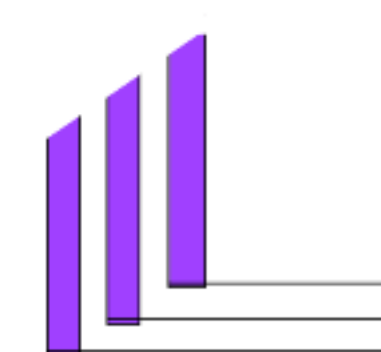




City of St. Thomas
Official Plan Amendment No. 66 to the
City of St. Thomas Official Plan

APPENDIX XVI

Population, Housing and Employment Projections, 2006-2026
Dated May 2007 Prepared by Lapointe Consulting Inc.



ST. THOMAS POPULATION, HOUSING AND EMPLOYMENT PROJECTIONS, 2006-2026

**Prepared by Lapointe Consulting Inc.
in association with Dillon Consulting
for the City of St. Thomas**

May, 2007

EXECUTIVE SUMMARY

INTRODUCTION

The City of St. Thomas has emerged as one of the fastest growing cities in Southwestern Ontario. By 2006 the population of St. Thomas had grown to 36,110 persons representing a 9% increase since 2001. St. Thomas has grown at a faster rate than almost all municipalities in Southwestern Ontario (except for Middlesex Centre). To a large extent this growth reflects pro-active policies and actions by the City in promoting St. Thomas as a place to live and work.

The City of St. Thomas is in the process of updating its Official Plan. This new Official Plan will update the City's vision of the future urban structure to take into account changing demographic, economic and environmental trends. As required under the PPS and recent revisions to the Planning Act, 20-year population, housing requirements and employment projections for the period 2006-2026 have been prepared.

Lapointe Consulting in association with Dillon Consulting Limited have been retained to conduct such projections since the early 1990's. These

projections have provided the basis for developing and implementing the City's growth strategy. Projections also assist the City in planning for hard services such as transportation and piped services (water and sewerage), and, for soft services such as parks and recreational services and facilities; in determining development charges; and in ensuring that there is sufficient land to accommodate future residential and industrial requirements.

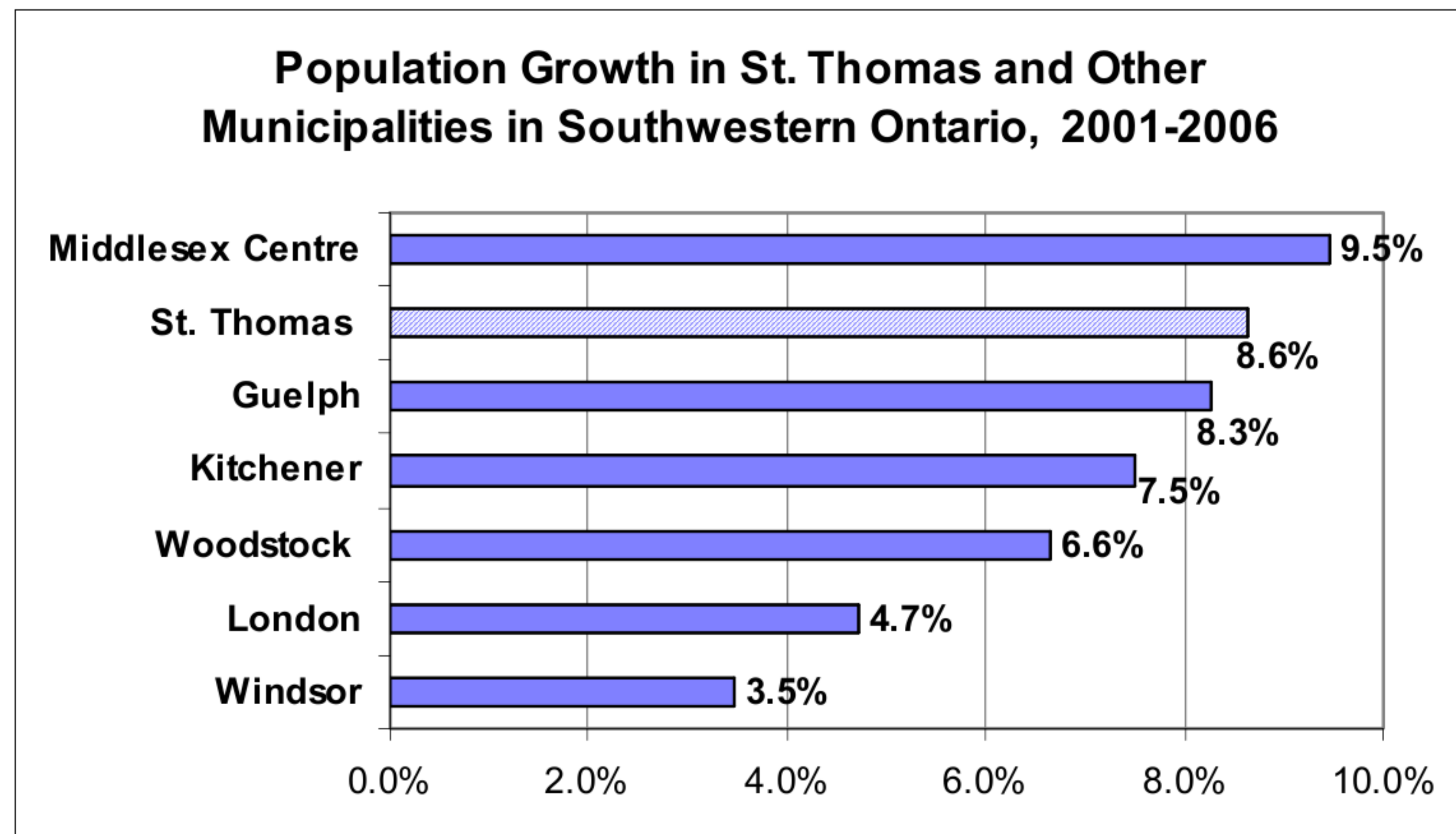


Figure 1

Source: Statistics Canada, various census years

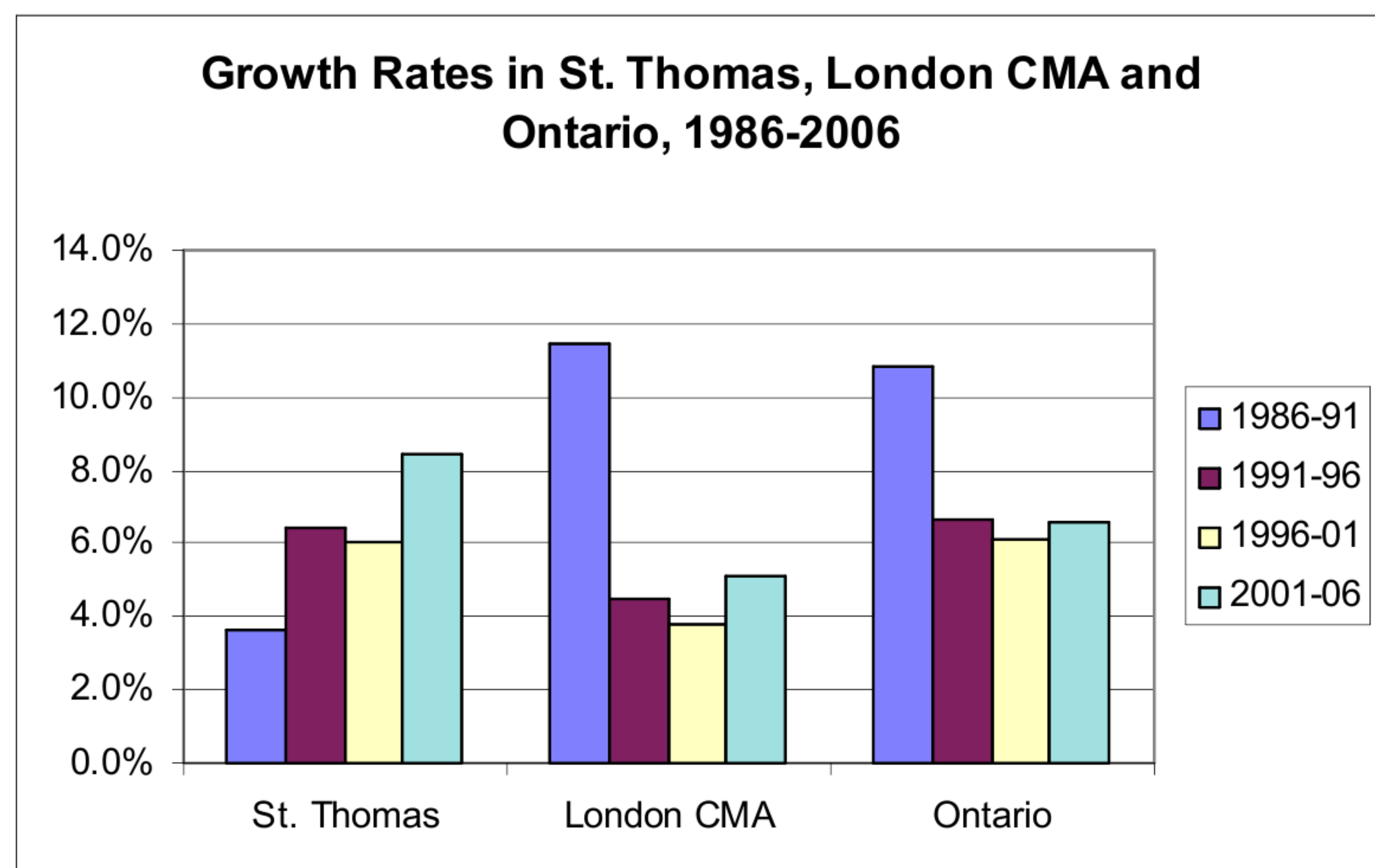


Figure 2

Source: Statistics Canada, various census years

HOUSING PRODUCTION REACHING RECORD LEVELS IN ST. THOMAS

There has been a significant upswing in residential development in St. Thomas since the early part of the 1990's. In the five-year period, 2002-06, an annual average of 283 housing units were completed in St. Thomas compared to 151 housing units in the five-year period 1992-1996. In 2006, the number of residential completions was close to 400.

This increased level of housing production has primarily been due to increased levels of single detached housing production. The average of 280 single detached completions during the five-year period, 2002-2006, is more than double the annual average of 122 completions in the 1992-1996 period.

The level of semi detached and town house production has declined substantially since the early 1990s. As a result of the City's participation in the Canada-Ontario Affordable Housing Program and some private sector rental construction, there will be more apartment construction in St. Thomas than there has been for over a decade following the cancellation of federal and provincial non-profit and co-operative housing programs.

The higher level of housing development in St. Thomas is the result of several factors:

- ✓ The addition of several blocks of land for residential development in the south, south-west and the north end of St. Thomas;
- ✓ The healthy economic climate in Ontario since end of the recession of the early 1990's;
- ✓ Low mortgage rates that have made home ownership more affordable;
- ✓ The price advantage that St. Thomas has compared to other parts of the London CMA;

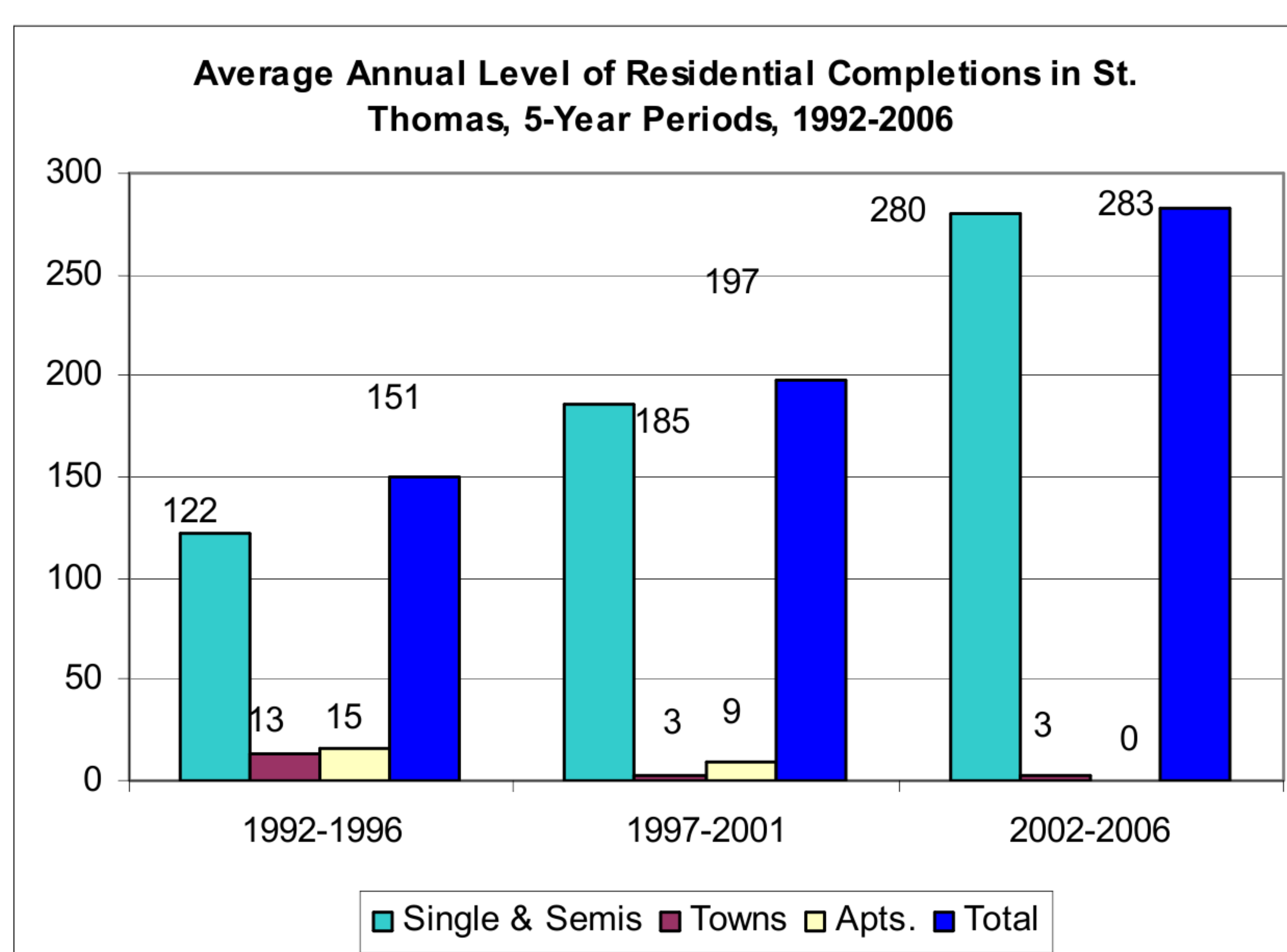


Figure 3

Source: Canada Mortgage and Housing Corporation

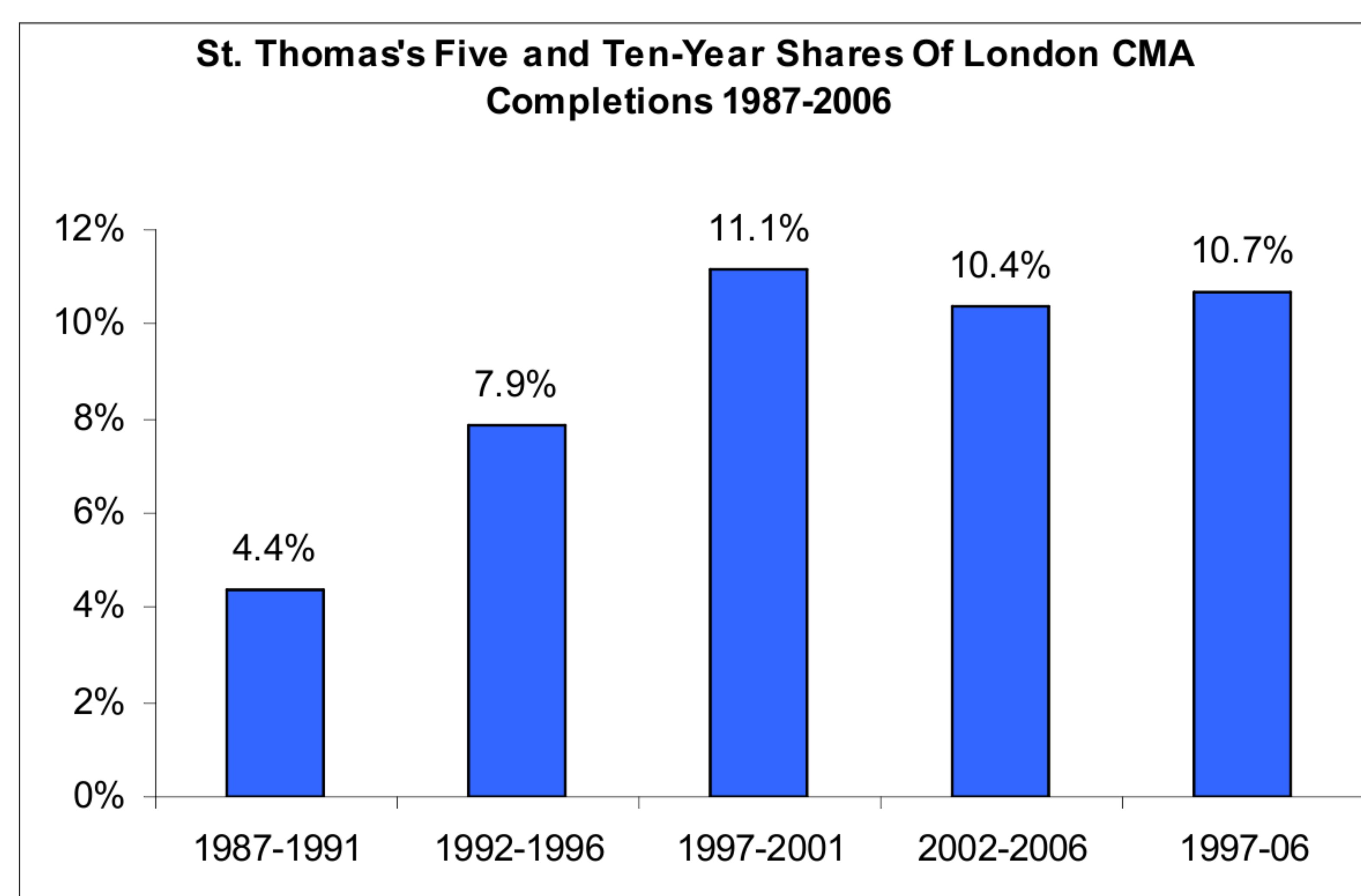


Figure 4

Source: Canada Mortgage and Housing Corporation

- ✓ A successful “**25% More**” campaign by the St. Thomas & Elgin Home Builders’ Association marketing St. Thomas as a place to live;
- ✓ The growing sophistication of the development industry in St. Thomas which includes developers and home builders who are winning national, provincial and local awards from the building industry;
- ✓ The small town atmosphere in St. Thomas that includes access to a good system of parks and local schools as well as a rejuvenated downtown area; and,
- ✓ Easy access to employment and natural settings, including Lake Erie and many conservation areas, as well as to big box and commercial development in the City and nearby London.

HOUSING AFFORDABILITY

- Housing prices have been increasing in St. Thomas as in the rest of the London CMA and Ontario as a whole. For example, the average price of new single dwellings in St. Thomas in 2006 was \$221,737 compared to \$281,845 in the City of London or about 21% lower. Between 2002 and 2006, new house prices have increased in St. Thomas from \$179,787 to \$221,737 – representing an increase of 23% or three times the rate of inflation.

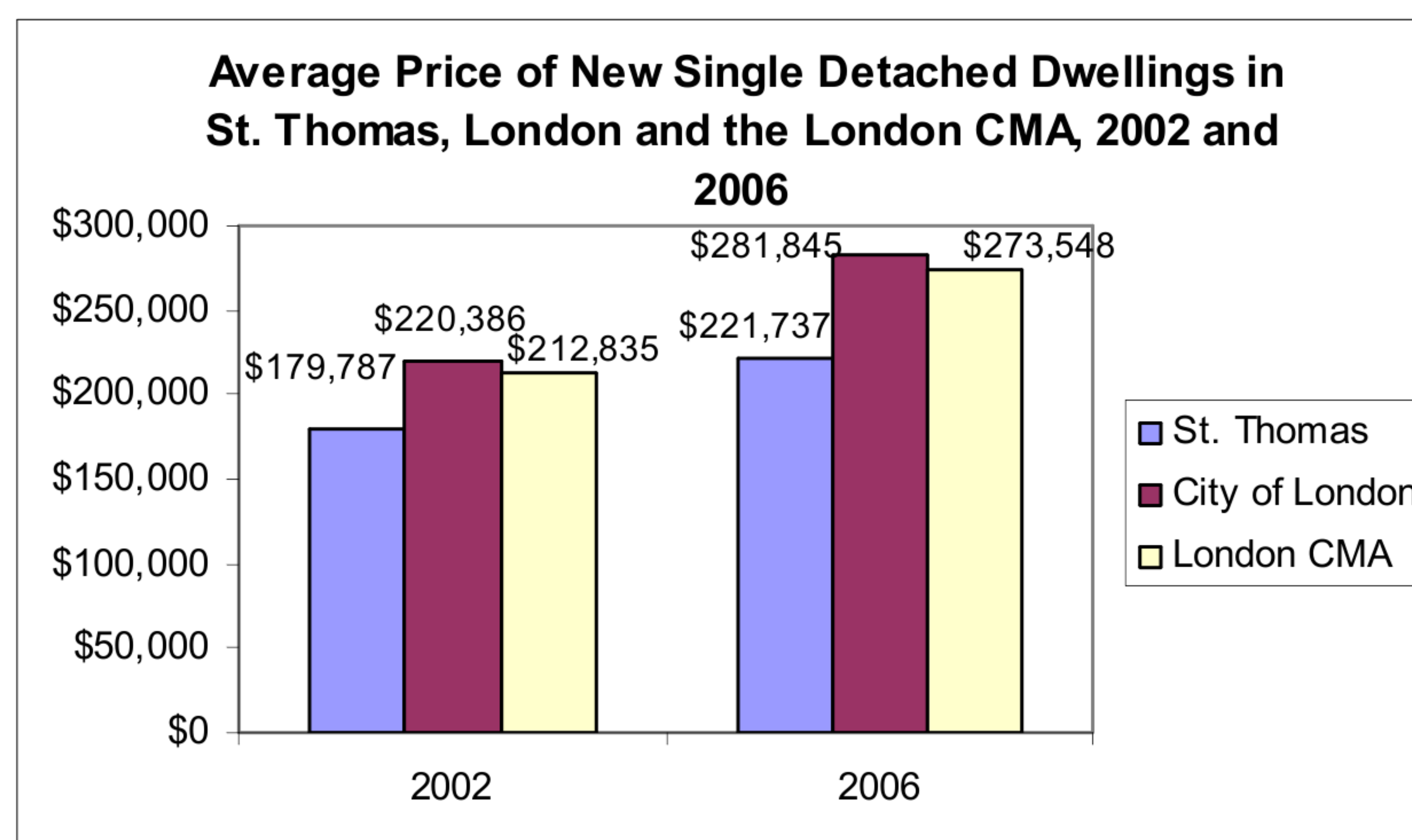


Figure 5

Source: Canada Mortgage and Housing Corporation

- The average price of resale homes in St. Thomas was \$169,200 for the first quarter of 2007 according to the London and St. Thomas Real Estate Board – well below the \$198,200 recorded for the London CMA.
- In October, 2006, the average rent for a one-bedroom apartment was \$566 and the average rent for a two-bedroom apartment was \$673. The vacancy rate has declined to 2.6% with one-bedrooms having the lowest vacancy rate at 2%.
- While this report discusses changes in house prices and rents, a separate report will analyze housing affordability and set affordable housing targets as required in the Provincial Policy Statement. The report will also examine other housing policies, particularly the City’s condominium conversion policy.

HOUSING AND POPULATION PROJECTIONS

This report provides detailed projections of housing requirements and population for St. Thomas for the twenty-year period 2006-2026. (Twenty-five year projections have also been included in the report as this is the figure that some infrastructure planning requires.) The report describes the methodology used for projecting future housing for St. Thomas as outlined in the Provincial Projection Methodology Guideline and in the 2005 Provincial Policy Statement. This approach requires municipalities to project their share of the regional housing market (in this case, the

London CMA) as the basis for projecting future population. We have assumed that servicing and land constraints will not be a factor in future residential development.

Three scenarios were used to project St. Thomas's future housing requirements and population:

- Trends Growth Scenario – basically a continuation of the current trends in the production of single detached dwellings with a greater mix of semi detached, townhouses and apartments to meet demographic shifts, affordability considerations and intensification objectives;
- Strategic Growth Scenario – assumes the same share of the London CMA's detached dwelling units as in the Trends Scenario but includes more semis, town houses and apartments to be more in line with demographic shifts, affordability considerations and intensification objectives; and
- Modest Growth Scenario – this is the result of longer term trends and includes periods of slower growth as well as higher levels of apartment and townhouse development in the early 1990s.

All three scenarios provide for a greater mix of dwelling types than is currently being developed in St. Thomas; however it is the strategic growth scenario that most fits market trends and policy requirements under the PPS.

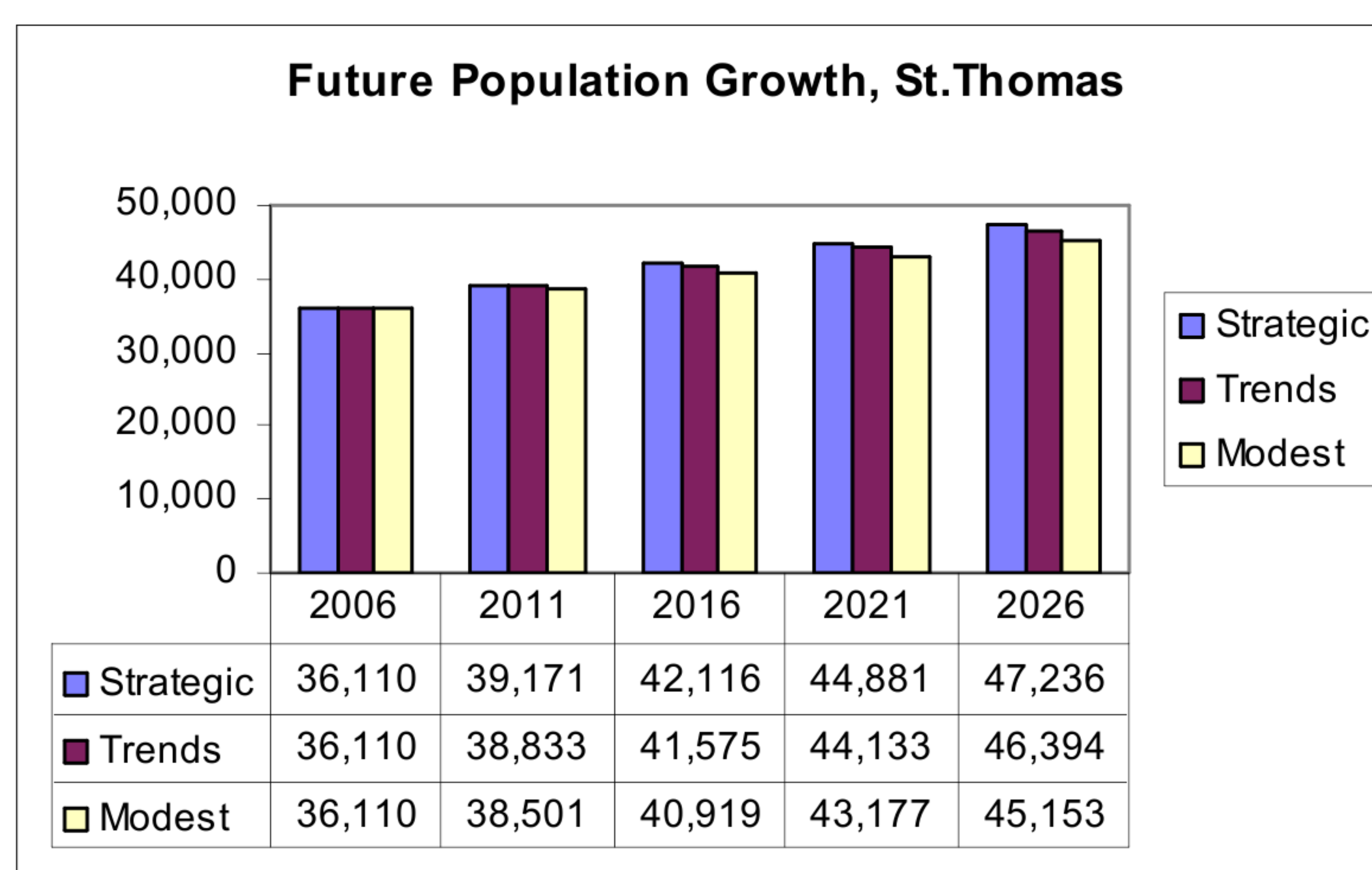
**Table 1: Twenty-Year Housing Demand (2006-2026)
Under the Strategic, Trends and Modest Growth Scenarios**

	Strategic			Trends			Modest		
	20-yr	Annual	%	20-yr	Annual	%	20-yr	Annual	%
Single	4,243	212	71.3%	4,243	212	76.0%	3,915	196	77.7%
Semi	583	29	9.8%	438	22	7.8%	291	15	5.8%
Townhouse	494	25	8.3%	352	18	6.3%	304	15	6.0%
Apartments	633	32	10.6%	551	28	9.9%	531	27	10.5%
Total	5,953	298	100.0%	5,584	279	100.0%	5,041	252	100.0%

Source: Lapointe Consulting Inc.

