



# Memo

**To:** Mr. Colin Baker

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**Company:** City of Guelph

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**From:** N. Barry Lyon Consultants Limited

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**Phone:** (416) 364-4414 - 201      **Date:** August 4<sup>th</sup>, 2011

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**Re:** Market Update & Options for Redevelopment – 200 Beverley Street (IMICO site)

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## 1.0 Introduction

The following memorandum has been prepared by N. Barry Lyon Consultants Limited (NBLC) for The City of Guelph and is intended to provide an update of NBLC's 2003 market study of the City owned former International Malleable Iron (IMICO) site, located at 200 Beverley Street in the City of Guelph, Ontario (see **Figure 1**).

In December 2003, NBLC prepared a detailed market analysis of the subject site highlighting the most suitable future uses of the site. The City issued an Expression of Interest (EOI) relating to the development of all or part of the site in 2006, which incorporated information and conclusions contained within the 2003 NBLC market analysis.

Six EOIs were received by the City. Of the responses; three considered a medium density (townhouse) residential development w/o commercial-retail space, one considered a commercial-office development, one proposed a community park, and one did not specify a potential land use. In recent years, two other uses for the property have also been proposed, including a railway museum and as a potential future site for a GO Train station.

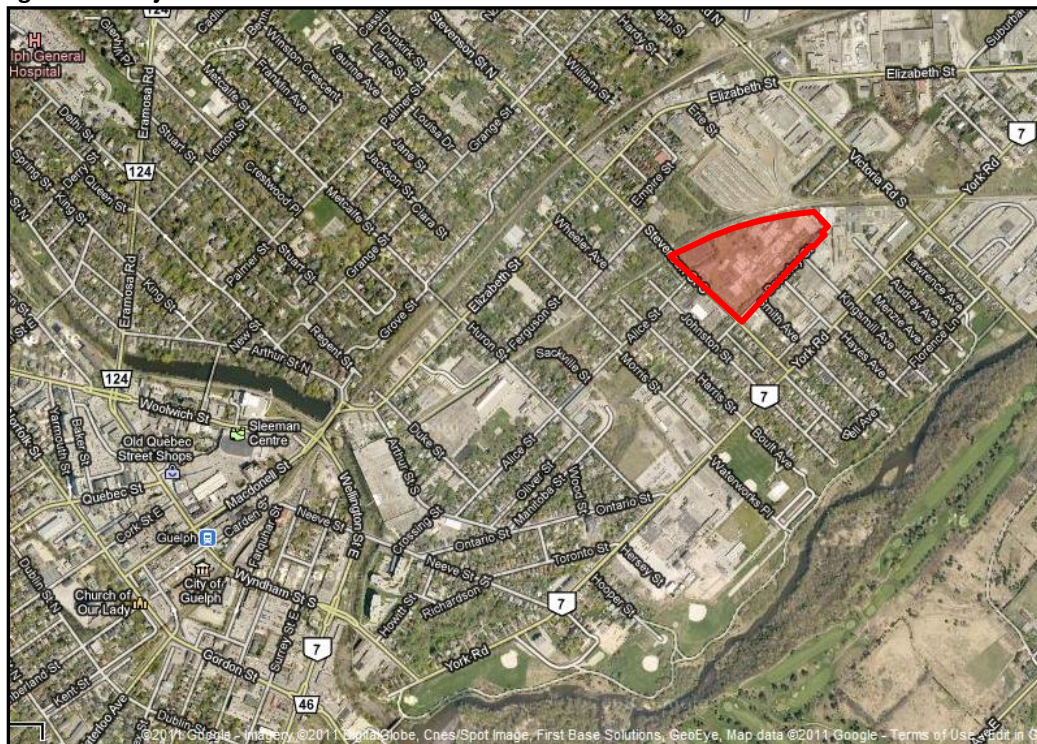
While the 2006 EOI confirmed that private sector interest in redeveloping the property existed, the next step of the process, which was to include a more formal and detailed Request for Proposal (RFP) issued to those parties that responded to the EOI, was put on hold on the basis that the expected costs to remediate the site were significantly higher than the current value of the land.

