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Memorandum – APPENDIX 2

To:	Daryl Keleher, Director	Fax	☐
From:	Jamie Cook/Gary Scandlan	Courier	☐
Date:	January 22, 2018	Mail	☐
Re:	2017/2018 Oakville DC Review - Questions re: Soft Services – Population, Household and Employment Forecast and By-law Definitions	e-mail	☒

The following memo provides our responses to questions 23 through 26 regarding the above-referenced memo.

By-law Definitions

Q.23)

We have concerns with the inclusion of stacked townhouses within the multiple unit category in the proposed DC by-law. Statistics Canada includes stacked townhouses within the apartments category, typically within the "apartment, building that has fewer than five storeys". While Statistics Canada does not provide data on average household sizes for stacked townhouses separately from traditional apartments within this defined category, the PPUs for stacked townhouses are likely far more similar to those of apartments than a townhouse unit. According to the 2016 Census, the average household sizes for selected dwelling types in the Town are as follows:

a. *Row house – 2.68 persons per unit;*
b. *Apartment in building with less than five storeys – 1.81 person per unit;*
c. *Apartment in building with more than five storeys – 1.71 persons per unit.*

According to Altus Data Solutions information, recent stacked townhouse units sold within the Town have a range from as small as 745 square feet, and no larger than 1,799 square feet. Traditional townhouse units being marketed in the Town have ranged from 1,600 square feet at the low end to over 2,400 square feet.

The inflated charges on relatively small unit types will act as a disincentive to provide units that can help meet the need for affordable ground-oriented ownership housing. In its DC by-law, the Region of Halton includes stacked houses within the apartment category.

If the rates are adopted as proposed, the cumulative Regional and Town-imposed development charges for a one-bedroom stacked townhouse unit in the greenfield area would amount to $37,585 (or $47 per square foot for an 800 square foot unit.) Currently, a three-bedroom townhouse in the built-boundary area of the Town would pay a combined DC of $38,859 (or $16 per square foot for a 2,400 square foot unit).

A.23)

Statistics Canada reference guide catalogue No. 98-313-XWE2011001 defines private and collective dwellings by structural type in accordance with the 2011 Census (attached). The definition of housing units by structure type remains unchanged for the 2016 Census as per Catalogue no. 98-301-X. The reference guide indicates that side-to-back townhouses or garden homes are classified a row house (Code 3); however, back-to-back townhouses are not explicitly defined in the reference guide. It is important to note that Statistics Canada does explicitly report on the number of back-to-back townhouses in the Census data. Household statistics are provided by the eight categories described in the reference guide catalogue.

Based on our review of the 2011 and 2016 Census definitions, it is our opinion that a back-to-back townhouse most closely reflects the definition of a townhouse from a built form perspective. With regard to average housing occupancy, or average persons per unit (PPU), it is also our opinion that back-to-back townhouses more closely resemble the characteristics of a townhouse as opposed to an apartment.

Stacked townhouses are also not explicitly reported on by Statistics Canada, nor are they explicitly defined in the reference catalogue. In accordance with Catalogue no. 98-301-X, stacked townhouses appear to most closely resemble an apartment with less than five storeys (Code 4). In terms of average household occupancy, it is our opinion that a stacked townhouse most closely resembles a small townhome or a large apartment (2 bedrooms or greater) based on the results of the 2016 Census.

We have reviewed the information provided by Altus Data Solutions with respect to the average square footage of stacked townhouse units. Watson has surveyed over 80 back-to-back and stacked townhouse model units across the Greater Golden Horseshoe (GGH) (refer to Table 1). From this survey, we have concluded that stacked townhouses typically average approximately 1,100 sq.ft. in size and average approximately 2.0 bedrooms per unit. We would note that back-to-back townhouses are slightly larger in size, averaging 1,340 sq.ft. per unit with an average of 2.24 bedrooms per unit.

It is anticipated that average PPU levels for stacked townhomes will continue to rise as first-time home buyers and young families are attracted to this housing product type. The data provided by Altus (sq.ft. range between 745 to 1,799) suggests that the average square footage of stacked townhomes may be higher than that statistics generated from our GGH-wide survey.

Accordingly, Watson is recommending that stacked townhouses should be defined as large apartment in the Town of Oakville DC by-law.

