

Housing Needs Study

The Corporation of the Town of The Blue Mountains

August 25th, 2010

N. BARRY LYON CONSULTANTS LIMITED

JONES CONSULTING GROUP



Housing Needs Study

The Corporation of the Town of The Blue Mountains

Table of Contents

EXECUTIVE SUMMARY	i
1.0 INTRODUCTION	1
2.0 EXISTING POLICY FRAMEWORK.....	2
3.0 DEFINING AFFORDABLE HOUSING	5
4.0 PROFILE - TOWN OF THE BLUE MOUNTAINS.....	7
5.0 HOUSING MARKET.....	22
6.0 HOUSING DEMAND & SUPPLY.....	32
7.0 HOUSEHOLD AFFORDABILITY	39
8.0 SOCIAL HOUSING.....	45
9.0 ISSUES & OBSERVATIONS.....	46
10.0 HOUSING STRATEGY.....	51
APPENDIX A – DRAFT HOUSING POLICY	63
APPENDIX B- AFFORDABLE OWNERSHIP HOUSING MODELS	68
APPENDIX C - IMPACT OF FINANCIAL INCENTIVES ON RENTAL HOUSING VIABILITY.....	69

EXECUTIVE SUMMARY

The Town of The Blue Mountains has experienced tremendous change over the past fifteen years, primarily a result of the attractiveness of the region to second home owners, retirees and vacationing weekenders. These market forces are supported by a strong demographic shift in the Province, with a large number of affluent seniors and empty nester seeking to reside in communities such as the Town of the Blue Mountains, which are in close proximity to the GTA and other urban areas and offer a wide range of recreational opportunities in a small town environment. Combined with these market forces has been the massive investment by the private sector in the region, primarily the Village at Blue Mountain.

From a housing perspective, the impact of these forces has been to increase the price of housing to a point where it is no longer affordable to a large portion of the resident and non-resident population, particularly younger individuals and families, seniors and those employed in the Town. This has far reaching implications today, as well as for how the Town will develop in the future.

The lack of supply of ownership and rental housing that is affordable to large portions of the population, even at middle income levels, can have profound impacts on the long term social and economic health of the community. Some of the impacts include;

- Population stagnation or decline in various age groups, especially of younger individuals and families as well as “older” seniors;
- Difficulty in retaining/attracting multi-generations of families;
- Potential shortfall of labour, and as result, provision of services;
- Limited employment and economic growth;
- Reduced tax assessment;
- School closures and the loss of other community services; and
- Increased commuter traffic both to and from the Town.

These negative impacts have been recognized by the Town of The Blue Mountains, which through this study is seeking a strategy to resolve the existing, and potentially weakening, housing affordability problem in the Town.

Based on background analysis and research, this study suggests that a pragmatic and achievable housing strategy for the Town is needed. The strategy begins with new policies in the Official Plan that set housing as priority and targets for the future. It offers a series of polices, programs and incentives that could be effective in encouraging private sector involvement in the development of additional affordable housing. Finally the strategy includes a number of possible programs that could serve as the mechanisms through which the suggested policies, programs and incentives could be delivered over time.

1.0 INTRODUCTION

1.1 Purpose and Structure of Study

N. Barry Lyon Consultants Ltd. (NBLC) along with the Jones Consulting Group was retained by the Town of The Blue Mountains to prepare a Housing Needs Study. The study was conducted within the Town's Integrated Community Sustainability Plan, which aimed to create an "overarching, long-term development strategy that provides a path towards a 'sustainable community'". Other studies completed under the Town's Integrated Community Sustainability Plan, included a Community Improvement Plan, Economic Development Strategy, Zoning By-Law Project and Comprehensive Transportation Strategic Plan. Council, staff and consultants shared resources and research to ensure consistent and complimentary principles and goals.

The objective of this study is to evaluate the current housing situation in the Town, identify any current and/or future gaps or shortfalls, and recommend policies and programs for addressing identified issues and concerns. This work requires a detailed retrospective analysis of the demographic and economic factors that have shaped the nature of housing within the community. Equally important, the study must examine these factors within the context of future trends and the objectives of the Town of The Blue Mountains.

Looking forward, the needs of the community are likely to change not only as a result of long term demographic trends but other factors. Rising fossil fuels prices, increased immigration, aging population, evolving family structure and the nature of work, and economic development efforts are all factors that will influence the character of future housing needs. This study examines these influences and how they are most likely to shape demand over the next 20 to 25 years within the Town of The Blue Mountains.

This report:

- provides an overview of past and current trends relating to population, housing and labour force/employment in the Town;
- estimates future housing demand;
- assesses the Town's housing supply and its adequacy relative to demand;
- assesses housing affordability in the Town;
- highlights major issues;
- examines the key trends that are influencing housing; and,
- provides policy and program recommendations for Council's consideration with respect to the provision of an housing strategy in The Town of The Blue Mountains

2.0 EXISTING POLICY FRAMEWORK

The completion of a Housing Needs study for the Town of The Blue Mountains falls within the framework of various existing provincial, county and local policies.

2.1.1 Provincial Policy Statement

Section 1.4 of the 2005 Provincial Policy Statement (PPS) outlines a number of policy directions related to the land-use planning and development of various forms of housing. The key policy directives from the Provincial Policy Statement include:

1.4.3 Planning authorities shall provide for an appropriate range of housing types and densities to meet projected requirements of current and future residents of the regional market area by:

- a) *establishing and implementing minimum targets for the provision of housing which is affordable to low and moderate income households. However, where planning is conducted by an upper-tier municipality, the upper-tier municipality in consultation with the lower-tier municipalities may identify a higher target(s) which represent the minimum target(s) for those lower-tier municipalities:*
- b) *permitting and facilitating:*
 - 1. *all forms of housing required to meet the social, health and well-being requirements of current and future residents, including special needs requirements; and,*
 - 2. *all forms of residential intensification and redevelopment in accordance with policy 1.1.3.3.*

2.1.2 County of Grey Official Plan

The County of Grey Official Plan was approved by the Ministry of Municipal Affairs and Housing in March 1998. Some of the relevant policies to this study include:

2.6.2 GENERAL POLICIES AFFECTING SETTLEMENT AREA DESIGNATIONS

- (1) *Local Official Plans, Secondary Plans, Plans of Subdivision and Condominium Plans shall ensure a proper and orderly street pattern, efficient use of services, and a variety of housing and development opportunities within designated Settlement Area designations.*
- (8) *It is the policy of this Plan to encourage the maintenance of affordable housing in Grey County, ensuring there are a range of alternate locations, forms and densities of housing and price ranges for all residents of the County."*

However, due to the passing of time since the approval of the existing County Official Plan, and the need to update and include numerous policies, the County has recently undertaken an Official Plan Five Year Review. The draft Official Plan amendment was approved by County Council in March of 2009 and is currently awaiting provincial approval.

