



City of London
Economic Development Strategy

Research and Insight Briefing

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Contents

Introduction and Purpose	1
Discussion Papers	3
Appendix 1 - Market Analysis and Comprehensive Community Profile	24

Introduction and Purpose

Introduction and Purpose

The City of London is working with Deloitte Economic Advisory to develop a new Economic Development Strategy to support sustainable growth, foster innovation and drive community-wide prosperity in the 2020s.

This Strategy will advance the "Economic Growth, Culture, and Prosperity" focus area of the City of London Strategic Plan 2023–2027, with a particular emphasis on the outcome: "London encourages equitable economic growth and diversification." The Economic Development Strategy aims to achieve the following results as outlined in the Strategic Plan 2023-2027:

- Small and growing businesses, entrepreneurs and non-profits are supported to be successful.
- Increased economic activity from the core and the greater community and the broader region.
- London has a sufficient supply of serviced lands in strategic locations.
- London is a regional centre that proactively attracts and retains talent, business, and investment.

The strategy development process includes comprehensive research and extensive community engagement to gain a thorough understanding of London's economy, current development policies, and the broader ecosystem of economic development organizations. This report presents the discussion papers and a community profile, as part of the research efforts conducted as of mid-July 2025. This information helps to establish a data-driven foundation for a forward-looking Economic Development Strategy that aligns with the City's overarching priorities.

Discussion Papers

To support meaningful community engagement, a panel of Deloitte's strategic advisors oversaw the development of four **discussion papers**. These papers provided insights and thought leadership on London's economic outlook, the local impacts of macroeconomic trends, workforce characteristics, the competitiveness and evolution of key sectors, and the economic participation of under-represented communities.

- **Macroeconomic Trends and Local Realities** – Examines global economic shifts, including trade dynamics, interest rate changes, and supply chain realignments, and their implications for London's business environment.
- **London's People: A Snapshot of the City's Talent** – Explores workforce demographics, skills gaps, and opportunities for aligning talent with high-demand sectors.
- **Evaluating the Competitiveness and Evolution of Leading Sectors** – Assesses the performance, challenges, and growth potential of sectors such as health care, education, manufacturing, retail, and hospitality.
- **Economic Participation of Underrepresented Communities** – Highlights barriers to workforce participation for underrepresented groups and strategies to unlock their potential.

Community Profile

The appendix provides a detailed socio-economic and market analysis, offering key insights into population growth, workforce trends, and real estate dynamics. London's rapid population growth, diverse labour market, and economic recovery post-pandemic highlight its potential as a regional economic leader. However, challenges such as labour shortages, housing affordability, and skills mismatches require targeted interventions.

Discussion Papers

Discussion Papers

This section presents four discussion papers that provide critical insights into the complex landscape of London's economy. These papers were developed to inform and underpin the development of London's economic development strategy:

1. *Macroeconomic Trends and Local Realities*
2. *London's People: A Snapshot of the City's Talent*
3. *Evaluating the Competitiveness and Evolution of Leading Sectors*
4. *Taking a Deeper Look: Economic Participation of London's Underrepresented Communities*

Each paper identifies a series of discussion questions that are meant to encourage further discourse in the topics areas and support future economic development efforts.

In a rapidly changing global context, understanding both the challenges and opportunities within London is essential for designing effective policies and strategies. The relevance of these papers lies in their ability to highlight pressing issues, examine emerging trends, and identify areas for targeted intervention.

Macroeconomic Trends and Local Realities

INTRODUCTION

Global macroeconomic trends are increasingly influencing local economies and it is crucial for municipalities to identify the trends that matter. Embracing the synergy between impactful trends and local realities unlocks powerful decision-making that minimizes risks and unveils exciting opportunities for growth and innovation.

As local businesses compete not just within Canada but globally, understanding the ripple effects of these trends on London's economy is critical for informed decision-making. Deloitte has forecasted Canada's economy to experience a modest downturn for Q2 and Q3 in 2025 while still maintaining positive growth of 1.2% for the year overall.¹ This paper explores the local implications of key macroeconomic trends, including US tariff threats, interest rate changes, shifting supply chains, and housing market developments, and offers insights into mitigating risks and leveraging opportunities.

IDENTIFYING THE MACROECONOMIC TRENDS

Macroeconomic conditions have rapidly changed in 2025 with no expectation of stagnancy. This paper captures a sample of relevant trends, the following are among the most impactful and will influence choices made by decision makers in London.

US Tariff Threats and Global Trade Realignments: The escalation of US tariff threats has disrupted global supply chains, creating uncertainty for businesses worldwide. As a direct result of this uncertainty, Japan, China, and South Korea, whose historical relationship is fraught with distrust, are renewing their stalled efforts to negotiating a free-trade agreement. Canada has also made it a priority to pursue stronger ties with other markets to mitigate risks of over-reliance on the US market. The uncertainty surrounding US-Canada trade relations could deter business investment in the country, as seen with paused projects like Honda's electric vehicle production in Alliston, Ontario. However, the shift toward increased inter-provincial trade offers new opportunities for businesses, particularly in manufacturing and fishing, hunting and trapping², to expand their national market presence.

Economic Uncertainty and Interest Rate Changes: Major global economies, including Canada, have been cutting interest rates to counter weak economic outlooks and declining business investments. In March 2025, the Bank of Canada cut interest rates for the seventh consecutive time to 2.75%, which is among the lowest in the G20.³ The Bank of Canada opted to maintain this rate in June and cited ongoing uncertainty regarding US tariffs, slight softening of the economy, and firmness in inflation data as rationale to hold

¹ Deloitte, [Trade Tensions Stall Momentum: Economic Outlook April 2025](#), April 2025.

² Statistics Canada, [Interprovincial trade flows and frictions](#), March 2025.

³ Trading Economics, [Interest Rate | G20](#), May 2025.

the rate steady.⁴ Other central banks across the world have also slowly cut their policy rates reflecting a cautious approach to current economic conditions. The US Federal Reserve has so far held steady on their policy rate as to combat the expected increase in inflation and increased costs for consumers.⁵

Shifting Supply Chains: The global realignment of supply chains is another critical trend to monitor. Companies such as Apple are moving production from China to lower-cost manufacturing centres including India and Vietnam to reduce the impact of rising costs on their business.⁶ There is an expected increase in manufacturing investment in the US to reduce the impacts of tariffs while maintaining access to a large wealthy population base. With the shifting landscape of business investment, Canada faces heightened competition from other countries who are also looking to form new trade deals with the US that maintain or improve access to US consumers.

Housing Market Dynamics: The soaring cost of housing in major cities across North America has become a critical issue that local, state, provincial, and federal governments are trying to address. Housing costs have risen dramatically due to substantial demand for living spaces with a limited and slowly growing supply. It is possible that in Canada, housing price increases may slow due to changes in immigration policy that could reduce demand for rental units. The newly formed federal government has indicated that increasing the housing supply is a priority. It is unclear what potential impacts this priority may have on overall housing costs across the country.

IMPACTS TO LONDON'S ECONOMY

London's economy is diverse which helps in mitigating risks of a slowing global economy. It is, however, not immune to the potential impacts. General Dynamics Land Systems, a local armoured vehicle manufacturer, is already experiencing reduced interest from US military contracts, and is lobbying the federal government for new purchase commitments to maintain its operations.⁷ While London does offer a strategic location for many businesses, its competitive advantages in this new economic environment may be limited by higher shipping costs and lag times compared to other competitors, or by investors choosing the US as a business destination to avoid tariffs altogether. Investment is still occurring surrounding London region as Volkswagen is moving forward with its electric vehicle manufacturing plant in St. Thomas.⁸ Ontario's provincial leadership has also taken strides to reduce interprovincial trade barriers that could further benefit local companies, enabling them mitigate reliance on international markets.

Reduced borrowing costs, through lower interest rates can support innovation and entrepreneurship at the local level. Small business owners in London may find it easier to access capital to fund new ventures and create new employment in the city. As affordability in larger cities like Toronto and Vancouver continues to erode, London's relatively lower housing costs could attract talent and businesses seeking a more cost-effective base of operations.

However, the broader economic uncertainty tied to trade tensions may still dampen overall business confidence and reduce investment, even with lower borrowing rates as demonstrated by the Conference Board of Canada's Index of Business Confidence falling to 64.5 in April 2025, its second lowest level on record.⁹ London's housing market, while more affordable than those of Toronto and Vancouver, is not immune to broader trends of rising costs and supply-demand imbalances. While London is a lower cost city than others, with benchmark composite housing property prices 16.8% lower than the Canadian aggregate benchmark as of June 2025¹⁰ and lower average rental rates for both offices and industrial properties than the Canadian average in Q1 of 2025,¹¹ Investors and residents may still choose other lower cost options to reduce spending during uncertain economic periods.

MITIGATING RISKS AND RECOGNIZING BENEFITS

To navigate these macroeconomic trends, London must adopt a proactive and adaptive approach. Continuing to support entrepreneurship and innovation in the city will be crucial to mitigate declining business investment in the city and highlight London as a supportive environment, which has been seen in London's recent recognition. Recognized for the fourth consecutive year on the CBRE Scoring Tech Talent 2025, London makes a prominent jump from Top Emerging Tech Markets in North America list, now

⁴ Bank of Canada, [Bank of Canada reduces policy rate by 25 basis points to 2¾%](#), March 12, 2025.

⁵ Federal Reserve, [Federal Reserve issues FOMC statement](#), May 7, 2025.

⁶ Supply Chain Digital, [Apple Shifts Supply Chain by Diversifying Production](#), May 12, 2025.

⁷ The London Free Press, [General Dynamics to Ottawa: We need more military orders or risk layoffs](#), March 24, 2025.

⁸ The London Free Press, [St. Thomas gets huge tariff update on Volkswagen's planned 3,000-worker plant](#), May 8, 2025.

⁹ Conference Board of Canada, [Broken Bridges, Broken Business Confidence](#), April 10, 2025.

¹⁰ Canadian Real Estate Association, [National Statistics](#), July 2025.

¹¹ Colliers, [National Market Snapshot Q1 2025 | London Office Market Report Q1 2025 | London Industrial Market Report Q1 2025](#), May 2025.

ranking #4 on North America's Next 25 Markets list, reaffirming the region's reputation as a hub for innovation, growth, and talent.¹² The City of London may consider providing additional tools, resources, and safety nets for startups and small businesses that further support innovation and job creation. London must also advocate to the provincial and federal governments to address trade uncertainties specific to London and promote its advantages to the investor community. Advocating for reduced interprovincial trade barriers that are directly relevant to existing London businesses can unlock new growth opportunities within the city.

To support London in attracting new talent and improve the broader economic stability, London should ensure that it is at the forefront of national and provincial housing initiatives that support the expansion housing supply to improve affordability within the city. London does not have any significant reliance on a single sector, however key sectors of the economy may still be vulnerable to decreased investment flows, necessitating proactive measures to support local economic resilience.

CONCLUSION

London is at a pivotal juncture as global macroeconomic trends reshape local realities. The city faces challenges stemming from US tariff threats, shifting supply chains, and economic uncertainty. London can leverage its competitive advantages in its strategic location and relative affordability to mitigate the risks and take advantage of their potential benefits. By focusing on entrepreneurship, strengthening domestic trade, and addressing housing market dynamics, London can help the business community position themselves as a resilient and innovative regional hub in an interconnected economy. Proactive decision-making and collaboration across all levels of government will be critical to ensuring the city's long-term prosperity amidst these evolving global conditions.

¹² CBRE, [Scoring Tech Talent 2025](#), 2025.

London's People: A Snapshot of the City's Talent

INTRODUCTION

London is undergoing a significant transformation as its population and economy grow and diversify. Annual population growth rate projections estimate that the city's population could grow from 422,324 in 2021¹³ to between 601,500 and 692,100¹⁴ by 2051. As the city positions itself as a regional hub for education, health care, and industry, a focus on aligning workforce availability and skills with the needs of leading sectors will be critical to sustaining momentum. This paper aims to provide a profile of London's current and future workforce, focusing on its demographics, skills, and talent pool.

LONDON'S STRENGTHS

With affordable cost of living and a high quality of life, London has a competitive edge in attracting and retaining talent. The average home price in the London-St. Thomas area, at \$650,501, remains significantly lower than in the Greater Toronto Area (\$1.1 million).¹⁵ The growing population fueled by international migration introduces London's employers to diverse perspectives and global connections, which are critical for businesses seeking to expand their reach.

Workforce attraction is bolstered by 37,745 international students who attend London's post-secondary institutions each year, working toward advanced degrees and specialized skills in areas such as health care, engineering, and information technology.¹⁶ However, major shifts in Canada's immigration policies and caps directed at international students, temporary residents, and foreign workers are expected to have a significant impact on the ability to attract newcomers to meet growing demand for talent. Under new rules, London hopes to continue to attract at least 14,000 international students per year.¹⁷

London's cultural economy adds a unique dimension to its workforce. The city's designation as a UNESCO City of Music underscores its vibrant arts scene, which not only attracts creative talent but also supports adjacent industries such as tourism and digital media. The Ontario Institute of Audio Recording Technology (OIART) offers a music production program in state-of-the-studios to prepare students for careers in music production, live sound and event production, and audio for visual media. In 2023, the city welcomed close to 2.1 million overnight visitors, including 136,000 from the United States, 25,000 from other international locations, and almost two million domestic travelers who collectively spent an estimated \$1.09 billion in local restaurants, retail shops, accommodations, and attractions.¹⁸

TALENT TRENDS

According to London Economic Development Corporation, addressing growth, change and retirements in London's key sectors is expected to require 40,000 new hires between 2023-2031.^{19, 20, 21, 22} London's employers are striving to address growing workforce needs, with immigration expected to remain a key factor. Fostering a welcoming and inclusive environment is a priority as workplaces become more diverse.

As older workers retire, their successors have different career expectations. Younger workers are placing a greater value on work-life balance, flexibility, autonomy, learning, inclusivity, and meaningful work. Deloitte's global survey of 23,000+ Gen Zs and Millennials found that these generations are looking for careers that blend financial security, purpose, and well-being.²³

The rise of remote work has created opportunities for people to live in London while working elsewhere, and for employers to tap into the global talent pool to fill critical roles and address labour shortages. Flexible working arrangements have also increased the demand for co-working spaces, which offer shared workspaces, lounges, and amenities such as cafés. These environments can

¹³ Statistics Canada, 2021 Census of Population.

¹⁴ City of London Report to Strategic Priorities and Policy Committee, [City of London Growth Projections 2021-2051](#), December 6, 2022

¹⁵ Canadian Real Estate Association, [London & St. Thomas Real Estate Market](#), June 4, 2025.

¹⁶ London & Middlesex Local Immigration Partnership, [London's Student Numbers Tell a Story About to Change](#), November 2024

¹⁷ City of London, [London Newcomer Strategy 2024-2028](#).

¹⁸ The Conference Board of Canada, [Economic Impact Analysis of Tourism in the City of London](#), May 2024

¹⁹ London Economic Development, [Employment Prospects 2023-31 Advanced Manufacturing](#), October 2023.

²⁰ London Economic Development, [Employment Prospects 2023-31 Construction](#), October 2023.

²¹ London Economic Development, [Employment Prospects 2023-31 Health](#), October 2023.

²² London Economic Development, [Employment Prospects 2023-31 IT](#), October 2023.

²³ Deloitte Global, [2025 Gen Z and Millennial Survey](#), 2025

encourage informal interactions that foster creativity and collaboration among entrepreneurs, remote workers, organizations, and small businesses.

TODAY'S WORKFORCE

London's workforce presents a dynamic picture of growth and opportunity. As of August 2025, the city's (Census Subdivision) labour force reached approximately 274,100, reflecting steady growth from 270,500 in August 2023.²⁴ The participation rate has hovered around 64%, slightly below Ontario's average but indicative of the city's untapped potential. London's unemployment rate was 5.4% in March 2025, reflecting a slight decline in contrast to a rising provincial trend that sets Ontario's unemployment rate at 7.6%, indicating that London remains resilient amid economic challenges.