The City, however, continues to be interested in both disposing of the site and in ensuring that it is ultimately redeveloped for the highest and best use. As such, the City is interested in issuing a new RFP to the development community. Once a preferred developer and land-use concept has been determined, the City will partner with the developer to undertake a Full Scope Risk Assessment (FSRA). The outcome of the FSRA (i.e. the projected necessary remediation costs) will ultimately determine the next steps of the site's redevelopment.

The purpose of this memorandum, using the 2003 NBLC analysis for contextual purposes, is to provide a update related to the site's highest and best use. This memo is designed to assist developers in determining their proposed land-use concept, as part of the RFP package.



Figure 1 – Subject Site



Source: Google Maps, 2011.

## 1.1 Existing Site Context

- The 13.2 acre irregular-shaped site is located at 200 Beverley Street, at the northeast quadrant of Beverley Street and Stevenson Street South, in the City of Guelph. With the exception of a previous building foundation, the site is currently vacant.
- The surrounding land uses have changed very little in recent years, and include:
  - North** –the municipally-owned Guelph Junction Railway line, with additional light and medium industrial uses located further to the north, including an intermodal rail facility.
  - East** – mostly older industrial uses and buildings, with some single family homes located directly to the east, north of railway line.
  - South** – mostly low-rise industrial/commercial buildings and some residential buildings located between Berkley and York, with single family homes located south of York Street.
  - West** – low-rise industrial-commercial uses located on the west side of Berkley, with single family residences located further to the west.
- There are some commercial amenities and services located in relative proximity to the subject site, including: restaurants, convenience stores and other typical commercial businesses, most of which are located along Victoria Road to the east of the site.
- The site is located about 1.5 km from downtown Guelph and about 3 km from both the University of Guelph and Guelph General Hospital.
- In March 2004, City Council adopted OPA #25 – *St. Patrick's Ward Land Use Strategy (May 2003)*, which included updated land-use options for the subject site. Within the proposed land-use plan, the subject site was designated as *Mixed Business*.



- However, the City's existing Official Plan (2006 Consolidation) designates the site as *Special Study Area*, with the surrounding area designated as *Mixed Business*.
- The *Special Study Area* designation applies to areas of the City experiencing pressure for land-use change and that require a special co-ordinated land-use study to determine future development concepts. The completion of a land use review for the subject property is highlighted in the OP as a high priority for the City, and permits the City to initiate changes to the site's land-use designation and zoning.
- The site is currently zoned as *Industrial (B.4)*. This designation permits such uses as warehouse, manufacturing, trucking operations, auto repair, trades shops, commercial entertainment/recreation centre, R&D facilities, financial establishments, offices and restaurants.
- The City's Draft Official Plan Update (OPA #42), designates the site and the bulk of the surrounding area as *Regeneration Area*. *Regeneration Areas* are those lands that are generally vacant, underutilized or where there is a desire to stimulate redevelopment and attract reinvestment. Any major development within a *Regeneration Area* cannot proceed prior to the approval of a Secondary Plan. Permitted uses are only those currently outlined in the existing Zoning By-Law until such time as the Secondary Plan is approved.

