

Report to Strategic Priorities and Policy Committee

To: Chair and Members
Strategic Priorities and Policy Committee
From: Scott Mathers, MPA P.Eng.,
Deputy City Manager, Planning and Economic Development
Subject: City of London Growth Projections 2021-2051
Date: December 6, 2022

Recommendation

That, on the recommendation of the Acting Director, Planning and Development, the following actions BE TAKEN with respect to the City of London corporate growth forecast:

- (a) This staff report **BE RECEIVED** for information;
- (b) The final report by Watson and Associates Economists entitled “Population, Housing and Employment Growth Projection Study, 2021-2051”, attached hereto as Appendix “B”, **BE RECEIVED** for information;
- (c) The Reference Scenario outlined in the final report prepared by Watson and Associates Economists entitled “Population, Housing and Employment Growth Projection Study, 2021-2051”, attached hereto as Appendix “B”, **BE ENDORSED** for use as the City of London corporate growth forecast, including but not limited to use in forthcoming Planning Act and Development Charges Act initiatives; and,
- (d) Civic Administration **BE DIRECTED** to provide a report to Planning and Environment Committee outlining an approach for implementing the provincial housing target for London.

Executive Summary

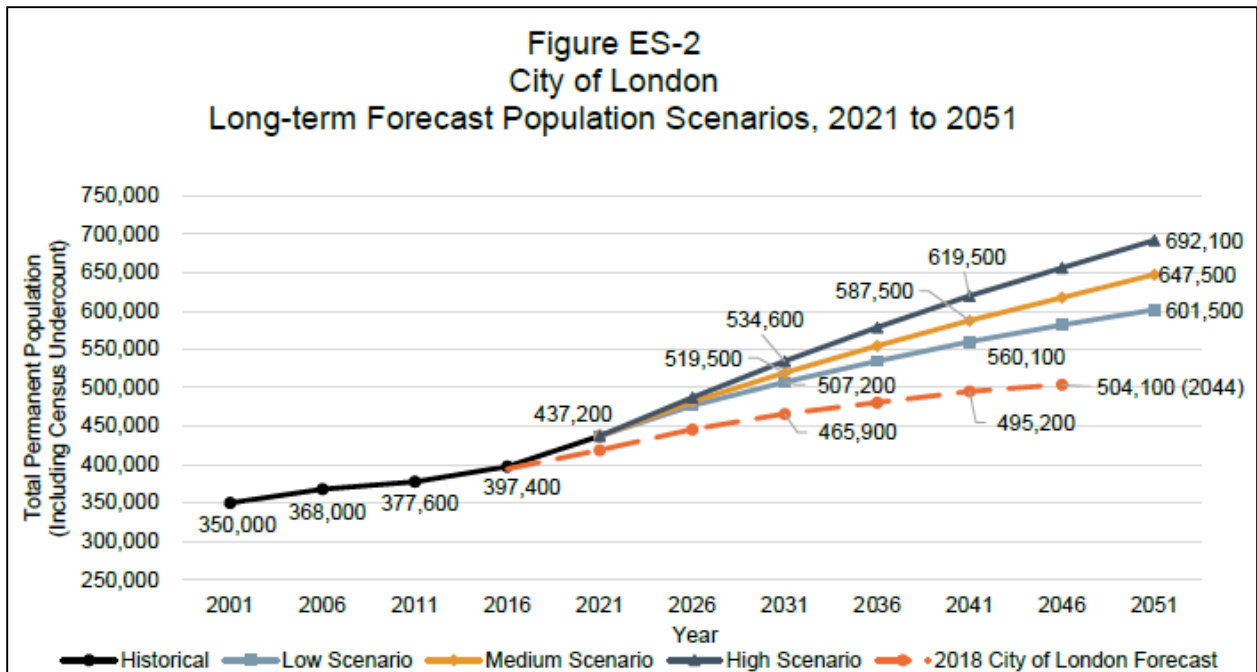
Growth forecasts are an informed estimation of future conditions based on past and present economic, demographic, and construction trends. Assumptions are based on research, technical knowledge, and established projection methods in alignment with Provincial guidelines.

Various City initiatives require growth forecasts for future population, housing units, and employment. These initiatives include, but are not limited to, budget forecasts, Development Charges studies and updates, community plans and strategies, servicing needs assessments, economic development initiatives, the municipal comprehensive review of the Official Plan (London Plan) and the associated land needs assessment for the Urban Growth Boundary, as well as mobility master planning.

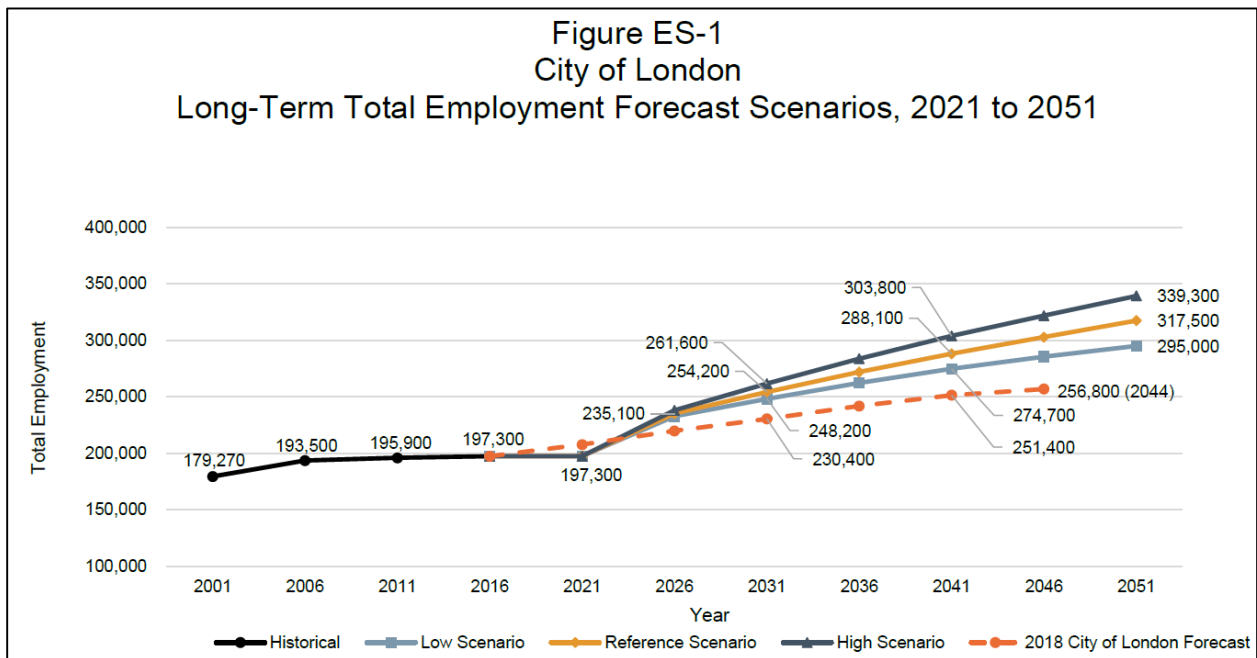
The attached growth forecast is intended as one coordinated document to be used for all of the various City initiatives that require projections of future population, housing, and employment space needs.

