



## REPORT

### Council

**Meeting Date: June 24, 2024**

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**FROM:** Economic Development Department

**DATE:** June 11, 2024

**SUBJECT:** **2023 Economic Development Annual Report**

**LOCATION:** Town-wide

**WARD:** Town-wide [Click here for multiple wards.](#) Page 1

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#### **RECOMMENDATION:**

That the 2023 Economic Development Annual Report from the Economic Development department be received.

#### **KEY FACTS:**

The following are key points for consideration with respect to this report:

- Oakville's current Economic Development Strategy encompasses the five-year period of 2019 to 2024. In 2023, the department began working on a new five-year Plan for 2024-2029.
- The purpose of this document is to provide an update to Council on 2023 economic activity, competitive positioning, and departmental initiatives in support of Economic Development Strategy goals.
- This report and presentation are provided to Council for information.

#### **BACKGROUND:**

The town's current five-year Economic Development Strategy focuses on attracting new investment, responding to the needs of local businesses, and supporting the town's commercial districts. This report provides an update on economic activity in 2023 and key initiatives in support of Economic Development strategy goals.

In 2023, the department began working on a new five-year Economic Development Plan for 2024-2029 in consultation with the business community and other key stakeholders. This Plan will be finalized in 2024.

In addition to the development of a new five-year plan, the department has pursued a variety of projects in 2023, including leading the Oakville Film Office Pilot,

developing the permanent Seasonal Commercial Patio Program, and supporting the Ontario Auto Mayors initiatives.

## COMMENT/OPTIONS:

### **Oakville Business Activity**

In 2023, Oakville welcomed several new companies to the community and celebrated the growth of the existing business base. Investments in facility expansions and innovation resulted in job creation and economic growth.

### **New Company Arrivals**

The list below highlights a sample of new company arrivals in 2023. Most new company arrivals moved operations into existing industrial space with a concentration of activity in ward 6 employment areas.

Name	Description	Ward
Buchanan Rubber	Industrial hose and coupling distributor	6
Collins Sales	Manufacturing consulting company	6
Food Basics	Grocery store	2
Ingenuity Development Inc.	Design build and general contracting	6
Nature's Emporium	Natural and organic food and supplements store	2
ProServeIT Corporation	IT specialist and technology consultant	6
Ride Automotive Group	Car dealer head office	2
Snuggle Bugz	Baby gear store (head office)	1
Stevens Omni	Floor covering product distributor	6

*Town of Oakville, Economic Development department, April 2024; CBRE Marketview Reports 2023*

Within the professional services sector, Snuggle Bugz relocated their head office to Oakville in a 54,800 sq. ft. building, and manufacturing consulting company Collins Sales moved into Winston Business Park. Industrial hose and coupling manufacturing company, Buchanan Rubber, also relocated their Ontario warehouse to Oakville.

In 2023, ProServeIT Corporation celebrated the opening of their head office in Winston Park Drive. The company, which prides itself on its innovative technology, showed off its A.I. and Metaverse tools at their open house in November.

### **Expansions & Investments**

In addition to welcoming new employers, Oakville also saw significant expansions, investments, and announcements from existing companies, including Ford, Dana Canada Corporation, Olymel, and PCL Construction.

Ford Motor Company of Canada announced their plans to invest \$1.8 billion into transforming its Oakville assembly plant into an EV manufacturing hub. In April 2024, Ford retimed the launch of upcoming electric vehicles at the Oakville plant to 2027.

Dana Canada Corporation, leading manufacturer of drivetrain and electric propulsion systems, also announced its plans to invest \$60 million in their facilities in Oakville and Cambridge.

The life sciences sector experienced further growth as BioScript Pharmacy Solutions opened a second facility on South Service Road West. This space acts as their logistics office.

In February, PCL Construction invested \$2.1M into expanding their head office space to accommodate for growth. They also redesigned their existing space and now occupy two entire floors of their existing building.

Oakville businesses and organizations that received provincial and federal funding to support innovation include:

- Dana Canada Corporation received \$2.5 million from the province through Invest Ontario in support of the company’s \$60 million investment in EV technology. This will support operational growth at the Oakville Technology Centre and increase the company’s manufacturing capacity of thermal management systems – a key component for EV batteries and electronics.
- Kraken Sense, a biotechnology startup, received \$150,000 from Ontario Genomics’ BioCreate program to develop technology that aims to sample any water source to identify bacteria and viruses in real-time.

