

Report to Planning and Environment Committee

To: **Chair and Members**
Planning and Environment Committee

From: **Scott Mathers, MPA, P.Eng.**
Deputy City Manager, Planning and Economic
Development

Subject: **Final Land Needs Assessment (Community Growth):**
Official Plan Review of The London Plan
File O-9595
Public Participation Meeting

Date: **December 3, 2024**

Recommendation

That, on the recommendation of the Deputy City Manager, Planning and Economic Development, the following actions be taken with respect to the Section 26 Official Plan Review of The London Plan:

- a) That the Land Needs Assessment (Community Growth) attached hereto as Appendix "A" **BE ADOPTED** for use as part of Phase 1B of the Section 26 Review of The London Plan;
- b) That Civic Administration **BE DIRECTED** to initiate an Urban Growth Boundary Review for inclusion of approximately 1,130 hectares of developable land to accommodate planned growth, consistent with the Land Needs Assessment (Community Growth);
- c) That the Housing Supply Marketplace Analysis, attached hereto as Appendix "B", dated November 2024 prepared by Colliers Project Leaders Inc. for the City of London **BE RECEIVED**;
- d) That Province **BE REQUESTED** to support an Urban Growth Boundary expansion of approximately 2,000 hectares of developable land to accelerate London's new housing supply, considering the Housing Supply Marketplace Analysis and the Land Needs Assessment (Community Growth);
- e) That Civic Administration **BE DIRECTED** to develop an alternate scenario of approximately 2,000 hectares of developable land to be used if Provincial support is received;
- f) That Civic Administration **BE DIRECTED** to receive landowner requests for candidate properties to be evaluated for potential inclusion within the urban area of the city as part of the Urban Growth Boundary Review; and
- g) That this report **BE RECEIVED** for information.

IT BEING NOTED THAT the findings of the Urban Growth Boundary Review, including evaluation of landowner requests and blocks identified for evaluation by Civic Administration, is to be brought forward to a future meeting of the Planning and Environment Committee for Council adoption and circulation to the Ministry of Municipal Affairs and Housing for Ministry Approval.

IT BEING FURTHER NOTED THAT the development of lands within the Urban Growth Boundary Review expansion area will proceed as approved by Council through future planning approvals and the annual Growth Management Implementation Strategy process.

Executive Summary

A Land Needs Assessment is undertaken as part of an Official Plan Review in order to determine if there is sufficient land available to accommodate projected city growth in population, employment, and housing. If insufficient land is available, alternative directions for growth must be evaluated, including outward expansion through an Urban Growth Boundary Review.

Consistent with Council direction in June 2024, a Housing Supply Marketplace Analysis was also undertaken.

The purpose of this report is to present the findings of an updated Land Needs Assessment for Community Growth and the findings of the Housing Supply Marketplace Analysis and based on these studies seeking Council direction to initiate an Urban Growth Boundary (UGB) Review. Two scenarios are recommended for the UGB Review, which are based on the findings of the Land Needs Assessment and the Housing Supply Marketplace Analysis.

A draft Land Needs Assessment (Community Growth) was brought to Council in June 2024. This report provides an update, based on changes to Provincial policy and Indigenous, community, and development industry consultations.

The updated Land Needs Assessment (Community Growth) has identified an overall need of approximately 1,130 hectares of additional land required to be added to the municipality's urban area for new residential uses. The 1,130 hectares represents the developable lands and does not include natural heritage or natural hazard lands that may also be added to the urban area, but which are not developable.

On October 20, 2024, a new Provincial Planning Statement came into force. It includes a permitted planning horizon of 20 to 30 years. The Land Needs Assessment recommends approximately 1,130 hectares of land need for a 25-year planning horizon, and consistent with the new PPS identifies a 30-year land need of approximately 1,476 hectares.

The Housing Supply Marketplace Analysis identifies a series of recommendations including a recommendation for an Urban Growth Boundary expansion of 2,000 hectares of developable land to accelerate London's new housing supply. Civic Administration is seeking direction to engage the Province to support a UGB expansion by 2,000 hectares, consistent with the findings of the Housing Supply Marketplace Analysis.

The Urban Growth Boundary Review will include evaluation of landowner requests for properties to be considered for potential addition to the urban growth boundary. Candidate blocks of land identified by Civic Administration will also be evaluated. Evaluation criteria are consistent with those identified in policies of *The London Plan and new PPS*. The specific properties and areas to be recommended for inclusion within an expanded Urban Growth Boundary will be brought forward for Council's consideration at a future public meeting held at Planning and Environment Committee.

Linkage to the Corporate Strategic Plan

The Official Plan Review under Section 26 of the *Planning Act* will contribute to the advancement of Municipal Council's 2023-2027 Strategic Plan in the following ways:

- **Strategic Plan Area of Focus: Housing and Homelessness**, by ensuring London's growth and development is well-planned and consider use, intensity, and form.
- **Strategic Plan Area of Focus: Climate Action and Sustainable Growth**, by ensuring infrastructure is built, maintained and secured to support future growth and protect the environment.

A Climate Change Emergency was declared by City Council on April 23, 2019. The subsequent Climate Emergency Action Plan (April 2022) states several goals being undertaken simultaneously. The Official Plan Review, in association with related Housing Accelerator Fund (HAF) projects address several Areas of Focus for climate change mitigation and adaptation, including:

- Transforming Buildings and Development.
- Reducing emissions from new and existing buildings and building London towards a low-carbon, equitable and inclusive future.
- Transforming Transportation and Mobility.
- Reducing emissions associated with the movement of people and goods.
- Adapting and Making London More Resilient.
- Improving the physical and social resilience of existing community in the face of climate change.

Discussion and Analysis

1.0 Background

1.1 Previous Reports Relating to this Matter

- April 11, 2023, Comprehensive Review of The London Plan: Terms of Reference, Public Participation Meeting, Staff Report to Planning and Environment Committee (O-9595).
- July 17, 2023, Update on Comprehensive Review of The London Plan, Staff Report to Planning and Environment Committee (O-9595).
- March 19, 2024, Official Plan Review of The London Plan and Land Needs Assessment Update, File Number: O-9595, Public Participation Meeting, Staff Report to Planning and Environment Committee.
- June 11, 2024, Draft Land Needs Assessment of The London Plan, File O-9595, Public Participation Meeting, Staff Report to Planning and Environment Committee.

1.2 Planning History

In December 2022, Council approved growth projections for the 2021-2051 time period. Subsequently, an Official Plan Review of The London Plan was initiated under Section 26 of the *Planning Act*. Terms of Reference for the Review were presented at a special meeting of Council on April 11, 2023. The Official Plan Review includes a Land Needs Assessment (LNA) to determine if there is enough land designated to accommodate the projected growth over the planning period.

Noting proposed changes to the Provincial Policy Statement issued by the Province in April 2023, the Official Plan Review was paused in July 2023; however, the Land Needs Assessment component of the review was continued to address housing and land use supply needs.

After consulting with Ministry of Municipal Affairs and Housing staff, the City reinitiated the Section 26 Official Plan Review as a phased review in March 2024, with the LNA as the first phase. A draft Lands Needs Assessment for Community Growth (i.e. non-Industrial lands) was presented to the Planning and Environment Committee on June 11, 2024, for continued consultation.

Since the June 2024 draft, the City of London has undertaken ongoing consultations with the development and homebuilding industries regarding the Land Needs Assessment. Feedback has been received through the Housing Supply Reference Group (HSRG) including 5 meetings and 2 technical consultations focusing on land supply contingency, market responsiveness, MOF population projections, and other identified areas of concern. Community and Indigenous consultations have also been held.

As a result of the feedback and recent Provincial Policy changes, revisions have been made to the population projection basis and land demand and vacant land inventory methodology for the purposes of the LNA-Community Growth. Section 2, below, identifies the key policy and methodology changes in this revised Land Needs Assessment.

Based on the need to accelerate housing development in support of the housing target of 47,000 new units, Council directed in June 2024 that a third-party Housing Supply Marketplace Analysis also be undertaken. The marketplace analysis included one-on-one interviews with land development representatives.

It is noted that a Land Needs Assessment for Employment Lands will be brought forward separately for Council's consideration. The draft Industrial LNA is anticipated to be brought forward in Q1 of 2025.

1.3 Financial Impact

The Land Needs Assessment is expected to have financial impacts to the City; however, the costs associated will not be known until the forthcoming Urban Growth Boundary Review. The order of magnitude of cost to service various blocks of land added to the city's urban area will not be known until the specific blocks are identified as part of the forthcoming Urban Growth Boundary Review. Costs and feasibility of servicing and infrastructure are part of the UGB Review evaluation criteria, which are appended to this report.

2.0 Land Needs Assessment Updates

2.1 Provincial Planning Statement (PPS) 2024: Planning Horizon

The new PPS received royal assent on August 20, 2024, and is in force and effect as of October 20, 2024. The new PPS represents a major change in the provincial policy framework with a particular impact on growth management planning. PPS section 2.1.1 directs planning authorities to use the Ontario Population Projections published by the Ministry of Finance as the basis for land use planning purposes. Additionally, section 2.1.3 states that sufficient land supply shall be available to accommodate land needs for at least 20 years, but no more than 30 years, whereas previously the PPS provided direction for up to 25 years.

The LNA methodology is consistent with new provincial guidance. On April 3, 2024, staff received council direction to apply a 25-year planning horizon to the LNA. Based on the direction noted in section 2.1.3, a 25-year planning horizon conforms with the PPS direction and revision is not required. A 30-year land need of approximately 1,476 ha is also identified and represents the maximum expansion permitted under the PPS.

The Land Needs Assessment (Community Growth) is included in Appendix A to this report, including updates to land demand and vacant land supply to support the projected demand.

Additional information on the 30-year planning horizon land need is also contained within Appendix A.

2.2 Provincial Planning Statement 2024: MOF Population Projections

As noted above, planning authorities are now required to use Ministry of Finance population projections for the basis of land use planning purposes. The draft LNA incorporated the 2023 release, which was the most current available at the time. The Ministry has since released an updated growth forecast on October 1, 2024, and the update has been included in the revisions to the Land Needs Assessment. The start of the planning horizon has also been adjusted to 2024 rather than the previous starting

point of 2022. Additional information regarding the MOF Population Projections and assumptions are included within the Land Needs Assessment (see Appendix A).

2.3 Revised Methodology of Land Needs Assessment

Following additional consultation with community, Indigenous, and Housing Supply Reference Group (HSRG) partners, revisions have been made to the methodologies of both the land supply and population growth-related demand calculations. In addition to changes related to the new PPS, the following methodology changes have been made based on feedback since the June 2024 draft Land Needs Assessment (Community Growth):

- Discount the lands within the Upper Thames River Conservation Authority Dingman Creek “Screening Area” from the vacant land supply.
- Base the density assumptions (units per hectare) for Low Density Residential, Medium Density Residential, and High Density Residential on previous developments in the city, rather than projected density trends.
- Based on known needs for school sites, add a school block requirement to the calculated land need to account for future schools.
- Adjust the residential density assumption on the Shopping Area Place Type to recognize that it is a mixed-use land use designation, but some sites may remain stand-alone commercial rather than a mix of residential and commercial.
- Based on stormwater management (SWM) facilities needs, such as SWM ponds, add a SWM factor to the land need based on developable area.

Additional information regarding the revised methodology is included within the Land Needs Assessment, in Appendix A to this report.

3.0 Housing Supply Marketplace Analysis

As a result of Council direction of June 25, 2024, Civic Administration engaged Colliers Project Leaders (Colliers), a third-party economic consultant, to undertake a Housing Supply Marketplace Analysis, attached as Appendix ‘B’. The Housing Supply Marketplace Analysis summarizes development industry feedback and provides recommendations on the land supply required to meet Council’s provincial housing supply pledge.

3.1 Background

On June 25, 2024, City Council received a draft Land Needs Assessment (Community Growth) appended to the staff report ‘Draft Land Needs Assessment of The London Plan, File O-9595, Public Participation Meeting’ dated June 11, 2024. Council also directed Civic Administration to engage a third-party economic consultant to undertake a housing supply marketplace analysis, including engagement with the Housing Supply Reference Group and a review of the Vacant Lands Inventory, and provide recommendations on the land supply required to meet Council’s provincial housing supply pledge.

3.2 Approach

Following the Council Resolution, Civic Administration engaged Colliers Project Leaders (Colliers) to undertake the Housing Supply Marketplace Analysis, which included engagement with the Housing Supply Reference Group and a review of the Vacant Lands Inventory. As part of the Housing Supply Marketplace Analysis, Colliers considered the following factors impacting the housing supply:

- The greenfield land required to ensure the City has sufficient land supply to meet its housing pledge/goal.
- The factors that impact the supply of greenfield lands available for development.

- The potential of the current greenfield land supply to be developed in the 20-year timeframe.

It should be noted that these factors are not contemplated by the Provincial Planning Statement and are therefore not considered as part of the development of the Land Needs Assessment.

Between July and October 2024, Colliers undertook an independent review of London's housing supply marketplace which included interviews with eight of London's largest housing development firms. As part of the analysis, Colliers considered the following elements:

- Physical, financial and social constraints within the built-area,
- Land availability within the built-area and greenfield lands,
- Physical constraints within greenfield lands,
- Council Approvals vs. building permits,
- Addressing market demand,
- Land development costs vs housing affordability,
- Addressing High Density Residential development within built-area,
- Transitioning city owned lands into housing, and
- Meeting density, supply and affordability targets

These findings were then synthesized to identify and highlight key trends and potential gaps in the housing market, and to provide recommendation on increasing the housing supply in London. The complete third-party economic Consultant's report is attached under Appendix 'B' Housing Supply Marketplace Analysis.

3.3 Recommendations

The Housing Supply Marketplace Analysis prepared by Colliers includes a series of recommendation to increase London's land supply. Colliers proposed recommendations are identified as follows:

1. **"End of Pipe" Developments:** Where servicing capacity is sufficient at the end of pipe to bring in lands currently outside of the UGB, a public process should be created where developers based on rated criteria can fast-track and get applications approved quickly.
2. **Pooling of Development Charges:** The funds collected by the City through development charges should be one pool of funds that can be accessed and delivered through the GMIS program to facilitate developments based on the needs of the developments brought forth through the "end of pipe" development system.
3. **Concierge Services:** Enable the fast-tracking of the development approvals process through a delegate that manages files across different internal City departments to facilitate quicker approvals.
4. **Prioritized Application Review (High-Output-Volume):** The City should prioritize development applications that have the potential to achieve the provincial goal of more units built faster and 47,000 units by year 2031.
5. **Modernized Urban Financial Incentives:** Due to the additional costs and time associated with downtown developments a downtown catalyst program should be created/re-instated to facilitate intensified urban development.
6. **Collaborative Approach to Environmentally Sensitive Development Areas:** The City, Conservation Authority, and developers work together to mitigate environmental impacts (flooding) of lands that can be developed into housing.

7. **Alignment on future Built-Form (housing):** Stick-framed structures will be more financially attainable for the end user. This can be achieved through intensification (Row townhouses, Stacked townhouses, Semi-detached housing).
8. **Masterplan Horizon:** Due to London's ability to expand its greenfield lands in several areas of the City, master planning beyond the UGB should be considered to provide the City with a high-level understanding of the physical requirements to facilitate long-range future development.
9. **Land Supply to Support City-Endorsed Housing Target:** Consideration should be given to expanding the available developable lands beyond the current proposed greenfield land needs identified within the land needs assessment (**total of 2000 Ha of developable land**).

The City is committed to collaborating with industry partners to work towards a jointly aligned framework that supports timely approvals and housing at an attainable price for all Londoners. Many of the recommendations noted above align with the current continuous improvement efforts as well as the actions highlighted in the “Targeted Actions to Increase London’s Housing Supply: Supporting Council’s Pledge for 47,000 Units by 2031” endorsed by Council in April 2024.

3.4 Land Supply

As noted in Colliers report, there are many factors that have been considered when evaluating London’s land supply needs. Key considerations include: the high cost of land within the urban growth boundary; the business plans and land inventory of local developers; and the ratio of applications to building permits required to achieve Council’s 47,000-unit pledge. The report concludes that moving forward with an urban growth boundary expansion of 2000 Ha of developable land will accelerate new housing in London.

