



Centre Wellington

Community Area Land Needs Assessment

November 21, 2024

Parcel

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Executive Summary

Parcel Economics Inc. ("Parcel") has been retained by Sorbara / Tribute Brubacher Holdings Inc., which own lands known as 6586 Beatty Line North and hereafter referred to as the subject lands.

The purpose of our retainer has been to prepare a Community Area Land Needs Assessment ("LNA") for Wellington County to accommodate residential growth to 2051 using the Ministry of Finance Ontario Population Projections.

Policy Context

Recently the Ministry of Municipal Affairs and Housing released the PPS, 2024. Section 2.1.1 directs planning authorities to base population and employment growth forecasts on Ontario Population Projections published by the Ministry of Finance. Therefore, we have prepared the following Community Area LNA based on the most recent population projections published by the Ontario Ministry of Finance in the Fall of 2024 for Wellington County.

In allocating growth as part of the Community Area LNA, we have also considered the policy direction in the Wellington County Official Plan and Township of Centre Wellington Official Plan, specifically as it relates to intensification targets, density targets and utilizing existing infrastructure.

Ministry of Finance Population Projections

The population forecasts contained in Schedule 3 of *A Place to Grow, Growth Plan for the Greater Golden Horseshoe* were prepared in 2020. These forecasts are outdated and do not consider recent changes in Federal immigration targets that are impacting the need for housing. The most recent Ministry of Finance population projections were prepared in Fall 2024 and forecast a population of approximately 400,200 persons in Wellington County (including Guelph) by 2051. **This is approximately 37,200 persons more** than the population forecasts contained in Schedule 3 of the Growth Plan, which were used to inform the Wellington County Municipal Comprehensive Review.

Household Growth

In estimating Community Area land needs to 2051, Parcel has translated the population growth forecasts from the Ontario Ministry of Finance into household growth using household formation rates (i.e. headship rates) from the 2021 Census of Canada.

Applying these household formation rates to the population growth forecasts from the Ontario Ministry of Finance results in 28,600 additional households in Wellington County between 2021 and 2051. This is 6,740 households more than forecast in the Municipal Comprehensive Review prepared for Wellington County.

Community Area Land Needs

Based on household growth forecasts prepared as part of the Community Area LNA we have calculated the land needs necessary to accommodate population forecasts contained in the Fall 2024 Ontario Population Projections and meet the minimum requirements of Section 2.1.1 of the PPS, 2024.

Utilizing household formation rates from the 2021 Census of Canada and the shares of household growth allocations contained in the Phase 2 LNA, Wellington County needs to expand settlement area boundaries to accommodate an additional 611 hectares of Community Area lands to conform to the PPS, 2024. This is 356 hectares more than identified in the Phase 2 LNA (255 hectares).

In Centre Wellington, there is a need to expand the settlement area boundary to accommodate at least an additional 362 hectares of Community Area lands. This is 158 hectares more than identified in the Phase 2 LNA (204 hectares).

We consider this to be the minimum expansion required in Centre Wellington, as constraints in the Town of Erin would result in Wellington County not meeting the population forecasts prepared by the Ontario Ministry of Finance in Fall 2024. Recognizing the constraints in the Town of Erin, we have reallocated the additional growth to Wellington North and Centre Wellington. Based on this alternative scenario, a settlement area boundary expansion of 452 hectares of Community Area lands is required in Centre Wellington.

The subject lands represent a logical expansion of the settlement area boundary in Centre Wellington, as they are an extension of the Storybrook subdivision located to the south, which is also being developed by Sorbara and Tribute Communities. Furthermore, the subject lands represent 29 hectares of developable lands, or only 12% of the additional expansion required to accommodate the forecasts published by the Ontario Ministry of Finance to conform to Section 2.1.1 of the PPS, 2024.

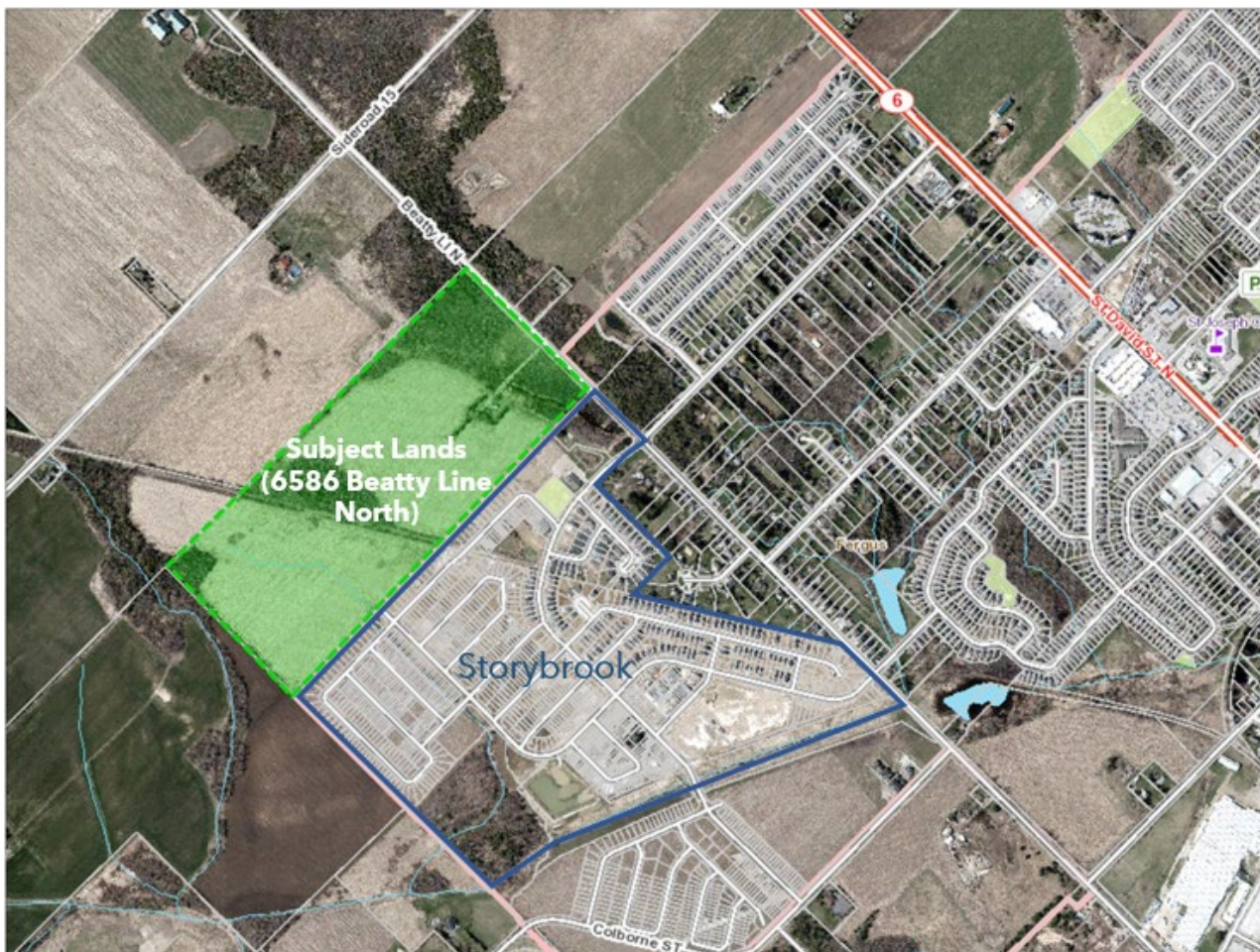
1.0

Introduction

Parcel Economics Inc. ("Parcel") has been retained by Sorbara / Tribute Brubacher Holdings Inc., which own lands known as 6586 Beatty Line North and hereafter referred to as the subject lands. The subject lands are approximately 43.2 hectares in size, of which 29 hectares are developable and 14.2 hectares are part of the natural heritage system ("NHS") and are therefore not developable.

As shown in Figure 1.1, the subject lands are adjacent to the Primary Urban Centre of Fergus, in the Township of Centre Wellington (the "Township", or "Centre Wellington"). The purpose of our retainer has been to prepare a Community Area Land Needs Assessment ("LNA") that identifies the amount of land required in Wellington County and Centre Wellington to accommodate growth to 2051, based on the Fall 2024 Ontario Population Projections prepared by the Ontario Ministry of Finance.

Figure 1.1
Location of 6586 Beatty Line North



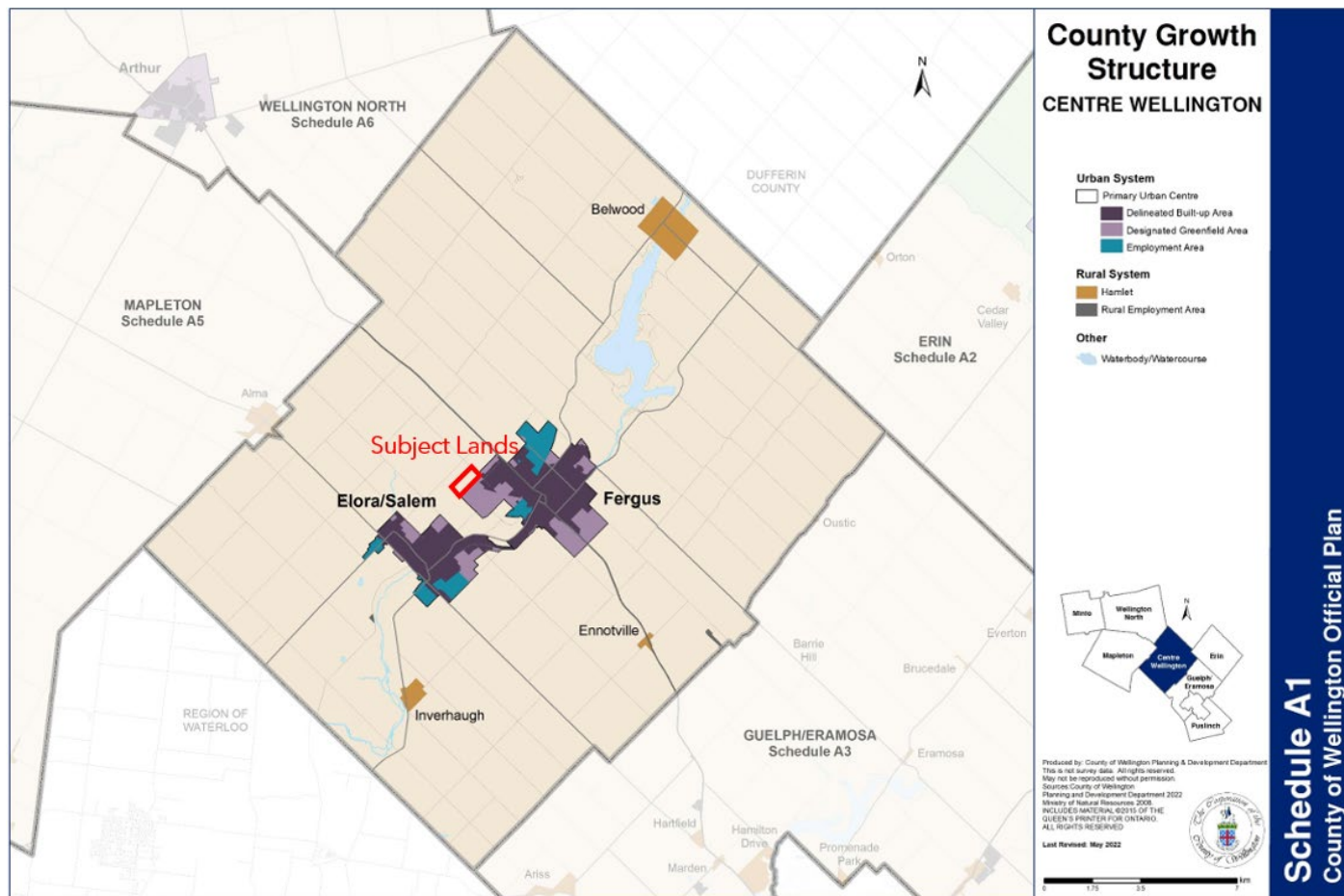
1.1 Background

Wellington County began their most recent Municipal Comprehensive Review (“MCR”) in September 2019. As part of the MCR, Watson & Associates Economists Ltd. (“Watson”) was retained to prepare the growth management technical requirements of the MCR, including allocating the population and employment growth forecasts contained in Schedule 3 of *A Place to Grow: Growth Plan for the Greater Golden Horseshoe* (the “Growth Plan”) to the lower-tier municipalities in Wellington County and determining land needs to accommodate future growth.

In June 2021, a *Phase 1 MCR Report: Urban Structure Growth Allocations* was released. This report was subsequently amended in January 2022 (the “Phase 1 MCR”). The purpose of the Phase 1 MCR was, in part, to allocate population, housing and employment by Area Municipality and Urban Centre. The allocations of population and employment in the Phase 1 MCR was based on the growth forecasts contained in Schedule 3 of the Growth Plan, which were prepared in the summer of 2020. Forecasts in Schedule 3 of the Growth Plan required Wellington County to plan for a minimum of 160,000 persons and 70,000 jobs by 2051. As will be discussed later in this Community Area LNA, the forecasts contained in Schedule 3 of the Growth Plan do not take into consideration recent changes in Federal Immigration policy, which will result in a greater number of people coming to Canada each year.

