The 2021 Farmland Forum

The Need for Critical Thinking has Never Been Greater

“The significant problems we face today cannot be solved at the same level of thinking we were at when we created them”

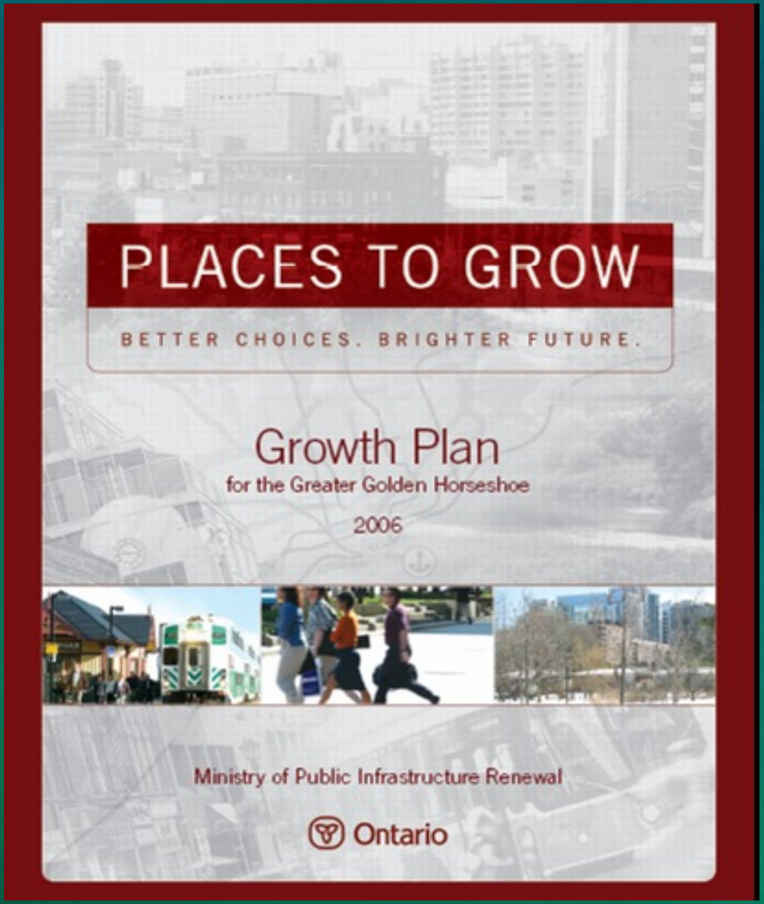
Albert Einstein

Presentation Overview

- Evolution of the DGA Density Targets
- Provincial Growth Plan Forecasts on Track (?)
- Competing Provincial Forecasts
- Provincial Forecasts Conform to the Growth Plan (?)
- Market-Demand versus Target Based Forecasting
- Changing Housing Market

Evolution of the DGA Density Targets

2006 Growth Plan - DGA



DGA density target of 50 r/j ha

Objective of the DGA density target was to:

- achieve transit supportive densities
- ensure broader mix of housing types

Applied to both residential and employment areas

Based on a strict set of take-outs from the density calculation

2017 Growth Plan - DGA

DGA density target significantly increased (80 r/j per ha)

Employment areas were no longer subject to the density targets

Floodplains, cemeteries, major utility corridors and freeways were added to the list of take-outs

Applied the changes retroactively to the entire DGA

2019 Growth Plan - DGA

DGA density target changed back to 50 r/j per ha

Retained the exemption of employment areas and the broader range of take-outs

Again applied these changes retroactively

However ...

The exemption of employment areas and broader range of take-outs makes direct comparison difficult

A reasonable comparison of the densities using 2006 as a base would be:

2006 - 50 r/j ha

2017 - 70 r/j ha (newly built DGA <u>must be </u>higher due to averaging)

2019 - 42 r/j ha (newly built DGA <u>may be</u> lower due to averaging)

The 2019 DGA density target:

- No longer delivers transit supportive DGA densities
- No longer ensures increased mix of housing in the DGA
- Requires more land than would have been required using the 2006 GP rules

The 2019 GP policies arguably make things WORSE in the DGA than they were before the first GP came into effect

Provincial Growth Plan

Population Forecasts are on Track (?)

Greater Golden Horseshoe: Growth Forecasts to 2051

In the background report to the 2020 forecasts it states:

"Generally, data released from Statistics Canada's Annual Demographic Estimates ... reinforce the overall growth outlook anticipated in 2012 and <u>demonstrate that the Schedule 3 population and employment forecasts completed in 2012 remain on track up to 2019</u> (see Figure 2) … [emphasis added]"

Figure 2

2012 Forecast Population in 2019 vs. 2019 Estimates

Municipality	Population (000s)		
	2012	2019	Diff.
Durham	737	697	-6%
York	1,276	1,181	-8%
Toronto	2,931	2,966	1%
Peel	1,516	1,542	2%
Halton	616	596	-3%
Hamilton	588	574	-2%
GTAH	**7,665**	**7,557**	**-1%**
Northumberland	90	90	0%
Peterborough Co.	63	60	-5%
Peterborough City	89	86	-3%
Kawartha Lakes	82	81	-1%
Simcoe	333	344	3%
Barrie	166	149	-11%
Orillia	35	33	-6%
Dufferin	66	68	3%
Wellington	97	98	1%
Guelph	149	143	-4%
Waterloo	603	595	-1%
Brant	40	38	-4%
Brantford	110	105	-5%
Haldimand	49	50	2%
Niagara	475	479	1%
OUTER RING	**2,444**	**2,420**	**-1%**
TOTAL GGH	**10,108**	**9,977**	**-1%**

In Figure 2, the previous forecast of total population for 2019 is compared to the actual total population for 2019 as reported by Stats Canada

However ...

Comparing a total population forecast with the total population achieved is not that useful

It gives little information to help determine if the things driven by the forecast remain on track:

- DC collections
- utilization of service capacity
- land absorption

A more useful analysis is looking at the difference between the amount of growth that was forecast and the growth that actually occurred

Figure 2

2012 Forecast Population in 2019 vs. 2019 Estimates

Municipality	Population (000s)		
	2012	2019	Diff.
Durham	737	697	-6%
York	1,276	1,181	-8%
Toronto	2,931	2,966	1%
Peel	1,516	1,542	2%
Halton	616	596	-3%
Hamilton	588	574	-2%
GTAH	**7,665**	**7,557**	**-1%**
Northumberland	90	90	0%
Peterborough Co.	63	60	-5%
Peterborough City	89	86	-3%
Kawartha Lakes	82	81	-1%
Simcoe	333	344	3%
Barrie	166	149	-11%
Orillia	35	33	-6%
Dufferin	66	68	3%
Wellington	97	98	1%
Guelph	149	143	-4%
Waterloo	603	595	-1%
Brant	40	38	-4%
Brantford	110	105	-5%
Haldimand	49	50	2%
Niagara	475	479	1%
OUTER RING	**2,444**	**2,420**	**-1%**
TOTAL GGH	**10,108**	**9,977**	**-1%**

Difference between Forecast Growth (2011E to 2019F) and Actual Growth (2011A to 2019A) as Percentage of Forecasted Growth

Durham (-34%)

Toronto (+27%)

Halton (-18 %)

Peterborough (-29%)

Simcoe (+33%)

Orillia (-33%)

Guelph (-26%)

Brantford (-36%)

Niagara (+24%)

Figure 2

2012 Forecast Population in 2019 vs. 2019 Estimates

Municipality	Population (000s)		
	2012	2019	Diff.
Durham	737	697	-6%
York	1,276	1,181	-8%
Toronto	2,931	2,966	1%
Peel	1,516	1,542	2%
Halton	616	596	-3%
Hamilton	588	574	-2%
GTAH	**7,665**	**7,557**	**-1%**
Northumberland	90	90	0%
Peterborough Co.	63	60	-5%
Peterborough City	89	86	-3%
Kawartha Lakes	82	81	-1%
Simcoe	333	344	3%
Barrie	166	149	-11%
Orillia	35	33	-6%
Dufferin	66	68	3%
Wellington	97	98	1%
Guelph	149	143	-4%
Waterloo	603	595	-1%
Brant	40	38	-4%
Brantford	110	105	-5%
Haldimand	49	50	2%
Niagara	475	479	1%
OUTER RING	**2,444**	**2,420**	**-1%**
TOTAL GGH	**10,108**	**9,977**	**-1%**

