

2025

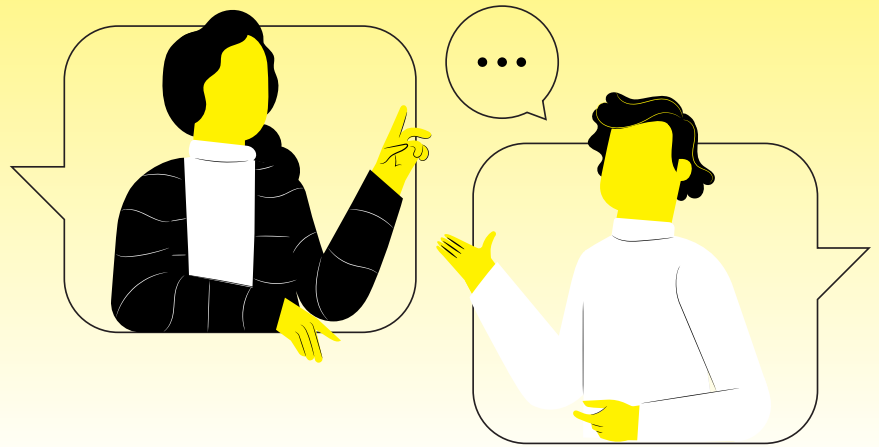


Waterloo  
Region

Economic  
Development  
Strategy

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# Executive Summary



Waterloo Region is the fastest growing CMA in Canada. The local economy is diverse and resilient, with strong foundational roots in manufacturing, technology, education – and based in a community that emits innovation.

To support our projected growth, in 2022, Regional staff facilitated conversations with community interest-holders around the need for a refreshed Waterloo Region Economic Development Strategy (WREDS). 100% of interest-holders interviewed supported the development of a new strategy. With support of Regional Council, a WREDS Working Group was formalized and public engagement for the new strategy and an accompanying Talent Attraction, Retention and Reskilling Plan began in 2023. A Steering Committee comprised of the Area Municipal CAOs was also formed to provide leadership and direction on the strategy.

The WREDS Working Group is comprised of all seven area municipalities, the Region of Waterloo, and Waterloo Economic Development Corporation (Waterloo EDC).



The TOWNSHIP of  
**NORTH DUMFRIES**



Each Working Group member contributed to the interest-holder engagement, research, drafting, and execution of this strategy, and will continue to play a critical role in regional economic development beyond 2025. Desktop research included background review of significant plans and strategies that shape economic development in Waterloo region, including recent municipal strategic plans, official plans, area municipal economic development strategies, the Region's Corporate Climate Action Plan, the TransformWR strategy, and the Job Sites Challenge report, among others.

Additional support and input was provided by the Immigration Partnership and the Workforce Planning Board of Waterloo Wellington Dufferin (WPBWWD).



**Workforce Planning Board**  
of Waterloo Wellington Dufferin






Over the course of 2023 and 2024, extensive research and community engagement was conducted, with more than 1800 members of the community heard.

At a high level, here is what we heard about Waterloo region's economy:

- Waterloo region is a favourable location to enable growth.
- The population is booming, but growth is not uniform across the region.
- Wrap-around supports for talent are critical to economic development.
- There are pathways for the inclusion of Indigenous peoples in our economic development efforts to ensure shared prosperity and equitable growth.
- Immigration and diversity are driving development and economic growth, but more supports are needed to improve newcomers' experiences, accelerate economic integration and work towards equity for all members of the community.
- New caps on international student study and work permits will significantly impact post-secondary institutions in the short term and the region's labour market. Talent retention must be prioritized for post-secondary graduates.
- Job growth is steady, but unemployment continues to increase. Alignment is needed between the needs of the labour force and employers, especially in the region's fastest growing sectors.
- Some segments of the population, including women, youth, racialized, and equity-deserving groups, remain excluded from and underutilized in the labour force.
- Residential building permit activity continues to rise, but recent residential developments are yet to have a significant impact on rental housing affordability.
- Non-residential building permits increased over the 10-year average, slowing down after unprecedented growth in 2022.
- A lack of available serviced land and associated infrastructure, including water/wastewater, transportation infrastructure, and hydro, remains a significant barrier to entry for new investments and is preventing local businesses from expanding in Waterloo region.
- Waterloo region benefits from a strong presence of multiple goods-and service-producing sectors. Opportunities exist within these sectors to complement local supply chains.
- Businesses and developers are taking the lead on climate change mitigation and adaptation measures. Net-zero is a priority for all.
- Business and industry priorities, including access to transit, support scaling our innovation ecosystem, need to be addressed to support growth.

Research and engagement results directly informed the five strategic pillars grounding the 2025 strategy, and its eight themes that span all pillars.

### Strategic Pillars:

				
<b>Talent</b> Attracting and retaining talent and improving talent readiness and integration through training and employer support.	<b>Land Readiness</b> Land development projects and associated infrastructure strategies for long-term planning.	<b>Scaling Local Innovation</b> Supporting local business retention and expansion and increasing collaboration to support entrepreneurship and innovation.	<b>Strategic Sector Support</b> Improving investment readiness in key sectors and coordinating advocacy efforts to grow emerging sectors.	<b>Quality of Life</b> Ensuring that wrap-around supports, amenities, and other services that support our workforce are adequate for our growing community, fostering a sense of civic pride and belonging.

Beyond the pillars, we heard from community and businesses about priorities that spanned the categories defined by the pillars. These themes reflect the concerns, priorities, and values of our community, and are present in & throughout the strategy:

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**Immigration**  
**Equity & Reconciliation**  
**Housing**  
**Childcare**  
**Transit & Mobility**  
**Family physicians**  
**Climate action**  
**Rural success**

During initial stages of community engagement, it became clear that the struggles faced by businesses in securing talent and the difficulties faced by the community in finding employment represented a disconnect that necessitated a dedicated plan of action. To this end, Deloitte LLP was retained to develop the “Waterloo Region Talent Attraction, Retention and Reskilling Plan.” This plan, which can be found in the appendix, consists of a recommended plan of action from the consultant that aims to bridge the gaps and tackle challenges within the region’s talent pool using a coordinated, regional approach.

The 2025 WREDS is structured differently than a traditional economic development strategy. The Action Plan for this strategy recognizes the work already being undertaken by all Working Group members in each of the five strategic pillars.

An inventory of the programs, services and strategies currently underway or in the pipeline has been conducted and catalogued according to the identified strategic pillars. This process has enabled the WREDS Working Group to identify gaps and opportunities for collaboration that align with the community’s economic development priorities. For a full list of the programs, services and strategies that have been catalogued and assessed, please view the 2025 WREDS Action Tracker.

To support progressing work in the strategic pillars, the WREDS Working Group has developed a Terms of Reference, which outlines the roles and responsibilities of the Working Group members and sets expectations around how information will be updated and made publicly available.

To ensure the evolving state of economic development in the region is regularly reflected in the strategy, the WREDS Working Group members have elected to assess the alignment of the strategic pillars with the needs of the community on an annual basis through reports to the Regional and Area Municipal CAOs, who comprise the WREDS Steering Committee. The strategy will be updated as needed, to ensure the region’s economic development community are aligned in our efforts to make Waterloo region the best community in Canada.

Since 2016, the Region, Area Municipalities, and Waterloo EDC have operated within a framework that clearly defined roles and responsibilities between partners to provide effective services to the community. The 2025 WREDS Action Plan is built within the existing partnership framework to ensure continuous success.

<b>Waterloo EDC Partnership Agreement</b>		
<b>Waterloo EDC</b>	<b>Municipal Partners</b>	<b>Community Partners</b>
Investment promotion / attraction	Sector/Cluster/Capability	Tourism
International promotion of Waterloo region	Development Retention/Aftercare	Events
Outbound business missions	Data	Arts & Culture
Inbound business missions	Infrastructure	Education/Training
Government navigation	Lifestyle/Community Profile	Trade Promotion
Business-friendly service/SPOC	Employment Lands	VC Supports and Funding
		Start-ups



# Regional Context

Spanning over 1,300 square kilometres across three cities and four townships, Waterloo region is a fast-growing, diverse, and resilient community of over 670,000 people. For decades, economic and social resiliency allowed Waterloo region to remain on the forefront of technological change, innovation, and competition. The 2025 Waterloo Region Economic Development Strategy (WREDS) is grounded by economic strength in the face of unprecedented population growth and both the challenges and opportunities this growth presents.

