

PROPOSED PROJECTION METHODOLOGY GUIDELINE

*To support implementation of
PPS, 2024*

March 30, 2026

Environmental Registry of Ontario Posting ERO#026-0304

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Preface

In 2024, the Province released the Provincial Planning Statement (PPS 2024), replacing the Provincial Policy Statement, 2020, and revoked the Growth Plan for the Greater Golden Horseshoe, 2019 (Growth Plan). The PPS, 2024 is a policy statement issued under the authority of section 3 of the *Planning Act* and came into effect on October 20, 2024. The PPS, 2024 applies to all decisions in respect of the exercise of any authority that affects a planning matter made on or after October 20, 2024.

Planning authorities shall base population and employment forecasts on the Ontario Population Projections (Ministry of Finance Projections) and may modify, as appropriate. Sufficient land shall be made available to accommodate an appropriate range and mix of land uses to meet projected needs for a time horizon of at least 20 years, but no more than 30 years, informed by provincial guidance.

The Ministry of Municipal Affairs and Housing (MMAH) is seeking feedback on proposed guidance that would assist planning authorities with establishing population and employment forecasts and identifying related land needs requirements to plan their communities and support meeting Ontario's significant growth needs.

While not included here, the Ministry is proposing to release hypothetical scenarios to show how municipalities could implement the methodology, after the release of the final version. These scenarios could be based on specific geographies and/or typologies (e.g., *large and fast-growing municipalities*, northern municipalities, and small or rural municipalities) to illustrate step-by-step how different municipalities would follow and implement the methodology.

Before the PPS, 2024 came into effect, in accordance with the Growth Plan, municipalities in the Greater Golden Horseshoe were required to use a land needs assessment methodology to determine the land needed to accommodate forecasted population and employment growth. The 1995 Projection Methodology Guideline (PMG) has been available to be used elsewhere in Ontario to assist in determining population and employment forecasts and assessing housing and land needs requirements. An update to the PMG is needed to support the implementation of the PPS, 2024, reflect recent provincial government priorities, and incorporate new information, data sources and best practices.

Seeking feedback

The Province is undertaking a second consultation (30-days) on a proposed population and employment forecast guidance that would replace the existing PMG. Should the government adopt the proposed guidance, and issue the new guidance, it would replace the PMG.

Please submit comments on the Environmental Registry of Ontario (ERO) in response to posting ERO#026-0304.

Comments may also be provided by email to growthplanning@ontario.ca.

The deadline for written comments is April 29, 2026. Feedback will be taken into consideration prior to a final decision about the proposed guidance.

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List of Acronyms

Acronym	Term
CD	Census Division
CSD	Census Subdivision
ELE	Employment Land Employment
GE	General Employment
MOF	Ministry of Finance
PPS	Provincial Planning Statement
SABE	Settlement Area Boundary Expansion

Chapter 1: Introduction

As Canada continues to be a leader in population growth among the G7 nations, the bulk of this growth is occurring in Ontario. Other market factors such as family formation, income growth and business investment further the need for Ontario communities to grow. It is essential that Ontario municipalities' land use planning adequately anticipates these pressures, both in the near term and well into the future. Adequate growth planning ensures the land and infrastructure needs of current and future Ontarians are in place and reflect the diverse needs of Ontarian families and businesses, as well as overall balance in the housing market.

In a major step towards achieving the ambitious planning required to adequately and affordably house a growing population and workforce, the Province released the [Provincial Planning Statement](#) (PPS, 2024) replacing the Provincial Policy Statement, 2020, and the revoked [Growth Plan for the Greater Golden Horseshoe 2019](#) (Growth Plan).

The PPS, 2024 is a policy statement issued under the authority of section 3 of the *Planning Act* and applies to all decisions in respect of the exercise of any authority that affects a planning matter made on or after October 20, 2024. It provides overall policy directions on matters of provincial interest related to land use planning and development in Ontario. It applies province-wide, except where provincial policy, a provincial plan or applicable legislation or regulation provides otherwise. Provincial guidance, including guidance material, guidelines and technical criteria may be issued from time to time to assist planning authorities and decision-makers with implementing the policies of the PPS, 2024. Information, technical criteria, and methods outlined in the guidance are meant to support implementation but not add to or detract from the policies of the PPS, 2024.

Provincial Planning Statement, 2024 policy context

As a part of the implementation of the PPS, 2024, planning authorities must establish the amount of population and employment growth to plan for and determine the amount of land required to accommodate that growth.

The PPS, 2024 policies provide the parameters for the amount of growth to be planned for in municipalities. Of specific relevance is the following policy direction:

- As informed by provincial guidance, planning authorities shall base population and employment growth forecasts on [Ontario Population Projections](#) published by the Ministry of Finance ('MOF') and may modify, as appropriate (policy 2.1.1).
- Notwithstanding policy 2.1.1, municipalities may continue to forecast growth using population and employment forecasts previously issued by the Province for the purposes of land use planning (policy 2.1.2).
- At the time of creating a new official plan and each official plan update, sufficient land shall be made available to accommodate an appropriate range and mix of land uses to meet projected needs for a time horizon of at least 20 years, but not more than 30 years, informed by provincial guidance (policy 2.1.3).

In addition, the PPS, 2024 provides policy direction that could impact the amount of growth to be planned for and the associated land needs. This includes, but is not limited to, the following policies:

- Planning authorities shall provide for an appropriate range and mix of *housing options* and densities to meet projected needs of current and future residents of the *regional market area* (policy 2.2.1).
- Planning authorities shall support general *intensification* and *redevelopment* to support the achievement of *complete communities*, including by planning for a range and mix of *housing options* and prioritizing planning and investment in the necessary *infrastructure* and *public service facilities* (policy 2.3.1.3).
- Planning authorities shall establish and implement minimum targets for *intensification* and *redevelopment* within built-up areas, based on local conditions (policy 2.3.1.4).

- To support the achievement of *complete communities*, a range and mix of *housing options*, *intensification* and more mixed-use development, *strategic growth areas* should be planned:
 - a) to accommodate significant population and employment growth;
 - b) as focal areas for education, commercial, recreational, and cultural uses;
 - c) to accommodate and support the transit network and provide connection points for inter- and intra-regional transit; and
 - d) to support *affordable*, accessible, and equitable housing (policy 2.4.1.2).
- Planning authorities are encouraged to establish density targets for *designated growth areas*, based on local conditions. *Large and fast-growing municipalities* are encouraged to plan for a target of 50 residents and jobs per gross hectare in *designated growth areas* (policy 2.3.1.5).
- Planning authorities shall designate, protect, and plan for all *employment areas* in *settlement areas* (policy 2.8.2.3).
- They must also promote economic development through the provision of a mix and range of employment uses, *intensification* of employment uses and mixed-use development, and the provision of employment uses located both inside and outside of *employment areas* (policy 2.8.1.1).
- Major office and major institutional development should be directed to *major transit station areas* or other *strategic growth areas* where *frequent transit* service is available (policy 2.8.1.4).

Scope of the guidance

Population and employment forecasts are important components needed by planning authorities, including upper-tier, single-tier, and lower-tier municipalities (with or without planning responsibilities) ('municipalities'), to plan their communities. This information can be used by municipalities to determine land needs, identify growth areas, manage infrastructure, attract employment and economic development, and coordinate public services to meet short and long-term market needs. Municipalities make local land use planning decisions that will determine the future of their communities and municipal planning decisions and planning documents (e.g., official plans) must be consistent with the PPS, 2024.

This guidance is intended to help municipalities develop population and employment forecasts and identify the quantity of land needed by the municipality to the planning horizon. However, the focus of guidance is on the quantum of lands required for *settlement areas* and *employment areas*, and not the location of new *settlement areas*,

location of expansions to *settlement areas*, location of *employment areas*, or the suitability of whether a particular area of land should be included or removed from an *employment area*. These matters are to be addressed consistent with relevant PPS, 2024 policies.

Furthermore, the guidance supports policy implementation but does not add to or detract from the policies of PPS, 2024.

Guiding principles

This guidance is based on the following principles:

- **Ambition and balance:** provide ample, adequate planned and serviced land, to support long-term residential and employment opportunities, reducing and avoiding market imbalances or distortions stemming from an insufficient land supply relative to demand.
- **Consistency and functionality:** produce functional and actionable results that assist municipalities in ensuring land use planning decisions are consistent with the policies of the PPS, 2024.
- **Transparency:** provide a standardized approach to identifying the forecasted population and employment to the planning horizon, to facilitate identification of the quantity of housing needs by type and assessment of land needs to satisfy market demand.
- **Clarity and ease of implementation:** provide a clear set of guidelines that can easily be followed by upper, lower, and single-tier municipalities of varying size and conditions.

How to use this guidance: considerations for implementation

There are several aspects to consider when using the guidance, including:

Municipalities would update their population and employment forecasts and implement them in their official plans at the time of their next official plan update pursuant to the *Planning Act*. The *Planning Act* requires official plans to be revised every five years after an amendment is made, or ten years after a new official plan is approved. Municipalities would not be required to update their long-range forecasts outside of the statutory *Planning Act* requirements.

The PPS, 2024 requires municipalities plan to meet projected needs for a time horizon of at least 20 years, but not more than 30 years. The PPS also requires planning authorities to base forecasts on population projections published by the MOF. The MOF publishes Ontario's population projections for each of Ontario's 49 census divisions (CDs), which are projected by year for a range of up to 25 years beyond the census year on which

the projections are based. The MOF population projections reflect demographic trends such as fertility, mortality and migration. They are foundational to the development of municipal population projections in this guidance as they provide a consistent base for planning across Ontario and support coordination among municipalities.

The 2026 Census of Population will mark Canada's 24th national census. Every five years, Statistics Canada undertakes work to collect information which helps to paint a statistical portrait of Canada's diverse population and the places where we live by collecting demographic, social and economic information from households across Canada.

The MOF updates the Ontario Population Projections annually (i.e., a 'minor' update). Every five years, a 'major' update to the population projections is released to reflect data from the latest census and review the methodology and long-term assumptions. Generally, a 'major' update is published by MOF two to three years after the 'Census Day' (i.e., the official day when the entire Canadian population is enumerated based on their "usual place of residence," that is, at a location where a person lives most of the time), allowing time for the release of Census of Population products.

Municipalities should consider the timing of the release of MOF 'major' updates when considering the timing of official plan updates to ensure forecasts are based on the most current data.

The MOF projections are a publicly available set of population projections for Ontario and its 49 CDs, where the population of the CDs sum to the population of Ontario. These are the base for developing population and employment forecasts by planning authorities, as required by PPS, 2024 policy. Because the MOF projections are updated each year and provide detailed age results, they are used for planning purposes throughout the Ontario government, and by municipalities, school boards, health units, researchers, and the private sector.

The MOF projections are based on population growth trends and consider all streams of inward and outward migration patterns and targets. The MOF typically considers immigration policies, including any relevant targets established by the Federal government, through annual updates. They do not include explicit economic assumptions or public policy choices (e.g., on regional development, land use, new infrastructure). They represent the base-case scenario if current trends continue.

Municipalities are expected to be ambitious and balanced in developing forecasts for planning for future need. Therefore, municipalities should use the most recent 'major' update to the MOF projections as the base for developing forecasts. The most recent 'major' update that is available at the time of an official plan update should be used. Where notable changes to population trends have occurred since the last 'major' MOF update, forecast development should be accompanied by relevant forward-looking market indicators including results from 'minor' MOF updates. This approach is aimed at

providing the most accurate picture possible of the supply and demand dynamics relating to land use to assist planning authorities plan for long term needs while providing certainty as they undertake their land needs assessments.

In accordance with PPS policy 2.1.2, in certain cases planning authorities may continue to use population and employment forecasts previously issued by the Province as they transition to newer forecasts. Municipalities are encouraged to base their forecasts on population projections issued by the MOF. When choosing to use previously issued forecasts, the municipality will need to provide a rationale for using that data and details on how that decision was made.

To help with the transition to base population and employment forecasts on the MOF projections, municipalities in the Greater Golden Horseshoe (GGH) may continue to use the population growth forecasts provided in Schedule 3 of A Place to Grow: Growth Plan for the Greater Golden Horseshoe 2019, which provide forecasts to a planning horizon of up to the year 2051.

Municipalities may base their population and employment growth forecasts on Schedule 3 only when developing forecasts to a planning horizon up to but not exceeding 2051.

Municipalities will be required to base their population and employment growth forecasts on the MOF projections to a planning horizon beyond 2051, where the forecasts in Schedule 3 no longer satisfy the policy requirement to plan for a horizon of at least 20 years and no more than 30 years.

The forecasts in Schedule 3 were issued in 2020 and may no longer be appropriate in consideration of newer data in all cases. The provision to continue to use previously issued forecasts is meant to be temporary for transition purposes. Where there is a difference between MOF projections and Schedule 3, municipalities should consider using the higher of the numbers.

In cases where Schedule 3 forecasts anticipate less growth than those generated by using most recent MOF 'major' update projections, municipalities should transition to forecasts based on the MOF projections as quickly as possible.

It is recommended that municipalities plan to the horizon that aligns with the outer range of the MOF projections available at the time of an official plan update. Municipalities could use any specific horizon, provided that the projection year is within 20 to 30 years, in accordance with PPS, 2024 policies.

A coordinated, integrated and comprehensive approach is essential when dealing with planning matters within municipalities, across lower, single and/or upper-tier municipal boundaries, and with other orders of government, agencies, boards, and Service

Managers. The guidance reflects PPS, 2024 policy direction encouraging inter-municipal collaboration and coordination through all stages of the forecasting and land needs assessment processes. Coordination is necessary to ensure the methods of allocating projections for each municipality consider the future population, housing, land use, infrastructure needs within an entire census division, in accordance with PPS, 2024 policies.

This guidance is intended to support planning authorities as they undertake their respective land needs assessments and determine the quantity of land needed by the planning authority to meet changing market needs and local demand, over the course of the planning horizon. Furthermore, in accordance with PPS, 2024 policies the identification of *settlement area* boundary expansions and *new settlement areas* by planning authorities needs to consider the need to designate and plan for additional land to accommodate an appropriate range and mix of land uses (policy 2.3.2.1a), which is the outcome of the land needs assessment.

The guidance is intended to support the implementation of the relevant PPS, 2024 policies. The technical work to follow the step-by-step methodologies, including applying additional considerations, is intended to inform how to implement the relevant policies. Official plans are the most important vehicle for the implementation of the Provincial Planning Statement and for achieving comprehensive, integrated and long-term planning.

The PPS, 2024 provides policy direction regarding the coordination of planning matters, such as the update or creation of official plans that includes, but is not limited to, the following policies:

- A coordinated, integrated and comprehensive approach is encouraged when addressing planning matters within municipalities, across lower, single and/or upper-tier municipal boundaries, and with other orders of government, agencies, boards, and Service Managers. This approach includes but is not limited to the management and/or promotion of growth and development that is integrated with planning for *infrastructure* and *public service facilities* (policy 6.2.1 a), and the provision of economic development strategies (policy 6.2.1 b).
- Planning authorities shall undertake early engagement with Indigenous communities and coordinate on land use planning matters. For example, when preparing an official plan or official plan amendment, early engagement can facilitate knowledge-sharing, support consideration of Indigenous interests in land use decision-making and support the identification of potential impacts of decisions on the exercise of Aboriginal or treaty rights (policy 6.2.2).

How to read this guidance

Chapters 2 to 5 contain detailed, step-by-step methodologies for turning MOF population projections to a municipal land needs assessment. Chapter 2 outlines the methods for establishing a municipality's population projection. Chapter 3 outlines the steps for developing a municipality's housing needs forecast, considering the amount and types of housing units. Chapter 4 outlines how to develop a municipality's employment needs forecast and determine the amount and type of employment. Chapter 5 outlines the steps to undertake a land needs assessment to accommodate a municipality's forecasted housing and employment needs.

