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Sent via email

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July 2, 2021

Maya Harris
Minister of Municipal Affairs and Housing
777 Bay Street, 13th Floor
Toronto, ON M7A 2J6

Dear Ms. Harris:

**RE: Envision Durham – Growth Management Study – Release
of Region-Wide Growth Analysis Technical Report (Report
#2021-INFO-71), Our File: D12-01**

Please note that Envision Durham's first technical report prepared in support of the Land Needs Assessment (LNA) was released today for information.

The Region-Wide Growth Analysis (Report #2021-INFO-71) presents region-wide population and employment forecasts, various trends in demographics, unit mix, housing prices, and built form. This report analyzes Durham's growth potential and informs key inputs and assumptions for the overall LNA.

Section 6.3 notes that a copy of this report will be forwarded to all Envision Durham Interested Parties, Durham's area municipalities, Indigenous communities, conservation authorities, the Building Industry and Land Development (BILD) – Durham Chapter, and the Ministry of Municipal Affairs and Housing. Circulation will also be provided to agencies and service providers that may have an interest in where and how long term growth in the region is being planned (school boards, hospitals, utility providers, etc.).

Those wishing to provide any input may do so by submitting comments electronically to EnvisionDurham@durham.ca by August 3, 2021.

Additional technical reports will be released throughout the summer, and the complete LNA with all supporting technical reports and staff recommendations will be brought forward to the Regional Planning & Economic Development Committee this fall.

If this information is required in an accessible format, please contact Planning Reception at 1-800-372-1102 ext. 2551.



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Development

To ensure you receive the most up to date project information, please subscribe directly through the Envision Durham project web page at www.durham.ca/EnvisionDurham and click on the blue "Receive email updates" at the bottom of the page.

Please find enclosed a copy of Report #2021-INFO-71 for your information.

Yours truly,

Gary Muller

Gary Muller, MCIP, RPP
Director of Planning

Enclosed

c: Circulation list
 B. Bridgeman, Commissioner of Planning and Economic
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If this information is required in an accessible format, please contact 1-800-372-1102 ext. 2564



The Regional Municipality of Durham Information Report

From: Commissioner of Planning and Economic Development
Report: #2021-INFO-71
Date: July 2, 2021

Subject:

Envision Durham – Growth Management Study – Release of Region-Wide Growth Analysis Technical Report, File D12-01

Recommendation:

Receive for information

Report:

1. Purpose

- 1.1 The Region is undertaking a Growth Management Study (GMS) as part of Envision Durham, the Municipal Comprehensive Review (MCR) of the Regional Official Plan (ROP). The first phase of the GMS is the preparation of a Land Needs Assessment (LNA) to quantify the amount of Settlement Area Boundary Expansion that will be required to accommodate future population and employment growth to the year 2051.
- 1.2 The purpose of this report is to release for agency and public comment, the Region-Wide Growth Analysis Technical Report, which is the first of four technical reports prepared in support of the LNA. The complete LNA with all supporting technical reports and staff recommendations will be brought forward to Committee in the fall of 2021.
- 1.3 The Region-Wide Growth Analysis Technical Report will be posted on the Envision Durham project webpage at durham.ca/EnvisionDurham for public review and is provided as Attachment #1 to this report. Those wishing to provide any input may

do so by submitting comments electronically to EnvisionDurham@durham.ca or by mail. Any comments on the release of the Region-Wide Growth Analysis Technical Report are requested by August 3, 2021.

2. Background

- 2.1 Envision Durham is currently in Stage 3 (“Direct”). This stage of the project is intended to identify key proposed policy directions for moving forward with the preparation of a new Regional Official Plan.
- 2.2 As a key component of Envision Durham, a Growth Management Study (GMS) is being completed over two phases. To aid in the completion of the GMS, the Region retained the consultant services of Urban Strategies Inc. and Watson & Associates Economists Ltd.
- 2.3 The first phase of the GMS focuses on the completion of a Land Needs Assessment (LNA). The LNA is a detailed review of the Region’s land base to determine how much of the Growth Plan population and employment forecasts for Durham Region can be accommodated within existing urban areas, in the built-up area, and the designated greenfield area. Any growth that cannot be accommodated within existing urban areas would trigger a requirement for additional urban land by means of a Settlement Area Boundary Expansion. Determining the quantum of additional urban area land is a key outcome of the LNA. The second phase of the GMS will focus on determining the most appropriate locations for any required Settlement Area Boundary Expansion(s).
- 2.4 The LNA is a technical exercise which relies on the assessment of past and current trends as well as forward looking projections. The LNA is being presented through four separate but interrelated reports which are being released sequentially and, organized as follows:
 1. The **Region-Wide Growth Analysis** (subject of this report) presents region-wide population and employment forecasts, various trends in demographics, unit mix, housing prices, and built form. This report analyzes Durham’s growth potential and informs key inputs and assumptions for the overall LNA.
 2. The **Housing Intensification Study** (to be released in July) will evaluate the supply and demand for housing within the Built-up Area. This will include a detailed assessment of likely opportunities and supply potential for intensification and associated population and employment accommodation.

A key outcome of this report will be a recommended intensification target for the Region.

3. The **Employment Strategy** (to be released in August) will provide an assessment of trends in employment and will analyze the current state of the region's Employment Areas. Key outcomes included in this report will be recommendations on Employment Area conversion requests, a recommended density target for Employment Areas, and recommendations on the supply of designated Employment Areas to accommodate employment land related jobs to 2051.
4. The **Community Area Urban Land Needs Technical Report** (to be released in August) will evaluate the existing state, current trends, and long-term development potential of Designated Greenfield Areas (i.e. lands within the urban area boundary that are outside of the built-up area). A key outcome of this report will include a recommended a density target for Designated Greenfield Areas and recommendations on urban area land required to accommodate residential units and population related jobs to 2051.

2.5 A **Land Needs Assessment Recommendations Report** will compile the key outcomes, technical analysis and related recommendations in the above reports, which will be presented to Planning and Economic Development Committee in the fall of 2021.

2.6 The reports are being released by topic in order to allow the public the opportunity to review and comment. Staff will report to the Planning and Economic Development Committee with recommendations on the Land Needs Assessment outcomes in the fall of 2021.

3. Previous Reports and Decisions

- 3.1 Several Reports have been prepared related to Envision Durham and Growth Management related topics:
 - On May 2, 2018 Commissioner's Report [#2018-COW-93](#) requested authorization to proceed with the municipal comprehensive review of the Durham Regional Official Plan;
 - Over the course of 2019, six theme-based Discussion Papers were released seeking public input on a range of topics. The Discussion

Papers can be found on the project webpage at durham.ca/EnvisionDurham

- On June 2, 2020 Commissioner's Report [#2020-P-11](#) recommended evaluation criteria and a submission review process for the consideration of Employment Area conversion requests.
- On July 29, 2020 Commissioner's Report [#2020-P-14](#) outlined Amendment #1 to A Place to Grow: Growth Plan for the Greater Golden Horseshoe, including recommended comments to the Province on the updated 2051 growth forecasts for the Region of Durham and the updated Land Needs Assessment Methodology.
- On December 1, 2020 Commissioner's Report [#2020-P-27](#) provided proposed policy directions and boundary delineations for existing and future Major Transit Station Areas.
- On March 2, 2021 Commissioners Report [#2021-P-7](#) provided proposed policy directions related to all key components of Envision Durham, including initial directions for the Urban System and growth related topics. Also included was a Growth Opportunities and Challenges Report prepared by the Region's consultants, which serves as a starting point for the LNA and related technical studies.

4. Region Wide Growth Analysis Technical Report

- 4.1 The Region-Wide Growth Analysis is the first in a series of reports being presented through the Land Needs Assessment process. The purpose of the report is to analyze the region's long-term population, housing, and employment growth forecast within the context of provincial and regional policy, historical trends, and predicted future influences.
- 4.2 This report includes a review of population and employment growth trends, changes in demographics and population age-structure, shifts in housing stock and affordability. Likely drivers and sources of future growth including those specific to Durham Region, as well as the potential near-term impacts of COVID-19 are also discussed.

- 4.3 Key outcomes of the Region-Wide Growth Analysis is an updated growth forecast from 2016 to 2051 in five-year increments, that achieves the overall Growth Plan forecast for Durham Region of 1,300,000 people and 460,000 jobs by 2051. Achieving the Growth Plan forecast will require a significant increase in housing constructing and job growth than currently being achieved in Durham (roughly double). Further details can be found in the report (Attachment #1).

5. Relationship to Strategic Plan

- 5.1 By planning for population and employment growth in a sustainable, progressive, and responsible manner, the Land Needs Assessment and supporting technical reports address the following strategic goals and priorities in the Durham Region Strategic Plan:
- a) Under Goal Area 2, Community Vitality:
 - 2.1 Revitalize existing neighbourhoods and build complete communities that are walkable, well connected, and have a mix of attainable housing;
 - 2.5 Build a healthy, inclusive, age-friendly community where everyone feels a sense of belonging;
 - b) Under Goal Area 3, Economic Prosperity:
 - 3.1 Position Durham Region as the location of choice for business;
 - 3.2 Leverage Durham's prime geography, social infrastructure, and strong partnerships to foster economic growth;
 - 3.4 Capitalize on Durham's strengths in key economic sectors to attract high-quality jobs;
 - c) Under Goal Area 4, Social Investment:
 - 4.1 Revitalize community housing and improve housing choice, affordability and sustainability;

6. Next Steps and Conclusion

- 6.1 The Region-Wide Growth Analysis Technical Report is now available for public review. The report will be posted on the Envision Durham project web page at durham.ca/EnvisionDurham. Interested parties are encouraged to subscribe for further project updates and email notifications through this web page.
- 6.2 The release of this report will also be announced by way of:
- Public service announcements;
 - Social media platforms, including Facebook, Twitter, and LinkedIn; and

- Email notifications and report circulation.

- 6.3 A copy of this report will be forwarded to all Envision Durham Interested Parties, Durham's area municipalities, Indigenous communities, conservation authorities, the Building Industry and Land Development (BILD) – Durham Chapter, and the Ministry of Municipal Affairs and Housing. Circulation will also be provided to agencies and service providers that may have an interest in where and how long term growth in the region is being planned for (school boards, hospitals, utility providers, etc.).
- 6.4 Those wishing to provide input on the report may do so via email to EnvisionDurham@durham.ca or by mail. Any comments on the release of Region-Wide Growth Analysis Technical Report are requested by August 3, 2021.
- 6.5 The next technical report to be released for the Land Needs Assessment will be the Housing Intensification Study Technical Report.

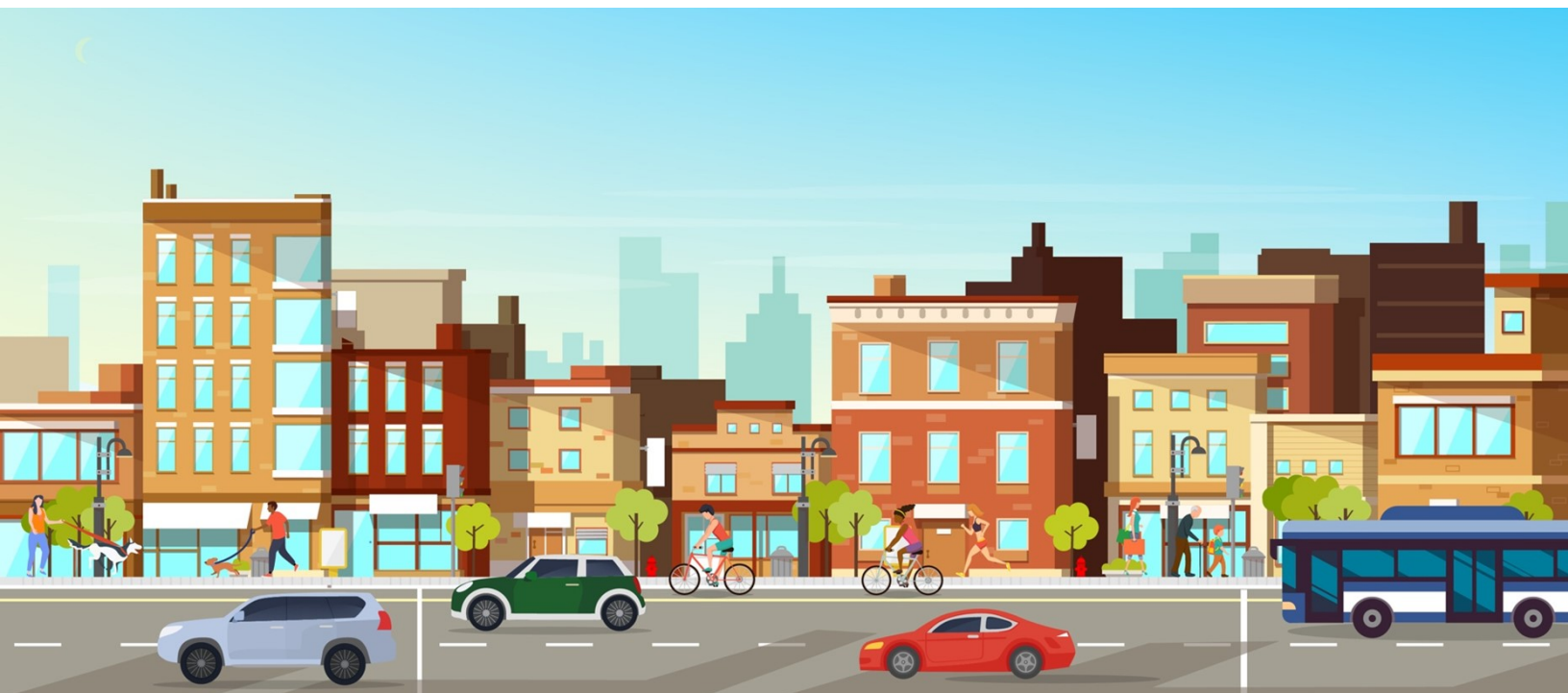
7. Attachments

Attachment #1: Region-Wide Growth Analysis Technical Report

Respectfully submitted,

Original signed by

Brian Bridgeman, MCIP, RPP
Commissioner of Planning and
Economic Development



Region-Wide Growth Analysis Technical Report

Chapter 1 of the Region of Durham Growth
Management Study: Land Needs Analysis

June 2021

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Executive Summary

In 2018, the Region launched *Envision Durham*, the Municipal Comprehensive Review (MCR) of the Regional Official Plan (ROP). The objectives of the MCR are to assess the following:

- How and where the Cities and Towns in Durham Region may grow;
- How to use and protect Durham's land and resources;
- What housing types and job opportunities are needed for residents; and,
- How people and goods will move across Durham Region and beyond.

The Durham Growth Management Study (GMS) is a key component of *Envision Durham*, providing the technical analysis and studies to determine where and how forecast population and employment growth will be accommodated in the region by 2051. Phase 1 of the GMS focuses on preparing a Land Needs Assessment (LNA) which will determine the region's urban area land needs in order to accommodate forecast growth. It builds on the background research and preliminary observations in the *Envision Durham* Discussion Papers, which addressed the following topics: Agriculture and Rural System; Climate Change and Sustainability; Growth Management, including discussion of the Urban System and LNA; Environment and Greenlands System; Transportation System; and Housing Policy Planning. Upon the completion of the LNA, Phase 2 of the GMS will assess the most appropriate locations for any required Settlement Area Boundary Expansion.

The GMS forms a key component of the Region's MCR process under section 26 of the *Planning Act*, and is to be consistent with the Provincial Policy Statement, 2020, and to conform with the A Place to Grow: Growth Plan for the Greater Golden Horseshoe, 2019, as amended (Growth Plan).¹ Building on the provincial policy framework, the GMS includes a comprehensive analysis of long-term population, housing, and employment growth, as well as associated urban land needs. The existing themes and principles of the current ROP contribute to the starting point for undertaking this analysis, recognizing that *Envision Durham* will result in the preparation of a new Regional Official Plan.

Urban Strategies Inc. (USI) and Watson & Associates Economists Ltd. (Watson) were retained by the Region to undertake the Growth Management Study. The outcomes of the analysis undertaken in Phase 1 are documented in a series of four Technical Reports and a summary Land Needs Assessment report.

The purpose of this Region-wide Growth Analysis Technical Report is to analyze the region's long-term population and housing growth potential based on current data, extend the Region's population forecast to 2051 to implement the Growth Plan Schedule 3 forecasts, and inform

¹ A Place to Grow: Growth Plan for the Greater Golden Horseshoe, Office Consolidation 2020, Ontario, hereinafter referred to as the Growth Plan

and provide input into the LNA. This review has been undertaken within the context of macro-economic trends as well as regional economic and demographic trends that are anticipated to influence the amount, type, and ultimately the location of future residential development within Durham Region to the year 2051. This Region-wide Growth Analysis Technical Report also provides a high-level summary of the long-term employment forecast for the region to 2051. Further discussion regarding the region's long-term employment forecast will be provided in the Employment Strategy Technical Report.

Summary of Key Findings

By 2051, Durham Region's total population is forecast by the Province to grow to approximately 1,300,000 persons.² This represents an increase in population of approximately 634,200 between 2016 and 2051, or an annual population growth rate of 1.9% during this time period. Comparatively, the population of the Province as a whole is projected to increase at a rate of 1.1% annually over the 2016 to 2046 time period.³

Population growth will be primarily driven by the region's labour force attraction across a diverse range of growing services-producing and goods-producing sectors, particularly sectors geared toward innovation and technology. Population growth will primarily be attributed to continued immigration and intra-provincial migration from other areas of Ontario, such as other parts of the GTHA. Looking forward, Durham Region's distinction as a complete and competitive community is anticipated to represent a key driver of future economic success and population growth potential. In addition to benefiting from being part of the GTHA economic region, Durham Region also has its own unique advantages such as a competitive housing market, growing local employment opportunities and a relatively young labour force, which will attract newcomers and businesses to the region. At this time, it is not anticipated that the ongoing impacts from COVID-19 will dampen the region's long-term growth prospects.

It is important to recognize that while the region's population is growing, it is also getting older. Between 2016 and 2051, the 75+ age group is forecast to represent the fastest growing population age group. With an aging population, the region will be more reliant on net migration as a source of population growth as opposed to natural increase (i.e., net population growth from births less deaths). With respect to future housing needs, strong population growth in the 75+ age group is anticipated to increase the demand for medium- and high-density forms of housing including seniors' housing and affordable housing options.

Durham Region is also anticipated to accommodate a growing share of young adults and new families seeking attainable home ownership and rental housing opportunities. Population growth associated with young adults is anticipated to be primarily driven by net migration. Housing preferences from this demographic group are anticipated to drive future housing

² In accordance with Schedule 3 of A Place to Grow: Growth Plan for the Greater Golden Horseshoe, Office Consolidation 2020, Ontario.

³ Ontario growth rate based on Ministry of Finance Ontario Population Projection, 2019-2046, Summer 2020

demand across Durham Region in both urban areas which offer higher-order transit access as well as suburban locations which provide options for “move-up” buyers with growing families. With this in mind, housing demand is anticipated to be primarily strong for medium-density development – such as townhouses, back-to-back townhouses and stacked townhouses. Demand is also expected to be strong for and higher density development such as mid and high-rise condos. Demand for single and semi-detached dwellings will also remain, but there will be a continue shift to medium and high density housing forms.

Accommodating forecast total population growth in Durham Region will require approximately 240,900 new households between 2016 and 2051, or nearly 6,900 new households annually.⁴ To adequately accommodate future housing demand across diverse demographic and socio-economic groups, a range of new housing options will be required with respect to built-form, location, and affordability across the region’s Designated Greenfield Area (DGA), strategic growth areas (SGA), and other residential intensification areas within the Built-Up Area (BUA).

Durham Region’s total employment is forecast to grow to approximately 460,000 jobs by 2051. This represents an increase of approximately 236,400 jobs between 2016 and 2051, or an annual employment growth rate of 2.1% during this time period.

This Region-wide Growth Analysis Technical Report forms an important foundational report and informs each of the other technical reports that have been prepared, namely the Housing Intensification Study Technical Report, Community Area Urban Land Needs Technical Report and Employment Strategy Technical Report. In accordance with the comprehensive analysis provided herein, the Growth Plan forecast for Durham Region is recommended as the long-term growth scenario for Durham Region. As such, a higher long-term population and employment forecast for Durham Region is not recommended for the purposes of long-term growth management and urban land needs analysis.

⁴ Household refers to private dwellings occupied by usual residents, which includes permanent and non-permanent residents.

1. Introduction

Durham Region is a rapidly growing region within the larger city-region of the Greater Golden Horseshoe (GGH). Planning to accommodate significant growth in population and jobs is a key factor in enabling complete communities, economic growth and prosperity for the region. The growth forecast for Durham Region anticipates that the pace of growth in both people and jobs over the coming decades will increase significantly. The Growth Plan requires Durham to plan for a 2051 forecast of 1,300,000 people and 460,000 jobs, an increase of 634,200 people and 240,900 jobs from 2016. Planning for growth, in a variety of contexts, will be important to ensure complete, healthy and sustainable development occurs.

Durham Region is the largest municipality in terms of land area within the Greater Toronto and Hamilton Area (GTHA), at roughly 2,500 square kilometres. Across this landscape, Durham hosts a range of communities of varying scales and contexts. Significant protected landscapes within the Greenbelt occupy approximately 80% of Durham Region and the region hosts communities along three different lakeshore waterfronts. This framework of protected natural systems and landscapes sets the context for communities, a robust agricultural sector and recreational networks for the region and beyond.

The five Lake Ontario shoreline municipalities host urban communities which are home to the majority of regional population, jobs, major employment areas, and institutions and will accommodate the vast majority of future growth. In the north, three municipalities consist of smaller settlement areas within a predominantly rural landscape. These rural and urban landscapes allow Durham Region to offer a significant range and diversity of communities; all of which need to be able to grow at a context sensitive scale.

In 2018, the Region launched *Envision Durham*, the Municipal Comprehensive Review (MCR) of the Regional Official Plan (ROP). The objectives of the MCR are to assess the following:

- How and where the cities and towns in Durham Region may grow;
- How to use and protect Durham's land and resources;
- What housing types and job opportunities are needed for residents; and,
- How people and goods will move across Durham Region and beyond.

The Durham Growth Management Study (GMS) is a key component of *Envision Durham*, providing the technical analysis and studies to inform where and how forecast population and employment growth can be accommodated in the region by 2051. Phase 1 of the GMS focuses on preparing a Land Needs Assessment (LNA) which will establish the region's urban area land need in order to accommodate forecast growth. It builds on the background research and preliminary observations in the *Envision Durham* Discussion Papers, which addressed the following topics: Agriculture and Rural System; Climate Change and Sustainability; Growth Management, including discussion of the Urban System and LNA; Environment and

Greenlands System; Transportation System; and Housing Policy Planning. Upon the completion of the LNA, Phase 2 of the GMS will assess the most appropriate locations for any required Settlement Area Boundary Expansion.

This GMS forms a key component of the Region's MCR process under section 26 of the *Planning Act*, and is to be consistent with the Provincial Policy Statement, 2020 (PPS), and conform with A Place to Grow: the Growth Plan for the Greater Golden Horseshoe, 2019, as amended (Growth Plan).⁵ Building on the provincial policy framework, the GMS includes a comprehensive analysis of long-term population, housing, and employment growth, as well as associated urban land needs. The fundamental principles of the current ROP support the foundation for this analysis.

Urban Strategies Inc. (USI) and Watson & Associates Economists Ltd. (Watson) were retained by the Region to undertake the growth-related components of the MCR. The outcomes of Phase 1 will be documented in a series of Technical and Background Reports. The Region-wide Growth Analysis Technical Report summarizes macro-economic trends that influence growth and provides recommendations on the region-wide levels and rate of growth over the next 30 years, to 2051.

1.1. Technical Report Purpose and Context

The outcome of the first background analysis phase of the GMS was the *Durham Growth Management Study: Growth Opportunities and Challenges Report*⁶ which sets the context for the assumptions, analysis and recommendations or responses in the subsequent growth analysis and Technical Reports.

The *Growth Opportunities and Challenges Report* provided an overview of the opportunities and anticipated challenges to achieving forecast growth over the next three decades in Durham Region. It established the foundation for undertaking the LNA by providing essential context, discussing impacts from broader demographic and economic trends, local growth and development trends, and other factors that are anticipated to affect growth. By assessing these topics and themes, observations and recommendations were provided to help guide and direct how Durham's long-term forecast population and employment growth can be accommodated. Relevant recommendations from the *Growth Opportunities and Challenges Report* are included in Chapter 7.

The LNA is detailed in four Technical Reports that act as chapters in one cohesive Report. The findings of the four Technical Reports are summarized in the **LNA Recommendations**

⁵ Hereafter referred to as Growth Plan. A Place to Grow: Growth Plan for the Greater Golden Horseshoe, Office Consolidation 2020, Ontario.

⁶ See Report 2021-P-7: Envision Durham – Proposed Policy Directions, File D12-01

Report. The organization of Technical Reports reflects the revised LNA methodology as issued by the Ministry of Municipal Affairs in August 2020.

The Technical Reports are sequential and are designed to be read in the following order.

1) Region-Wide Growth Analysis

The purpose of the Region-wide Growth Analysis Technical Report is to analyze the region's long-term population, housing and total employment growth potential based on current data, to extend the region's population forecast to 2051 to implement the Growth Plan Schedule 3 forecasts, as an input into the Land Needs Assessment (LNA).

2) Housing Intensification Strategy

The purpose of the Housing Intensification Strategy Technical Report is to evaluate growth and intensification capacity within Durham's delineated Built-Up Area (BUA).⁷ This Technical Report provides dwelling unit supply by housing type for each Strategic Growth Area (SGA) as defined by the Growth Plan, aligned with the forecast-based demand for housing type and policy recommendations to determine forecasted levels of intensification across Durham Region.

3) Employment Strategy

The purpose of the Employment Strategy Technical Report is to assess the region's capacity to accommodate forecast employment growth to the year 2051. This is informed by an employment land policy review, assessment of employment trends, employment land supply analysis, employment forecast to 2051, and a land needs analysis to determine the regional Employment Area land requirement to 2051. This Technical Report will identify strategic policy recommendations for the region's Employment Areas, provide recommendations on Employment Area conversion requests, provide the necessary background for the future delineation of Employment Areas, and establish employment density targets.

4) Community Area Land Needs Analysis

The purpose of the Community Area Land Needs Analysis Technical Report is to analyze the region's existing Designated Greenfield Area (DGA) land densities as well as assess the region-wide DGA Community Area land needs to the year 2051. This land needs analysis is informed by forecast population and employment growth as well as density trends associated with greenfield lands.

⁷ The delineated Built-Up Area was defined in the Growth Plan as the extent of development on June 16, 2006.

1.2. Technical Report Organization

This Technical Report is organized as follows.

- The Executive Summary provides highlights of the of the Region Wide Growth Analysis including a summary of key findings.
- The Introduction provides an overview of the LNA, Technical Reports, and how the Region-wide Growth Analysis Technical Report fits within the larger project.
- Chapter 2 provides an overview of the planning context, reviewing relevant Provincial and Regional policies.
- Chapter 3: Durham Region Historical Population and Housing Trends follows, providing an assessment of the historical population and housing growth trends for Durham Region over the past several decades.
- This is followed by Chapter 4: Durham Region Population, Housing and Employment Growth Outlook to 2051.
- Chapter 5: Durham Region Population and Housing Growth Forecast 2016 to 2051 provides an assessment of the long-term population and housing growth potential for Durham Region to the year 2051 in five-year increments, building on the analysis summarized in Chapters 3 and 4.
- Chapter 6 is the Durham Region Employment Forecast, 2016 to 2051, which provides a brief assessment of the long-term employment growth in five-year increments.
- Chapter 7: Strategic Policy Recommendations provides an overview of growth related directions for the Region.
- Chapter 8 concludes with Next Steps. An Appendix follows with additional data and diagrams used in the formation of the Technical Report.

2. Planning Context

This section provides an overview of the provincial and regional policy context related to growth management in Durham Region.

2.1. Provincial Planning Context

The two key provincial policy documents that apply to long-term growth management in Ontario and the GGH are the PPS and the Growth Plan. The policies set out in these documents outline provincial land-use planning interests and provide high-level policy direction for municipalities.

2.1.1. Provincial Policy Statement

The current PPS came into effect on May 1, 2020.⁸ Its purpose was to update the PPS, 2014 so that it aligned with changes to the provincial land-use planning system that occurred around the same time. This included changes to the *Planning Act* through Bill 108, the *More Homes, More Choice Act* (2019) and the on-going updates to the Growth Plan. A major change included extending the time horizon for urban land supply from 20 to 25 years.

Another significant change to the PPS in 2020 with regard to housing policy is the provision of a housing options approach that addresses an appropriate range and mix of housing, and to specifically meet market-based needs of current and future residents (policy 1.4.3). This approach allows for broader planning considerations for housing options including ownership structures, housing program planning and built-form. More specifically, housing options are defined as:

A range of housing types such as, but not limited to single detached, semi-detached, rowhouses, townhouses, stacked townhouses, multiplexes, additional residential units, tiny homes, multi-residential buildings and uses such as, but not limited to life lease housing, co-ownership housing, co-operative housing, community land trusts, affordable housing, housing for people with special needs, and housing related to employment, institutional or educational uses.

In response to the PPS, through the Envision Durham process, the Region has proposed a new ROP definition for housing options that is similar to this PPS definition.

Further, the PPS policies require the consideration of the housing market when addressing planning matters such as managing growth overall, identifying market-ready sites to improve economic development and competitiveness, and providing for a range and mix of housing

⁸ Provincial Policy Statement, 2020. Under the *Planning Act*. Ontario.

options. Although this may assist with managing growth and development in a way that may more accurately reflect market realities, it could make it more challenging for municipalities to transition to forms of housing that have not been historically developed. As such, while housing market demand is important when considering long-range land-use planning and housing objectives, this demand must be broadly considered within the context of broad provincial interests, namely: ensuring the efficient use of land, resources, and infrastructure; providing a clean and healthy environment for current and future generations; providing for affordable housing; diversifying the economic base; and supporting job creation.

