



urban
Metrics

280 CLAIR ROAD W

Employment Land Conversion

Guelph, ON

Prepared for Home Opportunities

July 7, 2025



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July 7, 2025

Home Opportunities
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RE: **280 Clair Road W** – Employment Land Conversion (Guelph, ON)”

urbanMetrics inc. is pleased to submit our Employment Area Impact Study (“EIA) in connection with Home Opportunities’ (“you”, “your”) proposal to develop greenfield lands inside the City of Guelph’s urban boundary. The lands are known municipally as 280 Clair Road West (“the Subject Site”).

The City of Guelph requires this study to evaluate and identify potential employment impacts of redesignating the subject site from Industrial to High-Density Residential. This change in land use was originally implemented by the Province in 2023 with the support of Council, but was reversed as part of subsequent changes to provincial policy.

Home Opportunities is advancing an innovative development proposal to see nearly 1,000 new attainable and affordable ownership units constructed on what has long been considered a *challenging* industrial property. The proposed development envisions previously unavailable home-ownership options for Guelph families and early-stage households (singles and couples). It would provide a range of condominium apartments and townhome units suitable for various household income levels.

This EIA study demonstrates that your proposed development project at 280 Clair Road West meets the criteria in the Provincial Planning Statement, 2024 and the City of Guelph Official Plan and aligns with strategic planning efforts identified in the 2022-2026 Economic Development & Tourism Strategy and the 2024 Housing Affordability Strategy.

The report concludes that the proposed land use conversion will have little to no impact on the City’s surplus of developable employment land, and the proposed development is unlikely to negatively impact the surrounding employment uses.

Respectfully submitted,



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Executive Summary

- The assembly of sites known as 280 Clair Road West is a vacant and underutilized property with limited potential for industrial development and little ability to accommodate employment. It is a marginal economic asset for Guelph and has remained vacant despite the landowners actively seeking development opportunities during the last five years of accelerated industrial development in the city and region.
- The approximately 7.61-hectare site is irregularly shaped and is impacted by an ecological linkage of approximately 3.26 hectares that reduces the developable area to approximately 4.35 hectares. The site offers less than 150 metres of frontage, and has significant slopes and low-lying areas that would require grading or other earthworks that increase the cost of developing on the site.
- In contrast, Home Opportunities' proposal to reposition the site for affordable home ownership would make a meaningful economic contribution to the city by increasing economic competitiveness relative to other area municipalities by providing employee-friendly home ownership options and supporting the needs of local workers, employers, and their families
- Converting the property to residential uses would have no meaningful impact on the City's ability to maintain a supply of land to support uses permitted within Employment Areas.
- The City's 2020 Employment Land Strategy identifies a need for employment land to support office and commercial employment uses that are no longer permitted within Employment Areas. Considering only uses permitted within Employment Areas under the PPS, 2024, the City has a significant surplus of more than 110 hectares of employment land over the 2051 planning horizon.
- Census data highlights that more than 21,000 employees (25% of employees in Guelph) commute in from other municipalities. Many of these commuters may prefer to live in Guelph but are priced out of a larger role in the local community and economy.

- The City's Housing Affordability Strategy 2024 and Economic Development and Tourism Strategy 2022-2026 both highlight lack of attainable housing opportunities as a barrier to economic growth and community wellbeing.
- In our professional opinion, the Subject Site will likely remain vacant under its current industrial designation, meaning its conversion to residential use will have no negative impact on Guelph's economic health and well-being or on its ability to achieve its employment growth ambitions.
- If retained for employment purposes, based on the estimated net developable employment lands of 4.35 hectares, the Subject Site could - hypothetically - support approximately 100 full-time equivalent jobs within a light industrial development.
- In contrast to its marginal role in the city's employment land supply, the site can play a direct and powerful role as a catalyst to sustain economic growth and drive local business expansion.
- Several local area employers have cited the lack of affordable options for housing ownership as a competitive disadvantage for Guelph. Providing affordable residential units in a location that does not require a car will significantly improve the housing outlook for local area families, employees, and businesses.
- Home Opportunities has received corporate endorsements from major employers in Guelph regarding its approach to developing housing products that align with local workforce capacities. This approach is seen as so vital to attracting and retaining employees that some employment land stakeholders are taking priority options on a portion of the proposed units to connect their employees to home ownership opportunities.
- The construction approach and technology proposed by Home Opportunities and their local development partners have the capacity to drive local employment in Guelph through innovative construction techniques. The Home Opportunities proposal will bring innovations and construction techniques that represent exportable, scalable expertise for local construction fabricators, suppliers and skilled trades alike.

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1.0 Introduction

1.1 Background

The property known municipally as 280 Clair Road West (“the Subject Site”) has remained vacant and undeveloped for many years under an Industrial designation. In 2022, through OPA 80, it was re-designated for high-density residential uses. After the passing of Bill 150 in 2023, the redesignation was supported by Guelph City Council.

Staff oppose the change due to concerns on the compatibility of existing land uses, potential negative impacts on existing and future industrial uses in the area, and the impact of the property’s redesignation on the city’s supply of employment lands.

The Subject Site is located on the periphery of an Employment Area. Its location between two large industrial properties to the west and natural areas, a high school, and public park to the east mean it is effectively serving as the informal boundary between employment and community uses.

Within this context, Home Opportunities Inc. (“the proponent”) has assembled a multidisciplinary team of owners, developers, and builders to create a new residential community comprising nearly 1,000 units (960 units) of affordable housing on serviced and fully accessible land in the south end of the City of Guelph.

Home Opportunities has a proven track record of delivering attractive and attainable residential projects in markets across the province. These communities have been developed under two familiar corporate banners: Options for Homes and Home Opportunities.

The proposed development at 280 Clair Road West, by virtue of its size and location, represents a massive step forward in terms of achieving the City of Guelph’s housing target (pledge) of 18,000 new homes by 2031. The project provides an opportunity for Guelph families to live and prosper with a resident-focused community housing model that provides stability, security and direct connection to the community assets (schools, recreation centres, parks, trails, transit, etc.) already in the neighbourhood.

1.2 Purpose

The primary purpose of this report is to provide a comprehensive evaluation of the impacts of redesignating the property from industrial to high-density residential uses to permit the development of affordable and attainable housing on the property.

This report is intended to:

1. Evaluate the site's role in the city's economy and supply of employment land
2. Address the conversion guidelines and policies in the Provincial Planning Statement, 2024, and the City of Guelph Official Plan and;
3. Evaluate the Subject Site's relevance to achieving the City's planning and economic development goals.

1.3 Approach

This Study examines the current land use, zoning, and community development policies pertinent to 280 Clair Road West while simultaneously considering the ongoing health and well-being of a nearby Employment Area and the critical need and social benefits of driving greater housing diversity in Guelph.

The key components of the study include:

- **Site and Context Analysis:** Evaluate the existing land use framework, transportation networks, and the socio-economic function of the local area to assess the impact of residential uses on the Subject Site.
- **Policy Framework Review:** Review relevant provincial and municipal policies to ensure the proposed conversion aligns with strategic planning objectives and regulatory requirements.
- **Market Demand Assessment:** Conduct a market analysis to identify the demand for residential units in Guelph, the potential benefits of the conversion, and the site's potential for industrial development.
- **Employment Land Impact Assessment:** Review the land needs calculations in the 2020 Employment Land Strategy and update the assumptions to include changes to the supply from Bill 23 and changes to demand from the Provincial Planning Statement 2024. Estimate the impact of the proposed conversion on Guelph's ability to maintain an adequate supply of employment land to 2051.

- **Impact Evaluation:** Assess the potential impacts of the conversion on the surrounding community, including socio-economic benefits and infrastructure considerations, and identify any effects on the Employment Area.

By following this structured approach, the report aims to support informed decision-making and outline the rationale and implications of redesignating 280 Clair Road West for residential purposes.

2.0 The Subject Site

2.1 Site and Access

280 Clair Road West is situated between the Clairfields and Hanlon Creek neighbourhoods in south Guelph. The Subject Site is approximately 7.61 hectares (18.8 acres). A designated Ecological Linkage, part of Guelph’s Natural Heritage System, occupies 3.26 hectares and reduces the buildable area to 4.35 hectares (10.75 acres) (Figure 2, Figure 5).

Considering the ecological linkage and the portion of the property designated as employment lands, the proposed conversion would remove an estimated 4.35 hectares of employment land from the City’s land supply.

Figure 1: 280 Clair Road W (Subject Site)



SOURCE: Google Earth

This area is characterized by its strategic location between residential and industrial zones, making it a critical transitional area in the city. The surrounding south Guelph community has been experiencing steady development due to the availability of ground-related housing and proximity to major roadways, shopping centres, and employment hubs.

The site has been vacant for many years. Despite active marketing and alignment between the zoning and land use policies to permit industrial development, no developers or tenants have been successfully attracted to the site.

The surrounding land uses are as follows:

- **North:** Residential area and Clairfields Perimeter Trail
- **South:** Industrial users within the Employment Area including Denso Manufacturing Canada and a Tim Hortons Distribution Centre
- **East:** Bishop Macdonell Catholic High School, South End Community Park and Larry Pearson Sports Fields, and future South End Community Centre
- **West:** Clair Road Water Tower and flex users within the Employment Area, including the offices of Organic Meadow Limited Partnership, the showroom and fabrication space of Paragon Kitchens Ltd, and the office and lab facilities of TheDNALAB).

