

## COMMUNICATION 135008

**Received from** Niki Dwyer, MCIP RPP, Director of Development Services  
**Addressed to** Committee of the Whole  
**Date** February 20, 2024  
**Topic** 2023 Development Services Department Activity Report Card

### SUMMARY

The intent of the Development Services Annual Activity Report is to provide a report card to Council regarding development activities and trend data respecting community growth.

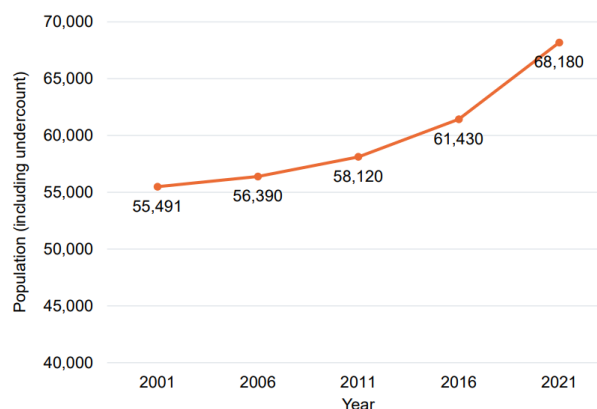
Population projections and community growth planning is a function of the County of Lanark. The County assigns population projections to lower-tier municipalities for adoption in their planning documents. In 2018, the County allocated a forecasted growth to Carleton Place of 97% by 2038 which will increase the total population of the Town to 20,964, or approximately 8,735 households<sup>1</sup>. **This equates to an annual growth of 3% per year, or 215 homes per annum.**

It is important to remember that this forecasted growth is only a projection for the purpose of planning municipal infrastructure needs, collecting development charges, and managing the land supply within the community. True growth trends may vary from year to year which is why the production of the Annual Report Card is important.

### COUNTY POPULATION PROJECTION UPDATE

The County is presently in the process of undertaking an update to the population and employment projections by way of an Official Plan Amendment. Preliminary report findings presented to County Council in November, 2023<sup>2</sup> indicate that the **population across the County saw a 2.1% annual growth rate between 2016-2021**, up from 1.1% reported the previous census term of 2011-2016. A significant proportion of this growth (96%) was attributed to intraprovincial migration, of which 49% of the migration was attributed to the Ottawa market.

**Figure 1 – Lanark County Population Growth (Watson & Associates)**

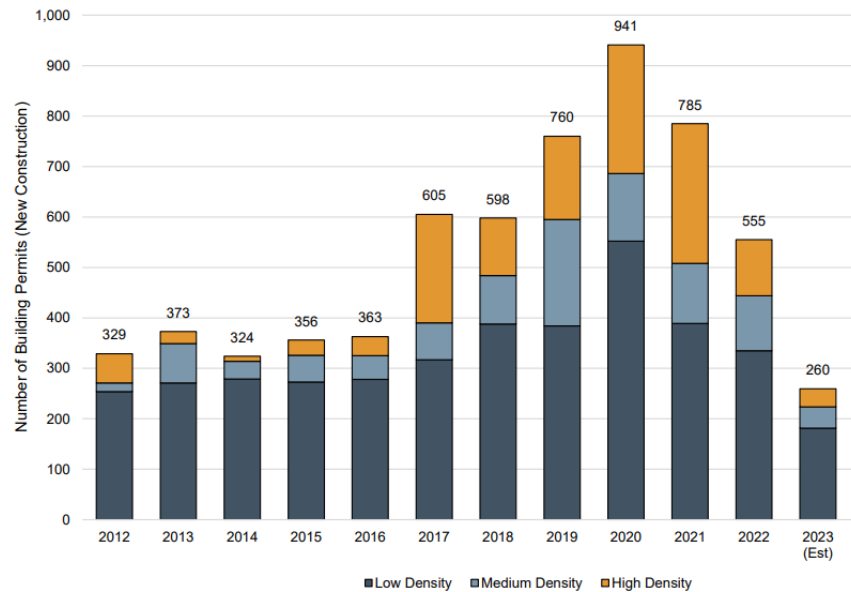


<sup>1</sup> [2.4 persons per household](#) (2022 Stats Canada)

