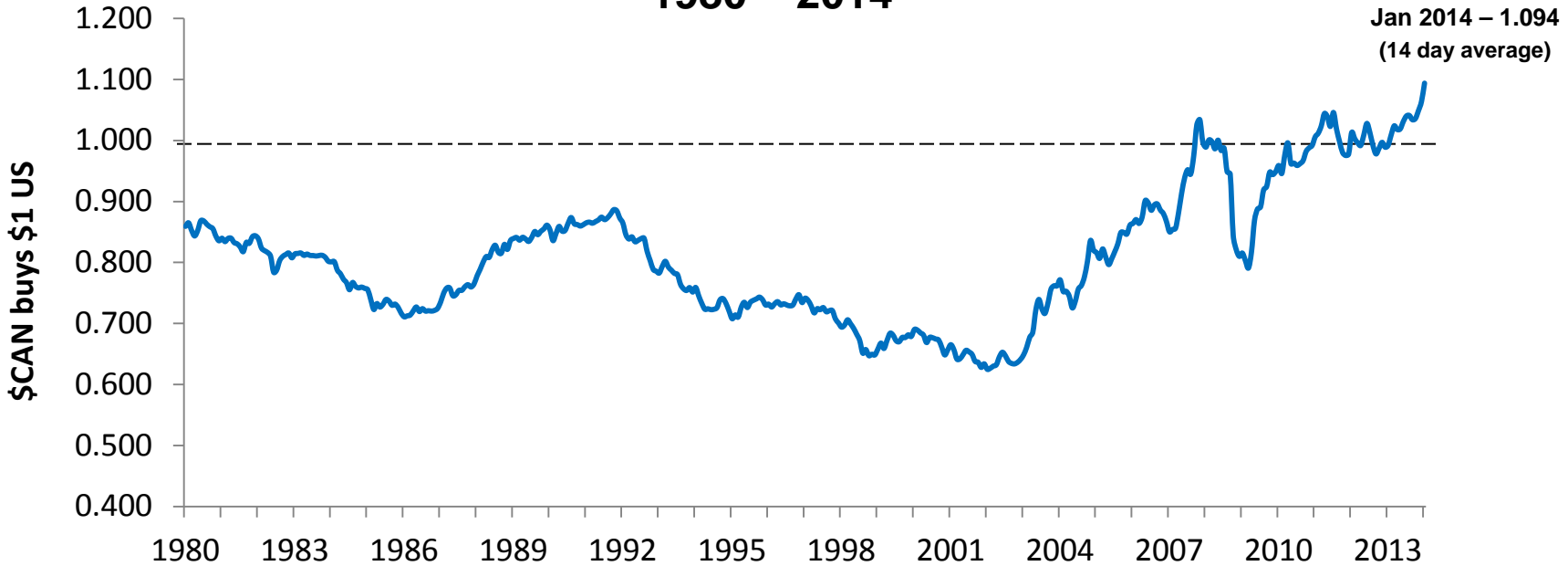


Source: U.S. Census Bureau – U.S. Department of Commerce

Home starts reflect confidence in the U.S. economy and can increase demand for Canadian goods

