

**APPENDIX B.**

**Overview of Employment  
Conditions and Forecasts**

## Appendix B. Overview of Employment Conditions and Forecasts for the City of Mississauga and Port Credit

### Existing Conditions

In 2011, Mississauga was home to approximately 448,000 jobs:

- 97,000 (21.7%) major office: jobs occurring in office buildings that are 20,000 sq. ft. (1,860 sq. m.) or more;
- 124,000 (27.7%) population-related: jobs serving the local population base, such as retail services, professional services and schools and government activities; and
- 227,000 (50.7%) employment lands: jobs occurring on lands set aside for employment purposes, such as manufacturing, warehousing, wholesaling and research and development.<sup>1</sup>

Less than one percent (3,900) of the municipality's 448,000 jobs were located in Port Credit. The majority of employment opportunities within Port Credit were population-related. In 2011 only 500 of the City's 97,000 major office jobs were located in Port Credit.

Mississauga is home to almost 30 million sq. ft. of office space. Approximately 1.4 million sq. ft. was added within the past 3 years.<sup>2</sup> Port Credit has a limited amount of office space, and no large office buildings offering contiguous space.

In the past few years, high levels of absorptions of office space were seen in Mississauga as result of tenants taking occupancy in new developments. Growth for the remainder of 2015 is expected to be offset by displaced space returning to the market from transactions completed in previous quarters and absorptions will likely fall.<sup>3</sup> New office space entering the market has put pressure on older buildings and resulted in reductions in lease rates and increased vacancy rates. Mississauga currently has an office vacancy rate of 17.1% (see Figure A). Currently hundreds of office/commercial buildings in Mississauga have available space. For example, 24 office buildings in the Mississauga City Centre have space for lease, 14 of which are Class A. There are 64 office buildings in Meadowvale that have space for lease, 34 of which are Class A and 9 of the buildings have contiguous space available that is greater than 50,000 sq. ft.<sup>4</sup> A number of smaller office/commercial spaces are available in or near Port Credit.

**Figure A. Vacancy Rates and Lease Rates for Office Space in Mississauga**

	4th Q 2013	4th Q 2014	2nd Q 2015
<b>Availability Rates</b>	13.40%	11.90%	17.10%
<b>Net Lease Rates</b>	\$10.23 - \$17.22	\$12.75 - \$17.05	\$11.29 - \$16.26

Source: City of Mississauga, Economic Development Department (2015) City of Mississauga Economic Indicators  
Based on Cushman & Wakefield Office Space Market/Vacancy Snapshot and Colliers GTA West Office Statistics

At 17.10%, the office vacancy rate in Mississauga is considerably higher than elsewhere in the GTA:

- Downtown Toronto 5.1%;
- Midtown Toronto 5.5%
- GTA North 6.1%;
- GTA East 10.0%; and
- GTA West 13.4%.<sup>5</sup>

<sup>1</sup> Hemson Consulting Ltd. (2013) Mississauga Long-Range Growth Forecasts Employment, 2011-2041.

<sup>2</sup> City of Mississauga Economic Development Department (2015) City of Mississauga Economic Indicators.

<sup>3</sup> Cushman & Wakefield (2015) Marketbeat Office Snapshot Q2 2015.

<sup>4</sup> Source: Avison Young (2015) 2nd Quarter 2015 Toronto West Office Market Report.

<sup>5</sup> Cushman & Wakefield (2015) Marketbeat Office Snapshot Q2 2015.

Cushman & Wakefield suggest that the GTA West office market was somewhat oversupplied following the 2008 credit crunch and subsequent recession, when American parent companies downsized or closed their Canadian regional offices. More office space was built than could be absorbed. While the GTA West office market remains healthy, it will take time to fill current vacancies and support substantial new office development.

Within the City of Mississauga approximately 807 hectares (1,995 acres) of employment land (i.e. lands designated 'Business Employment', 'Office' and 'Industrial') are vacant and available for development. Municipal reports suggest that the demand for employment lands has leveled out.<sup>6</sup>

### **Employment Growth Forecasts (2011-2041)**

Long-range growth forecasts of population, housing and employment were prepared by Hemson Consulting Ltd. for the City of Mississauga (September 2013). The forecasts are based on the 2011 Census and other relevant information, including the recently released Amendment 2 to the Provincial Growth Plan. The forecasts reflect the City's new urban hierarchy that includes 52 'Character Areas.