Recommendation d) of this report includes a request to the Province to support approximately 2,000 hectares of developable land to accelerate London’s new housing supply. If this portion of the report’s recommendation is approved, a letter will be sent by the Deputy City Manager, Planning and Economic Development to both Ministry of Municipal Affairs and Housing and Ontario’s Minister of Municipal Affairs and Housing. This letter would include a copy of the Council resolution and a request for a 2,000-hectare Urban Growth Boundary expansion to accelerate new housing supply in London.

4.0 Consultation

The City of London has undertaken ongoing consultations on the Land Needs Assessment with the development and homebuilding industries through the Housing Supply Reference Group, in addition to an Indigenous Consultation on October 30, and Community Information Meeting held on November 7, 2024. Themes of consultation were related to the following interests:

- Land calculation methodology and assumptions included in the City’s Vacant Land Inventory.
- Factors applied to the resulting land supply.
- Population growth-related demand calculations, as part of the revised planning horizon.
- Dingman Creek “Screening Area” regarding the quantity of land discounted from the City’s vacant land supply.
- City’s recommendation related to the land expansion requirement, considering the proposed lower or higher end range.
- The quantity of land to be incorporated within the UGB expansion, including further discussion if the vacant land supply is sufficient to accommodate the projected growth.

- Methodology assumptions regarding housing splits within BAB compared to Greenfield area.
- Contingency factor and further considerations in the finalized LNA (Community Growth).
- Servicing capacity within the UGB expansion and possible lands to be considered, including community growth and employment lands.
- Considerations regarding a potential employment lands expansion to be factored together with the community growth expansion.
- Timing associated to review the assumptions and planning principles addressed in the UGB expansion and updating the factors considered.
- Further detail on the recommendations of the Housing Supply Marketplace Analysis.

In addition, and as noted in Section 3 of this report, as part of the Housing Supply Marketplace Analysis consultation, the Colliers project team attended four Housing Supply Reference Group (HSRG) meetings.

- The first meeting was held on July 24, 2024, included a presentation on the introduction of the project and the Colliers team, as well as key deliverables of the Housing Supply Marketplace Analysis, and sought feedback from the HSRG. Feedback from the HSRG was requested through a series of interviews with eight housing development firms and organizations operating in the City, the interview questions were focused on housing supply, land, policy supports, incentives and challenges.
- The second meeting took place on September 18, 2024, and included a presentation related to Colliers initial findings which included a current state review, as well as interview responses and common themes, and sought further feedback from the HSRG.
- The third meeting held on October 24, 2024, included a presentation of the draft recommendations forming the Housing Supply Marketplace Analysis, and sought further feedback for the HSRG.
- The fourth meeting was held on November 12, 2024, and included a final discussion of the recommendations of the Housing Supply Marketplace Analysis.

5.0 Urban Growth Boundary Review

Based on the results of the final Land Needs Assessment (LNA) and Housing Supply Marketplace Analysis attached to this report, Council direction would be required to initiate an Urban Growth Boundary (UGB) Review. A set of evaluation criteria, in alignment with policy 76 of The London Plan and policies of the new PPS, is attached as Appendix C to this report. Consistent with the new guidance from the provincial planning policy framework, the criteria are intended to guide the evaluation of the most suitable lands to be considered for inclusion within the Urban Growth Boundary expansion.

Following Council Direction, civic administration will receive landowner requests for candidate sites to be evaluated against the Urban Growth Boundary (UGB) expansion criteria, as noted in the PPS 2024, London Plan, and appended to this report. Civic administration will also identify blocks of land adjacent to the existing UGB for evaluation against the same criteria noted above. Early requests for inclusion have been received from interested landowners identifying sites to be evaluated for potential inclusion within the UGB Review, and those requests previously submitted to Staff are shown in Appendix D.

It is anticipated that the results of the Urban Growth Boundary Review will be presented at a future PEC meeting for Council adoption and circulation to the Ministry of Municipal Affairs and Housing (MMAH) for Ministry Approval under section 26 of *The Planning Act*.

Two Urban Growth Boundary Scenarios will be prepared by Civic Administration. One scenario will be based on the findings of the Land Needs Assessment, and the other scenario will be based on the Housing Supply Marketplace Analysis, noting that the marketplace analysis recommendation exceeds the 30-year land need permitted by the Provincial Planning Statement and Provincial support would be required for an approval of a City approach that exceeds the policy permissions of the new PPS.

6.0 Next Steps

The following is a summary of next steps that will be taken related to the Official Plan Review and Land Needs Assessment:

- Draft Land Needs Assessment for Employment Lands report, targeted for Q1 2025.
- Request the Province support an Urban Growth Boundary expansion of approximately 2,000 hectares based on the Housing Supply Marketplace Analysis.
- Initiate Urban Growth Boundary Review with two scenarios and receive any additional landowner requests for sites to be evaluated against eligibility criteria.
- Initiate engagement with the Province to seek support for the findings of the marketplace analysis to accelerate new housing supply and the land need of up to 2,000 developable hectares.
- Continue Indigenous, Community, and Development Industry consultations as part of UGB Review.
- Subsequent phases of the Official Plan Review are anticipated to include conformity exercise under the new *Provincial Planning Statement*.
- The Intensification Target will continue to be monitored, and future changes may be recommended based on the outcome of these policy reviews and servicing and infrastructure projects.

Conclusion

This report recommends the adoption of the finalized Land Needs Assessment (Community Growth) and seeks Council direction to initiate an Urban Growth Boundary Review based on two scenarios.

The first UGB Review scenario is based on the Land Needs Assessment's identified land requirement of approximately 1,130 developable hectares. The UGB calculation does not include non-developable lands, such as the Natural Heritage System. The finalized Land Needs Assessment has incorporated feedback from additional consultation with the Housing Supply Reference Group and contemplates revised land supply and growth demand calculations. The finalized Land Needs Assessment is consistent with *Provincial Planning Statement* and does not conflict with provincial plans or matters of provincial interest.

The second UGB Review scenario to be brought back for Council's consideration is based on the Housing Supply Marketplace Analysis. The Housing Supply Marketplace Analysis, conducted by Colliers Project Leaders, provides a comprehensive assessment of the City of London's greenfield land needs to meet its housing goals through a combined quantitative and consultative approach. The report recommends that moving forward with an urban growth boundary expansion of 2000 Ha of developable land will accelerate new housing in London.

Civic Administration will return to Council with recommended UGB expansion sites for Council's consideration. The recommended sites will be for Council's adoption and circulation to the Ministry of Municipal Affairs and Housing for Ministry approval under Section 26 of the *Planning Act*.

Reviewed by:

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Submitted and

Recommended by:

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Appendix A – Land Needs Assessment for Community Growth

2024-2049

**FINAL
Land Needs
Assessment:
Community
Growth**

Planning and Development
City of London

December 2024





London
CANADA

Final Land Needs Assessment: Community Growth Planning and Development City of London December 2024

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1 EXECUTIVE SUMMARY

A Land Needs Assessment is undertaken as part of an Official Plan Review in order to determine if there is sufficient land available to accommodate projected city growth in population, employment, and housing. If insufficient land is available, alternative directions for growth must be evaluated, including outward expansion through an Urban Growth Boundary Review.

The purpose of this report is to present the findings of an updated Land Needs Assessment for Community Growth. It provides the rationale for an Urban Growth Boundary (UGB) Review.

A draft Land Needs Assessment (Community Growth) was brought to City of London Council in June 2024. This report provides an update, based on changes to Provincial policy and Indigenous, community, and development industry consultations.

The updated Land Needs Assessment (Community Growth) has identified an overall need of approximately 1,130 hectares of additional land required to be added to the municipality's urban area for new residential uses. The 1,130 hectares represents the developable lands and does not include natural heritage or natural hazard lands that may also be added to the urban area, but which are not developable.

The updates to this Land Needs Assessment (LNA) relate to increases in population growth based on changes to Provincial policy, and changes to the City's Vacant Land Inventory and land supply methodology based on the continued consultations. The updates and revisions since the June 2024 draft that result in the identified land need include:

- Using the 2024 Provincial population projection data release from Ontario Ministry of Finance as basis for the city's population projections for land use purposes, consistent with policy requirements of the new Provincial Planning Statement (PPS), 2024. The start date was also updated to 2024.
- Reviewing methodology of the city's inventory of vacant land, including:
- Basing housing density yields of future growth lands on past developments;
- Addressing Shopping Area Place Type commercial areas as stand-alone and mixed-use commercial;
- Recognizing the ongoing Upper Thames River Conservation Authority review of the Dingman Creek flood plain modelling by removing lands within the Dingman Creek flood plain "Screening Area" where no decision has been made yet regarding developability and mitigation of flood risk; and

- Applying additional land area factors toward the land needed for known new school site requirements and for stormwater management (SWM) ponds.

On April 3, 2024, Council directed a 25-year planning horizon be applied to the Land Needs Assessment. The land need identified in this report is for a 25-year timeframe. However, a 30-year planning horizon is also noted in this report because the new PPS 2024 has amended the permitted planning horizon from 25-years to a maximum of up to 30 years for land needs studies.

Planning Horizon data for 25-years is also contained in Appendix 'A' and data for a 30-year planning horizon is also contained in Appendix 'B' to this report.

2 INTRODUCTION

This report documents the findings of the City of London's Land Needs Assessment (LNA) for Community Growth. The LNA has been undertaken as part of the Section 26 Official Plan Review of the City of London's Official Plan, The London Plan. The overall purpose of the Official Plan Review is to comprehensively update The London Plan to ensure its consistency with the Provincial Planning Statement (PPS) and other Provincial legislation. As such, the purpose of the LNA is to evaluate the existing land supply against projected demand based on growth in population, housing, and employment over the planning horizon of The London Plan.

The basis of the LNA is population growth, housing, employment, and non-residential (commercial and institutional) space projections for the 25-year planning horizon from 2024 to 2049. The Ministry of Finance 2024 population growth forecast was incorporated into the land calculations to conform with new direction under the Provincial Planning Statement (October 2024) and represent higher than anticipated growth trends. Other assumptions approved by Municipal Council on December 13, 2022, were included to calculate land required to accommodate anticipated growth, except where modified based on changes to provincial planning policy or through continued consultation.

Undertaking the LNA provides timely opportunity for the City of London to address housing and land supply concerns. The LNA will support ongoing initiatives related to the Provincial Housing Target of creating 47,000 new residential units by 2031. Results from this study will also assist in the alignment of infrastructure and engineering requirements related to anticipated growth.

Based on the result of the LNA, a determination will be made regarding justification under the provisions of the PPS and The London Plan to add additional lands into the City's urban area (Urban Growth Boundary) to accommodate the projected growth. Should the result of the LNA demonstrate the need for expansion, City Staff will bring forward a recommendation to Municipal Council requesting direction to initiate an Urban Growth Boundary Review. This

report will not make specific recommendations on the areas to be considered for a subsequent Urban Growth Boundary Review or expansion.

Finally, it should be noted that employment (i.e. industrial) land needs were evaluated in parallel with this LNA and the findings will be presented in a separate report. Should the report identify need for expansion, all land needs shall be evaluated under the Urban Growth Boundary Review.

1.1 Policy Context

This Land Needs Assessment was developed within the context of the provincial legislation, Provincial Planning Statement, and the City of London's Official Plan (The London Plan).

1.1.1 The *Planning Act*

The *Planning Act* is provincial legislation governing land use planning in Ontario and outlines the statutory requirements for municipal planning documents and processes. The *Planning Act* also identifies matters of provincial interest in key areas, including the appropriate location of growth and development, the orderly development of safe and healthy communities, and the adequate provision of a full range of housing including affordable housing.

Section 26 of the *Planning Act* requires municipalities to undertake an official plan review 10 years after a new plan is in effect, and at least every 5 years thereafter. The official plan review requires that all policies of the plan be updated to ensure they have regard to matters of provincial interest and are consistent with all legislation and policy statements issued by the Province. Official plan reviews under the *Planning Act* enable municipalities to undertake a land needs assessment to determine sufficient land supply to meet projected needs as defined in the Provincial Planning Statement (PPS).

1.1.2 Provincial Planning Statement, 2024: Planning Horizon

The new PPS received royal assent on August 20, 2024, and came into force and effect on October 20, 2024. The new PPS, as the current planning policy framework, provides a major change regarding provincial policy legislation with additional direction on land needs assessment, with a specific impact on growth management planning. PPS section 2.1.1 directs planning authorities to use the Ontario Population Projections published by the Ministry of Finance as the basis for land use planning purposes. Additionally, section 2.1.3 states that sufficient land supply shall be available to accommodate land needs for at least 20 years, but no more than 30 years, whereas previously the PPS provided direction for up to 25 years.

The Land Needs Assessment methodology is consistent with new provincial guidance. On April 3, 2024, staff received council direction to apply a 25-year planning horizon to the LNA. Based on the direction noted in section 2.1.3, a 25-year planning horizon conforms with the PPS direction and revision is not required. A 30-year land need of approximately 1,476 ha is also identified and represents the maximum UGB expansion permitted under the PPS.

1.1.3 Provincial Planning Statement, 2024: Population Projections

As noted above, planning authorities are now required to use Ministry of Finance population projections for the basis of land use planning purposes. The draft LNA incorporated the 2023 release, which was the most current available at the time. The Ministry has since released an updated growth forecast on October 1, 2024, and the update has been included in the revisions to the Land Needs Assessment. The start of the planning horizon has also been adjusted to 2024 rather than the previous starting point of 2022.

The Ministry of Finance projections are based on the Middlesex-London census metropolitan area (CMA) and does not specify City of London population share. For the purposes of the LNA, 84% of CMA population is applied. This is reflective of the city's historic share of metropolitan population and is anticipated to continue over the planning horizon.

Consistent with the PPS 2024, the MOF population projections are being applied in the updated LNA attached to this report; however, a preliminary review raised concerns and indicate the need for ongoing monitoring. Key contributing factors to the 2024 MOF projected growth methodology appear as follows:

- The assumption of consistent high levels of immigration, with the exception of a short cooling-off period in 2027-2028.
- The projected growth relies on the current national immigration target of 500,000 being met annually until 2030 and increasing to roughly 600,000 annually for the remainder of the forecast to account for natural population decline (i.e. mortality and smaller family sizes).
- The province of Ontario is also expecting to maintain a consistent proportion of new population from the national immigration target, across the length of the planning horizon.

Due to these considerations, caution is recommended when interpreting the longer-term outlook of the Ministry of Finance growth forecast. The forecast does not appear to consider longer-term shifts in demographic trends nor longer-term adjustments to Federal immigration policies. Noting that on October 24, 2024, the Government of Canada's Immigration Levels Plan was released, outlining substantial short-term reductions in federal immigration targets (below 400,000/year) for years 2025 through 2027.

The 2024 MOF growth forecast does appear to account for this reduction; however, following the 2027-28 period there is an abrupt return to the more recently observed levels of immigration of 500,000 per year. For context, net migration is required to be almost 250% higher than historical trends to meet the projected 2051 population considered in the MOF 2024 growth forecast.

The assumptions in the 2024 MOF forecast are representative of an optimistic growth forecast exceeding both the previous Ministry of Finance release and the Council-approved

projections by a wide margin. With an additional 5 years added to the growth forecast compared to the 2023 MOF forecasts, there is a corresponding population increase of 55,072 persons in the City of London. The updated MOF forecast has resulted in increased land demands across all land uses.

1.1.4 City of London's Official Plan (The London Plan)

The London Plan was adopted by City Council and approved by the Province in 2016. The London Plan horizon was first prepared under the 2014 PPS which required a maximum planning horizon of 20 years but was approved based on the 2020 PPS that required a planning horizon of up to 25 years. For the purposes of the Land Needs Assessment, City Council approved The London Plan horizon to increase from 20 years to 25 years, which is consistent with new direction of “at least 20 years but no more than 30 years” (policy 2.1.3) under PPS, 2024.

The London Plan established a policy framework for growth management over the planning horizon and places an emphasis on “inward and upward” growth to achieve a compact form of development with its intensification target. The Plan targets a minimum of 45% of all new residential units is to be achieved within the Built Area Boundary (BAB). New development within the BAB generally takes the form of infill, intensification or redevelopment.

Where it is determined that an expansion of the City’s Urban Growth Boundary is justified to meet required land needs through a Land Needs Assessment, criteria outlined in The London Plan (policy 76) must be satisfied. These criteria determine the preferred location for settlement area expansion and are consistent with PPS, 2024.