**Non-residential Development Activity**

The Economic Development department monitors annual commercial and industrial development activity. Oakville’s non-residential tax base represents 11.62 per cent of the total assessment base and contributes 16.46 per cent of all town taxes levied. In 2023, this amounted to \$39.472 million in tax revenue collected.

**Major Non-residential Development**

The list below highlights the top ten commercial and industrial development projects in 2023, based on highest total building permit construction value. Industrial permit values were predominant this year, with most developments located in Ward 1.

Type	Description	Address	Construction Value	Area (sq.ft.)	Ward
Industrial	Three two-storey multi-tenant buildings – Three Oaks Business Centre	3303, 3313, and 3323 Superior Court	\$45.7M	226,686	1

Industrial	Two single storey speculative industrial buildings – Wyecroft Park	3540 and 3560 Wyecroft Road	\$30.9M	275,142	1
Industrial	Two one-storey shell industrial buildings – Bronte Station Business Park	625 Bronte Road and 2475 Speers Road	\$27.7M	367,330	1
Industrial	Four one-storey shell industrial buildings - Oak West Corporate Centre Phase II	469, 499, 529, and 549 Great Lakes Boulevard	\$28.3M	539,042	1
Industrial	One-storey industrial shell building – Burloak Business Park	3278 South Service Road West	\$10M	87,642	1
Office	Office shell building with 42 condo units – South Oakville Square	530 Speers Road	\$9M	48,330	2
Industrial	Reinforcements to Ford's existing facilities	1400 The Canadian Road	\$8M	269,098	3
Industrial	New shell industrial facility	2800 Portland Drive	\$4M	21,861	6
Office	Interior alteration and expansion of PCL Construction Canada	2201 Bristol Circle	\$2.1M	12,313	6
Office	Interior alterations to create new office space for Thurber Engineering Ltd.	1908 Ironoak Way	\$2M	18,384	6

Source: Town of Oakville, Economic Development, AMANDA, Building Permits, 2023

**Commercial Building Permit Activity**

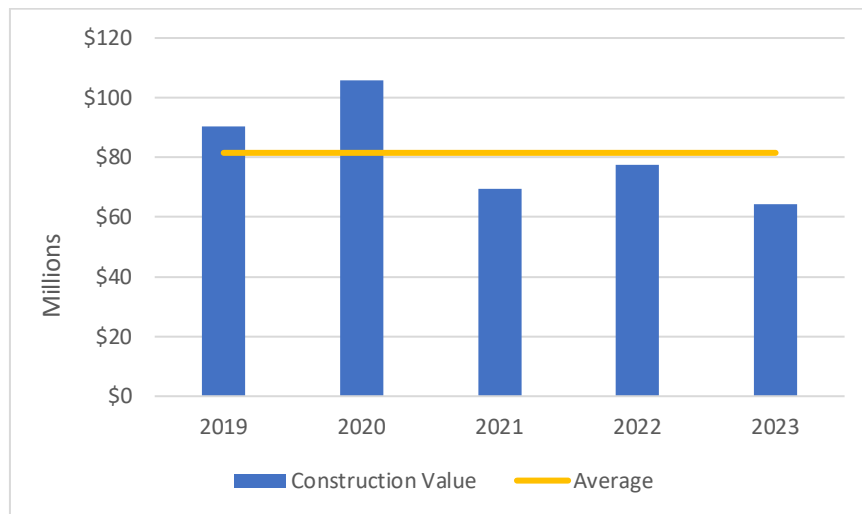
Commercial development activity decreased overall in 2023, with total square-footage and construction values lower than in 2022. Building permit activity consisted primarily of alterations and improvements to existing facilities, with companies like Thurber Engineering and Spark Power undergoing interior alterations to create new office space. New commercial development activity accounted for a total of 152,489 sq.ft. of total development, including a new office shell building with 42 condo units as part of South Oakville Square.

Construction Value	Area (sq.ft.)	Number of permits
\$64.3M	556,454	175

Source: Town of Oakville, Economic Development, AMANDA Building Permits, 2023. Permit revisions not included.

**Five-year Commercial Building Permit Activity, Total Construction Value**

Annual Average Construction Value: \$81.5M



Data does not include permit revisions.