Each step within these chapters includes a purpose (goal), the policy basis for context, a recommended approach – what needs to be done and how for completing the step – and the outcome, which becomes the input for the subsequent step.

The methodological steps also include additional considerations. Considerations may include special notes regarding the recommended approach, best practices for using the available data, support for collaboration among jurisdictions or other types of step-specific information. The guidance also provides specific recommendations for *large and fast-growing municipalities*, as well as small and rural municipalities with respect to which methodology to follow for their land needs assessments.

Projections, forecasts and targets: In this guidance, a 'projection' extrapolates present trends (e.g., fertility, mortality, and migration) to a future state (e.g., population) based on the assumption that the trends would continue into the future. A projection is neutral and does not consider how changes in assumptions or potential uncertainty in the continuation of past trends would impact the future. A 'forecast' is a best estimate to predict a future state (e.g., population, employment) that is based on projections and builds on present trends but considers the potential impacts that changing variables and assumptions may have. A 'target' represents a specific end goal, expressed as a policy objective (e.g., a target of 150 people and jobs per hectare in a major transit station area). Targets are specific policy objectives determined by planning authorities to be responsive to their forecasts.

Where a word is italicized, the definition of the word or phrase is to be understood as reflecting the corresponding definition in PPS, 2024. For non-italicized terms, the normal meaning of the word applies. Where a word or phrase is typically used in a planning context, the meaning associated with the use of that word or phrase within the planning context is intended to apply. A glossary is provided to clarify certain terms that are used in the guidance.

Any references to specific policies and associated policy numbers in this document are references to the corresponding policies in the PPS, 2024.

Chapter 2: Establishing Municipal Population Projections

Overview

The purpose of chapter 2 is to identify and allocate the MOF population projections from the census division (CD) to the municipality (i.e., census subdivision (CSD)) to the planning horizon.

The approach is to develop a range between upper and lower population projections, to support municipalities in responding to changing market needs and local demand, and providing a sufficient supply to support a diverse and growing population and workforce. The approach also provides a test on municipal projections in relation to the entire CD to ensure a reasonable forecast. The projection range would be developed using two methods:

1. the municipality's share of population within the CD; and
2. the municipality's share of population growth within the CD

The outcome of this chapter would be used as an input in developing housing and employment forecasts.

Population step 1: obtaining and determining municipal projections

Purpose

The purpose is to identify the MOF projections for the applicable CD geography and determine each municipality's share of the projection.

Policy basis

As informed by provincial guidance, planning authorities shall base population and employment growth forecasts on Ontario Population Projections published by the MOF and may modify, as appropriate (policy 2.1.1).

Recommended approach

To achieve the objective, municipalities should disaggregate the MOF projections from the CD to the CSD (i.e., the municipality) to the planning horizon. Municipalities should apply at least two different methods (outlined below) to obtain projection results, to determine the municipality's share of the CD projection, based on past growth and on assumptions for future growth.

Single-tier municipalities whose geographic boundary aligns with a CD may develop a range using the MOF projections as one of its projection scenarios as well as other projections or growth scenarios as identified by the municipality.

Municipalities are equipped to develop employment forecasts and assess housing and land needs based on the MOF projections (as explained in the guidance).

There are two recommended methods for determining the municipality's share:

1. **Population share (Method A):** Accounting for the municipality's share in the CD's projected population, according to the MOF projections. For this method:
 - municipalities should use the latest data available from Statistics Canada for their population and the CD total population to calculate the share of CD scale population
 - municipalities apply the population shares to the MOF's CD scale population projections for the municipality's planning horizon to get their population projection
2. **Growth share (Method B):** This method relies on linear growth for each municipality within the CD to calculate the share of a municipality's growth within the CD. For this method:
 - municipalities use the latest data available from Statistics Canada on population growth for the CD and for the CSD/municipal level to calculate their share of CD growth
 - municipalities, to obtain their population projections, would calculate growth shares from an appropriate consecutive five-year period using annual demographic estimates from Statistics Canada to provide continuous year-by-year population figures. This enables planning authorities to calculate growth for any five-year period within the previous 10 years, rather than being limited to census-to-census intervals and accounts for short term variations in population. They would then apply the growth shares to the MOF's CD population projections for the municipality's planning horizon

The results of Method A and Method B then become the upper and lower parameters of the range of reasonable growth projections – the projection range – for each municipality.

If a municipality anticipates growth outside its projection range, it should document the approach and data sources used and provide the rationale and methodology behind the calculation. Examples of rationales may include assumptions such as major infrastructure investment, market pressures such as rapidly increasing land or real estate costs, or falling vacancy rates among all or some land-use types, unusual growth patterns that would skew the development of a municipal-scale projection, and immigration forecast updates, etc.

The approach might result in a diverse range of growth projections for different municipalities. As such, municipalities with minimal population growth should use the current population as a 'floor'. Later steps consider other matters that would affect housing, employment, and land use planning to ensure adaptable and resilient resource allocation and infrastructure development.

Note that the development of a projection range is essential for all municipalities to ensure reasonable growth projection. There may be cases where either the population share or growth share methods may not be considered as accurate a projection due to factors such as the municipality's size or its population share in the respective CD, and establishing a projection range would serve as a check for the selected growth projection. Single-tier municipalities whose geographic boundary aligns with a CD may develop a range using the MOF projections for the CD as one of its projection scenarios as well as other projections or growth scenarios as identified by the municipality.

It is necessary to note that municipalities within a CD often experience differing growth rates, which means some may capture a larger share of the CD's projected growth while others may see a smaller share—even when overall CD growth remains steady. For instance, municipalities located within the commuter-shed of a *large and fast-growing municipality* typically experience accelerated growth, resulting in a higher proportion of the CD's population projection. In contrast, municipalities situated farther from major development hubs may experience slower growth or even population decline.

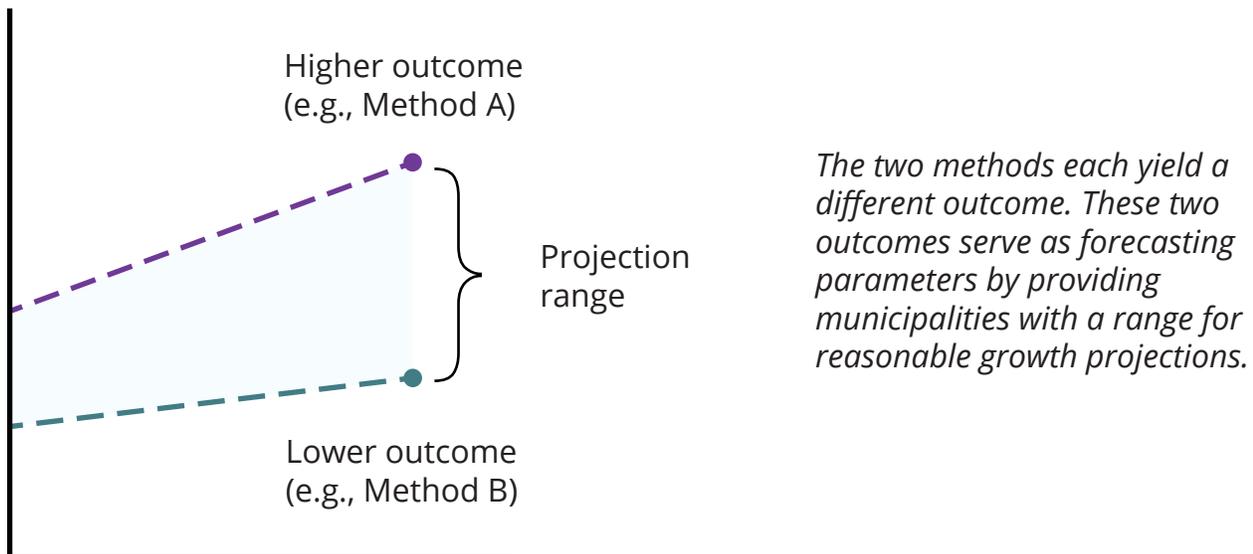


Figure 1: Illustration of the municipal population projection range

Statistics Canada's Centre for Demography releases a set of population projections at the CD and CSD levels on an annual basis. These 25-year projections are designed to support planning at the sub-provincial scale and are based on a similar 'cohort change' model as the approach used by MOF.

The intention is to provide simple and transparent projections using a series of different model assumptions (e.g., low, medium and high growth, variations in life expectancy) and has the flexibility to be updated frequently in response to rapid demographic changes. This data may be useful in situations where a municipality lacks sufficient data (e.g., birth, death and migration rates) to establish trends needed to support the development of future population projections. Municipalities may consider using the most recent data available at the time as a validity check to the outcome of population step 1 – the municipality's chosen population projection within the municipal population projection range.

Which MOF data year should a municipality use?

Municipalities should use the most recent 'major' update to the MOF projections as the base for the population and employment growth forecasts, to support intermunicipal coordination. 'Major' updates are released every five years, incorporating census results and reviewing long-term assumptions. 'Minor' updates are released annually, reflecting most recent trends in fertility, mortality, immigration and other demographic factors.

If a new MOF 'major' update is released during the work on a new official plan (or an update to an official plan), it is recommended to use those projections. This approach supports improved intermunicipal coordination as municipalities would be using common base data for their respective population projections.

Where notable changes to population trends have occurred since the last 'major' MOF update, forecast development should be accompanied by relevant forward-looking market indicators, including results from 'minor' MOF updates. Where a MOF 'minor' update is released after a 'major' update, indicating a higher population projection, municipalities may consider using the higher figures, provided a rationale for using data is documented.

It is recommended that municipalities plan to a horizon within the outer range of the MOF projections available at the time of an official plan update. Municipalities could use any specific horizon, provided that the projection year is within 20 to 30 years, in accordance with PPS, 2024 policies.

Coordination between planning authorities

While neighbouring municipalities within a CD are not required to update their population projections (or official plans) concurrently, and may have official plan review/update cycles that are not aligned, they should undertake the exercise of disaggregating the MOF projections from the CD to the CSD to the planning horizon in coordination with each other, to ensure the appropriate allocation of the growth share to municipalities within a CD. Aligning different official plan reviews with the most recent MOF 'major' update supports coordination between municipalities.

Furthermore, municipalities should consider the inclusion of MOF projections in the development of both voluntary cooperation and information sharing platforms as well as formal, inter-municipal agreements. It is important to address cross-boundary matters, including but not limited to infrastructure, water and sewage servicing and public service facilities, and this can ensure an integrated and comprehensive approach when addressing planning matters across municipal boundaries. Upper-tier municipalities without planning responsibilities no longer identify and allocate the MOF population projections. Given that some upper-tier municipalities (with and without planning responsibilities) remain responsible for long-term infrastructure and servicing forecasts (i.e., roads, water and wastewater systems, and waste management) and lower-tier municipalities are tasked with allocating population projections, inter-municipal coordination is essential to avoid service gaps or shortfalls. An outcome of this coordination is the alignment of different types of projections, such as infrastructure projections, with population projections.

Considerations

All municipalities have the flexibility to modify their projections based on local conditions. The approach accommodates a variety of municipalities and diverse local and market conditions using publicly available data sources. This approach:

- enables lower-tier municipalities with planning authority to establish forecasts through evidence-based decision-making
- supports planning authorities to assess whether municipalities are over- or under-projecting the population at the planning horizon
- provides flexibility to municipalities to convert the MOF projections (as required by the PPS, 2024) to support long range planning within an official plan; and
- equips municipalities to assess housing, employment and land needs with a municipal population projection based on the MOF projections (as explained in other parts of the guidance)

The methodology used by the MOF to develop long-term population projections is the cohort-component method, essentially a demographic accounting system. The calculation starts with the base-year population (the starting year where the population number from which the accounting method adds and subtracts population), distributed by age and gender.

A separate analysis and projection of each component of population growth is made for each year, starting with births. Then, projections of deaths and the five migration components (immigration, emigration, net change in non-permanent residents, interprovincial in- and out-migration, and intra-provincial in- and out-migration) are also generated and added to the population cohorts to obtain the population of the subsequent year, by age and gender.

This methodology is followed for each of the 49 CDs. The Ontario-level population is obtained by summing the projected CD populations.

The MOF projections are based on population growth trends and consider all streams of inward and outward migration patterns and targets. They do not include explicit economic assumptions or provincial and local public policy choices (e.g., regional development, land use, infrastructure). They represent the base-case scenario if current trends continue.

MOF publishes three population growth scenarios at the provincial level only (i.e., reference, high and low). However, only the reference scenario is available at the CD level. It is recommended that municipalities undertake the work to develop a projection range using CD projections as the basis for the population projection.

While population projections are mandated by PPS, 2024 policy as the basis for planning future needs, they are subject to uncertainty due to factors such as economic downturn/recession, population surge/decline etc., which can create significant challenges for land use planning. For example, if a sudden economic downturn occurs, it could lead to lower population growth than projected, resulting in overestimation of the need for housing, infrastructure, and services. Alternatively, an unexpected population surge due to migration could strain a municipality's existing resources and infrastructure. At the same time, infrastructure should be planned to accommodate projected growth.

Infrastructure development should be coordinated with growth management (policy 3.1.1). For example, building more infrastructure than might be needed during a recession results in a surplus of infrastructure capacity only for the duration of the recession. Conversely, not having the necessary amount of infrastructure in place to facilitate growth when it is needed cannot be remedied until such infrastructure is planned for and delivered, creating a significant lag during which growth is capped by infrastructure capacity.

The MOF projections do not reflect local characteristics regarding existing and planned infrastructure capacity or availability, economic and planning assumptions, information from official plans or locally prepared projections. Therefore, the local context is helpful in supplementing the MOF projections.

As stated above, unusual growth scenarios (e.g., high, or low) that use the MOF projections can lead to planning outcomes that misalign population and employment land needs and infrastructure. For example, overestimating growth may cause infrastructure to be overbuilt and create financial strain for the municipality. Alternatively, underestimating growth can result in insufficient infrastructure, housing affordability pressures, service shortfalls, and municipalities may face increased capital costs to address undercapacity issues. Therefore, there may be serious consequences of under planning for growth.

In cases where the municipality is aware of upcoming significant development or infrastructure investment, it may adjust its population forecast upwards to best utilize available (and planned) infrastructure. These may include, for example, upgraded municipal or communal water servicing, impacts of Minister's zoning orders, or new major facilities. Municipalities should ensure that any adjustment is grounded in local data availability and circumstances, and the rationale is clearly documented to ensure that they can demonstrate how and why the adjustments were made to support informed decisions by the approval authority.

Finally, in applying the recommended approach municipalities must account for the relationship between municipal projections and local market demands. As municipalities determine their population projections, they not only respond to current market demand based on previous trends but also shape future demand. This in turn influences development reaction to municipal decisions. Therefore, forward looking forecasts, market indicators and historical trends may affect the local considerations mentioned above.

Outcome

Each one of the recommended methods could produce either the higher or lower parameters of a municipality's projection range, depending on the population and growth patterns of the municipality in relation to the CD. Each municipality would select a growth projection within its projection range. The projection range provides flexibility to municipalities to convert the MOF projections (as required by the PPS, 2024) into forecasts based on available data and market indicators to support long range planning within an official plan.

