

February 2, 2022

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**RE: Greater Ottawa Home Builders Association  
Comments on the Ottawa Municipal Comprehensive Review | Growth Management  
Analysis**

Malone Given Parsons Ltd. (“MGP”) and Altus Group are respectively the land use planning and land economist consultants for the Greater Ottawa Home Builders Association (“GOHBA”). GOHBA has been representing the home building community in Greater Ottawa since 1951, and have been extensively active throughout the City’s current Municipal Comprehensive Review and Draft Official Plan Review process. This letter outlines significant concerns that remain unaddressed by the City in its New Official Plan, which was recently approved by City Council.

It is our opinion that significant issues with the New Official Plan must be addressed prior to final approval by the Minister to maintain consistency with the Provincial Policy Statement, 2020 (“PPS”) and result in good planning. The New Official Plan does not offer a credible solution to Ottawa’s identified population and housing needs because it relies on assumptions and the provision of a type of housing that is not currently produced or demanded among other reasons.

For the reasons set out in this letter, **we recommend that the Ministry of Municipal Affairs and Housing revise Ottawa’s New Official Plan to include additional lands in the magnitude of 3,250ha to accommodate a market-based supply of housing and modify the intensification targets to reflect an average intensification target of 41% over the 25-year horizon of the Official Plan.**

## 1.0 Market Demand and Consistency with the Provincial Policy Statement

It is our opinion that the “Balanced” Scenario in the Residential Growth Management Strategy (released March 2020 and approved by Council in May 2020):

- Proposes an **unachievable intensification rate that is not based on historical patterns**; and,
- Is **not consistent with the PPS** as it proposes a mix of housing units - including “613 Flats” a new type of housing - that does not reflect market-based demand.

the New Official Plan will not limit the ability to provide more intensification if the market can bear it, but until that is proven, the City needs to plan for a more realistic and market-based outcome that will occur within this timeframe.

The 2020 amendments to the Provincial Policy Statement (“PPS”) underscore the importance of ensuring that all municipalities plan for an appropriate range and mix of housing, including ground-related housing. Section 1.4.3(b)1 of the PPS provides that:

*“Planning authorities shall provide for an appropriate range and mix of housing options and densities to meet projected market-based and affordable housing needs of current and future residents of the regional market area by: ...*

*b) permitting and facilitating:*

1. *all housing options required to meet the social, health, economic and well-being requirements of current and future residents, including special needs requirements and needs arising from demographic changes and employment opportunities ...” [emphasis added]*

The City’s New Official Plan proposes to meet this requirement of the PPS by assuming that a significant portion of grade-related units will be achieved through intensification in a housing form the City is referring to as “613 Flats”.

613 Flats is a theoretical housing form created by City staff and consultants which does not exist in the marketplace today, and is best compared to a multi-plex form of housing. There are foreseeable challenges to delivery of this form of housing that have not been resolved, not least of which are the lack of private amenity space for families, sufficient parking, interface issues with existing surrounding homes, public amenities, and whether there is even a market demand for this type of unit.

We generally support the broadening of housing permissions to allow for all forms of housing throughout the City’s built-up area. **We do not however believe it is appropriate nor good planning to rely on a theoretical and untested form of housing to achieve growth targets.**

Moreover, the New Official Plan requires/forecasts that over 10,700 single and semi-detached units have to be converted into multi-plexes (as they exceed any historic provision on the built up area) to meet the forecasted demand for units. This is an inappropriate assumption. Demand for single and semi-detached homes is not the same as demand for a

multi-plex form of housing, and it is erroneous to assume that residents, and the market, will perceive it as equivalent.

In this regard, City Staff has even recognized and articulated the risks associated with this approach in the hypothetical *Growth Management Strategy Implementation Modelling* document, prepared July 2021 – some 14 months after the Residential Growth Management Strategy had been approved. City Staff note that there are risks related to: the uptake of development permissions; the rate of lot turnover; the proportion of units that will accommodate large households; and, the lack of a form-based zoning bylaw and the barriers to implementing one.

Therefore, we believe single-detached to 613 Flat conversions, and the number that needs to be realized, are unlikely for many reasons, including:

- The speculative modelling assumption that 10,700 units will be created in existing communities in the form of 613 Flats over the next 25 years, which is not supported by the City's current observed rate of intensification;
- The onerous requirement for homeowners to undertake a complicated and costly development process, or the necessity that these lots be sold to developers with potential corresponding rises in lot pricing and exacerbation of affordability issues;
- The lack of a business case to support the assumption that such units are desired by the market and hence will be viably developed;
- The disruption to, and management of interfaces with, existing lots and communities; and
- The lack of adequate parking and private amenity space which is a market demand consideration.

There is an inherent lack of consistency and transparency in providing a forecast demonstrating market-based needs for housing by type that requires the City to plan for an additional 10,000 single and semi-detached housing form, than adopting a New Official Plan that assumes these units will be provided through 613 Flats.

