

South March Lands, Ottawa

Economic Review and Planning Policy Analysis

October 28, 2024



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Prepared for:

South March LOG



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October 28, 2024

EXECUTIVE SUMMARY

Keleher Planning & Economic Consulting Inc. was retained on behalf of the South March Landowners Group to review economic issues relating to the South March lands and their prospective inclusion in the City of Ottawa's urban boundary.

The South March lands are approximately 233 hectares, have an existing Official Plan designation of General Rural, and zoning of Rural Countryside. The lands currently include several existing rural estate subdivisions, and a mix of rural lands. The lands are immediately adjacent to and wrap-around the existing urban area.

Ottawa City Council adopted an urban boundary expansion of 1,281 hectares as part of its comprehensive Official Plan (OP) review process in 2021. The OP modified by the Minister of Municipal Affairs in 2022 added another 654 gross hectares, which is estimated to equate to 550 developable hectares, for a total urban expansion of 1,831 hectares. The recent Bill 150 reduced the amount of urban expansion area to the restore the amount adopted by the City (1,281 hectares).

2020 PPS and City GMS

Provincial policy requires that land use patterns within settlement areas be based on a mix of land uses that efficiently use land and resources, and efficiently use the infrastructure and public service facilities and that new development in designated growth areas should occur adjacent to the existing built-up area.

The City's establishment of criteria used to evaluate urban boundary expansion requests as part of the 2021 OP process, were based on the City's Five Big Moves and the 2020 Provincial Policy Statement, with a City staff report noting that the "GMS includes all criteria required under the Provincial Policy Statement" which were listed and discussed in the City's January 2021 staff reports evaluating residential urban expansion as being compulsory.

After the City reviewed and scored the various parcels seeking inclusion in an expanded urban boundary, the South March lands were deemed "Category 1", which is the highest/best ranking of lands for consideration for inclusion in the City's urban boundary, and that Category 1 lands are those that have a "strong adherence to the GMS and Five Big Moves."

City Staff recommended the inclusion of all Category 1 lands in the urban boundary, as well as some Category 2 lands to make up the shortfall of Category 1 lands relative to the identified land needs.

Housing Supply and Projected Need

There are numerous sources of potential underestimation of land needs, or lacking in the ability to fulfill requirements to provide a range and mix of housing supply to meet projected needs that the following may be contributing to and make the City's achievement of population growth forecasts less likely:

- Population change in the City of Ottawa has been driven by a significant surge in international immigration, which would not have been incorporated into the City's land needs assessment initiated in 2019 and adopted by Council in 2021, as those exercises were conducted prior to release of any data from the 2021 Census incorporating those more recent and substantial trends.
- The amount of greenfield supply in the City has shrunk, resulting in a pipeline of designated greenfield lands that is likely insufficient to address future housing demand, should recent trends related to various immigration sources to the City (domestic – within Ontario or Canada, and international) continue as suggested by recent Ministry of Finance projections, a near-term depletion of urban residential greenfield supply is likely to contribute to the continued re-orientation of housing demand towards smaller centres elsewhere in the Ottawa CMA (which is broader than the Ottawa Census Division used by the Ministry of Finance).
- To maintain an adequate level of designated and available greenfield supply as required by the PPS, the City will need to find sources of greenfield supply that are readily developable with minimal effort needed to extend servicing. Since 2014, the unit potential of CDP lands or lands without a plan in Kanata-Stittsville has fallen from 13,807 units to just 2,557 units as of mid-2022, an 81% decrease.

Lands such as the South March lands could assist with addressing any potential near-term or long-term land needs issues given the substantial amount anticipated for the City.

Updated Land Needs Based on 2024 PPS and Ministry of Finance Projections

In estimating the additional land needs of the City of Ottawa based on the Ministry of Finance forecasts to 2046, this report utilized the City's methodology in estimating its urban expansion land needs, and found that if all other assumptions/inputs were held constant (unit mix, intensification rate, built densities), the City would require an **additional** 3,346 to 4,677 hectares (gross) over and above the City's calculated greenfield land needs to 2046, and 5,175 to 6,506 hectares of greenfield land to 2051:

- Scenario 1: 3,346 hectares: based on City's balanced scenario with 51% of units being in the built-up area, and the greenfield supply as shown in the City's OP review (66,300 units)
- Scenario 2: 4,677 hectares: based on the City's balanced scenario, and an updated greenfield supply based on updated data as of mid-2022.
- Scenario 1A: 5,175 hectares – based on Scenario 1, but based on Ministry of Finance forecasts for the City to 2051;
- Scenario 2A: 6,506 hectares – based on Scenario 2, but based on Ministry of Finance forecasts for the City to 2051.

As per the 2024 PPS, planning authorities, such as the City of Ottawa are required to utilize Ministry of Finance forecasts in planning for people and homes, or as appropriately modified. The MOF forecasts must be applied when the City makes a decision.

Compared to the population projections adopted by the through the 2023 Official Plan, the Ministry of Finance forecasts for the Ottawa Census Division (which matches the City's boundaries) are 238,600 persons higher for the same 2046 horizon, which equates to an additional 10,500 persons per year that will need to be planned for once the MOF forecasts released in 2024 are incorporated into City planning documents.

If the updated 2051 forecast horizon from Ministry of Finance was used, the achievement of the forecast of 1,785,700 persons would also require an annual pace of growth that is over 10,000 persons per year higher than current City forecasts, and would require substantially more urban residential lands added to the City's urban boundary. Otherwise, the City would not be consistent with the requirements of the 2024 PPS to maintain, at all times, a sufficient supply of land (minimum 20 years, maximum 30 years), as well as designated and available residential lands (at least 15 years).



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1. INTRODUCTION

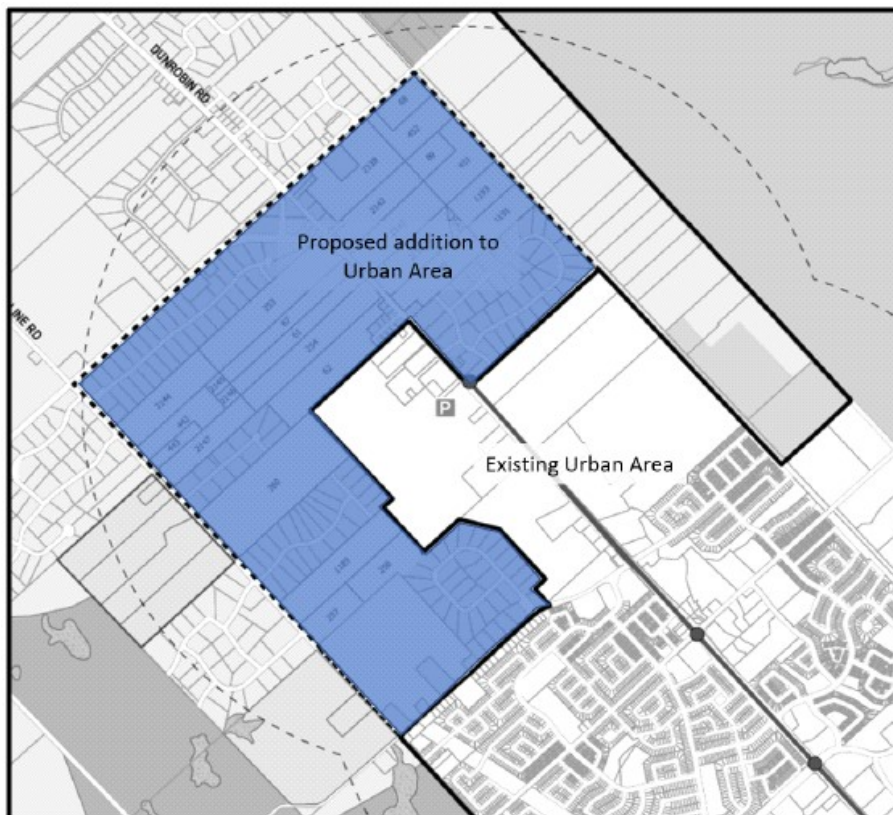
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1.1. Location of Subject Lands

The South March lands are approximately 233 hectares, have an existing Official Plan designation of General Rural, and zoning of Rural Countryside. The lands currently include several existing rural estate subdivisions, and a mix of rural lands. The lands are immediately adjacent to and wrap-around the existing urban area.

