

REPORT

LIVABLE OAKVILLE (OFFICIAL PLAN) COUNCIL SUB-COMMITTEE

MEETING DATE: MAY 15, 2017

FROM: Planning Services Department

DATE: May 4, 2017

SUBJECT: Residential Growth Analysis Study

LOCATION: Town wide

WARD: Town wide

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RECOMMENDATION:

That the report entitled *Residential Growth Analysis Study*, dated May 4, 2017 and the consultant's study attached as Appendix A be received.

KEY FACTS:

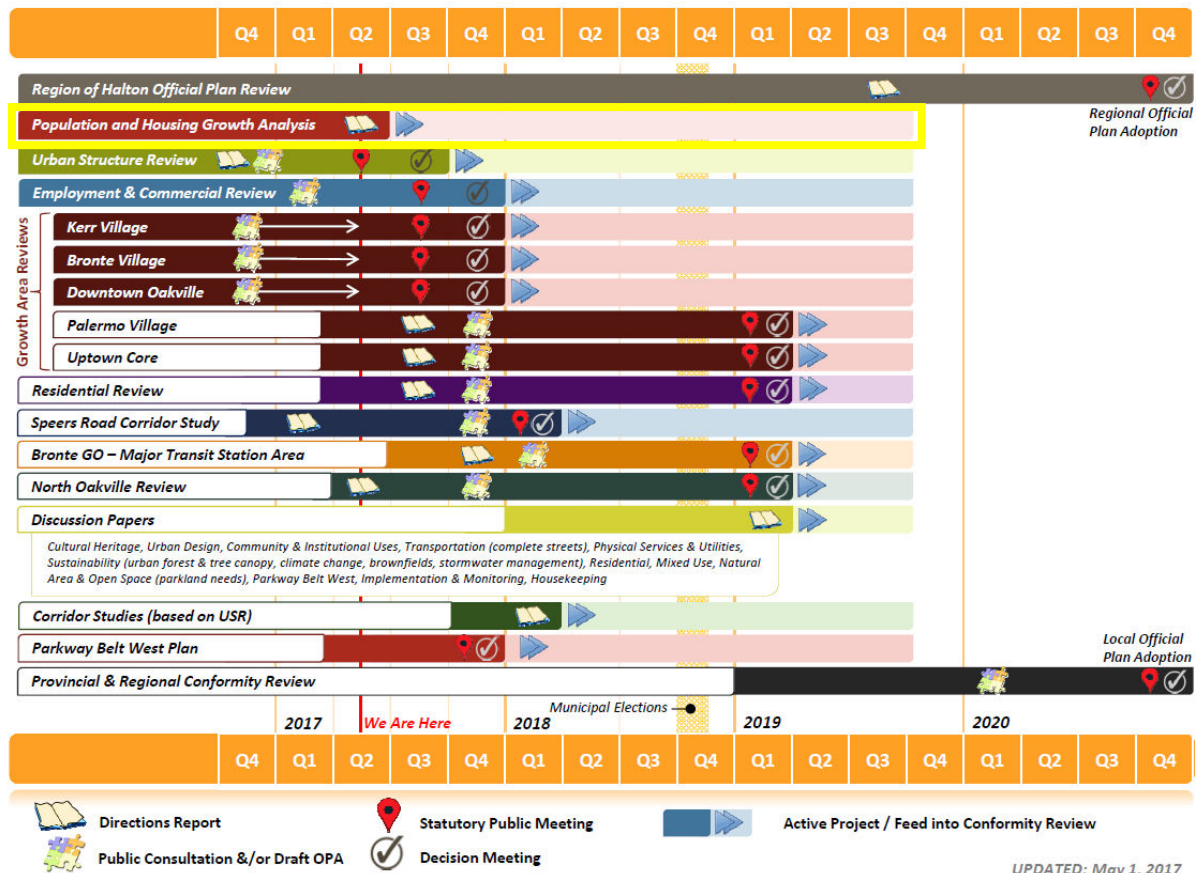
The following are key points for consideration with respect to this report:

- The town's five- year comprehensive Official Plan Review was launched on May 11, 2015 through a special public meeting in accordance with the *Planning Act*.
- The Residential Growth Analysis Study is a component of the town's ongoing five-year Official Plan Review.
- The Report is a Technical Background document which assesses the housing supply and demand in Oakville to accommodate growth to 2041.
- The *Town of Oakville Residential Growth Analysis Study – Technical Report* dated May 4, 2017 and prepared by Watson & Associates Economists Ltd is attached as Appendix A.

