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MEMORANDUM

To: Scott Taylor, County of Grey

From: Russell Mathew and Lara Nelson

Date: May 17, 2018 (Provided as Draft, January 31, 2018)

Re: Grey County Growth Management Strategy – Forecast and Land Supply Review and Update

Hemson Consulting Ltd. has undertaken a review and update to the population, household and employment forecasts and land supply inventory which provided inputs to the Grey County Growth Management Strategy (GMS) prepared for the County in 2015. The review and update was necessary in order to address the 2016 Census and recent development activity, to confirm the results of the 2015 forecasts and to extend the forecasts to a 2038 horizon which now represents a twenty-year planning period for updating the *Grey County Official Plan*. This memorandum provides the results of the review which concluded the following:

- Based on the Census results, Grey had somewhat fewer residents than were projected for 2016, the County met its housing forecast within a nominal difference, and fell somewhat short in total employment; there was some variation at the member municipal level.
- Some updates were made to the forecast model, which resulted in moderately higher levels of population and housing at a 2036 horizon than was previously forecast; and somewhat lower employment.
- An updated land supply inventory continues to indicate a sufficient amount of designated supply to meet residential growth expectations at a County-wide level.
- It is recommended that the County use the updated forecasts for 2018 to 2038 as a basis for updating the official plan through the *Recolour Grey* process.

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- The County should continue to monitor growth within Grey closely and to undertake another forecast review at such time of the next broader official plan review, or following the next Census year of 2021.

1. Background

Hemson Consulting Ltd. prepared the 2015 Grey County Growth Management Strategy (GMS) as input to updating the *Grey County Official Plan*. The GMS update included population, housing and employment forecasts from 2011 to 2041, with emphasis on the 2016 to 2036 timeframe as this represented a twenty-year land use planning basis for updating the official plan. Local allocations of forecast growth to lower-tier municipalities in Grey and associated land needs analyses were also prepared. The County has since initiated the Official Plan Review, *Recolour Grey* but has yet to adopt an amendment to include the growth projections prepared as part of the GMS study. Given the passage time since the GMS forecasts were prepared, new information has become available regarding the growth outlook in Grey, notably results of the 2016 Census. The County has now retained Hemson to undertake a review and any necessary updates to the GMS forecasts in order to ensure the County includes the most recently available information and most current understanding of the demographic and economic outlook in Grey when updating the official plan. The current GMS update included:

- updating the base data and forecast model to incorporate current information from Statistics Canada, notably from the 2016 Census and Annual Demographic Estimates;
- updated building permit and development application information from Statistics Canada, the County and local municipalities in Grey;
- consultation with County and local municipal staff, to identify any anticipated shifts in development patterns or development pipeline information that may not be clear through the available data;
- review and update of the County land supply information to assess any changes that have occurred since the 2015 GMS update was prepared;
- review and update to the County's population, housing and employment forecasts from a 2016 base to 2041; and,

- interpolation of the forecasts for the 2018 – 2038 period as this now represents the revised twenty-year planning period for updating the *Grey County Official Plan*.

