

MEAFORD HIGHLANDS RESORT



MARKET DEMAND ANALYSIS

Final Report

Phase 1

May 23, 2012



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 **Planning for growth**

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EXECUTIVE SUMMARY

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This study represents the first phase of a 2-phase assignment. Phase 1 focuses on the potential performance of the proposed Meaford Highlands Resort development in terms of its market potential within a regional and local context. Our analysis represents a key component of the Recreation Resort Area Review (RRAR) required by Grey County as part of their review of the proposed application. Key findings are summarized below.

Current Demographic and Socio-Economic Conditions Support Strong Demand for Recreational Housing in Ontario

Over the next 20 years, the Province of Ontario is expected to experience steady population growth. The largest concentration of population growth is expected from baby boomers and post-boomers¹ currently between 40 and 64 years of age. This generation is seeking a different lifestyle and ultimately a different retirement plan than their parents. A large portion of this population group will not “age in place” but will seek housing products and communities, which fit with their active lifestyle as they approach retirement or semi-retirement.

The Municipality of Meaford is located within proximity to one of the largest and fastest growing City-Regions in North America, typically referred to by the Province as the Greater Golden Horseshoe (GGH) or Central Ontario. Over the next 20 years the GGH is forecast to add approximately 120,000 persons to its base every year. Within Central Ontario, the 40 to 64 age group is currently growing at approximately double the rate of the total population.

With relatively strong household income levels and high levels of discretionary income, a growing percentage of the 40-64 age group is, and will continue to, look to recreational-based communities within Ontario as a location for second homes or as a resort destination. Over time, a growing number of GGH residents will choose to make their second home their permanent place of residence upon retirement or semi-retirement. This trend has recently been experienced within the surrounding market area of Meaford within the Georgian Triangle, including Collingwood, The Blue Mountains, Wasaga Beach, and many other second home market areas within Ontario “cottage country.”

Notwithstanding the relatively strong average household income and discretionary income levels of the 40-64 age group, it is important to recognize that a portion of the Central Ontario population falls below the average Ontario household income level. For these individuals, home ownership in a recreational-oriented community in Ontario is generally not obtainable in most communities at current price levels. One of the unique features of the Meaford Highlands

¹ Population born after the baby boomers (i.e. post 1964).

Resort is that it will provide prospective homebuyers, which would otherwise be restricted by price, an opportunity to consider home ownership in a resort community.

The Southern Georgian Bay Waterfront in the County Grey is a Key Draw for Both Permanent and Seasonal Residents

Access to recreational amenities such as golf, hiking, boating, skiing, etc., along the southern Georgian Bay waterfront in Grey County has been a key draw for both permanent and seasonal residents as well as visitors to this area. The County of Grey Official Plan Amendment (OPA) 80 identifies that seasonal growth plays an important part in Grey County's economy. Notwithstanding this key observation, a comprehensive assessment of County-wide seasonal housing demand was not undertaken as part of the County of Grey OP review. Looking forward, it is anticipated that future seasonal housing demand will outpace historical trends if marketable resort development opportunities are introduced in areas of the County of Grey where a resort presence has not yet been established.

County of Grey OPA 80 Understates the Future Seasonal Housing Growth Potential for Municipality of Meaford

Regional demographic and socio-economic conditions indicate that a significantly higher seasonal population forecast can be expected for the Municipality of Meaford over the next 20 years than what has been contemplated in the 2008 OP Background Report and the County of Grey OPA 80. Based on forecast regional demographic trends and our review of local market conditions for recreational housing, it is anticipated that the Municipality of Meaford could average between 35 and 60 seasonal housing units per year if the appropriate housing supply was sufficiently provided in the near future.

What is the Vision for Meaford Highlands Resort?

The vision for Meaford Highlands Resort is a healthy lifestyle community which balances the unique and rich natural, cultural and agricultural heritage of the local and surrounding environment in Meaford. Meaford Highlands Resort will encourage and promote health and wellness through thoughtful planning which incorporates the natural heritage features of the property into a residential and mixed used development plan which is focused on recreation and resort amenities.

Who will Meaford Highlands Resort Appeal To?

Meaford Highlands Resort offers a unique opportunity to integrate recreation and wellness into a master planned resort community. The wide variety of ground-oriented housing and resort accommodations offered at Meaford Highlands Resort by built form, size, lot size, price and

ownership structure are anticipated to appeal to a broad population within several distinct demographic groups ranging from families to empty-nesters to retirees.

What are the Key Features of the Concept Plan for Meaford Highlands?

Meaford Highlands Resort offers an integrated residential and resort development with a broad range of residential and commercial uses, as well as resort amenities.

A draft Concept Plan for Meaford Highlands Resort has been developed by Weston Consulting Group Inc. The draft plan comprises a total of approximately 154 gross Ha (380 acres), of which 62 Ha (154 acres) is proposed for residential and commercial development. An additional 19 Ha (48 acres) has been devoted to a nine hole golf course (including practice facility and club house), while the remaining 73 Ha (180 acres) is comprised of non-developable features including environmental area, parkland, roads and stormwater management. At buildout, Meaford Highlands Resort is forecast to accommodate a total of 1,071 resort-related residential units, of which 71% of the units would be ground-oriented single-detached, semi-detached, townhome units, while the remaining 29% of the units would be comprised of three-storey villas.

With a full complement of recreational programming and commercial amenities, Meaford Highlands Resort will also be a major tourism draw. Proposed amenities include, a 60-room Inn, nine-hole executive golf course and golf training facility, a 18,000 sq.ft. integrated golf and community clubhouse, aquatics centre, wellness centre and approximately 20,000 sq.ft. of commercial retail space (phased with residential absorption).

Meaford Highlands Resort Would Add to the Limited Potential Housing Supply Inventory within the Local and Surrounding Market Area

With respect to local and regional housing needs, the Municipality of Meaford and County of Grey would greatly benefit from Meaford Highlands Resort as it would significantly add to the Municipality's currently limited potential housing supply inventory. The proposed resort would provide a range of housing density types at various price points and tenure, many of which would be affordable to residents within the local and surrounding area.

Based on forecast housing demand, the current supply of potential units in registered and draft plans is limited to 2 years in the Municipality of Meaford and 4 years in the Town of The Blue Mountains. Accordingly, the potential supply of short-term housing within the Municipality of Meaford and the Town of The Blue Mountains is limited. The proposed Meaford Highlands Resort will play a key role in accommodating a broad market segment of housing demand within the Municipality of Meaford over the short and longer-term.

Meaford Highlands Resort Offers a Unique Resort Development Concept which Currently does not Exist within the Surrounding Market Area

Presently, there are no resort developments within Meaford or the surrounding area which provide a comparable residential and recreational product to Meaford Highlands Resort. As part of this study, recent demand and future opportunities for resort development across the regional market area has been assessed. Specific attention has been given to active resort-related developments located in the Town of The Blue Mountains given the proximity of these developments to the proposed Meaford Highlands Resort. Within the Town of The Blue Mountains, housing development opportunities have been identified in recreation-oriented communities such as Lora Bay and the Georgian Bay Club.

While future development opportunities exist within recreational-oriented development in the surrounding market area including Lora Bay and the Georgian Bay Club, these developments do not offer a comparable product to Meaford Highlands Resort given their average price point. Housing prices at Lora Bay currently start at \$340,000 for a 1,200 sq.ft. bungalow. Larger bungalows (up to 2,900 sq.ft.) start at approximately \$700,000. Starting prices for detached homes at Georgian Bay Club are well over \$1 million. Fairway villas at the Georgian Bay Club are expected to range between \$750,000 and \$1.5 million.

What are the Economic Benefits of Meaford Highlands Resort?

The proposed Meaford Highlands Resort would also provide a number of economic benefits to the Municipality of Meaford and surrounding area, which will be identified in greater detail in Phase 2. The proposed resort would add 3,300 to 3,400 persons to the Municipality's population base and close to 200 direct employees during peak season. Direct/indirect employment and population growth also generates positive "induced" effects which are generated from tax assessment and local spending within the Municipality and surrounding area by permanent/seasonal resort residents and tourists. In turn, this increase in spending will also result in further expansion to the local and regional employment market, largely in the retail and business services sector.

Permanent and seasonal population/employment growth associated with Meaford Highlands Resort will also influence temporary growth within employment sectors such as the construction industry. During the construction phase, expenditures will be made for the construction of buildings and infrastructure. This investment will create employment associated with construction, as well as generate spending on materials and services required. Additional benefits will be derived as employees spend income earned in the local economy. Increased housing and non-residential construction is also anticipated to generate job opportunities for individuals related to real estate, property maintenance, professional services, landscaping and other construction-related trades.

What are the Next Steps of the Study?

This report represents the first phase of a two-phase study. The objective of the first phase of the study is to assess the potential performance of the proposed Meaford Highlands Resort development in terms of its market potential within a local and regional context. Phase 2 will assesses the fiscal impact of the proposed development on the Municipality of Meaford and Grey County as well as the broader economic impacts of the proposed development across the regional market area and beyond. Phase 2 of this study is scheduled to be completed in the summer of 2012 once a complete analysis has been undertaken of the hard servicing costs associated with the development proposal.

These reports will represent a key component of the RRAR currently being undertaken by Weston Consulting Group Ltd. in support of a development application for Meaford Highlands Resort which will be submitted to the County of Grey in 2012.

1. INTRODUCTION

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1.1 Terms of Reference

Watson & Associates Economists Ltd., in association with PKF Consulting Inc. and N. Barry Lyon Consultants (NBLC), was retained by Meaford Highlands Resort Inc. to prepare a Market Demand Analysis, Financial Feasibility and Fiscal/Economic Impact Analysis regarding the development of a 154 Ha (380 acre) area of vacant land for a resort comprised of residential and commercial development. The subject site is located east of Third Line and south of Highway 26 in the Municipality of Meaford, Ontario. Currently within the Grey County Official Plan (OP), the subject property is designated as “Rural” and “Hazard Lands.”

The analysis provided herein represents a key component of the Recreation Resort Area Review (RRAR) required by Grey County, as part of their review of the proposed development application. More specifically this report provides the following:

- A description of the recreational resource, how it will be developed and justification for the size of the residential development;
- A review of population and growth projections (upper and lower tier, OPA 80);
- A review of “full build-outs” of neighbouring recreational developments including Lora Bay with respect to the need for additional recreation and residential lands;
- A detailed residential land supply and demand analysis within the context of the County’s Growth Management Strategy and forecast demand for permanent and seasonal growth to the year 2031; and
- A review of the linkages between the resort, hotel, wellness centre, spa, sports facilities and residential units.

In addition to the review and analysis identified above, Weston Consulting Group Ltd. (WCGL) has been retained by Meaford Highlands Resort Inc. to build on the analysis provided herein and address all other outstanding issues related to the development proposal, within the context of a RRAR.

Our approach to this assignment focuses on the potential performance of the proposed development in terms of its market potential and feasibility. This study also assesses the fiscal impact of the proposed development to the Municipality of Meaford and Grey County. Lastly, the broader economic impacts of the proposed development are also addressed across the regional market area and beyond.

This study has been organized into two separate phases, including:

Phase 1 – Market Demand Analysis (provided herein);

Phase 2 – Fiscal Impact Analysis (to be completed in the summer of 2012).

The results of the Phase 1 Market Demand Analysis have been organized as follows:

- Review of Provincial and local planning policy context;
- Regional market demand for resort-related development in Meaford;
- Housing supply and demand analysis within the local and surrounding market area;
- Overview of proposed development concept, phasing, population/employment yield and resort linkages; and
- Conclusions.

Also provided in Appendix A are the results of the Phase 1 Market Research and Analysis regarding the commercial components of the proposed Meaford Highlands Resort, as prepared by PKF Consulting Inc.

1.2 Vision for Meaford Highlands Resort

The vision for Meaford Highlands Resort is a healthy lifestyle community which balances the unique and rich natural, cultural and agricultural heritage of the local and surrounding environment in Meaford. Meaford Highlands Resort will encourage and promote health and wellness through thoughtful planning which incorporates the natural heritage features of the property into a residential and mixed used development plan which is focused on recreation and resort amenities.

1.3 Who will Meaford Highlands Resort Appeal To?

Meaford Highlands Resort offers a unique opportunity to integrate recreation and wellness into a master planned resort community. The wide variety of ground-oriented housing and resort accommodations offered at Meaford Highlands Resort by built form, size, lot size, price and ownership structure are anticipated to appeal to a broad population within several distinct demographic groups ranging from families to empty-nesters to retirees.

As outlined in Chapter 3 of this report, the Province's population is forecast to grow by approximately 3.5 million over the next 20 years.¹ A large concentration of this population

¹ Ontario Ministry of Finance, 2011.

growth is expected from baby boomers and post-boomers¹ currently between 40 and 64 years of age located within Central Ontario, also referred to as the Greater Golden Horseshoe (GGH).

On average, this cohort is healthier, more affluent and more active than any previous generation within this age group. This generation is seeking a different lifestyle and ultimately a different retirement plan than their parents. A large portion of this population group will not “age in place” but will seek housing products and communities, which fit with their active lifestyle as they approach retirement or semi-retirement.

For many of the target residents living within the GGH, home ownership in a resort community, either as a second home or permanent retirement or semi-retirement designation, is cost prohibitive. In contrast to many resort destinations in Ontario, Meaford Highlands Resort offers a competitively priced alternative where residents can enjoy the benefits and amenities of healthy resort living without sacrificing housing size, design/amenities and quality. In addition, the layout of the proposed concept plan offers future residents a range of lot sizes with views of the southern Georgian Bay waterfront and Meaford Harbour, access to indoor facilities, as well as outdoor trails and parkland which is integrated with the surrounding natural features of the area.

With a full complement of recreational programming and commercial amenities, Meaford Highlands Resort will also be a major tourism draw. Proposed amenities include, a 60 room Inn, nine hole executive golf course and golf training facility, a 18,000 sq.ft. integrated golf and community clubhouse, aquatics centre, wellness centre and approximately 20,000 sq.ft. of commercial retail space (phased with residential absorption).

¹ Population born after the baby boomers (i.e. post 1964).

2. MEAFORD HIGHLANDS WITHIN THE PROVINCIAL AND LOCAL GROWTH CONTEXT

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There are three levels of planning policy which generally impact the Meaford Highlands Resort development proposal, including Provincial, County and Area Municipal. This section focuses on the impacts of recent provincial planning initiatives on growth management for the Municipality of Meaford.

2.1 Provincial Policy Context

2.1.1 *Provincial Policy Statement*

The Provincial Policy Statement (PPS) provides policy direction on matters of provincial interest related to land use planning and development. The PPS is issued under the authority of Section 3 of the *Planning Act* and the current version came into effect on March 1, 2005.¹ The policies of the PPS apply throughout Ontario despite regional variations.

The three pillars on which the PPS is based are “maintaining strong communities, a clean and healthy environment and a strong economy” (Part IV Vision). The PPS “focuses growth within settlement areas and away from significant or sensitive resources and areas which may pose a risk to public health and safety.” In particular, it promotes efficient land use patterns including intensification and redevelopment. Key policies relevant to the proposed Meaford Highlands Resort development are summarized below.

Land Needs

Section 1.1.2 identifies that planning authorities will make provision to accommodate an appropriate range and mix of industrial, commercial, institutional, employment, recreational, residential and open space uses to meet long-term needs. Land requirements and land use patterns will be based on:

- (a) The provision of sufficient land – “through intensification and redevelopment and, if necessary and justified, designated growth areas – to promote employment opportunities and for an appropriate range and mix of housing to accommodate growth projected for a time horizon up to 20 years.” (Section 1.1.2, underlining added)

¹ Note: The Ministry of Municipal Affairs and Housing has initiated the five-year review of the PPS. However, as of June 2010, this review is only in its initial stages and no potential changes have been identified.

- (b) "However, where an alternative time period has been established for specific areas of the Province as a result of a provincial planning exercise *or a provincial plan*, that time frame may be used for municipalities within the area." (Section 1.2.3)

Rural Areas

Growth in rural areas is limited by the PPS to those uses which relate to the management or use of resources or which promote recreational, tourism or other economic opportunities and which are compatible with the rural landscape and can be sustained by rural service levels. Little additional direction is given and this would appear to be an area where some discretion is left to municipalities to determine appropriate growth depending on individual circumstances. The relevant policy is as follows:

- 1.1.4.1

"In *rural areas* located in municipalities:

- a. permitted uses and activities shall relate to the management or use of resources, resource-based recreational activities, limited residential development and other rural land uses;
- b. development shall be appropriate to the *infrastructure* which is planned or available, and avoid the need for the unjustified and/or uneconomical expansion of this *infrastructure*;
- c. new land uses, including the creation of lots, and new or expanding livestock facilities, shall comply with the *minimum distance separation formulae*;
- d. development that is compatible with the rural landscape and can be sustained by rural service levels should be promoted;
- e. locally-important agricultural and resource areas should be designated and protected by directing non-related development to areas where it will not constrain these uses;
- f. opportunities should be retained to locate new or expanding land uses that require separation from other uses; and
- g. recreational, tourism and other economic opportunities should be promoted."

Recreational uses are permitted with Rural Areas without a comprehensive review as defined by the PPS. Based on discussions with County of Grey staff, the proposed development would represent a new settlement area designation, based on the definition in the PPS. In accordance with OPA 80, County staff would consider the proposed development to be most akin to the new Recreational Resort Area designation, which is considered a settlement area designation under the County OP. As such, staff have recommended the completion of a comprehensive review which would be tailored to the new "recreational settlement area". It is noted that the

establishment of a Resort Area designation is not considered a traditional settlement area by definition in the PPS.

Housing Needs and Affordability

The PPS requires that planning authorities maintain the ability to accommodate residential growth for a minimum of 10 years through residential intensification, redevelopment and other designated and available lands within a regional market area. In addition, affordable housing targets for the regional market area are required to be established by the upper tier municipality.

The term "regional market area" is defined as "refer(ring) to an area, generally broader than a lower tier municipality, that has a high degree of social and economic interaction. In southern Ontario, the upper or single-tier municipality will normally serve as the regional market area..."

Excerpts from Policies 1.4.1, 1.4.2 and 1.4.3 are contained below.

- **1.4.1**

"To provide for an appropriate range of housing types and densities required to meet projected requirements of current and future residents of the *regional market area* identified in policy 1.4.3, planning authorities shall:

- a. maintain at all times the ability to accommodate residential growth for a minimum of 10 years through *residential intensification* and *redevelopment* and, if necessary, lands which are *designated and available* for residential development; and
- b. maintain at all times where new development is to occur, land with servicing capacity sufficient to provide at least a 3 year supply of residential units available through lands suitably zoned to facilitate *residential intensification* and *redevelopment*, and land in draft approved and registered plans."

- **1.4.2**

"Where planning is conducted by an upper-tier municipality:

- a. the land and unit supply maintained by the lower-tier municipality identified in policy 1.4.1 shall be based on and reflect the allocation of population and units by the upper-tier municipality; and
- b. the allocation of population and units by the upper-tier municipality shall be based on and reflect *provincial plans* where these exist."

- **1.4.3**

"Planning authorities shall provide for an appropriate range of housing types and densities to meet projected requirements of current and future residents of the *regional market area* by:

- a. establishing and implementing minimum targets for the provision of housing which is *affordable to low and moderate income households*. However, where planning is conducted by an upper-tier municipality,

the upper-tier municipality in consultation with the lower-tier municipalities may identify a higher target(s) which shall represent the minimum target(s) for these lower-tier municipalities...."

In Ontario, housing affordability is often measured through the shelter cost-to-income ratio. A ratio of 30% is commonly accepted as the upper limit for affordable housing.¹ Households spending more than 30% on housing are generally considered in need of more affordable housing alternatives. This measure is applicable to both owner-occupied and rental dwellings.

The Province of Ontario² defines affordable housing as:

1. Housing for which the purchase price (or rent) results in annual accommodation costs which do not exceed 30 percent of gross annual income; and
2. Housing for which the purchase price (or rent) is at least 10 percent below the average purchase price of a resale unit in the regional market area.

For the purpose of this report, the concept of housing affordability is reviewed in the context of the Provincial definition 1.

As identified by the County of Grey, the approval of proposed Meaford Highlands Resort development does not require a comprehensive review of land need across the entire County-wide regional housing market area. However, the need for the proposed development does need to be addressed within the context of existing market conditions and buildout of neighbouring recreational developments. Furthermore, given the influence of recreational development related to the supply of housing in the Town of Blue Mountains and the Town of Collingwood, this report provides a comprehensive review of housing supply and demand for these municipalities in accordance with approved forecasts.

This report and additional materials provided by WCGL constitute an RRAR/modified comprehensive review, which will address all of the requirements of the County of Grey specific to this development application. A key background report to the RRAR/modified comprehensive review is the April 2012 Functional Servicing Report (FSR) prepared by Cole Engineering. The FSR addresses sanitary servicing, water distribution network, storm drainage systems, preliminary site grading and storm water management features and provides recommendations for the services required to accommodate site development based on the Proposed Concept Plan for Meaford Highlands Resort.

¹ The dynamics of housing affordability, January 2008 Perspectives, Statistics Canada — Catalogue No. 75-001-X

² Provincial Policy Statement, 2005.

2.2 Amendment No. 80 to the County of Grey Official Plan Five-Year Review

The purpose of the proposed Official Plan Amendment is to update the County of Grey OP. In accordance with the revised planning policy direction provided in the 2005 PPS, the County was required to update and extend on several sections of the OP in order to ensure consistency with the PPS, while still providing opportunities for economic growth by integrating the principles of sustainable, healthy and strong communities within a healthy environment.

In April 2008, the County released a background document entitled, *“Growth Management Strategy, Growth Allocations and Issues Report”*, prepared by Malone Given Parsons Ltd., in association with the Centre for Spatial Economics (C4SE), hereafter referred to as the 2008 OP Background Report. The 2008 OP Background Report provides the basis for the population and employment projections which extend over a 2006 to 2031 planning period. The population, housing and employment projections provided in OPA 80 extend over a twenty-year time horizon from 2006 to 2026.

2.2.1 Permanent Population Growth Forecast for the Municipality of Meaford and Surrounding Area

The permanent population forecast for the Municipality of Meaford and Grey County is summarized on page 7 (Table 1) of OPA 80. Over the 2006 to 2026 forecast period, the Municipality’s permanent population is forecast to increase from 11,400 to 13,300, an increase of 1,900 persons. Corresponding with the permanent population forecast for the Municipality of Meaford, a total of 1,200 new permanent housing units are forecast over the 2006 to 2026 planning horizon (48 units annually), as set out on page 8 (Table 3) of OPA 80. In accordance with OPA 80, approximately 60% of forecast permanent housing growth for the Municipality of Meaford has been allocated to the Meaford Urban Settlement Area boundary (576 units or 29 units per year). The remaining 40% of housing growth (384 units or 19 units per year) has been allocated to the rural area.

The population and housing figures summarized in OPA 80 were derived from the 2008 OP Background Report. Table 2-1 summarizes the permanent housing and population forecast for the Municipality of Meaford from 2006 to 2031. Figure 2-1 graphically illustrates the annual housing forecast for the Municipality of Meaford in comparison to historical residential building permit activity (new units only) in over the past decade. Historically, the Municipality of Meaford has averaged 67 residential building permits per year from 2001 to 2010 for new dwellings. In accordance with the 2008 OP Background Report, the Municipality’s average rate of permanent housing growth is forecast to steadily decline, averaging approximately 49 units per year from 2011 to 2031.

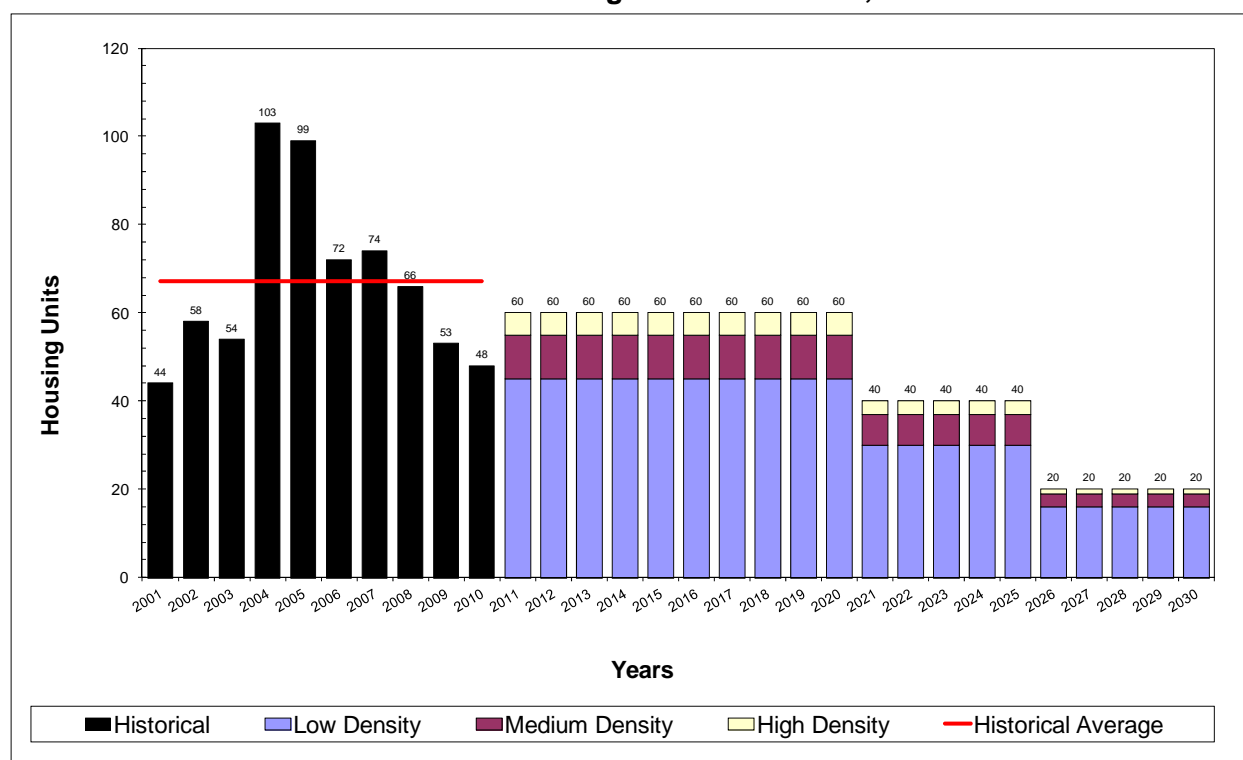
Table 2-1
Municipality of Meaford
Residential Growth Forecast – Grey County Growth Management Strategy

Year	Population (Excluding Census Undercount)	Population (Including Census Undercount) ¹	Housing Units					
			Singles & Semi- Detached	Multiple Dwellings ²	Apartments ³	Other	Total Households	Person Per Unit (PPU)
Mid 1996	10,497	10,920	3,245	190	495	65	3,995	2.63
Mid 2001	10,381	10,800	3,590	130	450	20	4,190	2.48
Mid 2006	10,948	11,390	3,835	205	340	60	4,440	2.47
Mid 2011	11,538	12,000	4,078	266	349	60	4,753	2.43
Mid 2021	12,592	13,100	4,528	366	399	60	5,353	2.35
Mid 2031	12,981	13,500	4,758	416	419	60	5,653	2.30
Mid 2001 - Mid 2006	567	590	245	75	-110	40	250	
Mid 2006 - Mid 2006	0	0	0	0	0	0	0	
Mid 2006 - Mid 2011	590	610	243	61	9	0	313	
Mid 2006 - Mid 2021	1,644	1,710	693	161	59	0	913	
Mid 2006 - Mid 2031	2,033	2,110	923	211	79	0	1,213	

Source: Watson & Associates Economists Ltd., April 2011. Derived from Grey County GMS

1. Census Undercount estimated at approximately 4%. Note: Population Including Census Undercount has been rounded
2. Includes townhomes and apartments in duplex
3. Includes bachelor, 1 bedroom and 2 bedroom+ apartments

Figure 2-1
Municipality of Meaford
Annual Permanent Housing Growth Forecast, 2006-2031



Source: Historical housing activity (2001-2010) based on Statistics Canada building permits, Catalogue 64-001-XIB

1. Growth Forecast represents start year.

In addition to permanent housing growth, the long-term potential for seasonal housing growth is assessed across each of the local municipalities within Grey County. Both the 2008 OP Background Report and OPA 80 identify:

“seasonal growth plays an important part in Grey County’s economy but is difficult to quantify from a projection standpoint as in some cases growth may be as a result of a specific recreational amenity and not something which will be repeated in the future.” OPA 80 p.9.

