

# Situational Analysis

## The Municipality of North Grenville



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<sup>1</sup> Please note that the SWOT analysis and assessment of economic foundation elements from stakeholder interviews are presented in the “North Grenville Economic Development Strategy” document.

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# 1. North Grenville General Profile

## 1.1. Demographic Profile

The following table presents population age statistics for North Grenville and compares the age structure of North Grenville to Ontario.

Between 2001 and 2006, the census population of North Grenville rose about 4.5%, from 13,581 to 14,198,<sup>2</sup> compared to a 6.6% increase in Ontario's population.

In 2001, North Grenville generally had a larger percentage of the population aged less than 15 years and those between 35-60 years; this trend generally continues for 2006 (table 1).

**Table 1: 2001 Census and 2006 Population Estimates for North Grenville**

Characteristic	NG 2001 Census	NG 2001 (%)	ONT 2001 (%)	NG 2006 Estimate	NG 2006 (%)	ONT 2006 (%)
Total Population	13,585			15,380		
0-4	855	<b>6.3%</b>	5.9%	854	<b>5.6%</b>	5.4%
5-9	1,085	<b>8.0%</b>	6.8%	975	<b>6.3%</b>	6.0%
10-14	1,065	<b>7.8%</b>	6.9%	1,179	<b>7.7%</b>	6.7%
15-19	875	6.4%	<b>6.7%</b>	1,101	<b>7.2%</b>	6.7%
20-24	550	4.0%	<b>6.3%</b>	897	5.8%	<b>6.7%</b>
25-29	675	5.0%	<b>6.4%</b>	703	4.6%	<b>6.6%</b>
30-34	975	7.2%	<b>7.3%</b>	878	5.7%	<b>7.0%</b>
35-39	1,335	<b>9.8%</b>	8.7%	1,207	<b>7.9%</b>	7.6%
40-44	1,285	<b>9.5%</b>	8.5%	1,504	<b>9.8%</b>	8.6%
45-49	1,090	<b>8.0%</b>	7.5%	1,356	<b>8.8%</b>	8.0%
50-54	965	<b>7.1%</b>	6.8%	1,146	<b>7.4%</b>	7.0%
55-59	740	<b>5.4%</b>	5.1%	994	<b>6.5%</b>	6.1%
60-64	555	4.1%	<b>4.2%</b>	756	<b>4.9%</b>	4.6%
65-69	460	3.4%	<b>3.8%</b>	549	3.6%	<b>3.7%</b>
70-74	395	2.9%	<b>3.4%</b>	450	2.9%	<b>3.2%</b>
75-79	305	2.2%	<b>2.8%</b>	353	2.3%	<b>2.7%</b>
80-84	200	1.5%	<b>1.7%</b>	248	1.6%	<b>1.9%</b>
85+	175	1.3%	1.3%	229	1.5%	1.5%
Population Aged 15-85 (%)					80.4	81.9%

Source: McSweeney & Associates from Statistics Canada Census data for 2001. Manifold Data Mining Inc *Superdemographics* for 2006.

<sup>2</sup> Statistics Canada released preliminary population counts based upon the 2006 Census on March 13, 2007. Final counts are scheduled for release in May 1, 2008. As with all surveys, there is not a 100% return rate on census surveys. Generally, 95-97% of census forms are returned, and this varies from area to area. Population counts provided by StatsCan for municipalities are based only on the actual census forms returned, and therefore are always somewhat less than the actual population.

Table 2 compares mobility of North Grenville and Ontario residents for 2001 and 2006, by place of residence one year ago and five years ago. Key observations are:

- North Grenville has a higher percentage of non-movers in the last five years than Ontario;
- North Grenville has a much smaller percentage of migrants from outside of Canada than does Ontario.

**Table 2: 2001 Census and 2006 Mobility Estimates for North Grenville**

Characteristic	NG 2001	NG 2001 (%)	ONT 2001 (%)	NG 2006	NG 2006 (%)	ONT 2006 (%)
<b>Mobility Status – Place of Residence One Year Ago</b>						
Total Population 1 Year and Over	13,325			15,380		
Non-Movers	11,305	84.8%	<b>86.1%</b>	13,080	85.0%	<b>86.0%</b>
Movers	2,030	<b>15.2%</b>	13.9%	2,300	<b>15.0%</b>	14.0%
Non-migrants (moved within NG)	635	31.3%	<b>57.0%</b>	773	33.6%	<b>56.8%</b>
Migrants	1,395	<b>68.7%</b>	43.0%	1,527	<b>66.4%</b>	43.2%
Migrants from outside Canada	60	4.3%	<b>22.5%</b>	68	4.5%	<b>20.8%</b>
Migrants from within Canada	1,330	<b>95.3%</b>	77.5%	1,459	<b>95.5%</b>	79.2%
Intraprovincial Migrants	1,130	85.0%	<b>85.4%</b>	1,249	<b>85.6%</b>	86.3%
Interprovincial Migrants	205	<b>15.4%</b>	14.6%	211	<b>14.5%</b>	13.7%
<b>Mobility Status – Place of Residence Five Years Ago</b>						
Total Population 5 Years and Over	12,555			15,380		
Non-Movers	7,400	<b>58.9%</b>	57.2%	9,292	<b>60.4%</b>	56.8%
Movers	5,155	41.1%	<b>42.8%</b>	6,088	39.6%	<b>43.2%</b>
Non-migrants (moved within NG)	1,930	37.4%	<b>54.2%</b>	2,276	37.4%	<b>54.3%</b>
Migrants	3,225	<b>62.6%</b>	45.8%	3,812	<b>62.6%</b>	45.7%
Migrants from outside Canada	90	2.8%	<b>24.8%</b>	108	2.8%	<b>23.4%</b>
Migrants from within Canada	3,140	<b>97.4%</b>	75.2%	3,704	<b>97.2%</b>	77.0%
Intraprovincial Migrants	2,670	<b>85.0%</b>	84.5%	3,152	85.1%	85.1%
Interprovincial Migrants	470	15.0%	<b>15.5%</b>	552	14.9%	14.9%

Source: McSweeney & Associates from Statistics Canada 2001 Census data and Manifold Data Mining Inc *Superdemographics* 2006

### Income Levels

Table 3 shows that North Grenville and Ontario income characteristics. In 2000, North Grenville residents on average had higher average and median incomes (both individual and household) compared to Ontario, as well as having a greater percentage of income derived from earnings and a lesser amount derived from government transfers.

**Table 3: 2001 and 2006 North Grenville Income Characteristics**

Characteristic	NG 2000	ONT 2000	NG 2005
Total population 15 years and over	10,405	9,048,040	12,372
Without income	525	449,480	550
With income	9,885	8,598,560	11,822
Median income \$	<b>\$27,157</b>	\$24,816	\$28,174
Composition of Total Income			
Employment income %	78.6%	78.7%	
Government transfer payments %	8.8%	<b>9.8%</b>	
Other %	<b>12.6%</b>	11.5%	
Median household income \$	<b>\$58,727</b>	\$53,626	\$64,686

Source: McSweeney & Associates from Statistics Canada 2001 Census data and Manifold Data Mining Inc *Superdemographics* 2006