<sup>2</sup> [Lanark County – 2023 Growth Study – County Council Presentation](#). November 22, 2023 (Watson & Associates)

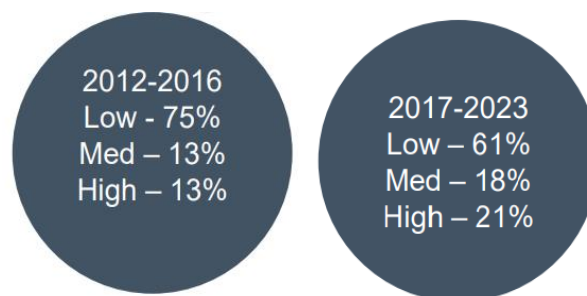
County wide historic building permit activity was also analyzed to understand how the County population has been distributed at the lower-level. **Between 2012-2023, Carleton Place represented 30% of new building permits**, with Mississippi Mills representing an additional 24% and Beckwith 14%. These three (3) municipalities represented the issuance of 4,073 permits over a 10-year period.

**Figure 2 – Lanark County Historical Building Permit Activity (Watson & Associates)**



More interesting however, were the reported findings of the distribution of activity related to the construction of various densities of dwellings. The report noted a deviation from a strong preference in the first 5-years of the reporting period for low-density housing forms (singles and semis) to a higher demand for more medium and high-density units in the last 5-years.

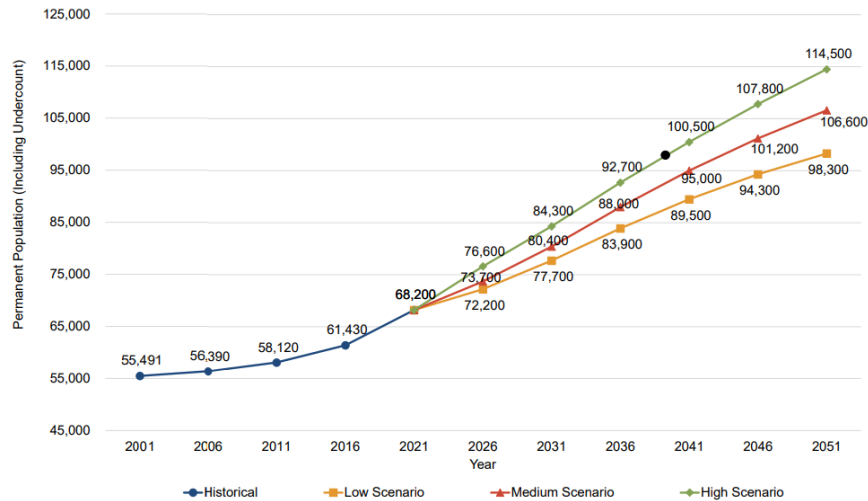
**Figure 3 – Housing Form Preferences (Watson & Associates)**



The report also provided a summary of potential forecasted population projections for County Council’s consideration based on forecast scenarios adopted by the Ministry of Finance. Similar to the Town of Carleton Place’s recent Official Plan update, the

consultants presented **High, Medium and Low growth options** for Council's consideration. **At this time County Council has not provided direction for the population projection they would like to use in the new Official Plan.**