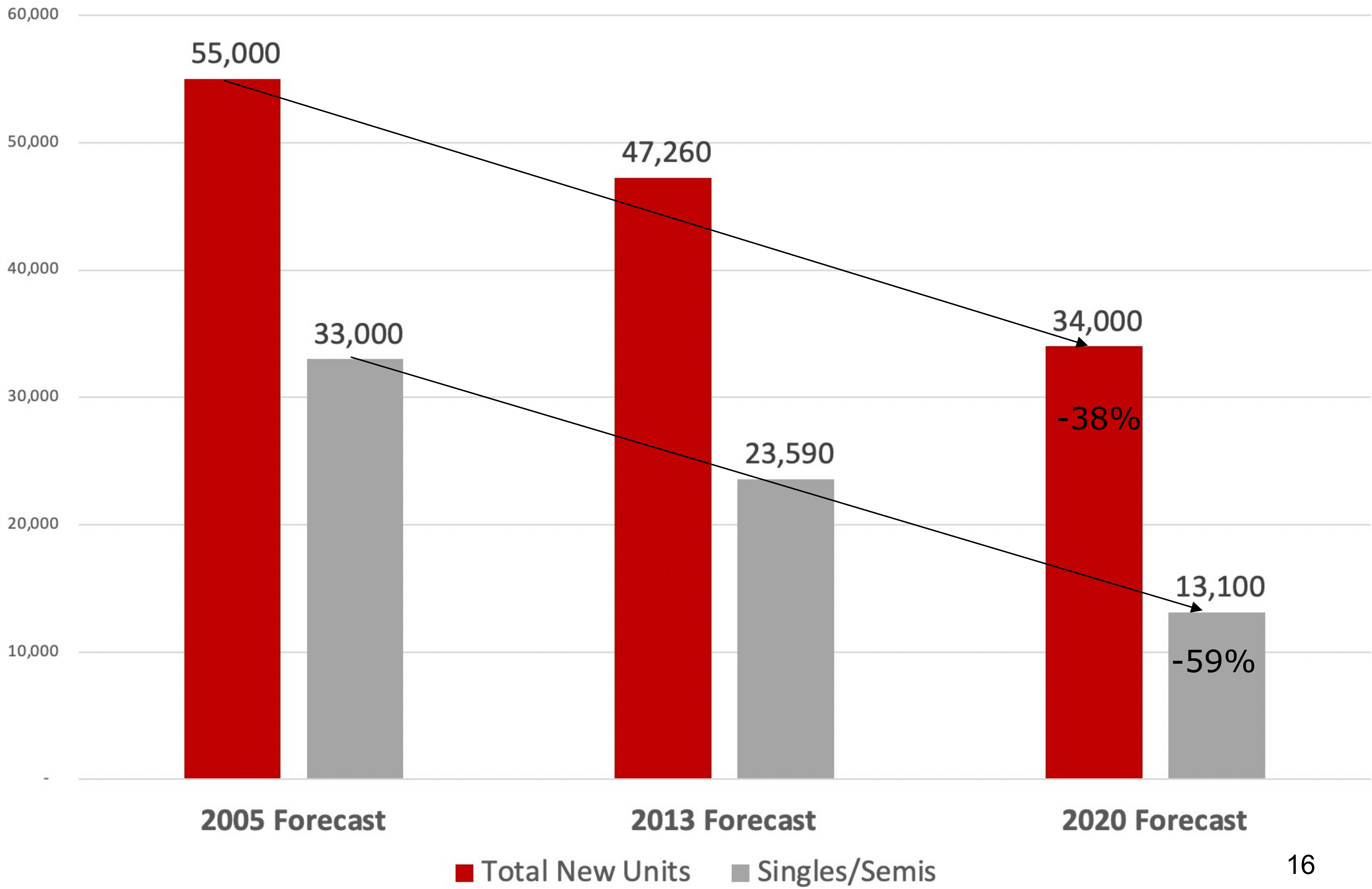
Difference between Forecast Growth (2011E to 2019F) and Actual Growth (2011A to 2019A) as Percentage of Forecasted Growth

York (-44%)

Barrie (-68%)

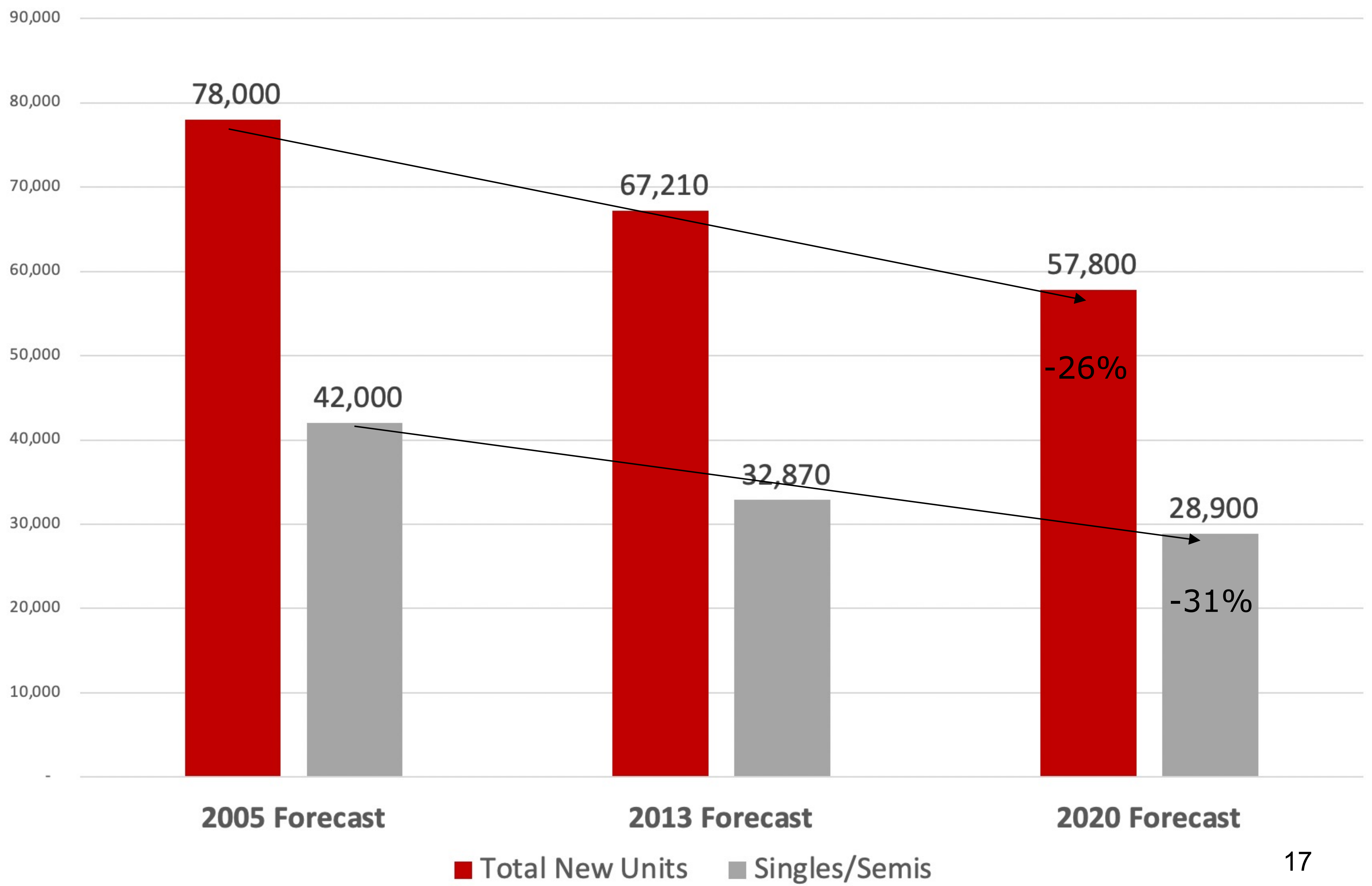
Growth Plan Forecasts for the Region of Halton

