

Integrated Columbus Part II Planning Act and Municipal Class Environmental Assessment Act Study – Demographic, Housing and Economic Analysis City of Oshawa

Final Report

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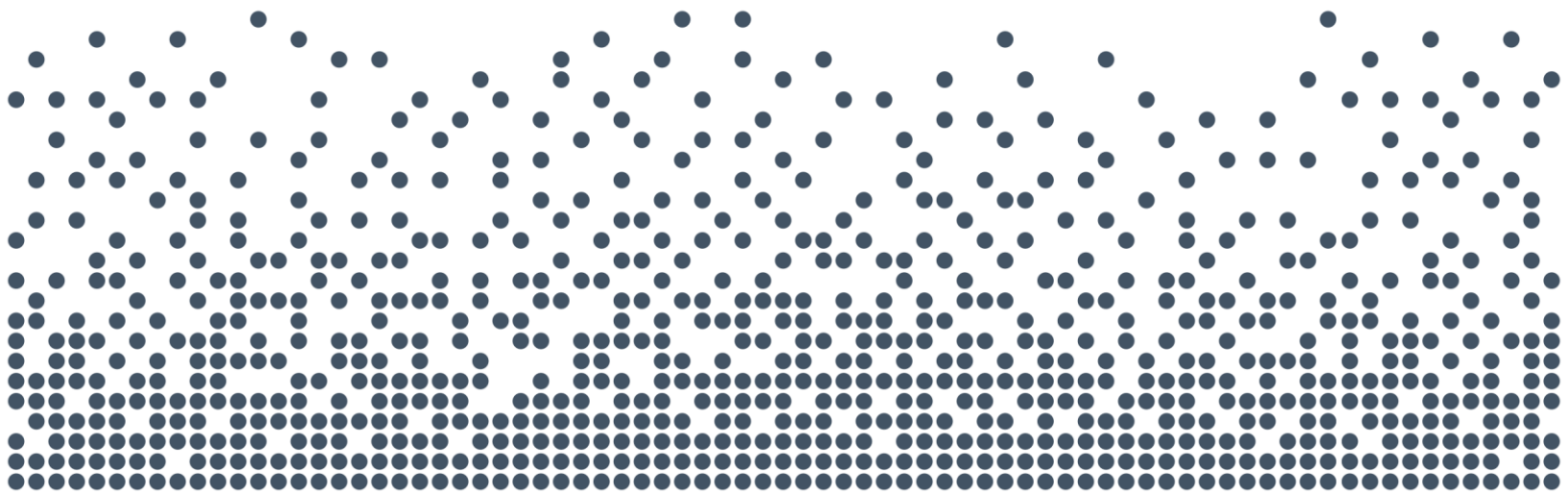
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List of Acronyms and Abbreviations

Acronym	Full Description of Acronym
D.C.	Development charges
D.R.O.P.	Durham Region Official Plan
G.D.P.	gross domestic product
G.F.A.	gross floor area
G.T.A.	Greater Toronto Area
G.T.H.A.	Greater Toronto and Hamilton Area
I.C.I.	industrial/commercial/institutional
L.Q.	Location Quotient
P.P.U.	persons per unit
Q.E.W.	Queen Elizabeth Way
sq.ft.	square foot/square feet
sq.m	square metre
T.P.I.A.	Toronto Pearson International Airport
U.S.	United States



Executive Summary



Executive Summary

The City of Oshawa is currently undertaking an Integrated Columbus Part II Planning Act and Municipal Class Environmental Assessment Act Study (the Study) for the Columbus area. This Study will satisfy the requirements of both the *Planning Act* and *Municipal Class Environmental Assessment Act*, and consider lands beyond the limits of the Columbus Part II Planning Area but within the limits of the Study Area boundary. The Study will provide a “road map” that addresses the different components of the Study Area related to land use, transportation and urban land needs, natural environment, functional servicing as well as archaeology and built heritage.

There are numerous demographic and economic factors that are anticipated to influence the manner in which the City of Oshawa matures and evolves over the next several decades. Provided herein is a general assessment of recent demographic, and socio-economic and economic trends within the City of Oshawa and the surrounding regional economy, which are anticipated to influence future housing requirements, residential and non-residential patterns and urban land needs within the Study Area boundary.

The City of Oshawa is anticipated to experience steady urban residential and non-residential growth over the next 25 years. Between 2016 and 2041, Oshawa’s population base is forecast to increase by approximately 29,000 persons. To accommodate future population growth, the City is forecast to require approximately 18,000 new households between 2016 to 2031.¹ While a large portion of new households are planned to be accommodated within the City’s built-up area (B.U.A.) and the vacant designated greenfield area (D.G.A.), the Study Area will play a key role in accommodating future population and employment growth in accordance with Regional and local planning policy.

As the City of Oshawa continues to grow and mature, demands for new housing products within the City of Oshawa are anticipated. Looking forward, the increasing cultural diversity, an aging Baby Boom population, growing demands from new families, and eroding housing affordability, will require that the City provides a broad range of

¹ Derived from 2016 Census and 2031 housing forecast as per Growing Durham Recommended Growth Scenario and Policy Directions Report. Final Report November, 18, 2008.



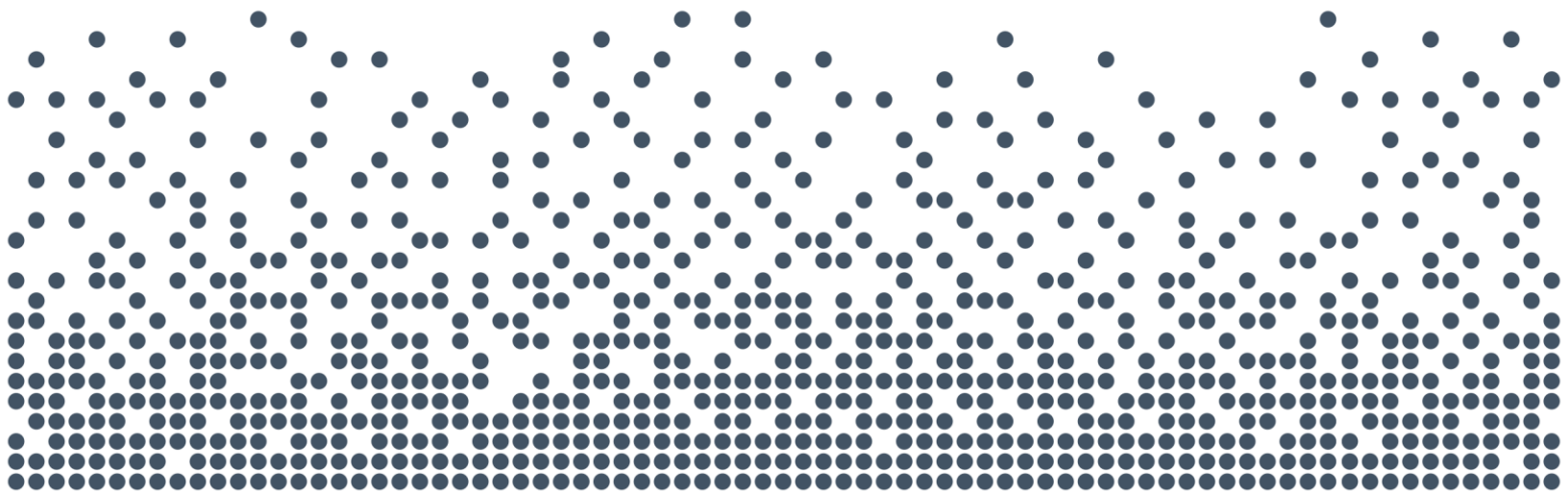
new housing products throughout the municipality by location, type, built-form, density, and price/affordability. This will include innovative approaches to accommodate new affordable rental housing and seniors' housing, as well as various other ownership housing products that are attractive to a broad range of demographic groups.

Within the City of Oshawa, a greater share of new residential development is anticipated towards more compact high-density housing forms relative to historical trends. While steady growth is anticipated in ground-oriented housing forms (i.e. single detached, semi-detached and townhouses), these housing forms are anticipated to diversify, with an increasing share of more compact ground-oriented housing types offered on the market (e.g. small lot singles, stacked/back-to-back townhouses and hybrid buildings). This trend is being driven by demographics, socio-economics and is further supported by provincial, Regional and local planning policy.

The Columbus Part II Planning Area is expected to attract a broad range of demographic groups, including new homebuyers, families, empty-nesters and seniors, in a range of ground-oriented housing forms and, to a lesser extent, low-rise and mid-rise apartments as well as collective dwellings (e.g. retirement/seniors' homes). Relative to other stable residential neighbourhoods within the City, the population within Columbus is anticipated to be slightly younger and slightly more affluent on an averaged basis. This is important as it will have a direct impact on housing demand by structure, average household size, as well as municipal and public service needs (i.e. indoor/outdoor recreation, schools) in the Columbus Part II Planning Area.

Employment uses within the Columbus Part II Planning Area will be primarily focused on retail, mixed-use commercial and institutional employment sectors. Directly south of the Columbus Part II Planning Area, but within the Columbus Study Area Boundary, Employment Areas are designated along both the north and south side of the Highway 407 corridor, as per the Durham Region Official Plan (D.R.O.P.).

While standalone office development will largely be focused within the City's Urban Growth Centre (U.G.C.), and to a lesser extent in Employment Areas, a portion of City-wide demand for multi-tenant office space is anticipated to be accommodated within the Columbus Part II Planning Area. Within the subject Study Area, market demand and development feasibility for office space are anticipated to be strongest within mixed-use environments that offer proximity/access to amenities, cultural activities and public spaces, and are planned in transit-supportive and pedestrian-oriented environments.



Report



Chapter 1

Introduction



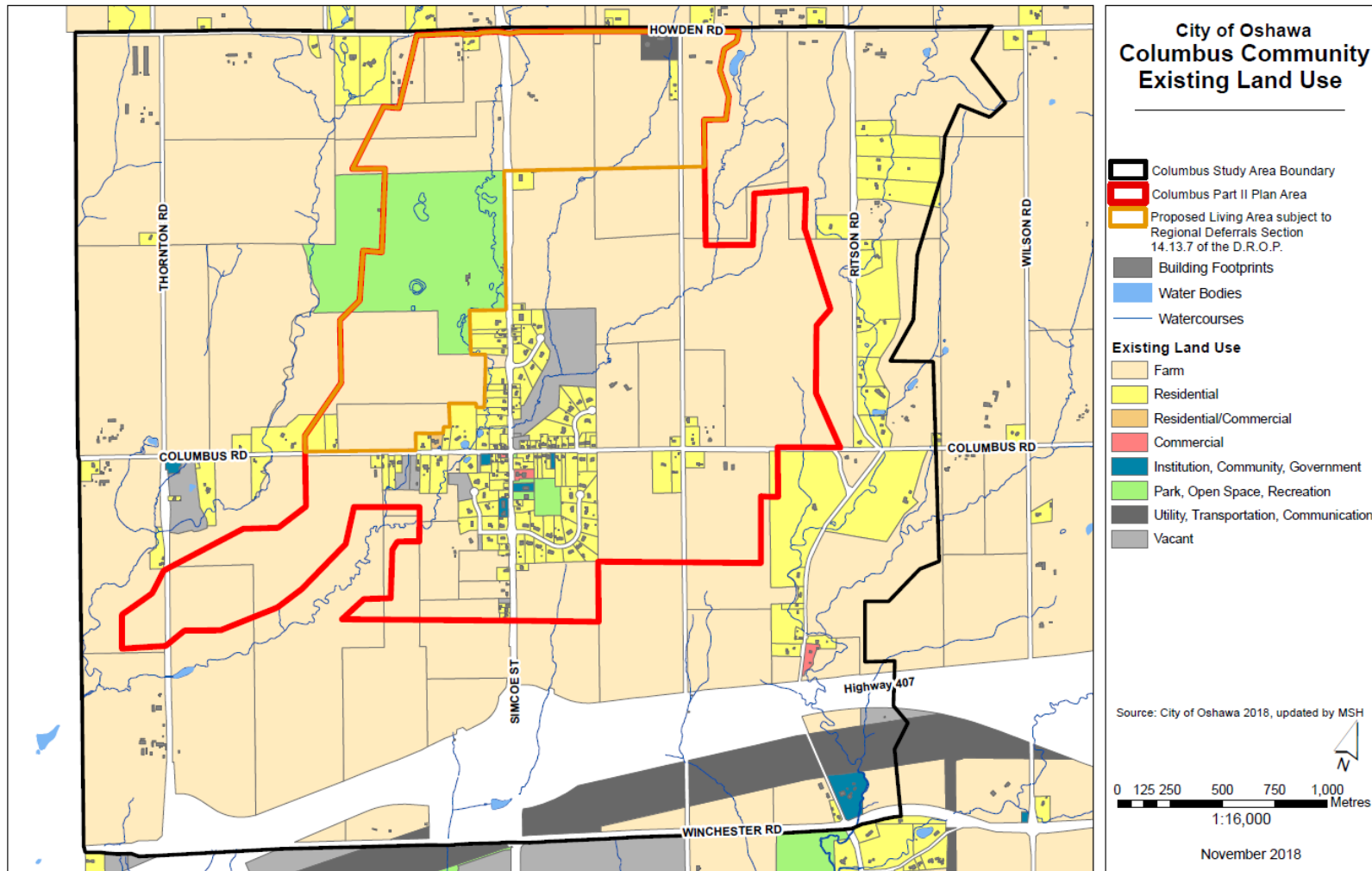
1. Introduction

The City of Oshawa is currently undertaking an Integrated Columbus Part II Planning Act and Municipal Class Environmental Assessment Act Study (the Study) for the Columbus area. This Study will satisfy the requirements of both the *Planning Act* and *Municipal Class Environmental Assessment Act*, and will consider lands beyond the limits of the Columbus Part II Planning Area but within the limits of the Study Area boundary. The Study Area is generally bounded by Howden Road to the north, the Oshawa-Whitby boundary to the west, Winchester Road to the south and the east branch of the Oshawa creek to the east. The Study will provide a “road map” that addresses the different components of the Study Area related to land use, transportation and urban land needs, natural environment, functional servicing as well as archaeology and built heritage.

There are numerous demographic and economic factors that are anticipated to influence the manner in which the City of Oshawa matures and evolves over the next several decades. Provided herein is a general assessment of recent demographic, and socio-economic and economic trends within the City of Oshawa and the surrounding regional economy, which are anticipated to influence future housing requirements, residential and non-residential patterns and urban land needs within the Study Area boundary.



Figure 1-1
Columbus Part II Planning Area and Columbus Study Area Boundary





Chapter 2

Macro-Economic, Regional and Local Employment Trends



2. Macro-Economic, Regional and Local Employment Trends

2.1 National and Provincial Economic Trends

2.1.1 Ontario Economic Outlook with the Canadian Context

The Ontario economy is facing significant structural changes. Over the past several decades, the provincial economic base, as measured by G.D.P. (gross domestic product) output, has shifted from the goods-producing sector (i.e. manufacturing and primary resources) to the services-producing sector. Much of this shift has occurred during the past two decades, driven by G.D.P. declines in the manufacturing sector which were most significant immediately following the 2008/2009 global economic downturn. In contrast, service-based sectors such as financial and business services have seen significant increases over the past several years.

While manufacturing remains vitally important to the provincial economy with respect to jobs and economic output, this sector is not anticipated to generate significant labour-force growth across the Province. In general, globalization has led to increased outsourcing of production processes to overseas manufacturers. While there will continue to be a manufacturing focus in Ontario, industrial processes have become more capital/technology-intensive and automated. The highly competitive nature of the manufacturing sector will require production to be increasingly cost effective and value-added oriented, which bodes well for firms that are specialized and capital/technology intensive.

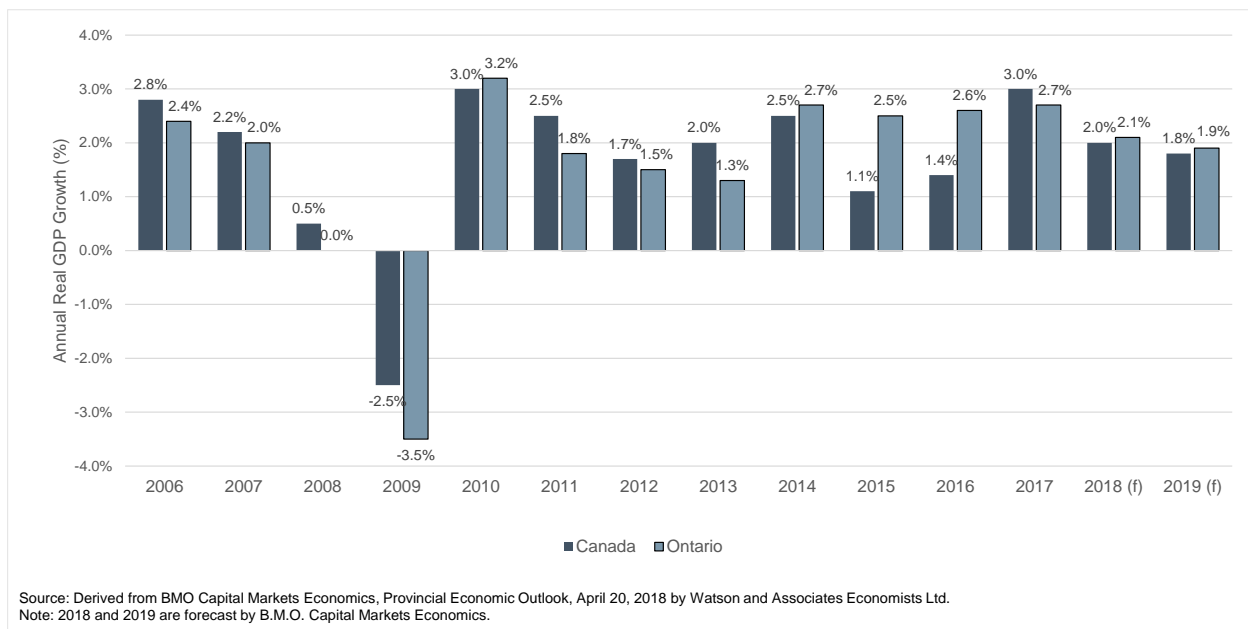
Over the past decade, the Ontario economy has experienced a steady rebound in economic activity since the 2008/2009 downturn; however, this recovery has been relatively slow to materialize. That said, provincial G.D.P. levels have sharply rebounded since 2014 and are forecast to remain above the national average in 2018/2019, as illustrated in Figure 2-1. This economic rebound has been partially driven by a gradual recovery in the manufacturing sector which has been fueled by a lower-valued Canadian dollar and the gradual strengthening of the United States' (U.S.) economy.¹ Looking forward, provincial G.D.P. growth is anticipated to ease from just

¹ Valued at approximately \$0.73 U.S. as of January, 2019.



over 2% in 2018 to approximately 1.3% by 2020, largely as a result of a tightening labour market and slowing global economic growth.¹

Figure 2-1
Annual Real G.D.P. Growth, Ontario and Canada
Historical (2008 to 2016), Ontario Estimate (2017) and Forecast (2018 to 2019)



While the performance of the Ontario economy is anticipated to remain positive over the near term, there are potential risks to the national and provincial economies that are important to recognize. This includes risks with respect to the adoption of protectionist trade measures in the U.S., as well as other proposed changes to U.S. fiscal and industrial policies. Domestically, the housing market continues to pose a risk to the overall economy. The sharp rise in Ontario's housing prices – particularly in the Greater Toronto Area (G.T.A.) – has contributed to record-high consumer debt loads and has eroded housing affordability. Ontario household debt reached record-high levels in 2016 at 171% of disposable income, and the share of income required to service debt payments is expected to increase, as the Bank of Canada hiked the benchmark interest rate three times from July 2017 to January 2018 to reach 1.25%. The resultant

¹ Royal Bank of Canada. Provincial Outlook. December 2018.



increased debt payments may force consumers to scale back on other spending and potentially result in negative implications for the economy.¹

2.2 Economic and Non-Residential Trends within the G.T.H.A.

2.2.1 Ontario's Shifting Economic Structure

The G.T.H.A. represents the economic powerhouse of Ontario and the centre of a large portion of the economic activity in Canada. The G.T.H.A. is also economically diverse with most of the top 20 traded industry clusters throughout North America having a strong presence in this region.

