

# The Regional Municipality of York

Committee of the Whole  
Planning and Economic Development  
April 8, 2021

Report of the Commissioner of Corporate Services and Chief Planner

## Growth and Development Review 2020

### 1. Recommendation

The Growth and Development Review 2020 be circulated by the Regional Clerk to the local municipalities for information.

### 2. Summary

The Growth and Development Review 2020 provides Council with key development and population indicators in York Region and reports on the competitiveness of York Region's economy within the Greater Toronto and Hamilton Area (GTHA), the Province and Canada.

Key Points:

- In early 2020, the COVID-19 pandemic led to a broad shutdown of economic activity in York Region. The impact was significant throughout the year and continues. The residential sector was less impacted than industrial and commercial sectors.
- Sectors of the economy hardest hit in 2020 were retail, transportation services, food and accommodation services, recreation and cultural services and manufacturing businesses, representing approximately 33% of businesses in York Region.
- Key growth and development highlights from 2020 include:
  - York Region's population grew by 11,100 or 0.9%
  - Residential building permits were issued for 5,832 dwelling units in 2020, representing a 25% increase from 2019
  - Housing completions in York Region increased in 2020 by 19.7% to 6,339 compared to 5,294 in 2019, while 10,400 units were under construction
  - Total construction value for Industrial, Commercial and Institutional (ICI) building permits decreased by 46% from 2019 values, from \$1.26 billion to \$674.3 million
  - The Region's 2020 unemployment rate ranged from a low of 3.6%, prior to the pandemic, to a high of 13.7% due to the impacts of the COVID-19 pandemic, and ended the year at 8.0%

- All five major Canadian banks predict economic growth will resume in 2021. This depends on how quickly the COVID-19 pandemic can be controlled

### 3. Background

#### **Annual Growth and Development Review report provides a broad perspective on important economic indicators**

Since 1995, York Region has published a Growth and Development Review report each year. The report highlights key economic indicators which illustrate general trends in the economy.

The 2020 report includes information on:

- Economic growth
- Population growth
- Residential market and building activity
- Industrial, commercial and institutional market and building activity, and
- Overall construction value

Data for this review is sourced from Statistics Canada, Canada Mortgage and Housing Corporation, Toronto Regional Real Estate Board (TRREB) and private firms which publish documents summarizing key trends within the GTHA and beyond.

### 4. Analysis

#### **The COVID-19 pandemic caused a broad slow down of economic activity, however recovery is expected in 2021 and 2022**

Globally, the COVID-19 pandemic caused a broad slow down of economic activity that is virtually without precedence. In 2020, businesses closed, both temporarily and permanently, workers stayed home, travel bans were put in place and unemployment rates increased.

According to the International Monetary Fund (IMF), the Global, U.S. and Canadian economies declined significantly in 2020 due to the COVID-19 pandemic by -3.5%, -3.4% and -5.5% respectively. The Ontario economy declined by -6.2%. Current forecasts anticipate a recovery in 2021 and 2022, with strong levels of growth as highlighted in Table 1. This depends on how quickly the spread of COVID-19 can be controlled and how fast the economy can rebound.