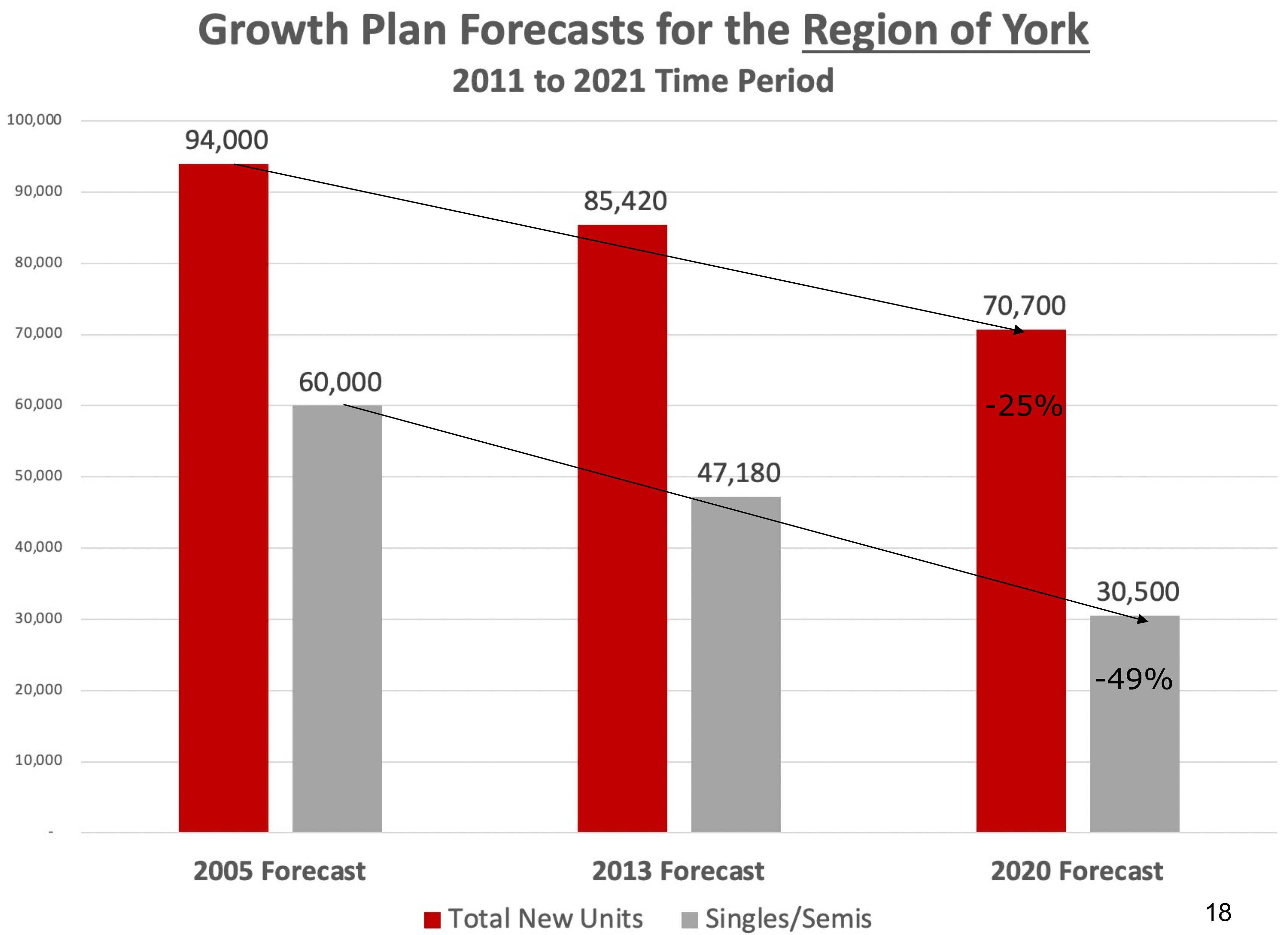
2011 to 2021 Time Period



Growth Plan Forecasts for the Region of Peel

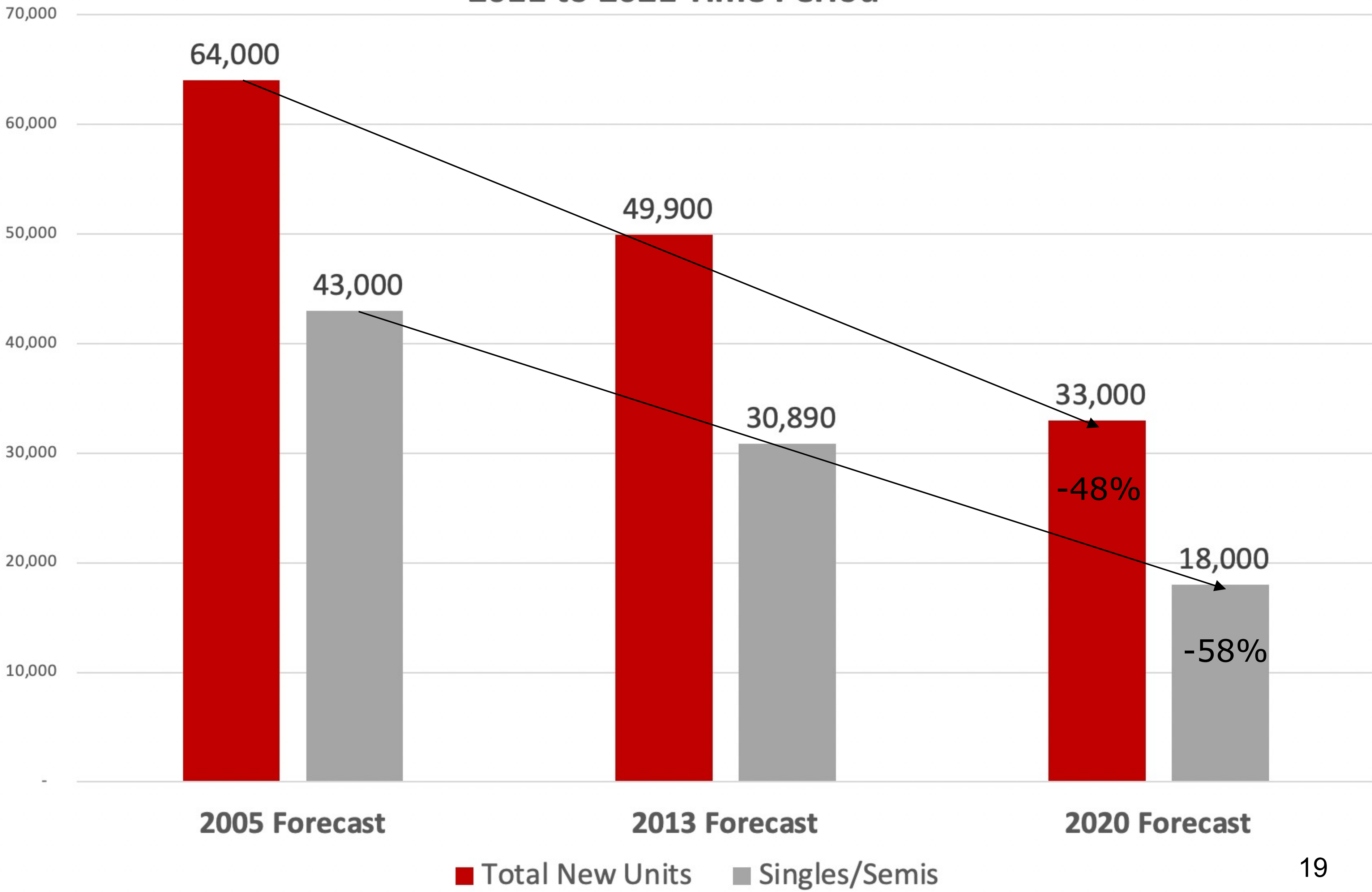
2011 to 2021 Time Period

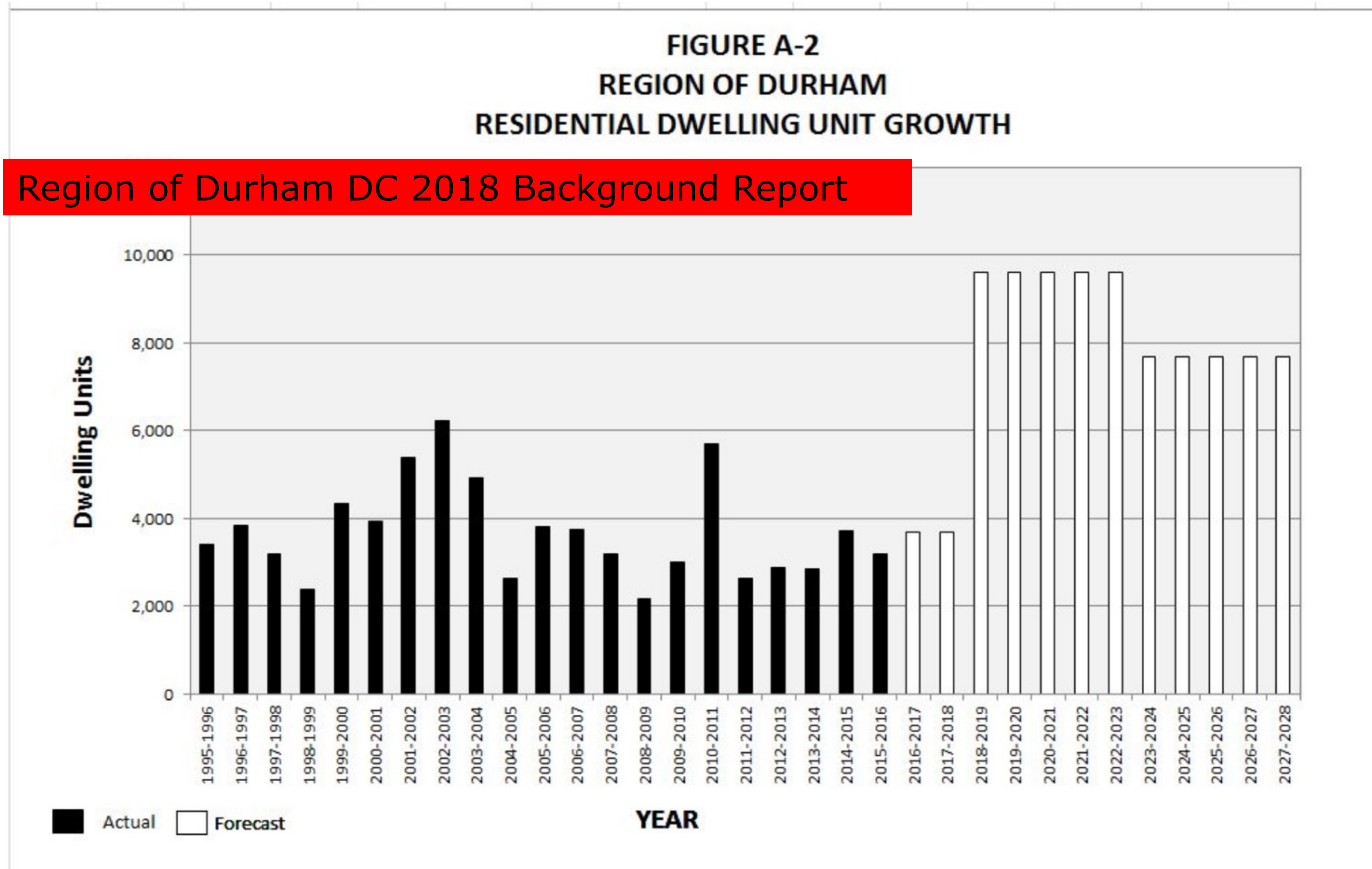



Growth Plan Forecasts for the Region of York
2011 to 2021 Time Period
100,000
90,000
80,000
70,000
60,000
50,000
40,000
30,000
20,000
10,000
-
94,000
60,000
85,420
47,180
70,700
-25%
30,500
-49%
2005 Forecast
2013 Forecast
2020 Forecast
Total New Units
Singles/Semis

