

Toronto's Management Information Dashboard – Q4 2012 Results

Date:	March 6, 2013
To:	Executive Committee
From:	City Manager
Wards:	All
Reference Number:	

SUMMARY

This report and the accompanying attachment, entitled Toronto's Management Information Dashboard – Q4 2012 Results (Dashboard), provides a high level summary of key economic and social indicators as well as other operational statistics from City Divisions, Agencies and Corporations.

The Dashboard is intended to provide information to assist in assessing trends and directions of key indicators for the City of Toronto as a whole, and City of Toronto services. It includes the most current information available for 2012 and compares it to previous periods, previous years and any targets established for those indicators.

Generally speaking, the economic and community indicators were positive in 2012 in relation to 2011. However, there were some signs of slowing economic growth in the latter half of 2012.

The economic health of many of the Eurozone countries and the significant reductions in U.S. Federal Government expenditures may have uncertain impacts on Toronto in 2013 and beyond.

Staff continue to monitor a number of indicators, such as those included in the Dashboard, on an ongoing basis to support management decision-making and planning processes.

RECOMMENDATIONS

The City Manager recommends that:

1. The Executive Committee receive this report for information.

Financial Impact

There are no direct financial implications arising from this report.

Equity Impact Statement

The indicators included in this report are at a high level and therefore do not provide sufficient detail for an equity impact analysis to be undertaken.

DECISION HISTORY

This report on Toronto's Management Information Dashboard – Q4 2012 Results is one of a continuing series of reports prepared on a quarterly basis. When the timing of Executive Committee meetings does not coincide with timely reporting of these quarterly dashboard results, they are posted directly to the City's web site at <http://www.toronto.ca/progress/mgtdashboard.htm>.

ISSUE BACKGROUND

At the time of the 2008/2009 recession, the City Manager established a set of economic, social and divisional indicators that was used to monitor the impact of the recession on Toronto as a whole and on City of Toronto services in particular. Since that time, these indicators continue to be monitored and reported on a quarterly basis to provide some indication of the relative health of the City and its services.

In addition to the economic indicators included in this Dashboard, more comprehensive monthly reports on Toronto's Economic Indicators are available online at http://www.toronto.ca/business_publications/indicators.htm. The General Manager, Economic Development and Culture also prepares an Economic Dashboard for each meeting of the Economic Development Committee, which provides key indicators that compare the City's economic performance to relevant regional, national and international cities or regions.

COMMENTS

Detailed comments and data on the trends seen in 2012 are provided in the attachment. The following are highlights of these 2012 results in relation to 2011.

Economic Indicators

A number of the key economic indicators for the city showed positive signs of economic stability in 2012.

- The real GDP for the Toronto CMA (Census Metropolitan Area) is estimated to have increased by +1.8% in 2012 as compared to +2.4% in 2011 and +3.5% in 2010.
- The office vacancy rate in the central area of the city in Q4 2012 was at 4.8%, down slightly from 4.9% a year earlier and significantly lower than in the "905" area.
- Retail sales for the year to the end of November for the Toronto CMA increased by +1.4% (including price increases) compared to 2011.
- As of January 2013, there were 184 high-rise buildings under construction in Toronto, the same figure as the combined total of high-rise buildings being constructed in New York City, Houston, Chicago, Miami, Boston, Dallas, San Francisco, Los Angeles and Atlanta. Although the development climate is still positive it is anticipated there will be a modest downturn in the level of new construction activity in 2013 with multi-residential high-rise construction expected to be impacted the most.
- There were signs of a softening housing market in the last half of 2012, with fewer home sales and a reduction in average prices. These downward trends in sales are likely partly attributable to the federal government's decision in July 2012 to reduce the maximum amortization period from 30 to 25 years for government-insured mortgages. If these trends continue, they have the potential to affect the City's Municipal Land Transfer Tax (MLTT) revenues.
- Many of the city's key revenue sources, such as TTC ridership revenues (+4.9% for 2012) and Municipal Land Transfer Tax (+11.1% for 2012) are higher/better than 2011 levels and 2012 budgeted amounts. However, these revenues could be impacted in 2013 by continuation of an economic slowdown.
- Toronto's seasonally adjusted unemployment rate was fairly stable throughout the year and in December 2012 was 9.49%, up slightly from 9.36% a year earlier. Toronto's unemployment rate continues to be higher than the "905" region and other major Canadian cities. Interestingly, Toronto's employment rate has increased, reaching 60.66% in December 2012 compared to 58.46% a year earlier, but was countered by an even larger increase in the participation rate in the labour force.

Community Indicators

Community indicators generally were stable in 2012.

- The social assistance caseload started to decline slowly in the last half of 2012 and in December 2012 the total caseload of 101,428 was only +0.3% above December 2011

levels. Approximately 9.2% of Toronto's population is now receiving social assistance.

- Waiting lists increased for both subsidized childcare spaces (+6.2% in December) and for social housing units (+7.3% in Q3) from a year earlier.
- Food bank use on an October year-to-date basis increased by +2.1% over 2011.
- Crime rates in the seven major crime categories declined by -9.9% in 2012, continuing a trend seen in recent years.

International Rankings

Toronto continues to rank highly in various ranking studies of international cities conducted by external organizations in terms of both quality of life and business climate.

For a summary of these rankings see

http://www.toronto.ca/progress/world_rankings.htm. Results from four of those studies are summarized in the table below.

<u>The Economist</u> Liveability Ranking (140 Cities)	<u>PWC</u> Cities of Opportunity (27 Cities)	<u>Z/Yen Group</u> Global Financial Centres Index (75 Cities)	<u>Aon Hewitt</u> People Risk Index – Recruit, Employ & Relocate Workers (131 Cities)
1. Melbourne	1. New York	1. London	1. New York
2. Vienna	2. London	2. New York	2. Toronto
3. Vancouver	3. Toronto	3. Hong Kong	3. Singapore
4. Toronto	4. Paris	4. Singapore	4. Montreal
5. Calgary	5. Stockholm	5. Zurich	5. London
6. Sydney	6. San Francisco	6. Seoul	6. Los Angeles
7. Helsinki	7. Singapore	7. Tokyo	7. Boston
8. Perth	8. Hong Kong	8. Chicago	8. Chicago
9. Adelaide	9. Chicago	9. Geneva	9. Vancouver
10. Auckland	10. Tokyo	10. Toronto	10. Copenhagen

2013 Outlook

Recent data from the fourth quarter of 2012 show real GDP, expressed at an annualized rate, expanded by +0.6% in Canada and by only +0.1% in the U.S., indicating economic growth has slowed.

The contracting economy in many of the Eurozone countries, as well as significant cuts in U.S. Federal Government spending, generate concern about the potential impact these international issues could have on Canada's and Toronto's economies. The uncertainty

and complexity of these external factors make it difficult to predict the magnitude and duration of their impact on Toronto in 2013 and beyond.

Staff will continue to monitor these indicator results closely to assess the potential impact on the City.

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SIGNATURE

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ATTACHMENTS

Attachment: Toronto's Management Information Dashboard – Q4 2012 Results