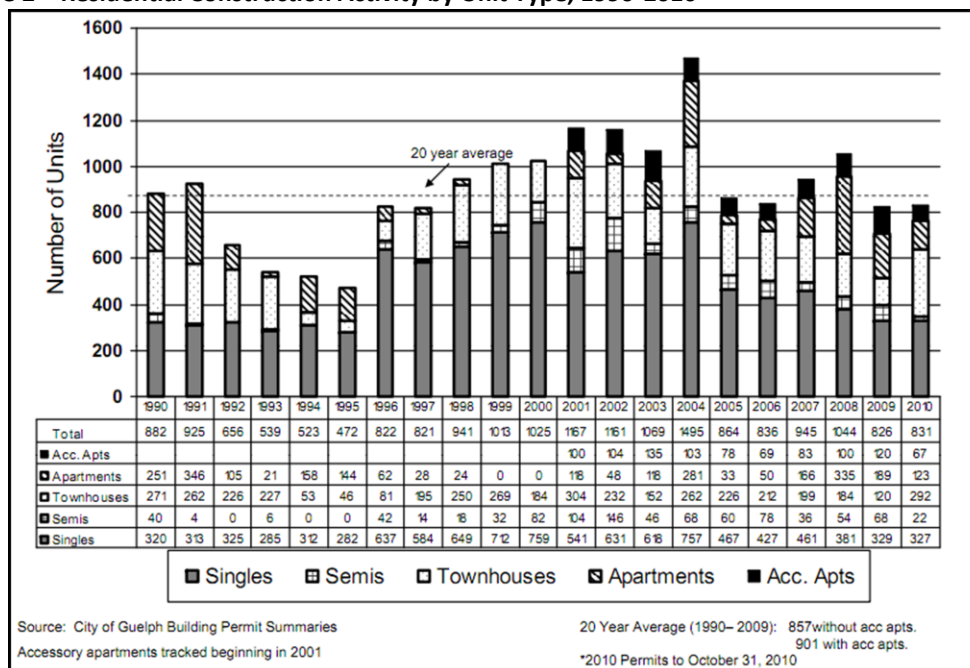
## 2.0 Guelph Market

- Much like the rest of the Province, Guelph's economy and housing market were negatively affected by the economic downturn in 2008 and 2009, where declines in immigration, employment and uncertainties in household incomes significantly reduced the amount of growth and investment in the City.
- The city's housing market appears to have mostly recovered, largely in line with regional and local economic growth, as well as decreasing housing affordability elsewhere in south central Ontario (i.e. the GTA), particularly single family units.
- As can be seen in Figure 2, recent new housing growth in the City of Guelph has remained relatively strong, despite prevailing economic conditions, with the number of building permits issued in 2009 just below the 20 year average and the number for 2010 likely well above, with 831 permits issued as of October 2010.
- Recent housing growth has been reflective of the City's existing housing stock; largely dominated by ground-related housing. In fact, similar to previous years, almost 75% of new units in 2010 were singles and townhomes. The only notable difference is that the amount of townhouse development in recent years has been proportionally much higher, due largely to decreasing housing affordability, aging population, changing consumer preferences, and a more limited land supply in the City.
- New housing construction in Guelph is expected to remain in line with recent years, with the potential to well surpass the 20 year average, depending on the level of future job growth. In fact, based on the City's background Development Charge report, approximately 1,100 new units a year are anticipated to 2031, with an increasing amount of units in higher density format.



- Furthermore, the Province's *Places to Grow* legislation has established that single tier municipalities such as Guelph will, by 2015, accommodate 40% of all new development in their built up area. The vast majority of this intensification will be in medium and high density formats.

**Figure 2 – Residential Construction Activity by Unit Type, 1990-2010**



- The dominant industries in the City of Guelph include; manufacturing, agri-food and environmental technologies, business services, and institutional.
- Based on the employment forecast contained in the City's background Development Charge report, the number of jobs in the City is expected to reach almost 100,000 by 2031, representing an average growth of about 1,200 new jobs a year between 2008 and 2031, the largest portion of which will be industrial in nature.
- As summarized in Table 1, between 2007 and 2010, an average of \$189 million in non-residential building permits were issued in the City, of which roughly 45% were for industrial developments, 32% were institutional and 23% were commercial.
- As can be seen, the value of non-residential construction in the City in 2010 was significantly higher than average, due almost entirely to the high value of industrial development activity.

Table 1. - Non-Residential Construction Values 2006- YTD - City of Guelph								
Year	Total Construction		Industrial		Commercial		Institutional	
	# Permits	Total Value (\$)	# Permits	Total Value (\$)	# Permits	Total Value (\$)	# Permits	Total Value (\$)
2007	571	\$134,355,615	145	\$63,236,890	366	\$45,797,625	60	\$25,321,100
2008	441	\$160,002,493	106	\$47,784,300	278	\$43,068,293	57	\$69,149,900
2009	437	\$145,247,822	110	\$36,937,789	247	\$40,567,533	80	\$67,742,500
2010	446	\$311,924,230	97	\$192,259,218	260	\$43,216,507	89	\$76,448,505
2011*	125	\$30,165,510	26	\$14,521,650	67	\$12,001,760	32	\$3,642,100
<b>Totals</b>	<b>2,020</b>	<b>\$781,695,670</b>	<b>484</b>	<b>\$354,739,847</b>	<b>1,218</b>	<b>\$184,651,718</b>	<b>318</b>	<b>\$242,304,105</b>
<b>2007-10 Average</b>	<b>474</b>	<b>\$187,882,540</b>	<b>115</b>	<b>\$85,054,549</b>	<b>288</b>	<b>\$43,162,490</b>	<b>72</b>	<b>\$59,665,501</b>