In attempt to calculate future housing needs associated with seasonal development, OPA 80 assumes that the difference between occupied and unoccupied dwellings is indicative of the proportion of seasonal dwellings in a municipality.¹ For each municipality, forecast seasonal development is extrapolated over the 2006 to 2026 planning horizon, assuming that the ratio between occupied and unoccupied units is held constant. The results of the seasonal housing analysis for Grey County are summarized below by local municipality in Table 2-2.

Table 2-2
Grey County Seasonal Housing Growth Forecast¹

Municipality	Additional Seasonal Dwellings, 2006-2026	Annual Seasonal Dwelling Increase
Chatsworth	56	3
Georgian Bluffs	126	6
Grey Highlands	336	17
Hanover	-	-
Meaford	91	5
Owen Sound	-	-
Southgate	53	3
The Blue Mountains	4,740	237
West Grey	73	4
Total	5,475	274

1. OPA 80 to the Grey County Official Plan, 2009. Table 5, p.10

¹ As determined from the Grey County Growth Management Strategy Growth Allocations and Issues Report. Malone Given Parsons Ltd. in Association with the Centre for Spatial Economics (C₄SE). April 2008.

As identified in OPA 80, one of the key limitations of the seasonal housing forecast for the County of Grey is that it assumes that historical trends regarding recreational development by local municipality will continue over the next 20 years. Another limitation of the seasonal growth forecast approach used in OPA 80 is that the analysis does not consider historical trends in seasonal housing growth over time or anticipated socio-economic or demographic trends which may influence the demand for seasonal housing in the future. The following chapter addresses how regional demographic trends are anticipated to impact the potential for seasonal housing activity in Meaford and the surrounding area over the next 20 years.

It is important to acknowledge that OPA 80 is currently not in force. The in-force Official Plan (OP) was adopted by Grey County Council in 1997, approved by the Ministry of Municipal Affairs and Housing (MMAH) in 1998, and approved by the Ontario Municipal Board (OMB) in 1999 and 2000. The in-force OP guides development in the County to the year 2016 but does not provide specific details regarding forecast population, housing or employment growth.

3. REGIONAL MARKET ASSESSMENT FOR PERMANENT, SEASONAL AND RESORT DEVELOPMENT IN THE MUNICIPALITY OF MEAFORD

3. REGIONAL MARKET ASSESSMENT FOR PERMANENT, SEASONAL AND RESORT DEVELOPMENT IN THE MUNICIPALITY OF MEAFORD

3.1 Introduction

Demographic and socio-economic trends play a critical role in understanding market demand for housing and resort-related development. For example, the age structure, income and education of the population has, and will continue to, strongly influence the rate, type/form (i.e. density-type) and market segmentation (i.e. first time homebuyers, families, empty-nesters and seniors) of future housing construction across Ontario. Ultimately, these demographic and socio-economic trends are expected to be key drivers of future demand for permanent and seasonal resort-related development within the Municipality of Meaford and the surrounding housing market area. These issues are explored in detail below.

3.2 Forecast Population Growth Trends for Ontario, 2011-2031

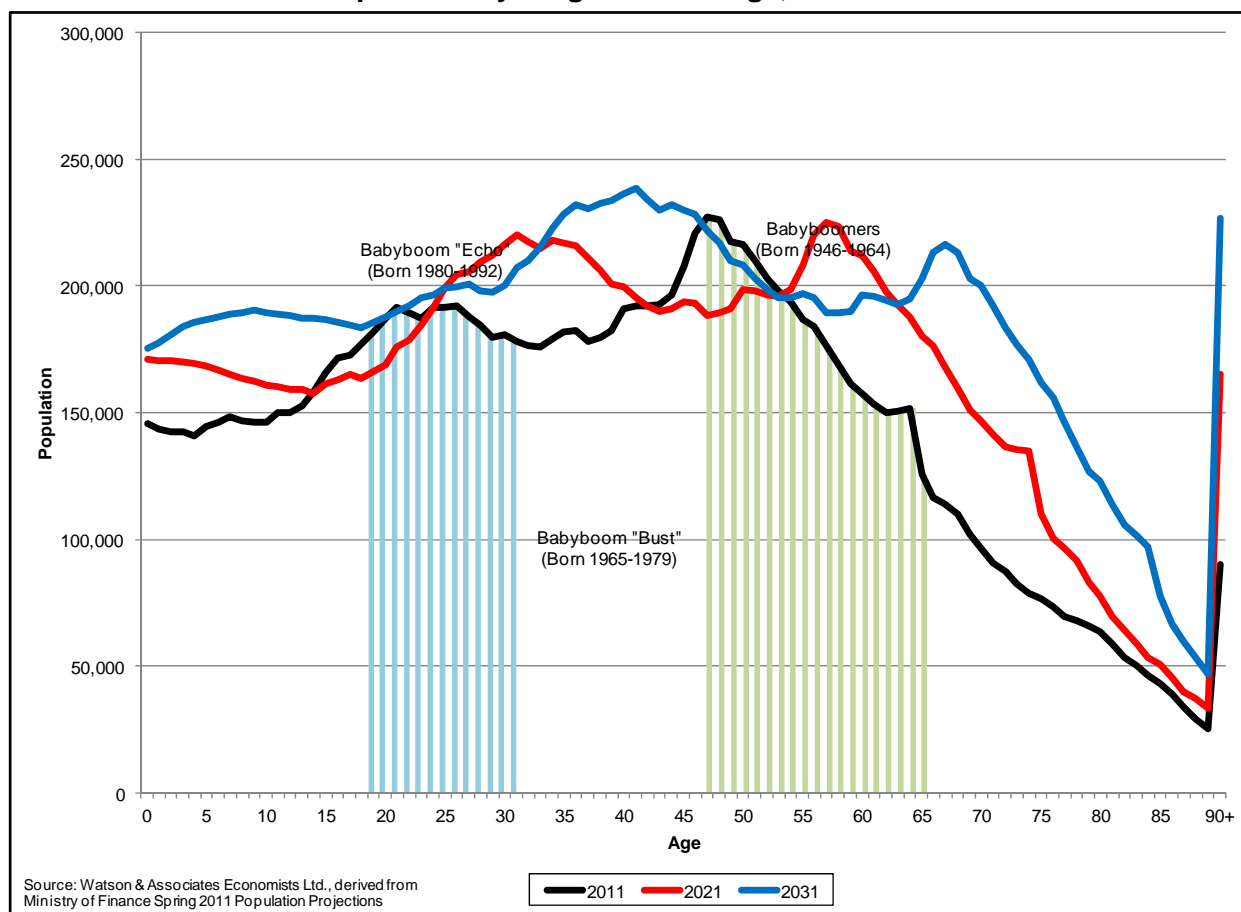
While population growth rates are not homogenous across Ontario, the long-term population growth outlook for the Province as a whole is very positive. Over the 2011 to 2021 period, the Province of Ontario's population is forecast to increase by 3.5 million people (13.5 million to approximately 17.0 million) in accordance with the Ontario Ministry of Finance (MOF).¹ This represents a steady population growth rate of 1.2% annually, or approximately 175,000 people per year. The question of how population growth will ultimately impact market demand for permanent, seasonal and resort development in the Municipality Meaford can largely be answered by exploring forecast population growth by age structure and by geographic area.

Figure 3-1 graphically illustrates the Provincial forecast by single year of age from 2011 to 2031. The graph identifies three distinct demographic groups, including the baby boom "echo" (born 1980 to 1992), the "baby boom bust" (born 1965 to 1979), and the baby boomers (born 1946 to 1964), which are highlighted as of 2011². Given the size and concentration of the baby boom population, this cohort continues to have a major influence on the Province's real estate sector as it ages.

¹ Ministry of Finance Ontario Population Projections Update, Spring 2011.

² Boom, Bust and Echo, Profiting from the Demographic Shift in the 21st Century, Spring 2001.

Figure 3-1
Province of Ontario
Population by Single Year of Age, 2011-2031



As of 2011, the first wave of baby boomers turned 65 years of age and many entered into their retirement years. However, the highest concentration of the baby boom population in Ontario, between the age of 47 and 55, has not yet reached this milestone. Not only is the Ontario baby boom cohort large in terms of population, it is also extremely diverse with respect to age, income, health and mobility and lifestyle/life-stage. Over the next 10 years and beyond it is anticipated that the broad demographic and socio-economic characteristics of the baby boom population will drive two distinct housing markets across Ontario, including:

1. Active Adults/Young Seniors' (55-74 Years of Age)

- Typically empty-nesters and younger seniors (generally within the 55 to 74 age group);
- Higher average disposable income (as compared to population 20-54 years of age and 75+);

- Housing preferences often geared towards adult lifestyle and/or recreation-oriented communities, seasonal housing/resort ownership;
- Housing demand from within this demographic/market group will be generated from both existing and new residents (i.e. in-migration);
- A portion of this demographic group will not “age in place”, but rather will seek housing products and communities which fit with their active lifestyle; and
- The greatest housing impact is anticipated to occur over the short to medium term (i.e. next 1 to 10 years), as the first wave of the “baby boom” population approaches retirement age to 75 years old.

2. Older Seniors/Dependant Retirees (75+ Years of Age)

- Older seniors (i.e. average 75+);
- Generally living on low to moderate fixed-incomes; and
- Many residents will age-in-place, however, a portion will also require assisted living or full-time care (i.e. seniors’ housing).

Future housing demands across Ontario generated by the baby boomers will be significant. On the one hand, there will be a pressing need to accommodate a growing number of seniors’ in housing forms that offer a variety of services ranging from assisted living to full-time care. On the other hand, a growing wave of Ontario residents will be seeking housing opportunities which are geared to active lifestyles and recreation, which may serve as a potential retirement destination over the next 10 years and beyond. This latter market segment plus the population group trailing the baby boomers is the target market group for which the Meaford Highlands Resort is geared towards in the near term (i.e. 40 to 64 year olds). Over the medium to longer-term (5 to 10+ years), the structure of the Ontario population also suggests that a second wave of demand will be generated for resort and recreational development from the “babyboom-echo” generation (born 1980-1992).

In addition to the age structure of the population, the geographic distribution of the population will also play a significant role regarding the future demand for housing and resort-related development in Meaford, including Meaford Highlands Resort, as well as the surrounding market area. This issue is explored below.

3.3 Regional Population Growth and Socio-Economic Trends within the Greater Golden Horseshoe and Southern Ontario

Over the next 20 years, approximately 124,000 persons per year or 68% of Provincial-wide population growth is anticipated to be located within the GGH. Figure 3-2 geographically illustrates the location of the GGH.

Figure 3-2
Greater Golden Horseshoe (GGH)



The diverse and highly competitive Greater Toronto Area + Hamilton (GTAH) and surrounding GGH “Outer Ring” economy has fuelled an impressive level of population and employment growth over the past decade. From 1996 to 2006, the GGH added 1.6 million persons and 637,000 employees to its base and continues to add steady population and employment in light of the recent global economic downturn. In accordance with Schedule 7 of the Provincial Growth Plan (Places to Grow), the GGH is forecast to increase from a 2011 population of 9.09 million to 11.5 million in 2031.¹

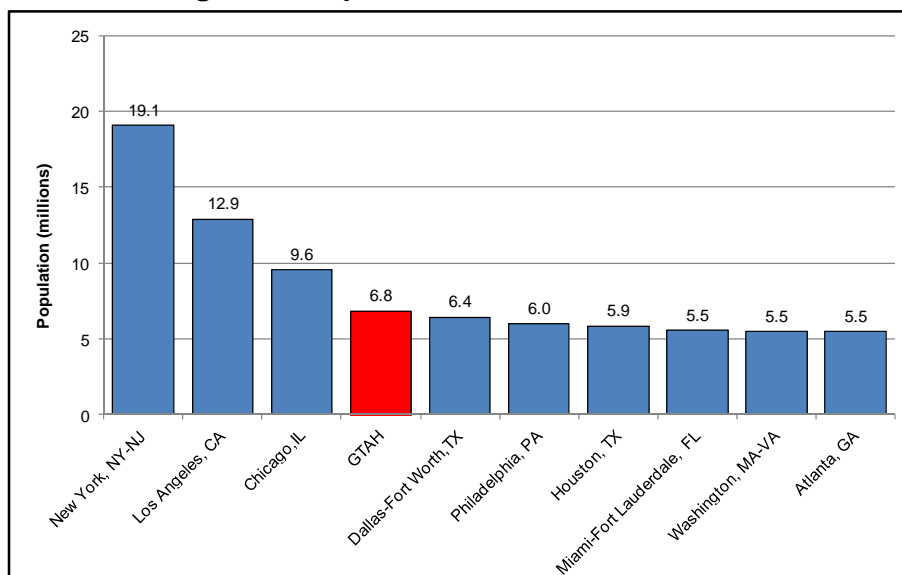
Figures 3-3 and 3-4 summarize the largest and fastest growing City-Regions in North America. Key observations include:

- The Greater Toronto and Hamilton (GTAH), located within the GGH, is the fourth largest City-Region in North America next to New York, Los Angeles and Chicago;
- The GTAH is the fourth largest City-Region in North America with a population of approximately 6.8 million; and

¹ Growth Plan for the Greater Golden Horseshoe (Places to Grow), 2006. Office Consolidation, January 2012

- The GTAH is the only large City-Region in the northeast U.S and Canada which has experienced an average annual population growth rate above 2% over the past 10 years.

Figure 3-3
Largest Metropolitan Areas in North America

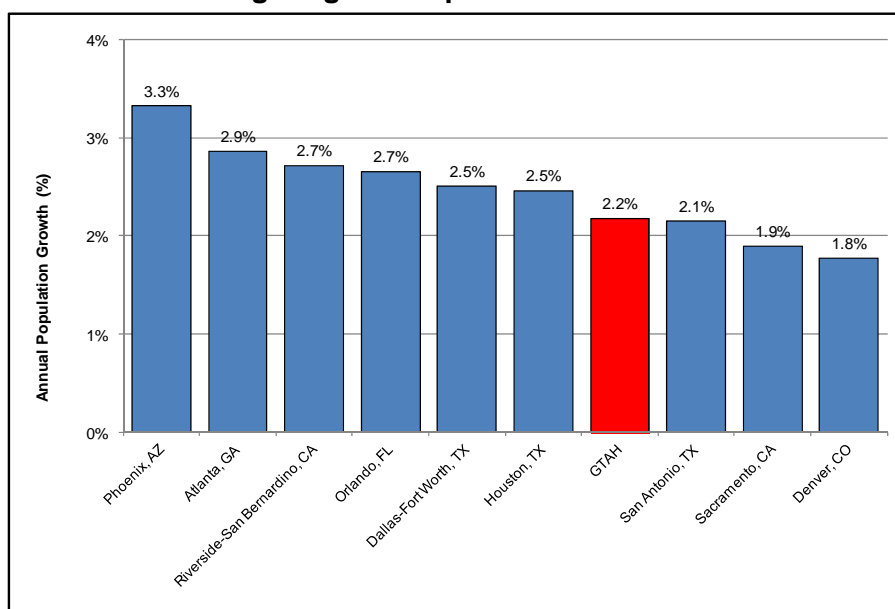


Source: Statistics Canada, US Census Bureau

Note: GTAH reflects Toronto CMA, Hamilton CMA and Oshawa CMA (2010 population)

US data denote 2009 population for Metropolitan Statistical Areas

Figure 3-4
Fastest Growing Large Metropolitan Areas in North America



Source: Statistics Canada, US Census Bureau

Note: Reflects metropolitan areas with population of 2 million and greater

GTAH reflects Toronto CMA, Hamilton CMA and Oshawa CMA (growth based on 2001-2010 period)

US data Metropolitan Statistical Areas (growth based on 2000-2009 period)

As the GGH continues to grow and pressure on land development intensifies, new housing throughout the Central Ontario Region is becoming more intensified. Provincial objectives to significantly increase population density in the GGH, and in turn reduced private green space, is anticipated to place increasing pressures on local park and regional recreational lands (i.e. neighbourhood parks and conservation areas) as well as demand for various forms of seasonal development (i.e. cottages, resorts, and other vacation properties) in Ontario's recreational areas. It should be noted that Grey County, which includes the Municipality of Meaford is not governed by the Provincial Growth Plan (Places to Grow).

Figure 3-5 geographically illustrates the location of the proposed Meaford Highlands Resort and the location of the primary and secondary market areas which are anticipated to drive the demand for permanent and seasonal housing as well as resort development in Meaford and the surrounding market area, which includes Collingwood and the Town of The Blue Mountains. Collectively, the primary market area (North/Central/West GTAH + Kitchener/ Waterloo/Guelph) totals 6.5 million persons as of 2011, approximately 70% of the total GGH population. Over the next 20 years, the total population of the primary market area is forecast to increase by approximately 1.64 million people.

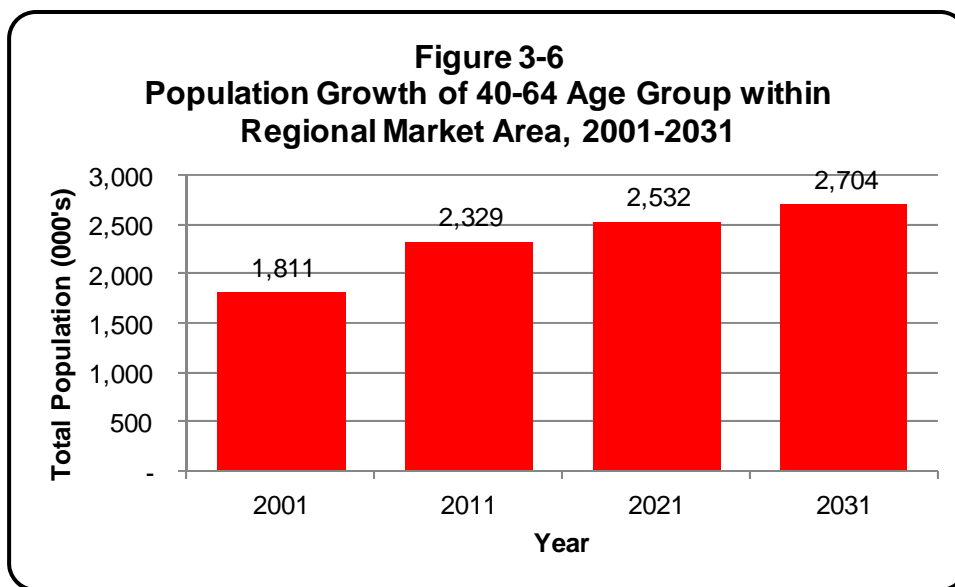
Figure 3-5
Meaford Highlands Project
Regional Market Area – Second Home Market



Source: Watson & Associates Economists Ltd.

The current population within the 40-64 age group within the Province of Ontario is approximately 5.84 million or 35% of the total Provincial population. As summarized in Figure 3-6, within the identified regional market area for Meaford Highlands Resort (Figure 3-5) there are approximately 2.33 million persons between the age of 40 and 64. From 2001 to 2011, the population between the ages of 40 to 64 within the regional market area is forecast to increase by 468,300 persons. This represents approximately 69% of total population growth within the regional market area. Within this area, the 40 to 64 age group is currently growing at double the rate of the total population. Over the 2011-2031 period, the 40 to 64 age group is forecast to grow by an additional 332,400 persons.

The regional market area for Meaford Highlands Resort represents the Province's most concentrated and fastest growing population base in Central Ontario. Typically, the greatest wealth of a population base is concentrated in the 40-64 cohort as individuals within this age group reach their peak income earning potential. As such, the regional market area also accommodates the Province's most affluent people. Collectively, the demographic and socio-economic characteristics of Central Ontario support a strong housing market for Ontario's recreational oriented communities, including the Municipality of Meaford, in the coming years. Further details regarding recent socio-economic trends in Southern Ontario are provided below.



Source: Ministry of Finance, Spring 2011 Projections

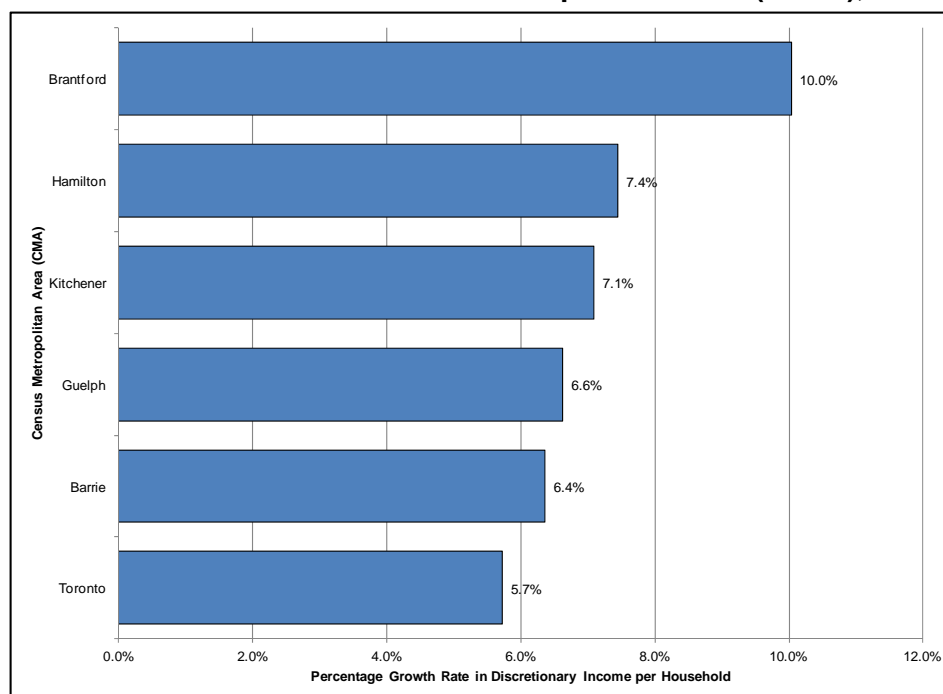
3.4 Socio-Economic Trends in the Greater Golden Horseshoe

Socio-economic trends within the GGH also play an important role in understanding market trends related to permanent and seasonal resort-related development in the Municipality of Meaford and surrounding market area.

As of 2006, average family income within the GGH market ranged from a low of \$92,600 in Brantford to a high of \$117,600 in Toronto.¹ In comparison, the average family income for the Province as a whole in 2006 was \$97,700. Over the 2001 to 2006 period, family income levels increased by an average annual growth rate of approximately 1%. Average family income was approximately 16% to 19% higher for the persons within the 45-64 age group when compared to total family income, which suggests that persons within this age group typically have a higher level of discretionary income when compared to the younger families.²

Figure 3-6 summarizes the average annual growth rate of discretionary income per household across select Census Metropolitan Areas (CMAs) within the GGH over the 2006 to 2011 period. During this time period, discretionary income increased at an average annual growth rate between 6% and 10%, which is well above the average growth rate of family income.

Figure 3-6
Annual Growth in Discretionary Income per
Household for Select Ontario Census Metropolitan Areas (CMAs), 2006-2011



¹ Statistics Canada family income by Census Metropolitan Area (CMA), 2006.

² Discretionary income per household is defined as income that is left after federal and provincial taxes, statutory deductions, and necessities (food, housing, transportation, apparel and health care expenditures) have been met.

While household income and recent growth in discretionary income has been relatively strong for the 45-64 age group, it is important to recognize that a large portion of the target population within the regional market area identified for Meaford Highlands Resort fall below that averages summarized above. Accordingly, for a large segment of the current and future target population in Central Ontario, home ownership in a recreational-oriented community in Ontario is not obtainable based on Provincial housing affordability guidelines. In contrast to many other resort communities in Ontario, Meaford Highlands Resort will provide an opportunity for prospective homebuyers to consider home ownership in a resort community, which would otherwise be restricted by affordability.

3.5 Impact on Regional Demographics and Socio-Economics on Housing Demand by Type

In 2011, as the oldest baby boomer population turns 65, they are healthier, more affluent and more active than any previous generation within this age group. As previously illustrated in Figure 3-1, this segment represents the front wave of much larger concentration of adults between the age of 40 to 64. Collectively, this demographic group is seeking a different lifestyle and ultimately different retirement plan than their parents. In response to this demand, a growing number of housing products are being offered to accommodate families both in traditional second homes and resort markets, as well as empty-nesters and retirees who are choosing to permanently reside in recreation-oriented communities.

For the Municipality of Meaford and the surrounding market area, the majority of prospective home buyers within the regional market area are seeking single-detached housing forms or other “ground-oriented” options such as semi-detached, townhome units and villas subject to affordability. The following chapter provides a detailed discussion regarding the range of existing housing products currently on the market within the Municipality of Meaford and surrounding market area by number of units, absorption trends, housing type and price ranges.

For Meaford Highlands Resort, housing options must incorporate design options and development strategies which cater to the needs of the target demographic groups identified. Housing demand will largely be driven by families who envision Meaford Highlands Resort as a community which serves as the “headquarters” for holidays and family gatherings. Accordingly, while most potential buyers are typically looking for somewhat smaller homes and more manageable properties when compared to their existing permanent residence, housing size and design considerations should allow ample room for leisure, entertaining, comfort, quality and convenience. Furthermore, access to a wide variety of resort related facilities, amenities and activities is also critical which supports the residential component.