Given that portions of The London Plan first came into effect in 2017, a review of the Plan is not required until 2027. However, the phased approach for the Section 26 Official Plan Review will create flexibility to meet the statutory requirement for the review by 2027 and expedite the LNA process to determine the land required to accommodate projected growth and support the creation of 47,000 new units by 2031.

1.2 Revisions to Methodology Since June 2024 Draft

Following additional consultation with community, Indigenous, and Housing Supply Reference Group (HSRG) partners, revisions have been made to the methodologies of both the land supply and population growth-related demand calculations. In addition to changes related to the new PPS, the following methodology changes have been made based on feedback since the June 2024 draft Land Needs Assessment (Community Growth):

- Discount the lands within the Dingman Creek “Screening Area” from the vacant land supply.
- Base the density assumptions (units per hectare) for Low Density Residential, Medium Density Residential, and High Density Residential on previous developments in the city, rather than projected density trends.

- Based on known needs for school sites, add a school block requirement to the calculated land need to account for future schools.
- Adjust the residential density assumption on the Shopping Area Place Type to recognize that it is a mixed-use land use designation, but some sites may remain stand-alone commercial rather than a mix of residential and commercial.
- Based on stormwater management (SWM) facilities needs, such as SWM ponds, add a SWM factor to the land need based on developable area.

Unless noted otherwise, these adjustments have been made for the purpose of this LNA planning exercise, but do not reflect a change to the master version of the vacant land inventory (VLI) that is available through the City's Open Data Portal.

1.2.1 Dingman Creek Screening Area

The Upper Thames River Conservation Authority is updating its floodplain modelling for the Dingman Creek. Until completion of the modelling, a broader “screening area” has been identified for the floodplain and the surrounding area. Due to timing of the updated floodplain modelling associated with the Dingman Creek Environmental Assessment, the screening area has been discounted from the current land supply. All potential residential units except those within a registered plan, or lands with other recent decision regarding developability, have been removed from the land supply due to uncertainty around the ability to meet the requirements for Conservation Authority permitting. While it is anticipated that residential development will be feasible throughout much of the screening area, the discount was applied to alleviate concerns of potential overestimation of supply within the existing UGB. Continued monitoring will follow approval of the floodplain mapping. The resultant greenfield land area discounted from vacant land supply is approximately 301 hectares (309.7 ha including Screening Area lands within the Built Area Boundary).

1.2.2 Residential Density Assumptions

Estimates of potential density are made based on land use type for lands without a current planning application or known number of units. Land use types are:

- Low Density Residential or LDR (e.g. single-detached),
- Medium Density Residential or MDR (e.g. townhouses), and
- High Density Residential or HDR (e.g. apartments).

Residential density assumptions were a source of concern throughout the consultation process. The draft LNA originally recommended residential densities reflective of current housing trends and assumptions of projected trends towards denser, mixed housing forms. Concerns were raised regarding the units per hectare (UPH) assumptions for low (LDR) and medium density residential (MDR) used in the draft LNA. The draft LNA contemplated densities of 20 UPH for LDR, and 44 UPH for MDR. In response, Civic Administration reviewed twelve years of development density trends, including example sites provided by the development industry, and have applied revised density assumptions of 15 UPH for LDR and 41 UPH for MDR. The assumption of 125 UPH for high density residential (HDR) based

on current trends remains unchanged. The resulting adjustments have increased land requirements for LDR and MDR housing forms due to the decreased density assumption. These assumptions have been carried over to the master VLI dataset and applied to vacant lands with no application.

1.2.3 Future School Sites Factor

Deductions in land supply for the purposes of the LNA were made to account for future school block requirements within new neighbourhoods. The two major local school boards were consulted to determine projected needs based on anticipated enrollment pressure. Thames Valley District School Board indicated a need for 7 elementary schools and 1 secondary school and the London District Catholic School Board requires 2 elementary schools and 1 secondary school. Land area requirements were determined based on Ministry of Education sizing guidelines and information provided from both major school boards. The resultant land area discount is approximately 25.2 hectares (62.3 acres) for the 9 elementary schools and 12.1 hectares (30 acres) for secondary schools, for approximately 37 hectares total.

1.2.4 Shopping Area Place Type: Residential Assumption

Further deductions were made to address concerns related to residential unit potential in the Shopping Area Place Type. The 150 UPH was maintained noting that policy 877 in The London Plan states that mixed-use buildings and a broad range of uses including residential are permitted in the place type. This density is applied for the Shopping Areas and the new Major Shopping Areas (new Place Type pending Provincial approval). However, a city-wide 50% discount was applied to recognize standalone commercial uses may continue and not all sites within Shopping Area Place Types will develop as mixed-use with residential components. An additional residential supply deduction was applied specific to the commercial lands at Dingman Drive and Highway 401 (known as the former IKEA site) acknowledging the site location and surrounding land uses.

1.2.5 Stormwater Management Facilities Factor

An additional 5% factor beyond the developable lands required for a UGB expansion will be added as part of the land need, to account for required stormwater management (SWM) facilities, such as SWM ponds. The total land area required for SWM facilities will be dependent on the total land area expansion and stormwater requirements of the identified areas.

1.3 Housing and Employment Growth Forecast

1.3.1 Reference Growth Scenario (2021 – 2051)

In December 2022, Municipal Council endorsed the Reference Scenario in the final report prepared by Watson and Associate Economists, entitled “Population, Housing and Employment Growth Projection Study, 2021-2051”. The Reference Scenario was endorsed

as the City of London's corporate growth forecast, including for use in *Planning Act* and *Development Charges Act* initiatives.

In April 2024, Council directed staff to apply the 25-year planning horizon to the Land Needs Assessment.

1.3.2 Ministry of Finance Population Projections (2023 – 2051)

Notwithstanding that Council approved corporate growth projections in December 2022, the Land Needs Assessment applied the 2024 Ministry of Finance population projections released in October 2024 for land use purposes, consistent with the new PPS direction (policy 2.1.1).

As per the new policy direction, the Ministry of Finance annual population projections (2023 to 2051) were applied to the growth demand calculations. The demand calculations incorporate the latest Ministry of Finance population growth forecast while maintaining the Council-endorsed assumptions related to employment activity rates, gross floor area calculations, and housing splits.

The Ministry of Finance population projections for the Middlesex County include the City of London. The share of London's population has been approximately 84% of the Middlesex County population from 2001 to 2021, which was considered in the Council endorsed projection scenario. For the purposes of the LNA, the 84% share was applied to update the City's population growth forecasts over the 25-year planning horizon.

1.4 Methodology

The methodology applied to the Council endorsed Reference Growth Scenario was both peer-reviewed and applied to previous iterations of growth modelling for City of London. The approach incorporated both the “top-down” cohort-survival forecast methodology and a “bottom up” household formation methodology. Noting the rigor behind the growth methodology, the demand assumptions have been maintained and applied to the Ministry of Finance 2024 population growth forecast for the purposes of this land needs assessment.

1.4.1 Residential Assumptions

Intensification

Residential land demand calculations contemplate a 45% Intensification Target over the Council approved 25-year planning horizon – as a result the remaining 55% of demand is expected to be accommodated through greenfield development. Housing share and density assumptions (units per hectare or “UPH”) were analyzed against local trends and comparable

municipal examples, and feedback from the Housing Supply Reference Group (HSRG) was also considered.

Housing Share

The housing share (or “housing split”) calculation incorporated the 45% intensification rate was analyzed by residential density type for each planning policy area. It is important to note that strong housing demand is projected for the MDR and HDR housing forms. HDR housing share has significantly increased, and the density type projected to comprise a greater proportion of the expected growth compared to historic trends.

The City of London overall housing share assumption for growth was calculated as follows:

- 27% low density residential (LDR) (i.e., single and semi-detached dwellings)
- 28% medium density residential (MDR) (i.e., rowhouses and townhouses)
- 45% high density residential (HDR) (i.e., apartments)

By planning policy area, the housing shares are: 5% LDR, 23% MDR, 72% HDR within the Built-Area Boundary; 46% LDR, 32% MDR, and 22% HDR for designated greenfield; and a small allocation of rural area housing growth being anticipated at 100% LDR.

Historically, LDR units accounted for 42% of all new greenfield development between 2017 and 2023 whereas an assumed 46% LDR share was applied to greenfield demand and supply calculations. This assumption aligns with the projected LDR share (46%) of new greenfield residential development in the endorsed Reference Scenario.

Density (Units Per Hectares)

In the Council-endorsed Reference Growth Scenario, housing unit per hectare (UPH) density assumptions by structure type were identified based on a review of historical density trends in the City of London, a review of trends and assumptions used in other municipalities. Incorporating feedback from consultations, the density assumptions applied to the land demand and supply calculations were revised based on past city of London trends, as follows:

- A density of 15 units per hectare for LDR units.
- The MDR density is 41 units per hectare.
- The HDR density is 125 units per hectare. Note that additional height is expected to be permitted upon Ministerial Approval of the City of London’s Heights Review (adopted by Council September 2024); however, this is not factored into the HDR density assumption.

1.4.2 Non-Residential Assumptions

Assumptions for non-residential growth accounted for the total space needs and density trends observed in London and across Ontario. Key variables incorporated into the land calculations included: anticipated intensification rate for non-residential development by sector, employment activity rate, floor space per worker, and floor area ratio.

By applying a similar approach that was used to determine residential Greenfield demand, it was assumed that a certain proportion of the demand will be met through intensification of lands within the Built Area. To determine the potential impact of intensification, historic building permit activity was reviewed to verify the extent of intensification by sector.

An employment activity rate is defined as the number of local jobs per capita for a municipality. The average floor space per worker (FSW) is a calculated value indicative of expected space needs per employee. Both variables were incorporated into the GFA required to accommodate employment growth by sector.

To convert the demand for institutional and commercial GFA to a demand for land, floor area ratios (FAR) assumptions were utilized. FAR is the area of a building to the total area of the site it occupies. Employment FARs were established in the 2006 Land Needs Background Study based on a review of existing sites and building permits. Those FARs were carried forward to the 2011 Land Needs Study and were adjusted based on industry trends for the purposes of this Land Needs Assessment.

Institutional

Institutional land demand calculations contemplated an 82% intensification rate over the 25-year horizon, based on historic trends. It should be noted that the sector does not follow a linear growth projection despite the data presented in growth modelling. Development in the sector is less frequent but will build to meet demand, as required and when funding is available. This pattern of development is caused by the sector being primarily reliant on government funding mechanisms and organization-based capital planning. Furthermore, large-scale institutional use (e.g. hospitals, post-secondary schools) are anticipated to develop as intensification whereas community services and hubs (e.g. fire stations, schools) are population serving and tend to follow new growth.

The institutional sector FSW assumption is 65m^2 (700ft^2) which is representative of non-residential density trends noted in historic data and comparable municipal examples. This assumption accounts for the varying characteristics and scale of land uses within the sector noting that the space requirements for a medical office differ from those of a police station, community centre, or elementary school. An average FAR of 0.42 was assumed for the sector again noting variations depending on form and use. Land calculations considered smaller FAR requirements for neighbourhood streets and larger FAR for higher order streets to reflect to expected land use. The employment activity rate within the sector is expected to remain relatively consistent with growth expected from 0.131 to 0.137 over the planning horizon.

Commercial

The commercial assumptions considered both the retail and office demand due to the highly similar land use trends in greenfield development. It was determined that an intensification rate corresponding to residential land use would be appropriate given the inherent link between population growth and commercial demand. As such, a corresponding 45% intensification rate was incorporated in the commercial land demand calculations over the 25-year planning horizon marking a slight increase in previous growth studies which assumed a rate of 40%.

The scale of commercial growth is anticipated to vary depending on the needs of the service area's population however greenfield development is expected to occur more often within mixed-use development rather than traditional standalone spaces, and to develop with smaller footprints. Current land-use trends were evaluated to determine an appropriate standalone commercial demand assumption, and it is anticipated that demand will largely be accommodated through mixed-use development. A commercial form split of 87% mixed-use and 13% standalone commercial was determined to be appropriate for greenfield land requirements and to mitigate the double counting of required lands. This assumption is consistent with general policies of The London Plan which encourage mixed-use development forms to achieve compact and complete communities. Based on this assumption, it would be expected that lands identified for residential demand would include commercial elements and mixed-use development.

The blended office and retail FSW assumption is roughly 34m^2 (370ft^2) per employee over the 25-year planning horizon. This FSW assumption is notably lower than the previous assumption 39.5m^2 (425ft^2) from a 2018 Population, Housing and Employment Growth Study and indicative of the trend towards smaller commercial footprints. This assumption is a departure from historical expectations and represents the ongoing shift in space requirements for both retail and office use.

The inherent link between population growth and demands for services have impacted the employment activity rate for the sector. Based on the optimistic population growth forecast provided by the Ministry of Finance, the employment activity rate is expected to climb from 0.159 to 0.190 over the planning horizon due to the recovery from pandemic-related job losses.

An average FAR of 0.30 was assumed for the sector. Land calculations considered a relatively consistent retail FAR between 0.25 and 0.30 based on location. The office portion of the commercial sector varies with prime office space located downtown and lower office floor area expectations (0.05 FAR to 0.10 FAR) outside of the downtown core. The GFA calculation for the commercial sector discounted pandemic-related job recovery from 2022-2026 noting that the recovery would account for pre-existing employment opportunity and not require new floorspace. Table 1 shows the non-residential assumptions incorporated into the GFA calculations.

| Sector | Intensification | Floor Space per Worker Assumption | Floor Area Ratio (FAR) Assumption |
|---------------|-----------------|--|-----------------------------------|
| Commercial | 45% | 34m ² (370ft ²) | 0.30 |
| Institutional | 82% | 65m ² (700ft ²) | 0.42 |

Table 1. Commercial and Institutional GFA calculations (2024-2049)

1.4.3 Vacant Land Inventory

The City's Vacant Land Inventory (VLI) tracks vacant land for potential development within the City's Urban Growth Boundary and is comprised of two different studies: residential and non-residential (i.e., industrial, commercial, and institutional). The VLI is updated quarterly to reflect the most up-to-date capacity for future residential and non-residential development at a snapshot in time. The VLI includes categories of development with density assumptions for vacant lands as well as development applications within the "development pipeline". The maintenance of the VLI is consistent with policy direction conforming with PPS, 2024 (policy 2.1.4) related to residential land supply to accommodate growth.

For the purposes of the Land Needs Assessment, the VLI has been updated to align with street typologies and place types in The London Plan. In addition, the residential land supply within the VLI has been adjusted to address concerns raised by the local development industry. As such, the Dingman Creek Screening Area has been removed from residential land supply due to uncertainty related to development feasibility, except those lands within a registered plan or where a recent decision has been made regarding the floodplain. Further deductions were made for lands designated under the Shopping Area Place Type to recognize stand-alone commercial within the mixed-use Place Type. Site specific concerns were addressed, and a city-wide 50% discount was applied to the Place Type mixed-use residential assumption of 150 UPH.

It should also be noted that the VLI supply includes six sites for industrial land conversion to a non-industrial use that were adopted by Council on June 25, 2024, as part of Phase 1A of the Official Plan Review.

1.5 Planning Policy Areas

The Land Needs Assessment allocates residential and non-residential demand forecasts into two planning policy areas of Built Area and Greenfield Area as identified in The London Plan. Figure 1 illustrates the location of each planning policy area for the City of London identified in The London Plan. There are some concepts used in this report that are explained below. It should be noted that both Greenfield and Built Areas do not represent land use designations but are intended for use as planning and monitoring tools.

Built Area / Built Area Boundary

The lands located within the Built Area Boundary (BAB) are referred to as the Built Area. The BAB is defined generally as the line circumscribing all lands that were substantively built out

as of the year of Provincial approval of The London Plan (i.e. 2016). The BAB is fixed in time for the purposes of implementing and monitoring the City's target for intensification.

Greenfield Area

The Greenfield Area is the area between the City's Built Area Boundary and Urban Growth Boundary.

Urban Growth Boundary

The Urban Growth Boundary (UGB) means the boundary beyond which urban uses will not be permitted. Generally, the UGB separates the urban areas of the city from the rural areas of the city.

Intensification

Intensification means the development of a property, site, or area at a higher density than currently exists. Development that occurs within the BAB is considered as intensification.

