GROWTH IN A MATURING COMMUNITY

CITY OF MISSISSAUGA

Population, Household and Employment Forecasts 2001-2031

HEMSON CONSULTING LTD.

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November 18, 2003

Ms. Angela Dietrich
Manager, Research and Special Projects
Policy Planning Division
City of Mississauga
300 City Centre Drive
Mississauga, Ontario
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Dear Ms. Dietrich:

Re: Long Range Forecasts for the City of Mississauga

Hemson Consulting is pleased to submit our report, *Growth in a Mature Community — Population, Housing and Employment Forecasts — City of Mississauga 2001-2031*.This report provides an update of the 1998 forecasts prepared for the City based on recent demographic and economic trends and results of the 2001 Census.

Mississauga is entering an important transition period during which it will move from a fast-growing city to a more mature and slower-growing urban area. Consistent with the City's strategic goals and Smart Growth principles, throughout the forecast period, Mississauga will continue to grow through intensification and redevelopment.

We hope that this report will assist City department decision-makers in understanding the planning, financial and service delivery implications of future growth in Mississauga.

Yours Truly,

HEMSON CONSULTING LTD.

Russell Mathew

Russell B. Mathew, MCIP, RPP, PLE
Associate Partner

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- This report provides long term population, housing and employment forecasts for the City of Mississauga to assist planning, finance and service delivery decision–makers at the City. The forecasts are an update of the 1998 forecasts prepared for the City taking into account the 2001 Census and recent demographic and economic trends in the GTA and Mississauga.

- Mississauga is in transition from a fast growing suburban municipality to a mature urban community. Historically, Mississauga has accommodated a large share of housing and population growth in the GTA. Over the next 5 to 10 years, as the City's greenfield land for ground–related housing nears full development, housing growth will focus more on medium and high density forms.

- Consistent with the goals of the Smart Growth policy initiative to encourage growth within existing settlement areas, Mississauga will continue to create new housing opportunities through intensification and redevelopment. The forecasts incorporate a significant level of intensification.

- The aging of the population and the decline in average household size will have an increasing impact on Mississauga's existing population base. This change will have important implications for service delivery across a wide range of departments at the City.

- Population growth will be initially concentrated in the northwest part of the City as the Churchill Meadows area builds–out. Intensification and redevelopment in the form of apartment and medium density housing forms will occur throughout the forecast period in areas with potential for this type of development.

- Mississauga will continue to maintain a strong employment base over the forecast period. As the remaining employment land supply becomes developed, employment growth will become more focussed on the office and population-related employment sectors. Employment growth will be initially concentrated in employment land areas with vacant supply, mostly in the Meadowvale business park and Gateway employment district. The City Centre area is forecast to accommodate a large share of the City's future office employment growth.

- The forecasts result in a 2031 population of 745,000 and employment of 487,000 as shown in the table on the following page.

- The population, housing and employment forecasts have a number of important implications for Mississauga that decision-makers should be aware of:

    - The focus of development and policy planning will shift from planning for growth to redevelopment issues. Planning will become more contentious and more complex as the sites for development become more difficult and number of affected stakeholders increases.

Mississauga Forecast Population and Households (000s)			
Year	Census Population	Census Households	Total Population (including Census Undercount)
2001	613	194	638
2003	646	207	673
2006	674	220	702
2011	693	231	722
2016	700	240	730
2021	705	247	735
2026	710	253	739
2031	715	258	744

Note: Total Population is based on an estimated 2001 Census Undercount of 4.0%

Mississauga Forecast and Employment and Activity Rate		
Year	Employment (000s)	Activity Rate
2001	382	62.3%
2003	400	61.9%
2006	438	65.0%
2011	469	67.7%
2016	481	68.7%
2021	485	68.8%
2026	486	68.5%
2031	486	68.0%

Note: The activity rate is the ratio of Census employment to Census population.

- The pressure to accommodate ground-related housing forms will likely continue in the form of pressures to redesignate higher density areas. There will also be increased pressures to redesignate employment lands for residential uses. The City needs to continue to be vigilant about protecting its employment base, but also needs to have a policy environment which clearly gives direction on how these pressures are to be addressed.

- The age structure of Mississauga's population will age significantly through the forecast period. This aging will have implications for all services delivered by the City.

- Changes in service delivery and the shift in development focus from greenfield to intensification will have a number financial implications for Mississauga. Most importantly, there will be a shift from investment in new infrastructure to an increasing focus on maintenance and replacement.

- Decision-makers also need to take care in using the forecast results. While the growth and change in the existing population and employment base is relatively certain, the additional growth in the form of higher density housing and employment development is less certain. Growth beyond the existing base will be increasingly dependant on the smaller and more footloose apartment and office markets.

- Recognising that these uncertainties always exist when looking into the future, in our view, the forecasts contained in this report represent a reasonable and achievable outlook for growth for the City of Mississauga over next 30 years.

I INTRODUCTION

This report provides a summary of population, household and employment forecasts to 2031 prepared for the City of Mississauga. These forecasts will be a key tool to assist infrastructure, service delivery, community and financial planning decision-makers as the City reaches a mature state of development.

A. MISSISSAUGA IS REACHING A MATURE STATE

Mississauga is an established major urban centre with a population of 670,000 in mid-2003 and a strong employment base of 400,000 jobs focussed in the industrial and office sectors. It has traditionally been one of the fastest growing cities in Ontario and Canada accommodating a large share of both population and employment growth in the Greater Toronto Area (GTA).

Over the coming years, Mississauga's overall rate of growth will slow as remaining greenfield lands for ground–related housing and employment districts approach build–out. However, Mississauga will continue to provide new housing and employment through more land intensive forms of development.

In the past, with an abundant supply of greenfield land for development, GTA-wide economic and demographic forces were the main determining factors in the rate of the City's growth. In the next 30 years, the potential for intensification and redevelopment will become the most important factors.

The shift in the City's growth and development focus in the coming years is recognised in the *City of Mississauga Strategic Plan for the New Millennium*. The Plan sets achievable goals for population and employment, but, more importantly, speaks to Mississauga as a "distinct major Canadian city." This distinctiveness will be advanced as a mature Mississauga will increasingly serve "central place" functions for its own residents and for the wider GTA community. The more diverse citizenry, housing stock and employment base suggested by the forecasts in this report are all hallmarks of a distinct mature central place.

As Mississauga builds out its greenfield lands and further matures, there will be a shift in the types of planning and service delivery issues that the City will face as a result of the transition from a fast growing city on the edge of the GTA's urban area to a large, mature and slower growing community. These forecasts are a key tool for the City in planning for this transition and in achieving the objectives of the *Strategic Plan*.

As Mississauga reaches maturity, the relationship of the municipality to the community will change. As in any fast growing municipality, much of the focus has been on planning for new greenfield areas and other growth-related issues, such as new infrastructure needs. Over the next 30 years in Mississauga, attention will shift more to redevelopment and intensification issues. With this type of development, the planning issues surrounding development are likely to become more complex and contentious. Some of the City's infrastructure will also be aging, shifting the focus from new infrastructure to maintenance and replacement of existing infrastructure.

The aging of Mississauga's population is another important factor that will become very pronounced over the coming 30 years. Not only does the aging of the population affect the types of municipal services the City needs to deliver, it also results in a declining average household size that will have a significant effect on existing communities. A number of older residential neighbourhoods will experience declines in population as children grow up and form their own households, while their "empty-nester" parents remain in the family home.

As Mississauga reaches maturity, it will become increasingly important to carefully plan for the development of its remaining greenfield areas and to provide for the intensification and redevelopment of existing urban areas as there will be fewer opportunities to significantly alter the urban structure and built environment of much of the City.

B. FORECASTS WILL BE KEY PLANNING TOOLS FOR MANY CITY DEPARTMENTS

This study is an update of the 1998 forecasts prepared for the City taking into consideration recent demographic and economic trends and the results of the 2001 Census.

The population, household and employment forecasts will be used by most departments in the Corporation of the City of Mississauga and by other public and private stakeholders. It will assist in decision –making for land use and financial planning as well as service delivery planning.

C. UNDERSTANDING THE FORECASTS

In order to properly use the results of the population, housing and employment forecasts, it is important to understand the basis for the forecasts:

- The forecasts are based on the Census definition of population and employment. This is done to provide a common base of information to relate population, housing, employment and their related statistics. The tables in the report also include an estimate of total population, which includes the Census undercount.

In 2001 the undercount is estimated to have been about 4.0% of the population[1]. Population references in the text of the report all include the Census undercount.

- Because of occasional confusion over the use of the population definition, caution should be exercised in the following areas:
    - When comparing the forecast results of this report to other population sources and forecasts which may or may not have included the Census undercount in an estimate of total population;
    - When considering employment and households which are based on the Census and tied to the Census population excluding the undercount; and
    - When comparing to previous versions of the forecast prepared for the City, which relied solely on the Census population definition.
- In previous forecasts, the basis for the analysis of the wider regional economic and demographic trends was the GTA. The market area for the forecasts is now based on an expanded GTA–Hamilton area. This larger market area recognizes the increasing integration of Hamilton into the wider GTA housing and labour markets and is consistent with the economic region defined by the Central Ontario Smart Growth Panel. However, for convenience and comparison to historical work, this report provides forecasts and commentary based on the GTA proper.
- The employment forecast is based on the Census definition of employment, which differs from that used in the employment survey. The Census surveys individuals, and, as a result, will count a maximum of one job per person and includes those who work at home. The Mississauga employment survey surveys business establishments, so it will capture multiple part-time jobs held by a one person, but will not capture those who work only at home[2].
- Since forecasting involves projecting trends into the future, there is always inherent uncertainty in the results:
    - In general, uncertainty in the forecasts increases as the time period becomes longer. A five year population forecast is more certain than a 30 year outlook.
    - Uncertainty also increases the smaller the geographic area; city wide forecasts are more certain than those prepared for planning districts or traffic zones.

