

**DATE:** November 18, 2003

**TO:** Chairman and Members of the Planning and Development Committee

**FROM:** Edward R. Sajecki, Commissioner of Planning and Building

**SUBJECT:** **City of Mississauga - 2003 Growth Forecasts**  
**MEETING DATE: December 8, 2003**

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**ORIGIN:** Planning and Building Department

**BACKGROUND:** Hemson Consulting Limited was retained to prepare population, housing and employment growth forecasts for the City of Mississauga. A comprehensive growth forecast exercise is undertaken every five years to coincide with the release of new Census of Canada data by Statistics Canada and the preparation of a new Development Charges By-law.

The preparation of growth forecasts included an examination of the following factors:

- economic trends;
- market shares;
- immigration rates;
- fertility and mortality rates;
- household headship rates;
- housing vacancy rates;
- unemployment rates, and
- labour participation rates.

Additionally, updated estimates relating to land supply and employment were prepared by City staff, including the following:

- existing, committed, potential housing units;
- business lands area and major office area;
- existing and proposed major office space;
- timing of development applications; and
- provision of employment data from the 2003 survey.

Under separate cover is the report titled “*Growth in a Maturing Community, City of Mississauga, 2001-2031*” prepared by Hemson Consulting Limited which presents the findings of the growth forecasts and key assumptions and findings.<sup>1</sup> In addition, the consultants have prepared a technical appendix containing detailed forecast assumptions and results. Also, a series of four brochures summarizing population, housing, employment, and age structure forecast results by planning district, will be available for distribution and on the City’s website.

This report outlines the highlights from the growth forecasts. It also discusses the timing of future reviews and forecast monitoring.

**COMMENTS:**

Highlights from the 2003 growth forecasts are as follows:

- In mid-2003, Mississauga had a population of approximately 673,000 persons and an employment base of approximately 400,000 jobs. By 2031, the population will grow to approximately 744,000 persons and 487,000 jobs;<sup>2</sup>

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<sup>1</sup> Forecast results to 2031 are presented in the Hemson report, however, forecasts to 2041 have been prepared and are included in the technical appendix. The forecast for 2041 is approximately 756,000 persons and 490,000 jobs.

<sup>2</sup> While it is the goal of the Census of Canada to enumerate the entire population, inevitably some people are missed. Also, some people may be counted twice. Statistics Canada conducts post-censal studies to determine the scope of the net undercount, the results of which should be available for Mississauga in 2004. The population forecasts have been adjusted by adding 4% to account for an estimate of the census undercount. The population forecasts without the census undercount are approximately 646,000 persons in 2003 and 715,000 persons in 2031. The 1998 growth forecasts and 2001 interim growth forecasts did not

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- Mississauga has been one of Canada's fastest growing cities, however, as the land supply of greenfields for ground-related housing and land extensive employment uses approaches build-out, growth rates will decline significantly;
  - Mississauga is a maturing municipality with a diverse citizenry, housing stock and employment base, and will increasingly provide "central place" functions to those within its boundaries and beyond in the Greater Toronto Area (GTA);
  - In the past, Mississauga successfully met the challenge of keeping pace with high rates of growth. Future challenges will be different. Growth in Mississauga will increasingly depend on the more "footloose" and less certain apartment and office markets and Mississauga's potential for intensification and redevelopment. As such, planning issues will become more complex and contentious. Further, increased pressures will be exerted to redesignate high density residential lands and employment lands to ground-related residential uses. Infrastructure demands will shift from the provision of new infrastructure to maintaining and replacing existing infrastructure. The population structure will age significantly and average household sizes will decline leading to changing service needs and a loss of population in some older residential areas. Existing employment areas will also begin to experience declines as the industrial building stock ages and employment densities decrease. Financial implications include decreased development charge revenue and a shift in the assessment base as the industrial building stock depreciates relative to the residential building stock;

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*include an adjustment for the census undercount. The 2003 household and employment forecasts are based on the population forecasts without the undercount adjustment.*

