Peel's Growth Management Program, Development Charge Performance, and Census Results

2021 Overview and Progress

June 23, 2022

Michael Skelly, Growth Management Strategist
Planning & Development Services

Growth Management Program @ a Glance

Outcome: To achieve a financially sustainable complete community where the location and servicing of growth is optimized

Four Implementation Strategies:

Plan and Manage the Location and Servicing of Growth

Working with our internal partners to ensure master plans along with the sequencing and timing of infrastructure is delivered to support Council's principles of Growth Management

Leveraging Business Intelligence

Integrates land use planning, infrastructure, and financial data to help support decision making on the prioritization of infrastructure investments

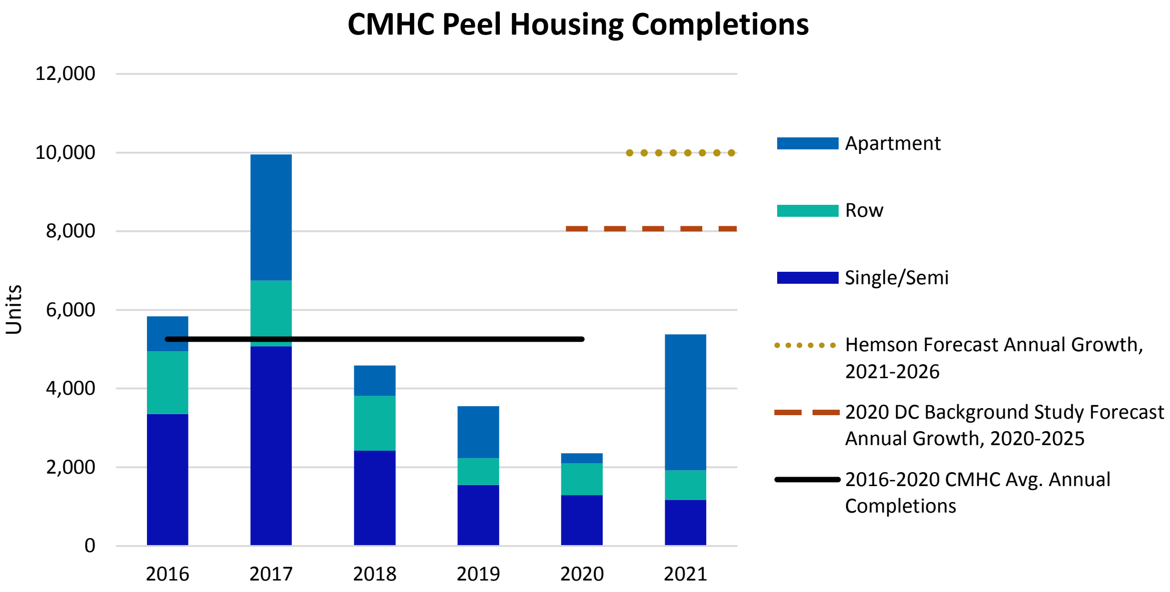
Manage Revenues and Expenditures

Delivery of the Region's DC By-law and associated financial tools to ensure growth pays for growth and we minimize our financial risk