**Table 1**  
**Economic Growth (shown as % change of Real GDP)**

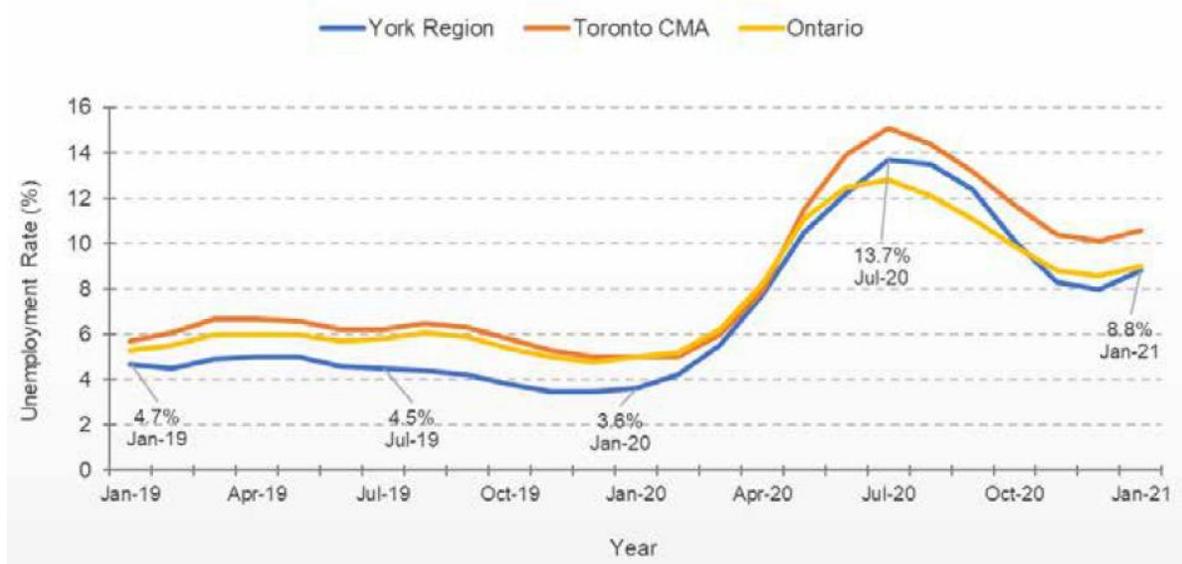
	Ontario	Canada	U.S.	Global
2019	1.6	1.9	2.2	2.8
2020	-6.2	-5.5	-3.4	-3.5
2021	5.6	3.6	5.1	5.5
2022	4.1	4.1	2.5	4.2

Source: International Monetary Fund (Jan 2021) and TD Provincial Outlook (Jan 2021)

### Canada, Ontario and York Region had record job losses in 2020

The Canadian economy shed a record number of jobs in 2020. At its peak, over 1.1 million jobs were shed across the country. The year ended with 589,500 fewer jobs in Canada, for an overall total of approximately 18.5 million. Ontario jobs decreased the most in 2020, by 237,700, for a new total of 7.24 million. York Region’s economy also slowed down, with total employment decreasing by approximately 8.4% from 2019 to 599,700. The decrease in total jobs and the weak economy in 2020 resulted in some of the highest unemployment rates on record for York Region, starting the year at 3.6%, peaking at 13.7% in July 2020 and ending 2020 at 8.0%. There was likely a recovery in total York Region employment in the later part of the year given the rebound in the employment rate. The January 2021 increased unemployment rate of 8.8% is attributed to the reinstalment of Provincial lockdowns (Figure 1).

**Figure 1**  
**Unemployment Rates (%) for York Region, Toronto CMA and Ontario**



Prior to the current economic downturn, York Region's employment activity rate had been increasing steadily, exceeding the Regional Official Plan target of 50%. The activity rate stood at 54% in 2019 and decreased to 49% in 2020. The activity rate is the ratio of total employment to total population which is different from the live work ratio that measures the percentage of York Region's labour force that both live and work in the Region, as reported in the York Region Official Plan Monitoring Report.

## **Canada, Ontario and York Region economies will continue to be impacted by the COVID-19 pandemic in 2021**

The broad shutdown of global economic activity has dramatically impacted Canadian, Ontario and York Region economies. Hardest hit sectors include retail, transportation services, food and accommodation services, recreation and cultural services, and manufacturing businesses. In York Region, these industries represent approximately 33% of all businesses and 207,500 jobs (32%), based on data from the 2019 York Region Employment Survey.

There is significant uncertainty among economic forecasts given the unprecedented nature of this pandemic. All five major Canadian banks predict economic growth will resume in 2021 following a historically steep downturn which saw Canada's Growth Domestic Product (GDP) shrink by 5.5% in 2020. GDP forecasts from all five banks for 2021 and 2022 range from between 3.2% to 5.6% per year, showing that recovery is expected during both years, but the rate of growth is uncertain.

TD Economics predicts the Ontario economy will increase by 5.6% in 2021 and the economy and employment will continue to recover in 2022, with GDP growth of 4.1%, as measures to stop the spread of COVID-19 are eased. Ontario is expected to fare better than other parts of Canada, as pent up consumer demand and savings, along with large investments announced in the auto industry (Oshawa GM plant to build electric vehicles) and provincial infrastructure (public transit and highway expansions) increase spending confidence and growth prospects.