[1] *Data released to date from the Census indicate a Toronto CMA undercount of 5.1%. This is typically more concentrated in Toronto than surrounding areas, resulting in the Mississauga estimate of 4%. Local undercount estimates will not be released by Statistics Canada until early 2004.*

[2] *To bring the employment survey to the Census definition of employment, about 40% of part-time employment is excluded to account for individuals holding multiple jobs. To account for at-home employment, 80% of Census-counted at home employment is added to the adjusted employment survey totals. These two factors largely balance each other. For 2003, the employment survey counted 407,000 jobs (including all part-time jobs; reported as 380,000, once the part-time jobs adjustment is taken into account). After adding at-home employment and employment in a few new office buildings now occupied but not surveyed in 2003, the mid-2003 Census definition of employment is estimated at 400,000.*

   - Population is generally more predictable than employment since population change is less dependent on economic cycles.

   - Land extensive development is more predictable than more intensive development. It is certain that Mississauga's remaining greenfield lands for ground–related housing and employment land will become developed over time. The amount of office and apartment development is less certain, though sure to be significant.

- The forecasts have been prepared to 2041. The results to 2041 are provided in technical background to this report. Because of the uncertainties involved in very long term forecasts, this report focuses on 2031 as the forecast period. This is consistent with the planning period being increasingly used in the GTA for long-term infrastructure planning.

Forecasts can provide important information in the City's planning and decision-making processes and there are significant amounts of detailed data behind the summary results provided in this report. For any municipal purpose, especially where the less certain small area and very long term forecasts are involved, it is also critical to use other sources of research, information, consultation and judgement in reaching conclusions about the future.

D. REPORT STRUCTURE

The report is divided into five chapters. Following this introductory chapter, Chapter 2 assesses the major factors influencing the population and household growth outlook and provides forecast results at the City and planning districts. Chapter 3 discusses the employment forecast also at the city and planning district level. Chapter 4 discusses the major implications of the forecast results for the City over the next 30 years and Chapter 5 provides a discussion of where there are risks and market uncertainties which may affect the longer-term forecast results.

The report focuses on the City-wide growth expectations and describes the outlook for the planning districts. Other related work, not detailed in this report has been provided to the City. This additional information includes: forecasts by traffic zone and watershed geographic areas and a number of detailed growth statistics such as employment land absorption and office space construction.

For the a more detailed information on the assumptions and results of the forecast and the growth expectations by planning district and traffic zone, please consult the appendix to this report, available under separate cover.

II MISSISSAUGA WILL BE A MATURE COMMUNITY OF 745,000 PEOPLE BY 2031

Mississauga is undergoing a shift from being a fast growing suburban community to a mature urban community. From a housing perspective the key feature of this shift is that, as greenfield land nears full development, new housing growth in Mississauga will become increasingly focussed on medium and higher density housing provided on scattered remaining vacant lands and through intensification and redevelopment. By continuing to grow in this way, Mississauga is supporting the goals of its Strategic Plan and smart growth principles.

The decline in average household size and the aging of the population will have the biggest impact on older neighbourhoods in Mississauga where the population will decline, though in the longer-term, existing units turn over to younger families. New residential growth will be concentrated initially in the Churchill Meadows area, the last major greenfield development area in the City. Further growth will then be occurring in areas in the City with the greatest potential for apartment development and intensification, particularly in the City Centre area.

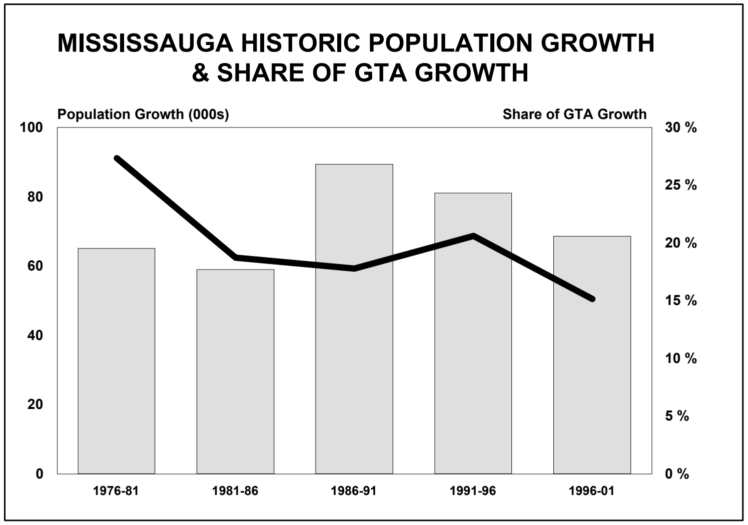
A. GROWTH WILL INCREASINGLY BE ACCOMMODATED IN HIGHER DENSITY HOUSING FORMS

Mississauga's ability to accommodate new ground-related housing will change as the City's greenfield residential areas become built out over the next 5 to 10 years.

1. Mississauga Has Historically Accommodated Large Share of the GTA's Growth

Mississauga has traditionally accounted for a large share of population growth in the GTA. The city's strong employment base, diverse housing stock, community amenities, transportation infrastructure and availability of greenfield land for development have all contributed to Mississauga's high levels of growth. Mississauga has accounted for between 15 and 27 % of the growth in the GTA's population over the past 20 years.

This pattern of growth has continued in the two years since the Census, where Mississauga has accommodated about 15 % of the GTA population growth.



Source: Statistics Canada, Census 1971 through 2001

2. Mississauga's Ability to Accommodate Growth Will Change As Build-Out Nears

Over the past 20 years, the majority of the demand for new housing in the GTA and especially in the areas surrounding the City of Toronto has been for ground-related housing. While almost exclusively in the single detached form in the 1980s, during the 1990s and into the current decade, ground-related housing is much more diverse and now includes substantial numbers of semi-detached and row units. This pattern of demand is expected to continue over the next 30 years, though there will likely be a strengthening of the apartment market to satisfy the housing needs of young adults and the elderly, the primary occupants of apartment units.

Share of New Housing Construction by Type GTA, 1976–2003 (in %)

	Singles	Semis	Rows	Apartments
1976–1981	27.0	14.4	17.9	40.8
1981–1986	58.6	5.5	6.5	29.4
1986–1991	57.9	1.3	6.9	33.9
1991–1996	46.9	4.2	14.4	34.5
1996–2001	51.8	11.9	19.7	16.6
2001–2003	48.3	12.2	15.0	24.5

Source: CMHC Housing Completions Data.

Note: 2001 to 2003 is based on completions to August 2003 plus estimated completions to the end of 2003, based on units under construction.

Churchill Meadows is Mississauga's last remaining major greenfield area to accommodate ground–related housing. This area contains 38 % of the City vacant supply of single-detached units. Once this supply is built, along with the supply elsewhere in the City, Mississauga's share of housing and population growth will slow. Consumers desiring ground-related housing will look beyond Mississauga to provide for their needs. Within the Region of Peel, Brampton will absorb a large part of Mississauga's share in the medium term before it also reaches the situation Mississauga is in today, in about 20 or 30 years time. In the western GTA and beyond, other areas in Halton and Hamilton will accommodate increased shares of growth.

At the same time Mississauga will, as a mature community, attract higher shares of apartment housing, a market currently highly concentrated in the mature City of Toronto.

3. Timing of Build-Out of Greenfield Lands is Related to Rate of Growth in the GTA

Up until now, the amount and rate of growth in Mississauga was closely tied to the economic and demographic forces affecting the wider GTA market. Given the near mature state of the development of Mississauga, the future level of economic activity and GTA population growth has impact on the overall amount of population and housing growth that will occur over the next 30 years, though these forces still influence the timing of when full development of the greenfield land supply will occur.

The economic outlook for the GTA is for slow growth in the short term for the rest of 2003 and into 2004 but sustained economic health and growth in the longer term. The housing market remains strong, however, and is only anticipated to decline sightly from the peak levels of 2002 and 2003.

Among the reasons for the rapid housing growth is the rising household formation rates in response to the recent years of economic expansion and employment growth (after the long recession of the early and mid-1990s). Based on this outlook, it is estimated that there are less than 10 years supply of greenfield land for ground–related housing in Mississauga. In mid-2003, Mississauga had built 86 % of its identified ultimate supply of ground-related housing, by 2011 this will be over 95 %.

In contrast, apartment units can still accommodate significant growth. In mid-2003, Mississauga had built 58 % of its identified ultimate supply of apartment units and will take until the end of the forecast period in 2031 to reach 85 % of development potential.

B. PLANNING AND SERVICE DELIVERY ISSUES WILL SHIFT AS MISSISSAUGA MATURES

Over the next 30 years, after the build-out of its greenfield lands, new housing growth in Mississauga will be accommodated mainly through apartment housing. The focus will shift from planning for new growth areas to an increasing emphasis on planning for intensification and an aging population.

1. New Housing Growth Will Be Focussed on Medium and High Density Forms

Beyond the build-out of its greenfield areas, additional population growth in Mississauga will be through apartment construction on vacant sites available in the City's communities and through intensification and redevelopment. Medium and high density housing forms such as row houses and apartments are most of the common housing types developed through intensification, though infill of single and semi-detached units can continue to occur at a slow rate.

The row house market has been relatively strong in recent years across the GTA and is expected to maintain a similar share of the housing market over the 30 year forecast period The apartment market is expected to grow as a share of total housing growth in the GTA over the forecast period. More importantly for Mississauga, the City of Toronto is not anticipated to maintain its extraordinarily high share of the GTA apartment market at the moment, currently 80 % of GTA new construction. As Mississauga matures, a stronger apartment market is expected to be established, providing needed housing choices for an increasingly diverse and aging population.

The following tables show the housing unit forecast by type for Mississauga.

Mississauga Forecast Housing Units By Type				
	Singles/ Semis	Rows	Apartments	Total
2001	109,800	27,700	56,500	194,000
2006	125,200	33,200	61,300	219,700
2011	129,100	36,200	66,100	231,400
2016	131,100	38,200	70,600	239,900
2021	132,200	39,400	75,400	247,000
2026	133,000	40,000	79,800	252,800
2031	133,400	40,500	83,900	257,800

Note: Occupied housing units as of mid-year, totals may not add due to rounding

Mississauga Housing Unit Growth By Type				
	Singles/ Semis	Rows	Apartments	Total
2001-06	15,400	5,500	4,800	25,700
2006-11	3,900	3,000	4,800	11,700
2011-16	2,000	2,000	4,500	8,500
2016-21	1,100	1,200	4,800	7,100
2021-26	800	600	4,400	5,800
2026-31	400	500	4,100	5,000

Note: Occupied housing units as of mid-year, totals may not add due to rounding.