Figure 2: 280 Clair Road W in the City of Guelph Official Plan



SOURCE: City of Guelph Official Plan Schedule 1 B

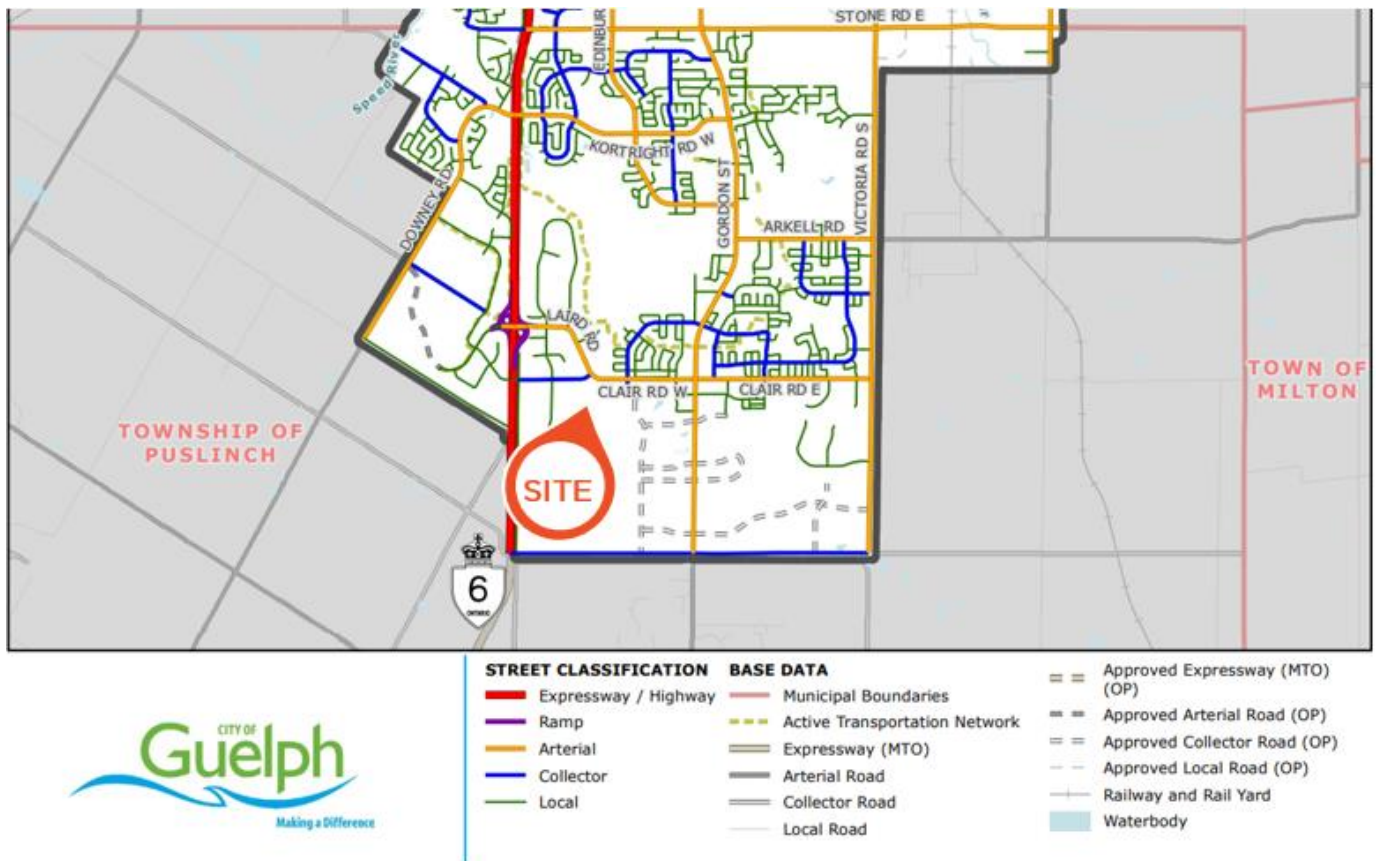
The property has several development constraints that have contributed to its long-term vacancy. As mentioned, a large portion of the site is undevelopable, which reduces the potential floor area of a large-format industrial development, such as the nearby Denso manufacturing facility and Tim Hortons distribution centre.

Furthermore, the property is long and narrow in shape, with limited frontage, which necessitates that buildings be oriented towards the back of the property, away from the road. From the perspective of a flex or commercial user, this site orientation significantly limits the property's visibility from the road.

2.2 The Local Area

The Subject Site is located in an area of Guelph that offers a blend of residential and community amenities, with established neighbourhoods situated alongside essential services and infrastructure. The proximity to major transportation routes, schools, recreational spaces, parks and trails makes it an attractive site for housing that supports the city's need for continued residential growth.

Figure 3: Guelph Road Network



SOURCE: City of Guelph, Official Plan

The Clair Road and Gordon Road intersection, approximately 1 kilometre to the east, is designated as a Strategic Growth Area in the Official Plan. From a previously low-density suburban area, recent residential growth in this corridor has been marked by the construction of diverse housing options, including townhomes and mid- and high-rise condominium towers. These newly built forms are a response to an increasing population and demand for accessible, well-serviced living spaces and the City of Guelph’s multifaceted efforts to improve housing options and affordability.

Simultaneously and in line with the planning objective of achieving complete communities, non-residential development, including shopping centres, dining establishments, and essential community service providers, has gravitated to this part of Guelph. The City of Guelph has supported this growth through strategic infrastructure investments in roads and community facilities, with plans for the expansion of active transportation networks in the near future. The local area also benefits from its proximity to major employment centres, including the University of Guelph, industrial areas, and the Hanlon Business Park adjacent to the Subject Site.

The Subject Site is exceptionally well-positioned at the edge of a designated Employment Area, referred to as the Hanlon Business Park¹. The area was previously part of a larger Provincially Significant Employment Zone (PSEZ) that also included the larger Hanlon Creek Business Park to the west. This designation was eliminated in late October 2024² under fundamental changes resulting from the new Provincial Planning Statement, 2024.

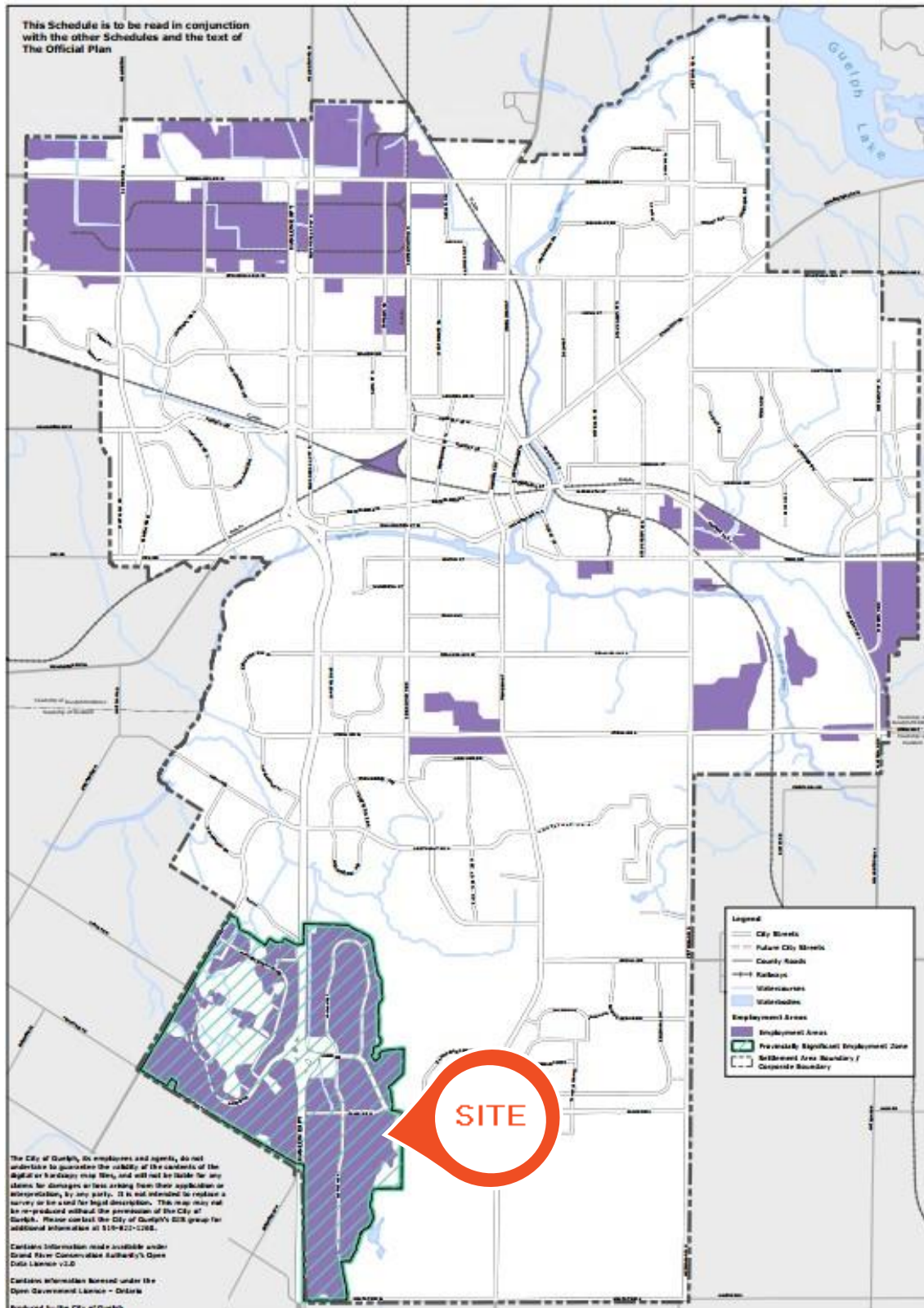
As noted in the City’s 2020 Employment Lands Strategy, while the Hanlon Business Park is largely built out, the Hanlon Creek Business Park offers multiple shovel-ready opportunities for the short and medium term, providing large parcels for development over the longer term.