BACKGROUND:

The Residential Growth Analysis Study was undertaken as part of the town's five-year comprehensive Official Plan Review (OPR).

Figure 1 – Official Plan Review Work Program



The intent of the study is to develop a revised population and housing growth forecast for the town and assess how the town can accommodate growth to the year 2041 based on the growth allocated to Halton Region through Amendment #2 to the Growth Plan for the Greater Golden Horseshoe (GGH).

Watson & Associates Economists Ltd was retained by the town to complete the technical background analysis. Attached as Appendix 'A' is the *Town of Oakville Residential Growth Analysis Study – Technical Report*. The following information provides a general overview of the study method:

Phase 1 - Top down (Housing Demand)

Utilizes broad provincial and regional trends to determine a population and household forecast, inclusive of the following considerations:

- Cohort Survival Method (births, deaths, net-migration)
- Amendment #2 to the Growth Plan (Population and Employment Forecasts)
- Provincial, Regional and Town Planning Policies
- Economic Outlook (Local and Provincial)
- 20 Years of Housing Development Activity/Trends by Unit Type
- Historic Population Allocation in Halton
- Annual Growth Rates (2011-2031, post 2031)
- Demographic and Socio-economic trends

Phase 2 – Bottom up (Housing Supply)

Provides a local examination of development trends and opportunities, inclusive of the following considerations:

- Household Formation Method (Residential Units Forecast)
- Household Size Assumptions by Unit Type
- Local Official Plan Policies
- Active Development Applications (Proposed, Draft Approved, Registered)
- Growth Area Intensification
- Vacant Residential Greenfield Lands

Phase 3 – Refinement

Based on the results of 'Phase 2 – Bottom up' refine the 'Phase 1 – Top down' population and household forecast.

Policy Context

Planning Act

The *Planning Act* requires a municipality to review its official plan no less than every five years, unless a new official plan is adopted, in which case the review timeframe is 10 years. The Livable Oakville Plan was adopted in 2009 and approved by the Ontario Municipal Board (OMB) in 2011. The North Oakville East and West Secondary Plans were approved by the OMB in 2008 and 2009 respectively.

The town's current Official Plan Review (OPR) was officially launched with a special public meeting at Planning and Development Council on May 11, 2015. The Residential Growth Analysis Study is a major project under the "umbrella" of the Official Plan Review program.

Provincial Policy Statement, 2014

All of the town's official plan documents were prepared prior to 2014 and are required by the *Planning Act* to be reviewed and updated to be consistent with the current Provincial Policy Statement (PPS).

Section 1.1.2 of the PPS states that sufficient land shall be made available through intensification, redevelopment and designated growth areas to accommodate an appropriate range and mix of land uses to meet projected needs for a time horizon of up to 20 years. However, where an alternate timeline has been established for specific areas of the Province, that time frame may be used by municipalities. The Growth Plan for the Greater Golden Horseshoe has established a planning horizon to the year 2041.

Additionally, Section 1.4.1 states that planning authorities shall provide for an appropriate range and mix of housing types and densities required to meet projected needs of current and future residents. This provision is inclusive of planning authorities maintaining:

- At all times the ability to accommodate residential growth for a minimum of 10 years through residential intensification and redevelopment; and
- At all times where new development is to occur, land with servicing capacity sufficient to provide at least a three year supply of residential units.

Where planning is conducted by an upper-tier municipality, which is applicable in the Oakville context, Section 1.4.2 of the plan provides for the following direction:

- The land and unit supply maintained by the policies of 1.4.1 shall be based on and reflect the allocation of population and units by the upper-tier municipality; and
- The allocation of population and units by the upper-tier municipality shall be based on and reflect provincial plans where these exist.

Growth Plan for the Greater Golden Horseshoe

The Growth Plan for the Greater Golden Horseshoe, 2006 (Growth Plan) is a Provincial Plan that sets out the vision for growth and change in the Greater Golden Horseshoe.

In 2013, the Growth Plan was amended through Amendment #2 to provide new population and employment forecasts to the years 2031B, 2036 and 2041 for all upper-tier and single-tier municipalities in the Greater Golden Horseshoe. In Halton Region, the impact is an additional 40,000 people added to the existing 2031A forecast. The province differentiates the forecasts years as 2031A for the old forecast and 2031B for the updated forecast. Between 2031A and 2041, an additional 220,000 people and 80,000 jobs were added to Halton Region.