On May 26, 2022, Wellington County Council adopted *Amendment Number 119 to the Official Plan for the County of Wellington* (“OPA 119”). OPA 119 did not include the growth allocations contained in the Phase 1 MCR. Instead, it was intended to revise the Official Plan of the County of Wellington to define and identify a County Growth Structure as the first phase of the County’s MCR. As shown in Figure 1.2, the subject lands were not shown as being included in the Primary Urban Centre of Fergus, as the boundaries of the Primary Urban Centres were not modified as part of OPA 119, as settlement area boundary expansions (“SABE”) were to be considered as part of a future phase of the MCR.

Figure 1.2
County Approved OPA 119, Schedule A1



Source: Parcel based on Council adopted OPA 119.

Subsequent to the completion of the Phase 1 MCR and adoption of OPA 119, a *Phase 2 MCR Report: Urban Land Needs Assessment* was released in August 2022 (the "Phase 2 LNA"). The purpose of the Phase 2 LNA was, in part, to identify urban land requirements for Wellington County's Urban System. The Phase 2 MCR identified the need for a SABE to accommodate 290 hectares of Community Area lands, in addition to the redesignation of 195 hectares of Future Development Lands to Community Area lands to accommodate growth to 2051. As it relates to Centre Wellington, the Phase 2 LNA identified the need for a SABE of 238 hectares, including 177 hectares within Fergus. As shown in Figure 1.3, the majority of the SABE is allocated to Centre Wellington.

Figure 1.3

Phase 2 LNA Community Area Land Needs

	Redesignation of Future Development to Community Area	Community Area SABE
Centre Wellington		238 ha
Mapleton	15 ha	34 ha
Minto	61 ha	18 ha
Wellington North	81 ha	
Erin	38 ha	
Total	195 ha	290 ha

Source: Parcel based on Phase 2 LNA.

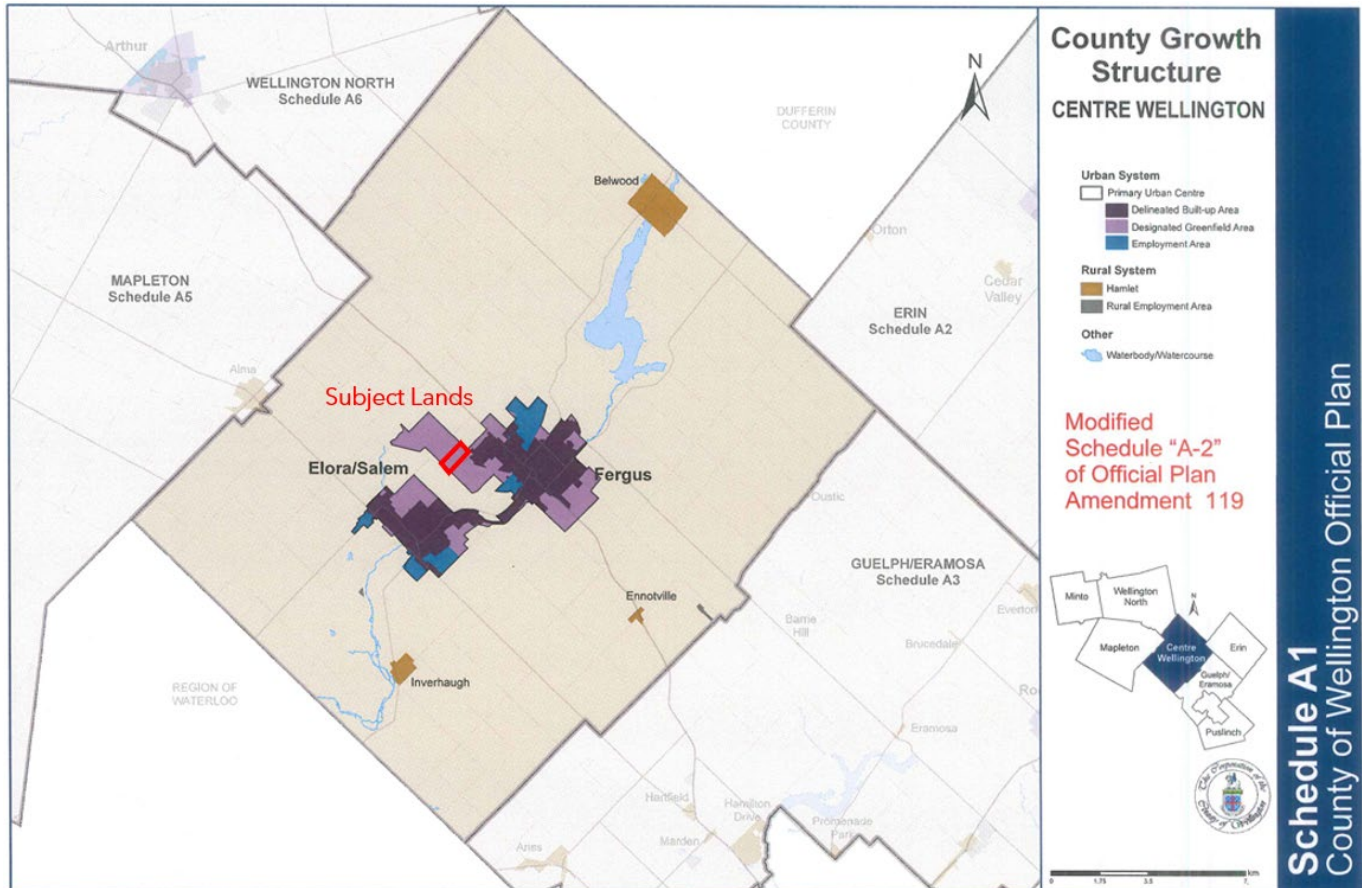
Subsequent to the release of the Phase 2 LNA, on April 11, 2023 the Ministry of Municipal Affairs and Housing released a Notice of Decision to approve OPA 119, as modified. Although the adopted OPA 119 did not include growth allocations or land needs, the ministry approved OPA 119 modified the boundary of several Primary Urban Centres in Wellington County, including Primary Urban Centre of Fergus. Schedule A1 of the minister approved OPA 119 is shown in Figure 1.4. The Minister’s modifications included the subject lands within the Primary Urban Centre of Fergus. Subsequent to the Minister's modifications, on November 16, 2023, legislation introduced through Bill 150 reversed the Province’s changes to official plans, including OPA 119. This removed the subject lands from the Primary Urban Centre of Fergus.

In April 2024, the MMAH released the Provincial Planning Statement, 2024 (the “PPS, 2024”), which ultimately came into effect on October 20, 2024. The PPS, 2024 replaces the *Provincial Policy Statement, 2020* and *A Place to Grow: Growth Plan for the Greater Golden Horseshoe*.

The PPS, 2024 directs municipalities to use the Ontario Population Projections prepared by the Ontario Ministry of Finance in determining land needs. Wellington County is still in the process of completing their Official Plan Review, which was intended to bring it into conformity with the Growth Plan. However, as the Growth Plan was rescinded when the PPS, 2024 came into effect, the County’s Official Plan must now conform to the PPS, 2024.

Figure 1.4

Modified Schedule A-1 of the County of Wellington Official Plan



Source: Parcel based on Minister approved OPA 119, April 11, 2023.

1.2 Policy Context

The following provides a review of relevant sections of the PPS, 2024, Wellington County Official Plan and the Township of Centre Wellington Official Plan that informed this Community Area Land Needs Assessment.

Provincial Planning Statement, 2024

The PPS, 2024 is issued under the authority of Section 3 of the *Planning Act* and is the primary provincial land use planning policy document, applying across Ontario.

In determining the need to designate or plan for land to accommodate growth, Section 2.1 Planning for People and Homes, provides guidance on the population and employment forecasts that shall be used in planning for growth, where it states:

- 1. As informed by provincial guidance, planning authorities shall base population and employment growth forecasts on Ontario Population Projections published by the Ministry of Finance and may modify projections, as appropriate.*
- 2. Notwithstanding policy 2.1.1, municipalities may continue to forecast growth using population and employment forecasts previously issued by the Province for the purposes of land use planning.*
- 3. At the time of creating a new official plan and each official plan update, sufficient land shall be made available to accommodate an appropriate range and mix of land uses to meet projected needs for a time horizon of at least 20 years, but not more than 30 years, informed by provincial guidance. Planning for infrastructure, public service facilities, strategic growth areas and employment areas may extend beyond this time horizon.*

Where the Minister of Municipal Affairs and Housing has made a zoning order, the resulting development potential shall be in addition to projected needs over the planning horizon established in the official plan. At the time of the municipality's next official plan update, this additional growth shall be incorporated into the official plan and related infrastructure plans.

As noted in Section 2.1.1., municipalities shall now base population growth forecasts on the forecasts prepared by the Ontario Ministry of Finance. As will be discussed later in this LNA, the latest Ontario Ministry of Finance forecasts were prepared in Fall 2024.

As it relates to intensification and density targets, Section 2.3 Settlement Area and Settlement Area Boundary Expansions states:

- 3. Planning authorities shall support general intensification and redevelopment to support the achievement of complete communities, including by planning for a range and mix of housing options and prioritizing planning and investment in the necessary infrastructure and public service facilities.*
- 4. Planning authorities shall establish and implement minimum targets for intensification and redevelopment within built-up areas, based on local conditions.*

5. *Planning authorities are encouraged to establish density targets for designated growth areas, based on local conditions. Large and fast-growing municipalities are encouraged to plan for a target of 50 residents and jobs per gross hectare in designated growth areas.*

The PPS, 2024 does not identify a minimum intensification target. As noted in Policy 2.3.5 of the PPS, 2024, large and fast-growing municipalities are encouraged to plan for a density target of 50 residents and jobs per hectare across the designated growth area. There are no municipalities in the Wellington County planning area that are included on the list of large and fast growing municipalities.

As it relates to Settlement Area Boundary Expansions, Section 2.3.2 states:

1. *In identifying a new settlement area or allowing a settlement area boundary expansion, planning authorities shall consider the following:*
 - a) *the need to designate and plan for additional land to accommodate an appropriate range and mix of land uses;*
 - b) *if there is sufficient capacity in existing or planned infrastructure and public service facilities;*
 - c) *whether the applicable lands comprise specialty crop areas;*
 - d) *the evaluation of alternative locations which avoid prime agricultural areas and, where avoidance is not possible, consider reasonable alternatives on lower priority agricultural lands in prime agricultural areas;*
 - e) *whether the new or expanded settlement area complies with the minimum distance separation formulae;*
 - f) *whether impacts on the agricultural system are avoided, or where avoidance is not possible, minimized and mitigated to the extent feasible as determined through an agricultural impact assessment or equivalent analysis, based on provincial guidance; and*
 - g) *the new or expanded settlement area provides for the phased progression of urban development.*

The purpose of this Community Area LNA is to satisfy Policy 2.3.2.1.a) by determining if there is a need to designate additional land to accommodate an appropriate range and mix of land uses.

1.3 Wellington County Official Plan

The County of Wellington Official Plan, Office Consolidation, July 2024 (the “Wellington County OP”) provides direction on the physical development and long-term sustainability of the County and its local municipalities. It establishes a long-term vision for the County’s resources and individual communities, and includes policy intended to guide each in attaining that vision.

Table 1 of the *Wellington County OP* identifies a 2051 population of 160,000 persons in the City, as well as 57,940 households and 70,000 jobs.

As it relates to guiding growth in Wellington County, *Section 3.3* of the Wellington County OP states its objectives for growth:

- *to encourage efficient cost effective development patterns;*
- *to take advantage of capacities in existing and planned water, waste water, utilities and transportation systems to support the achievement of complete communities through a more compact built forms;*
- *To encourage growth in primary and secondary urban centres;*
- *To identify and promote opportunities for growth in the built up areas of primary urban centres through intensification and redevelopment where this can be accommodated, taking into account small town and historic streetscapes;*
- *To encourage more efficient use of land through increased densities in designated greenfield areas of primary and secondary urban centres.*
- *To identify areas outside of primary agricultural areas as a location for limited rural growth opportunities;*
- *To maintain a healthy balance between jobs and housing in order to reduce the need for long-distance commuting, and increase the modal share of walking and cycling, where appropriate;*

...

Section 3.3.1 of the Wellington County OP provides targets intended to help the County achieve the objectives detailed in Section 3.3. As it relates to intensification and greenfield density, it states:

Residential Intensification:

By the year 2015 and for each year thereafter, a minimum of 20 percent of all residential development occurring annually will be within the built-up area.

Greenfield Density:

the designated greenfield area of the County will be planned to achieve an overall minimum density of not less than 40 residents and jobs per hectare.

Section 3.5 also details how and where population, household and employment growth in the County is anticipated to occur, including in the local municipalities. This allocation is based on several factors including anticipated urban growth, the desire to protect resource land, the historic rate of growth in each area and the availability of land and services. Relative to the past, a higher share of growth is allocated to primary urban centres, such as Fergus.

Table 2 in Section 3.5 includes 2051 forecasts for the Township of Centre Wellington—including a 2051 forecast of 36,300 persons and 14,080 households.

Section 4.4 relates to Housing. Residential intensification is addressed in Section 4.4.3, where it states:

This Plan contains policies encouraging residential intensification in primary urban centres. The strategic approach to residential intensification intends to retain small town character and revitalize downtown areas which includes:

...

