



**urban  
Metrics**

# **280 CLAIR ROAD W**

## **Employment Land Conversion**

Guelph, ON

Prepared for Home Opportunities

December 19, 2024



This document is available in alternative formats upon request by contacting:  
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December 19, 2024

Home Opportunities  
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Toronto, M5A 1T7

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

urbanMetrics inc. is pleased to submit our Employment Area Impact Study in connection with of 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").

This study is required by the City of Guelph to evaluate and identify potential impacts of redesignating the subject site from Industrial to High-Density Residential. This change in land use was previously considered by the Province in 2023 and was subsequently supported by Guelph City Council. The urbanMetrics s study demonstrates that your proposed development project at 280 Clair Road West meets the City of Guelph Official Plan Policy 3.8.6 criteria and aligns with strategic planning efforts identified in the 2022-2026 Economic Development & Tourism Strategy and the 2024 Housing Affordability Strategy (in draft).

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.

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,

A handwritten signature in black ink, appearing to read "P. Thoma".

Peter Thoma, MCIP, RPP, PLE  
Partner  
urbanMetrics Inc.

A handwritten signature in black ink, appearing to read "Tywen Thomas".

Tywen Thomas  
Sr. Project Manager  
urbanMetrics Inc.

# Executive Summary

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- 280 Clair Road West is a historically vacant and underutilized property with limited industrial development potential and little ability to accommodate employment. It has remained vacant despite being actively marketed during a period of accelerated industrial development. Due to its irregular shape, lack of frontage, slope conditions, access and setback requirements it is entirely reasonable that industrial development is unlikely in the foreseeable future.
- The Subject Site constitutes approximately 7 total hectares with 5.2 hectares of developable area, which in turn represents approximately 2% of the City's total vacant land supply.
- Converting the property to residential uses would have no meaningful impact on the City's ability to maintain a supply of employment land. The City will continue to have sufficient employment land capacity to support long term industrial growth for at least 25 years (2025 to 2051).
- If retained for employment purposes, based on the estimated net developable area, the Subject Site could – hypothetically - support approximately 100 full-time equivalent jobs within a light industrial development. This scale of opportunity represents about 0.36% of total industrial employment in Guelph or 1.1% of the 8,700 jobs projected on employment land over the next 20 to 25 years.
- Regardless of theoretical employment impact, in our professional opinion, the Subject Site is likely to remain vacant under its current industrial designation, meaning its conversion to residential use will have no meaningful negative impact on Guelph's economic health and well-being or on its ability to achieve its employment growth ambitions.
- 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 without necessitating the purchase of a car will significantly improve the housing outlook for local area families and employees.
- Home Opportunities has received corporate endorsements from major employers in Guelph regarding their proposed approach to develop housing products which align to local workforce capacities.

- The provision of housing on the Subject Lands has the capacity to strengthen the bonds between residents and their employers, leading to positive outcomes such as: lower staff turnover rates for business, higher adaptation of active transit (walking and biking) and quality time for workers and their family.
- The construction approach and technology proposed by the Home Opportunities and their local development partners has the capacity to drive local employment in Guelph through innovative construction techniques. The Home Opportunities proposal can not be viewed as a conventional, cookie-cutter subdivision. The development, as proposed will bring to bear innovations and construction techniques that represent exportable, scalable expertise for local construction fabricators, suppliers and skilled trades alike.

### BOTTOM LINE:

It is urbanMetrics's professional opinion that the Subject Site, in its current capacity as a vacant greenfield industrial site, represent, at best, a marginal economic asset for the City of Guelph. Home Opportunities' proposal to reposition the site for affordable home ownership, however, provides far greater economic tailwinds for Guelph workers and businesses. Innovation in housing has proven to be highly elusive for communities across Canada, Guelph included. Through this proposed development, Guelph has a unique economic opportunity to directly support the needs of local workers, employers and their families for generations to come.

The consequences of a status quo approach that freezes the lands as industrial for the next 10-20 years would jeopardize upwards of 1,000 new affordable residential units. Simply put the lands are not *needed* to drive Guelph's economy forward. The lands, given their location next to an established business park as well as key community assets (schools, parks, trails, etc.), are ideally positioned to bridge housing shortfalls that impede local economic development.

In our professional opinion, the resignation of the Subject Lands, as proposed, represents an opportunity for Guelph to leverage sub-par employment lands for maximum economic and community-wide benefit.

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# 1.0 Introduction

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## 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 industrial area. Currently, it serves as an informal boundary between light industrial and flex-commercial uses to the west and institutional, residential, and open space uses to the east.