The following report provides an overview of growth forecasts, highlights the findings of the Watson and Associates Economists Growth Projection Study, seeks endorsement of the “Reference Scenario”, and also highlights how the forecast will be used in several City initiatives. A High and Low growth scenario are also included to illustrate different possible outcomes if trends evolve differently than expected. The Reference scenario is a projection similar to the 2022 Ontario Ministry of Finance projections.

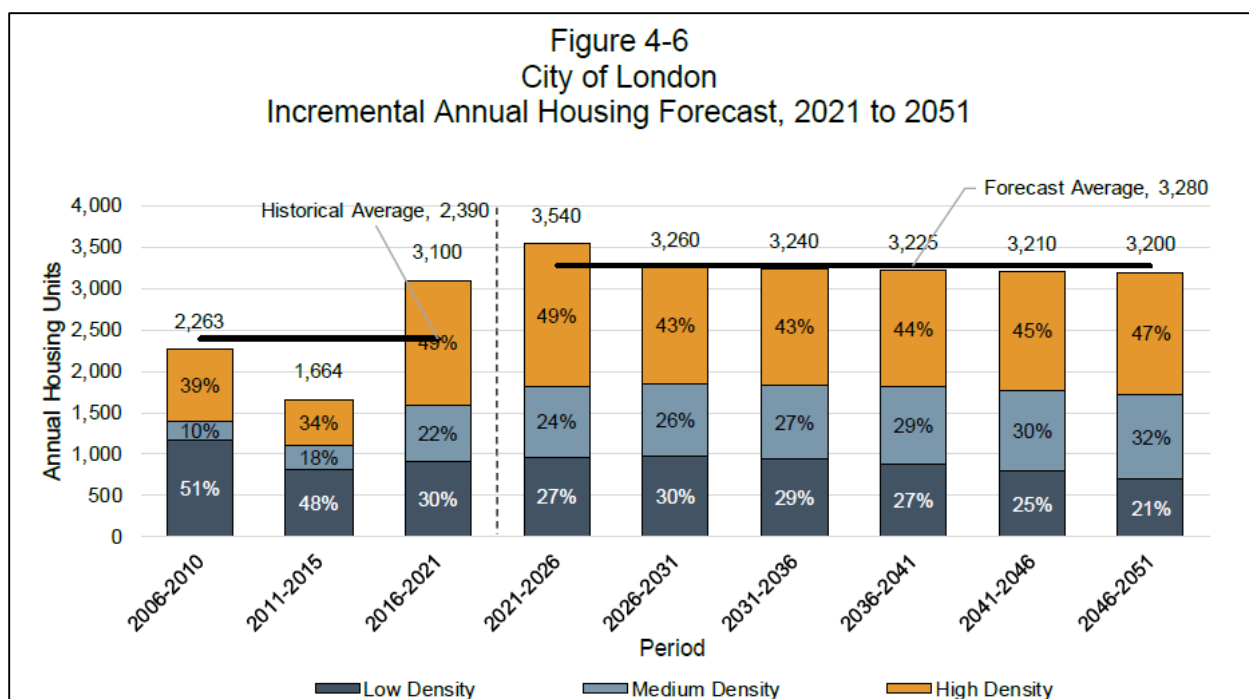
Of note, some key findings of the Projection Study include that London’s population is projected to grow to 647,500 by year 2051 under the Reference Scenario. This represents an annual average growth rate of 1.3% over the projection period and is roughly equivalent to adding the population of the city of St. Thomas every 5 to 6 years. See Figure ES-2 below.



Employment growth is expected to be very strong, with an annual average growth of 1.6% or 4,010 jobs per year to 2051. This is considerably higher than the historical annual growth rate of 0.5% from years 2001 to 2021. Total jobs by 2051 are projected to be 317,500. Employment growth is anticipated to be strong in export-based sectors, such as transportation and warehousing, wholesale trade, construction, energy, manufacturing and technology. Stronger employment growth is also expected in sectors with work-from-home and off-site employment. See Figure ES-1 below.



Housing starts are also expected to remain strong, with the number of new households projected to annually average 3,280 in the Reference Scenario. This projected number is significantly higher than the historical average of 2,390 (from 2001-2021). The projected average is also higher than the average number of new units between years 2016 and 2021, which was a very high growth period. New housing units are also projected to continue the trend towards medium- and high-density units, with single and semi-detached low-density units projected to account for less than 30% of new starts. See Figure 4-6, below.



Linkage to the Corporate Strategic Plan

The Population, Housing and Employment Projection Study, 2021-2051 directly aligns with the “Building a Sustainable City” Strategic Area of Focus of Council’s strategic plan. The Growth Forecasts are used in various City initiatives that align with the Strategic Plan, including to ensure London’s infrastructure is built, maintained, and operated to meet the long-term needs of our community; that London’s growth and development is well planned and sustainable over the long term; and, that Londoners can move around the city safely and easily in a manner that meets their needs.

