City of Kingston
Report to Council
Report Number 24-016

To:	**Mayor and Members of Council**
From:	**Paige Agnew, Commissioner, Growth & Development Services**
Resource Staff:	**Tim Park, Director, Planning Services**
Date of Meeting:	**December 5, 2023**
Subject:	**Population, Housing and Employment Growth Forecast Update to 2051**

Council Strategic Plan Alignment:

Theme: 1. Support Housing Affordability

Goal: 1.1 Promote increased supply and affordability of housing.

Theme: 5. Drive Inclusive Economic Growth

Goal: 5.1 Ensure an adequate supply of "ready-to-go" employment lands.

Executive Summary:

As part of the preparation for the upcoming Official Plan project, three key background studies have been initiated by Planning Services, including a Population, Housing and Employment Forecast, an Employment Land Review, and a Commercial Land Review. The City has engaged a team of consultants, led by Watson & Associates Economists Ltd. (Watson), to undertake these studies. The analysis, conclusions and recommendations resulting from the studies will inform the residential, industrial, and commercial land use policies in the City's Official Plan.

The Population, Housing and Employment Forecast is typically completed every five years and provides a foundation for the City's long-range land use, transportation, infrastructure, and capital expenditure planning. This helps ensure the efficient use of land, infrastructure, and public services. The forecast takes into account growth within the City of Kingston as well as

across the broader Kingston Census Metropolitan Area (CMA) which includes the City of Kingston, Loyalist Township, the Township of South Frontenac and the Township of Frontenac Islands.

The purpose of this report is to present the findings of the update to the Population, Housing and Employment Growth Forecast for the City of Kingston to the year 2051. A Technical Memorandum has been prepared by Watson that outlines three growth scenarios, including Low, Medium and High population, housing and employment forecasts within the City of Kingston in five-year intervals. The forecast represents an update to the City's most recent growth forecast that was completed in 2019 and covered anticipated growth to 2046. The Medium Growth Scenario is recommended as the preferred growth scenario and is summarized within this report. Staff are seeking Council's endorsement of the Medium Growth Scenario, and once endorsed by Council, it will be used to inform the more detailed work to be completed by the project team for the Population, Housing and Employment Forecast, Employment Land Review, and Commercial Land Review. The scenario will also form the basis of a number of municipal studies and plans, including but not limited to future updates to the Development Charges Background Study, the Transportation Master Plan, Water and Wastewater Master Plan and the next iteration of the Official Plan.

It should be noted that this update to the growth forecast is based on the best information currently available, including the most recent Census and net migration data. The forecast update also provides an opportunity to review current trends at the federal, provincial and local level and have them reflected in the updated forecasts. Automation, federal immigration policy, work-from-home and remote work trends and provincial post-secondary enrolment policy are a few examples of those considerations that can have a direct impact on the growth in the City. This project recognizes these trends and their potential impact on factors affecting population and employment change. The forecast will be reviewed and updated upon the release of the 2026 Census.

Staff have also provided information in this report on a proposed process to review urban boundary expansion requests that are anticipated to be received as part of the upcoming Official Plan project.

This report is being presented directly to Council for consideration as it is a major policy initiative that will have long-term implications for land use and infrastructure planning in the City. Further information on the upcoming Official Plan project will be presented in a report to Council in Q1/Q2 2024.

Recommendation:

That Council endorse the Technical Memorandum – City of Kingston Growth Forecast Update, Summary of Draft Findings, dated November 23, 2023, prepared by Watson & Associates Economists Ltd., attached as Exhibit A to Report Number 24-016; and

That Council endorse the Medium Growth Scenario for the 2021 to 2051 time period as identified in Exhibit A to Report Number 24-016, as the forecast that will form the basis of the

more detailed work to be completed by the project team for the Population, Housing and Employment Forecast, Employment Land Review, and Commercial Land Review, as well as other municipal studies as plans.

Authorizing Signatures:

ORIGINAL SIGNED BY COMMISSIONER

**Paige Agnew, Commissioner,
Growth & Development Services**

ORIGINAL SIGNED BY CHIEF

ADMINISTRATIVE OFFICER

**Lanie Hurdle, Chief
Administrative Officer**

Consultation with the following Members of the Corporate Management Team:

Jennifer Campbell, Commissioner, Community Services

Neil Carbone, Commissioner, Corporate Services

David Fell, President & CEO, Utilities Kingston

Peter Huigenbos, Commissioner, Major Projects & Strategic Initiatives   Not Required

Brad Joyce, Commissioner, Infrastructure, Transportation
& Emergency Services

Desirée Kennedy, Chief Financial Officer & City Treasurer

Options/Discussion:

Background

In January 2023, a team of consultants led by Watson & Associates Economists Ltd. (Watson) was retained through a request for proposals process to complete a Population, Housing and Employment Forecast, an Employment Land Review, and a Commercial Land Review. Recognizing that the Employment Lands Review and the Commercial Lands Review will be founded upon the Population, Employment and Housing Forecast, staff sought a single proponent to prepare all three studies to ensure consistency and integration. The analysis, conclusions and recommendations resulting from the studies will inform the residential, industrial and commercial land use policies in the upcoming review of the Official Plan as well as regulations in the new Kingston Zoning By-Law.

Population, housing and employment forecasts provide a foundation for the City's long range land use, transportation, infrastructure and capital expenditure planning. The forecast is typically completed every five years to recognize the most recent findings of Statistics Canada's Census while also being responsive to factors that have the potential to influence employment, population and housing trends.

The objectives of the Population, Housing and Employment Forecast study currently underway is to include a technical analysis that focuses on the population, housing, and employment growth forecast scenarios for the City of Kingston and the Kingston Census Metropolitan Area (CMA), the identification of a preferred growth scenario, the allocation of growth by sub-geographic areas in the city, and a residential land needs and intensification analysis.

The primary objective of the Employment Land Review is to provide a comprehensive review of both City-owned and privately owned employment land within the city to ensure that an adequate supply of employment land is designated to accommodate long-term demand.

The objectives of the Commercial Land Review are to provide a comprehensive review of the City's commercial structure, a long-term assessment of the City's commercial needs, and strategic policy direction for the City's commercial and mixed-use areas.

This report to Council presents a summary of the findings regarding the population, housing and employment growth scenarios prepared by Watson for the City of Kingston and the Kingston CMA to the year 2051. A Technical Memorandum titled City of Kingston Growth Forecast Update, Summary of Draft Findings, dated November 23, 2023, is included in Exhibit A. The Technical Memorandum identifies low, medium and high population, housing and employment growth scenarios over a period of 30 years (i.e., to the year 2051 using 2021 Census data). The most recent Census data was released in 2021 and reported that the population for the City of Kingston was 132,485, being 8,687 persons (7.0%) greater than the 2016 Census population of 123,798.

Findings of the Population, Housing & Employment Forecast Update, 2021-2051

The following outlines the main findings and observations identified in Technical Memorandum prepared by Watson.

Macro-Economic & Regional Trends

The Technical Memorandum provides an overview of macro-economic and regional growth trends in Eastern Ontario, which includes the Kingston CMA and the City of Kingston, which have a direct impact on future growth potential for the city. Significant observations include the following:

- Near-term provincial gross domestic product (GDP) growth is slowing in 2023 and it is anticipated to continue to weaken in 2024 in response to rising borrowing costs and high inflation levels. As a result, the national housing market has started to show signs of cooling with respect to sales and price appreciation.

- The regional observations include steady recovery of the industrial sector since the 2008/2009 economic downturn, strong rebound of the regional economy since the onset of COVID-19, strengthening population growth outlook, and strong regional housing demand in 2023 relative to longer-term historical trends.

- As a result of these broader economic and demographic trends, the Kingston CMA and the City of Kingston have experienced relatively stronger population, housing and employment growth over the past decade, compared to previous historical periods. Local observations indicate an employed labour force at a record high and an unemployment rate at an all-time low within the Kingston CMA. Recent data indicates that a growing share of new immigrants are choosing to reside in the Kingston CMA and the City of Kingston. The Technical Memo notes that while it is important to recognize slowing global economic trends and a weaker near-term economic outlook (i.e., within the next 12 to 18 months), the provincial and regional economy is anticipated to steadily expand over the medium to long-term, driving relatively stronger population growth through net migration to the Kingston CMA and the City. In turn, relatively stronger net migration over the long term is anticipated to generate steady demand for new ownership and rental housing to accommodate the City's growing permanent and student population base.

Economic, Demographic and Housing Trends within the Kingston CMA and the City of Kingston

Significant trends identified within the Kingston CMA and the City of Kingston are as follows:

- Following the pandemic, the labour force for the Kingston CMA has steadily recovered, reaching new record highs in July 2023. This steady increase in the labour force has resulted in a return to historically low labour force unemployment rates for the Kingston CMA at 3.6%. The unemployment rate for the Province of Ontario has also declined to 5.9%.

- The 2021 population reported by Statistics Canada for the Kingston CMA was 177,800 and is tracking noticeably higher from 2016 to 2021 compared to historical levels from 2001 to 2016. Similarly, the 2021 population for the City of Kingston (136,600 people including the net Census undercount) is also tracking noticeably higher.

- The City of Kingston's population is aging, driven by the baby boomer age group (the generation born between 1946 and 1964).

- From 2006 to 2021, the City of Kingston experienced an increased average net migration of 5,100 people annually.

- Between 2018 and 2023, the average rate of residential building permit activity within the City of Kingston has significantly increased, partly driven by a large number of permits for new multi-unit residential dwellings. The share of residential building permits issued for low-density housing progressively decreased from 57% during the 2008 to 2012 period to 35% during the 2013 to 2017 period, and to 22% during the 2018 to 2023 period.

- The COVID-19 pandemic has accelerated housing price appreciation across Canada since mid-2020. Housing prices peaked across most regions of the Province in February and March 2022 following a series of increases to the prime interest rate. It is noted that rising housing carrying costs in the City of Kingston will continue to generate demand for a broad range of housing by structure type and tenure, to accommodate a diverse range of newcomers by age and household income who are anticipated to contribute to the City's growing population base.

- Between 2012 and 2022, the average price of a single-family dwelling increased from $265,000 to $612,000, representing an annual housing appreciation rate of 9%. Average housing prices are estimated to have fallen by approximately 15% year-to-date; however, even with the reported decrease in housing prices since 2022, the increase in prime interest rates has further reduced housing affordability for new homebuyers. Rising housing carrying costs in the City of Kingston will continue to generate demand for a broad range of housing by structure type and tenure, to accommodate a diverse range of newcomers by age and household income who are anticipated to contribute to the City's growing population base.

The Technical Memorandum notes that to ensure that economic growth is not constrained by labour shortages, continued effort will be required by the municipalities within the Kingston CMA (working with their public- and private-sector partners) to explore ways to attract and accommodate new skilled and unskilled working residents within a broad range of ownership and rental housing options.

Key Growth Assumptions

In accordance with the recent economic, demographic and housing trends, as well as the growth assumptions noted below, Watson has prepared three long-term population, housing and employment forecast scenarios to the year 2051 that include Low, Medium and High Growth Scenarios. The following provides a summary of the key growth assumptions which inform the three growth scenarios:

- COVID-19 is anticipated to continue to influence the global and national macro-economic conditions for several years to come.

- Under the Low Growth Scenario, it is assumed that the provincial economy will underperform, on average, relative to near-term and ongoing gross domestic product (GDP) forecasts, while the Medium and High Growth Scenarios respectively assume that the provincial GDP growth will meet or exceed near-term provincial forecasts.

- The federal government immigration targets are 485,000 new permanent residents in 2024, 500,000 in 2025 and 500,000 in 2026. The federal government will be stabilizing targets for permanent residents at 500,000 per year after 2026. Under the Low Growth Scenario, it is assumed that national immigration will underperform relative to federal targets over the 2021 to 2051 planning horizon. The Medium Growth Scenario assumes national immigration targets will be met, while the High Growth Scenario assumes that immigration targets will be exceeded.

- The Summer 2023 Ministry of Finance projections indicate that the Frontenac County census division population will growth at an annual rate of 1.0% to 2046. Under the Low Growth Scenario, it is forecast that the City of Kingston population growth will be comparable to these projections. Under the Medium Growth Scenario, the City of Kingston is anticipated to outperform the Summer 2023 projections, while under the High Growth Scenario, the City is projected to significantly outperform the Summer 2023 projections.

- Between 2006 and 2021, the City of Kingston comprised 75% of housing, 77% of population and 85% of employment growth in the Kingston CMA. This trend is anticipated to continue to slightly varying degrees over the forecast period under each of the long-term growth scenarios.

- 87% of City of Kingston residents work within the city, while 13% work outside the city. The City of Kingston is assumed to continue to represent an employment hub and the primary location of new housing within the context of the surrounding commuter-shed.

- Steady economic growth within the Kingston CMA (such as the recently announced Umicore electric vehicle battery plant in Loyalist Township) are anticipated to generate indirect jobs in the regional economy, in addition to induced economic impacts associated with the re-spending of labour income (i.e., household spending) throughout the Kingston CMA and beyond.

- Given the competitive position of existing and planned Employment Areas in the City of Kingston, the City is anticipated to achieve a relatively stronger rate of industrial absorption over the long-term planning horizon under all three growth scenarios.

- Anticipated export-based job growth (i.e., industrial and commercial office jobs) within the City of Kingston and the Kingston CMA also generates population-related employment to service the needs of the growing employment and population base.

- Under all growth scenarios, annual net migration is forecast to be considerably higher relative to 2006 to 2021 levels (which was 5,100 people annually).

- The City's mortality rate is forecast to increase from 2021 to 2051 due to the aging of the population. Additionally, there is downward pressure on births as the population ages. These demographic factors have generated a steady decline, and now a negative trend in the City's population growth from natural increase (i.e., births less deaths).

- Under the Low Growth Scenario, a larger share of the population will be older by 2051 due to lower levels of net-migration in younger age groups. Under the Medium and High Growth Scenarios, the population age structure is forecast to remain relatively younger due to higher net-migration levels associated with working-age residents and their families.

Growth Forecast for the City of Kingston, 2021 to 2051

The Low, Medium and High Growth Scenarios developed by Watson for the City of Kingston are summarized in Table 1 below.

Table 1: City of Kingston Population, Housing and Employment Growth Scenarios

Scenario	Permanent Population	Total Population (Permanent & Students)	Permanent Housing (number of units)	Total households (Permanent & Students)	Employment (number of jobs)
Existing (2021)	136,600	154,100	57,800	62,900	71,900
Low Growth (2051)	186,600	210,500	80,800	88,200	107,800
Medium Growth (2051)	197,000	220,900	84,800	92,200	113,900
High Growth (2051)	207,400	231,300	88,500	95,900	119,900

Under the Low Growth Scenario, the City of Kingston's permanent population base is expected to grow at an average annual rate of 1.0% per year, permanent households are expected to grow at an average annual rate of 1.1% per year, and employment is expected to grow at an average annual rate of 1.0% per year.

Under the Medium Growth Scenario, the City of Kingston's permanent population base is expected to grow at an average annual rate of 1.2% per year, permanent households are expected to grow at an average annual rate of 1.3% per year, and employment is expected to grow at an average annual rate of 1.2% per year.

Under the High Growth Scenario, the City of Kingston's permanent population base, permanent households and employment are each expected to grow at an average annual rate of 1.4% per year.

The permanent population includes permanent residents as well as non-permanent residents adjusted for the net Census undercount (including post-secondary international students). The Census undercount includes the net number of permanent residents who are missed during Census enumeration (i.e., over-coverage less under-coverage). The total population includes the permanent population along with post-secondary students not captured by the Census. All three scenarios have considered post-secondary student population and housing as shown in Table 1 above.

Medium Growth Scenario (Recommended)

Based on Watson's review, the Medium Growth Scenario is the recommended growth forecast scenario for the City of Kingston as it is considered to be the "most plausible" scenario in consideration of:

- the population growth trends for the surrounding municipalities and sub-regions of Southern Ontario,

- the reasonable level of permanent population growth in the 15 to 64 population age group given the forecast economic growth in the local and regional economy, and

- the forecast net migration levels.

The forecast net migration trends are reflective of steady growth anticipated in the local and regional economy, forecast work at home opportunities, as well as the attractiveness of the city to empty nesters and seniors as a retirement/semi-retirement destination.

Table 2 provides a summary of the forecast for the Medium Growth Scenario for the City of Kingston in 5-year intervals.

Table 2: Medium Growth Scenario for the City of Kingston

Year	Permanent Population	Total Population (Permanent & Students)	Permanent Housing (number of units)	Total households (Permanent & Students)	Employment (number of jobs)
2021	136,300	154,100	57,800	62,900	71,900
2026	148,000	166,800	63,000	68,600	85,900
2031	158,900	178,400	67,800	73,600	92,700
2036	169,900	189,500	72,600	78,500	98,800
2041	179,600	200,700	77,000	83,300	104,500
2046	188,800	211,200	80,900	87,800	109,300

Year	Permanent Population	Total Population (Permanent & Students)	Permanent Housing (number of units)	Total households (Permanent & Students)	Employment (number of jobs)
2051	197,000	220,900	84,800	92,200	113,900

Under the Medium Growth Scenario, the permanent population is forecast to grow from 136,600 to 197,000 between 2021 and 2051, increasing at a rate of 1.2% annually. This is noticeably higher relative to the historical annual growth rate of 0.7% achieved from 2001 to 2021. The total population (permanent population and post-secondary students not captured by Census) is forecast to grow from 154,100 in 2021 to 220,900 in 2051, an increase of 66,800 people.

Population growth between 2021 and 2051 is shown in Table 3 below.

Table 3: Population Growth between 2021 and 2051

Population Type	Growth between 2021 and 2051 (new residents)
Permanent population (permanent residents and non-permanent residents adjusted for the net Census undercount (including post-secondary international students))	60,400
Full-time post-secondary student population	14,300
Post secondary students not captured in Census	6,400
Total population (permanent population plus post secondary students not captured in Census)	**66,800**

In terms of age group, the population is expected to age, with the proportion of the 75+ age group expected to increase from 10% to 12% between 2021 and 2051. Kingston's young adult/adult population (20 to 54 years of age) is the largest age group and is forecast to increase from 46% to 51% of the population from 2021 to 2051.

Permanent households are expected to increase from 57,800 to 84,800, growing at a rate of 1.3% annually, which means an additional 27,000 new permanent households will need to be constructed within the city between 2021 and 2051 to accommodate future population growth. Housing preferences by structure type are anticipated to gradually shift towards medium- and high-density housing forms over the long term due largely to the aging of the population as well as from continued upward pressure on housing prices. The permanent housing growth is expected to average 900 units per year. This is a significant increase, as the city has a historical average of 595 units annually (2006 to 2021).

It is important to note that the permanent housing forecast excludes student housing needs not captured in the Census. Full-time post-secondary student enrolment is forecast to increase from 34,000 in 2021 to 48,300 in 2051. Of this total, 4,600 students are anticipated to live off-campus, resulting in the need for an additional 2,300 housing units not captured in the permanent housing forecast. Additional housing needs have been identified in the near-term to address existing housing deficiencies in the rental housing market as well as current non-market housing needs.

The total housing forecast, including households occupied by the permanent population and off-campus student households not captured by the Census is forecast to grow from 62,900 in 2021 to 92,200 in 2051, an increase of 29,300 households. Taking into account the City's total housing needs (as per the Housing Needs Assessment presented in Report Number 23-172), including student housing needs not captured in the Census, the City's 10-year annual housing forecast is just over 1,400 units per year or 14,000 total housing units. Staff note that there were a total of 1,110 units that received Building Permits in 2021, 873 units in 2022 and 935 units in 2023 (as of November 27), contributing towards the total housing units needed in the next 10-years, as shown in Table 4 below.

Table 4: Building Permits issued since 2021

Year	2021	2022	2023 (as of November 27)	Total
Units that received a Building Permit	1,110	873	935	2,918

The growth in households forecasted between 2021 and 2051 is shown in Table 5 below.

Table 5: Household Growth between 2021 and 2051

Household Type	Growth between 2021 and 2051 (new households)
Permanent households	27,000
Households for post-secondary students not captured in Census	2,300
Total households (permanent plus those for post-secondary students not captured in Census)	**29,300**

The recommended housing forecast exceeds the 10-year housing target of 8,000 units for the City of Kingston, as set out in the Municipal Housing Pledge by the Province. The recommended housing forecast also exceeds the four-year housing target of 1,200 units annually, as set by Council through the strategic plan 2023-2026.

The City of Kingston's employment base is forecast to reach 113,900 jobs by 2051 under the Medium Growth Scenario. This represents an increase of approximately 33,400 jobs between 2023 and 2051, or an average annual growth rate of 1.2%. Comparatively, the recommended employment forecast is higher than the City's historical annual employment growth rate of 0.6% achieved from 2011 to 2023. This increase in the City's rate of employment growth is anticipated to be driven by stronger demand in commercial, institutional and work at home jobs and relatively greater opportunities associated with export-based (i.e., industrial) employment sectors.

Housing Supply

There is a significant relationship between employment, population, and housing growth. With natural population in decline, employment growth will become increasingly more important to attract residents to Kingston, particularly in terms of in-migration and the retention of youth and young professionals. The demand in the housing market proceeds in direct response to growth in the population.

The City undertakes a regular review of the supply of new residential units proposed through *Planning Act* applications. This review identifies the number of units that may eventually be added to the housing market and considers the status of approvals made under the *Planning*

Act. Considered in this review are "pending" and "committed" residential units within the City's urban boundary.

Pending units are those that are tied to:

- a plan of subdivision that has yet to receive draft plan approval;
- an Official Plan/zoning by-law amendment that has yet to receive approval; and
- applications appealed to the Ontario Land Tribunal (OLT) and pending a decision from the OLT.

Committed units are those that are tied to:

- an approved draft plan of subdivision;
- a registered plan of subdivision (but only those units for which building permits haven't been issued);
- an approved Official Plan/zoning by-law amendment or minor variance, but no Site Plan Control application submitted yet;
- a Site Plan Control application under review with approved zoning; and
- an approved Site Plan Control application but no building permits issued yet.

Table 6 identifies the total number of pending and committed residential units proposed through *Planning Act* applications as of October 31, 2023.

Table 6: Pending and Committed Residential Units

Up to October 31, 2023	Multi-unit Residential	Single detached, semi-detached or row house	Total
Pending Units (awaiting draft plan of subdivision or zoning approval, or under appeal)	6,624	778	7,402
Committed Units (Zoning approved, no Building Permits yet)	4,196	2,260	6,456
Total	10,820	3,038	13,858

There are a total of 6,456 committed units and 7,402 pending units. These applications could result in 13,858 new homes being added to the Kingston market over time, which will contribute towards the approximately 30,000 new households expected by 2051.

