Rosseau Springs Limited

Residential Market and Preliminary Land Need Assessment

Rosseau Springs
Township of Seguin, Ontario

November 2024

N. Barry Lyon Consultants Ltd.

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Disclaimer:

The conclusions contained in this report have been prepared based on both primary and secondary data sources. NBLC makes every effort to ensure the data is correct but cannot guarantee its accuracy. It is also important to note that it is not possible to fully document all factors or account for all changes that may occur in the future and influence the viability of any development. NBLC, therefore, assumes no responsibility for losses sustained as a result of implementing any recommendation provided in this report.

This report has been prepared solely for the purposes outlined herein and is not to be relied upon, or used for any other purposes, or by any other party without the prior written authorization from N. Barry Lyon Consultants Limited.

Executive Summary

N. Barry Lyon Consultants Limited ('NBLC') has been retained by Rosseau Springs Limited ('Rosseau Springs') to conduct a residential market and preliminary land needs assessment in support of an application to amend the Township of Seguin Official Plan and Zoning By-law. The proposal involves creating 50 residential lots on a 108-hectare property located southwest of Rosseau Village, in Seguin Township (herein, referred to as the "proposed development" and the "subject site"). The proposed development will feature single-detached dwellings on new, privately serviced lots with a road connecting to Highway 632 and possible recreational amenities, such as pickleball or tennis courts. The project aims to attract move-up and move-down buyers seeking year-round residences.

Market Demand and Demographics

The subject site's location near Lake Rosseau, a popular destination for seasonal cottagers and tourists, makes it highly marketable. The area is equally attractive to year-round residents who seek proximity to outdoor activities and community amenities. Rosseau Village, with its local businesses, boat launch, beach, and clinic, are key assets for these residents. However, during shoulder seasons, commercial services in Rosseau Village are limited, and residents typically travel to nearby urban areas for essential needs.

Seguin Township has experienced steady population growth over the past 30 years and more rapid growth since 2016, with population estimated at 5,361 persons as of 2023. This growth rate is slightly above the provincial average and is likely driven in recent years by in-migration, particularly from the Greater Toronto Area ("GTA"), due to remote work options. Seasonal residents converting to permanent homes have contributed to this trend, and the demand for residential properties is expected to continue from these groups, albeit at a relatively moderate pace relative to recent years. Based on historic demographic (household) growth, development activity (starts) and trends, it is reasonable to assume the local area could support demand for an average of 30 residential units per year targeting a year-round (non-seasonal) population-alone. This estimate of market demand is for non-waterfront lots but excluding that which is attributed to the Parry Sound West Minister Zoning Order ("MZO") lands.

Economic Factors and Housing Needs

A key challenge in Seguin Township is it dependence on a few key sectors, strong seasonality, and a potential shortage of housing, including a range of options. The popularity of vacation homes in the summer months in east Seguin has contributed to this issue, particularly during peak-economic activity, whereby supply is depleted and real estate prices are inflated.

The trend of persons 'moving north' or converting seasonal residences to full-time homes should be viewed positively as it adds to a stable labour force, household income and increased spending on a year-round basis. In turn, this can support local business and overall economic growth in the township so long as there is a suitable supply of vacant residential land to accommodate a full continuum of housing.

Land Supply and Development Forecast Reconciliation

NBLC assessment of market demand (of about 30 residential units per year, referenced above) indicates a potential need to accommodate 600 to 900 residential units over the next 20 to 30 years within the Township's settlement areas and all other areas, excluding on waterfront lots and the aforementioned MZO lands. Capacity to accommodate 20 years of such growth is the minimum requirement per the new Provincial Planning Statement ("PPS"). It is estimated that approximately 644 units may be accommodated on vacant residential lands within Seguin, with 239 units located in settlement areas and 405 units in all other rural areas, again excluding the MZO lands and waterfront lots. This analysis suggests that the Township likely has sufficient land to meet the minimum land requirement under the PPS (20 years of growth). However, using the maximum planning horizon of 30 years, there appears to be potential to increase the available residential land supply, such as through the approval of proposed projects.

Feasibility and Marketability of Land Supply

A full land needs assessment would typically be conducted by a municipality when updating its official plan, requiring a multidisciplinary team. This process would involve a comprehensive development forecast, a survey of vacant residential land supply, and high-level consideration of environmental constraints, such as proximity to sensitive shorelines, over-threshold lakes, or areas with capacity issues (e.g., trout lake). These latter factors were not fully addressed in this analysis. If a more detailed study were carried out, the estimated vacant land supply would likely reduce due to environmental issues and/or other practical limitations.

Vacant residential lands facing challenges—such as difficult lot configurations, steep grades, or environmental sensitivities—are less likely to be developed too. This is due to: high development costs; perception of risk (e.g. adjacency issues, approvability); and varying landowner motivations. As a result, many of the lands identified as developable / with capacity to accommodate future residential growth per the PPS may remain undeveloped and unable to accommodate actual growth within the planning horizon.

Key Issues and Implications

A constrained local housing market, driven by a limited supply of vacant residential land, has inflated property prices and rendered some developments economically infeasible. The proposed development addresses this issue in east Seguin by utilizing private well and septic systems, which reduce infrastructure costs. Furthermore, the project aligns with provincial policies aimed at expanding housing supply and enhancing economic resilience in the region.

The site offers a significant opportunity to bolster the residential land supply and meet short-term housing needs. Its proximity to a popular settlement area, coupled with a willing and capable landowner, enhances its potential to meet demand effectively. If developed as proposed, the project is well-positioned to alleviate immediate housing pressures.

Conclusion

The proposed residential development provides a strategic response to Seguin Township's housing challenges. It supports market demand for year-round residences while contributing to the economic vitality of local businesses. The project will contribute to a healthy residential land supply, and provide an opportunity for sustainable growth, making it a critical piece of the Township's future planning.

1.0 Introduction

N. Barry Lyon Consultants Limited ('NBLC') has been retained by Rosseau Springs Limited ('Rosseau Springs') to conduct a residential market and preliminary land needs assessment in support of an application to amend the Township of Seguin Official Plan ('OPA') and Zoning By-law No. 2006-125 ('ZBA'). The application proposes to allow residential lot creation on part of a 108-ha property located about 1.2 kilometres southwest of Rosseau Village, in the Township of Seguin (herein, referred to as the "subject site"). Currently, the subject site is designated *Rural and Resource Area* on Land Use Schedule A of the Official Plan and zoned *Rural Zone* ('RU') in Zoning By-law No. 2006-125 – both of which allow for some rural residential development – at a lower scale relative to what is proposed for the subject site.

Figure 1: Subject Site Boundary

Source: Geowarehouse, N. Barry Lyon Consultants Limited.

1.1 Surrounding Context and the Proposed Development

Though located near lands designated as *Shoreline Area* in the Township of Seguin Official Plan, the subject site is situated within a larger peninsula that separates Cameron Bay and Sucker Bay on Lake Rosseau. Most development on adjacent lands to the east, south, and west is concentrated along the Lake Rosseau shoreline, primarily comprising cottage dwellings and some year-round occupied houses (see **Figure 2**, for examples). Highway 632 is directly to the north, which provides access to the nearest full-service settlement area – Rosseau Village.

Figure 2: Examples of waterfront cottages on adjacent lands with frontage along Sucker Bay and Cameron Bay

Source: vrbo.com

The subject site is not a waterfront lot, nor is it accessible to the waterfront via public access. Furthermore, the proposed development is to be set back from adjacent waterfront properties to minimize views of the project from the lake.

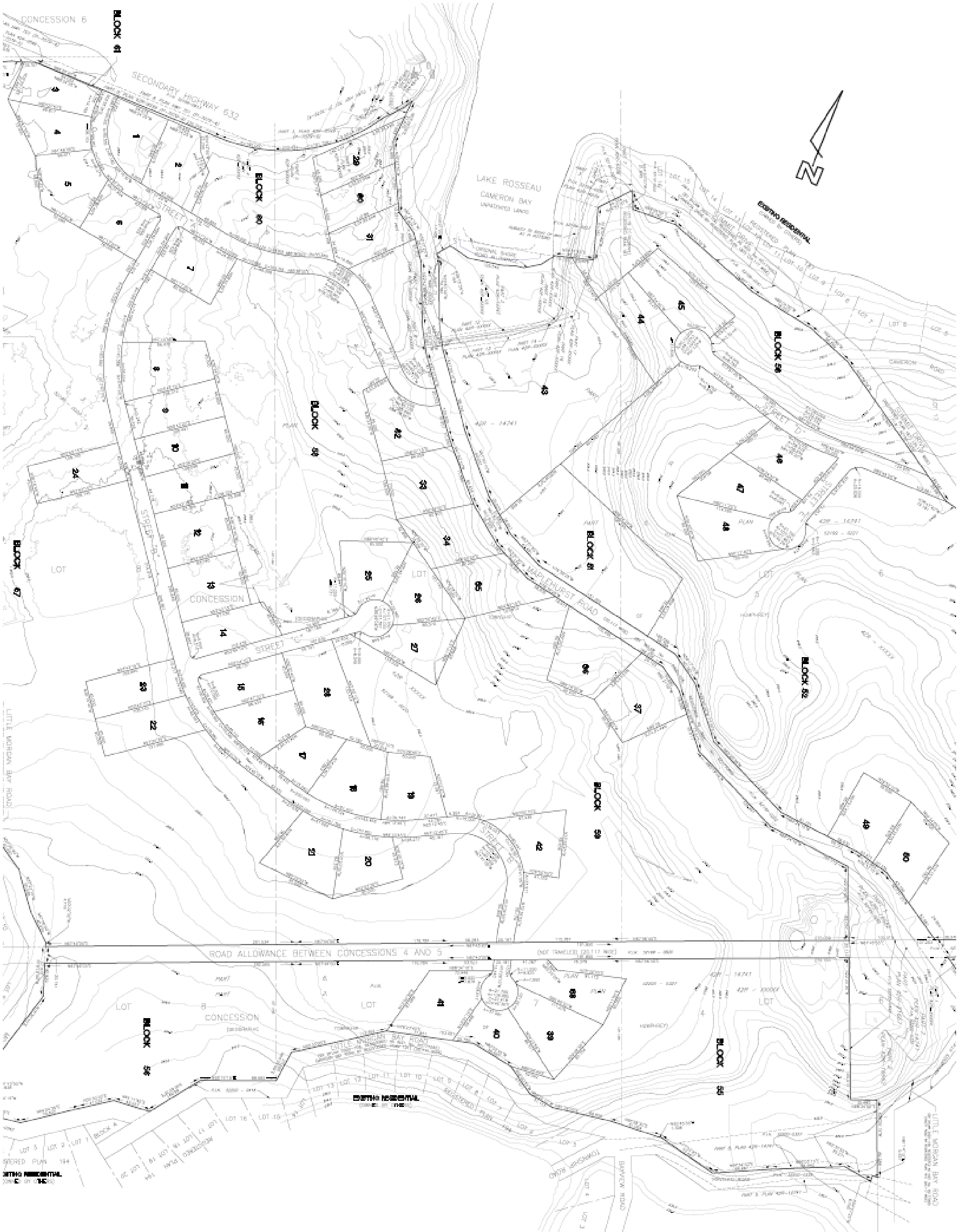
Within this context, Rosseau Springs proposes to develop the subject site with a total of 50 residential lots that would capitalize on the natural landscape (see **Figures 3** and **4**). Single detached dwellings would be set back from a new, winding local road that follows the natural contours of the land. This design would result in potential for a visually appealing mix of residential orientations that showcase the woodland setting.