Waterloo region is on the traditional lands of the Haudenosaunee, Anishinaabe and Chonnonton People. We acknowledge the enduring presence of the Indigenous people with whom we share this land today, their achievements and their contributions to our community. We offer this acknowledgement as an act of reconciliation between Indigenous and non-Indigenous peoples of Canada.

**For more data on Waterloo region's current and forecasted economic indicators, please refer to the Waterloo Region Economic Overview in the Appendix.**

670K People

1370 KM<sup>2</sup>

3 Cities

4 Townships

3 World Class Post-Secondary Institutions

4% Population Growth [SOURCE](#)

#1 Small Tech Talent Market in NA [SOURCE](#)

#1 Fastest Growing Region in Canada [SOURCE](#)

# Thinking Big: Global Context

— *A favourable location to enable growth*

/11



The region is strategically situated on Highway 401, approximately 100 km west of Toronto, and enjoys the advantage of direct access to one of Canada's most crucial transportation corridors. This prime location provides exceptional transportation connectivity to the largest concentration of people in the country and facilitates connections to international markets through the Ontario-New York border and the Ontario-Michigan border.

Waterloo region enjoys the benefits of having many world-class post-secondary educational institutions located within a 100 km radius. These institutions include the University of Waterloo, Wilfrid Laurier University, Conestoga College, McMaster University, Western University, University of Guelph, University of Toronto, Fanshawe College, Mohawk College, Seneca College, Humber College, George Brown College, and York University, among others. These regional institutions provide local businesses with access to more than 19,000 annual graduates from a broad range of educational programs.

Businesses in the region can also tap into a diverse and skilled workforce, thanks to the extensive transportation networks that extend to the Greater Toronto Area (GTA). This includes GO Transit services to Guelph, Acton, Georgetown, Mississauga, Brampton, and Toronto, as well as passenger rail services to Sarnia and Toronto through VIA Rail.

The region provides businesses with enhanced opportunities for growth and expansion. The transportation infrastructure allows for seamless movement of goods and services, while the proximity to major urban centers ensures access to a wide customer base. Moreover, the accessibility to international markets opens avenues for global trade and economic partnerships.

The development of the 2025 WREDS involved over a year of extensive community engagement and research. In collaboration with several key community partners, over 1,800 community members were heard across a range of context-specific approaches.

Engagement on the strategy was led by a Working Group that consists of representation from each of the region's seven Area Municipalities, the Region of Waterloo and the Waterloo Economic Development Corporation. Additional support was provided by the Workforce Planning Board of Waterloo Wellington Dufferin and Immigration Partnership Waterloo Region.

**18** Interviews  
**4** Surveys  
**13** Workshops  
**1800** Engaged  
Community Members

**Key focus groups engaged:** 348 businesses; 205 attendees across 4 newcomer-focused workshops; 230 children and youth.

Community engagement was carried out in many different forms to ensure the opportunity to present feedback and ideas was as accessible and adaptable as possible. Input was actively sought at each stage of the development process, and hearing the voices of equity-deserving groups was prioritized, making great effort to “meet people where they were at” to ensure equitable collaboration and to maximize the potential for feedback.<sup>1</sup>

Engagement findings not only informed the strategic pillars grounding the 2025 strategy, but also revealed key themes that transcend the boundaries of the pillars. These themes reflect the concerns, priorities, and values of our community, and are present throughout the strategy: immigration, equity and reconciliation, housing, childcare, transit, family physicians, climate action, and rural success.

In combination with research undertaken by Deloitte LLP, Ethic Talent, and Kerr + Milton Consulting, the findings from the engagement process were used to develop a deep, community-informed understanding of the regional context that frames the challenges and opportunities addressed by the 2025 WREDS.

<sup>1</sup> For comprehensive reports of all engagement findings, please refer to the appendix or check out the [project EngageWR page](#).

Population growth is critical to economic development and presents many opportunities for development – but plans and programs must be in place to support our growing population.

### The region's population is booming, but growth is not uniform across the region.

Waterloo region is experiencing rapid and unprecedented growth. Driven by interprovincial and international immigration, the region's population grew by over 4% from 2022 to 2023 alone, and experienced growth well above Ontario and Canada from 2019-2023. [SOURCE](#)

	Waterloo Region	Ontario	Canada
<b>Population Growth Rate: 2022-2023</b>	4.4%	3.1%	3.2%
<b>Population Growth Rate: 2019-2023</b>	13.9%	7.1%	6.6%

This growth was primarily fueled by interprovincial and international immigration and non-permanent residents, such as international students.

Importantly, growth was not uniform across the region. The cities of Kitchener, Cambridge, and Waterloo and the townships of Woolwich and North Dumfries all experienced growth above 11% from 2019-2023, but the townships of Wilmot and Wellesley grew by only 5.09% and 5.81% respectively over the same period. [SOURCE](#)

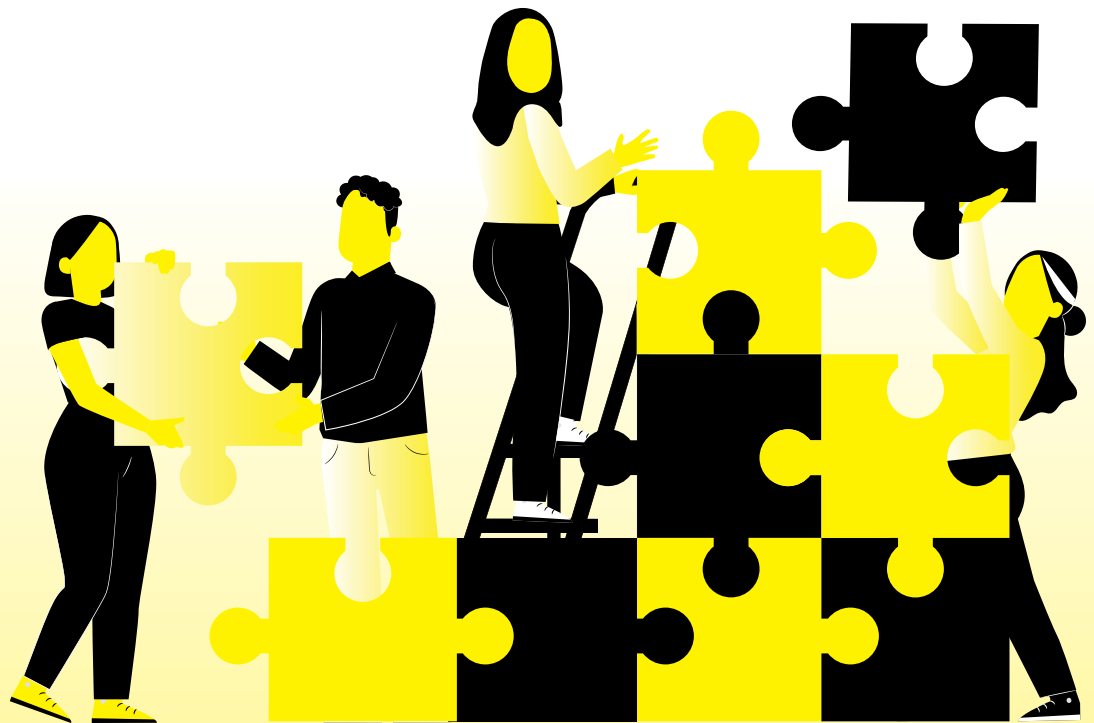
The importance of continuing to support and grow our rural areas was evident throughout the engagement process.

Rural communities are economic, social, and environmental areas of focus of Waterloo region, and should be given ample attention in collaborative economic development efforts.

**Wrap-around supports for talent are critical to economic development.**

Through consultations with individuals, businesses, and representative groups, wrap-around services and supports – the critical and complementary services that enable a thriving talent ecosystem - emerged as a clear priority for all interest-holders.

In particular, we heard that wrap-around services including adequate and affordable housing, access to childcare and family physicians, and public transportation are critical to supporting talent growth and a sustainable economic development across the region.