- e) *encouraging modest residential intensification in stable residential areas respecting the character of the area. Stable residential areas are considered to be established areas generally consisting of predominantly low density housing on local roads with the built boundary;*

Where residential intensification is defined as:

Residential Intensification:

means intensification of a property, site or area which results in a net increase in residential units or accommodation and includes:

- a) *redevelopment, including the redevelopment of brownfield sites;*
- b) *the development of vacant or underutilized lots within previously developed areas;*
- c) *infill development*
- d) *the conversion or expansion of existing industrial, commercial and institutional buildings for residential use; and*
- e) *the conversion or expansion of existing residential buildings to create new residential units or accommodation,*

Greenfield Housing is addressed in Section 4.4.4 where it is stated that in *designated greenfield areas*, the County will:

...

- b) *require new developments to achieve densities which promote the overall designated greenfield area density target of 40 persons and jobs per hectare and specifically:*
 - i) *strive to attain at least 16 units per gross hectare (6.5 units per gross acre) in newly developing subdivisions;*
 - ii) *somewhat lower densities may be considered in newly developing subdivisions where physical and environmental constraints such as larger than normal storm water management requirements, parcel dimensions that do not yield efficient lotting patterns and the need for transition areas from adjacent land uses, or on small parcels of under 2 hectares (5 acres);*

1.4 Township of Centre Wellington Official Plan

The Township of Centre Wellington Municipal Official Plan, February 2024 Office Consolidation (the “Centre Wellington OP”) sets out the Township’s views on how land should be used. As noted in Section A.2, the Centre

Wellington OP applies to the Urban Centres of Centre Wellington only and the Wellington County OP will govern land use in the rural areas and will set out broad policies applying to urban areas.

Section B.5 of the Centre Wellington OP addresses urban area expansions, where it states:

B.5 URBAN AREA EXPANSION

An Urban Centre expansion may only occur as part of a municipal comprehensive review where it has been demonstrated that:

- a) sufficient opportunities to accommodate the allocation in the County growth forecast through intensification and in designated greenfield areas, using the intensification target and greenfield density targets, are not available;*
- b) the expansion makes available sufficient lands for a time horizon not exceeding the growth forecast;*
- c) the timing of the expansion and the phasing of development within the designated greenfield area will not adversely affect the achievement of the intensification target and density targets, and the other policies of this Plan;*
- d) the existing or planned infrastructure required to accommodate the proposed expansion can be provided in a safe, efficient, financially and environmentally sound manner;*
- e) in prime agricultural areas, there are no reasonable alternatives that avoid prime agricultural areas, and there are no reasonable alternatives on lower priority agricultural lands in prime agricultural areas;*
- f) impacts on agricultural operations which are adjacent to or close to the urban centre are mitigated to the extent feasible;*
- g) in determining the most appropriate direction and location for expansion, the following are addressed:*
 - i. the existing development pattern in the community;*
 - ii. the potential impacts on people;*

iii. the need to avoid mineral aggregate areas or where it is unavoidable to use lands of lower quality aggregate resources;

iv. the impacts on natural heritage systems and features;

v. the impacts on groundwater and surface water;

vi. the impacts on the safety and efficiency of existing or planned infrastructure;

vii. the impacts on archaeology, cultural heritage landscapes, and built heritage resources;

viii. logical boundaries based on existing property lines or recognized physical features where possible; and

ix. other planning criteria considered appropriate in the circumstances.

h) The Township will plan to maintain or move significantly towards a minimum of one full-time job per three residents within or in the immediate vicinity of the urban centre.

Section D.2 of the Centre Wellington OP addresses Residential land uses, where it states:

The single-detached home is currently the dominant housing type in the urban centres and this situation is expected to continue. However, new housing types are needed to provide a greater variety of residential accommodation as well as a more affordable housing supply. The Municipal Plan anticipates that semi-detached, townhouse and apartment dwellings will be developed to respond to this need and that these units may eventually account for at least one quarter of all housing units in Fergus and Elora-Salem where full municipal services are available.

As it relates to Medium Density Development, Section D.2.5 of the Centre Wellington OP states:

Multiple residential developments such as townhouses and apartments may be allowed in areas designated RESIDENTIAL subject to the requirements of the Zoning By-law and further provided that the following criteria are satisfactorily met:

1. *that medium density development on full municipal services should not exceed 35 units per hectare (14 units per acre) for townhouses or row houses, and 75 units per hectare (30 units per*

acre) for apartments, although it may not always be possible to achieve these densities on smaller sites

2.0

Review of Phase 2 LNA

Parcel has reviewed the Phase 2 LNA and subsequent analysis completed by Watson on behalf of Centre Wellington as it relates to Community Area land needs in the Township to 2051. In the following section, we have summarized our concerns with various assumptions used in the analysis completed by Watson and the impact on land needs.

As it relates to the need for a SABE in Centre Wellington, our review of the Phase 2 LNA has identified a number of assumptions used in the analysis for Centre Wellington that are unreasonable and will result in housing supply shortages by not taking into consideration market-based demand for housing. Our concerns with the analysis relate to:

- Growth in the number of additional residential units (“ARUs”);
- The intensification target;
- Net residential densities for medium density and apartment units in the DGA; and,
- The DGA density target.

Our concerns with each of these items is summarized below.

Additional Residential Units in Centre Wellington

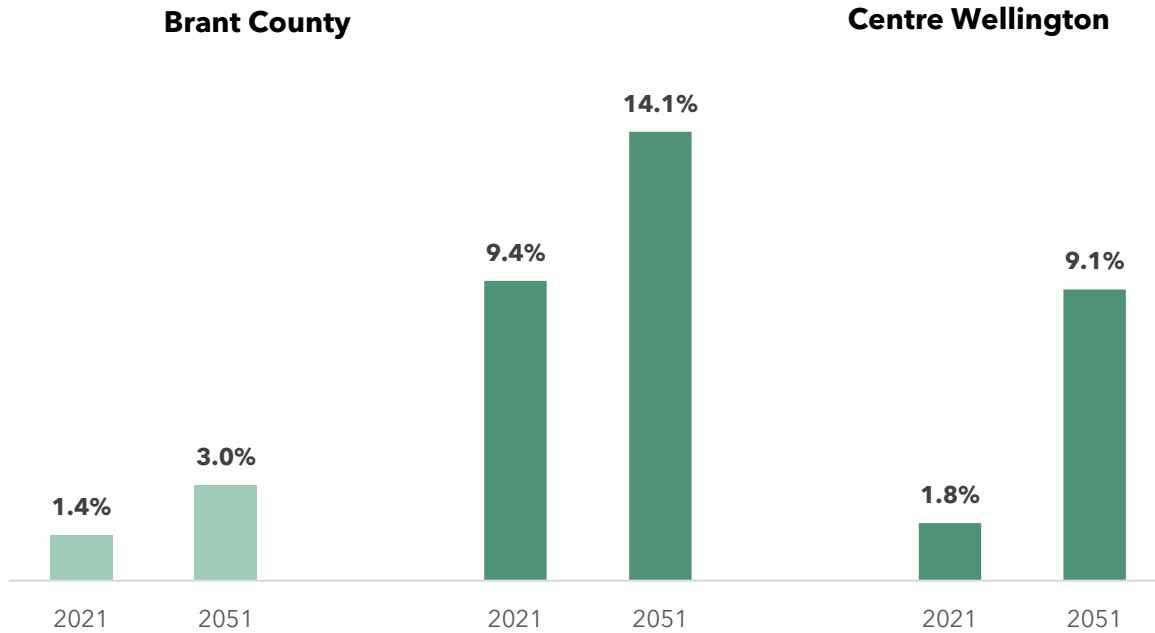
The Phase 2 LNA makes very aggressive assumptions regarding the forecast growth in the number of ARUs in Centre Wellington to 2051. Where ARUs, include basement apartments, garden suites, etc.

At the time of the 2021 Census of Canada, there were estimated to be 180 ARU’s in Centre Wellington. Therefore, 1.8% of ground-related units (low-density and medium-density units) contained an ARU. During the 2022-2051 period, the Phase 2 LNA forecasts that Centre Wellington (Fergus and Elora) will accommodate an additional 820 ARUs. To achieve this 2051 forecast, 9% of all ground-related dwelling units in Centre Wellington would need to contain an ARU.

To put this in perspective, in Brant County, where Watson have also completed the Municipal Comprehensive Review, they are only forecasting 3% of ground-related units to have an ARU by 2051. Brant County has many similarities to Centre Wellington, as it is largely a rural municipality with two primary urban areas. We also note that at the time of the 2021 Census, only 1.4% of ground-related units in Brant County had an ARU, so the forecast of 3% during 2021 to 2051 is not a significant departure from past trends.

Figure 2.1

Share of Ground-Related Dwelling Units with an ARU



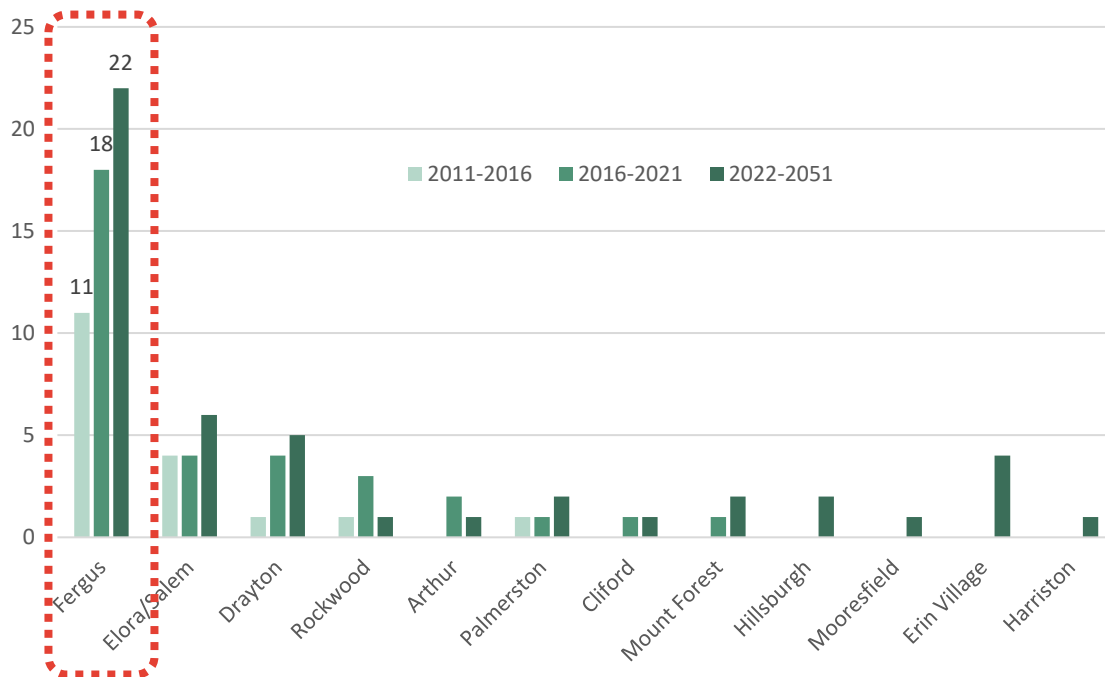
Source: Parcel based on 2021 Census of Canada, Phase 2 MCR and County of Brant Municipal Comprehensive Review, July 26, 2021.

We also have concerns with the large number of ARUs allocated to the Fergus Urban Centre, which is anticipated to accommodate an additional 640 ARUs between 2022 and 2051, or 22 new units per year. This is nearly 45% of the County-wide total, as shown in Figure 2.2.

The assumed growth rate of 22 new ARUs per year represents an increase from the rate experienced during 2016 to 2021 (18 new ARUs per year) and is double the rate experienced during 2011 to 2016 (11 new ARUs per year). The Phase 2 LNA provides no analysis to substantiate if this level of ARU growth is reasonable, based on the number of units located within Fergus.

Figure 2.2

Historical and Forecast Growth in ARU's by Urban Area, Wellington County



Source: Parcel based on Phase 2 MCR.

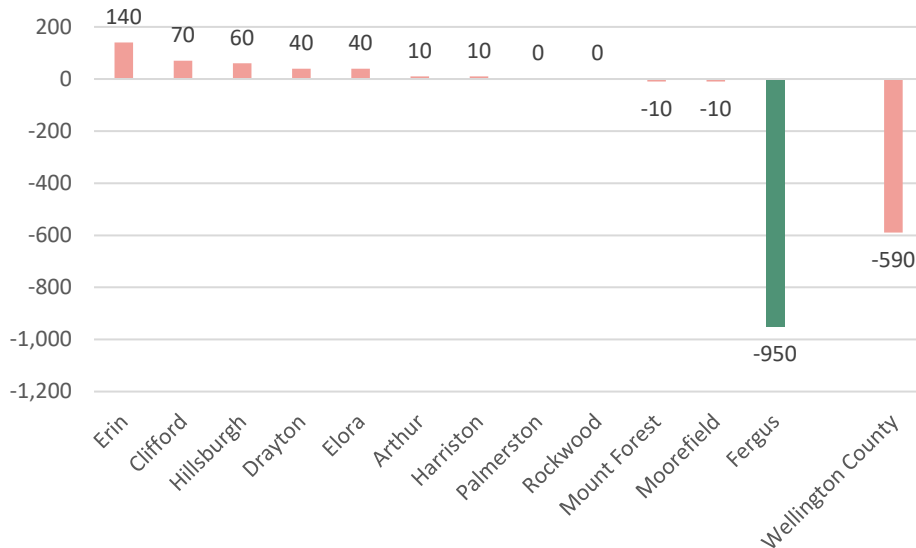
Parcel has completed an analysis of ARU growth forecast for the Fergus Urban Centre to demonstrate how the assumptions in the Phase 2 LNA are unreasonable and will not be achieved. The forecast rate of growth in ARUs in Fergus between 2022 to 2051 would result in a total of 700 ARUs in the built-up area of Fergus (taking into account both existing ARUs, as well as forecast growth). To put this in perspective, by 2051 there are anticipated to be approximately 3,900 ground-related units (single-detached, semi-detached and townhouse units) within the built-up area of Fergus. This would mean that **approximately 1 in every 6 ground-related units (18%) in the Fergus built-up area would contain an ARU.**

Intensification Target

Furthermore, the Phase 2 LNA allocates 23% of household growth in Fergus, or 1,600 units, to the built-up area ("BUA") of the municipality between 2019-2051. Despite allocating 1,600 units to the BUA of Fergus, the Phase 2 LNA identifies a housing supply potential in the BUA of only 70 low density units. Even if we utilize the unreasonable assumption regarding new ARU's, the Phase 2 LNA shows **a shortfall of 590 units** in Wellington County to 2051, as shown in Figure 2.3.