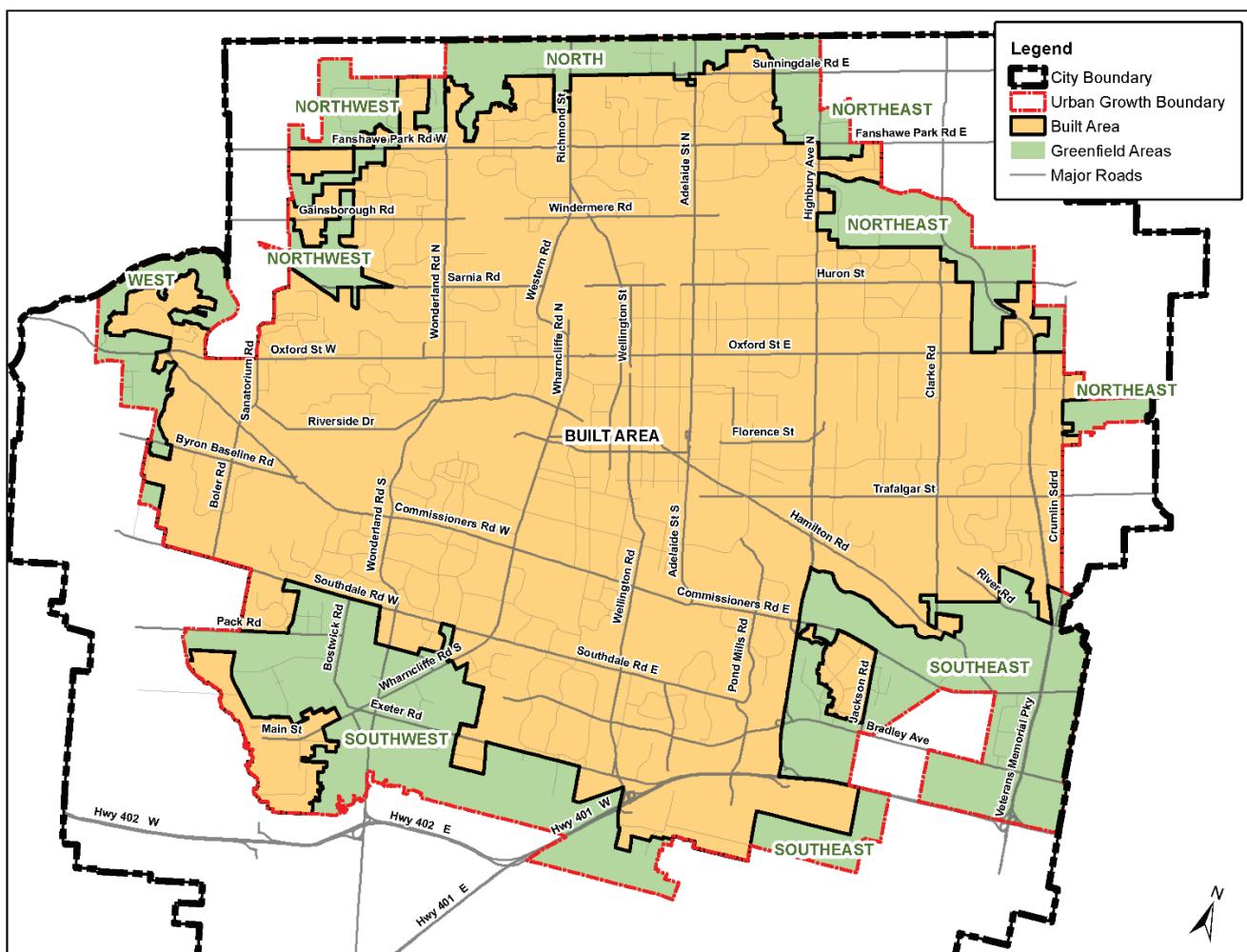


Figure 1. City of London Land Area Classifications (2016)

The Land Needs Assessment focuses on the Built Area and Greenfield Area to evaluate overall land requirements to determine whether an expansion of the Urban Growth Boundary is justified. While the Built Area is the focus of intensification with 45% of new housing units, Greenfield Area demand required to accommodate the projected growth is the primary factor determining whether additional lands will be required. If opportunities to accommodate growth do not exist within the Greenfield Area, then the City will need to consider an expansion to the Urban Growth Boundary.

1.6 Land Needs Assessment – Employment Lands

A review of employment land requirements is being undertaken concurrently in a separate report to determine if there is a need to consider the inclusion of additional land into the City's Urban Growth Boundary to accommodate projected strategic employment growth. The employment lands draft LNA is anticipated for presentation to Municipal Council in Q1 of 2025. A future Urban Growth Boundary Review would consider expansion for both community growth and employment lands, if the need is identified.

2 RESIDENTIAL DEMAND AND SUPPLY

2.1 Population Growth and Forecast

The most recent Ministry of Finance projections indicate that the Middlesex County permanent population was approximately 592,902 as of 2024, increased from 517,900 in 2021. The City of London accounted for approximately 84% of total population growth in the Middlesex County from 2001 to 2021. Accordingly, the City's permanent population is roughly 497,219 people in 2024.

The City of London is anticipated to grow to 721,000 people in 2049, increasing by approximately 224,000 people. This represents an average annual growth rate of 1.5% over the 25 years. Table 2 below shows projected growth and annual growth rates for each 5-year period.

There are considerations related to demographic, economics and socioeconomics that are anticipated to influence population growth trends in the City of London, as follows:

- The City's population is aging, driven by the Baby Boomer age group. The 75 years plus age group (including Baby Boomers) is expected to increase from 9% to 12% over the forecast. The adult population of 20 to 54 years old is projected to be the largest age cohort group but is projected to decline in relative terms from 48% to 47% of total population.

- The City is anticipated to be reliant on net migration as a source of population as opposed to natural increase (births minus deaths). Net migrations are higher than the 20-year historical average and assume the National Target of 500,000 international entrants will be met and later exceeded over the course of the growth forecast – reaching levels 250% higher than local historic trends. The Ministry of Finance growth forecast does not contemplate a longer-term reduction in immigration levels.
- Forecasted net migration trends are reflective of steady growth anticipated in local and regional economies and forecasted work-at-home opportunities with over 90% of migrants projected to be working-aged adults and children. Net migration is also reflective of the perceived attractiveness of the City to “empty nesters” and retired/semi-retired persons re-locating from other communities.
- Population growth associated with natural increase (births minus deaths) is forecast to continue decline due to the aging of the City’s population.

| Year | Population | Annual Growth | Annual Growth Rate |
|-------------------|------------|---------------|--------------------|
| 2024 | 497,200 | - | - |
| 2029 | 534,000 | 7,400 | 1.4% |
| 2034 | 580,400 | 9,300 | 1.7% |
| 2039 | 626,600 | 9,300 | 1.5% |
| 2044 | 673,400 | 9,400 | 1.5% |
| 2049 | 721,100 | 9,600 | 1.4% |
| Total (2024-2049) | 224,000 | 9,000 | 1.5% |

Table 2. Population Growth Forecasts (2024-2049)

The most recent Ministry of Finance population forecast projects an additional 6,900 persons at the end of 2046, the final year for the 2023 Ministry of Finance projection. With an additional 5 years added to the 2024 growth forecast, there is a population increase of 55,100 compared to the previous release. Correspondingly, the housing and employment growth demand are forecasted to increase over the 25-year period.

2.2 Housing Growth and Forecast

To convert the Ministry of Finance population projections to the City's housing demand, the persons per unit (PPU) assumptions in the endorsed Reference Scenario were applied. PPU refers to the number of individuals living in a housing unit and is the same as the term “household size” used by Statistics Canada. The term “household size” refers to the number of persons in a private household.

Assuming an average PPU of 2.5 over the 2024 to 2049 period based on the endorsed Reference Scenario, the City's permanent households are forecast to increase from 198,888 to 300,474, growing at a rate of 1.7% annually. This represents an additional 43,454 housing units compared to the estimated housing units by 2046 in the endorsed Reference Scenario.

This number translates to an annual average of 1,738 units per year over the 2024 to 2049 period.

Table 3, below, shows projected household growth, including annual growth rates. In total, the City is expected to require the addition of 101,586 new units between 2024 and 2049 to accommodate the projected population. This represents an annual average of 4,062 units, which is significantly higher than the historical average of 2,390 units annually between 2006 and 2021. The City experienced a relatively higher residential growth over the 2016 to 2021 period with an annual average of 3,100 new units.

| Year | Housing Units | Annual Growth | Annual Growth Rate |
|-------------------|---------------|---------------|--------------------|
| 2024 | 198,888 | - | - |
| 2029 | 213,614 | 2,945 | 1.4% |
| 2034 | 233,108 | 3,899 | 1.8% |
| 2039 | 253,695 | 4,117 | 1.7% |
| 2044 | 275,978 | 4,457 | 1.7% |
| 2049 | 300,474 | 4,899 | 1.7% |
| Total (2024-2049) | 101,586 | 4,063 | 1.7% |

Table 3. Housing Growth Forecasts (2024-2049)

Residential growth from building permits slowed throughout 2023 relative to previous years but has experienced a rebound through 2024 albeit still below the Council-approved projections (December 2022) and below the required pacing to meet the Provincial housing target. Notwithstanding this trend, the housing growth is anticipated to exceed the growth from the 2016 to 2021 period over the 2024 to 2049 period.

The City's housing development has shifted towards medium- and high-density housing, largely driven by demographics, including aging population and strong net migration, and declining housing affordability associated with low-density housing options. The low-density share of new units built between 2006 and 2010 was 51% and decreased to 30% over the 2016 to 2021 period. This trend is anticipated to continue in slightly varying degrees over the 25-year planning period.

2.3 Residential Overall Demand

Tables 4 and 5 summarize the 5-year and annual housing demand forecast by structure type over the 2024 to 2049 period. The overall new housing development is expected to comprise 27% LDR, 28% MDR and 45% HDR units.

| 5-Year Period | LDR | MDR | HDR | Total |
|-------------------|--------|--------|--------|---------|
| 2024-2029 | 4,069 | 4,109 | 6,548 | 14,726 |
| 2030-2034 | 5,384 | 5,441 | 8,669 | 19,494 |
| 2035-2039 | 5,684 | 5,746 | 9,157 | 20,587 |
| 2040-2044 | 6,153 | 6,221 | 9,909 | 22,283 |
| 2045-2049 | 6,762 | 6,840 | 10,894 | 24,496 |
| Total (2024-2049) | 28,052 | 28,357 | 45,177 | 101,586 |

Table 4. 5-Year Housing Demand by Structure Type (2024-2049)

| 5-Year Period | LDR | MDR | HDR | Total |
|---------------------|-------|-------|-------|-------|
| 2024-2029 | 814 | 822 | 1,310 | 2,945 |
| 2030-2034 | 1,077 | 1,088 | 1,734 | 3,899 |
| 2035-2039 | 1,137 | 1,149 | 1,831 | 4,117 |
| 2040-2044 | 1,231 | 1,244 | 1,982 | 4,457 |
| 2045-2049 | 1,352 | 1,368 | 2,179 | 4,899 |
| Average (2024-2049) | 1,122 | 1,134 | 1,807 | 4,063 |

Table 5. Annual Housing Demand by Structure Type (2024-2049)

To achieve the 45% intensification target over the 2024-2049 period, approximately 45,717 units will need to be constructed within the BAB, averaging 1,829 units per year as shown in Table 6. The portion of units inside the BAB will be 5% LDR, 23% MDR and 72% HDR units. The annual average of 72% of HDR units that was experienced between 2017 and 2021 is expected to continue over the 25-year horizon. The new housing growth in the BAB is anticipating a lower share of LDR units and a higher share of MDR units than the historic averages of 16% of LDR units and 15% of MDR units per year during the 2017-2021 period. Greenfield housing demand is projected to be more oriented towards LDR and MDR forms. Roughly 125 out of 28,052 LDR units are expected to be in rural area over 2024 and 2049, averaging 5 units per year. The City of London has had an annual average of 6 low density residential units in rural areas between 2019 and 2023.

| Number of Units | LDR | MDR | HDR | Total |
|------------------|--------|--------|--------|---------|
| Built Area Units | 2,287 | 10,518 | 32,912 | 45,717 |
| Greenfield Units | 25,640 | 17,839 | 12,265 | 55,744 |
| Total | 27,927 | 28,357 | 45,177 | 101,461 |

Table 6. Built Area and Greenfield Housing Growth Forecast based on 45% Intensification Scenario (2024-2049)

2.4 Residential Greenfield Demand

The City of London is expected to require approximately 2,242 hectares of greenfield lands to accommodate 55,744 units over 2024 to 2049 period, as shown in Table 7. The calculated requirement is based on the assumptions noted above in section 2.3 and contemplate The London Plan intensification target of 45%. The land requirements shown in Table 7 do not include stormwater management facilities, school blocks, nor any buffering required adjacent to natural features.

| 5-Year Period | Greenfield Units | Greenfield Lands Required (ha) |
|-----------------------------------|------------------|--------------------------------|
| Low Density Residential | | |
| 2024-2029 | 3,713 | 248 |
| 2030-2034 | 4,919 | 328 |
| 2035-2039 | 5,196 | 346 |
| 2040-2044 | 5,626 | 375 |
| 2045-2049 | 6,186 | 412 |
| Total (2024-2049) | 25,640 | 1,709 |
| Medium Density Residential | | |
| 2024-2029 | 2,584 | 63 |
| 2030-2034 | 3,423 | 84 |
| 2035-2039 | 3,615 | 88 |
| 2040-2044 | 3,914 | 95 |
| 2045-2049 | 4,303 | 105 |
| Total (2024-2049) | 17,839 | 435 |
| High Density Residential | | |
| 2024-2029 | 1,776 | 14 |
| 2030-2034 | 2,354 | 19 |
| 2035-2039 | 2,486 | 20 |
| 2040-2044 | 2,691 | 21 |
| 2045-2049 | 2,958 | 24 |
| Total (2024-2049) | 12,265 | 98 |
| Grand Total | 55,744 | 2,242 |

Table 7. Greenfield Residential Demand and Land Requirements (2024-2049)

2.5 Residential Greenfield Supply

The starting point for determining the Greenfield supply is determining the lands available within the residential Vacant Land Inventory (VLI), prepared as of September 30, 2024. A summary of the residential inventory, based on the status of the land (registered plan, draft approved plan, designated residential, urban reserve community growth), has been provided below (see Table 8). It should be noted that the residential VLI identifies lands for potential residential development within the Urban Growth Boundary (i.e. it contains lands within the Built Area and Greenfield Area). As such, further delineation is required to determine the Greenfield supply within the VLI.

| Category | LDR Units | MDR Units | HDR Units | Total Units |
|---|---------------|---------------|---------------|---------------|
| Registered Subdivision, Condominium and Reference Plans | 1,375 | 2,055 | 1,089 | 4,519 |
| Draft Approved Subdivision and Condominium Plans | 1,494 | 3,691 | 3,519 | 8,704 |
| Draft Subdivision and Condominiums Plans Under Review | 1,227 | 6,123 | 3,479 | 10,829 |
| Site Plans | 0 | 2,717 | 2,709 | 5,426 |
| Potential Development | 109 | 579 | 968 | 1,656 |
| Official Plan Designations | 6,384 | 3,466 | 14,822 | 24,672 |
| Total | 10,589 | 18,631 | 26,586 | 55,806 |

Table 8. Adjusted Residential Vacant Land Inventory as of September 30, 2024

2.6 Greenfield Residential Lands Analysis

Future residential land needs were determined by evaluating the ability of greenfield lands to accommodate projected demand for residential land over the planning horizon. The total supply of residential minus the projected residential demand yields a total supply of 62 greenfield units remaining at the end of the 25-year planning period (2049). For the purposes of this planning exercise, the residential greenfield lands were categorized by structure type to ensure adequate supply based on market demands.