Determining population projections at the CSD level provides a starting point for population step 2, where population projections by age cohort are established as a minimum input for identifying required housing (i.e., they may wish to plan for more growth than forecasted). The outcome is also a direct input for identifying employment need. Municipalities that demonstrate they anticipate no growth or negative growth in the planning horizon may still benefit from developing housing and employment forecasts. Therefore, they should follow relevant steps in the guidance. For example, existing housing stock may not match the type of housing identified in the housing needs or employment may require additional land, etc.

Population step 2: developing population projections by age cohorts

Purpose

The purpose is to project future population size and characteristics, by age cohorts. Information on the share of each age group in the municipality's population then informs the development of housing forecasts, as changes in the age structure of the population impacts housing needs in the municipality.

Policy basis

As informed by provincial guidance, planning authorities shall base population and employment growth forecasts on Ontario Population Projections published by the MOF and may modify, as appropriate (policy 2.1.1).

Recommended approach

Municipalities are recommended to take census data on the age of primary household maintainer and compile the data into five-year age groups. This data is used to determine the share of each age group in the projected population. Five-year age groups are generally used, as annual projections require more data and labour to calculate.

Municipalities should extrapolate the census population for the latest census year by applying a growth calculation, similar to the growth share approach in population step 1. For each five-year cohort, municipalities apply the growth shares for an appropriate consecutive five-year period within the previous 10 years. The share of the growth for each cohort would then be applied to the municipal projected population from population step 1. The approach accounts for short term variations in population projections.

As an alternative, a municipality may undertake a more complex cohort-survival model accounting for births, deaths and immigration using additional data sources. The approach should be documented with a rationale provided to explain why the cumulative total would be different from population step 1. Municipalities may substitute their own age cohort projections, provided the population total matches the MOF projections from population step 1.

Small and rural municipalities with a census population under 10,000 have the option to use available historic and/or current housing-related data (i.e., the average age of occupied dwellings, unit types, and housing stock at the CSD level) to estimate future population size and accompanying housing needs. While all municipalities are encouraged to develop population projections by age cohorts, those without access to age-specific housing data or facing resource constraints may rely on historic trends to inform housing forecasts. Additionally, these municipalities may use local occupancy rate data to refine headship rates and strengthen total housing need calculations. Occupancy rates, which

measure the number of people per unit-by-unit type, provide a more accurate assessment of housing demand. Municipalities with a census population over 10,000 should continue to develop population projections by age cohorts. Occupancy rates are calculated from vacancy rates, consistent with the approach used by Canada Mortgage and Housing Corporation using Census-based occupancy data. However, larger municipalities may supplement Census data with administrative data sources (e.g., Municipal Property Assessment Corporation) and rental data to produce more detailed occupancy surveys to inform the local occupancy rate.

Whether developing an age structure projection, or extrapolating age cohorts from the latest census, the projected population at the horizon for the municipality from population step 1 is the control for the results developed in this step. Municipalities should review the total population by age cohort developed in this step against the results of population step 1. It is anticipated that municipalities would refine their approach and calculations through an iterative process to ensure the results of both population step 1 and population step 2 align.

Considerations

The MOF publishes projections by age and sex for the 49 CDs. This data could be used as a control when assessed in coordination and collaboration with municipalities within the same CD to ensure that the combined projected population by age cohorts are not over- or under-projecting the CD population at the horizon. However, the age cohort projections themselves are not useful as a starting point to disaggregate at the municipal scale.

Outcome

The result is a municipal level population projection by five-year age groups that is the input for calculating housing needs (chapter 3, housing step 1).

Chapter 3: Developing Housing Needs Forecasts

Overview

The purpose of chapter 3 is to determine the amount of housing needed to the horizon year, accounting for *intensification* within built-up areas in existing *settlement areas* and the need for any additional *settlement area* land (i.e., *designated growth areas* land) to accommodate future housing needs.

Once municipalities have established their population projections, they should calculate the housing needs for the entire population and develop a housing needs forecast to provide for the appropriate range and mix of housing options, address the full range of housing affordability, and to respond to changing market needs and local demand in the planning horizon.

The approach to developing housing needs forecast to the horizon considers a municipal level forecast of housing by type (e.g., low, medium, high density) and location (*intensification* within *settlement areas* / *designated growth areas*), based on housing needs by age cohort. This housing needs information would be used as an input for assessing land needs (chapter 5). Municipalities could adjust their housing needs forecast to account for additional data sources, *affordable* housing, and market demand forecasts or indicators as detailed throughout this chapter.

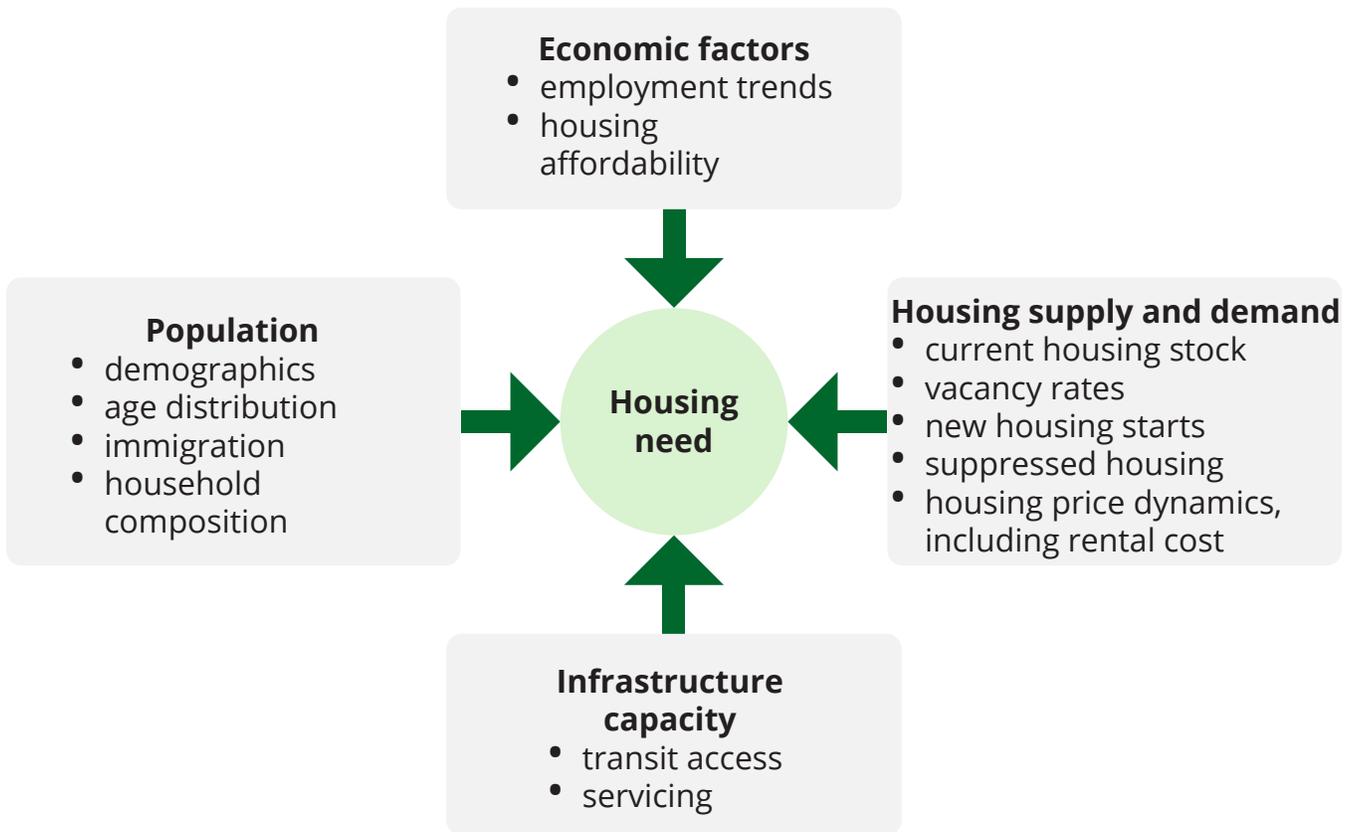


Figure 2: Diagram of factors influencing housing needs

Housing step 1: calculating projected housing needs

Purpose

The purpose is to determine the municipality's total projected housing needs, including to provide for the appropriate range and mix of *housing options*, housing affordability, and changing market needs and local demand, to be accommodated within the planning horizon, measured in housing units by type.

Policy basis

At the time of creating a new official plan and each official plan update, sufficient land shall be made available to accommodate an appropriate range and mix of land uses to meet projected needs for a time horizon of at least 20 years, but not more than 30 years, as informed by provincial guidance (policy 2.1.3).

To provide for an appropriate range and mix of *housing options* and densities required to meet projected requirements of current and future residents of the *regional market area*, planning authorities shall:

- a) maintain at all times the ability to accommodate residential growth for a minimum of 15 years through lands which are *designated and available* for residential development; and
- b) maintain at all times where new development is to occur, land with servicing capacity sufficient to provide at least a three-year supply of residential units available through lands suitably zoned, including units in draft approved or registered plans (policy 2.1.4).

Recommended approach

Municipalities should use the municipal-level population projections, calculated in chapter 2, and apply the age-specific headship rate to calculate the projected total housing needs. The headship rate is defined as the proportion of people who head a household (i.e., primary household maintainer) within a population cohort.

Age-specific headship rates are available at the CSD level through the most recent Census household data from Statistics Canada.

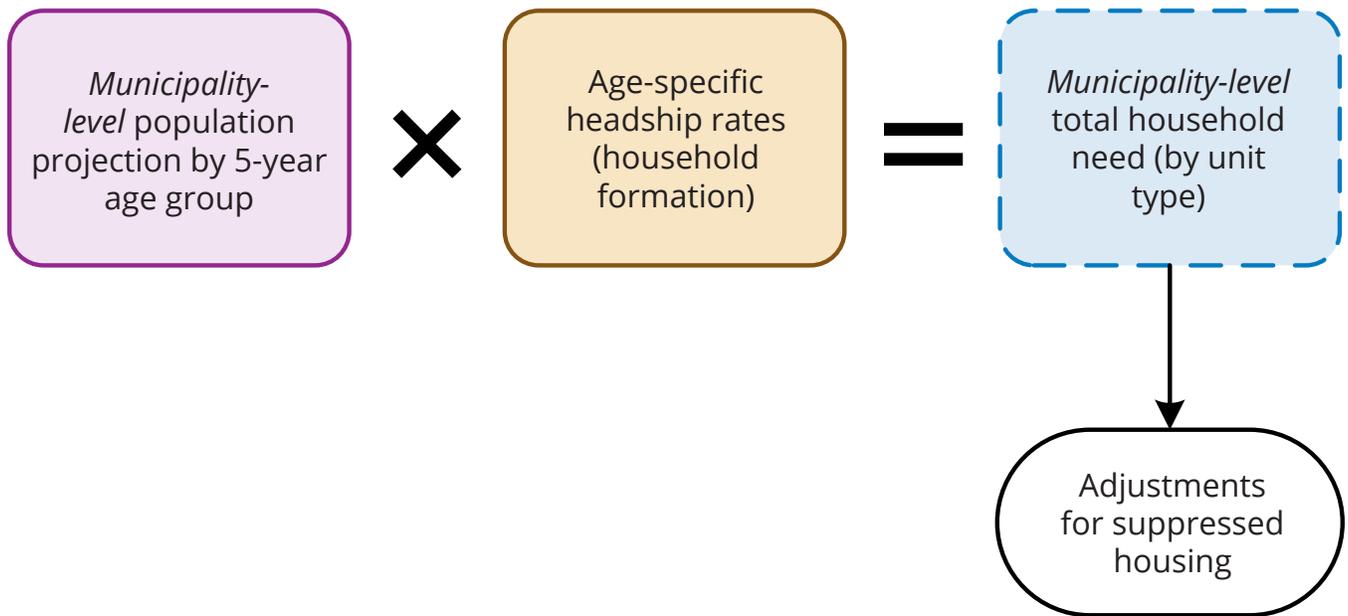


Figure 3: Diagram of housing step 1 – calculating housing needs

The recommended approach for applying age-specific headship rates (household formation) is preferably to establish a trend line based on a minimum five-year period (e.g., the period between the two most recent ‘major’ MOF updates). This can account for changes in household formation over time. Households are social arrangements that vary by age and life cycle choices and includes events such as moving away from one’s parents, forming couples, getting divorced, or the death of a spouse. Municipalities should refine headship rate data to reflect anticipated demographic changes and household trends, provided the adjustment is evidence-based, follows a clear rationale and documents the decision-making process. *Large and fast-growing municipalities* should consider using a trend line over approximately 5 to 20 years, as appropriate to local conditions. Municipalities with a population less than 10,000 may treat household formation rate as stable, unless they anticipate significant demographic or other shifts that would impact household formation. Municipalities should consider whether to refine headship rates to support forecasting for housing needs and help ensure that market demand for housing is satisfied. Adjustments could factor current and future looking propensities of heads of households to form households by housing unit type, including by modifying it based on adjustable factors.

Municipalities may consider using local occupancy rate data as an additional or alternative resource to refine headship rates to further support their total housing need calculations, as long as the resulting forecast is consistent with the municipal projection. The occupancy rate, which measures the number of people in each unit – by unit type – provides a more accurate assessment of the demand for housing units.

To obtain a complete picture of total housing need at the municipal level, municipalities should monitor local conditions and adjust estimates to account for suppressed housing demand and any populations that may have been undercounted or overcounted in the Census data used for MOF population projections. These adjustments should also include housing needs for seasonal or temporary populations, such as post-secondary student housing, that affect land requirements.

Adjustment for suppressed housing

Shifts in demographics, affordability constraints and a lack of varied *housing options* may lead to fewer households established than the market could otherwise support, and therefore are not captured when using census counts. This is known as suppressed housing. Municipalities should use an approach to assess the extent of household suppression that is possible using local data, market conditions, circumstances and context, and utilizes any available tools, resources and methods. Each municipality should seek to obtain and document information that is relevant to its local circumstances.

For example, municipalities may include an analysis of headship rates, evaluating them against comparable and neighbouring jurisdictions, or headship rates in past census cycles. If a municipality identifies a trend where its historical headship rates are lower than the rates of similar municipalities, or its own past trends, the municipality should adjust headship rates upward to account for lower, or suppressed, household formation.

Available resources include reports by the Canada Mortgage and Housing Corporation for example, on the household by maintainer, and by the Office of the Parliamentary Budget Officer on household formation and the housing stock. Municipalities are encouraged to use a variety of tools, data, and resources to account for suppressed household demand.

Considerations

Municipalities should account for suppressed household formation, housing tenure, housing type and propensities for households to occupy certain types of housing in this step. Housing needs categorized by unit type may be carried over through subsequent steps to allow for a more accurate land needs assessment in chapter 5.

In determining the overall housing supply shortage, consideration should also be given to the housing types available, and whether there may be an excess of one or more housing types based on factors such as market demand and affordability. The incorporation of housing types into the assessment of housing needs can support the provision of a more appropriate mix of housing, which is aligned with evolving demand rather than replicating historic and legacy patterns.

Municipalities are not precluded from determining and ‘testing’ assumptions as it relates to population and housing forecasts. For municipalities who undertake this approach, they could manage uncertainty by accounting for multiple future possibilities that include, for instance, economic demand, household affordability and population mobility.

To be consistent with PPS, 2024 policies, municipalities should consider repeating housing step 1 to account for a 15-year planning horizon. PPS, 2024 policy 2.1.4 a requires planning authorities maintain at all times the ability to accommodate residential growth for a minimum of 15 years.

The short-term planning horizon in PPS, 2024 policy 2.1.4.b (see above) seeks to maintain a minimum availability of a three-year supply of residential units, on land suitably zoned with sufficient servicing capacity, to accommodate short-term development growth patterns. In particular, to coordinate *infrastructure* needs with land supply. This three-year supply is accounted for within the land need assessment adjustments detailed in chapter 5.