As shown in the above tables, total housing unit growth declines from about 5,000 per year in the current period to less than 1,000 per year at the end of the forecast period. The number of single and semi-detached units built during the forecast period declines significantly after 2006 as the available supply of greenfield land is reduced. Row units follow a similar pattern. Growth in new apartment units remains relatively constant through the forecast, based on Mississauga increasing its share of new apartment units in the GTA from the historic low of 3 % from 1996 to 2001 to 8 % today and to about 10 % by 2031. Unlike ground–related housing, there remains a significant supply of sites for apartments units in the City.

2. Forecast Incorporates Significant Intensification

The housing forecast prepared for Mississauga incorporates a number of different types of intensification in accommodating future growth including infill, redevelopment and higher density development on existing greenfield sites. Intensification in the forecast includes the following types:

- The City has identified future housing supply through an assessment of potential intensification sites. This amounts to about 10,000 units.
- A recent study of redevelopment opportunities identified an addition of 2,860 units.
- Also, in any mature community, there will be other potential units that cannot be readily identified today. Over time, as Mississauga matures and certain parts of the city begin to age, these sites will become more apparent. Taking this factor into consideration, we have allowed for

another 80 units per year of single and semi-detached housing and about 80 units per year of row housing in locations that cannot be specifically identified today[1].

In total, intensification accounts for over 20 % of the future housing unit potential in Mississauga. This relatively high share of growth through intensification is consistent with the smart growth goal of promoting growth within existing communities and encouraging compact development within these areas as well as optimising the use of existing infrastructure.

The sources of future housing supply in the City of Mississauga are shown in the following table.

Mississauga Future Housing Potential, 2003

	Singles	Semis	Rows	Apts	Total
Vacant Land Potential	8,740	4,120	5,430	34,380	52,670
Identified Intensification Opportunities	870	0	2,420	6,720	10,010
Identified Redevelopment Opportunities	30	40	1,190	1,600	2,860
Additional Intensification Opportunities Not on Identified Sites	900	300	1,200	n/a	2,400
Total	10,540	4,460	10,240	42,700	67,940

Notes: Vacant Land, Intensification and Redevelopment are based on information provided by the planning and building department.

The additional intensification is based on an ongoing annual rate. The figures shown here reflect a 15 year period of growth, reflecting the approximate potential to 2031, as the identified supply will be nearly exhausted by 2016.

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[1] *These levels of growth were based on observations of other fully developed communities. In the fully developed former Toronto–York–East York, in the 15 year period from 1986 to 2001, the number of single and semi-detached units increased by about 3%. To reflect this phenomena in the future City of Mississauga, the growth of 180 units annually after the build out of identified supply represents about 2% growth in these units over a 15 year period. A lower figure was chosen than that observed in Toronto–York–East York, because these much older areas accommodated some of this housing on brownfield lands, which Mississauga will not have in this amount during the forecast. Also, Mississauga was developed after the advent of planning, which makes for fewer opportunities for small subdivisions and severances in existing neighbourhoods.*

The 250 row house units per year represent an additional 10% increase in units over a 15 year period, which compares to a 15% increase that occurred in Toronto–York–East York from 1986 to 2001.

3. Decline in Average Household Size Will Have Increasing Effect on Existing Population Base

The population forecast for Mississauga is determined by applying projected average household sizes to the housing forecast. Overall average household size is forecast to decline in Mississauga from a current level of 3.14 to 2.77 by 2031. This decline can be attributed to the following:

- Household formation rates are currently increasing for those under 35, essentially now catching up from the declines which occurred in the late 1980s due to housing affordability and then through the 1990s recessionary period. This will slightly reduce average household size as people in their 20s leave home earlier than they did in the 1990s and reduce the amount of shared housing.

- More of the future housing stock will be in apartment units, which, by their nature, have a smaller average household size than ground-related units. The more diverse housing stock in Mississauga will reduce average household size.

- The vast majority of the effect on average household size arises from the aging of the population. In 2001, 28 % of Mississauga's population was under the age of 20 and 8 % were over the age of 65. By 2031, only 19 % of the population will be under 20 and 24 % of the population will be 65 and over. The household size effect is that there will be fewer children in the average housing unit and there will be many more elderly households with only one or two persons.

The decline in average household size has a significant impact on the existing population base, especially in a city as large as Mississauga. For example, based on Mississauga's 2001 housing units, a decline of 0.1 persons per household results in a reduction of nearly 20,000 people.

Mississauga Forecast Persons Per Unit

	Singles	Semis	Rows	Apts	Total
2001	3.53	3.49	3.14	2.42	3.14
2006	3.41	3.38	3.05	2.35	3.06
2011	3.34	3.31	2.99	2.30	2.99
2016	3.28	3.25	2.93	2.26	2.92
2021	3.22	3.19	2.88	2.22	2.86
2026	3.17	3.15	2.84	2.19	2.81
2031	3.14	3.12	2.81	2.17	2.77

Note: Average household size is based on Census population residing in households. It excludes institutional population not in households and excludes the Census undercount.

It has been suggested that the large number of recent immigrants in the population will moderate the age-structure based decline in average household size. While most data suggests that recent immigrants do form larger household households than the overall average (largely due to more multi-generational households and more extended family within the households), this does not appear to persist in subsequent generations. Because of the large number of immigrants in the GTA and Mississauga population, the effect is already reflected in the base data and the forecast of average household size. In part because of the large immigrant population, the GTA has a much higher average household size than any other metropolitan area in Canada and nearly all in the US. The GTA is expected to remain with a higher average household size than other metropolitan areas throughout the forecast period.

4. Mississauga's Population Forecast to Reach 745,000 By 2031

The persons per unit projection combined with the housing outlook by type results in the following population forecast for Mississauga. Mississauga is forecast to reach a population of nearly 745,000 by 2031.

A high level of growth is projected for the current 2001-2006 period with population growth tapering off after 2006 and 2011 with the build-out of the ground-related housing land supply.

5. Forecast Undertaken in the Context of the GTA and Neighbouring Communities

This forecast of population growth in Mississauga is derived from a series of models based on growth in the GTA. It is based on the GTA continuing to experience economic growth and continue to be attractive to migrants. The population of GTA used as the basis for this forecast shows growth from a 2001 population of 5.3 million to 7.8 million people in 2031.

In recent years, it has been suggested that the GTA will not experience these growth levels as limitations on transportation infrastructure impede growth here and will drive growth to be accommodated in the areas surrounding the GTA, such as Simcoe, Wellington and Niagara.

Mississauga Population Forecast
Census Definition of Population

	Census Population		Total Population (Including Undercount)	
	Population	Annual Growth Rate	Population	Annual Growth Rate
1976	250,000	--	258,000	--
1981	315,000	4.7%	325,000	4.7%
1986	374,000	3.5%	390,000	3.5%
1991	463,000	4.4%	481,000	4.4%
1996	544,000	3.3%	563,000	3.3%
2001	613,000	2.4%	639,000	2.4%
2003	646,000	2.7%	674,000	2.7%
2006	674,000	1.4%	702,000	1.4%
2011	693,000	0.6%	722,000	0.6%
2016	700,000	0.2%	729,000	0.2%
2021	705,000	0.1%	735,000	0.1%
2026	710,000	0.1%	739,000	0.1%
2031	715,000	0.1%	744,000	0.1%

Source: Statistics Canada and Hemson Consulting.

These forecasts do incorporate increased levels of growth in the outer areas based largely on out-migration from the GTA. To have a significant effect on the outlook for growth in the GTA, this out-migration would need to increase enormously, a shift for which there is currently no evidence. The outer areas have significant infrastructure limitations of their own, which would limit their ability to accommodate much higher levels of growth. Finally, there is little evidence from other large cities in the world that traffic congestion on its own acts to radically redistribute growth. Cities as diverse as Los Angeles, London and Bangkok all have a far worse traffic situation than the GTA, yet continue to accommodate significant economic and population growth within the metropolitan areas.

The distribution of population growth below the GTA level is based on the ability of Regions and local municipalities to accommodate new housing. Most of the demand for housing over the next 30 years will be in ground-related forms (singles, semis and rows), with a about 30 % of demand in apartment units. The need for ground-related housing arises largely because the bulk of the population and population growth is in the age groups (35 to 75) that most prefer ground-related housing. The peak baby boom age group in the GTA is currently 35 to 39 years old, a group that will only just be retiring by the end of the 30 year forecast period, and will not yet be in the age groups where people choose apartments over ground-related housing.

Provision of the needed quantity of ground-related housing in the GTA requires new urban land, because only a portion of ground-related housing can reasonably be provided through intensification, mainly in rowhousing. The GTA currently has sufficient land designated to satisfy demand to about 2017. Even with aggressive policies favouring infill and intensification, this supply could only be extended a few more years. To accommodate anticipated housing and population growth to 2031, new urban lands will be needed.

If the choice is made in the GTA not to provide new urban lands, an enormous change in social and economic preferences of families in favour of apartment living would need to occur to accommodate the growth in the GTA — more likely, those seeking ground-related housing would look beyond to the GTA to accommodate their housing and, ultimately, their employment needs. Further, if this were the GTA's policy choice, there would be a significant increase in pressure to provide housing land through redesignation of employment lands and for redevelopment within existing developed communities.

Peel itself is in a similar situation. Mississauga will be largely building out its supply of greenfield land for ground-related housing in this decade and Brampton will largely build out its supply towards the end of the next decade (similar in timing to the overall GTA situation). To accommodate growth in ground-related housing in Peel to 2031, additional urban land designations would be required.

At the regional level, this additional demand, on which no planning decision has been made is described as "unallocated" growth in the Region. In the forecast scenario on which the 2003 Mississauga forecasts are based, there is an unallocated population of about 135,000 and employment of 30,000 by 2031 in Peel. In considering its long term growth needs, the City of Brampton is currently studying the remaining rural lands in Northwest Brampton for possible urban uses to accommodate a portion of the unallocated growth in the period to 2031.