2.1.2. Provincial Growth Plan for the Greater Golden Horseshoe

The Growth Plan sets out where and how growth will occur across the GGH and all planning decisions are required to conform to it. The Growth Plan provides growth forecasts for single- and upper-tier municipalities and provides policy direction on a range of matters including land use, infrastructure, and transportation. Relevant policies of the Growth Plan for this study include the following:

- Growth will be directed to settlement areas, and within settlement areas it will be focused to strategic growth areas (SGAs), locations where higher-order transit exists or is planned, and areas with existing or planned public services facilities (2.2.1.2);
- Municipalities should develop as complete communities with a diverse mix of land uses including employment and residential, and convenient access to local stores, services, and public service facilities (2.2.1.4.a);
- Population and employment growth are to be accommodated by reducing dependence on the automobile through the development of mixed-use, transit-supportive, pedestrian-friendly urban environments (4.2.10, 6.3.2.d); and
- New revised minimum density targets for upper-tier and single-tier municipalities have been created for the horizon of the Growth Plan. The DGA minimum density target for Durham Region is not less than 50 residents and jobs combined per hectare (2.2.7.2.a). The greenfield density targets established in the Growth Plan no longer include employment lands. According to the Growth Plan, upper- and single-tier municipalities, in consultation with lower-tier municipalities, the Province and other appropriate stakeholders, will each develop an employment strategy that includes establishing a minimum density target in Employment Areas.⁹

On August 28, 2020, the Province released Amendment 1 to the Growth Plan. The Growth Plan has been updated in conjunction with a revised outcome-based LNA methodology for the

⁹ As per the Growth Plan for the Greater Golden Horseshoe, Office Consolidation, 2020, section 2.2.7 pp. 23 and 24.

GGH. These documents are in effect as of August 28, 2020 and provide the basis for the LNA conducted for the Region of Durham.

The population and employment growth forecasts are set out in Schedule 3 of the Growth Plan and includes a time horizon for land-use planning to 2051. The Growth Plan's forecasts are to be treated as minimums, with higher growth forecast alternatives permitted by upper- and single-tier municipalities if determined appropriate through their respective MCR processes.¹⁰ If an alternative growth forecast that exceeds Schedule 3 of the Growth Plan is utilized, the MCR must demonstrate that the alternate growth scenario meets the Growth Plan policy objectives of accommodating a range of housing choices to meet market demand and the needs of current and future residents, as well as providing additional labour opportunities for the GGH labour market.¹¹ It should be noted that higher forecasts established by upper- and single-tier municipalities through their MCRs will not apply to provincial ministries and agencies.¹²

In 2016, Durham Region had approximately 666,000 people and 230,000 jobs.¹³ The Region is forecast to reach a population of approximately 1,300,000 by 2051, adding approximately 634,000 people between 2016 to 2051. With respect to employment, by 2051 the Region is forecast to reach 460,000 jobs, adding approximately 230,300 jobs between 2016 to 2051.

¹⁰ Growth Plan, Office Consolidation 2020, Policy 5.2.4, p. 56.

¹¹ A Place to Grow: Growth Plan for the Greater Golden Horseshoe, Land Needs Assessment Methodology for the Greater Golden Horseshoe, p. 5.

¹² Growth Plan, Office Consolidation 2020, Policy 5.2.4.8, p. 57.

¹³ 2016 population and employment figures are based on the latest Census data available and represent the base for this analysis. Figures are rounded. For Durham Region, the 2016 Census undercount was estimated by Statistics Canada at approximately 3.1%. It is noted that Durham Region uses an undercount of 4.0% for planning purposes. A 4.0% population undercount has been assumed for Durham Region throughout the forecast period to 2051.¹³

Minimum density targets are also set out in the Growth Plan for Protected Major Transit Station Areas on Priority Transit Corridors and Urban Growth Centres.¹⁴ In the Durham Region context this means the Protected Major Transit Station Areas are required to plan for and achieve a density of 150 people and jobs per hectare (PJH), and the Urban Growth Centres located in Pickering and Oshawa are required to achieve a minimum density of 200 PJH by 2031.

2.1.3. Provincial Land Needs Assessment Methodology

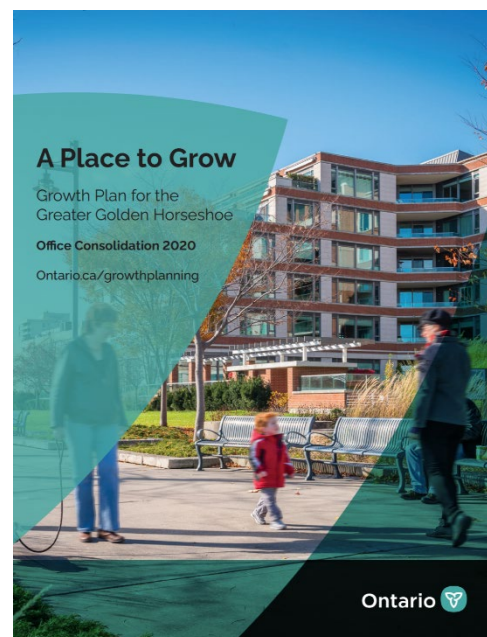
On June 16, 2020, the Minister released the proposed LNA methodology for consultation. The Minister formally issued the final methodology on August 28, 2020 in accordance with policy 5.2.2.1 c) of the Growth Plan, 2019.¹⁵ This methodology replaces the previous LNA methodology that was issued on May 4, 2018. The revised LNA methodology focuses on a more simplified and outcome-based approach in comparison to the 2018 LNA methodology. Upper- and single-tier municipalities in the GGH are required to use the methodology in combination with the policies of the Growth Plan to assess the quantity of land required to accommodate forecast growth.

The methodology identifies that the results of an LNA can only be implemented through an MCR. As previously identified, an MCR is a new Official Plan, or an Official Plan Amendment (OPA) initiated by an upper- or single-tier municipality under section 26 of the *Planning Act* that comprehensively applies the policies and schedules in the Growth Plan.

In accordance with the LNA methodology, land needs are to be assessed across two different areas including Community Areas and Employment Areas, as defined below:

Community Areas: Areas where most of the housing required to accommodate the forecast population will be located, as well as most population-related jobs, most office jobs and some employment land employment jobs. Community Areas include BUAs and DGAs.

Employment Areas: Areas where most of the employment land employment jobs are (i.e., employment in industrial-type buildings), as well as some office jobs and some



¹⁴ Growth Plan for the Greater Golden Horseshoe, Office Consolidation, 2020, section 2.2.4.

¹⁵ A Place to Grow. Growth Plan for the Greater Golden Horseshoe. Land Needs Assessment Methodology for the Greater Golden Horseshoe (2020). Ontario. August 28, 2020.

population-related jobs, particularly those providing services to the employment area. Employment Areas may be located in both delineated BUAs and DGAs.¹⁶

The LNA methodology prescribes the key steps to establishing Community Area and Employment Area land needs. The key steps for Community Area land needs are found in section 2 of the LNA, and in section 3 for Employment Area land needs.^{17, 18}

2.2. Regional Official Plan Context

The following provides a summary of the policies relevant to growth management within the current ROP. Recognizing that the Envision Durham process will result in a new Regional Official Plan that achieves conformity to the Growth Plan, this summary provides context including the themes and principles in the current ROP that act as a starting point for for the LNA and supporting Technical Reports. Existing policies of particular relevance are found in the Basis, Goals and Directions, Economic Development, Regional Structure, Urban Systems and Implementation.

Section 1 – Basis, Goals and Directions

The ROP currently includes a forecast of 960,000 people and 350,000 jobs by the year 2031, consistent with the previous forecast contained in Growth Plan for the Greater Golden Horseshoe, 2006.

It is a goal of the ROP to manage growth so that it occurs in an orderly fashion. Other goals include developing the region to its economic potential and increasing job opportunities for its residents, to establish a range of housing opportunities in Urban Areas commensurate with the social and economic needs of present and future residents, and to create healthy and complete, sustainable communities within livable urban environments for the enjoyment of present and future residents.

The ROP directs the goals to be achieved through encouraging developments that utilize land efficiently, encouraging the production of an increased mixture of housing by type, size and tenure in Urban Areas, by protecting agricultural lands, by coordinating and managing the development of the region in a manner that is consistent with provincial planning policies; and by limiting rural population growth.

¹⁶ Land Needs Assessment Methodology for the Greater Golden Horseshoe (2020), pp. 6 and 7.

¹⁷ Land Needs Assessment Methodology for the Greater Golden Horseshoe (2020), pp. 8 to 14.

¹⁸ Land Needs Assessment Methodology for the Greater Golden Horseshoe. Ontario. May 4, 2019, pp. 15 to 18.

Section 3 – Economic Development

The ROP establishes an aspirational target ratio of jobs to population of 50% (1 job for every 2 persons) for the region as a means to support development of healthy and complete communities that provide a close live-work relationship for residents of the region.

ROP policies direct that Regional Council shall:

- facilitate the expansion and diversification of the economic base of the region to create a balance between the various employment opportunities generated from Employment Areas, major office development and other sources of employment serving the needs of the region's residents;
- ensure that at least a 5-year supply of serviced lands in Regional and Local Centres and Employment Areas be maintained at all times to meet market needs, taking into account anticipated demand, the need to balance population growth with employment opportunities, the ease of servicing and the financial resources of the Region; and
- monitor progress in achieving the employment forecasts included in Policy 7.3.3 and the target ratio of jobs to population of 50% (1 job for every 2 persons).

Section 7 – Regional Structure

Section 7 of the ROP describes the Regional Structure, including the Urban Areas. The components of the Regional Structure are designed to accommodate the population, household and employment forecasts contained in section 7.3.3.

In accordance with the 2006 Growth Plan which was in effect at the time of the previous MCR, the ROP currently states that Urban Areas shall be planned to achieve the following growth management objectives on a Region-wide basis:

- a) by 2015, and each year thereafter, accommodate a minimum 40% of all residential development occurring annually through intensification within built-up areas in accordance with Schedule 'E' – Table 'E9';
- b) develop greenfield areas with an overall gross density of 50 residents and jobs combined per hectare. The Region will work with its area municipalities through their area municipal official plan conformity exercises to develop area specific targets for Living Areas and Employment Areas that together and Region-wide achieve the minimum overall gross density of 50 residents and jobs combined per hectare. The Region may include these area specific targets through a future amendment(s) to this Plan; and
- c) accommodate a minimum 50% of all forecast employment in designated Employment Areas.

Section 8 – Urban System

Section 8 describes the distinct Urban Areas that are intended to evolve into healthy and complete, sustainable and adaptable communities and that balance growth between population and employment. The defined Urban System components include: a hierarchy of Centres, Corridors, Waterfront Places, Living Areas, and Employment Areas. These areas are identified as growth areas and assigned density targets based on their planned function, geographic locations and forecast growth. These current targets were considered during the analysis contained in Housing Intensification Technical Report.

Section 14 - Implementation

To implement the ROP, the Region, in consultation with the area municipalities, will monitor the key growth management objectives and related growth forecasts, intensification and density targets on a regular basis. The data from this monitoring effort has been a key input into the LNA analysis.

3. Durham Region Historical Population and Housing Trends

3.1. Introduction

This chapter provides an assessment of historical population and housing growth trends in Durham Region over the past several decades. A broad range of considerations related to demographics, economics, socio-economics and infrastructure are anticipated to drive future growth throughout the region over the long-term planning horizon. As further discussed in Chapters 4 and 5, these factors will not only impact the rate and magnitude of growth but will also influence the form, density, and location of residential development throughout the region.

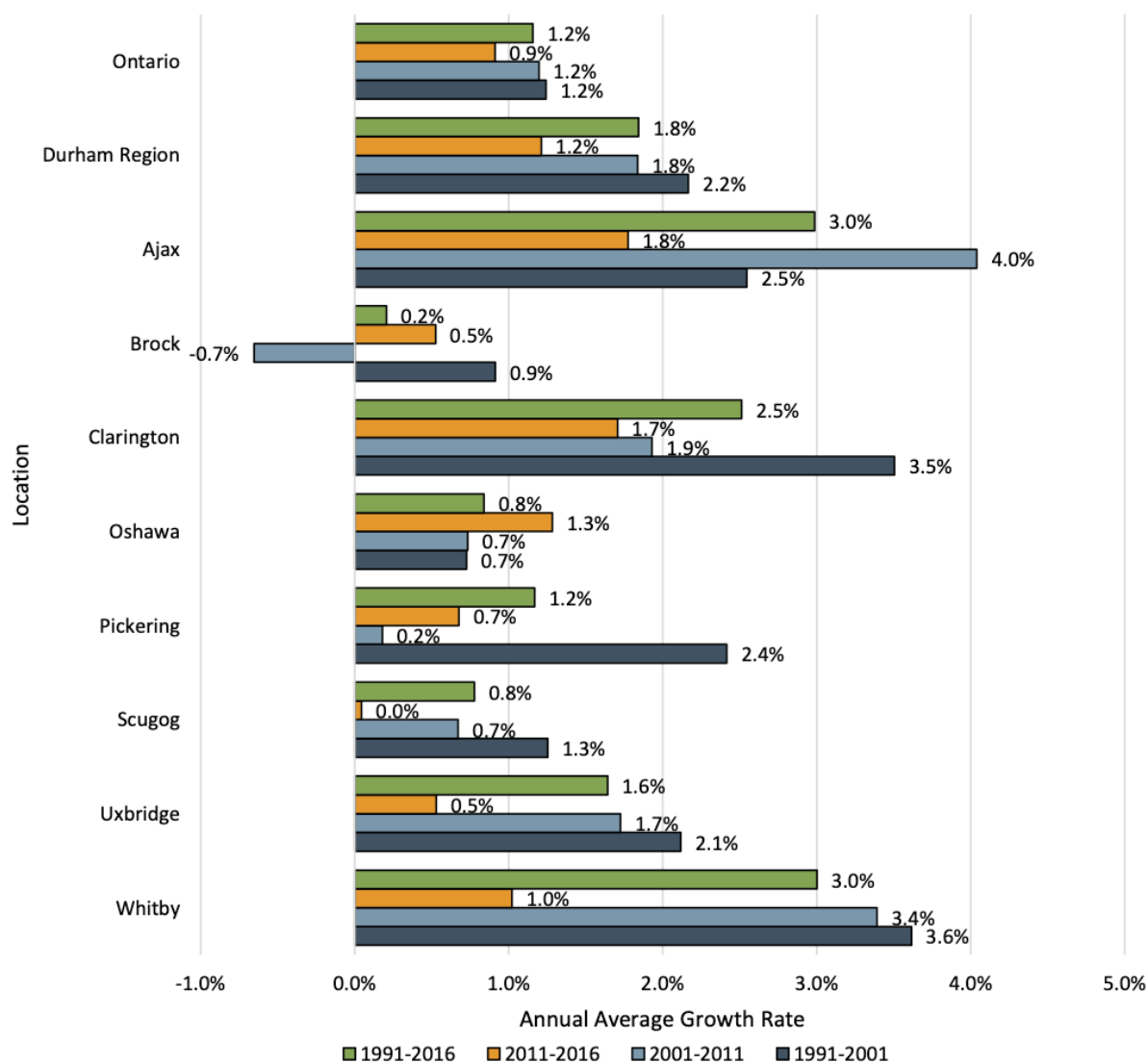
3.2. Review of Historical Census Population and Housing Growth Trends

3.2.1. Durham Region Historical Population Trends by Area Municipality, 1991 to 2016

Figure 3-1 summarizes historical population growth rates for Durham Region and its Area Municipalities during the 1991 to 2016 period in accordance with Statistics Canada Census data. Key observations include the following:

- Durham Region experienced strong population growth during this 25 year period averaging 1.8% annual growth which was comparatively higher than the provincial average (1.2%);
- The annual rate of population growth across the region's area municipalities averaged between 0.2% and 3.0% during the 1991 to 2016 period, with the Town of Whitby, the Town of Ajax, and the Municipality of Clarington leading in this area; and
- For several of the area municipalities, the 2011 to 2016 period represented a relatively slower period of population growth which can be largely attributed to the impacts of the 2008/2009 global economic downturn.

Figure 3-1: Durham Region by Area Municipality, Historical Population Growth Rates, 1991 to 2016



Source: Derived from Statistics Canada Census data by Watson & Associates Economists Ltd.

3.2.2. Durham Region Trends in Total Population Age Structure

Figure 3-2 summarizes historical trends in population structure by age cohort over the 2001 through 2016 period by major age groups. Figure 3-3 summarizes the 2016 population age structure in Durham Region compared to the GGH and Province of Ontario as a whole. Key observations regarding Durham Region's historical population by age include the following:

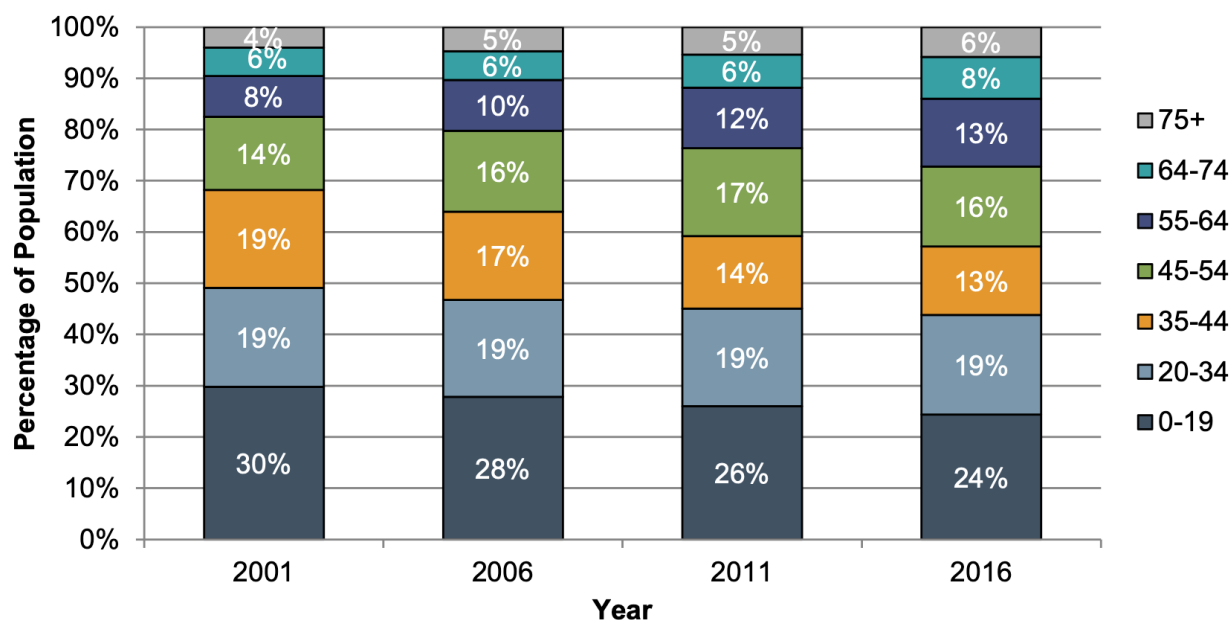
- In 2016, the 0 to 19 age cohort (youth population) in Durham Region accounted for 24% of the total population. Proportionately, the population share of this age cohort has decreased from 30% in 2001;
- The share of adults 20 to 54 years of age has declined moderately over the same time period, comprising approximately 48% of the population in 2016:
 - The 20 to 34 age cohort (young adults) has remained stable from 2001 to 2016 at an estimated 19% of the population;
 - The percentage of the 35 to 44 age group decreased from 19% in 2001 to 13% in 2016; and
- The percentage of adults 45 to 54 years old accounted for 16% of the 2016 population, up from 14% in 2001.
- The region's 55 to 64 age group (i.e. empty-nesters) as well as seniors' population share as a whole has increased over the same time period, specifically:
 - The 55 to 74 age group (empty-nesters/younger seniors) increased by 7 percentage points between 2001 and 2016, from 14% to 21%; and
 - The 75+ age group (older seniors) has increased from 4% in 2001 to 6% in 2016. Looking forward, the share of the regions' population in the 75+ age group is anticipated to increase significantly, driven by the aging of the Baby Boom population.¹⁹ This is anticipated to increase the demand for seniors' housing, affordable housing, as well as social services to support the region's growing population base of seniors.
 - Over the forecast period, older residents within Durham Region largely associated with the Baby Boomer population are anticipated to result in a turnover of a portion of the Region's grade-related housing stock. This trend is anticipated to contribute to the supply of grade-related housing opportunities over the long-term planning horizon.²⁰
- Generally, Durham Region's 2016 age structure is younger than that of the GGH and provincial average;

¹⁹ Baby Boomers refer to those born between 1946 and 1964.

²⁰ York Region Foundational Housing Analysis, Final Report, March 2021, Watson & Associates Economists Ltd.

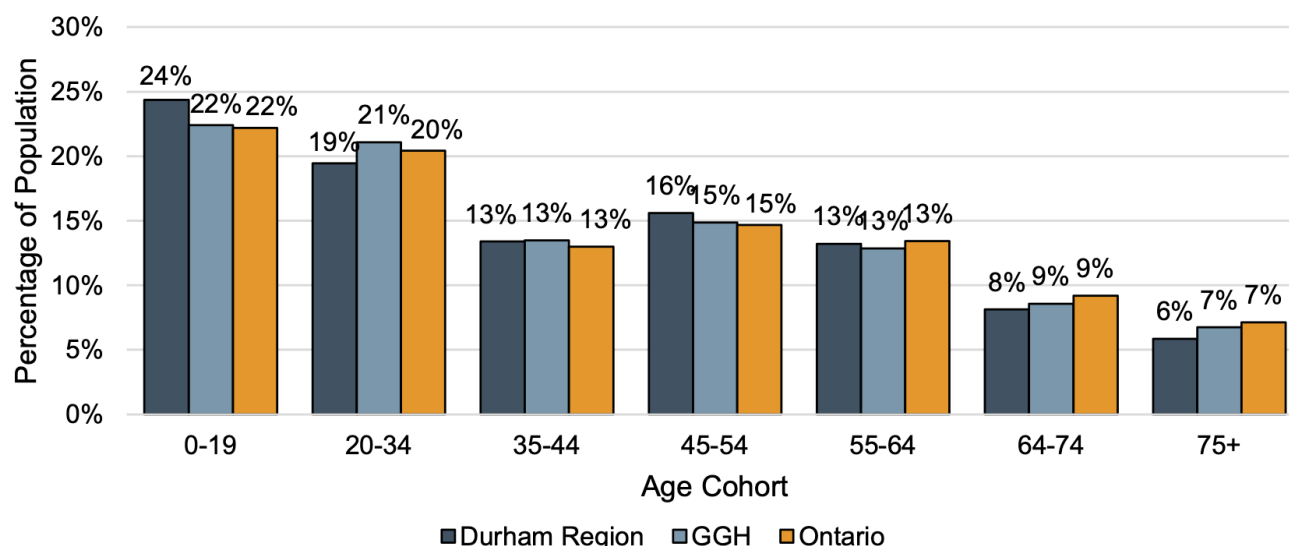
- A slightly lower proportion of the population in Durham Region is concentrated in the 20 to 34 age group and 65+ age group in comparison to the GGH and Province of Ontario as a whole; and
- Durham Region has a higher proportion of youth between the ages of 0 to 19 and a similar distribution of adults between the ages of 35 and 44, respectively, when compared to the GGH and Province of Ontario.

Figure 3-2: Durham Region, Population by Age Cohort, 2001 to 2016



Source: Population forecast by age derived from 2001 to 2016 Statistics Canada Census by Watson & Associates Economists Ltd.
 Note: Population includes net Census undercount.

Figure 3-3: Durham Region, GGH, and Ontario Population by Age Cohort, 2016



Note: Population includes net Census undercount.

Source: Derived from Statistics Canada Census and Annual Demographics Estimates data by Watson & Associates Economists Ltd.

3.2.3. Historical Housing Trends, 1991 to 2016

Similar to population growth trends, Durham Region has experienced a steady rate of housing growth over the past 25 years. During this historical period, the region's housing base has increased by approximately 91,400 households from 136,100 to 227,500, which represents an increase of approximately 3,700 housing units per year.²¹ Figure 3-4a, Figure 3-4b and Figure 3-5 summarize housing growth by density type between 1991 and 2016. Low density households largely include single and semi-detached units, medium density households include townhouses and apartments in duplexes, while mid- and high-rise apartments are included in the high-density category.

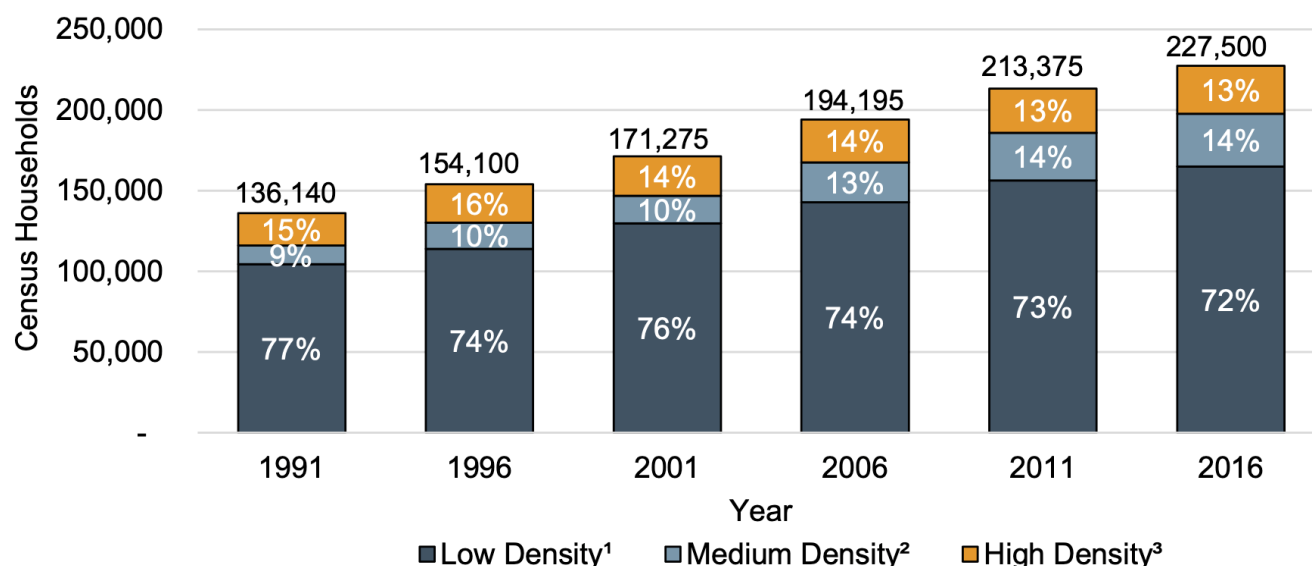
Historically, low-density housing has comprised the majority of new housing development over the past 25 years (at 66% of housing growth). Housing growth over the five year period from 2011 to 2016 still includes low-density oriented built form, however, it is becoming more balanced by medium and high-density housing forms (40% of total housing growth).²² Over the next 25 years, it is anticipated that housing development within the region will be increasingly concentrated in medium- and high-density forms, largely driven by housing affordability and

²¹ Excludes off-campus student households occupied by students, which are not categorized as private dwellings occupied by usual residents in Durham Region in the Statistics Canada Census.

²² Statistics Canada defines high-density as apartments greater than or less than 5 storeys. The share of housing units in high density housing forms greater than 5 storeys has increased from 50% in 2006 to 52% in 2016, accounting for 70% of high-density unit growth over the 10-year period.

the aging of the region's population base. Notwithstanding this trend, it will be important to provide a broad range of housing across all market segments by age and income.

Figure 3-4a: Durham Region, Historical Number of Households, 1991 to 2016



¹ Low density is comprised of singles and semi-detached.

² Medium density is comprised of townhouses.

³ High density is comprised of apartments.

Note: Secondary Units are embedded within the categories above. Figures may not equal totals due to rounding.

Source: Statistics Canada Census, 1991 to 2016, by Watson & Associates Economists Ltd.

Figure 3-4b: Durham Region, Historical Number of Households by Housing Type, 1991 to 2016

Housing Type	1991	1996	2001	2006	2011	2016
Low Density ¹	104,490	114,050	129,745	142,945	156,405	164,910
Medium Density ²	11,645	16,140	17,220	24,660	29,485	32,735
High Density ³	20,005	23,910	24,310	26,590	27,485	29,855
Total	136,140	154,100	171,275	194,195	213,375	227,500

¹ Low density is comprised of singles and semi-detached.

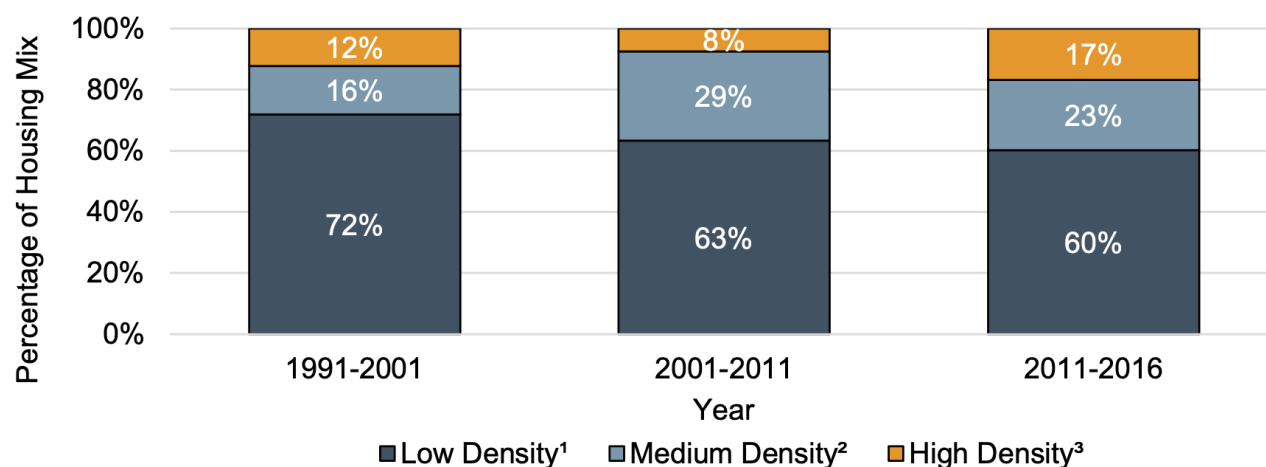
² Medium density is comprised of townhouses.