Growth Plan Forecasts for the Region of Durham

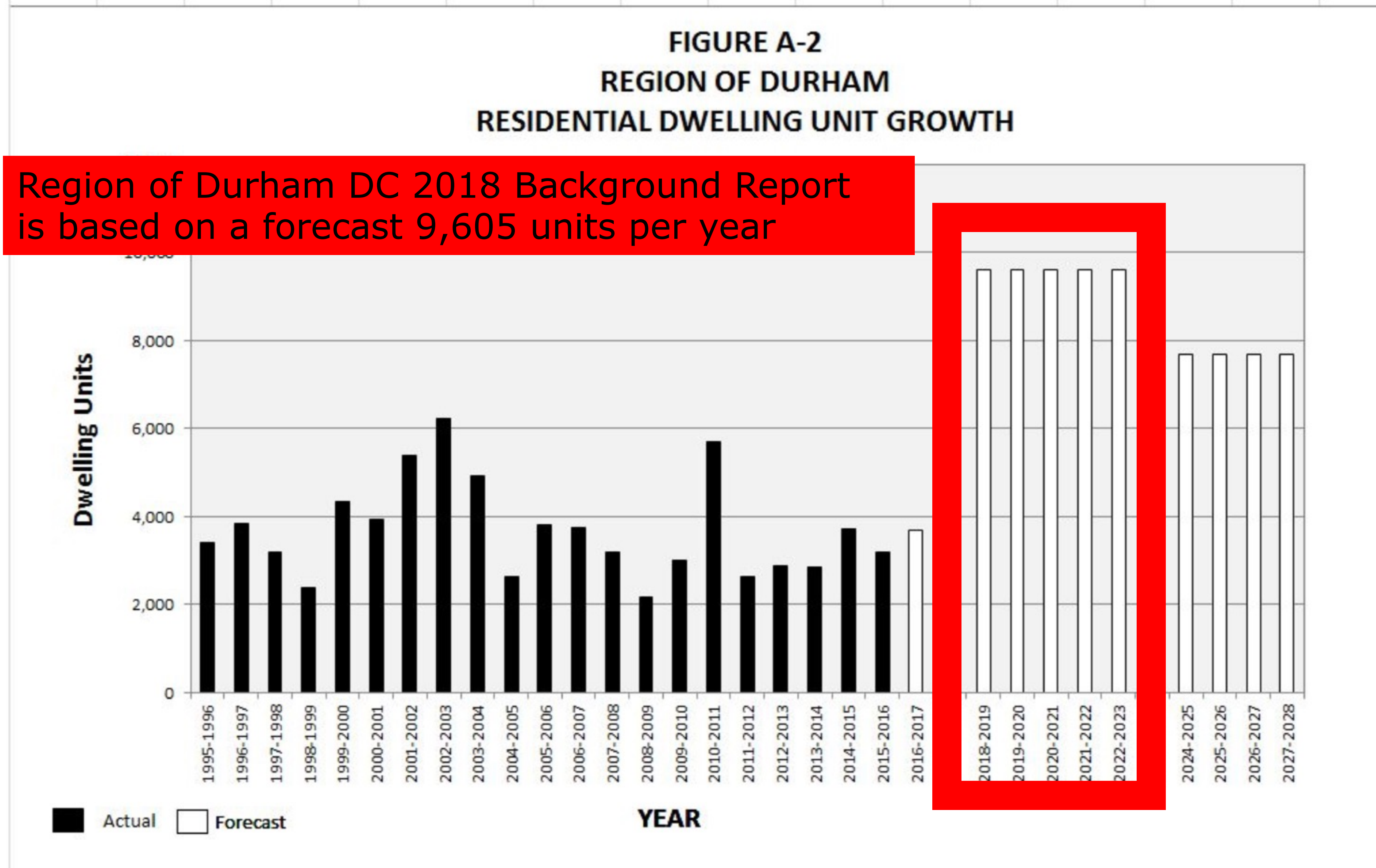
2011 to 2021 Time Period



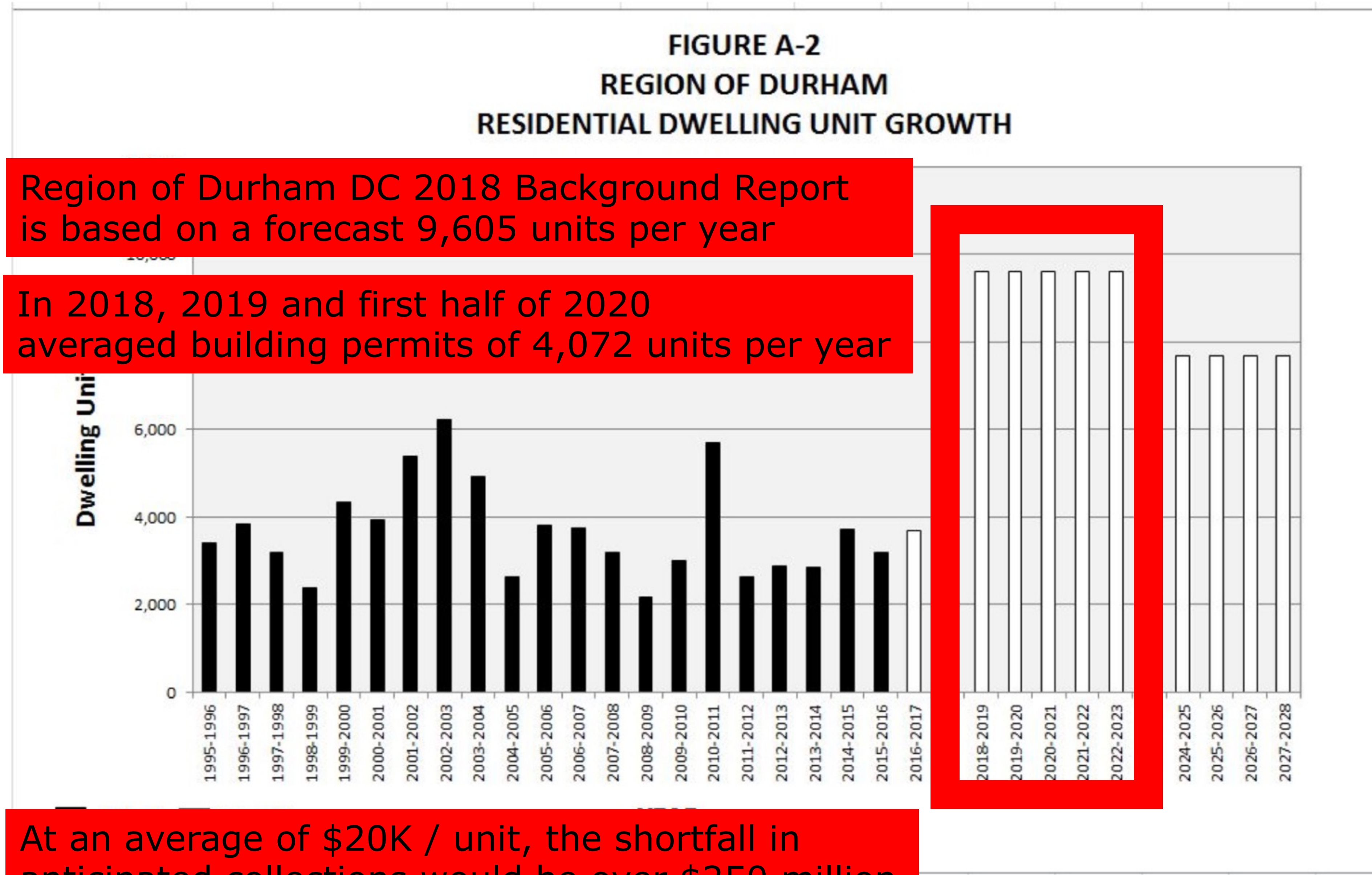


Note: “Actual” is based on dwelling unit growth in Table A-1.

Region of Durham DC 2018 Background Report is based on a forecast 9,605 units per year



Note: "Actual" is based on dwelling unit growth in Table A-1.