Access to the residential lots would be provided via a new local road, which would be developed by Rosseau Springs, and connect directly to Highway 632. Concurrently, hydro service would be introduced to each lot. As proposed, the local road would then be conveyed and assumed by the Township to allow for maintenance and year-round clearing. In addition, Rosseau Springs plans to develop a pickleball and/or tennis courts within the subject site for shared use by residents of the new community. In this instance, the communal courts would be owned and maintained by Rosseau Springs. A walking trail is also proposed through the site.

Future lot owners would be responsible for seeking individual building permits for the development of single detached homes, as well as for the installation of private well and septic.

Figure 3: Sample Landscaping, Site Planning, and Conceptual Designs

Figure 4: Draft Plan of Subdivision



Source: MTE Ontario Land Surveyors Ltd. April 16, 2024.

To ensure a cohesive and visually appealing environment within this freehold project, Rosseau Springs proposes to prepare design controls regulating the character of new development. These controls may address aspects of development not regulated by local zoning, such as architectural style, materials, and landscaping. These controls would seek to reinforce the established character of the larger Seguin and Lake Rosseau area with respect to changes proposed by both initial and future property owners within the Rosseau Springs community.

Given this context—specifically the subject site's lack of waterfront access or views —the project is anticipated to appeal to a combination of move-up and move-down buyers seeking year-round residences and a lower-cost option relative to Seguin's current housing stock. This would likely include more mature households who are entering retirement, which is a market segment that tends to be very active, compared to previous generations, and typically seek opportunities for a healthy lifestyle that would be afforded by this project. Additionally, the project is likely to attract younger households looking for alternative living options, away from the high cost of housing in the Greater Toronto Area ("GTA"), as well as desiring a more tranquil lifestyle. This housing would widen the continuum of housing options for these key demographics, addressing emerging needs, which are discussed further in the next sections of this report.

1.2 Report Purpose

The purpose of this report is to provide a high-level residential market assessment to understand the potential depth of demand for (non-waterfront) residential development, as is proposed at the subject site. Additionally, this report evaluates the merits of residential lot creation to satisfy potential land need within the Township, particularly considering key provincial policy direction.

1.2.1 Report Structure

The following steps have been undertaken by NBLC to complete this market and land need assessment, which is presented in the following report structure:

- **Section 2:** Provides an overview of the subject site and market context;
- **Section 3:** Summarizes potential and assumed residential development forecasts for the purpose of this report;
- **Section 4:** Summarizes relevant growth management policies of the new Provincial Planning Statement (October 2024) and the in-force and in-effect Official Plan (Approved October 2007);
- **Section 5**: Provides a preliminary assessment of the supply of vacant residential land and reconciles this supply against estimated development forecasts over the next 30 years; and,
- **Section 6**: Concludes by commenting on the marketability of the vacant residential land supply and potential risks of having constrained development boundaries in the context of economic growth and resiliency of the township moving forward.

2.0 Subject Site and Residential Market Context

2.1 Subject Site Context

Moreso than its location in Seguin Township, the subject site is particularly marketable given its location (including its name recognition) being at the northmost tip of the Muskoka Lakes – in this case, Lake Rosseau. Lake Rosseau is renowned for its natural beauty, featuring clear waters, lush forests, and rugged granite outcroppings that create a picturesque and serene environment. The quality of lake water also makes it ideal for activities like swimming, fishing, and boating. Given these attributes, as well as being a two-hour drive from the GTA, Lake Rosseau has established itself as a destination across Canada and internationally for seasonal cottagers and tourists alike seeking an authentic Muskoka experience. Notwithstanding the area's seasonality, its equally popular in this regard to local residents who live in the area on a year-round basis and would similarly be attracted to the area for summer and winter activities.

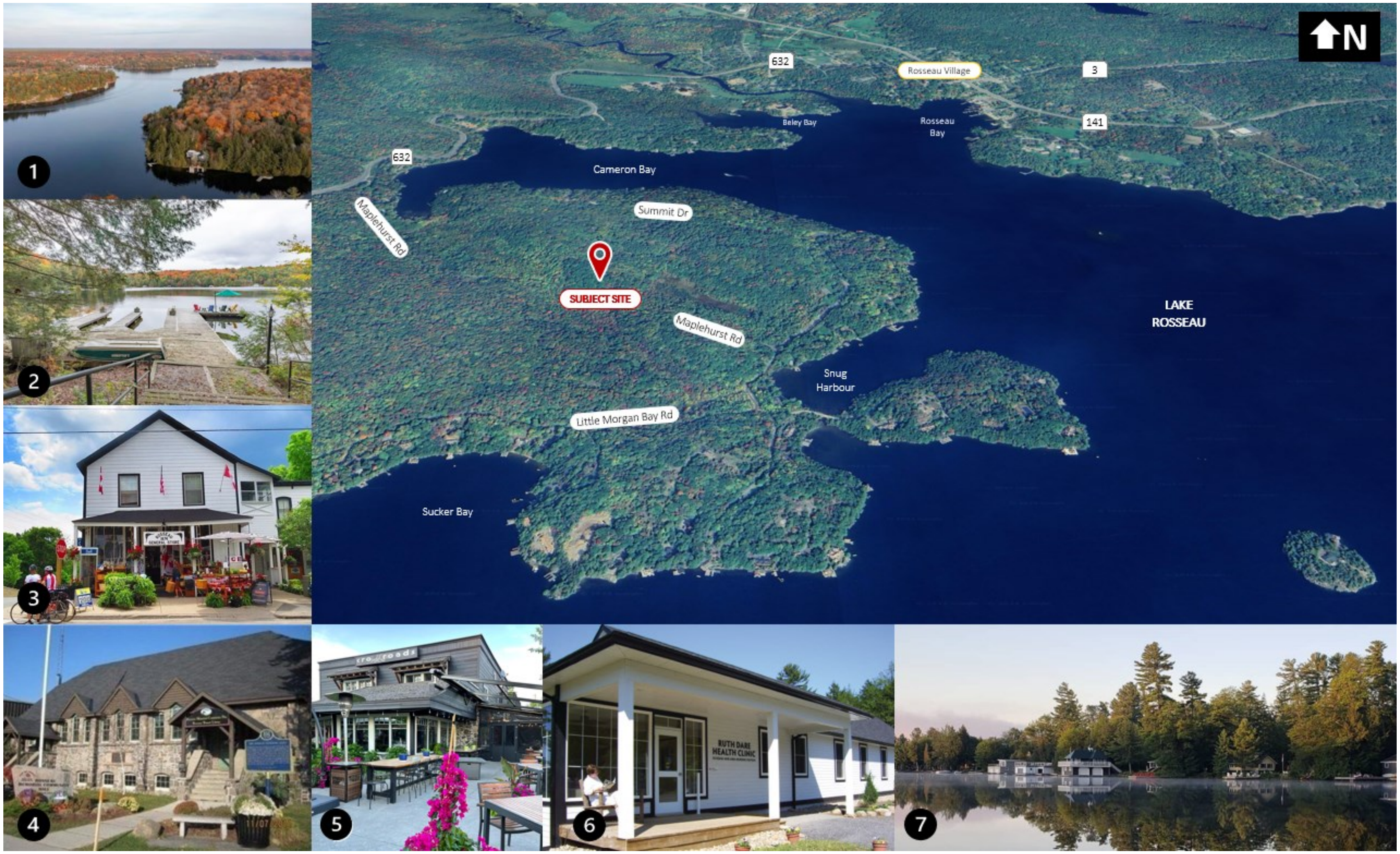
With this context, the local area is particularly attractive to seasonal and local residents given its close proximity to Rosseau Village. Rosseau Village is one of four primary settlement areas in the Township, encompassing just over 2.0 square kilometres. Despite its small size, Rosseau Village has a handful of local businesses, including smaller shops (e.g., book, clothing, and general merchandise retail stores, an LCBO, bakeries, coffee shops and restaurants) – all of which are accessible by water – contributing to a quaint lake-side village atmosphere. Access to the waterfront is available to all at the Rosseau Waterfront Park, which includes a boat launch, beach, playground, and washroom facilities and hosts seasonal markets.

Rosseau Village offers various community services too. Facilities include the Rosseau Memorial Community Hall, which serves as a hub for local gatherings, and the Rosseau Community Centre, which provides a space for recreational programs as well as being home to the Rosseau Public Library. For healthcare needs, residents and visitors rely on the Rosseau Nurse Practitioner-Led Clinic, on Victoria Street, which provides a range of primary care services. During peak summer months, the clinic operates as a walk-in clinic.

Many of these commercial and other uses are also a source of local employment. Assuming suitable housing options are available, local residents would be attracted to this area to reduce commute times and associated costs and enjoy access to the above referenced amenities.

The closest school to Rosseau Village is Rosseau Lake College, an independent co-educational boarding and day school for students in Grades 7 to 12. The closest public and separate schools are located about a half hour drive north in two other main settlement areas in the Township– Humphrey and Foley Centre. Humphrey also benefits from a community centre, including a library and rink. In this regard, Humphrey is relatively more attractive as a settlement area to young-family households.

Figure 5: Subject Site and Surrounding Area Context



Notes: 1) Aerial view of Cameron Bay looking east; 2) Typical waterfront view looking north to Sucker Bay; 3) Rosseau General Store in Rosseau Village; 4) Rosseau Community Centre; 5) Crossroads Restaurant; 6) Ruther Dar Health Clinic (Nurse-Led Practitioners Clinic; 7) Typical view from the water to Lake Rosseau Cottages. Source: vrbo.com; seguin.ca/en/news ; google images.

During the shoulder and winter months, it is important to note that commercial service levels in Rosseau Village tend to be reduced. This is a direct result of a reduced customer base. During this time, local residents would likely travel further to larger urban area, such as Port Carling, MacTier, or Parry Sound for access to daily needs (e.g., full-size grocery store).

2.2 Historic Population and Household Growth

Overall, the Township of Seguin has an estimated population of 5,361 as of 2023 (5,280 residents, based on the most recent 2021 Census), which has been growing over the past several decades. The Township was first established in 1998 through the amalgamation of several smaller municipalities and unorganized areas. Combining the incorporated townships and villages, it is estimated that the local population and number of occupied private (non-seasonal) households (herein, referred to as "households") increased over the last 30 years, on average, by about 9.4 % and 11.4% between Census periods. This is equivalent to about 63 local residents and 29 households per year. This rate of growth is slightly greater than that experienced at the provincial level (of 6.8%% and 11.0%, respectively). These growth rates are generally indicative of shrinking household sizes – potentially the combined effect of delayed household formation, an aging population, higher rates of separation, divorce or becoming a widower – all of which have implications for the delivery of housing.

In more recent years, population growth has been much higher, with the population and households increasing by 23% and 18% respectively. This rapid growth is driving increased demand for housing, which is absent any estimation of seasonal housing demand.