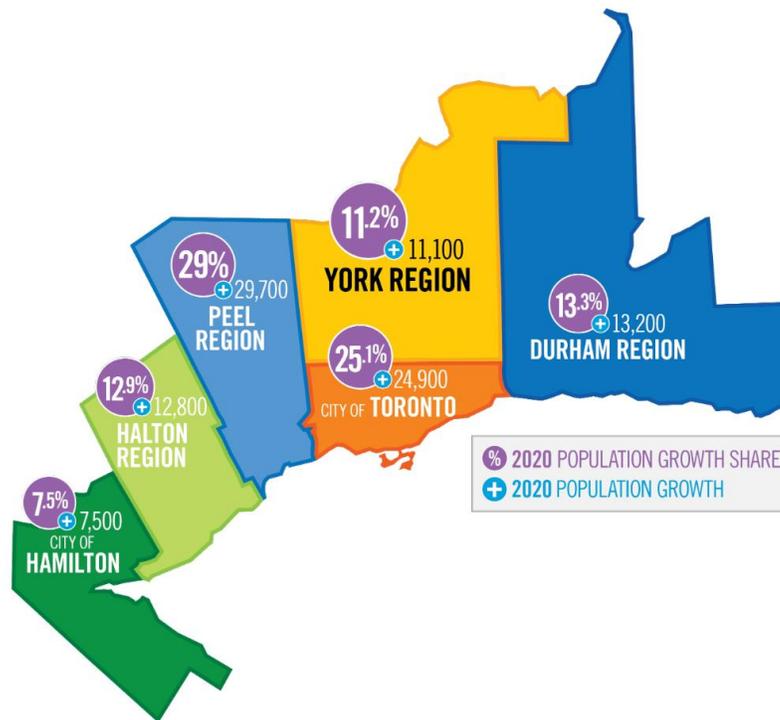
As the economy recovers, TD Economics forecasts call for a decrease in the Ontario unemployment rate in 2021 to 7.5% and to 5.9% in 2022, from a level of 9.6% in 2020. York Region's unemployment rate is anticipated to decline from 8% in 2020 to 5.7% in 2021 and 5.3% in 2022 based on projections done by the Conference Board of Canada.

## **York Region's population grew by 11,100 in 2020, accounting for 11.2% of GTHA growth**

The provincial Growth Plan includes a forecasted population target of 2,020,000 in 2051 for York Region. Annual growth of 26,130 is required to reach the 2051 Growth Plan forecast. This compares to annual growth of 24,700 people recorded over the last 30 years, a comparable time period.

It is estimated that York Region's population grew by just over 11,000 (0.9%) in 2020 to 1,213,600 people. Coincidentally, this is similar to the growth rate of 1.0% and 11,100 people recorded in 2019.

**Figure 2**  
**Population Growth and % Share by GTHA Municipality for 2020**



Source: York Region Planning and Economic Development Branch

York Region’s growth of 11,100 people represents an 11.2% share of GTHA growth in 2020, an increase from its 2019 share of 9.0%. The shares of population growth for all GTHA municipalities (Figure 2) increased over the previous year, except for the City of Toronto, whose share of growth dropped from 35.3% in 2019 to 25.1% in 2020