With a robust economy and diverse mix of export-based employment sectors, the G.T.H.A. is highly attractive on an international level to new businesses and investors. The G.T.H.A. also has a strong appeal given the area's regional infrastructure (i.e. Toronto Pearson International Airport (T.P.I.A.), other regional airports, provincial highways and inter-modal facilities), access to labour force, post-secondary institutions and proximity to the U.S. border. In turn, this continues to support steady population and housing growth within the City of Toronto and the G.T.H.A. "905" municipalities, largely driven by international and inter-provincial net migration to this region.

The diverse and highly competitive G.T.H.A. economy has fuelled a steady level of employment growth over the past decade in almost all major sectors of the service-sector economy since 2006. Many of these sectors, including professional, scientific and technical services, financial services, information and cultural industries, education services, health care and social services, as well as real estate, represent the knowledge-based and/or creative-class economy.² Within the service sector, economic growth has been particularly strong for small- to medium-scale knowledge-based businesses that are focused on innovation and entrepreneurship.

The G.T.H.A. has also experienced significant employment growth in the Goods Movement sector over the past decade comprised of transportation/warehousing and wholesale trade. This sector is highly concentrated within the Regions of Peel, York

¹ Economic and Budget Outlook. Financial Accountability Office of Ontario (F.A.O.). Assessing Ontario's Medium-Term Budget Plan. Spring 2018.

² Richard Florida, The Rise of the Creative Class. 2002



and Halton, which are located within proximity to the T.P.I.A. Other regional infrastructure attributes, including access to 400-series highways as well as existing and planned intermodal facilities in Brampton, Vaughan and Milton, have played, and will continue to play a key role in driving demand within this sector across the G.T.H.A. Increased outsourcing of manufacturing production to emerging global markets continues to drive the need for new consolidated, land-extensive warehousing facilities to store and manage the distribution of goods produced locally as well as goods imported from abroad. This continues to drive demand for increasingly larger, more land-extensive warehousing facilities, generally in greenfield Employment Areas.

2.2.2 Trends in Industrial Development Activity

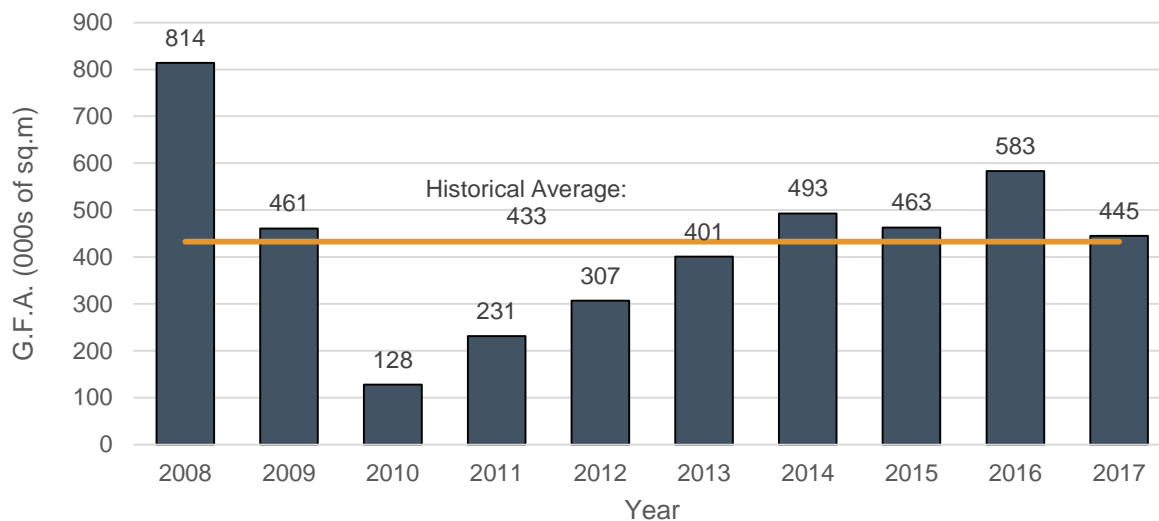
The G.T.H.A.'s industrial and office commercial development markets are significant, having the third and sixth largest inventories, respectively, in North America.¹ The industrial market in the G.T.H.A. is comprised of 75 million sq.m (812 million sq.ft.) of industrial space, as expressed in gross floor area (G.F.A.), with nearly two-thirds located in Peel Region and the City of Toronto. Comparatively, Durham Region has an existing industrial base of 7 sq.m of G.F.A. (71 million sq.ft.), which comprises 3% of the G.T.H.A.'s total market.

With respect to industrial building development, the G.T.H.A. averaged 433,000 sq.m (4.7 million sq.ft.) of G.F.A. annually over the 2008 to 2017 period (refer to Figure 2-2). The G.T.H.A. experienced significant growth in industrial development in 2008; however, with the onset of the 2008/2009 global economic recession, development activity dropped sharply in 2009 and 2010. Since bottoming out in 2010, industrial development activity has been steadily rebounding, with 2017 activity totalling 450,000 sq.m (4.8 million sq.ft.). Recent industrial development activity, however, remains below pre-recession levels. Over the past five years, industrial development has been largely oriented to large-scale industrial buildings housing wholesale trade, transportation/warehousing and multi-tenant industrial condominiums accommodating a range of industrial and non-industrial uses.

¹ Source: Derived from Cushman & Wakefield Toronto Industrial Market Beat and U.S. Industrial Market Beat Snapshot, Q3 2017 and Cushman & Wakefield Toronto Office Market Beat and U.S. Office Market Beat Snapshot, Q3 2017 by Watson & Associates Economists Ltd.



Figure 2-2
Industrial Development within the G.T.H.A. (000s G.F.A.), 2008 to 2017.



Source: Data from Cushman & Wakefield compiled by Watson & Associates Economists Ltd.

Coinciding with the increase in industrial development activity since 2010, availability rates have gradually declined to relatively low levels. In the G.T.A. East,¹ market availability rates peaked up to 14% in 2010, but have since declined to just under 2% towards the end of 2018. The industrial availability rates for the G.T.A. and City of Oshawa markets are currently 1.5% and 1.3%, respectively.² This is indicative of a relatively strong industrial market.

2.2.3 Trends in Office Development Activity

With respect to the office market, the G.T.H.A. contains 17 million sq.m (183 million sq.ft.) of office space.³ Of this total, nearly two-thirds (66%) is located within the City of Toronto, with the majority located in the downtown core, as illustrated in Figure 2-3. Outside the City of Toronto, major office clusters are located in the 905 area, including York Region (Highways 404 and 407 in Markham and Richmond Hill, and the Highway 400 Corridor in Vaughan), Peel Region (Mississauga Airport Corporate Centre, City

¹ The G.T.A. East Industrial Market comprises Ajax, Oshawa, Pickering and Whitby.

² Cushman & Wakefield Greater Toronto Area Industrial Market Beat Q4 2018.

³ Source: Derived from Cushman & Wakefield 2013 to 2017 data, except data for the City of Hamilton which was derived from Colliers International Burlington-Burlington-Hamilton Commercial Real Estate Update Q4 2017.

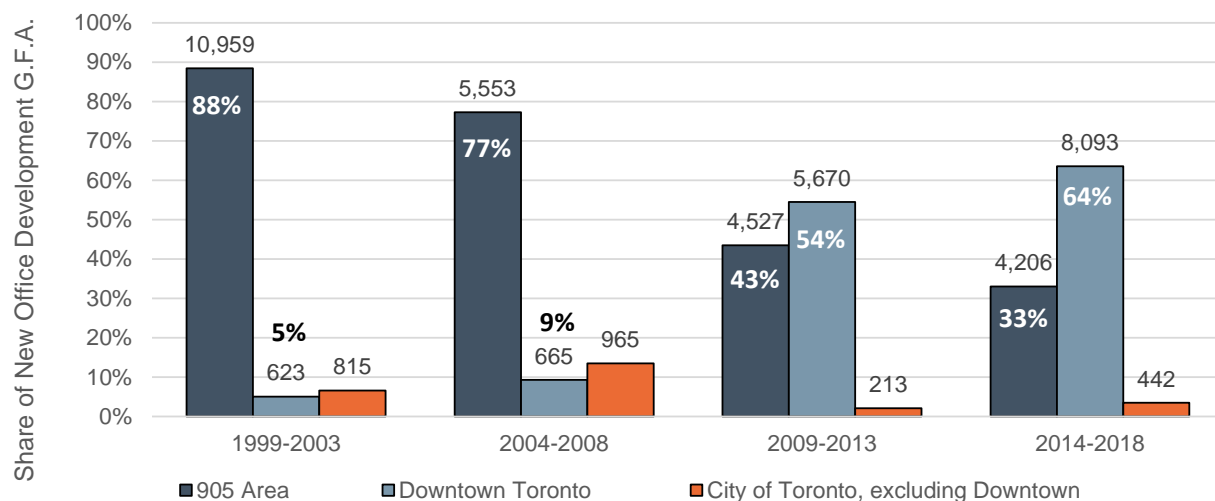


Centre and Meadowvale), and Halton Region (Q.E.W. Corridor in Burlington and Oakville). Durham Region's share of the G.T.H.A. major office market is relatively small, representing 2% of total building G.F.A.

Major office development over the past decade has been concentrated within the Toronto downtown core, as well as in Vaughan, Markham, Mississauga along the Highway 401 corridor, and the Q.E.W. corridor in Burlington. Over this period, office development activity in the G.T.H.A. has shifted increasingly to downtown Toronto at the expense of suburban locations.

Historically, the vast majority of suburban office development has been accommodated within Employment Areas; however, market prospects for conventional standalone suburban office development within Employment Areas is gradually diminishing, as demand shifts to more urban environments. Demand for office space within Employment Areas is increasingly single-tenant and integrated with multi-purpose facilities (e.g. R&D, training centres, wholesale trade) often in campus-type settings. Further, there are growing opportunities for office development within innovation districts located on employment lands which have direct synergies with knowledge-based clusters, as well as health and educational infrastructure.

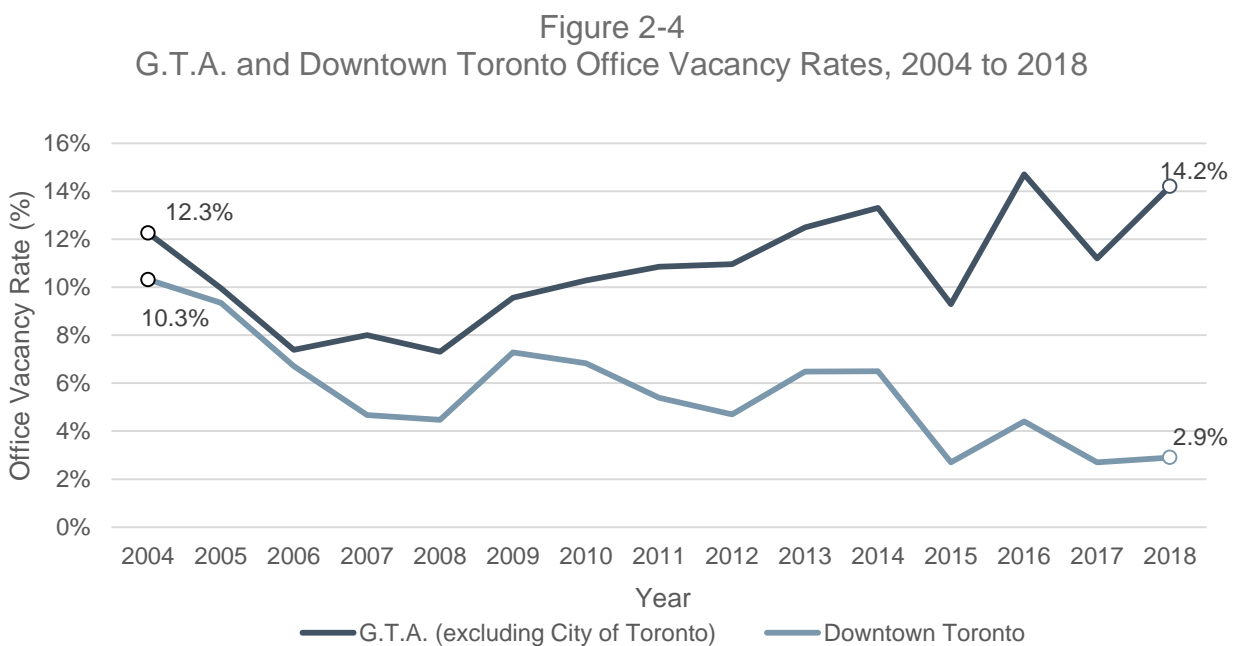
Figure 2-3
Greater Toronto Area, Share of New Office Space Constructed 1999 to 2018 by Area



Source: 1999-2013 derived from Office Space Financial/Market Analysis and Marketing Plan Study prepared by Watson & Associates Economists Ltd. 2014-2018 derived from Colliers International Office Market Reports by Watson & Associates Economists Ltd. 2018 excludes development in the fourth quarter of 2018.



The office vacancy rate in the G.T.A. averages 4.3%.¹ Vacancy rates for major office space have decreased significantly since the 2008/2009 economic downturn. While vacancy rates for major office space have declined, this has largely been attributed to high demand for downtown Toronto where vacancy rates are at an all-time low, while rates in suburban locations, including the 905 area, remain relatively high in double-digit territory (refer to Figure 2-4). For the Oshawa/Pickering office market, the vacancy is approximately 4.9% which is indicative of a balanced market with respect to demand vs. supply.²



Source: Derived from Altus InSite and Colliers International data by Watson & Associates Economists Ltd., 2019.

2.3 Durham Region's Evolving Economy

2.3.1 Historical Employment Trends by Sector, 2001 to 2016

Figure 2-5 summarizes historical employment trends within the Region of Durham over the 2001 to 2016 period. The total employment represents the number of people of who work within the Region, regardless of where they live, including those who work from

¹ Colliers International Toronto Office Market Statistics, Q4 2018

² Ibid.



home and those who have no fixed place of work (N.F.P.O.W.).¹ Key observations include:

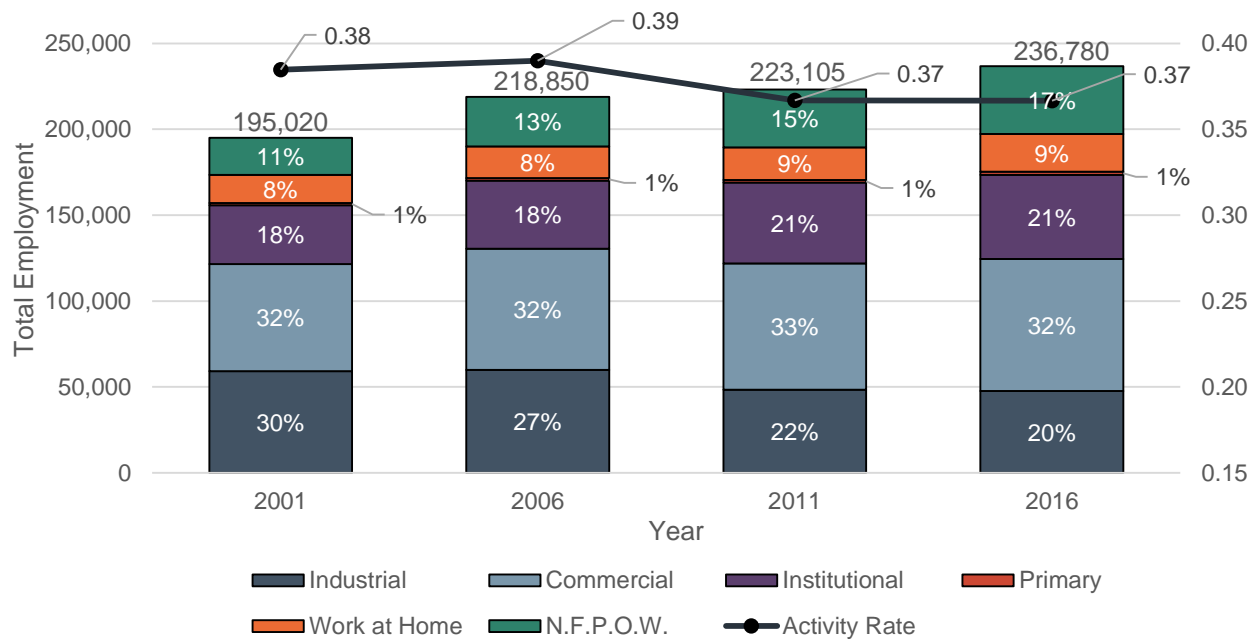
- Durham Region's employment base increased from 195,020 to 236,780, an increase of 21% over the 15-year period, which represents a healthy annual growth rate of 1.3% and which is higher than the provincial growth rate of 1.0%;
- Approximately one-third of Durham Region's 2016 employment base was comprised of commercial jobs, with industrial and institutional employment each making up approximately one in five jobs. Work at home and N.F.P.O.W. employment both contributed a significant amount of jobs to the employment base at 9% and 17%, respectively, of the 2016 total;
- The industrial sector experienced a steady decline in terms of employment share over the 15-year period;
- N.F.P.O.W. employment represented the fastest growing job category; and
- The City of Oshawa's employment activity rate² experienced a slight negative shock from 2006 to 2011, but remained relatively stable over the 15-year period.