Demographics and skills profile

The population grew by 14% between 2019 and 2024, adding over 60,000 residents in London (CY)²⁵, making it the second-fastest growing city in Western Ontario.²⁶ According to Ontario's Ministry of Finance, Middlesex County is projected to grow by 6.6% between 2024 and 2030, an increase of more than 38,000 residents²⁷. This growth rate is expected to surpass both Ontario's projected growth of 6% and Canada's projected growth of 3%.

Despite its population growth, workforce readiness remains a challenge. The Workforce Planning & Development Board's *EmployerOne Survey 2025* highlights foundational skills, such as accountability, communication and teamwork, as priorities for employers, while technical skills in computers, mechanical abilities, mathematical skills, and data analysis are increasingly in demand and short supply²⁸.

The city's talent pipeline is supported by post-secondary programs such as Fanshawe's *Corporate Training Solutions* and Western's *Medical Innovation Fellows*, directly linking students to industry needs. Work-integrated learning (WIL) programs support talent development through co-op placements, internships, and applied research projects. In partnership with Huron University College, Fanshawe College, and London Chamber of Commerce, TechAlliance facilitated more than 550 WIL opportunities during 2023, connecting students to employers in high-demand fields.²⁹

The city's prime working-age group (25-54 years) accounts for 39% of the population, on par with the provincial average.³⁰ The proportion of older adults in London is increasing in step with the provincial population, with 18% aged 65 or older compared to 19% across Ontario. This demographic shift poses both challenges and opportunities for workforce planning, as retirees offset workforce gains from population growth, while demand for health care workers increases.

To meet growing labour market needs, the *London Newcomer Strategy* seeks to achieve a net average newcomer inflow of 4,000 newcomers per year through direct immigration, with a focus on international students, skilled workers, and entrepreneurs.

Occupational profile

London's workforce is concentrated in health care, advanced manufacturing, education, and digital media. The health care sector alone employs more than 35,000 people across 100 organizations.³¹ Manufacturing (including food processing) remains a cornerstone, with 34,300 people employed across 500 companies, underscoring the city's industrial strength. Meanwhile, emerging sectors like digital media and technology employ 16,100 individuals³², reflecting London's growing reputation as a tech hub.

²⁴ Statistics Canada, *Labour force characteristics, selected census subdivisions, three-month moving averages, monthly, unadjusted for seasonality*, [Table 14-10-0445-01](#), September 2025

²⁵ London (CY) refers to the City of London, while London CMA refers to the greater metropolitan area.

²⁶ [Statistics Canada, Table 17-10-0155-01](#)

²⁷ Ontario Ministry of Finance, [Population Projections](#), Summer 2025.

²⁸ Elgin Middlesex Oxford Workforce Planning & Development Board, [EmployerOne 2025 Results](#), 2025

²⁹ TechAlliance, *Strategic Priorities & Policy Committee Report*, 2024

³⁰ Statistics Canada, *Census Profile*, 2021 Census, 2016 Census

³¹ Lightcast, datarun, 2025.5

³² London Economic Development Corporation, *2024 Year-to-Date Update*, 2024

London has seen an overall net growth of 9,190 jobs over the past five years from 2019 to 2024³³. More than 70% of that growth was credited to the health care and social assistance, professional, scientific and technical services, finance and insurance, construction, and manufacturing sectors.

While general employment growth in those sectors across Canada can account for much of that increase, the city shows a strong competitive advantage in manufacturing, finance and insurance, and construction sectors.³⁴

Employment in the finance and insurance and construction sectors saw growth of more than 4,000 positions, although regional and national industry trends would have predicted a more moderate growth of about 2,500 jobs.

Between 2019 and 2024, employment in London's manufacturing sector, which includes food processing, increased by nearly 1,500 positions. This growth occurred despite an anticipated overall net decline of more than 200 positions in the sector based on regional and national industry trends. Maple Leaf Foods' \$772 million investment in its 660,000 sq. ft. state-of-the-art London poultry processing facility can be credited with nearly all of London's net employment growth over that period³⁵.

Recent investments in advanced manufacturing and clean technology have spurred demand for high-skilled roles in robotics and renewable energy. For example, the Volkswagen electric vehicle battery plant in nearby St. Thomas is expected to generate 3,000 direct jobs and thousands more in supplier industries, creating a ripple effect across London's talent ecosystem³⁶. Global disruptions and declining EV sales may have an impact on how quickly EV projects such as this move forward.

At the regional level, worker shortages have been reported in truck driving and teaching positions, with more than 130 vacant positions in these occupations reported by employers in June 2024.³⁷ Lack of required education/credentials or experience were cited as the top reasons that positions were hard to fill, followed by an insufficient number of applicants for available positions. Skills tied to digital literacy, mechanical ability, and mathematical aptitude are increasingly sought after. Employers are also prioritizing foundational skills such as trustworthiness, ability to work independently, and reliability, although employers are unsure how to evaluate these soft skills during recruitment.³⁸

TOMORROW'S WORKFORCE

Since 2020, the world of work has changed dramatically, with growing shortages of both workers and skills due to an aging population, rapidly changing skills needs, and evolving worker preferences. In the context of other global disruptions, the AI revolution, geopolitical uncertainty, the race to net-zero greenhouse gas emissions, and a growing uncertainty about the future, points to significant changes in London's workforce.

Across all sectors, there is a growing need for digital literacy, problem-solving, and adaptability as the rapid adoption of digital technologies, particularly artificial intelligence (AI) and automation, transforms job roles.³⁹ However, Deloitte research highlights that 48% of Canadian business leaders feel their employees are unprepared to work alongside AI, underscoring the urgency for upskilling initiatives, and strategies to attract and retain talent.⁴⁰

Figure 1 - Employment growth in London (2019-2024): top five sectors

Industry	Growth (Net jobs)	Growth (%)	Average salary
Health care and social assistance	4,590	15%	\$60,658
Professional, scientific and technical services	2,592	24%	\$75,003
Finance and insurance	2,193	23%	\$72,612
Construction	1,824	19%	\$71,160
Manufacturing	1,496	8%	\$66,378

Source: Lightcast™, data run 2025.5. (The data covers the London Census Subdivision (3539036) and includes only the number of employees, excluding self-employed individuals.)

³³ Lightcast, data run, 2025.5

³⁴ Lightcast, data run, 2025.5.

³⁵ Maple Leaf Foods, *Q2 2023 Business & Financial Review*, 2023

³⁶ City of London, *2023 Industrial Land Development Strategy*, 2023

³⁷ Elgin Middlesex Oxford Workforce Planning Board, *EmployerOne survey*, 2025

³⁸ Ibid.

³⁹ Deloitte, *Global disruption in 4D: Exploring intersecting forces impacting Canada's future*, 2024

⁴⁰ Ibid.

Advanced manufacturing (including food processing) is leveraging robotics and predictive analytics to enhance production efficiency and supply chain management, while AI-driven diagnostics and telemedicine are reshaping the health care sector. In the finance and insurance industry, AI has streamlined underwriting, claims processing, and customer service, as noted in Deloitte's *2022 Insurance Industry Outlook*.⁴¹ Inflation and cybersecurity risks are driving demand for financial professionals skilled in risk management and AI-powered analytics, with 90% of Canadian insurers indicating a desire to leverage AI capabilities and data analysis. As competition intensifies for top talent globally, the sector must prepare for talent shortages, particularly in IT and cybersecurity.

The construction industry faces dual pressures as it looks to the future: meeting sustainability targets while addressing labour shortages. According to BuildForce Canada, 21% of Ontario's construction workforce is expected to retire by 2030⁴², putting increasing pressure on an industry where 40% of employers have already reported current labour shortages.⁴³ The adoption of AI and robotics could alleviate some challenges, but a robust workforce strategy is needed to ensure a pipeline of skilled workers. Technological advancements in the construction sector necessitate development of new skills in areas such as Building Information Modeling (BIM), modular construction, and sustainable construction practices like retrofitting buildings and installing renewable energy systems.

Meanwhile, the City's *Climate Emergency Action Plan (2022)* identifies a role for post-secondary institutions in developing programs focused on skills needed for climate action technologies.⁴⁴ Implementing the action plan requires a skilled workforce trained in areas such as HVAC systems, energy-efficient renovations, and renewable energy installations.

CONCLUSION

The implications of these findings are clear: London must prioritize a workforce strategy that aligns educational outcomes, employer needs, and economic development goals. To secure its position as a regional economic leader, London should prioritize the futureproofing of its workforce. Upskilling and reskilling programs in areas like AI, robotics, and sustainability will be essential as industries adapt to technological advancements and global disruptions. Fostering a culture of innovation through partnerships will ensure the city remains competitive in attracting talent and investment. By anticipating challenges and leveraging capabilities, the city can build a workforce that not only meets today's demands but also anticipates the needs of tomorrow.

⁴¹ [Deloitte Canada, 2022 insurance industry outlook, 2022](#)

⁴² BuildForce, [Employment Forecast](#), 2025

⁴³ [Ontario Chamber of Commerce, 2025 Ontario Economic Report, 2025](#)

⁴⁴ [City of London, Climate Emergency Action Plan, 2022](#)

Evaluating the Competitiveness and Evolution of Leading Sectors

INTRODUCTION

Understanding the current landscape of London's leading economic sectors is essential for developing a robust and forward-looking Economic Development Strategy. As the city navigates rapid changes in technology, shifting demographics, and evolving market dynamics, a clear picture of sector strengths, challenges, and opportunities becomes the foundation for informed decision-making.

London has experienced notable employment growth in recent years. From 2019 to 2024, total employment in the city increased by 4%, representing 9,190 net new jobs⁴⁵. Although there were fluctuations in employment during 2020 and 2021 due to the pandemic, the labour market has since recovered and surpassed pre-pandemic employment levels by 2022, with a continued upward trend through 2023 and 2024. To better understand the sectors driving this growth, a comprehensive assessment of London's leading economic sectors was undertaken by drawing on multiple sources of data and analysis. The City of London has identified eight key employment sectors on its website, each supported by sector-specific reports that outline the city's comparative advantages and emerging opportunities. In parallel, the London Economic Development Corporation (LEDC) has identified four fast-growing sectors, supplemented by a business directory and profiles of major local employers. To further support these findings, this discussion paper incorporates a Location Quotient (LQ) analysis using the most recent employment data available from Statistics Canada.

KEY EMPLOYMENT SECTORS

LEDC Identified Key Employment Sectors

The LEDC has identified four sectors as experiencing particularly rapid growth in London:

- Agri-Food
- Manufacturing
- Digital Media and Technology
- Health

These sectors are supported by a robust ecosystem of businesses and key employers, underscoring their importance to London's economic development trajectory.

City of London Identified Key Employment Sectors

In addition to the LEDC-identified rapid growth sectors, the City of London identified the following as the top employment sectors:

- Health Care and Social Assistance
- Retail Trade
- Educational Services
- Manufacturing
- Accommodation and Food Services
- Professional, Scientific, and Technical Services
- Finance and Insurance
- Construction

Additionally, London's creative industries, including the music and film sectors, are acknowledged as areas of local strength, cultural significance, and opportunities for economic growth.

LOCATION QUOTIENT RESULTS

A Location Quotient (LQ) analysis is a useful tool for understanding which industries are especially important or unique to London's economy. This method compares the share of employment in each sector in London to the average share of that sector in Ontario as a whole. If a sector's LQ is higher than 1.1, it indicates that the sector has an above average concentration of jobs in London than the provincial average, suggesting it is a key or "leading" sector for the city. In this analysis, sectors were examined using the 2-digit NAICS industry classification, which provides a broad overview of different parts of the economy.

⁴⁵ Lightcast, datarun, 2025.5

The LQ analysis identifies several sectors in London that have a higher concentration of employment compared to the provincial average in Ontario. As shown in Figure 2, the sectors with the highest LQ values are Educational Services (NAICS 61) and Health Care and Social Assistance (NAICS 62). Educational Services accounts for 10.8% of London's total employment, compared to 7.8% in Ontario, resulting in an LQ of 1.38. Similarly, Health Care and Social Assistance represents 16.0% of local employment versus 11.8% provincially, with an LQ of 1.36. These high LQ values indicate that both sectors are particularly significant to London's economy, serving as major employers and key drivers of local economic activity.

Accommodation and Food Services (NAICS 72) and Retail Trade (NAICS 44-45) also exhibit LQ values above 1, at 1.18 and 1.09 respectively. Manufacturing (NAICS 31-33) has LQ values just below 1, indicating that employment concentrations are roughly on par with provincial levels. While these sectors do not stand out as highly concentrated compared to Ontario, they remain significant components of London's overall economic structure.

Figure 1 – Location Quotient of London's Leading Sectors, 2-digit NAICS, 2024

NAICS	Description	London (CSD)		Ontario		LQ
		Employment	Employment Distribution (%)	Employment	Employment Distribution (%)	
61	Educational services	23,936	10.8%	562,544	7.8%	1.38
62	Health care and social assistance	35,308	16.0%	847,543	11.8%	1.36
72	Accommodation and food services	17,397	7.9%	481,384	6.7%	1.18
44-45	Retail trade	24,796	11.2%	737,258	10.3%	1.09
X0	Unclassified	3,843	1.7%	125,884	1.8%	0.99
53	Real estate and rental and leasing	3,616	1.6%	121,971	1.7%	0.96
31-33	Manufacturing	19,985	9.1%	680,547	9.5%	0.96
52	Finance and insurance	11,664	5.3%	402,225	5.6%	0.94
56	Administrative and support, waste management and remediation services	10,526	4.8%	372,799	5.2%	0.92
23	Construction	11,473	5.2%	406,664	5.7%	0.92
81	Other services (except public administration)	6,619	3.0%	238,912	3.3%	0.90
41	Wholesale trade	9,802	4.4%	358,652	5.0%	0.89
71	Arts, entertainment and recreation	3,256	1.5%	120,094	1.7%	0.88
48-49	Transportation and warehousing	8,272	3.7%	311,918	4.3%	0.86
54	Professional, scientific and technical services	13,484	6.1%	544,811	7.6%	0.81
91	Public administration	11,509	5.2%	534,330	7.4%	0.70
55	Management of companies and enterprises	894	0.4%	48,494	0.7%	0.60
51	Information and cultural industries	2,720	1.2%	149,284	2.1%	0.59
22	Utilities	793	0.4%	51,813	0.7%	0.50
11	Agriculture, forestry, fishing and hunting	528	0.2%	50,619	0.7%	0.34
21	Mining, quarrying, and oil and gas extraction	190	0.1%	29,552	0.4%	0.21

DETERMINE LONDON'S LEADING SECTORS

To ensure a comprehensive perspective, the results of the LQ analysis have been supplemented with qualitative insights from the City of London and LEDC. This combined approach highlights sectors that are both statistically significant and locally recognized as economic priorities. The following five sectors are identified as London's leading sectors and are explored in detail within this discussion paper:

- Educational services
- Health care and social assistance
- Accommodation and food services
- Retail trade
- Manufacturing

Figure 2 - Identifying London's Leading Sectors

NAICS	Description	LQ	City of London Key Employment Sectors	LEDC Fastest-growing Sectors
61	Educational services	1.38	✓	
62	Health care and social assistance	1.36	✓	✓
72	Accommodation and food services	1.18	✓	
44-45	Retail trade	1.09	✓	
X0	Unclassified	0.99		
53	Real estate and rental and leasing	0.96		
31-33	Manufacturing	0.96	✓	✓
52	Finance and insurance	0.94	✓	
56	Administrative and support, waste management and remediation services	0.92		
23	Construction	0.92	✓	
81	Other services (except public administration)	0.90		
41	Wholesale trade	0.89		
71	Arts, entertainment and recreation	0.88		
48-49	Transportation and warehousing	0.86		
54	Professional, scientific and technical services	0.81	✓	
91	Public administration	0.70	✓	
55	Management of companies and enterprises	0.60		
51	Information and cultural industries	0.59		✓
22	Utilities	0.50		
11	Agriculture, forestry, fishing and hunting	0.34		
21	Mining, quarrying, and oil and gas extraction	0.21		

This evidence-based approach ensures that London's economic development strategy is informed by both quantitative data and local context, providing a robust foundation for future planning and targeted interventions.