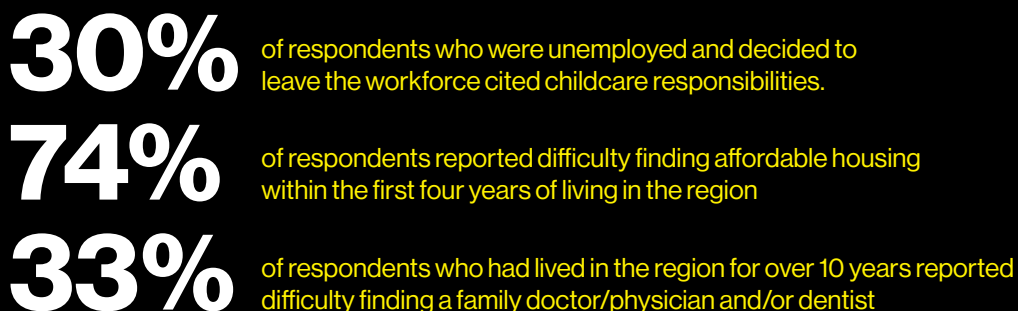
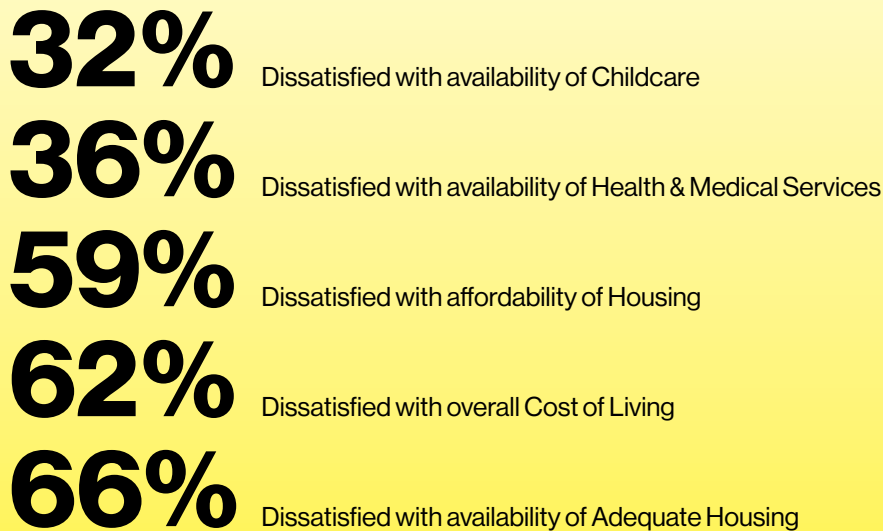


In absence of adequate wrap around supports for talent, engagement data showed that labour force participation declines, relocation to the region becomes less attractive, employers are unable to hire the talent they need, post-secondary students choose to leave after graduating, residents' quality of life suffers, and investment goes elsewhere.

While Waterloo region has a robust network of wrap-around services and integrated organizations to support the community's needs, the availability and accessibility of these wrap-around supports in the region is not adequate for our growing workforce. In particular, housing affordability, public transportation access, the ability to find a family physician, and childcare availability were themes that came up consistently across research and engagement.

In the quality of life survey, respondents reported the highest dissatisfaction with the availability of wrap-around supports that support talent:

Making progress on positive change to address long-standing inequities for First Nations, Metis and Inuit Peoples is also impacted when there are not enough culturally relevant and responsive holistic programs in the region. Working with Urban Indigenous organizations to identify service gaps and generate opportunities for cultural competency training for non-Indigenous service providers is critical.



Wrap-around supports for talent are the backbone that allows our community to function, grow, and thrive; they are critical to all aspects of the future of economic development in our community, including investment attraction, talent retention and attraction, business development, retention and expansion, and economic growth and prosperity.

## There are pathways for the inclusion of Indigenous peoples in our economic development efforts to ensure shared prosperity and equitable growth.

The 2025 WREDS recognizes the need to adopt economic reconciliation principles within our community, and to work toward better representation and systemic inclusion of Indigenous Peoples.

The National Indigenous Economic Strategy for Canada: Pathways to Socioeconomic Parity for Indigenous Peoples (NIES) provides Indigenous-led guidance to drive positive change, address long-standing inequities, and achieve inclusive growth for and with Indigenous communities. The NIES is grounded by four Strategic Pathways:

1. People: Strengthen the capacity of Indigenous Peoples in the labour market, leadership, and governance;
2. Lands: Resolution of Indigenous jurisdiction and environmental stewardship;
3. Infrastructure: Leading edge physical and institutional infrastructure and services;
4. Finance: Financial capital through revenue, stimulus funds, procurement and trade to achieve economic and social prosperity.

In addition to this guidance from NIES, initial engagement findings showed that economic inclusion of Indigenous Peoples in local economies must be advanced through supporting Indigenous entrepreneurship, offering financial resources, tailored training, and mentorship programs.

Initial feedback also showed that land and resource stewardship partnerships play a vital role, through opportunities to involve Indigenous communities as partners in projects, which supports both revenue sharing and environmental protection. Education and skill development programs aligned with local economic needs, especially in technology, trades, and entrepreneurship, can empower Indigenous communities to access and lead in emerging markets.

Additionally, considering public and private sector procurement policies that prioritize Indigenous-owned businesses fosters economic participation, especially when paired with cooperative and equity models allowing Indigenous communities to hold stakes in large projects like infrastructure or renewable energy. To remove financial barriers, offering tailored financial products through government and private institutions improves access

to loans, credit, and investment capital. Finally, promoting Indigenous cultural and eco-tourism taps into the demand for cultural experiences and sustainable tourism, creating local jobs while supporting cultural preservation.

Many of the goals and areas identified for action that underpin the four NIES Strategic Pathways align with the action areas identified in the WREDS research and engagement process. For more information regarding the actions and collective goals for economic reconciliation in Waterloo region, as well as how they align with the outcomes of the WREDS, please refer to the appendix.

The region has the opportunity to be a leader in upholding Indigenous rights and continues to uphold purposeful engagement as work is undertaken. The WREDS is a living document; as trust is built and relationships continue to form and grow, we will ensure that this document, and the actions stemming from it, reflect findings from these relationships that continue to support Indigenous economic prosperity.

The Truth and Reconciliation Commission (TRC)'s Calls to Action are foundational in nature and provide direction for government, businesses and individuals to redress the legacy of residential schools and advance the process of Canadian reconciliation. Call to Action 92, under Business and Reconciliation, ***calls upon the corporate sector in Canada to adopt the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) as a reconciliation framework and to apply its principles, norms, and standards to corporate policy and core operational activities involving Indigenous peoples and their lands and resources.*** While its language specifically addresses businesses, Call to Action 92 is highly relevant for local governments as well for their role as major local employers, corporations having economic and social responsibility, partnerships with private business, influence on community development, and leadership in Reconciliation. Local governments, like businesses, have a significant role in advancing reconciliation by aligning their policies, practices, and partnerships with the principles outlined in Call to Action 92.



From 2023-2030, the region expects to welcome over 84,000 newcomers to the community, doubling the same number over the previous 7-year period.



**Immigration and ethnocultural diversity are driving development and economic prosperity, but better supports are needed to improve newcomers' experiences, accelerate economic integration and work towards equity for all members of the community.**

Waterloo region's proximity to, and traditional affordability compared to, Toronto, as well as its job availability, education opportunities, and diverse community make it an attractive place to land for national and international immigrants. Despite having a lower share of immigrants (25%) compared to the overall province (30%), Waterloo region continues to experience significant growth in immigration: from 2023-2030, the region expects to welcome over 84,000 newcomers to the community, doubling the same number over the previous 7-year period<sup>2</sup>. This includes welcoming over 60,000 new study permit holders and 20,000 new work permit holders. Additionally, Waterloo region expects to welcome over 10,000 new permanent residents each year from 2023-2030. This projection sees our population approach 850,000 people in the next seven years.

[SOURCE](#)

Research consistently shows that ethnocultural diversity and shared economic prosperity are strongly correlated with positive outcomes such as increased innovation, heightened creativity, greater labour force participation and productivity, and economic growth. By harnessing the strength of diversity, we tap into a wide range of perspectives, ideas, and talents, leading to enhanced problem-solving capabilities and a competitive edge in the market.

Waterloo region is well positioned to benefit from a high degree of ethnocultural diversity: in 2021, 27.5% of residents identified as a visible minority. However, through interest-holder engagement, individuals and community organizations representing ethnocultural groups shared experiences of racism and xenophobia, leading to difficulty finding employment and housing and leaving a lasting negative impact on their health and quality of life in the region. To harness the strength of our diversity, especially in the face of increased international immigration, Waterloo region needs to bolster the supports, systems, and opportunities that are available to our diverse communities as we strive to elevate everyone.

[SOURCE](#)

<sup>2</sup>

These figures, developed by the Immigration Partnership, include newcomers on study permits and were projected prior to the recent restrictions placed on post-secondary institutions regarding international student enrolment.

