



# Investment Readiness and Employment Lands Study

Regional Municipality of Halton

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Final Report – For Distribution

December 23, 2020

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## List of Acronyms and Abbreviations

<b>Acronym</b>	<b>Full Description of Acronym</b>
A.I.	artificial intelligence
AR	augmented reality
B.I.A.	Business Improvement Areas
C.B.C.	community benefits charge
C.I.P.	Community Improvement Plan
COVID-19	coronavirus disease 2019
D.C.	development charge
D.C.A.	Development Charges Act
D.C.A.C.	Development Charge Advisory Committee
E.C.A.	Environmental Compliance Approvals
F.D.I.	Foreign domestic investment
F.S.I.	floor space index
F.S.W.	floor space per worker
G.D.P.	gross domestic product
G.F.A.	gross floor area
G.G.H.	Greater Golden Horseshoe
G.I.S.	geographic information system
G.T.A.	Greater Toronto Area
G.T.H.A.	Greater Toronto Hamilton Area
ha	hectares
HOBS	High Order Business Services
HUSP	Halton Urban Structure Plan



## List of Acronyms and Abbreviations (Cont'd)

I.C.I.	industrial/commercial/institutional
ICT	Information and communications technology
I.G.M.S.	Integrated Growth Management Strategy
I.M.F.	International Monetary Fund
I.R.E.L.S.	Investment Readiness and Employment Lands Study
L.N.A.	Land Needs Assessment
L.Q.	Location quotients
M.C.R.	Municipal Comprehensive Review
MEV	Milton Education Village
MR	mixed reality
M.T.S.A.	Major Transit Station Areas
O.P.	Official Plan
P.P.S.	Provincial Policy Statement
P.S.E.Z.	Provincially Significant Employment Zones
Q.E.W.	Queen Elizabeth Way
R.O.P.	Regional Official Plan
R&D	research and development
S.G.A.	Strategic Growth Areas
SKIDs	Suburban Knowledge-Intensive Districts
sq.ft.	square foot/feet
sq.m	square metre(s)
STEM	science, technology, engineering, and mathematics
S.W.O.C.	strengths, weaknesses, opportunities, challenges
T.P.I.A.	Toronto Pearson International Airport
U.G.C.	Urban Growth Centre
U.S.	United States
U.S.D.	United States dollars
UX	user experience
VR	virtual reality
vs.	versus



## List of Acronyms and Abbreviations (Cont'd)

W.H.O.	World Health Organization
W.T.O.	World Trade Organization
Y.T.D.	year to date



# Executive Summary

Watson & Associates Economists Ltd. (Watson), in association with MDB Insight (MDB) and Colliers International Canada (Colliers), were retained by the Regional Municipality of Halton to undertake an Investment Readiness and Employment Lands Study (I.R.E.L.S.).

The I.R.E.L.S provides an overview of key evolving macro-economic conditions and workplace trends that are anticipated to influence economic growth and non-residential development patterns across the Region of Halton. Anticipating and responding to these evolving needs of industry is necessary for the Region of Halton to better position itself for sustained economic growth, particularly in established industrial sectors and emerging knowledge-based industries.

The results of this study are intended to guide decision-making and policy development specifically related to planning and growth management, master planning and municipal finance with respect to Employment Areas.

The following provides an overview of key study findings:

## **Macro-Economic Trends Influencing Employment Areas' Development and Planning for Employment Uses**

Over the past decade, the Canadian and Ontario economies have experienced relatively strong economic growth. Growth in 2019 eased in both Ontario and nationally, largely as a result of a tightening labour market and slowing global economic growth. While the performance of the national and Ontario economies has remained relatively strong over the past several years through to early 2020, the coronavirus disease (COVID-19) pandemic poses significant risks to these economies which are important to recognize. Currently, the level of sustained economic impact related to this “exogenous shock” to the world and the Canadian economy is largely unknown. Notwithstanding this uncertainty, it is generally clear that the longer COVID-19 persists on an international scale, the greater the severity of the current global recession.

Recent structural changes in the macro-economy experienced over the past several decades have been well documented. At the provincial level, Ontario's economic base, as measured by gross domestic product (G.D.P.) output, has shifted from goods-producing sectors (i.e. manufacturing and primary resources) to services-producing



sectors. Looking forward over the near term, the Ontario economy is forecast to contract in 2020 before growth rebounds in 2021. Having said that, household spending in Canada is not expected to return to pre-pandemic levels until the second-half of 2021.

Recognizing these recent structural changes in the regional economy, there is a need for Halton to ensure that the amount, type, and location of the Region's established and planned Employment Areas are well aligned with anticipated market demand. There are a number of emerging industrial sectors that are anticipated to influence the manner in which Employment Areas in Halton Region are planned and evolve. Key sectors include:

- Advanced manufacturing is evolving and is requiring integrated operations on larger sites in a “campus-style” setting. These integrated facilities often accommodate a combination of office, research and development, warehousing, and logistics, and on-site manufacturing.
- The Goods Movement sector is evolving and responding to consumer demands, as e-commerce is growing in Canada. Emerging Goods Movement uses in Halton are anticipated to include warehousing facilities requiring specialized functions that focus on serving the expanding urban population within the local and surrounding area. Key requirements include improvements to accessibility to the labour force (public transportation) and buildings with a range of design options.
- Market demand on employment lands has been increasingly driven by growth in knowledge-based or creative class economies. As these sectors continue to grow, major office, flex office and multi-purpose facilities encompassing office and non-office uses are becoming increasingly dominant built forms within Employment Areas.
- Accommodating an adequate mix of supportive uses on employment lands, such as retail and personal services, can strengthen Employment Areas by providing amenities and services to employees/employers. Accommodating too much non-employment-supportive uses, however, can lead to land-use conflicts, influence land values, and eventually contribute to the erosion of employment.

As a result of continuing structural changes occurring in the macro-economy, it is important to recognize that the above-mentioned trends will generate both positive and



disruptive economic impacts related to labour force demand, industrial, commercial, and retail space requirements, as well as long-term employment land needs.

## **Regional and Local Economic Context**

As a starting point, it is important to recognize that future employment growth within Halton is strongly correlated with the growth outlook and competitiveness of the economy within the Region of Halton, the Greater Toronto and Hamilton Area (G.T.H.A.), and beyond. Since 2011, the G.T.H.A. economy has fueled a steady level of employment growth in almost all major sectors of the service-sector economy. Many of these 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, represent the knowledge-based and creative-class economy. The G.T.H.A. has also experienced significant employment growth in the Goods Movement sector over the past decade comprised of transportation/warehousing and wholesale trade.

Similarly, Halton has experienced relatively strong employment gains in key industrial and office-based employment sectors, including growth in key top-traded emerging industry sectors. Over the 2011 to 2019 period, Halton Region's employment base expanded by 26%, representing the highest growth rate in the G.T.H.A., with strong growth in industrial and office-based employment sectors. The Region has also experienced strong employment growth in a number of knowledge-based and goods-producing sectors including transportation and warehousing, education services, professional scientific and technical services, finance and insurance, and manufacturing. Strong population growth across Halton Region has also fueled steady growth in population-related employment sectors including retail, and accommodation and food services. Also, development activity has supported strong employment growth in the construction sector.

Over the next several decades, the Region's employment base is anticipated to steadily grow across a broad range of export-based and population serving employment sectors. The Region, however, will be competing to attract and retain these sectors along with other municipalities across the G.T.H.A. and beyond.



## **G.T.H.A. and Halton Region Industrial and Office Market Trends**

Over the past decade, industrial development in the G.T.H.A. has been largely oriented to large-scale industrial buildings housing wholesale trade, transportation/warehousing, and multi-tenant industrial condominiums, accommodating a range of industrial and non-industrial uses. Over the 2011 to 2019 period, Halton Region accommodated approximately one-fifth (21%) of the G.T.H.A.'s industrial development.

Coinciding with the increase in industrial development activity since 2011, vacancy rates have gradually declined to relatively low levels and net market rents have risen. This is indicative of a market which is facing supply challenges.

With respect to industrial development, industrial activity is increasingly centred on production processes that are time-sensitive, driven by just-in-time manufacturing, e-commerce, and an increasingly globalized environment. As a result, the location and site requirements within the industrial sector continue to evolve with an increasing emphasis on integrated multi-purpose facilities that combine processing, research and development, training centres, and warehousing which leverage access to regional infrastructure and skilled labour.

For the Goods Movement sector, a major growth sector, the growing inter-dependence of companies and their suppliers continues to increase the importance of this integrated business process through various modes of transportation. In turn, this drives the need for larger and more regionally located warehouses and logistics facilities. As such, large flexible tracts of land are required for sizeable warehouses, storage yards, and future expansion. Locational requirements are typically focused on direct access to distribution channels. This means that access to transportation infrastructure is critical, including access to major highways and intermodal facilities. Given that these facilities tend to be land-extensive, competitive land costs are also an important consideration in site selection.

Over the 2011 to 2019 period, the Region of Halton accommodated 576,800 sq.m (6.2 million sq.ft.) of new industrial development on absorbed employment lands, averaging 72,100 sq.m (776,000 sq.ft.) annually over the period. Large-scale distribution/logistics centres located in North Halton have accounted for the majority of industrial development activity over the period.



Looking forward, the demand for employment land within the Region of Halton is expected to continue being driven by the Goods Movement sector among other industries. Traditionally, land demand associated with this sector has been focused along major transportation corridors, in accessible and central locations in between major population centres. North Halton is well positioned to continue attracting demand for employment land driven by this sector due to locational characteristics along Highway 401 and proximity to the G.T.H.A. and other neighbouring employment markets in Guelph and Waterloo Region. In contrast, industrial demand in South Halton is anticipated to be focused on industrial subsectors other than Goods Movement, such as mixed-use light industrial facilities combining office, research and development, warehousing, logistics, and on-site manufacturing.

With respect to the office market, major office development has exhibited relatively strong growth throughout the past decade. With an increasing emphasis on the knowledge-based and creative class economy, office development is becoming an increasingly dominant built form. Within the office sector, office development patterns are evolving in response to the needs of office tenants. This includes increasing market demand in urban mixed-use environments, growing importance placed on live/work opportunities, integrated land uses, and access to transit and active modes of transport.

Over the 2011 to 2019 period, nearly half (49%) of new major office development in the G.T.H.A. was accommodated within Downtown Toronto. This is compared to 11% in Halton Region. Over this period, office development activity in the G.T.H.A. has shifted increasingly to downtown Toronto at the expense of suburban locations.

Historically, the vast majority of suburban office development has been accommodated within Employment Areas; however, market prospects for conventional standalone suburban office development within Employment Areas is gradually diminishing, as demand shifts to more urban environments. Demand for office space within Employment Areas is increasingly single-tenant and integrated with multi-purpose facilities (e.g. R&D, training centres, wholesale trade) often in campus-type settings. Further, there are growing opportunities for office development within innovation districts located on employment lands that have direct synergies with knowledge-based clusters, as well as health and educational infrastructure.



The Region of Halton is home to approximately 0.8 million sq.m (8.7 million sq.ft.) of major office<sup>1</sup> space with the vast majority located in South Halton along the Q.E.W. corridor. Halton's major office inventory is comprised largely of suburban office development located within Employment Areas. The Region's major office inventory expanded by approximately 200,000 sq.m (2.1 million sq.ft.) over the 2011 to 2019 period, with the majority of new building floor space accommodated within Employment Areas in the form of suburban multi-storey low-rise and mid-rise office buildings and flex office buildings.

Demand for standalone low-rise office, research and development facilities, flex office and multi-tenant commercial/industrial space is anticipated to continue to account for a growing share of building gross floor area (G.F.A.). A large portion of demand is anticipated to be driven by growth in knowledge-based employment sectors.

While suburban locations, including those in Employment Areas, continue to be competitive locations for major office development, there is increasing demand for locations that offer access to high-order transit, a mixed-use environment, potential for live/work opportunities, and access/proximity to amenities and services. The quality, and locational attributes of new office space have become important factors in attracting and retaining talent. As such, urban mixed-use environments located relatively close to a large pool of potential skilled employees are becoming increasingly desirable locations for office-related businesses. These factors are particularly important to recognize given the potential negative impacts on office space demand resulting from COVID-19.

Looking forward, market demand for standalone office space is anticipated to strengthen over the long term within mixed-use environments such as Halton's Major Transit Station Areas (M.T.S.A.s), which are transit-supportive, pedestrian-oriented, and offer proximity/access to amenities, entertainment, cultural activities and public spaces. There is also likely to be a growing trend of office development within mixed-use developments featuring residential and retail components.

The projection of future demand for office floorspace within Halton is expected to continue to gradually grow in response to population growth, particularly as the majority

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<sup>1</sup> Major office buildings include standalone office buildings (1,860 sq.m) 20,000 sq.ft. of G.F.A. or greater.



of office tenants in these markets are occupied by locally serving tenants (medical services, professional services, etc.) rather than large-scale regional headquarters. This is more evident in North Halton when compared to South Halton, which is expected to continue attracting major office development.

### **Halton Region Competitiveness within the G.T.H.A Context**

While the G.T.H.A. is a highly competitive region and the broader long-term employment and development outlook is positive, Halton Region competes directly for industrial and office development with other locations in the G.T.H.A. and the Greater Golden Horseshoe (G.G.H.) “Outer Ring” municipalities. Based on the comparison of the surveyed upper/single-tier municipalities in the G.T.H.A., several observations can be drawn with respect to Halton Region’s competitive position.

A factor influencing business decisions on where to locate is the cost competitiveness (both capital investment and operating costs) of the development in relation to market demand and potential return on investment. Industrial and office development and operating costs in Halton Region municipalities are cost competitive relative to comparator G.T.H.A. municipalities. The Region offers competitive serviced employment land costs, development charge (D.C.) rates, and utilities costs which makes it attractive for new industrial and office development.

The competitiveness of Halton Region’s export-based economy is also partly determined by the availability and quality of its developable employment lands. Halton Region also has a relatively large supply of designated employment land.

Quality of life is a factor influencing the residential location decisions of individuals and their families. It is also a factor considered by companies in relocation decisions. Halton Region has a reputation for being a vibrant, growing, affordable, low-crime location in which to live in Ontario, with access to a wide range of recreational opportunities. Halton Region currently has a relatively high concentration of highly skilled labour force which is well suited for knowledge-based sectors. Talent attraction and retention will continue to be a key issue in Halton Region’s competitiveness going forward. A factor in the Region’s economic growth, therefore, 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 population segments.



## Halton Region Employment Areas Profile and Market Assessment

Employment lands are an integral part of Halton Region's economic development potential and they accommodate a significant share of the Region's businesses and employment. One of the most critical aspects related to the economic competitiveness of Halton Region is the marketability and availability of its employment land base relative to the surrounding market area. It is critical that the Region continue to plan for employment uses with consideration given to market demand and trends.

Halton Region has fourteen existing and seven planned Employment Areas located throughout the Region encompassing approximately 3,510 net ha (6,872 net acres) of developed employment land located largely along the Q.E.W. and Highway 401 corridors.

Halton Region's Employment Areas currently accommodate approximately 129,000 of the Region's jobs, representing approximately 54% of the Region's employment base. Halton Employment Areas accommodate a broad range of employment sectors including manufacturing; professional, scientific and technical services; retail trade; health care and social assistance; wholesale trade; and transportation and warehousing.

Over the past decade (i.e. 2010 to 2019), Halton Region has accommodated an average of 172,700 sq.m (1.9 million sq.ft.) of development within Employment Areas annually. Over the past five years, about three-fifths of development within Halton Region's Employment Areas was accommodated within the Milton 401 Industrial Business Park and the Premier Gateway Business Park. Since 2011, employment land absorption in the Region has averaged 36 net ha (89 net acres) per year, notably lower than the 2006 to 2010 average of 55 net ha (136 net acres) per year.

The competitiveness of Halton Region's export-based economy is partly determined by the availability and quality of its developable employment lands. Further, market choice of shovel-ready<sup>1</sup> industrial lands and the potential for future expansion are key factors in the industrial site selection process. Halton's vacant employment lands total 2,214 net ha (5,470 net acres) with nearly two-thirds located in North Halton. This includes

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<sup>1</sup> Shovel-ready employment lands are defined as vacant parcels which have regional and local servicing in place (i.e. water, sewer, stormwater and roads infrastructure). In addition, all planning and environmental approvals are in place.



approximately 463 net ha (1,143 net acres) of shovel-ready net vacant employment lands.

Given the large number of established Employment Areas in Halton Region, a wide array of opportunities for intensification also exist. Through a desktop review, 960 ha (2,372 acres) of Halton Region's developed employment lands were identified as underutilized. This includes sites that are currently used exclusively for open storage and/or parking, parcels with a relatively low building floor coverage and vacant buildings.

As of 2019, the employment density on existing employment lands averaged 34 jobs per net ha (14 jobs per net acre), characterized by an average building floor space index (F.S.I.) of 25% and an estimated floor space per worker of 72 sq.m (776 sq.ft.). During the 2011 to 2019 period, employment densities (on a jobs per ha basis) have been comparable to the existing base. This is attributed to a high share of lower density uses such as transportation and warehousing and wholesale trade accommodated on these lands, with lower floor space per worker (F.S.W.) attributes, although the F.S.I. was notably higher than the existing base.

Halton Region offers a range of highly competitive Employment Areas. North Halton's key Employment Areas are highly attractive for industrial development, particularly for land-expansive uses such as distribution/logistics, given that they offer wide market choice for land, rate favourably with respect to transportation access, and have competitive development costs compared to other surveyed G.T.H.A. locations. In contrast, industrial development opportunities are more limited currently in South Halton Employment Areas, namely due to limited market choice of land and relatively high land prices.

With respect to office development, the South Halton Employment Areas are highly competitive and compete directly with major office nodes in the west G.T.H.A. In addition to the desired proximity to high-order transit, and complementary nearby employment-supportive uses, potential office tenants generally prefer Employment Areas that are relatively closer and accessible to a growing population and employment base. Population growth and density levels are higher near the South Halton rather than North Halton Employment Areas contributing to their competitive advantage in attracting office development.



## **Halton Region Employment Areas within Major Transit Station Areas**

Seven of Halton's M.T.S.A.s intersect with the Region's Employment Areas. These M.T.S.A.s were assessed for potential opportunities and challenges for growth, redevelopment, and intensification which impact businesses and built-form.

Halton's M.T.S.A.s are envisioned to ultimately contribute to the broader policy objectives of the Growth Plan, 2019, Halton's Regional Official Plan (R.O.P.) and local Official Plans (O.P.s) by facilitating the development of complete urban communities comprised of a balanced mix of residential, non-residential, and public uses served by strong transit infrastructure. With a mix of transit-oriented development, ultimate land uses are expected to achieve relatively high population and employment densities through high-density built form.

Recognizing the evolving nature of the broader economy and planning requirements for today's industries, as well as the infrastructure assets and intensification opportunities that exist within these areas, Halton has a unique opportunity through the repositioning of its Employment Areas within M.T.S.A.s to create high-quality employment and mixed-use growth. Ultimately, effort should be supported in these areas to accommodate transformative change if it can be demonstrated that the employment function and job potential of these Employment Areas can be retained or improved.

The Region's M.T.S.A.s are not a uniform entity with wide variation in terms of their baseline conditions, geographic location and market potential for non-residential and mixed-use space which impacts the short-, medium-, and longer-term prospects for development on subject employment lands.

Halton Region's M.T.S.A.s that intersect Employment Areas are not expected to accommodate many of the traditional industrial uses such as distribution/logistics, large-scale manufacturing and transportation uses, typical of larger, newer greenfield employment lands in Halton Region. Reflective of recent development trends and broader employment growth trends in Employment Areas within Halton Region and the G.T.H.A., stable Employment Areas in Appleby and Bronte are anticipated to offer moderate long-term infill and redevelopment potential towards small to mid-size development (i.e. 1 to 5 ha) largely in the form of multi-tenant industrial space.

Office development potential is considered to be relatively strong in the Appleby and Bronte M.T.S.A.s. While there is long-term potential for mid-rise standalone urban



office development (with structured parking) in both locations, in the short to medium term the market potential is more oriented to suburban major office buildings with surface parking. Moderate suburban office development potential exists in Aldershot and Agerton.

Agerton, Aldershot, Appleby, Bronte, and Burlington GO M.T.S.A.s all offer moderate to strong potential for employment-supportive uses such as restaurants, hotels, fitness centres, day care centres, and other personal and professional services to be accommodated on employment lands. The viability and scale of these supportive uses will ultimately depend on the build-out population of future employment lands as well as accessibility and connectivity to nearby residential trade areas. Employment lands within Aldershot, Bronte, and Burlington GO M.T.S.A.s also offer mixed-use development potential.

Employment lands within Georgetown and Acton M.T.S.A.s are fragmented and have limited market potential for expanded employment uses. While these subject lands have established and stable industrial uses which are not expected to change over the short to medium term, the lands offer redevelopment potential for mixed use over the longer term.

Workers in knowledge-intensive industries are increasingly demanding accessible and dynamic work environments that promote interaction and innovation. As previously mentioned, this underscores placemaking as an increasingly recognized and important concept in creating diverse and vibrant workplaces, which in turn can help attract local population and job growth, provided that other necessary infrastructure requirements are met. This is particularly relevant in mixed-used environments which integrate office commercial, residential, and other community uses with public open spaces.

### **Evaluation of Halton's Employment Lands Planning Policy Framework**

An assessment of the current land-use policy framework as presented in the Halton Region O.P. with respect to employment uses was completed. This assessment was also conducted alongside a review of current planning policies of select upper-tier and single-tier municipalities including the City of Hamilton, Peel Region, York Region, and Durham Region.

Overall, Halton's Employment Areas planning policies are generally supportive and reflective of industry and market needs. The Region's Employment Areas planning



policies emphasize readying employment lands, improving their marketability, and capitalizing on investment opportunities. It is evident through the Region's O.P. that a Regional vision and interest in planning, protecting, and preserving Employment Areas are being advanced.

The Region's planning policies also recognize the business, competitive, and investment perspective of Employment Area planning, demonstrating a clear bridge between land-use planning and economic development. It is clear through the Region's policies that integrating land-use planning and economic development is the Region's preferred approach to managing its Employment Areas. Development parameters, urban design specifications, criteria for ancillary and/or non-employment uses, and detailed conversion policies related to Employment Areas, for example, are further specified in the local O.P.s, providing more localized opportunities to protecting Employment Areas.

The Region's planning policies are also mindful of Regional and local circumstances to plan the Region's Employment Areas. For example, the Region's O.P. policies note that during the evaluation of employment conversions, the Regional and local ability to achieve the regional employment forecast is considered. Moreover, the Region's economic development planning policies recognize in the Region's Economic Development Strategic Plan that there is the need to identify hard and soft infrastructure, policies, and human resources to be able to pursue new economic opportunities for the Region. There is a recognition in the Region's O.P. of particular conditions required for the Region to quickly and nimbly capitalize on these new economic opportunities.

## **Conclusions**

Recognizing that structural changes in the global economy will continue to be accelerated by technological advancements and innovation, municipalities must be increasingly responsive and adaptive to changing industry needs and disruptive forces. To advance the Region's investment readiness and attraction, and to ensure economic and fiscal sustainability, it is critical that Halton Region plan for the needs of employment growth, recognizing the changing nature of employment and industry requirements.



Looking forward over the next three decades, Halton Region’s land-use planning, economic development, and fiscal policies must anticipate and reflect the evolving needs of businesses across a diverse range of industry sectors and sizes. These policies must also offer a degree of flexibility and nimbleness that allows for relatively rapid responses to unforeseen changes, which can be a critical advantage relative to competitive markets.



# 1. Introduction

## 1.1 Terms of Reference

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Watson & Associates Economists Ltd. (Watson), in association with MDB Insight (MDB) and Colliers International Canada (Colliers), were retained by the Halton Region to undertake an Investment Readiness and Employment Lands Study (I.R.E.L.S.).

The I.R.E.L.S provides an overview of key evolving macro-economic conditions and workplace trends that are anticipated to influence economic growth and non-residential development patterns across the Region of Halton. Anticipating and responding to these evolving needs of industry is necessary for the Region of Halton to better position itself for sustained economic growth, particularly in established industrial sectors and emerging knowledge-based industries.

Key deliverables of the I.R.E.L.S. include:

- A review of industrial and office market conditions and trends;
- Identification of market opportunities and disrupters that are anticipated to influence employment growth and employment land needs in Halton;
- Assessment of the investment readiness and competitiveness of Halton's Employment Areas; and
- Assessment of the market potential for employment lands located within the Region's Major Transit Station Areas (M.T.S.A.s).

The results of this study are intended to guide decision-making and policy development specifically related to planning and growth management, master planning and municipal finance with respect to Employment Areas.

## 1.2 Planning Context

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The Region of Halton has initiated an update to its Regional Official Plan (R.O.P.). The process of preparing the Region's new R.O.P. represents a Municipal Comprehensive Review (M.C.R.), in accordance with section 26 of the *Planning Act*. This process is required to bring the R.O.P. into conformity with the Growth Plan, 2019,<sup>1</sup> as well as to

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<sup>1</sup> A Place to Grow. Growth Plan for the Greater Golden Horseshoe. Ontario, 2019.



reflect current provincial policy direction set out in the Provincial Policy Statement, 2020 (P.P.S., 2020), as well as the Region's strategic initiatives.

As a key component to the M.C.R., the Region is currently preparing an I.G.M.S and Employment Strategy which includes a long-term assessment of the Region's non-residential land needs to the year 2051.<sup>1</sup> A key priority of the Integrated Growth Management Strategy (I.G.M.S.) and Employment Strategy is to ensure that there is an adequate supply of designated Employment Areas and Commercial Areas to accommodate anticipated long-term employment growth over the next several decades. The I.G.M.S. and Employment Strategy represent critical background documents with respect to the assessment of the Region's employment growth forecast allocations and implementation of the Region's longer-term economic growth objectives, within the context of the Halton R.O.P. and the Growth Plan, 2019. The M.C.R. and I.G.M.S. will emphasize future macro-economic and local economic trends that are anticipated to influence the manner in which the Region's Employment and Commercial Areas are planned and developed over the planning horizon.

### **1.3 Planning for Economic Growth within the Context of an Evolving Economy**

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For both industries and residents, Halton Region has a strong appeal given its high concentration in growing industry clusters, proximity and access to major regional infrastructure, access to skilled labour and post-secondary institutions. These attributes have produced a steadily growing and diverse employment market in the Region.

Given the desirable local and regional attributes of this area, Halton Region has experienced considerable population and employment growth over the past several decades. As set out in Amendment 1 of the Growth Plan, 2019, Halton Region's employment base is forecast to reach 500,000 jobs by 2051.<sup>2</sup> This represents an increase of approximately 239,000 jobs from 2016.

Notwithstanding the economic growth experienced across the Greater Golden Horseshoe (G.G.H.), and more specifically Halton Region, domestic and international competition for business development and investment is increasing in today's "new

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<sup>1</sup> The long-term planning horizon is 2051 under Amendment 1 to A Place to Grow.

<sup>2</sup> In accordance with Amendment 1 to A Place to Grow.



economy.” On global scale, Halton Region faces a number of challenges regarding its competitive position in which it has limited control. This includes the relative strength of the global economy, international trade policy and the competitiveness of the Canadian economic base relative to other established and emerging global markets. At the more regional level, Halton Region faces stiff competition with its neighbouring municipalities for business attraction and investment. Each of these G.G.H. municipalities generally offer regional and local attributes that appeal to prospective international, national, and local firms.

Notwithstanding these challenges, Halton Region has considerable control and ability to position itself in a positive manner when considering its regional competitive ranking. This requires the Region to continue marketing itself as a hub for innovation, equipped with the human capital that is required to encourage on-going innovation, entrepreneurship, business development and local investment retention. A major factor for the future competitiveness of the Region’s economic base relates to the quantity, quality and structure of its Employment Areas and other non-residential areas, which is discussed herein.

### ***1.3.1 Planning for Employment Areas and Mixed-Use Development in the New Economy Considerations***

Employment Areas and mixed-use development form a vital component of Halton Region’s land-use structure and are an integral part of the Region’s development potential. Employment Areas are also home to many of the Region’s largest public and private-sector employers. Through development of its non-residential land base, the Region will be better positioned to build more balanced, complete, and competitive communities.

Similar to broader national and provincial trends, the G.G.H. regional economy, including Halton Region, is transitioning away from goods production and towards services delivery. These structural changes in the broader economy are altering the nature of economic activities in Employment Areas as well as other mixed-use areas and impacting the built form and composition of these lands. Market demand and real estate development in Employment Areas has been increasingly driven by growth in the “knowledge-based” or “creative class” economies, including employment sectors such as advanced manufacturing, professional, scientific and technical services, cleantech, biotech, digital entertainment, robotics, information and culture, health care



and education. The nature of traditional industrial processes is also rapidly shifting, becoming more capital/technology intensive and automated, often with lower labour requirements.

Driven by an increasing emphasis on innovation and technology these evolving and emerging export-based sectors have siting, space and built-form requirements that are significantly different from traditional industrial sectors which have occupied Employment Areas across Halton Region in the past. This may include requirements related to broad infrastructure, transit access, energy efficiency, building and urban design standards, eco-industrial design principles and labour force access. Site configuration and integration of uses is also evolving particularly in prestige Employment Areas which often integrate operations combining office, research and development, warehousing and logistics, and on-site manufacturing in a “campus-style” setting.

With recent structural changes in the regional economy, there has been a shift in how Employment Areas are planned and developed. “Place making” is increasingly recognized as an important planning component in creating diverse and vibrant communities, which in turn can help attract local population and job growth providing that other necessary infrastructure requirements are met.<sup>1</sup> For Employment Areas, this is particularly relevant for light industrial and office commercial environments which integrate ancillary retail uses and other supportive amenities, with public open space and other civic infrastructure. When considering mixed-use areas, such locations should be planned to achieve a compact, transit-supportive and pedestrian-oriented environment with access to a range of housing options which are complemented by neighbourhood-building amenities including retail, entertainment, cultural activities, recreation facilities and public open space.

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<sup>1</sup> Placemaking is a process of creating unique, quality locations, places or spaces that possess a strong sense of place. With respect to places of work, the concept of placemaking is often encompasses the attraction knowledge-based workers and businesses with an emphasis on collaboration, connection, and innovation.



## 2. Environmental Scan and Literature Review

### 2.1 Regional and Local Corporate Strategies and Economic Development Strategies

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An important consideration in the preparation of this report includes the economic visions that are being advanced by Halton Region and its local municipalities. As many of the municipalities have recently developed or updated their economic development strategies, it is important to gain an understanding of the short-, medium- and long-term goals for economic development and how they may shape this study. This includes existing and emerging target sectors, the impact of innovation and entrepreneurship, and relevant strategic initiatives like the targeting of post-secondary investment. Given the dual roles that exist in the economic development strategies, it is essential that any proposed tactics both align and support the investment attraction and business retention efforts of the local municipalities.

#### 2.1.1 Regional Initiatives

The 2019-2022 Halton Region Strategic Business Plan guides the work of the Region with respect to planning and growth management, transportation and infrastructure, community well-being, environmental sustainability and climate change, and effective governance. The Plan ensures alignment with Council priorities, departmental processes, and the Region's Financial Plan. It focuses on a culture of partnerships – with local municipalities, community partners, and higher levels of government.

Under the current Strategic Plan, one major outcome to be achieved by the Region is to increase the amount of serviced employment land available. To achieve this, some of the following action items were identified:

- Develop policy framework to support mixed-use (employment and residential) development in the M.T.S.A.s and other strategic locations;
- Continue to deliver investment-ready employment lands;
- Streamline development review process, including the implementation of the memorandum of understanding with Conservation Halton and the Local Municipalities; and



- Establish an employment land concierge function to facilitate non-residential development.

The 2012-2021 Halton Region Economic Development Strategy identifies strategic directions such as supporting sector-based economic development strategies in local municipalities and better understanding the location determinants for new investors in Halton Region. The strategy also seeks to maintain an adequate supply of serviced industrial/commercial land to support economic growth. Halton Region's economic growth depends largely on delivering serviced land to accommodate businesses. The plan identifies the strategic direction, key actions from the previous plan, the new targets, and performance measurement. It is timely that the strategy be revisited and updated to inform investment readiness and employment land considerations.

The Halton Region's I.G.M.S. is a key action of the 2019-2022 Halton Region Strategic Business Plan and a critical component of the Region's ongoing Official Plan (O.P.) Review. The I.G.M.S. ensures alignment with current provincial, regional, and local land-use planning principles and policies and guides growth and development in the Region to 2051.

### **2.1.2 Local Initiatives and Considerations**

As with all municipalities across Ontario, Halton Region's municipalities are guided by provincial planning policies. Ontario's Growth Plan, 2019 has laid the groundwork to accommodate growth in the Province over the next 35 years, through the efficient use of land and infrastructure resources to develop complete communities and density targets, and policies to promote a healthy environment and a culture of conservation. Under the Growth Plan, 2019, municipalities are encouraged to promote economic development and competitiveness by providing for an appropriate mix of employment uses, ensuring a range of sites, protecting Employment Areas for current and existing uses, and ensuring the availability of required infrastructure. In addition to the regional planning and economic development assumptions, local strategic plans and economic development strategies provide important considerations for growth and investment.

#### **City of Burlington**

Burlington Vision 2025 is a standalone economic strategy which outlines the vision for Burlington's economy and is integrated into the City of Burlington's 2015-2040 Strategic Plan. The strategic pillars of the strategy include the development and intensification of



employment lands, vibrant, diverse, and growing communities, fostering business growth, investment, innovation and entrepreneurship, integrated transportation and increased connectivity, and developing a unique and dynamic brand for the City.

The Strategic Plan is the City's guiding document and aligns with the City of Burlington O.P., related Plans and the Corporate Work Plan. Under the strategic direction of promoting economic growth, the Strategic Plan calls for the creation of an employment lands vision that drives investment and growth in the Prosperity Corridor. Furthermore, the Plan identifies the need for targeted intensification in mobility hubs, downtown, uptown, along major roads and commercial plazas. It focuses on place-based development whereby neighbourhoods are designed to promote easy access to amenities, services, recreation, and Employment Areas with more opportunities for walking, cycling, and using public transit.

As part of Burlington Vision 2025, the City completed an Infrastructure and Planning Assessment. The City has also developed a Red Tape Red Carpet Task Force which provides recommendations to eliminate barriers to growth and new business attraction in Burlington.

## **Town of Oakville**

The 2019-2024 Economic Development Strategy for the Town of Oakville takes into account the changing economic environment. It identifies how economic development staff can add value to sustain and grow the local economy. Key priorities include:

- Attracting and servicing new investments that leverage Oakville's existing strengths to support economic growth;
- Growing the local economy by evolving new business clusters such as additive manufacturing and digital health and supporting the existing business base; and
- Creating vibrant commercial (retail) districts by enhancing key stakeholder relationships to support business retention and growth.

The Economic Development strategy also reinforces the importance of embracing Oakville's vision of being "the community where companies want to be" and acknowledging that liveability is a key factor in attracting businesses to the region. To ensure sustainable economic growth, the strategy also reaffirms the need to stimulate market demand for a mixed-use office and industrial development for attraction and retention purposes across multiple industry sectors. This was identified as a key gap in



the ecosystem that has not been addressed by other organizations and an opportunity for the Oakville's Economic Development department to add value. Recommended actions include improving internal processes to make it easier to do business in Oakville, continuing to facilitate site selection and lead servicing, and implementing Oakville's Brownfield Community Improvement Plan (C.I.P.). The strategy also identifies the need for creating successful commercial districts and the importance of retaining and supporting the existing business base. Key actions in the strategy include developing an enhanced business visitation program, creating a plan with transit to address service issues for businesses, exploring the feasibility of a short-term technology hub, and implementing the Digital Main Street Program across Oakville's three Business Improvement Areas (B.I.A.s).

### **Town of Halton Hills**

The Town of Halton Hills is currently updating its 2012 Economic Development Strategy.

The overarching strategy, which will include three sub-strategies (Tourism, Green Economy and Brownfield Redevelopment), is designed to increase local employment, local investment and assessment growth, economic diversification, and enhance the Town's competitiveness, while ensuring Halton Hills's long-term economic prosperity. Anticipated outcomes of the strategy include:

- Maintenance of the Town's economic competitiveness;
- Furthering an "open for business" approach, including best practices across the municipal sector;
- An increase in job quality – professional/technical jobs which offer competitive compensation;
- Determination of key sectors of focus; and
- Review of applicable processes and structures to best facilitate economic development.

The Halton Hills Foreign Direct Investment Attraction Strategy mentions the Town is targeting the advanced manufacturing, agri-business, food processing and manufacturing, and clean technology sectors with the goal of becoming the preferred location for investment. Investment attraction is focused on companies that will increase the number of professional/technical jobs that offer competitive compensation



and will leverage the presence of existing local businesses. Goals stated in the strategy include streamlined approval processes, marketing, and building private and public partnerships that promote Halton Hills as an attractive location for investment and strengthen the Town's investment readiness.

## **Town of Milton**

The Town of Milton Strategic Action Plan 2015-2018 specifies five (5) strategic goals and related actions that will contribute to informing the Town's priorities, efforts, and allocation of resources over the next three years. Under the economic growth goal, the Town identifies key actions to realize non-residential growth. This includes working collaboratively with Halton Region to provide a broad range of serviceable employment lands to attract new business opportunities and diversify the non-residential assessment base. Milton is also focused on attracting knowledge-based industries, including developing small businesses and incubators in multiple sectors as mentioned in the Milton Strategic Action Plan 2015-2018. The Milton Education Village (MEV) Secondary Plan is a targeted approach to attract a post-secondary presence centered on 162 hectares (ha) (400 acres) of land around the Mattamy National Cycling Centre. The area is expected to be developed as a complete community that blends post-secondary education with a mix of other complementary uses. Figure 1 provides a list of target sectors for Halton Region and the local municipalities and initiatives that are related to employment land readiness.



Figure 1: Target Sectors and Initiatives Related to Employment Land Readiness in Halton Region and Local Municipalities

Municipality	Target Sectors	Employment Land Initiatives
Halton Region	<ul style="list-style-type: none"> <li>• Advanced Manufacturing</li> <li>• Financial Services</li> <li>• Food &amp; Beverage</li> <li>• Life Sciences</li> <li>• Professional Services</li> <li>• Technology</li> </ul>	<ul style="list-style-type: none"> <li>• Work to ensure a sufficient supply of Halton Region employment lands with available Regional trunk water and wastewater servicing over the 10-year horizon to 2021, in order to react quickly to new investment opportunities and meet the Region’s employment growth targets and fiscal objectives.</li> <li>• Support Local Municipalities in servicing site selection enquiries through the provision of information regarding Regional services.</li> <li>• Coordinate work of Halton Region’s Planning, Public Works and Finance departments in the provision of information needed to support Local Municipalities in the development of business cases for Regional trunk water and wastewater servicing of employment lands, and once approved, help facilitate the preparation and implementation of local servicing.</li> <li>• Monitor and report on industry sector composition and change and employment land absorption within Halton Region’s Employment Areas using the Region’s annual Employment Survey.</li> <li>• The 2016 Halton Rural Agricultural Strategy calls for the R.O.P. to further define and strengthen the Regional agricultural system. The strategy identified targeted actions to protect agricultural lands and address agriculture related uses and on farm businesses.</li> </ul>



Municipality	Target Sectors	Employment Land Initiatives
City of Burlington	<ul style="list-style-type: none"> <li>• Clean Tech – Water &amp; Wastewater Technology</li> <li>• Biomedical &amp; Life Sciences – Cannabis</li> <li>• Advanced Manufacturing – Robotics &amp; Process Engineering, Additive &amp; Composite Manufacturing</li> <li>• Business &amp; Professional Services – Regional Head Offices</li> <li>• Information Technology – Smart Tech, Sensors, Software &amp; Property</li> <li>• Tech – Creative Industries &amp; Film</li> </ul>	<ul style="list-style-type: none"> <li>• Create an employment lands vision that drives investment and growth in the Prosperity Corridor.</li> <li>• The City will focus intensification to mixed-use nodes and employment corridors by updating intensification targets and co-ordinating infrastructure to achieve growth objectives. The City will incorporate revised intensification targets into its O.P. The City will demonstrate its commitment to growth management by preparing an intensification plan to manage projected growth and its related impacts. This will be complete in two years but will not limit prioritizing/directing intensification in the shorter term.</li> <li>• Through policy, the City will influence the redevelopment of aging plazas and transform them into mixed-use neighbourhood hubs.</li> <li>• The City will work with Halton Region and other partners to develop a servicing plan for intensification areas.</li> <li>• The City will conduct and implement an intensification plan that will include a specific focus on the Urban Growth Centre (U.G.C.), and will develop a strategy for the downtown core that will promote residential and appropriate niche/boutique office development</li> <li>• The City will work with Metrolinx, Halton Region, and the Province to find multimodal, flexible and affordable solutions to accommodate the projected traffic generation from growing employment lands.</li> </ul>
Town of Oakville	<ul style="list-style-type: none"> <li>• Professional and Financial Services</li> </ul>	<ul style="list-style-type: none"> <li>• Facilitating new investment that protects and supports the best use of Oakville employment lands.</li> </ul>



Municipality	Target Sectors	Employment Land Initiatives
	<ul style="list-style-type: none"> <li>• Digital Media &amp; ICT</li> <li>• Life Science</li> </ul>	<ul style="list-style-type: none"> <li>• Advocate for an adequate supply of shovel-ready land.</li> </ul>
Town of Halton Hills	<ul style="list-style-type: none"> <li>• Advanced Manufacturing</li> <li>• Agri-Business</li> <li>• Food Processing and Manufacturing</li> <li>• Clean Technology</li> </ul>	<ul style="list-style-type: none"> <li>• Halton Hills is currently updating the 2012 Economic Development Strategy. As per the Halton Hills O.P., the Employment Area designation recognizes existing industrial areas in Acton and Georgetown and the emerging 401/407 Employment Corridor, which is to be developed for prestige industrial uses. The Plan further identifies that an adequate supply of employment land is available at all times in the Town with large-scale employment growth accommodated in the 401/407 Employment Corridor area. Employment Area designations recognize existing industrial areas in Acton, Georgetown and Mansewood, as well as the emerging 401/407 Employment Corridor, which will be developed for prestige industrial uses. The policies prohibit the conversion of land within Employment Areas to non-employment uses, including major retail, unless through an M.C.R. where it has been demonstrated that various criteria have been addressed.</li> </ul>
Town of Milton	<ul style="list-style-type: none"> <li>• Advanced Manufacturing</li> <li>• Distribution &amp; Logistics</li> <li>• Food &amp; Agriculture</li> </ul>	<ul style="list-style-type: none"> <li>• The Town will work collaboratively with Halton Region to provide a broad range of serviceable employment lands to attract new business opportunities and diversify the non-residential assessment base.</li> </ul>



## 2.2 Employment Planning Policy Review

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This section provides an overview of the relevant provincial, regional, and local policies which apply to employment land planning in Halton Region.

### 2.2.1 Provincial Policy Context

Two key provincial policy documents that apply to employment lands are the P.P.S., 2020 and the Growth Plan, 2019. These policies outline provincial land-use planning interests and provide high-level policy direction for municipalities.

#### Provincial Policy Statement, 2020

The P.P.S., 2020 provides policy direction on matters of provincial interest relating to land-use planning and development. It is issued under the authority of section 3 of the *Planning Act* and requires that all planning decisions “shall be consistent with” the P.P.S., 2020 (*Planning Act*, R.S.O. 1990, P. 13 s. 3). It should also be noted that s. 4.2 of the P.P.S., 2020 establishes that the P.P.S., 2020 is to be read in its entirety and all relevant policies are to be applied to each situation.

The P.P.S., 2020 came into effect on May 1, 2020, replacing the 2014 P.P.S. Reasons for its update included greater alignment with recent changes to the provincial land-use planning system that occurred around the same time, namely changes to the *Planning Act* through Bill 108, *More Homes, More Choice Act* (2019) and an update to the Growth Plan for the G.G.H., 2017, which became A Place to Grow: Growth Plan for the G.G.H., 2019. Additional reasons for the update largely related to the need to increase urban housing supply, support the economy and job creation, and reduce barriers and costs to the land-use planning system in order to provide greater predictability.

Section 1 of the P.P.S., 2020 outlines policies on “Building Strong Healthy Communities.” This section promotes strong, livable, and healthy communities and requires that municipalities:

- Protect the environment, public health and safety;
- Provide the appropriate mix and range of employment, including industrial and commercial;
- Promote economic development and competitiveness including “maintaining a range and choice of suitable sites for employment uses which support a wide



range of economic activities and ancillary uses, and take into account the needs of existing and future businesses” (section 1.3);

- Promote economic development and competitiveness by encouraging compact, mixed-use development that incorporates compatible employment uses to support livable communities;
- Protect Employment Areas in proximity to major Goods Movement facilities and corridors for employment uses that require those locations;
- Provide an appropriate mix and range of employment types to meet long-term needs;
- Provide opportunities for a diversified economic base;
- Promote opportunities for economic development and community investment-readiness;
- Encourage compact, cost-effective development patterns;
- Focus major employment on sites well served by transit or design them to facilitate future transit; and focus freight-intensive land use to areas well served by major highways; and
- Ensure that necessary infrastructure is made available.

Notable policies related to planning for Employment Areas in the updated P.P.S., 2020 include requiring municipalities to have enough urban land supply to meet projected needs for a planning horizon of 25 years and includes Employment Areas as areas that could be planned for beyond this horizon, provided that they are not designated beyond the planning horizon. This change largely relates to the goal of the P.P.S., 2020 to support the economy and job creation, in addition to providing greater predictability to the land-use planning system.

Although the 2014 P.P.S. recognized the significant economic contribution of Employment Areas, the importance for protecting and preserving them, and to plan for them such that economic and strategic opportunities could be taken advantage of, the employment policies of the updated P.P.S., 2020 are more detailed with respect to how municipalities should plan for employment. The P.P.S., 2020 policies suggest preparing and readying Employment Areas by identifying strategic sites, monitoring the availability and suitability of employment sites with a focus on market-ready sites, and actively seeking to address potential barriers to investment (policy 1.3.2). The policy further outlines that, during an O.P. review or update, planning authorities assess Employment



Areas in local O.P.s to ensure the designation is appropriate for the planning function of the Employment Area (policy 1.3.2.2).

Finally, the P.P.S., 2020 employment policies outline that lands within existing Employment Areas may be converted to non-employment uses provided the area has not been identified as provincially significant through a provincial plan exercise or regionally significant by a regional economic development corporation (policy 1.3.2.5). The policy further outlines that there be an identified need for the conversion and that the land is not required for employment purposes over the long term, the proposed uses would not adversely affect the overall viability of the Employment Area, and the existing or planned infrastructure is available to accommodate the proposed uses. The Growth Plan, 2019 provides more detailed policies for protection and conversion and is discussed in the next section. The P.P.S., 2020 employment policies demonstrate a significant provincial and regional emphasis on establishing and protecting a network of functional and market- and investment-ready Employment Areas throughout the Province.

### **A Place to Grow: Growth Plan for the Greater Golden Horseshoe (2019)**

The Growth Plan, 2019, which was created under the *Places to Grow Act, 2005*, was updated in May 2019. It sets out where and how growth will occur across the G.G.H. to 2041 and that all planning decisions shall conform to it. The Growth Plan, 2019 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 aspects of the Growth Plan, 2019 for this study include the following:

#### Managing and Directing Growth

- Growth will be directed to settlement areas and within settlement areas it will be focused on strategic growth areas, locations where higher-order transit exists or is planned, and areas with existing or planned public services facilities.
- Municipalities should develop as complete communities with a diverse mix of land uses, including employment and residential with convenient access to local stores, services and public service facilities.
- 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.



- In general, the development of Employment Areas should be transit supportive and compact, and should minimize surface parking.
- Municipalities should preserve lands within settlement areas in the vicinity of major highway interchanges, ports, rail yards and airports for manufacturing and associated retail, office, and ancillary facilities where appropriate.
- Policy direction to protect existing industrial uses and office parks from non-compatible land uses includes prohibiting residential uses in Employment Areas and avoiding (or mitigating) encroachment of sensitive land uses, major retail uses, or major office uses on industrial, manufacturing, or other similar uses.<sup>1</sup>
- Policy requires municipalities identify and designate lands within settlement areas adjacent to or near major Goods Movement facilities and corridors including major highway interchanges.<sup>2</sup>

### Economic Development and Competitiveness

The Growth Plan, 2019 further demonstrates, through policy 2.2.5.1, the significance of promoting the economic development and competitiveness of the G.G.H. through various means:

- Make more efficient use of existing Employment Areas including higher employment density and utilization of vacant and underutilized employment lands;
- Ensure that sufficient land is available in appropriate locations for a range of employment to accommodate employment growth anticipated through to long-term planning horizon;
- Plan for better transit connections to locations with high employment densities; and
- Integrate and align land-use planning and economic development goals and strategies.

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<sup>1</sup> Growth Plan for the Greater Golden Horseshoe, 2019, section 2.2.5.

<sup>2</sup> Ibid.



## Employment Density<sup>1</sup>

- According to the Growth Plan, 2019, upper- and single-tier municipalities, in consultation with lower-tier municipalities, will each establish minimum density targets for all Employment Areas within settlement areas. The density targets are to reflect the current and anticipated type and scale of employment that characterizes the Employment Area to which the target applies. Further, the minimum employment density target reflects opportunities for the intensification of Employment Areas on sites that support active transportation and are served by existing or planned transit.

## Conversions<sup>2</sup>

- The Growth Plan, 2019 has a framework for conversions of employment lands to non-employment uses. Conversions of employment lands to non-employment uses may be permitted only through a Region-initiated M.C.R., based on the following criterion:
  - There is a need for the conversion;
  - The lands are not required over the horizon of this Plan for the employment purposes for which they are designated;
  - Proposed uses do not adversely affect the viability of the Employment Area, intensification/density targets, or other Growth Plan, 2019 policies; and
  - Proposed uses can be accommodated through existing or planned infrastructure.
- As part of the Growth Plan, 2019, the Province will allow for employment land conversions in advance of an M.C.R.<sup>3</sup> based on the following conditions:
  - A need for the conversion;
  - Proposed uses do not adversely affect the viability of the Employment Area, intensification/density targets, or other Growth Plan, 2019 policies;
  - Proposed uses can be accommodated through existing or planned infrastructure;

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<sup>1</sup> Growth Plan for the Greater Golden Horseshoe, 2019, section 2.2.4.

<sup>2</sup> As per the Growth Plan for the Greater Golden Horseshoe, 2019, section 2.2.5.

<sup>3</sup> The policy permits the employment land conversion in advance of the M.C.R. to be privately initiated.



- The conversion must maintain a “significant number” of jobs on the subject lands (established through a development criteria); and
- The conversion will not be part of a provincially significant employment zone.<sup>1</sup>

### Provincially Significant Employment Zones

- The Province has identified key Employment Areas as Provincially Significant Employment Zones (P.S.E.Z.) for the purposes of long-term planning for job creation and economic development. According to the Province, P.S.E.Z. may consist of Employment Areas as well as mixed-use areas that contain a significant number of jobs. They are also areas of high economic output and are strategically located to provide stable, reliable employment across the region.
- Region of Halton Employment Areas are largely covered by P.S.E.Z.s focused on the Highway 401, Highway 403, and Queen Elizabeth Way (Q.E.W.) corridors, as illustrated in Figure 2.<sup>2</sup> This includes P.S.E.Z. Zones 17 to 20 as follows:
  - Zone 17 – Q.E.W. East corridor including Oakville Q.E.W. East Employment Area;
  - Zone 18 – Highway 401 corridor in Milton and Halton Hills including Milton/401 Industrial Park, Derry Green Business Park and Premier Gateway as well as employment lands in North Oakville (eastern portion) and Winston Park Employment Area;
  - Zone 19 – Q.E.W. west corridor in Burlington and West Oakville and includes Oakville Q.E.W. West Employment Area, Burloak Employment Area, Burlington Q.E.W. East Employment Area and Burlington Q.E.W. West Employment Area; and
  - Zone 20 – Southwest Milton Employment Area.

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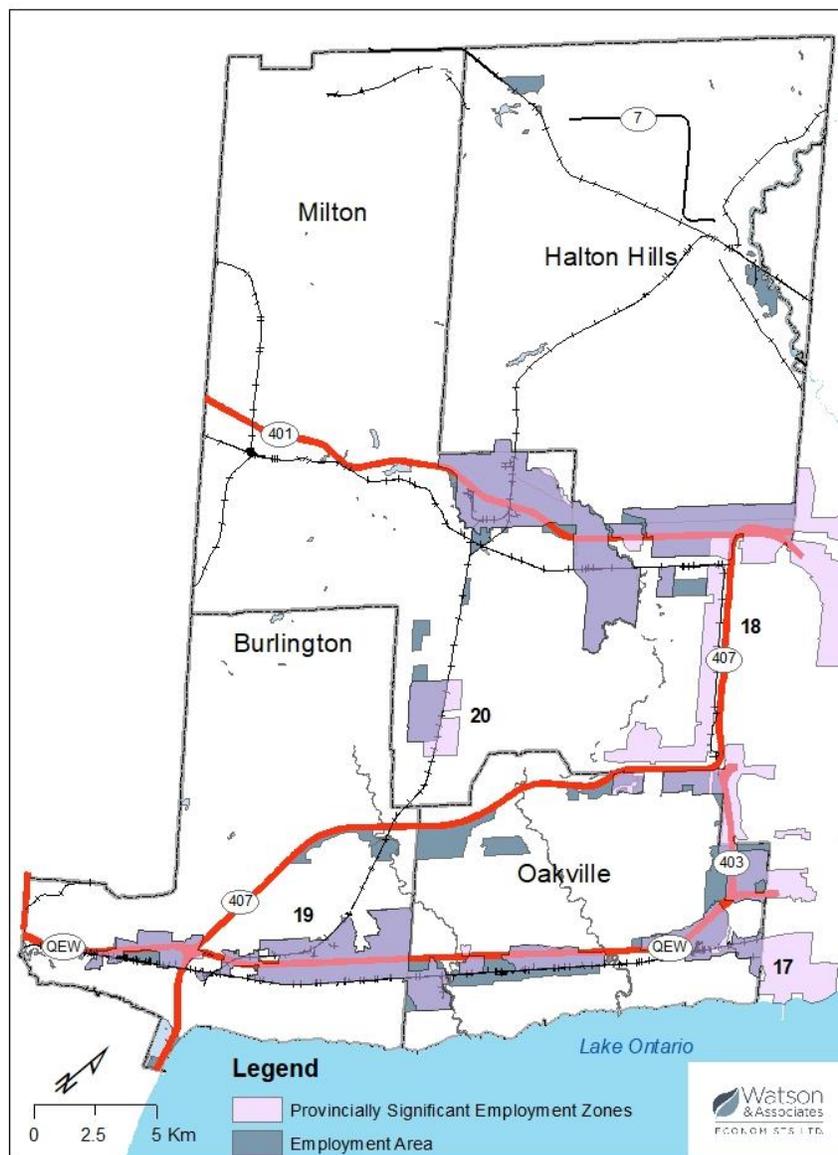
<sup>1</sup> Growth Plan for the Greater Golden Horseshoe, 2019, section 2.2.5.

<sup>2</sup> P.S.E.Z. are mapped through a web portal which was last updated in December 2019 - [https://ontario-mma.maps.arcgis.com/apps/Embed/index.html?webmap=fffbd80e29fc485d8e213d4179ea9c4c&extent=-81.671,42.5185,-77.6143,44.4062&home=true&zoom=true&scale=true&search=true&searchextent=true&legend=true&basemap\\_gallery=true&disable\\_scroll=false&theme=light](https://ontario-mma.maps.arcgis.com/apps/Embed/index.html?webmap=fffbd80e29fc485d8e213d4179ea9c4c&extent=-81.671,42.5185,-77.6143,44.4062&home=true&zoom=true&scale=true&search=true&searchextent=true&legend=true&basemap_gallery=true&disable_scroll=false&theme=light), accessed April 2020.