CURRENT LANDSCAPE AND PEST ANALYSIS

Educational Services

The **Educational Services** sector stands out as one of London's key economic drivers, employing close to 24,000 people and accounting for 10.8% of the city's total workforce in 2024. London's competitive advantage in this sector is anchored by a robust network of educational institutions, ranging from primary and secondary schools to world-class post-secondary establishments such as Western University and Fanshawe College. Western University, recognized among the top 1% of universities globally⁴⁶, and Fanshawe College, one of Ontario's largest colleges, together attract more than 88,000 students annually and generate significant economic impact for the region. The sector is further supported by a skilled and experienced workforce, diverse educational offerings, and strong investment in research and innovation. Recent years have seen major investments in new schools, expanded research facilities, and innovative programming, positioning London as a hub for talent development and lifelong learning. Examples include the \$55.3 million investment from the Thames Valley District School Board for two new elementary schools⁴⁷, and Western University's \$55.5 million investment in student mental health, anti-hate/racism, and fee transparency.

Below is a summary of external factors, organized using the PEST framework, that could potentially impact the Educational Services sector in London. This list is not exhaustive but is intended to serve as a foundation for further engagement and discussion.

⁴⁶ Western News, [Western ranked among top world universities by CWUR](#), June 2025

⁴⁷ CBC News, [2 new elementary schools will ease growth pressures in London, school board chair says](#), April 2024

Political	Economic	Social	Technological
The Ontario government reduced tuition fees by 10 per cent for the 2019-20 school year and has frozen rates since then. The tuition cut and ongoing freeze has reduced the value of tuition by about 30%.⁴⁸ The federal government has announced a reduction in the intake cap on international student study permits for 2025.⁴⁹	Labour shortages, especially for qualified teachers and support staff, are a recurring challenge.⁵⁰ The anticipated decline in international student enrolment has led to the closure of certain programs at post-secondary institutions. Fanshawe College is among the institutions affected by these changes.⁵¹	London is experiencing robust population growth, making it one of the fastest-growing regions in Canada. There is a rising emphasis on postsecondary education and ongoing skills development, with 71% of projected employment growth in Canada expected to require postsecondary education or management experience between 2022 and 2031.⁵²	The sector is increasingly adopting digital platforms and online learning tools, which are reshaping how education is delivered at all levels.⁵³ Western University has made investment in this fields that include introducing new digital leaning management systems and enhance virtual learning offerings.

Health Care and Social Assistance

The **Health Care and Social Assistance** sector employs over 35,000 people and represents 16% of the city's total workforce in 2024. London's competitive advantage in this sector is driven by its world-class medical facilities, including London Health Sciences Centre⁵⁴ and St. Joseph's Health Care London⁵⁵, as well as its strong research and academic institutions such as Western University's Schulich School of Medicine & Dentistry and the Robarts and Lawson Research Institutes. The city boasts a longstanding tradition of medical research, a strong culture of innovation, and a collaborative environment that unites health care providers, academia, and industry partners. With over 2,000 establishments, the sector is supported by a skilled workforce and a diverse range of services, from advanced hospital care to social support programs. Recent years have seen significant investments in medical research and manufacturing, new health care technologies, and expanded service offerings, positioning London as a leader in health innovation and patient care. Example includes the \$165 million investment from Medicom Group for Canada's first medical-grade nitrile glove plant⁵⁶.

Below is a summary of external factors, organized using the PEST framework, that could potentially impact the Health Care and Social Assistance sector in London. This list is not exhaustive but is intended to serve as a foundation for further engagement and discussion.

⁴⁸ Ontario's Universities, [COU Statement: Response to Ontario's 2025 Budget](#), May 2025

⁴⁹ Government of Canada, [Strengthening temporary residence programs for sustainable volumes](#), September 2024

⁵⁰ Government of Canada, [Educational Services: Ontario 2024-2026 - Job Bank](#), 2025

⁵¹ Fanshawe College, [Program Suspensions](#), 2025

⁵² Government of Canada, [Educational Services: Ontario 2024-2026 - Job Bank](#), 2025

⁵³ Government of Ontario, [Ontario Brings Learning Into The Digital Age](#), November 2019

⁵⁴ LHSC is one of Canada's largest acute-care teaching hospitals, affiliated with Western University. LHSC is home to several nationally and internationally renowned programs, including the Canadian Surgical Technologies & Advanced Robotics (CSTAR) program and one of the country's largest organ transplant programs.

⁵⁵ St. Joseph's is recognized for its leadership in mental health care, rehabilitation, chronic disease management, and long-term and ambulatory care. It is home to specialized centres such as Parkwood Institute, which provides leading-edge rehabilitation and complex care, and the Lawson Health Research Institute, one of Canada's top hospital-based research institutes.

⁵⁶ Government of Ontario Newsroom, [Ontario Supporting \\$165 Million Investment to Secure Critical Personal Protective Equipment Supply](#), 2023

Political	Economic	Social	Technological
Recent regulatory reforms in this sector, such as shifting social assistance financial administration to the province, aim to streamline services but risk underfunding municipal life stabilization supports. ⁵⁷	Healthcare labour shortages (e.g., doctors, nurses, personal support workers) exacerbate service gaps. ⁵⁸	Ontario's senior population will grow by 68% in 20 years, increasing demand for long-term care, home care, and chronic disease management. ⁵⁹ Homelessness, mental health crises, and addiction require integrated municipal responses, but fragmented provincial funding limits coordination. ⁶⁰ There is a significant and growing demand for youth mental health services in London, with London Health Sciences Centre reporting increased emergency admissions, greater patient complexity, and longer hospital stays for children and adolescents with mental health concerns. ⁶¹	LHSC and St. Joseph's Virtual Care Program provides telehealth services, supported by digital navigators assisting patients with technical barriers. This addresses rural access gaps and mobility challenges. ⁶²

Accommodation and Food Services

The **Accommodation and Food Services** sector is a vital contributor to London's economy, employing nearly 18,000 people and comprising 7.9% of the city's workforce in 2024. With more than 800 establishments, this sector benefits from London's strategic location between major urban centers and U.S. border crossings, positioning the city as an attractive venue for both domestic and cross-border events. London's vibrant hospitality scene is supported by a skilled workforce, bolstered by specialized training programs at Fanshawe College and Western University. The sector continues to attract significant investment, such as the Hard Rock Hotel at 100 Kellogg Lane, which boosts tourism, creates jobs, and enhances London's profile as a destination for events and entertainment. Additionally, expansions like Beerlab London's new eatery-entertainment venue, and Supply and Demand Beer and Pizza, illustrate the sector's ongoing innovation and growth. As tourism rebounds and the city hosts major events, the accommodation and food services industry is well-positioned for continued expansion, offering diverse opportunities for collaboration, culinary tourism, and economic development.

Below is a summary of external factors, organized using the PEST framework, that could potentially impact the Accommodation and Food Services sector in London. This list is not exhaustive but is intended to serve as a foundation for further engagement and discussion.

⁵⁷ Association of Municipalities Ontario, [Social Assistance Change to Municipal Delivery Role](#), May 2021

⁵⁸ CBC News, [Ontario election puts London's doctor shortage under the stethoscope](#), January 2025

⁵⁹ Ontario Hospital Association, [Health System News Ontario's Aging Population: Preparing for the Future](#)

⁶⁰ Association of Municipalities Ontario, [Health, Emergency, and Social Services](#)

⁶¹ CBC News, [More youth being admitted to London's ER for mental health treatment](#), March 2025

⁶² St. Joseph's Health Care London, [Bridging the digital divide in health care](#)

Political	Economic	Social	Technological
Due to economic fluctuations and trade uncertainties with the United States, Ontarians may increasingly choose to travel within the province, supporting local economies.⁶³ The City of London has increased the MAT (Municipal Accommodation Tax) from 4% to 5% as of May 1, 2025, for short-term accommodations of less than 30 nights.⁶⁴	Tourism spending in London surged by 11% in 2023, reaching nearly \$1.1 billion and marking a strong post-pandemic recovery.⁶⁵ Despite growth, inflationary pressures and workforce gaps persist. Over 23% of Ontario's jobs in this sector are part-time, exacerbating recruitment challenges.⁶⁶ Depreciation of the Canadian dollar against the U.S. currency makes Canada a more attractive destination for American tourists, while simultaneously making international travel more expensive for Canadians.⁶⁷ Fanshawe College's School of Tourism, Hospitality and Culinary Arts offers a range of programs in cooking, event planning, tourism, and food processing. However, due to recent trends of work permit eligibility, market demand and financial viability, two hospitality-related programs will be suspended as of Fall 2025.⁶⁸	Visitors and locals increasingly seek experiences that go beyond basic services, such as live music, themed events, and collaborations between hotels, restaurants, and entertainment venues.⁶⁹ Ongoing U.S.-Canada trade tensions have led to a significant decline in Canadians travelling to the U.S., with car trips dropping 31.9% and air travel down 13.5% year-over-year in March 2025.⁷⁰	Data-driven marketing and loyalty programs are increasingly sophisticated, using guest profiles to deliver targeted offers and build customer loyalty.⁷¹

⁶³ Destination Ontario, [Ontario's Top Travel Trends Revealed Ahead of National Tourism Week 2025](#), April 2025

⁶⁴ City of London, [Municipal Accommodation Tax By-law - A-8290-227](#)

⁶⁵ London Free Press, [Tourist spending in London jumps 11 per cent in 2023: Report](#), July 2024

⁶⁶ Government of Canada, [Accommodation and Food Services: Ontario 2024-2026 - Job Bank](#)

⁶⁷ BDC, [Canada tourism economy outlook for 2025](#), March 2025

⁶⁸ Fanshawe College, [Program Suspensions](#)

⁶⁹ CBC News, [London's tourism sector is seeing a boom, says Tourism London](#), July 2024

⁷⁰ London Free Press, [Canadians' U.S. visits keep dropping, and local tourism may benefit](#), April 2025

⁷¹ Hotel Technology News, [Hospitality Technology Innovation to Take Center Stage at HRC](#), February 2025

Retail Trade

The **Retail Trade** sector employs nearly 25,000 people and represents 11.2% of the city's workforce in 2024. With over 1,600 establishments ranging from major national chains to unique local boutiques, London's retail landscape is both diverse and dynamic. The sector benefits from the city's strategic location as a regional transportation hub, growing population, and relative housing affordability, all of which contribute to a robust and expanding consumer base. London's supportive business environment, bolstered by local business improvement associations and entrepreneurial resources, encourages innovation and growth, while the presence of strong post-secondary institutions ensures a steady supply of skilled workers. Recent investments, such as the opening of T&T Supermarket (the city's largest Asian grocer), highlight the sector's ongoing evolution and appeal to both residents and newcomers. As e-commerce and omni-channel retailing continue to grow, and as new ventures and international brands enter the market, London's retail sector is well-positioned for continued expansion, offering abundant opportunities for entrepreneurs and established businesses alike.

Below is a summary of external factors, organized using the PEST framework, that could potentially impact the Retail Trade sector in London. This list is not exhaustive but is intended to serve as a foundation for further engagement and discussion.

Political	Economic	Social	Technological
Recent Canada-US tariff negotiation may lead to logistical and financial challenges. ⁷²	Recent trends see a 0.7% Canada-wide increase in total retail sales in May, and spending was firmer up 1.1% excluding auto sales. ⁷⁴	Employment is expected to see slight growth over the 2024-2026 forecast period, supported by ongoing e-commerce activities and population growth in Ontario. ⁷⁸	Retailers are enhancing digital platforms as online sales grow, requiring seamless integration with physical stores. ⁸⁰
Tariffs imposed by the U.S. on Canadian goods (25% on most goods, 10% on energy) and Canada's retaliatory tariffs (25% on U.S. autos and phased tariffs on \$155B of U.S. goods) will raise the cost of imported products for Canadian retailers. ⁷³	The closure of two Hudson's Bay stores in London's two shopping malls, the Toys "R" Us store in Argyle Mall, and two Peavey Mart locations in London, highlights ongoing challenges in the retail sector. ⁷⁵ 76 77	73% of Canadian consumers use multiple channels such as websites, apps, social media, and physical stores before making a purchase. Retailers that provide seamless online and offline experiences are more likely to succeed. ⁷⁹	Online retailer Amazon is making a significant investment in the region, with a new fulfillment center opened in 2023 that employs about 1,000 people. ⁸¹

Manufacturing

The **Manufacturing** sector is a cornerstone of London's economy, employing close to 20,000 people and accounting for 9.1% of the city's workforce in 2024. With more than 430 establishments, London's manufacturing landscape is highly diversified, producing everything from automotive parts and medical devices to food products and advanced materials. The city's strategic location within two hours of major U.S. border crossings and along key transportation routes gives manufacturers efficient access to North American and global markets. London is home to the Canadian headquarters of industry leaders such as 3M Canada, McCormick Canada, Diamond Aircraft, General Dynamics Land Systems, Maple Leaf Foods, Labatt and Dr. Oetker, and benefits from a skilled workforce trained at Western University and Fanshawe College. Recent investments underscore the sector's momentum, including Volkswagen's \$7-billion electric vehicle battery plant in nearby St. Thomas, and Andriani Ltd.'s \$33.6-million North American pasta plant. London's advanced manufacturing ecosystem is further strengthened by research and innovation hubs like the Western Advanced Manufacturing Park, along with the city's post-secondary institutions and major employers, positioning the city as a leader in automation, robotics, and industrial innovation. As demand for skilled workers grows and new technologies reshape the industry,

⁷² Retail Insider, [U.S. Tariffs Pose Risk to Canadian Retail Supply Chains](#), April 2025

⁷³ Retail Council of Canada, [Tariffs and Trade](#)

⁷⁴ Royal Bank of Canada, [RBC Consumer Spending Tracker](#)

⁷⁵ Ontario Farmer, [Peavey Mart closing stores across Southwestern Ontario](#), January 2025

⁷⁶ InSauga, [CLOSURE: Major chain retailer shutting down in 5 Ontario cities](#), January 2025

⁷⁷ London Free Press, [If London's landmark Hudson's Bay stores close, what will fill the space?](#), March 2025

⁷⁸ Government of Canada, [Sectoral profile - Retail Trade: Ontario 2024-2026 - Job Bank](#)

⁷⁹ Retail Insider, [Top Emerging Retail Trends in Canada for 2025](#), March 2025

⁸⁰ Retail Insider, [Top Emerging Retail Trends in Canada for 2025](#), March 2025

⁸¹ CBC News, [Local Amazon fulfillment centre to open Oct. 1, company announces](#), August 2023

London's manufacturing sector is poised for continued growth, offering robust opportunities for investment, collaboration, and economic development.

Below is a summary of external factors, organized using the PEST framework, that could potentially impact the Manufacturing sector in London. This list is not exhaustive but is intended to serve as a foundation for further community engagement and discussion.

Political	Economic	Social	Technological
The ongoing Canada-U.S. tariff disputes are creating significant uncertainty for manufacturers. Many companies have frozen hiring and investment. ⁸²	Economic headwinds from tariffs and reduced export demand are slowing growth. The manufacturing sector's employment growth in London (Census Subdivision) was 0.3% in 2024 ⁸³ , but the region is experiencing increased availability in industrial real estate and no new project breaking ground. ⁸⁴	The sector faces acute labour shortages due to an aging workforce and insufficient numbers of skilled graduates. ⁸⁵ There is a pressing need to attract youth and new talent into manufacturing careers.	Manufacturers are rapidly adopting automation, robotics, and artificial intelligence to improve productivity, address labour shortages, and enhance supply chain processes. ⁸⁶ The recognition of LBMX, Digital Extremes, Western University, Open Text, and Trojan Technologies as Southwestern Ontario's Top Employers for 2025 highlights a strong emphasis on employee engagement, positive workplace culture, and innovative human resources practices within the region's advanced manufacturing sector. ⁸⁷

UNDERLEVERAGED SECTORS AND EMERGING OPPORTUNITIES

While Location Quotient (LQ) analysis and recent reviews of London and LEDC documents highlight the city's areas of comparative concentration and competitive advantage, it is equally important to examine sectors with lower LQ values. Often described as underleveraged or underrepresented, these industries may not currently dominate the local economy, but a low LQ does not equate to an absence of potential. Instead, it can signal untapped opportunities, avenues for diversification, or sectors poised for future growth.

