



# **Reality Hits Home: Job Creation a Challenge for Complete Communities in the GGH**

Centre for Urban Research and Land Development

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## Highlights

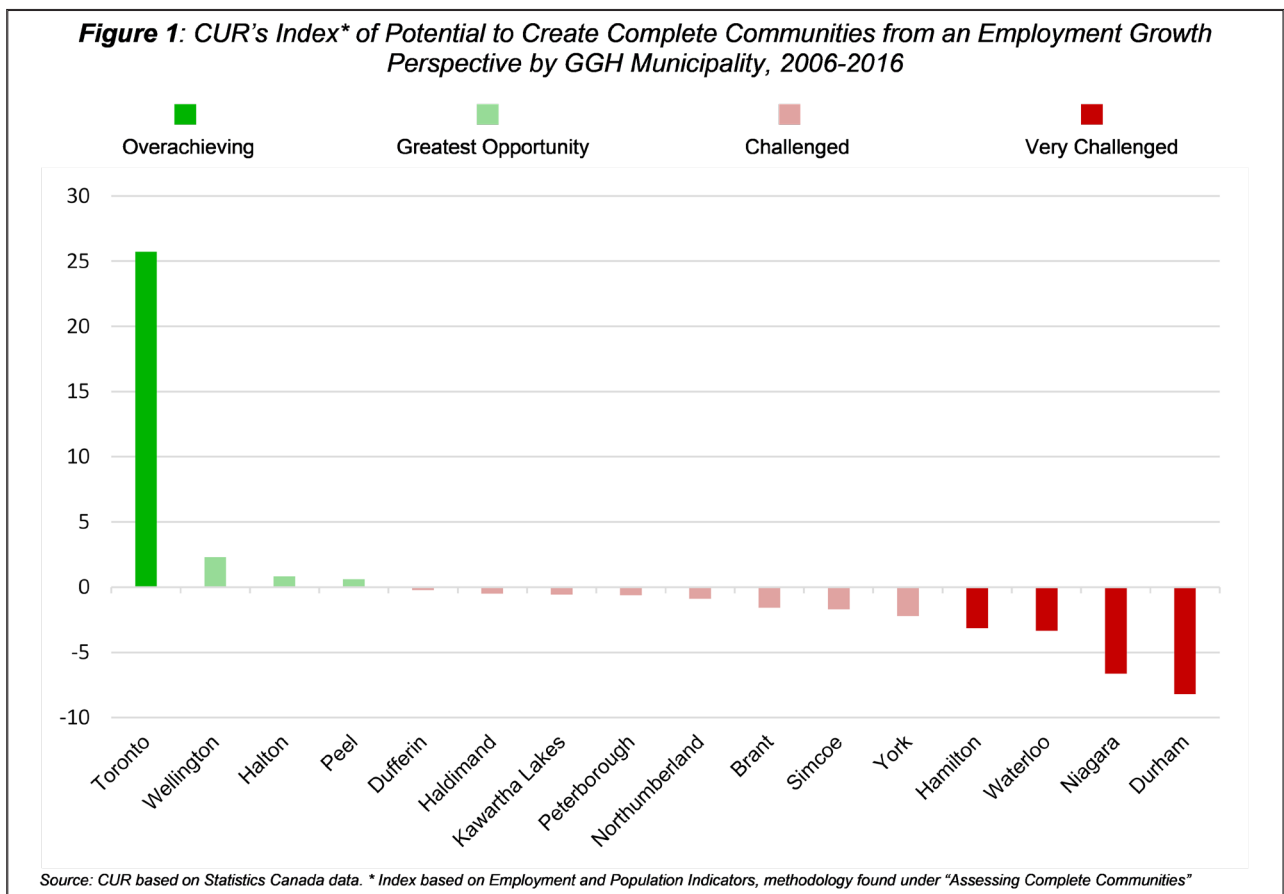
The idea of living in a community that mixes residential and employment uses, where people can live, work, shop, and play locally without having to rely on automobile use has intuitive appeal to many. Policymakers especially have promoted the concept, as it aspires to a more efficient use of land and infrastructure. The creation of these so-called complete communities throughout the Greater Golden Horseshoe (“GGH”) was a cornerstone for both the Province of Ontario’s Growth Plan for the Greater Golden Horseshoe (“the Growth Plan”) first passed in 2006 and the updated version passed in 2017<sup>1</sup>.