Figure 2.3

Surplus / (Shortfall) of Residential Units Within the Wellington County BUA



Source: Parcel based on Phase 2 MCR.

This demonstrates that the intensification target utilized in the Phase 2 LNA is unreasonable, as it will result in a shortage of housing in the County, which will impact affordability. As such, the County should **reduce the intensification target in Centre Wellington to 10%** to reflect the identified land supply in the municipality.

Densities for DGA Medium Density and High Density Units

In calculating land needs in Centre Wellington, the Phase 2 LNA utilizes densities of 22 units per hectare for low-density units, 40 units per hectare for medium-density units and 70 units per hectare for high-density units.

As it relates to Medium Density Development, Section D.2.5. 1) of the Centre Wellington OP states that medium density development in Centre Wellington should not exceed 35 units per hectare for townhouse or row units and 75 units per hectare for apartment units. The Phase 2 LNA does not provide justification for why the density for medium density units used in the analysis exceed the maximum identified in the Centre Wellington OP. To align with the Centre Wellington OP, the density assumed for medium density units in the Phase 2 LNA should be reduced to 35 units per hectare, which increases the need for a settlement area boundary expansion to accommodate growth to 2051.

DGA Density Analysis in Centre Wellington

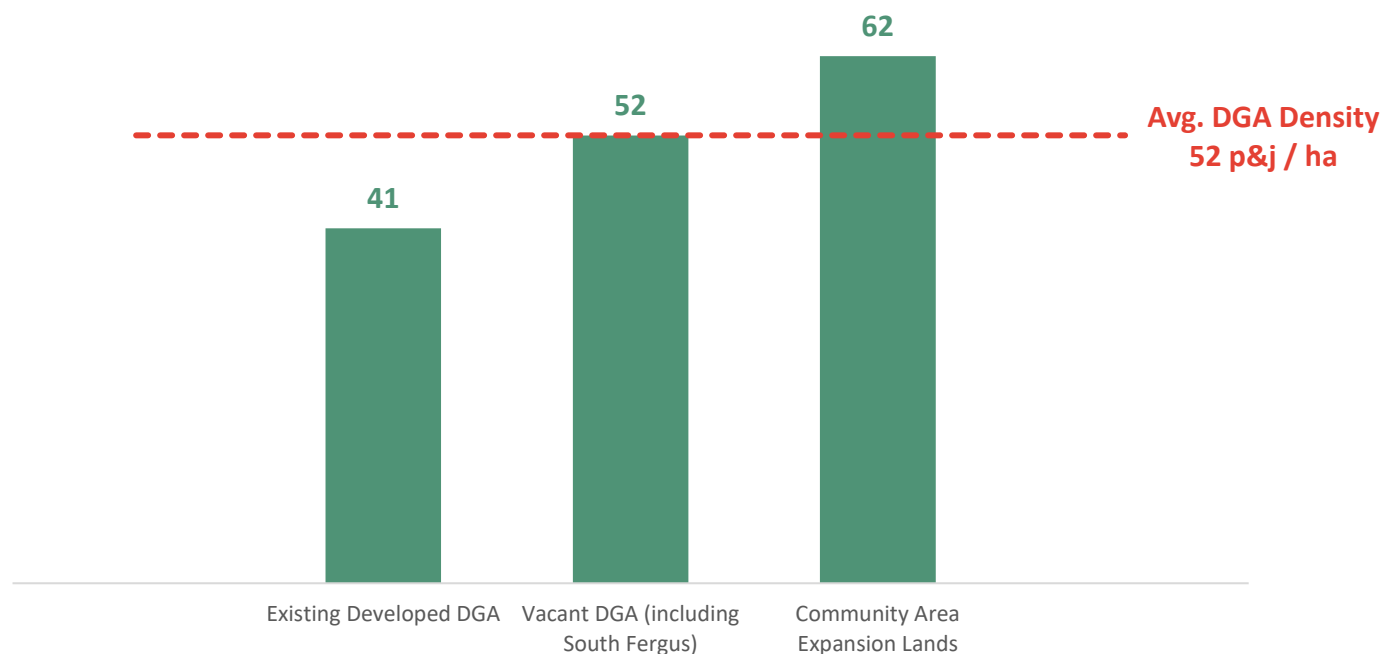
As noted earlier, the Phase 2 LNA identifies a need to expand the settlement area in Centre Wellington by 238 hectares of Community Area lands to accommodate growth to 2051. This would result in a Community Area DGA density of 47 persons and jobs per hectare.

Despite the direction and analysis in the Phase 2 LNA, Watson, the same consultant that prepared the Phase 2 LNA, presented to Centre Wellington Committee of the Whole on November 14, 2023, and again on September 30, 2024, regarding Urban Land Needs Scenarios. In the September 30, 2024, presentation, Watson recommend a scenario where the municipality targets a 20% intensification rate and a DGA density of 52 persons and jobs per hectare in the Community Area.

While the recommended intensification rate is the same as the Phase 2 LNA, the DGA density target is increased from 47 persons and jobs per hectare to 52 persons and jobs per hectare. This scenario results in the need to expand the settlement area of Centre Wellington to accommodate an additional 132 hectares of Community Area lands.

We have serious concerns with the analysis contained in the September 30, 2024, presentation by Watson, as it does not tell the full story. As shown in Figure 2.4, with the density in the existing developed DGA being only 41 persons and jobs per hectare, it requires the Community Area Expansion lands to accommodate a density of 62 persons and jobs per hectare.

Figure 2.4
Centre Wellington DGA Density Analysis



	Land Area (ha)	Persons and Jobs	Density (p&j / ha)
Existing Developed DGA	112	4,640	41
Vacant DGA (including South Fergus)	349	18,242	52
Community Area Expansion Lands	132	8,118	62
DGA Community Area	593	31,000	52

Source: Parcel based on Phase 2 MCR and Township of Centre Wellington Urban Land Needs Scenarios - Technical Results Review, Watson & Associates Economics Ltd., Council Meeting, November 14, 2023.

In the presentation by Watson, they provide Density Visuals to give examples of various densities. The highest density shown in the visuals is 59 persons and jobs per hectare, which is less than the 62 persons and jobs that would be required in the Community Area Expansion lands. Further, even in this density visual for 59 persons and jobs per hectare, almost 40% of the land area accommodates apartment units. There is no evidence that there is market demand for this amount of apartment growth in the Community Area Expansion lands.

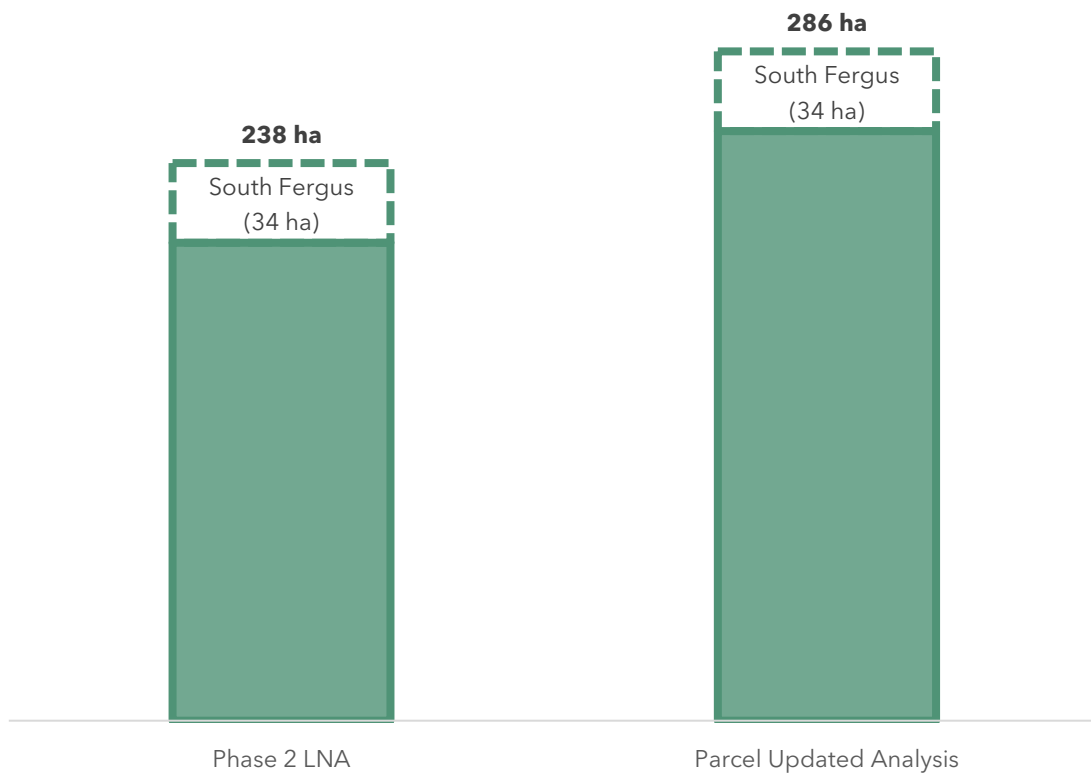
For the reasons summarized above, it is our opinion that the 238-hectare Community Area expansion in Centre Wellington, as identified in the Phase 2 LNA is not sufficient to accommodate market-based demand for housing in

Centre Wellington. Any further reductions to the Community Area Expansion Lands would severely restrict housing choice in the Township.

Based on reasonable assumptions in Centre Wellington, that include ARU's accounting for 3% of ground-related units, a 10% intensification rate, 35 units per hectare for medium-density units and a DGA density of 47 persons and jobs per hectare, a 286-hectare expansion would be required in Centre Wellington to accommodate growth to 2051 using the population growth forecasts in Schedule 3 of the Growth Plan.

Figure 2.5

Centre Wellington Community Area Land Needs to 2051



Source: Parcel based on Phase 2 MCR.

3.0

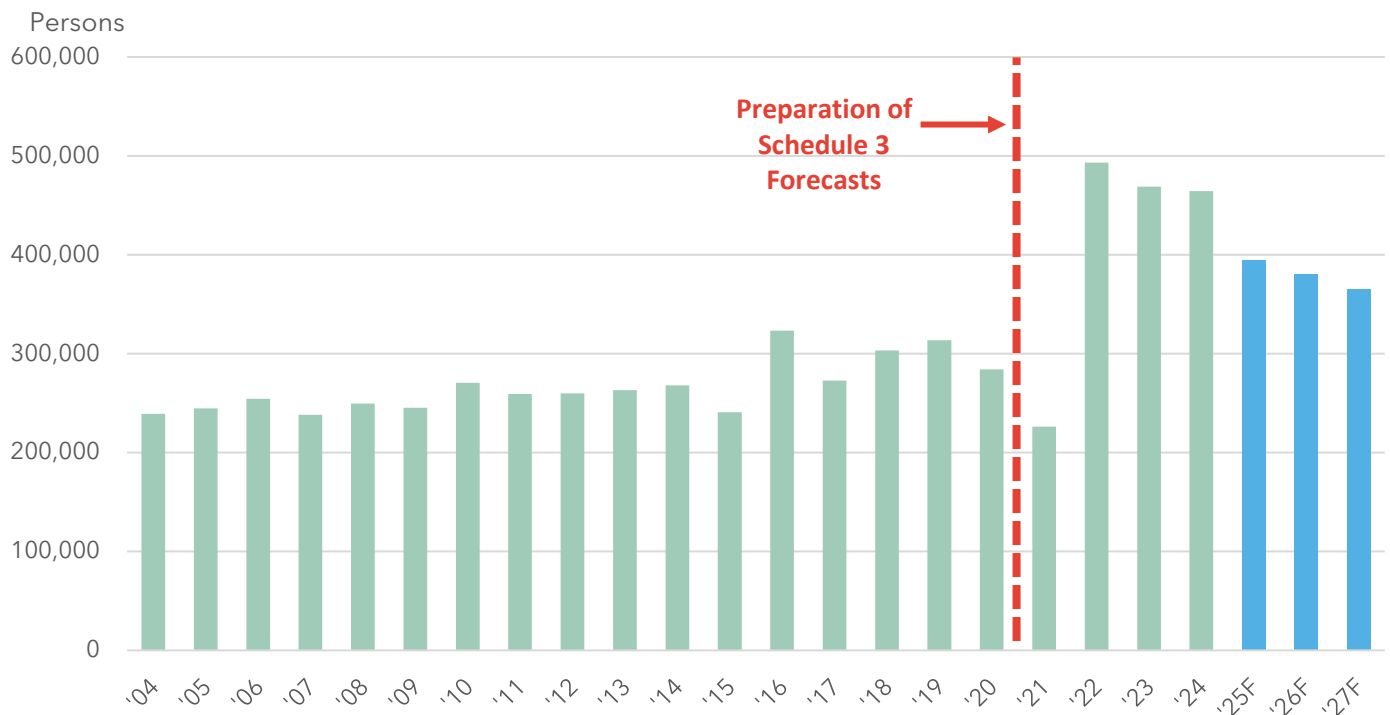
Population and Housing Growth Trends

In preparing this Community Area LNA, we have reviewed recent population growth trends in the Township of Centre Wellington and housing construction activity to determine if there have been any recent changes that could impact future growth.