Outcome

The outcome is the number of housing units needed in the horizon year. This is the input for developing a housing needs forecast in housing step 2.

Housing step 2: developing a housing needs forecast

Purpose

The purpose is to develop a housing needs forecast for the total number of households anticipated in the planning horizon. This is based on number of housing units needed in the horizon year, which would be adjusted according to market local conditions and to reflect existing housing stock.

Policy basis

At the time of creating a new official plan and each official plan update, sufficient land shall be made available to accommodate an appropriate range and mix of land uses to meet projected needs for a time horizon of at least 20 years, but not more than 30 years, as informed by provincial guidance (policy 2.1.3).

To provide for an appropriate range and mix of *housing options* and densities required to meet projected requirements of current and future residents of the *regional market area*, planning authorities shall:

- a) maintain at all times the ability to accommodate residential growth for a minimum of 15 years through lands which are *designated and available* for residential development; and
- b) maintain at all times where new development is to occur, land with servicing capacity sufficient to provide at least a three-year supply of residential units available through lands suitably zoned, including units in draft approved or registered plans (policy 2.1.4).

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

- a) establishing and implementing minimum targets for the provision of housing that is *affordable to low and moderate income households*, and coordinating land use planning and planning for housing with Service Managers to address the full range of *housing options* including *affordable* housing needs;
- b) permitting and facilitating:
 - 1. all *housing options* required to meet the social, health, economic and well-being requirements of current and future residents, including *additional needs housing* and needs arising from demographic changes and employment opportunities; and
 - 2. all types of residential *intensification*, including the *development* and *redevelopment* of underutilized commercial and institutional sites (e.g., shopping malls and plazas) for residential use, development and introduction of new *housing options* within previously developed areas, and *redevelopment*, which results in a net increase in residential units in accordance with policy 2.3.1.3;
- c) promoting densities for new housing which efficiently use land, resources, *infrastructure* and *public service facilities*, and support the use of *active transportation*; and
- d) requiring *transit-supportive* development and prioritizing *intensification*, including potential air rights development, in proximity to transit, including corridors and stations (policy 2.2.1).

Recommended approach

Municipalities should adjust the projected total housing needs obtained in housing step 1 to consider any relevant local housing market factors that could impact the number and type of units needed.

Then, the existing housing stock should be subtracted from the total housing needs to get a forecast of the number of additional units required to accommodate growth in the municipality.

It is recommended that when developing a housing needs forecast, municipalities consider the following factors which are not exhaustive:

- **housing options and affordability:** Municipalities should develop their housing needs forecast while considering their minimum targets for the provision of housing for all market segments, especially as suggested by market indicators. These include a mix of larger, family-sized homes, smaller workforce or post-secondary student housing, ground-oriented housing, mid-rise, and high rise, as well as housing that is *affordable to low and moderate income households*. Forecasts should be in accordance with the PPS, 2024 requirement to provide for an appropriate range and mix of *housing options*, including policy 2.2.1a) that requires municipalities to implement minimum targets for the provision of housing that is *affordable to low and moderate income households*. Consideration should also be given to addressing housing needs in accordance with provincial housing policies and plans, including those that address homelessness. These factors may require adjustments relative to affordability and *housing options*, including the availability of various unit types, at the census base year.
- **target vacancy rates to achieve market balance:** The forecast could be adjusted to compensate for significant over- or under -supply in housing stock in the census year, which, if exists, is evident by data on vacancy rates. To determine unusually high or low vacancies, planning authorities from each market area should calculate their natural rate of vacancy. This means the rate of unoccupied housing units that allows for the normal functioning of the housing market, including turnover, choice, and mobility. The intention is to achieve a balance in the market, without inducing rent inflation, such as due to a chronic undersupply of housing units (market-wide or for specific housing tenures or types), or deflation, such as being the result of a structural oversupply of housing units. In the absence of data or capacity to calculate the natural rate of vacancy, a range of 3% to 5% should be applied.
- **“market contingency factor”:** This factor indicates fluctuations in supply and demand due to unusual events. Examples include: changes in the economy on the local, provincial, federal or international level; changes in land use planning or other legislation or regulations that would affect landowners’ ability to develop their land or the pace of development; and macro changes that could have implications on local housing markets, such as a major change in seasonal population (e.g., post-secondary students), intra-provincial relocation decisions driven in part by affordability) or major technological or societal shifts (e.g. hybrid/remote work enabled through technological enhancements), and increasing demands to live beyond core metropolitan regions. A municipality could provide for a contingency factor by adjusting the forecasted housing needs upwards by a percentage, depending on the extent of data available.

When adjusting the housing needs forecast to reflect the factors above or other local conditions, or if a municipality wishes to make adjustments to the recommended approach, adjustments should be substantiated by documenting the evidence and the rationale for doing so.

Any adjustments should take into account the character and type of the units (e.g., size, quality, affordability, etc.).

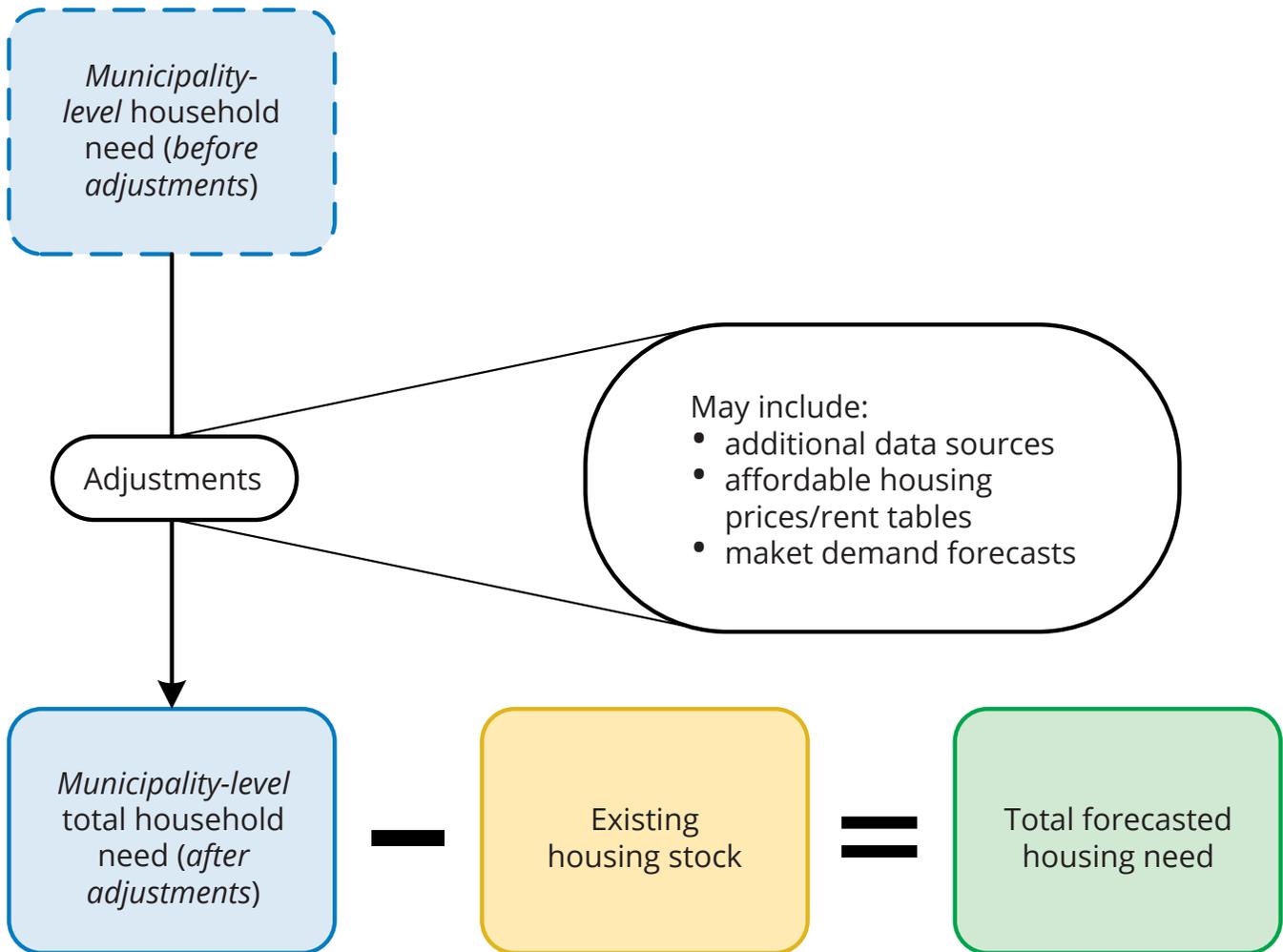


Figure 4: Diagram of housing step 2 – developing a housing needs forecast

Considerations

Housing needs adjustments, particularly for vacancy rates and market contingency, may or may not have a significant impact on the forecasted housing needs to the horizon year. However, they are more likely to have implications for short- and medium-term land needs assessments per policy 2.1.4.

Existing stock includes units that are under construction. Municipalities should also consider fluctuations of stock, such as the results of seasonal occupancy. Housing units that are in land use approval process would be accounted for in the land needs assessment, not in the existing housing stock in this step.

When calculating the existing housing stock, municipalities should consider additions to the housing stock since the census base year that was used for projections and subtract those housing units from the forecasted need. A municipality could use, for example, information from building permits, classified by unit type.

Moreover, municipalities should consider stock loss that needs to be replaced due to demolitions, conversions, abandonment, impacts of a changing climate and natural hazards. Information on stock loss may be available internally (e.g., building permits issued) or from external sources (e.g., Canada Mortgage Housing Corporation starts/completions data or updated assessment data from the Municipal Property Assessment Corporation).

Municipalities who are able to obtain the data needed to support housing needs adjustments would be able to determine land needs more accurately (chapter 5).

Once municipalities calculate the total forecasted housing needs (i.e., the outcome of this step), they should also plan for *infrastructure* development to match the increase of supply to accommodate that need. This includes improving existing *infrastructure* to facilitate some of the housing needs to be accommodated through *intensification*, which is accounted for in housing step 3.

Outcome

The outcome is the total forecasted housing needs, over the planning horizon. This is the input for determining housing accommodated through *intensification* and the estimated housing to be accommodated through new development in housing step 3.

Housing step 3: planning for intensification

Purpose

The purpose is to determine the amount of housing that can be feasibly accommodated through *intensification*. Furthermore, it provides the supporting data needed to estimate the amount of housing to be accommodated through new development, which would impact land needs. This is referred to here as the estimated housing needs that can be accommodated through *intensification* outside the built-up area.

Policy basis

Planning authorities shall support general *intensification* and *redevelopment* to support the achievement of *complete communities*, including by planning for a range and mix of *housing options* and prioritizing planning and investment in the necessary *infrastructure* and *public service facilities* (policy 2.3.1.3).

Planning authorities shall establish and implement minimum targets for *intensification* and *redevelopment* within built-up areas, based on local conditions (policy 2.3.1.4).

To support the achievement of *complete communities*, a range and mix of *housing options*, *intensification* and more mixed-use development, *strategic growth areas* should be planned:

- a) to accommodate significant population and employment growth;
- b) as focal areas for education, commercial, recreational, and cultural uses;
- c) to accommodate and support the transit network and provide connection points for inter-and intra-regional transit; and
- d) to support *affordable*, accessible, and equitable housing (policy 2.4.1.2).

Recommended approach

To estimate housing needs outside the built-up area, municipalities should subtract the amount of housing that can be feasibly accommodated (i.e., reflects market demand) through *intensification* (according to their *intensification* targets) from the total forecasted housing needs.

The municipality's feasible *intensification* rate should be set to reflect local conditions, such as (but not limited to):

- market demand

- opportunities for economically feasible in-fill and *redevelopment*, including reuse of *brownfield sites* and underutilized shopping malls and plazas, development of vacant and/or underutilized lots within previously developed areas, the expansion or conversion of existing buildings, and additional residential units on farms where appropriate
- *infrastructure* availability and capacity, including the location and potential of *major transit station areas* to align growth with transportation
- availability and viability of surrounding *prime agricultural areas*; and
- environmental constraints



Figure 5: Illustration of housing step 3 – planning for *intensification*

Considerations

In estimating feasible *intensification* rates and determining the amount and type of housing units that can be feasibly accommodated through *intensification*, municipalities should consider the overarching PPS, 2024 goal of creating and supporting *complete communities*, affordability needs, *transit-supportive* densities, housing typology, tenure trends and seasonal housing. In addition, municipalities should consider the PPS, 2024 requirement to plan for a range and mix of *housing options*.

Outcome

The outcome is the total estimated housing needs outside the built-up area and is the input to identify the amount of land needed to accommodate new housing developments.

Chapter 4: Developing Employment Forecasts

Overview

The purpose of chapter 4 is to establish the amount and type of employment growth that should be accommodated over the planning horizon, as well as the location of the employment growth (i.e., *intensification* within *settlement areas*, *designated growth areas*, rural employment). This employment growth information would be an input in assessing land needs.

The relationship between employment and housing (chapter 3) is circular. Through income, employment influences housing demand; while through mobility, housing availability affects employment opportunities along with other factors (e.g., climate change impacts, supply chain considerations, and geopolitical instability).

The recommended approach for identifying employment needs focuses on considering demographic factors (e.g., population growth, labour supply etc.), in addition to other factors such as *infrastructure* capacity and government policies at the federal, provincial, and municipal levels.

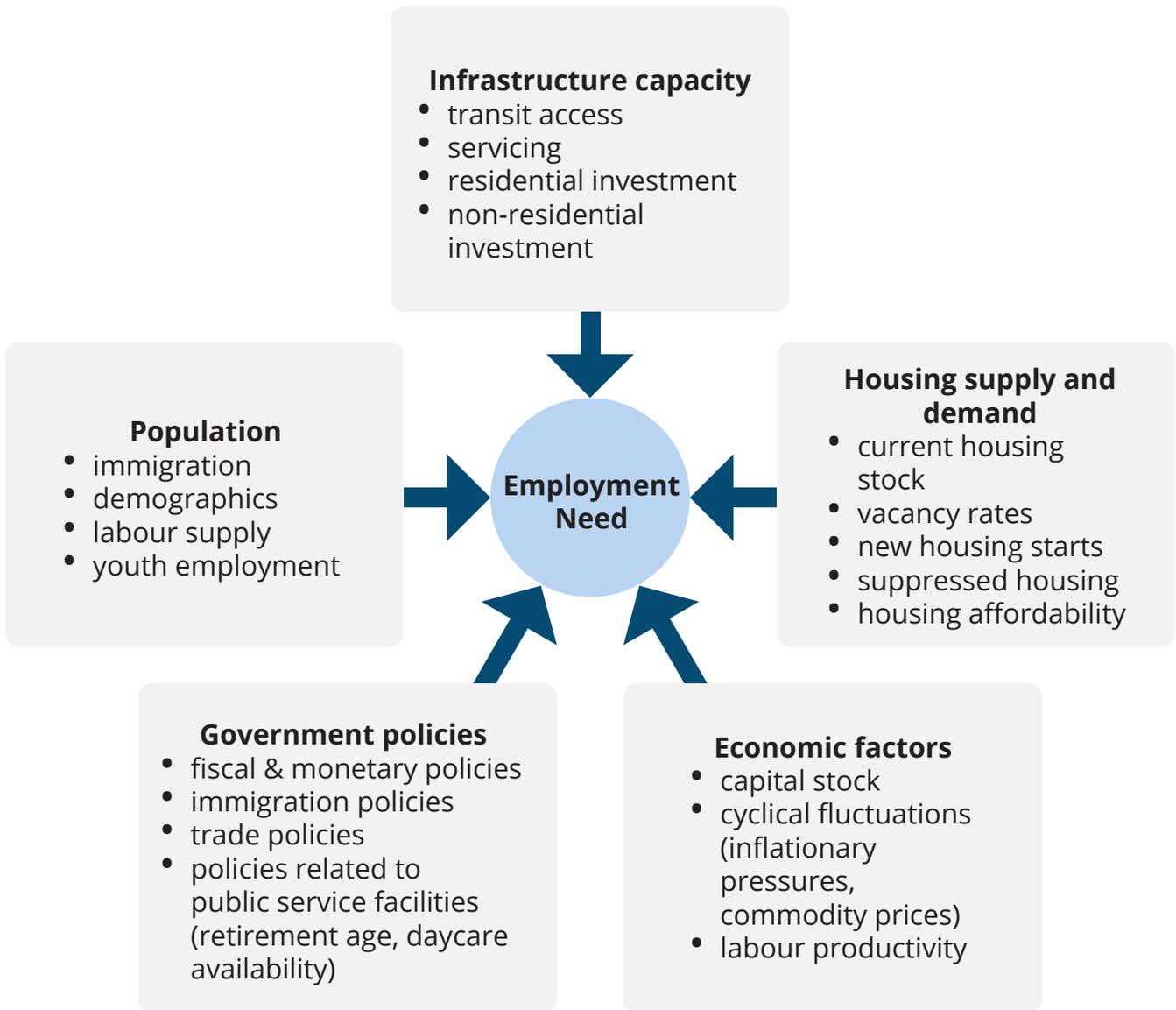


Figure 6: Illustration of factors informing employment projections

Employment step 1: calculating projected employment need

Purpose

The purpose is to determine the municipality's projected total employment needs, which is the number of jobs needed to accommodate employment in the planning horizon.