2. 2016 Census Results

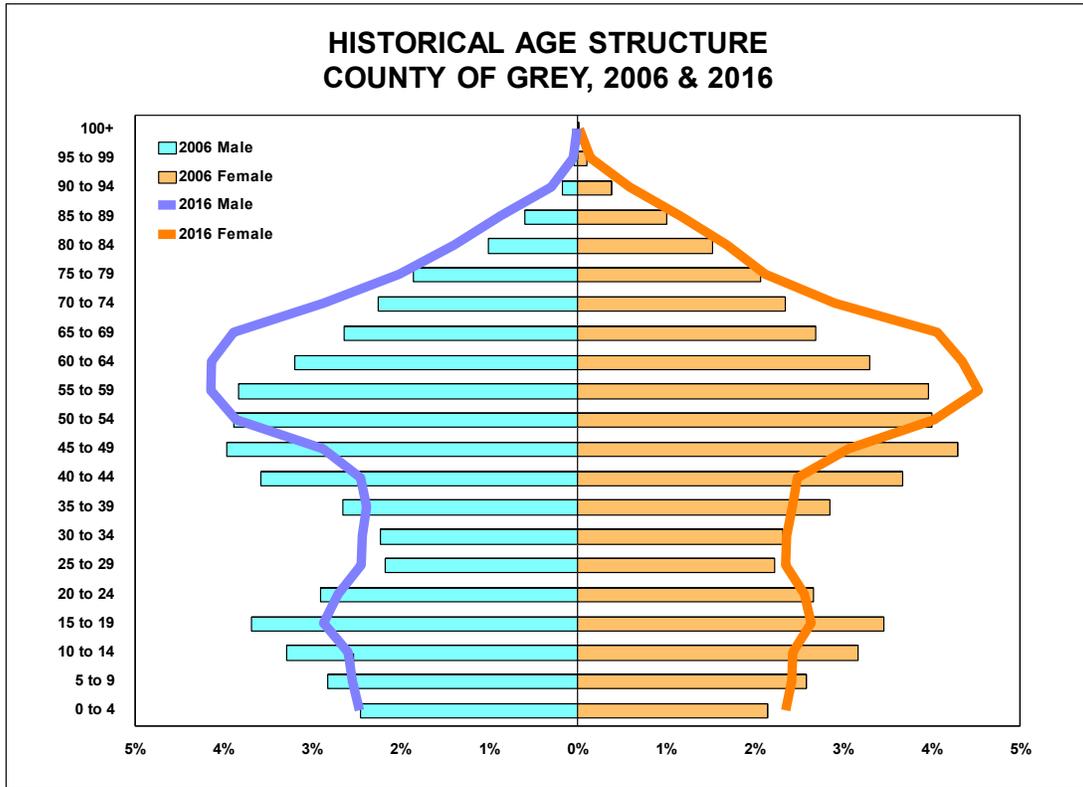
The 2016 Census results for population and households indicate that Grey has experienced somewhat of an upswing in residential growth in the last five years, relative to the very modest growth which occurred during the prior Census period from 2006 to 2011. The County added nearly 1,300 residents and more than 1,500 households over the 2011 to 2016 period.

Historical Population Growth, 1986 - 2016 County of Grey			
	Census Population	Growth	Compound Annual Growth
1986	74,760	-	-
1991	84,070	9,310	2.4%
1996	87,630	3,560	0.8%
2001	89,090	1,460	0.3%
2006	92,415	3,325	0.7%
2011	92,585	170	0.0%
2016	93,860	1,275	0.3%

Historical Households Growth, 1986 - 2016 County of Grey			
	Occupied Households	Growth	Annual Growth Rate
1986	27,285	-	-
1991	31,325	4,040	2.8%
1996	33,715	2,390	1.5%
2001	35,330	1,615	0.9%
2006	37,165	1,835	1.0%
2011	38,025	860	0.5%
2016	39,565	1,540	0.8%

Source: Statistics Canada.

Housing growth has continued to out-pace growth in population in Grey which means a decline in the average household size or persons per unit (PPU). This relationship between population and housing is the result of the continued aging of the population in the County, as shown in the following graphic.



Source: Hemson Consulting Ltd. based on Statistics Canada data.

The decline in PPU since 2001 is shown in the table below.

Historical Persons Per Unit, 2001 - 2016 County of Grey			
	Household Population	Occupied Households	PPU
2001	87,565	35,330	2.48
2006	90,065	37,165	2.42
2011	90,270	38,025	2.37
2016	91,685	39,565	2.32

Source: Hemson Consulting based on Statistics Canada information. Note: PPU is based on the total household population (excluding non-household population, primarily institutional residents) and occupied households.