Region of Durham DC 2018 Background Report is based on a forecast 9,605 units per year

In 2018, 2019 and first half of 2020 averaged building permits of 4,072 units per year

At an average of $20K / unit, the shortfall in anticipated collections would be over $250 million

Competing Provincial Forecasts

Ministry of Finance Population Projections

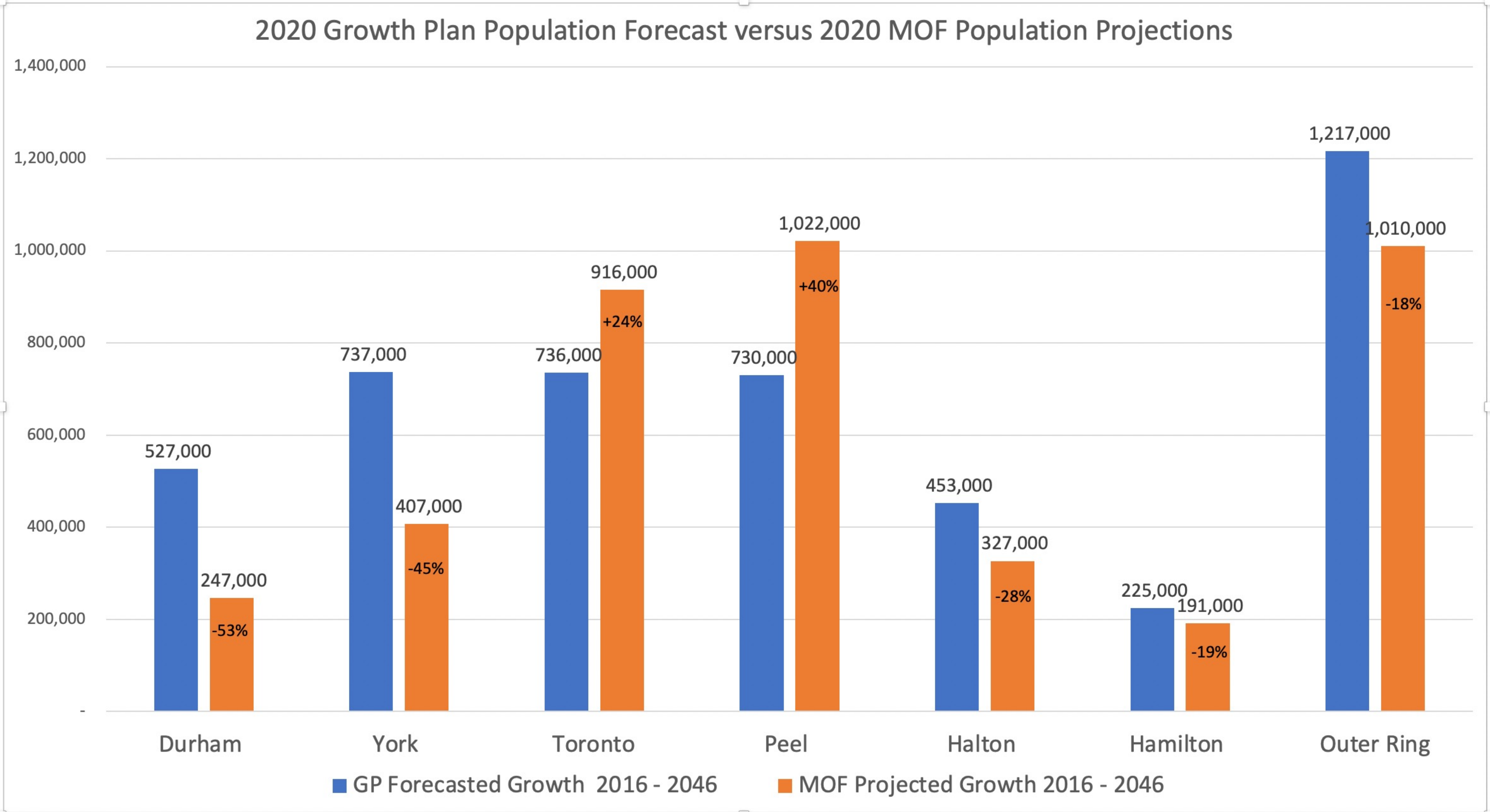
Annual trends-based extrapolations of the demographic, immigration and migration data available when prepared

Do not reflect policy-based assumptions or municipal preferences for distribution of growth

Growth Plan Population Forecasts

Same basic demographic, immigration and migration assumptions as MOF projections for GGH as a whole

Population is distributed amongst municipalities based on the policy objectives of the Growth Plan and municipal aspirations


2020 Growth Plan Population Forecast versus 2020 MOF Population Projections
1,400,000
1,200,000
1,000,000
800,000
600,000
400,000
200,000
-
527,000
247,000
-53%
737,000
407,000
-45%
736,000
916,000
+24%
730,000
1,022,000
+40%
453,000
327,000
-28%
225,000
191,000
-19%
1,217,000
1,010,000
-18%
Durham
York
Toronto
Peel
Halton
Hamilton
Outer Ring
GP Forecasted Growth 2016 - 2046
MOF Projected Growth 2016 - 2046

26

The difference between the GP forecast and the MOF projections represent policy-based adjustments

Province has limited ability to influence where growth occurs

Only major levers are restrictions on designated land and infrastructure investments

Neither of these levers are really options today

Conformity of Provincial Forecasts with the Growth Plan

Growth Plan Requirements

Policy 2.2.2.1 a):

... A minimum of 50 per cent of all residential development occurring annually within each of the Cities of Barrie, Brantford, Guelph, Hamilton, Orillia and Peterborough and the Regions of Durham, Halton, Niagara, Peel, Waterloo and York will be within the delineated built-up area; ...

Context

Opportunities for new single-detached units in the built-up area (other than tear down and replace) are already extremely limited in most municipalities

This means from 2021 onward, the vast majority of all new housing in the delineated built-up areas will be a form other than single-detached units

Greater Golden Horseshoe: Growth Forecasts to 2051

Population distribution within the forecast involves four steps, the first three of which include:

1) Determine the number of households
2) Determine the mix of housing types (singles / semis, rows, accessory units and apartments)
3) Distribute the housing to each municipality

Greater Golden Horseshoe: Growth Forecasts to 2051

"This housing forecast in turn informs the migration assumptions used to establish the population distribution"

GREATER GOLDEN HORSESHOE: GROWTH FORECASTS TO 2051

Single/Semi-Detached Units as a Percentage of Total Residential Construction 2021 to 2051

Municipality	Percent Single/Semi-Detached Units 2021 to 2051
INNER RING	
Durham	56%
Hamilton	52%
Peel	51%
Halton	50%
York	47%
OUTER RING	
Orillia	65%
Barrie	64%
Niagara	55%
Brantford	54%
Peterborough	52%
Waterloo	44%
Guelph	31%

GREATER GOLDEN HORSESHOE: GROWTH FORECASTS TO 2051

Single/Semi-Detached Units as a Percentage of Total Residential Construction 2021 to 2051

Municipality	Percent Single/Semi-Detached Units 2021 to 2051
INNER RING	
Durham	56%
Hamilton	52%
Peel	51%
Halton	50%
York	47%
OUTER RING	
Orillia	65%
Barrie	64%
Niagara	55%
Brantford	54%
Peterborough	52%
Waterloo	44%
Guelph	31%

Region of Durham averaged:

44% singles/semis since 2015

Region of Halton averaged:

34% singles/semis from 2014 to 2018

Region of Waterloo averaged:

28% singles/semis since 2013

36% singles/semis since 2006

"In some cases, the housing forecast may include more ground-related housing than would likely be required to meet A Place to Grow intensification and density policies."

