

October 11, 2025

MGP File: 00-6035

Ministry of Municipal Affairs and Housing
Provincial Land Use Plans Branch
777 Bay Street, 13th Floor
Toronto, ON M7A 2J3

via email: growthplanning@ontario.ca

Dear Minister Flack:

**RE: ERO File No. 025-0844
Proposed Updated to the Projection Methodology Guideline to support the
implementation of the PPS 2024**

Malone Given Parsons Ltd. (“MGP”) is a planning and land economist consulting firm. We have extensive experience implementing land needs methodologies issued by the Province including the Projection Methodology Guideline, 1995, and the iterations of the Land Needs Assessment Methodology for the Greater Golden Horseshoe issued under the now rescinded Growth Plan.

We are writing to provide our comments on the proposed updates to the Projection Methodology Guideline (PMG) to implement the PPS 2024. We undertake land needs assessments throughout southern Ontario and make our comments in this general context, understanding that the PMG must apply in a variety of circumstances. These comments are also made on behalf of a number of our clients, including the New Tecumseth Community Builders Inc. who own significant land holdings south of Alliston, in the Town of New Tecumseth.

The following provides our comments on the draft PMG.

1.0 The PMG should specify that the October 2024 Ministry of Finance projections are the projections to use in implementing the PPS 2024 until the next 5-year major update is released from the MOF.

The October 2024 projections anticipate a balanced approach to immigration, ensuring that sufficient land is available to meet a moderate level of growth in the Province. The more recent August 2025 projections were not prepared in the context of the higher federal immigration levels that existed when the 2024 PPS was issued.

The PPS does not specify which MOF projection year to use. The projections are updated by MOF yearly. Municipal Official Plan Reviews and updates span multiple years and would be subject to constant change if they were continually updated annually. As an example, the MOF forecasts to 2051 dropped by 10% in the Greater Golden Horseshoe and 4% in the rest of the

Province between October 2024 and August 2025 MOF projections, where in some cases in the Greater Toronto and Hamilton Area, the projection fell by 435,974 people in Toronto, 337,923 people in Peel Region, and 118,735 people in York Region, where overall there is a drop of 1,089,599 in one year of projections.

This is too large a deviation to practically be implemented on a year-to-year basis in conducting land use planning. Moreover, the most recent update reflects the most current position of the Federal government on immigration levels. Land Use planning decisions span a horizon of 30 years, whereas decisions on immigration levels can change from year to year. While yearly updates are informative for trend monitoring, they should not be used to adjust ongoing or approved planning exercises retroactively.

To moderate the disruption from changing decisions, and to align land needs with a moderate level of immigration, the PMG should provide guidance that the October 2024 MOF projections should be used in implementing the PPS 2024 until updated forecasts from the 5-year major update (which aligns with Census years) are available. (likely in 2027.) This would result in stability and an expediting of municipal implementation of the PPS during the multi-year Official Plan reviews which will be undertaken in the next two years.

2.0 Existing Official Plan population forecasts and settlement areas must be respected in the process and should form minimum growth forecasts when implementing the PPS 2024.

Regarding PPS 2024 policies 2.1.2 and 2.1.3, prior projections include those approved in existing Official Plans. Existing approved population and employment forecasts in Official Plans should be maintained as minimums.

It is good planning and a requirement of the PPS 2024 to provide sufficient land to meet forecasted growth needs. One guiding principle of the draft PMG is *“ambition and balance: provide ample, adequate planned and serviced land, reducing and avoiding market imbalances or distortions stemming from an insufficient land supply relative to demand.”* (Draft PMG, pg. 4)

The PMG should provide guidance, aligned with the policies of the PPS, to provide ample or abundant lands capable of accommodating growth up to the maximum growth forecasts for a municipality.

In line with the guiding principle, planning to the maximum growth forecast is good planning as it reduces or avoids market imbalances or distortions stemming from an insufficient land supply relative to demand. By contrast, having too little land (particularly as a result of utilizing low/moderate or no growth forecasts) immediately results in a housing crisis and an inability to attract businesses, as land is not readily available to respond to market demand or forecasted demand that should have been anticipated.