The population of St. Thomas is projected to reach 47,200 persons by 2026 under the Strategic Development Scenario, 46,400 persons under the Trends Scenario, and, 45,100 persons under the Modest Growth Scenario.

While all age groups will increase in number, those in the 20-44 year age group and the 65+ age group will show the highest increase over the 20-year period in absolute terms (refer to Table 2 below.) The largest percentage growth will be among those 65+, an age group that is expected to grow by 64% over the projection period. By 2026, nearly a fifth of St. Thomas' population will be 65 years or older.



Source: Lapointe Consulting Inc.

Figure 6

Table 2: Projected Age Distribution St. Thomas, 2006-2026
Strategic Development Scenario

Age	2006		2016		2026		Change 2006-26	
	Total	%	Total	%	Total	%	Total	% Ch.
0-19	9,552	26.4%	10,787	25.6%	11,768	24.9%	2,216	23.2%
20-44	12,477	34.5%	14,347	34.1%	15,727	33.3%	3,250	26.0%
45-64	8,919	24.7%	10,453	24.8%	11,286	23.9%	2,367	26.5%
65+	5,171	14.3%	6,529	15.5%	8,463	17.9%	3,292	63.7%
Total	36,119	100.0%	42,116	100.0%	47,244	100.0%	11,125	30.8%

Source: Lapointe Consulting Inc.

ST. THOMAS HAS A STRONG INDUSTRIAL SECTOR

The industrial or secondary sector which includes manufacturing, construction and utilities accounts for 42% of employment in St. Thomas while manufacturing alone accounts for 39% of employment. By comparison in the London CMA as a whole 17% of jobs are in manufacturing. The major employers in manufacturing are all in the automotive sector.

Total employment increased by 23% in St. Thomas between 1996 and 2001 compared to an increase of 11% in Ontario and a decrease of 4% in the London CMA. Most of this increase in St. Thomas was due to an increase in employment in the secondary sector which grew 65% during this period! Between 1996 and 2001 there was a modest increase of 5% of new jobs in the service sector compared to 17% in Ontario as a whole and 2% in the London CMA.

Since the 2001 census, there has been slower growth in the secondary sector than in the five years prior to the 2001 census. Still, according to the St. Thomas Economic Development Corporation, 1,070 new manufacturing jobs have been created since 2001. The somewhat slower growth in industrial employment in St. Thomas is consistent with slower growth across Ontario where industrial employment has declined due to such factors as the higher value of the Canadian dollar and increased competition from foreign countries. However, whereas Ontario has lost an estimated 90,000 industrial jobs since 2002, St. Thomas has gained jobs.

In recent years, the City has attracted other major employers. For example, Starwood Worldwide Hotels and Resorts Inc. has established a major call centre in St. Thomas employing 400 persons. As well the development of the "Power Centre" at the east end of Talbot Street has increased retail employment in the City.

EMPLOYMENT PROJECTIONS

St. Thomas is well positioned to attract future industrial growth. It is strategically located close to the Highway 401 corridor as well as Highway 402 and has access to the Canadian National and Canadian Pacific Rail lines. Local suppliers should benefit from proximity to major investments in new and expanded auto plants and auto-parts plants in Woodstock and Ingersoll. While employment at the Ford plant in Southwold has been reduced to one shift, the decision to build the Lincoln Town there will extend the life of the plant. In March, 2007 Ford announced that the 2008 Crown Victoria Police Interceptor will be offered as a flexible fuel vehicle allowing it to run on Ethanol 85. This type of adjustment is indicative of the changes that are likely to occur in the auto industry in the future.

Three alternative growth projections have been prepared for employment. The Strategic and Trends Growth Scenario are based on manufacturing growing slightly above that forecasted for the Province as a whole whereas the Modest Growth Scenario was based on a lower level of manufacturing growth. All other employment was based on applying the current activity rate (that is, the employment in specific employment categories divided by the total population) to the projected population. While the strategic growth scenario is the likely result of St Thomas continuing to be a strong employment centre, especially for manufacturing, these are uncertain times, and these projections may need to be revisited should there be major changes in policy and/or employment trends that affect the automotive sector.

Total employment is forecast to grow from the estimated 18,200 jobs in 2006 to 26,200 jobs in the Strategic Development Scenario and 26,000 in the Trends Growth Scenario – which are almost identical. This is because when activity rates were applied the results were not that different for most employment categories and because we used the same assumptions about the manufacturing growth. Overall employment is projected to increase by 400 jobs annually with approximately a half of employment in the industrial sector (manufacturing, construction, utilities and transportation and communications) and the remaining half in service jobs (a range of service jobs such as retail, wholesale trade, finance and insurance, arts, etc.) and institutional (health and welfare and educational services).

Table 3: Employment Projections

Sector	Current	Strategic Development		Trends Growth		Modest Growth	
	2006	2026	Ann. Ch.	2026	Ann.Ch.	2026	Ann.Ch.
Primary	158	206	2	202	2	197	2
Industrial	8,665	13,795	256	13,767	255	11,126	123
Service	6,547	8,562	101	8,409	93	8,187	82
Institutional	2,803	3,667	43	3,601	40	3,505	35
Total	18,173	26,230	403	25,979	390	23,015	242

Source: Lapointe Consulting Inc.

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1 INTRODUCTION

1.1 BACKGROUND

The City of St. Thomas has emerged as one of the fastest growing cities in Southwestern Ontario. To a large extent this growth reflects pro-active policies and actions by the City in promoting St. Thomas as a place to live and work.

The City of St. Thomas is in the process of updating its Official Plan. This new Official Plan will update the City's vision of the future urban structure to take into account changing demographic, economic and environmental trends. The Official Plan update will also ensure that the City's Official Plan complies with the new requirements introduced under Bill 51 to amend the Planning Act and with the 2005 Provincial Policy Statement.

This report summarizes population projections, housing requirements and employment projections for the City of St. Thomas over the 20-year planning period 2006-2026 and is one of the foundation reports of the Official Plan review process.

Since the early 1990's the City of St. Thomas has retained Lapointe Consulting in association with Dillon Consulting Limited to prepare projections of the City's future population, housing requirements and employment, and, of the City's residential and industrial land requirements. These projections have provided the basis for developing and implementing the City's growth strategy. Over the past decade and a half, the City has implemented a proactive growth strategy designed to capitalize on growth opportunities in the larger London Census Metropolitan Area. (See Map 1.) This strategy reversed the decline in residential development that had occurred in St. Thomas in the 1980's when the City's was capturing an average of 4% of the residential growth in the London CMA. Today the City is attracting 11% of residential development in the CMA.

Since the 1990's the population and housing projections and land supply needs have been updated every five years or so, adopted by Council and incorporated into the City's Official Plan to satisfy the Provincial Policy Statement. Under Bill 51 which amended the Planning Act, the City is now required to conduct a review of the Official Plan every five years.

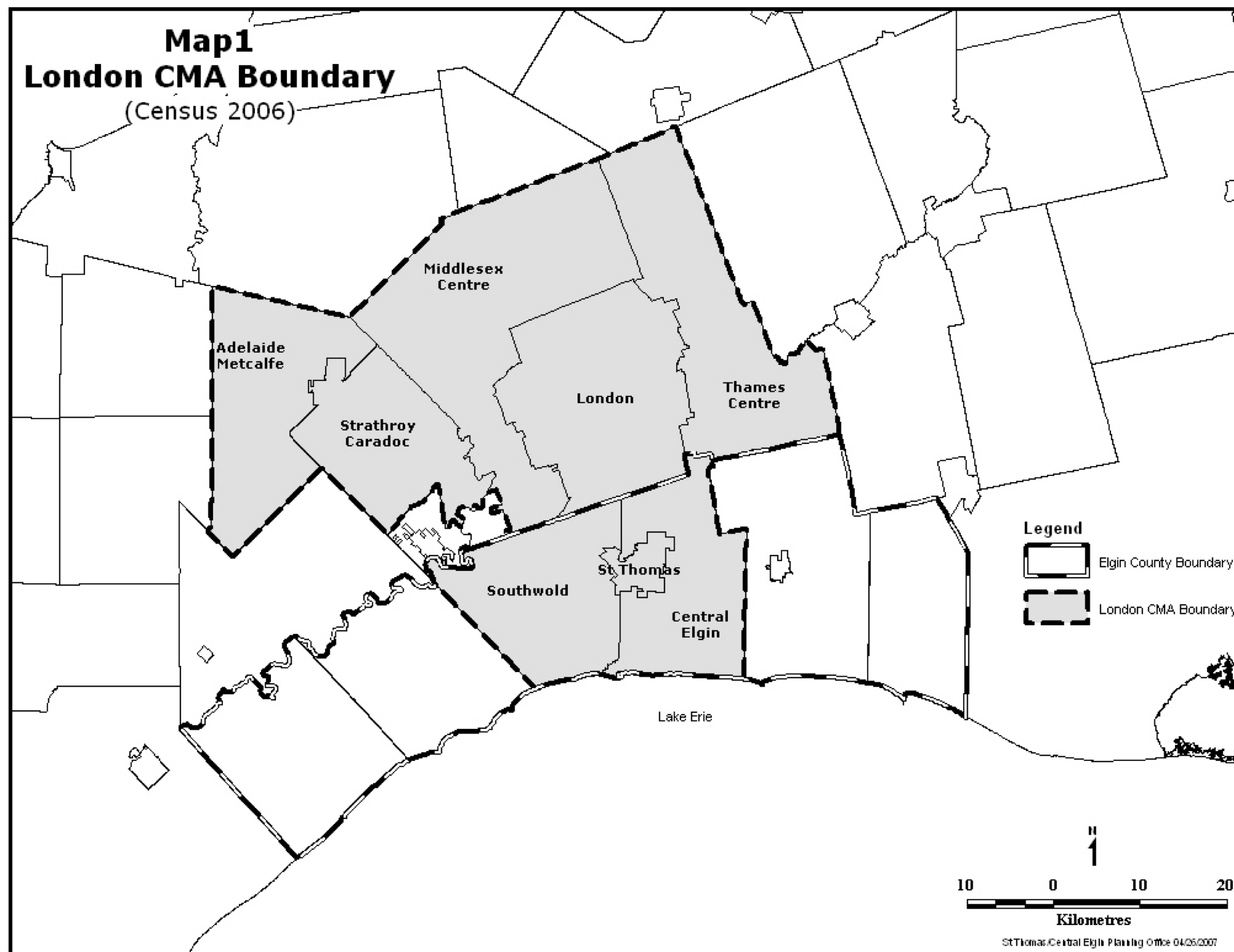
Over the years, the projections have been used to:

- Justify bringing lands into the City through boundary adjustment with neighbouring municipalities;
- Justify the designation of lands in the Official Plan for new residential, commercial and industrial development to satisfy the 20-year needs of the City;
- Establish the 20-year demand/need for road and infrastructure improvements in municipal capital planning documents such as the transportation master plan and water and wastewater master plans;

- Provide the basis for calculating the costs of road and infrastructure upgrades to set capital recovery rates in Development Charges By-laws and other cost recovery mechanisms;
- Provide input into the assessment of the 20-year demand/need for retail shopping facilities and the development of a Parks and Recreation master plan; and,
- Attract new industrial and commercial businesses into the City.

The report is divided into 4 chapters:

Chapter 1	Demographic Trends
Chapter 2	Housing Market Trends
Chapter 3	Population and Housing Projections
Chapter 4	Employment Projections

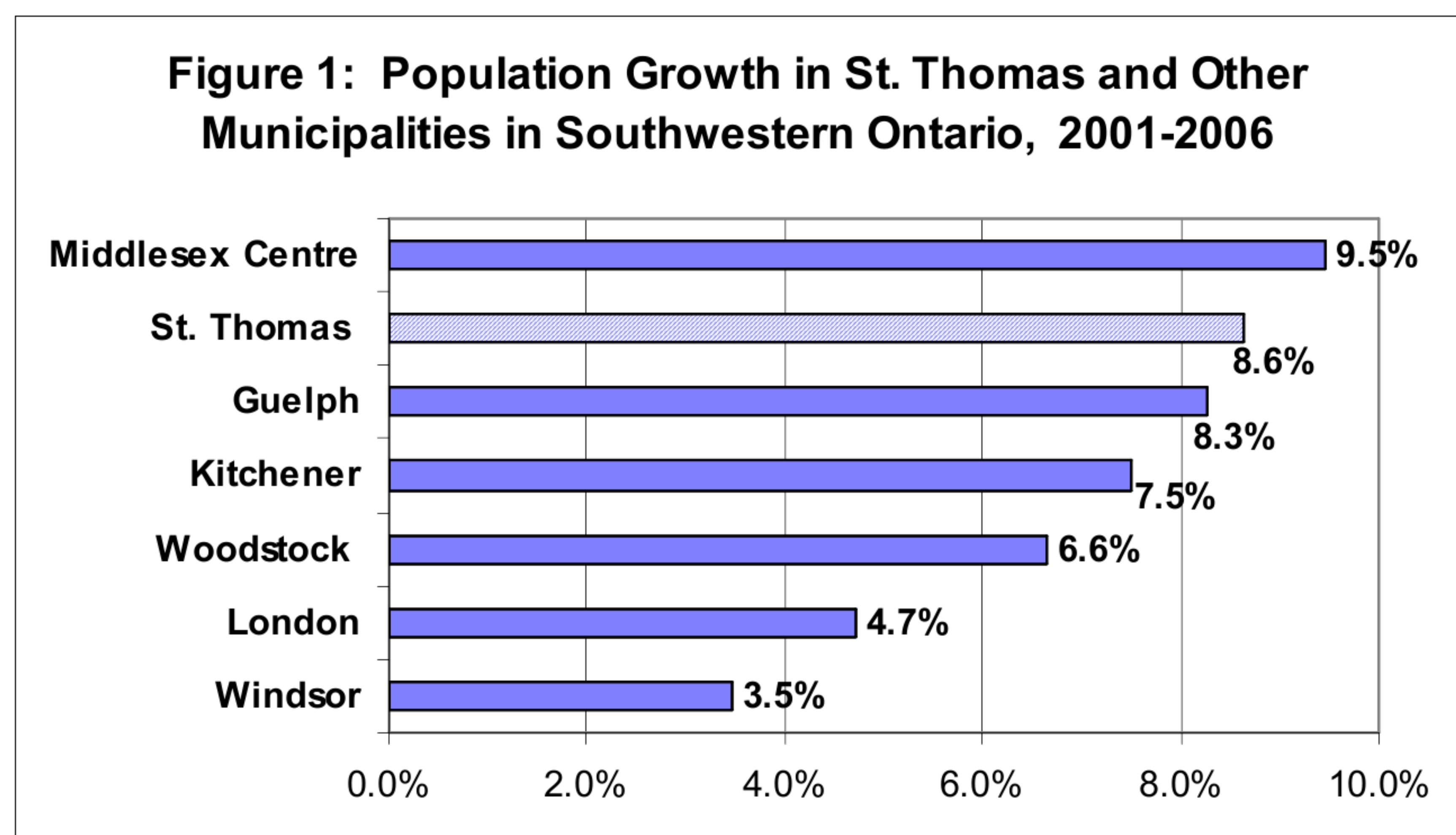


2 POPULATION AND HOUSING REQUIREMENTS PROJECTIONS

2.1 TRENDS IN POPULATION AND HOUSEHOLD GROWTH

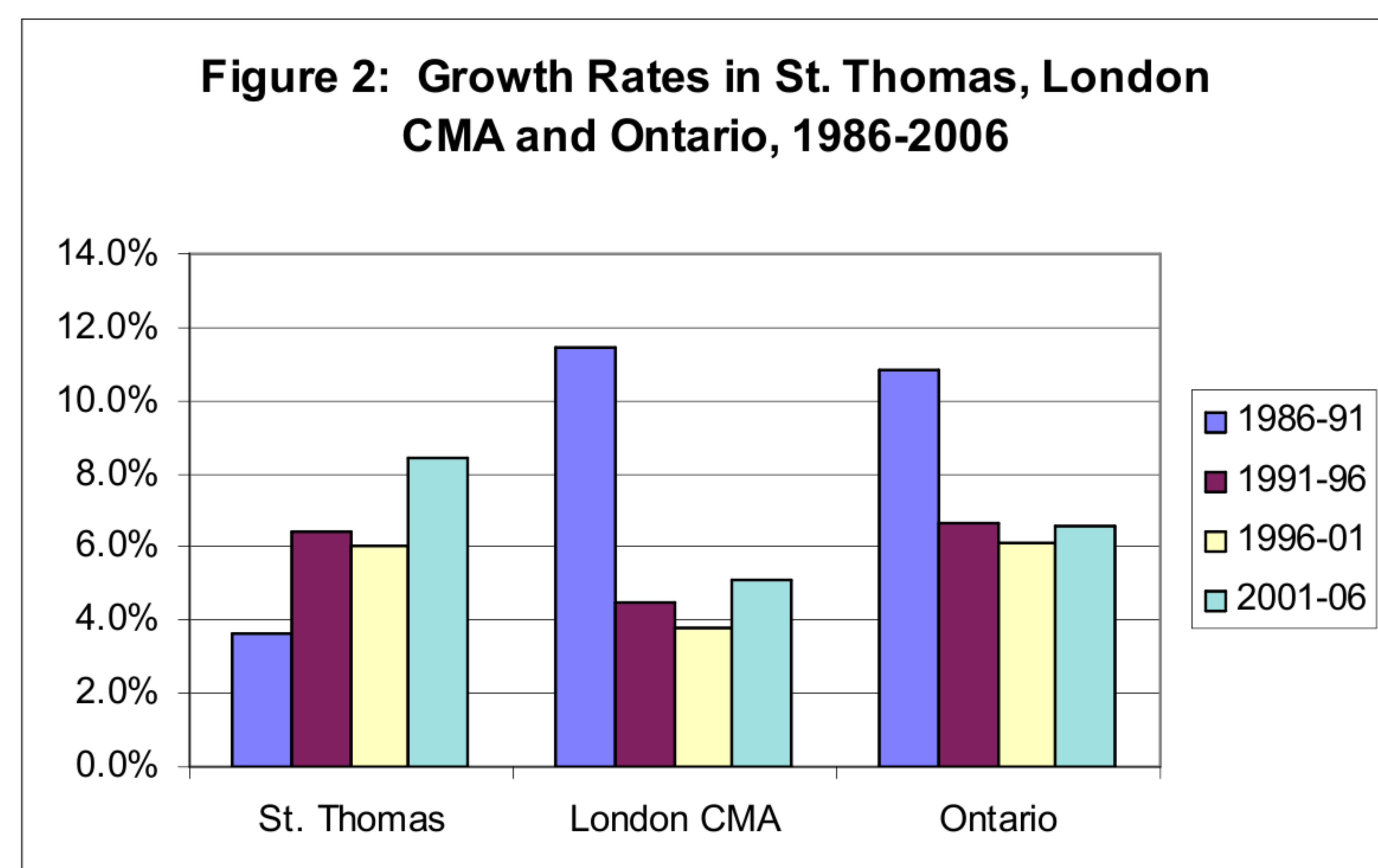
2.1.1 St. Thomas Is One of the Fastest Growing Municipalities in Southwestern Ontario

In 2006 St. Thomas's population had grown to 36,610 persons representing a 9% increase over the five-year period 2001-2006. St. Thomas has emerged as one of the fastest growing municipalities in South-western Ontario and is one of the fastest growing municipalities in the London CMA, superseded only by Middlesex Centre. Over the past 15 years St. Thomas has exhibited a higher growth rate than the London CMA (See Figure 2 below and Table A1 in the Appendix.)



Source: Statistics Canada, 2006 Census

Since the early 1990's St. Thomas's population has grown at a faster rate of growth than the London CMA. This is in stark contrast to the period between 1986 and 1991 when land constraints were limiting population growth in St. Thomas. The strong growth rate in St. Thomas is the result of several factors including an expanded supply of residential land, new residential development at more affordable prices than in nearby London, a strong local economy, local amenities such as parks, shopping facilities, a healthy Main Street and a "small town" atmosphere.

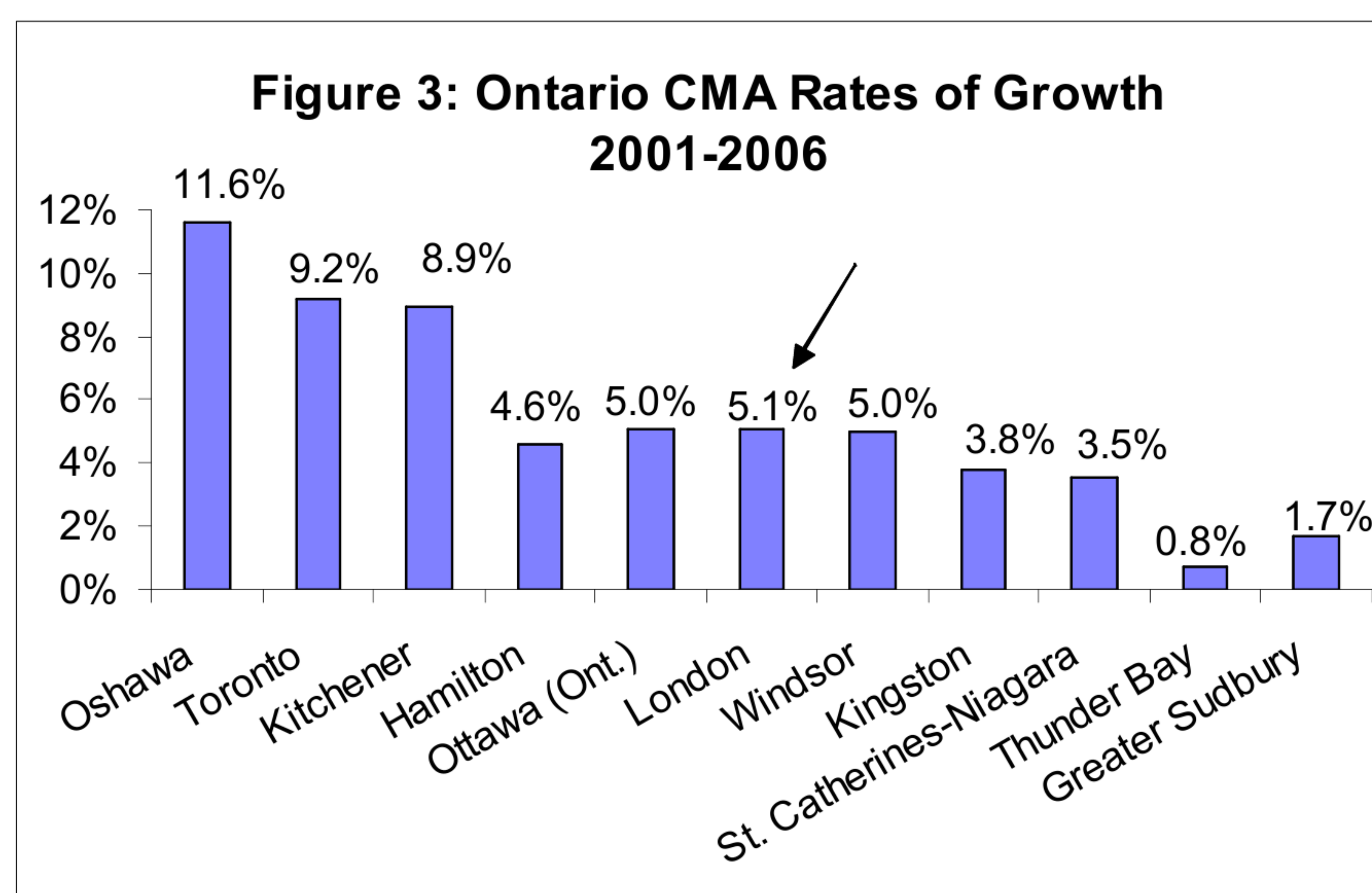


Note: Due to boundary changes, population estimates have been amended in the some census years to make comparisons comparable. See Table A1 in the Appendix.

Source: Statistics Canada, Census Data for 1986, 1991, 1996, 2001 and 2006

2.1.2 Population Growth in the London CMA

Figure 3 below compares growth in the London CMA to other CMA's in Ontario between 2001 and 2006. Growth in the London CMA was at about the average level of growth for all CMA's in Ontario (5.4%). The highest growth was experienced in the Greater Toronto Area with Oshawa (11.6%) and Toronto (9.2%) having the highest rates of growth. The Kitchener CMA at 8.9% also grew more than the average rate. London's growth at 5.1% was a little above Hamilton (4.6%), Ottawa (5.0%) and Windsor (5.0%). Kingston (3.8%), St. Catharines-Niagara (3.5%), Sudbury (1.7%) and Thunder Bay all experienced lower rates of growth than the London CMA.



Source: Statistics Canada: Annual Demographic Statistics 2005

2.1.3 Components of Growth in the London Area

Population growth is based on two major factors:

- Natural Increase (births minus deaths)
- Net Migration (net international immigrants, inter-provincial migrants and intra-provincial migrants).

As Table 1 below shows, between 1997 and 2004 natural increase in the London CMA has been slowly declining. Most of the decline is due to the gradually increasing number of deaths as the population ages and to a lesser extent to a slightly declining number of births.

The other component of growth is net migration (see Table 2 below). Migrants to the London CMA came mainly from abroad and from within Ontario. In recent years, the London CMA has

received approximately 2,000 net migrants from abroad (those moving in minus those moving out.) Since 2002, interprovincial migration has turned negative reflecting the movement of people out of Ontario to the west, especially to Alberta. On the other hand, the London CMA is attracting more intraprovincial migrants (from other parts of Ontario).

Table 1: Natural Growth in the London CMA 1997-2004

Year	Births	Deaths	Natural Increase
1997-98	4,895	3,299	1,596
1998-99	4,853	3,288	1,565
1999-00	4,776	3,357	1,419
2000-01	4,433	3,382	1,051
2001-02	4,825	3,335	1,490
2002-03	4,668	3,407	1,261
2003-04	4,675	3,520	1,155

Note: Annual data is measured from July, 1 of each year.

