

Clair-Maltby

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**City of Guelph -
Review of
Demographic and
Economic Trends
Influencing Future
Development Trends
in the Clair-Maltby
Secondary Planning
Area**

Prepared by:
**Watson & Associates
Economists LTD.**

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 Planning for growth

Executive Summary

The City of Guelph is anticipated to experience steady urban residential and non-residential growth over the next 25 years. Between 2016 and 2041, Guelph's permanent population and employment base is forecast to increase by approximately 54,000 persons and 21,500 jobs, respectively. To accommodate future population growth, the City is forecast to require approximately 24,000 new households between 2016 to 2041.¹ While a large portion of new households are planned to be accommodated within the City's Built-Up Area (BUA) and vacant Designated Greenfield Area (DGA), the remainder of future urban housing growth will be accommodated within the Clair-Maltby Secondary Planning Area.

As the City of Guelph and surrounding urban municipalities within the Greater Golden Horseshoe (GGH) continue to mature, the range of new housing products offered within the City and surrounding area will continue to diversify. Within the City of Guelph, a greater share of new residential development is anticipated in more compact high-density housing forms relative to historical trends. While steady growth is anticipated in ground-oriented housing forms (i.e. single detached, semi-detached and townhouses), these housing forms are anticipated to diversify, with an increasing share of more compact ground-oriented housing types offered on the market (i.e. small lot singles, stacked/back-to-back townhouses). This trend is being driven by demographics, housing affordability and planning policy.

The Clair-Maltby Secondary Planning Area is expected to attract a broad range of demographic groups, including new homebuyers, families and some empty-nesters, in a range of ground-oriented housing forms and to a lesser extent, low-rise, and mid-rise apartments. Relative to other stable residential neighbourhoods within the City, the average age of the population within Clair-Maltby is anticipated to be younger on average. This is important as it will have a direct impact on housing demand by structure, average household size, as well as municipal and public service needs (i.e. indoor/outdoor recreation, schools,) in the Clair-Maltby Secondary Planning Area.

It appears that employment within the Clair-Maltby Secondary Planning Area will be primarily focused on retail, mixed-use commercial and institutional employment sectors, with the exception of any designated employment lands that may be identified through the Secondary Plan process, including consideration of existing designated employment

¹ Derived from Greater Golden Horseshoe Growth Forecast to 2041. Technical Report, November 2012. Hemson Consulting Ltd.

lands west of Gordon Street. As a result, it is anticipated that the Clair-Maltby Secondary Planning Area will not include any significant employment related to employment lands and Major Office employment categories. Major Office employment growth within the City of Guelph is largely focused within the Urban Growth Centre (UGC) and within the City's designated Employment Areas. Forecast employment on employment lands is planned to be accommodated within existing designated Employment Areas as well as the Guelph Innovation District. Long-term needs for residential and non-residential land uses within the Clair-Maltby Secondary Planning Area will be informed by the City's Official Plan review and corresponding municipal comprehensive review (MCR) update.

1. Introduction

There are numerous demographic and economic factors which are anticipated to influence the manner in which Guelph matures and evolves over the next several decades. Provided herein is a general assessment of recent demographic and socio-economic trends within the City of Guelph and surrounding regional economy which are anticipated to influence future residential and non-residential patterns within the Clair-Maltby Secondary Planning Area.

1.1 Long-Term Population and Employment Growth for the City of Guelph within the GGH Context

In many respects, Guelph’s long-term population and economic growth potential is largely tied to the success of the Greater Golden Horseshoe (GGH) as a whole. Collectively, the population for the entire GGH is forecast to increase from 9.0 million in 2011 to 13.5 million in 2041, while the employment base is forecast to increase from 4.5 million in 2011 to 6.3 million in 2041. This equates to a population increase of 4.4 million people (148,000 annually) and an employment increase of 1.8 million (60,000 annually). This represents a substantial increase in population and employment relative to other North American metropolitan regions of comparable population.

The Greater Toronto and Hamilton Area (GTHA), located within the core of the GGH, is the fourth largest urban region in North America¹ and has a diverse and highly competitive economy. The GTHA represents an economic powerhouse in Ontario and the center of a large portion of economic activity in Canada. The GTHA is also economically diverse with most of the top 20 traded industry clusters throughout North America having a strong presence in this region. Historically, population and employment growth rates have been relatively strong in the GTHA relative to the GGH “Outer Ring”; however, it is important to note that the share of population and employment growth within the GGH is forecast to continue to steadily shift from the most populated urban municipalities of the GTHA² to the municipalities within the “GTHA countryside”³ and the GGH “Outer Ring” over the 2016 to 2041 planning horizon.

The strength of the broader regional GGH economy presents a tremendous opportunity for Guelph’s economy and its residents within commuting distance to growing regional

¹ GTHA population estimates in comparison to recent U.S. Metropolitan Statistical Areas data.

² Includes the City of Toronto, City of Hamilton, City of Burlington, Town of Oakville, City of Mississauga, City of Brampton, City of Vaughan, Town of Richmond Hill, Town of Markham, City of Pickering, Town of Ajax, Town of Whitby and the City of Oshawa.

³ Reflects all remaining GTHA municipalities not listed in the above footnote.

employment markets, to the east and west. In addition to employment opportunities for commuters, the City of Guelph, itself, is also forecast to experience significant population and employment growth. Between 2016 and 2041, Guelph's population base is forecast to increase by approximately 54,000 persons or 1.3% annually. This annual growth rate is comparable to the population forecast for the GGH as a whole and approximately 30% greater than the population forecast for the Province of Ontario.^{1,2} While local population growth will directly impact the need for local community services (i.e. retail, personal services and institutional), new development will also drive demand within the construction sector and influence location options in some industrial sectors such as wholesale trade and transportation/warehousing.

With respect to job growth, the City's employment base is forecast to increase by approximately 21,500 employees, or 1% annually, between 2016 and 2041. Forecast employment growth within the City of Guelph is anticipated to be concentrated within service and knowledge-based employment sectors and, to a lesser extent, traditional goods-producing sectors.

Quality of life is also a key factor that continues to attract new residents to Guelph. The City has a strong reputation as a vibrant, growing and safe community in which to live. With access to a range of indoor and outdoor recreational opportunities, arts and cultural facilities, public and private schools, a world class post-secondary institution, amenities and tourism destinations, the housing market in the City of Guelph appeals to diverse range of demographic groups (i.e. young adults, families, empty-nesters, seniors and students).

2. Demographics and Housing Trends within the City of Guelph

2.1 Historical and Forecast Population Growth, 1991 to 2016

Figure 2-1 summarizes historical population growth rates for the City of Guelph during the 1991 to 2016 period in accordance with Statistics Canada Census data. Key observations include the following:

- The City of Guelph experienced steady population growth during this period, approximately 0.4% above the provincial average. More specifically, Guelph's

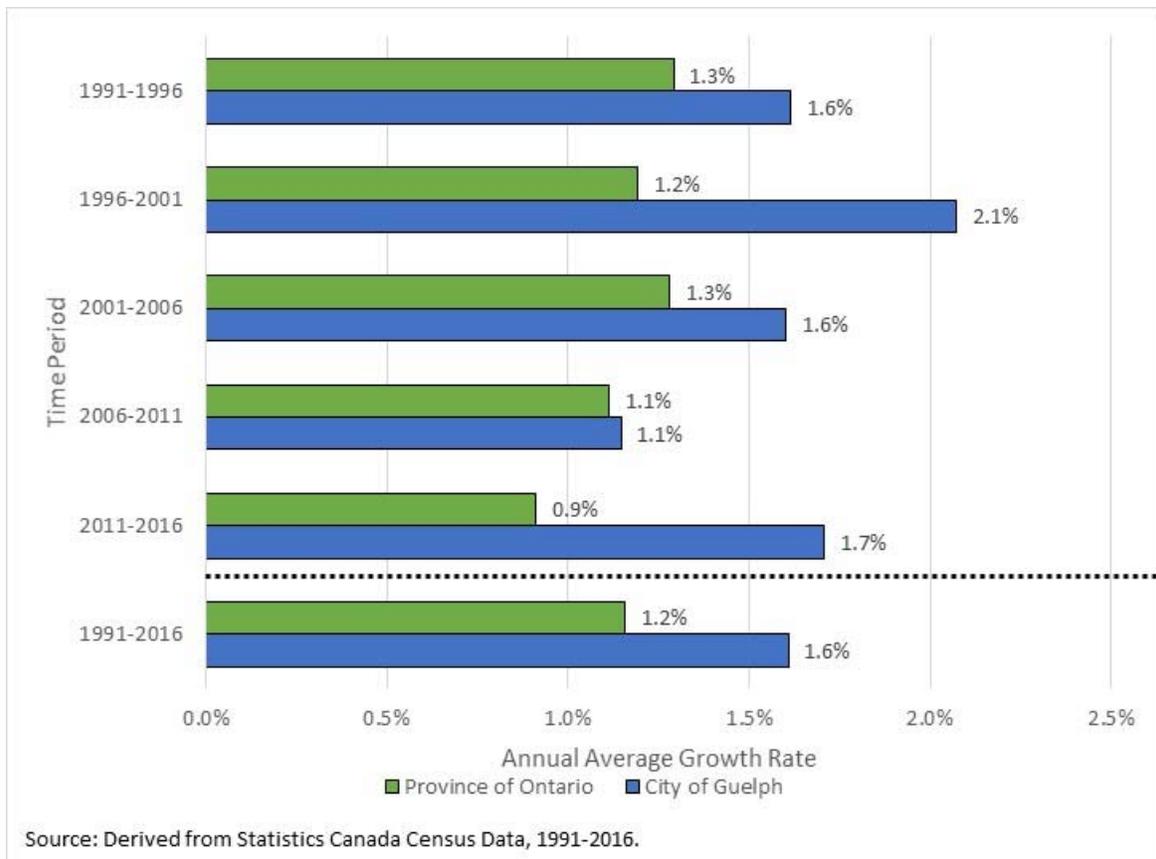
¹ Growth Plan for the Greater Golden Horseshoe.