[SOURCE](#)

**New caps on international student study and work permits will significantly impact post-secondary institutions in the short term and the region's labour market. Talent retention must be prioritized for post-secondary graduates, especially those who have completed high-demand programs.**

Waterloo region is known in part for its concentration of world-class post-secondary institutions. The University of Waterloo, Wilfrid Laurier University, and Conestoga College collectively enroll over 200,000 students, with international students accounting for approximately 37% of all post-secondary students in the region. Beyond serving as a source of heightened revenue for local institutions, international students have a significant, positive impact on the local, provincial, and national economies by joining the labour force and settling in the community.

The recently introduced cap on international student permits in Canada is expected to have significant implications for Waterloo region's post-secondary institutions and their ability to attract international students and retain robust program offerings and staff sizes, as well as the regional economy as international student numbers decline.

Analysis of the policy to date is mixed, with differing interpretations and projections of its impact on the local economy and labour market. In the wake of the rollout over the coming years, policies and projects surrounding talent attraction, immigration policy, and student supports must be flexible and ready to respond to the needs of students, institutions, and the labour market.

Regardless of the impact of the permit cap, talent retention efforts for graduates of the region's post-secondary institutions are insufficient. In a survey of post-secondary students, 58% of respondents indicated that they intended to leave the region immediately following graduation, with the top two reasons being an inability to afford housing in the region and the availability of post-graduation employment opportunities elsewhere. Opportunities exist for area municipalities, the Region of Waterloo, and its key partners to engage with post-secondary institutions to attract students to high-demand program areas and develop collaborative talent retention programs for new graduates.

In a survey of post-secondary students, **58%** of respondents indicated that they intended to leave the region immediately following graduation.



**Job growth is steady, but unemployment continues to increase. Alignment is needed between the needs of the labour force and employers, especially in the region's fastest growing sectors.**

Waterloo Region enjoys a robust, diverse labour force that supports growth in a variety of sectors. Employment reached approximately 343,000 in 2023, with major areas of employment spread across a number of sectors including:



**By 2031, employment in key sectors will grow by:**



[SOURCE](#)

The Region has the fourth highest participating labour force in Canada and the second highest in Ontario, with an overall labour force participation rate (LFPR) of 69.1%. [SOURCE](#)

Census Metropolitan Area (Ontario)	Labour Force Participation Rate (Q3 2024)
Ottawa-Gatineau, Ontario Part	69.6%
Kitchener-Cambridge-Waterloo	69.1%
Barrie	68.2%
Guelph	67.7%
Oshawa	66.8%

High participation coupled with high unemployment indicates that there is misalignment between employers and jobseekers in our community.

However, recent employment growth is slow. Employment growth over last year decreased to only 0.9%, the lowest since 2018, and unemployment rate responded accordingly, hitting an 11-year high<sup>3</sup> of 7.1% in the first half of 2024.

Through interest-holder engagement with newcomer communities and workforce support agencies in the region, we heard about the discrepancy between newcomers' skills, education, and experiences, and the jobs they were able to secure upon arriving in Waterloo region. Newcomers described primary barriers to finding employment as a lack of Canadian work experience, a lack of employment or character references, the preference given to jobseekers with relationships in the field, discriminatory hiring practices, and limited transportation to places of employment. Newcomers also experience difficulty finding employment due to difficulties transferring and/or using their credentials in the Canadian job market, leaving them no choice but to take lower-paying jobs in new sectors to make a living.

Beyond the newcomer community, employers and interest-holders representing workforce and employment support agencies expressed incongruity between employer skills needs and what jobseekers are bringing to the table. Throughout the engagement process, interest-holders repeatedly expressed the need for targeted training, upskilling, or reskilling programs that address skills shortages in the labour force. Similarly, manufacturing employers expressed the importance of basic language and communication skills for jobseekers in order to participate in health and safety training and protocols.

Similarly, jobseekers benefit from training programs that improve skills, communication and understanding. Where there is a misalignment of skills, jobseekers need the knowledge and ability to refine their resume, cover letter, and interview skills to align with employers' needs and requirements. These services are offered by employment agencies and other social service organizations, but capacity and reach can be improved with additional support from government and collaboration with local educational institutions and employers.

<sup>3</sup> Excluding 2020 highs during the COVID-19 pandemic.



Young people reported being open-minded about job opportunities and neutral towards many industries.

### Some segments of the population remain excluded from the labour force.

Despite relatively high labour force participation rates (LFPR) across most gender and age segments of the population, some groups continue to experience low LFPR.

There is a historic gender divide in LFPR beginning at the 29-year-old mark which continues to appear in our current labour force. In many families, women remain the default “stay-at-home” parent, resulting in dropping participation rates around child-bearing years. In the face of a childcare shortage, this gap becomes more severe, as families either cannot afford or cannot find childcare and choose instead to have a parent leave the labour force to take care of their children. There is a critical need to rapidly increase the availability of childcare in Waterloo region, which will benefit labour force participation, as well as talent retention and attraction efforts.

Youth ages 15-24 experience low LFPR due to both secondary and post-secondary education. There are opportunities for employers and industry representatives to engage youth early in employment areas in need of talent. Research done by the Workforce Planning Board of Waterloo Wellington Dufferin (WPBWWD) found that young people are open minded about opportunities and employers and reported being neutral

towards many industries. Opportunities therefore exist at this stage to shape and direct the future labour force into jobs and industries that are struggling to find talent, while benefiting young people by giving them a sense of direction and increasing their ability to secure employment in high-demand fields.

Many racialized and equity-deserving groups experience disproportionately low LFPR, which reduces quality of life, lowers earning potential and independence, and increases alienation for impacted groups. Arab women, Indigenous people, 2SLGBTQIA+ individuals, and persons with disabilities are among several groups who experience low levels of labour force participation for reasons including workplace discrimination, lack of transportation, childcare needs, inaccessible job postings and hiring processes, mental health barriers, and a lack of part-time employment opportunities in the labour force.

Diversity in the local labour force is one of Waterloo region's competitive advantages as a site for investment and growth. Targeted supports and programs to address root causes of low LFPR in equity-deserving groups will allow more people to participate in the labour force and will unlock new pools of capable talent for employers.

In 2012, 67 permits were issued for accessory dwelling units, while in 2023, this number had reached 1,115 permits or 19% of all residential building permits.



**Residential building permit activity continues to rise, but recent residential developments are yet to have a significant impact on rental housing affordability.**

2023 brought significant increases in residential building permit activity, with 23% growth over 2022 for a total of 6,158 permits issued for residential units. Residential building permits were concentrated in the cities, with North Dumfries, Wellesley, Wilmot, and Woolwich encompassing 355 units or about 6% of all permits issued. The majority of permits (72%) were for apartments, followed by townhouses (16%), indicating a continued emphasis on medium- and high-density development in Waterloo Region brought on by zoning by-laws, transportation improvements, and development charge reductions and incentives for higher density residential developments.

Type	2023 Units	YOY Change
Single Detached	603	-34%
Semi-Detached	102	84%
Townhouse	1,016	-22%
Apartment	4,437	57%
<b>Total</b>	<b>6,150</b>	<b>29%</b>

[SOURCE](#)

Concentrating housing in major transit station areas (MTSAs) is critical in official planning to achieve a healthy balance between the competing priorities of lands for employment and lands for housing.

Permits for accessory dwelling units (ADUs), such as garden suites or duplex conversions, have become increasingly common. In 2012, 67 permits were issued for accessory dwelling units, while in 2023, this number had reached 1,115 permits or 19% of all residential building permits. This indicates a massive shift in the types and forms of new housing being built in the region: ADUs provide cost-saving benefits for both property owners and tenants and are quickly becoming a popular option for diversifying and increasing the housing stock.

According to CMHC's 2023 Rental Market Survey, the average private apartment rent in Waterloo region increased by 12% over 2022 to \$1,561, the fifth highest of all Ontario CMAs and marking the largest percent change behind Toronto.

[SOURCE](#)



Despite positive permitting trends, the rental market in the region continues to face challenges. Construction and development have not kept up with the rate of permitting due to high interest rates and low investment interest. According to CMHC's 2023 Rental Market Survey, the average private apartment rent increased by 12% over 2022 to \$1,561, the fifth highest of all Ontario CMAs and marking the largest percent change behind Toronto. Notably, however, the vacancy rate in the region nearly doubled and was estimated to be 2.1%, compared to 1.2% in 2022, as new units were brought to market. This growth is positive, but the vacancy rate still falls below the minimum of 3-5% for a healthy rental market, resulting in inflationary rent prices.

Throughout the engagement process, all interest-holders – businesses, chambers of commerce, post-secondary students, youth, local businesses, service agencies, new immigrants, and Indigenous communities – repeatedly expressed the importance of affordable and attainable housing as a top priority in improving quality of life and attracting and retaining talent. New construction and high vacancy rates will be necessary to drive average rent down across the region and ensure that the rental market is accessible to everyone.