Source: Statistics Canada, Annual Demographic Reports, various years

Table 2: Migration in the London CMA 1997-2004

Year	Migration			Total Net Migration
	International	Interprovincial	Intraprovincial	
1997-98	907	-37	355	1,225
1998-99	709	95	163	967
1999-00	2,084	378	-226	2,236
2000-01	1,958	153	-240	1,871
2001-02	2,338	86	595	3,019
2002-03	1,819	-117	129	1,831
2003-04	1,722	-255	965	2,432
Average 1997-2004	1,984	49	245	2,278

Source: Statistics Canada, Annual Demographic Reports, various years

Migration has had a greater influence on population growth than natural increase accounting for 64% of growth in the London CMA in the five-year period between 1999 and 2004 (see Table A2 in the Appendix).

In recent years London has attracted more youth (18-24 years of age) who tend to be renters and people in the prime working age 25-44 years of age, many of whom are considered to be first time home buyers.¹

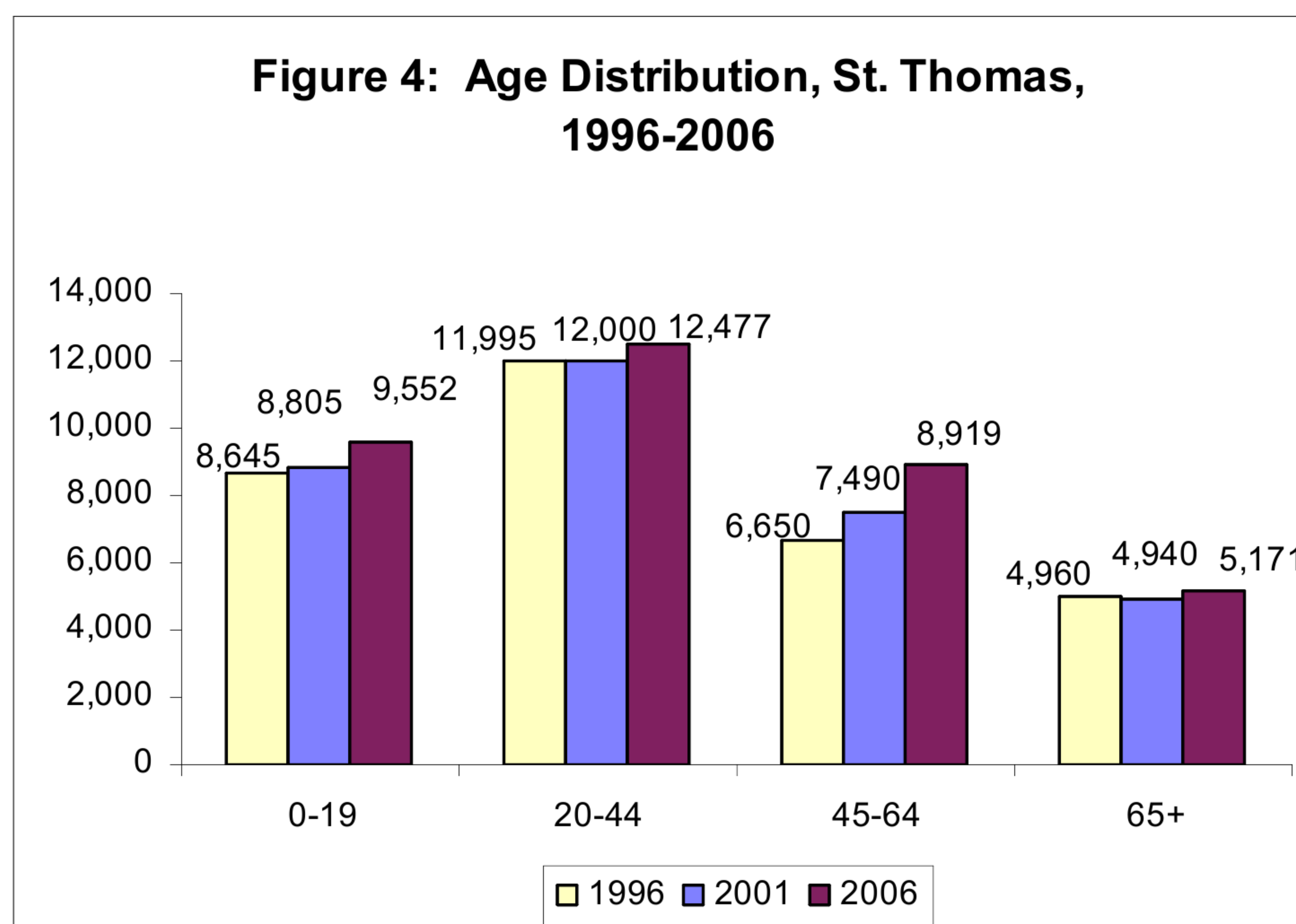
¹ CMHC, Housing Market Outlook: London, Fall, 2006

2.1.4 Age Distribution

Middle-Aged Group Fastest Growing Portion of Population

Figure 4 and Table 3 below provides a summary of the changes in the age distribution of St. Thomas's population. Since the 2006 age distribution from the Census will not be available until the summer of 2007, the age distribution was estimated using our demographic model.

As is shown in Figure 4, the 45-64 year age group is the fastest growing group within the population of St. Thomas. This trend primarily reflects the aging of the “baby boom” generation – those born between 1946 and 1966. Those at the leading edge of the baby boom generation (born in 1946) are now entering their sixties while those born at the tail end (1966) are entering their forties.



Source: Statistics Canada, 1996, 2001 census; 2006 are Lapointe Consulting estimates

**Table 3: Age Distribution, St. Thomas,
2001-2006**

Age	1996		2001		Change 96-01		2006 (Estimated)		Change 01-06	
	Total	%	Total	%	Total	%	Total	%	Total	%
0-4	2,240	6.9%	2,055	6.2%	-185	-8.3%	2,426	6.7%	371	18.1%
5-9	2,260	7.0%	2,315	7.0%	55	2.4%	2,275	6.3%	-40	-1.7%
10-14	2,080	6.4%	2,280	6.9%	200	9.6%	2,371	6.6%	91	4.0%
15-19	2,065	6.4%	2,155	6.5%	90	4.4%	2,480	6.9%	325	15.1%
0-19	8,645	26.8%	8,805	26.5%	160	1.9%	9,552	26.4%	747	8.5%
20-24	2,095	6.5%	2,000	6.0%	-95	-4.5%	2,150	6.0%	150	7.5%
25-29	2,245	7.0%	2,255	6.8%	10	0.4%	2,429	6.7%	174	7.7%
30-34	2,615	8.1%	2,385	7.2%	-230	-8.8%	2,625	7.3%	240	10.1%
35-39	2,700	8.4%	2,675	8.0%	-25	-0.9%	2,553	7.1%	-122	-4.6%
40-44	2,340	7.3%	2,685	8.1%	345	14.7%	2,720	7.5%	35	1.3%
20-44	11,995	37.2%	12,000	36.1%	5	0.0%	12,477	34.5%	477	4.0%
45-49	2,185	6.8%	2,260	6.8%	75	3.4%	2,663	7.4%	403	17.8%
50-54	1,775	5.5%	2,130	6.4%	355	20.0%	2,319	6.4%	189	8.9%
55-59	1,425	4.4%	1,740	5.2%	315	22.1%	2,169	6.0%	429	24.7%
60-64	1,265	3.9%	1,360	4.1%	95	7.5%	1,768	4.9%	408	30.0%
45-64	6,650	20.6%	7,490	22.5%	840	12.6%	8,919	24.7%	1,429	19.1%
65-69	1,350	4.2%	1,190	3.6%	-160	-11.9%	1,334	3.7%	144	12.1%
70-74	1,300	4.0%	1,220	3.7%	-80	-6.2%	1,138	3.2%	-82	-6.7%
75-79	985	3.1%	1,080	3.2%	95	9.6%	1,093	3.0%	13	1.2%
80-84	720	2.2%	780	2.3%	60	8.3%	878	2.4%	98	12.6%
85+	605	1.9%	670	2.0%	65	10.7%	728	2.0%	58	8.7%
65+	4,960	15.4%	4,940	14.9%	-20	-0.4%	5,171	14.3%	231	4.7%
Total	32,250	100.0%	33,235	100.0%	985	3.1%	36,119	100.0%	2,884	8.7%

Note: 1996 population was redistributed according to revised 1996 census population.

Source: 1996 and 2001 census; 2006 total from 2006 Census; age distribution is estimated.

A comparison of the age distribution in 2001 and 2006 shows that:

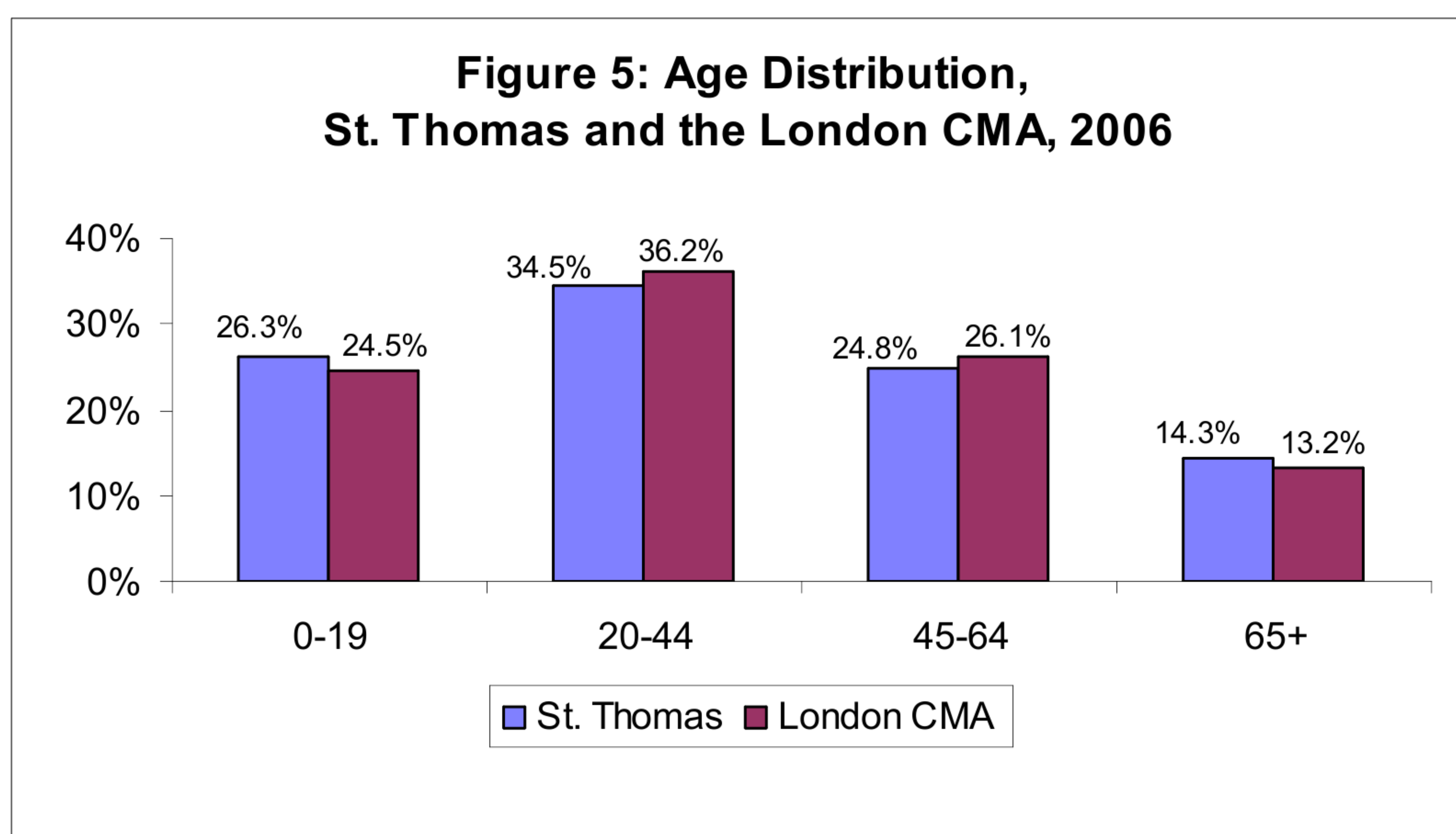
- The aging of baby boomers is reflected in the significant increase of 19% estimated for the age category 45 to 64 years.² Between 2001 and 2006, the number of persons aged 60-64 years increased by 30%; the number of those aged 55-59 years increased by 25% and of those aged 45-49 years by 18%. These rates are approximately two to three times the increase in the overall population (9%). These changes suggest that in the short-run, there is a strong demand from the middle age group for move up housing (for those with growing children at home) and move down housing (for empty nesters).
- The number of younger adults between 20 and 44 is estimated to have grown by 4% - below the overall growth in the population
- Between 2001 and 2006, the number of children and teenagers aged 0-19 is estimated to have increased by 9% - the same as the overall increase in the population.

² The “baby boomers” were born between 1946 and 1966 – a period of strong economic growth and high birth rates in the post-war era.

- The number of persons aged 65 years and older is estimated to have grown by 5% between 2001 and 2006 with the highest increases being amongst those aged 65-69 and 80-84.

2.1.5 St. Thomas Has a Similar Age Distribution as the London CMA and Ontario

Figure 5 compares the age distribution in St. Thomas to that of the London CMA. Generally, St. Thomas has a similar age distribution as the London CMA; however, the proportion of the population aged 20-44 and 45-64 years is smaller compared to the London CMA, while the proportion of those aged 0-19 years and those 65 years and older is somewhat higher than the London CMA.



Source: Statistics Canada 2006; Lapointe Consulting Age Estimates

2.1.6 Number of Households in St. Thomas is Growing at a Faster Rate than the Population

Table 4 below shows the growth in the number of private households in St. Thomas between 1991 and 2006. Household growth in the London CMA and Ontario are also shown.

- Between 2001 and 2006 the number of private households in St. Thomas increased by approximately 1,400 or 11%, far ahead of the London CMA, where household growth was 7%, and Ontario as a whole which experienced overall household growth of 8%.
- Between 1996 and 2001 the growth in the number of private households in St. Thomas was close to 1,000 households representing an 8% increase in this time period. During the same period the number of private households in the London CMA increased by 6% and in Ontario by 8%.
- Between 1991 and 1996 the number of private households in St. Thomas grew by 10% while the number of private households in the London CMA increased by 6% and in Ontario the number of private households increased by 8%.
- In all time periods, the growth in the number of households was higher than the growth in St. Thomas's population – a pattern that was also observed in the London CMA. St. Thomas's relatively high household growth rate reflects new housing that has been added in St. Thomas along with the aging of the population and the trend of smaller household sizes.

Table 4: Household Growth, St. Thomas, London CMA and Ontario 1991-2006

Year	St. Thomas		London CMA		Ontario	
	#	% Change	#	% Change	#	% Change
1991	11,530		146,905		3,638,364	
1996	12,700	10.1%	156,010	6.2%	3,924,510	7.9%
1996 adj.	12,350		162,960		N/A	
2001	13,315	7.8%	173,125	6.2%	4,219,410	7.5%
2006	14,732	10.6%	184,946	6.8%	4,554,251	7.9%

Note: For 1996 the number of households in St. Thomas was estimated to provide figures comparable to 2001 household estimates following annexations.

Source: Statistics Canada – census figures from various years.

2.1.7 Household Size in St. Thomas Continues to Decline

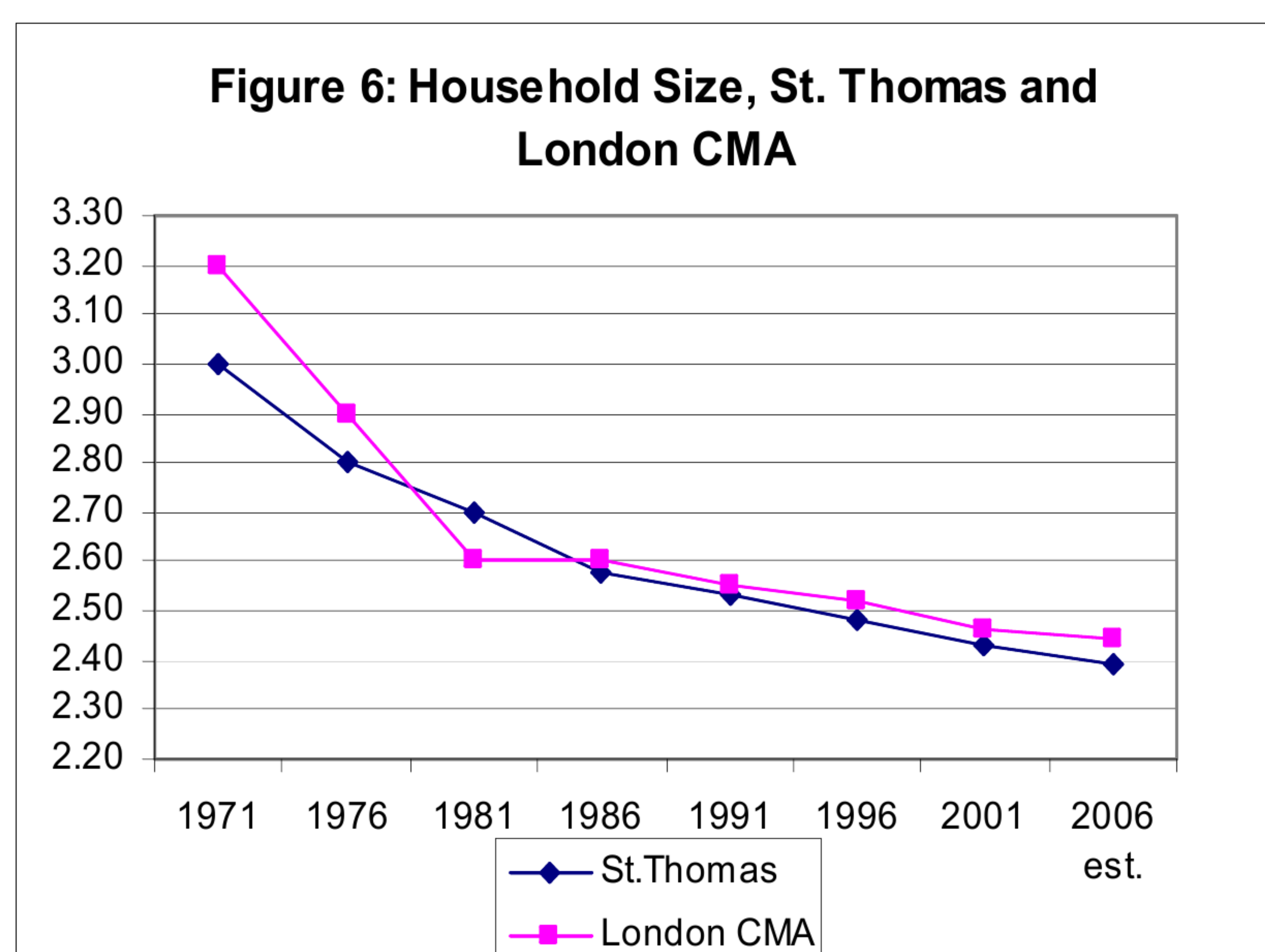
Household sizes in St. Thomas have been declining steadily over the past three decades (refer to Table 5 and Figure 6). In 1971 the household size for St. Thomas was 3.00 persons per household (pph); by 2001 it had declined to 2.43 and by 2006 it is estimated that the household size declined to 2.39 persons per household.³ Household sizes in the London CMA and Ontario have also been declining steadily. These historical changes reflect a number of factors including:

- ⇒ Lower birth rates;
- ⇒ The aging of the population;
- ⇒ Increase in separation and divorces; and,
- ⇒ The tendency of younger and older people to live on their own.

Table 5: Household Size, St. Thomas, London CMA and Ontario, 1971-2006

Year	St.Thomas	London CMA	Ontario
1971	3.00	3.20	3.50
1976	2.80	2.90	3.10
1981	2.70	2.60	2.80
1986	2.58	2.60	2.80
1991	2.53	2.55	2.72
1996	2.48	2.52	2.71
2001	2.43	2.46	2.67
2006 est.	2.39	2.44	N/A

Source: Statistics Canada, various census years



Source: Statistics Canada, various census years

³ Household size data is not yet available from Statistics Canada.

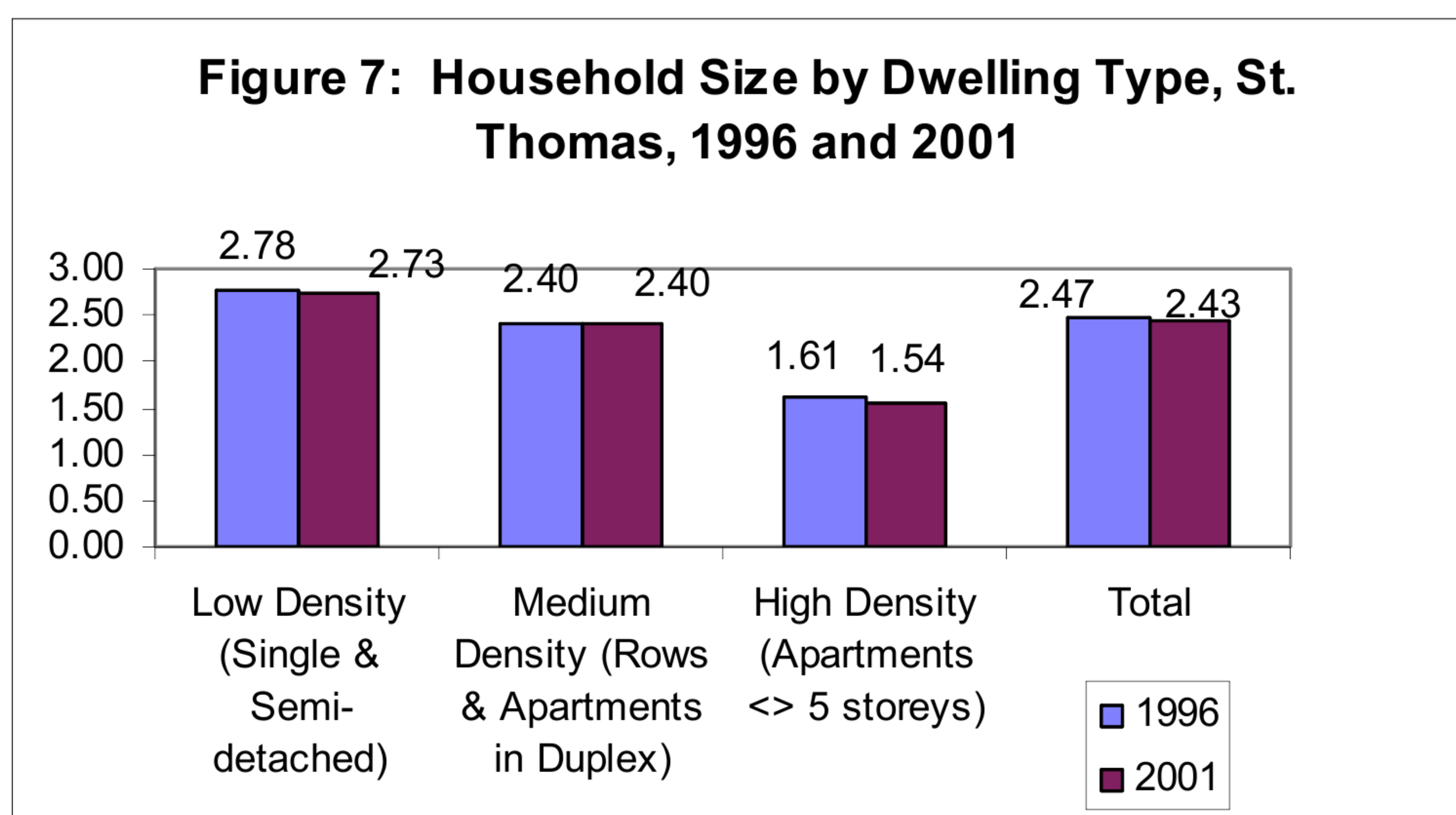
As is shown in Table 6 below, the rate of decline in the household size in St. Thomas has been slowing down compared to earlier periods.

Table 6: Change in St. Thomas's Household Size, 1971-2001

Year	St.Thomas	% Change
1971	3.00	
1976	2.80	-6.7%
1981	2.70	-3.6%
1986	2.58	-4.4%
1991	2.53	-1.9%
1996	2.48	-2.0%
2001	2.43	-2.0%
2006 est.	2.39	-1.6%

Source: Statistics Canada, various years.

Household sizes are largest in low density housing (single and semi detached dwellings) and smallest in higher density housing (high-rise apartment buildings) as shown in Figure 7 below.⁴ There was a slight decline in the household size in low and high density housing between 1996 and 2001 and no decline in medium density housing (row houses and apartments in duplexes).

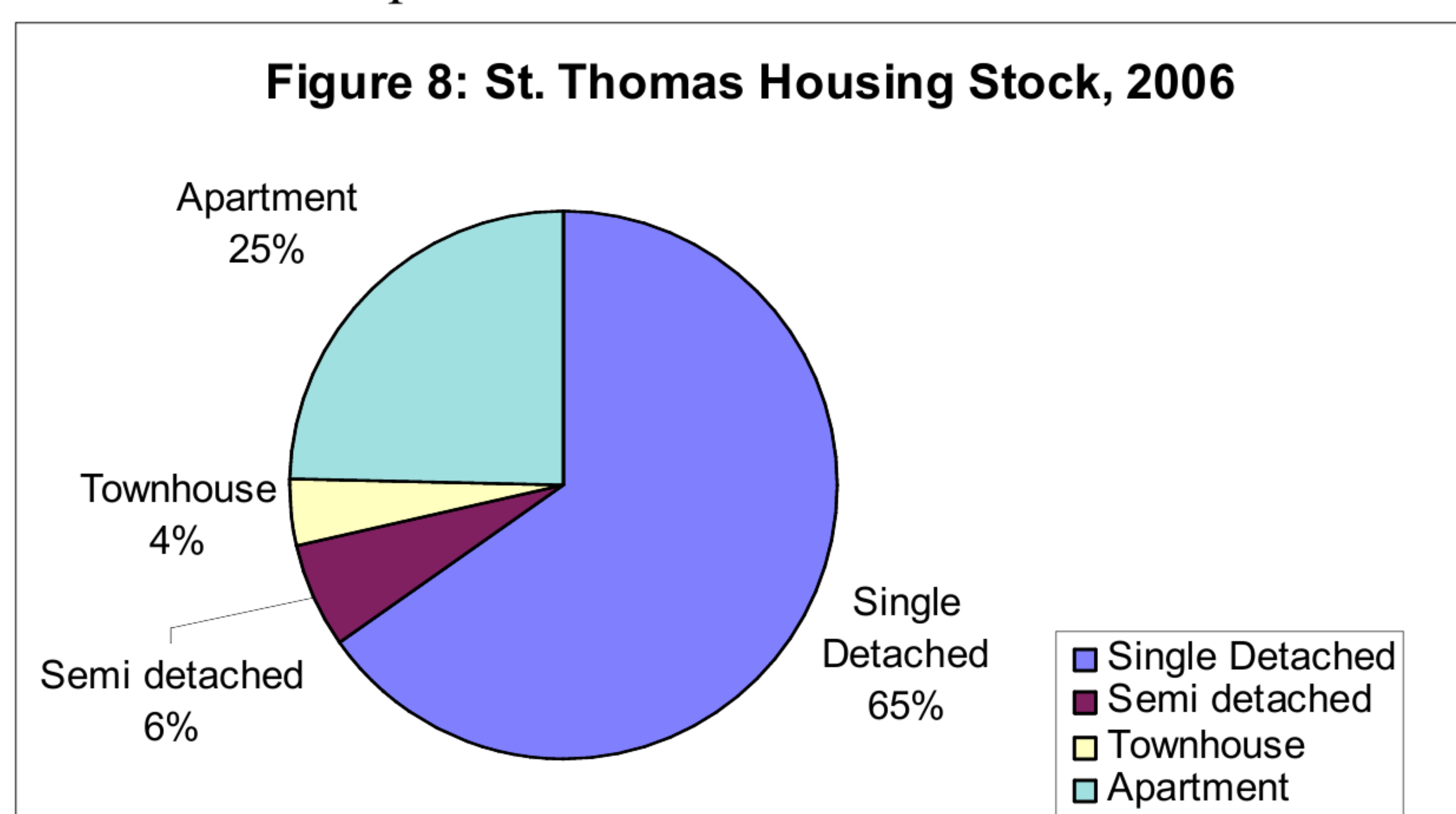


⁴ Household sizes were obtained through a custom tabulation from Statistics Canada. Low density includes single and semi-detached housing, medium includes row houses and apartments in duplexes; high density includes apartments in buildings with fewer than 5 stories and with 5 or more stories.