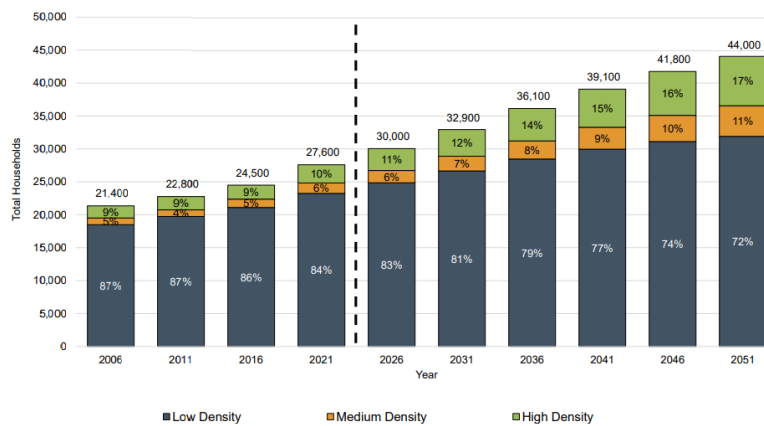
**Figure 4 – Lanark County Population Forecast Scenarios (2021-2051) (Watson & Associates).**



Recalling that Figure 1 shows a 2.1% increase over the past 10-years, the three (3) scenarios proposed by Watson & Associates represent an annual increase of **1.2%, 1.5% and 1.7% respectively.**

Consequently, this population increase results in **an estimated housing increase of 16,400 units** across the County between 2021-2051. The report also recommended an employment forecast of **11,500 additional jobs** to support the local economic needs of the County.

**Figure 5 – Lanark County Total Housing Forecast (Watson & Associates)**



The population analysis at the County still requires County Council direction on the preferred growth scenario as well as the distribution of growth across the lower-tier

municipalities. This is a decision that is anticipated to be made by County Council in 2024. Residents wishing to receive more information regarding this amendment and the future allocation of growth numbers are encouraged to contact the County Planning Department.

**COMMENTS**

Development staff track and chart several Key Performance Indicators (KPIs) in order to assess the volume and complexity of development within Carleton Place. These growth trends allow the Department to effectively manage workflows and predict where resource shortages may exist in the future.

**Building Permit Activity:**

In the analysis of Building Department activities, staff track two (2) indicators of volume of work. The first indicator is the number of New Units created which provides trend data over a number of years to show the true growth rate in comparison to the municipal population projections and the second indicator is the amount of overall building activity.

2023 saw the **construction of 182 new dwelling units**. This statistic represents a **15% increase in the number of new units** over 2022. The majority of these units represented multi-unit apartment dwellings reflecting **78%** of the total number of new units created.

**Figure 6 – New Dwelling Units**

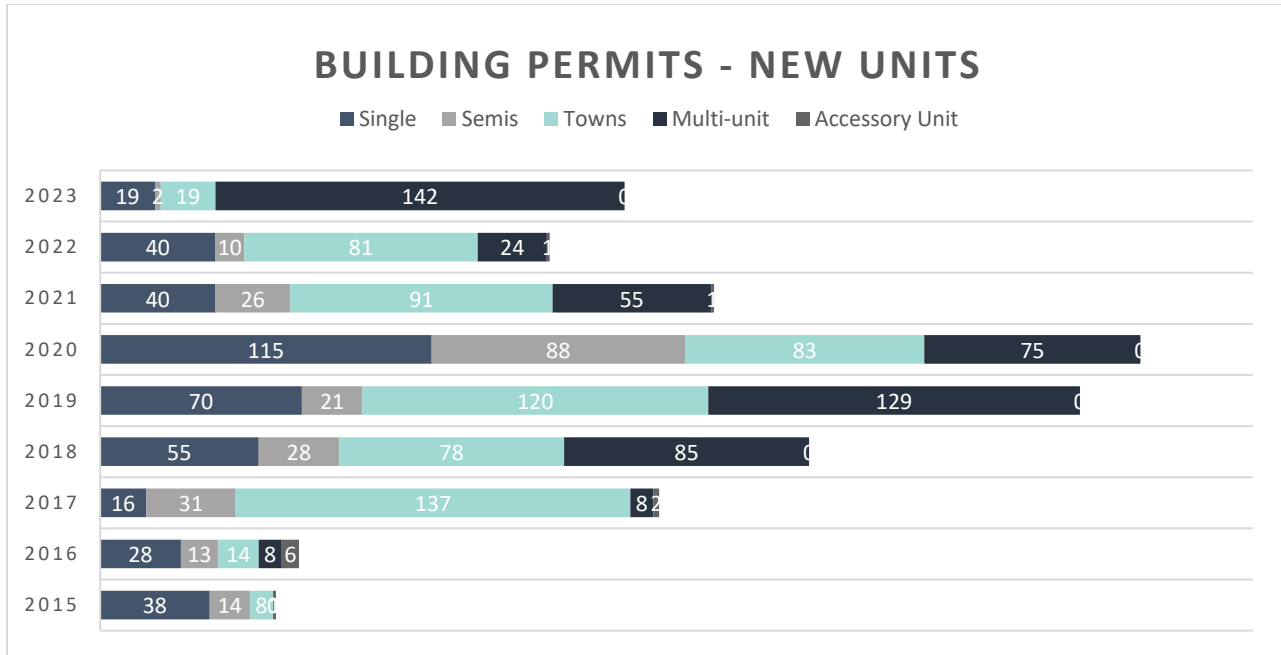
	2016	2017	2018	2019	2020	2021	2022	2023
Single	28	16	55	70	115	40	40	19
Semis	13	31	28	21	88	26	10	2
Towns	14	137	78	120	83	91	81	19
Multi-unit	8	8	85	129	75	55	24	142
Accessory Unit	6	2	0	0	0	1	1	0
<b>Total</b>	<b>69</b>	<b>194</b>	<b>246</b>	<b>340</b>	<b>361</b>	<b>213</b>	<b>156</b>	<b>182</b>

