

South March Landowners

March 21, 2024

To: Ministry of Municipal Affairs and Housing

From: South March Landowners (Claridge Homes, Mattamy Homes, Minto Communities, Regional Group, Uniform Developments)

Re: Feedback on Bill 162, the proposed Get It Done Act, 2024 – Amending the Official Plan Adjustments Act, 2023 (ERO File No. 019-8273)

To Minister Calandra,

We are a group of Ottawa homebuilders who together account for a substantial portion of single-family and multi-unit homes built across the nation's capital, from the downtown core to the suburbs. Collectively, we own 175 hectares of land known as South March, located in the Kanata North community in the City of Ottawa.

We are writing in response to Bill 162, the Get It Done Act, 2024, as it pertains to the City of Ottawa's Official Plan 2021. Schedule 3 of Bill 162 includes six proposed modifications to Ottawa's Official Plan, which was impacted by the Amending the Official Plan Adjustments Act, 2023. These modifications are related to increasing heights on minor corridors, which was recommended by City staff, and supported by Council and the Mayor.

The South March landowners are in full agreement with the municipality's request, and the province's anticipated approval, for greater heights which will result in more density on minor corridors as identified in Ottawa's Official Plan. We believe the residents of Ottawa deserve to have a home, in every housing form, in all communities in our great City.

However, we were disappointed to see that Bill 162 is silent on additional urban boundary expansion lands for Ottawa, an omission we believe will hinder the ambitious plans that the Province and the City have for building new homes in Ontario during this housing crisis.

Ottawa's urban boundary, as approved by Council as part of the Official Plan, does not provide sufficient new land to meet the housing needs of Ottawa.

As we laid out in our submission to you on December 11, 2023, in relation to Bill 150 (ERO File No. 109-7885), the development of the South March lands is needed to meet Planning Act and Provincial Policy Statement, 2020 objectives, as well as the province's goal to build at least 1.5 million homes by 2031, and the City's pledge to build 151,000 new homes over the same timeframe.

On December 11, 2023, South March submitted to the province an analysis by **Novatech** that calculated that the City of Ottawa will require more than 3.5 times the area of expansion lands by 2046 than identified in the Official Plan.

Since that time, additional land-use planning experts have also confirmed that Ottawa's land supply is insufficient to accommodate its expected growth over the next 20 years.

These evidence-based reports and findings include the following:

- **Robyn Brown and Matthew Heather of Arcadis Professional Services (Canada) Inc.** analyzed the City of Ottawa's growth management work, using updated population projections from the Ministry of Finance. Applying the City of Ottawa's Land Needs Methodology, which aims for 51% growth through intensification, Arcadis determined that to accommodate expected growth to 2046, Ottawa will require 3,207 gross hectares of expansion lands — 1,926 hectares more than the Council-approved Official Plan 2021. It is worth noting that while Arcadis' is the most conservative of the land supply analyses we have provided, their experts still identify a need more than twice the land identified by the City of Ottawa.
- **Craig Ferguson of ParcelEconomics** found that the Ottawa urban boundary needs to expand between 3,388 and 4,274 hectares to accommodate projected growth in Ottawa to 2046. This is more than two-to-three times the amount of expansion land identified by the City of Ottawa. This report was submitted to MMAH staff on Feb. 15, 2024 (ERO File No. 109-7885).
- **Daryl Keleher of KPEC** analyzed the economic issues relating to the exclusion of the South March parcel from the City of Ottawa's urban expansion area, including immigration trends in Ottawa, greenfield supply, and housing affordability. The report found that the amount of greenfield supply has shrunk, leading to historically low levels of ground-orienting housing starts. Mr. Keleher concludes that the surge in demand for housing in the City of Ottawa, combined with the reduction in available greenfield supply, has led to the prices of new homes negatively affecting housing affordability.

Ottawa's Official Plan is based on outdated population projections, which the City has so far refused to update.

The Ministry of Finance's growth projection for the City of Ottawa from 2023 to 2046 is 62% higher than the growth forecast numbers previously used in Official Plan deliberations. Put another way, the 2023 Ministry of Finance projection is nearly 250,000 people more than considered in the 2018 population forecasts relied upon to prepare Ottawa's Official Plan.