Canada/U.S. Exchange Rates Affect Regional Trade with U.S. Businesses

Monthly Exchange Rates (CND buys 1 USD)
1980 – 2014

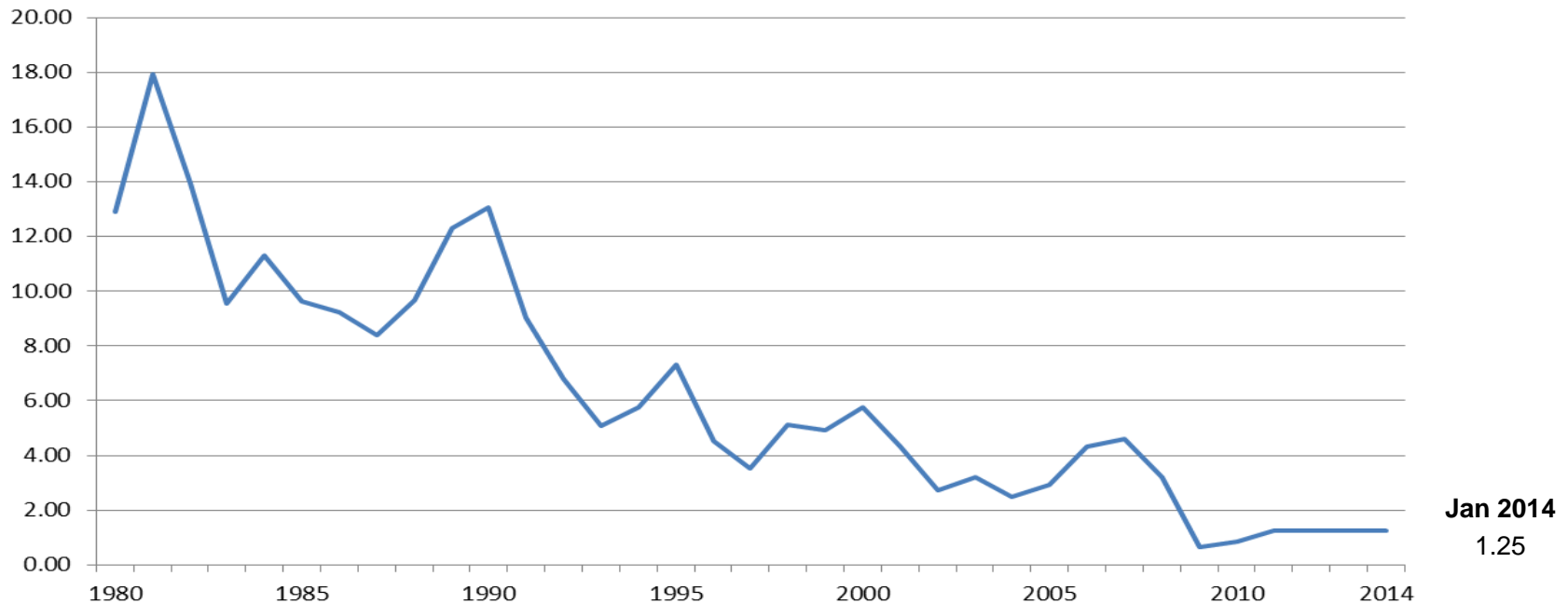


Source: Statistics Canada

Stable exchange rates encourage trade, benefitting Regional businesses

Canadian Interest Rates Remain Near Historic Lows

**Average Canadian Interest Rates (Bank of Canada Short Term rates)
1980 – 2014**

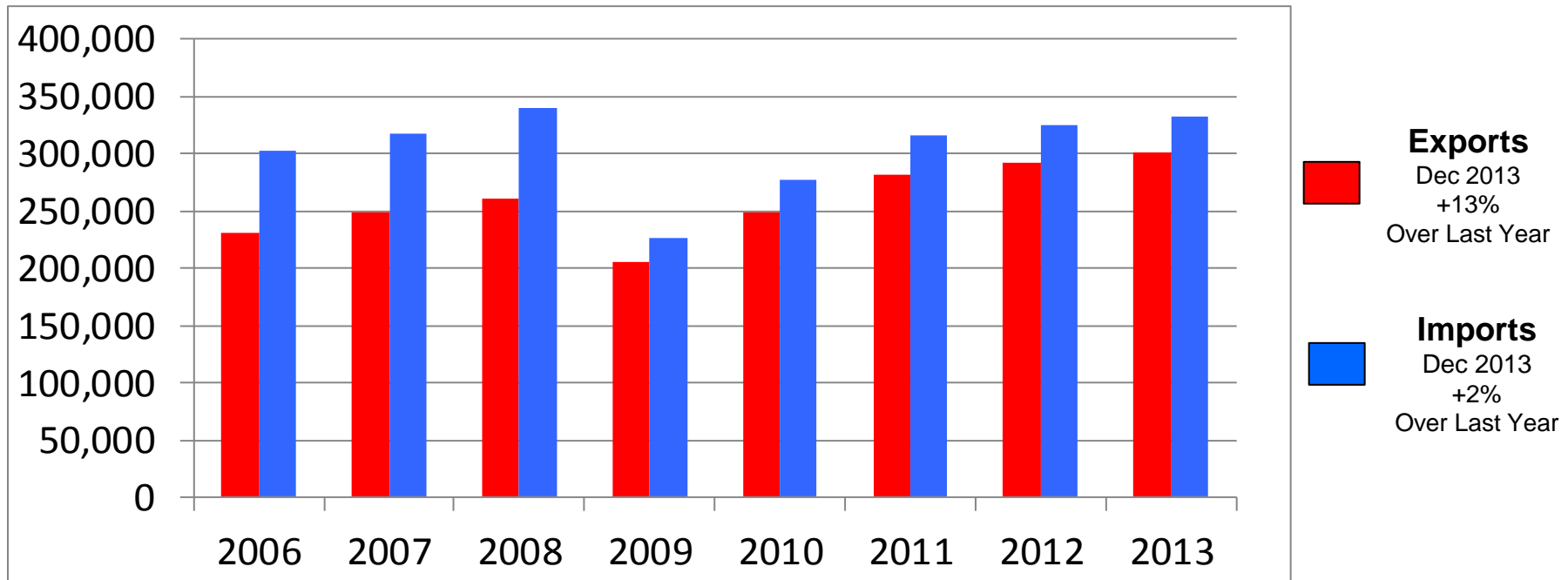


Source: Bank of Canada

Low interest rates remain in an attempt to stimulate borrowing amongst businesses and consumers