Internal and External Collaboration

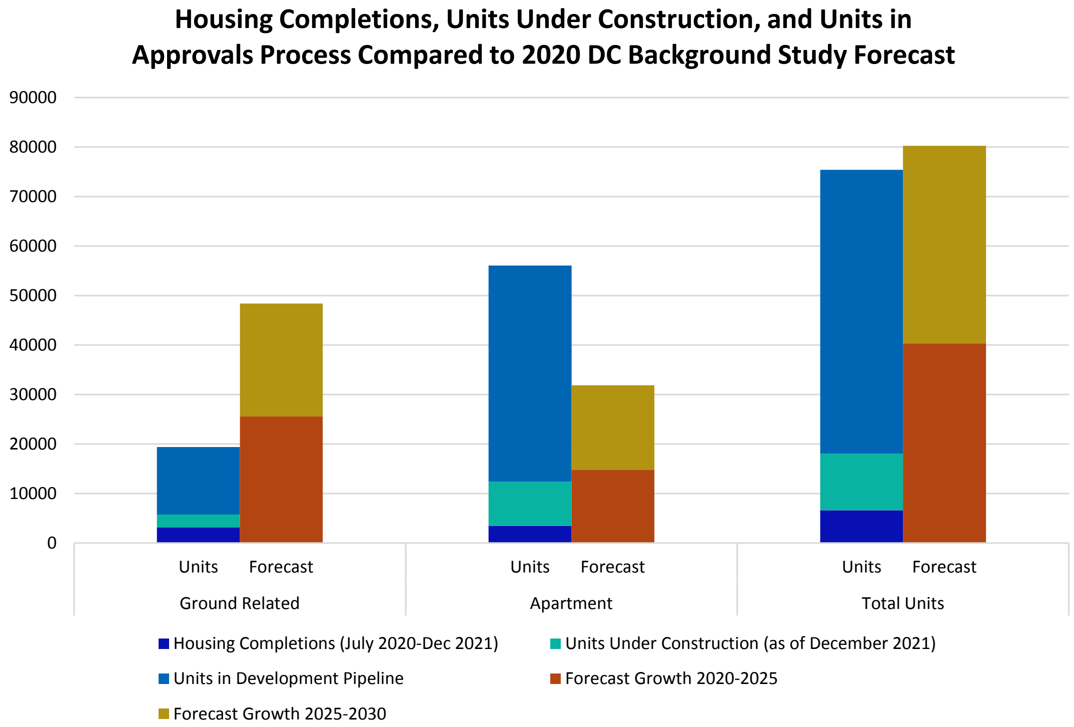
Proactive dialogue and decision making with key internal and external stakeholders including the development industry

Housing completions increased in 2021, slightly above recent historic average



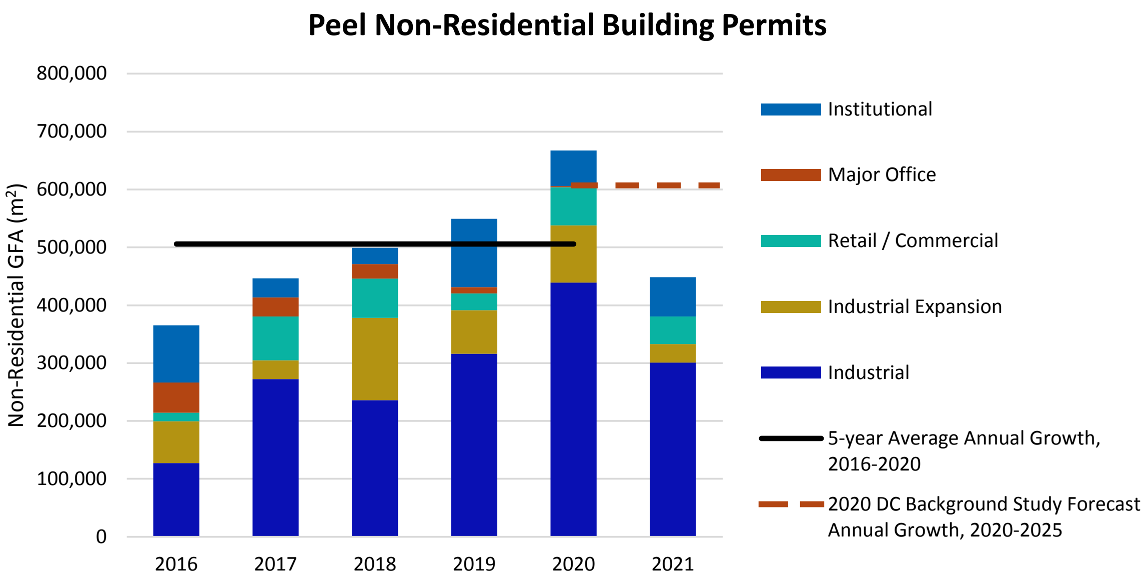
- Housing completions in 2021 were the highest level in recent years (5,375 units)
- In 2021, apartments formed a larger share of completed units than in past years
- CMHC does not track second units. From a finance perspective, second units do not provide DC revenue
- Unit completions in 2021 are short of the DC forecast and the Hemson forecast

