

October 6, 2025

Honourable Rob Flack
Minister of Municipal Affairs and Housing
777 Bay Street, 17th Floor
Toronto, ON M7A 2J3

Dear Minister Flack:

**Re: The Proposed Projections Methodology
Environmental Registry of Ontario # 025-0844
Ministry of Municipal Affairs and Housing**

The following are comments respecting the proposed projections methodology published for consultation on the Environmental Registry of Ontario. The first section of this submission addresses the proposed Projections Methodology itself. The second portion of this submission addresses consequential changes that are required to the Provincial Planning Statement as a consequence of the proposed Projections Methodology.

**Timing of Application of New Projections Methodology Contradicts Minister's
Announcement of May 12, 2025 - Methodology Should Be Applied to All Planning
Decisions To Be Made on a Going Forward Basis**

Page 4 of the proposed Projections Methodology includes the following:

"Municipalities would update their population and employment forecasts and implement their official plans at the time of their next official plan update pursuant to the Planning Act."

This is in contradiction with the Minister's announcement of May 12, 2025, which indicated that in some Municipalities "additional population growth is projected to surpass previous estimates in their current official plans". The announcement indicated that the Province would "Require those municipalities to update their plans to align with the Ministry of Finance's October 2024 population forecast, or approved upper tier forecasts, whichever is higher".

Some municipalities have Official Plan amendments that have been appealed to the Ontario Land Tribunal, but which were prepared under older policy frameworks, and thus significantly understate the need for new land for housing. Some of these municipalities are already taking the position that their amendments before the Tribunal need not reflect the Ministry of Finance population projections. They are basing this position on the statement in the draft projection methodology that the “would update their population and employment forecasts ... at their next official plan update”. They suggest that it can wait until the next round - a potential delay of a decade or more. This is in contradiction with the decision of the Province that there would be no transition of matters under the Provincial Planning Statement, and that it would apply to all planning decisions immediately- including those planning decisions to be made by the Ontario Land Tribunal.

The proposed Projections Methodology should be revised to reflect the Minister’s May 12, 2025 announcement by replacing the first bullet on page 4 with the following:

In municipalities where population growth is projected to surpass previous estimates in their current official plans, those municipalities are required to update their plans to align with Ministry of Finance’s October 2024 population projection, or approved upper tier forecasts, whichever is higher. Any official plan amendments in process that have not yet received final approval shall be required to align with the Ministry of Finance’s October 24 population projection, or approved upper tier forecasts, whichever is higher. In all other municipalities where approved Official Plans are in place, 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.

Volatility of Projections and Prudent Planning

One of the challenges of a requirement that municipalities must rely upon the Ministry of Finance Population projections is that such projections have a tendency to swing dramatically. In addition, since the projections change every year, there is a clear need to moderate these swings and provide greater certainty for planning.

A significant risk is that a municipality will tie its planning to a recent projection that represents a low point in the swings. The negative consequences could be dramatic, resulting in a significant shortfall of housing supply. Recent swings in the Ministry of Finance projections reflect this phenomenon of boom and bust immigration changes that have occurred coming out of COVID.

A prudent approach is to anchor growth exercises in a fashion that ensures a cautious outcome and a measure of certainty to planning.

It is suggested that the first paragraph of page 5 of the proposed Projections Methodology be revised to read as follows:

Municipalities should use the October 2024 MOF projections, or the most recent projections published and available at the time of an official plan update, whichever is higher. It should be accompanied by relevant market indicators aimed at providing the most accurate picture possible of supply and demand dynamics related to land use.

There may be some objection to the inclusion of a specific date projection in what many consider to be an “evergreen” methodology. This concern is overstated. It would be appropriate and simple to change this anchor date from time-to-time. This would be even simpler than the complex exercise that the Government previously undertook to revise population forecasts in schedule 3 of the former Growth Plan for the Greater Golden Horseshoe. In any event, the “whichever” is higher wording is a safety mechanism that will ensure that, if the Projections Methodology is not modified from time to time with a new anchor date, that the mechanism as originally set out (i.e. use most recent projections) would come into play. Thus, the “evergreen” objection is not really a valid objection to this proposed change.