The seasonal population in Seguin, which typically is attracted to the area during the summer months, is estimated to be comprised of an additional 8,209 persons[1]. While a significant component of persons in the area, emphasis throughout the remainder of this report is placed on growth and accommodation of local residents and households, associated development forecast, and the resulting land need given the purpose of this report.

While growing, it is important to note the local population and number of households tends to fluctuate significantly. This variability is particularly evident when comparing Census periods against the province. In particular, reduced and negative population and household growth are observed relative to the province between the 1996 and 2001 and 2006 and 2011 Census periods. These fluctuations are likely explained by the area's reliance on spending by a seasonal population and the impacts of recessionary periods on the local economy.

[1] Prepared by Hemson Consulting for the Township of Seguin (August 8, 2024). 2024 Development Charges Background Study, Report for Public Consultation.

Table 1

Population and Private Household Growth, 1991 to 2021												
Census Year	Seguin						Ontario					
	Census (Permanent) Population	Growth	% Change	Occupied Private Households	Growth	% Change	Total Censis (Permanent) Population	Growth	% Change	Occupied Private Households	Growth	% Change
1991 [1]	3,378	-	-	1,270	-	-	10,084,885	-	-	3,376,875	-	-
1996 [1]	3,654	276	8%	1,455	185	15%	10,753,573	668,688	7%	3,660,000	283,125	8%
2001	3,698	44	1%	1,465	10	1%	11,410,046	656,473	6%	4,219,400	559,400	15%
2006	4,276	578	16%	1,730	265	18%	12,160,282	750,236	7%	4,555,025	335,625	8%
2011	3,988	-288	-7%	1,630	-100	-6%	12,851,821	691,539	6%	4,887,505	332,480	7%
2016	4,304	316	8%	1,820	190	12%	13,448,494	596,673	5%	5,169,175	281,670	6%
2021	5,280	976	23%	2,140	320	18%	14,223,942	775,448	6%	5,607,370	438,195	8%
Total / Average:	5,280	63	9.4%	11,510	29	11.4%	14,223,942	137,969	6.8%	5,607,370	74,350	11.0%

Source: Statistics Canada, Census Profile; Hemson Consulting, 2023. Notes: 1. Best estimate based on combined population of incorporated townships and villages comprising the Township of Seguin today.

Table 2

Labour Force Indicators					
Parry Sound and Muskoka Census Division, 2011 to 2021					
		2006	**2011**	**2016**	**2021**
Muskoka	In Labour Force	30,430	29,335	30,515	32,590
	Employment	29,040	27,170	28,345	29,060
	Unemployed	1,385	2,160	2,175	3,530
Parry Sound	In Labour Force	19,950	20,345	20,065	20,715
	Employment	18,610	17,950	18,195	18,645
	Unemployed	1,340	2,395	1,875	2,070
Combined	In Labour Force	50,380	49,680	50,580	53,305
	Employment	47,650	45,120	46,540	47,705
	Unemployed	2,725	4,555	4,050	5,600

Source: Statistics Canada, Census Profile.

2.2.1 Employment Insecurity and Impacts on Population and Household Growth

A key driver of population and household growth in any geographic area is its economic base, prevailing economic conditions, employment opportunities and job security. In this instance, much of the local areas labour force is inherently tied to cottage and visitor-driven industries, generating employment in a few key sectors such as:

- **Tourism and Hospitality:** The region's appeal as a cottage destination sustains many jobs in hotels, lodges, restaurants, and recreational facilities, especially in peak summer months
- **Retail and Local Services:** Numerous small businesses provide employment in grocery stores, specialty shops, marinas, and service sectors too; and,
- **Construction and Trades:** The ongoing development and maintenance of seasonal cottages, houses, and recreational equipment support jobs in construction and skilled trades.

Albeit less prevalent, other sectors within the local economy include those related to resource extraction and management as well as population-related sectors (e.g., education, healthcare, administration). Having a stable population base is critical to supporting efficient delivery of these population-related sectors.

As a result of a less diversified economy, places like Seguin are often more vulnerable to economic downturns. During recessions, discretionary spending typically decreases, leading to reduced travel, cottage purchases, rentals, and other non-essential services, which can severely impact tourism-dependent regions. Seasonality compounds these effects, as a recession may reduce visitor numbers and spending during a more limited peak season, affecting local businesses that rely on revenue surges. Risk of closures and job losses during prolonged downturns tend to be more pronounced and can lead to outmigration of the local population in search of work[2], especially if access to housing is challenging as well as the cost of living.

Concurrent with reduced to negative local population and household growth, the local labour force also decreased (see **Table 2**, on the previous page). In fact, the labour force did not return to its 2006 size until after the 2016 Census. Typically, a shrinking labour force also contributes to an aging community too (see **Table 3**, on the following page).

[2] Carson, D., Carson, D. & Lundmark, L. (2014). *Tourism and Mobilities in Sparsely Populated Areas: Towards a Framework and Research Agenda. Scandinavian* Journal of Hospitality and Tourism 14 (4): 353-366

2.3 Residential Development Activity

Theoretically, if fertility rates are stable and all other factors are equal, long-term household growth and residential start activity should grow at a similar rate. Over the last 75 and 50-year periods, the average number of annual housing starts was 26 and 29 units per year, respectively (see **Table 4**, on the following page).

While population and household growth in the area has fluctuated, particularly in the last 20 years, residential development activity has not kept pace as indicated by CMHC starts. For example, over the past 30 years, average household growth was 29, while starts were 24. In the last 10 years, average household growth was 51, compared to only 7 starts, and in the past 5 years, average household growth was 64, with just 21 starts. **Table 5**, on the following page, illustrates this deviation. Almost all of these starts have been in the form of single detached dwellings (see **Table 4**).

Practical factors often cause these two metrics to misalign and potentially diverge. Some of the household growth is possibly a result of seasonal residents converting to permanent residents, without necessitating purchase of a new unit.

A slowdown in housing delivery is also not necessarily indicative of demand but rather can often reflect a combination of factors related to the economics of development. These include the rise in interest rates and construction costs, which began in the aftermath of the 2008-2009 recession and have continued to affect the market today, as well income growth that has not been commensurate with market pricing and construction costs, as well as persistent challenges such as a lack of access to skilled trades. These issues, combined, can create capacity constraints within the residential construction industry, preventing the delivery of new housing at a pace sufficient to meet demand. This situation is observed broadly across the Province at the current time, which is causing price growth and eroding affordability as housing supply continues to fall below demand.

2.4 The Local Resale Market

The local (non-waterfront) resale market naturally helps address some local housing demand in areas experiencing high population and household growth. However, this is not a sustainable long-term solution if the municipality continues to attract more households and increase in size. This issue is especially pronounced when the resale housing supply is imbalanced to begin with, already offering limited choice, with market conditions favoring sellers and driving up pricing.

Table 3

Population Age Distribution Township of Seguin, 2016 to 2021	2006	%	2011	%	2016	%	2021	%	Change 2006- 2016		Change 2011-2021	
0-19 (Children)	885	21%	780	20%	735	17%	830	16%	-150	-17%	50	6%
20-24 (Students / New Grads)	205	5%	155	4%	185	4%	235	4%	-20	-10%	80	52%
25- 39 (Prime Renters / First-Time Buyers)	505	12%	530	13%	545	13%	745	14%	40	8%	215	41%
40 - 54 (Move-Up Buyers / Families)	1,010	24%	875	22%	850	20%	835	16%	-160	-16%	-40	-5%
55 - 64 (Young Downsizers)	805	19%	765	19%	830	19%	1,130	21%	25	3%	365	48%
65 - 79 (Mature Downsizers)	710	17%	725	18%	965	22%	1,190	23%	255	36%	465	64%
80+ (Elderly)	160	4%	165	4%	205	5%	315	6%	45	28%	150	91%
Total/ Average	4,280	100%	3,995	100%	4,315	100%	5,280	100%	35	1%	1,285	32%

Source: Statistics Canada, Census Profiles.

Table 4

Township of Seguin Annual Housing Starts, Pre-1945 to 2021						
Dwelling Unit Type	Singles	Rows	Apartments	All units	Avg. Annual Units	Household Growth
	155	0	0	155	-	-
1945-1960	265	0	0	265	18	
1961-1970	245	0	0	245	25	
1971-1980	385	0	0	385	39	
1981-1990	325	0	0	325	33	
1991-1995	145	0	0	145	29	37
1996-2000	110	0	0	110	22	2
2001-2005	140	0	0	140	28	53
2006-2010	125	0	0	125	25	-20
2011-2015	65	25	0	90	18	38
2016-2021	105	0	0	105	21	64
Total	2,065	25	0	2,090	-	-
	99%	*1%*	*0%*	*100%*		
Average - Last 75 Years					26	
Average - Last 50 Years					29	

Hemson Consulting, Draft Seguin Township Development Charge Bacground Study, August 2024; Statistics Canada, 2021 National Household Survey Special Run; N. Barry Lyon Consultants Limited.

Table 5

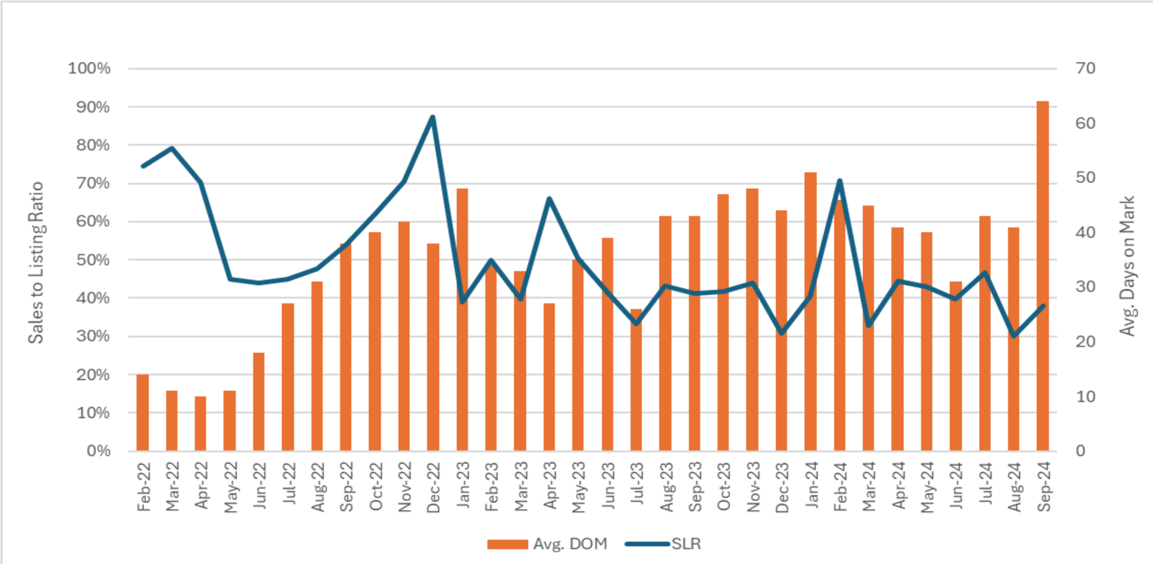
Historic Private Household and Resiential Starts by Census Period Township of Seguin, 1991 - 2021	Avg. New Population Growth / Year	Avg. Occupied Private Households / Year	Avg. Annual Residential Starts
Last 30 Years (1991-2021)	63	29	24
Last 15 Years (2006-2021)	67	27	4
Last Ten Years (2011 - 2021)	129	51	7
Last 5 Years (2016 -2021)	195	64	21

Source: Statistics Canada, Census Profile; Hemson Consulting, Draft Seguin Township Development Charge Background Study, August 2024; Statistics Canada, 2021 National Household Survey Special Run.

