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MEMORANDUM

To: Alison McDonald, Manager, Planning Services
Jack Sullivan, Planning Technician, Planning Services
United Counties of Stormont, Dundas and Glengarry

From: Russell Mathew and Lara Nelson, Hemson Consulting Ltd.

Date: April 12, 2016

Re: United Counties of Stormont, Dundas and Glengarry – Updated
Official Plan Section 2

Hemson Consulting Ltd. was retained by the United Counties of Stormont, Dundas and Glengarry (SDG) to prepare an update to Section 2 of the *United Counties of Stormont, Dundas and Glengarry Official Plan*. The assignment included a review and update to the population, housing and employment forecasts prepared by Hemson for the County in 2012. The growth outlook for the County was revised taking into consideration more recently available data and the forecast horizon was extended to 2041. Consideration was given to any changes to the County land supply information since the 2012 study was prepared, recognizing a number of settlement area boundary changes had since been implemented. Section 2 of the *UCSDG Official Plan* was updated to incorporate the updated and extended growth outlook, for the 2016 to 2036 planning horizon.

This memorandum provides an overview of key considerations, updated data and assumptions and results of the revised and extended forecasts. Some considerations in the forecast review:

- The forecasts were prepared on the basis of 2011 Census information for population and housing and involved a growth outlook from 2011 to a 2031 planning horizon.
- The forecasts pre-dated release of the 2011 Census Net-Undercoverage factor.
- The study pre-dated the release of the 2011 National Household Survey results for employment and were therefore based on 2006 Census data and forecasted the 2011 employment in the County.
- The current review included an employment outlook for SDG that took into account more recently available information on employment and economic activity in the County.
- More recent data on population and housing has also become available since the forecasts were prepared in 2012, including information on housing development and the Annual Demographic Statistics from Statistics Canada.

The relevancy of the 2012 forecasts were reviewed in light of the information above. Some minor updates were undertaken along with extending the growth outlook for SDG to a 2041 horizon. The forecasts covering the 2016 to 2036 timeframe are used as a basis for updating the County official plan for a twenty year planning period, consistent with Provincial policy.

The following tables are included in this memorandum:

- Table 1: Comparison – Forecast 2011 Employment and 2011 National Household Survey Results
- Table 2: Residential Building Permits by Local Municipality, 2011-2015
- Table 3: Forecast Population, SDG, 2011-2041
- Table 4: Forecast Occupied Housing Units, SDG, 2011-2041
- Table 5: Forecast Total Employment, SDG, 2011-2041
- Table 6: Population Forecast by Local Municipality
- Table 7: Housing Forecast by Local Municipality
- Table 8: Employment Forecast by Local Municipality
- Table 9: Forecast Comparison, 2011-2031

A. CHANGES TO BASE DATA

Two key changes to the base data have occurred since the forecasts were prepared in 2012. The results of the 2011 National Household Survey results for employment were released in 2013. Table 1 below compares what had been forecast for 2011 total employment in the County to the results of the National Household Survey. As shown, employment in SDG fell short of expectations at the 2011 horizon, owing in large part to the recent recession and the general decline in manufacturing in Eastern Ontario.

Municipality	2011 Forecast	2011 NHS Result	Difference
North Dundas	4,650	4,210	-440
South Dundas	4,210	3,660	-550
North Stormont	1,690	1,990	300
South Stormont	2,840	2,640	-200
North Glengarry	3,500	3,960	460
South Glengarry	4,890	3,310	-1,580
SDG	21,800	19,800	-2,000

Source: Hemson Consulting Ltd. & Statistics Canada.

Figures are rounded.

The other, more minor change to the base data relates to the calculation of total population. Statistics Canada released updated Census Net Undercoverage rates for the 2011 Census in July, 2014. The Undercoverage rate for SDG was reduced from 4.62% to 3.82%, resulting in a minor change to the total population figure for SDG. There has been no change to the 2011 Census population or household information for the County.

B. RECENT RESIDENTIAL DEVELOPMENT

A look at recent building permit activity in the County indicates that SDG has continued to grow since the forecasts were prepared and the general pattern of growth within the County remains. The Cities of Cornwall and Ottawa continue to influence the distribution of housing growth in the County as many SDG residents commute to job opportunities elsewhere in the broader economic region.