Within this context, Home Opportunities Inc. (“the proponent”) has assembled a multidisciplinary team of owners, developers, and builders to create a new residential community comprised of nearly 1000 units (956 units) of affordable housing on serviced and fully accessible lands in the south end of the City of Guelph.

Home Opportunities has a proven track record of providing attractive, 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 scale 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 City of Guelph's 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's approach thoroughly 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.
- **Impact Evaluation:** Assess the potential impacts of the conversion on the surrounding community, including socio-economic benefits and infrastructure considerations, and identify any impacts on the employment area.

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

## **2.0 The Subject Site**

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## 2.1 Site and Access

280 Clair Road West is situated between the Clairfields and Hanlon Creek neighbourhoods in south Guelph. This area is characterized by its strategic location, bordered by 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 its proximity to major roadways, shopping centres, and employment hubs.

The site has been vacant for many years, and 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.

Figure 1: 280 Clair Road W (Subject Site)



SOURCE: Google Earth

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).

The Subject Site is approximately 7.61 hectares (18.8 acres) in size. A designated Ecological Linkage, part of Guelph's Natural Heritage System, reduces the buildable area. This NHS feature occupies 2.45 hectares (6.06 acres) on the western edge of the property (Figure 2, Figure 5), reducing the net developable area to 5.16 hectares (12.75 acres).

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



SOURCE: City of Guelph Official Plan Schedule 1 B

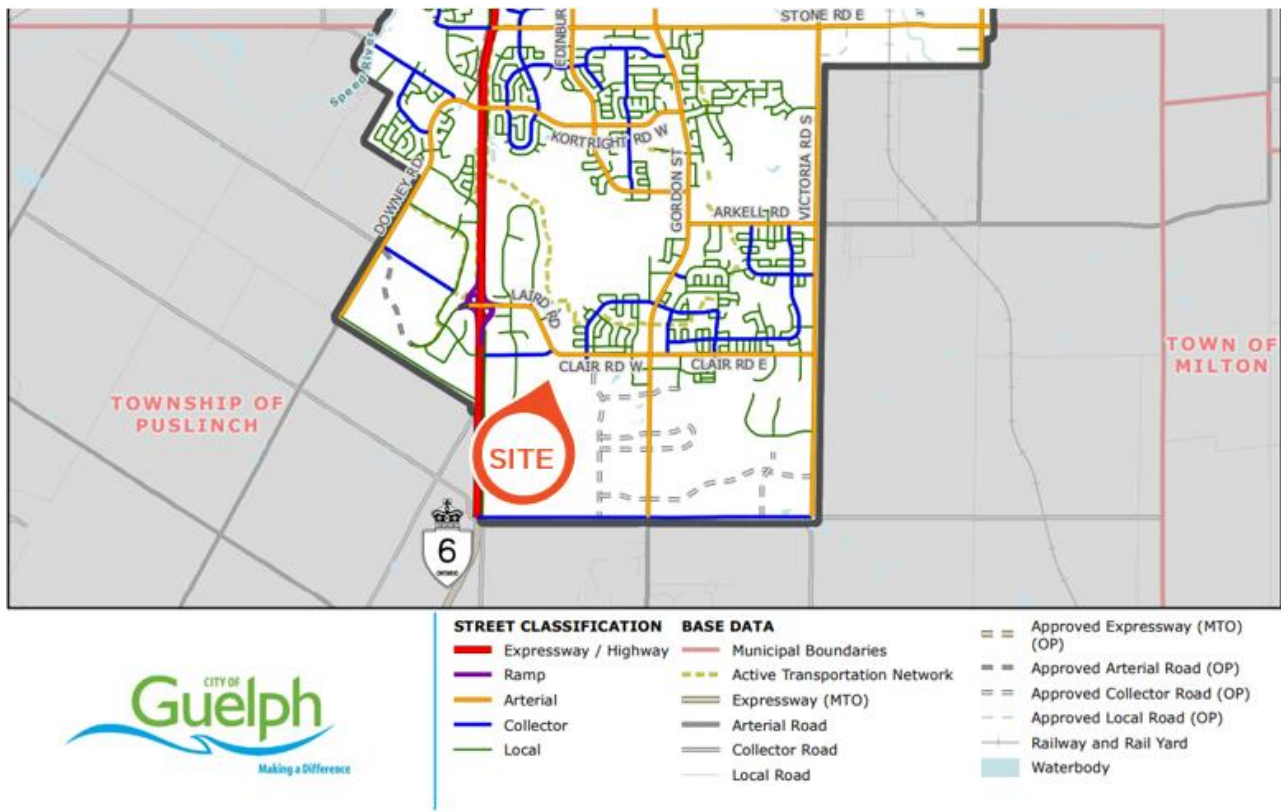
The property has several characteristics and development constraints that have contributed to its long-term vacancy. As mentioned, a large portion of the site is undevelopable, which reduces the potential floor area of a large format industrial development, such as the nearby Denso manufacturing facility and Tim Hortons distribution centre. Further, the property is long and narrow in shape, with limited frontage to provide vehicular access and requiring buildings to 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 visibility of the property from the road.