\* 2011 Total is from January to March 2011  
 Source: City of Guelph





## 2.1 Residential Housing Market

### 2.1.1 New Home Market

For the purposes of assessing the dynamics of the new housing market in relation to the subject site, NBLC conducted a survey of all actively marketing residential projects in the City of Guelph. The following constitutes the key points related to the City's existing new home market, while Table 2 provides a summary of the proposed developments.

- Currently, there are 19 low and medium density projects actively marketing in the City of Guelph, with 31 product offerings.
- The 19 active developments comprise 862 units, of which 543 or 63% are sold, leaving an unsold inventory of just 319 units.
- The average sales absorption rate per development is about 1.4 units per month, which equates to about 27 total unit sales per month in the City of Guelph. Based on the remaining inventory, there exists about a 1 year supply of new units.
- Townhouse developments have by far the highest absorption rates, selling on average about 1.6 units per month per development, while single detached units sell at just less than 1 unit per month per development and semi-detached units at less than 0.70 units per month per development.
- Single detached homes generally range in price from \$350,000 to \$500,000, while townhomes range from about \$250,000 to \$350,000.
- Currently, there are only two actively marketing condominium apartments in the City, with the *Village by the Arboretum* development being an adult lifestyle development.
- Combined, the two developments contain 101 units, of which 69 or 68% are sold, leaving an unsold inventory of 32 units.
- Since launching in 2010 and 2011, the two active condominium developments have been very successful, averaging 5.8 unit sales per month, with *Village by the Arboretum* selling almost 4 units per month and *Manchester Square* selling close to 10 units per month.
- The pricing at the two developments ranges from \$150,000 for a less than 600 sq.ft. unit at *Manchester Square* to \$465,000 for an almost 1,600 square foot unit at *Village by the Arboretum*.
- According to on-site sales representatives, buyers of ground-related units include a mix of young professionals and families, as well as some empty nesters, while the condominiums, the vast majority of buyers are empty nesters and retirees.
- The number of active developments, the average absorption rate, unit pricing, and the fact that most of the active developments were launched in 2010 or 2011, all indicate that the new home market in Guelph is strong.