A review was also undertaken of the available 2016 Census results for employment¹ which indicate that Grey experienced a continued decline in employment at the county-wide level over the last Census period.

Historical Employment, 2001- 2016 County of Grey			
	Place of Work Employment	Growth	Annual Growth Rate
2001	39,505	-	-
2006	42,895	3,390	1.7%
2011	42,020	(875)	-0.4%
2016	40,885	(1,135)	-0.5%

Change in population, housing and employment over the most recent Census period was variable among Grey's local municipalities, as shown in the tables which follow.

Historical Total Population Growth, 2001 - 2016 Grey County by Local Municipality							
Municipality	2001	2006	2011	2016	2001-06	2006-11	2011-16
Blue Mountains	6,360	7,050	6,610	7,190	690	(440)	580
Chatsworth	6,530	6,600	6,590	6,790	70	(10)	200
Georgian Bluffs	10,520	10,850	10,650	10,730	330	(200)	80
Grey Highlands	9,560	9,790	9,750	10,040	230	(40)	290
Hanover	7,140	7,380	7,670	7,870	240	290	200
Meaford	10,790	11,300	11,360	11,250	510	60	(110)
Owen Sound	22,290	22,460	22,200	21,850	170	(260)	(350)
Southgate	7,180	7,400	7,360	7,530	220	(40)	170
West Grey	12,200	12,590	12,580	12,820	390	(10)	240
County of Grey	92,570	95,420	94,770	96,070	2,850	(650)	1,300

¹ For the purposes of this analysis and forecast update, employment data is sourced from Statistics Canada, Census information about Place of Work employment. 'Place of work' refers to where an individual worked irrespective of place of residence. This includes jobs of those who worked at home, worked outside Canada, had no fixed workplace address, or worked at a specific address or usual place of work. This is different from data sources relating to labour force, which refers to the number of residents that are willing and able to work regardless of whether or not they are employed or where they work. Differences between data sources on employment may also occur due to timing, coverage and nature of data collection however the Census provides our most reliable source of data, collected at regular 5-year intervals for all residents of Canada.

Historical Occupied Household Growth, 2001 - 2016							
Grey County by Local Municipality							
Municipality	2001	2006	2011	2016	2001-06	2006-11	2011-16
Blue Mountains	2,585	2,935	2,845	3,280	350	(90)	435
Chatsworth	2,225	2,370	2,465	2,555	145	95	90
Georgian Bluffs	3,730	4,030	4,090	4,265	300	60	175
Grey Highlands	3,555	3,690	3,745	3,900	135	55	155
Hanover	2,905	3,035	3,170	3,335	130	135	165
Meaford	4,190	4,435	4,635	4,820	245	200	185
Owen Sound	9,200	9,385	9,600	9,630	185	215	30
Southgate	2,425	2,565	2,625	2,710	140	60	85
West Grey	4,505	4,720	4,870	5,080	215	150	210
County of Grey	35,320	37,165	38,045	39,575	1,845	880	1,530

Historical Employment Growth, 2001 - 2016							
County of Grey by Local Municipality							
	2001	2006	2011	2016	2001-06	2006-11	2011-16
Blue Mountains	3,190	4,300	4,000	4,570	1,110	(300)	570
Chatsworth	1,400	1,570	1,650	1,380	170	80	(270)
Georgian Bluffs	2,780	2,900	3,010	3,350	120	110	340
Grey Highlands	3,870	3,840	3,780	4,090	(30)	(60)	310
Hanover	5,270	5,610	6,000	4,870	340	390	(1,130)
Meaford	3,130	3,680	3,330	3,420	550	(350)	90
Owen Sound	14,260	15,620	15,130	14,100	1,360	(490)	(1,030)
Southgate	1,820	1,560	1,970	1,820	(260)	410	(150)
West Grey	3,780	3,780	3,150	3,290	0	(630)	140
County of Grey	39,500	42,860	42,020	40,890	3,360	(840)	(1,130)

3. Forecast Comparison

The 2016 Census results for housing, population and employment by local municipality in Grey were compared against the GMS forecasts for 2016 in order to assess the degree to which growth in Grey is on track with the forecasts. This comparison is shown in the following tables. It is noted that the forecast of population is of total population including Census net undercoverage.