## 2.2 The Local Area

The Subject Site is in an area of Guelph that provides a blend of residential and community amenities, with established neighbourhoods positioned 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 new 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, have gravitated to this part of Guelph. The City of Guelph has supported this growth through strategic infrastructure investments in roads and community facilities, with the expansion of active transportation networks planned for 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 Park<sup>1</sup>. 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 2024<sup>2</sup> 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 provides multiple shovel-ready opportunities for the short and medium term while offering large parcels for development over the longer term.

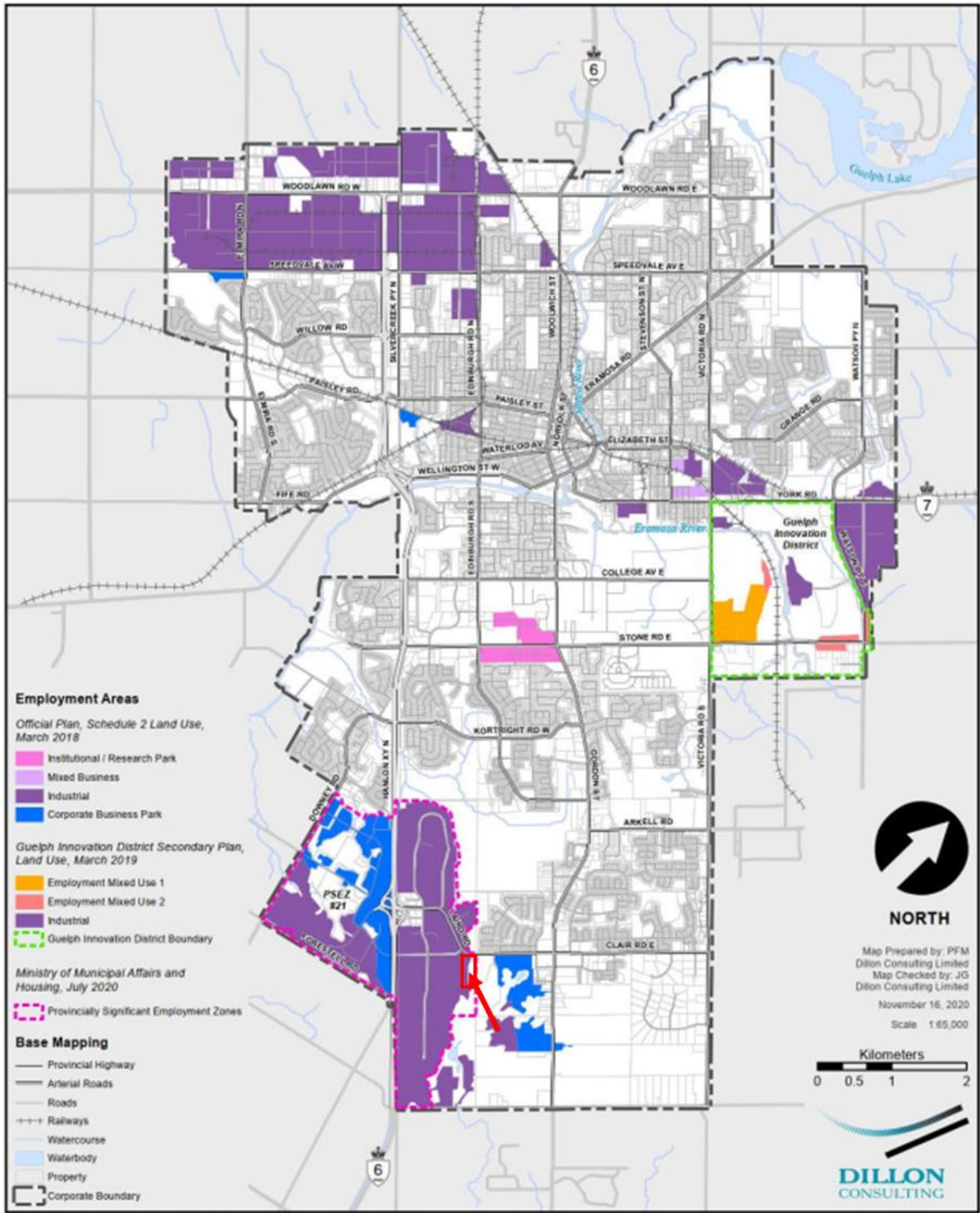
Overall, the Subject Site’s location between a largely built-out employment area and a developing Strategic Growth Area provides an opportunity to create a residential community that balances accessibility to employment hubs while separating from the more intensive industrial activities nearby.