The proposed Official Plan update contains more detailed policies concerning housing and affordability. In fact, one of the County's primary goals is to encourage the provision of affordable, diverse and accessible housing. The plan also includes an added housing policy section. The proposed County housing policy states:

1.8 HOUSING POLICY

It is a policy of the County to encourage a wide variety of housing by type, size and tenure to meet projected demographic and market requirements of current and future residents of the County. These policies may be elaborated upon within local municipal official plans.

The County supports:

- a) *intensification and redevelopment, primarily within Settlement Areas, and within other areas where an appropriate level of physical and social services are available subject to the policies of Section 5.3. In this regard the County will require that the intensification targets as set out in Table 7 be met.*
- b) *the provision of alternative forms of housing for special needs groups, where possible. Special needs groups may include, but are not limited to, seniors, physically or mentally challenged and low income earners;*
- c) *the maintenance and improvement of the existing housing stock. This will be encouraged through local maintenance and occupancy standards by-laws;*
- d) *the utilization of available programs and/or funding, if any, from applicable levels of government for assisted housing for households, including those with special needs, as well as programs to rehabilitate older residential areas; and*
- e) *housing accessible to lower and moderate income households. In this regard, accessory apartments, semi-detached, duplex, townhouse and low rise apartment units will provide the bulk of affordable housing opportunities and will likely be provided within settlement areas with appropriate levels of servicing being available. Outside of the settlement areas accessory apartments will be the most likely means of increasing housing affordability.*

The County will encourage local municipalities and the building and development industry to develop innovative housing designs that stress flexibility in use, mix of compatible land uses, good environmental practices, and public safety to maintain a mix of housing by both type and tenure.

Local official plans shall include policies and designations to implement the policies of this Plan and the following:

- i) *appropriate criteria for intensification and redevelopment including site plan provisions, locational and land use compatibility criteria;*
- ii) *policies to permit the conversion of larger single detached dwellings into multiple units;*
- iii) *policies to preserve, improve, rehabilitate or redevelop older residential areas; and policies which permit, subject to appropriate criteria and conditions, apartments in houses.*

In addition, related policies in Section 1.7, 2.6 and 2.6.6 should also be noted.

1.7 80% of permanent residential unit growth in the Town of The Blue Mountains is required to take place in designated Settlement Areas. The designated Settlement Areas in the Town of The Blue Mountains are: Thornbury-Clarksburg; Heathcote; and Ravenna

2.6 10% of the permanent residential unit growth for the Town is required to be located in Thornbury-Clarksburg, by means of: redevelopment/reuse of brownfield land; the development of vacant/underutilized lots within previously developed areas; infill development; and, the expansion or conversion of existing buildings

2.6.6 in the Town of The Blue Mountains, both permanent and non-permanent housing growth is anticipated for the Recreational Resort Areas. Such areas are considered separately from Settlement Areas.

2.1.3 The Town of The Blue Mountains Official Plan

Developed in the early 2000's, the Towns Official Plan does not provide a strategy for assessing and addressing specific housing needs, nor does it adequately acknowledge the limited affordability of housing to low and medium income households. The Plan therefore provides limited opportunities for medium and higher density (more affordable housing types) in many areas of the Town. Examples of this include:

- Lands designated Recreational Residential (RR), which includes large areas in Craigleith and Camperdown, allow single detached and townhomes but with permitted densities of no more than 5 units per hectare.
- No residential units are permitted within Village Commercial (VC) designations where live-work and other innovative housing forms may be viable.
- Height limits are limited to three stories in the majority of the Town which makes the feasibility of apartments challenging.
- The intent of the policies relating to the Thornbury Urban Community are to maintain the Community's low (height) profile and low density feel.
- Residential uses permitted in the Commercial areas of Thornbury are permitted only as accessory functions and are restricted to bachelor and 1-bedroom forms.

Most importantly, the plan provides no direction in terms of maintaining an appropriate mix of housing types nor does it address housing affordability.

3.0 DEFINING AFFORDABLE HOUSING

Affordability can mean different things to different people. What is affordable to one household may not be to another. Beginning with a common understanding of what affordable housing means in terms of housing policy is necessary to form a basis for our analysis.

In the Town of The Blue Mountains, the term “attainable” housing is frequently used. The term is useful insofar as it underscores the market’s bias towards providing homes to the very high end of the market and the limited selection of households for those with average or lower incomes. Other terms such as “low-end-of-market” are similarly used by other municipalities. The Town defines attainable housing as “generally meaning the production of smaller units and higher densities to provide a variety of housing stock giving the option for lower cost units on the market”.

In developing housing policy, within the context of the Planning Act and the Provincial Policy Statement, “affordable” is defined as follows:

“a) in the case of ownership housing, the least expensive of:

1. housing for which the purchase price results in annual accommodation costs which do not exceed 30 percent of gross annual household income for *low and moderate income households*; or
2. housing for which the purchase price is at least 10 percent below the average purchase price of a resale unit in the regional market area;

b) in the case of rental housing, the least expensive of:

1. a unit for which the rent does not exceed 30 percent of gross annual household income for *low and moderate income households*; or
2. a unit for which the rent is at or below the average market rent of a unit in *the regional market area*.”

The Provincial Policy Statement defines *low and moderate income households* as:

- a. in the case of ownership housing, households with incomes in the lowest 60 percent of the income distribution for the regional market area; or
- b. in the case of rental housing, households with incomes in the lowest 60 percent of the income distribution for renter households for the regional market.

These definitions encompass the Town’s definition of “attainable” housing, in that smaller and higher density units are, by their nature, the houses that will constitute the vast majority of future low-to-mid market housing in the Town. However, it should be noted at the outset that even some smaller homes in higher density developments do not always meet the affordability criteria in the Town due to the very strong market demand in the region.