Figure 1

Boundaries of South March Lands



Source: City of Ottawa, Document 2 – Category 1 and 2 Lands



2. BACKGROUND

Building upon a chronology provided by the City from December 2022¹ the following presents a chronology of key events:

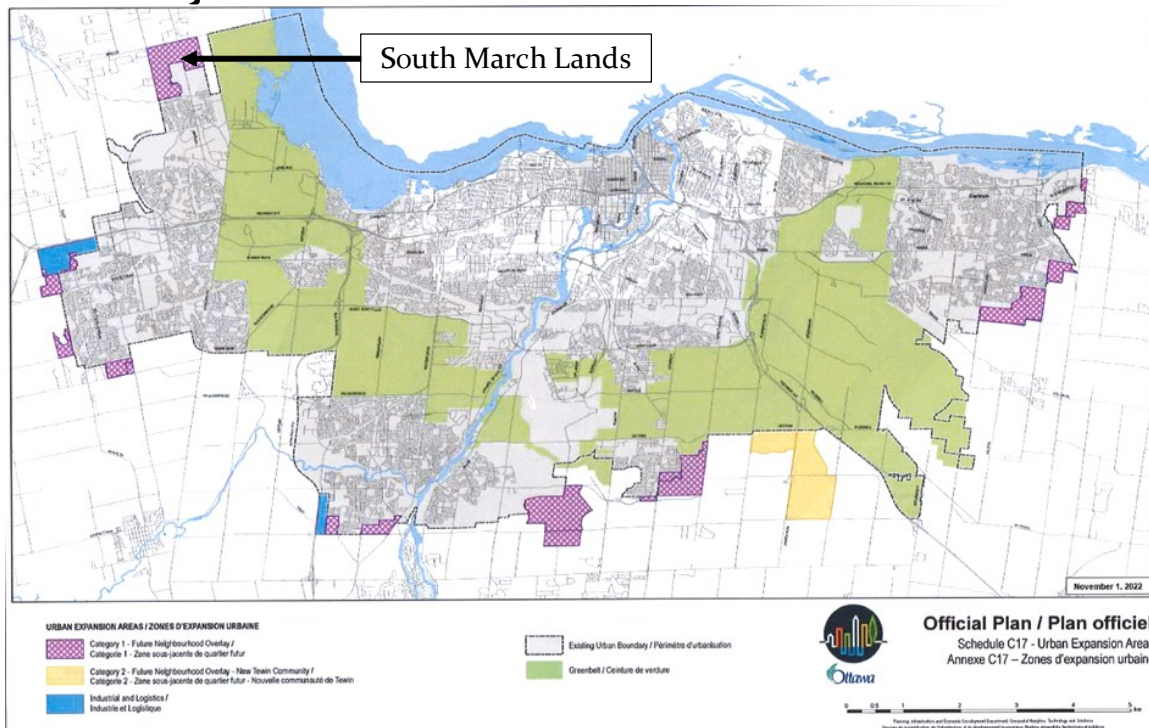
- May 2019 – City initiates process to establish new Official Plan to plan for growth to 2046.
- January 25, 2021 – City Staff Report setting out its recommendations for inclusion of lands within the urban boundary – “Staff Recommends inclusion of all Category 1 clusters as growth areas in the OP”.
- November 24, 2021 – City Council adopted new Official Plan, but the 1,281 hectares added as an urban expansion area did not include the South March lands in the urban boundary, despite these lands being Category 1 lands and the recommendations of City Staff;
- November 4, 2022 – Minister of Municipal Affairs and Housing issues a notice of decision in relation to the City’s 2021 Official Plan, approving the OP with 30 modifications, adding 654 hectares, or 550 net developable hectares for a total of 1,831 hectares. The revisions included revision #27 which revised Schedule C17 – Urban Expansion Areas, deleting the City’s proposal and replacing it with a new boundary expansion schedule as approved by the Minister. The Minister’s approved boundary included in the South March lands; Figure 2 below shows Schedule C17 from the City of Ottawa’s 2022 OP with the boundary expansion parcels after the Minister’s decision. The South March lands are highlighted Schedule C17 as being “Category 1” lands.
- November 16, 2023 – legislation introduced (Bill 150) that reversed the Province’s changes to official plans, including the City’s 2021 Official Plan. This removed the additional 654 gross hectares added through the Minister’s inclusion of the South March lands. The extent of the boundary expansion approved by Council as part of the 2022 OP is shown in Figure 3.

¹ Memo from Don Herweyer GM Planning, Real Estate and Economic Development Department, subject: Memorandum 2 Staff Comments Official Plan Modifications, date: December 6, 2022



Figure 2

City of Ottawa Official Plan, Schedule C17, Ministry Modified Version





2.1. 2020 Provincial Policy Statement

The Provincial Policy Statement, 2020 (“PPS 2020”) provides ample direction regarding considerations municipalities needed to evaluate when planning for growth within settlement areas, or when considering expanding settlement areas:

1.1.1 Healthy, liveable and safe communities are sustained by:

- a) *promoting efficient development and land use patterns which sustain the financial well-being of the Province and municipalities over the long term;*
- d) *avoiding development and land use patterns that would prevent the efficient expansion of settlement areas in those areas which are adjacent or close to settlement areas;*
- e) *promoting the integration of land use planning, growth management, transit-supportive development, intensification and infrastructure planning to achieve cost-effective development patterns, optimization of transit investments, and standards to minimize land consumption and servicing costs;*



PPS 2020 policy 1.1.3.2 states that land use patterns within settlement areas should be based on a mix of land uses that efficiently use land and resources, as well as infrastructure and public service facilities, available or planned:

1.1.3.2 Land use patterns within settlement areas shall be based on densities and a mix of land uses which:

a) efficiently use land and resources;

b) are appropriate for, and efficiently use, the infrastructure and public service facilities which are planned or available, and avoid the need for their unjustified and/or uneconomical expansion;

Policy 1.1.3.6 of the 2020 PPS states that new development in designated growth areas should occur adjacent to the existing built-up area, and efficiently use land, infrastructure and public service facilities.

1.1.3.6 New development taking place in designated growth areas should occur adjacent to the existing built-up area and should have a compact form, mix of uses and densities that allow for the efficient use of land, infrastructure and public service facilities.

Policy 1.1.3.8 states that that the expansion of a settlement area boundary may be allowed, with the policy seeking demonstration that sufficient opportunities to satisfy growth and associated market demand are not otherwise available through means including intensification, redevelopment and designated growth areas over the planning horizon, and those expansions that the infrastructure and public service facilities which are planned or available are among other things, suitable and financially viable:

1.1.3.8 A planning authority may identify a settlement area or allow the expansion of a settlement area boundary only at the time of a comprehensive review and only where it has been demonstrated that:

a) sufficient opportunities to accommodate growth and to satisfy market demand are not available through intensification, redevelopment and designated growth areas to accommodate the projected needs over the identified planning horizon;

b) the infrastructure and public service facilities which are planned or available are suitable for the development over the long term, are financially viable over their life cycle, and protect public health and safety and the natural environment;

The 2020 PPS requires that planning authorities maintain at all times the ability to accommodate residential growth for a minimum of 15 years through lands which are designated and available for residential development. Lands that have commenced a more detailed secondary planning process are considered designated and available.

The City's establishment of criteria to evaluate urban boundary expansion requests were based on the City's Five Big Moves, and the 2020 PPS, with a City staff report noting that the "GMS [Growth Management Strategy] includes all criteria required under



the Provincial Policy Statement” as were listed and discussed in the May 2020 GMS report “because they are compulsory”.²

2.2. 2024 Provincial Planning Statement

In mid-2024, the Province released the 2024 Provincial Planning Statement (“2024 PPS”), which replaces the 2020 PPS. The 2024 PPS comes into effect on October 20, 2024.

2.2.1. Population Growth Forecasts

The 2024 PPS provides direction to municipalities on planning for people and homes in section 2.1, policy 2.1.1 that provides direction to municipalities to base population growth forecasts on population projections prepared by the Ontario Ministry of Finance.

1. As informed by provincial guidance, planning authorities shall base population and employment growth forecasts on Ontario Population Projections published by the Ministry of Finance and may modify, as appropriate. ...

An analysis of the differences between the City’s current Official Plan forecasts and the Ministry of Finance’s currently 2022-2046 forecasts is provided later in this report.

2.2.2. Land Supply

Policy 2.1.3 of the 2024 PPS sets minimums and maximums for land availability to meet a range and mix of land uses to meet projected needs, for a period of at least 20 years, but not more than 30 years.

3. At the time of creating a new official plan and each official plan update, sufficient land shall be made available to accommodate an appropriate range and mix of land uses to meet projected needs for a time horizon of at least 20 years, but not more than 30 years, informed by provincial guidance. Planning for infrastructure, public service facilities, strategic growth areas and employment areas may extend beyond this time horizon.

Where the Minister of Municipal Affairs and Housing has made a zoning order, the resulting development potential shall be in addition to projected needs over the planning horizon established in the official plan. At the time of the municipality’s next official plan update, this additional growth shall be incorporated into the official plan and related infrastructure plans.

A key aspect of policy 2.1.3 is that planning for certain geographic areas, such as strategic growth areas, can extend beyond the 30-year horizon. Therefore, there is a

² Supporting Documentation to January 25, 2021 Report to Joint Meeting of Planning Committee and Agriculture and Rural Affairs Committee (Document 1)



minimum supply of 20 years for these lands, but effectively no maximum supply of sufficient land for lands within Strategic Growth Areas.

Strategic Growth Areas (“SGAs”) are defined in the 2024 PPS as follows:

Strategic growth areas: means within settlement areas, nodes, corridors, and other areas that have been identified by municipalities to be the focus for accommodating intensification and higher-density mixed uses in a more compact built form.

Strategic growth areas include major transit station areas, existing and emerging downtowns, lands in close proximity to publicly-assisted postsecondary institutions and other areas where growth or development will be focused, that may include infill, redevelopment (e.g., underutilized shopping malls and plazas), brownfield sites, the expansion or conversion of existing buildings, or greyfields. Lands along major roads, arterials, or other areas with existing or planned frequent transit service or higher order transit corridors may also be identified as strategic growth areas.

In my opinion, the definition of SGAs in the 2024 PPS can be broadly interpreted to include any major intensification area or development within the built-up area, when read in-combination with how the term “intensification” is defined. Intensification is defined in the 2024 PPS as follows:

Intensification: means the development of a property, site or area at a higher density than currently exists through:

- a) redevelopment, including the reuse of brownfield sites and underutilized shopping malls and plazas;
- b) the development of vacant and/or underutilized lots within previously developed areas;
- c) infill development; and
- d) the expansion or conversion of existing buildings.