## 2. Economic Base Analysis

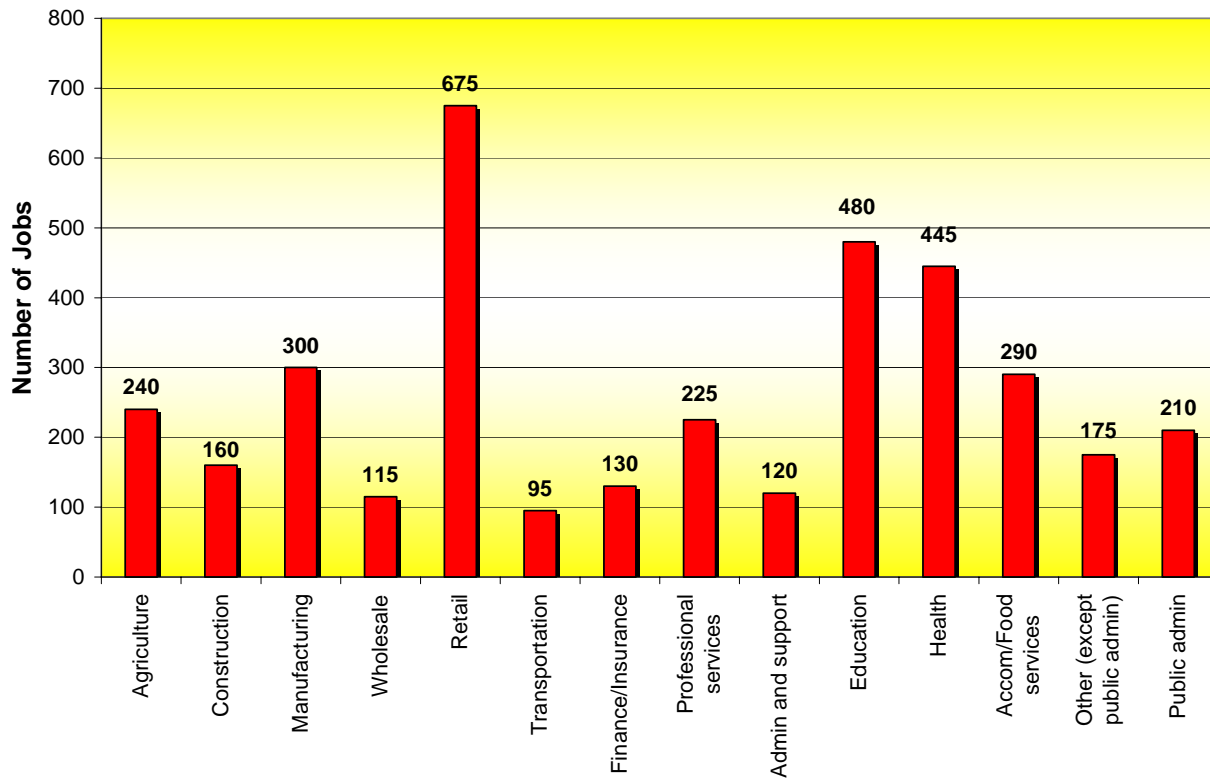
### 2.1. Employment Profile

The Statistics Canada “North American Industry Classification System - 1997” (NAICS) system of classifying employment is used for this report. The largest groupings or aggregations of employment categories are called Sectors, which are broken down into Sub-sectors, which are further broken down into Industries. An example of this breakdown follows:

<b>31-33 Manufacturing industries</b>	<i>Sector Level</i>
311 Food manufacturing	<i>Sub-sector Level</i>
3111 Animal food manufacturing	} <i>Industry Level</i>
3112 Grain and oilseed milling	
3113 Sugar and confectionery product manufacturing	

The following figure illustrates the 2001 employment (3,875 jobs) located in North Grenville by employment sector.

**Figure 1: Number of Jobs by Employment Sector in North Grenville, 2001**



**Jobs in North Grenville by Employment Sector**

Source: McSweeney & Associates from Statistics Canada Census data; Analysis support: Rural Development Division, Ontario Ministry of Agriculture, Food, and Rural Affairs

In terms of total number of jobs in North Grenville, the retail and education sectors are of greatest importance in North Grenville, with 675 and 480 jobs respectively (29% total), followed by health care and social assistance with 445 jobs (11%). The manufacturing and accommodation and food services sectors also employ a considerable percentage of the working population with 300 (8%) jobs in manufacturing and 290 (7%) jobs in accommodations and food services. Other sectors of note in North Grenville include public administration with 210 jobs (5%), other services with 175 jobs (5%) and construction with 160 jobs (4%).

### **2.2. Economic Base Analysis**

An economic base analysis is simply an analysis of how the local economy functions. It does not provide solutions to economic problems, but it does provide useful information required for decision-making about economic strategies.

Economic base analysis helps us determine which economic activities “bring money in”, and where money might be “leaking out”. While the actual flow of money in and out of North Grenville would be the most accurate means of describing the economic base of North Grenville, data or statistics for this form of cash flow data are not available. A surrogate for cash flow is required, and the most common substitute is employment, using an economic base analysis tool called “Location Quotient Analysis”. This method compares the level of employment concentration (or specialization) in North Grenville to the level of employment concentration in one or more benchmark areas. In other words, does North Grenville have proportionately more or less employees in specific industries than does the benchmark area?

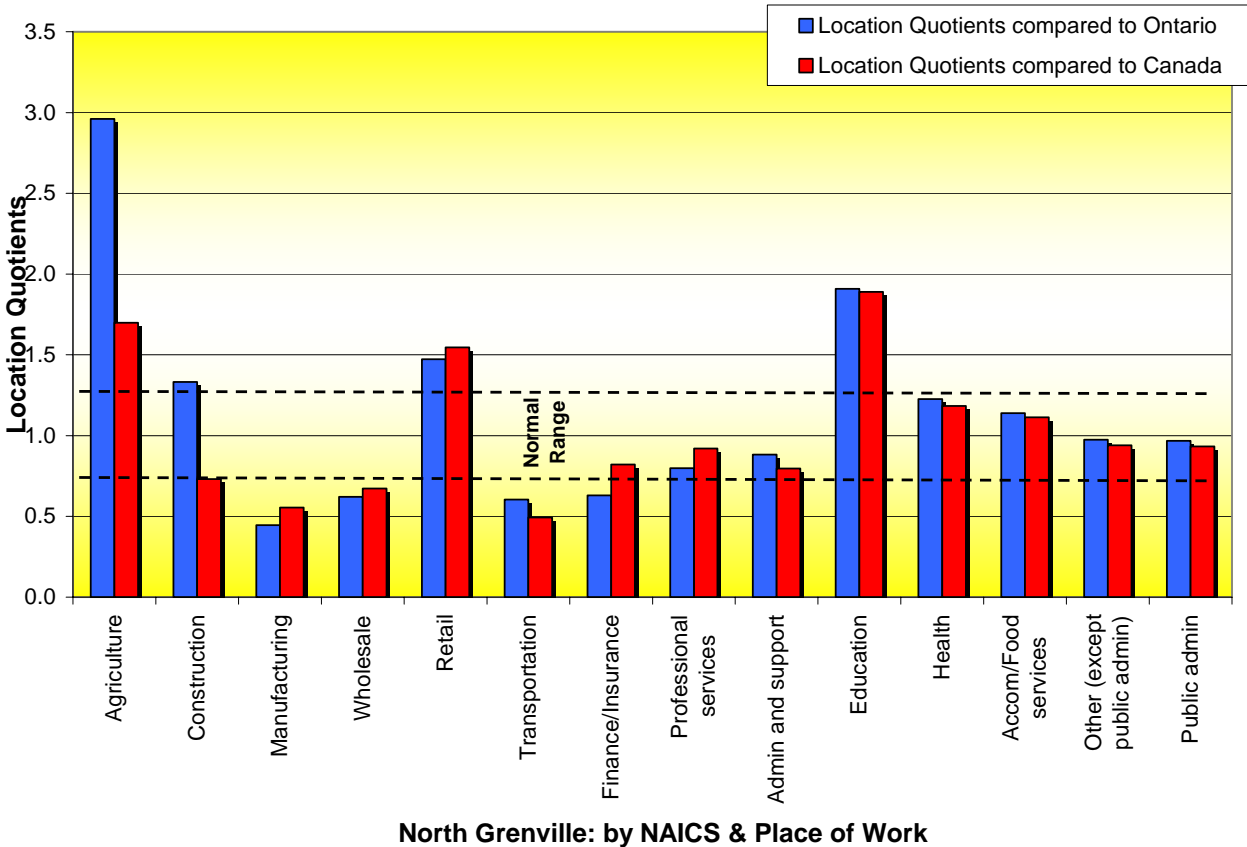
By “benchmarking” employment in North Grenville with neighbouring areas, as well as Ontario and Canada, this method provides information on:

- The extent to which North Grenville is producing all of the goods or services required for consumption in North Grenville (this potentially identifies opportunities to replace the imports with locally provided goods and services);
- Whether the North Grenville economy is producing goods or services in excess of quantities required for local consumption, indicating a high degree of development and specialization (or industry concentration) that results from the goods or services being consumed by non-residents.

The location quotient method is a “first cut” analysis that requires interpretation of the results, but it will point to the economic sectors that deserve a more thorough and in-depth analysis and “street-level” validation. A location quotient of between 0.75 and 1.25 generally indicates the local economy is self-sufficient in that industry. A 1.0 would indicate the exact same proportion of that industry’s jobs to all North Grenville jobs as that of the benchmark, in this case, Canada. A location quotient of less than 0.75 usually indicates a lack of self-sufficiency, requiring an importation of goods or services, as there is insufficient local employment to produce the required goods/services. A location quotient of greater than 1.25 usually indicates the industry has more local employment than is required to sustain the needs of North Grenville, and is therefore exporting its goods or services, and is bringing money into the community.

The next figure illustrates the location quotients by employment sectors for North Grenville, compared to Ontario and Canada as the benchmarks<sup>3</sup>.

