

2017 EMPLOYMENT & **INDUSTRY** REPORT

A detailed overview of industry and employment trends in York Region

FEBRUARY 2018





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INTRODUCTION



HIGHLIGHTS

- There were an estimated **620,530 jobs** in York Region as of mid-year 2017
- Between 2016 and 2017, York Region employment grew by **19,780 jobs** or **3.3 per cent**
- **69 per cent** of York Region's surveyed employment was full-time
- **78 per cent** of surveyed employment in York Region is in services-producing sectors
- The manufacturing, retail trade, and professional, scientific and technical services sectors held the largest shares of surveyed employment in 2017
- The finance and insurance sector recorded the largest employment gain in terms of absolute growth increasing by **3,730 jobs**
- Employment lands represent **54 per cent** of York Region's employment base
- York Region surveyed **33,650 businesses** in 2017
- The number of surveyed businesses that employ **500 or more employees** grew by **13 per cent** between 2016 and 2017

Business and job growth are fundamental to York Region's economic vitality. Attracting and retaining high quality, good paying jobs across a broad range of sectors promotes economic resilience and helps ensure those living in York Region have the opportunity to work and thrive where they live. Each year, through various sources, the location, type and characteristics of businesses in the Region are tracked and analyzed. It is important to understand and regularly monitor this type of information, as well as year over year trends, as it informs the development of Regional policies, programs, marketing initiatives and infrastructure investments.

The ***Employment and Industry Report 2017*** provides an economic overview of the Region's business and job growth. The data utilized in this report is obtained from a number of sources. The Region has conducted an industry wide survey of businesses across the nine municipalities annually since 1998. The survey provides a snap shot of the Region's businesses that can be compared over time to identify trends.

Other sources of information used within the report include Statistics Canada's Canadian Business Counts (formerly known as Canadian Business Patterns) and Labour Force Survey, CEB TalentNeuron (formerly known as Wanted Analytics) online job postings and publicly available announcements regarding business activity in the Region. Details regarding data sources and methodology are contained within appendices A and B.



York Region
employment
was estimated
at over 620,000
jobs for 2017

NATIONAL and PROVINCIAL OVERVIEW

In 2017 York Region job growth outpaced national, provincial and GTA labour force employment growth

TABLE 1 - Comparison of Annual Employment Growth Rates: Canada, Ontario, Greater Toronto Area (GTA) and York Region, 2017

	Canada	Ontario	Greater Toronto Area ¹	York Region ²
2012-2013	1.4%	2.0%	4.5%	4.0%
2013-2014	0.5%	0.5%	-1.5%	2.3%
2014-2015	1.0%	1.1%	4.3%	2.8%
2015-2016	0.4%	0.5%	0.9%	3.6%
2016-2017	2.1%	1.8%	1.4%	3.3%

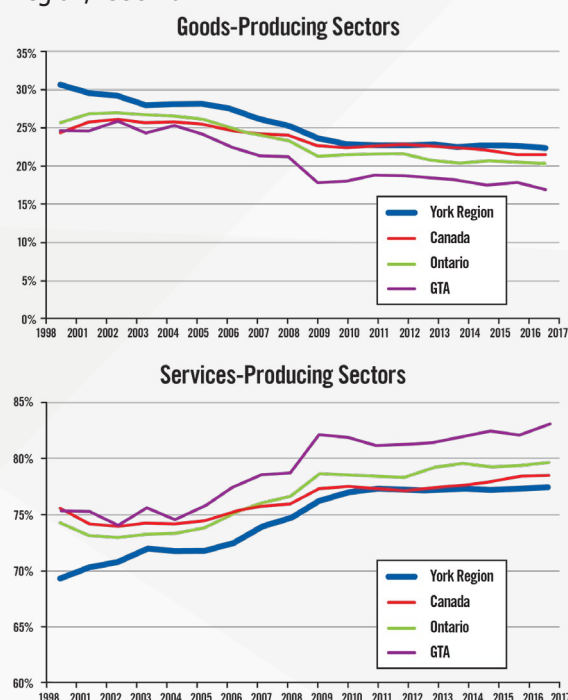
Source: York Region Planning and Economic Development Branch and Statistics Canada's Labour Force Survey, 3-month moving average, unadjusted for seasonality.

Notes: ¹ Greater Toronto Area labour force employment growth approximated by the Toronto Economic Region

² York Region figures based on 2017 employment survey results and estimates for home-based, farm-based, and no contact businesses.

The Statistics Canada's labour force data provides a broad overview of employment trends at the national, provincial and GTA levels. Direct comparisons should not be made when comparing the Statistics Canada's labour force data to York Region's employment survey data.

FIGURE 1 - Distribution of Goods and Services Producing Employment, Canada, Ontario, GTA, York Region, 1998-2017



Source: York Region figures based on 2017 employment survey results. Canada, Ontario and GTA figures based on Statistics Canada Labour Force Survey, 3-month moving average, unadjusted for seasonality, ending in August 2017

York Region employment growth outpaced national, provincial and Greater Toronto Area (GTA) labour force employment growth between mid-year 2016 and mid-year 2017, posting a gain of **3.3 per cent**, a slightly lower growth rate than 2016 (3.6 per cent) (Table 1).

According to the Statistics Canada Labour Force Survey, Canada (2.1 per cent) and Ontario (1.8 per cent) posted higher labour force employment growth between mid-year 2016 and mid-year 2017 compared to the same time period from 2015 to 2016. The Greater Toronto Area (GTA) labour force increased at a more modest rate of **1.4 per cent**.

It is important to note that while Statistics Canada's labour force data is useful for trend analysis, there are high levels of variability in the data and the information is not directly comparable to York Region's employment estimate. The labour force survey represents GTA residents of working age who may or may not work in the GTA. The annual York Region employment survey data records the number of jobs in the Region and is comprised of working age individuals who work in York Region and who may or may not be residents of the Region.

Services-producing industries continue to grow steadily in York Region, provincially, and nationally

Since 1998, the share of service-oriented jobs for Canada, Ontario, the GTA and York Region has shown steady growth (Figure 1). In comparison, the share of employment in the goods-producing sectors has shown a gradual decline over time. Yet, York Region has consistently held a larger share of goods-producing employment than Canada, Ontario and the GTA.



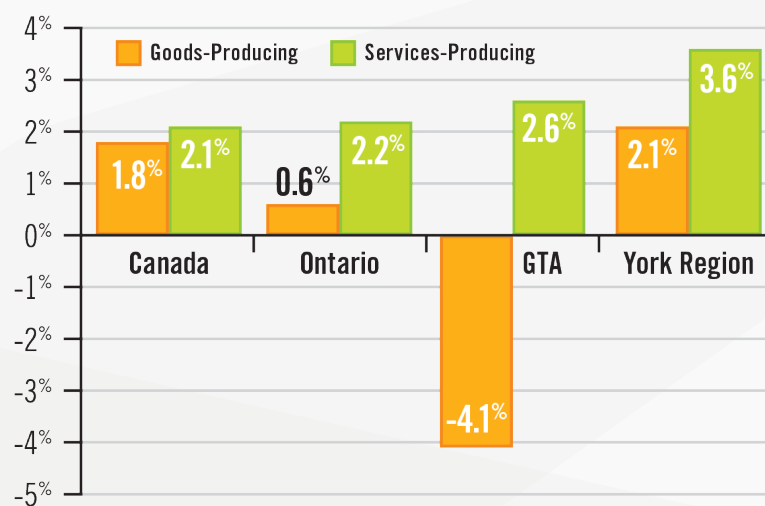
NATIONAL and PROVINCIAL OVERVIEW

Between mid-year 2016 and mid-year 2017 York Region, Canada and Ontario each experienced growth in the goods-producing sectors, while the GTA as a whole experienced a loss of employment of **4.1 per cent** in these sectors (Figure 2). The decline for the GTA occurred in all of the goods-producing sub-sectors including construction, utilities and manufacturing. This is a stark contrast compared to the previous year's figures where the GTA posted a **3.8 per cent** increase in goods-producing sectors. Canada's services-producing industries increased by **2.1 per cent** over the year with strong growth in the professional, scientific and technical services subsector (**+81,900 jobs, 5.8 per cent growth**), transportation and warehousing subsector (**+38,700 jobs, 4.2 per cent growth**), and the public administration subsector (**+35,600 jobs, 1.6 per cent growth**).

Overall, employment in Ontario increased by **130,400 jobs** or **1.8 per cent** from mid-year 2016 to mid-year 2017. The majority of the province's growth was driven by employment in services-producing industries, with professional, scientific and technical services topping the list in terms of absolute and percentage growth (**+46,100 jobs, 7.7 per cent growth**), followed by transportation and warehousing (**+18,600 jobs, 5.8 per cent growth**). Ontario's goods-producing industries saw growth of **8,700 jobs** or **0.6 per cent**. Both manufacturing and construction subsectors contributed to growth in this sector. The manufacturing sector increased by **18,900 jobs** or **2.5 per cent** and construction sector increased by **3,200 jobs** or **0.6 per cent**.