Based on the premise that the creation of local jobs is an essential element for this objective, this analysis looks at the progress of complete communities efforts across the GGH. An overall index is developed

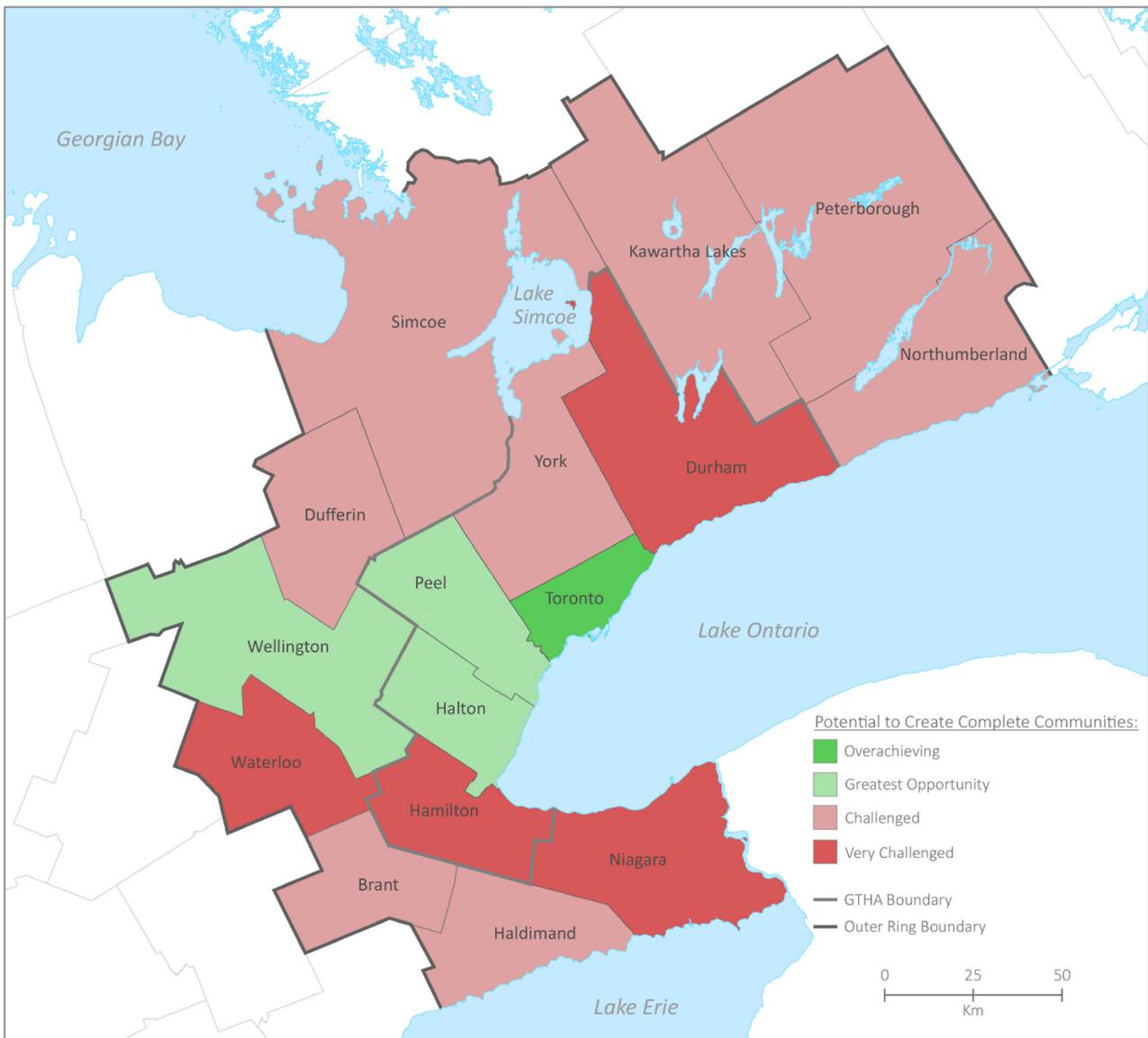
to represent each municipality’s potential to create complete communities from the perspective of employment growth performance. The overall performance of municipalities, ranked from best to worst, is summarized in Figure 1 and Figure 2.