**Figure 2: Location Quotients by Employment Sectors – 2001**



Source: McSweeney & Associates from Statistics Canada Census data; Analysis support: Rural Development Division, Ontario Ministry of Agriculture, Food, and Rural Affairs

The agriculture location quotient for North Grenville is high when compared to Ontario (3.0) and Canada (1.7). Agricultural employment is therefore greater than what is required to maintain the local economy. Retail and education sectors also show slightly elevated levels of concentration. The following employment sectors are less developed in North Grenville:

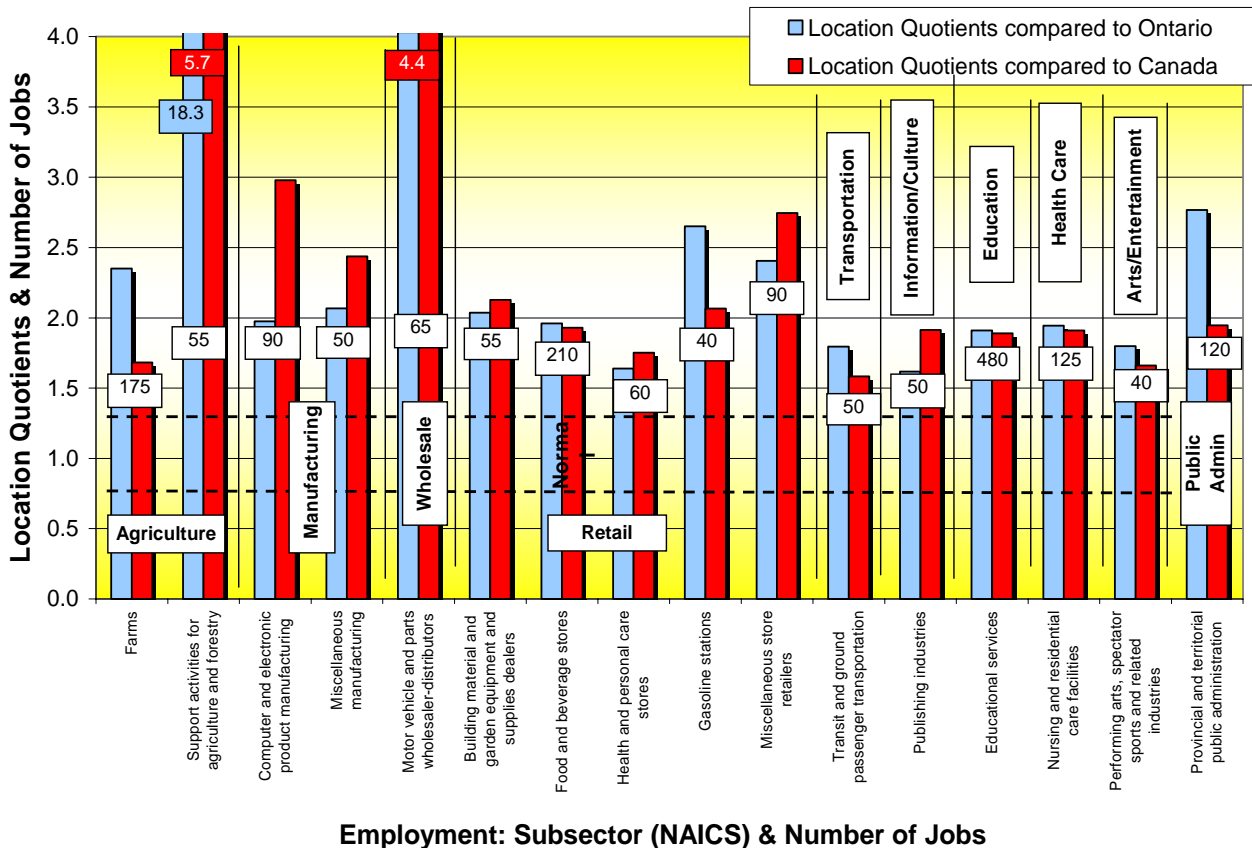
- The manufacturing, transportation/warehousing and wholesale sectors are significantly underrepresented.
- Finance and insurance (finance being largely centred in Canada's largest cities, particularly Toronto).

<sup>3</sup> Note that while the proposal stated Standard Industrial Classification numbers were to be used in the economic analysis, the data was unavailable by place of work for North Grenville. Instead, North American Industrial Classification System by labour force data is to used due to its availability

3.2.2. Dominant Sub-Sectors

The next figure illustrates the employment figures by sub-sectors that have a significant number of jobs in North Grenville and a location quotient exceeding 1.5.

Figure 3: Employment Sub-sector with High Location Quotients



Source: McSweeney & Associates from Statistics Canada Census data; Analysis support: Rural Development Division, Ontario Ministry of Agriculture, Food, and Rural Affairs

In terms of employment at the sub-sector level, education services (480 jobs) dominates employment levels relative to other sub-sectors. The second and third largest sub-sectors in 2001, were food and beverage stores and farms (210 and 175 jobs respectively).

- Within the manufacturing sector, there are *two* sub-sectors with employment concentrations. Computer and electronics products (90 jobs) and miscellaneous manufacturing (50 jobs) have significant concentrations and employment levels.
- Within the wholesale sector, *one* sub-sector has employment concentration. Motor vehicle parts and wholesaler-distributors employ 65 people.

- Within the retail sector, there are *six* industries that have elevated employment concentration levels:
  - building equipment and garden equipment and supplies dealers (55 jobs);
  - food and beverage stores (210 jobs);
  - health and personal care stores (60 jobs);
  - gasoline stations (40 jobs);
  - and miscellaneous store retailers (90 jobs)
- Within the transportation sector, there is *one* sub-sector with higher employment concentrations. Transit and ground passenger transportation employ 50 people and have a higher employment concentration.
- Within the information and cultural sector, *one* sub-sector has higher employment concentrations. Publishing industries employ 50 people.
- Nursing and residential care facilities (125 jobs) are fairly concentrated within the health care and social assistance sector.
- Within the arts, entertainment and recreation sector, there is *one* industry with higher concentrations. Performing arts, spectator sports and related industries (40 jobs) have significant concentrations and employment levels.
- Within the public administration sector, there is *one* sub-sector with elevated concentrations. Provincial and territorial public administration (190 jobs) has much higher employment levels.

### 3.2.3. Underdeveloped Industries

The following table presents sub-sectors in North Grenville that are underrepresented in terms of employment concentration<sup>4</sup> in comparison to Canada and/or Ontario. While this table sometimes will reveal industry development opportunities, given that a large portion of North Grenville is rural, the underdevelopment of many of the indicated major groups is not unexpected.

**Table 4: Low/Underdeveloped North Grenville Employment Concentrations – 2001**

Sectors (NAICS Classification)	North Grenville Employment	LQ Ontario	LQ Canada
<b>Manufacturing</b>			
Food manufacturing	0	0.0	0.0
Beverage and tobacco product manufacturing	0	0.0	0.0
Textile product mills	0	0.0	0.0
Clothing manufacturing	0	0.0	0.0
Leather and allied product manufacturing	0	0.0	0.0
Wood product manufacturing	0	0.0	0.0
Paper manufacturing	0	0.0	0.0
Printing and related support activities	0	0.0	0.0
Petroleum and coal products manufacturing	0	0.0	0.0
Plastics and rubber products manufacturing	10	0.2	0.3
Non-metallic mineral product manufacturing	10	0.6	0.7
Primary metal manufacturing	0	0.0	0.0
Machinery manufacturing	10	0.2	0.3
Electrical equipment, appliance and component manufacturing	10	0.4	0.7