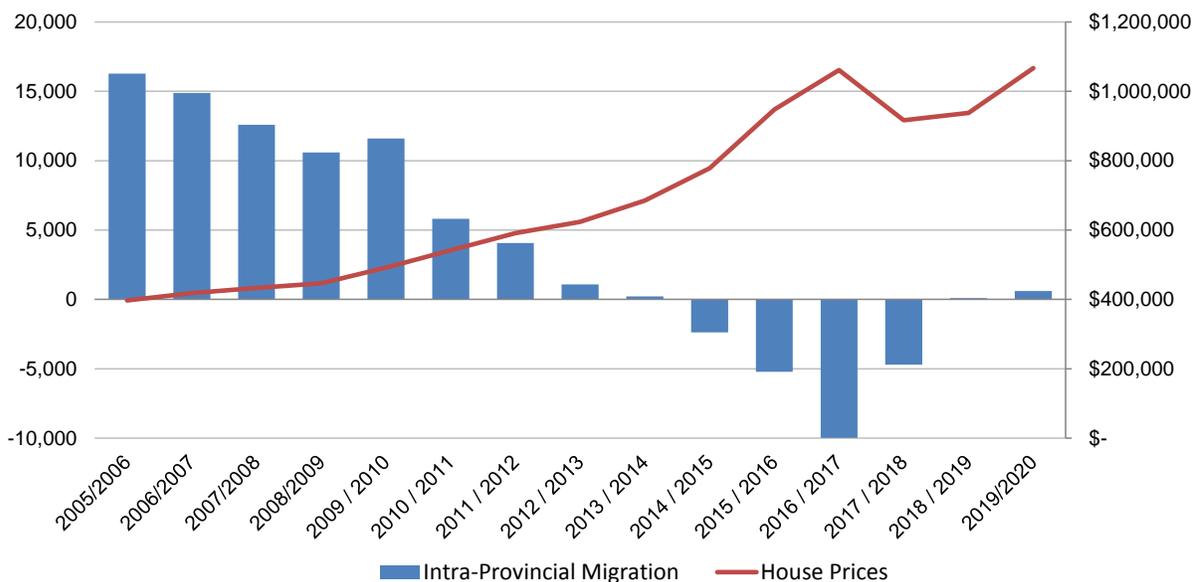
Almost all municipalities within York Region experienced growth in 2020 with Vaughan and Markham recording the greatest increases in population of approximately 5,300 and 2,200 respectively. East Gwillimbury experienced the highest rate of growth in York Region at 3.5% or 1,200 people.

### **Housing costs are a contributing factor to lower annual population growth in York Region**

York Region’s annual population growth decreased during the past 5 years, to an average annual growth of 14,600 people. This compares to the previous 5-year periods where average annual growth was higher at 15,800 between 2010 and 2015 and 28,700 annually between 2005 and 2010. There are many factors contributing to the slower pace of growth including the delivery of infrastructure, the length of time for planning approvals for large secondary plan areas and increasing housing affordability challenges, among others.

Statistics Canada data on net intra-provincial migration flows, which measures the difference between the number of Ontario residents moving in and out of a municipality, illustrate York Region recorded a net loss of intra-provincial migrants over the last 5 years. Levels of net immigration, net inter-provincial migration and net non-permanent residents have remained relatively consistent over this time period. Further analysis shows a correlation between the net loss of intra-provincial migration in York Region and the increasing overall average cost of housing, as depicted in Figure 3.

**Figure 3**  
**2005 to 2020 - Net Intra-provincial Migration and**  
**Average Annual Resale House Prices in York Region**



Source: York Region Planning and Economic Development Branch and Statistics Canada

**Average housing prices for all resale units in York Region increased in 2020 by 13.8%, higher than the GTA average of 11.9%**

The residential resale housing market continued to grow in York Region in 2020 with 16,636 resale units sold, an increase of 16.1% from 2019. In York Region, the average cost of a resale residential unit (all dwelling types) in 2020 was \$1,067,134, a 13.8% increase (Table 2), while a resale single detached unit increased by 13.5% to \$1,271,276 compared to \$1,120,297 in 2019. Townhouse units recorded the second strongest increase in average price at 12.6% year over year.

Average housing prices across the Greater Toronto Area (GTA) increased in 2020 by 11.9% to \$929,699, higher than the growth of 3.8% recorded in 2019. York Region’s average resale housing price (all dwelling types) was 14.8% higher than the GTA average in 2020 of \$1,067,134.

