



Report to: Development Services Committee

Meeting Date: October 17, 2023

SUBJECT: 2023 Update: Monitoring Growth in the City of Markham and Official Plan Performance Indicators

PREPARED BY: Patrick Wong, Acting Manager, Natural Heritage, ext. 6922
Phil English, Planner II, Policy, ext. 2206

REVIEWED BY: Duran Wedderburn, Manager, Policy, ext. 2109
John Yeh, Manager, Strategy & Innovation, ext. 7922

RECOMMENDATION:

1. That the staff report entitled, “2023 Update: Monitoring Growth in the City of Markham and Official Plan Performance Indicators” dated October 17, 2023, be received; and,
2. That staff be authorized and directed to do all things necessary to give effect to this resolution.

PURPOSE:

This report provides the fourth annual update on performance indicators that measure and track the progress of policy objectives in the City’s Official Plan. Reporting on performance indicators provides valuable data to inform future policy review and assists in monitoring development and housing targets.

BACKGROUND:

The City of Markham’s Official Plan 2014 (Official Plan) provides a long-term framework for guiding sustainable growth and land use planning decisions in Markham. The Official Plan was adopted by Council on December 10, 2013 and approved by York Region Council on June 12, 2014. The majority of the Official Plan is in effect.

Chapter 10.12 Monitoring of the Official Plan provides for the development of a framework for monitoring growth and to measure progress towards achieving policy outcomes. That framework has been developed and is actively used in monitoring the Official Plan.

A key component of the Official Plan is to monitor progress towards the achievement of the Official Plan’s policy objectives and targets. **Appendix ‘A’** contains the results of the Official Plan Performance Indicators to monitor growth and development in the City and to provide input for future policy development. 25 of the 28 performance indicators have been updated with new data since the 2022 annual report.

The indicators have been identified based on a combination of data availability, practicality for tracking, and relevance toward Official Plan objectives and targets. A summary of the indicators is provided in **Appendix ‘B’** to this report.

DISCUSSION:

A summary of key updated indicators are provided below. Generally, the results are mixed with positive results in some areas (e.g., intensification rates; proportion of residents within walking distance to higher order transit) and declining/falling short of targets in other areas (e.g., employment growth; increasing commercial vacancy rate). See **Appendix 'A'** for a report with a full list of Official Plan Performance Indicators and a summary of trends.

Population and employment growth has fallen below forecast levels

York Region provides population and employment estimates to understand the current number of residents and jobs in the City of Markham. Population and employment estimates can be compared against forecasts (or projections) in the Official Plan to identify trends in growth and development.

The City's population and employment estimates are falling below forecasts. The current population estimate of 358,800 residents is 22,700 below the forecast of 381,500. The most recent 2022 employment estimate of 178,270 jobs is 49,200 below the 2021 forecast of 221,500¹.

While employment numbers are below forecast, the City has been successful in maintaining a healthy job-to-resident ratio including the goal of 1 job for every 2 residents. The jobs-to-resident ratio has fluctuated from 1.05 jobs per 2 residents in 2006 to 1.08 in 2016 and 1.00 in 2022.

The City is meeting its residential intensification target of 60%

The residential intensification rate is the annual percent of all residential units built within the Provincial built boundary (see [Map 12](#) of the Official Plan). The City's Official Plan targets an intensification target of 60 percent. This objective is intended to optimize the use of existing land and infrastructure, which contributes to creating compact, transit-oriented and complete communities. The intensification rate in 2022 is estimated to be 82%. Over the last 10 years (2013-2022), the City's intensification rate has averaged 60 percent which is in line with the City's target.

Densities in Markham Centre have increased since 2019

The Provincial Growth Plan indicates a long term goal of 200 persons and jobs per hectare in Urban Growth Centres. The City has two Urban Growth Centres, Markham Centre and Langstaff Gateway, that are intended to provide the greatest concentration and mix of uses within the City. In 2022, Markham Centre had a density of 74 residents and jobs per hectare which has increased from 71 residents and jobs per hectare in 2019. Residential development in Langstaff Gateway has not yet begun.