Prior to supply deductions from development industry feedback, there is sufficient land at the end of the planning period to accommodate approximately 792 MDR units and 14,321 HDR units with a shortage of land available to accommodate the projected LDR development. Demand calculations contemplated a 5% land requirement for stormwater management facilities and a 50% reduction to the 150 UPH residential value for the Shopping Area Place Type. An additional 37.3 hectares (92.2 acres) was discounted from the residential supply for school blocks based on capital planning needs provided by the two major local school boards. The final calculation indicates there is a surplus of 110 hectares of lands for HDR units but a deficit of 1,129 hectares of lands to accommodate LDR and MDR units as well as school blocks. Table 9 shows available land supply broken down by structure type.

| Structure Type | Greenfield Unit Supply | Greenfield Unit Demand | Greenfield Units remaining at 2049 | Greenfield Land (ha) remaining in 2049 |
|----------------|------------------------|------------------------|------------------------------------|--|
| LDR | 10,589 | 25,640 | -15,051 | -1,089 |
| MDR | 18,631 | 17,839 | 792 | -2 |
| HDR | 26,586 | 12,265 | 14,321 | 110 |
| School Block | - | - | - | -37 |

Table 9. Residential Greenfield Land Needs (2024-2049)

3 NON-RESIDENTIAL DEMAND AND SUPPLY

The unprecedented magnitude of the COVID-19 pandemic was understandably not predicted nor accounted for within original growth assumptions included in *The London Plan*. The pandemic was a significant disruptive force which resulted in a dramatic shift in operational processes, work stoppages, and job losses. The Reference Growth Scenario endorsed by Council in 2022 considered the impacts of the pandemic. City Staff have been able to incorporate post-pandemic data trends into refined estimates for the future growth planning – most notably the strong recovery following the pandemic.

As of 2021, the largest employment sector in the City of London was healthcare and social assistance (16%), followed by retail trade (11%), educational services (10%), and manufacturing (8%) – the remainder is divided amongst sectors with smaller shares. Under the Reference Growth Scenario, the City of London's commercial and institutional employment base was projected to increase from 127,000 jobs in 2024 to 202,200 jobs by 2049 at an average annual rate of roughly 2.0%. This represents an increase of approximately 75,200 jobs between 2022 and 2046.

As previously noted, the Ministry of Finance growth forecast is representative of more optimistic growth scenario compared to previous population growth forecasting and as such, the employment base is anticipated to grow at a significantly higher rate. Under the Ministry of Finance population forecast, there is a projected increase from 144,442 commercial and

institutional jobs in 2024 to 236,100 jobs by 2049 at an average annual rate of roughly 1.9%. This represents an increase of approximately 91,658 jobs between 2024 and 2049.

3.1 Commercial Growth Forecasts

The growth forecast for the commercial sector represents a combined calculation of future office and retail needs. The sector was significantly impacted by the COVID-19 pandemic due to the introduction of work-from-home mandates and social distancing direction issued by public health authorities. The London Census Metropolitan Area (CMA) unemployment rates peaked at 10.9% in July 2020 due to the COVID-19 pandemic. During this timeframe roughly 11,040 employment losses were recorded within the commercial sector. Following the gradual reduction of pandemic-related restrictions, unemployment rates declined to 4.8% in April 2022. Despite upheaval within the sector, job losses are expected to be recovered through the 2021-2026 timeframe (noted in Table 10), and the long-term forecast anticipates significant demands related to population growth.

The commercial sector is undergoing a notable transition which has resulted in lower space requirements compared to historical floor space needs. Retail spaces within urbanized environments have been significantly impacted by the expansion of e-commerce and the resultant change in consumer habits. There has been a marked decrease in retail footprints in response to mixed-use development trends and intensification targets. Market demand is expected to continue its shift to smaller retail spaces. Similarly, office space requirements have also seen a steady decline over the last decade largely due to rising real estate costs and the advent of remote/hybrid work arrangements. The COVID-19 pandemic accelerated the change in work habits and office usage, but a lower FSW is projected to persist in the long-term.

| 5-Year Period | Employment Growth | COVID-19 Job Loss Recovery – Allocated | Annual Growth |
|-------------------|-------------------|--|---------------|
| 2024-2029 | 15,668 (21,188) * | 5,520 | 3.7% |
| 2030-2034 | 9,126 | - | 1.8% |
| 2035-2039 | 9,275 | - | 1.6% |
| 2040-2044 | 9,197 | - | 1.5% |
| 2045-2049 | 9,361 | - | 1.4% |
| Total (2024-2049) | 52,627 | - | 2.0% |

Table 10. Commercial Growth Forecasts (2024-2049)

* Inclusive of employment loss recovery

3.2 Institutional Growth Forecasts

The institutional sector is expected to account for 26% of the employment growth share noting that healthcare and social assistance (16%), and educational services (10%) are two of the largest employment sources of within the City of London. The institutional sector anticipates moderate growth over the 25-year planning horizon and is projected to grow from

roughly 65,285 to 98,796 total employees. Employment growth and the annual growth rate are noted in Table 11. It should be noted that GFA creation within the institutional sector does not traditionally follow a linear annual growth, and large-scale projects will often lag behind population-based demands due to external funding mechanisms and decision-making processes.

Institutional land uses and space requirements vary depending on the type of use (e.g. post-secondary institution vs community centre). This was accounted for within the land calculations and FAR values have been applied based on street classifications in The London Plan. The City of London's population growth will fuel demand that will require further expansion of education facilities (elementary, secondary, and post-secondary), community and social service hubs, and expanded investment in local and regional healthcare facilities.

| 5-Year Period | Employment Growth | Annual Growth |
|-------------------|-------------------|---------------|
| 2024-2029 | 7,557 | 2.2% |
| 2030-2034 | 6,620 | 1.8% |
| 2035-2039 | 6,449 | 1.6% |
| 2040-2044 | 6,343 | 1.4% |
| 2045-2049 | 6,542 | 1.4% |
| Total (2024-2049) | 33,511 | 1.7% |

Table 11. Institutional Growth Forecasts (2024-2049)

3.3 Commercial and Institutional Greenfield Demand

The commercial sector is projected to experience strong GFA demands to service population growth. The sector is projecting an average of 72,360m² of development annually over the 25-year planning horizon. This growth rate is expected to result in approximately 1,809,006m² of new GFA to be developed over the 25-year forecast. Despite this strong growth, it is expected that 13% of commercial demand will be accommodated through standalone commercial whereas the remaining balance will be incorporated into mixed-use development. It is anticipated that 332 hectares of commercial land will be required, with 43 hectares of greenfield land required when factoring in the assumed 45% intensification rate and the 13% share for standalone commercial demand.

Over the 25-year planning horizon, the institutional sector is projecting GFA growth with an average of 87,172m² of development annually. This growth rate is expected to result in approximately 2,179,293m² of new GFA to be developed over the 25-year forecast. It is anticipated that 519 hectares of institutional land will be required, with 93 hectares of greenfield land required when factoring in the assumed 82% intensification rate. Table 12 summarizes the assumptions related to GFA calculations for commercial and institutional land use. Table 13 summarizes the demands for the commercial and institutional sectors.

Commercial and Institutional Land Supply

| Sector | Floor Space per Worker Assumption | Floor Area Ratio (FAR) Assumption | GFA Required (m ²) |
|---------------|--|-----------------------------------|--------------------------------|
| Commercial | 34m ² (370ft ²) | 0.30 | 1,809,006m ² |
| Institutional | 65m ² (700ft ²) | 0.42 | 2,179,293m ² |

Table 12. Commercial and Institutional GFA calculations (2024-2049)

| Sector | Total Land Required (m ²) | Total Land Required (ha) | Greenfield Required (ha) |
|-------------------------|---------------------------------------|--------------------------|--------------------------|
| Commercial (total) | 6,030,020 | 603 | 332 |
| Commercial (standalone) | 783,903 | 78 | 43 |
| Institutional | 5,188,793 | 519 | 93 |

Table 13. Commercial and Institutional Greenfield Demand

3.4 Commercial and Institutional Land Supply

This section of the report provides a summary of the supply of land within the Greenfield Area to accommodate forecasted commercial and institutional demand. The commercial and institutional inventory was categorized by land status (registered plan, draft approved plan, designated residential, urban reserve community growth) and has been provided below (see Table 14). The non-residential VLI identified lands for potential development within the UGB and includes lands within the BAB and Greenfield Area.

The VLI land supply calculation included standalone and mixed-use commercial land use based on The London Plan place type designations. This includes commercial uses in Commercial Industrial Place Type but does not consider other industrial place types.

| Category | Commercial (ha) | Institutional (ha) | Total (ha) |
|---|-----------------|--------------------|------------|
| Registered Subdivision, Condominium and Reference Plans | 2 | 9 | 11 |
| Draft Approved Subdivision and Condominium Plans | 5 | 2 | 7 |
| Draft Subdivision and Condominiums Plans Under Review | 10 | 8 | 18 |
| Site Plans | 22 | 3 | 25 |
| Potential Development | 20 | 9 | 29 |
| Official Plan Designations | 53 | 143 | 196 |
| Total | 112 | 174 | 286 |

Table 14. Non-Residential Vacant Land Inventory as of September 30, 2024

3.5 Greenfield Non-Residential Lands Analysis

Future commercial and institutional land needs were determined by evaluating greenfield land supply and the capacity to accommodate projected demand over the 25-year planning horizon. The current greenfield land supply for commercial was calculated at 61 hectares whereas the institutional supply was calculated at 130 hectares.

There is land available within the greenfield area to accommodate the approximate demand of 43 hectares of standalone commercial noting that most of the commercial demand will be accommodated through mixed-use development, and 93 hectares of institutional lands. Demand calculations contemplated a 5% land requirement for stormwater management facilities. Based on these calculations, there is no demonstrated need for further expansion to the Urban Growth Boundary to accommodate growth on commercial or institutional land over the 25-year planning horizon. Table 15 shows available greenfield land supply by sector.

| Sector | City-Wide Supply (ha) | Greenfield Supply (ha) | Greenfield Demand (ha) | Greenfield (ha) remaining in 2049 |
|---------------|-----------------------|------------------------|------------------------|-----------------------------------|
| Commercial | 112 | 61 | 43 | 16 |
| Institutional | 174 | 130 | 93 | 32 |

Table 15. Commercial and Institutional Greenfield Land Needs

4 CONCLUSION AND RECOMMENDATION

Based on the assumptions and methodology, there is a need for approximately 2,390 hectares of greenfield residential lands and 143 hectares of greenfield lands for non-residential commercial and institutional uses over the 25-year planning horizon under The London Plan.

There will be a deficit of 1,129 hectares of lands to accommodate the projected residential growth in the City of London. When including the stormwater management facility land factor, the City has a sufficient supply land to support HDR development (110 hectares), there is however, a deficit of 1,089 hectares for LDR and 2 hectares for MDR development by 2049, and a 37 hectares discount allotted for required school blocks. This demonstrates that there is an identified need for expansion of the City's Urban Growth Boundary by 1,128 hectares to accommodate residential growth by 2049.

At the end of 2049, there will be a surplus of 16 hectares of land for commercial and 32 hectares of land for institutional growth. Therefore, there is no identified need for further expansion to accommodate commercial and institutional lands by 2049.

Consistent with the new PPS, based on a 30-year planning horizon, non-residential land uses demonstrate a surplus of 7 hectares of Commercial land and 12 hectares of Institutional land in 2054. There is, therefore no need for expansion for non-residential land uses for a 30-year

planning horizon. For residential lands, there is an LDR land need of 1,366 hectares and MDR need of 73 hectares. HDR has a surplus of 94 hectares. When combined with the stormwater and school factors, the 30-year planning horizon's identified land need is 1,476 hectares.

4.1 Recommendation

Recognizing Council direction, the need for ongoing monitoring of projections, and consistency with Provincial Planning Statement (2024), an Urban Growth Boundary Review is Recommended for the inclusion of **approximately 1,130 hectares of developable land** to accommodate planned growth over the 25-year planning horizon. It being noted that the 1,130 hectares represents developable lands and does not include natural heritage or natural hazard lands that may also be added to the urban area, but which are not developable.

Appendix A: 25-Year Planning Horizon Data (2024-2049)

Below are data tables related a 25-year planning horizon. Including growth forecasts, calculated demands, and resultant land supply impact.

Growth Forecast:

| Year | Population | Annual Growth | Annual Growth Rate |
|-------------------|------------|---------------|--------------------|
| 2024 | 497,200 | - | - |
| 2029 | 534,000 | 7,400 | 1.4% |
| 2034 | 580,400 | 9,300 | 1.7% |
| 2039 | 626,600 | 9,300 | 1.5% |
| 2044 | 673,400 | 9,400 | 1.5% |
| 2049 | 721,100 | 9,600 | 1.4% |
| Total (2024-2049) | 224,000 | 9,000 | 1.5% |

Table A-1. Population Growth Forecasts (2024-2049)

Residential Demand and Supply:

| Year | Housing Units | Annual Growth | Annual Growth Rate |
|-------------------|---------------|---------------|--------------------|
| 2024 | 198,888 | - | - |
| 2029 | 213,614 | 2,945 | 1.4% |
| 2034 | 233,108 | 3,899 | 1.8% |
| 2039 | 253,695 | 4,117 | 1.7% |
| 2044 | 275,978 | 4,457 | 1.7% |
| 2049 | 300,474 | 4,899 | 1.7% |
| Total (2024-2049) | 101,586 | 4,063 | 1.7% |

Table A-2. Housing Growth Forecasts (2024-2049)

| 5-Year Period | LDR | MDR | HDR | Total |
|--------------------------|---------------|---------------|---------------|----------------|
| 2024-2029 | 4,069 | 4,109 | 6,548 | 14,726 |
| 2030-2034 | 5,384 | 5,441 | 8,669 | 19,494 |
| 2035-2039 | 5,684 | 5,746 | 9,157 | 20,587 |
| 2040-2044 | 6,153 | 6,221 | 9,909 | 22,283 |
| 2045-2049 | 6,762 | 6,840 | 10,894 | 24,496 |
| Total (2024-2049) | 28,052 | 28,357 | 45,177 | 101,586 |

Table A-3. 5-Year Housing Demand by Structure Type (2024-2049)

| 5-Year Period | LDR | MDR | HDR | Total |
|----------------------------|--------------|--------------|--------------|--------------|
| 2024-2029 | 814 | 822 | 1,310 | 2,945 |
| 2030-2034 | 1,077 | 1,088 | 1,734 | 3,899 |
| 2035-2039 | 1,137 | 1,149 | 1,831 | 4,117 |
| 2040-2044 | 1,231 | 1,244 | 1,982 | 4,457 |
| 2045-2049 | 1,352 | 1,368 | 2,179 | 4,899 |
| Average (2024-2049) | 1,122 | 1,134 | 1,807 | 4,063 |

Table A-4. Annual Housing Demand by Structure Type (2024-2049)

| Number of Units | LDR | MDR | HDR | Total |
|------------------|---------------|---------------|---------------|----------------|
| Built Area Units | 2,287 | 10,518 | 32,912 | 45,717 |
| Greenfield Units | 25,640 | 17,839 | 12,265 | 55,744 |
| Total | 27,927 | 28,357 | 45,177 | 101,461 |

Table A-5. Built Area and Greenfield Housing Growth Forecast based on 45% Intensification Scenario (2024-2049)

| 5-Year Period | Greenfield Units | Greenfield Lands Required (ha) |
|-----------------------------------|------------------|--------------------------------|
| Low Density Residential | | |
| 2024-2029 | 3,713 | 248 |
| 2030-2034 | 4,919 | 328 |
| 2035-2039 | 5,196 | 346 |
| 2040-2044 | 5,626 | 375 |
| 2045-2049 | 6,186 | 412 |
| Total (2024-2049) | 25,640 | 1,709 |
| Medium Density Residential | | |
| 2024-2029 | 2,584 | 63 |
| 2030-2034 | 3,423 | 84 |
| 2035-2039 | 3,615 | 88 |
| 2040-2044 | 3,914 | 95 |
| 2045-2049 | 4,303 | 105 |
| Total (2024-2049) | 17,839 | 435 |
| High Density Residential | | |
| 2024-2029 | 1,776 | 14 |
| 2030-2034 | 2,354 | 19 |
| 2035-2039 | 2,486 | 20 |
| 2040-2044 | 2,691 | 21 |
| 2045-2049 | 2,958 | 24 |
| Total (2024-2049) | 12,265 | 98 |
| Grand Total | 55,744 | 2,242 |