Urban Boundary Review and Next Steps

Once direction is confirmed by Council regarding the preferred growth scenario, more detailed work will resume to allocate the growth across specific geographic sub-areas of the city. These specific geographic sub-areas include Kingston East, Kingston West, Kingston Central, Kingston North, the urban serviced area and rural area as well as Utilities Kingston's water and wastewater catchment areas. Watson will also be completing an urban land needs assessment to determine whether there is sufficient land in the urban boundary to accommodate forecasted growth (to 2051) and will provide recommendations on the need for any potential urban boundary expansions. The scope of work does not include determining the location of any potential urban boundary expansions. Due the extent of data analysis involved in the allocation of forecasts across various sub geographies and the land needs assessment, this work will be undertaken following an endorsed City-wide forecast from Council. Additionally, the Employment Land Review and the Commercial Land Review will be based upon the preferred growth scenario.

The urban land needs assessment will be based on:

- minimum intensification targets within the existing built-up areas;

- minimum density targets for the greenfield areas; and

- minimum density targets for strategic growth areas and major transit station areas (this is new for Kingston based on the draft Provincial Planning Statement as discussed in Report Number 23-132).

At this point, staff have received one request from a private landowner for their property to be considered for an urban boundary expansion through the upcoming Official Plan project. More requests are anticipated. To be able to review such requests in a coordinated, transparent, and comprehensive manner, staff are proposing the following process for the review of urban boundary expansion requests:

- Staff will proactively reach out to the community requesting private landowners to submit a "Notice of Intent" to request an expansion to the urban boundary if they are so contemplating. This will be done through a notice in The Kingston Whig-Standard and on the City's website and through email communication in December 2023. This Notice of Intent will be required to be submitted to Planning Services in early 2024. The Notice of Intent submission will be required to include:

  o address/location of property;
  o proposed density;
  o proposed height;

  - o proposed number of units; and
  - o proposed housing form.

No technical studies will be required at this time.

- Following receipt of the Notice of Intent, each owner will be required to submit a complete application for an Official Plan amendment (OPA) requesting an expansion to the urban boundary. Staff will provide a list of required submission materials for the complete application to the owner. Required technical studies and plans may include, but are not limited to:

  - o Justification study;
  - o Plan that achieves complete communities;
  - o Servicing and infrastructure study;
  - o Impacts on Prime Agricultural Areas and specialty crop areas; and
  - o Other studies identified by the City.

- A deadline will be set for the submission of a formal application for an OPA to request an expansion of the urban boundary. The deadline will be established early in the Official Plan project process to ensure that the formal urban boundary expansion requests can be considered in all work that is done in this combined project, which also includes the Transportation Master Plan and the Water and Wastewater Master Plan.

- All OPAs will be reviewed as part of the new Official Plan. Staff's intent is to bring a recommendation on these OPAs at the same time as the new Official Plan document. Accordingly, applicants will be advised to only submit an OPA, not a combined application for an OPA and zoning by-law amendment, as the fee refund timelines of the *Planning Act* would then apply and will not be met on these applications.

At this time, the new Provincial Planning Statement has not been released by the Province and is now anticipated to be released in the winter of 2024. The new Provincial Planning Statement will have significant impacts on the scope of the review of the Official Plan and the direction of the policies. The overall proposed approach for the new Official Plan project will be presented to Council in a separate future report after the release of the new Provincial Planning Statement in Q1/Q2 2024. This report will include information on the timeline of the Official Plan project, key milestones and public engagement. The project will include multiple opportunities for public input and updates to Council before recommendations are made. The new Official Plan document will be subject to approval by City Council as well as the Ministry of Municipal Affairs and Housing.

Public Engagement

As part of the growth forecast work, a public information session was held on June 19, 2023, at Memorial Hall, City Hall. The session included a presentation by Watson that provided an overview of the study objectives, process, key findings and preliminary Low, Medium and High Growth Scenarios. Attendees were also invited to view a variety of poster boards that

highlighted the preliminary forecast and engage in discussions with the project consultant and City staff. 28 people attended this session. A summary of the comments received and responses from the project team are included in Exhibit B. Further public consultation will be taking place in 2024, including a further public consultation regarding the Employment Land Review and Commercial Land Review.

Additionally, over the course of the project thus far, meetings were held with representatives of various City departments and external stakeholders such as Kingston Economic Development. The project team also consulted with representatives of Queen's University, St. Lawrence College and Royal Military College in the development of the post-secondary student forecast.

Additional consultation was held with the Kingston Home Builders Association (KHBA) Land Development Committee at a meeting held on September 25, 2023.

In response to the comments received, Watson has revised the long-term growth scenarios, which increased the current Medium Growth Scenario to reflect to the High Growth Scenario originally presented to the public on June 19, 2023 – an adjustment from 1.0% to 1.2% annual growth rate for the Medium Growth Scenario.

Comments provided by the KHBA in response to the growth scenarios expressed concern that the Medium Growth Scenario will not sufficiently capture growth, and that it will delay the implementation of infrastructure required to support future development. The KHBA retained Keleher Planning & Economic Research to review the forecast and noted that even the high growth scenario at 1.4% annual growth may be underestimated. The comments also expressed concerns with respect to the unit mix of new residential development forecasted to 2051 that was presented at the public information session and the meeting with the KHBA.

At this time, the project team continues to recommend the Medium Growth Scenario as the most plausible long-term forecast for the City considering all factors that have been comprehensively reviewed in arriving at the three long-term growth scenarios. Watson has noted that this forecast accurately identifies both the near-term and long-term term economic opportunities for the City and reflects a reasonable assessment of long-term population and housing growth potential based a detailed review of future Provincial, regional and local growth trends. Watson has also noted that there is potential risk in adopting a long-term growth forecast that is too ambitious as such an approach would require a more aggressive capital and operating program (in term of level of service and timing of infrastructure) for both hard and soft municipal services. More specifically, there may be potentially greater risks specifically related to the financial impacts of the High Growth Scenario in terms of capital funding requirements, property tax impacts, impacts on user fees and debt capacity. An overly aggressive growth forecast could also result undesirable urban development patterns which can place too much emphasis on greenfield land development / urban expansion as opposed to a more balanced approach between greenfield development and residential intensification.

The unit mix of new residential development to 2051 that was presented at the public information session and to the KHBA will be further reviewed by the project team and brought forward for Council's consideration in the spring of 2024.

Written correspondence received on the growth forecast is included in Exhibit C.

Existing Policy/By-Law:

None

Notice Provisions:

None

Accessibility Considerations:

None

Financial Considerations:

None

Contacts:

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Other City of Kingston Staff Consulted:

Laura Flaherty, Project Manager, Planning Services

Exhibits Attached:

Exhibit A   Technical Memorandum – City of Kingston Growth Forecast Update, Summary of Draft Findings, dated November 22, 2023, prepared by Watson & Associates Economists Ltd.

Exhibit B   Public Information Session Summary

Exhibit C   Public Correspondence

Technical Memorandum

To	Sukriti Agarwal, Manager, Policy Planning, Planning Services
From	Jamie Cook, Managing Partner, Watson & Associates Economists Ltd.
Date	November 23, 2023
Re:	City of Kingston Growth Forecast Update, Summary of Draft Findings

Fax ☐　　　　　Courier ☐　　　　　Mail ☐　　　　　Email ☒

The purpose of this memo is to provide an overview of the draft findings regarding the long-term growth scenarios for the Kingston Census Metropolitan Area (C.M.A.) and the City of Kington to the year 2051.

1.　Introduction

1.1　Terms of Reference

Watson & Associates Economists Ltd. (Watson), in association with Dillon Consulting Ltd. and urbanMetrics were retained by the City of Kingston in early 2023 to undertake a long-term Growth Analysis and Urban Land Needs Assessment Study. More specifically, this study will provide the following deliverables:

- Three long-term population, housing and employment growth scenarios for the Kingston Census Metropolitan Area (C.M.A.)[1] and the City of Kingston to the year 2051, including a recommended long-term growth scenario;
- A residential, commercial and Employment Area land needs assessment over a 25-year planning horizon;
- An assessment of long-term residential intensification opportunities focusing on the City's priority areas for future infill and redevelopment; and
- Planning policy recommendations with respect to long-term planning and growth management.

The study will provide strategic long-term planning and economic policy direction and will form a foundational document for the City's upcoming Official Plan Review (O.P.R). This study is being prepared in two phases: Phase 1 (Technical Analysis), and Phase 2

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[1] The Kingston C.M.A. includes the City of Kingston, Township of South Frontenac, Loyalist Township and Township of Frontenac Islands.

(Strategic Directions). This technical memo provides a summary of preliminary findings regarding the long-term population, housing and employment scenarios for the Kingston C.M.A. and the City to the year 2051. Our analysis represents an update to the City's most recent long-term population, housing and employment growth analysis completed in 2019.

1.2   Summary of Key Findings

This growth forecast update for the City of Kingston has been provided within the context of macro-economic conditions as well as region-wide and local development trends. The key findings of this update are discussed below.

Macro-Economic & Regional Trends

- The population growth outlook for Eastern Ontario, which includes the Kingston C.M.A. and the City of Kingston, has been progressively strengthening over the past decade following a steady provincial economic recovery from the 2008/2009 global financial crisis.
- The regional economy has also shown a strong rebound since COVID-19, with the Kingston C.M.A.'s employed labour force at a record high and an unemployment rate at an all-time low.
- Near-term provincial gross domestic product (G.D.P.) growth is slowing in 2023 and it is anticipated to continue to weaken in 2024 in response to rising borrowing costs and persistently high inflation levels. As a result, the national housing market has started to show signs of cooling with respect to sales and price appreciation. These trends, however, vary by region across Canada. Comparatively, the housing market across the Kingston C.M.A. has softened since the height of the pandemic with respect to sales, housing starts and housing prices; however, regional housing demand has remained relatively strong in 2023 relative to longer-term historical trends.
- The industrial sector has steadily recovered across the regional economy since the 2008/2009 economic downturn, and competitively priced employment lands continue to attract demand to the City of Kingston for new industrial development and expansion.
- Immediately following the onset of the pandemic, Canada's federal government increased its immigration targets, which are now set at 500,000 new permanent residents in 2025 and 2026. Recent data indicates that a growing share of new Canadians are now choosing to reside in the Kingston C.M.A. and the City of Kingston.
- As a result of these broader economic and demographic trends, the Kingston C.M.A. and the City of Kingston have experienced relatively stronger population, housing and employment growth over the past decade, compared to previous historical periods. Both the City and the C.M.A. are tracking higher relative to the population forecasts prepared under the 2019 Growth Projections Study.

- While it is important to recognize slowing global economic trends and a weaker near-term economic outlook (i.e., within the next 12 to 18 months), the provincial and regional economy is anticipated to steadily expand over the medium to long term, driving relatively stronger population growth through net migration to the Kingston C.M.A. and the City.
- In turn, relatively stronger net migration over the long term is anticipated to generate steady demand for new ownership and rental housing to accommodate the City's growing permanent and student population base.

Recommended Population and Housing Growth Scenario

- Based on our review, the Medium Growth Scenario represents the "recommended" growth forecast scenario for the City of Kingston. Over the 2021 to 2051 period, under the Medium Growth Scenario the permanent population is forecast to grow from 136,600 to 197,000, increasing at a rate of 1.2% annually. This is noticeably higher relative to the historical annual growth rate of 0.7% achieved from 2001 to 2021.
- The total population forecast which includes the permanent population (permanent and non-permanent residents adjusted for the net Census undercount) and students not captured by the Census is forecast to grow from 154,100 in 2021 to 220,900 in 2051, an increase of 66,800 people.
- An additional 27,000 new permanent households will need to be constructed within the City between 2021 and 2051 to accommodate future population growth. Housing preferences by structure type are anticipated to gradually shift towards medium- and high-density housing forms over the long term due largely to the aging of the population as well as from continued upward pressure on housing prices.
- It is important to note that the permanent housing forecast excludes student housing needs not captured in the Census. Additional housing needs have also been identified in the near term to address existing housing deficiencies in the rental housing market as well as current non-market housing needs.[1]
- Full-time post-secondary student enrolment is forecast to increase from 34,000 in 2021 to 48,300 in 2051. Of this total, 4,600 students are identified as not captured in the Census. These students are anticipated to live off-campus, resulting in the need for an additional 2,300 housing units not captured in the permanent housing forecast.
- The total housing forecast, including households occupied by the permanent population and off-campus student households not captured by the Census is forecast to grow from 62,900 in 2021 to 92,200 in 2051, an increase of 29,300 households.

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[1] City of Kingston, Housing Needs Assessment. July 26, 2023. Watson & Associates Economists Ltd.

- Taking into account the City's total housing needs, including student housing needs not captured in the Census, the City's 10-year annual housing forecast is just over 1,400 units per year or 14,000 total housing units.
- The recommended housing forecast exceeds the 10-year housing target of 8,000 units, as set out in the Bill 23 Municipal Housing Pledge by the Province of Ontario. The recommended housing forecast also exceeds the four-year housing target of 1,200 units annually, as set by City of Kingston Council.

Recommended Employment Growth Scenario

- The City of Kingston's employment base is forecast to reach 113,900 jobs by 2051 under the Medium Growth Scenario. This represents an increase of approximately 33,400 jobs between 2023 and 2051, or an average annual growth rate of 1.2%. Comparatively, the recommended employment forecast is higher than the City's historical annual employment growth rate of 0.6% achieved from 2011 to 2023.
- This increase in the City's rate of employment growth is anticipated to be driven by stronger demand in population-related employment (i.e., commercial, institutional and work at home jobs) and relatively greater opportunities associated with export-based (i.e., industrial) employment sectors.

2.   Regional Economic Trends

2.1   Eastern Ontario Long-Term Population Forecast, 2021 to 2046

Figure 2-1 compares the most recent Ministry of Finance (M.O.F.) Summer 2023 population projections for Eastern Ontario with the previous M.O.F. population projections prepared between 2017 and 2023.[1] Key observations include the following:

- The M.O.F. has been progressively increasing its growth projections for Eastern Ontario on an annual basis since 2017.
- Under the Summer 2023 M.O.F. forecast, Eastern Ontario is projected to reach a permanent population of 2.6 million by 2041. This represents an increase of 392,000 people in Eastern Ontario by 2041 relative to the 2017 M.O.F. projections.
- Population growth in Eastern Ontario is expected to grow at a steady annual rate of 1.5% under the Summer 2023 M.O.F. projections.[2] This represents a long-term annual population growth rate comparable to the Province-wide average.

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[1] Eastern Ontario includes the Kingston C.M.A. and the City of Kingston.
[2] An increase from 0.8% annual population growth for Eastern Ontario, as per the 2017 M.O.F. projections.

Figure 2-1
Eastern Ontario Population Projections, 2016 to 2046
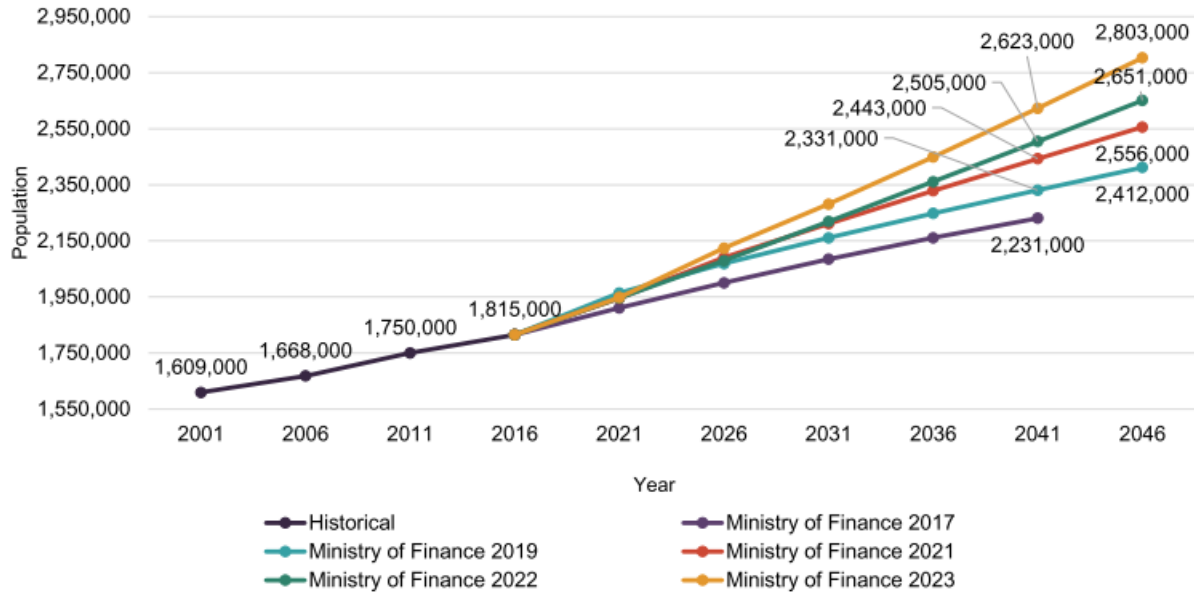
Source: Historical from Statistics Canada Census 2001 to 2021. Ministry of Finance projections from Spring 2017, Summer 2019, Spring 2021, Summer 2022, and Summer 2023 releases, summarized by Watson & Associates Economists Ltd.

2.2 Kingston Census Metropolitan Area (C.M.A.) Historical Population Growth Trends, 2001 to 2021

Figures 2-2 and 2-3 summarize the historical population for the Kingston Census Metropolitan Area (C.M.A.) provided by Statistics Canada from 2001 to 2021. Key observations are as follows:

- The 2021 population for the Kingston C.M.A. is 177,800 and is tracking noticeably higher from 2016 to 2021 compared to historical levels from 2001 to 2016;[1] and
- Between 2001 and 2021, the City of Kingston accounted for 72% of total population growth in the Kingston C.M.A.

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[1] 2001 and 2021 Census population has been adjusted for the net Census undercount.

Figure 2-2
Kingston Metropolitan Area (C.M.A.)
Historical Population, 2001 to 2021
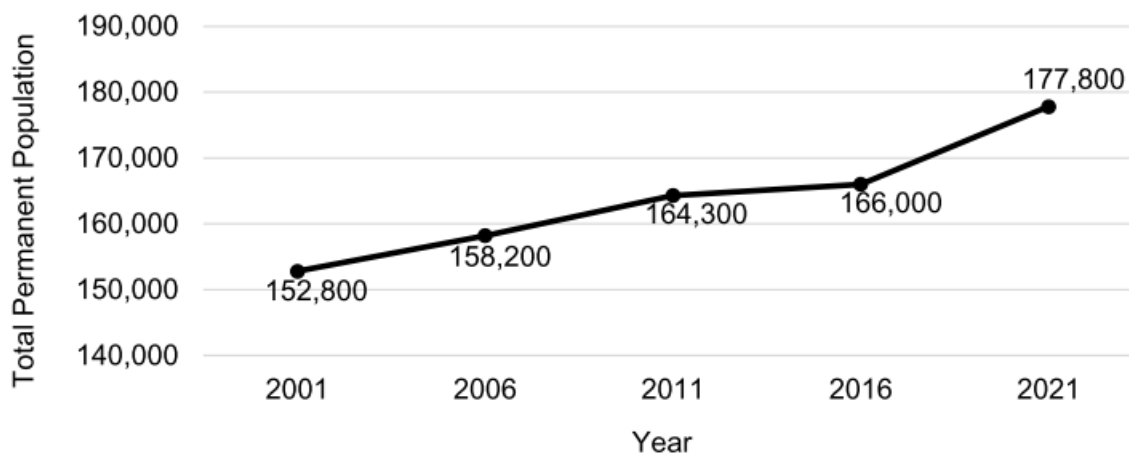
Note: Figures include net Census undercount. Figures have been rounded.
Source: Derived from Statistics Canada Census data, 2001 to 2021, by Watson & Associates Economists Ltd.

Figure 2-3
City of Kingston
Share of Kingston C.M.A. Population, 2001 to 2021
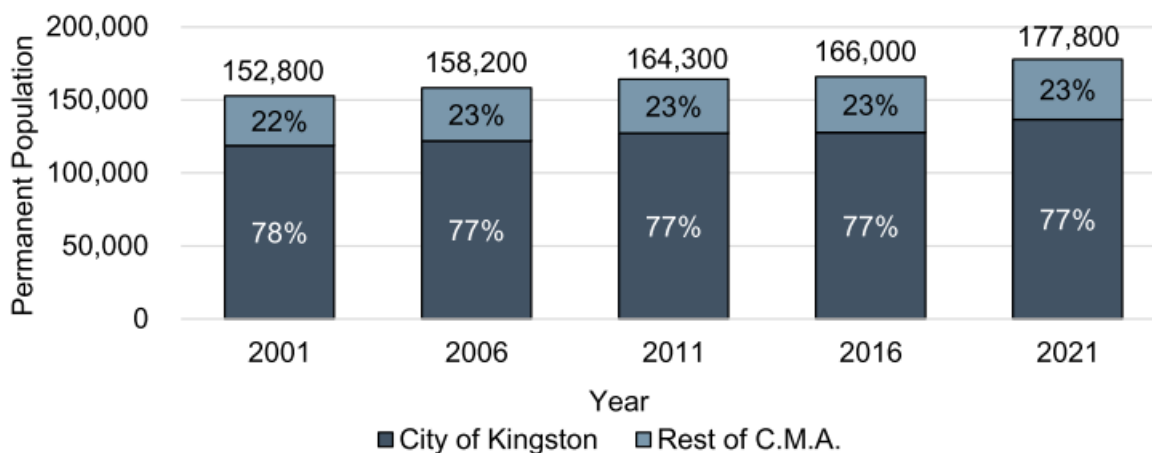
Note: Population includes net Census undercount.
Source: Derived from Statistics Canada Census data, 2001 to 2021, by Watson & Associates Economists Ltd.

2.3 Regional Labour Force Trends

Figure 2-4 summarizes the total employed labour force and unemployment rate trends for the Kingston C.M.A. Census labour force data is not available for the City of Kingston post-2021, but it is captured in the Kingston C.M.A. by the Statistics Canada Labour Force Survey. Key labour trends during this period and implications are summarized below.

- From 2007 to 2010, the employed labour force declined, coinciding with the 2008/2009 global economic recession.
- Since 2011, the Kingston C.M.A. economy has shown signs of recovery, with steady overall growth in the employed labour force and a declining unemployment rate leading up to the COVID-19 pandemic in early 2020.
- Following the economic recovery from the initial pandemic lockdowns in 2020 and 2021, the labour force for the Kingston C.M.A. steadily recovered, reaching new record highs in July 2023.
- This steady increase in the labour force has resulted in a return to historically low labour force unemployment rates for the Kingston C.M.A. at 3.6%, while the unemployment rate for the Province of Ontario has also declined to 5.9%.
- To ensure that economic growth is not constrained by labour shortages, continued effort will be required by the municipalities within the Kingston C.M.A. (working with their public- and private-sector partners) to explore ways to attract and accommodate new skilled and unskilled working residents within a broad range of ownership and rental housing options.