For example, London's mining, quarrying, and oil and gas extraction sector currently exhibits a low LQ (0.21) relative to Ontario. Nevertheless, emerging trends in critical minerals are creating long-term opportunities. Canada's rising demand for minerals essential to batteries, electric vehicles, clean technologies, and advanced manufacturing is reshaping the resource landscape.⁸⁸ While London may not serve as a direct mining hub, its established strengths in advanced manufacturing and academic research position it well to participate in the critical minerals value chain including mineral processing innovation, battery component manufacturing, recycling, and supply chain management. With the federal Critical Minerals Strategy⁸⁹ emphasizing infrastructure, Indigenous partnerships, and ESG leadership, London-based firms and institutions are well-placed to develop technologies, services, and talent that support responsible resource development nationwide.

Similarly, although London's information and cultural industries currently register a lower LQ compared to provincial benchmarks, the city is positioned to seize growing opportunities in artificial intelligence (AI) and information technology (IT). Nationally, rapid AI adoption and significant government investment are transforming business models, driving productivity, and increasing demand for specialized talent. Recent federal funding initiatives, such as the \$300 million investment announced in March 2025 to support

⁸² Canadian Manufacturers & Exporters, [Manufacturing industry in London-Windsor corridor needs further investment in workforce development](#), May 2025

⁸³ Employees in NAICS 31-33 Manufacturing Industries, Lightcast, datarun, 2025.5

⁸⁴ CBRE Canada, [London Ontario Industrial Figures Q1 2025](#), 2025

⁸⁵ Canadian Manufacturers & Exporters, [Manufacturing industry in London-Windsor corridor needs further investment in workforce development](#), May 2025

⁸⁶ London Economic Development Corporation, [Advanced Manufacturing](#)

⁸⁷ Tech Alliance, [LBMX, Digital Extremes, Western University, Open Text, Trojan Technologies named among SWO's Top Employers](#), 2025

⁸⁸ Canada Climate Institute, [Securing Canada's Place in the Global Critical Minerals Race](#), June 2025

⁸⁹ Government of Canada, [The Canadian Critical Minerals Strategy](#), 2023

affordable computing power for SMEs and develop Canadian-made AI solutions⁹⁰, further accelerate this trend. London's robust post-secondary institutions and expanding research capacity create fertile ground for nurturing AI-driven start-ups, supporting digital transformation in traditional sectors, and fostering innovation partnerships.

In addition, London's designation as a UNESCO City of Music⁹¹ offers a unique platform to enhance the city's profile and stimulate growth within its cultural industries. By leveraging this internationally recognized status, London can attract new audiences, creative talent, and investment, while further promoting the city as a vibrant cultural destination. Strong cultural and tourism sectors not only contribute to economic growth but also make London a more attractive place to live and work, helping to draw and retain top talent from across Canada and beyond.

CONCLUSION

London's economy is defined by a diverse set of leading sectors that include Educational Services, Health Care and Social Assistance, Accommodation and Food Services, Retail Trade, and Manufacturing, each contributing uniquely to the city's growth and resilience. However, these sectors face evolving challenges, including labour shortages, technological disruption, demographic shifts, and global trade uncertainties.

Leading Sector	Key Competitiveness Advantages	Key Challenges & Trends
Educational Services	- Robust network of primary, secondary, and world-class post-secondary institutions - Significant student population and talent pipeline - Strong investment in research, innovation, and infrastructure - Skilled and experienced workforce - Diverse educational offerings and lifelong learning opportunities	- Labour shortages, especially among qualified teachers and support staff - Decline in international student enrolment due to federal cap - Closure of certain post-secondary programs - Ongoing tuition freezes reducing financial resources - Rapid adoption of digital/online learning platforms - Strong demand for ongoing skills development and lifelong learning
Health Care & Social Assistance	- World-class medical facilities and research institutions - Strong culture of innovation and collaboration among providers, academia, and industry - Skilled and diverse workforce - Significant investments in medical research, manufacturing, and technology - Comprehensive range of health and social services	- Labour shortages (doctors, nurses, personal support workers) - Fragmented funding for integrated municipal responses - Growing demand for long-term care and youth mental health services - Aging population increasing service demand - Expansion of telehealth and digital health technologies
Accommodation & Food Services	- Strategic location between major urban centres and U.S. border crossings - Vibrant hospitality scene with over 800 establishments - Skilled workforce supported by specialized training programs - Ongoing investment in tourism infrastructure and entertainment venues - Strong post-pandemic recovery in tourism spending	- Persistent workforce gaps and high proportion of part-time jobs - Inflationary pressures affecting costs and profitability - Suspension of some hospitality-related training programs - Increased Municipal Accommodation Tax (MAT) - Sensitivity to economic fluctuations and trade uncertainties - Shift in consumer preferences towards experiential and collaborative offerings - Growth in data-driven marketing and loyalty programs

⁹⁰ Government of Canada, [AI Compute Access Fund](#), March 2025

⁹¹ London Music Office, [Canada's first UNESCO City of Music](#)

Leading Sector	Key Competitiveness Advantages	Key Challenges & Trends
Retail Trade	• Diverse mix of national chains and local boutiques (over 1,600 establishments) • Strategic position as a regional transportation hub • Growing population and consumer base • Supportive business environment and entrepreneurial resources • Embracing omni-channel and digital retail innovations • Strong investment from major retailers and e-commerce leaders	• Impact of Canada-U.S. tariffs and trade disputes raising costs • Store closures (e.g., Hudson's Bay, Toys "R" Us, Peavey Mart) • Workforce and recruitment challenges • Need for seamless omni-channel and digital integration • Growing competition from e-commerce and international brands • Changing consumer habits (multi-channel purchasing, demand for convenience)
Manufacturing	• Highly diversified manufacturing base • Strategic access to North American and global markets • Presence of major industry leaders and headquarters • Skilled workforce and strong post-secondary training • Advanced research and innovation hubs (e.g., Western Advanced Manufacturing Park) • Rapid adoption of automation, robotics, and AI • Ongoing major investments in new manufacturing facilities and technologies	• Uncertainty from ongoing Canada-U.S. tariff disputes • Slowing growth due to economic headwinds and reduced export demand • Acute labour shortages and aging workforce • Need to attract youth and new talent • Increased industrial real estate availability, reduction in new construction • Rapid technological change: automation, robotics, AI adoption • Emphasis on workplace culture and employee engagement

As London continues to recover from recent economic shocks and positions itself for long-term prosperity, it is critical to leverage local strengths, foster innovation, and ensure inclusive growth. The insights from the PEST analysis highlight both the opportunities and external pressures shaping each sector. Moving forward, active engagement with local communities will be essential to refine priorities, identify actionable strategies, and build a resilient economic development roadmap that benefits all Londoners.

Taking a Deeper Look – Economic Participation of London's Underrepresented Communities

INTRODUCTION

Estimates show that more than 40,000 new workers will be needed by 2031 to address growth, change, and retirements in London's key sectors: Information Technology, Health, Advanced Manufacturing (including Food Processing), and Construction. With recent changes to Canada's immigration policies signalling that employers may need to rely less on newcomers to meet their workforce needs, London's economic success could depend on increasing the current population's participation in the labour market.

Census data indicates about 15% (43,695) of the city's prime working-age population (25-54 years old) are not working or actively seeking employment.⁹² Based on London's average employment income of \$45,160⁹³, if as many as half of this group could find their way to employment, more than \$900 million⁹⁴ in earnings would be added to the local economy. For many, barriers to participation include a mismatch between skills and available jobs, health concerns (physical, mental, addictions), lack of childcare, work schedule flexibility, perceived discrimination, and access to transportation. A 2021 study estimates that between 30,000 and 40,000 prime-age non-participants could be available to enter London's labour market if such barriers to participation were addressed.⁹⁵

Participation in the labour market is highest for prime working-age men who are not visible minorities (this group recorded a participation rate of 87.4%), with 89.7% of immigrant men and 87.2% of non-immigrant men actively working or seeking employment⁹⁶. Underrepresented communities have lower participation rates and more difficulty finding employment, particularly when considering the intersectionality of gender, age, visible minority, and immigrant status when identifying under-represented groups. The economic participation of underrepresented communities in London has a direct impact on the city's overall economic growth, social equity, and community well-being.

IMMIGRANTS, NEWCOMERS AND RACIALIZED PEOPLE

London's entrepreneurs are more likely to be immigrants than not.⁹⁷ While 12.7% of non-immigrants are self-employed, compared to 19.5% of immigrants.⁹⁸ London is home to the highest proportion of immigrant entrepreneurs in Ontario, surpassing Toronto where 19.2% of entrepreneurs are immigrants. Programs such as the London Small Business Centre's "Starter Company Plus" and "Foodpreneur Advantage" have supported many immigrant entrepreneurs in starting and growing their small businesses.

Recent surges in immigration saw more than 19,685 immigrants and 19,220 non-permanent residents move to London (CY) between 2016 and 2021, with 70% of newcomers born in Asian countries and 12% in African countries.⁹⁹ Over the same period, a rapid and significant transformation in workplace composition is marked by an 83.1% increase in immigrants in the region's workforce.¹⁰⁰ London Economic Development Corporation reports that 23.1% of London's workforce are immigrants, with top countries of origin including India, Syria, and the Philippines.¹⁰¹

While employers depend on immigration to meet workforce needs, the experience of newcomers in the workplace is not always positive, with a potential impact on workforce retention. A 2023 study prepared for the City of London by the Network for Economic and Social Trends (NEST) at Western University found that London's immigrants and racialized individuals experience significant discrimination, microaggressions, and overt racism in the workplace as well as in the community, causing many to feel unwelcome

⁹² Statistics Canada. [Table 98-10-0436-01](#). Labour force status by visible minority, highest level of education and immigrant status: Canada, provinces and territories, census divisions and census subdivisions with a population 5,000 or more

⁹³ Statistics Canada, [2021 Census](#), Average employment income in 2020 among recipients (\$)

⁹⁴ The estimate is calculated by multiplying the population by the previously mentioned average employment income, and then by 50%.

⁹⁵ City of London, [Labour market participation in the London Economic Region](#), August 2021

⁹⁶ Statistics Canada. [Table 98-10-0436-01](#). Labour force status by visible minority, highest level of education and immigrant status: Canada, provinces and territories, census divisions and census subdivisions with a population 5,000 or more

⁹⁷ Immigrant refers to a person who is, or who has ever been, a landed immigrant or permanent resident. Such a person has been granted the right to live in Canada permanently by immigration authorities. Immigrants who have obtained Canadian citizenship by naturalization are included in this group.

⁹⁸ CBC News, [London's immigrants are more self-made than in other Ontario cities, report says](#), August, 2024

⁹⁹ Statistics Canada, [2021 Census of Population](#)

¹⁰⁰ LEDC, [2025 – 2026 Local Labour Market Plan](#)

¹⁰¹ Ibid.

and consider leaving the community.¹⁰² Discouragement, largely due to perceived discrimination and a lack of opportunities that match their skills and education, has been identified as the primary barrier keeping up to 8,000 - 8,500 prime-age immigrants currently living in London from participating in the labour market.¹⁰³

A strategic priority for the City of London is fostering and leveraging strategic partnerships that promote collaboration, innovation, and investment in business and employment. Programs like the City's International Student Graduate Internship initiative provide valuable skill development opportunities and employment experience for recent international graduates. The City also provides support for TechAlliance, which delivers talent programs that include micro-placements, a talent exchange, and a connecting program for newcomers.

Almost 18% of London's workforce are members of racialized communities, represented primarily by South Asian, Arab, and Black groups.¹⁰⁴ The 2021 Census reported 15.2% unemployment for visible minorities compared to just 11.6% for the rest of the population in London CMA. Survey results indicate that a sense of discouragement and perceived discrimination from employers has led many to withdraw from the labour market, affecting thousands of people who would otherwise be available to work.¹⁰⁵

WOMEN

London's population in 2021 included more than 179,000 working-aged women (15+).¹⁰⁶ The lowest participation rate is seen for prime-age racialized immigrant women, at just 70.6%, a stark contrast to the 83.6% participation rate for prime-age women who are not racialized or immigrants.¹⁰⁷ Racialized immigrant women also experience the highest rates of unemployment, with 14.5% actively seeking work compared to just 8.9% non-racialized, non-immigrant men.¹⁰⁸

While low participation in the labour market may be partly due to lack of available childcare, the participation rate only increases to 71.4% for 45-54 years, who also have an unemployment rate of 13% compared to just 8.8% for non-visible minority immigrants in the same age group.¹⁰⁹ Women identify barriers such as lack of transportation, unavailability of jobs that match their schedule, and a lack of well-paying jobs. Removal of these barriers could enable 22,000-29,000 women to enter the workforce.¹¹⁰

For women aged 45-54 years, non-immigrant women who are visible minorities have a similar participation rate (83.5%) and unemployment rate (7.7%) to those who are not visible minorities (83.6% and 7.6%). Immigrant women in this age group have a 71.4% participation rate and 13% unemployment rate if they are a visible minority, and 80.3% and 8.8% if not.¹¹¹

PERSONS WITH DISABILITIES

Approximately 29% of the population (age 15 years and over) in the London region (London Census Metropolitan Area) reports having some form of disability, according to the 2022 survey by Statistics Canada¹¹². A lack of transportation stands out as a significant obstacle for prime-age individuals with a disability or physical health condition; 23% of respondents in a 2021 City of London survey identified transportation issues as a factor in their non-participation, compared to 16% of those without physical disabilities.¹¹³ Prime-age respondents with a health condition are also more likely to report that employer discrimination is a reason for not participating in the workforce (25% versus 14% among those without a health condition).¹¹⁴ Additionally, 59.4% of those not

¹⁰² City of London, [An in-depth look at the discrimination experienced by immigrants and racialized individuals in London and Middlesex, and strategies for combatting this discrimination](#), 2023

¹⁰³ City of London, [Labour market participation in the London Economic Region](#), August 2021

¹⁰⁴ Statistics Canada, 2021 Census of Population

¹⁰⁵ City of London, [Labour market participation in the London Economic Region](#), August 2021

¹⁰⁶ Statistics Canada, 2021 Census of Population

¹⁰⁷ Statistics Canada. [Table 98-10-0436-01](#). Labour force status by visible minority, highest level of education and immigrant status: Canada, provinces and territories, census divisions and census subdivisions with a population 5,000 or more.

¹⁰⁸ Ibid.

¹⁰⁹ Statistics Canada. [Table 98-10-0436-01](#). Labour force status by visible minority, highest level of education and immigrant status: Canada, provinces and territories, census divisions and census subdivisions with a population 5,000 or more

¹¹⁰ City of London, [Labour market participation in the London Economic Region](#), August 2021

¹¹¹ Statistics Canada. [Table 98-10-0436-01](#). Labour force status by visible minority, highest level of education and immigrant status: Canada, provinces and territories, census divisions and census subdivisions with a population 5,000 or more.

¹¹² Statistics Canada, *Persons with and without disabilities aged 15 years and over, census metropolitan areas*, [Table: 13-10-0750-01](#), 2022

¹¹³ City of London, [Labour market participation in the London Economic Region](#), page 44, August 2021

¹¹⁴ Ibid, page 44.

participating in the work force due to a health condition indicate that they are unable to work due to a mental health condition.¹¹⁵ Supports for these individuals may need to address mental health needs in addition to physical accommodations.

INDIGENOUS POPULATION

2.3% of London's workforce identifies as Indigenous, slightly lower than 2.9% for Ontario overall.¹¹⁶ According to Indigenous Corporate Training Inc., barriers to Indigenous participation in the workforce relate to literacy and education, cultural differences, discrimination, self-esteem, poverty and housing, and transportation.¹¹⁷

CONCLUSION

London's future economic growth and resilience will depend on whether the city's labour market becomes more accessible and inclusive for underrepresented communities. With significant numbers of prime working-age residents currently not participating in the workforce, London's full economic potential can only be realized through coordinated efforts to remove obstacles. Targeted supports and strong partnerships between government, employers, and various agencies are essential to promote equity, unlock talent, and ensure all Londoners, regardless of background, can contribute to and benefit from growth. Proactively confronting these issues will help address labour shortages in critical sectors and foster a more vibrant, equitable, and sustainable local economy.