**Table 2**  
**Total Number of Housing Resales and Average Housing Price in York Region,  
 2019 and 2020 (all dwelling types)**

	Housing Resales			Average Housing Price		
	2019	2020	Change (%)	2019	2020	Change (%)
Aurora	962	1,128	17.3%	\$905,872	\$1,053,296	16.3%
East Gwillimbury	586	641	9.4%	\$799,426	\$940,147	17.6%
Georgina	809	1,086	34.2%	\$568,143	\$679,855	19.7%
King	315	524	66.3%	\$1,380,466	\$1,625,463	17.7%
Markham	3,658	3,974	8.6%	\$949,536	\$1,070,822	12.8%
Newmarket	1,355	1,664	22.8%	\$777,589	\$890,078	14.5%
Richmond Hill	2,614	2,869	9.8%	\$1,039,433	\$1,156,881	11.3%
Vaughan	3,324	3,934	18.4%	\$993,787	\$1,131,778	13.9%
Whitchurch-Stouffville	701	816	16.4%	\$923,762	\$1,058,805	14.6%
<b>York Region Total</b>	<b>14,324</b>	<b>16,636</b>	<b>16.1%</b>	<b>\$937,546</b>	<b>\$1,067,134</b>	<b>13.8%</b>

Source: Toronto Regional Real Estate Board, Market Watch, 2020

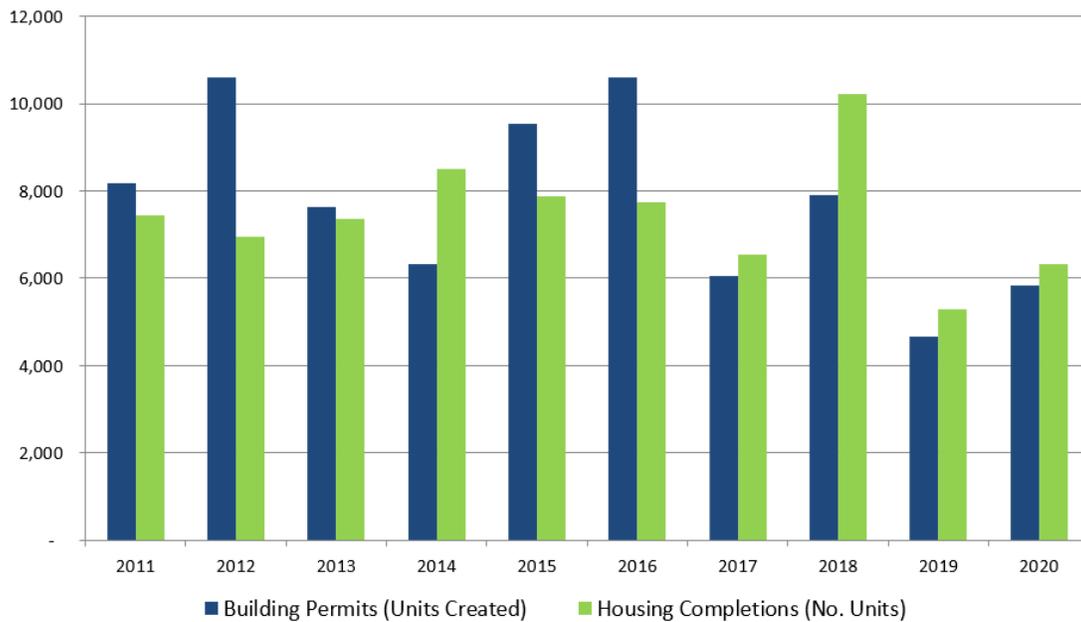
### **Higher residential building permits were recorded in 2020, increasing by 33% across the GTHA**

Trends in new housing activity can be assessed by looking at building permit activity and housing completions. Building permits show construction underway (or soon to be underway), while housing completions provide a record of units recently occupied, or ready to be occupied.

Across the GTHA, total building permits issued increased by 32.7% in 2020. The increase occurred across all GTHA municipalities except Peel Region (-8.4%) and was most significant in the Regions of Halton and Durham, where the annual growth rates increased by 97.7% and 82.5% respectively. In York Region, residential building permits were issued for 5,832 new dwelling units in 2020, representing a 24.9% increase from the 2019 total of 4,669 units (Figure 4).

Housing completions in the Region increased in 2020 by 19.7% to 6,339 (Figure 4) from 5,294 completions in 2019. York Region continues to be the third largest contributor to GTHA development activity accounting for an 11% share of 2020 GTHA residential building permit activity.