² Ontario Population Projections Update. Spring 2016. Ontario Ministry of Finance

population grew at an average annual rate of 1.6% compared to 1.2% for the Province as a whole; and

- During the past five years, the average annual population growth rate for the City was 1.7%, which is consistent with the long-term historical average.

Figure 2-1
City of Guelph
Historical Population Growth, 1991 to 2016



2.2 Population Growth by Major Age Group, 1991 to 2011

Figure 2-2 summarizes historical trends in population structure by age cohort over the 1991 through 2016 period by major age group. Figure 2-3 summarizes the 2011 population age structure in the City of Guelph compared to the Province as a whole. Key observations regarding the City of Guelph population forecast by age include the following:

- In 2011, the 0-19 age cohort (youth population) in Guelph accounted for 24% of the total population. Proportionately, the population share of this age cohort has decreased from 27% in 1991;

- Guelph’s young adult/adult population (20-54 years of age) has declined moderately over the same time period, comprising approximately 51% of the population in 2011:
 - The 20-34 age cohort (young adults), which comprised an estimated 22% of the population in 2011, has decreased from 29% in 1991;
 - The 35-44 age group decreased from 15% in 1991 to 14% in 2011; and
 - Adults 45-54 years old account for 15% of the 2011 population, up from 10% in 1991;
- The City’s seniors population has increased over the same time period, specifically:
 - The 55-74 age group (empty-nesters/younger seniors) increased by 3 percentage points between 1991 and 2011, from 15% to 18%, with the majority of the increase occurring between 2006 and 2011;
 - The 75+ age group (older seniors) has increased from 5% in 1991 to 6% in 2011.

Looking forward, this is anticipated to place increasing demand on the need for seniors’ housing, affordable housing, as well as social services to support the City’s growing population base of seniors;

- Generally, Guelph’s 2011 age structure is slightly younger than that of the provincial average;
- A slightly lower proportion of the population in the City of Guelph is concentrated in the 55-74 age group (i.e. Babyboomers¹ and younger seniors) in comparison to the Province of Ontario as a whole; and
- The City of Guelph has a higher proportion of adults between the ages of 20 and 34 when compared to the Province of Ontario.

¹ Defined as population born between 1946 and 1964.

Figure 2-2
City of Guelph
Population Trends by Major Age Group, 1991 to 2011

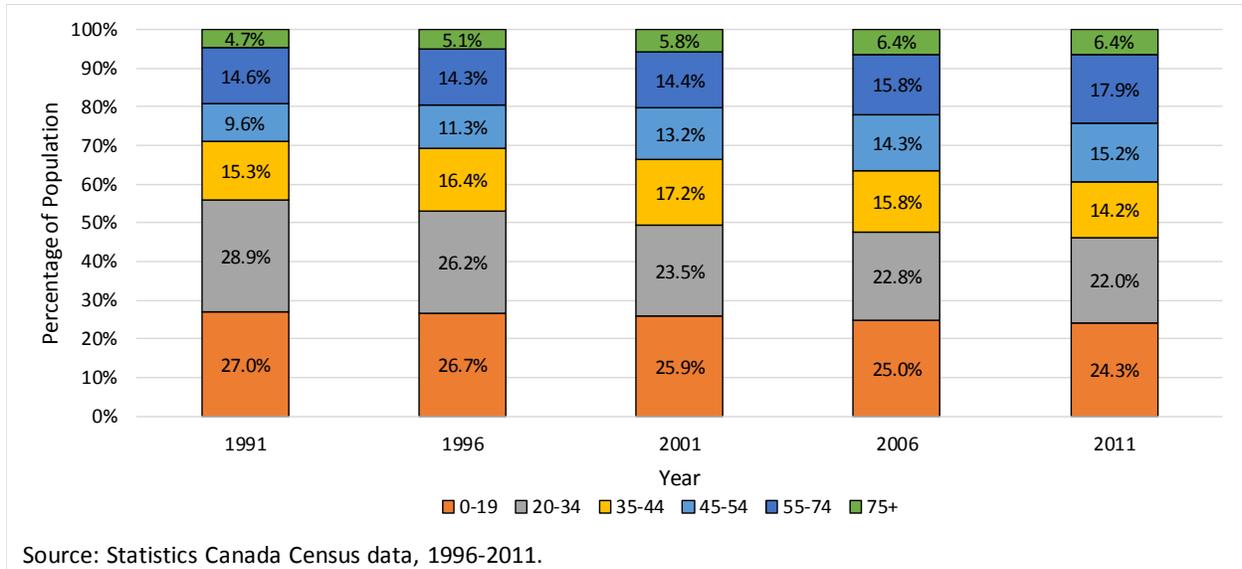
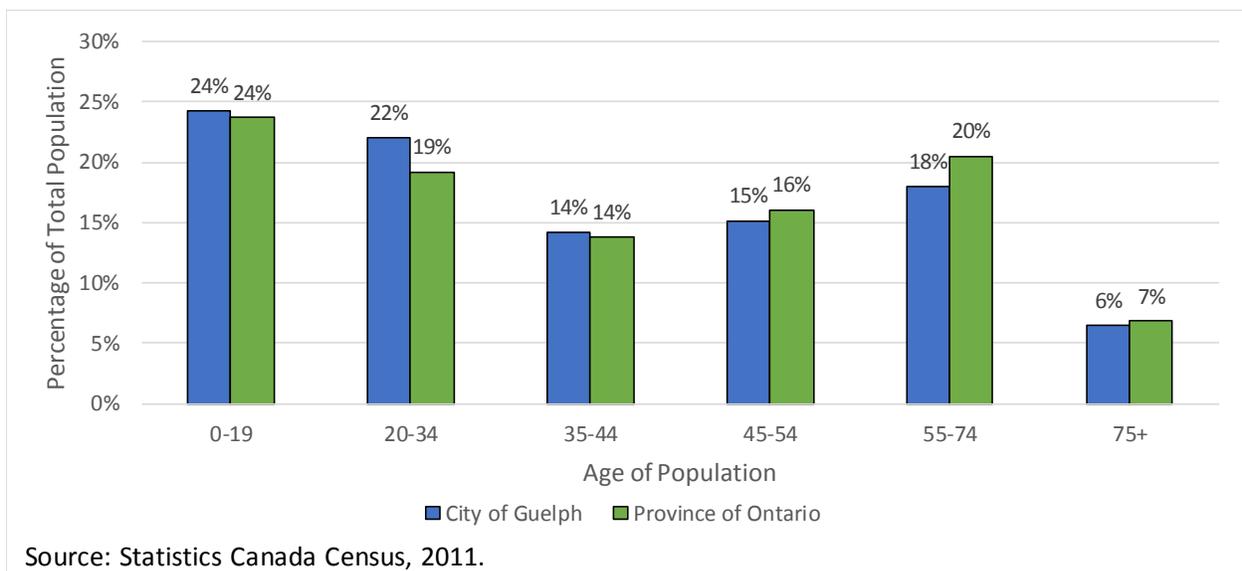