Table 1: GGH Survey of Back-to-Back and Stacked Townhouses

Townhouse Style	Municipality	Community	Model	Sq.ft.	Number of Bedrooms
Back to Back	Toronto	Queen St. E.	Leslieville A1	1,750	3
Back to Back	Toronto	Queen St. E.	Leslieville A2	1,855	3
Back to Back	Toronto	Queen St. E.	Leslieville A3	2,055	3
Back to Back	Milton	Hawthorne Village	Cherrywood	1,040	2
Back to Back	Milton	Hawthorne Village	Currant	1,195	2
Back to Back	Milton	Hawthorne Village	Moonseed End	1,278	2
Back to Back	Milton	Hawthorne Village	Sumac Corner	1,338	3
Back to Back	Milton	Hawthorne Village	Woodbine	1,356	2
Back to Back	Pickering	Seaton	Cherrywood	1,040	2
Back to Back	Pickering	Seaton	Currant	1,195	2
Back to Back	Pickering	Seaton	Sumac Corner	1,338	3
Back to Back	Pickering	Seaton	Woodbine	1,356	2
Back to Back	Brampton	Mount Pleasant North	Plan 1	1,031	2
Back to Back	Brampton	Mount Pleasant North	Plan 2	1,197	2
Back to Back	Brampton	Mount Pleasant North	Plan 3 End	1,638	2
Back to Back	Brampton	Mount Pleasant North	Plan 4 Corner	1,339	3
Back to Back	Brampton	Mount Pleasant North	Plan 5	1,351	2
Back to Back	Burlington	Branthaven Homes	Spirit	1,365	2
Back to Back	Burlington	Branthaven Homes	Magic	1,190	2
Back to Back	Burlington	Branthaven Homes	Cheer	1,060	1
Back to Back	Ottawa	Half Moon Bay, Monahan Landing, & Fairwinds	Appleby	1,100	2
Back to Back	Ottawa	Half Moon Bay, Monahan Landing, & Fairwinds	Berry hurst	1,263	2
Back to Back	Ottawa	Half Moon Bay, Monahan Landing, & Fairwinds	Sweetriver	1,325	2
Back to Back	Ottawa	Half Moon Bay, Monahan Landing, & Fairwinds	Mulberry Corner	1,366	3
Back to Back	Ottawa	Half Moon Bay, Monahan Landing, & Fairwinds	Thornburry End	1,391	2
Stacked	Toronto	Riverside	n/a	530	1
Stacked	Toronto	Riverside	n/a	730	1
Stacked	Toronto	Riverside	n/a	936	1
Stacked	Toronto	Riverside	n/a	918	1
Stacked	Toronto	Riverside	n/a	950	1
Stacked	Toronto	Riverside	n/a	934	1
Stacked	Toronto	Riverside	n/a	986	1
Stacked	Toronto	Riverside	n/a	1,164	2
Stacked	Toronto	Riverside	n/a	1,200	2
Stacked	Toronto	Riverside	n/a	1,180	2
Stacked	Toronto	Riverside	n/a	1,240	2
Stacked	Toronto	Riverside	n/a	1,183	2
Stacked	Toronto	Riverside	n/a	1,325	2
Stacked	Toronto	Riverside	n/a	1,196	2
Stacked	Toronto	Riverside	n/a	1,328	2
Stacked	Toronto	Nature's Path	Hyde	1,130	3
Stacked	Toronto	Nature's Path	Central	1,305	3
Stacked	Toronto	Nature's Path	Algonquin	1,100	3
Stacked	Toronto	Nature's Path	Stanley	1,140	2
Stacked	Toronto	Nature's Path	Banff	1,030	2
Stacked	Toronto	Nature's Path	Jasper	1,080	2
Stacked	Toronto	Nature's Path	Redwood	1,235	2
Stacked	Toronto	Upper Beach Townes	n/a	919	2
Stacked	Toronto	Upper Beach Townes	n/a	1,104	2
Stacked	Toronto	Upper Beach Townes	n/a	1,195	2
Stacked	Toronto	Markham Gates	1A	1,150	3
Stacked	Toronto	Markham Gates	1B	1,150	2
Stacked	Toronto	Markham Gates	1C	1,200	2
Stacked	Toronto	Markham Gates	1D	1,200	2
Stacked	Toronto	Markham Gates	2A	920	3
Stacked	Toronto	Markham Gates	2B	920	2
Stacked	Toronto	Markham Gates	2C	920	3
Stacked	Toronto	Markham Gates	2D	920	2
Stacked	Toronto	Markham Gates	2E	960	2
Stacked	Toronto	Markham Gates	2F	960	2
Stacked	Toronto	Markham Gates	3A	1,080	2
Stacked	Toronto	Markham Gates	3B	1,080	2
Stacked	Toronto	Markham Gates	3C	1,040	2
Stacked	Toronto	Markham Gates	3D	1,040	2
Stacked	Burlington	Branthaven Homes	City Flats	1,380	2
Stacked	Pickering	Seaton	Bala	1,039	2
Stacked	Pickering	Seaton	Chakra	1,039	2
Stacked	Pickering	Seaton	Flow	1,039	2
Stacked	Pickering	Seaton	Karma	1,061	2
Stacked	Pickering	Seaton	Kriya	1,111	2
Stacked	Pickering	Seaton	Lotus	1,111	2
Stacked	Pickering	Seaton	Prana	1,372	2
Stacked	Pickering	Seaton	Sun	1,440	2
Stacked	Pickering	Seaton	Unity	1,510	2
Stacked	Kitchener	Huron Landing	Bell	1,314	3
Stacked	Kitchener	Huron Landing	Laval	947	2
Stacked	Kitchener	Huron Landing	Whitney	854	2
Stacked	Waterloo		The Troy	854	2
Stacked	Waterloo		The Yeats	1,392	3
Stacked	Waterloo		The Hastings	603	1
Stacked	Waterloo		The Upton	980	2
Back to Back			Average	1,336	2.24
Stacked				1,083	2.00