As previously mentioned, the GTA's goods-producing sector declined sharply from the previous year, at **4.1 per cent**, a loss of **25,200 jobs**. However, total GTA employment increased by **46,800 jobs** or **1.4 per cent**. The subsectors posting the largest growth in the GTA included transportation and warehousing (**+24,900 jobs, 14.8 per cent growth**), the professional, scientific and technical sector (**+24,600 jobs, 6.6 per cent growth**) and wholesale and retail trade (**+27,600 jobs, 5.4 per cent growth**).

FIGURE 2 - Employment Growth Rates for Goods and Services Producing Sectors, Canada, Ontario, GTA and York Region, 2016-2017



Source: York Region figures based on 2017 employment survey results. Canada, Ontario and GTA figures based on Statistics Canada Labour Force Survey, 3-month moving average, unadjusted for seasonality.

YORK REGION EMPLOYMENT ANALYSIS

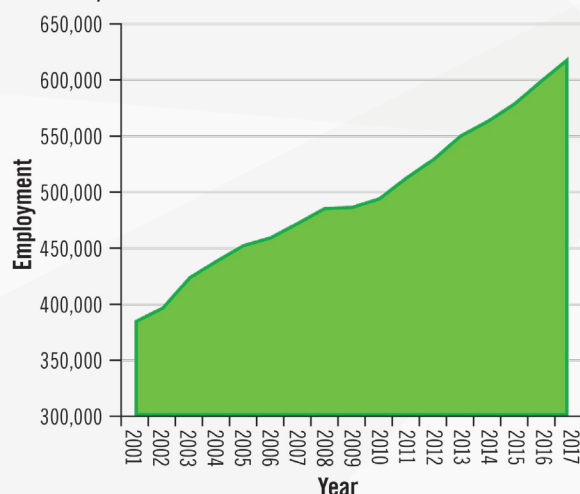
York Region employment was estimated at 620,530 jobs for 2017

TABLE 2 - York Region Total Employment Estimate 2017

York Region Total Employment Estimate 2017	
Surveyed Employment	561,845
No Contact Estimate	5,440
Agriculture	3,255
Work at Home Estimate	49,990
Total	620,530

Source: York Region Planning and Economic Development Branch Employment Survey, 2017

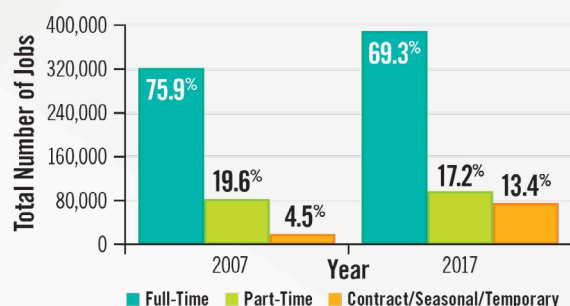
FIGURE 3 - York Region Estimated Total Employment Growth, 2001-2017



Source: Employment figures for 2001 and 2006 are based on Statistics Canada Census data. Employment figures from 2002-2005 and 2007-2017 are based on York Region's estimated total employment.

Note: York Region figures based on employment survey results and estimates for home-based, farm-based, and no contact businesses. Historical employment figures were revised from those released in previous Employment and Industry reports based on updated information.

FIGURE 4 - York Region Surveyed Employment by Type of Worker, 2007 and 2017



Source: York Region Planning and Economic Development Branch Employment Survey, 2017

As of mid-year 2017, the Region's total employment was estimated to be **620,530 jobs**. This estimate is based on the Region's employment survey and includes job totals from contacted firms, census of agriculture jobs, estimates for work at home employment and for businesses that the Region was unable to contact.

Table 2 outlines how the 2017 total employment estimate was derived.

York Region continues to be one of Canada's fastest growing municipalities and over the last five years the average annual growth in employment and number of businesses has been approximately **3 per cent**. Since 2001, the Region's employment has grown by **235,070 jobs** representing a strong average annual growth rate of **3 per cent** (Figure 3). This number aligns with the Region's annual population growth rate during the same time period (3 per cent). A balanced rate of growth in population and employment provides job opportunities for both existing and future York Region residents.

YORK REGION EMPLOYMENT by TYPE OF WORKER

Contract/Seasonal/Temporary workers are the fastest growing employment type in York Region

Full-time workers continue to account for the largest share of employment type in York Region at **69.3 per cent**. However, contract/seasonal/temporary employment is the fastest growing with an increase in share from **4.5 per cent** in 2007 to **13.4 per cent** in 2017, representing average annual growth of **15 per cent**. Over the same decade full-time employment decreased from **75.9 per cent** to **69.3 per cent**, while part-time workers declined from **19.6 per cent** to **17.3 per cent** (Figure 4).



YORK REGION EMPLOYMENT ANALYSIS

Full-time employment is an important labour market indicator of economic performance and the Region continues to demonstrate strength in full-time employment opportunities for its residents, attracting a highly-skilled labour force. Providing opportunities for other types of employment such as part-time and contract/seasonal/temporary is also important for residents as attitudes on work-life balance and work preferences change. Although York Region has historically maintained a healthy proportion of full-time employment, it is still important to monitor trends in changes to employment type composition as it may have future implications on the Region's economic well-being.

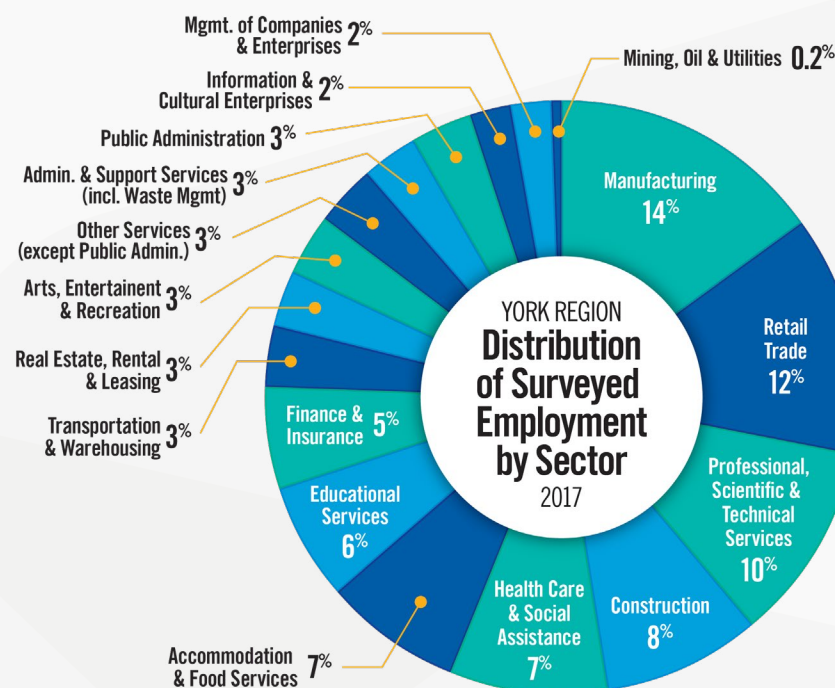
EMPLOYMENT ANALYSIS by SECTOR

The diversity of York Region's employment base promotes a resilient economy

The following section provides a detailed analysis of York Region's employment using Statistics Canada's North American Industrial Classification (NAIC) system. A comprehensive list of the NAIC sectors can be found in Appendix B.

York Region has a diverse economic base. The manufacturing, retail trade and professional, scientific and technical services sectors accounted for the largest shares of surveyed employment by mid-year 2017 (Figure 5). Available employment in a broad range of sectors is key to securing the Region's resiliency to any future economic downturn.

FIGURE 5 - York Region Distribution of Surveyed Employment by Sector, 2017



Source: York Region Planning and Economic Development Branch, 2017 Employment Survey

YORK REGION EMPLOYMENT ANALYSIS

The York Region economy continues a shift to services-oriented sectors



The share of the Region's workforce in the services-producing sectors continues to grow. In 2017, the majority of the Region's workforce was employed in services-producing sectors, accounting for **78 per cent** of the Region's surveyed employment base, compared to **74 per cent** in 2007 (Figure 6). Employment in the goods-producing sectors accounted for **22 per cent** of the Region's total surveyed employment in 2017 compared to **26 per cent** in 2007.

Employment in the services-producing sectors grew by **15,330 jobs** or **3.6 per cent** between mid-year 2016 and mid-year 2017. Over the past ten years, over **125,190 service-oriented jobs** were added to the Region's employment base representing an increase of **40 per cent** in these sectors.