Figure 2-3
City of Guelph and Ontario
Population Age Structure, 2011



2.3 Residential Development Trends

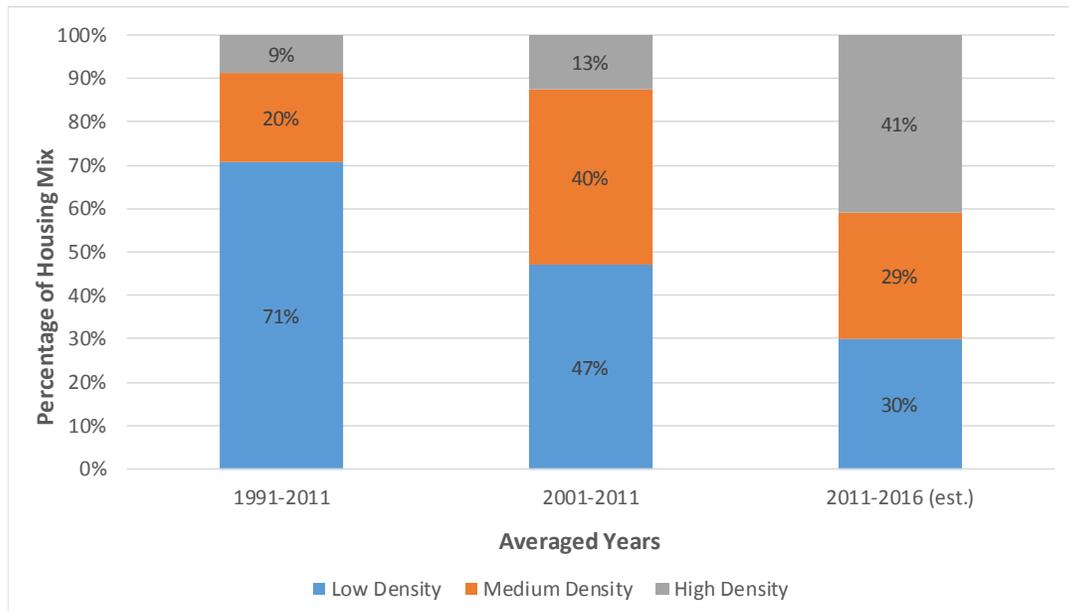
2.3.1 Housing Growth, 1991 to 2016

Similar to population growth trends, the City of Guelph has experienced a steady rate of housing growth over the past 25 years. During this historical period, the City's housing base has increased by approximately 19,700 households from 32,400 to 52,100, which represents an increase of approximately 800 permanent¹ housing units per year. Figure 2-4 summarizes the housing growth by density type between 1991 and 2016.² Low-density households include single and semi-detached units, townhouses and apartments in duplexes comprise medium-density households and apartments are included in the high-density category. Historically, low-density housing has comprised the majority of new housing development over the past 25 years (at 53% of housing growth). Recent housing growth over the past five years, however, has been more balanced by medium- and high-density housing forms (70% of total housing growth). Over the next 25 years, it is anticipated that housing development within the City will be increasingly focused on medium- and high-density forms, largely driven by declining housing affordability and the aging of the City's population base.

¹ Excludes households occupied by students, which are not categorized as permanent residents of the City of Guelph.

² In accordance with the 2016 Statistics Canada Census release (February 8, 2017), 2016 housing by density type has been estimated based on the 2011 Census and 2011 to 2015 residential building permit activity.

**Figure 2-4
City of Guelph
Share of Housing by Type, 1991 to 2016**



2.3.2 City of Guelph Residential Development Activity, 2006 to 2016

Figure 2-5 summarizes residential building permit activity within the City of Guelph by structure type between 2006 and 2016. During this time period:

- The City of Guelph issued an average of just over 880 residential building permits per year for new dwelling units;¹
- The rate at which residential building permits were issued slowed in 2011 and 2012; however, since that time, residential building permit activity between 2013 and 2016 has increased to an average of just over 1,000 units per year ;
- Residential building permit activity over the past 10 years has been relatively well balanced between low-density (i.e. singles/semi-detached), medium-density (i.e. townhouses) and high-density housing forms (i.e. apartments); and
- Over the past five years, the share of residential building permits issued for high-density housing forms has increased to 41% (up from 20% during the previous five-year period).

¹ Excludes accessory apartments.

Figure 2-5
City of Guelph
Historical Residential Building Permits Issued for New Units, 2006 to 2016

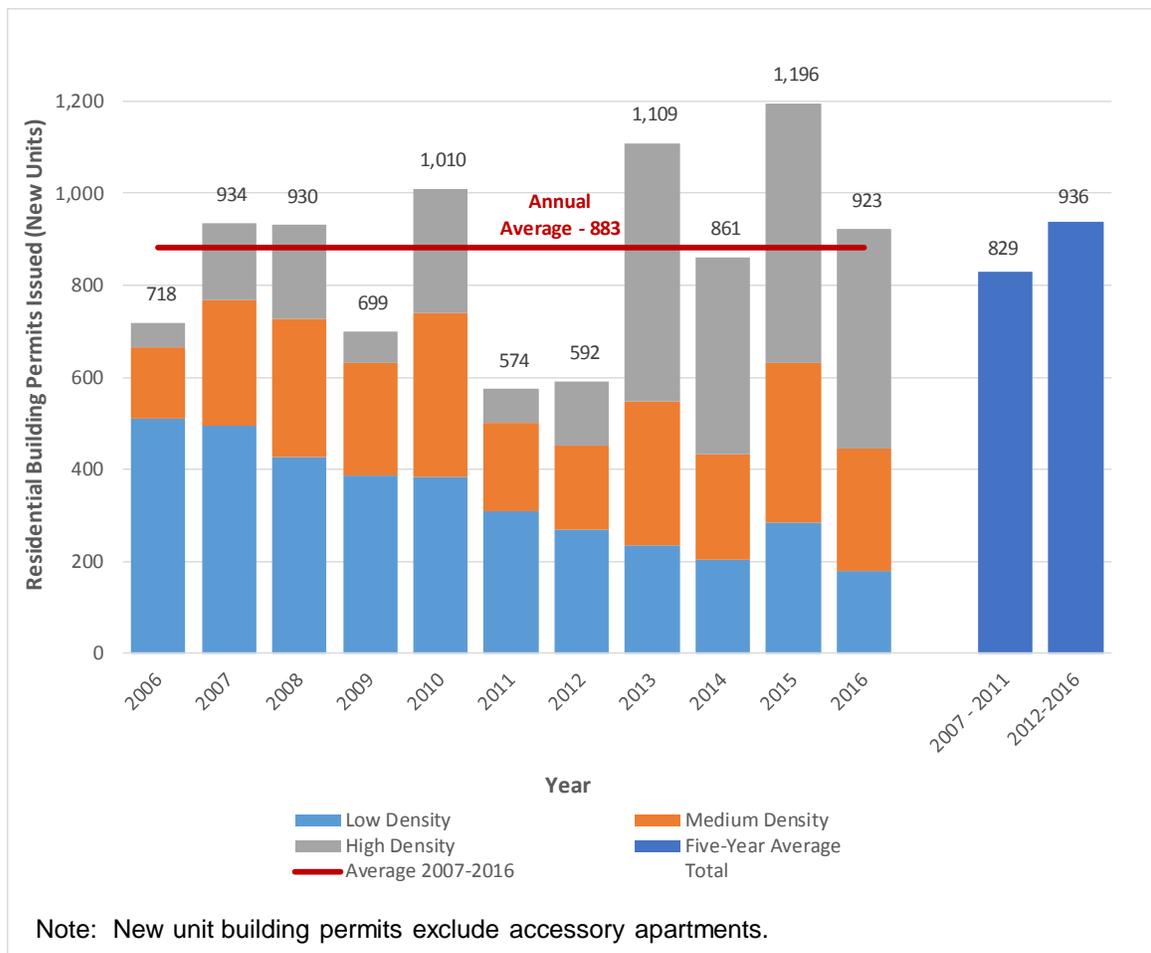
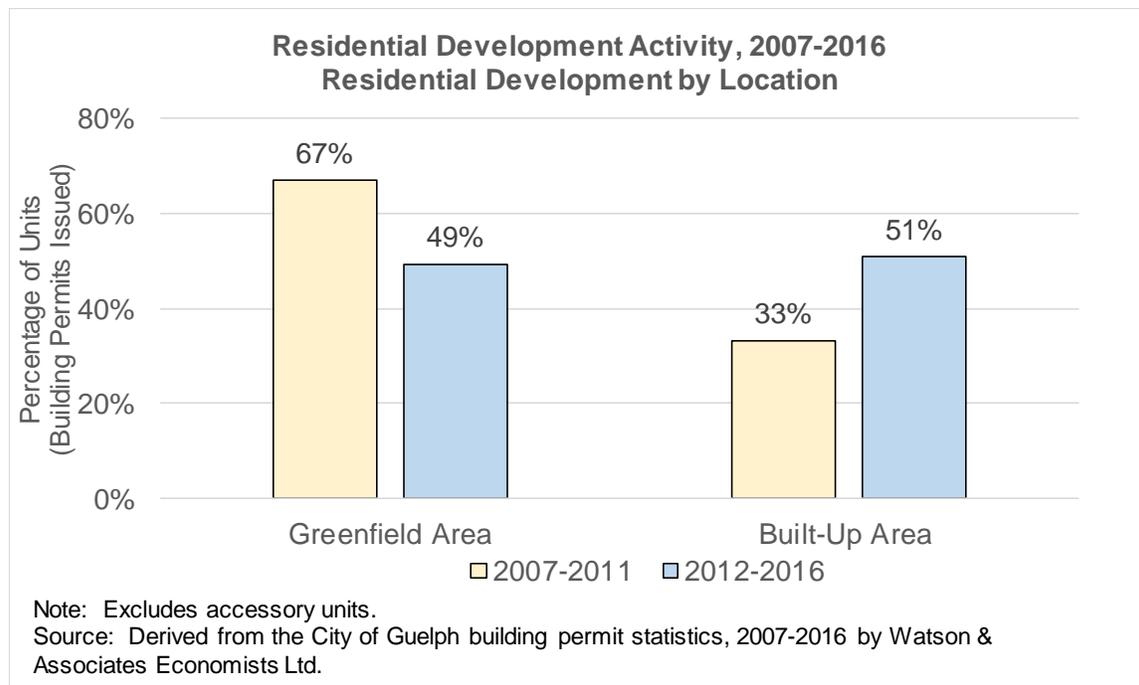