Population Growth Trends

In recent years, the most significant change to the population growth rates relate to recent rates of immigration to Canada and the Federal immigration targets, both of which have increased substantially in recent years and resulted in Canada experiencing unprecedented population growth. In the 20-years prior to the preparation of the population forecasts contained in Schedule 3 of the Growth Plan, Canada welcomed approximately 260,000 international immigrants per year. The level of international immigration increased to 475,000 new residents per year between 2021 and 2024.

Figure 3.1
International Immigration to Canada (2004-2027)

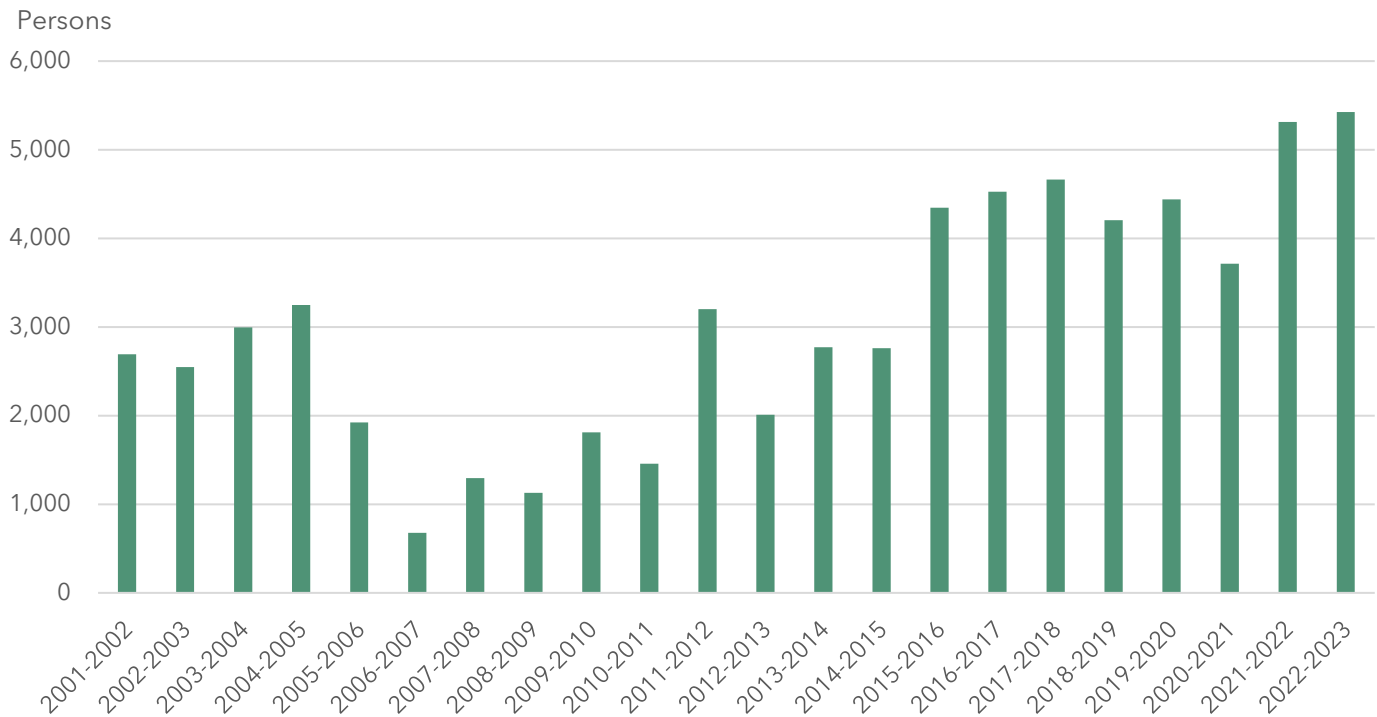


Source: Parcel based on Statistics Canada (green) and Federal immigration targets (blue).

On October 24, 2024, the Federal Government revised international immigration targets for Canada to the year 2027. In 2025 the Federal Government is targeting immigration of 395,000 persons, declining to 380,000 immigrants in 2026 and 365,000 immigrants in 2027. These revised targets are lower than previous targets released by the Federal Government in 2023, which targeted 500,000 immigrants per year. Despite the decline, these targets remain higher than levels of immigration achieved prior to the COVID-19 pandemic.

Increased migration to Canada and the Greater Golden Horseshoe (“GGH”) is being felt in Wellington County. Recent migration trends have resulted in elevated population growth in Wellington County since 2015. As shown in Figure 3.2, between 2001 and 2015, the population in Wellington County grew by an average of approximately 2,200 persons per year. Since 2015, average annual population growth is more than double (nearly 4,600 person per year) the growth experienced between 2001 and 2015. It is important to highlight that higher population growth in the County started prior to the COVID-19 pandemic.

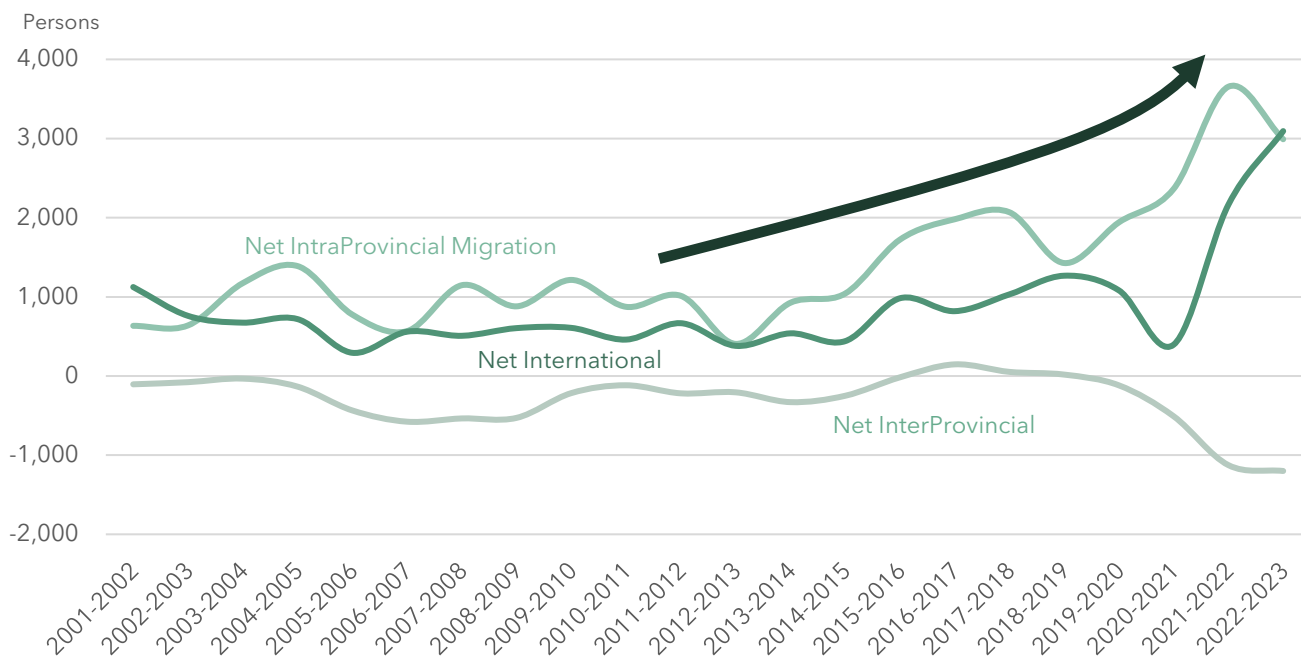
Figure 3.2
Wellington County Population Growth, 2002 to 2023



Source: Parcel based on Statistics Canada data.

Migration trends from Statistics Canada show that migration to Wellington County increased in recent years. As shown in Figure 3.3, net intra-provincial migration, which is people moving to Wellington County from elsewhere in Ontario, accounted for one of the largest shares of population growth and has been trending higher since 2012. Similarly, the increase in international immigration to Canada in 2022 (as shown previously in Figure 3.1), also resulted in an increase in net international migration to Wellington County during the same period.

Figure 3.3
Wellington County, Migration Trends

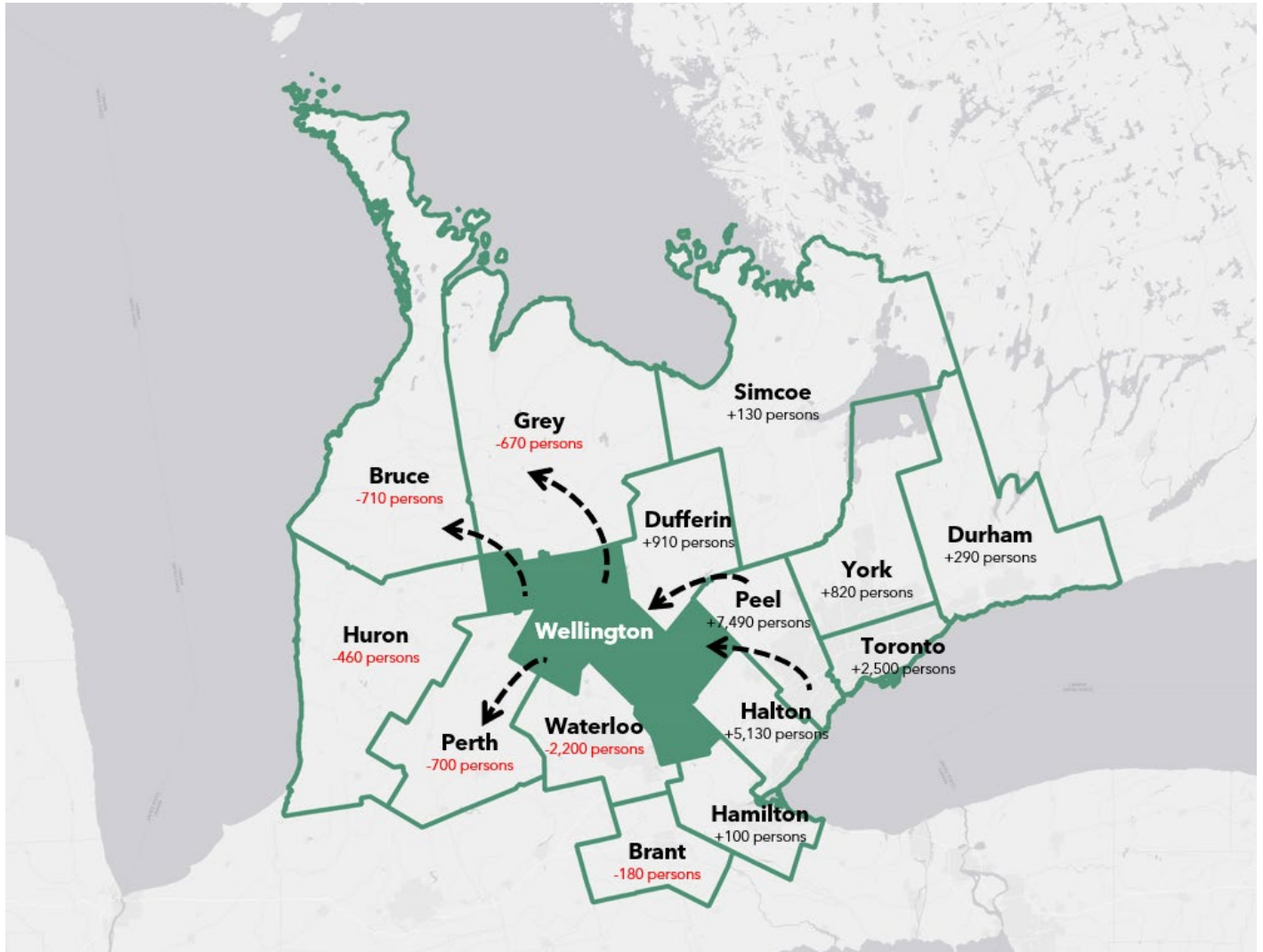


Source: Parcel based on Statistics Canada data.

In terms of net intra-provincial migration, there is a very clear trend of people moving to the County from the Greater Toronto Area, including Peel, Halton and Toronto, as shown in Figure 3.4. These new residents are likely attracted by the quality of life afforded by Wellington County, as well as the opportunity to purchase ground-related housing that is not available in other parts of the GGH. Therefore, it will be important for Wellington County to maintain an adequate supply of ground-related housing. There is also a clear trend of people leaving the County for Grey, Bruce, Huron and Perth. This could be related to affordability concerns, as these jurisdictions have less expensive housing, on average, than Wellington County.