<sup>4</sup> Location quotients less than 0.75

## North Grenville Economic Analysis

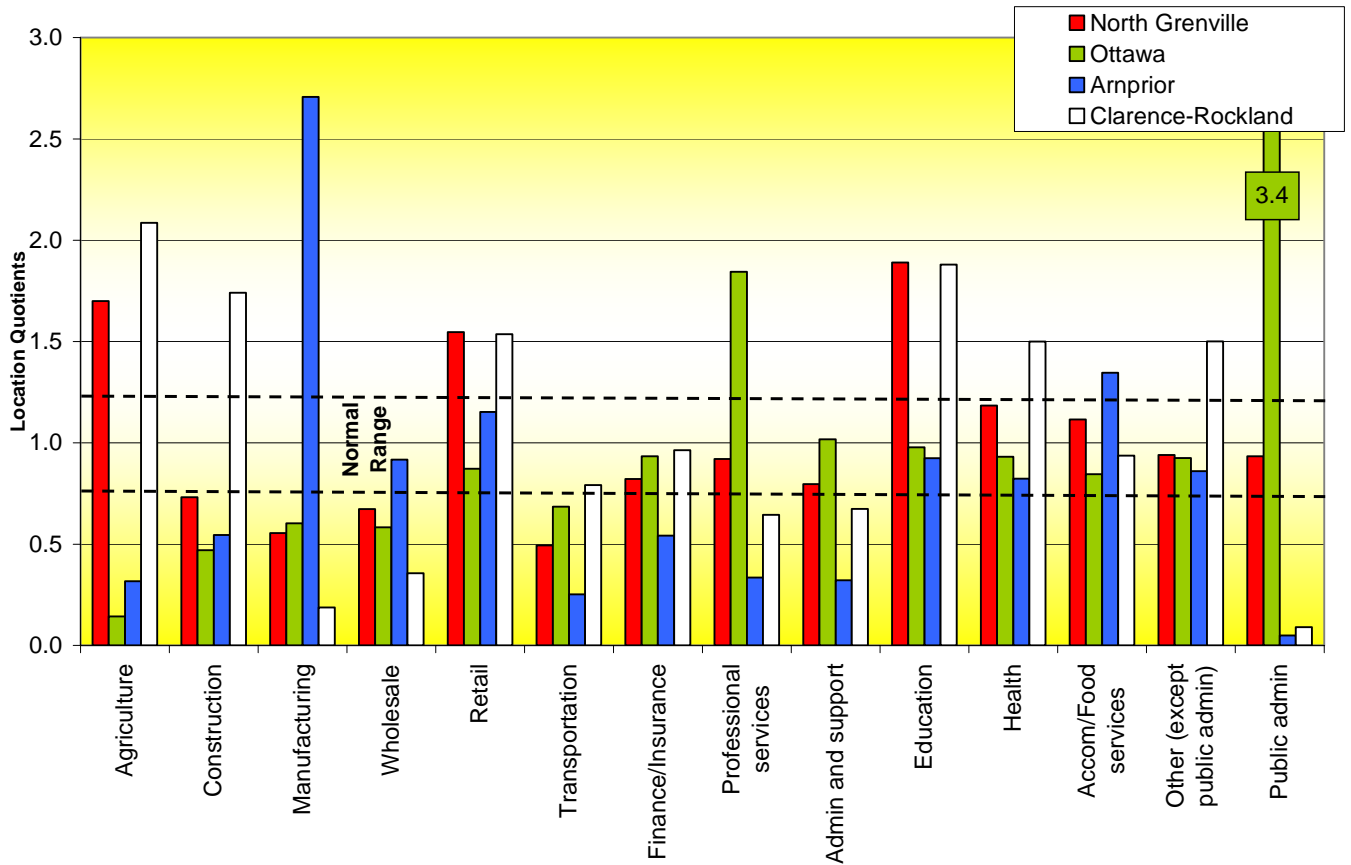
Sectors (NAICS Classification)	North Grenville Employment	LQ Ontario	LQ Canada
Transportation equipment manufacturing	0	0.0	0.0
Furniture and related product manufacturing	20	0.7	0.7
<b>Wholesale trade</b>			
Farm product wholesaler-distributors	0	0.0	0.0
Petroleum product wholesaler-distributors	0	0.0	0.0
Food, beverage and tobacco wholesaler-distributors	10	0.5	0.4
Personal and household goods wholesaler-distributors	0	0.0	0.0
Building material and supplies wholesaler-distributors	0	0.0	0.0
Machinery, equipment and supplies wholesaler-distributors	10	0.2	0.2
Wholesale agents and brokers	0	0.0	0.0
<b>Retail trade</b>			
Furniture and home furnishings stores	10	0.6	0.6
Electronics and appliance stores	10	0.5	0.6
Clothing and clothing accessories stores	35	0.7	0.7
Non-store retailers	10	0.7	0.6
<b>Transportation and warehousing</b>			
Air transportation	0	0.0	0.0
Rail transportation	0	0.0	0.0
Water transportation	0	0.0	0.0
Truck transportation	25	0.6	0.4
Pipeline transportation	0	0.0	0.0
Scenic and sightseeing transportation	0	0.0	0.0
Support activities for transportation	10	0.5	0.4
Postal service	10	0.5	0.6
Couriers and messengers	0	0.0	0.0
Warehousing and storage	0	0.0	0.0
<b>Information and cultural industries</b>			
Motion picture and sound recording industries	0	0.0	0.0
Broadcasting and telecommunications	10	0.2	0.2
Information services and data processing services	10	0.6	0.7
<b>Finance and insurance</b>			
Monetary authorities - central bank	0	0.0	0.0
Securities, commodity contracts, and other financial investment and related activities	10	0.2	0.3
Insurance carriers and related activities	30	0.5	0.6
Funds and other financial vehicles	0	0.0	0.0
<b>Real estate and rental and leasing</b>			
Rental and leasing services	10	0.5	0.5
Lessors of non-financial intangible assets (except copyrighted works)	0	0.0	0.0
<b>Arts, entertainment and recreation</b>			
Heritage institutions	0	0.0	0.0
<b>Accommodation and food services</b>			
Accommodation services	15	0.4	0.3
<b>Other services (except public administration)</b>			
Religious, grant-making, civic, and professional and similar organizations	15	0.3	0.3
<b>Public administration</b>			
Federal government public administration	30	0.3	0.3
Aboriginal public administration	0	0.0	0.0
International and other extra-territorial public administration	0	0.0	0.0

Source: McSweeney & Associates from Statistics Canada Census data; Analysis support: Rural Development Division, Ontario Ministry of Agriculture, Food, and Rural Affairs

**3.2.4. Industry Concentrations in Competing Communities**

To better understand the nature of communities that North Grenville competes with in terms of site selection, a number of nearby Ontario communities were selected for comparison of sector concentrations. The communities included were: Ottawa; Arnprior; Carleton Place; Clarence-Rockland; Perth; Smiths Falls; Prescott; and Brockville.

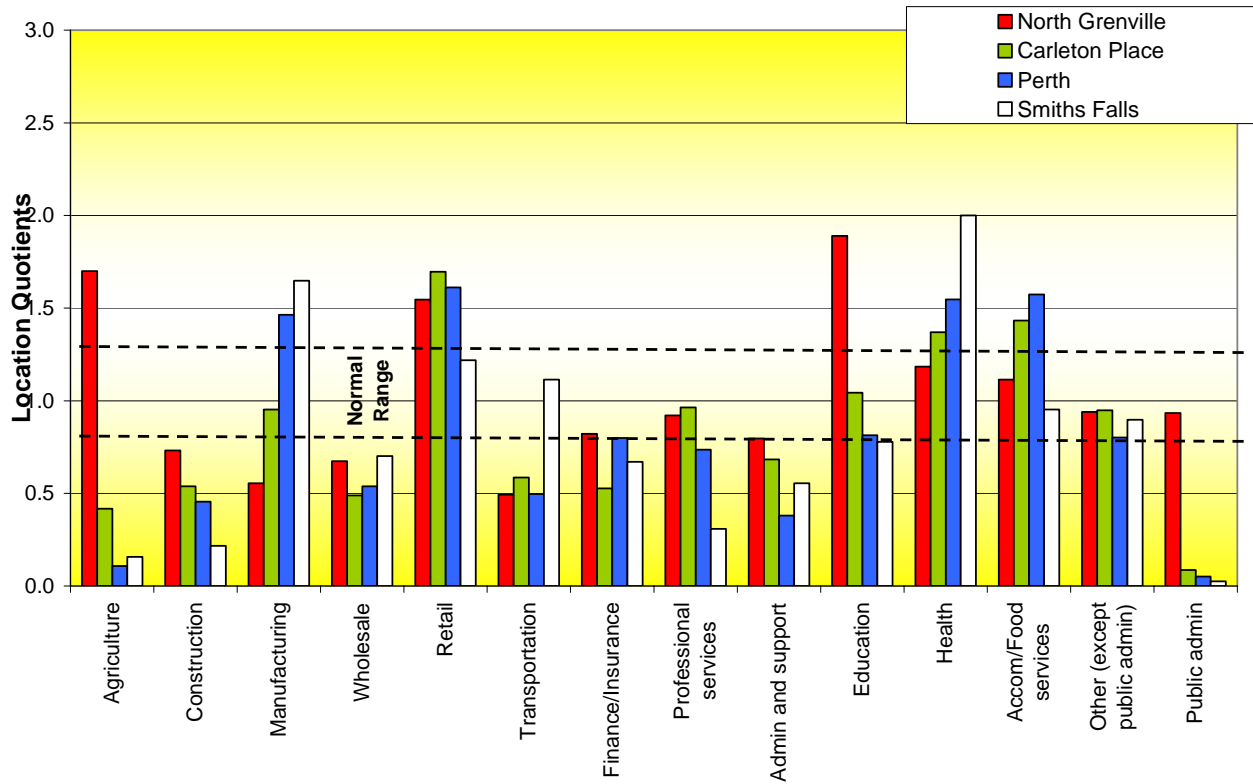
**Figure 4: 2001 Industry Concentrations in Surrounding Municipalities**