Ministry of Finance Projections Are Currently Based Upon A Range of 30 Years Beyond the Census Year

At the bottom of page 4, the proposed guidance methodology observes that “The MOF publishes the MOF Projections, which are projected for a range of up to 25 years beyond the census year on which the projections are based.”

This statement appears to be an error. The current projections are based upon the census year 2021, and extend to the year 2051. That is a 30 year range. The statement in the proposed Projections Methodology should be revised to reflect the “30” year figure, rather than “25” as currently written.

Planning Horizon

Page 5 - The Provincial Planning Statement provides for a planning horizon of at least 20 years, but not more than 30 years.

Some municipalities are quickly moving to use the 20 years horizon with the objective of limiting growth. In many of these cases, these are municipalities seeking approval of Official Plans prepared under old policy, so that they already understate land need. The short horizon accentuates the problem.

The reality is that the land development approvals process is very lengthy and time consuming. Typically, the time from a decision to include lands in settlement area to obtain the development and other approvals necessary, and to deliver infrastructure, requires a period of ten years or more. Simply put, the 20 year option for a housing supply horizon is too constrained.

The proposed Projections Methodology implicitly acknowledges this when advises as follows:

“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.”

However, the next sentence is contradictory in saying: *“Municipalities could use any specific horizon, provided that the projection year is within 20 to 30 years.”*

This contradiction should be resolved. This paragraph of the proposed methodology should be revised to read as follows:

Municipalities must plan to the horizon that aligns with the outer range of the MOF projections available at the time of an official plan update, provided that horizon projection date is within 20 to 30 years.

Population Projections Should Consider Use of Regional Market Area As Geographic Unit for Projections - Rather Than Focus on Census Divisions and Census Subdivisions

One of the challenges of working with the Ministry of Finance Population Projections is that they are based upon Census Divisions as a geographical unit. As the proposed methodology acknowledges, these units do not usually match Ontario’s planning jurisdictions.

Consideration could be given to making Regional Market Area the major geographical unit for developing population forecasts. This could include changing the use of “municipality” as the area of analysis, to “Regional Market Area” on pages 16 and 19, and other consequential changes.

Use of Forecasts Previously Issued by the Province Is In Contradiction To Minister’s Announcement of May 12

At page 9, the proposed Projections Methodology correctly observes that policy 2.1.2 of the Provincial Planning Statement allows municipalities the option of relying upon “population and employment forecasts previously issued by the Province for the purpose of land use planning”.

However, this policy is in direct contradiction to the Minister’s announcement of May 12, 2025, which indicates that “where additional population growth is projected to surpass previous estimates”, the Province would be requiring municipalities to redo their growth forecasts. The announcement indicates that the Province will “Require those municipalities to update their plans to align with the Ministry of Finance’s October 2024 population forecast, or approved upper tier forecast, whichever is higher.”

In order to give effect to the Minister's announcement, the Provincial Planning Statement must be amended to delete policy 2.1.2, and to revise policy 2.1.1. The new wording of policy 2.1.1 should be as follows:

2.1.1 Applying the Provincial Population Projections Methodology (2025), Planning Authorities shall base population and employment growth forecasts on the higher of the Ontario Population Projections published by the Ministry of Finance in October 2024, or the approved upper tier official plan growth projections.

In a similar fashion, in order to give effect to the Minister's May 12, 2025 announcement, the proposed Projections Methodology should be revised by the deletion of the box at the bottom of page 9.

Allowing Upwards Adjustments of Forecasts In Event of Significant Development or Infrastructure Investment is Appropriate

On page 11, the proposed Projections Methodology anticipates situations where upcoming significant investments in development or infrastructure may be considered. In such situations, the proposed Methodology suggests that forecasts can be adjusted upwards.

This is a prudent, sensible and appropriate provision. This will help to allow for efficient and optimal leverage of investment in infrastructure to support growth and the provision of housing.