Peel is positioned to achieve the short-term residential housing forecast, but ground-related housing may be at risk of underperforming



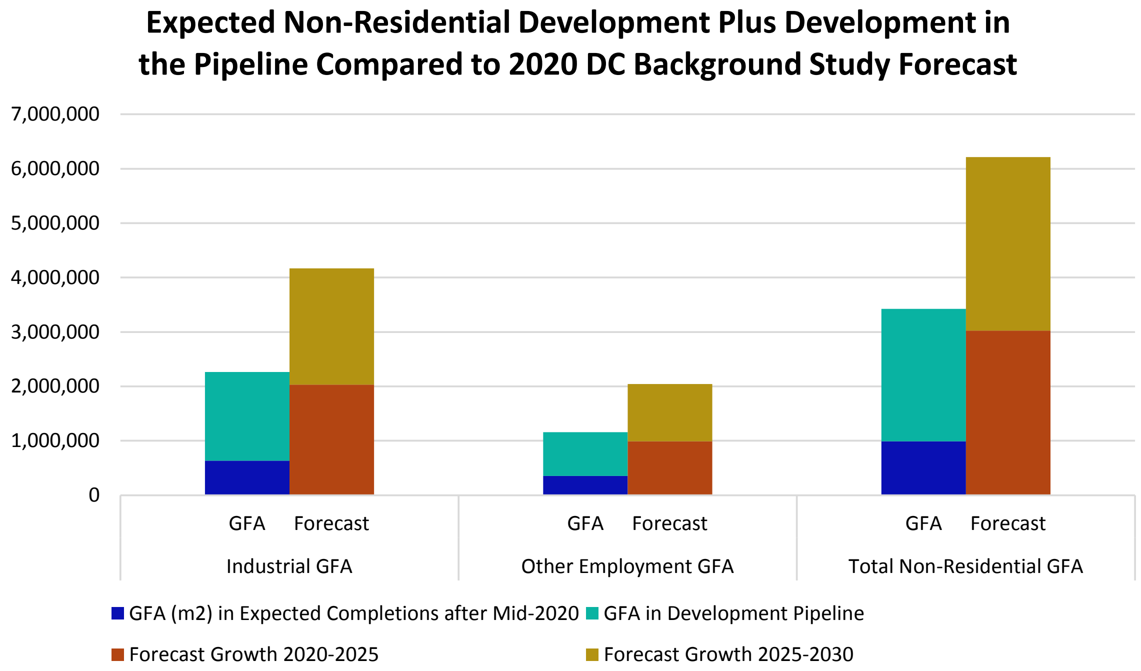
- 57,360 residential units in the development pipeline in various stages in the approvals process with approximately 76% of those units being apartments
- Ground-related housing (singles, semis and rows) may be at risk of underperforming; however, there is still time for additional ground-related development proposals to be brought forward within the next few years

2021 Non-residential permits dipped below historic average and are below forecast level



- Industrial sector has been a strong performer
- 2021 non-residential GFA below recent historic average
- Non-industrial (office, retail/commercial and institutional) below forecast levels
- 2021 and historic average below DC forecast

Applications in the development pipeline provide the potential to meet short term forecast non-residential growth