2.2 HOUSING MARKET ANALYSIS

2.2.1 Proportion of Single Detached and Owned Housing is Increasing in St. Thomas

Single detached dwellings account for 65% of St. Thomas's housing stock (as of the end of 2006) – up from 63% in 2001. Semi detached dwellings accounted for 6% of housing and townhouses accounted for 4% - the same proportions as in 2001. Apartment units account for a smaller share of housing in 2006 compared to 2001 – declining from 27% of units in 2001 to 25% in 2006. These changes in the composition of St. Thomas's housing stock reflect the strong orientation of new construction in St. Thomas towards the single detached housing market. It is anticipated that there will be more apartment construction in St. Thomas in the next few years as a result of the City's participation in the Affordable Housing Program and the private development of a number of six-plexes.



Source: Lapointe Consulting Estimates

As is shown in Table 7, just over two-thirds (68.5%) of St. Thomas's housing stock are owned units and 31.5% are rented. Almost all single detached dwellings (93%) are owned units while just under three quarters (72%) of semis are owned. In St. Thomas the majority (88%) of townhouses are rented while 12% are owned – this is in contrast to the London CMA where approximately half of townhouses are owned and half are rented.

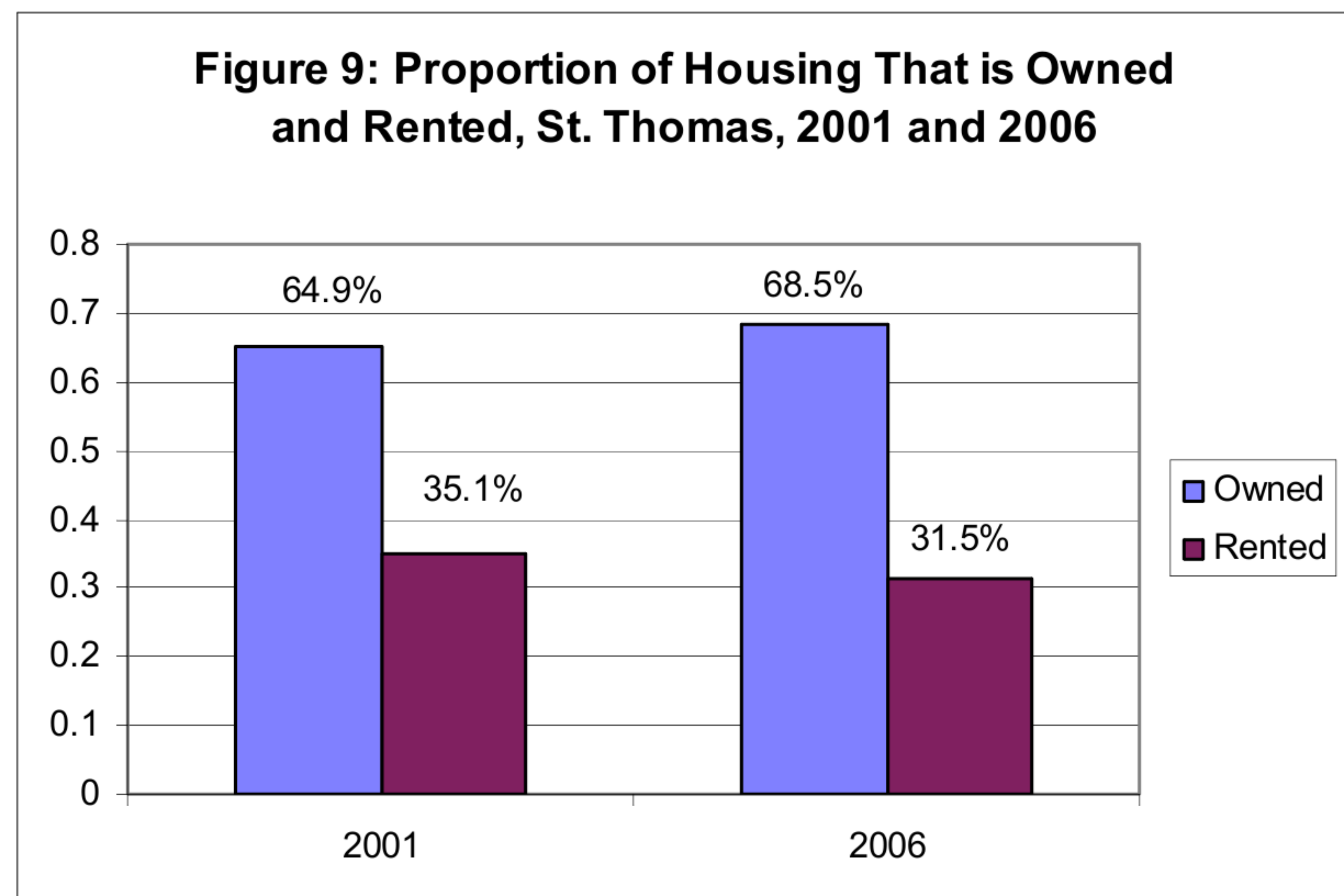
Table 7: Tenure of St. Thomas Housing Stock, 2006

	Single Detached		Semi Detached		Townhouse		Apartment			Total	
	#	%	#	%	#	%	Duplex	< Than 5 storeys	5+ storeys	#	%
Owned %	8,997	93.4%	659	71.7%	70	12.1%	220	170	15	405	11.1%
	88.8%		6.5%		0.7%		2.2%	1.7%	0.1%	4.0%	100.0%
Rented %	640	6.6%	260	28.3%	510	87.9%	480	2,005	765	3,250	88.9%
	13.7%		5.6%		10.9%		10.3%	43.0%	16.4%	69.7%	100.0%
Total %	9,637	100.0%	919	100.0%	580	100.0%	700	2,175	780	3,655	100.0%
	65.2%		6.2%		3.9%		4.7%	14.7%	5.3%	24.7%	100.0%

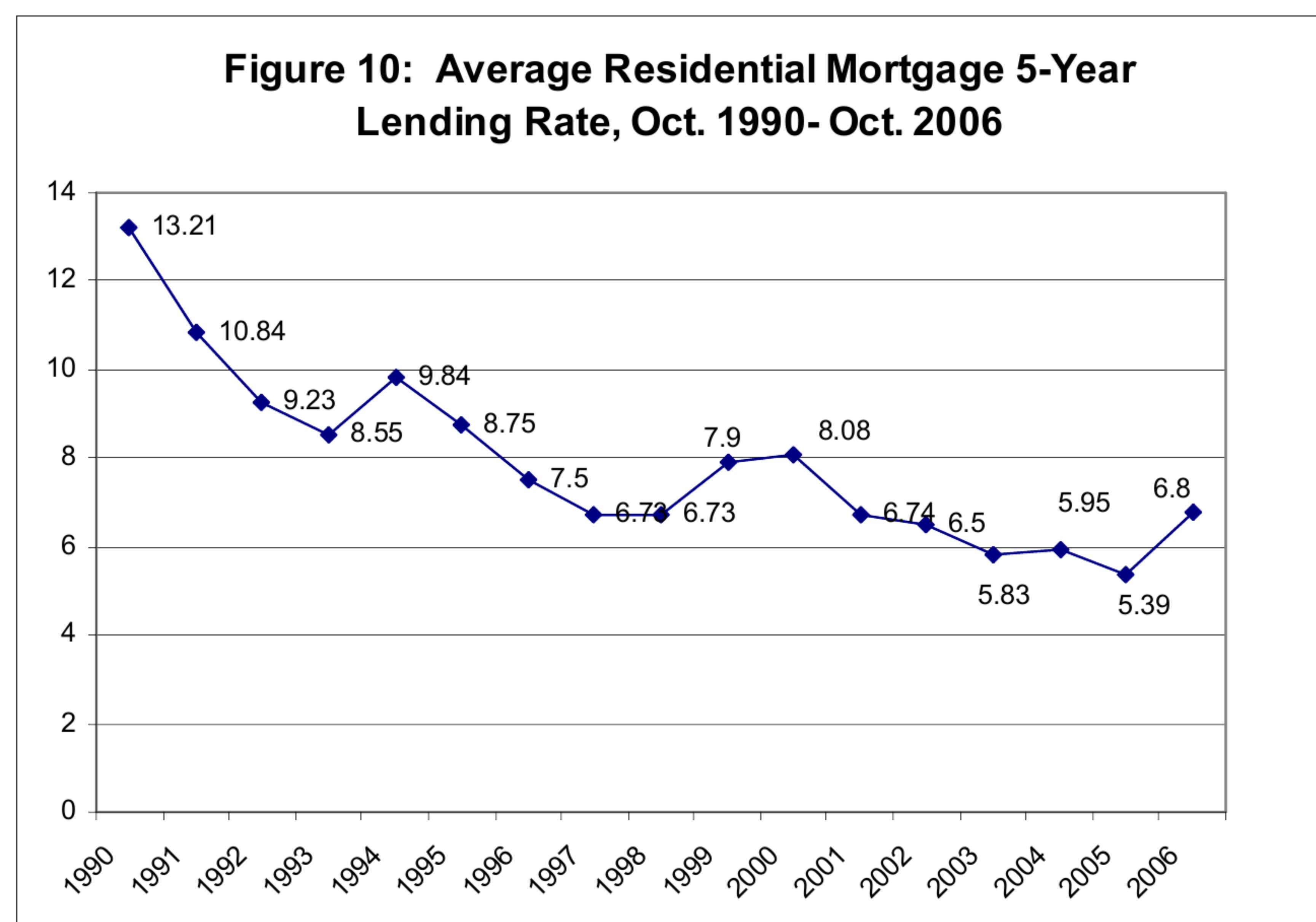
Source: Estimated by Lapointe Consulting using 2001 census and CMHC completions to the end of 2006

Most apartments in St. Thomas are rented with only 4% being owned. St. Thomas's rental stock is predominantly found in low-rise buildings including six-plexes and duplexes. Together low-rise apartment buildings and duplexes account for three quarters (76%) of apartments that are rented in St. Thomas.

The proportion of housing that is owned has increased from 65% in 2001 to an estimated 69% by the end of 2006. The increasing share of owned dwellings is the result of no new additions to the rental housing stock and new construction being oriented to the homeowner market. This trend of higher ownership levels has been observed across Canada and is the result of the generally lower interest rate climate which has made homeownership more affordable – even when prices have been increasing since 2001 (see Figure 10 below).



Source: Estimated by Lapointe Consulting using 2001 census and CMHC completions to the end of 2006



Source: Bank of Canada except 2006 - from posted rates from Major Financial Institutions

2.2.2 Housing Production in St. Thomas Has Doubled in the Past Decade

There has been a significant upswing in residential development in St. Thomas since the early part of the 1990's. For example, during the five-year period 2002-2006 an annual average of 283 housing units were completed – double the annual average of 151 housing units between 1992-1996. This increased level of housing production has primarily been due to increased levels of single detached housing production. The current annual average of 280 single detached dwelling completions during the five-year period, 2002-2006, is more than double the annual average of 122 residential completions in the 1992-1996 period. At the same time, the level of semi detached and town houses has declined substantially.

The increased level of residential development in St. Thomas is due to a number of factors including:

- The addition of several blocks of land for residential development in the south and south-west corner of St. Thomas as well as in the north end;
- The healthy economic climate that has characterized Ontario since end of the recession of the early 1990's;
- Low mortgage rates that have made home ownership more affordable;
- The price advantage that St. Thomas has compared to other parts of the London CMA. For example, in 2006 the average price of a new absorbed single detached dwelling in St. Thomas was \$221,737 or 20% lower than the average price in the City of London of \$281,845.
- A successful “**25% More**” campaign by the St. Thomas & Elgin Home Builders' Association marketing St. Thomas as a place to live and grow;
- The growing sophistication of the development industry in St. Thomas which includes developers and home builders who are winning national, provincial and local awards from the building industry;
- The small town atmosphere in St. Thomas that includes access to a good system of parks and local schools as well as a rejuvenated downtown area; and,
- Easy access to employment and natural settings as well as to big box and commercial development in the City and nearby London.

Based on statistics gathered by a local builder/developer, half of those who purchase new homes in St. Thomas are from St. Thomas; between 20-30% are from the City of London and approximately a fifth are from other places in Ontario. St. Thomas is building homes that are attractive to younger families, the move up market and empty nesters and retirees.

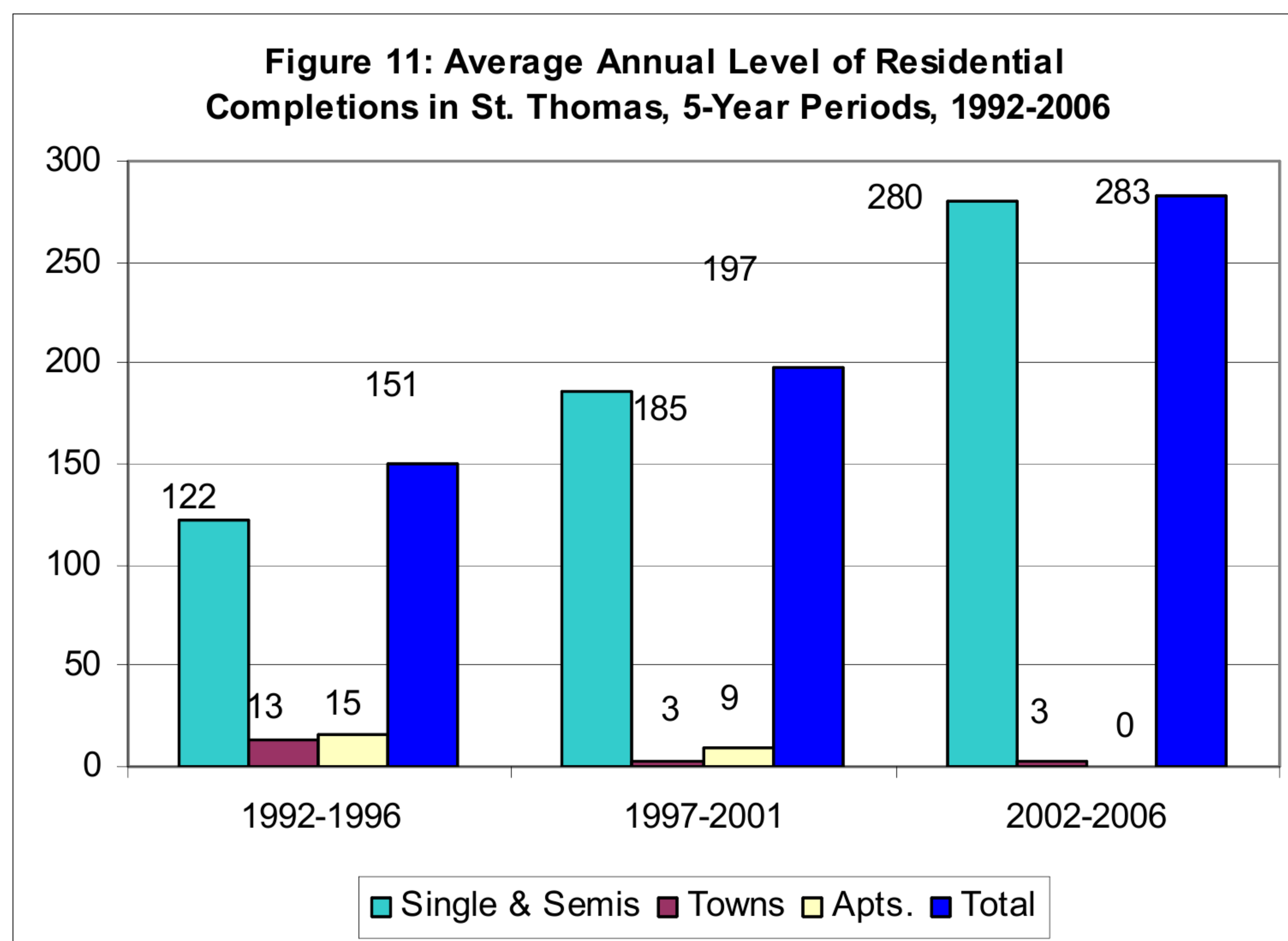
2.2.3 Development Shift to Single Detached Dwellings

The predominance of single detached housing is reflected in Figure 11 and Table 8 below. Single detached dwellings accounted for 94% of housing production in the five-year period 2002-2006 while semi detached housing accounted for 5% of housing and town houses

accounted for 1%. This is in contrast to the period in the early 1990's (1992-1996) when single detached housing accounted for 43% of housing completions; semi detached accounted for 38%, 9% were town houses and 10% were apartments. Many of the town houses and apartments that were developed in the early 1990's were built under the earlier non-profit housing programs supported by the federal and provincial governments, and then solely by the Provincial government until 1995, when the Province "got out of the housing business".

A much higher proportion of housing production in St. Thomas has been in the low density type (single detached and semi detached) compared to the London CMA as a whole. For example, in the past five-year period (2002-2006), approximately three quarters (76%) of housing completions in the London CMA were single detached or semi detached compared to 99% in the City of St. Thomas. In the London CMA, town houses accounted for 10% of dwelling completions and apartments accounted for 14% during this same period. Apartment completions in the City of London represent both rental and condominium tenure.

While most of the housing being built is ownership housing, some housing for seniors and empty nesters is being developed as "vacant lot condominiums". Under this condominium tenure, vacant lots can be sold to a purchaser or a builder. The lot and the house are owned by the purchaser while common areas including the roads are owned by the condominium which provides at a minimum ongoing maintenance for the common areas but may also include maintenance on that part of the site that is associated with the unit. This type of development allows for the development of singles at a higher density than is normally associated with freehold development, although higher densities are not always the result.



Source: CMHC Market Analysis Division

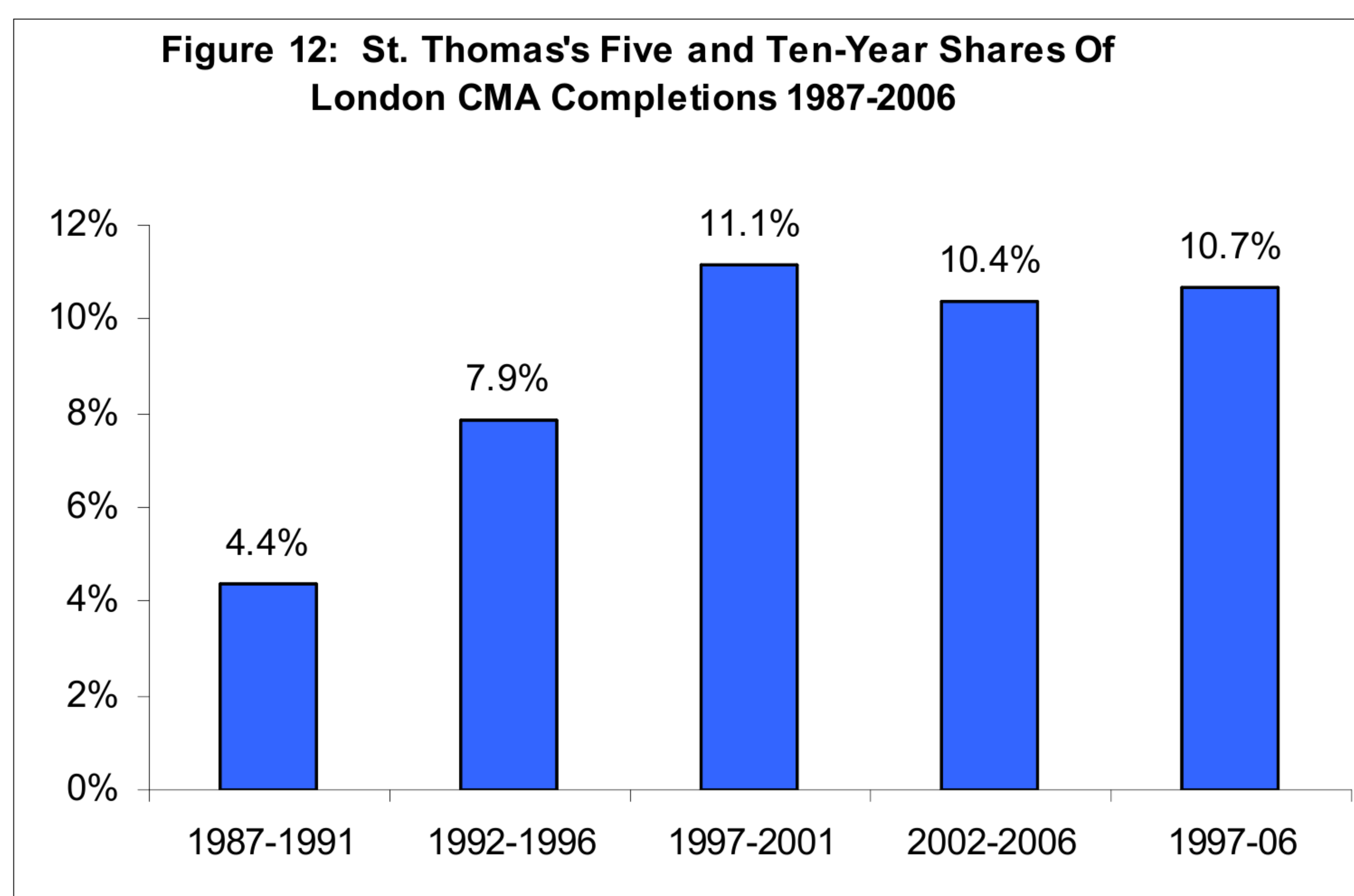
**Table 8: Residential Completions, City of St. Thomas
and the London CMA, 1990-2006**

Year	City of St. Thomas												London CMA											
	Singles	% of CMA	Semis	% of CMA	Single & Semis	% of CMA	Towns	% of CMA	Apts.	% of CMA	Total	% of CMA	Singles	% of CMA	Semis	% of CMA	Single & Semi	% of CMA	Town-house	% of CMA	Apts.	% of CMA	Total	
1990	46	3.0%	16	11.8%	62	3.7%	118	10.1%	65	3.6%	245	5.3%	1,529	32.9%	136	2.9%	1,665	35.8%	1,174	25.3%	1,806	38.9%	4,645	
1991	46	7.2%	6	11.5%	52	7.5%	50	11.4%	17	2.5%	119	6.6%	642	35.5%	52	2.9%	694	38.4%	438	24.2%	676	37.4%	1,808	
1992	35	4.0%	38	25.0%	73	7.2%	67	7.8%	4	0.7%	144	5.9%	867	35.6%	152	6.3%	1,019	41.9%	858	35.3%	555	22.8%	2,432	
1993	50	6.4%	56	28.3%	106	10.8%	0	0.0%	31	12.0%	137	8.3%	779	47.0%	198	11.9%	977	58.9%	424	25.6%	258	15.6%	1,659	
1994	95	10.3%	52	18.4%	147	12.2%	0	0.0%	30	2.9%	177	6.6%	922	34.5%	282	10.5%	1,204	45.0%	447	16.7%	1,022	38.2%	2,673	
1995	73	12.1%	62	28.7%	135	16.5%	0	0.0%	12	3.5%	147	9.8%	601	40.1%	216	14.4%	817	54.5%	342	22.8%	339	22.6%	1,498	
1996	68	8.9%	80	34.8%	148	14.8%	0	0.0%	0	0.0%	148	11.5%	767	59.6%	230	17.9%	997	77.5%	263	20.5%	26	2.0%	1,286	
1997	158	12.8%	86	48.3%	244	17.3%	0	0.0%	0	0.0%	244	14.3%	1,236	72.4%	178	10.4%	1,414	82.8%	274	16.0%	20	1.2%	1,708	
1998	146	11.4%	20	40.0%	166	12.5%	0	0.0%	8	50.0%	174	10.7%	1,276	78.8%	50	3.1%	1,326	81.9%	278	17.2%	16	1.0%	1,620	
1999	174	13.3%	10	38.5%	184	13.8%	0	0.0%	24	12.1%	208	11.3%	1,306	70.9%	26	1.4%	1,332	72.3%	312	16.9%	199	10.8%	1,843	
2000	164	13.1%	2	9.1%	166	13.1%	5	1.8%	12	3.4%	183	9.6%	1,250	65.7%	22	1.2%	1,272	66.9%	274	14.4%	356	18.7%	1,902	
2001	166	12.9%	0	0.0%	166	12.8%	11	3.6%	0	0.0%	177	9.9%	1,283	72.1%	18	1.0%	1,301	73.1%	305	17.1%	174	9.8%	1,780	
2002	230	12.3%	0	0.0%	230	12.2%	5	2.7%	0	0.0%	235	11.0%	1,873	87.4%	18	0.8%	1,891	88.2%	182	8.5%	70	3.3%	2,143	
2003	224	12.4%	0	0.0%	224	12.2%	4	1.6%	0	0.0%	228	10.5%	1,812	83.4%	20	0.9%	1,832	84.3%	246	11.3%	94	4.3%	2,172	
2004	298	13.3%	0	0.0%	298	13.2%	0	0.0%	0	0.0%	298	8.7%	2,243	65.2%	22	0.6%	2,265	65.9%	339	9.9%	834	24.3%	3,438	
2005	250	11.8%	12	37.5%	262	12.2%	6	1.7%	0	0.0%	268	8.8%	2,111	69.0%	32	1.0%	2,143	70.0%	356	11.6%	562	18.4%	3,061	
2006	332	15.6%	52	81.3%	384	17.5%	0	0.0%	0	0.0%	384	13.8%	2,128	76.4%	64	2.3%	2,192	78.7%	239	8.6%	356	12.8%	2,787	
5-Yr. Avg. 1987-1991	52	3.1%	10	7.7%	62	3.5%	45	5.0%	73	5.2%	180	4.4%	1663	40.6%	135	3.3%	1798	43.9%	902	22.0%	1394	34.0%	4093	
5-Yr. Avg. 1992-1996	64	8.2%	58	26.7%	122	12.1%	13	2.9%	15	3.5%	151	7.9%	787	41.2%	216	11.3%	1,003	52.5%	467	24.4%	440	23.0%	1,910	
5-Yr. Avg. 1997-2001	162	12.7%	24	40.1%	185	13.9%	3	1.1%	9	5.8%	197	11.1%	1270	71.7%	59	3.3%	1,329	75.1%	289	16.3%	153	8.6%	1,771	
5-Yr. Avg. 2002-2006	267	13.1%	13	41.0%	280	13.5%	3	1.1%	0	0.0%	283	10.4%	2033	74.8%	31	1.1%	2,065	75.9%	272	10.0%	383	14.1%	2,720	
10-Yr. Avg. 1997-06	214	13.0%	18	40.4%	232	13.7%	3	1.1%	4	1.6%	240	10.7%	1652	73.6%	45	2.0%	1,697	75.6%	281	12.5%	268	11.9%	2,245	
15-Yr. Avg. 1992-2006	164	12.0%	31	30.8%	196	13.3%	7	1.9%	8	2.5%	210	9.8%	1364	63.9%	102	4.8%	1,465	68.7%	343	16.1%	325	15.3%	2,133	
	78.1%		14.9%		93.1%		3.1%		3.8%		100.0%		63.9%		4.8%		68.7%		16.1%		15.3%		100.0%	

Source: CMHC Market Analysis Branch

2.2.4 St. Thomas's Share of London CMA Housing Market

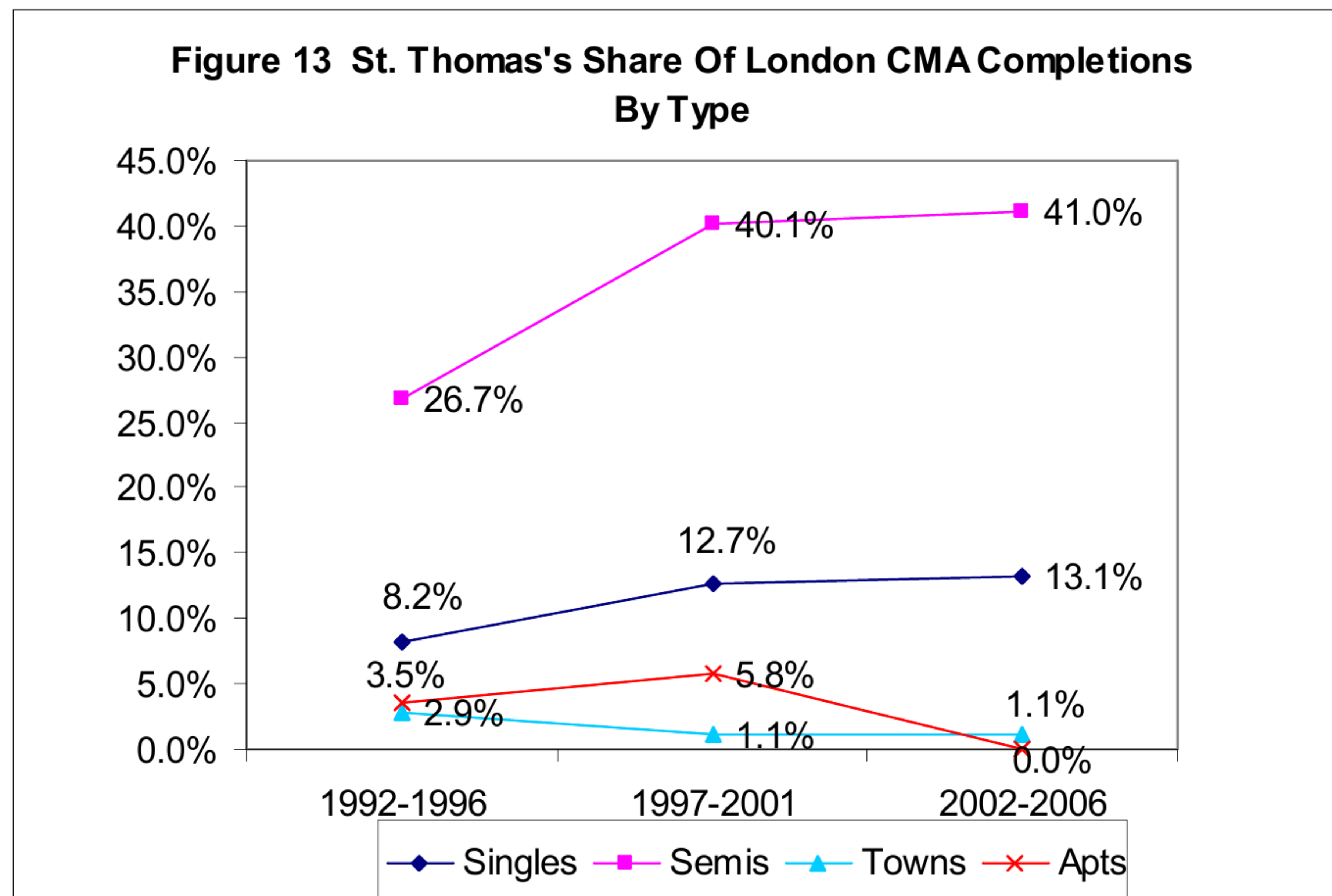
The share of housing completions in the London CMA market captured by St. Thomas has increased from 4% in the late 1980's and early 1990's when development was limited by land supply constraints. The higher share of 8% in the 1992-1996 period was the result of the City's growth management strategy of increasing the land supply. Over the decade 1997-2006, the City's share has been around 11% of London CMA housing production. (Refer to Figure 12 below and Table 8 above.) St. Thomas's share of completions would have been higher if there were a greater mix of housing types being developed in St. Thomas – including more town houses and apartments.