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<sup>1</sup> Shaping Guelph – Employment Lands Strategy 2020

<sup>2</sup> Provincial Planning Statement, 2024.

Figure 4: Map of Guelph’s Employment Areas



SOURCE: Shaping Guelph – Employment Lands Strategy

## 2.3 The Proposed Development

The development plan includes **956 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 construction goal of 2026.

Figure 5: 280 Clair Road W Home Opportunities Site Plan



SOURCE: Site Plan for Home Opportunities by architecture unfolded

## **3.0 Policy Background**

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## 3.1 Provincial Planning Statement, 2024

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

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.

In addition, the statement implements an updated definition of Employment Area by newly defining the term *area of employment*. 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, with non-conforming uses 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

## 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 as well as 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 still represent the criteria put forward by the City as essential in consideration of potential employment land conversion.

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’s Professional Opinion*

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

Permitting residential development on the Subject Site works towards Strategic Goal 1B by ensuring that the developing area of South Guelph provides the 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.

### **Official Plan 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’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 potentially positively impacts the ability of employers within the area 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.



## **4.0 Employment Land Analysis**

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## 4.1 Guelph's Employment Land Supply

The land needs assessment and employment lands strategy undertaken as part of the City's Municipal Comprehensive Review estimated the City's land supply at 254 hectares of vacant land, resulting in a small surplus of 35 hectares of Employment Area land by 2051 after converting approximately 50 hectares of lands within the Clair-Maltby Secondary Plan Area (43.7 ha) and the York Road/Watson Road Employment Area (6.2 ha). The Subject Site represents a fraction of this residual surplus and its conversion to residential uses would not impact the City's ability to maintain sufficient employment land to meet its own projected need.

The City's Employment Lands Strategy recommended converting the Clair-Maltby and York/Watson areas due to their relative unsuitability for employment uses and the supply of vacant employment lands within other areas of Guelph, such as the Guelph Innovation District ("GID") and the Hanlon Creek Business Park.

The Clair-Maltby Secondary Plan Area, located immediately southeast of the Subject Site, was recommended for conversion to non-employment uses based on several factors, including an adequate supply of superior employment land to meet the City's long-term needs and its general unsuitability for employment land uses.

In our opinion, the Subject Lands are generally unsuitable for employment lands usage as they have minimal frontage along arterial roadways and an extensive natural heritage system severely limits the buildable area. This rel

### *urbanMetrics's Professional Opinion*

In general, the reasons given for recommending the conversion of other previously designated employment lands such as those in the Clair-Maltby Secondary Plan area also apply to the Subject Site. The site has limited frontage, and a natural heritage feature limits the development area.

Structural (or 'frictional') vacancy allowances typically range between 10% and 25%. We would argue that the subject lands, by virtue of the grading and setback requirements, would intrinsically remain within Guelph's frictionally vacant supply if an employment land designation is applied.

The Subject Lands (with approximately ~5.2 hectares of buildable area), represent a small fraction (~2%) of the City's total vacant land supply. The subject lands would fit within the definitional realm of long-term vacancy, meaning its conversion to residential use will have no meaningful impact on Guelph's economic health and

well-being, nor would its conversion have any impact on Guelph’s ability to achieve its employment growth ambitions.

The strict preservation of these lands for “employment uses” would, at best, theoretically support the potential accommodation of about ~100 jobs on site. This represents about 1.1% of the total 8700 future jobs earmarked as “employment land” type jobs over the next 20 years. Guelph’s employment land strategy has already identified a *surplus* position of employment land. The subject lands in our view can readily be viewed within the surplus segment of the municipalities land budget going forward.

We see no reasonable evidence to suggest that the redesignation of the subject lands would compromise Guelph’s capacity to sustain economic growth over the long term. Redevelopment of the subject land, as proposed by Home Opportunities, would systematically deliver housing options that are expressly intended to meet local workforce requirements situated on the immediate doorstep of a mature employment node and new community amenities such as schools and recreation facilities.