¹ Statistics Canada defines no fixed place of work (N.F.P.O.W.) employees as "persons who do not go from home to the same work place location at the beginning of each shift." Such persons include building and landscape contractors, travelling salespersons, independent truck drivers, etc.

² An employment activity rate is defined as the number of local jobs divided by the resident population.



Figure 2-5
Durham Region Employment Growth, 2001 to 2016



Note: Total population includes usual place of work, work at home and no fixed place of work employment. Activity rate population does not include the Net Census Undercount.

Source: Derived from 2001 to 2016 Statistics Canada Census and NHS by Watson & Associates Economists Ltd., 2019.

2.3.2 Industry Clusters within the G.T.H.A. and Durham Region

Ultimately, the aggregate indicators of the G.T.H.A.'s and Durham Region's economic performance are determined in large measure by the competitiveness of their industry clusters. A cluster is a set of inter-linked private-sector industries and public-sector institutions, whose final production reaches markets outside the local market. An expanding export base is a key component to the economic prosperity of the local economy and surrounding area, because exports bring money into the local market to be circulated among local-serving enterprises and their employees.

The G.T.H.A. economy is comprised of a highly diverse mix of industry clusters related to manufacturing, technology and services. This diversity is a key strength of the G.T.H.A. economy, with most of the top traded industry clusters throughout North America having a strong presence in this region.

The manufacturing sector represents a dominant G.T.H.A. industry cluster but has demonstrated limited growth since 2010. The transportation and warehousing sector is



also a dominant G.T.H.A. employment cluster, with a strong concentration in municipalities with proximity to the T.P.I.A. and intermodal facilities.

With respect to the service sector, the G.T.H.A. has a number of established industry clusters in knowledge-based sectors, including finance and insurance, professional, scientific and technical services, education, and health care and social assistance. While other emerging knowledge-based sectors, including information and cultural industries, and real estate and rental and leasing, are smaller in scale, they are highly concentrated and have a strong employment growth outlook. The retail and accommodation and food sectors are also large, heavily concentrated and steadily growing across the G.T.H.A.

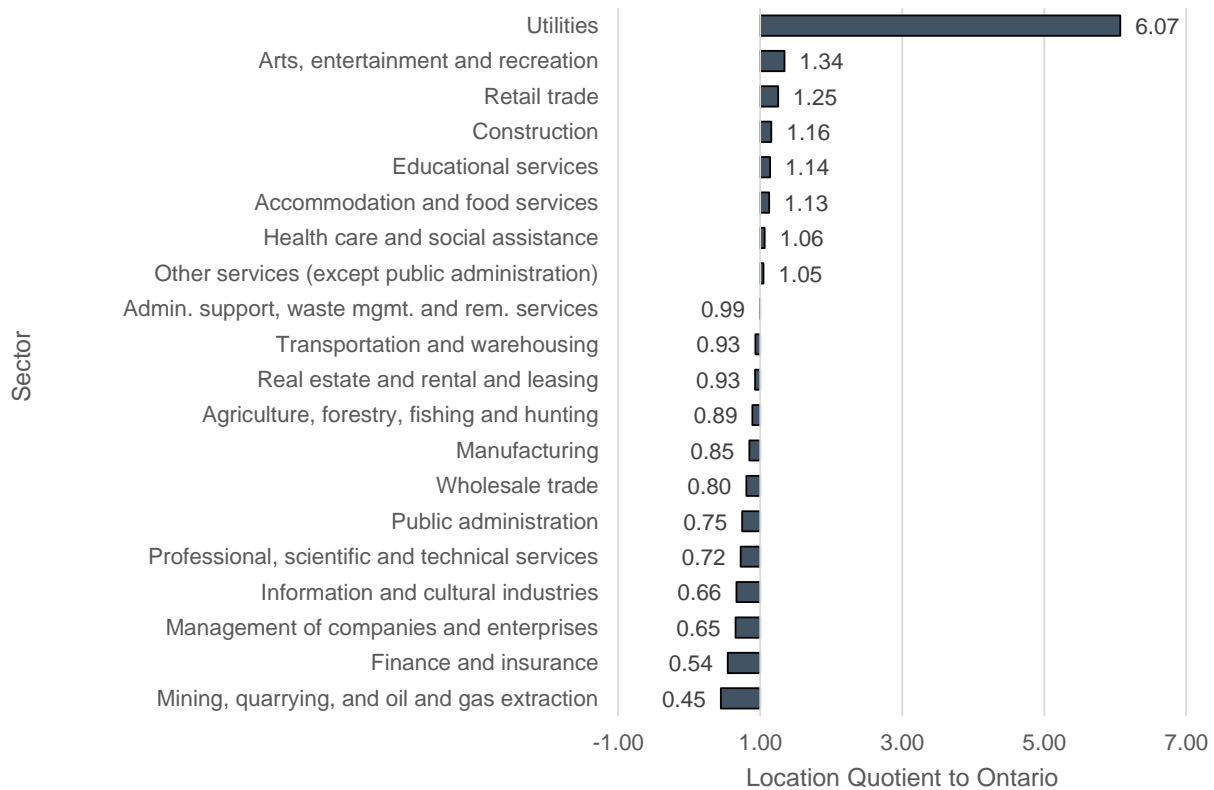
Location Quotients (L.Q.s)¹ are a commonly used tool in regional economic analysis to identify and assess the relative strength of industry clusters. Figure 2-6 illustrates the strength of employment sectors in Durham Region relative to the Province using L.Q.s.² As shown, Durham Region's economy is largely oriented towards utilities, arts, entertainment and recreation, retail trade, construction, educational services, and accommodation and food services. Durham Region has a relatively lower concentration of employment in professional, scientific and technical services, information and cultural industries, finance and insurance, and mining, quarrying, and oil and gas extraction.

¹ An L.Q. of 1.0 identifies that the concentration of employment by sector is consistent with the broader employment base average. An L.Q. of greater than 1.0 identifies that the concentration of employment in a given employment sector is higher than the broader base average, which suggests a relatively high concentration of a particular employment sector or "cluster."

² The L.Q. is calculated using the following formula: $(\text{Region Industry Employment} / \text{Region Total Employment}) / (\text{Provincial Industry Employment} / \text{Provincial Total Employment})$.



Figure 2-6
Durham Region, Location Quotient to Ontario



Source: Derived from 2016 Statistics Canada Place of Work data by Watson & Associates Economists Ltd.

2.4 City of Oshawa Employment and Non-Residential Development Trends

2.4.1 City of Oshawa Employment Trends by Sub-Sector, 2006 to 2016

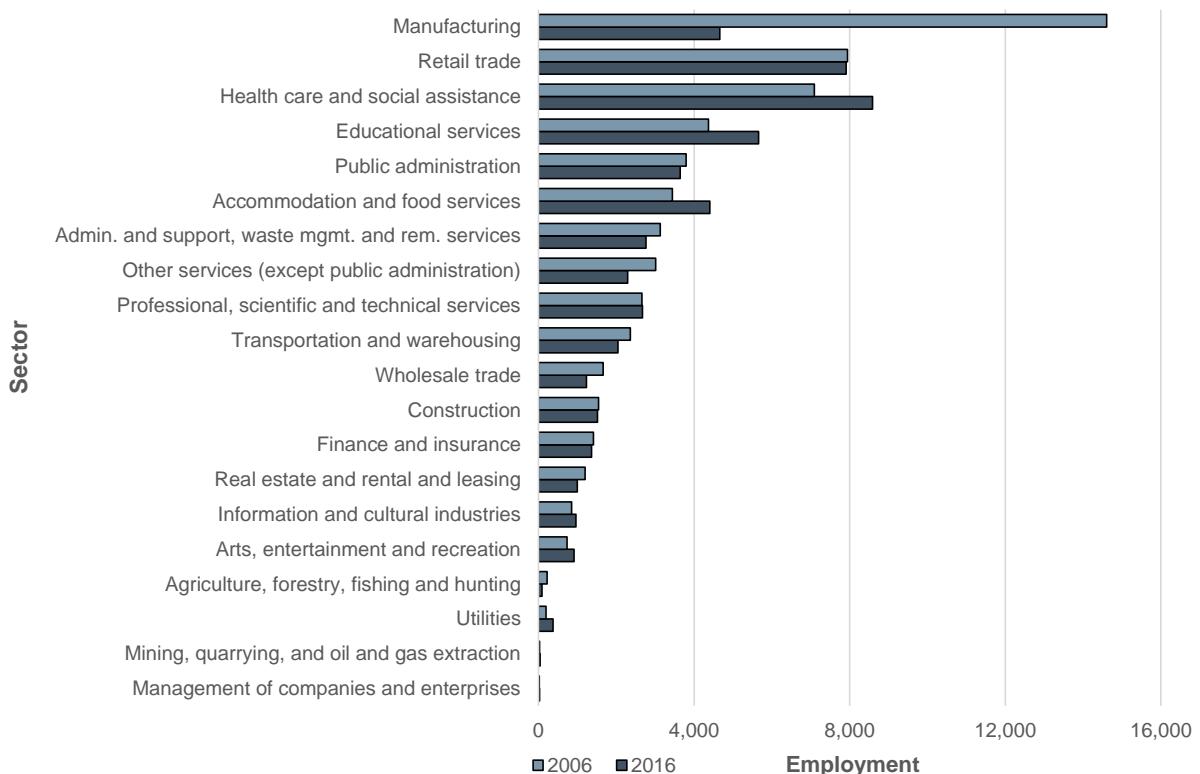
As summarized in Figure 2-7, employment growth over the period was driven by knowledge-based sectors, while industrial sector employment significantly declined. Key observations include:

- Health care and social assistance, educational services, accommodation and food services, arts, entertainment and recreation, and utilities experienced the largest increases in employment in terms of absolute growth;



- In contrast, manufacturing employment declined substantially more than any other industry, losing approximately two-thirds of its base between 2006 to 2016; and
- Other services (except public administration) and wholesale trade also experienced steady declines in absolute employment.

Figure 2-7
City of Oshawa Employment Trends by Sub-Sector, 2006 to 2016



Note: Employment includes Usual Place of Work and Work at Home employment.

Source: Derived from 2006 and 2016 Statistics Canada Census data by Watson & Associates Economists Ltd., 2019.

2.4.2 City of Oshawa Non-Residential Development Trends, 2002 to 2016

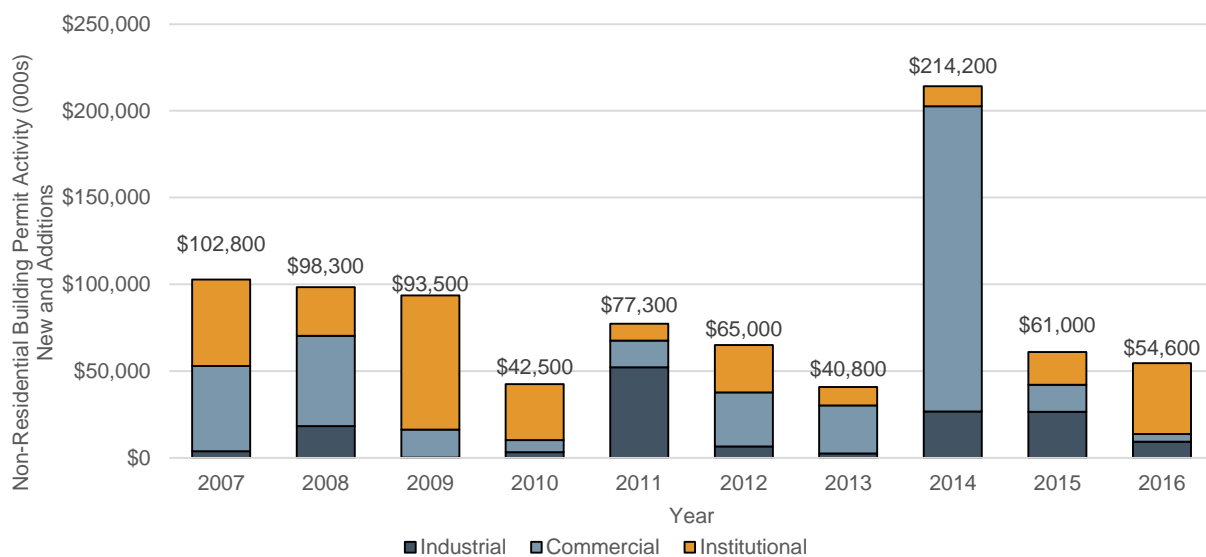
Figure 2-8 summarizes annual non-residential development activity by dollar value in the City of Oshawa between 2002 and 2016 by major sector, including new constructions and additions. Key observations include:

- From 2002 to 2016, non-residential development activity steadily declined with the exception of a spike in 2014 due to high commercial activity;



- Over the 15-year period, industrial activity comprised nearly one-quarter of industrial/commercial/institutional (I.C.I.) activity, with commercial and institutional activity making up nearly two-fifths each; and
- In more recent periods, development activity has been shifting away from industrial. Over the 2012 to 2016 period, industrial activity comprised 16% of the total, while commercial and institutional activity accounted for 46% and 36%, respectively.

Figure 2-8
City of Oshawa Non-Residential Building Permit Activity (\$), 2002 to 2016



Note: Inflated to year-end 2017 (January, 2018) dollars using Reed Construction Cost Index.
Source: Derived from Statistics Canada Publication, 64-001-XIB by Watson & Associates Economists Ltd., 2019.

2.5 Summary

The following observations are provided with respect to the recent trends regarding current regional economic trends within the City of Oshawa.

- Over the past several years, the Ontario economy has experienced steady economic growth partially driven by a gradual recovery in the manufacturing sector which has been fueled by a lower-valued Canadian dollar and the gradual strengthening of the U.S. economy. Looking forward, provincial G.D.P. growth is anticipated to ease from over 2% in 2018 to approximately 1.3% by 2020, largely



as a result of a tightening labour market, rising household debt and increased global economic uncertainty.¹

- In contrast to provincial and regional trends, the industrial sector has not recovered as strongly from the 2008/2009 economic recession; however, declining industrial vacancy rates suggest that this sector is strengthening. Within the City of Oshawa, continued challenges within this sector are anticipated to persist over the coming decade. More specifically, the planned closure of the Oshawa General Motors (GM) Assembly Plant by the end of 2020 will result in a loss of approximately 2,000 direct jobs, as well as significant potential job losses related to Ontario auto parts suppliers, plus disruptions to other businesses that are indirectly associated with the GM Assembly Plant.
- Similar to national and provincial trends, the City of Oshawa economy is transitioning from goods to services production. Over the past 10 years, the majority of employment growth has largely been attributed to the commercial/population-related and institutional sectors.
- Looking forward, existing and emerging knowledge-based sectors such as health care and social assistance, and educational services are expected to represent the highest growing employment sectors for the City.

¹ Royal Bank of Canada. Provincial Outlook. December 2018.



Chapter 3

Historical Demographic Trends – Impacts on the Local Housing Market



3. Historical Demographic Trends – Impacts on the Local Housing Market

3.1 Introduction

This Chapter explores historical demographic trends within the City of Oshawa based on Statistics Canada data and other available information sources. Specific attention is given to the impact of these trends in relation to housing occupancy and future demand by housing structure type.

3.2 Demographic and Housing Trends within the City of Oshawa

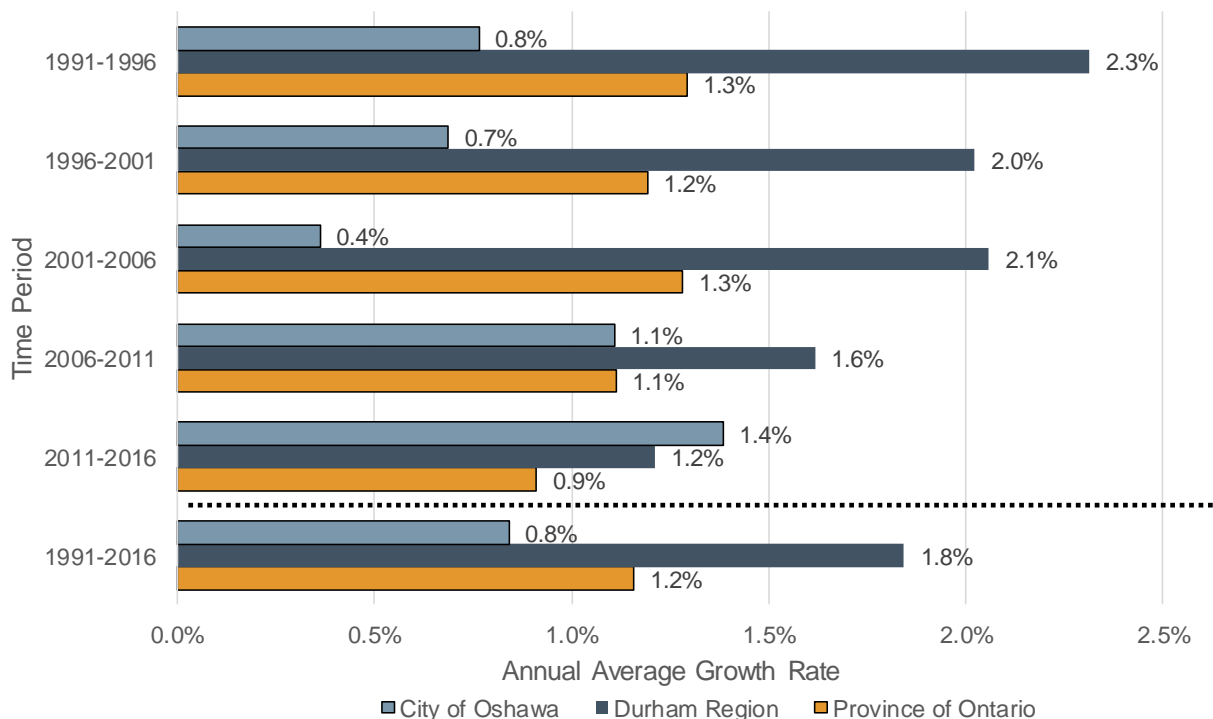
3.2.1 *Historical and Forecast Population Growth, 1991 to 2016*

Figure 3-1 summarizes historical population growth rates for the City of Oshawa during the 1991 to 2016 period in accordance with Statistics Canada Census data. Key observations include the following:

- The City of Oshawa experienced slow population growth from 1991 to 2006, well below that of Durham Region and noticeably below the Province of Ontario average during this time period;
- Since 2006, Oshawa's population growth rate has steadily increased;
- Between 2011 and 2016, the City's population grew at an annual rate of 1.4%, which is well above provincial trends and slightly above the Durham Region average; and
- During the 2016 to 2021 period, the City's population is anticipated to continue to grow at a steady rate in accordance with recent residential development activity, which has been well above historical longer-term averages.