Figure 2
Provincial Growth Plan (Places to Grow) Population and Employment
Forecasts for Halton Region (000's)

Population	Employment	Updated Forecasts						Difference in 2031 Population (2031B - 2031A)	Population Growth 2031A - 2041	Employment Growth 2031A - 2041
		Population			Employment					
2031A	2031A	2031B	2036	2041	2031B	2036	2041			
780	390	820	910	1,000	390	430	470	40	220	80

Source: Growth Plan for the Greater Golden Horseshoe, 2006 (Places to Grow) Office Consolidation, June 2013. Excerpt from Schedule 3

Section 2.2.1 of the Growth Plan states that population and employment forecasts contained in Schedule 3 for all upper-tier and single-tier municipalities will be used for planning and managing growth in the Greater Golden Horseshoe (GGH). Additionally, Section 5.4.2.2 states that where planning is conducted by an upper-tier municipality, the upper-tier municipality in consultation with the lower-tier municipalities shall allocate the growth forecasts provided in Schedule 3 to the lower-tier municipalities.

The last regional allocation of growth was completed in 2009 and 2011 through Regional Official Plan Amendment (ROPA) #38 and ROPA #39 which established a regional phasing plan inclusive of population and employment forecasts for the lower-tier municipalities to the year 2031. The figure below presents how Halton

Region distributed its population and employment forecast to the lower tier municipalities in accordance with the Growth Plan, 2006.

Figure 3
Halton Region
Population and Employment Distribution

Municipality	Population		Employment	
	2006	2031	2006	2031
Burlington	171,000	193,000	88,000	106,000
Oakville	172,000	255,000	82,000	127,000
Milton	56,000	238,000	28,000	114,000
Halton Hills	58,000	94,000	20,000	43,000
Halton Region	456,000	780,000	218,000	390,000

Source: Halton Region Official Plan Package – January 13, 2016, September 28, 2015 Interim Office Consolidation. Table 1.

Region of Halton Official Plan

ROPA # 38 was adopted by Halton Region in December of 2009. The amendment implemented the Sustainable Halton Plan and served as the Regions conformity exercise with the Growth Plan for the Greater Golden Horseshoe, 2006. In June of 2011, Regional Council adopted ROPA #39 which presented a development phasing plan for residential and employment growth to the year 2031. The details of the Regional Phasing plan are expressed as Table 2A in the current Halton Region Official Plan. Figure 3 presents excerpts from the regional phasing plan that pertain to Oakville.

Figure 3
Halton Regional Official Plan (ROP)
Residential Units Phasing Plan for the Town of Oakville

Housing Growth	2012-2016	2017-2021	2022-2026	2027-2031	2012-2031
Designated Greenfield Area	6,155	5,152	2,206	1,251	14,764
Low Density	3,382	3,354	477	699	7,912
Medium and High Density	2,773	1,798	1,720	552	6,843
Units Inside the Built Boundary	4,235	5,068	4,323	4,189	17,815
Total	10,390	10,220	6,529	5,440	32,579
Percentage Housing Intensification	41%	50%	66%	77%	55%

Source: Halton Regional Official Plan Package - January 13, 2016, September 28, 2015 Interim Office Consolidation. Table 2a.

Halton Region commenced their 5-year Official Plan Review in 2014 through Regional Staff Report (LPS28-14) and brought forward a phase 1 directions report (LPS110-16) in October of 2016. Through the Regional Official Plan Review, the additional population and employment growth directed to Halton will be allocated to the lower-tier municipalities.

Livable Oakville Plan

Section 4 of the Livable Oakville Plan established the population and employment forecasts for the town to the year 2031.

Figure 4
Town of Oakville
Town-wide Population and Employment Forecast

Year	Population	Employment
2006	165,000	82,000
2031	255,000	127,000

Source: Livable Oakville, Town of Oakville Official Plan, 2009. Office Consolidation Last Updated February 23, 2015. 2031 Population figures summarized in Table 1-1 are upwardly adjusted for the net Census undercount, which is estimated at approximately 3.5%.

Note: The forecasts are for the entire Town, including North Oakville (North Oakville is approximately 35,000 employees and 55,000 residents)

The forecasts are a part of the basis for how the town's growth management and land use framework is established to accommodate the growth prescribed by the Region in accordance with the Growth Plan for the Greater Golden Horseshoe. It should be noted that the Livable Oakville Plan also includes a population and employment forecast for North Oakville which recognizes the planned growth to be accommodated through the North Oakville East and West Secondary Plans.