Comparison: Total Population Forecast and Census Result, 2016			
County of Grey by Local Municipality			
Municipality	2016 Forecast	2016 Census Result	Difference
Blue Mountains	7,010	7,190	180
Chatsworth	6,700	6,790	90
Georgian Bluffs	11,090	10,730	(360)
Grey Highlands	10,040	10,040	0
Hanover	7,800	7,870	70
Meaford	11,530	11,250	(280)
Owen Sound	22,250	21,850	(400)
Southgate	7,560	7,530	(30)
West Grey	12,920	12,820	(100)
County of Grey	96,900	96,070	(830)

*Forecast is of Total Population Including Census Net Undercoverage.

Comparison: Occupied Households Forecast and Census Result, 2016			
County of Grey by Local Municipality			
Municipality	2016 Forecast	2016 Census Result	Difference
Blue Mountains	3,060	3,280	220
Chatsworth	2,550	2,560	10
Georgian Bluffs	4,330	4,270	(60)
Grey Highlands	3,920	3,900	-20
Hanover	3,270	3,340	70
Meaford	4,780	4,820	40
Owen Sound	9,750	9,630	(120)
Southgate	2,740	2,710	(30)
West Grey	5,080	5,080	0
County of Grey	39,480	39,590	110

The results indicate that Grey had 830 fewer residents and 110 more households county-wide, according to the Census, than was projected for 2016. At a county-wide level, this difference suggests that Grey is well on track to meet the longer-term growth expectations, particularly given the observed growth relative to the 2006 to 2011 period. At the local municipal level, the results were more variable although most were within a small margin suggesting the forecasts remain sound.

Comparison: Total Employment Forecast and Census Result, 2016			
County of Grey by Local Municipality			
Municipality	2016 Forecast	2016 Census Result	Difference
Blue Mountains	4,170	4,570	400
Chatsworth	1,710	1,380	(330)
Georgian Bluffs	3,170	3,350	180
Grey Highlands	3,940	4,090	150
Hanover	6,190	4,870	(1,320)
Meaford	3,420	3,420	-
Owen Sound	15,500	14,100	(1,400)
Southgate	2,070	1,820	(250)
West Grey	3,300	3,290	(10)
County of Grey	43,470	40,890	(2,580)

The Counties fell short of projected total employment for 2016 overall, comprised of variable results at the local municipal level.

4. Recent Development Activity

The GMS forecast update included consideration of recent development activity within local municipalities, based on building permit data and consultation with County and local municipal staff regarding pending and known development applications or interests that may affect development patterns in the County. Historical building permit information has been updated to October 2017, shown below.

Historic Residential Building Permits						
County of Grey by Local Municipality						
Municipality	Number of Residential Building Permits			Share of County Total		
	2006-2010	2011-2014	2015-2017	2006-2010	2011-2014	2015-2017
Blue Mountains	779	251	561	29%	22%	35%
Chatsworth	179	65	88	7%	6%	6%
Georgian Bluffs	218	178	122	8%	15%	8%
Grey Highlands	214	125	116	8%	11%	7%
Hanover	230	64	95	8%	6%	6%
Meaford	308	90	181	11%	8%	11%
Owen Sound	361	122	133	13%	11%	8%
Southgate	194	87	173	7%	8%	11%
West Grey	238	171	127	9%	15%	8%
County of Grey	2,721	1,153	1,596	100%	100%	100%

Information regarding pending development applications or potential shifts in development patterns in the County was also considered based on consultation with County and local municipal staff. In this regard, it is noted that there has been a sizeable increase in residential development approvals and pending applications in the Township of Southgate, and to a lesser extent the Municipality of Grey Highlands.