U.S./Canada Trade Impacts Regional Businesses

U.S. Exports to and Imports from Canada (\$USD Millions) 2006 – 2013



Source: U.S. Bureau of Economic Research

**Canada consistently shows a positive trade balance with the U.S.,
Canada's largest trading partner**

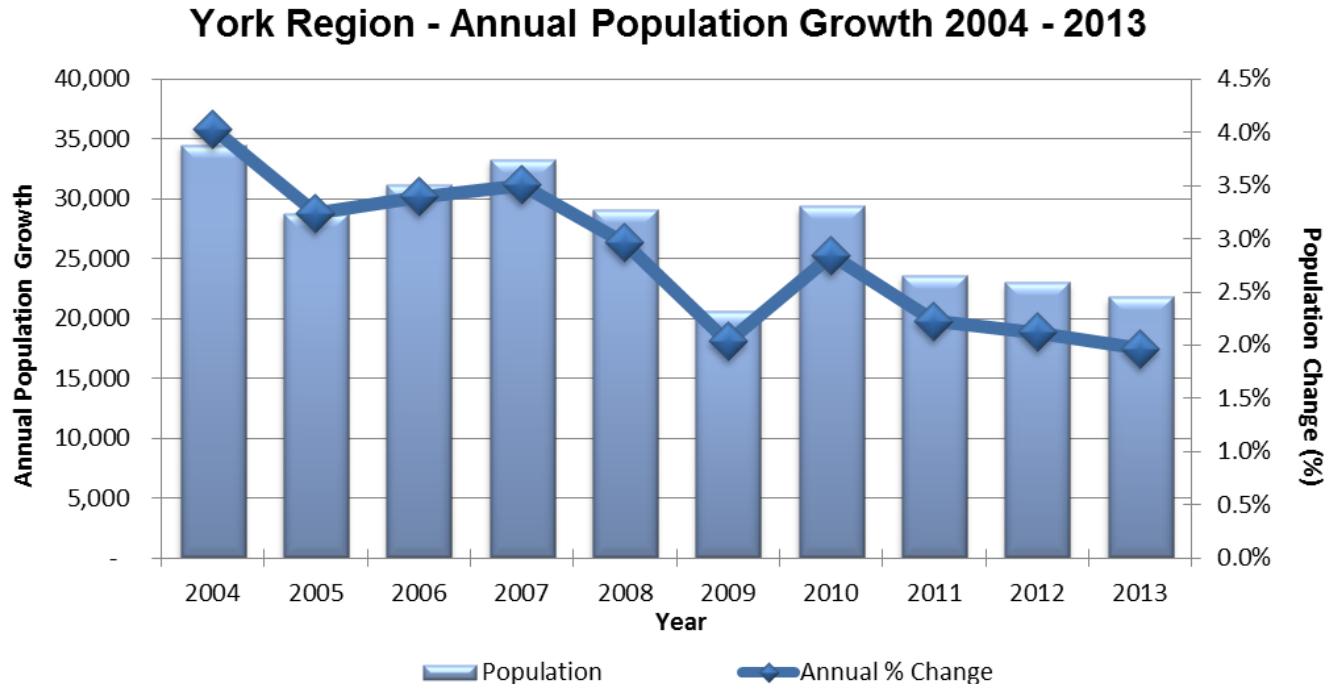
Regional Outlook

- Population Growth
- Property Market
- Building Activity

Population Growth

Population Continues to Rise with 2% Growth

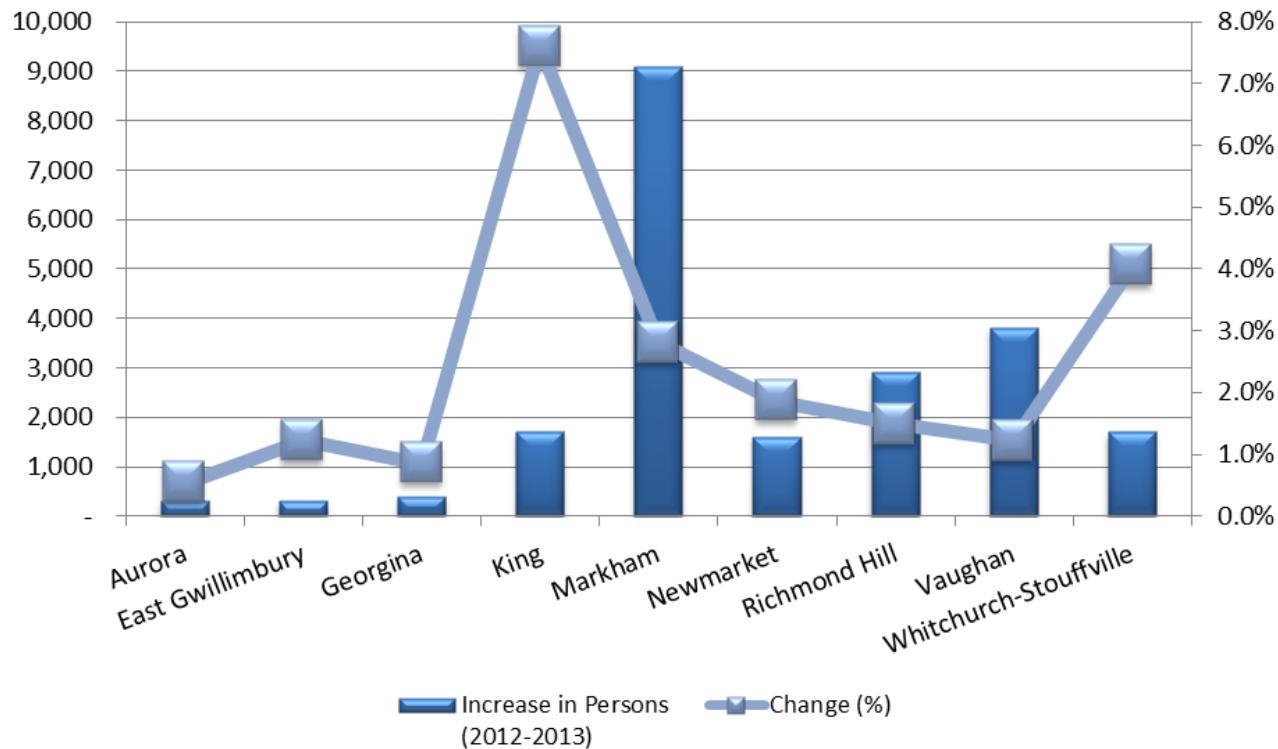
- ❑ 1,130,400 total residents
- ❑ 21,800 new residents in 2013 (2.0% increase)