**Table 2. - Actively Marketing Low and Medium Density Residential Projects - City of Guelph**

Project Name/ Developer		Open Date	# Units	# Sold	% Sold	Price Range		Size Range		PSF		Abs. Rate
						Min	Max	Min	Max	Min	Max	
Arkell Springs Terra View Homes	Single	Apr-09	7	5	71%	\$352,400	\$399,400	1,383	2,794	\$255	\$143	0.19
			24	20	83%	\$369,900	\$513,900	1,383	2,794	\$267	\$184	0.74
			19	18	95%	\$401,900	\$498,900	1,383	2,794	\$291	\$179	0.67
	Townhouse	Aug-09	21	18	86%	\$256,772	\$323,592	1,473	1,478	\$174	\$219	0.78
Audrey Meadows Charleston Homes & George R. Good	Single	May-10	48	9	19%	\$0	+	2,500	+	+	\$0	0.64
Blueberry Hill Fusion Homes	Single	Jan-11	18	6	33%	\$284,990	\$400,000	1,300	2,450	\$219	\$163	1.01
			10	4	40%	\$336,372	\$412,278	1,220	2,930	\$276	\$141	0.68
	Semi	Jan-11	12	11	92%	\$265,000	\$285,000	1,225	1,635	\$216	\$174	1.86
Castlewood Fabbian Fine Homes	Single	Sep-06 Jun-09	70	62	89%	\$380,000	\$437,692	1,400	2,511	\$271	\$174	1.07
			10	6	60%	\$391,165	\$499,665	1,752	3,137	\$223	\$159	0.24
Chillico Glen Granite Homes	Single	Feb-10	21	14	67%	\$318,000	\$350,000	1,762	2,111	\$180	\$166	0.83
			30	6	20%	\$280,000	\$290,000	1,553	1,813	\$180	\$160	0.36
			32	7	22%	\$255,000	\$266,000	1,403	1,474	\$182	\$180	0.41
Chillico Glen Fusion Homes	Single	Apr-11	7	2	29%	\$249,900	\$384,900	1,300	2,450	\$192	\$157	2.00
			6	6	100%	\$380,900	\$445,900	1,220	2,930	\$312	\$152	6.00
			21	3	14%	\$448,500	\$501,500	1,470	3,260	\$305	\$154	3.00
Lakeside Victoria Reid Homes	Single	Feb-10	54	29	54%	\$360,000	\$444,345	1,438	3,100	\$250	\$143	1.72
Morning Crest Phase II Biltmore Homes	Semi	Oct-10	22	4	18%	\$280,000	\$290,000	1,553	1,813	\$180	\$160	0.45
			21	2	10%	\$249,000	\$264,000	1,403	1,485	\$177	\$178	0.68
River Walk Estates Pidel Homes	Single	N/A	N/A	N/A	-	\$301,000	\$529,000	1,260	3,000	\$239	\$176	-
Parkside IV Fusion Homes	Townhouse	Feb-11	6	3	50%	\$259,900	\$285,000	1,400	1,600	\$186	\$178	0.61
Pebble Creek Terra View Homes	Single	Mar-11	6	1	17%	\$650,000	+	2,700	+	\$241	\$241	0.25
Privada Fusion Homes	Townhouse	Nov-09	19	12	63%	\$389,577	\$589,769	1,600	2,000	\$243	\$295	0.60
Solterra Pidel Homes	Single	Nov-10	N/A	8	-	\$512,900	\$714,000	1,880	2,850	\$273	\$251	1.01
Solterra Fusion Homes	Single	Nov-10	17	3	18%	\$482,500	\$610,955	1,470	3,750	\$328	\$163	0.38
Stewart Mill Charleston Homes	Townhouse	May-10	39	28	72%	\$247,500	\$452,200	875	2,620	\$283	\$173	2.00
The Boulevard at Victoria Gardens Fusion Homes	Single	Aug-08	10	9	90%	\$291,496	\$348,990	1,500	2,450	\$194	\$142	0.26
	Townhouse	Mar-09	53	28	53%	\$243,900	\$272,549	1,470	1,645	\$166	\$166	1.00
The Meridian at Solterra Fusion Homes	Townhouse	Apr-11	10	5	50%	\$260,900	\$294,900	1,520	1,645	\$172	\$179	5.00
The Vales of East Guelph Cityview Homes	Single	Sep-09	70	68	97%	\$325,087	\$477,275	1,468	2,514	\$221	\$190	3.10
Westminster Woods Reids Heritage Homes	Townhouse	Jan-08	179	146	82%	\$198,400	\$317,600	1,061	1,779	\$187	\$179	3.48
<b>Totals &amp; Averages (19 developments)</b>			<b>862</b>	<b>543</b>	<b>63%</b>	<b>\$0</b>	<b>-\$1,000,000 +</b>	<b>875</b>	<b>3,750</b>	<b>\$166</b>	<b>\$328</b>	<b>1.40</b>

Source: Site sales staff & marketing materials, & NBLC.

### 2.1.2 Resale Housing Market

- The resale market in the City of Guelph has proven to be very resilient, with little to no fluctuations in terms of sales and listings in the most recent three years.
- The resale market has averaged about 2,700 sales per year and has achieved a sales-to-listing ratio of about 57%; considered to be indicative of a seller's market.
- While pricing did decline between 2008 and 2009, the average price of a resale home in Guelph currently stands at about \$295,000, having increased from \$267,000 in 2008.
- The strength of the resale market in Guelph is believed to be largely a result of affordability, particularly in comparison to new homes, and the quality of the existing housing stock.