The following provides an overview of local housing conditions:

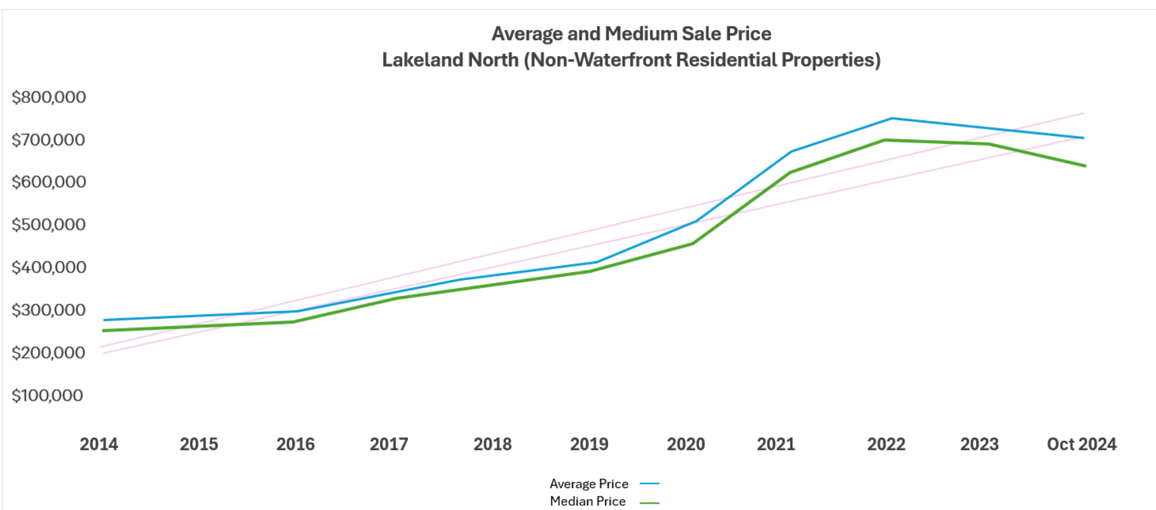
- In recent years, the local resale market has fluctuated between a balanced market and a seller's market. For instance, in the late 2010s, leading up to the COVID-19 Pandemic (the "Pandemic"), the local market was firmly a seller's market. This was marked by key indicators, such as low days on market ("DOM")—typically less than 40 days—and a sales-to-listing ratio ("SLR") exceeding 60%. These conditions drove price appreciation well above inflation and outpaced changes in borrowing costs.
    - Typically, an SLR of between 40% and 60% is considered a balanced market, as well having an average DOM of about 30 to 40 days.
- The 'sellers' market only intensified during the Pandemic. By its peak in Q1 2022, the average DOM had dropped to a low of 10 days, while the SLR reached nearly 90% (see **Figure 6**, below). Homes were effectively being absorbed into the market faster than they could be listed. This market activity coincides with when the Bank of Canada's ("BOC") lending rate were at the lowest too (0.25%).
- Following a rapid increase in the BOCs overnight lending rate, of 4.5-basis points over 12-months, the local resale market has shifted to more 'balanced' conditions – but not a 'buyers' market.
- Resale pricing has also increased dramatically over the past few years, resulting from the same supply-demand imbalance and other economic conditions identified above. For example, average pricing of non-waterfront residential properties in the Lakeland North district has increased around 75% since 2019, from around $400,000 to around $700,000.
- As the BOC continues to reduce the overnight lending rate, and new lending rules come into effect for first-time home buyers as of December 2024, it is expected that resale activity will increase and the local resale market will likely shift back to a 'sellers' market. As a result of these market conditions, areas like Seguin where delivery of new housing appears to be low, existing housing supply is likely to remain a major issue.

Figure 6: Key Indicators in the Lakeland North Residential (Non-Waterfront) Market, 2022 to Present



Notes: Lakelands North includes the Algonquin Highlands, The Archipelago, Bracebridge, Dysart et al, Georgian Bay Township, Gravenhurst, Highlands East, Huntsville, Lake of Bays, Minden, Muskoka Lakes, and Parry Sound. 2. Resale data excludes cottages, vacant land, condo and commercial properties. Source: N. Barry Lyon Consultants Limited; CREA; https://muskoka-realestate.ca

Figure 7



Source: N. Barry Lyon Consultants Limited; https://muskoka-realestate.ca/2023-year-in-review-muskoka-real-estate-market/

2.5 Structural Shifts in the Local Housing Market

In the aftermath of peak resale activity, the local population was estimated to be 5,361 persons based on Township estimates as of 2023[3]. Discussed further in the next section of this report, this total local population estimate far exceeded that which was forecasted by the Township in its current Official Plan.

In large part, this faster rate of growth is attributed the adoption of hybrid and work-from-policies[4,5] as many households left the GTA in search of space and nature[6]. Cottage country offered the chance for outdoor activities and a slower pace of life, which became more appealing during the Pandemic. The shift to remote work made it possible for people to live further from their offices, giving them the freedom to relocate without worrying about a daily commute. At the same time, property prices in cottage country were often lower than Toronto, making it financially appealing to move away from the high cost of urban living[7]. While many workers have been mandated back to the office, this is seldom on a full-time basis, some have not returned at all, and others may have transitioned into early retirement in-lieu of returning to the GTA.

2.6 Key Observations

Recent population growth can likely be attributed to people moving north, either by converting seasonal residences into permanent homes or purchasing new ones. This trend appears set to continue, albeit at a more moderate pace compared to the early 2020s.

As a result of this increased growth and housing demand, housing conditions in the resale market tightened and housing prices increased substantially. This has resulted in there being very limited housing options available to a permanent population that might work in the local economy. Assuming there are no constraints on new housing delivery, demand is expected to remain strong looking forward, particularly in areas where the resale market offers limited supply and choice.

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[3] Prepared by Hemson Consulting for the Township of Seguin (August 8, 2024). 2024 Development Charges Background Study, Report for Public Consultation.

[4] Epp, S., Gibson, R., Fullerton, C. (2022). *The Urban Exodus: Understanding the Impacts of Migration to Rural Ontario as a result of the Covid-19 Pandemic.* University of Guelph.

[5] McQuillan, K. (2024). *Leaving the Big City: New Patterns of Migration in Canada.* University of Calgary, School of Public Policy 17 (06).

[6] CBC/Radio Canada. (2022). More people leaving Toronto, Montreal for smaller pastures as Pandemic Hastens Urban Exodus | https://www.cbc.ca/news/canada/urban-exodus-canada-toronto-montreal-covid-19-1.6313911

[7] Chipadminiam. (2023). *Pandemic pushing Canadians to rural areas?: HomeEquity Bank*. CHIP. https://www.chip.ca/reverse-mortgage-resources/lifestyle/are-canadians-migrating-to-rural-areas/

3.0 Population and Households Projections

Last approved in 2007, the Town of Seguin Official Plan estimated that the Township would have a local population of 5,150 persons by 2026. As illustrated in **Table 1**, in the previous section, Seguin has achieved a population of 5,280 residents as of the 2021 Census period. This is despite periods of slow to no growth, as discussed previously. Again, the local population has continued to grow at a greater rate than anticipated, now estimated at 5,361 local residents as of 2023.

Overall, the current Official Plan does not provide relevant population and residential development forecasts to test sufficiency of vacant residential land supply against potential need. Population and household forecasts in official plans are typically considered crucial for guiding a community's long-term growth and ensuring that land use, infrastructure, and services align with anticipated needs. Most population projections at the community level are prepared using an age cohort model that ages people in place by year, projects birth by applying assumed fertility rates by age of the female population, projects deaths by applying assumed mortality rates by age and gender and assumes an annual profile for net migration by age and gender that that reflects on past trends. Sometimes missing from this approach is the link between economic migration and associated aspirations of a community. As a result, forecasts can often be subject to underestimation, particularly if impacted by positive economic cycles.

In particular, the Official Plan underestimated growth between the 2016 and 2021 Census period, which increased on average by 195 person and 64 households per year. As previously referenced, this high growth is partly attributed to the Pandemic, adoption of "Work-from-Home" policies, and a move north by many households from the GTA. It is expected that these movers will remain, as it would be difficult to re-enter the GTA housing market. Given some industries adopted permanent work-from-home polices, new households may continue to explore similar opportunities. As such, the trend to 'move north', on a year-round basis, may moderate but is likely to stay, presenting a structural shift in the local residential market. Such structural shifts could not be anticipated and would not be captured if wholly relying on pre-Pandemic demographic or housing start indicators to estimate future residential growth.

Understanding that growth projections in the current Official Plan are outdated and were underestimated, the draft Development Charge Background Study for the Township of Seguin, dated August 8th, 2024, was reviewed. This study provides updated population and development forecasts but only over a 10-year time horizon to 2033 based on limitations of the Development Charges Act. The forecast estimates a total increase of 2,463 persons and 1,210 households between the years 2024 and 2033. On an annualized basis, this equates to a net increase of 246 persons and 121 households per year.

- At face value, the development forecast of 121 households per year appears to represent a significant increase in growth compared to historic demographic and development activity. However, this high growth expectation is predicated on pent-up demand for housing in and around the Town of Parry Sound, with demand to be accommodated just outside of the urban area on lands within the Township of Seguin. These lands were approved for residential development through a Ministers Zoning Order ("MZO") and are referred to as the 'West Parry Sound' lands.
- Removing growth allocated to the MZO lands, the population and residential forecast is reduced to 260 persons and 200 households over the next ten years, or 26 persons and 20 households, on an annualized basis (see **Table 6**, below). This growth is assumed for all other municipal lands, including both within settlement areas, like Rosseau, and as appropriate in "All Other (Rural) Areas". In other words, upwards of 100 units of growth (or over 80% of the development forecast) are allocated to the MZO lands.

Table 6

Township Seguin Populatoin and Household Forecast, 2024-2033						
Year	Total Local Population	Growth	Total Households	Household Growth by Area		Total Growth
				MZO Lands	All Other Areas	
2024	5,388		2,193	0	0	0
2025	5,414	26	2,213	0	0	20
2026	5,420	6	2,233	0	0	20
2027	5,446	26	2,253	0	0	20
2028 [1]	5,808	362	2,423	150	20	170
2029	6,190	382	2,593	150	20	170
2030	6,540	350	2,763	150	20	170
2031	7,001	461	2,983	200	20	220
2032	7,454	453	3,203	200	20	220
2033	7,851	397	3,403	180	20	200

Notes: 1. Increase in household growth (150 households) assumes strong uptake of lands in MZO lands starting in 2028. However this growth in contingent on servicing these lands. Further increase in household growth (by additional 50 households per year)as of 2031 is allocated to MZO assuming some degree of market momentum). The delta of the 150 and 170 occupied households (20 households) is assumed to be households forecasted for all other areas - settlement areas and rural areas - accommodating permanent households, and held constant for the forecast period.