Based on the above two definitions, almost any type of redevelopment (commercial, brownfield, vacant lots, infill, conversions) involving higher-density unit types would be captured by SGAs and exempt from the 30-year maximum. Further, the development potential from Minister’s Zoning Orders (MZOs) are to be **added** to base projections.

In my opinion, this limits the 30-year maximum policy regarding sufficient land being made available consideration in the 2024 PPS to the mix of housing options necessary to meet projected development outside of SGAs.

Policy 2.1.4 of the 2024 PPS requires planning authorities to meet projected requirements of current and future residents of the regional market area by maintaining a 15-year supply of lands designated and available for residential development, and zoned and serviced lands equal to a 3-year supply.



4. To provide for an appropriate range and mix of housing options and densities required to meet projected requirements of current and future residents of the regional market area, planning authorities shall:

a) maintain at all times the ability to accommodate residential growth for a minimum of 15 years through lands which are designated and available for residential development; and

b) maintain at all times where new development is to occur, land with servicing capacity sufficient to provide at least a three-year supply of residential units available through lands suitably zoned, including units in draft approved or registered plans.

The policies of 2.1.4 of the 2024 PPS are similar to policies from the 2020 PPS regarding land need, with the change being the move from a 25-year supply of sufficient land being made available moving to a 20-30 timeframe for non-SGAs and a minimum of 20 years for SGAs.

2.2.3. Settlement Area Boundary Expansions

Section 2.3.1 of the 2024 PPS, through policies 1 and 2, sets out the general policies for settlement areas:

1. Settlement areas shall be the focus of growth and development. Within settlement areas, growth should be focused in, where applicable, strategic growth areas, including major transit station areas.

2. Land use patterns within settlement areas should be based on densities and a mix of land uses which:

a) efficiently use land and resources;

b) optimize existing and planned infrastructure and public service facilities;

c) support active transportation;

d) are transit-supportive, as appropriate; and

e) are freight-supportive.

Policy 2.3.1.5 of the 2024 PPS encourages municipalities to establish density targets for designated growth areas, with large-and-fast growing municipalities encouraged to plan for a target of 50 residents and jobs per gross hectare in designated growth areas.

Section 2.3.2 of the 2024 PPS sets out policies for new settlement areas and settlement area boundary expansions, with a list of specific criteria that should be considered by planning authorities provided by policy 1:

1. In identifying a new settlement area or allowing a settlement area boundary expansion, planning authorities shall consider the following:



- a) the need to designate and plan for additional land to accommodate an appropriate range and mix of land uses;*
- b) if there is sufficient capacity in existing or planned infrastructure and public service facilities;*
- c) whether the applicable lands comprise specialty crop areas;*
- d) the evaluation of alternative locations which avoid prime agricultural areas and, where avoidance is not possible, consider reasonable alternatives on lower priority agricultural lands in prime agricultural areas;*
- e) whether the new or expanded settlement area complies with the minimum distance separation formulae;*
- f) whether impacts on the agricultural system are avoided, or where avoidance is not possible, minimized and mitigated to the extent feasible as determined through an agricultural impact assessment or equivalent analysis, based on provincial guidance; and*
- g) the new or expanded settlement area provides for the phased progression of urban development.*

2. Notwithstanding policy 2.3.2.1.b), planning authorities may identify a new settlement area only where it has been demonstrated that the infrastructure and public service facilities to support development are planned or available.

These considerations will be reviewed later in this memorandum. Those relevant to this study are whether:

- There is a need to designate and plan for additional land to accommodate an appropriate range and mix of land uses;
- There is sufficient capacity in existing or planned infrastructure and public service facilities;
- The new or expanded settlement area would provide for the phased progression of urban development; and
- The infrastructure and public service facilities necessary to support development are planned or available.



3. ANALYSIS OF LAND NEEDS AND SUITABILITY OF EXPANSION AREAS

3.1. City Categorization of Subject Lands as Category 1

3.1.1. Overview of City Council-Approved Criteria

Of the four parcels deemed Category 1 by City of Ottawa staff, the South March lands were the only ones not included in the expanded urban boundary as contained in the Council approved 2021 OP.

Appendix F to the 2021 OP provides a list of factors to be considered in determining what lands should be included in the City's urban boundary:

Central to the inclusion of new lands is the provision of infrastructure to service future development and the ability of the City and developers to fund this infrastructure. Therefore, further analysis of lands for urban expansion will require the preparation of a funding strategy or methodology. ...

The funding methodology or strategy should address the following financial elements:

- *provide overall funding strategy recommendations for consideration;*
- *population and employment forecast associated with this development;*
- *external capital infrastructure funding requirements;*
- *capital financing alternatives;*
- *potential impact on existing taxpayers over the planning horizon;*
- *the proposed timing of infrastructure projects,*

3.1.2. Scorecard and City Scoring of South March Parcels

The South March Lands were scored based on breaking up the area into 29 separate parcels, but the below presents the calculated average score across all South March parcels, and compares the average South March land score in each area with the maximum score along with details on what each score assigned means with respect to each individual metric.



Figure 4

Criteria	Summary Description	Average Score	Max Score
Water	Based on estimated scope of servicing requirements for each candidate area	SCORE: 7.0 (6pts: where trunk systems in proximity, have adequate residual capacity, local conditions that do not require any new pump facilities, or existing facility upgrades. Major highway, railway and/or crossing(s) required) (8pts: where trunk systems, in proximity, have adequate residual capacity, local conditions that do not require any new pump facilities, or existing facility upgrades, to overcome topographic constraints. No major highway, railway and/or crossings required)	8.0
Wastewater	Based on estimated scope of servicing requirements for each candidate area	SCORE: 4.6 (6 points: Where trunk systems in proximity have adequate residual capacity; local conditions do not require any new pump facilities, or existing facility upgrades are needed to overcome topographic constraints. Major highway, railway and/or water crossing(s) or excavations required.) (4 points: Where localized upgrades to off-site trunk facilities are required to establish sufficient capacity; local conditions do not require any new major pump facilities, or existing facility upgrades, to overcome topographic constraints.)	8.0
Stormwater	Expected topographic constraints to drainage, capacity and condition of surface water outlets	SCORES: a) 0.0 / b) 6.0 a – 0pts – limited surface outlet available b – 6pts – no observable grade restrictions and/or topographic constraints anticipated that would result in submerged sewers or alteration of existing watercourses	a) 2.0 / b) 6.0
Servicing Integration Factor	Represents the favourability for the site for delivery of infrastructure (favourable conditions, ability to deliver on-budget and on-time)	SCORE: 5.2 4pts – the score for one of the water, WW or stormwater criteria is 1 or 2 – remaining scores are 4 or higher 6pts – scores for water/WW and stormwater criteria are 4 or higher	6.0
Servicing Risk Factors	Site-specific constraints that may affect development/timing (differential settlement risk, shallow depth to bedrock, parcel includes large depression, risk to private wells, etc.)	SCORE: Loss of 3.3 -2 pts – extensive presence of Grey compressible clays; or -1 pts – extensive presence of shallow bedrock in the area; or -2 pts – parcel abuts country lot subdivision and extensive presence of shallow bedrock in the area -2 pts – depression storage area exceeds 10% of the parcel area	Potential loss of 4.0
Total Servicing		19.2	30.0
Availability of Rapid Transit	Availability of existing or planned transit within 2.5km, with grades for availability of existing or timing of delivery of new transit.	SCORE: 10.0 10 points: Shown in current Ultimate Network Plan or EA	18.0
Proximity to Nearest Rapid Transit Station	Distance to nearest rapid transit station (existing or planned)	SCORE: 6.3 (4 pts >1.1km to 1.9km) (6 pts >0.6km to 1.1km)	12.0
Proximity to Jobs	Rating system adds score for urban expansion areas with	SCORE: 7.5 (6 pts >50% to 75%) (8 pts >75% to 100%)	8.0



Criteria	Summary Description	Average Score	Max Score
	greatest number of opportunities for local employment (existing or planned).		
Proximity to Convenience Retail	Proximity to convenience retail / major grocery store	SCORE: 1.1 (1 pt >1.1km to 2.9km)	5.0
Distance to Major City Facilities	Distance to one or more Major Recreation Facilities	SCORE: 1.7 (1 pt >3.8km to 4.5km) (2 pt >3.0km to 3.8km)	5.0
Distance to Emergency Services – Fire	Estimated response within 5 minutes	SCORE: 3.0 (3pt: 1 responder within 5 mins)	4.0
Potential Arterial Road Upgrades	Relative cost of possible arterial road construction or upgrades required by future development.	SCORE: 0.0 (0 pts – frontage on an existing serviced Urban Arterial Road or site is within 1.9km of planned rapid transit)	Potential Loss of 8 pts
Connectivity	Can the lands be developed with an urban road network, or are there barriers, physical obstructions, that limit connectivity.	SCORE: 6.1 (6pts: less than good – full or partial obstruction in one direction) (8pts: good – totally unobstructed in all directions)	8.0
Conflict with Agricultural Uses	Agricultural uses within 250 metres of the proposal	SCORE: 0.0 (0 pts: No)	Potential Loss of 4 points
Natural Heritage Linkages	Assessment of whether a natural heritage linkage impact the development parcel	SCORE: -1.1 (0 pts – NH Linkage does not impact the parcel) (-2 pts – NH Linkage impacts less than 25% of the parcel)	Potential Loss of 4 points
Total		54.4	90.0

While the average of the South March parcels had a score of 54.4 out of a maximum 90, none of the other combined potential urban expansion areas assessed had scores that exceeded 60. Only a few individual parcels had scores above 60, and many of them were in South March, with only two of them outside of South March (B-1, R-2).