The 5-year trend data shows an annual average growth of **250 units per year**, with a **3-year annual average growth of 183 units per year**. Overall, the growth activity appears to reflect a normalization in the speed of growth from the peak in 2020.

The continued stagnation of the housing market is largely attributed both locally and nationally to the weak economic growth and high mortgage rates. Testimonies from local builders and realtors support that mortgage interest rates resulted in record numbers of failed closings in 2023, particularly for first time home buyers who could not pass the new Office of the Superintendent of Financial Institutions (OSFI) stress-tests. This resulted in multiple failed sales at occupancy which consequently resulted in a surplus inventory of unoccupied built dwellings in new subdivisions.

Lending conditions combined with continued trades shortages and increased materials costs have both contributed to new construction lows<sup>3</sup>.

**Figure 7 – New Dwelling Units**



In addition to residential construction, permits were issued for the construction of the new Family Medical Clinic on Roe Street, a 2000m<sup>2</sup> addition to the Eteros Fabrication operation on Industrial Avenue, and a 10-unit Business Park Complex on Roe Street.

**Figure 8 – Total Building Permit Activity**

	2016	2017	2018	2019	2020	2021	2022	2023
Residential	148	271	250	417	447	284	276	156
Multi-res	3	1	2	4	5	5	1	11
Commercial	24	11	27	28	27	21	32	18
Industrial	1	2	1	2	3	4	3	4
Institutional	5	0	1	9	9	7	11	2
Other	25	12	16	0	0	1	0	0
Total	206	297	297	460	491	325	323	191*

\*Note: Dwelling units and permit numbers do not correlate because multi-dwelling unit building permits are counted as only one (1) permit.

**Institutional-Commercial-Industrial (ICI) construction values accounted for approximately 41% of building permit revenue, or \$282,941.98**

<sup>3</sup> Housing Market Information – Housing Market Outlook. Spring 2023. CMHC

**Building Permit activity also generated the collection of \$1,745,432.03 (excluding deferrals) in Development Charges for the 2023 fiscal year.**

**Planning and Pre-Development:**

While Building permit activity can provide a retrospective position of development trends, analysing and tracking future development provides a picture of how growth will continue in the next five (5) years. This information is vital to ensuring that the Municipality has sufficient resource capacity to respond to development requests and ensure the thorough and comprehensive review of proposals from start to finish.

While the Provincial Policy Statement requires that municipalities have adequate supply of serviceable land for 3-5 years of growth and designated land for infill and development for 15 years of growth, the release and phasing of these lands is left to the discretion of the local municipality.