General Language Allowing that "Municipalities Could Adjust Their Housing Needs Forecasts" Opens Door to Abuse Allowing Limitations to Housing Supply - This General Language Needs Greater Clarity, Including Significant Modifications to Step 3 to Clarify that Intensification Targets Should Not Be Used to Distort Market Supply of Grade-Related Housing

In the overview at the start of Chapter 3, there is a statement that, "*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 additional settlement area land (i.e. designated growth area land) to accommodate future housing needs.*"

Later on page 15, there is another reference to considering intensification, and then the sentence that "*Municipalities could adjust their housing needs forecast to account for additional data sources, affordable housing, and market demand forecasts or indicators.*"

The risk in this very general language is that it opens the door to abuse. Under the former Growth Plan for the Greater Golden Horseshoe, the policies required that market based forecasts by unit type be then distorted by reallocating housing needs through intensification. The result was an accounting exercising that pretended all kinds of intensification (mostly apartments) would happen, and to reduce the land need by taking those “intensification” units out of the grade-related land need. Of course, because this intensification was largely an accounting reallocation that did not reflect market need, much of that intensification was counted - but never constructed. The result was a housing crisis with a shortfall not just of grade-related units demanded by the market, but a shortage of housing units overall.

Then, Step 3 of the proposed Projections Methodology sets out in detail how the intensification targets should be accounted for in the land needs calculation.

It should be clearly established that intensification is a urban form goal - a decision about the most appropriate places to locate apartments for which there is a market demand. It is not - and should not be - a tool that exists to distort the marketplace, and try to force the construction of apartments for which there is no market demand. It is the effort to distort and compel consumer choice in housing away from natural market demand, through artificial intensification targets, that has so significantly contributed to the current housing supply crisis. The Projection Methodology should not permit municipalities to repeat these errors of the past through the adoption of artificially high intensification targets, and the resulting distortion of the marketplace.

It must be clearly stated that any intensification targets cannot have the consequence of distorting or reducing the market-based demand for units-by-type, especially for grade-related housing. It is recommended that the following be added as an additional sentence at the end of the first paragraph on page 15:

“Intensification is a question of urban form, that suggests the most appropriate locations in a municipality for higher density forms of housing required by the projections. Accounting for intensification should not have the effect of altering the mix of units by type that the market-based need identifies.”

Similar changes should be made to step 3 to clarify that any intensification targets should not distort the demonstrated market need for grade-related housing. Instead, it should be clarified to establish that intensification targets relate to the urban form objective of determining what share of the demonstrated demand for apartments should be met in the built-up urban area.

Suppressed Household Formation is an Important Factor to Include in the Projections Methodology

The inclusion of a requirement to account for suppressed household formation, or suppressed demand, is a welcome and necessary innovation in the proposed Projections Methodology. Ontario’s current housing supply crisis (and consequential housing cost crisis) is ample evidence of the reality of suppressed household formation or demand.

The suppression of household formation is a consequence of two main factors. The first is the application of planning policies (at the Provincial and Municipal level) that have actively limited the supply of land for housing in the past three decades. This began with the adoption of a planning policy "orthodoxy" that is anti-suburban, and began with the "New Urbanism" movement with its origins in the 1980's. Ontario's embrace of this approach at a Provincial level began in the late 1990's. It took on considerable speed with the aggressive anti-suburban policies limiting land supply for housing reflected in the Growth Plan for the Greater Golden Horseshoe in 2006, and its associated Land Needs Assessment Methodology. Municipalities took their lead, and even today many continue to aggressively practise policies seeking to limit grade-related housing.

However, the market continues to demonstrate an overwhelming preference for this type of housing. Recent research in the Greater Toronto Area reveals 87% of prospective home buyers expressing a preference for grade-related housing. The Provincial and municipal policies have been in direct conflict with public preferences and individual choice. This has led to a suppression of household formation. Young people have delayed or foregone household formation and having children, in the hope of having a "proper house in which to raise a family".

Statistics Canada has established the impact of this with evidence from the most recent 2021 Census, with 47% of adult children (aged 20-34) in Toronto living at home with their parents. The province-wide figure is only slightly lower. These numbers are dramatically higher than the national average (35.1%) and almost double comparable rates for places with more market-based land use planning, such as Alberta.