## 4.2 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.

Shaping Guelph, the City’s Growth Management Strategy as part of the 2021 Municipal Comprehensive Review, relied upon the inputs of several background studies, including the 2021 City of Guelph Employment Lands Strategy. This report 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 Employment Lands Strategy 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 over the next 30 years between 2021 to 2051 (10,230) are expected to be in employment land employment, with 15% of this total (1,534) assumed to be accommodated by intensifying existing developed employment lands. This leaves 8,696 (8,700, rounded) jobs on employment land to be accommodated by 2051, equivalent to 217.4 hectares at 40 jobs per hectare. After incorporating assumptions on buildable area and long-term vacancy, the study projects ~319 hectares (~790 acres) of land needed to support growth, based on an average yield of 40 jobs per hectare.

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

Warehousing and logistics-type uses have played a significant role in the absorption of employment lands throughout southern Ontario, and the sector is increasingly incorporating new approaches, such as robotics and other advanced forms of automation, that will redefine how conventional warehouse buildings are designed and implemented. These innovations will invariably alter (reduce) the parcel and physical employee requirements for advanced operators in this space.

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.

The new 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, including Guelph - are now expected to be directed to *major*

*transit station areas*, and *strategic growth areas* (SGA). The new policies seek to narrow the role of employment land specifically to manufacturing, warehousing and transportation-type commercial operations. This policy direction came into force on October 20th, 2024. It fundamentally alters the locational choices of business going forward and will certainly alleviate the stresses – both real and perceived – on local employment land supply matters

### ***urbanMetrics’s Professional Opinion***

The Subject Site presents several development challenges for 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 5 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 realizing its full development potential expensive and potentially time-consuming.

In the event that the property’s current land use designation is retained, it is unlikely it would be developed to support any significant employment-generating uses. The site’s characteristics severely limit the potential scale of industrial development below what would likely be required to consider investing in the site preparation required on the property, which would see the site remain underutilized. In short, the property is neither unique nor inherently attractive for broad-based industrial or light industrial uses, which is a contributing factor to why it has yet to be developed as the surrounding areas of employment have seen significant investment.

In the unlikely event the site is developed for industrial or light-industrial uses, on-site employment could yield ~100 full-time equivalent positions based on an assumed 20% lot coverage ratio on a reduced buildable area assumption of 5.16 hectares.<sup>3,4</sup>.

## **4.3 Industrial Employment Trends**

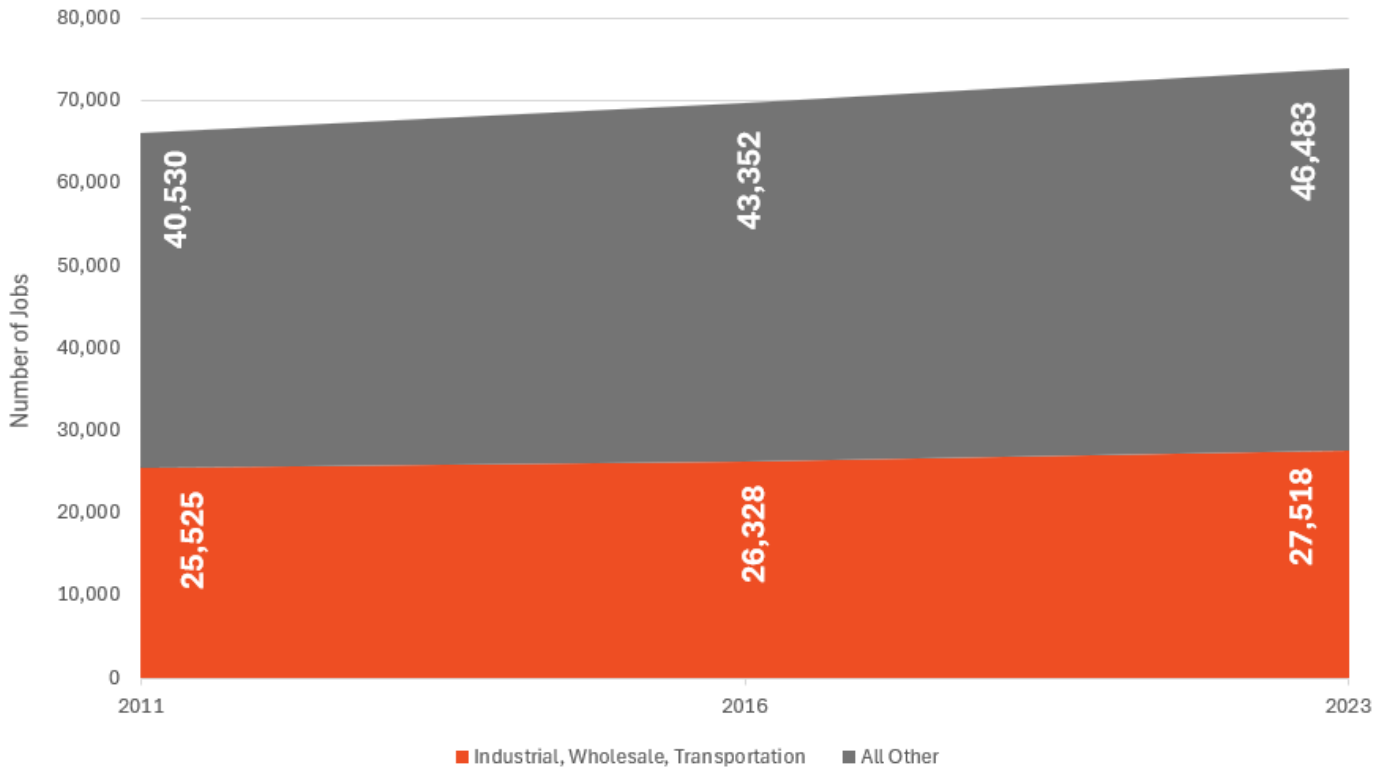
Guelph has experienced significant growth over the last decade. From 2011 to 2023, the City added nearly 6,000 jobs, a 14.6% increase from its 2011 base (Figure 6). While absolute growth is important, a key consideration is the type of work and the nature of economic activity in Guelph. The past 12 years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