Analysis

1.0 Background Information

1.1 Overview of Growth Projections

Watson & Associates Economists were contracted by the City in spring 2022 for the preparation of the 2021-2051 growth projections. The methodology Watson uses in the attached report (for more detail see section 1.3 below) is well accepted in the demographics sector and is based on the standardized Provincial methodology. Watson have used this same methodology in the City of London’s 2019 Development Charges Study forecasts, as well as in growth forecasts, land economics studies, and Development Charges studies for municipalities across Ontario and Canada.

Growth forecasts represent an informed estimation of future conditions. Projected results are based on past and present economic, demographic patterns and development trends. Assumptions are made about changes that are likely to take place over time to produce projections over a period for population, housing, and employment. Assumptions are based on research, acquired technical knowledge, and established projections methodology, including Provincial methodology guidelines.

While every effort is made to ensure the accuracy of growth forecasts, they are not precise predictions of the future. To ensure projections respond to emerging trends, provincial legislation requires periodic updates to municipal projections. A description of forecasting methods, assumptions, data, and results is provided in the attached report. Highlights of the report and its findings are below in Section 3 of this staff report.

For further information about how growth forecasts are used by the City of London, see Appendix “A” below.

1.2 Growth Forecasts versus Housing Growth Targets

It is important to recognize the difference between growth forecasts/projections and growth targets. As noted above, growth forecasts are an informed estimate of the future that identify expected growth based on macro-economic outlook, demographics, household formations, and other methodological guidelines. Both the *Planning Act* and *Development Charges Act* require the use of forecasts/projections to identify land, infrastructure and community facility needs. Growth projections employ both external variables (global/national/provincial/regional conditions that inform community change) and local variables (London-specific construction figures, land supply information, economic development priorities, etc.) to arrive at specific numbers for future population, employment, housing and non-residential space. Projections are created using detailed models that consider hundreds of different data points and assumptions in order to derive the best possible growth scenario for our city's future.

In contrast, growth targets are aspirational goals of desired rates of growth. They provide motivating outcomes for strategies and initiatives. An example of a growth target is the recently released Provincial government's housing target of 47,000 for London that is intended to help achieve an Ontario-wide target of 1.5 million new houses constructed over the next 10 years. For comparative purposes, the Reference Scenario projects 33,900 new units over the next 10 years, which is based on population forecasts similar to the Ministry of Finance projections for London-Middlesex.

The province has been clear that their housing targets and pledges are not intended to act as planning documents. The risk of over-estimating growth based on targets include over-investing in infrastructure that is not required to accommodate growth, insufficient revenue collection, faulty service delivery planning and a loss of important agricultural lands to urban development.

More work is required to determine the City initiatives, strategies, and actions necessary to facilitate meeting the provincial target. Civic Administration will prepare a separate report to Council over the coming months in response to the assigned housing target and request for a pledge. The report will highlight City initiatives that provide opportunities for increased housing development and identify various initiatives, strategies and actions to help facilitate meeting the housing target.

1.3 Methods Used to Prepare Growth Projections

Consistent with population projection methodology guidelines established by the Province of Ontario, Watson uses a combined forecasting approach to derive growth projections. This incorporates both the "top-down" cohort-survival forecast methodology and a "bottom-up" household formation methodology. The methods are well accepted in the industry and have been used by Watson & Associates to model growth in previous forecasts for the City of London as well as in other cities across Canada.

The starting point for growth forecasting is an examination of the London economy within the context of long-term international, national, provincial, regional, and local economic outlooks. Potential for growth is considered by economic sector and an employment forecast is prepared. The employment forecast largely determines the population projections with employment as a key factor in migration, which in turn principally drives population growth.

The forecasts for future population are based on cohort survival (births minus deaths plus net migration, by sex for five-year age groups). Key factors in this analysis include demographic trends like an aging population (including for the largest cohorts of the "baby boom"), as well as natural increase, immigration, and migration patterns to and from the city. Population forecasts are then converted through a housing demand model to project anticipated growth of household formations. Potential household growth is a function of projected population by age applying headship rates (number of people in each age group who are projected to head a household).

Watson also considers demand by structure type, including Low-Density housing forms (singles and semi-detached units), Medium-Density forms (townhouses), and High-Density housing forms (apartments, including Additional Residential Unit apartments). Demand by structure type is informed by past housing activity, recent development trends, and the relationship between family type, dwelling type, and housing preferences as population ages (based on the demographics projections by age group).

Post-secondary population and housing projections are included within the analysis. This consists of enrollment trends, geographic location trend for students, international student growth projection, and a review of comparator post-secondary institutions in Ontario. From the enrollment projection, a housing forecast is identified for incorporation into the overall housing forecast.

Three growth scenarios are also presented. These growth options are based on the amount of residential intensification, such as infill and redevelopment within existing urban areas within the Built Area Boundary (BAB), versus the amount of new housing delivered on greenfield lands. Greenfield lands are planned for future urban uses and are located outside the BAB but within the Urban Growth Boundary. As noted below, the recommended growth option will be determined during the forthcoming Land Needs Assessment as part of the Comprehensive Review of the London Plan.

For non-residential growth, the employment forecast informs the anticipated floor space demand for future industrial, commercial, and institutional employment sectors. This floor space demand is expressed in floor space to employment ratios. Economic trends, such as the rise in e-commerce and related need for increased transportation logistics and warehousing inform the floor space need. Changes to the nature of some workplaces, including remote work, hybrid home/office work, and shared desk spaces are also considered for the non-residential floor space analysis. These changes to the nature of work are factors which have been accelerated by the COVID pandemic but are projected to remain long-term.

2.0 Projection Results

2.1 Overview of Results of the Growth Projections, 2021-2051

The projections report contains results for employment growth, population growth, and residential growth. Population growth includes projections by age cohort, residential growth is identified by various dwelling type, and employment growth for industrial, commercial and institutional sectors is represented by floor space requirement.

Three growth forecast scenarios are identified: a low-growth scenario, a reference scenario, and a high-growth scenario. The recommended reference growth forecasts/projections are provided in the report, with a high and low scenario also included. The purpose of the three scenarios is to illustrate different possible outcomes if trends evolve differently than expected. However, for planning purposes the Reference Scenario should be considered the recommended growth projection. The high and low scenarios provide the City with a frame of reference for the spectrum of future conditions and the ability to adjust plans/strategies if necessary, based on growth monitoring.