This is statistical proof that there is a dramatic reality of suppressed household formation in Ontario, and especially the Greater Golden Horseshoe where the Growth Plan anti-suburban policies were in force.

The second factor is the increased complexity, cost and time of bringing new housing to the market. Municipal planning approvals take more and more time with each passing year.

It is highly appropriate that the projections methodology include a requirement to factor in suppressed household formation. And based upon the considerable challenges faced in streamlining planning approvals and processes (despite years of substantial efforts by the Provincial Government to redirect policies), it appears likely that it will be decades before the shortfalls of the past can be corrected to better provide young Ontarians with the housing options they need to support the essential choice to form a family.

Housing Options and Affordability Step Appropriately Focuses On a Market Test

On page 21, the proposed Projections Methodology includes an appropriate focus on market tests when providing for adjustments for housing options and affordability.

The first sentence indicates as follows (emphasis added):

“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 references are essential and important to include. The direction recognizes that the strongest influence on the cost of housing, and hence affordability, is supply and demand - that is market factors. Widespread affordability cannot be achieved through prescriptive policy requirements, or subsidy. Prescriptive policy, as the past has demonstrated, ends up distorting and constraining market supply, driving up prices. And subsidy on a wide scale is simply unaffordable to taxpayers and Governments. But increasing market supply has the effect of improving and broadening affordability.

A Vacancy Factor is an Important Consideration to Include in the Methodology

The step proposed at page 21 to include a factor for target vacancy rates is a welcome addition. Vacancy is a reality in the actual world of housing. However, too often, this has not been considered. The inclusion of a vacancy factor is an important component of a reality-based projections methodology.

Market Contingency Factor is an Important Consideration and a Welcome Component of the Proposed Projections Methodology - But Should Apply Beyond Consideration of “Unusual Events”

The inclusion of a market contingency factor is also an important consideration that is properly included in the proposed Projections Methodology. This is again an injection of reality into the process of determining land needs for housing.

However, the proposed policy is too narrow in focussing on “unusual events” such as changes in the economy, legislative changes, or technological change.

In fact, there is a need for a market contingency factor to also take account of the reality that just because land becomes included in settlement area does not mean that it will all be developed for housing. Human nature intervenes. The reality is that new settlement area for housing often includes some landowners who simply do not want to develop yet. Some are landowners of a certain age who want to continue living in their home as it is now without uprooting themselves, and allow the next generation to obtain the benefits from allowing the land to develop. Similarly, some farmers may find it too disruptive to relocate or terminate their farming operation now, and prefer to continue that use for an additional period of time. Sometimes, landowners hold-out from selling to developers based on unrealistic views of the value of their land. In a surprising number of situations, family disputes leave parcels of land untouched for years while family members disagree on how to deal with them. Often, individuals attempt to develop the land themselves, but lack the significant upfront capital necessary to pay consultants, engineers, planners and the like to bring raw land to the construction stage.

Taken together, these and many similar situations result in a reality that it is not prudent to assume (as many planners do) that just because land has been included in settlement area does not mean that it will actually be developed. Inevitably, some parcels will remain undeveloped for a considerable length of time.

As such, the inclusion of the following is suggested as an addition at the start of the “market contingency factor: section on page 21:

“When new lands are included in settlement area for housing, it is often the case that some parcels remain undeveloped for extended periods, based upon the preferences of the landowners. Some prefer to continue living in their homes, or continuing a farming operation. Some landowners may have capital challenges developing their land, or sale expectations that do not meet the market. The market contingency factor should start by accounting for such eventualities by including a market contingency factor that at least 5% of the land will not become new housing in the horizon of the plan.”

This element of the market contingency factor should be in addition to the “unusual events” contingency as currently articulated in the proposed Projection Methodology.

The “market contingency factor” definition includes the statement that *“A municipality could provide for a contingency factor by adjusting the forecasted housing needs upwards by a percentage, depending on the extent of the data available.”* The word “could” should be replaced by the word “should”. There are almost always conditions that lead to the need for a contingency factor. The presumption should be to include the market contingency factor unless there are clear and unusual circumstances justifying a choice to not include such a factor in the calculations.