Source: Watson & Associates Economists Ltd. Survey of new home sales data for GGH home builders. 2012

Q.24)

The population and employment forecast for 2031 in the 2017 DC Study is consistent with the Best Planning Estimates and the Halton Regional Official Plan. However, the household forecasts a total of 89,090 housing units by 2031, which is well below the 93,549 by 2031 forecasted in the Best Planning Estimates and set out in the Regional Official Plan. The forecasts used in the DC Study should be consistent with those forecasts enshrined in Official Plans. It should be noted that Page 3-1 of the DC Study says that the Regional OP was "consulted" to assess residential development potential in the Town, but the household forecast in the ROP was seemingly not followed.

A.24)

In Chapter 3, section 3.2 of the December 22, 2017 Town of Oakville DC Background Study (DCBS), we note several documents and information sources that were used to inform the DC growth forecast. One of the key reports which is identified in section 3.2 is the Town of Oakville Urban Structure Review, Growth Analysis and Accommodation Overview Report, May 4, 2017. The report provides a comprehensive analysis of recent demographic trends and forecast residential development potential for the Town of Oakville. The report identifies that average persons per unit (PPU) levels in the Town of Oakville and surrounding municipalities within the Greater Toronto Area (GTA) are not declining as aggressively as anticipated in the June 2011 Halton Region Best Planning Estimates (BPE).[1] This observation is supported by the results of the 2016 Statistics Canada Census. It is noted that the 2011 Halton BPE forecast is based on the 2006 Census, and does not embrace these recent demographic trends within Halton Region and specifically the Town of Oakville. It is further noted that the PPU forecast set out in the 2011 Halton BPE is not tracking closely to the 2016 Census. The 2016 PPU estimate as per the 2011 Halton BPE forecast is 2.78, while the actual 2016 PPU in accordance with the 2016 Census is 2.92. The results of the 2016 Census, as well as more recent population growth forecasts for Halton Region and the Town of Oakville,[2] indicate that average PPU levels will not decline as quickly as previously forecasted. As a result, fewer households will be required to accommodate the population forecasts which are currently set out in the Halton Region OP and the Town of Oakville OP when compared to the 2011 Halton BPE.

Q.25)

An influence behind the reduced number of housing units in the DC Study's housing forecast are the higher PPUs, which, based on a fixed population forecast for 2031, results in fewer units being required to generate the forecasted population. The PPU estimates in the DC Study are based on adjusted data from the 2011 Census, with the adjustment made to transform the 2011 data into something akin to what the 2016 data is assumed to show, if it were used. Rather than evaluating the reasonableness of the 'adjustment' made to 2011 data,

[1] The Halton Region BPE is a background study which informs the growth forecast set out in the Halton Region Official Plan (OP).

[2] Greater Golden Horseshoe Growth Forecasts to 2041. Technical Report. November 2012. Hemson Consulting. Town of Oakville Residential Growth Analysis Study – Technical Report. Final Report. May 4, 2017.

we would like to see how the PPUs would have been calculated if based on 2016 Census data.

Although there may have been some unforeseen trends in average household sizes in Oakville over the 2011-2016 period, we would expect that the long-term forecasts in the 2011 BPE, as now contained in the Regional Official Plan, would be accurate over the long-term out to 2031, and should therefore be continued to be used as the basis for the Town's DC Study, regardless of intra-period fluctuations in PPU factors that may well revert to long-term expectations in coming years.