One reason for the increase is that the 2018 Ottawa growth forecast numbers have not yet accounted for the federal government's announced plans [to significantly increase immigration targets](#) beginning in 2021, and the more recent announcement to further increase [immigration levels to 500,000 newcomers in 2025 and 2026](#).

Ottawa is welcoming many new residents from around the world. As the KPEC report demonstrates, immigration levels to Ottawa from 2018 to 2022 more than doubled compared to the immigration levels of the previous five years.

The trend of increasing immigration to Ottawa appears to be continuing its upward trajectory. The [most recent federal immigration data shows 21,300 new permanent residents](#) arrived in Ottawa in 2023, a jump of almost 4,000 newcomers compared to the previous year. And for January 2024, the most recent IRCC data available, the number of new immigrants destined for the City of Ottawa was 1,880, which translates to 22,560 on an annualized basis.

The Ministry of Finance projections are based on expected births, deaths and five migration components, including immigration. The jump in immigration targets by the federal government is the key reason for the Ministry of Finance's update of its population projections for Ottawa in the summer of 2023.

However, when evaluating the need for housing, the City of Ottawa continues to use population projections that were prepared in 2018, prior to federal announcements to increase immigration targets.

ParcelEconomics conducted a comparative analysis of the Ministry of Finance's population projections for Ottawa and City staff's own projections from 2007 and 2019. **This analysis shows that the Ministry of Finance projections have been historically consistent with the forecasts prepared by the City.** According to ParcelEconomics, "it is reasonable to assume that if the City of Ottawa were to update their population forecasts today, they would be consistent with the Ministry of Finance Summer 2023 forecasts."

And yet, despite the fact that both [Ottawa City staff and Council agreed publicly](#) that Ministry of Finance population projections should be used as the basis for housing need analysis and related land use requirements, neither City staff nor Council has acknowledged nor accounted for these updated population projections in their most recent deliberations over the Official Plan.

And finally, there is evidence that a shortage of greenfield expansion lands is negatively affecting the building of ground-related homes in Ottawa, both of which are leading to lower home affordability.

As KPEC notes, while the total number of housing starts have increased in Ottawa in recent years, the bulk of the increase has been driven by apartment buildings, with ground-related homes remaining at historic levels. In fact, 2023 saw the lowest levels of construction starts for ground-related home formation in more than 20 years.

We fully support the development of multi-residential homes, as well as intensification in all areas of the City. But we also recognize that there will still be a need for ground-oriented homes for families who may not wish to raise their children in apartments or cannot afford the home prices of the inner urban area. This may also be true for some recently arrived families, as some [multiple generations may choose to live under one roof](#) and therefore require larger residential dwellings that are provided in ground-related dwellings. **All forms of housing are required to accommodate the growth projected for Ottawa.**

The surge in housing demand and the reduction of easily serviced greenfield supply is also negatively affecting the affordability of ground-related homes in Ottawa. As the KPEC report shows, the prices of single and semi-detached homes have soared in the City of Ottawa, with the annual increase in the average price of single and demi-detached homes increasing from a low of 4.3% in 2019 to as high as 22.7% in 2022.

Over the last five years, the average price for ground-oriented homes has soared 77%.

If the Province does not use its powers under existing legislation to rectify this inaction to address new evidence that population will grow faster than previously predicted, the existing housing affordability crisis in Ottawa will get worse.

We are attaching all reports referred to in this submission for your reference.

Regarding the potential urban expansion areas, the South March lands have already been assessed by City staff and scored second highest among all properties considered by Council for inclusion in the urban boundary in 2021. The South March lands were referred to by City staff as “plug and play” due to the readily available infrastructure, meaning much-needed homes — including ground-oriented homes that are in demand by current and future Ottawa residents — can be built in South March more quickly over the next decade.

The South March land can be serviced cheaper and faster than other Ottawa expansion lands, meaning we can begin to build up to 600 new homes a year once South March becomes available for development.

That is why it is our submission, once again, that the South March lands be included in the urban area, so that the housing needs of Ottawa residents may be met in a timely and cost-effective manner.

We would welcome the opportunity to discuss these materials with you.

Sincerely,

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cc.

Marth Greenberg, Deputy Minister, Ministry of Municipal Affairs and Housing

Michael Klimuntowski, Chief of Staff, Minister of Municipal Affairs and Housing