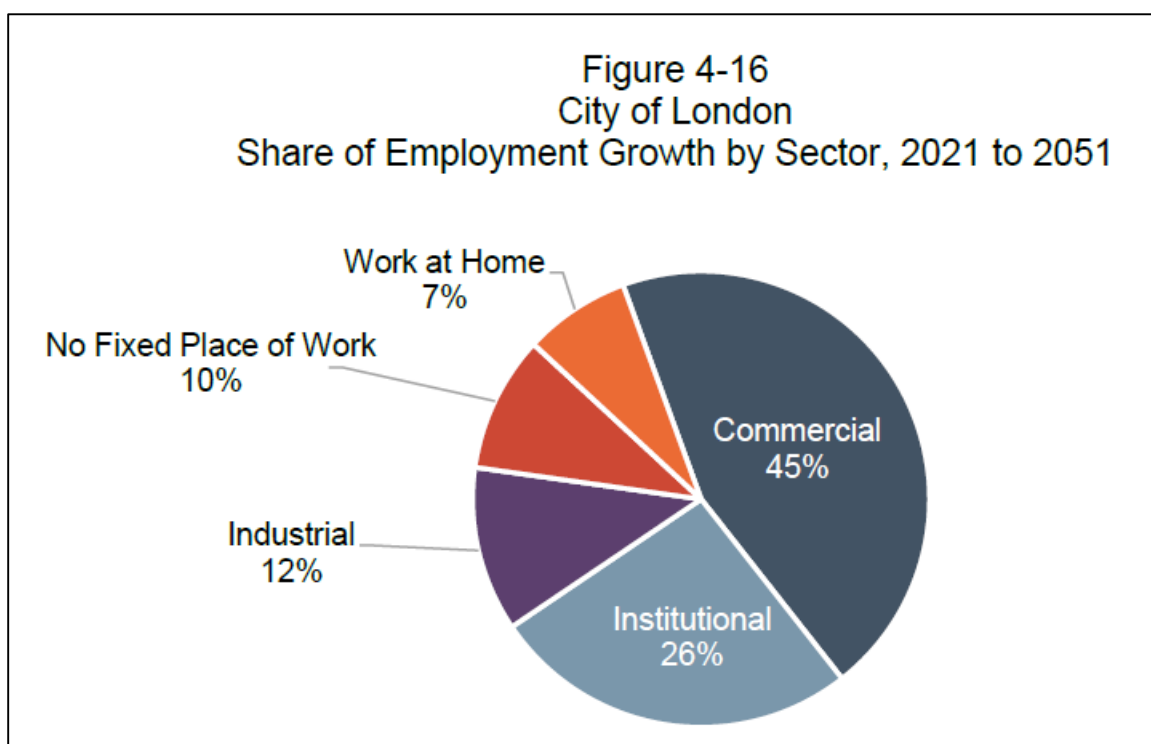
2.1.1 Employment Projections

New job creation in the city and within the regional 'commutershed' are considered as key drivers of population growth. The macro-economic outlook and labour force growth in turn support migration to London. Based upon labour force trends and future local employment prospects, Watson expects an annual employment growth rate of approximately 1.6% between 2021 and 2051. Under this scenario the employment base is expected to increase from 197,300 jobs in 2021 to 317,500 jobs by 2051. This is an increase of approximately 120,200 jobs over the forecast. This employment growth is significantly higher than the historical annual growth rate, which was 0.5% from years 2001 to 2021. The relative economic strength and projected growth is

anticipated to be driven by local and regional economic opportunities which are supporting higher immigration rates as well as increased migration to the City and London region from other parts of Ontario and Canada.

The employment activity rate has in recent years declined as a result of changes to the macro-economy, including changes to the manufacturing sector since the 2008-2009 recession, and negative economic impacts from COVID-19 during 2020-2021. The rate reached a low of 45% in 2021; however, the projections are for a rebound and stabilization at approximately 49% activity rate.

Below is an excerpt from the Watson report (copy of Figure 4-16 of Watson report), which summarizes employment growth forecasted by employment sector. The Commercial and Institutional sectors combined are projected to account for 71% of job growth. Appendix E to the Watson report includes detailed figures for projected employment growth by sector for 5-year increments from 2021 to 2051.



2.1.2 Population Projections

Watson's population projections conclude that London's population will grow through the forecast period at an annual average rate of 1.3% to 2051, resulting in an expected population of 647,500 (includes the net Census undercount). The table below, from Appendix A of the Watson report, provides total anticipated population growth in 5-year increments as well as the yearly growth rate for each 5-year period.

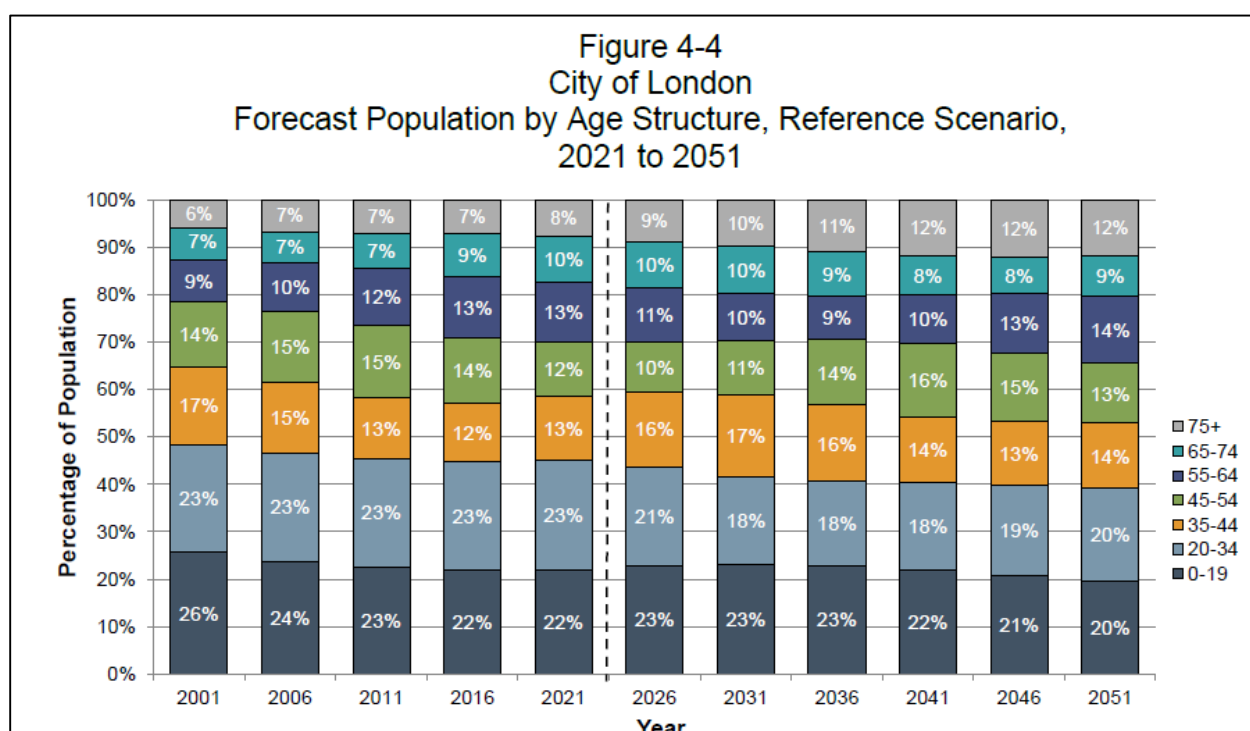
Figure A-6: City of London, Medium Scenario, Total Population Forecast by Major Age Group, 2021 to 2051