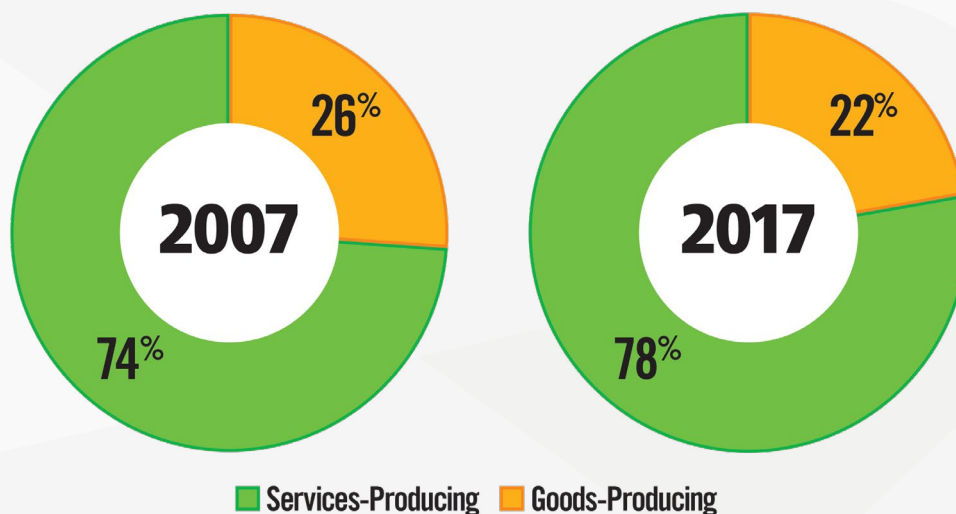
KEY SERVICES-PRODUCING GROWTH SECTORS

The finance and insurance sector has grown at an annual rate of 7.8 per cent over the past 10 years

The **Finance and Insurance** sector continues to grow, adding **3,700 jobs** from mid-year 2016 to mid-year 2017, a **14 per cent** increase. This sector has been growing at an annual rate of **7.8 per cent** over the last 10 years. TD Insurance and Aviva Insurance's new head offices contributed to growth of over **2,000 jobs** within the insurance carrier subsector over the past year. In addition to these firms, expansions and investments of local companies continues to add to the growth in the finance and insurance sector.

York Region is home to corporate or divisional back-end operations (e.g. processing and call centers) of many financial and insurance institutions, alongside hundreds of branch-level places of employment.

FIGURE 6 - York Region surveyed employment by goods and services-producing sectors, 2007-2017



Source: York Region Planning and Economic Development Branch, 2007 and 2017 Employment Surveys



YORK REGION EMPLOYMENT ANALYSIS



While the financial and insurance services industry across the GTA and York Region continues to grow, traditional service delivery is being disrupted by innovations in the areas of Financial Technology (FinTech) and automation. The emergence of online banking has had a significant adverse impact on branch-level jobs and global industry leaders predict further impacts on financial sector head office and back-end employment as FinTech adoption expands within the industry.

Health care and social services sector has added 18,730 jobs since 2007

Employment growth in the **health care and social services** sector has been strong over the last 10 years in the Region. This sector has grown at an average annual rate of **6.1 per cent** since 2007 adding **18,730 jobs**, making it the second fastest-growing sector during this time period. Over the last year this sector has added **1,250 jobs**. Steady growth within this sector is expected to continue as the population ages and requires access to medical care and support services.

Growth in this sector brings new opportunities for innovation in the Region. Examples include the CreateIT Now accelerator, ORION at Southlake Regional Health Centre, the new Mackenzie Vaughan Hospital, Vaughan International Commercialization Centre (VICC), Leo Innovation, the Mackenzie Health Centre, and the Pulse hub accelerator at venture LAB.

Retail Trade represents the largest share of employment in the services-producing sector

The **retail trade** sector is closely tied to population growth and has added **13,000 jobs** and grown **2.3 per cent** annually from 2007-2017. The retail trade sector represents the largest share of employment in the services-producing industry sectors with **11.7 per cent** or **65,540 jobs**. The growth of e-commerce continues to transform the brick and mortar retail model. Firms are increasingly pushing for a digitally-enabled shopping experience. These trends are expected to continue to negatively impact employment in both big box and mainstream retail across the GTA, including in York Region. While consumers continue to spend more online, major traditional retailers such as Sears and Loblaws, alongside smaller chains, have been forced to close or downsize their operations over the past few years.

YORK REGION EMPLOYMENT ANALYSIS



A related trend closely linked to the rise in e-commerce is the growth of the logistics, shipping and delivery industry in York Region. Many of the newer warehousing and logistics facilities are automated. Therefore, while having a significant space footprint these employers do not create enough new jobs to offset any decline in retail jobs. The retail climate is ever-changing and the Region closely monitors changes to this sector and its impacts on employment.

The professional, scientific, and technical services sector added 1,850 jobs in 2017

Over the past year, **the professional, scientific and technical services** sector recorded over **1,850 additional jobs** increasing by **3.6 per cent**. This sector attracts highly-skilled workers and includes subsectors such as information technology, legal services, accounting, engineering and technical services, architectural and interior design services, management consulting and research and development. It continues to hold the second-highest share of employment of the services-producing industry sectors with a **9.6 per cent share**, or **53,950 jobs**, of total surveyed employment in the Region. Some global companies within the Region in this sector include professional and scientific services companies such as IBM, AMD, Deloitte, AECOM, Parsons, Worley Parsons, Oracle, Compugen, PwC and WSP Canada.

The real estate and rental and leasing sector has grown by 11.7 per cent over the past year

The previous year's heated real-estate market impacted employment growth in the Region as the **real estate and rental and leasing** sector experienced an **11.7 per cent** increase in employment from 2016 to 2017, or **2,050 jobs**. According to the Canadian Real Estate Association (CREA) from 2008 to 2017, the number of realtors has increased drastically, growing at 10 times the pace of the Canadian job growth. This trend is echoed in York Region's survey data where during this time period the sector experienced large employment growth, increasing by **7.4 per cent** annually. As the housing market is impacted by recent federal and provincial policy changes, as well as changes to mortgage rules in 2018, this sector will be closely observed for fluctuations in employment numbers.



YORK REGION EMPLOYMENT ANALYSIS

Pace of Annual Growth in Goods-Producing slowing

York Region's goods producing sectors have risen **1.4 per cent** annually from 2007-2017 and added **16,040 jobs** over this period. The significant downturn experienced from 2008-2009 accounted for lost employment, but goods-producing sectors have since rebounded. In the past five years these sectors grew **2.7 per cent** annually adding **15,800 jobs**.

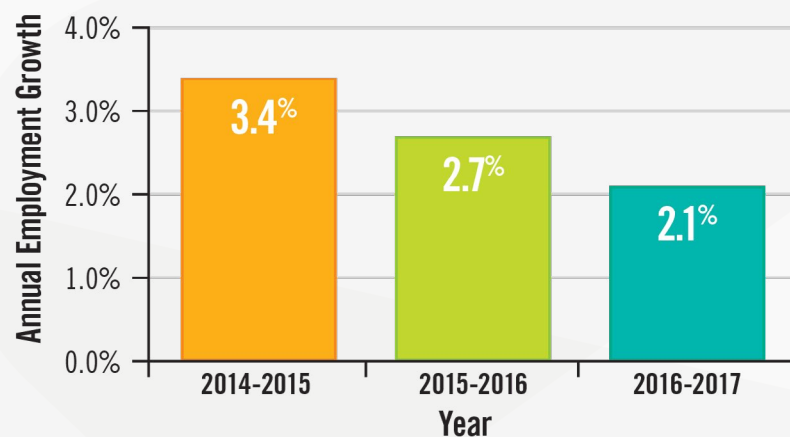
Despite the economic shift to a more service-based economy, employment in the Region's goods-producing sectors grew **2.1 per cent** or by **2,560 jobs** between 2016 and 2017. Since rebounding from the recession, the pace of this growth has been steady, albeit with slightly declining growth from 2014 to 2017 (Figure 7). The manufacturing and construction sectors were the greatest contributors to this growth. The manufacturing sector still holds the greatest share of employment in the Region at **14.5 per cent**.

KEY GOODS-PRODUCING GROWTH SECTORS

The construction sector added over 1,200 jobs over the past year

The **construction sector** has added over **17,900 jobs** to the Region's employment base since 2007. Between 2016 and 2017, the sector grew by **3 per cent**, or **1,265 jobs**. The total number of jobs by mid-year 2017 in this sector was **43,680**. The specialty trade contractors subsector accounted for the majority of employment in the construction sector, accounting for a **59 per cent** share or **25,560 jobs**. The growth in construction has also been driven by the booming real estate market over this time period, as housing is a major driver of economic growth in this sector. Continued growth in the construction sector in the GTA is also tied closely to local population and business growth.