**Non-residential building permits increased over the 10-year average, slowing down after unprecedented growth in 2022.**

In 2022, non-residential building permits more than doubled over 2021, reflecting a post-pandemic surge in industrial investment fuelled by low interest rates. In 2023, the total value of all non-residential building permits decreased by 38% from 2022 but increased by 33% over 2021 and 7% over the 10-year average. Non-residential building permit value was primarily seen in industrial (\$177 million) and commercial (\$175 million) permits. These trends generally reflect a consistent pace of investment over the last 10 years in Waterloo region, but construction investment has not kept up with the growth of non-residential building permits, which may be impacted by high interest rates, construction costs, and supply chain issues.

[SOURCE](#)

**Waterloo region benefits from a strong presence of multiple goods- and service-producing sectors. Opportunities exist within these sectors to compliment local supply chains.**

An estimated 63,543 businesses are located in the Region. Close to 84% of these businesses are in the three cities and 16% are located in the townships. The vast majority of businesses (94%) have 9 or less employees. Most businesses in the Region are sole proprietorships with at least \$30,000 in annual sales (70% of all businesses). A total of 10,184 businesses employed between 1 to 4 employees, while 3,455 businesses employed between 5 to 9 employees. The Region is also home to large business establishments, with approximately 488 businesses employing at least 100 people.

[SOURCE: LIGHTCAST 2024.1 DATARUN](#)

Waterloo region benefits from high concentrations in manufacturing, information and cultural industries, educational services, professional, scientific and technical services, and wholesale trade.

Industry	Jobs (2023)	% of total jobs (2023)	Businesses (2023)
Manufacturing (31-33)	59,300	17.2%	1,014
Professional, scientific and technical services (54)	39,000	11.3%	2,358
Health care and social assistance (62)	35,100	10.2%	1,837
Retail trade (44-45)	32,200	9.4%	2,007
Educational services (61)	29,900	8.7%	217

Businesses and occupations within these industries comprise much of Waterloo region's economic backbone. The region is well known for its longstanding strength in several key clusters,<sup>4</sup> including manufacturing, technology, agri-food, and automotive. With a concentration of manufacturing jobs unlike any other region in Canada, a talent base from specialized training programs across multiple post-secondary institutions, a longstanding culture of technological entrepreneurship and innovation, and as the home of Canada's largest automotive manufacturer, Waterloo region's key clusters are diverse and have massive influence over the growth and future of the region.

<sup>4</sup> "Cluster" is used in this strategy to refer to a collection of industries operating within the same greater market and sharing resources, including talent, goods, services, and technology. For example, the automotive cluster is comprised of businesses across industries including manufacturing, professional, scientific, and technical services, wholesale trade, and others. Within the cluster, resources are purchased, sold, exchanged, and developed to the benefit of the cluster and the broader economic ecosystem.





Waterloo region's businesses spend over \$33 billion to produce goods or provide services, creating a multiplier effect that can stimulate economic growth.

Purchases from manufacturing alone amounts to over \$14 billion annually, seven times the amount purchased by the next highest sector. 49% of manufacturing purchases are imported, but for many sub-industries (e.g., transportation equipment manufacturing), that figure is even higher. **Overall, imported purchases in manufacturing result in over \$7 billion leaving the region annually.**

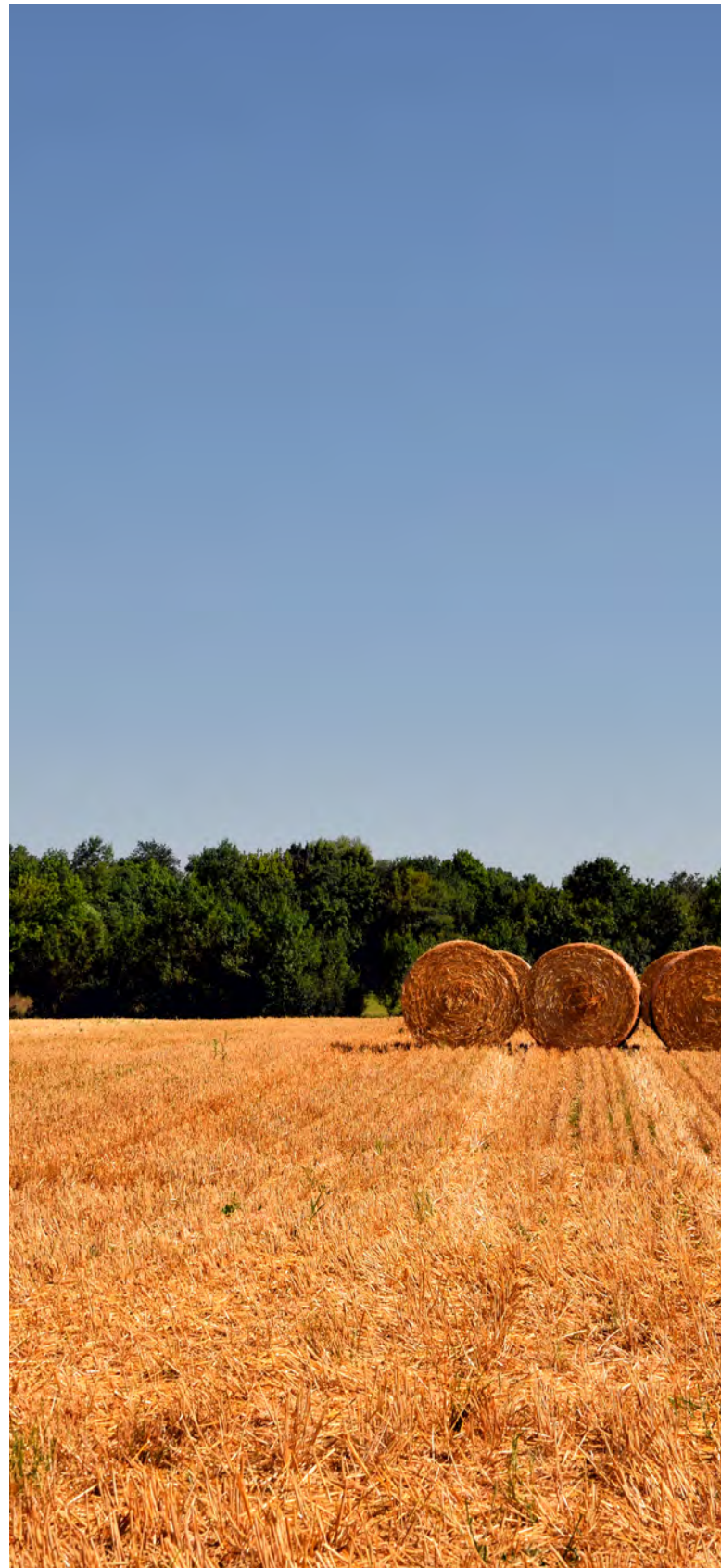
Incentivizing growth in the supply chains and supportive physical and social infrastructure for these clusters will help to ensure that Waterloo region is maximizing the benefits of having foundational clusters across different industries.

**Waterloo region's rural communities are critical to economic growth. The upcoming Rural Investment Readiness Strategy, led jointly by Waterloo EDC and the four townships, will improve investment readiness and create supply chain and business investment opportunities in key sectors.**

Waterloo region is a uniquely urban and rural community. With three urban cities and four rural townships, we benefit from the diversity in employment, population, and businesses that the blend of rural and urban brings. However, this blend also brings challenges as our community grows. With the majority of the region's designated employment lands residing in the townships, more support is needed to ensure that these lands are serviced and the communities are ready for new investments in key sectors such as automotive, cleantech, and agri-food.

Investment in the agri-food sector will be critical as our community grows. Waterloo region has longstanding strength in the agri-food sector, with businesses and operations along the entire food supply chain. Primary producers, processors and manufacturers, and distributors in Waterloo region's agri-food sector employs over 4,800 people. Ontario represents the second largest food cluster in North America, and Waterloo region's 1,400+ farms and 130+ food manufacturers play a critical role in the provincial agri-food ecosystem.

The Federal Economic Development Agency of Southern Ontario (FedDev)'s investment of almost \$3 million to support Waterloo EDC in the development of a Rural Investment Readiness Strategy (RIRS) signifies the importance of our rural communities and the prioritization of rural investment attraction in economic development.