Cohort	2001	2006	2011	2016	2021	2026	2031	2036	2041	2046	2051
0-19	89,700	87,700	85,500	86,800	95,400	110,300	120,300	127,100	129,500	127,500	127,100
20-34	79,600	83,900	86,300	91,200	102,300	100,400	95,000	98,400	108,200	118,300	126,500
35-44	57,800	55,100	48,500	49,400	57,900	76,100	90,600	88,800	80,900	82,600	88,800
45-54	48,200	54,200	57,500	54,300	50,600	50,400	58,900	76,800	91,300	89,600	81,900
55-64	30,300	38,600	46,000	51,500	55,500	54,900	52,200	51,700	59,900	77,300	91,200
65-74	23,400	24,100	27,700	35,600	42,500	47,600	51,300	51,000	48,700	48,400	56,100
75+	21,100	24,400	26,300	28,600	33,000	41,900	51,100	60,800	69,000	73,900	75,900
Total	350,000	368,000	377,600	397,400	437,200	481,700	519,500	554,500	587,500	617,500	647,500
Annual Growth Rate (5-year increment)		1.0%	0.5%	1.0%	1.9%	2.0%	1.5%	1.3%	1.2%	1.0%	1.0%

Note: Population includes net Census undercount. Figures may not add precisely due to rounding.
Source: 2001 to 2021 from Statistics Canada Census and 2021 to 2051 forecast by Watson & Associates Economists Ltd.

The following factors are also of note regarding the population projection:

- Consistent with recent trends, the City’s annual population growth is projected to remain strong, with years 2021 through 2026 growing at an average annual rate of 2.0%. Years 2026 through 2031 are projected to grow at 1.5%.
- The 75 years plus age group (including “Baby Boomers”) is expected to increase from 9% to 12% over the forecast. The adult population of 20 to 54 years old is projected to be the largest age cohort group but is projected to decline in relative terms from 48% to 47% of total population. (See below for copy of Figure 4-4, which shows the forecasted population by age structure).
- Net migrations are higher than the 20-year historical average and are more reflective of the recent post-2016 period. Forecasted net migration trends are reflective of steady growth anticipated in local and regional economies and forecasted work-at-home opportunities, with over 90% of migrants projected to be working-aged adults and children. Net migration is also reflective of the perceived attractiveness of the city to empty nesters and retired/semi-retired persons re-locating from communities throughout Southern Ontario. The majority of migration is expected from within Ontario.
- Population growth associated with natural increase (births minus deaths) is forecast to continue to decline due to the aging of the city’s population.
- The forecasted population growth rate is similar to the most recent Ontario Ministry of Finance forecast (1.3% annual growth rate through 2046).



2.1.3 Households, Housing Units and Residential Construction

Based upon the population and demographics projects and corresponding household formation projection (“headship rate”), a forecast is provided for number of permanent households. The number of households is forecasted to grow at a rate of 1.5% annually, from 174,660 in 2021 to 273,025 households in 2051. Housing demand is then assumed based on the number of households formed. Household growth is forecasted to average 3,280 units per year. During the 2021-2026 period the housing growth is anticipated to be highest, averaging 3,540 units per year over the 5-year period. The last 5-year period has demonstrated historically high growth in housing units. However, new units are projected under the Reference Scenario to exceed the last 5-years of growth in every 5-year period for the duration of the projections period (next 30 years until 2051).

Below is a copy of Figure 4-6, which depicts the average annual housing forecast (Reference Scenario) by 5-year period compared to past historic averages for units created by type (Low Density, Medium Density, and High Density forms). The projected housing units also take into account forecasted growth in post-secondary student population and the associated housing need.