Instability resulting from yearly updates to the MOF projections when applied to land use planning will cause significant difficulty in implementing the PPS and completing Official Plan Reviews/Updates, including adding land to the settlement area boundary. It could also call

into question the established settlement areas in approved Official Plans due to constantly changing projections.

To provide stability and guidance to municipalities in preparing forecasts based on MOF projections, the PMG should require that established land and population forecasts in adopted Official Plans must be used to form the minimum growth population and employment forecasts, where the higher of any future forecasts should be the basis of determining land need.

Where upper-tier municipalities prepare such forecasts, the total minimum population and employment forecast of a regional market area or Census Division (“CD”) should, at a minimum, reflect the approved municipal Official Plans and established settlement area boundaries.

3.0 The PMG should be split into two streams: a simplified stream for municipalities with little or no growth, and a comprehensive stream for those with significant growth, such as Large and Fast-Growing Municipalities and those that have signed a housing pledge with the Province.

It is essential to note that the MOF projections are not forecasts; they extend historical trends to project the overall population forecast for the Province to a horizon year. This is mentioned in the callout box on pg. 5 of the draft PMG. However, there is little guidance as to how municipalities are to deal with projections vs. forecasts in chapter 2 of the methodology. In this regard, the MOF projections do not account for the potential to accommodate growth, whether due to growth limitations (e.g., a municipality that is at its geographic limits) or the emergence of new growth areas. Forecasting growth and the potential to accommodate housing demand, considering land, servicing, community facilities, and other factors, must be a basis for assessing the extent to which modifications to the projections will occur in preparing a growth forecast.

Similar to the 1995 PMG that contained a simplified approach, The PMG should establish 2 streams for implementation to differentiate between those that can simply use the disaggregated MOF projections under the recommended approach in Chapter 2, and those that must prepare their own forecasts:

Municipalities within CDs with Large and Fast-Growing Municipalities identified in Appendix – Schedule 1 of the PPS 2024 or municipalities with significant growth (including through commitments to the Province, such as housing pledges) must prepare their own forecasts for growth using the full PMG to assess the need for land, and should not use the recommended approach in Chapter 2.

CDs without Large and Fast Growing Municipalities or municipalities with low growth may use the simplified approach in Chapter 2 to establish the need for land, but may prepare their own forecast if significant growth is anticipated.

To reinforce these streams, Chapter 2 should be renamed to Establishing Municipal Population Forecasts.

It should be noted that the MOF projections are based on Statistics Canada CDs, which do not always align with Regional Market Areas (RMA) as defined in the PPS 2024. Municipalities must coordinate and ensure that adequate land is available to accommodate projected needs within the Regional Market Area, as per PPS policy 2.1.3. The MOF projections are a starting point in forecasting land needs.

If, over the planning horizon, a lower-tier municipality cannot achieve its population projections in other parts of the same or abutting regional market areas, municipalities should adjust their forecasts to ensure projected growth can be accommodated within the RMA. This allows more options to react to market demand and ensures that adequate land can always be available to support growth, despite local constraints or circumstances.

Accordingly, the recommended approach contained in Chapter 2 of the draft PMG should only apply to municipalities in CDs without Large and Fast Growing municipalities, or municipalities with low growth. This represents a simple method that can be employed by municipalities without the need for extensive work or study, which would be a wasted effort to determine a diminutive land need. These municipalities should utilize the disaggregated MOF projections as forecasts for determining land need.

The PMG should require Large and Fast Growing Municipalities, CDs that contain them, and municipalities with significant growth, to produce their own population and employment forecasts. These municipalities should only use the projections as a base, and must do the more detailed work required to assess land requirements for significant growth properly. As noted in the draft, the PMG should clarify that MOF population projections are a base, and that municipalities must still prepare growth forecasts to account for local factors such as settlement capacity, economic development, transportation requirements, and growth pressures resulting from other municipalities' ability to accommodate growth.