Source: CMHC Market Analysis Branch

St. Thomas's share of single detached housing has grown from 8% in the five-year period, 1992-1996 to 13% over the past decade. At the same time, St. Thomas's share of semi detached units has grown from 27% to 40%; however, this share still represents a relatively small number of units because the production of semis has declined significantly in the London CMA as a whole.

At the same time the share of townhouses and apartments has declined substantially. Thus, the share of townhouses dropped from 9% in 1992-1996 to 1.1% in the 1996-2001 period to 0% in the 2002-2006 period. Apartments accounted for 4% of all completions in the 1992-1996 period and 6% in the 1997-2001 period but then fell to 0% in the five-year period, 2002-2006.

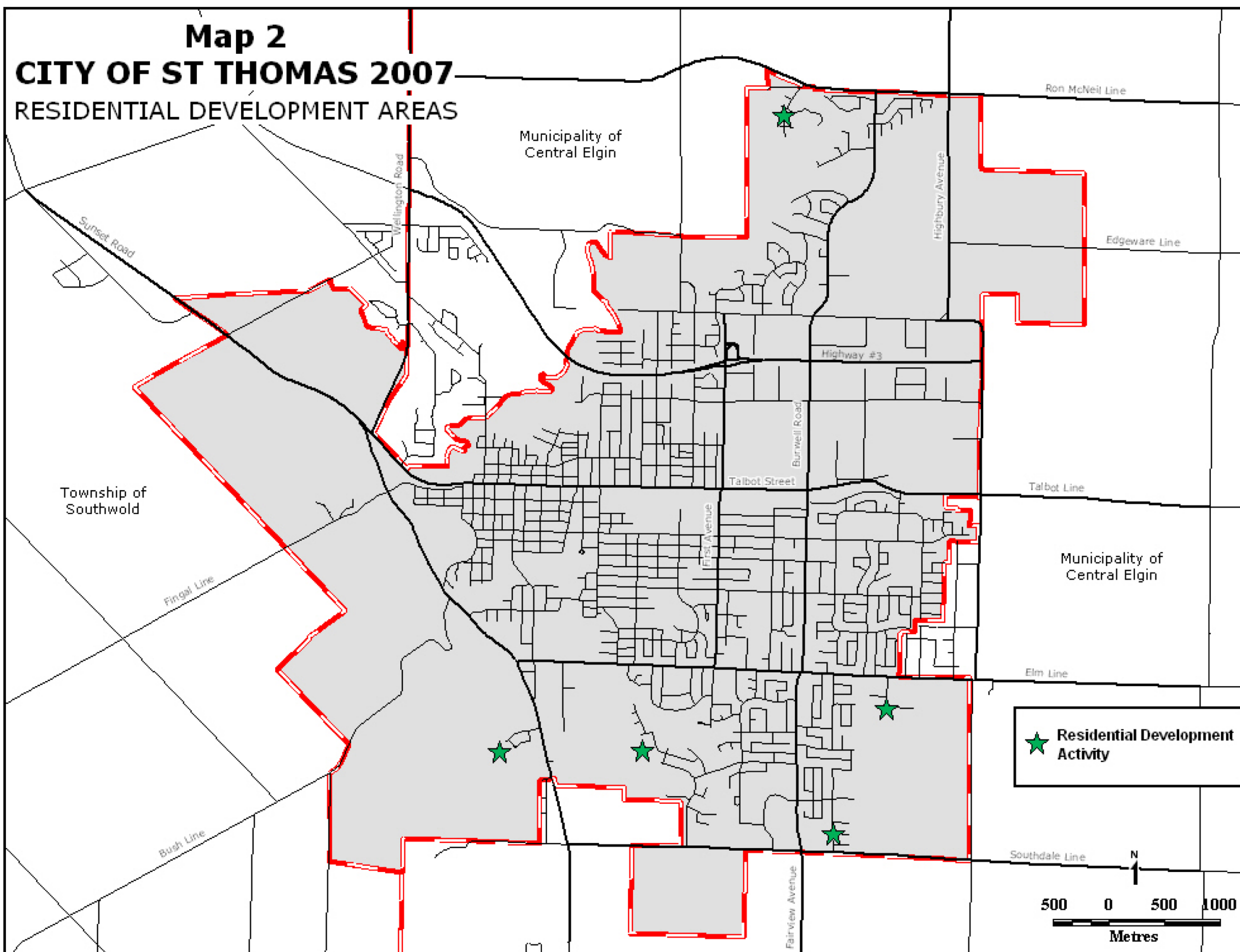


Source: CMHC Market Analysis Branch

2.2.5 Where Development is Taking Place in St. Thomas

At this time there is a substantial amount of development in St. Thomas with developers and builders active in several areas throughout the City as shown on Map 2 on the following page. A number of these areas are becoming built out and St. Thomas is once again facing potential land supply shortages in the future.

In addition to these areas, there are several infill projects. Two such projects have been approved under the Canada-Ontario Affordable Housing Program (AHP) – a 23-unit apartment building at 25 Scott Street (mostly two-bedroom apartments) and a 3-storey 12-unit apartment building (all two-bedroom apartments) on Steele Street in St. Thomas adjacent to the YMCA Day Care Centre. Both projects are close to Talbot Street – St. Thomas's Main Street. As well there are two six-plexes being developed on Highview Avenue close to the Elgin Mall on Wellington Street.



2.2.6 Housing Prices and Rents

In this section, we will briefly talk about trends in house prices and rents. We will also discuss housing affordability; however, a more in-depth review of affordable housing will be undertaken in a separate report as the Provincial Policy Statement requires municipalities to establish affordable housing targets. Generally, affordability is based on households not paying more than 30% of their income on housing.

2.2.6.1 Ownership Housing

According to the London and St. Thomas Association of Realtors, the average price of a resale home in St. Thomas at the end of the first quarter of 2007 was \$169,200 compared to \$198,200 in the London CMA as a whole.

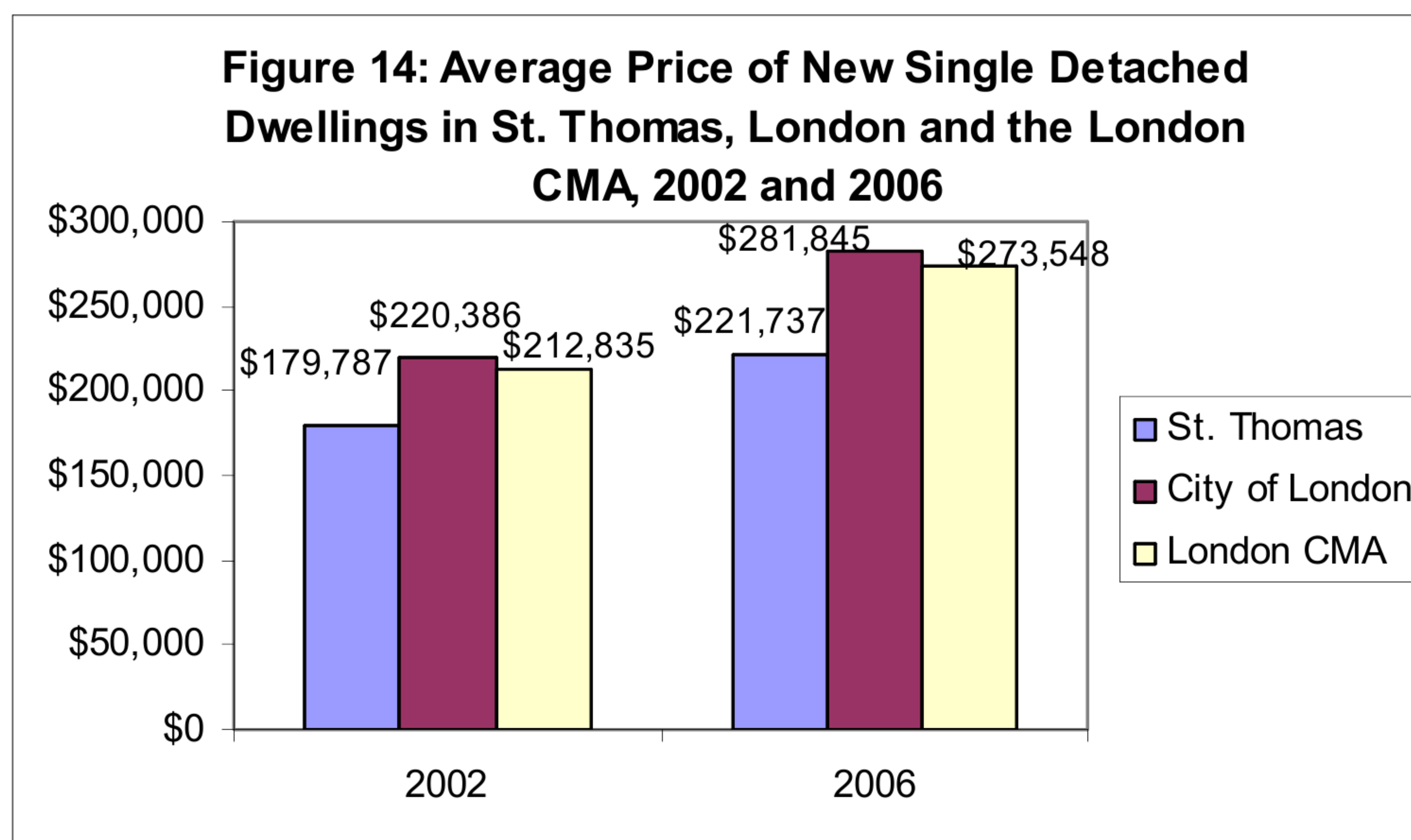
While new house prices in the St. Thomas area have been increasing, St. Thomas continues to provide ownership housing at a lower price than is found in the City of London and other London CMA markets. For example, 35% of new single detached homes that were sold in 2006 in St. Thomas were priced below \$200,000 compared to 10% of homes in the City of London and 14% in the London CMA as a whole (refer to Table 9 below).

Table 9: Distribution of New Absorbed Single Detached House Prices

	< \$200,000		\$200,000 - \$249,999		\$250,000 - \$299,999		\$ 300,000 - \$399,999		\$ 400,000 +		Total	
	# of units	share (%)	# of units	share (%)	# of units	share (%)	# of units	share (%)	# of units	share (%)	# of units	share
London City												
2006	139	9.5%	486	33.3%	419	28.7%	292	20.0%	125	8.6%	1461	100.0%
2005	205	14.2%	523	36.1%	319	22.0%	258	17.8%	142	9.8%	1447	100.0%
St. Thomas												
2006	114	34.7%	132	40.1%	69	21.0%	13	4.0%	1	0.3%	329	100.0%
2005	118	47.6%	77	31.0%	32	12.9%	18	7.3%	3	1.2%	248	100.0%
London CMA												
2006	295	14.0%	703	33.4%	582	27.6%	380	18.0%	147	7.0%	2,107	100.0%
2005	411	19.6%	722	34.5%	437	20.9%	333	15.9%	190	9.1%	2,093	100.0%

Source: Housing Now: CMHC London Branch Office

Between 2002 and 2006, the average price of a single detached home increased in St. Thomas by 23% or about 3 times the rate of inflation estimated to be 8% during this time period (based on the change in Ontario's Consumer Price Index). During this same time period, the price of new single detached dwellings house prices rose by 28% in the City of London and the London CMA.



Source: *Housing Now: CMHC London Branch Office*

Under the Provincial Policy Statement, affordable ownership housing is defined as the lower of:

- a) housing which is affordable to the 60th percentile of all households (i.e, the income below which 60% of all households fall) or,
- b) a price that is 10% below the average price of a resale unit in the regional market area, whichever is lower.

In St. Thomas, a household at the 60th percentile would have an income of \$64,800 and would be able to afford to carry a home for \$219,000.⁵ However, the average resale price for municipalities in the geographic area called Elgin County (which includes St. Thomas) is \$179,000 and 10% below the average resale price is \$161,100. Therefore, for the purposes of the PPS, the figure of \$161,000 is used to define the upper limit of affordable ownership housing.

A small proportion of funding under the Canada-Ontario Affordable Housing Program is available for ownership housing. Under this program, affordable housing is defined as housing that is affordable to the 50th percentile of income for the area covered by the Service Manager. In the case of St. Thomas, the income at the 50th percentile was \$53,700 and the affordable house price was \$178,500.

It is not known the exact number of single detached dwellings that sold for less than \$161,000, i.e., the threshold for affordable ownership housing; however; according to data provided by CMHC, 5% of new single detached houses in St. Thomas sold for less than \$164,999 in 2006. Based on discussions with local developers and builders, only one type of new housing is being built at the Provincial affordable house price level and that is semi detached (without a garage).

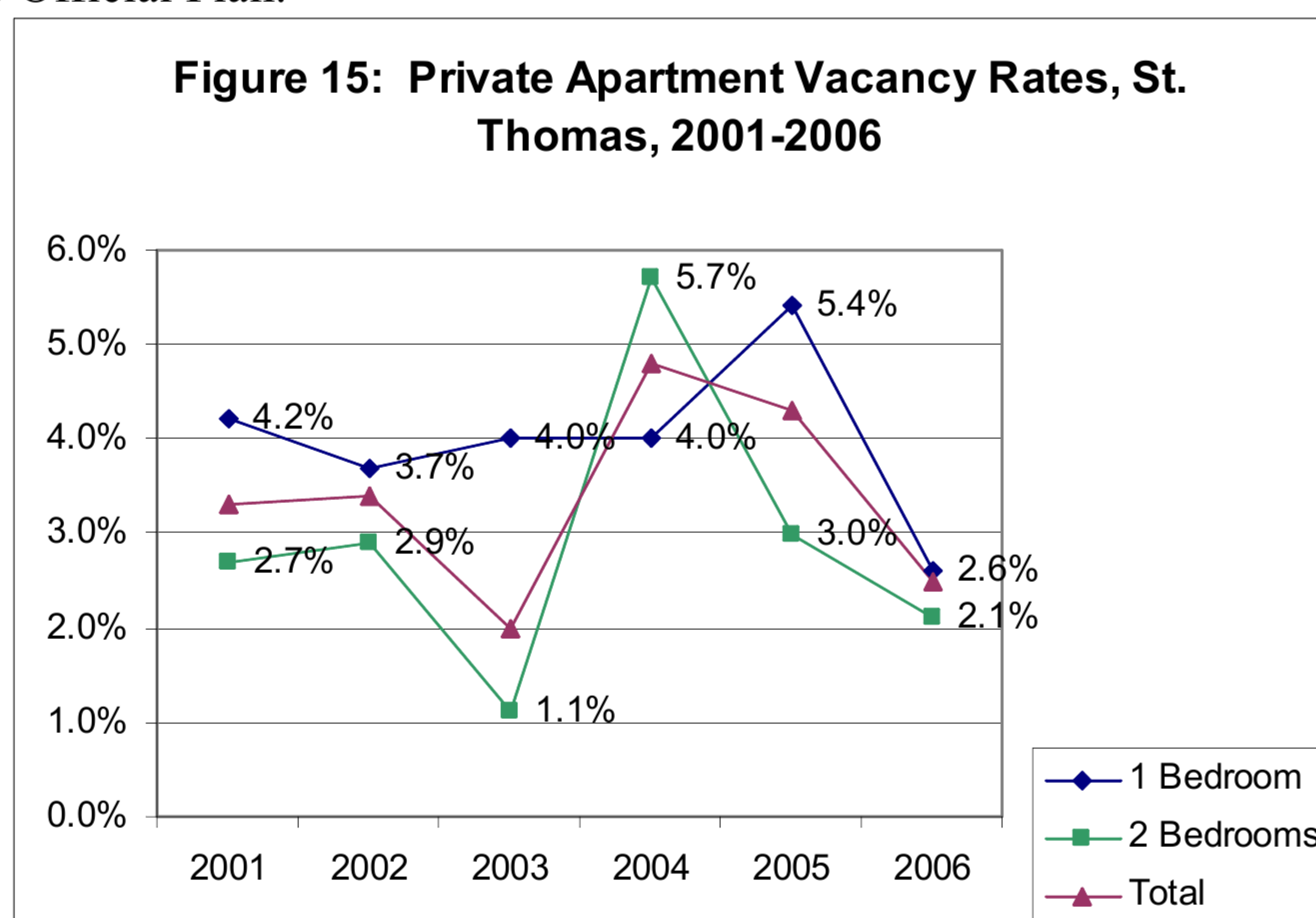
⁵ Affordable house prices and rents are defined in an Information Bulletin issues by the Ontario Ministry of Municipal Affairs and Housing, October, 2006.

At this time, a modest semi detached unit without a garage would sell for as low as \$150,200 – a level which according to the Provincial information bulletin would be affordable to the 40th income percentile.

While local builders and developers have focussed on responding to the market for low density ownership housing, mostly single detached, town houses also provide a house form that could be built as affordable ownership housing. It is estimated that townhouses could be built for \$5,000 to \$10,000 less than the lowest priced semi-detached dwellings and would assist the City in meeting the need for affordable ownership housing. To date town houses have been geared to the higher end market in St. Thomas and more affordable townhouses have not been built in the City in recent years. Town houses have been more popular in higher priced markets where they offer an entry level housing for first time home buyers or an alternative house form for empty nesters and retirees.

2.2.6.2 Rental Housing

Approximately a third (32%) of households in St. Thomas are tenants (refer to Figure 9 on Page 14). However, for some time now there has been virtually no rental housing development in the City. The coming year however, will see the highest level of rental development in years with the City's participation in the Affordable Housing Program and some development of private rental housing in the form of six plexes. The vacancy rate in the City has fallen to 2.5% compared to 3.6% in the London CMA as a whole. The City recently approved the conversion of two rental buildings to condominiums although in one case, the owner intends to continue to rent out units. These condominium conversions were permitted under the City's current Official Plan policy because vacancy rates had been above 3% in 2004 and 2005. A separate report will be prepared on the City's condominium conversion policy as part of the review of the housing policies in the Official Plan.



Source: CMHC, Rental Market Reports: London CMA, various years.

The average rent by size of rental apartments in St. Thomas in 2006 is shown below in Table 10. The average rent for a bachelor apartment was \$426, for a one bedroom apartment - \$566, and for a two-bedroom apartment - \$673. While rents for one bedroom apartments have been increasing at about the rate of inflation, the rent for two-bedroom units has been increasing at a rate that is lower than the rate of inflation.

Table 10: Average Rent for Rental Apartments in St. Thomas, 2001-2006

Year	Bachelor	1 Bedroom	2 Bedrooms	3+ Bedrooms
2001	n/a	\$515	\$634	n/a
2002	n/a	\$530	\$644	n/a
2003	\$382	\$525	\$673	n/a
2004	n/a	\$534	\$652	n/a
2005	\$452	\$571	\$689	n/a
2006	\$426	\$566	\$673	n/a
Ch. 2001-06	n/a	\$51	\$39	n/a
% Ch. 2001-06	n/a	9.9%	6.2%	n/a
CPI Ch. 2001-06	10.6%	10.6%	10.6%	10.6%

Source: CMHC Rental Market Reports, London, various years, Statistics Canada, and Lapointe Consulting Estimates.

As with ownership housing, the Province has two different definitions of affordable housing which need to be taken into account:

- The Provincial Policy Statement (PPS) defines the upper threshold of affordable rental housing as the lesser of housing that is “affordable” to low and moderate income tenants – defined as units whose rents are affordable to the lowest 60th percentile of tenants or a unit for which rent is at or below the average market rent of a unit in the regional market area.
- The Canada–Ontario Housing Affordable Housing Program establishes affordable rent as that which is 80% of the average rent for a unit size.

Table 11: Affordable Rents According to PPS and Affordable Housing Program, Based on London CMA Rents

Apartment Size	2005		2006	
	Average	Affordable Housing Program (80% of Market Rent)	Average Rent (PPS)	Affordable Housing Program (80% of Market Rent)
Bachelor	\$489	\$391	\$486	\$389
One Bedroom	\$620	\$496	\$628	\$502
Two-Bedroom	\$775	\$620	\$790	\$632
Three-Bedroom	\$904	\$723	\$961	\$769

A more complete discussion of housing affordability and affordable housing targets will be provided in a separate report.

2.3 POPULATION AND HOUSING PROJECTIONS

2.3.1 Methodology

The most recent projections for St. Thomas were completed in 2004 and included a Medium Growth Scenario (considered to be the most likely or “Reference” Scenario) and a High and Low Growth Scenario. For the Medium Growth Scenario, the 2004 report predicted that the population of St. Thomas would reach 41,410 by 2026. For the High Growth Scenario the population was projected to reach 44,933 by 2026, and for the Low Growth Scenario the projection was 40,078 by 2026. A review of recent census data has shown that the City’s population growth was more in line with the high projection as both housing and population growth exceeded the high projection. For 2006, the high projection was 35,599 persons and the average level of housing production was 255 annually. In fact, the census population for the City of St. Thomas in 2006 was 36,110 persons and there have been an annual average of 283 residential completions over the past 5-year period.

For this report we have continued to use 3 alternative growth scenarios:

- The Trends Scenario is considered the outcome of continuing current trends;
- The Strategic Development Scenario reflects the current trend for the single detached housing market but incorporates a greater mix of housing in the future;
- A Modest Scenario would be the outcome that would result from a general slowdown in economic activity.

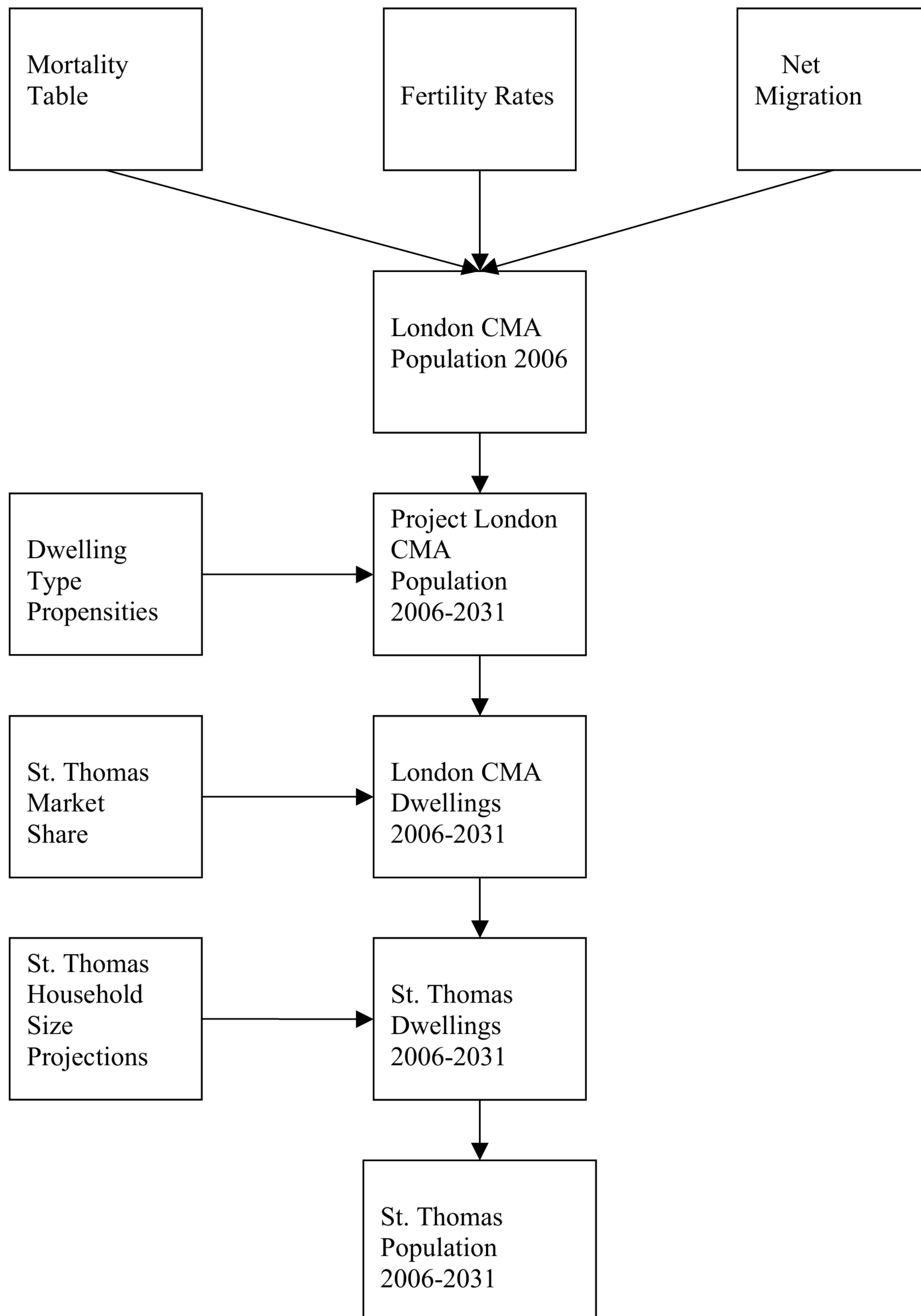
The projections cover a 25-year period from 2006 to 2031, although the emphasis is on the 20-year projections from 2006-2026.