Use of Projections to Plan for Infrastructure

The proposed projections methodology includes the following at page 23:

“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 statement, while perhaps obvious, is actually very important to include and clarify. It should also be reflected by a companion change to the Provincial Planning Statement.

Currently, the Provincial Planning Statement includes the following as a test for settlement area expansion: “*if there is sufficient capacity in existing or planned infrastructure and public service facilities.*” This creates the possibility that settlement area expansions to meet land need can be refused based upon a lack of infrastructure, based upon the test in the Provincial Planning Statement. Usually (but not always) the infrastructure test has been understood to mean “feasibility” of serving with infrastructure. This statement in the proposed Projection Methodology helps to clarify that infrastructure planning should follow the establishment of land need - and not the other way around. A related change to the Provincial Planning Statement test for settlement area expansions would be helpful to clarify this matter.

People and Jobs Per Hectare Method to Calculate Land Need Should Not be Utilized - Instead, Only Proposed Method 2 Multiple Densities Should Apply

The proposed methodology includes two potential methods for calculating land need in chapter 5. Method 1 is the adoption of a “people and jobs per hectare” density calculation. This method was applied under the previous Growth Plan for the Greater Golden Horseshoe. In the current context, it no longer appears appropriate.

The proposed Method 2 - multiple densities - involves an application of a specific density to each type of development and each housing type. This provides a more precise, and realistic, assessment of land need - with less opportunity for obscuring the basis of outcomes. This is the most appropriate method to apply to calculate land need.

The current Provincial Planning Statement addresses the concept of mix of uses by requiring municipalities to plan for an appropriate mix of uses. This cannot be accomplished using a people and jobs per hectare calculation. The proposed methodology should be revised by removing the method 1 - people and jobs per hectare calculation- approach to calculating land need.

Changes Required to Provincial Planning Statement Resulting From Proposed Population Growth Projections Methodology and May 12, 2025 Provincial Announcement

The sections below reflect changes that are recommended to the Provincial Planning Statement in order to ensure it properly aligns with the proposed Projections Methodology, and also implements related aspects of the Minister’s announcement of May 12, 2025.

2.1.1 Applying the Provincial Population Projections Methodology (2025), Planning Authorities shall base population and employment growth forecasts on the higher of the Ontario Population Projections published by the Ministry of Finance in October 2024, or the approved upper tier official plan growth projections.

The purpose of this change is to give effect to the Provincial Announcement’s intention to require municipalities to use the higher of the October 2024 Ministry of Finance population projections, or existing approved upper tier official plan growth forecasts, to establish populations for determining future growth and land needs. This change requires a change to the Provincial Planning Statement, which does not include such a requirement. Without this policy change, it will be impossible to compel municipalities to update their growth and land needs requirements as contemplated by the Province.

The May 12 announcement referenced that this new policy requirement would apply to the fifty large and fast growing municipalities. The Provincial Planning Statement has “Large and Fast-Growing Municipalities as a defined term - those in the list at schedule 1 of the Provincial Planning Statement. There are only 29 municipalities listed there.

The number fifty appears related to the Province’s Housing Tracker process, which while linked to funding decisions, has no status as a planning document.

The policy change that has been proposed as drafted here would actually capture all municipalities. This is actually a desirable outcome. Municipalities that are still in the midst of long-running official plan reviews, but are not in the largest 29 (or 50) such as Wellington County, would be subject to the policy. This would be a positive outcome. It would avoid the need to rewrite the list in schedule 1 of the Provincial Planning Statement, as the 50 largest municipalities would also be captured.

It will also root the authority for the new Provincial Projections Methodology in the Provincial Planning Statement, giving it meaningful legal and policy status under section 3 of the *Planning Act*.