Three growth forecast scenarios were prepared by Hemson that incorporate Growth Plan policy direction and reflect varying degrees of intensification and redevelopment in the City of Mississauga. The "Steady Growth" scenario was adopted by City of Mississauga Council in November 2013. It shows that over the period of 2011 to 2041 Mississauga's employment base will grow by 104,000 jobs (i.e. from 448,000 to 552,000 jobs).<sup>7</sup> These forecasts are based on assumptions of Mississauga's share of growth in the Region of Peel and Greater Toronto and Hamilton Area (GTAH) employment. The greatest levels of employment growth are expected to be realized in the following four character areas:

- Gateway Corporate Centre (18,800 new jobs);
- Downtown Core (Mississauga City Centre) (16,300 new jobs);
- Meadowvale Corporate Centre (15,400 new jobs); and
- Airport Corporate Centre (10,800 new jobs).

As shown in Figure B, between 2011 and 2041 only 1,300 new jobs are expected to be created in Port Credit.

The City of Mississauga's long-range forecasts estimate that 60% of the municipality's long-term employment growth will be in major office development. Over the past two decades, most new office development in Mississauga has taken place in the Corporate Centres and Business Parks, mainly Airport Corporate, Meadowvale and Gateway. Current municipal policies direct the majority of future major office growth to major urban area such as Mississauga City Centre/Downtown Mississauga. The growth forecasts anticipate the majority of the 62,000 new major office jobs will be located within the following four character areas:

- Gateway Corporate Centre (17,200 new major office jobs);
- Downtown Core (Mississauga City Centre) (10,900 new major office jobs);
- Meadowvale Corporate Centre (12,500 new major office jobs); and
- Airport Corporate Centre (9,700 new major office jobs).

Of the 1,300 new jobs anticipated to be created in Port Credit between 2011 and 2041, 31% (400) expected to be major office jobs and the remaining 69% (900) are expected to be population-related jobs.

<sup>6</sup> City of Mississauga, Planning and Building Department 2015 Vacant Lands.

<sup>7</sup> Hemson Consulting Ltd. (2013) Mississauga Long-Range Growth Forecasts Employment, 2011-2041.

Figure B. Total Employment Forecasts for the City of Mississauga and its Character Areas