Figure 2-6 summarizes residential development activity in the Built-Up Area (BUA) and the Designated Greenfield Area (DGA) by percentage growth. Over the 2007 to 2011 period, 33% of residential building permits (new units only) occurred within the BUA, while the DGA comprised the remaining 67%. Since 2011, the share of residential development activity in the BUA has increased to 51%, not including accessory apartments which averaged 120 units per year over this time frame.

Figure 2-6
City of Guelph
Residential Development Activity between Built-Up Area and Designated Greenfield Area, 2007 to 2016



2.4 Housing Occupancy Trends within the City of Guelph

Figure 2-7 summarizes trends in average housing occupancy for the City of Guelph and the Province of Ontario over the 1991 to 2016 period,¹ expressed as the average number of persons per unit (PPU).² Trends in household occupancy and age structure are a particularly important statistic for planners, as these trends have broad implications for the amount and type of future housing needs associated with population growth as well as demands for public infrastructure, municipal services and schools.

Key observations include the following:

- The average PPU for the City of Guelph has steadily declined over the 1991 to 2011 period; however, since 2011 the City's average PPU has stabilized at 2.53;
- Average housing occupancy levels for the Province as a whole are higher relative to the City of Guelph; however, the rate of PPU decline between 1991 and 2011

¹ 2016 PPU estimate is not provided for the Province of Ontario.

² Average number of persons per unit (PPU) defined as the total population divided by the number of occupied dwelling units.

was relatively comparable. In contrast to the City of Guelph, the average PPU for the Province continued to decline between 2011 and 2016;

- The stabilization in average household occupancy within the City is largely believed to be a result of delays in children leaving home and an increase in multi-family (i.e. multi-generational) dwellings; and
- The average PPU for the City of Guelph is forecast to continue to decline over the long term; however, this decline rate may occur at a slower rate than anticipated in recent studies.¹

Figure 2-7
City of Guelph
Historical Persons Per Unit (PPU) Trends, 1991 to 2016

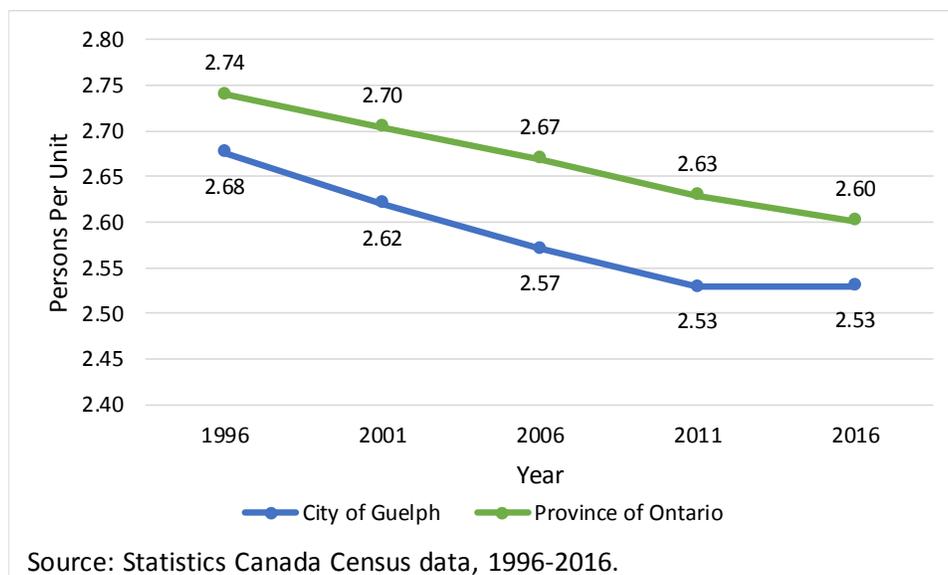


Figure 2-8 summarizes the average PPU for new households occupied from 2001 to 2011. During this time period, the average PPU within the DGA has remained well above average housing occupancy levels. The importance of this observation as it relates to the Clair-Maltby Secondary Planning Area is that average household sizes within this area are likely to be much higher than what has been historically observed on average within the City of Guelph.

¹ Greater Golden Horseshoe Growth Forecast to 2041. Technical Report November 2012. Hemson Consulting Ltd. pg. 86.

**Figure 2-8
City of Guelph
Historical Persons Per Unit (PPU) Trends by Built-Up Area and Designated
Greenfield Area, 2011 and 2016**

City of Guelph 2011			
Geographic Area	Population	Occupied Dwelling	Average PPU
Built Boundary	110,569	44,339	2.49
Greenfield	11,119	3,776	2.94
Total	121,688	48,115	2.53

City of Guelph 2016			
Geographic Area	Population	Occupied Dwellings	Average PPU
Built Boundary	114,743	46,281	2.48
Greenfield	17,051	5,809	2.94
Total	131,794	52,090	2.53

Source: 2011 and 2016 DB Census Data

2.5 Non-Residential Development Trends

Figure 2-9 summarizes non-residential building permit activity by major sector (i.e. retail, office, industrial and institutional) within the City of Guelph during the 2007 to 2016 period, expressed in gross floor area (GFA in sq.m.). Figure 2-10 summarizes the percentage share of non-residential building permit activity by major sector between the BUA and the DGA. Key observations include:

- Over the 2007 to 2016 period, the City averaged approximately 44,600 sq.m. per year in non-residential building permit activity;
- The City experienced a modest slowdown in annual non-residential development activity during the 2009/2010 period, following the 2008/2009 global economic downturn. Since 2010, development activity has rebounded in all major sectors and is tracking close to the 10-year historical average;
- Over the past five years, the City has experienced an increasing share of non-residential development activity associated with the office sector;
- Non-residential development activity associated with the office sector has been relatively strong across the City of Guelph over the past five years both within the BUA and DGA. Long-term demand for office development is anticipated to continue with the City’s Urban Growth Centre (UGC) as well as within suburban locations of the City in greenfield settings which offer ample land supply for building development and surface parking requirements;

- Over the past 10 years, annual retail building permit activity has remained relatively consistent; however, the share of retail development activity has heavily shifted towards the DGA over the past five years; and
- Over the past 10 years, the City has averaged approximately 7,000 sq.m. per year related to institutional building permits, of which approximately 70% of institutional GFA has occurred within the BUA.

