

Workshop Breakout Room Discussion Summary--*Economic Development Impacts of the Pandemic on Ontario's Rural Communities*

- Just over 100 municipal and provincial rural economic development and planning practitioners from across the province participated in the workshop (see Appendix A for the detailed workshop agenda, including the breakout room discussion questions).
- Almost all participants reported a strong influx of newcomers since the start of the pandemic.
 - The influxes of newcomers were reported to be less significant in rural remote areas like Timmins.
- Most newcomers are thought to be from urban areas in Southern Ontario (e.g. Greater Toronto Area and Ottawa).
- Participants reported that newcomers tend to be a mix of young families and retirees, with young families making up a larger proportion of newcomers.
- While this new migration has resulted in population growth and new economic development opportunities, it has also added pressure to existing rural infrastructure, reduced housing affordability and increased service delivery costs.

Impacts on Housing

- Many participants reported that the demand for housing has boomed due to an influx of new residents from urban areas with significant increases in the value of real estate/housing.
- The lack of new listings and surge in demand is driving the price increases.
- With higher housing prices, there's been an increase in rental units being sold off and turned into owner occupied dwellings, which has resulted in rental affordability and rental availability becoming a bigger issue.
- The availability of affordable housing which already was a challenge for rural areas is getting worse.
- Participants noted that housing has become unaffordable for young people and some retirees. In communities with post-secondary institutions, it's difficult for students to find adequate housing.
- The high housing costs have led to an increase in rural homelessness especially the hidden homelessness population which is thought to be larger than the absolute homeless. The hidden homeless are those who have managed to find a temporary

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place to sleep or are couch surfing at the homes of family or friends while looking for permanent housing.

- A lack of housing is adding to the challenges all sectors are facing with finding and retaining employees, especially within the hospitality sector, as employees cannot find affordable housing.
 - Some participants noted that businesses have had to cut their hours back as they can't find employees as employees can't find affordable housing.

Impacts on Human Capital Attraction/Retention

- Teleworking is making it easier for rural areas with broadband to attract human capital.
 - The rural migration trends have brought professionals and skilled trades people to rural areas. Newcomers are establishing local businesses and contributing their skills to their communities which will contribute to the overall vitality of rural places.
- However, the pandemic induced rural migration has displaced some local workers, because the newcomers have brought their urban jobs with them while pricing locals out of housing markets.
- Over the short-term, it is unlikely that the influx of residents will help to address some of the workforce challenges of regional industries, however, over the longer-term, these new residents are likely to become more integrated into the regional workforces.

Impacts on Business Development

- There's been increased demand for goods and services, for example, the purchase of a new home comes with an additional spinoff activity in furniture sales, renovations, moving requirements, and real estate and legal services, etc. Additionally, new residents purchase goods in the local economy, such as groceries, and use local services such as childcare, athletic facilities, and retail stores. Each of these activities helps spur local business development.
- Newcomers have contributed to big increases in demand for local food and farmers are expanding to capitalize on these market opportunities.
- The housing issues are creating challenges for some small rural businesses because a lot of workers cannot afford housing in some rural areas which is making it hard to get workers and has resulted in some businesses having to limit their operations.

Impacts on Rural Infrastructure

- With population growth, some rural municipalities are facing increased pressure to upgrade their infrastructure assets, but do not have the historical tax base to draw from, with new residents increasing demand immediately but paying for the cost of those services over time.
- Over-time an increasing population and higher house prices will increase local tax bases which is critical for providing infrastructure (property tax is the largest source of municipal revenue in Ontario (40%) with the residential portion making up 72% of property tax).

Impacts on Municipal Service Delivery

- Rural school boards have observed an influx of new families and an increase in enrollment. As a result, there are stresses to accommodate the new growth and pending closures are being reconsidered.
- It is difficult to keep up with the expectations of the newcomers in terms of access and quality of services (e.g. local medical services do not have the capacity to serve an increasing population).
- For many rural areas these trends are reversing a long period of on-going depopulation, which has resulted in a lack for readiness for growth, making it hard for municipal governments to accommodate the influx of new residents.
- With more people paying property and other taxes, communities will have more money to spend on public services and making the area a desirable place to live. It is also more economical to maintain schools, health-care facilities, and other resources in places with increasing populations.

Appendix A: October 27th, 2021 Workshop Agenda: Rural Ontario's Population Growth During COVID-19: Fad or Trend?

1:00-1:10 PM **Welcome Greetings and Objectives for the Meeting**

Ellen Sinclair, Executive Director, Rural Ontario Institute

1:10PM-2:00 PM **Presentations on the Rural Economic Development Impacts of the Pandemic**

1. Changing Provincial Migration Patterns due to the COVID-19 pandemic and the Rural Economic Development Implications

John Anania, Manager, Economic Analysis Unit, Economic Development Policy Branch, Ontario Ministry of Agriculture, Food and Rural Affairs

2. Small Towns, Big opportunities: Unlocking Growth in Ontario's Rural and Northern Communities

Mitchell Davidson, Executive Director, StrategyCorp Institute of Public Policy and Economy

3. Local Economic Development Impacts of the Pandemic

Cody Joudry, Director, Development and Tourism, Dufferin County

2:00-3:00 PM **Participant Discussion: How are the rural migration trends impacting different communities and regions in Ontario?**

Discussion Questions:

- a) How significant have these trends been for your municipality/region/area?
- b) What are the benefits and drawbacks of this migration, including but not limited to:
 - a. Housing affordability/housing adequacy?
 - b. Human capital attraction/retention?
 - c. Business development?
 - d. Infrastructure development? and
 - e. Municipal service delivery?
- c) What data are you using to track the trends and impacts?

*Breakout rooms will be used for the participant discussion with a group report back