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<sup>3</sup> Based on 2023 City of Guelph Development Charge Background Study Industrial floor area per worker estimate of 1,100 square feet.

<sup>4</sup> Based on developable land assumption by architecture unfolded.

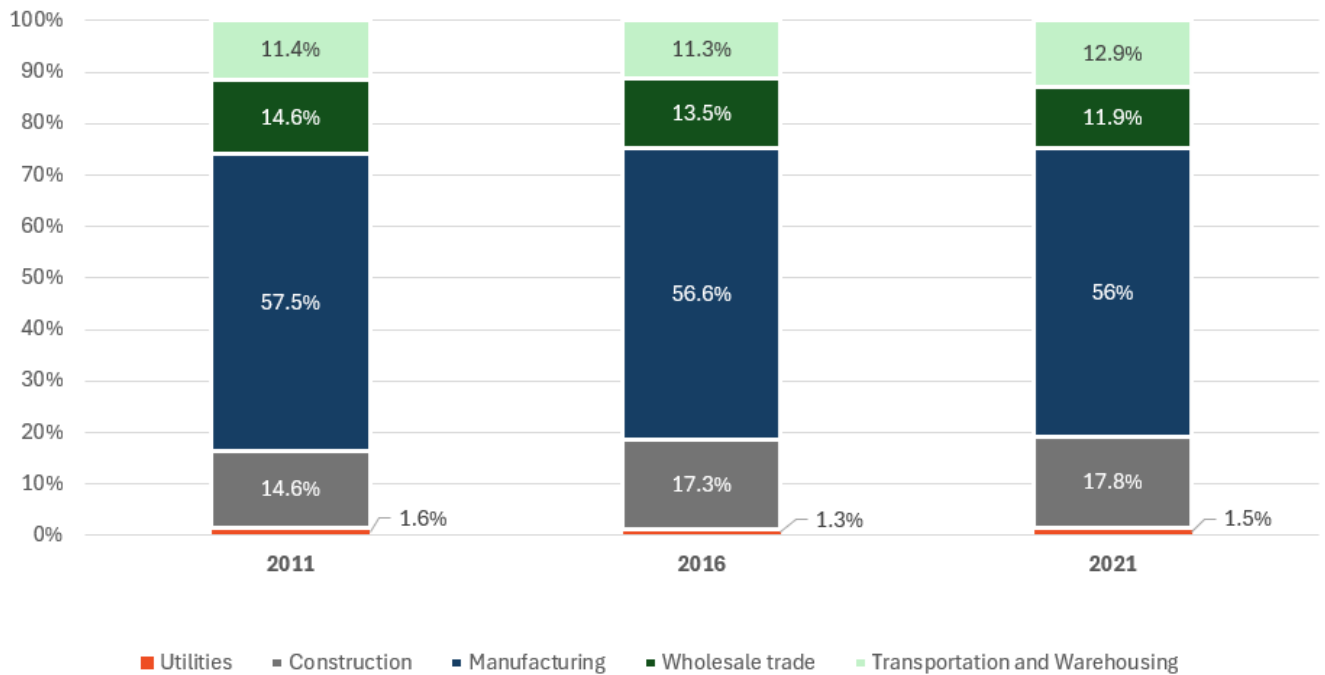
Figure 6: Employment Growth, City of Guelph, 2011 to 2023



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 Administration<sup>5</sup>.