- Policy 2.2.5.10 of the Growth Plan, 2019 outlines that Employment Areas defined by the Minister to be P.S.E.Z. may still be converted to non-employment uses, however, only through an M.C.R. and where the requirements of policy 2.2.5.9 are met (i.e. there is a need for the conversion, the lands are not required over the planning horizon for the employment purposes they are designated, etc.). The higher level of protection and consideration afforded to P.S.E.Z. is through the mechanism of evaluating potential Employment Area land conversions through an M.C.R. (i.e. at minimum every five years as opposed to at any time).

Figure 2: Map of Provincially Significant Employment Zones in Halton Region





## Strategic Growth Areas – Urban Growth Centres and Major Transit Station Areas<sup>1</sup>

- U.G.C.s are recognized in the Growth Plan, 2019 as regional focal points for accommodating population and employment growth. It is noted that the U.G.C.s have the potential to become more vibrant, mixed-use, and transit-supportive communities.<sup>2</sup>
- The Growth Plan, 2019 defines M.T.S.A.s as “the area including and around any existing or planned high order transit station or stop within a settlement area, or the area including and around a major bus depot in an urban core. M.T.S.A.s are generally defined as the area within an approximate 500 to 800 metre radius of a transit station, representing a 10-minute walk.”
- Halton Region has eight (8) existing M.T.S.A.s and one (1) proposed M.T.S.A., as illustrated in Figure 3.
- Four (4) M.T.S.A.s (Burlington GO Mobility Hub, Appleby GO M.T.S.A., Bronte GO M.T.S.A., and Oakville GO Mobility Hub) along the Priority Transit Corridor.<sup>3</sup> Planning for these M.T.S.A.s will be prioritized and in a way that ensures the minimum density target of 150 people and jobs per hectare is being met at build-out (i.e. achieving the minimum density target does not need to occur within the planning horizon to the year 2041). The other five (5) M.T.S.A.s will need to consider a density target that is appropriate for these Strategic Growth Areas based on the local context, including consideration of other strategic growth areas and the alignment of transit investment with growth.

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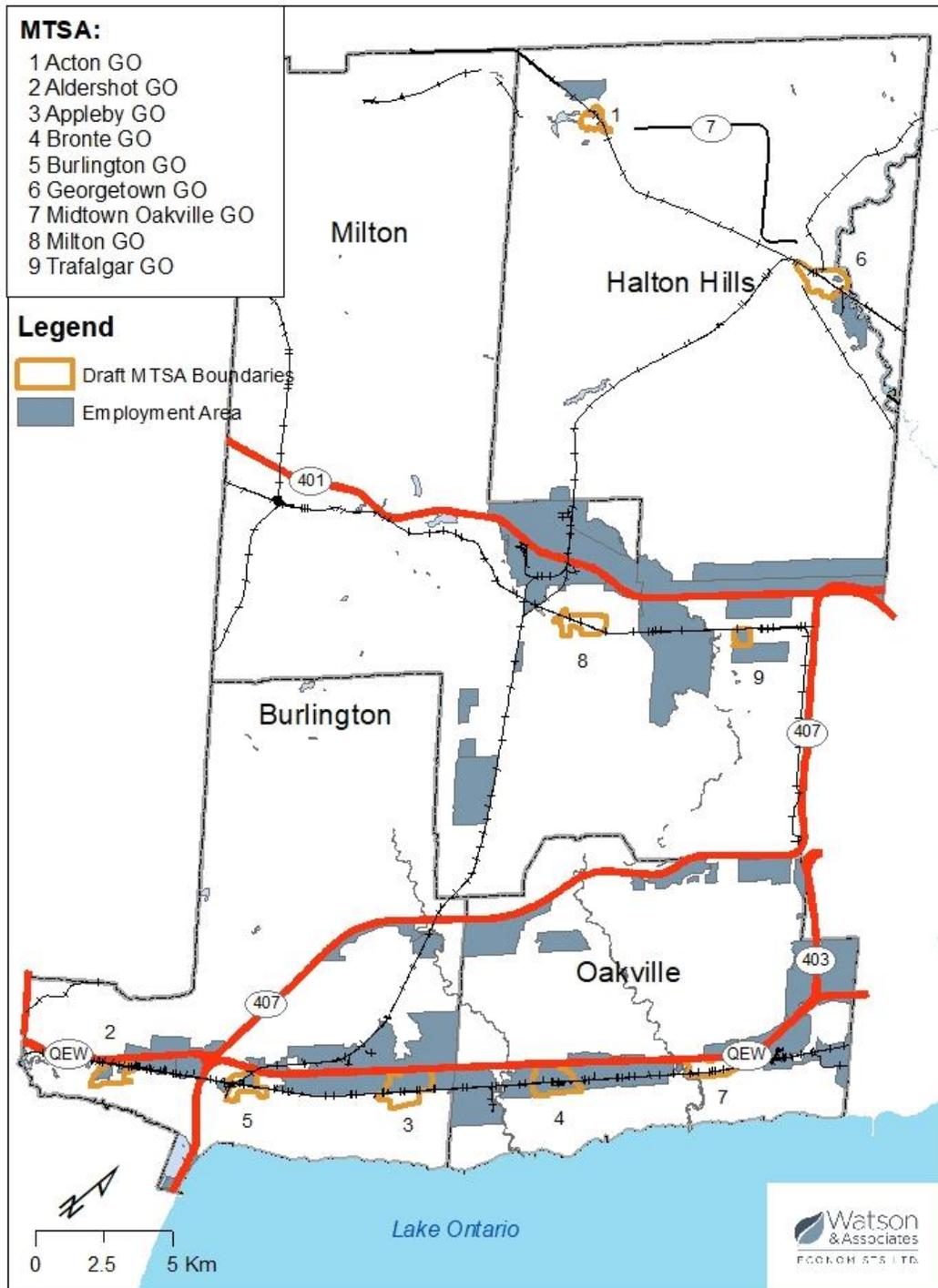
<sup>1</sup> Growth Plan for the Greater Golden Horseshoe, 2019, section 2.2.3 and 2.2.4.

<sup>2</sup> Ibid., section 2.2.3.

<sup>3</sup> Ibid., section 2.2.4 and Schedule 5.



Figure 3: Map of M.T.S.A.s in Halton Region





## Population and Employment Forecasts<sup>1</sup>

- Schedule 3 of the Growth Plan, 2019 provides population and employment forecasts for upper-tier and single-tier G.G.H. municipalities.
- On June 16, 2020, the Province of Ontario released Proposed Amendment 1 to A Place to Grow: Growth Plan, 2019. This Amendment has been provided in conjunction with a “new” Land Needs Assessment (L.N.A.) methodology for the G.G.H. Amendment 1 took effect on August 28, 2020.
- The Region had approximately 565,400 people<sup>2</sup> and 260,200 jobs in 2016. As previously identified, the Region’s population and employment base is forecast to growth to 1,100,000 and 500,000 by 2051, respectively. The Region’s employment base is expected to grow by 240,000 jobs between 2016 and 2051, representing a 92% increase.
- The following key policies outlined in Amendment 1 to A Place to Grow: Growth Plan, 2019 are relevant to the Halton Region’s M.C.R. process and Employment Strategy:
  - **The Planning Horizon has been Extended to 2051** – The population and employment growth forecast horizon in Schedule 3 of the Growth Plan, 2019 has now been extended to 2051. Within the G.G.H., the Growth Plan, 2019 provides that the applicable time horizon for land-use planning is 2051.
  - **The Forecasts in Schedule 3 of the Growth Plan, 2019 are to be Treated as Minimums** – Lower forecasts for population, dwellings by type or employment are not permitted.



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<sup>1</sup> Growth Plan for the Greater Golden Horseshoe, 2019, section 2.2.1.

<sup>2</sup> In accordance with the Statistics Canada Census, the 2016 population and employment base in Halton Region was estimated at approximately 565,400 and 260,200, respectively. 2016 population base includes a Census undercount adjustment of approximately 3%.



- **Higher Growth Forecast Alternatives are Permitted** – G.G.H. upper-tier and single-tier municipalities may establish higher growth forecasts through their respective M.C.R. exercise.
- **Major Transit Station Areas in Provincially Significant Employment Zones** – This policy amendment would allow conversions of Employment Areas identified as a P.S.E.Z. and located within an M.T.S.A., as delineated in an O.P., to occur before the next M.C.R.

## **2.2.2 Regional Planning Policies**

### **Halton Regional Official Plan**

The Halton R.O.P. provides broad policy directions on strategic matters to guide growth and development within the Region. The document was last consolidated June 19, 2018.<sup>1</sup> Local O.P.s must conform to the R.O.P.

The R.O.P. establishes a Regional Structure as shown in Map 1 – Regional Structure. The Regional Structure identifies a variety of land uses including Urban Areas, with the Employment Areas as part of Urban Areas.

#### Employment

The Employment Area policies plan for, protect and preserve the Employment Areas (Figure 4) and prohibit residential and other non-employment uses, including major retail, in Employment Areas except uses permitted in the local O.P. as of December 16, 2009, or institutional uses permitted in the local O.P., subject to a detailed study that sets limits and criteria. Additional Employment Areas may be introduced within the Urban Area by amendment based on the completion of an area-specific plan or an amendment to the local O.P.

The Regional O.P. provides specifics of what it means to protect, preserve, and plan for employment growth and diversifying the Region's economic base. For example, the policies focus on:

- Preparing and monitoring land inventories and regularly assessing absorption;

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<sup>1</sup> Halton Region Official Plan. Office Consolidation June 19, 2018. Retrieved from <https://www.halton.ca/Repository/ROP-%E2%80%93-June-19,-2018-Office-Consolidation-%E2%80%93-Text>



- Preparing and executing Economic Development Strategic Plans with considerations to specify the hard services and human capital required to implement;
- Involving Local Municipalities in preparing and updating employment land inventories and protecting employment lands; and
- Emphasizing meeting the Region's employment land needs.

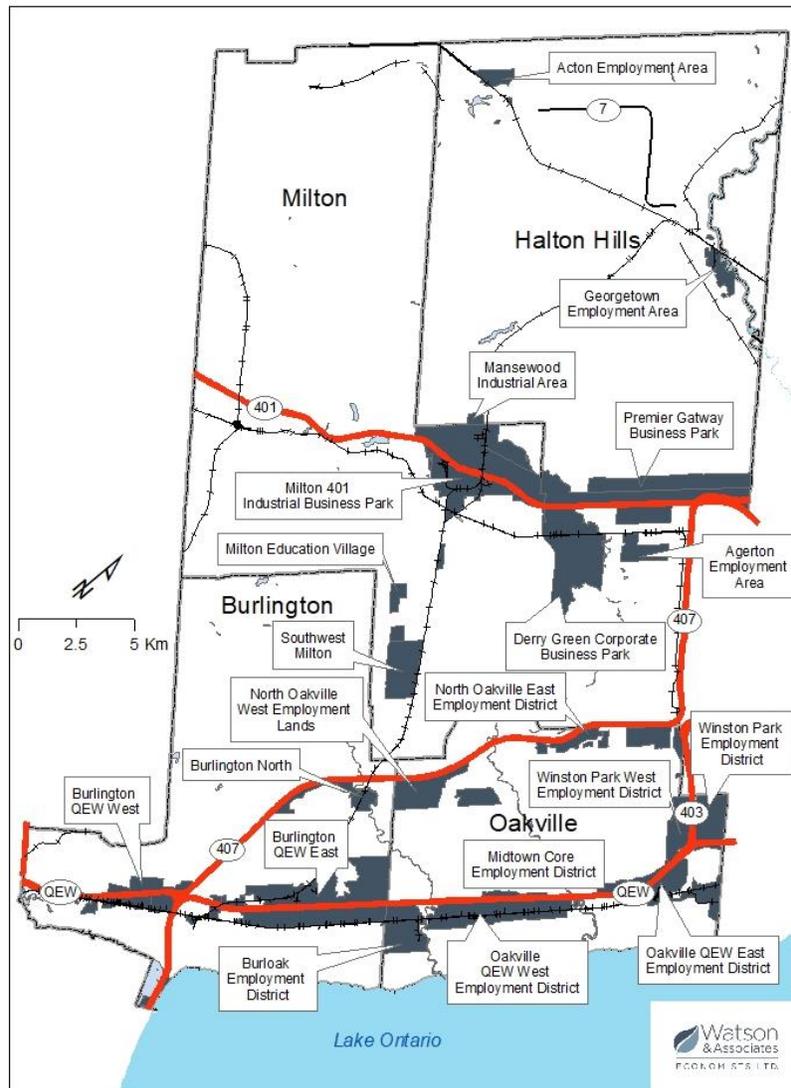
The policies also require local municipalities to prohibit the conversion of land within Employment Areas to non-employment uses, including major retail, unless through an M.C.R. in accordance with the criteria established in the Growth Plan, 2019 as well as considering cross-jurisdictional matters and meeting all Regional policies and requirements, financial or otherwise.

The R.O.P. policies emphasize the importance of timing and phasing employment lands appropriately, and heavily encourages timing land development with infrastructure availability, financial resources, and in the right location (i.e. in proximity to rail yards, highways, and intermodal terminals, etc.).

The economic development policies state that the Region will ensure, through M.C.R.s, as well as through provisions in local O.P.s and zoning by-laws, a 10-year supply of employment lands at all times for the Region as a whole and the protection of employment lands for economic development to 2031.



Figure 4: Halton Region Employment Areas



There are areas to the east in Halton Region that are overlaid with “Future Strategic Employment Areas,” which are not land-use designations with permitted uses as specified by the R.O.P. It is an overlay and its purpose is to “identify and protect from incompatible uses certain lands that are strategically located with respect to major transportation facilities and existing Employment Areas, and are best suited to employment beyond the planning horizon of this Plan.” Furthermore, the R.O.P. prohibits re-designation of these lands “to uses that are incompatible with employment uses in the long term, especially non-farm uses such as institutional and recreational uses” (sections 139.6 and 139.7(1)). These lands, however, will only be considered for



inclusion into the Urban Area prior to 2031 through an M.C.R. as part of the Region's statutory five-year review of its R.O.P.

## **2.3 Employment Lands Financing Strategies**

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This section provides a discussion regarding the current approach to financing the development of the Region's Employment Areas. There are four key documents that provide a framework in guiding the development of Employment Areas in the Region of Halton. As previously noted, the Halton R.O.P., designates Employment Areas and Future Strategic Employment Areas (Overlay) which are outlined on Map 1 of the R.O.P. Working within the policy framework of the Halton R.O.P. a key objective of the Halton Region Strategic Business Plan is to ensure that sufficient vacant lands within Employment Areas are serviced and available for development in the near-term (refer to section 2.1, herein).

The Economic Development Strategy (as discussed in section 2.1, herein) provides and strategic direction and specific action items related to development of the Region Employment Areas. Building on these above-mentioned documents, the Development Financing Plan Framework (CS-52-08) provides the financing framework for the development of the Region's Employment Areas.

### **Development Financing Plan Framework**

Once employment lands are identified for development, the Region considers the market for private development of the lands and financing of the servicing costs. In some cases, providing serviced employment lands expedites development. As provided in Report CS-52-08, the Region may provide front-end financing for infrastructure required to service employment lands. This would be repaid, with interest, from future development charges (D.C.s.). The Region of Halton's employment lands finance policy prior to 2009 and current policy is further discussed below.

#### Previous Policy (prior to 2009)

The Region's previous policy of requiring non-residential developers to front-end the cost of infrastructure in employment lands has been difficult to implement and has resulted in delays in servicing employment lands. Based on discussions with Regional



staff, coordinating financing such that multiple developers are in a position to front-end infrastructure costs at the same time had proven very challenging.

### Current Policy

In contrast to the previous policy, Halton Region's experience in the front-end financing of the HUSP (Halton Urban Structure Plan) Employment Areas, including the Milton 401 Industrial Business Park and the Q.E.W. corridor in Oakville and Burlington, had yielded positive results.

Based on this success and given the strategic importance of servicing Employment Areas to support economic growth, Report CS-52-08 provided the financial capacity through the Capital Investment Revolving Fund (also referred to as the Revolving Fund), in order to front-end the water and wastewater infrastructure necessary to service employment lands. This has shown positive results with respect to the development of Halton Hills 401 Corridor (Premier Gateway), and the Derry Green Business Park (Milton Business Park II) while Winston Park West awaits development.

Currently, Halton Region uses its Capital Investment Revolving Fund to finance the construction of the water and wastewater servicing needs, with any balance financed from debt. This amount is then recovered from D.C.s as development proceeds.

### **Current Development Charge Policy**

D.C.s are imposed on new development to recover the costs associated with that new development. Capital needs are identified through master plans, servicing studies, discussions with staff, etc., and included into the D.C. calculations. Once the growth-related share of the costs is determined for each service, the costs are split between residential and non-residential development. The Region provides an additional breakdown of the non-residential component of the Roads costs into retail and non-retail categories, where the non-retail category captures the employment land-type uses.

As noted above, D.C.s are utilized as the mechanism with which to recover the funds that are front-ended by the Region. The current D.C. policy framework has been developed throughout the years and is reviewed in detail every five years through the preparation of the Region's D.C. Background Study. D.C. policies are prepared in concert with developing landowners and other community stakeholders through the



Development Charges Advisory Committee (D.C.A.C.). A detailed review process was provided during the Region's most recent D.C. background study update in 2017, and data was utilized in considering policy alternatives.

More specifically, in the most recent D.C. study process (2017), the Region reviewed this policy and noted that in 2012 this policy was established to recognize the differentiated basis of trip generation rates between retail and non-retail uses. It was proposed that this policy be continued in the 2017 study process, however, the Region provided the D.C. rate calculations to D.C.A.C. with and without the policy for comparative purposes. It was determined that this policy continue. Further discussion on Industrial D.C. charges and related policies is provided in section 5.2.

### 3. Macro-Economic and Demographic Trends Influencing Employment and Labour Force Growth

The following chapter provides an overview of recent macro-economic trends which are anticipated to influence future economic activity, and employment and labour force growth within Halton Region and the broader regional market over the coming decades.

#### 3.1 Global Economic Trends and International Trade

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Following steady economic growth since the world economy rebounded from the 2008/2009 financial crisis, the world has changed dramatically in 2020. The December 2019 outbreak of coronavirus disease (COVID-19) in Wuhan, China was officially declared a global pandemic by the World Health Organization (W.H.O.) on March 12, 2020 and has inflicted rising economic and human costs across the world. In response to the threat of further escalation associated with the spread of the virus, governments around the world have implemented quarantine and physical distancing practices in what has been referred to as the "Great Lockdown."

To date, the downward impact of these containment measures on global economic output, commodity prices, and consumer spending has been severe. Economic sectors such as travel and tourism, accommodation and food, retail and personal services, manufacturing, energy, and finance have been hit particularly hard. Furthermore, required modifications to social behavior (i.e. 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. Lastly, escalating tensions and constraints related to international trade have also begun to raise further questions regarding the potential vulnerabilities of globalization and the structure of current global supply chains.

At the current time, the level of sustained economic impact related to this “exogenous shock” to the world and Canadian economy is largely unknown. Notwithstanding this uncertainty, it is generally clear that the longer COVID-19 persists on an international scale, the greater the severity of the current global recession. In its latest World Economic Outlook, the International Monetary Fund (I.M.F.) baseline scenario is forecasting the global economy to contract by 3% in 2020, which represents a much more significant economic contraction than what was experienced during height of the 2008/2009 financial crisis. For advanced economies, the I.M.F. estimates 6.1% contraction in growth in 2020, while emerging markets and developing economies are also projected to experience negative growth of 1.0%.

Under the baseline I.M.F. assumption that the pandemic recedes in the second half of 2020 and policy measures have been effective, growth is projected to rebound to 5.8% in 2021. As previously noted, it is important to recognize that there is a great deal of uncertainty around the duration and intensity of the pandemic as well as the effectiveness of policy responses. As such, more or less adverse scenarios are a possibility.<sup>1</sup> The World Trade Organization (W.T.O.) forecasts that the volume of world merchandise trade will decline by 13% in 2020 and rebound by 22% in 2021 under an optimistic scenario, and decline by 32% and rebound by 24% under a pessimistic scenario.<sup>2</sup>

In the United States (U.S.), real G.D.P. (gross domestic product) is forecast to contract by 5.9% in 2020 and rebound by 4.7% in 2020.<sup>3</sup> The recovery of the U.S. economy will largely depend on the U.S. administration’s response to deal with the virus domestically,

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<sup>1</sup> World Economic Outlook. International Monetary Fund. Chapter 1 The Great Lockdown. April 2020.

<sup>2</sup> Trade set to plunge as COVID-19 pandemic upends global economy – Press Release. World Trade Organization. April 2020.

<sup>3</sup> World Economic Outlook. International Monetary Fund. Chapter 1 The Great Lockdown. April 2020.



to date having issued a \$2 trillion stimulus bill in March 2020, in conjunction with their approach to international trade and protectionist policies.<sup>1, 2</sup>

The trade war between the U.S. and China, the world's two largest economies, which began in 2018 has also been a steady source of volatility for global markets and has negatively impacted global investment growth.<sup>3</sup> Escalating trade tensions over the past several months between the two countries continues to add risk to global economic growth and further add to trade disruption as well as near-term market volatility.<sup>4,5</sup>

## 3.2 National and Provincial Context

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Over the past decade, the Canadian and Ontario economies have experienced relatively strong economic growth, as illustrated in Figure 5. Growth in 2019 eased to 1.6% in both Ontario and nationally, largely as a result of a tightening labour market and slowing global economic growth.<sup>6</sup>

While the recent performance of the national and Ontario economies has remained relatively strong over the past several years through to early 2020, the COVID-19 pandemic poses significant risks to the national and provincial economies that are important to recognize. As illustrated in Figure 5, the Ontario economy is forecast to contract by 4.2% in 2020 before growth rebounds 3.7% in 2021.<sup>7</sup> Having said that, household spending in Canada is not expected to return to pre-pandemic levels until the

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<sup>1</sup> World Economic Outlook. International Monetary Fund. Chapter 1 The Great Lockdown. April 2020.

<sup>2</sup> U.S. coronavirus stimulus checks: are you eligible and how much will you get? The Guardian. April 2020.

<sup>3</sup> The Investment Cost of the U.S.-China Trade War. Liberty Street Economics. May 28, 2020.

<sup>4</sup> U.S.-China Trade Tensions Are Back: Global Economy Week Ahead, Bloomberg, May 23, 2020.

<sup>5</sup> A U.S.-China trade war is the last thing the world economy needs now, CNN Business, May 19, 2020.

<sup>6</sup> BMO Provincial Outlook, Spring 2019.

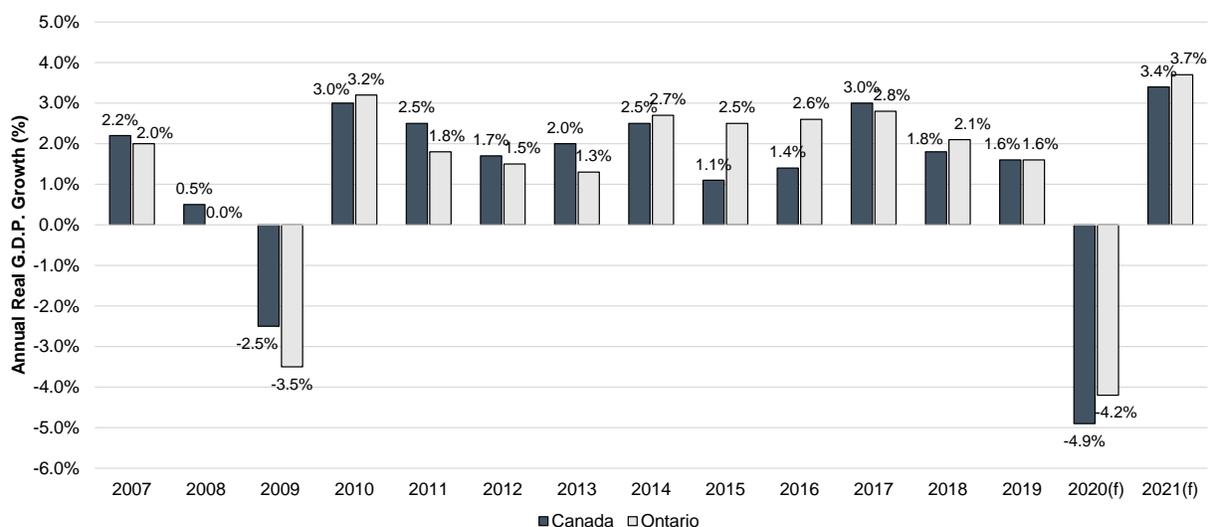
<sup>7</sup> COVID-19 Recession Deepens Fast from Coast to Coast. RBC Economics. April 13, 2020.



second half of 2021.<sup>1</sup> This is despite strong fiscal stimulus and historically low interest rates.

Domestically, the Ontario housing market also continues to pose a risk to the overall economy, which is important to recognize when considering forecast labour force and employment growth trends. The sharp rise in Ontario's housing prices, particularly in the Greater Toronto Hamilton Area (G.T.H.A.), has contributed to record consumer debt loads and eroded housing affordability.

Figure 5: Annual Real G.D.P. Growth, Ontario and Canada, Historical (2007 to 2019), and Forecast (2020 to 2021)



Source: 2007 to 2018 derived from B.M.O. Capital Markets Economics, Provincial Economic Outlook, and 2019 to 2021 from RBC Economics Provincial Outlook - Update, April 2020, by Watson & Associates Economists Ltd.  
Note: 2020 to 2021 are forecast by RBC Economics.

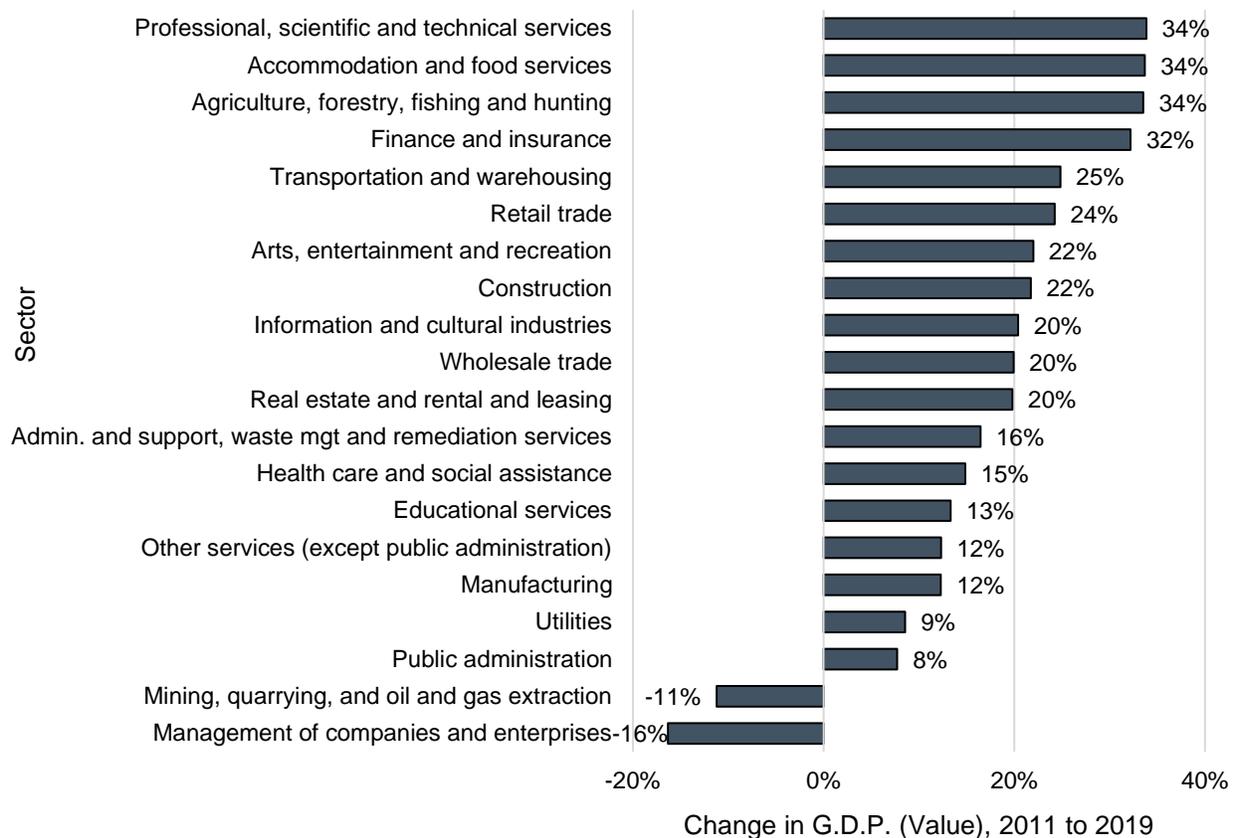
Recent structural changes in the macro-economy experienced over the past several decades have been well documented. At the provincial level, Ontario's economic base, as measured by G.D.P. output, has shifted from the goods-producing sector (i.e. manufacturing and primary resources) to services-producing sectors. Much of this shift has occurred during the past two decades, driven by G.D.P. declines in the manufacturing sector which were most significant immediately following the 2008/2009 global economic downturn. In contrast, service-based sectors such as financial and business services have seen significant increases over the past several years.

<sup>1</sup> Conference Board of Canada, Canadian Outlook Summary, Summer 2020.



As summarized in Figure 6, a range of commercial, institutional and industrial sectors have experienced an increase in G.D.P. in Ontario over the past decade. G.D.P. growth has been particularly strong in wholesale trade; accommodation and food services; financial and insurance; and agriculture, forestry, fishing, and hunting. Knowledge-based sectors including professional, scientific and technical services; information and cultural industries; and educational services have seen a notable increase in G.D.P. The manufacturing sector, in contrast, has experienced relatively modest growth in G.D.P. growth over the past decade.

Figure 6: Provincial G.D.P. Growth by Industry Sector, 2011 to 2019



Source: Derived from Statistics Canada Table 36-10-0402-01 by Watson & Associates Economists Ltd., 2020.  
Note: Gross domestic product (GDP) at basic prices in chained (2012) dollars.



### 3.3 G.T.H.A. Growth Trends

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In many respects Halton Region's long-term population and employment growth potential are largely tied to the success of the G.T.H.A. as a whole. The G.T.H.A. represents the economic powerhouse of Ontario and the centre of a large portion of the economic activity in Canada. The G.T.H.A. economy is comprised of a highly diverse mix of industry clusters related to manufacturing, technology, and services. This diversity is a key strength of the G.T.H.A. economy, with most of the top-traded industry clusters throughout North America having a strong presence in this region.

The manufacturing sector represents a dominant G.T.H.A. industry cluster but has demonstrated limited growth since 2011. The transportation and warehousing sector is also a dominant G.T.H.A. employment cluster, with a strong concentration in municipalities with proximity to the Toronto Pearson International Airport (T.P.I.A.) and intermodal facilities.

With respect to the services sector, the G.T.H.A. has a number of established industry clusters in knowledge-based sectors, including finance and insurance, professional, scientific and technical services, education, and health care and social assistance. While other emerging knowledge-based sectors, including information and cultural industries, real estate and rental leasing, are smaller in scale, they are highly concentrated and have a strong employment growth outlook. The retail and accommodation and food services sectors are also large, heavily concentrated and steadily growing across the G.T.H.A.

With a robust economy and diverse mix of export-based employment sectors, the G.T.H.A. is highly attractive on an international and national level to new businesses and investors. The area also has a strong appeal given its proximity to regional infrastructure and its proximity/access to skilled labour and post-secondary institutions. These attributes have produced a highly competitive and diverse employment market. As a result, all the upper-tier/single-tier municipalities across the G.T.H.A. have been successful to varying degrees in attracting a variety of industries within a broad range of industry sectors. In turn, this continues to support strong population and housing growth within the City of Toronto and the "905" municipalities, largely driven by international and inter-provincial net migration to this region.



Over the next two decades, considerable new residential and non-residential growth is anticipated across the G.T.H.A. In accordance with the provincial Growth Plan, 2019, the population of the G.T.H.A. is forecast to increase from 7.18 million in 2016 to 11.2 million in 2051, an increase of close to 4 million persons. The area is also forecast to add approximately 1.8 million jobs over the same time period.<sup>1</sup> This represents a substantial increase in population and employment relative to other North American metropolitan regions of comparable population. The strong growth potential anticipated for the G.T.H.A. is largely tied to the strength and diversity of the area's industry clusters.

Overall, there is a diminishing employment land supply relative to demand in the large G.T.H.A. markets, including the City of Toronto, City of Vaughan, City of Mississauga, and the City of Brampton. As the more mature areas of the G.T.H.A. gradually build out, increasing outward growth pressure will be placed on the remaining vacant greenfield Employment Areas of the G.T.H.A. This is particularly important for North Halton Region, which is anticipated to accommodate steady non-residential development in established and future planned Employment Areas over the coming decades.

### **3.3.1 Employment Trends**

Similar to the provincial economy as a whole, the nature of the G.T.H.A. economy is changing. Over the past decade, the composition of the G.T.H.A.'s employment base has gradually shifted from a goods-producing economy to a services-producing economy, led by employment growth in a range of "knowledge-based and creative-class economy"<sup>2</sup> 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, as illustrated in Figure 7.

Within the service sector, economic growth has been particularly strong for small- to medium-scale knowledge-based businesses that are focused on innovation and entrepreneurship. With an increasing emphasis on these knowledge-based sectors,

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<sup>1</sup> Technical Report. Greater Golden Horseshoe Growth Forecast to 2051. June 2020. Hemson Consulting Ltd.

<sup>2</sup> Richard Florida, The Rise of the Creative Class. 2002.



major office, flex office and multi-purpose facilities encompassing office and non-office uses are becoming an increasingly dominant built form.

Halton Region is part of the Toronto-Waterloo Innovation Corridor, a technology supercluster which includes the G.T.H.A., Region of Waterloo and the City of Guelph. Collectively, this corridor accommodates over 15,000 technology-based companies providing approximately 205,000 jobs.<sup>1</sup> The Toronto-Waterloo Innovation Corridor offers strong economic and employment growth potential based on its established presence as the largest technology cluster in Canada, a critical mass of post-secondary institutions and incubators, access to skilled labour and a high quality of life.

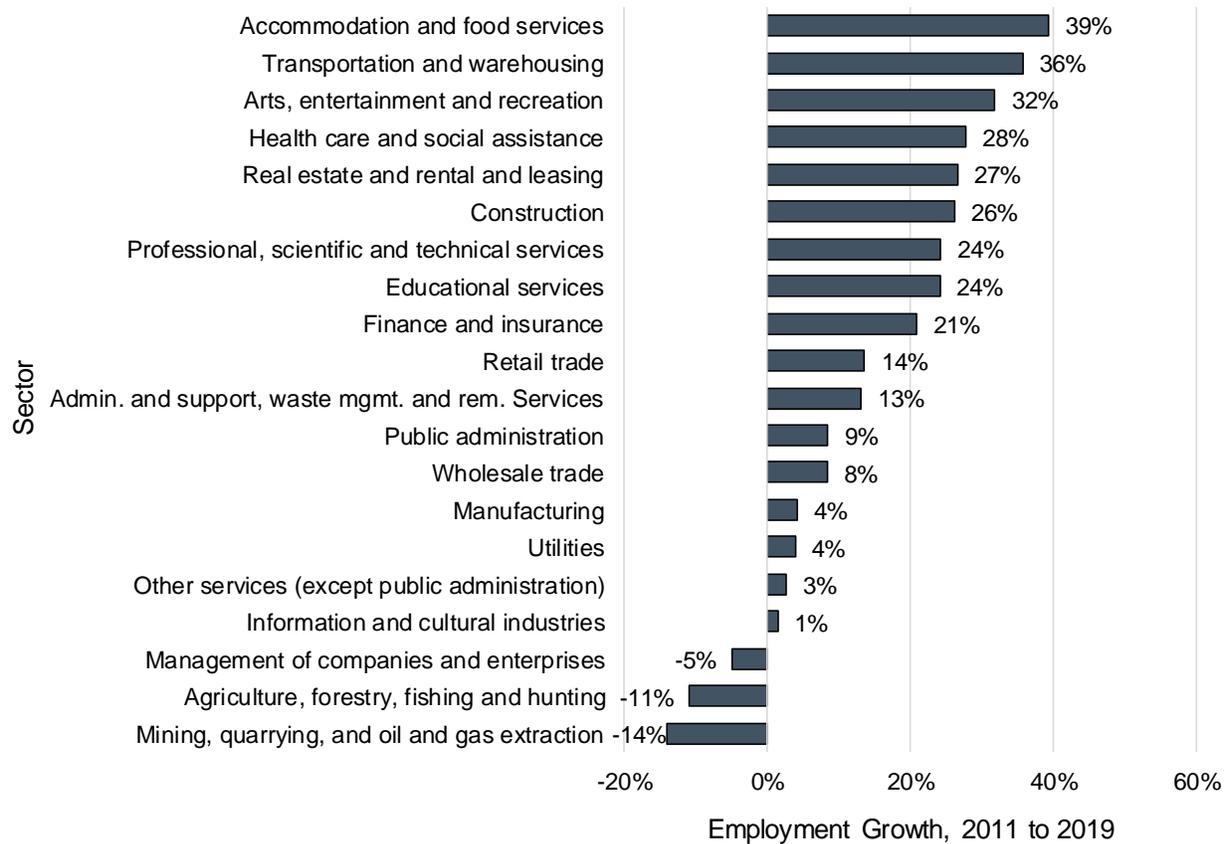
The G.T.H.A. has also experienced significant employment growth in the Goods Movement sector over the past decade comprised of transportation/warehousing and wholesale trade. This sector is highly concentrated within the Regions of Peel, York, and Halton, which are located within proximity to T.P.I.A. Other regional infrastructure attributes, including access to 400-series highways as well as existing and planned intermodal facilities in Brampton, Vaughan, and Milton, continue to play a key role in driving demand within this sector across the G.T.H.A. Increased outsourcing of manufacturing production to emerging global markets continues to drive the need for new consolidated, land-extensive warehousing facilities to store and manage the distribution of goods produced locally as well as goods imported from abroad. This continues to drive demand for increasingly larger, more land-extensive warehousing facilities, generally in greenfield Employment Areas.

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<sup>1</sup> Toronto-Waterloo Innovation Corridor White Paper, prepared by McKinsey & Company, December 2016.



Figure 7: G.T.H.A. Employment Growth by Sector, 2011 to 2019

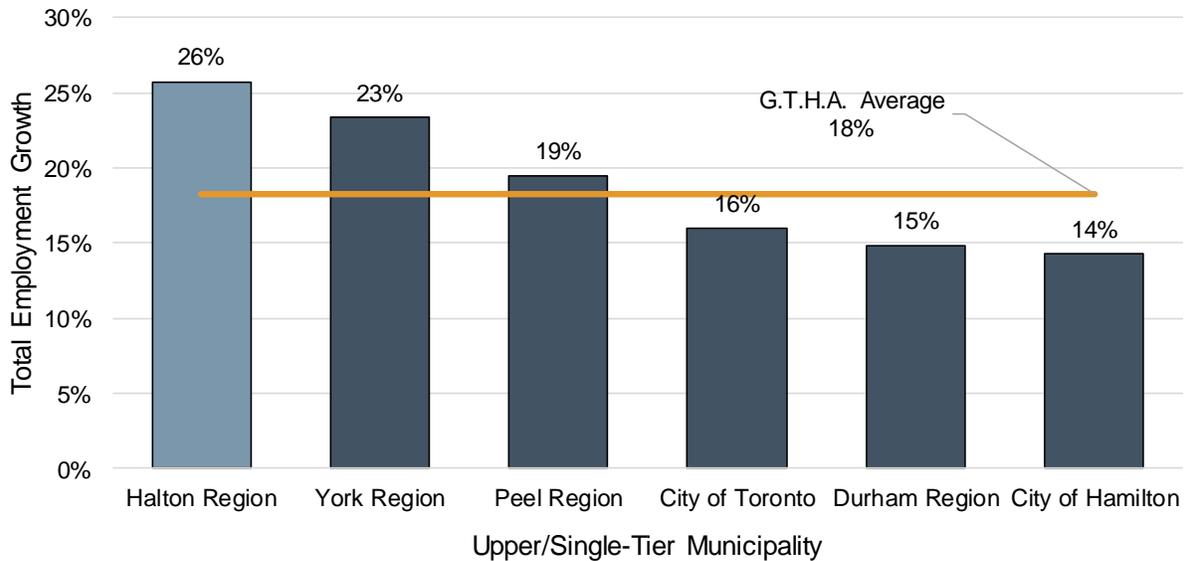


Source: Derived from EMSI data by Watson & Associates Economists Ltd., 2020.  
Note: Figures include employed and self-employed jobs.

Figure 8 summarizes the overall employment growth rate in Halton Region compared to other upper/single-tier municipalities in the G.T.H.A. over the 2011 to 2019 period. As shown, Halton Region exhibited the strongest employment growth (in percentage terms), with growth of 26%. This is compared to the G.T.H.A. average of 18% and 23% in York Region, 19% in Peel Region, 16% in the City of Toronto, 15% in Durham Region and 14% in the City of the Hamilton.



Figure 8: G.T.H.A. Total Employment Growth by Upper/Single-Tier Municipality, 2011 to 2019

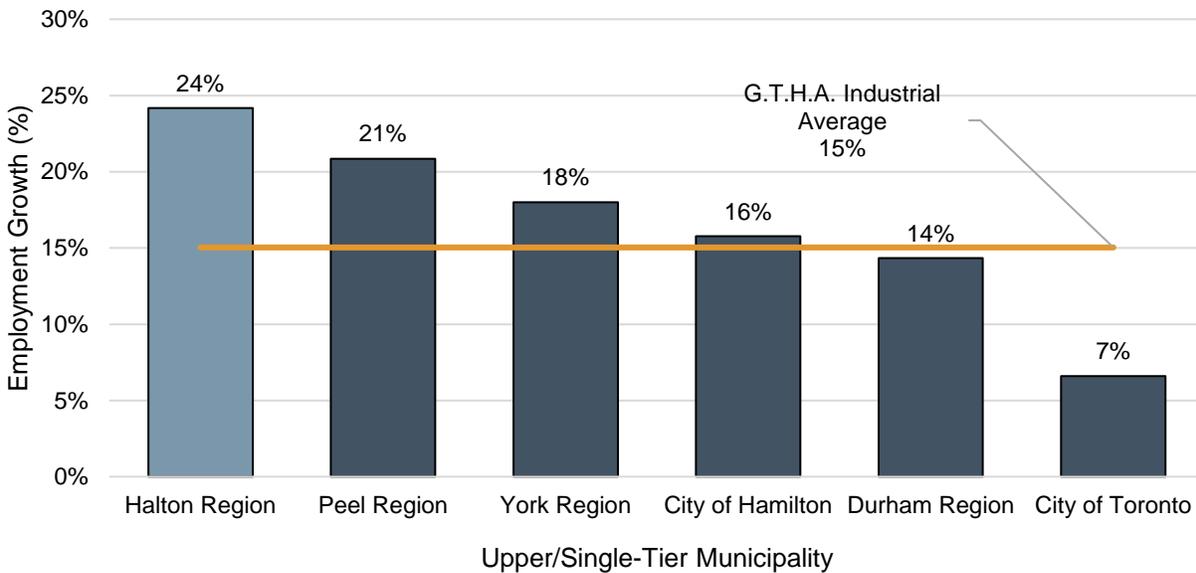


Source: Derived from EMSI data by Watson & Associates Economists Ltd., 2020.  
Note: Figure includes employed and self-employed jobs.

Figure 9 and Figure 10 summarize industrial and office-based employment growth, respectively, within Halton Region over the 2011 to 2019 period, in comparison to other upper/single-tier municipalities within the G.T.H.A. As illustrated, Halton Region's industrial employment base expanded by 24% over the period, notably higher than the G.T.H.A. average of 15%, and the growth rate in other municipalities which ranged between 7% and 21%. With respect to office-based employment, employment growth in Halton Region expanded by 21%, moderately higher than the 19% G.T.H.A. average growth rate.

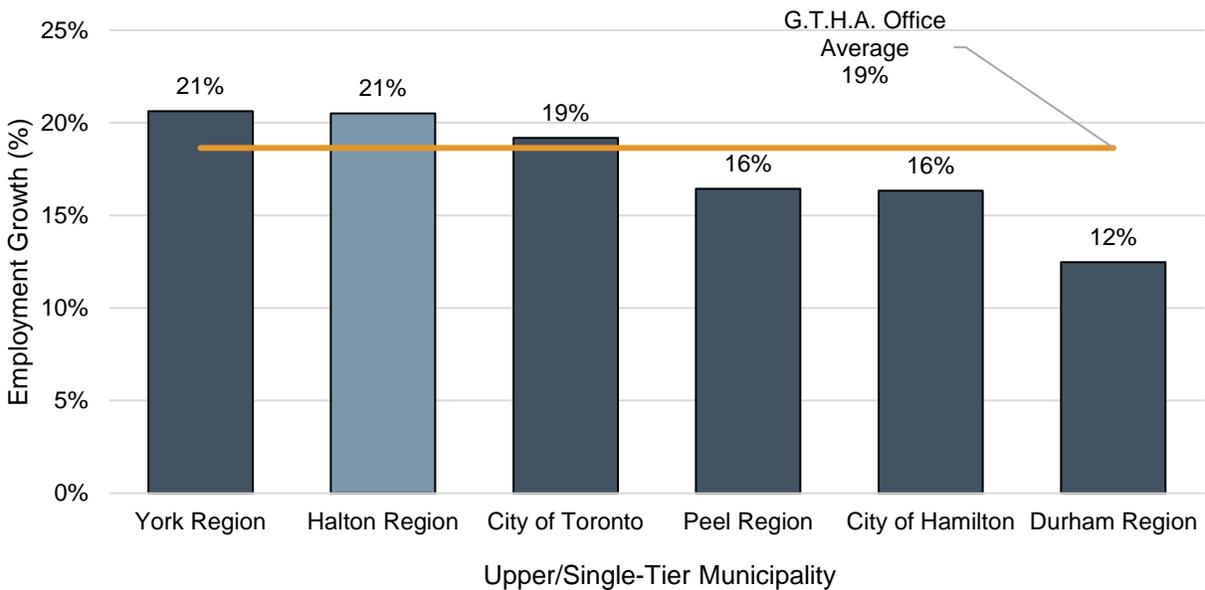


Figure 9: Industrial Employment Growth by Select G.T.H.A. Upper/Single-Tier Municipality, 2011 to 2019



Source: Derived from EMSI data by Watson & Associates Economists Ltd., 2020.  
Note: Figure includes employed and self-employed jobs.

Figure 10: Office-based Employment Growth by Select G.T.H.A. Upper/Single-Tier Municipality, 2011 to 2019



Source: Derived from EMSI data by Watson & Associates Economists Ltd., 2020.  
Note: Figure includes employed and self-employed jobs.



### 3.4 Labour Force Trends

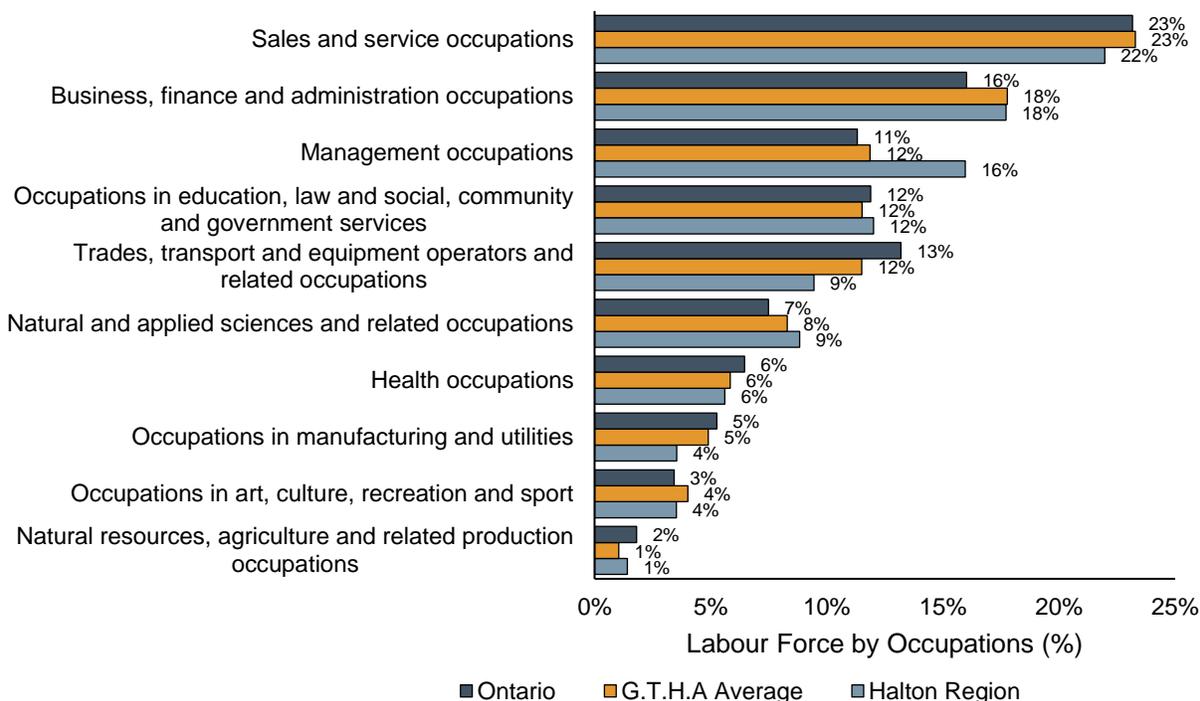
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The availability of a local skilled labour force is an increasingly important consideration in the “new economy.” Having a labour force that meets the needs and demands of business is essential to the perceived competitiveness of a community or region in attracting industry and job creators. When the local labour force does not meet the demands of business and industry, it may become difficult for a business to either continue operations at present capacity or expand to meet new opportunities.

Figure 11 shows the occupational classifications of the employed labour force in Halton Region, the G.T.H.A. and Ontario. Sales and services occupations rank the highest in Halton Region, accounting for 22% (71,100) of total occupations. Sales and services occupations are also the top occupation sectors in the G.T.H.A. and Ontario. Halton Region has a higher percentage of management occupations at 16% (51,600 occupations) compared to the G.T.H.A. at 12% and the Province at 11%. Natural and applied sciences and related occupations are also slightly higher in Halton Region at 9% (28,600 occupations).



Figure 11: Total Occupations, Region of Halton and G.T.H.A., 2018



Source: Manifold Data Mining Inc. Adapted by MDB Insight.

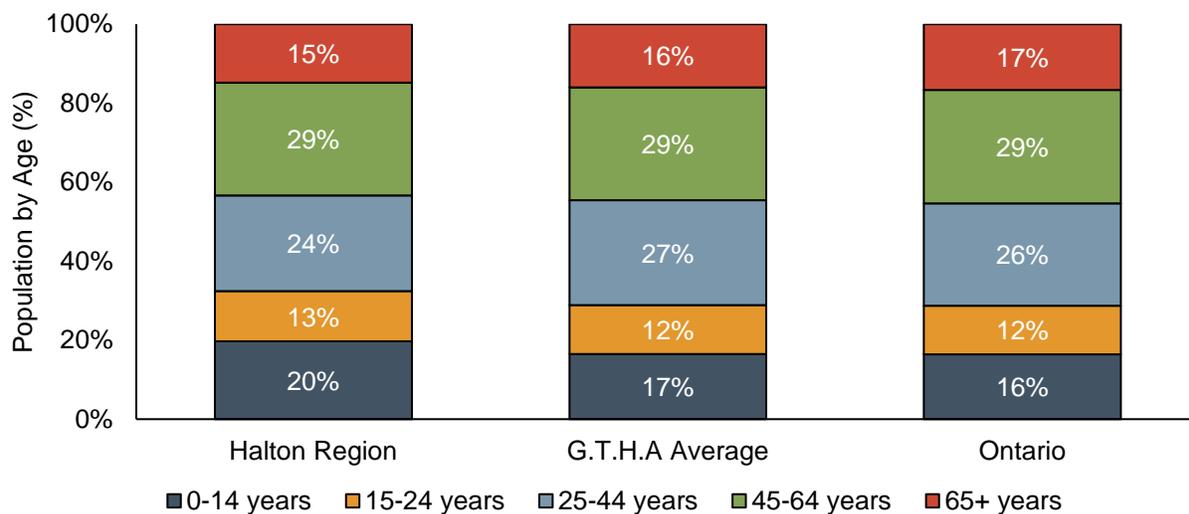
### 3.4.1 Aging Labour Force and Impact on Economic/Business Growth

Age distributions, as shown in Figure 12 below, show that Halton Region has similar age distributions to the G.T.H.A. average and the Province. The proportion of the population that is of working age (15 to 64 years old) is 66%, which is comparable to the G.T.H.A. and Ontario at 67% each. The majority of Halton Region's population is aged 45-64 (29%). Over the next decade and beyond, the aging of the local population is anticipated to reduce the Region's average labour force participation rate.<sup>1</sup> In turn, the aging of the local population and labour force base is anticipated to potentially place downward pressure on the Region's labour force growth rate and economic output. As such, the Region will continue to be strongly reliant on net migration (both immigration and migration within Canada and Ontario) to help off-set the natural aging of its existing population and labour force base.

<sup>1</sup> The labour force participation rate is defined as ratio of employed and unemployed people to the total working-age population (aged 15 years and older).



Figure 12: Labour Force by Age Cohort, G.T.H.A. Upper/Single-Tier Municipality, 2018



Source: Manifold Data Mining Inc. Adapted by MDB Insight.

### 3.4.2 Industry Needs vs. Supply

A review of in-demand occupations can help determine those skills that are central to industry growth and enable workforce planning. In 2018, the top occupations in Halton Region were:

- Retail salespersons – 11,355 occupations (4.2% of total occupations)
- Cashiers – 6,178 occupations (2.30% of total occupations)
- Food counter attendants, kitchen helpers and related support – 6,015 occupations (2.24% of total occupations)
- Sales and account representatives - wholesale trade (non-technical) – 5,312 occupations (1.98% of total occupations)
- Material handlers – 4,501 occupations (1.68% of total occupations)
- Store shelf stockers, clerks, and order fillers – 4,018 occupations (1.50% of total occupations)
- Elementary school and kindergarten teachers – 3,975 occupations (1.48% of total occupations)
- Retail and wholesale trade managers – 3,943 occupations (1.47% of total occupations)
- Retail sales supervisors – 3,702 occupations (1.38% of total occupations)
- Administrative officers – 3,638 occupations (1.35% of total occupations).



In addition to determining the top occupations in Halton Region, it is important to understand the composition of high growth occupations so that relevant strategies can be developed to support industry demand. Figure 13 shows the net change in occupation number for the top ten fastest growing occupations.

Figure 13: Fast Growing Occupations in Halton Region, 2017 to 2018

Description	Jobs	Jobs	2018% of total Jobs in 2018	Occupational Change 2017-2018	Occupational Change 2017-2018
	2017	2018		Net	%
<b>Total Occupations</b>	<b>261,954</b>	<b>268,683</b>	<b>100%</b>	<b>6,729</b>	<b>2.6%</b>
Technical sales specialists - wholesale trade	3,153	3,545	1.3%	392	12.4%
Information systems analysts and consultants	2,337	2,716	1.0%	379	16.2%
Administrative assistants	1,494	1,863	0.7%	369	24.7%
Computer programmers and interactive media developers	2,169	2,507	0.9%	338	15.6%
Professional occupations in advertising, marketing, and public relations	1,342	1,613	0.6%	271	20.2%
Retail sales supervisors	3,433	3,702	1.4%	270	7.9%
Material handlers	4,261	4,501	1.6%	240	5.6%
Senior managers - financial, communications and other business services	712	944	0.3%	232	32.6%
Retail salespersons	11,143	11,355	4.2%	212	1.9%
User support technicians	1,482	1,673	0.6%	191	12.9%

Source: Derived by MDB Insight Inc. from EMSI Analyst, 2020.