Source: Hemson Consulting, Draft Seguin Township Development Charge Background Study, August 2024; Statistics Canada, Census of Canada.

- The MZO lands will require identification of a servicing solution and introduction of municipal services before the initial residential permit can be drawn. Currently, a 2028 timeline to service these lands has been put forward. However, a high-level environmental assessment to select a servicing strategy only commenced in the summer of 2024, and this timeline may be ambitious. If not achieved, there may be a prolonged period of pent-up or spill-over demand in other areas.

While some spill-over demand would suggest greater need than 20 units per year, over the next ten years, the West Parry Sound area has different location attributes than the subject site or Rosseau Village. Geographically, the MZO lands are about a 30 to 45-minute drive away and would naturally attract different purchaser groups. Additionally, higher density forms of development are contemplated on the MZO lands (including a mix of single-detached to apartments) than is typically developed in areas like the subject site location.

3.1 Extrapolation of Historic Demographic Indicators and Trends

At the time of writing this report, the Township of Seguin Official Plan is under review. If and when the Township prepares a long-term population and development forecast to test the adequacy of land supply, economic migration and aspirations should be included with a view to support a sustainable and resilient local economy. In addition, recent trends and structural shifts in the local residential market should be considered.

Over the past 30 years, spanning approximately five economic cycles, household growth has often outpaced development activity as well as the forecasted development rate of 20 residential units per year over the next decade. Additionally, current trends in the resale market suggest an increasing shortage of housing options. This challenge persists when accounting for market choice.

Setting aside only the minimum amount of land required to accommodate population and household growth (e.g., demand of 20 units per year) is not an ideal solution. Instead, providing a continuum of housing is preferred, as it ensures a range of options that meet the diverse and evolving needs of the community over time. This approach supports social and economic goals by offering housing that aligns with various financial capacities, household sizes, and life stages.

The total supply of vacant lands available to meet market demand and provide choice remains uncertain, particularly if delays occur in delivering the MZO-designated lands. Even when these lands become available, they may not address the needs of all households, especially those with household maintainers working in cottage-related, hospitality, or tourism sectors to the south of the region. Such households are more likely to prefer locations closer to Lake Rosseau and the broader Muskoka Lakes area to reduce transportation costs and improve quality of life.

In areas economically reliant on tourism, municipalities should adopt land use and housing strategies that account for seasonal population surges during periods of strong economic activity. These surges often place significant pressure on housing, stretching the capacity of the local economy and housing stock. Proactive planning for these fluctuations can mitigate housing shortages and price spikes and support greater attainability for local residents. Additionally, by addressing demand peaks, municipalities can strengthen local economic resilience, attract new households, and encourage industry diversification. Forward-looking planning also enables communities to retain some seasonal growth on a year-round basis. Seasonal cottages, for example, can be converted into permanent residences, while seasonal workers or short-term residents may transition into full-time residents.

The trend of individuals relocating ‘north’ should be viewed as an economic opportunity, as it can result in direct and indirect impacts in the local construction industry in terms of jobs and contribution to GDP, as well as having more enduring impacts such as fostering more stable, jobs, household income, and year-round spending. In turn, this has positive implications for retail and service-oriented businesses in areas like Rosseau Village, and help increase the municipality’s tax base. The proposed project is expected to appeal to potential buyers seeking year-round residences, aligning with this trend and positive impacts.

From a residential market and long-range planning perspective, the short-term development forecast of 20 units per year appears low and likely underestimates total demand. Instead, market demand over the longer term is estimated to range from 25 to 35 households annually. However, planning for the high end of this range could be considered appropriate for the abovementioned reasons, as well a recognizing reduced potential risk in terms of delivery of infrastructure given the reliance on well and septic to service growth. The mid-point of this range (30 units) is conservatively recommended for planning purposes, which assumes favorable economic conditions, continued (albeit moderating) in-migration of full-time residents from the GTA, and a land market capable of accommodating periods of high demand.

4.0 Policy Context

4.1 Provincial Planning Statement, 2024

The Province of Ontario (the "Province") provides policy direction to local municipalities with respect to growth management. In 2022, the Province initiated a review of the 2020 Provincial Policy Statement ("PPS") and undertook consultation between April 6 and May 12th, 2024. This resulted in new and updated policies that seek to increase housing supply, make land available for development, provide infrastructure to support development, balance housing with resources, and improving implementation of the Housing Supply Action Plan (May 2nd, 2019). The new PPS took effect on October 20th, 2024, consolidating and replacing the former PPS and the 2019 *A Place to Grow: Growth Plan for the Greater Golden Horseshoe* (the "Growth Plan") into one planning policy framework.

All local official plan documents must be brought into conformity with the new PPS, as they are reviewed and updated, in this case including the on-going Township of Seguin Official Plan comprehensive review. The following provides a summary of the key growth management policies that would be considered during this official plan review process as it relates to the calculation and assessment of vacant residential land supply and need:

- Section 2.1.1 of the PPS requires planning authorities to base population and growth forecasts on the Ministry of Finance's 25-year growth projections, with an exception allowing municipalities to continue using forecasts previously issued by the Province.

  In the case of the Township of Seguin, however, a 25-year growth projection is not available from the Ministry nor are forecasts from the former Growth Plan. In the absence of these projections, it would be appropriate to test policy requirements of the PPS based on alternative sources such as historic Census and development growth metrics and/or the next best available forecasts, as discussed in the previous section of this report. Until an alternative forecast is prepared, a residential growth rate of 30 residential units per year is assumed for the purpose of this preliminary residential land need assessment.

- Policy 2.1.3 of the PPS further stipulates that … "*sufficient land shall be made available to accommodate an appropriate range and mix of land uses to meet projected needs for a time horizon of at least 20 years, but not more than 30 years*".

  In this case, the supply of vacant residential land is to be evaluated at the time of creating a new official plan and each official plan update. Given the Township is mid-way through the process of a review period, it is assumed that land could be made available for up to 30 years of supply but not less than 20 years. Residential demand and growth projected over these time horizons – 20 years and 30 years – represent a minimum land requirement and maximum supply of land that can be made available for future residential development.

4.2 Local Official Plan Policies

While the current Official Plan is under review, the following summarizes policies which generally direct residential growth in the Township and therefore are taken into consideration in our assessment of vacant residential land supply and need, which is outlined in the next section of this report.

We note that the Township has four settlement areas including towns, villages, and hamlets. These four settlement areas are illustrated on Schedule A of the Official Plan, as illustrated in **Figure 8**, on the following page. These are built up areas where development is concentrated and where future development is to be directed (see Section C.2.1.1 of the Official Plan). The settlement areas are further divided into two classifications: Major Settlement Areas; and, Existing Settlement Areas. Rosseau Village and Humphrey are considered major Settlement Areas, with larger concentrations of community service facilities, housing and commercial and employment uses. These areas are intended to be the primary location for growth and development. Whereas Orrville and Foley Centre represent older long-standing communities in the Township and are classified as Existing Settlement Areas.

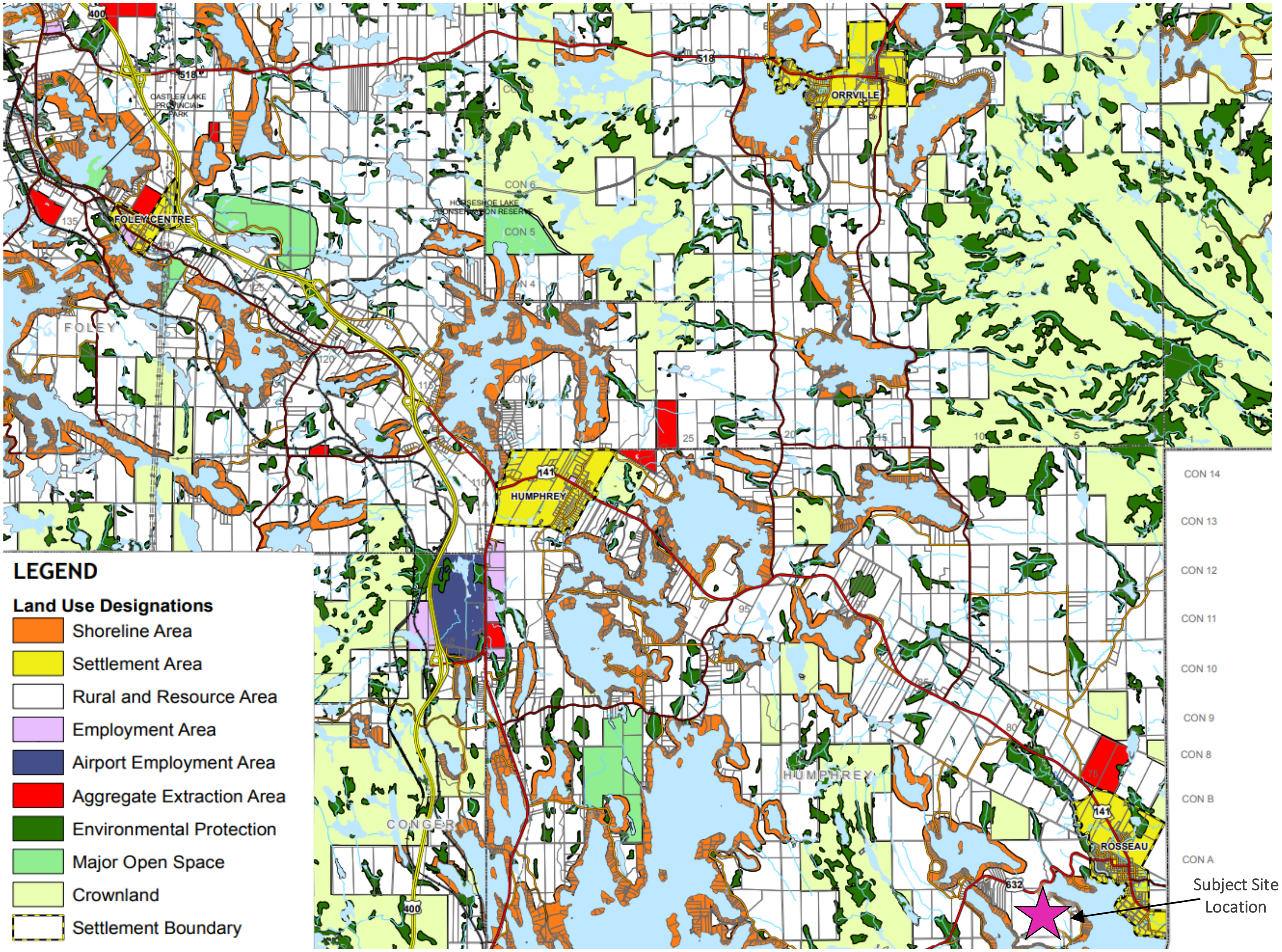
The Official Plan does not include intensification or growth allocation targets for the settlement areas – separately or combined.

- Generally, the economics of development in these areas do not support intensification, or rather redevelopment of existing residential areas into more dense forms of housing. As such, 0% intensification is assumed as it relates to satisfying the projected future residential market demand, the minimum land requirement and maximum allocation of lands for future growth.