Figure 3-1
City of Oshawa
Historical Population Growth, 1991 to 2016



Source: Derived from Statistics Canada Census Data, 1991-2016, by Watson & Associates Economists Ltd., 2019.

3.2.2 Population Growth by Major Age Group, 1991 to 2016

Figure 3-2 summarizes historical trends in population structure by age cohort over the 1991 through 2016 period by major age group. Figure 3-3 summarizes the 2016 population age structure in the City of Oshawa compared to the Province as a whole. Key observations are as follows:

- In 2016, the 0-19 age cohort (youth population) in Oshawa accounted for 22% of the total population. Proportionately, the population share of this age cohort has decreased from 28% since 1991;
- Oshawa's share of the population base between 20-54 years of age steadily declined over the 25-year period, and comprised approximately 48% of the population in 2016, down from 54% in 1991;
- The 55-74 age group (empty-nesters/younger seniors) increased by 9 percentage points between 1991 and 2016, from 14% to 23%. Within this age

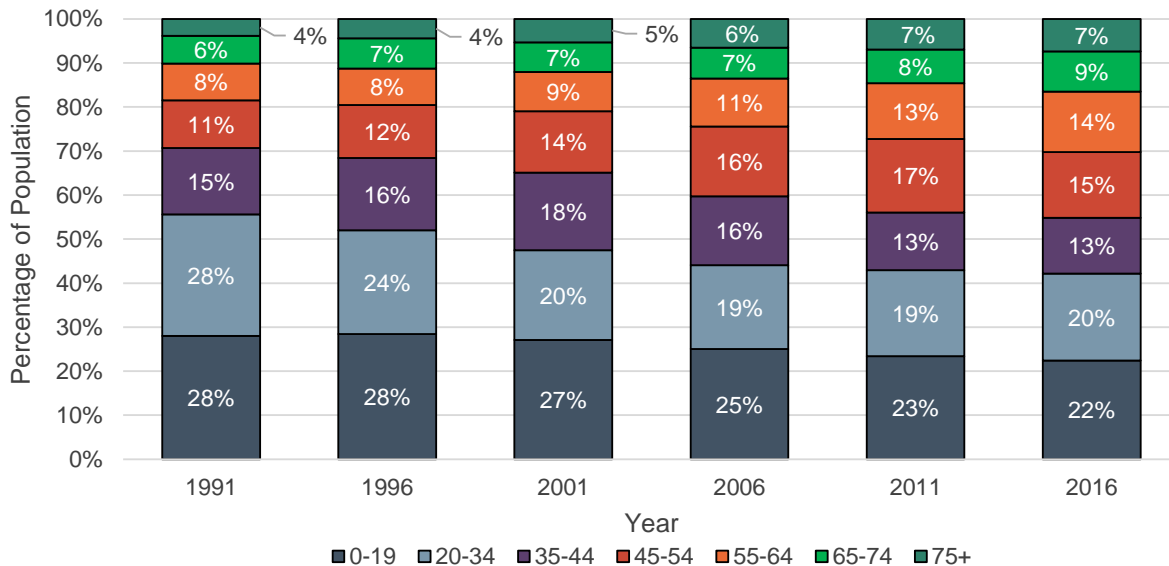


group, residents between 55-64 years of age had the fastest and largest increase across all age groups;

- The 75+ age group (older seniors) increased from 4% in 1991 to 7% in 2016; and
- Generally, Oshawa’s 2016 age structure is comparable to the Province as a whole.

Looking forward, the City’s growing, but aging population base is anticipated to place increasing demands for a range of housing products by structure type including seniors’ and affordable housing options.

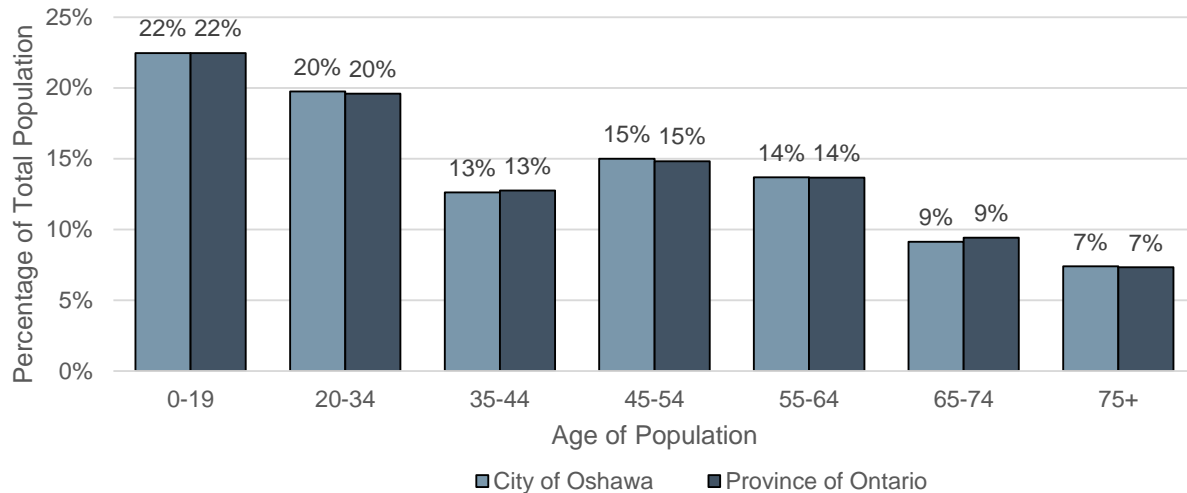
Figure 3-2
City of Oshawa
Population Trends by Major Age Group, 1991 to 2016



Source: Derived from Statistics Canada Census data, 1991-2016, by Watson & Associates Economists Ltd., 2019.



Figure 3-3
City of Oshawa and Ontario
Population Age Structure, 2016



Source: Derived from Statistics Canada Census data, 2016, by Watson & Associates Economists Ltd., 2019.

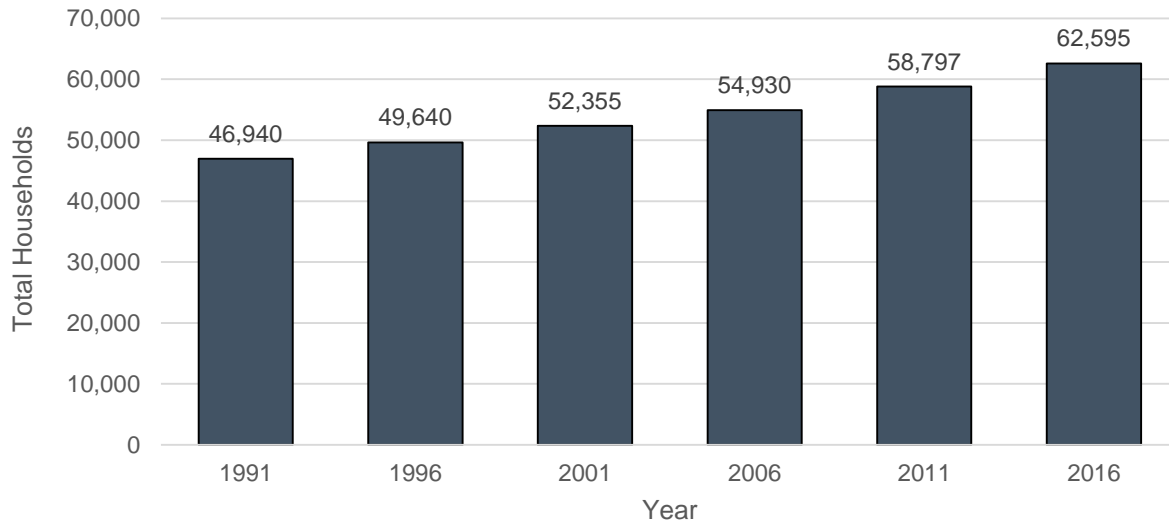
3.2.3 Housing Growth, 1991 to 2016

Figure 3-4 summarizes historical housing growth within the City of Oshawa from 1991 to 2016. During this historical period, the City's housing base increased by approximately 15,700 households from 46,900 to 62,600, which represents an increase of approximately 630 permanent housing units per year. Similar to population growth trends, the City of Oshawa experienced an accelerating rate of housing growth over the 25-year period, with housing activity being particularly strong over the last five years.

Figure 3-5 summarizes housing growth by density type between 1991 and 2016. Low-density households include single and semi-detached units, medium-density households comprise townhouses, and apartments in duplexes and apartments are included in the high-density category. Historically, low-density housing comprised the majority of new housing development over the 25-year period (comprising 62% of housing growth). Over the last five years of the period, however, housing growth shifted to more high-density housing forms (34% of total housing growth compared to 20% from 1991 to 2001). Over the next 25 years, it is anticipated that housing development within the City will be increasingly focused on medium- and high-density forms, largely driven by declining housing affordability and the aging of the City's population base.

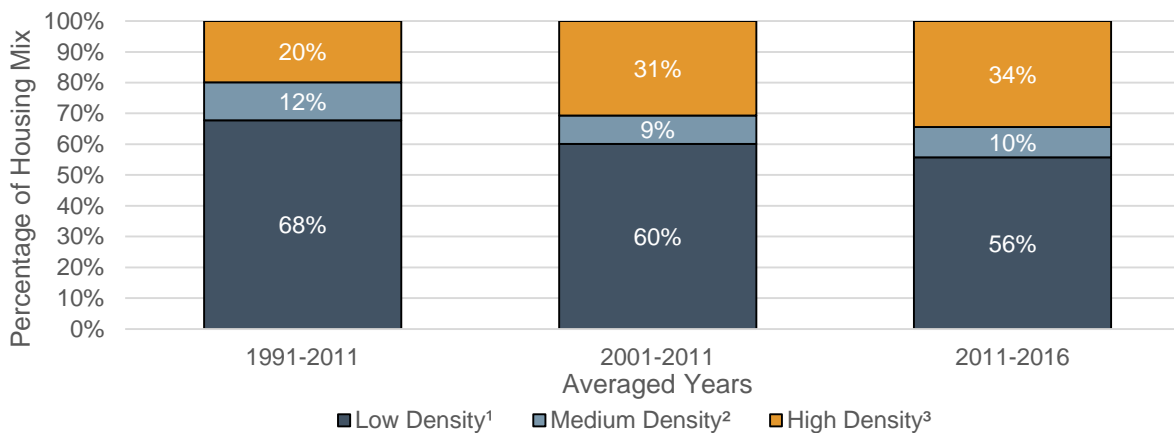


Figure 3-4
City of Oshawa
Total Housing Growth, 1991 to 2016



Source: Derived from Statistics Canada Census data, 1991-2011, and City of Oshawa data, 2016, by Watson & Associates Economists Ltd., 2019.

Figure 3-5
City of Oshawa
Share of Housing by Type, 1991 to 2016



¹ Includes singles and semi-detached.

² Includes townhouses.

³ Includes duplexes, bachelor, 1-bedroom and 2-bedroom+ apartments.

Source: Derived from Statistics Canada Census data, 1991-2011, and City of Oshawa data, 2016, by Watson & Associates Economists Ltd., 2019.



3.2.4 City of Oshawa Residential Development Activity

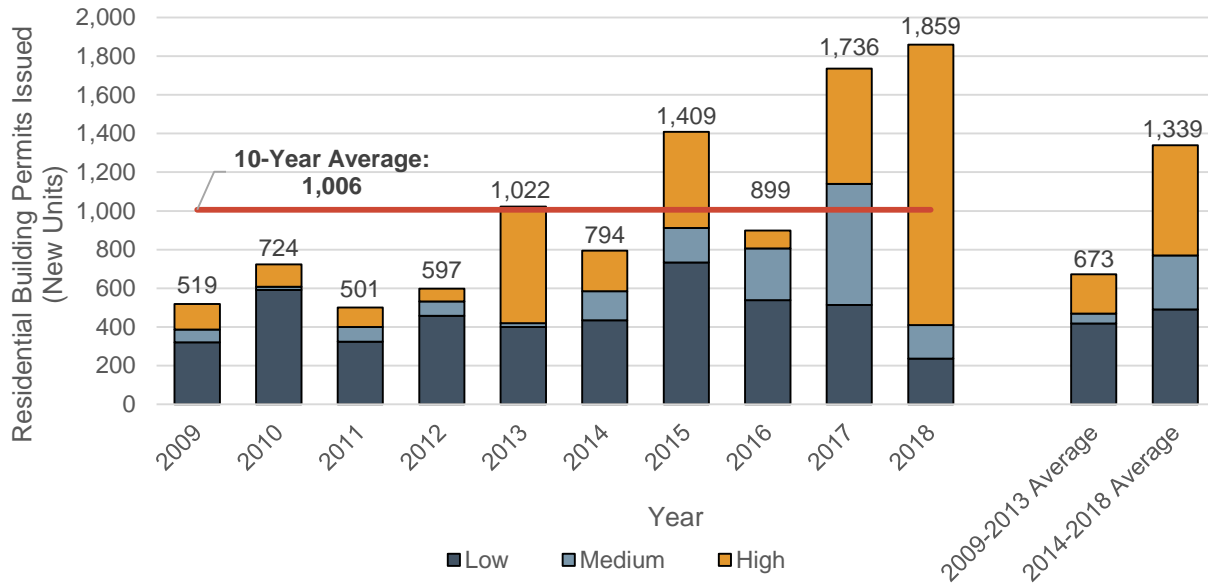
Figure 3-6 summarizes residential building permit activity within the City of Oshawa by structure type between 2009 and 2018. During this time period:

- The City of Oshawa issued an average of just over 1,000 residential building permits per year for new dwelling units;¹
- The rate at which residential building permits were issued has steadily increased over time since 2011, with the exception of slower periods in 2014 and 2016. Over the 2014 to 2018 period an average of just over 1,339 building permits per year were issued, compared to 673 from 2009 to 2013;
- Residential building permit activity over the past 10 years has been relatively well balanced between low-density (i.e. singles/semi-detached), medium-density (i.e. townhouses) and high-density housing forms (i.e. apartments); and
- Over the past five years, the share of residential building permits issued for high-density housing forms has increased to 43% (up from 30% during the previous five-year period).

¹ Excludes accessory apartments.



Figure 3-6
City of Oshawa
Historical Residential Building Permits Issued for New Units, 2009 to 2018



Source: 2009 to 2015 building permit activity derived from Statistics Canada building permit data. 2016 to 2017 derived from City of Oshawa building permit data. 2018 derived from October YTD City of Oshawa building permit data with November to December forecast by the City of Oshawa Building Services Department, by Watson & Associates Economists Ltd., 2019.

3.2.5 Housing Occupancy Trends within the City of Oshawa

Figure 3-7 summarizes trends in average housing occupancy for the City of Oshawa, Durham Region and the Province of Ontario over the 1996 to 2016 period, expressed as the average number of persons per unit (P.P.U.).¹ Trends in household occupancy and age structure are a particularly important statistic for urban planners, as these trends have broad implications for the amount and type of future housing needs associated with population growth as well as demands for public infrastructure, municipal services and schools. Key observations include the following:

- The average P.P.U. for the City of Oshawa steadily declined over the 1996 to 2011 period; however, from 2011 to 2016, the City's average P.P.U. stabilized at 2.54 to 2.55;

¹ Average number of persons per unit (P.P.U.) defined as the total population divided by the number of occupied dwelling units.



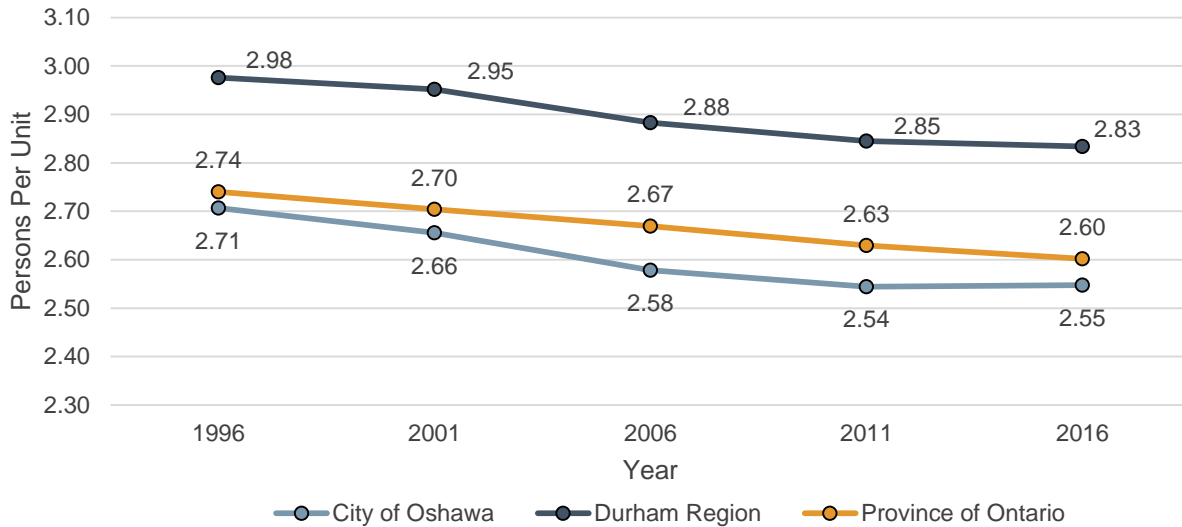
- The stabilization in average household occupancy within the City is largely believed to be a result of delays in children leaving home and an increase in multi-family (i.e. multi-generational) dwellings;
- As the cost of entering the housing market makes homeownership an increasing challenge within the City, it is anticipated that residents will continue to turn to multi-family options as an affordable alternative. It is important to recognize that this broader housing trend has also been observed across many of the Country's urban areas in addition to the City of Oshawa;¹
- The average P.P.U. for the Region of Durham was significantly higher than in the City of Oshawa and the Province, but it also steadily declined over the 20-year period. This overall rate of P.P.U. decline for the Region of Durham and the Province as a whole is comparable to the City of Oshawa; and
- The average P.P.U. for the City of Oshawa is forecast to continue to decline over the long term; however, this decline rate may occur at a slower rate than anticipated in previous studies.²

¹ Emerging Trends in Real Estate. Canada and United States. 2019. PWC. Urban Land Institute.