**A lack of available serviced land and associated infrastructure remains a significant barrier to entry for new investments and is preventing local businesses from expanding in Waterloo region.**

Land Inquiries 2021 - 2024 Q1	Quantity & Type	Lost Opportunities
1 - 10 Acres	23 (5 Greenfield, 18 Brownfield)	\$6.15B — 9000+ Jobs
11 - 50 Acres	25 (21 Greenfield, 4 Brownfield)	
51 - 100 Acres	5 (All greenfield)	\$4.1B — 5000+ Jobs
101 - 300 Acres	3	
300+ Acres	9	

SOURCE - NEWMARK / WATERLOO EDC

Waterloo region is experiencing a significant shortage of serviced industrial land. This scarcity is directly impacting economic growth as businesses struggle to find suitable locations for expansion or new operations. The region's industrial real estate market is characterized by low vacancy rates, rising land costs, and intense competition for available properties.

**Since 2021, Waterloo EDC has received 65 land inquiries from local, domestic, and international firms seeking sites for industrial development. Of the 65 inquiries:**

- 14 were not submitted due to lack of suitable land
- 8 were lost due to the lack of a megasite in the region
- 33 others were lost with the reason uncertain due to lack of feedback, or specific barriers to executing an industrial project in the region, especially:

- Site planning process is too long
- Inability to meet servicing requirements
- Lack of sites zones for industrial / heavy industrial
- Absence of sites available for sale instead of lease
- Development land is too expensive

This poses challenges for businesses. The scarcity of serviced land has driven up land prices and rental rates, making it more challenging for businesses to operate profitably. Additionally, the lengthy planning and approval processes associated with industrial development can significantly delay project timelines, hindering economic growth.

In addition to impacting local and prospective businesses, a lack of serviced industrial land impacts economic growth. The lack of available land is limiting our ability to attract new businesses and expand existing operations, which hinders job creation and economic development. The region's limited land supply is making it less attractive to potential investors compared to other regions with more abundant land resources, giving us a competitive disadvantage. We are losing talent when businesses want to expand in the region but have no space to do so, and we are missing out on investment opportunities from firms looking for land in Waterloo Region to move or expand their operations.

**Climate change presents significant challenges and opportunities for Waterloo region. Achieving net-zero greenhouse gas emissions and preparing for the impacts of extreme weather are priorities for all.**

Climate change is predicted to have significant economic impacts across Canada and globally. These impacts will result in lost income, job losses, and cut GDP growth, which will significantly impact economic development in Waterloo region. A 2022 report by the Canadian Climate Institute found that by 2025, climate impacts will be slowing Canada's economic growth by \$25 billion annually, which is equal to 50% of projected GDP growth. The study also found that reducing greenhouse gas emissions (mitigation) and preparing for the impacts of extreme weather (adaptation) will reduce economic losses by 75%. For example, the report found that for every \$1 spent on climate adaptation measures, \$13-15 is saved, and these savings are reflected in local and global economic systems. [SOURCE](#)

Climate change mitigation and adaptation are priorities shared by the Region, area municipalities, key interest-holders, businesses, and the public. TransformWR is a community climate change action plan that outlines a pathway to achieve a 30% reduction in GHG emissions by 2030 and an 80% reduction by 2050 (below 2010 levels). This plan was endorsed by all municipal Councils within the region in 2021 and is currently being implemented by Climate Action Waterloo Region. Across all types of development, climate-related measures are a crucial aspect of sustainable economic growth by mitigating physical and financial risks to businesses, government, and the public.

Throughout engagement, business owners, industry leaders and global real estate investment trusts expressed that stringent climate-related development standards and best practices, such as the Region's High Performance Development Standards (in development) or the City of Waterloo's Generation Park, are an asset to investment attraction and put the region on the forefront of innovative building construction and operation. Standards are used by industry leaders to market best practices and report positively on their commitments to climate action; when these standards are put in place by regulatory authorities, they become a selling feature to developers.



Across all types of development, climate-related measures are a crucial aspect of sustainable economic growth by mitigating physical and financial risks to businesses, government, and the public.

In housing development, climate change mitigation and adaptation measures must also be prioritized. These measures make housing more affordable and resilient long-term and have a positive impact on the natural environment. In publicly funded developments, we can take the lead on building to high performance development standards. In private residential developments, whether new builds or retrofits, standards and incentives at the federal, provincial, and local levels must be leveraged to ensure developers are also adhering to best practices.

There are significant local economic opportunities associated with the low-carbon transition. By 2030, 3.1 million Canadian jobs will change in some way due to the climate transition and 400,000 new jobs will be added across many sectors. Canada is currently facing a shortage of employees to fill green collar jobs<sup>1</sup> and is predicted to face a 27,000-employee deficit across all sectors in 2025. Economic changes brought on by climate change represent generational opportunities to fill talent gaps and strengthen the local economy while contributing to climate change mitigation and adaptation measures.

SOURCE

Recognizing the importance of mitigation and adaptation in economic development, Sustainable Waterloo Region and Climate Action WR have endorsed key climate-related recommendations under each Strategic Pillar for capitalizing on climate-related opportunities through our collective regional economic development actions. These recommendations include partnering with post-secondary institutions to accelerate green skills training to address the demand for green collar jobs, introducing a core focus on supporting and scaling technology and automation solutions to support the climate transition, and prioritizing reliability of critical services by partnering with WR Community Energy and local utilities to create decentralized local energy systems. For the full list of recommendations, please refer to the appendix.

<sup>1</sup> Green collar jobs refer to jobs requiring specialized skills relating to the climate transition. There is demand for green collar jobs in every sector. Green collar jobs in manufacturing and utilities, trades, transportation and equipment, and sales and service are already facing surging demand.



## Business and industry priorities need to be addressed to support growth.

In addition to climate change mitigation and adaptation measures, several other priorities were made clear across engagement with businesses, industry interest-holders, and the community.

**Transportation** – Access to public transportation is now a pre-requisite for investment attraction. Businesses frequently inquire about access to public transit when considering sites for future development. Transportation infrastructure planning must be linked with economic development strategies to ensure that there are ample transportation options for current and future employment lands across the region.

**Scaling Entrepreneurship** – Waterloo region is well known globally for providing an innovation ecosystem that attracts entrepreneurs and provides the support they need to get off the ground. However, entrepreneurs and their startups need space and support to grow in Waterloo region. Through engagement with entrepreneurship interest-holders, startups and the broader business community, it was made clear that the Waterloo region needs to improve the scale-up ecosystem in order to keep talent, innovation and investment associated with startups.

# Strategic Pillars



Talent



Land  
Readiness



Scaling  
Local  
Innovation



Strategic  
Sector  
Support



Quality  
of Life

The strategic pillars outlined in the following section are derived from key trends, interest-holder priorities, regional characteristics, and future projections, and are validated by the findings of the interest-holder engagement process and the regional context review. These pillars represent shared priorities with common goals for all Waterloo Region Economic Development partners.

The 2025 Waterloo Region Economic Development Strategy seeks to build on its predecessor's collaborative spirit by taking inventory of the current economic development activities and future plans being carried out by economic development partners across the region. In an ongoing process, the Waterloo Region Economic Development Working Group will identify opportunities for collaboration and synergy within the five community-defined pillars to support a coordinated, regional, and strategic approach to economic development.

Under each pillar, sample projects exemplify the collaborative nature of the strategy, with the Strategic Pillars representing shared priorities for the entire Working Group and its partners.

## Talent



**Immigration Partnership** is collaborating with World Education Services to create a digital Employer Playbook that will assist employers with recruiting, hiring, and retraining immigrant talent.

**The Township of Woolwich**, in collaboration with the **Workforce Planning Board**, is planning a job fair to promote new immigrant employment in the healthcare sector.

## Land Readiness



**The Region of Waterloo** is developing a Shovel-Ready Strategy which outlines an approach for accelerating sites for employment lands, affordable housing or future community needs like community centres or schools across Waterloo region.

**The City of Waterloo** is servicing and selling parcels of land in Generation Park, a new greenfield park with Sustainability Standards targeting growth and scaling businesses in robotics, automation, light manufacturing, and technology.

## Scaling Local Innovation



**The City of Kitchener's** SDG Idea Factory is a first-of-its-kind collaborative incubator helping entrepreneurs tackle social and environmental innovation challenges.

**The City of Cambridge** is implementing the Core Area Transformation Fund which will be used to stimulate transformative investment to support city-building and increasing market-ready spaces in Cambridge's three urban cores.

## Strategic Sector Support



**Waterloo EDC** is supporting the growth of the EV cluster within our automotive sector by creating an ecosystem cluster map, hosting industry events and developing an investment attraction strategy.