**Figure 4**  
**York Region Residential Building Permits and Housing Completions**  
**2011 - 2020**



Source: Local Municipal Building Reports and Canada Mortgage and Housing Corporation

**Despite the COVID-19 pandemic, development activity increased by 3% and number of proposed residential units increased by 111% in 2020**

Despite the COVID-19 pandemic, overall development activity increased 3% compared to 2019. York Region received 464 new development applications for review with a total of 19,418 proposed residential units, which is a 111% increase from 2019 (9,204). Registration of plans of subdivision and condominium increased by 278% in 2020, with 8,232 registered units. The total 111% increase in proposed residential units indicates an upward development trend.

The increased proposed residential units received as part of draft plan of subdivision and site plan applications is a key indicator of strong development activity. The Region has a healthy residential inventory of dwelling units in the development review process and trends indicate that growth within the Region is anticipated to continue in 2021 and beyond.

**Industrial and commercial construction values decreased by 46% from 2019 and total Industrial, Commercial and Institutional construction value was lower than the ten-year average**

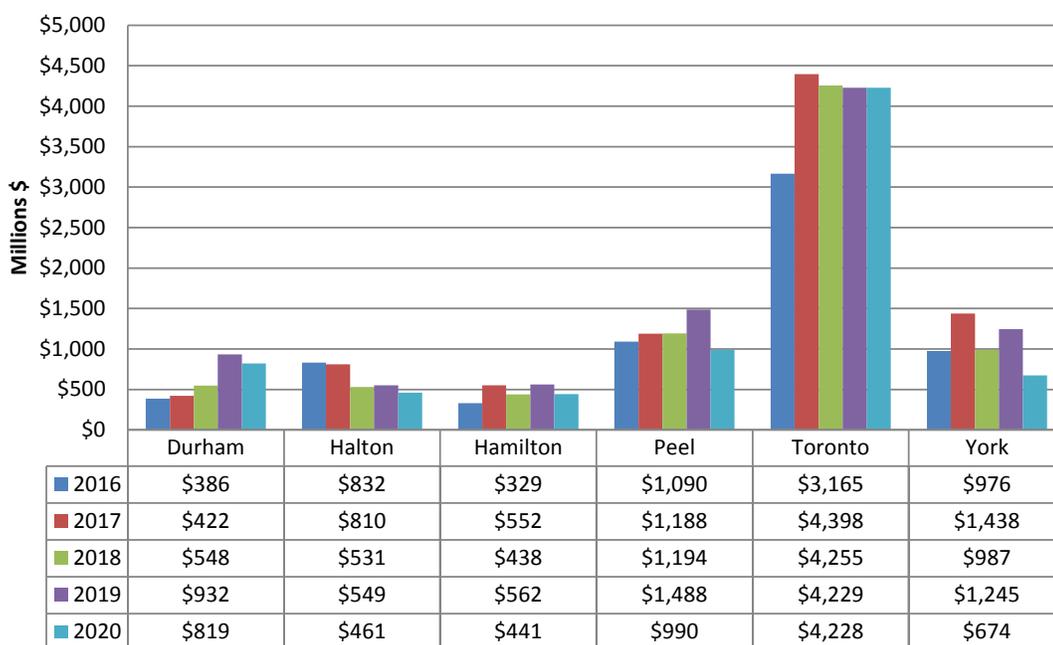
The total Industrial, Commercial, Institutional (ICI) construction value for 2020 was \$674 million, 45.8% lower than the 2019 value (Figure 5). All industrial, commercial and institutional construction values in York Region decreased from 2019 figures. The 2020 annual ICI value is below both the five year (\$1,059M) and ten-year average ICI value

(\$990M). Decreases in ICI values were observed across all GTHA municipalities and can be attributed to the overall economic slowdown caused by the COVID-19 pandemic. Within York Region, Vaughan’s share of ICI construction accounted for over 57% of the total value in 2020.

Notable ICI projects for which building permits were issued in 2020 contributing to the overall ICI permit values included a \$52 million industrial development in Vaughan, a \$25 million nursing home development in Markham and a \$24 million elementary school and library development in Aurora.