² Growing Durham Recommended Growth Scenario and Policy Directions Report. Final Report November 18, 2008.



Figure 3-7
City of Oshawa
Historical Persons Per Unit (P.P.U.) Trends, 1996 to 2016



Note: Population used in the P.P.U. does not include the Net Census Undercount.

Source: Derived from Statistics Canada Census data, 1996-2016, by Watson & Associates Economists Ltd., 2019.

Figure 3-8 summarizes the average P.P.U. for new households occupied over the 2011 to 2016 historical period, by built-up area (B.U.A.) and designated greenfield area (D.G.A./remaining rural area). Average P.P.U. levels remained stable in the City's B.U.A. over the last five years of the period, and remained below City-wide average P.P.U. levels. In contrast to the B.U.A., P.P.U. levels significantly increased in the City's D.G.A. and rural area. The importance of this observation is that average housing occupancy levels are anticipated to remain relatively higher in the City's greenfield areas relative to City-wide average. This has implications on the number of households that will be required to accommodate future population growth in the Study Area.

Figure 3-8
City of Oshawa Historical Persons Per Unit (P.P.U.) Trends by Built-Up Area and Designated Greenfield Area and Rural Area, 2011 and 2016

Geographic Area	2011			2016		
	Population	Occupied Dwelling	Average P.P.U.	Population	Occupied Dwelling	Average P.P.U.
Built Boundary	140,742	55,953	2.52	143,314	57,671	2.49
Rural/Greenfield	8,865	2,844	3.12	16,144	4,924	3.28
Total	149,607	58,797	2.54	159,458	62,595	2.55

Source: Derived from 2011 and 2016 Statistics Canada Census data by Watson & Associates Economists Ltd., 2019.



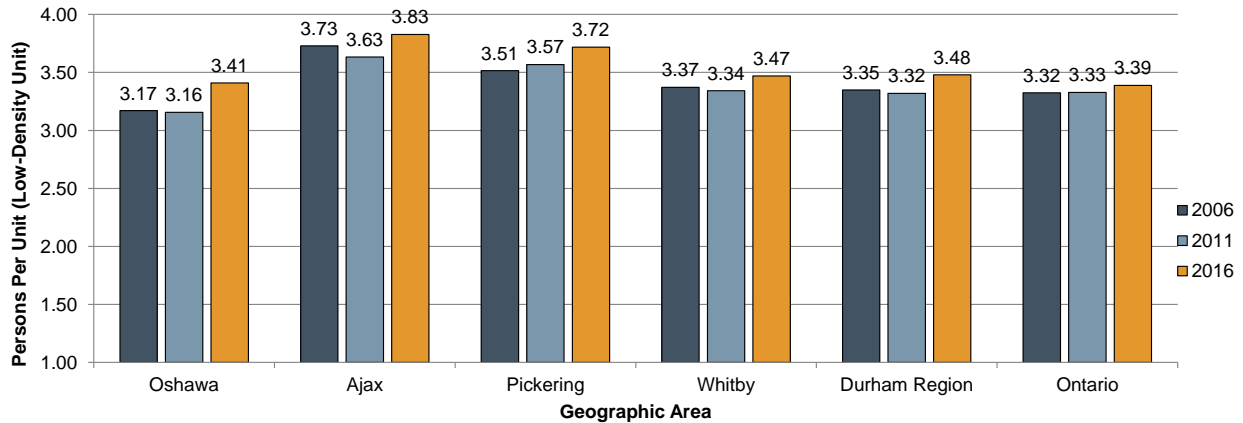
Figures 3-9, 3-10 and 3-11 summarize the average P.P.U. for new dwellings (dwelling units up to 15 years old) occupied between 2001 to 2016 by density type (i.e. low, medium and high density) for the City of Oshawa, select municipalities within Durham Region, Durham Region as a whole, and the Province of Ontario, based on Census data. Key findings include the following:

- As of 2016, the average P.P.U. for new low-density dwellings in Durham Region was 3.48;
- For Durham Region municipalities surveyed, the average P.P.U. as of 2016 for new low-density units was highest in the Town of Ajax (3.83) and lowest in the City of Oshawa (3.41);
- Over the 2006 to 2016 Census period, average new low-density unit P.P.U. levels increased for all selected Durham Region municipalities. This increase was most pronounced in the City of Oshawa;
- As previously mentioned, this increasing P.P.U. trend in low-density dwellings is believed to be partially driven by an increase in multi-family (multi-generational) living;
- Relative to low-density units, average P.P.U. levels did not rise as significantly for medium-density dwellings across Durham Region; however, it is noted that Oshawa experienced a modest P.P.U. increase between 2006 and 2016; and
- Average P.P.U. levels for new high-density dwellings increased modestly between 2006 and 2016 for Durham Region and the City of Oshawa.

The results of this analysis will be used to develop assumptions regarding average housing occupancy by structure type within the Study Area.

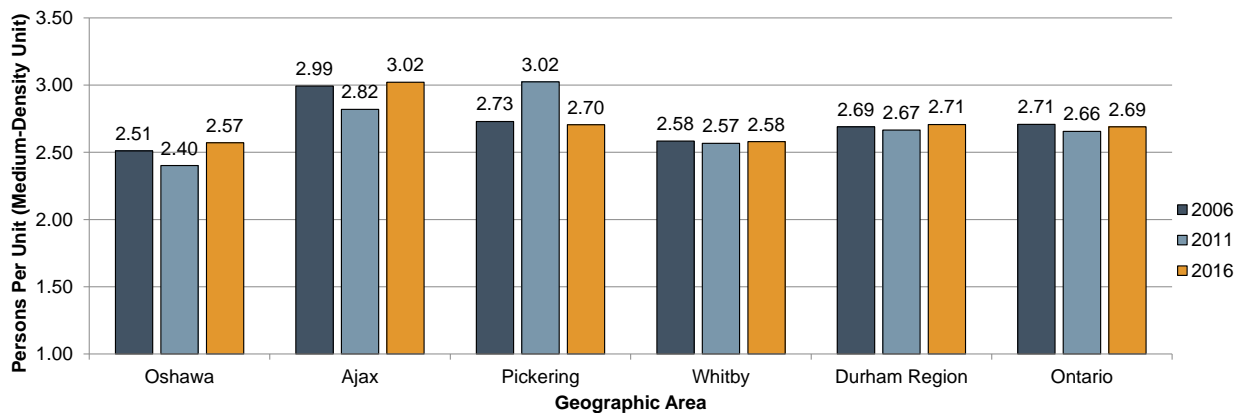


Figure 3-9
Comparative Average Low Density P.P.U.
(Housing Units 15 Years Old and Newer)



Source: Derived from Census Canada Custom P.P.U. database. Excludes Census undercount.
¹ Low-density dwellings represent single and semi-detached housing units

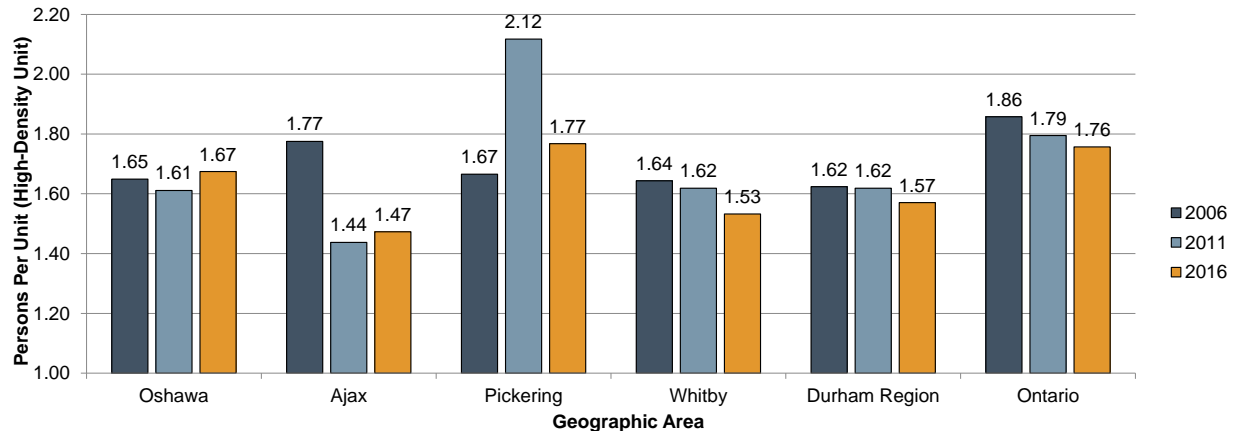
Figure 3-10
Comparative Average Medium Density P.P.U.
(Housing Units 15 Years Old and Newer)



Source: Derived from Census Canada Custom P.P.U. database. Excludes Census undercount.
¹ Medium-density dwellings represent rows and apartments in duplex units



Figure 3-11
Comparative Average High Density P.P.U.
(Housing Units 15 Years Old and Newer)



Source: Derived from Census Canada Custom P.P.U. database. Excludes Census undercount.
¹ High-density dwellings represent units in apartments >5 storeys.

3.2.6 Observations

The City of Oshawa has historically experienced steady housing growth, adding approximately 15,700 households to its base between 1991 to 2016. During this time period, an increasing share of new residential construction activity occurred within high-density housing forms. This trend is anticipated to continue over the coming decades driven by the aging of the City's population base combined with eroding housing affordability. Recognizing these demographic and socio-economic trends, it is important that the Study Area provides a diverse range of housing options to accommodate all segments of the housing market by age, income and lifestyle choices. This includes a broad range of ownership and rental housing options including affordable and seniors' housing.

It is also important to recognize that the demographic and socio-economic characteristics within the City are not homogenous. Understanding trends in household occupancy, age structure and income at the sub-municipal level is particularly important for the City of Oshawa. On average, the demographic of the Study Area is anticipated to be slightly younger and slightly more affluent when compared to the City of Oshawa as a whole. These trends will have broad implications for housing needs by structure type and average occupancy, as well as demands for municipal services and schools.



Chapter 4

Affordable Housing Trends



4. Affordable Housing Trends

4.1 Introduction

This Chapter provides a summary of housing affordability trends related to ownership and rental housing within the City of Oshawa over the past decade. This analysis has been generated to provide direction regarding the City's future housing needs within the Columbus Part II Planning Area.

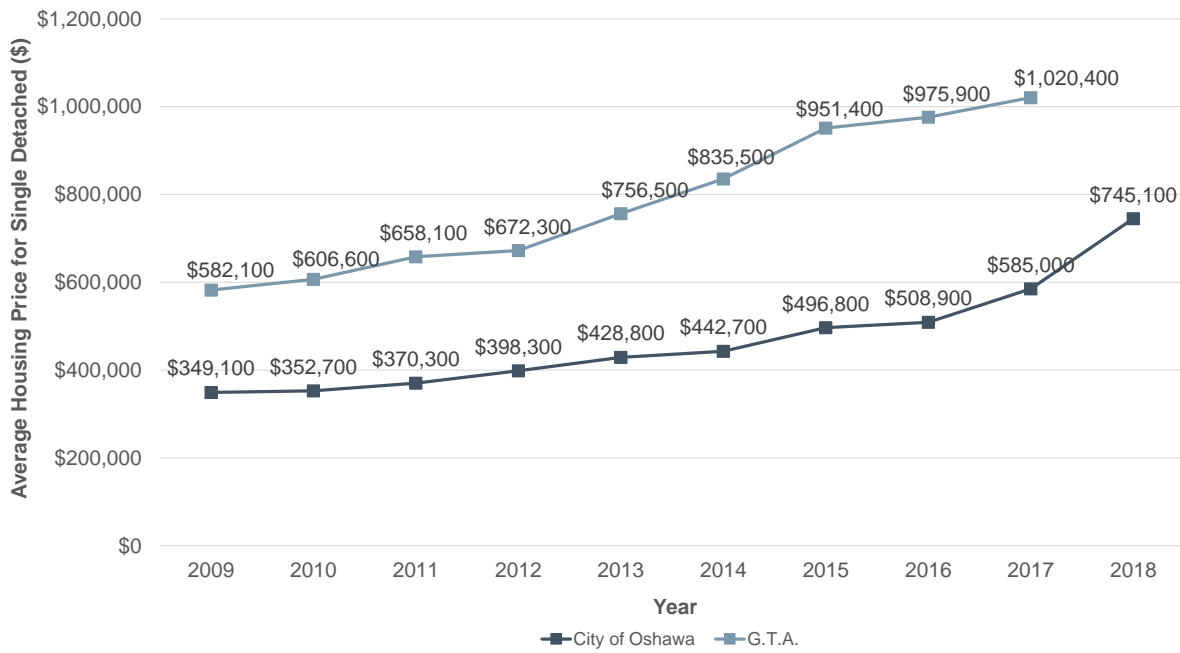
4.2 Trends in Housing Prices, 2009 to 2018

Figure 4-1 summarizes historical housing price trends within the City of Oshawa over the 2009 to 2018 period for single detached housing. As illustrated:

- Housing prices increased year-over-year from 2009 to 2018 within the City of Oshawa and the G.T.A.;
- Housing price increases in Oshawa over the past two years were higher relative to the 2009 to 2016 period; and
- Single detached housing prices in Oshawa have historically been and currently remain significantly lower than the G.T.A. average price; however, this gap has narrowed within the past few years.



Figure 4-1
City of Oshawa
Historical Trends in Average Housing Prices for Low Density, 2009 to 2018



Source: Data from CMHC Market Absorption Survey by Watson & Associates Economists Ltd., 2019.

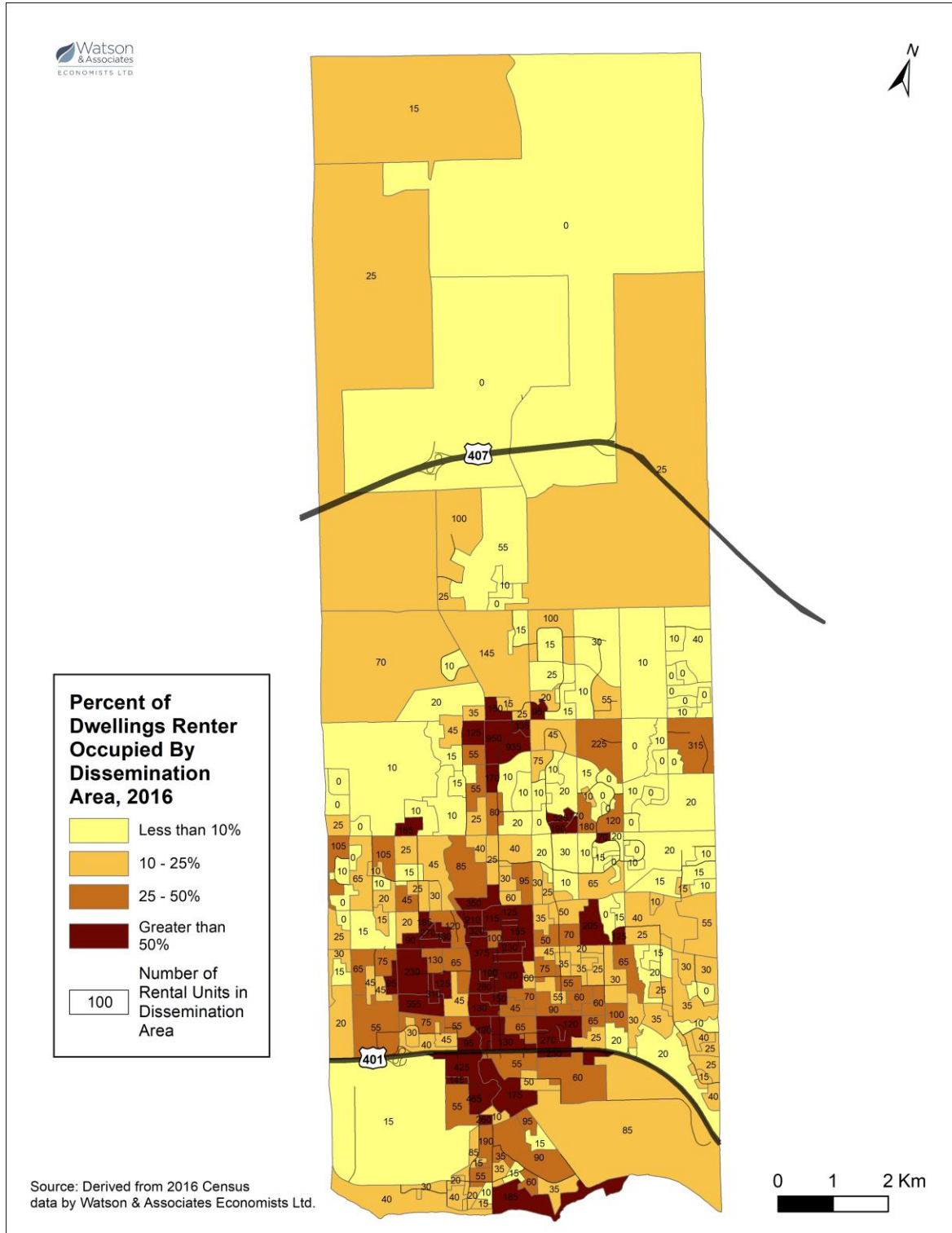
4.3 Overview of Housing Rental Market Trends

4.3.1 Supply of Tenant Occupied Housing Units

As of 2016, the City had a supply of 19,720 tenant-occupied housing units, comprising just under one-third of the total housing unit supply in the City. Figure 4-2 illustrates the location of renter-occupied dwellings in Oshawa. The highest prevalence of rental units occurs in the City's most mature communities, which offer a relatively higher proportion of high-density households. Most notably, this includes the community of Central Oshawa and the northern portion of the Lakeview community.