Overall, the Subject Site’s location between a largely built-out Employment Area and a developing Strategic Growth Area provides an opportunity to create a residential community that balances accessibility to employment hubs while separating from the more intensive industrial activities nearby.

¹ Shaping Guelph – Employment Lands Strategy 2020

² Provincial Planning Statement, 2024.

Figure 4: Map of Guelph’s Employment Areas



SOURCE: Schedule 1B in City of Guelph Official Plan February 2024 Consolidation

2.3 The Proposed Development

The development plan includes **960 units**, featuring a mix of high-rise condominium towers and stacked townhouses. The proposal envisions a residential community that leverages the site’s extensive open space, offering a family-friendly environment supported by landscape areas, including community gardens.

With a largely prefabricated development approach leveraging local manufacturing and engineering expertise, the Home Opportunities proposal could proceed expeditiously upon municipal approval, with a potential 2026 construction start.

Figure 5: 280 Clair Road W Home Opportunities Site Plan



SOURCE: Site Plan for Home Opportunities by architecture unfolded

The Affordability Commitment

The proposed development would offer ownership units at various price points that align with CMHC’s affordability threshold for different household income levels. Fundamentally, a minimum of 50% (480 units) of units would be affordable to households and supportive of local economic development, with optional allocations to local employers and their employees.

Home Opportunities projects ensure that ownership is available to lower-income households by ensuring that a minimum of 30% of units are priced for households who can meet CMHC's monthly affordability threshold of 80% of the market average rent at a maximum of 30% of total monthly income. These units mean that households who would otherwise struggle to afford the average rent in Guelph can own a home.

In addition, a minimum of 20% of units would be allocated to households with a household income of less than 20% of the median household income. These units mean that households who may be underhoused or struggling to afford average rent in larger units, and have household incomes ranging from 30% to 60% of Guelph's median household income, could own a home.

Further, Home Opportunities ensures that units continue to meet CMHC affordability criteria as they are transacted by building another unit for a household with a comparable annual income. These units will ensure a future pipeline of affordable housing for average or low-income households.

3.0 Policy Background

3.1 Provincial Planning Statement, 2024

The Provincial Planning Statement 2024 (“PPS, 2024”) took effect on October 20th, 2024. Several new definitions, changes to definitions, and policy alterations will affect the planning framework in the City of Guelph.

Housing

The PPS, 2024, provides policies that only apply to what it defines as large and fast-growing municipalities with the greatest need for housing. The City of Guelph is included in this category and is subject to the related policies.

The statement formally defines *complete communities*, which planning authorities are required to plan to achieve through several considerations, including:

“an appropriate range and mix of land uses, housing options, transportation options with multimodal access, employment, public service facilities, and other institutional uses”, as well as “improving social equity and overall quality of life for people of all ages, abilities and incomes, including equity deserving groups”.

The PPS 2024 more directly identifies the need to deliver an appropriate range of housing options and densities, including by addressing a full range of housing options, including those for low—and moderate-income households, all types of residential intensification, the introduction of new housing options within developed areas, and a general prioritization of transit-supportive development and intensification.

Employment Land

In addition, the statement implements an updated definition of *Employment Area* as:

“those areas designated in an official plan for clusters of business and economic activities including manufacturing, research and development in connection with manufacturing, warehousing, goods movement, associated retail and office, and ancillary facilities. An Employment Area also includes areas of land described by subsection 1(1.1) of the Planning Act. Uses that are excluded from Employment Areas are institutional and commercial, including retail and office not associated with the primary employment use listed above”

Under this new definition, municipalities are required to protect Employment Areas for a more limited range of industrial uses and other uses associated or ancillary to this primary use. Non-conforming uses are not permitted to develop in Employment Areas in the future.

Lands not meeting this definition would not be subject to provincial protections and would, therefore, be open to residential and non-employment uses.

These policies are delineated in 2.8.2 (3):

- a) *Planning for Employment Area uses over the long-term that require those locations including manufacturing, research and development in connection with manufacturing, warehousing and goods movement, and associated retail and office uses and ancillary facilities;*
- b) *Prohibiting residential uses, commercial uses, public service facilities, and other institutional uses;*
- c) *Prohibiting retail and office uses that are not associated with the primary employment use;*
- d) *Prohibiting other sensitive land uses that are not ancillary to uses permitted in the Employment Area; and*
- e) *Including an appropriate transition to adjacent non-Employment Areas to ensure land use compatibility and economic viability.*

The following 2.8.2 (4) directs planning authorities to assess and update their official plans to ensure consistency between the Employment Areas identified in official plans and the planned function of Employment Areas in the PPS.

The subsequent 2.8.2 (5) outlines the policy tests for the removal of land from an Employment Area:

“Planning authorities may remove lands from Employment Areas only where it has been demonstrated that:

- a) *There is an identified need for the removal and the land is not required for Employment Area uses over the long-term;*
- b) *The proposed uses would not negatively impact the overall viability of the Employment Area by:*
 - 1. *Avoiding, of where avoidance is not possible, minimizing and mitigating potential impacts to existing or planned Employment Area uses in accordance with policy 3.5;*
 - 2. *Maintaining access to major goods movement facilities and corridors;*

- c) Existing or planned infrastructure and public service facilities are available to accommodate the proposed uses; and*
- d) The municipality has sufficient employment lands to accommodate projected employment growth to the horizon of the approved official plan.”*

The PPS 2024 introduces a narrower range of permitted uses within Employment Areas and sets out a more industrial focus than previous interpretations of employment lands.

This change has implications for local official plans, which must be updated to be consistent with this definition, as well as for land needs assessments and growth management exercises, as it effectively shifts retail, office, and other population-related employment into strategic growth areas or other community areas outside of traditional Employment Areas.

For the City of Guelph, this redefinition of Employment Areas invalidates the land needs calculations and much of the commentary in the 2020 Employment Land Strategy (“ELS 2020”). The ELS 2020 assumes that a significant portion of the population-related (“PRE”) and major office employment (“MOE”) will be supported by development within Employment Areas, driving demand for vacant employment land. These uses are no longer permitted within Employment Areas and no longer constitute part of the demand for employment lands. Further analysis is presented in Section 5.0.

Policy 2.8.2 (5) in the PPS, 2024, as shown above, outlines the key tests that must be satisfied to support a conversion request and forms the basic structure for the conversion argument set out in Section 6.0.

3.2 City of Guelph Official Plan

The City of Guelph Official Plan (“the Official Plan”, “OP”) sets out overarching objectives that shape development on employment lands in Section 2.3 and specific criteria in Policy 3.8.6 that must be met for an employment land site to be converted to accommodate other uses.

As laid out in the OP, these requirements were intended to be evaluated through a Municipal Comprehensive Review, a process that the new PPS has superseded. However, they represent the City’s criteria in considering potential Employment Land Conversions.

Goals and Objectives Section 2.3

The relevant strategic goals and objectives of Section 2.3 are addressed first below:

Strategic Goal 1b)

Ensure an appropriate range and mix of employment opportunities, local services, community infrastructure, housing including affordable housing and other land uses are provided to meet current and projected needs to the year 2051.

Strategic Goal 5d)

Ensure that an adequate supply, range and geographic distribution of housing types, including affordable housing, special needs housing and supporting amenities, are provided to satisfy the needs of the community

Objective 3b)

To direct growth to locations within the delineated built-up area where the capacity exists to accommodate the expected population and employment growth best

Objective 3.1 1)

Planning to support the achievement of complete communities, as a central theme to this Plan, is focused on the achievement of a well-designed, compact, vibrant city that meets people’s needs for daily living throughout their lifetime by providing:

- ii) a full range and mix of housing options and densities to accommodate a range of incomes and household sizes.
- iii) local services and public service facilities, including affordable housing and schools.

urbanMetrics’ Professional Opinion

We strongly believe the development of residential uses on the Subject Site contributes to achieving several critical strategic goals and objectives articulated in the Official Plan, specifically those related to housing affordability, economic vitality, and supporting businesses within Employment Areas.

Permitting residential development on the Subject Site contributes to Strategic Goal 1B by ensuring that the developing area of South Guelph provides a key community asset of affordable housing alongside its existing employment opportunities, residential areas, and a breadth of community services.

The proposed development also contributes to Strategic Goal 3B by directing growth to an area that can support intensification through its existing infrastructure, proximity to community facilities, and transportation networks.

Further, the proposed development helps to achieve Objective 3.1.1) in the Official Plan by directly supporting the City’s efforts to achieve complete communities by fulfilling a gap in housing options by delivering affordable units geographically aligned with the City’s employment opportunities in an area with local services, commercial facilities and public service amenities to support the on-site population.