FIGURE 7 - Percent of Average Employment Growth in the Goods-Producing Sectors, 2014-2017



Source: Statistics Canada's Labour Force Survey, 3-month moving average, unadjusted for seasonality

YORK REGION EMPLOYMENT ANALYSIS



The manufacturing sector has declined at an annual rate of -0.2 per cent over the past decade

Over the last 10 years the **manufacturing sector** has been experiencing a decline, averaging at a rate of **-0.2 per cent** per year. This is consistent with the significant economic downturn at the national, provincial and municipal levels. However, manufacturing remains the Region's largest sector in terms of the share of surveyed employment and accounted for **14.5 per cent** (81,260 jobs) of total surveyed jobs in 2017. Transportation equipment manufacturing is York Region's largest manufacturing subsector, accounting for **16 per cent** or nearly **13,000 jobs**. The food manufacturing subsector added the most employment within the manufacturing sector between 2016 and 2017 with **360 jobs**, an increase of **5.3 per cent**. The food manufacturing subsector includes fruit and vegetable preserving and dairy and meat product manufacturing. Continued monitoring of employment in these value-added processing facilities will allow the Region to monitor the implementation of the newly Council endorsed Agriculture and Agri-Food Strategy's Goal #3: Support increased capacity for value added agri-food processing and support services.

The United States administration's protectionist stance on trade including the North American Free Trade Agreement (NAFTA) renegotiations, border tax on imported goods and penalties on Foreign Direct Investment abroad by American manufacturers, could have a significant impact on Canada and Ontario's manufacturing sector, including York Region.

Ontario's **automotive sector** may be among the hardest hit by new cross-border trade regulations. In York Region alone there are over 100 automobile parts manufacturers, some of them major employers such as Magna International, representing approximately **15,000 local jobs**. Furthermore, the automobile industry is ripe for disruption, with the introduction of autonomous and electric vehicles expected to significantly impact the traditional auto manufacturing industry.

Ontario electricity prices are another factor that has been impacting the manufacturing industry. A 2017 report by the Fraser Institute shows that electricity prices in Ontario, now among the highest in North America, may have adversely impacted the manufacturing sector. York Region is home to numerous large hydro users in the manufacturing sector, with smaller manufacturers also raising significant concerns as hydro bills are amongst their top operating expense. Soaring electricity prices may adversely impact manufacturing establishments and jobs across the Province as businesses may decide to relocate to, or expand in, lower-cost jurisdictions.



YORK REGION EMPLOYMENT ANALYSIS

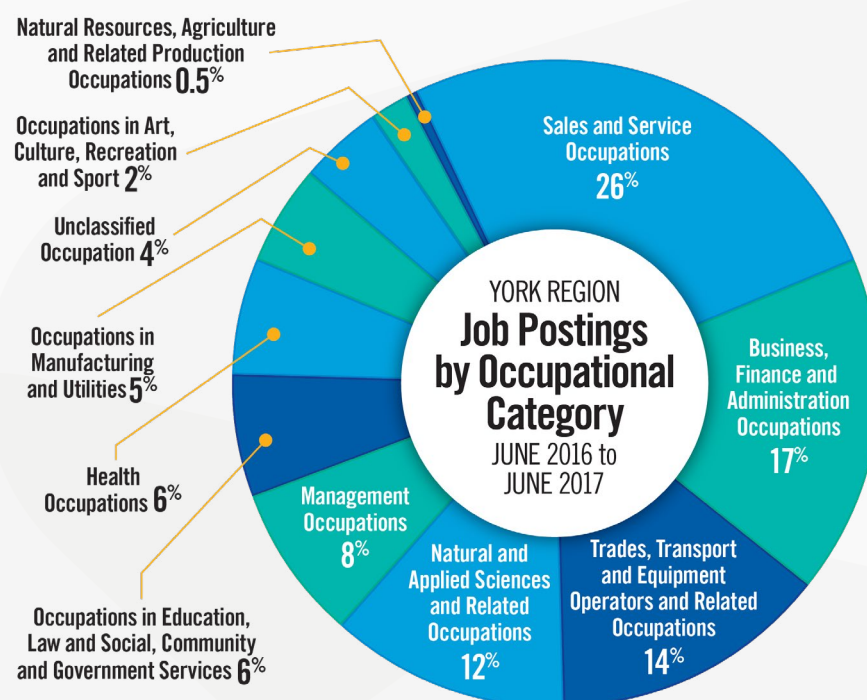
Ontario's recently-introduced *Fair Workplaces, Better Jobs Act (Bill 148)* is also expected to impact manufacturers across the Province, as a result of the introduction of new measures such as minimum wage increases, equal pay for part-time and temporary employees and regulation related to employee scheduling and shift work.

HIRING DEMANDS

CEB TalentNeuron is a web-based platform that collects detailed information on hiring demand data from major online job search engines. The data is then categorized by occupational category using Statistics Canada's National Occupational Classification system (NOCs).

According to CEB TalentNeuron Job Postings data, between mid-year 2016 and mid-year 2017 there were a total of **99,820 job postings** in York Region. This figure includes job postings for both new and replacement positions. In 2017 hiring demand in York Region was highest for occupations in sales & service, business, finance & administration and as well as in trades, transport & equipment operator occupations. From mid-year 2016 to mid-year 2017, sales & service occupations accounted for **26 per cent** of total job postings. Demand in this category was driven primarily by retail, wholesale and food service occupations (Figure 8).

FIGURE 8 - York Region Job Postings by Occupational Category, June 2016 - June 2017



Source: CEB TalentNeuron, June 2017



YORK REGION EMPLOYMENT ANALYSIS



Business, finance and administration occupations accounted for **17 per cent** of total job postings between 2016 and 2017. Hiring demand in trades, transport and equipment operators and related occupations category was the third largest in the Region over the mid-year 2016 to mid-year 2017 period, accounting for **14 per cent** of total job postings.

Of the top five companies listed by volume of hiring three are staffing/recruiting firms. Overall, the variety of job postings by occupational categories is indicative of the increasing diversity in the Region's employment base. Additionally, the majority of the job postings highlighted in Figure 8 contributes to a more service-oriented economy.

It should be noted that while this data is useful for trend analysis a direct comparison between hiring trends by occupational category cannot be made to the number of surveyed jobs by NAIC sector. A business may have employees with a variety of occupations and different occupations can be found in various industries.

YORK REGION EMPLOYMENT LANDS

York Region's employment lands provide for a highly competitive and diverse employment market

Employment lands in York Region play a vital role in York Region and are ideally located in close proximity to major highways, intermodal facilities, rail and the U.S. border with access to skilled labour and post-secondary institutions. York Region's employment lands have provided developers and end users with a broad range of market choice with respect to site selection, transportation access/exposure, zoning and price for non-residential development.



YORK REGION EMPLOYMENT ANALYSIS

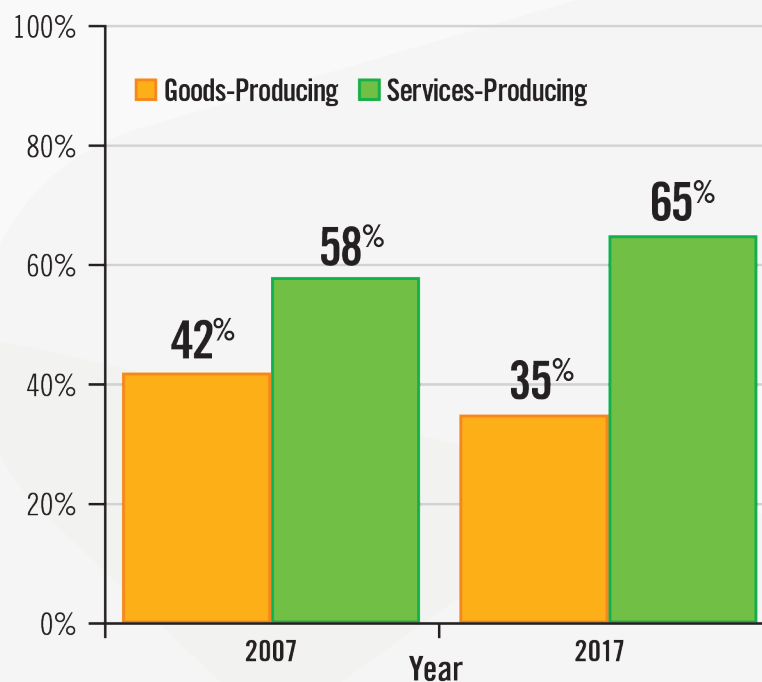
Over the years employment lands have accommodated a broader range of employment uses and the Region has been very successful in attracting a variety of industries across the industrial, office, retail and institutional sectors.