3.1.3. Summary of Attributes of South March Lands Contributing to Category 1 Result

Based on the scoring for each category and the City's application of scores the subject lands can be described as having the following efficiencies and positive attributes:

- **Water:** Trunk water system is in proximity and has adequate residual capacity for some of the South March lands. Local servicing conditions do not require any new pump facilities or existing facility upgrades;



- **Wastewater:** Localized upgrades to wastewater off-site trunk facilities are required and local servicing conditions do not require any new major pump facilities or existing facility upgrades;
- **Stormwater:** There are no observable grade restrictions or topographical constraints that would result in submerged sewers or alteration of watercourses;
- **Roads:** The subject lands front on an existing urban arterial and therefore limited arterial road upgrades are required. There is good connectivity in most directions;
- **Transit:** Existing or planned transit within 1.1 to 1.9km and shown in ultimate transit network plan or EA. Schedule C2 of the Ottawa Official Plan shows a Transitway Station located immediately adjacent to the South March lands;
- **Access to Employment Areas:** Strong proximity to jobs and employment areas in Kanata North, a major technology hub;
- **Fire:** Close proximity to available emergency services; and
- No conflict with agricultural uses, and based on scoring applied, on average Natural Heritage Linkages impact less than 25% of the subject lands.

The City's analysis of Category 1 lands³ included a detailed review of the South March Cluster, and included the following evaluation:

- That the current land uses included existing single-detached residential uses and "pockets of rural estate subdivisions", including "five existing subdivisions which would be added to the urban boundary and public service area", noting that the inclusion of the lands in the urban area would "facilitate connectivity and integration with the existing urban area";
- "The cluster is close proximity to existing facilities and services such as retail (including grocery store), recreational facilities, schools and employment uses including the Kanata North Technology Park, the largest non-governmental cluster of jobs in Ottawa";
- In regard to water servicing, the City's analysis noted that "the area can be serviced with good water pressure from Zone 2W/2C via watermain connections in the Kanata North Urban Expansion Area (KNUEA) lands." but added that parcels west of Old Second Line Road would "ideally be serviced by pressure zone 3W, which would require the construction of a new watermain" but that new watermain would eliminate the Morgan's Grant pressure zone and provide looping for redundancy. Other works such as pump station decommissioning, and installation of pressure release valves would be required;
- With respect to wastewater servicing, the City's analysis noted that the future March Road Collector and East March Trunk have capacity to service expansion areas contiguous to the Kanata North Urban Expansion Area by gravity, but servicing other

³ Supporting Documentation to January 25, 2021 Report to Joint Meeting of Planning Committee and Agriculture and Rural Affairs Committee (Document 2: Category 1 and 2 Lands)



areas within South March (SM-3, SM-9A, SM-9B) would require upgrades to a collector sewer or a new sewer to convey flows to the East March Trunk;

- With respect to stormwater drainage, the City's analysis finds some improvements to Shirley's Brook are needed to establish a reliable outlet for urban drainage, and that the area has an existing erosion issue that requires further analysis; and
- The City's analysis notes that the South March parcels are within the 1.9km radius of the March Road Transitway station.

The City's Staff Report detailed Methodology states that "Category 1 lands are those pass 1 and pass 2 land clusters that have a strong adherence to the GMS and Five Big Moves." The South March lands were the second-highest scoring Category 1/Pass 1 lands, but were not included in the Council-approved urban boundary expansion.

3.2. Ministry of Finance Projections

As per the 2024 PPS, planning authorities, such as the City of Ottawa are required to utilize Ministry of Finance forecasts in planning for people and homes.

Compared to the population projections adopted by the through the 2022 Official Plan, the Ministry of Finance forecasts for the Ottawa Census Division (which matches the City's boundaries) are significantly higher than the City's Official Plan forecasts.

The Ministry's Summer 2022 forecasts, which extended to the same 2046 horizon used in the City's Official Plan had a forecast population in 2046 that is 238,600 persons higher, which equates to an additional 10,500 persons per year that will need to be planned for had these been the MOF forecasts are incorporated into City planning documents.

Figure 5

Comparison of City of Ottawa Official Plan Projections and Ministry of Finance Projections									
	2023 Ottawa Official Plan (Table 1)			Ministry of Finance (2046)			Ministry of Finance (2051)		
Year	Population Projections	Growth by Period	Annualized Growth	Population Projections	Growth by Period	Annualized Growth	Population Projections	Growth by Period	Annualized Growth
2021	1,064,000								
2022				1,071,868					
2023							1,114,316		
2026	1,142,000	78,000	15,600	1,170,127	98,259	24,565	1,196,705	82,389	27,463
2031	1,219,000	77,000	15,400	1,283,010	112,883	22,577	1,303,278	106,573	21,315
2036	1,292,000	73,000	14,600	1,403,295	120,285	24,057	1,423,246	119,968	23,994
2041	1,355,000	63,000	12,600	1,527,976	124,681	24,936	1,543,543	120,297	24,059
2046	1,410,000	55,000	11,000	1,656,493	128,517	25,703	1,664,071	120,528	24,106
2051							1,785,653	121,582	24,316
Growth to 2046		346,000	13,840		584,625	24,359		549,755	23,902
Difference vs. OP					238,625	10,519		203,755	10,062
Growth to 2051								671,337	23,976
Source: City of Ottawa Official Plan, Ministry of Finance									



The Ministry, in Fall 2024 released its updated forecasts for the 2023-2051 period and sees the City's 2051 forecast increase significantly higher from 2046 population of 1.564 million people, to a 2051 forecast of 1.785 million persons, or 671,300 persons more than the City's current 2023 population of 1.114 million persons, as estimated by MOF as the starting point for the 2023-2051 forecast.⁴

This following section of this report provides the calculations showing the implications of the substantial increase in forecast population growth on the City's projected land needs to ensure it can achieve the new 2051 MOF growth forecasts.

Given the recency of the 2051 forecasts, the analysis of land needs in the City, over and above recent urban expansion decisions by the City and Province, is calculated in the following chapters based on both the Summer 2022 MOF forecasts to 2046, as well as the newer Fall 2024 MOF forecasts which extend to 2051 and substantially escalate the City's anticipated population growth over the next 27 years.

⁴ Ontario Ministry of Finance, Population Projections for Ontario's 49 Census Divisions, 2023-2051



4. ESTIMATED GREENFIELD LAND NEEDS WITH MINISTRY OF FINANCE FORECASTS

4.1. Balanced Scenario with 2046 MOF Forecasts

The table below (“Scenario 1”) is a summarized version of the City of Ottawa’s urban expansion land needs analysis based on current City 2022 OP forecasts and then, in contrast, an analysis adopting the same methodology in estimating land needs but inputting the MOF forecasts to 2046. If all other assumptions/inputs were held constant (unit mix, intensification rate, built densities), using the City’s Balanced Scenario assumptions (51% of units within built-up area), the gross land needs for the MOF forecasts are 4,625 gross hectares, or **3,346 hectares** greater than what the City estimated (1,279 hectares).



Figure 6 – Scenario 1

Comparison of Urban Expansion Needs with Ottawa OP Forecasts and 2046 MOF Forecasts

Official Plan (Balanced Scenario)

Population Growth (2021-2046)	346,000	
Urban Units (2018-2046)	181,800	1.90 avg ppu
Less: Built-Up Area (51%)	<u>92,100</u>	51%
Greenfield	89,700	

	A	B	C	D	E = A-D	F = E/C
Existing & Expansion Greenfield Units by Type	Units	Share of Units	Built Densities (Net)	Existing Units	Expansion Units	Land Area (Net)
Single-Detached	37,700	42%	25.0	27,900	9,800	392
Semi-Detached	2,100	2%	35.6	1,400	700	20
Row	40,400	45%	50.6	30,400	10,000	198
Apartment	<u>9,400</u>	10%	92.4	<u>6,600</u>	<u>2,800</u>	<u>30</u>
Total	89,700	100%		66,300	23,300	640
					Net/Gross Ratio	50%
					Gross Land Needs	1,279

Scenario 1 - Ministry of Finance (2046)

Population Growth (2022-2046)	584,625	
Urban Units (2018-2046)	307,182	1.90 avg ppu - extended from City assumptions
Less: Built-Up Area (51%)	<u>156,663</u>	51%
Greenfield	150,519	

	A	B	C	D	E = A-D	F = E/C
Existing & Expansion Greenfield Units by Type	Units	Share of Units	Built Densities (Net)	Existing Units	Expansion Units	Land Area (Net)
Single-Detached	63,262	42%	25.0	27,900	35,362	1,414
Semi-Detached	3,524	2%	35.6	1,400	2,124	60
Row	67,792	45%	50.6	30,400	37,392	739
Apartment	<u>15,773</u>	10%	92.4	<u>6,600</u>	<u>9,173</u>	<u>99</u>
Total	150,519	168%		66,300	84,051	2,312
					Net/Gross Ratio	50%
					Gross Land Needs	4,625

Additional Expansion Area Required to 2046 3,346

Source: KPEC based on City of Ottawa Balanced Scenario

Another scenario ("Scenario 2") replaces the City's estimated greenfield supply of 66,300 units with an updated estimate of the supply of residential greenfield land, as of mid-2022, as shown in the City's Q3 2024 VURLS update. This scenario results in an estimated 5,956 hectares being needed to accommodate growth or **4,677 hectares of gross land area beyond what the City calculated.**