Figure 2-9
City of Guelph
Historical Non-Residential Development Activity by Major Sector, 2007 to 2016

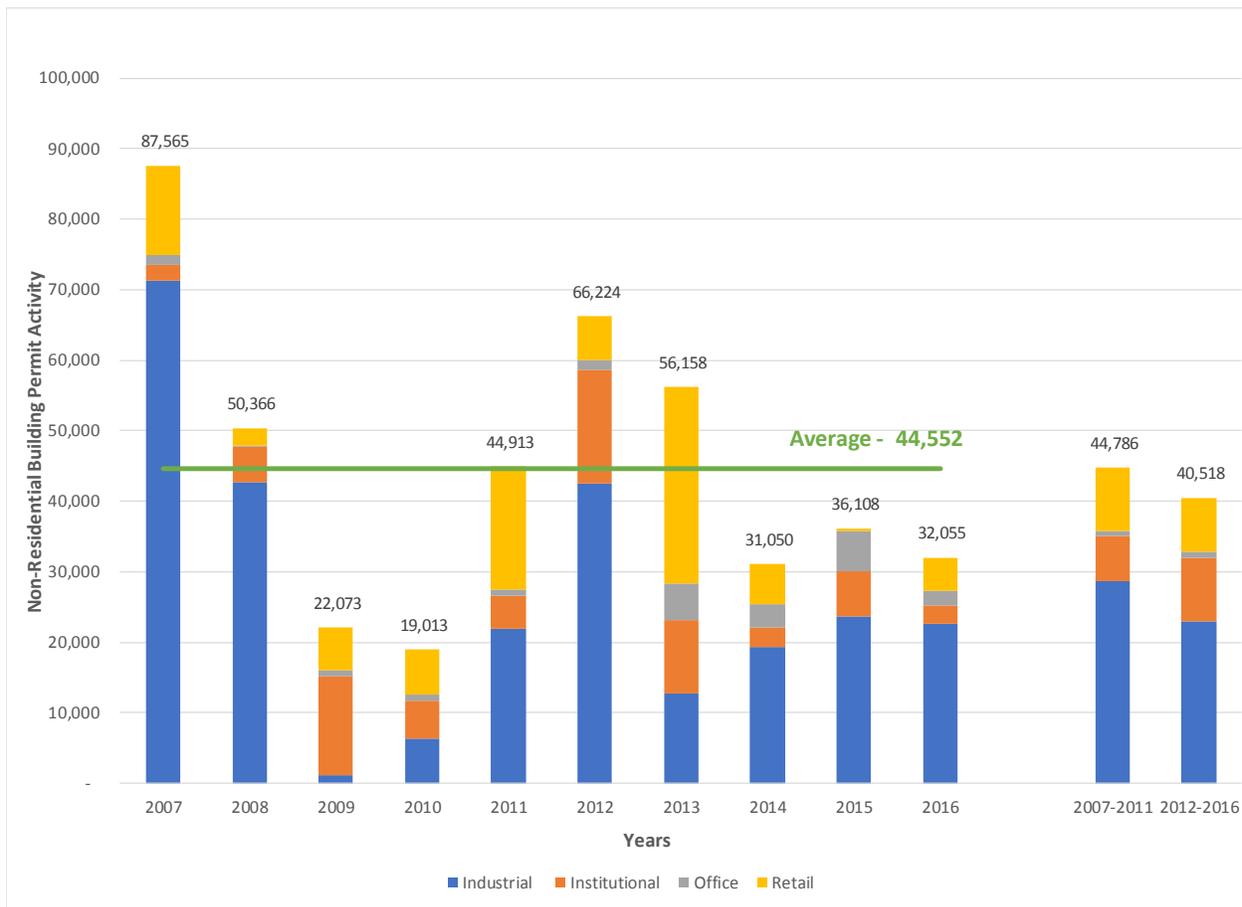
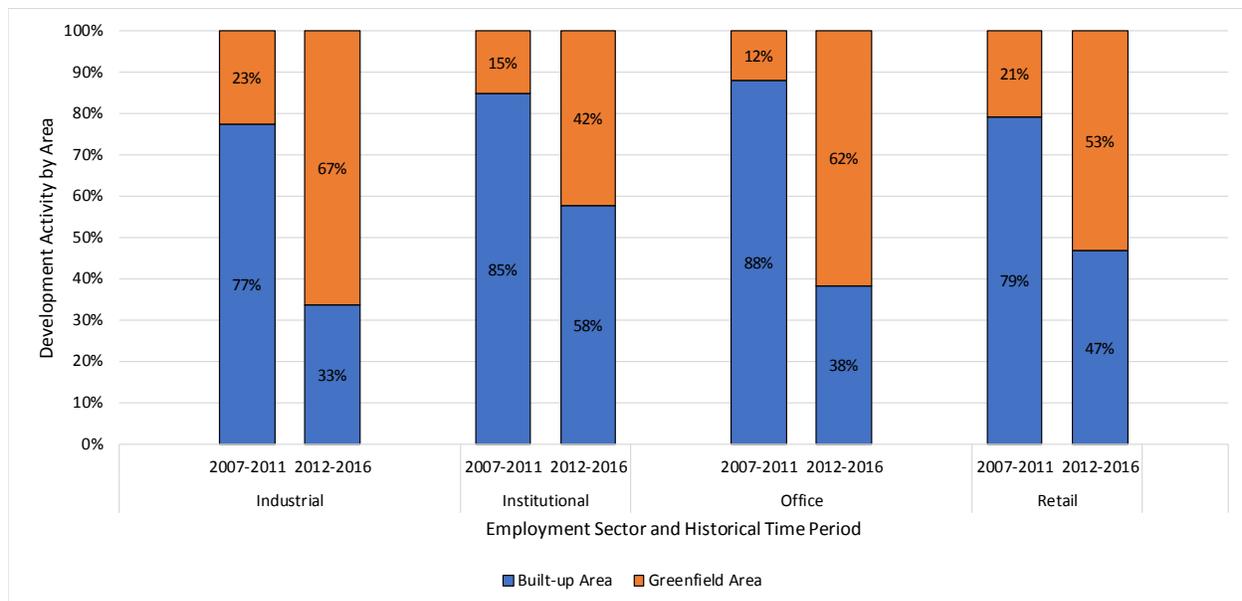


Figure 2-10
City of Guelph
Historical Non-Residential Development Activity, Built-Up Area vs. Designated Greenfield Area, 2007 to 2016



3. Anticipated Housing Needs within the Clair-Maltby Secondary Planning Area

Future housing needs in Guelph are evolving as a result of shifting demographic and socio-economic trends. To accommodate forecast long-term population growth within the City of Guelph, a total of approximately 24,000 new residential dwellings will be needed across the City within existing and future urban areas between 2016 and 2041.¹ As the City of Guelph and surrounding urban municipalities within the GGH continue to mature, the range of new housing products offered within the City and surrounding area will continue to diversify. Within the City of Guelph, a greater share of new residential development is anticipated in more compact high-density housing forms relative to historical trends. While steady growth is anticipated in ground-oriented housing forms (i.e. single detached, semi-detached and townhouses), these housing forms are anticipated to diversify, with an increasing share of more compact ground-oriented housing types offered on the market (i.e. small lot singles, stacked/back-to-back townhouses). This trend is being driven by demographics, housing affordability and planning policy.

¹ Derived from Greater Golden Horseshoe Growth Forecast to 2041. Technical Report, November 2012. Hemson Consulting Ltd.

While Guelph's population as a whole is aging, the demographic characteristics of the City are not homogenous. In general, the average age of the population within new greenfield areas such as Clair-Maltby will continue to be younger on average than the City's existing stable residential neighbourhoods. Within such neighbourhoods, average household occupancy levels are anticipated to decline over the long-term as adult residents within these communities age and their children enter adulthood. Over the long term, average housing occupancy levels are anticipated to stabilize in mature neighbourhoods as older homes are gradually turned over by new families. On the other hand, for many of the City's new communities and future neighbourhoods geared towards families, average housing occupancy levels are anticipated to be well above municipal-wide averages. This is important as it relates to the Clair-Maltby Secondary Planning Area as this will have a direct impact on housing demand by structure, average household size as well as municipal and other public service needs (i.e. indoor/outdoor recreation, schools).

To accommodate future residents in Guelph, there is also an increasing interest in new and innovative approaches to housing development which provide greater opportunities for mixed-use development, secondary suites, live/work opportunities and affordable housing. Some of the key drivers influencing the City's future housing needs are discussed below.

3.1 Impacts of an Aging Population

Demographic trends strongly influence both housing need and form. Across the GGH and the City of Guelph, the population is getting older on average, due to the aging of the Baby Boomers. The first wave of this demographic group turned 70 years of age in 2016. Between 2011 and 2041, the GGH population that is 65 years of age and older will increase from 9% to 17%. In the City of Guelph, the number of seniors¹ is anticipated to steadily increase between 2011 and 2041 by approximately 25,000 persons, accounting for approximately 39% of total population growth during this period.²

Not only is the Baby Boom age group large in population, but it is also diverse with respect to age, income, health, mobility, and lifestyle/life stage. Accommodating older seniors is a key planning issue across the GGH including Guelph, as a growing percentage of the population will reach 75 years of age and older over the next 15 years. The growing aging population is anticipated to drive the need for seniors' housing and other housing forms

¹ Defined as population 65+ years of age and older.