6. Current Forecast Projects More Growth in Short Term Than 1998 Forecast

In comparison to the forecast prepared in 1998 for the City, the current forecast projects a higher rate of growth early in the forecast period but a lower total population in 2031. The reasons for the differences between the forecasts are as follows:

- The 1998 forecast under-estimated both the length and volume of the current housing boom, which has been driven by very rapid economic growth in the past five years and historically low interest rates.

- The strong economic outlook for Mississauga and the GTA contributes to the continued higher rates of growth in the short and medium term, than had been suggested in 1998.

- The total number of potential housing units projected is similar in both forecasts, however, the decline in average household size is more pronounced in the current forecast resulting in a lower population in 2031. This is because of changes in household formation based on the 2001 Census results and shifts currently occurring household formation. Other factors such as the age of migrants into and out of the GTA contribute to the lower average household size now forecast.

A comparison of the results of the 1998 and 2003 forecasts are provided in the following table.

Comparison of 1998 and Current Population Forecast (Census Population)		
	1998 Reference Forecast	**Current Forecast**
2001	615,000	613,000
2006	655,000	674,000
2011	675,000	693,000
2016	695,000	700,000
2021	710,000	705,000
2026	730,000	710,000
2031	745,000	715,000

7. Mississauga Needs to Undertake Long Term Planning for Aging of Population

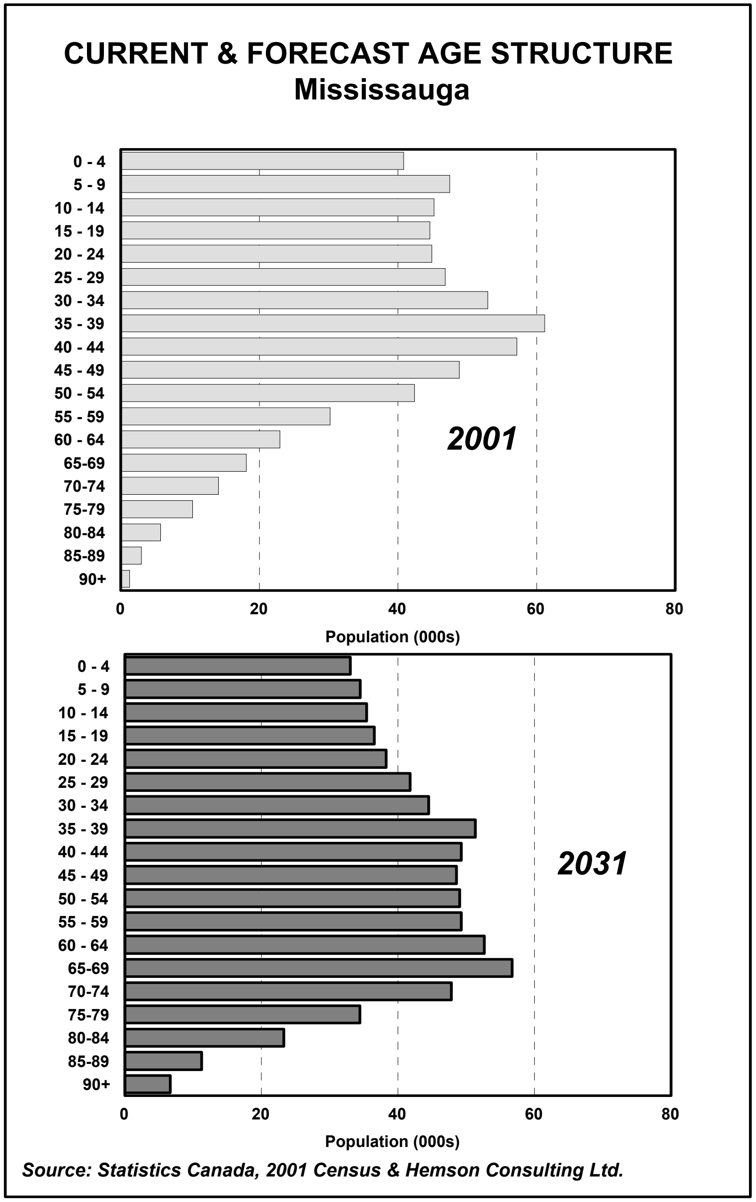
The aging of the population is a phenomena common to most areas in Ontario. The largest age cohort in Mississauga's and indeed Canada's population is the "baby boom" generation. This term refers to people born between the years of 1946 and 1966. The majority of the boomers are currently in their middle age years. The baby boomers will be reaching their senior years between 2011 and 2031.

Mississauga and the GTA have traditionally had a younger population than the rest of Ontario due to the influx of migrants. In Mississauga, the aging of the population will become more pronounced since it will not be offset as much by young families moving into ground–related housing in new development areas. As a point of illustration, in 2001, those 65 and over comprised about 8 % of the population in Mississauga. In 2031, the forecast projects that this age cohort will account for about one-quarter of the total population.

The transition from a fast growing and relatively young population to a more stable and older population has important implications for service delivery across a wide range of departments at the City including parks and recreation, transit, community planning and others.

8. Other Demographic Attributes Are of Interest for Planning Municipal Services

Some City departments have an interest in other demographic attributes of the population. In particular, interest has been expressed in the ethnicity of the population in the future as well



as income. These attributes are exceedingly difficult to forecast with any reasonable level of accuracy, especially over a long time period. However, there are a number of trends that can be identified for these attributes.

The ethic composition of the population of Mississauga is increasingly diverse. Historically, Mississauga's population growth was driven largely by migrants from Toronto and reflected, in part, the ethnic composition of Toronto. In the past decade of relatively high national immigration, Mississauga has increasingly become the *initial* destination of new Canadians, with an increasing proportion of the population being newer immigrants. According to the 2001 Census, 47% of Mississauga's population are immigrants of whom more that one-fifth are new immigrants having arrived in Canada between 1996 and 2001. These new immigrants represent 10% of the total population. These newer immigrants reflect the source countries of Canada's immigrants, which today is in high proportion from Asia — nearly 40 % of the new immigrants in Mississauga are from south Asia.

Partly as a result of recent immigration, in the 2001 Census, Mississauga had the fourth highest proportion of visible minorities in its population (40%) in the GTA after Markham, Toronto and Richmond Hill. Within the immigrant and visible minority populations, Mississauga and Toronto both have a very diverse base of ethnic origins, unlike Markham and Richmond Hill whose populations are highly concentrated in the Chinese community.

This diverse resident population has an effect on many of the human services, both in terms of what services are required and how they are delivered.

While we have not specifically forecast ethnicity, the following observations can be made:

- Mississauga's population, like the rest of the GTA, will continue to become increasingly diverse over time as Canada maintains an relatively open immigration policy.

- Changes in the ethic make-up of Mississauga will likely show growth in the major groups already in the City, where there continues to be immigration — for example growth would be expected in south Asian communities as Canada continues to gain immigrants from these areas, unlike the large Portuguese community in Mississauga which is no longer a major source of new Canadians. This growth in existing communities is a well-established process in immigration where newcomers are attracted to locations where they have connections through family, friends and community.

- The change in the composition of the population has been relatively rapid over the past ten years, as Mississauga has grown rapidly. Like overall growth levels, this pace of change will slow as the overall growth rates slow in response to building out the greenfield development lands in the City.

The other demographic attribute of interest for a number of departments is the relatively income level of households in the City. The median household income in Mississauga reported in the 2001 Census was $67,500, 14 % higher than the Toronto Census Metropolitan Area (CMA) level of $59,500. While Mississauga's household income will likely remain relatively higher than the CMA average over the forecast period, it will also likely to trend toward the CMA level. This would be the result of two major factors: the increasing proportion of growth in higher density housing which tends to be occupied by non-family households who typically have a lower household income; and the aging population will mean more elderly people beyond working age and more people on fixed incomes.