Figure 2-4
Kingston C.M.A. Labour Force Trends, 2007 to Year-to-Date 2023
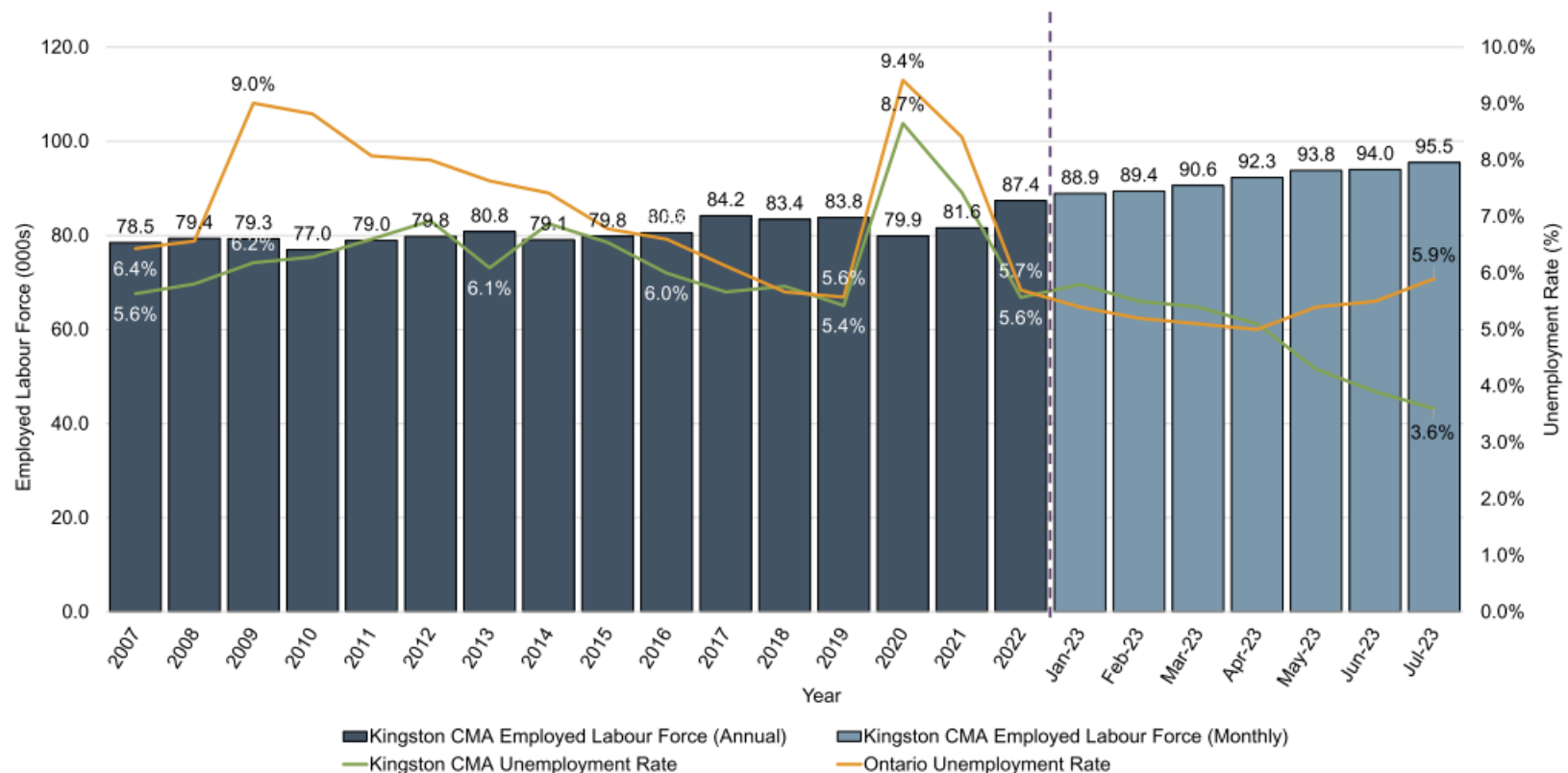
Note: Statistics Canada Labour Force Survey and Census labour force statistics may differ.
Source: Statistics Canada Data Tables 14-10-0393-01 and 14-10-0380-01. Data derived by Watson & Associates Economists Ltd., 2023.

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3.   City of Kingston Trends

3.1   City of Kingston Residential Trends

3.1.1   Historical Population Growth, 2001 to 2021

Figure 3-1 summarizes the historical population for the City of Kingston, as provided by Statistics Canada from 2001 to 2021. Similar to the broader Kingston C.M.A., the 2021 population for the City of Kingston (136,600 people including the net Census undercount) is tracking noticeably higher from 2016 to 2021 compared to historical levels experienced from 2001 to 2016.[1]

Figure 3-1
City of Kingston, Historical Population Growth, 2001 to 2021
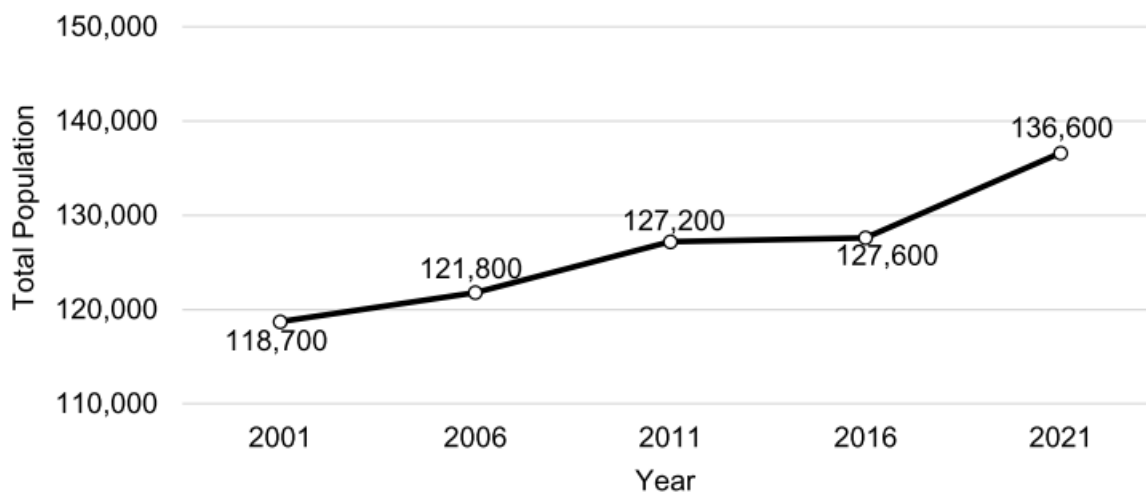
Note: Population includes net Census undercount.
Source: Derived from Statistics Canada Census data, 2001 to 2021, by Watson & Associates Economists Ltd.

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[1] 2001 and 2021 Census population has been adjusted for the net Census undercount.

3.1.2 City of Kingston Residential Building Permit Activity by Dwelling Type

Figure 3-2 summarizes historical trends regarding residential building permit activity (new units) for the City of Kingston during the 2008 to 2023 period. Over this recent historical period:

- The City of Kingston issued an average of approximately 735 residential building permits per year related to new residential dwellings;
- The average rate of residential building permit activity significantly increased during the 2018 to 2023 period, partly driven by a large number of permits issued for new high-density residential dwellings; and
- The share of residential building permits issued for low-density housing progressively decreased from 57% during the 2008 to 2012 period to 35% during the 2013 to 2017 period, and to 22% during the 2018 to 2023 period.

Figure 3-2
City of Kingston
Historical Housing Units from Building Permit Activity, 2008 to 2023
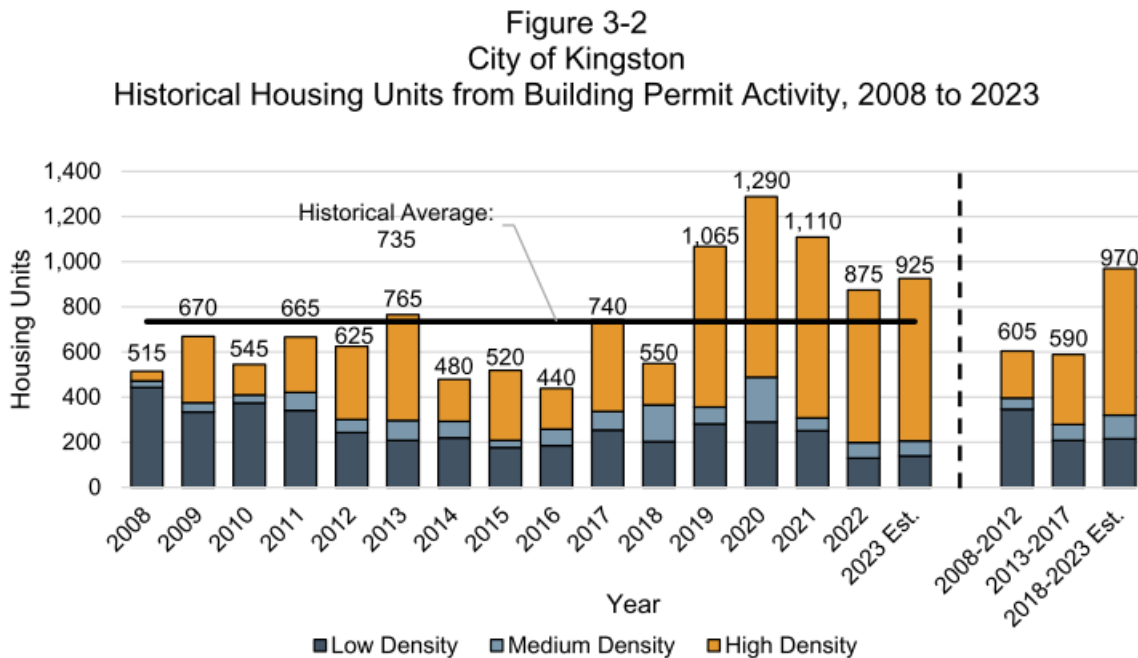
Notes:
- Figures have been rounded.
- Low density includes singles and semi-detached, medium density includes townhouses and apartments in duplexes, and high density includes bachelor, 1-bedroom, and 2-bedroom+ apartments.

Source: Derived from building permit data provided by the City of Kingston, 2008 to 2022, and 2023 estimated from year-to-date October 2023 building permit data, by Watson & Associates Economists Ltd.

3.1.3   City of Kingston Housing Price Trends

Economic conditions and housing prices play key roles in shaping housing development trends. Over the past two decades, Southern Ontario municipalities have experienced a steady increase in housing prices driven by a number of factors, including steady net migration, rising land prices and development costs, and low mortgage rates relative to longer-term historical averages, combined with an increase in national money supply through quantitative easing (Q.E.) led by the Bank of Canada. Generally, strong fundamentals associated with the Canadian economy and political landscape have also attracted a steady stream of local and foreign investment to Ontario businesses and the real estate market (e.g., the favourable Canadian/U.S. exchange rate, stable banking sector, competitive education system, etc.).

Figure 3-3 summarizes annual historical trends in average single-family housing prices for Kingston and Area from 2012 to 2022. For comparative purposes, average single-family housing prices have also been provided for Quinte & District, and the City of Ottawa. Between 2012 and 2022, the average price of a single-family dwelling increased from $265,000 to $612,000, representing an annual housing appreciation rate of 9%. Comparatively, Kingston and Area experienced slightly faster housing price appreciation relative to the City of Ottawa and a slightly lower price appreciation relative to Quinte & District.

Most recently, the COVID-19 pandemic has accelerated housing price appreciation across Canada since mid-2020 (including the Kingston C.M.A. and the City of Kingston), following a sharp reduction in mortgage rates as of March 2020. It is noted that housing prices peaked across most regions of the Province in February/March 2022 following a series of increases to the prime interest rate, which rose from 2.45% in November 2022 to 7.20% as of November 2023.

Since the most recent 2022 real estate peak, average housing prices are estimated to have fallen by approximately 15% year-to-date; however, even with the reported decrease in housing prices since 2022, the increase in prime interest rates has further reduced housing affordability for new homebuyers. Rising housing carrying costs in the City of Kingston will continue to generate demand for a broad range of housing by structure type and tenure, to accommodate a diverse range of newcomers by age and household income who are anticipated to contribute to the City's growing population base.

Figure 3-3
City of Kingston and Comparator Regions
Average Housing Prices, Average Single-Family Dwelling Price, 2012 to 2022
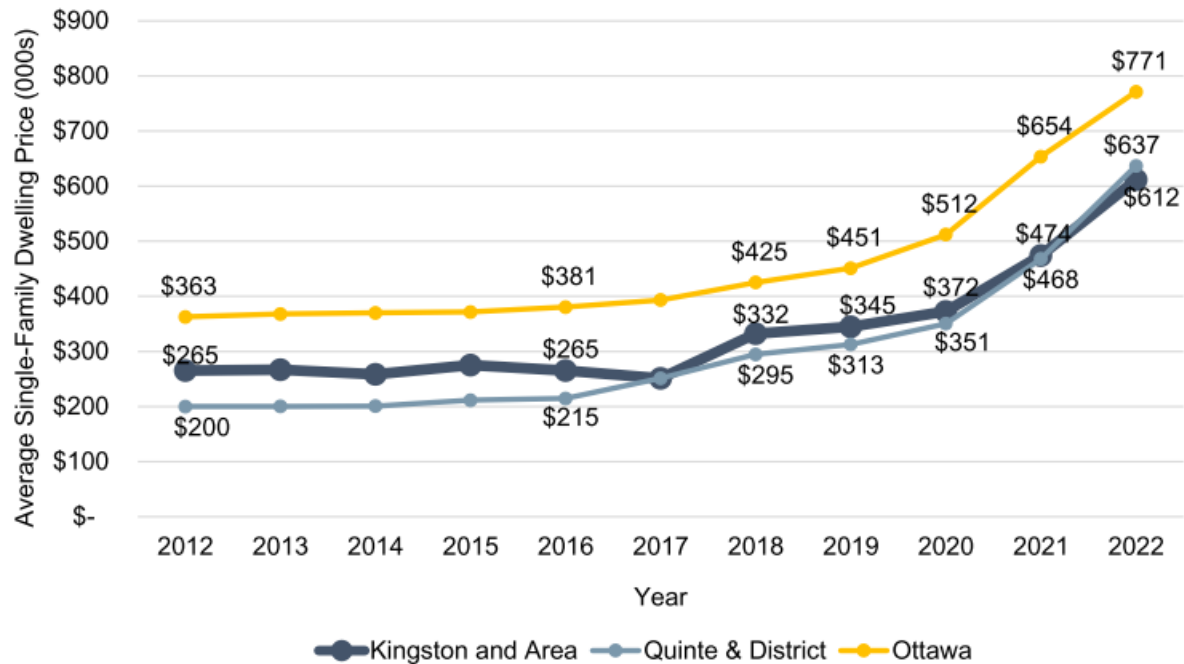
Note: Figures have been rounded.
Source: MLS Home Price Index Benchmark Price, summarized by Watson & Associates Economists Ltd.

4. City of Kingston Population, Housing and Employment Forecast, 2021 to 2051

In accordance with the recent demographic, economic and socio-economic trends discussed in sections 1 to 3 of this technical memo, as well as the anticipated growth drivers/disruptors discussed in this section, three long-term population, housing and employment forecasts, including a Medium or "recommended" Growth Scenario have been prepared for the City to the year 2051. In developing the City's long-term population forecast, consideration has also been given to the long-term population, housing and employment growth outlook for the surrounding market area.

4.1 Key Growth Assumptions

The following provides a summary of the key growth assumptions which inform the Low, Medium and High Growth Scenarios for the City of Kingston from 2021 to 2051. These assumptions are discussed below.

4.1.1   Macro-Economic Trends

- The COVID-19 pandemic had a significant economic impact on the national and provincial economy in 2020 and 2021, as measured in terms of G.D.P. COVID-19 is anticipated to continue to influence the global and national macro-economic conditions for several years to come.
- The Ontario economy contracted by 5.1% in 2020, before rebounding by 5.2% in 2021. Throughout 2022, the Ontario economy continued to expand and grew by 3.6%, while the overall Canadian economy grew by 3.5%. BMO Capital Markets has forecast that G.D.P. growth will decline to 1.1% in Ontario in 2023 and 1.0% overall for Canada, and further moderate in 2024 to 0.4% for Ontario and 0.5% for all of Canada.[1]
- Under the Low Growth Scenario, it is assumed that the provincial economy will underperform, on average, relative to near-term and ongoing G.D.P. forecasts, while the Medium and High Growth Scenarios respectively assume that the provincial G.D.P. growth will meet or exceed near-term provincial forecasts on an ongoing basis.

4.1.2   National Immigration Trends

- Since the COVID-19 outbreak, Canada has continued to raise its immigration targets, and aims to welcome 485,000 new permanent residents in 2024, 500,000 in 2025 and 500,000 in 2026. The federal government will be stabilizing targets for permanent residents at 500,000 per year after 2026 to allow for successful integration and sustainable growth. Actual immigration in 2021 rebounded strongly with 406,000 permanent residents admitted to Canada in 2021 and 437,100 in 2022, while roughly half of total national immigration was accommodated in the Province of Ontario last year.[2]
- Under the Low Growth Scenario, it is assumed that national immigration will underperform relative to federal targets over the 2021 to 2051 planning horizon. The Medium Growth Scenario assumes national immigration targets will be met, while the High Growth Scenario assumes that immigration targets will be exceeded.

4.1.3   City of Kingston and Kingston C.M.A. Economic Trends

- Under the Low Growth Scenario, it is forecast that the City of Kingston and the Kingston C.M.A. population growth will be comparable to the Summer 2023 M.O.F. projections for the Frontenac County Census Division (C.D.) and subsequent M.O.F. population projection updates. The M.O.F. projects the Frontenac County C.D. population will growth at an annual rate of 1.0% to 2046.

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[1] BMO Capital Markets Economics, Provincial Economic Outlook, November 10, 2023.
[2] https://www.canada.ca/en/immigration-refugees-citizenship/news/notices/supplementary-immigration-levels-2024-2026.html

- Under the Medium Growth Scenario, the City of Kingston and the Kingston C.M.A. are anticipated to outperform the Summer 2023 M.O.F. projections, while under the High Growth Scenario, the C.M.A. and the City are projected to significantly outperform the Summer 2023 M.O.F. projections and subsequent provincial projection updates for this area.
- The City of Kingston comprised 75% of housing, 77% of population and 85% of employment growth in the Kingston C.M.A. from 2006 to 2021. This trend is anticipated to continue to slightly varying degrees over the forecast period under each of the long-term growth scenarios.
- Under the Medium Growth Scenario, it is assumed that the share of population growth allocated to the City of Kingston will modestly increase between 2021 and 2051 to 78%, while the share of employment growth will increase to 89% between 2023 and 2051.
- Employment growth in the Kingston C.M.A. economy represents a key driver of population growth to the City of Kingston. With respect to commuting trends, 87% of City of Kingston residents work within the City, while 13% work outside the City.[1] The City of Kingston is assumed to continue to represent an employment hub and the primary location of new housing within the context of the surrounding commuter-shed.
- Steady future economic growth is anticipated across the Kingston C.M.A., most notably associated to the recently announced Umicore electric vehicle battery manufacturing facility in Loyalist Township. This new $1.5 billion facility will be developed on a 350-acre lot and bring more than 600 new jobs to the area.[2] Such developments are anticipated to generate indirect jobs in the regional economy, in addition to induced economic impacts associated with the re-spending of labour income (i.e., household spending) throughout the Kingston C.M.A. and beyond.
- Given the competitive position of existing and planned Employment Areas in the City of Kingston (as measured in terms of location/access to major North American employment markets and large population centres, parcel size, price per acre, and competitive development costs, etc.), the City is anticipated to achieve a relatively stronger rate of industrial absorption over the long-term planning horizon under all three growth scenarios.
- Anticipated export-based job growth (i.e., industrial and commercial office jobs) within the City of Kingston and the Kingston C.M.A. also generates population-related employment to service the needs of the growing employment and population base (e.g., retail, accommodation and food, personal services and institutional services). This would include the planned expansion to the Kingston General Hospital.

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[1] Based on Statistics Canada 2016 Census data. 2021 Census commuting trend results have not been utilized due to a significant increase in work at home employment captured due to Census enumeration occurring during the provincial COVID-19 lockdown from April 1, 2021 to June 14, 2021.

[2] https://globalnews.ca/news/9533043/loyalist-township-battery-plant-land-preparation/

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- Employment growth comprises two major categories, export-related and community-related employment:
  - Community-related job growth is tied to population growth. These jobs provide services such as retail, entertainment, and hospitality to the community. Under the Low Growth Scenario, relatively lower population growth compared to the other scenarios requires less community-based employment to service the needs of the population. As the population forecast increases under the Medium and High Growth Scenarios, more community-based jobs are required to provide services to the increased population.
  - Export-related jobs are largely industrial based and consist of industries such as manufacturing and logistics. Local factors that can influence export-related employment growth within the City include, but are not limited to, price of industrial lands, availability of shovel-ready industrial lands with a broad range of sizes, access to labour force, and localized supply-chain opportunities. These local factors are anticipated to influence the share of industrial employment accommodated within the City of Kingston within the broader region under each long-term growth scenario.

4.1.4   Demographic Trends

- The City of Kingston's population is aging, driven by the Baby Boomer age group (the generation born between 1946 and 1964). Refer to section 4.3 for additional details.
- The City's mortality rate is forecast to increase from 2021 to 2051 due to the aging of the population. Additionally, there is downward pressure on births as the population ages. These demographic factors have generated a steady decline, and now negative trend, in the City's population growth from natural increase (i.e., births less deaths).
- From 2006 to 2021, the City of Kingston experienced average net migration of 5,100 people annually. Under all growth scenarios, annual net migration is forecast to be considerably higher relative to 2006 to 2021 levels. Progressively higher net migration levels are assumed for the Medium and High Growth Scenarios, relative to the Low Growth Scenario.
- Net migration impacts the population age structure. As the existing population ages, the City of Kingston will become increasingly dependant on net-migration to maintain its existing share of younger age groups. Under the Low Growth Scenario, a larger share of the population will be older by 2051 due to lower levels of net-migration in younger age groups. Under the Medium and High Growth Scenarios, the population age structure is forecast to remain relatively younger due to higher net-migration levels associated with working-age residents and their families.

4.2 City-Wide Permanent Population and Housing Forecast Scenarios, 2021 to 2051

Building on the key growth assumptions identified in section 4.1, three long-term permanent population and housing forecasts have been prepared for the City of Kingston. Figures 4-1 and 4-2 summarize the three long-term City-wide population and housing growth scenarios to the year 2051, including a Low Growth Scenario, Medium Growth Scenario, and a High Growth Scenario. Key observations include:

Low Scenario:

- Under the Low Growth Scenario, the City of Kingston's permanent population base will grow at an average annual rate of 1.0% per year. This represents an average annual growth rate that is above the historical growth rate of 0.7% achieved between 2001 and 2021. The population is forecast to increase moderately between 2021 and 2051 by 50,000 people, from 136,600 to 186,600, respectively.
- Permanent households are expected to increase from 57,800 to 80,800, growing at a rate of 1.1% annually over the 30-year forecast period. Annual forecast housing growth is expected to average 770 units per year, a significant increase from the historical average of 560 units annually from 2001 to 2021.