Policy basis

As informed by provincial guidance, planning authorities shall base population and employment growth forecasts on Ontario Population Projections published by the MOF and may modify, as appropriate (policy 2.1.1).

Recommended approach

Municipalities should identify employment needs by calculating their municipal activity rate and applying it to their projected population.

Calculating municipal activity rate

The municipal activity rate is the ratio of jobs in a municipality to the population of the municipality. It is determined by dividing the base (present day) employment, or the total number of jobs, by the municipality's base (present day) population. Municipalities are recommended to obtain their base employment from a combination of data sources including:

- the place of work status data at the CSD scale

Statistics Canada defines place of work status as whether a person worked at home, worked outside Canada, had no fixed workplace address, or worked at a specific address (i.e., usual place of work). Consequently, place of work data takes into consideration fixed and non-fixed places of work and work from home circumstances

- municipal employment surveys (if available) to obtain the municipality's base employment; and
- base population, which is the present-day population, may be obtained from Statistics Canada and is available at the CSD (municipal) level

Municipalities are encouraged to refine their respective activity rate, to accommodate the potential for future changes in employment needs, by considering a variety of factors including an analysis of recent changes in the type and nature of employment (i.e., increased automation, micro-distribution models, sectoral concentration within a municipality), municipal land use planning objectives, significant changes made or

proposed by major local or regional employers, and infrastructure availability and planned investment. Municipalities with sufficient capacity (i.e., resources, tools, and data) may develop a customized municipal activity rate that reflects local conditions (e.g., demographic characteristics), and may use other analytical tools (e.g., the shift-share method or an employment-led method). However, they should validate their approach by testing it against the projection developed in population step 1.

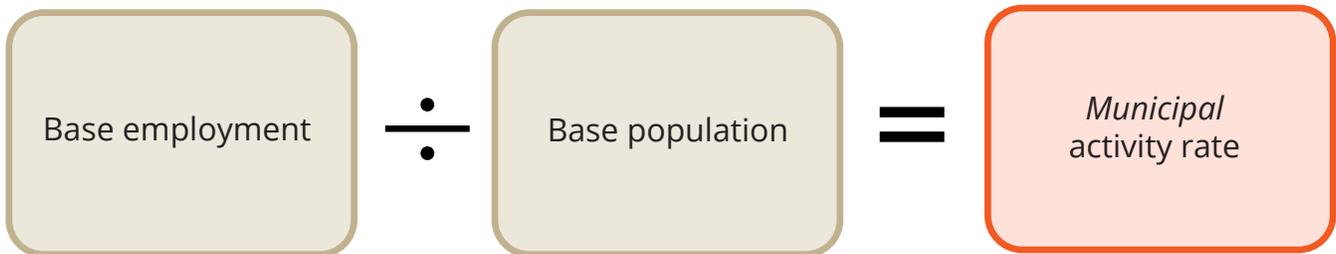


Figure 7: Illustration of step 1 – calculating municipal activity rate

The municipality's role as provincial and regional employment and service centre may result in significantly different municipal activity rates and employment compositions between municipalities. Therefore, coordination between municipalities is crucial and recommended as outlined in PPS, 2024 policy 6.2.1.

Applying municipal activity rate to forecast population

Once the municipal activity rate is calculated, it would be multiplied by the municipality's projected population in the planning horizon, obtained in chapter 2, population step 1. The result is the total municipal employment needs – the number of jobs anticipated in the horizon year.

Considerations

The municipal activity rate provides a comprehensive view of employment in a municipality. In addition to accounting for work from home, temporary and commuter employment, it takes into consideration variations in age structures, demographic differences, circumstances of underemployment and market limitations.

In contrast, the labour force participation rate risks undercounting jobs, as it measures only who is working (regardless of whether the job is inside versus outside the municipality), whereas the municipal activity rate looks specifically at jobs within municipal boundaries. The participation rate does not take nuances into consideration and as a result only accounts for a subset of workers and their complete and full capacity to be employed.

Not all municipalities have access to a municipal employment survey to help assess current employment within their geographic area. Therefore, by coordinating with one another, municipalities can ensure that individuals working outside their municipality of residence are counted in the municipality where they are employed.



Figure 8: Illustration of step 1 – calculating municipal employment needs

Outcome

The outcome of this step is the projected estimate of future jobs needed. This is the input in employment step 2 for developing an employment forecast needed to accommodate employment in the planning horizon.

Employment step 2: developing an employment forecast

Purpose

The purpose is to develop an employment forecast for the total population in the planning horizon. This is based on the projected employment need, while considering local conditions.

Policy basis

As informed by provincial guidance, planning authorities shall base population and employment growth forecasts on Ontario Population Projections published by the MOF and may modify, as appropriate (policy 2.1.1).

Recommended approach

Municipalities should make adjustments to the total employment need, based on local factors and available data, and document any adjustments to demonstrate their rationale and accompanying evidence. Municipal forecasts should consider any potential impacts of shifting economic conditions. It is important to use a variety of data sources to assess and refine the growth potential of employers, to accommodate new employment trends, and take into consideration local factors such as communities with a high number of post-secondary students or seasonal employees.

Key factors influencing adjustments may include:

- planned future business investments and *infrastructure* development
- labour market policies and changes in demographic trends
- changes in industrial composition; and
- shifts in trade policies and international market conditions

In addition, the existing jobs stock needs to be subtracted from the total employment needs to determine the employment forecast.

Considerations

Possible sources of adjustments of the municipal employment forecast include municipal employment surveys, development data and *infrastructure* constraints and opportunities.

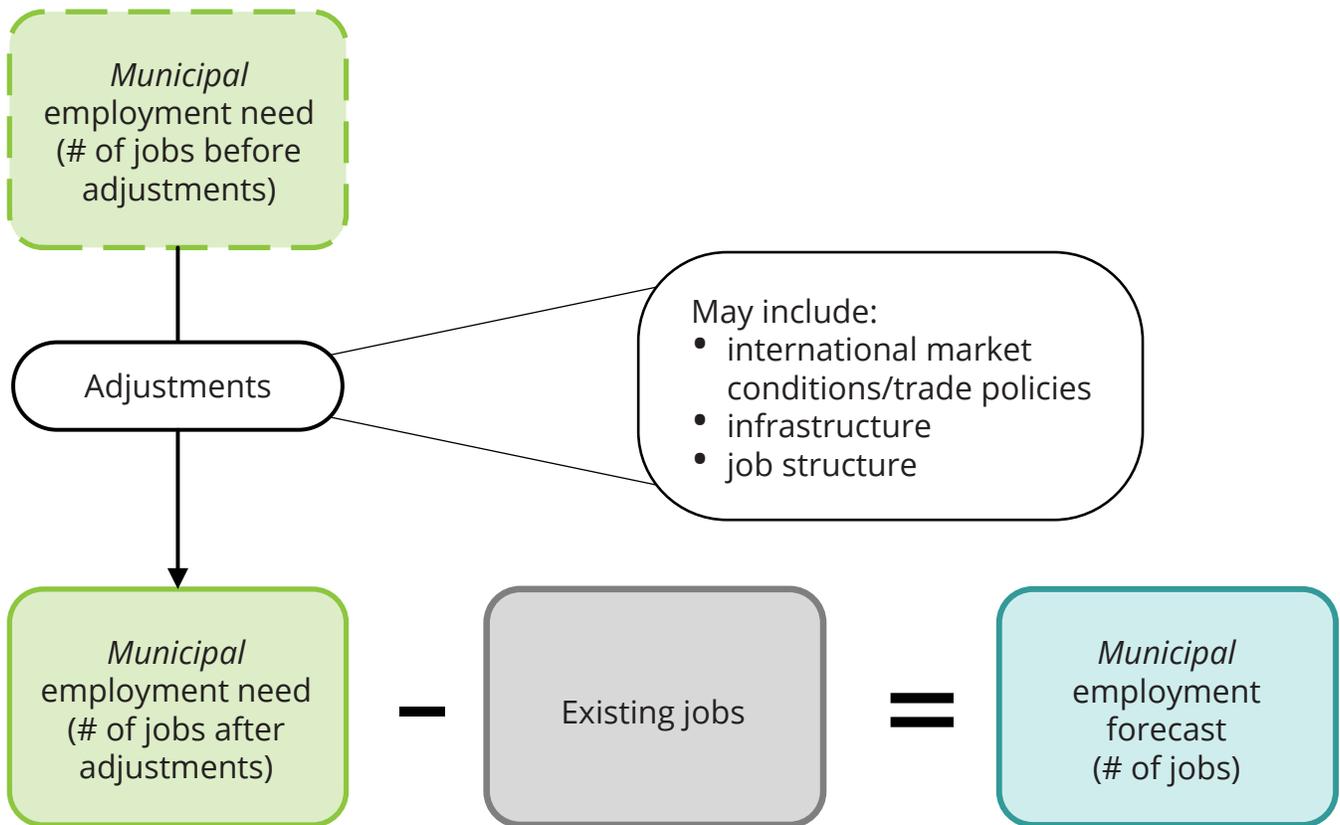


Figure 9: Diagram of step 2 – developing an employment forecast

Outcome

The outcome is the total forecasted employment in the municipality over the planning horizon. This is the input for determining the number of jobs to be accommodated by land use category in employment step 3.

Employment step 3: employment categorization by land use

Purpose

The purpose is to categorize the forecasted jobs for the municipality into different types of employment uses to ensure that there is a sufficient land supply for all uses.

Policy basis

Planning authorities shall promote economic development and competitiveness by:

- a) providing for an appropriate mix and range of employment, institutional, and broader mixed uses to meet long-term needs;
- b) providing opportunities for a diversified economic base, including maintaining a range and choice of suitable sites for employment uses which support a wide range of economic activities and ancillary uses, and take into account the needs of existing and future businesses;
- c) identifying strategic sites for investment, monitoring the availability and suitability of employment sites, including market-ready sites, and seeking to address potential barriers to investment;
- d) encouraging *intensification* of employment uses and compatible, compact, mixed-use development to support the achievement of *complete communities*; and
- e) addressing land use compatibility adjacent to *employment areas* by providing an appropriate transition to sensitive land uses (policy 2.8.1).

As defined in the PPS, 2024, *employment areas* are areas designated in an official plan for clusters of business and economic activities including manufacturing, warehousing, and goods movement. Uses excluded from *employment areas* are institutional and commercial, retail and office not associated with the examples of primary employment uses listed above, unless subject to transition under the *Planning Act*.

Planning authorities shall protect *employment areas* that are located in proximity to *major goods movement facilities and corridors*, including facilities and corridors identified in provincial transportation plans, for the *employment area* uses that require those locations (policy 2.8.2.2).

Recommended approach

In accordance with the PPS, 2024, some types of jobs may be located within *employment areas* while others may not. The types of jobs that may be located in *employment areas* include manufacturing, research and development in connection with manufacturing, warehousing, goods movement, associated retail and office, and ancillary facilities. To accurately calculate municipal land needs, municipalities should determine the number of jobs within and outside *employment areas*.

Municipalities should classify the forecasted jobs into the following employment land use categories:

- **general employment (GE):** jobs primarily serving the needs of the local and regional population that are within the *settlement area* but are primarily outside of *employment areas*. These jobs primarily serve a resident population, including major office, retail, commercial, hospitality, institutional, educational, health care and work from home employment. Jobs are typically located in standalone office buildings. Some smaller or rural municipalities may not have many of these types of jobs
- **employment land employment (ELE):** jobs related to industries and activities that are generally not compatible with sensitive land uses and are primarily located within or adjacent to *employment areas* (e.g., manufacturing and warehousing jobs)
- **rural employment (RE):** jobs that are typically located outside of *settlement areas* and are not related to *settlement area* land need. Municipalities may consider including an appropriate share of other job categories such as GE jobs located outside of *settlement areas* (e.g., gas and service stations). Resource and agriculture-based jobs (e.g., mining, forestry, agri-food businesses, feed and fertilizer facilities) are other examples of rural employment

Municipalities may consider including fewer or additional sub-categories as appropriate, reflecting local conditions and planning objectives. For example, municipalities can further refine their respective job categories to reflect the types of jobs relevant to their local economies such as major office and agriculture. Specifically, municipalities should ensure that employment sub-categorization is appropriate to support the identification of specific land needs for planning and implementation purposes.

Municipalities are encouraged to use their own data, including employment surveys, to the extent that they have access to local information and sources that could inform the accurate land use categorization of employment.

Small municipalities that do not have detailed data available may use a simplified method to determine the accommodation of GE jobs. Further details are provided in chapter 5.

The simplified method enables municipalities to estimate the land need for the forecasted GE jobs, based on inputs such as past permits, approvals, official plans and known employment trends in the municipality.

Considerations

Municipalities are recommended to use the North American Industry Classification System data provided by Statistics Canada, as the preferred source of data to inform the classification of jobs by job type. This system provides a standardized classification methodology used by Canada, Mexico and the United States to classify businesses based upon their primary activity. The system is hierarchical, with classifications ranging from broad sectors to more specific industries.

Jobs can further be classified through supplemental data such as employment surveys, development applications received or approved, or an economic development strategy (if applicable).

Municipalities may also use National Occupation Classification data provided by Statistics Canada to support classifying jobs by land use category.

Municipalities have the flexibility to adjust their job structures and the provision of jobs within each land use category based on local conditions including market disruptions, changes in economic activity, changes in *infrastructure* and capital investments etc., which in turn impacts the total percentage share of employment in each land use category and the resultant number of jobs per land use category.

Seasonal employment, such as agriculture, tourism, recreation and natural resource extraction should be accounted for in employment categorization according to its land use aspect. For example, some jobs in urban agriculture or the agri-food network may exist for only part of the year, but are conducted in a physical space that would have a permanent land need.