Trends Influencing Employment Growth on the Region's Employment Lands

Since 2007, the make-up of industrial development provincially and within York Region has evolved from less emphasis on the goods-producing sector to more emphasis on the services-producing sectors such as professional, scientific & technical services and wholesale trade sectors (Figure 9).

However, manufacturing still remains vitally important to the York Region economy. Employment growth in the manufacturing sector is anticipated to be modest for the foreseeable future. Market demand for employment lands has also been increasingly driven by growth in the "knowledge-based" or "creative class" economy, which are largely accommodated within office development and typically locate within prestige employment areas. Further, there is increasing demand to accommodate employment-supportive commercial and institutional uses on employment lands, which cater to the growing office sector. These structural changes in the economy are altering the character of economic activities on employment lands and impacting the built form and character of employment areas.

FIGURE 9 - Distribution of Goods and Services Producing Employment Land Employment, 2007 and 2017



Source: York Region 2017 Employment Survey, Planning and Economic Development Branch

YORK REGION EMPLOYMENT ANALYSIS

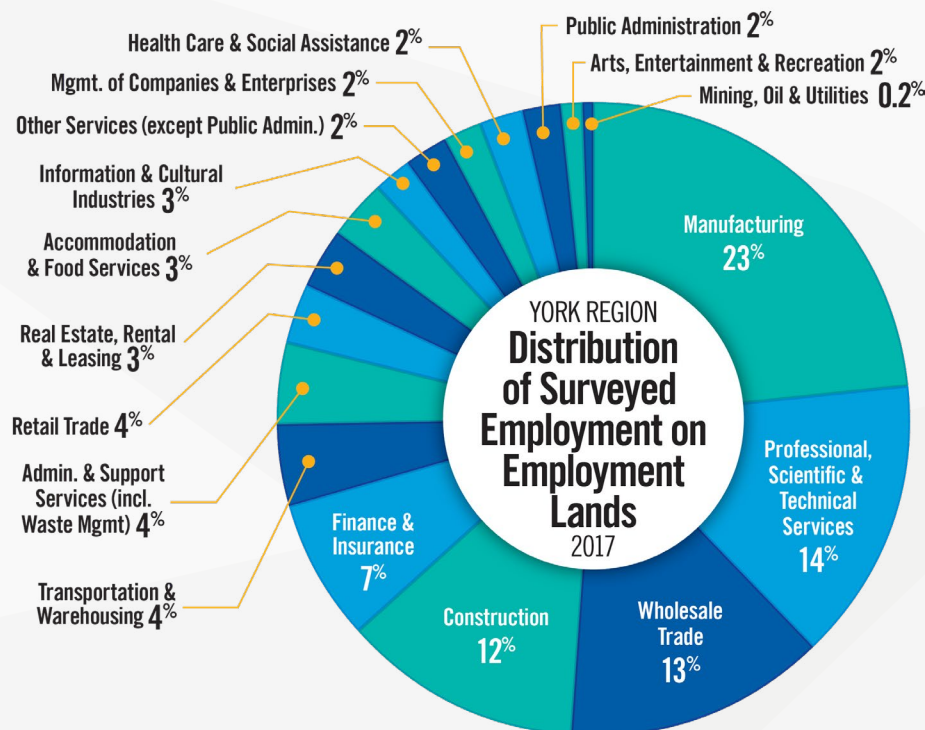


York Region's economy is comprised of a highly diverse mix of industry sectors including manufacturing, wholesale trade, construction, technology, retail trade and business services. These clusters of industry sectors encourage networking, attract investment, innovation and facilitate the incubation of new business providing high quality employment opportunities, among other key economic benefits.

In 2017, York Region employment lands accommodated approximately **335,660 of the region's 620,530 total jobs** representing **54 per cent** of the employment base. Between 2007 and 2017, the following three sectors experienced the largest growth within employment lands: construction (34,300 jobs), wholesale trade (16,070 jobs) and finance & insurance (12,800 jobs).

Manufacturing continues to hold the largest share of employment on the Region's employment lands with **23 per cent**. This is followed by Professional, scientific and technical services with a **14 per cent** share and wholesale trade with a **13 per cent** share (Figure 10). In the future, the highly competitive nature of the manufacturing sector will require production to be increasingly cost effective and value-added oriented, which bodes well for firms that are specialized and capital/technology intensive.

FIGURE 10 - Distribution of Surveyed Employment on Employment Lands, 2017



Source: York Region 2017 Employment Survey, Planning and Economic Development Branch



➡ York Region
is home to
approximately
1.2 million residents,
more than 51,000
businesses and over
620,000 jobs

YORK REGION EMPLOYMENT ANALYSIS



NUMBER of EMPLOYER BUSINESS ESTABLISHMENTS

York Region Employment Survey data and Statistics Canada Business Counts each provide a unique perspective on the makeup of York Region's business community

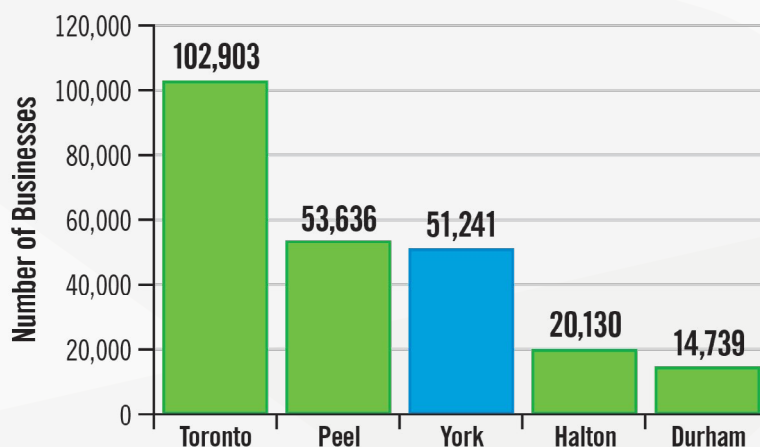
Analysis of business establishment data from both Statistics Canada Canadian Business Counts (CBC) and the York Region employment survey assists in understanding and identifying trends in the Region's business community. The York Region Employment Survey data is useful for year over year analysis of economic trends for businesses with a physical location but does not capture all registered businesses in the Region.

York Region has the third highest number of employer business establishments in the GTA

According to the Canadian Business Counts database from Statistics Canada, there were approximately 51,200 York Region business establishments in June 2017. When compared to other census divisions in the Greater Toronto Area, York Region ranks as having the third highest number of business establishments, behind the City of Toronto and Peel Region (Figure 11).

Despite differences in data collection methods used by Statistics Canada's Canadian Business Counts and York Region's Employment Survey the datasets complement each other and further advance our knowledge on trends happening in the Region's business community.

FIGURE 11 - Number of Business Establishments by GTA Municipality, 2017



Source: Statistics Canada Canadian Business Counts, June 2017.



YORK REGION EMPLOYMENT ANALYSIS

YORK REGION BUSINESS ESTABLISHMENTS by SECTOR

Employment Survey and Canadian Business Counts data both indicate that the York Region business community is predominantly services-oriented

According to CBC data and the Region's employment survey, **86 per cent** of business employer establishments in York Region were in **services-producing industries** in 2017.

The Canadian Business Counts data indicates that the professional, scientific and technical services sector accounts for the largest share of employer business establishments in York Region with a **19.5 per cent** share (Figure 12). The majority of establishments in this sector (83 per cent) employ between one and four employees making it very likely that a significant proportion of these establishments are home-based. The 2016 Statistics Canada Census Program recorded that **29 per cent** of work at home employees were found in the professional, scientific and technical services sector further supporting the rationale that a large portion of these businesses are home-based. In terms of Regional surveyed businesses, this sector only accounts for a **10 per cent** share. This discrepancy is likely attributed to the fact that the Region's employment survey does not capture all registered businesses.