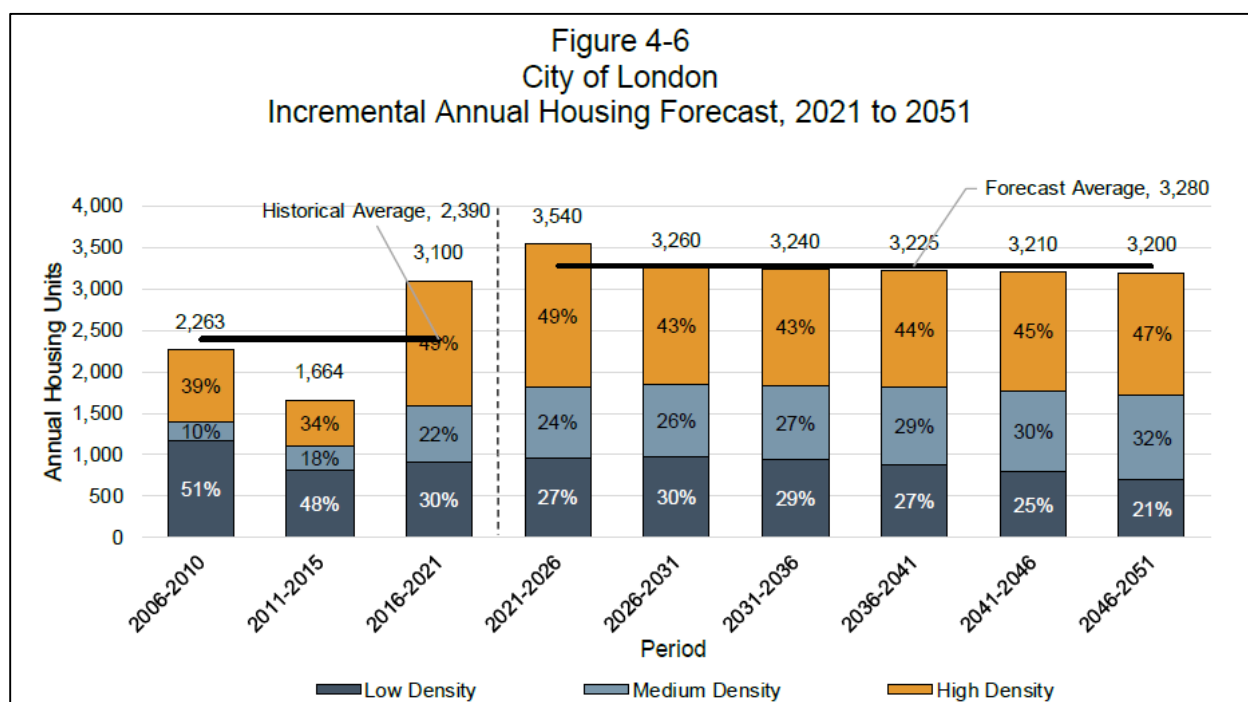


Figure 4-6 above demonstrates that construction of London's new housing stock is anticipated to continue to diversify by structure type. Low Density Residential forms (i.e. single-detached and semi-detached dwellings) have decreased as a proportion of overall new housing units. Low Density accounted for 51% of new units in years 2006 to 2010, but were reduced to 30% of units by 2016-2021. The trend towards more Medium Density Residential units (i.e. Townhouses) and High Density Residential Units (i.e. Apartment Units and Additional Residential Units) is projected to continue throughout the forecast. This is based upon demographics, including aging population, and the cost and affordability of new housing in Low Density forms.

Figure 4-6 also demonstrates that the average number of housing starts are projected to be higher than what was seen during the last 5-year period, noting that years 2016-2021 were a historically high growth period in housing. Thus, the Reference Scenario is anticipating robust levels of housing construction even beyond what was seen from 2016 to 2021. Further increases to the housing projection above the Reference Scenario are not recommended.

Three (3) "growth options" have also been identified in the Watson report that are based upon varying rates of intensification, infill and redevelopment within the existing built urban area (the Built Area Boundary, 2016). The balance of development would take place on Greenfield lands. The three options will be considered during the subsequent Land Needs Assessment, which will be completed as part of the Comprehensive Review of the London Plan. Determining which options is most likely will depend on the policy approach and resulting level of opportunity for intensification.

2.1.4 Industrial, Commercial, and Institutional Floor Space Requirements

Non-residential construction projections are based upon Industrial, Commercial, and Institutional space demand derived from forecasted employment for each of the land use categories.

- **Industrial:** Continued demand for new Industrial space is forecasted, with several macro-economic trends influencing space needs (expressed in average floor space per worker or "FSW"). Increased manufacturing automation, competitiveness and efficiency has reduced employment density levels. This coupled with retail warehousing and logistics associated with e-commerce has

resulted in a projected space need of 1,150 sq. ft. per employee.

- Commercial and Office: Recent trends in retail have included the rise of e-commerce, smaller “bricks and mortar” retail footprints, and big box “fulfillment centres”. Trends in Office floor space requirements have also been decreasing, with the rise in remote work as a response to the COVID pandemic, “hybrid” office and work-from-home arrangements, and “hot desk” shared spaces. These trends in office space needs are projected to continue. Watson’s result is a combined Commercial/Office projection for an FSW of 370 sq. ft. per commercial/office employee.
- Institutional: The Institutional sector is forecasted to experience strong GFA growth, with an average of 732,400 sq. ft. annual development and a space requirement of 700 sq. ft. FSW.

Figure 4-17 below summarizes the projected employment by sector, employee FSW, and the corresponding Gross Floor Area required by sector (annual average and total over the forecast period).

Sector	Total Employment Growth (2021 to 2051)	Employment Losses Due to COVID-19	Total Employment Growth Net Vacant Space due to COVID-19 Job Losses (2021 to 2051)	Gross Floor Area Forecast Per Worker (F.S.W.) Assumptions (sq.ft.)	Non-Residential Gross Floor Area Forecast (sq.ft.)	Annual Average Gross Floor Area (sq.ft.)
Industrial	14,050		14,050	1,150	16,157,500	538,600
Commercial/ Population- Related	54,020	-11,040	42,980	370	15,890,283	529,700
Institutional	31,390		31,390	700	21,973,000	732,400
Total	99,460	-11,040	88,420	-	54,020,783	1,800,700