The official plan does provide residential development limits outside of settlement areas, particularly with regard to lands designated *Rural and Resource Area.*

- The amount of development is to be limited in the *Rural and Resource Area* by permitting limited residential development in the form of individual lots through the process of infilling (see Section A.2.3.2).
- Such development is to occur through lot creation by consent on larger lots: three new units if greater than 40 hectares, two if 20 to 40 hectares, one if less than 20 acres, and none if less than 1.2 hectares (see Section B.12.2.5 a), b) and c)).
- Such development is also to occur up to a rate of up to 15 new lots created through consent per year (Section B.12.2.5 d)). This policy establishes an intensification limit in rural areas, and therefore, all remaining future growth is directed to settlement areas. For example, assuming 15 lots of a total annual demand of 30 residential units is allocated to lands designated Rural and Resource Area the remainder (15 lots or 50% of growth) is directed to settlement areas.

Figure 8: Excerpt of the Township of Seguin Official Plan, Schedule A



- In addition, Council is to be satisfied that the proposed new lots in *Rural and Resource Areas* would also:
  - have a minimum lot of area of 1.2 hectares;
  - a minimum lot frontage of 90 metres;
  - be at least 300 metres from the limits of a shoreline of high sensitivity, over-threshold lakes, or an at capacity trout lake; and,
  - preserve the natural vegetation in the front yard in order to maintain the rural character of an area. It is assumed that the latter requirement would generally require sufficient front lot setback and lot depth to preserve a large front yard area.

While residential development is permitted within settlement areas and outside of the settlement areas on lands that satisfy Section B.12.2.5, other potential encumbrances also need to be evaluated where lands are also impacted by natural heritage and other features identified in the Official Plan on Schedule C - Resources, Hazard or General Overlay Designation.

4.3 Estimated Residential Growth / Unit Supply Requirement

Table 7, on the following page, summarizes the calculated residential growth forecast by area using the below methodology.

- Total residential demand has been extrapolated over the 20- and 30-year planning horizons set out in Sections 2.1.3 of the PPS.
- While the PPS directs growth to Settlement Areas, the market context within the Township does not support strong intensification potential, there is limited available lands to accommodate new low-density lot development, and there are currently no applications requesting a linear expansion of the existing Settlement Areas, a likely result of limited developer interest in these areas and/or limited development potential.
- The allocation to "All Other (Rural) Areas" is capped at a maximum permitted number of residential lots created through consent (15 per year of the estimated annual growth rate of 30 units). The remainder is then allocated to settlement areas (also 15 units or 50% of total estimated annual demand).
- In total, these residential growth forecasts suggest a need to plan for a minimum of 600 residential units over the next 20 years to 2044 and up to 900 units over the next 30 years to 2054.
  - This level of need is estimated and allocated to Seguin's existing settlement areas and all other rural areas, outside of and separate from the MZO lands.

- In “Settlement Areas” it is estimated it is necessary to plan for a minimum of 300 residential units over the next 20 years to 2044 and up to 450 units over the next 30 years to 2054. This assumes 50% of growth is allocated to settlement areas, with growth in “All Other (Rural) Areas” fixed at 15-lots per year.
- In “All Other (Rural) Areas”, which includes the subject site location, it is estimated it is therefore necessary to plan for a minimum of 300 residential units over the next 20 years and up to 450 units over the next 30 years, as well.

Table 7

Estimated Seguin Township Residential Growth to Calculate Land Requirement	
	Units Per Year
All Areas	
Minimum zoned, including in draft approved or registered plans (3 Years)	150 units
Minimum land supply to accommodate household growth (20 Years)	600 units
Maximum land supply to accommodate household growth (30 Years)	900 units
Settlement Areas	
Minimum land supply to accommodate household growth (20 Years)	300 units
Maximum land supply to accommodate household growth (30 Years)	450 units
All Other (Rural) Areas	
Minimum land supply to accommodate household growth (20 Years)	300 units
Maximum land supply to accommodate household growth (30 Years)	450 units

5.0 Residential Land Supply and Demand Reconciliation

5.1 Identification of Vacant Residential Land Supply

The following section of this report summarizes the methodology used to conduct a preliminary assessment of residential land supply. To begin, vacant residential properties in the Township were identified using a combination of GIS mapping and MPAC property codes as well as through the manual selection of properties. The following provides a more detailed description of steps taken to identify and quantify the supply of vacant residential land.

- GIS parcel fabric and corresponding MPAC property codes were digitized based on property boundaries from Geowarehouse.
- Parcels with the following MPAC property codes were selected as being represented of vacant residential lands that would typically accommodate local population (non-seasonal) growth:
  - 100 - Vacant residential land not on water
  - 101 - Second tier vacant lot - refers to location not being directly on the water but one row back from the water
  - 112 - Multi-residential vacant land
  - 113 - Condominium development land—residential (vacant lot)
  - 127 - Townhouse block – freehold units
  - 260 - Vacant residential/commercial/industrial land owned by non-farmer with a portion being farmed

  These properties are assumed to have development potential. Waterfront lots were excluded, recognizing these lots are often (but not always) occupied by seasonal residents or visitors.

- Additional information was collected related to current land use permissions. That was done by overlaying Schedule A of the Official Plan and zoning-bylaw documents to identify land uses designation and zoning categories. This latter step was conducted to ensure all vacant residential land captured based on the above MPAC codes permits at least one residential unit.
- After the initial desktop selection of vacant residential land, parcels were categorized as within or outside of existing settlement areas, based boundaries in Schedule A of the Official Plan.
  - Within settlement areas, a survey was carried out in October 2024 to validate if identified vacant residential lots were indeed vacant recognizing MPAC categories might be out of date. For example, previously identified vacant residential parcels that were recently improved with the introduction of a single-family dwelling or addition of an accessory structure were removed from the inventory. Additionally, lots that are occupied by other permitted land uses in settlement areas (e.g., active commercial uses,

churches, cemeteries, trail, parkettes, and other open spaces) were removed from the potential vacant residential land inventory too.

- Additionally, lands adjacent to highways, trails or parks that are owned by the municipality, crown or similar were removed, as well as hydro corridors.
- Lands that are isolated, without an opportunity for land consolidation, are also removed.
- For “All Other (Rural) Areas” a desktop assessment of vacant residential land was used to remove properties, which may have been recently developed. This desktop assessment focused on properties that were recently subject to a consent application.

5.1.1 Removal of Properties with Units in the Planning Process

Township staff provided information regarding residential units in Plans of Subdivision for which they have planning authority. Any property that was identified in the previous step and was also identified as being in the planning process are assumed to accommodate future growth and removed from the forecasted residential growth. In this case, there is only one project approved, referred to as the Clear Lake Estate Subdivision, which is planned to be developed with 28 building lots to accommodate an equal number of single-detached dwellings. These lands were also removed from the vacant residential land supply.

5.1.2 Removal of Some Lands with Natural Feature and Other Potential Constraints

Recognizing that land supply can be limited by the presence of natural and existing built features and other potential encumbrances, vacant residential lands with these characteristics were identified using Schedule C of the Official Plan. More specifically, the following features were identified and assumption made in order to refine the potential vacant residential land supply:

- *Areas of Natural & Scientific Interest*, *Provincial Significant Wetlands*, *Wetlands*, *Mine Hazards*, *Moose Aquatic Feeding Areas*, and *Stratum 1 Deering Wintering Areas* were removed from the vacant residential land supply.
  - However, where parcels are partially impacted by the above constraint overlays, the residual land was left in the vacant residential land supply if greater than 1.2 hectares.
- Areas potentially impacted by *Stratum 2 Deer Wintering Ground*, *Mineral Resource Potential Area*, *Aggregate Recourse Potential Area* and *Waste Disposal Assessment Area* overlays were assumed to have development potential but would require investigation on a site-by-site basis.
- Discussed in greater detail in the concluding section of this report, about marketability and development feasibility, these lands were kept in the potential vacant residential land supply.

5.1.3 Refinement of Potential Vacant Residential Land Supply Designated Rural and Resource Area Outside of Settlement Areas

For lands outside of the settlement areas, further reductions were made based on current official plan polices that permit lot creation on lands designated *Rural and Resource Area*. In particular, only lands that satisfied the following parameters remained within the inventory of potential vacant residential land supply.

- Lands that are directly accessible to a public road or highway;
- Have at least 1.2 hectares of potential development area; and,
- Have a minimum frontage of 90-metres; and,

The results of this preliminary vacant residential land inventory are presented in **Table 8**, below. Land areas provided are before taking out lands for local roads, parks, stormwater management, any necessary buffers, etc.

Table 8

Status	Estimated Vacant Residential Land Supply with Development Potential		
	Total	In Settlement Areas	In "All Other (Rural) Areas"
Gross Area	5,547 ha	114 ha	5,433 ha
Gross Developable Area	4,982 ha	105 ha	4,877 ha

5.2 Estimating Vacant Residential Land Capacity

The purpose of this preliminary estimate of vacant residential land supply is to estimate a potential land capacity and compare this to the assumed level of market demand to understand whether there is likely to be a sufficient amount of vacant residential land within each area – Settlement Areas or All Other (Rural) Areas – to accommodate the forecasted residential growth. The following tables present a series of calculations that first define the total amount of forecasted residential growth allocated to each area (as described in Section 4 of this report) then sequentially subtracts the estimated vacant residential land capacity to end with a final supply and demand balance.

The growth allocated to settlement areas (50%) during this test represents the upper limit of growth that is likely to locate in these more urbanized areas or hamlets. As previously referenced, within these areas, it is assumed that no demand is to be satisfied through intensification, which would include redevelopment of existing properties with a denser form of residential land uses.

To convert gross developable land area to a potential unit capacity, the following methodology is applied.

- Some of the residential unit growth within settlement areas will be accommodated through lot development. In this instance, it is assumed that lots under 0.60-hectares could accommodate one-unit only. This assumption is based on the average size of occupied residential lots within settlement areas at the time of writing this report.
- In other instances, residential unit growth may be accommodated on larger vacant residential lands. The following approach is utilized for these larger lots.
  - Not all of the larger vacant lots are likely to be capable of accommodating residential uses. Of the gross vacant residential land, it is possible to net out remaining land for residential use. The approach to calculate permanent unit supply on these lands assumes 30% is taken out to support uses such as local roads, parks, stormwater management facilities, associated buffers, etc. Applying these assumptions results in an estimate of the net vacant residential land area.
  - Development density assumptions are then applied to the net area. Future development is assumed to be comprised of single-detached dwellings and a development density of about 2.5 units per net hectare is therefore assumed. This level of density is indicative of about one single detached unit per acre – a slightly greater level of density than approved at the Clear Lake Estate Subdivision.
  - The addition of single lot development and estimate of the potential unit capacity on larger vacant lots using the above methodology results in an estimate of the potential residential unit capacity within settlement areas.

In "All Other (Rural) Areas" a density of one residential unit is applied per vacant lot. The result of applying one unit to the remaining vacant residential lots is an estimate of potential unit capacity outside of settlement areas.

5.3 Preliminary Reconciliation of Supply and Demand

As shown in **Table 8,** on the previous page, approximately 105 hectares of vacant land with residential permissions have been identified within the existing settlement area, and 4,877 hectares have been identified across all other areas of Seguin, excluding the MZO lands.