**The Townships of North Dumfries, Wellesley, Wilmot and Woolwich** are collaborating with **Waterloo EDC** to develop a Rural Investment Readiness Strategy and action plan to prepare for investment in key sectors such as automotive, cleantech and agri-food.

**The Region of Waterloo and the Township of Woolwich** are collaborating to develop a Community Improvement Plan to support the growth and development of the Aviation & Aerospace sector.

## Quality of Life



**The City of Cambridge** is engaging in various projects, including asset mapping, downtown business support and other programming to boost tourism in the city.

**The City of Kitchener**, through its Downtown Kitchener (DTK) brand and the **City of Waterloo**, through its CreateWaterloo brand are engaging in place-making activities such as cultural events, festivals, and equity-based initiatives to increase vibrancy and quality of life in the urban core.

**The Townships of North Dumfries, Wellesley, Wilmot and Woolwich** are working in collaboration with the **Region of Waterloo** and **Grand River Transit** to improve transit service in rural areas.





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EQUITY & RECONCILIATION  
HOUSING  
CHILDCARE

TRANSIT & MOBILITY  
CLIMATE ACTION  
FAMILY PHYSICIANS  
RURAL SUCCESS

During initial stages of community engagement, it became clear that the struggles faced by businesses in securing talent and the difficulties faced by community in finding employment represented a disconnect that necessitated a dedicated plan of action.

To this end, Deloitte LLP was retained to develop the “Waterloo Region Talent Attraction, Retention and Reskilling Plan”. This plan consists of a recommended plan of action from the consultant that aims to bridge the gaps and tackle challenges within the region’s talent pool in a coordinated, regional approach.

These recommendations recognize that talent attraction, retention, reskilling, and integration are the responsibility of all economic development partners, such as area municipalities, who provide critical recreational, cultural and business services; not-for-profit organizations, who provide direct services to newcomers; agencies such as Waterloo EDC, that market the region and secure talent; post-secondary institutions; business associations, including Explore Waterloo Region, BIAs and Chambers of Commerce; and, the private sector.

Recommendations developed by the consultant through the Talent Plan include:

- **Attraction:** Defining the region’s value proposition to attract talent, grow and diversify the job pool, improving labour force participation for equity-deserving groups, and improving wrap around supports that potential incoming talent will value.
- **Retention:** Focusing on retaining secondary and post-secondary graduates, supporting local businesses in retaining their workforce, and improving wrap-around supports to keep talent in the region.
- **Reskilling:** Increasing alignment of education and training with employer needs, strengthening partnerships to promote continuous experiential learning, and supporting employees in declining occupations with transitioning to high-growth industries.
- **Integration:** Supporting the integration of equity-deserving groups in the workforce through partnerships with representative parties and advocacy groups and promoting reconciliation, equity, diversity, and inclusion initiatives in workplaces.

These key actions areas aim to empower talent and drive long-term economic growth in the region. For the full Talent Plan, please refer to the Appendix.





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In ongoing conversations with interest-holders in the business community, investors, and leaders, the critical need for shovel-ready employment lands continues to be a top priority in economic development and investment readiness. Waterloo Region urgently needs shovel-ready land for employment and residential development uses to ensure job growth and housing availability keep up with our rapidly growing population. A critical part of increasing the supply of shovel-ready land is protecting existing employment lands to allow for future investment in high-demand areas.

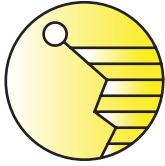
The land readiness strategic area of focus recognizes this urgent need by outlining priority areas to streamline regional policy and processes surrounding strategic infrastructure servicing and land development, increasing transparency in land readiness processes, and aligning with market demand for employment and residential lands.

Most opportunities for employment lands servicing across Waterloo region are concentrated in the townships. While Area Municipalities take the lead on creating new and preserving existing employment lands in urban areas, the Region is positioned to support larger scale land readiness activities for employment lands in the townships, as well as land development-related projects for affordable housing and other strategic initiatives across the region.

**Across partners, Waterloo region’s proactive response to land readiness includes:**

- Taking inventory of existing and planned servicing infrastructure to predict future needs, costs, and service capacity requirements.
- Developing strategies to expedite shovel-ready status for priority parcels by streamlining planning and approval processes.
- Partnering with and supporting key interest holders in the public and private sectors that accelerate the development of affordable housing across the region, with a focus on density and mobility integration.
- Using a regional perspective to lead and support key strategic projects for the benefit of the entire community.





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Waterloo Region is well established as one of Canada's top innovation hubs, drawing and producing entrepreneurs and innovators across an array of industry sectors supported by world-renowned incubators and post-secondary education institutions.

While the strength of our innovation ecosystem was validated in research and engagement, interest-holders and industry leaders expressed the need to shift to scaling entrepreneurship in the tech ecosystem. Waterloo Region has no shortage of entrepreneurs and start-ups, but a greater focus must be placed on ensuring they have the capital, mentorship support, services, and land resources necessary to place roots and continue growth in the region.

Waterloo region can benefit from increased collaboration between a wide range of regional partners, including Area Municipalities, post-secondary institutions, incubators and accelerators, Waterloo EDC, Chambers of Commerce, funding partners, and small business support centres, to scale local innovation.

### **Proactive responses to scaling local innovation by the Region, Area Municipalities and Waterloo EDC include:**

- Identifying critical service gaps and leveraging these opportunities to support local business retention, with a focus on small- to medium-sized enterprises (SMEs).
- Developing a long-term regional planning vision for market-ready industrial, office and commercial spaces that offer local businesses expansion opportunities.
- Fostering a collaborative workforce ecosystem to bridge gaps between interest-holders and create connections and working relationships within and across industries.
- Collaborating with partners, including the Chambers of Commerce, post-secondary institutions, and local incubators and accelerators, to ensure firms exiting the start-up phase have the support and resources they need to grow in Waterloo region.





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Waterloo Region is home to several dominant industry sectors that are anchored by generational investments, Waterloo-born international firms and post-secondary institutions offering specialized training. Our strengths include advanced manufacturing, automotive, food processing, fintech, and technology and digital media. The region's status as a global tech leader attracts innovation and growth across all industry sectors with the rise of artificial intelligence, robotics and automation.

In investment attraction, business retention and expansion, workforce development, and other sector support activities, interest-holders and industry representatives expressed the need to take a regional approach in considering the impacts of emerging sectors and the role they will play in future economic growth. Firms within sectors such as aviation and aerospace, health technology, and clean technology, among others, are considering Waterloo Region for expansion. While industries often function region-wide, Area Municipalities may focus on growing and supporting existing sectors prioritized for their communities, while the Region may support sectors that align with Regional assets and region-wide priorities, such as aerospace and aviation. Growth strategies for emerging sectors will help to increase economic diversification and build clusters and local supply chains across industries.

### Taking a regional approach to strategic sector support looks like:

- In collaboration with government, industry leaders and interest-holders, jointly identifying strategic sector focuses for development activities through interest-holder workshops, forecasting, data-driven market analysis and benchmarking.
- Municipalities assessing investment readiness in key sectors and providing support to improve readiness where gaps exist.
- Coordinating advocacy efforts through the work of Waterloo EDC with support from municipalities to align and strengthen sector support activities across partners.





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The effectiveness of region-wide economic development activities – including investment attraction, business retention and expansion, workforce development, and entrepreneurship – is dependent on maintaining a high quality of life for residents and businesses. When quality of life is high, wellbeing increases, talent and investment come to the region, and our community grows.

Quality of life in the region is high: in a survey developed to inform the 2025 WREDS, 84% of respondents reported being either somewhat satisfied or very satisfied with their overall quality of life in the region. We heard about the impact of our community partners on increasing vitality and prosperity in the region through community-building efforts and how these efforts make the region a great place to live. However, we also heard about the critical need for improvement in essential services and amenities that have a strong impact on quality of life. Wrap-around services that support talent, including lowering cost of living, access to housing, family physicians, childcare, public transportation, and community connectedness, are all critical to improving quality of life in the region, and we heard from interest-holders and community that many of these factors are deficient or under supported.

By prioritizing quality of life as a strategic area of focus alongside other economic development priorities, Waterloo region is recognizing the need for a coordinated, region-wide response to enhancing quality of life, which will support and improve other areas of economic development. In partnership with the community, we will work to ensure that Waterloo region remains a great place to live, work and play for everyone.