Occupations in Halton Region have grown by 2.6%, an increase of approximately 6,700 occupations from 2017 to 2018. The fastest growing occupations involve a wide variety of sectors, including sales and services. Sales workers in the services and wholesale sectors will continue to be in demand as they occupations are critical in building and maintaining customer bases for businesses. The rise and growth of e-commerce will affect employment growth in the retail sector, particularly retail employees, and cashiers. These projections are estimated to be the same on a national scale. Halton Region is also witnessing growth in ICT and digital media and the financial sectors



including information systems analysts and consultants, computer programmers and interactive media developers and senior managers in financial, communications and other business services.

This demand for digital and technology-based skills is expected to continue, given the rise of the digital economy and the rapid increases in automation. Within the broader context of technology-based sectors, it is identified that five technologies will drive the Canadian digital economy to heighten innovation and growth, increase productivity, reduce costs, and generate revenues. These technologies provide important considerations for Halton Region.

- Virtual and augmented reality – the sector is projected to rapidly grow to a \$150 billion market in the current year, largely driven by augmented reality.
- Artificial intelligence – A.I. has the ability to impact all industry sectors and is expected to reach \$7-\$13 trillion in value by 2025.
- 5G mobile – this sector is a facilitator for emerging technologies, including autonomous vehicles, industrial automation, and education. It will enable the Internet of Things growth by facilitating better connection with high reliability and ultra-low latency connectivity. Canada’s major telecoms are already investigating and implementing 5G technology.
- 3D printing – enables a shift to a customized production model and is estimated to generate an economic impact of \$230-\$550 billion annually by 2025.
- Blockchain – a facilitator for the financial services, retail, and energy sectors as it allows the collection and storage of information independent of central control and protection against hacking. Canadian banks and the healthcare system are already banking on this technology.

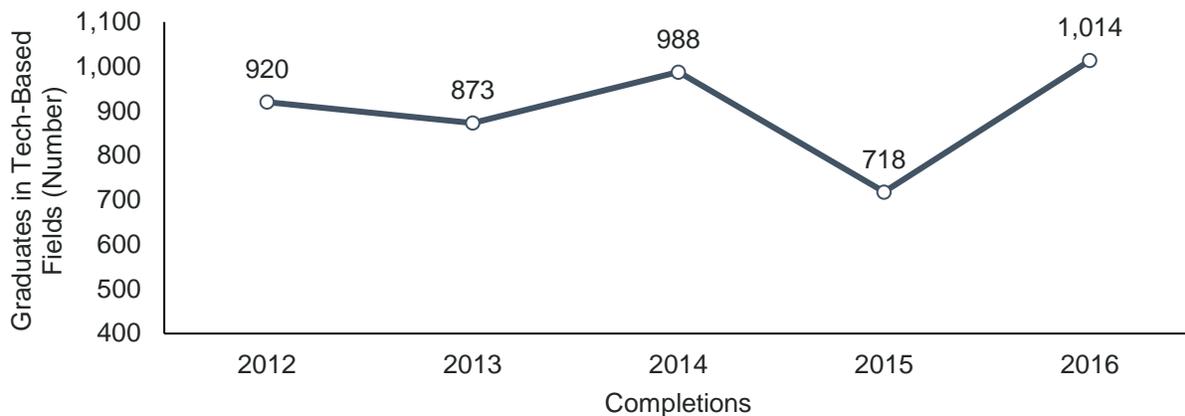
Major fields of study for Halton’s labour force include business, management, and public administration; architecture, engineering, and related technologies; social and behavioural sciences and law and health and related fields. Compared to communities across the G.T.H.A. and Ontario, Halton Region has a lower proportion of population with education related to mathematics, computer and information sciences and physical and life sciences and technologies, which form essential components of the science, technology, engineering, and mathematics (STEM) driven industries.

Although the Region has a lower proportion of tech-based labour force, Halton is witnessing increases in graduates with skills in technology-based sectors. Halton



Region benefits from the presence of Sheridan College of Applied Arts and Technology, providing undergraduate and career and post career, technical or professional training programs in tech-based fields. As per EMSI<sup>1</sup> Analyst data, graduate completions in tech-based fields, specifically those related to Computer and information systems occupations has increased from approximately 900 completions in 2012 to 1,000 completions in 2016.

Figure 14: Program Completions in Occupations Related to Computer and Information Systems in Halton Region, 2012 to 2016



Source: Derived by MDB Insight Inc. from EMSI Analyst, 2020.

Detailed analysis in Figure 15 shows that the majority of the 1,014 program completions in 2016 were computer engineering technologies/technicians, design and applied arts, visual, digital, and performing arts, general and computer programming.

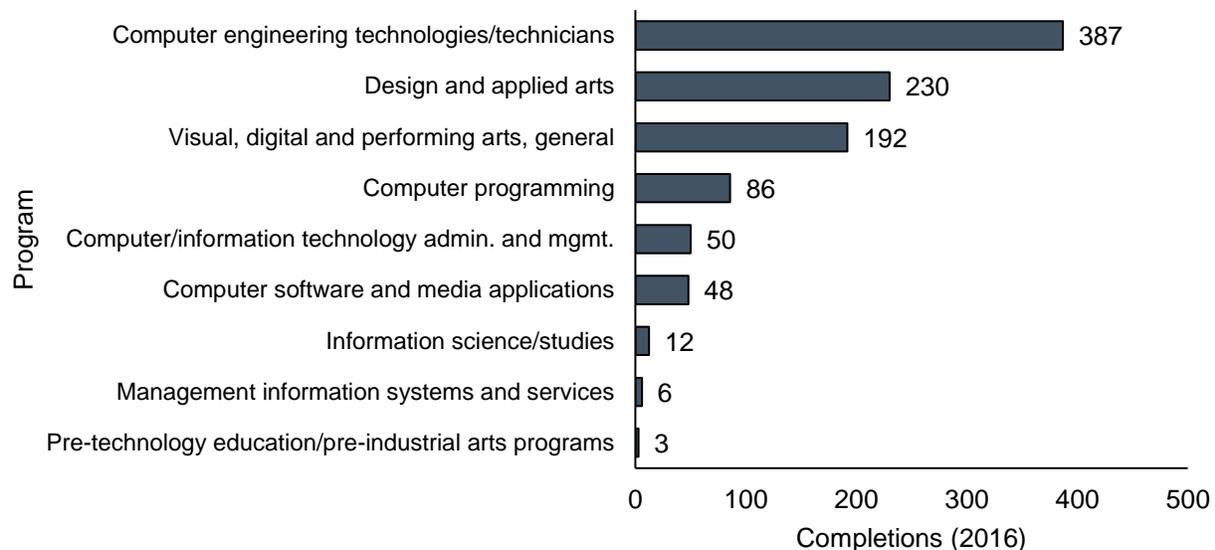
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<sup>1</sup> Economic Modeling Specialists International.

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Figure 15: Program Completions in Occupations Related to Computer and Information Systems in Halton Region, 2016



Source: Derived by MDB Insight Inc. from EMSI Analyst, 2020.

Relating occupational trends back to educational patterns, Halton appears to have a steady talent supply capable of participating in the tech-based workforce. Furthermore, opportunities exist for the Region to capitalize on COVID-19 related occupational trends (e.g. remote work enabled by technology and other remote work collaboration tools). It is estimated that there will be a greater demand for skills and occupations related to cybersecurity, cloud computing, digital design and marketing, virtual reality (VR), augmented reality (AR), mixed reality (MR) developers, VR arcades, mobile app developers and user experience (UX) Design. It is expected that Halton Region will capitalize on these tech-based graduates and work with Sheridan College to develop programs that meet industry demand to ensure that it provides a skilled talent pool of work-ready graduates.

## 3.5 Halton Region Economic and Employment Context

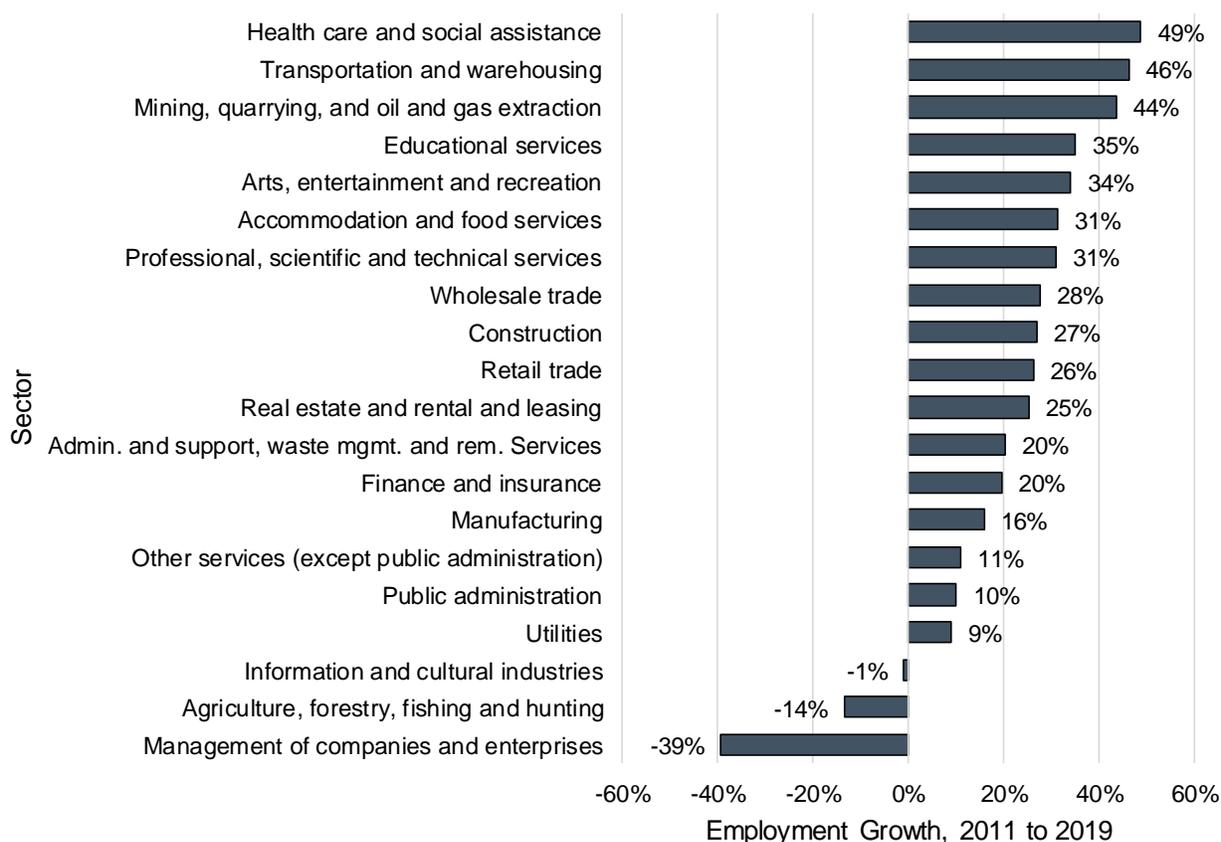
### 3.5.1 Employment Growth Trends

Many of the largest and fastest growing employment sectors across the G.T.H.A. have also experienced strong growth and expansion over the past several decades in Halton Region, as outlined in Figure 16. Similar to the G.T.H.A. as a whole, the Region has also experienced strong employment growth in a number of knowledge-based and



goods-producing sectors from 2011 to 2019, including transportation and warehousing, education services, professional scientific and technical services, finance and insurance and manufacturing. Strong population growth across Halton Region has also fueled steady growth in population-related employment sectors including retail, and accommodation and food services. Also, development activity has supported strong employment growth in the construction sector.

Figure 16: Halton Region Change in Employment, 2011 to 2019



Source: Derived from EMSI data by Watson & Associates Economists Ltd., 2020.

Note: Figure includes employed and self-employed jobs.

### 3.5.2 Industry Clusters within Halton Region

The employment base within the Region of Halton and broader G.T.H.A. can be grouped into two broad categories – export-based sectors and community-based sectors. The latter primarily referring to local population serving employment. Export-based sectors are comprised of industries (i.e. economic or industry clusters) which



produce goods or services that reach markets outside the community (agriculture and primary resources, manufacturing, research and development as well as other knowledge-based industries). Ultimately, the aggregate indicators of the G.T.H.A.'s and Halton Region's economic performance are determined in large measure by the competitiveness of their industry clusters.

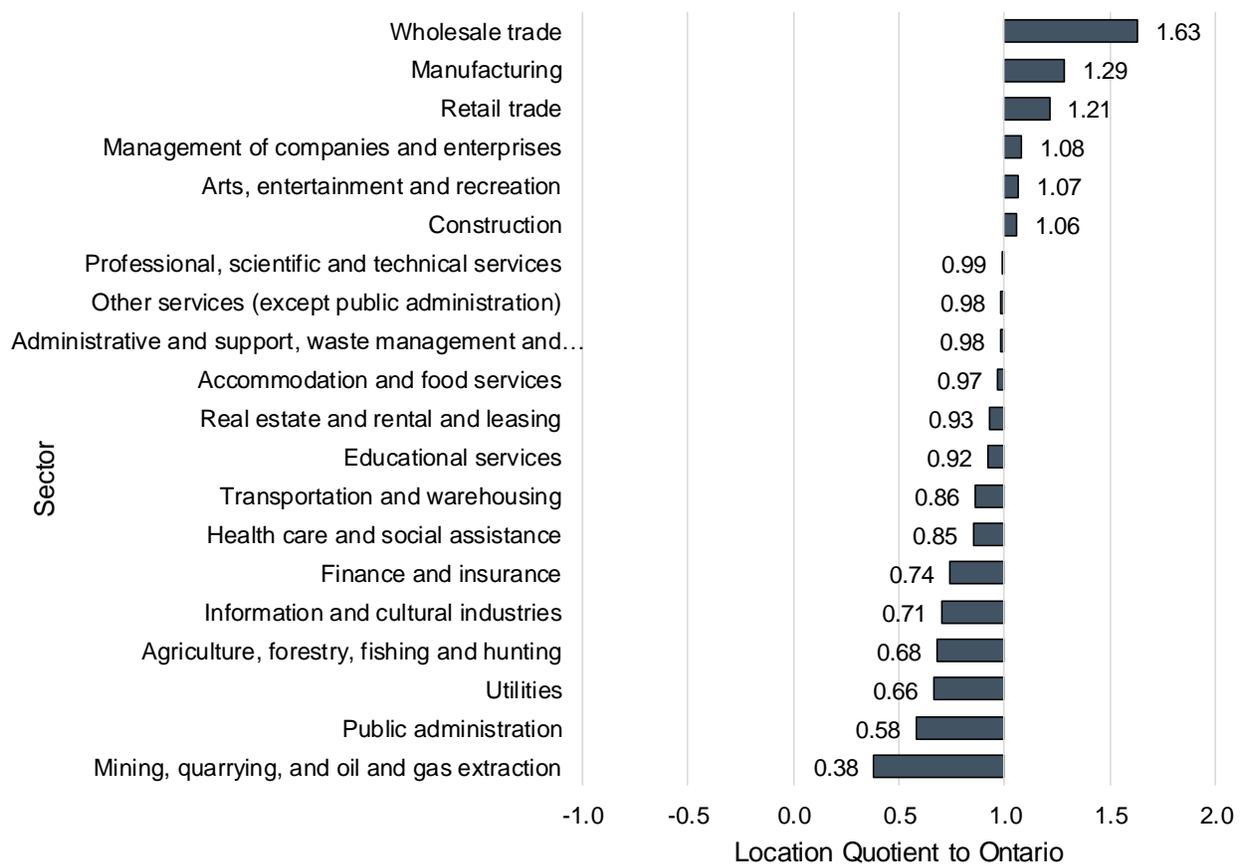
Location Quotients (L.Q.s) <sup>1</sup> are a commonly used tool in regional economic analysis to identify and assess the relative strength of industry clusters. Figure 17 illustrates the strength of employment sectors in Halton Region relative to the Province using L.Q.s. As shown, Halton Region's economy is largely oriented towards wholesale trade, manufacturing, retail trade, management of companies and enterprises, arts, entertainment and recreation and construction. Halton Region has a relatively lower concentration of employment in finance and insurance, information and cultural industries, utilities, and primary sectors.

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<sup>1</sup> An L.Q. of 1.0 identifies that the concentration of employment by sector is consistent with the broader employment base average. An L.Q. of greater than 1.0 identifies that the concentration of employment in a given employment sector is higher than the broader base average, which suggests a relatively high concentration of a particular employment sector or "cluster."



Figure 17: Halton Region Employment Sectors, Location Quotient to Ontario



Source: Derived from EMSI data by Watson & Associates Economists Ltd., 2020.

Note: Figure includes employees.

Halton Region has a number of top traded industry clusters, which are largely accommodated within major office and industrial building space. Key traded industry clusters are summarized in Figure 18.



Figure 18: Halton Region – Key Traded Industry Clusters

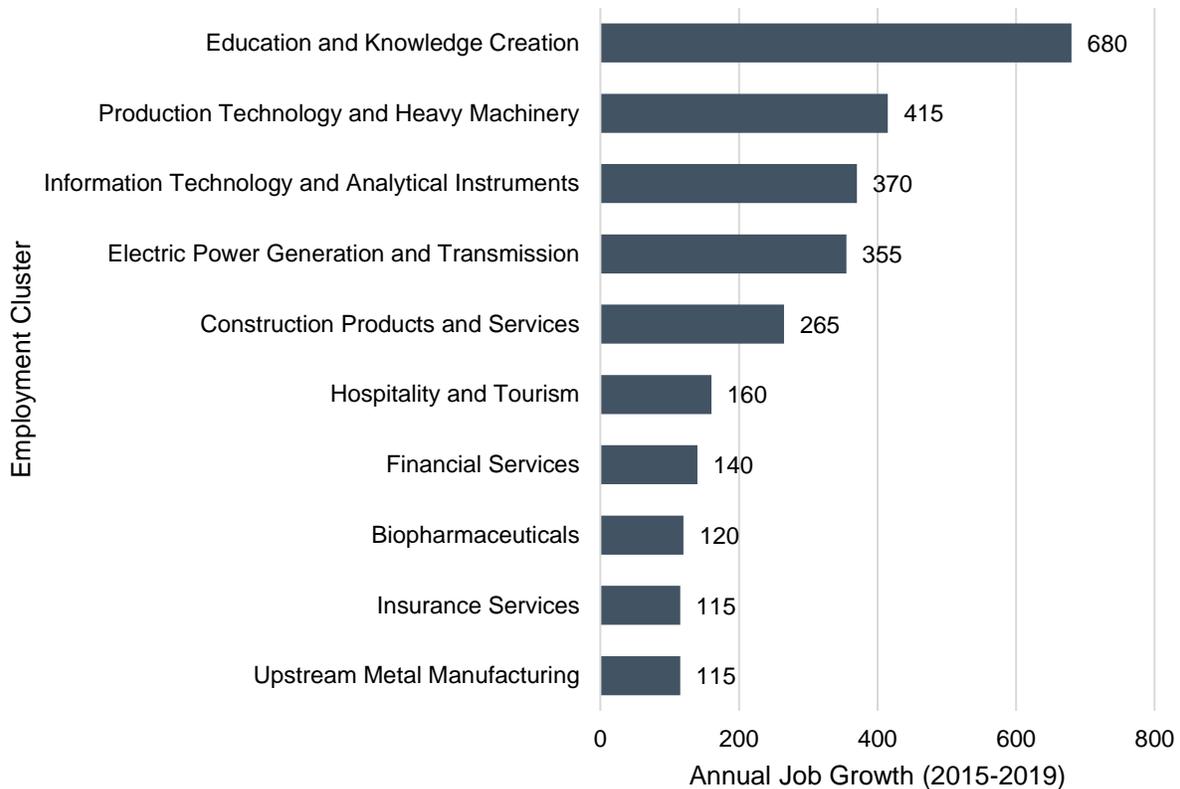
<b>Mature Clusters</b>	<b>Established Growth Clusters</b>	<b>Emerging Growth Clusters</b>
<ul style="list-style-type: none"><li>• Aerospace</li><li>• Automotive</li></ul>	<ul style="list-style-type: none"><li>• Construction Products and Services</li><li>• Education and Knowledge Creation</li><li>• Food Processing and Manufacturing</li><li>• Information Technology and Analytical Instruments</li><li>• Metal Working Technology</li><li>• Production Technology and Heavy Machinery</li><li>• Transportation and Logistics</li></ul>	<ul style="list-style-type: none"><li>• Biopharmaceuticals</li><li>• Business Services</li><li>• Financial Services</li><li>• Insurance Services</li></ul>

Source: Industry clusters developed from EMSI employment data and Halton Region Employment Survey by Watson & Associates Economists Ltd.

A number of key knowledge-based industry clusters have experienced strong employment growth over the 2015 to 2019 period including Education and Knowledge, Information Technology and Analytical Instruments financial services, and insurances, as illustrated in Figure 19. Over the period, key industrial sectors have also experienced relatively strong employment growth including production technology and heavy machinery and construction products and services.



Figure 19: Region of Halton Average Annual Employment Growth by Industry Cluster, 2015 to 2019



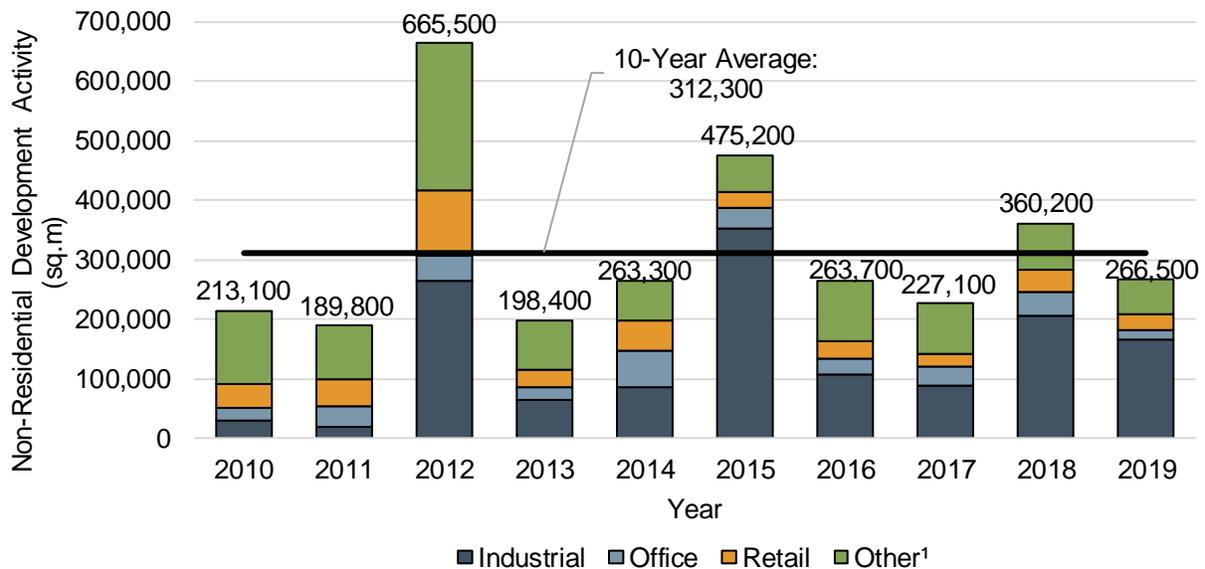
Source: Derived from Halton Region Employment Survey data, by Watson & Associates Economists Ltd., 2020.

### 3.5.3 Halton Region Non-Residential Development Trends

Figure 20 provides a summary of annual non-residential development activity over the past decade (2010 to 2019 period) for Halton Region, expressed in gross floor area (G.F.A.) (sq.m). As illustrated, Halton Region averaged 312,000 sq.m (3.35 million sq.ft.) of development annually over the period. During the period, industrial development accounted for 58% of total construction, compared to 9% for both retail and office development, as presented in Figure 21. The majority of industrial development was associated with the Goods Movement sector, including distribution and logistics centres, which is discussed in greater detail in Chapter 4.

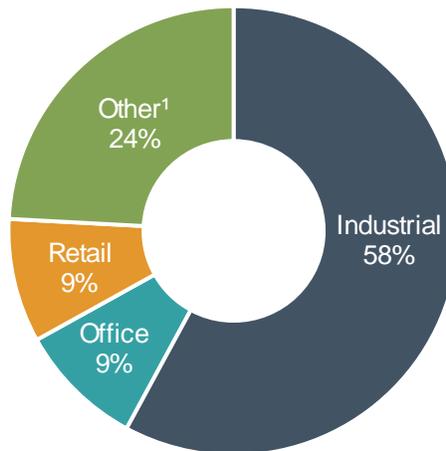


Figure 20: Halton Region Non-Residential Development Activity, 2010 to 2019



<sup>1</sup> Other includes other commercial, institutional and any remaining uses.  
 Source: Derived from Halton Region data by Watson & Associates Economists Ltd., 2020.

Figure 21: Halton Region Non-Residential Development Activity by Major Sector, 2010 to 2019



<sup>1</sup> Other includes other commercial, institutional and any remaining uses.  
 Source: Derived from Halton Region data by Watson & Associates Economists Ltd., 2020.



### **3.5.4 Foreign Domestic Investment Inflows into Halton Region**

Foreign domestic investment (F.D.I.) inflows into the Halton Region was analyzed using data from fDimarkets. Since 2015, the Region saw a total of 16 investments, 11 of which were newly established projects averaging 71 jobs, and five investments for expansion activities, averaging 195 jobs. F.D.I. peaked in 2015 and 2016, recording the largest number of companies investing (10 companies) and the highest average capital expenditure (\$183.8 million), resulting in the average creation of 199 jobs.

The top industry clusters that saw investment in Halton Region include industrial, life sciences, and transportation and warehousing, all of which saw three investments over the 2015 to 2020 period. This resulted in approximately 371 jobs and an average investment of U.S.D. \$100 million investment. Figure 22 further breaks this done by top subsectors.

Freight and distribution was the top investment subsector, recording 4 projects for an average capital expenditure of 50.1 million and 127 average job creation (see Figure 22). Two of the four projects were established in 2015 and 2016, while the last two were established in 2018 indicating consistency in investments across the subsector. Furthermore, there has been a notable uptake in measuring and control systems exemplified by two recent projects in 2019 established by Endress+Hauser and Hexagon.



Figure 22: F.D.I. – Top subsectors in the Halton Region, 2015 to 2020

Industry Subsector	Projects	Average Capex (\$ U.S. M)	Average Jobs	Companies
Freight/distribution services	4	50.1	127	4
Measuring & control instruments	2	22.4	177	2
Pharmaceutical preparations	2	24.8	124	2
Agriculture, construction, & mining machinery	1	12.0	36	1
All other electrical equipment & components	1	7.2	60	1
Audio & video equipment (Consumer electronics)	1	11.3	86	1
Automobiles	1	470.7	400	1
Corporate & investment banking	1	15.6	42	1
General purpose machinery	1	5.8	3	1
Legal services	1	5.8	17	1
Solar electric power	1	160.2	11	1
Total	16	61.5	110	16

Source: fDimarkets/ROI

### 3.6 Emerging Industry Sector Trends

As previously mentioned, continued structural changes in the global economy and technological advancements will require municipalities to be increasingly responsive and adaptive to changing industry needs and disruptive economic forces. The following provides an overview of key industry and labour force trends that are expected to influence growth and development patterns in the Region of Halton over the coming decades.



### **3.6.1 E-Commerce as a Major Disruptor for the Retail and Logistics**

E-commerce sales in Canada have grown at a rate that is five times the pace of overall growth in retail trade. The rise of e-commerce has reduced the demand for retail square footage, in particular retail space for the sale of goods-based retailers.<sup>1</sup>

Increasing growth in e-commerce is also having a significant impact on employment growth and land demand related to the logistics sector. Delivery expectations within this sector are increasing on an annual basis. As delivery times decrease, it is anticipated that demand for regional fulfilment centres will increase. Further, it is estimated that 25% to 30% of online merchandise is returned which is also driving the need for reverse logistics and return centres.

### **3.6.2 Potential Impacts of Technology on Commercial Services**

Digital and mobile technologies are making it easier to access goods and services on-demand which has led to alternative platforms to purchase products and services. Among these platforms are those that support the sharing economy which provide opportunities for individuals to earn an income by leveraging under-utilized assets. These platforms are providing customers with an alternative to traditional buy/selling platforms, including those in the hospitality (e.g. hotels and taxis) and in office leasing (office sharing). It is anticipated that further advancements in the sharing economy will have increasingly negative impact on the need for non-residential building space and continued growth in precarious employment. Other alternative purchasing platforms are providing income earning opportunities for individuals to perform services of tasks that are typically not outsourced by households (e.g. assembling furniture, small household repairs, picking up food at fast food restaurants, meal preparation, grocery pick-up and delivery).

Businesses are increasingly using chatbot software programs on their websites and social media platforms which reduce the need for tasks by a live customer service representative. Chatbots are programmed with a set of instructions and word matching to recognize questions and respond with answers. Chatbots can manage an unlimited

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<sup>1</sup> Goods-based retailer refers to retail facilities that sell goods to be used or consumed at home, including food-oriented retail (supermarkets and convenience stores), beer, wine and liquor stores, pharmacies and personal care stores, home improvement stores and stores selling general merchandise, apparel, and furniture.



number of simultaneous conversations, provide answers faster than a human customer service representative, and deal more patiently with difficult customers. Similar technologies are also being used in physical commercial spaces and are increasingly expanding customer service capabilities (e.g. customer service kiosks). It is anticipated that as customer interaction technology advances, it will continue to negatively impact the need for employed customer service representatives.

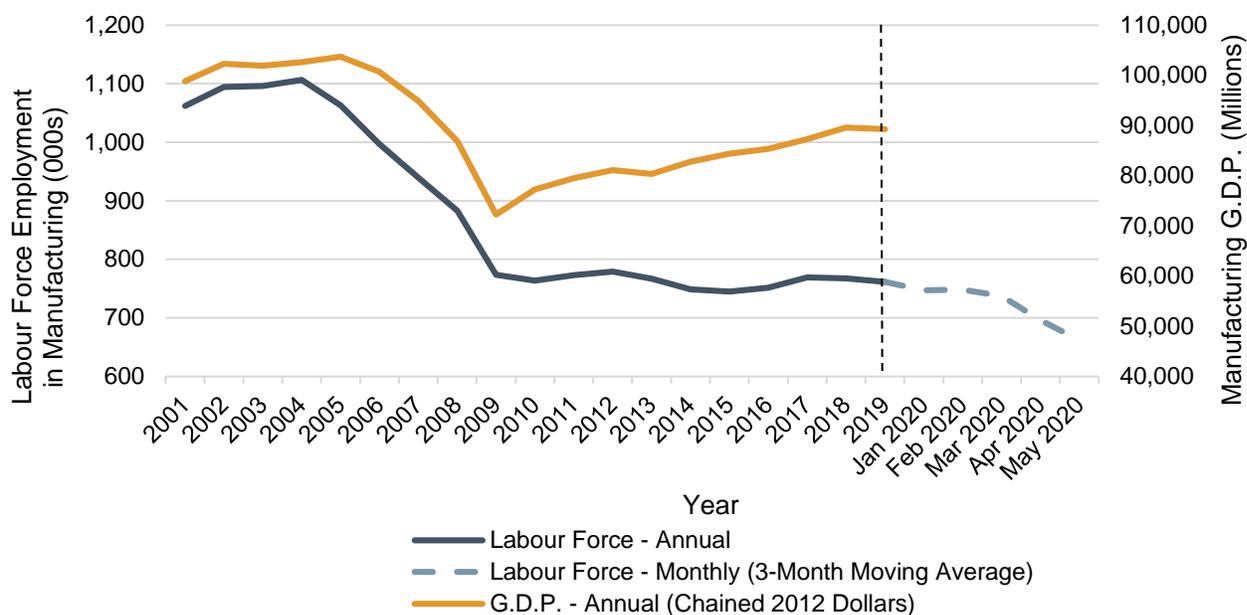
### **3.6.3 Trends in Manufacturing**

While manufacturing remains vitally important to the provincial economy with respect to jobs and economic output, this sector is not anticipated to generate significant labour-force growth across the Province. In general, globalization has led to increased outsourcing of production processes to overseas manufacturers.

Between 2003 and 2010, these challenges were further exacerbated in the manufacturing sector across the G.G.H. and more broadly across Ontario and Canada due to a high Canadian dollar relative to other world currencies, particularly the U.S. dollar. Since 2010, the manufacturing sector across Ontario including the G.G.H. has shown signs of a steady recovery in terms of economic output, measured through G.D.P. While manufacturing job losses have generally stabilized since 2010, the manufacturing sector has not represented a large component of job growth across Ontario in recent years (refer to Figure 24).



Figure 24: Manufacturing Labour Force Employment and G.D.P. in Ontario, 2001 to 2020 Y.T.D.



Source: Annual labour force data from Statistics Canada Labour Force Survey, Table 282-0125, and monthly data from Table 14-10-0091-01. Annual G.D.P. data from Statistics Canada Table 36-10-0402-01, by Watson & Associates Economists Ltd., 2020.

While there will continue to be a manufacturing focus in Ontario and the Region of Halton, the nature of traditional industrial processes is rapidly shifting, becoming more capital/technology intensive and automated, with lower labour requirements. The highly competitive nature of the manufacturing sector will require production to be increasingly cost effective and value-added oriented.

### 3.6.4 Automation and A.I.

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.



Considerable research has recently been undertaken by institutions and consulting agencies to assess the potential impacts of A.I. to businesses as well as its broader impacts to the global economy. A report prepared by PWC (PricewaterhouseCoopers) in 2017 identifies that the net impacts to global G.D.P. resulting from A.I. are anticipated to contribute up to \$15.7 trillion to the global economy in 2030, more than the current output of China and India combined. The report also identifies that over the next decade, A.I. will generate massive disruption as both established businesses and new entrants drive innovation and develop new business models. While the long-term net economic impacts of automation and/or A.I. appear to be positive, global competition from both established and emerging markets looking to capitalize on potential opportunities related to this technology will be increasingly fierce. To prevent an undesirable, lose-lose scenario associated with anticipated technological change in the economy – talent shortages, unemployment, and growing inequality – a number of critical actions are needed. This includes businesses assuming an active role in supporting their existing workforce through reskilling and upskilling, individuals taking a proactive approach to their own lifelong learning, and governments creating an enabling environment to assist in these efforts.

### ***3.6.5 Trends in Work at Home and No Fixed Place of Work Employment***

Over the 2001 to 2016 period, the percentage of the Region of Halton labour force defined as having a usual place of work declined, offset by a gradual increase in the share of work at home employment and a steady increase in the share of no fixed place of work (N.F.P.O.W.) employment.

Statistics Canada defines N.F.P.O.W. employees as “persons who do not go to the same workplace location at the beginning of each shift.” Such persons include landscape contractors, travelling salespersons, independent truck drivers, etc. Within Halton Region, the rising share of labour related to N.F.P.O.W. has been primarily driven by steady growth in the transportation and construction sectors which are typically characterized as having a higher percentage of off-site employees. Technological innovation and improved broadband regional telecommunications have been, and will continue to be, a key driver of economic expansion in knowledge-based



sectors as well as the steady rise of the gig economy.<sup>1</sup> Looking forward, continued advances in technology and telecommunications (e.g. 5G technology) is anticipated to further enable remote work patterns and ultimately increase the relative share of off-site employees over the long term. Over the coming decades, work at home and N.F.P.O.W. employment in Halton is expected to steadily increase as a result of these trends. Demographics and socio-economics also plays a role in the future demand for off-site and work at home employment within an increasingly knowledge- and technology-driven economy. It is anticipated that many working residents in Halton Region, particularly younger adults as well as older adults (i.e. Baby Boomers) approaching retirement or semi-retirement will utilize technology to allow them to supplement their income in more flexible ways in contrast to traditional work patterns.

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 in play prior to the pandemic. As such, enterprises 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 (V.P.N.s), 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-term. In light of these anticipated trends, it is important the long-term employment forecasts adequately consider the manner in which these impacts are likely to impact the nature of employment and associated building space needs by type as well as by place of work.

### **3.7 Observations**

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A broad range of considerations related to demographics, economics and socio-economics are anticipated to impact employment growth trends throughout the Region of Halton over the coming decades. These factors will not only affect the rate and magnitude of growth but will also influence the form, density and location of non-residential development and the need for employment lands.

The provincial and regional economies are gradually shifting to increasingly service-based and knowledge-based. As a result of continuing structural changes occurring in

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<sup>1</sup> The gig economy is characterized by flexible, temporary, or freelance jobs, often involving connecting with clients or customers through an online platform.



the macro-economy, it is important to recognize that the above-mentioned trends will generate both positive and disruptive economic impacts related to labour force demand, industrial, commercial, and retail space requirements, as well as long-term employment land needs.

As a starting point, it is important to recognize that future employment growth within Halton is strongly correlated with the growth outlook and competitiveness of the economy within the Region of Halton, the G.T.H.A. and beyond. Since 2011, the G.T.H.A. economy has fueled a steady level of employment growth in almost all major sectors of the service-sector economy. Many of these 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, represent the knowledge-based and creative-class economy. The G.T.H.A. has also experienced significant employment growth in the Goods Movement sector over the past decade comprised of transportation/warehousing and wholesale trade. Similarly, Halton has experienced relatively strong employment gains in key industrial and office-based employment sectors, including growth in key top-traded emerging industry sectors. Over the next several decades, the Region's employment base is anticipated to steadily grow across a broad range of export-based and population serving employment sectors. The Region, however, will be competing to attract and retain these sectors along with other municipalities across the G.T.H.A. and beyond.

## 4. G.T.H.A. and Halton Region Industrial and Office Market Trends

The G.T.H.A.'s industrial and office commercial development markets are significant, having the third and sixth largest inventories, respectively, in North America.<sup>1</sup> The following provides commentary on the characteristics of the market and recent development trends within the G.T.H.A. and Halton Region.

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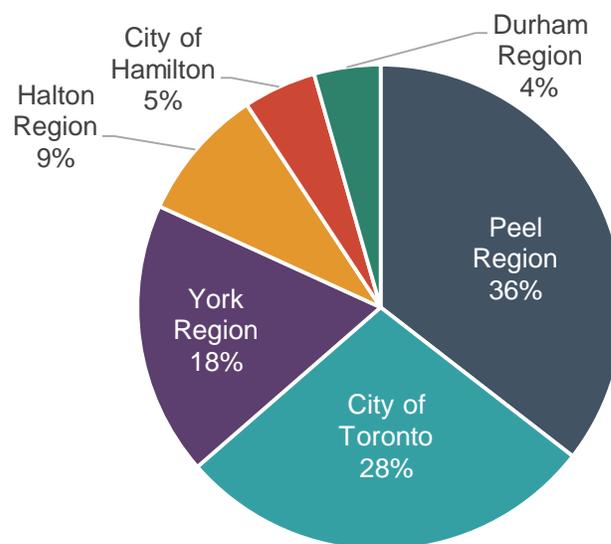
<sup>1</sup> Source: Derived from Cushman & Wakefield Toronto Industrial Market Beat and U.S. Industrial Market Beat Snapshot, Q3 2017 and Cushman & Wakefield Toronto Office Market Beat and U.S. Office Market Beat Snapshot, Q3 2017 by Watson & Associates Economists Ltd.



## 4.1 Industrial Market

The industrial market in the G.T.H.A. is comprised of 79 million sq.m (848 million sq.ft.) of industrial space, as expressed in G.F.A., with nearly two-thirds located in Peel Region and the City of Toronto, as illustrated in Figure 23. Comparatively, Halton Region has an existing industrial base of 7 million sq.m (75 million sq.ft.) of G.F.A., which comprises 9% of the G.T.H.A.'s total market.

Figure 23: Share of G.T.H.A. Industrial G.F.A. Inventory by Upper/Single-Tier Municipality



Source: Data from Colliers International compiled by Watson & Associates Economists Ltd., 2020.

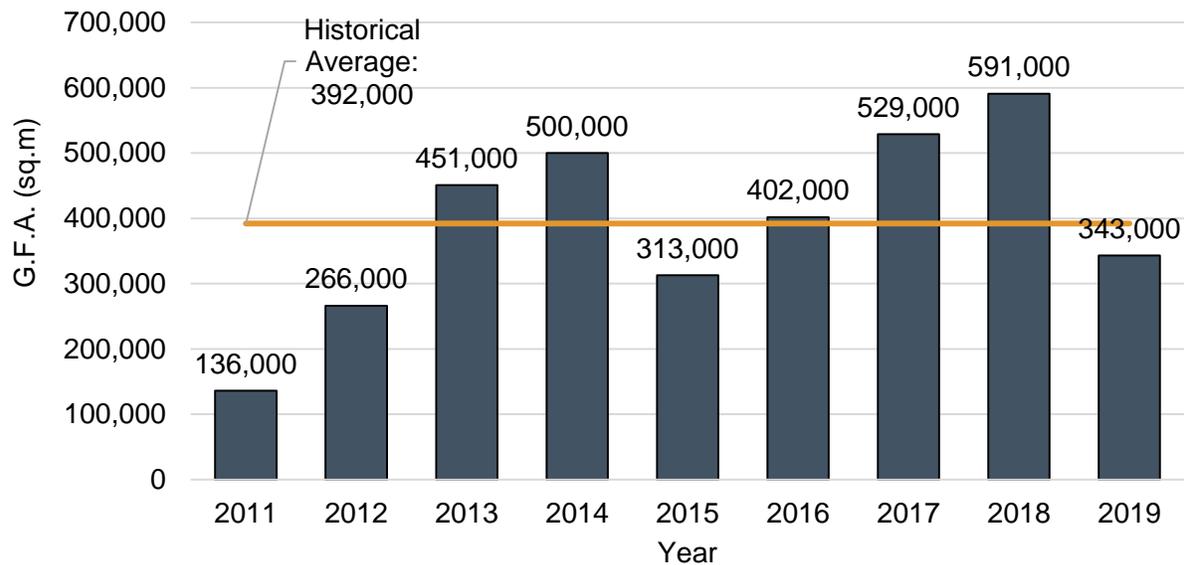
With respect to industrial building development, the G.T.H.A. has averaged 392,000 sq.m (4.2 million sq.ft.) of G.F.A. annually over the 2011 to 2019 period (refer to Figure 24). The G.T.H.A. experienced a sharp decline in industrial development activity after the 2008/2009 global economic recession and has been steadily rebounding over the last decade. Since 2011 activity has increased from 136,000 sq.m (1.5 million sq.ft.) to a high of 591,000 sq.m (6.3 million sq.ft.) in 2018, stabilizing in 2019 at just below the 10-year historical average.

Over the past decade, industrial development has been largely oriented to large-scale industrial buildings housing wholesale trade, transportation/warehousing and multi-



tenant industrial condominiums, accommodating a range of industrial and non-industrial uses.

Figure 24: Industrial Development within the G.T.H.A. (000s G.F.A.), 2011 to 2019

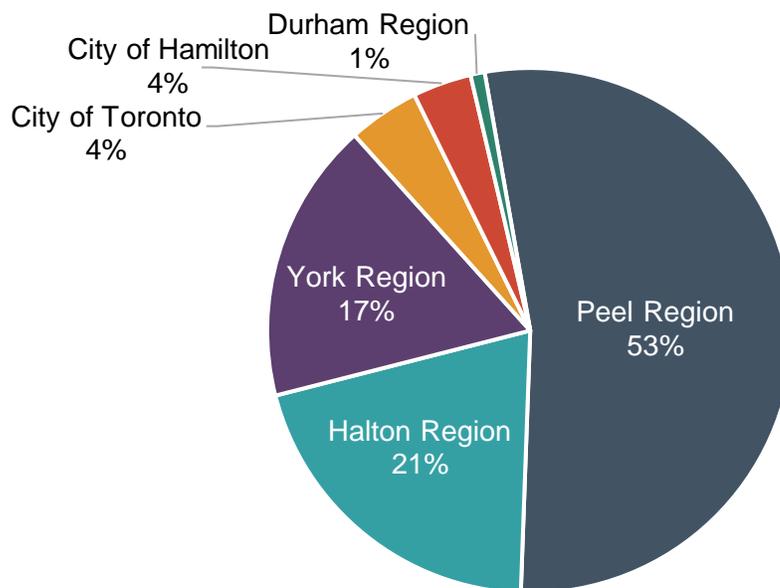


Source: Data from Colliers International compiled by Watson & Associates Economists Ltd., 2020.

Over the 2011 to 2019 period, Halton Region accommodated one-fifth (21%) of the G.T.H.A.'s industrial development, as illustrated in Figure 25. In comparison, Peel Region accounted for 53%, York Region 17%, City of Toronto 4%, Durham Region 1%, and the City of Hamilton 4%. The majority of recent industrial development in the G.T.H.A. has been focused largely along the Highway 401 corridor in Mississauga, Brampton, Halton Hills and Milton, and in the Highway 400/407 area of Vaughan.



Figure 25: G.T.H.A. Industrial Development by Geographic Area, 2011 to 2019



Source: Data from Colliers International compiled by Watson & Associates Economists Ltd., 2020.

Coinciding with the increase in industrial development activity since 2011, vacancy rates have gradually declined to relatively low levels and net market rents have risen. As illustrated in Figure 26, the industrial vacancy rate in the G.T.H.A. (excluding the City of Toronto) and Halton Region is currently 0.4% and 0.8%, respectively.<sup>1</sup> This is indicative of a market which is facing supply challenges.

A key variable in understanding the relative strength of the industrial and office markets is the net market rents for industrial and office space, typically expressed on a per sq.ft. of gross leasable area on an annual lease basis and referred to as “net market rent.”<sup>2</sup>

Figure 27 summarizes the average market rents for industrial space in the G.T.H.A. by select upper/single-tier municipality. As shown, industrial net market rents in Halton Region average \$8.85 per sq.ft., moderately lower than the G.T.H.A. average.

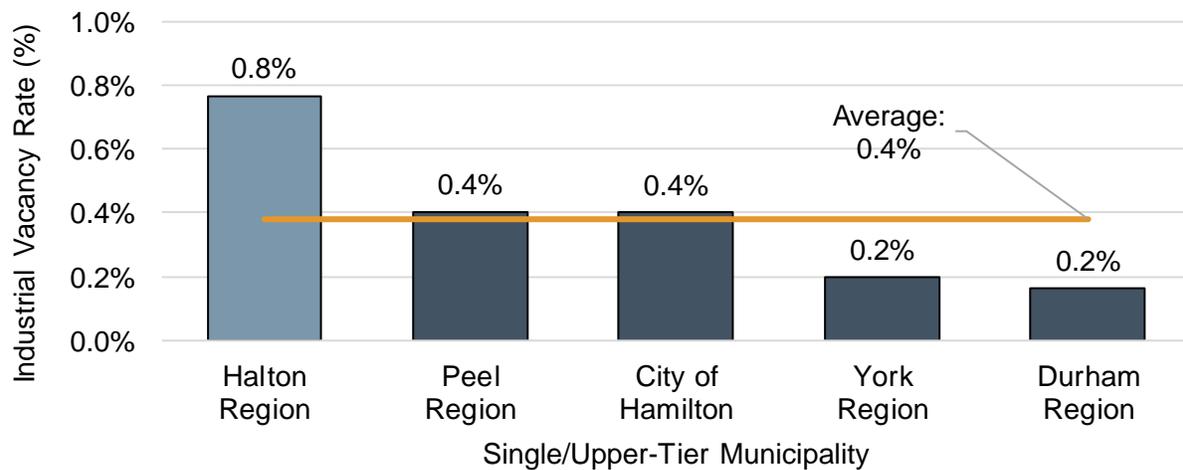
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<sup>1</sup> Colliers International.

<sup>2</sup> Net market rent is exclusive of additional charges to the property (e.g. property taxes, insurance, utilities, and maintenance).

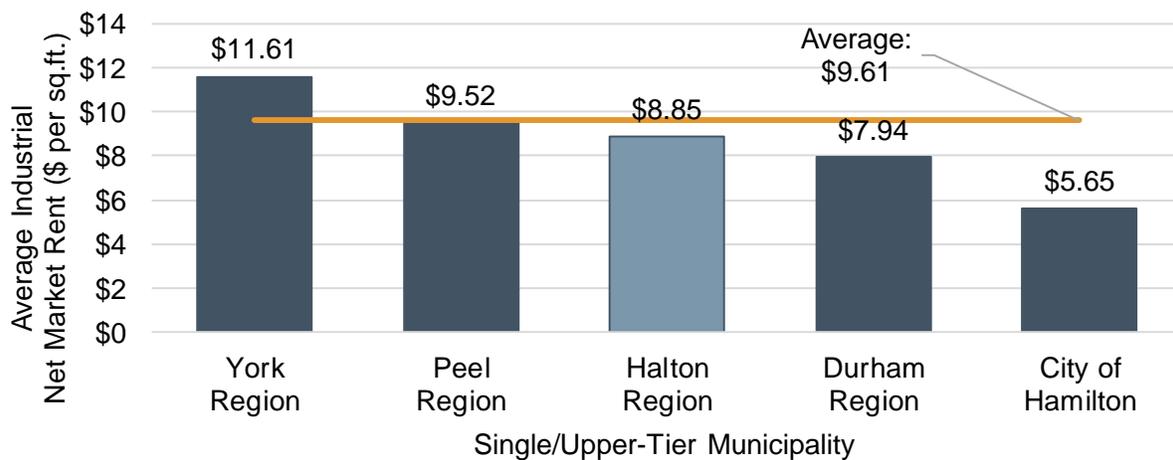


Figure 26: G.T.H.A. Average Industrial Vacancy Rates



Source: Data from Colliers International compiled by Watson & Associates Economists Ltd., 2020.

Figure 27: G.T.H.A. Average Industrial Net Market Rents (per sq.ft.)



Source: Data from Colliers International compiled by Watson & Associates Economists Ltd., 2020.

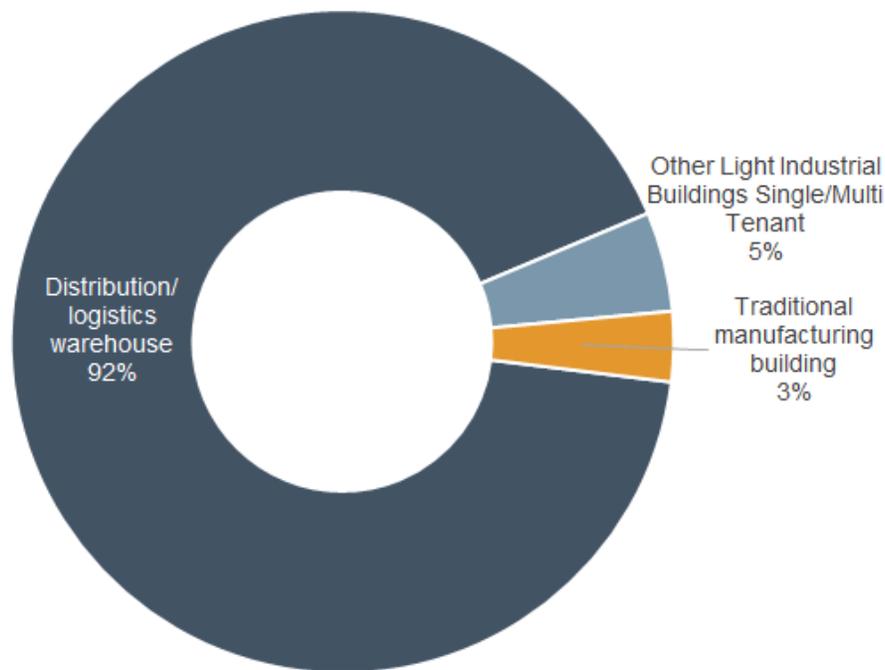
Over the 2011 to 2019 period, the Region of Halton accommodated 576,800 sq.m (6.2 million sq.ft.) of new industrial development on absorbed employment lands, averaging 72,100 sq.m (776,000 sq.ft.) annually over the period.<sup>1</sup> Figure 28 illustrates the share of industrial development activity over the period by building typology. As shown, distribution/logistics centres have accounted for the majority (92%) of industrial development activity over the period. In comparison, stand-alone manufacturing

<sup>1</sup> Derived from Region of Halton non-residential building permit data by Watson & Associates Economists Ltd.



facilities and other light industrial buildings accounted for 3% and 5% of total G.F.A., respectively. The distribution/logistics centres have largely encompassed large-scale facilities ranging between 300,000 sq.ft. and 1.3 million sq.ft. in size located in North Halton.

Figure 28: Region of Halton Industrial Development Activity G.F.A. on Absorbed Employment Lands by Building Type, 2011 to 2019



Source: Region of Halton non-residential building permit data by Watson & Associates Economists Ltd., 2020.

The relative importance of regional and site level attributes required by industry sectors is evolving in response to structural changes in the macro-economy which is impacting industrial development patterns within the Region of Halton. Industrial activity is increasingly centred on production processes that are time-sensitive, driven by just-in-time manufacturing, e-commerce, and an increasingly globalized environment. As a result, the location and site requirements within the industrial sector continue to evolve with an increasing emphasis on integrated multi-purpose facilities that combine processing, research and development, training centres, and warehousing which leverage access to regional infrastructure and skilled labour.



For the Goods Movement sector, a major growth sector, the growing inter-dependence of companies and their suppliers continues to increase the importance of this integrated business process through various modes of transportation. In turn, this has driven the need for larger and more regionally located single-tenant warehouses and logistics facilities. As such, large flexible tracts of land are required for sizeable warehouses, storage yards and future expansion. Locational requirements are typically focused on direct access to distribution channels. This means that access to transportation infrastructure is critical, including access to major highways and intermodal facilities. Given that these facilities tend to be land-expansive, competitive land costs are also an important consideration in site selection.

Looking forward, the demand for employment land within the Region of Halton is expected to continue being driven by the Goods Movement sector among other industries. Traditionally, demand for this land has been focused along major transportation corridors, in accessible and central locations in between major population centres. North Halton is well positioned to continue attracting demand for employment land driven by this sector due to locational characteristics along Highway 401 and proximity to the G.T.H.A., Guelph, and Waterloo Region. In contrast, industrial demand in South Halton is anticipated to be focused on industrial subsectors other than Goods Movement, such as mixed-use light industrial facilities combining office, research and development, warehousing, logistics, and on-site manufacturing.

## 4.2 Major Office Market

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With respect to the office market, the G.T.H.A. contains 256 million sq.ft. (24 million sq.m) of office space.<sup>1</sup> Of this total, over two-thirds (69%) is located within the City of Toronto, with over half located in the downtown core, as illustrated in Figure 29. Outside the City of Toronto, major office clusters are located in the 905 area, including Peel Region (Mississauga Airport Corporate Centre, City Centre and Meadowvale), York Region (Highways 404 and 407 in Markham and Richmond Hill, and the Highway 400 Corridor in Vaughan), and Halton Region (Q.E.W. Corridor in Burlington and

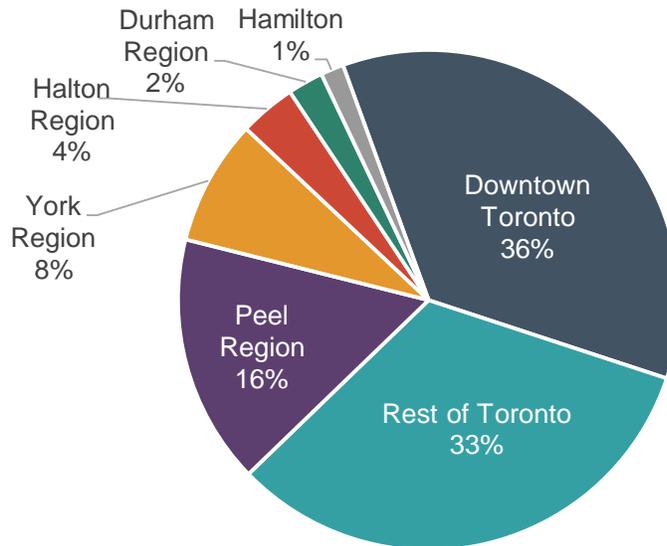
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<sup>1</sup> Source: Derived from Colliers International 2020 data, except data for the City of Hamilton which was derived from CBRE Office Vacancy & Rental Rate Table Hamilton Q3 2019.