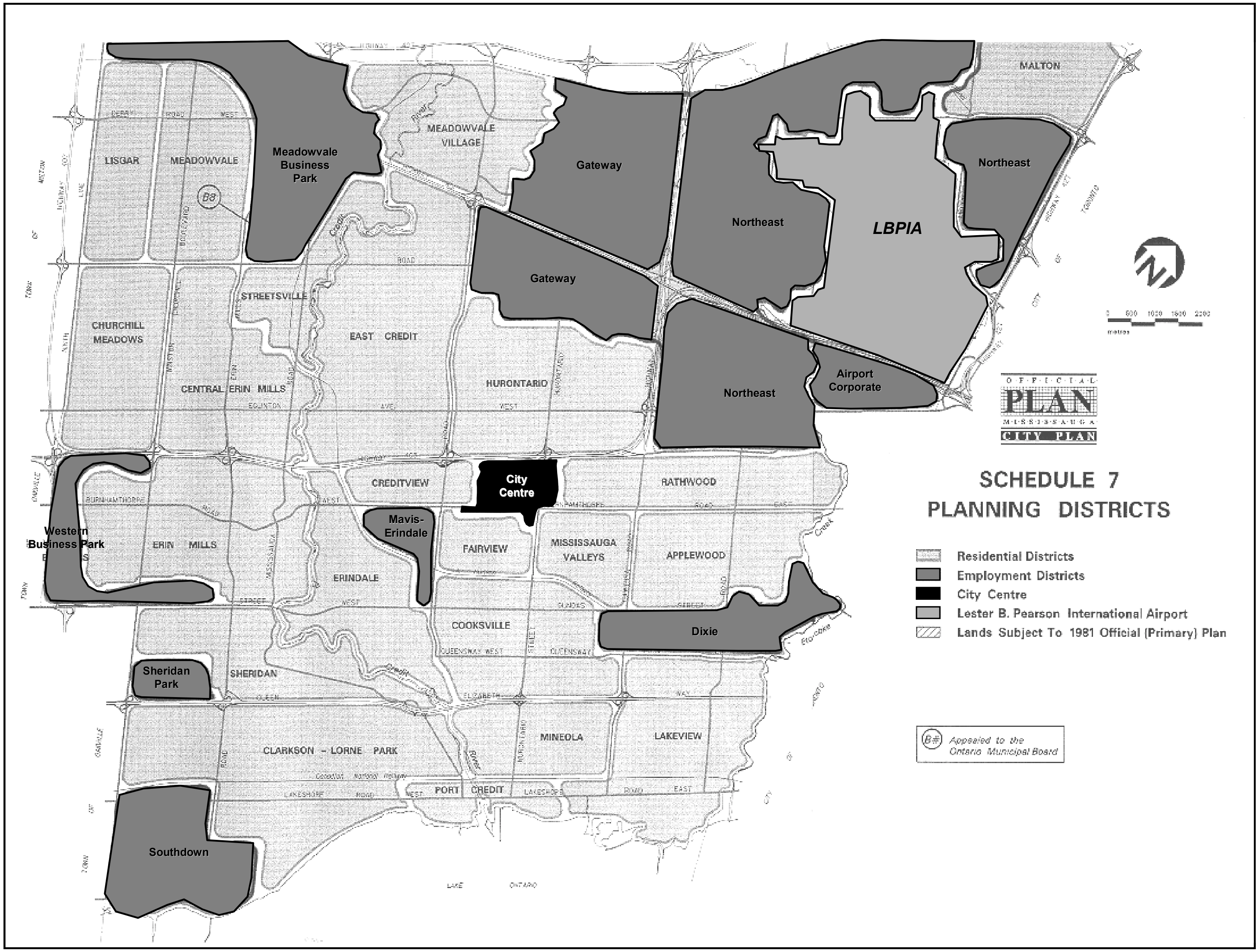
C. POPULATION GROWTH WILL BE CONCENTRATED IN NORTHWEST AND CITY CENTRE AREAS

Housing and population growth was distributed within Mississauga based on available land supply and market potential. At the planning district level, the growth will be concentrated initially in Churchill Meadows as the last remaining greenfield area is built out and along with other areas with remaining land supply, including Meadowvale Village and East Credit. Intensification will lead to growth in Cooksville, Fairview and Central Erin Mills. The development forecast for significant growth in the City Centre will support the City's Strategic Plan goals to enhance the City Centre's role as Mississauga's downtown and the focus for commercial activity, employment opportunities, residential development and cultural, civic and recreational facilities.

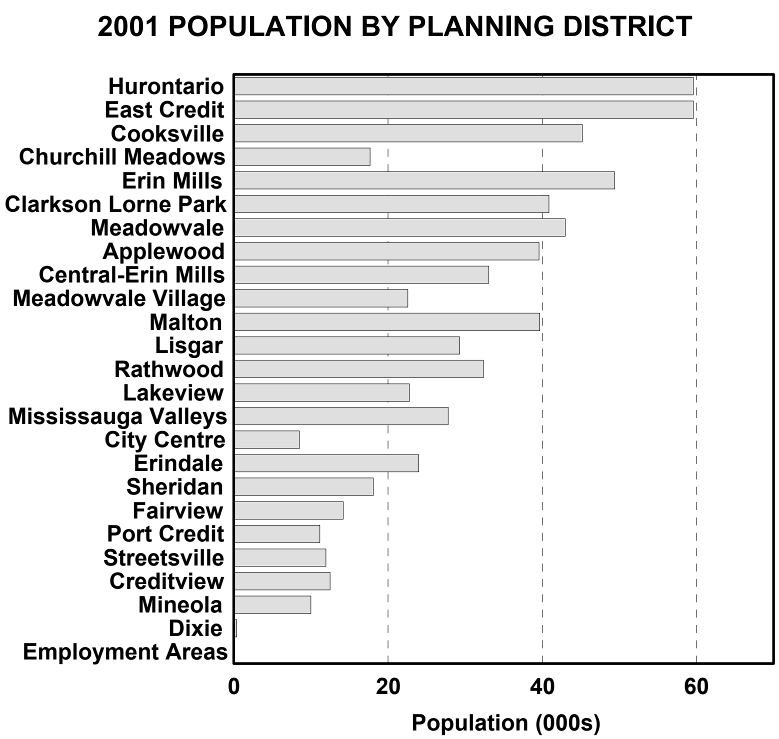
Mississauga's older neighbourhoods, generally located south of Highway 403, will experience slow population decline as a result of the decline in average household size within the existing housing base while at the same time, little new development being added because of a lack of available land. These include Applewood, Mississauga Valleys, Sheridan and Rathwood. In the longer-term however, some older neighbourhoods in the south will begin to turn over as younger families replace the elderly in ground-related housing. Some areas will be experiencing this type of growth within the forecast period, including Port Credit, Lakeview and Streetsville.

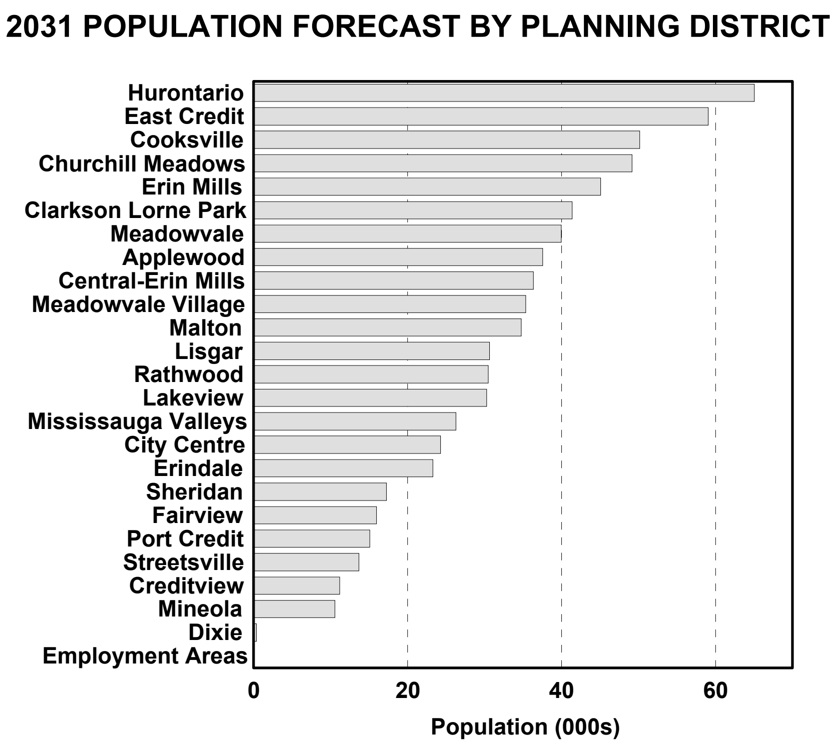
The following pages provide a map showing the location of the planning districts, extracted from Mississauga's *Official Plan*, and a chart showing the location of population growth in the City. Population and housing forecasts were also produced at the traffic zone level; the results of which are provided in the Appendix.

Mississauga is in transition from a fast growing municipality to a more stable urban centre. After the build out of its remaining greenfield areas for ground–related housing, the majority of housing growth will be through apartment development and intensification, consistent with Smart Growth principles. This growth will be concentrated in the City Centre area and in other areas with intensification and redevelopment potential including main street areas closer to Lake Ontario. Older residential neighbourhoods will experience slow population decline as average household size decreases over time. The aging of the population is another important aspect of the residential forecast with implications for the City. The following chapter discusses the employment forecast for Mississauga.


Meadowvale Business Park
MEADOWVALE VILLAGE
Gateway
Northeast
LBPIA
MALTON
LISGAR
MEADOWVALE
B8
STREETSVILLE
CHURCHILL MEADOWS
EAST CREDIT
CENTRAL ERIN MILLS
HURONTARIO
Airport Corporate
CREDITVIEW
City Centre
RATHWOOD
Mavis-Erindale
Western Business Park
ERIN MILLS
FAIRVIEW
MISSISSAUGA VALLEYS
APPLEWOOD
ERINDALE
COOKSVILLE
Dixie
Sheridan Park
SHERIDAN
CLARKSON - LORNE PARK
MINEOLA
LAKEVIEW
PORT CREDIT
Southdown
OFFICIAL PLAN MISSISSAUGA CITY PLAN
SCHEDULE 7
PLANNING DISTRICTS
Residential Districts
Employment Districts
City Centre
Lester B. Pearson International Airport
Lands Subject To 1981 Official (Primary) Plan
B# Appealed to the Ontario Municipal Board

CURRENT & FORECAST POPULATION BY PLANNING DISTRICT





Source: Hemson Consulting Ltd.

III MISSISSAUGA WILL CONTINUE TO BE A MAJOR EMPLOYMENT CENTRE IN THE GTA REACHING 485,000 JOBS BY 2031

Like the housing market, the nature of employment growth in Mississauga will change as the City's employment areas continue toward full development. As this occurs, an increasing share of employment growth in Mississauga will be in the office sector. Likewise, as population growth slows, the rate of growth in jobs required to provide services to the population will also slow.

Mississauga is and will remain a major employment centre in the GTA. The location of Pearson Airport, the existing highway infrastructure and the large well-located employment areas in the City assure Mississauga's continued strong position.

A. FUTURE EMPLOYMENT GROWTH WILL BE INCREASINGLY FOCUSSED ON OFFICE DEVELOPMENT

Mississauga has a large employment base of 400,000 jobs in 2003, second only in the GTA to the City of Toronto. The City has a diverse employment base with specific concentrations in the manufacturing, trade and transportation and warehousing sectors. The City continues to be a net importer of labour, in 2001 there were about 52,000 more jobs within Mississauga than residents of Mississauga with jobs. This gives Mississauga the second highest activity rate in the GTA (after Vaughan) and a rate significantly exceeding that of the City of Toronto[1].

In the 1996 to 2001 Census period Mississauga accommodated about 20% of the employment growth in the GTA, a sterling performance considering that Mississauga has 12% of the GTA's population and 14% of its employment.

Mississauga's role as a major player in the GTA employment market will shift in the coming years as its supply of greenfield development land for employment is depleted. Forecast strong economic growth in the GTA means that Mississauga's employment lands will be largely built out within the next 10 to 15 years, though the City will continue to accommodate new office development and employment providing services to a still-growing population.