The allocation of the updated population and employment forecasts provided in Amendment #2 of the Growth Plan will be conducted by Halton Region through their Official Plan Review. However, in accordance with Section 5.4.2.2 of the Growth plan, the allocation process should be completed in consultation with the local area municipalities. The work completed through the Residential Growth Analysis Study – Technical Report will help inform the regional distribution of the updated population and employment forecasts to the year 2041.

COMMENT/OPTIONS:

The purpose of this staff report is:

To present the study findings contained in the consultant's final report *Residential Growth Analysis Study – Technical Report, May 4, 2017* (Appendix A).

Report Findings - Summary

Through the Residential Growth Analysis Study, Watson & Associates provided four growth scenarios to accommodate growth to 2041. The four scenarios are summarized below:

Scenario Summary	2031A (Livable Oakville)	2031B	2041
Low Growth: Net migration and corresponding housing construction levels during the 2016 to 2031 period will be lower than what has been assumed. Growth between 2031B and 2041 will occur at a rate of 0.5% annually.	255,000	248,100	261,500
Best Planning Estimate: Assumes that Oakville will achieve the 2031A population allocation. Growth between 2031B and 2041 will occur at a rate of 0.7% annually.	255,000	255,000	272,400
High Growth: This scenario assumes that the town's current share of Halton Region's population remains relatively constant throughout the 2016 to 2041 forecast period at 35%. Growth between 2031B and 2041 will occur at a rate of 2.1% annually.	255,000	289,500	350,000
Reference Scenario: This scenario assumes a 30% share of the additional 40,000 persons allocated to Halton Region, as per the Growth Plan Amendment No. 2 2031B forecast, is apportioned to the Town of Oakville. Growth between 2031B and 2041 will occur at a rate of 0.6% annually.	255,000	267,600	284,800

Note: Population growth in Oakville between 1991 and 2016 occurred at an average rate of 2.2% annually.

The 'Reference Scenario' was identified as the preferred scenario because it allows the town to take on a proportional share (30%) of the additional 40,000 people allocated to Halton Region to the year 2031B through Amendment #2. This percentage is close to the share of growth distributed to the town through Halton's last conformity exercise with the Growth Plan. The scenario also provides for a marginal rate of growth after the year 2031B to reflect the town's declining greenfield land supply.

In addition to the growth forecasts, the study also identifies several key themes and points for consideration as the town plans to accommodate growth to the year 2041 through the Official Plan Review (OPR). The following information represents a summary of the key findings from the study and the supporting policy directions provided by the consultant.

Demographic Trends

- Like many municipalities in Ontario, the average age of residents is increasing. As of 2016, the average age of residents in the Town of Oakville was 40. By 2031, the average age is forecast to increase to 41, and then to 42 by 2041.
- Over the 2011 to 2041 planning horizon, growth in the 65+ age group is forecast to represent 40% of total population growth. By 2041, 22% of the Town's population will be 65 years of age and older, up from 14% in 2016. Growth in the 65+ age group is anticipated to be strongest over the next 15 years.
- Despite the impacts of the above-referenced demographic trends, Oakville's population base is anticipated to remain slightly younger than the provincial average, largely due to the Town's attractiveness to families.

Demographic Trends - Policy Directions

As part of the town's OPR, consideration should be given to the implications of anticipated demographic trends on future municipal service and housing needs as well as housing affordability. These trends are discussed in greater detail below.

Housing Affordability

- Average household incomes of Oakville residents have not kept pace with rising resale and new housing prices. As a result, affordable housing needs in the Town of Oakville have steadily increased over the past several years.

- Upward pressure on housing prices is anticipated to continue in the near term. This is anticipated to pose challenges for the Town and the Region in achieving current OPR affordable housing targets.

Housing Affordability - Policy Directions

The town's OPR should also explore how current local planning policies are assisting the Region in achieving the goals set out in the Region of Halton Comprehensive Housing Strategy Update 2014-2024, and where potential changes may be necessary.

Further, the town's OPR should explore connections between the Region of Halton Housing Strategy and local planning objectives for housing intensification, mixed-use development, increased multi-modal transportation and local employment growth.

Note: The policy directions were developed prior to the Province of Ontario's new legislation for Inclusionary Zoning and the Ontario Fair Housing Plan. The impact of the new legislation will be addressed through other studies in the OPR.