Figure 3.4

Net Migration Between Census Division, 2016-2021



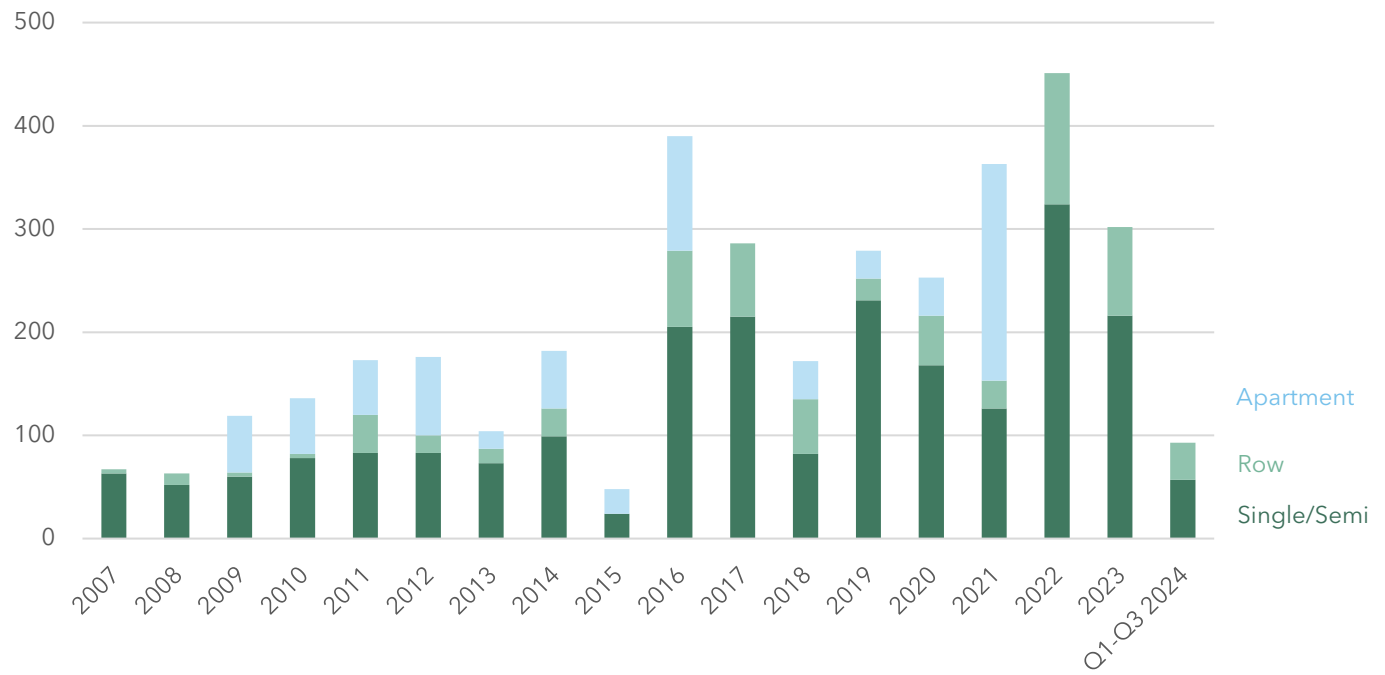
Source: Parcel based on Statistics Canada Tax Filer Migration Data.

Housing Construction Activity

The recent increase in population growth has also impacted housing construction activity in Centre Wellington. As shown in Figure 3.5, housing starts have been elevated since 2017, averaging approximately 290 units per year. The increase in housing starts is closely tied to the recent increase in population growth.

Figure 3.5

Centre Wellington Housing Starts



4.0

Population and Household Growth Forecasts

In forecasting population and household growth in Wellington County, we have also relied on the Fall 2024 Ontario Population Projections prepared by the Ontario Ministry of Finance, as directed in Section 2.1.1 of the PPS, 2024.

4.1 Ministry of Finance Forecasts & Methodology

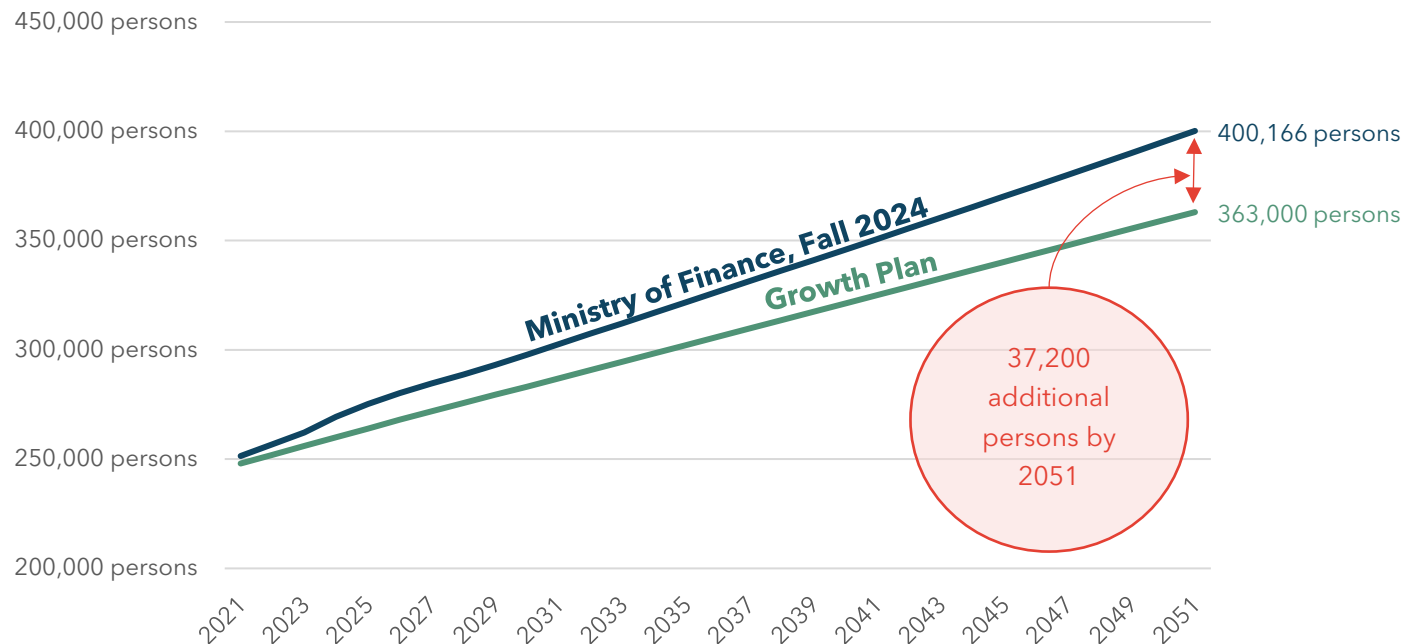
The Ontario Ministry of Finance prepares population forecasts for the province and each of the 49 Census Divisions annually. These forecasts are based on the most up-to-date trends and historical data. The Ontario Ministry of Finance uses a cohort-component methodology that provides projections of births, deaths and five migration components (immigration, emigration, net change in non-permanent residents, interprovincial in-migration and out-migration and intraprovincial in- and out-migration).

The most recent forecasts for Wellington County were prepared by the Ontario Ministry of Finance in Fall 2024 and forecast a population of 400,166 persons in Wellington County by 2051.¹ **This is approximately 37,200 persons more** than the population forecasts contained in the *Greater Golden Horseshoe: Growth Forecasts to 2051*, prepared by Hemson Consulting Ltd. in August 2020 and as shown in Figure 4.1.

¹ The Ontario Ministry of Finance are for the County of Wellington, including the City of Guelph, whereas the Growth Plan separates the City of Guelph from Wellington County for planning purposes and population projections.

Figure 4.1

Wellington County (Including Guelph) Forecast Population 2021-2051



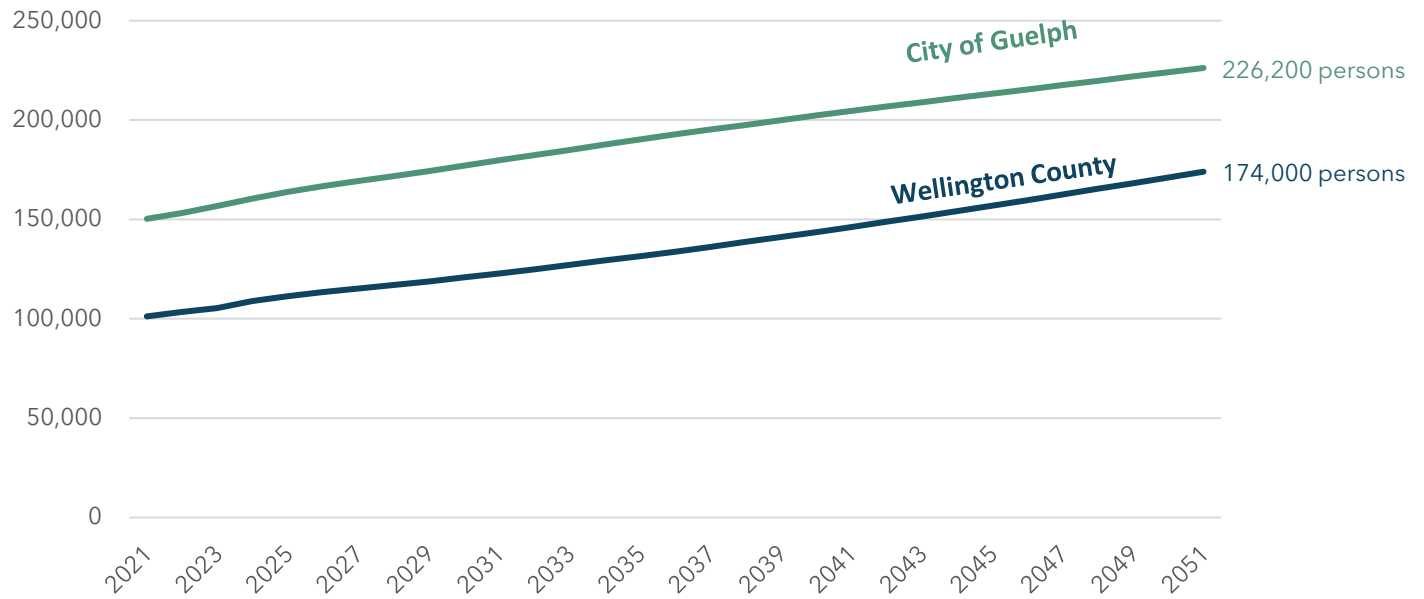
Source: Parcel based on Ontario Ministry of Finance Ontario Population Projections, Fall 2024.

As noted in Figure 4.1, the population in Wellington County (including Guelph) is forecast to reach 400,166 persons by 2051, which is 37,200 persons higher than forecasts contained in Schedule 3 of the Growth Plan. As Ontario Ministry of Finance forecasts include the City of Guelph, we have allocated a share of growth to Wellington County to determine land needs. We have assumed that Wellington County will account for 43% of the population in 2051, while the City of Guelph will account for remaining 57% of the population in the County. As shown in Figure 4.2, Wellington County would achieve a population of approximately 174,000 persons by 2051, or 14,000 persons more than Schedule 3 of the Growth Plan, while the City of Guelph would achieve a population of 226,200 persons.

We consider our analysis to be conservative, as *Shaping Guelph: Growth Management Strategy, December 2021*, notes that the City of Guelph only has a sufficient supply of land within its municipal boundary to accommodate a population of 208,000 persons based on the existing DGA land supply and Council adopted intensification rate. If the City of Guelph cannot accommodate additional growth beyond 208,000 persons by 2051, it could result in additional land needs in Wellington County.