The following summarizes the estimated unit supply that could be accommodated on this vacant residential land, reconciled against the forecasted demand (30 units per year) and the land need for a minimum of 20 years and a maximum allocation of land to accommodate future growth of up to 30 years (see **Table 9**):

- Based on the described methodology, the identified lands are estimated to collectively accommodate approximately 644 new residential units. Of this capacity, approximately 239 units are in settlement areas, where much of the development is likely to occur (50%), while the remaining 405 units are in rural areas. This calculation reflects the conversion from gross developable area to net developable area.

- As discussed in Section 4.0 of this report, the local market is expected to support demand for approximately 30 units per year on average. This results in a minimum land requirement for 572 units to 2044 and the ability to plan for up to 872 units to 2054, after accounting for units already in approved plans.
- This analysis suggests that the Township has sufficient land to meet the minimum land requirement under the PPS (20 years of growth).
- However, using the maximum planning horizon of 30 years, there appears to be potential to increase the available residential land supply, such as through the approval of proposed projects.

Table 9

	Maximum (30-Year) Estimated Residential Land Permitted: Market Demand vs Unit Supply on Vacant Designated Residential Land		
	Total	In Settlement Areas	In "All Other (Rural) Areas
Estimated Demand (at avg. 30 units / yr)			
Units Created Through Intensification	0 units	0 units	0 units
Units Required After Intensification	900 units	450 units	450 units
Units in the Planning Process	28 units	0 units	28 units
Total - Units Required After Considering Units in Plans	**872 units**	**450 units**	**422 units**
Estimated Supply / Potential Unit Yield			
Gross Vacant Residential Land Supply (= or > 0.6 ha)	n/a	77 ha	n/a
Assumed Take Out for Local Roads, etc.		30%	
Net Vacant Residential Land Areas		54 ha	
Assumed Development Density		2.5 units per hectare	
Units on Vacant Designated Lands		135 units	
Units on Single Vacant Development Lots		104 units	*405 units*
Total – Estimated Unit Supply Accommodated through development of Net Vacant Residential Land	**643 units**	**238 units**	**405 units**
Supply and Residential Land Need Reconciliation *Positive = Land Surplus* *Negative = Less than maximum 30-year supply*	-229 units	-212 units	-17 units

6.0 Key Observations

Typically, a full land needs assessment would be carried out by a municipality when updating its official plan. Such an assessment requires a large, multidisciplinary team. This would include preparing a development forecast using the prototypical forecasting methodology, conducting a more comprehensive survey of vacant residential land supply, giving greater consideration all environmental constraints, which was beyond the scope of this analysis. These constraints would likely involve removing lands from potential development that may be impacted by proximity to sensitive areas, such as high-sensitivity shoreline zones, over-threshold lakes, or at-capacity trout lakes as identified in the current Official Plan. It would also include identifying sensitive land uses and adjacency issues.

This report has been prepared with an understanding of the general depth of the non-seasonal residential market to inform growth, along with a preliminary assessment of the capacity to accommodate this demand. A more detailed analysis would likely result in the removal of additional lands from the preliminary assessment of vacant developable land, further reducing the capacity to accommodate future population and household growth due to practical and environmental considerations.

Consequently, the findings in this report likely overestimate the amount of available development land and underestimate the land needed to accommodate new development over the next 30 years.

6.1 Marketability of Vacant Residential Land Supply

When vacant residential lands have significant challenges to overcome, from lot configuration/need for assembly to other encumbrances like challenging conditions to prepare lands for development (e.g., challenging bedrock or steep grade changes), to environmentally sensitive areas or potential human-made hazards, their development is generally less likely for the following reasons:

- **High Cost of Development**: Overall, the high development costs of such lands can deter investment. Carrying out the necessary studies to address feasibility and identify mitigation strategies can be costly, before even knowing if lands have development potential. If there is development potential, addressing hazards such as contamination or stabilizing lands near former waste disposal sites can be expensive. Similarly, development near environmentally sensitive areas often requires extensive studies, regulatory compliance, and potential offsets, all of which increase upfront costs.
- **Perception of Risk**: Public perception and risk are additional concerns. Building on encumbered lands can pose reputational risks to developers and builders, particularly if hazards resurface or environmental impacts occur, leading to opposition from the community

or public scrutiny. In the case of a potential individual lot purchaser, there may also be a perceived sense of risk impacting the uptake of land.

- **Varying Motivations of Landowners**: Additionally, existing landowners will have various motivations and may not seek to intensify the use of existing properties. For example, larger lots that require a process for severance and sale within areas designated *Rural and Resource Area* would need to be completed to contribute to the supply.

Given these factors, many lands that may be encumbered but have been kept in our vacant residential land supply may not actually be developed and accommodate residential growth within the planning horizons.

6.2 Potential Implications of an Under Supply of Residential Land

Setting aside only the minimum amount of land required to accommodate population and household growth per the PPS is not an ideal solution. Instead, allocating the maximum permissible amount of vacant residential land to support delivery of a full continuum of housing is preferred, as it ensures a range of options that meet the diverse and evolving needs of the community over time. This approach supports social and economic goals by offering housing that aligns with various financial capacities, household sizes, and life stages.

A key challenge in Seguin Township is it dependence on a few key sectors, strong seasonality, and a potential shortage of housing. The popularity of vacation homes in the summer months in east Seguin has contributed to this issue, particularly during the peak of an economic cycle, whereby supply is depleted and real estate prices are inflated.

The trend of persons 'moving north' or converting seasonal residences to full-time homes should be viewed positively as it adds to a stable labour force, household income and increased spending on a year-round basis. In turn, this can support local business and overall economic growth in the township, so long as there is a suitable supply of vacant residential land to accommodate this growth.

In the case of Seguin, all residential development is reliant on private well and septic systems. Therefore, having a supply of land to satisfy peak economic conditions and recent trends may not present an undue burden on the efficient delivery of municipal infrastructure. Conversely, tightly constrained settlement boundaries can lead to land price inflation by limiting the supply of vacant land, either in reality or perception. Higher land prices in such a constrained market make housing projects economically unfeasible, leading to a reduced supply of new housing. When higher-priced homes dominate new construction, average housing prices rise further.

While not located within settlement areas, the proposed project would contribute to a healthy land supply and attract a population that supports local businesses year-round, helping to stabilize the local economy against cyclical downturns.

Additionally, uncertainty about whether or when landowners will develop vacant lands suggests a potential short-term supply challenge. Approving lands near a popular settlement area, owned by landowners with development capacity and interest, would represent sound planning from this perspective. Moreover, the results of this preliminary land needs assessment suggest such approval would be permissible given the remaining capacity to allocate additional land for residential development to accommodate growth up to a 30-year period.

6.3 Conclusion

The proposed residential development on the subject site offers a strategic solution to Seguin Township's housing needs. It supports both market demand for year-round residences and the economic stability of local businesses. The project will contribute to a healthy residential land supply, and provide an opportunity for sustainable growth, potentially potentially making it a critical piece of the Township's future planning.

Appendix A:

Preliminary Assessment of Vacant Residential Land Inventory in Settlement Area

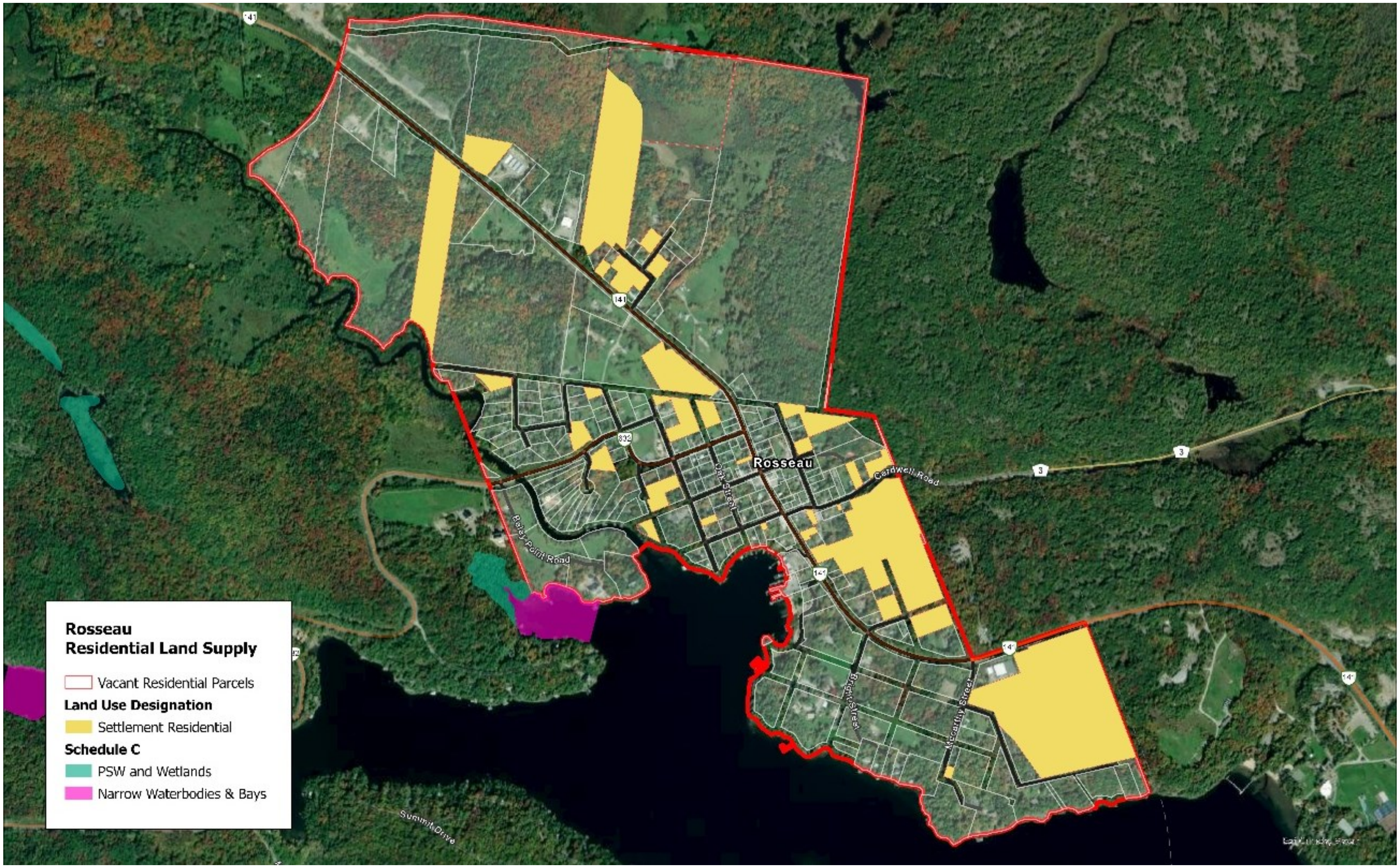


Figure 9: Rosseau Residential Supply

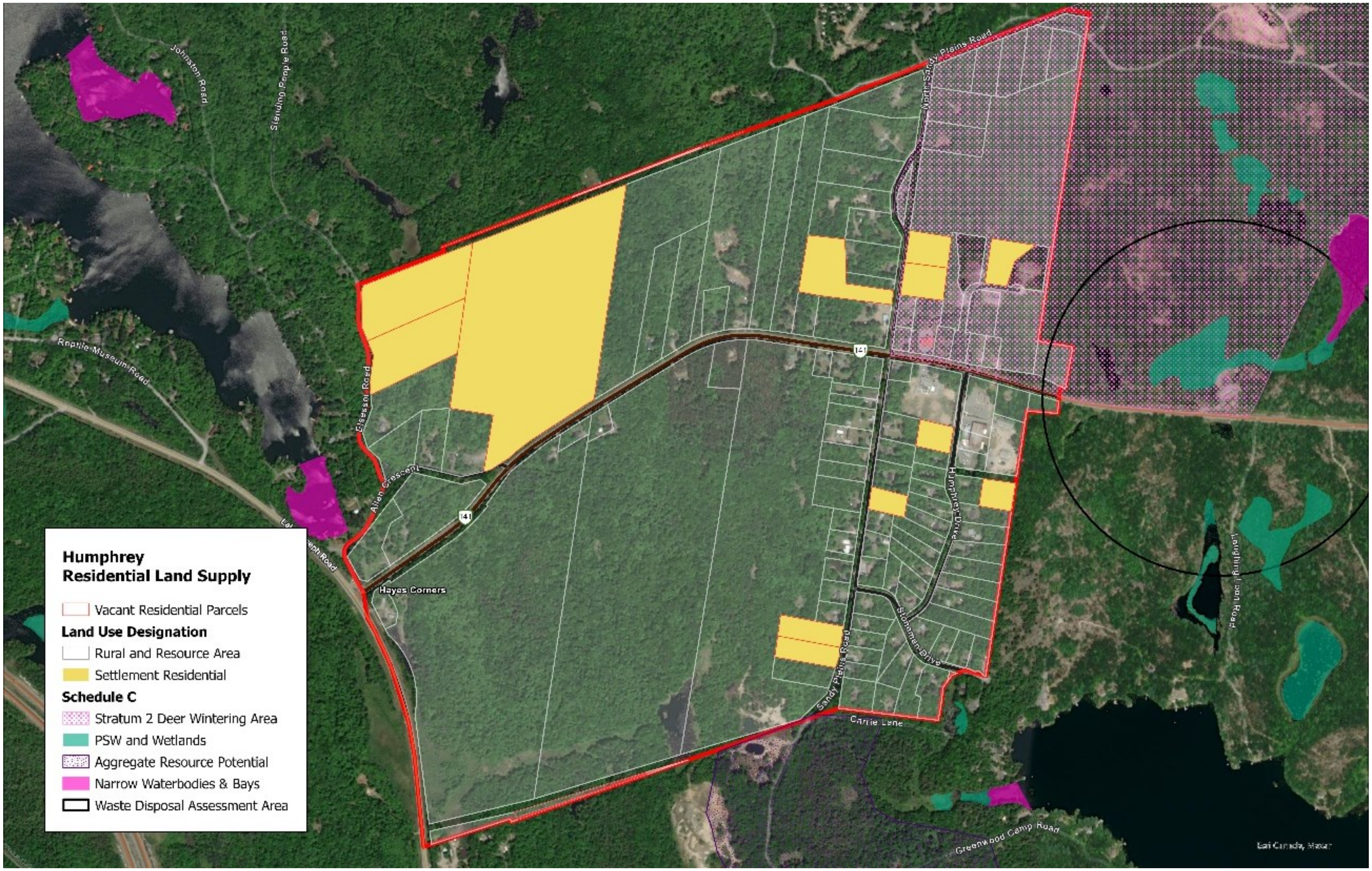


Figure 10: Humphrey Residential Supply

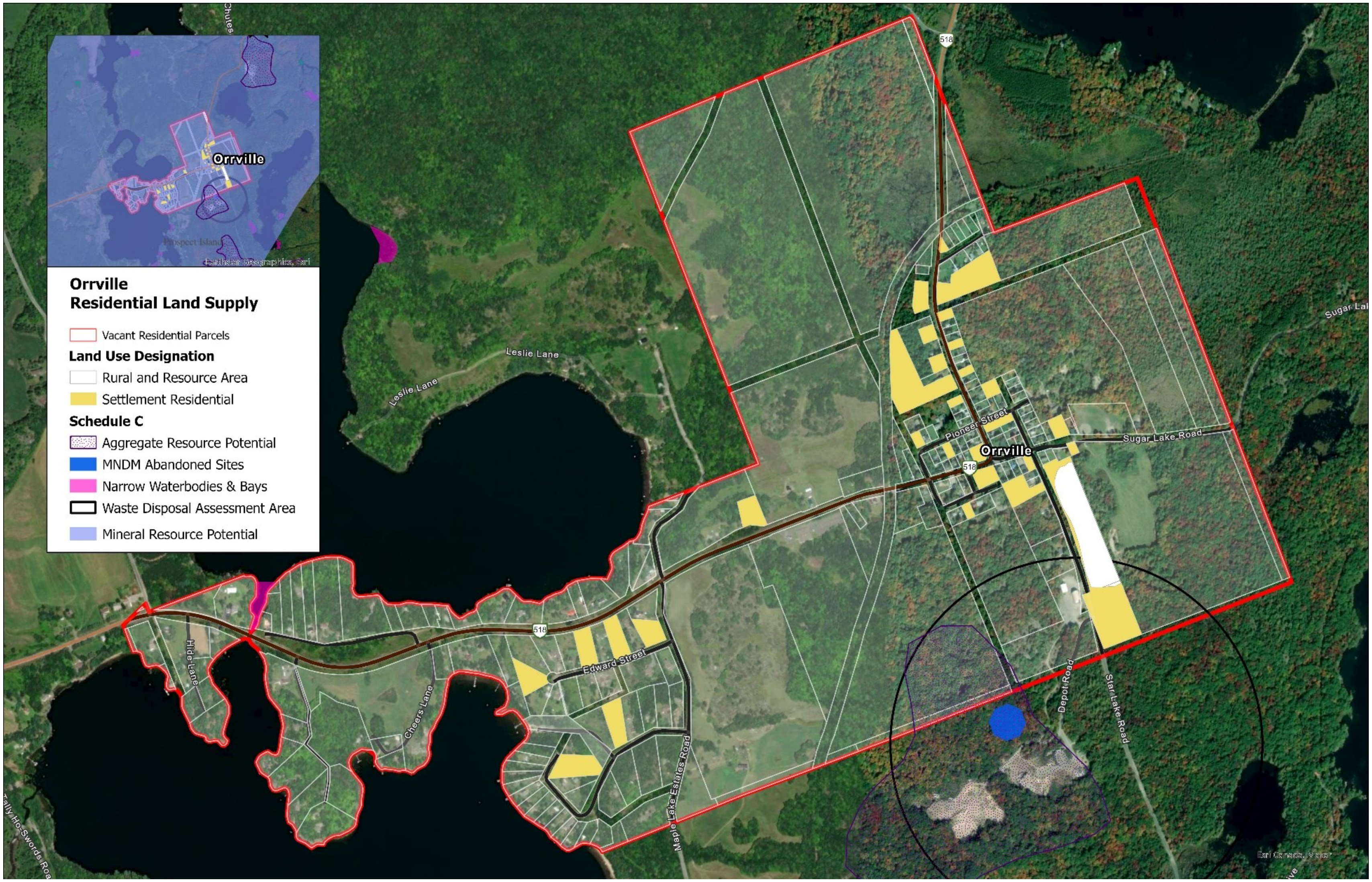


Figure 11: Orrville Residential Supply

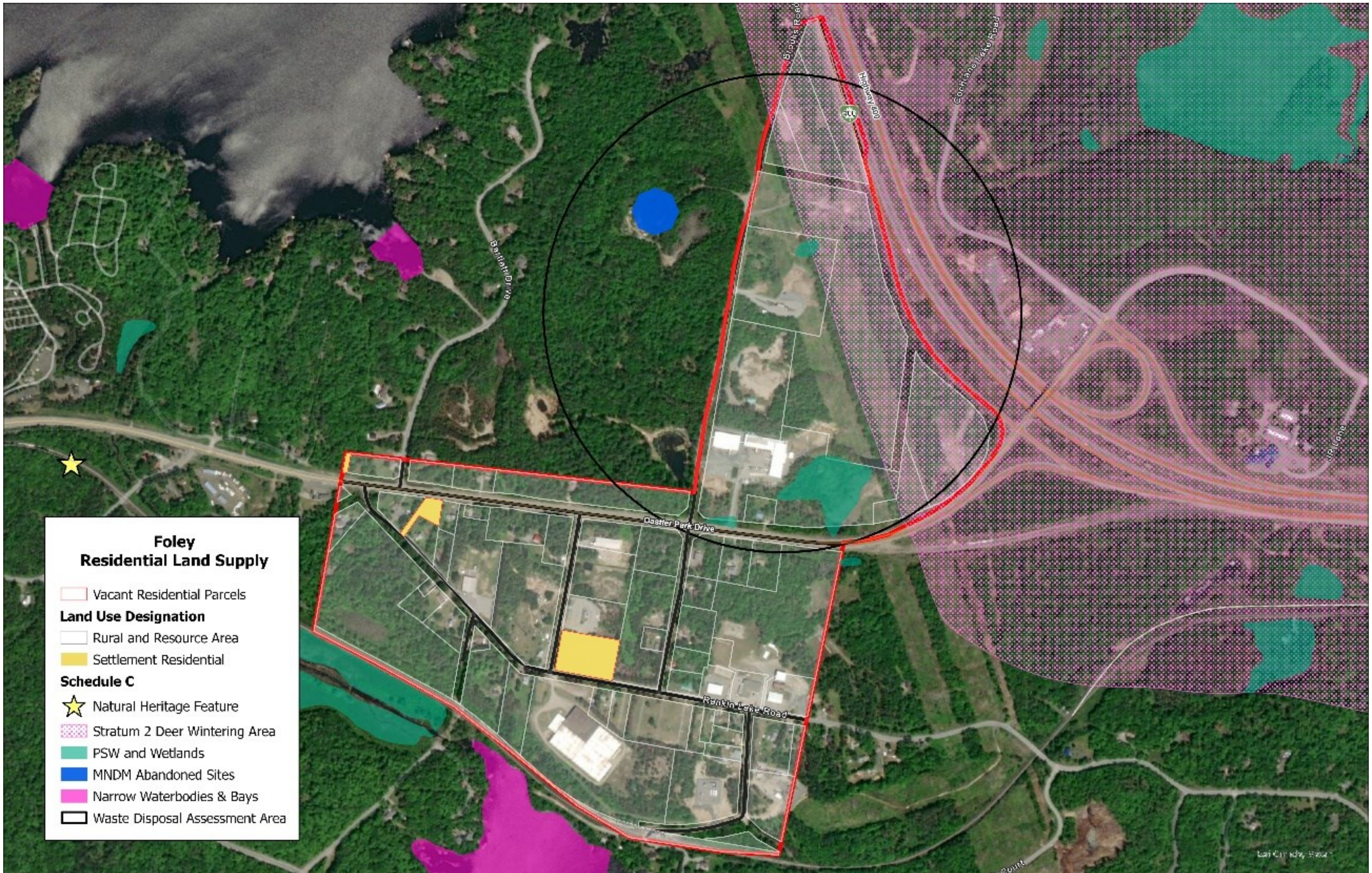


Figure 12: Foley Residential Supply

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