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- The Mississauga growth forecasts are based on wider regional and economic trends within the GTA-Hamilton area. The regional outlook is for slow growth for the rest of 2003 and into 2004, followed by sustained growth and economic health in the longer term. However, the housing market will remain strong with only a slight decline from 2002 and 2003 peak levels;
  - While the forecasts for Mississauga present a reasonable and achievable outlook for growth over the next several decades, there are some uncertainties inherent in the results. The uncertainty of the forecasts increases as the time period becomes longer and for smaller geographic areas. As such, city wide forecasts within the next five years are more certain than planning district forecasts for 2031. Population growth which is based on more predictable demographic trends, is more certain than employment growth which is more dependent on economic cycles. Land extensive development such as ground-related housing and land extensive employment uses on greenfields is more certain than land intensive uses such as apartment and office construction;
  - Ground-related residential development is currently concentrated in Churchill Meadows, Mississauga's last major greenfield area. Greenfield residential development will be built out over the next five to ten years. Over the past 20 years, Mississauga captured 15 to 27 percent of the GTA's population growth based on its ability to respond to the demand for ground-related housing. In the future, consumers will look to Brampton, Halton and Hamilton to meet the housing demand for detached, semi-detached and townhouse development formerly accommodated in Mississauga;
  - Additional population growth will increasingly be dependent on apartment construction on vacant sites throughout the City and medium and high density development through intensification and redevelopment;

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- The City of Toronto currently captures 80% of new apartment construction. As Mississauga matures, it is expected that its apartment market will strengthen to provide for an increasingly diverse and aging population. Total housing unit growth will decline from the present level of approximately 5,000 units per year to less than 1,000 units per year by 2031. Construction of detached, semi-detached and townhouses will decline significantly while apartment construction is forecast to remain relatively constant;
  - The land supply data for the City of Mississauga has been increased by approximately 13,000 units through the identification of potential intensification and redevelopment sites. This includes lands that are currently developed but not to their permitted maximum (e.g., apartment buildings on large sites where some townhouses could be added), lands not developed in conformity with the official plan (e.g., detached units on lands designated for medium density housing) and lands where redesignations to residential uses may occur (e.g., surplus hydro lands). Additionally, within the next 30 years other opportunities will present themselves not apparent today. Based on patterns in other mature municipalities, a land supply assumption for an additional 2,400 units has been made. There is uncertainty surrounding specific sites, however, it is reasonable to expect that there will be an increase in intensification and redevelopment proposals. While intensification and redevelopment are typical in mature municipalities and in keeping with the principles of smart growth, it is expected that these applications will be contentious;
  - The average household size for Mississauga is forecast to decline from its current level of 3.14 to 2.77 by 2031. This is due to a number of factors. There will be an increase in household formation rates for persons under the age of 35 who delayed forming their own household because of housing affordability issues in the late 1980s and the

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recessionary period in the 1990s. Further, much of Mississauga's future housing stock additions will be apartments which typically have lower average household sizes. Lastly, the average household size will be affected by the aging of the population. By 2031, 24 percent of the population will be 65 and over, up significantly from 8 percent in 2001. There will be more elderly households with one or two persons. It should be noted that while the forecast population is lower than in previous forecasts because of the decline in average household sizes, the forecast for housing units has remained relatively constant;

- The ethnic composition of Mississauga's population is diverse and will become increasingly diverse over time. It is expected that major ethnic groups already in Mississauga will show growth as newcomers are attracted to locations where they have connections through family, friends and community. As such, the south Asian community is expected to continue to experience growth as Canada continues to witness immigration from this part of the world. Other established ethnic groups, such as the Portuguese community, are not expected to grow as Portugal is no longer a significant source of immigration to Canada;
- Mississauga's median income, as reported in the 2001 Census, was 14 percent higher than that of the Toronto Census Metropolitan Area (CMA). Over the course of the forecast period, Mississauga's median income is expected to remain higher than the CMA's, however, the difference will lessen as Mississauga's population ages and more people are beyond working age and on fixed incomes. Also, with more high density housing, there will be more non-family households which typically have lower household incomes;
- The population forecast for the GTA suggests a growth from approximately 5.3 million persons in 2001 to

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approximately 7.8 million persons in 2031. There have been some suggestions that because of limitations in the transportation infrastructure and growing traffic congestion, these forecasts will not be realized and growth will be pushed to the areas beyond the GTA such as Simcoe, Wellington and Niagara. These outer areas are forecast to experience growth, however, for the GTA forecasts not to be realized would require enormous shifts in out-migration for which there is currently no evidence. These outer areas also have infrastructure limitations that would hinder their ability to accommodate higher levels of growth. Other major cities throughout the world have far worse traffic problems than does the GTA and still experience significant population and economic growth;