Medium Scenario:

- The City of Kingston's permanent population is forecast to grow at an annual rate of approximately 1.2% under the Medium Growth Scenario. The City's population is expected to reach 197,000 by 2051, representing an increase of approximately 60,400 from 2021 to 2051.
- Over the 2021 to 2051 period, permanent households are expected to increase from 57,800 to 84,800, growing at a rate of 1.3% annually. Annual forecast permanent housing growth is expected to average 990 units per year.

High Scenario:

- Under the High Growth Scenario, the City of Kingston's permanent population base is forecast to grow at an average annual rate of 1.4% per year. The population is anticipated to grow by approximately 70,800 people, increasing from 136,600 in 2021 to 207,400 in 2051.
- Over the 2021 to 2051 period, permanent households are expected to increase from 57,800 to 88,500, growing at a rate of 1.4% annually. Annual forecast permanent housing growth is expected to average 1,020 units per year.

Figure 4-1
City of Kingston
Long-Term Permanent Population Growth Scenarios, 2021 to 2051
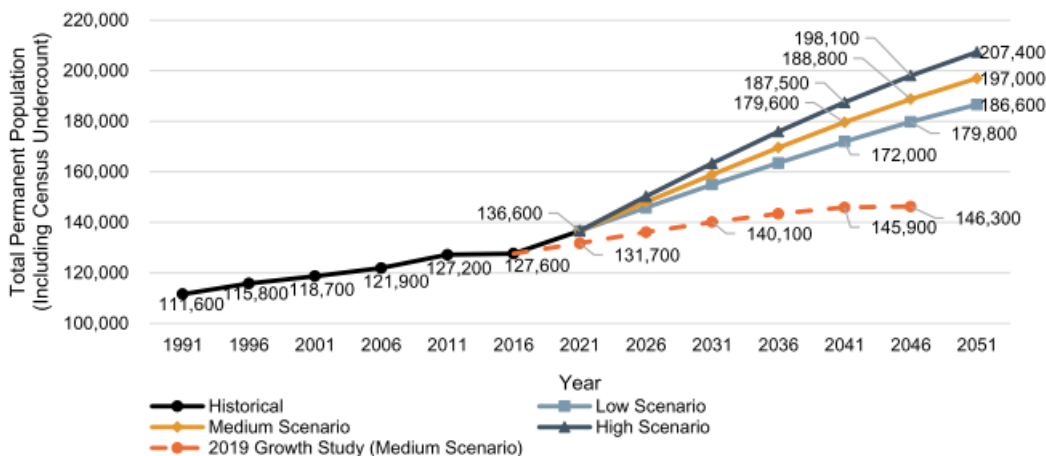
Note: Population includes net Census undercount and has been rounded.
Source: Historical derived from Statistics Canada Census and Demography Division data, 1991 to 2021. 2019 Growth Study (Medium Scenario) from City of Kingston Population, Housing and Employment Growth Forecast, 2016 to 2046, Final Report, March 5, 2019. 2021 to 2051 forecast by Watson & Associates Economists Ltd.

Figure 4-2
City of Kingston
Long-Term Permanent Households Growth Scenarios, 2021 to 2051
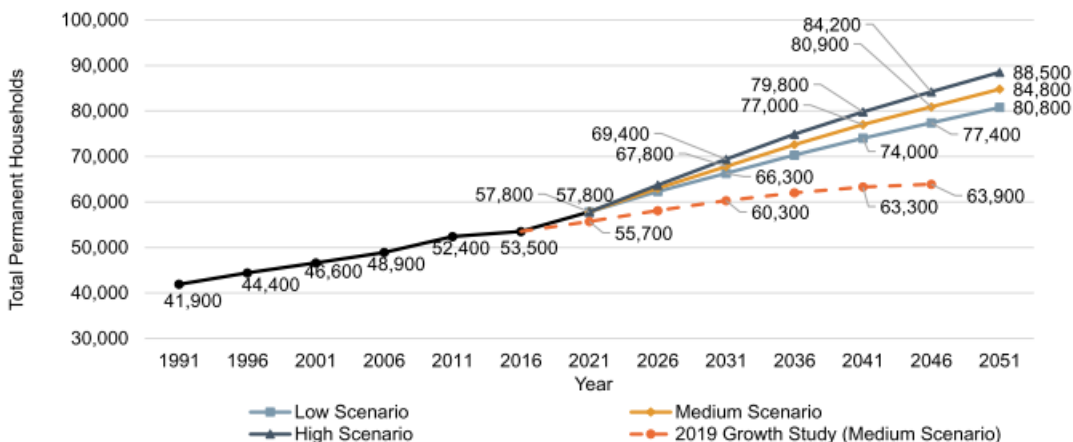
Note: Population includes net Census undercount and has been rounded.
Source: Historical derived from Statistics Canada Census data, 1991 to 2021. 2019 Growth Study (Medium Scenario) from City of Kingston Population, Housing and Employment Growth Forecast, 2016 to 2046, Final Report, March 5, 2019. 2021 to 2051 forecast by Watson & Associates Economists Ltd.

4.3 City-Wide Medium (Recommended) Permanent Population and Housing Forecast, 2021 to 2051

Based on our review, the Medium Growth Scenario represents the "most plausible" growth forecast scenario for the City of Kingston for the following reasons:

1. It represents a reasonable future rate of population growth relative to the surrounding municipalities and sub-regions of Southern Ontario regarding historical and forecast trends.

2. The level of permanent population growth in the 15 to 64 population age group is reasonable, given the forecast economic growth in the local and regional economy.

3. Forecast net migration levels are higher but appropriate relative to historical trends experienced over the past 15 years, particularly during the post-2016 period. Forecast net migration trends are reflective of steady growth anticipated in the local and regional economy, forecast work at home opportunities, as well as the attractiveness of the City to empty nesters and seniors as a retirement/semi-retirement destination.

For these reasons, the Medium Growth Scenario is the recommended scenario for the purposes of long-range population, housing and employment forecasting and urban land needs analysis for the City of Kingston and the Kingston C.M.A. (refer to Figure 4-3).

Figure 4-3
City of Kingston, Population Scenario Forecast, 2001 to 2051
Medium (Recommended) Growth Scenario

Note: Population includes net Census undercount and has been rounded.

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Source: Historical derived from Statistics Canada Census and Demography Division data, 1991 to 2021. 2019 Growth Study (Medium Scenario) from City of Kingston Population, Housing and Employment Growth Forecast, 2016 to 2046, Final Report, March 5, 2019. 2021 to 2051 forecast by Watson & Associates Economists Ltd.
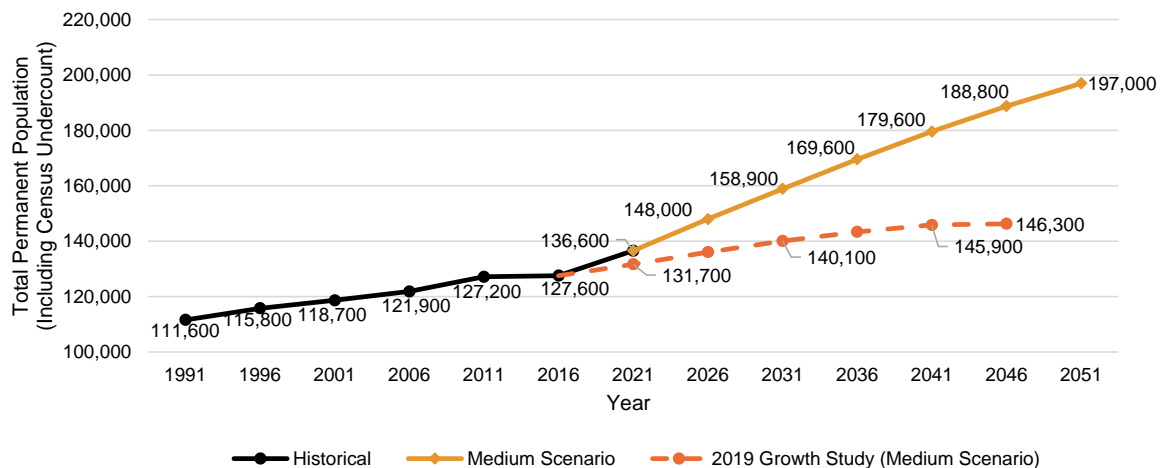
4.3.1 City of Kingston Medium (Recommended) Scenario Population Forecast Share of Kingston C.M.A. Total Permanent Population to 2051

Figure 4-4 summarizes the share of the City of Kingston as a proportion of the total Kingston C.M.A. permanent population. Historically, the share of Kingston's population has been relatively steady at 78% to 77% from 2001 to 2022. Over the 2021 to 2051 forecast period, this share is forecast to remain relatively constant from 77% to 78%.
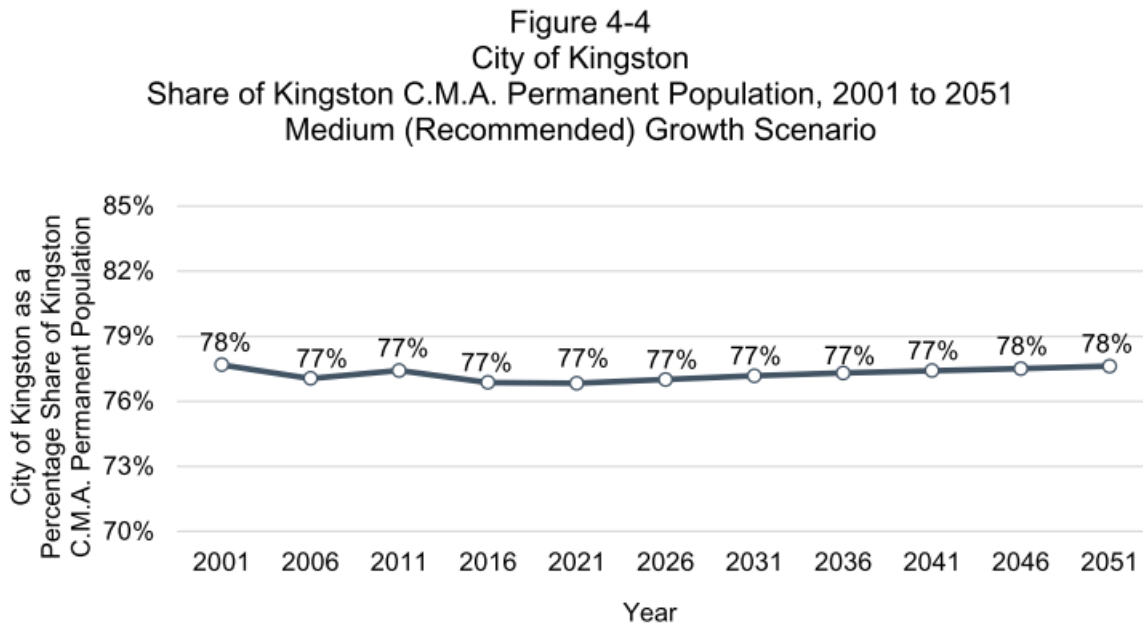
Figure 4-4
City of Kingston
Share of Kingston C.M.A. Permanent Population, 2001 to 2051
Medium (Recommended) Growth Scenario

Source: Historical derived from Statistics Canada Census data, 1991 to 2021. 2021 to 2051 forecast by Watson & Associates Economists Ltd.

4.3.2 City-wide Medium (Recommended) Scenario Population Forecast by Age Group, 2021 to 2051

Figure 4-5 summarizes the Medium Growth Scenario population forecast by major age group from 2021 to 2051. Key observations include the following:

- The population is expected to age, with the proportion of the 75+ age group expected to increase from 10% to 12% between 2021 and 2051;
- The population in the 55 to 74 age group (empty nesters and younger seniors) is expected to decrease from 24% to 19% between 2021 and 2051;

- Kingston's young adult/adult population (20 to 54 years of age) is the largest age group and is forecast to increase from 46% to 51% of the population from 2021 to 2051; and
- The percentage of population in the 0 to 19 age cohort (youth population) is expected to slightly decline from 19% to 17% between 2021 and 2051.

Figure 4-5
City of Kingston
Forecast Permanent Population by Age Structure, 2021 to 2051
Medium (Recommended) Growth Scenario
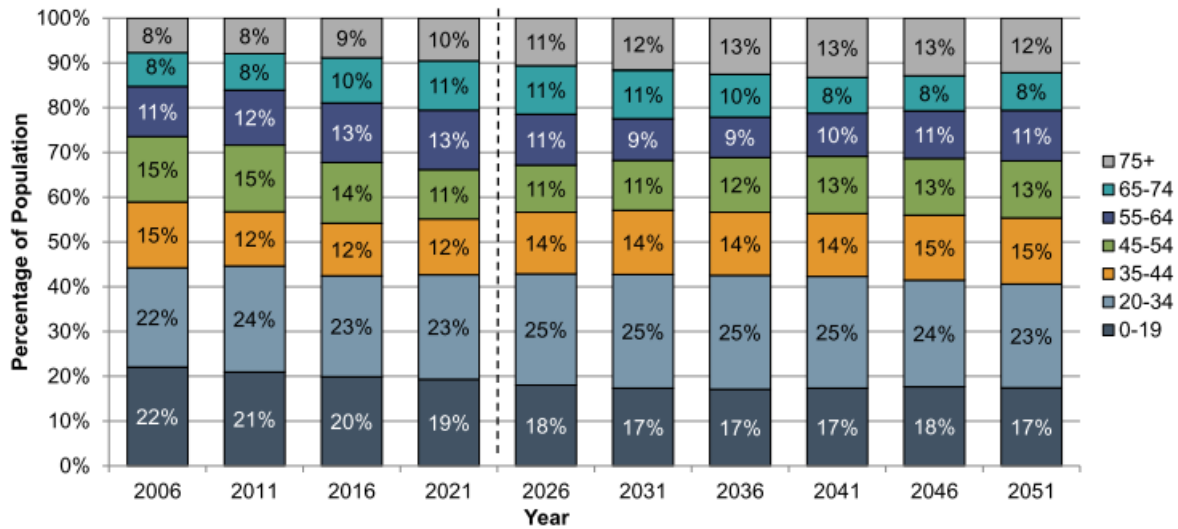
Note: Population includes net Census undercount.
Source: Historical derived from Statistics Canada Census and Demography Division data, 2006 to 2021. 2021 to 2051 forecast by Watson & Associates Economists Ltd.

4.3.3   City-Wide Medium (Recommended) Scenario Total Permanent Housing Forecast, 2021 to 2051

Figures 4-6 and 4-7 summarize the city-wide total permanent housing forecast and the city-wide annual incremental housing forecast from 2021 to 2051. Historical Census housing trends are provided for historical context. Key observations include the following:

- Over the 2021 to 2051 period, permanent households are expected to increase from 57,800 to 84,800, growing at a rate of 1.3% annually;
- Annual forecast housing growth is expected to average 900 units per year, a significant increase from the historical average of 595 units annually;

- Over the forecast, period, overall average household occupancy levels (persons per unit) are expected to decline from 2.36 in 2021 to 2.32 in 2051, largely as a result of the aging of the population.
- It is important to note that the permanent housing forecast does not include student housing needs not captured in the Census (refer to sections 4.4 and 4.5.). Additional housing needs have also been identified in the near-term to address existing housing deficiencies in the rental housing market as well as current non-market housing needs.[1]
- Taking into account the City's total housing needs, including student housing needs not captured in the Census, the City's 10-year annual housing forecast is just over 1,400 units per year, or 14,000 total housing units.
- The recommended housing forecast exceeds the 10-year housing target of 8,000 units, as set out in the Bill 23 Municipal Housing Pledge by the Province of Ontario. The recommended housing forecast also exceeds the four-year housing target of 1,200 units annually set by City of Kingston Council.
- In order to achieve this level of housing growth and provide diverse housing options to accommodate the needs of the community, the City is exploring a range of development regulatory incentives and financial incentives.

Figure 4-6
City of Kingston, Total Permanent Household Forecast, 2021 to 2051
Medium (Recommended) Scenario
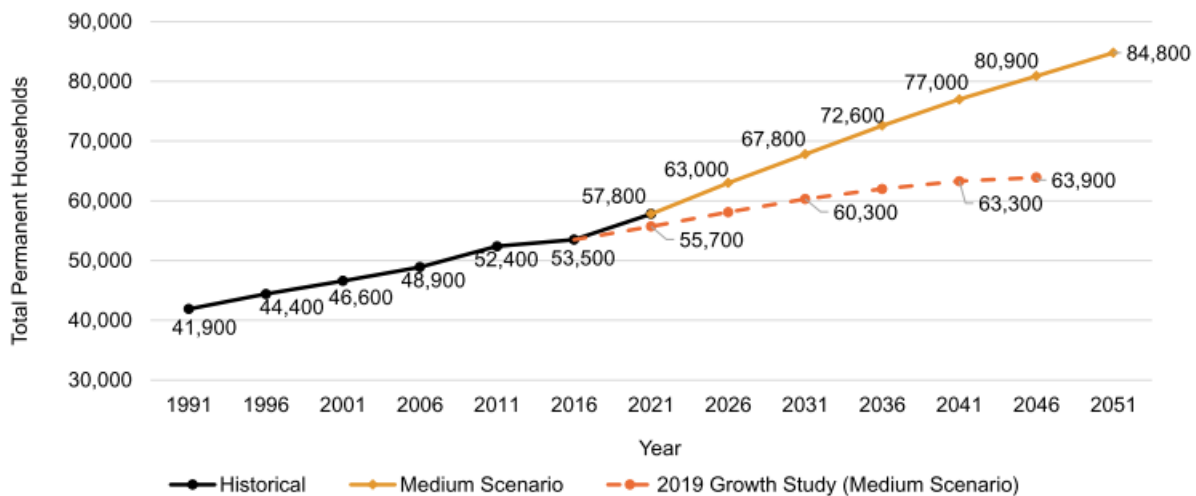
Source: Historical derived from Statistics Canada Census data, 1991 to 2021. 2021 to 2051 forecast by Watson & Associates Economists Ltd.

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[1] City of Kingston, Housing Needs Assessment. July 26, 2023. Watson & Associates Economists Ltd.

Figure 4-7
City of Kingston, Incremental Annual Permanent Household Forecast, 2021 to 2051
Medium (Recommended) Scenario
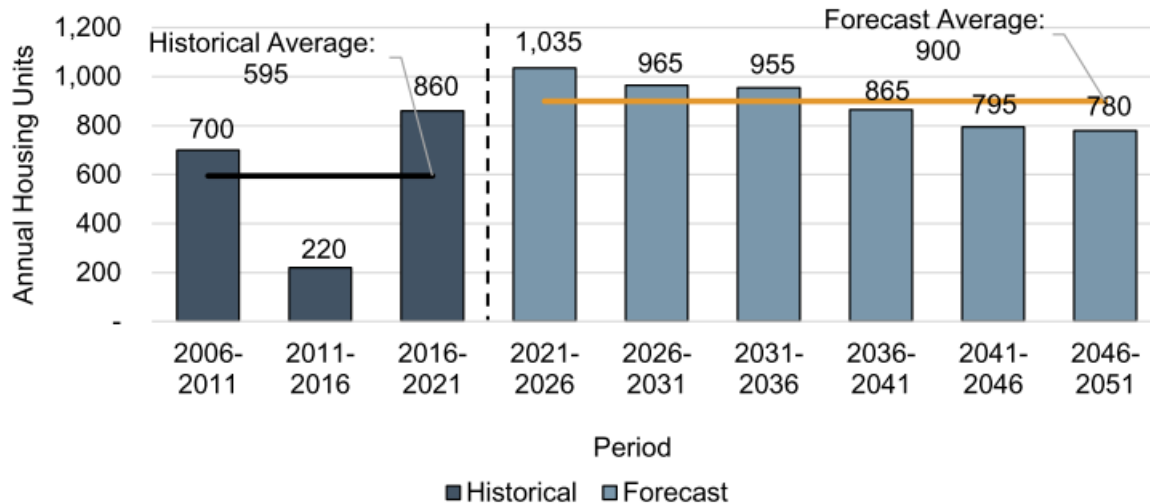
Source: Historical derived from Statistics Canada Census data, 2001 to 2021. 2021 to 2051 forecast by Watson & Associates Economists Ltd.

4.4   Student Population and Housing Forecast

Figure 4-8 illustrates post-secondary enrolment growth and associated housing needs not captured in the Census for the City of Kingston. Key findings are as follows:

- Full-time post-secondary student enrolment in the City of Kingston is forecast to increase from 34,000 in 2021 to 48,300 by 2051, an increase of 42% (14,300 students) over the forecast period (1.2% annual growth rate).[1]
- It is anticipated that 53% of forecast full-time post-secondary enrolment growth over the 2021 to 2051 period will reflect growth in domestic students requiring housing in the City. Domestic students that don't require housing in Kingston comprise 2% of future enrolment growth, and the remaining 47% are international students.[2]
- It is forecast that approximately 1,800 of the students not captured in the Census (28% of total) will be accommodated in on-campus residences. The remaining

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[1] Post-secondary institutions include Queens University, St. Lawrence College, and the Royal Military College of Canada.

[2] It is important to note, post-secondary international student growth from 2021 to 2051 is captured as part of the non-permanent resident (N.P.R.) population and is included in the permanent population and housing data. Existing and future N.P.R. population is distinctly layered on top of the City's permanent population by Watson.

