
For Information

DATE: June 2, 2015

REPORT TITLE: **RESIDENTIAL GROWTH AND DEVELOPMENT WITHIN THE BUILT BOUNDARY– 2013 AND 2014**

FROM: Lorraine Graham-Watson, Commissioner of Corporate Services

OBJECTIVE

To provide an update on Peel's progress (2013 – 2014) towards the Places to Grow residential intensification requirement of 40 per cent by 2015.

REPORT HIGHLIGHTS

- The Growth Plan requires that the Region of Peel (Region) achieve a minimum annual residential intensification of 40 per cent beginning in 2015 and for each year thereafter. The Region's Official Plan provides a target of 50 per cent intensification by 2026.
- Peel had just over 5,000 new residential units created in 2013. Of these, approximately 2,300 units were within the built up area and constitute intensification.
- In 2013 the residential intensification rate in the Region was 47 per cent.
- Peel had almost 6,000 new residential units created in 2014. Of these, just over 1,400 units were within the built up area and constitute intensification.
- In 2014 the residential intensification rate in the Region was 24 per cent.
- The average annual intensification rate achieved in the Region since the establishment of the Growth Plan in 2006 is 43 per cent.

1. Background
a) Growth Plan

One of the main objectives of the Growth Plan is to create compact and complete communities. To achieve this objective, the Growth Plan promotes intensification of the existing built-up areas and establishes minimum intensification targets for upper and single-tier municipalities.

The Growth Plan requires that by the year 2015 and for each year thereafter, a minimum of 40 per cent of all residential development occurring annually within each upper-tier municipality will be within the built-up area (built boundary), which is identified as lands that were generally developed as of the date of the Growth Plan's release (June 2006). The built-up area also includes urban growth centres (UGC's). Finally, the built-up area includes an "undelineated" portion predominantly made up of villages and hamlets that were considered to be built as of June 2006. The above-mentioned policy areas are shown on schedule D4 of the Regional Official Plan (refer to Appendix I).

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The Growth Plan established urban growth centres (UGC) to recognize high-growth areas that are intended to accommodate a significant amount of intensification. The Region contains one UGC around Downtown Mississauga, and another around Brampton's downtown and Queen Street corridor. Peel's UGCs will be planned to achieve, by 2031 or earlier, a minimum gross density target of 200 residents and jobs combined per hectare.

The Growth Plan contains annual targets only for residential intensification; therefore this report focuses solely on the residential component of growth.

b) Regional Official Plan Amendment (ROPA) 24

Approved by the Ontario Municipal Board (OMB) on June 25, 2012, ROPA 24 provides growth management policies to conform to the Growth Plan. Specifically, Section 5.5.3 requires that a minimum 40 per cent intensification target to be achieved each year until 2025, and a minimum 50 per cent intensification target from 2026 to 2031.

While the intensification target is measured Region-wide, Section 5.5.3.2.5 of ROPA 24 allocates intensification growth to the area municipalities. The total number of dwelling units within the built boundary between 2006 and 2031 are: Brampton – 26,500; Caledon – 1,500; and, Mississauga – 52,000.

c) Regional Official Plan Amendment 25

ROPA 25 includes additions to the Plan's monitoring policies. Specifically, it promotes the development of appropriate indicators used to analyze the effectiveness of the Official Plan. Residential development in the built-up area is proposed by the Province as one indicator to be monitored on an ongoing basis. Regional staff will be regularly reporting to Council on indicators related to growth and intensification.

d) Growth Plan Amendment #2

On June 17, 2013 Amendment #2 to the Growth Plan (Amendment 2) came into effect to update and extend the Plan's vision, policies and population and employment forecasts to 2041, allowing the Region to better plan for growth in a sustainable manner. The Region is in the process of implementing Amendment 2 through the Regional Official Plan Amendment 27 (ROPA 27). Implementation will establish the minimum residential intensification rates for the Region, for growth, beyond the 2031 planning horizon. At the April 24, 2014 Regional Council meeting, Council withdrew the report titled, "Peel 2041 Regional Official Plan Review - Draft Regional Official Plan Amendment 27 Proposing Changes Related to Growth Management, Age-Friendly Planning, Housing, Health and the Built Environment, Minor Editorial Changes and Administrative Updates" (Resolution 2014-345), pending the development of a sustainable business plan.

2. Methodology

The Growth Plan defines intensification to be any development of a property, site or area at a higher density than what currently exists. In measuring the rate of intensification, building permit data, as provided by area municipalities, was used to identify the number and location of new residential units in the built-up area and calculate this as a percentage of total new units.