Table A-6. Greenfield Residential Demand and Land Requirements (2024-2049)

| Structure Type | Greenfield Unit Supply | Greenfield Unit Demand | Greenfield Units remaining at 2049 | Greenfield Land (ha) remaining in 2049 |
|----------------|------------------------|------------------------|------------------------------------|--|
| LDR | 10,589 | 25,640 | -15,051 | -1,089 |
| MDR | 18,631 | 17,839 | 792 | -2 |
| HDR | 26,586 | 12,265 | 14,321 | 110 |
| School Block | - | - | - | -37 |

Table A-7. Residential Greenfield Land Needs (2024-2049)

Non-residential Demand and Supply:

| 5-Year Period | Employment Growth | COVID-19 Job Loss Recovery – Allocated | Annual Growth |
|-------------------|-------------------|--|---------------|
| 2024-2029 | 15,668 (21,188)* | 5,520 | 3.7% |
| 2030-2034 | 9,126 | - | 1.8% |
| 2035-2039 | 9,275 | - | 1.6% |
| 2040-2044 | 9,197 | - | 1.5% |
| 2045-2049 | 9,361 | - | 1.4% |
| Total (2024-2049) | 52,627 | - | 2.0% |

Table A-8. Commercial Growth Forecasts (2024-2049)

* Inclusive of employment loss recovery

| 5-Year Period | Employment Growth | Annual Growth |
|-------------------|-------------------|---------------|
| 2024-2029 | 7,557 | 2.2% |
| 2030-2034 | 6,620 | 1.8% |
| 2035-2039 | 6,449 | 1.6% |
| 2040-2044 | 6,343 | 1.4% |
| 2045-2049 | 6,542 | 1.4% |
| Total (2024-2049) | 33,511 | 1.7% |

Table A-9. Institutional Growth Forecasts (2024-2049)

| Sector | Total Land Required (m ²) | Total Land Required (ha) | Greenfield Required (ha) |
|-------------------------|---------------------------------------|--------------------------|--------------------------|
| Commercial (total) | 6,030,020 | 603 | 332 |
| Commercial (standalone) | 783,903 | 78 | 43 |
| Institutional | 5,188,793 | 519 | 93 |

Table A-10. Commercial and Institutional Greenfield Demand

| Category | Commercial (ha) | Institutional (ha) | Total (ha) |
|---|-----------------|--------------------|------------|
| Registered Subdivision, Condominium and Reference Plans | 2 | 9 | 11 |
| Draft Approved Subdivision and Condominium Plans | 5 | 2 | 7 |
| Draft Subdivision and Condominiums Plans Under Review | 10 | 8 | 18 |
| Site Plans | 22 | 3 | 25 |
| Potential Development | 20 | 9 | 29 |
| Official Plan Designations | 53 | 143 | 196 |
| Total | 112 | 174 | 286 |

Table A-11. Non-Residential Vacant Land Inventory as of September 30, 2024

| Sector | City-Wide Supply (ha) | Greenfield Supply (ha) | Greenfield Demand (ha) | Greenfield (ha) remaining in 2049 |
|---------------|-----------------------|------------------------|------------------------|-----------------------------------|
| Commercial | 112 | 61 | 43 | 16 |
| Institutional | 174 | 130 | 93 | 32 |

Table A-12. Commercial and Institutional Greenfield Land Needs

Appendix B: 30-Year Planning Horizon Data (2024-2054)

Below are data tables related a 30-year planning horizon. Including growth forecasts, calculated demands, and resultant land supply impact.

Growth Forecast:

| Year | Population | Annual Growth | Annual Growth Rate |
|----------------------|------------|---------------|--------------------|
| 2024 | 497,200 | | |
| 2029 | 534,000 | 7,400 | 1.4% |
| 2034 | 580,400 | 9,300 | 1.7% |
| 2039 | 626,600 | 9,300 | 1.5% |
| 2044 | 673,400 | 9,400 | 1.5% |
| 2049 | 721,100 | 9,600 | 1.4% |
| 2054 | 770,100 | 9,800 | 1.3% |
| Total (2024-2054) | 272,900 | 9,100 | 1.5% |

Table B-1. Population Growth Forecasts (2024-2054)

Residential Demand and Supply:

| Housing Growth Forecasts (2024-2054) | | | |
|--------------------------------------|---------------|---------------|--------------------|
| Year | Housing Units | Annual Growth | Annual Growth Rate |
| 2024 | 195,756 | - | - |
| 2029 | 209,425 | 2,734 | 1.4% |
| 2034 | 226,734 | 3,462 | 1.6% |
| 2039 | 245,736 | 3,800 | 1.6% |
| 2044 | 265,113 | 3,875 | 1.5% |
| 2049 | 288,455 | 4,668 | 1.7% |
| 2054 | 313,029 | 4,915 | 1.7% |
| Total (2024-2054) | 117,273 | 3,909 | 1.6% |

Table B-2. Housing Growth Forecasts (2024-2054)

| 5-Year Period | LDR | MDR | HDR | Total |
|----------------------|--------|--------|--------|---------|
| 2024-2029 | 3,779 | 3,813 | 6,077 | 13,669 |
| 2030-2034 | 4,783 | 4,831 | 7,695 | 17,309 |
| 2035-2039 | 5,249 | 5,304 | 8,449 | 19,002 |
| 2040-2044 | 5,353 | 5,407 | 8,617 | 19,377 |
| 2045-2049 | 6,443 | 6,516 | 10,383 | 23,342 |
| 2050-2054 | 6,782 | 6,860 | 10,932 | 24,574 |
| Total (2024-2054) | 32,389 | 32,731 | 52,153 | 117,273 |

Table B-3. 5-Year Housing Demand by Structure Type (2024-2054)

| 5-Year Period | LDR | MDR | HDR | Total |
|----------------------|-------|-------|-------|-------|
| 2024-2029 | 756 | 763 | 1,215 | 2,734 |
| 2030-2034 | 957 | 966 | 1,539 | 3,462 |
| 2035-2039 | 1,050 | 1,061 | 1,690 | 3,801 |
| 2040-2044 | 1,071 | 1,081 | 1,723 | 3,875 |
| 2045-2049 | 1,289 | 1,303 | 2,077 | 4,669 |
| 2050-2054 | 1,356 | 1,372 | 2,186 | 4,914 |
| Total (2024-2054) | 1,080 | 1,091 | 1,738 | 3,909 |

Table B-4. Annual Housing Demand by Structure Type (2024-2054)

| Number of Units | LDR | MDR | HDR | Total |
|------------------|--------|--------|--------|---------|
| Built Area Units | 2,639 | 12,140 | 37,997 | 52,776 |
| Greenfield Units | 29,600 | 20,591 | 14,156 | 64,347 |
| Total | 32,239 | 32,731 | 52,153 | 117,123 |

Table B-5. Built Area and Greenfield Housing Growth Forecast based on 45% Intensification Scenario (2024-2054)

| 5-Year Period | Greenfield Units | Greenfield Lands Required (ha) |
|-----------------------------------|------------------|--------------------------------|
| Low Density Residential | - | - |
| 2024-2029 | 3,447 | 230 |
| 2030-2034 | 4,368 | 291 |
| 2035-2039 | 4,796 | 320 |
| 2040-2044 | 4,891 | 326 |
| 2045-2049 | 5,893 | 393 |
| 2050-2054 | 6,205 | 414 |
| Total (2024-2054) | 29,600 | 1,974 |
| Medium Density Residential | - | - |
| 2024-2029 | 2,398 | 59 |
| 2030-2034 | 3,039 | 74 |
| 2035-2039 | 3,336 | 81 |
| 2040-2044 | 3,402 | 83 |
| 2045-2049 | 4,100 | 100 |
| 2050-2054 | 4,316 | 105 |
| Total (2024-2054) | 20,591 | 502 |
| High Density Residential | - | - |
| 2024-2029 | 1,648 | 13 |
| 2030-2034 | 2,088 | 17 |
| 2035-2039 | 2,293 | 18 |
| 2040-2044 | 2,339 | 19 |
| 2045-2049 | 2,819 | 22 |
| 2050-2054 | 2,969 | 24 |
| Total (2024-2054) | 14,156 | 113 |
| Grand Total | 64,347 | 2,589 |

Table B-6. Greenfield Residential Demand and Land Requirements (2024-2054)

| Structure Type | Greenfield Unit Supply | Greenfield Unit Demand | Greenfield Units remaining in 2054 | Greenfield Land (ha) remaining in 2054 |
|----------------|------------------------|------------------------|------------------------------------|--|
| LDR | 10,589 | 29,600 | -19,011 | -1,366 |
| MDR | 18,631 | 20,591 | -1,960 | -73 |
| HDR | 26,586 | 14,156 | 12,430 | 94 |
| School Block | - | - | - | -37 |

Table B-7. Residential Greenfield Land Needs (2024-2054)

Non-residential Demand and Supply:

| 5-Year Period | Employment Growth | COVID-19 Job Loss Recovery – Allocated | Annual Growth Rate |
|-------------------|-------------------|--|--------------------|
| 2024-2029 | 15,668 (21,188)* | 5,520 | 3.7% |
| 2030-2034 | 9,126 | - | 1.8% |
| 2035-2039 | 9,275 | - | 1.6% |
| 2040-2044 | 9,197 | - | 1.5% |
| 2045-2049 | 9,361 | - | 1.4% |
| 2050-2054 | 9,776 | - | 1.4% |
| Total (2024-2054) | 62,403 | - | 1.9% |

Table B-8. Commercial Growth Forecasts (2024-2054)

* Inclusive of employment loss recovery

| 5-Year Period | Employment Growth | Annual Growth Rate |
|-------------------|-------------------|--------------------|
| 2024-2029 | 7,557 | 2.2% |
| 2030-2034 | 6,620 | 1.8% |
| 2035-2039 | 6,449 | 1.6% |
| 2040-2044 | 6,343 | 1.4% |
| 2045-2049 | 6,542 | 1.4% |
| 2050-2054 | 6,701 | 1.3% |
| Total (2024-2054) | 40,212 | 1.6% |

Table B-9. Institutional Growth Forecasts (2024-2054)

| Sector | Total Land Required (m ²) | Total Land Required (ha) | Greenfield Required (ha) |
|--------------------------|---------------------------------------|--------------------------|--------------------------|
| Commercial (total) | 7,150,153 | 715 | 393 |
| Commercial (stand-alone) | 929,520 | 93 | 51 |
| Institutional | 6,226,367 | 623 | 112 |

Table B-10. Commercial and Institutional Greenfield Demand

| Category | Commercial (ha) | Institutional (ha) | Total (ha) |
|---|-----------------|--------------------|------------|
| Registered Subdivision, Condominium and Reference Plans | 2 | 9 | 11 |
| Draft Approved Subdivision and Condominium Plans | 5 | 2 | 7 |
| Draft Subdivision and Condominiums Plans Under Review | 10 | 8 | 18 |
| Site Plans | 22 | 3 | 25 |
| Potential Development | 20 | 9 | 29 |
| Official Plan Designations | 53 | 143 | 196 |
| Total | 112 | 174 | 286 |

Table B-11. Non-Residential Vacant Land Inventory as of September 30, 2024

| Sector | City-Wide Supply (ha) | Greenfield Supply (ha) | Adjusted greenfield Demand (ha) | Greenfield (ha) remaining in 2054 |
|---------------|-----------------------|------------------------|---------------------------------|-----------------------------------|
| Commercial | 112 | 61 | 54 | 7 |
| Institutional | 174 | 130 | 118 | 12 |

Table B-12. Commercial and Institutional Greenfield Land Needs

Appendix B – Housing Supply Marketplace Analysis

Appendix B: Housing Supply Marketplace Analysis

Colliers
Project
Leaders



City of London

Housing Supply Marketplace Analysis

THIRD PARTY ECONOMIC REPORT

December 3, 2024

P1702-352308273-12 (2.0)



Agenda

- 1 Background & Objectives
- 2 Industry Partner Engagement
- 3 Current State Review
- 4 Interview Responses
- 5 Analysis
- 6 Considerations
- 7 Recommendations

1.0 Background & Objectives

The City's Housing Objective & Targeted Actions

The City is committed to collaborating with industry partners to work towards a jointly aligned framework that supports accessible and equitable housing for all. The aim is to enhance housing options and ensure long-term community well-being across the City through targeted actions that:



1. INCREASE THE SUPPLY OF HOUSING



3. PROVIDE PROGRAMS AND INCENTIVES TO
CONTINUE REDEVELOPMENT AND GROWTH
OPPORTUNITIES



5. ENHANCE PERFORMANCE MEASUREMENT
AND DEVELOPMENT APPLICATION TRACKING



2. CREATE A MORE MODERN, FLEXIBLE
ZONING BY-LAW THAT IMPLEMENTS THE
POLICY FRAMEWORK OF THE LONDON PLAN



4. PROVIDE OPPORTUNITIES FOR A
VARIETY OF HOUSING TYPES AND CHOICES
TO ADDRESS AFFORDABILITY



6. REDUCE APPROVAL TIMES AND STREAMLINE
PLANNING AND BUILDING PROCESSES

Source: (City of London) Report on Targeted Actions to Increase London's Housing Supply: Supporting Council's Pledge for 47,000 Units by 2031. April 2024

Background



In September 2023, City of London was the first city in Canada to secure funding from the Canadian federal government's Housing Accelerator Fund (HAF). A total of **\$74 million** was awarded to fast-track the construction of over **2,000** additional housing units within the HAF program period of three years from 2024 to 2026.



In addition, the Province of Ontario has assigned the City a municipal housing target of **47,000** new homes by 2031 and the City prepared and submitted a municipal housing pledge to the Ministry of Municipal Affairs and Housing in Q1 2023.



On June 25, 2024, Council directed Civic Administration to engage a third-party economic consultant to undertake a Housing Supply Marketplace Analysis, which included engagement with the Housing Supply Reference Group and a review of the Vacant Lands Inventory.

HSMA - Purpose and Objectives

The Housing Supply Market Analysis (HSMA) is intended to investigate and analyze the City's land needs through an alternate approach which includes consultation with key HSRG representatives to:



1. DETERMINE HOW MUCH GREENFIELD LAND (WITHIN AND OUTSIDE OF THE CURRENT URBAN GROWTH BOUNDARY (UGB)) IS REQUIRED TO MEET HOUSING TARGETS.



2. IDENTIFY THE FACTORS THAT INFLUENCE LAND SUPPLY, SUCH AS PLANNING PERMISSIONS, WILLINGNESS TO SELL, AND INDUSTRY PERSPECTIVES.



3. ESTIMATE HOW MUCH OF THE CURRENT GREENFIELD LAND SUPPLY WILL BE DEVELOPED IN THE NEXT 25 YEARS BASED ON HISTORICAL SALES AND INDUSTRY FEEDBACK.



4. PROVIDE INSIGHTS TO INFORM LAND USE PLANNING AND POLICY, AS WELL AS INFRASTRUCTURE AND SOCIAL SERVICES NEEDS.

2.0 Industry Partner Engagement

Industry Partner Engagement

To better understand the needs and pinch-points of London's development community a standardized questionnaire and in-person meetings were held with eight (8) members of the HSRG. The questions focused on the following general topics:

1. Anticipated **housing supply and housing types** (Single, Towns, Multi, etc.) over the short, medium, and long-term timeframe (25 Years).
2. Projected **future land needs, availability of land, potential growth areas, overall cost (land cost), and financial feasibility** of development.
3. Policy & process **constraints, incentives**, and administrative **challenges** to new accelerated housing development.