This statement appears to provide confirmation that this is not just an accident

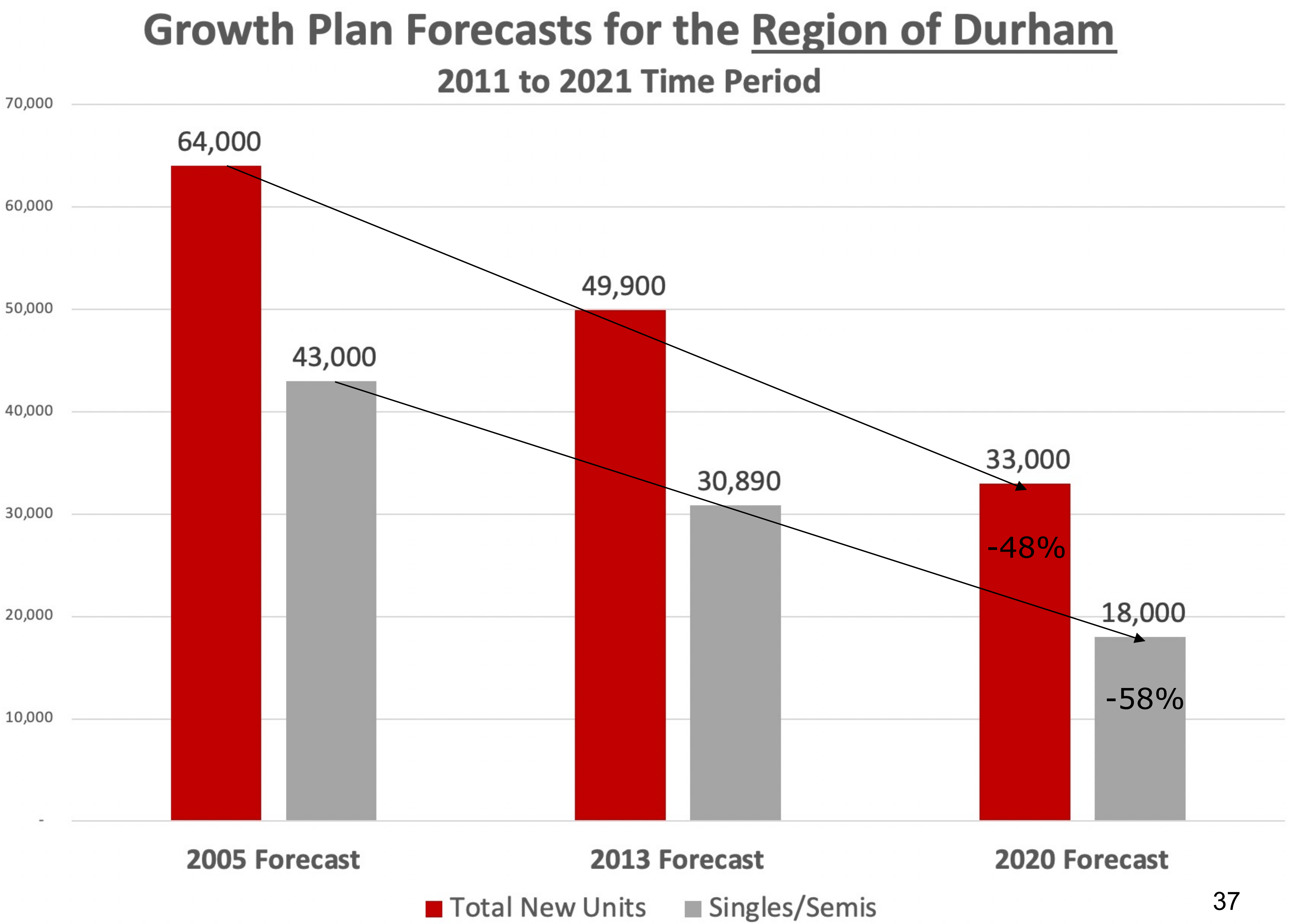
A conscious decision appears to have been made to include inputs into the forecast <u>that don't conform to the policies of the 2019 GP</u>

But Not to Worry ...

The report states:

“The housing forecast does not replicate / predict the housing mix that would be determined through each municipality's APTG conformity work. Planned housing mixes will continue to be decided by municipalities through their local planning processes.”

But the damage is already done ...



Growth Plan Forecasts for the Region of Durham
2011 to 2021 Time Period
70,000
60,000
50,000
40,000
30,000
20,000
10,000
-
64,000
43,000
49,900
30,890
33,000
18,000
-48%
-58%
2005 Forecast
2013 Forecast
2020 Forecast
Total New Units
Singles/Semis

Market-Based
versus
Target-Based LNAs

Region of Waterloo LNA OMB Hearing
Housing Forecasts 2006 to 2031

Residential Unit Type	Developer Group Market-Demand Housing Forecast
Single-/Semi Detached	60.9 %
Townhouse	17.9 %
Apartment	21.2 %
Total	100.0 %

Residential Unit Type	Developer Group Market-Demand Housing Forecast
Single-/Semi Detached	60.9 %
Townhouse	17.9 %
Apartment	21.2 %
Total	100.0 %

Residential Unit Type	Developer Group Adjusted Market-Demand Housing Forecast
Single-/Semi Detached	40.9 %
Townhouse	20.0 %
Apartment	39.1 %
Total	100.0 %

Residential Unit Type	Developer Group Market-Demand Housing Forecast
Single-/Semi Detached	60.9 %
Townhouse	17.9 %
Apartment	21.2 %
Total	100.0 %

Residential Unit Type	Developer Group Adjusted Market-Demand Housing Forecast
Single-/Semi Detached	40.9 %
Townhouse	20.0 %
Apartment	39.1 %
Total	100.0 %

Residential Unit Type	Region of Waterloo *Growth Plan* Target-Based Housing Forecast
Single-/Semi Detached	35.2 %
Townhouse	17.4 %
Apartment	47.4 %
Total	100.0 %

Residential Unit Type	Actual Construction June 16, 2006 to Dec 31, 2019
Single-/Semi- Detached	36.4 %
Townhouse	17.8 %
Apartment	45.9 %
Total	100.0 %

Residential Unit Type	Actual Construction June 16, 2006 to Dec 31, 2019	Developer Group Market-Demand Forecast
Single-/Semi- Detached	36.4 %	60.9 %
Townhouse	17.8 %	17.9 %
Apartment	45.9 %	21.2 %
Total	100.0 %	100.0 %

Residential Unit Type	Actual Construction June 16, 2006 to Dec 31, 2019	Developer Group Adjusted Market-Demand Forecast
Single-/Semi- Detached	36.4 %	40.9 %
Townhouse	17.8 %	20.0 %
Apartment	45.9 %	39.1 %
Total	100.0 %	100.0 %

Residential Unit Type	Actual Construction June 16, 2006 to Dec 31, 2019	Region of Waterloo *Growth Plan* Target-Based Forecast
Single-/Semi- Detached	36.4 %	35.2 %
Townhouse	17.8 %	17.4 %
Apartment	45.9 %	47.4 %
Total	100.0 %	100.0 %

Figure 8 – Year-End Inventory of Vacant Single-Detached Lots in Registered and Draft Approved Plans of Subdivision Compared to Average Single-Detached Unit Construction over the Previous Five Years (2010 to 2019)

Year	Annual Average of Single-Detached Units Built in Previous Five Years	Inventory of Vacant Registered Single-Detached Lots (Years)	Inventory of Draft Approved Single-Detached Lots (Years)	Combined Inventory of Vacant Registered and Draft Approved Single-Detached Lots (Years)
2010	1,498	2.11	4.29	6.40
2011	1,439	1.92	4.05	5.97
2012	1,345	2.38	4.88	7.26
2013	1,181	2.46	4.09	6.55
2014	1,093	2.66	4.93	7.59
2015	1,029	2.40	6.05	8.45
2016	1,101	1.33	6.44	7.77
2017	1,114	1.38	5.45	6.83
2018	1,127	1.43	5.81	7.24
2019	1,096	1.74	5.43	7.17
Average	1,202	1.98	5.14	7.12

Source: Region of Waterloo Annual Inventory of Dwelling Units in Plans of Subdivision and Annual Building Activity and Growth Monitoring Reports

Will Baby Boomers Continue to Age in Place?

Region of Waterloo Data

Region of Waterloo Data

Figure 9 – Single-Detached Units Occupied by the Pre-Boomer and Baby Boom Generations as They Enter Retirement Age (65 – 69, based on Household Maintainers)

Generation	Occupied Single-Detached Units as they Enter Retirement Age
Pre-Boomer Born 1926 – 1945 Enter Retirement 1991 – 2010	27,045 (in 1991)
Baby Boom Born 1946 – 1965 Enter Retirement 2011 – 2030	49,535 (in 2011)

Source: Statistics Canada Custom Census Data

Region of Waterloo Data

Figure 11 – Change in Occupancy of Single-Detached Units by Household Maintainers Aged 55 – 59 during the Subsequent 10 Year Period

	Pre-Boomers			Baby Boom
Household Maintainer Cohorts Entering Retirement	**Change in Units Occupied 1991 to 2001***	**Change in Units Occupied 1996 to 2006***	**Change in Units Occupied 2001 to 2011***	**Change in Units Occupied 2006 to 2016***
55 – 59 years old, aging to 65 – 69	-11.8 %	-11. 7 %	-11.0 %	-18.2 %

Source: Statistics Canada Custom Census Data (See Appendix G)

* The change in occupied single-detached units would include a limited number of units demolished, as well as single-detached units that changed unit classification during the ten year period.

Region of Waterloo Data

Figure 11 – Change in Occupancy of Single-Detached Units by Household Maintainers Aged 55 – 59 during the Subsequent 10 Year Period

	Pre-Boomers			Baby Boom
Household Maintainer Cohorts Entering Retirement	**Change in Units Occupied 1991 to 2001***	**Change in Units Occupied 1996 to 2006***	**Change in Units Occupied 2001 to 2011***	**Change in Units Occupied 2006 to 2016***
55 – 59 years old, aging to 65 – 69	-11.8 %	-11. 7 %	-11.0 %	-18.2 %

Source: Statistics Canada Custom Census Data (See Appendix G)

* The change in occupied single-detached units would include a limited number of units demolished, as well as single-detached units that changed unit classification during the ten year period.