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Another important aspect of residential development within the built-up areas is housing mix. The two housing types typical for intensification projects are apartments and townhouses. Using the same source of data, this report also describes Peel's housing mix in recent years.

Since the Growth Plan considers the UGCs as prime locations for intensification and sets specific density targets for those areas, this report also addresses the density target within the two UGCs in Peel.

3. Major Characteristics of Growth

a) Amount of growth

Total residential growth in the Region between 2006 and 2014 was over 58,000 new residential units, including:

- 35,000 units in Brampton;
- 3,000 units in Caledon; and
- 20,000 units in Mississauga.

This growth has translated to population growth of 220,000 residents. Mississauga's net population increased by 63,000, while Brampton and Caledon's net population increased by 149,000 and 3,000 respectively. The Region's average annual growth was about 6,500 residential units and just over 24,000 residents.

During the first few years after the Growth Plan was released, residential growth in the Region was still dominated by typical greenfield development that was mostly happening on the inner edge of the built boundary. In spite of its nature, this development was counted towards intensification because it was located within the built-up area.

Over the years, a combination of planning policies and market demand has made an impact on the type, form and density of residential development. The building permit data for the last four years is the most informative to draw conclusions regarding this impact because initially the "post" Growth Plan period (2006 – 2010) included greenfield development happening on the inside-edge of the built boundary.

b) Composition/Mix of Housing Types

Between 2011 and 2014, there were over 25,000 new residential units in Peel, with an average annual growth of over 6,400 units. As figure 1 shows, most of these units were single or semi-detached (61 per cent), while apartments and townhouses accounted for 20 and 19 per cent respectively.

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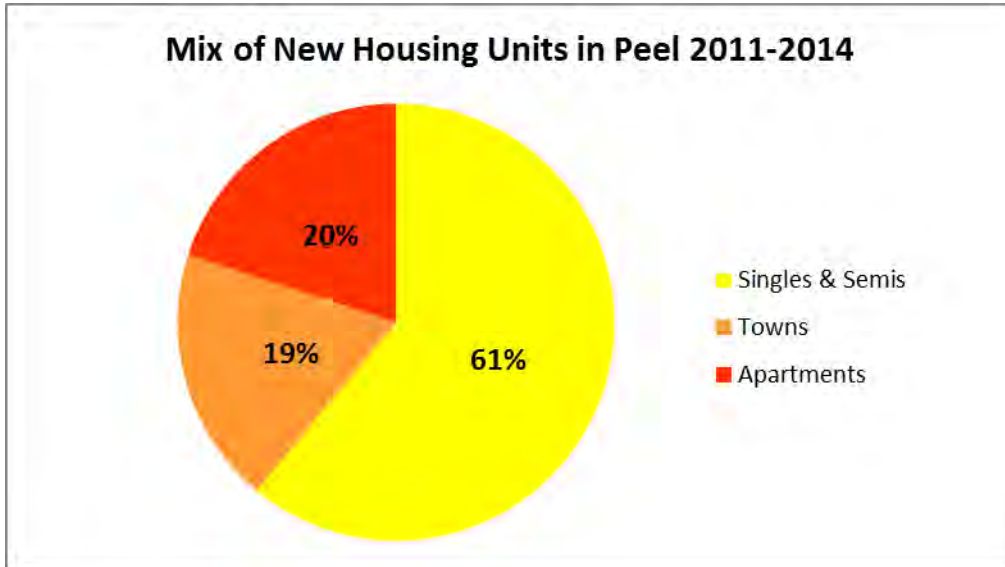


Figure 1

Figure 1 shows the breakdown of total units, however, an examination of housing units constructed between 2011 and 2014 within the built boundary shows a significantly different mix (see Figure 2). Apartments account for more than a half (53 per cent) of new units within the built boundary while townhouses account for another 16 per cent. These two categories combined account for over two thirds of all new units constructed within the built boundary in Peel. Although single and semi-detached homes are not considered to be typical intensification types, they still account for 31 per cent of the total intensification units.