**Industrial Building Permit Activity**

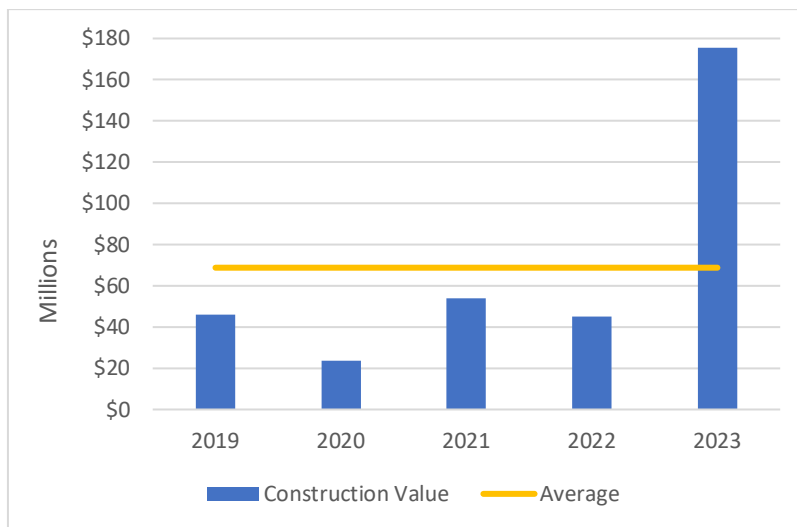
Industrial development activity increased significantly in 2023, seeing over two million square feet of development and \$175M in construction value. New industrial development activity accounted for 1,580,973 sq. ft. (76.6%) of total development.

The five major industrial development projects in 2023 consisted mostly of major business parks concentrated on the west end of Oakville (Ward 1), including three buildings in the Three Oaks Business Centre, two buildings in Wyecroft Park, two buildings in Bronte Station Business Park, three buildings in Oak West Corporate Centre Phase II, and one building in Burloak Business Park.

Construction Value	Area (sq.ft.)	Number of permits
\$175.6M	2,063,661	48

**Five-year Industrial Building Permit Activity, Total Construction Value**

Annual Average Construction Value: \$68.8M



Data does not include permit revisions.

**Oakville Real Estate Market Overview**

**Office Market**

Oakville’s office vacancy rate decreased from 19.6% in 2022 to 17.5% in 2023, the lowest it has been since 2019. An analysis of the current state of the office market has been incorporated in the development of Oakville’s new five-year Economic Development Plan, looking at the impacts of work-from-home in the office market.

Inventory (sq.ft.)	Vacancy rate (per cent)	Vacant space – direct & sublet (sq.ft.)	Weighted avg. net rental rate (per sq.ft.)
4.6M	17.5%	808,423	\$18.47

Source: CBRE Marketview Snapshot, Oakville Office Q4 2023

## Industrial Market

With the construction of five major industrial developments in the year, Oakville's industrial vacancy rate increased in 2023, from a record low of 0.3% in 2022 to 3.1% in 2023. This alleviated some demand for space from the previous year.

Inventory (sq.ft.)	Vacancy rate (per cent)	Average sale price (per sq.ft.)	Weighted avg. net rental rate (per sq.ft.)	TMI (per sq.ft.)
19.2M	3.1%	\$316.19	\$18.44	\$4.23

Source: CBRE Marketview Snapshot, Oakville Industrial Q4 2023

## Competitive Position

To ensure Oakville remains competitive for new investment, the Economic Development department benchmarks the town against 17 surrounding Greater Toronto Area (GTA) municipalities in the areas of non-residential development charges (DCs), property taxes, and industrial land sale values.

As outlined in *Appendix A: Competitive Position*, Oakville's commercial market remains highly competitive from a cost perspective. Oakville ranks within the top five municipalities reviewed for non-residential property taxes and development charges, making it a competitive market for new office investment.

Oakville's industrial market remains relatively less competitive, however both tax rates and development charges are within the top ten lowest of surrounding municipalities in the GTA. With over \$175 million in construction value for new industrial developments, Oakville's industrial market proves it continues to be in high demand.

For the fifth year in a row, Oakville was named one of the best locations to invest in Canada by Site Selection Magazine. The town's new company arrivals, facility expansions, and significant investments earned Oakville recognition among Canada's top 20 locations by the international site selection publication.

## 2023 Department Updates

Key initiatives undertaken by the department in 2023 include:

- **Economic Development Plan 2024-2029:** Development of the five-year strategic plan began in September 2023 with Deloitte as the consultant. In November, engagement sessions were hosted with key stakeholders including the business community, ecosystem organizations, town staff, and Council.
- **Seasonal Commercial Patio Program:** The Town consulted with the community on the development of the patio program throughout 2023 and launched the permanent, annual program in 2024.
- **Film Office:** Despite 6 months of filming being disrupted due to Writers Guild and Actors Guild strikes, the Film Office received 66 film requests and

coordinated 45 film days in 2023, with a total of 28 productions being shot in Oakville. Filming activities occurred on private properties and municipal streets, in recreation facilities and arts and culture buildings, parks and open space, as well as in the Downtown Oakville BIA.