**Sector Divisions: by NAICS & Place of Work**

Source: McSweeney & Associates from Statistics Canada Census data; Analysis support: Rural Development Division, Ontario Ministry of Agriculture, Food, and Rural Affairs

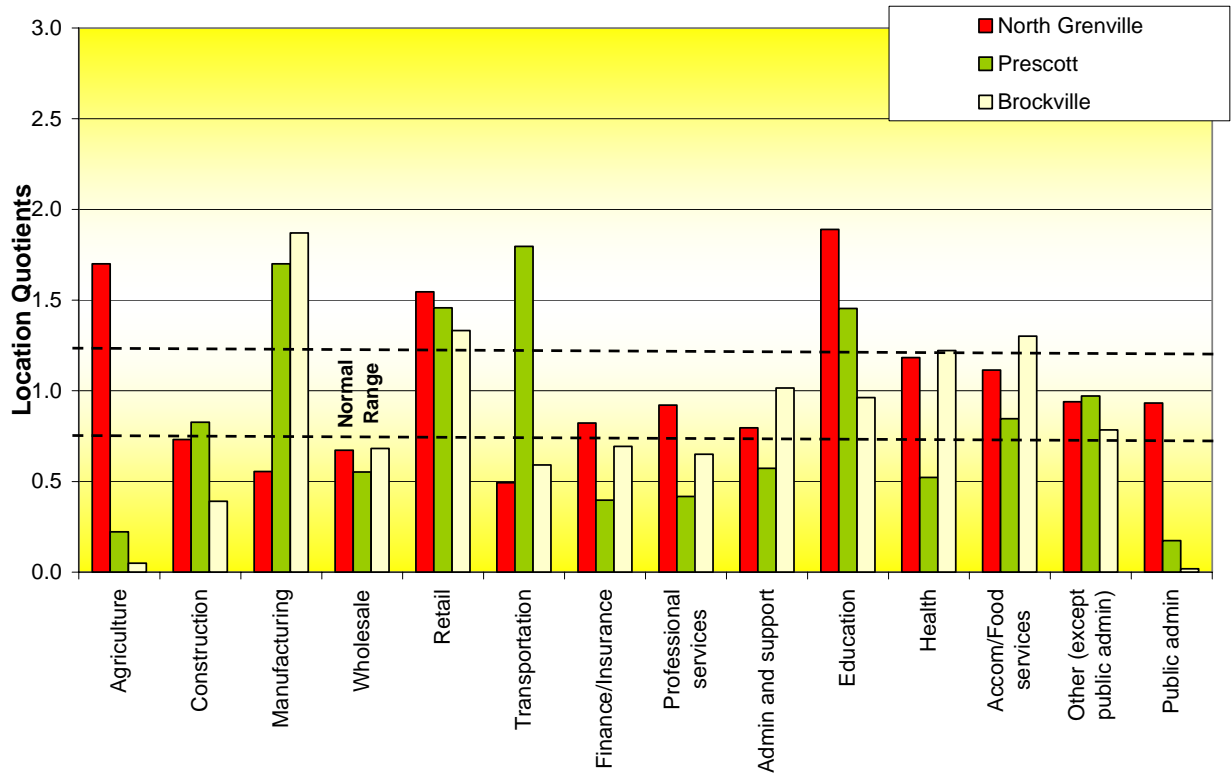
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Figure 6: 2001 Industry Concentrations in Surrounding Municipalities



**Sector Divisions: by NAICS & Place of Work**

Source: McSweeney & Associates from Statistics Canada Census data; Analysis support: Rural Development Division, Ontario Ministry of Agriculture, Food, and Rural Affairs

In comparison to surrounding municipalities, manufacturing, transportation and real estate sectors are underrepresented in the North Grenville.

Agriculture is overrepresented compared to the surrounding communities. This is expected however due to the rural character of the area.

The education sector is overrepresented compared to surrounding municipalities. This is expected with the presence of Kemptville College.

### 3. Labour Force Analysis

#### 3.1. General Labour Force Characteristics

The following table provides a comparison of key labour force indicators for North Grenville and Ontario. Labour trends in North Grenville are more favourable compared to the Ontario average. For 2001 and 2006, North Grenville outperformed Ontario with respect to participation rates, employment rates, and unemployment rates.

**Table 5: Key Labour Force Indicators: North Grenville versus Ontario, 2001-2006**

Characteristic	NG 2001	ONT 2001	NG 2006	ONT 2006
Total population 15 years and over by labour force activity	10,400	9,048,040	12,372	10,238,451
Not in the labour force	3,195	2,961,220	3,714	3,316,575
In the labour force:	7,210	6,086,815	8,659	6,921,876
Employed	6,885	5,713,900	8,255	6,450,087
Unemployed	325	372,915	404	471,789
Participation rate	<b>69.3%</b>	67.3%	<b>70.0%</b>	68.0%
Employment rate	<b>66.2%</b>	63.2%	<b>67.0%</b>	63.0%
Unemployment rate	4.5%	<b>6.1%</b>	3.0%	<b>5.0%</b>

Source: McSweeney & Associates from Statistics Canada Census data Manifold Data Mining Inc *Superdemographics* 2006

#### 3.2. Education

The following table shows the highest education levels obtained by North Grenville residents in comparison to Ontario. For 2006, North Grenville (relative to Ontario) had a smaller percentage of the population without a high school graduation certificate or some level of university education. However, North Grenville did have a greater percentage of residents with high school, trades certificate or diploma or a college certificate or diploma as the highest level of education.

**Table 6: Education Levels Attained: North Grenville versus Ontario 2006**

Characteristic	North Grenville	North Grenville (%)	Ontario (%)
Population 20+ by Highest Level of Schooling	11,271		
Less than Grade 9	502	4.5%	<b>8.6%</b>
Grades 9 to 13	3,685	<b>32.7%</b>	31.1%
Without High School Graduation Certificate	2,099	<b>57.0%</b>	54.2%
With High School Graduation Certificate	1,586	43.0%	<b>45.8%</b>
Trades Certificate or Diploma	1,482	<b>13.1%</b>	10.2%
College	3,242	<b>28.8%</b>	23.8%
Without Certificate or Diploma	770	23.8%	<b>27.6%</b>
With Certificate or Diploma	2,472	<b>76.2%</b>	72.4%
University	2,361	20.9%	<b>26.2%</b>
Without Degree	722	<b>30.6%</b>	27.0%
Without Certificate or Diploma	499	<b>21.1%</b>	18.6%
With Certificate or Diploma	223	<b>9.4%</b>	8.4%
With Bachelor's Degree or Higher	1,638	69.4%	<b>73.0%</b>

Source: McSweeney & Associates from Manifold Data Mining Inc *Superdemographics* 2006

### 3.3. Experience of Labour Force

The following tables indicate the industry worked in most recently (2006 estimates) by North Grenville and Ontario residents. The information is by place of residence (i.e. applies to North Grenville residents, not employees working in North Grenville).

In 2006, relative to Ontario, a larger percentage of North Grenville residents worked in:

- agriculture;
- construction;
- transportation;
- professional services;
- health care;
- and public administration.

A smaller percentage of North Grenville residents worked in:

- manufacturing;
- wholesale trade;
- information and cultural industries;
- finance and insurance;
- administrative and support services, waste management;
- educational services;
- arts, entertainment and recreation;
- and accommodation and food services.

**Table 7: Experienced Labour Force by Industry - Summary (NAICS) 2006**

Characteristic	North Grenville	North Grenville (%)	Ontario(%)
All Industries	8,578		
Agriculture	313	<b>3.6%</b>	2.1%
Construction	762	<b>8.9%</b>	5.6%
Manufacturing	886	10.3%	<b>16.4%</b>
Wholesale Trade	361	4.2%	<b>4.7%</b>
Retail Trade	964	11.2%	<b>11.3%</b>
Transportation	446	<b>5.2%</b>	4.7%
Information and Cultural Industries	186	2.2%	<b>2.8%</b>
Finance and Insurance	262	3.1%	<b>4.9%</b>
Real Estate	142	1.7%	<b>1.8%</b>
Professional Services	668	<b>7.8%</b>	7.2%
Administrative and Support	338	3.9%	<b>4.3%</b>
Education	467	5.4%	<b>6.2%</b>
Health Care	816	<b>9.5%</b>	8.9%
Arts, Entertainment and Recreation	155	1.8%	<b>2.0%</b>
Accommodation and Food Services	428	5.0%	<b>6.3%</b>
Other Services (except Public Administration)	393	4.6%	4.6%
Public Administration	914	<b>10.7%</b>	5.1%

Source: McSweeney & Associates from Manifold Data Mining Inc *Superdemographics* 2006

### 3.4. Shift-Share Analysis 2001-2006

A review of the changes in labour force data for North Grenville by NAICS place of residence data reveals that there was a net increase of 25.7% in the labour force, compared to labour force growth in Canada at 19.4% for the same period.