¹ Staff note that the methodology for estimating employment/jobs was changed in the 2022 Employment Survey and work from home numbers are no longer included.

Environmental protection and stewardship indicators are steady

The City measures the area of both wetland/waterbodies and woodland features as they provide important ecological, social, economic and hydrologic benefits to the City. Between 1991 and 2022, there was a decline of 24 hectares of wetland/open water cover. Over the same period, there was an increase in woodland cover of 605 hectares. Public ownership is one method to ensure that environmentally sensitive lands are protected in perpetuity. As of 2022, 67% of all the lands in the Greenway designation are publicly owned. Between 2021 and 2022, 7 additional hectares of Greenway lands have been secured in public ownership. Major public landowners of natural areas include Parks Canada (71%), the City of Markham (22%), Toronto and Region Conservation Authority (4%) and other public agencies such as school boards (3%).

2022 housing supply data indicate higher densities being achieved

The Official Plan has policies to encourage a mix of housing units to meet the diverse housing needs of the City's residents. Over the past 5 years (2017-2022), there were 6,811 higher density units (apartments and townhouses) built, which made up 83% of all new constructed units. Across the City, the proportion of higher density units in our housing inventory has been steadily increasing from 25% in 2011 to 34% in 2022.

The City started tracking affordable housing commitments through the development application approvals process

Staff have added a new indicator in this annual report to track the number of affordable housing units that have been secured during the development application process. This may include affordable ownership or rental units that will be constructed as part of a larger development site. A total of 115 affordable ownership units have been secured from 2020 to 2023.

Affordability of annual new ownership housing units continues to be 0 units being affordable in 2022 as with 2021

The housing affordability indicator tracks the proportion of new ownership units constructed that are affordable to low and moderate income households (below 60 percent of the income threshold or below \$141,854 in annual household income). The 2022 threshold for housing affordability in Markham is \$538,377 for ownership and between \$1,310 and \$2,354 for rental units. In 2022, none of the newly constructed ownership units were considered to be affordable. Recent results have shown that ownership units, regardless of type, have become increasingly unaffordable to households with incomes in the lowest 60th percentile or below. In 2016 there was a high of 60% of new ownership units being affordable, followed by 24% in 2018, 2.7% in 2020, and 0 in 2021 and 2022.

There were 9 affordable rental units built in 2022 (all were registered second units) and a total of 48 affordable rental units built over the period 2018-2021.

Significant work is underway to research heritage properties

Cultural heritage resources contribute to the character of our community. This indicator monitors efforts by the City to protect built cultural heritage assets by measuring the number of properties that are listed, designated and/or subject to a heritage easement.

The Province recently amended the *Ontario Heritage Act* to change procedures around listing and designating heritage properties. Starting in January 2023, municipalities have two years to review all heritage-listed properties and decide whether they should be designated or removed from the heritage register. As a result, City staff have developed a work plan to evaluate and protect the most important listed properties over the next two years. As of May 2023, there are 316 listed properties on the City's heritage register. There are currently 257 individual Property Designations with five added in 2021 and two added in 2022. There are currently 152 heritage easement agreements with two added in 2021 and one added in 2022.

An increasing proportion of residents are located within walking distance of higher order transit stations

Higher density, mixed-use developments and residents living within walking distance to higher order transit stations supports Official Plan policies to provide for transit-supportive development. As of 2022, 61,400 residents or 17% of the City's residents live within 800 metres of higher order transit stations along the VIVA Bus Rapid Transit Line on Highway 7 or the Stouffville GO Train line. This is an increase of 2,600 residents from the previous estimate of 58,800 from 2021. The majority of housing unit types within 800 metres of all higher order transit stations are apartment units at 56%.

Active transportation network slowly growing but will need to accelerate to meet targets

The 2021 Active Transportation Master Plan (ATMP) proposes short and long term capital improvements to create a connected active transportation network across the City. Tracking progress towards these goals supports the Official Plan objectives of providing active mobility choices, reducing road congestion and reducing greenhouse gas emissions.