3.6 Work at Home Employment Growth Potential in Meaford

With advances in telecommunications technology and increased opportunities related to telecommuting, work at home employment is forecast to steadily increase in Ontario. Furthermore, as the economy continues to shift from a traditional goods producing economy to a service sector economy, the nature of new jobs are increasingly catered towards work at home employment. An increasing number of working adults as well as retirees/semi-retirees will be able to capitalize on this moving forward, which is anticipated to drive the demand for both permanent and second homes that are located outside of major urban centres.

3.7 Forecast Permanent and Seasonal Housing Growth Potential for the Municipality of Meaford and Surrounding Market Area

Our review of the 2001, 2006 and 2011 Census data indicates that the number of households constructed annually within the Town of The Blue Mountains and the Town of Collingwood nearly doubled between 2006 and 2011 compared to the previous five year period from 206 to 396 total housing units per year. A major contributor to the increase in recent housing construction in this area was the demand for seasonal housing. Of the total 396 annual housing units which were constructed during the past five years in the Town of The Blue Mountains and the Town of Collingwood, approximately 53% were occupied on a seasonal basis as of 2011 (refer to section 4.1.2).

Over the next 10 years and beyond, market demand for recreational and resort development is forecast to be strong for many communities across the County of Grey which offer waterfront access, water views and/or access to recreational amenities. Given the proximity and views of the Municipality of Meaford to the southern Georgian Bay waterfront and its access to recreational amenities such as golf, hiking, boating, skiing, etc., future demand for recreational housing is forecast to be strong for the Municipality of Meaford. Meaford's success in attracting prospective home buyers will largely depend on the supply and range of housing opportunities made available at prices which are competitive with the surrounding market area.

As previously identified in Chapter 2, OPA 80 identifies that seasonal growth plays an important part in the County of Grey's economy but is difficult to quantify. In the past, the Municipality of Meaford has not experienced any large-scale resort development which would establish a precedent for forecasting such development in the future. As identified in OPA 80, the seasonal housing forecast for the Municipality of Meaford has been based on an extrapolation of the current seasonal housing base. Given the wave of future population growth between the age of 40 and 64 anticipated across Central Ontario over the next 10 years and beyond, a more comprehensive approach is required to address the full potential for future seasonal housing

demand in recreation-oriented communities across Ontario, including the Municipality of Meaford.

In accordance with the demographic analysis provided above, a significantly higher seasonal population forecast is anticipated for the Municipality of Meaford over the next 20 years than what has been contemplated in the 2008 OP Background Report and OPA 80. As summarized in Table 3-1, it is anticipated that the Municipality of Meaford could average between 35 and 60 seasonal housing units per year if supply was sufficiently provided in the near future. This represents approximately 11 to 18% of the total annual seasonal housing demand forecast for the County of Grey.¹ As summarized below, a large portion of the rural and seasonal housing allocation for the Municipality of Meaford will be directed to the Meaford Highlands Resort.

Table 3-1
Meaford Highlands Resort
Permanent and Seasonal Unit Growth for the
Municipality of Meaford and Meaford Highlands Resort

Total Permanent Residential Unit Growth¹		
Municipality of Meaford, 2006-2026	960	units
Settlement Area Target (Units)	576	(60%)
Number of Non-Settlement Area Units (Rural)	384	(40%)
Annual Number of Non-Settlement Units, 2006-2026	19	units/yr
Assume 75% of rural units are allocated to Meaford Highlands Resort	14	units/yr
Proposed Seasonal Forecast		
Proposed Seasonal Forecast, 2006-2026 ²	700 - 1,200	units
Annual Seasonal Housing Forecast, Town of Meaford	35 - 60	units/yr

1. As per Amendment No. 80 to the County of Grey Official Plan. 5-Year Review, 2009.

2. Estimated by Watson & Associates Economists Ltd. Note: the 2001 to 2006 increase in seasonal households for the Municipality of Meaford is estimated at 64 units or approximately 13 units/year.

3.8 Conclusions

The future demographic and socio-economic trends within the GGH are anticipated to have a significant influence on the demand for both permanent and seasonal resort-related development within the Municipality of Meaford. At the present time, there are no comparable resorts or resort concepts within the Municipality of Meaford or surrounding market area which offer a healthy lifestyle community dedicated to wellness. Furthermore, there is no comparable existing resort development within the surrounding area which can offer what is being planned at Meaford Highlands Resort at a comparable price point.

¹ Subject to any other refinements to the County of Grey seasonal housing forecast.

As identified above, the Municipality of Meaford is located within a one to three hour drive of one of the largest and fastest growing City-Regions in North America, typically referred to by the Province as the GGH. The population of the GGH is highly concentrated within the 40-64 age group. Given the relatively strong household income levels and high levels of discretionary income, a growing percentage of this age group is, and will continue to, look to recreational-based communities within Ontario as a location for a second-home or resort destination. Over time, a growing number of GGH residents will choose to make their second home their permanent place of residence upon retirement or semi-retirement. This trend has recently been experienced within the surrounding market area of Meaford within the Georgian Triangle, including Collingwood, The Blue Mountains and Wasaga Beach, and many other second home market areas within Ontario “cottage country.”

Over the past 30+ years, second home ownership has steadily grown in recreation-oriented designations across Ontario. A recent trend to the recreational home market is the rate at which traditional “cottages” are now being converted to accommodate residents on a permanent basis. This housing trend is largely being driven by the “baby boom” population who are considering a variety of future recreation-oriented housing choices as they approach their retirement years subject to health, income and wealth and other lifestyle factors.

The housing and lifestyle preferences of the baby boom population are a sharp contrast to previous generations, which historically have “aged in place” within their existing homes for as long as they were able to care for themselves. This has traditionally been the common trend experienced across Ontario regarding home owners born prior to the baby boom (i.e. 1946).

On average, baby boomers are living longer, retiring (or semi-retiring) earlier and have greater discretionary incomes compare to their parents. However, the most significant attribute of baby boomers is the sheer numbers people within this demographic group when compared to any other age group within the Ontario population. Accordingly, the magnitude of persons within the baby boom cohort has, and continues to have a major influence on the real estate market at every life stage. Looking forward over the next 10 years and beyond, the baby boom population will continue to be a key driver of both the permanent and second home housing market for recreational oriented communities across Ontario, which includes Meaford Highlands Resort. Over the longer term, the strength of the recreational housing market is anticipated to remain strong fuelled by demand from the “echo-babyboomers” (i.e. children of babyboomers).

4. MARKET ASSESSMENT OF LOCAL AND SURROUNDING MARKET AREA

4. MARKET ASSESSMENT OF LOCAL AND SURROUNDING MARKET AREA

This Chapter provides a market assessment for permanent and seasonal development within the Municipality of Meaford, the Town of The Blue Mountains and the Town of Collingwood. Subject to available data sources, the geographic area extends across a broader regional market area. Additional analysis regarding the existing demographic, economic and socio-economic conditions for the Municipality of Meaford and surrounding market area is provided in Appendix B and C.

4.1 Trends in Residential Development Activity

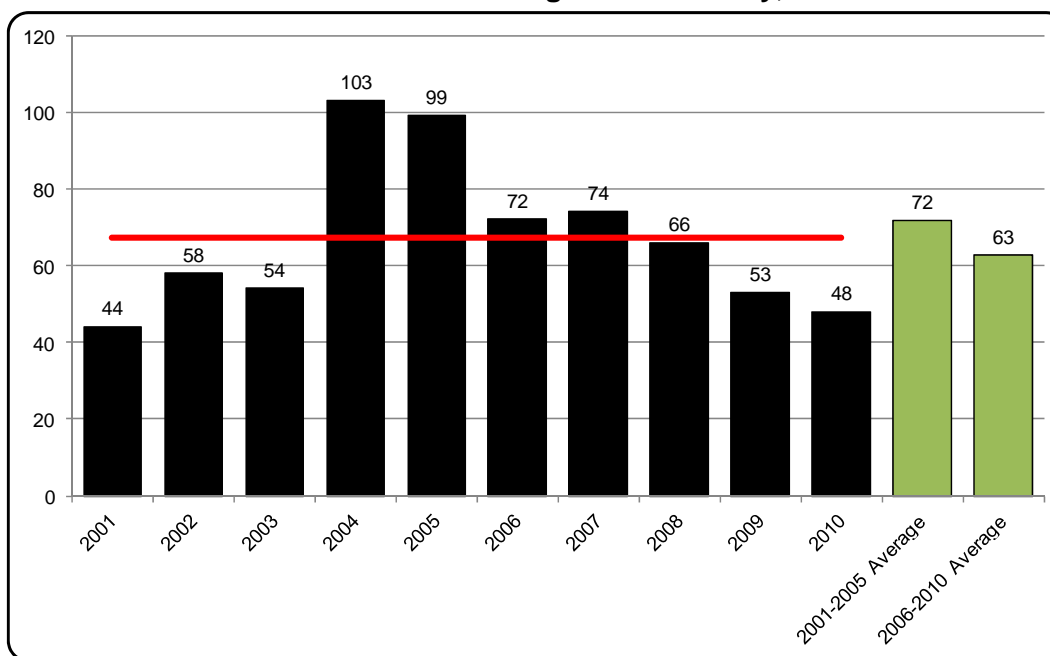
4.1.1 Historical Residential Building Permit Data for the Municipality of Meaford and Surrounding Area

Figures 4-1 through 4-3 summarize historical residential building permit activity (new units only) for the Municipality of Meaford, Town of The Blue Mountains and the Town of Collingwood over the past decade. Key observations include:

- During this time period, residential building permit activity for the Municipality of Meaford averaged approximately 67 units per year. Over the past five years, residential development activity in Meaford has fallen slightly below this average, but appears to be stabilizing;
- Post 2007, residential building permit activity for the Town of The Blue Mountains has tapered off (most notably in the high-density category), while recent residential construction for the Town of Collingwood has remained at or above historic levels;
- For both the Municipality of Meaford and the surrounding market area, residential building permit activity has been dominated by “ground-oriented” housing forms including single/ semi-detached and townhome units.

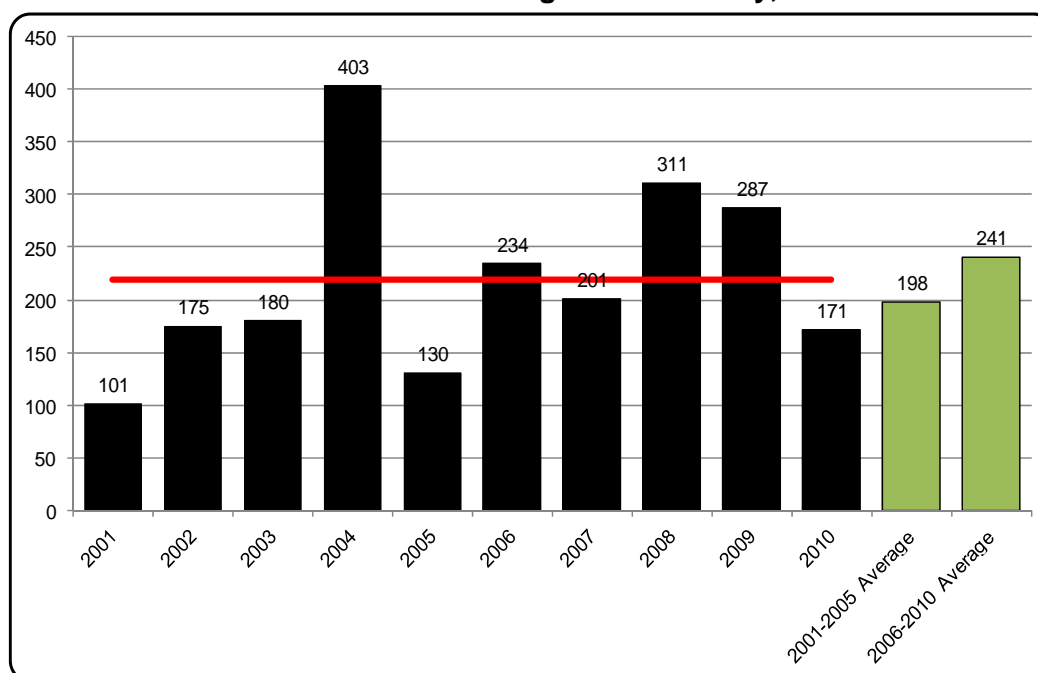
Notwithstanding the recent economic downturn of 2008, residential building permit activity during the 2006 to 2010 period for the combined area above was marginally above the previous five-year period. The results of the 2011 Census suggest that seasonal housing has been a key driver of recent housing construction for this area.

Figure 4-1
Municipality of Meaford
Historical Residential Building Permit Activity, 2001-2010



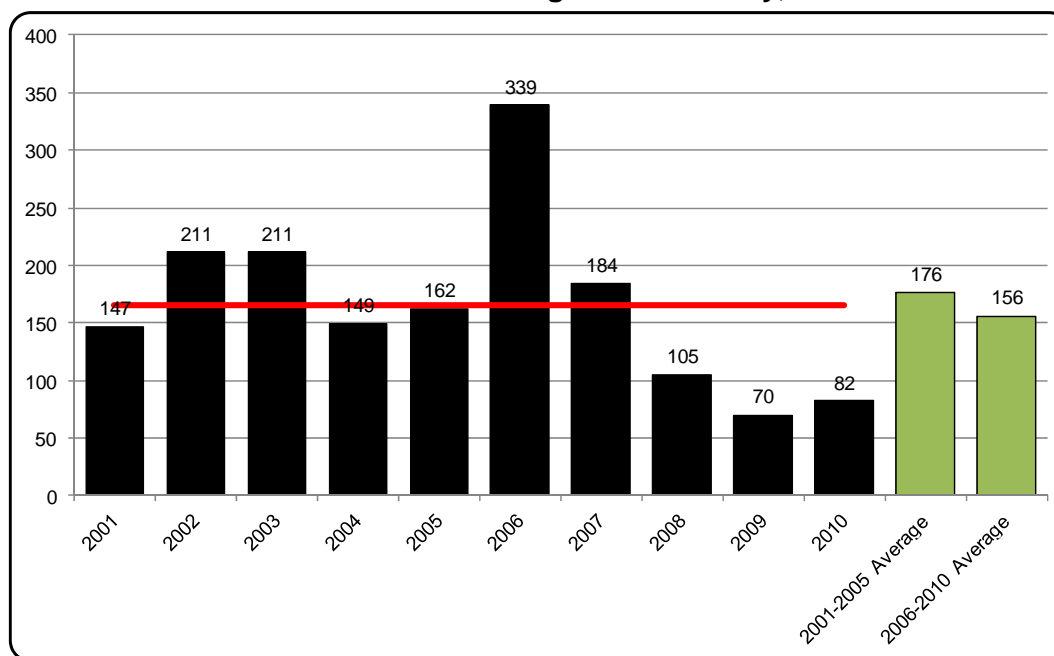
Source: Statistics Canada Building Permits, Catalogue No. 64-001-XIB.

Figure 4-2
Town of Collingwood
Historical Residential Building Permit Activity, 2001-2010



Source: Statistics Canada Building Permits, Catalogue No. 64-001-XIB.

Figure 4-3
Town of The Blue Mountains
Historical Residential Building Permit Activity, 2001-2010

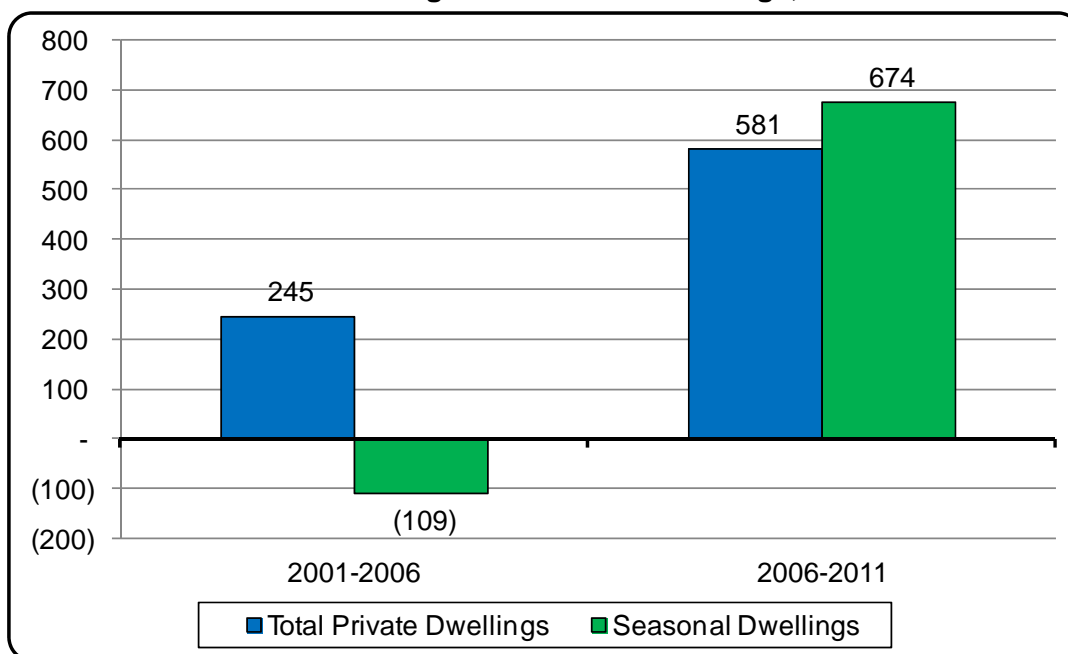


Source: Statistics Canada Building Permits, Catalogue No. 64-001-XIB.

4.1.2 Housing Growth, 2001 to 2011

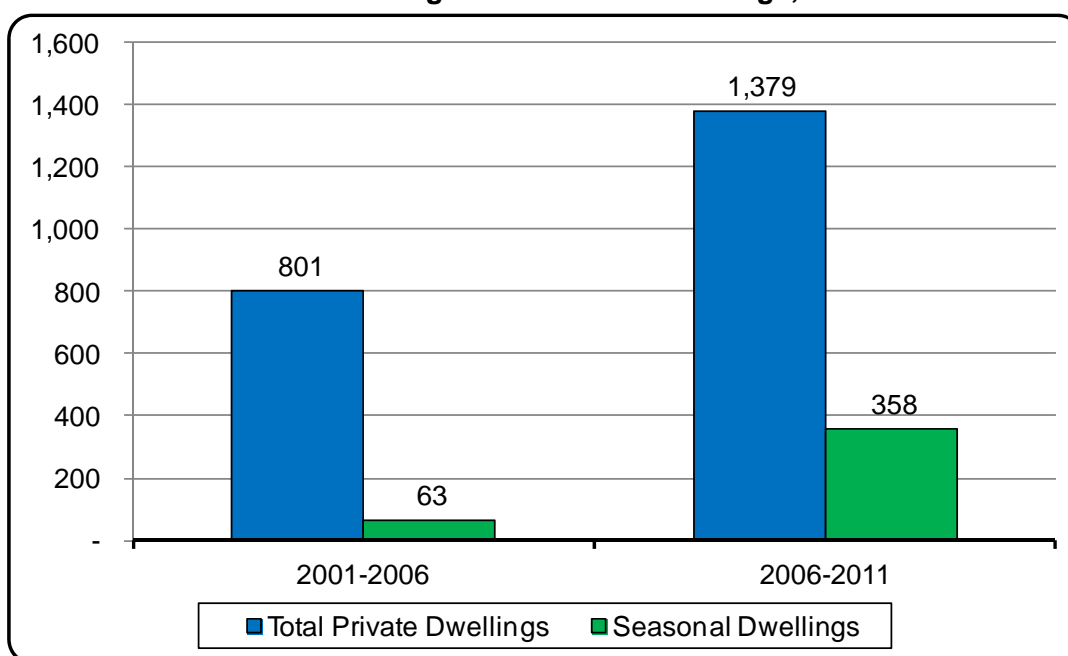
Figures 4-4 through 4-6 summarize recent trends in total private (i.e. permanent) dwellings vs. seasonal dwellings for the Town of The Blue Mountains, the Town of Collingwood and the Municipality of Meaford based on 2011 Census data. The results of the recent 2011 Census indicates that housing construction for Collingwood and The Blue Mountains during the 2006 to 2011 period significantly outpaced the previous five-year period. For both of these municipalities, seasonal housing was a key driver of the increase in total private households over the past five years.

Figure 4-4
Town of The Blue Mountains
Total Private Dwellings vs. Seasonal Dwellings, 2001-2011



Source: 2001 to 2011 Statistics Canada Census

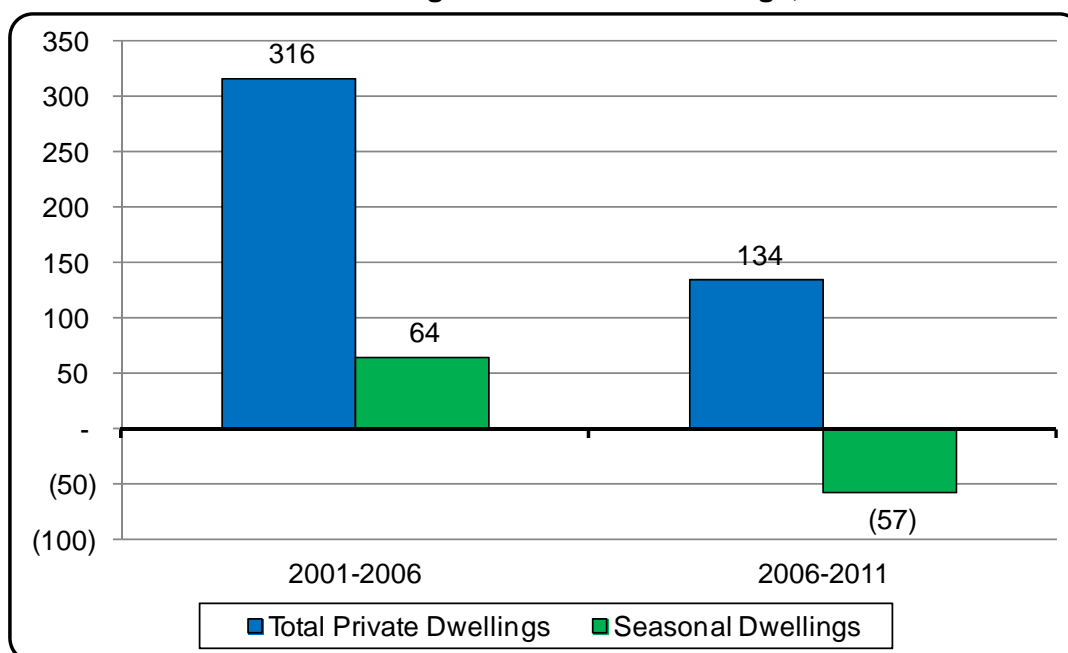
Figure 4-5
Town of Collingwood
Total Private Dwellings vs. Seasonal Dwellings, 2001-2011



Source: 2001 to 2011 Statistics Canada Census

For the Municipality of Meaford, new housing construction slowed during the past five years in comparison to the 2001 to 2006 Census in accordance with the 2011 Census. During the past five years, the number of seasonal housing units declined by 57 units, which suggests that a number of existing seasonal residents within Meaford were “converted” to a permanent residence. Our review of current housing supply opportunities within the Municipality suggests that the recent decline in both permanent and seasonal housing activity is a factor of constrained supply rather than reduced demand.

Figure 4-6
Municipality of Meaford
Total Private Dwellings vs. Seasonal Dwellings, 2001-2011



Source: 2001 to 2011 Statistics Canada Census

4.1.3 Active Residential Developments

Table 4-1 provides a review of active residential developments within the Municipality of Meaford and surrounding market area over the past five years. Figure 4-7 summarizes recent sales activity by geographic location within the market area. Additional details regarding active development are also provided in Appendix B. Key observations include:

Table 4-1
Active Residential Developments, 2006-2011
Meaford & Surrounding Market Area

Municipality of Meaford	Proposed Number of Units in Active Residential Development Projects			Total Sales			Annual Sales			% Sold		
	Urban	Rural	Total	Urban	Rural	Total	Urban	Rural	Total	Urban	Rural	Total
Low-Density ¹	83	24	107	15	14	29	8	14	22	18%	58%	27%
Medium-Density ²	58	0	58	50	0	50	10	0	10	86%	N/A	86%
Total	141	24	165	65	14	79	18	14	32	46%	58%	48%

Town of The Blue Mountains	Proposed Number of Units in Active Residential Development Projects					Total Sales					Annual Sales					% Sold				
	Craigleith	Thornbury	Camperdown	Lora Bay	Total	Craigleith	Thornbury	Camperdown	Lora Bay	Total	Craigleith	Thornbury	Camperdown	Lora Bay	Total	Craigleith	Thornbury	Camperdown	Lora Bay	Total
Low-Density ¹	19	0	182	96	297	7	0	34	22	63	7	0	16	15	37	37%	N/A	19%	23%	21%
Medium-Density ²	39	122	0	0	161	32	29	0	0	61	10	7	0	0	17	82%	24%	N/A	N/A	38%
Total	58	122	182	96	458	39	29	34	22	124	17	7	16	15	54	67%	24%	19%	23%	27%

Town of Collingwood	Proposed Number of Units in Active Residential Development Projects				Total Sales				Annual Sales				% Sold			
	Central	East	West	Total	Central	East	West	Total	Central	East	West	Total	Central	East	West	Total
Low-Density ¹	0	68	815	883	0	51	454	505	0	13	164	176	N/A	75%	56%	57%
Medium-Density ²	0	0	537	537	0	0	188	188	0	0	75	75	N/A	N/A	35%	35%
Total	0	68	1,352	1,420	0	51	642	693	0	13	238	251	N/A	75%	47%	49%

Source: N. Barry Lyon Consultants, 2011

1. Includes bungalow w/loft, serviced lots, building lots.
2. Includes bungatowns, townhomes, apartments

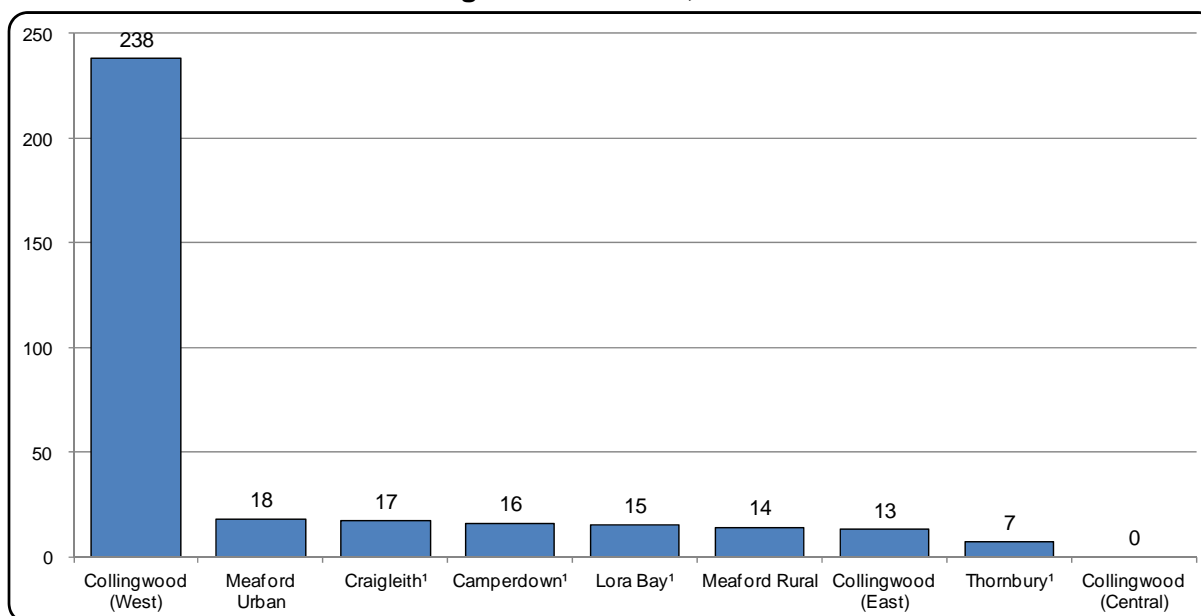
Municipality of Meaford

- A total of 165 lots have been released on the market in the Municipality of Meaford since 2006, of which 85% are located within the urban settlement area boundary, while the remaining 15% of housing units constructed are located in the rural area;
- Ground-oriented housing, in the form of bungalows with lofts and “bungatowns,” are the primary housing form currently being offered within the Municipality of Meaford; and
- Since 2006 approximately 48% of the residential lots/units put on the market in Meaford have sold, averaging approximately 32 sales per year. Sales for medium-density housing forms (i.e. “bungatowns”) have been relatively strong with over 86% of available units/lots sold within the past five years.