³ High density is comprised of apartments.

Note: Secondary units are embedded within the categories above.

Source: Statistics Canada Census, 1991 to 2016, by Watson & Associates Economists Ltd.

Figure 3-5: Durham Region, Historical Share of Housing Growth by Type, 1991 to 2016



¹ Low density is comprised of singles and semi-detached.

² Medium density is comprised of townhouses.

³ High density is comprised of apartments.

Note: Secondary units are embedded within the categories above.

Source: Statistics Canada Census, 1991 to 2016, by Watson & Associates Economists Ltd.

3.2.4. Housing Occupancy Trends within Durham Region

Household Headship Rates

A household headship rate is defined as the ratio of primary household maintainers, or heads of households, by major population age group (i.e., cohort). It is noted that each household is represented by one primary household maintainer who is typically responsible for filling out the Census form. Between 2006 and 2016, Durham Region's total headship rate increased modestly from 33% to 34% (refer to Appendix A for additional details). An understanding of historical headship rate trends is important because this information provides insights into household formation trends associated with population growth by age, family type and family structure. While major fluctuations in headship rates are not common over time, the ratio of household maintainers per capita varies by population age group. For example, a municipality with a higher percentage of seniors will typically have a higher household maintainer ratio per capita (i.e., headship rate) compared to a municipality with a younger population. This is because households occupied by seniors typically have fewer children than households occupied by adults under 65 years of age. Accordingly, forecast trends in population age structure provide important insights into future headship rates and average persons per unit (PPU) trends for Durham Region. As further discussed in Chapter 5, due to the aging of the Region's population, average Persons Per Unit are anticipated to decline over the long-term. Inversely, the Region's average headship rate is projected to increase between 2016 to 2051.

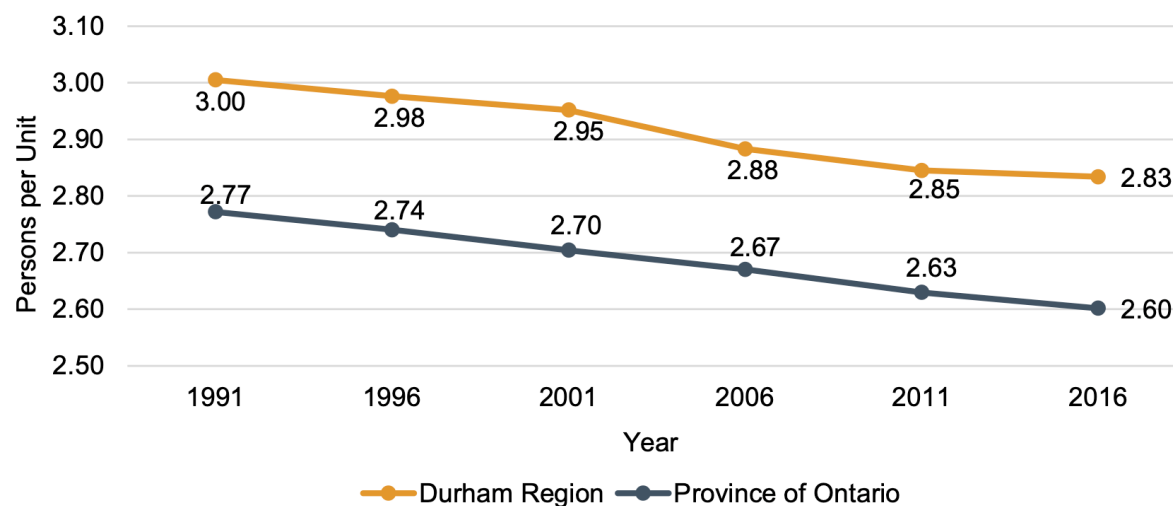
Persons Per Housing Unit

Figure 3-6 illustrates the trend of declining Persons Per Unit in Durham Region and the Province of Ontario over the 1991 to 2016 period.²⁴ Trends in household occupancy and age structure are a particularly important statistic for planners, as these trends have broad implications for the amount and type of future housing needs associated with population growth as well as demands for public infrastructure, municipal services and schools. Key observations include the following:

- The average PPU for Durham Region has steadily declined over the 1991 to 2016 period; however, since 2006 the region's average PPU decline rate has moderated slightly;
- Average housing occupancy levels for the province as a whole are slightly lower relative to Durham Region; however, the rate of PPU decline between 1991 and 2016 was relatively comparable;
- The recent trend toward greater stabilization in average household occupancy within Durham Region is largely believed to be a result of delays in adult children leaving home largely due to rising housing prices and housing rental costs. An increase in multi-family (i.e., multi-generational) dwellings is also believed to be driving this trend. These trends have also been observed across many other GGH municipalities, most notably the more populated, urbanized municipalities within the GTHA; and
- The average PPU for Durham Region is forecast to continue to decline over the longer term. This decline, however, is anticipated to occur at a slower rate relative to historical trends primarily as a result of strong net migration associated with young adults anticipated over the forecast period.

²⁴ Average number of persons per unit (PPU) defined as the total population divided by the number of occupied dwelling units.

Figure 3-6: Durham Region, Historical Persons Per Unit (PPU) Trends, 1991 to 2016



Note: Population used to calculate persons per unit does not include the net Census undercount.

Source: Derived from Statistics Canada data, 1991 to 2016, by Watson & Associates Economists Ltd.

Figure 3-7 summarizes the average PPU for new households occupied in 2016 for Durham municipalities by planning policy area. The average PPU within the DGA was well above average municipal-wide housing occupancy levels within each respective area municipality in all cases with the exception of the Township of Uxbridge and City of Pickering. In contrast, average PPU levels within the BUA were lower relative to average municipal-wide housing occupancy levels except for the City of Pickering. This observation suggests that average household sizes on DGA lands are likely to remain higher relative to households within the BUA. In the rural area, the average PPU was generally higher than municipal-wide occupancy levels.

Figure 3-7: Durham Region by Area Municipality, Persons Per Unit (PPU) by Built-Up Area (BUA), Designated Greenfield Area (DGA) and Rural Area, 2016

Area Municipality	Planning Policy Area			
	BUA	DGA	Rural	Total
Ajax	3.11	3.66	3.24	3.19
Brock	2.43	2.77	2.70	2.56
Clarington	2.76	3.04	2.78	2.80
Oshawa	2.48	3.29	2.74	2.55
Pickering	2.97	2.73	2.84	2.97
Scugog	2.53	3.11	2.67	2.62
Uxbridge	2.69	2.74	2.86	2.77
Whitby	2.92	3.39	2.97	2.95
Durham Region	2.79	3.34	2.87	2.83

Source: Derived from custom ordered 2016 Statistics Canada Census data, by Watson & Associates Economists Ltd.

Generally, it is observed that for newly developed units, average person per unit levels tend to increase in the shorter term (1 to 5 years) as new home buyers form families, followed by a decline over the medium term (15 to 30 years) as children age and eventually leave home. This trend is then followed by a period of stabilization over the long term (30+) as older units are reoccupied by new families. The result of this pattern is that more recently constructed housing units typically yield a higher PPU on average in comparison to older units.

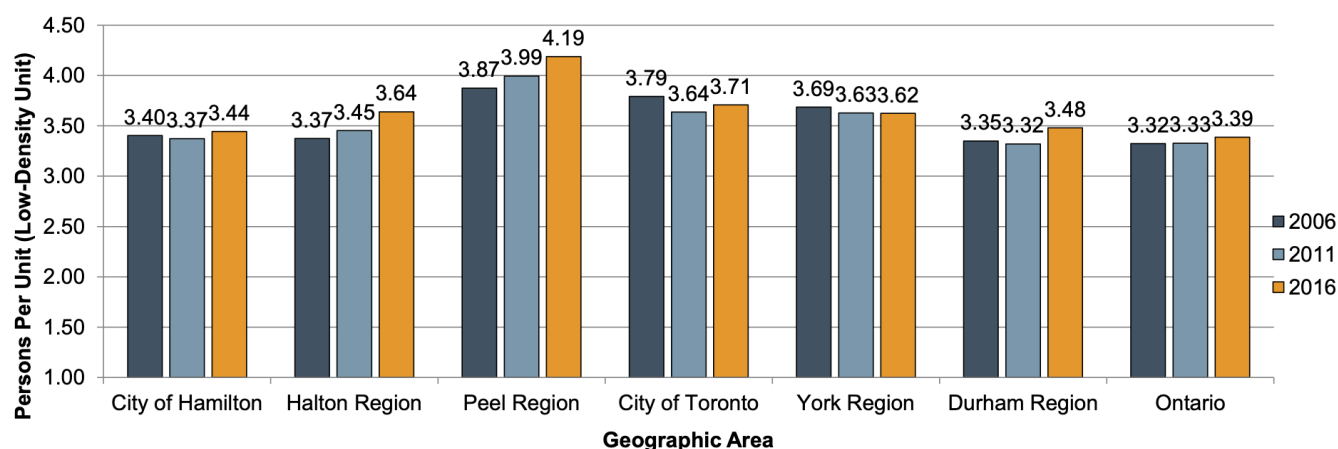
Figure 3-8 through Figure 3-10 summarize average PPU levels for newer housing units (i.e., units which are 15 years or newer in accordance with Census data) by structure type (i.e. low, medium and high density) between 2006 and 2016 for Durham Region, as well as the remaining GTHA single/upper-tier municipalities. This analysis provides insights associated with future household formation trends within Durham Region relative to broader provincial trends. Key observations include:

- As of 2016, the average PPU for new low-density dwellings in Durham Region was 3.48, up from an average of 3.35 in 2006²⁵;
- Average new unit PPU levels in Durham Region are below the average housing occupancy levels of the more populated, urbanized municipalities surveyed within the GTHA, with the exception of City of Hamilton, but are higher than the provincial average. It is also important to note that low-density PPUs have increased in every single/upper-tier municipality in the GTHA from 2006 to 2016 except in the City of Toronto and York Region;
- In contrast to low-density households, average PPU levels have not risen by notable amounts over the past decade for medium-density dwellings in Durham Region, experiencing only a slight increase from 2.69 to 2.71. Halton Region was the only GTHA municipality surveyed that showed a steady and notable PPU increase between 2006 and 2016;
- Average PPU levels for new high-density dwellings declined between 2006 and 2016 for Durham Region from 1.61 to 1.57. This trend is consistent with the GTHA municipalities surveyed, as well as the province as a whole, which experienced a PPU decline between 2006 and 2016 in high-density units; and
- Average PPU levels are not expected to increase on average for older dwellings (i.e. 30 years +). As such, total PPU levels are anticipated to gradually decline across Durham Region over the long-term planning horizon.

Details regarding the PPU assumptions used for the purposes of the LNA are provided in Section 5.3 and Appendix B.

²⁵ The average PPU for single-detached dwellings in Durham Region increased from 3.34 in 2011 to 3.49 in 2016.

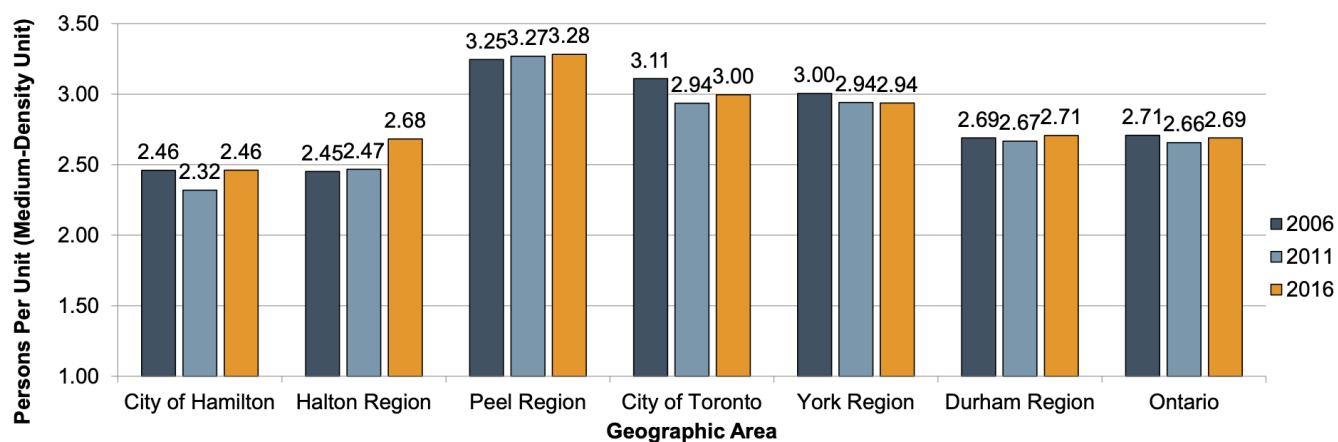
Figure 3-8: Durham Region and GTHA Municipalities, Comparative PPU by Low-Density Dwellings for Newer Housing Units (1 to 15 Years of Age)



Source: Derived from Census Canada Custom PPU database.

Note: Low-density dwellings represent single and semi-detached housing units. PPU excludes Census undercount.

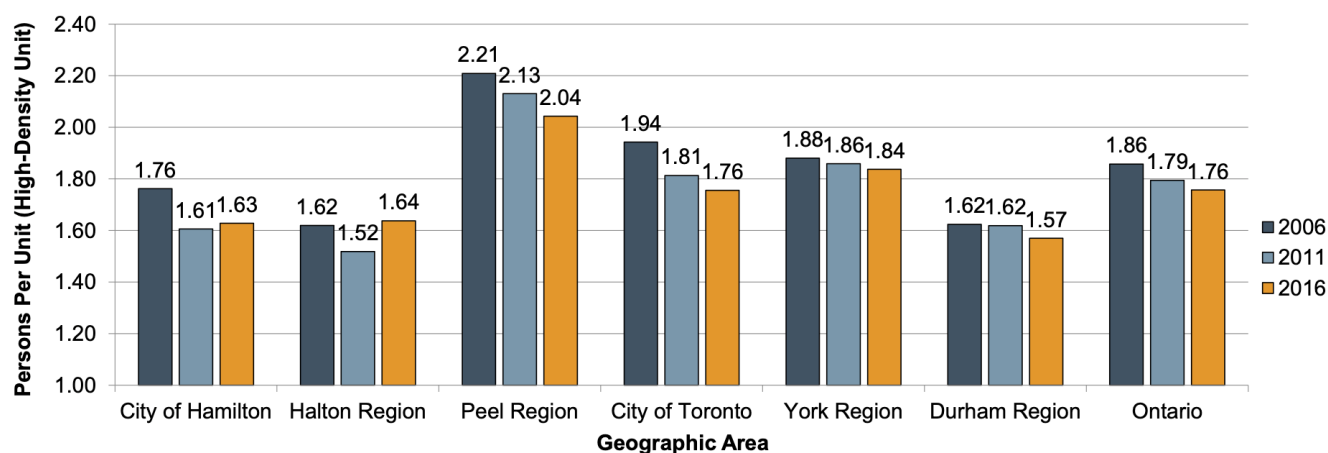
Figure 3-9: Durham Region and GTHA Municipalities, Comparative PPU by Medium-Density Dwellings for Newer Housing Units (1 to 15 Years of Age)



Source: Derived from Census Canada Custom PPU database.

Note: Medium-density dwellings represent rows and apartments in duplex units. PPU excludes census undercount.

Figure 3-10: Durham Region and GTHA Municipalities, Comparative PPU by High-Density Dwellings for Newer Housing Units (1 to 15 Years of Age)



Source: Derived from Census Canada Custom PPU database.

Note: High-density dwellings represent units in apartments > & < 5 storeys. PPU excludes Census undercount.

3.2.5. Historical Residential Housing Unit Activity by Structure Type and Location

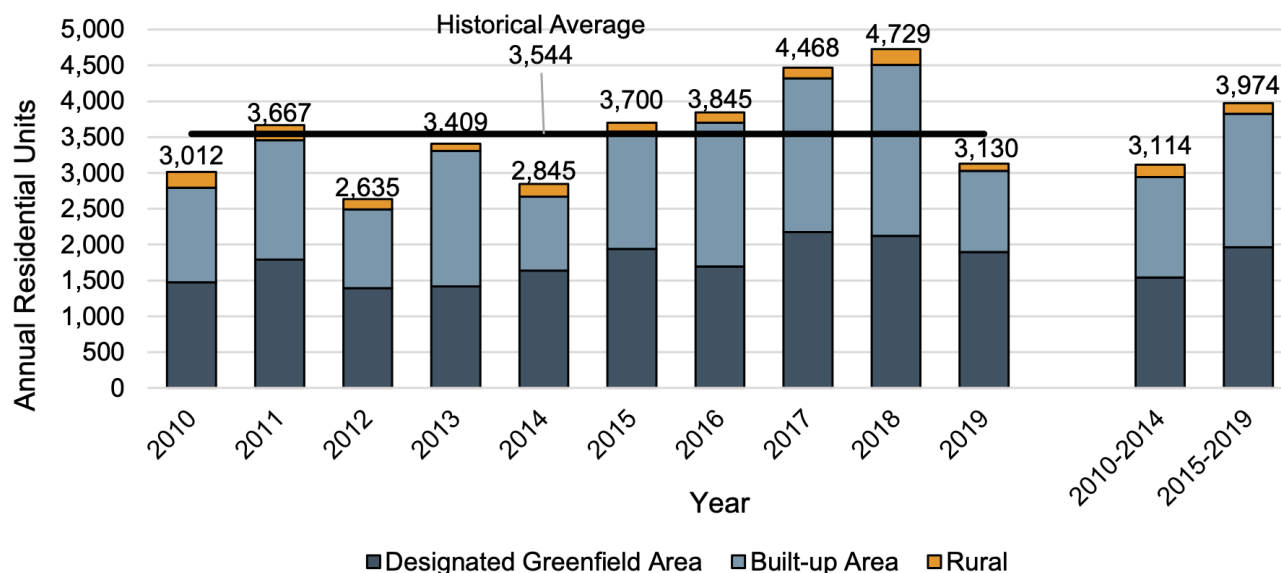
Compared to the rest of the GTHA, Durham Region has averaged slightly higher levels of housing unit growth historically. Between 2001 to 2016, occupied dwellings in Durham Region grew at a rate of 1.9% annually, compared to the remaining GTHA annual average of 1.7%. Recent building permit activity post-2016 suggests that housing growth within Durham is continuing to accelerate. Figures 3-11 and 3-12 summarize recent residential building permit activity (new dwellings only) in Durham Region by planning policy area and structure type between 2010 and 2019. During this historical time period:

- Residential building permits (new dwellings only) averaged approximately 3,500 annually;
- The average number of residential building permits issued over the past 10 year has steadily increased;
- Almost half (46%) of residential building permits issued over the past decade were located within the BUA, averaging just over 1,600 units annually. The percentage share of units in the BUA from 2015 to 2019 was comparable to the previous five-year period. The annual average number of units created in the BUA during the 2015-2019 period was nearly 1,900 units. During the 2010-2014 period it was roughly 1,400 units;
- The DGA comprised 49% of all units from building permit activity over the 10-year period, averaging 1,750 units annually, and the rural area made up the remaining 5%, averaging 160 units annually; and

- A broad mix of housing structure types have been accommodated within Durham Region. Recent housing construction, however, has been steadily shifting towards high-density housing forms comprising 29% of residential building permits between 2015 and 2019, up from 17% between 2010 and 2014.

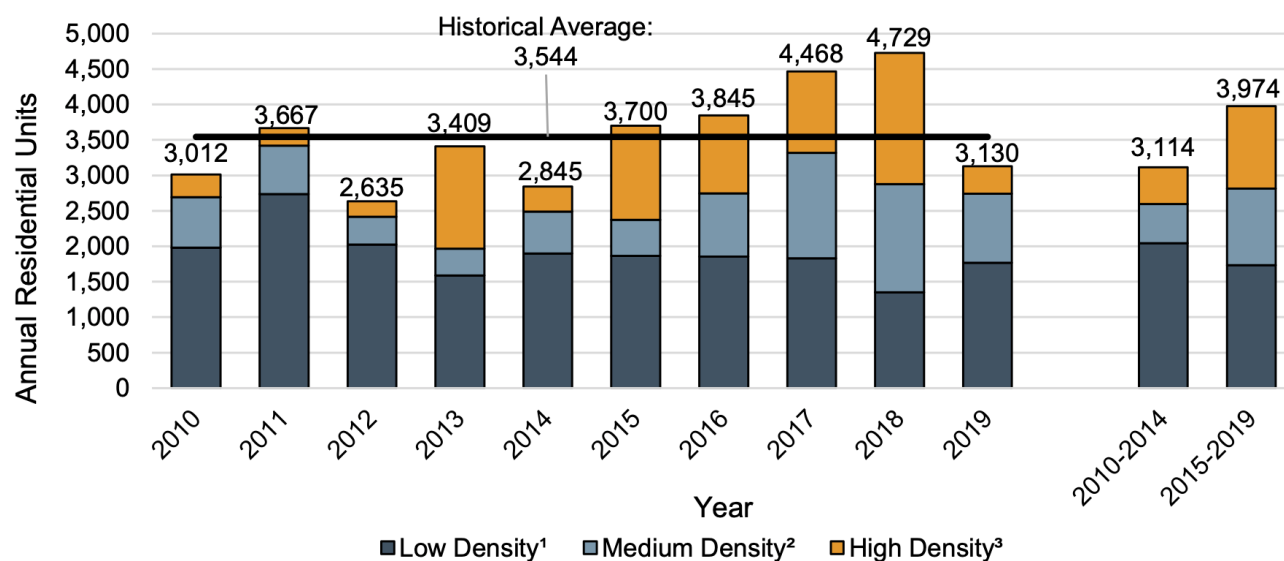
Figure 3-11 illustrates the location and concentration of residential building permit activity (new dwellings only) for Durham Region between 2010 and 2019. During this time period, residential permit activity in the region was largely concentrated in the five Lake Ontario shoreline municipalities. Over a quarter of all units were located in the City of Oshawa (27%), followed by the Town of Ajax (20%), Municipality of Clarington (19%), Town of Whitby (17%) and City of Pickering (11%). Development in Durham Region's northern municipalities in the Township of Brock, Township of Uxbridge and Township of Scugog comprised approximately 5% of all residential building permit activity (new dwellings only) over the 10-year period.

Figure 3-11: Durham Region, Residential Units from Building Permit Activity (New Units) by Planning Policy Area, 2010 to 2019



Source: Derived from Durham Region building permit data by Watson & Associates Economists Ltd.

Figure 3-12: Durham Region, Residential Units from Building Permit Activity (New Units) by Type, 2010 to 2019



¹ Low density is comprised of singles and semi-detached.

² Medium density is comprised of townhouses.

³ High density is comprised of apartments.

Source: Derived from Durham Region building permit data by Watson & Associates Economists Ltd.

Map 3-1: Durham Region, Residential Building Permit Activity (New Units), 2009 to 2019

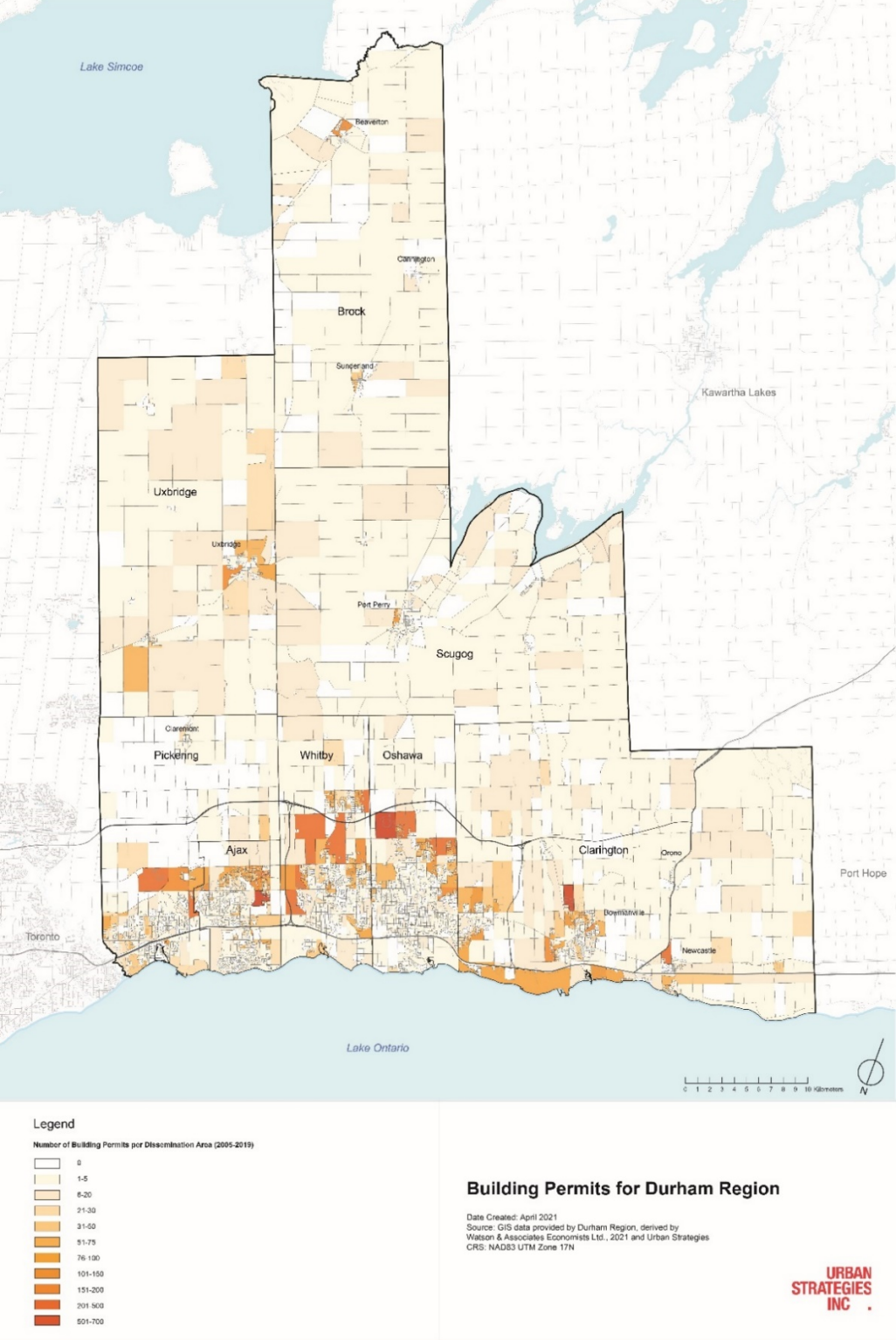
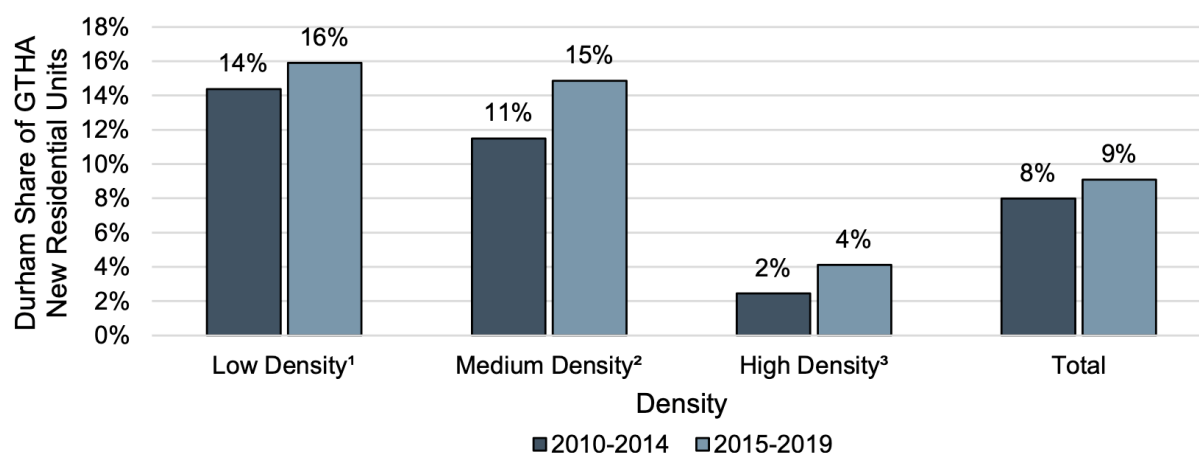


Figure 3-13 illustrates Durham Region's share of GTHA new housing units from building permit activity (new units only) over the last decade. Key observations include:

- Durham Region's share of GTHA low density units increased to 16% in 2015 to 2019, up from 14% in 2010 to 2014;
- Medium density units experienced the highest share increase, comprising 15% of GTHA units in 2015 to 2019, up from 11% over the previous 5-year period;
- High density units increased from 2% to 4% over the two 5-year periods; and
- Durham Region's share of all housing units derived from building permit activity in the GTHA increased from 8% to 9% over the two 5-year periods.

Figure 3-13: Durham Region Share of GTHA Residential Units from Building Permit Activity (New Units) by Type, 2010 to 2019



¹ Low density is comprised of singles and semi-detached.

² Medium density is comprised of townhouses and apartments in duplexes.

³ High density is comprised of apartments.

Source: Derived from Statistics Canada building permit data, 2010 to 2019, by Watson & Associates Economists Ltd.