Policy 3.8.6

The OP also sets out specific conversion criteria in Section 3.8.6. To ensure that adequate land is available to meet future employment needs, the conversion of lands within Employment Areas to non-employment use(s) may only be permitted through a municipal comprehensive review where it is demonstrated that:

- i) there is a need for the conversion at the proposed location on the basis that there are no alternative location(s) within the city where the use could be accommodated in conformity with the Official Plan;
- ii) the lands are not required over the horizon of this Plan for the employment purposes for which they are designated.
- iii) sufficient employment lands will be maintained to accommodate the forecasted growth to the horizon of this Plan.
- iv) the proposed uses would not adversely affect the overall viability of the Employment Area or the achievement of the minimum intensification and density targets; and other policies of this Plan; and
- v) there are existing or planned infrastructure and public service facilities to accommodate the proposed uses.

urbanMetrics’ Professional Opinion

In our opinion, the conversion of the Subject Site satisfies the policy criteria in Policy 3.8.6):

- i) The partnership arrangement that enables the delivery of the proposed affordable and attainable housing units on the Subject Site is not immediately replicable on other properties in the City.
- ii) The Subject Site does not fulfill a specific industrial or employment land niche in the city that cannot be addressed on other lands and is a likely candidate for long-term vacancy, which is factored into the City’s employment land strategy.
- iii) The Subject Site is a relatively insignificant part of the total employment land supply. Its conversion will not impact the City’s ability to

accommodate forecasted growth or sustain economic momentum over the duration of the Official Plan horizon.

- iv) The proposed conversion to residential uses will not negatively impact the overall Employment Area as the Subject Site is a small property on the area's fringe immediately adjacent to other non-employment uses. The potential for attainable housing adjacent to the Employment Area potentially positively impacts the ability of employers within the area to attract and retain high-skill employees.
- v) The Subject Site offers robust infrastructure and public service connections, and is within walking distance of daily commercial uses, educational facilities, public services, and natural amenities, including open spaces and trails.

Policy 3.8.1

The OP provides guidance on how land use planning should relate to and consider economic development in Policy 3.8.1:

The City shall promote economic development and competitiveness and ensure that there is a adequate supply of land for a variety of employment uses to accommodate the forecasted growth of this Plan by:

- i) *Planning to accommodate the employment growth forecast of a minimum of 116,000 jobs city wide by the year 2051;*
- ii) *Providing for an appropriate mix and range of employment uses including industrial, commercial, and institutional uses to meet long-term needs;*
- iii) *Providing opportunities for a diversified economic base, including maintaining a range and choice of suitable sites for employment uses which support a wide range of economic activities and ancillary uses and take into account the needs of existing and future businesses.*
- iv) *Planning for, protecting, and preserving Employment Areas for current and future uses;*
- v) *Ensuring the necessary infrastructure is provided to meet current and future employment needs;*
- vi) *Directing major office and appropriate major institutional uses to primarily locate downtown or strategic growth areas with existing or planned frequent transit service; and*
- vii) *Planning for and facilitating employment where transit-supportive built form and the development of active transportation networks are facilitated and surface parking is minimized.*

urbanMetrics' Professional Opinion

In our opinion the proposed conversion aligns with the employment policies laid out in the City's Official Plan.

The City will retain a surplus of employment land to accommodate employment growth over the plan's horizon, and the proposed affordable ownership development will support employment growth by providing ownership opportunities for employees. Land is a key consideration in attracting and supporting industrial activity, but all jobs are fulfilled by people who require places to live. The proposed development aims to prevent Guelph's economic competitiveness from being eroded by its lack of affordable housing.

In our opinion, providing housing options for employees is part of providing the necessary infrastructure to meet current and future employment needs. This type of social infrastructure has not kept up with population and employment growth over recent years and is directly addressed by the proposed development.

Further, the nearby Employment Area is currently not aligned with 3.8.1 vii, as there is little to no transit-supportive built form in the immediate area and minimal facilitation of meaningful active transportation networks. Locating an employment-supportive community on the Subject Site would represent progress toward this policy goal.

3.3 The City of Guelph Employment Land Strategy

The 2020 Employment Land Strategy, referred to herein as ELS 2020, is the most recently approved strategic document that outlines the City's approach to employment lands. It outlines several key themes and makes recommendations that inform the City's approach to planning for employment uses.

With the implementation of Bill 23 and the restrictions on accommodating retail and office uses not associated with primary industrial-type uses within Employment Areas in the PPS, 2024, many of the land needs conclusions and strategic recommendations have been invalidated.

The small surplus identified in the ELS 2020 is calculated by subtracting the demand for land based on employment projections and a density factor from the total supply of vacant employment land. The calculated need or demand for employment land over the 2021 to 2051 planning period is informed by projected employment across industries, including in uses no longer permitted within Employment Areas.

By prohibiting institutional, retail, and office commercial uses within Employment Areas and directing them towards community areas, the PPS, 2024, has significantly reduced the types of employment that can be included in the demand for land within Employment Areas, effectively decreasing the demand for employment land.

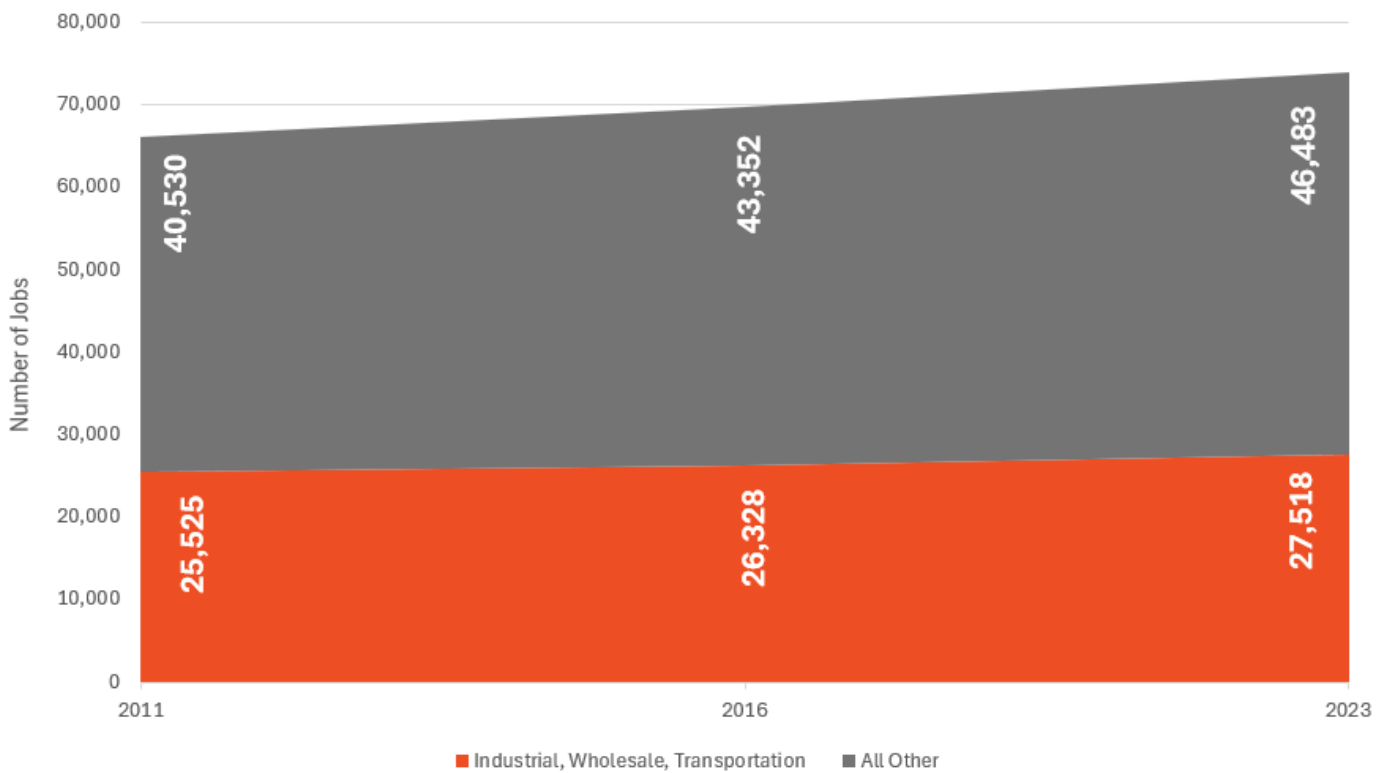
Section 5.0 details the impacts of these changes on projected land needs and the proposed conversion's effects on the potential surplus of employment land.

4.0 Market Context

4.1 Industrial Employment Trends

Guelph has experienced significant population and employment growth over the last decade. From 2011 to 2023, the City added nearly 6,000 jobs, a 14.6% increase from its 2011 base (Figure 6). While absolute growth is important, a key consideration is the type of work and the nature of economic activity in Guelph. The past 12 years have seen a transition away from industrial (manufacturing)- based jobs toward occupations in the knowledge and service-sector economy.