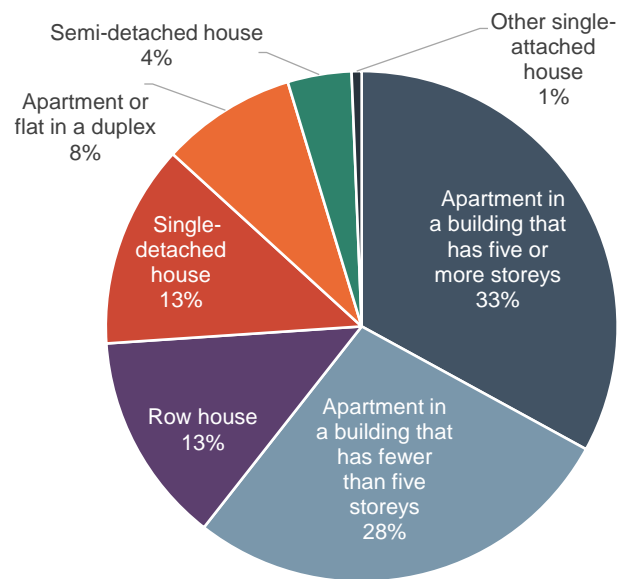
Figure 4-2
City of Oshawa
Geographic Distribution of Renter-Occupied Dwellings





As illustrated in Figure 4-3, the majority of rental units are comprised of apartments within buildings that have five or more storeys (33%) and fewer than five storeys (28%).

Figure 4-3
City of Oshawa
Composition of Rental Units by Building Type, 2016

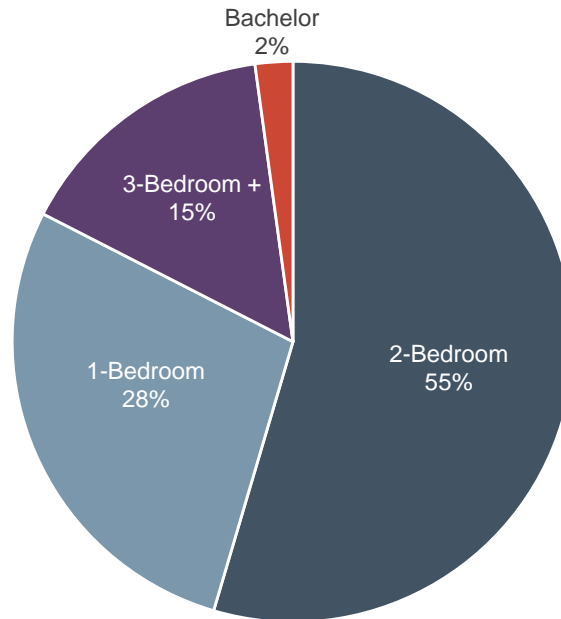


Source: Data derived from Statistics Canada 2016 Census of Population, Catalogue no. 98-400-X2016220 by Watson & Associates Economists Ltd., 2019.

Figure 4-4 summarizes the supply of private rental apartments within the City of Oshawa by unit size. As shown, 55% are 2-bedroom units, 28% 1-bedroom units, 15% 3-bedroom units, and 2% bachelor units.



Figure 4-4
City of Oshawa
Composition of Rental Units by Unit Size, 2018

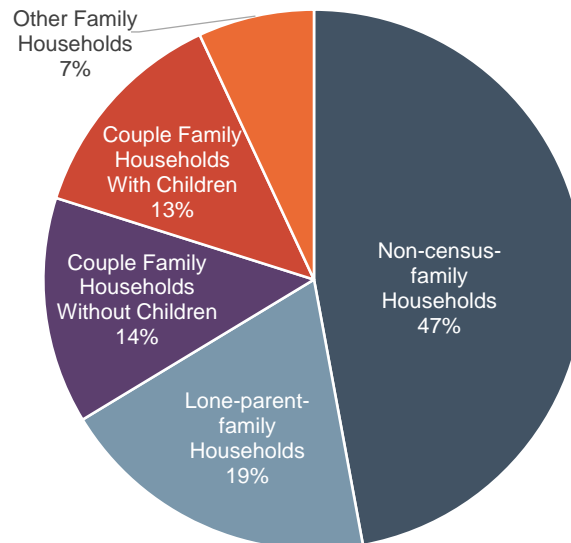


Source: Data from CMHC Rental Market Survey, October 2018 by Watson & Associates Economists Ltd., 2019.

Figure 4-5 summarizes the composition of renters within Oshawa. As shown, 47% of renters are one-person households, while lone-parent family households account for 19%, couple family households without children account for 14%, and couple family households with children account for 13% of the housing stock.



Figure 4-5
City of Oshawa
Composition of Renters by Family Structure, 2016



Source: Data derived from Statistics Canada 2011 National Household Survey, Catalogue no. 99-014-X2011045 by Watson & Associates Economists Ltd., 2019.

4.3.2 Market Rental Rates

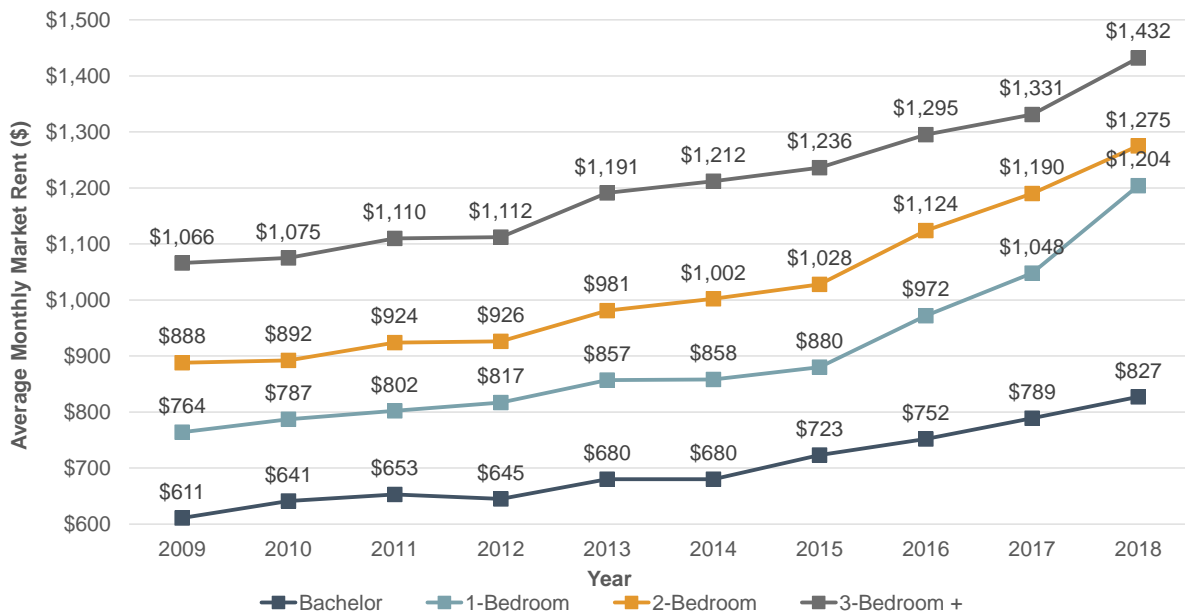
Figure 4-6 summarizes average market rents for bachelor, 1-bedroom, 2-bedroom and 3-bedroom+ apartments over the 2009 to 2018 period within the City of Oshawa. Figure 4-7 illustrates the average annual increase in rental market rates over the past decade by number of bedrooms. Figure 4-8 illustrates average 2-bedroom rental rates in Oshawa in comparison to the provincial average over the 2009 to 2018 period. As observed:

- In 2018, average monthly rental costs in Oshawa ranged from \$827 for a bachelor apartment, \$1,204 for a 1-bedroom unit, \$1,275 for a 2-bedroom unit and \$1,432 per month for a 3-bedroom+ unit;
- Over the 10-year period, annual rental costs increased across all bedroom apartment sizes, with the highest increase of 4.7% occurring in 1-bedroom units, followed by 2-bedroom (3.7%), bachelor (3.1%) and 3-bedroom+ (3.0%) units; and
- Apartment rents in Oshawa have historically been lower than the provincial average; however, in 2018 the average rental rate in Oshawa was higher than the provincial average for the first time in the last decade. Comparatively,



average rental rates in the City of Oshawa have been increasing at a faster rate over the past decade relative to the Province as a whole.

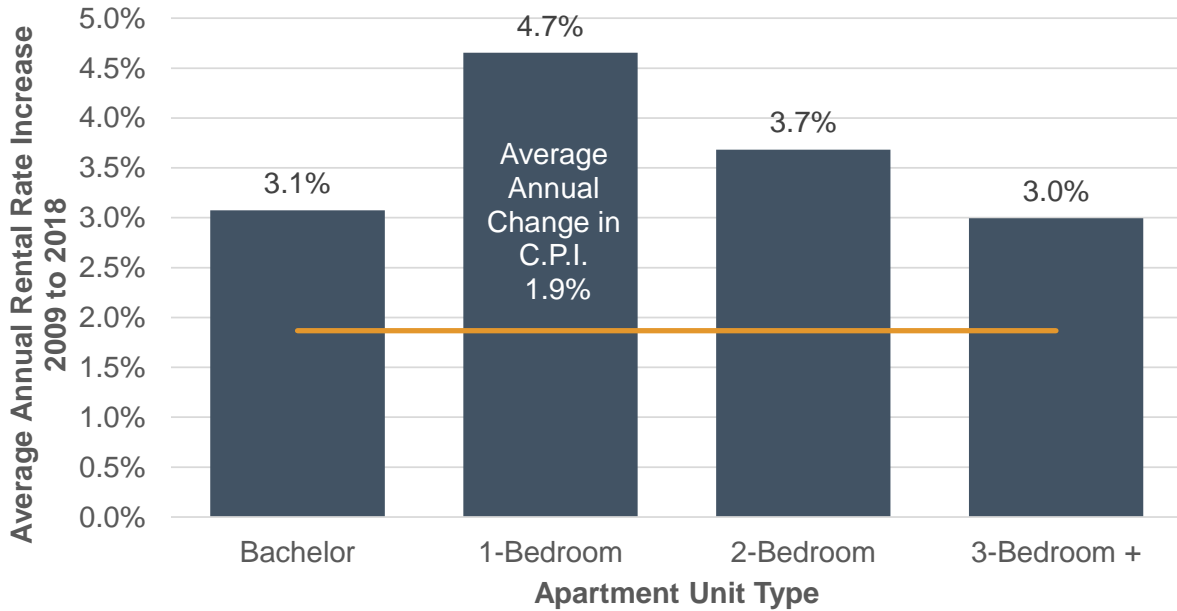
Figure 4-6
City of Oshawa
Average Apartment Rental Rates by Unit Type, 2009 to 2018



Note: Includes row houses and apartments. Historical rents based on October every year.

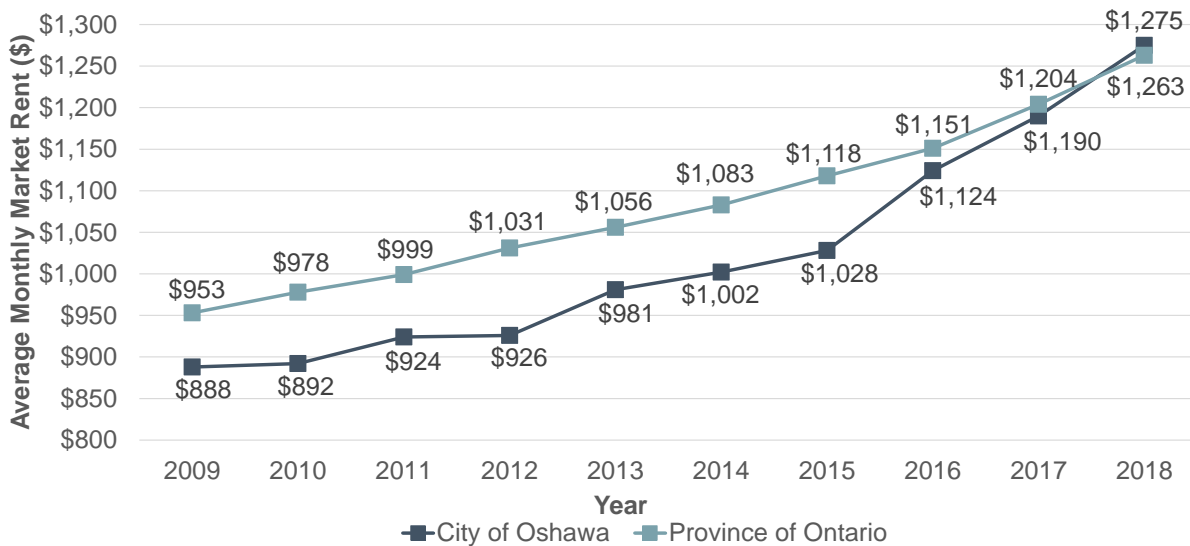


Figure 4-7
City of Oshawa
Average Annual Apartment Rental Rate Increase by Unit Type, 2009 to 2018



Source: Data derived from CMHC Rental Market Survey and Statistics Canada Table 18-10-0005-01 Consumer Price Index by Watson & Associates Economists Ltd., 2019.

Figure 4-8
City of Oshawa
2-Bedroom Apartment Average Rental Rates, 2009 to 2018



Source: Data from CMHC Rental Market Survey by Watson & Associates Economists Ltd., 2019.
Note: Historical rents based on October every year.



4.4 City of Oshawa Housing Affordability Trends, 2006 to 2016

4.4.1 Household Income

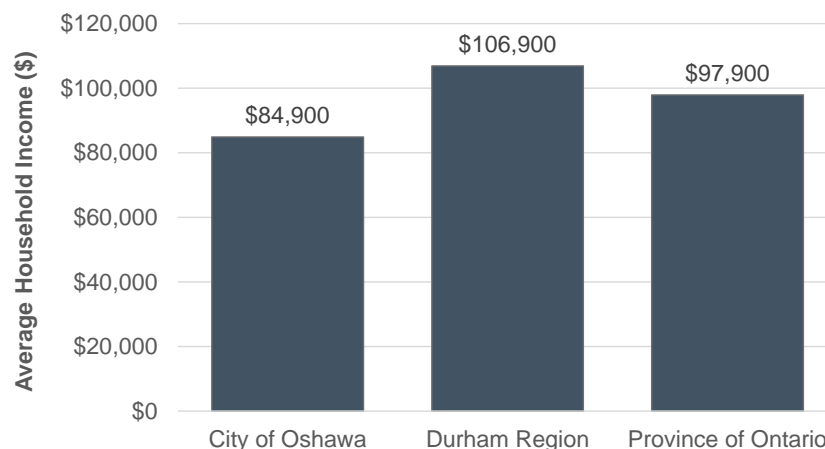
Household income is a key component to determining relative housing affordability in a community. Average household income and prevalence of low-income households in the City of Oshawa is reviewed herein.

4.4.2 Average Household Income

Figure 4-9 summarizes the average household income in the City of Oshawa in 2016 compared to Durham Region and the provincial average. Figure 4-10 presents the proportionate share of households in the City of Oshawa, Durham Region and the Province which earned less than \$30,000 per year. Key observations include:

- The City of Oshawa had an average household income of \$84,900 which is considerably lower than the \$106,900 average household income in Durham Region, and also lower than the provincial average of \$97,900; and
- Within the City of Oshawa, 44% of households earned less than \$30,000 per year. This is slightly higher than Durham Region at 40%, and comparable to the provincial average.

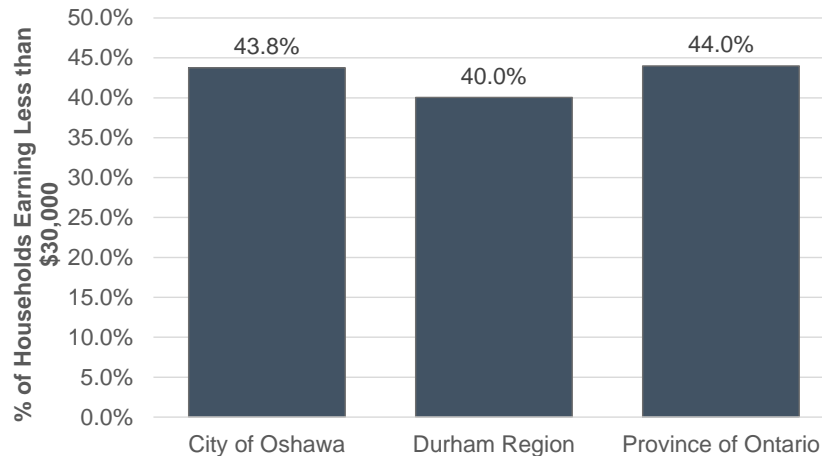
Figure 4-9
City of Oshawa
Average Household Income, 2016



Source: Data from Statistics Canada 2016 Census profiles by Watson & Associates Economists Ltd., 2019.



Figure 4-10
City of Oshawa
Percentage of Households Earning Less than \$30,000, 2016

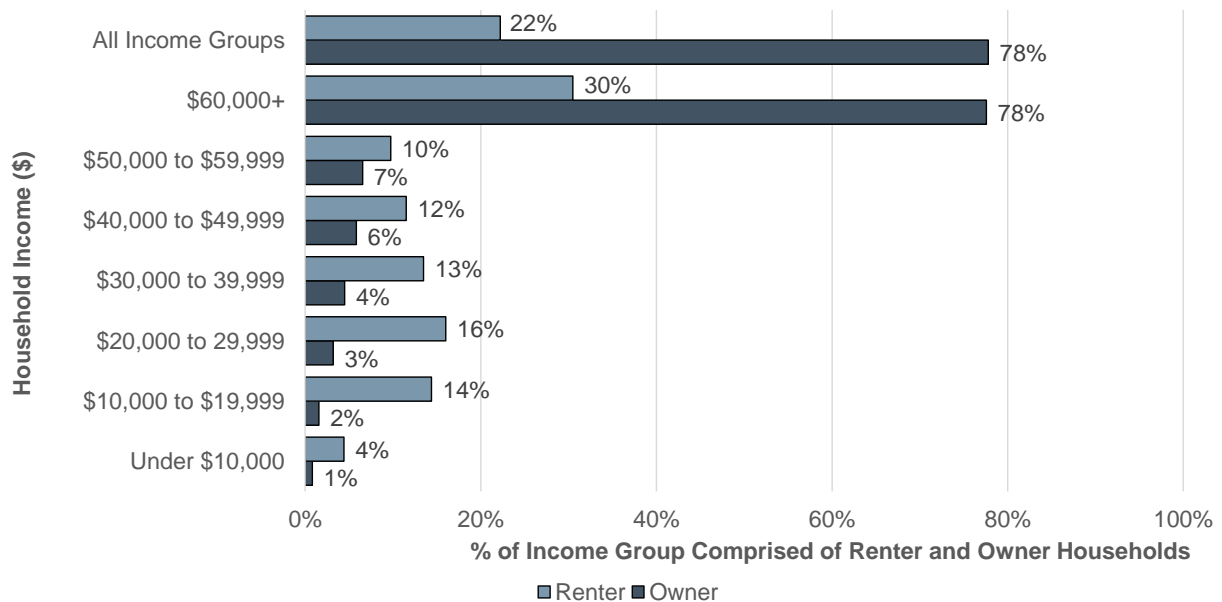


Source: Data from Statistics Canada 2016 Census profiles by Watson & Associates Economists Ltd., 2019.

