

SUBJECT: 2024 Update: Monitoring Growth in the City of Markham and Official Plan Performance Indicators

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RECOMMENDATION:

1. That the staff report entitled, “2024 Update: Monitoring Growth in the City of Markham and Official Plan Performance Indicators” dated October 15, 2024, be received;
2. And that staff be authorized and directed to do all things necessary to give effect to this resolution.

PURPOSE:

This report provides the fifth 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. 23 of the 28 performance indicators have been updated with new data since the 2023 annual report.

The indicators have been identified based on a combination of data availability, 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 falling short of targets in other areas (e.g., population, employment growth, housing targets). 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 362,294 residents is 36,006 below the 2026 forecast of 398,300. Based on the annual average growth from 2016 to 2024 of around 2,819 residents, Markham’s population in 2026 could be significantly less than the 2026 forecast of 398,300. The most recent 2023 employment estimate of 184,750 jobs is 36,750 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 1.03 in 2023.

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 2023 is estimated to be 56%. Over the last 11 years (2013-2023), 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 2023, Markham Centre had a density of 74 residents and jobs per hectare, which 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 total area of the Greenway System as well as the proportion of the Greenway System that is in public ownership. Public ownership of the Greenway System provides the greatest certainty of long-term protection and stewardship of natural areas.

Between 2020 and 2023, the area of the Greenway System has increased by 2 ha from 6,759 ha to 6,761 ha. These minor changes are a result of the confirmation of development limits (e.g., establishment of vegetation protection zones) as part of planning applications.

Within the 6,761 ha of Greenway System lands, 4,665 ha or 69% is in public ownership. Major public landowners include the Federal Government (3,274 ha), City of Markham (1,026 ha) and the Toronto Region Conservation Authority (165 ha). As residential development continues to proceed north of Major Mackenzie Drive, it is anticipated that additional Greenway System lands will be conveyed into City ownership.

2023 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 (2019-2023), there were 4,504 higher density units (apartments and townhouses) built, which made up 82% 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% as of June 2024.

Some affordable housing units are being committed through the development application approvals process

The City tracks the number of affordable housing units that have been committed during the development application process. This includes affordable or below market ownership or rental units that will be constructed as part of a larger development site. Since 2021, 186 new units have been committed through the development application process with 166 meeting York Region's definition of affordable housing and 20 below market value.

While 0 new affordable ownership units were constructed in 2023, 293 affordable rental units were built

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 \$155,535 in annual household income). The 2023 threshold for housing affordability in Markham is \$511,873 for ownership and between \$1,310 and \$2,354 for rental units, based on number of bedrooms. In 2023, 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, 2022, and 2023.

There were 293 affordable rental units built in 2023 and a total of 67 affordable rental units built over the period 2018-2022.

Significant research work is underway to designate all significant heritage properties currently listed on the Markham Heritage Register

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 were given two years (now extended to four years) to review all heritage-listed properties and decide whether they should be designated or removed from the heritage register. If not designated by December 31, 2026 any listed property must be removed from the City's register and cannot be re-listed for five years. 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 August 2024, there are 252 listed properties on the City's heritage register. There are currently 330 individually designated properties with 13 added in 2023 and 60 added so far in 2024. There are currently 166 heritage easement agreements with three added in 2023 and two added in 2024 usually secured as a condition of development approval or to obtain financial assistance.

An increasing proportion of residents are located within walking distance of higher order transit stations, but further investment in transit is needed to support growth

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 2023, 65,200 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 3,800 residents from the previous estimate of 61,400 from 2022. The majority of housing unit types within 800 metres of all higher order transit stations are apartment units at 56.5%.

Although more residents are living in close proximity to higher order transit stations, further investment in transit service is needed to support growth.

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 2022 and 2023, an additional 27.8 km of active transportation facilities (e.g., bike lanes, trails, shared roadways) were added to the system for a total of 197.3 km. In the six-year period from 2018 to 2023, an additional 39.5 km of active transportation facilities were added.

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 2023 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 168 hectares to 522 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 five years, the vacancy rate for industrial spaces has remained steady between 0 and 1% but the vacancy rate for commercial space has increased from 1% to 16.3%. The increased commercial vacancy rate over the last 5 years 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. However, the commercial vacancy rate decreased by 5.2% from 2022 to 2023 suggesting some recovery in the commercial retail sector.

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 2024, 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 and will be used to inform policy directions as part of the ongoing Official Plan Review process. 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:

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ATTACHMENTS:

Appendix 'A' – City of Markham Official Plan Performance Indicators

Appendix 'B' – Summary of Thematic Areas and Indicators