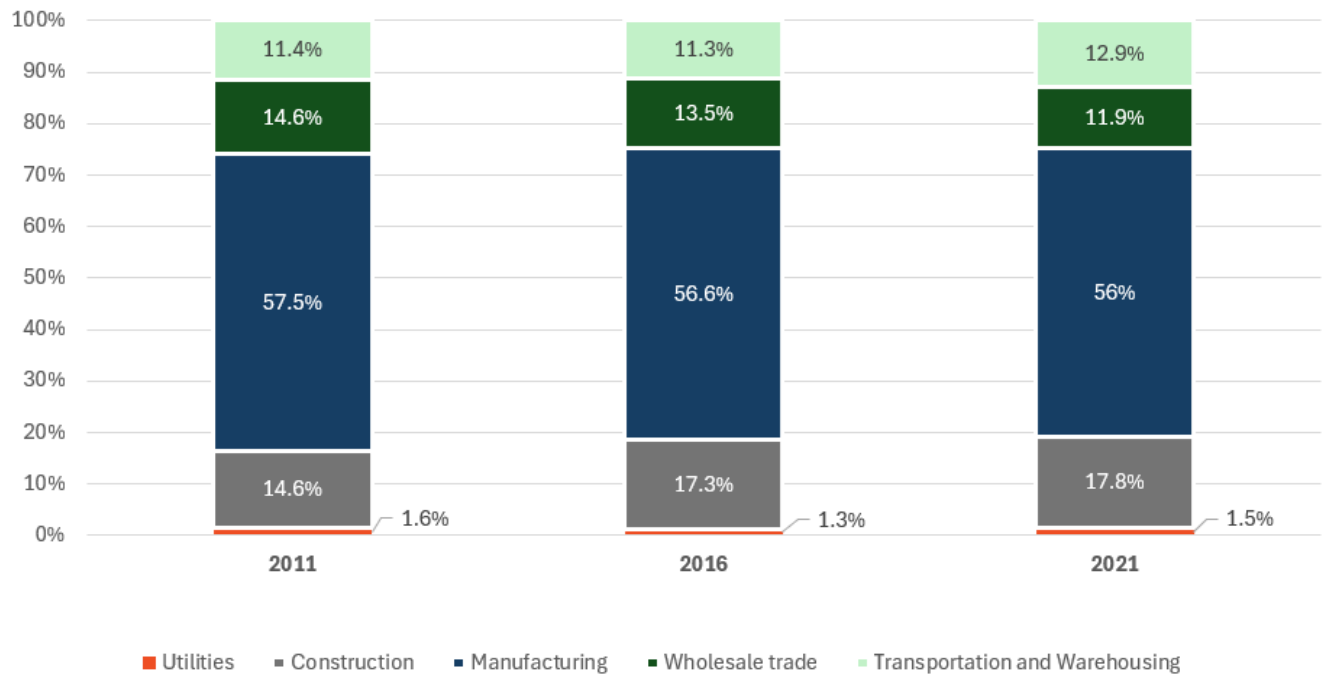
Figure 6: Employment Growth, City of Guelph, 2011 to 2023



SOURCE: urbanMetrics inc., based on Watson & Associates Guelph 2023 Development Charges Background Study

Overall employment levels have remained relatively static from 2011 to 2023. While manufacturing remains an essential sector in Guelph, it has continually declined as a proportion of total employment (from 58% to 56%) as more jobs are added in other sectors of the local economy, most notably transportation (Figure 7).

Figure 7: Industrial Employment Growth, City of Guelph, 2011 to 2023



SOURCE: urbanMetrics inc., based on Statistics Canada

In addition to longer-term trends, the rate of the transition between goods-producing and service-producing employment appears to have accelerated in recent years. The City’s 2023 Labour Force Survey identified an 8.6% decrease in year over year manufacturing employment in the Guelph CMA between 2022 and 2023 with the largest increases in Transportation and Warehousing, Professional, Scientific, and Technical Services and Public Administration³.

urbanMetrics’ Professional Opinion

The longstanding transition from goods-producing to service-producing employment impacts the entire Canadian economy. However, employment in manufacturing and logistics remains the backbone of local economies, including in the city of Guelph. While competing to attract industrial uses is a cornerstone of local economic development efforts, a more defensive approach to retaining and supporting existing industrial employers is understandable and potentially warranted in the current economic climate of trade uncertainty.

³ Labour Force Survey Annual Report 2023 – City of Guelph Economic Development.

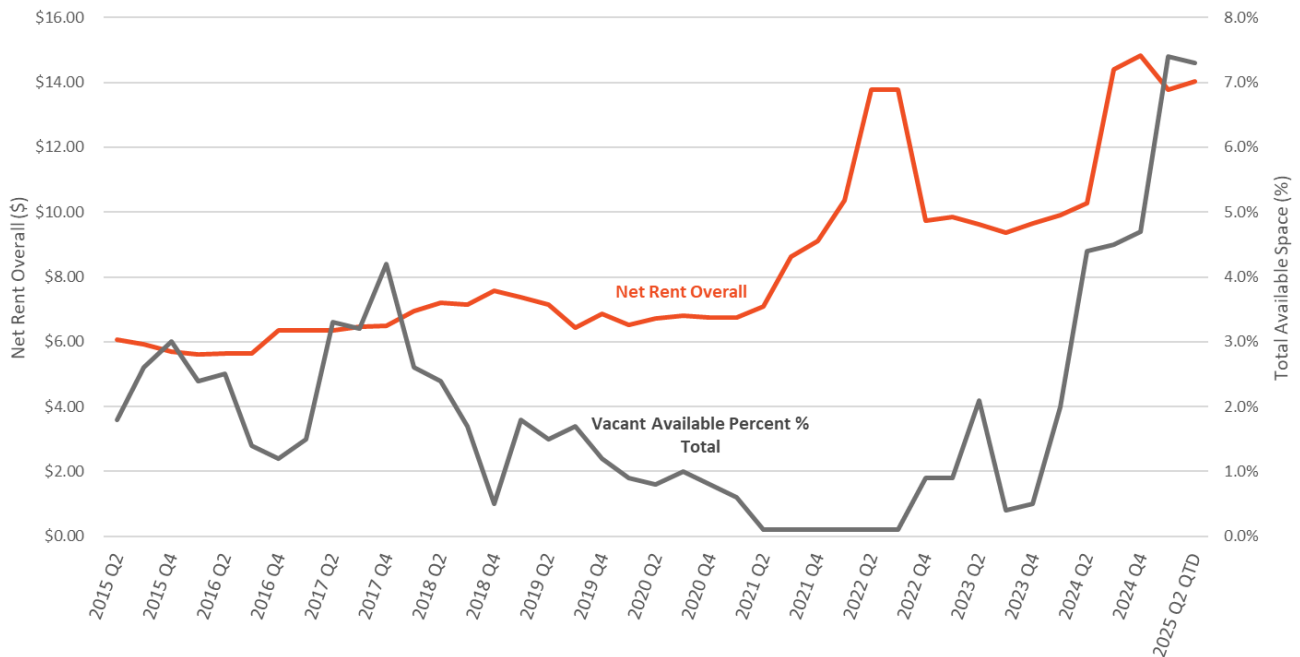
As an unattractive vacant development property, the Subject Site has little ability to attract new industrial development or support existing industrial employers. Further, the PPS, 2024, prohibits it from attracting or retaining other forms of employment or economic activity under its current industrial designation.

If redesignated to support residential uses, the site can provide affordable home ownership options for working-age employees and families and play a pivotal role in supporting the retention of employees in manufacturing sectors and potential growth of employees in other service-based sectors.

4.2 Investment and Absorption

Guelph’s industrial vacancy rates have been highly variable from 2016 to 2025, peaking at over 4% in 2018 before falling to almost 0% by early 2021 (Figure 8). In 2023, vacancy rates began increasing rapidly and continued throughout 2024 and into 2025, with current available space above 7%. The variation in vacancy can likely be attributed to new projects coming online and the lag between project completion and tenant occupancy.

Figure 8: Industrial Vacancy Rates and Net Rent Trends in Guelph (2015-2025)



SOURCE: urbanMetrics inc., based on CoStar Data

Net rent per square foot remained at around \$8 until 2020, after which it climbed to over \$14 by 2022, with decreases in 2023 and further increases to above \$14 per square foot in 2024 and 2025. The inverse relationship between vacancy rates and rent levels highlights a tight market with solid demand, where lower vacancies are associated with higher rents.

The dislocation between net rents and vacancy that has occurred since 2023 will likely put downward pressure on rents in available spaces and cool further industrial development, particularly development built on spec and intended to be leased to a 3rd party.

This is evident when evaluating the rental and vacancy rates in buildings completed since 2020. The percentage of available space in new construction (post 2020) is above 31%, compared to 7% overall, while new buildings remain asking more than the market average (Figure 9).

Figure 9: Market Average vs New Construction Industrial Comparison

Total Available Space		Net Rent Overall	
All Industrial	Post 2020 Construction	All Industrial	Post 2020 Construction
7.3%	31.6%	\$14.03	\$16.33

SOURCE: urbanMetrics Inc., from CoStar Realty Group Ltd. As of Q4 2024

This disparity and the evident challenge in absorbing new space suggest an impending market correction and a future period of lower construction rates of new space as existing space is slowly absorbed.

5.0 Employment Land Analysis

5.1 Guelph’s Employment Land Supply

The land needs assessment and employment lands strategy, referred to herein as the ELS, 2020, was undertaken as part of the City’s Municipal Comprehensive Review. At a high level, it estimated the City’s land supply at 404 hectares after removing 9 hectares of constrained sites and a 10% adjustment for market vacancy. No rationale is given for how specific properties or portions of properties were identified as constrained or undevelopable, or how a 10% adjustment for market vacancy was estimated.

The strategy also recommended 50 hectares of conversions, including the Clair-Maltby and York/Watson areas. This recommendation was based on their relative unsuitability for employment uses and the supply of vacant land in other areas of Guelph, such as the Guelph Innovation District (“GID”) and the Hanlon Creek Business Park. These recommended conversions were subtracted, resulting in a total developable land supply of 354 hectares (Figure 7-7 in ELS 2020).

After the ELS, 2020 was approved by Council, Ontario Bill 23 impacted the City’s employment land supply by converting approximately 26 hectares in the GID to residential and mixed-use designations. As a result, the estimated supply of employment lands should be reduced to approximately 328 hectares.

urbanMetrics’s Professional Opinion

In general, we believe the Subject Site should have been considered as part of the adjustments for undevelopable land and/or long-term vacancy during the Land Needs Assessment and should not have been factored into the employment land supply.