3.2.6. Housing Propensity by Structure Type, 2016

Figure 3-14 summarizes historical housing demand trends by structure type for households in Durham Region based on 2016 Statistics Canada Census data. Age-specific propensities measure housing demand by dwelling structure type, by age of household maintainer.

The socio-economic characteristics of the region's population related to income, affordability, lifestyle, family size, lifestyle decisions, health and mobility vary by population age, which in turn, influences the demand for housing by structure type. As illustrated in Figure 3-14, propensities for high-density housing (apartments and condominium units) were highest among younger age groups and older seniors, while propensities for low-density housing

(single and semi-detached housing) tend to be highest among population age groups between 35 and 64 years of age.

Durham Region's population is aging and the 55+ age group has grown considerably over the past 15 years. Looking forward, the percentage of seniors, particularly older seniors in the 75+ age group, within Durham Region is expected to increase in both percentage share and absolute terms over the next several decades. As the average age of Durham Region's population continues to increase, it is anticipated that the demand for higher-density housing forms will also continue to steadily increase. As illustrated in Figure 3-15, 100% of demand for high-density housing growth from 2011 to 2016 was in the 55+ age group.

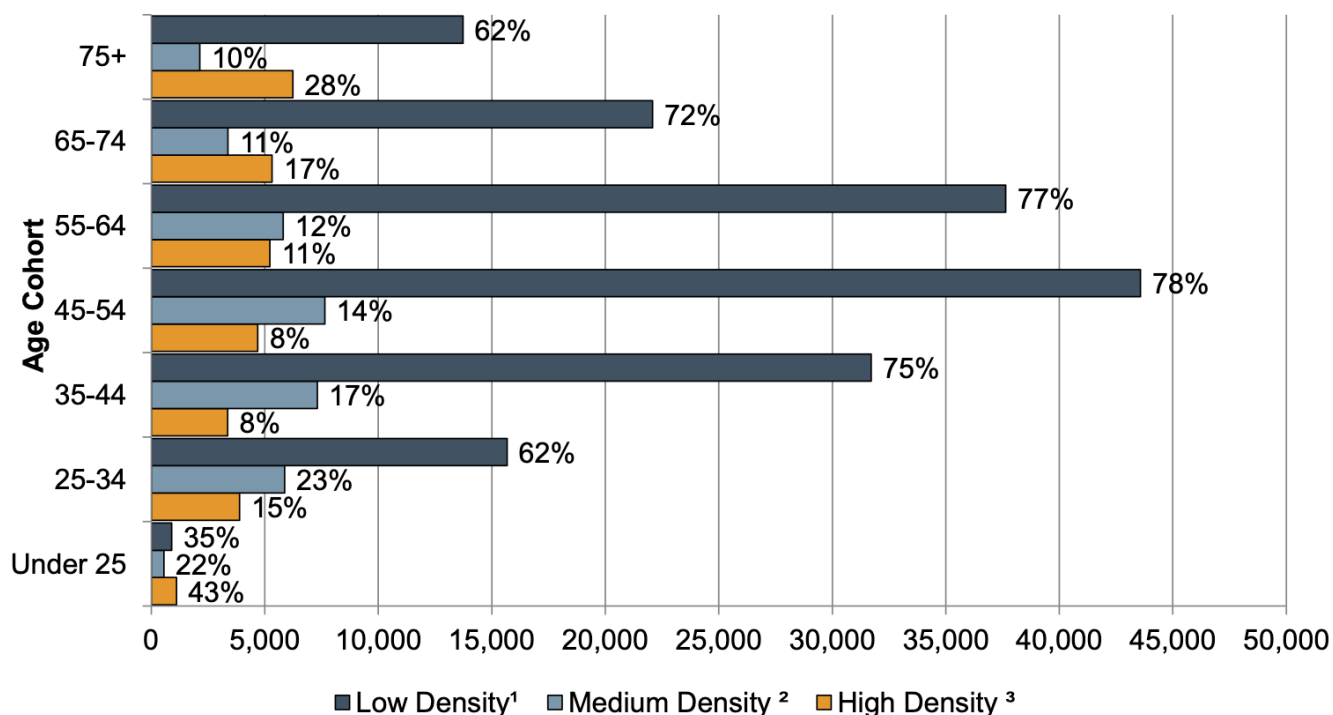
Within the 55+ age group, housing demand related to the 55-74 age group is anticipated to remain relatively stronger for ground-oriented housing forms (i.e., single detached, semi-detached and townhouses) which provide proximity to urban amenities, municipal services and community infrastructure. With respect to the 75+ age group, the physical and socio-economic characteristics of this age group (on average) are considerably different than those of younger seniors, empty nesters and working adults with respect to income, mobility and health. Typically, these socio-economic and physical characteristics represent a key driver behind the higher propensity from this age group for high-density housing forms (including seniors' housing) which are in proximity to urban amenities, health care services and other community facilities.

The growth in high-density housing presented in this section relates to private dwellings occupied by usual residents and does not include the population living in collective dwellings.²⁶ Over the next 30 years, the rate of population growth associated with collective dwellings is anticipated to increase relative to historical trends largely due to population growth associated with the 75+ age group. This age group is anticipated to represent the fastest growing age-cohort across Durham Region and it will drive demand for a range of seniors' accommodations, including, nursing homes, assisted living, and long-term care homes, which in many cases are not categorized by Statistics Canada as private dwellings occupied by usual residents. Section 5.4 of this report provides additional information for the Durham Region population living in collective dwellings.

Durham Region is also anticipated to accommodate a growing share of young adults and new families seeking competitively priced home ownership and rental opportunities. Accordingly, opportunities should be explored to provide a mix of future housing across a range of density types to accommodate those with varying levels of income (including affordable housing options) within greenfield areas as well as in SGAs and other residential intensification across the region.

²⁶ According to Statistics Canada, a collective dwelling refers to a dwelling of a commercial, institutional or communal nature. These dwellings are occupied by non-usual residents.

Figure 3-14: Durham Region Permanent Housing Propensity by Structure Type, 2016



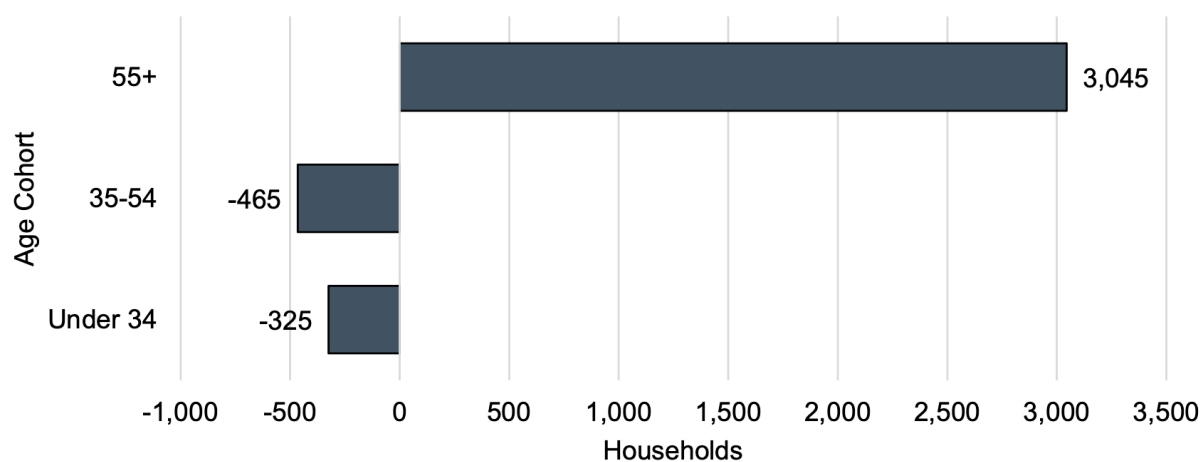
¹ Includes singles and semi-detached units.

² Includes townhouses and apartment in duplexes.

³ Includes bachelor, 1-bedroom and 2-bedroom+ apartments.

Source: Data from Statistics Canada Census 2016 by Watson & Associates Economists Ltd.

Figure 3-15: Durham Region High-Density Housing Propensity Change by Age Group, 2011 to 2016



Note: Total change may vary from other figures in the report due to different Statistics Canada datasets used.

Source: Data from Statistics Canada Census, 2011 and 2016, by Watson & Associates Economists Ltd.

The housing propensity analysis, summarized above in Figures 3-14 and 3-15, does not provide insight with respect to housing demand by structure during the post-2016 period. As such, it is recognized that this data represents one historical information source in developing long-term assumptions regarding forecast housing growth by structure type but should also be supported by a thorough review of more recent and forward-looking data sources, which are discussed below.

Considering trends in housing demand by structure type over the past 10 years, it is observed that the housing market is already transitioning from low-density units to an increasingly higher share of high-density units. As previously noted in Figure 3-12, during the 2015 to 2019 period, 29% of residential building permits issued within Durham Region were for high-density households. Comparatively, between 2010 to 2014, 17% of new residential building permits issued in Durham Region were for high-density dwellings.

It is noted that an extrapolation of constant 2016 housing propensities using fixed rates by population age group may not generate an accurate near-term or longer-term forecast of housing demand by structure type. As such, consideration should be given to both historical trends and anticipated changes in housing propensity rates by population age group when considering long-term housing demand by structure type. Figure 3-16 summarizes recent building permit data from 2016 to 2020 compared to the housing mix by structure type as derived from the housing propensity analysis using fixed propensity rates as per Statistics Canada 2016 Census data. Over the 2016 to 2020 forecast period, the fixed rate housing propensity analysis approach delivers a projection of 70% new households in the form of single and semi-detached units. In contrast, actual 2016 to 2020 residential building permit activity indicates that only 39% of total residential building permits (new units only) were issued for single and semi-detached units.

Figure 3-16: Durham Region, Housing Propensity Analysis by Structure Type, 2016 to 2021 vs. Residential Building Permit Data, 2016 to 2020

Housing Type	Total			Share		
	2016-2021 Fixed Rate Propensity Forecast	2016-2020 Building Permits ¹	Difference	2016-2021 Fixed Rate Propensity Forecast	2016-2020 Building Permits ¹	Difference
Singles & Semi-Detached	14,790	8,540	-6,250	70%	39%	-31%
Multiple Dwellings	2,740	6,290	-3,550	13%	29%	16%
Apartments	3,750	7,110	-3,360	18%	32%	15%
Total	21,280	21,940	-660	100%	100%	0%

Note: Figures have been rounded.

¹ 2016 to 2019 building permit data derived from Durham Region data and 2020 from Statistics Canada.

- Propensity forecast is based on 2016 propensity rates by age group and housing structure type.

-Multiple dwellings include rows and apartments in duplexes.

-Apartments include bachelor, 1 and 2+ bedroom rental and condo apartments.

Source: Watson & Associates Economists Ltd.

Comparing actual residential building permit activity between 2016 to 2020 in Durham Region to the near-term (2016 to 2021) housing forecast by structure type using a fixed propensity rate analysis highlights the limitations of using a fixed propensity rate (in this case based on 2016 Census data), when projecting forecast housing by structure type. Building on the results of the recent building permit activity, the LNA forecast by housing type more closely reflects anticipated demand as opposed to a calculation using a fixed rate propensity. This is further discussed in the Housing Intensification Strategy Technical Report. It is further noted that 51% of housing units in the development approvals process are high-density, which is further discussed in Section 3.2.10. The results of the 2021 Census will also be helpful in further understanding recent trends in housing propensity by age.

A housing propensity analysis by population age and housing structure type represents a useful starting approach in developing long-term assumptions regarding forecast housing growth by structure type. However, in addition to population age structure, there are a number of factors such as household income, housing demand by tenure (i.e., rental vs. ownership housing), housing affordability, lifestyle decisions, health, mobility, and planning policy, which also influence the built form and type of housing units constructed across Durham Region. These additional factors make it difficult to accurately project housing propensity by type over both short-term and longer-term periods. While the influence of these other socio-economic variables on the Region's future housing needs by structure type can be explored and tested to varying degrees, these impacts cannot be easily isolated when assessing the region's future housing needs.

In addition to providing a housing propensity analysis using baseline Census data, it is recommended that forecast housing propensity rates and corresponding housing demand by structure type are annually monitored using a range of data sources. Such data sources should include, but would not be limited to, recent residential building permit activity/housing completions, active residential development applications, post-Censal migration trends, trends in housing demand by tenure, trends in housing affordability, impacts of major infrastructure investments as well as planning policy and economic development initiatives.

As the Region's population grows, it will require a broad choice of new housing products which appeal to a diverse range of demographic groups by family and non-family type, structure type, location, age, and income level. In addition to a steady supply of new grade-related housing in both planned and new greenfield areas, increased housing options will also be required regarding mixed-use development planned within intensification nodes and corridors, including secondary units, live/work units, seniors' housing, and a range of affordable housing opportunities which are pedestrian-oriented and transit-supportive. A key initiative and challenge will be providing affordable housing opportunities by structure type and tenure for residents across all life stages and incomes. Affordable, accessible and suitable housing is essential for healthy communities, and strong and vibrant neighbourhoods. These needs will also impact future propensity rates by age, and it is important to note that more work outside the Region-Wide Growth Analysis Technical Report needs to be done to address housing affordability needs. The PPS requires that housing affordability targets are set and aligned with

housing affordability and homelessness plans, and as part of this requirement the region maintains and updates their housing strategy.²⁷ The Region's current affordable housing plan is *At Home in Durham: Durham Region Housing Plan 2014 – 2024*, and *Envision Durham* is also addressing affordable housing.

3.2.7. Trends in Durham Region Housing Prices, 2010 to 2020

Economic conditions and housing prices play key roles in shaping housing development trends. Over the past two decades, the GGH has experienced a steady increase in housing prices driven by a number of factors including rising land prices, steady immigration and strong population growth as well as a robust employment market. Generally, strong fundamentals associated with the Canadian economy have also attracted a steady stream of local and foreign investment to the GGH real estate market. The current low interest rate environment has also enabled the appreciation of residential real estate values, as buyers have benefited from access to low-rate mortgages. Most recently, the COVID-19 pandemic has accelerated housing prices since mid-2020.

Figure 3-17 summarizes historical trends in average housing sale prices in Durham Region and several GTA single/upper-tier municipalities for single detached, townhouse and apartment dwelling units between 2012 and 2020. Throughout the GTA, housing prices across all unit types vary considerably, with average prices highest in the City of Toronto, York Region, and Halton Region, followed by Peel Region and lastly Durham Region. With respect to annual housing appreciation rates, Durham Region experienced the strongest annual rate of appreciation for single detached and townhouse housing units, and the second strongest annual rate of appreciation for condominium apartment units over the 2012 to 2020 period. The remaining GTA municipalities also experienced strong annual housing appreciation rates across all housing types. While average housing prices have steadily appreciated in Durham Region over the past decade, average housing prices across all housing forms remain lowest in Durham Region, relative to the other GTA municipalities surveyed.

²⁷ Affordable housing requirements are defined in the PPS, 2020, Policy 1.4.3.

Figure 3-17: Historical Trends in GTA Housing Prices

Upper/Single-Tier Municipality	Single Detached	Townhouse ¹	Condominium ²
2012			
Durham Region	\$373,900	\$272,100	\$213,900
Peel Region	\$561,200	\$372,900	\$253,600
Halton Region	\$673,200	\$412,600	\$322,000
City of Toronto	\$793,000	\$562,900	\$363,000
York Region	\$723,000	\$461,200	\$333,600
2020			
Durham Region	\$780,800	\$630,900	\$424,800
Peel Region	\$1,110,000	\$743,800	\$521,900
Halton Region	\$1,282,400	\$796,900	\$565,700
City of Toronto	\$1,489,300	\$1,110,800	\$673,400
York Region	\$1,287,000	\$888,200	\$573,400
Annual Percentage Increase, 2012-2020			
Durham Region	9.6%	11.1%	9.0%
Peel Region	8.9%	9.0%	9.4%
Halton Region	8.4%	8.6%	7.3%
City of Toronto	8.2%	8.9%	8.0%
York Region	7.5%	8.5%	7.0%

¹ Includes att/row/townhouse dwelling units.

² includes condominium apartment units.

Note: Toronto Real Estate Board Market Watch Reports do not provide data for the City of Hamilton.

Source: Derived from Toronto Real Estate Board Market Watch Reports, 2012 and 2020, by Watson & Associates Economists Ltd.

3.2.8. Durham Region Household Income Trends, 2001 to 2016

Figure 3-18 summarizes average household income growth for Durham Region and the Province of Ontario between 2000 and 2015.²⁸ Key observations are as follows:

- As of 2015, the estimated average household income in Durham Region was \$106,900, which is higher compared to the average household income for the Province of Ontario; and

²⁸ As defined by Statistics Canada, household income is the sum of the total incomes of all members of that household.

- The annual rate of household income growth for Durham Region has increased over the past five years relative to the previous five years. Household income growth over the past ten years in the region has been comparable to the Province of Ontario.

Figure 3-18: Durham Region and Province of Ontario, Average Household Income, 2001 to 2016 Census Years

Census Year	Durham Region	Province of Ontario
Average Household Income		
2001	\$75,100	\$66,800
2006	\$86,400	\$78,000
2011	\$95,600	\$85,800
2016	\$106,900	\$97,900
Average Annual Growth		
2001-2006	\$2,260	\$2,240
2006-2011	\$1,840	\$1,560
2011-2016	\$2,260	\$2,420
Average Annual Growth Rate		
2001-2006	2.9%	3.1%
2006-2011	2.0%	1.9%
2011-2016	2.3%	2.7%

Note: Census year income shown is for previous year. E.g. 2001 to 2016 is 2000 to 2015 income.

Source: 2001 to 2016 data derived from Statistics Canada Census and NHS by Watson & Associates Economists Ltd.

Average household income growth has not kept pace with rising housing prices. As a result, housing affordability has been steadily eroded over the past decade across the GGH, most notably within the larger urban centres of the GTHA. There is a need to ensure that sufficient opportunities exist within Durham Region (and across the GGH in general) to accommodate a broad range of housing types (i.e., ground oriented and high density) for all household income levels, including market, affordable, assisted and emergency housing.^{29, 30, 31}

²⁹ Affordable housing is defined in the PPS, 2020, p. 39.

³⁰ Assisted housing refers to housing that is available to low-and moderate-income households for rent or purchase where part of the housing cost is subsidized through a government program.

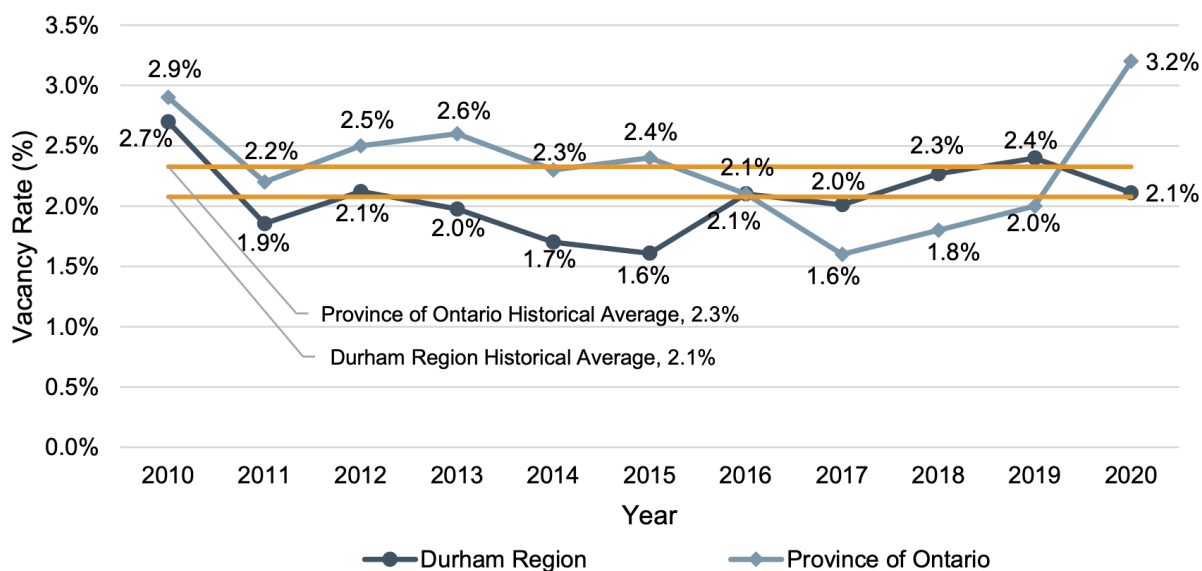
³¹ Emergency housing refers to shelters, supportive housing, transitional housing, etc.

3.2.9. Durham Region Housing Vacancy Rates

Figure 3-19 provides a summary of average rental vacancy rates for 1-, 2- and 3-bedroom apartments over the past decade in Durham Region. Key observations include:

- As of October 2020, the overall vacancy rate is at 2.1% in Durham Region, consistent with the 10-year average and indicative of a somewhat tight rental market;
- Comparatively, between 2010 and 2020 the Region's vacancy rate (2.1%) was lower than the provincial average of 2.3%; and
- In accordance with CMHC 3% is considered a healthier long-term average rental vacancy rate.³²

Figure 3-19: Durham Region, Historical Vacancy Rates, 2010 to 2020



Source: Derived from CMHC Rental Market Survey data by Watson & Associates Economists Ltd.
 Note: Data only captures the primary rental market surveyed in October each year.

The short-term rental market in Durham Region also has an impact on housing demand and supply. As of Q1 2021, Durham Region had approximately 600 active short-term rental listings through Airbnb and VRBO, up from 500 in Q1 of 2018.³³ Roughly half of these listings have the entire home for lease, with the other half offering a private room available for rent. The short-term rental accommodation market can increase the demand and price for housing, as individuals seek to purchase homes which would primarily function as a short-term rental option.³⁴

³² CMHC considers a 3% threshold to be a healthy and balanced vacancy rate.

³³ Derived from Airdna.co

³⁴ The economic costs and benefits of Airbnb. Economic Policy Institute. January 2019.

3.2.10. Durham Region – Active Residential Applications in the Development Approvals Process

Figure 3-20 summarizes housing units across the region that are in the development approvals process, which provides insight into short- and medium-term housing opportunities by density and location. The active development application data is utilized to determine the number, type and location of residential housing units proposed as of 2018. Key observations include:

- There were approximately 82,650 units proposed in the active development pipeline, of which 24% were represented by low-density housing forms, 25% were medium-density units, while the remaining 51% were high-density housing units;³⁵
- Approximately 40% housing units in the development approvals process were located in the BUA, of which the majority (86%) were high-density units; and
- The DGA accounted for approximately 60% of the housing units in the development approvals process, of which nearly three-quarters were grade-related units (74%) and one-quarter were high-density units (26%).

Figure 3-20: Durham Region Future Housing Supply in the Development Pipeline by Structure Type and Planning Policy Area (as of 2018)

Planning Policy Area	Low Density ¹	Medium Density ²	High Density ³	Total
Total Units in the Development Approvals Process				
BUA	296	4,632	29,560	34,488
DGA	19,786	15,908	12,472	48,166
Total	20,082	20,540	42,032	82,654
Share of Units in the Development Approvals Process				
Within BUA	1%	13%	86%	100%
Within DGA	41%	33%	26%	100%
Total	24%	25%	51%	100%
BUA Share of Total	42%			
DGA Share of Total	58%			

¹ Includes singles and semis.

² Includes townhouses.

³ Includes apartments.

Source: Derived from Durham Region data by Urban Strategies Inc. and Watson & Associates Economists Ltd.

³⁵ Development pipeline, as defined herein, includes registered unbuilt, draft approved and pending housing,

3.2.11. Durham Region Post-Secondary Student Population

The existence of post-secondary students in Durham provides an important indication of the region's vibrancy, diversity and economic strength. The region's post-secondary student population includes students attending Ontario Tech University, Durham College and Trent University's Oshawa Campus. Collectively, there are approximately 30,000 full-time students attending local post-secondary institutions within Durham Region.³⁶ This includes students who are permanent residents living within the region, permanent residents living outside of the region and international students who are non-permanent residents. A relatively small share of students in Durham Region are accommodated in on-campus housing. The majority of students in Durham Region reside off-campus with parents, commute to these post-secondary institutions from outside of the region or reside off-campus in rental housing accommodations.³⁷ A portion of this post-secondary student population is not recognized in the Census population or housing base and is also not reflected in the population and housing metrics presented herein.³⁸ Based on 2016 data, approximately 3,000 post-secondary students were in off campus rental housing in Durham Region.³⁹

3.3. Observations

Over the past 15 years, Durham Region has experienced strong population growth across all major demographic groups (i.e., children, adults, and seniors), largely driven by steady net migration across all age groups and, to a lesser extent, natural increase (i.e., births less deaths). Since 1991, Durham's population has grown at a rate above the provincial average, fueling steady housing construction across the region. During this period, new residential development activity within Durham Region has been steadily shifting from low-density housing types (i.e., single and semi-detached) to medium and high-density housing forms (i.e., townhomes and apartments). This trend is anticipated to continue over the next several decades primarily driven by the aging population base and declining housing affordability.

Durham offers a balance between urban and rural communities, with urban development concentrated in the southern portion of the Region along the Lake Ontario shoreline. The demographic and socio-economic characteristics observed across the region are not homogenous between area municipality and the BUA, DGA and rural areas within them. A

³⁶ Derived from Government of Ontario - Training, Colleges and Universities 2018-2019 enrollments statistics.

³⁷ On-campus beds total 1,360.

³⁸ Some students are counted within another household such as their parents' house. Their temporary accommodations within the region may be considered a vacant residential unit, since it would not be counted as a dwelling occupied by usual resident in the Census.

³⁹ Watson & Associates Economists Ltd.

more detailed discussion regarding the region's future housing supply and demand by structure type is provided in the Housing Intensification Technical Report⁴⁰.

Region-wide population and housing growth trends are important to understand as they have broad implications on the amount, type, location, and density of future housing needs, as well as demands for public infrastructure and municipal services. Area municipal trends in household demand by structure type, population age structure and household income are particularly relevant regarding the allocation of housing across Durham by planning policy area.⁴¹ For more background information and observations on the urban and rural structure, please refer to the Growth Opportunities and Challenges Report and the Envision Durham Discussion Papers, which addressed the following topics: Agriculture and Rural System; Climate Change and Sustainability; Growth Management, including discussion of the Urban System and LNA; Environment and Greenlands System; Transportation System; and Housing Policy Planning.

⁴⁰ Durham Region Housing Intensification Strategy Technical Report, 2021.

⁴¹ Population and housing allocations by Area Municipality and Planning Policy Area will be provided as part of Phase 2 of the Durham GMS.

4. Durham Region Population, Housing and Employment Growth Outlook to 2051

4.1. What Drives Population and Employment Growth?

A broad range of considerations related to demographics and socio-economics will impact future population and employment growth trends throughout Durham Region to the 2051 planning horizon. These factors will not only affect the rate and magnitude of growth but will also influence the form, density, and location of residential and non-residential development.

Future population and employment growth within Durham Region is strongly correlated with the growth outlook and competitiveness of the economy within Durham Region and the surrounding area – which in this case is largely represented by the GGH. The GGH is the economic powerhouse of Ontario, and the centre of much of the economic activity in Canada. It also represents much of the commuter-shed for Durham’s residents. Potential employment opportunities within Durham Region and surrounding commuter-shed are the primary driver of net migration to this area.

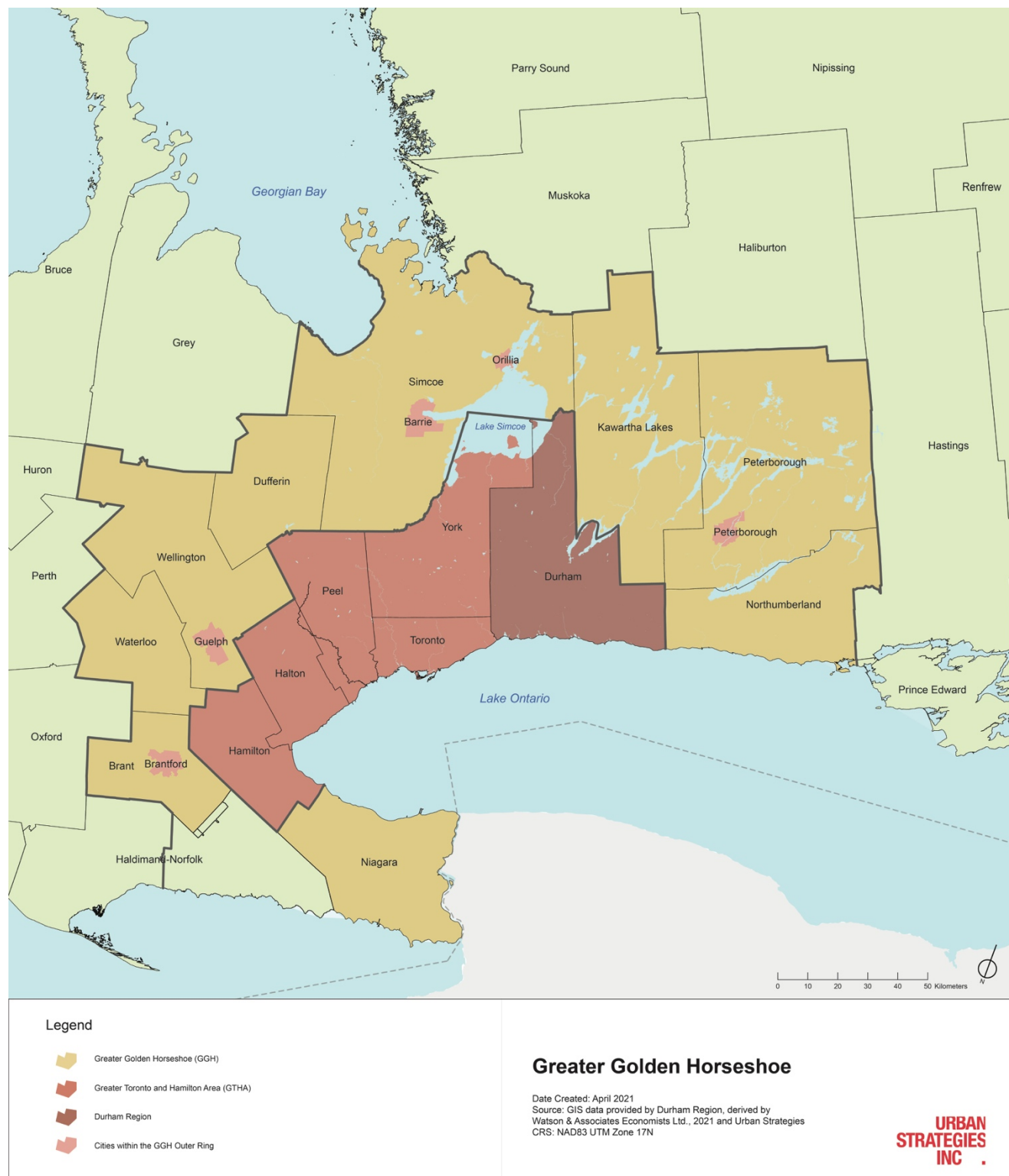
The employment base within Durham Region and surrounding commuter-shed can be grouped into two broad categories – export-based sectors and community-based sectors. Export-based sectors are comprised of industries (i.e., economic clusters) which produce goods that reach markets outside the community (agriculture and primary resources, manufacturing, research and development as well as other knowledge-based industries). Community-based sectors refer primarily to local population serving employment. Local industries also provide services to temporary and/or other residents of the municipality not captured by Census data as part of the permanent population base such as hotels, restaurants, tourism-related sectors, colleges and universities, as well as businesses related to financial, professional, scientific and technical services.