The mix of employment land use categories could be assumed to remain constant within a municipality. However, municipalities may anticipate that its job structure could change over the planning horizon and may adjust their job category structure accordingly. These adjustments provide municipalities flexibility to adapt to local employment circumstances and recognize varying local contexts.

In some situations, industrial lands need to be redesignated to accommodate food or agricultural processing to support employment within the agri-food sector, whereas agricultural production and some direct processing likely occurs in a *prime agricultural area* and/or rural lands. Growth in this type of employment may or may not trigger a need for additional employment lands, but this potential scenario should be taken into consideration when categorizing the forecasted jobs.

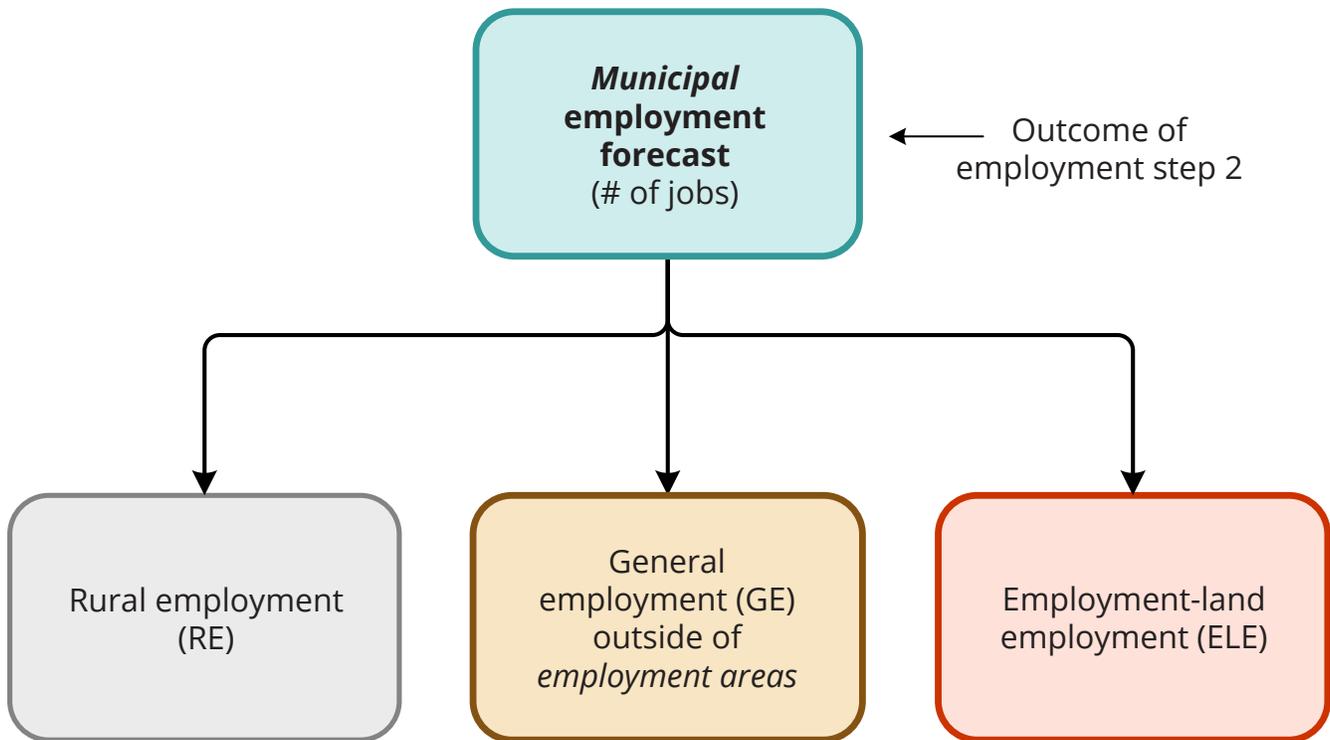


Figure 10: Diagram of employment step 3 – employment categorization by land use

Outcome

The outcome is the categorization of the jobs forecasted for the municipality by different types of employment uses. The results are an input to determining the ability of municipalities to accommodate jobs through *intensification* in employment step 4.

Employment step 4: planning for employment intensification

Purpose

The purpose is to determine the number of jobs that can be accommodated through *intensification* and through new development which would impact land needs.

Policy basis

Planning authorities should support the achievement of *complete communities* by accommodating an appropriate range and mix of land uses, *housing options*, transportation options with *multimodal* access, employment, *public service facilities* and other institutional uses, recreation, parks and open space, and other uses to meet long-term needs (policy 2.1.6a).

Planning authorities are encouraged to establish density targets for *designated growth areas*, based on local conditions. *Large and fast-growing municipalities* are encouraged to plan for a target of 50 residents and jobs per gross hectare in *designated growth areas* (policy 2.3.1.5).

Major office and major institutional development should be directed to *major transit station areas* or other *strategic growth areas* where *frequent transit* service is available (policy 2.8.1.4).

Planning authorities shall plan for, protect and preserve *employment areas* for current and future uses, and ensure that the necessary *infrastructure* is provided to support current and projected needs (policy 2.8.2.1).

Recommended approach

Once the employment forecast is grouped into land use categories, municipalities should determine the number or share of GE jobs and ELE jobs that may be planned to be accommodated within the existing built-up area through *intensification*.

Municipalities would consider recent building permit data and development applications to assist with understanding market absorption and *intensification* potential. Determining the number or share of jobs that go into built-up areas or *designated growth areas* would be based on the existing employment patterns, size, and community characteristics. Municipalities may consider the potential for *intensification*, encouraging the *redevelopment* of underutilized land and planning for higher densities (e.g., within *major transit station areas*). *Intensification* of ELE jobs refer to jobs that may be accommodated within existing *employment areas* and would be generally less responsive to policy initiatives in favour of market demand and industry needs.

In turn, this provides supporting data needed to assess land needs and estimate the number of jobs to be accommodated within *designated growth areas*, or as part of a *settlement area* boundary expansion, including new *employment areas* for ELE jobs. This step also helps municipalities satisfy PPS, 2024 requirements as municipalities are required to establish minimum *intensification* targets per policy 2.3.1.4.

Considerations

If a municipality does not currently have or anticipate having significant office development in the future, the office employment category can be omitted, and any non-ELE jobs can be reflected as part of the GE category.

Generally, in larger municipalities, a significant number of GE jobs would be directed to built-up areas. This is due to factors such as *intensification*, and development within *strategic growth areas*, *major transit station areas* and other areas, such as mixed-use areas where *frequent transit* is available.

Municipalities with major office development and major institutional development may consider subdividing the GE category to assist in planning, such as within *strategic growth areas*.

Municipalities have the flexibility to remove consideration of work-from-home from the GE category and create a separate category to account for remote and hybrid work options.

As stated above, municipalities can also create additional categories to forecast by type of employment in each land use area.

Municipalities should consider underutilized *employment areas* (i.e., vacant or under used) to accommodate growth, as these areas could result in unaccommodated jobs that need to be addressed. Furthermore, the new definition of *employment area* results in more jobs to be accommodated by *intensification* for areas such as underdeveloped strip malls, etc.

In some situations, warehousing and logistics uses located within *employment areas* may not have a significant number of jobs or may be heavily automated. However, due to the nature of their function, these uses have sensitive or intensive land uses and cannot be intensified. Municipalities should take this into consideration when determining additional employment land needs.

This work would be coordinated with the housing forecast and its calculation for *intensification* in the next chapter, especially with respect to work-from-home employment. Not all work-from-home employment is fully remote and as a result, cannot be excluded from calculations to determine adequate land supply for a mix of uses.

Outcome

The outcome is the number of GE and ELE jobs that would be anticipated to be accommodated outside of the built-up area and existing *employment areas*. In turn, this information will assist in determining land needs.

Where appropriate, industrial, manufacturing, and small-scale warehousing are encouraged to locate in *strategic growth areas* and other mixed-use areas where *frequent transit* service is available, outside of *employment areas*. As such, functionally, these jobs may be treated as GE jobs as they do not impact *employment area* land needs.

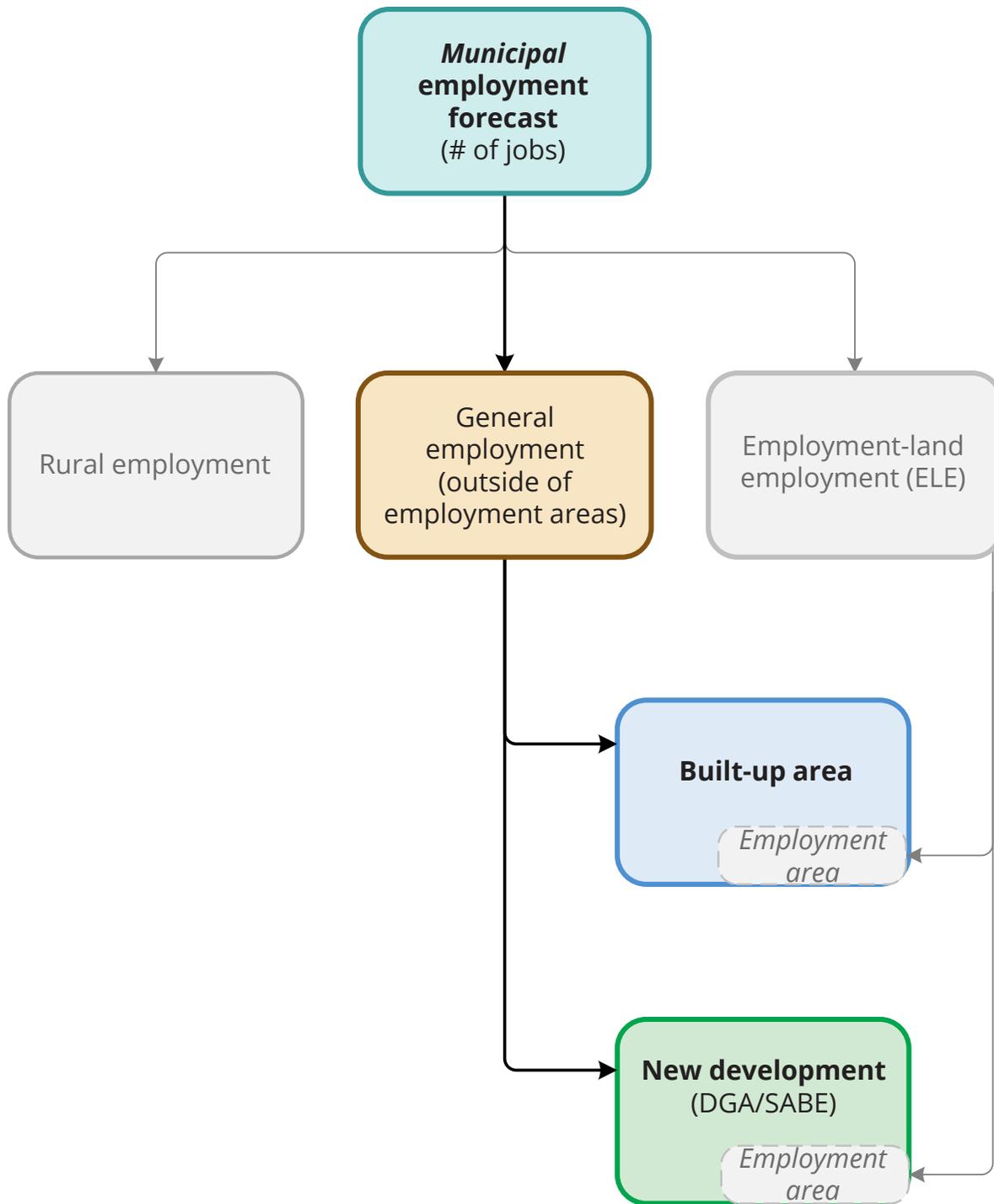


Figure 11: Diagram illustrating jobs in the general employment category feeding into both built-up areas and new development

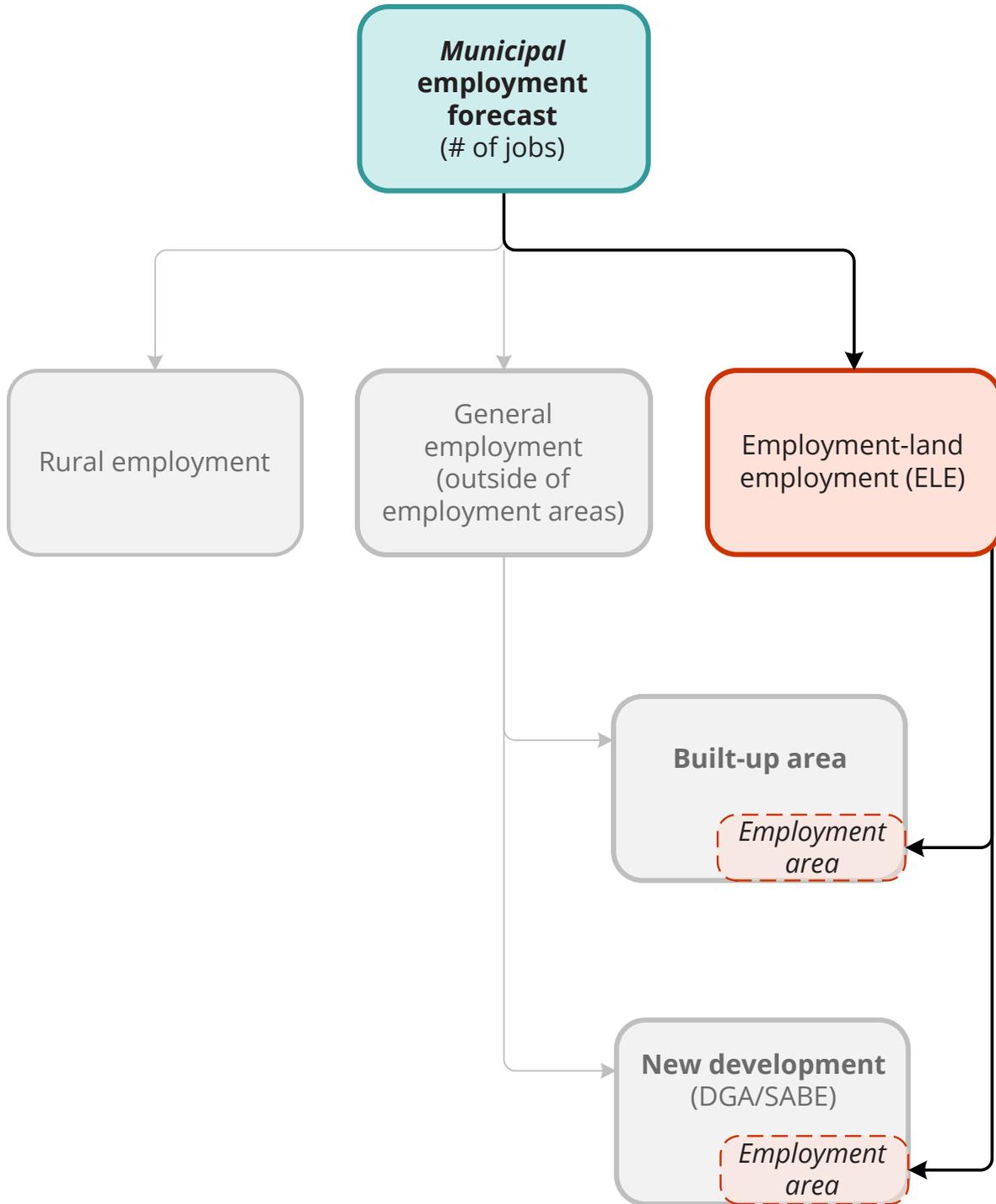


Figure 12: Diagram illustrating jobs in the employment land employment category feeding into the *employment area* land use

Chapter 5: Land Needs Assessment

Overview

Chapter 5 guides municipalities in determining the amount of land required to accommodate an appropriate range and mix of land uses to meet a municipality's projected needs over a 20- to 30-year planning horizon.