The diagram on the following page illustrates the steps in the methodology that was used:

1. Project the future population for the London CMA by applying birth and death rates to the natural population and estimating future net-migration based on past trends;
2. Apply headship rates (propensities) to each age group to project housing requirements for the London CMA;
3. Determine St. Thomas’s share of different housing types for different time periods;
4. Multiply the projected housing by projected household sizes to obtain population projections.

Our projections for the London CMA are census-based, i.e., they start with the 2006 London CMA census data. Census-based projections are more easily understood when comparing them to future census counts. Although the total population for census divisions across Canada was published in March, the distribution of population by age and gender will not be available until July, 2007. For this reason the distribution of the 2006 population by age and gender has been estimated for both the London CMA and St. Thomas.

Figure 16: St. Thomas Population & Housing Projection Model



2.3.2 Demographic Basis for London CMA Projections

In the demographic model we have used to project population and housing for the London CMA, the components of growth are births, deaths and net migration. These components have been estimated by 5-year periods, from 2006 to each successive Census year.

In the model, deaths are estimated using an Ontario Mortality Table based on 2001 deaths by age and gender obtained from Statistics Canada. Age Specific Fertility Rates for Middlesex County were computed from 2001 births by gender and age of mother provided by the Office of the Registrar General.

To estimate net migration for the London CMA two factors were taken into consideration. The first was the total net migration for each 5-year period of the forecast, and the second was the distribution of net migrants among the 5-year age cohorts projected in the model. To estimate future net migration we looked at the London CMA's share of Ontario net migration in the past. As shown in the following table London's share of Ontario's net migration has been increasing. For the period 2003 and 2004 London's share was 2.6%, while for the period 2004-2005 it was 2.7%. These recent net migration statistics and data from the late 1990's show that London is attracting outsiders at an accelerating rate.

Table 12: Ontario and London CMA Net Migration, 2001-2005

Period	Ontario	London CMA	London Share
2001-02	156400	3,019	1.9%
2002-03	109300	1,831	1.7%
2003-04	94900	2,432	2.6%
2004-05	110000	2,937	2.7%

Source: Ministry of Finance Projections, February 2005 and Statistics Canada

Based on the preceding analysis, we have increased the net migration assumptions used in our demographic model compared to the demographic projections that were undertaken in 2004. Starting from 3.1% for the period 2006 to 2011 the London CMA's share of Ontario net migration is predicted to increase by 0.1% for each 5-year period. Using projections of Ontario net migration contained in the Ministry of Finance February 2005 projections, the following table shows the London net migration assumptions used in the current projections.

Table 13: Ontario and the London CMA Net Migration Projections, 2006-2031

Period	Ontario	London Share	London CMA
2006-2011	566,600	3.1%	17,600
2011-2016	554,000	3.2%	17,700
2016-2021	537,400	3.3%	17,700
2021-2026	521,900	3.4%	17,700
2026-2031	506,400	3.5%	17,700

Source: Ministry of Finance Ontario Population Projections, February 2005 and Lapointe Consulting

The most recent data from Statistics Canada of net migration by age into the London CMA was used as a template to distribute the net migrants shown in the preceding table among the 5-year age cohorts projected in the model. As shown in Table 14 below the majority of net migrants between 2004 and 2005 were young, with the highest concentration in the 18-24 year age group. This influx of younger adults and young families and their children is a reflection of a healthy local economy and the location of post-secondary institutions in the London area, which also will be a positive factor for the future development of the London CMA.

Table 14: London CMA Net Migration by Age, 2004-2005

Age	Net Migration	Distribution
0-17	818	28%
18-24	901	31%
25-44	685	23%
45-64	316	11%
65+	217	7%
Total	2937	100%

Source: Statistics Canada (CANSIM)

2.3.3 London CMA Population Projections

Using the mortality rates, fertility rates, and net migration described in the preceding section as inputs to our model, Lapointe Consulting prepared population projections for the London CMA as shown in the following table:

Table 15: London CMA Population Projections, 2006-2031

Year	Population	5-Yr. Change		Annual Growth Rate
		Change	% Change	
2006 (Census)	457,730			
2011	478,644	20,914	4.6%	0.90%
2016	499,200	20,556	4.3%	0.84%
2021	519,321	20,121	4.0%	0.79%
2026	537,428	18,107	3.5%	0.69%
2031	551,671	14,243	2.7%	0.52%
25-Yr. Change				
2006-2031		93,941	20.5%	0.75%

Source: Lapointe Consulting

As a check on the reasonableness of our projections for the London CMA we compared them to the Ministry of Finance February 2005 projections. Since the Ministry of Finance only projects population for counties and regions, we compared our projections to Middlesex and Elgin of which the London CMA comprises 90% of the population. Also, since our projections are census-based for the reasons explained above, we reduced the Ministry of Finance projections by the 2001 Census undercount of 4% to make them comparable. As the following table shows—when reduced to a census basis—the Ministry of Finance projections and ours are very close.

Table 16: London CMA Population Projections Compared, 2006-2031

Year	Elgin	Middlesex	London CMA Share	M of Fin. Postcensal Estimate	Min. of Fin. Less 4% Undercount	Lapointe Census Based
2006	88,050	438,460	89.0%	468,594	450,038	457,730
2011	91,090	458,480	90.0%	494,613	475,026	478,644
2016	94,400	477,790	90.0%	514,971	494,578	499,200
2021	97,680	496,200	90.0%	534,492	513,326	519,321
2026	100,780	513,110	90.0%	552,501	530,622	537,428
2031	103,270	527,740	90.0%	567,909	545,420	551,671

Source: Ministry of Finance Ontario Population Projections, February 2005 and Lapointe Consulting

2.3.4 London CMA Housing Projections

To project housing requirements for the London CMA, 2001 housing propensities, or the likelihood of different age groups to occupy different tenure and dwelling types, were applied.⁶ These propensities were used in our computerized model to project housing demand for the London CMA

Because propensities are based on the housing stock in 2001, they reflect what has been built over a very long period of time. The dwelling type additions resulting from the application of 2001 propensities were adjusted to take into account market trends based on completions over a 15-year period, recent trends toward the construction of higher density residential units spurred by an aging population and affordability issues, and, the need to meet the objectives of the Provincial Policy Statement (PPS) regarding intensification and a mix of housing types. Projections that would have resulted from just using past housing propensities are included in the Appendix Table A3.

The resulting five-year and annual housing demand for the London CMA is shown in Table 17 below. As the rate of population growth slows in the next 20 to 25 years, the demand for housing in the London CMA is expected to gradually decline. From a high of 2,734 new dwellings annually between 2006 and 2011, additional housing requirements are expected to drop to an annual level of 2,014 between 2021 and 2026 and to 1,585 between 2026 and 2031.

Table 17: London CMA 5-Year and Annual Housing Demand, 2006-2031

Dwelling Type	2006-2011		2011-2016		2016-2021		2021-2026		2026-2031	
	5-Year	Annual	5-Year	Annual	5-Year	Annual	5-Year	Annual	5-Year	Annual
Single Detached	9,704	1,941	8,750	1,750	7,929	1,586	6,247	1,249	4,753	951
% of Total		71.0%		69.0%		65.0%		62.0%		60.0%
Semi Detached	410	82	380	76	366	73	302	60	238	48
% of Total		3.0%		3.0%		3.0%		3.0%		3.0%
Row Housing	1,503	301	1,522	304	1,830	366	1,511	302	1,347	269
% of Total		11.0%		12.0%		15.0%		15.0%		17.0%
Apartments	2,050	410	2,029	406	2,074	415	2,015	403	1,584	317
% of Total		15.0%		16.0%		17.0%		20.0%		20.0%
Total	13,667	2,734	12,681	2,536	12,199	2,440	10,075	2,014	7,922	1,585
% of Total		100.0%		100.0%		100.0%		100.0%		100.0%

Source: Lapointe Consulting

⁶ A special cross-tabulation was ordered from Statistics Canada titled “Persons in Private Households in Private Occupied Dwellings by Age Groups of Primary Household Maintainer and Tenure, showing Structural Type of Dwelling for London CMA”, 2001 Census.

2.3.5 St. Thomas Housing Projections – Three Scenarios

To project future housing requirements for St. Thomas, three alternative scenarios have been developed. Each of these scenarios reflects a different set of assumptions regarding the expected level of residential development in St. Thomas. The three scenarios are: a Trends Growth Scenario (Medium Growth in previous reports); a Strategic Growth Scenario (previously called High Growth), and a Modest Growth Scenario (previously Low Growth). Each scenario and accompanying housing demand is described below.

Trends Growth Scenario

The Trends Growth projection is based on the City of St. Thomas capturing approximately 11% of new demand for residential housing in the London CMA. In the future, it is assumed that St. Thomas will continue to capture its current share of single detached dwellings in the London CMA (13%). Recently a large share of semi-detached dwelling production has been built in St. Thomas. Reflecting this trend St. Thomas is forecast to capture 30% of the London CMA semi-detached dwelling requirements. Over time townhouses are expected to grow in importance starting out at 3% of the London CMA market between 2006 and 2011 and then rising to 8% share by 2031. As St. Thomas continues to grow, more apartments are expected starting out with 5% of the London CMA market between 2006 and 2011 and gradually rising to 8% by 2031.

The resulting mix of housing is more reflective of the kinds of housing that is needed to meet the needs of an aging population and to address Provincial Policy Statement (PPS) objectives regarding affordability, mix of dwellings and intensification.

**Table 18: St. Thomas Projected Shares of London CMA Housing Demand, 2006-2031
Trends Growth Scenario**

Dwelling Type	Share By Type of London CMA				
	2006-11	2011-16	2016-21	2021-26	2026-31
Single Detached	13.0%	13.0%	13.0%	13.0%	13.0%
Semi Detached	30.0%	30.0%	30.0%	30.0%	30.0%
Townhouses	3.0%	6.0%	6.0%	7.0%	8.0%
Apartments	5.0%	7.0%	7.0%	8.0%	8.0%
Total % Of CMA	11.2%	11.7%	11.4%	11.6%	11.7%

Source: Lapointe Consulting

The five-year and annual housing demand for St. Thomas which results from applying the Trends Growth shares in the preceding Table 18 to London CMA future housing requirements is shown in Table 19 below.

**Table 19: St. Thomas 5-Year and Annual Housing Demand, 2006-2031
Trends Growth Scenario**

Dwelling Type	2006-2011		2011-2016		2016-2021		2021-2026		2026-2031		2006-2026		2006-2031	
	5-Year	Annual	5-Year	Annual	5-Year	Annual	5-Year	Annual	5-Year	Annual	20-Yr	Annual	25-Yr	Annual
Single Detached	1,262	252	1,138	228	1,031	206	812	162	618	124	4,243	212	4,861	194
% of Total		82.3%		76.6%		73.9%		69.4%		66.9%		76.0%		74.7%
Semi Detached	123	25	114	23	110	22	91	18	71	14	438	22	509	20
% of Total		8.0%		7.7%		7.9%		7.8%		7.7%		7.8%		7.8%
Townhouses	45	9	91	18	110	22	106	21	108	22	352	18	460	18
% of Total		2.9%		6.1%		7.9%		9.1%		11.7%		6.3%		7.1%
Apartments	103	21	142	28	145	29	161	32	127	25	551	28	678	27
% of Total		6.7%		9.6%		10.4%		13.8%		13.7%		9.9%		10.4%
Total	1,533	307	1,485	297	1,396	279	1,170	233	924	185	5,584	280	6,508	259
% of Total		100.0%		100.0%		100.0%		100.0%		100.0%		100.0%		100.0%

Source: Lapointe Consulting

In the Trends Growth Scenario, over the 20-year period from 2006 to 2026 the demand for new residential construction is expected to total 5,584 units with an average of 280 annually. During this period the demand for single-detached homes is expected to make up a declining share of the total falling from a high of 82% between 2006 and 2011 to 69% between 2021 and 2026.

Medium and higher density forms (townhouses and apartments) are expected to play an increasing role in housing demand rising from 10% between 2006 and 2011 to 25% between 2021 and 2026. Reflecting a slowing of population growth, demand for new housing is expected to decline over the projection period.

Strategic Growth Scenario

The Strategic Growth projection is based on the City of St. Thomas capturing about 12% of new demand for residential housing in the London CMA. In the Strategic Growth scenario single detached construction is expected to capture the same share of the London CMA as in the Trends Growth scenario, i.e. 13%. Semi-detached demand will represent 40% of semi-detached units built in the London CMA compared to 30% in the Trends scenario. Townhouses and apartments are both projected to have a slightly higher share of the London CMA market for these types of dwellings than in the Trends scenario. The overall share and shares by dwelling type additions in the London CMA are shown in Table 20 below. These are more reflective of St. Thomas's shares by dwelling type of residential completions in the London CMA over a 15-year period. As in the case of the Trends Growth, projections take into account the need to provide a greater mix of housing to meet the needs of an aging population as well as to meet the objectives of the Provincial Policy Statement (PPS) concerning affordability, mix of housing and residential intensification.

Table 20: St. Thomas Projected Shares of London CMA Housing Demand, 2006-2031
Strategic Growth Scenario

Dwelling Type	Share By Type of London CMA				
	2006-11	2011-16	2016-21	2021-26	2026-31
Single Detached	13.0%	13.0%	13.0%	13.0%	13.0%
Semi Detached	40.0%	40.0%	40.0%	40.0%	40.0%
Townhouses	7.0%	8.0%	8.0%	8.0%	8.0%
Apartments	7.0%	8.0%	8.0%	8.0%	8.0%
Total % Of CMA	12.3%	12.4%	12.2%	12.1%	12.0%

Source: Lapointe Consulting

The five-year and annual housing demand for St. Thomas which results from applying the Strategic Growth shares in Table 20 to London CMA future housing requirements is shown in Table 21 below.

Table 21: St. Thomas 5-Year and Annual Housing Demand, 2006-2031
Strategic Growth Scenario

Dwelling Type	2006-2011		2011-2016		2016-2021		2021-2026		2026-2031		2006-2026		2006-2031	
	5-Year	Annual	5-Year	Annual	5-Year	Annual	5-Year	Annual	5-Year	Annual	20-Yr	Annual	25-Yr	Annual
Single Detached	1,262	252	1,138	228	1,031	206	812	162	618	124	4,243	212	4,861	194
% of Total		75.3%		72.3%		69.2%		66.8%		65.2%		71.3%		70.4%
Semi Detached	164	33	152	30	146	29	121	24	95	19	583	29	678	27
% of Total		9.8%		9.7%		9.8%		10.0%		10.0%		9.8%		9.8%
Townhouses	105	21	122	24	146	29	121	24	108	22	494	25	602	24
% of Total		6.3%		7.8%		9.8%		10.0%		11.4%		8.3%		8.7%
Apartments	144	29	162	32	166	33	161	32	127	25	633	32	760	30
% of Total		8.6%		10.3%		11.1%		13.3%		13.4%		10.6%		11.0%
Total	1,675	335	1,574	314	1,489	297	1,215	242	948	190	5,953	298	6,901	275
% of Total		100.0%		100.0%		100.0%		100.0%		100.0%		100.0%		100.0%

Source: Lapointe Consulting

In the Strategic Growth Scenario, over the 20-year period from 2006 to 2026 the demand for new residential construction is expected to total 5,953 units with an average of 298 annually. During this period the demand for single-detached homes is expected to make up a declining share of the total falling from a high of 75% between 2006 and 2011 to 67% between 2021 and 2026. Higher density forms are expected to play an increasing part of residential demand rising from 15% between 2006 and 2011 to 25% between 2021 and 2026. Overall demand for new housing is expected to decline over the projection period reflecting a slowing of population growth.

Modest Growth Scenario

The Modest Growth projection is based on the City of St. Thomas capturing about 10% of new demand for residential housing in the London CMA.. The overall share and shares by dwelling type additions in the London CMA are shown in Table 22 below and are closer to the longer-term, i.e., 15-year trends in housing production in St. Thomas. The mix assumes a lower share of single detached housing compared to the Trends and Strategic Growth scenarios as well as a lower share of townhouse construction. As in the case of the Trends and Strategic Growth projections are designed to meet the needs of an aging population and to meet the objectives of the PPS concerning affordability, housing mix and residential intensification.

Table 22: St. Thomas Projected Shares of London CMA Housing Demand, 2006-2031, Modest Growth Scenario

Dwelling Type	Share By Type of London CMA				
	2006-11	2011-16	2016-21	2021-26	2026-31
Single Detached	12.0%	12.0%	12.0%	12.0%	12.0%
Semi Detached	20.0%	20.0%	20.0%	20.0%	20.0%
Townhouses	3.0%	5.0%	5.0%	6.0%	6.0%
Apartments	5.0%	7.0%	7.0%	7.0%	7.0%
Total % Of CMA	10.2%	10.6%	10.3%	10.3%	10.2%

Source: Lapointe Consulting

The five-year and annual housing demand for St. Thomas which results from applying the Modest Growth shares in the Table 22 to London CMA future housing requirements is shown in Table 23 below.

Table 23: St. Thomas 5-Year and Annual Housing Demand, 2006-2031 Modest Growth Scenario

Dwelling Type	2006-2011		2011-2016		2016-2021		2021-2026		2026-2031		2006-2026		2006-2031	
	5-Year	Annual	5-Year	Annual	5-Year	Annual	5-Year	Annual	5-Year	Annual	20-Yr	Annual	25-Yr	Annual
Single Detached	1,164	233	1,050	210	951	190	750	150	570	114	3,915	196	4,485	179
% of Total		83.5%		78.1%		75.4%		72.0%		70.4%		77.7%		76.7%
Semi Detached	82	16	76	15	73	15	60	12	48	10	291	15	339	14
% of Total		5.9%		5.7%		5.8%		5.8%		5.9%		5.8%		5.8%
Townhouses	45	9	76	15	92	18	91	18	81	16	304	15	385	15
% of Total		3.2%		5.7%		7.3%		8.7%		10.0%		6.0%		6.6%
Apartments	103	21	142	28	145	29	141	28	111	22	531	27	642	26
% of Total		7.4%		10.6%		11.5%		13.5%		13.7%		10.5%		11.0%
Total	1,394	279	1,344	268	1,261	252	1,042	208	810	162	5,041	253	5,851	234
% of Total		100.0%		100.0%		100.0%		100.0%		100.0%		100.0%		100.0%

Source: Lapointe Consulting

In the Modest Growth Scenario, over the 20-year period from 2006 to 2026 the demand for new residential construction is expected to total 5,041 units with an average of 253 annually. During this period the demand for single-detached homes is expected to make up a declining share of the total falling from a high of 84% between 2006 and 2011 to 72% between 2021 and 2026. Higher density forms are expected to play an increasing part of residential demand rising from 10%

between 2006 and 2011 to 22% between 2021 and 2026. Overall demand for new housing is expected to decline over the projection period reflecting a slowing of population growth.

2.3.6 St. Thomas Population Projections

To project the population for the City of St. Thomas, the projected number of households at the end of each 5-year period was multiplied by the future household size.

As shown in Table 24, household sizes in St. Thomas have been declining steadily since 1971. In the future household sizes in St. Thomas are expected to decline at the same rate as the London CMA. Past and projected household sizes for St. Thomas and the London CMA are converging over time.

Table 24: Past and Projected Household Size in St. Thomas and the London CMA

	1971	1976	1981	1991	1996	2001	2006	2011	2016	2021	2026	2031
St. Thomas	3.00	2.80	2.70	2.53	2.48	2.43	2.39	2.33	2.29	2.25	2.23	2.21
London CMA	3.20	2.90	2.60	2.55	2.52	2.46	2.44	2.38	2.34	2.30	2.28	2.26

Source: Statistics Canada and Lapointe Consulting Estimates for 2011-2031

To estimate projected populations for each of the three scenarios, the first step was to estimate the population in occupied households by multiplying occupied households by the corresponding projected household size. The next step was to estimate the population who do not live in private households, i.e. those who live in rooming houses or in institutions, which was then added to the population in occupied households to get the total population for each period. Based on the 2001 Census, 2.5% of the population in St. Thomas was assumed not to live in a private occupied household. The portion of the population not in private occupied households for 2006 is not yet available.

2.3.6.1 Trends Growth Scenario

Under the Trends Growth Scenario, by the 2026 census the population of St. Thomas is predicted to rise to 46,394, and by 2031 it is expected to reach 48,172. Under the Trends Growth Scenario, St. Thomas's population is projected to grow at a compound annual rate above 1% until the period 2021 to 2026, when the effects of aging are expected to result in a slowing of growth to below 1% per year.

**Table25: St. Thomas Projected Population Change, 2006-2031
Trends Growth Scenario**

Year	Population	5-Year % Change Change		Annual Growth Rate
		Change	%	
2001	33,235			
2006	36,110	2,875	8.7%	
2011	38,833	2,723	7.5%	1.46%
2016	41,575	2,742	7.1%	1.37%
2021	44,133	2,558	6.2%	1.20%
2026	46,394	2,260	5.1%	1.00%
2031	48,172	1,778	3.8%	0.76%

Source: Lapointe Consulting

2.3.6.2 Strategic Growth Scenario

Under the Strategic Growth Scenario by the 2026 census the population of St. Thomas is predicted to rise to 47,236 and by 2031 it is expected to reach 49,063. Under the Strategic Growth scenario, St. Thomas's population is projected to grow at a compound annual rate above 1% until the period 2026 to 2031, when the effects of aging are expected to result in a slowing of growth to below 1% per year.

**Table 26: St. Thomas Projected Population Change, 2006-2031
Strategic Growth Scenario**

Year	Population	5-Year % Change Change		Annual Growth Rate
		Change	%	
2006	36,110			
2011	39,171	3,061	8.5%	1.64%
2016	42,116	2,945	7.5%	1.46%
2021	44,881	2,764	6.6%	1.28%
2026	47,236	2,355	5.2%	1.03%
2031	49,063	1,827	3.9%	0.76%

Source: Lapointe Consulting

2.3.6.3 Modest Growth Scenario

Under the Modest Growth Scenario, the 2026 the population of St. Thomas is predicted to rise to 45,153 and by 2031 it is expected to reach 46,682.

As for the other two growth scenarios, under the Modest Growth scenario, St. Thomas's population is projected to grow at a compound annual rate above 1% until the period 2021 to 2031, when the effects of aging are expected to result in a slowing of growth to below 1% per year.

**Table 27: St. Thomas Projected Population Change, 2006-2031
Modest Growth Scenario**

Year	Population	5-Year		Annual Growth Rate
		Change	% Change	
2006	36,110			
2011	38,501	2,391	6.6%	1.29%
2016	40,919	2,418	6.3%	1.23%
2021	43,177	2,258	5.5%	1.08%
2026	45,153	1,976	4.6%	0.90%
2031	46,682	1,528	3.4%	0.67%

Source: Lapointe Consulting

2.3.7 St. Thomas Projected Age Distribution

This section describes the age distribution for each scenario for the population projections described in the preceding section.

2.3.7.1 Trends Growth Scenario

Table 28 below shows the projected changes in age distribution for the Trends Growth Scenario over the 20-year period from 2006 to 2026.

- In the Trends Growth Scenario, the proportion of the population composed of children and youth (0-19 years of age) is projected to decline slightly from 27% of the population in 2006 to 25% in 2026. Although this age group is expected to decline as a proportion of the total population, it will increase by 1,853 persons representing a 19% increase in this age group from 2006.
- The proportion of the population composed of adults aged 20-44 is projected to decline from 35% of the population in 2006 to 33% in 2026. Reflecting the continued influx of young families and first-time homebuyers, between 2006 and 2026 this age group will grow by 2,951 persons representing a 24% increase.
- The proportion of persons aged 45-64 years of age is expected to show little change between 2006 and 2026 remaining in the 24 to 25% range over the 20-year period. This group will grow by 2,252 persons representing an increase of 25% over 2006. The reason for the increase is the aging of the tail end of the baby boomers. An increase in this age group should result in continued household growth and demand for “move up” housing.
- The proportion of the population aged 65 years and over is expected to grow from 14% of the population in 2006 to 18% in 2026. This group will show the largest increase in numbers adding 3,227 persons representing an increase of 62% over 2006.

Table 28: St. Thomas Projected Age Distribution, 2006-2026
Trends Growth Scenario

Age	2006		2,016		2026		Change 2006-26
	Total	%	Total	%	Total	%	
0-4	2,426	6.7%	2,628	6.3%	2,731	5.9%	
5-9	2,275	6.3%	2,716	6.5%	2,873	6.2%	
10-14	2,371	6.6%	2,688	6.5%	2,869	6.2%	
15-19	2,480	6.9%	2,523	6.1%	2,932	6.3%	
0-19	9,552	26.5%	10,555	25.4%	11,405	24.6%	1,853
20-24	2,150	6.0%	2,557	6.2%	2,864	6.2%	
25-29	2,429	6.7%	2,887	6.9%	2,866	6.2%	
30-34	2,625	7.3%	2,918	7.0%	3,244	7.0%	
35-39	2,553	7.1%	2,942	7.1%	3,354	7.2%	
40-44	2,720	7.5%	2,825	6.8%	3,100	6.7%	
20-44	12,477	34.6%	14,129	34.0%	15,428	33.2%	2,951
45-49	2,663	7.4%	2,575	6.2%	2,956	6.4%	
50-54	2,319	6.4%	2,748	6.6%	2,838	6.1%	
55-59	2,169	6.0%	2,734	6.6%	2,635	5.7%	
60-64	1,768	4.9%	2,352	5.7%	2,742	5.9%	
45-64	8,919	24.7%	10,409	25.0%	11,171	24.1%	2,252
65-69	1,334	3.7%	2,114	5.1%	2,624	5.7%	
70-74	1,138	3.2%	1,630	3.9%	2,135	4.6%	
75-79	1,093	3.0%	1,134	2.7%	1,756	3.8%	
80-84	878	2.4%	819	2.0%	1,124	2.4%	
85+	728	2.0%	786	1.9%	759	1.6%	
65+	5,171	14.3%	6,483	15.6%	8,398	18.1%	3,227
Total	36,110	100.0%	41,576	100.0%	46,402	100.0%	

Source: Lapointe Consulting

2.3.7.2 Strategic Growth Scenario

Table 29 below shows the projected changes in age distribution for the Strategic Growth Scenario over the 20-year period from 2006 to 2026.

- In the Strategic Growth Scenario, the proportion of the population composed of children and youth (0-19 years of age) is projected to decline from 27% of the population in 2006 to 25% in 2026. Although this age group is expected to decline as a proportion of the total population, it will increase by almost 2,216 persons representing a 23% increase in this age group from 2006.
- The proportion of the population composed of adults aged 20-44 is projected to decline from 35% of the population in 2006 to 33% in 2026. Reflecting the continued influx of young families and first-time homebuyers, between 2006 and 2026 this age group will grow by

3,250 persons representing a 26% increase. The higher growth of this age group compared to the Trends Growth Scenario is due to the expectation that in the Strategic Growth Scenario more first-time homebuyers and their children will move into St. Thomas.