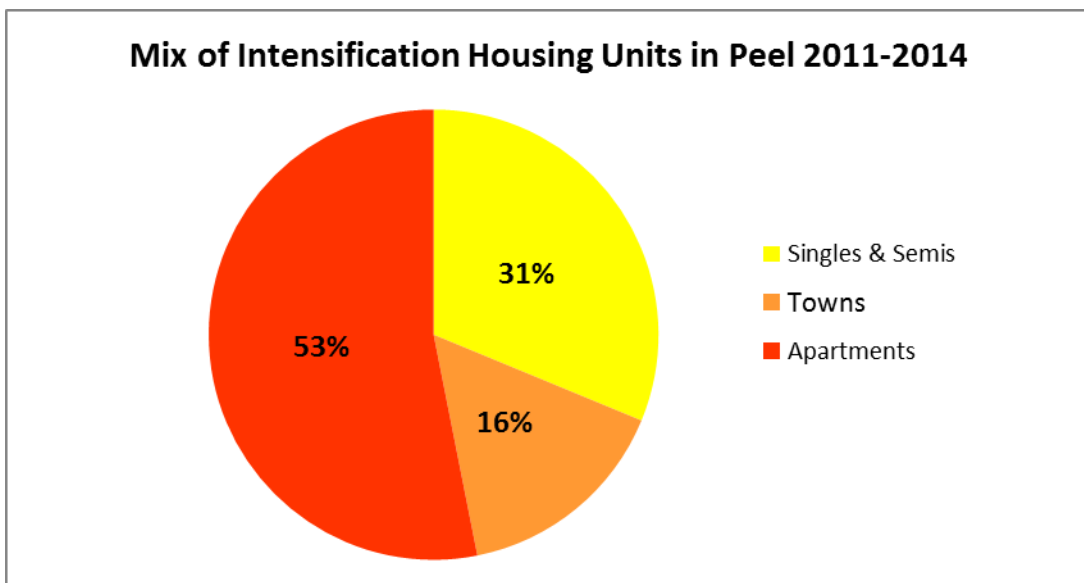


Figure 2

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RESIDENTIAL GROWTH – 2013 AND 2014**c) Urban Growth Centres**

Brampton and Mississauga each contain an Urban Growth Centre (UGC), which is intended to accommodate a significant amount of growth. However, in 2014 there was almost no residential activity within the UGCs. A similar situation occurred in 2010 due to cycles of residential development activity. However, there were also years of significant development within UGCs including 2008, 2009 and 2011 when 61 per cent, 47 per cent and 44 per cent respectively of all intensification occurred in UGCs. For the entire period of 2006-2014, the two UGCs in the Region contributed one third of the total intensification units.

Both Urban Growth Centres in the Region are planned to achieve a minimum combined gross density of 200 residents and jobs per hectare. The Mississauga's UGC has almost achieved this density target and by 2031 will most likely exceed it. The Brampton UGC has also started attracting high density projects (e.g. Mattamy project at Queen St. and Kennedy Rd.) and is planned to achieve the minimum density target of 200 jobs and residents per hectare by 2031.

d) Major clusters of development

The built-up area covers almost 40,000 hectares of land in Peel. A significant portion of this land is composed of stable residential communities that are not expected to be intensified in the form of high density development. These areas experience only minor development activity that can be considered as "micro" intensification. Typically these are the replacement of smaller single detached units with larger single or multiple-family homes.

In other areas, intensification is characterised by high density development in the form of high-rise buildings often complemented by townhouses. This type of development does not happen everywhere but rather it is concentrated within the UGCs, urban nodes, corridors and major transit station areas. In the last few years the following areas in the Region experienced this form of development:

- Mississauga City Centre (e.g. One Park Tower and Capital North and South Towers by Daniels);
- Mississauga's Midtown Urban Node (e.g. Pinnacle project at Hurontario St. and Eglinton Ave.);
- Port Credit (e.g. North Shore project at Hurontario St. and Lakeshore Rd.);
- Brampton's Downtown (e.g. Altera project at Queen St. and George St.); and
- Brampton's Queen Street Corridor (e.g. Mattamy project at Queen St. and Kennedy Rd.).

Other areas in the Region are planned to achieve significant intensification such as the Lakeview area of Mississauga.

4. Intensification Achieved

For the year 2013, the Region had approximately 5,000 new residential units, of which approximately 2,300 were within the built boundary. The Region's rate of residential intensification for 2013 was 47 per cent. In 2014 there were about 6,000 new residential

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units including 1,425 within the built boundary. The 2014 residential intensification rate was 24 per cent. Figure 3 shows the 2013 and 2014 intensification rates in the Region.

