

For Information

REPORT TITLE: **Land Needs Assessment Report Update**

FROM: Kealy Dedman, Commissioner of Public Works

OBJECTIVE

To provide an update on the Land Needs Assessment Report and supporting technical studies undertaken as a part of the Peel 2041+ Official Plan Review.

REPORT HIGHLIGHTS

- The Land Needs Assessment analysis supports a balanced approach to accommodate growth that meets the policy objectives of the Growth Plan for the Greater Golden Horseshoe, 2020 and addresses market demand.
 - The analysis continues to demonstrate the need for settlement area boundary expansion to support a mix of housing options and employment types.
 - Additional scenarios are being considered through a fiscal impact analysis to assess the cost of servicing growth.
 - Findings from the 2051 addendums for the Intensification Analysis and Employment Strategy Discussion Paper highlight additional considerations for planning to 2051 but are consistent with previous analysis.
 - Forty-one (41) employment conversion requests have been received, to date totaling approximately 380 hectares of land.
 - The draft Land Needs Assessment results and supporting technical studies will be updated over the summer based on continued stakeholder input on the supporting documents and analysis.
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DISCUSSION

1. Background

The Growth Plan for the Greater Golden Horseshoe requires upper- and single-tier municipalities to undertake a Land Needs Assessment (LNA) using a standard methodology to determine the amount of community and employment area land required to accommodate forecasted growth to the planning horizon (2051).

Schedule 3 of the Growth Plan, 2020 provides population and employment forecasts for upper- and single- tier municipalities. The forecasts are the basis of the Growth Plan and for municipal growth management and planning. They are intended to ensure that sufficient land is available to support growth across the Greater Golden Horseshoe.

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In August of 2020, the province released a revised LNA methodology and updated the Growth Plan for the Greater Golden Horseshoe. The update captured the following.

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- A new simplified LNA Methodology
- New consideration for Market Demand
- Growth Forecasts are minimums.

Growth Plan for the Greater Golden Horseshoe, 2020

- 2051 Planning Horizon
- New population and employment forecasts

Municipalities are required to utilize the standard methodology to determine land needs to accommodate forecasted growth to 2051 as a part of their Municipal Comprehensive Review.

On February 18, 2021, staff delivered a presentation titled “Growth Management” to the Planning and Growth Management Committee that provided preliminary findings on the draft growth allocation to 2051. The report presented the preliminary allocation of population and employment growth to the local municipalities based on the 2051 planning horizon and advised that staff would be updating technical studies regarding intensification and employment to inform their analysis.

On April 29, 2021, staff delivered a presentation titled “Land Needs Assessment and Intensification Analysis Overview” to the Planning and Growth Management Committee. The presentation provided an overview of the key data inputs that are being considered to support the requirements of the Land Needs Assessment methodology to determine the amount of land required to accommodate the forecasted growth.

This staff report provides an update on the results of the draft technical studies and the land needs assessment.

2. Provincial Forecasts

Schedule 3 of the Growth Plan, 2020 allocates population and employment growth to upper- and single- tier municipalities and requires them to demonstrate how the forecasted growth will be accommodated to the horizon of the plan. This work includes allocating growth to lower- tier municipalities, while addressing the policy objectives of the Growth Plan.

The Region of Peel is forecasted to accommodate an additional 700,000 people and 334,000 jobs between 2021 and 2051. Based on the provincial forecasts, the Region of Peel will accommodate a sizable portion of the growth in the Greater Toronto and Hamilton Area in the coming decades.

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Growth Plan – Population and Employment Allocation to Greater Toronto and Hamilton Area						
Municipalities						
	Population			Employment		
	2021	2051	2021-2051	2021	2051	2021-2051
Toronto	3,034,000	3,651,000	617,000	1,697,000	1,979,000	282,000
Peel	1,578,000	2,280,000	700,000	736,000	1,070,000	334,000
York	1,211,000	2,021,000	810,000	580,000	994,000	414,000
Durham	722,000	1,296,000	574,000	239,000	464,000	225,000
Halton	618,000	1,103,000	485,000	278,000	498,000	220,000
Hamilton	584,000	823,000	239,000	238,000	357,000	119,000
GTAH Total	7,747,000	11,172,000	3,425,000	3,765,000	5,360,000	1,595,000
GGH Total	10,246,000	14,827,000	4,581,000	4,794,000	7,008,000	2,214,000

Source: Greater Golden Horseshoe Forecast to 2051 Prepared by Hemson Consulting Ltd

As a part of the conformity exercise with the Growth Plan, upper- and single- tier municipalities must demonstrate how they will accommodate the forecasted growth, this includes allocating population and employment to the lower-tier municipalities and confirming that sufficient land is available.