² Greater Golden Horseshoe Growth Forecasts to 2041, Technical Report (November 2012) Addendum, Hemson Consulting Ltd. June 2013.

geared to an aging population (i.e. assisted living, affordable housing, adult lifestyle housing).

The physical and socio-economic characteristics of the 75+ age group (on average) are considerably different than those of younger seniors, empty-nesters and working-age adults. On average, older seniors have less mobility, less disposable income and have relatively more health issues compared to younger seniors. Typically, these characteristics associated with this age group drive their relatively higher propensity for medium- and high-density housing forms that are in proximity to urban amenities (e.g. hospitals/health care facilities and other community facilities geared towards seniors).

3.2 Growing Housing Demand from the Millennial Cohort

Future housing needs in Guelph will also be increasingly impacted by the “Millennial” generation. This cohort represents a large and growing percentage share of the GGH population. While there is no standard age group associated with the Millennial generation, persons born between 1980 and 1992 best fit the definition of this age group. As of 2011, the Millennial population in Guelph represented 14% of the total population base (i.e. population between 19 and 31 years of age).

Currently, a high percentage of Millennials are choosing to live in urban locations within the City of Toronto core over suburban City of Toronto and “905” locations, because of the proximity of downtown Toronto to amenities, entertainment and employment. Given the age and size of this cohort, Millennials play a key role on labour force supply. As such, their housing location preferences strongly influence office location decisions in the GGH. As they age, the housing preferences of Millennials are expected to shift gradually from urban to suburban locations. This shift may drive future housing demand in Guelph; however, the extent of this shift is somewhat uncertain and subject to economic and socio-economic variables (e.g. relative housing costs/affordability, fuel costs, transit service, lifestyle preferences and perceived quality of life between urban and suburban neighbourhoods).

3.3 The Impacts of Increasing Ethnic Diversity on Future Housing Market Trends

The changing ethnic make-up of Guelph is also anticipated to influence future housing needs associated with population growth. Between 2001 and 2011, the percentage of visible minorities increased by 3%. It is important to understand the housing needs, location preferences, affordability issues, service needs, and employment needs of the visible minorities in Guelph to accommodate this growing population segment.

3.4 Housing Affordability

Economic conditions also play a key role in shaping the rate, form and location of urban development across the City. Over the past two decades, the GGH has experienced steady increases in housing prices driven by rising land prices, strong population growth and a robust employment market. Housing appreciation has been strongest within the GTHA, resulting in a growing gap in housing prices between GTHA and GGH “Outer Ring” municipalities. This growing gap in housing prices between the GTHA and GGH “Outer Ring” has been a key driver of housing demand in the City of Guelph.

The strong fundamentals of the GGH economy have also attracted a steady stream of local and foreign investment to the GGH real estate market. It is anticipated that under the current low-interest rate environment, residential real estate values will continue to increase moderately in the near-term.



Figure 3-1 summarizes historical trends in average housing sale prices for the City of Guelph and a number of selected GTHA and GGH “Outer Ring” municipalities for single detached dwelling units between 2006 and 2016. Housing price data for townhouses and condominiums is also provided for 2016. Across the GGH, housing prices for new single detached units vary considerably, with average prices highest in the City of Toronto, followed by the Town of Oakville, the City of Vaughan and the City of Mississauga.

**Figure 3-1
Historical Trends in GGH Housing Prices, 2006 to 2016**

Municipality	2006	2016			Annual Increase in New Single Detached Housing Unit, 2006-2016
	New Single Detached	New Single Detached	Townhouse	Condominium	
City of Vaughan	\$494,000	\$1,176,000	\$757,000	\$423,000	9.1%
Town of Whitby	\$336,000	\$707,000	\$482,000	\$350,000	7.7%
City of Barrie	\$270,000	\$567,000	\$348,000	\$249,000	7.7%
City of Mississauga	\$497,000	\$1,036,000	\$622,000	\$318,000	7.6%
Town of Oakville	\$655,000	\$1,261,000	\$769,000	\$510,000	6.8%
City of Toronto	\$800,000	\$1,333,000	\$876,000	\$443,000	5.2%
City of Guelph	\$325,000	\$572,000	\$340,000	\$254,000	5.8%
City of Kitchener	\$300,000	\$471,000	\$301,000	\$238,000	4.6%
City of St. Catharines	\$321,000	\$461,000	\$252,000	\$221,000	3.7%
City of Hamilton	\$347,000	\$468,000	\$384,000	\$302,000	3.0%

Source: Watson & Associates Economists Ltd. Data for average single detached prices based on the average price of new single detached units derived from Canada Mortgage and Housing Corporation (CMHC), Housing Market Absorption Survey. Data for average prices of townhouse and condominium units derived from 2016 annual market reporting by Toronto Real Estate Board, Guelph & District Association of Realtors, Kitchener-Waterloo Real Estate Board, Hamilton-Burlington Real Estate Board, Niagara Association of Realtors and Barrie & District Real Estate Board. It is noted that for the City of Toronto and the City of Mississauga, average single detached housing prices also include resale housing.

For the City of Guelph, the average price of a single detached home as of 2016 was \$572,000, which represents an annual increase of approximately 5.8% since 2006. In contrast, average household income levels within the City of Guelph increased at an annual rate of 2.7% during this same historical time period,¹ which is considerably less than the pace of rising resale and new housing prices. As a result, housing affordability

¹ Average household income in 2006 is \$76,057 (Statistics Canada, 2006 Census). Average household in 2016 is estimated at \$98,900. 2016 average household income is estimate by Watson & Associates Economists Ltd. derived from historical growth trends from Financial Post, FP Markets, Canadian Demographics, 2008-2013).

has steadily eroded over the past decade across the City of Guelph and this is also true for the GGH as a whole, most notably within the larger urban centres of this area. This upward pressure on housing prices and steady reduction in housing affordability, means there is a need to ensure that sufficient opportunities exist within the City of Guelph (and across the GGH in general) to accommodate a range of housing types (i.e. low, medium and high density) for all income levels, including market, affordable, assisted and emergency housing.^{1, 2, 3}

3.5 Planning for More Compact Communities

A guiding principle of the provincial Growth Plan is that new greenfield areas are developed as compact, vibrant and complete communities. These policies are also reflected within the City of Guelph Official Plan (OP). Driven by rising urban land values across the GGH and planning policy, the average density associated with new residential development within the City of Guelph has increased across all housing forms over the past decade. Figures 3-2 and 3-3 summarize the average density of new greenfield housing constructed within the City of Guelph over the past 10 years. As summarized below, average residential density levels have moderately increased across most dwelling structure types over the past 10 years.

¹ Affordable housing is defined as housing with a market price or rent that is affordable to households of low to moderate income, spending no more than 30 percent of their gross income without government subsidies, with sufficient income remaining to meet other daily living needs.

² Assisted housing is defined as housing that is available to low and moderate income households for rent or purchase where part of the housing cost is subsidized through a government program.

³ Emergency housing refers to shelters, supportive housing, transitional housing, etc.