72% or 4,600 students are anticipated to be accommodated in off-campus housing. This generates the need for approximately 2,300 off-campus dwelling units to accommodate post-secondary students not captured in the Census over the 2021 to 2051 period. [1]

Figure 4-8
City of Kingston
Post-Secondary Student Forecast, 2021 to 2051

Notes:
- Figures may not sum precisely due to rounding.
- Student population and housing forecast based on enrolment projections prepared by Watson & Associates Economists Ltd.
- All international student growth is assumed to be captured as part of the non-permanent population which comprises the Census population and associated housing.
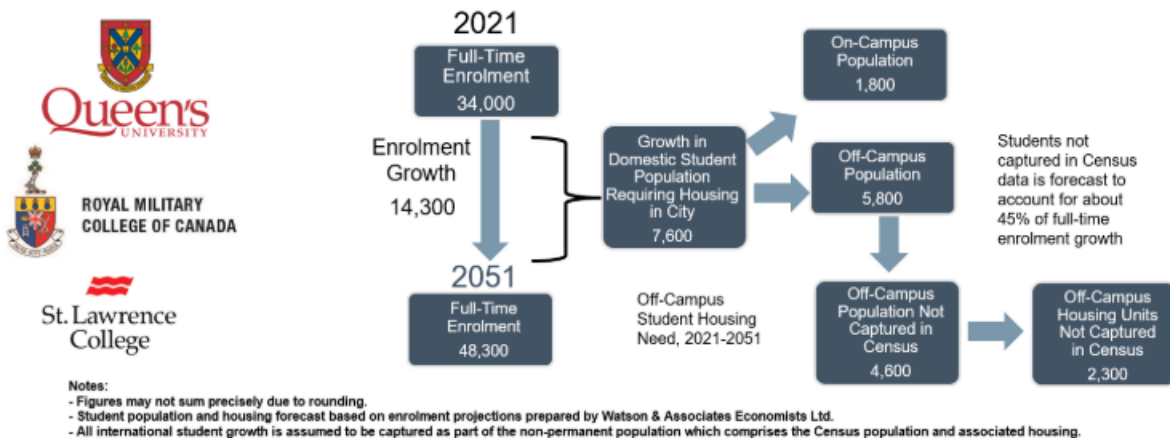
4.5   Total Permanent + Student Population and Housing Forecast Scenarios

Three long-term population and housing forecasts have been prepared for the City of Kingston permanent population (permanent and non-permanent residents adjusted for the net Census undercount) and students not captured by the Census. Figures 4-9 and 4-10 summarize the three long-term City-wide total population and housing growth scenarios to the year 2051. Key observations include:

<u>Low Scenario:</u>

- Under the Low Growth Scenario, the City of Kingston's total population (permanent & Student) is forecast to increase moderately between 2021 and 2051 by 56,400 people, from 154,100 to 210,500, respectively.
- Total households (permanent & student) are expected to increase from 62,900 to 88,200 over the 30-year forecast period, an increase of 25,300 households.

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[1] These housing needs reflect domestic student living off-campus who are counted elsewhere in Canada during Census enumeration but require local housing while they are studying at one of the post-secondary institutions in the City of Kingston.

Medium Scenario:

- Under the Medium Growth Scenario, the City of Kingston's total population (permanent & student) is forecast to increase between 2021 and 2051 by 66,800 people, from 154,100 to 220,900, respectively.
- Total households (permanent & student) are expected to increase from 62,900 to 92,200 over the 30-year forecast period, an increase of 29,300 households.

High Scenario:

- Under the High Growth Scenario, the City of Kingston's total population (permanent & student) is forecast to increase between 2021 and 2051 by 77,200 people, from 154,100 to 231,300, respectively.
- Total households (permanent & student) are expected to increase from 62,900 to 95,900 over the 30-year forecast period, an increase of 33,300 households.

Figure 4-9
City of Kingston
Total Population (Permanent & Student) Growth Forecast, 2021 to 2051
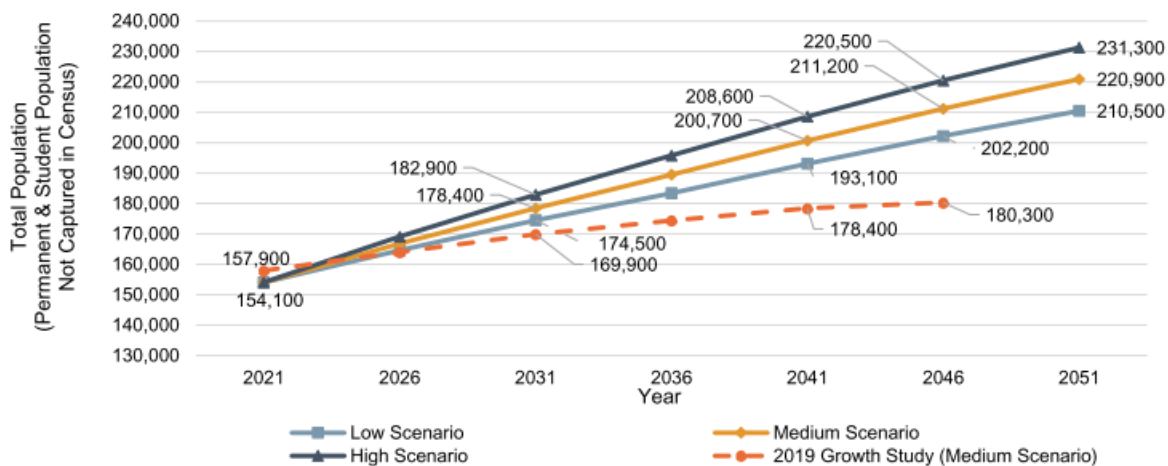
Note: Population includes net Census undercount and has been rounded.
Source: Watson & Associates Economists Ltd.

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Figure 4-10
City of Kingston
Total Household (Permanent & Student) Growth Forecast, 2021 to 2051
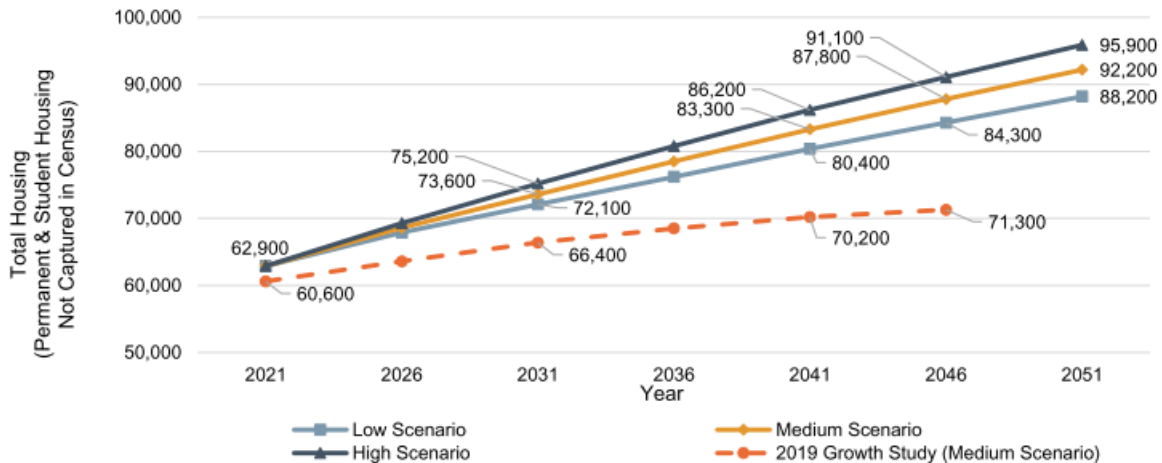
Source: Watson & Associates Economists Ltd.

4.6 City-Wide Medium (Recommended) Scenario Total Permanent + Student Population and Housing Forecast

Figures 4-11 summarizes the total (permanent & student) population and housing forecast for the Medium (recommended) Growth Scenario. Figure 4-12 summarizes associated total housing needs of the permanent population and off-campus student households not captured by the Census. Key observations are as follows:

- Over the 30-year forecast period, the permanent population in the City of Kingston is forecast to grow by 60,400, or 1.2% annually. Permanent households in the City of Kingston are forecast to grow by 27,000, or 1.3% annually.
- The student population not captured in the Census is forecast to grow by 6,400, or 1.0% annually over the 30-year period. Student households not captured in the Census are forecast to grow by 2,300, or 1.2% annually;
- Overall, the total population is forecast to increase by 66,800, or 1.2% annually from 2021 to 2051, reaching a total population in 2051 of just under 221,000. Total households are forecast to increase by 29,200, or 1.3% annually, reaching a total of just over 92,000 households by 2051.

Figure 4-11
City of Kingston
Total Population (Permanent & Student) Forecast, 2021 to 2051
Medium (Recommended) Growth Scenario
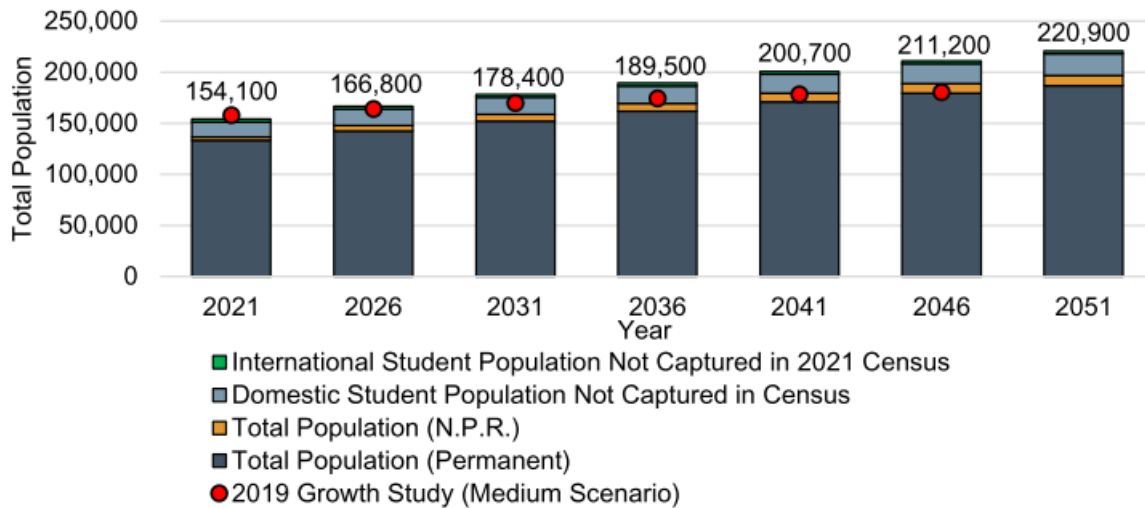
Notes:
- Figures may not sum precisely due to rounding.
- Population includes the net Census undercount.
- All post-secondary international student growth from 2021 to 2051 is captured as part of the non-permanent resident population which comprises the Census population and associated housing.

Source: 2021 derived from Statistics Canada Census data and a review of student population not captured in the Census by Watson & Associates Economists Ltd. 2019 Growth Study (Medium Scenario) from City of Kingston Population, Housing and Employment Growth Forecast, 2016 to 2046, Final Report, March 5, 2019. 2021 to 2051 forecast by Watson & Associates Economists Ltd.

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Figure 4-12
City of Kingston
Total Housing (Permanent & Student) Forecast, 2021 to 2051
Medium (Recommended) Growth Scenario
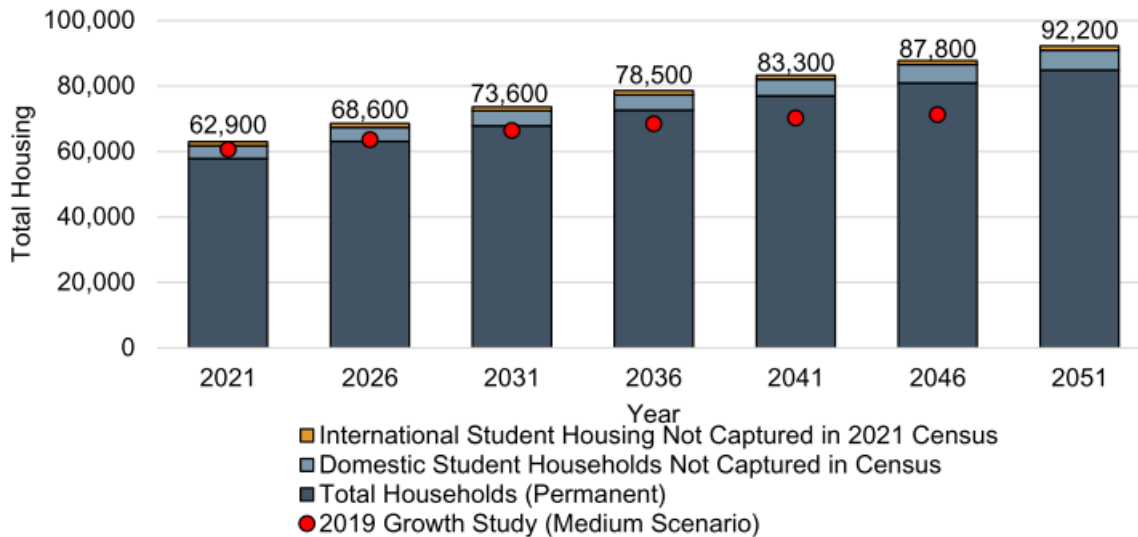
Notes:
 - Figures may not sum precisely due to rounding.
 - All post-secondary international student growth from 2021 to 2051 is captured as part of the non-permanent resident population which comprises the Census population and associated housing.
Source: 2021 derived from Statistics Canada Census data and a review of student population not captured in the Census by Watson & Associates Economists Ltd. 2019 Growth Study (Medium Scenario) from City of Kingston Population, Housing and Employment Growth Forecast, 2016 to 2046, Final Report, March 5, 2019. 2021 to 2051 forecast by Watson & Associates Economists Ltd.

4.7 City-Wide Employment Forecast Scenarios, 2023 to 2051

Building on the key growth assumptions identified in section 4.1, three long-term employment growth scenarios have been developed for the City of Kingston, including a Low Growth Scenario, Medium (Reference) Growth Scenario and a High Growth Scenario, as summarized in Figure 4-13. The employment forecast has been derived based on an industry cluster analysis to determine export-based sector growth and community-area job growth. Key observations include the following:

- The Low Growth Scenario assumes that employment in the City of Kingston will grow at an average annual rate of 1.0% per year. Under this scenario, the employment base is forecast to increase by approximately 27,300 jobs, from 80,500 in 2023 to 107,800 in 2051.

- The Medium (recommended) Growth Scenario assumes an annual growth rate of approximately 1.2% for the City of Kingston between 2023 and 2051. Under this scenario, the employment base is expected to increase by approximately 33,400 jobs by 2051, increasing from 80,500 in 2023 to 113,900 by 2051.
- Under the High Growth Scenario, employment in the City of Kingston is forecast to grow at an average annual rate of roughly 1.4% per year. Under this scenario, the City of Kingston is anticipated to add approximately 39,400 jobs, increasing from 80,500 in 2023 to 119,900 by 2051.

Figure 4-13
City of Kingston
Employment Forecast, 2023 to 2051
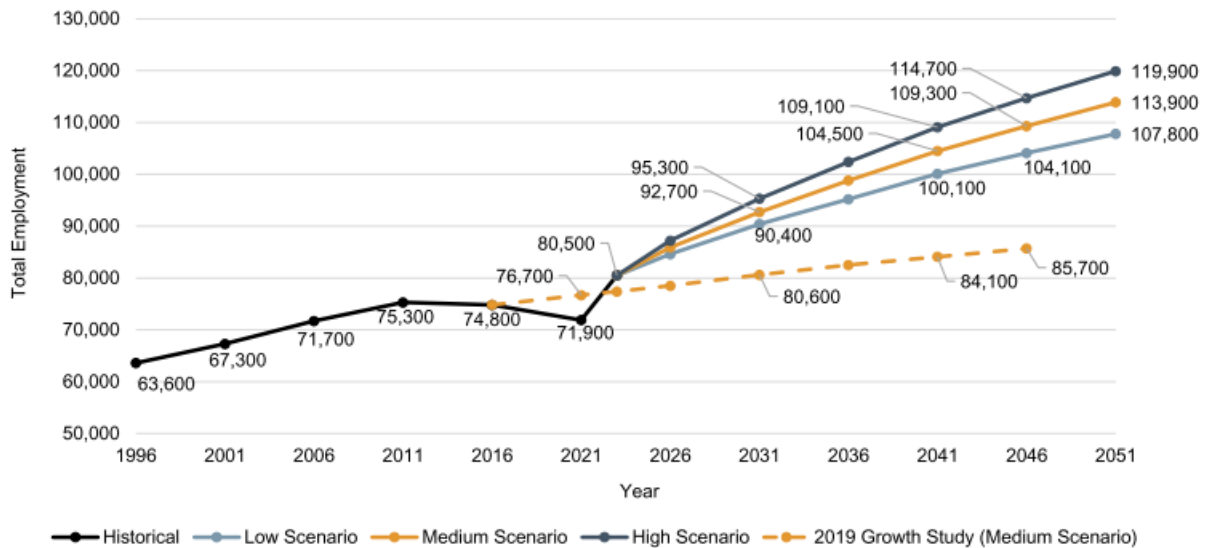
Notes:
- Figures have been rounded.
- Statistics Canada 2021 Census place of work employment data has been reviewed. The 2021 Census employment results have not been utilized due to a significant increase in work at home employment captured due to Census enumeration occurring during the provincial COVID-19 lockdown from April 1, 2021 to June 14, 2021.

Source: Historical derived from Statistics Canada, 1991 to 2016. 2019 Growth Study (Medium Scenario) from City of Kingston Population, Housing and Employment Growth Forecast, 2016 to 2046, Final Report, March 5, 2019. 2021 to 2051 forecast by Watson & Associates Economists Ltd.

4.7.1   City-Wide Medium (Recommended) Employment Forecast, 2023 to 2051

In accordance with historical employment trends and the key macro and regional economic trends identified in section 4-1, the Medium Growth Scenario represents the "most likely" long-term employment growth scenario for the City of Kingston. Figure 4-14 summarizes the City of Kingston Reference Scenario employment forecast and

employment activity rate forecast (ratio of jobs to population) from 2023 to 2051, and Figure 4-15 summarizes the City's usual place of work forecast by 2-digit North American Classification System (N.A.I.C.S.). Key observations include the following:

- The City of Kingston's employment activity rate declined from 59% in 2006 to 53% in 2021. This decline in the City's employment activity rate between 2006 and 2021 can be largely attributed to the following:
  - Structural changes in the macro-economy resulting in wide-spread provincial job losses in the manufacturing sector. It is noted that the global financial crisis of 2008/2009 further accelerated these job losses between 2010 and 2015; and
  - Negative economic impacts associated with COVID-19 between 2020 and 2021.
- In 2023 the economy and labour force largely recovered from the impacts of COVID-19 and the activity rate rebounded to 58%.
- Over the 2023 to 2051 forecast period, the City's employment activity rate is forecast to remain relatively stable at 58%.
- Employment growth in the City of Kingston is anticipated across a wide range of export-based and population-related sectors. A growing percentage of forecast job growth is also anticipated to be accommodated through home occupations, home-based businesses, and off-site employment.

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Figure 4-14
City of Kingston
Employment Forecast, 2023 to 2051
Medium (Recommended) Growth Scenario
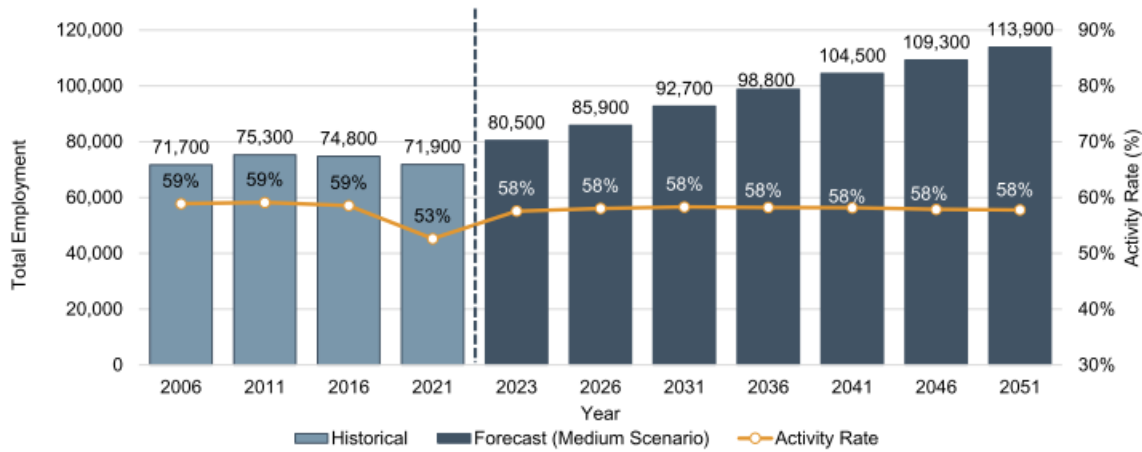
Notes:
- Activity rate is calculated with population including the net Census undercount.
- Numbers have been rounded.
- Statistics Canada 2021 Census place of work employment data has been reviewed. The 2021 Census employment results have not been utilized due to a significant increase in work at home employment captured due to Census enumeration occurring during the provincial COVID-19 lockdown from April 1, 2021 to June 14, 2021.

Source: 2006 to 2016 from Statistics Canada place of work data, including work at home and no fixed place of work. 2021 to 2051 employment forecast derived by Watson & Associates Economists Ltd.

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Figure 4-15
City of Kingston
Employment Forecast by Usual Place of Work by 2-Digit NAICS, 2023 to 2051
Medium (Recommended) Growth Scenario

Industry	Usual Place of Work Employment Growth (2023 to 2051)
Public administration	3,800
Educational services	3,400
Manufacturing	3,300
Health care and social assistance	3,100
Administrative and support, waste management and remediation services	2,400
Accommodation and food services	2,400
Retail trade	2,000
Professional, scientific and technical services	1,900
Construction	1,100
Wholesale trade	1,000
Other services (except public administration)	800
Information and cultural industries	700
Transportation and warehousing	600
Finance and insurance	500
Arts, entertainment and recreation	400
Real estate and rental and leasing	400
Utilities	100
Management of companies and enterprises	100
Mining, quarrying, and oil and gas extraction	100
Agriculture, forestry, fishing and hunting	0

Notes:
- Numbers have been rounded.
- Statistics Canada 2021 Census place of work employment data has been reviewed. The 2021 Census employment results have not been utilized due to a significant increase in work at home employment captured due to Census enumeration occurring during the provincial COVID-19 lockdown from April 1, 2021 to June 14, 2021.

Source: 2023 to 2051 employment forecast derived by Watson & Associates Economists Ltd.

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Growth Analysis Public Information Session (June 19, 2023) – Question & Answer Session

The following is a summary of the questions received at the Public Information Session held on June 19, 2023. The questions have been paraphrased from the public information session.

Question: You captured numbers related to students that aren't in the census data – how did you get these numbers?

Response: The post-secondary student population in the city is quite large compared to most municipalities in Ontario. It is partially already captured in the census data of the permanent population. We need to be comprehensive when we do this but make sure we don't double count. It is important that we are only capturing full-time enrollment because they are the student that will be needed dedicated housing on or off campus, opposed to part time students. 34,000 as of 2021 from Queen's University, 6,600 from Saint Lawrence College and Royal Military College. This is publicly available data from the universities and colleges. We have performed elaborate modelling on potential student enrollment for the survey period. We looked at the profile of where students are currently coming from and where students are coming from internationally. International enrollment is growing and will drive future growth in the city. We modelled the enrollment growth potential of the domestic students looking at growth by the age cohort from where the schools draw students from. We layered on top the international base on broader trends of enrollment growth to look at growing that market. We've had discussions with Queen's and St. Lawrence to get insight on forecast numbers to ground truth them. There is infrastructure and physical capacity that impacts growth numbers. We dissected the forecast of international and domestic to look at housing needs on campus versus off campus. Those living off campus will likely be living in purpose built or other secondary rentals. That provides us with information on our housing need for post-secondary students.

Question: How have you captured the influence and impact of the military base (CFB) in your work?