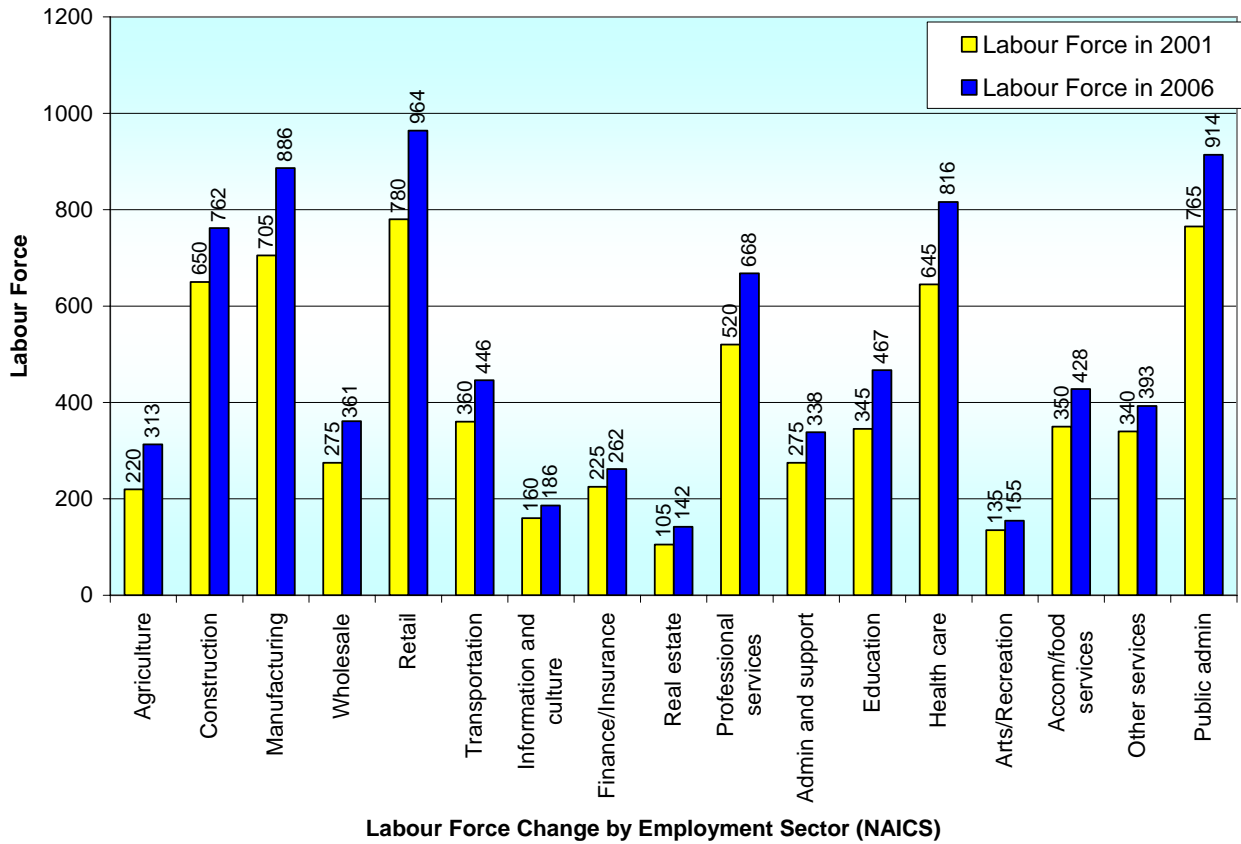
Industry sectors that recorded an increase in labour force between 2001 and 2006 were:

- agriculture (93 persons);
- construction (112 persons);
- manufacturing (181 persons);
- wholesale trade (86 persons); retail trade (184 persons);
- transportation and warehousing (86 persons);
- information and cultural industries (26 persons);
- finance and insurance (37 persons);
- real estate and rental and leasing (37 persons);
- professional, scientific and technical services (148 persons);
- administrative and support, waste management and remediation services (63 persons);
- educational services (122 persons);
- health care and social assistance (171 persons);
- arts, entertainment and recreation (20 persons); accommodation and food services (78 persons);
- other services except for public administration (53 persons), and;
- public administration (149 person)<sup>5</sup>.

<sup>5</sup> Labour force by industry refers to the general nature of the business carried out in the establishment where the person worked. If the person did not have a job during the week (Sunday to Saturday) prior to enumeration, the data relate to the job of longest duration since January 1, 2000.

The following chart illustrates the labour force numbers by Employment Sector in both 2001 and 2006.

**Figure 9: NG Labour Force Change by Employment Sector: 2001-2006**



Source: McSweeney & Associates from Statistics Canada Census data; Analysis support: Rural Development Division, Ontario Ministry of Agriculture, Food, and Rural Affairs and Manifold Data Mining Inc *Superdemographics* 2006

Shift-share analysis compares local growth/decline within the North Grenville labour force by industry to the growth/decline of that labour force by industry within Canada, as well as labour force growth overall for Canada. More specifically, this analytical tool examines the local labour force by attributing growth, stability, or decline in particular industries over time to three distinct forces:

- Economic growth: local labour force growth/decline that is attributable to growth, stability, or decline of the entire Canadian economy;
- National industry growth: local labour force growth/decline that is attributable to the growth, stability, or decline of that particular economic activity in the Canadian economy (with the economic growth component removed);
- Local industry growth: growth/decline that is attributable to the local labour force because it is growing/declining more or less quickly than the labour force in the larger economy (with the Canadian economic and industry growth components removed).

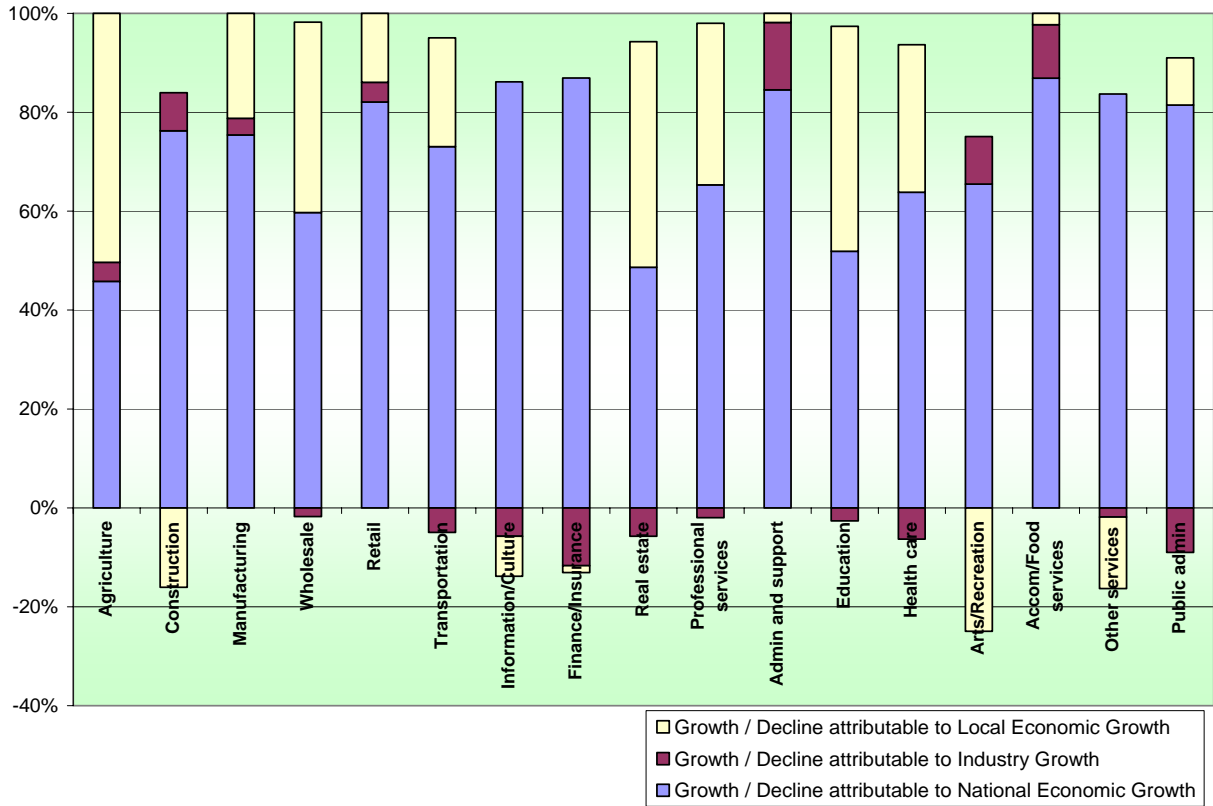
This tool when correctly interpreted provides greater descriptive power than the location quotient method. It has been applied to all “NAICS” Industry Sectors using 2006 place of residence labour force statistics. Shift-share analysis allows examination of changes through time (trends) versus the static snapshot of location quotients. The following table provides a shift-share analysis by industry division for North Grenville. An example of how to interpret the table follows:

- Wholesale trade experienced an increase in the labour force of 86 people between 2001 and 2006. This gain of 86 may be “attributed” as follows:
  - 53 people added to the labour force can be attributed to overall employment growth in the Canadian economy;
  - The labour force in the Canadian wholesale trade industry grew at a slower rate than labour force growth in the overall economy, and therefore the loss of 2 persons from the wholesale labour force in North Grenville can be attributed to wholesale trade industry negative growth;
  - Actual wholesale trade labour force growth in North Grenville (86 persons) was more than what can be attributed to the growth in the national economy and industry growth (a net of 51 persons), and therefore the labour force increased by 34 persons in North Grenville than would have been expected if the North Grenville growth had been equal with national and industry growth in wholesale trade.