Town of The Blue Mountains

- Prior to the 2006 period, the Town of The Blue Mountains experienced strong sales in residential sales activity largely associated with development located within the Village at Blue owned by Intrawest ULC. When Intrawest opened in 2000, sales peaked at 120 to 150 units a year for the first three years. Development then slowed until 2007 when Mosaic 2 (a condo-hotel) was launched. During the Winter of 2007, Mosaic 2 sold about 65% of the 80 unit project, but has since stalled at that point. Since the Fall of 2007, there has been no new development within the Village at Blue.
- Since 2006, residential development activity within the Town of The Blue Mountains has been steady but off its highs from the early part of the last decade averaging approximately 54 sales per year between 2006 to 2011.

Figure 4-7
Meaford Highlands Resort
Average Annual Sales, 2006-2011



Source: N. Barry Lyon Consultants Ltd., 2011

1. Located in the Town of The Blue Mountains

- New development projects outside the Village at Blue, such as Lora Bay, located just west of Thornbury, have helped to add to sales activity over the past several years. The development plan for Lora Bay is planned to accommodate up to approximately 750 housing units at full build out. The first phase of development at Lora Bay started in 2005. To date, approximately 150 of the planned residential units within Lora Bay are developed and occupied within three separate plans of subdivision. This does not include lots which have been sold or are under construction, which is estimated at approximately 65. The total number of lots (both occupied and vacant) within registered plans at Lora Bay totals 233.
- Peak years for Lora Bay, in terms of sales, were approximately 83 units per year during the initial opening of the community in 2005. Absorption has slowed since this time. Over the past three years Lora Bay has averaged approximately 15 sales per year.
- Housing prices at Lora bay currently start at \$340,000 for a 1,200 sq.ft. bungalow. Larger bungalow's up to (2,900 sq.ft.) start at approximately \$700,000.¹
- Outside of Lora Bay, Thornbury has averaged approximately 7 units per year over the past five years.
- Another example of recreation-oriented housing in the regional market area is the Georgian Bay Club. This residential development, located off Grey County Rd. and 7th

¹ Note: prices are in 2010 dollars.

Line near Camperdown, represents one of the showcase golf course developments within the Town of The Blue Mountains. The development includes an 86 acre upscale housing development consisting of 41 detached homes and 50 fairway villas intermixed within the Georgian Bay Golf Club. At present, approximately 20 homes are built ranging between 4,000 and 10,000 sq.ft. All of the lots for the detached homes are built or are currently sold. The remaining unbuilt lots are expected to be developed within the next 4 years. Starting prices for detached homes are well over \$1 million.

- Construction of the fairway villas at the Georgian Bay Club is expected to start in the Spring of 2012. Prices are expected to range between \$750,000 and \$1.5 million.
- Over all, the Craigleith and Camperdown area have averaged approximately 17 and 16 sales per year between 2006 and 2011, respectively, of which approximately 30% have been for medium-density units.

The Town of Collingwood

- The Town of Collingwood has averaged approximately 251 sales per year over the past five years. Of this total, approximately 95% of housing sales in active plans of subdivision have been concentrated in West Collingwood.
- Of the total recent housing sales for the Town of Collingwood, approximately 27% have been for medium-density units including “bungatowns,” townhomes and apartments.

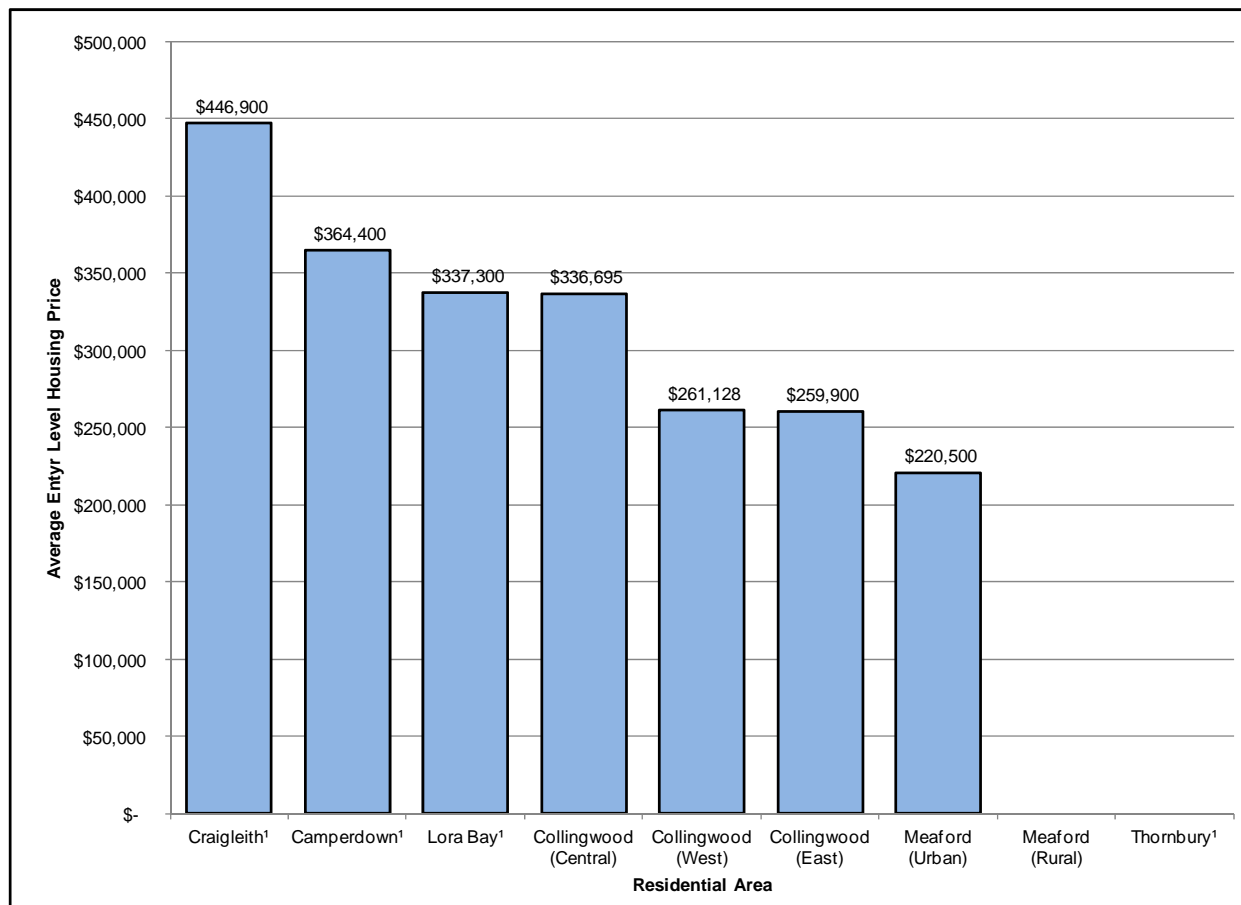
4.2 Housing Prices

This next section explores average housing prices for active residential developments within the Municipality of Meaford and surrounding area. Average housing prices are then assessed against local housing affordability in accordance with average household income within the Municipality of Meaford and surrounding area.

4.2.1 Housing Prices Associated with Recent Active Development Projects within the Municipality of Meaford and Surrounding Area

Figures 4-8 and 4-9 summarize average starting housing prices for active residential developments within the Municipality of Meaford and surrounding market area. A more detailed inventory is provided in Appendix C. For low density housing, average starting sale prices range from a high of \$446,900 in Craigleith to a low of \$220,500 in the Meaford urban area. For medium density housing forms, starting prices range from a high of \$507,450 in Thornbury to a low of \$199,000 in the Meaford urban area. While there is a healthy supply of housing products available within the surrounding market area which cater to the second home market, there are limited new opportunities below the \$250,000 range for either low-density or medium-density units.

Figure 4-8
Meaford Highlands Resort
Average Entry Level Housing Prices for
Active Residential Developments, Low Density

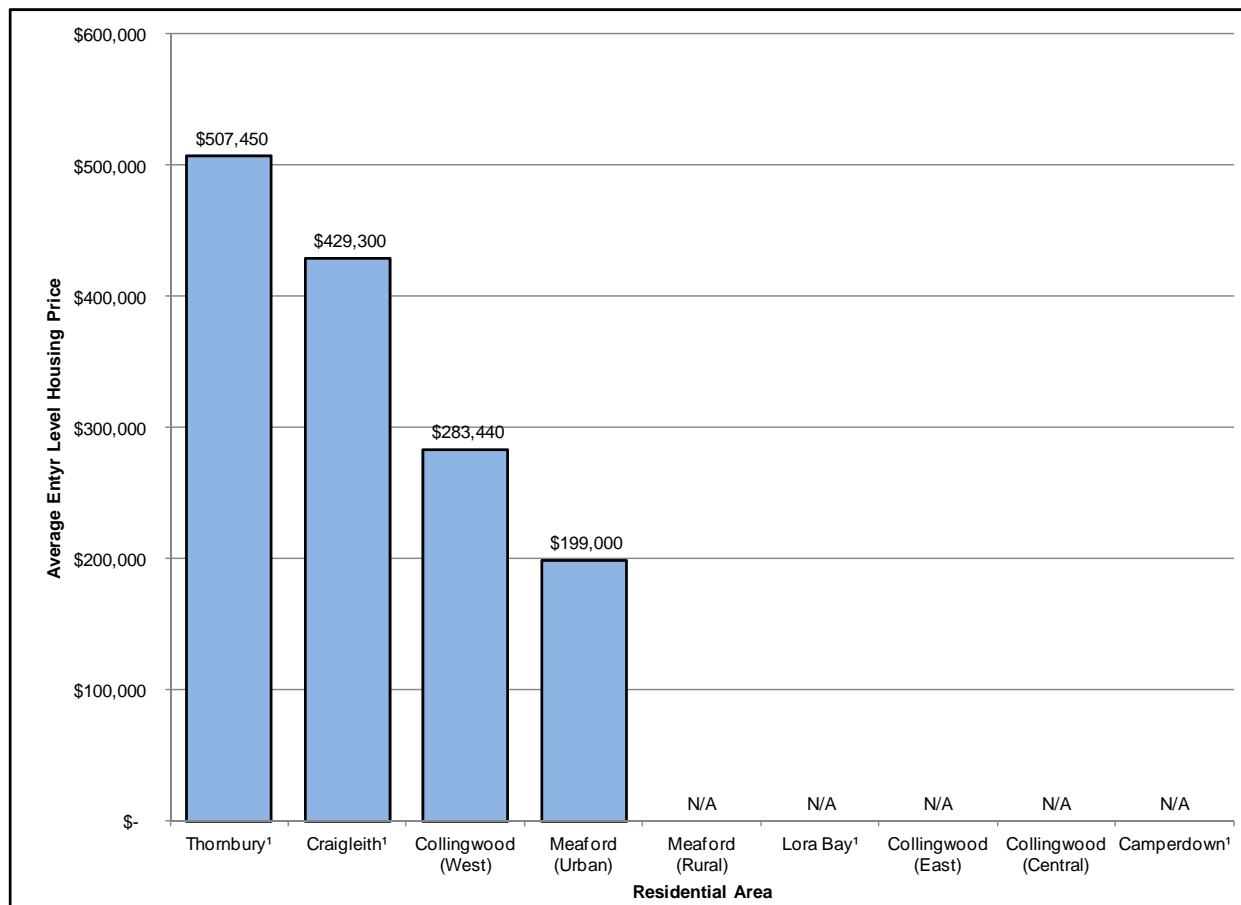


Source: N. Barry Lyon Consultants

1. Located in the Town of The Blue Mountains

Note: Meaford (Rural) and Thornbury had insufficient data for Low-Density entry level housing prices

Figure 4-9
Meaford Highlands Resort
Average Entry Level Housing Prices for
Active Residential Developments, Medium Density



Source: N. Barry Lyon Consultants

1. Located in the Town of The Blue Mountains

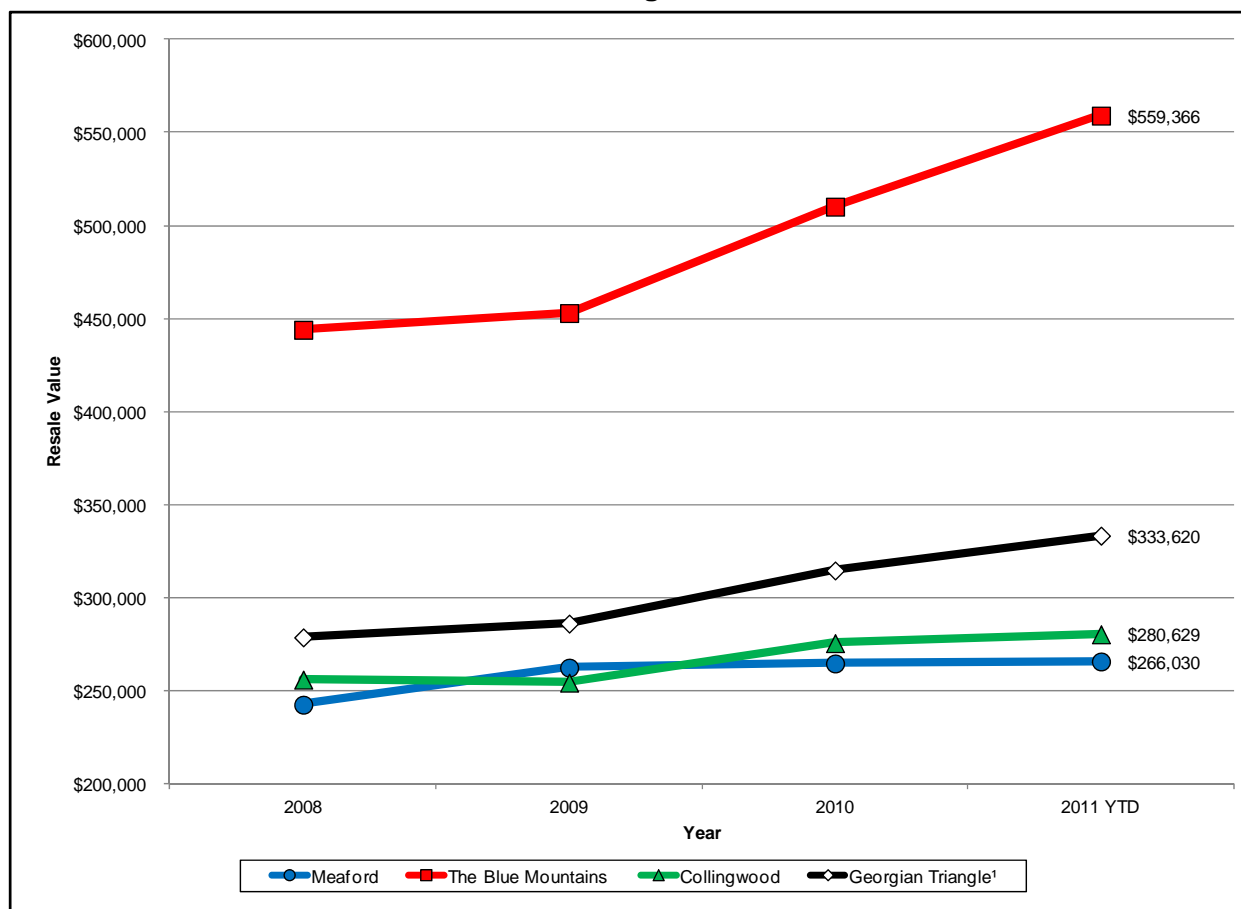
Note: Meaford (Rural), Lora Bay, Collingwood (East & Central) and Camperdown had insufficient data for Medium-Density entry level housing prices

4.2.2 Housing Prices Associated with Resale Housing within the Municipality of Meaford and the Surrounding Area

Figure 4-10 summarizes recent trends in resale housing prices for the Municipality of Meaford and the surrounding market area from 2008 to 2011 year to date. During this time period average resale housing prices have increased modestly in the Municipality of Meaford from \$242,800 in 2008 to \$266,000 in 2011. Resale housing prices have also increased slightly in Collingwood from \$256,300 in 2008 to \$333,600 in 2011. On the other hand, average prices for resale housing have increased more significantly in the Town of The Blue Mountains from \$444,300 in 2008 to \$559,400 in 2011. Overall, resale housing prices for the Georgian Triangle, which includes Meaford, The Blue Mountains, Collingwood, Clearview, Wasaga Beach and

Grey Highlands, have increased at a faster rate than the Municipality of Meaford. As a result, the gap in the average housing price of a home in Meaford in comparison to the surrounding area has widened.

Figure 4-10
Meaford Highlands Resort
Resale Residential Housing Prices, 2008-2011 YTD



1. The Georgian Triangle consists of Meaford, The Blue Mountains, Collingwood, Clearview, Wasaga Beach & Grey Highlands

4.2.3 Household Income

Table 4-2 summarizes average household income growth for the Municipality of Meaford and surrounding municipalities of the Town of Collingwood and Town of The Blue Mountains as of 2011. Comparably, 2011 household income levels in Meaford are well below average levels in the Town of The Blue Mountains and the Town of Collingwood as well as the regional market area.

Table 4-2
Summary of Household Income for
The Municipality of Meaford and Surrounding Market Area

Municipality	2011 Household Income
Municipality of Meaford	\$68,500
Town of Collingwood	\$80,800
Town of The Blue Mountains	\$90,700

Source: FP Markets, 2011

4.2.4 Housing Affordability

As previously mentioned in Chapter 2, housing affordability is often measured through the shelter cost-to-income ratio. A ratio of 30% is commonly accepted as the upper limit for affordable housing.¹ Households spending more than 30% on housing are generally considered in need of more affordable housing alternatives.

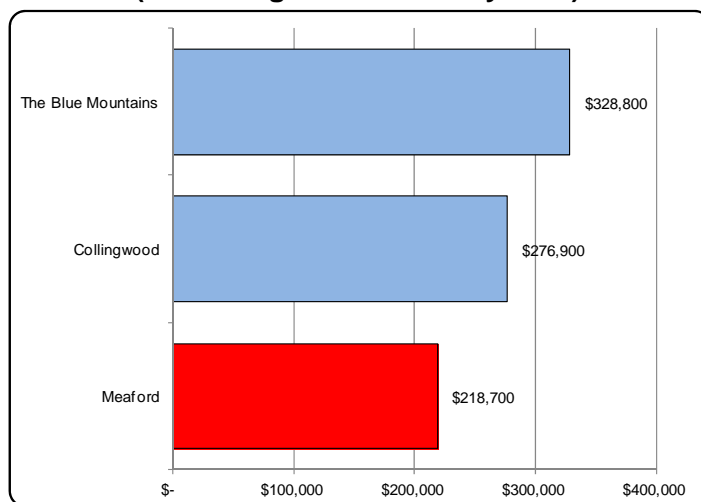
The potential amount residents within the local and regional market area are able to spend on housing is dependent on a number of assumptions related to household income, down payment, mortgage rates, property tax rates, condo fees and other utility and housing expenses. Housing income and affordability also varies considerably by age of the prospective buyer. As discussed in Chapter 3, a large demographic group for Meaford Highlands Resort consists of adults and empty-nesters/seniors between the ages of 40 and 64. As previously identified in Chapter 3, prospective buyers within this age group typically have a higher average household income, greater housing equity and higher discretionary income than the average working age population. For these reasons, the amount these individuals have to spend on a permanent or second home may significantly exceed average affordability levels on the total adult population. Also, in many cases, the average down payment for individuals within the 40-64 age group may be considerable, which would significantly increase the amount residents are able to afford. For the purpose of this analysis, housing affordability has been based on an average down payment of 25%. Appendix C also provides additional details regarding the assumptions and findings of this affordability analysis.

Using the household income data provided in Table 4-2, Figures 4-11 and 4-12 summarize the average amount local residents within the Municipality of Meaford, the Town of The Blue Mountains and the Town of Collingwood can afford in accordance with the Provincial definition of housing affordability. For Meaford residents, the housing affordability threshold is \$218,700.

¹ The dynamics of housing affordability, January 2008 Perspectives, Statistics Canada — Catalogue No. 75-001-X

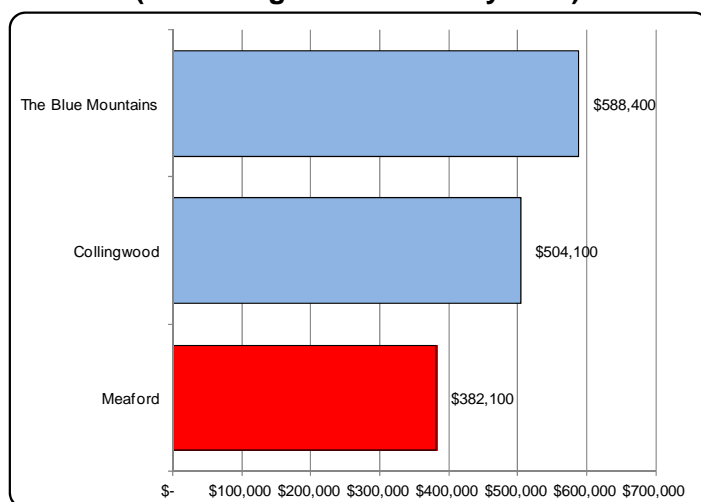
Housing affordability for Municipality of Meaford residents is expected to increase for the 40 to 64 population to approximately \$382,100. For first time home buyers in the Municipality of Meaford with a less than 25% down payment, housing affordability would be well below \$200,000.

Figure 4-11
Local Housing Affordability
Based on Average Household Income
(Assuming 25% Down Payment)



Source: Watson & Associates Economists Ltd.

Figure 4-12
Local Housing Affordability
Household Income for those Aged 45-64 Years¹
(Assuming 25% Down Payment)



Source: Watson & Associates Economists Ltd.

1. Population age category (45-64) differs slightly from target demographic group based on data availability.

Of the housing products currently offered within the Municipality of Meaford and surrounding market area which cater to both the permanent and second home market, there are limited opportunities which would be considered “affordable” to existing residents within the Municipality based on average household income. Potential housing affordability increases significantly when isolating the household income levels of the 40-64 age group, however, for the Municipality of Meaford, most of the active development projects within the surrounding market area would still not be “affordable” to Meaford residents, as well as for many residents currently living in the surrounding area.

The results of the affordability analysis summarized above suggests that for Meaford Highlands Resort to provide a competitively priced housing product which will draw residents from the local and surrounding area, as well as the GGH market, a large portion of the proposed housing products offered within the resort should fall within the \$220,000 to \$330,000 price range. At this lower end range, Meaford Highlands Resort could offer a housing product that is not widely provided within the Municipality of Meaford, the Town of The Blue Mountains and the Town of Collingwood. Higher end homes could also be marketed to higher income residents living within the regional market area and beyond.

While not all of the housing products offered at Meaford Highlands would be defined as “affordable,” many of the small lot singles, semis, towns and villa units planned for this development would fall within, or close to, the Province’s definition of affordable housing. In addition to providing a large percentage of affordable housing options, Meaford Highlands Resort also offers a mix of housing types by density and price which caters to the diverse market needs of the local and regional market area. This broad range of housing choice is intended to cater to a broader segment of the population which otherwise would be restricted from recreational home ownership due to affordability.

4.3 Residential Land Supply within the Municipality of Meaford and Surrounding Market Area

Table 4-3 summarizes the potential supply for housing growth on vacant lots as well as vacant designated residential lands for the Municipality of Meaford and the surrounding market area. This inventory does not include vacant lots within built up areas (i.e. intensification) or vacant lots of recent within rural areas. Key findings include:

- While the Municipality of Meaford has a total potential housing supply of 2,329 units, less than 200 of these potential units are in registered and draft approved plans of subdivision, which indicates that the Municipality’s short-term housing supply is very limited;

- Similarly, the short-term housing supply for the Town of The Blue Mountains is also limited to approximately 1,138 units;
- The total potential housing supply within the Town of The Blue Mountains including designated residential lands is 4,545 units; and
- The potential short-term housing supply for the Town of Collingwood is approximately 3,354 units. Collingwood's longer-term supply of total designated residential lands totals approximately 8,106 units.

Table 4-3
Meaford Highlands Resort
Estimated Residential Land Supply (Units)

Estimated Residential Land Supply (Units) - Municipality of Meaford				
	Single-Semi	Townhomes	Apartments	Total
Registered ¹	89	10	-	99
Draft Approved ¹	3	93	-	96
Pending/Proposed ¹	5	139	320	464
Vacant Designated, not under Application ²	948	474	158	1,580
Total	1,045	716	478	2,239

Source: Municipality of Meaford, Grey County & NBLC

1. Units under application derived from the Municipality of Meaford data (March 2011). It should be noted that some units may be sold or no-longer under application. Additionally, in certain cases the unit type was not known. Estimates of unit type were produced based on number of units, land size and location.

2. Estimate of unit Potential taken from Grey County Growth Management Strategy Report (April 2008). As unit split was not provided, an estimated unit split of 60% single/semi, 30% townhomes and 10% apartments was used.

Estimated Residential Land Supply (Units) - Town of The Blue Mountains				
	Single-Semi	Townhomes	Apartments	Total
Registered ¹	264	29	48	341
Draft Approved ¹	478	239	80	797
Pending/Proposed ¹	978	419	140	1,397
Vacant Designated, not under Application ²	1,122	561	187	1,870
Total	2,842	1,248	454	4,545

Source: Town of The Blue Mountains, Grey County & NBLC

1. Units under application derived from Town of The Blue Mountains data (2011). It should be noted that some units may be sold or no-longer under application. Additionally, in certain cases the unit type was not known. Estimates of unit type were produced based on number of units, land size and location.