Figure 7 – Scenario 2

Comparison of Urban Expansion Needs with Ottawa OP Forecasts and 2046 MOF Forecasts, and Updated Vacant Residential Greenfield Land

Scenario 2 - Ministry of Finance (2046)

Population Growth (2022-2046)	584,625	
Urban Units (2018-2046)	307,182	1.90 avg ppu - extended from City assumptions
Less: Built-Up Area (51%)	156,663	51%
Greenfield	150,519	

	A	B	C	D	E = A-D	F = E/C
Existing & Expansion Greenfield Units by Type	Units	Share of Units	Built Densities (Net)	Existing Units (2022)	Expansion Units	Land Area (Net)
Single-Detached	63,262	42%	25.0	10,251	53,011	2,120
Semi-Detached	3,524	2%	35.6	276	3,248	91
Row	67,792	45%	50.6	17,660	50,132	991
Apartment	15,773	10%	92.4	36,499	(20,726)	(224)
Total	150,519	168%		64,686	85,665	2,978
					Net/Gross Ratio	50%
					Gross Land Needs	5,956

Additional Expansion Area Required to 2046

4,677

Source: KPEC based on City of Ottawa Balanced Scenario

4.2. Balanced Scenario with 2051 MOF Forecasts

If the results from Scenario 1 were revised to estimate the gross land needs to achieve the City's 2051 forecast from the MOF, it is estimated that the City would need 6,454 hectares to accommodate growth to 2051, or 5,175 additional gross hectares (Figure 8 – Scenario 1A) above what the City estimated as being required for 2046. If Scenario 2 were revised for the 2051 MOF forecasts, with the City's up-to-date greenfield supply, the net land need to 2051 would be 7,785 hectares (Figure 9 – Scenario 2A) or 6,506 hectares above what the City calculated as being required to 2046.



Figure 8 – Scenario 1A

Comparison of Urban Expansion Needs with Ottawa OP Forecasts and 2051 MOF Forecasts

Scenario 1A - Ministry of Finance (2051)

Population Growth (2022-2051) 713,785

Urban Units 375,047 1.90 avg ppu - extended from City assumptions
Less: Built-Up Area (51%) 191,274 51%
Greenfield 183,773

	A	B	C	D	E = A-D	F = E/C
Existing & Expansion Greenfield Units by Type	Units	Share of Units	Built Densities (Net)	Existing Units	Expansion Units	Land Area (Net)
Single-Detached	77,238	42%	25.0	27,900	49,338	1,974
Semi-Detached	4,302	2%	35.6	1,400	2,902	82
Row	82,769	45%	50.6	30,400	52,369	1,035
Apartment	19,258	10%	92.4	6,600	12,658	137
Total	183,773	205%		66,300	117,268	3,227
					Net/Gross Ratio	50%
					Gross Land Needs	6,454

Additional Expansion Area Required to 2051

5,175

Source: KPEC based on City of Ottawa Balanced Scenario

Figure 9 – Scenario 2A

Comparison of Urban Expansion Needs with Ottawa OP Forecasts and 2051 MOF Forecasts, and Updated Vacant Residential Greenfield Land

Scenario 2A - Ministry of Finance (2051)

Population Growth (2022-2051) 713,785

Urban Units 375,047 1.90 avg ppu - extended from City assumptions
Less: Built-Up Area (45%) 191,274 51%
Greenfield 183,773

	A	B	C	D	E = A-D	F = E/C
Existing & Expansion Greenfield Units by Type	Units	Share of Units	Built Densities (Net)	Existing Units (2022)	Expansion Units	Land Area (Net)
Single-Detached	77,238	42%	25.0	10,251	66,987	2,679
Semi-Detached	4,302	2%	35.6	276	4,026	113
Row	82,769	45%	50.6	17,660	65,109	1,287
Apartment	19,258	10%	92.4	36,499	(17,241)	(187)
Total	183,773	205%		64,686	118,882	3,893
					Net/Gross Ratio	50%
					Gross Land Needs	7,785

Additional Expansion Area Required to 2051

6,506

Source: KPEC based on City of Ottawa Balanced Scenario



4.3. Conclusion

Based on the Ministry of Finance projections for 2046 and the updated projections for 2051, the City of Ottawa will need substantially more urban expansion areas added to be able to accommodate projected growth over the next 20-30 years.



5. DEMOGRAPHIC ANALYSIS – HOUSING DEMAND IN OTTAWA

5.1. Need for Robust Land Supply in Establishing Affordability and Availability of Range and Mix of Housing Types

5.1.1. Migration to Ottawa Has Surged in Last Five Years

Figure 10 below shows trends in various components of population change in the Ottawa Census Division, over the last 20 years, broken out into five-year periods. The trends evident in the figure show the significance of the changes in population growth in the region:

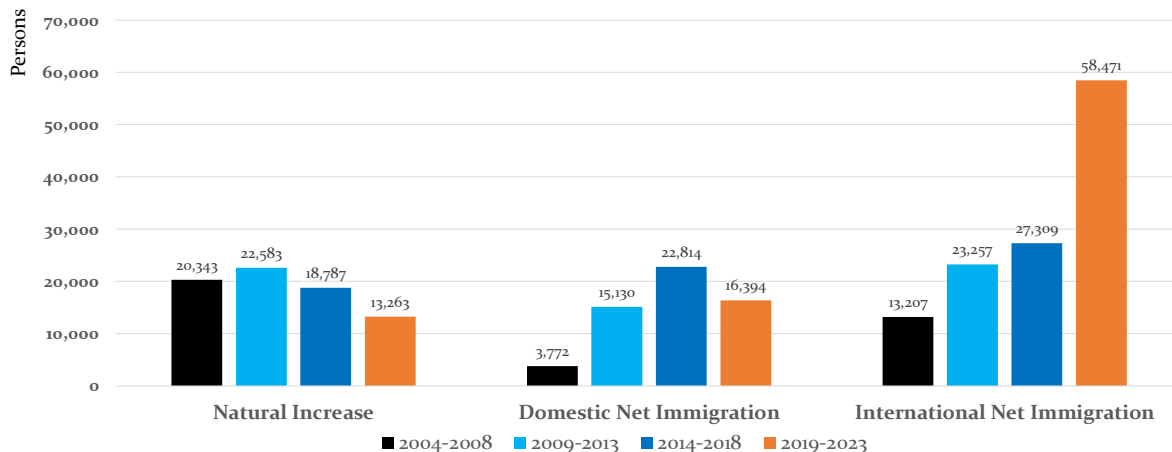
- Natural increase (births less deaths) has begun a long-term decline, with 5-year growth falling from a net increase of 22,850 persons over the 2008-2012 period to only 13,300 persons in the most recent five-year period. While births in absolute numbers have remained steady, as a percentage of population overall, they have declined. At the same time, deaths have steadily increased as the large baby boomer cohort (born years 1945 to 1960, aged 64-79 as of 2024) ages into late senior years;
- Domestic net immigration, made up of intraprovincial migration (net movement in/out from Ottawa from other parts of Ontario) and interprovincial migration (net movement in/out of Ottawa from other provinces in Canada) has remained steady over the past 15 years, with 15,100 to 22,800 persons on net arriving in Ottawa to reside over each of the past three five-year periods;
- International immigration, which is comprised of net international immigration and net non-permanent residents have increased in each successive five-year period, to 58,500 persons over the 2018-2022 period, equating to nearly double the combined population change from natural increase (+13,263) and domestic net immigration (+16,364) over the past five years;

The surge in net international immigration was not foreseen in most forecasts underlying provincial planning policy, or incorporated into land needs assessments, which in the case of the City of Ottawa was initiated in 2019 and adopted in November 2021. Even at the date of adoption, the latest available Census data would have been from the 2016 Census. While the 2021 Census was conducted in May 2021, the first available dataset (population count) was made available in February 9, 2022, and it included the recent trends to mid-2021 regarding net immigration (except non-Census sources) which contributed significantly to Ottawa's growth, and based on data available through 2023, the trends regarding net immigration continued and accelerated above trends evident in mid-2021.



Figure 10

Major Components of Population Change, Ottawa Census Division, 2003-2022, by 5-Year Period



Note: Domestic Net Immigration = net intraprovincial migration and net interprovincial migration

Note 2: International Net Immigration = net international immigration (immigrants less emigrants) and net non-permanent residents

Source: Statistics Canada, Table 17-10, 0153-01

5.1.2. Housing Activity Has Accelerated, but Lack of Ground-Related Supply in City has Pushed Development Elsewhere in CMA

While population growth has surged based on external factors that were not embedded in available data at the time the City's Official Plan review was initiated in 2019, the amount of housing supply in production has begun to catch-up to the increased demand.

The amount of housing in the City of Ottawa has seen the total number of housing starts increase in recent years (+53%, as per Figure 11 below), but when evaluated by unit type, the amount of ground-related housing has increased only marginally (+21%), with the increase in development in the City driven by increased apartment development (+114%) in the both the built-up area and greenfield developments.