Oakville). Halton Region's share of the G.T.H.A. major office market is relatively small, representing 4% of total building G.F.A.

Figure 29: Share of G.T.H.A. Major Office G.F.A. Inventory by Upper/Single-Tier Municipality



Source: Data from Colliers International with exception of Hamilton from CBRE compiled by Watson & Associates Economists Ltd., 2020.

Over the 2011 to 2019 period, major office development activity in the G.T.H.A. has averaged 148,000 sq.m (1.6 million sq.ft.) per year<sup>1</sup> (refer to Figure 30). Major office development has exhibited relatively strong growth throughout the past decade. In 2019, office development activity totalled 105,000 sq.m (1.1 million sq.ft.), moderately lower than the historical 10-year annual average.

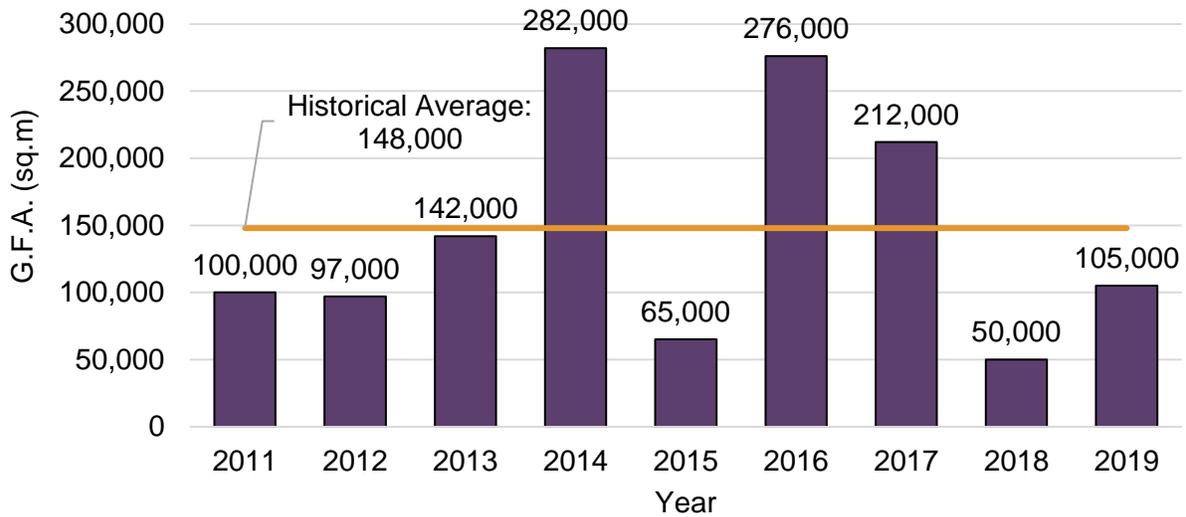
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<sup>1</sup> Based on building completions market data from Colliers International. Excludes City of Hamilton for which data was unavailable.

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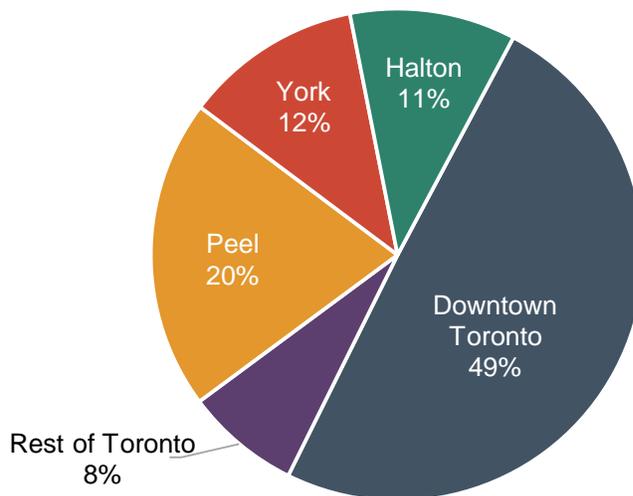
Figure 30: Major Office Development within the G.T.H.A. (G.F.A.), 2011 to 2019



Source: Data from Colliers International compiled by Watson & Associates Economists Ltd., 2020.

Over the 2011 to 2019 period, nearly half (49%) of new major office development was accommodated within Downtown Toronto, as illustrated in Figure 31. This is compared to 20% within Peel Region, 12% within York Region, and 11% in Halton Region.

Figure 31: G.T.H.A. Major Office Development, 2011 to 2019



Source: Data from Colliers International by Watson & Associates Economists Ltd., 2020.



Major office development outside of the Toronto downtown core has been concentrated in Vaughan, Markham, Mississauga along the Highway 401 corridor, and the Q.E.W. corridor in Oakville. Over this period, office development activity in the G.T.H.A. has shifted increasingly to downtown Toronto at the expense of suburban locations.

Historically, the vast majority of suburban office development has been accommodated within Employment Areas; however, market prospects for conventional standalone suburban office development within Employment Areas is diminishing, as demand shifts to more urban environments. Demand for office space within Employment Areas is increasingly single-tenant and integrated with multi-purpose facilities (e.g. research and development (R&D), training centres, wholesale trade) often in campus-type settings. Further, there are growing opportunities for office development within Innovation Districts located on employment lands which have direct synergies with knowledge-based clusters, as well as health and educational infrastructure.

The major office vacancy rate in the G.T.H.A. averages 4.3%.<sup>1</sup> Vacancy rates for major office space have decreased significantly since the 2008/2009 economic downturn. This has largely been attributed to downtown Toronto, however, where vacancy rates are relatively low (0.9%), while rates in suburban locations including the 905 area remain relatively high, averaging 6.7%.<sup>2</sup> The major office vacancy rate in Halton Region is currently 6.6%.<sup>3</sup>

Figure 32 summarizes the average market rents for Class A major office space in the G.T.H.A. by upper/single-tier municipality. As illustrated, office net market rents in Halton Region are slightly lower than the G.T.H.A average, at approximately \$18.18 per sq.ft. This is compared to Peel and York Regions, where rents average \$18.72 and \$17.65 per sq.ft., respectively.

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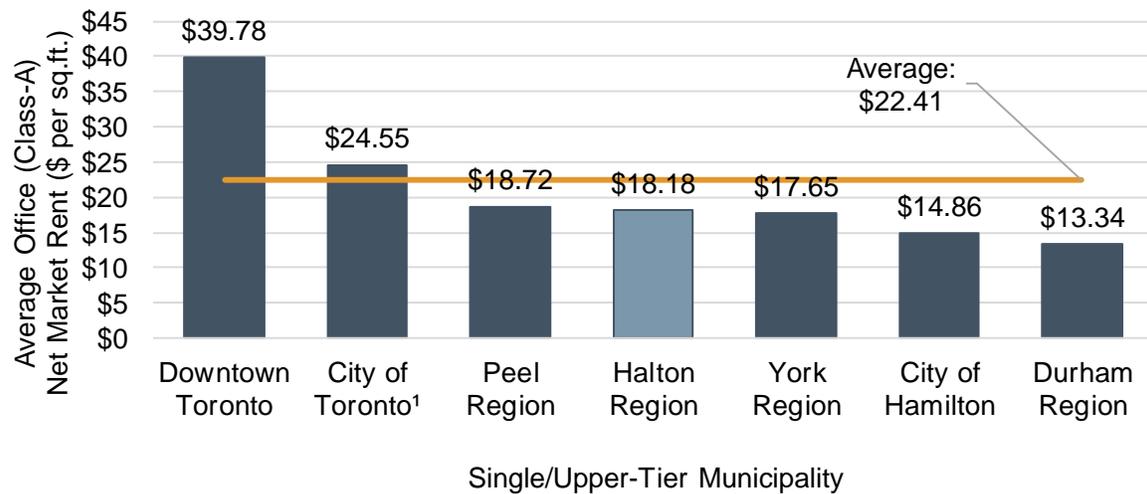
<sup>1</sup> Derived from Colliers International 2020 data, except data for the City of Hamilton which was derived from CBRE Office Vacancy & Rental Rate Table Hamilton Q3 2019.

<sup>2</sup> Ibid.

<sup>3</sup> Ibid.



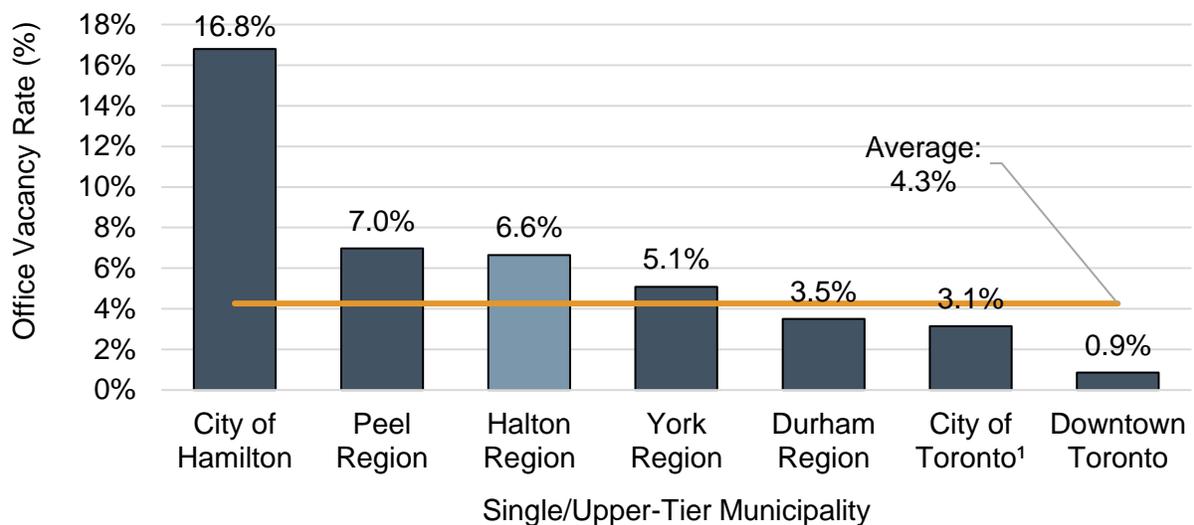
Figure 32: G.T.H.A. Average Major Office (Class-A) Net Market Rents (per sq.ft.)



<sup>1</sup> City of Toronto includes Downtown Toronto.

Source: Data from Colliers International with exception of Hamilton from CBRE compiled by Watson & Associates Economists Ltd., 2020.

Figure 33: G.T.H.A. Average Office Vacancy Rates



<sup>1</sup> City of Toronto includes Downtown Toronto.

Source: Data from Colliers International with exception of Hamilton from CBRE compiled by Watson & Associates Economists Ltd., 2020.



The Region of Halton is home to approximately 0.8 million sq.m (8.7 million sq.ft.) of major office<sup>1</sup> space with the vast majority located (97%) located in South Halton along the Q.E.W. corridor.<sup>2</sup> Halton's major office inventory is comprised largely of suburban office development with 89% of the Region's major office inventory located within Employment Areas.<sup>3</sup>

The Region's major office inventory expanded by approximately 200,000 sq.m (2.1 million sq.ft.) over the 2011 to 2019 period, representing average annual development activity of 22,000 sq.m (237,000 sq.ft.) per year over this period.<sup>4</sup> Of this development, the majority (88%) the new building floor space was accommodated within Employment Areas. Of the total building G.F.A. constructed over the period, 94% was located within the Built-Up Area, including 7% located within M.T.S.A.s. This is compared to 6% of total major office development G.F.A. accommodated with greenfield areas.

Suburban multi-storey low-rise and mid-rise office buildings accounted for nearly three-fifths (58%) of new G.F.A. constructed over the 2011 to 2019 period, as illustrated in Figure 34. Flex office buildings, comprised largely of one-storey buildings, have accounted for a significant share (42%) of major office development activity over the period.

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<sup>1</sup> Major office buildings include standalone office buildings (1,860 sq.m) 20,000 sq.ft. of G.F.A. or greater.

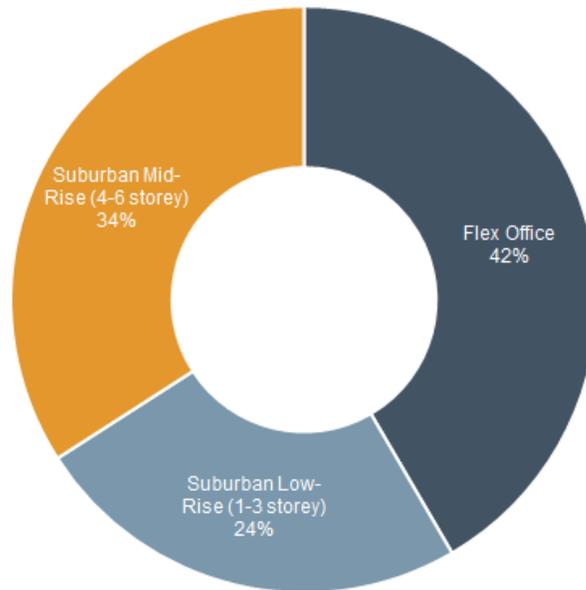
<sup>2</sup> Watson & Associates Economists Ltd.

<sup>3</sup> Ibid.

<sup>4</sup> Derived from Halton Region non-residential building permit data by Watson & Associates Economists Ltd.



Figure 34: Halton Region Major Office Development G.F.A. by Building Type, 2011 to 2019

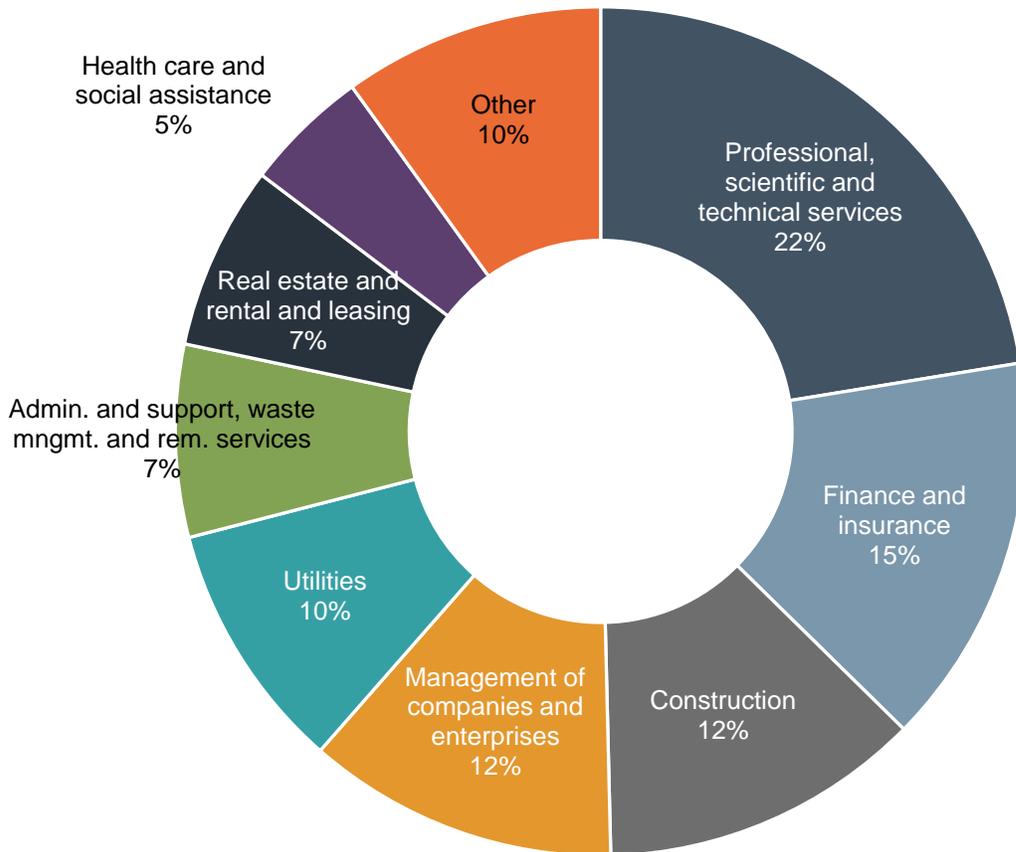


Source: Building permit data from Halton Region by Watson & Associates Economists Ltd., 2020.

As illustrated in Figure 35, a large share of the employment accommodated within major office buildings built over the 2011 to 2019 period has been within knowledge-based sectors including professional, scientific, and technical services (22%) finance and insurance (15% of employment); management of companies and enterprises (12%); and administrative and support, waste management and remediation services (7%).



Figure 35: Employment within Major Office Buildings Absorbed, 2011 to 2019



Source: Data from 2019 Halton Region Employment Survey by Watson & Associates Economists Ltd., 2020.

Office development and the employment sectors they typically accommodate have certain site-specific requirements including access to skilled labour; proximity to related industry clusters (companies and public institutions such as universities); access to high-order public transit and major highways; and access to on-site amenities/services and proximity to off-site services. These factors can strongly influence business location decisions, both for new development and expansions. Within the Halton context, the relative importance of these attributes is evolving, which is impacting office development patterns.

Demand for standalone low-rise office, research and development facilities, flex office and multi-tenant commercial/industrial space is anticipated to continue to account for a growing share of building G.F.A. A large portion of demand is anticipated to be driven



by growth in knowledge-based employment sectors including information technology, business services, and professional and technical services including engineering and environmental services, and research and development. Flex office space has become a major trend across many markets in Canada, including Halton. Flex office space allows occupants flexibility in the use and allocation of space according to operation needs. Tenants of flex office space may include businesses that require a blend of office and industrial site characteristics.

While suburban locations, including those in Employment Areas, continue to be competitive locations for major office development, there is increasing demand for locations that offer access to high-order transit, a mixed-use environment, potential for live/work opportunities, and access/proximity to amenities and services. The quality, and locational attributes of new office space have become important factors in attracting and retaining talent. As such, urban mixed-use environments located relatively close to a large pool of potential skilled employees are becoming increasingly desirable locations for office-related businesses. These factors are particularly important to recognize given potential negative impacts on office space demand resulting from COVID-19.

Initial surveys and employment patterns indicate that employees have begun seeking out relatively more affordable housing options due to the expected ability to work from home for the foreseeable future, at least for a few days per week. This will potentially result in the growth of hub-and-spoke office models among large-scale companies, with an increasing demand for numerous smaller format offices in suburban locations offering employees the ability to work close to home rather than commuting a significant distance towards a more centralized major office headquarters. Looking forward, market demand for standalone office space is anticipated to strengthen over the long-term within mixed-use environments, such as Halton's M.T.S.A.s which are transit-supportive, pedestrian-oriented and offer proximity/access to amenities, entertainment, cultural activities and public spaces. There is also likely to be a growing trend of office development within mixed-use developments featuring residential and retail components. Prior to COVID-19, there has been a growing trend for underperforming shopping centres to redevelop and reposition themselves as mixed-use town centres with the additional on-site employment and residential uses benefiting the retail tenants within. Due to the significant impact of COVID-19 on retail performance, particularly in suburban locations which were already performing relatively poorly due to the growing



competitive impact of e-commerce, this trend is expected to accelerate in the years to come. This will be more evident for shopping centres already positioned close to existing and growing population bases easily accessible by both public and private transportation.

The projection of future demand for office floorspace within Halton is expected to continue to gradually grow in response to population growth, particularly as the majority of office tenants in these markets are occupied by locally serving tenants (medical services, professional services, etc.) rather than large-scale regional headquarters. This is more evident in North Halton when compared to South Halton, which is expected to continue attracting major office development.

## 5. Halton Region Development Competitiveness within the G.T.H.A. Context

As previously mentioned, in the highly competitive regional market, there are a number of comparable municipalities with which Halton Region and its local municipalities compete for “export-based” business attraction and retention. Halton Region’s most immediate competition within the industrial sector includes Peel Region, York Region, Durham Region, and the City of Hamilton. Halton Region also competes in the industrial sector against communities in the G.G.H. “Outer Ring,” such as the City of Guelph and the Regions of Waterloo and Niagara. Within the office market, Halton Region competes most directly with municipalities within the G.T.H.A. This includes municipalities in Peel Region (i.e. Mississauga and Brampton), south York Region (i.e. Vaughan, Richmond Hill, and Markham), and the City of Toronto.

There are a number of broad comparative factors that companies in most economic sectors will look at when considering location decisions and evaluating the competitiveness of a location.

Market competitiveness is typically driven by the following broad regional criteria:

- “Hard” factors – development costs (e.g. land costs, construction costs) and operating costs (e.g. property taxes, utilities’ costs); and
- “Soft” factors – proximity and access to major infrastructure; labour force; access to post-secondary institutions; availability of developable land, quality of life.



In addition to the regional site location factors, location preferences at the Employment Area level or local site level are largely influenced by the market choice of developable land, the quality and suitability of the vacant building space inventory; and the character of the Employment Area and compatibility with surrounding land uses.

The industrial and office market is strongly influenced by regional and local site selection factors – investors typically have a broad geography to select from. The retail sector is generally “captive” to a specific trade area and typically not as sensitive to these factors.

At both the regional and local level, location requirements of industry can vary considerably depending on the nature of the employment sector/use. While cost of development and access/proximity to major infrastructure have historically weighed heavily on business location decision making, the relative weighting of factors is beginning to shift. Quality factors are becoming increasingly important in business location decision making. This is particularly apparent in knowledge-based sectors.

These factors are explored herein, within the Halton Region and broader G.T.H.A. context.

## **5.1 Labour Force Characteristics**

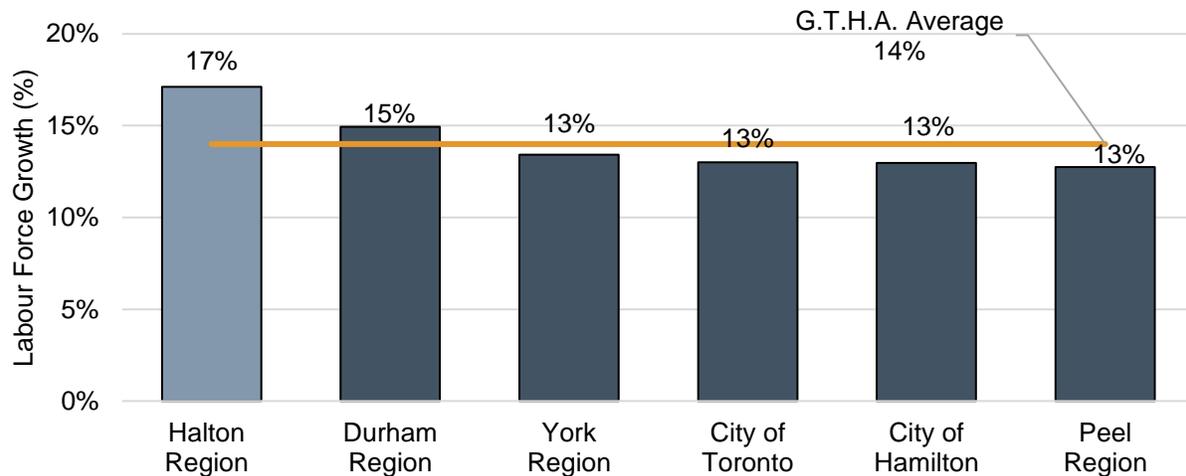
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Having an understanding of the composition and characteristics of a community’s labour force is necessary in determining competitiveness. Competitiveness in labour force and employment characteristics is typically assessed based on both demographic and economic indicators, which are meant to provide insight into the existing ability of the labour force to meet demand, and the emerging trends in terms of growth and skills that will influence competitiveness on a longer-term basis.

Figure 36 summarizes historical labour force growth trends within the G.T.H.A. over the 2011 to 2018 period. During this period, Halton Region experienced an increase in total labour force of approximately 17%, significantly higher than the G.T.H.A. average of 14%.



Figure 36: Labour Force Growth by G.T.H.A. Upper/Single-Tier Municipality, 2011 to 2018

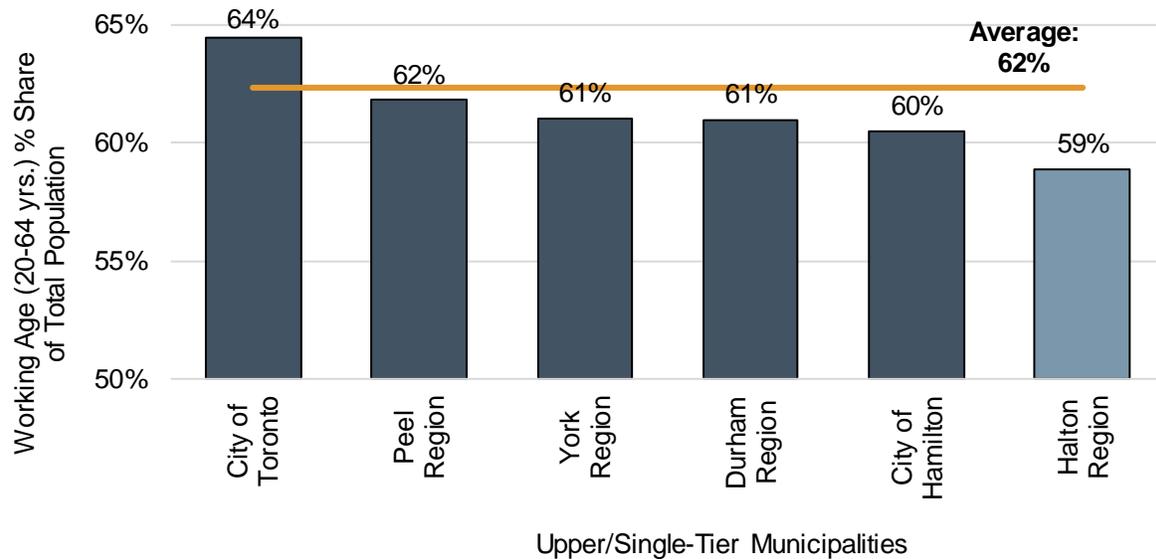


Source: Manifold Data Mining Inc. Adapted by MDB Insight.

Figure 37 summarizes the proportion of the population that is of working age (20 to 64 years of age) by upper/single-tier municipality in the G.T.H.A. Comparatively, Halton Region has a relatively lower proportion of population which is of working age (59% of total population); however, it is still similar to the City of Hamilton (60%), Durham Region (61%) and York Region (61%). In contrast, the proportion of population that is of working age is notably higher in the City of Toronto (64%) and Peel Region (62%).



Figure 37: Working Age Population within G.T.H.A. Upper/Single-Tier Municipalities

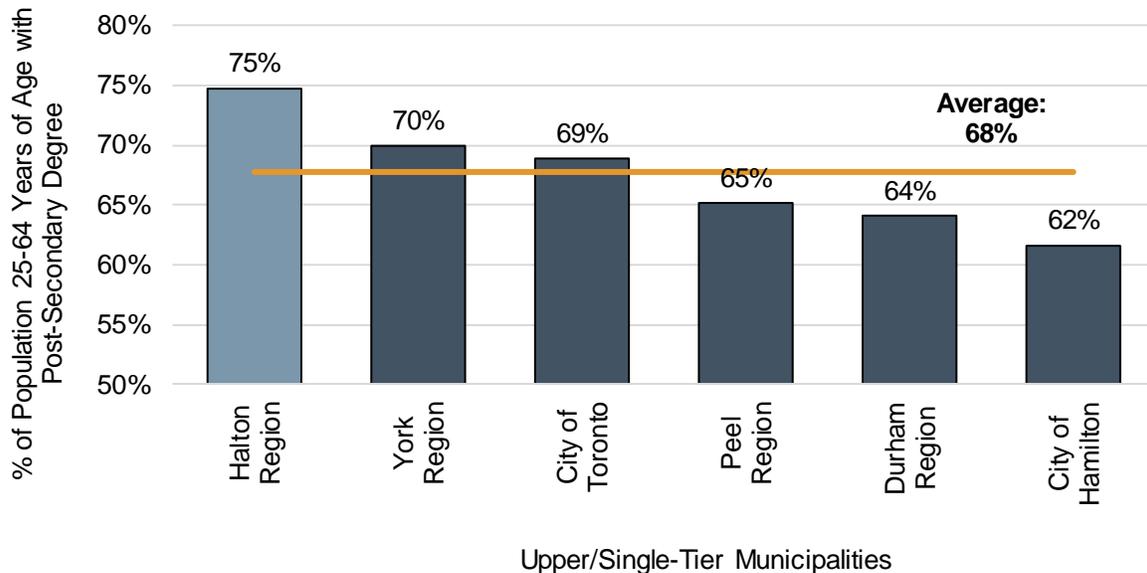


Source: Derived from 2016 Statistics Canada Census Data by Watson & Associates Economists Ltd., 2020.

Figure 38 summarizes the proportion of the population (25 years and older) in Halton Region and the surveyed upper/single-tier municipalities that have a post-secondary degree, including a university or college degree or diploma. As shown, 75% of Halton Region's population aged 25 and older has a post-secondary degree, significantly higher than the survey average of 68% and highest among the surveyed comparators. York Region has the second highest (70%) and City of Toronto the third highest (69%) share of the population aged 25 and older with a post-secondary degree, and it is lowest in the City of Hamilton (62%).



Figure 38: Population Over the Age of 25 with a Post-Secondary Degree Within G.T.H.A. Upper/Single-Tier Municipalities



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

Halton Region has a comparatively higher proportion of educated population. As per the 2018 Manifold Data Mining stats,<sup>1</sup> only 12% of the labour force in Halton Region had no certificate, diploma, or degree, compared to York Region, Durham Region, and the City of Toronto at 16% each, and Peel Region at 17%. The City of Hamilton showed the highest proportion of population with no certificate, diploma, or degree at 20%.

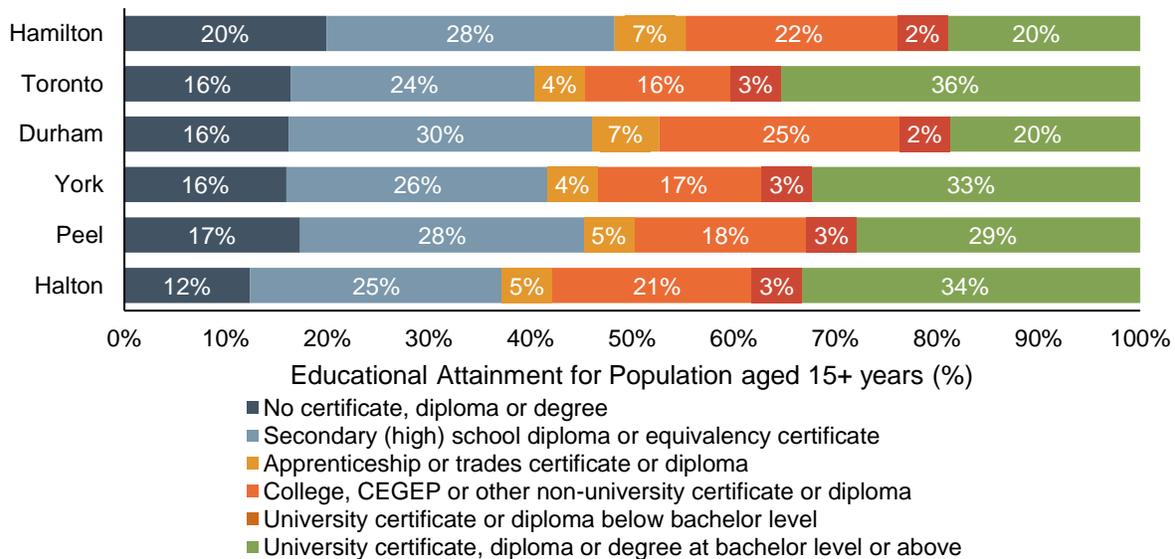
Twenty-five percent of Halton Region's population had a secondary school education and 21% had a college or other non-university certificate or diploma. Durham Region and the City of Hamilton led in population with an apprenticeship or a trades certificate or diploma at 7% compared to the rest at 4% to 5%.

Halton Region's population with a university certificate, diploma, or degree at a bachelor level or above at 34% is comparable to York Region and the City of Toronto and is higher than Peel Region, Durham Region, and the City of Hamilton.

<sup>1</sup> Manifold Data Mining (<https://manifolddatamining.com/>) is a leading data and analytical service provider in Canada. The service uses the census data 2016 from Statistics Canada to model current year estimates using enhanced cohort survival methods, collaborative filtering techniques, and structural coherence techniques.



Figure 39: Educational Attainment, G.T.H.A. Upper/Single-Tier Municipality, 2018



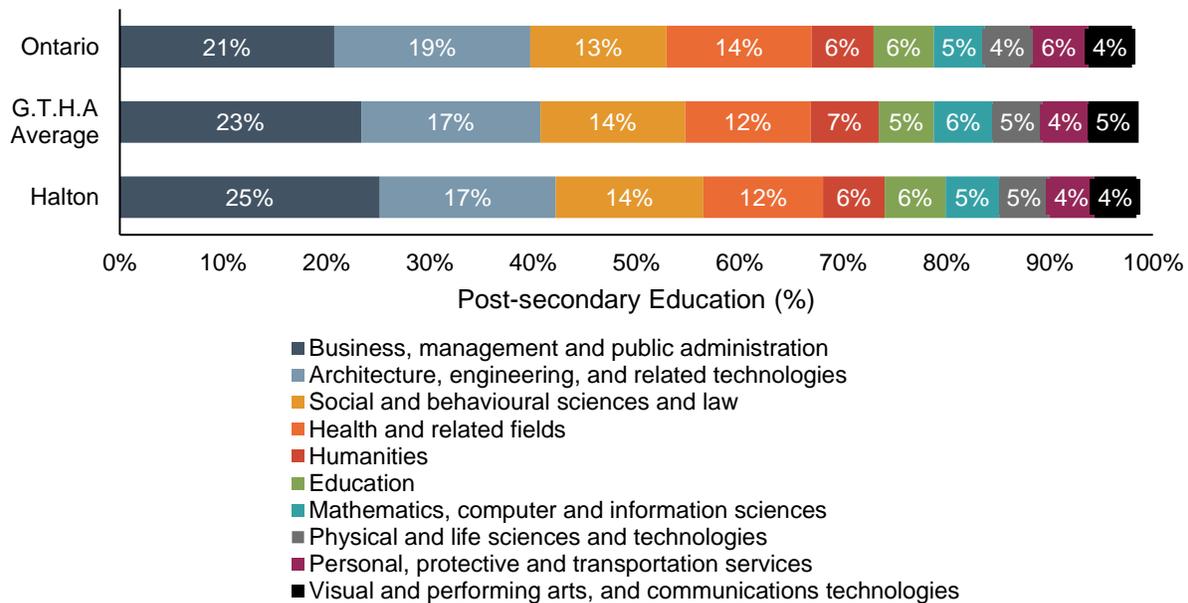
Source: Manifold Data Mining Inc. Adapted by MDB Insight.

The majority of Halton Region’s population has education related to business, management, and public administration at 25%. Business, management, and public administration is the major field of study across the G.T.H.A. and Ontario, at 23% and 21%, respectively. Architecture, engineering, and related technologies, social and behavioural sciences and law, and health and related fields are the other major fields of study in Halton Region.

Halton Region has a comparatively lower proportion of population with education related to mathematics, computer and information sciences, and physical and life sciences and technologies, which form essential components of the STEM driven industries. A similar trend is evident across the G.T.H.A. and Ontario.



Figure 40: Education by Major Field of Study, G.T.H.A. Upper/Single-Tier Municipality, 2018



Source: Manifold Data Mining Inc. Adapted by MDB Insight.

## 5.2 Development and Operating Costs

Development-oriented indicators and business costs represent a fundamental component of investment competitiveness. They can signal the strength of the local market from a development perspective, both in terms of feasibility and cost, as well as provide an indication of the diversity of market opportunities and market choice. In most respects, the availability and cost of development options are moderate to high priority location factors in most industrial and knowledge-based sectors of the economy. These costs may include one-time capital costs like building fees and D.C.s, and will include ongoing operating costs such as taxes, water/wastewater rates, utility costs, etc. The following provides a discussion of the Region’s approach to each of these items and how this approach may impact decision making.

### 5.2.1 Price of Serviced Employment Land

From a competitiveness perspective, employment land prices can provide a key advantage, especially for land-expansive uses such as transportation, wholesale trade/logistics, warehousing and large-scale manufacturing, but they are less of an issue for



land intensive uses such as office development. Though competitive land costs provide an economic advantage in terms of the cost of development, very low land prices may be indicative of low market demand.

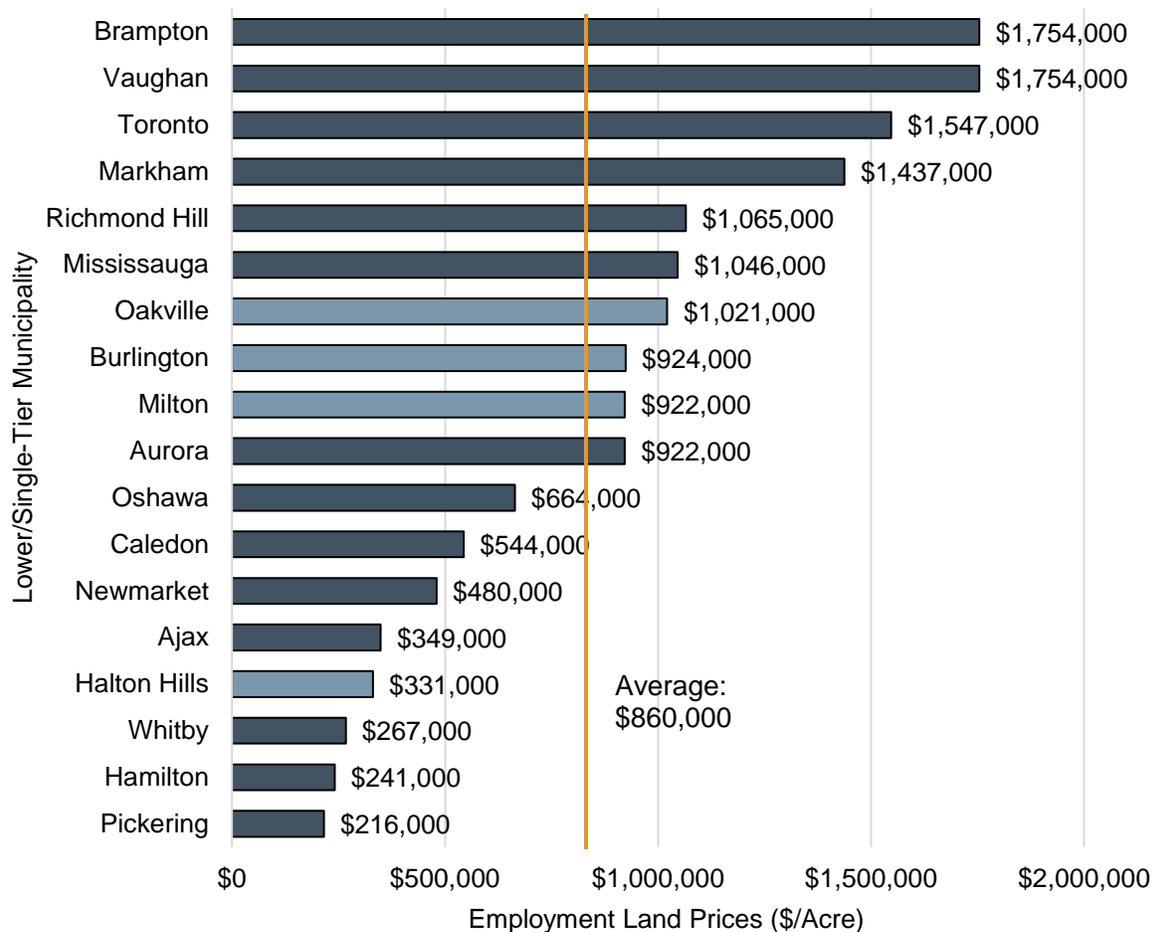
Figure 41 summarizes average employment land prices (\$/serviced acre) for Halton Region's local municipalities and the comparator municipalities in the G.T.H.A., based on recent market survey data.<sup>1</sup> As shown, employment land prices range between \$216,000 and \$1,754,000 per acre based on the survey average, with land prices generally highest in the central, west, and north G.T.H.A. (City of Toronto, and York, Halton, and Peel Regions) and lowest in Durham Region. Employment land prices in the Town of Oakville, City of Burlington and the Town of Milton are above the survey average of \$860,000/per acre. Employment land prices in Halton Hills are well below the survey average and very competitive compared to other west and north G.T.H.A. municipalities.

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<sup>1</sup> Reflects both prestige and general employment lands.



Figure 41: Average Price of Employment Land (\$ per acre)



Note: Prices are based on 2019 transactions with exception of Milton, Halton Hills, Richmond Hill, Ajax and Pickering which include 2018 transactions.

Source: Data provided by Colliers International with exception of Newmarket from Cushman & Wakefield Ltd., derived by Watson & Associates Economists Ltd., 2020.

### 5.2.2 Development Charges in Halton Region

D.C.s are one-time fees paid to a municipality to recover capital costs for infrastructure required to facilitate growth. D.C.s are imposed by each of the area municipalities, as well as by the Region. The Region collects D.C.s for water, wastewater, roads, police, paramedics, studies, facilities, social housing, waterfront parks, and waste diversion. The non-residential component of the roads charges is separated into two categories, retail vs. non-retail. In total, the current non-residential charges are presented in Figure 42.



Figure 42: Halton Region Non-Residential Development Charges

Halton Region Built Boundary			Halton Region Greenfield		
Service	Per Sq. Metre		Service	Per Sq. Metre	
	Retail	Non-Retail		Retail	Non-Retail
General services	\$4.13	\$4.13	General services	\$4.13	\$4.13
Roads	\$317.97	\$62.78	Roads	\$317.97	\$62.78
<b>Total</b>	<b>\$322.10</b>	<b>\$66.90</b>	<b>Total</b>	<b>\$322.10</b>	<b>\$66.90</b>
Area Specific (Built Boundary)			Area Specific (Greenfield)		
Water	\$12.90	\$12.90	Water	\$33.25	\$33.25
Wastewater	\$21.04	\$21.04	Wastewater	\$42.63	\$62.63
<b>Total ASDC</b>	<b>\$33.94</b>	<b>\$33.94</b>	<b>Total ASDC</b>	<b>\$75.88</b>	<b>\$95.88</b>
<b>Total Rural DC</b>	<b>\$322.10</b>	<b>\$66.90</b>	<b>Total Rural DC</b>	<b>\$322.10</b>	<b>\$66.90</b>
<b>Total Urban DC</b>	<b>\$356.04</b>	<b>\$100.84</b>	<b>Total Urban DC</b>	<b>\$397.97</b>	<b>\$162.78</b>

*Rates as of April 1, 2020*

Non-retail is defined as non-residential development that is not used, designed or intended to be used for the sale, lease or rental or offer for sale, lease or rental of any manner of goods, commodities, services or entertainment to the public, for consumption or use, whether directly or through membership. This would include commercial, industrial, self-storage facilities, hotels/motels/bed and breakfasts, as well as offices not located in or part of a retail development.

By separating the non-residential charge into two categories, industrial development is required to pay a much lower charge relative to retail developments. This provides some incentive for development of industrial uses.

There are a number of ways municipalities structure their D.C. rates for non-residential development. Many municipalities utilize one category for all non-residential development; however, some provide reduced industrial D.C.s for roads and related services (e.g. Peel, Mississauga, Brampton), and some provide reduced industrial D.C.s through a similar methodology to Halton Region (e.g. Whitby, York Region, Markham, and Richmond Hill). Figure 43 provides a summary of non-residential D.C. rate structures for municipalities across the G.T.H.A.



Figure 43: Non-Residential Development Charges in Comparator Municipalities

Municipality	Non-residential Categories of Development Charges
Toronto	One non-residential category
Peel Region	Industrial and non-industrial categories calculated for services related to a highway
Mississauga	Industrial and non-industrial categories calculated for roads and related services
Brampton	Industrial, major office, and non-industrial/major office categories for roads and related services
Caledon	One non-residential category
Durham Region	Commercial, institutional, and industrial categories for all services except transit
Ajax	One non-residential category
Pickering	One non-residential category
Whitby	Retail/commercial and other non-residential categories
York Region	Industrial/office/institutional, retail, and hotel categories
Vaughan	One non-residential category
Markham	Industrial/office/institutional, retail/hotel, and mixed-use categories
Richmond Hill	Retail and non-retail categories
Hamilton	One non-residential category (however, includes a reduced industrial rate by exemption)

The D.C. rates are determined by estimating the cost of growth-related capital needs required to service new development in the municipality. When the D.C. rates are calculated, deductions to the costs are made to reflect grant funding, amounts that benefit growth outside the forecast period, amounts that benefit the existing areas and other mandatory deductions. Any further deduction of these rates, through policy or otherwise, would result in shifting the burden of the growth-related costs onto the existing areas (via additional taxes and/or higher water and wastewater rates). The net effect is to transfer the upfront D.C. cost to an annual tax/rate burden. As will be discussed later in this section, the industrial tax ratio is over two times that of the residential tax ratio. Given that the D.C.s have been lowered for industrial development,



providing further reductions for industrial D.C.s and transferring this lost revenue onto taxes may be counterproductive.

To further incentivize development, the Region may want to consider aligning policies with the local municipalities, where possible. For example, with respect to retail and non-retail non-residential D.C. categories the local municipalities provide the following, as presented in Figure 44.

Figure 44: Non-Residential Categories of Development Charges

Municipality	Non-residential Categories of Development Charges
Halton	Retail and non-retail categories for roads D.C. only
Milton	Retail and non-retail categories calculated for all D.C. services.
Halton Hills	Industrial and non-industrial categories calculated for all D.C. services.
Burlington	Retail and non-retail categories for roads D.C. only
Oakville	One non-residential category

When deciding on a development location, differences in application of D.C.s and definitions provide a layer of potential confusion and requires additional review/analysis by potential employment land developers.

With respect to the definitions of retail and non-retail development amongst the local municipalities, Figure 45 provides a summary of the definitions and highlights similarities and differences throughout the Region.

Figure 45: Non-Residential Category Definitions

Municipality	Non-residential Category Definitions
Halton	<b>Retail:</b> means lands, buildings, structures or any portions thereof, used, designed or intended to be used for the sale, lease or rental or offer for sale, lease or rental of any manner of goods, commodities, services or entertainment to the public, for consumption or use, whether directly or through membership, but shall exclude commercial, industrial, hotels/motels/bed and breakfast facilities, as well as offices not located within or as part of a retail development, and self-storage facilities;



Municipality	Non-residential Category Definitions
	<b>Non-retail:</b> means any non-residential development which is not a retail development, and shall include offices that are not part of a retail development
Milton	<b>Retail:</b> means land, buildings or portions thereof used, designed or intended for use for the purpose of offering foods, wares, merchandise, substances, articles or things for sale directly to the public or providing services or entertainment to the public. Retail development excludes freestanding bank kiosks and includes, but is not limited to:  a) land, buildings or portions thereof used, designed or intended for use for the rental of wares, merchandise, substances, articles or things;  b) offices and storage in connection with, related to or ancillary to retail use; and  c) conventional restaurants; fast food restaurants; catering establishments, bars and taverns; beer and wine-making stores; concert halls/theatres/cinemas/movie houses/drive-in theatres; dinner theatres; casinos; amusement and theme parks; amusement arcades; bowling alleys; pet boarding kennels, pet boarding kennel services, pet obedience training centres, pet care, attendance and grooming services; fitness/recreation sport centres; hotels, motels/bed and breakfast facilities/rooming and boarding houses; gas stations and service stations; specialty automotive shops/auto repairs/collision services/car or truck washes; auto dealerships; shopping centres and plazas, including more than two attached stores under one ownership; department/discount stores; banks and similar financial institutions, including credit unions; insurance brokerages; investment advisory services; and warehouse clubs and retail warehouses;



Municipality	Non-residential Category Definitions
	<p><b>Non-retail:</b> means any non-residential development which is not a retail development</p>
Halton Hills	<p><b>Industrial:</b> when used to describe a use or development, means a use or development used for, or in connection with,</p> <ul style="list-style-type: none"> <li>a) manufacturing, producing, processing, storing or distributing something,</li> <li>b) research or development in connection with manufacturing, producing or processing something,</li> <li>c) retail sales by a manufacturer, producer or processor of something they manufactured, produced or processed, if the retail sales are at the site where the manufacturing, production, or processing takes place,</li> <li>d) office or administrative purposes, if they are, <ul style="list-style-type: none"> <li>(i) carried out with respect to manufacturing, producing, processing, storage or distributing of something, and</li> <li>(ii) in or attached to the building or structure used for that manufacturing, producing, processing, storage or distribution;</li> </ul> </li> <li>e) shall not include self-storage facilities or retail warehouses</li> </ul> <p><b>Non-industrial:</b> when used to describe a use or development, means a use or development consisting of land, buildings or structures, or portions thereof, used, or designed or intended for a use other than as a residential development or industrial development</p>
Burlington	<p><b>Retail:</b> means lands, buildings, structures or any portions thereof, used, designed or intended to be used for the sale, lease, or rental or offer for sale, lease or rental of any manner of goods, commodities, services or entertainment to the public, for consumption or use, whether directly or through membership, but shall exclude commercial, industrial, hotels/motels, as well</p>



Municipality	Non-residential Category Definitions
	as offices not located within or as part of a retail development, and self-storage facilities <b>Non-retail:</b> means any land, building or structures or portions thereof intended or used for a use other than a retail use
Oakville	One non-residential category

In regard to industrial development, the definitions do not appear to conflict between upper and lower tiers; however, there may be potential conflicts where non-industrial uses occur on Industrial zoned lands. For example, a large condominium building on industrial land may have a portion of the building being used for an office or retail use where another section of the building may be used for manufacturing a product. This problem would appear to be more of an issue in Halton Hills than the other municipalities as it uses Industrial and Non-Industrial to distinguish its charges.

Halton Region also provides a deferral policy for non-residential development. This policy allows developers to defer their D.C.s to a later date (up to 10 years), agreed upon with the Region. Once the applicant/owner applies for a building permit with the local municipality, the Region is notified of the proposed development. The Region then notifies the applicant/owner of the deferral agreement process. The applicant/owner can then complete and return the D.C. Deferral Agreement Application Form. The deferral program requires payments on an annual basis and full security of the D.C.s plus interest through an irrevocable letter of credit. Further, the agreement must be registered on title.

The Region's D.C. deferral program offers an opportunity for developing landowners to delay D.C. payments. In speaking with staff, this program is not utilized frequently. It is unclear why companies have not utilized the D.C. deferral program. This may be due to several potential factors including the requirement for 100% security, registering the agreement on title, etc.

As well, the deferral program may be considered differently depending upon how the land is being developed (i.e. design/build vs. rental vs. purchased land and build own). Depending on the nature of the development, the deferral program may impact development pro formas differently and hence the attractiveness of the policy will vary.



In general, D.C.s do not significantly impact a company's decision to locate within one municipality over another since D.C.s represent a one-time capital cost. A much larger impact on a company's decision is ongoing operating costs. These costs include municipal taxes, water/wastewater rates, and electricity costs.

One challenge is with respect to residential development driving the need for the construction of water and wastewater infrastructure. The Region has implemented an allocation program that requires residential developers to pre-pay their water/wastewater D.C.s, and front-end for the residual residential capacity (which will benefit future residential development). Hence, the full residential costs are cash-flowed by the residential developers; however, as residential development advances quicker than non-residential development, the non-residential component of the infrastructure costs correspondingly needs to be cash-flowed. While the Region finances this portion of the infrastructure from the Revolving Fund or through debt, the interest costs are allocated back to the non-residential D.C. calculation. This creates an imbalance, where the non-residential sector is incurring interest costs only for the early construction of infrastructure to facilitate residential growth. The current D.C. legislation is narrow in not allowing the debt costs created by the residential sector to be borne by the residential sector.

### **Development Charges Comparison**

D.C.s are also a component of total development cost. Figure 46 and Figure 47 illustrate the total industrial and commercial office D.C.s within Halton Region municipalities in comparison to other surveyed municipalities.<sup>1</sup> Halton Region differentiates D.C. rates based by geographic location – greenfield vs. built boundary – and this is illustrated accordingly. As such, the cost of development analysis for Halton Region's local municipalities presented herein is differentiated on this basis. Key observations include:

- Industrial D.C.s among the surveyed municipalities average \$27.18 per sq.ft., with the highest rates in York Region and the lowest in Durham Region, North Halton and the City of Hamilton;

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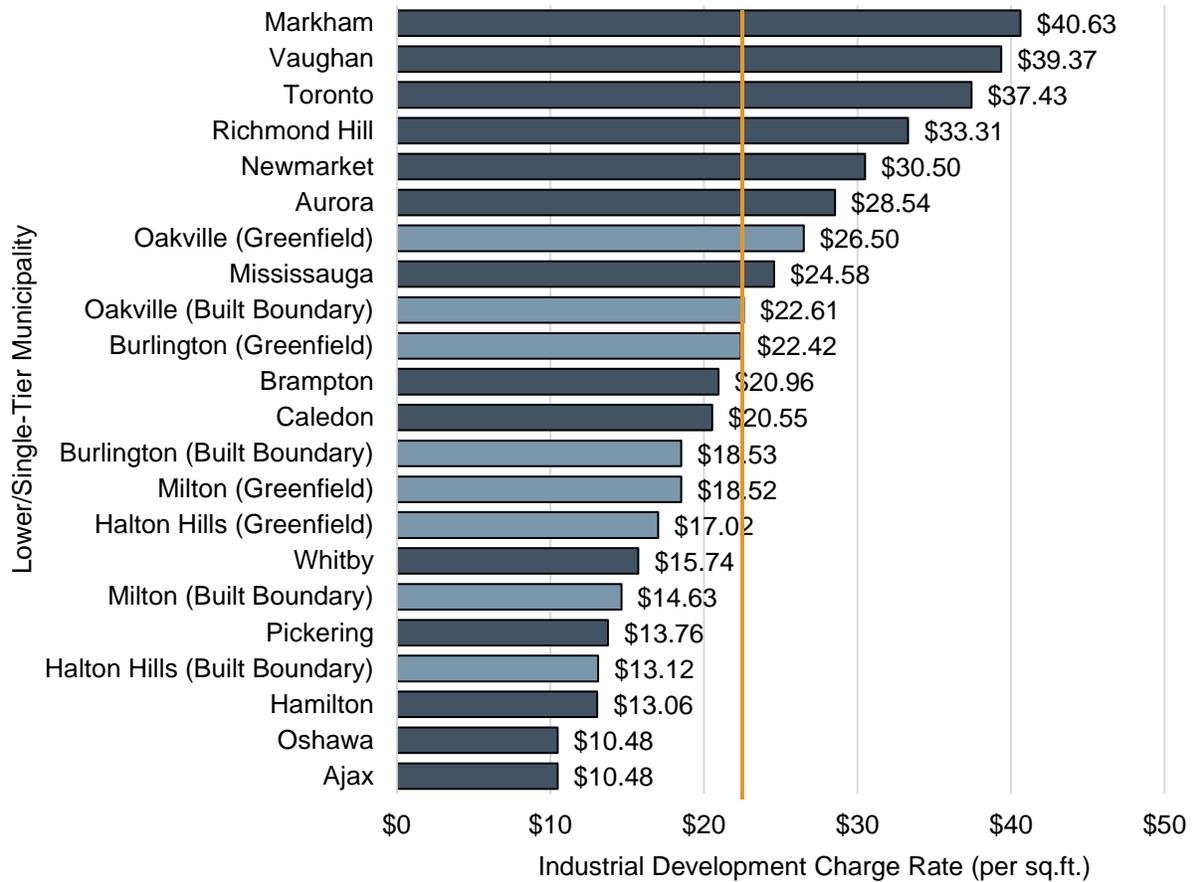
<sup>1</sup> Reflects local and upper tier as well as education D.C.s.