4.0 Housing Step 2 – Housing Need.

This section should be focused on finalizing the housing requirement by housing type. In this regard, the recommended approach shown is simple and clear. In either stream of the PMG, municipalities can apply the age-specific headship rates to determine the housing need by type. The direction that municipalities should generally assume household formation rates by age will not vary significantly from those of the last census is appropriate. Similarly, the assumption that housing propensities by unit type will also not vary significantly is also valid. Deviations can be accounted for, but only with demonstrable reasons for a deviation. Aspirational demographic or housing preference shifts should be avoided, as they do not reflect market demand and are likely to result in an unrealistic housing and land need.

There are a number of adjustments listed in this section that should be accounted for, but in the land need determination step at the end of the process, save and except the affordable housing analysis, which should be completed in modifying housing.

For the comprehensive stream, the forecasts prepared should be adjusted as necessary to account for any share of displaced growth from other municipalities in the same or abutting Regional Market Areas, accounting for such factors as:

- 1) Past shares of housing market activity by type;

- 2) Planned urban structure for the region or county;
- 3) Current and potential infrastructure;
- 4) Availability of developable land;
- 5) Potential for intensification in built-up areas;
- 6) Provision of a range of housing types and the achievement of affordability targets; and,
- 7) Provincial policies and objectives relating to the designation of land.

5.0 Housing Step 3 - Intensification rates should not alter the forecasted housing needs by type.

This step should focus on the potential to achieve housing by type through intensification, and essentially functions as the first part of a land supply analysis.

It is important to note that intensification of built-up areas can accommodate growth beyond the planning horizon, particularly in Major Transit Station Areas. Higher targets for intensification should be encouraged, but should not change housing demand forecasts by unit type, nor undermine the delivery of housing options that are required to meet forecasted demand by unit type.

The forecasted housing need by unit type reflects the housing required to accommodate the population, given existing propensities and market factors. While policy shifts can and should promote more housing options, the basic requirement to house the population, primarily based on maintaining existing housing trends from the previous census period, must be met, or significant shortfalls in required housing will occur.

An overly high intensification target, especially originating from a policy-led shift away from market propensities for housing, can lead to unrealistic housing forecasts and a failure to provide both higher-density and grade-related housing for residents in designated growth areas. In addition, overestimates of intensification within the planning horizon can lead to overinvestment in infrastructure in areas that are unlikely to develop in the planning horizon. This would result in negative fiscal impacts for municipalities and the inability to deliver the infrastructure required for housing in demand. Within the planning horizon, intensification targets should be established considering the following:

- 1) Historic achievement of intensification, measured in actual housing unit completions within built-up areas relative to total forecasted housing completions, and the likely achievement of higher targets and related fiscal impacts;
- 2) The realistic potential to achieve intensification in the context of complete communities and geographic factors, including adequacy of public service facilities, availability of existing or planned transit, proximity to commercial areas;
- 3) What proportion of intensification potential (based on an intensification analysis) is achievable within the planning horizon as a proportion of forecasted demand by unit type that can occur within existing built-up areas.

Intensification is to be realized within **Built-up Areas**; however, this term is no longer defined in Provincial policy following the rescinding of the Growth Plan.

Built-up Areas should be defined in the PMG as:

“Areas that are built (developed for land uses other than natural or agricultural uses) and built-up areas as mapped by the Province in the mapping produced by the Ministry of Natural Resources and Forestry, as updated from time to time.”

6.0 New Housing Step 4 – Determining Land Need

The supply of housing by type, from existing built-up areas, designated growth areas, and agricultural and rural areas should be determined by the municipality. Once determined, the municipality should subject the supply by unit type from the housing demand by unit type from Step 2 to determine the proportion of housing requiring new land.

To determine land requirement for housing, densities for each unit type should be determined that account for the provision of housing and all other uses required within new community areas, including land for roads, schools, parks, stormwater management, institutional, and commercial uses. The densities would be associated with a new definition of Gross Developable Area, and could, as an example, include densities such as 12.5/25/40/60/150 units per gross developable hectare, respectively, for single & semi-detached/row houses/stacked and back-to-back townhouses/low rise apartments/mid rise apartments.