Economic growth in the regional export-based economy generates wealth and economic opportunities which, in turn, stimulates community-based or population-related employment sectors, including retail trade, accommodation and food and other service sectors. Economic development subsequently drives the need for labour force growth which is largely generated from positive net migration. Ultimately, population growth in Durham Region within the 0 to 64 age group, similar the country as whole, will continue to be largely driven by net migration associated with the working age population and their dependents (i.e., children, spouses not in the labour force, others). On the other hand, population growth of the region’s 65+ population will continue to be largely driven by the aging of Durham Region’s existing population and, to a lesser extent the attractiveness and affordability of the region to new seniors.

4.2. Population and Employment Growth Outlook for the Greater Golden Horseshoe, 2016 to 2051

As illustrated in Map 4-1, the GGH comprises the municipalities that make up the GTHA, as well as the surrounding regions/counties within central Ontario, extending from Niagara Region in the south, to Simcoe County in the north, Waterloo Region to the west, and to Peterborough County in the northeast. Potential employment opportunities within Durham Region and the surrounding commuter-shed, most notably within the GTHA, represent the primary driver of net migration to this area. Net migration, particularly international net-migration, has been the key contributor to population growth across the GTHA, including Durham Region, over the past two decades.

Map 4-1: Durham Region within the Context of the Greater Golden Horseshoe (GGH)



As identified in the Growth Plan the long-term outlook for the GGH is positive, characterized by strong population growth fueled by economic expansion that is increasingly concentrated in large urban centres. As summarized in Figure 4-1, the population of the GGH is forecast to increase from 9.5 million in 2016 to 14.9 million in 2051.⁴² This represents a population increase of 5.3 million people (153,000 annually), or 1.3% annually between 2016 and 2051. With respect to the region's economic potential, the GGH employment base is forecast to increase from 4.6 million jobs in 2016 to 7 million jobs in 2051 (refer to Figure 4-2). This represents an increase of 2.4 million jobs (69,000 annually), or 1.2% annually between 2016 and 2051.

Figure 4-1: Historical and Forecast Population Growth for the Greater Golden Horseshoe (GGH), 2001 to 2051

Area	Population			2001 to 2016		2016 to 2051	
	2001	2016	2051	Total Population Growth	Annual Population Growth	Total Population Growth	Annual Population Growth
GTHA	5,808,000	7,183,000	11,172,000	1,375,000	91,700	3,989,000	114,000
GGH Outer Ring	2,046,000	2,355,000	3,703,000	309,000	20,600	1,348,000	38,500
Total GGH	7,854,000	9,538,000	14,875,000	1,684,000	112,300	5,337,000	152,500

Source: 2001 to 2016 derived from Statistics Canada Census. 2051 from A Place to Grow. Growth Plan for the Greater Golden Horseshoe. Office Consolidation 2020. Ontario.ca./growthplanning. Figure by Watson & Associates Economists Ltd. Note: Population includes the net Census undercount. Figures may not sum to totals due to rounding.

Figure 4-2: Historical and Forecast Employment Growth for the Greater Golden Horseshoe (GGH), 2001 to 2051

Area	Employment			2001 to 2016		2016 to 2051	
	2001	2016	2051	Total Employment Growth	Annual Employment Growth	Total Employment Growth	Annual Employment Growth
GTHA	2,938,000	3,564,000	5,360,000	626,000	41,700	1,796,000	51,300
GGH Outer Ring	890,000	1,034,000	1,650,000	144,000	9,600	616,000	17,600
Total GGH	3,828,000	4,598,000	7,010,000	770,000	51,300	2,412,000	68,900

Source: 2001 to 2016 derived from Statistics Canada Census. 2051 from A Place to Grow. Growth Plan for the Greater Golden Horseshoe. Office Consolidation 2020. Ontario.ca./growthplanning. Figure by Watson & Associates Economists Ltd.

⁴² As previously mentioned, the Growth Plan includes a Schedule 3 forecast to 2051.

The GGH is the centre of a large portion of the economic activity in Canada. The GGH is also economically diverse, with most of the top 20 traded industry clusters throughout North America having a strong presence in this region. Within the GGH, the GTHA industrial and office commercial real estate are significant markets; having the third and sixth largest inventories, respectively, in North America.⁴³

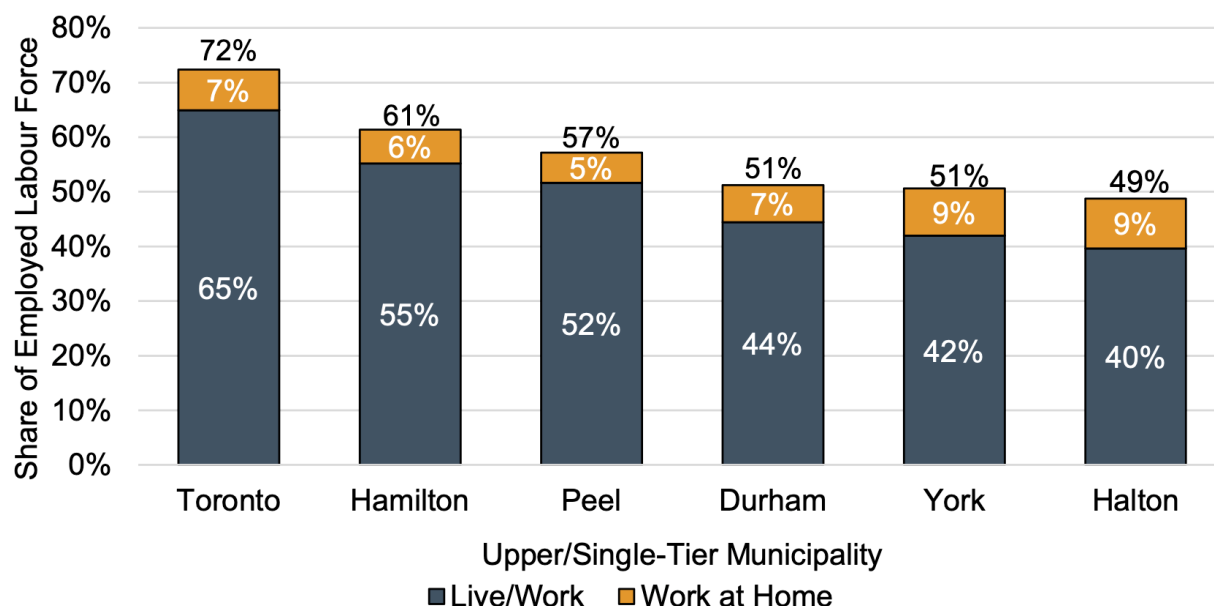
With a robust economy and diverse mix of export-based employment sectors, the GGH is highly attractive on an international level to new businesses and investors. The GGH also has a strong appeal given the area's regional infrastructure (i.e., Toronto Pearson International Airport, other regional airports, provincial highways, inter-modal facilities), access to labour force, post-secondary institutions, and proximity to the U.S. border. In turn, this continues to support steady population and housing growth within this region, largely driven by international net migration.

The diverse and highly competitive GGH economy has fueled a steady level of employment growth over the past decade in most major sectors of the economy. Employment growth has been particularly strong related to knowledge-based and creative-class service sectors, including professional, scientific, and technical services, financial services, information and cultural industries, education services, health care and social services, as well as real estate. Within the service sector, economic growth has been notably robust for small to medium-scale knowledge-based businesses that are focused on innovation, entrepreneurship, and technology.

The strength of the broader regional GGH economy presents a tremendous opportunity for the Durham Region economy and its residents within commuting distance to this growing broader regional employment market. As displayed in Figure 4-3, 51% of Durham Region residents who are part of the employed labour force worked within Durham Region in 2016, while 49% of Durham Region residents commuted to employment markets outside of Durham for work. Durham Region has a relatively low live/work ratio compared to the other upper-tier and single-tier municipalities in the GTHA, behind the City of Toronto, the City of Hamilton and Peel Region, while being comparable to York Region and slightly higher than Halton Region. Increasing the share of live/work employment is a key long-term policy objective of the Durham ROP by providing greater opportunities for its residents to work locally, across a growing and increasingly diverse local economy.

⁴³ Source: Derived from Cushman & Wakefield Toronto Industrial Market Beat and U.S. Industrial Market Beat Snapshot, Q3 2017, and Cushman & Wakefield Toronto Office Market Beat and U.S. Office Market Beat Snapshot, Q3 2017 by Watson & Associates Economists Ltd.

Figure 4-3: Percentage of Labour Force Who Live and Work in the Same Upper-Tier/Single-Tier Municipality (Including Work at Home)

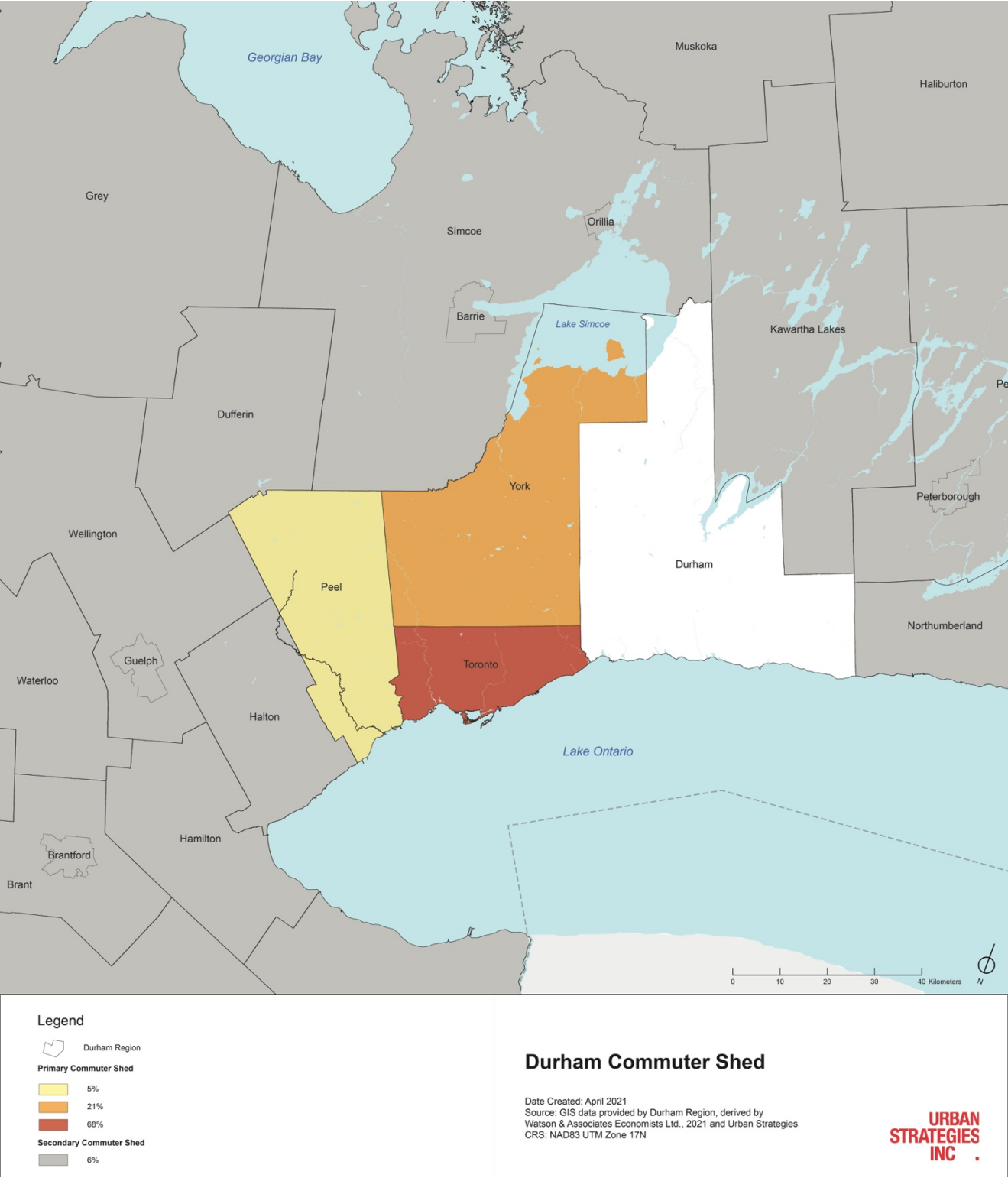


Note: Live/Work is based on usual place of work employment.

Source: Derived from Statistics Canada 2016 Census data, by Watson & Associates Economists Ltd., 2020.

The City of Toronto represents the largest employment market outside Durham Region for Durham residents. As of 2016, approximately 68% of all out-commuters in Durham Region were employed within the City of Toronto, while the remainder commuted to York Region, Peel Region, and other locations. According to the Growth Plan, the primary commuter-shed (refer to Map 4-2) for Durham Region is expected to grow by approximately 1.2 million jobs between 2016 to 2051. These regional employment opportunities represent a large part of what makes the region a desirable location live, which in turn drives the local housing market across Durham's communities.

Map 4-2: Durham Region Primary Commuter-Shed



Notwithstanding the past and potential success of the regional employment market, international competition for business development and investment is steadily increasing in today's "new economy." Durham Region is part of a cluster of highly populated and growing municipalities within the GGH, with which it competes directly for business attraction and investment. These municipalities generally offer regional attributes which largely appeal to prospective international and local firms as well as new residents. Durham Region has been particularly competitive in its ability to distinguish itself as a hub for innovation and technology while encouraging ongoing entrepreneurship, small business development and investment retention. These efforts have helped contribute to a diverse and growing local economy with approximately half of the region's residents living and working within Durham. This distinction as a complete and competitive community is anticipated to represent a key driver of the future economic success and population growth.

4.3. Near-Term Impacts of COVID-19

4.3.1. Near-Term Impacts of COVID-19 on Population Growth and Longer-Term Impacts on the Economy and the Real Estate Market in Durham Region

The downward impacts of the coronavirus disease (COVID-19) on global economic output have been significant. Economic sectors such as travel and tourism, accommodation and food, manufacturing, and energy have been hit particularly hard. On the other hand, many other employment sectors (particularly knowledge-based sectors), which are more adaptable to the current remote work environment have been less negatively impacted, and in some cases have prospered.

Canada's gross domestic product (GDP) annualized growth rate declined by approximately 39% in the second quarter of 2020 (April to June) due to COVID-19. As restrictions gradually loosened during that period, beginning in May 2020, businesses came out of lockdown during the summer months and economic activity grew at a pace of 40.6% in the third quarter, although GDP was still short of pre-pandemic levels.^{44, 45}

Economic growth continued through the fourth quarter of 2020 at an annualized rate of 9.6% despite increased COVID-19 restrictions towards the end of November 2020. Despite this fourth quarter increase, real GDP in 2020 declined overall by 5.4%.⁴⁶ Heading into 2021 Canada's economy grew sharply by 5.6% in the first quarter, but due to the impacts of the third COVID-19 wave in April 2021, the province-wide lockdown is expected to further impact economic activity in the second quarter of 2021. Given the strong performance leading up to April 2021, it is expected that any setbacks due to the lockdown will be quickly recouped once restrictions ease.^{49, 50}

Overall, required modifications to social behavior (e.g., physical distancing) and increased work at home requirements resulting from government-induced containment measures and increased health risks have resulted in significant economic disruption largely related to changes in consumer demand and consumption patterns. Furthermore, continued tensions, logistical challenges and constraints related to international trade have also begun to raise

⁴⁴ Reuters Business News, August 28, 2020.

⁴⁵ CBC Business News, 2020 was the worst year on record for Canada's economy. It shrank by 5.4%, March 2, 2021.

⁴⁶ CBC Business News, 2020 was the worst year on record for Canada's economy. It shrank by 5.4%, March 2, 2021.

⁴⁹ Ontario Newsroom, Office of the Premier, Ontario Declares Second Provincial Emergency to Address COVID-19 Crisis and Save Lives, January 12, 2021.

⁵⁰ Financial Post, Canada's economy posts 5.6% annualized growth in Q1, June 1, 2021.

further questions regarding the potential vulnerabilities of globalization and the structure of current global supply chains.

At present, the level of sustained economic impact related to this “exogenous shock” to the world and the Canadian economy is still relatively uncertain. While the prospects for a global recovery have improved in recent months, the pace of this global economic recovery has been uneven largely due to varying rates at which Countries have been able to vaccinate their residents.⁵¹

Despite the consequences of COVID-19, the long-term economic and housing outlook for the GGH remains positive as the region continues to be attractive to international investment and newcomers alike. While the housing market across the GGH experienced a slow start in early 2020 due to COVID-19, pent-up demand and historically low mortgage rates have accelerated housing demand across the region with record sales and average selling prices. According to the Toronto Real Estate Board (TREB), the average selling price across the GTA in 2020 reached a new record of \$929,700, up by approximately 14% from 2019, while housing sales are also up by just over 8% year-over-year.⁵²

Notwithstanding the recent positive real estate trends identified for the GGH as a whole and Durham Region, there are a number of factors to remain slightly cautious about the broader demand for housing over the near term (i.e., the next one to three years). Reduced immigration levels in 2020 and expected lower levels in 2021 are anticipated to slow population growth to the GGH and Durham Region, potentially placing downward pressure on housing market demand if domestic demand slows (refer to Section 4.3.2).⁵³ Tighter mortgage rules could also temper the hot real-estate market as home buyers would face stiffer mortgage stress tests. The Governor of the Bank of Canada has warned that home owners who have overextended on their mortgages are vulnerable to rising interest rates when they have to be renewed, and that rapid price increases are unlikely to continue indefinitely.⁵⁴

This near-term scenario has the potential to reduce population growth levels and soften the housing market in areas of Ontario where population growth is most heavily dependent on immigration. Among GGH municipalities, the City of Toronto, Peel Region, and York Region could potentially be the most heavily impacted by such a trend, while the remaining “905” area of the GTHA and the GGH Outer Ring, which is more dependent on inter-provincial and intra-provincial net migration as a source of housing demand, may potentially be less impacted.

In addition to its broader impacts on the economy, COVID-19 is also anticipated to accelerate changes in work and commerce as a result of technological disruptions which were already

⁵¹ Global Government Forum. OECD Warns of Uneven Economic Recovery from COVID-19, Despite Global Growth. June 1, 2021.

⁵² Toronto Real Estate Board Market Watch, December 2020.

⁵³ 'Very difficult' to meet Canada's immigration targets after pandemic drop: immigration lawyer. CTV News. January 14, 2021.

⁵⁴ CTV Business News, Mortgage stress tests set to tighten in wake of Bank of Canada warnings, May 20, 2021.

taking place prior to the pandemic. Businesses will increasingly be required to rethink the way they conduct business with an increased emphasis on remote work enabled by technologies such as virtual private networks (VPNs), virtual meetings, cloud technology and other remote work collaboration tools. These trends are anticipated to have a direct influence on commercial and industrial real estate needs over both the near and longer terms. In light of these anticipated trends, it is important to consider the manner in which these impacts are likely to influence the nature of employment by type, as well as by place of work. These factors are further discussed in the Employment Strategy Technical Report.

As of 2016, approximately 12% of the Durham Region workforce is identified as working from home on a full-time basis, up from 8% in 2001. During this same time period, the percentage of workers who reported having no fixed place of work increased from approximately 9% to 10%.^{55, 56} It is anticipated that the percentage of people who work from home on a full-time and part-time basis, as well as those who do not have a fixed place of work, will steadily increase over the long term. As this percentage continues to steadily rise, it may reduce the relative need for future commercial and institutional building space associated with the employment forecasts set out in Schedule 3 of the Growth Plan.

4.3.2. Near-Term Immigration Levels for Canada are Likely to Remain Below Historical Averages Due to COVID-19

In October 2020, the Canadian federal government released its Immigration Levels Plan for the next three years. Canada has continued to raise the immigration targets and aims to welcome 401,000 new permanent residents in 2021, 411,000 in 2022, and 421,000 in 2023. This is an increase of 50,000 newcomers annually from the previous targets of 351,000 in 2021 and 361,000 in 2026. The increase in immigration targets will make up for the shortfall in 2020 and fill crucial labour market gaps to ensure Canada remains competitive on the world stage. With a focus on economic growth, 60% of admissions are to come from the economic class.⁵⁷

Figure 4-4 summarizes admissions to Canada and Ontario by quarter since 2015. Looking forward through 2021, immigration levels to Canada and Ontario are anticipated to remain low as a result of travel restrictions due to COVID-19. This suggests that near-term immigration levels in Durham Region will also remain below recent historical averages. A recent report prepared by the Federal Department of Immigration, Refugees and Citizenship Canada (IRCC) indicates that when travel restrictions begin to ease, a significant surge of applications and

⁵⁵ Work at home and NFPOW employment derived from 2001 and 2016 Statistics Canada Census data.

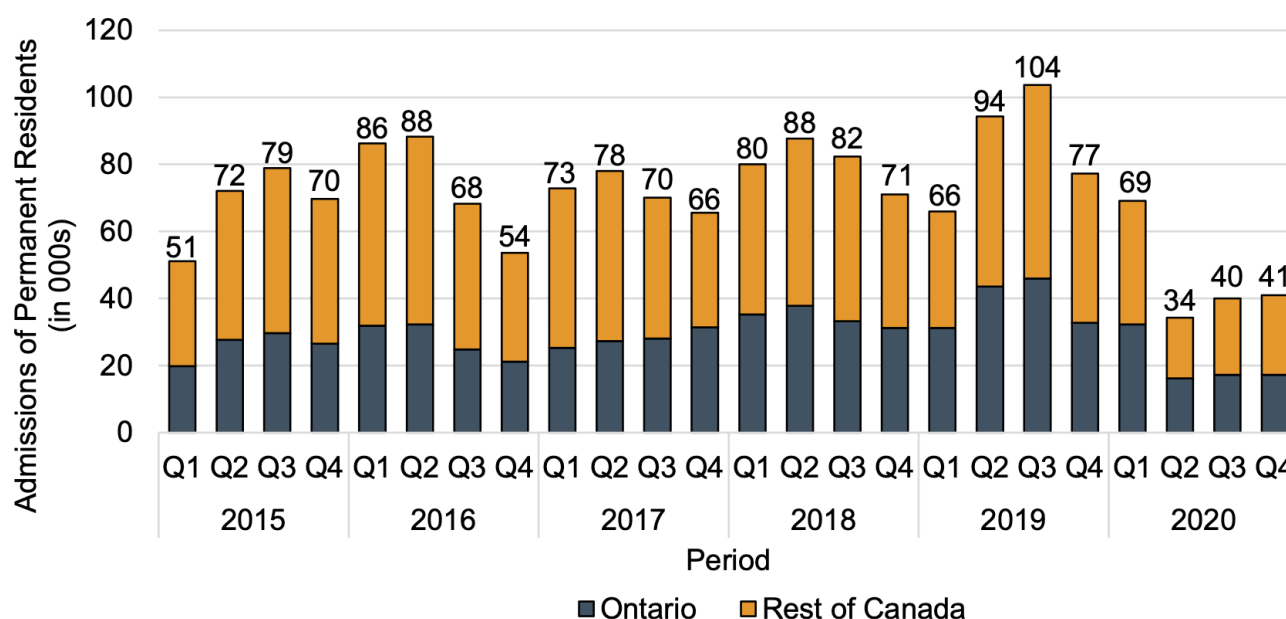
⁵⁶ Statistics Canada defines no fixed place of work employees as “persons who do not go from home to the same workplace location at the beginning of each shift. Such persons include building and landscape contractors, travelling salespersons, independent truck drivers, etc.”

⁵⁷ Immigration, Refugee and Citizenship Canada news release, October 20, 2020.

<https://www.canada.ca/en/immigration-refugees-citizenship/news/2020/10/government-of-canada-announces-plan-to-support-economic-recovery-through-immigration.html>

support requirements is anticipated. However, sustainable higher levels of immigration in line with the increased immigration targets will be largely dictated by the on-going strength of the national and provincial economies.

Figure 4-4: Quarterly Admission of Permanent Residents in Ontario Versus the Rest of Canada, 2015 to 2020



Source: Derived from IRCC, December 31, 2020, data, by Watson & Associates Economists Ltd.

4.4. Longer-Term Population Growth Drivers and Disruptors in Durham Region

4.4.1. Regional Infrastructure Assets

Durham Region continues to have strong appeal to both businesses and residents. As previously mentioned, this appeal is largely attributed to Durham Region's geographic location within the GGH, which is an internationally recognized economic powerhouse. Durham Region provides connectivity to key regional goods movement infrastructure such as the Toronto Pearson International Airport (TPIA), Oshawa Executive Airport, 400-series highways (401, 407, 412 and 418) as well as high-order regional transit services offered by GO Transit. Durham Region is also home to Ontario Tech University, Durham College, and Trent University's Oshawa Campus. Durham Region is also strategically located within a 1- to 2-hour commute to several other post-secondary institutions within southwestern/central Ontario.

In addition to these existing regional assets, infrastructure investment in Durham Region is also expected to enable higher levels of growth in the coming decades. A number of key existing and planned infrastructure investments in Durham Region (e.g. high-order transit

improvements including the extension of GO rail service to Bowmanville, the potential construction of the Pickering Airport, the refurbishment of Darlington Nuclear, and continued growth in local post-secondary institutions) are anticipated to drive population and employment growth rates higher in Durham over the next several decades, relative to historical trends. These attributes make Durham Region an attractive destination for permanent residents of all ages, non-permanent residents, students, as well as small, mid-sized and large businesses.

4.4.2. Quality of Life

In addition to the above-mentioned “hard” regional assets, “soft” or “quality” factors are becoming increasingly important in the attraction of new families and business investment. Durham Region has a reputation as a vibrant, growing, safe community in which to live. Generally, Durham Region offers a wide range of top-rated elementary, secondary and post-secondary schools, a high standard of local infrastructure (i.e. roads, indoor/outdoor recreation facilities and social services, etc.), vibrant downtowns, access to shopping, arts and culture, and an array of recreational opportunities. Finally, Durham has a diversity of communities, from urban centres to small towns set within significant protected landscapes, with ease of access to nature and waterfront open space systems. These “soft” factors represent a key reason why Durham Region’s competitive position is likely to strengthen in attracting new families and business development over the long term. Talent attraction and retention will be a key focus in Durham Region’s competitiveness going forward, and therefore a factor in the region’s economic growth will be the extent to which it can develop “quality of life” enhancements to appeal to mobile young talent, while not detracting from its attractiveness for other older population segments.

4.4.3. Regional Economic Opportunities

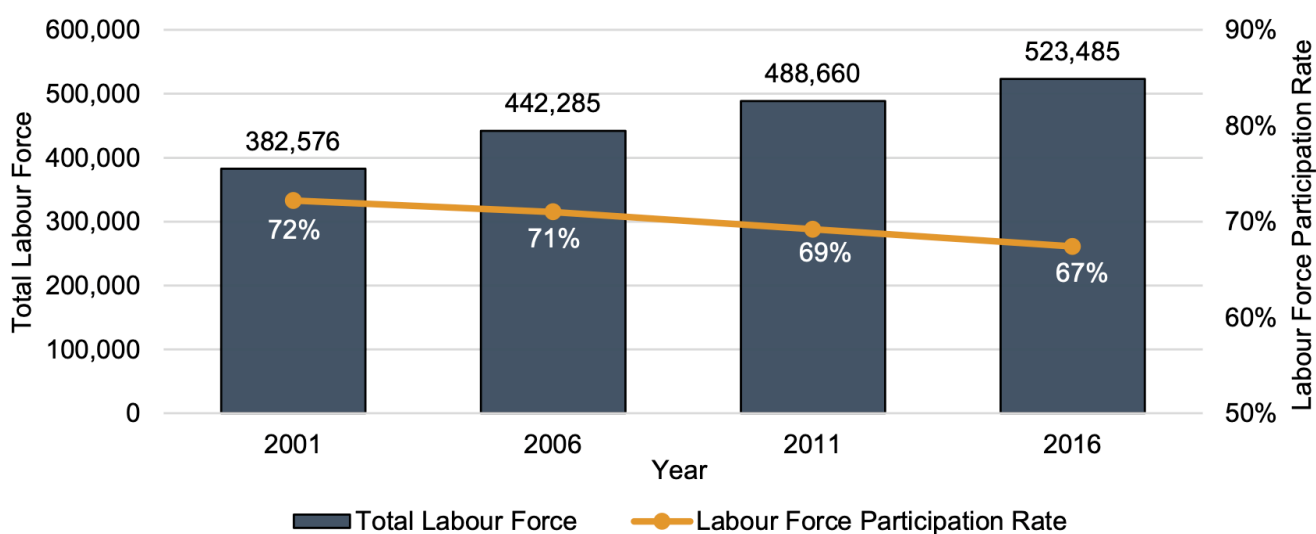
Continued employment growth in Durham Region and throughout the surrounding regional economy has generated demand for new housing within Durham Region and will continue to do so. New housing construction and associated local population growth is anticipated to generate local demand for population-related employment sectors such as retail, accommodation and food services, as well as other personal service uses. Other local “knowledge-based” and “creative class” employment such as information and cultural industries; arts, entertainment, and recreation; and professional, scientific and technical services are also experiencing strong employment growth. Population growth combined with the aging of the existing population base will also place increasing demands on employment sectors and municipal services related to the growing population base of seniors, primarily related to the health care and social assistance sectors.