A trend towards increased residential interest is considered in large part due to demand for housing for commuters to the north GTA/H to job opportunities in employment centres such as Peel Region. The community of Southgate in particular, has been experiencing markedly higher residential growth recently, relative to historic trends. A similar, and even more rapid spike in residential development was recently experienced in the community of Shelburne in Dufferin County, just to the south of Grey. Development interests in the southerly portion of Grey County suggest this trend may be continuing north, as housing prices in the GTA/H continue to drive the commuter shed further out. Recent building permit activity and development applications in the community of Dundalk in particular support this proposition. While the extent to which this trend will continue over the long-term is unknown, it is important to acknowledge and account for when updating the GMS growth outlook so that the County is appropriately planning for growth, such that market trends and policy objectives for growth management and the development of complete communities are balanced. At the same time, it is important to take a somewhat cautionary approach to growth expectations and entrenching official plan forecasts, since overly optimistic forecasts may implicate financial risks should the growth not be realized to the extent being planned for. The County and local municipalities should continue to closely monitor development and update the long-range forecasts at a regular intervals. This will enable the County and local municipalities to be adaptive to market trends while at the same time planning for an appropriate amount and pace of growth.

5. Land Supply Inventory Review

A review and update to the land supply inventory prepared as input to the 2015 GMS was also undertaken in order to identify any changes that have occurred and to confirm the sufficiency of designated supply to accommodate anticipated growth.

2017 Vacant Land Supply (Updated from GMS 2015 as per Municipal Comments) County of Grey by Local Municipality			
Municipality	Total Vacant Land Supply (ha)		
	GMS 2015	Change	Update 2017
Blue Mountains	692	-	692
Chatsworth	78	-	78
Georgian Bluffs	482	(176)	306
Grey Highlands	382	-	382
Hanover	175	(25)	150
Meaford	270	(21)	249
Owen Sound	361	(49)	312
Southgate	119	(6)	112
West Grey	96	-	96
County of Grey	2,655	(277)	2,377

2017 Vacant Land Supply (Updated from GMS 2015 as per Municipal Comments) County of Grey by Local Municipality									
Municipality	Residential Vacant Land Supply (ha)			Commercial Vacant Land Supply (ha)			Industrial Vacant Land Supply (ha)		
	GMS 2015	Change	Update 2017	GMS 2015	Change	Update 2017	GMS 2015	Change	Update 2017
Blue Mountains	658	-	658	5	-	5	29	-	29
Chatsworth	77	-	77	0	-	0	-	-	-
Georgian Bluffs	477	(201)	276	5	6	11	-	19	19
Grey Highlands	260	-	260	105	-	105	17	-	17
Hanover	105	(19)	86	19	7	26	51	(13)	38
Meaford	248	(21)	227	3	0	3	20	(0)	20
Owen Sound	200	(38)	162	36	0	36	125	(11)	114
Southgate	95	(6)	89	7	-	7	16	-	16
West Grey	94	-	94	1	-	1	1	-	1
County of Grey	2,214	(285)	1,929	180	13	194	260	(5)	255

Note: Updated land supply based on comments received from Local Municipal Staff.

No input on the land supply was provided from the Town of the Blue Mountains, Township of Chatsworth, Municipality of Grey Highlands or the Municipality of West Grey.

Based on municipal updates received, there are roughly 275 ha less of urban designated land in Grey than was identified in 2015. Overall, there are still nearly 2,000 ha of vacant designated lands for residential development, nearly 200 commercially designated ha, and just over 250 ha of vacant industrial lands. At the County-wide level, this should be more than sufficient to accommodate the growth outlook in Grey, with some variation at the local municipal level.