- **Familiarization Tour:** In June, the department partnered with the Ministry of Economic Development, Job Creation and Trade, Halton Region, and Burlington Economic Development to host international delegates attending the Collision Conference in Toronto. The tour included Oakville-based, industry-leading telematics company Geotab and world-renowned Sheridan College, where we showcased Oakville's thriving technology sector and positioned the community as a prime location for investment.
- **Digital Main Street Program:** The Digital Main Street (DMS) program continued to help more local businesses adopt online technologies. In addition to existing clients, the Digital Service Squad (DSS) served over 100 new clients in 2023. Throughout the course of the DMS 4.0 program (May 2022 – March 2024), the DSS served approximately 300 clients. Since the start of the program in 2019, over 625 clients have been served.

In early 2024, the department worked with the Mayor's office to advocate for the continuation of the program. Despite this, the DMS program in Ontario did not receive renewed funding and the final day of the program was March 31, 2024.

- **Oakville Partnership Committee:** Formerly the Mayor's Economic Task Force, the Oakville Partnership Committee, including Economic Development, the Oakville Chamber of Commerce, the three BIAs, Visit Oakville, and Halton Region Small Business Centre, continued to work together and collaborate on initiatives that benefit the business community.
- **Ontario Auto Mayors:** The Auto Mayors, in partnership with Trillium Network for Advanced Manufacturing, celebrated its 10<sup>th</sup> anniversary in 2023. The department facilitated two Auto Mayors Caucus meetings in the cities of Brampton and Vaughan, as well as one Auto Mayors Economic Development Officers (EDO) meeting.

The two mayoral meetings focused on the three working groups formed through the 2023 Action Plan and their efforts, and resulted in collaboration with industry partners on tax assessment, workforce issues, and three advocacy letters to the provincial and federal governments to help deal with the auto theft crisis in Canada.

The EDO session was held after the November meeting to revisit the Action Plan and develop updated recommendations for the next term of Ontario Auto Mayors. The working session included participation from more than 25 municipalities from across the province to explore ways to support the



industry's transition to electric vehicles (EVs) and advocate for more measures to combat auto theft.

- **CanExport Funding:** The department submitted a CanExport application and received funding for FDI activity to occur at the end of 2024/beginning of 2025.

### **2024 Strategic Priorities**

In 2024, the Economic Development department will continue to support the growth and diversification of the Oakville economy with the following key efforts:

- A Municipal Accommodation Tax (MAT) utilization strategy
- A Business Directory Database Pilot to establish an accurate database of businesses in Oakville
- An inventory of vacant employment land in the town and timelines for servicing/development
- A comprehensive Customer Relationship Management (CRM) system
- Finalize the five-year Economic Development Plan
- Develop an online portal through AMANDA for the permanent Seasonal Commercial Patio Program
- Advance the film industry in Oakville by improving online processes and the continuation of the Film Office pilot
- Continued support of the Ontario Auto Mayors initiatives to promote growth in the automotive sector
- Begin work on a Concierge Program to prioritize and encourage major investments in the town
- For the second year in a row, in partnership with the Ministry of Economic Development, Job Creation and Trade, Halton Region, Burlington Economic Development and Town of Halton Hills, host a familiarization tour for international delegates ahead of the Collision Conference in Toronto to showcase Oakville's thriving technology sector and promote opportunities for new investment

### **CONSIDERATIONS:**

(A) **PUBLIC**  
N/A

(B) **FINANCIAL**

There are no financial implications as this report provides an information update to Council.

**(C) IMPACT ON OTHER DEPARTMENTS & USERS**

There is no impact on other departments and users.

**(D) COUNCIL STRATEGIC PRIORITIES**

This report addresses the corporate strategic goal(s) to:

- Enhance our economic environment
- Continuously improve our programs and services
- Be accountable in everything we do
- Be the most livable town in Canada

**(E) CLIMATE CHANGE/ACTION**

N/A

**APPENDICES:**

Appendix A: Competitive Position

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Recommended and Submitted by:  
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Director

## **Appendix A: Competitive Position**

### **Development Charges (DCs)**

Oakville's commercial DCs remain highly competitive from a cost perspective. When benchmarked against surrounding Greater Toronto Area (GTA) municipalities, Oakville ranks within the top five in the cost comparison. While Oakville's industrial DC rates are relatively less competitive, the town's cost per sq.ft. ranks within the top ten of municipalities reviewed.