2.1.5 High and Low Growth Scenarios

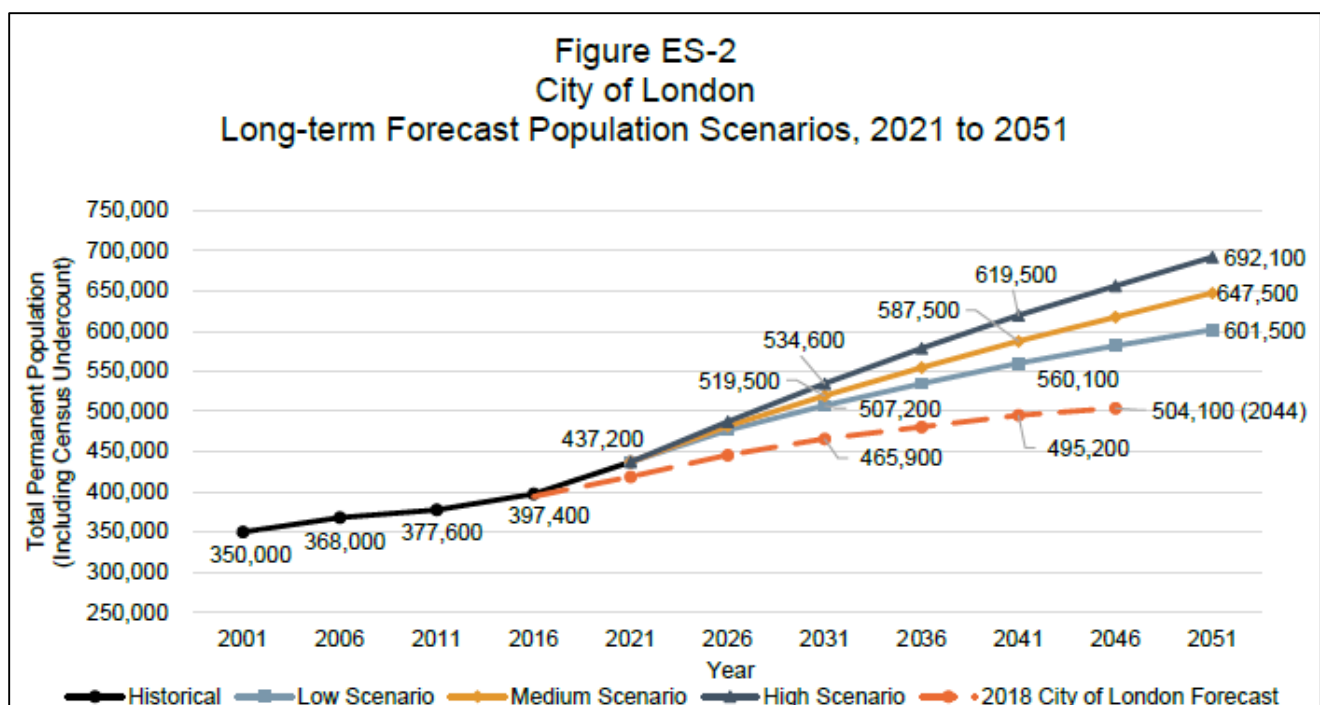
Watson and Associates has prepared two additional alternative growth scenarios to inform future planning discussions: a high growth scenario and a low growth scenario. Below is a copy of Figure ES-2 from the Watson report, which shows the low, reference, and high growth projection scenarios.

Over the 2021-2051 period, the high growth scenario projects average annual population growth of 1.5% and the low growth scenario projects 1.1% average annual growth, whereas the Reference Scenario projects 1.3% average annual growth.

The high growth scenario assumes international immigration targets will be exceeded and the London-Middlesex Area will outperform the Ministry of Finance projections. The low growth scenario assumes immigration targets will not be met, slowing economic growth and producing fewer jobs and less population.

Employment, household and non-residential construction are provided for these low and high growth alternative scenarios, reflecting assumptions about low and high economic growth.

The high and low growth scenarios provide a range of growth possibilities for individuals and organizations that use the projections report for future planning studies. Additionally, the growth scenarios can inform aspiration growth targets to be used as monitoring tools for infrastructure planning.



3.0 Selecting a Scenario for Growth Planning and Growth Financing

Growth forecasts are essential inputs for land needs assessments, budgeting and infrastructure cost recovery, service master plans, and other community studies. Growth forecasts provide expected demand for housing and non-residential space to be used in calculating the amount of land required for development as well as infrastructure required to service that demand. It is important to select growth forecasts that provide the most likely outcome for future development of the city.

For planning and growth financing purposes, forecasts based on the Reference Scenario are selected to model future land needs and infrastructure costs. Although High and Low scenarios can provide beneficial ranges to test different development alternatives, the use of a Reference Scenario is the preferred choice for assessing future demand.

Selecting a growth scenario that differs from the Reference can have significant planning and financial implications if demand is not realized, including:

- Excessive infrastructure requirements (e.g. roads, sewers), producing higher than necessary Development Charges rates;
- Challenges maintaining financial sustainability by placing pressure on growth supported reserve funds and debt levels;
- Creating expectations about the timing of extending services. Expectations which can only be delivered if the high growth scenario is achieved;
- Inaccurate community needs assessments and service delivery planning, resulting in resident dissatisfaction, economic development challenges, operating budget pressures and misallocation of resources.
- Challenges in establishing municipal financing plans where growth expectations are not met;
- Potential over-expansion of urban area and loss of important prime agricultural lands; and
- Difficulties defending planning and growth financing decisions if challenged at the Ontario Land Tribunal (OLT).

The City of London also employs a Growth Management Implementation Strategy (GMIS). The GMIS provides an important tool to respond to increased growth should demand exceed the reference scenario. The GMIS is updated annually to coordinate infrastructure with the anticipated timing of development project delivery. Infrastructure

needed to support demand can be advanced through the GMIS process and the capital budget in order to ensure the city can accommodate growth, if it exceeds the reference scenario.

Given the long-term nature of growth projections, the five-year update provides an opportunity to adjust forecasts based on recent economic, demographic, and land development trends, including if the city experiences a rate of growth that differs from the Reference Scenario.

It is therefore recommended that the Reference Scenario be endorsed for use in forthcoming City initiatives, including but not limited to the Mobility Master Plan, Development Charges Background Study, Comprehensive Review of the London Plan, and Neighbourhood and Community-wide Services. This Reference Scenario is recommended with the understanding that tools are in place to test the implications of higher rates of growth as well as respond to increased growth requirements, if required.

4.0 Stakeholder Consultation

The preparation of the growth projections has been a collaborative effort, with input from community and industry stakeholders. Consultations have been held with the Development Charges External Stakeholder Committee that includes members of the London Development Institute, London Home Builder's Association, and Urban League.

An initial project consultation meeting with the DC External Stakeholders was held on May 25, 2022, followed by a July 27, 2022 presentation by Watson of the draft growth projections report, at which time the draft growth projections report was distributed for comment. A follow up meeting was held on August 5, 2022.