### **2.1.3 Rental Housing Market**

- The rental market in Guelph, like other cities, is comprised of both purpose-built rental units and secondary market units (i.e. basement apartments, condominiums, and home conversions).
- Data on Guelph's secondary rental market does not exist. However, based on recent data related to the purpose-built market, the rental housing market in Guelph is also strong.
- Based on CMHC data, as of April 2011, there were about 6,600 purpose built rental units in the City of Guelph, of which only 130 or 1.9% were vacant. This constitutes a very tight rental supply, similar to other cities in southern Ontario, including KWC, Barrie, Kingston and Toronto.
- Average rental rates range from \$617 for a bachelor, \$786 for a 1-bedroom, \$892 for a 2-bedroom, to \$1,016 for a 3-bedroom unit. These rates increased by about 2% from the same time 2010 last year and, again, are in line with other larger urban areas in southern Ontario, with the exception of the City of Toronto.
- One particular reason for the strength of the rental market is the large student population in Guelph, estimated at about 25,000 individuals.

### **2.1.4 Social Housing**

- As of 2008, there were 2,750 social housing units in Wellington County (inc. Guelph), of which 2,240 or over 80% were located in the City of Guelph.
- Of the units located in the City of Guelph, 40% were 1-bedroom, 28% were 2-bedroom and 24% were 3-bedroom, with the remaining 8% being bachelors and 4 and 5-bedroom units.
- Furthermore, 30% of the units were targeted specifically towards seniors, consisting almost entirely of 1-bedroom units, while the remaining 70% were targeted towards all other age groups, including households w/o children.
- As of early 2009, there were 1,300 households on the waiting list, of which almost 50% were non-senior singles.
- According to the Ontario Non-Profit Housing Association, the average wait time to gain access to a social housing unit in Guelph is between 3-5 years for seniors, 3-9 years for singles and 3-5 years for families. These wait times are generally higher than for most other social housing providers in southern Ontario.

### **2.1.5 Proposed Developments in City**

In order to gauge potential future competition to the subject site, NBLC also assessed existing residential development applications in the City.

- Currently, there are 11 proposed and draft approved applications for residential developments in the City of Guelph, totalling 2,069 units.
- Unlike recent development activity in the City, the largest proportion of units under application - 41% - are in apartment format, followed by townhomes at 32%, indicating a shift in the market.
- Almost all of the developments, with the exception of the proposed 12 unit development at 180 Gordon Street, are located on the urban fringe of the City, mostly to the south and east.
- Due to the considerable differences in locational characteristics between these developments and the subject site, these developments are not considered to represent any notable competition to the subject site, if developed for residential purposes.



Table 3. - Current Proposed & Draft Approved Residential Developments - City of Guelph						
Location	Project Name/ Owner	Single/ Semis	Townhomes	Apartments	Total Units Proposed	Application Status
161, 205 and 253 Clair Road East	Victoria Wood (Dallan) GP Inc.	103	95	239	437	Approved
587 Victoria Road North	Northview Estates Ltd.	-	16	-	16	Approved
150 Eastview Road	Guelph Grangehill Dev.	131	110	99	340	Approved
146 Downey Road	Seaton Ridge Communities	-	44	-	44	Approved
1159 Victoria Road South	Victoria Park West Golf Course (Diordoro Investments Ltd.)	90	87	330	507	Approved
1897 Gordon Street	Thomasfield Homes Ltd.	21	36	152	209	Preliminary
180 Gordon Street	-	-	12	-	12	Preliminary
115 Fleming Road	Coletara Development	-	69	-	69	Preliminary
927 and 1023 Victoria Rdoad South	Northmanor Estates Inc.	189	38	-	227	Preliminary
1408 Gordon St. & 39-47 Arkeil Rd.	-	44	-	19	63	Preliminary
66-82 Eastview Road	Jannet Developments Inc.	-	145	-	145	Preliminary
<b>Total (11 Projects):</b>		<b>578</b>	<b>652</b>	<b>839</b>	<b>2,069</b>	

Source: City of Guelph. Note: In some cases, the projects listed as "Approved" have already come to market, the number of units listed corresponds to unbuilt units within these developments.