Figure 3-2
City of Guelph
Average Residential Density for New Dwellings Constructed 2007 to 2011
(units per net ha)

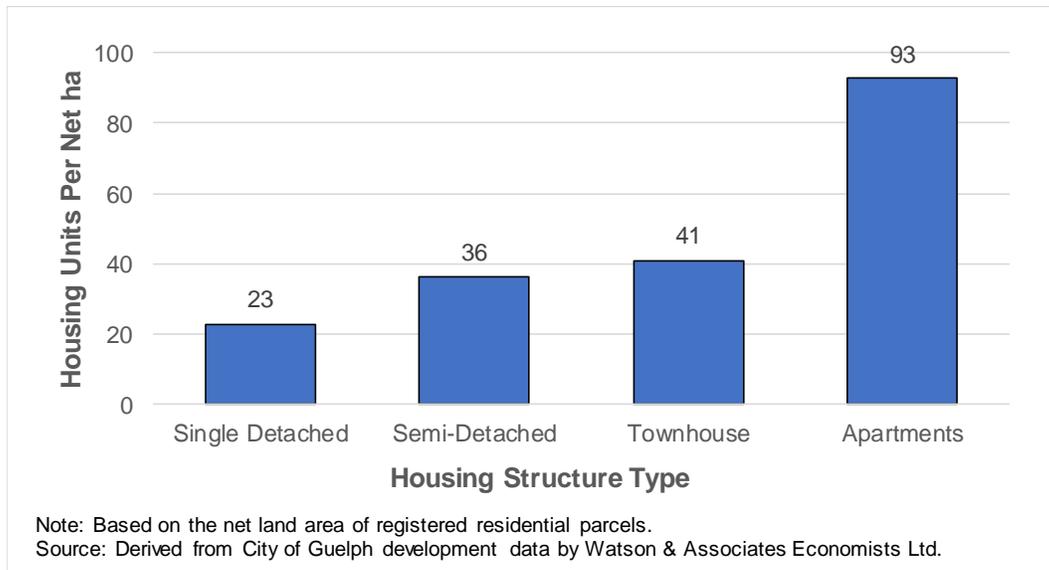
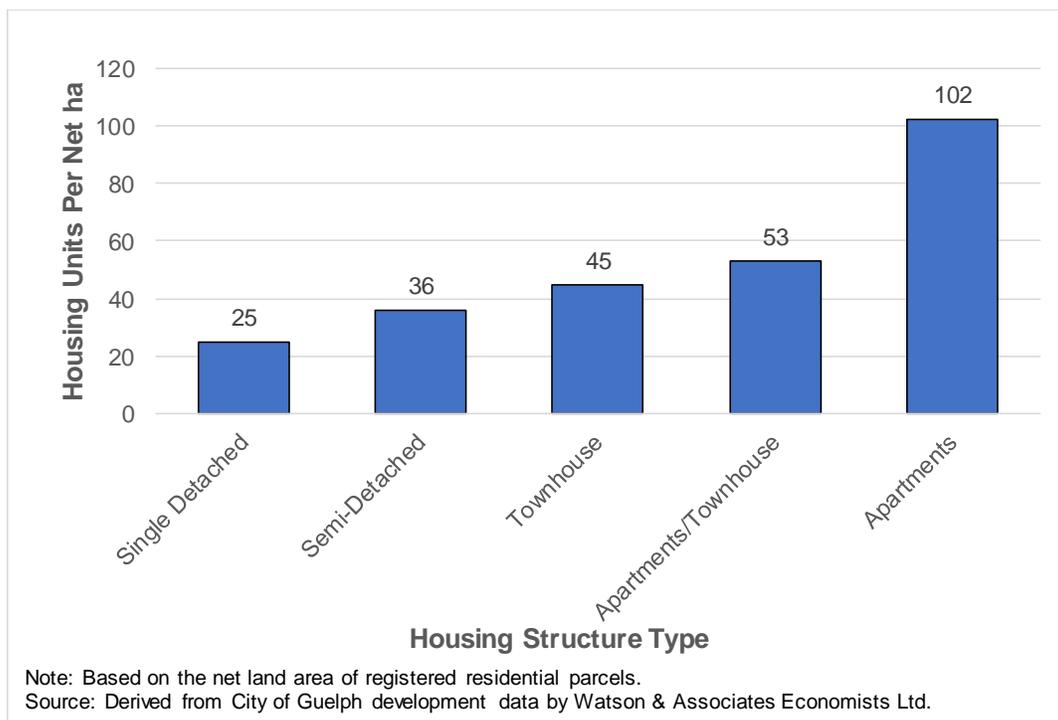


Figure 3-3
City of Guelph
Average Residential Density for New Dwellings Constructed 2012 to 2016
(units per net ha)



4. Anticipated Non-Residential Land Needs within the Clair-Maltby Secondary Planning Area

4.1 Regional Economic Trends Shaping Forecast Employment Trends within the City of Guelph

The Ontario economy is facing significant structural changes. Over the past several decades, the provincial economic base, as measured by gross domestic product (GDP) output, has shifted from goods-producing sectors (i.e. manufacturing and primary resources) to service-producing sectors.

Within the service sector, economic growth has been particularly strong for small to medium-scale knowledge-based businesses that are focused on innovation and entrepreneurship. The trend towards more knowledge-intensive and creative forms of economic activity is evident at the broader provincial level and within Guelph's economy. For the City of Guelph, established and emerging knowledge-based sectors such as advanced manufacturing, financial services, information technology, business services, health care and social services, government, information and cultural industries, education, training, research and development, agri-business, and energy are anticipated to represent key employment growth sectors.

These structural changes in the regional and local economies are influencing the manner in which non-residential areas are planned in Guelph, as well as long-term land requirements to accommodate employment lands employment. Attracting and accommodating new development related to light industrial and office uses requires the development of new Mixed Use Areas and the intensification of existing Mixed Use Areas that are planned to achieve a compact, transit-supportive and pedestrian-oriented environment with access to major retail/supportive retail, entertainment, cultural activities and public spaces. Employment Areas too must be planned to be more compact, transit supportive and pedestrian oriented than previously.

4.2 Impact of E-Commerce on Forecast Retail Demand

The impact of the internet and smart device shopping is an on-going topic of discussion amongst retailers, shopping centre developers, landlords and industry experts as consumer shopping patterns continue to be influenced by technology. Although this form

of shopping has become more mainstream, it remains uncertain what its actual impact will be on the bricks and mortar side of retailing.

Two obstacles for which online retailing has yet to fully compensate are the in-person shopping experience and the convenience of point of sale purchases. To address these issues, some retailers are focusing more on servicing the customer by allocating a larger share of existing store space to “showroom” presentation as well as adding in-store pick-up services for online purchases. Some retailers are reducing stores sizes while increasing their number of locations. Overall, these trends have had little impact on retail vacancy levels of existing retail space to date.

Internet shopping has had an impact on some areas of the retail spectrum in terms of physical store space. This impact is particularly evident with the reduction of space previously occupied by soft goods categories and services like print media, movie rental and travel services. Online shopping, however, still represents a small share of overall retail trade in Canada, and many foreign retailers have yet to provide direct access to their e-commerce services for the Canadian market.

The most recent Statistics Canada data available indicates that e-commerce represents approximately 1.5% of Canadian retail sales in 2012. This figure compares to 5.2% for the United States in 2012. The Canadian figure is forecast to increase to 10% by 2021, and in the longer term further increases are anticipated.

In addition, it is yet to be determined how this retail platform will influence demand for distribution, logistics and warehousing space in the future. One of the trends in retail store design is an increasing portion of a store being dedicated to warehousing. Some retailers are delivering merchandise from stores or having customers pick up merchandise that has been ordered online at their local store. This trend has had little effect on overall demand for retail space.

Retail vacancy rates do not appear to have increased as a result of internet shopping. Rather, the rate at which new retail space supply is being added in the market place has declined. Retail space will continue to increase in the future; however, we anticipate that the rate of increase will be reduced from historical levels. It is expected that this trend will continue to influence the development of new shopping centre/retail space in the future resulting in some reduction in the demand for new space. Nonetheless, the locations with the best site characteristics will continue to remain in highest demand.

4.3 Anticipated Non-Residential Needs within the Clair-Maltby Secondary Planning Area

A key objective of the Clair-Maltby Secondary Plan is the creation of a complete community providing a range of local retail amenities, personal service uses, multi-tenant office uses and other population-related institutional employment uses such as schools and municipal recreational facilities.

It appears that employment within the Clair-Maltby Secondary Planning Area will be primarily focused on retail, mixed-use commercial and institutional employment sectors, with the exception of any designated employment lands that may be identified through the Secondary Plan process, including consideration of existing designated employment lands west of Gordon Street. As a result, it is anticipated that the Clair-Maltby Secondary Planning Area will not include any significant employment related to employment lands and Major Office employment categories. Major Office employment growth within the City of Guelph is largely focused within the Urban Growth Centre (UGC) and within the City's designated Employment Areas. Forecast employment on employment lands is planned to be accommodated within existing designated Employment Areas as well as the Guelph Innovation District. Long-term needs for residential and non-residential land uses within the Clair-Maltby Secondary Planning Area will be informed by the City's Official Plan review and corresponding municipal comprehensive review (MCR) update.

4.4 Planning for Commercial/Mixed Use Employment Areas

As previously identified in section 2.5, a growing share of recent multi-tenant and smaller-scale office development (i.e. GFA less than 2000 meters) in the City of Guelph has occurred within greenfield locations. While standalone office development will largely be focused within the City's UGC as well as on employment lands, some portion of City-wide demand for multi-tenant office space is anticipated to be accommodated within the Clair-Maltby Secondary Planning Area or in the Gordon/Clair Mixed Use Node to the northwest of the Clair-Maltby Secondary Planning Area. Within the subject study area, market demand and development feasibility for office space are anticipated to be strongest within mixed-use environments that offer proximity/access to amenities and are planned in transit-supportive and pedestrian-oriented environments with access to amenities, entertainment, cultural activities and public spaces.