Comments from the stakeholders were subsequently received. The comments from the development industry stakeholders included the following themes:

- Natural population and non-permanent resident population were considered to be accurate and align with Ministry of Finance forecasts.
- International immigration, especially international student population, was not given enough weight in the report, noting that Federal immigration forecasts have increased recently and international students may become permanent residents.
- Initial years of the forecast were considered to be in alignment with Ministry forecast, however, the peer review believed that intra-provincial migration (e.g. "outflow" from Greater Toronto Area, based on housing issues in the GTA and "unmet demand" in Central Ontario), should result in London having higher growth rates in the latter years of the projection period.
- The long-term forecast was lower than the Ministry of Finance projection.
- A request that the high growth alternative scenario be endorsed.

Following this feedback, at the September 28, 2022 DC External Stakeholder meeting, Watson identified how the projections report would be revised in order to respond to feedback. The final projections were revised, including the following:

- A Student Enrolment and Corresponding Population Growth Forecast section was added to the report, based on information gathered from post-secondary institutions and comparators schools in Ontario.
- Immigration targets were reviewed, resulting in a corresponding increase to the longer-term projection period.
- To recognize the lag time between building permit issuance and occupancy, particularly for High Density Residential buildings, the initial years of the projection period increased annual population growth.
- The overall population projection from 2021-2051 is now in alignment with the most recent Ministry of Finance projections, with the Reference Scenario anticipated to slightly outperform the Ministry's projections.

The final Watson report was distributed to stakeholders in November 2022. Certain earlier comments from the London Development Institute remain, including the request that the High Growth Scenario be used. Staff also met with the Urban League in November 2022 where they expressed concern about potential financial implications to property taxpayers and to municipal DC rates if the High Growth Scenario were to be endorsed.

Conclusion

The Watson & Associates employment, population, housing and non-residential space forecast for 2021 to 2051 provides an important basis for various City of London initiatives, including the Development Charges Background Study, Comprehensive Review of the London Plan, Mobility Master Plan, Neighbourhood and Community-wide community facilities planning, assessment growth allocation business cases, and the water and wastewater budget.

The projections are similar to the results of the most current Ministry of Finance growth projections and are based upon a methodology consistent with provincial guidelines.

It is recommended that the Reference Growth Scenario be used as City of London corporate growth forecasts for the various City initiatives, including but not limited to the forthcoming *Planning Act* and *Development Charges Act* initiatives.

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November 25, 2022
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Appendix “A”: How Growth Projections are Used by the City

1. Comprehensive Review of The London Plan

The *Planning Act* requires that every municipality must make updates to its official plan, so that the plan conforms with provincial plans, has regard for matters of Provincial interest, and is consistent with policy statements such as the Provincial Policy Statement (PPS). Section 26 of the *Planning Act* prescribes that these updates must take place within the first ten (10) years after a new official plan comes into effect and then every five (5) years thereafter. These updates are known as a “comprehensive review” of an official plan, and The London Plan is the official plan for the City of London.

In accordance with the PPS definition, a comprehensive review is an official plan review undertaken by a city, which is based upon population and employment projections and considers alternative directions for future growth and development. Through the comprehensive review, cities are required to evaluate land supply and ensure it is sufficient to accommodate its projected growth through intensification and new greenfield development (PPS section 1.1.2). Consistent with the PPS, the London Plan identifies that up to 20 years supply may be accommodated within the Urban Growth Boundary or “UGB” (London Plan policy 73). If the land supply is determined not to be sufficient to meet the projected growth of population, housing, or employment land needs, then a city may be required to add urban lands to its UGB.

The Growth Forecast attached to this report will be used as the basis for the forthcoming comprehensive review and its land needs/Urban Growth Boundary analysis.

2. Development Charges

The *Development Charges Act* requires that municipalities review their Development Charges (DC) by-law at least every five (5) years. Prior to updating the DC by-law, a detailed background study must be undertaken. The background study reviews forecasted growth and infrastructure requirements to service anticipated new residential and non-residential development needs.

Section 5(1) of the *Development Charges Act* identifies the methodology that must be used when preparing the DC By-law. First, the “anticipated amount, type and location of development, for which development charges can be imposed, must be estimated”.

The Growth Forecast attached to this report will be used in establishing the anticipated amount, type, and location of development, in conformity with the Act. The Growth Forecast provides the foundation for the Development Charges background study and associated engineering master servicing plans that will determine infrastructure requirements.

3. Assessment Growth Allocation Business Cases

Consistent with the Council-approved Assessment Growth Policy, the City annually undertakes a process to allocate additional property tax revenues from growth of the City to the service areas that incur costs to service that growth. City Service Areas, Boards and Commissions that incur these one-time or permanent costs to extend existing services must submit business cases to the City Treasurer. These assessment growth allocation business cases are required to clearly demonstrate a growth need for the service. Assessment growth business cases submitted often rely upon population and household growth metrics to support the growth needs of the services.

4. Water and Wastewater Budgets

Growth forecasts directly impacts the City's finances through the water and wastewater & treatment budgets. While other factors including water conservation efforts and the type of consumption (e.g. industrial vs. residential) are also evaluated, the population and household growth forecasts are an important consideration when planning how to accommodate projected water consumption and related resource demands.

5. Mobility Master Plan (MMP)

A new Mobility Master Plan (MMP) is currently being prepared to create a new integrated plan that supersedes the current 2030 Smart Moves Transportation Master Plan and 2016 Cycling Master Plan, and identifies the policy framework and infrastructure programs with a 25-year horizon. The MMP will be used to inform future infrastructure planning, capital and operating budgets, future growth/development inside London and associated development charge studies.

Growth forecasts are required to model the estimated future demand on our transportation and mobility network. The model will be used to plan and prioritize improvements to our streets and multi-use paths to accommodate walking, cycling, travel by transit, personal vehicles, and the movement of goods (trucks).

6. Neighbourhood and Community-Wide Services

Neighbourhood and Community-Wide Services utilizes the growth forecasts for capital and program planning. Specifically, the forecast is used by Fire Services to plan future Fire Station construction and equipment purchases. Recreation and Sport utilizes the forecasts for infrastructure planning for new community centres and amenities like spray pads, courts, community gardens, etc. The forecasts assist staff in determining when a building or amenity is needed and where in the city.

**Appendix “B”: Population, Housing, and Employment Growth
Projection Study, 2021-2051 (Watson & Associates)**