Figure 4.2

Wellington County and City of Guelph Forecast Population

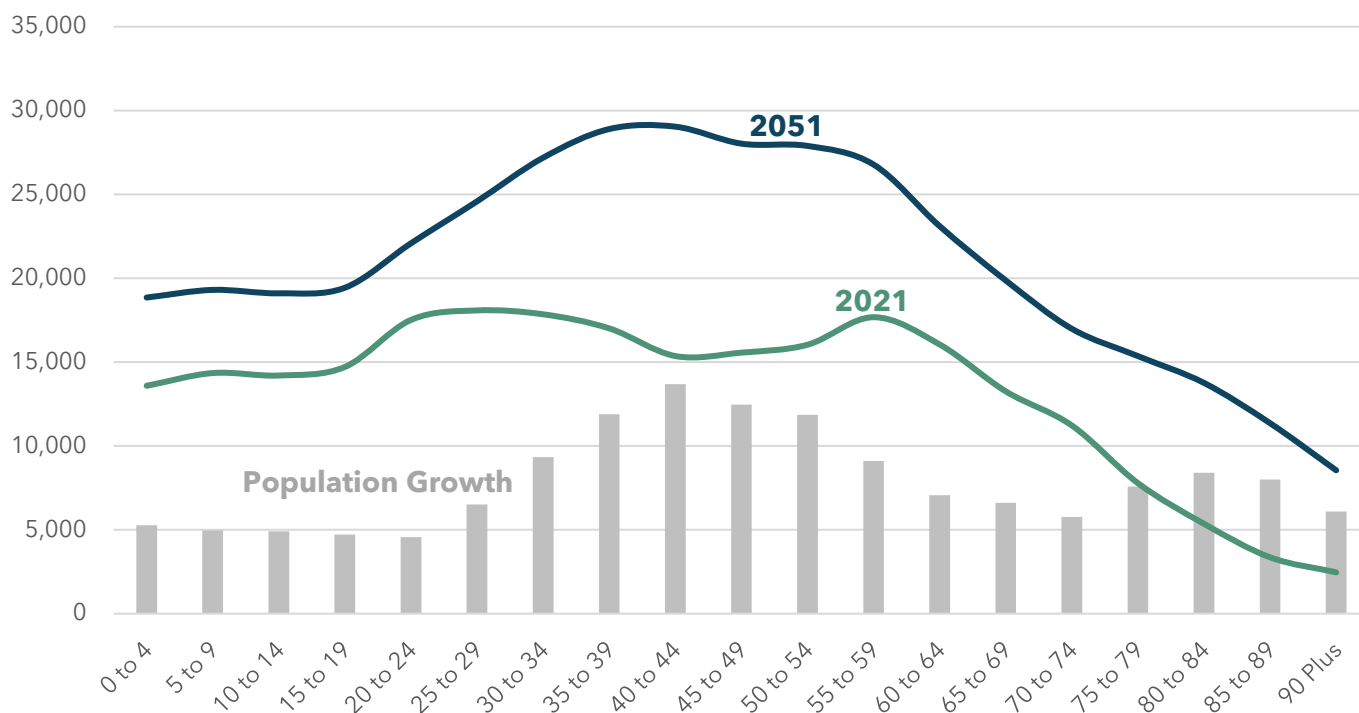


Source: Parcel.

The age distribution of population growth will also have an impact on demand for housing by dwelling type. As shown in Figure 4.3, the population in every 5-year age cohort is anticipated to grow between 2021 and 2051, based on the population forecasts prepared by the Ontario Ministry of Finance. However, the 30 to 59 age cohort is anticipated account for an out-sized share of population growth.

Figure 4.3

Wellington County Population by Age Group, 2021 to 2051

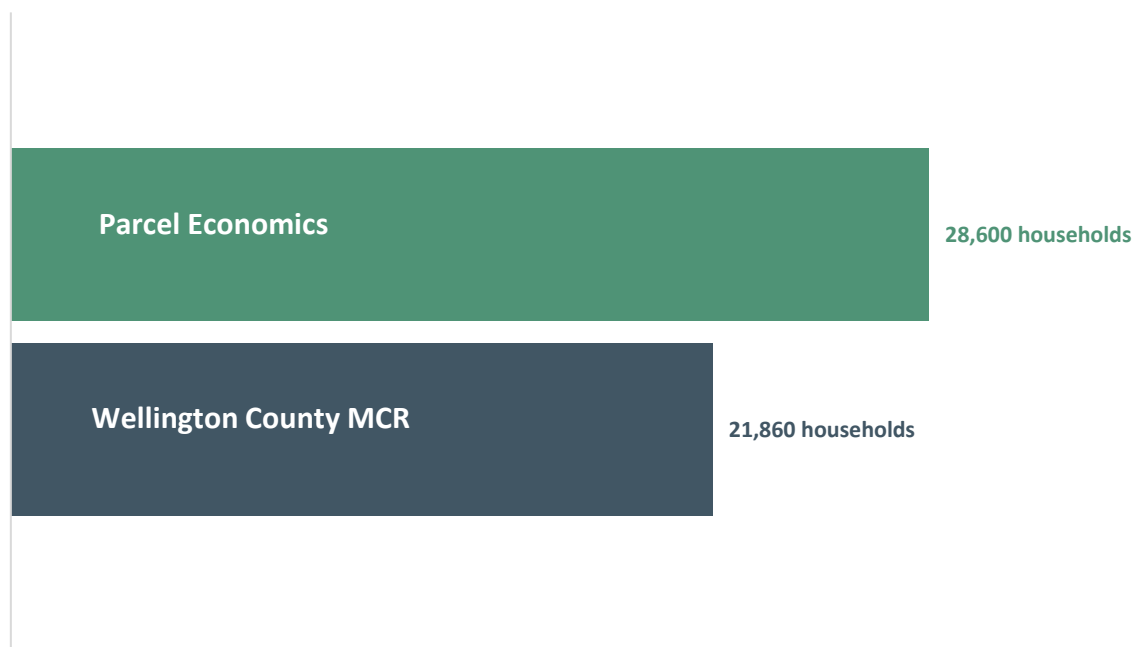


4.2 Household Growth by Dwelling Type

Parcel has translated the population growth forecasts from the Ontario Ministry of Finance into household growth using the household headship rates from the 2021 Census of Canada. As shown in Figure 4.4, applying the headship rates from the 2021 Census of Canada to the population growth forecasts from the Ontario Ministry of Finance result in 28,600 additional households in Wellington County between 2021 and 2051. This is **6,740 households more than forecast in the Phase 1 MCR**, or a 31% increase in the number of housing units required to accommodate growth.

Figure 4.4

Wellington County Household Growth, 2021-2051



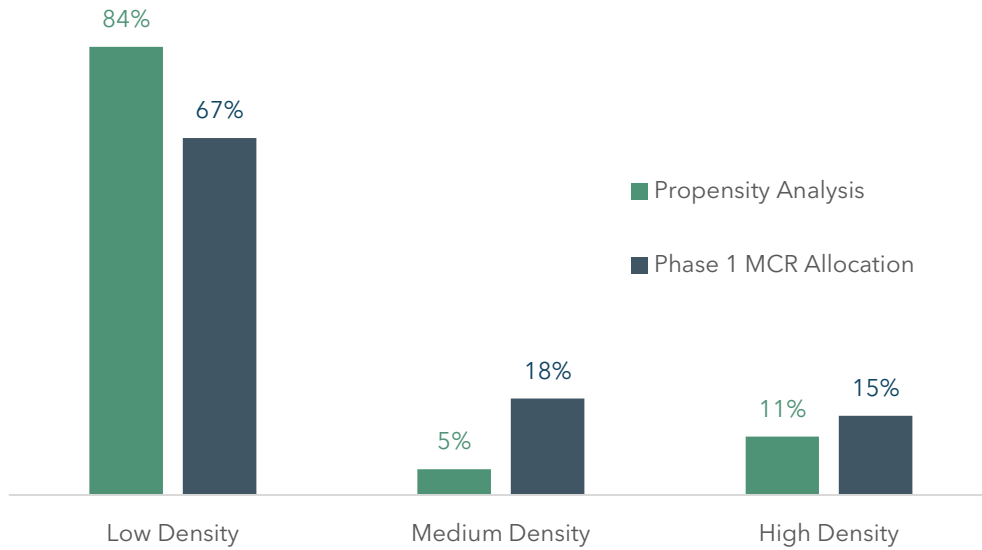
Source: Parcel and Phase 1 MCR.

In determining the allocation of household growth between low-density, medium-density and high-density housing, Appendix B of the Phase 1 MCR identifies age-specific housing type propensities to determine demand for housing by unit type. Using this analysis, it identifies that between 2016 and 2051, 84% of household growth will be in low-density units, 5% in medium-density units and 11% in high-density units.

Despite undertaking this housing type propensity analysis, Watson then make a “policy-based” shift in household growth by unit type. Whereby, only 67% of household growth is allocated to low-density units and medium-density units are allocated 18% of household growth. Similarly, high-density units are allocated a greater share of household growth. The Phase 1 MCR does not provide rationale for the policy-based shift towards medium density and high density units. However, we do note that this could result in Wellington County not achieving the population forecasts, as medium density units have lower person per unit (“PPU”) occupancy factors and the overall growth in households is not increased in the Phase 1 MCR to account for the policy-based shift.

Figure 4.5

Phase 1 MCR Household Growth by Dwelling Type



Source: Parcel based on Phase 1 MCR.

4.3 Household Growth Allocation

In allocating household growth to the seven lower-tier municipalities in Wellington County, we have assumed the same share of household growth to municipalities that was utilized in the Phase 1 MCR. These allocations are summarized in Figure 4.6. As shown, the Township of Centre Wellington is allocated 42% of household growth, followed by the Town of Erin (23%) and the Township of Wellington North (13%).

Figure 4.6

Household Growth Allocation by Municipality and Dwelling Type, 2022-2051

	Low-Density	Medium-Density	High-Density	Total
Township of Centre Wellington	37%	53%	52%	42%
Town of Erin	24%	18%	23%	23%
Township of Guelph-Eramosa	2%	1%	2%	2%
Township of Mapleton	7%	7%	6%	7%
Township of Wellington North	14%	12%	11%	13%
Town of Minto	10%	9%	6%	9%
Township of Puslinch	5%	0%	0%	3%
Wellington County	100%	100%	100%	100%

Source: Parcel based on Phase 2 LNA.

Based on the growth forecast of 27,940 households between 2022 and 2051,² Figure 4.7 summarizes household growth by municipality and dwelling type. Household growth in each of these municipalities is 31% higher than considered in the Phase 2 LNA.

Figure 4.7

Household Growth by Municipality and Dwelling Type, 2022-2051

	Low-Density	Medium-Density	High-Density	Total
Township of Centre Wellington	6,940	2,720	2,150	11,810
Town of Erin	4,560	910	980	6,450
Township of Guelph-Eramosa	420	40	80	540
Township of Mapleton	1,370	380	260	2,010
Township of Wellington North	2,580	600	450	3,630
Town of Minto	1,920	480	250	2,650
Township of Puslinch	850	0	0	850
Wellington County	18,640	5,130	4,170	27,940

Source: Parcel.

² We have used the 2022 to 2051 forecast horizon to be consistent with the Phase 2 LNA.

5.0

Community Area Land Needs Assessment

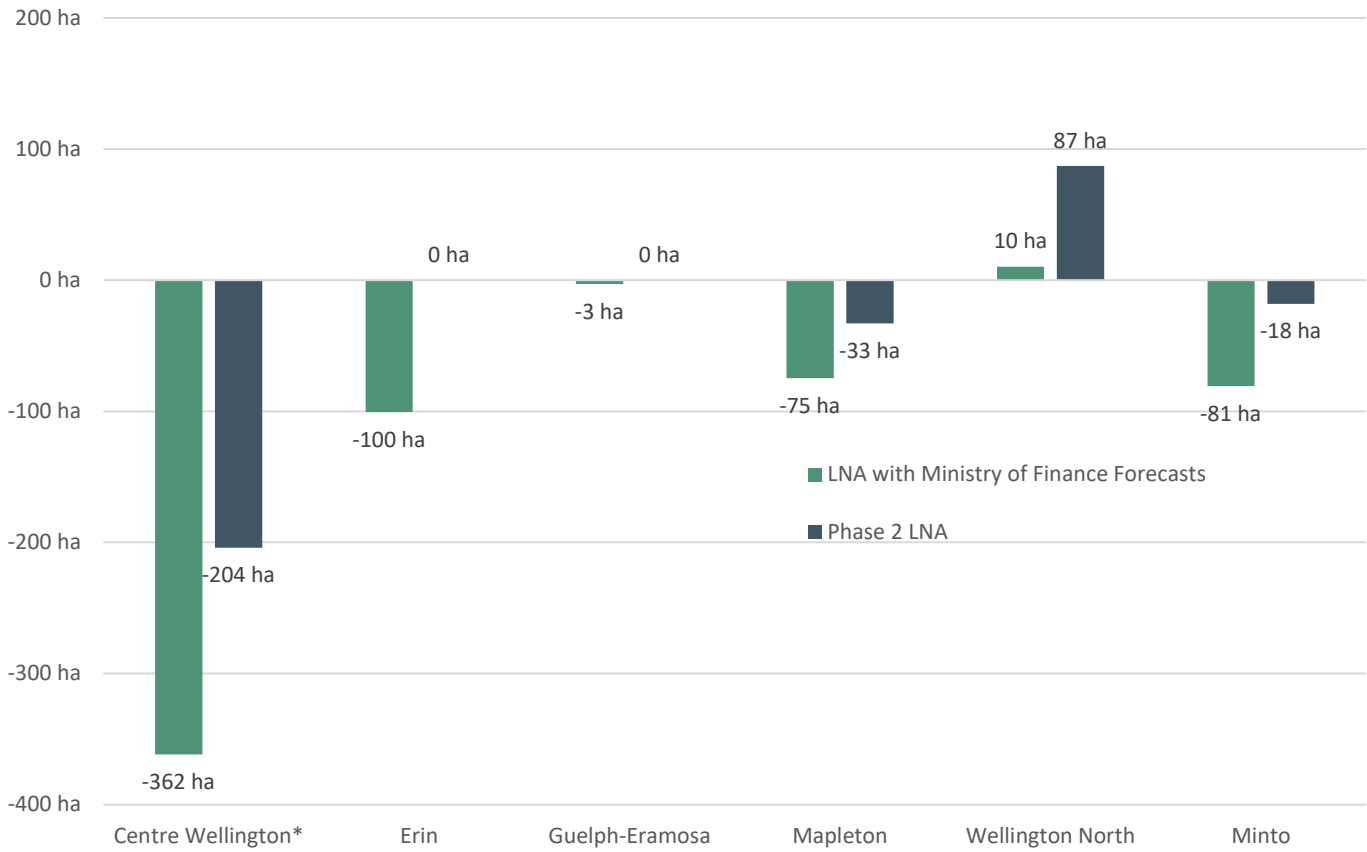
5.1 Community Area Land Needs

In determining Community Area land needs, we have utilized the intensification targets and rural growth share contained in the Phase 2 LNA. We have done this to show the impact that the Ontario Ministry of Finance population forecasts have on land needs. However, we continue to have concerns that these intensification rates cannot be achieved in some of the Urban Centres, including Fergus.