¹¹⁵ Ibid, page 55.

¹¹⁶ London Economic Development Corporation, *2025 – 2026 Local Labour Market Plan*

¹¹⁷ Indigenous Corporate Training Inc., [8 Basic Barriers to Indigenous Employment](#). 2025.

Appendix 1

Market Analysis and Comprehensive Community Profile

Appendix 1 - Market Analysis and Comprehensive Community Profile

This Community Profile provides the City of London with a current analysis of economic, demographic, workforce, and real estate statistics. The analysis in this section will be used to develop an understanding of the London socio-economic environment to inform the strategy development.

Key Takeaways¹¹⁸



Rapid Growth and Young Demographics: London's population grew by 10.0% between 2016 and 2021 (to 422,324), outpacing Ontario's 5.8%. Projections show a further 15.7% increase from 2021 to 2024. The city has a higher proportion of children (16.3% vs. 15.8% Ontario) and young adults (15.3% ages 25–34 vs. 13.8% Ontario), providing a strong workforce base.



Sectoral Strengths and Economic Recovery: Employment has rebounded from the pandemic, surpassing pre-pandemic levels to reach 220,613 jobs in 2024. Health Care and Social Assistance (16.0% of jobs; 35,308 jobs) and Educational Services (10.8%; 23,936 jobs) are leading sectors, both with high location quotients (1.36 and 1.38, respectively). However, tourism, hospitality, creative industries, culture and small businesses have taken a huge hit in employment changes in 5 years. The Information and Cultural Industries declined by 26% (down 976 jobs since 2019). The Accommodation and Food Services industry, which affects the tourism and hospitality sector, also lost 1,442 jobs since 2019.¹¹⁹



Business and Entrepreneurial Environment: London is home to 59,783 businesses (as of December 2024), with 73% (43,457) being self-employed or sole proprietorships. Real Estate and Rental and Leasing leads with 13,184 businesses, most of which are without employees.



Shifting Labour Market: The strongest job growth from 2019 to 2024 was in Natural and Applied Sciences (+6,910 jobs, +43%) and Health Occupations (+3,748 jobs, +16%). Sales and Service jobs declined by 5,004 (-7%), and Manufacturing and Utilities by 713 jobs (-3%), reflecting a shift toward knowledge-based sectors. London's average income remains well below the provincial average (\$50,440 vs \$56,350 in 2020), and the income gap has widened slightly as Ontario's average income grew faster over the past five years.



Real Estate Market Trends: Industrial space inventory increased to 42.4 million sq. ft. by Q1 2025, with vacancy rates rising from 0.6% to 2.5% year-over-year. Office vacancy remains elevated at 22.4% in Q1 2025, with negative net absorption (-37,874 sq. ft.), indicating ongoing challenges in the office market. Less than half of London's dwellings are single-detached houses (below the Ontario average), and there's a notable prevalence of apartments (34% vs 31% for Ontario), suggesting a faster densification trend.

¹¹⁸ Please note that the data points in the Key Takeaways are summarized from the data insights, tables, and charts found in the following sub-sections of the Community Profile, where source references are provided. For detailed references, please refer to those sub-sections.

¹¹⁹ Lightcast, datarun, 2025.5. For more details, see Figure 12.

Data Overview

This section of the report includes data for the City of London (Census Subdivision) and the Middlesex County (Census Division). The following data sources were used in developing this economic baseline analysis for the Region of Portage la Prairie.

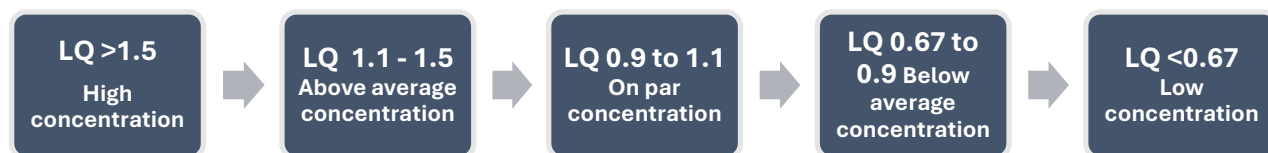
- Statistics Canada, Canadian Business Counts, December 2024
- Statistics Canada, Census Profile, 2021, 2016, 2011
- Lightcast Economic Modeling, datarun 2025.5¹²⁰

The December 2024 Canadian Business Counts were used to determine the total number of registered businesses in the City of London. Statistics Canada's Canadian Business Counts Data provides a record of business establishments by industry and size. This data is collected from the Canada Revenue Agency (CRA). The business data collected includes all local businesses that met at least one of the three following criteria: Have an employee workforce for which they submit payroll remittances to CRA, or have a minimum of \$30,000 in annual sales revenue, or are incorporated under a federal or provincial act and have filed a federal corporate income tax form within the past three years.

The 2021 Census of Population is the latest and most widely available data product offered by Statistics Canada. To the date (May 2025) the data available through the Census profiles include population, age of population, dwelling trends, income trends, commuting patterns, immigration, status of population and educational attainment.

LOCATION QUOTIENT ANALYSIS

As part of this economic baseline analysis, the Location Quotient (LQ) Analysis was completed to determine the concentration of industries (businesses) in the City of London relative to the Province of Ontario. It reveals what makes a region unique. The LQ's Classifications are as follows:



While the LQ is a valuable tool for benchmarking London's industry mix against the broader provincial context, it is important to recognize its interpretive limits. Specifically, the LQ indicates the current relative concentration of industries in London but does not prescribe "what ought to be" in terms of ideal sector composition. Each city has a unique economic history, demographic profile, and set of strategic priorities, meaning there is no universally optimal industry mix.

Instead, the LQ should be viewed as a starting point for deeper analysis and strategic discussion. High LQ values may point to sectors where London has competitive advantages, while low LQ values may reveal opportunities for diversification or targeted growth. Ultimately, the LQ provides a factual basis for comparing London's industry strengths and weaknesses to the provincial average, supporting evidence-based decision-making in the development of economic strategies tailored to the city's unique context.

SHIFT-SHARE ANALYSIS

Shift-share analysis is a valuable tool used to understand the dynamics of employment changes within a specific region by decomposing these changes into three distinct effects: the national growth effect, the industrial mix effect, and the regional competitive effect.

¹²⁰ Deloitte leverages data from Lightcast for socio-economic analysis. Lightcast provides a comprehensive dataset on Canadian industries, occupations, and demographics by integrating multiple data sources into a single, consistent platform, updated biannually. This combined dataset, which includes Canadian Business Counts, enables us to assess the most current and relevant information on local and regional economic performance. For detailed information on Lightcast's data collection methodologies and assumptions, please refer to: [CA - Canada Methodology | Lightcast Knowledge Base](#)

- **The national growth effect** quantifies the number of jobs an industry is expected to gain or lose based on its national employment trends, suggesting that industries experiencing net job growth at the national level will likely see similar trends in various regions.
- **The industrial mix effect** assesses the expected job changes within a region's industries, reflecting the national growth or decline patterns of those industries. This effect assumes that if an industry is expanding or contracting nationally, similar trends should manifest in smaller regions.
- **The regional competitive effect** captures the job changes attributable to the unique competitive advantages of a region. This effect isolates the portion of employment change that cannot be explained by national trends or industry-specific dynamics, highlighting the region's distinctive attributes that contribute to its economic performance.

Together, these components provide a comprehensive view of how and why employment shifts occur in a region, offering insights into both external influences and intrinsic regional strengths.

Demographic Characteristics

HISTORIC POPULATION GROWTH

In 2021, the City of London recorded a population of 422,324, reflecting a 10.0% increase since 2016. This growth translates to an addition of 38,502 residents over the five-year period. When compared to the previous five-year span from 2011 to 2016, which saw a population increase of 17,671 (or 4.8%), the recent data indicates a significant acceleration in population growth. This surge has notably outpaced the provincial averages, underscoring the city's expanding development.

Figure 3 - Population Growth, 2011 - 2021, City of London (Census Subdivision)

Census Year	London (City, Census Subdivision)	Ontario
2011 Census	366,151	12,851,821
2016 Census	383,822	13,448,494
2021 Census	422,324	14,223,942
5-year change (2016-2021)	38,502	775,448
5-year % change (2016-2021)	10.0%	5.8%

Source: Statistics Canada, Census Profile, 2021 Census, 2016 Census, 2011 Census

Recent estimates from Statistics Canada indicate a continued upward trend in population growth for the City of London. Unlike census figures, these estimates for 2022 to 2024 are not dependent on responses to the census survey, providing a different perspective on demographic changes. It is projected that London's population will grow by 15.70% from the 2021 census figures to the estimated figures for 2024¹²¹, surpassing the provincial growth rate of 13.4%.

Figure 4 - Population Estimates, 2022 - 2024, City of London (Census Subdivision)

Census Year	London (City, Census Subdivision)	Ontario
2021 Census	422,324	14,223,942
2022 Estimate	455,319	15,141,455
2023 Estimate	472,539	15,623,207

¹²¹ The Census of Population, conducted by Statistics Canada every five years, provides a comprehensive statistical portrait of Canada's demographic, social, and economic characteristics. In the years between each census, Statistics Canada produces annual population estimates through its population estimates program. These estimates, known as postcensal estimates, are based on the most recent census counts (e.g., 2021 Census), adjusted for factors such as census net undercoverage and incompletely enumerated reserves and settlements. As a result, tables may display "estimates" and "projections" for years between and following census periods.

2024 Estimate	488,640	16,124,116
4-year % change (2021-2024)	15.7%	13.4%

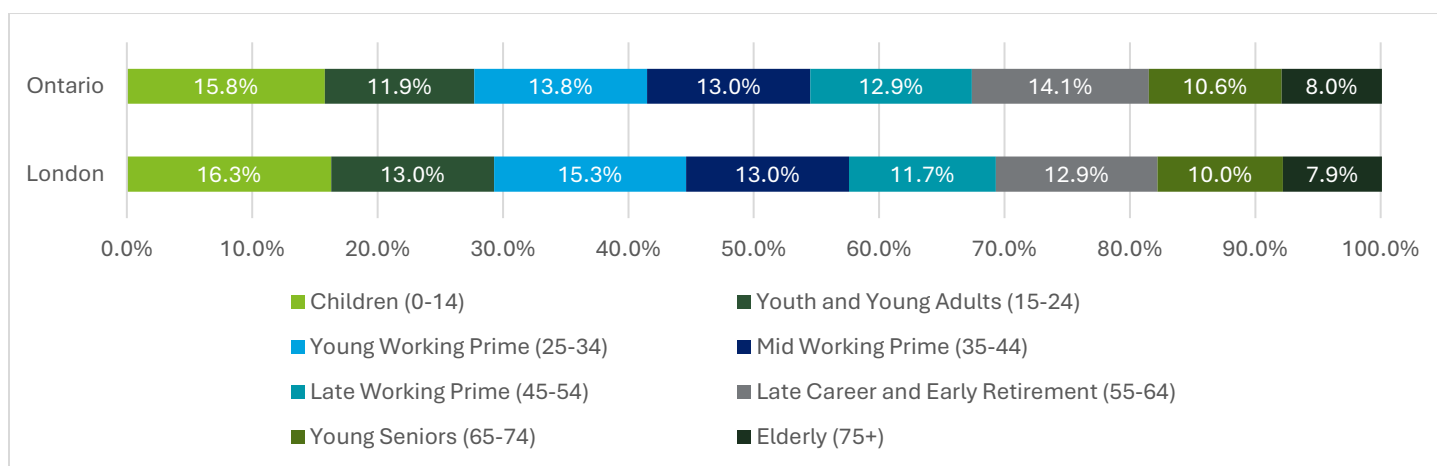
Source: Statistics Canada, Census Profile, 2021 Census; Population estimates, July 1, by census subdivision, 2021 boundaries

POPULATION AGE

The population age distribution in the City of London shows some distinct trends compared to Ontario. London has a higher percentage of younger residents, with 16.3% being children (ages 0-14) compared to 15.8% in Ontario, and 13.0% are youth and young adults (ages 15-24) compared to 11.9% provincially. The city also has a higher proportion of young working prime individuals (ages 25-34) at 15.3%, versus 13.8% for Ontario, suggesting a strong presence of early-career professionals.

In contrast, London has a lower percentage of late working prime individuals (ages 45-54) at 11.7%, compared to 12.9% in Ontario, and fewer residents in the late career and early retirement group (ages 55-64) at 12.9% versus 14.1% provincially. The city's share of young seniors (ages 65-74) and elderly (75+) is also slightly lower than the provincial averages.

Figure 5 - Population Share by Age Group, 2021, City of London (City, Census Subdivision)



Source: Statistics Canada, Census Profile, 2021 Census

INCOME

The average total income in London among Census recipient was \$50,440 in 2020, which is lower than Ontario's average of \$56,350. In 2015, London's average income was \$43,663, also below the provincial average of \$47,915. Over the five years, London saw an income increase of \$6,777 (15.5%), while Ontario's grew by \$8,435 (17.6%). Despite positive growth in both regions, London's average income remains consistently below that of Ontario.

Figure 6 - Average Total Income among Census Recipient, 2021 and 2016, City of London (Census Subdivision)

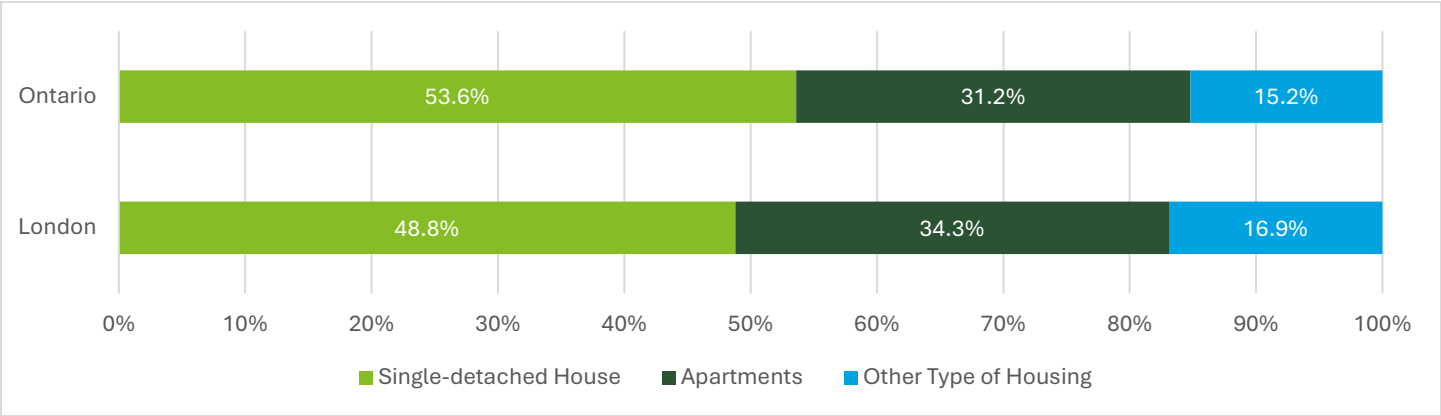
Year	London (City, Census Subdivision)	Ontario
2020 (2021 Census)	\$50,440	\$56,350
2015 (2016 Census)	\$43,663	\$47,915

Source: Statistics Canada, Census Profile, 2021 Census, 2016 Census

DWELLINGS

According to the 2021 Census data from Statistics Canada, London's housing stock consists of a diverse range of dwelling types. Single-detached houses make up 48.8% of the housing in London, which is slightly lower than the provincial average of 53.6% in Ontario. Apartments account for 34.3% of dwellings in London, surpassing the provincial figure of 31.2%, indicating a significant presence of medium to high-density housing options. Additionally, other types of housing comprise 16.9% of London's dwellings, compared to 15.2% in Ontario.