Region of Waterloo Data

Figure 11 – Change in Occupancy of Single-Detached Units by Household Maintainers Aged 55 – 59 during the Subsequent 10 Year Period

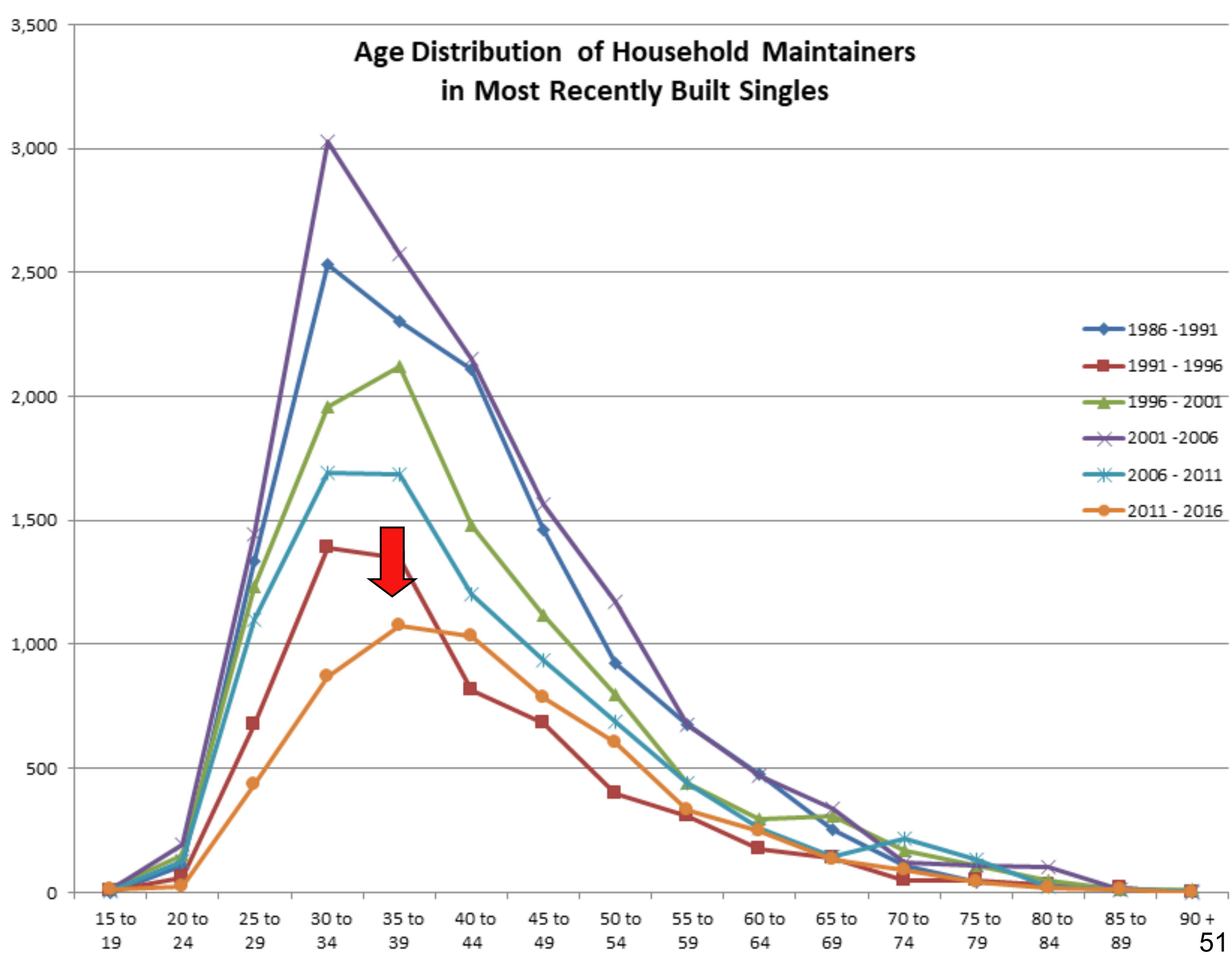
	Pre-Boomers			Baby Boom
Household Maintainer Cohorts Entering Retirement	**Change in Units Occupied 1991 to 2001***	**Change in Units Occupied 1996 to 2006***	**Change in Units Occupied 2001 to 2011***	**Change in Units Occupied 2006 to 2016***
55 – 59 years old, aging to 65 – 69	-11.8 %	-11. 7 %	-11.0 %	-18.2 %

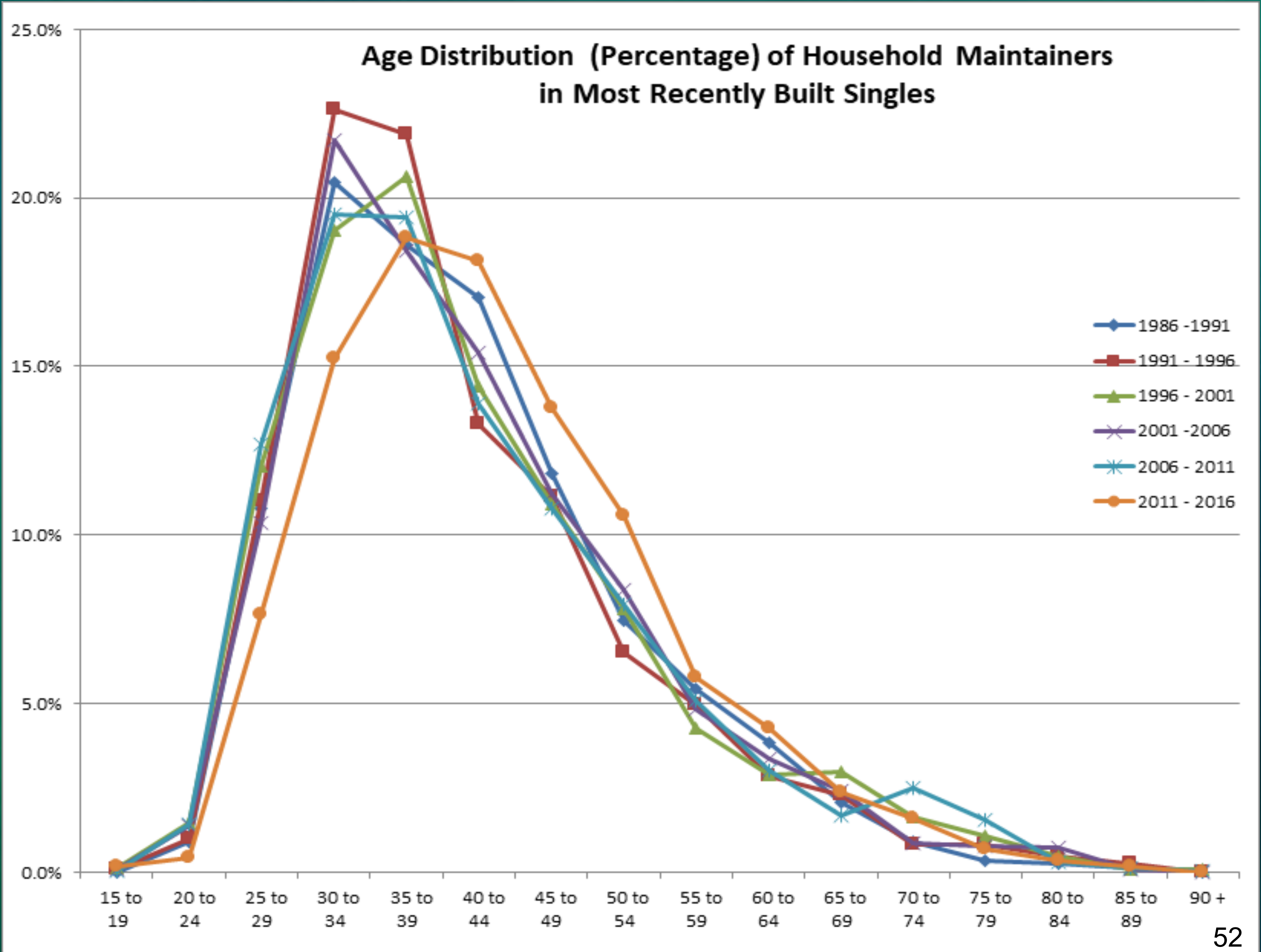
Source: Statistics Canada Custom Census Data (See Appendix G)

* The change in occupied single-detached units would include a limited number of units demolished, as well as single-detached units that changed unit classification during the ten year period.