Population growth has been steady, averaging 2.2% since 2009

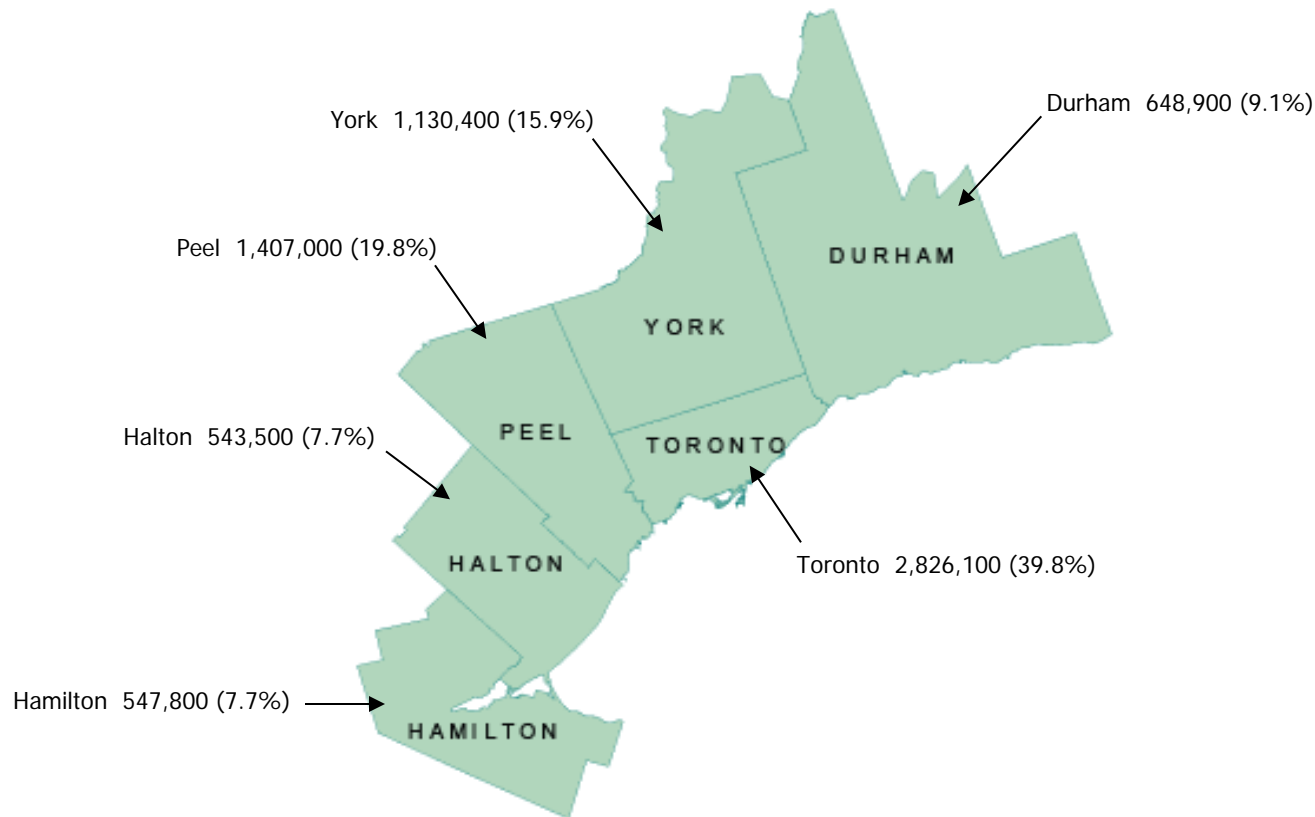
All Local Municipalities are Growing

York Region Population Increase and % Change in Population
2012-2013



King and Whitchurch-Stouffville recorded the highest growth rates at 7.6% and 4.0%

York Region's Share of Total GTHA Population is 15.9%



The GTHA total population is estimated to be approximately 7.1 million

Property Market

Average Resale Prices Increased by 5.5% to \$623,582

York Region Total Resales and Average Price, 2008-2013