2.1.2. DELETE

This change would delete the option for municipalities to rely on population “forecasts previously issued by the Province” when planning for growth. This option essentially meant that municipalities could rely on the old Schedule 3 Growth Plan Forecasts, instead of making use of the Ministry of Finance population projections, when determining growth and land needs. The policy currently reads “*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.*”

This option needs to be removed as it is directly contrary to the announced new approach from the May 12 Provincial announcement - that of requiring reliance upon the October 2024 Ministry of Finance Population Projections, or forecasts in an upper tier official plan, whichever is higher.

2.1.3. 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, **following the Provincial Projections Methodology (2025)**. Planning for *infrastructure, public service facilities, strategic growth areas, and employment areas* may extend beyond this time horizon.

Where the Minister of Municipal Affairs and Housing has made a zoning order, the resulting development potential shall be in addition to projected needs over the planning horizon established in the official plan. At the time of the municipality's next official plan update, this additional growth shall be incorporated into the official plan and related infrastructure plans.

This above revised policy replaces the words "*informed by provincial guidance*" with "*following the Provincial Projections Methodology (2025)*". Now that the form of "provincial guidance" is known, inserting the proper name of the guidance document will make clear what is meant by "provincial guidance". It will clarify the policy, at the same time as rooting the authority for the new methodology in the Provincial Planning Statement.

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

...

This change will ensure that the requirement to rely upon the Ministry of Finance Population Projections cannot be effectively defeated by a municipality assuming and applying unrealistic and unachievable density and intensification numbers in determining their growth. That is what, for example, Hamilton did when they adopted their "no settlement area expansion" model, which assumed that 100% of development would take place by intensification within the existing urban boundaries.

The requirement for a "market-based" range and mix of housing options will relate the housing-by-type mix to what the public actually wants. It will be necessary to relate the housing mix to a "market-based" need, which will include single detached housing and row housing (i.e. grade-related housing). Right now, the phrase "meet the required needs of current and future residents" is intended to mean a market-based need - however, many planners and municipalities do not agree that the words do represent a market supply requirement. They believe that an "appropriate range and mix" is a policy choice, unrelated to market needs. So, in order to remove the scope for adverse interpretation of an "appropriate range and mix of housing options", it is essential to insert the term "market-based".

2.3.2.1 a) the need to designate and plan for additional land to accommodate an appropriate **market-based** range and mix of land uses;

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This change will ensure that the requirement to rely upon the Ministry of Finance Population Projections cannot be effectively defeated by a municipality assuming and applying unrealistic and unachievable density and intensification numbers in determining their growth and land needs.

The requirement for a “market-based” range and mix of land uses will relate the housing-by-type mix to what the public actually wants. It will be necessary to relate the housing mix to a “market-based” need, which will include single detached housing and row housing (i.e. grade-related housing). Many planners and municipalities believe that an “appropriate range and mix” is a policy choice, unrelated to market needs. So, in order to remove the scope for adverse interpretation of an “appropriate range and mix of land uses”, it is essential to insert the term “market-based”.

2.3.2.1 b) if there is sufficient capacity in existing, planned or *feasible infrastructure and public service facilities*;

This policy is one of the tests for settlement area expansions. It is poorly worded. A strict interpretation would make it impossible to plan for almost any housing that was not already approved. Servicing, and approved Master Servicing Plans look ahead perhaps 15 years in the best case scenarios. Many municipalities have no available existing or planned infrastructure. In a planning policy environment where municipalities are asked to plan to a 30 year horizon for growth, this policy can, if applied literally, make that impossible.

As a result, most people have interpreted this policy as meaning that infrastructure is existing, planned or feasible. In these situations, the practical planners “read in” the word “feasible”. The word “feasible” would require a test that one demonstrate that infrastructure could be delivered efficiently and affordably to serve development, if approved, in the future.

Some municipalities and planners, however, refuse to read in the concept of feasibility. They insist that the services must exist, or must already be provided for in approved and capital-funded master servicing plans. This allows those planners and municipalities to refuse to approve needed new land for growth, by simply failing to plan for infrastructure.

This should be corrected by inserting the word “feasible” into the infrastructure test, so that meaningful growth planning on a 30 year horizon can take place.

Yours truly,

AIRD & BERLIS LLP



Hon. Peter Van Loan, P.C., K.C.
Partner

AIRD BERLIS