Accommodating New Families in Oakville

- Population growth within the Town of Oakville will be increasingly driven by net migration¹ due to the aging of the town's population.
- The rate of future net migration to the Town of Oakville will be largely driven by the economic competitiveness of the regional export-based economy. For the Town of Oakville, net migration will be highly concentrated towards working adults and their dependents.
- Near term housing demand associated with the adult population between the ages of 35 and 54 will continue to be geared towards ground-oriented housing forms.
- Forecast demographic and socio-economic trends (e.g. age structure of the population and housing affordability) indicate that new housing development will steadily shift from ground-oriented to high-density forms.

¹ **Net Migration** – inclusive of immigration/emigration and inter/intra provincial migration

Accommodating New Families - Policy Directions

For the town to maintain a steady rate of population growth during the post-2031 period, it will need to attract an increasing share of residents, particularly families, into high-density housing forms.

To facilitate this shift towards more compact urban development, it is recommended that the town explore the use of planning and/or financial tools as well as other policies to implement the town's long-term vision. Staff note that assistance from the province will be required with respect to providing funding and financial tools to achieve the shift in growth which is required by the Growth Plan and reflected in the town's planning policies.

Staff would also note that to accommodate the shift to more people being accommodated in higher density housing forms, it will be important to understand the community needs and barriers to achieving the shift. This is inclusive of, but not limited to how the town will provide recreation and open space amenities to the increasing share of people anticipated to live in higher density housing forms. The intent of assessing community needs and barriers is to ensure the quality-of-life standards Oakville is known for can be provided to the people who will choose to live in the town's Growth Areas.

Attracting Millennial and Younger Generation

- Future housing needs in Oakville will also be increasingly impacted by the "Millennial" generation. This cohort represents a large and growing percentage share of the Greater Toronto Hamilton Area (GTHA) population. While there is no standard age group associated with the Millennial generation, persons born between 1980 and 1992 best fit the definition of this age group. As of 2016, the Millennial population in Oakville represents approximately 14% of the total population base (i.e. the population between 24 and 36 years of age).
- Within the GTHA, a high percentage of Millennials are drawn to urban locations (primarily the City of Toronto core) over suburban City of Toronto and "905" suburban locations. This preference is largely associated with the lifestyle that the City of Toronto core offers given its proximity to urban amenities, entertainment and employment opportunities.
- Given the age and size of this cohort, Millennials play a key role with respect to labour force supply. As such, their housing location preferences strongly influence office and retail location decisions throughout the GTHA. As the Millennials age, their housing preferences are expected to gradually shift from urban to suburban forms/locations.

- This shift is expected to drive future housing demand in Halton, including the Town of Oakville; however, the extent of this shift will be driven by a number of economic and socio-economic variables (e.g. relative housing costs/affordability, fuel costs, lifestyle preferences and perceived quality of life between urban and suburban areas).

Attracting Millennial and Younger Generation - Policy Directions

The Town should explore the impacts of changing lifestyle preferences of Millennials and newer generations on future housing demand and community planning in general, as part of its OPR.

Planning for Seniors

- As previously mentioned, Halton's population (most notably in South Halton) is getting older on average, due to the aging of the Baby boomers². The first wave of this demographic group turned 70 years of age in 2016.
- The aging of this existing demographic group will drive strong population growth in the 65+ age group over the next 25 years. Housing needs associated with growth in the seniors' population base will be largely driven by the aging of existing Oakville residents and, to a lesser extent, net migration.
- Not only is the Baby boom age group large in terms of population, it is also very diverse with respect to age, income, health, mobility and lifestyle/life stage. This is anticipated to drive the need for seniors' housing and other housing forms geared to an aging population (i.e. assisted living, affordable housing, adult lifestyle housing, etc.).
- Generally, the physical and socio-economic characteristics of older seniors (i.e. 75+ age group) are considerably different than those of younger seniors (65-75), empty-nesters and working-age adults. On average, older seniors have less mobility, less disposable income and have relatively more health issues compared to younger seniors.
- Typically, these characteristics associated with older seniors support relatively higher propensities for medium- and high-density housing forms which are in proximity to urban amenities (e.g. hospitals/health care facilities and other community facilities geared towards seniors).

² Defined as population born between 1946 and 1964.

Planning for Seniors - Policy Directions

The impacts of an aging population on housing and municipal service needs are key issues which should be considered in both the Regional and town OPR's.