- The proportion of persons aged 45-64 years of age is expected to show little change between 2006 and 2026 remaining in the 24 to 25% range over the 20-year period. This group will grow by 2,367 persons representing a 27% increase over 2006. The reason for the increase is the aging of the tail end of the baby boomers. An increase in this age group should result in continued household growth and demand for “move up” housing.
- The proportion of the population aged 65 years and over is expected to grow from 14% of the population in 2006 to 18% in 2026. This group will show the largest increase in numbers adding 3,292 persons representing a 64% increase over 2006.

**Table 29: St. Thomas Projected Age Distribution, 2006-2026
Strategic Growth Scenario**

Age	2006		2,016		2026		Change 2006-26
	Total	%	Total	%	Total	%	
0-4	2,426	6.7%	2,705	6.4%	2,794	5.9%	
5-9	2,275	6.3%	2,819	6.7%	2,966	6.3%	
10-14	2,371	6.6%	2,720	6.5%	2,963	6.3%	
15-19	2,480	6.9%	2,543	6.0%	3,045	6.4%	
0-19	9,552	26.5%	10,787	25.6%	11,768	24.9%	2,216
20-24	2,150	6.0%	2,581	6.1%	2,910	6.2%	
25-29	2,429	6.7%	2,919	6.9%	2,898	6.1%	
30-34	2,625	7.3%	2,998	7.1%	3,308	7.0%	
35-39	2,553	7.1%	2,998	7.1%	3,418	7.2%	
40-44	2,720	7.5%	2,851	6.8%	3,193	6.8%	
20-44	12,477	34.6%	14,347	34.1%	15,727	33.3%	3,250
45-49	2,663	7.4%	2,581	6.1%	3,016	6.4%	
50-54	2,319	6.4%	2,754	6.5%	2,866	6.1%	
55-59	2,169	6.0%	2,750	6.5%	2,648	5.6%	
60-64	1,768	4.9%	2,368	5.6%	2,756	5.8%	
45-64	8,919	24.7%	10,453	24.8%	11,286	23.9%	2,367
65-69	1,334	3.7%	2,126	5.0%	2,644	5.6%	
70-74	1,138	3.2%	1,635	3.9%	2,151	4.6%	
75-79	1,093	3.0%	1,139	2.7%	1,768	3.7%	
80-84	878	2.4%	827	2.0%	1,130	2.4%	
85+	728	2.0%	802	1.9%	770	1.6%	
65+	5,171	14.3%	6,529	15.5%	8,463	17.9%	3,292
Total	36,110	100.0%	42,116	100.0%	47,244	100.0%	

Source: Lapointe Consulting

2.3.7.3 Modest Growth Scenario

Table 30 below shows the projected changes in age distribution for the Modest Growth Scenario over the 20-year period from 2006 to 2026.

- In the Modest Growth Scenario, the proportion of the population composed of children and youth (0-19 years of age) is projected to decline from 27% of the population in 2006 to 24% in 2026. Nevertheless, this age group is expected to increase by 1,313 persons representing a 14% increase in this age group from 2006.
- The proportion of the population composed of adults aged 20-44 is projected to decline from 35% of the population in 2006 to 33% in 2026. Between 2006 and 2026 this age group will grow by 2,511 persons representing a 20% increase. The lower growth of this age group compared to the Trends and Strategic Growth Scenarios is due to the expectation that in the Modest Growth Scenario fewer first-time homebuyers and their children will re-locate to St. Thomas.
- The proportion of persons aged 45-64 years of age is expected to show little change between 2006 and 2026 remaining in the 24 to 25% range over the 20-year period. This group will grow by 2,104 persons representing a 24% increase over 2006.
- The proportion of the population aged 65 years and over is expected to grow from 14% of the population in 2006 to 18% in 2026. This group will show the largest increase in numbers adding 3,116 persons representing a 60% increase over 2006.

Table 30: St. Thomas Projected Age Distribution, 2006-2026
Low Growth Scenario

Age	2006		2,016		2026		Change 2006-26
	Total	%	Total	%	Total	%	
0-4	2,426	6.7%	2,519	6.2%	2,610	5.8%	
5-9	2,275	6.3%	2,602	6.4%	2,730	6.0%	
10-14	2,371	6.6%	2,656	6.5%	2,731	6.0%	
15-19	2,480	6.9%	2,495	6.1%	2,794	6.2%	
0-19	9,552	26.5%	10,272	25.1%	10,865	24.1%	1,313
20-24	2,150	6.0%	2,535	6.2%	2,812	6.2%	
25-29	2,429	6.7%	2,839	6.9%	2,796	6.2%	
30-34	2,625	7.3%	2,826	6.9%	3,142	7.0%	
35-39	2,553	7.1%	2,882	7.0%	3,252	7.2%	
40-44	2,720	7.5%	2,799	6.8%	2,986	6.6%	
20-44	12,477	34.6%	13,881	33.9%	14,988	33.2%	2,511
45-49	2,663	7.4%	2,569	6.3%	2,892	6.4%	
50-54	2,319	6.4%	2,738	6.7%	2,805	6.2%	
55-59	2,169	6.0%	2,714	6.6%	2,611	5.8%	
60-64	1,768	4.9%	2,333	5.7%	2,715	6.0%	
45-64	8,919	24.7%	10,354	25.3%	11,023	24.4%	2,104
65-69	1,334	3.7%	2,101	5.1%	2,591	5.7%	
70-74	1,138	3.2%	1,620	4.0%	2,111	4.7%	
75-79	1,093	3.0%	1,127	2.8%	1,741	3.9%	
80-84	878	2.4%	810	2.0%	1,110	2.5%	
85+	728	2.0%	762	1.9%	734	1.6%	
65+	5,171	14.3%	6,420	15.7%	8,287	18.3%	3,116
Total	36,110	100.0%	40,927	100.0%	45,163	100.0%	

3 EMPLOYMENT PROJECTIONS

3.1 INTRODUCTION

This section projects employment for the City of St. Thomas for the period 2006-2026. Trends in the larger economic context are discussed including trends in Ontario's economy, South-Western Ontario and the London CMA. This is followed by a discussion of trends in St. Thomas's local economy and projections of future employment.

While economic and employment growth usually have cyclical patterns with stronger growth often followed by economic slowdowns, this analysis assumes a steadier pattern of economic growth as it is difficult to predict macro economic forces that affect the local economy. Furthermore, even though there are ups and downs in the economy, we are interested in longer term average growth rates and these will be used as the basis for projecting St. Thomas's future employment.

Employment growth in the local economy is affected by several factors such as outside demand for locally produced goods and services, population growth, labour force characteristics, consumer behaviour and competitive advantages or disadvantages of the local economy such as locational advantages, skilled labour force, costs of industrial land and tax rates.

3.2 ONTARIO'S ECONOMIC OUTLOOK

3.2.1 Ontario's Economic Growth Projections

The Ontario Ministry of Finance recently produced long-term projections of Ontario's economic growth.⁷ These projections do not attempt to predict cyclical fluctuations or the impact of extreme negative or positive events but rather focus on the average rate of growth that can be anticipated.

A base-case projection of Ontario's economy is provided in the report. The base case estimates that there will be a relatively healthy level of economic growth in Ontario that is consistent with recent trends but that gradually declines after 2015. In the latter two periods, 2015-2019 and 2020-2025, slower growth in Ontario's population and labour force is expected to have an impact on Ontario's economy with the real gross domestic product falling from the 3.0% range that is projected for the 2005-2009 and for 2010-2014 periods to 2.3% in the 2020-25 period.

⁷ Ministry of Finance, Towards 2025: Assessing Ontario's Long-Term Outlook, 2005

Table 31: Past and Projected Change in Economic Conditions in Ontario, 1982-2025

	Actual (Average)				Projected Average			
	1982-89	1990-94	1995-99	2000-04	2005-09	2010-14	2015-19	2020-25
Real GDP Growth	3.9	0.4	4.3	3.0	2.9	3.0	2.6	2.3
Labour Force Growth	2.2	0.3	1.6	2.4	1.5	1.2	1.0	0.9
Employment Growth (Jobs)	2.4	-0.7	2.4	2.3	1.7	1.4	1.3	0.9
Participation Rate	68.6	67.6	65.8	67.8	68.3	68.0	67.5	67.0

Source: Ministry of Finance, *Towards 2025: Assessing Ontario's Long-Term Outlook*, 2005

Growth in Ontario's labour force is expected to decrease as the population ages and the proportion of younger people entering the workforce gradually declines. Annual growth in the labour force is anticipated to decline from the 2.4% experienced in the period 2000-04 to 1.5% per year between 2005 and 2009 and to 0.9% per year by 2020-2025.⁸

Employment growth, i.e., growth in jobs, is also expected to decline due to an aging of the population and increasing productivity resulting from increasing automation and a more highly skilled labour force. Employment growth is projected to decline from an annual average of 2.3% in the period 2000-2004 to 1.7% in 2005-2009 and to .9% by the end of the projection period (2020-25). The participation rate – those who are able and willing to work – is projected to remain relatively constant over the projection period at 68% and then falling to 67% after 2015.

Labour productivity will increase with a more skilled and educated labour force and rising investments in equipment and modernization. The projections assume that the U.S. economy will continue to be a steady source of demand for Ontario's exports – the U.S. now purchases about two-thirds of Ontario's total exports.

Ontario's economy continues to shift from employment in the goods producing sector (resources and manufacturing) to employment in the service sector. In 2004, it was estimated that the service sector employed 74% of Ontario's work force – up from 68% in 1984. Over time these trends are expected to continue.⁹

3.2.2 Changes by Sector of the Economy

The **primary sector** accounts for an estimated 2% of employment in Ontario.¹⁰ While mining and resource employment increased between 2001 and 2005, employment in agriculture declined. In the future, primary industries are anticipated to make a modest contribution to employment growth in Ontario.

⁸ Ministry of Finance, *Economic Outlook 2025*

⁹ Ministry of Finance, *Economic Outlook: 2025*, page, 38

¹⁰ Human Resources Development Canada, *Overview of Ontario's Employment Patterns*, 2006

The secondary sector in Ontario, which includes manufacturing, construction and utilities, and transportation and warehousing, accounts for about a fifth of all jobs in the province. Manufacturing accounts for about 15% of employment in Ontario representing approximately a million people— however, Ontario lost approximately 90,000 manufacturing jobs between 2002 and 2007.^{11 12} Seventy percent (70%) of Ontario’s manufactured products are exported to other provinces and countries with the majority being exported to the US¹³. Ontario has a higher share of its employment in manufacturing than any other jurisdiction in North America except Indiana and Wisconsin.¹⁴

The most prominent manufacturing industry in Ontario is the transportation equipment industry which includes the production of automobiles and auto parts mainly for the U.S. market. This sector accounts for about a fifth of manufacturing jobs in Ontario. The second largest component of manufacturing is “other manufacturing” which accounts for over a tenth of manufacturing jobs and includes such industry groups as furniture and related products, and, petroleum and coal products. Other important manufacturing groups are: the chemical, plastics and rubber products industry and the food, beverage and tobacco industry – each of which accounts for about a tenth of manufacturing jobs.

The manufacturing industries are largely concentrated in certain regions of Ontario. For example, the manufacturing centres for the auto industry are located in south-western Ontario and around Toronto while the chemical and petroleum industry is mainly based in Sarnia and the surrounding area¹⁵.

From 2004 till 2009, the HRDC report estimates that the secondary sector will account for 22% of job creation - 19% of jobs will be accounted for by manufacturing and 3% by construction. This suggests that the secondary sector’s share of about 24% will decline slightly by 2009; however, employment in this sector will grow in absolute terms¹⁶.

In the short-term, there may be some decline in manufacturing employment as manufacturing faces increased competition from low-cost producers, the stronger Canadian dollar and a potential slow down in the U.S. economy. As well, concerns around environmental issues are likely to impact the auto industry in the future.

¹¹ Statistics Canada, Labour Force Information, Catalogue No. 71-001, Jan. 2007

¹² Statistics Canada, Cansim Table282-0008, based on Labour Force Survey

¹³ Human Resources Development, op.cit.

¹⁴ Ontario Ministry of Finance, op. cit., page 39

¹⁵ Human Resources Development, op.cit.

¹⁶ Human Resources Development, op.cit.

In recent years the service sector in Ontario experienced strong growth and now employs about three quarters (76%) of the labour force or approximately 4.9 million people.¹⁷ The most important industries are: wholesale and retail trade; health care and social assistance; professional, scientific and technical services as well as finance, insurance and real estate. The service sector is more dependent on the makeup of the local population than is the manufacturing sector. At the same time, some services are specialized in certain areas. For example, finance, insurance and real estate are more concentrated in the major urban centres. Additionally, there are a number of new and emerging service industries including call centres, environment, gaming, multimedia, tele-health and tele-learning.

In the future, the main source of new employment will be in the service sector. Three quarters (75%) of all new jobs up to 2009 are anticipated in the service industries¹⁸. The Ministry of Finance identifies three service sectors that are expected to be of growing importance in the future: information and communications technology; financial and business services; and the entertainment and creative cluster.

The high-skilled professional and technical occupational group (excluding teaching and health care) is expected to account for 24% of new jobs between 2004 and 2009¹⁹. Two other growing occupational fields are health care (resulting from an aging population) and management, which will both account for about 9% of all new jobs till 2009. Processing and manufacturing occupations will account for about 10% of all new jobs. Sales and service, and other services, will also experience above average growth (approximately 8%). The service industry will profit from the increasing proportion of seniors in the population who will demand more services such as health care, tourism and personal services²⁰.

Even during an economic slow-down in the neighbouring U.S market, the service industry will continue to prosper with a modest growth due to stable domestic demand.²¹

3.2.3 Southwestern Ontario

The underlying strengths of the economy in Southwestern Ontario are anticipated to lead to an economic growth rate that is only slightly behind that of Central Ontario which accounts for 60% of Ontario's economy.²² There has been very strong employment growth in the last few years in Southwestern Ontario, in part reflecting the strong growth in "Canada's Technology Triangle" centred in Kitchener-Waterloo. In addition, there have been several major announcements by auto manufacturers on the Highway 401 corridor near London and St. Thomas. Some of these announcements include:

¹⁷ Labour Force Information, Catalogue 71-001, January 2007, Table 4-6

¹⁸ HRDC, op.cit.

¹⁹ HRDC, op.cit.

²⁰ CBC (Conference Board of Canada)

²¹ Canadian Press, Gregory Bonnell, 10/26/2006

²² Clayton Research, Employment, Population, Housing and Non-Residential Construction Projections, City of London, Ontario, 2006 Update

- Toyota Motor Manufacturing Canada's investment of over \$1 billion in a new auto plant in Woodstock which is scheduled to open in 2008 and employ 2,000 people.
- HINO trucks, a subsidiary of Toyota, will open a \$3 million, 600,000 square foot plant in Woodstock in late 2006;
- Toyota Boshuka, a parts supplier to Toyota will open a \$65 million plant in Woodstock creating 330 jobs on start-up;
- A \$557 million expansion of the CAMI Automotive plant in Ingersoll through General Motor's Beacon Project which will create 400 new job opportunities.

Southwest Ontario has a diverse economy. The region has an infrastructural advantage as it is close to the U.S. border, factories and markets and located on major transport arteries. "Ontario's Heartland" is at the intersection of five major NAFTA corridors – Highway 401, Highway 402, Highway 403 and the Canadian National and Canadian Pacific Rail freight lines.

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3.3 EMPLOYMENT TRENDS IN ST. THOMAS

This section contains a profile of St. Thomas's local economy and trends that have been occurring in employment and the labour force. St. Thomas's employment is compared to that of the London CMA and Ontario.

3.3.1 St. Thomas Has a Strong Manufacturing Base

The secondary sector which includes manufacturing, construction, utilities and transportation and warehousing, accounts for 46% of employment in St. Thomas while manufacturing alone accounts for 39% of employment (refer to Table 32). By comparison in the London CMA as a whole 24% of jobs are in manufacturing – close to the Ontario figure of 25%. Thus, manufacturing accounts for approximately twice the proportion of jobs in St. Thomas as in the London CMA and Ontario.

The major employers in manufacturing are all in the automotive sector and include: Sterling Trucks, Formet Industries, Presstran Industries, Therm-o-Disc (Canada) Ltd., Timken Canada LP and Lear Corporation Canada Ltd.²⁴ Together these companies account for approximately three quarters of the total manufacturing jobs in St. Thomas. In 2006 it is estimated that there were approximately 7,500 manufacturing jobs in St. Thomas.²⁵

²³ See the Southwestern Ontario Marketing Alliance web site at [Hwww.somasite.com](http://www.somasite.com)H

²⁴ From the St. Thomas Economic Development Commission's web site

²⁵ Provided by the St. Thomas Economic Development Commission

Table 32: Employment by Industry: St. Thomas, London CMA, Ontario, 2001

Industry	St. Thomas		London CMA		Ontario	
	#	% of Total	#	% of Total	#	% of Total
11 Agriculture, forestry, fishing and hunting	145	0.9%	3,520	1.7%	109,910	2.1%
21 Mining and oil and gas extraction	0	0.0%	135	0.1%	18,210	0.3%
Primary Sector	145	0.9%	3,655	1.8%	128,120	2.4%
22 Utilities	55	0.3%	845	0.4%	41,970	0.8%
23 Construction	390	2.4%	6,085	3.0%	162,845	3.1%
31-33 Manufacturing	6,405	39.4%	34,795	17.1%	909,700	17.3%
48-49 Transportation and warehousing	650	4.0%	7,475	3.7%	212,820	4.1%
Secondary Sector	7,500	46.2%	49,200	24.2%	1,327,335	25.3%
41 Wholesale trade	240	1.5%	8,650	4.3%	251,010	4.8%
44-45 Retail trade	1,905	11.7%	25,335	12.5%	621,625	11.8%
51 Information and cultural industries	170	1.0%	4,700	2.3%	152,880	2.9%
52 Finance and insurance	345	2.1%	11,835	5.8%	279,595	5.3%
53 Real estate and rental and leasing	155	1.0%	3,680	1.8%	99,950	1.9%
54 Professional, scientific and technical services	390	2.4%	10,205	5.0%	382,115	7.3%
55 Management of companies and enterprises	10	0.1%	145	0.1%	7,515	0.1%
56 Administrative and support, waste management	535	3.3%	7,850	3.9%	184,330	3.5%
61 Educational services	690	4.2%	15,875	7.8%	340,840	6.5%
62 Health care and social assistance	1,890	11.6%	27,700	13.6%	491,645	9.4%
71 Arts, entertainment and recreation	150	0.9%	3,415	1.7%	103,050	2.0%
72 Accommodation and food services	1,025	6.3%	13,790	6.8%	345,055	6.6%
81 Other services (except public administration)	715	4.4%	10,215	5.0%	243,390	4.6%
91 Public administration	385	2.4%	6,970	3.4%	294,270	5.6%
Tertiary or Service Sector	8,605	53.0%	150,365	74.0%	3,797,270	72.3%
Total Employment by NAICS	16,250	100.0%	203,220	100.0%	5,252,725	100.0%

Source: Statistics Canada, 2001 Census

3.3.2 Discussion of Trends in the Automotive Industry

Because of the importance of the transportation equipment industry to the St. Thomas economy, we will outline some of the major trends in the auto sector and how they may impact on St. Thomas's economic future.

Throughout the 1990's St. Thomas has strengthened its position as an important transportation equipment manufacturing centre in Ontario. This is due to St. Thomas's favourable location within the London auto cluster close to Highway 401, its available industrial land in the 1990's and a skilled labour force. While there was a large observed increase in auto-related employment in St. Thomas in the period 1996-2001, there has been a slowdown in employment growth in more recent years. At the same time, however, major investments in auto plants in nearby Woodstock and Ingersoll discussed above, will mean that demand for products from auto parts suppliers in St. Thomas should continue to be strong.

Since the boom of the 1990's, North America's auto industry faces challenges in innovation, research and development, firstly, from increasing international competition to the BIG 3 (Ford, GM, Chrysler) especially from Asia, secondly from shifting consumer demand towards smaller and more fuel efficient models, and, thirdly from a rising Canadian dollar²⁶²⁷. The auto plants will need to be "renewed, retooled, refurbished and replaced to remain competitive."²⁸.

In the spring of 2007, the Ford plant in Southwold as part of the St. Thomas auto cluster will cut back production to one shift equivalent to approximately 1,000 jobs²⁹. However, starting in 2007, the Lincoln Town Car will be built in St. Thomas. Critics call the model an 'old fashioned' rear-wheel-drive car³⁰ which will probably extend the life of the plant.³¹ The reason why the plant was chosen lies in its old production technology making it virtually the only place left in North America where Ford can build the Lincoln³². Thus the future of the Ford plant in Southwold is uncertain. However, investments in new production technology over the coming years would be a positive contribution to a secure future. In March, 2007 Ford announced that the 2008 Crown Victoria Police Interceptor will be offered as a flexible fuel vehicle allowing it to run on Ethanol 85 or gas. This type of adjustment is indicative of the changes that are likely to occur in the auto industry in the future.

Sterling Trucks and Magna companies established in the 1990's have newer technology and are thriving. Even if Ford left St. Thomas, most suppliers would not suffer since they deliver parts to other factories all over Ontario and the U.S.

3.3.3 Service Sector Accounts for Fewer Jobs in St. Thomas Than in the London CMA and Ontario

The tertiary sector or service industry accounts for 53% of all jobs in St. Thomas. Because of the strong manufacturing base in St. Thomas, the City has a lower proportion of its jobs in the tertiary sector compared to the London CMA where 74% of all jobs are in this sector and Ontario where 72% of all jobs are in this sector. The main industries in the service sector in St. Thomas are: Retail Trade (12%), Health Care and Social Assistance (12%), Accommodation and Food Services (6%), Other Services (4%) and Educational Services (4%). St. Thomas has a smaller proportion of its jobs in finance and insurance compared to the London CMA and Ontario as a whole as well as a smaller proportion of jobs in Professional, Scientific and Technical Services and in Health Care and Assistance.

²⁶ Joe Cordiano, former Economic Development Minister

²⁷ Desrosiers Automotive Reports: Volume 17, Issue 21, November 15th, 2003

²⁸ Economist.com: Garel Rhys (2005/09/08): Extinction of the Predator

²⁹ The Globe and Mail, Greg Keenan (2006/09/16): 'Ontario dented, but not totalled, by cuts'

³⁰ The Globe and Mail, Greg Keenan (2006/09/16): 'Ontario dented, but not totalled, by cuts'

³¹ CBC News (2006/09/15): 'Ford to close Ontario plant, cut 10,000 more salaried jobs'

³² The Globe and Mail, Greg Keenan (2006/09/16): 'Ontario dented, but not totalled, by cuts'

3.3.4 Location Quotient Analysis

One way of assessing the relative importance of a sector in the local economy is to use the location quotient.³³ This measure compares the proportion of employment in a given sector to Ontario as a whole. Thus, the location quotient for manufacturing in St. Thomas, which is about 2.3, indicates that St. Thomas has 2.3 times the proportion of jobs in this sector in Ontario. Construction and utilities have a lower location quotient.

The location quotient for the service sector in St. Thomas is .73 with lower location quotients in such industries as Wholesale Trade; Information and Cultural Industries; Finance and Insurance; Real Estate and Rental and Leasing; Professional, Scientific and Technical Services; Arts, Entertainment and Recreation; and Public Administration. St. Thomas has location quotients that are similar to Ontario's for: Retail Trade; Accommodation and Food Services; Transportation and Warehousing; Administrative and Support; and Other services. For Health Care and Social Assistance, St. Thomas's location quotient is high at 1.24.

Table 33: Location Quotient Analysis St. Thomas 2001

Location Quotient	St. Thomas: Ontario
11 Agriculture, forestry, fishing and hunting	0.43
21 Mining and oil and gas extraction	0.00
Primary Industries	0.37
22 Utilities	0.42
23 Construction	0.77
31-33 Manufacturing	2.28
48-49 Transportation and warehousing	0.99
Secondary Industries	1.83
41 Wholesale trade	0.31
44-45 Retail trade	0.99
51 Information and cultural industries	0.36
52 Finance and insurance	0.40
53 Real estate and rental and leasing	0.50
54 Professional, scientific and technical services	0.33
55 Management of companies and enterprises	0.43
56 Administrative and support, waste management etc.	0.94
61 Educational services	0.65
62 Health care and social assistance	1.24
71 Arts, entertainment and recreation	0.47
72 Accommodation and food services	0.96
81 Other services (except public administration)	0.95
91 Public administration	0.42
Service Industries	0.73

³³ Location quotient is the ratio of the proportion of employment in a specific sector locally to the proportion of employment in Ontario as a whole.

3.3.5 St. Thomas Experienced Strong Growth in Manufacturing

This section reviews the employment trends by industry sector between 1996 and 2001 in St. Thomas in comparison to the London CMA and Ontario.³⁴ (Refer to Table 34 below.) Employment fell in the primary sector which included agriculture and mining between 1996 and 2001. The job decline was more pronounced in the London CMA compared to Ontario as a whole. There was also a small decline in employment in the primary sector in St. Thomas – although in absolute terms, the number was not very significant.

**Table 34: Employment by Major Sectors in St. Thomas,
London CMA, Ontario: 1996 and 2001**

	St. Thomas			London CMA			Ontario		
	1996	2001	% Change	1996	2001	% Change	1996	2001	% Change
Primary Industries	250	145	-42.0%	7,445	3,655	-50.9%	149,445	128,120	-14.3%
Secondary Industries	4,165	6,850	64.5%	50,270	41,725	-17.0%	1,152,060	1,114,515	-3.3%
Service Sector	8,815	9,255	5.0%	154,075	157,840	2.4%	3,434,225	4,010,090	16.8%
Total	13,235	16,250	22.8%	211,790	203,220	-4.0%	4,735,730	5,252,725	10.9%

Between 1996 and 2001 employment in St. Thomas grew at twice the provincial level and well above growth in the London CMA. Thus, total employment increased by 23% in St. Thomas compared to an increase of 11% in Ontario and a decrease of 4% in the London CMA. Most of this increase was due to an increase in employment in St. Thomas's secondary sector which grew by 2,685 jobs between 1996 and 2001 representing an increase of 65%. This growth was in contrast to the trend observed in Ontario as a whole where employment in the secondary sector declined by 3% and in the London CMA where employment in the secondary sector declined by 17%.

Between 1996 and 2001 there was a modest increase of 5% of new jobs in the service sector compared to 17% in Ontario as a whole and 2% in the London CMA.

³⁴ The industrial classification changed between 1996 and 2001 from Standard Industrial Classification (SIC) to the North American Industry Classification System (NAICS). Since industries were attributed differently within sectors, a direct comparison of absolute numbers between both systems is deficient. However, a comparison between industry proportions allows an indication of general trends in different geographical areas.

3.3.6 Recent Changes in Employment in St. Thomas

Since the 2001 census, there has been slower growth in the secondary sector than in the five years prior to the 2001 census. Still, based on data from the St. Thomas Economic Development Corporation, 1,070 new manufacturing jobs have been created since 2001. The somewhat slower, though still comparatively healthy, growth in industrial employment in St. Thomas is consistent with the slow down that has taken place across Ontario. Industrial employment has declined in recent years due to such factors as the higher value of the Canadian dollar and increased competition from foreign countries. However, the declines across Ontario have been quite severe with the loss of approximately 90,000 jobs in manufacturing since 2002.

While manufacturing growth has slowed down in St. Thomas, the City has attracted other major employers. Recently Starwood Worldwide Hotels and Resorts Inc. established a major call centre in St. Thomas employing 400 persons.

As will be discussed in a separate report on the retail industry, recent additions to the City's retail inventory, specifically, the new retail outlets at the "power centre" on Talbot Street, have increased employment in this sector.

3.3.7 St. Thomas's Labour Force

The tertiary or service sector accounts for the largest share of St. Thomas's labour force. Fifty-nine per cent (59%) of the labour force in St. Thomas is employed in the service sector compared to 72% in the London CMA. The largest categories of the labour force are in the retail trade (11% of the labour force), health care and social assistance (12% of the labour force), and accommodation and food services (7% of the labour force). Compared to the London CMA, St. Thomas has a lower proportion of its labour force employed in: educational services; professional, scientific and technical services; and, finance and insurance.