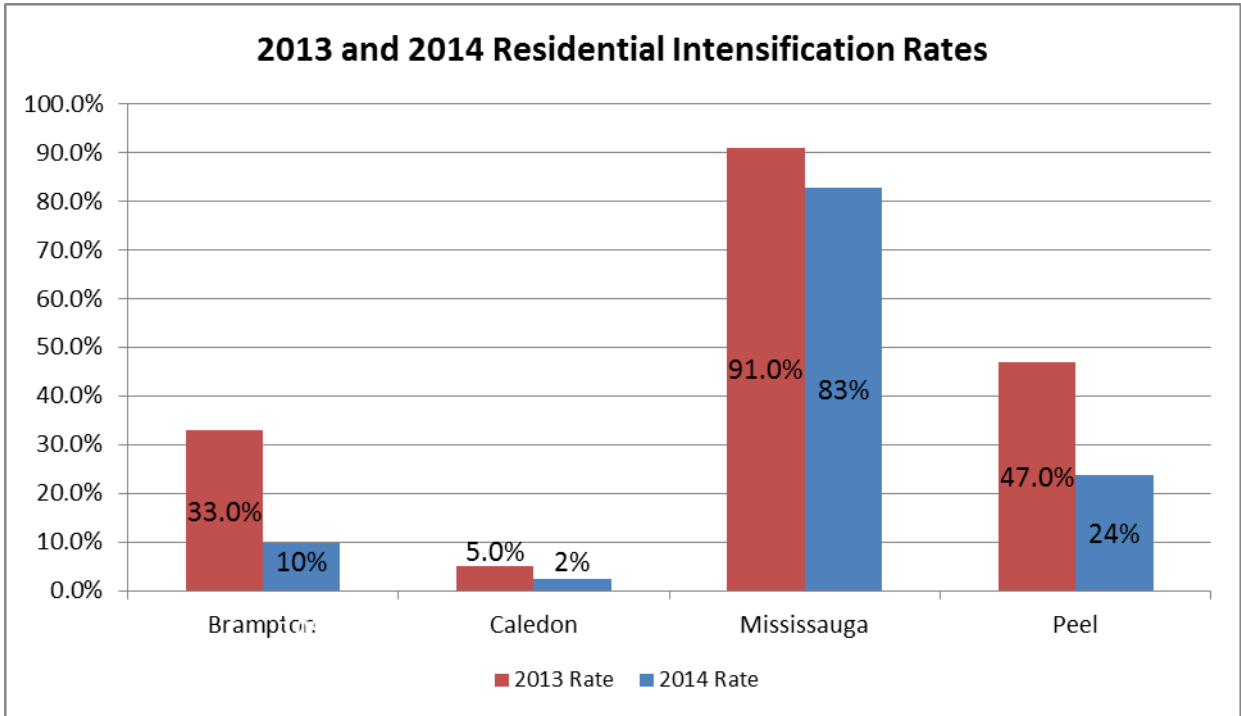


Figure 3

The 2014 decline in intensification is mainly associated with a decrease in building permit activity issued for units within the built-up area and an increase in greenfield units. Annual fluctuations are common. The planning process for intensification projects is usually complex and lengthy, and prone to “peaks” and “valleys” as shown on Figure 4.

Figure 4 shows Peel’s annual intensification rates for the period of 2006-2014 as well as the average annual rates for the 2006-2014 and 2011-2014 periods. The average annual Regional intensification rate for the entire “post Growth Plan” (2006-2014) period is 43 per cent although single year intensification ranges from 21 per cent in 2010 to 65 per cent in 2009.

It should be noted that in the years immediately following approval of the Growth Plan in 2006, the Region’s intensification rate was well above the 40 per cent level due to development continuing to occur on the inner edges of the built-up area. These were likely remaining vacant greenfield sites that were included in the built-up area as a result of the definition of the built boundary. Following the establishment of the built boundary, all new units within the boundary continued to build out as planned and were then considered to be intensification. This is especially true for the years 2006 to 2009. The 2010 year was somewhat exceptional. The economic recession of 2008-2009 had made the most significant impact on development activity in 2010.

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The last four years better depict the Region's intensification. Between 2011 and 2014, the Region experienced an average annual intensification rate of 35 per cent.