One must keep in mind that this section refers to the labour force that is resident in North Grenville, and that a high percentage of the labour force is employed in jobs outside of North Grenville.

The following figure graphically attributes labour force growth to national, industry, or local growth, and the following table provides the same information in chart form.

**Figure 10: North Grenville Labour Force Shift-Share Analysis by Industry Division, 2001-2006**



Source: McSweeney & Associates from Statistics Canada Census data; Analysis support: Rural Development Division, Ontario Ministry of Agriculture, Food, and Rural Affairs and Manifold Data Mining Inc. *Superdemographics* 2006

**Table 8: Shift Share Analysis for NG Labour Force by Employment Sector: 2001-2006**

Sectors (NAICS)	Labour Force Growth/Decline North Grenville	% Change North Grenville	National Economic Effect	Industry Effect	Regional/Local Effect
Agriculture,	93	42.3%	43	4	47
Construction	112	17.2%	126	13	-27
Manufacturing	181	25.2%	137	6	38
Wholesale trade	86	31.3%	53	-2	34
Retail trade	184	23.6%	151	7	26
Transportation	86	23.9%	70	-5	21
Information and cultural industries	26	16.3%	31	-2	-3
Finance and insurance	37	16.4%	44	-6	-1
Real estate	37	35.2%	20	-2	19
Professional services	148	28.5%	101	-3	50
Administrative and support	63	22.9%	53	9	1

Sectors (NAICS)	Labour Force Growth/Decline North Grenville	% Change North Grenville	National Economic Effect	Industry Effect	Regional/Local Effect
Education	122	35.4%	67	-3	59
Health care	171	26.5%	125	-12	58
Arts, entertainment and recreation	20	14.8%	26	4	-10
Accommodation and food services	78	22.3%	68	8	2
Other services (except public administration)	53	15.6%	66	-1	-11
Public Administration	149	19.5%	148	-16	17

Source: McSweeney & Associates from Statistics Canada Census data; Analysis support: Rural Development Division, Ontario Ministry of Agriculture, Food, and Rural Affairs and Manifold Data Mining Inc. *Superdemographics* 2006

### 3.5. Occupation

The following table presents information on the occupations of the labour force resident in North Grenville.

**Table 9: Experienced Labour Force by Occupation - Summary 2006**

Characteristic	North Grenville (#)	North Grenville (%)	Ontario (%)
All Occupations	8,620	-	-
Management Occupations	1,247	<b>14.5%</b>	11.6%
Business, Finance and Administration Occupations	1,437	<b>16.7%</b>	<b>18.3%</b>
Natural and Applied Sciences and Related Occupation	748	<b>8.7%</b>	7.1%
Health Occupations	377	4.4%	<b>4.7%</b>
Occupations in Social Science, Education, Government Service and Religion	541	6.3%	<b>7.6%</b>
Occupations in Art, Culture, Recreation and Sport	244	2.8%	2.8%
Sales and Service Occupations	1,804	20.9%	<b>22.8%</b>
Trades, Transport, and Equipment Operators and Related Occupations	1,572	<b>18.2%</b>	14.3%
Occupations unique to Primary Industry	381	<b>4.4%</b>	2.8%
Occupations unique to Processing, Manufacturing and Utilities	270	3.1%	<b>8.1%</b>

Source: McSweeney & Associates from Manifold Data Mining Inc. *Superdemographics* 2006

### 3.6. Labour Force Commuting

The 2001 Census indicates that while there are 3,875 jobs in North Grenville, in fact the employed resident labour force (number of employees who live in North Grenville) was 6,890.

### 3.6.1. North Grenville Exports Workers

The next table highlights industry sectors in which there is a net “export” or “import” of labour. In 2001, there are 3,875 jobs in North Grenville, and an employed resident labour force of 6,890, North Grenville is a net “exporter” of 3,015 employees. The net export/import calculation is simply the number of jobs in each North Grenville industry minus the number of North Grenville residents working in that particular industry. It is important to note that both the export and import numbers indicated under-represent the actual numbers of employees, as not all North Grenville jobs are filled by North Grenville residents. The tables provide information only on industry sectors that imported or exported a net of 100 workers or more.

Industry sectors in which North Grenville exports a large number of workers may suggest the possibility of trying to attract those types of businesses to North Grenville based upon the assumption that some of these workers might choose to work in North Grenville if they were given the opportunity to do so. Industry sectors in which North Grenville imports a large number of workers may suggest difficulty finding local labour for those industries in North Grenville, but will also reflect the fact that some people choose to live in areas other than near their workplace for reasons such as cost of housing or the desire to be in a rural area.

The following table reveals the following information regarding the labour force in North Grenville:

- Overall, there are more employed residents than there are jobs in North Grenville;
- Large numbers of people living in North Grenville work in places of employment outside of the area. These sectors are:
  - Construction;
  - Manufacturing;
  - Wholesale trade;
  - Retail trade;
  - Transportation and warehousing;
  - Professional, scientific and technical services;
  - Administrative and support, waste management and remediation services;
  - Health care and social assistance;
  - Accommodation and food services;
  - Other services (except public administration);
  - Public administration

**Table 10: Major "Exporters" of Jobs**

Sectors (NAICS classification)	Jobs in North Grenville	Net export (-) or import (+) of labour
<b>All industries</b>	<b>3,875</b>	<b>-3,015</b>
<b>Construction (Sector)</b>	<b>160</b>	<b>-490</b>
Prime contracting	65	-155
Trade contracting	95	-335
<b>Manufacturing (Sector)</b>	<b>300</b>	<b>-405</b>
Computer and electronic product manufacturing	90	-130
<b>Wholesale trade (Sector)</b>	<b>115</b>	<b>-160</b>
<b>Retail trade (Sector)</b>	<b>675</b>	<b>-105</b>
<b>Transportation and warehousing (Sector)</b>	<b>95</b>	<b>-265</b>
<b>Professional, scientific and technical services (Sector)</b>	<b>225</b>	<b>-295</b>
Professional scientific and technical services	225	-295
<b>Admin &amp; support waste management &amp; remediation services (Sector)</b>	<b>120</b>	<b>-155</b>
Administrative and support services	105	-155
<b>Health care and social assistance (Sector)</b>	<b>445</b>	<b>-200</b>
<b>Other services (except public administration) (Sector)</b>	<b>175</b>	<b>-165</b>
Repair and maintenance	95	-120
<b>Public administration (Sector)</b>	<b>210</b>	<b>-555</b>
Federal government public administration	30	-420

Source: McSweeney & Associates from Statistics Canada Census data; Analysis support: Rural Development Division, Ontario Ministry of Agriculture, Food, and Rural Affairs

### 3.6.2. Where Commuters Work

The following two tables provide information on persons reporting a "usual place of work other than in their home or outside of Canada", and reveal the following regarding labour force mobility in North Grenville:

- The largest number of workers commuting to work in North Grenville travel from Ottawa;
- The majority of North Grenville residents commute to work Ottawa;
- 40.1% of workers declaring a usual place of work in North Grenville live outside of the area;
- 65.7% of the people living in North Grenville have a usual place of work outside of North Grenville.