3.0 Current State Review

Starts, Completions, and Under Construction

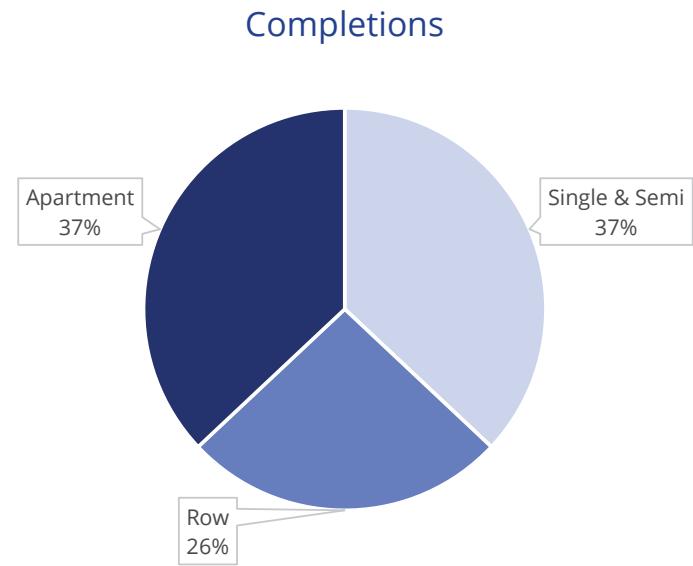
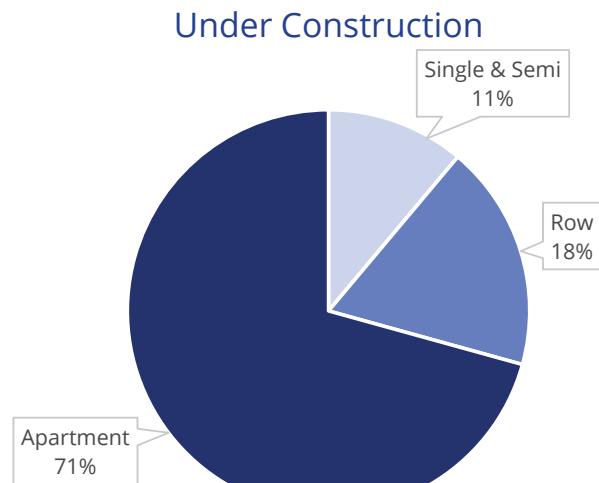
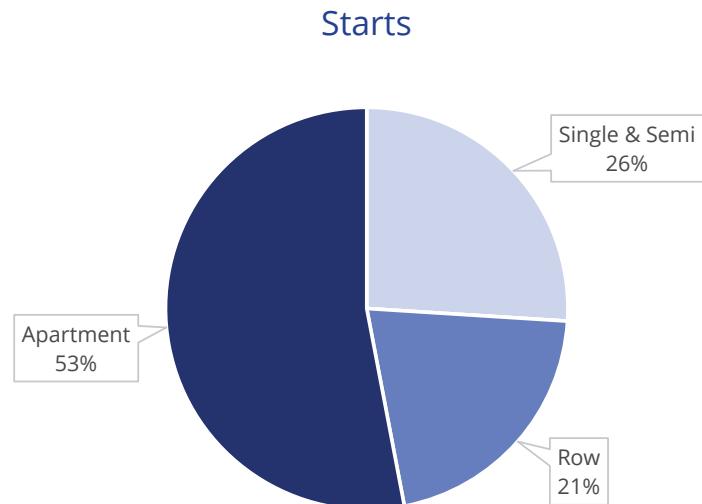


Construction starts have dropped off beginning in 2021

| Status | 5-Year Average |
|--------------------|----------------|
| Starts | 2,768 |
| Under Construction | 4,522 |
| Completions | 2,126 |

Source: CMHC.

Housing Split



Source: 5-Year Average from 2019 to 2023, CMHC

Housing Costs

| | |
|--|----------|
| Median Household Annual Income in London* | \$76,500 |
| 30% of Median Household Annual Income in London* | \$22,950 |
| 30% of Median Household Monthly Income in London* | \$1,912 |
| Median Monthly Shelter Cost in London (Owner)* | \$1,250 |
| Median Monthly Shelter Cost in London (Tenant)* | \$1,130 |
| Median Listed Monthly Rental Rate in London (Tenant)** | \$1,970 |

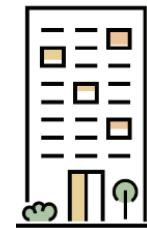
Source: *2021 StatsCan Census Profile, **zumper.com

4.0 Interview Responses

Housing Supply

Housing Types Currently Developed

1



2



3

 Low Density Medium Density

Housing Types Planned for the Future

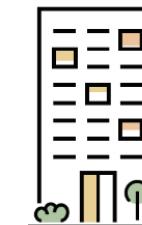
1



2

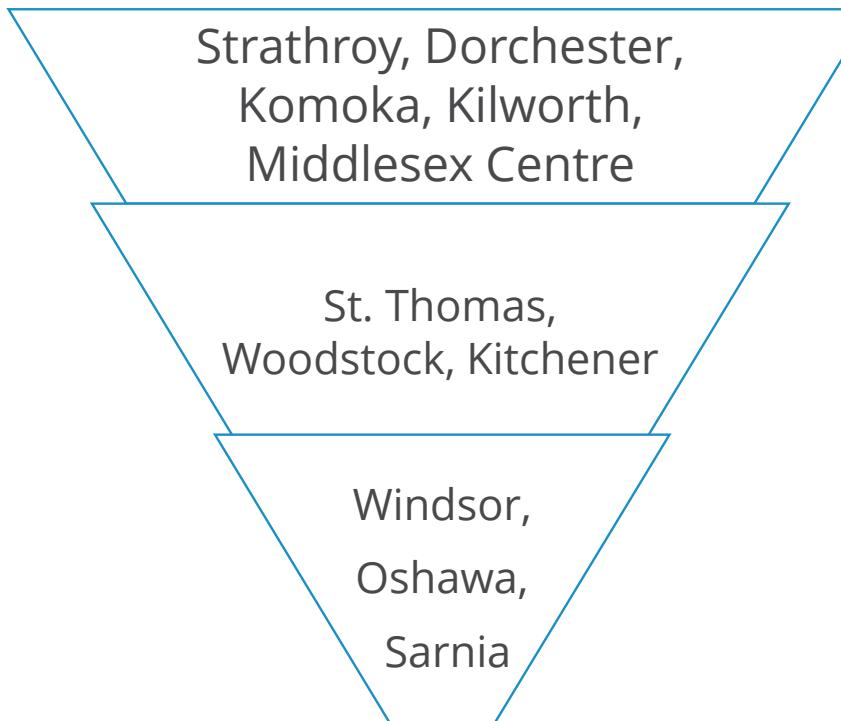


3

 Low Density  Medium Density  High Density

Housing Supply

Housing Development Outside London



Reasons for Developing Outside London

Financial

- Lower Land Costs
- Higher Return on Investment (ROI)
- Better Incentives
- Lower Development Charges

Policy

- Faster Approval Processes
- Less Bureaucracy and Constraints
- More Collaborative Local Governments
- Flexibility in Planning

Market

- Demand for Larger Homes
- Better Quality Products can be provided at affordable prices
- *Market essentially a Spillover from London*

Infrastructure

- Infrastructure Readiness
- Commuting Proximity

Housing Supply

Timing of Development Outside the Urban Growth Boundary (UGB)

Development will likely occur within **5 to 7 years** on lands outside the UGB, contingent upon the approval process, servicing, and infrastructure availability. Most lands immediately abutting current UGB that have servicing capacity, or "End of Pipe" condition are owned by the developers interviewed through HSMA.

Do You Develop Affordable Housing?

Most developers **do not** include affordable housing in their proforma models due to economic constraints, high land costs, and a lack of sufficient incentives or programs to make it **financially viable**. However, they are open to including affordable housing if substantial subsidies or policy changes are introduced.

Land Supply

Importance of Availability of Affordable Lands in Accelerating Development



Land Supply

Projected Land Needs to Meet Growth; and Basis of this Projection (25-Year)

Each developer stated a need for **1,000** acres (**400** ha) to meet their future business goals based on:

- Anticipated market growth
- Anticipated density of development
- Land currently held by them

Projected Land Needs to Address the City's pledge to add 47,000 units by 2031

- **Average Range Provided:**
1,000~1,600 acres or **400~650** ha/developer
- **Outliers:**
2,500 acres (1010 ha)

Projected Land Needs to Align with the City's 25-Year Housing Strategy

- **Average Range Provided:**
1,500~2,500 acres or **600~1010** ha /developer
- **Outliers:**
5,000 acres (**2,000** ha)

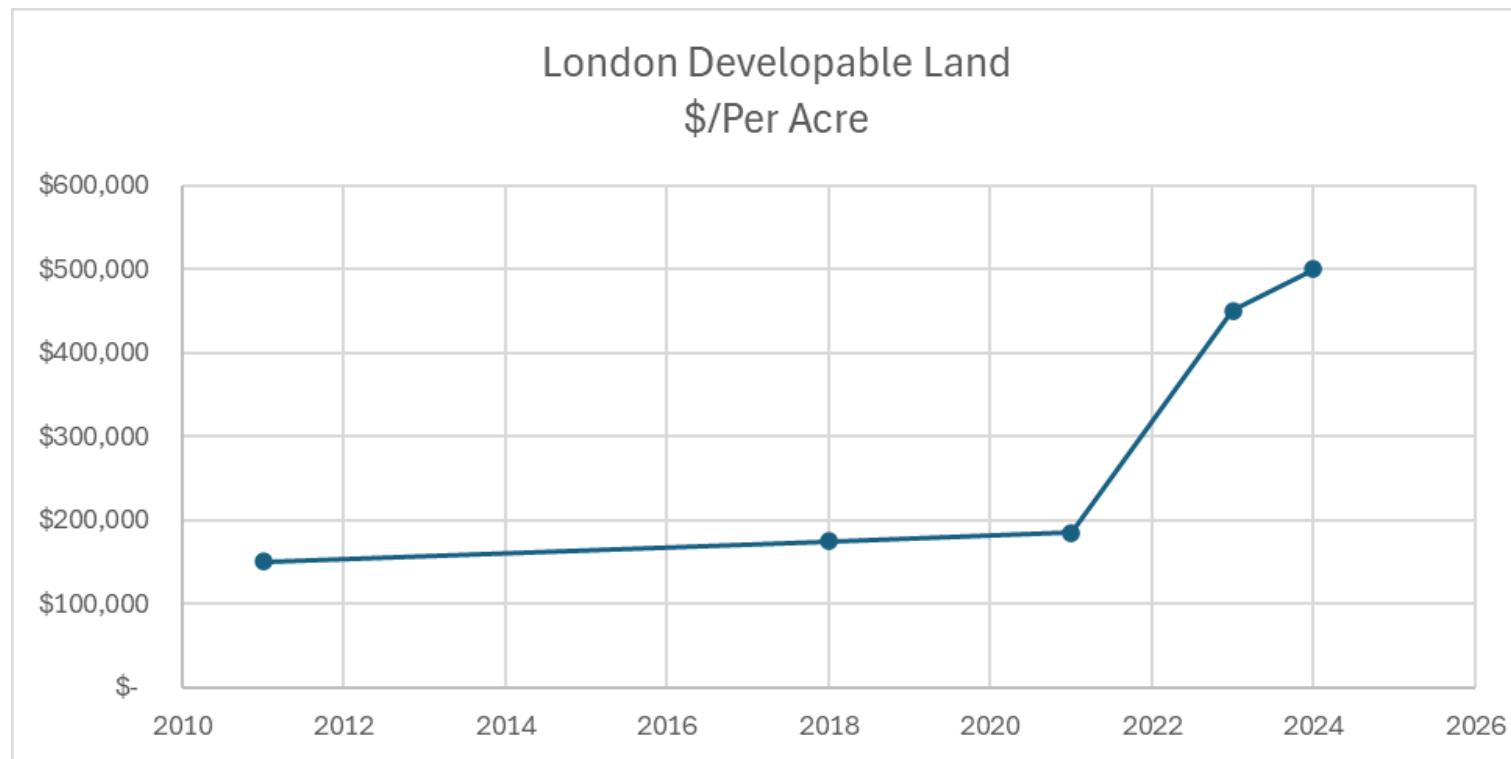
How Much Land Would Your Company Develop if Priced Appropriately? (5 to 15 Years)

Average Range Provided :

500~1,000 acres or **200~400** ha/developer

Land Supply

Cost of Developable Land in the Urban Growth Boundary (2011 – 2024)



Source

Bylaw: January 1, 2011- CP-9-10004
Bylaw: September 1, 2018- CP-9-18005
Bylaw: January 1, 2021- CP-9-20006
Bylaw: January 1, 2023- CP-25
Study: Residential Development Land Value Study Cash in Lieu, June 2024, City Of London (Draft)

Land Supply

What is the Maximum Purchase Price for Greenfield Residential Development to be Feasible?

| | Raw Land | Serviced Land |
|-------------|---|--|
| Within UGB | \$200,000 to \$550,000/acre (\$494,000 to 1,358,500/hectare) | \$850,000~1,100,000/acre* (\$2,099,500 to \$2,717,000/hectare)* |
| Outside UGB | \$25,000~\$100,000/acre (\$61,750 to \$247,000/hectare) | |

*Purchases made at these values were noted to be strategic additions to their existing land bank in the area where higher price of land could be diluted over a larger development.

Land Supply

Recent Land Purchases for Housing Development within the UGB?

Average Range Provided : \$900,000 ~ \$1,300,000/acre (\$2,223,000 to \$3,211,000/hectare)
Outliers: \$2,000,000/acre

Are There Lands in the UGB Currently Priced Out of Reach for Residential Development?

- Yes!
 - Private landowners (not developers) holding key parcels within the UGB.
 - Lands that are held by potential speculators.
 - Lands within the UGB located in floodplains or areas with environmental or servicing challenges.

Policy Supports and Constraints

Based on Developers' Comments

Key Constraints to Development Within the Current Urban Growth Boundary (UGB)

- 1. High Land Costs:** The inflated price of land within the UGB makes it challenging to develop housing that is financially feasible. Land prices have increased significantly over the past decade, which impacts the overall cost of development and housing affordability for the end purchaser.
- 2. Conservation Authority Reviews:** Reviews conducted by the Conservation Authority identified to consume a significant amount of time in the development process, sometimes taking up to two years.
- 3. Servicing Constraints:** Developers stated that it is unclear if the **sanitary and stormwater infrastructure** inside the built area has sufficient capacity to support denser developments. In many areas within the built area, the most notable being the downtown area, infrastructure capacity is limited to support new housing projects, potentially delaying developments further.
- 4. Length of Approval Process:** Lengthy delays due to internal issues **within the City departments**. Delays often result from poor coordination between City departments. Miscommunication on issues leads to unexpected obstacles, conflicting requirements, and last-minute changes, complicating and delaying project approvals.
Water and Stormwater Management: Engineering issues were specifically mentioned.

Policy Supports and Constraints

Based on Developers' Comments

Key Constraints to Development Within the Current Urban Growth Boundary (UGB)

5. **Downtown Issues:** Specifically for downtown projects, developers face challenges such as **homelessness**, **vandalism**, and a lack of financial incentives. These social and economic factors make downtown developments less attractive and more difficult to execute. The **land cost in downtown London**, can be as high-as **\$7.5 million per acre**. This will be mitigated with the recent Provincial announcement to fund key sewer infrastructure work supporting the downtown.
6. **Rail Authority Issues:** The **Rail Authority** presents a major challenge for developments near railway lines. The City of London has been reluctant to take stewardship over rail authority-related issues, which creates delays and additional complexities in getting projects approved.
7. **Urban Design and Density Constraints:** The City's focus on increasing density (e.g., 45% density targets) without addressing infrastructure and servicing needs further complicates development. The lack of flexibility in zoning and density requirements creates additional hurdles for developers.

Policy Supports and Constraints

Based on Developers' Comments

Key Constraints to Development Within the Current Urban Growth Boundary (UGB)

8. **Outdated Incentives:** The City of London's incentive programs, especially for downtown developments, are not as attractive as those offered in other municipalities. For example, the **Downtown Community Improvement Plan (CIP)** does not provide financial incentives, such as waiving development charges (DCs) upfront, making it harder for developers to justify high-rise and other resource intensive developments in the City. In contrast, other municipalities offer more favorable incentives, including **brownfield redevelopment programs** and **downtown catalyst incentives**, which provide developers with better financial returns.
9. **Stricter Environmental and Heritage Policies:** Downtown London faces more **rigid environmental and heritage regulations**, which create further complications for developers. These include restrictions related to **heritage preservation** and **environmental assessments**, which significantly slow down the approval process for high-rise and infill developments. Appeals related to heritage or environmental concerns can delay projects by a year or more, even for relatively minor issues. These regulations make downtown projects more complex and costly compared to suburban developments.

Note: Structured Rental Market and Low Condo Demand: Downtown London has a **strong rental market**, but there is **limited demand for condos** from buyers. Most high-rise developments in the downtown core are geared towards rental units rather than ownership, as there is not enough market interest in buying condos. This trend makes it more difficult for developers to pursue condo projects, as the financial model leans heavily on rental returns rather than sales. For example, Current market conditions have created an environment where planned condos have had to switch to rentals due to low buyer interest.