- Industrial D.C.s in Oakville for greenfield locations are slightly higher than the survey average, while Oakville built-boundary locations and Burlington greenfield locations are close to the survey average;
- In comparison, built boundary locations in Burlington and greenfield locations in Milton and Halton Hills are slightly below the survey average;
- In comparison, built boundary locations within Milton and Halton Hills are well below the survey average, and amongst the lowest of the surveyed G.T.H.A. municipalities;
- With respect to office D.C.s, the survey average is \$22.40 per sq.ft., with rates highest in York Region, Peel Region, and in the City of Toronto;
- Rates within Halton Region are amongst the lowest of the surveyed G.T.H.A. municipalities, all below the survey average;
- Oakville (greenfield and built boundary) and the greenfield areas of Burlington have the highest office D.C. among Halton Region municipalities;
- Rates in the greenfield areas of Milton and Halton Hills and the Burlington built boundary area rank in the middle among Halton Region area municipality rates; and
- In comparison, rates within the built boundary locations in Milton and Halton Hills are the lowest in Halton Region.



Figure 46: Industrial Development Charge Rates



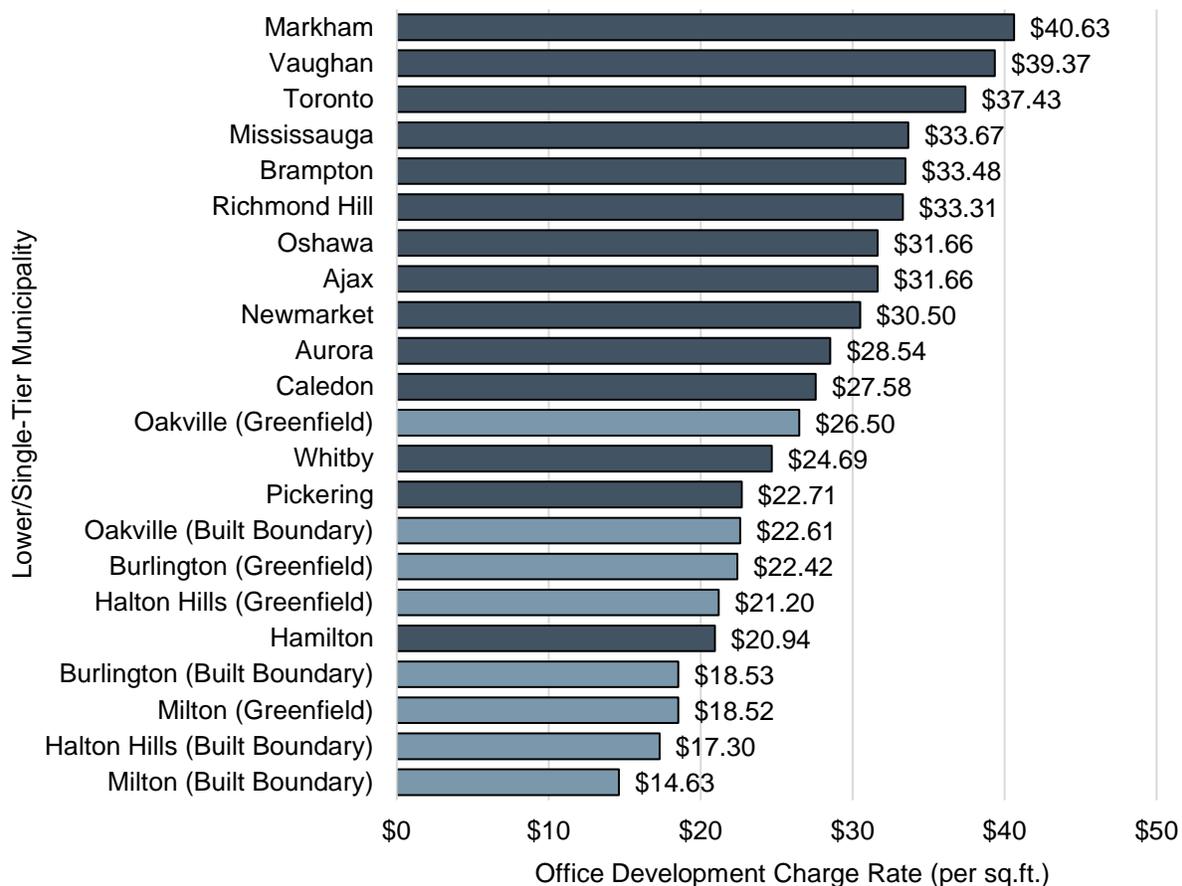
Source: Watson & Associates Economists Ltd., 2020.

Note: Includes the following where applicable - lower tier, upper tier, education and average of area specific.

The City of Mississauga, City of Markham and the City of Richmond Hill include stormwater charges which are based on land area. Rates based on current posting on May 15, 2020.



Figure 47: Office Development Charge Rates



Source: Watson & Associates Economists Ltd., 2020.

Note: Includes the following where applicable - lower tier, upper tier, education and area specific charges.

The City of Mississauga, City of Markham and the City of Richmond Hill include stormwater charges which are based on land area. Rates based on current posting on May 15, 2020.

## Changes to the Development Charges Legislation

Since the Region completed their D.C. background study in 2017, there have been three Bills passed in the Ontario legislature that have amended the *Development Charges Act (D.C.A.)*: Bill 108, Bill 138, and Bill 197. The following provides a brief summary of the proposed changes (at the time of writing) and their impacts on the D.C.s as they relate to industrial development.

### Bill 108: More Homes, More Choice: Ontario's Housing Supply Action Plan

In May 2019, the Province introduced Bill 108, "More Homes, More Choice: Ontario's Housing Supply Action Plan" which would make changes to the current D.C. legislation.



The Bill was passed and given Royal Assent on June 6, 2019. While the legislation has been passed, much of the detailed changes are to be implemented by regulation which is yet to be passed. As of the time of writing, the key elements of the changes are provided below:

- The D.C. will be refined to only allow for the following services to remain within the D.C.: water, wastewater, storm water, roads, fire, policing, ambulance, waste diversion, parks development, recreation, public libraries, long-term care, public health;
- The mandatory 10% deduction is removed for all services that remain eligible in the D.C.;
- Developments proceeding by site plan or zoning applications will have the D.C.s frozen until two years after approval;
- A new community benefits charge (C.B.C.) will be introduced to include formerly eligible D.C. services that are not included in the above listing, parkland dedication, and bonus zoning contributions;
- The C.B.C. will be imposed as a percentage based on the market value of the land on the day before building permit issuance. The maximum percentages for the C.B.C. are as follows:
  - Single-tier municipalities: 15%
  - Lower-tier municipalities: 10%
  - Upper-tier municipalities: 5%

As the legislation is currently crafted, it is expected to increase the payment burden on industrial developments. As noted, the legislation is yet to be passed and many businesses and associations (including Watson) have provided comments back to the Province highlighting the potential impact on industrial development. No timeline for finalization of the legislation had been communicated at the time of Royal Assent.

#### Bill 197: COVID-19 Economic Recovery Act, 2020

In March 2020, Canada was impacted by the COVID-19 global pandemic. As a result, the economy was shut down in an effort to slow the spread of the virus. In response, the Province tabled legislation on July 8, 2020 which amended a number of Acts, including the D.C.A. and the *Planning Act*. With this Bill, many changes proposed in Bill 108 have now been reversed. With respect to the above-noted changes from Bill 108, the following changes are provided in Bill 197:



- **Eligible Services:** The list of eligible services for the D.C. have now been expanded to include most services eligible under the D.C.A. prior to Bill 108. For Halton Region, this means that all services currently provided in the D.C. study remain eligible.
- **Mandatory 10% Deduction:** The mandatory 10% deduction is still removed (consistent with Bill 108). This applies to all D.C.-eligible services. For Halton Region, this means that the 10% mandatory deduction for studies, paramedics, facilities, social housing, waste diversion, and waterfront parkland will be removed in the Region's next D.C. study. These amounts totalled \$7.3 M in the 2017 D.C. study.
- **Community Benefits Charges:** Based on the wording in the legislation, it appears that upper-tier governments will not be able to impose a C.B.C.

### What These Changes Mean for Halton

Overall, the revised changes to the D.C.A. legislation (as they relate to industrial development) appear to be positive. With the inclusion of all the Region's current D.C. services and the removal of the 10% deduction, it appears that this will increase the Region's D.C. revenues and reduce the impact on taxes. Additionally, these changes further advance the Region's position that growth should pay for growth. It is noted, however, that for any industrial developments that may proceed through rezoning or site plan, D.C. rates will be frozen and uncollectable until two years after approval of the application.

With respect to the C.B.C., although the Region may not impose this charge, the services in the current D.C. study are not affected. Should the Region wish to expand its services in the future; however, this may provide a limitation to collect for those services.

### **5.2.3 Municipal Property Taxes in Halton Region**

The *Municipal Act, 2001* provides municipalities with the ability to impose property taxes. This legislation sets out the requirements of municipalities when establishing and implementing their own tax policies.

Residential tax rates are calculated based on the annual budgetary requirement divided by the total weighted assessment. Tax ratios represent the relative tax burden applied to each property class. For example, a tax ratio of 1.25 indicates that the taxes paid



would be 25% higher than a residential property with the same assessed value. Municipalities have the ability to vary the tax ratios applied to each property class to distribute the tax burden among the classes. For example, if a municipality were to lower the tax ratio for industrial development and leave all other ratios the same, tax rates for industrial would decrease however, the tax rates for all other classes would increase. Municipalities are able to adjust tax ratios, however, they must be adjusted towards the Province’s “Ranges of Fairness.” For Industrial properties, the range of fairness is 0.6 to 1.1.

Halton Region sets the tax ratios for the Region and all area municipalities. In surveying York, Peel, Durham, Waterloo, and Niagara Regions’ 2018 Financial Information Returns, Halton Region had the lowest tax ratio and tax rate for office properties but was in the middle with respect to industrial properties. New in 2020, Halton Region has reduced the tax ratio for industrial properties (from 2.35990 to 2.0907). This will assist in incentivizing industrial development in the Region.

Tax Ratios by Municipality	Residential	Commercial	Office	Shopping Centre	Industrial	Large Industrial
Halton	1.0000	1.4565	1.4565	1.4565	2.3599	2.3599
Halton (2020)	1.0000	1.4565	1.4565	1.4565	2.3599	2.0907
York	1.0000	1.2323	1.2323	1.2323	1.4973	1.4973
Peel	1.0000	1.2971	1.2971	1.2971	1.4700	1.4700
Durham	1.0000	1.4500	1.4500	1.4500	2.1850	2.1850
Waterloo	1.0000	1.9500	1.9500	1.9500	1.9500	1.9500
Niagara	1.0000	1.7349	1.7349	1.7349	2.6300	2.6300

*Note: Tax Ratios based on 2018 Financial Information Return*

### **Municipal Property Tax Rate Comparison**

Property tax rates represent a consideration for business location decisions since taxes impact operating profit annually. Figure 48 and Figure 49 illustrate industrial and commercial office taxes in the markets surveyed, respectively. Key observations are as follows:

- Industrial property taxes rates are highest in the Hamilton and Durham Region municipalities of Oshawa, Whitby, and Pickering;
- Industrial taxes rates tend to be the lowest in York Region municipalities of Markham, Richmond Hill, Vaughan, Aurora, and Newmarket; and

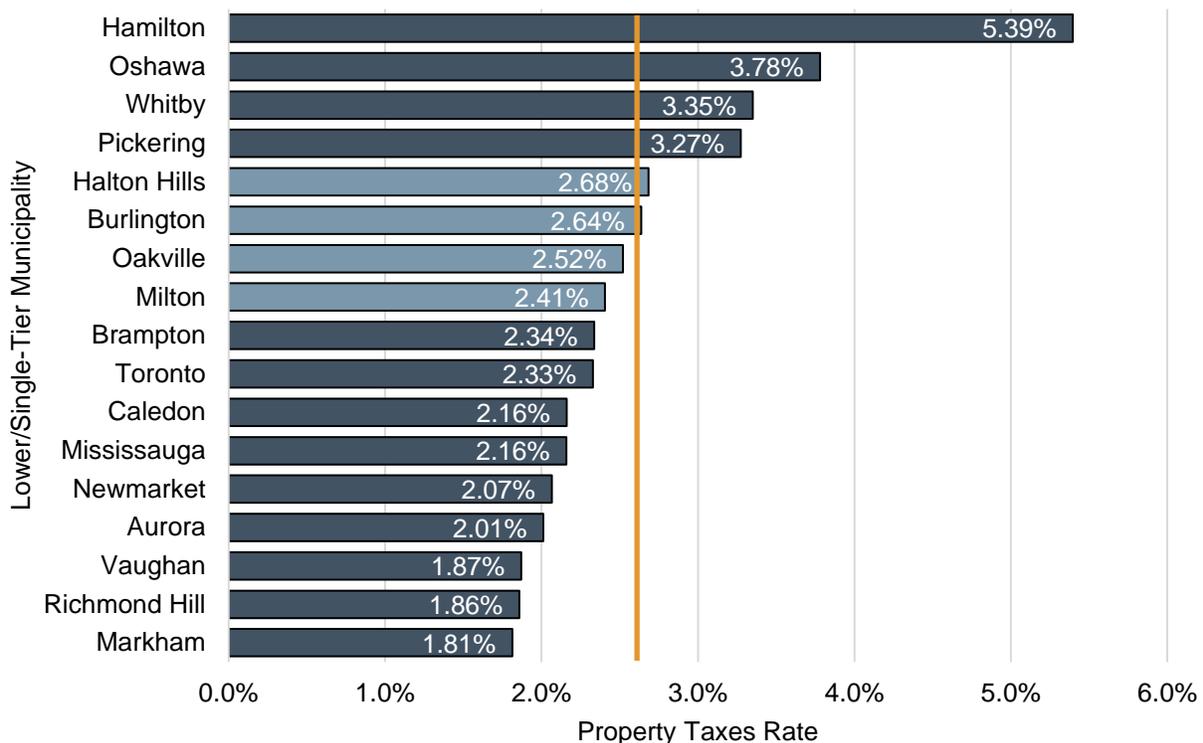


- Halton Region industrial tax rates are currently comparable to the average of the municipalities surveyed for Halton Hills and Burlington, while Oakville and Milton are moderately below the survey average.

Similar to industrial tax rates, office commercial property tax rates are highest in Hamilton, Oshawa, Whitby, and Pickering. Halton Region local municipalities, in comparison, have among the lowest office commercial property tax rates of the municipalities surveyed, comparable to the municipalities in York Region.

In comparing tax rates, the rates need to be considered in light of the assessed value of the property. For example, if the vacant land value presented in Figure 42 was to be considered as a proxy for assessed value then in though Brampton would have a lower tax rate, combining this with a higher property value would result in higher taxes paid than in Milton.

Figure 48: Industrial Property Tax Rates

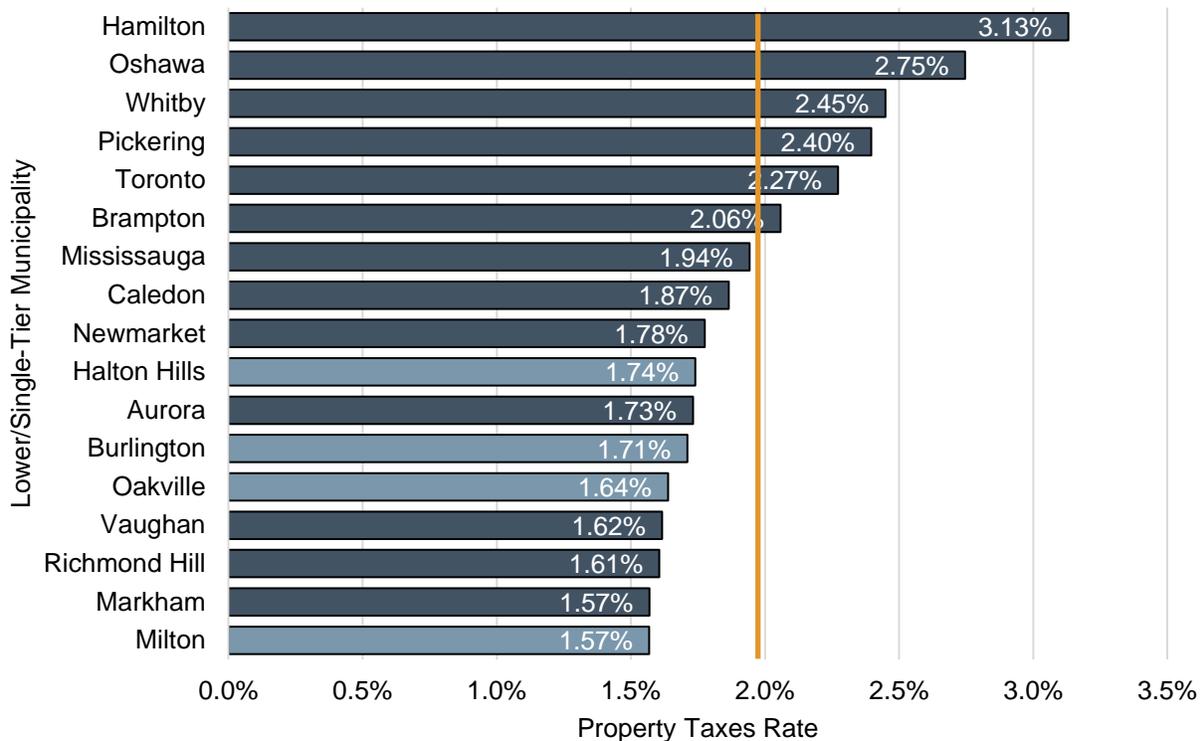


Note: Industrial property tax rates are based on large industrial use (greater than 125,000 sq.ft.). Property tax rates include lower-tier, upper-tier and education rates.

Source: Adapted from BMA Management Consulting Inc. 2019 Municipal Study, by Watson & Associates Economists Ltd., 2020.



Figure 49: Office Property Tax Rates



Note: Office tax rates are based on commercial office building class. Property tax rates include lower-tier, upper-tier and education rates.  
Source: Adapted from BMA Management Consulting Inc. 2019 Municipal Study, by Watson & Associates Economists Ltd., 2020.

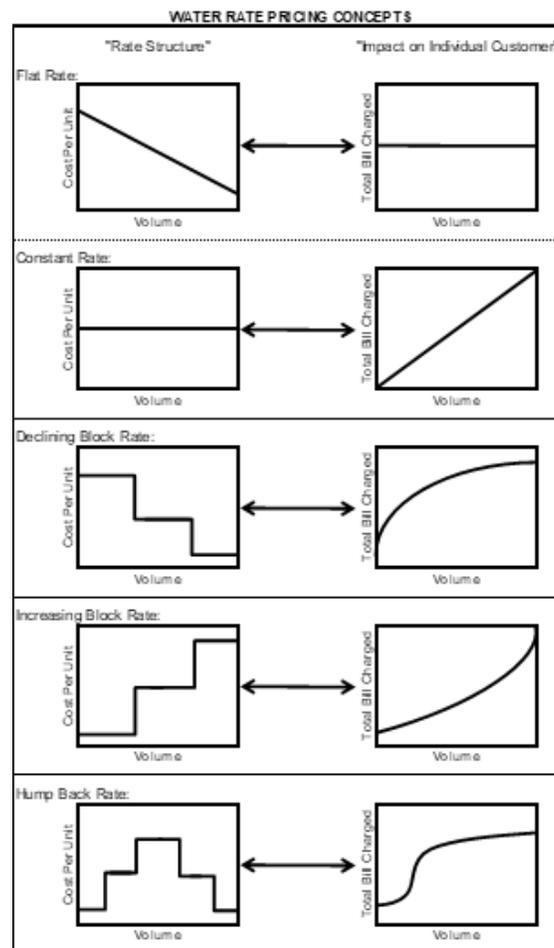
## 5.2.4 Water and Wastewater Rates in Halton Region

Municipalities are empowered by the *Municipal Act, 2001* to impose water and wastewater rates to recover the costs of providing the service. There have been numerous legislative changes since the Walkerton water crisis. As a result, more emphasis has been placed on municipalities to impose “full-cost” recovery through their calculated water and wastewater rates. This ensures that the municipality is planning for all the required expenditures including, capital, operating, and lifecycle (rehabilitation and replacement) costs.

Municipalities do have flexibility in the way they impose the rates in their municipality. One of the most common rate structures in Ontario is to include a base charge (monthly or quarterly fee) along with a volumetric charge (based on volume utilized). The following provides a summary of the various types of volume rate structures and the associated impacts on customers:



RATE STRUCTURE	COST PER UNIT AS VOLUME INCREASES	IMPACT ON CUSTOMER BILL AS VOLUME INCREASES
Flat Rate	Cost per unit decreases as more volume consumed	Bill remains the same no matter how much volume is consumed
Constant Rate	Cost per unit remains the same	Bill increases in direct proportion to consumption
Declining Block	Cost per unit decreases as threshold targets are achieved	Bill increases at a slower rate as volumes increase
Increasing Block	Cost per unit increases as threshold targets are achieved	Bill increases at a faster rate as volumes increase
Hump Back Rate	Combination of an increasing block at the lower consumption volumes and then converts to a declining block for the high consumption	Bill increases at a faster rate at the lower consumption amounts and then slows as volumes increase



The Region's current rate structure is provided as a base charge (which varies between residential and non-residential properties, as well as the size of the water meter) and a volume charge (which is the same for all properties). This coincides with the "constant" rate structure included in the table above. Depending on the type of development the Region wished to attract, they could utilize one of the various rate structures provided



above. For example, if the Region wished to attract a larger water user (i.e. glass factory), then a declining block rate would be more advantageous. As the water usage goes up, the cost per cubic metre declines. Figure 50 shows the combined variable water and wastewater consumption charge per cubic metre for the Halton Region and comparator communities. The variable charges are provided for a volume interval of 46 to 4,500 cubic metres/month. Note, each municipality in the York Region calculates its water and wastewater rate. As such, the average rate across these municipalities has been given. Furthermore, some regions (e.g. Halton) only provide a combined water and wastewater rate.

When compared against the key comparators Halton ranked 1<sup>st</sup>, indicating strong competitiveness in water and wastewater rates followed by the Peel and Durham Region. The York Region had the highest combined rate of \$4.62.

Figure 50: Water and Wastewater Variable Consumption Charge Comparison

Water and Wastewater Variable Rates (\$/m <sup>3</sup> ) *	Durham	York	Peel	Halton	Hamilton	Toronto
Combined water and wastewater rates	\$2.8150	\$4.6200	\$2.6092	\$2.6072	\$3.3900	\$4.0735
Rank	3	6	2	1	4	5

Source: Municipal websites of each comparator communities.

### 5.2.5 Potential Impacts of COVID-19 on Municipal Finances

Given the current pandemic that has resulted in an emergency stay-at-home order in Ontario beginning in early March 2020, most new developments were temporarily halted across Ontario. Over the next few years, development levels (new construction and expansions) are anticipated to slow in certain segments of the economy as previously identified in Chapter 3. Many economists warn that immigration may remain relatively low compared to recent years, because relatively higher unemployment rates during the post-COVID-19 economic recovery period in Canada will reduce the incentive for immigration.<sup>1</sup> In turn, this may ultimately slow the pace of new housing construction in Halton Region, subject to how longer COVID-19 persists.

<sup>1</sup> Stalling immigration may add to Canada’s COVID-19 economic woes. Fergal Smith, Steve Scherer. Reuters. May 27, 2020.



If development slows, so will repayment of current front-end financed projects.

It should be noted, however, that with a recessed economy and a heightened focus on job creation, the servicing and development of Employment Areas will continue to be high priority for the Region where demand is identified. As a result, the Region will need to prioritize where investment is needed to front-end finance the costs associated with servicing Employment Areas.

The overall economic impacts associated with COVID-19 are unprecedented and have not been fully assessed. As a result, it is difficult to forecast/predict the results in Halton Region with respect to financial implications; however, there are a few items of concern to note regarding water and wastewater revenue and tax revenue.

### Water and Wastewater Services

With the Province implementing COVID-19 related business and employment modifications/restrictions, it is expected that utility operating revenues will be impacted in several ways:

- Volume consumption/billing may be directly impacted (i.e. reduced);
- Utility bills may be delayed/delinquent causing cash flow issues for the utility; and
- Minor operating revenues (such as meter sales, contracts for water service during construction, etc.) may not materialize for the year due to reduced residential/I.C.I. (industrial/commercial/institutional) construction.

With respect to expenditures, generally most operational expenditures are fixed and do not vary when consumption varies (e.g. debt payments). Hydro and materials may be the most variable but represent a small portion of the budget (approximately 15%).

### Property Taxes and Other Revenues

As the COVID-19 crisis persists, unemployment rates will remain historically high. Further, revenue generating services provided by municipalities have also been reduced or some cases services have been cut. This includes recreation programs, library services, etc. As these services are provided at the local level, these impacts would largely be felt by the local municipalities within the Region. There are some services, however, that may have seen increased expenditures (i.e. medical officer of health, welfare expenditures, police services, etc.). These services are provided by the



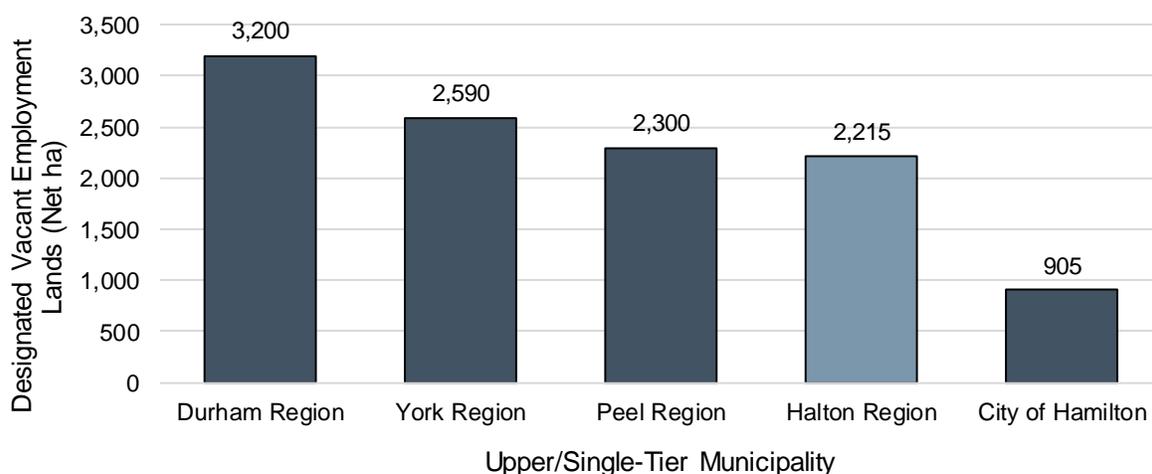
Region and may have significant impacts on the current budget year. Some services, e.g. childcare, may see reduced expenditures in Phase 1 of the Province's Return-to-Work Framework, however, these expenditures may increase in subsequent phases as people return to work.

As we understand, many municipalities have not provided adjustments for property taxes, however, many municipalities have provided for no penalties on late payments. This may have an impact on cashflow in the Region and should be reviewed to see if there is an impact on the Region's ability to front-end finance development projects. If budget cuts are required in upcoming years, the Region should be mindful of which services to reduce, so that the Region can continue to invest in lands for more development. As a result, Halton Region should monitor their expenditures and revenues closely to ensure affordability of continued front-end financing of employment land development throughout the pandemic.

### 5.3 Employment Land Supply

The competitiveness of Halton Region's export-based economy is partly determined by the availability and quality of its developable employment lands. Figure 51 provides a summary of the supply of designated employment lands within Halton Region in comparison to select G.T.H.A. upper/single-tier municipalities.

Figure 51: Vacant Designated Employment Lands in the G.T.H.A.



Source: Halton Region derived from data received from Halton Region. Data for other municipalities compiled from Employment Land Municipal Survey from 2016 to 2019 by Watson & Associates Economists Ltd., 2020.



Halton Region has the fourth largest supply of designated employment land in the G.T.H.A., totalling approximately 2,215 net ha (5,473 net acres). A large share of this is located in North Halton. In comparison, Durham Region, York Region and Peel Region have a notable supply of vacant designated employment land, totalling 3,200 net ha (7,907 net acres), 2,590 net ha (6,400 net acres), and 2,300 net ha (5,683 net acres), respectively. The supply of vacant designated employment land in the City of Hamilton is smaller, totalling 905 net ha (2,236 net acres), respectively.

In the north and west G.T.H.A., the designated employment land supply is concentrated in Brampton, Vaughan, Milton, Halton Hills, and Oakville. A number of larger, more mature urban municipalities in the north and west G.T.H.A. have diminishing supplies of vacant employment land, including Mississauga, Markham and Richmond Hill.

The supply of shovel-ready lands<sup>1</sup> is also a key measure of a municipality's economic competitiveness. Figure 52 summarizes the supply of serviced shovel-ready employment lands within the surveyed upper/single-tier municipalities in the G.T.H.A.

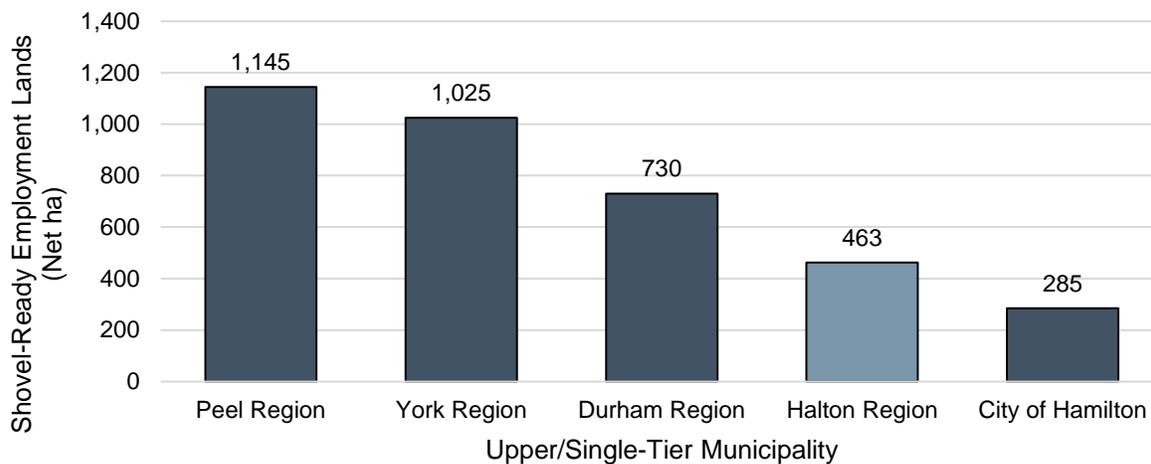
With respect to shovel-ready vacant employment lands, Halton Region has the fourth largest supply (463 net ha). Peel Region has the largest land supply (1,145 net ha), followed by York Region (1,025 net ha) and Durham Region (730 net ha). The City of Hamilton has the smallest land supply of 285 net ha.

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<sup>1</sup> Shovel-ready employment lands are defined as vacant parcels that have regional and local servicing in place (i.e. water, sewer, stormwater, and roads infrastructure). In addition, all planning and environmental approvals are in place.



Figure 52: Vacant Shovel-Ready Employment Lands within the G.T.H.A.



Source: Halton Region derived from data received from Halton Region. Data for other municipalities compiled from Employment Land Municipal Survey from 2016 to 2019 by Watson & Associates Economists Ltd., 2020.

## 5.4 Observations

While the G.T.H.A. is a highly competitive region and the broader long-term employment and development outlook is positive, Halton Region competes directly for industrial and office development with other locations in the G.T.H.A. and G.G.H. “Outer Ring” municipalities.

A factor influencing business decisions on where to locate is the cost competitiveness (both capital investment and operating costs) of the development in relation to market demand and potential return on investment. Industrial and office development and operating costs in Halton Region municipalities are cost competitive relative to comparator G.T.H.A. municipalities. The Region offers competitive serviced employment land costs, D.C. rates and utilities costs which makes it attractive for new industrial and office development.

The competitiveness of Halton Region’s export-based economy is also partly determined by the availability and quality of its developable employment lands. Halton Region also has a relatively large supply of designated employment land which is discussed in more detailed in Chapter 6.

Quality of life is a factor influencing the residential location decisions of individuals and their families. It is also a factor considered by companies in relocation decisions.



Halton Region has a reputation for being a vibrant, growing, affordable, low-crime location in which to live in Ontario, with access to a wide range of recreational opportunities. Halton Region currently has a relatively high concentration of highly skilled labour force which is well suited for knowledge-based sectors. Talent attraction and retention will continue to be a key issue in Halton Region's competitiveness going forward. A factor in the Region's economic growth, therefore, 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 population segments.

## 6. Halton Region Employment Areas

Employment lands are an integral part of Halton Region's economic development potential and they accommodate a significant share of the Region's businesses and employment. One of the most critical aspects related to the economic competitiveness of Halton Region is the marketability and availability of its employment land base relative to the surrounding market area. It is critical that the Region continue to plan for employment uses with consideration given to market demand and trends.

### 6.1 Economic and Employment Structure

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Halton Region has fourteen existing and seven planned Employment Areas located throughout Halton Region, as illustrated in Figure 53. Employment Areas in South Halton are located in Burlington and Oakville, largely along the Q.E.W. corridor. Employment Areas in Burlington include the Q.E.W. East and West Employment Districts and Burlington North. Oakville's Employment Areas include the Burloak Employment District, the Midtown Core Employment District, Q.E.W. East and West Employment Districts, Winston Park Employment District, Winston Park West Employment District and North Oakville Employment Area.

In North Halton, Employment Areas are located in both Milton and Halton Hills. Employment Areas in Milton include the Highway 401 Industrial/Business Park and Derry Green Business Park. Within Halton Hills, Employment Areas include the Premier Gateway Business Park, Acton Employment Area (located within the community of Acton), Georgetown Employment Area (located within the community of Georgetown) and the Mansewood Industrial Area (located just north of Milton). North Halton includes a number of planned Employment Areas located in Milton including



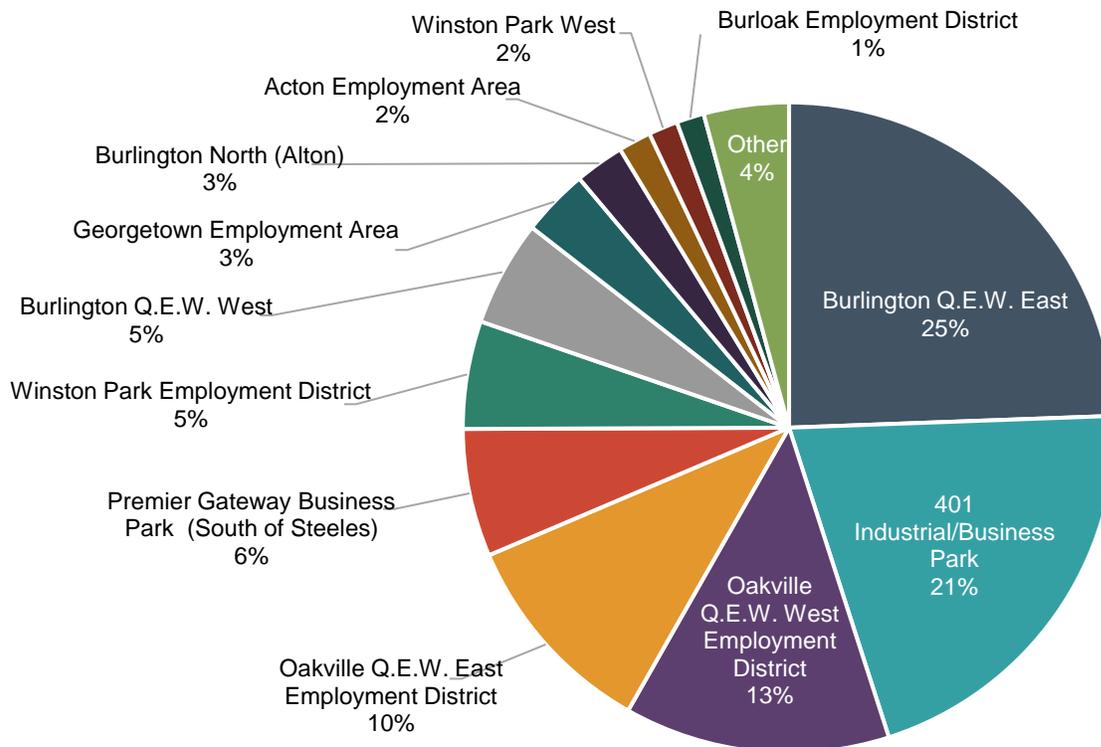
Milton Education Village, Southwest Milton, Agerton Employment Area, and the Milton 401 Industrial Business Park Expansions Lands.

As illustrated in Figure 53, Halton Region has approximately 3,510 net ha (6,872 net acres) of developed employment land with approximately 65% located in South Halton, with about half (1,150 net ha or 2,840 net acres) located in the Town of Oakville and the other half (1,130 net ha or 2,790 net acres) in the City of Burlington. Of the developed employment lands located in North Halton, 760 net ha (1,875 net acres) is in the Town of Milton and 470 net ha (1,155 net acres) in the Town of Halton Hills.

By Employment Area the largest share (25%) is located in the Burlington Q.E.W. East Employment Area, followed by 21% in the 401 Industrial/Business Park, 13% in the Q.E.W. West Employment District, 11% in the Q.E.W. East Employment District, 6% in the Premier Gateway Business Park (South of Steeles), 5% in the Winston Park Employment Area, and 5% in the Burlington Q.E.W. West Employment Area. The remaining Employment Areas account for a relatively small share of the employment total.



Figure 53: Halton Region Developed Employment Lands – Share by Location



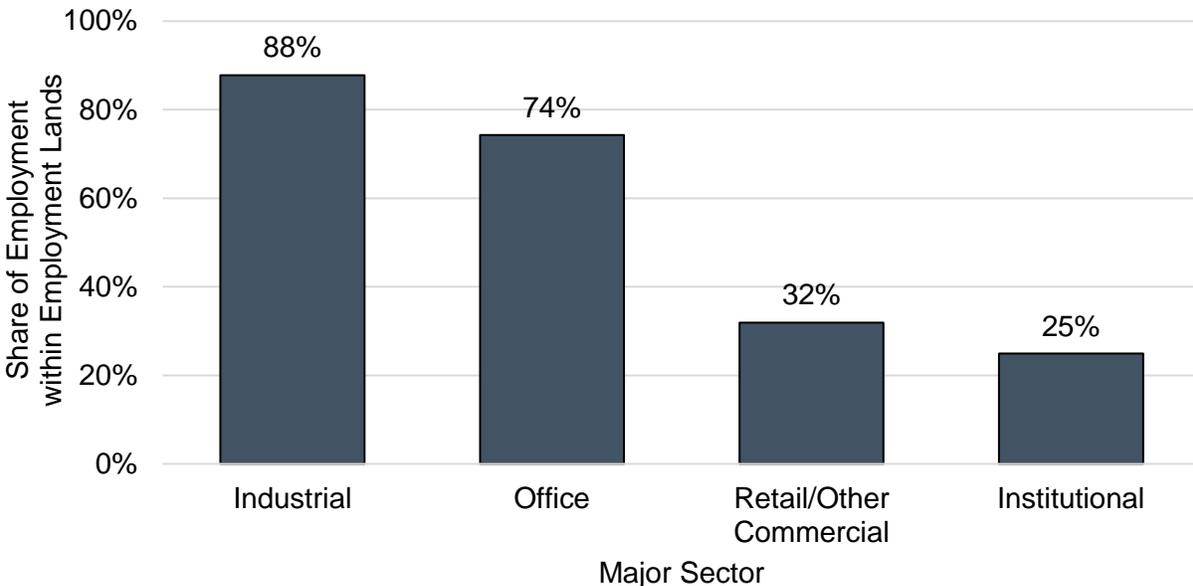
Source: Derived from Halton Region data by Watson & Associates Economists Ltd., 2020

Halton Region's Employment Areas currently accommodate approximately 129,000 of the Region's jobs, representing approximately 54% of the Region's employment base.<sup>1</sup> This includes 88% of the Region's industrial employment, 74% of office employment, 32% of retail/other commercial employment and 25% of institutional employment, as shown in Figure 54.

<sup>1</sup> Watson & Associates Economists Ltd. estimates total employment in Halton Region, including work at home employment, to total 241,000 in 2019.



Figure 54: Halton Region Share of Employment within Employment Areas – by Major Sector, 2019

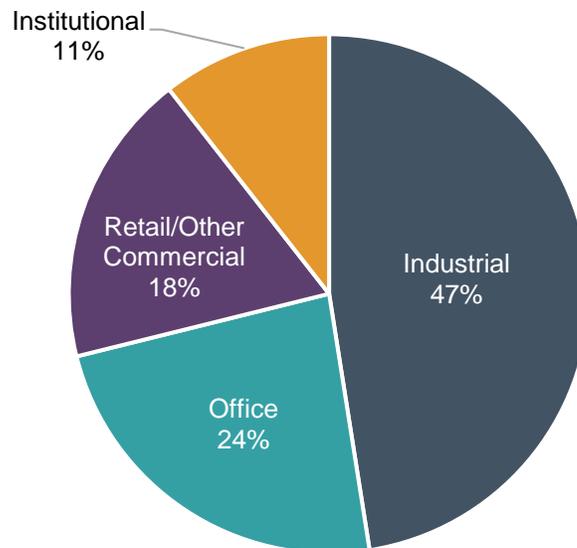


Source: Derived from 2019 Halton Region Employment Survey by Watson & Associates Economists Ltd., 2020.

Halton Region's employment base within Employment Areas is dominated by industrial and office sectors. As shown in Figure 55, 47% of employment on employment lands is within the industrial sector followed by 24% in the office sector. Office-based employment as a share of total employment on employment lands is concentrated along the Q.E.W. corridor in Burlington and Oakville. A significant share of office employment on employment lands is accommodated within large free-standing office buildings (i.e. major office). To a lesser extent, retail/personal service uses, and institutional uses are also found in Employment Areas and serve largely as employment-supportive uses. Retail/personal service and institutional employment account for 18% and 11% of employment, respectively.



Figure 55: Halton Region Employment within Employment Areas by Major Sector, 2019



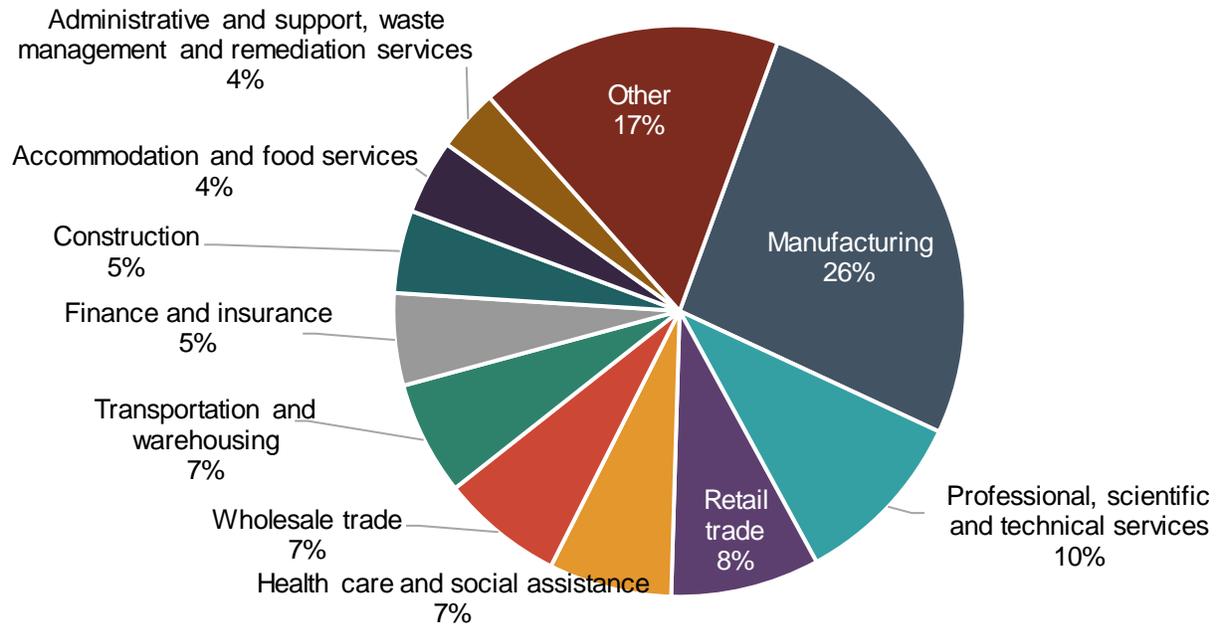
Note: Primary employment represents 0.3% of employment within Employment Areas.

Source: Derived from 2019 Halton Region Employment Survey by Watson & Associates Economists Ltd., 2020.

As illustrated in Figure 56, Halton Region's Employment Areas accommodate a broad range of employment sectors. As shown, 26% of Halton Region's employment within Employment Areas is in the manufacturing sector, followed by 10% in professional, scientific and technical services, 8% in retail trade, 7% in health care and social assistance, 7% in wholesale trade, and 7% in transportation and warehousing. The remaining employment is largely in service-oriented sectors.



Figure 56: Halton Region Employment within Employment Areas by Sector, 2019

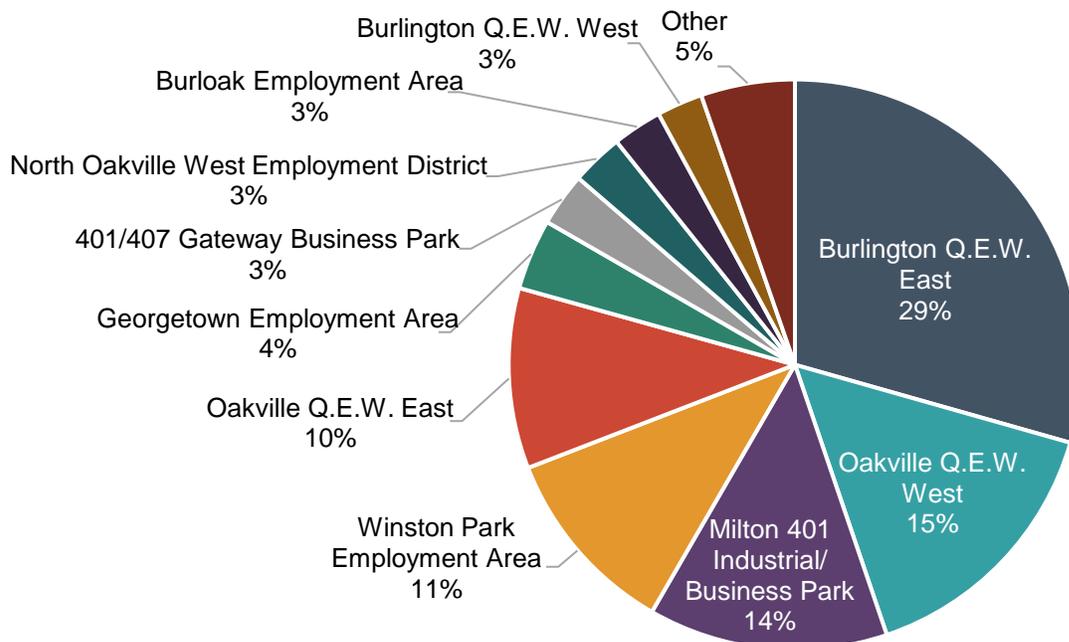


Source: Derived from 2019 Halton Region Employment Survey by Watson & Associates Economists Ltd., 2020.

Figure 57 summarizes the employment share by Employment Area. As shown, 29% of the employment within Employment Areas is located in the Burlington Q.E.W. East Employment Area, followed by 15% in the Oakville Q.E.W. West Employment District, 14% in the Milton 401 Industrial/Business Park, 11% in the Winston Park Employment District, and 10% in the Oakville Q.E.W. East Employment District. The remaining Employment Areas account for a relatively small share of the employment total.



Figure 57: Halton Region Share of Employment by Employment Area, 2019



Source: Derived from 2019 Halton Region Employment Survey by Watson & Associates Economists Ltd., 2020.

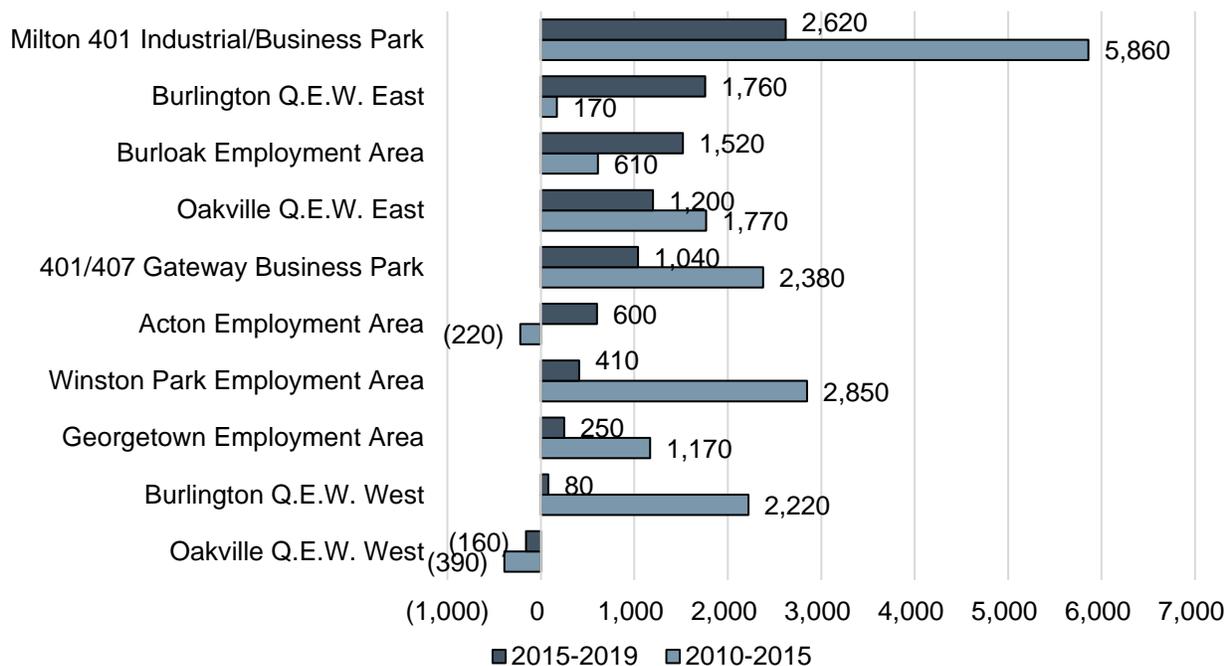
Figure 58 illustrates employment growth by select Employment Area in Halton Region over the past ten years (2010 to 2015 and 2015 to 2019). Key observations are as follows:

- Employment growth was strongest in the Milton 401 Industrial/Business Park over the 10-year period, followed by the 401/407 Gateway Business Park, Winston Employment Area and Oakville Q.E.W. East.
- Oakville Q.E.W. West was the only Employment Area to experience an employment decrease from 2010 to 2019.
- The Milton 401 Industrial/Business Park continued to have the strongest growth during each period despite showing a decline between them, while the Burlington Q.E.W. East and Burloak Employment Area experienced significant increases from 2010 to 2015 to have the second and third most growth, respectively, over the 2015 to 2019 period. Oakville Q.E.W. East and 401/407 Gateway Business Park experienced a drop in growth, however, continued to have relatively strong growth.



- In contrast, employment growth in the Winston Park Employment Area, Georgetown Employment Area and Burlington Q.E.W. East was limited from 2015 to 2019 following significantly stronger growth from 2010 to 2015.
- The Acton Employment Area had a rebound with positive employment growth in 2015 to 2019 after a decline from 2010 to 2015.

Figure 58: Halton Region Employment Growth by Select Employment Area, 2010 to 2019



Source: Derived from 2015 and 2019 Halton Region Employment Survey and Halton Region Investment Readiness and Competitiveness Study by Watson & Associates Economists Ltd., 2020.

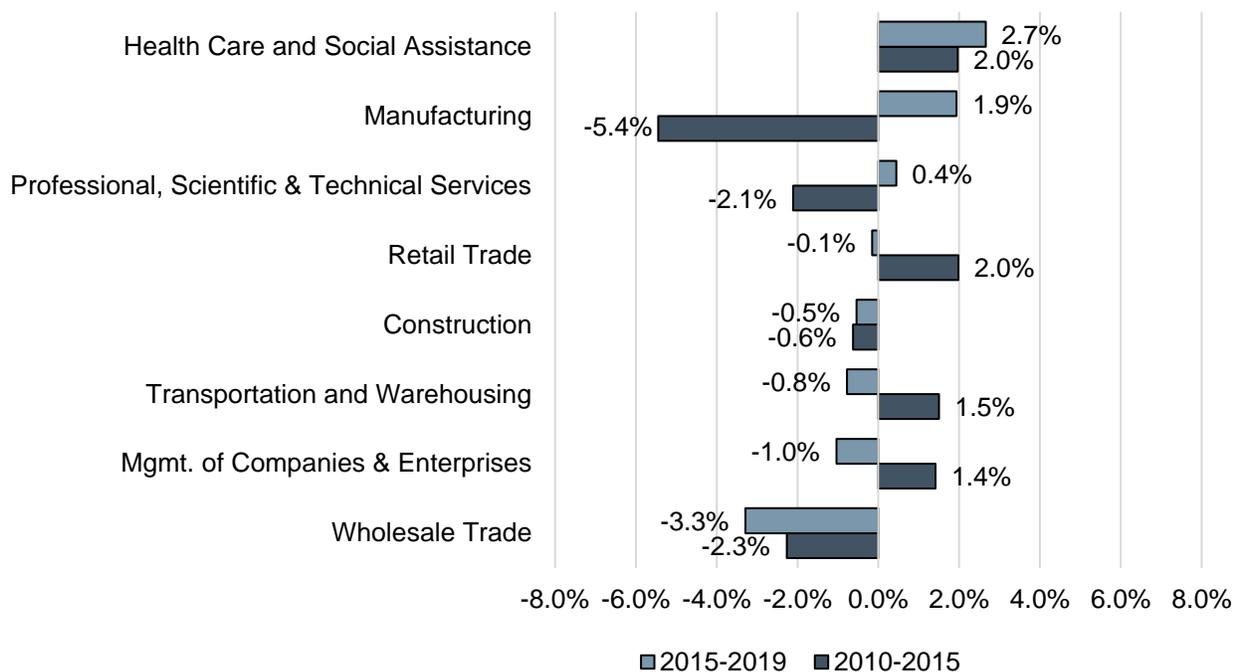
As shown in Figure 59, the share of industrial employment in Halton Region Employment Areas continued to decline in a number of key sectors from the 2010 to 2015 period to the 2015 to 2019, including wholesale trade (decline in employment share of 3.3% from 2015 to 2019) and construction (decline of 0.8%). The transportation and warehousing sector also experienced an employment share decline of 0.8% from 2015 to 2019 after an increase of 1.5% from 2010 to 2015. Of the industrial sectors, only manufacturing showed an increase in employment share over the 2015 to 2019 period, with a strong increase of 1.9%. For commercial and institutional sectors, health care and social assistance had the strongest increase in its relative share of employment during both periods, and professional, scientific and



technical services had a strong rebound from 2015 to 2019 with an increase of 0.4%, up from -2.1%.