Durham Region’s existing employment base is supported by a diverse range of goods-producing and services-producing sectors such as manufacturing; wholesale and retail trade; government and education; healthcare and social assistance; research and innovation; and accommodation and food services. The economic base is also oriented towards home-based occupations. A more detailed discussion regarding Durham Region’s long-term employment

outlook and the implications on planning for Employment Areas, Community Areas, and Rural Areas is provided in the Durham Region Employment Strategy Technical Report.⁵⁸

As previously identified, local and regional employment growth opportunities represent the primary driver of labour force growth, net migration and ultimately long-term population growth within Durham Region. As summarized in Figure 4-5, Durham's total labour force base grew by 140,900 persons or 2.1% annually between 2001 and 2016. During the same period, the regional labour force participation rate declined from 72% to 67%, largely due to the aging of the labour force.⁵⁹ Looking forward, the regional labour force participation rate is anticipated to further decline as the Baby Boom generation continues to age. The region's aging population and labour force will place downward pressure on long-term labour force growth potential, further emphasizing the need to plan for steady migration, particularly geared to the working-age population.

Figure 4-5: Durham Region, Historical Labour Force Trends, 2001 to 2016



Source: 2001 to 2016 derived from Statistics Canada Census and NHS by Watson & Associates Economists Ltd.

Figure 4-6 summarizes total employed labour force and unemployment rate trends for the Oshawa Census Metropolitan Area (CMA).⁶⁰ Census labour force data is not available for Durham Region post-2016, but it is well represented by the Oshawa CMA in the Statistics Canada Labour Force Survey. The Oshawa CMA labour force has been steadily growing from 2001 to 2019 at an annual growth rate of 2.0%, increasing to a historical high in 2018. The

⁵⁸ Employment Strategy Technical Report, Durham Region Growth Management Strategy, 2021.

⁵⁹ The labour force participation rate is defined as the ratio of employed and unemployed people to the total working-age population (aged 15 years and older).

⁶⁰ It is noted the geographic area of the Oshawa CMA and Durham Region are different, with the former including the Municipality of Clarington, City of Oshawa and Town of Whitby. Labour force data provided by the Statistics Canada Labour Force Survey varies from the labour force data provided by the Statistics Canada Census.

unemployment rate in the Oshawa CMA peaked at over 9% in 2009 and 2010, coinciding with the 2008 global economic recession, and has since fallen to 5.4% in 2019. Comparatively, the unemployment rate for the Province of Ontario as a whole was 5.6% in 2019.

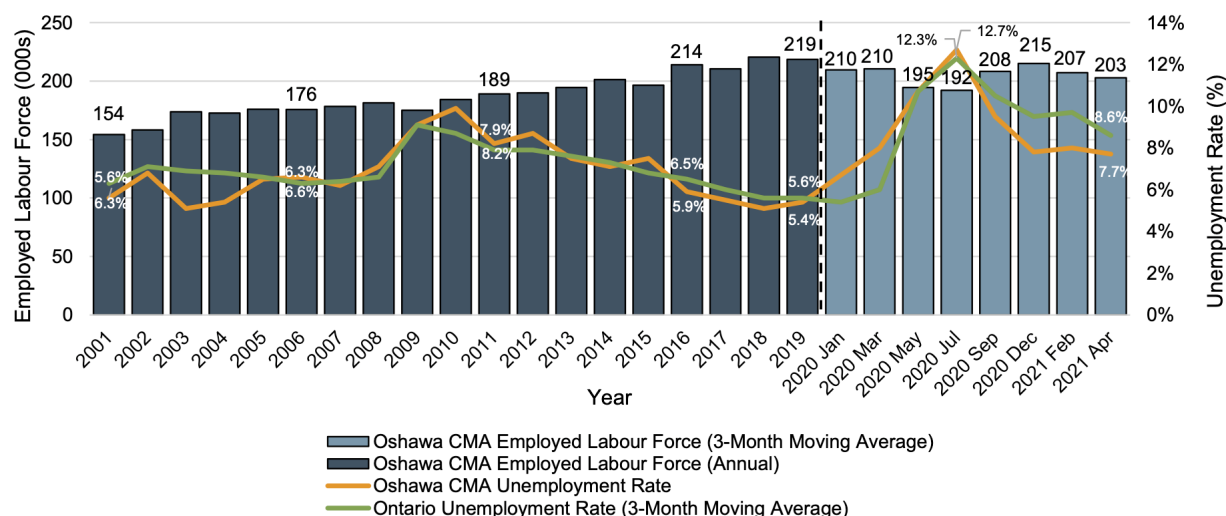
Despite the strong recent historical performance of the Oshawa CMA labour market, the unemployment rate increased to a high of 12.7% in July 2020 (3-month moving average) as a result of the COVID-19 pandemic, and most recently as of April 2021 had improved to 7.7%. According to Statistics Canada, the unemployment increase due to the COVID-19 pandemic has been driven by temporary layoffs, indicating that much of the labour force is expected to return to their former place of work when Provincial government restrictions are relaxed.⁶¹ As of April 2021, the number of Canada-wide employees in industries directly impacted by public health measures, including retail trade; accommodation and food services; and information, culture and recreation have fluctuated in parallel with these restrictions. In contrast, the number of employees in knowledge-based industries such as professional, scientific and technical services, finance, insurance, real estate, rental and leasing have increased steadily and surpassed pre-pandemic levels.⁶² At the local level the trends are anticipated to be similar.

Anticipated economic growth in Durham Region will continue to generate a steady need for local skilled and unskilled labour over the coming decades. This will require on-going efforts to retain, attract, and accommodate new working residents to ensure that economic development potential is not unduly constrained by labour shortages.

⁶¹ Statistics Canada, The Daily, Labour Force Survey, April 2020.

⁶² Statistics Canada, The Daily, Labour Force Survey, April 2021.

Figure 4-6: Oshawa CMA Total Employed Labour Force and Unemployment Rate Trends, 2001 to 2020



Note: Statistics Canada Labour Force Survey and Census labour force statistics may differ.

Source: Oshawa (CMA) employed labour force and unemployment rate from Statistics Canada Table 14-10-0096-01 and monthly from Table 14-10-0380-01.

Annual Province of Ontario unemployment rate from Statistics Canada Table 14-10-0380-01 and monthly from Table 14-10-0295-02. By Watson & Associates Economists Ltd.

4.4.4. Technological Change – Disruptor or Generator of Future Labour Force Demand?

Long-term labour force growth potential across the national, provincial, regional, and local levels will also be directly influenced by continued structural changes and disruptions driven by technology and automation. According to the Brookfield Institute for Innovation + Entrepreneurship, over the next 10 to 20 years, 42% of the Canadian labour force is at high risk of being affected by automation, either through significant task restructuring or elimination. Jobs that are anticipated to be most highly impacted by automation are primarily within occupations that are administrative, routine, or oriented towards sales and service. The Brookfield Institute report also notes that highly-skilled occupations are expected to grow much more quickly than the rest of the labour force and are at a lower risk of being negatively affected by automation. This suggests that more highly-skilled labour will be a significant driver of Canada's future economic growth.

With respected post-secondary institutions and a strategic location within the GTHA, Durham is well positioned to benefit from continued growth within the knowledge-based economy. Building on its strong institutional and community foundations, Durham has been active in increasing its readiness towards an ever-evolving knowledge-based economy through on-going leadership and investment. These efforts will continue to be important in driving youth immigration (both permanent and non-permanent residents), talent attraction and retention, global investment, and regional employment opportunities ultimately geared towards an increasingly skilled labour market.

4.5. Observations

The GGH economy is projected to continue to grow at a faster rate than the rest of the province. The GGH also represents the fastest growing large metropolitan area in the Great Lakes/eastern U.S. region of North America. Future population and employment growth potential within Durham Region is strongly correlated with the growth outlook and competitiveness of the export-based sectors of the regional economy. Potential job opportunities within the region's diverse and growing economic base and surrounding commuter-shed represent the primary driver of net migration to Durham. In turn, net migration drives population growth within Durham's working-age population and their dependents (i.e. children, spouses not in the labour force and other family members).

A review of recent economic trends and anticipated growth drivers suggests that Durham is well positioned to accommodate a growing portion of the regional economic and population growth that is anticipated within the broader GGH. It is also recognized that technological change and automation will continue to create economic opportunities and disruptions within an increasingly competitive global labour market. Looking forward, Durham Region will need to remain proactive in its pursuit to capitalize on anticipated opportunities generated from an evolving economy while continuing to manage change associated with creative disruption as well as an aging demographic base. This will require innovative local land-use planning and economic development policies, as well as programs and initiatives which continue to promote the attractiveness of Durham for future investments while also striving to enhance the quality of life for its residents. People will put more emphasis on where they live due to an aging population and increase opportunities for work at home, creating opportunities for transitional housing (independent living to full time care), more focus on housing supported by higher order transit and increasing consideration of place making and urban design which was discussed in the Growth Opportunities and Strategies Report.

5. Durham Region Population and Housing Growth Forecast, 2016 to 2051

This chapter provides an assessment of the long-term population and housing growth potential for Durham Region to the year 2051 in five-year increments building on the analysis summarized in Chapters 3 and 4, to implement the Growth Plan Schedule 3 forecasts and to inform and provide input into the Region's LNA. Additional details regarding the total population and housing forecast as well as PPU assumptions are provided in Appendix B.⁶³

5.1. Durham Region Short-Term Population Estimate, 2016 to 2020

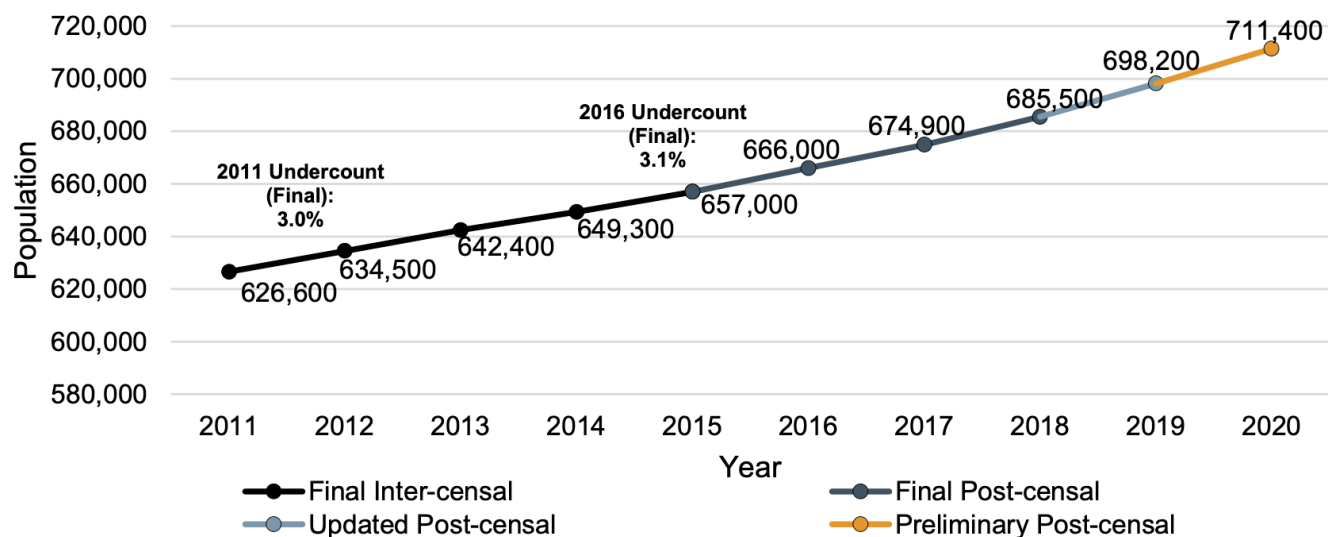
Figure 5-1 summarizes the annual intercensal and postcensal population estimates for Durham Region as provided by Statistics Canada. The 2020 post-censal population estimate provided by Statistics Canada for Durham Region is 711,400. The Statistics Canada population estimates for Durham Region are tracking noticeably higher from 2015 to 2020 at an annual growth rate of 1.6%, compared to a historical annual growth rate of 1.2% from 2011 to 2015. The Statistics Canada 2020 population estimates are preliminary and are subject to change.

Based on Statistics Canada components of population growth data,⁶⁴ a key driver of population growth from 2015 to 2020 primarily relates to continued strong intra-provincial migration (i.e., migration to Durham Region from other areas of Ontario) in addition to an increase in international immigrants and non-permanent resident population. With respect to the age of new migrants to Durham Region, recent demand has been experienced across most major age groups with a large concentration in youth and young adults, specifically in the 0 to 19 and 20 to 39 age groups, which accounted for approximately 43% and 51% of new migrants, respectively.

⁶³ This forecast is prescribed by the Province in Schedule 3 of A Place to Grow: Growth Plan for the Greater Golden Horseshoe, Office Consolidation 2020, and municipalities are required to plan and manage growth using this forecast.

⁶⁴ Statistics Canada. Table 17-10-0140-01 Components of population change by Census division, 2016 boundaries.

Figure 5-1: Durham Region, Short-term Population Estimate, 2011 to 2020



Note: Population includes the net Census undercount and is rounded.

Source: Historical population adapted from Statistics Canada Table 17-10-0139-01, Population estimates, July 1, by census division, 2016 boundaries. Figure by Watson & Associates Economists Ltd.

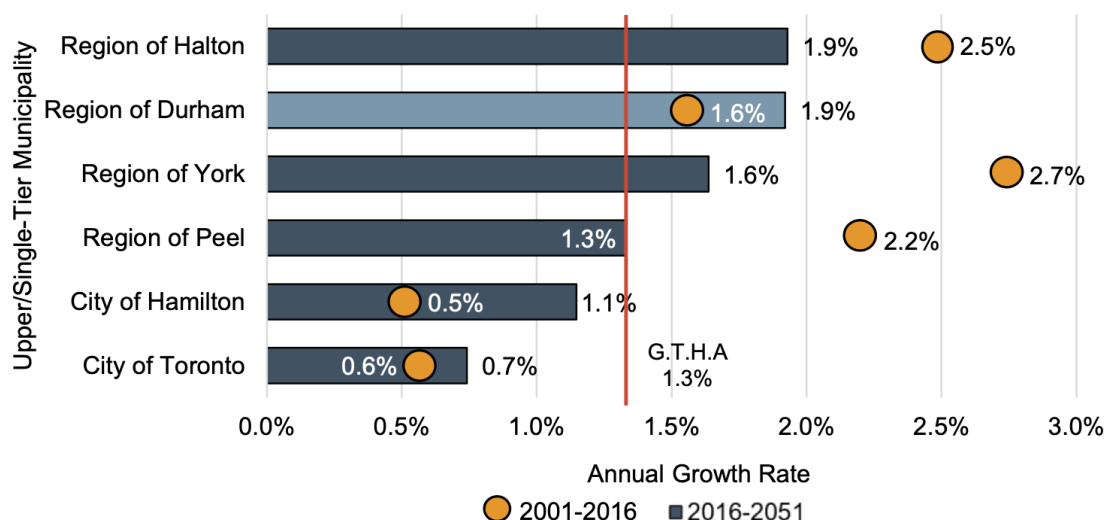
5.2. Durham Region Total Population Growth Forecast, 2016 to 2051

5.2.1. Durham Region Growth Forecast

Durham Region's population and employment are forecast to reach 1,300,000 and 460,000 respectively, by 2051.⁶⁵ This represents an increase of approximately 634,000 persons and 223,200 jobs from 2016 to 2051. As illustrated in Figure 5-2 and Figure 5-3, the population and the employment for Durham Region are forecast to increase at an annual growth rate of 1.9% and 2.1%, respectively. This represents a considerably higher level of growth relative to annual population and employment growth rates observed during the 2001 to 2016 period. Comparatively, Durham Region's population and its employment are forecast to grow under the Growth Plan at a higher rate than the GTHA as a whole.

⁶⁵ The Statistics Canada population is adjusted to account for the net number of persons who are missed (i.e., over-coverage less under-coverage) during enumeration. The 2016 Census population adjusted for the Census undercount was finalized by Statistics Canada in November 2019 (Table 17-10-0139-01). For Durham Region, the 2016 Census undercount was estimated by Statistics Canada at approximately 3.1%. It is also important to note that the Census undercount varies by population age, where under coverage rates are typically highest for young adults between the age of 19 to 24. It is noted that Durham Region uses an undercount of 4.0% for planning purposes. A 4.0% population undercount has been assumed for Durham Region throughout the forecast period to 2051.⁶⁵

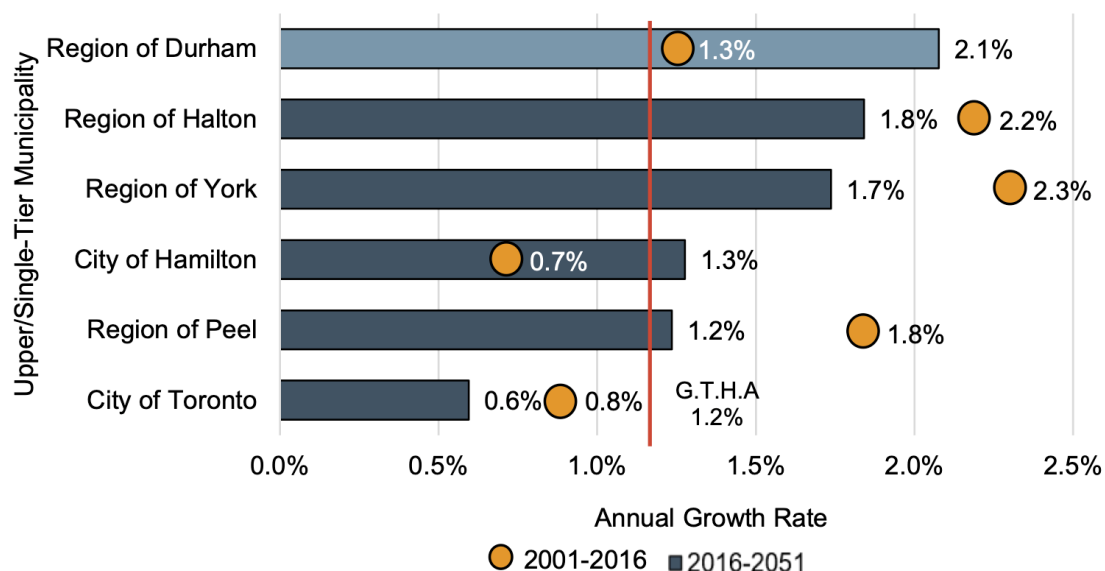
Figure 5-2: GTHA, Annual Population Growth Rate by Municipality, 2016 to 2051 (Growth Plan, Schedule 3)



Note: Population includes the net Census undercount.

Source: Derived from Greater Golden Horseshoe: Growth Forecasts to 2051 Technical Report, August 28, 2020, Hemson Consulting Ltd., by Watson & Associates Economists Ltd., 2020.

Figure 5-3: GTHA, Annual Employment Growth Rate by Municipality, 2016 to 2051 (Growth Plan, Schedule 3)

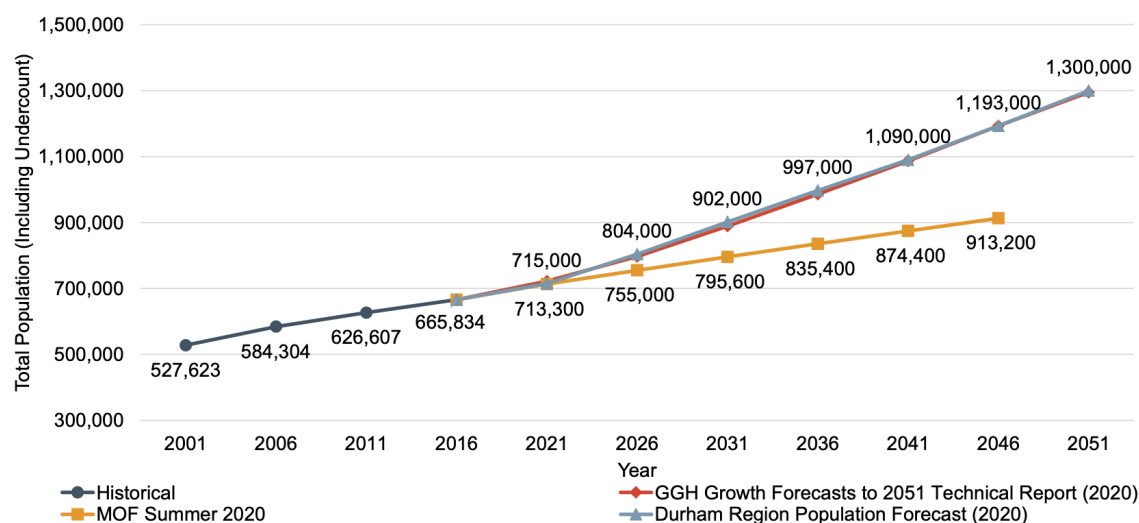


Source: Derived from Greater Golden Horseshoe: Growth Forecasts to 2051 Technical Report, August 28, 2020, Hemson Consulting Ltd., by Watson & Associates Economists Ltd., 2020.

The Ministry of Finance (MOF) population projections provide further insight into long-term population trends across Ontario including the GGH.⁶⁶ Over the past several years, the MOF has lowered its long-term projections for the GTHA, but increased its long-term population projections for the GGH Outer Ring. This shift in forecast population growth from the GTHA to the GGH Outer Ring appears to be largely driven by two key factors, 1) the relative affordability of housing of the GGH Outer Ring compared to the GTHA, and 2) a growing and strengthening regional economy across the GGH Outer Ring. The 2020 MOF population growth projection for Durham Region for the year 2046 is 913,200 (or approximately 280,000 persons lower than the Growth Plan forecast).⁶⁷ As such, the MOF projections indicate that the Growth Plan forecast is aspirational in nature, and does not provide evidence to support a higher population growth scenario for Durham Region.

Figure 5-4: Durham Region Population Forecast/Projection Comparison

(Growth Plan vs. Ontario Ministry of Finance)



Source: Historical data (2001 to 2016) from Statistics Canada Census. Forecast by Watson & Associates Economists Ltd., 2020.

Note: Population includes the net Census undercount. Numbers have been rounded.

As previously mentioned, the aging of the population in Durham Region places increased emphasis on net-migration as the primary source of population growth. This also places downward pressure on labour force participation rates and ultimately labour force growth. As noted in section 5.2.6, the level of annual net migration required to achieve the Growth Plan population forecast for Durham Region is almost two and a half times higher than historical trends achieved between 2001 and 2016.

⁶⁶ The Ministry of Finance long-term population projections use the cohort-component methodology and project to 2046.

⁶⁷ Technical Report: Greater Golden Horseshoe Growth Forecast to 2051. August 26, 2020. Hemson Consulting Ltd. Derived for 2046 population forecast (Reference).

There are several economic and demographic drivers that support higher annual net migration levels in Durham Region relative to historical trends. However, achieving higher amounts of net migration, beyond what is required to achieve the Growth Plan population forecast by 2051 for Durham Region (refer to Figure 5-10) is not a likely long-term outcome.

Based on the review of the region's long-term growth outlook provided herein, the 2051 population and employment forecast, as set out in the Growth Plan, is recommended as the long-term growth scenario for Durham Region. While it is recognized that the Growth Plan population and employment forecasts for Durham Region are to be treated as minimums, the Growth Plan targets are ambitious and aspirational, and therefore a higher population forecast is not recommended. Local population growth also represents a key growth driver for local employment, largely related to population-related employment sectors. Similar to the long-term population forecast, a higher long-term employment forecast for the Durham Region is also not recommended. A summary of the Region of Durham long-term employment forecast is provided in Chapter 6. A more detailed discussion of the Region of Durham long-term employment forecast will be provided in the Durham Region Employment Strategy.

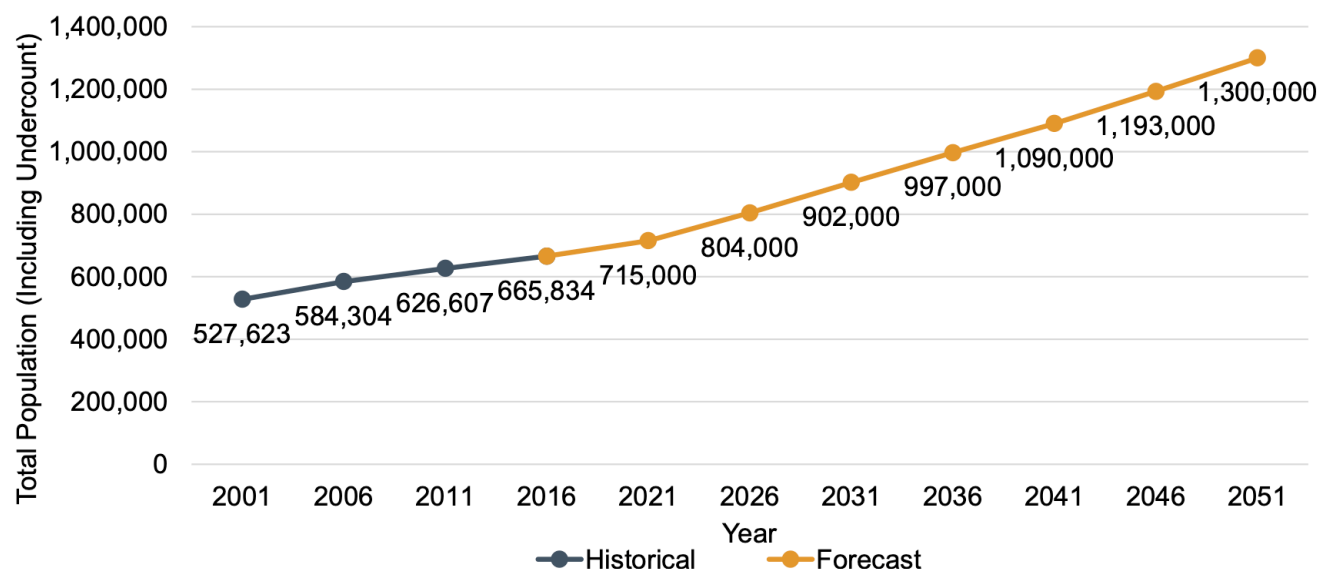
Figure 5-5 summarizes the Durham Region total population growth forecast for the purposes of the LNA over the 2016 to 2051 forecast period relative to historical population between 2001 and 2016. As established above, by 2051, the Durham Region total population base is forecast to grow to approximately 1,300,000, which is an increase of approximately 634,200 persons between 2016 and 2051, or an average annual population growth rate of 1.9%.^{68, 69} Comparatively, the population of the province as a whole is also forecast to increase at a rate of 1.1% over the 2016 to 2046 time period.⁷⁰

⁶⁸ Population forecast includes the net Census undercount which is estimated at 4.0% for all periods. The Census undercount represents the net number of permanent residents who are missed (i.e. over-coverage less undercoverage) during Census enumeration in accordance with Statistics Canada.

⁶⁹ A Place to Grow: Growth Plan for the Greater Golden Horseshoe, Office Consolidation 2020.

⁷⁰ Ontario growth rate based on Ministry of Finance Ontario Population Projection, 2019-2046, Summer 2020.

Figure 5-5: Durham Region, Total Long-term Forecast Population, 2016 to 2051



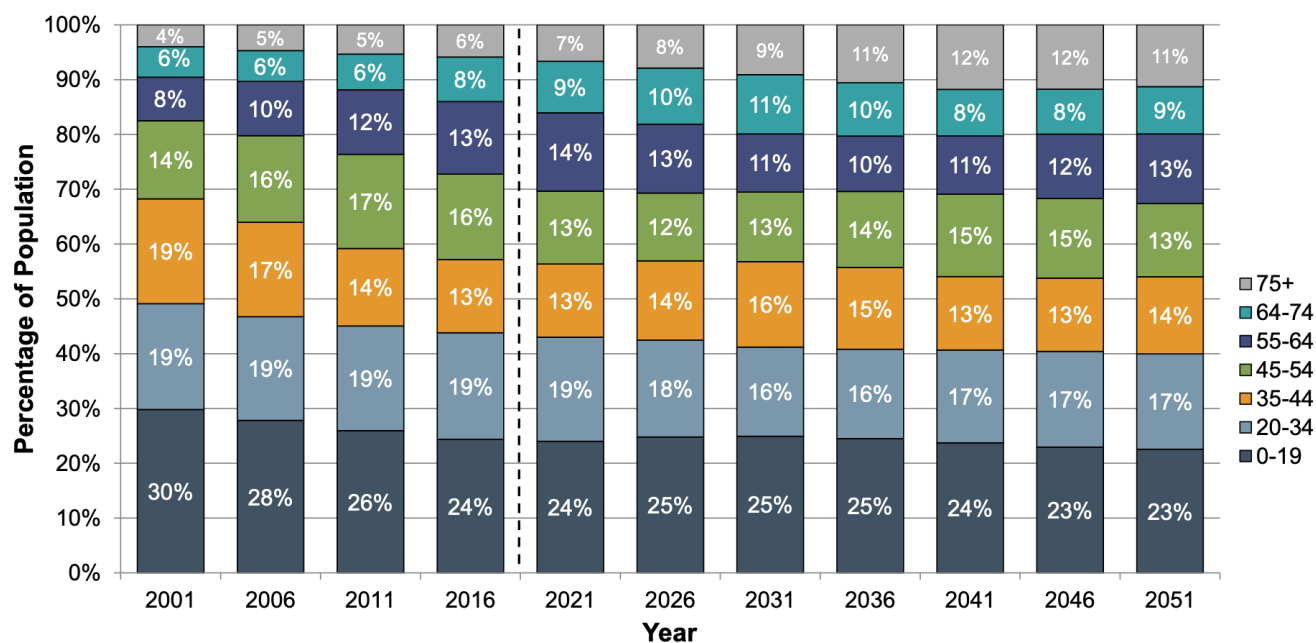
Source: Historical data (2001 to 2016) from Statistics Canada Census. Forecast by Watson & Associates Economists Ltd.
 Note: Population includes the net Census undercount. Numbers have been rounded.