In terms of retail development in the City, 60% of the City's retail Gross Floor Area (GFA) over the 2011 to 2016 period has occurred in the designated Gordon/Clair Mixed-Use

Node which is adjacent to the study area.¹ The Gordon/Clair Node is an important node in the south area of Guelph providing residents with a wide-range of retail and complementary uses (e.g. health care services). The Gordon/Clair Node includes approximately 31,902 sq.m. (343,000 sq.ft.) of retail GFA² and according to the City of Guelph's Official Plan is planned to accommodate 48,500 sq.m. (522,000 sq.ft.) of retail GFA.³ The GFA in the Gordon/Clair Node is largely oriented to serving the local area; only 10% of the retail GFA is in the General Merchandise, Apparel and Accessories, Furniture and Other Sales (GAFO) category⁴ which draws customers from beyond the local area. Given the proximity of the Gordon/Clair Node to the Clair-Maltby Secondary Planning Area, the Gordon/Clair Node will provide residents in the Clair-Maltby Secondary Planning Area with convenient access to a wide-range of retail and services. In addition, the population base of the Clair-Maltby Secondary Planning Area will further strengthen the role of this Node.

While the Gordon/Clair Node provides a wide-range of retail uses that would accommodate the Clair-Maltby Secondary Planning Area, it is still necessary to consider a retail component for the Clair-Maltby Secondary Planning Area. Retail is an important component in building successful communities. Retail uses often form the focal point of the community providing opportunities for social interaction, while providing convenient access to retail and services to support the needs of the local residents. It is also, important to note that across Canada, there is a blurring of the traditional retail hierarchy. A number of factors are driving this trend, including changes in consumer preferences, e-commerce, "right-sized" retail formats and a shift from developers that includes a greater emphasis on mixed-use developments and less emphasis on single-use retail development. Small-scale mixed-use developments within the Clair-Maltby Secondary Planning Area (e.g. medical clinic, insurance office, daycare) will provide the greatest opportunity for retail use in the Clair-Maltby Secondary Planning Area. Mixed-use developments could include some convenience-based retailers (e.g. pharmacy, convenience stores, specialty food stores) and service providers (e.g. dry cleaner, yoga studio, medical clinic, etc.).

¹ Based on building permit data obtained from the City of Guelph.

² Based on research conducted by Watson & Associates Economists Ltd. for the peer review of a retail study prepared for the City of Guelph, October 2016.

³ City of Guelph, OP 2001, September 2014 Consolidation, section 7.4.12, pg. 136.

⁴ Based on research conducted by Watson & Associates Economists Ltd. for the peer review of a retail study prepared for the City of Guelph, October 2016. GAFO is a merchandising category, including department stores, clothing stores, membership clubs, auto, home and building supply stores, specialty stores (e.g. jewellery, dollar stores, etc.) and other sales stores.

4.5 Forecast Density Trends in the Retail and Office Sector

Overall, average density levels in the office sector have moderately increased across the GGH over the past decade, driven by a decrease in average floor space per worker (FSW). While average density in the office sector is relatively high, office densities with suburban markets such as the Clair-Maltby Secondary Planning Area are anticipated to be lower than the City average. Office uses within the Clair-Maltby Secondary Planning Area are anticipated to be accommodated in low-rise, multi-tenant structures which offer surface parking. A portion of suburban office building, is anticipated to accommodate non-office functions (e.g. warehousing). Density trends within the retail employment sector also have increased modestly across the GGH over the past decade. Similar to the office sector, this trend has been largely driven by a slight decrease in average FSW, as opposed to an increase in building coverage or floor space index (FSI).

Figure 4-1 summarizes a density sample of commercial developments in the City of Guelph absorbed on designated commercial lands over the 2006-2016 period. The sample includes 40 hectares of absorbed land with approximately 2,750 employees with an average density of 59 jobs/net hectare. Based on the sample, commercial density has ranged from:

- a high of 88 jobs/net hectare in the designated Mixed-Use Corridor which has included infill development along major commercial corridors;
- to a low of 32 jobs/net hectare on land designated for Service Commercial Uses which are typical highway-oriented commercial uses or service commercial uses requiring large site areas (e.g. auto sales, retail facilities with large showrooms).

Over the past 10 years, a significant amount of commercial GFA has occurred in the Community Mixed-Use Centres which includes the Gordon/Clair Mixed-Use Node adjacent to the study area. The average commercial density in the study area, however, is anticipated to be higher than the Community Mixed-Use Centres, as these areas include a large big-box retail component which is land extensive (e.g. the Costco development in the Paisley and Imperial Mixed-Use Node, and the SmartCentres development in the Woodlawn and Woolwich Mixed-Use Node). It is anticipated that commercial densities in the study area would be generally more reflective of designated Neighbourhood Commercial Centres which have a density of 72 jobs/net ha.

**Figure 4-1
City of Guelph
Density Sample of Selected Commercial (Office and Retail) Developments
Absorbed Over the 2006 to 2016 Period by Official Plan Designation**

Official Plan Designation	Net Land Area (ha)	Estimated Employees in Sample	Average Net Density (Jobs/Net ha)	Total Commercial GFA (sq.ft.)	Total Commercial GFA (sq.m.)
Mixed-Use Corridor	2	143	88	57,000	5,300
Neighbourhood Commercial Centre	3	176	72	70,000	6,500
Corporate Business Park	2	108	65	46,000	4,270
Community Mixed-Use Centre	30	2,228	56	894,000	83,060
Commercial Residential Areas	0.4	16	41	6,000	560
Service Commercial	4	79	32	32,000	2,970
Sample Total	40	2,751	59	1,105,000	102,660
Density Range			32 - 88		

Source: Derived from a sample prepared by the City of Guelph Planning Department, 2016.

5. Conclusions

The City of Guelph is anticipated to experience steady urban residential and non-residential growth over the next 25 years. Between 2016 and 2041, Guelph’s permanent population and employment base is forecast to increase by approximately 54,000 persons and 21,500 jobs, respectively. To accommodate future population growth, the City is forecast to require approximately 24,000 new households between 2016 to 2041.¹ While a large portion of new households are planned to be accommodated within the City’s BUA and vacant DGA, the Clair-Maltby Secondary Planning Area will accommodate population and employment growth in accordance with the Growth Plan.

As the City of Guelph and surrounding urban municipalities within the GGH continue to mature, the range of new housing products offered within the City and surrounding area will continue to diversify. Within the City of Guelph, a greater share of new residential development is anticipated in more compact high-density housing forms relative to historical trends. While steady growth is anticipated in ground-oriented housing forms (i.e. single detached, semi-detached and townhouses), these housing forms are anticipated to diversify, with an increasing share of more compact ground-oriented

¹ Derived from Greater Golden Horseshoe Growth Forecast to 2041. Technical Report, November 2012. Hemson Consulting Ltd.

housing types offered on the market (i.e. small lot singles, stacked/back-to-back townhouses). This trend is being driven by demographics, housing affordability and planning policy.

The Clair-Maltby Secondary Planning Area is expected to attract a broad range of demographic groups, including new homebuyers, families and some empty-nesters, in a range of ground-oriented housing forms and to a lesser extent, low-rise and mid-rise apartments. Relative to other stable residential neighbourhoods within the City, the average age of the population within Clair-Maltby is anticipated to be younger on average. This is important as it will have a direct impact on housing demand by structure, average household size, as well as municipal and public service needs (i.e. indoor/outdoor recreation, schools) in the Clair-Maltby Secondary Planning Area.

It appears that employment within the Clair-Maltby Secondary Planning Area will be primarily focused on retail, mixed-use commercial and institutional employment sectors, with the exception of any designated employment lands that may be identified through the Secondary Plan process, including consideration of existing designated employment lands west of Gordon Street. As a result, it is anticipated that the Clair-Maltby Secondary Planning Area will not include any significant employment related to employment lands and Major Office employment categories. Major Office employment growth within the City of Guelph is largely focused within the Urban Growth Centre (UGC) and within the City's designated Employment Areas. Forecast employment on employment lands is planned to be accommodated within existing designated Employment Areas as well as the Guelph Innovation District. Long-term needs for residential and non-residential land uses within the Clair-Maltby Secondary Planning Area will be informed by the City's Official Plan review and corresponding municipal comprehensive review (MCR) update.