The definition of “affordable” also includes “assisted” or “social housing”. This is a specialized sector within the spectrum of community housing that relates to the needs of specific at-risk groups. Housing in this sector is funded primarily through public and private grants and managed by the County or not-for-profit organizations. Social housing needs are discussed separately in this report.

4.0 PROFILE - TOWN OF THE BLUE MOUNTAINS

This chapter provides a demographic, economic and housing overview of the Town, and more specifically as it compares to other proximate municipalities and the County of Grey. This analysis, which is based primarily on Statistics Canada data, is intended to provide context for the latter sections of the report.

4.1 Population

The County of Grey had a 2006 population of over 92,400, representing an increase of roughly 4,800 people or 5.5% from 1996. Compared to most other municipalities, this rate of growth is relatively low, with the Provincial growth rate over the same time period at over 13% and neighbouring Simcoe County growing at almost 28%.

The County of Grey is comprised of nine local municipalities: Owen Sound; Georgian Bluffs; Chatsworth; Meaford; Grey Highlands; West Grey; Hanover; Southgate; and, the Town of The Blue Mountains. The largest local municipality is Owen Sound with a 2006 population of almost 22,000, representing almost 25% of the County population.

The 2006 permanent population of the Town of The Blue Mountains was roughly 6,800 people, making it the second smallest local municipality in Grey County, accounting for only 7.4% of the County's population. However, between 1996 and 2006 the Town of The Blue Mountain's population increased by almost 1,200 people, or 20.4%, by far the largest population increase in the County, accounting for over 24% of the County's growth. Most recently, between 2001 and 2006, the Town grew by over 700 people or 11.6%, again the largest percentage increase in the County over the time period.

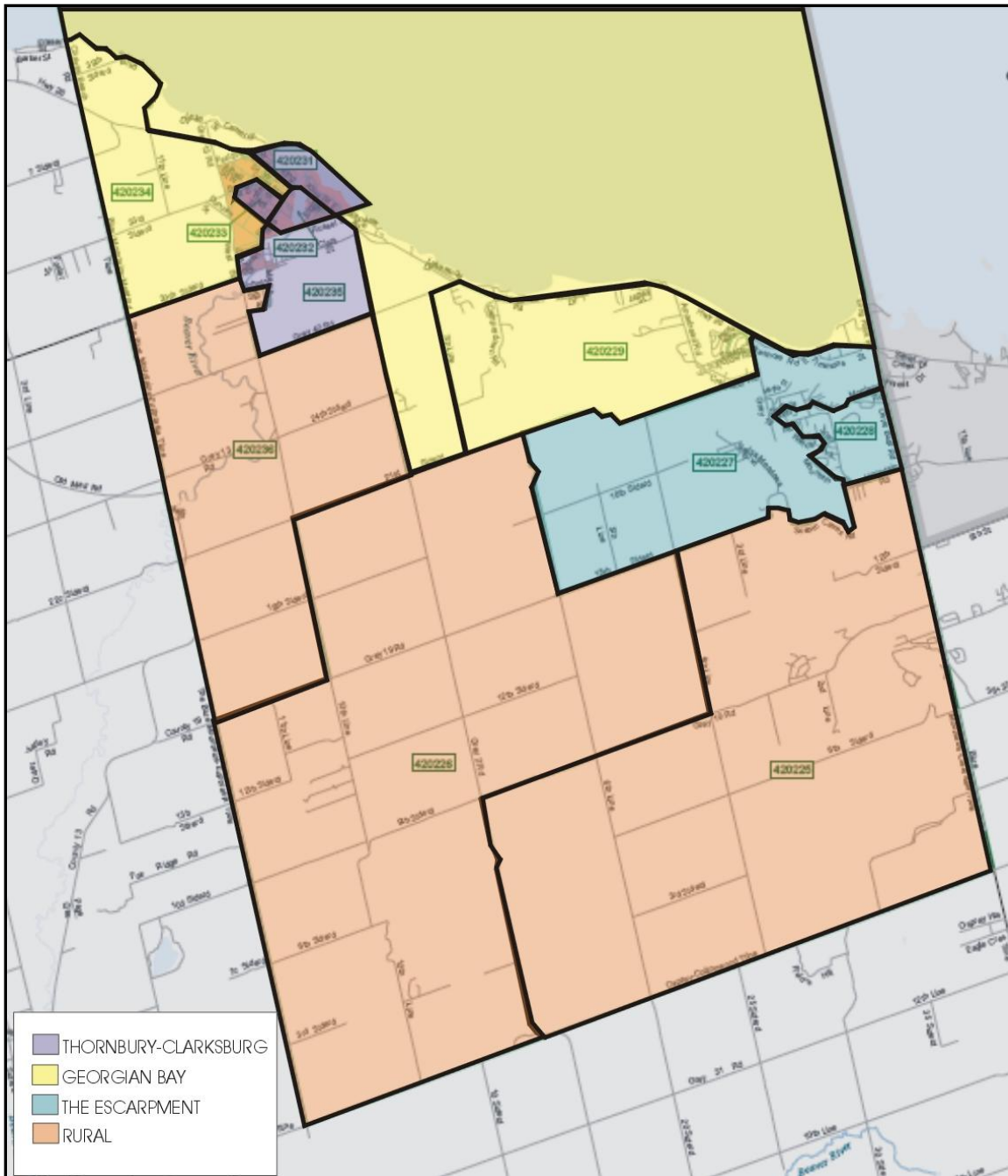
While the Town may have one of the smallest permanent populations in the County, the Town has a very large seasonal or non-permanent population that resides in the Town for various months of the year or on weekends and holidays. The permanent and non-permanent population of the Town is currently estimated at roughly 16,000. The Town has one of the largest non-permanent populations in Southern Ontario, and by far the largest in Grey County.