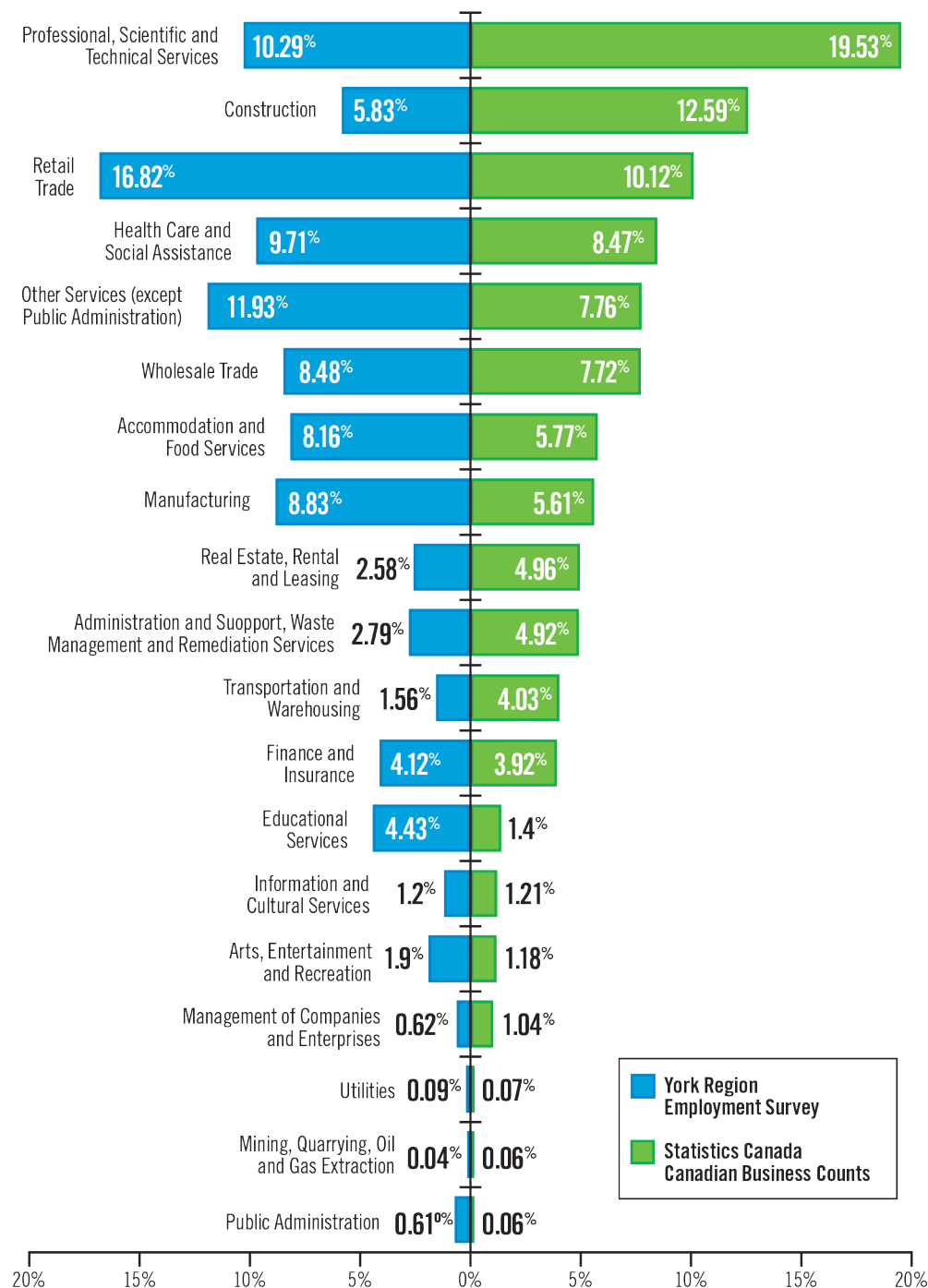
According to the Region's employment survey, the majority of the Region's business growth over the past ten years was in the healthcare and social assistance, educational services, management of companies & enterprises and construction sectors.

Despite differences in data collection methods used by Statistics Canada's Canadian Business Counts and York Region's Employment Survey the datasets complement each other and further advance our knowledge on trends happening in the Region's business community.

YORK REGION EMPLOYMENT ANALYSIS



FIGURE 12 - Comparison of York Region Surveyed Businesses and Statistics Canada Business Counts by Sector, 2017



Source: York Region 2017 Employment Survey, Planning and Economic Development Branch Statistics Canada Canadian Business Counts, June 2017.

Notes: CBC data represents employer business establishments that have submitted payroll remittances to the CRA.



YORK REGION EMPLOYMENT ANALYSIS

Over three-quarters of the Region's business community is made up of small businesses

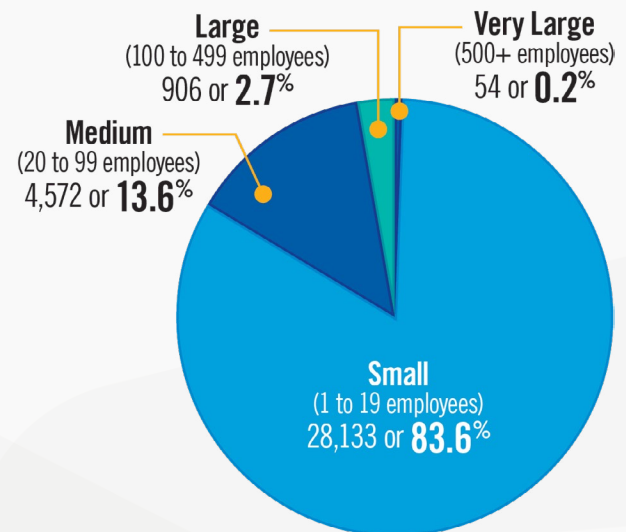
EMPLOYMENT by BUSINESS SIZE

York Region surveyed **33,650 businesses** in 2017, an increase of 7,120 businesses from the 2007 survey, indicating that new firms continue to choose York Region as their destination to do business. Small businesses (1-19 employees) account for the largest share of the Region's businesses at **83.6 per cent** or **28,133 businesses** in 2017 (Figure 13). This total share is in line with the share of small businesses throughout the Province and across Canada and is indicative of the important role of small business and entrepreneurship in York Region's economy.

The number of businesses employing 100-499 employees has experienced the most growth over the last 10 years, increasing by **39 per cent**, or 250 businesses. In terms of absolute growth, small-sized firms have seen the largest increase with **5,590 new businesses** added since 2007. Over the last five years, the number of very large business establishments, with 500+ employees, has grown by 11, a **26 per cent** increase. This indicates that the Region continues to attract large firms that employ several hundreds of workers.

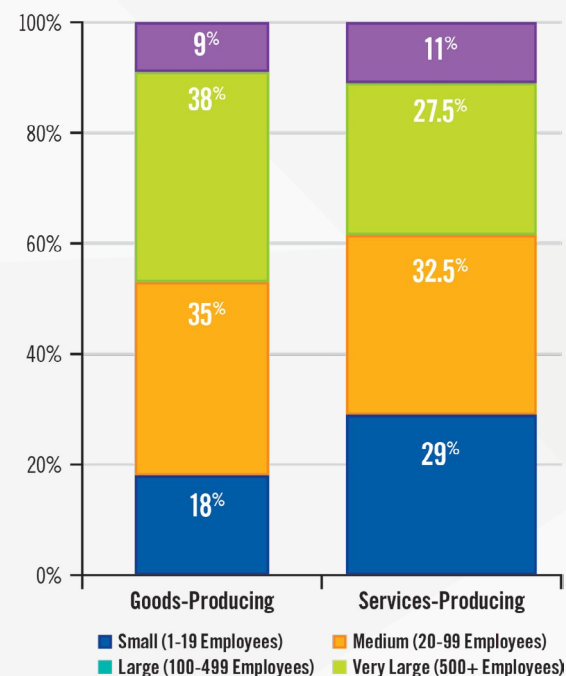
The majority of the Region's surveyed businesses (78 per cent) can be found in services producing industries (Figure 14). Medium-sized firms within the service-producing industry accounted for the largest share of surveyed employment with nearly **141,700 jobs** or **32.5 per cent**. The majority of these jobs can be found in the retail, professional, scientific & technical services and wholesale sectors. Nearly **47 per cent** of surveyed jobs in the goods-producing industry sectors were found in businesses that employ over 100 employees. Many of the jobs in this category can be found in the Region's manufacturing sector.

FIGURE 13 - York Region Surveyed Businesses by Size, 2017



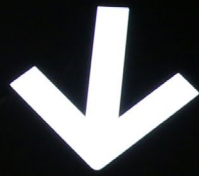
Source: York Region 2017 Employment Survey, Planning and Economic Development Branch

FIGURE 14 - York Region Surveyed Employment by Business Size and Industry Sector, 2017



Source: York Region 2017 Employment Survey, Planning and Economic Development Branch

FACTORS CONTRIBUTING to ECONOMIC GROWTH in YORK REGION



Subway

Located in the heart of the Greater Toronto Area (GTA), York Region is home to approximately **1.2 million residents**, more than **51,000 businesses** and over **620,000 jobs** and also includes four provincially-designated urban growth centres, and Canada's highest concentration of technology companies. As Ontario's fastest growing large municipality and third largest business hub, York Region is a top destination in the Toronto area and Canada for business, talent and investment.