- 16,469 residential resales valued at \$10.3 billion

Resales generate local economic activity through renovations, consumer product purchases, professional fees and taxes

York Region Average Resale Price Almost 20% Higher Than GTA Average

- GTA average resale price: \$520,398 (9% increase)

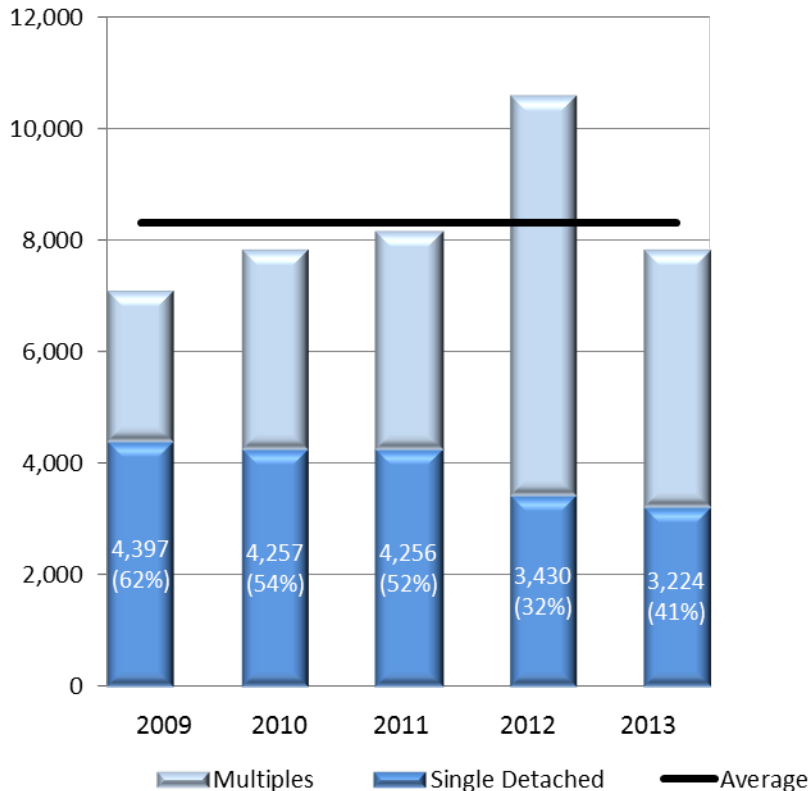
York Region Residential Resales 2013		
Unit Type	Avg. Price	2012-13 % Change
Single Detached	\$737,374	5.0%
Semi Detached	\$484,772	5.1%
Townhouse / Row	\$469,312	11.2%
Apartment	\$333,373	0.2%
Total (All Unit Types)	\$623,582	5.5%