2. Estimate of unit Potential taken from Grey County Growth Management Strategy Report (April 2008). As unit split was not provided, an estimated unit split of 60% single/semi, 30% townhomes and 10% apartments was used.

Estimated Residential Land Supply (Units) - Town of Collingwood				
	Single-Semi	Townhomes	Apartments	Total
Registered ¹	331	711	536	1,578
Draft Approved ¹	563	963	250	1,776
Pending/Proposed ¹	535	363	354	1,252
Vacant Designated, not under Application ²	1,575	1,400	525	3,500
Total	3,004	3,437	1,665	8,106

Source: Town of Collingwood, Simcoe County & NBLC

1. Units under application derived from Town of Collingwood data (July 2010). It should be noted that some units may be sold or no-longer under application. Additionally, in certain cases the unit type was not known. Estimates of unit type were produced based on number of units, land size and location.

2. Estimate of Unit Potential taken from County of Simcoe Growth Management Directions Report (September 2007). As unit split was not provided, an estimated unit split of 45% single/semi, 40% townhomes and 15% apartments was used.

4.4 Residential Housing Needs (Supply vs. Demand) for the Municipality of Meaford and Surrounding Market Area

As previously discussed in Chapter 3, the approval of proposed Meaford Highlands Resort development does not require a comprehensive review of land need across the entire County-wide regional housing market area. However, the need for the proposed development does need to be addressed within the context of existing market conditions and buildout of neighbouring recreational developments. Given the influence of recreational development related to the supply of housing in the Town of Blue Mountains and the Town of Collingwood, the following provides a comprehensive review of housing supply and demand for these municipalities.

Forecast housing demand for the Municipality of Meaford and surrounding municipalities is based on approved OP forecasts. For the Municipality of Meaford, forecast seasonal housing has been based on a review of both historical trends and future growth prospects for this area, as previously summarized in Chapter 2.

Table 4-4 and 4-5 respectively summarize Meaford's ability to accommodate forecast housing demand in draft approved/un-built registered lots and on vacant designated residential lands. This analysis does not include potential intensification within the built-up areas in each of these respective municipalities. Outside of Collingwood, the demand for residential intensification is expected to be minimal. The analysis indicates that while the Municipality of Meaford has a healthy supply of designated residential lands, its shorter-term supply of draft approved/un-built registered units is limited to approximately two years based on forecast demand. Accordingly, the Municipality of Meaford does not meet the requirements of the PPS in terms of its supply of draft approved and registered unbuilt lots.

Table 4-4
Summary of Estimated Years of Residential Supply

Municipality of Meaford			
Estimated Residential Land Supply (Units)¹	2,239		units
Total Permanent Unit Growth, 2006-2026 ²	960		units
Additional Seasonal Dwellings ³	700	- 1,200	units
Total Permanent + Seasonal Unit Growth, 2006-2026	1,660	- 2,160	units
Annual Permanent + Seasonal Unit Growth	83	- 108	units/yr
Estimated Years of Supply	27	- 21	years

1. Municipality of Meaford, Grey County & NBLC

2. Grey County Official Plan

3. Watson & Associates Economists Ltd. Seasonal Adjustment

Table 4-5
Summary of Estimated Years of Residential Supply
for Registered and Draft Approved Plans

Municipality of Meaford			
Estimated Residential Land Supply	195		units
Total Permanent Unit Growth, 2006-2026 ²	960		units
Additional Seasonal Dwellings ³	700	- 1,200	units
Total Permanent + Seasonal Unit Growth, 2006-2026	1,660	-	units
Annual Permanent + Seasonal Unit Growth	83	- 108	units/yr
Estimated Years of Supply	2	- 2	years

1. Municipality of Meaford, Grey County & NBLC
2. Grey County Official Plan
3. Watson & Associates Economists Ltd. Seasonal Adjustment

Tables 4-6 and 4-7 summarize short and longer-term housing needs for the Town of The Blue Mountains. In accordance with the Town's current potential housing supply, The Blue Mountains can accommodate up to four years of housing demand on unbuilt lots with registered and draft approved plans. Over the longer term, the Town can accommodate approximately 16 years of housing demand on designated residential lands. From a local market area perspective, the Town of The Blue Mountains does not provide sufficient land to accommodate growth projected for a time horizon up to 20 years, as set out in Section 1.1.2 of the PPS.

Table 4-6
Summary of Estimated Years of Residential Supply

Town of The Blue Mountains		
Estimated Residential Land Supply (Units)¹	4,545	units
Total Permanent Unit Growth, 2006-2026 ²	1,040	units
Additional Seasonal Dwellings ²	4,740	units
Total Permanent + Seasonal Unit Growth, 2006-2026	5,780	units
Annual Permanent + Seasonal Unit Growth	289	units/yr
Estimated Years of Supply	16	years

1. Town of The Blue Mountains, Grey County & NBLC
2. Amendment No. 80 to Grey County Official Plan

Table 4-7
Summary of Estimated Years of Residential Supply
for Registered and Draft Approved Plans

Town of The Blue Mountains		
Estimated Residential Land Supply	1,138	units
Total Permanent Unit Growth, 2006-2026 ²	1,040	units
Additional Seasonal Dwellings ²	4,740	units
Total Permanent + Seasonal Unit Growth, 2006-2026	5,780	units
Annual Permanent + Seasonal Unit Growth	289	units/yr
Estimated Years of Supply	4	years

1. Town of The Blue Mountains, Grey County & NBLC
2. Amendment No. 80 to Grey County Official Plan

Tables 4-8 and 4-9 summarize short and long-term housing needs for the Town of Collingwood. Based on potential housing supply and forecast demand, the Town of Collingwood currently has a sufficient inventory of active housing developments and designated residential lands to accommodate anticipated housing growth over the next 20 years.

Table 4-8
Summary of Estimated Years of Residential Supply

Town of Collingwood		
Estimated Residential Land Supply (Units)¹	8,106	units
Total Permanent + Seasonal Unit Growth, 2008-2031 ²	6,933	units
Annual Permanent + Seasonal Unit Growth²	170 - 301	units/yr
Estimated Years of Supply	27 - 48	years

1. Town of Collingwood, Simcoe County & NBLC
2. Range represents forecast annual housing based on Town of Collingwood Official Plan, May, 2010 and Town of Collingwood Development Charges Background Study, 2008.

Table 4-9
Summary of Estimated Years of Residential Supply
for Registered and Draft Approved Plans

Town of Collingwood	
Estimated Residential Land Supply (Registered & Draft Approved Units)¹	3,354 units
Total Permanent + Seasonal Unit Growth, 2008-2031 ²	6,933 units
Annual Permanent + Seasonal Unit Growth²	170 - 301 units/yr
Estimated Years of Supply	11 - 20 years

1. Town of Collingwood, Simcoe County & NBLC
2. Range represents forecast annual housing based on Town of Collingwood Official Plan, May, 2010 and Town of Collingwood Development Charges Background Study, 2008.

As summarized above, the potential supply of short-term housing within the Municipality of Meaford and the Town of The Blue Mountains is limited. If new housing products offered within these municipalities in the near future are limited, it is anticipated that future housing may become constrained. The proposed Meaford Highlands Resort will play a key role in addressing local housing constraints within the Municipality of Meaford and surrounding market area.

From a growth management perspective, one of the most important planning functions of the local and upper-tier municipality relates to ensuring that an ample supply of suitable vacant serviced (and serviceable) residential land is available for future development. This involves providing a readily available and serviced land supply to fully provide for a range of housing market choice with respect to:

- Urban and rural location;
- Housing form, type (i.e. two-storey single-detached, semi-detached, bungalows, townhomes, low-rise apartments, etc.) and lot size;
- Housing price range and affordability; and
- Permanent vs. seasonal occupancy.

Given its size, proximity to downtown Meaford and views of the southern Georgian Bay waterfront, Meaford Highlands Resort represents an ideal location to accommodate a portion of future housing market demand within the Municipality of Meaford and surrounding market area over the short and longer term.

5. FORECAST PHASING OF RESIDENTIAL AND COMMERCIAL DEVELOPMENT AT MEAFORD HIGHLANDS RESORT

5. FORECAST PHASING OF RESIDENTIAL AND COMMERCIAL DEVELOPMENT AT MEAFORD HIGHLANDS RESORT

5.1 Introduction

This Chapter provides an overview of the development yield and phasing plan associated with Meaford Highlands Resort. Forecast permanent and seasonal housing growth for Meaford Highlands Resort has been based on the demographic assessment provided in Chapter 3 and regional housing market assessment provided in Chapter 4. In accordance with the planned residential and commercial development, the population and employment yield for the resort has also been summarized herein.

5.2 Concept Plan

A draft Concept Plan for Meaford Highlands Resort has been developed by Weston Consulting Group Inc., which is summarized in Figure 5-1. The draft plan comprises a total of 154 gross Ha (380 acres), of which 62 Ha (154 acres) is proposed for residential and commercial development. An additional 19 Ha (48 acres) has been devoted to a nine hole golf course (including practice facility and club house), while the remaining 73 Ha (180 acres) is comprised of non-developable features including, environmental area, parkland, roads and stormwater management. In accordance with the proposed concept plan, the residential and non-residential features of Meaford Highlands Resort are summarized below.

<u>Resort Residential</u>	<u>Number of Units</u>
Low-Density Resort Residential (Single-Family Residential)	
• Up to 21 metre frontage	113
• 18 metre frontage	58
• 9 – 15 metre frontage	504
Medium-Density Resort Residential (Townhomes)	
• 7 metre frontage	84
Medium/High-Density Resort Residential (Resort Villas)	<u>312</u>
Total	1,071

Figure 5-1
Meaford Highlands Resort – Final Concept Plan



<u>Resort Commercial</u>	<u>Gross Floor Area</u>	
	<u>Sq.m.</u>	<u>Sq.Ft.</u>
• Meaford Highlands Inn	4,500	48,500
• Golf and Community Club House	1,100	12,000
• Golf Training Facility	600	6,000
• Wellness Centre/Spa	1,100	12,000
• Retail/Commercial	1,900	20,000
• Aquatics Centre	<u>1,900</u>	<u>20,000</u>
Total	11,100	118,500

At buildout, Meaford Highlands Resort is forecast to accommodate a total of 1,071 resort-related residential units, of which 71% of the units would be ground-oriented single-detached, semi-detached, townhome units, while the remaining 29% of the units would be comprised of three-storey villas. Total planned non-residential development would total approximately 11,000 sq.m. (118,500 sq.ft.). The non-residential development component is anticipated to be largely built by 2015 (year 2 of the development plan) with an additional 800 sq.m. (9,000 sq.ft.) of retail commercial space constructed by approximately 2019. Retail commercial development will be phased in accordance with residential housing growth.

Our review of both resale and new development in the area suggests that most units on lots between 9 and 15 metres (30 to 49 feet) including both bungalows and two storey homes would start at approximately \$250,000-\$300,000 per unit. New townhome units (i.e. bungatowns) would be priced at approximately \$200,000-\$230,000 per unit, while the starting price for villas would be under \$200,000. In accordance with the housing affordability analysis conducted in Chapter 4, the townhome and villa units would be considered affordable to all local Meaford residents.

5.3 Permanent and Seasonal Housing Absorption Forecast

In accordance with permanent housing forecast allocation for the Municipality of Meaford as per OPA 80, Meaford Highlands Resort is forecast to average 14 permanent housing units per year. Based on the comprehensive review of seasonal housing market demand provided in Chapter 3, seasonal housing demand for the Municipality of Meaford is forecast to average between 35 and 60 units per year. Of this total, annual forecast absorption of resort units occupied by seasonal residents is anticipated to range between 26 and 58 units per year. Tables 5-1 and 5-2 summarize the range of resort-related annual absorption for Meaford Highlands Resort. Figures 5-2 and 5-3 graphically illustrate forecast annual absorption under the two growth scenarios.

Table 5-1
Meaford Highlands Resort
Absorption Forecast – Low Growth Scenario

Residential Component

Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	Total	Annual	
Housing Type	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2014-2040	2014-2040	
Low-Density Residential (18-21 m)		11	13	8	7	7	7	7	7	7	6	6	6	6	6	6	6	6	6	6	6	6	5	5	5	5	5	171	6	
Low-Density Residential (9-15 m)		31	38	24	21	21	19	19	19	19	19	19	19	19	19	19	19	19	19	18	18	16	14	14	14	14	14	504	19	
Townhomes (7 m)		6	7	4	4	4	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	2	2	2	2	84	3	
Resort Villas		17	22	14	13	13	11	11	11	11	12	12	12	12	12	12	12	12	12	13	13	11	8	9	9	9	9	312	12	
Total		65	80	50	45	45	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	36	30	30	30	30	30	1,071	40	
Permanent																														
Low-Density Residential (18-21 m)			4	5	5	5	5	5	5	5	5	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	113	4	
Low-Density Residential (9-15 m)		6	8	7	7	7	6	6	6	6	6	7	7	7	7	7	7	7	7	7	7	6	7	8	8	8	8	180	7	
Townhomes (7 m)		4	5	4	4	4	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	2	2	2	2	80	3	
Resort Villas		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total		14	18	16	16	16	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	13	14	14	14	14	14	373	14	
Seasonal																														
Low-Density Residential (18-21 m)			7	8	3	2	2	2	2	2	1	2	2	2	2	2	2	2	2	2	2	2	1	1	1	1	1	58	2	
Low-Density Residential (9-15 m)		25	30	17	14	14	13	13	13	13	13	12	12	12	12	12	12	12	12	12	11	11	10	7	6	6	6	324	12	
Townhomes (7 m)		2	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4	0	
Resort Villas		17	22	14	13	13	11	11	11	11	12	12	12	12	12	12	12	12	12	12	13	13	11	8	9	9	9	9	312	12
Total		51	62	34	29	29	26	26	26	26	26	26	26	26	26	26	26	26	26	26	26	23	16	16	16	16	16	698	26	

Commercial Component

Year	1	2	3	4	5	6	7	8	9	10
Commercial Development	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Meaford Highlands Inn		48,500								
Integrated Golf & Community	18,000									
Aquatics Facility	20,000									
Wellness Centre	12,000									
Retail and Commercial Space		11,000		-	-	9,000				
Total	50,000	59,500	-	-	-	9,000	-	-	-	-

Source: Watson & Associates Economists Ltd.

Table 5-2
Meaford Highlands Resort
Absorption Forecast – High Growth Scenario

Residential Component

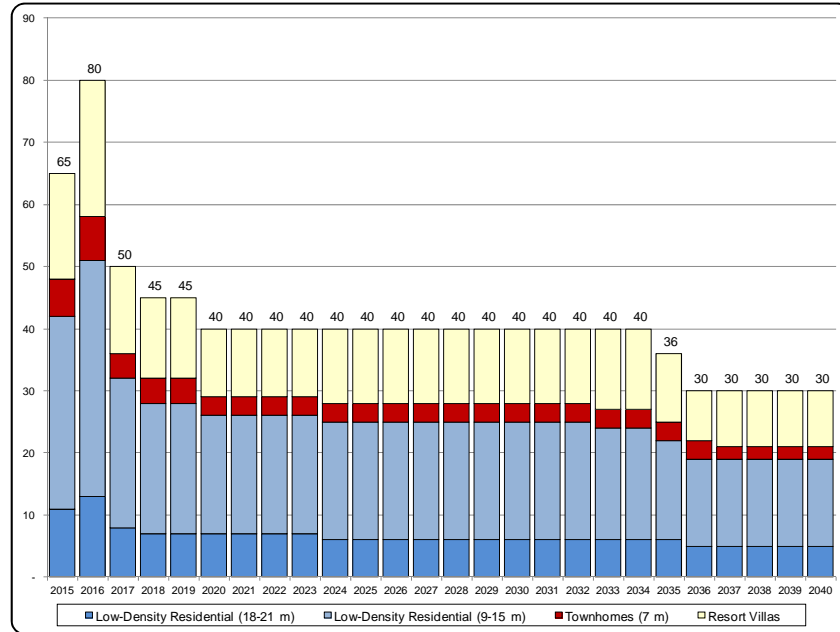
Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Total	Annual
Housing Type	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2014-2028	2014-2028
Low-Density Residential (18-21 m)		10	14	13	13	13	12	12	12	12	12	12	12	12	12	171	11
Low-Density Residential (9-15 m)		29	42	38	38	37	37	35	35	35	35	35	35	35	38	504	34
Townhomes (7 m)		5	7	6	6	6	6	6	6	6	6	6	6	6	6	84	6
Resort Villas		17	27	23	23	24	25	22	22	22	22	22	22	22	19	312	21
Total		61	90	80	80	80	80	75	75	75	75	75	75	75	75	1,071	71
Permanent																	
Low-Density Residential (18-21 m)		4	5	5	5	5	5	5	5	4	4	4	4	4	5	64	4
Low-Density Residential (9-15 m)		7	8	7	7	7	7	7	7	7	7	7	7	7	8	100	7
Townhomes (7 m)		2	5	4	4	4	4	2	2	3	3	3	3	3	2	44	3
Resort Villas		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		13	18	16	16	16	16	14	14	14	14	14	14	14	15	208	14
Seasonal																	
Low-Density Residential (18-21 m)		6	9	8	8	8	7	7	7	8	8	8	8	8	7	107	7
Low-Density Residential (9-15 m)		22	34	31	31	30	30	28	28	28	28	28	28	28	30	404	27
Townhomes (7 m)		3	2	2	2	2	2	4	4	3	3	3	3	3	4	40	3
Resort Villas		17	27	23	23	24	25	22	22	22	22	22	22	22	19	312	21
Total		48	72	64	64	64	64	61	61	61	61	61	61	61	60	863	58

Commercial Component

Year	1	2	3	4	5	6	7	8	9	10
Commercial Development	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Meaford Highlands Inn		48,500								
Integrated Golf & Community	18,000									
Aquatics Facility	20,000									
Wellness Centre	12,000									
Retail and Commercial Space		11,000		-	-	9,000				
Total	50,000	59,500	-	-	-	9,000	-	-	-	-

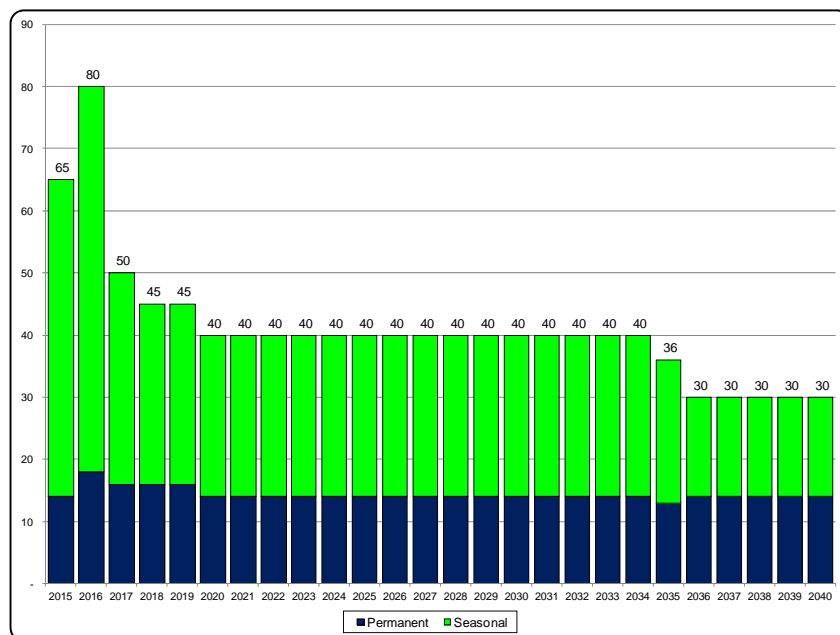
Source: Watson & Associates Economists Ltd.

Figure 5-2
Meaford Highlands Resort
Absorption Forecast – Low Growth Scenario
Household Growth by Housing Type



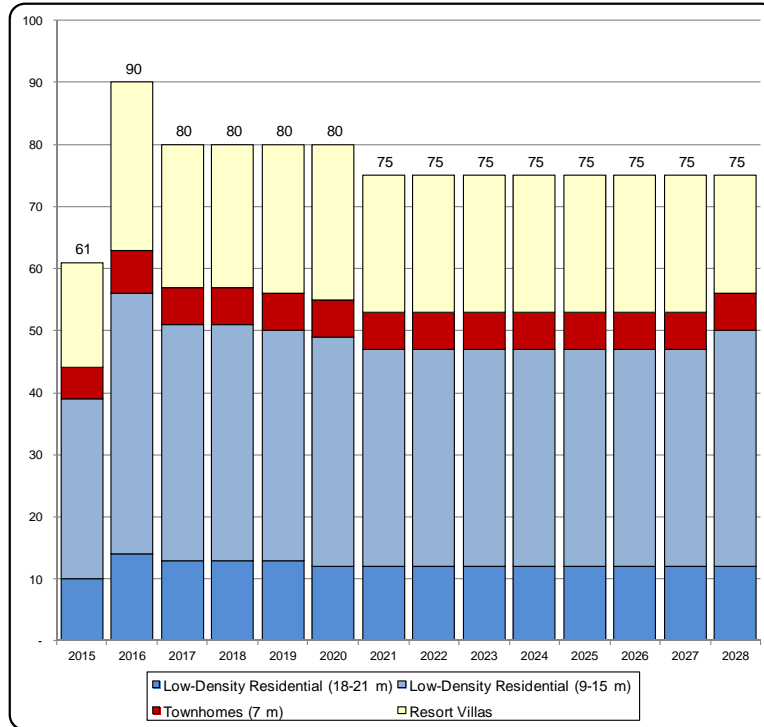
Source: Watson & Associates Economists Ltd.

Figure 5-3
Meaford Highlands Resort
Absorption Forecast – Low Growth Scenario
Permanent vs. Seasonal Household Growth



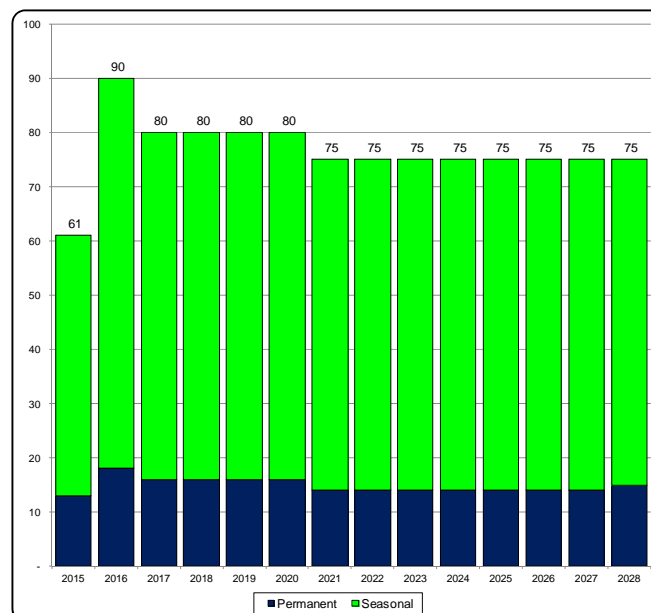
Source: Watson & Associates Economists Ltd.

Figure 5-4
Meaford Highlands Resort
Absorption Forecast – High Growth Scenario
Household Growth by Housing Type



Source: Watson & Associates Economists Ltd.

Figure 5-5
Meaford Highlands Resort
Absorption Forecast – High Growth Scenario
Permanent vs. Seasonal Household Growth



Source: Watson & Associates Economists Ltd.

5.4 Population and Employment Growth Potential

Table 5-3 summarizes the potential population and employment impact of Meaford Highlands Resort at full buildout. In accordance with the proposed concept plan summarized above, Meaford Highlands Resort is forecast to add over 900 people to the Municipality of Meaford's permanent population base at build out. The proposed resort-related residential units would add approximately 2,310 seasonal population to the Municipality's existing seasonal population base of 2,540.¹ In total, Meaford Highlands Resort is forecast to add approximately 3,260 permanent and seasonal persons to the Municipality of Meaford at full buildout under the Low Growth Scenario. Under the High Growth Scenario, the seasonal housing component is anticipated to build out at a significantly faster pace. This would result in a higher proportion of total units occupied by seasonal residents. On average, seasonal units are expected to have a higher average number of persons per unit (PPU). Accordingly under the High Growth Scenario, the total population yield at build out is forecast to reach approximately 3,430.

In addition, the proposed commercial components of Meaford Highlands Resort will add approximately 195 direct jobs to the Municipality of Meaford, which is estimated by 2019 once non-construction is complete. This does not include indirect jobs (i.e. spin-off jobs associated with the resort) or induced effects (i.e. positive effects associated with local spending on goods and services from resort residents). These impacts will be further addressed in Phase 3.

¹ Estimated by Watson & Associates based on 2011 Census.

Table 5-3
Meaford Highlands Resort
Population Yield (Buildout)

Total Population	Total Permanent Housing Units (Buildout)	Persons Per Unit (PPU) - Permanent	Permanent Population	Perment Population Uncluding Census Undercount (4%)
Low-Density Residential (18-21 m)	113	2.59	293	305
Low-Density Residential (9-15 m)	180	2.59	466	485
Townhomes (7 m)	80	1.84	147	153
Resort Villas	-	1.84	-	-
Total	373	2.43	906	943

Seasonal Population	Total Seasonal Housing Units (Buildout)	Persons Per Unit (PPU) - Permanent¹	Seasonal Population	Seasonal Population Uncluding Census Undercount (4%)
Low-Density Residential (18-21 m)	58	3.67	213	221
Low-Density Residential (9-15 m)	324	3.67	1,189	1,237
Townhomes (7 m)	4	2.60	10	11
Resort Villas	312	2.60	812	844
Total	698		2,224	2,313

1. The average PPU for seasonal residents includes both immediate and extended family members. Extended family members are considered to be a seasonal resident if they consistently reside in a second home for a cumulative period of time between 30 and 180 days in a typical year.

Total Population	Total Permanent & Seasonal Housing Units (Buildout)	Persons Per Unit (PPU) - Permanent	Total Population	Total Population Uncluding Census Undercount (4%)
Low-Density Residential (18-21 m)	171	2.96	506	526
Low-Density Residential (9-15 m)	504	3.28	1,656	1,722
Townhomes (7 m)	84	1.87	157	164
Resort Villas	312	2.60	812	844
Total	1,071	2.92	3,131	3,256

Source: Watson & Associates Economists Ltd.

Table 5-4
Meaford Highlands Resort
Direct Employment Yield

Non-Residential Component	Square Footage	Average Sq.ft./ Employee	Employment Yield (Direct Jobs)
Meaford Highlands Inn ¹	48,500	700	69
Integrated Golf & Community Clubhouse ²	18,000	500	36
Aquatics Facility	20,000	700	29
Wellness Centre	12,000	700	17
Retail and Commercial Space ³	20,000	450	44
Total	118,500	600	195

1. PKF Consulting. May 27, 2011. Meaford Highlands Resort Development. Draft for Internal Discussion Only. Table 4-5 Appendix A.
2. PKF Consulting. May 27, 2011. Meaford Highlands Resort Development. Draft for Internal Discussion Only. Table 4-6 Appendix A.
3. PKF Consulting. May 27, 2011. Meaford Highlands Resort Development. Draft for Internal Discussion Only. Table 4-3 Appendix A.