Looking at the decade from 2006-2016, it is evident that patterns of employment growth in the GGH are not consistent with a key objective of the Growth Plan: that is, creating complete communities throughout the region. The economic realities of job creation has meant that some municipalities have a much greater opportunity to meet this objective than others. In particular the City of Toronto has been greatly overachieving in its job creation performance, while most of the Outer Ring struggles.

As a result, there is a case to be made for the Growth Plan to be revisited to ensure its complete communities objective is consistent with the economic reality of the GGH.



**Figure 2: Map of GGH Municipalities by Potential to Create Complete Communities from an Employment Growth Perspective, 2006-2016**



Source: CUR

## Assessing complete communities

There are many ways to measure outcomes as they relate to complete communities.

The Growth Plan's primary measures relate to intensification (percentage of new development within existing built-up areas) and density (the total concentration of people and jobs). It should be noted, however, that the Province has used a wider set of indicators on occasion.<sup>2</sup>

However, for our purposes, we focus

specifically on employment growth performance. The creation of local jobs is an essential element in creating successful complete communities. With local job opportunities, more residents have the option to undertake local live-work lifestyles and make shorter non-auto commutes.

The Growth Plan allocates projected growth in GGH employment and population up to the year 2041 among single-tier and upper-tier municipalities in the region (see appendix for detailed map of GGH geography). The presumption is that these municipalities will in fact have sufficient employment growth

to meet these targets and thereby facilitate the creation of complete communities within their boundaries. The most recent employment (and population) forecasts by municipality, contained in Schedule 3 of the Growth Plan<sup>3</sup>, are based on forecasts in a study conducted by Hemson Consulting in 2012 (and updated in 2013)<sup>4</sup>.

This paper uses employment data<sup>5</sup> from the 2006 and 2016 Censuses of Canada to assess the actual employment growth in the GGH over the first decade of the Growth Plan (2006-2016). The underlying premise is that municipalities with relatively robust employment growth will have more likelihood of creating complete communities within their boundaries than municipalities where employment growth is lagging.

Three statistical measures of “relatively robust employment growth” during 2006-2016 are utilized in the analysis:

**1. Employment Distribution 2006 vs 2016:** Did a municipality’s share of the GGH’s overall employment increase, decrease or remain unchanged from 2006 to 2016? To the extent that a municipality’s share increased, it would suggest that the location was relatively attractive to employment uses and thereby has potential to create local jobs to support complete communities.

**2. Employment Growth vs Hemson Growth Plan Forecasts:** Did a municipality’s employment growth, as a share of GGH growth during the decade, exceed, lag or match the employment growth in the Hemson forecasts? To the extent that actual growth does not meet forecasts, it could result in a spatial mismatch of jobs with infrastructure and population, increasing the challenge for municipalities to create complete communities.

**3. Employment Growth vs Population**

**Growth:** Did a municipality’s share of GGH employment growth exceed, lag or match its share of GGH population growth? To the extent that employment growth does not keep pace with population growth suggests that municipality’s growth overall will not be sufficiently mixed to generate complete communities.

Ultimately, these measures are combined into a single index to generate an overall rank. The capacity of single-tier and upper-tier municipalities within the GGH to create complete communities are thus categorized as very challenged, challenged, greatest opportunity, and overachieving.

## **Toronto overachieves, the Outer Ring largely struggles**

The overall ranking of the upper and lower tier municipalities in the GGH to attract sufficient employment growth to create complete communities are shown in Figure 3.

Key upshots include:

**Toronto was the top performer across the board, with the exception of a slight loss in relative share of GGH employment from 2006 to 2016**

Toronto’s share of GGH employment growth (31.5%) massively exceeded its forecast share (15.8%) and its share of population growth (21.1%). The only instance where the City of Toronto did not display GGH-leading performance was in terms of a slight decline in its employment share (from 35.5% to 35.2%). This is to be expected, given that Toronto historically has been the leading centre of employment, but recent policy like the Growth Plan has promoted a more dispersed distribution of employment in the GGH.