4.1.1 Local Geographic Distribution

The Town of The Blue Mountains is comprised of: the Primary Urban Settlement of Thornbury-Clarksburg; a large rural area; a number of recreational/tourism areas focused on the shores of Georgian Bay and surrounding the Niagara Escarpment; and a number of small hamlets and villages. The recreation/tourism areas, which accommodate most of the Town's non-permanent/seasonal population as well as a significant portion of the Town's permanent population, are; Lora Bay, Camperdown, Craigleith, Swiss Meadows, Osler and Castle Glen. For the purpose of this report and based on 2006 census dissemination areas, as outlined in Figure 1 on the following page, we have split the Town into 4 areas:

- 1) Thornbury- includes the Clarksburg service area;
- 2) The Escarpment –includes the services areas of Craigleith and Swiss Meadows;
- 3) Georgian Bay –includes the services areas of Camperdown and Lora Bay; and,
- 4) Rural - includes the recreational service of area of Osler and the yet undeveloped service area of Castle Glen, as well as all remaining areas;

Figure 1. Town of The Blue Mountains – 4 Study Areas Split by Census Dissemination Areas



As can be seen in Table 1, not surprisingly the community of Thornbury-Clarksburg has by far the largest permanent population in the Town, comprising over 34% of the population. This is due primarily to the concentration and availability of amenities and services, including schools, as well as the greater selection and affordability of housing choices. The remainder of the population is split between the three other areas, with the next largest permanent population concentration located in the Georgian Bay area and the smallest portion of permanent population located in the Escarpment area.

Table 1.

Local Population Distribution, Town of The Blue Mountains, 2006						
	Grey County	Town of The Blue Mountains	Thornbuy-Clarksburg	The Escarpment	Georgian Bay	Rural
Population 2006	92,411	6,825	2,329	1,227	1,791	1,478
<i>Percentage of Town - 2006</i>			34.1%	18.0%	26.2%	21.7%

Source: Statistics Canada 2006

4.1.2 Age

Like most other municipalities in Ontario, the population of the Town is aging. In fact, the median age in the Town, as of 2006, was almost 51, an increase from 47 in 2001. While the increase in age between 2001 and 2006 is typical for many rural and small urban municipalities in Ontario, the actual median age in the Town is considerably higher than most municipalities. In fact, the median age in Ontario in 2006 was only 39, while it was 44 in the Town of Collingwood. As the table below shows, the reason for the Town's high median age is the increasing number of people aged 45 and over, and the decreasing number of people, as a portion of the population, generally under the age of 44.

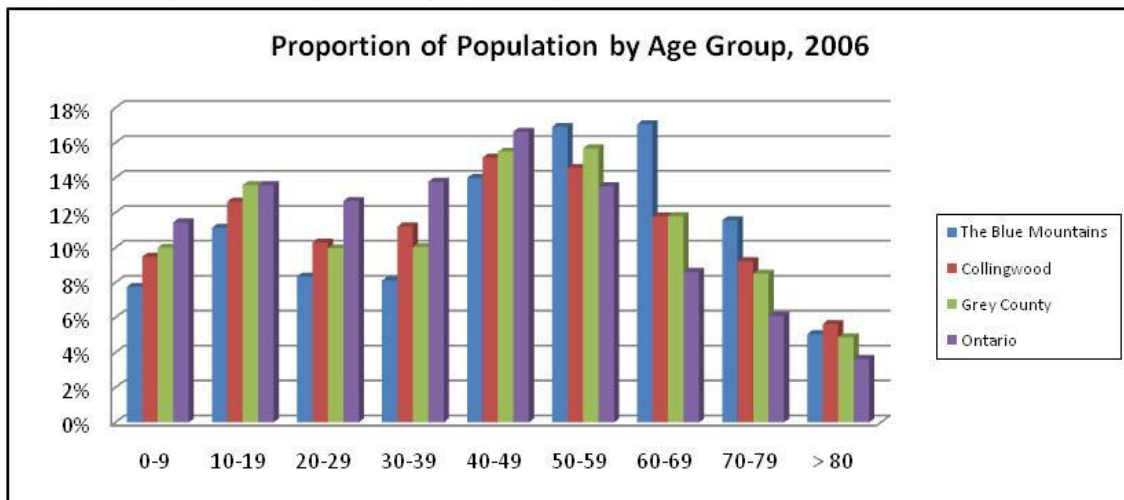
Table 2.

Age Profile, Town of The Blue Mountains, 2001 & 2006					
	Population		% of Population		% growth
	2001	2006	2001	2006	2001-06
Age 0-4	255	235	4.2%	3.4%	-7.8%
Age 5-14	675	655	11.0%	9.6%	-3.0%
Age 15-19	350	395	5.7%	5.8%	12.9%
Age 20-24	245	330	4.0%	4.8%	34.7%
Age 25-44	1,310	1,195	21.4%	17.5%	-8.8%
Age 45-54	955	1,075	15.6%	15.8%	12.6%
Age 55-64	960	1,245	15.7%	18.2%	29.7%
Age 65-74	875	995	14.3%	14.6%	13.7%
Age 75-84	370	540	6.1%	7.9%	45.9%
Age 85 and over	115	160	1.9%	2.3%	39.1%
Total	6,110	6,825	100.0%	100.0%	11.7%

Source: Statistics Canada 2001 & 2006

Compared to Collingwood, the County of Grey and the Province; the Town of The Blue Mountain's proportion of people aged over 50 is much higher. As illustrated in Figure 2, most dramatic is the proportion of population aged 60-69, which comprises 17% of the population in the Town of The Blue Mountains, but less than 12% in the County of Grey and the Town of Collingwood, and less than 9% in the Province. Furthermore, 46% of the Town's permanent population is aged between 50 and 79, compared to 36% in Collingwood and Grey County, and 28% in the Province.

Figure 2. Proportion of Population by Age Group, 2006



At a local level, the age make-up of the four local areas up to age 60 is proportionate to their overall proportion of population. However, the Escarpment and Georgian Bay areas have proportionally much higher portions of the population aged between 60 and 80. Over age 80, the Primary Settlement Area of Thornbury has a significantly higher proportion. This follows the notion that retirees and empty nesters prefer to live in an outdoor setting, close to recreational amenities, but as they age and become less mobile, they move to more urban areas where services and amenities are more accessible.