## 2.2 Industrial Market

- According to CBRE, Guelph currently has a total of 19.8 million sq. ft. of industrial space, of which 4.1% is currently vacant, up slightly from 4.0% in 2010.
- The average asking lease rate for industrial space in Guelph is \$4.80 per square foot.
- Relative to the broader market area, which includes Kitchener, Waterloo, Cambridge, Brantford and Stratford, Guelph's vacancy rate is the second lowest and well below the market area's average of 7.2%. Lease rates in Guelph are also well above the market area average of \$4.03 psf. Only the City of Waterloo has a lower vacancy rate and higher lease rates than Guelph.
- The employment land supply in the City of Guelph is located in the following areas:
  - Hanlon Creek Business Park
  - Hanlon Business Park
  - Northwest Industrial Area
  - South Guelph Industrial Area
  - York-Watson Industrial Area
  - York Innovation District
  - Urban Reserve Lands
  - University of Guelph Research Park & Other Employment Areas
- Based on the July 2008 Guelph Employment Land Study, there were 3,500 net acres of employment land in the City, of which 1,725 acres were occupied, leaving a vacant supply of about 1,775 acres.
- The vast majority of the vacant supply is located in the south and east of the City, in the Hanlon Creek Business Park, the South Guelph Industrial Area and the York Innovation District. These areas are considered to be highly competitive locations due to their access and proximity to Highway 6 (Hanlon Parkway) and Highway 401, their supply of large, undeveloped parcels, and the lack of surrounding conflicting land uses.





- The Employment Land Study concludes that there is more than sufficient employment land in the City to meet forecast demand to 2031, although a short-term supply of serviced and marketable land may exist.
- Guelph's employment lands are competitively priced between \$250,000 and \$400,000 per acre, which is in line with neighbouring urban areas, but well below GTA-Hamilton prices.

### **2.3 Office Market**

- According to CBRE, there is currently just over 1.6 million sq.ft. of office space in the City of Guelph, with about 65% located in employment areas and about 35% located in the City core.
- The existing vacancy rate is 4.7%, while the average asking lease rate is about \$9.20 per square foot. There exists a significant difference between office space in the City core and space in employment areas, with the vacancy rate in the City core much lower, but with asking lease rates also much lower, averaging \$8.13 psf.
- Compared to other regional office markets, including Kitchener, Waterloo, Cambridge, the existing office supply in Guelph is very small. Furthermore, while the City has a comparatively low vacancy rate, its average asking lease rate is much lower than the regional average. One of the primary reasons for Guelph's lower asking office lease rates is its very limited supply of Class 'A' space.
- The supply of future office land in the City is tied largely to the supply of vacant employment land, of which there is a significant supply. While the supply of suitable office sites in the City core is more constrained, the demand for such space is limited.

### **2.4 Commercial – Retail Market**

- Like most urban areas of its size in Ontario, the existing commercial-retail market in Guelph consist of the downtown, some major corridors, major and community malls, and more recently, big-box "power centres".
- Most new commercial development in the City has occurred along major roads, including Stone Road in the south and Woodlawn in the North, in larger building formats. This is indicative of current retail trends, where businesses want to be located along major roads with exposure to large volumes of passing traffic, as well as to provide plenty of surface parking.
- Commercial development is largely tied to local and regional population growth. As such, as the City and broader market area grows, so too will the demand for commercial land. It is likely the majority of this demand will continue to be met in the City's downtown and along its existing/emerging commercial corridors.

## **3.0 Options for Redevelopment**

Based on our analysis, and with reference to the 2003 market assessment, we have identified what we believe are the most suitable uses for the former IMICO site given the existing and expected market conditions in the City.

It must be noted that the highlighted recommendations do not consider the potential environmental remediation costs of the site, and assume that sufficient municipal servicing capacity exists and that all necessary planning approvals can be obtained. Finally, it is recognized that 3 to 4 acres of the site will be developed for use as a public park.