Retail trade and management of companies and enterprises had a decline in their relative share of employment over the 2015 to 2019 period after experiencing an increase from 2010 to 2015.

Figure 59: Halton Region Employment Areas – Change in Share of Employment by Select Sector, 2010 to 2015 and 2015 to 2019



Source: Derived from 2015 and 2019 Halton Region Employment Survey and Halton Region Investment Readiness and Competitiveness Study by Watson & Associates Economists Ltd., 2020.

## 6.2 Development Activity on Employment Lands

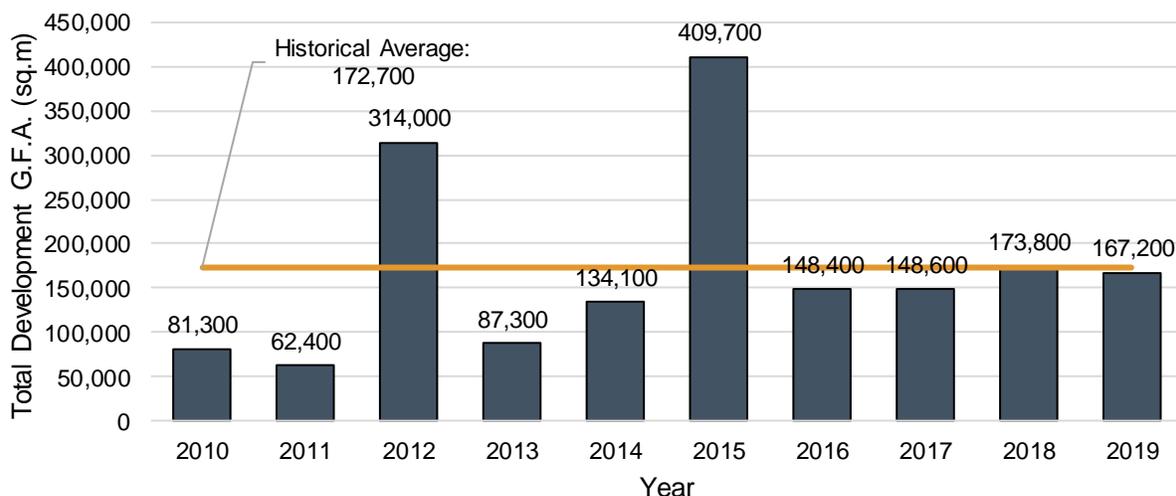
Figure 60 summarizes building construction (new development and expansions) within Halton Region’s Employment Areas over the past decade (i.e. 2010 to 2019), expressed in G.F.A. As summarized, Halton Region accommodated an average of 172,700 sq.m (1.9 million sq.ft.) of development within Employment Areas annually over the historical period reviewed. Following a decline in the level of development activity after the 2009/2010 economic downturn, Halton Region experienced steadily increasing levels of development activity from 2012 to 2019, with significantly strong activity in 2012 and



2015. While development activity on employment lands has rebounded, it has been below levels experienced prior to the global economic recession of 2009.

Over the past five years (2015 to 2019), new construction accounted for 79% of development activity within Employment Areas compared to 21% for additions/expansions.<sup>1</sup>

Figure 60: Halton Region Development Activity on Employment Lands, 2010 to 2019



Source: Derived from Halton Region data by Watson & Associates Economists Ltd., 2020.

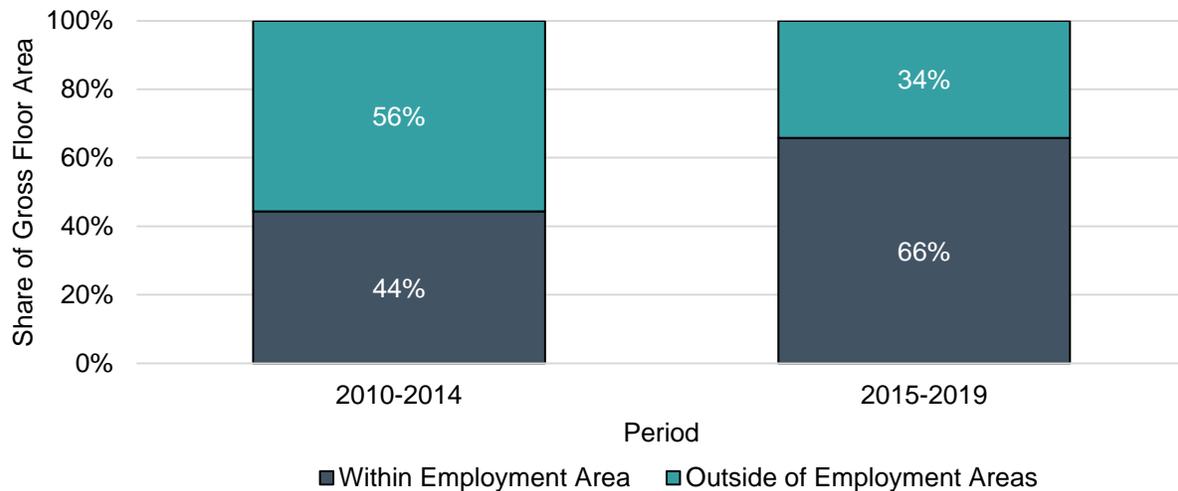
Over the past five years (2015 to 2019), development within Halton Region's Employment Areas accounted for 66% of municipal-wide non-residential development, as illustrated in Figure 61. This is compared to 44% over the 2010 to 2014 period, which suggests that the Region's Employment Areas are accommodating an increasing share of municipal-wide non-residential development activity.

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<sup>1</sup> Derived from Halton Region building permit data by Watson & Associates Economists Ltd.



Figure 61: Halton Region, Non-Residential Building Permit Activity within the Region's Employment Areas – as a Share of Municipal-Wide Total

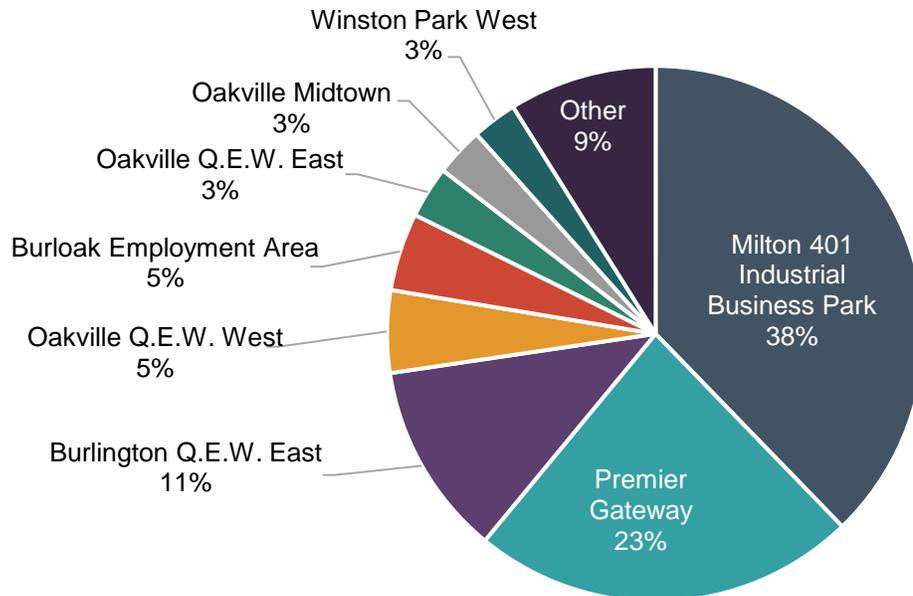


Source: Derived from Halton Region data by Watson & Associates Economists Ltd., 2020.

As presented in Figure 62, over the 2015 to 2019 period, almost two-fifths (38%) of development within Halton Region's Employment Areas was accommodated within the Milton 401 Industrial Business Park. Premier Gateway Business Park accounted for 23%, Burlington Q.E.W. East 11%, Oakville Q.E.W. West 5%, Burloak Employment Area 5%, Oakville Q.E.W. East 3%, Oakville Midtown 3%, and Winston Park West 3%, and all other remaining Employment Areas comprised 9%.



Figure 62: Halton Region, Non-Residential Building Permit Activity on Employment Lands by Employment Area, 2015 to 2019

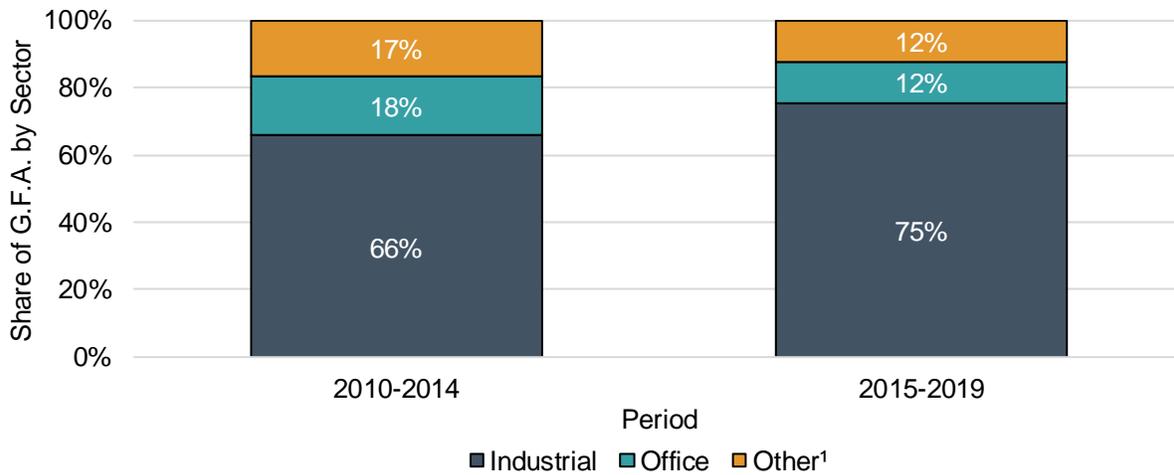


Source: Derived from Halton Region data by Watson & Associates Economists Ltd., 2020.

As presented in Figure 63, over the 2015 to 2019 period, 75% of development in Employment Areas was in the industrial sector compared to 12% in the office sector and 12% for all other uses. This is compared to 66% in the industrial sector, 18% in the office sector and 17% for all other uses over the 2010 to 2014 period. This suggests that the Region's development activity in Employment Areas has gradually shifted in recent years to encompass a greater share of industrial uses. This shift is largely associated with growth in the distribution and logistics sectors and the rebound in the manufacturing industry. This demand, coupled with historically low industrial vacancy rates, continues to drive the need for new industrial development in Halton Region.



Figure 63: Halton Region, Non-Residential Building Permit Activity on Employment Lands by Sector, 2010 to 2019



<sup>1</sup> Other includes retail & personal services, institutional and any remaining uses.

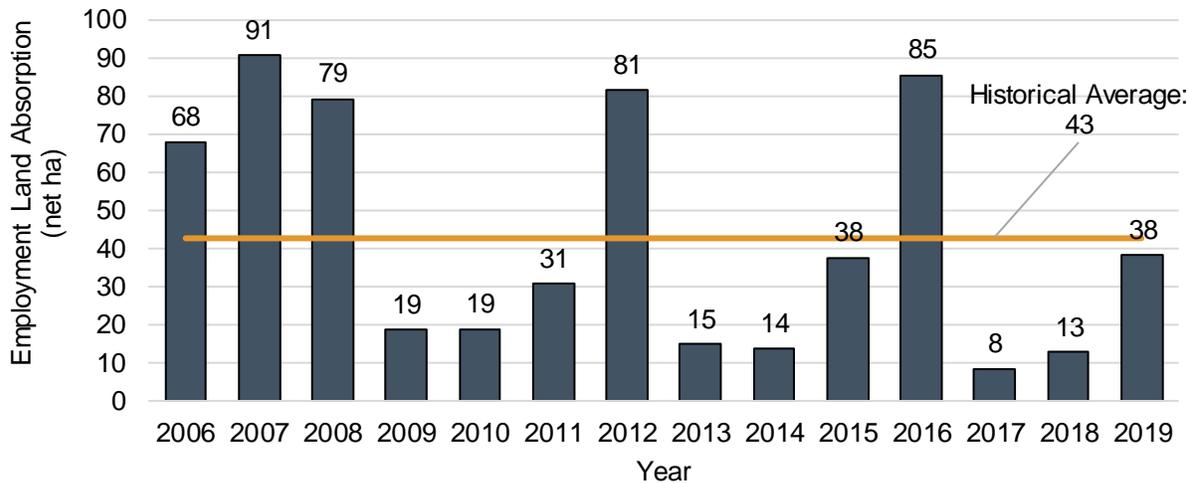
Source: Derived from Halton Region data by Watson & Associates Economists Ltd., 2020.

### 6.3 Employment Land Absorption Trends

Figure 64 summarizes annual absorption of employment lands within Halton Region over the 2006 to 2019 period. Over the period, approximately 598 net ha (1,479 net acres) of employment lands were absorbed in Halton Region. As illustrated, employment land absorption levels averaged approximately 43 net ha (106 net acres) per year over the period. Since 2011, employment land absorption has averaged 36 net ha (89 net acres) per year, notably lower than the 2006 to 2010 average of 55 net ha (136 net acres) per year, as summarized in Figure 65.

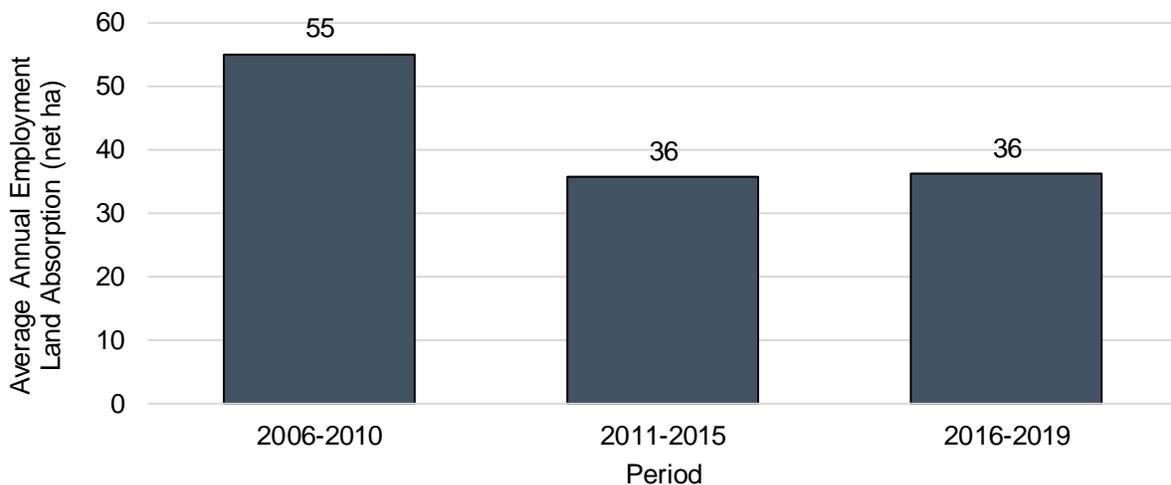


Figure 64: Halton Region, Annual Employment Land Absorption, 2006 to 2019



Source: Derived from Halton Region data by Watson & Associates Economists Ltd., 2020.

Figure 65: Halton Region, Average Annual Employment Land Absorption, 2006 to 2010, 2011 to 2015 and 2016 to 2019

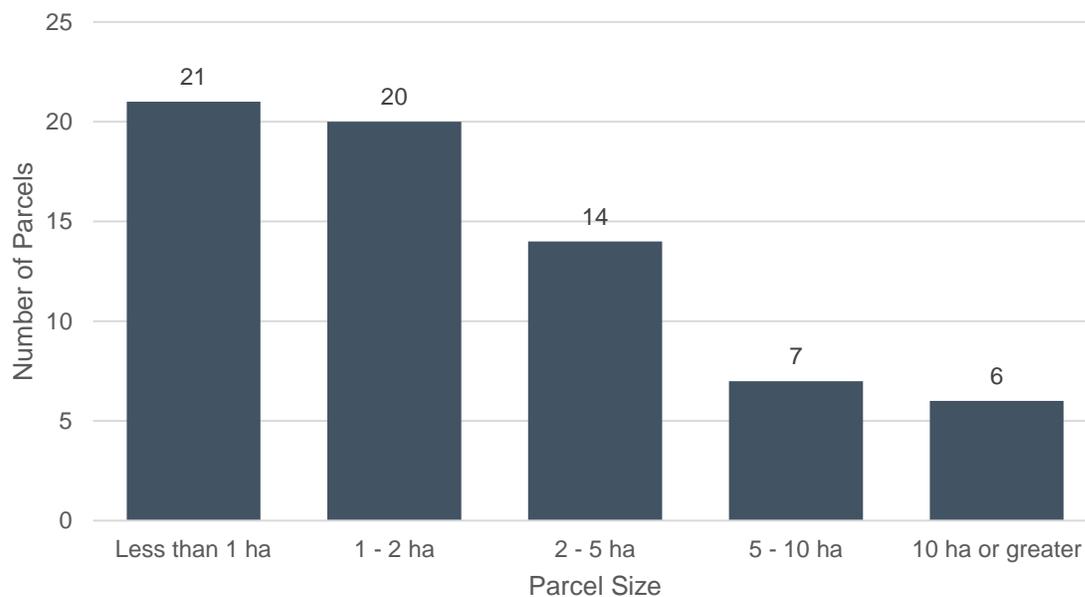


Source: Derived from Halton Region data by Watson & Associates Economists Ltd., 2020.

Figure 66 summarizes employment land absorption within Halton Region from 2011 to 2019 by parcel size class. Over this period, approximately 250 ha (618 net acres) of employment lands were absorbed. Nearly half (46%) the employment land that was absorbed over this period as for large parcels greater than 10 ha in size. Of sites absorbed over the period, about one-third in Halton Region were smaller than 1 hectare.



Figure 66: Employment Lands Absorption by Parcel Size, 2011 to 2019

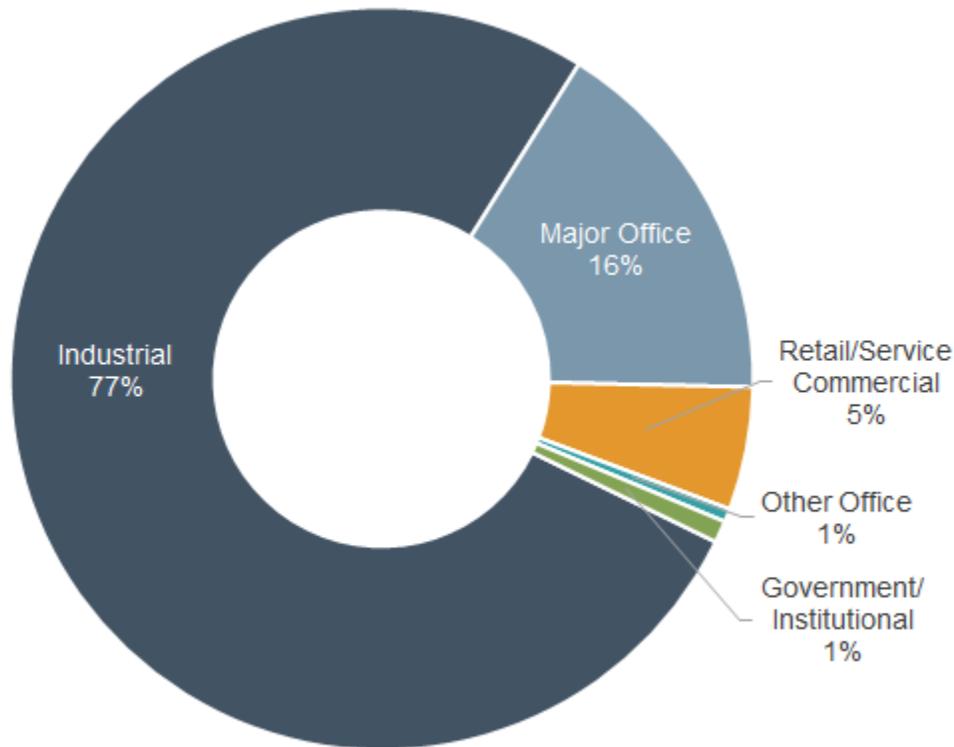


Source: Watson & Associates Economists Ltd., 2020.

Figure 67 identifies the type of buildings that were accommodated on absorbed employment lands between 2011 and 2019. As shown, over three quarters of the employment lands absorbed during this period was to accommodate industrial uses. In that same period, only 16% of absorbed employment lands were for office use, 5% were related to retail/service commercial. Only 1% of the total absorbed employment lands were for government/institutional uses.



Figure 67: Employment Lands Absorption ha Share by Land-use Type, 2011 to 2019



Source: Region of Halton non-residential building permit data by Watson & Associates Economists Ltd., 2020.

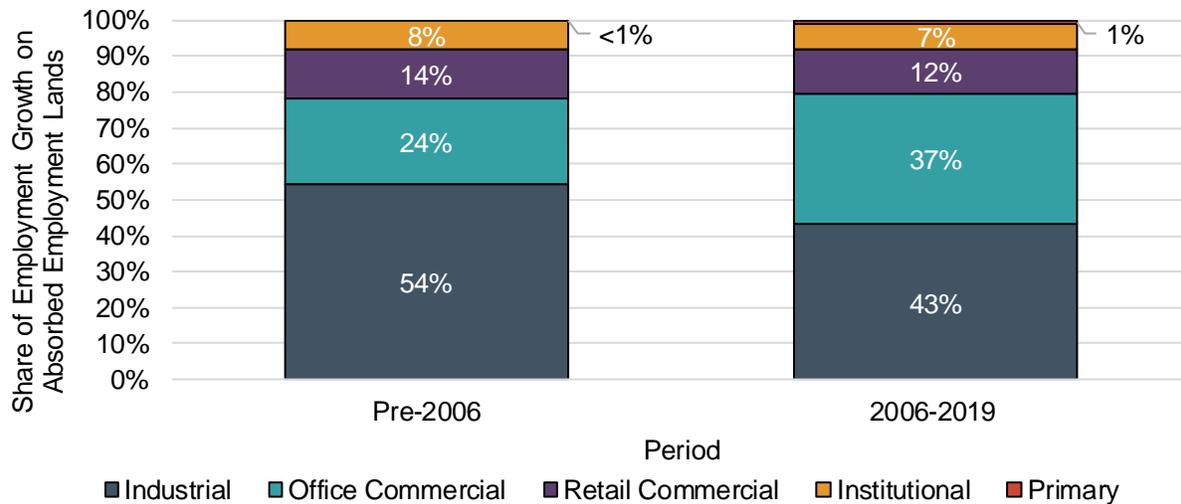
Figure 68 summarizes the employment accommodated on employment lands absorbed over the 2006 to 2019 period by major employment sector compared to lands absorbed prior to 2006.<sup>1</sup> As shown, 43% of employment growth since 2006 has been in the industrial sector, followed by 37% in office employment, 12% in retail/personal services, 7% in institutional and 1% in primary. Relative to pre-2006 growth on absorbed employment lands, the office commercial sector had a significant increase in its share of employment growth from 24% pre-2006 to 37% from 2006 to 2019, while the industrial sector experienced a decline in its share from 54% to 43%. The share of employment growth on absorbed employment lands in retail/commercial, institution and primary sectors was relatively stable between the two periods.

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<sup>1</sup> As identified through data provided by Halton Region.



Figure 68: Halton Region Employment Growth on Absorbed Employment Lands by Major Sector



Source: Derived from Halton Region data by Watson & Associates Economists Ltd., 2020.

## 6.4 Opportunities to Accommodate Development within Employment Areas

As previously discussed, the competitiveness of Halton Region's export-based economy is partly determined by the availability and quality of its developable employment lands. Further, market choice of shovel-ready industrial lands and the potential for future expansion are key factors in the industrial site selection process. The following provides a comprehensive assessment of the Region's vacant employment land supply.

Figure 69 summarizes the total developed and net vacant employment land supply for Halton Region by Employment Area:

- Halton Region's vacant employment lands total 2,214 net ha (5,470 net acres) with nearly two-thirds located in North Halton with 961 net ha (2,375 net acres) in Milton and 427 net ha (1,055 net acres) in Halton Hills.
- While North Halton's designated employment land supply is relatively large, the designated employment lands supply in Halton Hills anticipated to be available for development by 2041 is about one-third lower than reported above, totalling



an estimated 283 net ha (699 net acres), reflecting lands constrained due to the G.T.A. West Corridor<sup>1</sup> Protection Area.

- Many Employment Areas in North Halton offer significant greenfield opportunities to accommodate development over the short, medium, and longer term. This includes Derry Green Business Park and Premier Gateway Business Park, Agerton Employment Area, Milton Education Village, Southwest Milton, and Milton 401 Industrial/Business Park Expansion Lands.
- Within South Halton, vacant designated employment lands are largely concentrated in Oakville (678 net ha or 1,675 net acres) while Burlington has a relatively limited supply remaining (148 net ha or 366 net acres).
- With the exception of the Burloak and Burlington Q.E.W. East Employment Areas, South Halton's Employment Areas along the Q.E.W. corridor are approaching buildout with limited vacant employment lands remaining. Within South Halton, greenfield employment lands development over the longer term will largely be accommodated within North Oakville.

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<sup>1</sup> The Town of Halton Hills Employment Land Needs Assessment Phases 1 and 2 Final Report, January 14, 2020, prepared by Watson & Associates Economists Ltd. identified that 144 net ha of designated employment lands within the Premier Gateway Area would not be available by 2041 due to G.T.A. West Corridor Protection Area. The data presented herein does not reflect the August 2020 announcement regarding the Preferred Route and the 2020 Focused Analysis Area.



Figure 69: Halton Region Employment Areas – Developed and Vacant Employment Land Supply

Employment Area	Total Size (net ha)	Developed (net ha)	Vacant (net Ha)	% Vacant
<b>Burlington</b>				
<i>Burlington Q.E.W. East</i>	944	857	87	9%
<i>Burlington Q.E.W. West</i>	204	185	20	10%
<i>Burlington North (Alton)</i>	127	86	41	32%
<b>Burlington Total</b>	<b>1,275</b>	<b>1,128</b>	<b>148</b>	<b>12%</b>
<b>Halton Hills</b>				
<i>Premier Gateway Business Park (South of Steeles)</i>	388	223	165	43%
<i>Acton Employment Area</i>	87	57	30	34%
<i>Georgetown Employment Area</i>	120	117	3	3%
<i>Mansewood Industrial Area<sup>1</sup></i>	30	28	2	7%
<i>401/407 Gateway Business Park (North of Steeles)</i>	270	43	227	84%
<b>Halton Hills Total</b>	<b>895</b>	<b>468</b>	<b>427</b>	<b>48%</b>
<b>Milton</b>				
<i>401 Industrial/Business Park</i>	787	724	63	8%
<i>Derry Green Business Park</i>	391	-	391	100%
<i>401 Industrial/Business Park Expansion</i>	126	-	126	100%
<i>Milton Education Village</i>	70	3	67	96%
<i>Southwest Milton (CN Lands)</i>	208	-	208	100%
<i>Agerton</i>	120	14	106	88%
<i>Other</i>	20	20	-	0%
<b>Milton Total</b>	<b>1,722</b>	<b>761</b>	<b>961</b>	<b>56%</b>
<b>Oakville</b>				
<i>Burloak Employment District</i>	203	48	155	76%
<i>Midtown Core Employment District</i>	32	29	3	9%
<i>Oakville Q.E.W. East Employment District</i>	404	364	40	10%
<i>Oakville Q.E.W. West Employment District</i>	481	462	19	4%
<i>Winston Park Employment District</i>	193	188	5	3%
<i>Winston Park West</i>	83	51	32	39%
<i>North Oakville East Employment District</i>	234	-	234	100%
<i>North Oakville West Employment District</i>	201	11	190	95%
<b>Oakville Total</b>	<b>1,831</b>	<b>1,153</b>	<b>678</b>	<b>37%</b>
<b>Halton Region Total</b>	<b>5,723</b>	<b>3,510</b>	<b>2,214</b>	<b>39%</b>

<sup>1</sup> On private servicing

Source: Adapted from Region of Halton IGMS Growth Scenarios, Full Report by Watson & Associates Economists Ltd. Lands identified located within Region's Employment Areas

### 6.4.1 Shovel-ready Industrial Land Supply

As previously stated, market choice of shovel-ready employment lands and potential for future expansion are key factors in the industrial site selection process. Based on a



further review, it was determined that Halton Region has approximately 463 net ha (1,143 net acres) of shovel-ready<sup>1</sup> net vacant employment lands.

Figure 70 summarizes the share of shovel-ready employment land, by parcel size. As shown, vacant shovel-ready sites of less than 2 net ha (5 net acres) represent the majority (58%) of the land parcels available for development. These include sites measuring less than 1 net ha which account for 35% and sites of 1 to 2 net ha (2.5 to 5 net acres) which account for 23% of the vacant shovel-ready parcels on industrial lands. In terms of medium and larger sized parcels, those measuring 2 to 5 net ha (5 to 12 net acres) account for 23% of the supply of vacant shovel-ready parcels, while larger sites greater than 5 ha (12 acres) account for 19% of the shovel-ready vacant parcels available for development.

Figure 70: Region of Halton Shovel-ready Industrial Lands by Parcel Size

Parcel Size (Net hectares)	"Shovel-Ready" <sup>1</sup> Land Parcels	
	Parcels (#)	Share of Parcels (%)
Less than 1 Ha	46	35%
1-2 Ha	30	23%
2-5 Ha	31	23%
5-10 Ha	11	8%
10 Ha or Greater	15	11%
<b>Total</b>	<b>133</b>	<b>100%</b>

Source: Watson & Associates Economists Ltd., 2020.

<sup>1</sup> "Shovel-Ready" lands are defined as those that are serviced and zoned, and generally considered potentially developable in the short term (i.e. next six months).

As summarized in Figure 71, the shovel-ready vacant employment land supply in Halton Region is concentrated along the Highway 401 corridor within the Derry Green Business Park and Premier Gateway Business Park and, and along the Q.E.W. corridor in east Burlington and west Oakville within the Burlington Q.E.W. East District and the Burloak Employment Area, respectively. Shovel-ready vacant employment lands in other Employment Areas within Halton Region are more limited which constrains short to medium-term greenfield development potential in these locations.

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<sup>1</sup> Shovel-ready employment lands are defined as vacant parcels which have regional and local servicing in place (i.e. water, sewer, stormwater, and roads infrastructure). In addition, all planning and environmental approvals are in place.



Figure 71: Halton Region Employment Areas – Shovel-ready Vacant Employment Land

Employment Area	Total Net Ha	Parcels by Size Class						Parcels
		Less than 1 ha	1 - 2 Ha	2 - 5 Ha	5- 10 Ha	10 + Ha		
401 Industrial and Business Park	24	7	4	1	1	0	13	
401/407 Gateway Business Park	65	0	0	1	2	3	6	
Acton Employment Area	8	6	3	0	0	0	9	
Burlington North	23	0	2	3	2	0	7	
Burlington QEW East	47	10	5	5	2	0	22	
Burlington QEW West	9	1	2	2	0	0	5	
Burloak Employment District	37	2	1	6	2	3	14	
Derry Green Business Park	193	0	1	4	1	9	15	
Georgetown Employment Area	2	3	0	0	0	0	3	
Mansewood Industrial Area	2	0	2	0	0	0	2	
Midtown Core Employment District	0	0	0	0	0	0	0	
North Oakville West Employment District	12	1	1	4	0	0	6	
Q.E.W. East Employment District	11	3	1	3	0	0	7	
Q.E.W. West Employment District	19	9	3	1	1	0	14	
Winston Park Employment District	4	2	2	0	0	0	4	
Winston Park West Employment District	7	2	3	1	0	0	6	
<b>Halton Region Total</b>	<b>463</b>	<b>46</b>	<b>30</b>	<b>31</b>	<b>11</b>	<b>15</b>	<b>133</b>	

Source: Watson & Associates Economists Ltd., 2020.

## Market Choice Requirements.

The Halton R.O.P. requires that the Region provide a minimum 10-year supply of vacant employment lands at all times. Based on recent absorption trends, it appears that Halton is currently meeting this requirement. Relative to recent absorption trends, Halton’s overall composition of shovel-ready lands by parcel size appears to be well balanced against market demand for a broad range of parcel sizes.

With respect to large scale development opportunities, Phase 1 of the Derry Green Business Park offers significant shovel-ready development opportunities. Currently, a number of developers, including Orlando, Menkes, Broccolini and Oxford Properties are developing sections of the park catering to large-scale distribution/logistic centres with 136 net ha of land currently shovel ready. Phase 1A of the Premier Gateway Business Park also offers some opportunities for large-scale industrial development. Based on recent development and absorption trends, North Halton appears to have sufficient shovel-ready land supply to meet the needs of industrial development demand over the short to medium term. The supply of shovel-ready employment lands in South Halton is limited, particularly for medium and large-sized industrial development.

With respect to office development, the Region’s shovel ready supply is concentrated in South Halton within Burloak Employment Area and Burlington Q.E.W. East and Oakville North Employment Area.



## 6.5 Review of Density Trends in Employment Areas

The following section provides a review of density trends in Employment Areas with respect to employment density, average floor space per worker (F.S.W.) and average floor space index (F.S.I.). Commentary on recent trends and potential impacts on future employment land demand is also provided.

Figure 72 illustrates the employment density and land utilization characteristics of employment lands absorbed in Halton Region before 2006, and over the 2006 to 2011 and 2011 to 2019 periods compared to the 2019 employment lands base. As shown, as of 2019 the employment density on absorbed employment lands has averaged 34 jobs per net ha (14 jobs per net acre), characterized by an average building F.S.I. of 25% and an estimated F.S.W. of 72 sq.m (776 sq.ft.).

Over the 2006 to 2010 period, employment densities within new development on absorbed employment lands were moderately higher than the existing base. During the 2011 to 2019 period, employment densities experienced a decrease relative to the 2006 to 2010 period and comparable to the existing base. This was attributed to the higher composition of lower density uses such as transportation and warehousing and wholesale trade accommodated on these lands, with lower F.S.W. attributes, although F.S.I. was notably higher than the existing base.

Figure 72: Halton Region Employment Density on Employment

	Employment Land Absorption			2019 Employment Land Base
	Pre-2006	2006-2010	2011-2019	
Jobs per Hectare	34	40	32	34
Floor Space per Worker (sq.m)	69	80	94	72
Floor Space Index	23%	32%	30%	25%

Source: Derived from Halton Region data by Watson & Associates Economists Ltd., 2020.

Figure 73 illustrates existing employment densities by Employment Area. As shown, the densities by Employment Area vary significantly with highest densities generally observed within Employment Areas located along the Q.E.W. corridor including Winston Park Employment District, Burlington Q.E.W. East, Oakville Q.E.W. West, Midtown Core Employment District and Oakville Q.E.W. East Employment District. Employment densities are significantly lower along the Highway 401 corridor, most notably in the Milton 401 Industrial/Business Park and Premier Gateway Business Park.



Figure 73: Employment Density on Employment Lands by Employment Areas, 2019

Employment Area	Jobs per Net ha	F.S.W. (sq.m)	F.S.I.
<b>Burlington</b>			
<i>Burlington Q.E.W. East</i>	44	48	28%
<i>Burlington Q.E.W. West</i>	18	41	9%
<i>Burlington North (Alton)</i>	9	33	8%
<b>Halton Hills</b>			
<i>Premier Gateway Business Park (South of Steeles)</i>	12	328	24%
<i>Acton Employment Area</i>	24	53	17%
<i>Georgetown Employment Area</i>	44	46	23%
<i>Mansewood Industrial Area</i>	8	37	8%
<b>Milton</b>			
<i>401 Industrial/Business Park</i>	21	98	26%
<b>Oakville</b>			
<i>Burloak Employment District</i>	15	40	8%
<i>Midtown Core Employment District</i>	38	36	26%
<i>Oakville Q.E.W. East Employment District</i>	36	77	30%
<i>Oakville Q.E.W. West Employment District</i>	43	45	25%
<i>Winston Park Employment District</i>	66	47	38%
<i>Winston Park West</i>	10	88	24%

Source: Derived from Halton Region data by Watson & Associates Economists Ltd., 2020.

Figure 74 illustrates the F.S.W. and jobs per net ha for employment within buildings in Employment Areas by building type.<sup>1</sup> Commercial buildings have the highest densities including major office buildings (3 storeys or greater) with 141 jobs per net ha (57 per net acre) and an F.S.W. of 20 per sq.m (215 per sq.ft.), and retail/commercial buildings with 46 jobs per net ha (19 jobs per net acre) and an F.S.W. of 46 sq.m (495 sq.ft.). In comparison, traditional manufacturing buildings and distribution/logistics warehouse buildings have relatively low densities.

<sup>1</sup> Building typology defined as per the 2019 Halton Region Employment Survey.



Figure 74: Halton Region Employment Density by Building Type

Building Type	Jobs per net ha	F.S.W. (sq.m)
Major Office(3 storeys or greater)	141	20
Light Industrial/Office Plaza	46	38
Retail/Commercial	46	46
Traditional Manufacturing Building	29	82
Distribution/Logistics Warehouse	23	108
Government/Institutional	20	70

Source: Derived from Halton Region data by Watson & Associates Economists Ltd., 2020.

There are several macro-economic trends that are influencing average density levels in Employment Areas. Generally, average density levels on employment lands are declining in the manufacturing sector, as domestic manufacturers focus efforts on increased efficiency and competitiveness through automation. This trend is coupled with increasing demand for large, land-extensive warehousing and logistics facilities to support distribution and transportation of goods throughout the expanding urban population base.

The evolving form of industrial and non-industrial development on employment lands is also influencing average density levels on employment lands. Increasingly, major employers accommodated on employment lands are integrating industrial, office and training facilities on-site. These sites also provide significant land area to accommodate surface parking and, in some areas, future expansion potential. On average, employment density levels for integrated office/distribution and training facilities are much lower than standalone major office developments.

On the other hand, growing demand within the multi-tenant industrial and flex office space is anticipated to have an upward influence on average employment densities on employment lands. Office employment on employment lands also generates demand for on-site and off-site employment amenities that also tend to have an upward influence on average employment density on employment lands.

As discussed above, over the 2011 to 2019 period, employment density on absorbed employment lands within the Region of Halton averaged approximately 32 jobs per net ha (13 jobs per net acre). Reflective of anticipated trends in employment density by sector as discussed above, it is anticipated that employment density on employment lands within the Region of Halton over the 2019 to 2041 period will be moderately higher than what has been achieved over the 2011 to 2019 period.



## 6.6 Underutilized Developed Employment Lands

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Given the large number of established Employment Areas in Halton Region, a wide array of opportunities for intensification exists. While it is beyond the scope of this assignment to undertake an Employment Areas intensification study, a high-level review to assess the share of underutilized sites has been provided to determine supply potential for intensification.

### Intensification Supply Potential

Intensification can take a number of forms, including development of underutilized lots (infill), expansion (horizontal or vertical) of existing buildings and redevelopment of sites.

Intensification offers the potential to accommodate future employment growth and achieve improved land utilization resulting in higher employment density on developed employment lands. Higher land utilization on existing employment lands can also lead to more effective use of existing infrastructure (e.g. roads, water/sewer servicing), a built form that is more conducive to support public transit, resulting in communities that are more functional and complete. Through a high-level desktop review using the developed industrial parcel inventory, building footprints and orthophoto overlays, 960 ha (2,372 acres) of Halton Region's developed employment lands were identified as underutilized. This reflects parcels that have:

- Sites that are currently used exclusively for open storage and/or parking;
- Parcels with relatively low building F.S.I. (less than 10%); and
- Vacant buildings.

The underutilized parcels account for 28% of the total developed employment land base in Halton Region. The highest share of underutilized lands is in the Region's older industrial areas.

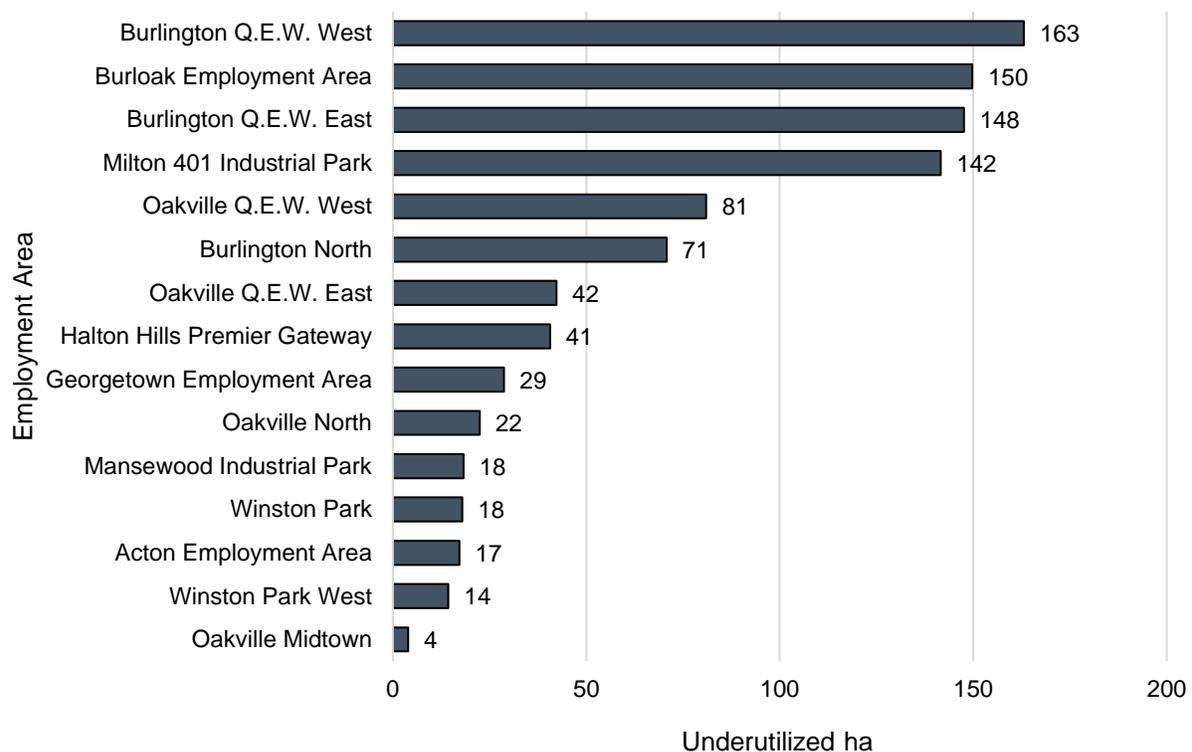
Opportunities for infill development and building expansion exist within the Region's existing Employment Areas. An estimated 253 ha (625 acres) of land are utilized for storage/parking which could be intensified or redeveloped. A further 618 ha (1,527 acres) are developed with building F.S.I. of less than 10%. Another 89 ha (220 acres) of land have buildings which are currently not occupied by businesses based on data from the 2019 Halton Region Employment Survey. Intensification of these sites would



increase employment densities and generate higher utilization of developed employment lands.

Underutilized parcels are located in a number of more mature Employment Areas including 164 ha (403 acres) in the Burlington Q.E.W. West Employment Area, 150 ha (370 acres) in the Burloak Employment Area, 148 ha (365 acres) in the Burlington Q.E.W. East Employment Area, and 142 ha (350 acres) in the Milton 401 Industrial Park, illustrated in Figure 75.

Figure 75: Halton Region, Underutilized Employment Lands by Employment Area, 2019



Source: Derived from Halton Region data by Watson & Associates Economists Ltd., 2020.

### 6.6.1 Evaluation of Intensification Potential

Identifying and evaluating intensification opportunities against market demand is challenging. The intensification potential of the underutilized employment lands will largely be determined by future development plans of existing or future landowners,



which are highly speculative. Infill and redevelopment of existing developed lands will occur over time, largely driven by market demand for land development opportunities.

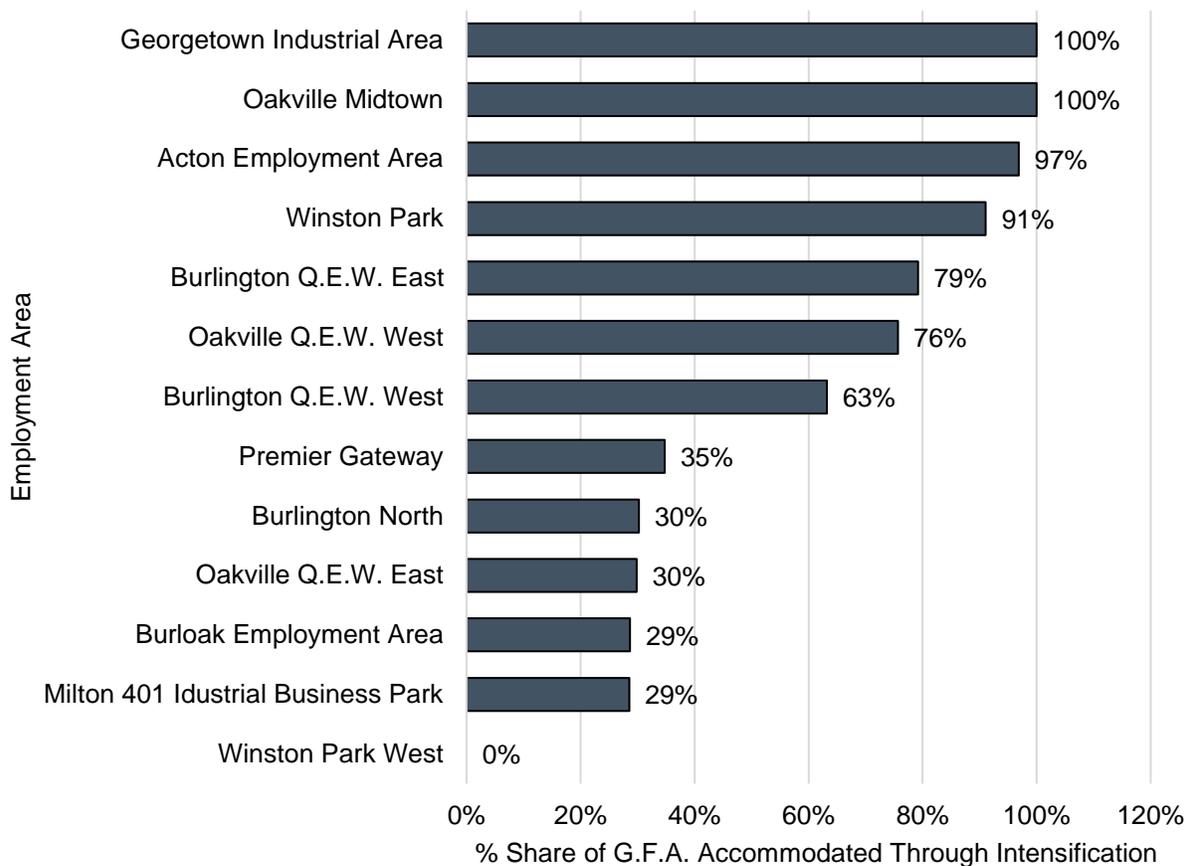
Over the 2011 to 2019 period, expansions and new construction on developed employment lands accounted for approximately 43% of building G.F.A.<sup>1</sup> This suggests that a notable share of recent development activity on employment lands is being accommodated through intensification of underutilized properties. The largest share of activity has been in South Halton; however, both North and South Halton have experienced high shares of activity, specifically the Georgetown Industrial Area (100%), Oakville Midtown (100%), Acton Employment Area (97%), Winston Park (91%), Burlington Q.E.W. East Employment Area (79%), Oakville Q.E.W. West Employment District (76%) and Burlington Q.E.W. East Employment Area (63%).

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<sup>1</sup> Watson & Associates Economists Ltd. estimate based on review of total building G.F.A. on industrial lands compared to building G.F.A. on absorbed industrial lands over the 2011 to Y.T.D. 2018 period.



Figure 76: Halton Region, Expansions and New Construction on Developed Employment Lands as a Share of Total Development Activity by Employment Area, 2011 to 2019



Source: Derived from Halton Region data by Watson & Associates Economists Ltd., 2020.

Redevelopment activity has been limited and the majority of the recent activity has been related to expansion activity of existing businesses. Infill and redevelopment of existing developed lands are expected to continue to increase over time, largely driven by rising employment land values and related development costs and the continued buildout of Halton Region's employment lands, especially in the most marketable locations.

## 6.7 Halton Region Employment Area Profiles

The following provides a profile of North Halton's existing Employment Areas. The key observations are summarized in Figure 77 with employment land structure mapping provided in Figures 79 through 82.



**Acton Employment Area** – With a developed area of 57 net ha (141 net acres), the Acton Employment Area is a mature Employment Area. It is located in the community of Acton on the north side of Highway 7 in Halton Hills. The Acton Employment Area accommodates 1,370 jobs and 35 businesses and has a high concentration of small to mid-sized firms. The Employment Area has a high share of industrial employment largely in manufacturing, construction, and wholesale trade sectors.

**Derry Green Business Park** – The Derry Green Business Park is an emerging Employment Area located in South Milton, bound by James Snow Parkway to the west, Highway 401 to the north. The Employment Area has three phases of development with a total net developable area of 391 net ha (966 net acres). Phase 1 of the park is currently in development with a net developable area of 267 net ha (660 net acres)

**Georgetown Employment Area** – The Georgetown Employment Area is located on the north side of Highway 7 in the community of Georgetown and has a developed area of 117 net ha (290 net acres). The Employment Area contains 175 businesses and an employment base of approximately 5,200 with the manufacturing sector accounting for approximately 60% of the employment base. The Employment Area is largely built out.

**Milton 401 Industrial Business Park** – The Milton 401 Industrial/Business Park abuts the north and south sides of Highway 401 and, with a developed land area of 724 net ha (1,790 net acres), has the largest concentration of employment lands in North Halton. The Employment Area is home to approximately 17.4 million sq.ft. of industrial space, 17,500 jobs and 545 businesses, and has a strong industrial base in distribution/logistics, manufacturing and transportation uses. The park is approaching buildout and a decreasing variety of site options remain.

**Premier Gateway Industrial Park** – The Premier Gateway Business Park is situated on the southern edge of Halton Hills along the north side of Highway 401, between James Snow Parkway (and the Town of Milton) in the west and the City of Mississauga to the east. With a developed land base of 223 ha (550 net acres) entirely located in the first phase of the park, the park is an emerging Employment Area that has experienced significant employment land absorption activity over the past five years. The Employment Area is home to 165 businesses employing approximately 3,900 people.



**Mansewood Industrial Park** – The Mansewood Industrial Area is a rural industrial subdivision located in Halton Hills on Regional Road 25 immediately north of the Milton 401 Industrial/Business Park. Mansewood is a privately serviced industrial area with five businesses and an employment base of 240, with a high concentration of employment in the manufacturing and transportation sectors. With a developed area of 28 net ha (69 net acres), it is one of the smallest Employment Areas in Halton Region and is largely built out.

Figure 77: Profile of North Halton Employment Areas

	Acton Employment Area	Georgetown Employment Area	Milton 401 Employment Area	Premier Gateway Employment Area	Mansewood Employment Area
<b>Economic and Physical Structure</b>					
Total Employment	1,370	5,170	17,490	3,890	240
Total Businesses	35	175	545	165	5
Developed Land Base (Net Ha)	57	117	724	223	28
Industrial G.F.A.	231,000	2,543,000	17,429,000	3,953,000	NA
Major Office G.F.A.	NA	NA	NA	NA	NA
<b>Employment by Sector (2-Digit NAICS)</b>					
<i>Agriculture, forestry, fishing and hunting</i>	0%	0%	0%	0%	0%
<i>Mining, quarrying, and oil and gas extraction</i>	0%	0%	0%	0%	14%
<i>Utilities</i>	0%	0%	2%	0%	0%
<i>Construction</i>	8%	4%	4%	1%	14%
<i>Manufacturing</i>	44%	61%	26%	18%	23%
<i>Wholesale trade</i>	12%	1%	17%	2%	0%
<i>Retail trade</i>	2%	2%	10%	52%	0%
<i>Transportation and warehousing</i>	21%	7%	11%	19%	29%
<i>Information and cultural industries</i>	0%	10%	1%	0%	0%
<i>Finance and insurance</i>	0%	0%	0%	0%	3%
<i>Real estate and rental and leasing</i>	0%	1%	1%	0%	17%
<i>Professional, scientific and technical services</i>	12%	1%	2%	0%	0%
<i>Management of companies and enterprises</i>	1%	0%	0%	0%	0%
<i>Administrative and support, waste management and remediation services</i>	0%	5%	6%	0%	0%
<i>Educational services</i>	0%	1%	1%	0%	0%
<i>Health care and social assistance</i>	0%	1%	1%	0%	0%
<i>Arts, entertainment and recreation</i>	0%	1%	1%	0%	0%
<i>Accommodation and food services</i>	0%	0%	6%	3%	0%
<i>Other services (except public administration)</i>	0%	2%	2%	2%	0%
<i>Public administration</i>	0%	2%	8%	1%	0%
Industrial Market Rent (per sq.ft.)	Not Available				
Office Market Rent (per sq.ft.)	Not Available				
Industrial Vacancy Rate (%)	0.0%	0.0%	0.9%	1.0%	NA
Office Vacancy Rate (%)	NA	NA	NA	NA	NA
Average Employment Land Price (\$ per acre)	NA	1,184,000	922,000	308,000	NA
<b>Development Activity Trends</b>					
Land Absorption (Net Ha), 2015-2019	2	0	72	60	4
Total Development Activity (G.F.A.), 2015-2019 - total sq.m	197,000	113,000	4,322,000	2,654,000	36,000
Industrial Development Activity (G.F.A.), 2015-2019 (% share of G.F.A. total)	94%	100%	95%	99%	77%
Office Development Activity (G.F.A.), 2015-2019 (% share of total G.F.A. total)	6%	0%	2%	0%	23%
Other Commercial/Institutional Development Activity (G.F.A.), 2015-2019 (% share of total G.F.A. share)	0%	0%	3%	0%	0%
<b>Opportunities to Accommodate Growth</b>					
Vacant Employment Lands (Net Ha)	30	3	63	165	2
Shovel-Ready Land Supply (Net Ha)	8	2	24	65	2
Underutilized Employment Lands (Net Ha)	17	29	142	41	18

Source: Watson & Associates Economists Ltd., 2020.



The following provides a profile of South Halton's existing Employment Areas. The key observations are summarized in Figure 78.

**Burlington North** – Burlington North is an emerging Employment Area located immediately south of Highway 407 and Appleby Line. With a developed land base of 86 net ha (212 net acres), Burlington North has limited size and is somewhat fragmented in its configuration. The area is home to 25 businesses and approximately 740 jobs with a high concentration in the manufacturing sector.

**Burlington Q.E.W. West** – The Burlington Q.E.W. West Employment Area is situated along Highway 403, west of the Q.E.W. and Highway 407 and east of Waterdown Road. With a developed area of 185 net ha (457 net acres), the area is home to approximately 3,400 jobs and 105 businesses. The area has a concentration of industrial and office-based employment including manufacturing, information and cultural industries, finance and insurance, professional, scientific, and technical services and construction sectors.