5.5 Resort Linkages

Table 5-5 summarizes the linkages between the resort, hotel, wellness centres, spa, sports facilities and residential units. As previously discussed, Meaford Highlands Resort offers an integrated resort development with a broad range of residential and commercial uses, as well as resort amenities. The linkages between the residential and resort component of the development have been defined as either “primary” or “secondary” in nature. A primary linkage denotes the user group which is primarily associated with the resort facility. For example, occupants of the residential units will have a direct link to the golf facility, aquatic complex, wellness centre and commercial amenities (excluding specialty retail-tourism focused). The residential occupants will also have a direct linkage to the residential rental accommodation pool. A secondary linkage denotes the user group which is indirectly associated with the resort facility. The residential occupants will have a secondary linkage to the Inn facilities and operations.

Resort guests (i.e. tourists staying at the Inn or renting a residential unit) will have a primary linkage to the Inn facilities and operations, golf facility, aquatic complex, wellness centre and foodservice/special retail commercial amenities. A secondary linkage has been identified between resort guests and the aquatic complex, medical/dental facility at the wellness centre and the convenience/service retail amenities.

Table 5-5
Meaford Highlands
Residential and Resort Linkages

Inn Facilities & Operations	Residential Linkage	Resort Linkage
Accommodation	S	P
Foodservice	S	P
Meeting Space	S	P
Fitness Facilities	S	P
Residential Rental Accommodation Pool	P	P
Golf	Residential Linkage	Resort Linkage
Golf Course	P	P
Clubhouse	P	P
Meeting Space/Community Rooms	P	P
Practice Academy	P	P
Aquatic Complex	Residential Linkage	Resort Linkage
Pool	P	S
Fitness Facilities	P	S
Meeting Space/Community Rooms	P	S
Wellness Centre	Residential Linkage	Resort Linkage
Spa	P	P
Medical/Dental	P	S
Fitness Facilities	P	P
Commerical Space	Residential Linkage	Resort Linkage
Foodservice	P	P
Speciality Retail (tourism focused)	S	P
Convenience Retail	P	S
Service Retail	P	S

P - Primary Linkage

Primary facility for user group who will be a primary user of the facility

S - Secondary Linkage

Secondary facility for user group who will be a secondary user of the facility

H:\Meaford\Meaford Highlands - Market Feasibility Analysis\[User Facility Linkages.xls]Sheet1

6. CONCLUSIONS

6. CONCLUSIONS

6.1 Report Findings

This report provides a thorough regional and local analysis of the demographic and socio-economic conditions which are anticipated to drive market demand for resort-related development in the Municipality of Meaford over the next 20 years. Based on our review, the Municipality of Meaford is well positioned to capture a share of future permanent and seasonal housing demand projected across the Georgian Triangle area to 2031.

Over the next 20 years, the Province of Ontario is expected to experience steady population growth. The largest concentration of population growth is expected from baby boomers and post-boomers¹ currently between 40 and 64 years of age. This generation is seeking a different lifestyle and ultimately a different retirement plan than their parents. A large portion of this population group will not “age in place” but will seek housing products and communities, which fit with their active lifestyle as they approach retirement or semi-retirement.

Access to recreational amenities such as golf, hiking, boating, skiing, etc., along the southern Georgian Bay waterfront in Grey County has been a key draw for both permanent and seasonal residents as well as visitors to this area. While OPA 80 identifies that seasonal growth plays an important part in Grey County’s economy, a comprehensive assessment of County-wide seasonal housing demand was not undertaken as part of the OP review. In accordance with the demographic and market analysis provided herein, it is anticipated that future seasonal housing demand will outpace historical trends if marketable resort development opportunities are introduced in areas of the County where a resort presence has not yet been established. Furthermore, the resort will also provide a significant tourist draw to the area, which in turn will enhance the profile of the Municipality of Meaford as a community to live, work and play.

In accordance with the demographic analysis provided herein, a significantly higher seasonal population forecast is anticipated for the Municipality of Meaford over the next 20 years than what has been contemplated in the 2008 OP Background Report and OPA 80. It is anticipated that the Municipality of Meaford could average between 35 and 60 seasonal housing units per year if supply was sufficiently provided in the near future.

With respect to local and regional housing needs, the Municipality of Meaford and County of Grey would greatly benefit from Meaford Highlands Resort as it will significantly add to the Municipality’s currently limited future housing supply inventory. The proposed resort would provide a range of housing density types at various price points, many of which would be affordable to residents within the local and surrounding area. Presently, there are no resort

¹ Population born after the baby boomers (i.e. post 1964).

developments within Meaford or the surrounding area which provide a comparable product to Meaford Highlands Resort. As part of this study, recent demand and future opportunities for resort development across the regional market area has been assessed. Specific attention has been given to active resort-related developments located in the Town of The Blue Mountains given the proximity of these developments to the proposed Meaford Highlands Resort. Within the Town of The Blue Mountains, housing development opportunities have been identified in recreation-oriented communities such as Lora Bay and the Georgian Bay Club. Based on our review of the average price of the housing products being offered in these communities, they are unlikely to provide direct competition with Meaford Highlands Resort.

The proposed Meaford Highlands Resort would also provide a number of economic benefits to the Municipality of Meaford and surrounding area, which will be identified in greater detail in Phase 3. As summarized in Chapter 5, the proposed resort would add 3,300 to 3,400 persons to the Municipality's population base and close to 200 direct employees during peak season. Direct/indirect employment and population growth also generates positive "induced" effects which are generated from tax assessment and local spending within the Municipality and surrounding area by permanent/seasonal resort residents and tourists. In turn, this increase in spending will also result in further expansion to the local and regional employment market, largely in the retail and business services sector.

Permanent and seasonal population/employment growth associated with Meaford Highlands Resort will also influence temporary growth within employment sectors such as the construction industry. During the construction phase, expenditures will be made for the construction of buildings and infrastructure. This investment will create employment associated with construction, as well as generate spending on materials and services required. Additional benefits will be derived as employees spend income earned in the local economy. Increased housing and non-residential construction is also anticipated to generate job opportunities for individuals related to real estate, property maintenance, professional services, landscaping and other construction-related trades.

APPENDIX A

MEAFORD HIGHLANDS RESORT DEVELOPMENT COMMERCIAL DEVELOPMENT PHASE 1 REPORT



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May 27, 2011

Mr. Jamie Cook
Associate Director
Watson & Associates Economists Ltd.
4304 Village Centre Court
Mississauga, ON, L4Z 1S2

**RE: MEAFORD HIGHLANDS RESORT DEVELOPMENT
COMMERICAL DEVELOPMENT PHASE 1 REPORT**

Dear Mr. Cook:

We are writing to convey the preliminary results of our market research and analysis concerning the Meaford Highlands Mixed Used Development in Meaford, Ontario.

Based on this research we have provided a preliminary development program for the overall commercial program and for each individual component. This report has been prepared for inclusion in Watson & Associates Economists Ltd.'s report.

Yours truly,



PKF CONSULTING INC.

1.0 RESIDENTIAL RESORT DEVELOPMENT ALTERNATIVES

1.1 Introduction

The topic of resorts and second home-communities encompasses a wide range of property types, recreational amenities and natural settings. What resorts and second home communities have in common however, is that they serve a common market demand created by three fundamental human desires – the desire for a change of pace, to get away from a familiar environment; the desire to pursue recreational interests and to be stimulated and entertained in the process; and the desire to travel to interesting or attractive places or unusual settings. In the following paragraphs we provide a discussion of some of the recent development and social trends in the Resort market-place, as well as an overview of resort/residential development alternatives including Destination Resorts, Resort Residential, Adult Lifestyle Communities, Shared Cottage Ownership projects and Urban Resort developments.

1.2 Trends in Destination Resort Development

In recent years, the most prominent trend in resort development has been the renewed interest in joint accommodation and residential development in the Resort/Inn markets. The cost of building a resort hotel today is prohibitive to most hotel developers, primarily due to the fact that market and seasonality conditions make it difficult for properties to perform at levels that support the significant cost of development. A typical resort project has development costs ranging from \$200,000 per room, to as much as \$375,000 per room. As a result of the significant costs associated with these projects, new resort product being constructed and/or considered in Ontario today is driven primarily off of a residential component. The development profit generated via the sale of units (whether freehold residential homes or fractional/condo title/timeshare units), is what provides the equity required to support the overall resort development cost and in some cases operation. The residential component of resorts is expected to continue its growth, particularly within the “fractional” form of ownership. Consumers are much more aware about the concept today than ever before. However, it is important to recognize that while sometimes touted for their investment characteristics, **purchasers of this type of residential resort product today are motivated first and foremost by their “right to use”.**

Both timeshare and fractional units are present in Ontario today. The units are typically located in desirable destination communities with immediate access to amenities such as downhill skiing (Blue Mountain, Horseshoe Valley) or lakefront/golf communities (Muskoka). While the phrases “time share” and “fractional ownership” are sometimes used inter-changeably, they are quite different.

In a “timeshare”, a purchaser pays for the time and effectively the purchaser owns the “right to use” units

of time, typically one week at the same time every year. In this situation, purchasers don't actually have title to the unit. This often presents a more affordable option for individuals interested in vacation ownership, with a lower price point for purchasers.

In a "fractional ownership" development, a purchaser buys a share in direct ownership of the property. Shares are typically sold in 1/4; 1/8; 1/10 or 1/12th shares. While a share may cost more to purchase than a more traditional "timeshare" unit, the shared ownership of the asset is enticing to purchasers as they stand to benefit from any increases in the value of the development in the form of capital gains. In many projects, transient rental of the unit is promoted, when not used by the owner. This "rental pool" generates an income stream to both the operator and the owner. It should be noted that in almost all situations, the annual cash on cash return to investors from rental pool income is negligible (if not negative), especially when debt service requirements are factored in. Most purchasers are satisfied with their right to use being off-set with a tax deductible "business loss," resulting in an "acceptable" annual carrying cost for use and ownership. As noted, while purchasers may see a long-term opportunity for upside contingent on the appreciation of the value of the asset, this is not the primary basis for the purchase. It is fractional ownership that has been the predominant development strategy of the most recent resort developments in Ontario.

Some examples of recent/ongoing residential resort developments in Ontario include: Blue Mountain Village Resort, Westin Trillium Blue Mountain, and the JW Marriott Resort at Red Leaves. These will be discussed further in following paragraphs.

1.3 Social and Product Trends in the Ontario Resort and Inn Industry

From a demographic perspective, it is important to identify the needs and wants of the dominant "Zoomer" generation. Statistically, Zoomers encompass both the Baby Boomers (in Canada, ages 44 to 62) and those older. It's a vast group of 14.5 million, accounting for 44 per cent of the population, and controlling more than 77 per cent of all Canadian wealth¹. Zoomers and senior travelers are not only important to the industry because of their sheer numbers; they are important because of their discretionary buying power. Today's seniors have both the money to spend and the time to spend it. Additionally, retired vacationers do not have to restrict their holidays to weekends and the summer months. Rather, they are able to travel off-season and during the week, times when many hospitality properties have higher vacancies². Providing a product (such as golf) that taps into the travel requirements and desires of this segment may

¹ <http://www.50plus.com/Lifestyle/BrowseAllArticles/index.cfm?documentID=21250>

² <http://www.emailwire.com>

allow resort and inn operators to attract demand from this growing target market during low or off season periods.

Golf continues to be an important destination resort amenity, catering to both the leisure and meeting/conference market segments. The National Golf Foundation in association with the Royal Canadian Golf Association conducted nationwide surveys in 1996, 1998, 2002 and 2006 to determine the level and nature of golf participation in Canada. In 2006, an estimated 5.9 million Canadians played golf, an increase from the 4.9 million reported in the 2001 survey. Furthermore, according to a 2006 survey of corporate meeting planners by trade publication *Successful Meetings*, golf follows only the business portion of the meeting and free time in terms of importance. The survey indicated that golf was more important than providing attendees a beach, a spa, shopping, cultural attractions or other outdoor sports.³

Across all age groups is a growing interest in physical health and wellness that will continue to support spa and wellness based developments. In recent years, on-site spas have become increasingly important to consumers selecting a resort/inn destination, and as such the majority of Resorts and Inns in Ontario have a spa on site, or have an association with a spa located near by.

Also, ecotourism and “soft adventures” are attractive to both consumers and developers. Consumers appreciate ecotourism and soft adventures, as they respond to the public’s heightened concern for the environment. Owners/operators appreciate the affordability of these adventures, which allow them to access a new demand segment. The “greening” of hotel development and operations is also becoming more important. Industry research indicates that more and more consumers are interested in using lodging establishments/brands that have consciously chosen to commit to environmentally sound practices.

1.4 Resort Development Alternatives

The word “resort” is used widely and diversely and often means different things to different people. In an attempt to more clearly define the various development alternatives in the resort market-place, in the following paragraphs an overview of resort/residential development alternatives including Destination Resorts, Resort Residential, Adult Lifestyle Communities, Shared Cottage Ownership projects and Urban Resort developments has been provided.

1.4.1 Destination Resort Developments

³ http://www.usatoday.com/travel/hotels/2008-01-14-golf-meetings_N.htm

By definition, destination resorts are located near a strong natural or man-made resource. These are major resort developments focused on major recreation attributes including waterfront, downhill skiing, golf and other attractors, which combine “ownership investment/right to use “with transient rental and use. Given the resort developments’ focus on recreation attributes including waterfront, downhill skiing, golf and other attractors, any potential development site must provide adequate space to construct outdoor recreation facilities often sought by leisure oriented guests (i.e. tennis courts, outdoor pool etc.). Often destination resorts provide direct beach access or waterfront activity in order to attract summer recreational resort demand. However, if waterfront property is not available in the Region, the development of a golf course and/or other complementary amenities is required to support leisure demand during the spring/summer/fall seasons.

Destination Resort Examples – Westin and Mosaic, Blue Mountain, Collingwood; JW Marriott, Muskoka

- **Product:** This type of product typically features a room product that reflects contemporary hotel finishes. As such, these finishes are for the most part high-end inclusive of granite counter tops, crown mouldings, stone accents, etc. Interior designs within these types of resort settings generally feature the ultimate in present-day luxury.



Westin Trillium, Blue Mountain, Collingwood

- **Positioning:** A development of this nature will target an affluent market seeking to enjoy a luxury leisure getaway. The units provide a variety of options, ranging from 1-bedroom condo units to 3 bedroom town homes, which cater to groups ranging from small couples to large families. In addition to the core natural attractor, the development will provide a number of support services and facilities including but not limited to; hot tubs, indoor/outdoor pools, lockers, fitness rooms, saunas, community room, restaurants and other commercial space.

Based on discussions with property management, it is our understanding that further recreational resort development at Blue Mountain has been put on hold indefinitely due to current market conditions, and a lack of depth for new product. With the resale market for existing units of varying product types within the Village (Westin, Mosaic Seasons at Blue etc) being very strong, and sales price points not demonstrating growth since the units were constructed, there is limited the opportunity for new development.

The Rosseau JW Resort at Red Leaves in Muskoka has also had its challenges with respect to real estate sales. Cost overruns forced the multimillion-dollar hotel development into receivership on May 22, 2009. At that time, approximately 130 of the hotel's 221 units remain unsold. While the resorts quality and facilities are outstanding, the demand for ownership of what is essentially an upscale hotel room, has not been strong in this market. Individuals seeking recreational resort properties of this nature tend to have a desire for more “livable” units such as villas, condos or cottages.

1.4.2 Recreation Residential Developments

Recreational residential projects are focused on whole ownership and personal use. These types of developments are typically resort projects that are substantially made up of second-homes, but do not necessarily include a resort hotel. Technically a second home is defined as a home that is owned fee-simple by an individual or family that also owns or rents another home as a primary residence. In reality, some individuals (especially retirees, independent executives, and those with independent means) often use two or more homes equally. A more broad definition of the term second home that is more relevant for today, is one that is owned by an individual or family that resides in the home, as well as in at least one other home for substantial parts of the year. Similar to destination resorts, these developments have a key focus on recreational attributes and facilities, and include complementary amenities and programs to support the project from this perspective.

Resort Residential Examples – Lora Bay, Thornbury; Cobble Beach, Owen Sound

- **Product:** This type of product typically features a built product that reflects contemporary residential finishes. These finishes are for the most part high-end in nature, and are inclusive of granite counter tops, crown mouldings, stone accents, etc. Interior designs within these types of resort settings generally feature the ultimate in present-day luxury. There are typically a variety of home designs offered at various price points, including estate lots and country homes, to golf villas, to manor home units,.



Lora Bay, Thornbury Ontario

- **Positioning:** A development of this nature will target an affluent market seeking whole homeownership within a recreational lifestyle community. The variety of units cater to several target groups ranging from small (couples) to large (families). Developments tend to feature significant green spaces inclusive of wild life corridors and natural preserves. Residents can enjoy four-season recreation ranging from golf and hiking, to skiing and snowshoeing. The developments provide a number of support services and facilities including but not limited to; clubhouse, tennis, golf, swimming pool and other family orientated support amenities.

1.4.3 Shared Cottage Ownership

These are typically 20 –30 unit developments sold in fractions, generally in 10ths, with lakefront locations, positioned as a cottage alternative. Fractional ownership provides an opportunity for individuals to share ownership of a cottage unit, with each owner have exclusive rights to it for certain number of weeks of every year (typically 5 weeks). The ownership is in perpetuity may be sold, transferred or left to heirs. There is generally an annual maintenance fee charged, and the responsibility for upkeep and maintenance rests on the property management group. Most shared cottages are also affiliated with a vacation exchange company such as Interval International, which permits fractional cottage owners to exchange one or more of their weeks to travel to a different destination. The cottages are often affiliated with a resort development and the owners are given access to the amenities of the resort, such as tennis, golf, swimming pools, fitness, dining and other on-site recreation.

Shared Cottage Examples - Inaski Shores, Kawarthas; Chandler Point, Haliburton; Cottages at Port Stanton, Orillia

- **Product:** This style of product typically offers a private lakefront setting that would be associated with a classic family cottage. These units generally offer large indoor living areas and larger covered decks/verandahs providing views of the lake. Interior finishes would be considered mid range, positioned slightly below the high-end resort product.



Inaski Shores, Kawarthas



Cottages at Port Stanton, Orillia

- **Positioning:** Developments of this nature target owners seeking a carefree-shared cottage ownership interest (Generally 10th shares/5 weeks). Most commonly this product appeals to the family leisure/cottage ownership segment. Fractional interests position this cottage product as a cost-effective way to own a family cottage. In addition to the fractional interest, owners typically are required to pay a maintenance fee in the range of \$2,000 per year, which goes towards the cost of additional on site services and facilities. Similar to resort developments, the fractional cottage development will normally provide a number of support services and facilities including but not limited to; clubhouse, tennis, swimming pool and other family orientated support amenities.

1.4.4 Urban Resort Developments

Over the last few years, there has also been interest in mixed use commercial and residential developments within an urban setting in resort communities.

Urban Resort Examples - Muskoka Wharf, Gravenhurst

The Muskoka Wharf project is part of a major commercial and residential development on the Gravenhurst waterfront. This includes existing attractors such as the Muskoka Lakes Steamboat tours, a newly developed Boat Museum, as well as numerous restaurant and retail operations. The province, the private sector and the municipality all partnered in order to develop the necessary infrastructure for this project.

- **Product:** Muskoka Wharf provides two styles of residential real estate. The first being the Marriott Residence Inn Muskoka Wharf, which is an operating hotel, but with the units sold individually as whole ownership condominium suites, providing 5 weeks of all-season vacation time. The second being the residences at Muskoka Wharf, which are whole ownership condominium suites. Both products are high quality interior and exterior finishes and are low-rise structures with available views and access to the waterfront.



Muskoka Wharf, Gravenhurst, ON

- **Positioning:** The Muskoka Wharf shoreline is positioned to be the geographic and social centre of the region and as such a vibrant extension of downtown Gravenhurst. The development's components (Lodging, Food and Beverage, Tourist Attractions, Residential Units, Waterfront, and Other commercial activities) are linked by a boardwalk along the Lake Muskoka waterfront. Further, the development provides ample docking and parking facilities. This type of development is targeted towards the transient leisure guest as well as ownership interests seeking a resort upscale lifestyle.

1.4.5 Adult Lifestyle Communities

Adult Lifestyle Communities are seniors centred residentially driven projects focused on whole ownership and personal use. Adult lifestyle communities offer a range of recreational amenities and social programs catering to the target market (predominantly retirees and aging homeowners), including fitness facilities, a golf course, and/or tennis courts. Community clubhouses are also important as they provide a centre for organized social activities and various other community programs. These communities do not generally offer a unit rental program and do not cater to transient rentals.

Adult Lifestyle Community Examples – Residences of Lochness Links by Ballantry Homes, Welland

- **Product:** This type of product typically features single family detached bungalows, situated back from the private road and sited with lots of land. Some common features of these units would include but are not limited to all wood cabinets, ceramic floors and backsplash, quality appliances including washer & dryer, living room with gas fireplace, bay window and crown moulding, and a large front deck (potentially offering a view of a lake or other natural attraction).



The Residences of Lochness, by Ballantry Homes, Welland, ON

- **Positioning:** These communities are recognized as private villages located in rural or semi-rural settings, which offer an appealing lifestyle to the homeowners, (specifically retiring/ageing homeowners). Attractive bungalows designed for ease of maintenance are situated on private roads and services. Recreational amenities geared to the adult family are provided for the homeowners in each Adult Lifestyle Community.

1.5 Overall Resort Residential Development Considerations

As noted previously, the cost of building a resort hotel today is prohibitive to most hotel developers, primarily due to the fact that market conditions make it difficult for properties to perform at levels that support the cost of development. Traditional transient hotel developments in urban centres are developed with the expectation of financial returns. With annual occupancy targeted at 70%, based largely on mid week corporate business travel (as opposed to corporate meeting travel), overall return on investment is in the range of 10%, and cash on cash returns, under 60/40 debt equity investment in the range of 15%. Whether one looks at the resort projects in Ontario, resort projects elsewhere in Canada or the US, or even the Caribbean, there are few if any new build resorts that can be considered economically viable based on cashflow. They must rely on residential sales, or independent ownership to sustain the projects.

To put the current economics of the Ontario Resort industry in context we have summarized the seven Ontario Resorts and Inns, which have sold post the most recent economic downturn. All of these properties have sold at considerable discounts to replacement costs.

**TABLE 1-1
ONTARIO RESORT HOTEL SALES**

Sale Date	Property Name	# Of Rooms	Sale Price	Price/ Room
Apr 2009	Eganridge Resort, Fenelon Falls (including 9 hole golf course)	23	\$2,850,000	\$123,900
Jul 2009	Resort Tapatoo, Parry Sound	61	\$2,600,000	\$42,600
Nov 2010	Elora Mill Inn, Elora	32	\$1,850,000	\$57,800
Dec 2010	Viamede Resort, Peterborough	52	\$2,835,000	\$54,500
Jan 2011	Hidden Valley Resort, Huntsville	94	\$2,500,000	\$26,600
Mar 2011	Inn at Manitou, McKellar	34	\$1,450,000	\$42,600
Mar 2011	Deerhurst Resort, Huntsville	221	\$26,000,000	\$117,600

As such, new resort product being constructed and/or considered in Ontario today is driven primarily off of a residential component, under one of the several alternatives described in the paragraphs above. It is important to recognize, that purchasers of this type of residential resort product today are motivated first and foremost by their "right to use". These buyers seek units that are typically located in desirable destination communities with immediate access to a multitude of amenities such as downhill skiing (Blue Mountain, Tremblant, Whistler) or lakefront/golf communities (Muskoka). Programming is also important,

with a variety of social activities available to residential owners/members. In almost all situations, the annual cash on cash return to investors is negligible (if not negative), especially when debt service requirements are factored in. So most purchasers are satisfied with their right to use being off-set with a tax deductible “business loss” resulting in an “acceptable” annual carrying cost for use and ownership. While purchasers may see a long-term opportunity for upside contingent on the appreciation of the value of the asset, this is not the primary basis for the purchase.

In all of the concepts noted above the target market is either a retirement lifestyle and/or second home market. These markets speak largely to the baby boomer generation, which is looking to “move down” into these types concept living products. Going forward, availability of appropriate sites, construction costs, available capital and appetite for second home and/or resort retirement lifestyles will be the core factors impacting the future success of this segment.

Another important consideration with respect to the destination resort development will be its connection to the community in which it is located. Any development should be compatible with nearby rural and residential areas, preserving and enhancing the natural amenities and habitat of the site. The resort should provide meaningful public access to the natural amenities and recreational facilities of the resort. When developed, the resort, golf course (if constructed) and residential components should be integrated with the surrounding community rather than closing off the local community (for example public access to trails/ walkways and the golf course).

2.0 ACCOMMODATION INDUSTRY OVERVIEW

2.1 Introduction

The potential development concept looks at a mix of product and ownership types, which for the most part, have had success in other projects in Ontario, and elsewhere in North America. The overall positioning of resort/residential development at Meaford Highlands becomes key as it attempts to create an economically viable residential and resort development.

2.2 Ontario Accommodation Market

The proposed destination resort component of the overall project would compete within the local Collingwood/Blue Mountain/Owen Sound Accommodation Markets for both leisure and meeting/conference demand. The resort would also compete for overnight leisure and meeting/conference demand, which presently utilizes Resort and Inn properties elsewhere in the Ontario market. As such, we have assessed the demand potential for the potential resort component of the project against both the local Collingwood/Owen Sound markets, and against a subset of Ontario Resorts and Inns, who would be considered to be the projects' primary competitors. The following paragraphs provide an overview of the Collingwood, Owen Sound and Ontario Resort/Inn accommodation markets, and Table 2-1 outlines the properties that have been considered in the competitive accommodation market.

TABLE 2-1 REGIONAL & PROVINCIAL COMPETITIVE MARKET			
Primary Muskoka Resorts	Rooms	Collingwood Market	Rooms
Delta Rocky Crest Resort	65	Mountain Springs Resort	117
Deerhurst Resort	403	Blue Mountain Resort*	850
Delta Sherwood Inn	49	Days Inn and Suites	75
Delta Grandview Resort	129	Holiday Inn Express	73
Taboo Resort & Conference Centre	125	Westin Trillium House*	222
JW Marriott, The Rosseau	220	Subtotal	1,337
Subtotal	991		
Other Ontario Resorts	Rooms	Owen Sound Market	Rooms
Nottawasaga Resort	269	Days Inn Hotel & Conference Centre	79
Hockley Valley	104	Comfort Inn Owen Sound	60
The Inn at Horseshoe	102	Best Western Inn on the Bay	100
Pinestone Resort	103	Travelodge Owen Sound	63
The Briars	86	Subtotal	302
Vintage Inns NOTL (3 properties)	381	* Also included in the Primary Ontario resort market	
White Oaks	220		
Langdon Hall	52		
Millcroft Inn	52		
Subtotal	1,369	Total	3,999

Source: PKF Consulting

2.2.1 Primary Ontario Resort and Inn Accommodation Market - Historic Performance

The primary competitive Ontario Resort and Inn market is comprised of 17 properties, accounting for 3,432 guest rooms as of year-end 2010. Table 2-2 provides a summary of the historic market performance of the overall Ontario Resort and Inn market for the 2006 to 2010 period. The details are provided in Exhibit 2-1. A facility chart highlighting the amenities at each property is provided in Exhibit 2-2.