6. Forecast Updates

The forecast model and assumptions were updated to incorporate data from the 2016 Census and Annual Demographic Estimates, including population by age and sex, occupied households, housing by unit type, mobility and migration. As well, recent building permit data and local municipal staff insight to potential shifts in development patterns or forthcoming applications were taken into consideration in updating the growth outlook.

Net in-migration to the County was higher than forecast for the 2011 to 2016 period by an average of roughly 85 persons per year over the five-year period. This, coupled with the higher levels of population and housing growth relative to the prior Census period, has resulted in the forecast results indicating a somewhat higher residential growth outlook to 2041 than was forecast prior, notwithstanding that the County fell marginally short of the forecast at 2016. The higher population growth outlook also positively affects the growth outlook for employment in two ways. Firstly, a higher population results in more population-related jobs, growth in which occurs primarily in response to a resident population. Secondly, a higher population means a greater labour force pool and more workers, which also has a positive effect on employment prospects over the longer term.

Updated forecasts total population, households and employment have been prepared by five-year intervals corresponding with Census years. Overall, the outlook is for approximately 450 more residents, 550 more households and 1,000 fewer jobs at 2036 County-wide than was anticipated under the 2015 forecasts. There have also been some shifts undertaken to the local growth allocations, based on the updated Census and local municipal information received. The results are shown below.

Local Municipal Shares of County-wide Forecast Housing Growth, 2016-2036 County of Grey by Local Municipality		
Municipality	2015 GMS	2017 Update
Blue Mountains	16%	16%
Chatsworth	5%	3%
Georgian Bluffs	12%	10%
Grey Highlands	12%	14%
Hanover	7%	5%
Meaford	13%	10%
Owen Sound	17%	18%
Southgate	8%	13%
West Grey	11%	10%
County of Grey	100%	100%

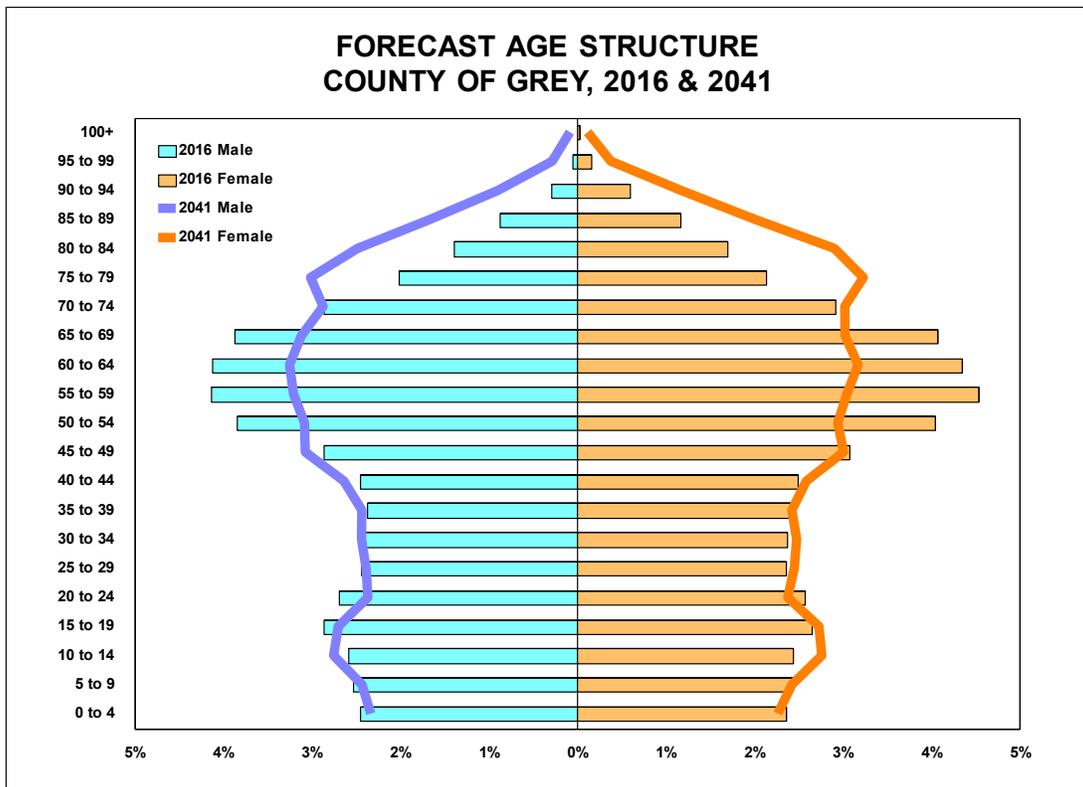
Forecast Total Population (Including Census Net Undercoverage), 2016 - 2041						
County of Grey by Local Municipality						
Municipality	2016	2021	2031	2036	2041	2016-2036
Blue Mountains	7,190	7,660	8,600	8,980	9,270	1,790
Chatsworth	6,790	6,880	7,120	7,220	7,310	430
Georgian Bluffs	10,730	11,050	11,710	11,980	12,210	1,250
Grey Highlands	10,040	10,520	11,450	11,820	12,100	1,780
Hanover	7,870	7,980	8,320	8,450	8,560	580
Meaford	11,250	11,530	12,180	12,440	12,650	1,190
Owen Sound	21,850	22,250	23,330	23,810	24,190	1,960
Southgate	7,530	8,090	9,100	9,500	9,810	1,970
West Grey	12,820	13,140	13,850	14,130	14,370	1,310
County of Grey	96,070	99,100	105,660	108,330	110,470	12,260