Figure 7 - Occupied Private Dwelling by Type, 2021, City of London (Census Subdivision)



Source: Statistics Canada, Census Profile, 2021 Census

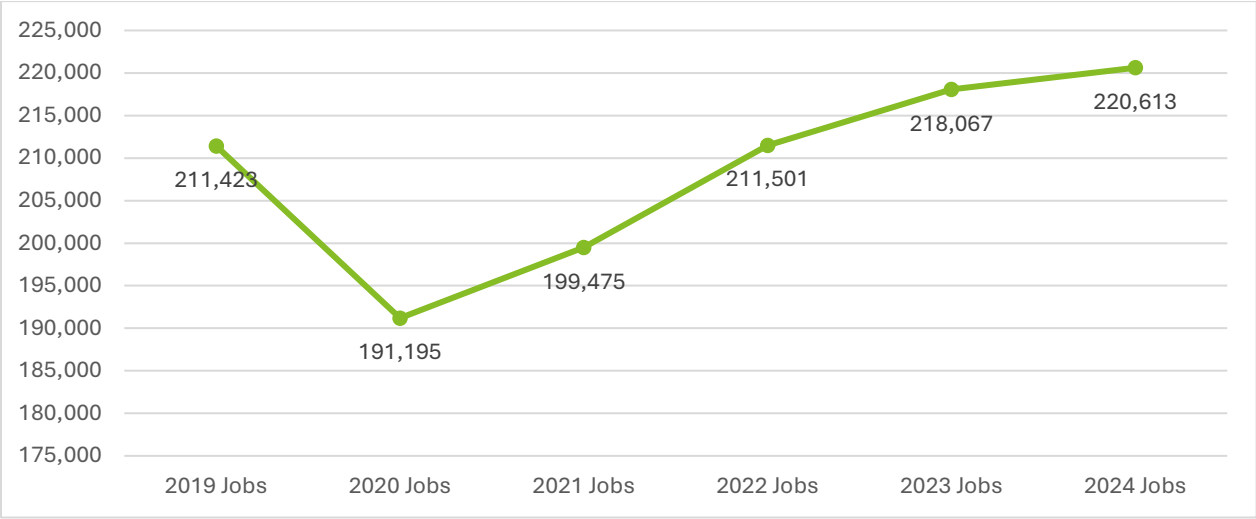
Employment Characteristics

HISTORIC GROWTH

In 2019, total employment in the City of London was 211,423 jobs. The COVID-19 pandemic in 2020 led to a significant decline in employment, with the total dropping to 191,195 jobs, a decrease of approximately 9.6% from the previous year. By 2021, the city's employment figures began to recover, reaching 199,475 jobs, marking a 4.3% increase from 2020.

The recovery continued into 2022, with employment surpassing pre-pandemic levels at 211,501 jobs. From 2022 to 2023, total employment increased by 6,566 jobs, reaching 218,067 jobs. This positive trend continued into 2024, with employment rise to 220,613 jobs.

Figure 8 - Employment in City of London (Census Subdivision), 2019 - 2024



Source: Lightcast, data run, 2025.5

EMPLOYMENT BY INDUSTRY SECTOR

In 2024, the employment landscape in London is characterized by a diverse range of industries, each contributing significantly to the city's economic fabric. Leading the employment sectors is Health Care and Social Assistance, with 35,308 jobs. Educational Services also play a pivotal role, with 23,936 jobs. Manufacturing remains a cornerstone of the local economy, supporting 19,985 jobs across a diverse array of activities, while the Accommodation and Food Services sector employs 17,397 people, highlighting the city's vibrant hospitality and tourism industry.

Figure 9 - Employment by Industry Sector, City of London (Census Subdivision), 2-digit NAICS, 2024

NAICS	Description	2024 Jobs	Employment by Industry Sector (2024)
62	Health care and social assistance	35,308	16.0%
44-45	Retail trade	24,796	11.2%
61	Educational services	23,936	10.8%
31-33	Manufacturing	19,985	9.1%
72	Accommodation and food services	17,397	7.9%
54	Professional, scientific and technical services	13,484	6.1%
52	Finance and insurance	11,664	5.3%
91	Public administration	11,509	5.2%
23	Construction	11,473	5.2%
56	Administrative and support, waste management and remediation services	10,526	4.8%
41	Wholesale trade	9,802	4.4%
48-49	Transportation and warehousing	8,272	3.7%
81	Other services (except public administration)	6,619	3.0%
	Unclassified	3,843	1.7%
53	Real estate and rental and leasing	3,616	1.6%
71	Arts, entertainment and recreation	3,256	1.5%
51	Information and cultural industries	2,720	1.2%
55	Management of companies and enterprises	894	0.4%
22	Utilities	793	0.4%
11	Agriculture, forestry, fishing and hunting	528	0.2%
21	Mining, quarrying, and oil and gas extraction	190	0.1%
Total Employment		220,613	

Source: Lightcast, data run, 2025.5

The Location Quotient analysis provides further insights into the employment concentration in London compared to the broader Ontario. The Educational Services sector in London stands out with an LQ of 1.38, indicating a significantly higher concentration of employment compared to the provincial average. This suggests that London is a hub for educational activities, likely driven by major institutions such as Western University and Fanshawe College. Similarly, the Health Care and Social Assistance sector has an LQ of 1.36, reflecting its critical role and robust presence in the city, possibly due to a strong network of healthcare facilities and services.

The Accommodation and Food Services sector also shows a higher concentration with an LQ of 1.18, underscoring the importance of tourism and hospitality in London's economy. Retail Trade, with an LQ of 1.09, indicates a slightly higher concentration, suggesting a vibrant retail market catering to both residents and visitors.

Conversely, several sectors in London have a lower employment concentration compared to Ontario. The Utilities sector has an LQ of 0.50. Similarly, the Information and Cultural Industries sector, with an LQ of 0.59.

Figure 10 - Location Quotient Analysis, City of London (Census Subdivision) and Ontario, 2024

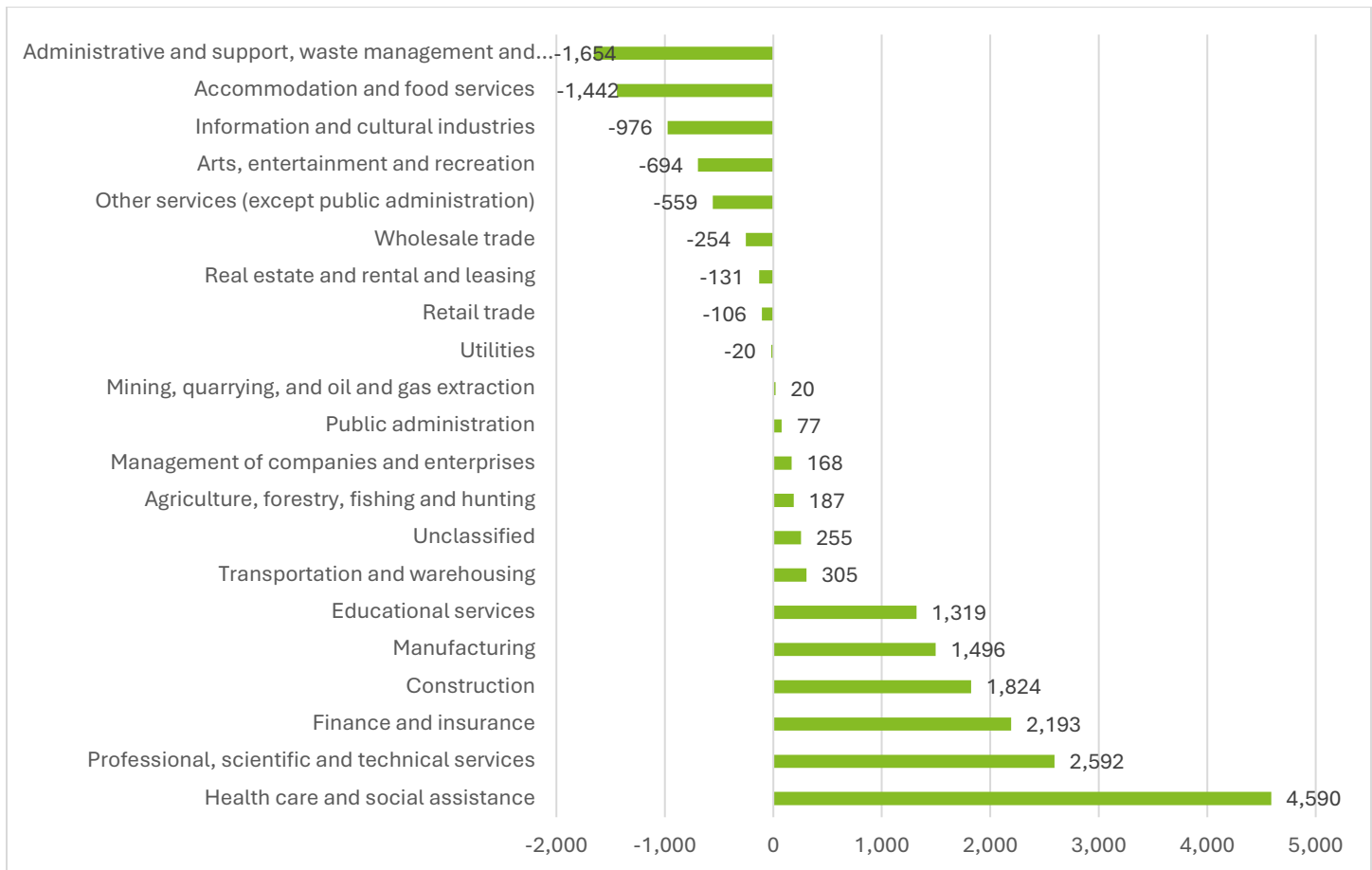
NAICS	Description	London		Ontario		LQ
		Employment	Employment Distribution (%)	Employment	Employment Distribution (%)	
61	Educational services	23,936	10.8%	562,544	7.8%	1.38
62	Health care and social assistance	35,308	16.0%	847,543	11.8%	1.36
72	Accommodation and food services	17,397	7.9%	481,384	6.7%	1.18
44-45	Retail trade	24,796	11.2%	737,258	10.3%	1.09
X0	Unclassified	3,843	1.7%	125,884	1.8%	0.99
53	Real estate and rental and leasing	3,616	1.6%	121,971	1.7%	0.96
31-33	Manufacturing	19,985	9.1%	680,547	9.5%	0.96
52	Finance and insurance	11,664	5.3%	402,225	5.6%	0.94
56	Administrative and support, waste management and remediation services	10,526	4.8%	372,799	5.2%	0.92
23	Construction	11,473	5.2%	406,664	5.7%	0.92
81	Other services (except public administration)	6,619	3.0%	238,912	3.3%	0.90
41	Wholesale trade	9,802	4.4%	358,652	5.0%	0.89
71	Arts, entertainment and recreation	3,256	1.5%	120,094	1.7%	0.88
48-49	Transportation and warehousing	8,272	3.7%	311,918	4.3%	0.86
54	Professional, scientific and technical services	13,484	6.1%	544,811	7.6%	0.81
91	Public administration	11,509	5.2%	534,330	7.4%	0.70
55	Management of companies and enterprises	894	0.4%	48,494	0.7%	0.60
51	Information and cultural industries	2,720	1.2%	149,284	2.1%	0.59
22	Utilities	793	0.4%	51,813	0.7%	0.50
11	Agriculture, forestry, fishing and hunting	528	0.2%	50,619	0.7%	0.34
21	Mining, quarrying, and oil and gas extraction	190	0.1%	29,552	0.4%	0.21

Source: Lightcast, data run, 2025.5

The Health Care and Social Assistance sector experienced the greatest growth among 2-digit NAICS industries in London, increasing by 4,590 jobs, or 15%, from 2019 to 2024. Similarly, the Professional, Scientific, and Technical Services sector grew by 2,592 jobs, marking a 24% increase.

Conversely, several sectors faced employment declines. The Information and Cultural Industries sector experienced the most significant reduction, losing 976 jobs, or 26% relative to the number of employed in this sector. The Accommodation and Food Services sector saw a decrease of 1,442 jobs, or 8%, reflecting the impact of the pandemic and subsequent recovery efforts. Administrative and Support, Waste Management, and Remediation Services experienced the most significant decline in employment, decreased by 1,654 jobs.

Figure 11 - Historical Employment Changes, City of London (Census Subdivision), 2-digit NAICS, 2019 - 2024



Source: Lightcast, datarun, 2025.5

EMPLOYMENT BY OCCUPATION

The following employment data for London (City, Census Subdivision) from 2019 to 2024, categorized by occupation using the 1-digit National Occupational Classification (NOC) code, provides insights into the evolving workforce landscape.

From 2019 to 2024, the Natural and Applied Sciences and Related Occupations (NOC 2) category experienced the most substantial growth, increasing by 5,633 jobs, or 41%. Health Occupations (NOC 3) also saw significant growth, adding 2,816 jobs, a 15% increase. These trends underscore the expanding healthcare and life science sector in London.

Conversely, Sales and Service Occupations (NOC 6) experienced a notable decline, losing 5,915 jobs, or 10%. Occupations in Manufacturing and Utilities (NOC 9) decreased by 845 jobs, reflecting a 6% decline.

Figure 12 – Employment by Occupation Category, City of London (Census Subdivision), 1-digit NOC, 2019 – 2024

NOC	Description	2019 Jobs	2024 Jobs	2019 - 2024 Change	2019 - 2024 % Change
6	Sales and service occupations ¹²¹	62,050	56,135	-5,915	-10%
9	Occupations in manufacturing and utilities	14,690	13,845	-845	-6%
5	Occupations in art, culture, recreation and sport	3,875	3,631	-244	-6%
0	Legislative and senior management occupations	388	438	50	13%
8	Natural resources, agriculture and related production occupations	2,128	2,340	212	10%
X	Unclassified occupation	3,588	3,843	255	7%
4	Occupations in education, law and social, community and government services	26,899	28,924	2,025	8%
7	Trades, transport and equipment operators and related occupations	29,940	31,976	2,036	7%
3	Health occupations	19,365	22,181	2,816	15%
1	Business, finance and administration occupations	34,786	37,954	3,168	9%
2	Natural and applied sciences and related occupations	13,713	19,346	5,633	41%
Total		211,422	220,613	9,191	4%

Source: Lightcast, data run, 2025.5

When looking at the LQ analysis of London's employment by occupation, it is found that Health Occupations (NOC 3) in London have a significantly higher concentration compared to the provincial average, with an LQ of 1.41. This indicates that London is a hub for healthcare-related employment. In contrast, several occupations have a lower concentration in London compared to Ontario. Occupations in Art, Culture, Recreation, and Sport (NOC 5) show a lower concentration, with an LQ of 0.79, highlighting potential opportunities for growth in cultural and recreational activities. Legislative and Senior Management Occupations (NOC 0) have the lowest concentration, with an LQ of 0.49, suggesting fewer high-level management roles in London compared to Ontario.