- The GTA population growth forecasts are distributed to the regions and local municipalities based on their ability to accommodate new housing units and historic and forecast market shares. The existing GTA land supply for ground-related dwellings is sufficient to about 2017. Aggressive policies permitting infill and intensification could extend supply a few more years. To divert the demand for ground-related units to apartment living would require an enormous shift in the housing preferences of consumers. More likely than a change in housing preferences will be demands that urban boundaries be extended. Peel is in this situation. The growth forecasted for Peel to 2031 that cannot be accommodated within its existing urban boundary is approximately a population of 135,000 and employment of 30,000. This is referred to as the “unallocated” growth. Brampton is in the process of studying extensions to its urban boundary to address some of this growth pressure. Given that Mississauga is entirely within the urban boundary, the pressure will be in the form of increased demands to down designate high density sites and to redesignate employment lands to residential uses;

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- Mississauga has a large and diverse employment base of approximately 400,000 jobs and is a major player in the GTA employment market. Between 1996 and 2001, Mississauga captured about 20 percent of the employment growth in the GTA. In size it is second only in the GTA to the City of Toronto. Mississauga needs to import about 52,000 employees (net) to fill the jobs available within its boundaries. Based on the 2001 census, Mississauga's activity rate was 62.4 percent;<sup>3</sup>
  - The employment forecasts are divided into three land use based categories: employment land employment; major office employment and population-related employment. Employment land employment is land extensive and highly dependent upon the supply of greenfield land. Major office development includes freestanding office development of 1 860 m<sup>2</sup> (20,000 sq.ft.) or more, and since it can be accommodated on relatively small sites, has greater freedom of location. Population-related employment includes retail, education, health care, municipal government and home based employment and is a fairly constant ratio of the total population;
  - The outlook for employment land development is strong. The excess building space constructed in the late 1980s on speculation that remained largely vacant or under utilized in the mid 1990s due to the recession, has now been absorbed. Historically high employment densities and a strong economic forecast creates a condition favourable to the development of employment lands. This means that Mississauga's remaining greenfield employment lands will be built out in the next 10 to 15 years. However, once these lands have been developed, Mississauga's role in the employment land market will diminish and Brampton, Milton and Oakville will attract increasing shares of this market. Further, employment densities will decline due to

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<sup>3</sup> The activity rate is the ratio of employment to population. The activity rate for the GTA was 52.7% and for the City of Toronto it was 57.8%.



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a predictable pattern of lower densities as building stock ages. Although employment land employment growth will be coming to an end, Mississauga will still experience employment growth in the office market and in population-related employment services;

- Within the GTA, Mississauga's stock of office space is second only to the City of Toronto. Office development is viewed as highly desirable and communities across the GTA provide a large supply of potential sites. Mississauga has been highly successful in attracting new office development, particularly to the Airport Corporate Employment District. Unfortunately, the City Centre has not shared in this attraction of new office development. In this regard Mississauga is not unique. There are few examples of new office development occurring in other city centres across the GTA. New office development shows a marked preference for greenfield sites rather than redevelopment sites. It will be important for Mississauga to maintain its competitiveness in the office market in order to maintain a growing employment base;
- Population-related employment will grow in relation to population growth. Additionally, as the areas surrounding Mississauga grow, Mississauga will experience more demand for regional level retail and public institutional facilities. However, GTA-wide labour shortages resulting from the aging of the population are expected by the 2020s and will drive pressures for labour efficiency. This will reduce the ratio between population and population-related employment;
- Mississauga is at an important juncture in its development. As the last greenfields are developed, Mississauga is entering the category of "mature" municipality. This will bring a different set of municipal challenges, some of which it has already encountered. From a planning perspective there will be a shift away from skills in greenfield planning and subdivision processing to more complicated issues

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related to community compatibility and development on constrained sites. There will be intensified pressure to down designate remaining vacant high density residential sites and employment sites. More complex and contentious developments will be the standard. The services provided to Mississauga's citizens will also have to adjust to an aging population. Parks, recreation programs and libraries, now geared to a large number of children, will increasingly need to change their focus towards the needs of an older population. An older population will also impact transit usage and patterns, emergency services and the need for physical infrastructure for persons facing mobility issues. For economic development, business retention versus business attraction will gain heightened importance. There will also be important financial implications of operating a mature municipality. Development charges revenue will decrease commensurate with the decline in the demand for growth - related facilities and infrastructure. However, as existing facilities and infrastructure age, they will need to be maintained and replaced. The assessment base will shift as the employment areas age and the building stock depreciates relative to the residential building stock. These challenges are known and careful long-term planning will be required to manage the transition from a growth municipality to a mature municipality.