**EMPLOYMENT, 2011-2041**

Place of Work Employment Forecast by Character Area - Total Employment								
Character Area	2011	2016	2021	2026	2031	2036	2041	2011 - 41
DT Cooksville	3,500	3,900	4,200	4,300	4,500	4,700	4,900	1,400
DT Core	21,100	22,600	26,800	29,200	32,000	34,200	37,400	16,300
DT Fairview	1,100	1,200	1,300	1,300	1,400	1,400	1,400	300
DT Hospital	8,200	8,700	9,800	10,000	10,300	10,400	10,900	2,700
<b>Downtown Subtotal</b>	<b>33,900</b>	<b>36,400</b>	<b>42,100</b>	<b>44,800</b>	<b>48,200</b>	<b>50,700</b>	<b>54,600</b>	<b>20,700</b>
MN Central Erin Mills	8,100	8,700	9,300	9,700	10,000	10,300	10,800	2,700
MN Uptown	2,400	2,900	3,200	3,400	3,600	3,800	4,000	1,600
<b>Major Nodes Subtotal</b>	<b>10,500</b>	<b>11,600</b>	<b>12,500</b>	<b>13,100</b>	<b>13,600</b>	<b>14,100</b>	<b>14,800</b>	<b>4,300</b>
CN Clarkson Village	1,300	1,400	1,500	1,600	1,700	1,700	1,800	500
CN Malton	1,100	1,200	1,400	1,400	1,500	1,500	1,600	500
CN Meadowvale	1,500	1,600	1,700	1,700	1,700	1,800	1,900	400
CN Port Credit	2,300	2,400	2,600	2,700	2,800	2,800	2,900	600
CN Rathwood-Applewood	1,300	1,400	1,400	1,500	1,600	1,700	1,700	400
CN Sheridan	2,000	2,100	2,200	2,200	2,300	2,400	2,400	400
CN South Common	1,600	1,700	1,800	1,800	1,900	2,000	2,100	500
CN Streetsville	2,100	2,200	2,300	2,400	2,400	2,500	2,700	600
<b>Community Nodes Subtotal</b>	<b>13,200</b>	<b>14,000</b>	<b>14,900</b>	<b>15,300</b>	<b>15,900</b>	<b>16,400</b>	<b>17,100</b>	<b>3,900</b>
NHD Applewood	4,400	4,600	4,800	4,800	4,800	4,900	5,000	600
NHD Central Erin Mills	3,100	3,200	3,300	3,300	3,300	3,300	3,400	300
NHD Churchill Meadows	3,400	3,500	3,700	3,700	3,800	3,800	3,900	500
NHD Clarkson-Lorne Park	3,800	4,000	4,100	4,100	4,200	4,200	4,300	500
NHD Cooksville	3,400	3,600	3,700	3,800	3,800	3,900	4,000	600
NHD Creditview	900	900	900	900	1,000	1,000	1,000	100
NHD East Credit	8,300	8,700	8,900	9,000	9,100	9,200	9,400	1,100
NHD Erin Mills	3,400	3,600	3,700	3,700	3,700	3,700	3,800	400
NHD Erindale	2,900	3,000	3,100	3,100	3,100	3,200	3,200	300
NHD Fairview	2,400	2,500	2,600	2,600	2,700	2,700	2,800	400
NHD Hurontario	4,600	4,700	4,800	4,800	4,800	4,900	5,000	400
NHD Lakeview	4,900	5,100	5,400	5,600	5,700	5,800	5,900	1,000
NHD Lisgar	2,200	2,300	2,300	2,300	2,400	2,400	2,400	200
NHD Malton	3,300	3,400	3,500	3,500	3,500	3,600	3,700	400
NHD Meadowvale	2,700	2,700	2,800	2,700	2,800	2,800	2,900	200
NHD Meadowvale Village	2,700	2,800	2,900	2,900	3,000	3,000	3,100	400
NHD Mineola	1,400	1,400	1,500	1,600	1,600	1,600	1,600	200
NHD Mississauga Valleys	1,300	1,300	1,400	1,400	1,400	1,500	1,500	200
NHD Port Credit	1,600	1,700	1,700	1,800	1,900	2,200	2,300	700
NHD Rathwood	2,400	2,500	2,600	2,600	2,600	2,700	2,700	300
NHD Sheridan	1,700	1,800	1,800	1,800	1,900	1,900	1,900	200
NHD Streetsville	1,600	1,600	1,700	1,800	1,800	1,800	1,800	200
<b>Neighbourhood Subtotal</b>	<b>66,400</b>	<b>68,900</b>	<b>71,200</b>	<b>71,800</b>	<b>72,900</b>	<b>74,100</b>	<b>75,600</b>	<b>9,200</b>
Airport CC	34,300	36,300	38,100	40,900	42,800	44,000	45,100	10,800
Gateway CC	14,700	19,800	25,000	26,900	28,800	30,500	33,500	18,800
Sheridan Park CC	6,200	7,100	7,500	7,900	8,300	8,600	9,300	3,100
Meadowvale Business Park CC	47,600	54,300	57,900	59,300	60,900	62,100	63,000	15,400
<b>Corporate Centres Subtotal</b>	<b>102,800</b>	<b>117,500</b>	<b>128,500</b>	<b>135,000</b>	<b>140,800</b>	<b>145,200</b>	<b>150,900</b>	<b>48,100</b>
EA Churchill Meadows	-	400	1,000	1,300	1,300	1,500	1,500	1,500
EA Clarkson	1,100	1,100	1,500	1,500	1,500	1,500	1,700	600
EA Dixie	15,800	16,100	16,400	16,400	16,400	16,700	17,200	1,400
EA Gateway	44,100	45,400	46,500	46,700	46,800	47,000	47,300	3,200
EA Lakeview	1,800	1,800	1,800	1,700	1,700	1,900	2,100	300
EA Mavis-Erindale	8,200	8,400	8,500	8,500	8,700	8,700	8,700	500
EA Northeast	106,300	108,200	109,400	109,200	109,400	109,400	109,600	3,300
EA Southdown	5,900	6,400	7,000	7,500	7,700	7,800	7,900	2,000
EA Western Business Park	13,800	14,600	15,400	15,700	16,000	16,100	16,400	2,600
<b>Employment Area Subtotal</b>	<b>197,000</b>	<b>202,400</b>	<b>207,500</b>	<b>208,500</b>	<b>209,500</b>	<b>210,600</b>	<b>212,400</b>	<b>15,400</b>
SPA Airport	21,700	22,000	22,300	22,600	22,800	23,100	23,400	1,700
SPA UTM	2,100	2,300	2,500	2,600	2,700	2,700	2,900	800
<b>Special Policy Area Subtotal</b>	<b>23,800</b>	<b>24,300</b>	<b>24,800</b>	<b>25,200</b>	<b>25,500</b>	<b>25,800</b>	<b>26,300</b>	<b>2,500</b>
Ninth Line SSA	-	-	100	100	100	200	200	200
<b>City of Mississauga Grand Total</b>	<b>448,000</b>	<b>475,000</b>	<b>501,000</b>	<b>514,000</b>	<b>527,000</b>	<b>537,000</b>	<b>552,000</b>	<b>104,000</b>