Residential Building Permits Issued by Local Municipality SDG, 2011 - 2015 (AUG)							
Municipality	2011	2012	2013	2014	2015	2011-15	Share of County-wide
South Glengarry	35	33	15	26	22	131	13%
North Glengarry	17	31	9	13	22	92	9%
South Stormont	76	50	64	61	38	289	29%
North Stormont	40	33	47	20	16	156	16%
South Dundas	33	36	28	24	17	138	14%
North Dundas	59	25	47	30	16	177	18%
SDG	260	208	210	174	131	983	100%

Source: Statistics Canada.

Note: Table includes permits issued for new construction starts and does not include building permits issued for renovations or demolition.

C. UPDATED FORECAST ASSUMPTIONS

Generally, the key assumptions which formed the basis for the 2012 forecasts remain sound. That is, growth in SDG will be largely tied to the broader growth outlook in the Ottawa economic region. Eastern Ontario will continue to see economic growth and the shift away from manufacturing to services sectors is anticipated to continue over the forecast horizon. The population of SDG is aging, a demographic trend being experienced in many Ontario communities, in particular those outlying the major urban centres. The effect of the aging population is that housing growth will continue to out pace growth in population going forward, as an aging population results in smaller average household size due to more empty nesters and single person households. The County will also continue to experience the out-migration of younger aged adults, offset in part by the in-migration of families and older-aged adults. Inter-provincial migration will be the primary source of net population growth in SDG. The overall level and pattern of growth within the County is also strongly tied to its proximity and economic relationship to the Cities of Cornwall and Ottawa.

The only change to the assumptions since the 2012 forecasts were prepared is slightly higher in-migration, attached to generally higher growth in eastern Ontario over

recent years, tied to growth in Ottawa. The outlook for SDG now anticipates slightly higher growth in population and housing to the 2031 horizon, after which point growth slows, a result of the aging population.

D. UPDATED FORECAST RESULTS

The population, housing and employment forecasts for SDG have been updated based on our evolving understanding of economic and demographic trends affecting growth in the County and taking into account recent updates to Statistics Canada data. The general growth outlook prepared in 2012 remains a sound basis for planning in the County and the updates to the forecasts are minor in nature. The growth outlook has been extended to 2041 with an emphasis on the 2016 to 2036 period, which represents a twenty year planning horizon for updating the *UCSDG Official Plan*. No major shifts in the pattern of growth within the County is anticipated and as such the distribution to local municipalities within SDG is consistent with the forecasts prepared in 2012.

Tables 3 to 8 following indicate the updated forecast results for population, housing and employment at a County and local municipal level, from 2011 to 2041, again highlighting the 2016 to 2036 period. The forecasts form the basis of the updated Section 2 of the official plan.

County-wide results:

Forecast Population Growth Stormont, Dundas and Glengarry, 2011-2041				
Year	Census Population	Growth	Compound Annual Growth Rate	Total Population*
2011	64,800	--	--	67,400
2016	65,100	300	0.1%	67,600
2021	65,400	300	0.1%	68,000
2026	66,600	1,200	0.4%	69,200
2031	67,400	800	0.2%	70,100
2036	67,400	-	0.0%	70,100
2041	66,500	(900)	-0.3%	69,200
2016 - 2036		2,300	0.7%	2,500

Source: Hemson Consulting Ltd. based on Statistics Canada data.

*Includes Census Net Undercoverage

Figures are rounded.

Forecast Occupied Housing Units Stormont, Dundas and Glengarry, 2011-2041			
Year	Households	Growth	Compound Annual Growth Rate
2011	25,600	--	--
2016	26,600	1,000	0.8%
2021	27,400	800	0.6%
2026	28,000	600	0.4%
2031	28,600	600	0.4%
2036	28,900	300	0.2%
2041	28,600	(300)	-0.2%
2016 - 2036		2,300	1.7%

Source: Hemson Consulting Ltd. based on Statistics Canada data.

Figures are rounded.