#### Future Growth Forecast Reviews and Monitoring

In a report, titled "*Review of Growth Forecasting Method*", submitted to the Planning and Development Committee on July 7, 1997, it was recommended that a comprehensive review of the growth forecasts be undertaken every five years to coincide with Census of Canada data releases and the review of the Development Charges By-law. This comprehensive review would examine demand assumptions and incorporate updated land supply data. Midway between comprehensive reviews, an interim growth forecast was to be prepared that included development activity since the last review and updated estimates

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of land supply. The interim growth forecast was not to change demand assumptions such as market shares, fertility rates, immigration patterns or economic outlook.

In 1998 Hemson Consulting Limited conducted a comprehensive growth forecast review. The results of that review are contained in the study titled “*Long Range Forecasts, City of Mississauga 1996-2031*” and were presented to the Planning and Development Committee on September 8, 1998. In 2001, an interim review of the forecasts was prepared by staff and presented to the Planning and Development Committee on August 7, 2001 in a report titled “*The City of Mississauga - 2001 Interim Growth Forecast*”. The 2003 growth forecasts presented in this report is the five-year update of the comprehensive forecast review last undertaken in 1998 and the interim growth forecasts prepared in 2001.

Exhibit 1 compares the 1998, 2001 and 2003 growth forecasts. Comparing the 1998 and 2003 forecasts, the 2003 results suggest higher growth in the early years of the forecast and lower growth in the latter part of the forecast with the forecasts for 2031 being essentially the same.<sup>4</sup>

The 2001 interim growth forecasts parallel the pattern of the 1998 forecasts at a somewhat higher level. This is because the actual amount of growth between 1998 and 2001 was higher than forecasted. At a more detailed level, for example, by planning district, by dwelling unit type or employment category, the 2001 forecasts may show a greater or lesser departure from the previous forecasts but, once again, this difference would reflect the difference between forecast and actual growth. The only

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<sup>4</sup>*It should be noted that the 2003 forecast includes the census undercount. Without the undercount the 2003 population forecast would be approximately 26,000 persons less. Comparing the 2003 forecasts without the census undercount to the 1998 forecasts would show less of a difference in the early years of the forecasts and a lower 2031 population. The lower population is the result of an assumption in the 2003 forecast regarding smaller average household sizes.*

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other factor that could significantly alter the forecasts would be major land use redesignations, which is unlikely given the established nature of Mississauga's urban land use patterns.

Given the scope of the interim growth forecasts, they are of limited value, however, it is useful to monitor the forecasts to determine how actual growth compares with forecast growth. Therefore, it is proposed that the interim growth forecasts be replaced with an annual forecast monitoring report that compares forecast growth to actual growth for the City as a whole, by detailed areas (e.g., planning district) and growth categories (e.g., dwelling type and employment category).

**CONCLUSION:**

Hemson Consulting Limited was retained to prepare population, housing and employment growth forecasts for the City of Mississauga. In mid-2003, Mississauga is forecast to have a population of approximately 673,000 persons and an employment base of approximately 400,00 jobs. By 2031, the population will grow to approximately 744,000 persons and 487,000 jobs.

Mississauga is at an important juncture in its development. As the last greenfields are developed, Mississauga is entering the category of "mature" municipality. This will bring a different set of municipal challenges, some of which it has already encountered. These challenges will include more complicated and contentious development applications, adjusting services to meet the needs of an aging population, a heightened focus on business retention versus business attraction, coping with maintaining and replacing existing infrastructure, a decline in development charge revenue and a shift in the assessment base from industrial to residential. These challenges are known and careful long-term planning will be required to manage the transition from a growth municipality to a mature municipality.

A comprehensive growth forecast preparation exercise is conducted every five years to coincide with the release of Census

of Canada data and the preparation of a new Development Charges By-law. The next review will occur in 2008. It is recommended that annual forecast monitoring reports be prepared to assess if development is proceeding as indicated by the growth forecasts.

**RECOMMENDATION:**

That the growth forecasts prepared by Hemson Consulting Limited contained in the report titled "*City of Mississauga - 2003 Growth Forecasts*" dated November 18, 2003 from the Commissioner of Planning and Building be adopted, and further, that annual forecast monitoring reports be prepared in place of interim growth forecasts.