TABLE 2-2 HISTORIC PERFORMANCE OVERALL ONTARIO RESORT AND INN ACCOMMODATION MARKET					
	2006	2007	2008	2009	2010
Rooms	3,020	3,104	3,146	3,399	3,432
Occupancy	54.2%	52.2%	51.7%	45.8%	49.3%
Average Rate	\$186.98	\$194.73	\$194.86	\$184.17	\$188.86
Supply Growth	na	2.8%	1.4%	8.0%	1.0%
Demand Growth	na	-1.0%	0.4%	-4.4%	8.7%
ADR Growth	na	4.1%	0.1%	-5.5%	2.5%

Source: PKF Consulting

The competitive Resort and Inn market has realized fluctuating levels of supply over the past five years, as new properties opened and others underwent renovations or changed to seasonal operations. Overall, supply has increased by about 13.6% since 2006. Market occupancy performance in the Ontario Resort and Inn Accommodation Market has typically hovered around the low 50% range over the past five years. The low occupancy rates realized in Ontario Resorts and Inns stem primarily from the seasonal nature of room night demand in this sector.

Summer represents the peak demand season for the competitive set, with occupancy levels reaching a low 60% overall, and in the 80% plus range on most weekends. This is not surprising given the more favourable weather conditions, and the fact that more families have time available for travel with children out of school, etc. The spring and winter seasons are the most challenging for Ontario Resort and Inn properties with occupancy rates falling to the upper 30% to low 40% range during these periods. Fall tends to be a stronger demand period for this market, which is supported, at least in part, by the high level of meeting/conference business demand during this season.

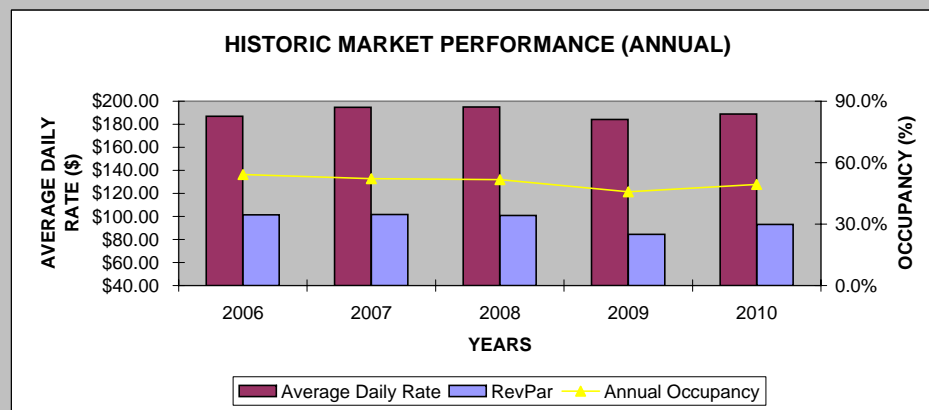
While some Resorts and Inns may generate a limited amount of transient corporate business, accommodation demand within the Ontario Resort and Inn sector generally stems from two primary sources – leisure demand (independent or group), and meeting/conference demand (corporate, association, government, SMERF etc.). In terms of market mix, in 2010, demand within this market was evenly split between the Leisure/Other segment and the Meeting/Conference segment. The Leisure/Other

**EXHIBIT 2-1
ONTARIO PRIMARY RESORT & INN MARKET
HISTORIC MARKET PERFORMANCE**

Total Competitive Market	2006	2007	2008	2009	2010
Rooms	3,020	3,104	3,146	3,399	3,432
Annual Occupancy	54.2%	52.2%	51.7%	45.8%	49.3%
Average Daily Rate	\$186.98	\$194.73	\$194.86	\$184.17	\$188.86
RevPar	\$101.40	\$101.67	\$100.80	\$84.34	\$93.10
Available Room Nights	1,102,300	1,133,007	1,148,339	1,240,635	1,252,680
Occupied Room Nights	597,807	591,584	594,016	568,134	617,534
Rooms Revenue	\$111,776,583	\$115,197,094	\$115,752,120	\$104,631,773	\$116,627,006

Market Growth	2006	2007	2008	2009	2010
Available Rooms	na	2.8%	1.4%	8.0%	1.0%
Occupied Room Nights	na	-1.0%	0.4%	-4.4%	8.7%
Average Daily Rate	na	4.1%	0.1%	-5.5%	2.5%

Compounded Annual Growth			Market Segmentation		
Total Competitive Market	Growth 2004 - 2008	Total Growth 2004 - 2008		2010	%
Available Rooms	3.2%	13.6%	Corporate	0	0.0%
Occupied Room Nights	0.8%	3.3%	Mtg/Conv	307,958	49.9%
Average Daily Rate	0.3%	1.0%	Leisure	309,576	50.1%
RevPar	-2.1%	-8.2%	Gov't/Other	0	0.0%
			Total Market	617,534	100.0%



Source: PKF Consulting

**EXHIBIT 2-2
FACILITIES CHART
ONTARIO RESORT COMPETITIVE SUPPLY**

PROPERTY & LOCATION	# OF ROOMS/ RENTAL POOL	F & B FACILITIES	ON-SITE RECREATION FACILITIES		CONFERENCE FACILITIES			SPA	GOLF	DOWNHILL SKIING
			INDOOR	OUTDOOR	# OF ROOMS	SQ FT	MAX. CAPACITY	TREATMENT ROOMS*	# OF HOLES	
Delta Sherwood, Muskoka	49/No	1 Restaurant	Billiards Room, Table Tennis, Darts	Nature Trails, Beach Area, Bonfire Pit, Lake Cruises, Waterskiing, Volleyball, Mountain Biking, Croquet, Tennis, Badminton, Swimming, Boating, Fishing, Sailing, Canoeing, Ice Fishing, Snowshoeing, Skating	5	3,839	120	Angel's Spa	Affiliated with Lake Joseph Golf Club	No
Delta Rocky Crest (Seasonal), Muskoka	65/No	2 Restaurants, Patio, Lounge	Games Room, fitness/recreation centre	Children's pool, Outdoor pool, Tennis, sports court, beach volleyball; Nature Trails Eco-Adventure Program; Fishing; Watercraft rentals.	3	13,197	120	Affiliated with off-site Spa	18	No
The Rosseau, JW Marriott	220/Yes	2 Restaurants 1 Lounge	Indoor Pool (swim out to outdoors), Fitness Room, Games Room, Hot Tub	2 Outdoor Pools, Private Beach, Tennis, Fishing, Snowmobiling, X-Country Skiing, Boat Rental, Waterskiing	15	13,800	500	6	18	Yes in Area
NIAGARA-ON-THE-LAKE PROPERTIES (4 PROPERTIES)										
Prince of Wales, Niagara on the Lake	114/No	2 Restaurants Lounge	Indoor Pool, Fitness Center	Tennis, Horse Drawn Carriage Rides	6	8,000	90	4	In area	No
Pillar and Post, Niagara on The Lake	123/No	2 Restaurants Lounge/Bar	Indoor Pool, Fitness Room	Outdoor Pool	11	11,430	250	9	In area	No
Queen's Landing	144/No	Restaurant Lounge	Indoor Pool, whirlpool, sauna, exercise Room		21	16,000	420	None	In area	No
White Oaks, Niagara on The Lake	220/No	2 Restaurants Wine Bar	Athletic Center w/15 indoor courts, Indoor Pool, Sauna, Whirlpool, Fitness Classes	None	21	60,000	1,000	20	In area	No

**EXHIBIT 2-2
FACILITIES CHART
ONTARIO RESORT COMPETITIVE SUPPLY**

PROPERTY & LOCATION	# OF ROOMS/ RENTAL POOL	F & B FACILITIES	ON-SITE RECREATION FACILITIES		CONFERENCE FACILITIES			SPA	GOLF	DOWNHILL SKIING
			INDOOR	OUTDOOR	# OF ROOMS	Sq Ft	MAX. CAPACITY	TREATMENT ROOMS*	# OF HOLES	
GTA AND SURROUNDING ONTARIO INNS (2 PROPERTIES)										
Langdon Hall, Cambridge	52/No	Restaurant	Whirlpool Sauna, Fitness Centre	Tennis, Croquet, Walking trails	6	3,600	70	None	None	No
Millcroft Inn, Alton	52/No	Restaurant Lounge	Indoor pool/whirlpool, Fitness Room	X-Country skiing, cycling, canoeing, walking trails, Tennis	5	4,707	80	17	None	No

**Manicure and Pedicure stations have not been included in Treatment Rooms count.*

Source: PKF Consulting

segment generated 309,576 occupied room nights or 50.1% of total demand and the Meeting/Conference demand generated 307,958 room nights or 49.9% of demand.

TABLE 2-3 OVERALL RESORT AND INN MARKET MIX – 2010		
Market Segmentation	Occupied Room Nights	% Of Demand
Meeting/Conference	307,958	49.9%
Leisure /Other*	309,576	50.1%
Total	517,534	100%
* Includes limited amount of other demand (i.e. corporate, government)		

Source: PKF Consulting

2.2.2 Regional Collingwood Accommodation Market - Historic Performance

The regional Collingwood Accommodation market is made up of a mix of resort and limited service hotels, accounting for 1,337 guest rooms as at year-end 2010. Over half of these are contained within the various properties that make up Blue Mountain Resorts. Table 2-4 provides a summary of the historic market performance of the Collingwood Accommodation Market for the 2006 to 2010 period. The details are provided in Exhibit 2-3.

TABLE 2-4 HISTORIC PERFORMANCE REGIONAL COLLINGWOOD ACCOMMODATION MARKET					
	2006	2007	2008	2009	2010
Rooms	1,099	1,229	1,271	1,304	1,337
Occupancy	46.1%	44.0%	46.1%	42.4%	45.8%
Average Rate	\$171.13	\$176.97	\$182.03	\$179.56	\$186.66
Supply Growth	--	11.8%	3.4%	2.6%	2.5%
Demand Growth	--	6.7%	8.3%	-5.7%	10.9%
ADR Growth	--	3.4%	2.9%	-1.4%	4.0%

Source: PKF Consulting

The competitive Collingwood market has seen a steady increase in supply over the years, due to openings and expansions within the market. Overall supply has increased by about 21.7% since 2006, with 238 new rooms opening over the past 5 years. Market occupancy performance in the Collingwood Accommodation Market has historically been quite low, ranging from 42.4% (2009) to 46.1% (2006/2008). Similar to the Resort market, the low occupancy results from the seasonal/weekend nature of demand. While the market can easily fill rooms on prime winter weekends, or during the peak summer periods, finding strong levels of off-season demand presents a challenge.

As noted, the above discussion on the Collingwood Accommodation Market includes the resort properties located at Blue Mountain. Should these properties be excluded from the analysis, occupancy levels would not be significantly different (in the mid 50% range), but average daily rates would be almost \$50 lower in the \$116 range for the Collingwood based assets.

In terms of market mix, in 2010, the Leisure/Other segment generated the most demand in the competitive market accounting for 120,332 occupied room nights or 53.8% of total demand. Meeting/Conference demand generated 92,667 room nights or 41.5% of demand. The Collingwood market also has a limited amount of corporate demand, totalling 4.7% of all occupied rooms or 10,489 room nights.

TABLE 2-5 REGIONAL COLLINGWOOD ACCOMMODATION MARKET MARKET MIX – 2010		
Market Segmentation	Occupied Room Nights	% Of Demand
Corporate*	10,489	4.7%
Meeting/Conference	92,667	41.5%
Leisure /Other	120,332	53.8%
Total	223,488	100%
* Includes limited amount of other demand (i.e. government)		

Source: PKF Consulting

2.2.3 Regional Owen Sound Accommodation Market - Historic Performance

The regional Owen Sound Accommodation Market is made up of four primary branded properties, which provide a total of 302 guest rooms as of year-end 2010. Table 2-6 provides a summary of the historic market performance of the Owen Sound Accommodation Market for the 2006 to 2010 period. The details are provided in Exhibit 2-4.

TABLE 2-6 HISTORIC PERFORMANCE REGIONAL OWEN SOUND ACCOMMODATION MARKET					
	2006	2007	2008	2009	2010
Rooms	302	302	302	302	302
Occupancy	58.0%	55.4%	58.1%	51.5%	54.9%
Average Rate	\$105.26	\$110.36	\$112.25	\$112.41	\$103.92
Supply Growth	--	0.0%	0.0%	0.0%	0.0%
Demand Growth	--	-4.5%	4.9%	-11.5%	6.7%
ADR Growth	--	4.8%	1.7%	0.1%	-7.6%

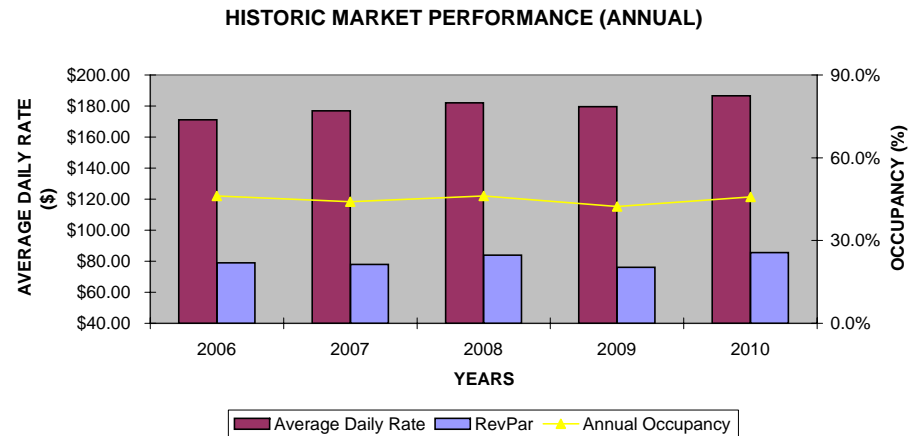
Source: PKF Consulting

**EXHIBIT 2-3
COLLINGWOOD ACCOMMODATION MARKET
HISTORIC MARKET PERFORMANCE**

Total Competitive Market	2006	2007	2008	2009	2010
Rooms	1,099	1,229	1,271	1,304	1,337
Annual Occupancy	46.1%	44.0%	46.1%	42.4%	45.8%
Average Daily Rate	\$171.13	\$176.97	\$182.03	\$179.56	\$186.66
RevPar	\$78.96	\$77.92	\$83.92	\$76.06	\$85.49
Available Room Nights	401,083	448,585	463,915	475,960	488,005
Occupied Room Nights	185,073	197,505	213,876	201,602	223,489
Rooms Revenue	\$31,671,074	\$34,952,503	\$38,931,734	\$36,200,167	\$41,717,495

Market Growth	2006	2007	2008	2009	2010
Available Rooms	na	11.8%	3.4%	2.6%	2.5%
Occupied Room Nights	na	6.7%	8.3%	-5.7%	10.9%
Average Daily Rate	na	3.4%	2.9%	-1.4%	4.0%

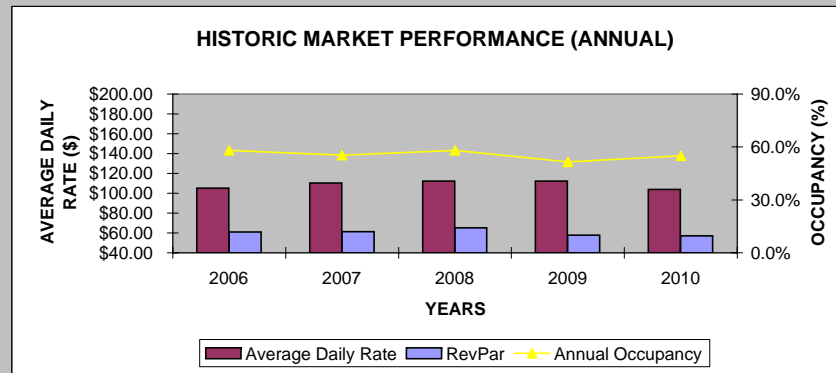
Total Competitive Market	Compounded Annual			Market Segmentation	
	Growth 2004 - 2008	Total Growth 2004 - 2008		2010	%
Available Rooms	5.0%	21.7%	Corporate	10,489	4.7%
Occupied Room Nights	4.8%	20.8%	Mtg/Conv	92,667	41.5%
Average Daily Rate	2.2%	9.1%	Leisure	120,332	53.8%
RevPar	2.0%	8.3%	Gov't/Other	0	0.0%
			Total Market	223,489	100.0%



Source: PKF Consulting

**EXHIBIT 2-4
OWEN SOUND ACCOMMODATION MARKET
HISTORIC MARKET PERFORMANCE**

Total Competitive Market					
	2006	2007	2008	2009	2010
Rooms	302	302	302	302	302
Annual Occupancy	58.0%	55.4%	58.1%	51.5%	54.9%
Average Daily Rate	\$105.26	\$110.36	\$112.25	\$112.41	\$103.92
RevPar	\$61.05	\$61.14	\$65.26	\$57.84	\$57.04
Available Room Nights	110,230	110,230	110,230	110,230	110,230
Occupied Room Nights	63,932	61,070	64,087	56,718	60,509
Rooms Revenue	\$6,729,332	\$6,739,767	\$7,193,693	\$6,375,852	\$6,287,891
Market Growth					
	2006	2007	2008	2009	2010
Available Rooms	na	0.0%	0.0%	0.0%	0.0%
Occupied Room Nights	na	-4.5%	4.9%	-11.5%	6.7%
Average Daily Rate	na	4.8%	1.7%	0.1%	-7.6%
Compounded Annual Growth					
Total Competitive Market		Total Growth	Market Segmentation		
	2004 - 2008	2004 - 2008	2010	%	
Available Rooms	0.0%	0.0%	Corporate	29,200	48.3%
Occupied Room Nights	-1.4%	-5.4%	Mtg/Conv	2,573	4.3%
Average Daily Rate	-0.3%	-1.3%	Leisure	17,200	28.4%
RevPar	-1.7%	-6.6%	Gov't/Other	11,536	19.1%
			Total Market	60,509	100.0%



Source: PKF Consulting

The competitive Owen Sound market has seen no increase in supply over the years. Occupancy in the Owen Sound market has been in the mid to high 50% range over the 2006 to 2010 period, with the exception of 2009 when occupancy fell to 51.5%. The market showed some improvement in 2010 and recovered to 2007 levels.

In terms of market mix, in 2010, the Corporate segment generated the most demand in the competitive market accounting for 29,200 occupied room nights or 48.3% of total demand. The leisure market generated 17,200 occupied room nights or 28.4%, and the Meeting/Conference demand generated only 2,573 room nights or 4.3% of demand.

TABLE 2-7 REGIONAL OWEN SOUND ACCOMMODATION MARKET MARKET MIX – 2010		
Market Segmentation	Occupied Room Nights	% Of Demand
Corporate*	29,200	48.3%
Meeting/Conference	2,573	4.3%
Leisure	17,200	28.4%
Total	60,509	100%
* Includes limited amount of other demand (i.e. government)		

Source: PKF Consulting

2.2.4 Overall Ontario Resort and Inn Accommodation Market – Market Projections

Of the 3 accommodation markets discussed, the potential development could compete most directly with the subset of primary Ontario Resorts and Inns (inclusive of the Collingwood/Blue Mountain properties). As such, the balance of the market analysis focuses on the overall Primary Resort and Inn market as described in Section 2.2.1. Market supply and demand projections for the overall Resort and Inn market are provided in Exhibit 2-5.

From a supply perspective, the most recent additions to the market have been both the opening of Phase II of the Mosaic at Blue in 2009/2010; the Rosseau, a JW Marriott Resort at Red Leaves, which officially opened its doors in January 2009. Based on our knowledge of the industry and the market, and on our discussions with developers and economic development and planning officials in the various Regions, we have not identified any new rooms supply over the next five years, over and above the subject Meaford Highlands resort (assumed to be 120 units). The supply projections are provided in Exhibit 2-6.

**EXHIBIT 2-5
ONTARIO PRIMARY RESORT & INN MARKET
ACCOMMODATION MARKET PROJECTIONS**

Demand Projections	2010	2011	2012	2013	2014	2015
Mtg/Conv						
occupied room nights	307,958	311,037	314,148	317,289	320,462	326,871
<i>demand growth</i>		1.0%	1.0%	1.0%	1.0%	2.0%
Leisure						
occupied room nights	309,576	312,672	315,799	318,957	322,146	328,589
<i>demand growth</i>		1.0%	1.0%	1.0%	1.0%	2.0%
Market Projections	2010	2011	2012	2013	2014	2015
Total Demand						
occupied room nights	617,534	623,709	629,946	636,246	642,608	655,460
<i>demand growth</i>		1.0%	1.0%	1.0%	1.0%	2.0%
Total Supply						
available room nights	1,252,680	1,252,680	1,252,680	1,252,680	1,252,680	1,296,480
<i>supply growth</i>		0.0%	0.0%	0.0%	0.0%	3.5%
Market Occupancy	49.3%	49.8%	50.3%	50.8%	51.3%	50.6%
Market Average Daily Rate	\$188.86	\$193.58	\$198.42	\$203.38	\$208.47	\$213.68
Market RevPar	\$93.10	\$96.38	\$99.78	\$103.30	\$106.94	\$108.03
<i>rate growth</i>		2.5%	2.5%	2.5%	2.5%	2.5%

Source: PKF Consulting

**EXHIBIT 2-6
ONTARIO PRIMARY RESORT & INN MARKET
SUPPLY PROJECTIONS**

SUPPLY ADDITIONS				
Existing Supply	3,432			
New Projects	Supply	Probability	Impact	Timing
MEAFORD HIGHLANDS	120	100.0%	120	2015
Subtotal	120		120	
Total Supply			3,552	

SUPPLY PROJECTIONS	2010	2011	2012	2013	2014	2015	2016	2017
Existing Supply	3,432	3,432	3,432	3,432	3,432	3,432	3,432	3,432
New Projects								
MEAFORD HIGHLANDS	0	0	0	0	0	120	120	120
Subtotal	0	0	0	0	0	120	120	120
Total Supply	3,432	3,432	3,432	3,432	3,432	3,552	3,552	3,552
Change	na	0	0	0	0	120	0	0
% Change	na	0.0%	0.0%	0.0%	0.0%	3.5%	0.0%	0.0%

Source: PKF Consulting

Table 2-7 summarizes the rate and occupancy projections for the competitive market for 2011 to 2017, and detailed market projections for the competitive market are provided in Exhibit 2-5. The competitive market is projected to achieve modest growth in demand levels each year with market occupancy reaching 51.3% by 2014. In 2015, with the opening of the subject resort, demand is projected to grow at 2.0%. Although with supply outpacing demand, occupancy will fall to 50.6% that year.

In terms of average daily rates, over the balance of the projection period, market ADR is projected to realize steady growth at inflationary levels of 2.5% per annum, reaching \$213.68 in 2015, the year the resort would potentially open.

TABLE 2-7 OVERALL ONTARIO RESORT AND INN ACCOMMODATION MARKET DEMAND PROJECTIONS							
	2011	2012	2013	2014	*2015	2016	2017
Rooms	3,432	3,432	3,432	3,432	3,552	3,552	3,552
Occupancy	49.8%	50.3%	50.8%	51.3%	50.6%	51.1%	51.6%
Average Rate	\$193.58	\$198.42	\$203.38	\$208.47	\$213.68	\$219.02	\$224.49

**potential first year of operation for resort/inn development on subject site*

Source: PKF Consulting

As noted, historically the Resort and Inn sector has historically achieved occupancy levels in the 50.0% range. Due to the seasonal and weekend nature of room demand in this sector, annual occupancies are not projected to improve over 51.0%. These market conditions make it difficult for any asset to perform at levels above the low to mid 50% range. The subject asset in particular will have incredible competition in its own backyard with properties in Blue Mountain competing head to head for accommodation demand from the same segments.

2.3 Overall Accommodation Market Overview Implications

The competitive Resort and Inn market has faced challenges in recent years. Being in relative close proximity to Greater Toronto, the Resort and Inn sector has traditionally competed with downtown urban Hotels for weekend getaways and meeting business. With the increase in vacation ownership, Ontario's resort and inn industry is under also increasing competition for the pleasure travel market from rental condominiums.

A number of other factors have had impacts on the overall performance of the competitive market including recent climate changes, the strengthening Canadian dollar, and the decline in US leisure travel. Looking forward, these factors are expected to continue to impact the resort and inn sector, at least in the

short term. Even in the absence of new supply, the overall Ontario Resort and Inn Accommodation Market is not expected to realize occupancy levels above the low 50% range. Similar performance levels have been experienced in the surrounding regional accommodation markets. Collingwood's accommodation sector has typically hovered in the low to mid 40% range, and while modest growth is expected, occupancies are not projected to realize much improvement in the near term. The Owen Sound Accommodation market is also expected to see moderate growth levels, with occupancies holding in the mid 50% range.

3.0 GOLF COURSE INDUSTRY OVERVIEW

3.1 Introduction

Golf courses represent a key component of many existing resort and recreation residential developments, as they entice the resident and the tourist to the resort complex. The use of golf as a primary amenity becomes especially important in resort developments that do not have waterfront locations such as the subject project. We have therefore examined the current supply/demand dynamics in the regional golf market.

3.2 Existing Golf Course Supply

3.2.1 Golf Course Development Trends

For many years, the golf market was in full expansion mode in Ontario, as evidenced by new course construction, particularly in the Central Ontario and Georgian Triangle regions. This was largely due to an aging population and the desire of many seniors in Ontario to move to semi-retirement communities north of Toronto. There is a growing desire for participation in less demanding summer sports among this population, and golf is a perfect fit. A study by the Royal Canadian Golf Association indicated that senior golfers comprise approximately 20% of Canada's estimated 6 million golfers. According to the Royal Canadian Golf Association Survey as golfer's age they play an increasing number of rounds, indicating that Canada's aging population will fuel an increase in the number of rounds played into the future. In addition, there has also been an increase in the popularity of golf among the younger generation. From a "resort perspective" in addition to being a desired amenity for the leisure guest, golf further continues to be a business/convention activity of choice, and is an asset that can aid in attracting meeting/convention business to the subject property.

The entities seeking to develop golf courses are diverse and include real estate developers, resort developers, and municipal agencies, among others. While the profit motive is in play, the vehicle that generates the profit when a project is completed, is rarely the golf course. Rather it's the real estate, the resort, or the service to citizens, that has served as the true motivation for golf course development in recent years. The addition of a golf course or club to a residential community, and the corresponding impact has been fairly well documented. The golf course or club ends up increasing the pricing of the for sale real estate, and provides for faster absorption rates for the for sale properties. Looking forward, it is the expectation that golf will remain relevant in resort and recreational residential communities well into the coming decade.