Forecast Total Place of Work Employment SDG, 2011 - 2041			
Year	POW Employment	Growth	Compound Annual Growth Rate
2011	19,800	—	—
2016	20,400	600	0.6%
2021	19,700	(700)	-0.7%
2026	19,000	(700)	-0.7%
2031	18,400	(600)	-0.6%
2036	18,000	(400)	-0.4%
2041	18,000	-	0.0%
2016 - 2036		(2,400)	-2.5%

Source: Hemson Consulting Ltd. based on Statistics Canada data.

Figures are rounded.

Local municipal forecast distribution:

Census Population by Local Municipality Stormont, Dundas and Glengarry, 2011 - 2041									
Municipality	Census Population							2016-2036	
	2011	2016	2021	2021	2031	2036	2041	Net Change	Compound Annual Growth Rate
South Glengarry	13,160	13,050	13,050	13,200	13,280	13,240	13,050	190	0.1%
North Glengarry	10,250	10,130	9,970	9,990	9,970	9,900	9,780	(230)	-0.1%
South Stormont	12,620	12,920	12,980	13,180	13,310	13,290	13,110	370	0.1%
North Stormont	6,780	6,950	6,930	7,000	7,040	7,020	6,920	70	0.1%
South Dundas	10,790	10,750	10,820	11,050	11,210	11,210	11,080	460	0.2%
North Dundas	11,230	11,270	11,640	12,160	12,600	12,730	12,580	1,460	0.6%
SDG	64,800	65,100	65,400	66,600	67,400	67,400	66,500	2,300	0.2%

Source: Hemson Consulting Ltd. based on Statistics Canada data.

Figures are rounded and may not add.

Table 7 Occupied Housing Units by Local Municipality Stormont, Dundas and Glengarry, 2011 - 2041									
Municipality	Occupied Households							2016-2036	
	2011	2016	2021	2026	2031	2036	2041	Net Change	Compound Annual Growth Rate
South Glengarry	5,160	5,290	5,420	5,500	5,580	5,620	5,560	330	0.3%
North Glengarry	4,280	4,380	4,410	4,440	4,470	4,480	4,440	100	0.1%
South Stormont	4,810	5,100	5,240	5,350	5,440	5,490	5,430	390	0.4%
North Stormont	2,490	2,650	2,710	2,750	2,790	2,810	2,790	160	0.3%
South Dundas	4,440	4,580	4,730	4,850	4,960	5,010	4,980	430	0.4%
North Dundas	4,410	4,590	4,870	5,120	5,350	5,470	5,430	880	0.9%
SDG	25,600	26,600	27,400	28,000	28,600	28,900	28,600	2,300	0.4%

Source: Hemson Consulting Ltd. based on Statistics Canada data.

Figures are rounded and may not add.

Table 8 Total Place of Work Employment by Local Municipality SDG, 2011 - 2041									
Municipality	Population Related Employment							2016-2036	
	2011	2016	2021	2026	2031	2036	2041	Net Change	Compound Annual Growth Rate
South Glengarry	1,390	2,150	2,100	2,070	2,060	2,130	2,170	(20)	0.0%
North Glengarry	1,630	1,500	1,460	1,450	1,450	1,570	1,590	70	0.2%
South Stormont	1,030	590	530	490	480	520	550	(70)	-0.6%
North Stormont	730	360	330	310	310	350	370	(10)	-0.1%
South Dundas	1,450	1,870	1,830	1,780	1,770	1,760	1,790	(110)	-0.3%
North Dundas	1,600	1,610	1,560	1,460	1,420	1,210	1,240	(400)	-1.4%
SDG	7,800	8,100	7,800	7,600	7,500	7,500	7,700	(540)	-0.4%

Source: Hemson Consulting Ltd. based on Statistics Canada data.

Figures are rounded and may not add.