The result is an intensification target proposed by the City that is NOT achievable as there is insufficient opportunities to accommodate growth and to satisfy market demand through intensification, redevelopment and designated growth areas to accommodate the projected needs to 2046.

In failing to provide sufficient opportunity through additional land for the required supply of single and semi-detached units, the City's Official Plan fails to provide a market-based range of housing options and therefore is generally NOT consistent with sections 1.1.1, 1.1.2, 1.1.3 and 1.4 of the PPS.

The City of Ottawa has the opportunity, through a corrected New Official Plan, to provide a sufficient supply of land for the forecasted market-based housing demand for all forecasted housing types while continuing to permit 613 Flats and other forms of new density as aspirational housing through intensification. This approach removes the risks from the New Official Plan by ensuring that sufficient supply of all housing types can be accommodated to 2046.

## 2.0 Additional Land Required

For the reasons noted above, **we believe the City’s land needs assessment must be corrected** prior to finalizing the New Official Plan. This requires adjustments to the housing supply assumptions, which would provide the forecasted demand for single and semi-detached units, primarily on greenfield lands, and adjust the housing mix assumptions in the Built-up Area. In general, this is **reflected in the City’s ‘Status Quo’ scenario of its Growth Management Strategy.**

We believe that the potential for single and semi-detached units through intensification should be generally maintained at current levels (13-14% of overall unit yield from intensification), since even this is aggressive given that it becomes more difficult as time passes by to accommodate singles/semis within the Built-Up-Area, as there are less opportunities.

Similar to the ‘Status Quo’ scenario, we have reassigned the housing mix to 2046 to provide the majority of single and semi-detached homes through greenfield growth, and the majority of apartments within the Built-Up Area. Unlike the ‘Status Quo’ Scenario, the amount of single and semi-detached housing through intensification has been linked to historic rates.

*Table 2.1: MGP Revised Demand Forecast to 2046 by Policy Area and Unit Type*

	<b>Singles</b>	<b>Semis</b>	<b>Rows</b>	<b>Apts</b>	<b>TOTAL</b>
<b>Rural</b>					
Unit Mix	11,500	200	900	400	13,000
Unit %	88%	1%	7%	3%	100%
<b>Built-Up Area</b>					
Unit Mix	7,400	2,700	18,420	45,600	74,100
Unit %	10%	4%	25%	61%	100%
<b>Greenfield Area</b>					
Unit Mix	47,100	3,500	50,500	6,600	107,700
Unit %	44%	3%	47%	6%	100%
<b>TOTAL</b>	<b>66,100</b>	<b>6,400</b>	<b>69,700</b>	<b>52,600</b>	<b>194,800</b>
<b>Intensification Rate (%)</b>					<b>41%</b>

This unit distribution provides an appropriate unit mix in the Built-Up Area that is more in line with historical rates, yet anticipates a more diverse housing mix than historically achieved (largely by assuming more row housing and ‘missing middle’ type of housing such as 613 Flats.) In making this adjustment, with an assumption that there is limited opportunity to accommodate new single and semi-detached units in the Built-Up area, it is clear that the City cannot achieve an intensification rate of more than 41%, even if the majority of all forecasted apartment units and a doubling of row housing is assumed to occur within the built up area by 2046.

Correspondingly, the residual units not provided through intensification must be accommodated through either existing or new Greenfield lands, which is reflected in the revised Greenfield Area adjusted housing forecast (Table 1.2).

The proposed changes would only result in a redistribution of units between the Built-Up Area and the greenfield area. As such, because the total demand by unit type is maintained, the City can still achieve the forecasted population by 2046, while delivering the forecasted housing supply.

Table 2.2: MGP Revised Land Requirement

	Singles	Semis	Rows	Apts	TOTAL
<b>Greenfield Area</b>					
Existing Supply	27,900	1,400	30,490	6,600	66,300
Expansion	19,200	2,100	20,100	0	41,400
<b>Land Requirement for Expansion</b>					
Net Density	25	35.6	50.6	92.4	
Net Land (ha)	768	59	397	0	1,224
<b>Gross Land (ha)</b>	<b>2,448</b>				

A total settlement expansion of approximately 2,450 hectares is needed to ensure sufficient land is available to meet the forecasted housing demand under the City’s current growth projections.

However, the approved growth scenario also needs to be revised.

Population growth is a key primary input into the growth management plan, as it drives housing requirements by type. The City of Ottawa undertook a comprehensive evaluation of future potential population growth scenarios in 2019 and presented “low”, “medium” and “high” scenarios. The approved Growth Management Strategy built the housing requirements estimates from the “medium” scenario.

Since the time that the City undertook its forecasting, there has been a general rise in expectations for population growth. The Ontario Ministry of Finance published revised population projections for the Ottawa Census Division (tantamount to the City of Ottawa) in the summer of 2021 which projected stronger growth over the next 25 years.