**Burlington Q.E.W. East** – The Burlington Q.E.W. East Employment Area is the largest contiguous Employment Area in Halton Region, with a developed area of 857 net ha (2,117 net acres), 17.6 million sq.ft. of industrial building space and 3.8 million sq.ft. of major office space. The Employment Area extends along the Q.E.W. corridor from the Burlington-Oakville municipal boundary in the east, to roughly Brant Street in the west. The Employment Area is home to approximately 1,860 businesses and 38,000 jobs, and accommodates a broad range of sectors including manufacturing, wholesale trade, professional, scientific, and technical services, transportation and warehousing, and finance and insurance.

**Burloak Employment Area** – The Burloak Employment District is located on the western edge of Oakville, bound by Burloak Road in the west, Twelve Mile Creek in the east, the Q.E.W. in the north and Rebecca Street in the south. The area has an employment base of approximately 3,600 and is home to 85 businesses. The Employment Area has a strong commercial base with approximately one-third of employment within the retail sector and a strong concentration of employment also within the professional, scientific, and technical services, finance and insurance, and food and accommodation sectors. The District has a developed area of 48 net ha (117 net acres) and has opportunities for development.



**Oakville Midtown Employment Area** – Oakville’s Midtown Employment District (Oakville U.G.C.) is located along the north and south side of the Q.E.W. at Trafalgar Road. The District is bound by the CN Rail line to the south, Eighth Line to the east and Iroquois Shore Road to the north. The area is home to approximately 1,900 jobs and 165 businesses.

**Oakville Q.E.W. West** – The Oakville Q.E.W. West Employment District abuts both the north and south sides of the Q.E.W. between Bronte Road in the west and Kerr Street in the east. The District contains 462 net ha (1,141 net acres) of developed employment land; it is one of Halton Region’s largest Employment Areas, with an employment base of 20,000 and 1,435 businesses. The Employment Area encompasses 8.6 million sq.ft. of industrial space and 1.7 million sq.ft. of major office inventory. The District is diverse in its character and composition of land uses.

**Oakville Q.E.W. East** – The Oakville Q.E.W. East Employment District is situated along the north and south sides of the Q.E.W. on the eastern side of Oakville. With a developed land area of 364 net ha (899 net acres), the District accommodates approximately 13,000 jobs and 550 businesses, and is one of the largest Employment Areas in Halton Region. The Employment Area has 9.5 million sq.ft. of industrial space and 0.9 million sq.ft. of major office space.

**Winston Park Employment Area** – The Winston Park Employment District has a developed area of 188 net ha (465 net acres) and is a highly prestige business park, located on the eastern side of Oakville bound by Dundas Street to the north, Highway 403 to the west, Winston Churchill Boulevard to the east, and the Q.E.W. to the south. The park is home to 14,000 jobs and 445 businesses and 5.8 million sq.ft. of industrial space and 1.6 million sq.ft. of major office space. The District has excellent access and exposure to Highway 403 and the Q.E.W.

**Winston Park West** – Winston Park West is an emerging prestige Employment Area in Halton Region accommodating a broad range of industrial and commercial uses and is home to 520 jobs and 35 businesses. The District is largely undeveloped but has Regional servicing with a number of plans of subdivision pending. It is located in proximity to Winston Park, Highway 403 and the Q.E.W.



Figure 78: Profile of South Halton Employment Areas

	Burlington North	Burlington QEW West	Burlington QEW East	Burloak Employment Area
<b>Economic and Physical Structure</b>				
Total Employment	740	3,350	38,010	3,630
Total Businesses	25	105	1,860	85
Developed Land Base (Net Ha)	86	185	857	48
Industrial G.F.A.	-	1,030,000	17,605,000	200,000
Major Office G.F.A.	34,000	432,000	3,787,000	536,000
<b>Employment by Sector (2-Digit NAICS)</b>				
<i>Agriculture, forestry, fishing and hunting</i>	0%	0%	0%	0%
<i>Mining, quarrying, and oil and gas extraction</i>	0%	0%	0%	0%
<i>Utilities</i>	0%	3%	0%	0%
<i>Construction</i>	16%	7%	5%	4%
<i>Manufacturing</i>	50%	27%	30%	12%
<i>Wholesale trade</i>	0%	2%	7%	2%
<i>Retail trade</i>	22%	5%	4%	18%
<i>Transportation and warehousing</i>	4%	2%	6%	0%
<i>Information and cultural industries</i>	0%	17%	4%	3%
<i>Finance and insurance</i>	1%	19%	5%	22%
<i>Real estate and rental and leasing</i>	0%	0%	2%	0%
<i>Professional, scientific and technical services</i>	4%	9%	13%	19%
<i>Management of companies and enterprises</i>	0%	1%	4%	0%
<i>Administrative and support, waste management and remediation services</i>	0%	3%	4%	7%
<i>Educational services</i>	0%	2%	2%	0%
<i>Health care and social assistance</i>	1%	3%	4%	1%
<i>Arts, entertainment and recreation</i>	0%	0%	1%	1%
<i>Accommodation and food services</i>	0%	0%	3%	9%
<i>Other services (except public administration)</i>	1%	1%	4%	2%
<i>Public administration</i>	1%	0%	1%	0%
Industrial Market Rent (per sq.ft.)	Not Available			
Office Market Rent (per sq.ft.)	Not Available			
Industrial Vacancy Rate (%)	NA	0.0%	0.8%	38.1%
Office Vacancy Rate (%)	0.0%	0.0%	6.8%	1.0%
Average Employment Land Price (\$ per acre)	NA	NA	930,000	864,000
<b>Development Activity Trends</b>				
Land Absorption (Net Ha), 2015-2019	6	0	12	7
Total Development Activity (G.F.A.), 2015-2019 - total sq.m	220,000	72,000	1,338,000	537,000
Industrial Development Activity (G.F.A.), 2015-2019 (% share of G.F.A. total)	14%	95%	75%	49%
Office Development Activity (G.F.A.), 2015-2019 (% share of total G.F.A. total)	29%	0%	5%	48%
Other Commercial/Institutional Development Activity (G.F.A.), 2015-2019 (% share of total G.F.A. share)	57%	5%	20%	3%
<b>Opportunities to Accommodate Growth</b>				
Vacant Employment Lands (Net Ha)	41	20	87	155
Shovel-Ready Land Supply (Net Ha)	23	9	47	37
Underutilized Employment Lands (Net Ha)	71	163	148	150

Source: Watson & Associates Economists Ltd., 2020.



	Oakville Midtown Employment Area	Oakville QEW West	Oakville QEW East	Winston Park Employment Area	Winston Park West
<b>Economic and Physical Structure</b>					
Total Employment	1,940	19,890	13,220	13,940	520
Total Businesses	165	1,435	550	445	35
Developed Land Base (Net Ha)	29	462	364	188	51
Industrial G.F.A.	452,000	8,588,000	9,497,000	5,806,000	255,000
Major Office G.F.A.	198,000	1,661,000	904,000	1,590,000	90,000
<b>Employment by Sector (2-Digit NAICS)</b>					
<i>Agriculture, forestry, fishing and hunting</i>	0%	0%	0%	1%	0%
<i>Mining, quarrying, and oil and gas extraction</i>	0%	0%	0%	1%	0%
<i>Utilities</i>	0%	0%	0%	2%	0%
<i>Construction</i>	1%	5%	4%	6%	0%
<i>Manufacturing</i>	11%	20%	32%	22%	0%
<i>Wholesale trade</i>	3%	6%	5%	8%	6%
<i>Retail trade</i>	39%	10%	3%	8%	6%
<i>Transportation and warehousing</i>	5%	8%	2%	4%	23%
<i>Information and cultural industries</i>	4%	1%	1%	5%	6%
<i>Finance and insurance</i>	3%	5%	11%	5%	1%
<i>Real estate and rental and leasing</i>	0%	2%	2%	1%	0%
<i>Professional, scientific and technical services</i>	3%	10%	10%	18%	10%
<i>Management of companies and enterprises</i>	0%	2%	11%	0%	0%
<i>Administrative and support, waste management and remediation services</i>	0%	3%	3%	2%	9%
<i>Educational services</i>	1%	1%	1%	3%	9%
<i>Health care and social assistance</i>	7%	10%	5%	5%	1%
<i>Arts, entertainment and recreation</i>	5%	2%	2%	2%	7%
<i>Accommodation and food services</i>	14%	4%	3%	7%	21%
<i>Other services (except public administration)</i>	4%	5%	4%	2%	1%
<i>Public administration</i>	1%	4%	1%	0%	0%
Industrial Market Rent (per sq.ft.)	Not Available				
Office Market Rent (per sq.ft.)	Not Available				
Industrial Vacancy Rate (%)	0.0%	0.9%	0.0%	1.4%	0.0%
Office Vacancy Rate (%)	0.0%	8.9%	5.4%	13.6%	12.7%
Average Employment Land Price (\$ per acre)	NA	640,000	1,021,000	NA	NA
<b>Development Activity Trends</b>					
Land Absorption (Net Ha), 2015-2019	0	7	5	0	6
Total Development Activity (G.F.A.), 2015-2019 - total sq.m	336,000	569,000	358,000	240,000	310,000
Industrial Development Activity (G.F.A.), 2015-2019 (% share of G.F.A. total)	0%	9%	5%	53%	15%
Office Development Activity (G.F.A.), 2015-2019 (% share of total G.F.A. total)	63%	22%	56%	17%	62%
Other Commercial/Institutional Development Activity (G.F.A.), 2015-2019 (% share of total G.F.A. share)	37%	70%	39%	29%	23%
<b>Opportunities to Accommodate Growth</b>					
Vacant Employment Lands (Net Ha)	3	19	40	5	32
Shovel-Ready Land Supply (Net Ha)	0	19	11	4	7
Underutilized Employment Lands (Net Ha)	4	81	42	18	14



Figure 79: City of Burlington

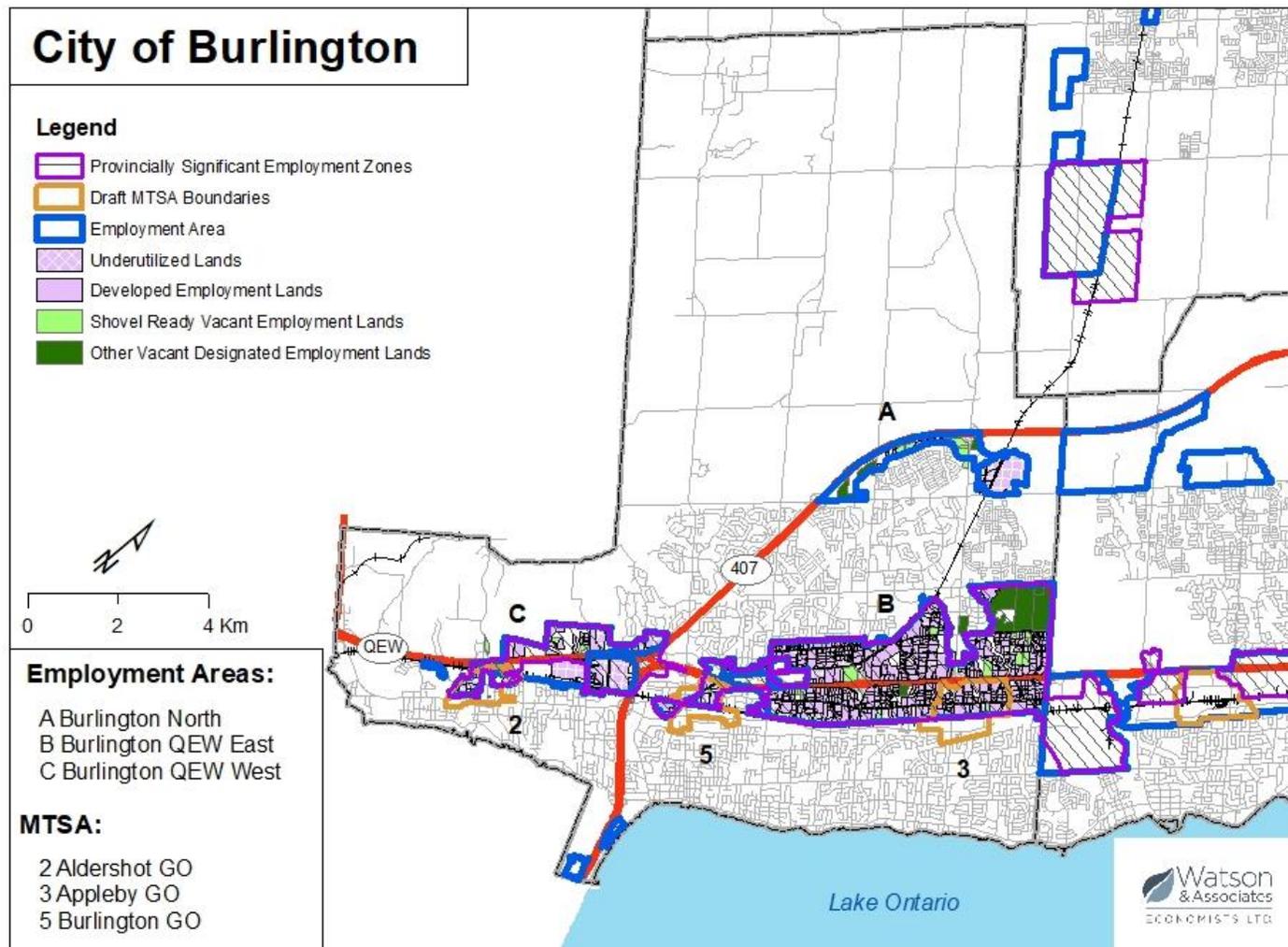




Figure 80: Town of Oakville

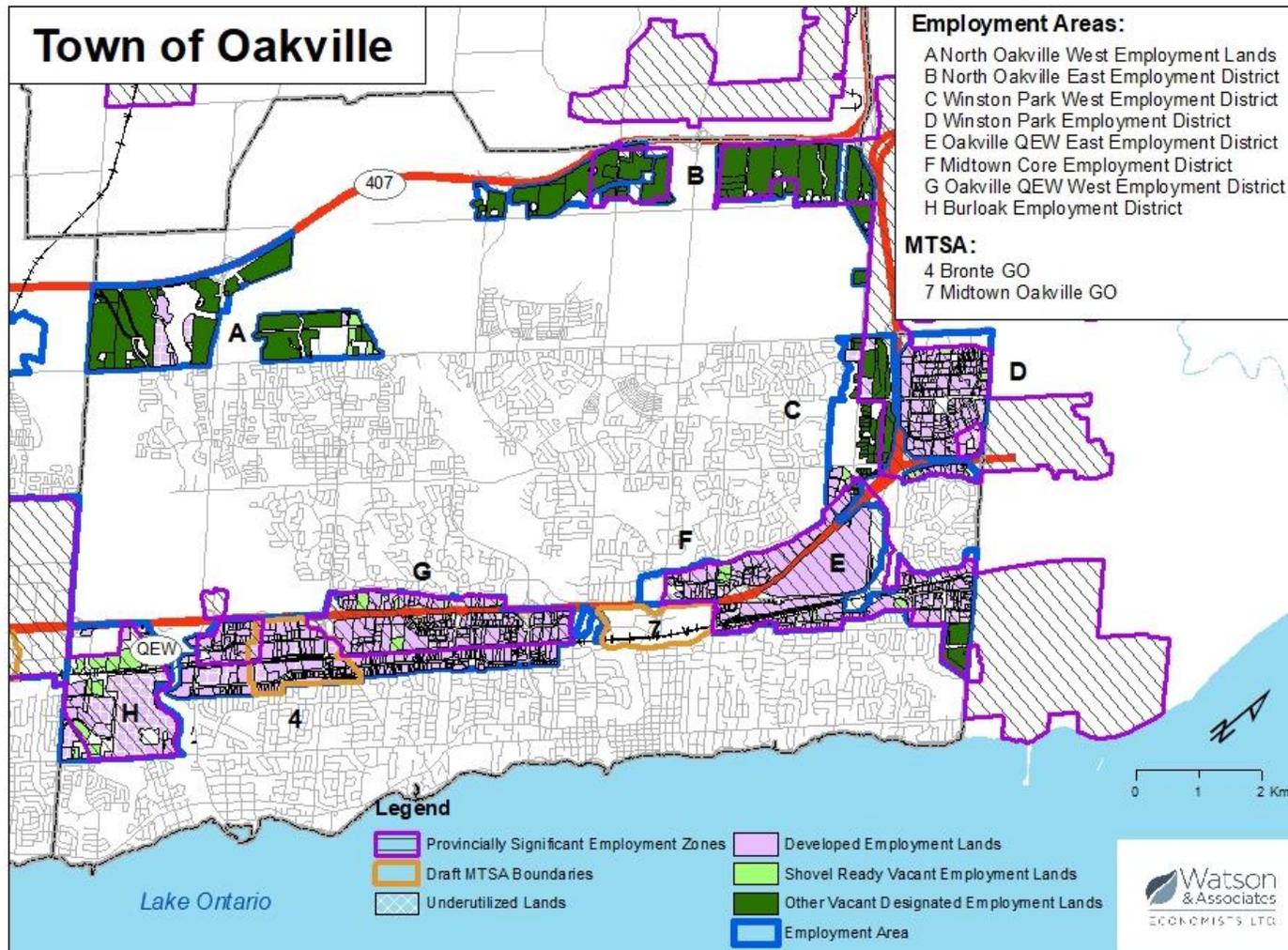




Figure 81: Town of Milton

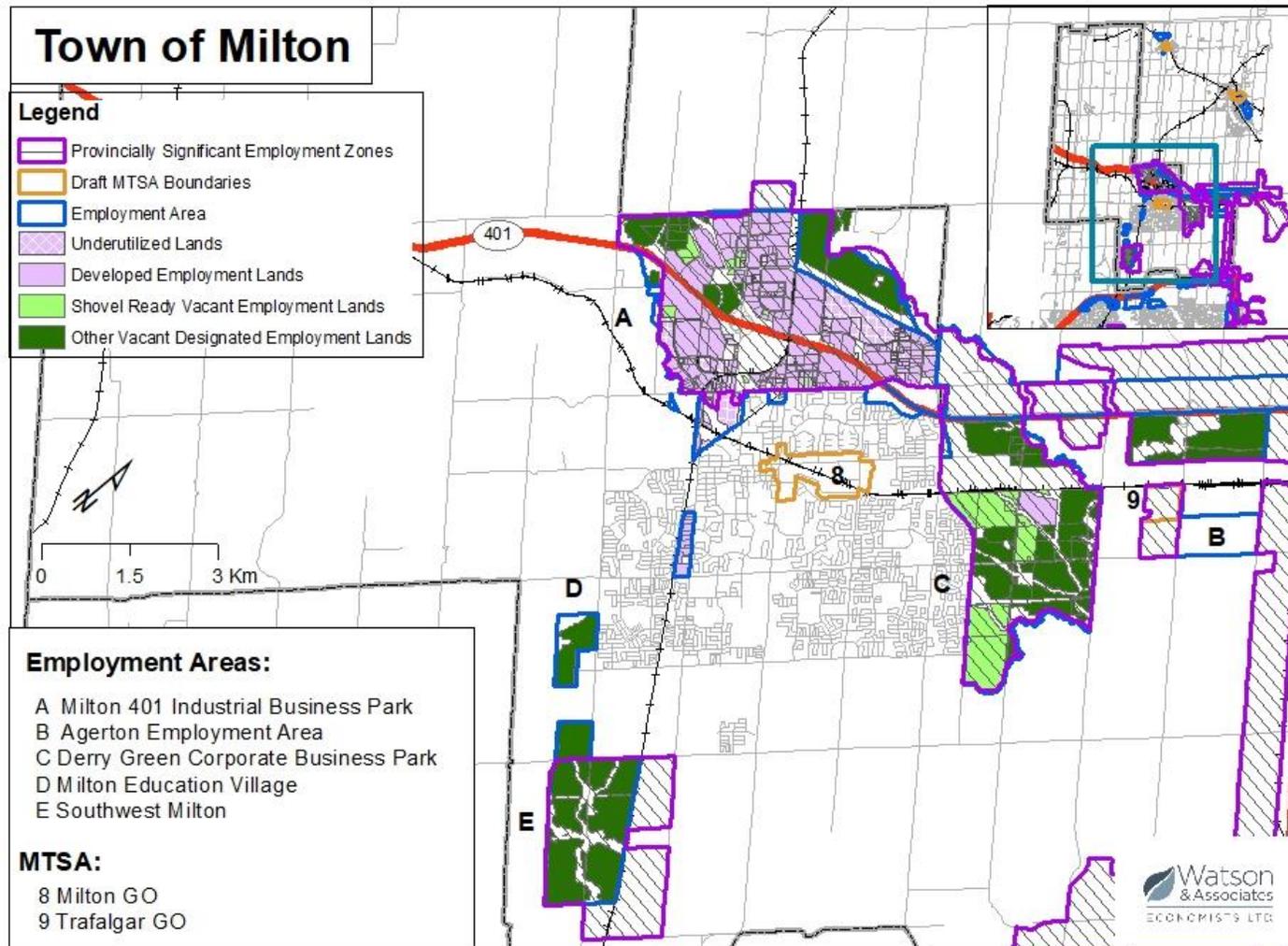
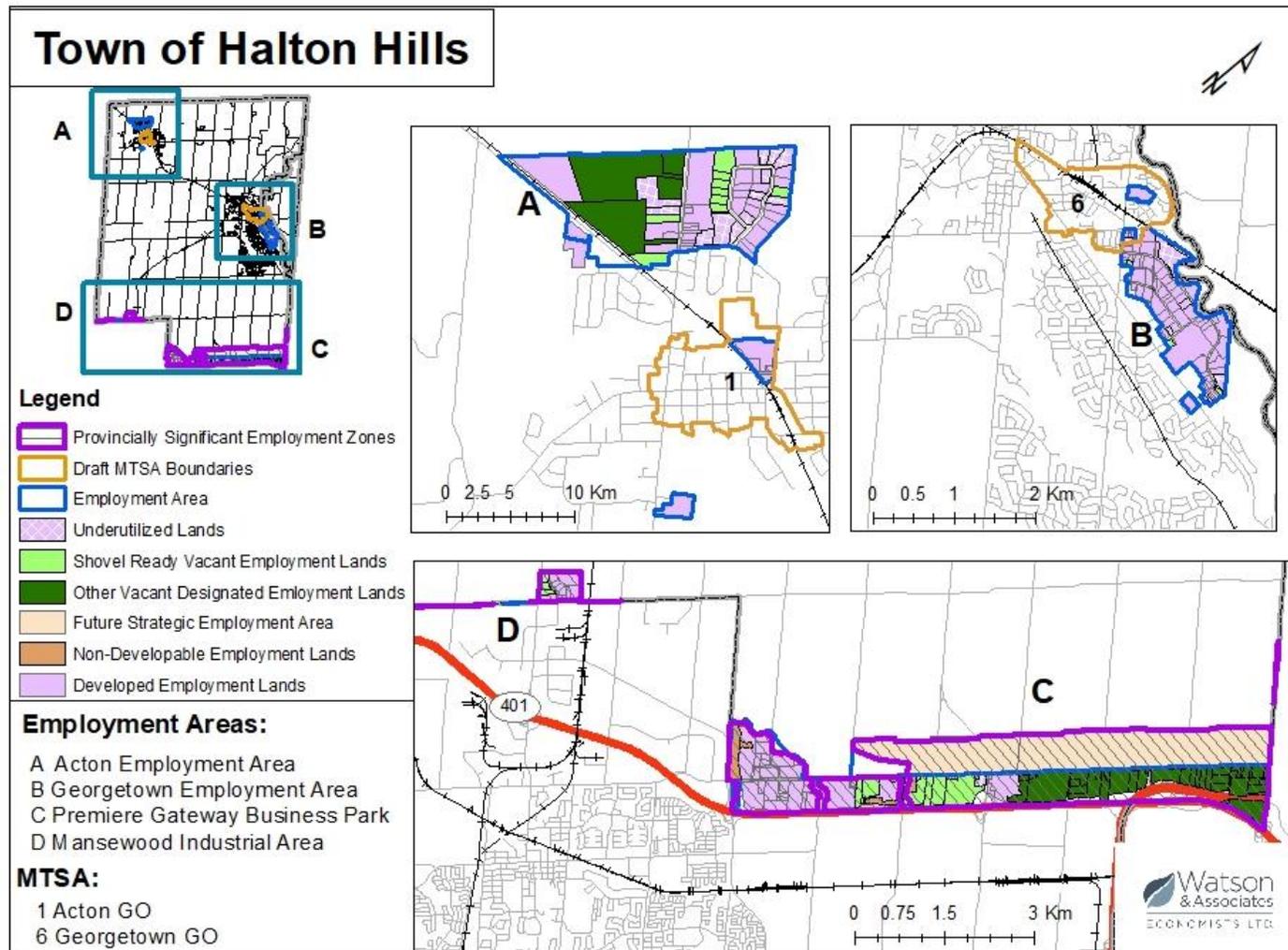




Figure 82: Town of Halton Hills





## 6.8 Environmental Compliance Approvals within Halton Region's Employment Areas

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Environmental Compliance Approvals (E.C.A.s) are regulated by the *Environmental Protection Act*, R.S.O. 1990, Chapter E.19 and the *Ontario Water Resources Act*, R.S.O. 1990, Chapter O.40. Issued by the Ministry of Environment, Conservation, and Parks, it is an instrument of approval for companies emitting contaminants to the natural environment. Along with the approval that an E.C.A. provides, it is also a signal that mitigation and maintenance measures are in place by the company and according to prescribed regulations and standards in order to mitigate the emissions of the contaminants. Companies can also apply for one E.C.A. that includes multiple activities and project types (air, noise, water, or sewage).

As demonstrated in Figure 83, approximately 13% (748 records) of the Region's businesses in Employment Areas have E.C.A.s, regardless of approvals status (approved, active, revoked or replaced, and amended). Furthermore, most of the E.C.A.s are air related (approximately 61%) (Figure 84). Within the Employment Areas themselves, the share of businesses with E.C.A.s range from approximately 2% to 31%. Employment Areas where between a quarter to a third of their businesses have E.C.A.s include Burlington Q.E.W. West, Burlington North, Burloak Employment District, and Winston Park West Employment District. Furthermore, as shown in Figure 85, the average number of approved E.C.A.s issued between the years 2000 to 2009 and 2010 to 2019 declined from 40 to 30. Overall, these observations suggest overtime there has been a decline of businesses of a manufacturing nature in the Region. This supports the general observation in Chapters 3 and 4 that the economy is increasingly moving away from goods-producing to services-providing sectors.



Figure 83: Environmental Compliance Approvals – Records by Employment Area Regardless of Status

Employment Area	E.C.A. Records	Share of Businesses with E.C.A. Records
<b>Burlington</b>		
<i>Burlington Q.E.W. East</i>	269	14%
<i>Burlington Q.E.W. West</i>	27	26%
<i>Burlington North</i>	8	31%
<b>Halton Hills</b>		
<i>401/407 Gateway Business Park</i>	4	2%
<i>Acton Employment Area</i>	3	8%
<i>Georgetown Employment Area</i>	25	14%
<i>Mansewood (Rural) Industrial Area</i>	1	14%
<b>Milton</b>		
<i>401 Industrial and Business Park</i>	101	19%
<b>Oakville</b>		
<i>Burloak Employment District</i>	20	24%
<i>Midtown Core Employment District</i>	5	3%
<i>Q.E.W. East Employment District</i>	59	11%
<i>Q.E.W. West Employment District</i>	159	11%
<i>Winston Park Employment District</i>	59	13%
<i>Winston Park West Employment District</i>	8	24%
<b>Other</b>		
<i>Other<sup>1</sup></i>	20	
<b>Total Excluding Other</b>	<b>748</b>	<b>13%</b>
<b>Total Including Other</b>	<b>768</b>	

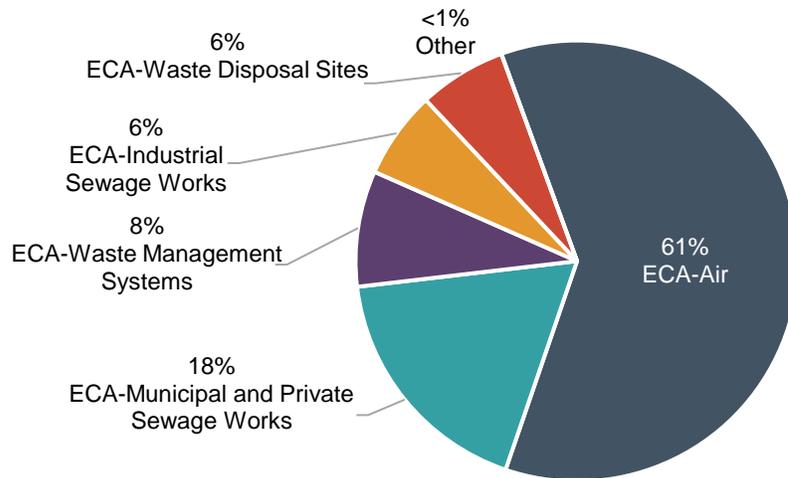
<sup>1</sup> Includes E.C.A. records on employment areas not identified within the listed Employment Areas.

Note: Includes all application status types.

Source: Derived from Ministry of Environment, Conservation and Parks data by Watson & Associates Economists Ltd., 2020.

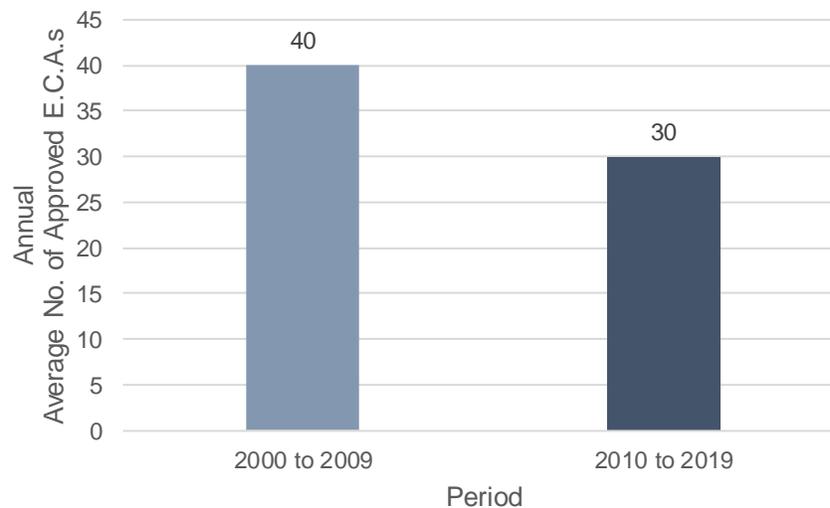


Figure 84: Environmental Compliance Approvals – Records by Type within Halton Region Employment Areas Regardless of Status



Note: Includes all application status types.  
Source: Derived from Ministry of Environment, Conservation and Parks data by Watson & Associates Economists Ltd., 2020.

Figure 85: Environmental Compliance Approvals – Average Number of Approvals Issued Annually in Employment Areas between 2000 and 2009 vs. 2010 and 2019



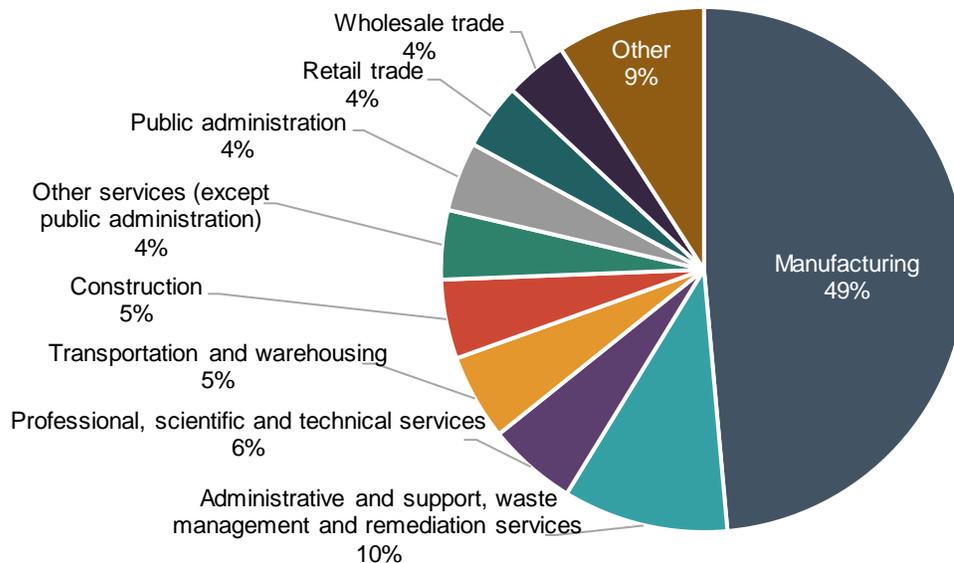
Source: Derived from the Ministry of Environment, Conservation and Parks data by Watson & Associates Economists Ltd., 2020. Numbers may not add precisely due to rounding.

When assessing the E.C.A.s by approvals status and employment sector as demonstrated in Figure 86, it can be observed that almost half of the E.C.A.s, regardless of status, are in the manufacturing sector (approximately 49%), followed by



administrative and support, waste management, and remediation services (10%), in addition to professional, scientific, and technical services (6%).

Figure 86: Environmental Compliance Approvals within Halton Region Employment Area – Records by Industry Sector



Source: Derived from Halton Region data by Watson & Associates Economists Ltd., 2020.

When assessing the E.C.A.s by Employment Area, it can be observed that the Employment Areas in the City of Burlington and the Town of Oakville collectively comprise approximately 82% (615 records) of the Region's E.C.A.s, providing some insight on the types of sectors and businesses located in these Employment Areas (i.e. of a more industrial and manufacturing nature). It is not surprising that most of the businesses requiring E.C.A.s in the Region choose to locate in Employment Areas that are highly accessible to the Q.E.W., Highway 403, and Highway 407.

It can also be observed in Figure 87 that approximately 96% of the E.C.A.s in Halton Region are approved while the remainder are currently in the process of being amended. A little over half the amended applications are in the City of Burlington (57% and 16 records). The Q.E.W. West Employment District in the Town of Oakville and Burlington Q.E.W. East Employment Areas are the only ones with active E.C.A.s (2 records and 1 record, respectively), providing some insight into the evolving nature of existing and the establishment of new business operations and activities within these Employment Areas. Despite the issuance of E.C.A.s decreasing overtime as



demonstrated in Figure 85, the large amount of approved E.C.A.s across the Region's Employment Areas provide a general observation that businesses requiring E.C.A.s have a long-standing presence and are generally established in the Region.

Figure 87: Environmental Compliance Approvals – Records by Employment Area According to Status

Employment Area	% of E.C.A. Records		
	Approved	Amended	Active
<b>Burlington</b>			
<i>Burlington Q.E.W. East</i>	94%	5%	0%
<i>Burlington Q.E.W. West</i>	93%	7%	0%
<i>Burlington North</i>	100%	0%	0%
<b>Halton Hills</b>			
<i>401/407 Gateway Business Park</i>	100%	0%	0%
<i>Acton Employment Area</i>	100%	0%	0%
<i>Georgetown Employment Area</i>	100%	0%	0%
<i>Mansewood (Rural) Industrial Area</i>	100%	0%	0%
<b>Milton</b>			
<i>401 Industrial and Business Park</i>	94%	6%	0%
<b>Oakville</b>			
<i>Burloak Employment District</i>	100%	0%	0%
<i>Midtown Core Employment District</i>	100%	0%	0%
<i>Q.E.W. East Employment District</i>	92%	8%	0%
<i>Q.E.W. West Employment District</i>	98%	1%	1%
<i>Winston Park Employment District</i>	100%	0%	0%
<i>Winston Park West Employment District</i>	100%	0%	0%
<b>Other</b>			
<i>Other<sup>1</sup></i>	100%	0%	0%
<b>Total Excluding Other</b>	96%	4%	0%
<b>Total Including Other</b>	96%	4%	0%

<sup>1</sup> Includes E.C.A. records on employment areas not identified within the listed Employment Areas.

Note: Includes all application status types.

Source: Derived from Ministry of Environment, Conservation and Parks data by Watson & Associates Economists Ltd., 2020.

As the Region plans its Employment Areas to adapt to the changing nature of employment and accommodate the knowledge-based economy, it will need to consider impacts to the traditional sectors, such as manufacturing. Obtaining E.C.A.s is a fairly involved and lengthy process often involving technical documentation and justification, preparing mitigation plans, and conducting stakeholder consultation. Businesses with approved E.C.A.s largely prefer to stay in municipalities where they were initially granted their E.C.A. because the physical, environmental, and social conditions of that



municipality have already been planned for, while pursuing the E.C.A. for their business operations and activities.

## **6.9 Halton Region Employment Areas Investment Readiness Assessment**

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Recognizing the recent and forecast structural and industrial changes in the regional economy examined above and the analysis presented in sections 6.1 through 6.8, a S.W.O.C. (strengths, weaknesses, opportunities, challenges) assessment of the Region's Employment Areas was undertaken. Employment growth potential within each of these areas was assessed through an examination of recent employment and development growth trends, development opportunities (e.g. developable land supply), transportation infrastructure (e.g. access to highways, transit, intermodal), economic characteristics (e.g. cost of development) and other competitiveness factors such as access to labour force and supporting/complementary uses.

Building on the analysis completed above, Halton Region's key Employment Areas are assessed herein to better understand their potential to accommodate future employment growth. The findings of the analysis are presented in Figure 88 and Figure 89. Consideration has been given to the following:

1. Physical/economic characteristics, which include the character of existing industrial base, geographic location, and continuity and delineation of the industrial area;
2. Access/circulation, which includes an assessment of the accessibility of each site via road infrastructure and the visibility of the area to major transportation routes;
3. Development opportunities, including vacant land supply, available lots on the market, parcel configuration and mix, servicing, and site expandability; and
4. Target sector attractiveness, including the sectors which the industrial area is best suited to accommodate, and the strength of that area with regard to those sectors.

Halton Region offers a range of highly competitive Employment Areas. North Halton's key Employment Areas are highly attractive for industrial development, particularly for land-expansive uses such as distribution/logistics, given that they offer wide market



choice for land, rate favourably with respect to transportation access, and have competitive development costs compared to other surveyed G.T.H.A. locations. In contrast, industrial development opportunities are more limited currently in South Halton Employment Areas, namely due to limited market choice of land and relatively high land prices.

With respect to office development, the surveyed South Halton Employment Areas are highly competitive and compete directly with major office nodes in the west G.T.H.A. In addition to the desired proximity to high order transit, and complementary nearby employment supportive uses, potential office tenants generally prefer Employment Areas that are relatively closer and accessible to a growing population and employment base. Population growth and density levels are higher near the South Halton rather than North Halton Employment Areas contributing to their competitive advantage in attracting office development.



Figure 88: North Halton Employment Areas Assessment

Industrial/Business Park	Strengths/Opportunities	Weaknesses/Challenges	Development Opportunities
Acton Employment Area	<ul style="list-style-type: none"> <li>• Rail access via a rail spur in the area</li> <li>• Community of Acton is served by GO train service</li> <li>• Competitive land costs</li> <li>• Low industrial vacancy rates</li> </ul>	<ul style="list-style-type: none"> <li>• Lacks access/proximity to a 400-series highway</li> <li>• Distance to major labour markets</li> <li>• Relatively small Employment Area</li> <li>• Limited nearby amenities</li> <li>• Limited nearby population</li> </ul>	<ul style="list-style-type: none"> <li>• The Employment Area has some vacant employment lands available for development, which are marketable for small to mid-sized industrial development, including manufacturing and construction sectors</li> </ul>
Agerton Employment Area	<ul style="list-style-type: none"> <li>• North half has excellent access to Highways 401 and 407</li> <li>• Direct rail access</li> <li>• Location of proposed GO train station</li> </ul>	<ul style="list-style-type: none"> <li>• Undeveloped Employment Area part of planned mixed-use community with conversion pressures</li> </ul>	<ul style="list-style-type: none"> <li>• Opportunities to capitalize on prestige employment development potential</li> </ul>
Derry Green Business Park	<ul style="list-style-type: none"> <li>• Emerging Employment Area</li> <li>• North portion has excellent access/exposure to 400 series highways</li> <li>• Large contiguous Employment Area of critical mass to</li> </ul>	<ul style="list-style-type: none"> <li>• Undeveloped park</li> <li>• Southern portion lacks access/exposure to a 400 series highway</li> </ul>	<ul style="list-style-type: none"> <li>• Phase 1 focused on accommodating large-scale distribution/logistic centres. Demand for such uses is expected to be strong, particularly closer to Highway 401</li> </ul>



Industrial/Business Park	Strengths/Opportunities	Weaknesses/Challenges	Development Opportunities
	<p>accommodate wide range of uses</p> <ul style="list-style-type: none"> <li>• Number of active developers in the area offering a range of shovel-ready supply opportunities</li> </ul>		<ul style="list-style-type: none"> <li>• Longer term demand for supportive office space will result from the growing industrial sectors in addition to office sectors serving the local population of Milton</li> </ul>
Georgetown Employment Area	<ul style="list-style-type: none"> <li>• Well established industrial park characterized by low vacancy rates</li> </ul>	<ul style="list-style-type: none"> <li>• Approaching buildout</li> <li>• The area lacks access/proximity to a 400-series highway</li> <li>• Limited nearby population base supportive of major office development</li> </ul>	<ul style="list-style-type: none"> <li>• Limited greenfield development opportunities</li> </ul>
Milton 401/Industrial Park Employment Area	<ul style="list-style-type: none"> <li>• Milton- 401 Industrial/Business Park is largest industrial park in North Halton</li> <li>• Highly successful in attracting industrial development over the past decade</li> <li>• Healthy industrial market with low vacancy rate and appreciating land prices</li> </ul>	<ul style="list-style-type: none"> <li>• Existing Employment Area approaching buildout and a decreasing variety of site options remain</li> <li>• Strong land price appreciation has eroded development cost competitiveness for land expansive projects</li> </ul>	<ul style="list-style-type: none"> <li>• Remaining sites are highly marketable for Goods Movement related sectors including wholesale trade and distribution/logistics</li> <li>• Milton/401 Industrial Expansion Area offers longer-term greenfield development opportunities</li> </ul>



Industrial/Business Park	Strengths/Opportunities	Weaknesses/Challenges	Development Opportunities
	<ul style="list-style-type: none"> <li>Park offers excellent exposure and access to Highway 401 via Regional Road 25 and James Snow Parkway and a future interchange at Tremaine Road</li> </ul>		<ul style="list-style-type: none"> <li>Longer term demand for flex light industrial uses may result in the intensification of existing occupied land</li> </ul>
Premier Gateway Employment Area	<ul style="list-style-type: none"> <li>Geographically well positioned, along the Highway 401 corridor immediately west of Mississauga</li> <li>High highway access/visibility to Highways 401 and 407</li> <li>Roadway and interchange improvements have enhanced circulation/access to Employment Area</li> <li>Strong industrial development activity over past five years with low vacancy rates</li> <li>Competitive employment land prices</li> <li>Proximity to Toronto Premium Outlets</li> </ul>	<ul style="list-style-type: none"> <li>Limited shovel-ready land supply opportunities</li> <li>The G.T.A. West transportation corridor studies create uncertainty on development potential of lands</li> <li>Traffic congestion and circulation challenges</li> </ul>	<ul style="list-style-type: none"> <li>Highly marketable for Goods Movement sector including distribution/logistics and wholesale trade</li> <li>Large greenfield supply opportunities to accommodate a range of employment uses</li> <li>Demand is expected to primarily focus on land-intensive industrial uses with supportive office tenants rather than the introduction of standalone major office supply</li> </ul>



Industrial/Business Park	Strengths/Opportunities	Weaknesses/Challenges	Development Opportunities
Mansewood Employment Area	<ul style="list-style-type: none"> <li>• Located immediately adjacent to Milton 401/Industrial Employment Area</li> <li>• Strong access to Highway 401</li> <li>• Proximity to the residential population of Milton</li> </ul>	<ul style="list-style-type: none"> <li>• Small Employment Area</li> <li>• Private servicing limits development potential</li> <li>• Limited vacant land supply opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Approaching build out with limited development opportunities</li> </ul>
Milton Education Village	<ul style="list-style-type: none"> <li>• Planned mixed-use community with a proposed university satellite campus; potential to build synergies with post-secondary institution</li> <li>• Location on two major arterial roadways (Britannia Road and Tremaine Road) and in proximity to a potential new GO station on Tremaine Road to the north, as well as the proposed location of a transit hub in the MEV</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of access/distance to 400 series highway</li> <li>• Current lack of provincial funding for the Laurier University Milton campus</li> <li>• Unlikely to attract major office occupiers that would be more likely to prefer locations relatively closer to South Halton</li> <li>• Unlikely to attract major, land intensive industrial uses which prefer locations with access to a 400 series highway</li> </ul>	<ul style="list-style-type: none"> <li>• Potential to create a culture of innovation with major office, and research and development-related functions</li> <li>• Potential for live/work opportunities</li> </ul>
Southwest Milton	<ul style="list-style-type: none"> <li>• Direct rail access</li> </ul>	<ul style="list-style-type: none"> <li>• Distance to 400 series highways</li> </ul>	



Figure 89: South Halton Employment Areas Assessment

Industrial/Business Park	Strengths	Weaknesses/Challenges	Development Opportunities
Burlington North	<ul style="list-style-type: none"> <li>• Excellent access/visibility to Highway 407</li> <li>• Relatively strong development activity in the office/commercial sectors and low office vacancy rate</li> <li>• Existing commercial supply would serve as an amenity to potential future employees in the area.</li> <li>• Highly marketable shovel-ready land supply opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Relatively small size Employment Area and fragmented nature</li> <li>• Located away from Burlington's centre of gravity in terms of industrial and commercial activity along Q.E.W. Corridor</li> </ul>	<ul style="list-style-type: none"> <li>• Given its limited size and location with exposure/ access to Highway 407, it is well suited to accommodate smaller scale office and knowledge-based sectors and offers opportunities to capitalize on office development potential in Burlington</li> <li>• Underutilized lands offer redevelopment potential</li> </ul>
Burlington Q.E.W. West	<ul style="list-style-type: none"> <li>• The area has excellent access/visibility to Highway 403 and Q.E.W.</li> <li>• Served by GO train station at Aldershot</li> <li>• Proximity to growing population and employment pools</li> </ul>	<ul style="list-style-type: none"> <li>• The Burlington Q.E.W. West Employment Area is somewhat fragmented</li> </ul>	<ul style="list-style-type: none"> <li>• Large underutilized employment lands base offers redevelopment potential</li> </ul>



Industrial/Business Park	Strengths	Weaknesses/Challenges	Development Opportunities
Burlington Q.E.W. East	<ul style="list-style-type: none"> <li>• A large contiguous and well-established Employment Area accommodating a broad range of uses</li> <li>• Offers a size of critical mass and caters to a broad range of prestige and general employment uses</li> <li>• Major centre of commercial and industrial activity within Burlington</li> <li>• Abundant existing amenities.</li> <li>• Relatively strong development activity over the past five years</li> <li>• Low industrial vacancy rates</li> <li>• Excellent access to 400 series highways</li> <li>• Competitive land prices</li> <li>• excellent access/exposure to 400-series highways and is served by two GO train stations</li> </ul>	<ul style="list-style-type: none"> <li>• Office vacancy rates remain relatively high</li> <li>• Land conversion pressures</li> </ul>	<ul style="list-style-type: none"> <li>• Vacant employment lands remaining for development, including Bronte Meadows, a moderate-sized block of contiguous employment land</li> <li>• Large base of underutilized employment lands with potential for infill and redevelopment</li> <li>• Underperforming shopping centres in the area provide the opportunity for redevelopment into mixed-use town centres with on-site office and residential uses.</li> <li>• Highly marketable for a range of industrial, office and knowledge-based uses</li> </ul>



Industrial/Business Park	Strengths	Weaknesses/Challenges	Development Opportunities
Burloak Employment Area	<ul style="list-style-type: none"> <li>• Offers excellent access to the Q.E.W. and proximity to retail amenities/services</li> <li>• High-profile visibility to the Q.E.W. supports office development opportunities</li> <li>• Proximity to RioCan Centre Burloak</li> <li>• Excellent access/exposure to Q.E.W. with two interchanges</li> </ul>	<ul style="list-style-type: none"> <li>• Oil storage tanks (Suncor Energy) detract from image of the area</li> </ul>	<ul style="list-style-type: none"> <li>• Opportunities for office and other commercial development</li> <li>• Redevelopment potential of Suncor/Petro Canada lands</li> </ul>
Oakville Midtown Employment Area	<ul style="list-style-type: none"> <li>• Excellent access/exposure to Q.E.W. and Highway 403</li> <li>• Commuter rail connectivity with G.T.H.A. (GO Transit)</li> <li>• Proximity to retail and amenities</li> <li>• Relatively low industrial and office vacancy rates</li> </ul>	<ul style="list-style-type: none"> <li>• Land area is small and the Q.E.W. dissects the area which limits uniformity of the Employment Area</li> </ul>	<ul style="list-style-type: none"> <li>• Limited lands available for development</li> <li>• Moderate potential for office development</li> </ul>
Oakville Q.E.W. West	<ul style="list-style-type: none"> <li>• Largest Employment Area in Halton Region with a significant industrial and office base accommodating a broad range of sectors</li> </ul>	<ul style="list-style-type: none"> <li>• Fragmented Employment Area; Q.E.W. cuts off the northern portion of the Employment Area</li> <li>• Limited vacant land supply opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• High-profile visibility to the Q.E.W. and proximity to GO Transit supports office development opportunities including within the Bronte M.T.S.A.</li> </ul>



Industrial/Business Park	Strengths	Weaknesses/Challenges	Development Opportunities
	<ul style="list-style-type: none"> <li>• Excellent access/exposure to Q.E.W. with three interchanges</li> <li>• Commuter rail connectivity with G.T.H.A. (GO Transit)</li> <li>• Proximity to off-site amenities</li> <li>• Stable industrial market characterized by relatively low industrial space vacancy rates</li> <li>• Competitive employment land prices</li> </ul>	<ul style="list-style-type: none"> <li>• Aging Employment Area to the south which contains industrial properties that were built to a lower design standard in terms of landscaping and building design</li> <li>• Limited employment-supportive uses and off-site amenities west of Third Line</li> <li>• Relatively high office vacancy rates</li> </ul>	<ul style="list-style-type: none"> <li>• The area offers opportunities for infill development and redevelopment, particularly for office and other knowledge-based uses and employment-supportive uses</li> </ul>
Oakville Q.E.W. East	<ul style="list-style-type: none"> <li>• Most of the lands have excellent access/exposure to the Q.E.W. Corridor</li> <li>• Commuter rail connectivity with G.T.H.A. (GO Transit)</li> <li>• Industrial market is stable with low vacancy rates</li> <li>• Ford Motor Company as anchor</li> </ul>	<ul style="list-style-type: none"> <li>• Fragmented Employment Area with four sub-areas</li> <li>• Employment to the east of Ford Drive lands do not offer direct access Q.E.W./ Highway 403</li> </ul>	<ul style="list-style-type: none"> <li>• Limited vacant land supply</li> <li>• Underutilized lands offer redevelopment opportunities</li> </ul>



Industrial/Business Park	Strengths	Weaknesses/Challenges	Development Opportunities
Winston Park Employment Area	<ul style="list-style-type: none"> <li>• Excellent access/exposure to the Q.E.W. and Highway 403</li> <li>• On-site and off-site amenities</li> <li>• Prestige Employment Area with “campus-style” setting</li> <li>• Large concentration of major office space</li> <li>• Proximity to the Greater Toronto Area (G.T.A.)</li> <li>• Strong nearby pool of potential employees</li> </ul>	<ul style="list-style-type: none"> <li>• Relatively high office vacancy rate</li> <li>• Limited vacant land supply opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Well suited for prestige suburban office development</li> </ul>
Winston Park West	<ul style="list-style-type: none"> <li>• High calibre prestige Employment Area</li> <li>• Offers excellent access/exposure to Q.E.W. and Highway 403</li> </ul>	<ul style="list-style-type: none"> <li>• Highway 403 interchanges provide some challenges in terms of traffic movement and accessing this business park when it gets developed</li> <li>• A large share of lands not development-ready due to lack of servicing along Ninth Line and fragmented parcel ownership</li> </ul>	<ul style="list-style-type: none"> <li>• Opportunities for major office, flex office and multi-tenant industrial development</li> <li>• Short- to medium-term opportunities to capitalize on the strong demand in East Oakville for office development</li> </ul>



Industrial/Business Park	Strengths	Weaknesses/Challenges	Development Opportunities
North Oakville Employment District	<ul style="list-style-type: none"><li>• Access to Highway 407</li><li>• Potential access to off-site amenities along the Dundas Street corridor</li></ul>	<ul style="list-style-type: none"><li>• Limited shovel-ready land supply</li><li>• Proximity to non-toll highways poses a challenge for marketability towards the warehousing and distribution sectors</li></ul>	<ul style="list-style-type: none"><li>• Large tracts of greenfield land supply offers opportunities for a range of industrial uses including distribution/logistics and multi-tenant industrial</li><li>• New hospital offers opportunities to attract life sciences and research and development companies on surrounding employment lands</li></ul>



## 7. Halton Region Employment Areas within Major Transit Station Areas

As previously discussed, an M.T.S.A. is the area including and around any existing or planned higher-order transit station or stop within a settlement area; or the area including and around a major bus depot in an urban core. These areas are generally defined as a 500- to 800-metre radius of a transit station. In accordance with the Growth Plan, 2019, they are also subject to minimum density targets if they are on priority transit corridors, with the targets changing depending on the type of priority transit corridor or subway line by which they are served (e.g. 160 residents and jobs per hectare for stations served by light rail transit or bus rapid transit, and 150 residents and jobs per hectare for those that are served by the GO Transit rail network).

This section is intended to describe the conditions of Employment Areas that intersect the M.T.S.A.s, as there are potential opportunities and challenges for growth, redevelopment, and intensification which impact businesses and built-form. For each M.T.S.A., high-level commentary on the anticipated timing of redevelopment and intensification of these areas is also provided, followed by descriptions of the physical and economic characteristics, market characteristics, and market potential for employment uses vs. non-employment uses through redevelopment and intensification. The analysis presented herein is based on the Region's draft M.T.S.A. boundaries and the subject boundaries are subject to further refinement through the Region's Official Plan Review.

Consideration is also given to the broad drivers that are anticipated to influence the amount, type, and location of intensification development within Halton Region over the next several decades. These drivers include:

**Available Greenfield Land Supply** – Within the more mature urban areas of the G.T.H.A., including South Halton, the supply of greenfield residential land is steadily diminishing. As South Halton's greenfield areas approach buildout, an increasing share of employment growth is anticipated to occur within the Region's built boundary in the form of high-density development.

**Access/Proximity to High-Order Transit** – Access and proximity to high-order transit (i.e. GO Transit) is an increasingly essential component of large-scale residential and non-residential intensification projects, particularly office and mixed-



use development. Across Halton and the broader G.T.H.A., major downtown areas and other urban nodes and corridors will be increasingly supported by direct access to high-order transit.

**Development Costs and Financial Feasibility** – As previously discussed, non-residential development location decisions are typically based range of both “hard” cost factors (e.g. tax rates, D.C.s, land costs, construction costs, utilities, etc.) as well as “soft” factors (e.g. transportation connectivity, access to a growing skilled and unskilled labour force pool, housing choice by type and affordability, access to public and private schools as well as training infrastructure). These factors can impact the feasibility of development forms (i.e. high-density vs. low-density) and the location of development in one area over another (i.e. greenfield vs. built-up area). Increasingly, the importance of the “soft” factors is raised as a key determinant in non-residential development location decisions.

**Access Labour Force** – Access to a growing and diverse labour force pool is an increasingly critical aspect of business location decisions. Proximity to a growing skilled and unskilled labour force pool is recognized as a key market driver for non-residential development, especially in “knowledge-based” sectors.