Policy Supports and Constraints

Barriers to Land Acquisition for Residential Development in the Current UGB

1. High Land Prices
2. Speculative Landholdings
3. Environmental and Servicing Constraints
4. Regulatory Delays and Complexity
5. Limited Land Supply
6. Mismatch Between Planning Goals and Market Demand
7. Conservation Authority

5.0 Analysis

Key Assumptions

Population Growth Projections

| Assumptions | Quantity |
|---|---|
| Council-Endorsed Projection | 3,294 Units/Yr. |
| Planning Horizon | 20 Yrs. |
| Total Projected Units (20 Yrs.) | 65,880 Units |
| Additional - Planning horizon from 20 yrs. to 25 yrs. | 16,070 Units |
| Additional - Ministry of Finance projections | 28,374 Units |
| Total Projected Units with Contingency (25 Yrs.) | 110,324 Units (4,413 Units/Yr.) |
| Source: 2024-06-11 Draft Land Needs Assessment of The London Plan File O-9595 | 47,000 units by 2031 (5,200+ Units/Yr.) |

Directions from Interview Responses

Deviation 1- Market Demand and Planning

The City

The City's planning philosophy is focused on **intensification** and **higher-density developments** as part of its urban planning objectives.

Developers

Developers emphasize that the market's preference for low-density housing, particularly from families seeking more space and a higher quality of life, will continue to drive demand over the long term. As such, land needs should be estimated based on this **persistent demand for single-detached homes**, rather than on high-density developments, to better align with the long-term housing preferences of the city's residents.

Directions from Interview Responses

Deviation 2- Land Density Assumptions

The City

The City's planning and land needs assessments are based on modelled projected densities.

Developers

Developers claim that the **City's density projections** for future housing developments are **unrealistically high**, due to it being based on the following:

- Past development yields
- Historical market demand for housing types
- Inaccuracy within the Vacant Land Inventory (VLI)
- High unit allocation target (Within VLI)
- Availability of infrastructure
- Conservation Authority restrictions

Directions from Interview Responses

Deviation 3- Availability of Developable Land

The City

The City includes **all vacant land parcels** in its Vacant land inventory.

Developers

Developers advise that the City **overestimates** the amount of **developable land** and **possible unit generation of these lands** currently available within the UGB. They point out that much of the land included in the city's calculations is constrained by environmental restrictions, floodplains, or a lack of essential infrastructure, making it undevelopable or costly to develop. This leads developers to estimate a need for more land to meet housing demand.

Directions from Interview Responses

Deviation 4- Availability of Infrastructure and Servicing

The City

The City utilizes the GMIS system to schedule and estimate costs associated with servicing land within the UGB.

Developers

Developers highlight that much of the land within the UGB lacks the necessary infrastructure (e.g., water, sewage, roads), which delays or prevents development.

This leads developers to find new land elsewhere to compensate for areas that cannot be developed due to these constraints.

Directions from Interview Responses

Deviation 5- Affordability

The City

The City followed the Provincial Planning Statement (PPS) framework to guide the Land Needs Study and substantiate the expansion of its current UGB.

Developers

Developers emphasize that the **key to achieving housing affordability** is increasing the **supply of developable land**. They believe that **land scarcity** is driving up prices, and without expanding the UGB sufficiently, housing prices will continue to rise, making it difficult to provide attainable housing.

Directions from Interview Responses

Deviation 6- Development Charges

The City

The City followed the Planning and Development Charges Act to create **development charges** to fund necessary infrastructure.

Developers

Developers believe that **high development charges** and **infrastructure costs** are barriers to creating financially feasible housing development in London.

Directions from Interview Responses

Alignment 1- Need for Housing Supply

Both developers and the government recognize the **urgent need to increase housing supply** in the City of London to meet growing demand. There is a shared understanding that the City is facing a housing shortage and affordability issues, driven by population growth and migration.

Alignment 2- Affordability Challenges

Both developers and the City Council acknowledge that **housing affordability is a critical issue** in London. There is a shared understanding that the rising cost of land, development charges, and construction costs have made it difficult to provide affordable housing options for residents.

Directions from Interview Responses

Alignment 3- GMIS

Predictability: GMIS systems can provide **predictability** in terms of where and when infrastructure will be developed. Developers appreciate having a clear timeline for when areas will be serviced, allowing them to plan their projects accordingly.

Transparency and Long-Term Planning: The GMIS system provides a **transparent roadmap** for growth and infrastructure development over the long term, which can help developers make informed decisions about land acquisition and development timing.

Concerns and Criticisms:

Lack of Flexibility: Developers may feel that GMIS systems are **rigid**, locking them into specific timelines and areas. If market conditions change or if there is a sudden surge in demand for development in areas not prioritized by GMIS, developers might have to wait beyond their project timelines for infrastructure to catch up.

Pooled DC Fund: Developers typically advocate for **streamlined, pooled DC fund structures** where charges are predictable, transparent, and coordinated across departments.

6.0 Considerations

Considerations

Physical, Financial and Social Constraints Within Built-Area

- Lands within the built-area are suitable for higher density development.
- But these lands are expensive.
- And some locations are less appealing due to social issues facing the City.
- Higher density development is also expensive due to elevator, fire safety and other regulatory requirements.
- Some of these sites/locations are known to have insufficient infrastructure capacity. Upgrades could be expensive and time intensive.
- These factors make denser residential unit development aimed for ownership cost prohibitive and infeasible in the short term.

Land Cost and Availability Within Built-Area and Greenfield

- Land ownership within the built-area and Greenfield is fragmented.
- Owners mostly own smaller parcels and are not developers who have the intent or resources to pursue large scale development on an immediate basis.
- Acquisition costs of these lands are usually higher than the acceptable cost ratio for land for a development to be financially feasible

Local Developer Capacity, Capabilities, and Land Inventory

- Local developers have the capacity, capabilities, and land inventory to meet the housing supply demand. Their business plans include building more housing in London.
- Much of this land inventory is currently outside the current growth boundary.

Considerations

Physical Constraints Within Greenfield

- Vacant lands within Greenfield also contain flood plains and other environmentally sensitive areas restricting development and availability of developable land.
- Lands within GF lack infrastructure/services connectivity.
- Project/market driven expansion of infrastructure will not be conducive to meeting the City's housing pledge.
- Expansion of infrastructure is expensive; expansion should utilize economies of scale (over larger areas).
- These factors could make development timeframe of housing uncertain and prolonged.

Applications Vs. Approvals Ratio

- Development projects need building permits. On average 15% of applications are successful in receiving building permits/year.
- 41,392 units out of the City's target of 47,000 units remain to be built by 2031.
- Of this 23,650 should be in GF and 19,350 in Built-Area (as per the London Plan 45% of new units need to be within the built area).
- At a 15% approval rate 151,800 units (in GF) are required.
- At a blended density of 50 UPH this translates to a need for 3,063 ha.
- There is currently 1,166 ha of vacant land in GF. Which means **an additional 2,000 ha (approx.) of developable land is required** to meet the City's housing pledge.

Considerations

Addressing Market Demand

- London has a higher share of high-density development in comparison to its peers. But it is primarily rental units.
- Population growth in London is mainly driven by intra-provincial migration from the GTA.
- This demographic prefers lower density developments of higher quality, which are currently out of their reach in the GTA.
- London could address this need.
- But lack of suitable developable lands within the UGB, drives this demographic outside of London.
- Retaining potential housing owners in London would be conducive to its long-term economic growth.

Land Development Costs vs Affordability

- Cost of acquisition of raw land within UGB is 5 to 8 times the price outside it.
- Development would be infeasible at this land price as the end product can only sell at a price that the buyer can afford, which currently caps at a high average of \$950k per single family unit.
- The developers that have the resources to meet the City's housing target, currently own a significant portion of lands immediately outside the UGB.
- These lands were purchased decades ago at low cost for future development. This is a common business model amongst housing developers.

Considerations

Addressing HDR Development within the Built-Area

- Through the disposal of surplus city-owned land, the City can address its intensification targets in the built-area.
- Leasehold or under-market sale of vacant lands (parking lots, remnant BRT lands etc.) can greatly reduce the land costs associated with HDR development in the city's core.
- There is a need for condo or rental units that support the inter-migration of larger families. Reduced land costs could support the creation of these units.
- Supportive services like public transit and community services are present in these areas which appeal to large demographic groups.

Transitioning City Owned Lands into Housing

- Departments within the City are currently consolidating lands for disposal.
- Process enhancement and frameworks for the conversion of City owned land into housing are well underway and will be in front of council for endorsement soon.
- Inter-departmental support and alignment for the disposal of lands into housing is occurring.
- Alignment of HDR development(s) and the advancement of BRT projects are progressing in tandem.

Considerations

Meeting Density, Supply and Affordability Targets

- To meet the City's density, supply and affordability targets in the built-area, it could consider encouraging rental development, especially larger unit sizes (3-to-4-bed units).
- This is also essential, as larger households from the GTA are moving into London.
- There is a shortage of larger units, be it ownership or rental.
- If these units aren't available in London, it risks losing future population to neighbouring communities, which could lead to weakening of its social fabric and economy over the long term.
- The City could make its lands available to private developers at discounted prices or long-term lease, conditional to developing these large family rental units. It would be mutually beneficial to the developer as well as the City (and its residents).
- This approach will ensure City's communities are denser, supply/housing choices are diverse, affordable and sustainable, and families can put down their roots in London.

7.0 Recommendations

Recommendations

- 1. "End of Pipe" Developments:** Where servicing capacity is sufficient at the end of pipe to bring in lands currently outside of the UGB, a public process should be created where developers based on rated criteria can fast-track and get applications approved quickly.
- 2. Pooling of Development Charges:** The funds collected by the City through development charges should be one pool of funds that can be accessed and delivered through the GMIS program to facilitate developments based on the needs of the developments brought forth through the "end of pipe" development system.
- 3. Concierge Services:** Enable the fast-tracking of the development approvals process through a delegate that manages files across different internal City departments to facilitate quicker approvals.
- 4. Prioritized Application Review (High-Output-Volume):** The City should prioritize development applications that have the potential to achieve the provincial goal of more units built faster and 47,000 units by year 2031.

Recommendations

- 5. Modernized Urban Financial Incentives:** Due to the additional costs and time associated with downtown developments a downtown catalyst program should be created/re-instated to facilitate intensified urban development. Tax incentives and DCs would focus on the downtown core and specific constraints of developing large-scale housing projects in downtown London.
- 6. Collaborative Approach to Environmentally Sensitive Development Areas:** The City, CA, and developers work together to mitigate environmental impacts (flooding) of lands that can be developed into housing. Engineered barriers and controls ultimately reflect future conditions and impacts of floods and high-water levels.
- 7. Alignment on future Built-Form (housing):** Stick-framed structures will be more financially attainable for the end user. This can be achieved through intensification (Row townhouses, Stacked townhouses, Semi-detached housing). Consideration of where these types of housing occur should be given based on existing neighborhood socio-economic demographics as well as existing housing tenure.

Recommendations

8. Masterplan Horizon: Due to London's ability to expand its greenfield lands onto former annexed lands in several areas of the City, master planning beyond the UGB should be considered to provide the City with a high-level understanding of the physical requirements to facilitate long-range future development. Current 5, 10, and 20 year plans will provide a detailed breakdown of the physical infrastructure required to meet the short to medium-term growth, where 50 to 100-year planning horizons could consider long-range growth requirements.

9. Land Supply to Support City-Endorsed Housing Target: Consideration should be given to expanding the available developable lands beyond the current proposed greenfield land needs identified within the land needs assessment (**total of 2000 Ha of developable land**). This would leverage economies of scale by utilizing large land tract assemblies under the ownership of the city's development community where "stick-framed", low to medium-density housing, could facilitate market-driven, attainable housing options for consumers. This need is driven by many considerations discussed in this report. Key considerations include: the high cost of land within urban growth boundary; the business plans and land inventory of local developers; and the ratio of applications to building permits required to achieve Council's 47,000-unit pledge.

Conclusion

The Housing Supply Marketplace Analysis provides a comprehensive assessment of the City of London's greenfield land needs to meet its housing goals through a combined quantitative and consultative approach.

Appendix C - Evaluation Criteria for UGB Expansion Area

Consistent with policies of the PPS 2024 and *The London Plan*, below are the criteria for evaluation of candidate properties and blocks of lands to be considered for potential inclusion within an expanded Urban Growth Boundary:

- Addressing the need to designate and plan for land to accommodate an appropriate range and mix of land uses.
- Parcel shapes, size, configuration, topography, and potential for planned urban uses.
- Existing and planned infrastructure will be optimized: a logical integration with master servicing strategies.
- Logical and financial viability of servicing new parcels or areas.
- Impact on agricultural operations will be minimized, including directing expansions to lower classes of prime agricultural land categories to the extent possible, or mitigation where avoidance is not possible.
- Meets the Province's Minimum Distance Separation requirements (for separation between existing livestock operations and new sensitive land uses).
- Logical extension of an existing neighbourhood and/or will be large enough area to accommodate a complete new neighbourhood (Future Community Growth) through phased progression of urban development
- Protection of components of the Natural Heritage System and built heritage.

Appendix D - List of Request for Expansion Area

Below is the preliminary list of sites requested by landowners (or agents) for evaluation for potential inclusion within an Urban Growth Boundary expansion, which were received prior to Council's direction to initiate the UGB Review.

| Requested Property | Applicant / Agent | Category |
|---|--|------------------|
| 1620 Fanshawe Park Rd E | Orange Rock Developments [applicant] | Community Growth |
| 3231 Colonel Talbot Rd, 3293 Colonel Talbot Rd, 3323 Colonel Talbot Rd, 7184 Pack Rd, 7220 Pack Rd, 7290 Pack Rd | INCON [applicant] | Community Growth |
| 2425 Old Victoria Rd | Adam Hiemstra [applicant] | Community Growth |
| 1431 Sunningdale Rd W | Ali Jomaa [applicant] | Community Growth |
| 1640 Fanshawe Park Rd E, 2012 Oxford St W | Orange Rock Developments [applicant] | Community Growth |
| 1871 and 1913 Bradley Ave | Alex Sumner [applicant] | Community Growth |
| 1944 Bradley Ave | Elite Bradley Development Inc [applicant] | Community Growth |
| 1996 Bradley Ave | Weston Consulting [agent] | Community Growth |
| 3681 Homewood Lane | Angelo and Brenda Fortese [applicant] | Community Growth |
| 2613 and 2679 Dundas St | Farhi Holding Corporation [applicant] | Community Growth |
| 2106 Fanshawe Rd E, 1885 Fanshawe Park Rd E, 1795 Clarke Rd | Farhi Holding Corporation [applicant] | Community Growth |
| 1739 Sunningdale Rd W | MHBC [agent] | Community Growth |
| 1181-2031 Commissioners Rd E | MHBC [agent] | Community Growth |
| 1701 Fanshawe Park Rd W | Zelinka Priamo Ltd [agent] | Community Growth |
| 300 Crumlin Srd | Katie Rudavsky [applicant] | Community Growth |
| 360 Crumlin Srd | Gray Angel Holdings Inc [applicant] | Community Growth |
| 2329 Dingman Dr | Gray Angel Holdings Inc [applicant] | Community Growth |
| 2387 Dingman Dr | Brian and Mel Murray [applicant] | Community Growth |
| 2145-2135 Dingman Dr | Woodhurst Farm Ltd. [applicant] | Community Growth |
| 1741 Wilton Grove Rd | Amandeep Bajwa [applicant] | Community Growth |
| 3565 Westdel Bourne | Antonio Bagnara [applicant] | Employment Areas |
| 1806 & 1874 Wilton Grove Rd | Tom Grieve [applicant] | Employment Areas |
| 2700 Trafalgar Rd | Stantec [agent] | Employment Areas |
| 4423 Highbury Ave S | Dancor Consultation Ltd [applicant] | Employment Areas |
| 2049-2055 Bradley Ave | 2035723 Ontario Limited [applicant] | Employment Areas |
| 3950 Dundas Street (Thames Centre, Middlesex County) | Dale Sports Ltd. (Golf North Properties) [applicant] | Annexation* |

*Applicant notified that annexations are provincial jurisdiction and are not contemplated within the context of a potential Urban Growth Boundary expansion.