The Comprehensive Review commissioned in 2020 examined the land needs to accommodate forecasted growth for a 20-year period. Part of this analysis includes examining the number of approved-vacant lots within plans of subdivision. This land supply serves our immediate 3-year needs for growth. The demand for residential lands is calculated based on the expected population increase (assigned by the County) and corresponding household size (reported by Statistics Canada). **Based on these assumptions, the Town can begin planning for a land supply of 215 dwellings per year, or 645 homes over the next 3 years.**

**Figure 9 – Number of Units Registered in Plans of Subdivision:**

	2016	2017	2018	2019	2020	2021	2022	2023
Meadow Ridge		57	89	109	158			
Miller’s Crossing		134		74	67			
Coleman Central					226			
Jackson Ridge	139							
Carleton Crossing				42				
King Street (Brigil)		24						
Taber Street					20			
Mississippi Shores							549	
<b>Total</b>	<b>139</b>	<b>215</b>	<b>89</b>	<b>225</b>	<b>471</b>	<b>0</b>	<b>549</b>	<b>0</b>

**As of the beginning of 2024, the Town has 513 available units in registered plans of Subdivision yet to be constructed. An additional 527 units are approved in draft approved plans of subdivision and 1,280 units are proposed in submitted plans of subdivision.**

**The Town continues to maintain a sufficient draft approved or registered land reserve in order to meet the Town’s three-year land supply of residential homes as identified in Policy 1.4.1b) of the Provincial Policy Statement.** The statistics reported herein also do not include the redevelopment and intensification units created through

applications such as Findlay Foundry (213 units), Stoneridge Manor Re-use (34 units), or the high-density block remaining in the Meadow Ridge subdivision (estimated to be 78 units).

The Town also has an obligation to maintain at all times the ability to accommodate residential growth for a minimum of 15 years through intensification, redevelopment and lands designated and available for residential development in accordance with Policy 1.4.1a) of the Provincial Policy Statement. This means ensuring that sufficient lands are located within the settlement boundary and can be subject to residential subdivision or development approvals without the need for an Official Plan Amendment.

When the Town's Land Needs Background Study was completed in 2020, it was noted that the Town required 3,124 units in order to accommodate the population projections over a 20-year period. **As noted at the outset of the report, the County of Lanark is presently reviewing the population projections and once assigned, the Town will need to consider if an update to the Land Needs Background Study and Comprehensive Review is necessary to accommodate the new population targets.**

**Figure 10 – Units Registered Not Constructed**

	Number of Units
Meadow Ridge	41 (+ high density block)
Coleman Central – Phase 1	20
Peter Street (Brigil)	9
Taber Street	7
Mississippi Shores	436
<b>Total</b>	<b>513</b>

**Figure 11 – Units Draft Approved Plans of Subdivisions:**

	Number of Units
McNeely Landing Subdivision – 2 phases	431
Coleman Central – Phase 2	96
<b>Total</b>	<b>527</b>

**Figure 12 – Submitted Plans of Subdivision:**

	Number of Units
355 Franktown Road	102
Boyd Street	71
Carleton Landing Phase 1	24
Carleton Landing Phase 2	323
Carleton Lifestyles Retirement Village	234

254 Lake Avenue	20
Comrie Hills Subdivision	256
Wintergreen Ridge Subdivision	250
<b>Total</b>	<b>1,280</b>

In addition to lot creation by plans of subdivision, the Town also creates new lots through consent and part lot control applications. On average, the **Town establishes six (6) new lots by consent per year**. These applications may represent the division of existing semi-detached dwellings into freehold units, but more often the applications are filed to permit the severance of a vacant lot for new infill development.

Part lot control applications represent the final partitioning of blocks of land within subdivisions at the time of sale. The majority of these applications are for the establishment of townhomes and semi-detached dwellings. The total number of “doors” created through the registration of the final part lot control applications for plans of subdivision have been considered and accounted for in Figure 13, however, it should be noted that annually the Town receives 1-2 applications for part lot to sever infill developments outside recently approved plans of subdivision (i.e. 143 Beckwith Street in 2024). The inclusion of the applications in the analysis is significant as a general indicator of speed of development within phases of plans of subdivision.