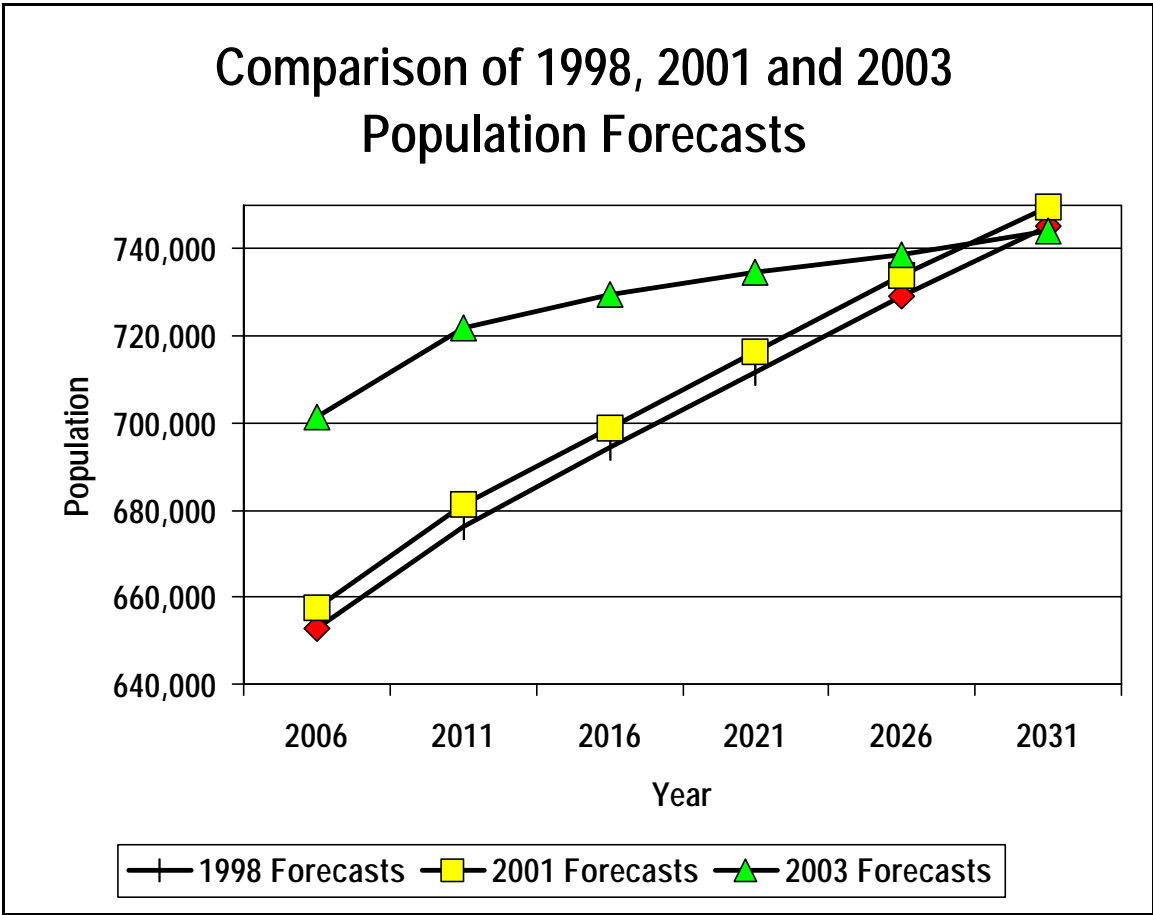
*Original Signed By:*

Edward R. Sajecki  
Commissioner of Planning and Building

Population Forecast Comparisons

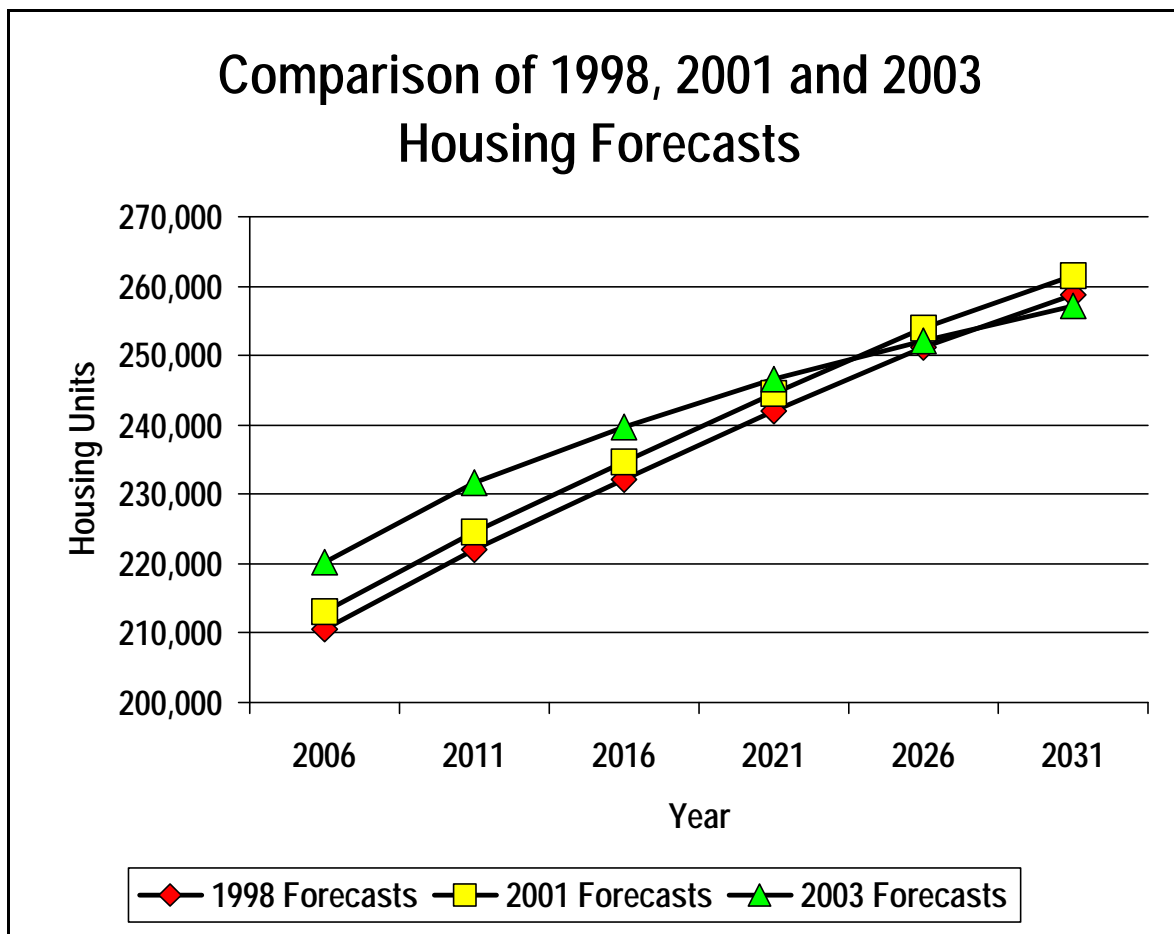
Year	1998 Population Forecast	2001 Population Forecast	2003 Population Forecast	Comparison of Forecast Differences		
				1998 & 2001	1998 & 2003	2001 & 2003
2006	652,900	657,700	701,500	4,800	48,600	43,800
2011	676,100	681,200	721,800	5,100	45,700	40,600
2016	694,400	698,800	729,600	4,400	35,200	30,800
2021	711,800	716,200	734,600	4,400	22,800	18,400
2026	729,300	733,800	738,800	4,500	9,500	5,000
2031	745,400	749,700	744,100	4,300	(1,300)	(5,600)

Note: The 2003 growth forecasts include a 4% adjustment for the census undercount.



## Housing Unit Forecast Comparisons

Year	1998 Housing Forecast	2001 Housing Forecast	2003 Housing Forecast	Comparison of Forecast Differences		
				1998 & 2001	1998 & 2003	2001 & 2003
2006	210,500	213,000	220,300	2,500	9,800	7,300
2011	222,000	224,500	231,700	2,500	9,700	7,200
2016	232,100	234,700	239,800	2,600	7,700	5,100
2021	242,000	244,600	246,600	2,600	4,600	2,000
2026	251,200	253,900	252,100	2,700	900	(1,800)
2031	258,800	261,600	257,100	2,800	(1,700)	(4,500)



## Employment Forecast Comparisons

Year	1998 Employment Forecast	2001 Employment Forecast	2003 Employment Forecast	Comparison of Forecast Differences		
				1998 & 2001	1998 & 2003	2001 & 2003
2006	400,600	411,900	437,700	11,300	37,100	25,800
2011	427,400	438,800	469,300	11,400	41,900	30,500
2016	445,800	457,200	480,700	11,400	34,900	23,500
2021	462,100	473,400	485,200	11,300	23,100	11,800
2026	473,500	484,700	486,200	11,200	12,700	1,500
2031	485,900	497,000	486,600	11,100	700	(10,400)