The site has been vacant for decades, despite being actively marketed. Additionally, it possesses several characteristics that limit its potential for industrial development. There is no explanation provided in the ELS 2020 regarding which parcels were identified as undevelopable or considered for long-term vacancy. In our opinion, the Subject Site appears to have been erroneously omitted from consideration, as similar development constraints were cited in recommending the conversion of other previously designated employment lands, such as those in the Clair-Maltby Secondary Plan Area.

5.2 Demand for Employment Land

The demand for employment land in Guelph is driven by growth in three economic sectors: production (manufacturing), storage (warehousing), and goods movement (transportation/logistics).

Business activities on employment lands typically require large parcels, and recent increases in construction costs have further accelerated the consolidation of new industrial space in large developments to achieve economies of scale. Industrial activities across Ontario, including Guelph, are managed carefully through the municipal land use system (Official Plans and zoning bylaws) to control negative externalities.

The ELS 2020 identifies five key sectors of Guelph’s economy that will drive future economic growth and the associated demand for employment land: Automotive, Metalworking & Technology, Recreational & Small Electric Goods, Trailers, Motor Homes & Appliances, and Production Technology & Heavy Machinery.



Automotive



Metalworking
Technology



Recreational
& Small
Electric
Goods



Trailers,
Motor Homes
& Appliances



Production
Technology &
Heavy
Machinery

The ELS 2020 projected that the City will support an employment base of 116,000 jobs, with incremental growth of 33,000 new jobs between 2021 and 2051. Slightly less than a third (31%) of the new jobs in Guelph between 2021 and 2051 (10,200), are expected to be in employment land employment (“ELE”), with 100 of these jobs assumed to be located on other designations within the community area. A further 15% of this total (1,515) is assumed to be accommodated by intensifying existing developed employment lands.

However, the ELS 2020 also considers other employment sectors on employment lands. It assumes that 2,600 population-related jobs (“PRE”) and 2,300 major office jobs (“MOE”) will be accommodated on employment land over the planning horizon. A 15% intensification factor then reduces the job total to some 12,750 jobs assumed to drive demand for vacant employment land. Applying a density ratio of

40 jobs per hectare, this results in demand for 319 hectares of employment land over the planning horizon.

However, the uses that support the 2,600 PRE and 2,300 MOE jobs are no longer permitted within Employment Areas under the PPS, 2024. The PPS, 2024 makes clear that large uses, including corporate offices, retail and institutional uses - many of which are commonly found in Employment Areas across the province - are now expected to be directed to *major transit station areas*, and *strategic growth areas* (SGA).

The new policies aim to limit the role of employment land specifically to manufacturing, warehousing, and transportation-type commercial operations. This policy direction took effect on October 20, 2024. If ELE, as defined in the ELS 2020, is seen as equivalent to the permitted uses within Employment Areas under the PPS, there are approximately 10,100 jobs that will be accommodated on employment land until 2051 (Figure 10).

As shown in Figure 10, if the 10,100 ELE jobs are reduced by the 15% intensification assumption used in the ELS, the total number of jobs driving demand for vacant employment land over the planning horizon is 8,585. At the assumed density of 40 jobs per hectare, this is equivalent to a demand for approximately 215 hectares of land. This is more than 100 hectares less than the 319 hectares estimated in the Employment Land Strategy (Figure 10).

Figure 10: Employment Land Demand from 2020 Employment Land Strategy

Employment Land Demand	2021-2051 Guelph ELS	2021-2051 PPS Adjusted
Growth in Employment on EL	15,000	10,100
Intensification %	2,250	1515
Adjusted Growth in Employment on EL	12,750	8,585
Employment Land Density (jobs/net ha)	47	47
Employment Land Demand (net ha)	271	183
Employment Land Density (jobs/ha)	40	40
Employment Land Demand (ha)	319	215

SOURCE: Figure 7-5 in Shaping Guelph – Employment Land Strategy prepared by Watson & Associates Economists Ltd. 2020.

5.3 Calculating an Employment Land Surplus or Deficit

If the land supply is adjusted based on the removal of 26 hectares of employment land through Bill 23 and the demand is adjusted based on the more limited range of permitted uses through the PPS, 2024, the City had a total supply of 328 hectares of employment land and projected demand of 215 hectares. Under these new assumptions, the City has a surplus of approximately 113 hectares over the 2021 to 2051 planning horizon.

In addition to the technical analysis contained within the ELS 2020, other considerations identified in the report will influence the demand for employment land in the future. The broad sector of advanced manufacturing, which has long had a significant presence in Guelph, is shifting towards more extensive site requirements in a “campus-style” setting that is more complicated and land-intensive to implement than a single development on one parcel.

Warehousing and logistics have greatly influenced the absorption of employment lands across southern Ontario. The sector is progressively adopting new methods, including robotics and advanced automation technologies, which are set to transform the design and implementation of traditional warehouse buildings. These innovations will inevitably reduce the physical presence of employees needed for advanced operations in this field.

Guelph’s Employment Lands Strategy also acknowledges that the growth of the knowledge-based or creative class economy has and will continue to alter the demand for conventional employment land.

urbanMetrics’ Professional Opinion

The conclusions of the ELS 2020 have been invalidated by the change in permitted uses within Employment Areas implemented by the PPS, 2024. These changes will fundamentally alter businesses’ future locational choices and represent an estimated 114 hectare subtraction from the demand for land within policy-protected Employment Areas.

Figure 10 illustrates the assumptions used to arrive at the estimated demand for employment land in the Employment Land Strategy and contrasts them with an adjusted growth in employment on employment land that only includes ELE employment, which generally aligns with the uses permitted within Employment Areas under the PPS.

If the assumptions of the City’s Employment Land Strategy are updated to reflect changes included in Bill 23 (removal of 26 hectares of supply) and the PPS, 2024

(removal of approximately 1/3 of demand), approximately 215 hectares of land within Employment Areas are needed, and approximately 328 hectares are available. This results in a residual surplus of roughly 113 hectares.

The site's conversion and the loss of approximately 4.35 hectares of designated employment land will not impact the City's ability to meet projected demand for land by uses permitted within Employment Areas under the PPS. If the conversion was approved, the City would retain a surplus of some 108 hectares until 2051.

Aside from the technicalities of policy and land needs assessment, the Subject Site presents several development challenges to fully realizing manufacturing, warehousing, and transportation/logistics-type uses. This conclusion is exemplified by its ongoing vacancy despite intensive industrial development in Guelph and southern Ontario over the last five years. Grading, a lack of frontage, a significant amount of undevelopable area, adjacent sensitive natural heritage systems, and the site's irregular parcel shape make achieving its full development potential expensive and potentially time-consuming.

If the property's current land use designation is retained, it is unlikely that it would be developed to support any significant employment-generating uses. The site's characteristics severely limit the potential scale of industrial development, below the target employment land density of 40 jobs per hectare and below what would likely be required to justify the necessary investment in earthworks. In the unlikely event the site was developed for industrial uses, on-site employment could yield ~90-100 full-time equivalent positions based on an assumed 20% lot coverage ratio on a buildable area assumption of 4.35 hectares.^{4,5}

In short, the property is neither unique nor inherently attractive for broad-based industrial uses, which is a contributing factor to its lack of development, as the surrounding areas of employment have seen significant investment.

We see no reasonable evidence to suggest that redesignating the subject lands would compromise Guelph's capacity to sustain long-term economic growth. The proposed development would systematically deliver housing options expressly intended to meet local workforce requirements, situated on the doorstep of a mature employment node and new community amenities, including schools and recreation facilities.

⁴ Based on 2023 City of Guelph Development Charge Background Study Industrial floor area per worker estimate of 1,100 square feet.

⁵ Based on developable land assumption by architecture unfolded.

6.0 Employment Land Conversion Criteria

6.1 Provincial Planning Statement, 2024

Policy 2.8.2 (5) in the PPS, 2024 serves to identify the conversion criteria or policy tests that must be met to permit the removal of land from an Employment Area:

“Planning authorities may remove lands from Employment Areas only where it has been demonstrated that:

- a) There is an identified need for the removal and the land is not required for Employment Area uses over the long-term;*
- b) The proposed uses would not negatively impact the overall viability of the Employment Area by:

 - 3. Avoiding, of where avoidance is not possible, minimizing and mitigating potential impacts to existing or planned Employment Area uses in accordance with policy 3.5;*
 - 4. Maintaining access to major goods movement facilities and corridors;**
- c) Existing or planned infrastructure and public service facilities are available to accommodate the proposed uses; and*
- d) The municipality has sufficient employment lands to accommodate projected employment growth to the horizon of the approved official plan.”*

A. The need for conversion and the requirements of the land for employment uses over the long-term.

The need for conversion is to address the primary risk to Guelph’s economic development and quality of life: the availability of adequate and affordable housing. This conversion would enable the realization of an innovative approach to housing delivery, creating 960 housing units targeted at households that are otherwise unable to own a home.

Up to 50% of these units would be made affordable (carrying costs less than 30% of the household’s monthly income) to households earning less than 50% of the

median household income, with 30% of units priced for households earning 20 to 40% of Guelph's median household income. Further, portions of units are being made available to employees of local businesses so support their employee retention and attraction efforts and augment the City's economic development initiatives.

This development proposal is not easily replicated on other properties within Guelph. Part of the proposal's ability to deliver affordable home ownership on the property is related to the site's unattractiveness for industrial development. An industrial property with better development characteristics that could readily attract and support industrial users would have a correspondingly higher market price that would hamper Home Opportunities' ability to implement its development program and deliver units affordably. The same is true for a residential site in a prime location. As such, the site's characteristics that make it unattractive for industrial development make it possible to realize this unique opportunity to deliver home ownership to Guelph employees and their families.