Two methods are provided to identify the quantity of land needed for housing and jobs, while considering *employment area* land needs separately from GE and rural employment land needs. Each method is based on PPS, 2024 policy direction and considers available data and local conditions.

Purpose

The purpose is to determine if land is required to accommodate the forecasted needs identified in chapters 3 and 4 and, if so, calculate the amount of land needed.

Policy basis

At the time of creating a new official plan and each official plan update, sufficient land shall be made available to accommodate an appropriate range and mix of land uses to meet projected needs for a time horizon of at least 20 years, but not more than 30 years, informed by provincial guidance. Planning for *infrastructure, public service facilities, strategic growth areas* and *employment areas* may extend beyond this time horizon (policy 2.1.3).

The intention of the guidance is to assist municipalities develop population and employment forecasts and identify the overall quantity of land needed by the municipality to adequately meet market demand to the planning horizon. The location of new *settlement areas*, location of expansions to *settlement areas*, location of *employment areas*, or whether any particular area of land should be included or removed from an *employment area* are therefore not in scope to be addressed in the guidance. However, the outcome of quantifying land needs would be a supporting resource for municipalities in implementing these other aspects of the PPS, 2024.

Recommended approach

It is recommended that municipalities quantify municipal land needs based on municipal forecasted population and employment as well as market need, using one or a combination of the following two methods:

- the multiple densities method
- the simplified method, using the multiple density method for housing land need plus an estimate (i.e., a percentage) for employment land need (i.e., GE and ELE jobs)

It is recommended that municipalities choose the method or methods that is most suitable for them, considering available data and local conditions. It is also possible to mix and match components of the methods (detailed below) depending on available data and land use planning approaches to density.

The multiple densities method is appropriate for most municipalities. It is recommended that municipalities use multiple densities, to the extent there is available and accessible data, as it is the most elaborate method that would yield the most accurate outcomes for the land needs assessment. Large municipalities in particular, including *large and fast-growing municipalities* (Schedule 1, PPS, 2024), should use the ‘multiple densities’ method.

The simplified method is only recommended for cases where a municipality does not have sufficient data or lacks the means/capacity to obtain the data necessary for applying the multiple densities method. In general, this less data-intensive approach is only appropriate for a largely rural municipality with a very small population. As such, the simplified method is recommended for municipalities with a population under 10,000 as of the latest census, and that are not located in a census division that includes a *large and fast-growing municipality*. The purpose of the two methods (that can be combined) is to facilitate maximum flexibility and accommodate local conditions and context.

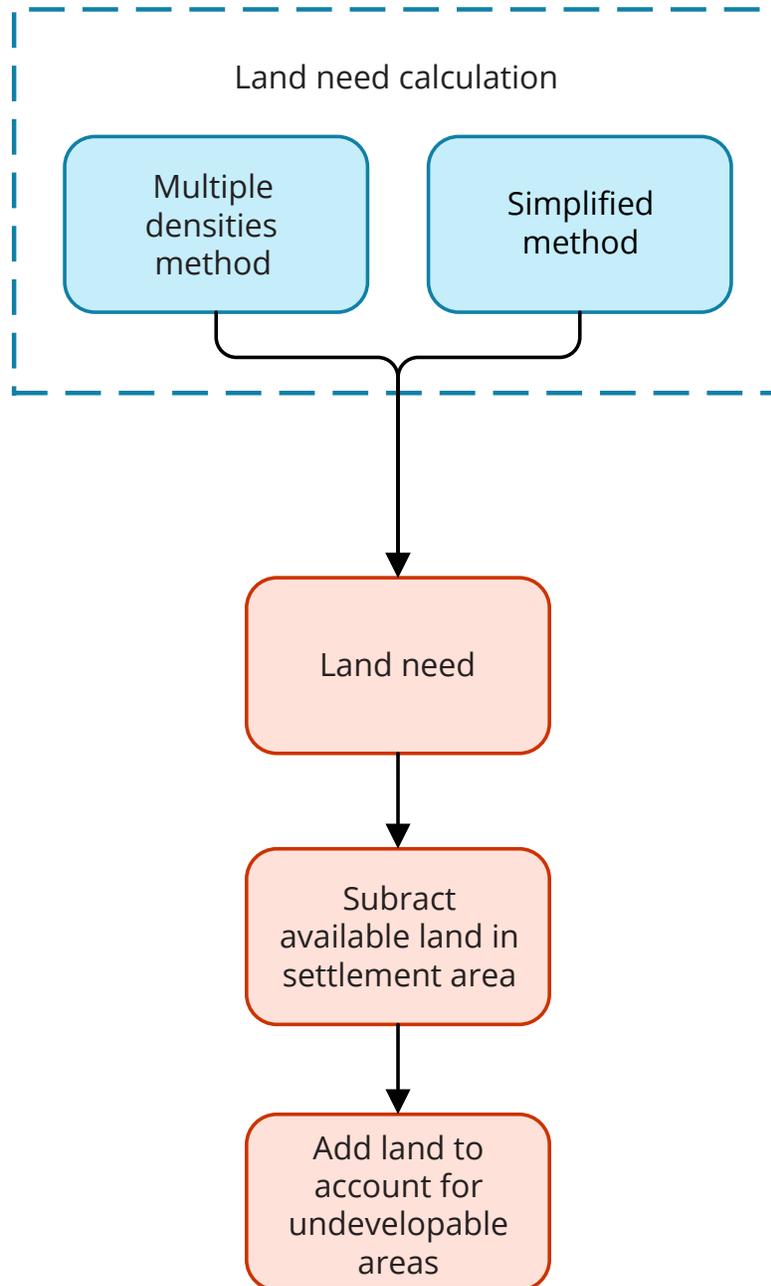


Figure 13: Calculation steps for adjusting land need outcomes. These steps are performed after land need is calculated, regardless of method used

A common aspect to each method is that municipalities would consider land adjustments, (both upward and downward) to account for land designated and available for economically feasible development, the impact of Minister's zoning orders issued or other provincial priorities affecting the use of land since the official plan or official plan update came into effect, and compensation steps (i.e., considering the impact of employment land removals):

- subtract developable and vacant land:

this is to account for land that is already available to accommodate economically feasible development within the *settlement area* and *employment area* to prioritize existing land, ensure its efficient use and support the orderly progression of growth

- add to compensate for undevelopable lands or anticipated lags in land development (if needed):

there may be lands within *settlement areas* that are not able or anticipated to be developed by the horizon for a range of policy reasons or market conditions. Municipalities should compensate for these lands to ensure there is sufficient land to the horizon

Where evidence indicates that some lands may not be developed in the planning horizon for reasons unrelated to land supply – such as trends in approvals or economic feasibility challenges – municipalities may consider a situational adjustment (i.e., additional lands) to maintain sufficient land available

An integral aspect in each method is coordination between lower-tier municipalities, and coordination between lower-tier municipalities and upper-tier municipalities with planning responsibilities.

Multiple densities method

Multiple densities is the most detailed method because it applies a specific density to each type of development (i.e., each type of housing unit and each type of job). By using specific densities, municipalities would achieve the most accurate land needs assessment with the intention that this would lead to the most efficient use of land that best reflects community needs.

The multiple densities method supports the PPS, 2024 policy encouragement for mixed-use development and a range and mix of *housing options* to the extent that data is available to the municipality.

The amount of land is calculated by multiplying each type of development by its relevant density factor, given the extent of available data.

For housing, different housing typologies should be accounted for. The housing needs by type (e.g., low-density, medium-density and high-density) that remain to be accommodated after housing step 3 should be taken into account, each according to their specific net density assumptions. Municipalities should consider densities of different typologies by using standard industry and land use planning practices (i.e., the floor space index) or unit per hectare.

For employment, municipalities may rely on standard industry and land use planning practices to identify the floor space per worker ratio for different job types.

Specifically, the multiple densities method uses a FSW ratio to calculate GE jobs and *employment area* land needs. The land for GE jobs is combined with the housing land needs to determine the overall land needs for both housing and jobs, separate from *employment areas*.

Since both housing and employment assessments are 'net', narrowly accounting for only the land required for the specific typology, municipalities should adjust the results upward to account for gross land needs required to accommodate development, including roads, parks, stormwater management and other components not accounted for. The adjustments would be expected to vary by typology and need, according to community needs. Municipalities could base the adjustment on local data, including recent development proposals and approvals, building permit applications, price, rent, and vacancy dynamics across building types, and land use planning requirements. Municipalities are encouraged to engage the public and stakeholders early in local efforts to inform any adjustments, as a component of implementing the PPS, 2024. Municipalities should document the adjustments made to determine the gross land needs.

Considerations for using the multiple densities method

Municipalities with a population greater than 10,000 as of the latest Census year, as well as those municipalities with a population lower than 10,000 that are not located in a census division that includes a *large and fast-growing municipality*, would be expected to use the multiple densities method to the greatest extent possible using data sources at their disposal. In some cases, where a municipality has very limited access to data to calculate specific multiple densities for various types of jobs, the municipality could use a variation of the multiple densities method. This approach maintains utilizing a units-per-hectare density factor for housing by type, while utilizing a jobs-per-hectare density factor for employment land needs.

The resulting land needs is the total quantity of land required for housing and employment.

Multiple densities method:

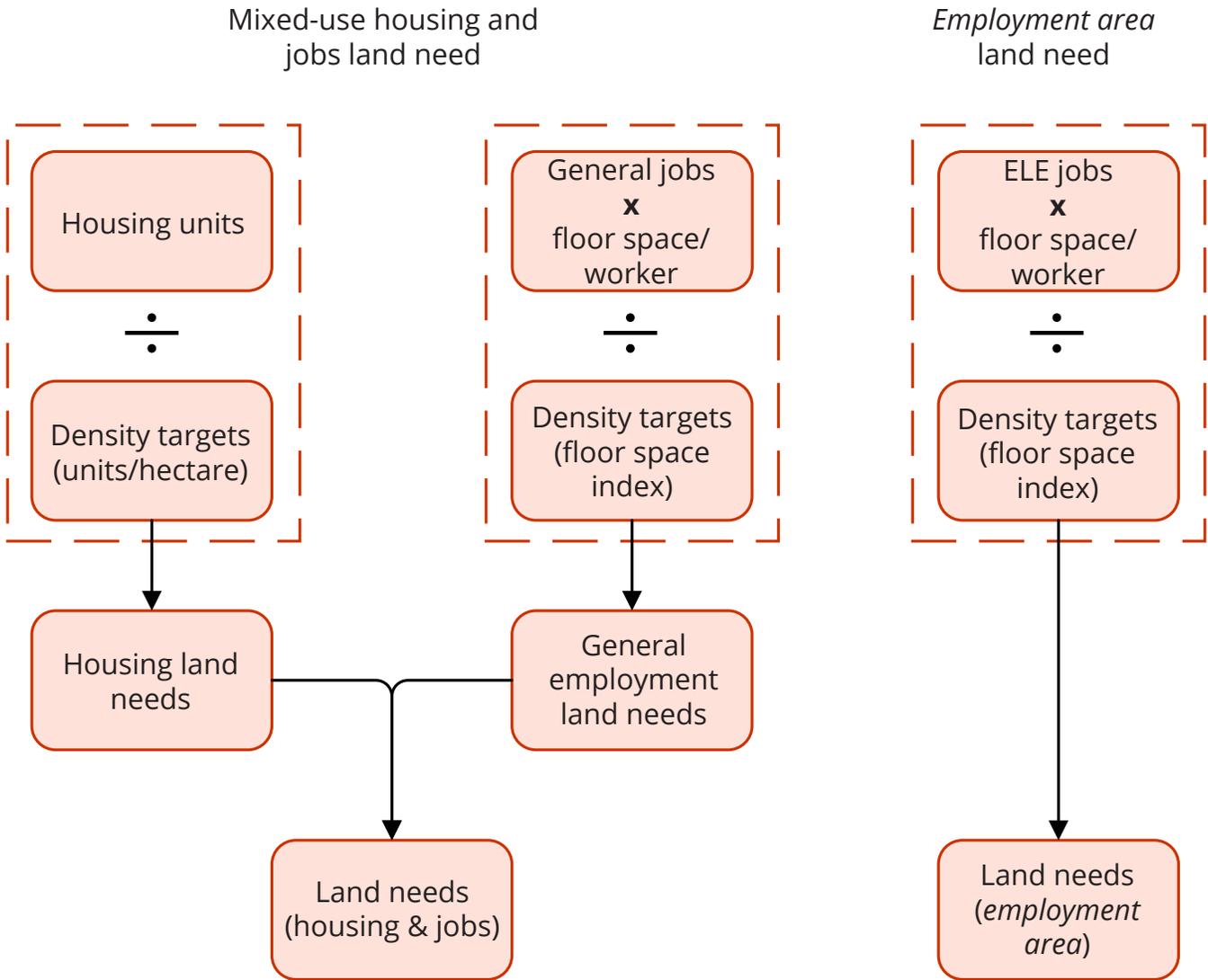


Figure 14: Multiple densities method steps for calculating land needs for housing and jobs (left) and *employment area* land (right).

Simplified method

The simplified method provides steps to determining land needs when a municipality does not have detailed data available.

For housing and GE jobs, municipalities could determine their housing land needs and then add an estimated factor (i.e., percentage) to accommodate jobs. Municipalities should use the multiple densities method (i.e., applying housing units per net hectare density) to determine their housing land needs.

Once a municipality determines the housing land needs, the simplified method enables municipalities to estimate the land needs for non-*employment area* jobs forecasted, which is based on factors such as the existing built form, building permit approvals, current zoning, official plan designations and historic development and growth patterns. Estimates can also be forward-looking, if for example there is knowledge of a major employment change coming to a municipality.

For *employment areas*, municipalities would develop an estimate of *employment area* density to apply to their forecasted ELE jobs. The estimate would be based on available data and past development.

Considerations for using the simplified method

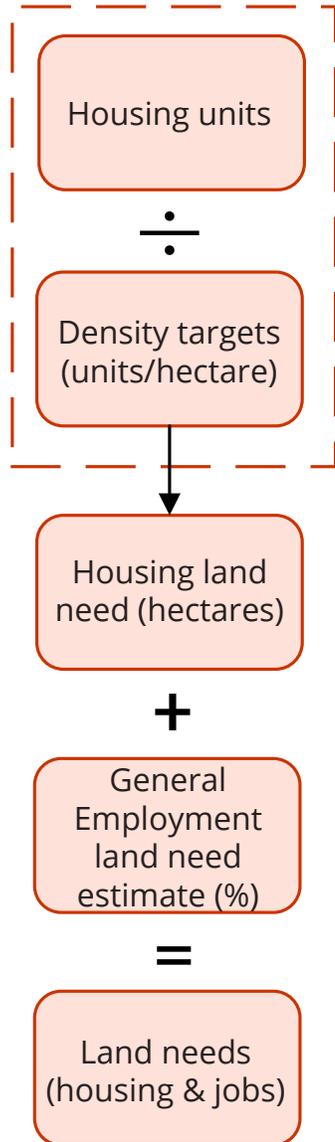
The simplified method is recommended only for municipalities with a population under 10,000 as of the latest census that are not located in a census division that includes a *large and fast-growing municipality*, unless directed otherwise by the Minister. Smaller and more rural municipalities would be advised to use this method, where there are resources and capacity constraints in undertaking the work required for the multiple densities method. For example, small, rural, or northern municipalities may not have sufficient data to assess land needs for each type of housing and employment development.