Response: CFB is a large employer in the city with over 5,000 full-time jobs, making them very important as an existing employment base. From our forecast, public administration will include that component, and a key area we see employment growth in. We don't have specific metrics that see major changes or growth, but we do see moderate growth in employment based on historical trends.

Question: The deficit of housing will play a role because we are not starting the forecast at 0, but a bit behind. How does this play into the forecast?

Response: Vacancy rate is low – under the provincial average for vacancy. We identified a few thousand in the deficit. More work is required to look into this, especially with regard to the rental market. In fairness, last time the vacancy rate might have been understated and further work needs to be taken to look at this. We don't have a precise

outcome of where we are going to land but want to ensure we stress not just population growth but persisting need. In the next month or two we will be rolling out some further thoughts on that.

Question: I have comments and concerns with respect to densification and removal of heritage houses. We are making it more difficult to get more affordable housing in a denser situation – this is concerning. We recently had an announcement of 157 units geared to income – dollar value of that is over $380/square foot which is astronomical. Have you looked into how we can make housing more affordable? It's hard to understand why we are taking away from potential housing to make it easier for people to make the city more dense, affordable, and livable. We need people to be willing to invest again. Student housing is a big employer in the city. People with lesser incomes are really fighting hard to find places to live.

Response: As we get into the next phase, Dillion will be leading the intensification studies and we will provide your comments to Dillion. We are going to be looking at trends and the direction of provincial policy with respect to intensification and look at market trends and supply – intended to inform the policy direction for the city in the long term. With respect to affordability - this study is not designed to be an affordable housing study but it will help guide affordable housing and provide information of demographics of affordability that are shaping the future of housing. The city is undertaking work looking for opportunities for affordable housing, missing middle, etc. This study ultimately helps form more specific studies, but it isn't to speak on affordable housing.

Question: There has been much more growth in the last five years. The model seems to be built on the last five years. Why isn't the longer historical growth the medium scenario? We had never experienced that growth before. If a lot of growth in international migration, how do you model that growth, when it's out of our hands?

Response: It's very hard to project growth over a 30-year period, and the further you go the more challenging it is. We spent a lot of time on the front end looking at the macro issues, and what's happening at a global, national, and provincial scale. Looking at long-range projections from the province by region and have modeled it to see that our plans are moving in the same direction. The amount of growth modelled for Ontario is much higher and continues to be much higher. As long as economic condition continues to remain strong, it will be strong for each level of government. As the economic outlook looks strong and favourable, we think the outlook will be strong for Canada and Ontario, all the way down to Kingston. There will be periods of economic growth and contraction – we can't predict when these will be, so our model is a little smoother than it may be. There has been an increase in migration that has been a strong trend for about a decade, that showed up a few years after 2008/2009, and is continuing to occur now. We could see some periods of contraction but over the long term we expect it to be strong. It is important to monitor on an annual basis because of changes in planning policy, and we need to understand the metrics and how they are changing.

Question: Healthy vacancy rate is 3-4% but Ontario has been well under that for many years, and Kingston is maybe around 1% for the last decade. What vacancy rate are you building in? What is the downside if Kingston built more homes than were needed? Would rental prices go down?

Response: Vacancy rate in the purpose-built rental market in Kingston has a historically low vacancy rate for over 10 years and continues to remain low. The only difference now is the vacancy rate isn't just low in Kingston but cities around Ontario – most major urban areas are in a similar situation. 3% is a healthy vacancy rate to provide sufficient market choice. There was some discussion on about the structural deficit and the need – the vacancy rate is part of this conversation, and we will be looking at this to see what can be done in that area. There are a lot of nuances – it really depends on the type of housing we are talking about – intensification, affordable housing, rental housing, etc. More is better in the current housing market. If we are talking about infill in greenfield locations, there might be more risk because there are financial risks for the cities (accommodating servicing, financial, needs, etc.).

Question: What is your definition of household that you are using in your study? Are you including information with regards to undeclared units with regard to the modelling.

Response: Using the Statistics Canada definition of a household is an occupied unit. There are unoccupied units which would not be considered. Student households are layered on top – they form part of the total dwelling category but will not include part of households. We are getting information from the City on what has been happening in terms of secondary dwellings and getting some information from the Canada Mortgage Housing Corporation (CMHC) for benchmarking throughout southern Ontario. It is very difficult to narrow down illegal units or those that aren't showing up in the data set.

Question: With the amount of new development that is approved, will it leave enough space for downtown to continue to do business? Downtown continues to move to a less stable environment. Is downtown Kingston on your radar? Is everything you are doing thinking about how you will affect the health and vitality of a historic downtown?

Response: We will have a better answer after finishing the Phase 1 work. The project team will look at an intensification strategy and retail analysis to address your question in a more meaningful way.

Question: Your graph showed seniors coming into the area indicating the 75+ crowd – with this type of growth, the socio-economic pressure of living longer, have you built into the model older adults working longer? We are seeing a little of that now, has it been built into your model?

Response: We have looked at this in quite a bit of detail. We have looked at the age structure and age structure of the labour force. The report will include more details on labour force growth and participation. Participation rate is declining but that is starting to moderate due to those working in the workforce longer, those working on a part-time basis after 65+ will start to increase. It won't replace the participation rate, but it will help

to moderate it – one of the reasons we expect to see the activity rate of that ratio not coming down as fast but increasingly slight. It is important not to overstate that trend as there is the tendency to do.

Question: The population of Canada is expected to double in the next 30 to 40 years. It doesn't seem that Kingston is following this trend. Is there a reason for that? How can we measure investment coming into the region from Europe and other countries in the supply chain?

Response: There are not many comprehensive studies done in that area. We do about half of the projects for the rest of the province looking at regional and provincial growth. Overall, the expected growth rate for the province is 1.3%, and a higher rate of 1.5%, which is growing by 22 million by 2041. Watson thinks we will be somewhere tracking around the medium scenario the province is projecting. Eastern Ontario is growing fast but not one of the fastest growing areas in the province, which are Ottawa, greater Toronto area, and south-west Ontario. We are looking at different regions to see how Kingston fits into the overall picture. Kingston is growing much faster than Eastern Ontario but not as fast as the fastest growing areas. We see targets for immigration, economic growth, and there is the potential to track higher. The range we provided between lower and higher ones that we can defend within that broader context. We will continue to monitor and improve forecasting every time.

Question: Public transportation in Kingston is not performing at the same level as most cities in Canada. Seem to be cutting back services. How can it be improved to accommodate growth?

Response: We have looked at transportation in other cities – it does have a big impact on intensification rates in office and retail. The projections will be used to inform the transportation master plan. Results will feed into planning for city infrastructure.

Question: There is a lot of detached homes that are legal and are student housing. There is a huge amount of legal housing that is student housing and purpose-built housing. Student housing isn't purpose built and there is a lot throughout the city. We are squeezing out the small ones. Student housing is an important part of the market here for the everyday person and students which needs to be considered. Has this been considered in calculations? 8,000 active people accessing this fully legal avenue.

Response: We have done a fair amount of work to understand the rental market and recognize that the rental market and rental tenure is a large part of the housing forecast. One of the interesting trends in Kingston is purpose-built rentals. There is a secondary rental market that is actually larger than the primary purpose-built rental market. It is recognized and embedded in metrics, and also noted in our forecast. Part of the challenge is understanding the role of the primary and secondary market, which is a major contributor of work. There are a significant number of smaller-scale landlords in Kingston. We want to ensure this is captured in our work.

Question: Thinking of commuters, what are we looking at for growth in other municipalities? We have the infrastructure and the jobs but are other municipalities growing at different rates? Are we looking at other municipalities as well (commuters) when informing recommendations?

Response: Starting at a broader macro picture, we are doing detailed population projects in communities around Kingston such as Prince Edward County (PEC), Belleville, Cornwall, Hastings. Most of these places are seeing higher rates of growth. Other areas of the province, growth is coming up faster. Things are changing in PEC, Belleville, Quinte West. Other studies will be released very soon to help provide comparative analysis and benchmarking. As a commercial hub with many institutional jobs, there is a lot of growth. We are going to see some spikes in other areas, but Kingston has the regional draw. Because you have that regional draw, we see that growth from the permanent population.

Question: Are you looking at public or private sector?

Response: We are looking for feedback from public and private, holding engagement with private sector to see trends and are happy to get more feedback on nuances and insights we can get.

Question: You mentioned secondary units were included in the high-density calculation. How has modelling changed with policy change?

Response: It is embedded in high density because occupancy tends to look the same as high-density housing. It is tricky to define. We see more opportunities in secondary suites because of affordability. The Bill 23 changes in provincial legislation will provide more opportunity for these types of units. We are expecting to see greater growth here over the long term.

Question: We are seeing a trend of multiple people renting rooms in one house. Are you counting these as multiple rentals or one household?

Response: The census defines households as a family or non-family. When looking at student housing, we see higher occupancy levels that we are trying to factor in. There is not a great deal of empirical data on the average size of a house occupied by students. We have to look at survey data from other university towns, but we do find occupancies are slightly higher. Some areas where they are really high will have upward pressure but might not always stay at that level.

Exhibit C
Report Number 24-016

Wicke,Chris

From:	John Grenville <▬▬▬▬▬▬▬▬>
Sent:	September 15, 2023 8:46 AM
To:	Agarwal,Sukriti
Cc:	Wicke,Chris; Joan Bowie; Sue Bazely; 'Fiona Charles'; Annette Burfoot
Subject:	RE: Questions arising from the Open House on Growth Analysis and Urban Land Needs Study

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Hi Sukriti – I assume that you have received my 30 August email. Have Watson and Associates indicated when they will be able to provide a response? As you know, there has been lots of news coverage on the issue of counting non-permanent residents. Today's article in the Globe and Mail reported that Benjamin Tal, deputy chief economist, CIBC Capital Markets, stated "250,000 – mostly international students – were missed by the census."

I look forward to hearing from you. John

John Grenville, ▬▬▬▬▬▬
24 Jenkins Street, Kingston, ON K7K 1N3
▬▬▬▬▬▬▬▬

From: John Grenville ▬▬▬▬▬▬▬▬
Sent: August-30-23 1:48 PM
To: 'Agarwal,Sukriti' <sagarwal@cityofkingston.ca>
Cc: Wicke,Chris <cwicke@cityofkingston.ca>; Joan Bowie <▬▬▬▬▬▬▬▬>; Sue Bazely <▬▬▬▬▬▬▬▬>
Subject: FW: Questions arising from the Open House on Growth Analysis and Urban Land Needs Study

Hi Sukriti – Thanks for getting a response from Watson and Associates to my questions. For whatever reason, the responses generated more questions – added below in **square brackets with bold red type.** Today's article in the Globe and Mail (link below) only added more confusion to the situation. The G&M article suggests that many members of the NPR population do not fill out census forms and are therefore not counted, perhaps as many as a million people.

I look forward to hearing from you. John

John Grenville, ▬▬▬▬▬▬
24 Jenkins Street, Kingston, ON K7K 1N3
▬▬▬▬▬▬▬▬

From: Agarwal,Sukriti <sagarwal@cityofkingston.ca>
Sent: August-28-23 10:39 AM
To: 'john@johngrenville.ca' <▬▬▬▬▬▬▬▬>; Wicke,Chris <cwicke@cityofkingston.ca>
Subject: RE: Questions arising from the Open House on Growth Analysis and Urban Land Needs Study

Hi John,

I hope you are doing well. Please find below responses to your questions:

Question 1 Response:

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The methodology on how the student population is captured has evolved from previous studies. Previously international students were not captured as part of the permanent Census population, and through correspondence with Statistics Canada and other recent studies with significant post-secondary student populations, it's been established that they are non-permanent residents (NPR) which are captured as part of the Census permanent population. International students are assumed to have year-round residence **[What's the basis for making this assumption? Can I get the evidence on why it has "been established that they [all international students] are non-permanent residents (NPR) which are captured as part of the Census permanent population"? I worked recently with two students from China and they went back to China during the summer and would not have been captured in the census. In our area there are some international students who stay for the summer but there are certainly fewer of them on the streets and at the bus stops.]** and are issued study permits. During 2021 Census enumeration Statistics Canada data was integrated with Immigration, Refugees and Citizenship Canada (IRCC) administrative records to derive immigration variables such as NPR [Statistics Canada, The Daily, Study: Non-permanent residents in Canada: Portrait of a growing population from the 2021 Census. https://www150.statcan.gc.ca/n1/daily-quotidien/230620/dq230620b-eng.htm]. **[I read and re-read the linked article and while it refers to the characteristics of the NPR population, I didn't see anything that indicated why it is assumed that all international students have year-round residence. Can you point me to the right part of the article?]**

As of 2021 approximately 43% of the existing student population in the City of Kingston is not captured in the 2021 Census. Post-secondary students are first established by domestic vs international students, this is important to understand because international students are part of the non-permanent resident population and part of the Census population. **[Are all international students part of the NPR population (if so, how is this determined?) or just those who completed a census form? See the article in today's Globe and Mail which suggests that there are problems - https://www.theglobeandmail.com/politics/article-a-million-more-non-permanent-residents-live-in-canada-than-official/ What are the numbers for the City of Kingston's NPR population and their census tract or electoral district?]** Post-secondary domestic students were then analyzed based on a number of factors including on-campus residence beds, off-campus beds and students living at home with parents in the City to determine the amount of domestic students captured and non-captured during Census enumeration. **[I am not sure that I understand the factors that are listed. Is it possible to get a better explanation as to what impact factors such as "on-campus residence beds" have on students not in the census? Obviously, they aren't in the census since they aren't in residence. How has the number of off-campus beds been calculated? How has the "students living at home with parents" calculated? There will be post-secondary students recorded as living at home with their Kingston parents when the census is taken but presumably this number includes students that are attending universities other than Queen's.]** The 2021 to 2051 forecast of 45% of student growth being not captured in the Census is consistent with the recent trends. **[How was the forecast of 45% calculated? Can I see the numbers?]**

Question 2 Response:
It is important to differentiate between international and domestic students because of how their population and housing needs are captured. International students are non-permanent residents and are embedded in the Census population and housing, their needs are already captured as part of the permanent population. As discussed earlier, a portion of the domestic students would be captured in the Census and a portion would not be captured as part of the Census i.e. permanent population. **[While housing is one factor, there are lots of other reasons when we need to know how many students are not captured in the census. For example, population of districts in order to**

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determine district boundaries and elected representation. Or the calculation of parkland per capita for each district.]

Question 3 Response:
We anticipate as part of further analysis a forecast of student population and housing not captured in the Census will be allocated by the four districts in Kingston (Kingston North, Kingston East, Kingston Central and Kingston West). **[How will this allocation into four districts help in decision-making? For those students not in the census, can there be an allocation of post-secondary students by electoral district?]**

Question 4 Response:
Yes, the report will explain the details for the 1.15% future enrollment growth rate. Watson staff met with the post-secondary institutions (Queens University, St. Lawrence College) to discuss their future enrollment projections which informed the City's post-secondary forecast. Watson also analyzed population growth by age group for enrollment catchment areas across Ontario and Canada where students come from to study in the City of Kingston to inform the domestic student forecast. Post-secondary enrollment growth varies over each 5-year period, with the 2021 to 2026 period forecast to experience the strongest growth (2.1% annual growth rate) with growth moderating over the following 25 years.

Question 5 Response:
As part of the material provided for PIC 1, a Draft Findings Technical Package was included (June 19, 2023) which was intended to be the "memo". **[Is there anything in this Technical Package that explains how the number of post-secondary students not in the census are calculated? Can I obtain a copy?]** As part of the broader Growth Analysis and Land Needs Study a more comprehensive report will be released at a future date.

Best regards,

Sukriti

From: John Grenville ██████████████████████
Sent: Wednesday, July 19, 2023 8:52 AM
To: Wicke,Chris <cwicke@cityofkingston.ca>
Cc: Agarwal,Sukriti <sagarwal@cityofkingston.ca>
Subject: RE: Questions arising from the Open House on Growth Analysis and Urban Land Needs Study

Thanks for letting me know. John

John Grenville, ████████████████
24 Jenkins Street, Kingston, ON K7K 1N3
████████████████████

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From: Wicke,Chris <cwicke@cityofkingston.ca>
Sent: July-19-23 8:44 AM
To: 'john@johngrenville.ca' ███████████████
Cc: Agarwal,Sukriti <sagarwal@cityofkingston.ca>
Subject: RE: Questions arising from the Open House on Growth Analysis and Urban Land Needs Study

Hi John,

Just following up to let you know that a reply is underway and that you'll be receiving it shortly.

Best regards,

Chris

From: John Grenville ██████████████████
Sent: Friday, June 30, 2023 6:13 PM
To: Wicke,Chris <cwicke@cityofkingston.ca>
Cc: Agarwal,Sukriti <sagarwal@cityofkingston.ca>
Subject: Questions arising from the Open House on Growth Analysis and Urban Land Needs Study

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I was at the open house on 19th June. My comments and questions focus on the population and how students are captured, or not, in the census population. In 2013 we went through a process to redraw the boundaries of the districts for Kingston. City Council decided that post-secondary students would not be counted in the population which diminished the representation of the urban core of the City and virtually eliminated representation for Williamsville (or Sydenham) District by combining the two districts. When this was appealed to the Ontario Municipal Board, the City hired Dr. Robert Williams who had partnered with Watson & Associates to provide evidence in defence of the decision NOT to include all post-secondary students as being residents in the City of Kingston and NOT include them in redrawing the district boundaries. The OMB decision allowed the appeal and reported that Dr. Williams was "on the wrong side of his own argument."

Since then I have taken an active interest in how students are being recognized in various City programs. For example, in 2020 the Parks and Recreation Master Plan used only the census population, thereby ignoring the majority of the population in the near-campus districts. By doing so, the report overstates the amount of parkland per capita in districts such as Williamsville and Sydenham.

The biggest problem is accounting for the students who are not captured in the census population because of the time that the census is taken. With the student population forming 20% (34,000/170,600) of the total population, it is critical to be able to account for this population whether included in the census population or not. In 2013 when the re-districting was taking place, the number of students not in the census was estimated at 20,562 compared with a full-time student enrolment of 26,864 at the three institutions. That is, 76% of the full-time student enrolment was not included in the 2011 census population. In the report that followed the 2016 census, Watson & Associates estimated 83% (23,600 full-time students) were not captured. (pg 3-24). Currently, as shown on page 36 of the open house material: "Students not captured in Census data is forecast

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to account for about 45% of full-time enrollment growth." Although it's unclear why "growth" is being differentiated, it is assumed the statement means that 45% (15,300) of full-time student enrolment was not captured in the 2021 census.

Questions arising:

- Why has the percentage forecast dropped from an average of 80% over the past 10 years now being reported as 45% for the upcoming 30 years? It looks like an error was made and it should be 79%. If not, what has changed or will change in the future to reduce the number of full-time students not captured in the census as residents of Kingston? Will Watson & Associates explain how they calculated the percentage of full-time students not captured in the census as residents of Kingston?
- Why does the chart (pg 36) refer to "domestic students"? Is this in contrast to international students? Why are they being differentiated?
- Will there be any further breakdown in the student population not included in the census? A breakdown by district or neighbourhood (as defined by the City) would provide the information that should be used in other City reports such as the Parks and Recreation Master Plan.
- The average growth rate of post-secondary students for the period 2006 to 2016 is approximately 3% per year. The growth rate for 2016 (28,500) to 2021 (34,000) is 3.6% per year. However, the growth rate for the period 2021 to 2051 is 1.15% per year. Will the report explain why the projected growth rate has changed so significantly from previous 15 years? Is there any variation in the projected growth rate over the 30 years covered by the report?
- The pamphlet that was handed out at the June open house indicated that a "memo" would be provided as part of the "Growth Analysis, Scenarios and Allocations." When will the memo be available?

I look forward to further information. Thanks very much. John

John Grenville, ████████████
24 Jenkins Street, Kingston, ON K7K 1N3
████████████████████

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Kingston Home Builders
ASSOCIATION
Building a Better Kingston

October 25, 2023

Sukriti Agarwal
1211 John Counter Blvd.
Kingston, ON
sagarwal@cityofkingston.ca

Dear Ms. Agarwal,

The Kingston Home Builders Association is made up of professionals working to ensure that housing meets the needs of current and future Kingstonians. We have a board and working committees dedicated to ensuring that our community is well represented. We advocate on behalf of community builders regarding local and provincial policies, issues and initiatives.

Our most recent Land Development Committee (LDC) in September was attended by numerous representatives from the City and we were appreciative that the consultant preparing the Population, Growth and Housing study, Watson & Associates, was able to attend and present their latest findings. As committed to during that meeting, the members of the LDC have provided their comments, which are consolidated below:

- CMHC has projected a shortfall of 3.5 million units by 2030, nation-wide. The majority of that need is in Ontario.

- Invest Ontario is projecting that Eastern Ontario will grow approximately 41.7% between 2022-2046, a rate of 1.7% per year.

- Given that the decision regarding the population and housing growth projections will ultimately be made by Council, it is our collective responsibility to ensure that Council has the best information to make an informed decision.

- The environmental/climate crisis is only going to exacerbate the housing crisis in Kingston as we are in an area that is projected to be relatively sheltered from the most dramatic impacts of climate change. Among the impacts we can expect to affect our housing supply, in particular, is displacement due to climate change. We are in a relatively low risk environmental impact zone. People from higher risk areas of Canada and other countries will move to lower risk areas, like Kingston, which can reasonably be expected to result in greater population growth than projected due to typical assumptions.

- We are not looking at "business as usual" in the future and our population projections should consider un-planned increases in immigration due to

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climate change. Watson is once again recommending a medium growth scenario. We should be planning for our population growth based on the high-growth scenario, at a minimum.

- Population growth resulting from the new Umicore battery plant in Loyalist Township that is currently being developed, as well as from related support businesses that locate to the Kingston area (CMA) must be reflected in the study. It is reasonable to expect that a majority of the 600 permanent employees that will work at the plant will be living in Kingston, as will the 2,500+ workers from the spin-off jobs created as a result of the Umicore jobs, since that is where the bulk of the housing and amenities are (using a multiplier of 4.2 based on the Ontario Trillium Network for Advanced Manufacturing). When this item was raised at the LDC meeting in September, Watson noted that the impact of Umicore was not being considered as the plant is outside of Kingston. Since it is within the Kingston CMA, it should be included in the study, and an appropriate employment modifier should be applied.

- Monitoring actual growth against the projections on a scale of 5 and 10 years is insufficient. If the City waits 5 years to find out whether the 2023 projections are on track and sees that we are, once again, underestimating our growth, we will be even farther behind. We need to plan based on higher growth rates, with contingency planning for underperforming growth. It is understood that no one has a crystal ball. The consequences of underestimating our growth significantly outweigh the consequences of overestimating it. If we underestimate our growth again, we will be even farther behind than we currently are.