The land is not required for long-term employment uses for two reasons. Firstly, it is unsuitable as an industrial development site due to several constraints, including a limited developable area, restricted frontage and road access, and the need for significant earthworks. As such, it would be very unlikely to play a role in any employment uses for the planning period.

Secondly, the City retains a significant surplus of employment land to support employment uses permitted within Employment Areas under the PPS, 2024. The prioritization of industrial-type uses within Employment Areas and the direction to plan for major office and population-related employment in community areas in the policy means that the City's Employment Land Strategy, conducted before the PPS, 2024 was implemented, grossly overstates the demand for employment land by including uses that are no longer permitted within Employment Areas.

If the demand for employment land is calculated based only on uses permitted within Employment Areas by the PPS, 2024, demand is reduced from 319 hectares to 215 hectares, and the surplus of land (after accounting for the removal of the GID lands in Bill 23), increases from some 9 hectares to 113 hectares.

At this scale, the conversion of the 4.35 hectares of the Subject Site that are developable and designated as employment land would have little to no impact on the City's ability to accommodate employment uses over the long-term.

In contrast, supporting the workforce by providing targeted housing promotes the accommodation of future employment uses, making it a more attractive destination for employees.

B The proposed uses would not negatively impact the overall viability of the Employment Area by avoiding, minimizing and mitigating potential impacts to existing or planned Employment Area and maintaining access to major goods movement facilities and corridors;

The proposed conversion seeks to minimize and mitigate potential impacts to the existing Employment Area by relocating the ecological linkage to the west side of the property and locating a parking structure between the adjacent industrial parcels and the proposed residential uses. The Compatibility and Mitigation Study for the Subject Lands provides further information on the proposed mitigation strategy.

The proposed conversion would not impact access to major goods movement facilities and corridors. It abuts employment uses on one side, with the Employment Area located west of the property. Vehicles moving between the Hanlon Expressway and the Employment Area would not need to pass the Subject Site.

C. Existing or planned infrastructure and public service facilities are available to accommodate the proposed uses.

The Subject Lands are located near existing and planned infrastructure and public service facilities that can accommodate the proposed uses. Immediately to the east of the property is a high school and public park with a splash pad and multiple sports fields, with a fire and paramedic station located some 300 metres further east.

In addition, the designated Strategic Growth Area surrounding the intersection of Clair Road and Gordon Street (located approximately 1.1 kilometre to the east) provides a public library, a post office, multiple full-size grocery stores, multiple banks, a movie theatre, fitness facilities and other commercial businesses within walking distance of the Subject Site.

Furthermore, the site is directly served by the 19 and 16 bus routes, which connect to the 99 route and the rest of the City via the main transfer point at Clair Road and Gordon Street, which is within walking distance.

D. The municipality has sufficient employment lands to accommodate projected **employment growth to the horizon of the approved official plan.**”

As identified above, the City retains a significant supply of land to support employment types permitted within Employment Areas as permitted under the PPS, 2024. urbanMetrics estimates conducted using the same assumptions as the ELS 2020 estimate demand at 215 hectares with a resulting surplus of land of some 113 hectares.

The conversion of the Subject Site would result in the City maintaining an approximately 108 hectare surplus of employment land and would have little to no impact on the City’s ability to accommodate employment uses during the horizon of the official plan.

6.2 City of Guelph Interim Employment Lands Update 4.6.3

In 2018 the City of Guelph completed an Interim Employment Lands Update. This report identified criteria for evaluating the conversion of employment lands in the subsequent Municipal Comprehensive Review process. The criteria set out were as follows:

- Site is located outside an established or proposed industrial/business park;
- Site is isolated from surrounding designated employment lands;
- Site is surrounded by non-employment land uses on at least three sides;
- Conversion would not create incompatible land uses;
- Conversion of site would not negatively affect employment lands in the areas;
- Conversion would be consistent/supportive of City policy planning objectives;
- Conversion doesn’t contravene any City policy planning objectives;
- Site offers limited market choice for employment lands development due to size, configuration, physical conditions, other;
- Site does not offer potential future expansion on existing or neighbouring employment lands.

urbanMetrics’ Professional Opinion

- The Site is not outside of a business park, but is located on the periphery of an established business park, outside of the contiguous parcel fabric.
- The Site is separated from surrounding designated employment lands by its orientation towards Clair Road West.
- The site is surrounded by non-employment uses on three of four sides, to the east is a vacant property and educational uses; to the south is environmentally protected areas, to the west is light industrial uses, and to the north are environmentally protected areas.

- The potential for incompatibility among neighbouring land uses could be mitigated through the natural heritage features on the west of the subject site and further setbacks from those natural heritage features.
- If the potential for adverse impacts on either the proposed residential uses or the existing industrial uses is mitigated, the conversion would not negatively affect employment lands in the area. In fact, the proximity of the proposed development to the Employment Area can support the labour force competitiveness of existing employers.
- In our opinion, the conversion is supportive of City policy planning objectives. This is analyzed in Section 6.
- In our opinion, the conversion doesn't contravene any City policy planning objectives, as the site is insignificant in the context of the City's employment land supply and economic development strategy.
- The site offers limited market choice for employment lands due to its configuration and physical conditions which limit its developable area and access to the site through a lack of frontage on an arterial roadway.
- The site offers only a theoretical potential future expansion for adjacent industrial properties, one of which (Denso) has expanded already on its existing property and recently signed a 75,000 square foot lease on another property in the Hanlon Creek Business Park. In our opinion, the actions of adjacent property owners support the conclusion that the site is unattractive for development and incapable of playing a role in supporting industrial employment.

6.3 City of Guelph Official Plan Section 3.8.6

The OP also sets out specific conversion criteria in Section 3.8.6. To ensure that adequate land is available to meet future employment needs, the conversion of lands within Employment Areas to non-employment use(s) may only be permitted through a municipal comprehensive review where it is demonstrated that:

- i) there is a need for the conversion at the proposed location on the basis that there are no alternative location(s) within the city where the use could be accommodated in conformity with the Official Plan;
- ii) the lands are not required over the horizon of this Plan for the employment purposes for which they are designated.

- iii) sufficient employment lands will be maintained to accommodate the forecasted growth to the horizon of this Plan.
- iv) the proposed uses would not adversely affect the overall viability of the Employment Area of the achievement of the minimum intensification and density targets; and other policies of this Plan; and
- v) there are existing or planned infrastructure and public service facilities to accommodate the proposed uses.

urbanMetrics's Professional Opinion

In our opinion, the conversion of the Subject Site satisfies the policy criteria in Policy 3.8 6) as

- i) The partnership arrangement that enables the delivery of the proposed affordable and attainable housing units on the Subject Site is not immediately replicable on other properties in the City.
- ii) The Subject Site does not fulfill a specific industrial or employment land niche in the city that cannot be addressed on other lands and is a likely candidate for long-term vacancy, which is factored into the City's employment land strategy.
- iii) The Subject Site is a relatively insignificant part of the total employment land supply. Its conversion will not impact the City's ability to accommodate forecasted growth or sustain economic momentum over the duration of the Official Plan horizon.
- iv) The proposed conversion to residential uses will not negatively impact the overall Employment Area as the Subject Site is a small property on the area's fringe, immediately adjacent to other non-employment uses. The potential for attainable housing adjacent to the Employment Area positively impacts employers' ability to attract and retain high-skill employees.
- v) The Subject Site provides strong infrastructure and public service connections and is within active transportation distance of daily commercial uses, education and public service facilities, and natural amenities such as open space and trails.

7.0 Impact Analysis

7.1 Employment Impacts

[a.] The employment potential of the Subject Site is approximately 0.36% of total industrial employment in Guelph.

Based on the estimated developable land on the property, the Subject Site could support approximately 100 full-time equivalent positions in a light industrial development. The 100 potential employees on the site in a light industrial development would represent 0.36% of the total industrial employment in Guelph (Figure 7).

However, this scenario is unlikely to be realized, as the narrow frontage, Natural Heritage Systems on the property, adjacent sensitive land uses, and significant need for site grading to flatten the topography and address low-lying areas mean it is a much less attractive industrial development site than others in the area or throughout the city.

Beyond the potential direct employment on the property, the proposed residential development is positioned to support more indirect jobs and economic benefits than the development of light industrial facilities on the property.

[b.] The construction approach and technology proposed by the project team will drive local employment in Guelph and strengthen the City's competitive position as an innovation hub for high-impact, efficient construction practices.

Contrasting the potential for on-site employment, the proposed development will support growth in manufacturing and construction employment by manufacturing prefabricated building components at the Kiwi Newton facility on Massey Road in Guelph and their installation and value-added construction on the Subject Site. The proposed development also has the potential to spur further adoption of prefabricated modular housing technologies, supporting additional manufacturing and construction employment in Guelph and positioning the city as a key part of the solution to the housing crisis.

[c.] The attainable ownership model proposed by Home Opportunities will play a vital role in generating a sustainable pool of

local workers, thus reducing staff turnover and workforce shortages for local area employers.

Employers in the immediate area and across the City have highlighted the need for increased housing options to improve their labour force competitiveness and more housing close to areas of employment to reduce commute times and improve employee quality of life. Employers have also cited Guelph’s relative unaffordability as a factor in the career decisions of prospective employees, with many feeling they need to increase pay beyond competitors in other municipalities to attract employees due to housing costs in Guelph

7.2 Fiscal Impacts

[a.] The proposed development will deliver substantially more fiscal and economic value to the property than under the current land use designation.