## Market Opportunities for Port Credit

The Port Credit Community Node currently has a population to employment ratio of 3.2:1. As detailed in Section 6.1 of the Port Credit Local Area Plan (2014), the target population for Community Nodes is 2 people per 1 job.

A mixed-use development project currently under construction on Lakeshore Road East will provide 22,700 sq. ft. of new office space and 7,210 sq. ft. of new retail/commercial space. Zoning approvals are in place for a mixed-use development on Lakeshore Road East which is to contain approximately 24,770 sq. ft. of office and 20,500 sq. ft. of retail.

While Port Credit, and particularly the Port Credit GO Station Southeast Area, offers good higher order transit access, this alone will not likely be sufficient to foster significant new office or retail/commercial demand. Other Mobility Hubs within the City of Mississauga and the GTHA and employment nodes also offer rapid transit, as well as abundant and low-cost or free surface parking, direct access and visibility from major highways and lower lease rates/development charges.

An office market review undertaken by Cushman and Wakefield for Metrolinx in May 2015 suggests that a major speculative office building, without substantive core tenancy, cannot be supported within the Port Credit GO Station Southeast Area. The emergence of a major core tenant (e.g. for 70% of a proposed office building or component) would definitely be a catalyst for new office development in Port Credit, provided that the tenant would be a market pioneer that is prepared to pay economic rent which factors in the high cost of required decked or underground parking.

Cushman & Wakefield suggest that there may be a limited opportunity to provide office development that caters to small businesses and professionals, particularly if there is the potential for ownership (i.e. condominium office). They caution that the market for office condominium in Port Credit is unproven and represents a development risk and recommend building no more than 5% of the total Gross Floor Area (GFA) of speculative office within a single condominium phase (e.g. between 10,000 to 20,000 sq. ft. based on the illustrative concept plan for Block 1 and anticipated transit ridership and pedestrian traffic). They also caution that the requirement for the provision of an excessive amount of office space within a single condominium phase would burden the developer with undue office condominium sale risk, impacting the overall economic viability of the project and prospects for redevelopment of the Port Credit GO Station Southeast Area. Cushman & Wakefield recommend that any new office space have an address on Hurontario Street.

A retail feasibility analysis undertaken by Avison Young Commercial Real Estate (Ontario) Inc. for Metrolinx in June 2015 found a substantial supply of retail and commercial services within Port Credit, including a number of national tenants along Lakeshore Road. A coffee shop is currently located within the GO Station building and a few retail stores and services are located at Ann Street and Helene Street, within the ground level of the parking structure (e.g. variety store, hair salon, print shop and photography studio).

Avison Young suggest that some additional restaurant and service space could be supported in the Port Credit GO Station Southeast Area, providing approximately 400,000 sq. ft. of new fully occupied office and residential space is development and there is an increase in transit ridership. They recommend that new retail and service uses be centrally positioned to pedestrian traffic originating from the GO Transit parking lots, the future HMLRT stop and the GO Station. Local retail uses are not likely to be a candidate for tenancy given anticipated rental rates.