3. Land Needs Assessment

The LNA methodology is a stepped process that guides municipalities through a process to determine the amount of land required to accommodate forecasted growth to the 2051 planning horizon. Municipalities are required to examine the demand for housing and employment that typically occurs within their boundaries against the existing supply of land within settlement areas, while addressing the policy objectives of the Growth Plan and local conditions. This includes a consideration for compact built forms, intensification/density targets, providing a mix and range of housing options, and supporting economic development and competitiveness.

The 2020 update to the LNA introduced new considerations for housing market demand. This includes providing a market-based supply of land and considering all housing market segments while conforming to the objectives of the Growth Plan.

The analysis of supply and demand focuses on two policy areas, 'Community Areas' which include lands for residential, retail/commercial, and major office uses. The other policy area is 'Employment Areas' which are lands that primarily accommodate manufacturing, warehousing and logistic uses.

The outcome of the LNA is to ensure that sufficient land is available within municipalities to accommodate all market segments to the horizon of the plan, while avoiding shortages that would increase the costs of housing and employment.

a) Community Area

The Region is forecasted to accommodate 700,000 additional people by 2051. It is anticipated that 271,000 new residential units across the Region will be needed to accommodate the forecasted population growth. The types of residential units addressed in the LNA are accommodated across three general categories. Within each

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general category, a range of structure types can be used to support the forecast. The table below highlights the structure types in each category:

General Residential Unit Categories by Structure Type			
	Residential Unit Categories		
Structure Type	Single- and Semi-Detached	Row	Apartments
Single- Detached	X		
Semi- Detached	X		
Townhouse		X	
Back-to-Back Townhouse		X	
Stacked Townhouse		*	*
Apartment or flat in Duplex	*		*
Apartment Building, more than 5 storeys			X
Apartment Building, fewer than 5 storeys			X
Accessory Units (laneway housing, granny flats, garden suites)	X		

Notes: X- Census and CMHC specific definitions, * - Peel adjusted definition

The LNA supports an intensification first approach to planning where most of the growth will be within the existing settlement areas in Peel, while considering market demand to ensure a range of housing options are provided. An intensification first approach is critical for addressing a number of Regional and Provincial policy initiatives such as responding to climate change, efficient use of infrastructure, supporting complete communities, healthy development, affordable housing, age friendly planning, sustainable transportation and fiscal sustainability.

Staff have examined the market demand housing needs to accommodate future growth. The analysis of market demand indicates a preference in Peel for single- and semi-detached housing over apartment units based on historical demographic and market preference data.

Using a market-based approach with no further considerations, would result in most of the new units required to achieve forecasted growth to 2051 occurring in ground-oriented units such as single- and semi- detached units in designated greenfield areas. Given the existing settlement area boundaries within Peel, there is not sufficient land remaining in designated greenfield areas to accommodate the market demand for single- and semi- detached units. Further, the market demand approach would not respond to the policy objectives in the Growth Plan to support minimum rates of intensification, leverage transit investment, climate change and the emerging urban structures of the local municipalities. Specifically, planning work being undertaken in the designated greenfield areas of Brampton (Heritage Heights), Caledon (Bolton) and Mississauga (Ninth Line) support transit-oriented development and more compact built forms.

As a result of the limitation of the market-based approach, staff have prepared an adjusted housing needs to accommodate future growth in the Region that takes into consideration the policy goals of the Growth Plan, existing and planned transit, local

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official plan policies, regional goals that support climate change and market demand. This assessment results in a more balanced approach to accommodate future growth that reflects the urban structure of the Region. For comparison purposes, staff have also included a breakdown of the unit mix for a 'No Settlement Boundary Expansion' scenario. This approach would yield a higher intensification rate, but the proportion of ground-oriented units may not be sufficient to respond to the market demand. In addition, the local municipalities within the urbanized communities of Peel would have to reconsider their planning policy structure to accommodate development at a higher intensity.

2021-2051 New Housing Units by Type – Market vs Balanced Approach Comparison					
	Single/Semi	Row	Apartment	Total Units	Intensification Rate
2021-2051 Market Based Approach	129,200	56,800	85,100	271,100	37%
2021-2051 Balanced Approach	75,800	62,800	132,500	271,100	55%
2021-2051 No Settlement Area Boundary Expansion	46,700	45,100	179,400	271,100	75%

To support the intensification first approach to growth, the Region undertook an Intensification Analysis in 2020 to determine how well it is positioned to accommodate growth and support intensification. The initial analysis was completed based on planning work to 2041 and concluded there were sufficient opportunities for intensification in existing and emerging strategic growth areas to accommodate the higher density market segment beyond the planning horizon. An addendum to the Intensification Analysis was recently completed to consider the 2051 planning horizon (See Appendix I). The addendum supports conclusions similar to those of the initial study but notes that an increase in ground-oriented units may affect the timing of intensification opportunities. This risk will have to be managed through growth management practices such as monitoring development activity to ensure development is coordinated in a manner that supports the Region's intensification rate and policy objectives.