Within the GTHA, York Region accounted for almost 9% of the total ICI construction values for 2020 (Figure 5). Overall, the GTHA recorded a 15.5% decrease in the value of ICI construction from 2019, with York Region experiencing the largest decrease at 45.8%. Toronto ICI values remained similar to 2019 levels, decreasing only slightly by 0.02% to \$4.23B.

**Figure 5**  
**GTHA Industrial, Commercial and Institutional Construction Values 2016 - 2020**

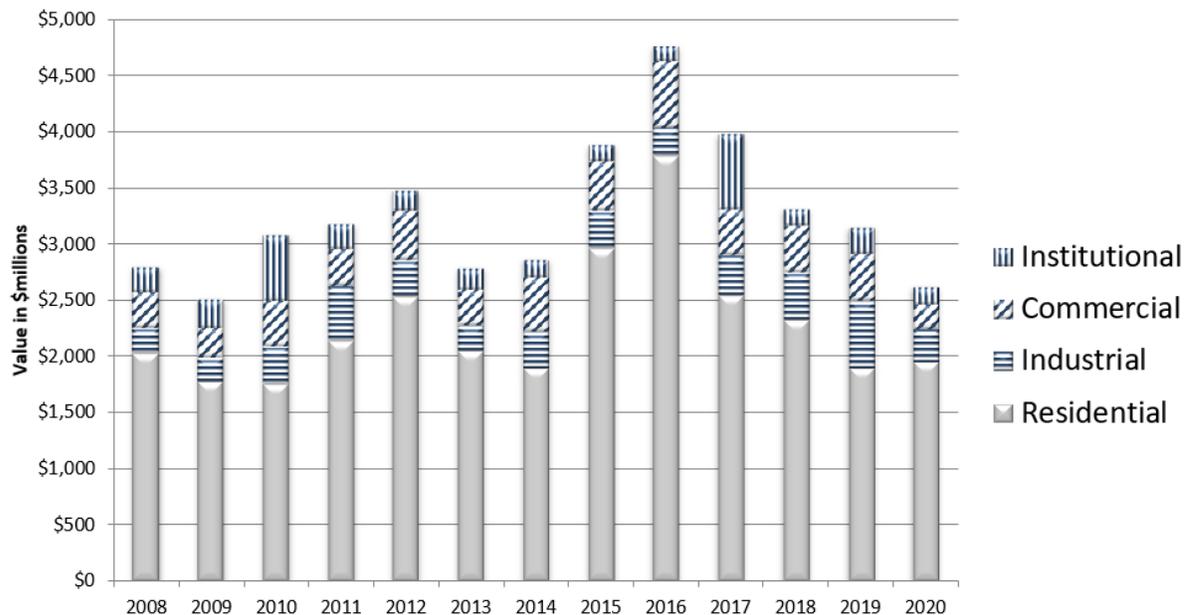


Source: Local Municipal Building Reports and Statistics Canada

**2020 total estimated value of construction of \$2.63 billion is the lowest value since the recession of 2008/09**

The total estimated value of construction in 2020 was approximately \$2.63 billion, compared to \$3.16 billion recorded in 2019, a decrease of 16.8% (Figure 6). Total construction value, including residential and non-residential values, is important as it correlates with the new development component of tax assessment growth over subsequent years.

**Figure 6**  
**York Region Construction Value by Type 2008 - 2020**



Source: Local Municipal Building Reports and Statistics Canada

### **York Region’s economic activity and population growth continues to contribute to the provincial and national economies**

York Region ranked 9<sup>th</sup> in 2020 for total value of ICI construction across Canada. Within the GTHA, York Region ranked 4<sup>th</sup> for the value of ICI construction behind Toronto, Peel and Durham. York Region continues to be one of Canada’s faster growing municipalities, however the economic impact of the COVID-19 pandemic has slowed population growth and impacted employment growth during 2020.

Total employment is estimated to have declined by 8.4% in York Region in 2020. Population growth for the Region was also one of the lowest rates on record at 0.9%, compared to the ten-year average of 1.3%. The entire population of Ontario grew by 1.3% in 2020. The Growth Plan forecasts indicate York Region is anticipated to accommodate the largest absolute amount of population and employment growth in all of Ontario between 2016 and 2051.