Municipality	2023 Industrial		2023 Office/Non-retail	
	\$ per sq. ft.	Rank	\$ per sq. ft.	Rank
<b>Halton (Built Boundary)</b>				
Oakville	\$26.65	8	\$26.65	4
Burlington	\$23.07	3	\$23.07	2
Halton Hills	\$17.59	1	\$23.13	3
Milton	\$20.21	2	\$20.21	1
<b>Peel</b>				
Brampton	\$29.00	9	\$42.70	12
Caledon	\$29.73	10	\$35.93	9
Mississauga	\$32.88	13	\$41.50	11
<b>Toronto</b>				
Toronto	\$51.69	18	\$51.69	17
<b>York</b>				
Aurora	\$31.02	11	\$31.02	5
Markham	\$43.04	16	\$43.04	13
Newmarket	\$31.16	12	\$31.16	6
Richmond Hill	\$33.26	14	\$33.26	7
Vaughan	\$45.79	17	\$45.79	15
Whitchurch-Stouffville	\$33.78	15	\$33.78	8
<b>Durham</b>				
Ajax	\$26.45	7	\$44.03	14
Oshawa	\$23.54	5	\$50.73	16
Pickering	\$23.34	4	\$40.92	10
Whitby	\$23.82	6	\$60.88	18

*Source: Various municipal websites, including DCs indexed in July, September, and November 2023; DCs are ranked from 1 (most competitive) to 18 (least competitive); Additional or area-specific charges may apply in some municipalities.*

## Tax Rates

Oakville's commercial property tax rate remains highly competitive, ranking within the top five when compared to surrounding municipalities in the GTA. Oakville's industrial tax rate remains relatively less competitive, but still within the top ten of surrounding municipalities in the GTA.

Municipality	Industrial		Commercial	
	Per cent (%)	Rank	Per cent (%)	Rank
<b>Halton</b>				
Oakville	2.15%	9	1.66%	5
Burlington	2.36%	13	1.80%	9
Halton Hills	2.56%	14	1.79%	8
Milton	2.10%	8	1.62%	4
<b>Peel</b>				
Brampton	2.18%	12	2.03%	13
Caledon	2.16%	10	1.87%	11
Mississauga	2.06%	7	2.00%	12
<b>Toronto</b>				
Toronto	2.17%	11	2.17%	14
<b>York</b>				
Aurora	1.95%	5	1.75%	7
Markham	1.82%	3	1.58%	1
Newmarket	2.01%	6	1.80%	9
Richmond Hill	1.76%	1	1.60%	2
Vaughan	1.77%	2	1.60%	2
Whitchurch-Stouffville	1.91%	4	1.71%	6
<b>Durham</b>				
Ajax	2.96%	16	2.37%	16
Oshawa	3.36%	18	2.75%	18
Pickering	2.92%	15	2.34%	15
Whitby	3.00%	17	2.40%	17

Source: Various municipal websites; Ranked from 1 (most competitive) to 18 (least competitive). All percentages have been rounded to two decimal points.

## Industrial Land Sale Values

Oakville's average industrial land price is more costly than over half of the GTA municipalities reviewed, at \$2M per acre. Oakville's average price per acre decreased from \$2.2M in 2022.

Municipality	Average Land Price (\$000s/acre)	Rank
<b>Halton</b>		
Oakville	\$2,050	12
Burlington	\$1,964	11
Halton Hills	\$1,452	6
Milton	\$1,623	7
<b>Peel</b>		
Brampton	\$2,668	15
Caledon	\$1,644	9
Mississauga	\$2,668	15
<b>Toronto</b>		
Toronto	\$2,797	17
<b>York</b>		
Aurora	\$1,922	10
Markham	\$2,562	14
Newmarket	\$1,623	7
Richmond Hill	\$2,391	13
Vaughan	\$2,861	18
Whitchurch-Stouffville	\$1,366	5
<b>Durham</b>		
Ajax	\$1,238	3
Oshawa	\$854	1
Pickering	\$1,324	4
Whitby	\$1,068	2

Source: CBRE Toronto Industrial Statistical Summary, Q4 2023; ranked from 1 (most competitive) to 18 (least competitive)