**Table 11: Labour Force Commuting to Work in North Grenville**

Place of residence / Place of work	Total Sex	Sex	
		Male	Female
South Stormont/North Grenville	25	0	15
South Dundas/North Grenville	60	25	35
North Dundas/North Grenville	260	85	175
Ottawa/North Grenville	455	245	210
Edwardsburgh-Cardinal/North Grenville	200	90	110
Augusta/North Grenville	50	30	20
Rideau Lakes/North Grenville	20	15	10
Merrickville-Wolford/North Grenville	75	15	60
North Grenville/North Grenville	1,820	700	1,120
Montague/North Grenville	25	10	10
Smiths Falls/North Grenville	50	30	15
<b>Total workforce commuting to work in North Grenville</b>	<b>3040</b>	<b>1245</b>	<b>1780</b>
<i>Percent of workers (non-residents) commuting to work in North Grenville</i>	<i>40.1%</i>		
<i>Percent outside commuters male / female</i>		<i>41.0%</i>	<i>58.6%</i>

Source: McSweeney & Associates from 2001 Statistics Canada Census Data.

**Table 12: Where the Resident North Grenville Labour Force Works**

Place of residence / Place of work	Total Sex	Sex	
		Male	Female
North Grenville/Hull	135	55	80
North Grenville/Cornwall	30	30	0
North Grenville/North Dundas	75	45	30
North Grenville/Ottawa	2,845	1,700	1,145
North Grenville/Edwardsburgh-Cardinal	35	10	25
North Grenville/Prescott	40	15	25
North Grenville/Brockville	85	20	60
North Grenville/Merrickville-Wolford	145	45	100
North Grenville/North Grenville	1,820	700	1,120
North Grenville/Smiths Falls	100	40	60
<b>Total resident labour force with a usual place of work</b>	<b>5310</b>	<b>2660</b>	<b>2645</b>
<i>Percent of resident labour force declaring a usual place of work outside of North Grenville</i>	<i>65.7%</i>		
<i>Percent outside commuters male / female</i>		<i>50.1%</i>	<i>49.8%</i>

Source: McSweeney & Associates from 2001 Statistics Canada Census Data.

## 4. Industrial Lands Analysis

### 4.1. General Market Overview

The Consultant reviewed relevant documents and strategies related to industrial land consumption for North Grenville and the surrounding area, including the City of Ottawa, the City of Clarence-Rockland, the Town of Arnprior, and the Town of Carleton Place.

For the Ottawa area as of year-end 2006, industrial vacancy declined slightly to 3.9% from 4.3% (which was the rate at mid-year 2006)<sup>6</sup>. Overall, industrial demand increased dramatically over the last six months of 2006 in comparison to the first two quarters of the year, generating positive absorption of over 300,000 square feet.

Although the Ottawa West market posted higher vacancy than the Ottawa East market at 5.1%, this is a full percentage point decline from the first half of 2006. Another positive for this market is that it posted strong absorption over the last six months of the year with over 240,000 square feet. Similar to the Ottawa East market this positive absorption is largely due to new construction and a few significant transactions. Two design-build projects were completed contributing close to 100,000 of positive absorption. The most significant of the deals was at 340 Leggat Drive, where over 115,000 square feet was removed from the market. A large portion of that absorption was due to Smart Technologies, who signed a short term lease until their new building is completed in the spring of next year. This new 260,000 square foot assembly and warehouse facility will be a highlight for the Industrial West market in 2007 as it is the first building of its type to be built since the high tech collapse in the early years of the millennium.

Construction activity is expected to remain brisk in 2007 in Ottawa West. Besides Smart Technologies, a new 25,000 square foot multi-tenant property, located in the Rideau Heights Business Park, is expected to be completed in the early months of 2007. With two buildings already built on Iber Road this year, this area is becoming one of the hottest in town as developers are marketing two separate facilities. One is a smaller 15,000 square foot multi-tenant property, the other is a site owned by Giffels who are proposing a 76,000 square foot multi-tenant facility.

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<sup>6</sup> Cushman & Wakefield. Year End 2006. "Marketbeat Snapshot, Industrial Overview, Ottawa, ON"

## 4.2. Industrial Land Supply

The City of Ottawa represents the largest industrial land supply, and the main competition for industrial land development for North Grenville.

West of the Rideau River, and within the greenbelt, business parks are fully developed or have limited amounts of vacant land. Current serviced supply is only 36.8 net ha. Three-quarters of this is located within the Merivale-Rideau Heights Business Park.

At the end of 2006, there were a total of 2,162 net hectares (ha) of vacant industrial land in the City of Ottawa. The urban area of the city accounted for 1,259.7 ha of vacant industrial land, with 262.4 ha being inside the greenbelt and 997.3 ha being outside of the greenbelt. Urban industrial land west of the greenbelt is located in the Kanata-Stittsville area. At the end of 2006, Kanata-Stittsville had 316.4 net vacant ha.

Rural Ottawa has 902.5 vacant ha of industrial land. These lands are on private services and typically cater to land extensive uses such as storage, warehousing, construction and transportation. 70% of rural industrial land (633 net ha) is located west of the Rideau River, with a large concentration along the Carp Road North of Highway 417.

Current inventories of industrial supply for Southwest Ottawa's urban and rural areas can be found in the following two tables:

**Table 12: Ottawa Southwest Urban Vacant Industrial Land Supply, Dec. 2006**

<b>Industrial Park</b>	<b>Net developable ha.</b>
416 Business Park	146.1
South Merivale Business Park	63.3
<b>Total</b>	<b>209.4</b>

Source: City of Ottawa and McSweeney & Associates

**Table 13: Ottawa Southwest Rural Vacant Industrial Land Supply, Dec. 2006**

<b>Industrial Park</b>	<b>Net developable ha.</b>
Richmond Industrial Area	55.7
Moodie Drive Industrial Area	11.5
Jordel Agri-Industrial Commercial Park	42.5
<b>Total</b>	<b>109.7</b>

Source: City of Ottawa and McSweeney & Associates

**While the above vacant land supply would seem to be abundant, in fact, very little of the land is actually available on the market. The serviced (urban) vacant industrial land supply in the Barrhaven-South Merivale area represents the main competitive supply to North Grenville.**

The following table presents information related to serviced industrial land supply in municipalities surrounding Ottawa. The table indicates a relatively small serviced land supply outside of Ottawa.

**Table 14: Industrial Land Consumption, Availability and Price Range of Competing Areas**

<b>Municipality</b>	<b>Estimated annual Consumption (ha)</b>	<b>Serviced Land Available (ha)</b>	<b>Price Range (\$/ha)</b>
North Dundas	0.3	27.5	\$105,017
Carleton Place	<0.0	8.4	\$123-182,500
North Grenville	<0.5	0.0	-
Mississippi Mills	<0.5	18.2	
Beckwith	0.0	0.0	-
Clarence-Rockland	<0.5	29.1	
Arnprior	<0.5	101.2	\$49,420 - \$54,362

Source: Ontario East Economic Development Commission, municipalities

### 4.3. Demand for Industrial Land

The consumption of vacant industrial land in Ottawa due to development has been 35 ha in each of the past three years. The loss of industrial land through redesignation to other uses has been much greater. Supply has tightened significantly, particularly in the western part of Ottawa, and as a result prices are rising rapidly. Recent sale prices for Ottawa west urban industrial land area range from \$700,000 to \$900,000 per ha<sup>7</sup>. Historically, industrial development has been strongest in the western part of the City, followed by the south, with weakest demand in the east.

### 4.4. Competitive Locational Advantages/Disadvantages

North Grenville offers the following competitive locational advantages for industrial development:

- Highway 416 significantly “shortens the perceptual distance” to/from Ottawa, thereby making industrial development more attractive;
- North Grenville can offer lower land costs and quicker (and hopefully less expensive) development approvals.

North Grenville has the following competitive locational disadvantages for industrial development:

- North Grenville has insufficient serviced designated industrial land;
- North Grenville may at this time be perceived by many to be “too far”.

### 4.5. Market Potential for Industrial Land

As noted in the preceding “surrounding municipalities” table, annual consumption of industrial land in municipalities outside of Ottawa is almost non-existent. It is the opinion of both the consultant, and others<sup>8</sup>:

- that tightening supply, and rising prices, combined with higher costs of development will begin driving industrial development outside of Ottawa within the next two years;
- that North Grenville must offer fully serviced lands to be able to attract industrial development;

<sup>7</sup> Joel Freedman, Metro-Suburban Realty

<sup>8</sup> Joel Freedman, Metro-Suburban Realty; Cal Kirkpatrick, VP Development, Colonnade Developments

- and that a serviced land price of approximately 185,000 to 210,000/ha would be attractive to small industrial owner-occupant users requiring small lots of approximately 0.25 to 0.5 ha.

**It is therefore realistic to expect that North Grenville (with reasonable market exposure) could see approximately 0.5 to 1.0 ha of industrial development per annum, provided that the land was serviced and competitively priced as noted above, and provided that development costs and approval timeframes are significantly more favourable than in Ottawa.**