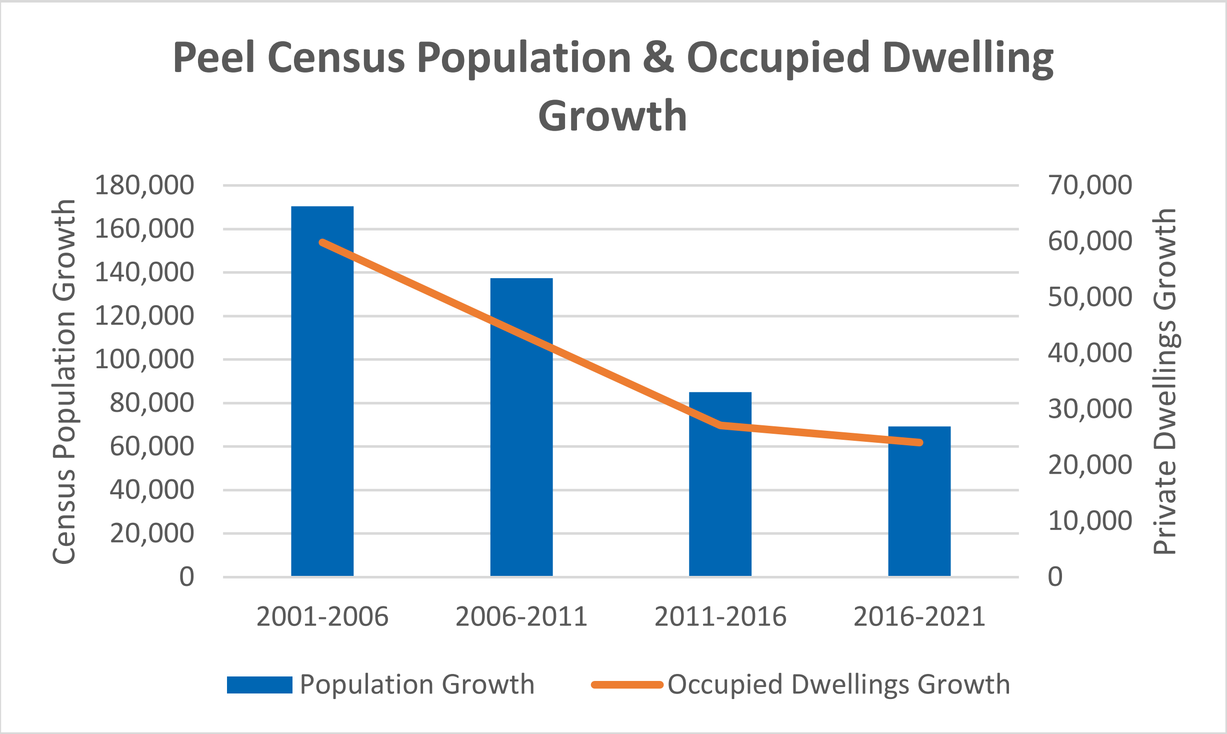
- As of year-end 2021, there were just over 2.4 million square metres of non-residential GFA in the development pipeline
- While industrial development continues to be the top non-residential performer in the Region, there is the potential through current and future development applications to achieve the forecast non-residential space

Census Population and Occupied Total Dwelling Units

Census Population				
Municipality	**2016**	**2021**	**Growth**	**Percent Change**
Brampton	593,638	656,480	62,842	10.6%
Caledon	66,502	76,581	10,079	15.2%
Mississauga	721,599	717,961	-3,638	-0.5%
Peel Region	**1,381,739**	**1,451,022**	**69,283**	**5.0%**

Private Dwellings Occupied by Usual Residents				
Municipality	**2016**	**2021**	**Growth**	**Percent Change**
Brampton	168,011	182,472	14,461	8.6%
Caledon	21,256	23,699	2,443	11.5%
Mississauga	240,913	244,575	3,662	1.5%
Peel Region	**430,180**	**450,746**	**20,566**	**4.8%**