Still Toronto retained its primacy as the economic engine and employment hub of the GGH, greatly overachieving in terms of job



creation. Agglomeration economies - that promote the concentration of businesses in the City's large employment hubs—and the large, educated labour force living in downtown condos have contributed to Toronto's strength. This provides a tremendous opportunity to implement complete communities objectives locally, but comes at the expense of other municipalities' capacity to do the same.

### **Wellington County was the #2 highest performer, in contrast with the other Outer Ring municipalities**

Wellington County (which here includes Guelph) was the sole exception to fairly negative performance in the Outer Ring in terms of the employment measures. It was the only Outer Ring municipality that was able to increase its share of GGH employment from 2006 to 2016 (2.5% to 2.6%), surpassed its forecast share of employment growth (3.1% actual vs. 2.0% forecast) and had a share of employment growth greater than its share of population growth (3.1% employment vs. 2.1% population).

Employment growth in Guelph has been relatively robust, reflecting its diverse economy anchored by manufacturing and education and its ability to attract companies in advanced manufacturing, agri-food and environmental technologies.

Its performance was not just exceptional for the Outer Ring, but led most of the GGH in most measures. This certainly bodes well for Wellington's opportunity to implement complete communities and may provide a strategic model for Outer Ring municipalities that otherwise struggled over the decade.

### **Halton and Peel Regions were the top "905" performers**

Halton and Peel increased their shares of GGH employment (each gaining half a percentage point share). Peel joined Toronto and Wellington as the only three

municipalities that were able to meet or exceed their forecast share of employment growth (Peel achieved 20.4% against a forecast of 20.2%). Halton joined Toronto and Wellington as the only three municipalities that had a greater share of GGH employment growth than their share of GGH population growth (Halton had 10.7% of employment growth vs 10.1% of population growth). Both regions show potential to find significant traction with regards to complete community objectives.

### **York Region faced challenges, despite above average gains in its share of GGH employment**

York had the single largest gain in GGH employment share (11.0% to 11.8%) but this still did not meet its forecast share of employment growth nor its share of GGH population growth.

### **Despite its reputation as a thriving tech and research employment hub, Waterloo Region stumbled in overall job creation**

Waterloo Region recorded a weak net employment growth over 2006-2016, which led to a loss of share of GGH employment (6.2% to 6.0%). As well, its employment growth share (3.9%) underachieved forecasts (5.6%) and lagged its population growth share (5.3%). The massive job losses at RIM (now Blackberry) was a major factor in sluggish overall employment growth. This suggests the region would have found it difficult to implement complete communities over the period.

### **Niagara Region had a fairly dismal performance due to local employment decline**

At the core of Niagara Region's poor performance is the fact that it experienced a small absolute decline in local employment from 2006 to 2016.

As a result, it had the single greatest loss

in employment share (4.7% to 4.2%), substantially underachieved its forecast share of employment growth (-1.0% against 2.1% forecast) and had a substantial lag between employment and population growth shares (-1.0% employment vs 1.9% population). As a result, fairly severe challenges would have impeded the creation of complete communities during this period.

### Durham Region was the single worst municipal performer

Durham region did not see anything close to the employment creation of its 905 counterparts. It lost share in overall GGH employment from 2006 to 2016 (5.3% to 5.2%), had the largest margin of underperforming its forecast employment growth share (4.2% actual against 8.6% forecast) and the largest lag between its employment and population growth share (4.2% against 7.8%).

In part this reflects the fact that Durham still largely functions as a bedroom community. It will continue to have significant difficulties in implementing complete communities if current trends continue. However, the development of employment lands in north Pickering and the extension of Highway 407 to Oshawa are hopeful factors for Durham’s future employment growth.

## Policymakers should revisit the Growth Plan

The bottom line is that the economic realities of local job creation clearly diverged from the Growth Plan’s objective for complete communities throughout the GGH and the plan should be revisited accordingly.