Of the 87,111 resales in the GTA, York Region accounted for 18.9%

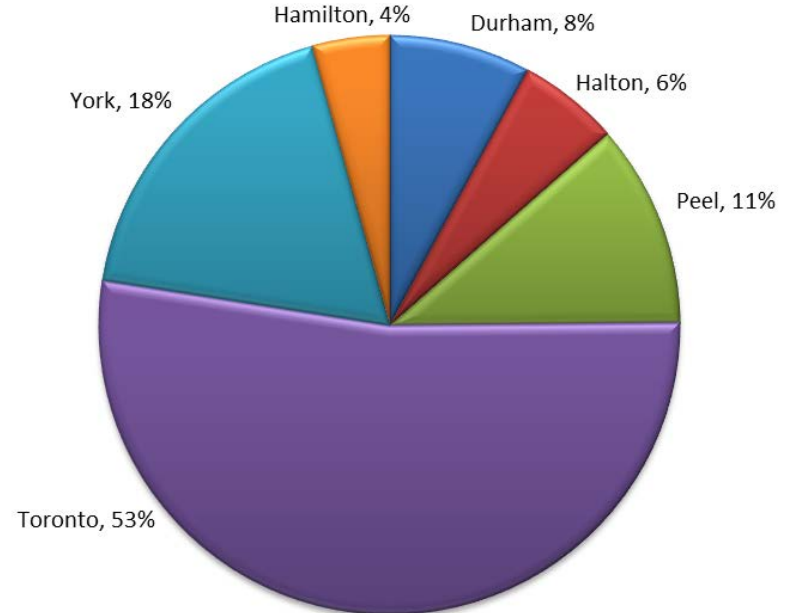
Building Activity

Building permits issued for 7,830 New Residential Units

**Residential Building Permits Issued
2009-2013**



**York Region's Share of GTHA Residential
Building Activity 2013**



York Region retains the second highest share of building activity in the GTHA

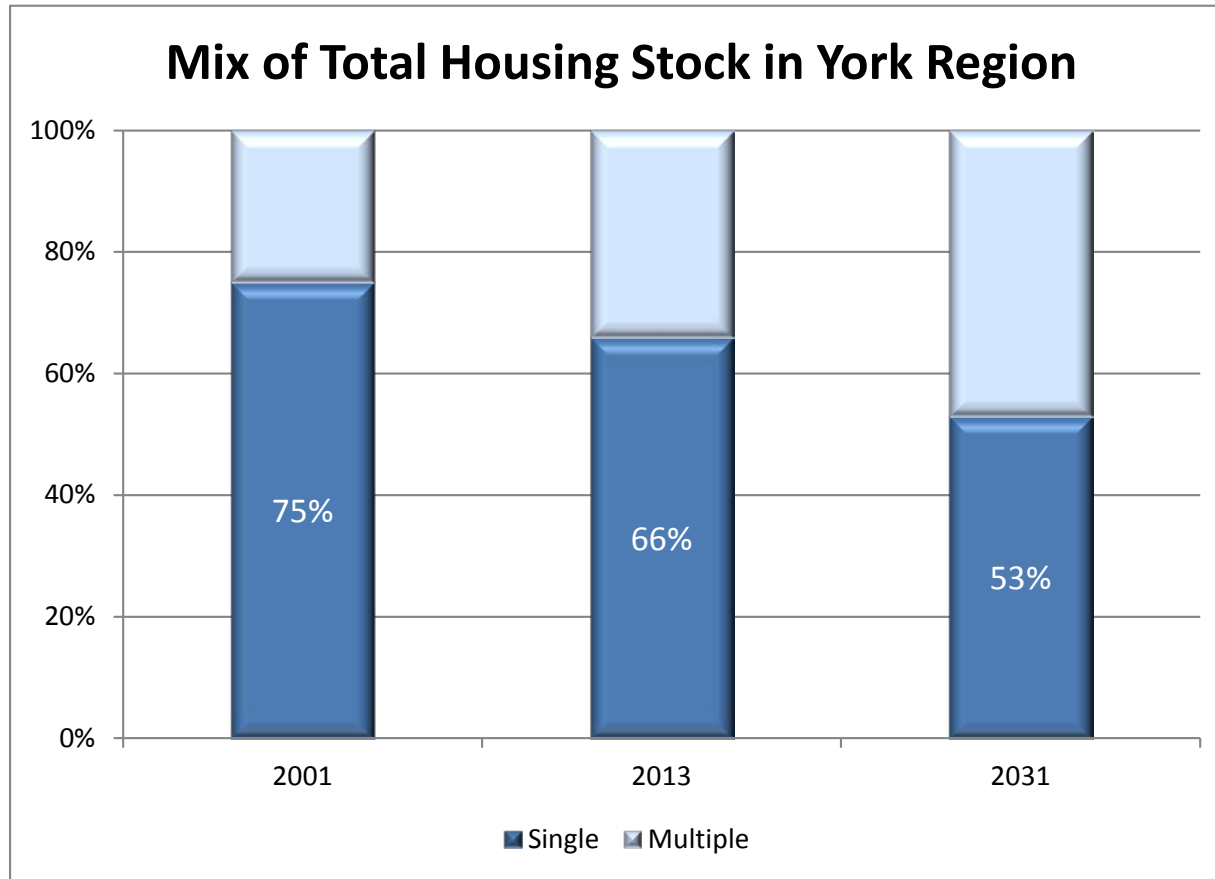
Across Canada, York Region 6th in Residential Building Permits

Rank	Municipality	# of Permits	% Change from 2012
1	City of Toronto	22,650	53.9%
2	Greater Vancouver Regional District	19,938	6.9%
3	City of Calgary	13,742	36.3%
4	City of Edmonton	10,511	12.5%
5	City of Montréal	8,329	2.8%
6	York Region	7,830	-26.1%
7	City of Ottawa	5,191	-21.4%
8	City of Québec	4,917	-29.4%
9	Peel Region	4,872	-39.6%
10	Durham Region	3,397	30.9%

Source: Statistics Canada Building Permit Reports, York Region.