Forecast Households Growth, 2016 - 2041						
County of Grey by Local Municipality						
	2016	2021	2031	2036	2041	2016-2036
Blue Mountains	3,280	3,540	4,000	4,190	4,320	910
Chatsworth	2,555	2,610	2,710	2,750	2,770	195
Georgian Bluffs	4,265	4,430	4,710	4,830	4,910	565
Grey Highlands	3,900	4,130	4,520	4,670	4,780	770
Hanover	3,335	3,420	3,590	3,650	3,690	315
Meaford	4,820	4,990	5,270	5,390	5,470	570
Owen Sound	9,630	9,920	10,420	10,650	10,810	1,020
Southgate	2,710	2,940	3,300	3,450	3,550	740
West Grey	5,080	5,260	5,550	5,660	5,740	580
County of Grey	39,575	41,240	44,070	45,240	46,040	5,665

Forecast Total Employment Growth, 2016 - 2041						
County of Grey by Local Municipality						
	2016	2021	2031	2036	2041	2016-2036
Blue Mountains	4,570	4,720	4,880	4,990	5,110	420
Chatsworth	1,380	1,420	1,450	1,500	1,570	120
Georgian Bluffs	3,350	3,480	3,560	3,680	3,820	330
Grey Highlands	4,090	4,250	4,380	4,490	4,630	400
Hanover	4,870	4,990	5,040	5,120	5,220	250
Meaford	3,420	3,560	3,660	3,780	3,920	360
Owen Sound	14,100	14,760	14,880	15,320	15,930	1,220
Southgate	1,820	1,950	2,080	2,180	2,280	360
West Grey	3,290	3,430	3,520	3,650	3,830	360
County of Grey	40,890	42,560	43,450	44,710	46,310	3,820

A review and update to the employment outlook by land-use based employment categories may be prepared at such that the 2016 employment by NAICS special run data becomes available.

The aging of the population trend is anticipated to continue over the forecast horizon to 2041, as shown in the graphic below.



7. 2018-2038 Forecasts for Updating Grey County Official Plan

The 2017 GMS forecast update results have also been interpolated for the mid-Census years 2018 and 2038 in order to provide an updated twenty-year growth outlook basis for planning for growth and land needs in the County, consistent with Provincial policy direction in this regard. The results are provided below.