Low-income households, generally defined as those earning less than \$30,000 per year, are largely renters as home ownership is not typically financially viable. As shown in Figure 4-11, 34% of Oshawa C.M.A. households earning less than \$30,000 per year, are renters, compared to 6% of home owners. At the high-income range of \$60,000+, only 30% of households who rent are in this category compared to 78% of home owners. This illustrates that a much higher share of low-income households are renters as opposed to home owners.



Figure 4-11
Oshawa C.M.A.
Proportionate Share of Renters and Owners by Household Income, 2016



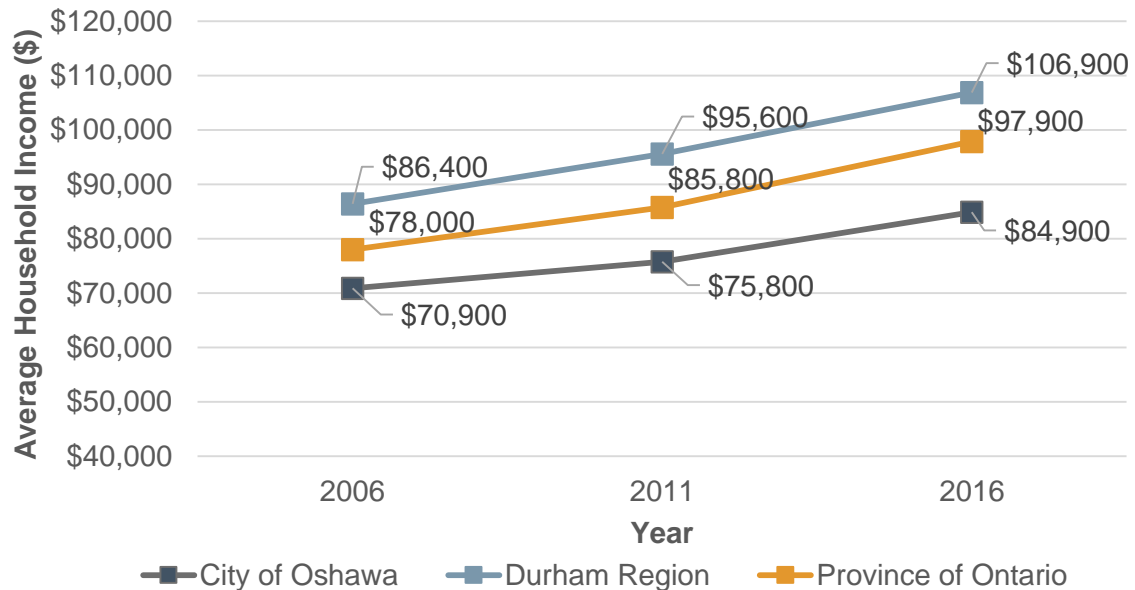
Source: Data from Statistics Canada 2016 Census Catalogue no. 98-400-X2016225 by Watson & Associates Economists Ltd., 2019.

4.4.2.1 Household Income Growth Trends

Figure 4-12 summarizes average household income trends in the City of Oshawa, Durham Region and the provincial average over the 2006 to 2016 period. As shown, the average household income in Oshawa increased from \$70,900 in 2006 to \$84,900 in 2016, an annual average increase of 1.8%, below the consumer price index increase in Ontario for shelter costs during the period. Comparably, average household income for the City of Oshawa increased at a slower rate and was lower than in Durham Region and Province of Ontario between 2006 and 2016. Average household income levels increased at a rate 2.2% and 2.3%, respectively, for Durham Region and the Province of Ontario during the 10-year period.



Figure 4-12
City of Oshawa
Average Household Income, 2006 to 2016



Source: Data from 2006 to 2016 Statistics Canada Census and NHS profiles by Watson & Associates Economists Ltd., 2019.

4.4.2.2 Prevalence of Low-Income Households

The prevalence of low-income households¹ is a good indicator of the demand for affordable housing. Figure 4-13 summarizes the prevalence of low-income private households in the City of Oshawa in comparison to Regional and provincial averages over the 2006 to 2016 period. Key observations include:

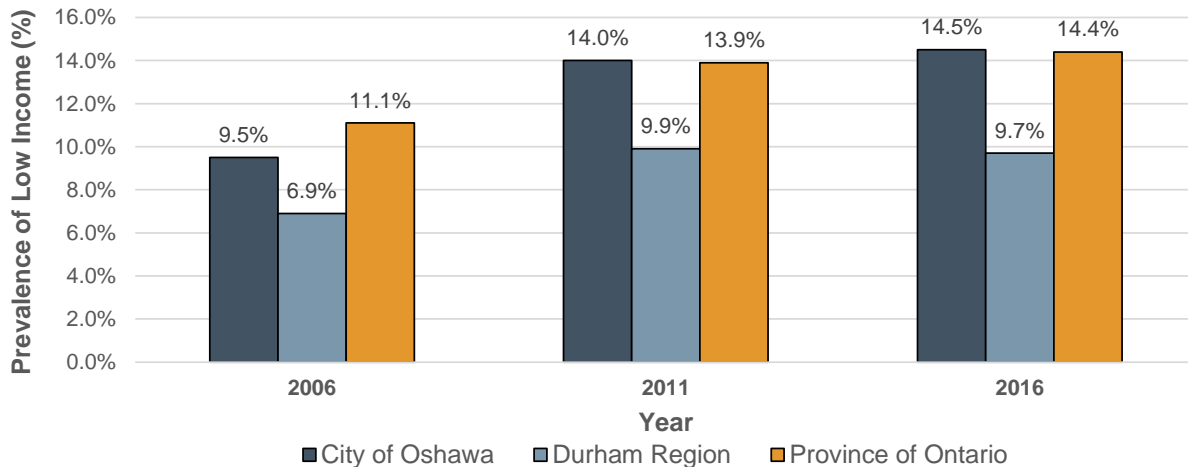
- Of the private households in Oshawa as of 2016, 15% were defined as low income which is comparable to the provincial average (14%) but noticeably higher than the Durham Region average of 10%; and

¹ Prevalence of low income defined by Statistics Canada as the proportion of persons in private households with incomes below the Statistics Canada low-income measure, after tax (L.I.M.A.T.). The low-income measure, after tax, refers to a fixed percentage (50%) of median-adjusted after-tax income of private households. The household after-tax income is adjusted by an equivalence scale to take economies of scale into account. This adjustment for different household sizes reflects the fact that a household's needs increase, but at a decreasing rate, as the number of members increases.



- The prevalence of low-income households in Oshawa experienced a significant increase from 10% in 2006 to 14.0% in 2011, but remained stable in the last five years of the period.

Figure 4-13
City of Oshawa
Prevalence of Low Income Within Households,¹ 2006 to 2016

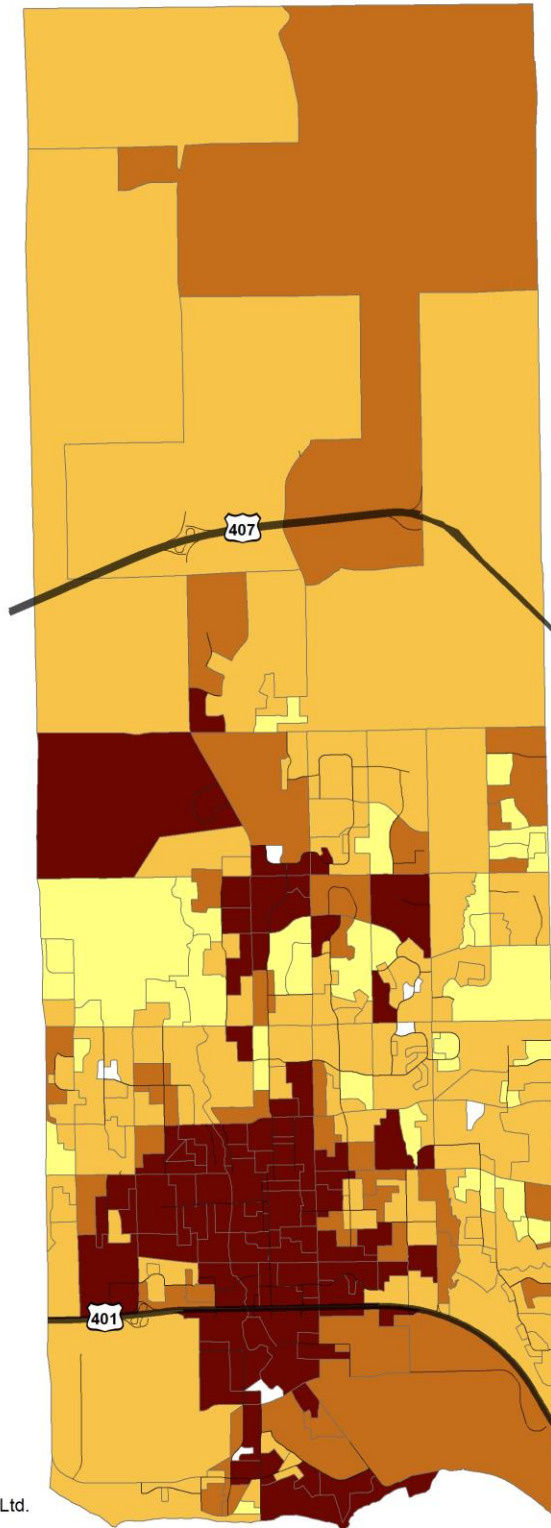
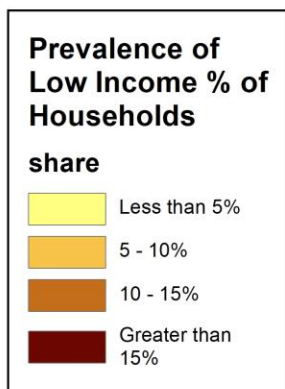


Source: Data from 2006 to 2016 Statistics Canada Census and NHS Profiles by Watson & Associates Economists Ltd., 2019.

Figure 4-14 illustrates the geographic distribution of low-income households within Oshawa. As illustrated, the highest prevalence of low-income households exists within Central Oshawa and the Lakeview community.



Figure 4-15
City of Oshawa
Geographic Distribution of Low-Income Households



Source: Derived from 2016 Census data by Watson & Associates Economists Ltd.





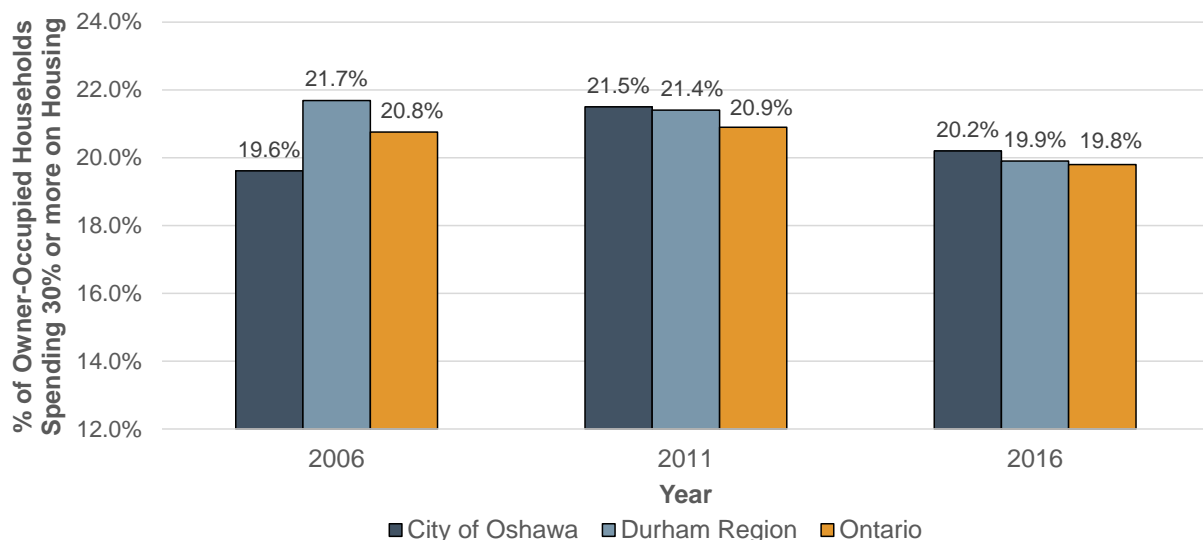
4.4.2.3 Affordability of Home Ownership

Figure 4-17 provides a summary of owner-occupied housing affordability in Oshawa compared to the Region of Durham and the provincial average from 2006 to 2016.

Observations include:

- In 2006, 20% of Oshawa's owner-occupied households spent 30% or more of household income on housing costs, which was slightly lower than Durham Region and the provincial average (22% and 21%, respectively); and
- Between 2006 and 2016, the proportion of owner-occupied households in Oshawa which spent 30% or more of household income on housing costs remained relatively stable. In comparison, Durham Region and the Province as a whole both experienced a modest decrease in this regard.

Figure 4-17
City of Oshawa
% of Owner-Occupied Households Spending
30% or More of Income on Housing, 2006 to 2016



Source: Data from 2006 to 2016 Statistics Canada Census and NHS Profiles by Watson & Associates Economists Ltd., 2019.

4.4.2.4 Rental Market Affordability

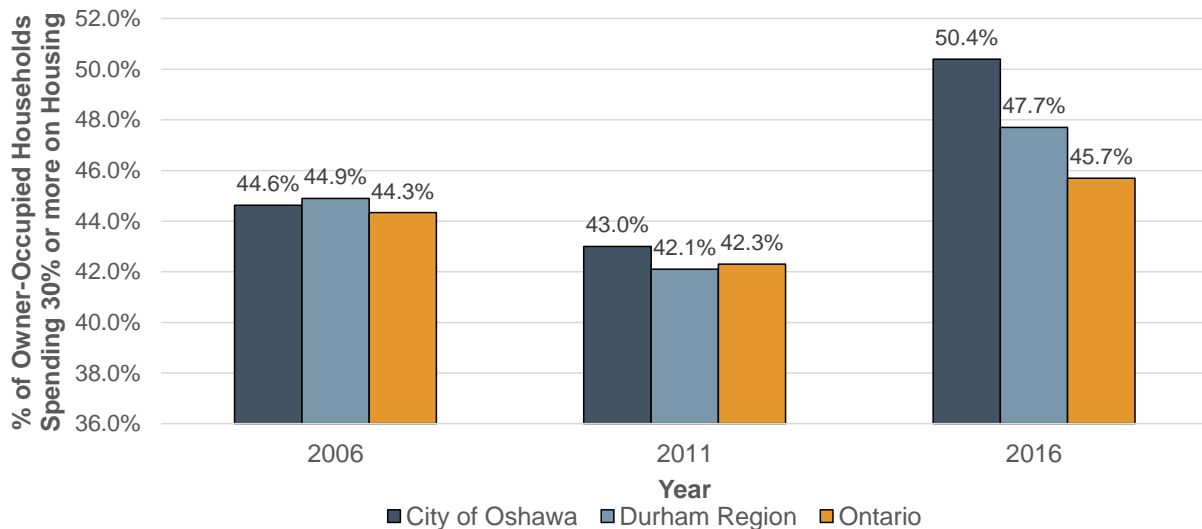
Figure 4-18 provides a summary of tenant-occupied housing affordability in Oshawa compared to the Region of Durham and the provincial average from 2006 to 2001.

Observations include:



- In 2006, 45% of Oshawa’s tenant-occupied households spent 30% or more of household income on housing costs, which was lower than Durham Region (45%) and comparable to the provincial average (44%);
- Between 2006 and 2016, the proportion of owner-occupied households which spent 30% or more of household income on housing costs significantly increased in Oshawa from 45% to 50%, with the entire increase occurring between 2011 to 2016; and
- The percentage of tenant-occupied households spending more than 30% of income on housing increased in Durham Region as well as the Province between 2011 and 2016, however, at a relatively slower rate compared to the City of Oshawa.

Figure 4-18
City of Oshawa
% of Tenant-Occupied Households Spending
30% or More of Income on Housing, 2006 to 2016



Source: Data from 2006 to 2016 Statistics Canada Census and NHS Profiles by Watson & Associates Economists Ltd., 2019.



Chapter 5

Anticipated Housing Needs within the Study Area



5. Anticipated Housing Needs within the Study Area

5.1 Introduction

Future housing needs in Oshawa are evolving as a result of shifting demographic and socio-economic trends. To accommodate forecast long-term population growth within the City of Oshawa, a total of approximately 18,000 new residential dwellings will be needed across the City between 2016 and 2031.¹ Looking forward, a greater share of new residential development within the City of Oshawa is anticipated in more compact high-density housing forms relative to historical trends. While steady growth is anticipated in ground-oriented housing forms (i.e. single detached, semi-detached and townhouses), these housing forms are anticipated to diversify, with an increasing share of more compact ground-oriented housing types offered on the market (i.e. small lot single detached households, stacked townhouses, back-to-back townhouses and low-rise hybrid buildings).² This trend is being driven by a combination of demographics (i.e. aging of the population) and eroding housing affordability.

While Oshawa's population as a whole is aging, the demographic characteristics of the City are not homogenous. As previously mentioned, the average age of the population within new greenfield areas such as Columbus will continue to be slightly younger and slightly more affluent on average than the City's existing stable residential neighbourhoods. Within the City's stable residential neighbourhoods, average household occupancy levels are anticipated to decline over the long-term as adult residents within these communities age and their children enter adulthood. Over the long term, average housing occupancy levels are anticipated to stabilize in mature neighbourhoods as older homes are gradually turned over by new families. On the other hand, for many of the City's new communities and future neighbourhoods which are geared towards families, average housing occupancy levels are anticipated to be well above municipal-wide averages. This is important as it relates to the Study Area,

¹ Derived from 2016 Census and 2031 housing forecast as per Growing Durham Recommended Growth Scenario and Policy Directions Report. Final Report November 18, 2008.