York Region remains among the top municipalities across Canada for permits issued

Housing Stock Continues to Diversify



Diverse housing stock needed to meet the needs of the Region's residents

Moving Forward Residential Indicators are Positive

York Region Residential Building Activity 2012 and 2013 (in units)

	2012	2013	% Change
New Residential Permits	10,598	7,830	-26.1%
Housing Completions	6,957	7,350	5.6%
Housing Resales	16,175	16,469	1.8%
New Applications	5,939	11,699	97%
Draft Approved	3,658	7,699	111%

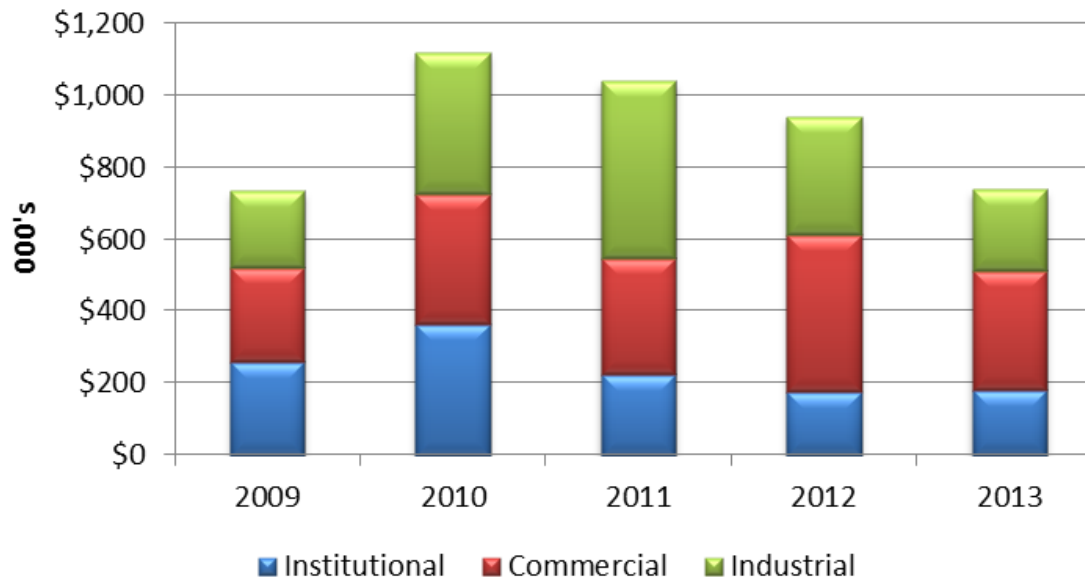
Source: Canada Mortgage and Housing Corporation, Local Housing Market Report, 2012 and 2013;
Toronto Real Estate Board, Market Watch, 2013; York Region Long Range Planning.

Planning activities suggest an increase in building activities in 2014 and beyond

Value of ICI Construction Decreased but Overall Level Remains Strong

- ❑ ICI Construction valued at \$739 million, a 21.4% decrease from 2012 (\$940 million)

York Region ICI Construction Values 2009-2013



The Region's economy continues to generate jobs adding 59,000 since 2009

Across Canada, York Region 8th in ICI Value of Construction

Cross Canada Comparison 2013: Values of ICI Construction (\$000's)		
Rank	Municipality	Total Value
1	City of Toronto	\$3,426,342
2	City of Calgary	\$2,571,710
3	City of Montréal	\$1,948,262
4	Greater Vancouver Regional District	\$1,776,754
5	City of Edmonton	\$1,376,162
6	Peel Region	\$1,156,552
7	City of Ottawa	\$960,480
8	York Region	\$738,592
9	Halton Region	\$707,205
10	City of Hamilton	\$464,394

Source: Statistics Canada Building Permit Reports, York Region.