There is an old saying that “you can lead a horse to water, but you can’t make it drink”.

**Figure 3: Municipalities Ranked by Performance Measures, 2006-2016**

		Rank			
		Overall Index (Average Difference)	Difference in Share of GGH Employment (2006 vs 2016)	Difference in Growth Share (Actual vs Forecast)	Difference in Growth Share (Employment vs Population)
<b>Overachieving</b>	Toronto	1	15	1	1
<b>Greatest Opportunity</b>	Wellington	2	4	2	2
	Halton	3	3	6	3
	Peel	4	2	3	4
<b>Challenged</b>	Dufferin	5	5	4	6
	Haldimand	6	7	8	5
	Kawartha Lakes	7	8	9	8
	Peterborough	8	12	5	9
	Northumberland	9	9	7	11
	Brant	10	11	11	12
	Simcoe	11	6	10	13
<b>Very Challenged</b>	York	12	1	14	7
	Hamilton	13	14	13	10
	Waterloo	14	13	12	14
	Niagara	15	16	15	15
	Durham	16	10	16	16

Source: CUR based on Statistics Canada data

This is very much applicable to businesses, who select their locations based upon an array of local factors including proximity to a qualified labour force, customer base, expressways, and airports and costs (including real estate, utilities and tax rates). Just because a government land use plan aspires for businesses to locate in particular locations does not mean that it will happen.

If employment growth continues to concentrate in a few municipalities (Toronto especially), but residential growth continues to be more widely dispersed, it becomes much more challenging for municipalities outside of Toronto, and especially in the Outer Ring, to attract adequate employment to ensure a local mix of uses.

With ten years already spent under the Growth Plan framework and with this data now available, it is an appropriate time for a deliberate consideration as to the cause of the results observed. Further, we suggest it is also an appropriate time to revisit the objectives of the Growth Plan, consider what is actually achievable, and ensure that the foundational objective for complete communities is consistent with the economic reality of the GGH.



## Endnotes

1. Ministry of Municipal Affairs. (2017). *Growth Plan for the Greater Golden Horseshoe*. Toronto: Queen's Printer for Ontario.
2. Ministry of Municipal Affairs and Housing. (2015). *Performance Indicators for the Growth Plan for the Greater Golden Horseshoe, 2006*. Toronto: Queen's Printer for Ontario.
3. Ministry of Municipal Affairs. (2017). *Growth Plan for the Greater Golden Horseshoe*. Toronto: Queen's Printer for Ontario. p.95.
4. Hemson Consulting Ltd. (2013). *Greater Golden Horseshoe Growth Forecasts to 2041: Technical Report November 2012 Addendum*.
5. Employment in a municipality or region is calculated as the sum of: jobs with a usual place of work (allocated to the place of work location), jobs without a fixed place of work (allocated to the worker's place of residence) and jobs worked from home (allocated to the worker's place of residence). Note this treatment of employees without a fixed place of work differs from that utilized by Hemson in its employment forecasts underlying the Growth Plan's Schedule 3. However, the difference is relatively minimal, providing a reasonable basis for comparison.
6. The "905" is the informal designation for the suburban municipalities surrounding the City of Toronto: Halton Region, Peel Region, York Region and Durham Region.
7. Allen, R. & Campsie, P. (2013). *Implementing the Growth Plan for the Greater Golden Horseshoe*. Neptis Foundation. Online. Retrieved June 6, 2018 from <http://www.neptis.org/publications/introduction/chapters/context-great-golden-horseshoe>

## Appendix A: Map of Inner Ring and Outer Ring Municipalities in the GGH

**Figure A-1: Geography of the Greater Golden Horseshoe**



Source: The Neptis Foundation (Allen & Campsie, 2013)<sup>7</sup>

Figure A-1 shows the study area, the lower and upper-tier municipalities located within the GGH. These are categorized in the Growth Plan as Outer Ring municipalities and those forming the Greater Toronto and Hamilton Area (GTHA, referred to as the “Inner Ring” municipalities on this map.) Separated cities within counties (e.g. Barrie and Guelph) are treated here as part of the respective county for statistical purposes as per the census division concept in Statistics Canada data.