**Demographics** – The Millennial population represents a key age group which is anticipated to drive demand for future housing intensification in Halton Region. Generally, this demographic group has a strong preference for urban living. As the Millennial generation continues to get older and form families, the demand for housing is anticipated to steadily increase within G.T.H.A. neighbourhoods that provide urban amenities and infrastructure.

Figure 90 provides a summary of existing physical, employment and building characteristics, and recent development trends in the Region’s existing M.T.S.A.s that intersect with Employment Areas.<sup>1</sup> The following provides a brief profile of each. The economic and physical characteristics were identified through a G.I.S.-based desktop review.

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<sup>1</sup> The analysis presented in Figure 85 reflects the Region’s six existing M.T.S.A.s that intersect with Employment Areas. The proposed Agerton M.T.S.A. is not included but is discussed in section 7.1



## 7.1 Major Transit Station Area Profiles

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### Agerton GO Major Transit Station Area

The Agerton GO is a proposed M.T.S.A. situated in the Town of Milton, along Trafalgar Road and bounded by Highway 401 to the north, Eighth Line to the east, Derry Road to the south, and Sixth Line to the west. The existing conditions surrounding the proposed Agerton GO M.T.S.A. include Regional Employment Area, Agricultural Area, Natural Heritage System, and Greenbelt Plan Protected Countryside O.P. designations. Canadian Pacific Railway lands (including a new fuel transloading operation) are also currently located in the surrounding area, including a few transportation and warehousing type businesses.

The proposed Agerton GO M.T.S.A. would share the same commuter rail line as the Milton GO Station and is part of the Trafalgar Corridor, which is envisioned to be developed as a mixed-use, higher-density corridor to support the extension of higher-order transit.<sup>1</sup> The Trafalgar Corridor consists of two Secondary Plans – Agerton and Trafalgar Secondary Plans – which will represent the Town’s next phase of growth and development (years 2021 to 2031).<sup>2</sup> The Agerton Secondary Plan most affects the proposed Agerton GO M.T.S.A., and as of March 2019 the Preliminary Preferred Land Use Concept and Secondary Plan Framework envisions the area to the north of the proposed M.T.S.A. will be an Employment Area, with office employment uses being prioritized, while the area to the south will be a mixed-use area.<sup>3</sup> It is planned that the Preliminary Preferred Land Use Concept and Secondary Plan Framework will be provided as input into the Region’s M.C.R.

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<sup>1</sup> Council Report No. PD-017-19. March 25, 2019. Town of Milton.  
<https://calendar.milton.ca/Meetings/Detail/2019-03-25-1800-Council-Meeting/d959f29f-817d-4099-9280-ab5100b01c52>

<sup>2</sup> Trafalgar and Agerton Secondary Plans. Town of Milton.  
<https://www.milton.ca/en/business-and-development/trafalgar-and-agerton-secondary-plans.aspx>

<sup>3</sup> Council Report No. PD-017-19. March 25, 2019. Town of Milton.  
<https://calendar.milton.ca/Meetings/Detail/2019-03-25-1800-Council-Meeting/d959f29f-817d-4099-9280-ab5100b01c52>



## **Aldershot GO Major Transit Station Area**

The Aldershot GO M.T.S.A. is situated immediately south of Highway 403, west of the Q.E.W. and Highway 407. The area is intersected by Plains Road and Waterdown Road which serve as the two main roadways. The area has excellent access to Highway 403 via Waterdown Road. The M.T.S.A. is serviced by regional commuter rail (GO train Lakeshore West line) with access via Aldershot station located on the north side of the Mobility Hub. The Aldershot station has been in operation since 1992.

With a gross land area of 92 ha (227 acres), the Aldershot GO M.T.S.A. has a net developable land area of 55 net ha (136 net acres). The area has a population of approximately 2,200, an employment base of 990 jobs, and is comprised of a mix of low-, medium- and high-density residential, retail/service commercial, industrial, and institutional development. Key employment sectors include manufacturing, accommodation and food services, and health care and social services.

The M.T.S.A. contains 31 ha of developed employment land, accommodating approximately 229,000 sq.ft. of non-residential building G.F.A. Current employment densities on employment lands are relatively low (2 jobs per net ha) and a large share of developable lands are underutilized. Employment lands exhibit a low F.S.I. of 0.07 and an average F.S.W. of 3,530 sq.ft. The M.T.S.A. employment lands have experienced a significant decline in employment over the past five years, declining from 120 jobs to 70 jobs over the 2015 to 2019 period. Industrial vacancy rates in the area have hovered at approximately 1% with rental rates nearing \$8 per square foot.

Over the past decade, the Plains Road corridor has transitioned to an increasingly mixed-use area. The area has experienced significant residential and mixed-use development over the period. Since 2006, over 600 dwelling units (largely high-density condominiums, apartments, and townhouses) have been constructed. Non-residential development to-date has been primarily ground-floor retail commercial associated with mixed-use development. Another 930 units are in the site plan approval process, which will result in a significant increase in the population base of the community, as well as continued growth in ground-floor commercial (largely local serving retail). The area is highly attractive for residential development given its transportation access, proximity to recreational amenities (e.g. Lake Ontario waterfront, Hidden Valley Park), local education facilities (elementary and high schools) and central location within reasonable proximity of both downtown Burlington and downtown Hamilton.



## **Appleby GO Major Transit Station Area**

The Appleby GO M.T.S.A. is located south of the Q.E.W. at Appleby Line. The area is occupied largely by mature employment lands that exhibit a general industrial character, with residential townhouse complexes and small apartment buildings on the south side of Fairview Street. The area covers 179 gross ha (442 gross acres) and is home to a population of 700 and an employment base of 5,800 jobs. A large share of employment is in manufacturing, professional, scientific, and technical services, and finance and insurance. The area has excellent access to the Q.E.W. via major arterial roads (Appleby Line and Harvester Road). The M.T.S.A. is served by the Appleby GO train station (Lakeshore West line). The area has experienced limited development activity over the past decade and has limited development activity identified through site-plan activity.

The M.T.S.A.'s employment lands base includes 90 net ha (222 net acres) of developed land and accommodates 4,460 jobs as of 2019 largely within manufacturing and office commercial sectors. The area has a relatively large non-residential building inventory on employment lands totalling approximately 2.4 million sq.ft. with industrial space accounting for about two-thirds of the inventory. The M.T.S.A.'s employment lands have a moderate employment density of 50 jobs per net ha, an average F.S.W. of 550 sq.ft., and an F.S.I. of 0.25.

The Fearman's food processing facility poses unique challenges for intensification and redevelopment of the M.T.S.A., raising land-use compatibility issues in the area. The nearby McMaster University Ron Joyce Centre (DeGroot School of Business) campus needs to also be considered with respect to intensification of the area and potential synergies with the post-secondary institution.

## **Burlington GO Major Transit Station Area**

The Burlington GO M.T.S.A. covers an area of 95 gross ha (235 gross acres) located immediately north of Downtown Burlington. The area has access to Highway 403 and the Q.E.W. via Brant Street and Fairview Street, respectively. The area is served by the Burlington GO train station (Lakeshore West line).

With a developable land base of 66 net ha (163 net acres), the area has a significant underutilized land base. The area is home to a population of 500 and an employment base of 2,070 jobs. Major employment sectors include retail trade, manufacturing and



food and accommodation. Land abutting Brant Street and Fairview Street comprises largely retail commercial uses with some recent high-density residential development along the latter. Lands along Plains Road are largely general industrial in nature. A low-density residential area is located south of Fairview Street and east of Brant Street. The area is intersected by two CN rail lines which separates the area into two distinct areas to the north and south.

The area's employment lands total 30 net ha and are home to 280 jobs. The M.T.S.A.'s employment lands have a moderate employment density of 12 jobs per net ha, an F.S.I. of 0.16 and an average F.S.W. of 1,410 sq.ft. Employment on employment lands is largely in the manufacturing sector.

With the exception of one condominium project (Paradigm Midtown Burlington) located in proximity to the Burlington GO train station, the M.T.S.A. has had limited development activity over the past decade. The area does not have any residential or non-residential development in the site plan approval process.

### **Bronte GO Major Transit Station Area**

The Bronte GO M.T.S.A. is in the Town of Oakville in the southern end of the municipality. It is surrounded by developed Employment Areas just south of Highway 403 and immediately south of the Third Line and Highway 403 interchange. Types of businesses that exist in these Employment Areas primarily include manufacturing.

The M.T.S.A. consists of a gross land area of 146 ha (361 acres) and currently has a population of zero and an employment base of approximately 3,800 jobs. Approximately 117 net ha (289 net acres) of the Employment Areas are developed. In terms of development activity, approximately 5% of the total square footage of development activity in Employment Areas is industrial. Furthermore, non-residential building G.F.A. is approximately 3,003,000 sq.ft. In terms of Employment Area density, this M.T.S.A. has approximately 12 jobs per net ha; an average F.S.W. of approximately 790 sq.ft., which is considered generally high; and an F.S.I. of 0.24.

### **Acton GO Major Transit Station Area**

The Acton GO is the first of two M.T.S.A.s in the Town of Halton Hills. It is the most northerly M.T.S.A. in Halton Region and is bordered by Highway 7 and Eastern Avenue. It consists of developed employment lands in the northern to northwestern quadrant of



the station area and is surrounded by low-, medium-, and high-density residential, in addition to retail commercial uses.

The M.T.S.A. consists of a gross land area of 52 ha (128 acres). The developed employment lands consist of businesses related to construction; manufacturing; professional, scientific, and technical services; and educational services. At present, it has a population of 1,320 and an employment base of 600 jobs. Approximately 4 net ha (10 net acres) of its Employment Areas are developed. Furthermore, approximately 71,000 sq.ft. of non-residential building G.F.A. can be found in this M.T.S.A. and no non-residential development activity occurred on its Employment Area lands between 2015 and 2019. In terms of the employment density within these Employment Areas, it is currently 13 jobs per net ha, which is considered low to moderate. The F.S.I. noted in this M.T.S.A. is 0.17, while the average F.S.W. is approximately 1,370 sq.ft., which is relatively large because of the presence of a traditional manufacturing business.

### **Georgetown GO Major Transit Station Area**

The Georgetown GO is one of two M.T.S.A.s in the Town of Halton Hills. It is situated just north of Highway 7 and west of Mountainview Road North. The M.T.S.A. consists of a gross land area of 133 ha (328 acres) and is primarily surrounded by established and stable residential neighbourhoods of a low- and medium-density nature (e.g. single detached, semi-detached, and townhouses). There is a concentration of developed employment lands in the eastern to southeastern quadrant consisting of businesses related to satellite telecommunications, school and employee bus transportation, and aluminum manufacturing.

At present, the M.T.S.A. has a population of 3,700 and an employment base of approximately 1,000 jobs. Approximately 6 net ha (15 net acres) of its Employment Areas are developed and approximately 222,000 sq.ft. of non-residential building G.F.A. can be found in this M.T.S.A. Current employment densities on developed employment lands are relatively high (approximately 109 jobs per net ha) with a moderate F.S.I. (0.33) and an average F.S.W. of approximately 330 sq.ft. No non-residential development activity occurred on its Employment Area lands between 2015 and 2019.



Figure 90: Halton Region Select Existing M.T.S.A.s – Existing Physical and Economic Characteristics

M.T.S.A. Existing Structure	Burlington			Oakville	Halton Hills	
	Aldershot Go Mobility Hub	Appleby GO Mobility Hub	Burlington GO Mobility Hub	Bronte GO M.T.S.A.	Acton GO M.T.S.A.	Georgetown GO M.T.S.A.
<b>Population (2016 Census)</b>	<b>2,200</b>	<b>700</b>	<b>500</b>	<b>0</b>	<b>1,320</b>	<b>3,700</b>
<b>Total Employment</b>	<b>990</b>	<b>5,830</b>	<b>2,070</b>	<b>3,780</b>	<b>600</b>	<b>1,080</b>
Primary	0	30	10	20	0	0
Industrial	370	2,950	420	2,200	120	370
Office Commercial	110	1,750	150	670	100	490
Retail Commercial	320	740	1,190	790	280	80
Institutional	190	360	320	100	100	150
<b>Total Gross Land Area (ha)</b>	<b>92</b>	<b>179</b>	<b>95</b>	<b>146</b>	<b>52</b>	<b>133</b>
<b>Land Structure (net ha)</b>						
Developed Employment Lands	31	90	23	117	4	6
Developed Commercial Lands	7	6	29	0	9	2
Developed Institutional	2	1	2	0	0	3
Developed Residential	7	7	3	0	15	65
Vacant Lands	5	13	4	0	10	9
Non-Developable/Open Space	40	63	34	29	14	48
<b>Non-Residential Development Trends</b>						
<b>Non-Residential G.F.A., 2015-2019</b>	<b>16,700</b>	<b>5,400</b>	<b>45,000</b>	<b>113,000</b>	<b>800</b>	<b>8,200</b>
Industrial	-	-	-	6,200	-	5,200
Office Commercial	-	-	-	4,900	-	100
Retail/Service Commercial	7,800	5,400	4,100	101,900	800	-
Institutional	8,900	-	40,900	-	-	2,900
<b>Active Site Plans (G.F.A.)</b>	<b>-</b>	<b>19,400</b>	<b>-</b>	<b>88,000</b>	<b>-</b>	<b>-</b>
Industrial	-	19,400	-	-	-	-
Office Commercial	-	-	-	-	-	-
Retail Commercial	-	-	-	88,000	-	-
Institutional	-	-	-	-	-	-

Note: Figures may not add to total due to rounding.

Source: Watson & Associates Economists Ltd., 2020



M.T.S.A. Existing Structure	Burlington			Oakville	Halton Hills	
	Aldershot Go Mobility Hub	Appleby GO Mobility Hub	Burlington GO Mobility Hub	Bronte GO M.T.S.A.	Acton GO M.T.S.A.	Georgetown GO M.T.S.A.
<b>Employment Lands Structure (ha)</b>						
Developed	31	90	23	117	4	6
Underutilized	28	20	7	29	3	2
Vacant	2	2	-	1	-	-
<b>Development Activity on Employment Lands, 2015-2019</b>	<b>0</b>	<b>5,400</b>	<b>41,800</b>	<b>113,000</b>	<b>0</b>	<b>0</b>
Industrial	0	0	0	6,200	0	0
Office Commercial	0	0	0	4,900	0	0
Retail Commercial	0	5,400	41,800	101,900	0	0
Institutional	0	0	0	0	0	0
<b>Active Site Plans on Employment Lands (G.F.A.) sq.ft.</b>	<b>0</b>	<b>19,400</b>	<b>0</b>	<b>88,000</b>	<b>0</b>	<b>0</b>
Industrial Site Plan Activity on Employment Lands (G.F.A.) sq.ft.	0	19,300	0	0	0	0
<b>Building GFA (sq.ft.)</b>	<b>229,000</b>	<b>2,442,000</b>	<b>394,000</b>	<b>3,003,000</b>	<b>71,000</b>	<b>222,000</b>
<b>2019 Employment on Employment Lands</b>	<b>70</b>	<b>4,460</b>	<b>280</b>	<b>3,780</b>	<b>50</b>	<b>670</b>
2019 Employment by Sector						
Manufacturing	30	1,700	140	800	20	80
Construction	30	200	30	330	20	0
Transportation and Warehousing	0	80	10	680	0	150
Wholesale Trade	10	180	30	370	0	0
Utilities	0	20	10	30	0	0
Office Commercial	0	1,650	20	670	10	440
Retail Commercial	0	320	40	800	0	0
Institutional	0	280	0	100	0	0
<b>2015 Employment on Employment Lands</b>	<b>120</b>	<b>5,330</b>	<b>250</b>	<b>3,780</b>	<b>70</b>	<b>740</b>
<b>Employment Lands Density</b>						
Jobs per net ha	2	50	12	32	13	109
F.S.W.	3,530	550	1,410	790	1,370	330
F.S.I.	0.07	0.25	0.16	0.24	0.17	0.33

Note: Figures may not add to total due to rounding.

Source: Watson & Associates Economists Ltd., 2020

## 7.2 Market Assessment of Select Major Transit Station Areas

A market assessment of the select Halton Region M.T.S.A.'s profiled in section 8.1 was undertaken. This includes an S.W.O.C. (strengths, weakness, opportunities, challenges) analysis which identifies the key market attributes, development characteristics, and market potential for non-residential development, was undertaken. These observations are summarized in Figure 91.



Figure 91: Halton Region Select M.T.S.A.s – Strengths, Weaknesses, Opportunities, Challenges and Development Potential for Employment Lands

Major Transit Station Area	Strengths/Opportunities	Challenges/Weaknesses	Development Potential for Employment Lands
Appleby GO	<ul style="list-style-type: none"> <li>• Contains a large contiguous and well-established Employment Area accommodating a broad range of uses</li> <li>• Strong concentration of industrial development with relatively high employment densities</li> <li>• Presence of major office development</li> <li>• Excellent access to 400-series highways</li> <li>• Competitive land prices</li> <li>• Underutilized and vacant lands available for redevelopment</li> <li>• Access to high-order transit (GO train)</li> </ul>	<ul style="list-style-type: none"> <li>• Traditionally an Employment Area with no precedent for residential development; more challenging to create a mixed-use community</li> <li>• Limited development activity over past decade</li> <li>• Urban standalone major office development financial feasibility challenges</li> <li>• Major pork processing facility is a constraint to the overall marketability of the area</li> </ul>	<ul style="list-style-type: none"> <li>• Strong opportunity for office uses on lands within proximity to GO station, and those fronting the Q.E.W. and Appleby Line</li> <li>• Moderate market potential for prestige industrial multi-tenant development</li> <li>• Potential for employment-supportive uses in high profile locations</li> </ul>



Major Transit Station Area	Strengths/Opportunities	Challenges/Weaknesses	Development Potential for Employment Lands
	<ul style="list-style-type: none"> <li>• Located within Priority Transit Corridor</li> <li>• Employment lands within provincially significant employment zone (Zone 19)</li> <li>• Proximity to McMaster University Ron Joyce Centre (DeGroot School of Business) campus</li> </ul>		
Aldershot GO	<ul style="list-style-type: none"> <li>• Existing population base comprised of a mix of housing typologies</li> <li>• Area has experienced strong recent residential development activity catering to a range of market segments</li> <li>• A number of residential and mixed-use development in approvals, strong</li> </ul>	<ul style="list-style-type: none"> <li>• Market potential for industrial uses relatively low</li> <li>• GO train station situated on north side of the M.T.S.A.; not in direct proximity to Plains Road corridor</li> <li>• Urban standalone major office development financial feasibility challenges</li> </ul>	<ul style="list-style-type: none"> <li>• Moderate office development potential on employment lands located in proximity to GO station and Highway 403 and Waterdown Road</li> <li>• Short to medium term – market potential is more oriented to suburban major office buildings with surface parking</li> </ul>



Major Transit Station Area	Strengths/Opportunities	Challenges/Weaknesses	Development Potential for Employment Lands
	<p>population growth potential in medium term</p> <ul style="list-style-type: none"> <li>• Significant number of underutilized employment lands properties with market potential for intensification</li> <li>• Excellent access to major highways (Highway 403)</li> <li>• Access to higher-order transit (GO train)</li> <li>• Employment lands within provincially significant employment zone (Zone 19)</li> </ul>	<ul style="list-style-type: none"> <li>• Limited on-site amenities and employment-supportive uses</li> </ul>	<ul style="list-style-type: none"> <li>• Long-term potential for mid-rise standalone urban office development (with structured parking)</li> <li>• Potential for employment-supportive uses</li> <li>• Low market potential for employment uses for employment lands along Howard Road</li> <li>• Potential for mixed-use development</li> </ul>
Burlington GO	<ul style="list-style-type: none"> <li>• Central location in Burlington in proximity to downtown core</li> <li>• Intersected by three major roadways – Brant Street, Plains Road and Fairview Street</li> </ul>	<ul style="list-style-type: none"> <li>• Dissected by two CN Rail corridors creating a somewhat fragmented parcel fabric</li> <li>• Limited residential or non-residential development to-date</li> </ul>	<ul style="list-style-type: none"> <li>• Moderate potential for office development and employment-supportive uses within underutilized employment lands in proximity to Burlington GO station</li> </ul>



Major Transit Station Area	Strengths/Opportunities	Challenges/Weaknesses	Development Potential for Employment Lands
	<ul style="list-style-type: none"> <li>• Vacant and underutilized employment lands available for development</li> <li>• Access to higher-order transit (GO train)</li> <li>• Located within Priority Transit Corridor</li> <li>• Employment lands within Provincially Significant Employment Zone (Zone 19)</li> </ul>	<ul style="list-style-type: none"> <li>• Competition from Downtown Burlington for development</li> <li>• Urban standalone major office development financial feasibility challenges</li> </ul>	<ul style="list-style-type: none"> <li>• Stable employment lands north of Plains Road East offer low redevelopment opportunities for employment uses</li> <li>• Strong market opportunities for mixed-use development</li> </ul>
Bronte GO	<ul style="list-style-type: none"> <li>• Contains a large contiguous and well-established Employment Area accommodating a broad range of industrial uses</li> <li>• Located outside of P.S.E.Z. offering opportunities for mixed-use development</li> <li>• Excellent access to 400-series highways</li> </ul>	<ul style="list-style-type: none"> <li>• Traditionally an Employment Area with no precedent for residential development; more challenging to create a mixed-use community</li> <li>• North-south roadway connections on the west of the M.T.S.A. are limited</li> </ul>	<ul style="list-style-type: none"> <li>• Strong opportunities for office development along Third Line in proximity to the Q.E.W. and Bronte GO station</li> <li>• Strong opportunities for employment-supportive uses along Third Line</li> <li>• Moderate opportunities for prestige small to mid-sized industrial development</li> </ul>



Major Transit Station Area	Strengths/Opportunities	Challenges/Weaknesses	Development Potential for Employment Lands
	<ul style="list-style-type: none"> <li>• Strong road connections via Spears Road, Wyecroft Road and Third Line</li> <li>• Area has experienced some commercial development activity over past five years</li> <li>• Notable amount of underutilized lands available for infill/ redevelopment, especially on the east and south sides of the M.T.S.A.</li> <li>• Access to higher-order transit (GO train)</li> <li>• Located within Priority Transit Corridor</li> <li>• Employment lands are not within Provincially Significant Employment Zone; offers opportunities for mixed-use development</li> </ul>	<ul style="list-style-type: none"> <li>• Limited on-site amenities and employment-supportive uses</li> </ul>	<p>through expansion, infill and redevelopment</p> <ul style="list-style-type: none"> <li>• Moderate opportunities for mixed-use development in select locations</li> </ul>



Major Transit Station Area	Strengths/Opportunities	Challenges/Weaknesses	Development Potential for Employment Lands
Georgetown GO	<ul style="list-style-type: none"> <li>• Contains a well-established low-density residential area and population base</li> <li>• Well-established industrial uses on employment lands characterized by relatively high utilization and employment density</li> <li>• Significant underutilized lands which offers potential for development of a mixed-use development</li> </ul>	<ul style="list-style-type: none"> <li>• Limited development activity</li> <li>• Fragmented and small employment lands base</li> <li>• Limited on-site amenities and services</li> <li>• Limited nearby population.</li> <li>• The scale of future office demand will primarily be dependent on the growth of Georgetown’s residential population</li> </ul>	<ul style="list-style-type: none"> <li>• Limited opportunities for industrial or major office development</li> <li>• Longer term potential for mixed-use redevelopment including residential and commercial uses</li> </ul>
Acton GO	<ul style="list-style-type: none"> <li>• Includes a well-balanced community including downtown Acton commercial area and low-density residential</li> <li>• Opportunities for broad mixed-use intensification</li> </ul>	<ul style="list-style-type: none"> <li>• Limited development activity</li> <li>• Fragmented and small employment lands base</li> <li>• Limited nearby population</li> <li>• The scale of future office demand will primarily be dependent on the growth of Georgetown’s residential population.</li> </ul>	<ul style="list-style-type: none"> <li>• Limited opportunities for industrial or major office development</li> <li>• Longer term potential for mixed-use redevelopment including residential uses</li> </ul>



Major Transit Station Area	Strengths/Opportunities	Challenges/Weaknesses	Development Potential for Employment Lands
		<ul style="list-style-type: none"> <li>• Groundwater based servicing constrains intensification/ redevelopment potential</li> </ul>	
Agerton GO	<ul style="list-style-type: none"> <li>• Undeveloped greenfield area along Highway 401 corridor with market potential for a broad range of uses</li> <li>• Being planned as part of broader mixed-use community (Trafalgar and Agerton Secondary Plan)</li> <li>• Planned GO station along existing commuter rail line</li> <li>• Direct access to Highway 401 (Trafalgar Road and Highway 401 interchange) and Highway 407 (Derry Road and Highway 407 interchange)</li> <li>• Rail access</li> </ul>	<ul style="list-style-type: none"> <li>• Employment lands base split into two distinct areas by rail corridor</li> <li>• Relatively small employment lands base for contemporary industrial parks</li> <li>• Strong competition for industrial development from neighbouring Employment Areas in Milton and Halton Hills</li> </ul>	<ul style="list-style-type: none"> <li>• Potential for high order employment uses including multi-tenant industrial, office development and employment supportive functions.</li> <li>• This demand, particularly for major office tenants, is likely to be moderate when compared to the more established office activity centres of South Halton.</li> </ul>



## 7.3 Development Feasibility and Use of Financial Tools

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The use of financial tools and incentives might be necessary to help promote and facilitate stand-alone urban office development and office space within mixed-use developments within M.T.S.A.s.

Several local and regional municipalities in the G.T.H.A. have developed C.I.P.s to support the development of mixed-use office environments. York Region has created an Office Incentive Program – a 3-year pilot program designed to build 1.5 million sq.ft. of office space (minimum of 4 storeys) focused on centres and corridors (excludes M.T.S.A.s at this time). The program is seen as supporting the Region’s long-term competitiveness, contributing to local city building and strengthening financial sustainability. Local incentives alone were not seen as effective without regional support.

The City of Toronto has also created a C.I.P. for Brownfield Remediation and Development of Prescribed Employment Uses – An incentive program of up to 12 years designed to accelerate targeted employment growth outside the Financial District for sectors with high economic multipliers (e.g. targeted manufacturing, creative industries, film studio complexes, convergence centres and incubators). The City of Toronto has developed a comprehensive list of defined sectors and employment types designed to attract office development with a G.F.A. greater than 5,000 sq.m or a mixed-use building that includes a minimum G.F.A. of 5,000 sq.m attributed to office uses.

## 7.4 Observations

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Halton’s M.T.S.A.s are envisioned to ultimately contribute to the broader policy objectives of the Growth Plan, 2019, Halton R.O.P. and local O.P.s by facilitating the development of complete urban communities comprised of a balanced mix of residential, non-residential, and public uses served by strong transit infrastructure. With a mix of transit-oriented development, ultimate land uses are expected to achieve relatively high population and employment densities through high-density built form.

Recognizing the evolving nature of the broader economy and planning requirements for today’s industries, as well as, the infrastructure assets and intensification opportunities that exist within these areas, Halton has a unique opportunity through the repositioning



of its Employment Areas within M.T.S.A.s to create high-quality employment and mixed-use growth. Ultimately, effort should be supported in these areas to accommodate transformative change if it can be demonstrated that the employment function and job potential of these Employment Areas can be retained or improved.

The Region’s M.T.S.A.s are not a uniform entity with wide variation in terms of their baseline conditions, geographic location and market potential for non-residential and mixed-use space which impacts the short-, medium-, and longer-term prospects for development on subject employment lands, as summarized in Figure 92.

Figure 92: Market Potential for Employment Lands within Halton’s M.T.S.A.s

M.T.S.A.	Office	Prestige Industrial	Employment Supportive	Mixed-Use
Appleby GO	High	Moderate	Moderate	Low
Aldershot	Moderate	Low	Moderate	High
Burlington GO	Moderate	Low	Moderate	High
Bronte GO	High	Moderate	High	Moderate
Georgetown GO	Low	Low	Low	Moderate
Acton GO	Low	Low	Low	Moderate
Agerton GO	Moderate	High	High	Low

Halton Region’s M.T.S.A.s that intersect Employment Areas are not expected to accommodate many of the traditional industrial uses such as distribution/logistics, large-scale manufacturing and transportation uses, typical of larger, newer greenfield employment lands in Halton Region. Reflective of recent development trends and broader employment growth trends in Employment Areas within Halton Region and the G.T.H.A., stable Employment Areas in Appleby and Bronte are anticipated to offer



moderate long-term infill and redevelopment potential towards small to mid-size development (i.e. 1 to 5 ha) largely in the form of multi-tenant industrial space.

Office development potential is considered relatively strong in Appleby and Bronte M.T.S.A. areas. While there is long-term potential for mid-rise standalone urban office development (with structured parking) in both locations, in the short to medium term, the market potential is more oriented to suburban major office buildings with surface parking. Moderate suburban office development potential exists in Aldershot and Agerton.

Agerton, Aldershot, Appleby, Bronte, and Burlington GO M.T.S.A.s all offer moderate to strong potential for employment-supportive uses such as restaurants, hotels, fitness centres, day care centres, and other personal and professional services to be accommodated on employment lands. The viability and scale of these supportive uses will ultimately depend on the build-out population of future employment lands as well as accessibility and connectivity to nearby residential trade areas. Employment lands within Aldershot, Bronte, and Burlington GO M.T.S.A.s also offer mixed-use development potential.

Employment lands within Georgetown and Acton M.T.S.A.s are fragmented and have limited market potential for expanded employment uses. While these subject lands have established and stable industrial uses which are not expected to change over the short to medium term, the lands offer redevelopment potential for mixed use over the longer term.

## 8. Halton Region Growth Outlook and Planning for Employment Uses

### 8.1 Growth Outlook

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Over the forecast planning horizon, employment growth within Halton is expected across a wide range of sectors driven by continued diversification of the regional and local economic base and strong population growth as identified in Schedule 3 of the Growth Plan, 2019.

Population growth is anticipated to drive the demand for population-related commercial and institutional employment in the Region of Halton. New residential and population-

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related development will also drive demand within the construction sector and influence investment across certain industrial sectors that are more closely driven by regional population growth (e.g. fulfilment centres, urban warehouses).

Most industrial and office commercial employment (export-based employment), however, is not closely linked to population growth. Employment within these sectors tends to be more influenced by broader market conditions (i.e. economic competitiveness, transportation access, access to labour, and distance to employment markets), as well as local site characteristics such as servicing capacity, highway access and exposure, site size/configuration, physical conditions and site location within existing and future Employment Areas throughout Halton Region and the surrounding market area.

Knowledge is now recognized as the driver of productivity and economic growth, leading to a new focus on the role of information, technology and learning in economic performance. In an increasingly knowledge-based environment, the ability to cultivate, retain and attract talented workers, high-value jobs and innovative businesses is vital for the future economic prosperity of Halton Region.

As a result of the strong regional growth prospects, the distribution of employment in Halton is anticipated to shift to a higher share of employment concentrated in knowledge-based sectors. The Region is expected to see a significant employment increase in business services, corporate management, professional, scientific, and technical services, finance and insurance, and information technology. Growing opportunities will exist to accommodate knowledge-based sectors within major office buildings, flex office, in multi-tenant industrial condos, and other smaller-scale office settings in mixed-use areas and institutional buildings. It is anticipated that the long-term market for office-based employment within Halton will be largely focused within the Region's mixed-use areas and prestige Employment Areas.

As discussed in section 3.1, COVID-19 is having a significant negative impact on short-term macro-economic growth. Within the Halton context, short-term economic challenges due to the Great Lockdown have resulted in elevated rates of unemployment with contraction in employment in a broad range of industry sectors. While long-term economic growth is expected to remain positive in the Region of Halton, the near-term impacts of COVID-19 are largely unknown. Based on near-term trends observed, COVID-19 appears to be accelerating key economic disruptors including growth in e-



commerce, the gig economy, and automation. These trends are anticipated to fuel growth for distribution/logistics centres, place continued downward pressure on bricks-and-mortar retail store/service space needs and reduce F.S.W. for office and industrial space.

This change in the type of economic activity has implications for planning for non-residential development and employment growth. As new technologies continue to grow, there is a corresponding demand for the type, location and size of land and buildings. Industrial buildings will continue to be in demand, but with fewer employees (and more robots) per square metre of space. Office spaces also need to be reimagined with consideration placed on integrating technologies and automation, and new ways of working that mix offices, labs, tech space, start-ups, universities and colleges, and other uses. The locational preferences of firms are also evolving as they are increasingly seeking urban environments that offer special and specific advantages to businesses.

As Halton Region realizes its vision as outlined in its Economic Development Strategic Implementation Plan, 2012-2021 of having *a positive business environment that is supportive for both innovative businesses and entrepreneurs*, there are several employment land planning insights and trends that need to be considered. The following review is informed by the *2018 Planning The Next G.G.H., Neptis Report* and the project team's work with various communities across the G.G.H.

- The G.G.H. is well-positioned to capitalize on evolving industry trends, particularly due to the availability and access to a labour pool with specialized skills, support services that provide business-to-business inputs and services, and excellent access to final business and consumer markets for goods and services of all kinds. Further "agglomeration economies" including formal and informal knowledge networks and specialized resources such as laboratories, machinery and equipment, and research capabilities at universities and colleges are competitive benefits for the region.
- Downtown Toronto has shown and will continue to show the densest employment concentration. As per the Neptis Report, approximately 25 million sq.ft. of office development in or near the downtown are in the planning approvals pipeline, projected to provide an additional 100,000 jobs. This growth can be attributed to sustained strengths of knowledge-intensive sectors like



Finance and High Order Business Services (HOBS) and a broad mix of land uses.

- It is known that HOBS tend to concentrate in large urban centres characterized by corporate offices and a broad mix of land uses including residential apartments, diverse office-based companies, major institutions including universities, and services for workers such as shops, cafes, and gyms. This is highly representative of Downtown Toronto's character.
- Suburban Knowledge-Intensive Districts (SKIDs) including Waterloo, Sheridan, Meadowvale, Airport (within the Airport Megazone), and Markham (within the Tor-York East Megazone) have been less successful in attracting employment. As per the Neptis Report, only the Airport and Meadowvale SKIDs grew between 2006 and 2016, while the others either lost core employment or remained stable. Employment growth in the SKIDs was accounted for by the soft tech, finance, pharma, telecoms, and science-based archetypes, and to a lesser extent by hard tech.
- Recent trends show that Downtown Toronto is attracting existing development from suburban areas and new development that might have previously located in the SKIDs. Start-ups and businesses in new and emerging sectors are being attracted to the downtown. Despite some recent transit improvements (in Markham, Waterloo, and the Airport), SKIDs are still auto-oriented, which becomes an increasingly difficult proposition as highway congestion rises. The lack of a high-quality, walkable public realm offers little in the way of employee services or amenities and lack close physical integration with the transit available. For example, Meadowvale, which has seen the most employment growth, still suffers from auto-dependency despite being the location of a GO Transit station.

These trends are similar to those identified in the Halton I.G.M.S. The Halton I.G.M.S. further identifies that rising lease rates in Downtown Toronto may prompt some employers to seek more affordable space in the “905” Regions. The Neptis Report affirms that the City of Toronto needs to ensure that transit infrastructure beyond the core is developed in tandem with increasing demand. If not, growth may be deflected to other areas of the Region or even other competing city-regions.



## 8.2 Planning for Employment Areas

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As previously mentioned, structural changes in the economy are changing the character of economic activities in Employment Areas and impacting their built form and character. Recognizing these recent structural changes in the regional economy, there is a need for Halton Region to ensure that the amount, type, and location of the Region's established and planned Employment Areas are well aligned with anticipated market demand. This requires that near-term (i.e. shovel-ready lands) and longer-term land needs are adequately addressed. It also requires that the Region's Employment Areas are uniquely planned and designed to accommodate a range of traditional industrial sectors related to manufacturing, Goods Movement, construction and utilities, while other Employment Areas and mixed-use locations offer competitive attributes and supportive infrastructure, urban amenities, and synergies to attract the growing knowledge-based sector.

These real estate trends which influence the planning of Employment Areas in today's economy, are explored below.

### 8.2.1 Planning for Industrial Sectors

There are a number of emerging industrial sectors that are anticipated to influence the demand for employment lands in Halton Region across a wide range of uses.

Advanced manufacturing is evolving and is requiring integrated operations on larger sites in a "campus-style" setting. These integrated facilities often accommodate a combination of office, research and development, warehousing and logistics, and on-site manufacturing.

As previously mentioned, the Goods Movement sector is evolving and responding to consumer demands, as e-commerce is growing in Canada. Emerging Goods Movement uses in Halton are anticipated to include warehousing facilities requiring specialized functions which focus on serving the expanding urban population within the local and surrounding area. Key requirements include improvements to accessibility to the labour force (public transportation) and buildings with a range of design options.



## Goods Movement Sector

As previously mentioned, recent industrial development activity across the G.T.H.A. and beyond has been driven by rising demand in the Goods Movement sector. Increased outsourcing of manufacturing production to emerging global markets continues to drive the need for new consolidated, land-extensive warehousing facilities to store and manage the distribution of goods produced locally as well as goods imported from abroad. This continues to drive demand for increasingly larger, more land-extensive warehousing facilities, generally in Greenfield Employment Areas. Across North America, the Goods Movement industry is continuously evolving at a rapid pace. As previously mentioned, e-commerce and technological improvements represent the biggest drivers of change in the Goods Movement industry, driven by the rapid growth of mobile technology. Key considerations in planning for the Goods Movement sector include the following:

- Just-in-time manufacturing will continue to be the industry norm, placing increasing emphasis on more frequent and smaller deliveries by truck transport, typically during the last mile.<sup>1</sup> As the e-commerce market continues to expand, this component of the supply chain is becoming increasingly important to businesses as it has a direct influence on the customer experience. In addition to the need to provide timely, accurate service delivery, it is also critical for industry to ensure cost efficiency given that 30% to over 50% of total parcel delivery cost is associated with this leg of the supply chain.<sup>2, 3</sup>
- To overcome potential cost challenges, industries are acquiring properties in ideal urban locations and adaptively redeveloping existing buildings to create a new industrial product type: the urban warehouse. The features of the urban warehouse are as varied as the locations in which they are located, and often depend on the amount of goods being distributed. Unlike traditional fulfillment centers that grow horizontally, urban warehouses grow vertically with either high

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<sup>1</sup> The last mile is commonly referred to in the logistics sector as the last leg of the transportation process from the distribution centre or fulfillment hub to the final destination (i.e. the retailer or consumer).

<sup>2</sup> Breaking Down the “Last-Mile Delivery”: Challenges and Solutions. October 12, 2016.

<sup>3</sup> Parcel Delivery. The Future of the Last Mile. McKinsey & Company. September, 2016.



clear heights or multi-level configurations that utilize complex automated material handling systems. By emphasizing volume of storage as opposed to area, high land prices can be spread across a greater storage capacity.<sup>1</sup>

- Automation of distribution centres allows for more vertical storage; however, the need for numerous loading bays will dictate land requirements, and the industry trend is for more and more bays at facilities. Using automated logistics solutions and robotic systems improves efficiency and reduces the requirement for daylight or height limits of warehouse space, thus allowing for more vertical storage. Vertical storage and increased automation also reduces the distance inside warehouses, further speeding up the delivery process.<sup>2</sup>
- Autonomous trucking technology is currently being tested worldwide. A key driver of this technology is the reduction of transportation costs (i.e. labour) combined with improved road safety. Although the full implementation of driverless trucks remains far ahead in the future, advances in technology have come quicker than expected. Autonomous trucking technology is likely to affect industrial real estate in several ways. Lower transportation costs are anticipated to drive the need for fewer, but larger, consolidated warehouses in locations where land costs are lower.<sup>3</sup> Typically, the larger the property, the lower the average employment density.
- Locations close to multi-modal facilities continue to be very attractive with access to rail – this is generating increased demand for larger-scale logistics hubs. Core components of integrated intermodal terminals, often referred to as freight hubs or freight villages, include general warehousing/storage, distribution centres, transshipment facilities, vehicle maintenance/repair services, and transportation/logistics uses.

## **8.2.2 Planning for Knowledge-Based Sectors**

As previously noted, recent market demand on employment lands has been increasingly driven by growth in the knowledge-based or creative class economies, These sectors continue to grow, and major office, flex office and multi-purpose facilities

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<sup>1</sup> Urban Infill: The New Frontier for E-Commerce. April 2017. Conor Commercial Real Estate.

<sup>2</sup> Transformation of the Global Supply Chain. Automated Technology: Driving Change in Real Estate. CBRE. 2016.

<sup>3</sup> Ibid.



encompassing office and non-office uses are becoming an increasingly dominant built form within Employment Areas.

Accommodating new development and expansions related to light industrial and office uses requires that Employment Areas are planned to achieve a compact, transit-supportive (e.g. connections to public transportation systems including GO Transit and Halton Transit), and pedestrian-oriented environment with access to employment-supportive uses such as amenities, entertainment, cultural activities, and public spaces. At the same time, demand will continue to exist for industrial and commercial uses in prestige Employment Areas which offer ample land supply. For these Employment Areas, highway access and exposure/visibility and design are critical, particularly for the corporate office component.

To address the broad needs of industry, a range of employment and commercial areas by site size, access, designation/zoning, and surrounding land use should be considered including both urban and suburban locations. In many cases, new major office/head offices accommodated in Employment Areas integrate industrial, office, and training facilities on site. Where feasible, prestige employment sites also provide significant land area to accommodate surface parking and, in some cases, future expansion potential. On average, employment density levels for integrated office/distribution and training facilities are much lower than standalone major office developments. Given the unique operational requirements of these facilities, such uses often cannot be accommodated in downtown or mixed-use office settings. In industrial/business parks, prestige office uses are often positioned at gateway locations (i.e. at major highway interchanges) with direct highway access/exposure as well as strong connectivity to arterial roads, and offer live/work opportunities.

### ***8.2.3 Planning for Employment Land-Supportive Uses***

As the regional economy continues to evolve, there are increasing pressures on employment lands to accommodate commercial service, retail and community/institutional uses. Through land use designations and zoning by-law provisions, municipalities have responded by permitting a range of commercial, community and institutional uses on employment lands.

Typically, G.T.H.A. municipalities accommodate at least some commercial service (stand-alone or accessory) and limited retail activity (primarily as accessory) on



employment lands that support and complement primary employment uses. To varying degrees, ancillary uses, such as restaurants, entertainment facilities and personal services (e.g. dry cleaners and hairdressers) are permitted on employment lands with the intention to support and/or complement employment uses. Municipalities also typically accommodate select community/institutional uses such as recreation centres and emergency services facilities on employment lands.

Accommodating an adequate mix of supportive uses on employment lands, such as retail and personal services, can strengthen such areas by providing amenities and services to employees/employers. Accommodating too much non-employment-supportive uses, however, can lead to land-use conflicts, influence land values, and eventually contribute to the erosion of employment lands.

While non-industrial uses can directly support the function of Employment Areas, large freestanding retail uses can potentially create negative impacts on the surrounding industrial or employment uses, or impact the future prospects of the area for industrial development. Though large, freestanding, retail uses generate employment, they may also absorb large shares of land through their configuration or requirements (e.g. parking), draw considerable traffic from outside the immediate area (creating congestion in the industrial area), or affect the character of the Employment Area. As such, approaches should be developed to discourage major retail development in Employment Areas.

Under the Growth Plan, 2019, employment land protection policies have been strengthened with respect to prohibiting uses such as major retail in Employment Areas. As a result, the Growth Plan, 2019 provides that, for any major retail uses that are permitted in Employment Areas, a municipality should establish a size or scale threshold for such use. The definition of major retail and restrictions for retail on employment lands varies across the G.G.H.

### **8.3 Planning for M.T.S.A.s**

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Workers in knowledge-intensive industries are increasingly demanding accessible and dynamic work environments that promote interaction and innovation. As previously mentioned, this underscores placemaking as an increasingly recognized and important concept in creating diverse and vibrant workplaces, which in turn can help attract local population and job growth, provided that other necessary infrastructure requirements

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are met. This is particularly relevant in mixed-used environments which integrate office commercial, residential, and other community uses with public open spaces.

There are some key considerations that need to be better understood if future development is to be attracted to the Region's M.T.S.A.s and other Strategic Growth Areas (S.G.A.s) as designated in O.P.s.

- **Plan for The Right Sector** – As per the Neptis Report, these environments are best suited to attract science-based firms, pharma, and telecoms and arts-related firms, in large part due to the nature of these firms. Science-based firms tend to be larger, corporate, or multinational, and are self-contained and inwardly focused on the development of proprietary products. They usually prefer suburban, single-use employment zones. Arts-related firms are small and are more network-oriented. Denser, mixed-use environments are preferred as they allow for formal and informal meetings and knowledge exchange outside the firm.
- **Development Outweighs Demand** – Any planning for these environments should be realistic about the amount of office growth that might be attracted here. While O.P.s have provisions in place to encourage office development, the reality is that development planning outweighs demand. Along with planning for new office developments, there needs to be a corresponding consideration to create transit-oriented vibrant city centres. The Neptis Report identifies that municipal O.P.s. and the Growth Plan, 2019 could prioritize a strategic, focused approach to planning for centres, nodes, and corridors.
- **Need to Provide the Right Environment** – The continued success of these areas is highly dependent on their ability to provide access to labour, vibrant spaces for employees, and agglomeration economies. A high-quality urban environment is one that offers quality transit services, a walkable and cyclable public realm, and has services and amenities including restaurants, cafes, shops, daycares, arts, and cultural and recreational facilities.
- **Need for Better Integration of Planning and Economic Development** – While planning uses overall projected growth in major office employment or in "Employment Lands Employment" to develop land-use plans, it often does not consider the economic reality of these regions. Many spaces are experiencing stagnation or decline, particularly older urban-industrial areas and inner suburban office parks. This requires a more strategic approach to planning; one that integrates planning with an economic development strategy and is area specific.



A place-based economic development strategy would allow for flexible planning frameworks, repurposing measures for older buildings and areas, and investment for mixed-use, co-working, incubators, start-up, and shared spaces. As identified in the Neptis Report, a regional economic development strategy would also allow for the closer integration of economic and land-use planning in the Region and would help identify the kinds of economic activities that are growing, stable, or declining in the G.G.H.

- **Flexible Planning** – It is known that, traditionally, G.G.H. municipalities have been slow to adopt flexible land-use frameworks. Recent economic trends and industry disruption, however, mandates that municipal O.P.s, secondary plans, and zoning allow for greater flexibility in permitted uses. This will ensure that businesses effectively respond to the changing environment, new ways of working, and innovation capabilities. Recent trends show that employment spaces and facilities are increasingly demanding the ability to integrate different functions. For example, innovation parks and mixed-use spaces which integrate research, institutions, start-ups and labs, office, co-working, and production space with recreational amenities and services. This trend is witnessed in various sectors. Distribution spaces now include both production and services to retail, such as on-site set-up and assembly. Bricks-and-mortar retailers fill online orders or provide click-and-collect services. Manufacturing facilities may include retail outlets, as they do in breweries or bakeries.
- **Repurposing of Industrial Buildings** – An ongoing planning consideration across the G.G.H. is the conversion of existing employment lands to other uses, particularly residential and retail. As identified in the Neptis Report, the conversion of these lands is specific to each municipality and is dependent on the target sectors, site characteristics, as well as regional considerations. For example, soft tech or arts and design firms usually prefer offices, flex uses, and employment spaces. Accommodating growth for professional services or arts and design firms, may require repurposing and renewing older, underused industrial areas. Sectors such as medium-scale urban warehousing, light manufacturing (e.g. beverage production), and tech-related manufacturing (e.g. 3D printing) usually prefer urban industrial spaces that are close to consumer markets. Industry trends that point to the reshoring of manufacturing and the growth of e-commerce require that land and buildings be reorganized to support higher levels of automation and robotics, and fewer but higher-skilled employees.



## 8.4 Evaluation of Employment Lands Planning Policy Framework

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An assessment of the current land-use policy framework as presented in the Halton Region O.P. with respect to employment uses was completed. This assessment was also conducted alongside a review of current planning policies of select upper-tier and single-tier municipalities including the City of Hamilton, Peel Region, York Region, and Durham Region. This analysis helped assess how employment lands planning policies in Halton Region compare with competing municipalities in the G.T.H.A., while being mindful of the unique approaches of each municipality in planning its Employment Areas.

This analysis had consideration for the following:

- Protecting Employment Areas;
- Monitoring and Improving Employment Area Supply;
- Changing Nature of Employment;
- Competitiveness and Investment in Employment Areas; and
- Inclusion of Non-Employment-Supportive Uses.

In general, all the comparator municipalities, including Halton Region, possess Employment Area planning policies that are encouraging and enabling, while also integrating with economic development considerations such as competitiveness and ensuring the supply of shovel-ready lands. It was observed that some municipalities, including Halton Region, adopt a comparatively more vision-setting, encouraging, and directive approach in their Employment Area planning and economic development policies.

With respect to protecting Employment Areas, a consistency was observed across the comparator municipalities to encourage the protection of Employment Areas, with Regional level O.P.s especially setting the direction for the long-term protection of Employment Areas and including specific employment conversion policies, principles, and/or frameworks. O.P. policies focused on competitiveness and investment in Employment Areas were also reviewed and it was found that although these policies were less descriptive, overall they were encouraging improvements to the municipalities' competitiveness and attraction of investment to their Employment Areas



through research into emerging sectors, provision of hard and soft infrastructure, and establishing industry and institutional partnerships. Of note is the approach of York Region's O.P. policies to improve the competitiveness of the Region and its Employment Areas – the Region's O.P. consists of broad but enabling planning policies for the Region to explore and provide telecommunications infrastructure in recognition of the more mobile, technological, and flexible nature that employment is becoming. It also consists of policies supporting partnerships with educational and research institutions and companies. Below are examples of such policies:<sup>1</sup>

Policy 4.1.5 To work with local municipalities to create a business friendly environment that includes:

- a. a diverse range, size and mix of available employment lands;
- b. state-of-the-art communications facilities and networks, including broadband technology;
- c. advanced infrastructure;
- d. a range of quality human services facilities and programs;
- e. a protected and enhanced natural environment; and,
- f. employment areas that are well designed and include business support services.

Policy 4.1.6 To work with local municipalities to promote the Region as a location for knowledge-based activities by leveraging existing employment clusters and the Region's highly skilled diverse workforce, and establishing and maintaining strong links to educational and research institutions and companies.

Policy 4.1.10 To work with local municipalities to encourage telecommuting where appropriate.

Policy 4.1.11 To work with local municipalities to promote work-at-home through the adoption of enabling zoning provisions that allow for live-work units where appropriate.

This can offer lessons to Halton Region while considering how regional-level planning policies can be improved to provide an ecosystem within its Employment Areas that is

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<sup>1</sup> York Region Official Plan (Office Consolidation, January 2019).



resilient to the changing nature of employment, thereby advancing the Region's competitiveness.

Overall, all municipalities recognize the need and value of monitoring supply and ensuring long-term supply meets long-term demand. More specifically, Halton Region has specific and comprehensive policies regarding monitoring, preparing, and managing Employment Area supply in a way that allows the Region's Employment Areas to be investment ready. It is evident through Halton Region's land-use planning framework that the Region has specific goals for its Employment Area supply.

The final area that was reviewed in this benchmarking exercise was the inclusion of non-employment-supportive uses in Employment Areas. All comparator municipalities' O.P. policies directed prohibiting non-employment uses in Employment Areas unless the use meets a criterion (e.g. specific policy area, physical characteristics, etc.) as specified in lower-tier O.P.s. Often, the direction from the upper-tier O.P. is for the local O.P.s to specify the type, location, amount, and size of non-employment uses in Employment Areas, demonstrating some level of coordination in managing non-employment uses in Employment Areas between the upper- and lower-tier municipalities. York Region's and Durham Region's O.P. policies could provide lessons to Halton Region's O.P. to further improve its Employment Area policies in this regard. Below are examples of planning policies of Durham Region and York Region, respectively, regarding non-employment uses in Employment Areas:

### Durham Region – Sub-Section 8C Employment Areas

#### 8C.1 General Policies

8C.1.3 The Region shall protect Employment Areas from consumption by personal service and retail uses.

8C.2.12 Limited personal service and retail uses, serving the immediate designated Employment Area may be permitted as a minor component (e.g. 10%) of the aggregate gross floor area of the uses in the designated Employment Area, subject to the inclusion of appropriate provisions in the area municipal official plan and/or zoning by-law. In any case, a single use shall not exceed 500 m<sup>2</sup>.

8C.2.13 Retail sales as a minor, ancillary component of an industrial operation may also be permitted, subject to the inclusion of appropriate provisions in the area municipal official plan and/or zoning by-law.



8C.2.14 Major retail uses shall not be permitted in Employment Areas, except where currently designated as a permitted use in an area municipal official plan as of June 3, 2009.

8C.2.15 Notwithstanding Policy 8C.2.14, major retail uses may be considered along the north side of Taunton Road West between Goodman and Oshawa Creeks in the City of Oshawa provided:

- a) transportation impact study is prepared and submitted to the Region for its approval; and
- b) the development is in accordance with Policy 8A.2.9.

#### York Region – 4.3 Planning for Employment Lands

4.3.11 To allow a limited amount of ancillary uses on employment lands, provided that the proposed uses are intended to primarily service businesses in the employment lands and that ancillary uses collectively do not exceed 15 per cent of an employment area as defined in the local official plan.

4.3.12 To require local municipalities, through local official plan policies, to determine the location, amount and size of ancillary uses on employment lands that is commensurate with the planned function, size and scale of the overall employment land area.

4.3.13 That local municipalities include official plan and secondary plan policies and zoning provisions to allow only employment and ancillary uses on Local Corridors and other major streets within employment lands.

Overall, Halton's Employment Areas planning policies are generally supportive and reflective of industry and market needs. The Region's Employment Area planning policies have a firm foundation while also being aligned with the current provincial planning policy framework, which emphasizes readying employment lands, improving their marketability, and capitalizing on investment opportunities. It is evident through the Region's O.P. that a Regional vision and interest in planning, protecting, and preserving its Employment Areas are being advanced.

The Region's planning policies also recognize the business, competitive, and investment perspective of Employment Area planning, demonstrating a clear bridge between land-use planning and economic development. It is clear through the Region's policies that integrating land-use planning and economic development is the Region's



preferred approach to managing its Employment Areas. Development parameters, urban design specifications, criteria for ancillary and/or non-employment uses, and detailed conversion policies related to Employment Areas, for example, are further specified in the local O.P.s, providing more localized opportunities to protecting Employment Areas.

The Region's planning policies are also mindful of Regional and local circumstances to plan the Region's Employment Areas. For example, the Region's O.P. policies note that during the evaluation of employment conversions, the Regional and local ability to achieve the regional employment forecast is considered. Moreover, the Region's economic development planning policies recognize in the Region's Economic Development Strategic Plan that there is the need to identify hard and soft infrastructure, policies, and human resources to be able to pursue new economic opportunities for the Region. There is a recognition in the Region's O.P. of particular conditions required for the Region to quickly and nimbly capitalize on these new economic opportunities.

## 9. Conclusions

Recognizing that structural changes in the global economy will continue to be accelerated by technological advancements and innovation, municipalities must be increasingly responsive and adaptive to changing industry needs and disruptive forces. To advance the Region's investment readiness and attraction, and to ensure economic and fiscal sustainability, it is critical that Halton Region plan for the needs of employment growth, recognizing the changing nature of employment and industry requirements.

Looking forward over the next three decades, Halton Region's land-use planning, economic development, and fiscal policies must anticipate and reflect the evolving needs of businesses across a diverse range of industry sectors and sizes. These policies must also offer a degree of flexibility and nimbleness that allows for relatively rapid responses to unforeseen changes, which can be a critical advantage relative to competitive markets.