3.2.2 The Regional Golf Course Market

The regional Golf Course market includes existing semi-private facilities in the local market located within surrounding communities such as Collingwood, Nottawa, Duntroon and Owen Sound. Specifically, we have identified ten competitive 18-hole golf courses representing 180 holes within the market area as listed below in Table 3-1. A facility chart providing further details for each course is provided in Exhibit 3-1.

TABLE 3-1 GOLF FACILITIES CHART MEAFORD AND AREA COMPETITIVE GOLF COURSE SUPPLY					
Property & Location	# Holes	Type	Year Built	Course Features	
				Par	Yards
Blue Mountain – Collingwood	18	Semi-Private	1965	72	6,363
Cranberry Resort – Collingwood	18	Semi-Private	1987	72	6,556
Monterra Golf at Blue Mountain – Collingwood	18	Public	1989	72	6,581
Batteaux Creek – Nottawa	18	Semi-Private	2003	72	7,003
The Raven Club at Lora Bay	18	Semi-Private	2006	72	7,200
Cobble Beach – Georgian Bluffs	18	Semi-Private	2007	72	7,174
Duntroon Highlands – Duntroon	18	Semi-Private	1986	72	5,597
Meaford Golf Club –Meaford	18	Public	1934	72	6,032
Owen Sound Golf Club	18	Semi-Private	1921/1975	70	6,145
OslerBrook Golf and Country Club	18	Private	2005/2006	72	7,012

Source: PKF Consulting

The average number of rounds played varies from course to course within the region, from as low as 15,000 rounds (18 holes) per year to as high 35,000 rounds. Price point, and proximity to other major facilities/amenities (such as the Village at Blue Mountain) tend to impact the volume of play realized by the regional courses. These courses achieve average green fees ranging from \$45.00 to \$150.00 and as a group, represent the Region's top public and semi-private golf courses.

To our knowledge there are no proposed additions to the golf course supply for the Collingwood/Thornbury/Owen Sound markets over the next 5 years.

3.2 Overall Golf Market Implications

The use of golf as a primary resort amenity is especially important for resort developments that do not have waterfront locations such as the subject project. The Ontario Golf Industry is expected to maintain

stable growth in the short to mid-term due to continued population growth as the GTA expands and growing market interest in the sport amongst juniors, and as the general population and especially the baby boomer generation enters into retirement.

A golf course is an attractive feature that will help to support the resort and residential development. The golf market in the Region has shown strength in recent years, and the inclusion of this feature in the overall development mix will help to enable the proposed resort to compete effectively for both leisure and meeting conference demand.

**EXHIBIT 3-1
GOLF FACILITIES CHART
MEAFOD AND AREA COMPETITIVE GOLF COURSE SUPPLY**

Property & Location	# Holes	Type	Year Built	Clubhouse/On-Site Facilities	Banquet Facilities and Capacity	Course Features	
						Par	Yards
Blue Mountain - Collingwood	18	Semi-Private	1965	Clubhouse with Dining Room (seats 120), Driving Range, Putting Green, Chipping Green, Pro Shop on site.	Yes - 130	72	6,363
Cranberry Resort – Collingwood	18	Semi-Private	1987	Clubhouse with bar and grill, Driving Range, Chipping Green, Putting Green. Golf Course adjacent to Resort with Spa facility, 8 Tennis Courts, 3 Swimming Pools, Marina/Yacht Club, Water Sports, Recreation Centre	Yes, as part of hotel -10,000 sq. ft. or 220 persons	72	6,556
Monterra Golf at Blue Mountain – Collingwood	18	Public	1989	The clubhouse at Monterra features a pro shop, locker rooms with showers, plus a small seating area both inside and out - serviced by a snack bar. The several dining establishments of the Blue Mountain resort are within walking distance. On property is a large putting and chipping green - but no driving range	Yes – as part of Blue Mountain resort village	72	6,581
Batteaux Creek - Nottawa	18	Semi-Private	2003	Clubhouse with public and private members lounge, Day Lockers, Showers, Putting Green, Driving Range.	No	72	7,003
The Raven Club at Lora Bay	18	Semi-Private	2006	Practice facilities; clubhouse features the Pro Shop, the Raven Grill and the Winter Garden (combined they seat 200 guests). The Lodge at Lora Bay is operated by its members – it features a sports lounge, meeting room and dedicated children's area. There are plans to add a spa component over the next few years with indoor pool, outdoor hot tubs, change facilities, exercise facilities and treatment rooms.	Yes – in Lora Bay Lodge	72	7,200
Cobble Beach – Georgian Bluffs	18	Semi-Private	2007	Clubhouse features a bar/fine dining restaurant with seasonal patio, meeting room; ten-suite luxury Inn and full service Spa. Driving range, practice grounds, and golf academy	Yes – boardroom, outdoor tent in summer seasons	72	7,174
Duntroon Highlands - Duntroon	18	Semi-Private	1986	Clubhouse, Putting Green, Driving	Yes - 110	72	5,597
Meaford Golf Club –Meaford	18	Public	1934	Driving Range, Putting Green, Chipping Green, 2 Practice Greens	Yes – 140	72	6,032
Owen Sound Golf Club	18	Semi-Private	1921/1975	Clubhouse with pro shop, practice facilities	No	70	6,145
OslerBrook Golf and Country Club	18	Private	2005/2006	12,500 square foot clubhouse with dining for 150 guests, indoor / outdoor bar, patio for 60 guests; full service pro shop	--	72	7,012

4.0 PRELIMINARY RESORT AND RECREATION PROGRAMMING ALTERNATIVES

4.1 Preliminary Program

Based on a review of the site, and existing/projected market conditions, we have identified a preliminary development program for the commercial components of Meaford Highlands Resort. While we have examined a range of options, with input from the client group and other project team members, the program encompassing the following components is summarized below with further details provided in the following sections.

MEAFORD HIGHLANDS OVERALL PROGRAM - AT BUILD OUT			
Component	Units		Sq.Ft.
Inn	60		48,500
Golf Clubhouse			18,000
Commerical Program			20,000
Acquatics Centre			20,000
Wellness Centre			12,000
TOTAL			Sq.Ft.
OVERALL PROGRAM - AT BUILD OUT			118,500

4.1.1 60 Unit Inn

INN - FACILITY PROGRAM ESTIMATE			
Guestrooms	Rooms	Sq.Ft./Rm	Sq.Ft.
Standard Room	55	375	20,625
1 Bedroom Suite	5	450	2,250
Total:	60	381	22,875
Meeting Space	Rooms	Seats	Sq.Ft.
75-100 Seats	1	90	1,350
30-50 Seats	2	80	1,200
10-20 Seats	2	30	450
Total:	5	200	3,000
Restaurant/Lounge	Rooms	Seats	Sq.Ft.
Restaurant/Lounge	1	75	1,500
Total:	1		1,500
Recreational/Other Activities	Rooms	Sq.Ft./Rm	Sq.Ft.
Fitness/Recreation	1	750	750
Total:	1		750
Public Areas/Back of House			
42%			20,375
TOTAL	Rooms	Sq.Ft./Rm	Sq.Ft.
INN TOTAL	60	808	48,500

4.1.2 9 Hole Golf Course and Practice Academy

GOLF CLUBHOUSE & PRACTICE ACADEMY FACILITY PROGRAM ESTIMATE			
Golf Front of House	Rooms	Sq.Ft./Rm	Sq.Ft.
Pro Shop			1,250
Dining Room/Lounge - 50 seats			1,000
Total:			2,250
Practice Academy			Sq.Ft.
Practice Academy			6,000
Total:			6,000
Meeting Rooms/Community Rooms			Sq.Ft.
Banquet room - 80 seats	1		1,200
Meeting Rooms/Community Rooms - 4	3		1,000
Total:	4		2,200
Public Areas/Back of House			
	42%		7,550
TOTAL			Sq.Ft.
INTEGRATED CLUBHOUSE			18,000

4.1.3 Aquatic Complex

AQUATIC COMPLEX FACILITY PROGRAM PKF ESTIMATE FACILITY PROGRAM ESTIMATE			
Aquatic Centre/Pool	Rooms	Sq.Ft./Rm	Sq.Ft.
Pool			5,000
Total:			5,000
Meeting Rooms/Community Rooms			Sq.Ft.
Banquet room - 80 seats	1		1,200
Meeting Rooms/Community Rooms - 4	3		1,000
Total:	3		2,200
Fitness Facilities			Sq.Ft.
CardioTraining Fitness Room (25*40 ft)			1,000
Weight Training Fitness Room (30*50 ft)			1,500
Open Gym (40*50 ft)			2,000
Total:			4,500
Public Areas/Back of House			Sq.Ft.
	42%		8,300
TOTAL			Sq.Ft.
ACQUATIC COMPLEX TOTAL		-	20,000

4.1.4 Wellness Centre

MEAFORD HIGHLANDS WELLNESS CENTRE FACILITY PROGRAM ESTIMATE	
Spa	Sq.Ft.
Spa (9 treatment rooms)	3,750
Total:	3,750
Health (Medical/Dental)	Sq.Ft.
Medical/Dental	3,000
Total:	3,000
Fitness Facilities	Sq.Ft.
Fitness Facilities	500
Total:	500
Public Areas/Back of House	
	40% 4,750
TOTAL	Sq.Ft.
WELLNESS CENTRE TOTAL	12,000

4.1.5 Commercial Program

MEAFORD HIGHLANDS COMMERICAL PROGRAM - AT BUILD OUT FACILITY PROGRAM ESTIMATE			
Food & Beverage	Outlets	Sq.ft./Outlet	Sq.Ft.
Full Service Restaurant 75 seats	1	3,000	3,000
Coffee Shop - 40 seats	1	1,500	1,500
Total:	2	2,250	4,500
Retail Commercial	Outlets	Sq.ft./Outlet	Sq.Ft.
General/Specialty Retail	5	1,600	8,000
Convenience Store	1	1,500	1,500
Total:	6	Sq.ft./Outlet	9,500
Office/Service Retail	Outlets	Sq.ft./Outlet	Sq.Ft.
Other Office/Service Retail	3	2,000	6,000
Total:	3	2,000	6,000
TOTAL	Outlets	Sq.ft./Outlet	Sq.Ft.
	11	1,818	20,000

4.2 General On-Site Facilities and Programming

The following table provides a list of the typical activities and amenities currently available at existing Resorts and Inns located throughout the Province of Ontario. The list is not meant to be exclusive, and not all Resorts/Inns will offer every amenity or activity at their property specifically. However, the list provides an overview of the types of activities and amenities resort owners/operators implement to attract leisure and corporate/meeting & conference guests to their properties. These activities and amenities also help year-round businesses to extend demand over the shoulder months.

TABLE 4-7 RESORT PROGRAMMING ACTIVITIES AND AMENITIES	
On-Site Indoor Activities/Amenities	On-Site Outdoor Activities/Amenities
Spa: Offering a variety of treatments from massage, facials, and hydrotherapy to traditional manicure/pedicure services.	Trail and Nature/Wildlife Based: <ul style="list-style-type: none"> - hiking - cycling/mountain biking - bird watching - fishing - caving - ATV rentals
Indoor Recreation: <ul style="list-style-type: none"> - squash/racquetball - fitness room - sauna/steam room - gymnasium with basketball, volleyball etc. - Yoga classes/instruction - Ping pong/games room - Child minding services and day camp programs for children 	Outdoor Recreation: <ul style="list-style-type: none"> - volleyball - basketball - wall climbing - badminton - horseshoes - shuffleboard - Guided hikes, cruises, canoe trips
Water Play: <ul style="list-style-type: none"> - indoor water park, water slide - indoor pool/hot tub 	Golf (on-site) <ul style="list-style-type: none"> - executive level course or better (9, 18, 27 holes) - mini put - driving range/practice facility - clubhouse
Dining/Entertainment: <ul style="list-style-type: none"> - fine dining/lounge/bar areas - earth to table/local cooking and food - cooking classes (private or group) - nightlife/entertainment/shows and live entertainment (karaoke, comedy, live music) 	Water Based (Beach) <ul style="list-style-type: none"> - Marina with watercraft rentals (canoes, kayaks, paddleboats, motor boats, jet skis) - swimming - beach front - water skiing - water trampoline - wind surfing
	Corporate/Team Leadership: <ul style="list-style-type: none"> - aerial ropes course

	Winter Activities: <ul style="list-style-type: none"> - dog sledding - downhill skiing - nordic skiing - snow shoeing - skating - hockey - sleigh Rides - snow Tubing - tobogganing - snowmobiling
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Experiential programming and packaging is also a common trend in the resort/inn industry in Ontario. Packages range from golf, to spa, to fishing to culinary experiences. In addition, most resorts and inns are located within a close distance to nearby communities, attractions or other facilities/activities such as Horseback Riding Golf Courses, Provincial Parks, Shopping & Dining in Collingwood and local arts and cultural attractions.

**EXHIBIT 4-1
MEAFORD HIGHLANDS RESORT DEVELOPMENT
COMMERCIAL PROGRAM**

MEAFORD HIGHLANDS INN INN FACILITY PROGRAM ESTIMATE			
Guestrooms	Rooms	Sq.Ft./Rm	Sq.Ft.
Standard Room	55	375	20,625
1 Bedroom Suite	5	450	2,250
Total:	60	381	22,875
Meeting Space	Rooms	Seats	Sq.Ft.
75-100 Seats	1	90	1,350
30-50 Seats	2	80	1,200
10-20 Seats	2	30	450
Total:	5	200	3,000
Restaurant/Lounge	Rooms	Seats	Sq.Ft.
Restaurant/Lounge	1	75	1,500
Total:	1		1,500
Recreational/Other Activities	Rooms	Sq.Ft./Rm	Sq.Ft.
Fitness/Recreation	1	750	750
Total:	1		750
Public Areas/Back of House			
	42%		20,375
TOTAL	Rooms	Sq.Ft./Rm	Sq.Ft.
INN TOTAL	60	808	48,500

MEAFORD HIGHLANDS AQUATIC COMPLEX FACILITY PROGRAM PKF ESTIMATE FACILITY PROGRAM ESTIMATE			
Aquatic Centre/Pool			Sq.Ft.
Pool			5,000
Total:			5,000
Meeting Rooms/Community Rooms			Sq.Ft.
Banquet room - 80 seats	1		1,200
Meeting Rooms/Community Rooms - 4	3		1,000
Total:	3		2,200
Fitness Facilities			Sq.Ft.
CardioTraining Fitness Room (25*40 ft)			1,000
Weight Training Fitness Room (30*50 ft)			1,500
Open Gym (40*50 ft)			2,000
Total:			4,500
Public Areas/Back of House			Sq.Ft.
	42%		8,300
TOTAL			Sq.Ft.
ACQUATIC COMPLEX TOTAL		-	20,000

MEAFORD HIGHLANDS GOLF CLUBHOUSE & PRACTICE ACADEMY FACILITY PROGRAM ESTIMATE			
Golf Front of House			Sq.Ft.
Pro Shop			1,250
Dining Room/Lounge - 50 seats			1,000
Total:			2,250
Practice Academy			Sq.Ft.
Practice Academy			6,000
Total:			6,000
Meeting Rooms/Community Rooms			Sq.Ft.
Banquet room - 80 seats	1		1,200
Meeting Rooms/Community Rooms - 4	3		1,000
Total:	4		2,200
Public Areas/Back of House			
	42%		7,550
TOTAL			Sq.Ft.
INTEGRATED CLUBHOUSE			18,000

MEAFORD HIGHLANDS WELLNESS CENTRE FACILITY PROGRAM ESTIMATE			
Spa			Sq.Ft.
Spa (9 treatment rooms)			3,750
Total:			3,750
Health (Medical/Dental)			Sq.Ft.
Medical/Dental			3,000
Total:			3,000
Fitness Facilities			Sq.Ft.
Fitness Facilities			500
Total:			500
Public Areas/Back of House			
	40%		4,750
TOTAL			Sq.Ft.
WELLNESS CENTRE TOTAL		-	12,000

MEAFORD HIGHLANDS COMMERCIAL PROGRAM - AT BUILD OUT FACILITY PROGRAM ESTIMATE			
Food & Beverage	Outlets	Sq.ft./Outlet	Sq.Ft.
Full Service Restaurant 75 seats	1	3,000	3,000
Coffee Shop - 40 seats	1	1,500	1,500
Total:	2	2,250	4,500
Retail Commercial	Outlets	Sq.ft./Outlet	Sq.Ft.
General/Specialty Retail	5	1,600	8,000
Convenience Store	1	1,500	1,500
Total:	6	Sq.ft./Outlet	9,500
Office/Service Retail	Outlets	Sq.ft./Outlet	Sq.Ft.
Other Office/Service Retail	3	2,000	6,000
Total:	3	2,000	6,000
TOTAL	Outlets	Sq.ft./Outlet	Sq.Ft.
	11	1,818	20,000

MEAFORD HIGHLANDS OVERALL PROGRAM - AT BUILD OUT FACILITY PROGRAM ESTIMATE			
Component	Units		Sq.Ft.
Inn	60		48,500
Golf Clubhouse			18,000
Commercial Program			20,000
Aquatics Centre			20,000
Wellness Centre			12,000
TOTAL			Sq.Ft.
OVERALL PROGRAM - AT BUILD OUT			118,500

APPENDIX B

**SUMMARY OF ACTIVE UNITS/LOTS IN THE
DEVELOPMENT APPROVALS PROCESS – MEAFORD
AND SURROUNDING MARKET AREA**

Table B-1
Meaford and Surrounding Market Area
Summary of Active Units/Lots in the Development Approvals Process

Active Residential Development Projects - Meaford								
Project Name	Developer	Area	Product Type	# of Units	Sales	% Sold	Launch Date	Price Range
Meaford								
Gates of Kent (phases 1 & 2)	Reid's Heritage Homes	Urban	Bungalows w/loft	30	14	47%	2009	\$220,500 - \$243,000
Golfview	Roger's Enterprises	Urban	Serviced Lots	28	1	4%	late 2010	\$259,000 - \$399,900
Maple Meadows (Phase 1 & 2)	Maple Meadow Homes	Urban	Bungatowns	58	50	86%	Late 2006	\$199,000-\$229,900
Poplar Ridge Estates		Urban	Serviced Lots	25	0	0%	2011	\$95,000
The Birches on Georgian Bay	Eagle Ridge Developments	Rural	Building Lots	24	14	58%	2010	\$249,900+
Total				165	79	48%		

Active Residential Development Projects - Town of The Blue Mountains								
Project Name	Developer	Area	Product Type	# of Units	Sales	% Sold	Launch Date	Price Range
Town of The Blue Mountains								
Edgewater (Phase 1 & 2)	Realty One	Craigleith	Townhomes	12	8	67%	2006	\$599,000-\$640,500
Far Hills (Phase 1)	Siljon Developments/Rockpoint	Thornbury	Townhomes & Apartments	87	11	13%	2006	NA
Georgian Glen (phase 1)	Sorichetti & Alliance Homes	Camperdown	Bungalows	39	5	13%	2007	\$389,900 - \$581,900
Cottages at Lora Bay (Keepers Cove)	Reids Heritage Homes	Lora Bay	Bungalows	27	8	30%	2010	\$337,000-\$434,600
Lora Bay	Lora Bay Corp.	Lora Bay	Townhomes & Singles	45	3	7%	Jul-10	\$337,600-\$696,600
Mill Pond Homes	Design Quoruminc.	Thornbury	Townhomes	22	17	77%	2007	\$364,900-\$489,900
Peaks Meadows	Sorichetti & Alliance Homes	Camperdown	Lots	45	17	38%	2005	\$167,000 - \$332,000
The Orchard at Craigleith	MacPherson Builders	Craigleith	Singles, Semis & Townhomes	130	107	82%	Jun-05	\$446,900 - \$599,900
Trailwoods (Phase 1)	Trailwoods Corporation	Lora Bay	Single Lots	24	11	46%	2008	\$110,000 - \$140,000
Monterra Ridge	Royalton Homes	Craigleith	Townhomes	27	24	89%	2008	\$299,900 - \$414,900
Woodlands	Sierra Building Group	Craigleith	Semis & Townhomes	73	67	92%	2003	\$389,000 - \$549,000
The Ridge Estates	The Allan	Camperdown	Single Lots	43	9	21%	2007	\$149,900+
Eleven Bay Street	Harbour Vista Inc.	Thornbury	Townhomes	13	1	8%	2009	\$650,000+
Nippising Ridge (Phase 3)	Brock Developments	Camperdown	Lots	52	0	0%	Aug-10	\$209,000-\$539,000
Lendvay Alley	880618 Ontario Inc.	Craigleith	Lots	19	7	37%	Jul-10	\$315,000+
Thorcroft Court	Timberlane Homes	Craigleith	Lots	9	4	44%	NA	NA
Summit Shores (Phase 1)	Losani & Mountainview Homes	Camperdown	Semi-Detached	24	12	50%	Jun-08	\$338,900-\$357,900
Residences of Peaks Bay (Phase 1)	PB Holdings	Camperdown	Lots	24	8	33%	Jun-10	\$195,000-\$375,000
Total				715	319	45%		

Active Residential Development Projects - Collingwood								
Project Name	Developer	Area	Product Type	# of Units	Sales	% Sold	Launch Date	Price Range
Collingwood								
Blue Shores	Kaitlin Group	Central	Singles & Bungalows	201	183	91%	Nov-02	\$408,490 - \$838,490
Arrow Head at Blue	Flintview Homes	West	Townhomes	38	30	79%	Jan-06	\$400,000 - \$525,000
Creekside	Devonleigh	West	Singles, Semis & Townhomes	273	243	89%	Jul-07	\$205,900 - \$324,900
Georgian Meadows (phases 5-6)	Reid Heritage Homes	West	Singles & Bungalows	104	35	34%	May-09	\$242,900 - \$369,900
Heights of Collingwood (phase 1)	Regency Heights Homes	Central	Townhomes	16	On Hold	NA	NA	NA
Lakeside Point	Eden Oak	East	Singles & Bungalows	68	51	75%	May-07	\$259,900 - \$378,900
Mair Mills Estates - Falcon Chase (phase 3)	Carandale Homes	West	Singles & Bungalows	74	40	54%	Jul-10	\$383,990 - \$487,990
Mountain Trails	Brandy Lane Homes	West	Stacked Townhomes	136	NA	NA	Nov-08	\$300,000+
Mountaincroft (Phases 1 & 2)	Grandview Homes	West	Singles & Bungalows	170	66	39%	Jun-08	\$234,000 - \$407,000
Silver Glen Presene (phase 1 & 2)	Reid Heritage Homes	West	Bungalows & Townhomes	76	62	82%	Sep-08	\$247,400 - \$424,900
Tanglewood at Cranberry Trail	Sierra Building Group	West	Townhomes (1 & 2 Storey)	119	96	81%	Jun-09	\$329,900 - \$509,900
Wyldewood	Brandy Lane Homes	West	Apartments	168	0	0%	Feb-10	\$139,900 - \$154,990
Riverside	Sunvale	West	Singles	139	65	47%	2008	\$259,990 - \$343,900
The Shipyards (Phases 104)	Fram/Slokker	Central	Bungalows w/loft & Apartments	175	142	81%	Jul-04	\$264,900-\$949,000
Pretty River by the Bay	DellPark Homes	West	Singles and Semis	166	NA	NA	NA	\$239,990 - \$488,990
Windrose Valley (Clearview)	Osler Bluff Estates	West	Lots	43	5	12%	Oct-08	\$175,000-\$425,000
Whites Bay		West	Singles	12	0	0%	Apr-11	NA
Total				1,978	1,018	51%		

APPENDIX C

SUPPLEMENTARY HOUSING AFFORDABILITY ANALYSIS

Table C-1
Meaford Highlands Resort
Housing Affordability (Based on 25% Down Payment & Housing
Carrying Costs 30% of Household Income)

	Meaford	The Blue Mountains	Collingwood
Gross Annual Household Income ¹	\$68,543	\$90,662	\$80,825
Gross Monthly Household Income	\$5,712	\$7,555	\$6,735
Housing Purchase Price ²	\$218,716	\$328,777	\$276,868
% Down Payment	25%	25%	25%
Mortgage Amount	164,037	246,583	207,651
Monthly Carrying Cost @ 6.0% over 25 years ³	\$1,057	\$1,589	\$1,338
Residential tax rate ⁴	0.01203439	-	0.01327350
Monthly Property Taxes ⁵	\$219	\$0	\$306
Monthly Utilities and Insurance ⁶	\$437	\$178	\$376
Total Carrying Costs ⁷	\$1,714	\$1,767	\$2,021
Housing Costs as a Percentage of Household Income	30.0%	30.0%	30.0%

Source: Watson & Associates Economists Ltd.

1. FP Markets, 2011

2. Calculated based on 25% down payment & assuming housing costs are 30% of household income

3. Assumptions regarding down payment, mortgage interest rate and mortgage amortization period provided by Watson & Associates Economists Ltd.

4. Calculated based on applicable 2009 municipal tax rates

5. Assessment value assumed to be equal to house purchase price

6. Reflects natural gas heating, electricity, water/sewer and home insurance costs for an average sized 3 bedroom home

7. Total carry costs exclude condo fees

Table C-2
Meaford Highlands Resort
Housing Affordability – 45-64 Years¹ (Based on 25% Down Payment & Housing
Carrying Costs 30% of Household Income)

	Meaford	The Blue Mountains	Collingwood
Gross Annual Family Income (45-64 years) ²	\$106,680	\$150,027	\$134,803
Gross Monthly Family Income (45-64 years)	\$8,890	\$12,502	\$11,234
Housing Purchase Price ³	\$382,110	\$588,436	\$504,109
% Down Payment	25%	25%	25%
Mortgage Amount	286,583	441,327	378,082
Monthly Carrying Cost @ 6.0% over 25 years ⁴	\$1,846	\$2,843	\$2,436
Residential tax rate ⁵	0.01203439	-	0.01327350
Monthly Property Taxes ⁶	\$383	\$0	\$558
Monthly Utilities and Insurance ⁷	\$437	\$178	\$376
Total Carrying Costs ⁸	\$2,667	\$3,022	\$3,370
Housing Costs as a Percentage of Household Income	30.0%	30.0%	30.0%

Source: Watson & Associates Economists Ltd.

1. 45-64 years represents Age group of husband, male partner or reference person.
2. Annual Family Income (Aged 45-64 Years) estimated by Watson & Associates Economists Ltd.
3. Calculated based on 25% down payment & assuming housing costs are 30% of household income
4. Assumptions regarding down payment, mortgage interest rate and mortgage amortization period provided by Watson & Associates Economists Ltd.
5. Calculated based on applicable 2009 municipal taxes
6. Assessment value assumed to be equal to house purchase price
7. Reflects natural gas heating, electricity water/sewer and home insurance costs for an average sized 3 bedroom home
8. Total carry costs exclude condo fees