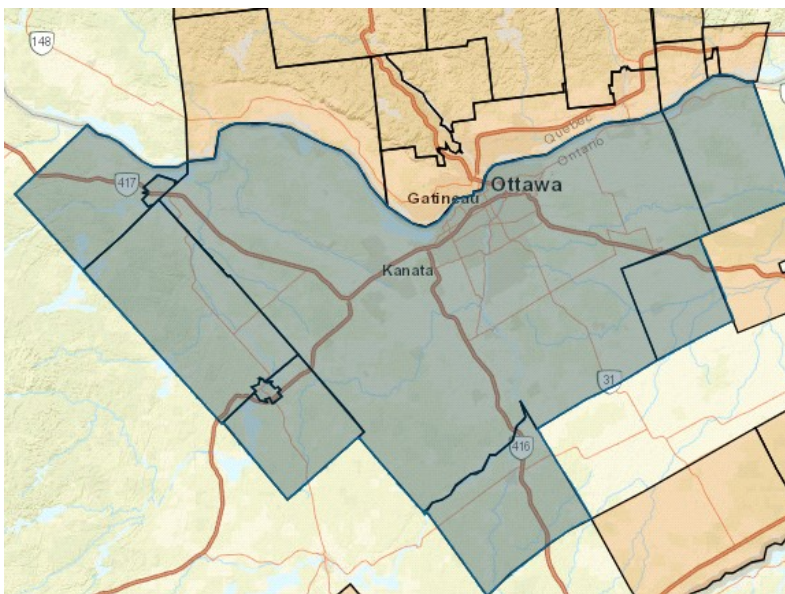
Figure 11

Housing Starts by Time Period and Location, 2013-2023			
CITY OF OTTAWA			
Unit Type	2013-2017	2018-2023	% Change
Ground-Related	19,217	23,335	+21%
Apartments	9,834	21,084	+114%
Total	29,051	44,419	+53%
REST OF OTTAWA CMA			
Unit Type	2013-2017	2018-2023	% Change
Ground-Related	3,191	5,696	+78%
Apartments	534	913	+71%
Total	3,725	6,606	+77%

In the parts of the Ottawa CMA outside of the City of Ottawa, growth in new home construction when broken down between ground-related and apartment unit types was more evenly distributed, growing at 78% and 71%, respectively. The overall growth in the rest of the CMA was 77%, which was a faster rate of increase than the City (+53%). A map of the Ottawa CMA is shown in the figure below:

Figure 12

Overview of Ottawa CMA



Source: CMHC

CMA includes the following Census Subdivisions:

- Carleton Place
- Arnprior
- McNab/Braeside
- Mississippi Mills
- Beckwith
- North Grenville
- Russell
- Clarence-Rockland
- Ottawa



The City's share of CMA-wide development has decreased from an average share of:

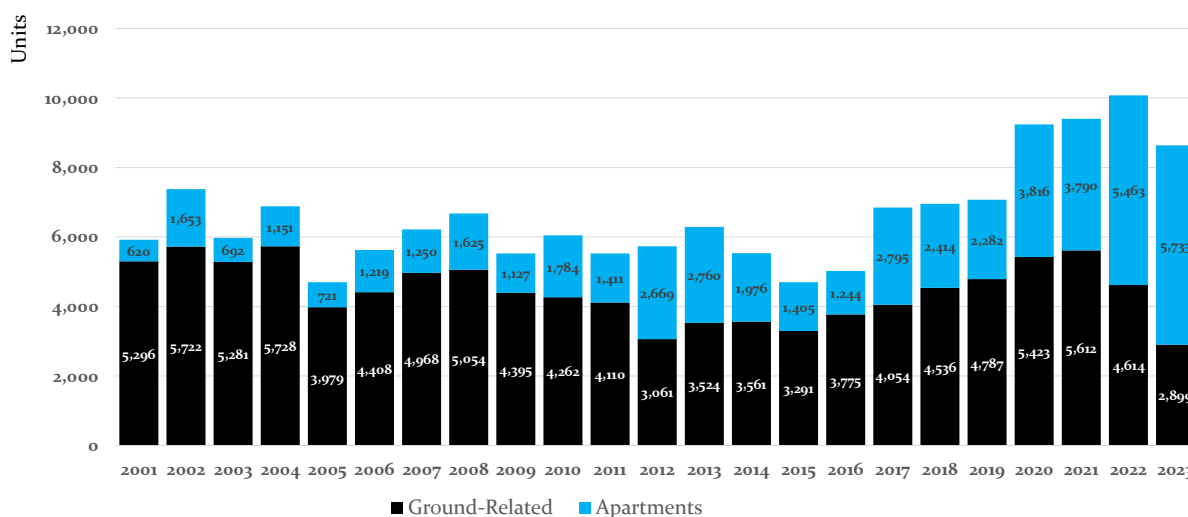
- 93.9% in the 2003-2007 period;
- 91.4% in the 2008-2012 period;
- 88.6% in the 2013-2017 period;
- 87.0% in the 2018-2022 period.

A depletion of urban residential greenfield supply combined with the removal of the South March lands from the City of Ottawa's prospective urban boundary expansion is likely to contribute to the continued re-orientation of housing demand towards smaller centres elsewhere in the Ottawa CMA but outside of the City proper.

Over the 2001-2023 period, ground-related starts in the City in 2023 hit 23-year lows with 2,899 singles/semis/rows, making it only the second year (2022 being the other) where ground-related housing starts were lower than apartment housing starts.

Figure 13

Housing Starts, City of Ottawa, 2001-2023



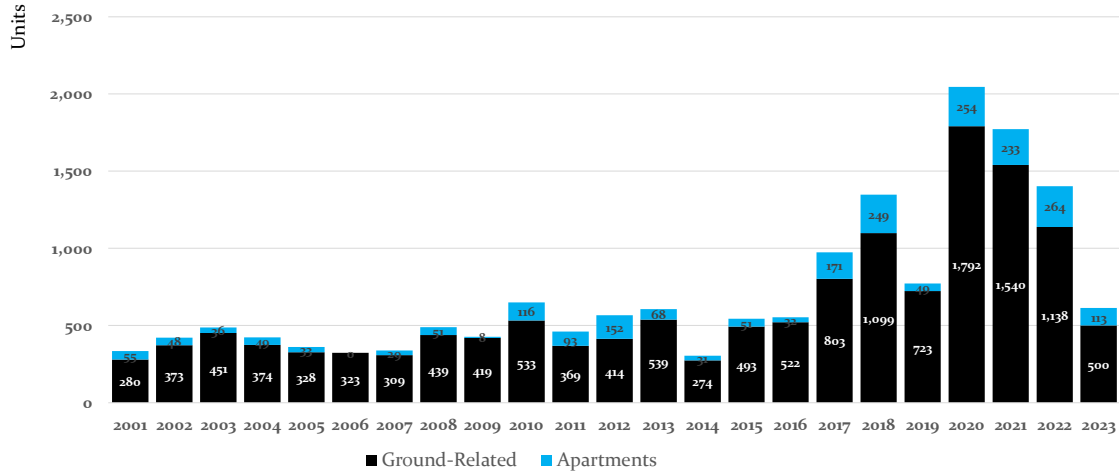
Source: CMHC

While ground-related housing starts in the City are setting long-term lows (Figure 13), the number of ground-related housing starts in locations within the Census Metropolitan Area (CMA) but outside of the City of Ottawa have increased, with that area to be referred to as “Rest of CMA”. Since 2001, there have been 10 years with more than 500 ground-related housing starts in the Rest of CMA, with 8 of those years being the last eight years from 2015 to 2023 (Figure 14).



Figure 14

Housing Starts, Rest of CMA, 2001-2023

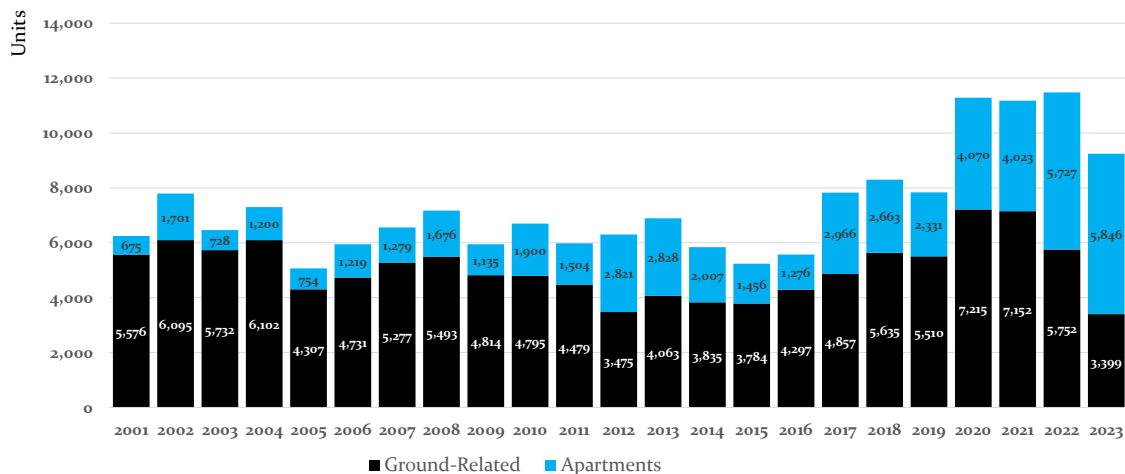


Source: CMHC

As Figure 15 shows, across the entirety of the CMA, total housing starts have remained relatively stable, ranging from a low of 5,060 units to a high of 8,300 units over the 2001-2019 period, with the number of starts exceeding 9,200 units each year since 2019.