4.2 Housing

The total number of residential units in the Town of The Blue Mountains as of 2006 was over 5,600 units, representing an increase of roughly 250 units, or 4.6%, from 2001. The percentage increase is equal to the average increase in the County of Grey, but less than Meaford and the Town of Collingwood. Furthermore, the percentage increase in total housing units falls well below the percentage increase in population (11.6%) over the same time period. In considering this, two factors should be understood:

1. The number of housing units does not include commercial resort units, such as those constructed in Intrawest’s “Village at Blue Mountain”; and,
2. Secondly, relating to the difference in population and housing growth rates is the large number of existing secondary/seasonal homes in the Town that have, and continue to be, converted to permanent or primary residences. Therefore, a portion of the permanent population increase was able to be accommodated in pre-existing dwellings. This also largely explains how the growth in permanent dwellings between 2001 and 2006 was higher than the growth in total dwellings. Since the number of total dwellings includes permanent and non-permanent dwellings, it should hypothetically be greater or at least equal to the growth of permanent units.

Residential housing units in the Town of The Blue Mountains can be split into two categories, those that are occupied by permanent residents, and those that are seasonal/secondary dwellings.

A considerable portion of the Town's existing housing stock is occupied as secondary/seasonal dwellings, primarily in the form of lakefront cottages, ski chalets and recreational farms. Slightly more than half of all units in the Town are permanently occupied, or are primary residences, compared to almost 79% in Collingwood, 84% in the County of Grey and 92% in the province.

This trend however is shifting as the percentage of total units that are permanently occupied in the Town is increasing. In fact, between 2001 and 2006 the percentage of units that were permanently occupied increased dramatically, from 48.1% to 52.3%. This increase, which is expected to continue, is largely a result of empty nesters or retirees, some of whom have been seasonal residents, settling within the community on a full time basis.

Table 3.

Total Dwellings and Private Occupied Dwelling Growth, 1996-2006							
				Unit Increase		Percentage Increase	
	1996	2001	2006	1996-06	2001-06	1996-06	2001-06
Town of The Blue Mountains (POD)	2,340	2,585	2,939	599	354	25.6%	13.7%
Town of The Blue Mountains (TD)	-	5,374	5,619	-	245	-	4.6%
<i>Proportion POD/TD</i>		48.1%	52.3%	-	144.5%		
Collingwood (POD)	6,095	6,575	7,426	1,331	851	21.8%	12.9%
Collingwood (TD)		8,515	9,448		933		11.0%
<i>Proportion POD/TD</i>		77.2%	78.6%	-	91.2%		
Meaford (POD)	-	4,190	4,442	-	252	-	6.0%
Meaford (TD)		4,877	5,193		316		6.5%
<i>Proportion POD/TD</i>		85.9%	85.5%	-	79.7%		
Grey County (POD)	-	35,325	37,185	-	1,860	-	5.3%
Grey County (TD)		42,396	44,387		1,991		4.7%
<i>Proportion POD/TD</i>		83.3%	83.8%	-	93.4%		

Source: Statistics Canada

Note: POD = Private Occupied Dwellings, does not include seasonal or non-permanent occupied units

TD = Total Dwellings, includes both permanent and non-permanent occupied dwelling units

4.2.1 Unit Type

Of the permanently occupied housing units in the Town, the vast majority (84%) are low density, single and semi-detached units. This is typical for more rural areas, where from a supply side, land is more readily available and typically cheaper, and from a demand side, low density units are the most sought after form of housing.

Table 4.

Estimated Housing Supply by Type, 2006								
	Single/Semi		Row/Townhome		Apartments		Total	
	Units	Proportion	Units	Proportion	Units	Proportion	Units	Proportion
Town of The Blue Mountains	2,480	84%	240	8%	220	7%	2,940	100%
Collingwood	5,000	68%	705	10%	1,615	22%	7,320	100%
Wasaga Beach	5,935	93%	210	3%	230	4%	6,375	100%
Meaford	3,850	87%	250	6%	340	8%	4,440	100%
Owen Sound	5,335	57%	845	9%	3,205	34%	9,385	100%
Total	22,600	74%	2,250	7%	5,610	18%	30,460	100%

Source: Statistics Canada 2006

As can be seen in Table 4, compared to neighbouring municipalities, the Town of The Blue Mountains is similar to Wasaga Beach and Meaford in terms of unit mix, but differs substantially from Collingwood and Owen Sound. Both Collingwood and Owen Sound have much larger proportions of permanent housing units in higher density formats, with 43% of units in Owen Sound in row or apartment format and 32% in Collingwood, as compared to 15% in the Town of The Blue Mountains.

Collingwood and Owen Sound have much higher proportions of higher density units than the Town of The Blue Mountains for two primary reasons:

- 1) Both are much larger and more mature urban areas, that offer a larger selection of amenities and services, typically necessary to support successful rental and ownership apartment developments; and,
- 2) Both act as regional centres, with greater employment opportunities, therefore attracting a larger cross-section of individuals and families, with varying incomes.

Moving forward, one of the challenges for the Town of The Blue Mountains will be to increase residential densities and to provide a larger selection of denser unit types, while at the same time maintaining the Town's unique, small-town feel, especially in comparison to Collingwood.

4.2.2 Geographic Distribution

The local geographic distribution of permanently occupied housing units is largely concentrated in the Primary Settlement Area of Thornbury-Clarksburg, whereas the concentration of non-permanently occupied units is concentrated in the recreational/tourism areas of The Escarpment and Georgian Bay, combined accounting for over 75% of non-permanently occupied units. The Georgian Bay area has the largest concentration of combined total units, accounting for almost 32% of the Town's total housing supply.

As Table 5 demonstrates, permanently occupied units in the Rural and Georgian Bay areas are almost entirely dominated by single-detached units. In Thornbury-Clarksburg and the Escarpment, low density units are still the dominant form of housing, but there are larger concentrations of medium and high density units. Data relating to non-permanent households by unit type is not available, although the majority of non-permanent housing would be in single detached and row format, with limited apartment units. It should be noted that commercial resort units, such as the large number of units at the base of Blue Mountain, are not included in the count of non-permanent or permanent households, due to their ownership structure.

Table 5.