5.2.2. Total Population Growth Forecast by Major Age Group

Figure 5-6 summarizes the total population growth forecast for Durham Region by the percentage population by major age group. Key observations include the following:

- The percentage of Durham Region's youth (0 to 19) is forecast to marginally decline from 23% in 2016 to 22% in 2051.
- The 20 to 34 age cohort (young adults), which comprised 19% of the population in 2016, is forecast to decline to 17% in 2051.
- The share of population in the 35 to 54 age group is forecast to decline slightly from 29% to 27% over the same period.
- The percentage of empty-nesters/younger seniors (age 55 to 74) is forecast to marginally increase from 21% to 22%.
- The percentage of population in the age 75+ age group (older seniors) is forecast to nearly double from 6% in 2016 to 11% in 2051. As previously mentioned, this is anticipated to drive increased demand for seniors' housing, high-density housing, affordable housing, as well as community and social services geared to older seniors.

Figure 5-6: Durham Region, total population by major age group, 2016 to 2051

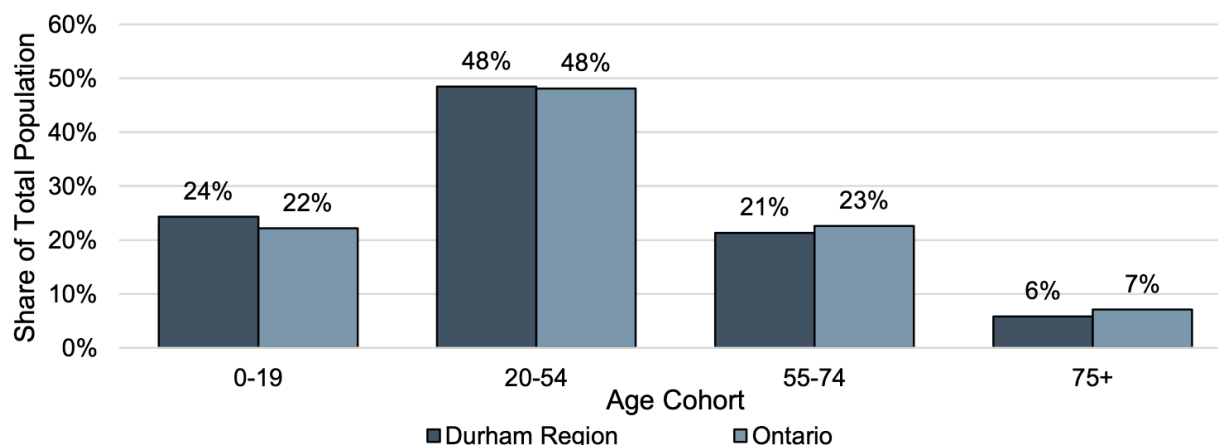


Source: Population forecast by age derived from 2006 to 2016 Statistics Canada Census by Watson & Associates Economists Ltd. 2016 to 2051 population forecast by age prepared by Watson & Associates Economists Ltd.
 Note: Population includes net Census undercount estimated at 4%.

5.2.3. Durham Region Population Comparison by Major Age Group

Figure 5-7 and Figure 5-8 summarize the 2016 and 2046 population age structure in Durham Region compared to the Province of Ontario as a whole. Generally, the Durham Region existing population is younger than the Province of Ontario. By 2046, the Durham Region population age structure is anticipated to remain younger than the Province as a whole.

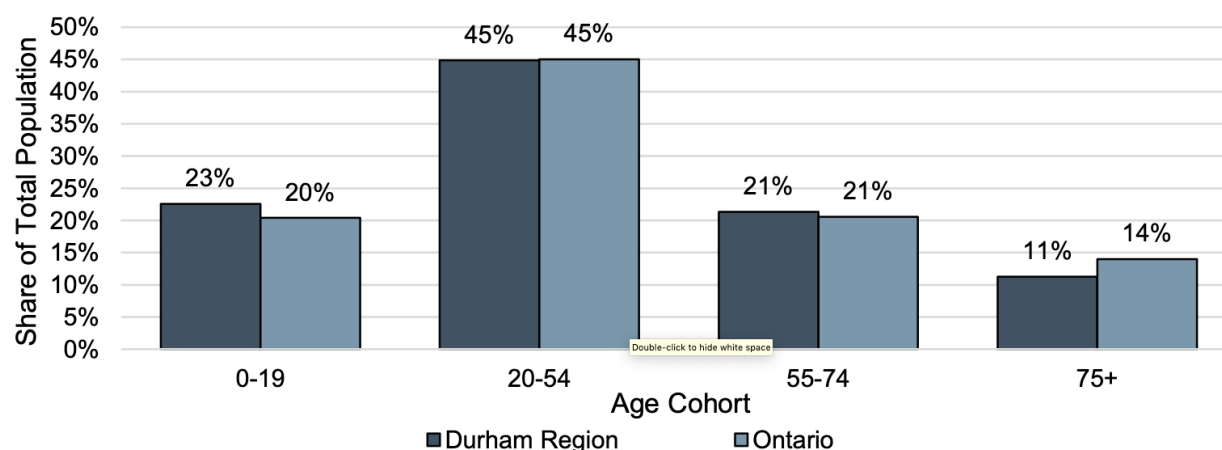
Figure 5-7: Durham Region and Ontario Population Age Structure, 2016



Note: Population used to calculate shares includes the net Census undercount.

Source: Ontario and Durham Region derived from Statistics Canada Table 17-10-0139-01 by Watson & Associates Economists Ltd.

Figure 5-8: Durham Region and Ontario Population Age Structure, 2046



Note: Population used to calculate shares includes the net Census undercount.

Source: Ontario derived from Ontario Ministry of Finance Population Projections, Summer 2020, and Durham Region by Watson & Associates Economists Ltd.

5.2.4. Planning for Existing and Future Generations within Durham Region

Forecast trends in population age structure are important to address as these demographic trends will directly influence the rate of future population growth and related future housing needs, infrastructure requirements and community services across Durham Region. In particular, the influence of key demographic groups including Generation Z, Millennials, and Baby Boomers on the residential real estate market are particularly important to address. A brief summary of how these demographic groups are anticipated to shape future housing market demand across Durham Region is provided below.

Addressing the Future Housing Needs of Millennials and Generation Z

Millennials are typically defined as the segment of the population which reached adulthood during the 2000s. While there is no standard age group associated with the Millennial generation, persons born between 1980 and 1992 (currently 29 to 41 years of age in 2021) best fit the definition of this age group. Millennials represent a large cohort in Canada, rivaling the Baby Boomer generation in terms of size and impacts on the real estate market and labour force base. As of 2016, Millennials comprise approximately 16% of the Durham Region population, slightly lower than the Ontario provincial average of 17%.⁷¹

Home ownership is considered important for the majority of Millennials. A recent Royal LePage study found that nearly half of Canadians aged 25-35 owned their home, and that 68% who currently are not homeowners planned to purchase a home in the next five years, with 72% being confident in their financial outlook. Nearly two-thirds of this age group who are employed or seeking employment feel the ability to work remotely for an employer is important, and approximately half said this has increased their likeliness to move further from their place of work. In total, nearly two in five are considering a move to a less dense area due to the COVID-19 pandemic, while approximately half said COVID-19 did not impact their desire to move into less dense areas. Given an option, 45% indicated they would prefer living in a city, while 47% said they would choose small town or country living. The most attractive features of living in a city were walkability (21%) and access to events, attractions and other entertainment options (21%), followed by diversity of people and cultures (18%), and more employment opportunities (17%). The top reasons for wanting to move to a less dense area included access to more outdoor space (62%) and lower home prices (61%), followed by the affordability of larger properties (51%).⁷²

Much of this demand for future home ownership appears to be the desire for additional floor space and a yard, in many cases to accommodate a growing family. Anticipated housing demand by the Millennial population is anticipated drive future housing needs across Durham Region, largely in Urban Centres, which provide options for first time homebuyers as well as “move-up” buyers with growing families. With this in mind, housing demand is anticipated to be primarily strong for medium-density development – such as townhouses, back-to-back townhouses, stacked townhouses and higher density development such as mid and high-rise condos, and to a lesser extent, single and semi-detached dwellings.

Durham Region has been successful in attracting and accommodating the Millennial generation in recent years. Between 2011 and 2016, the Millennial population increased by approximately 3,900 persons in Durham Region, or approximately 1 in 10 new people.⁷³

⁷¹ Statistics Canada, Census 2016, population by age.

⁷² Royal LePage 2021 Demographic Survey (full national, regional and city-level results): rlp.ca/table_2021demographicsurvey

⁷³ Derived from 2011 and 2016 Statistics Canada Census data.

Looking forward, the Region is anticipated to attract an increasing share of persons from this cohort. This is largely attributable to the supply of competitively priced grade-related housing opportunities relative to other GTHA municipalities, particularly within the City of Toronto, combined with growing regional employment opportunities.⁷⁴

Generation Z, the cohort which directly follows the Millennial Generation, is now entering the real estate and labour market. Demographers and researchers typically use the mid-1990s to mid-2000s as starting birth years to describe the Generation Z cohort. For the purposes of this study, we have assumed that those born between 1993 and 2005 (16-28 years of age as of 2021) comprise Generation Z. As of 2016, this population represented 18% of the Durham Region population base, however at that time, this population base was primarily a youth population base (11 to 23 years of age) and not a major component of the housing market. Between 2016 and 2051 Generation Z is forecast to comprise 17% of total population growth within Durham Region. Over the next several decades, Generation Z is also anticipated to place increased demand on medium and high-density ownership and rental housing.

It is also important to recognize the impact of Millennials and Generation Z on the nature of future employment growth, which will be increasingly driven by the knowledge-based economy. Compared to older age groups, Millennials and Generation Z have a higher average level of education attainment in Canada compared to older age groups. Millennials are considered the most educated generation, with nearly 70% of Millennials having a post-secondary certificate, diploma and degree compared to the previous generation, Gen-X at approximately 55%.⁷⁵ This bodes well in accommodating labour within the knowledge-based economy, however has posed a challenge in accommodating employment in other sectors of the economy, including unskilled employment, as a greater share of the of the baby-boomer generation enters retirement. Generation Z will continue to serve as a catalyst for both growth and change related to future office, retail, institutional and industrial developments across Durham Region. The extent to which Durham Region can capitalize on potential demand from these demographic groups is subject to a number of economic and socio-economic variables (e.g. relative housing costs/affordability, local and regional employment opportunities, broadband infrastructure, lifestyle preferences, local amenities, community services and perceived quality of life).

Continuing to Plan for Older Generations

As summarized in Figure 5-6, the population base in Durham Region is getting older, due to the relatively high concentration of Baby Boomers within the region. As of 2021, this age group is between 57 and 75 years of age and comprises approximately 21% of the region's population base. As previously noted, the percentage of seniors, particularly older seniors (i.e., seniors 75 years of age and older) within the region is anticipated to steadily increase over the

⁷⁴ The millennial population in Ontario accounted for 13% of total population growth from 2011 to 2016.

⁷⁵ Statistics Canada, Income Statistics Division and Analytical Studies Branch, Statistics Canada, Economic Well-being Across Generations of Young Canadians: Are Millennials Better or Worse Off?, April 2019.

2016 to 2051 forecast period, driven by the aging of the Baby Boom population. From 2001 to 2016, the region's 75+ population grew at an annual rate of 4.2%. Over the 2016 and 2051 period, the forecast annual population growth rate for the 75+ age group is forecast to remain strong at 3.9%. This demographic trend is anticipated to be largely driven by the aging of the region's existing population, as opposed to net-migration of older residents into the region. The Baby Boom age group is large in terms of its population share in Durham Region, but it is also diverse with respect to age, income, health, mobility, and lifestyle/life stage.

When planning for the needs of older adults, it is important to consider diverse physical and socio-economic characteristics relative to younger age groups. On average, seniors, particularly those in the 75+ age group, have less mobility, less disposable income and typically require increased health care compared to younger seniors (65-74 age group) and other segments of the population. Typically, the 75+ age group drive demand for higher-density housing forms (e.g., apartments and seniors' homes) that are in proximity to urban amenities (e.g. hospitals/health care facilities, and other community services geared towards older seniors).

Considerable research has been undertaken over the past decade regarding the aging population and its impact on housing needs over the long term. The majority of literature and commentary regarding the housing needs of older Canadians suggests that a large percentage of seniors will "age in place"; that is, to continue to live in their current home and/or community for as long as possible even if their health changes.^{76,77}

While there is strong rationale to support "aging in place" as a general concept, the current characteristics of the region's housing stock occupied by older adults (i.e. house size, built-form, location and amenities) against the socio-economic characteristics of older residents in Durham Region (i.e. household income, housing affordability, mobility, health, etc.) should be addressed. These factors are also important to recognize when comparing housing preferences of Baby Boomers with previous generations. The concept of "aging in place" should emphasize the goal to age with some level of independence "within the community," as opposed to simply "aging at home." This could include creating new housing through infill or intensification of established areas which can facilitate "aging in place" by providing housing options which allow seniors to remain in their communities when responding to life changes.⁷⁸ The overarching message around "aging in place" is that seniors require choice as well as access to services and amenities regarding their living arrangements.⁷⁹

⁷⁶ Canadian Housing Observer 2011. CMHC. 2011.

⁷⁷ Aging in place will also require retrofitting existing homes to improve access and mobility arrangements, providing accessory units, promoting cohabitation models, providing in-home medical services, and enabling related in-home supports.

⁷⁸ Housing for Older Canadians: The Definitive Guide to the Over-55 Market. CMHC. Canada. 2012. p. 18.

⁷⁹ The Meaning of "Aging in Place" to Older People. The Gerontologist, Vol. 52, No. 3, 2012.

5.2.5. Components of Total Population Growth

Figure 5-9 through 5-11 summarize population growth in Durham Region by component, including net migration and natural increase (births less deaths). As previously mentioned, net migration is anticipated to represent the largest component of forecast population growth in Durham. This is a result of diminished population growth from natural increase due to an aging population. Net migration can be broken into three broad categories, including:

International net-migration – represents international immigration less emigrants, plus net non-permanent residents. Over the last decade this has been a significant source of net migration for Durham Region, comprising 33% of total net migration from 2010 to 2020;

Inter-provincial net-migration – is comprised of in-migration less out-migration from other Canadian provinces/territories. Historically this has been a negative source of net-migration for Durham Region, accounting for -10% of total net migration from 2010 to 2020; and

Intra-provincial net migration – includes in-migration less out-migration from elsewhere within the Province of Ontario. This represents the largest source of net migration for Durham Region, contributing to 78% of total net migration from 2010 to 2020.

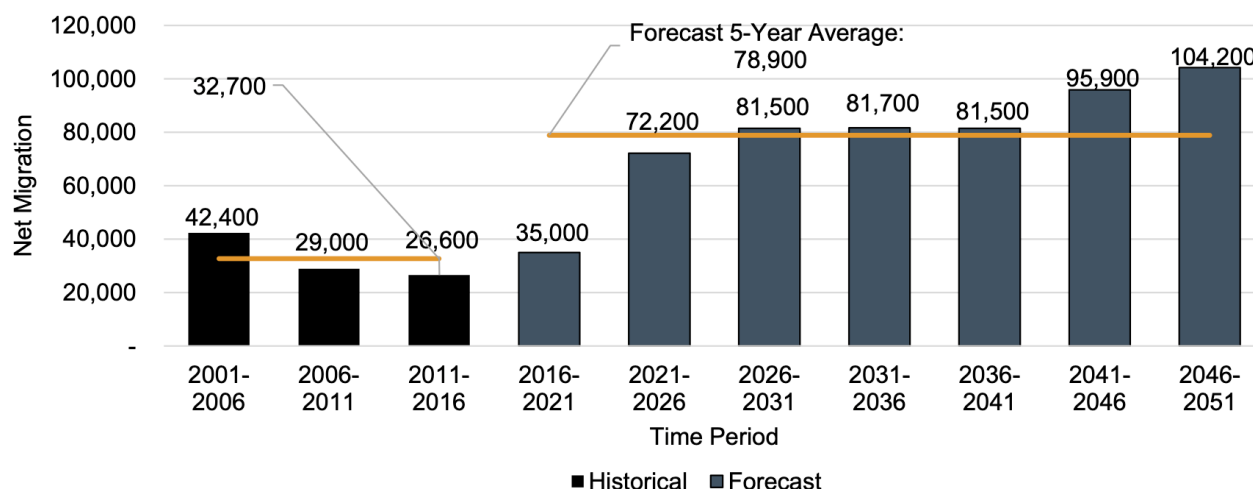
Key observations with respect to the components of population growth in Durham Region include the following:

- Over the 2016 to 2051 period, approximately 87% of population growth within Durham Region is anticipated to be driven from net migration. Intra-provincial net-migration is anticipated to continue comprising a large share of total net-migration, followed by international net-migration which is expected to make up an increasing share over the forecast period as population growth in Canada becomes more reliant on international immigration as natural increase declines. Lastly, inter-provincial net-migration is anticipated to comprise a modest share of total net-migration.
- The region is forecast to accommodate just over 15,800 new net migrants per year (or 78,900 migrants every five years). Relative to historical trends, this represents an increase of approximately 140% the average historical levels of net migration experienced between 2001 and 2016.
- As previously discussed, forecast net migration in Durham is anticipated to be largely driven by the long-term economic growth prospects in the regional economy and surrounding commuter-shed. Local housing growth opportunities appeal to a broad range of demographic groups (i.e. first-time homebuyers, families, empty

nesters and seniors) and the region's attractiveness as a place to work, live, and study also represents a key factor of net future migration within the region.

- As previously discussed in section 5.1, net-migration over the 2016 to 2021 period is anticipated to be driven by continued strong levels of intra-provincial migration and increases in international migrants and the non-permanent resident (NPR) population in Durham Region. Net migration is anticipated to remain strong over the forecast period relative to historical levels and is assumed to be the main driver of population growth over the long-term forecast period.
- The region is anticipated to experience relatively strong net migration across all major age groups, most notably the 0 to 44 age groups (youth, young adults and middle-aged adults).

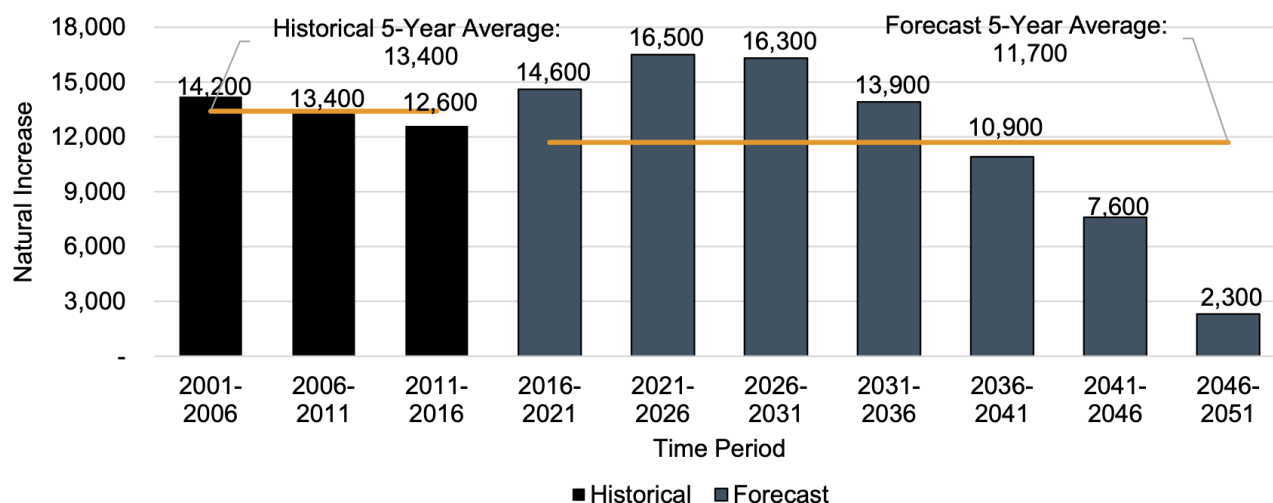
Figure 5-9: Durham Region, Historical and Forecast Net Migration, 2016 to 2051



Source: 2001 to 2016 derived from Statistics Canada, Demography Division. 2016 to 2051 estimated by Watson & Associates Economists Ltd.
 Note: Population includes Census undercount.

Figure 5-10 summarizes forecast population growth associated with natural increase for Durham Region relative to historical trends. As previously discussed, historical population growth (2001 to 2016) associated with natural increase has historically been strong in Durham Region. Over the forecast period, the share of population growth associated with natural increase will steadily decline during the post-2031 period due to the aging of Durham's population. Comparatively, the share of population growth associated with natural increase is anticipated to decline more rapidly for the Province as a whole, as the Ontario population is relatively older and aging more rapidly when compared to Durham Region.

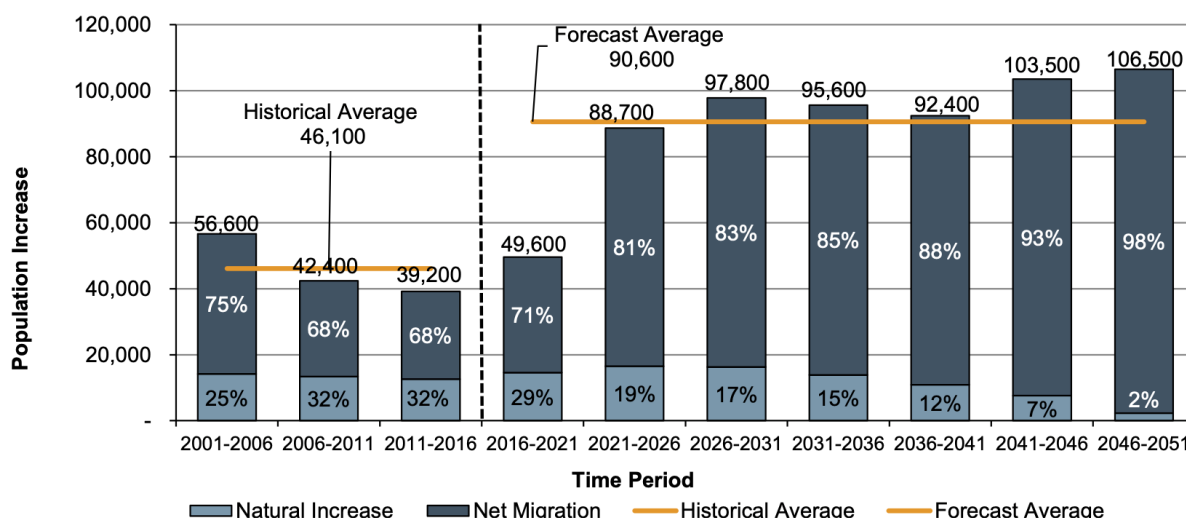
Figure 5-10: Durham Region, Historical and Forecast Natural Increase, 2016 to 2051



Source: 2001 to 2016 derived from Statistics Canada, Demography Division. 2016 to 2051 estimated by Watson & Associates Economists Ltd.
 Note: Population includes Census undercount.

Figure 5-11 summarizes the Durham Region total population forecast by growth component from 2016 to 2051 in five-year increments in comparison to historical population growth trends between 2001 to 2016. Over the forecast period, average incremental population growth (as measured in 5-year averages) in Durham Region is forecast to nearly double the amount achieved between 2001 to 2016 to achieve the Growth Plan Schedule 3 forecast.

Figure 5-11: Durham Region, Historical and Forecast Total Population Growth, 2001 to 2051



Source: 2001 to 2016 derived from Statistics Canada, Demography Division. 2016 to 2051 estimated by Watson & Associates Economists Ltd.
Note: Includes Census undercount.

5.2.6. Non-Permanent Resident Population (NPR)

The NPR population represents one of two key components of the population identified by the Statistics Canada Census. The Census population includes the permanent population which includes persons who reside in Canada on a permanent basis and NPR population which is defined as:

“NPRs are defined by Statistics Canada as persons from another country who have been legally granted the right to live in Canada on a temporary resident permit along with members of their family living with them. These residents include foreign workers, foreign students, and the humanitarian population such as refugees and other temporary residents.”⁸⁰

The NPR population is largely represented by a temporary cohort that is typically concentrated between the ages of 15 and 34 and is represented largely by international students, skilled workers and their families. Housing preferences associated with NPRs are generally high-density oriented.

⁸⁰ Statistics Canada, Population and Family Estimates Methods.

In accordance with the 2016 Statistics Canada Census, the NPR population represented approximately 1% of the region's population in 2016, or approximately 3,000 persons. Statistics Canada data indicates that post-2015 growth in the NPR category in Durham Region has most recently been noticeably strong relative to pre-2015 activity. Recent strength in NPR population growth is likely driven by increased demand in international post-secondary students across Canadian post-secondary institutions, including those in Durham Region. It is also noted that the Canadian federal government's fast-track visa program which was officially launched in June, 2017 has also accelerated growth in foreign temporary workers.⁸¹ Looking forward, the NPR population is expected to represent part of the future population and associated housing growth in Durham Region, mainly in locations within proximity to the region's post-secondary institutions.⁸²

5.3. Durham Region Housing Growth Forecast

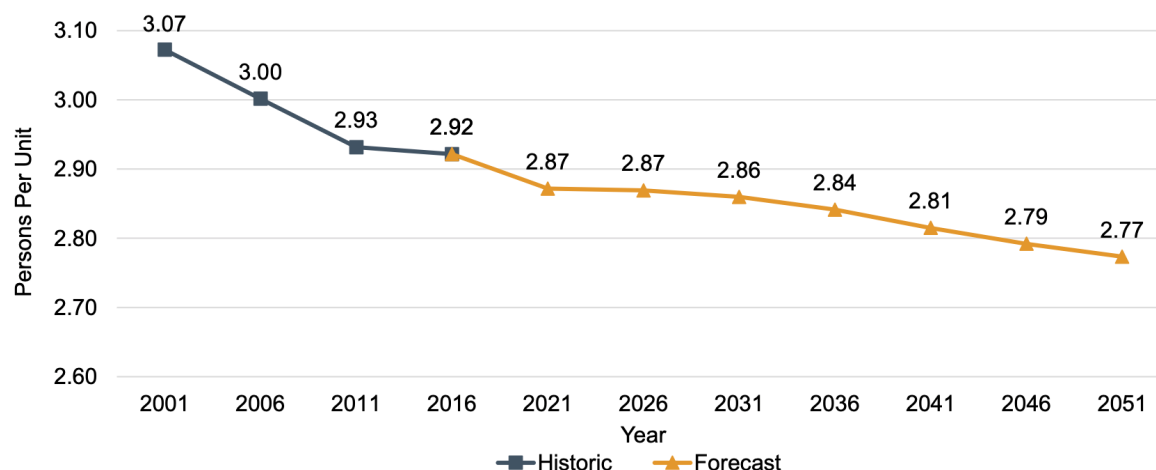
Figure 5-12 summarizes anticipated long-term forecast housing occupancy trends (i.e., PPU) for Durham Region from 2016 to 2051 within the context of historical trends from 2001 to 2016. This PPU forecast has been based on a headship rate analysis (refer to Appendix A for additional details).⁸³ Over the forecast period, overall average household occupancy levels are expected to decline between 2016 and 2051. This is largely as a result of the aging of population during this time period. Additional details regarding PPU assumptions by housing density are provided in Appendix B.

⁸¹ <https://www.immigration.ca/global-talent-stream-early-success-fast-track-canada-visa-pilot>.

⁸² The population and housing forecast presented herein conforms with the Census definition of population and private dwellings occupied by usual residents which accounts for both permanent and NPR components.

⁸³ A headship rate is defined as the number of primary household maintainers or heads of households by major population age group. The headship forecast forms the basis for determining the demand for new households generated from population growth. Dividing total units over population generates the resulting long-term PPU for the Region from 2016 to 2051.