Similar to the 2003 report, we have separated the potential uses of the site into low, medium and high suitability. For ease of comparison, many of the same proposed land-use categories defined in the 2003 report have been utilized.

### 3.1 High Suitability

- **Medium Density Residential** – This could include townhomes and/or stacked townhomes, with an emphasis on affordability. This may include units priced at the lower end of the market or subsidized “affordable” housing (e.g. Options for Homes). This is believed to be appropriate considering the nature of the surrounding neighbourhood, the existing market demand for such units, and the limited amount of infill development in the City.
- **Mixed Residential Commercial** – This would consist of one or two (depending on success) small live-work townhouse developments of between 10 and 15 units. Such a development may appeal to artists, those in specialty trades and those currently working at home. Any undeveloped portion of the site could be set aside for community/public use. Such a use reflects the nature and character of the neighbourhood and its existing mix of uses, as well as being very unique in the Guelph market.
- **Community Servicing Uses** – Such a use could include a park, community centre, arena, art centre, or a public/private education-training facility (inc. a college campus). The proposed development of the site for a museum or GO Train station, if feasible, may also be reasonable community serving uses. Such uses are believed to be suitable due to the size of the site, the limited development risk, and because such development could further spur the redevelopment and revitalization of the neighbourhood.

### 3.2 Medium Suitability

- **Low Rise Apartment** – This may include one or two 3 to 4-storey apartment buildings, again priced at the lower end of the market or as subsidized “affordable” housing. Wood-frame construction and surface parking would reduce construction costs. Considering the City’s rental vacancy rate and the nature of the neighbourhood and the site’s surrounding uses, rental tenure may be most suitable. This is considered a reasonable use of the site, considering the need to ensure affordability and the current strong rental market in the City. However, the limited high density residential market in the City, the few locational advantages of the site (particularly important for high density developments), and potential for community opposition are concerns.
- **Low Density Residential** – This may include one land use or a mix of single detached, semi-detached and townhouse units. Again, like all other potential residential uses, affordability would be critical, priced either at the low end of the market or as subsidized “affordable” housing. This is believed to be a reasonable consideration, given the nature of the surrounding neighbourhood, the strength of the City’s new home market, and the lack of infill developments. However, the land-use compatibility between single family homes and the uses immediately surrounding the site, as well as the amount of active low density projects in the City in arguably better locations, is of concern.
- **Social Housing** – This would likely involve the development of townhouses, stacked townhouses or a low rise apartment building to be managed by either the Wellington County Housing Association (WCHA) or a private not-for-profit organization, targeting at-risk individuals, couples and/or families. This is believed to be a reasonable use of the site, because of the large number



of households on the WCHA waiting list and the long average wait times, as well as the potential for the developer or City to access various government grants and other financial incentives. However, community opposition and the lack of proximate services and amenities are of concern.

- **Other Light Intensity Business Uses** – Such uses may include smaller industrial/commercial singles or multiples, a small office complex, and/or workshops and studios. These are believed to be reasonable, given the nature of surrounding uses and the potential uniqueness of this product in the Guelph market. However, the demand for such space is difficult to determine, constantly changing and would likely necessitate low lease rates.

### **3.3 Low Suitability**

More typical office, industrial and commercial-retail uses are not considered to be suitable or likely uses for the site given a variety of reasons, including:

- The site's location within an established low-density neighbourhood.
- The site's lack of arterial street frontage and access.
- The site's distance from major highways, particularly Highway 6 and 401.
- The limited public transit access.
- The large supply of industrial (and office) land in more suitable, greenfield locations, with easy highway access.
- The lack of supportive amenities and services located in close proximity to the site.
- The prestige, particularly for office buildings, associated with downtown or business park locations.
- For some commercial uses, the size of the site is small, especially when factoring in necessary parking requirements.

As a result, it is suggested that the most suitable use for the subject site is either wholly or partially residential in nature, with a focus on affordability; occupied on either an ownership or rental basis. Other, less typical development formats, unique in the Guelph market place, may also be feasible options, including live-work units, other light intensity business uses, social housing, as well as various community uses.