Figure 13 - Location Quotient Analysis, City of London (Census Subdivision) and Ontario, 2024

NOC	Description	London		Ontario		LQ
		Employment	Employment Distribution (%)	Employment	Employment Distribution (%)	
3	Health occupations	22,181	10.1%	511,702	7.1%	1.41
6	Sales and service occupations	56,135	25.4%	1,719,545	24.0%	1.06
4	Occupations in education, law and social, community and government services	28,924	13.1%	896,547	12.5%	1.05
7	Trades, transport and equipment operators and related occupations	31,976	14.5%	997,871	13.9%	1.04
9	Occupations in manufacturing and utilities	13,845	6.3%	441,862	6.2%	1.02
X	Unclassified occupation	3,843	1.7%	125,884	1.8%	0.99
1	Business, finance and administration occupations	37,954	17.2%	1,423,939	19.8%	0.87
8	Natural resources, agriculture and related production occupations	2,340	1.1%	88,552	1.2%	0.86
2	Natural and applied sciences and related occupations	19,346	8.8%	793,546	11.1%	0.79
5	Occupations in art, culture, recreation and sport	3,631	1.6%	148,837	2.1%	0.79
0	Legislative and senior management occupations	438	0.2%	29,012	0.4%	0.49

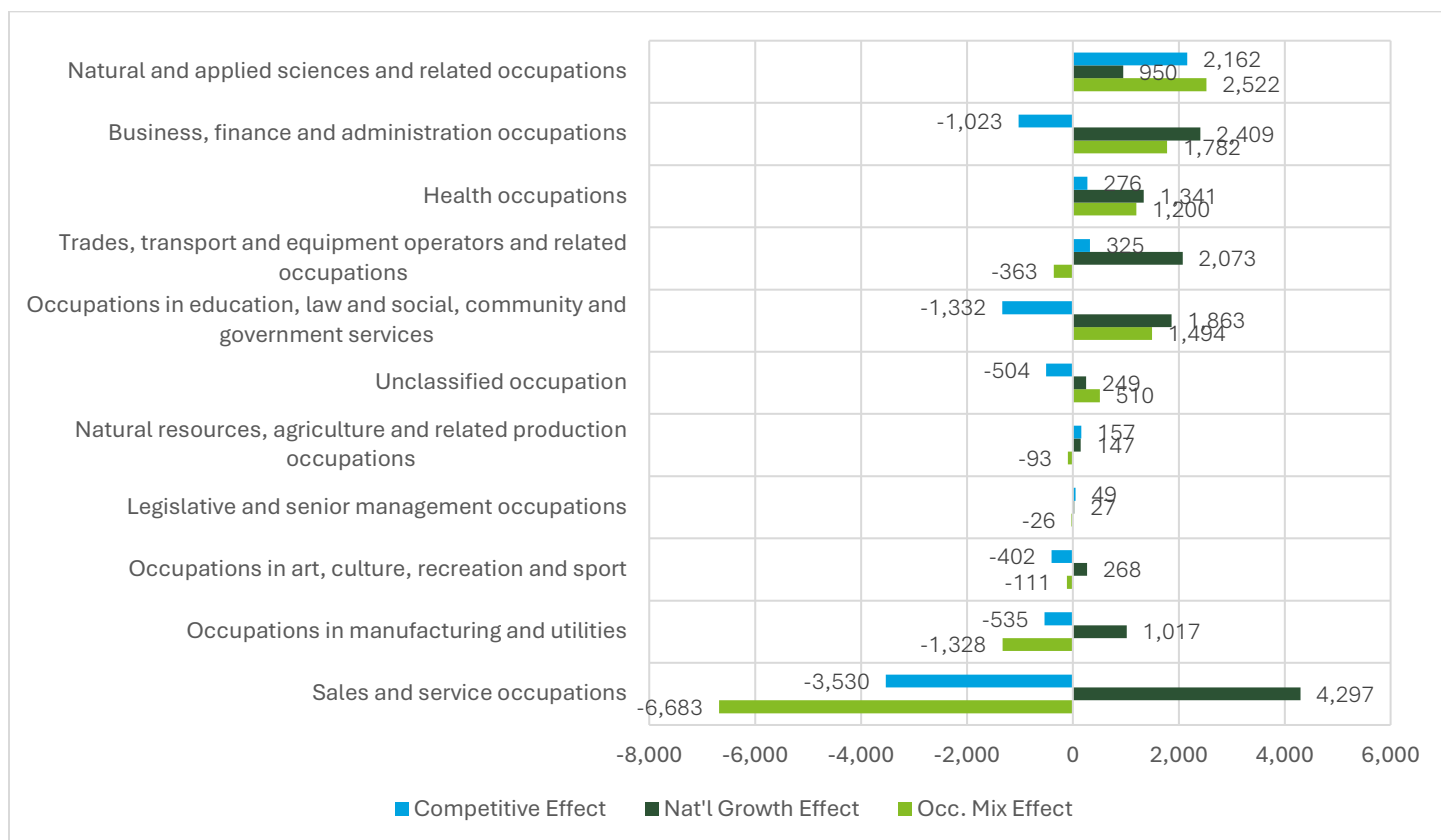
Source: Lightcast, data run, 2025.5

The shift-share analysis of employment by 1-digit NOC codes in London between 2019 and 2024 reveals a dynamic and evolving labour market. Over this period, London experienced both job growth and decline across different occupational groups, driven by a combination of national economic trends, industry-specific patterns, and unique regional factors.

Notably, the largest absolute job growth occurred in Natural and Applied Sciences (NOC 2), which added 5,633 jobs, a 41% increase. This growth was strongly supported by both positive industrial mix and competitive effects, indicating that London not only benefited from national expansion in this sector but also demonstrated unique local strengths that outpaced broader trends. Health Occupations (NOC 3) and Business, Finance, and Administration (NOC 1) also saw significant job increases, reflecting both national sectoral growth and a favourable local environment.

Conversely, Sales and Service Occupations (NOC 6) experienced the largest decline, with a loss of 5,915 jobs (down 10%). The negative industrial mix effect suggests that this sector faced national headwinds, while the additional negative competitive effect indicates that London's local conditions further exacerbated these losses beyond what national trends would predict. Similar patterns of decline were observed in Manufacturing and Utilities (NOC 9) and Arts, Culture, Recreation and Sport (NOC 5), where negative competitive effects suggest local challenges beyond sector-wide contraction.

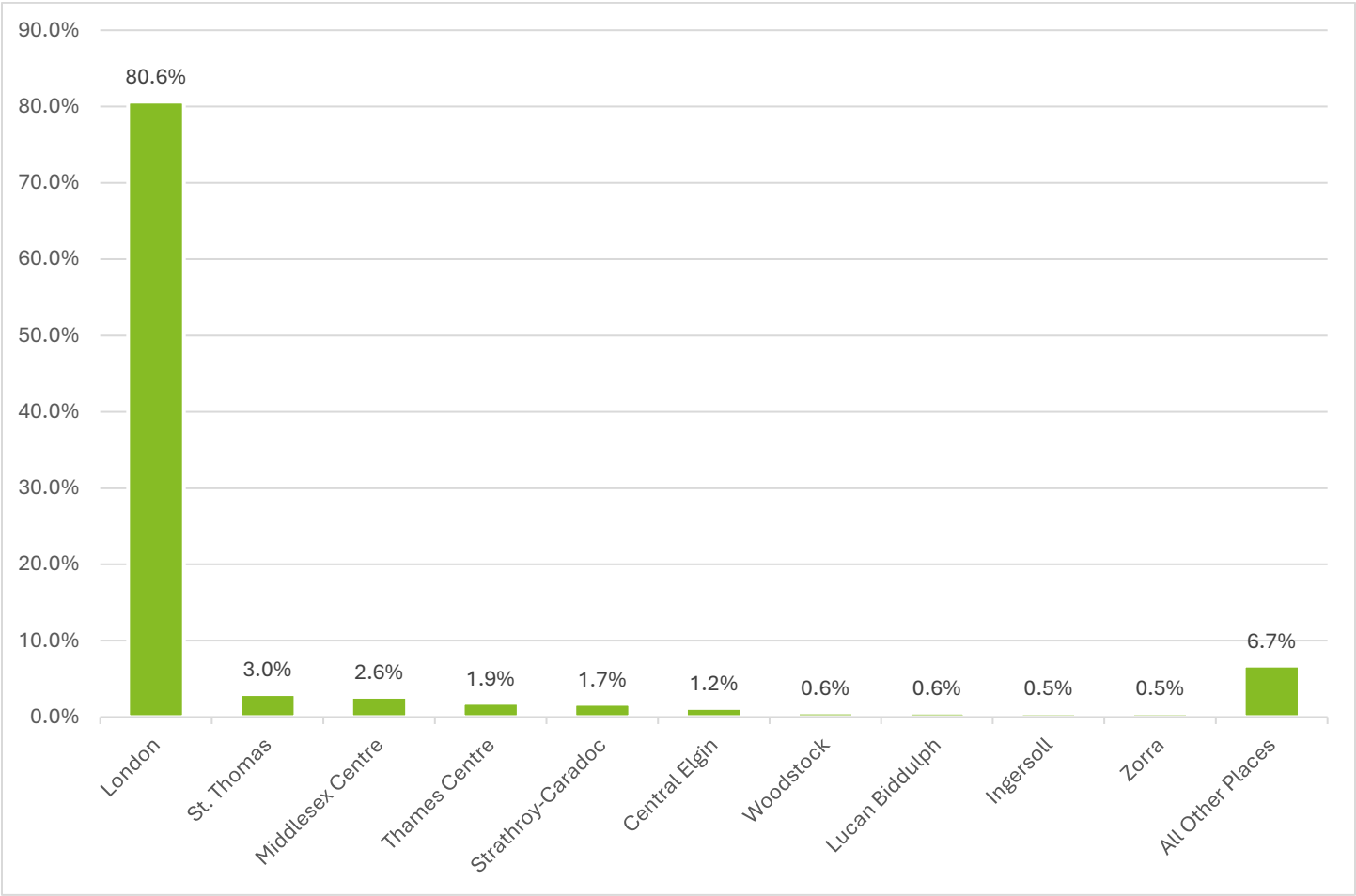
Figure 14 – Shift-Share Analysis, City of London (Census Subdivision), 2019 - 2024



COMMUTING PATTERNS

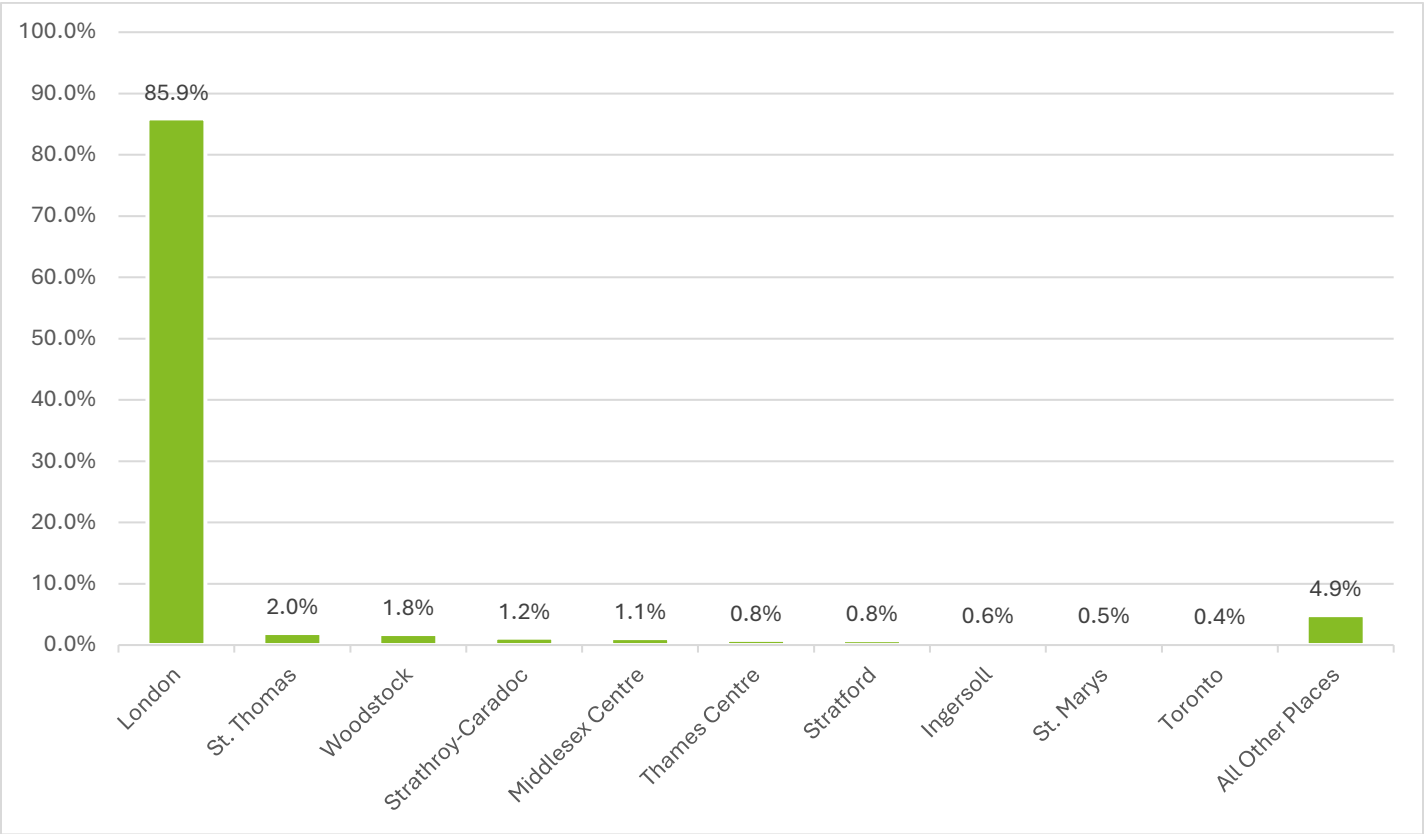
The majority of individuals working in London, 80.6%, reside within the city itself. This high percentage indicates that London serves as a major employment center for the region. A notable portion of the workforce commutes from nearby municipalities. St. Thomas, Middlesex Centre, and Thames Centre are the top contributors, collectively accounting for 7.5% of London's workforce.

Figure 15 - Commuter Place of Residence, London (Census Subdivision) as Place of Work, 2021



Source: Statistics Canada, Table: 98-10-0459-01, Commuting flow from geography of residence to geography of work by gender

For people who reside in London, a significant majority them, 85.9%, work within the city itself. This high percentage underscores London's role as a major employment hub. A modest portion of London's workforce commutes to nearby cities for work. St. Thomas (2.0%) and Woodstock (1.8%) are the most common destinations.



Source: Statistics Canada, Table: 98-10-0459-01, Commuting flow from geography of residence to geography of work by gender

Business Environment and Structure

A business characteristics assessment was completed to understand the number and type of businesses in London using the Canadian Business Counts data. Specifically, businesses in the city were profiled by total employee number, size of business establishments by employees, and businesses by industry.

BUSINESS CHARACTERISTICS

As of December 2024, 45,847 businesses were operating in London (Census Subdivision). The majority of these (33,386) businesses were without employees, representing sole proprietorships or self-employed individuals.

The sectors with the highest proportion of business establishments, including both businesses with and without employees, are:

- **Real Estate and Rental and Leasing:** This sector leads with 10,889 businesses, accounting for a significant portion of the total business establishments. The majority are without employees, indicating a high prevalence of individual real estate agents and small rental operations.
- **Health Care and Social Assistance:** With 4,820 businesses, this sector is prominent, reflecting London's role as a healthcare hub. This includes a mix of small clinics and larger healthcare facilities.
- **Professional, Scientific, and Technical Services:** This sector includes 4,232, highlighting a strong presence of consultants and freelancers in technical fields.

The top sectors for businesses without employees are:

- **Real Estate and Rental and Leasing:** Dominating with 10,889 businesses and 10,330 of them are sole proprietorships (30.9% of total businesses without employees).

- **Construction:** With 2,569 businesses without employees (7.7% of total businesses without employees), this sector also has a significant number of sole proprietors.

The leading sectors for businesses with employees are:

- **Health Care and Social Assistance:** This sector has 2,094 businesses with employees (16.8% of total businesses with employees), reflecting a robust healthcare industry providing numerous employment opportunities.
- **Retail Trade:** With 1,593 businesses with employees (12.8% of total businesses with employees), retail is a key employer, supporting London's consumer market.
- **Construction:** This sector includes 1,149 businesses with employees (9.2% of total businesses with employees), indicating ongoing development activities in the city.

London's business landscape is characterized by a mix of micro and small enterprises, particularly in the real estate, professional services sectors, as well as within the "Other Services" industry, which includes many mom-and-pop businesses such as laundromats, car repair shops, and personal care services. The prevalence of businesses without employees suggests a strong entrepreneurial spirit and a significant number of self-employed individuals. Meanwhile, sectors like healthcare and retail provide substantial employment, reinforcing their importance to the local economy.

The diversity in business types and sizes contributes to London's economic resilience, allowing the city to capitalize on innovation and entrepreneurship while providing a stable employment base. This mix ensures that London can adapt to economic fluctuations and continue to attract investment and growth opportunities.