The proposed development contains 956 units, with 314 townhomes and 642 condominium apartments.

Based on 2023 assessed values of comparable properties in south Guelph the potential assessed value of the proposed development is \$149.9 million. This would result in some \$3.3 million in annual property tax revenues.

If a light industrial development were to be realized on the property at an assumed scale of approximately 111,000 square feet, the assessed value is estimated at \$9.9 million. This valuation would contribute only \$343,000 in annual property tax revenues.

[b.] The affordable and attainable home ownership model proposed on the site is a fiscally responsible way to deliver affordable units at minimal cost to the City.

The Home Opportunities model of leveraging national and provincial grants and subsidies for non-profits and using what would typically be the developer’s profit margin to reduce the cost of home ownership means that municipal subsidies, tax breaks, or other financial incentives are not required.

In 2017, the City’s Affordable Housing Strategy identified the “tipping point” for rental housing as the level of subsidy required for a unit to meet affordability criteria. Seven years ago, this tipping point ranged between \$60,000 for downtown apartments and \$80,000 for greenfield townhomes. The proposed development could provide hundreds of affordable units without any direct financial

commitments from the City. Using the tipping point prices stated above, the Home Opportunities proposal would otherwise require municipal subsidies in the order of \$19.1 million for a comparably scaled new housing project⁶. This of course is a conservative estimate, as the escalation in construction pricing since 2017 has increased substantially in urban markets across Canada.

7.3 Social Impacts

[a.] The affordable and attainable home ownership options proposed on the site support the community's economic stability and its long-term development, contributing to resilient long-term growth.

Attainable and affordable homeownership opportunities are critical in creating a more inclusive and economically balanced community. By providing housing options that cater to a range of income levels, the development allows families to secure stable, long-term housing, contributing to financial security and independence. This stability enhances the overall economic well-being of the community by enabling residents to allocate more resources toward local goods and services, thereby supporting local businesses and economic growth.

Furthermore, affordable housing is essential for addressing workforce housing needs, which are vital for attracting and retaining skilled workers in key industries.

Employers in Guelph have identified housing affordability as a significant burden on efforts to secure and retain employees. The Home Opportunities development supports the local economy by reducing commuting times and costs for workers, improving quality of life, and contributing to a more resilient workforce by ensuring a supply of affordable housing near Employment Areas. Ultimately, affordable homeownership fosters a sense of community ownership and engagement, laying the core foundations for sustainable, high-quality lifestyle choices for workers and their families.

7.4 Planning

[a.] The “conversion” of the subject lands would not impact or undermine the economic growth potential of Guelph, nor would it impede the ongoing operation and build-out of the adjacent Hanlon Business Park.

⁶ assuming 319 of the 956 proposed units meet the affordability threshold at \$60,000 per unit.

The conversion of 280 Clair Road West from employment land to a high-density residential development aligns with broader municipal planning and economic development goals by creating workforce housing adjacent to Employment Areas. The Employment Lands Strategy identifies the need for “a healthy balance between residential and non-residential development”, while the 2022-2026 Economic Development Strategy highlights the need for collaboration on immediate and long-term workforce needs.

Indirectly, providing attainable ownership options also contributes to the primary Goals of the Economic Development Strategy, as providing lower shelter-cost options for residents allows for more household spending on local goods and services and investments into residents own businesses.

While protecting employment lands is a vital planning objective, the Subject Site has long been underutilized and not ideally suited for industrial purposes due to its irregular shape, grading challenges, and limited frontage. The site’s location, on the periphery of a developed Employment Area, makes it a prime candidate for residential development that supports nearby businesses by providing housing for their workforce.

By enabling residential uses on this land, the city can achieve the dual objectives of retaining employment opportunities while simultaneously addressing the growing demand for affordable housing. This conversion strengthens the economic fabric of the Employment Area by ensuring that workers have access to nearby housing, reducing commuting times and promoting a higher quality of life for residents.

[b.] The proposed affordable and attainable housing elements of the project address a gap in the development of south Guelph and the transition of Gordon and Clair into a mixed-use node and centre of a complete community.

The Gordon Road and Clair Road intersection is designated as a Strategic Growth Area and envisioned as a Mixed-Use community that will accommodate medium- to high-density residential development alongside major retail and commercial uses. However, despite the area’s growth, the absence of affordable housing options presents a significant gap in achieving the city’s vision for a complete community. Affordable housing is a critical community amenity that ensures diverse residents can live and work in the area, contributing to its vibrancy and sustainability.

By incorporating affordable housing into the south Guelph community, the proposed development can address the current shortfall in accessible housing options, helping the city meet its housing targets while fostering a more inclusive and integrated community.

7.5 Competitive & Economic Development Considerations

The proposed conversion aligns squarely with Guelph’s overall approach to economic development.

This section evaluates this conversion’s potential positive and negative impacts on achieving the City’s goals as outlined in the 2022-2026 Economic Development and Tourism Strategy.

Goal 1: Expand support for existing businesses

Providing affordable homeownership options can help attract and retain employees in key industries such as advanced manufacturing, agri-innovation, and life sciences. This aligns with the city’s strategic goals to support workforce development and talent attraction.

Goal 2: Attract targeted investment

Residential development can attract new investments into the area, enhance property values, and generate additional municipal revenue through property taxes. This aligns with the goal of attracting targeted investment and promoting Guelph’s unique value proposition.

Converting underutilized employment land into residential use can be an example of sustainable urban development, promoting the efficient use of land within the city. This approach aligns with Guelph’s goals of innovation and sustainability.

Goal 3: Champion an innovative and entrepreneurial ecosystem

Providing affordable housing options can make Guelph more attractive to entrepreneurs and startups, aligning to champion an innovative and entrepreneurial ecosystem. Affordable living costs can be a significant draw for new businesses

Affordable housing can foster a sense of community and belonging among residents, supporting the city’s vision of an inclusive, connected, and prosperous community. This can lead to increased civic engagement and a more robust local economy.

There is a minimal likelihood of negative impacts on the goal of championing an innovative and entrepreneurial ecosystem as the site is not likely to support uses directly aiding this goal if it is not developed for residential uses.

Goal 4: Advance talent attraction and skill development

Providing affordable housing can help attract and retain skilled workers, essential for Guelph's economic growth. This supports the city's goal to advance talent attraction and skill development.

Affordable housing options can lead to a more stable workforce, reducing turnover and fostering long-term employment relationships, which benefits local businesses and industries.

An influx of residents might increase the demand for local services and infrastructure, requiring additional investments and potentially straining current resources.

Goal 6: Enhance Guelph's unique brand for business, talent, and visitors

Developing affordable housing can enhance Guelph's reputation as a desirable place to live and work, aligning with efforts to market the city's unique value proposition and attract talent and investment.

The residential development can complement marketing efforts by showcasing Guelph's commitment to providing affordable living options, thereby attracting more businesses and visitors.

8.0 Conclusion

- This report has evaluated the impacts of converting the Subject Site from Employment to High-Density residential uses.
- The analysis has demonstrated that a land use conversion has no meaningful economic downside risk. However, the proposed development has enormous upside potential, including systematic support and alignment with the City’s economic development and housing affordability goals.
- The Subject Lands comprise approximately 7.61 hectares of designated employment land, with an estimated 4.35 hectares of developable area. In addition to the undevelopable area, factors such as limited frontage, uneven topography, and proximity to other sensitive land uses mean the site is unattractive for industrial development. Its longstanding vacancy evidences this.
- In our opinion, the Subject Site should have been removed from the employment land supply calculations in the City’s 2020 Employment Land Strategy as part of the adjustments for undevelopable area and/or long-term vacancy.
- The assumptions used to produce the City’s 2020 Employment Land Strategy are inconsistent with the definitions of Employment Areas and the permitted uses in Provincial Planning Statement 2024. If only permitted uses are included in the supply and demand calculation (represented by “employment land employment” that is typically industrial) the City has a surplus of some 213 hectares of employment land.
- Even if the undevelopable area of the site is included in the conversion calculation, the site represents some 3.5% of the City’s employment land surplus and the city would retain more than 100 hectares of vacant employment land beyond estimated needs to 2051.
- Further, the Subject Site’s characteristics and the availability of superior employment land in Guelph and throughout the Wellington and Waterloo regions mean the site is likely to remain vacant and not accommodate the employment land jobs that drive the calculated land need.
- As demonstrated throughout this report, the proposed development meets the conversion criteria outlined in the Provincial Planning Statement 2.8.2 (5) and the City of Guelph Official Plan Policy 3.8.6:
 - It leverages a unique partnership opportunity to deliver affordable housing not currently replicable elsewhere in the City.

- Despite considerable investment in and development of industrial uses in South Guelph, the Subject Site has not developed for employment due to various development constraints. As such, it is a likely candidate for long-term vacancy under its current land use designation.
 - The Subject Site represents an insignificant portion of the total employment land supply, and its conversion will not impact the City's ability to meet future employment needs.
 - Its location on the periphery of the Employment Area and adjacent to community and commercial facilities and infrastructure means it supports high-density residential development.
- Home Opportunities' proposed development will positively impact the adjacent Employment Area by providing housing options for a workforce stretched by unaffordability and long commute times. This will address local employers' challenges in attracting and retaining employees, supporting the Employment Area and the local economy.
 - By converting these lands, 280 Clair Road West has the potential to stimulate indirect jobs and economic benefits across the manufacturing and construction sector while simultaneously supporting innovative local companies and trades that bolster Guelph's position as an innovation hub.

Appendix A Bibliography

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