Existing Household Distribution, Town of The Blue Mountains 2006/2008									
	Total Households - 2008	% of Local Area	% of Town by Unit Type	Permanently Occupied Households - 2006	% of Local Area	% of Town by Unit Type	Non- Permanent Households - 2006 & 2008	% of Local Area	% of Town by Unit Type
Grey County	44,400			37,185			7,215		
Town of The Blue Mountains	5,659			2,939			2,720		
Thornbury-Clarksburg	1,335	NA	23.6%	1,000	100.0%	34.0%	335	NA	12.3%
<i>Single-Semis</i>	NA	NA	NA	720	72.0%	29.1%	NA	NA	NA
<i>Row/Townhomes</i>	NA	NA	NA	165	16.5%	70.2%	NA	NA	NA
<i>Apartments</i>	NA	NA	NA	115	11.5%	51.1%	NA	NA	NA
The Escarpment	1,661	NA	29.4%	535	100.0%	18.2%	1,126	NA	41.4%
<i>Single-Semis</i>	NA	NA	NA	425	79.4%	17.2%	NA	NA	NA
<i>Row/Townhomes</i>	NA	NA	NA	50	9.3%	21.3%	NA	NA	NA
<i>Apartments</i>	NA	NA	NA	60	11.2%	26.7%	NA	NA	NA
Georgian Bay	1,792	NA	31.7%	840	100.0%	28.6%	952	NA	35.0%
<i>Single-Semis</i>	NA	NA	NA	780	92.9%	31.5%	NA	NA	NA
<i>Row/Townhomes</i>	NA	NA	NA	20	2.4%	8.5%	NA	NA	NA
<i>Apartments</i>	NA	NA	NA	40	4.8%	17.8%	NA	NA	NA
Rural	871	NA	15.4%	560	100.0%	19.1%	311	NA	11.4%
<i>Single-Semis</i>	NA	NA	NA	550	98.2%	22.2%	NA	NA	NA
<i>Row/Townhomes</i>	NA	NA	NA	-	0.0%	0.0%	NA	NA	NA
<i>Apartments</i>	NA	NA	NA	10	1.8%	4.4%	NA	NA	NA

Note: Totals may not add due to rounding

Source: Census Canada 2006, special run

4.2.3 Rental vs. Ownership

The vast majority of permanent housing units in the Town are owned, comprising 84.3% of all units, up from 81.8% in 2001. This increase is due not only to an increase in housing supply, but also due to a decrease in the number of rented units. That is, between 2001 and 2006 in the Town of The Blue Mountains, no new rental units were constructed, and approximately 10 units were either converted to ownership format or were demolished.

The proportion of households that own is much higher in the Town of The Blue Mountains compared to Collingwood and most other municipalities in Grey County. The high rate of ownership is due largely to the attractiveness of the community to affluent seasonal and permanent residents. However, despite the demand, especially from lower income groups including young people entering the work force, there are few rental housing choices within the Town. This is due, again, to the high cost of land and construction and the relatively modest market rental rates, making “for sale” housing more attractive to developers.

Table 6.

Owned Vs. Rented					
	Owned		Rented		Total Units
	Units	%	Units	%	
Town of The Blue Mountains 2006	2,470	84.3%	460	15.7%	2,930
Town of The Blue Mountains 2001	2,115	81.8%	470	18.2%	2,585
Town of Collingwood 2006	5,270	72.0%	2,045	28.0%	7,315
Town of Collingwood 2001	4,660	70.9%	1,915	29.1%	6,575
Meaford 2006	3,695	83.1%	750	16.9%	4,445
Meaford 2001	1,355	68.3%	630	31.7%	1,985
Grey County 2006	29,155	78.4%	8,025	21.6%	37,180
Grey County 2001	27,280	77.2%	8,045	22.8%	35,325

Source: Statistic Canada: Census 2006 & 2001

At the local level, the majority (55%) of all rented units are located in Thornbury-Clarksburg, with the remaining rental stock split between the three other areas.

4.2.4 Household Composition & Size

As of 2006, the average number of persons per unit (ppu) in the Town was 2.32, slightly lower than the ppu in Collingwood and much lower than the County of Grey and Town of Meaford.

Household sizes are declining in the vast majority of municipalities in Ontario, including the Town of The Blue Mountains. There are many reasons for declining ppu's in the Town and surrounding municipalities: an aging population; the propensity for couples to wait longer to have children; couples having fewer children; the out-migration of families; and, increased personal/household wealth, making it easier for first-time home buyers and seniors to live independently and own their own home.

Table 7.

Average Household Size (PPU)- 1996-2006				
	1996	2001	2006	1996-2006
Town of The Blue Mountains	2.42	2.37	2.32	- 0.10
Collingwood	2.56	2.44	2.36	- 0.20
Meaford	2.36	2.28	2.46	0.10
Grey County	NA	2.52	2.49	NA

Source: Statistics Canada 1996, 2001 & 2006

In the Town of The Blue Mountains, the smaller household size is primarily a result of the aging population and migration. The majority of those already living in the Town and those moving into the Town are older individuals and couples, whose children no longer reside in the family house. The majority of those migrating out of the Town are younger individuals and families likely in search of higher paying employment opportunities.

As the following table shows, the vast majority of private households in the Town are one and two person households. While this is also true for surrounding municipalities, the proportion of households with more than two persons is higher in these municipalities, which not only explains their larger household sizes but also demonstrates that municipalities such as Collingwood and

Owen Sound, which likely have a more diversified range of employment opportunities, have been more successful in attracting and retaining families. The proportion of households with 3 or more persons in Collingwood is 33.3% and 35.4% in the County of Grey, compared to only 29.9% in the Town of The Blue Mountains.

Table 8.

Private Households by Number of Persons per Household, 2006										
	Grey County		Town of The Blue Mountains		Meaford		Owen Sound		Collingwood	
	Units	%	Units	%	Units	%	Units	%	Units	%
Private households	37,170		2,940		4,440		9,380		7,315	
1 person	9,390	25.3%	790	26.9%	1,010	22.7%	3,175	33.8%	2,220	30.3%
2 persons	14,680	39.5%	1,280	43.5%	1,930	43.5%	3,275	34.9%	2,685	36.7%
3 persons	5,090	13.7%	360	12.2%	590	13.3%	1,305	13.9%	1,025	14.0%
4 to 5 persons	7,100	19.1%	465	15.8%	840	18.9%	1,500	16.0%	1,270	17.4%
6 or more persons	900	2.4%	55	1.9%	75	1.7%	125	1.3%	120	1.6%

Source: Statistics Canada 2006

4.3 Employment & Jobs

4.3.1 Employment Distribution

Employment or labour force refers to the occupation of those living in the Town of The Blue Mountains. As of 2006, the Town of The Blue Mountains had a labour force or employment of roughly 3,600, giving it a participation rate (labour force as a percentage of population aged 15 and over) of 61.4%. This participation rate is roughly the same as Collingwood and Owen Sound, but less than Meaford, Grey County and the Province.