A.25)

2011 vs. 2016 New Unit PPU

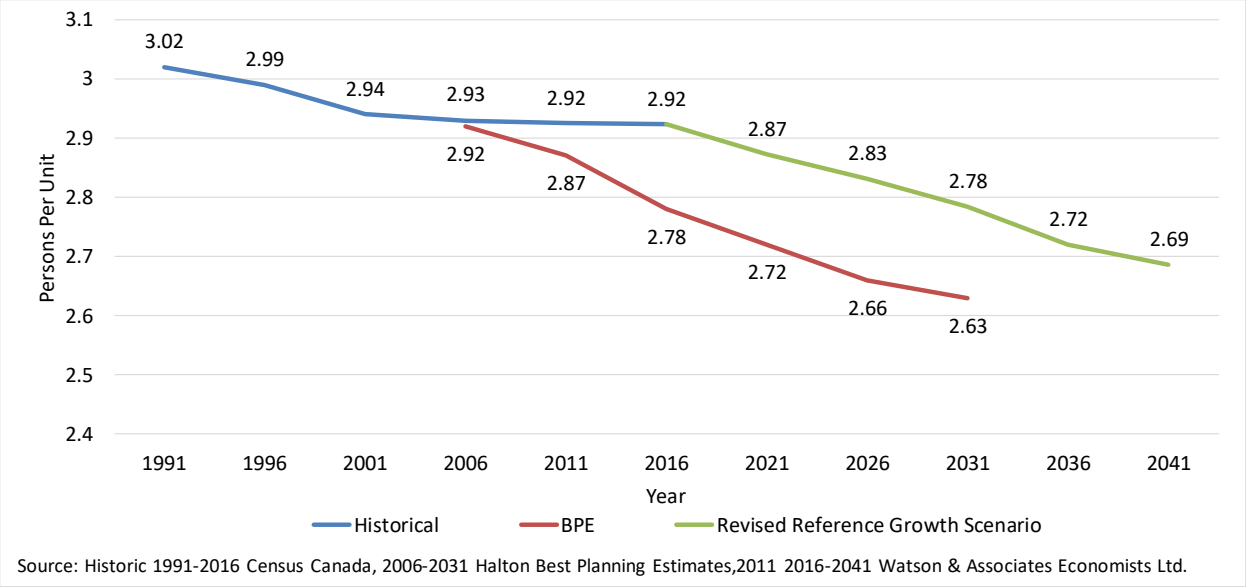
The new housing unit PPU data (2011 Census) used in the 2017 Town of Oakville DCBS reflects the best, most current and most accurate data that was available to Watson at the time the DCBS study was prepared. It is our opinion that it would be inappropriate to update the 2017 Town of Oakville DCBS using the 2016 Census PPU data as this would potentially require an update to the Town's long-term housing forecast (based on revised household headship rate data[1]), as undertaken through the 2017 Town of Oakville Growth Analysis report.[2]

Accuracy of 2011 Halton Region BPE Housing Forecast

Figure 1 graphically compares the 2011 Halton BPE PPU estimate as of 2016 and forecast to 2031, with the 2016 Census and revised PPU forecast prepared by Watson as part of the Town of Oakville 2017 Growth Analysis Study. Given the divergence between the estimated 2016 PPU, as per the 2011 Halton BPE, and the results of the 2016 Census, it is our opinion that the forecast PPU trends used in the 2011 Halton BPE housing forecast, as now contained in the Halton Region OP, are not accurate over the long term (i.e. 2031).

1 A headship rate is defined as the number of primary household maintainers or heads of households by major population age group (i.e. cohort).
2 Town of Oakville Residential Growth Analysis Study – Technical Report. Final Report. May 4, 2017.

Figure 1
Town of Oakville
Historical and Forecast Average Persons Per Unit



Source: Historic 1991-2016 Census Canada, 2006-2031 Halton Best Planning Estimates,2011 2016-2041 Watson & Associates Economists Ltd.

Q.26)

Schedule 3 of Appendix A estimates the amount of population that new units over the mid-2016 to mid-2017 period would have generated. It is based on PPUs of 3.68 for singles/semis, 2.61 for multiples and 1.44 for apartments. This is different that [sic] PPU used for Schedules 4b and 4c (3.61 for singles/semis, 2.63 for multiples, 1.59 for apartments). The tables in both schedules showing the PPUs have a related footnote saying that "Persons per unit based on adjusted Statistics Canada Custom 2011 Census database". We would like to understand why a different set of PPUs were used for Schedule 3.

A.26)

The growth forecast in Schedule 3 represents a short-term (one-year) forecast. To more accurately reflect the average occupancy of new housing units constructed over this short time period, the new unit PPU is based on the average of new units constructed over the past five years. Schedules 4b and 4c, which represent a 10- and 14-year forecast period, are based on the average PPU of housing units constructed over the past 15 years.