² Low-rise Hybrid Buildings combine lower units with direct access to grade as well as upper units that gain access from a shared corridor, vertical circulation and entrance.



as this will have a direct impact on housing demand by structure, average household size as well as municipal and other public service needs (e.g. indoor/outdoor recreation, schools).

To accommodate future residents in Oshawa, there is also an increasing interest in new and innovative approaches to housing development that provide greater opportunities for mixed-use development, secondary suites, live/work opportunities and affordable housing. Some of the key drivers influencing the City's future housing needs are discussed below.

5.2 The Impacts of an Aging Population

Demographic trends strongly influence both housing need and form. Across the G.T.H.A. and the City of Oshawa, the population is getting older on average, due to the aging of the Baby Boomers. The first wave of this demographic group turned 70 years of age in 2016. Between 2011 and 2041, the G.T.H.A. population that is 65 years of age and older will increase from 9% to 17%. In the City of Oshawa, the number of seniors¹ is anticipated to steadily increase between 2016 and 2041.

Not only is the Baby Boom age group large in population, but it is also diverse with respect to age, income, health, mobility, and lifestyle/life stage. Accommodating older seniors is a key planning issue across the G.T.H.A. including Oshawa, as a growing percentage of the population will reach 75 years of age and older over the next 15 years. The City's growing and aging population is anticipated to drive the need for seniors' housing and other housing forms geared to an aging population (i.e. assisted living, affordable housing, adult lifestyle housing).

The physical and socio-economic characteristics of the 75+ age group (on average) are considerably different than those of younger seniors, empty-nesters and working-age adults. On average, older seniors have less mobility, less disposable income and have relatively more health-related issues compared to younger seniors. Typically, these characteristics associated with this age group drive their relatively higher demand for medium- and high-density housing forms that are in proximity to urban amenities (e.g. hospitals/health care facilities and other community facilities geared towards seniors).

¹ Defined as population 65+ years of age and older.



5.3 Growing Housing Demand from the Millennial Cohort

Future housing needs in the City of Oshawa will be increasingly impacted by the Millennial generation. While there is no standard age group associated with the Millennial generation, persons born between 1980 and 1992 best fit the definition of this age group. This cohort represents a large and growing percentage share of the G.T.H.A. population. Millennials are a large age cohort, rivaling the Baby Boomer generation in terms of size, and their preferences and life choices are proving to have a significant impact.

Within the G.T.H.A. context, currently, a high percentage of Millennials are choosing to live in urban locations, within the City of Toronto core over suburban City of Toronto and “905” locations given the proximity of downtown Toronto to amenities, entertainment and employment. Based on recent survey data, 62% of Millennials prefer to live in the mixed-use environment that urban centres offer, which includes proximity to amenities and employment.¹ They tend to have a much higher preference for a compact environment which offers a short distance to work and place a higher preference for walkability and access to public transit.² A recent survey of Millennials planning to purchase their next residence found that 47% of respondents indicated that proximity to work and amenities was an important feature/attribute of their next home.³ Given the age and size of this cohort, Millennials will play a key role with respect to labour force supply, which is critical to the steady growth of Oshawa’s population.

Over the 2011 to 2014 period, average annual population growth in the Millennial generation in the G.T.H.A. averaged 40,000 per year.⁴ Of this, nearly two-thirds of the population growth in the Millennial cohort was accommodated in the City of Toronto.⁵ Of the population growth in the City of Toronto over the period, Millennials accounted for 76%.⁶ In comparison, population growth of Millennials in Durham Region was much

¹ Millennials – Breaking the Myths, Nielsen, 2014

² Emerging Trends in Real Estate, Canadian Edition, PwC and ULI, 2014.

³ Royal LePage National Survey, 2013.

⁴ Population Dynamics in the Greater Golden Horseshoe – Millennials vs. Baby Boomers, Centre for Urban Research and Land Development, Ryerson University, November 19, 2015.

⁵ Ibid.

⁶ Ibid.



lower over this same period.¹ The extent to which the City of Oshawa can capitalize on this shift is subject to a number of economic and socio-economic variables (e.g. relative housing costs/affordability, fuel costs, lifestyle preferences and perceived quality of life between urban and suburban neighbourhoods).

Various polls and surveys have identified that home ownership is considered important by the majority of Millennials.² A recent Canadian survey found that more than half the Millennials planning to purchase their next residence intend to purchase in the suburbs (56%) compared to the downtown core of a city (22% per cent).³ The same survey found that 70% of respondents have a preference for a low-density home for their next home compared to 16% wanting a condominium/apartment.⁴ Much of this demand for a future home appears to be the desire for additional floor space and a yard, in many cases to accommodate a growing family. This anticipated shift in housing preferences by the Millennial population is anticipated to drive future housing demand in suburban municipalities such as the City of Oshawa. As previously mentioned, eroding housing affordability is anticipated to steadily shift housing demand within this generation towards medium- and high-density housing forms which offer a more competitive and wider productive offering relative to Downtown Toronto.

To attract a share of the Millennial population, there is a need for more competitively priced housing forms that can ultimately accommodate their growing families. Housing opportunities are expected to be primarily in the form of medium-density development – such as mid-rise condos, row townhouses and stacked/back-to-back townhouses.

5.4 Planning for Affordable Housing in the City of Oshawa

As previously discussed, as the cost of entering the housing market makes homeownership and rental housing increasingly challenging, the City of Oshawa will need to explore approaches to accommodate a broader range of housing options. The following provides a brief overview of the available planning tools and financial

¹ Population Dynamics in the Greater Golden Horseshoe – Millennials vs. Baby Boomers, Centre for Urban Research and Land Development, Ryerson University, November 19, 2015.

² CIBC online poll, March 2016;

³ Royal LePage National Survey, 2013.

⁴ Ibid.



incentives that could be explored in the City of Oshawa to encourage and promote additional affordable housing options in the City.

5.4.1 Planning Tools and Financial Incentives to Encourage Affordable Housing

Planning Tools/Mechanisms

There is a recognized need to support affordable housing in the City of Oshawa. While the City's rapidly improving real-estate market is beneficial for many current and future residents, it also results in affordability pressures on the City's lower income households and other vulnerable populations. Opportunities exist to utilize planning-related tools/mechanisms to create an environment which is conducive for affordable housing, particularly for development by the private sector. These opportunities are summarized below.

Priority Processing of Development Applications

Developments meeting the criteria of affordability, could also be eligible for priority processing (e.g. fast-tracking, reduced fees) to potentially streamline and/or expedite the approvals process for projects.

Secondary Suites

Under the *Strong Communities through Affordable Housing Act, 2011*, the City is required to implement/establish Official Plan policies and zoning by-law provisions allowing secondary units. This can be an effective means of increasing affordable housing supply without new development. The City amended its Official Plan and Zoning By-law in 2014 to permit accessory apartments within single detached and semi-detached dwellings, subject to certain regulations.

5.5 Financial Incentives

Generally, affordable housing projects are less financially viable than other residential projects. Under the current legislative framework, a range of financial incentive tools/programs could be used as a means to facilitate and encourage affordable housing within the City, such as development charge (D.C.) deferrals or exemptions and grant



programs. The City of Oshawa currently has a number of Community Improvement Plan (C.I.P.s) throughout the City offering various grant programs.

The following presents a range of financial incentive tools/programs that are potentially available to the City of Oshawa which could be used as a means to facilitate and encourage affordable housing, both new development and redevelopment, in Oshawa.

It is noted that the potential benefits of financial incentives (in terms of actually encouraging development that would otherwise not have occurred) must be carefully weighed against the potential impacts on municipal revenues as well as in terms of the impact on the municipal tax levy on user rates.

Development Charge Exemptions or Deferrals

D.C.s can influence urban development and planning outcomes related to compact development, intensification, support for transit and housing affordability. Regarding housing affordability, D.C. costs for a new home are passed on to the consumer, thereby playing a role in what type of home a purchaser can afford.

D.C. abatements can be an effective municipal tool in supporting a range of projects that target varying depths of affordability (e.g. rent geared-to-income, low end of market, and near/mid-market housing) that the private market is unable or unwilling to supply. D.C.s add to the cost of residential development. For developments that are marginally viable, the D.C. could make the difference between the project being financially viable or not.

Many G.T.H.A. municipalities currently utilize D.C. exemptions or deferrals as a tool to support the development of new purpose-built rental and affordable housing projects, as well as retail and office developments. It is noted that D.C.s are a major source of funding for growth-related capital projects identified within the City of Oshawa Capital Plan. As such, the potential benefits of financial incentives such as D.C. exemptions must be carefully weighed against the potential impacts on D.C. and other municipal revenues in terms of the impact on the municipal tax levy or user rates.

The City of Oshawa currently offers D.C. exemptions. Specifically, the City's Development Charge By-law 80-2014 specifies that no development charge shall be imposed with respect to any development "on lands wholly within that part of Oshawa known as the Central Business District Renaissance Community Improvement Area."



There is also a D.C. exemption for certain types of dwelling units in the City's University and College Area Renaissance Community Improvement Project Area; however, the D.C. by-law expires on June 30, 2019, and these exemptions may be subject to change when the new by-law is passed.

Grant Programs

Grant programs encourage private-sector redevelopment and investment. One such program the City of Oshawa offers is the Increased Assessment Grant which incentivises development by providing funds equivalent to (or a portion thereof) the incremental tax revenues derived from the development of the site. From a financial perspective, the principal benefit to the municipality is the gain in tax revenues from the development activity. Moreover, the development activity is funded through incremental taxes arising from the development activity and not from existing revenues. The timing of the grant occurs once the property has been developed, reassessed and taxes are paid, thus requiring the financing of the redevelopment by the private sector initially. The financial cost to the municipality is the opportunity cost related to the reduction in tax revenues during the grant term. The grant is typically restricted to a period of time or the cost of the development. The grant is typically set at a proportion of the incremental taxes associated with the development and the grant term is generally 10 years. The City of Oshawa offers a number of other grants too which include façade and accessibility improvement grant, conversion to residential grant program, upgrade to building, fire and electrical safety codes grant program, economic stimulus grant, and a brownfields study grant. The City has six Community Improvement Plans that collectively contain a number of grant programs. The following are the available C.I.P.s within the City of Oshawa:

- Brownfields Renaissance Community Improvement Plan
- Harbour Road Area Community Improvement Plan
- Simcoe Street South Renaissance Community Improvement Plan
- University and College Area Renaissance Community Improvement Plan
- Urban Growth Centre Community Improvement Plan
- Wentworth Street West Community Improvement Plan



Special Tax Rates/Property Tax Exemptions

Special tax rates and property tax exemptions are tools which have applications for affordable housing developments, such as the inclusion of property classes for multi-unit residential uses which have a more favourable tax rate than other residential classes. The City of Oshawa has done this for various properties by setting the municipal tax rate for affordable housing projects at the single residential rate for a set number of years for units that have received funding under the Investment in Affordable Housing for Ontario (and the 2014 Extension) program.

Other Financial Incentives

Other financial incentives include:

- Parkland dedication fees reduction through grant programs to refund cash-in-lieu (C.I.L.) of parkland contributions or waive parkland dedication fees. The City of Oshawa offers parkland exemptions. Specifically, the City's Parkland Dedication By-law 91-2007 specifies that it does not apply to development on lands "wholly within that part of Oshawa known as the Central Business District Renaissance Community Improvement Area." However, this by-law is currently being reviewed and is proposed to be updated. The review will determine if the Downtown exemption should continue.



Chapter 6

Anticipated Non-Residential Land Needs within the Study Area



6. Anticipated Non-Residential Land Needs Within the Study Area

6.1 Regional Economic Trends Shaping Forecast Employment Trends within the City of Oshawa

The Ontario economy is facing significant structural changes. Over the past several decades, the provincial economic base, as measured by gross domestic product (G.D.P.) output, has shifted from goods-producing sectors (i.e. manufacturing and primary resources) to services-producing sectors. The 2008/2009 global economic recession hit the City of Oshawa relatively hard with significant declines in manufacturing output, particularly in the auto sector, and in construction. While the City's manufacturing sector modestly recovered between 2011 and 2016, continued challenges within this sector are anticipated to persist over the coming decade. More specifically, the planned closure of the Oshawa General Motors (G.M.) Assembly Plant by the end of 2020 will result in a loss of approximately 2,000 direct jobs, as well as significant potential job losses related to Ontario auto parts suppliers, plus disruptions to other businesses that are indirectly associated with the GM Assembly Plant.

Looking forward, there will continue to be a manufacturing focus in the City of Oshawa. The highly competitive nature of the manufacturing sector, however, will require production to be increasingly cost effective and value-added oriented, which bodes well for firms that are specialized and capital/technology intensive.

Within the service sector, economic growth has been particularly strong for small to medium-scale knowledge-based businesses that are focused on innovation and entrepreneurship. The trend towards more knowledge-intensive and creative forms of economic activity is evident at the broader provincial level and within Oshawa's economy. For the City of Oshawa, established and emerging knowledge-based sectors such as advanced manufacturing, financial services, information technology, business services, health care and social services, government, information and cultural industries, education, training, research and development and energy are anticipated to represent key employment growth sectors.

These structural changes in the regional and local economies are influencing the manner in which non-residential areas are planned in Oshawa, as well as long-term



land requirements to accommodate employment lands employment. Attracting and accommodating new development related to light industrial and office uses requires that new and existing mixed-use areas are planned to achieve a compact, transit-supportive and pedestrian-oriented environment with access to major retail/supportive retail, entertainment, cultural activities and public spaces. Employment Areas too must be planned to be more compact, transit supportive and pedestrian oriented than previously.

6.2 Anticipated Non-Residential Needs within the Study Area

6.2.1 Planning for Employment Areas

A key objective of the Study is the creation of a complete community providing a range of local retail amenities, personal service uses, multi-tenant office uses and other population-related institutional employment uses such as schools and municipal recreational facilities.

Employment uses within the Columbus Part II Planning Area will be primarily focused on retail, mixed-use commercial and institutional employment sectors. Directly south of the Columbus Part II Planning Area, but within the Study Area boundary, Employment Areas are designated along both the north and south side of the Highway 407 corridor, as per the D.R.O.P.

Reflective of recent development trends and broader employment growth trends in Employment Areas within Durham Region and the G.T.H.A., designated Employment Areas within the Study Area boundary are anticipated to be particularly attractive over the long-term towards a range of small, mid-size and larger industrial developments (i.e. 1 to 3 ha, 2 to 10 ha, > 10 ha sites) in the form of multi-tenant and standalone industrial and commercial space. Sectors related to advanced manufacturing, energy generation, health and biosciences, transportation and warehousing, information technology, professional and scientific and technical services as well as a broad range of employment-supportive uses represent a large share of the future employment growth which is likely to be accommodated within the designated Employment Areas located within the Study Area boundary.

Recognizing the evolving nature of the economy and planning requirements for today's industries, the City of Oshawa has a unique opportunity through the development of its



planned Employment Areas within and adjacent to the broader Study Area. More specifically, opportunities exist to create a culture of innovation, building on the potential synergies between the City's planned Employment Areas in North Oshawa and the University of Ontario Institute of Technology (U.O.I.T.), located immediately south of the Study Area. Through entrepreneurial creativity and cross-disciplinary partnerships, potential synergies should be further explored related to emerging sectors and commercialization opportunities associated with research and development initiatives established at U.O.I.T.

6.2.2 Planning for Commercial/Mixed-Use Areas

While standalone office development will largely be focused within the City's Urban Growth Centre (U.G.C.), and to a lesser extent in Employment Areas, a portion of City-wide demand for multi-tenant office space is anticipated to be accommodated within the Study Area. Within the Study Area, market demand and development feasibility for office space are anticipated to be strongest within mixed-use environments that offer proximity/access to amenities and are planned in transit-supportive and pedestrian-oriented environments with access to amenities, entertainment, cultural activities and public spaces.



Chapter 7

Conclusions



7. Conclusions

The City of Oshawa is anticipated to experience steady urban residential and non-residential growth over the next 25 years. Between 2016 and 2041, Oshawa's population base is forecast to increase by approximately 29,000 persons. To accommodate future population growth, the City is forecast to require approximately 18,000 new households between 2016 to 2031.¹ While a large portion of new households are planned to be accommodated within the City's B.U.A. and vacant D.G.A., the Study Area will play a key role in accommodating future population and employment growth in accordance with Regional and local planning policy.

As the City of Oshawa continues to grow and mature, demands for new housing products within the City of Oshawa are anticipated. Looking forward, increasing cultural diversity, an aging Baby Boom population, growing demands from new families and eroding housing affordability will require that the City provides a broad range of new housing products throughout the City by location, type, built-form, density, and price/affordability. This will include innovative approaches to accommodate new affordable rental housing, seniors' housing, as well as various other ownership housing products that are attractive to a broad range of demographic groups.

Within the City of Oshawa, a greater share of new residential development is anticipated towards more compact high-density housing forms relative to historical trends. While steady growth is anticipated in ground-oriented housing forms (i.e. single detached, semi-detached and townhouses), these housing forms are anticipated to diversify, with an increasing share of more compact ground-oriented housing types offered on the market (e.g. small lot singles, stacked/back-to-back townhouses and hybrid buildings). This trend is being driven by demographics, socio-economics and is further supported by provincial, Regional and local planning policy.

The Study Area is expected to attract a broad range of demographic groups, including new homebuyers, families, empty-nesters and seniors, in a range of ground-oriented housing forms and to a lesser extent, low-rise and mid-rise apartments as well as collective dwellings (e.g. retirement/seniors' homes). Relative to other stable residential

¹ Derived from 2016 Census and 2031 housing forecast as per Growing Durham Recommended Growth Scenario and Policy Directions Report. Final Report November 18, 2008.



neighbourhoods within the City, the population within Columbus is anticipated to be slightly younger and slightly more affluent on an averaged basis. This is important as it will have a direct impact on housing demand by structure, average household size, as well as municipal and public service needs (i.e. indoor/outdoor recreation, schools) in the Study Area.

Employment uses within the Study Area will be primarily focused on retail, mixed-use commercial and institutional employment sectors. Directly south of the Study Area, but within the Study Area boundary, Employment Areas are designated along both the north and south side of the Highway 407 corridor as per the D.R.O.P.

While standalone office development will largely be focused within the City's U.G.C., and to a lesser extent in Employment Areas, a portion of City-wide demand for multi-tenant office space is anticipated to be accommodated within the Study Area. Within the Study Area, market demand and development feasibility for office space are anticipated to be strongest within mixed-use environments that offer proximity/access to amenities and are planned in transit-supportive and pedestrian-oriented environments with access to amenities, entertainment, cultural activities and public spaces.