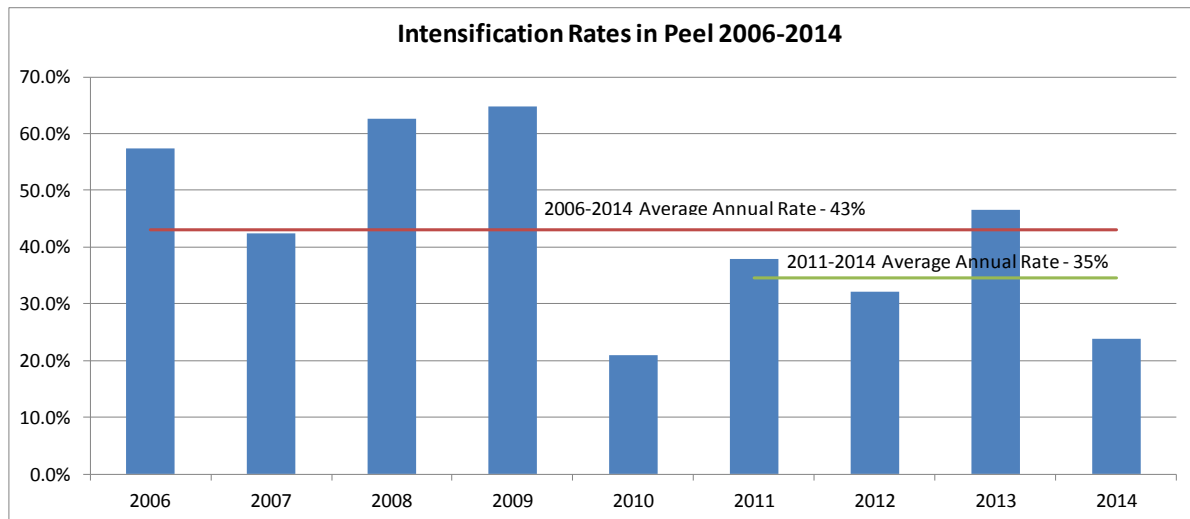


Figure 4

Municipalities are not required to achieve the intensification targets until 2015 and for each year afterward, therefore the purpose of the current analysis is to use the Regional intensification rate as a starting point leading up to 2015 and to continue annual monitoring. The Region's Land Budget forecasted that, overall, the built up area will accommodate over 50 per cent of total residential growth between 2006 and 2031, while reaching the Regional intensification target of 40 per cent by 2015 and achieving a minimum of 50 per cent by 2026.

In terms of the Region's total 2014 intensification units by area municipality, 69 per cent of all units were located in Mississauga, 30 per cent in Brampton, and 1 per cent in Caledon. It has to be noted that Mississauga is a major contributor to intensification because the remaining designated greenfield areas in Mississauga are almost fully developed, leaving any new growth to occur within the built-up area, thereby counting as intensification.

While the Growth Plan requires intensification to be calculated across the Region as a whole, Figure 3 also shows the individual intensification rates for each area municipality achieved in 2014. As expected, Mississauga recorded the highest intensification rate of 83 per cent while Brampton and Caledon's rates are significantly lower. A similar trend can be observed examining the 2011-2014 period. Mississauga's intensification rate is the highest of the three municipalities, however all three municipalities recorded higher average rates for the 2011-2014 period than the rates for the 2014 year.

Section 5.5.3.2.5 of the Regional Official Plan requires that the Region's built up area will be planned to accommodate 80,000 intensification units between 2006 and 2031. Of the 80,000 anticipated new intensification units, Mississauga will contribute at least 52,000 units, with Brampton and Caledon providing at least 26,500 and 1,500 units respectively. This will result in the Region reaching the minimum intensification target of 40 per cent by

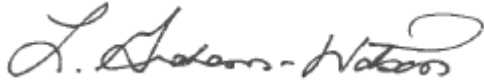
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2015 and achieving 50 per cent by 2026. From 2006 to 2014, over 25,000 intensification units were built, representing 31.3 per cent of the expected intensification to 2031.

CONCLUSION

In the last two years there were approximately 11,000 new residential units built in the Region of Peel including 3,700 units within the built up area. The 2013 and 2014 intensification rates were 47 per cent and 24 per cent respectively. The average annual Regional intensification rate for the 2011-2014 period is almost 35 per cent. The Region's intensification is diverse, characterized by both high-rise development and some ground-related housing, all of which contributes to intensification. Regional and area municipal staff will continue to work on supporting growth that supports the policies of the Regional Official Plan, including its intensification targets. Staff will continue to report regularly on the residential intensification rate.



Lorraine Graham-Watson, Commissioner of Corporate Services

Approved for Submission:



D. Szwarc, Chief Administrative Officer

APPENDICES

Appendix I – Schedule D4, Regional Official Plan

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