As Table 9 shows, the largest employment sectors are Construction; Professional, Scientific & Technical; and, Health Care and Social Assistance, which combined account for almost 32% of employment in the Town. Compared to other municipalities, the Town has a higher employment concentration in Construction; Professional, Scientific & Technical, as well as F.I.R.E. (Finance, Insurance & Real Estate), and, with the exception of Collingwood, in industries related to recreation and tourism. On the other hand, the Town has a much lower concentration of employment in Manufacturing, Retail & Wholesale Trade, and Health Care and Social Assistance.

Table 9.

Labour Force by Major Industry Classification - 2006								
	Grey County		Town of The Blue Mountains		Meaford		Collingwood	
	Labour force	%	Labour force	%	Labour force	%	Labour force	%
Total labour force by industry - NAICS 2002	48,880	100.0%	3,580	100.0%	5,875	100.0%	8,715	100.0%
Industry - Not applicable	515	1.1%	10	0.3%	45	0.8%	60	0.7%
11 Agriculture, forestry, fishing and hunting	3,060	6.3%	175	4.9%	355	6.0%	65	0.7%
21 Mining and oil and gas extraction	120	0.2%	20	0.6%	10	0.2%	-	0.0%
22 Utilities	555	1.1%	10	0.3%	45	0.8%	35	0.4%
23 Construction	4,180	8.6%	455	12.7%	580	9.9%	695	8.0%
31-33 Manufacturing	7,695	15.7%	265	7.4%	735	12.5%	1,155	13.3%
41 Wholesale trade	1,355	2.8%	95	2.7%	85	1.4%	280	3.2%
44-45 Retail trade	5,835	11.9%	285	8.0%	700	11.9%	1,110	12.7%
48-49 Transportation and warehousing	1,715	3.5%	85	2.4%	140	2.4%	195	2.2%
51 Information and cultural industries	820	1.7%	75	2.1%	65	1.1%	150	1.7%
52 Finance and insurance	1,155	2.4%	135	3.8%	150	2.6%	205	2.4%
53 Real estate and rental and leasing	785	1.6%	175	4.9%	145	2.5%	245	2.8%
54 Professional, scientific and technical services	2,175	4.4%	355	9.9%	195	3.3%	540	6.2%
55 Management of companies and enterprises	35	0.1%	10	0.3%	-	0.0%	20	0.2%
56 Administrative and support	2,090	4.3%	170	4.7%	255	4.3%	450	5.2%
61 Educational services	2,575	5.3%	260	7.3%	340	5.8%	565	6.5%
62 Health care and social assistance	5,685	11.6%	325	9.1%	740	12.6%	795	9.1%
71 Arts, entertainment and recreation	1,210	2.5%	150	4.2%	230	3.9%	270	3.1%
72 Accommodation and food services	3,220	6.6%	320	8.9%	460	7.8%	1,205	13.8%
81 Other services (except public administration)	2,360	4.8%	115	3.2%	260	4.4%	425	4.9%
91 Public administration	1,720	3.5%	100	2.8%	330	5.6%	235	2.7%

Source: Statistics Canada 2006

4.3.2 Jobs – Place of Work

Employment/labour force, as discussed in the previous section, refers to the occupation of the Town's residents. Jobs, on the other hand, refer to the jobs actually located in the Town, regardless of who performs them. For economic development, lifestyle and municipal revenue purposes, it is desirable to have as many, if not more, jobs than employment in a municipality, and an activity rate (jobs/population) of roughly 40% or higher.

As of 2006, there were roughly 3,550 jobs located in the Town of The Blue Mountains, giving the Town an activity rate of almost 52%, higher than the majority of rural/suburban municipalities in the Province. The Town's activity rate is much higher than the County of Grey's, at 41% and the Town of Meaford's at 29%, and comparable to Collingwood's at roughly 53%.

There is almost the exact same number of jobs in the Town as there is employment. Typically, this is an enviable position to be in, with the majority of rural/suburban municipalities in Ontario having much higher levels of employment than actual jobs. For instance, the County of Grey has approximately 11,000 fewer jobs than employment, hinting to the fact that the County is a net exporter of employment, with a large portion of its resident population commuting outside of the County to work. The opposite is true for Collingwood, which has roughly 500 more jobs than employment, making it a net importer of employment.

However, as Table 10 shows, the type of jobs located in the Town differ significantly from the jobs in which its residents are employed. There exists a disconnect between the number of jobs, mostly in lower paying industries, such as Accommodation, Food Services, and Recreation (as highlighted), and the number of people living in the Town employed in such sectors. On the other hand, there are significantly more people in the Town employed in higher paying jobs, such as F.I.R.E., Professional, Scientific and Technical Services, Construction, and Healthcare, than there are jobs in the same sector located in the Town. This provides evidence that:

- 1) While the Town of The Blue Mountain has a good number of jobs relevant to its population, they are generally mostly non-professional and lower paying; and,
- 2) Despite having almost the same number of jobs as employment, a large portion of the Town's active labour force commutes to other municipalities for work, especially for higher paying jobs, or works from home.

Table 10.

Jobs Located in the Town of The Blue Mountains, by Industry, 2006				
	Town of The Blue Mountains			
	Employment	% of Total	Jobs	% of Total
11,21,22 Agriculture/resource-based/Utilities	215	6.0%	220	6.2%
23 Construction	455	12.7%	315	8.9%
31-33 Manufacturing	265	7.4%	290	8.2%
41 Wholesale trade	95	2.6%	75	2.1%
44-45 Retail trade	285	7.9%	305	8.6%
48-49 Transportation and warehousing	85	2.4%	30	0.8%
51 Information and cultural industries	75	2.1%	85	2.4%
51 -53 Finance, insurance and Real estate	310	8.6%	170	4.8%
54 Professional, scientific and technical services	355	9.9%	195	5.5%
55 Management of companies and enterprises	10	0.3%	-	0.0%
56 Administrative and support	170	4.7%	175	4.9%
61 Educational services	260	7.2%	170	4.8%
62 Health care and social assistance	325	9.1%	90	2.5%
71 Arts, entertainment and recreation	150	4.2%	245	6.9%
72 Accommodation and food services	320	8.9%	985	27.7%
81 Other services (except public administration)	115	3.2%	100	2.8%
91 Public administration	100	2.8%	100	2.8%
Total	3,590	100.0%	3,550	100.0%

Source: Statistics Canada, Census Special Run

Table 11 shows the commuting flows of jobs for the Town of The Blue Mountains. *Place of work* refers the place of work of those that physically work in the Town of The Blue Mountains, while *place of residence* refers to where residents of the Town work. Hypothetically the total place of work should be equal to the number of jobs in the Town, while total place of residence should be equal to employment in the Town. This is not the case for a variety of reasons, including; the data does not include work from home statistics (which could be significant), the data does not indicate flows of less than 20 people, and it does not include people that are in the labour force but are not employed.