The analysis of the Community Area land needs in the Region continues to support a demonstrated need for additional lands through settlement area boundary expansion to accommodate a range and mix of housing types. A land need of approximately 3,000 net developable hectares for community area land is identified, based on the implementation of an intensification and density target of 55 percent and 65 residents and jobs per hectare, which are above the provincial minimums but reflect conditions and opportunities in Peel.

Accessory Units

Accessory units have been identified as an area of interest in our planning work. These units are commonly accommodated through second units in basement apartments, but can take the form of granny suites, laneway housing, and garden suites. Within the land needs assessment and growth forecast work, data derived from Statistics Canada is used to determine the proportion of single detached units that contain second units. Refinements are made as requested by the local municipalities to capture information from second unit registries.

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In early June 2021, the Canadian Mortgage and Housing Corporation (CMHC) released a report titled “Housing Market Insight – Secondary Units in Ontario”. The report uses Municipal Property Assessment Corporation (MPAC) data to estimate the proportion of second units in 28 Ontario municipalities. Based on CMHC reporting, Brampton and Mississauga have a high proportion of second units with concentrations in Malton, Bram West, and downtown Mississauga and Brampton. The CMHC study represents a new data set available for consideration to augment existing Statistics Canada and local data sources.

Further, changes to the Planning Act in *Bill 108 – More Homes, More Choice Act 2019* requires municipalities to permit, an additional residential unit (ARU) or third unit in official plan and zoning by-law policies. Brampton and Mississauga will be examining the implementation of these policies in their respective official plan reviews.

Accessory units represent an opportunity to provide affordable rental housing units within existing communities and new greenfield communities. As new data becomes available it will assist staff in understanding this market segment including the proportion of new units created compared to existing units already occupied that become registered. Given the latest data release from CMHC and the work to be undertaken by the local municipalities. Staff will review the accessory unit assumptions in the land needs assessment to consider if adjustments are required.

Fiscal Impact Analysis

To further support the decision-making process in determining how growth will be accommodated in the Region over the next 30 years staff is undertaking fiscal impact analysis on 5 scenarios to evaluate the cost associated with servicing growth. The fiscal impact of the following scenarios is being assessed:

Fiscal Impact Analysis			
	Minimum Intensification Rate	Minimum Designated Greenfield Area Density	Land Need
High DGA Density	55%	75 r/j per ha	2,500 Res + 1,400 Emp
Lower DGA Density	55%	55 r/j per ha	3,200 Res + 1,400 Emp
Minimum Intensification	50%	65 r/j per ha	4,200 Res + 1,400 Emp
LNA Base Scenario + Additional Employment	55%	65 r/j per ha + Additional Employment	3,000 Res + 1,600 Emp
LNA Base Scenario	55%	65 r/j per ha	3,000 Res + 1,400 Emp

"DGA" means "Designated Greenfield Area"

"LNA" means "Land Needs Assessment"

"r/j per ha" means "residents and jobs per hectare"

The final land needs assessment will be informed by the findings of the fiscal impact analysis, which will be brought forward in the Fall of 2021.

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b) Employment Area

The Region is forecasted to accommodate 1,070,000 jobs by 2051. To achieve this growth an additional 334,000 jobs are required between 2021 and 2051. For the purposes of the land needs assessment, jobs are categorized as follows:

- 'population related employment' supports the service needs of residents;
- 'major office employment' found in office parks and strategic growth areas supported by transit and urban amenities;
- 'employment land employment' - warehousing/manufacturing jobs supported by goods movement corridors, and freight and airport infrastructure; and
- 'Rural Employment' jobs in rural areas outside of settlement areas related to natural resources, agriculture, tourism, and recreation.

Employment growth is expected to be evenly distributed across the three primary categories, with an increase in the proportion of Major Office and Population Related Employment compared to the last 20 years to account for the changing nature of employment and more urban forms of employment occurring in mixed use buildings that are supported by urban amenities.