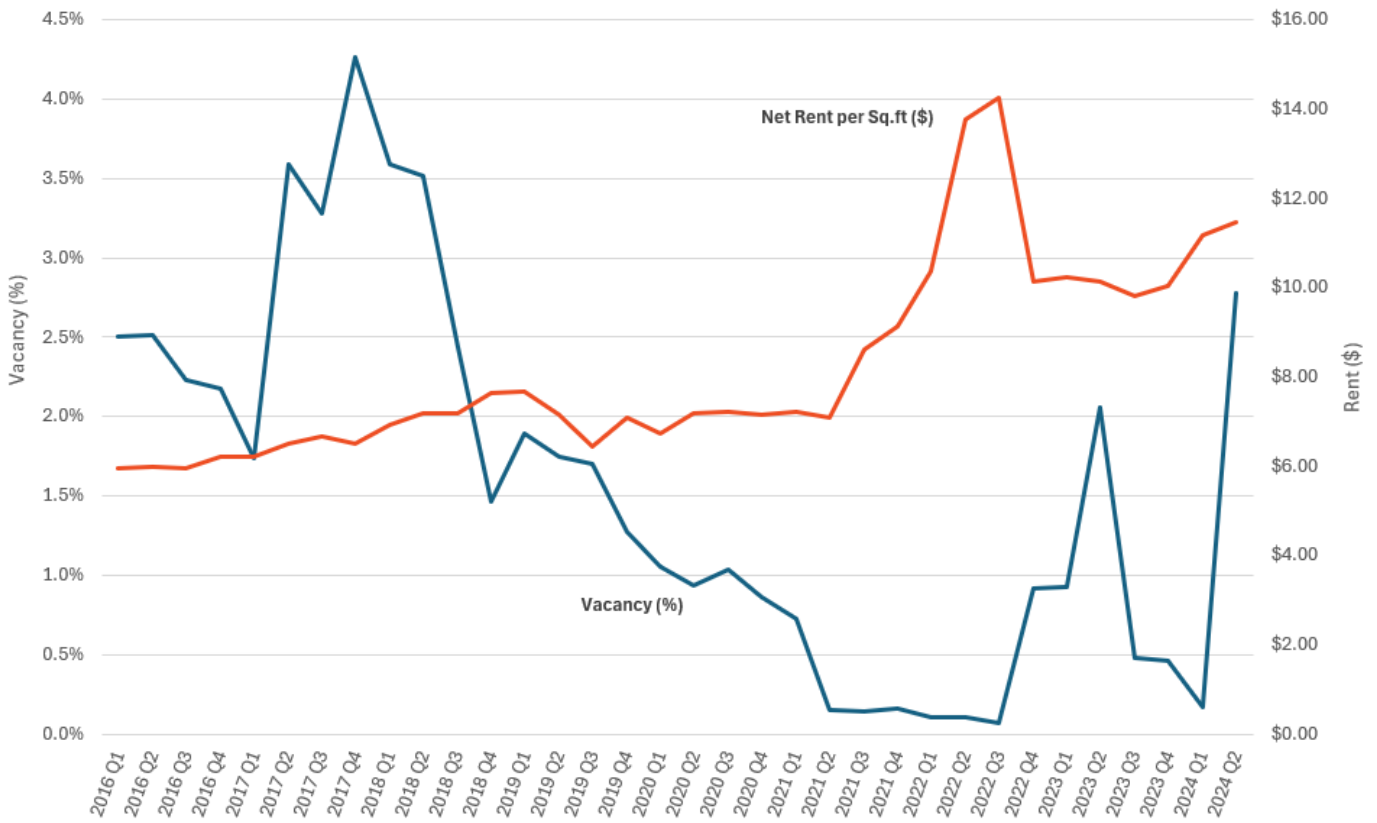
## 4.4 Investment and Absorption

Guelph’s industrial vacancy rates have been highly variable from 2016 to 2024, peaking at over 4% in 2018 before falling to almost 0% by early 2022 (Figure 8).

In 2023, vacancy rates were again highly variable and increased to almost 3% in 2024. The variation in vacancy can likely be attributed to new projects coming online and the lag between project completion and tenant occupancy.

<sup>5</sup> Labour Force Survey Annual Report 2023 – City of Guelph Economic Development.