- We are not satisfied that Watson is appropriately considering student (domestic and international) housing needs. Without endorsement from Queen's University and St. Lawrence College, we ask that staff and Council not rely on Watson's projections as they relate to students.

- Kingston has historically been, and continues to be, a top Canadian destination for retirees. Given the aging population, our proximity to three major cities plus the US border, our high quality of life, and existing healthcare institutions, our members anticipate that Kingston will see a higher than proportionate share of retirees moving to Kingston when compared to other communities in Ontario and country-wide. The Watson study does not appear to consider this factor and how it could potentially offset the "natural" decrease in population that is currently being projected.

- The City's Director of Strategy, Innovation & Partnerships presentation on the workforce strategy at the Mayor's Luncheon showed a recent population growth of 1.9% in 2021-2022. Watson's "high growth" forecast

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showed 1.4% growth, with their recommended scenario at just 1.2% as an average annual growth rate. Contrast this with Watson's 2019 study where they estimated an average annual growth rate of 0.6% between 2016 and 2031. The 2021-2022 growth rate was driven by market factors. We now have municipal and provincial targets pushing for even greater growth rates.

- The director's presentation stated, "*Kingston has experienced significantly stronger population and economic growth over the past 5 years than the 10-year historical average*" which suggests that Watson's projections should perhaps put more weight on recent population and employment growth than relying on longer term averages. 2021-2022 was an unusual year in many ways, but given our comment #1 above, we should be planning for these unusual years to be increasingly common instead of assuming that future growth will level out, which is an assumption in the Watson report. We are living in unprecedented times, and we need to reflect that in our planning.

- The director further stated that the City is expecting 8,000 new jobs to be created in the Kingston CMA over the next 5 years and that there are currently 1.8 jobs available to be filled in Kingston for every 1 person searching for a job. We are concerned that the current pressure on housing affordability and availability is preventing these jobs from being filled, and that filling these jobs puts more pressure on the housing supply which prevents other jobs from being filled, in an unsustainable feedback loop.

- Kingston has been experiencing a housing crisis in recent years due to the number of available homes of all types being constructed and the affordability of those homes. We continue to have one of the lowest vacancy rates in the country. Businesses and institutions are continually stating that they are struggling to recruit new employees to Kingston due to the housing situation. There is an alarming shortage of available vacant land for development of residential or employment uses within the urban boundary. The result of these considerations is that there is no opportunity to plan for the supply of new homes of all types demanded by the market as well as employment lands to account for future growth.

The KHBA does not endorse the medium growth scenario that Watson presented in September. The consequences of underestimating population growth have directly contributed, in part, to the housing crisis our community is experiencing.

What is the downside to projecting a high growth scenario for population growth?

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We now know the effects of underestimating population growth. We are even concerned that Watson's high growth scenario of 1.4% may be underestimated for the reasons discussed above, particularly when compared to those from Invest Ontario.

We respectfully submit that the population growth projections should be fully endorsed by major organizations and institutions such as CFB Kingston, Queen's University, St. Lawrence College, all City departments, the Kingston Health Sciences Centre, KEDCO, and the Kingston Home Builders Association, as examples. Failing that, we risk once again under-planning for growth and compounding the other factors that are already contributing to the housing crisis, for another 5-10 years.

We look forward to continuing to work with the city in creating new communities in Kingston.

Respectfully submitted,

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K P E C
Planning + Economics

October 23, 2023

| Memorandum to: | Dustin Greene |
| | Kingston Home Builders' Association |

| From: | Daryl Keleher, MCIP, RPP, Principal |
| | Keleher Planning & Economic Consulting Inc. |

| **Re:** | Kingston Land Needs Analysis |
| **Our File:** | P1059 |

Keleher Planning & Economic Consulting Inc. was retained by the Kingston Home Builders' Association to review the materials released thus far by the City of Kingston for their forthcoming urban land needs analysis.

SUMMARY

The City's 2023 Population, Housing and Employment Forecast Study (as per the September 2023 presentation) includes three forecast scenarios for the City over the 2021-2051 period, with growth rates of 1.0% per year (Low, 186,600 persons by 2051), 1.2% (Medium, 197,000 persons) and 1.4% (High, 207,400 persons).

Based on my review of the materials released by the City of Kingston thus far for their assessment of urban land needs, my detailed analysis can be summarized as follows:

Existing Housing Supply Pipeline of Approved Developments is Above Provincial Minimums but Deficit in Ground-Related Housing Already Apparent

- Of the 11,500 dwelling units in the City's 'development approvals process', only 4,000 are approved/committed, which based on the Council's Strategic Priority Target of 1,200 residential unit permits per year, represents just over 3 years of approved supply, only slightly above the current Provincial Policy Statement minimum of 3 years supply;

- The City's estimated housing pipeline, when compared to the Medium Scenario housing forecast shows a significant existing shortfall of housing for single/semi-detached within the next 10 years, and shortfalls for all unit types beyond 2031.

Land Needs Analysis Needs Further Refinement and Enhanced Flexibility to Respond to Evolving Needs

- The Provincial Land Needs Assessment methodology suggests that adjustments to estimated land needs be made to the baseline estimated demand for housing and the potential available supply of housing, including accounting for on-going vacancy of dwelling units (usually 2-3%), constrained land that requires infrastructure that may make development infeasible, lands that may not develop in a timely fashion due to landowner choice, and other economic and demographic considerations, such as increases in immigration and emigration. It does not appear that any of these potential factors have been accounted for in the City's estimated land needs analysis or growth scenarios.

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Kingston Land Needs Analysis

- In estimating employment land needs consideration should be given the ability of the City to accommodate large-scale, unanticipated influxes of jobs through major employers choosing to locate in the City or the surrounding region, and the impact on both employment land needs, providing the City with a flexible land supply to enable a response to such opportunities.

Implications of Proposed New PPS;

- Appendix – Schedule 1 of the proposed Provincial Planning Statement (PPS) includes 29 municipalities across Ontario, including the City of Kingston, which have a unique set of policy direction on matters where there is according to the PPS the "greatest need for housing.". PPS Policy 2.1.2 states that an appropriate range and mix of housing options required to meet projected requirements is to be provided.

- The City's housing forecast to 2051 provides for the new housing in the City to consist of 17% single-detached, 18% townhouses and 65% apartments. Over the past 20 years, the housing mix built in the City was 58% singles/semis, 10% townhouses and 33% apartments.

- No municipality exists in a vacuum - if the estimated supply and associated land set aside for low-density housing to 2051 is understated relative to actual demand, the City's approach may have the unintended consequence of pushing households that are seeking low-density and/or ground-related housing out of the City and into more rural parts of the Kingston CMA, or outside of the CMA entirely to other parts of Ontario where desired housing forms are more readily available.

- The City's preferred "Medium" Scenario from the Watson report is 10,400 persons lower than the "High" Scenario, with the approved number to be baked-in to all upcoming infrastructure and land-use planning exercises in the short- and medium-term. Housing forecasts that are found in the long-run found to be too low can be 'self-fulfilling' if the growth that is found to need to be accommodated is physically unable to exceed the amount of servicing capacity planned for and built through infrastructure planning exercises.

- Provincial policy (current and proposed) enables sufficient lands to be made available to meet projected needs for a time horizon exceeding 25 years (referring to a period of "at least 25 years") **and planning for infrastructure is able to extend beyond the horizon for which lands are made available**. If the "High" Scenario has a realistic probability of being achieved by 2051, usage of that forecast should be considered.

- Planning for the High Scenario would add additional flexibility in the City's land and housing supply and help to 'future-proof' the City's ability to respond to future challenges that may arise in Canada and around the world. If using the "High" scenario is found to need revisiting in the future, ongoing Official Plan review processes every 5-10 years can take that into account and adjust as necessary.

Population and Housing Projections

- The Ministry of Finance forecasts growth in Eastern Ontario during the 2021-2046 period of 1.41 million people, with 72.3% of this growth in Ottawa, considerably higher than its current 54% share of population in the region. Conversely, the Ministry forecasts to 2046 would see the Frontenac Census Division (which includes the City of Kingston) attract just 5% of the growth in Eastern Ontario over the 2021-2046 period, despite making up 8.4% of Eastern Ontario's current population.

- The Ministry of Finance's relatively slowed growth forecast for the Frontenac CD is at odds with recent changes to Provincial policy, with the City of Kingston being just one of two municipalities in the

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Kingston Land Needs Analysis

proposed Provincial Planning Statement in Eastern Ontario (and 29 across Ontario) identified and prioritized for growth as a "large and fast" municipality.

- Within the Kingston region, over the 2016-2021 Census period, the City of Kingston comprised 76.4% of the growth within the Kingston Census Metropolitan Area (CMA). If the City's share of the Ministry's forecast Frontenac CD's growth was maintained at 76.4% to 2046, the City would reach a population of 223,200 persons by 2046. The City should be seeking to maintain this high proportion of regional growth, which would be consistent with the City and Provincial objectives to direct growth to existing urban areas.

- Among the municipalities with the 35 largest housing targets, the City of Kingston's amount of increased housing activity required is the lowest at just 23% higher than 10-year historic levels. Of the 35 largest municipalities, the average percentage increase required to meet housing targets is 141%.

Overview of Demographic Trends in the City.

- To achieve the 2051 housing forecasts by dwelling unit type, the City would need to see average annual high-density dwelling unit construction increase from the recent long-term average of 223 units per year to 487 units per year, a 118% increase over historic annual level that would have to be met (on average) every year for 30 years.

- To the extent that the housing mix forecast used in the City's land needs assessment deviates from housing demand by type, it could result in persons seeking low-density housing not available within the City settling in outlying areas of the Region instead of in the City of Kingston itself.

- In the Frontenac Census Division, the source of net in-migration (combined international immigration, interprovincial and interprovincial) has increasingly shifted towards persons aged 25-44, and children aged 0-14, while the number of persons aged 15-24 has fallen in each of the last two 5-year periods

- The largest source of persons moving to the City from other parts of Canada are persons that had been residing in rural areas in Ontario, as well as those that had been residing in the Greater Toronto Area, with those from the GTA likely searching for more affordable and more suitable housing options than may be available in those areas of the Province.

- Plans to limit low-density housing growth in the City of Kingston to 17% of new units to 2051 can, if less than actual demand for such low-density and/or ground-related dwelling units in the City, be expected to push a significant proportion of households seeking low-density and/or ground-related housing forms to areas outside of the City, or outside of the region (such as Ottawa, where outflows are already present) rather than to higher-density housing forms the City is relying upon for its 2051 forecasts.

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DETAILED ANALYSIS

Existing Housing Supply Pipeline

The City's staff report notes that there are 4,000 'unbuilt dwelling units' that have committed status, which are units with land use planning permissions to proceed, but without building permits, and another 7,200 units with 'pending' status and remain unapproved. These subtotals combine to generate the City's estimate of 11,500 "housing units in the development approvals process."

If the City has only 4,000 'unbuilt' but approved dwelling units and is seeking to meet the Council 'strategic priority target' of 1,200 residential unit permits per year. The existing 4,000 approved units represents 3.33 years of potential permits.

On a 'total unit count' basis, this 3.33-year supply is only slightly above the PPS minimum of 3-years of lands suitably zoned for infill/intensification and land draft approved/registered, with allowance to maintain land with servicing capacity for at least a 5-year supply of residential units.

> *1.4.1 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 residential intensification and redevelopment and, if necessary, 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 to facilitate residential intensification and redevelopment, and land in draft approved and registered plans.*

The Watson Housing Needs Assessment report (dated July 31, 2023) states that of the 13,000 housing units required to address the City's 10-year housing need, based on demand, that 8,800 units would be rental tenure, and 4,200 units of ownership, with 5,100 units being non-market units.

The estimated supply of "committed and pending" units by tenure in the Housing Needs Assessment, when compared to the Medium Scenario housing forecast in the Population, Housing and Employment Projections study shows a significant shortfall of housing for single/semi-detached within the 2021-2031 period, and shortfalls for all unit types within the 2031-2041 period.

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Kingston Land Needs Analysis

KPEC
Planning + Economics

Figure 1

Estimated Surplus / (Shortfall) of Dwelling Units in City of Kingston Housing Supply, Medium Scenario Housing

Housing Supply by Type (excl. Affordable and Social Housing)	Single- and Semi-Detached	Townhouses	Apartment (total)	Total
Committed	930	1,012	2,288	4,230
Pending	213	633	5,961	6,807
Total	1,143	1,645	8,249	11,037
Housing Forecast (Medium Scenario)				
2021-2031	1,970	1,250	5,220	8,440
2021-2041	3,340	2,670	10,130	16,140
2021-2051	4,200	4,090	14,610	22,900
Surplus / (Shortfall) by Unit Type				
2021-2031	- 827	395	3,029	2,597
2021-2041	- 2,197	- 1,025	- 1,881	- 5,103
2021-2051	- 3,057	- 2,445	- 6,361	- 11,863

Source: KPEC based on Watson & Associates Housing Needs Assessment Report and Population, Housing and Employment Projections Study

Considerations Not Made in Land Needs Analysis

The Provincial Land Needs Assessment methodology suggests that adjustments to estimated land needs be made for numerous elements that can affect the demand for housing and the potential available supply of housing, including:

- Accounting for on-going vacancy of dwelling units (usually 2-3%)

- Constrained land that requires infrastructure that may make development infeasible

- Lands that may not develop in a timely fashion due to landowner choice, and

- Other economic and demographic considerations, such as increases in immigration and emigration.

It does not appear that any of these potential factors have been accounted for in the City's estimated land needs analysis or growth scenarios.

In estimating employment land needs consideration should be given the ability of the City to accommodate large-scale, unanticipated influxes of jobs through major employers choosing to locate in the City or the surrounding region, and the impact on both employment land needs, the ability to respond to such opportunities, and the impact on the housing market from an influx of workers associated with a major employer choosing Kingston.

Population and Housing Projections

Population and Housing Trends Overview

The City's share of population as a share of population across the CMA has been steadily declining, with growth rates in the City (+17.7% since 1996) being behind those of the rest of the Kingston CMA (+25.5%). In the period from 1996 to 2016, the growth rate in the Rest of Kingston CMA was roughly

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double that of the City (+17.1% vs. 9.9%). However, in the most recent five-year Census period from 2016 to 2021, the City comprised 76.4% of growth within the CMA.

Figure 2

Population Growth, City of Kingston and Kingston CMA, 1996-2021

	Census Population			
Year	City of Kingston	Rest of CMA	Kingston CMA	City as % of CMA
1996	112,605	31,923	144,528	77.9%
2001	114,195	32,643	146,838	77.8%
2006	117,207	35,151	152,358	76.9%
2011	123,363	36,198	159,561	77.3%
2016	123,798	37,377	161,175	76.8%
2021	132,485	40,061	172,546	76.8%
%Change 1996-2021	17.7%	25.5%	19.4%	
Growth by 5-Year Census Period				
1996-2001	1,590	720	2,310	68.8%
2001-2006	3,012	2,508	5,520	54.6%
2006-2011	6,156	1,047	7,203	85.5%
2011-2016	435	1,179	1,614	27.0%
2016-2021	8,687	2,684	11,371	76.4%

Source: KPEC based on Statistics Canada Census data

Ministry of Finance Projections Likely Outdated Due to Proposed Provincial Policy Change

The Ministry of Finance forecasts growth in Eastern Ontario, broken down into 10 Census Divisions. Of the growth between 2021-2046 in Eastern Ontario of 1.41 million people, the Ministry projects that 72.3% of this will locate in Ottawa, which will see its share of the region's population grow from 54% to 59%.

At the same time, growth in the Frontenac CD, which includes the City of Kingston is forecast to decline in in importance from 8.4% of the region's population in 2021 to just 7.5% in 2046, meaning that the region is forecast to receive only 5% of the growth in Eastern Ontario, despite currently comprising 8.4% of the region's population.

The Ministry of Finance projections do not appear to (yet) acknowledge the proposed change to status of the City of Kingston within Provincial policy – it is unlikely that a City that comprises the majority of growth in a Census Division that is proposed to be one of only two focuses for 'large' and 'fast' growth in Provincial policy will see its share of population growth within the Census Division be just 60% of the share of existing residents in the CD (or 5.0% vs. 8.1%), while the other area of focus (Ottawa) is projected to grow by 48%, and see its share of regional growth be 40% higher than its existing share of population (or 72.3% vs. 51.2%).

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Figure 3

Comparison of Forecast Population Growth by Census Division and Sub-Areas, Eastern Ontario, 2021-2046

Census Division	2021	2046	Growth	% Growth	Share of 2021	Share of 2046	Share of Growth 2021-2046	Large & Fast Municipalities (Draft PPS)
FRONTENAC	328,010	397,960	69,950	21%	8.4%	7.5%	**5.0%**	Kingston
OTTAWA	2,109,600	3,128,542	1,018,942	48%	54.2%	59.0%	72.3%	Ottawa
HASTINGS	295,502	364,012	68,510	23%	7.6%	6.9%	4.9%	
LANARK	151,250	206,274	55,024	36%	3.9%	3.9%	3.9%	
LEEDS & GRENVILLE	211,848	250,722	38,874	18%	5.4%	4.7%	2.8%	
PRESCOTT & RUSSELL	197,140	261,748	64,608	33%	5.1%	4.9%	4.6%	
LENNOX AND ADDINGTON	91,458	106,426	14,968	16%	2.3%	2.0%	1.1%	
PRINCE EDWARD	52,392	58,792	6,400	12%	1.3%	1.1%	0.5%	
RENFREW	216,204	251,464	35,260	16%	5.6%	4.7%	2.5%	
STORMONT, DUNDAS & GLENGARRY	238,826	275,986	37,160	16%	6.1%	5.2%	2.6%	
Total	3,892,230	5,301,926	1,409,696	36%	100.0%	100.0%		
City of Kingston (Watson)	136,600	186,600	50,000	37%				Kingston
Rest of Frontenac	191,410	211,360	19,950	10%				
Total Frontenac	328,010	397,960	69,950					
Growth in "Large & Fast" Municipalities	2,246,200	3,315,142	1,068,942	48%				
Other Growth	1,646,030	1,986,784	340,754	21%				
Total	3,892,230	5,301,926	1,409,696	36%				

Source: Ministry of Finance Population Projections, City of Kingston Growth Analysis and Land Needs Study (June 19, 2023)

The trend to see growth accelerate in Ottawa and decline in importance in Kingston is at-odds with migration patterns in the region that see a net outflow of people from Ottawa to Kingston, and the direction set out in the draft Provincial Planning Statement where the City of Kingston and the City of Ottawa are the only two "large & fast" municipalities identified in the PPS to be the focus of growth in the Province.

This recommendation is consistent with the results of the recent five-year Census period from 2016 to 2021, where the City comprised 76.4% of the growth within the Kingston CMA. As an illustration of what increasingly high shares of growth within Frontenac being located in the City, if the City's share of the Frontenac CD's growth increased to 76.4% and keeping the total forecast for 'Rest of Frontenac' consistent with the residual amount based on what remains from the base Watson forecast to 2046, the City would see an additional 43,584 persons over and above the Watson forecast for the City to 2046, and reach a population of 223,200 persons by 2046.

Housing Pledge vs. Historic Norms

Compared to recent trends, where the City has averaged 789 housing starts per year since 2017, the City's housing pledge of 8,000 units over a 10-year period is one of the few municipalities identified in the housing pledges that is relatively close to the pre-existing 'status-quo' established by historic norms.

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Figure 4

Housing Starts by Year, City of Kingston, 1998-2022
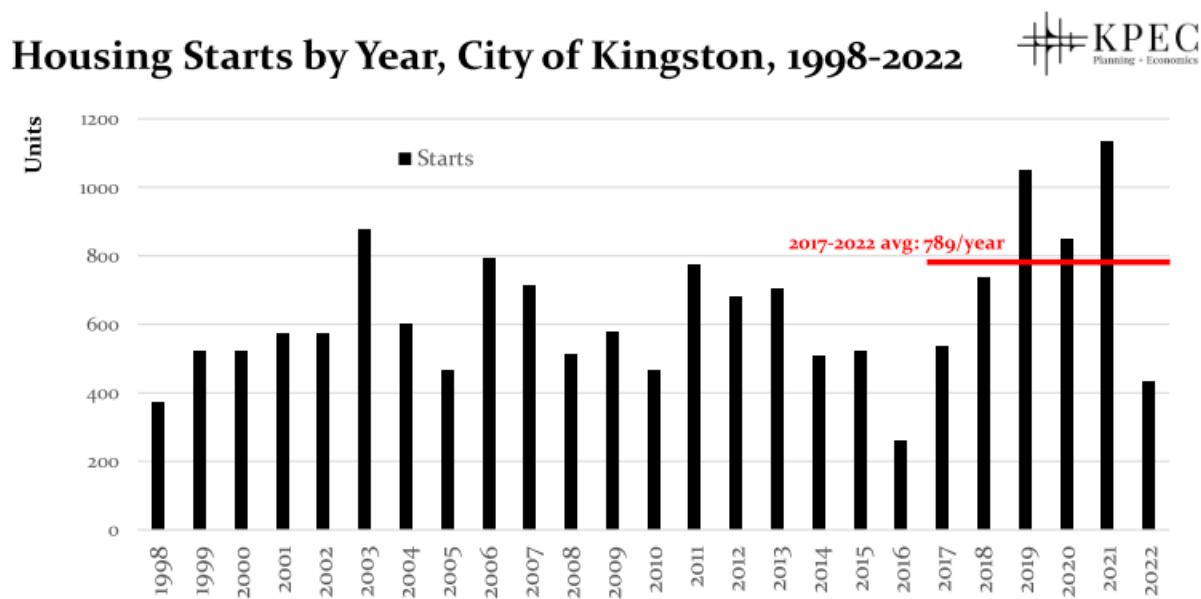
Source: Keleher Planning & Economic Consulting Inc. based on CMHC data

Of the 35 largest 10-year housing targets, the City of Kingston's 10-year target of 8,000 units is only 23% higher than the number of housing unit completions seen over the previous 10-year period. Among the 35 municipalities with the largest housing targets, the City of Kingston's incremental growth over historic norms is the lowest at 23%. Of the 35 municipalities, the average percentage increase required to meet housing targets is 141%.