Forecast Total Population Growth, 2018- 2038 County of Grey by Local Municipality				
Municipality	Total Population		2016-2038	
	2018	2038	Net Change	Compound Annual Growth Rate
Blue Mountains	7,260	9,100	1,840	1.1%
Chatsworth	6,800	7,260	460	0.3%
Georgian Bluffs	10,780	12,080	1,300	0.6%
Grey Highlands	10,110	11,940	1,830	0.8%
Hanover	7,890	8,490	600	0.4%
Meaford	11,290	12,520	1,230	0.5%
Owen Sound	21,910	23,950	2,040	0.4%
Southgate	7,620	9,620	2,000	1.2%
West Grey	12,870	14,230	1,360	0.5%
County of Grey	96,530	109,190	12,660	0.6%

Forecast Household Growth, 2018- 2038 County of Grey by Local Municipality				
Municipality	Total Households		2016-2038	
	2018	2038	Net Change	Compound Annual Growth Rate
Blue Mountains	3,320	4,250	930	1.2%
Chatsworth	2,570	2,750	180	0.3%
Georgian Bluffs	4,290	4,870	580	0.6%
Grey Highlands	3,930	4,710	780	0.9%
Hanover	3,350	3,670	320	0.5%
Meaford	4,850	5,430	580	0.6%
Owen Sound	9,670	10,710	1,040	0.5%
Southgate	2,740	3,490	750	1.2%
West Grey	5,110	5,700	590	0.5%
County of Grey	39,830	45,580	5,750	0.7%

Forecast Employment Growth, 2018- 2038 County of Grey by Local Municipality				
Municipality	Total Employment		2016-2038	
	2018	2038	Net Change	Compound Annual Growth Rate
Blue Mountains	4,600	5,060	460	0.5%
Chatsworth	1,380	1,530	150	0.5%
Georgian Bluffs	3,370	3,720	350	0.5%
Grey Highlands	4,120	4,550	430	0.5%
Hanover	4,890	5,210	320	0.3%
Meaford	3,440	3,830	390	0.5%
Owen Sound	14,200	15,550	1,350	0.5%
Southgate	1,840	2,200	360	0.9%
West Grey	3,310	3,700	390	0.6%
County of Grey	41,150	45,350	4,200	0.5%

8. Conclusions and Recommendations

A review and updates to the Grey County long-range forecasts of population, housing and employment and land supply inventory were undertaken to incorporate the results of the 2016 Census and other information that has become available since the last forecast update in 2015. The study has concluded the following.

- The County was somewhat ahead of its 2016 projections for housing and population at 2016 and fell short of its employment forecast. There was some variation in this regard at the local municipal level.
- An updated land supply inventory was prepared based local municipal staff input provided. The results indicate nearly 300 fewer ha of vacant urban designated lands in the County than in 2015. At a county-wide level, the supply is sufficient to meet projected growth in Grey to 2038.
- The updated forecasts indicate somewhat higher population and housing in the County at 2036 than was previously forecast. The outlook for employment is somewhat lower than had been previously anticipated although the outlook is still for growth.
- The County is anticipated to add 12,630 residents, 5,360 households, and 3,780 jobs over the 2018 to 2038 planning horizon.
- Recently, there has been a rise in development interest and applications in some of Grey's local municipalities, particularly for residential development, as the commuter shed for jobs in the north GTA expands. The extent to which increased development activity and more rapid residential growth, relative to the past, will continue is somewhat uncertain. Ongoing monitoring of development in the County can help to ensure appropriate basis for land use planning and growth management in Grey over the long-term.

It is recommended that the County incorporate the updated 2018 to 2038 forecasts presented herein through the Recolour Grey official plan update.

The County, and local municipalities within Grey, should continue to continue to closely monitor growth and development and undertake another forecast review, and update the growth outlook as necessary, at some point following the 2021 Census.