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[1] *2001 Census data indicates that Mississauga had an activity rate of 62.4%, compared to the City of Toronto at 57.8% and the GTA 52.7%. Activity rate is the ratio of employment to population. A "bedroom community" may be as low as 30%; at the upper end, a rate between 60 and 70% is as high any community is likely to achieve (with the exception of a metropolitan downtown — the former City of Toronto had an activity rate close to 100%).*

1. Three Categories of Employment are Used in the Forecast

For the purposes of the forecast, employment is divided into three land-use-based categories as defined below:

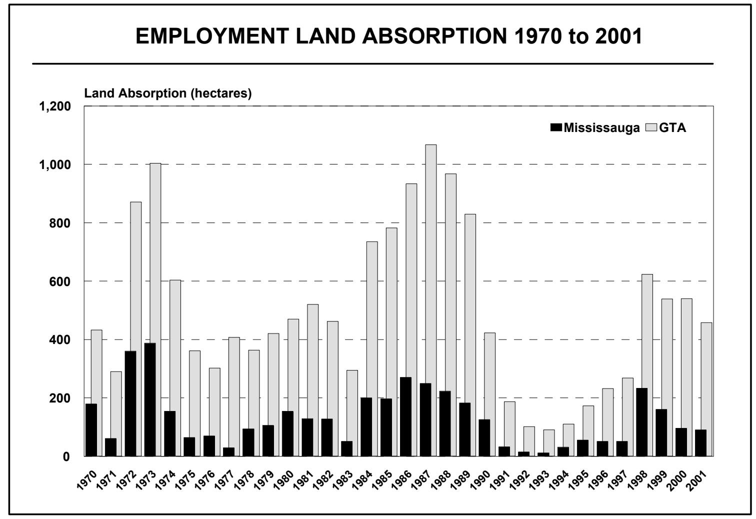
- Major office employment is that occurring in freestanding office buildings of 20,000 square feet or more. Geographically, office development is not dependant on availability of development land since little site area is required.

- Population-related employment is employment growth which occurs in response to population growth. It primarily services a resident population and includes retail, education, health care and municipal government, but also includes home-based employment. Population-related employment is anticipated to maintain a fairly constant ratio to the total population.

- Employment land employment is the employment which occurs in land extensive employment areas and business parks, mostly in industrial-type buildings. Because this type of employment occurs in land extensive areas, the geography of employment land employment growth depends on the supply of greenfield land to accommodate new development.

2. Mississauga's Role in GTA Employment Land Market Will Change

Mississauga, along with Vaughan and Brampton, is one of the three major players in the GTA employment land market. Historically, Mississauga has accounted for a large share of employment land building activity and land absorption in the GTA. The City has been a strong performer in the employment land market as it has provided an ample supply of greenfield employment land with good access to major highways, the Airport, markets and a skilled labour force.



Source: Hemson Consulting Ltd., Employment Land Database

Mississauga will play a diminishing role in the employment land market as its supply of greenfield development land becomes more constrained. As a result, other areas in the GTA west including Brampton, Oakville and Milton will attract increasing shares of the GTA West employment land market.

Mississauga currently has about 85% of its employment lands developed. This will rise to 90% by about 2008 and then gradually toward 95% by the end of the forecast, a level considered as full development. The building out of the City's employment lands mirrors the pattern of the build-out of the ground-related housing lands, described in the previous chapter — it is certain that it will happen, the only uncertainty arising from the economic outlook is the timing that the build out will occur.

3. Strong Economic Growth Expected Over the Long Term in the GTA

Employment growth in Mississauga and the GTA in the last Census period was relatively strong. Mississauga's employment grew by nearly 80,000, the highest absolute employment growth in a five year Census period in Mississauga's history. The growth rate over the period was just slightly less than rate experienced during the late 1980s. Adding the last two years of growth at nearly 20,000, Mississauga has added 100,000 jobs to its employment base since the end of the 1990s recession.

The economic outlook for the GTA is for slower growth in short term in the rest of 2003 and part of 2004 as a result of the effects of the SARS crisis, the economic slow down in the United States and the rapid rise in the value of the Canadian Dollar.

In the longer term, the economic outlook for the GTA is for a period of sustained growth. In terms of the location of this growth, there is a well-established pattern of most employment growth occurring outside the central city of the metropolitan area (Toronto) and a very strong pattern of the growth in the 905 area occurring to the north and west of Toronto. We expect that this pattern of growth will continue over the forecast period, though Toronto and Durham will still see significant growth.

4. Conditions Are in Place for Development of New Employment Land Building Space

The central economic activities in the GTA continue to be in manufacturing and distribution. A significant share of future employment growth is forecast to be on employment lands, about 45 % over the period from 2001 to 2031. In addition to industrial and office uses, an increasing number of population–related uses are locating on employment lands including private schools, retail uses and places of worship.

Most of the employment growth since the end of the 1990s recession has been accommodated in existing building space. The excess building space was constructed during the boom period of the late 1980s when there was an overbuilding of speculative industrial and office space in the GTA. With the recession of the early to mid 1990s, much of this space remained vacant or under–utilized up until recently.

Employment densities on employment lands across the GTA are currently at a relatively high level compared to historic averages. This factor coupled with the positive economic outlook for the GTA lays the foundation for a period of strong growth in new employment land development.

The office sector in the GTA has been struggling for more than a decade (except for a brief period at the height of the high-tech boom in the late 1990s). The late 1980s building boom produced far more space than was necessary to accommodate employment and recent declines in floor space per worker have also contributed to the reduced demand for new space. However, most of the space that has been built in during the recent economic expansion has been built on employment lands in Mississauga and Markham. The forecast anticipates that the office market will recover in conjunction with the medium and long term economic growth projected for the GTA.

5. Mississauga Continues a Dominant Position in the Office Market

Mississauga contains the largest amount of office space of any municipality in the GTA outside of the City of Toronto. The City Centre, Airport Corporate Centre and Meadowvale Business Park are well-established concentrations of major office space in Mississauga. Outside of these areas, there are very few other major office concentrations in the suburban GTA, mainly in Markham and to a lesser degree in Oakville and Burlington.

In total employment terms, the overall office market is not as large as the other major employment sectors; it accounts for about 23 % of total employment in the GTA and 18 % in Mississauga. Despite little space growth in Toronto in recent years, Toronto still accommodates 79% of the major office employment in the GTA. Office development is not land extensive and is not affected by land supply constraints as employment land development.

Office development is viewed as being highly desirable by most communities in the GTA and as such, there is a large supply of designated sites. For these reasons, the office market is very competitive across the GTA.

Over the past five years, Mississauga has managed to attract the majority of new office development outside of the City of Toronto. Most of this new office development has occurred in various locations within employment districts, particularly the Airport Corporate Centre.

Despite Mississauga's success in attracting new office development, Mississauga City Centre has not seen significant growth in office space in over a decade. Mississauga is not alone in this situation. None of the other city centres in the GTA have been successful in attracting significant new office in this period, either. There have been only a small number of new buildings in downtown Toronto. The first new office building in over 10 years in the North York City Centre is now under construction.

Given the coming land constraints in employment land areas, it is especially important for Mississauga to maintain its competitive position in the office market in order to maintain a growing employment base, though its market share of new office development will moderate as other new attractive competitive areas come on stream in other communities.

Office development can also be provided through redevelopment and certainly much of the office development in the City of Toronto has been provided this way. However, redevelopment for office uses is unlikely to occur in a substantial amount in Mississauga during the forecast period. Outside of downtown Toronto, the office market has a strong preference for greenfield sites rather than redevelopment sites. Most of the potential redevelopment sites in Mississauga, such as areas along Eglinton Avenue, have existing uses on site which will not be beyond their economic life within the period of the forecast. While a strip mall may appear underutilised from a planning perspective, economically speaking these existing uses are often the highest and best use of these properties. A predictable income stream from a long-paid-for retail plaza is often more advantageous to an owner than a much riskier new investment in the competitive office market.

6. Employment Growth in Mississauga Concentrated in Office Sector Over Long Term

Over the forecast period to 2031, the majority of Mississauga's growth in employment is projected to be in the office sector. Employment in major office development is forecast to grow from a 2003 employment of about 73,000 to 117,000 by 2031. The majority of the employment growth in Mississauga over the next 30 years will occur in the first 10 year period from 2001 to 2011. This is partly the result of this same ten year period being the one with the most rapid employment growth in the GTA over the next 30 years. Mississauga's employment areas will be approaching full development by the time this decade is complete.

The forecast employment growth in the City of Mississauga by employment type is provided in the following tables.

Mississauga Employment Forecast

	Major Office	Population Related	Employment Land	Total
2001	66,800	96,100	219,300	382,200
2006	83,800	106,600	247,300	437,700
2011	98,600	112,800	257,800	469,200
2016	107,200	114,700	258,800	480,700
2021	112,100	115,000	258,100	485,200
2026	114,900	114,000	257,300	486,200
2031	116,600	113,600	256,400	486,600

Note: Totals may not add due to rounding

Mississauga Employment Forecast — Growth Increments

	Major Office	Population Related	Employment Land	Total
2001-06	17,000	10,500	28,000	55,600
2006-11	14,800	6,200	10,500	31,500
2011-16	8,600	1,900	1,000	11,400
2016-21	4,900	300	(700)	4,500
2021-26	2,800	(1,000)	(800)	1,000
2026-31	1,700	(400)	(900)	400
Total Growth	49,800	17,500	37,100	104,400

Note: Totals may not add due to rounding

The notable trends in growth for each of the categories are the following:

- Major office employment growth in Mississauga has been rapid in recent years, a trend expected to continue through this decade. After 2011, the employment growth rate for major office employment slows in the GTA. At the same time Mississauga will be meeting land constraints in its currently most attractive office employment areas: Airport Corporate Centre, Gateway and Meadowvale, competing municipalities, particularly in neighbouring Brampton, Milton and Oakville, will have new supplies of well-located employment land attracting part of the office market.

- Population-related employment will largely grow in relationship to the growth in Mississauga's population. There will also be additional demand for more regional level retail and public institutional facilities from continuing population and employment growth in the areas surrounding Mississauga.

However, population-related employment growth will slow as the rate of population growth slows. Toward the end of the forecast, small declines are shown, a refection of the relative GTA-wide labour shortage expected by the 2020s — itself the result of the aging population. By this period there will significant pressures to increase labour efficiency, which is expected to result in a somewhat reduced relationship between population and population-related employment.