2021-2051 Employment Growth by Type						
	Major Office	Population Related	Employment Land	Home Based	Other Rural Based	Total
2021	137,170	184,560	366,620	41,420	5,460	735,460
2051	247,210	297,250	458,860	61,420	5,660	1,070,540
Share of Growth by Category						
2021-51	33%	34%	28%	6%	0%	100%
Employment Growth by Category						
2021-51	110,040	112,690	92,240	20,000	200	335,080

Note: Home based employment are jobs located in the same building as the primary residence

To support the analysis of the existing market demand for employment and the supply of employment land within existing settlement areas, the Region has prepared several supporting studies and documents to guide this work, which are outlined below:

Vacant and Underutilized Employment Land Supply

An assessment of the current supply of land within existing settlement areas was undertaken to assist in determining the amount of employment land employment jobs that can be accommodated in existing areas. Staff estimate that there is 1,981ha of vacant and underutilized lands designated for employment uses within the Region's employment areas (see Appendix II). It should be noted that approximately 480 hectares of land in the vacant inventory is currently within active development applications.

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The composition of vacant sites includes a range sizes to support market choice with some having strategic access to goods movement corridors and 400 series highways to support industries. It should be noted that while some sites are identified as under-utilized, the potential for re-development may not be realized within the 2051 planning horizon.

Employment Strategy Discussion Paper – 2051 Addendum

In response to the need to support opportunities to better position the Region to meet its employment forecasts, an Employment Strategy Discussion Paper was undertaken in 2017 and updated in 2018 to provide a series of recommendations that would support the Region in achieving the 2041 employment forecast. With the release of the 2051 growth forecasts and the current Covid-19 pandemic, staff worked with Cushman and Wakefield to prepare an addendum to the employment strategy discussion paper to review and update the previous study. The 2051 addendum (see Appendix III) concludes that:

- Lands in proximity to in-place major highway infrastructure (Highway 427 and Highway 410) will take on greater importance with respect to planning for Employment Land Employment opportunities in south Caledon in the absence of Highway 413, and established employment areas require protection from future conversion.
- The structural impacts of work from home will be offset by factors such as economic growth, population growth, and office use penetration, which means demand for office will continue to grow over the next decade. But there is still uncertainty in the office market which is a risk to the Region meeting its forecast for office jobs.
- The outlook for continued employment growth for industrial-type space appears robust. The industrial sector has performed very well during the COVID-19 pandemic. Peel's industrial areas have the key site selection attributes that occupiers desire, such as highway/transport infrastructure, labour availability, and an established business climate.

The analysis of employment provided in the technical analysis and supporting studies continues to support the need for additional employment land employment. The latest analysis demonstrates a need for approximately 1,400 hectares or more of land to accommodate employment land employment. The additional lands will support Peel's position as a desirable location for the industrial sector given its key site selection attributes.

Employment Conversions

The Growth Plan 2020 permits upper-tier municipalities to consider the conversion of lands for employment uses to non-employment uses such as residential through a municipal comprehensive review. Previously, this work was undertaken by the lower- tier municipalities. To address the change in role, the Region is working collaboratively with local municipal staff to inform the review. Requests for conversion must address provincial, regional, and local policy requirements. As a part of the Land Needs

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Assessment, the amount of land being considered for employment conversion must be accounted for in the methodology.

Staff have received 41 requests for conversion to-date that would require the conversion of 380 hectares of employment lands. The requests received have undergone an evaluation by staff, taking into consideration the employment conversion policies within the Growth Plan, 2020, regional and local policy consideration, findings from the Employment Strategy Discussion Paper and the consideration of strategic opportunities to align growth with transit investment.

Based on staff's review, 270 hectares of land are being recommended for conversion, to date. Most of the requests are supported by planning work undertaken by the local municipalities to support the implementation of strategic visions such as Dundas Connects in Mississauga. The detailed evaluation of employment conversion can be reviewed in Appendix IV.

As a result of the on-going employment conversions analysis and review of vacant and under-utilized employment lands. More employment area land may be needed. Staff will continue to review and refine these results based on consultation with stakeholders and the public input over the summer, for input into the final LNA.

CONCLUSION

The Land Needs Assessment analysis undertaken by staff and the supporting technical studies continue to support the need for additional land in Peel to ensure a range and mix of housing choice and employment types are available to support growth in Peel.

Over the summer, staff will be sharing the results of the draft technical analysis and supporting studies with stakeholders and updating the land needs assessment based on the best information available. The full LNA report will be brought back to this committee in the Fall of 2021.

APPENDICES

Appendix I – Intensification Analysis: 2051 Addendum

Appendix II – Region of Peel Vacant and Underutilized Employment Land Inventory

Appendix III - Employment Strategy Discussion Paper: 2051 Addendum

Appendix IV – Region of Peel Preliminary Employment Conversion Analysis

For further information regarding this report, please contact Adrian Smith, Chief Planner and Director, Regional Planning & Growth Management Ext. 4047, adrian.smith@peelregion.ca

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