York Region remains among the top municipalities across Canada for ICI permit value

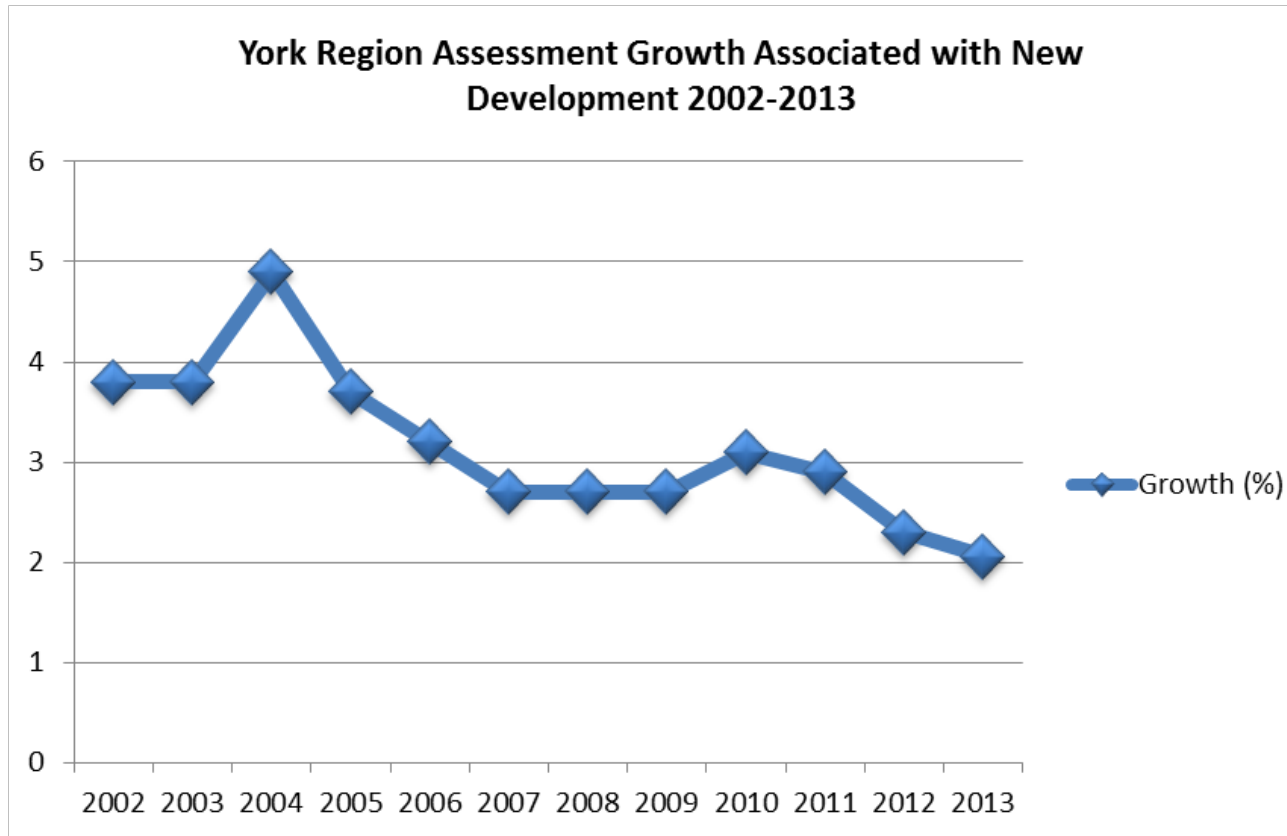
Across Canada, York Region 6th in Total Value of Construction

Cross Canada Comparison 2013: Values of Total Construction (\$000's)		
Rank	Municipality	Total Value
1	City of Toronto	\$7,986,455
2	Greater Vancouver Regional District	\$6,616,114
3	City of Calgary	\$6,013,531
4	City of Edmonton	\$3,874,521
5	City of Montréal	\$3,638,655
6	York Region	\$2,837,193
7	Peel Region	\$2,602,939
8	City of Ottawa	\$2,127,489
9	City of Québec	\$1,762,068
10	Halton Region	\$1,502,141

Source: Statistics Canada Building Permit Reports, York Region.

York Region remains among the top municipalities across Canada for total permit value

Assessment Growth Associated with New Development was 2.1% in 2013



York Region Total Assessment Growth for 2013 was 8.2% (\$15.9B)

General Observations

- ❑ Growth and development within York Region is strongly influenced by U.S. and global growth
- ❑ Since the financial recession, York Region has grown by 118,000 people and 59,000 jobs
- ❑ Population and employment growth is on target to reach the 2031 forecasts of 1,500,000 residents and 780,000 jobs

General Observations

- ❑ York Region economic activity indicators were in line with broad trends within Ontario for 2013
- ❑ In the GTHA, the Region recorded the second highest share of residential building activity behind Toronto, and the sixth highest across Canada
- ❑ While housing prices continue to be high within the Region, affordable options are available through a combination of unit types and location

General Observations

- ❑ A sluggish U.S. export demand climate resulted in limited business expansion in the GTHA through 2013
- ❑ Industrial and commercial building permits values in York Region registered declines over 2012 levels
- ❑ Moving forward into 2014, strengthening economic activity in the U.S. is a welcome sign for the Canadian economy and for export firms in York Region

Staff Recommends Report be Received for Information

- Report will be available on the corporate website.