- Employment land employment will grow rapidly during this decade as remaining supplies of employment land are largely absorbed. Employment land employment is forecast to peak by 2016 and then begin to decline gradually. The declines reflect a long established pattern in aging employment districts where some older buildings convert to less intensive uses as they become inefficient or obsolete of their original use. Many employment districts in the City of Toronto have suffered significant employment declines over the last twenty years as this process has occurred. By the 2020s Mississauga's significant building stock from the 1970s will be 40 to 50 years old. The forecast does not suggest the significant declines in Mississauga that have been experienced in parts of Toronto, but does reflect that the aging process will be occurring in the normal course of the City reaching maturity.

The current employment forecast predicts faster growth in the short term than the 1998 forecast. In the most recent Census period, employment growth in Mississauga and the GTA has been stronger than anticipated. Healthy growth is expected to carry forward over the next 10 years resulting in Mississauga reaching a total employment of about 470,000 by 2011 and up to 480,000 in 2016. In the 1998 forecast, this total level of employment is not reached until later in the forecast period. The total employment forecast for 2031 is similar in both forecasts.

B. EMPLOYMENT GROWTH CONCENTRATED IN EMPLOYMENT DISTRICTS AND CITY CENTRE

Employment in Mississauga's major employment districts currently accounts for the majority of the City's total employment. Within these districts, the Northeast planning district is the largest and contains the highest employment followed by the Gateway area and the Meadowvale Business Park.

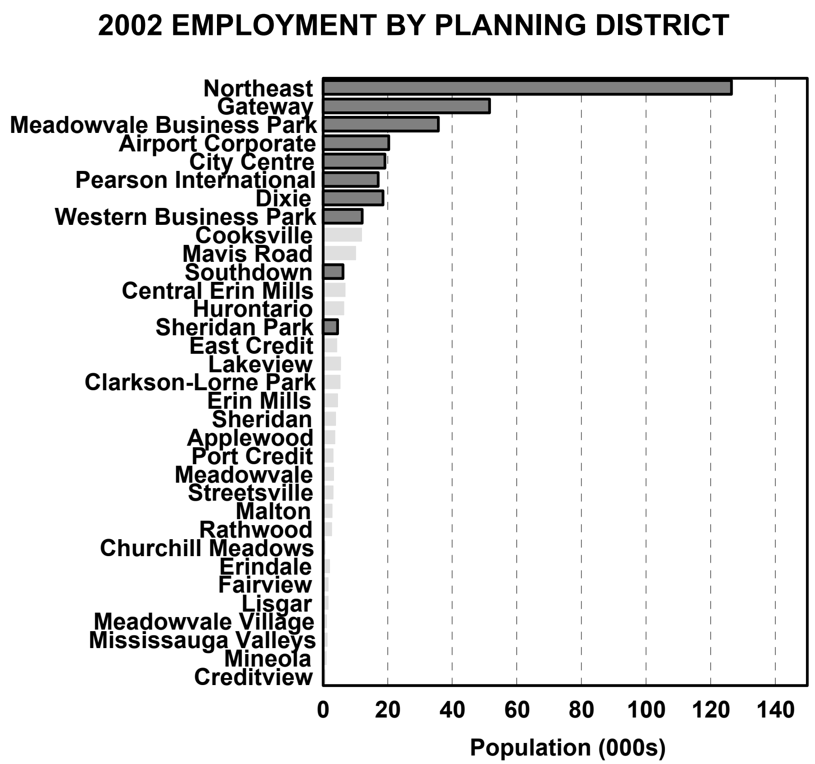
Like the population growth forecast, a large share of the employment growth in the short term will occur where there is available land supply. Employment land development will occur through the build-out of the remaining vacant land supply, mainly in the Gateway and Meadowvale areas.

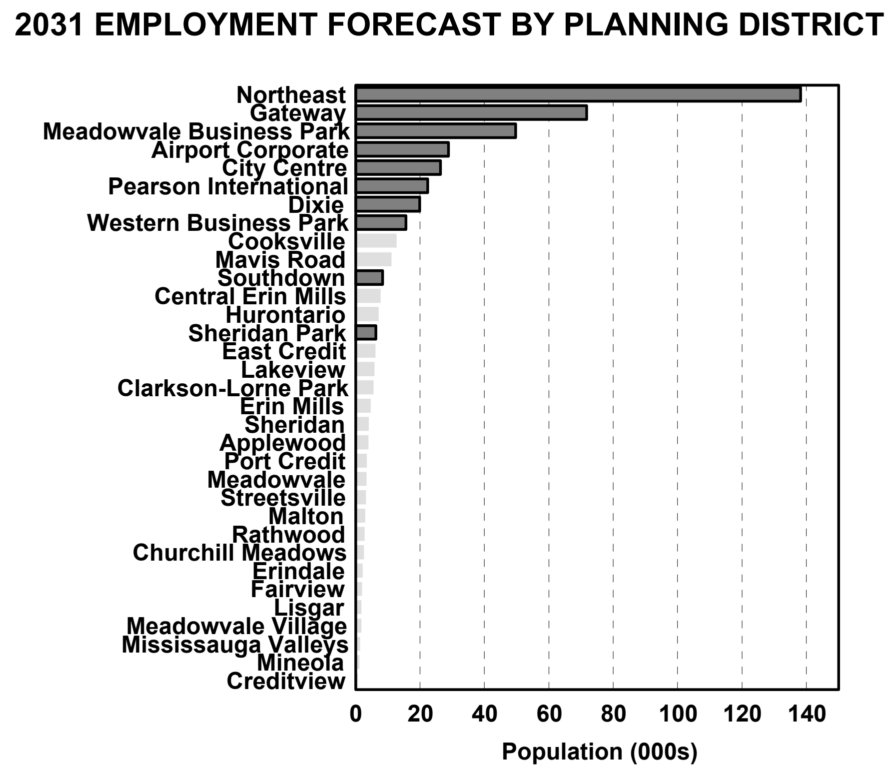
Employment in the City Centre district is projected to increase by over 7,000 during the forecast period. This growth is comprised of a combination of office and population-related employment. Population-related employment is most pronounced in the growing residential areas in the City, especially Churchill Meadows, where much of the population growth is occurring.

The following page provides a chart showing the location of employment growth in the City. Employment forecasts were also produced at the traffic zone level; the results of which are provided in the Appendix.

Similar to the population forecast, land supply is the major determining factor in the employment forecast for Mississauga. Total employment growth in Mississauga will slow as the remaining vacant employment lands become developed. After 2011, the majority of the City's employment growth will be through major office employment. Having discussed the results of the population, housing and employment forecasts, the following chapter examines the major implications of these forecasts for the City.

CURRENT & FORECAST EMPLOYMENT BY PLANNING DISTRICT





Source: Hemson Consulting Ltd.

IV GROWTH FORECASTS HAVE IMPLICATIONS FOR ALL SERVICES DELIVERED BY THE CITY OF MISSISSAUGA

The forecasts provided in this report demonstrate coming changes in the urban structure and nature of growth in the City of Mississauga as it makes a transition from a rapidly growing suburban community to a mature urban community. This transition has a number of important implications for Mississauga. Community planning, infrastructure and service delivery providers need to be aware of these issues in using the forecasts to undertake long-term planning for services and infrastructure. This chapter focusses on some the key issues related to the forthcoming shifts in growth and development for the City's departments.

A. PLANNING WILL BECOME MORE COMPLEX AS MISSISSAUGA REACHES MATURITY

Up until now, most development related to housing and employment in Mississauga has been on greenfield lands in residential districts and on vacant lands in employment areas. Accommodating this growth has required a broad skill set in planning, related to secondary planning, subdivision planning and the appropriate provision of infrastructure.

As the supply of greenfield lands for ground-related housing and employment land uses near build out over the next 5 to 10 years, an increasing share of new development will be occurring through intensification and redevelopment. Planning for development of this type is quite different from greenfield planning for two key reasons:

- Individual projects are more complicated. Greenfield planning is typically working with a relatively "clean slate," where there is a great deal of flexibility on sites to allow for appropriate access, heights, densities, setbacks, etc. Redevelopment and infill sites do not provide this flexibility. Site size, configuration and neighbouring uses limit options on how various planning interests can be achieved. There are inevitably more complications and more policy trade-offs required to accommodate appropriate development on these sites[1].

- Redevelopment and infill planning approvals are undertaken in locations where there is a nearby community of interest, namely, neighbouring land owners and residents in

[1] *For example a particular site, due to its configuration, may not be able to fit any standard set of the Planning and Building Department's rules on density, heights and setbacks to produce a development that is economically feasible. Trade-offs need to be made. This is equally true of other departments. The distance that driveway access should be from intersections, for example, may not be physically possible to meet on some sites. A new set of rules about the existing standards likely can be varied as required in these cases.*

the immediate vicinity of a site. This nearby community of interest means that more community consultation is required in the planning process than would be typical of greenfield development. It also means that the development approval process will become more contentious as planning decisions seek to balance the various interests of participants in the process.

The complexities involved in the transition from suburban to urban planning can be seen by looking next door to the former City of Etobicoke which made a similar transition over the past 30 years that Mississauga will be making over the next 30 years. Its experience would indicate that the absence of significant amount of new greenfield development will not mean that there will be less planning for the City to undertake. Rather, there will be a shift in the type of planning that will be needed as a result of a larger share of the growth being focussed on intensification and redevelopment.

B. PRESSURE TO ACCOMMODATE GROUND-RELATED HOUSING FORMS WILL CONTINUE

As discussed earlier in the chapter on the residential forecast, notwithstanding the expected strengthening of the apartment market, the high level of demand for ground–related housing in the GTA is projected to continue over the forecast period. Due to the relatively large supply of potential apartment sites, when the greenfield supply for ground-related housing is developed, there will be an increase in pressure to downzone higher density sites to lower density forms. Most commonly, this will take the form of seeking permission for row housing on designated apartment sites.