Importantly, the revised population projections from the Ontario Ministry of Finance are somewhere in between the City’s “medium” and “high” scenarios. This shows that the City was contemplating that such factors could lead to higher growth than they ultimately used in the Growth Management Strategy. The new data from the Ontario Ministry of Finance, therefore, simply underscores that the higher growth scenario is now the most prudent to use as a baseline forecast for planning purposes.

The following summarizes key facts from the population analysis:

- Using the “medium” population scenario, the City of Ottawa projected a need for some **194,800** new dwellings over the 2018-2046 period.
- Using the Ontario Ministry of Finance population projection, and applying all other housing demand modelling assumptions used by the City of Ottawa, Altus Group projected a need for **224,000** new dwellings over the 2018-2046 period.
- The net result of building into the growth management modelling the Ministry of Finance population projections is the need to plan for the accommodation of an additional 29,200 dwellings over the 2018-2046 period.

- By dwelling type, the findings are that there is a need **72,200** apartments (an additional 19,600 apartments from the Ottawa plan) and a need for **151,800** ground-related housing units (an additional 9,600 ground-related units from the Ottawa plan).

Therefore the Minister should take into account the dwelling requirements for at least 224,000 new dwellings over the 2018-2046 period, and should ensure that the plan includes adequate lands to accommodate some 151,800 new ground-related units, as shown in the table below.

Table 2.3: Comparison of Household Projections

	<b>Singles</b>	<b>Semis</b>	<b>Rows</b>	<b>Apts</b>	<b>TOTAL</b>
“Balanced” Scenario (Ottawa MCR)	66,100	6,400	69,700	52,600	194,800
Ministry of Finance Based Forecast <sup>1</sup>	74,017	8,323	69,500	72,157	223,996
<b>Difference</b>	<b>7,917</b>	<b>1,923</b>	<b>-200</b>	<b>19,557</b>	<b>29,196</b>

Notes

1 - Household and Dwelling Requirements, Ministry of Finance, 2021, Population Projections based on City of Ottawa 2019 household formation and dwelling propensity assumptions

**In total, 3,250ha of additional land is required.**

This scenario:

- Maintains the rural unit mix as well as the intensification unit mix for the singles/semis (as noted earlier there are only finite opportunities for this type of growth in the built-up area).
- Maintains the Row growth in the Built-Up Area as the growth in Rows is very similar to the “Balanced” Scenario
- Assumes 85% of the additional growth in the apartments is assigned to the Built-Up Area
- The remaining growth is assumed to be in the Greenfields

Table 2.4: Revised Scenario Demand Forecast to 2046 by Policy Area and Unit Type

	<b>Singles</b>	<b>Semis</b>	<b>Rows</b>	<b>Apts</b>	<b>TOTAL</b>
<b>Rural</b>					
Unit Mix	11,500	200	900	400	13,000
Unit %	88%	1%	7%	3%	100%
<b>Built-Up Area</b>					
Unit Mix	7,400	2,700	18,420	62,223	90,723
Unit %	8%	3%	20%	68%	100%
<b>Greenfield Area</b>					
Unit Mix	55,116	5,422	50,199	9,533	120,272
Unit %	46%	4%	42%	8%	100%
<b>TOTAL</b>	<b>74,017</b>	<b>8,323</b>	<b>69,500</b>	<b>72,157</b>	<b>223,996</b>
<b>Intensification Rate (%)</b>					<b>41%</b>

Table 2.5: Altus & MGP Revised Land Requirement Based on Revised Scenario

	Singles	Semis	Rows	Apts	TOTAL
<b>Greenfield Area</b>					
Existing Supply	27,900	1,400	30,490	6,600	66,300
Expansion	27,217	4,023	19,800	2,933	53,973
<b>Land Requirement for Expansion</b>					
Net Density	25	35.6	50.6	92.4	
Net Land (ha)	1,089	113	391	32	1,625
<b>Gross Land (ha)</b>	<b>3,250</b>				

### 3.0 Conclusion

An official plan must be realistic and achievable but Ottawa’s New Official Plan is not. The New Official Plan does not offer a credible solution to Ottawa’s identified population and housing needs which therefore means it is not consistent with the 2020 PPS.

For the reasons set out in this letter, **we recommend that the Ministry of Municipal Affairs and Housing revise Ottawa’s New Official Plan to include additional lands in the magnitude of 3,250ha to accommodate a market-based supply of housing and modify the intensification targets to reflect an average intensification target of 41% over the 25-year horizon of the Official Plan.**

We thank you again for the opportunity to provide input into the City’s MCR process. If you have any questions or wish to discuss this letter, please do not hesitate to contact the undersigned at any time.

Yours very truly,  
Malone Given Parsons Ltd.



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cc. Jason Burggraaf, GOHBA