Between 2021 and 2022, an additional 3.7 km of active transportation facilities (e.g., bike lanes or trails) were added to the system for a total of 169.5 km. In the five-year period from 2018 to 2022, an additional 11.7 km of active transportation facilities were added. To meet the ATMP's 10-year capital plan, an additional 94.6 km of bike lanes (on-road/cycle tracks/shared roadways), 38 km of multi-use pathways and 2.1 km of off-road trails would need to be built.

Vacant employment land supply has decreased from 2018

To accommodate employment growth and to maintain a strong and diverse economy, there needs to be a supply of serviced employment lands. This report tracks the inventory of serviced and unserviced industrial and commercial lands. The supply of serviced vacant industrial land has decreased from 2018 to 2022 by 72 hectares to 132 hectares

while the supply of serviced vacant commercial land has increased by 31 hectares to 63 hectares. In the same time period, the total inventory of unserviced industrial land decreased by 215 hectares to 475 hectares and unserviced commercial land decreased by 51 hectares to 34 hectares. The decrease in industrial land supply has historically been due to a combination of industrial development as well as the conversion of industrial lands for residential use. Approximately 150 hectares of additional land have been identified for employment purposes in the 2022 York Region Official Plan (located north of Elgin Mills Rd and east of Warden Ave) which will be addressed through the City's upcoming Official Plan Review.

Employment floor area has steadily increased from 2018 to 2022 from 3.2 million m² to 3.4 million m² for industrial uses and 0.8 million m² to 1.3 million m² for commercial uses.

Over the last four years, the vacancy rate for industrial spaces has remained steady between 0 and 1% but the vacancy rate for commercial has increased from 1% to 21.5%. The increased commercial vacancy rate is believed to be associated with the impacts of COVID-19 including the closure of retail stores during the pandemic as well as a shift towards digital operations.

Commercial and industrial property values declining as a percentage of all assessed properties

Assessing the value of commercial and industrial properties as a percentage of all properties in Markham helps track the diversification of the City's tax base and is an indicator of economic growth and employment opportunities. Between 2017 and 2023, the total assessed value of commercial and industrial properties as a percentage of total assessed value of all properties has declined from 12.8% to 11.6%. This is due to residential property values increasing at a greater rate than commercial/industrial property values.

Building permit activity is above the 5-year average

Tracking the number of units and the non-residential gross floor area helps to inform the future supply of residential units and employment spaces. In 2022, the number of new residential units issued via building permit was 2,181 units compared to the 5-year average of 1,720 units. From 2017 to 2022, the annual proportion of higher density units (apartments and townhouses) ranged between 58% (68 units) to 92% (1,999 units) respectively in 2019 and 2022.

The non-residential building area for building permit issuances was 309,478 m² in 2022. This compares to the past five years which has averaged 255,000 m² per year with a high of 458,649 m² in 2021 compared to a low of 118,192 m² in 2020.

In 2023, the City of Markham approved its Housing Pledge to the Minister of Municipal Affairs and Housing with a goal to facilitate the construction of 44,000 new housing units

by 2031. If the current trend continues for residential permit issuances, a higher annual number of new housing units will be needed to meet the 2031 target.

NEXT STEPS

This report is part of an ongoing effort to monitor the City of Markham's growth and the effectiveness of Official Plan policies. Future reports will occur on an annual basis where updated information and data is available.

FINANCIAL CONSIDERATIONS

Not applicable.

HUMAN RESOURCES CONSIDERATIONS

Not applicable.

ALIGNMENT WITH STRATEGIC PRIORITIES:

Official Plan performance indicators support the "Safe, Sustainable and Complete Community" strategic goal.

BUSINESS UNITS CONSULTED AND AFFECTED:

Staff from the Engineering, Economic Growth, Culture, & Entrepreneurship, Financial Services, and Building Standards Departments were consulted in the preparation of this report.

RECOMMENDED BY:

Darryl Lyons, RPP, MCIP
Deputy Director, Planning & Urban Design

Giulio Cescato, RPP, MCIP
Director, Planning & Urban Design

Arvin Prasad, RPP, MCIP
Commissioner, Development Services

ATTACHMENTS:

Appendix 'A' – City of Markham Official Plan Performance Indicators
Appendix 'B' – Summary of Thematic Areas and Indicators