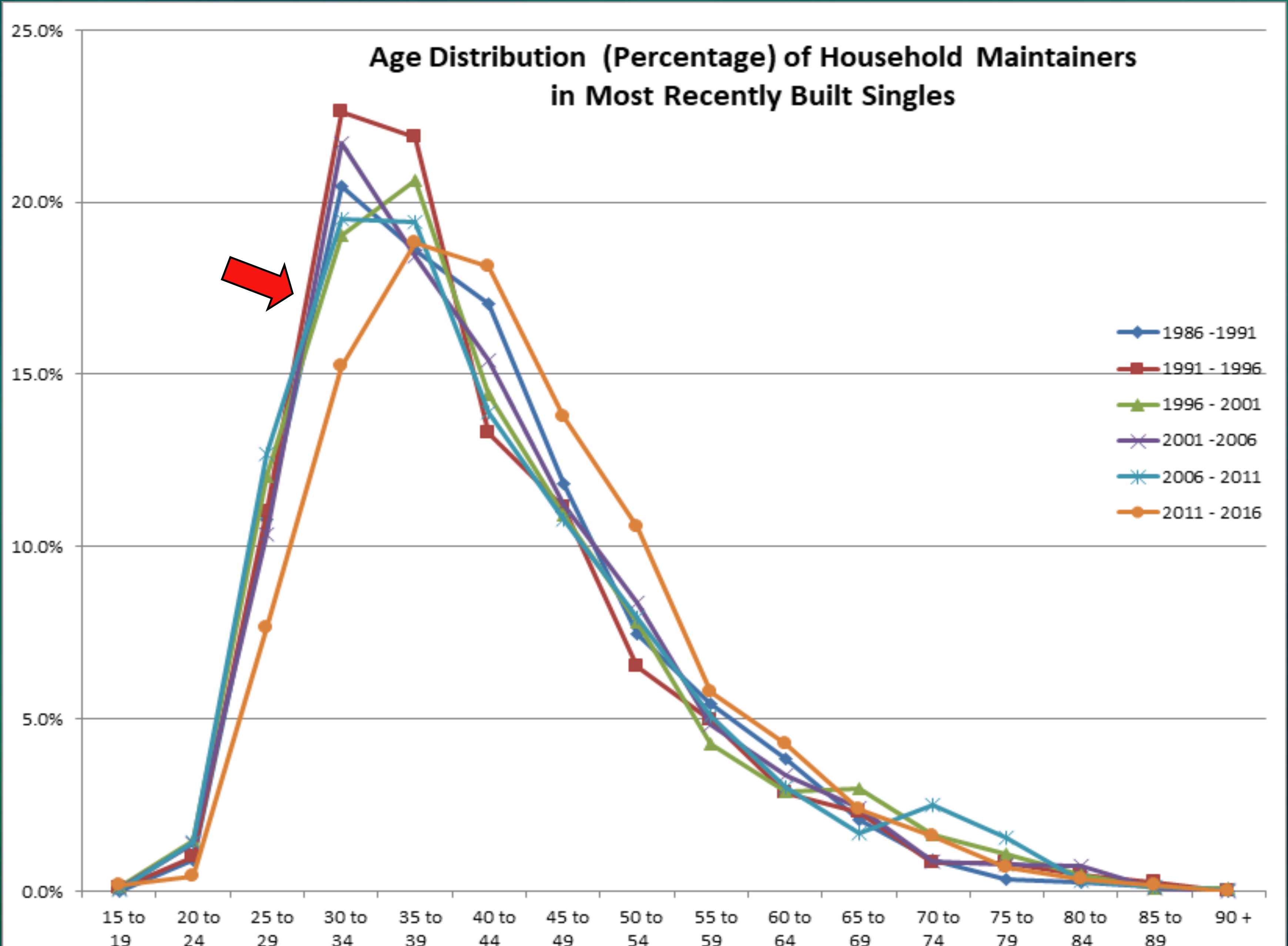
Will the Patterns of Home Ownership Change Among Younger Adults?

Region of Waterloo Data

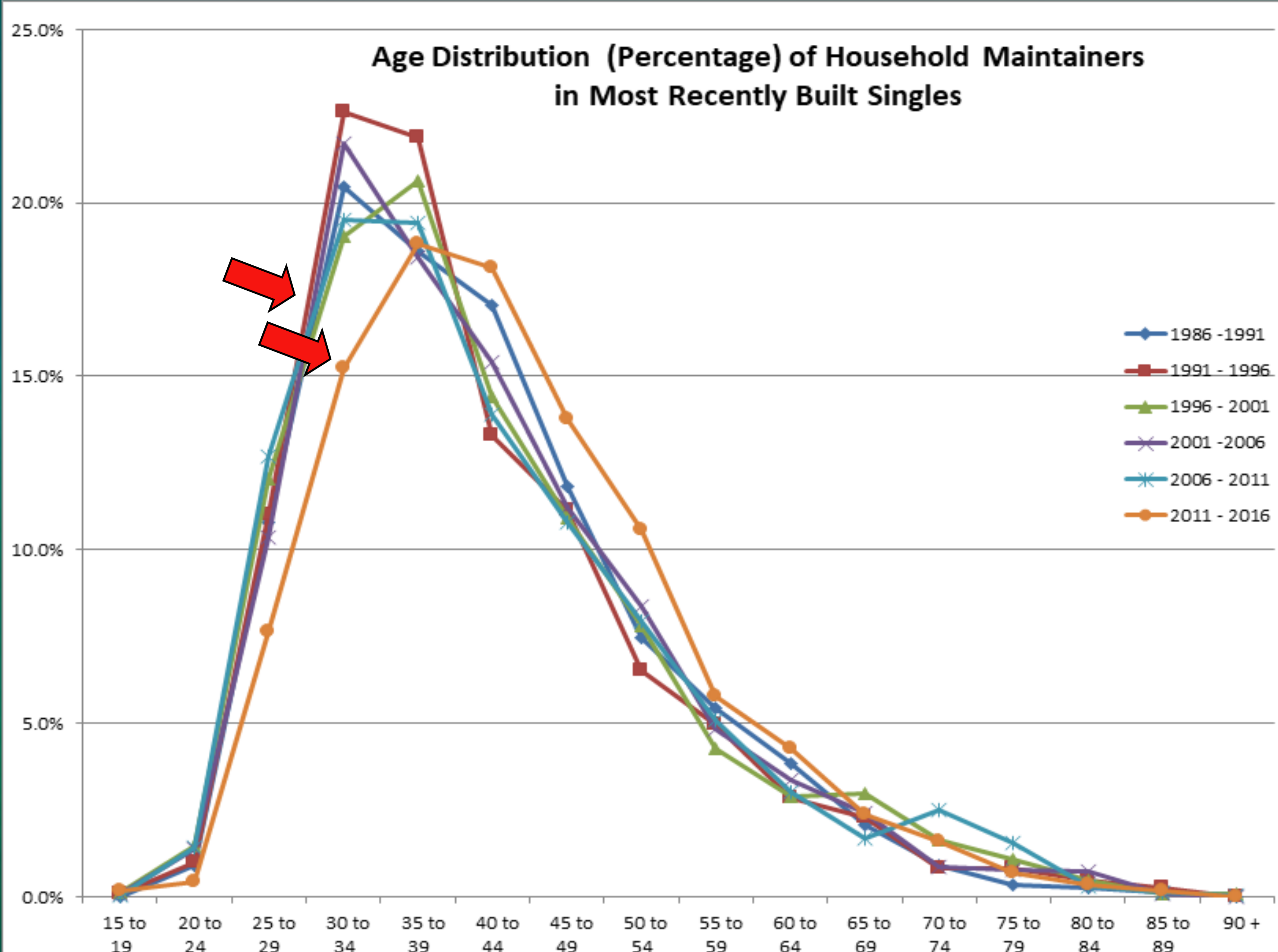

Age Distribution of Household Maintainers
in Most Recently Built Singles
3,500
3,000
2,500
2,000
1,500
1,000
500
0
1986 -1991
1991 - 1996
1996 - 2001
2001 -2006
2006 - 2011
2011 - 2016
15 to 19
20 to 24
25 to 29
30 to 34
35 to 39
40 to 44
45 to 49
50 to 54
55 to 59
60 to 64
65 to 69
70 to 74
75 to 79
80 to 84
85 to 89
90 +



Age Distribution (Percentage) of Household Maintainers
in Most Recently Built Singles
25.0%
20.0%
15.0%
10.0%
5.0%
0.0%
15 to 19
20 to 24
25 to 29
30 to 34
35 to 39
40 to 44
45 to 49
50 to 54
55 to 59
60 to 64
65 to 69
70 to 74
75 to 79
80 to 84
85 to 89
90 +
1986 -1991
1991 - 1996
1996 - 2001
2001 -2006
2006 - 2011
2011 - 2016



Age Distribution (Percentage) of Household Maintainers
in Most Recently Built Singles
25.0%
20.0%
15.0%
10.0%
5.0%
0.0%
15 to 19
20 to 24
25 to 29
30 to 34
35 to 39
40 to 44
45 to 49
50 to 54
55 to 59
60 to 64
65 to 69
70 to 74
75 to 79
80 to 84
85 to 89
90 +
1986 -1991
1991 - 1996
1996 - 2001
2001 -2006
2006 - 2011
2011 - 2016



Age Distribution (Percentage) of Household Maintainers
in Most Recently Built Singles
25.0%
20.0%
15.0%
10.0%
5.0%
0.0%
15 to 19
20 to 24
25 to 29
30 to 34
35 to 39
40 to 44
45 to 49
50 to 54
55 to 59
60 to 64
65 to 69
70 to 74
75 to 79
80 to 84
85 to 89
90 +
1986 -1991
1991 - 1996
1996 - 2001
2001 -2006
2006 - 2011
2011 - 2016

“The significant problems we face today cannot be solved at the same level of thinking we were at when we created them”

Albert Einstein