Historic Population and Housing Growth

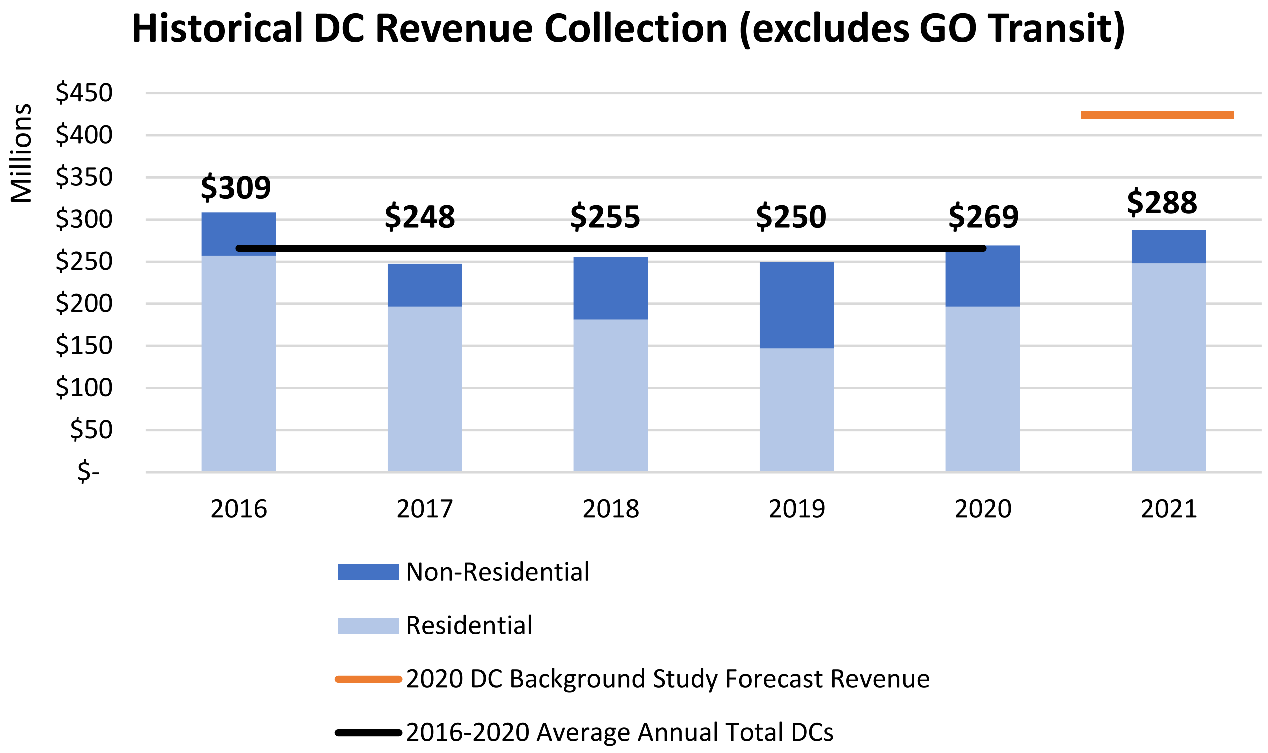


Comparison with Hemson Forecasts

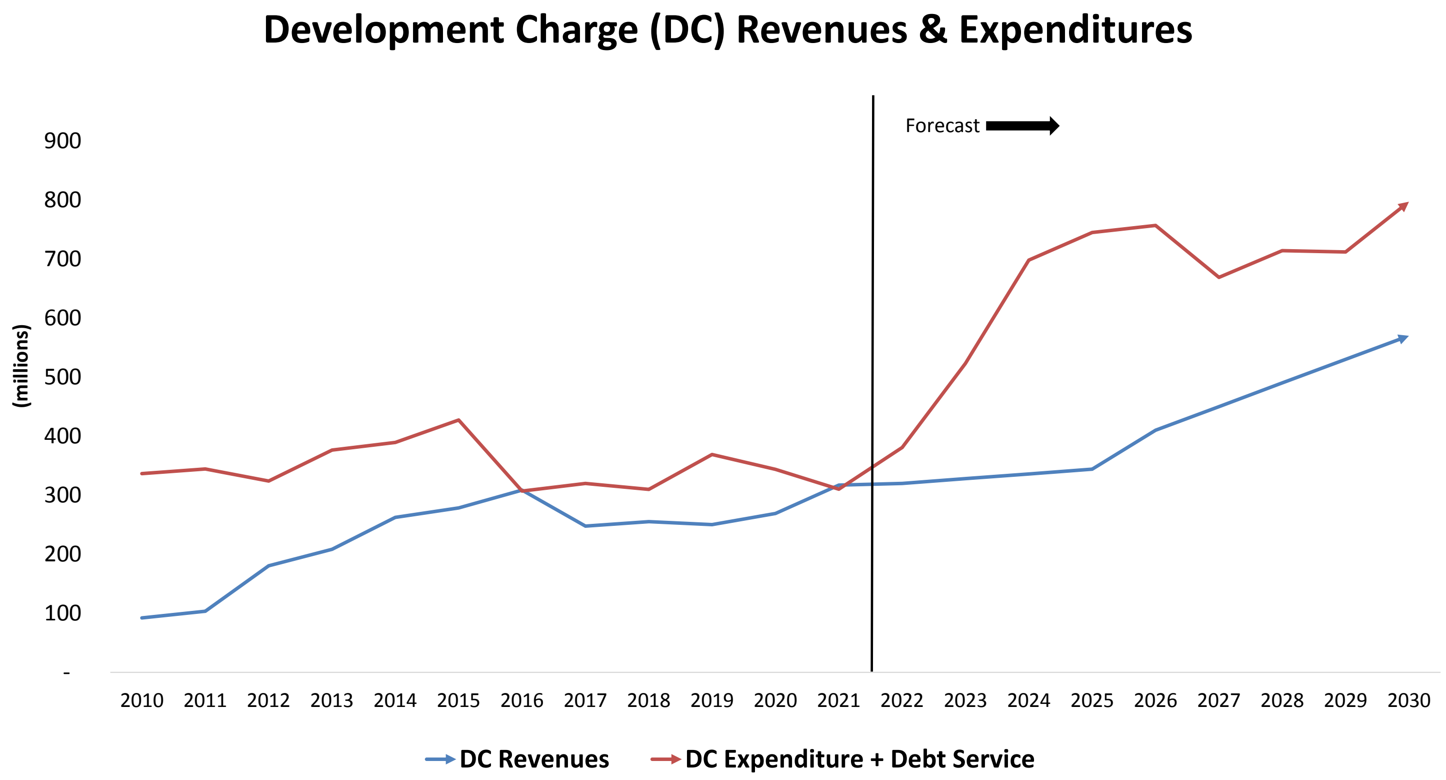
Population Comparison					
Municipality	**Hemson 2021 Forecast**	**Hemson forecast with undercount removed**	**2021 Census**	**Difference**	**Percent Difference**
Brampton	703,000	674,918	656,480	18,438	2.8%
Caledon	80,000	76,804	76,581	223	0.3%
Mississauga	795,000	763,243	717,961	45,282	6.3%
Peel Region	**1,578,000**	**1,514,965**	**1,451,022**	**63,943**	**4.4%**

Occupied Household Comparison				
Municipality	**Hemson 2021 Forecast**	**2021 Census**	**Difference**	**Percent Difference**
Brampton	186,126	182,472	3,654	2.0%
Caledon	24,180	23,699	481	2.0%
Mississauga	247,039	244,575	2,464	1.0%
Peel Region	**457,345**	**450,746**	**6,599**	**1.5%**

Development Charge Performance



Development Charge Performance



Risk Considerations

- **Development Charge Revenues**
  - DC revenues not meeting forecast levels – changing nature of work, DC Act changes, DC exemptions, rising home prices, and second units

- **Cost Escalation Pressures on DC Capital Programs**
  - COVID-19 pandemic, supply chain challenges, rising inflation, public debt, rising labour costs and interest rates, and heightened geopolitical tensions
  - Developing strategies to address impacts on existing new capital project budgets

- **Debt Management**
  - Increased debt requirements for growth-related infrastructure puts pressure on the Region’s financial flexibility

Summary

- Region is positioned to meet the short-term residential unit and non-residential space forecasts but ground-related housing as well as office and retail/commercial development are at risk of underperforming

- Development charge revenue in 2021, while below forecast levels, exceeded the previous five-year average

- Region's DC funded capital program continues to rely on debt to finance increased capital needs, especially for water and wastewater infrastructure

- Regional staff will continue to monitor risks associated with DC collections, cost escalation and debt management

- Recently commenced Financial Sustainability of Growth in Peel Study will recommend strategies to manage financial risks associated with the gap between realized DC revenues and growth-related infrastructure funding

Thank you

Contact info:

Michael Skelly, Growth Management Strategist
Planning and Development Services
Michael.Skelly@PeelRegion.ca