As noted above, our forecast Community Area land needs utilize a County-wide housing unit mix contained in the Phase 2 LNA and a consistent share of growth allocated to each municipality in Wellington County. As shown in Figure 5.1, to conform to Section 2.1.1 of the PPS, 2024 and accommodate the Ontario Ministry of Finance population projections, the largest expansion area will be required in Centre Wellington (362 gross hectares). This expansion area is in addition to the employment land conversion in Fergus (8.8 hectares) and the additional lands in South Fergus (34 hectares).

Figure 5.1

Wellington County Community Area (Expansion Required) / Excess Land to 2051



* Expansion area is in addition to employment land conversion at 6408, 6410, 6420 and 6430 Beatty Line in Fergus (8.8 hectares) and additional lands in the South Fergus Secondary Plan (34 hectares).

Source: Parcel based on Phase 2 LNA.

Figure 5.2 summarizes the resulting DGA density, which is the average density across the developed DGA, as well as existing vacant lands and new Community Area lands. These densities, measured in persons and jobs per hectare, are consistent with the Phase 2 LNA.

Figure 5.2

DGA Density

	DGA Density
Centre Wellington	47 p&j / ha
Erin	44 p&j / ha
Guelph-Eramosa	47 p&j / ha
Mapleton	32 p&j / ha
Wellington North	33 p&j / ha
Minto	31 p&j / ha

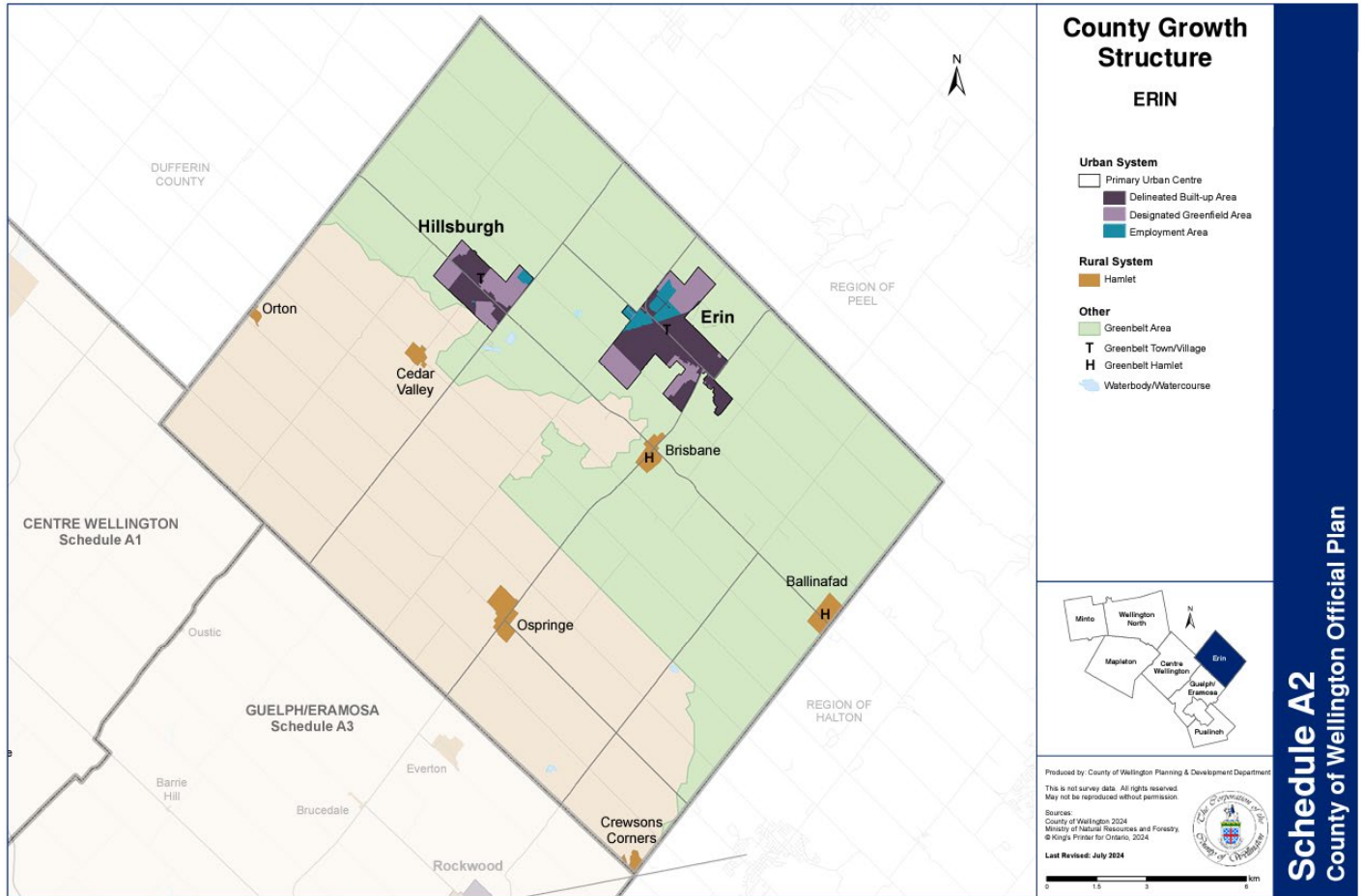
Source: Parcel.

5.2 Alternative Community Area Land Needs

As noted throughout this Community Area LNA, we consider our analysis to be conservative and the Community Area land needs identified in Figure 5.1 to be the minimum expansion required.

Based on the household growth allocation in the Phase 2 LNA, the Town of Erin would need to expand their settlement area boundary by 100 hectares. As shown in Figure 5.3, the Primary Urban Centre of Erin cannot grow beyond its existing boundaries without expanding into the Greenbelt Area. Similarly, Hillsburgh is almost entirely surrounded by Greenbelt Area, aside from a small pocket of land to the southwest. Therefore, it is not possible for Town of Erin to accommodate the additional 100 hectares of Community Area lands without developing Greenbelt lands. Furthermore, as noted in the *Municipal Comprehensive Review Municipal Servicing Analysis*, completed by WSP in January 2022, the wastewater treatment plan in Erin will have a capacity of 6,740 residential units, which is the maximum assimilative capacity of the West Credit River, the receiving body of the wastewater treatment plant's effluent.

Figure 5.3
Town of Erin Growth Structure Map



Source: Parcel based on Wellington County Official Plan, Schedule A2.

Based on these Greenbelt Area and servicing restrictions, we have re-allocated growth in Erin to Wellington North and Centre Wellington. We have allocated additional growth to Wellington North to reflect that there is anticipated to be a surplus of Future Development lands (10 hectares) in the baseline scenario, which are located within the existing settlement area boundary.

The remaining growth has been allocated to Centre Wellington. Our justification for allocating additional growth away from Erin to Centre Wellington includes:

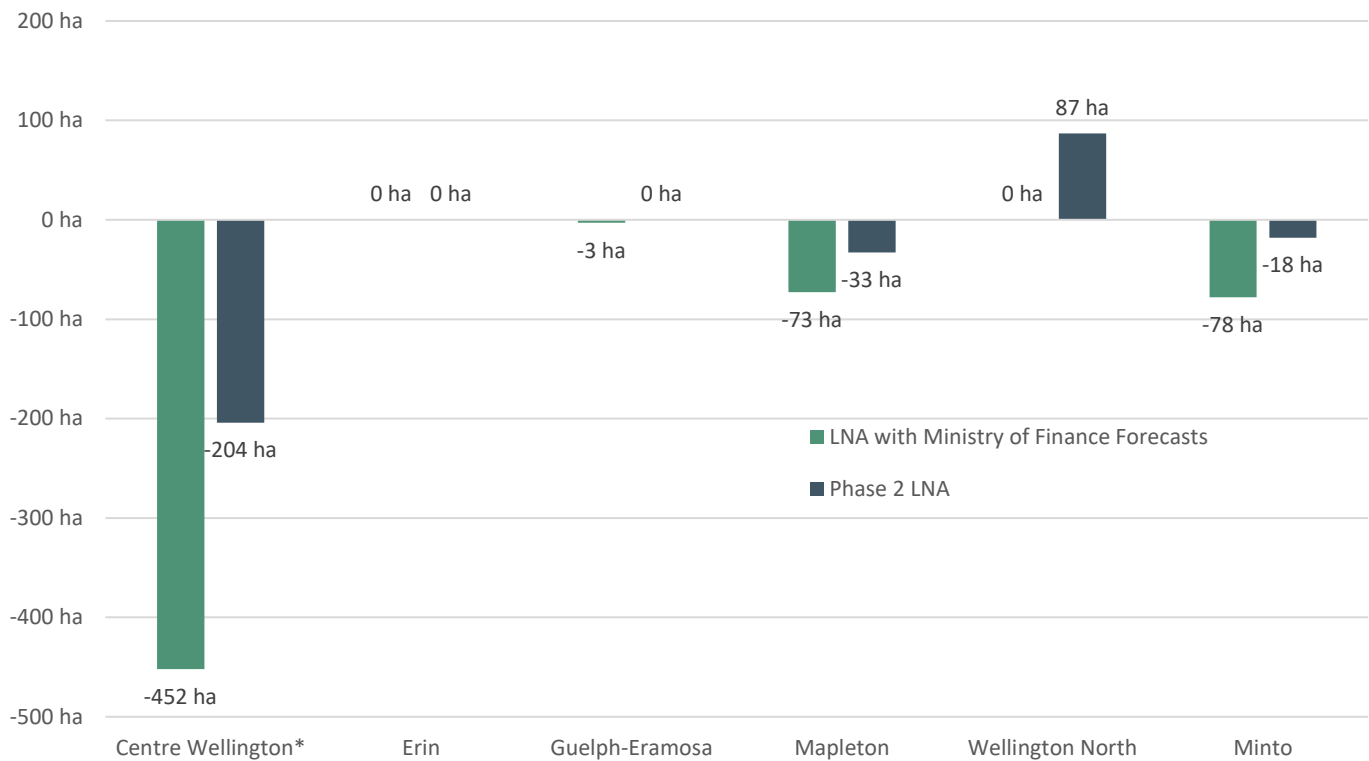
- The large share of jobs located in the Centre Wellington (29% of usual place of work jobs in Wellington County at the time of the 2021 Census of Canada);

- Proximity of Centre Wellington to employment centres in the City of Guelph, City of Waterloo and City of Kitchener; and,
- Higher DGA densities in Centre Wellington, in comparison to other municipalities in Wellington County, which helps to reduce the settlement area boundary expansion to accommodate the Fall 2024 population forecasts prepared by the Ontario Ministry of Finance.

The reallocation of household growth away from Erin and to Wellington North and Centre Wellington results in the need to absorb all Future Development lands in Wellington North and a settlement area boundary expansion of 452 hectares in Centre Wellington, as shown in Figure 5.4. This expansion is more than double the size of the expansion identified in the Phase 2 LNA.

Figure 5.4

Wellington County Community Area Expansion to 2051 - Alternative Scenario



* Expansion area is in addition to employment land conversion at 6408, 6410, 6420 and 6430 Beatty Line in Fergus (8.8 hectares) and additional lands in the South Fergus Secondary Plan (34 hectares).

Source: Parcel based on Phase 2 LNA.

6.0

Summary

Based on Policy 2.1.1 of the PPS, 2024, planning authorities are now directed to base population and employment projections on forecasts published by the Ontario Ministry of Finance. The most recent forecasts from the Ontario Ministry of Finance were published in Fall 2024. Based on recent forecasts prepared by the Ontario Ministry of Finance in Fall 2024 and utilizing household formation rates and the shares of household growth allocations contained in the Phase 2 LNA, Wellington County needs to expand settlement area boundaries to accommodate an additional 611 hectares of Community Area lands. This is 356 hectares more than identified in the Phase 2 LNA (255 hectares).

In Centre Wellington, there is a need to expand the settlement area boundary to accommodate at least an additional 362 hectares of Community Area lands. This is 158 hectares more than identified in the Phase 2 LNA (204 hectares).

We consider this to be the minimum expansion required in Centre Wellington, as constraints in the Town of Erin would result in Wellington County not meeting the population forecasts prepared by the Ontario Ministry of Finance forecasts prepared in Fall 2024. Recognizing the constraints in the Town of Erin, we have reallocated the additional growth to Wellington North and Centre Wellington. Based on this alternative scenario, a settlement area boundary expansion of 452 hectares of Community Area lands is required in Centre Wellington. This is 248 hectares larger than the expansion identified in the Phase 2 LNA (204 hectares).

The subject lands represent a logical expansion of the settlement area boundary in Centre Wellington, as they are an extension of the Storybrook subdivision located to the south, which is also being developed by Sorbara and Tribute Communities. Furthermore, the subject lands represent 29 hectares of developable lands, or 12% of the additional expansion required to accommodate the forecasts published by the Ontario Ministry of Finance to conform to Section 2.1.1 of the PPS, 2024.



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