Figure 8: Industrial Vacancy Rates and Net Rent Trends in Guelph (2016-2024)

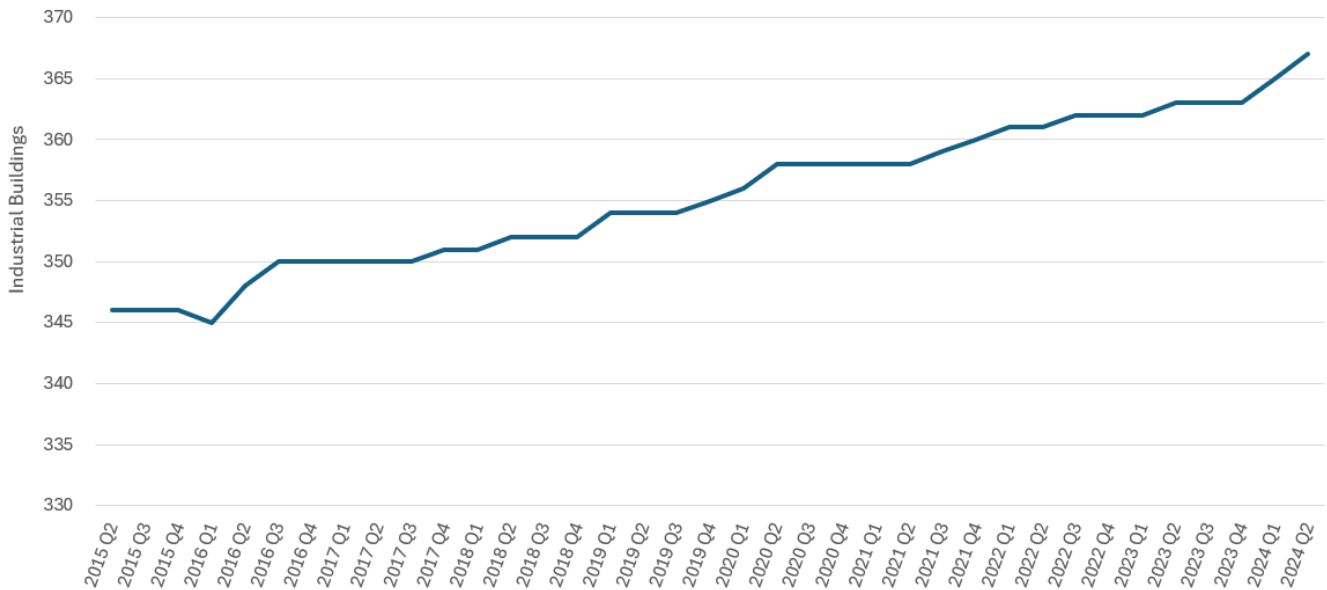


SOURCE: urbanMetrics inc., based on CoStar Data

Reflecting this, net rent per square foot remained at around \$8 until 2020, after which it climbed to over \$14 by 2022, eventually stabilizing slightly above \$12 by 2024. 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 recent vacancy increase could indicate new market dynamics due to additional supply or shifting demand, leading to a stabilization in rent levels.



Figure 8: Growth in the Number of Industrial Buildings in Guelph (2015-2024)



SOURCE: urbanMetrics inc., based on Costar Data

Figure 8 shows a steady increase in the number of industrial buildings in Guelph from Q2 2015 to Q2 2024. In 2015, the city had 346 industrial buildings, which grew to 367 by 2024, adding 21 buildings over nine years. This reflects an average annual growth of approximately 2.3 buildings in the industrial inventory. As shown, the rate of industrial project delivery accelerated for 2023 and 2024, resulting in an increase in the amount of space available in the market.

## **5.0 Employment Land Conversion Criteria**

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## 5.1 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's 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 incompatible 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. In our opinion, it is unlikely that the purchase of the property for limited expansion potential is a financially viable option for adjacent property owners.

## 5.2 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 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'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 potentially positively impacts the ability of employers within the area 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.

## **6.0 Impact Analysis**

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## 6.1 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

## 6.2 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 project<sup>6</sup>. This of course is a

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



conservative estimate, as the escalation in construction pricing since 2017 has increased substantially in urban markets across Canada.

## 6.3 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. By ensuring a supply of affordable housing near employment areas, 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. 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.

## 6.4 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.

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, as well as 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.

## 6.5 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.

## 7.0 Conclusion

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- 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 downside economic 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 7.6 hectares of designated employment land, with an estimated 5.16 hectares of developable area. This developable area represents less than 15% of the City’s surplus of employment land. In practical terms, the lands would likely yield minimal industrial employment— ~100 jobs in total—as per their current land use designation.
- Further, the Subject Site’s characteristics and the availability of superior employment land in Guelph means 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 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 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.



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