E. COMPARISON TO 2012 FORECASTS

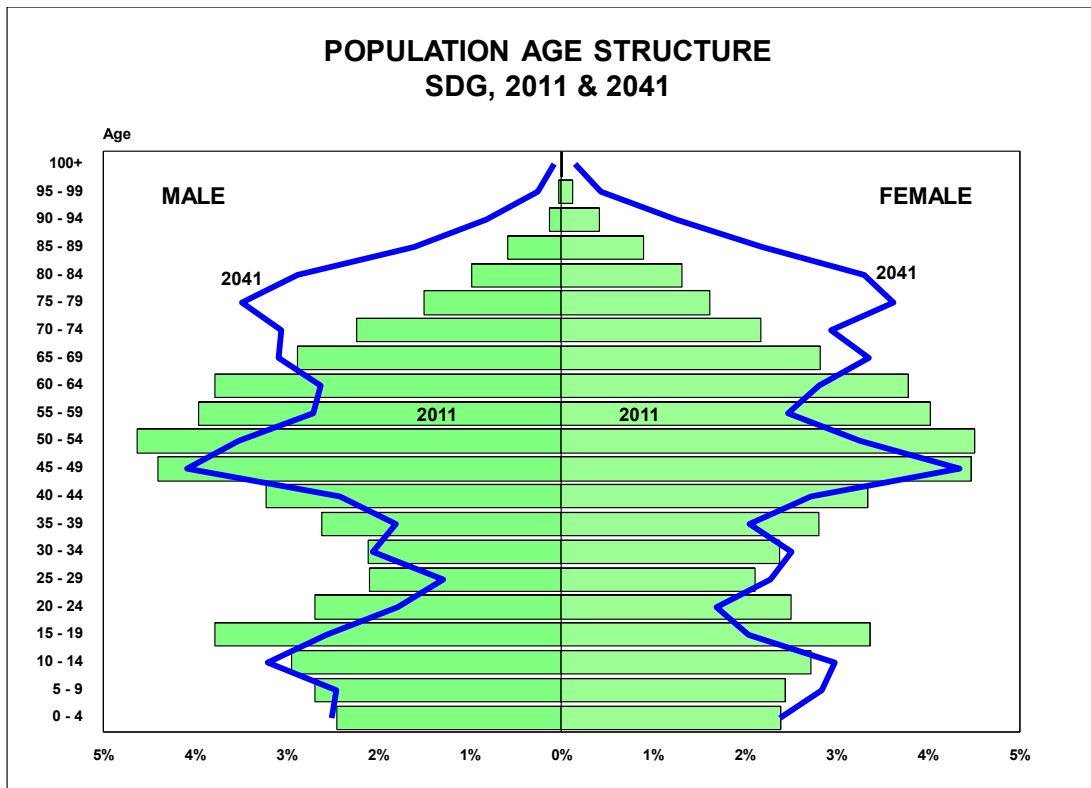
Table 9 illustrates how the forecasts prepared for the County in 2012 compare with the updated growth outlook for the 2011 to 2031 period, incorporating changes to the base data and updated forecast assumptions. As shown, the updated forecasts anticipate a somewhat higher increment of growth in population and housing to 2031. The updated forecast for employment shows less of a decline to 2031 than had been forecast prior. This is a result of the significantly lower than anticipated findings from the 2011 NHS and includes an expectation of some recovery over the forecast horizon. Again, the observed decline is due largely to the recession and general restructuring of the eastern Ontario economy.

Population, Housing and Employment Forecast Comparison Stormont, Dundas and Glengarry, 2011-2031								
	2011			2031 Forecast			2011 - 2031 Growth Increment**	
	Forecast	Census / NHS Results	Difference (Actual - Forecast)	Original	Updated	Difference	Original	Updated
Census Population	n/a	64,800	n/a	66,800	67,400	600	1,900	2,600
Total Population*	68,000	67,400	(600)	70,000	70,100	100	2,000	2,700
Occupied Housing Units	n/a	25,600	n/a	28,100	28,600	500	2,500	3,100
Total Employment	21,800	19,800	(2,000)	19,100	18,400	(700)	(2,700)	(1,400)

*Including Census Net Undercoverage. 2011 Undercoverage rate was updated by Statistics Canada in 2014. Figures are rounded.

**Updated growth increment reflects changes to 2011 base data as well as updated forecast assumptions.

The expectation of population and housing growth is somewhat higher to 2031, after which point growth begins to slow, owing in large part to the continued aging of the population. The current and forecast age structure of SDG is illustrated in the graphic below.



Source: Hemson Consulting Ltd. based on Statistics Canada data