**Figure 13 – Number of lot creation applications**

	2016	2017	2018	2019	2020	2021	2022	2023
Part Lot Control	9	23	36	29	39	56	13	20
Severance	15	7	4	2	5	8	4	10

**Measuring Affordability:**

Housing affordability has been recognized by the province as a specific public interest to be addressed through land use policy. Housing is considered to be affordable if it costs less than 30% of a household’s before-tax income. **Many people believe “affordable housing” refers only to government subsidized housing; this is a myth.** Affordability encompasses a variety of housing types, tenures and providers and operates on a fluid continuum. Finding “affordable housing” is not a one size fits all problem; it must be assessed based on the needs and sustainability of each individual household.

**Figure 14 – The Housing Continuum**





In accordance with the Provincial Policy Statement's definition of "Affordable", staff has begun to analyze the current market conditions for both ownership and rental housing within the prescribed "regional market area" (Lanark County).

The PPS defines affordable owner-occupied housing as the lesser of the following:

- *Where the purchase price results in an annual accommodation cost of less than 30% of the gross annual household income for low and moderate income<sup>4</sup> households:*
  - The Ministry of Municipal Affairs and Housing reports this statistic in Lanark County as less than \$323,700.00 in 2020<sup>5</sup>.
- *Where the purchase price is at least 10% below the average purchase price for a resale unit in the regional market:*
  - The Ministry of Municipal Affairs and Housing reports this statistic in Lanark County to be \$318,998 in 2020<sup>6</sup>.

**For the purposes of this report, affordable owner-occupied housing in the County of Lanark is determined to be \$318,998.**

The PPS defines affordable rental housing as the lesser of the following:

- *Rent not exceeding 30% of the gross annual household income for low and moderate income<sup>6</sup> households:*
  - The County of Lanark reports this statistic as less than \$915 a month<sup>7</sup> in Lanark County proper.
- *Rent which is at or below the average market rent of a unit in the regional market area:*
  - This is not a statistic which is accurately reported by the Ministry, however staff reviewed the average market rents reported by Lanark County in their recent Housing Study. The Study only reported rental values by Settlement Area (i.e. the Town) and is not consistent with the assessment of the "regional market area" in accordance with the PPS.

**For the purposes of this report, affordable rental housing in the County of Lanark is determined to be a one-bedroom dwelling rented for less than \$915.00/month.**

In 2021, Council approved an "Affordable Housing Policy" which established a locally indexed affordable rental value. The policy has now been updated to reflect the reported average shelter costs reported in the 2020 census for the creation of the 2023 values. 2020 and 2021 values remain reflective of the 2016 indexed values as applied during those years. Local rates are reflected in the table below:

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<sup>2</sup> "in the case of ownership housing, households with incomes in the lowest 60 percent of the income distribution for the *regional market area*;" PPS Definition

<sup>5</sup> As reported in the Municipal Tools to Support Affordable Housing Report, Lanark County, 2023.

<sup>6</sup> As reported in the Municipal Tools to Support Affordable Housing Report, Lanark County, 2023.

<sup>7</sup> Lanark County Municipal Tools to Support Affordable Housing Report, April 6, 2022

**Figure 15 – Carleton Place Affordable Rental Housing Index**

<b>Dwelling Type</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Bachelor	\$661.79	\$669.02	\$821.37	\$1,064.08
1- bedroom	\$815.16	\$824.06	\$1,081.84	\$1,162.46
2- bedroom	\$1,004.08	\$1,015.04	\$1,424.91	\$1,269.93
3- bedroom	\$1,194.85	\$1,207.90	\$1,695.64	\$1,511.21

**STAFF RECOMMENDATION**

THAT the 2023 Development Activity Report Card by the Director of Development Services dated February 20, 2024 be received as information.