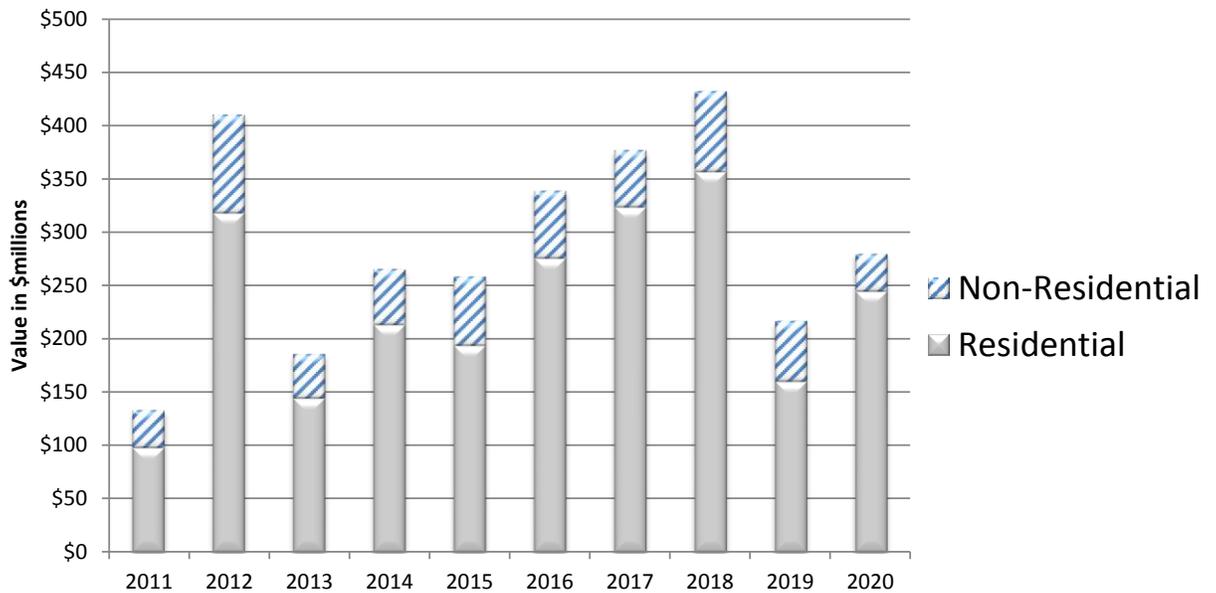
The COVID-19 pandemic is having a dramatic impact on the global economy and our local economy. The repercussions on York Region’s economy in early 2021 and throughout will be significant and staff will continue to monitor the resulting impacts going forward.

## **5. Financial**

Development Charges (DCs) are a major source of funding for the Region’s Capital Plan. Regional DCs are collected when a building permit is issued, and in many cases when a plan

of subdivision is registered. The total Regional DCs for 2020 (\$279.4 million) was higher than the 2019 DC collections (\$216.7 million) (Figure 7).

**Figure 7**  
**York Region Development Charges Collected 2011 - 2020**



The economic indicators presented in this report will assist Council to effectively monitor, evaluate and respond to variations in the Region's economic landscape.

## 6. Local Impact

Regional economic indicators are important for evaluating economic trends across the Region. The Growth and Development Review 2020 report 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

The Growth and Development Review 2020 reports on key performance measures and highlights York Region as a destination to live, work and play. In 2020, York Region continued to demonstrate growth in population, construction value and the housing market. Employment growth is forecast to occur in both 2021 and 2022. In 2022, total employment is expected to return to the level it was before the COVID-19 pandemic began. York Region continues to contribute to the provincial and national economies, ranking within the top ten municipalities related to:

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

The COVID-19 pandemic and related closures are having a dramatic impact on the global economy. The impact on York Region's economy in 2020 has been severe. It is anticipated there will be a slow, phased approach to getting people back to work and a normal routine, based on the advice of public health and safety professionals.

The attached Growth and Development Review 2020 report 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.

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For more information on this report, please contact Paul Bottomley, Manager, Policy, Research and Forecasting at 1-877-464-9675 ext. 71530. Accessible formats or communication supports are available upon request.



Recommended by:

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Chief Administrative Officer

March 26, 2021  
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