A substantial share (40%) of St. Thomas's employed labour force is employed in the secondary sector with manufacturing accounting for 30% of the labour force. This is well above the comparable figure in the London CMA where 26% of the labour force is in the secondary sector with 16% employed in manufacturing.

Table 35: Labour Force in St. Thomas and the London CMA 2001

Industry	St. Thomas		London CMA	
	#	% of Total	#	% of Total
11 Agriculture, forestry, fishing and hunting	195	1.2%	4,200	1.8%
21 Mining and oil and gas extraction	10	0.1%	230	0.1%
Primary Industries	205	1.2%	4,430	1.9%
22 Utilities	100	0.6%	1,000	0.4%
23 Construction	670	4.0%	11,970	5.2%
31-33 Manufacturing	4,955	29.6%	36,500	15.8%
48-49 Transportation and warehousing	910	5.4%	10,045	4.3%
Secondary Industries	6,635	39.6%	59,515	25.8%
41 Wholesale trade	465	2.8%	9,825	4.3%
44-45 Retail trade	1,790	10.7%	26,575	11.5%
51 Information and cultural industries	245	1.5%	5,010	2.2%
52 Finance and insurance	360	2.1%	12,075	5.2%
53 Real estate and rental and leasing	185	1.1%	4,045	1.8%
54 Professional, scientific and technical services	390	2.3%	11,435	4.9%
55 Management of companies and enterprises	10	0.1%	140	0.1%
56 Administrative and support, waste management etc.	830	5.0%	10,880	4.7%
61 Educational services	750	4.5%	17,145	7.4%
62 Health care and social assistance	2,010	12.0%	28,130	12.2%
71 Arts, entertainment and recreation	210	1.3%	3,900	1.7%
72 Accommodation and food services	1,095	6.5%	15,190	6.6%
81 Other services (except public administration)	695	4.1%	11,290	4.9%
91 Public administration	525	3.1%	7,425	3.2%
Industry not applicable	345	2.1%	4,070	1.8%
Service Industries	9,905	59.1%	167,135	72.3%
Total Labour Force	16,745	100.0%	231,080	100.0%

3.3.8 Commuting Patterns in St. Thomas

This section contains an overview of commuting patterns in St. Thomas. It also compares the resident labour force to the number of local jobs in St. Thomas by industry

Table 36 below shows that 52% of all jobs in St. Thomas are occupied by local residents while commuters from other municipalities fill the remaining 48% of the St. Thomas jobs. The highest share of in-commuters comes from the City of London (17%). Other significant sources of in-commuting are the neighbouring municipalities of Central Elgin (13%) and Southwold (4%). A small share also commutes from the nearby communities of Aylmer, Malahide Township and Dutton/Dunwich Township.

Table 36: Where People Working in St. Thomas Live

Place of Residence	#	%
St. Thomas	8,160	52.4%
London	2,670	17.1%
Central Elgin	2,040	13.1%
Southwold	670	4.3%
Aylmer	450	2.9%
Malahide Twp.	415	2.7%
Dutton/Dunwich Twp.	245	1.6%
Bayham Twp.	125	0.8%
West Elgin Twp.	110	0.7%
Strathroy-Caradoc Twp.	110	0.7%
Norfolk	95	0.6%
Middlesex Centre Twp.	95	0.6%
Thames Centre Twp.	80	0.5%
Tillsonburg	60	0.4%
Chatham-Kent	50	0.3%
Ingersoll	50	0.3%
South-West Oxford (TP)	35	0.2%
Southwest Middlesex (TP)	35	0.2%
Norwich (TP)	30	0.2%
Zorra (TP)	25	0.2%
Woodstock	25	0.2%

Table 37: Where People Living in St. Thomas Work

Location of Work	#	%
St. Thomas	8,160	61.5%
London	3,110	23.4%
Southwold	720	5.4%
Central Elgin Twp.	620	4.7%
Aylmer	245	1.8%
Tillsonburg	95	0.7%
Ingersoll	70	0.5%
Middlesex Centre Twp.	55	0.4%
Toronto	40	0.3%
Chatham-Kent	30	0.2%
Ottawa	25	0.2%
Windsor	25	0.2%
Norfolk	20	0.2%
Zorra	20	0.2%
Sarnia	20	0.2%
Strathroy-Caradoc Twp.	20	0.2%

Table xy; Wh

Table 37 above shows the commuting pattern of St. Thomas's residents. While 62% of St. Thomas's labour force has a job in St. Thomas, 38% commute to another location of work. The

largest share of out-commuters, that is about one quarter of the local work force, work in London. About 5% of St. Thomas's labour force has a job in the neighbouring municipality of Southwold and 5% work in Central Elgin.

The total labour force in St. Thomas at 16,750 people is about 3% larger than the 16,280 jobs in St. Thomas indicating a relative balance between in and out-commuting.

3.3.9 Labour Market Indicators

As Table 38 below shows, between 1996 and 2001 unemployment rates in St. Thomas were higher than in the London CMA and in Ontario as a whole. The unemployment rate was lowest in the Province as a whole. Throughout 1996 and 2001, the unemployment declined in all geographic areas.

The unemployment rate plunged in St. Thomas, the London CMA and Ontario between 1996 and 2001 as a result of strong economic growth. However, St. Thomas had a higher unemployment rate compared to the London CMA and Ontario over that time period. While the unemployment rate in the London area decreased slightly from 6.7% in 2001 to 6.6% in 2005, the unemployment rate in Ontario as a whole increased slightly from 6.1 to 6.6% between 2001 and 2005. Between 2001 and 2005 unemployment rates converged at 6.6% in Ontario and the London CMA.

Table 38: Labour Force Indicators St. Thomas, London CMA, Ontario 1996-2005

	Unemployment Rate (%)			Participation Rate (%)		
	1996	2001	2005	1996	2001	2005
St. Thomas	10.3	8.0		63.1	64.9	
London CMA	9.3	6.7	6.6	67.3	67.4	69.7
Ontario	9.1	6.1	6.6	66.3	67.3	68.0

St. Thomas's participation rate was below the participation rate in the London CMA and Ontario in both 1996 and 2001. In 2005, the participation rate was 70% in the London CMA compared to 68% in Ontario.

3.4 EMPLOYMENT PROJECTIONS

3.4.1 Methodology

To project future employment in St. Thomas we have adopted a composite approach with manufacturing jobs projected independently of non-manufacturing jobs. Other employment is based on population growth as is described below.

3.4.1.1 Future Manufacturing Employment Tied to Health of Auto Industry

Because St. Thomas is heavily dependent on the auto industry which is currently experiencing much uncertainty, our projections for manufacturing jobs are based on two probable outcomes from restructuring in the auto industry now underway.

In a recent report, *Towards 2025: Assessing Ontario's Long-Term Outlook*, the Ministry of Finance has predicted long-term growth projections for Ontario's economy including the size of the "goods producing sector". We have used these predictions in combination with an analysis of past trends in St. Thomas' manufacturing sector, and developed two scenarios for growth in employment in this sector. For both the "trends" and the "strategic growth" scenarios, we have kept growth in manufacturing as the same level and for the "modest" growth scenario we have adopted a level that is approximately half the level in the trends and strategic growth scenarios. The resulting projections show a declining growth in manufacturing reflecting slower population increase and increasing levels of productivity.

**Table 39: Manufacturing Employment Growth Rates
In St. Thomas, 2006-2031**

Year	St. Thomas Manufacturing Jobs Scenarios		
	Trends	Strategic	Modest
2001-06	3.3%	3.3%	3.3%
2006-11	3.0%	3.0%	1.5%
2011-16	2.7%	2.7%	1.4%
2016-21	2.5%	2.5%	1.3%
2021-26	2.3%	2.3%	1.2%
2026-31	2.3%	2.3%	1.2%

Source: Lapointe Consulting Inc.

The projected manufacturing jobs in St. Thomas for each scenario are shown in Table 40 below.

Table 40: St. Thomas Manufacturing Employment, 2006-2031

Year	Manufacturing Jobs		
	Trends	Strategic	Modest
2006	7,475	7,475	7,475
2011	8,596	8,596	8,036
2016	9,757	9,757	8,578
2021	10,976	10,976	9,114
2026	12,239	12,239	9,638
2031	13,646	13,646	10,192
2006-26 Ch.	4,764	4,764	2,163
Annual	238	238	108

Source: Lapointe Consulting Inc.

3.4.1.2 Future Non-manufacturing Employment Growth Depends on Population

Generally, non-manufacturing jobs or service sector jobs increase in accordance with population growth. For example, a growing population generates additional retail jobs to serve the local population.

To project non-manufacturing jobs we used “industry-specific” activity rates based on the 2001 Census. Since a locality’s activity rate is calculated as the total amount of employment divided by the total population, an “industry-specific” activity rate can be defined as the total amount of employment for a specific industry divided by the total population.

Using the “industry-specific” activity rates as defined above we were able to project future non-manufacturing jobs for each scenario by multiplying the “industry-specific” activity rates by projected population. These activity rates are included in the Appendix in Tables A4, A5 and A6.

3.4.2 Projections of Future Employment

Using the methodology described above, employment projections have been developed for each population growth scenario. Future employment was projected by NAICS codes and then summarized by sectors suitable for land use planning purposes.

The sectors are Primary, Industrial, Service, and Institutional. The Primary sector includes NAICS codes for agriculture, forestry, fishing, and mining. The Industrial sector includes NAICS codes for utilities, construction, manufacturing and transportation and warehousing. The Institutional sector includes NAICS codes for education, and, health care and social assistance. The Service sector is composed of NAICS codes for: wholesale trade; retail trade; information and cultural industries; finance and insurance; real estate; professional, scientific and technical services; administrative and waste management services; arts, entertainment and recreation; accommodation and food services; public administration; and other services.

Projections by sector for each scenario are described below, while projections by NAICS codes can be found in the Appendix.

Trends Growth Scenario

In the Trends Growth Scenario, 7,800 new jobs will be created over the 20-year period from 2006 to 2026. The Industrial sector is expected to gain the most jobs, adding 5,100 jobs over the next 20 years. The Service sector is expected to contribute 1,860 new jobs. Another 800 new jobs are expected in the Institutional sector. On average around 390 new jobs are projected to be added annually over the next twenty years.

Table 41: St. Thomas Employment, Trends Growth Scenario, 2006-2026

Population and Sector	2001-06		2006-11		2011-16		2016-21		2021-26		2026-31		2006-26	Annual
	2006	Ch.	2011	Ch.	2016	Ch.	2021	Ch.	2026	Ch.	2031	Ch.		
Population	36,110	2,875	38,833	2,723	41,575	2,742	44,133	2,558	46,394	2,260	48,172	1,778	10,284	514
Primary	158	13	169	11	181	12	193	12	202	9	210	8	44	2
Industrial	8,665	1,165	9,875	1,210	11,127	1,251	12,430	1,304	13,767	1,336	15,233	1,466	5,102	255
Service	6,547	522	7,040	493	7,538	498	8,000	462	8,409	409	8,731	322	1,862	93
Institutional	2,803	223	3,014	211	3,227	213	3,426	199	3,601	175	3,739	138	798	40
Total Employment	18,173	1,923	20,098	1,925	22,073	1,974	24,049	1,977	25,979	1,929	27,913	1,934	7,806	390

Source: Lapointe Consulting Inc.

Strategic Growth Scenario

In the Strategic Growth Scenario, 8,060 new jobs will be created over the 20-year period from 2006 to 2026. The Industrial sector is expected to gain the most jobs, adding 5,130 jobs over the next 20 years. The Service sector is expected to contribute 2,015 new jobs. Another 860 new jobs are expected in the Institutional sector. On average around 400 new jobs will be added annually over the next twenty years.

Table 42: St. Thomas Employment Strategic Growth Scenario, 2006-2026

	2001-06		2006-11		2011-16		2016-21		2021-26		2026-31		2006-26	Annual
	2006	Ch.	2011	Ch.	2016	Ch.	2021	Ch.	2026	ch.	2031	2026-31	Ch.	
Population	36,110	2,875	39,171	3,061	42,116	2,945	44,881	2,764	47,236	2,355	49,063	1,827	11,126	556
Primary	158	13	171	13	184	13	196	12	206	10	214	8	48	2
Industrial	8,665	1,165	9,887	1,222	11,145	1,257	12,455	1,311	13,795	1,339	15,263	1,468	5,130	256
Service	6,547	522	7,103	556	7,634	531	8,138	504	8,562	424	8,894	332	2,015	101
Institutional	2,803	223	3,041	238	3,269	228	3,484	215	3,667	183	3,809	142	864	43
Total Employment	18,173	1,923	20,202	2,029	22,232	2,029	24,273	2,042	26,230	1,956	28,180	1,950	8,057	403

Source: Lapointe Consulting Inc.

Modest Growth Scenario

In the Modest Growth Scenario, 4,840 new jobs will be created over the 20-year period from 2006 to 2026. Because manufacturing job growth in the Modest Growth Scenario will be half of what is predicted for both the Trends and Strategic Growth Scenarios, the Industrial sector is expected to gain 2,460 jobs over the next 20 years. The Service sector is expected to contribute 1,535 new jobs. Another 810 new jobs are expected in the Institutional sector. On average around 240 new jobs will be added annually over the next twenty years.

Table 43: St. Thomas Employment Modest Growth Scenario, 2006-2026

	2001-06		2006-11		2011-16		2016-21		2021-26		2026-31		2006-26	Annual
	2006	Ch.	2011	Ch.	2016	Ch.	2021	Ch.	2026	Ch.	2031	Ch.		
Population	36,110	2,875	38,501	2,391	40,919	2,418	43,177	2,258	45,153	1,976	46,682	1,528	9,043	452
Primary	158	13	168	10	179	11	188	9	197	9	204	7	39	2
Industrial	8,665	1,165	9,305	640	9,926	621	10,536	610	11,126	590	11,730	604	2,461	123
Service	6,547	522	6,981	434	7,417	436	7,828	411	8,187	359	8,464	277	1,640	82
Institutional	2,803	223	2,988	185	3,177	189	3,351	174	3,505	154	3,624	119	702	35
Total Employment	18,173	1,923	19,442	1,269	20,699	1,257	21,903	1,204	23,015	1,112	24,022	1,007	4,842	242

Source: Lapointe Consulting Inc.

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APPENDIX

**Table A1: Population St. Thomas, London CMA and Ontario
1986-2006**

Year	St. Thomas		London CMA	
	#	% Change	#	% Change
1986	28,943		342,300	
1986-91	29,990	3.6%	381,520	11.5%
1991 adj.	30,332		N/A	
1991-96	32,275	6.4%	398,620	4.5%
1996 adj.	31,407		416,546	
1996-2001	33,236	5.8%	432,451	3.8%
Adj.			435,600	
2001-06	36,110	8.6%	457,720	5.1%

Source: Statistics Canada, Census Data for 1986, 1991, 1996, 2001 and 2006

Notes:

* In the 1996 census, the 1991 figure for St. Thomas was adjusted following boundary changes.

** In the 2001 census, the 1996 population of St. Thomas was revised downwards from the figure published in the 1996 census of 32,275.

*** The London CMA population for 1996 was adjusted in 2001 census due to boundary changes.

Table A2: London CMA Net Migration Compared to Natural Increase

Year	Natural Increase	Net Migration	Growth
1997-98	1,596 56.6%	1,225 43.4%	2,821 100.0%
1998-99	1,565 61.8%	967 38.2%	2,532 100.0%
1999-00	1,419 38.8%	2,236 61.2%	3,655 100.0%
2000-01	1,051 36.0%	1,871 64.0%	2,922 100.0%
2001-02	1,490 33.0%	3,019 67.0%	4,509 100.0%
2002-03	1,261 40.8%	1,831 59.2%	3,092 100.0%
2003-04	1,155 32.2%	2,432 67.8%	3,587 100.0%
1999-04	6,376 35.9%	11,389 64.1%	17,765 100.0%

Source: Statistics Canada, Annual Demographic Reports

**Table A3: Five-Year and Annual Dwelling Type Requirements,
London CMA, 2006-2031 (Demographic Projections)**

Dwelling Type	2006-2011		2011-2016		2016-2021		2021-2026		2026-2031	
	5-Year	Annual	5-Year	Annual	5-Year	Annual	5-Year	Annual	5-Year	Annual
Single Detached % of Total	7,878	1,576 57.6%	7,634	1,527 60.2%	7,544	1,509 61.8%	6,095	1,219 60.5%	4,764	953 60.1%
Semi Detached % of Total	680	136 5.0%	609	122 4.8%	558	112 4.6%	382	76 3.8%	246	49 3.1%
Row Housing % of Total	1,253	251 9.2%	1,156	231 9.1%	1,068	214 8.8%	795	159 7.9%	558	112 7.1%
Apartments % of Total	3,857	771 28.2%	3,282	656 25.9%	3,028	606 24.8%	2,804	561 27.8%	2,354	471 29.7%
Total % of Total	13,668	2,734 100.0%	12,681	2,536 100.0%	12,198	2,441 100.0%	10,076	2,015 100.0%	7,922	1,585 100.0%

Table A4 St. Thomas Projected Employment 2006-2031, Trends Growth Scenario

Population	2001		2006		2011		2016		2021		2026		2031	
	33,235		36,110		38,833		41,575		44,133		46,394		48,172	
NAICS Code/Description	Jobs	Activity Rate	Jobs	Activity Rate	Jobs	Activity Rate	Jobs	Activity Rate	Jobs	Activity Rate	Jobs	Activity Rate	Jobs	Activity Rate
11 Agriculture, forestry, fishing and hunting	145	0.4%	158	0.4%	169	0.4%	181	0.4%	193	0.4%	202	0.4%	210	0.4%
21 Mining and oil and gas extraction	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
22 Utilities	55	0.2%	60	0.2%	64	0.2%	69	0.2%	73	0.2%	77	0.2%	80	0.2%
23 Construction	390	1.2%	424	1.2%	456	1.2%	488	1.2%	518	1.2%	544	1.2%	565	1.2%
31-33 Manufacturing	6,405	19.3%	7,475	20.7%	8,596	22.1%	9,757	23.5%	10,976	24.9%	12,239	26.4%	13,646	28.3%
48-49 Transportation and warehousing	650	2.0%	706	2.0%	759	2.0%	813	2.0%	863	2.0%	907	2.0%	942	2.0%
41 Wholesale trade	240	0.7%	261	0.7%	280	0.7%	300	0.7%	319	0.7%	335	0.7%	348	0.7%
44-45 Retail trade	1,905	5.7%	2,070	5.7%	2,226	5.7%	2,383	5.7%	2,530	5.7%	2,659	5.7%	2,761	5.7%
51 Information and cultural industries	170	0.5%	185	0.5%	199	0.5%	213	0.5%	226	0.5%	237	0.5%	246	0.5%
52 Finance and insurance	345	1.0%	375	1.0%	403	1.0%	432	1.0%	458	1.0%	482	1.0%	500	1.0%
53 Real estate and rental and leasing	155	0.5%	168	0.5%	181	0.5%	194	0.5%	206	0.5%	216	0.5%	225	0.5%
54 Professional, scientific and technical services	390	1.2%	424	1.2%	456	1.2%	488	1.2%	518	1.2%	544	1.2%	565	1.2%
55 Management of companies and enterprises	10	0.0%	11	0.0%	12	0.0%	13	0.0%	13	0.0%	14	0.0%	14	0.0%
56 Administrative and support, waste management and remediation services	535	1.6%	581	1.6%	625	1.6%	669	1.6%	710	1.6%	747	1.6%	775	1.6%
61 Educational services	690	2.1%	750	2.1%	806	2.1%	863	2.1%	916	2.1%	963	2.1%	1,000	2.1%
62 Health care and social assistance	1,890	5.7%	2,053	5.7%	2,208	5.7%	2,364	5.7%	2,510	5.7%	2,638	5.7%	2,739	5.7%
71 Arts, entertainment and recreation	150	0.5%	163	0.5%	175	0.5%	188	0.5%	199	0.5%	209	0.5%	217	0.5%
72 Accommodation and food services	1,025	3.1%	1,114	3.1%	1,198	3.1%	1,282	3.1%	1,361	3.1%	1,431	3.1%	1,486	3.1%
81 Other services (except public administration)	715	2.2%	777	2.2%	835	2.2%	894	2.2%	949	2.2%	998	2.2%	1,036	2.2%
91 Public administration	385	1.2%	418	1.2%	450	1.2%	482	1.2%	511	1.2%	537	1.2%	558	1.2%
Total Non-Manufacturing Jobs	9,845		10,698		11,502		12,316		13,073		13,740		14,267	
Total Jobs	16,250		18,173		20,098		22,073		24,049		25,979		27,913	

Table A5: St. Thomas Projected Employment 2006-2031, Strategic Growth Scenario

Population NAICS Code/Description	2001 33,235		2006 36,110		2011 39,171		2016 42,116		2021 44,881		2026 47,236		2031 49,063	
	Jobs	Activity Rate	Jobs	Activity Rate	Jobs	Activity Rate	Jobs	Activity Rate	Jobs	Activity Rate	Jobs	Activity Rate	Jobs	Activity Rate
11 Agriculture, forestry, fishing and hunting	145	0.4%	158	0.4%	171	0.4%	184	0.4%	196	0.4%	206	0.4%	214	0.4%
21 Mining and oil and gas extraction	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
22 Utilities	55	0.2%	60	0.2%	65	0.2%	70	0.2%	74	0.2%	78	0.2%	81	0.2%
23 Construction	390	1.2%	424	1.2%	460	1.2%	494	1.2%	527	1.2%	554	1.2%	576	1.2%
31-33 Manufacturing	6,405	19.3%	7,475	20.7%	8,596	22.1%	9,757	23.5%	10,976	24.9%	12,239	26.4%	13,646	28.3%
48-49 Transportation and warehousing	650	2.0%	706	2.0%	766	2.0%	824	2.0%	878	2.0%	924	2.0%	960	2.0%
41 Wholesale trade	240	0.7%	261	0.7%	283	0.7%	304	0.7%	324	0.7%	341	0.7%	354	0.7%
44-45 Retail trade	1,905	5.7%	2,070	5.7%	2,245	5.7%	2,414	5.7%	2,573	5.7%	2,708	5.7%	2,812	5.7%
51 Information and cultural industries	170	0.5%	185	0.5%	200	0.5%	215	0.5%	230	0.5%	242	0.5%	251	0.5%
52 Finance and insurance	345	1.0%	375	1.0%	407	1.0%	437	1.0%	466	1.0%	490	1.0%	509	1.0%
53 Real estate and rental and leasing	155	0.5%	168	0.5%	183	0.5%	196	0.5%	209	0.5%	220	0.5%	229	0.5%
54 Professional, scientific and technical services	390	1.2%	424	1.2%	460	1.2%	494	1.2%	527	1.2%	554	1.2%	576	1.2%
55 Management of companies and enterprises	10	0.0%	11	0.0%	12	0.0%	13	0.0%	14	0.0%	14	0.0%	15	0.0%
56 Administrative and support, waste management and remediation services	535	1.6%	581	1.6%	631	1.6%	678	1.6%	722	1.6%	760	1.6%	790	1.6%
61 Educational services	690	2.1%	750	2.1%	813	2.1%	874	2.1%	932	2.1%	981	2.1%	1,019	2.1%
62 Health care and social assistance	1,890	5.7%	2,053	5.7%	2,228	5.7%	2,395	5.7%	2,552	5.7%	2,686	5.7%	2,790	5.7%
71 Arts, entertainment and recreation	150	0.5%	163	0.5%	177	0.5%	190	0.5%	203	0.5%	213	0.5%	221	0.5%
72 Accommodation and food services	1,025	3.1%	1,114	3.1%	1,208	3.1%	1,299	3.1%	1,384	3.1%	1,457	3.1%	1,513	3.1%
public administration)	715	2.2%	777	2.2%	843	2.2%	906	2.2%	966	2.2%	1,016	2.2%	1,056	2.2%
91 Public administration	385	1.2%	418	1.2%	454	1.2%	488	1.2%	520	1.2%	547	1.2%	568	1.2%
Total Non-Manufacturing Jobs	9,845		10,698		11,606		12,475		13,297		13,991		14,534	
Total Jobs	16,250		18,173		20,202		22,232		24,273		26,230		28,180	

Table A6: St. Thomas Projected Employment 2006-2031, Modest Growth Scenario

Population NAICS Code/Description	2001 33,235		2006 36,110		2011 38,501		2016 40,919		2021 43,177		2026 45,153		2031 46,682	
	Jobs	Activity Rate	Jobs	Activity Rate	Jobs	Activity Rate	Jobs	Activity Rate	Jobs	Activity Rate	Jobs	Activity Rate	Jobs	Activity Rate
11 Agriculture, forestry, fishing and hunting	145	0.4%	158	0.4%	168	0.4%	179	0.4%	188	0.4%	197	0.4%	204	0.4%
21 Mining and oil and gas extraction	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
22 Utilities	55	0.2%	60	0.2%	64	0.2%	68	0.2%	71	0.2%	75	0.2%	77	0.2%
23 Construction	390	1.2%	424	1.2%	452	1.2%	480	1.2%	507	1.2%	530	1.2%	548	1.2%
31-33 Manufacturing	6,405	19.3%	7,475	20.7%	8,036	20.7%	8,578	20.6%	9,114	20.7%	9,638	20.8%	10,192	21.2%
48-49 Transportation and warehousing	650	2.0%	706	2.0%	753	2.0%	800	2.0%	844	2.0%	883	2.0%	913	2.0%
41 Wholesale trade	240	0.7%	261	0.7%	278	0.7%	295	0.7%	312	0.7%	326	0.7%	337	0.7%
44-45 Retail trade	1,905	5.7%	2,070	5.7%	2,207	5.7%	2,345	5.7%	2,475	5.7%	2,588	5.7%	2,676	5.7%
51 Information and cultural industries	170	0.5%	185	0.5%	197	0.5%	209	0.5%	221	0.5%	231	0.5%	239	0.5%
52 Finance and insurance	345	1.0%	375	1.0%	400	1.0%	425	1.0%	448	1.0%	469	1.0%	485	1.0%
53 Real estate and rental and leasing	155	0.5%	168	0.5%	180	0.5%	191	0.5%	201	0.5%	211	0.5%	218	0.5%
54 Professional, scientific and technical services	390	1.2%	424	1.2%	452	1.2%	480	1.2%	507	1.2%	530	1.2%	548	1.2%
55 Management of companies and enterprises	10	0.0%	11	0.0%	12	0.0%	12	0.0%	13	0.0%	14	0.0%	14	0.0%
56 Administrative and support, waste management and remediation services	535	1.6%	581	1.6%	620	1.6%	659	1.6%	695	1.6%	727	1.6%	751	1.6%
61 Educational services	690	2.1%	750	2.1%	799	2.1%	850	2.1%	896	2.1%	937	2.1%	969	2.1%
62 Health care and social assistance	1,890	5.7%	2,053	5.7%	2,189	5.7%	2,327	5.7%	2,455	5.7%	2,568	5.7%	2,655	5.7%
71 Arts, entertainment and recreation	150	0.5%	163	0.5%	174	0.5%	185	0.5%	195	0.5%	204	0.5%	211	0.5%
72 Accommodation and food services	1,025	3.1%	1,114	3.1%	1,187	3.1%	1,262	3.1%	1,332	3.1%	1,393	3.1%	1,440	3.1%
81 Other services (except public administration)	715	2.2%	777	2.2%	828	2.2%	880	2.2%	929	2.2%	971	2.2%	1,004	2.2%
91 Public administration	385	1.2%	418	1.2%	446	1.2%	474	1.2%	500	1.2%	523	1.2%	541	1.2%
Total Non-Manufacturing Jobs	9,845		10,698		11,406		12,121		12,789		13,377		13,830	
Total Jobs	16,250		18,173		19,442		20,699		21,903		23,015		24,022	