York Region is located in one of the most attractive and vibrant economic areas in the country. The Region's economy is underlined by core attributes, such as: strong population and employment growth, a skilled labour force; a high quality of life that attracts top global talent; established and diversified industry clusters; major infrastructure and transportation investments; and locational and accessibility factors amongst others. As the Regional Centres and Corridors continue to evolve and mature, these core attributes combined with a competitive office real estate market, the new Vaughan Metropolitan Centre subway station, digital broadband infrastructure and innovation in a number of areas are key elements contributing to York Region being a leading economic centre in the GTA.

York Region, however, is not an isolated economy and local business and employment growth are closely tied with external economic conditions, trends and policies at different levels of government. Examples of external and macro-level factors that have a direct impact on York Region's economic growth prospects include U.S. and global trade agreements, exchange and interest rates, the cost of doing business (e.g. hydro rates, corporate taxes, labour force cost increases, etc.), business regulations, the labour force pool (e.g. educational institutions, immigration etc.), housing, business incentives and capital markets.



FACTORS CONTRIBUTING to ECONOMIC GROWTH in YORK REGION



Housing affordability is a factor in attracting new businesses, retaining existing businesses and attracting a labour force that are looking for close proximity to work. York Region's continued shift to a knowledge and services-based economy is an example of the significant impact such external factors have on the local economy.

Emerging business practices and market trends also represent challenges and opportunities for York Region's economic growth in both a GTA and a global context. These include business globalization or national protectionism, digital business delivery models, the shift to contract-based employment, outsourcing, automation, office space rationalization (e.g. shared space, tele-commuting etc.), talent attraction practices and many others.

York Region's Economic Development Action Plan addresses key economic challenges and opportunities facing York Region and translates them into innovative economic growth areas. Along with the initiatives identified in the Action Plan, the Region continues to make investments to support business growth and innovation.

CONCLUSIONS



The Employment and Industry report analyzes the state of the Region's economy and identifies key findings and trends in Regional employment and businesses by industry group.

In mid-year 2017, there were an estimated **620,530 jobs**. Employment growth in the Region outpaced provincial and GTA averages.

York Region is one of Canada's fastest-growing large urban municipalities and is planned and expected to continue to grow in both population and employment for the foreseeable future. The Region is an attractive location to live and invest and is committed to attracting and retaining employers as well as making significant infrastructure investments to support employment and business growth.

While employment in goods-producing sectors continues to have a presence in York Region, knowledge-based, service-oriented jobs continue to drive the Region's employment growth. This sustained employment growth continues to diversify the Region's economy and promote economic resilience, vitality and liveability. Attracting and retaining a variety of high quality jobs across a broad range of sectors promotes economic resilience and helps ensure those living in York Region have an opportunity to work and thrive where they live.



➡ York Region is
anticipating
growth to
1.79 million
people and
900,000 jobs
by 2041

APPENDIX A: DATA SOURCES

York Region Employment Survey Methodology



Background

The 2017 survey was a comprehensive Region-wide survey of all businesses across York Region (excluding farm and home-based businesses). Survey data is aggregated at the traffic zone level of detail, which divides the Region into 478 smaller geographic areas allowing for a detailed examination of local trends and information about local employment areas. York Region's first Region-wide employment survey occurred in 1998, when 21,000 businesses were recorded. Subsequently, the annual survey targeted key employment areas up to 2006, consisting of high-growth areas, designated employment areas and Regional centres. With the assistance of local municipalities, York Region has been able to complete Region-wide surveys of all businesses between 2007 and 2017. It is the Region's intention that all future employment surveys be comprehensive in nature.

Data Collection

Data collection for the 2017 York Region Employment Survey included all traffic zone areas across York Region (excluding home and farm based businesses). Data was collected from York Region businesses in a variety of forms:

- Through door-to-door interviews with the business community (primary method);
- Via telephone interviews (for businesses unable to contact in person); and
- Electronically through e-mail messages, online entries via our corporate website and facsimile submissions.

Businesses were primarily contacted through door-to-door interviews between May and August of 2017 by York Region Employment Surveyors. Surveyors used a GIS-based application to collect the business information. Within each traffic zone, all businesses were directly contacted and details about business activity, changes in employment levels and contact information were updated for existing businesses, or initiated for businesses new to that area. Where records showed a business that was no longer at the address in 2017, efforts were made to contact the business by phone to establish either a new location, or to record the probable closure of the business.

For businesses unable or unwilling to conduct a door-to-door interview, the option was given to either have a surveyor call them at a mutually convenient time or to provide them with a blank survey form and have them complete and return it at their leisure. For businesses that declined to participate or could not be contacted either in person or by telephone during regular office hours, it was assumed that all information relating to that business remained unchanged from the date they were last surveyed.

In 2017, the Region was able to survey 33,600 businesses with a physical location. Approximately 81 per cent of surveyed businesses were successfully contacted. The Region was unable to contact and update 17 per cent of businesses and 2.0 per cent chose not to participate in the survey.



APPENDIX A: DATA SOURCES CONTINUED

York Region staff began collecting business and employment information from farm based businesses in 2012 to compliment the Statistics Canada Census of agriculture. Home-based businesses were encouraged to submit their business information through the Region's online business directory website. Since then the Region has collected information from just over 800 home-based businesses. It is important to note that the number of home-based businesses captured in the survey represents a small sample of home-based businesses in the Region. According to the 2016 Census there were approximately 48,300 home-based jobs in York Region in 2016.

- Home-based employment rose to an estimated 49,990 jobs in 2017, an increase of 1,600 since 2016.
- York Region's home-based employment is increasing every year and has become important to the Region's economy
- Increasing home-employment trend is due to the increasing technological advancements in mobile technology along with progressive employer trends that promote teleworking

In collaboration with the York Region Agricultural Advisory Liaison group and the York Federation of Agriculture, the Region completed its second farm-based business survey in 2016. A letter describing the purpose of the survey and a survey form was distributed in February to just over 700 farm-based businesses. Of the contacted farms, only 8.9 per cent participated in the survey. Due to the small response-size, this procedure wasn't repeated in 2017. However, regional staff continue to work with the York Federation of Agriculture to increase awareness on the benefits of collecting this information.

Data Uses

Data collected from the employment survey is a valuable resource for both the Region and local municipalities. The data is used by planning and economic development departments, other municipal departments, non-profit organizations and private sector groups. Some of the central uses of the data for the Region and local municipalities include: employment growth forecasts; monitoring targets in the Regional Official Plan and Provincial Growth Plan including employment and density targets for the urban growth centres and intensification areas; forecasting infrastructure requirements in master plans for transportation and water and wastewater; monitoring major office growth; and evidence in OMB cases. The data is also used for vacant employment land inventories; development charges studies; a tool for identifying economic trends and emerging sectors; and producing regional and local business directories.

Data Accuracy

A number of factors limit the accuracy of the data collected within this report, including:

Data collected was based on responses received from businesses. In certain instances however, businesses refused to participate, had a language barrier, were potentially missed in previous survey years, moved to an unknown location or were temporarily closed. As a result, certain business sectors may be over-represented and others under-represented depending on the particular circumstances of businesses in that sector.

APPENDIX A: DATA SOURCES CONTINUED



While this study analyzes employment patterns in the Region, it does not examine all possible factors that can influence employment rates in a particular location, such as land prices, property tax rates, development charges, and existing space inventories and vacancies. These factors can impact the level of overall economic health in a given area and can also promote or discourage employment growth in one area over another.

The data collected is time-sensitive, in that the information is only accurate as of the date collected. For certain industries undergoing rapid change, the analysis within this report may no longer reflect current circumstances. Caution should therefore be used before making any conclusions based on this information.

Statistics Canada Business Counts Data

The Statistics Canada Business Counts database provides counts of active establishments by industry classification and employment size categories for Canada and the provinces/territories. The database is based on information received through the Canadian Business Register and uses the business registration number as the basis for their business counts. According to Statistics Canada the business register includes all Canadian businesses which meet at least one of the three following criteria: have an employee workforce for which they submit payroll remittances to CRA; or have a minimum of \$30,000 in annual revenue; or are incorporated under a federal or provincial act and have filed a federal corporate income tax form within the past three years. Due to these factors it is possible that the business register includes businesses that are not identifiable in a physical location survey. Additionally, due to recent changes in the Business Register's methodology the data may increase or decrease the number of active establishments reported and should not be used as a time series. For more information on Statistics Canada Business Counts data please visit www.statcan.ca.

CEB TalentNeuron

CEB TalentNeuron is a provider of real-time market intelligence and analytics on hiring trends. The web-based platform collects information on hiring demand data from major online job search engines. The data is then categorized by occupational category using Statistic Canada's National Occupational Classification system (NOCs).