Opportunities for Intensification

- Historically, residential development activity within Oakville has been focussed on ground-oriented housing forms.
- As the town continues to mature and its remaining greenfield areas build out, a growing share of new residential development is expected to occur through the intensification of the town's Growth Areas within South Oakville in the form of low-rise, mid-rise and high-rise apartments.
- There are a number of key factors which are anticipated to drive the real estate market for intensification within the Town of Oakville, including, but not limited to, the following:
 - Demographics;
 - Housing affordability;
 - Access/proximity to high-order transit;
 - Infrastructure conditions/capacity;
 - Development costs and financial feasibility;
 - Access to labour force;
 - Location attributes and urban character;
 - Land suitability, physical and environmental conditions; and
 - Land-use compatibility with the surrounding area.
- The results of this study indicate that future demographic trends represent a key driver of residential intensification opportunities for the Town of Oakville. Over the next 25 years, the 55+ population is anticipated to steadily increase in the Town of Oakville driven by the aging of the existing population as well as in-migration in this age group.
- Population growth in the 55+ age group will continue to drive demand across a broad range of housing forms within the town's built-up area, including townhouses, rental apartments, condominiums, seniors' housing and affordable/assisted housing.
- Younger generations will also drive demand for new housing opportunities within intensification areas in Oakville, subject to affordability and the type of new housing products which appeal to this demographic group.

Opportunities for Intensification - Policy Directions

Intensification development within the built-up area should be directed to the town's growth areas as they have the capacity to support the town's intensification growth based on their strategic location and the town's existing land use policy framework.

Limited intensification opportunities (i.e. infill, underutilized sites, Brownfield/Greyfield redevelopment) may exist along the town's arterial road corridors outside growth areas and, to a limited extent, within the existing and planned residential areas, provided that the character of these areas is preserved and the overall urban structure of the town is upheld. The town should identify and examine these limited opportunities through the OPR.

As part of the town's OPR, opportunities and approaches to integrate non-residential uses (i.e. commercial and employment) within identified planning nodes and corridors across the town should be explored to maximize employment growth opportunities within the built-up area.

Halton Best Planning Estimates (BPE) Growth Forecast Update

- Over the longer term (i.e. 2031), the population forecast provided by Watson & Associates is expected to exceed the 2011 Halton BPE. 2031 forecast.
- While housing occupancy levels are declining in the Town of Oakville, this decline is not occurring as aggressively as anticipated by the Halton BPE. This suggests that the Town of Oakville will require fewer households over the 2011 to 2031 period than indicated in the 2011 BPE. to accommodate the approved 2031 population forecast.
- Recent housing development by structure type is tracking well with the 2011 Halton BPE. In fact, potential demand exists for a greater share of medium and high-density housing in Oakville, off-set by a modest reduction in forecast low-density housing.
- In order to improve the accuracy of the Halton BPE. update, it would be beneficial to incorporate the 2016 Census population, household figures by structure type and employment by sector into the next update, as well as other available data sources with respect to employment (e.g. Halton Region employment survey).
- Approaches to improving collaboration with the local municipalities regarding the growth allocation process should also be explored. At the area-municipal

From: Planning Services Department
Date: May 4, 2017
Subject: Residential Growth Analysis Study

level in Halton, numerous planning studies are now underway (e.g. employment and commercial land reviews, intensification strategies, mobility hub studies and residential growth studies) which will help inform the Halton Region Official Plan review process, lower-tier municipalities OPR, and ultimately an update to the Halton BPE.

- Lastly, it is recommended that the Region and each of the area municipalities collectively develop a comprehensive growth tracking system to monitor the results of the Halton BPE against recent local residential and non-residential development trends.

CONSIDERATIONS:

(A) PUBLIC

N/A

(B) FINANCIAL

N/A

(C) IMPACT ON OTHER DEPARTMENTS & USERS

N/A

(D) CORPORATE AND/OR DEPARTMENT STRATEGIC GOALS

This report addresses the corporate strategic goal to:

- be accountable
- be the most livable town in Canada

(E) COMMUNITY SUSTAINABILITY

The work undertaken in the study generally complies with the sustainability objectives of the Livable Oakville Plan.

APPENDICES:

Appendix A – Town of Oakville Residential Growth Analysis Study – Technical Report, May 4, 2017

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Recommended by:

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From: Planning Services Department

Date: May 4, 2017

Subject: Residential Growth Analysis Study