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Increase in Housing Completions Required to Achieve Housing Target

	10-Year Housing Target	Housing Completions 2013-2022	% Increase Required Over Next 10 years	Rank
Mississauga	120,000	15,319	683%	1
Burlington	29,000	5,195	458%	2
Halton Hills	9,500	1,992	377%	3
Barrie	23,000	4,932	366%	4
St. Catharines	11,000	2,506	339%	5
Ajax	17,000	4,147	310%	6
Newmarket	12,000	3,087	289%	7
Cambridge	19,000	4,978	282%	8
Brampton	113,000	32,925	243%	9
Windsor	13,000	4,110	216%	10
Whitby	18,000	6,437	180%	11
Oshawa	23,000	8,378	175%	12
Pickering	13,000	4,759	173%	13
Kawartha Lakes	6,500	2,570	153%	14
Brantford	10,000	4,028	148%	15
Ottawa	151,000	61,051	147%	16
Caledon	13,000	5,266	147%	17
Hamilton	47,000	19,129	146%	18
London	47,000	20,480	129%	19
Kitchener	35,000	15,317	129%	20
Richmond Hill	27,000	11,870	127%	21
Guelph	18,000	7,989	125%	22
Markham	44,000	19,544	125%	23
Oakville	33,000	14,841	122%	24
Vaughan	42,000	19,415	116%	25
Clarington	13,000	6,469	101%	26
Aurora	8,000	4,328	85%	27
Milton	21,000	11,826	78%	28
Bradford West Gwillimbury	6,500	3,790	72%	29
Whitchurch-Stouffville	6,500	3,841	69%	30
Toronto	285,000	169,561	68%	31
Niagara Falls	8,000	4,969	61%	32
Waterloo	16,000	10,996	46%	33
New Tecumseth	6,400	4,580	40%	34
Kingston	8,000	6,522	23%	35

Source: KPEC based on CMHC data, 2021 Census data, Ministry of Municipal Affairs

The 10-year housing targets can also be expressed as a % of existing dwelling units in a municipality, which assuming the existing dwellings remain unchanged, the number of housing units allocated to the City of Kingston through the housing targets would result in 13% growth, the lowest of the 35 larger municipalities reviewed. The average growth rate embedded in the housing targets is 31%.

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Figure 6

Estimated Change in Dwellings Relative to Existing Levels, Ontario Housing Targets, 35 Largest Housing Targets

	10-Year Housing Target	2021 Census		Estimated Growth in Dwellings	Rank
		Population	Total Private Dwellings		
Brampton	113,000	656,480	189,086	60%	1
Caledon	13,000	76,581	24,795	52%	2
Milton	21,000	132,979	41,000	51%	3
Mississauga	120,000	717,961	254,089	47%	4
Bradford West Gwillimbury	6,500	42,880	13,907	47%	5
Oakville	33,000	213,759	76,179	43%	6
Halton Hills	9,500	62,951	22,252	43%	7
Ajax	17,000	126,666	40,275	42%	8
Barrie	23,000	147,829	57,276	40%	9
New Tecumseth	6,400	43,948	16,249	39%	10
Vaughan	42,000	323,103	107,159	39%	11
Burlington	29,000	186,948	74,891	39%	12
Newmarket	12,000	87,942	31,239	38%	13
Markham	44,000	338,503	114,908	38%	14
Whitby	18,000	138,501	47,389	38%	15
Whitchurch-Stouffville	6,500	49,864	17,154	38%	16
Pickering	13,000	99,186	34,327	38%	17
Richmond Hill	27,000	202,022	72,017	37%	18
Aurora	8,000	62,057	22,253	36%	19
Cambridge	19,000	138,479	53,013	36%	20
Ottawa	151,000	1,017,449	427,113	35%	21
Clarington	13,000	101,427	36,852	35%	22
Kitchener	35,000	256,885	103,388	34%	23
Oshawa	23,000	175,383	69,324	33%	24
Waterloo	16,000	121,436	52,049	31%	25
Guelph	18,000	143,740	59,746	30%	26
London	47,000	422,324	186,409	25%	27
Brantford	10,000	104,688	43,269	23%	28
Toronto	285,000	2,794,356	1,253,238	23%	29
Hamilton	47,000	569,353	233,564	20%	30
Niagara Falls	8,000	94,415	39,778	20%	31
St. Catharines	11,000	136,803	61,977	18%	32
Kawartha Lakes	6,500	79,247	38,947	17%	33
Windsor	13,000	229,660	99,803	13%	34
Kingston	8,000	132,485	63,095	13%	35

Source: KPEC based on CMHC data, 2021 Census data, Ministry of Municipal Affairs

Implications of Proposed New Provincial Planning Statement

Kingston as a Large & Fast Municipality

Appendix – Schedule 1 of the proposed Provincial Planning Statement (PPS) lists 29 "Large and Fast" Municipalities ("L&F Munis") includes 29 municipalities across Ontario which have a unique set of policy direction on matters where there is according to the PPS the "greatest need for housing."

Some of the policies relating to L&F Munis are as follows:

- Encouragement to establish density targets for new settlement areas or settlement area expansion lands:

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> 5. *Planning authorities are encouraged to establish density targets for new settlement areas or settlement area expansion lands, as appropriate, based on local conditions. Large and fast-growing municipalities are encouraged to plan for a minimum density target of 50 residents and jobs per gross hectare.*

- Requirement to identify and focus growth and development in strategic growth areas:

> *To support the achievement of complete communities, a range and mix of housing options, intensification and more mixed-use development, planning authorities may, and large and fast-growing municipalities shall, identify and focus growth and development in strategic growth areas by:*
>
> *a) identifying an appropriate minimum density target for each strategic growth area; and*
>
> *b) identifying the appropriate type and scale of development in strategic growth areas and transition of built form to adjacent areas.*

- Requirement to delineate boundaries of, and minimum density targets for major transit station areas:

> *1. Large and fast-growing municipalities shall delineate the boundaries of major transit station areas on higher order transit corridors through a new official plan or official plan amendment adopted under section 26 of the Planning Act. The delineation shall define an area within a 500 to 800 metre radius of a transit station and that maximizes the number of potential transit users that are within walking distance of the station.*
>
> *2. Within major transit station areas on higher order transit corridors, large and fast-growing municipalities shall plan for a minimum density target of:*
>
> *a) 200 residents and jobs combined per hectare for those that are served by subways;*
>
> *b) 160 residents and jobs combined per hectare for those that are served by light rail or bus rapid transit; or*
>
> *c) 150 residents and jobs combined per hectare for those that are served by commuter or regional inter-city rail.*

The forthcoming change to Provincial planning policy, the emergence of Kingston as an identified priority for growth suggests that the importance of Kingston in achieving Ontario-wide growth targets is likely to grow, which may not be reflected in the City's current forecasts to 2051, nor the Ministry of Finance's projections, which do not take into account planning policies.

Conservative Long-Term Forecasts Risk being Limit to Growth – Provincial Policy Allows for Planning Beyond 25 Years

The City's preferred "Medium" Scenario is roughly 10,000 persons lower than the "High" Scenario, with the approved number to be baked-in to all upcoming infrastructure and land-use planning exercises.

The effect of planning to a number that may be too low can be 'self-fulfilling' - if a growth forecast is too low relative to future needs, and servicing plans are based on the 'too low' forecast, the forecast itself acts as an upper-bound on growth, if the growth to be accommodated is unable exceed the amount of servicing capacity planned for once the forecasts were adopted in the Official Plan.

If the "High" Scenario has a realistic probability of being achieved by 2051, or if not, is instead akin to a '2061' forecast, 'overplanning' for growth including associated infrastructure is contemplated by current and proposed Provincial policy, where sufficient lands are to be made available to meet projected needs

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for a time horizon of at least 25 years, with planning for infrastructure able to extend beyond the horizon for which lands are made available:

> *At the time of 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 25 years, informed by provincial guidance. Planning for infrastructure, public service facilities, strategic growth areas and employment areas may extend beyond this time horizon.*

Planning for a more aggressive growth number could allow for plans to be done to contemplate longer-term planning, which would allow more capacity for growth, provide the City with a better chance of meeting or exceeding "medium" 2051 forecasts. If using the "High" scenario is found to need revisiting in the future, ongoing Official Plan review processes can take that into account and adjust as necessary.

Housing Needs and Providing Appropriate Range of Housing Options

The PPS also requires the provision of housing options, where "Housing Options" is a defined term:

> *Housing options: means a range of housing types such as, but not limited to single-detached, semi-detached, rowhouses, townhouses, stacked townhouses, multiplexes, additional residential units, tiny homes, laneway housing, garden suites, rooming houses, multi-residential buildings, including low- and mid-rise apartments. The term can also refer to a variety of housing arrangements and forms such as, but not limited to, life lease housing, co-ownership housing, co-operative housing, community land trusts, land lease community homes, additional needs housing, multi-generational housing, student housing, farm worker housing, culturally appropriate housing, supportive, community and transitional housing and housing related to employment, educational, or institutional uses, such as long-term care homes.*

PPS Policy 2.1.2 states that an appropriate range and mix of housing options required to meet projected requirements:

> *2. 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 City's housing forecast provides for a housing mix that is 18% single-detached, 18% townhouses and 65% apartments. If the estimated demand for low-density housing is understated relative to actual demand, the City's approach may have the unintended consequence of pushing people looking for low-density housing out of the City and into the CMA, or outside of the CMA.

Overview of Housing and Demographic Trends in the City

Housing Completion Trends and Relationship of Forecast to Historic Norms

The City's growth forecasts by unit type, as found on page 30 of the Watson report would see the share of development that was 'high-density' be in the range of 62% to 64%.

In total, the City's forecast would see 14,610 high-density residential units constructed between 2021 and 2051, or 487 units per year, on average.

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Since 1998, based on CMHC data on housing completions, the City saw more than 487 apartment units competed in a single year **just once** in a 25-year span, with that year being 2022 where 1,392 apartment units were completed. Over the 25-year period, the City of Kingston saw 5,593 apartment units completed, or 223 units per year.

Therefore, the City would need to see average annual high-density dwelling unit construction increase from a long-term average of 223 units per year to 487 units per year, a 118% increase over historic norms that would have to be met (on average) every year for 30 years.

Figure 7

Apartment Unit Completions, City of Kingston 1998-2022

Annual Average 2021-2051: 487 units/year
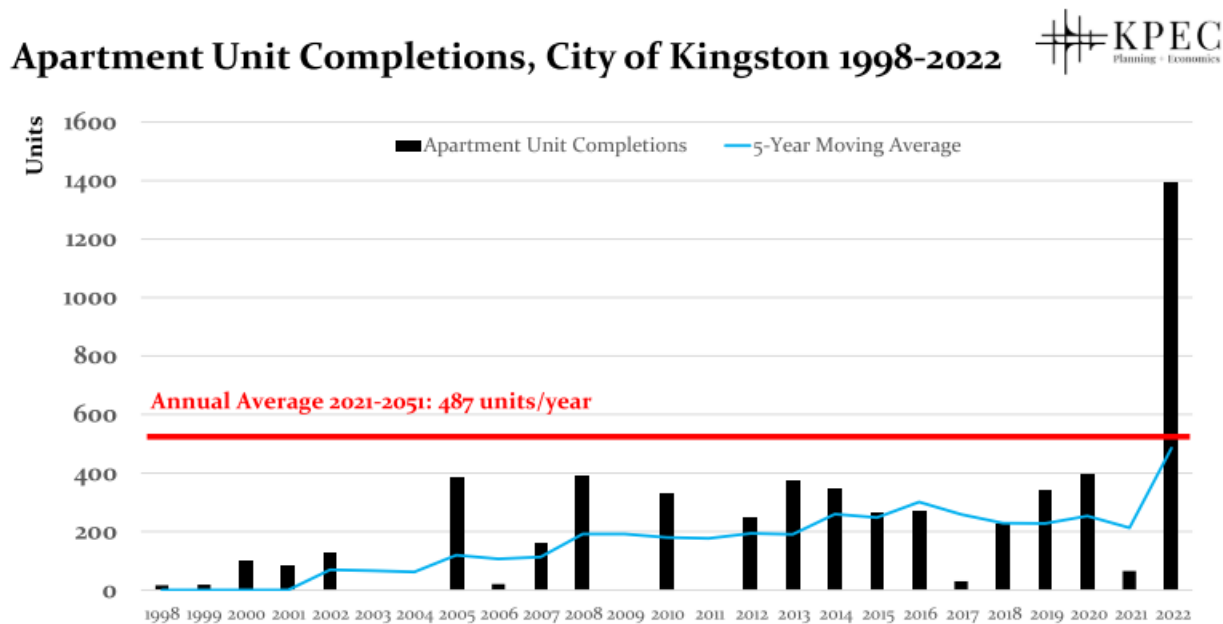
Source: Keleher Planning & Economic Consulting Inc. based on CMHC data

Over the past 20 years, the housing mix (via housing completions data from CMHC) is 58% singles/semis, 10% townhouses and 33% apartments. To the extent that the housing mix forecast used in the City's land needs assessment deviates from housing demand by type could result in persons seeking low-density housing settling in outlying areas of the Region instead of in the City of Kingston itself.
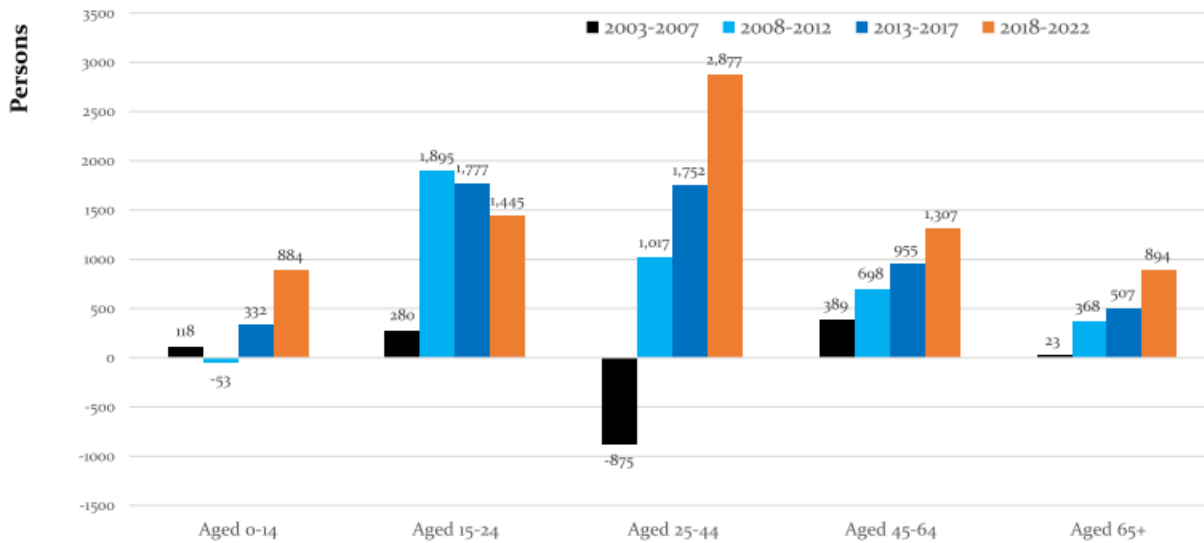
20-Year History of Migration in Frontenac Census Division

In the Frontenac Census Division, the source of net in-migration (combined international immigration, interprovincial and interprovincial) has increasingly shifted towards persons aged 25-44, and children aged 0-14, while the number of persons aged 15-24 has fallen in each of the last two 5-year periods.[1]

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[1] The estimates shown do not include net non-permanent residents, which account for most of the net-inflows in persons aged 15-19 and 20-24

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Net In-Migration (International, Interprovincial, Intraprovincial Migration), Frontenac CD, 2003-2022

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Persons

Legend: ■ 2003-2007 ■ 2008-2012 ■ 2013-2017 ■ 2018-2022

Age group	2003-2007	2008-2012	2013-2017	2018-2022
Aged 0-14	118	-53	332	884
Aged 15-24	280	1,895	1,777	1,445
Aged 25-44	-875	1,017	1,752	2,877
Aged 45-64	389	698	955	1,307
Aged 65+	23	368	507	894

Source: Keleher Planning & Economic Consulting Inc. based on Statistics Canada data, Table 17-10-0140-01

A review of changes in commuting flow data from 2006 to 2016[2] shows that an increasing proportion of jobs within the City of Kingston are filled by persons living outside of the City (increased from 29% to 31%), with the growth in the total number of persons commuting from outlying areas increasing faster (+10.0%) than growth in the number of persons living in the City staying in the City for work (+2.4%).

Sources of Domestic Inflows / Outflows from Kingston CMA

The largest source of persons moving to the City from elsewhere in Canada are persons residing in rural areas outside of Census Metropolitan Areas in Ontario. Among CMAs, the largest inflows within Ontario are from CMAs located further west, including Toronto, Belleville, Oshawa, and Hamilton. There were large outflows of people east to Ottawa CMA.

Elsewhere within Canada, net inflows were seen from cities in eastern Canada, including Halifax, Fredericton, Montreal and Quebec City.

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[2] Data from 2021 Census is available but the in-year impacts of work-from-home and hybrid work arrangements makes comparison with prior years difficult.

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Figure 8

Source of Inter- and Intra-Provincial Migration, Kingston CMA, 2017-2022

- Largest source of CMA-based inflow is Toronto (+2,200 persons over 5-year period)
- Largest source of CMA-based outflow is Ottawa (net outflow of 1,142 persons)
- Belleville, Oshawa and Hamilton and non-CMA (rural areas) other significant sources from within Ontario
- Outside of Ontario, net inflows seen from cities further east: Halifax, Fredericton, Montreal and Quebec City
- Of cities located west of Ontario, only Calgary and Winnipeg have net inflows >100 persons over a 5-year period

Source of Inflows/(Outflows)	Size of Net Inflow / (Outflow)
Toronto CMA	+2,200 persons
Non-CMAs, Ontario	+2,147 persons
Belleville CMA	+693 persons
Halifax CMA	+535 persons
Oshawa CMA	+475 persons
Fredericton CMA	+272 persons
Montreal CMA	+254 persons
Quebec City CMA	+226 persons
Hamilton CMA	+217 persons
Ottawa CMA	-1,142 persons
All Other	+3,052 persons

Recent Migration Trends in Other Ontario Municipalities and Impact of Slowed Low-Density Supply on Intraprovincial Migration

The charts on the following page show trends in three GTA municipalities seeing the greatest proportion of high-density development (Toronto, York, Peel) and how intraprovincial migration has changed in the last 20 years. The amount of net outmigration to other parts of Ontario has accelerated significantly, with nearly 136,000 persons aged 25-44 leave the Toronto/York/Peel area over the 2018-2022 period.

At the same time, in-migration from elsewhere in Ontario in other major parts of the Greater Golden Horseshoe has increased significantly, suggesting that a significant share of people unable to find their desired housing option and have moved to outlying areas of the Toronto region to find it.

Plans to limit low-density housing growth in the City of Kingston to 18% of new units to 2051 will, if less than actual demand for such dwelling units in the City, can be expected to push a significant proportion of households seeking low-density and/or ground-related housing forms to areas outside of the City, or outside of the region (such as Ottawa, where outflows are already present) rather than to higher-density housing forms the City is relying upon for its 2051 forecasts.

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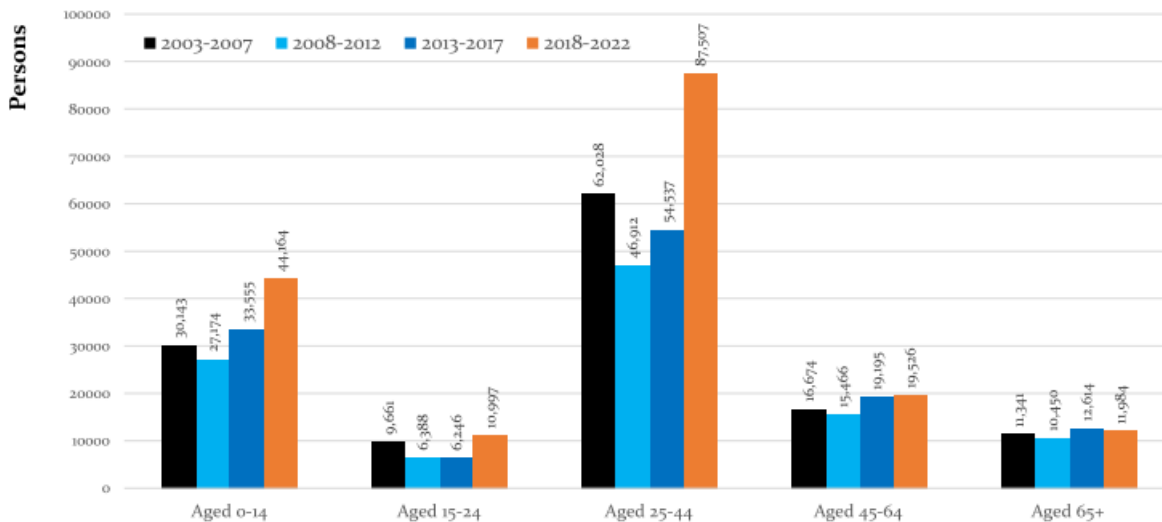
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Figure 9

Net Intraprovincial Migration, GTA Municipalities (Toronto, York, Peel), 2003-2022, by Age Group
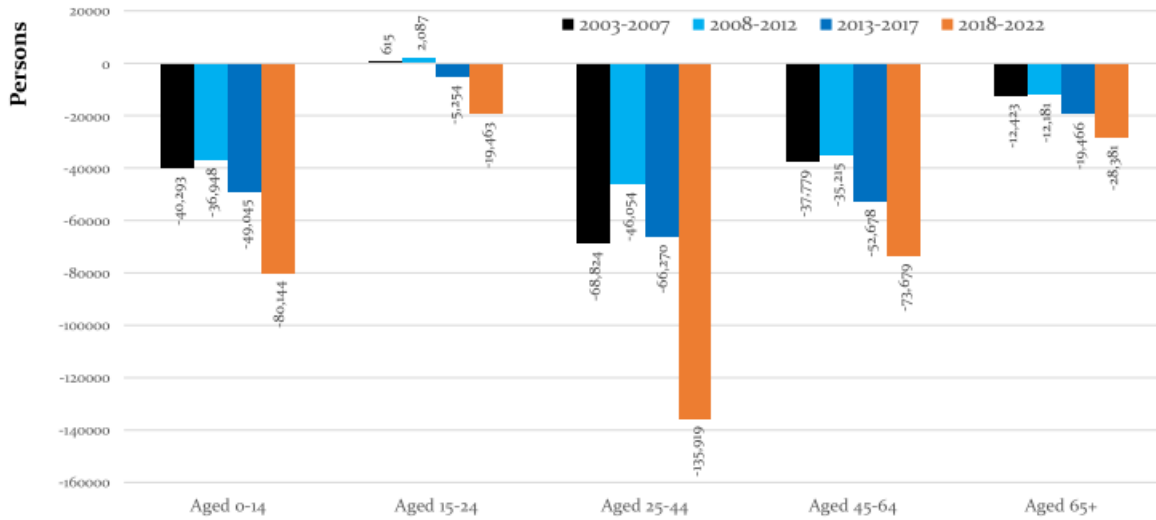
Source: Keleher Planning & Economic Consulting Inc. based on Statistics Canada data, Table 17-10-0140-01

Figure 10

Net Intraprovincial Migration, Outlying GTA Municipalities, 2003-2022, by Age Group

Note: "Outlying GTA Municipalities" includes Simcoe, Waterloo, Brant, Niagara, Hamilton, Wellington, Halton and Durham
Source: Keleher Planning & Economic Consulting Inc. based on Statistics Canada data, Table 17-10-0140-01