Figure 5-12: Durham Region, Person Per Unit (PPU), 2016 to 2051

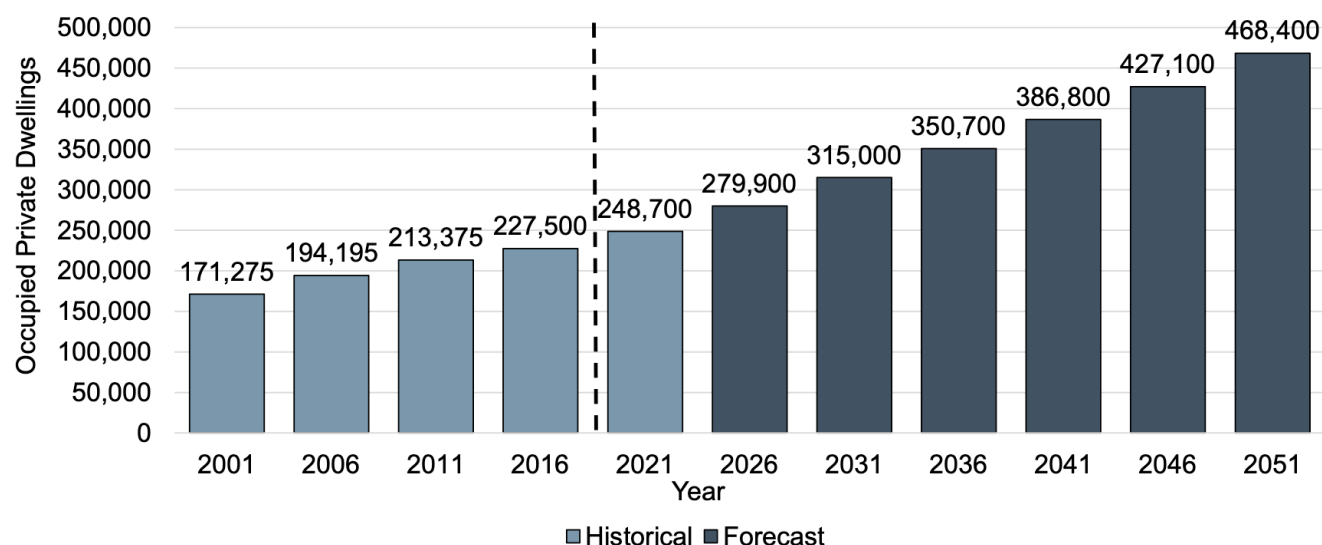


Source: Statistics Canada Census and Demography Division, 1991 to 2016. Forecast (2016 to 2051) by Watson & Associates Economists Ltd.
 Note: Figure includes net Census undercount estimated at 4%.

Figure 5-13 summarizes the long-term total household forecast for Durham Region in five-year increments from 2016 to 2051. By 2031 Durham Region's housing base is forecast to reach approximately 315,000 total households.⁸⁴ The rate of housing growth is forecast to moderate during the post-2031 period, similar to forecast population growth trends anticipated during this time period. By 2051, Durham Region's housing base is forecast to increase to approximately 468,400 households. This represents an annual housing growth rate of approximately 2.1% over the 2016 to 2051 period, which is a slightly higher rate of growth relative to the region's historical 15-year average (1.9% from 2001 to 2016). The amount of absolute annual household growth is significantly higher over the forecast period, relative to historical trends.

⁸⁴ Housing refers to private dwellings occupied by usual residents.

Figure 5-13: Durham Region, Housing Forecast, 2016 to 2051

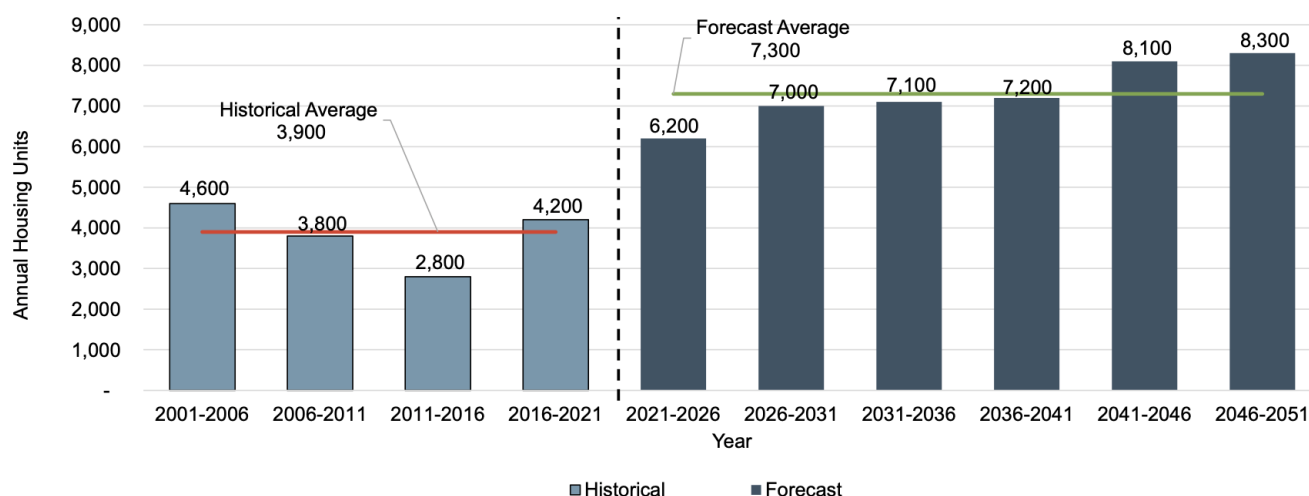


Source: Historical data from Statistics Canada Census Profiles, 1991 to 2016. Forecast (2016 to 2051) by Watson & Associates Economists Ltd.

Figure 5-14 compares annual historical permanent housing growth for Durham Region from 2001 to 2016 against forecast new housing growth over the 2016 to 2051 period.⁸⁵ In accordance with housing growth trends between 2016 and 2019 (i.e. residential building permits) and a review of housing units in the development approvals process, total absolute housing growth over the 2016 to 2021 period is anticipated to be comparable relative to the historical 15-year average. Over the long term, total housing growth is forecast to continuously increase driven by strong net migration levels across Durham. Annual average housing growth of 7,300 units from 2021 to 2051 is forecast to be 87% higher compared to the annual average of 3,900 units from 2001 to 2021.

⁸⁵ In the 2016 to 2021 forecast period, 2016 to 2020 is based on building permit data received from Durham Region.

Figure 5-14: Durham Region, Annual Housing Forecast, 2016 to 2051



Source: Statistics Canada Census, 2001 to 2016. Forecast (2021 to 2051) estimated by Watson & Associates Economists Ltd.

5.4. Durham Region Population in Collective Dwellings

An important component of the Census population is the non-household population. The household-population refers to persons who are part of a household, whereas the non-household population refers to persons who are residents of collective dwellings. Statistics Canada defines a collective dwelling as a dwelling of a commercial, institutional, or communal nature. This includes lodging or rooming houses, hotels, motels, tourist homes, nursing homes, hospitals, staff residences, communal quarters (military bases), work camps, jails, missions, and group homes. Collective dwellings may be occupied by usual residents or solely by foreign and/or temporary residents.

Historically, the share of population in collective dwellings relative to total population has slightly increased between 2006 and 2016 from 0.9% to 1.0%. Over the historical time period, this translates to an increase of approximately 1,190 people or 119 people annually at an annual growth rate of 2.1%. It is anticipated that the number of collective dwellings in Durham Region will steadily increase as the population grows and ages. Over the long-term it is anticipated that there will be increasing demand for collective dwellings in hospitals, retirement facilities, and long-term care homes to accommodate an aging population.

5.5. Durham Region Post-Secondary Students

As identified in section 3.2.10, Durham Region is home to Ontario Tech University, Durham College, and Trent University's Oshawa Campus. Recent full-time post-secondary student enrolment growth in Durham has been relatively strong. Over the 2012 to 2018 period, full-time enrolment growth increased at an average annual rate of 3.6%.⁸⁶ Over the short term (i.e., through 2026), full-time enrolment growth is expected to remain strong. Post-2026, full-time enrolment is forecast to moderate, driven by the slowing of population growth related to domestic students and the increased global competition related to post-secondary international student attraction.

Forecast enrolment growth at the region's post-secondary institutions are expected to continue to drive increased demand for student housing. It is anticipated that a share of this will be addressed through on-campus and off-campus housing development, primarily through purpose-built student rentals. Post-secondary students are not captured in the provincial population forecast to 2051. Students generate an additional housing demand in addition to housing growth, primarily in the City of Oshawa.

At the time of writing, Ontario post-secondary institutions, including those in Durham Region, are planning a hybrid of in-class and remote learning starting in the Fall of 2021.

5.6. Observations

By 2051, Durham Region's total population base is forecast to grow to approximately 1,300,000 persons as per Schedule 3 of the Growth Plan. This represents a population increase of approximately 634,200 between 2016 and 2051, or an average annual population growth rate of 1.9% during this time period. Comparatively, the population of the Province as a whole is forecast to increase at a rate of 1.1% over the 2016 to 2046 period.⁸⁷

Population growth will be primarily driven by the region's labour force attraction across a diverse range of growing services-producing and goods-producing sectors, particularly sectors that are geared toward innovation and technology. Looking forward, Durham Region's competitive position relative to other GTHA municipalities is anticipated to be a key driver of its future economic success and long-term population growth potential. In addition to benefiting from being part of the GTHA economic region, Durham Region also has its own unique advantages such as a competitive housing market and its own growing local employment opportunities and a relatively young labour force which will attract newcomers and businesses to the region.

⁸⁶ Derived from Province of Ontario, Ministry of Training, Colleges and Universities data.

⁸⁷ Ontario growth rate based on Ministry of Finance Ontario Population Projection, 2019-2046, Summer 2020

While Durham Region's population base is growing, it is also getting older. Between 2016 and 2051, the 75+ age group is forecast to be the fastest growing population age group within the region with an average annual population growth rate of 3.9%. With an aging population, the region will be more reliant on net migration as a source of population growth as opposed to natural increase. With respect to future housing needs, strong population growth in the 75+ age group is anticipated to drive increased demand for high-density forms, including seniors' housing and affordable housing options.

Durham Region is also anticipated to accommodate a growing share of young adults and new families seeking competitively priced home ownership and rental opportunities. Population growth associated with young adults is anticipated to be primarily driven by net migration. Housing preferences from this demographic group are anticipated to drive future housing demand across Durham Region in both urban areas which offer higher-order transit access as well as suburban locations which provide options for "move-up" buyers with growing families. With this in mind, housing demand is anticipated to be primarily strong for medium-density development – such as townhouses, back-to-back townhouses, stacked townhouses and higher density development such as mid and high-rise condos, and to a lesser extent, single and semi-detached dwellings.

Accommodating forecast total population growth in Durham Region will require approximately 240,900 new households, or almost 6,900 new households annually. There may be additional housing needed to accommodate post-secondary students not captured in the Census over the 2016 to 2051 period. To adequately accommodate future housing demand across a diverse selection of demographic and socio-economic groups, the full range of housing types and options will be required in a variety of locations across the region and at varying affordability levels

Following the Region-wide Growth Analysis Technical Report, the Housing Intensification Technical Report and Community Area Urban Lands Needs Technical Report will address the Total Population forecast by location and housing forecast by location and structure-type.

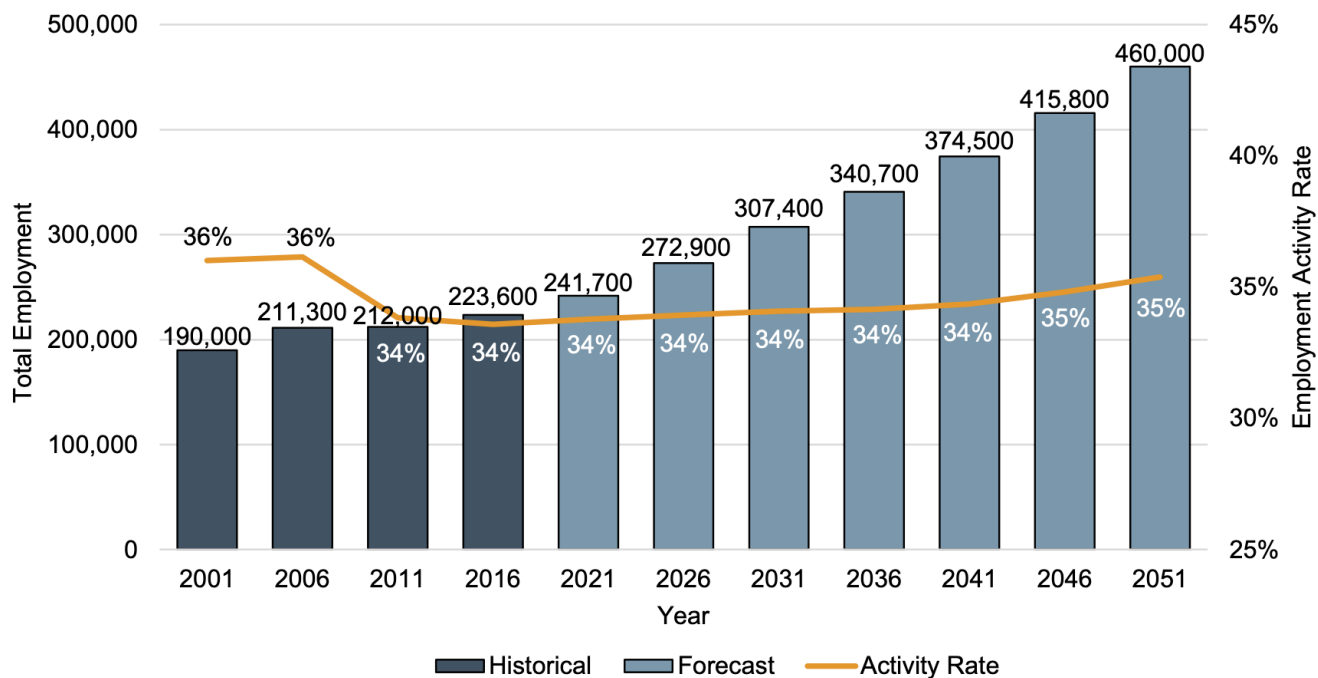
6. Durham Region Employment Forecast, 2016 to 2051

This chapter provides a brief assessment of the long-term employment growth forecast for Durham Region to the year 2051, in accordance with Schedule 3 of the Growth Plan. Additional details regarding the employment forecast are provided in the Employment Strategy Technical Report.

6.1. Durham Region Total Employment Forecast

Figure 6-1 summarizes the long-term employment forecast for Durham Region by total employment and employment activity rate (ratio of jobs per population) in comparison to recent historical trends. In accordance with Schedule 3 of the Growth Plan, Durham Region's is forecast to reach 460,000 jobs by 2051. This represents an increase of approximately 236,400 jobs between 2016 and 2051, or an average annual growth rate of 2.1% during this period. Between 2006 and 2011, Durham Region's employment activity rate (ratio of jobs to population) decreased from 36% to 34%, coinciding with the 2008 global economic recession, followed by stability from 2011 to 2016. The COVID-19-driven economic downturn is expected to impact employment and activity rate levels negatively in Durham Region, but they are anticipated to gradually recover following the 2021 period. Over the long-term planning horizon, the region's employment activity rate is forecast to increase slightly to 35%.

Figure 6-1: Durham Region, Historical and Forecast Employment Growth, 2016 to 2051



Note: Employment activity rate is based on population including the net Census undercount.

Source: 2001 to 2016 derived from Statistics Canada Place of Work data. 2016 to 2051 forecast by Watson & Associates Economists Ltd. 2051 total employment conforms to A Place to Grow. Growth Plan for the Greater Golden Horseshoe. Office Consolidation. August 2020.

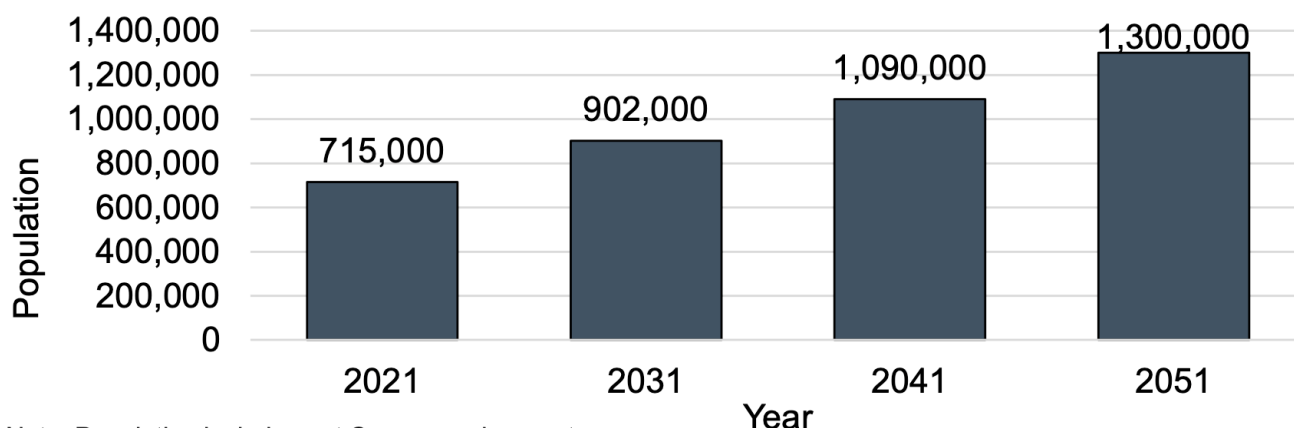
7. Strategic Policy Recommendations

Based on the review of the region's 2051 population and employment forecast as set out in the Growth Plan, the 2051 growth forecast for Durham Region is aspirational and will require a significant increase in absolute growth levels if this forecast is to be realized. As initially discussed in the *Durham Growth Management Study: Growth Opportunities and Challenges Report* a higher long-term population and employment forecast for Durham Region was not supported for the purposes of long-term growth management and urban land needs analysis. That recommendation is reaffirmed in the analysis and detailed review of Durham's long-term population and employment growth outlook in this report.

The Region-wide Growth Analysis Technical Report establishes the following key inputs into the LNA process which will be used in subsequent Technical Reports. These include:

- Total population forecast of 1,300,000 in 2051;
- Housing forecast of 468,400 in 2051;
- The overall PPU forecast to 2051 established through the headship rate analysis;⁸⁸ and
- Total employment forecast of 460,000 in 2051.

Figure 7-1: Durham Region, Total Population Forecast to 2051

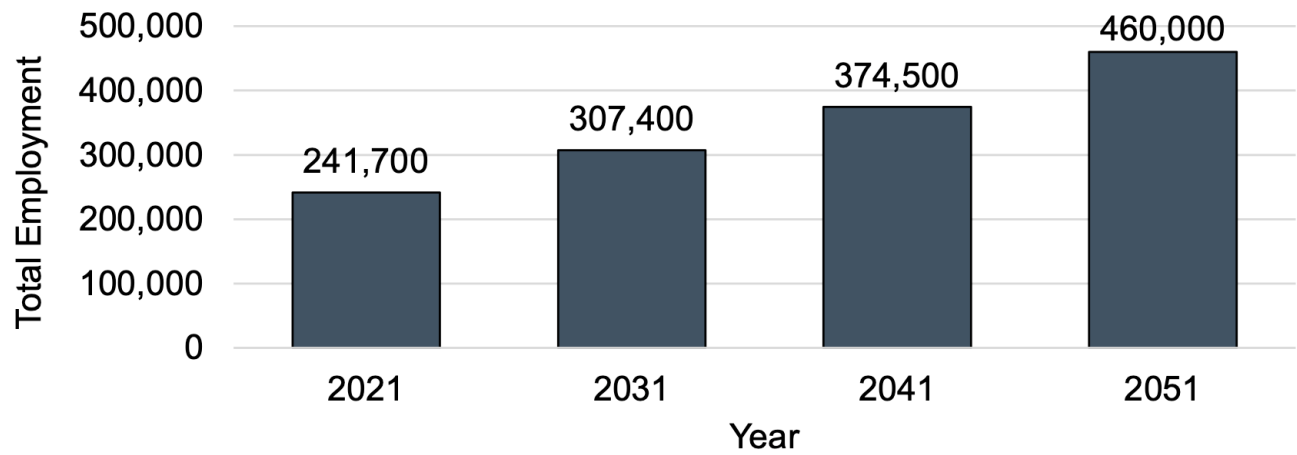


Note: Population includes net Census undercount.

Source: Watson & Associates Economists Ltd. 2051 population conforms with the Growth Plan, 2019, Schedule 3 forecast for Durham Region.

⁸⁸ Additional details regarding PPU assumptions by housing density are provided in Appendix B

Figure 7-2: Durham Region, Total Employment Forecast to 2051



Source: Watson & Associates Economists Ltd. 2051 total employment conforms to the Growth Plan, 2019, Schedule 3 forecast for Durham Region.

8. Next Steps

The next technical report to immediately follow this Region-wide Growth Analysis report will present a Housing Intensification Strategy that provides a comprehensive assessment of the region's residential intensification areas. This will be followed by the Employment Strategy, then the Community Urban Area Land Needs Analysis, and finally the Land Needs Assessment Overview. These technical reports will collectively form the Land Needs Assessment and Phase 1 of the Growth Management Study

APPENDIX A

Durham Region Housing Headship Rates, 2016 to 2051

Figure A-1: Durham Region, Housing Headship Rates, 2016 to 2051

Age Cohort	Household Headship Rates									
	2006	2011	2016	2021	2026	2031	2036	2041	2046	2051
0-14	-	-	-	-	-	-	-	-	-	-
15-24	0.0395	0.0363	0.0283	0.0283	0.0283	0.0283	0.0283	0.0283	0.0283	0.0283
25-34	0.3524	0.3250	0.3052	0.3052	0.3052	0.3052	0.3052	0.3052	0.3052	0.3052
35-44	0.4856	0.4953	0.4757	0.4757	0.4757	0.4757	0.4757	0.4757	0.4757	0.4757
45-54	0.5426	0.5488	0.5384	0.5384	0.5384	0.5384	0.5384	0.5384	0.5384	0.5384
55-64	0.5554	0.5519	0.5531	0.5531	0.5531	0.5531	0.5531	0.5531	0.5531	0.5531
65-74	0.5704	0.5640	0.5683	0.5683	0.5683	0.5683	0.5683	0.5683	0.5683	0.5683
75+	0.5856	0.5620	0.5667	0.5667	0.5667	0.5667	0.5667	0.5667	0.5667	0.5667
Total	0.3332	0.3411	0.3386	0.3482	0.3485	0.3497	0.3493	0.3571	0.3582	0.3606

Note: The total headship rate changes because the population by age cohort changes over the forecast period, resulting in different housing needs by age cohort. This impacts the total headship rate, even if the age cohort headship rates stay the same.

Source: 2006 to 2016 derived from Statistics Canada Census and Demography Division data, and 2021 to 2051 by Watson & Associates Economists Ltd.

APPENDIX B

Durham Region Population and Housing Forecast, 2016 to 2051

Figure B-1: Durham Region, Fertility Rates, 2016 to 2051

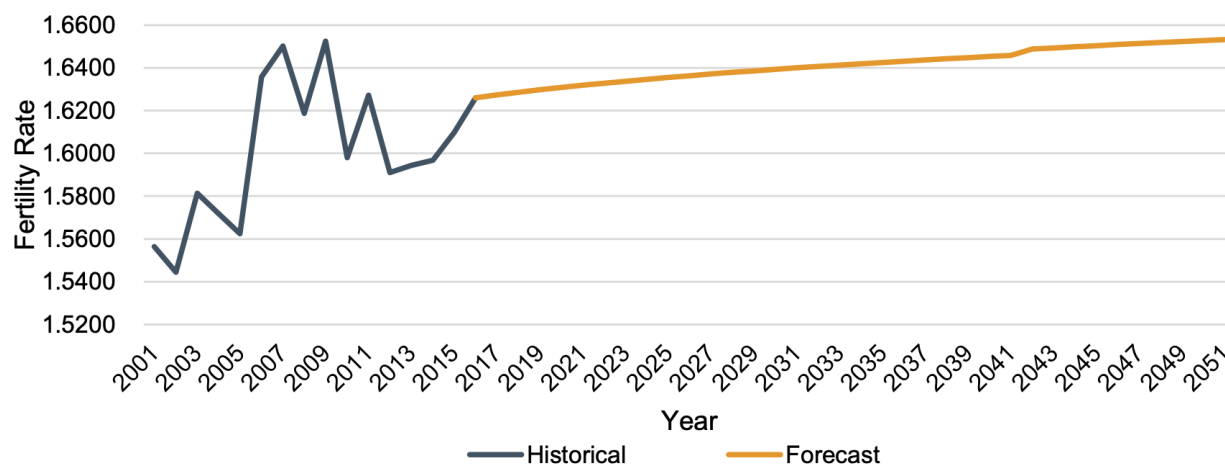


Figure B-2: Durham Region, Mortality Rates, 2016 to 2051

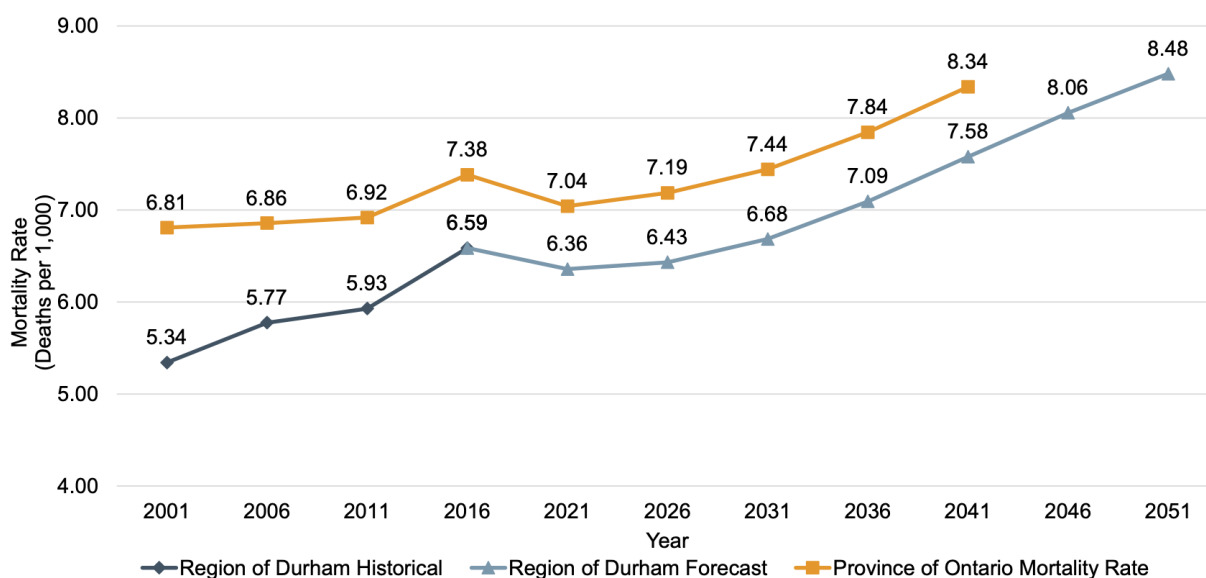


Figure B-3: Durham Region, Total Population Forecast by Major Age Group, 2016 to 2051

Population by Age Cohort (Including Census undercount)¹

Cohort	2016	2021	2026	2031	2036	2041	2046	2051
0-19	162,100	171,900	199,200	225,000	244,600	258,500	273,800	293,200
20-34	129,500	135,800	142,300	146,700	162,600	184,500	208,500	226,400
35-44	89,100	95,700	116,200	140,600	148,500	146,000	159,700	182,500
45-54	103,900	95,000	99,500	114,500	138,300	163,900	173,200	174,000
55-64	88,000	102,400	101,000	95,600	101,100	116,100	140,000	165,000
65-74	54,200	67,200	82,500	97,500	96,800	92,300	98,200	112,400
75+	39,000	47,600	63,500	82,100	105,600	128,500	140,000	146,500
Total	665,800	715,400	804,200	901,900	997,500	1,089,900	1,193,500	1,300,000

Source: 2016 derived from Statistics Canada Census and Demography Division data. 2016 to 2051 derived by Watson & Associates Economists Ltd.

¹ Population includes Census undercount. 2016 population and 2016 to 2051 forecast includes Census undercount of approximately 4%.

Note: Figures may not add precisely due to rounding.

Figure B-4: Durham Region, Total Population Forecast Shares by Major Age Group, 2016 to 2051

Cohort	2016	2021	2026	2031	2036	2041	2046	2051
0-19	24%	24%	25%	25%	25%	24%	22.9%	22.6%
20-34	19%	19%	18%	16%	16%	17%	17.5%	17.4%
35-44	13%	13%	14%	16%	15%	13%	13.4%	14.0%
45-54	16%	13%	12%	13%	14%	15%	14.5%	13.4%
55-64	13%	14%	13%	11%	10%	11%	11.7%	12.7%
65-74	8%	9%	10%	11%	10%	8%	8.2%	8.6%
75+	6%	7%	8%	9%	11%	11.8%	11.7%	11.3%
Total	100%	100%	100%	100%	100%	100%	100.0%	100.0%

Source: 2016 derived from Statistics Canada Census and Demography Division data. 2016 to 2051 derived by Watson & Associates Economists Ltd.

¹ Population includes Census undercount. 2016 population and 2016 to 2051 forecast includes Census undercount of approximately 4%.

Note: Figures may not add precisely due to rounding.

Figure B-5: Durham Region, Long-Term Growth Forecast and PPU Assumptions by Density Type, 2021 to 2051

	Low Density ¹	Medium Density ²	High Density ³	Total
2021 Population				715,400
New Housing Units (2021 to 2051)	47,840	67,280	104,510	219,630
Persons Per Unit (Excluding Census Undercount) ⁴	3.39	2.68	1.64	2.43
Persons Per Unit (Including Census Undercount) ⁵	3.53	2.79	1.71	2.43
Gross Population Increase (2021-2051)	168,800	187,500	178,500	534,800
Institutional Population Growth (2021-2051)				5,500
Change in Existing Housing Occupancy (2021-2051) ⁶				44,300
Net Population Increase (2021-2051)				584,600
2051 Population				1,300,000

¹ Includes single and semis.

² Includes townhouses and apartments in duplexes.

³ Includes bachelor, 1 bedroom and 2 bedroom+ apartments.

⁴ Persons per unit based on Statistics Canada Custom 2016 Census database.

⁵ Persons per unit adjusted for a 4% Census undercount.

⁶ Changes occurs due to aging of the population and family life cycle changes, lower fertility rates and changing economic conditions.

Note: Population includes net Census undercount. Figures may not equal totals due to rounding.

Source: Watson & Associates Economists Ltd.