October 10, 2025

To:	Ministry of Municipal Affairs and Housing
From:	Peter Norman, MA, PLE, MLAI
	Vice President & Economic Strategist, Altus Group Limited
Re:	**Feedback on Draft Projection Methodology Guideline (PMG2025)**

Introduction

My name is Peter Norman. I am an economist by training and currently serve as Vice President and Economic Strategist at Altus Group Limited. Prior to joining Altus Group, I was a partner at Clayton Research Associates, one of the original authors of the *1995 Projection Methodology Guideline (PMG1995)*. Over the past three decades, I have been qualified to deliver expert witness testimony before the Ontario Land Tribunal and its predecessors on numerous occasions, including matters related to urban growth projections, housing need assessments, and municipal land needs. At Altus Group, I am responsible for the *Potential Housing Demand* model and have managed hundreds of housing demand and land needs consulting assignments for both private and public sector clients across Ontario and Canada.

I appreciate the opportunity to provide feedback on the draft *Projection Methodology Guideline (PMG2025)*. I wish to focus my comments on one important matter that, in my view, jeopardizes the effectiveness and internal consistency of the proposed methodology.

Importance of a Sound Modelling Framework

Urban growth modelling is a technical process that relies on a proven, sequential relationship between population, household formation, and land demand. To ensure accuracy, transparency, and comparability of results across jurisdictions, it is essential that the modelling steps follow a logical and empirically grounded order. The framework established under *PMG1995* has long provided this foundation and has proven robust through decades of professional practice, academic validation, and application in official plan and Ontario Land Tribunal proceedings.

Comparison of Methodological Structures

The *PMG1995* sets out a clear, stepwise process that begins at the **Regional Market Area** level—then referred to as the "Housing Market Area"—and cascades systematically to local municipalities. The steps are as follows:

1. Establish a total population projection by five-year age group at the Regional Market Area level.
2. Derive the projection of households using age-specific headship rates.
3. Derive household projections by dwelling structure type using propensities.
4. Allocate household growth by structure type to constituent municipalities within the Regional Market Area.
5. Determine land needs within each municipality based on density by structure type and other considerations.

This regional-first structure ensures that modelling draws on the most statistically reliable datasets (e.g., Census-based age cohorts and headship rates) and that the allocation to municipalities reflects real-world market and demographic relationships.

By contrast, the proposed *PMG2025* alters this long-standing and empirically grounded process as follows:

1. Establish a total population projection for the Regional Market Area.
2. Allocate the population projection to constituent municipalities using a share-of-growth approach.
3. Develop municipal population projections by age cohort through extrapolation.
4. Calculate household growth using headship rates.
5. Determine household growth by density type (low, medium, high).
6. Determine land needs within each municipality based on density by structure type.

While this revised process aims to simplify the allocation assumptions, it inadvertently **reverses the modelling hierarchy**, allocating population to local municipalities **before** establishing a consistent household projection framework for the overall Regional Market Area. This shift risks compounding local data inconsistencies, undermining the reliability of household and land need estimates, and disconnecting results from the most robust Census and Ministry of Finance datasets.

Key Concern and Implications

Determining housing needs at the **Regional Market Area** level is critical to maintaining methodological integrity. The regional-level approach benefits from stronger statistical foundations, captures inter-municipal housing and labour market dynamics, and provides a coherent basis for allocation. Allocating households by structure type across municipalities is not merely a mechanical step — it is an evidence-based reflection of real-world market behaviour and housing choice patterns.

The revised approach in *PMG2025*, by beginning allocation at the population level and proceeding with extrapolated municipal-level household projections, risks producing results that are less reliable, less comparable, and less defensible in planning and tribunal contexts. It may also result in inconsistent assumptions about headship rates, propensities, and densities across municipalities within a shared housing market area.

Recommendation

I strongly recommend that the Ministry reconsider the methodological sequencing proposed in the *Draft PMG2025* and realign its framework with the tested and transparent approach used in *PMG1995*. Specifically, the methodology should continue to:

- Establish and model population, households, and dwelling structure projections at the **Regional Market Area** level first;
- Use these as the basis for allocating household growth to municipalities; and
- Derive land needs within municipalities only after these allocations have been made.

This approach remains consistent with demographic science, aligns with data availability and integrity, and ensures that modelling outputs are reliable and defendable for planning and policy purposes.

Closing

I would be pleased to meet with Ministry staff to discuss these methodological issues further and to contribute to ensuring the updated guideline achieves its intended objective of producing accurate, consistent, and policy-relevant growth projections.

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