The need for new land should then be determined by multiplying the units required by the density by unit type.

6.1 Defining Density for the Calculation as Gross Developable Area for designated growth areas.

Density should be clarified to be calculated on a Gross Developable Areas basis which should NOT include:

- 1) Nature Heritage Features and areas, natural heritage systems, floodplains, hazard lands, and stormwater management facilities, provided that development is prohibited in these areas;
- 2) Rights-of-way for electricity transmission lines, energy transmission pipelines, freeways (as defined by and mapped as part of the Ontario Road Network) and arterial roads as identified in municipal Official Plans;
- 3) Railways;
- 4) Employment areas; and,
- 5) Cemeteries, waste management.

With regard to PPS 2024 policy 2.3.1.5, achieving the density target of 50 residents and jobs per hectare is a last consideration for designated growth areas. This should be clarified to mean lands outside of built-up areas in the PMG. The density approach (residents and jobs per hectare) for determining land need is not appropriate as it is too imprecise, and effectively obscures and renders pointless the determination of housing need by unit type in earlier steps of the process.

6.2 Adjustments to determine final land need.

Adjustment to land need (some of which are currently in Step 2 in the draft PMG) should now be made to account for factors similar to those noted in the 1995 projections methodology guideline, including:

Technical feasibility - for factors of land size and pattern of landownership, availability of services and environmental constraints. In particular, the PMG should provide guidance to municipalities to consider lands held by landowners that are amenable to development as a supply that can be achieved within the time horizon, and other lands as a potential supply that may not be achieved within the time horizon of the plan if the lands are held by owners who have no interest in developing their lands.

Market factors – that influence demand and supply, including the range and type of affordability of housing that could be built, a vacancy factor of 15-25% reflecting that not all land will proceed to development, and the viability of infrastructure required to support growth.

Planning factors – such as fiscal impacts of accommodating new housing, willingness of and commitment of the municipality to accommodate new infrastructure, and community benefits and growth management objectives in achieving complete communities.

The timeframe required to plan and bring new lands to development should be a primary consideration, in particular in meeting the 15 and 3-year targets of the PPS 2024. Municipalities should factor in that planning of new lands can take up to 10 years prior to the first buildings, and once new communities commence, they can take 20 years to be built.

Lastly, similar to the final adjustment noted in the Land Needs Assessment Methodology, adjustments to any proposed settlement area boundary expansions may need to be made to add lands to achieve logical boundaries for new growth (such as roads or environmental features).

7.0 Conclusion

In summary, the draft PMG is a much-needed update to an essential guidance document required to implement the PPS 2024. The draft document incorporates many elements from both the PMG 1995 and the LNAM 2020. There are a number of terms and requirements in the PPS 2024 and the draft PMG that are carried forward from the now rescinded Growth Plan for the Greater Golden Horseshoe. While the PMG cannot amend the PPS 2024, and must implement it, the document provides an excellent opportunity to clarify matters (such as the definition of built-up areas and density) that were lodged in the Growth Plan, but are no longer contained in any other Provincial document.

We have focused our comments in this submission primarily on the housing land need in the PMG. With regard to employment, a simplified approach that is similar to that contained in the LNAM 2020 is appropriate, with the necessary adjustment to account for the recently updated definition of Area of Employment in both the Planning Act and PPS 2024. In this regard, the need for commercial and institutional uses must be factored into the requirement for 'community' or residential lands outside of Areas of Employment. Beyond making allowances

in the density for housing for these uses, specific land needs may need to be determined and added to the land for 'housing' as part of the housing need analysis.

We thank you for the opportunity to provide comments on the update to the PMG. Given the complexity of this document, we believe that technical working meetings would be an excellent vehicle to convey and consider the comments in this letter, and assist the Ministry in finalizing an excellent methodology guideline. We therefore ask for the opportunity to meet with Ministry Staff and provide comments on the PMG while it is being finalized. Please feel free to contact the undersigned at any time to discuss this matter.

Yours very truly,
Malone Given Parsons Ltd.



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