Figure 15

Housing Starts, Ottawa CMA, 2001-2023



Source: CMHC



5.1.3. The City's Greenfield Supply Pipeline is Shrinking

Based on the City's Vacant Urban Residential Land Supply reports over the 2014-2023 period, the City's supply of greenfield lands have shrunk by 24% (see Figure 16), with the supply of designated lands with no specific plans decreasing by 59%. This trend may be linked to the overall decline in ground-related housing starts in the City of Ottawa, and the corresponding increase in ground-related housing starts in the Rest of CMA.

To maintain an adequate level of designated and available greenfield supply as required by the 2024 PPS, the City will need to find sources of greenfield supply that are readily developable with minimal effort needed to extend servicing.

Figure 16

Trends in Greenfield Plans, City of Ottawa, by Annual Report									
Status	2014	2015	2016	2017	2018	2019	2021	Mid-2022	% Change
Registered	8,836	7,501	7,958	7,474	6,242	10,004	10,626	11,486	30%
Draft Approved	14,422	18,515	16,942	19,586	24,301	21,013	16,456	19,702	37%
Pending	11,651	6,864	13,579	14,036	13,987	13,767	19,589	13,323	14%
No Plan/CDP	51,994	47,831	44,481	38,369	36,757	32,620	22,407	21,275	-59%
Total	86,903	80,711	82,960	79,465	81,287	77,404	69,078	65,786	-24%
% of Total by Status									
Registered	10%	9%	10%	9%	8%	13%	15%	17%	
Draft Approved	17%	23%	20%	25%	30%	27%	24%	30%	
Pending	13%	9%	16%	18%	17%	18%	28%	20%	
No Plan/CDP	60%	59%	54%	48%	45%	42%	32%	32%	
Total	100%	100%	100%	100%	100%	100%	100%	100%	
Unit Type									
Singles/Semis	8,535	8,442	7,935	9,444	13,232	12,119	11,976	10,627	
Townhouses	9,112	8,750	8,425	10,823	17,470	16,904	18,541	17,660	
Stacked	3,780	3,480	2,847	1,659	2,463	3,521	5,616	5,581	
Apartments	5,062	5,474	6,329	7,149	11,599	13,663	10,756	10,861	
Mixed-Use/CDP	60,414	54,564	57,424	50,390	36,523	31,197	22,189	20,057	
Total	86,903	80,710	82,960	79,465	81,287	77,404	69,078	64,786	
% of Total by Unit Type									
Singles/Semis	10%	10%	10%	12%	16%	16%	17%	16%	
Townhouses	10%	11%	10%	14%	21%	22%	27%	27%	
Stacked	4%	4%	3%	2%	3%	5%	8%	9%	
Apartments	6%	7%	8%	9%	14%	18%	16%	17%	
Mixed-Use/CDP	70%	68%	69%	63%	45%	40%	32%	31%	
Total	100%	100%	100%	100%	100%	100%	100%	100%	

Source: City of Ottawa Vacant Urban Residential Land Survey, various years

5.1.4. Kanata-Stittsville has Just 2 Years of Vacant Designated Lands without Applications Remaining, Comprising 34% of City-wide Greenfield Growth since 2011

Within Kanata-Stittsville, since 2014, the amount of vacant urban residential supply has declined from 27,991 units to 20,082 units, a decrease of 28% (see Figure 17). The unit potential of Community Design Plan (CDP) lands or lands without a plan in Kanata-Stittsville has fallen from 13,807 units in 2014 to just 2,557 units as of mid-2022, an



81% decrease. The decline owes to once-designated lands working their way through the approval system, from designated lands to applications under review, to draft approved, to registered, to built.

Figure 17

Change in Vacant Residential Urban Land Supply, Kanata-Stittsville, 2014 to mid-2022

Development Status	2014	2015	2017	2018	2019	mid-2021	mid-2022	% Change (2014-2022)
Registered	3,414	3,455	4,078	3,255	4,086	4,954	5,434	
Draft Approved	6,745	7,222	8,008	8,230	7,125	3,959	5,544	
Pending	4,025	3,299	4,978	6,788	7,292	10,029	6,547	
No Plan / CDP	13,807	14,127	9,928	7,847	6,561	2,640	2,557	-81%
Total Kanata-Stittsville	27,991	28,103	26,992	26,120	25,064	21,582	20,082	-28%

Source: City of Ottawa Vacant Urban Residential Land Supply reports

Based on the City's VURLS reports, the Kanata-Stittsville area has seen 14,423 units built over the 2011-2021 period, equating to 34% of the units built in the City's greenfield areas, the largest share among the five areas. Over the past five years, Kanata-Stittsville has seen an average of 1,501 units built per year (see Figure 18).

Figure 18

Units Built on Vacant Land, City of Ottawa, 2011-2021

Year	Units Built on Vacant Land					Total
	Kanata-Stittsville	South Nepean	Riverside South	Leitrim	Orleans	
2011	909	1,455	60	237	1,137	3,798
2012	950	922	197	279	776	3,124
2013	1,396	933	337	282	656	3,604
2014	1,406	1,065	333	266	620	3,690
2015	1,131	847	228	231	485	2,922
2016	1,125	1,076	205	171	874	3,451
2017	1,326	808	351	224	919	3,628
2018	1,862	704	472	367	943	4,348
2019	1,515	1,086	346	523	895	4,365
2020	1,464	965	547	719	1,047	4,742
2021	1,339	1,208	571	690	887	4,695
Total	14,423	11,069	3,647	3,989	9,239	42,367
% of Total	34%	26%	9%	9%	22%	100%
Last 5 Years Annual Average	1,501	954	457	505	938	4,356
Share of Last 5 Years	34%	22%	11%	12%	22%	100%

Source: City of Ottawa Vacant Urban Residential Land Supply reports

At the recent pace of growth in Kanata, the 20,082 units represents a 13-year supply of residential units, and the 2,557 units in designated lands represents just under 2 years of designated land supply remaining. More lands in Kanata-Stittsville will be needed to ensure that the supply of designated land is available to replenish the land supply for



new development applications, draft approvals and registered plans as each of those continue to work themselves through the approvals and permitting system.

5.2. Fiscal Considerations

The City of Ottawa retained Hemson Consulting to undertake a Municipal Fiscal Impact Analysis (the “Hemson Report”) which compared the operating and capital costs and revenues attributable to four categories of development in the City, including higher-density urban and lower-density greenfield development.

The Hemson Report notes the benefits of development that is cost-efficient, which arises from developments that do not require high amounts of local infrastructure to be installed:

The City should encourage development in higher-density urban areas as it is generally the most cost-efficient. Practically, however, not all future growth can be accommodated by this form of development. One of the primary reasons why the higher-density urban category is preferable in the analysis is due to the higher proportion of apartments and other multiple dwellings in the representative developments. The City should encourage the development of these units throughout the city which would reduce cost disparities.

Although the initial capital costs of local services infrastructure are borne by the developer, the long-term replacement of the assets is an important consideration in the analysis. The lower the amount of local infrastructure required by new development, the lower the annual replacement provisions. This is a major reason why apartment developments are preferable from a fiscal standpoint.

The Hemson report finds that high-density development is cost-effective because of the availability of local infrastructure. However, the cost-effectiveness of development due to availability of local infrastructure being present and available for development would make any form of urban development cost-effective. Based on the City’s scoring of the South March lands, the availability of already existing infrastructure makes the subject lands cost-effective for the City to bring online.

5.3. Housing Supply, Land Supply and Affordability

Over the past five years, the percentage increase in the average price of absorbed single/semi-detached units in the City have increased from 4.3% to 22.7%, with a compounded increase of over 77% during this period (see Figure 19). Since 2002 there have been five years where the percentage increase has exceeded 10%, with three of those being in the last three years.

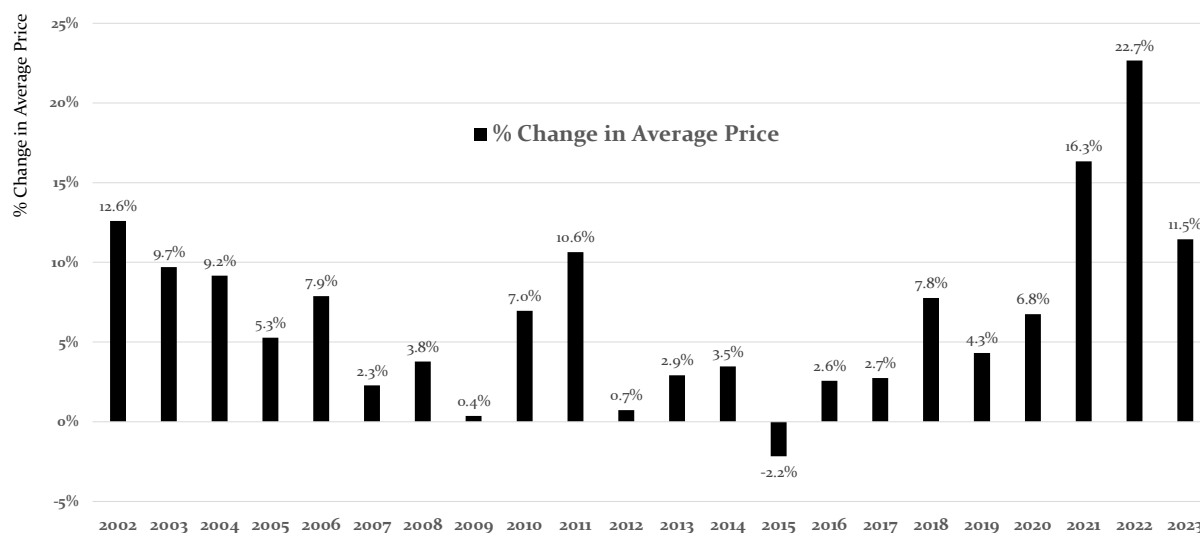
Similar to average prices of absorbed units, the average annual change in monthly rents as reported by CMHC has seen the largest annual increases in rents in the City since



2002 all occurring in last six years, in which four of those years the annual change in rent exceeded 5% (see Figure 20).