The pressures for change will also, in the near term at least, be increased by the current nature of the apartment market. In the past, apartments were built in locations throughout the urban area and Mississauga appropriately planned for their development in a variety of locations. From the late 1980s to today, there has been an increasing focus on apartment development occurring in a few concentrated locations. Most new apartment development in Mississauga has been in the City Centre and Hurontario corridor. The scattered apartment sites throughout the City have not experienced much interest in apartment development.

The City will need to carefully manage its remaining supply of apartment sites and give careful consideration to policies which consider where it may be appropriate to consider changes in planned building form.

C. PROTECTING EMPLOYMENT LANDS WILL BECOME MORE IMPORTANT

In Mississauga and across the GTA, there are pressures from land owners to redesignates lands from employment land uses to residential uses. One of the main reasons behind these applications for redesignation is based on the higher land value of residential versus employment uses.

The City of Mississauga is familiar with these pressures in greenfield environments. These pressures will continue in the future, but focussed on redevelopment. As the employment districts age, particularly in those areas south of Highway 401, pressures to redesignate will increase. Again, the experience of the former City of Etobicoke is instructive here.

Mississauga will need to develop strong policies to protect its employment base from these pressures. At the same time, the City will also need policies to consider when such a change may be appropriate. Like the shift to infill and redevelopment planning, these types of issues are typically more complex and more demanding of resources than the greenfield planning that the City has been focussed on in the past.

D. AN AGING POPULATION MEANS CHANGES IN NEEDED SERVICES

The age structure of the population of the City of Mississauga will change significantly over the forecast period. Many of the City's departments offer services that will vary by the age of the population being served. The most obvious of the services affecting by the changing age structure are parks and recreation and libraries where the services are currently largely geared to the large number of children in the City and the generally younger population. The services will be quite different for a much older population.

Other services will also experience more subtle changes in response to an aging population, for example:

- Transit use is typically highest among the young and the old, but their origins and destinations may well differ.
- An older population will generate an increase in medical-related calls for emergency services.
- The physical infrastructure of the City will increasingly need to accommodate the needs of more elderly people, some of whom will be facing challenges related to access and mobility.

Finally, while not related to the aging population, the aging employment base of the City will mean an increased focus in economic development from primarily attracting new businesses to a "business retention" function which seeks to assure that existing businesses are satisfied with Mississauga and will not be seeking new locations beyond the City.

Each department will need to consider the implications of an aging population and an aging employment for the services for which they are responsible.

E. FINANCIAL ISSUES WILL SHIFT FROM GROWTH TO MAINTENANCE ISSUES

The transition to a mature community that does not have a large amount of new greenfield development areas has important financial implications for the City of Mississauga, among them are:

- Development charge revenue will decrease over the forecast period as the rate of growth slows. This will be accompanied by a commensurate decline in the demand for new growth-related facilities and infrastructure. What will need to occur, is a change in viewpoint on the part of the City on the nature of its revenues and expenditures for capital.

- Infrastructure issues will increasingly be focussed on the maintenance and replacement of infrastructure as the existing infrastructure base ages. The City will shift focus over time from infrastructure planning based on development charges and new infrastructure to one of carefully managed reserve funds and maintenance and replacement.

- A mature City will also see shifts in its assessment base. While the City will continue to have a very large non-residential assessment base relative to other GTA communities, as the employment districts age, the building stock tends to depreciate relative to the residential building stock. Careful consideration will need to be given to how shifts in the relative value of the residential and non-residential assessment base could affect long-term financial planning.

While these are the key issues from a broader financial perspective, each of the services provided by the City of Mississauga will also experience changes in what services are needed and how they provided, as the City matures. Within each of the services there a likely to be financial implications, as the transitions occur.

Every department in the City of Mississauga will experience changes in its services as the City shifts from growth based on greenfield development to growth based on infill and redevelopment. Likewise an aging population and an aging employment base will also affect the services provided by the City. Less growth does not necessarily mean less activity or reduced demands of the City, rather its more likely a shift in focus. Careful long-term planning is required to manage future change in the City of Mississauga.

V THE TRANSITION TO A MATURE CITY MEANS SOME ASPECTS OF THE FORECAST ARE INHERENTLY LESS CERTAIN

When using the population, housing and employment forecasts, it is important to understand the sensitivities in the forecasts and where there is potential for deviation.

There are three main components of the population and employment growth in Mississauga to 2031:

- The development of the remaining greenfield lands in the City will occur. The only sensitivity is around the timing of the ultimate development of these lands. In the high demand environment of the GTA, even this uncertainty is at a minimum.
- The existing base population and employment in the City will go through the normal "life cycle" processes common to other large mature urban areas. This part of the growth outlook of the City is relatively predictable and will likely result in a stable population and employment base with slow declines in population and employment in some areas as they age. There maybe some sensitivities in the degree to which these changes may occur, but the processes are well-established.
- The final component is related to new development in Mississauga which will be mainly apartment and office development after the greenfield land supplies are developed. This part of the forecast is much less predictable as it deals with a much smaller segment of the housing and employment market and is more vulnerable to shifts in the economy or the preferences of households or employers.

This chapter discusses the sensitivities of the population and employment forecasts and provides insight into some of the challenges that Mississauga will face as it makes the transition to a mature community.

A. POPULATION GROWTH IN LATER YEARS OF FORECAST DEPENDENT ON APARTMENT MARKET

The total remaining ground-related housing supply in Mississauga is a relatively fixed factor in forecasting future growth. The more variable factor is the amount of apartment growth Mississauga can attract over the forecast period. Apartment development is more footloose than ground-related housing development, since every community has a significant potential supply of apartment including fully developed areas, such as the City of Toronto.

Since the mid-1990s, an extraordinarily high share of GTA apartments has been concentrated in the City of Toronto and, even within Toronto, in a very few locations.

The primary reason for this market shift has been less to do with Toronto, than development economics in the areas surrounding Toronto. During the recent growth period, row house units have been delivered to market at a much lower cost per square foot than apartment units, largely due to differences in construction costs. In our view, much of the shift to rows from apartments in the housing market is based on consumers making this price choice.

The forecast is based on a moderate reversal of this trend, where the areas surrounding Toronto will again experience more significant growth in apartment units to meet the needs of an aging and more diverse population. The degree and speed at which this will occur is less certain.

If Toronto maintains the high share of apartment growth for longer than expected, the amount of this growth that occurs in Mississauga could be less than suggested. Alternatively, if Toronto's market share were to decline back to the levels of late 1980s, when significant apartment construction was occurring in the 905 area, Mississauga's growth in apartment units could be significantly higher than in the forecasts. These forecasts are based on a moderate position between these two possibilities.

B. ANTICIPATED LEVELS OF INTENSIFICATION ARE AMBITIOUS

In planning for future growth in a largely built out community, it is reasonable to assume a certain level of intensification and redevelopment. This type of growth is a normal part of the evolution of a mature community and is also very desirable from a public policy perspective as it supports the Smart Growth goals of compact development and making efficient use of existing infrastructure.

There is a risk, however, in having an unrealistic expectation of intensification and redevelopment that does not take into account land and development economics. For example, many of the strip malls located on major arterial roads have a 50 or more year life cycle. From an economic perspective, a strip mall often remains as the highest and best use, despite policy viewpoint which may suggest a site is under-utilised. Most developers would not be willing to take on the financial risks in redeveloping such sites until warranted by market conditions.

This is among the reasons why intensification and redevelopment are typically very long processes in urban areas. It is therefore important to recognize that some areas in the City will take longer to intensify and redevelop.

These forecasts are based on what we believe to be a reasonable and achievable level of intensification in the City of Mississauga. However, the process could take longer than suggested in the forecast, or, if the market conditions are right, it could occur somewhat more rapidly.

C. EMPLOYMENT GROWTH INCREASINGLY DEPENDENT ON THE OFFICE SECTOR

As described elsewhere in this report, beyond the current decade, Mississauga will be relying primarily on the office market to provide growth in employment. Over the last seven years, the majority of new major office development outside of the City of Toronto has occurred in scattered locations within employment areas, rather than in designated transit-oriented office nodes. This trend is contrary to the policy positions of most communities in the GTA, but has been occurring nevertheless. Mississauga has been the primary beneficiary of this trend in the GTA. While little new office development has occurred in the City Centre, Airport Corporate Centre, Gateway and Meadowvale Business Park have attracted a very large share of the GTA's office space construction.

This success also has its risks for the City. As these areas develop with further employment uses and become older more fully developed employment areas, the opportunities for office development on vacant greenfield parcels will become more constrained. If the current office market preferences hold over the longer term, Mississauga may not be able to attract as much office development as it might like, as users seek greenfield locations in neighbouring communities.

Alternatively, if the market shifts back towards its historic patterns — those supported by current policy — locations such as the City Centre may again become very attractive locations for office development.

Again, these forecasts have taken a moderate position between these two potential outcomes. It is important for the City to understand where these risks and sensitivities lie.

D. EMPLOYMENT GROWTH IN A MATURE COMMUNITY IS A BALANCE BETWEEN AN AGING BUILDING STOCK AND REDEVELOPMENT ACTIVITY

In a mature community, employment growth strikes a balance between an aging building stock, where employment often declines over time, and new employment growth generated through redevelopment.

As discussed elsewhere in this report, we would anticipate some decline in employment in employment areas as they age and various firms come and go from the building stock. Some of these changes will increase employment and some will decrease employment, but on balance most aging areas have a declining employment base. This is a subtle balance that could easily result in either net growth or more significant declines, with only small shifts in the marketplace.

While this process is occurring there will be redevelopment occurring in variety of locations in the City, some of which will be accommodating employment. As noted above, in the discussion of the apartment market, redevelopment can be a slow and somewhat unpredictable process. The same cautions apply to redevelopment for office uses. Because Mississauga has such a large share of the GTA office market currently, the City needs to be especially cautious in adopting unduly high expectations of the amount of office space which may be constructed through redevelopment or the speed that the market will provide this space.

It is important for the City to recognise where the sensitivities lie in forecasting development in a mature urban community. The forecasts contained in this report have taken a reasonable and moderate position on most of these sensitivities. The market itself also tends to balance these forecasts, such that we would not expect all of the factors cited in this chapter to trend in a positive or negative direction at the same.

In our view, the forecasts contained in this report represent a reasonable and achievable outlook for growth for the City of Mississauga over next 30 years.