### Priorities within the quality of life area of focus include:

- Implementing initiatives that respond to gaps in amenities and services that impact quality of life, including enhancing public and active transportation networks, improving community safety, providing cultural enrichment, and increasing green spaces and recreational facilities.
- Collaborating across all economic development partners to ensure that basic needs are met by actively expanding and improving talent-focused wrap-around services, and the organizations and staff who provide them, including affordable, attainable and adequate housing, family physician recruitment, newcomer integration programs, improving integrated mobility, expanding childcare availability, senior support services, and mental health and wellness resources.
- Expand tourism and events to support local businesses including in main street areas, increase community engagement and vibrancy, celebrate quality of life in the region, showcase regional strengths, and influence talent retention.

# Action Plan

The 2025 Waterloo Region Economic Development Strategy (WREDS) is structured differently than a traditional economic development strategy. The 2015 strategy included 43 actions for WREDS Working Group members to adopt on top of their existing economic development activities and strategies. While many actions were adopted and had success, many others were never realized.

The 2025 WREDS Action Plan recognizes the work that is already being undertaken by all WREDS Working Group members in each of the five strategic pillars. By taking inventory of the programs, services and strategies currently underway or in the pipeline and cataloguing the work according to these pillars, we're better able to identify gaps and opportunities for collaboration that align with the community's economic development priorities. Adopting this strategy allows economic development activities to be carried out in a coordinated, strategic and transparent manner across the region.

Since 2016, the Region, Area Municipalities, and Waterloo EDC have operated within a framework that clearly defined roles and responsibilities between partners to provide effective services to the community. The 2025 WREDS Action Plan is built within the existing partnership framework to ensure continuous success. More information on the framework can be found in the Terms of Reference.

The following consists of an overview of the projects underway or in the pipeline by WREDS Working Group members across all strategic pillars, including notable gaps in activities and opportunities for next steps and collaboration. For the full list of projects, programs, and services reported by the Working Group, please refer to the **Appendix**.



## Talent

Across the Working Group, the largest number of actions being taken fall into the Talent category, with the majority of activities focusing on talent attraction and retention. At least one project in these categories was listed for each member of the Working Group, with the majority of activities consisting of strategic plans and investment strategies, job fairs and hiring supports, programs extending and improving wrap-around supports, and arts and culture activities.

Gaps in Talent currently centre around talent readiness and talent integration, especially for municipal partners. Opportunities exist to bolster the work of organizations such as the Workforce Planning Board of Waterloo Wellington Dufferin and the Immigration Partnership, who currently offer the bulk of talent integration services for newcomers in the region. In partnership with local educational institutions, a region-wide talent readiness and reskilling effort will address the need for employer-employee synergy by preparing the workforce for the current and future job market.



## Land Readiness

The fewest projects were reported under the Land Readiness area. The Cities of Waterloo and Kitchener are engaging in Land Readiness through parcel/geography-specific projects and associated servicing strategies. There is a major gap in Land Readiness with respect to a regional approach to land development that supports the broader economic goals of the WREDS Working Group, which would coordinate Land Readiness initiatives across the region and provide all partners with the support and guidance needed to take a strategic approach to growth and development.



## Scaling Local Innovation

Under Scaling Local Innovation, all Working Group members recorded multiple projects currently underway that support business retention efforts. Supporting projects include transit strategies, strategic plans, Community Improvement Plans, direct supports for local businesses, and collaborations with the Chambers of Commerce. Despite these projects, gaps exist in business expansion support and the creation and maintenance of collaborative spaces for businesses and other interest-holders to connect. There are opportunities to engage in a more focused, regional discussion on how to best align the planning and development of market-ready industrial and commercial spaces with local business needs. Forums for collaboration, such as industry roundtables, would also help to bridge the gap between industries and interest-holders.



### **Strategic Sector Support**

Most projects in Strategic Sector Support currently focus on supporting growth and development activity in key sectors. Many of these projects centre around ensuring that the region's largest and most productive sectors, such as automotive, manufacturing, and tech, are able to thrive and expand in the region. Several other projects aim to support emerging sectors where there are opportunities for new investment and rapid growth, such as health innovation, clean/green tech and arts and creative industries.

There is room for growth in the assessment and preparation of investment readiness for key sectors in the region. Opportunities exist to bolster supply chains, infrastructure, and workforce availability in a targeted and coordinated way to increase the investment readiness of key sectors.



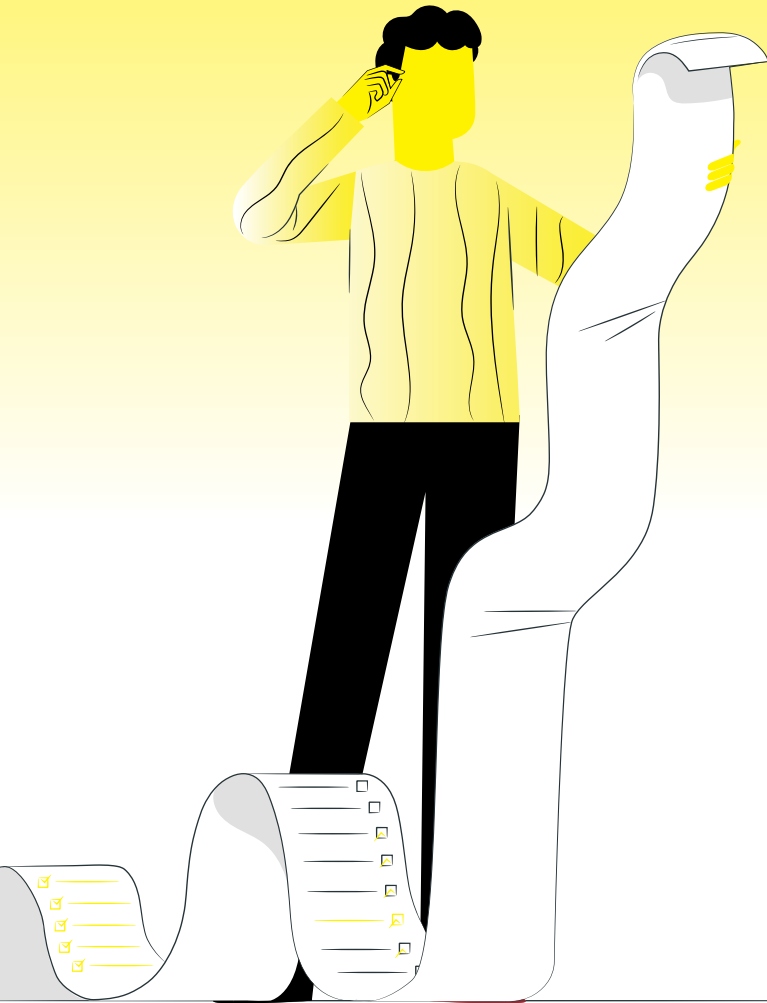
### **Quality of Life**

Quality of life initiatives across the WREDS Working Group tend to focus on improving availability of, and access to, amenities and activities that, when coupled with basic necessities and wrap around supports, improve quality of life and sense of belonging in the region. These initiatives include active transportation-related projects, cultural and heritage programming, public art installations, and supporting recreational and sports programs.

Many quality of life initiatives focus on increasing the availability of affordable housing and working to eliminate chronic homelessness across the region with the support of non-profit housing providers, community support organizations, and provincial and federal funding programs. However, in some areas, gaps exist between housing-related projects and other critical talent-related wrap-around supports, such as childcare. To ensure that our community is able to increase its quality of life, wrap-around supports must be integrated into other initiatives across quality of life and other strategic pillars, such as Talent and Land Readiness. Doing so will ensure that everyone in our community is able to live, work, grow, and thrive in the region.



# Beyond 2025



To support progressing the work in the strategic pillars identified through the WREDS development process, the Working Group has developed a Terms of Reference. This document outlines the roles and responsibilities of the WREDS Working Group members and sets expectations around how information will be updated, and made publicly available.

The Terms of Reference, which can be found in the Appendix, outlines quarterly updates, including a quarterly meeting, to share current activities and updates according to the agreed upon reporting framework. Sharing updates on a quarterly basis will allow members to discuss gaps and opportunities for collaboration to work towards the five strategic pillars.

Additionally, on an annual basis, WREDS Working Group members will assess the alignment of the strategic pillars with the evolving state of economic development in the region. If the Working Group determines that the 2025 WREDS framework, or a particular pillar, is no longer aligned with the needs of the community, the group will revisit the strategy and make changes as needed. The performance of the strategy and the Working Group will also be reviewed on an annual basis by the municipal CAOs. (Steering Committee)

For more details on the Working Group's membership, roles and responsibilities, reporting framework, and decision-making structure, please refer to the Terms of Reference in the **appendix**.