Statistics Canada Labour Force Survey

The Statistics Canada Labour Force Survey measures the current state of the Canadian labour market and is used to estimate national, provincial and regional employment and unemployment rates. The survey divides each province into smaller geographic areas and then uses a rotating panel sample design to select dwellings to be surveyed. The monthly sample size has been approximately 56,000 households which results in the collection of labour market data from approximately 100,000 individuals. The data is collected on a monthly basis either by telephone or in person interviews and survey participation is mandatory under the Statistics Act. Information is collected from all household members aged 15 and over.



APPENDIX B: SECTOR DEFINITIONS

Each business surveyed was assigned a numeric code based on their primary business activity. These codes are based on the North American Industrial Classification (NAIC) system, a hierarchical coding system used by statistical agencies in Canada, the U.S. and Mexico to classify businesses by type of economic activity. Much of the analysis in this report aggregates business information based on the NAIC coding at different levels of the hierarchy. The 20 NAIC sectoral categories used by Statistics Canada have been combined to 2 industry groupings. The combined industry groupings are summarized below:

GOODS-PRODUCING SECTORS

Mining, Oil and Utilities Sector (NAIC 21, 22) This sector comprises establishments primarily engaged in mining, oil and gas extraction and related support activities and operating electric, gas and water utilities. These establishments generate, transmit, control and distribute electric power; distribute natural gas; treat and distribute water; operate sewer systems and sewage treatment facilities; and provide related services, generally through a permanent infrastructure of lines, pipes and treatment and processing facilities.

Construction Sector (NAIC 23) This sector comprises establishments primarily engaged in constructing, repairing and renovating buildings and engineering works, and in subdividing land. This sector includes land development, building and engineering construction and project management and all construction trades contracting (e.g., concrete pouring, roofing, drywall and painting, electrical, fencing).

Manufacturing Sector (NAIC 31-33) This sector comprises establishments primarily engaged in the chemical, mechanical or physical transformation of materials or substances into new products. This sector includes food and beverage manufacturing, textile and clothing production, wood and paper products manufacturing, printing, petrochemical manufacturing, plastics and rubber manufacturing, non-metallic mineral product manufacturing (e.g., bricks, glass, gypsum board), primary metal manufacturing (e.g., iron and steel mills, metal pipes and wire, foundries), fabricated metal product manufacturing (e.g., stamping, metal doors, boilers, hardware, machine shops, nuts and bolts), machinery manufacturing, computer and electronic equipment, electrical equipment and appliances, transportation equipment manufacturing (e.g., motor vehicles and parts, aerospace and boat building) and furniture manufacturing.

APPENDIX B: SECTOR DEFINITIONS CONTINUED



SERVICES-PRODUCING SECTORS

Wholesale Trade Sector (NAIC 41) This sector comprises establishments primarily engaged in wholesaling merchandise, generally without transformation, and rendering services incidental to the sale of merchandise. This sector includes all wholesale distributors, product agents and brokers.

Retail Trade Sector (NAIC 44-45) This sector comprises establishments primarily engaged in retailing merchandise, generally without transformation, and rendering services incidental to the sale of merchandise. Includes all retail stores, retail auto and building supply dealers, gas stations and non-store retailers (e.g., mail order houses, vending machine operators, direct sales).

Transportation/Warehousing Sector (NAIC 48-49) This sector comprises establishments primarily engaged in transporting passengers and goods, warehousing and storing goods, and providing services to these establishments. This sector includes passenger and freight transportation and related support activities (e.g., airports, bus stations, vehicle towing, postal and courier services and warehousing and storage establishments).

Retail Trade Sector (NAIC 44-45) This sector comprises establishments primarily engaged in retailing merchandise, generally without transformation, and rendering services incidental to the sale of merchandise. Includes all retail stores, retail auto and building supply dealers, gas stations and non-store retailers (e.g., mail order houses, vending machine operators, direct sales).

Information and Cultural Studies Sector (NAIC 51) This sector comprises establishments primarily engaged in producing and distributing (except by wholesale and retail methods) information and cultural products. Establishments providing the means to transmit or distribute these products or providing access to equipment and expertise for processing data are also included. The main components of this sector are the publishing industries (e.g. newspaper, book and software publishers), TV and radio broadcasting, telecommunications services, information services (e.g., news syndicates, libraries, and internet providers) and data processing services.

Finance and Insurance Sector (NAIC 52) This sector comprises establishments primarily engaged in financial transactions including monetary authorities, credit intermediation and related activities (e.g., personal and commercial banking, credit unions, credit card issuing, consumer lending, mortgage brokers, transaction processing), securities and commodities trading, portfolio management and investment advising, insurance carriers and brokers and pension funds.

Real Estate and Rental and Leasing Sector (NAIC 53) This sector comprises establishments primarily engaged in renting, leasing or otherwise allowing the use of tangible or intangible assets. Establishments are primarily engaged in managing real estate for others; selling, renting and/or buying of real estate for others; and appraising real estate.



APPENDIX B: SECTOR DEFINITIONS CONTINUED

SERVICES-PRODUCING SECTORS CONTINUED

Professional, Scientific and Technical Services Sector (NAIC 54) This sector comprises establishments primarily engaged in activities in which human capital is the major input. These establishments make available the knowledge and skills of their employees, often on an assignment basis. The individual industries of this sector are defined on the basis of the particular expertise and training of the service provider. The main components of this sector are legal services; accounting, tax preparation, bookkeeping and payroll services; architectural, engineering and related services; specialized design services; computer systems design and related services; management, scientific and technical consulting services; scientific research and development services; and advertising, public relations, and related services.

Management of Companies and Enterprises Sector (NAIC 55) This sector comprises establishments primarily engaged in managing companies and enterprises and/or holding the securities or financial assets of companies and enterprises, for the purpose of owning a controlling interest in them and/or influencing their management decisions (e.g. holding companies, centralized administrative offices, corporate offices, head offices).

Administrative and Support, Waste Management and Remediation Services Sector (NAIC 56) This sector comprises establishments of two different types: those primarily engaged in activities that support the day-to-day operations of other organizations; and those primarily engaged in waste management activities. The first type of establishment is engaged in activities such as administration, hiring and placing personnel, preparing documents, taking orders from clients, collecting payments for claims, arranging travel, providing security and surveillance, cleaning buildings, and packaging and labeling products. Waste management establishments are engaged in the collection, treatment and disposal of waste material, the operation of material recovery facilities, the remediation of polluted sites and the cleaning of septic tanks.

Education Sector (NAIC 61) This sector comprises establishments primarily engaged in providing instruction and training in a wide variety of subjects. This instruction and training is provided by specialized establishments, such as schools, colleges, universities and training centers. These establishments may be privately owned and operated, either for profit or not, or they may be publicly owned and operated.

Health and Social Services Sector (NAIC 62) This sector comprises establishments primarily engaged in providing health care by diagnosis and treatment, providing residential care for medical and social reasons, and providing social assistance, such as counseling, welfare, child protection, community housing and food services, vocational rehabilitation and child care, to those requiring such assistance

APPENDIX B: SECTOR DEFINITIONS CONTINUED



SERVICES-PRODUCING SECTORS CONTINUED

Arts, Entertainment and Recreation Sector (NAIC 71) This sector comprises establishments primarily engaged in operating facilities or providing services to meet the cultural, entertainment and recreational interests of their patrons. The main components of this sector are performing arts, spectator sports industries, heritage institutions (e.g., art galleries, museums, zoos, conservation areas), amusement parks, gambling industry, golf courses and country clubs, skiing facilities, marinas, fitness and recreation centres, restaurants and bars and caterers.

Accommodation and Food Services Sector (NAIC 72) This sector comprises establishments primarily engaged in providing short-term lodging and complementary services to travelers, vacationers and others, in facilities such as hotels, motor hotels, resorts, motels, casino hotels, bed and breakfast accommodations, housekeeping cottages and cabins, recreational vehicle parks and campgrounds, hunting and fishing camps, and various types of recreational and adventure camps. This sector also comprises establishments primarily engaged in preparing meals, snacks and beverages, to customer orders, for immediate consumption on and off the premises.

Other Services Sector (except public administration) (NAIC 81) This sector comprises establishments primarily engaged in repairing, or performing general or routine maintenance (e.g. Automotive repair, machinery repair, reupholstery); providing personal care services (e.g. hair care, funeral homes, laundry services, pet care services, photofinishing); religious organizations and other civic and professional organizations.

Public Administration Sector (NAIC 91) This sector comprises establishments primarily engaged in activities of a governmental nature (e.g. federal, provincial, regional and municipal protective services such as fire, police, courts and correctional facilities, regulatory and administrative service

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For more information on businesses
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