Figure 17 – Canadian Business Counts, City of London (Census Subdivision), December 2024

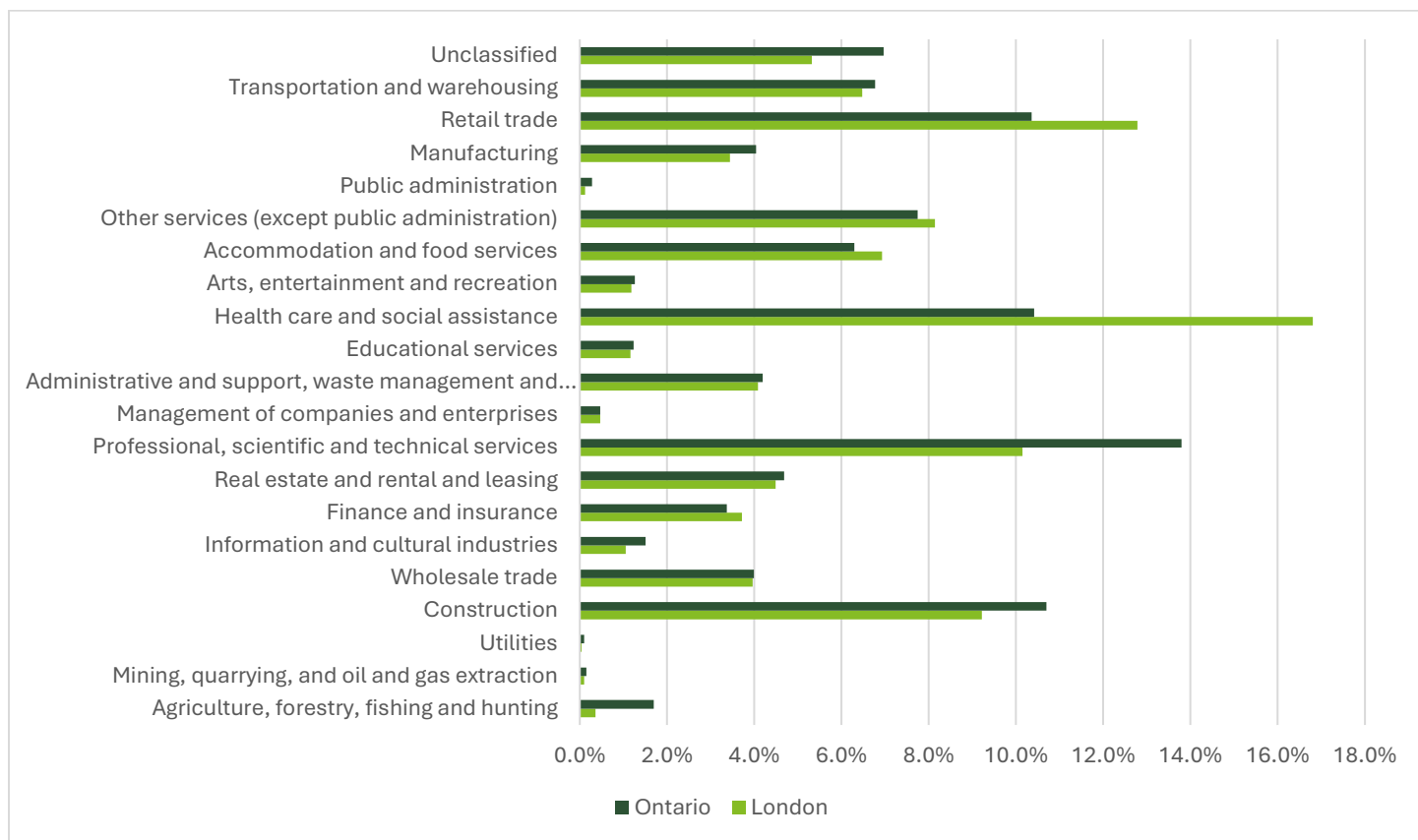
NAICS Code	Description	With Employees	Without Employees	Total
53	Real estate and rental and leasing	559	10,330	10,889
62	Health care and social assistance	2094	2,726	4,820
54	Professional, scientific and technical services	1265	2,967	4,232
X0	Unclassified	663	3,352	4,015
48-49	Transportation and warehousing	807	3,049	3,856
23	Construction	1149	2,569	3,718
81	Other services (except public administration)	1015	1,958	2,973
44-45	Retail trade	1593	1,135	2,728
52	Finance and insurance	463	1,594	2,057
56	Administrative and support, waste management and remediation services	509	1,011	1,520
72	Accommodation and food services	863	340	1,203
41	Wholesale trade	494	376	870
31-33	Manufacturing	429	371	800
71	Arts, entertainment and recreation	147	425	572
61	Educational services	145	370	515
51	Information and cultural industries	131	262	393
55	Management of companies and enterprises	58	267	325
11	Agriculture, forestry, fishing and hunting	45	244	289
21	Mining, quarrying, and oil and gas extraction	12	16	28
22	Utilities	5	21	26
91	Public administration	15	3	18
Total		12461	33,386	45,847

Source: Statistics Canada, Canadian Business Counts, December 2024

The following chart presents the distribution of business establishments for businesses with employees, by 2-digit NAICS industry. In London, the proportion of businesses with employees in health care and social assistance is significantly higher (16.8%) compared to the provincial average (10.4%), highlighting the city's strong presence in this sector. Similarly, retail trade represents a larger share of businesses in London (12.8%) than in Ontario overall (10.4%), suggesting a relatively robust retail sector in the city.

Other sectors where London's business share is notably lower than the provincial average include construction (9.2% vs. 10.7%), information and cultural industries (1.1% vs. 1.5%), and manufacturing (3.4% vs. 4.0%). The city also has fewer businesses in agriculture, forestry, fishing and hunting (0.4% vs. 1.7%), likely reflecting its more urban character.

Figure 18 – Distribution of Business Establishments (Businesses with Employees), City of London (Census Subdivision) and Ontario, 2024



Source: Statistics Canada, Canadian Business Counts, December 2024

Industrial and Office Market Characteristics

INDUSTRIAL SPACE TRENDS

The industrial market in London has experienced notable changes over the past year, characterized by shifts in inventory, vacancy rates, and pricing dynamics.

Industrial space inventory increased from 41,663,473 square feet in Q1 2024 to 42,431,072 square feet by Q1 2025. This growth reflects ongoing development, with construction activity peaking at 724,544 square feet in Q1 2024 before declining to 134,800 square feet in Q1 2025. The reduction in construction activity suggests a potential slowdown in new project initiations.

The vacancy rate rose from 0.6% in Q1 2024 to 2.5% in Q1 2025, while the availability rate increased from 1.1% to 3.6% during the same period. These trends indicate a growing supply of industrial space that may be outpacing demand, possibly due to new completions or changes in market conditions. The net asking rent per square foot increased slightly from \$9.62 in Q1 2024 to \$10.21 in Q1 2025, indicating stable demand for leasing despite higher vacancy rates.

Net absorption figures reveal fluctuating demand for industrial space, with significant negative absorption in Q3 2024 and Q1 2025 (-481,225 and -338,870 square feet, respectively). This suggests periods of reduced leasing activity or increased tenant move-outs, impacting overall occupancy levels.

Figure 19 – Industrial Space Market Characteristics, City of London, Q1 2024 – Q1 2025

Period	Inventory (SF)	Availability Rate (%)	Vacancy Rate (%)	Net Absorption (SF)	YTD Net Absorption (SF)	Under Construction (SF)	Net Asking Rent (PSF)	Average Asking Sales Price (PSF)
Q1 2025	42,431,072	3.6%	2.5%	-338,870	-338,870	134,800	\$10.21	\$197.42
Q4 2024	42,431,072	2.8%	1.7%	579,950	-96,530	134,800	\$10.37	\$202.70
Q3 2024	41,872,522	2.9%	1.3%	-481,225	-676,480	558,550	\$10.33	\$216.02
Q2 2024	41,760,348	1.5%	0.8%	-53,638	-195,255	670,724	\$9.57	\$202.26
Q1 2024	41,663,473	1.1%	0.6%	-141,617	-141,617	724,544	\$9.62	\$216.72

Source: CBRE

OFFICE MARKET TRENDS

The London, Ontario office market experienced continued challenges over the past year, with persistently high vacancy rates and negative net absorption characterizing the period from Q1 2024 to Q1 2025. The total office inventory remained relatively stable, fluctuating only marginally around 8.0 million square feet, and no new office construction was reported throughout the year.

Vacancy rates increased from 21.2% in Q1 2024 to 22.4% in Q1 2025, indicating ongoing demand-side weakness. The market saw negative net absorption in four out of five quarters, with Q2 2024 recording the largest quarterly loss at -71,563 square feet.

Leasing activity showed some resilience, with a notable increase in Q4 2024 (400,888 SF) and Q3 2024 (338,785 SF), compared to more modest levels in other quarters. However, these spikes in leasing activity did not translate into sustained positive absorption, suggesting that much of the activity may have involved renewals or relocations rather than new market entrants.

Average asking rents for all office classes held relatively steady, with a modest increase from \$13.46 per square foot in Q1 2024 to

Source: CBRE

\$13.55 in Q4 2024, before declining slightly to \$13.35 in Q1 2025.

Figure 20 - Office Market Characteristics, City of London, Q1 2024 – Q1 2025

Period	Inventory (SF)	Overall Vacancy Rate	Current QTR Overall Net Absorption (SF)	YTD Overall Net Absorption (SF)	YTD Leasing Activity (SF)	Under Construction (SF)	Overall Avg Asking Rent (All Classes)	Overall Average Additional Rent (All Classes)
Q1 2025	8,034,722	22.4%	-37,874	-37,874	165,473	0	\$13.35	\$12.08
Q4 2024	8,034,722	21.9%	-12,521	-170,499	400,888	0	\$13.55	\$11.88
Q3 2024	8,044,321	21.7%	8,107	-157,978	338,785	0	\$24.91	\$29.49
Q2 2024	8,022,793	22.2%	-71,563	-166,085	179,149	0	\$13.48	\$11.54
Q1 2024	8,087,330	21.2%	-67,022	-67,022	89,814	0	\$13.46	\$12.38

Source: Cushman & Wakefield

Regional Projections

POPULATION PROJECTIONS

The Middlesex census division (CD)¹²² (Standard Geographical Classification 3539) is projected to experience robust population growth from 2023 to 2051, with every age cohort increasing in absolute numbers. The total population is expected to rise significantly, with notable gains among children (0–14), youth and young adults (15–24), and working-age groups (25–54).

The most pronounced growth is observed in the older age cohorts. The population aged 65–74 (young seniors) is projected to increase by nearly 40% (from 54,284 in 2023 to 75,499 in 2051), while the population aged 75 and over (elderly) more than doubles (from 44,006 to 96,942). This shift reflects both increased longevity and the aging of the large baby boomer cohort, resulting in a steadily rising median age for the region.

The “prime working-age” groups (25–54) are also forecast to grow, with the 25–34 cohort rising from 95,256 in 2023 to 128,905 in 2051, and the 35–44 and 45–54 cohorts experiencing similar patterns. This growth suggests continued demand for employment opportunities and housing and underscores the importance of attracting and retaining young talent to support economic vitality. However, when this population growth is considered alongside the current participation rate within this age group, it is clear that it will not be sufficient on its own to address ongoing labour shortages. To maximize the opportunities presented by this growth, ecosystem partners should collaborate to better understand the sentiments and behaviors of this group, implement measures to create an appealing environment in London, and also develop additional solutions to address labour market needs.

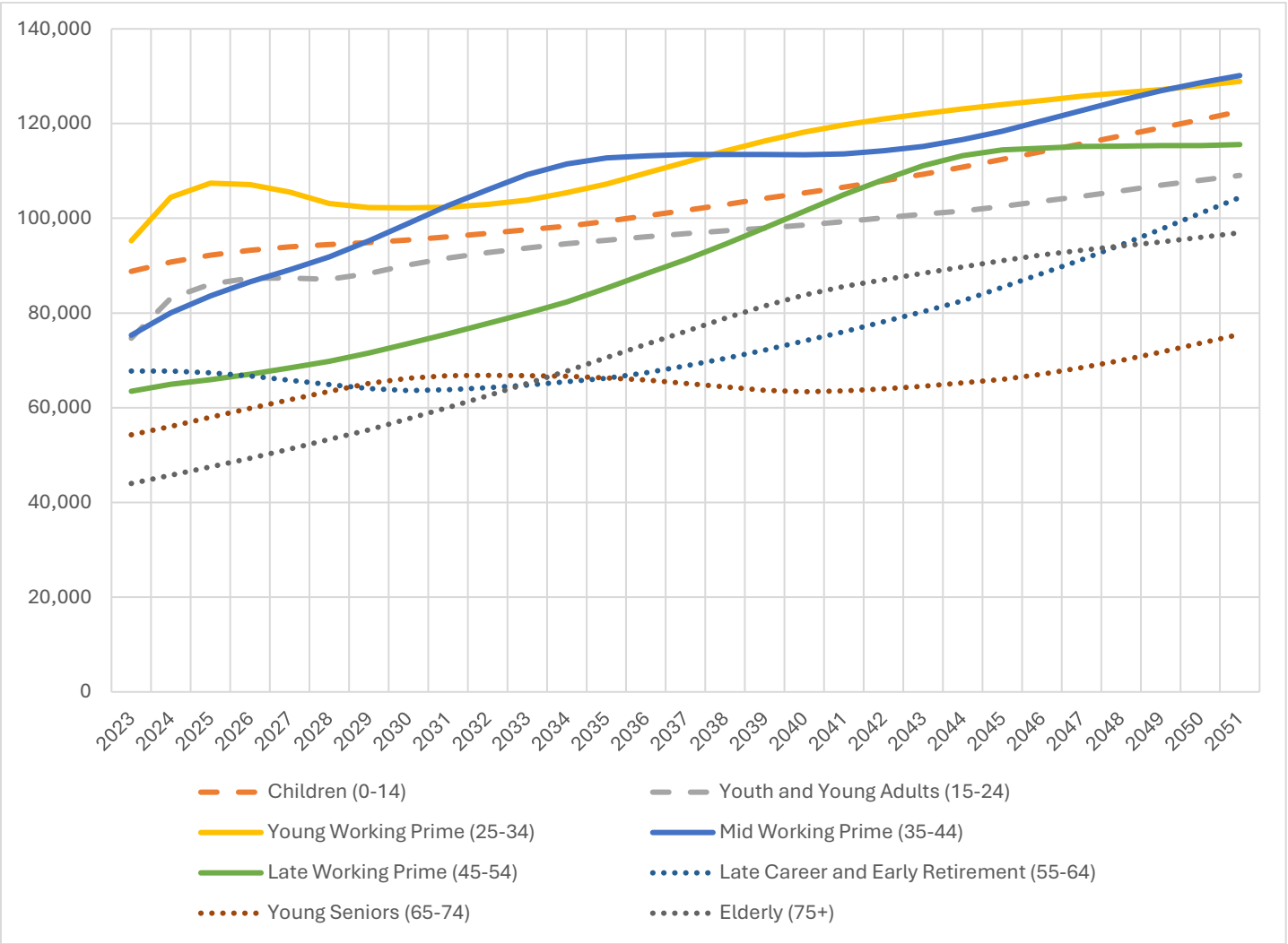
As the population and business centre, London will be at the forefront of accommodating this regional growth. The expansion in both youth and senior populations will intensify demand for diverse services, including childcare, schools, post-secondary institutions, healthcare, and age-friendly infrastructure. The city’s ability to plan for and invest in these areas will be critical to maintaining quality of life and economic competitiveness.

The growth in the prime working-age population offers London a strong base for workforce development and economic expansion. However, the city will need to proactively address talent attraction and retention, skills training, and employment opportunities to fully leverage this demographic advantage.

In summary, the Middlesex region’s population is projected to grow steadily and become more age-diverse, with London at the centre of these changes. The city faces both opportunities and challenges: harnessing demographic growth for economic development, while ensuring infrastructure, services, and housing keep pace with evolving needs.

¹²² The Middlesex census division (CD) consists of the county with the City of London and three First Nations reserves. The Middlesex CD (3539) consists of the following census subdivisions (CSDs): Newbury (Village), Southwest Middlesex (Municipality), Strathroy-Caradoc (Municipality), Thames Centre (Municipality), Middlesex Centre (Municipality), London (City), North Middlesex (Municipality), Adelaide-Metcalf (Township), Lucan Biddulph (Township), Chippewas of the Thames First Nation 42 (Indian reserve), Munsee-Delaware Nation 1 (Indian reserve) and Oneida 41 (Indian reserve).

Figure 21 – Population Forecast, Middlesex Census Division, Ontario Ministry of Finance, 2023 – 2051



Source: Government of Ontario



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