Figure 19

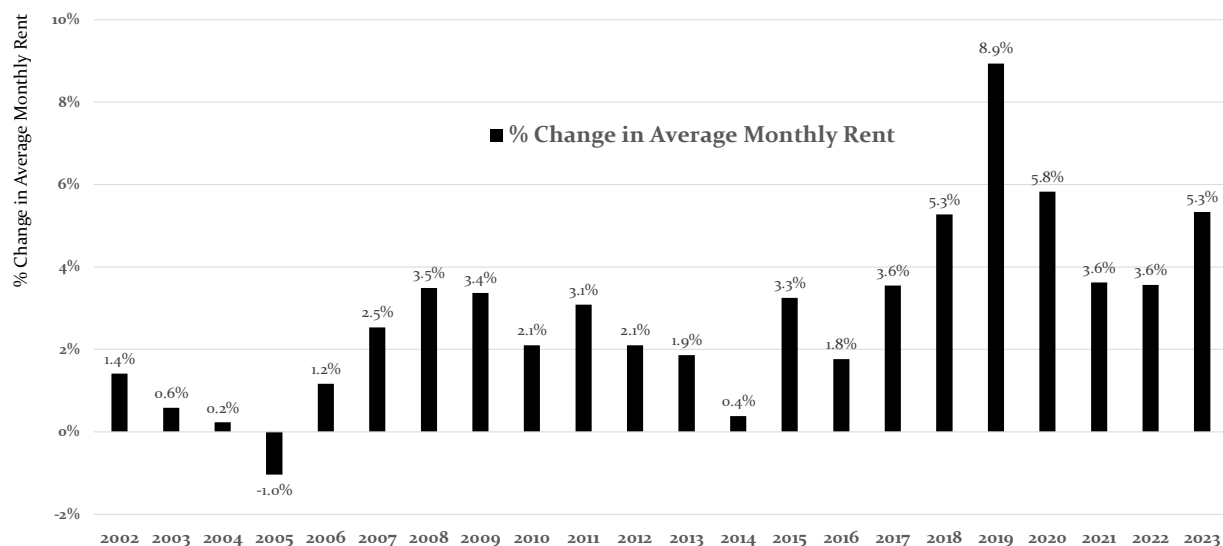
% Change in Average Price of Absorbed Single/Semi-Detached Unit, City of Ottawa, 2002-2023



Source: CMHC

Figure 20

Annual % Change in Average Monthly Rent, City of Ottawa, Rental Apartment Units, 2002-2023



Source: CMHC



The combination of accelerating population growth in both the City and broader Ottawa CMA, and the steady decline in available greenfield supply, has caused both housing prices and rents to increase at levels otherwise not seen in the past 20+ years.



6. 2024 PPS SETTLEMENT AREA BOUNDARY EXPANSION CONSIDERATIONS

The following table presents the relevant considerations in the 2024 PPS for settlement area boundary expansions

Figure 21

Consideration	Commentary / Opinion
The need to designate and plan for additional land to accommodate an appropriate range and mix of land uses	<p>Using the City's methodology in estimating 2046 land needs to meet current OP 2022 forecasts, but with the 2046 MOF forecasts for the City as the starting point, the City would need to designate an additional 1,885 hectares to meet 2046 forecasts alone, and ensure sufficient land to have a minimum 20-year supply of available lands.</p> <p>If units associated with SGAs (which are defined in the 2024 PPS as any lands within settlement areas that have been identified as the focus for intensification and higher-density uses), were to be excluded from the assessment of the City's land supply and whether it falls within the 20-year (minimum) to 30-year (maximum) range, the estimated need for designated greenfield land would increase further.</p>
<p>If there is sufficient capacity in existing or planned infrastructure and public service facilities (policy 2.3.2.1b); or</p> <p>For a new settlement area, that it has been demonstrated that the infrastructure and public service facilities to support development are planned or available (policy 2.3.2.2)</p>	<p>Given the location of the subject lands adjacent to the existing developed area, there are available public service facilities and infrastructure (and sufficient capacity in each) to support development on the subject lands.</p>



Consideration	Commentary / Opinion
The new or expanded settlement area provides for the phased progression of urban development.	The subject lands are adjacent to existing developed areas of the City of Ottawa and would therefore represent the progression of urban development along the Kanata North Transitway in the area along March Road, northwest of Terry Fox Drive.



7. CONCLUSIONS

7.1. 2020 PPS and City GMS

Provincial policy requires that land use patterns within settlement areas be based on a mix of land uses that efficiently use land and resources, and efficiently use the infrastructure and public service facilities and that new development in designated growth areas should occur adjacent to the existing built-up area.

The City's establishment of criteria used to evaluate urban boundary expansion requests as part of the 2021 OP process, were based on the City's Five Big Moves and the 2020 Provincial Policy Statement, with a City staff report noting that the "GMS includes all criteria required under the Provincial Policy Statement" which were listed and discussed in the City's January 2021 staff reports evaluating residential urban expansion "because they are compulsory".

After the City reviewed and scored the various parcels seeking inclusion in an expanded urban boundary, the South March lands were deemed "Category 1", which is the highest/best ranking of lands for consideration for inclusion in the City's urban boundary, and that Category 1 lands are those that have a "strong adherence to the GMS and Five Big Moves."

City Staff recommended the inclusion of all Category 1 lands in the urban boundary, as well as some Category 2 lands to make up the shortfall of Category 1 lands relative to the identified land needs.

Despite the South March lands being the second-highest scoring Category 1 lands, of the four parcels deemed as Category 1, the South March lands were the only ones not included in the expanded urban boundary as contained in the Council approved 2021 OP.

7.2. Housing Supply and Projected Need

There are numerous sources of potential underestimation of land needs, or lacking in the ability to fulfill requirements to provide a range and mix of housing supply to meet projected needs that the following may be contributing to and make the City's achievement of population growth forecasts less likely:

- Population change in the City of Ottawa has been driven by a significant surge in international immigration, which would not have been incorporated into the City's land needs assessment initiated in 2019 and adopted by Council in 2021, prior to release of any data from the 2021 Census.



- The amount of greenfield supply in the City has shrunk, resulting in a pipeline of designated greenfield lands that is likely insufficient to address future housing demand. A depletion of urban residential greenfield supply combined with the removal of the South March lands from the City of Ottawa's prospective urban boundary expansion is likely to contribute to the continued re-orientation of housing demand towards smaller centres elsewhere in the Ottawa CMA.
- To maintain an adequate level of designated and available greenfield supply as required by the PPS, the City will need to find sources of greenfield supply that are readily developable with minimal effort needed to extend servicing. Since 2014, the unit potential of CDP lands or lands without a plan in Kanata-Stittsville has fallen from 13,807 units to just 2,557 units as of mid-2022, an 81% decrease.

7.3. Updated Land Needs Based on 2024 PPS and Ministry of Finance Projections

In estimating the additional land needs of the City of Ottawa based on the Ministry of Finance forecasts to 2046, this report utilized the City's methodology in estimating its urban expansion land needs, and found that if all other assumptions/inputs were held constant (unit mix, intensification rate, built densities), the City would require an **additional** 3,346 to 4,677 hectares (gross) over and above the City's calculated greenfield land needs to 2046, and 5,175 to 6,506 hectares of greenfield land to 2051:

- Scenario 1: 3,346 hectares: based on City's balanced scenario with 51% of units being in the built-up area, and the greenfield supply as shown in the City's OP review (66,300 units)
- Scenario 2: 4,677 hectares: based on the City's balanced scenario, and an updated greenfield supply based on updated data as of mid-2022.
- Scenario 1A: 5,175 hectares – based on Scenario 1, but based on Ministry of Finance forecasts for the City to 2051;
- Scenario 2A: 6,506 hectares – based on Scenario 2, but based on Ministry of Finance forecasts for the City to 2051.

As per the 2024 PPS, planning authorities, such as the City of Ottawa are required to utilize Ministry of Finance forecasts in planning for people and homes, or as appropriately modified. The MOF forecasts must be applied when the City makes a decision. This is unlike the municipalities in the Greater Golden Horseshoe that were previously subject to a Provincial plan and associated forecasts such as the Growth



Plan. The 2024 PPS allows those municipalities to continue using forecast growth from those Provincially-issued forecasts.

Compared to the population projections adopted by the through the 2022 Official Plan, the Ministry of Finance forecasts for the Ottawa Census Division (which matches the City's boundaries) are 238,600 persons higher for the same 2046 horizon, which equates to an additional 10,500 persons per year that will need to be planned for once the MOF forecasts released in 2024 are incorporated into City planning documents.

If the updated 2051 forecast horizon from Ministry of Finance was used, the achievement of the forecast of 1,785,700 persons would also require an annual pace of growth that is over 10,000 persons per year higher than current City forecasts, and would require substantially more urban residential lands added to the City's urban boundary, ranging from 3,300 to 6,506 additional hectares. Otherwise, the City would not be consistent with the requirements of the 2024 PPS to maintain, at all times, a sufficient supply of land (minimum 20 years, maximum 30 years), as well as designated and available residential lands (at least 15 years).