Municipalities may opt to use this simplified method based on population size, lack of data necessary for utilizing the land-based method involving FSW, availability of data on previous employment growth (within and outside of *employment areas*), or other considerations.

The simplified method is based on estimations, with housing and job land needs deriving from available housing density data, and *employment area* land needs deriving from employment estimates and local job typologies. As an approach based on estimations, the results from the simplified method may cause an over- or under-projection of land needs. However, the scope would be relatively minimal.

Simplified method:

Mixed-use housing and jobs land need



Employment area land need

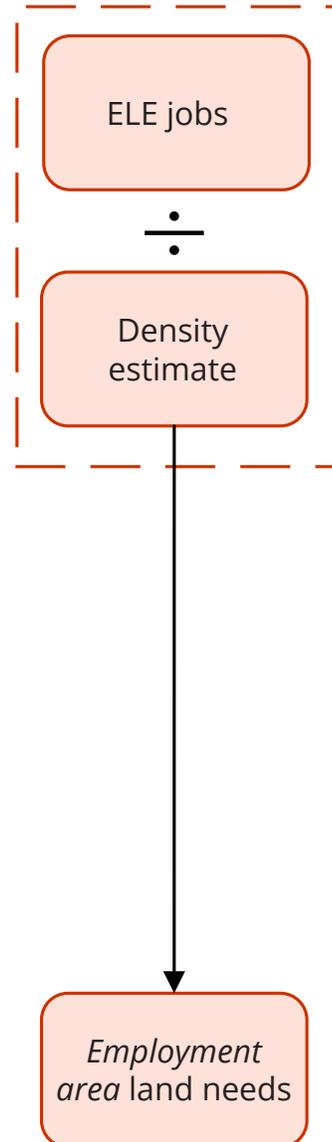


Figure 15: Simplified method steps for calculating land need for housing and jobs (left) and *employment area* land (right).

Considerations for assessing land needs

- inter-municipal collaboration is encouraged through all stages of the forecasting process
- a coordinated approach is encouraged for planning for large areas with high concentrations of employment uses that cross municipal boundaries
- municipalities without readily available data for calculating their own floor space per worker ratios may consider using floor space per worker ratios from a neighbouring municipality that has this data available, where appropriate
- municipalities that are fully urbanized may need to accommodate all of their growth through intensification

Outcome

Using any of the above methods would provide municipalities with the information needed to assist in future planning to ensure sufficient land is available to achieve market balance and to support PPS, 2024 implementation.

Where there is an identified need for land beyond what is available within *settlement areas* (land for mixed-use housing and jobs and *employment areas*) municipalities would ensure that the appropriate policies of the PPS, 2024 are applied. Municipalities may also consider the removal of land from *employment areas*.

Chapter 6: Implementation

The purpose of chapter 6 is to recommend to municipalities general best practices for the implementation of the guidance. The chapter outlines the significance of collaboration between municipalities and documentation of land needs assessment processes. Finally, chapter 6 identifies uses for the municipal land needs assessment results as part of PPS, 2024 implementation.

Municipalities have responsibilities under the *Planning Act* to ensure their official plans are up-to date and consistent with the PPS, 2024. Planning authorities are expected to be able to use this guideline to inform the preparation of growth forecasts, without the need for review by the Ministry of Municipal Affairs and Housing, prior to the preparation of official plan updates to implement the projected land needs.

Intermunicipal coordination

Collaboration between municipalities is an important aspect of achieving the outcomes of all steps of the forecasting and land needs assessment process and is encouraged as a cornerstone of the methodologies in the guidance for supporting the implementation of PPS, 2024 policies.

Coordination between municipalities is recommended to ensure the distribution of projections and that each municipality considers the future housing, population, *infrastructure*, and other land use needs within the whole CD. In addition, each municipality could test its calculations against the projections for the CD to ensure that they have prepared a reasonable forecast.

Small and rural municipalities could work with Service Managers as a way to enhance intermunicipal coordination and to better understand housing needs across the market area (e.g., unit types, housing tenures and affordability).

Policy basis

A coordinated, integrated, and comprehensive approach should be used when dealing with planning matters within municipalities, across lower, single and/or upper-tier municipal boundaries, and with other orders of government, agencies, boards, and Service Managers including:

- a) managing and/or promoting growth and development that is integrated with planning for *infrastructure* and *public service facilities*, including schools and associated childcare facilities;
- b) economic development strategies;
- c) managing natural heritage, water, agricultural, mineral, and cultural heritage and archaeological resources;
- d) infrastructure, multimodal transportation systems, public service facilities and waste management systems;
- e) ecosystem, shoreline, watershed, and Great Lakes related issues;
- f) natural and human-made hazards;
- g) population, housing and employment projections, based on *regional market areas*, as appropriate; and
- h) addressing housing needs in accordance with provincial housing policies and plans, including those that address homelessness (policy 6.2.1).

Planning authorities must undertake early engagement with Indigenous communities and coordinate on land use planning matters. For example, when preparing an official plan or official plan amendment, early engagement can facilitate knowledge-sharing, support consideration of Indigenous interests in land use decision-making and support the identification of potential impacts of decisions on the exercise of Aboriginal or treaty rights (policy 6.2.2).

Municipalities are encouraged to coordinate with other municipalities within a *regional market area*.

Municipalities, the Province, and other appropriate stakeholders are encouraged to undertake a coordinated approach to planning for large areas with high concentrations of employment uses, where the areas cross municipal boundaries (policy 6.2.8).

Where planning is conducted by an upper-tier municipality, the upper-tier municipality in consultation with lower-tier municipalities shall:

- a) identify and allocate population, housing and employment projections for lower-tier municipalities;
- b) identify areas where growth and development will be focused, including strategic growth areas, and establish any applicable minimum density targets;
- c) identify minimum density targets for growth and development taking place in new or expanded settlement areas, where applicable; and
- d) provide policy direction for the lower-tier municipalities on matters that cross municipal boundaries (policy 6.2.9).

Where there is no upper-tier municipality or where planning is not conducted by an upper-tier municipality, planning authorities shall ensure that policy 6.2.9 is addressed as part of the planning process, and should coordinate these matters with adjacent planning authorities (policy 6.2.10).

Documentation

Municipalities should document their forecasting and land needs assessment work through a detailed written report that substantiates the specific quantitative values reported.

In addition, if a municipality decides to use an alternative approach (or approaches) for the forecasts and land needs assessment than what is outlined in this guidance, they are expected to document that information. The municipality will need to keep records that document the approach (or approaches) used, the base data, the adjustments made and provide the rationale and methodology (or methodologies) behind the calculations.

The municipality will provide to the appropriate approval authority a clear, plain language summary of the key outcomes of the PMG. However, municipalities should share with the appropriate approval authority, upon request, the documentation to demonstrate how they have satisfied the PPS, 2024 requirements in planning for 20 to 30 years.

Using the municipal land need assessment results

Municipalities should use the results of their land needs assessment process to ensure they are satisfying PPS, 2024 requirements.

The result of the land needs assessment is a total quantum of land needed at the municipal level. This provides a critical input to the official plan or official plan amendment process through which the appropriate locations of any proposed *settlement area* boundary expansions, the removal of *employment area* land for non-employment uses, and the planning of development in *designated growth areas* will ultimately be determined. These decisions will be updated by municipalities through official plan or official plan amendment process, subject to statutory approval.

Glossary

Base year: refers to the present-day population, or the latest available population. It may be obtained from Statistics Canada and is available at the census subdivision (CSD) (municipal) level.

Census division (CD): is a geographic term used by Statistics Canada for statistical reporting. It falls between the province/territory level and the municipality (i.e., census subdivision). It refers to a group of neighbouring municipalities joined together for the purposes of regional planning and managing common services (such as police or ambulance services). These groupings are established under laws in effect in certain provinces of Canada. Census division is the general term for provincially legislated areas (such as county, and regional district) or their equivalents. Census divisions are intermediate geographic areas between the province/territory level and the municipality (census subdivision).

Census subdivision (CSD): is a geographic term used by Statistics Canada for statistical reporting. It is a general term for municipalities (as determined by provincial/territorial legislation). This includes cities, towns, townships, and other types of incorporated municipalities. This also includes areas treated as municipal equivalents for statistical purposes, such as Indian reserves, Indian settlements, and unorganized territories.

Cohort-survival model: means a method to track births, deaths, and migration patterns over time to forecast the future population. Through tracking cohorts, this method provides information about how populations change over time, which can be used to plan service delivery and resource allocation.

Complete communities: means places such as mixed-use neighbourhoods or other areas within cities, towns, and *settlement areas* that offer and support opportunities for equitable access to many necessities for daily living for people of all ages and abilities, including an appropriate mix of jobs, a full range of housing, transportation options, *public service facilities*, local stores, and services. *Complete communities* are inclusive and may take different shapes and forms appropriate to their contexts to meet the diverse needs of their populations (PPS, 2024).

Employment areas: means those areas designated in an official plan for clusters of business and economic activities including manufacturing, research, and development in connection with manufacturing, warehousing, goods movement, associated retail and office, and ancillary facilities. An *employment area* also includes areas of land described by subsection 1(1.1) of the *Planning Act*. Uses that are excluded from employment areas are institutional and commercial, including retail and office not associated with the primary employment use listed above (PPS, 2024).

Employment land employment (ELE): means jobs related to industries and activities that are generally not compatible with sensitive land uses and are primarily located within or adjacent to *employment areas* (e.g. manufacturing and warehousing jobs).

General employment (GE): means;

- a) jobs primarily serving the needs of the local and regional population that are within the settlement area but are primarily outside of *employment areas*. These jobs primarily serve a resident population, including retail, commercial, hospitality, institutional, educational, health care and work from home employment. As institutional uses (e.g., hospitals, health care, education) are excluded from *employment areas* and as a result must be accommodated in the GE category consistent with the new definition of employment in the PPS, 2024.
- b) jobs typically located in standalone office buildings (e.g., company headquarters or a consulting firm). Some smaller or rural municipalities may not have many of these types of jobs located in standalone office buildings (e.g., a doctor's office within a plaza with retailers and personal care services). This category may vary based on municipal interpretations of *employment areas*.

Headship rates, or household formation rates: means the proportion of primary household maintainers (i.e., household heads) in a given population. This information is available through the census household data from Statistics Canada.

Housing options: means a range of housing types such as, but is not limited to: single-detached, semi-detached, rowhouses, townhouses, stacked townhouses, multiplexes, additional residential units, tiny homes, laneway housing, garden suites, rooming houses and multi-residential buildings, including low- and mid-rise apartments. The term can also refer to a variety of housing arrangements and forms, such as, but not limited to, life lease housing, co-ownership housing, co-operative housing, community land trusts, land lease community homes, *affordable housing*, *additional needs housing*, multi-generational housing, student housing, farm worker housing, culturally appropriate housing, supportive, community and transitional housing and housing related to employment, educational or *institutional uses*, such as long-term care homes (PPS, 2024).

Intensification: means the development of a property, site or area at a higher density than currently exists through:

- a) *redevelopment*, including the reuse of *brownfield sites* and underutilized shopping malls and plazas;
- b) the development of vacant and/or underutilized lots within previously developed areas;
- c) infill development; and
- d) the expansion or conversion of existing buildings (PPS, 2024).

Labour force participation rate: is defined by Statistics Canada as the percentage of the working age population (i.e., age 15 years or older) that are either employed or unemployed. This rate measures the portion of working age population who are employed or actively seeking employment.

Major transit station area: means the area including and around any existing or planned *higher order transit* station or stop within a *settlement area*; or the area including and around a major bus depot in an urban core. *Major transit station areas* generally are defined as the area within an approximate 500 to 800-metre radius of a transit station (PPS, 2024).

Municipal activity rate: means the total number of jobs located within a municipality divided by its base (present-day) population. The municipal activity rate provides a more comprehensive metric of how employment interacts with the entire population, which is useful for municipal and land use planning. The activity rate captures variations in age structure and demographic differences, supports growth planning (e.g., the alignment between jobs creation, housing, infrastructure, and services), and reflects local conditions.

Place of work status: refers to the physical space in which a person works, which along with municipal employment surveys can be used to obtain the municipality's base employment. This data is available from Statistics Canada at the census subdivision level.

Primary household maintainer: defined by Statistics Canada for the purposes of the census, refers to the first person in the household identified as someone who pays the rent or the mortgage, or the taxes, or the electricity bill, and so on, for the dwelling. In the case of a household where two or more people are listed as household maintainers, the first person listed on the census form is chosen as the primary household maintainer.

Projection range: refers to applying the two methods for disaggregating the MOF projection. The result of applying the two outcomes serve as forecasting parameters – or projection range – as a basis to form a future population projection at the municipal scale.

Regional market area: refers to an area that has a high degree of social and economic interaction. The upper or single-tier municipality, or planning area, will normally serve as the *regional market area*. However, where a *regional market area* extends significantly beyond these boundaries, then the *regional market area* may be based on the larger market area. Where *regional market areas* are very large and sparsely populated, a smaller area, if defined in an official plan, may be utilized (PPS, 2024).

Rural employment: means resource extraction and agriculture-based jobs, typically outside of *settlement areas*. Municipalities may consider including an appropriate share of other job categories such as GE jobs located outside of *settlement areas* (e.g., gas and service stations).

Settlement areas: means urban areas and rural *settlement areas* within municipalities (such as cities, towns, villages, and hamlets). Ontario's *settlement areas* vary significantly in terms of size, density, population, economic activity, diversity and intensity of land uses, service levels, and types of *infrastructure* available. *Settlement areas* are:

- a) built-up areas where development is concentrated, and which have a mix of land uses; and
- b) lands which have been designated in an official plan for development over the long term (PPS, 2024).

Strategic growth areas: means within *settlement areas*, nodes, corridors, and other areas that have been identified by municipalities to be the focus for accommodating *intensification* and higher-density mixed uses in a more *compact built form*. *Strategic growth areas* include *major transit station areas*, existing and emerging downtowns, lands in close proximity to publicly-assisted postsecondary institutions and other areas where growth or development will be focused, that may include infill, *redevelopment* (e.g., underutilized shopping malls and plazas), *brownfield sites*, the expansion or conversion of existing buildings, or greyfields. Lands along major roads, arterials, or other areas with existing or planned *frequent transit service* or *higher order transit* corridors may also be identified as *strategic growth areas* (PPS, 2024).

Suppressed household formation: means new households that would have been formed but are not due to a lack of attainable options. The persons who would have formed these households include, but are not limited to, many adults living with family members or roommates and individuals wishing to leave unsafe or unstable environments but cannot due to a lack of places to go.

Appendix: List of Resources

Federal

- [Canada Mortgage and Housing Corporation](#)
- [Office of the Parliamentary Budget Officer](#)
- Statistics Canada - CD data on population estimates: [Statistics Canada CD Population estimates](#)
- [Statistics Canada data on household size by housing type and community](#)
- Statistics Canada - Municipal data on population estimates: [StatsCan CSD Population Estimates](#)
- [Statistics Canada - Population Projections for Census Divisions and Subdivisions, 2024 to 2049: Technical Report](#)

Provincial

- Ministry of Finance: [Ontario Population Projections](#)
- Ministry of Finance: [Ontario Population Projections – Data Catalogue](#)
- Contact MMAH to obtain Ministry of Finance historical population projection datasets

Other

- [Housing Assessment Resource Tools \(HART\)](#)
- [Rural Ontario Institute](#): data source of additional rural demographic data
- [School board enrollment projections](#) may account for school age cohort data

Ministry of Municipal Affairs and Housing

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