Despite the lack of conformity, the data does provide some insight as to the origins and destinations of people working and living in the Town. As a percentage of commuters, there are far more people commuting to Collingwood from the Town than are commuting to the Town from Collingwood. On the opposite side, there is a large number of people that work in the Town but that live in Meaford, Clearview, Grey Highlands, Wasaga Beach and Owen Sound, but very few that live in the Town and work in these same municipalities.

While there are numerous other factors involved, at a very high level, it can be concluded that there is a large number of people working in the Town that for social or economic reasons are unable to reside in the Town, despite it being their place of work, and instead are living in numerous other surrounding municipalities. This, in part, is likely related to the lack of affordable housing choices in the Town.

Table 11.

Work Commuting Flow, Town of The Blue Mountains, 2006				
	Place of Work		Place of Residence	
		%		%
Town of The Blue Mountains	840	30.9%	840	42.5%
Collingwood	635	23.4%	665	33.7%
Toronto	35	1.3%	200	10.1%
Meaford	495	18.2%	135	6.8%
Clearview	245	9.0%	80	4.1%
Grey Highlands	170	6.3%	55	2.8%
Wasaga Beach	145	5.3%	-	0.0%
Owen Sound	75	2.8%	-	0.0%
Tiny	30	1.1%	-	0.0%
Barrie	25	0.9%	-	0.0%
Hamilton	20	0.7%	-	0.0%
Total	2,715	100.0%	1,975	100.0%

Source: Statistic Canada: Census 2006, Special Run

4.3.3 Income

The average personal income in the Town of The Blue Mountains is almost \$41,100, while the median personal income is roughly \$27,500, representing a 26% increase from the median income of \$21,800 in 2001. As can be seen from the table below, the average and median personal incomes of individuals living in the Town of The Blue Mountains are considerably higher than in surrounding municipalities, as well as the Province. As the breakdown of population by income shows, the Town has a much larger percentage of people in the higher income brackets. In fact, almost one quarter of the Town earns over \$50,000, compared to 16.7% in Meaford, 17.2% in the County of Grey and 19% in Collingwood.

Table 12.

Individual Incomes, Population 15 Years and Over, 2006								
	Grey County		Town of The Blue Mountains		Meaford		Collingwood	
	Individuals	%	Individuals	%	Individuals	%	Individuals	%
Without income	2,690	3.6%	145	2.5%	320	3.5%	485	3.4%
Under \$10,000	15,015	19.8%	955	16.4%	1,815	19.6%	2,565	18.0%
\$1,000 to \$2,999	2,370		145		255		340	
\$3,000 to \$4,999	2,565		210		335		430	
\$5,000 to \$6,999	2,610		115		385		460	
\$7,000 to \$9,999	4,835		285		520		830	
\$10,000 to \$11,999	3,540	4.7%	335	5.7%	395	4.3%	485	3.4%
\$12,000 to \$14,999	4,615	6.1%	335	5.7%	635	6.9%	1,040	7.3%
\$15,000 to \$19,999	7,990	10.6%	630	10.8%	930	10.1%	1,700	12.0%
\$20,000 to \$24,999	6,700	8.9%	465	8.0%	820	8.9%	1,290	9.1%
\$25,000 to \$29,999	5,655	7.5%	295	5.1%	825	8.9%	870	6.1%
\$30,000 to \$34,999	5,375	7.1%	425	7.3%	600	6.5%	1,025	7.2%
\$35,000 to \$39,999	4,590	6.1%	290	5.0%	480	5.2%	915	6.4%
\$40,000 to \$44,999	3,655	4.8%	305	5.2%	510	5.5%	640	4.5%
\$45,000 to \$49,999	2,895	3.8%	230	3.9%	355	3.8%	515	3.6%
\$50,000 to \$59,999	4,450	5.9%	365	6.3%	540	5.8%	690	4.9%
\$60,000 and over	8,525	11.3%	1,055	18.1%	1,010	10.9%	2,005	14.1%
Total	75,695	100%	5,835	100%	9,245	100%	14,215	100%
Median income \$	\$ 23,914		\$ 27,538		\$ 24,175		\$ 24,139	
Average income \$	\$ 31,917		\$ 41,088		\$ 31,863		\$ 36,563	

Source: Statistics Canada, 2006

Note: The number of people with incomes is not the same as the number of people employed/labour force, a large number of people, primarily retired earn an income through government transfers, pensions, etc., but are not part of the labour force

Household income levels in the Town of The Blue Mountains are also similarly high. The 2006 average household income was almost \$80,000 and the median almost \$59,100, representing an increase of roughly 24% from the 2001 median household income of \$47,800. Compared to neighbouring municipalities, the Town's median and average household incomes are considerably higher and are similar to provincial levels. The proportion of households in higher income brackets is much larger in the Town of The Blue Mountains. In fact, only 25% of households in Grey County, Meaford and Collingwood have incomes over \$80,000, compared to almost 35% in the Town.

Table 13.

Pre-Tax Household Incomes 2005								
Household Income Ranges	Grey County		Town of The Blue Mountains		Meaford		Collingwood	
	Households	%	Households	%	Households	%	Households	%
Under \$10,000	1,400	3.8%	110	3.8%	170	3.8%	270	3.7%
\$10,000 to \$19,999	4,290	11.5%	305	10.4%	445	10.0%	885	12.1%
\$20,000 to \$29,999	4,410	11.9%	290	9.9%	515	11.6%	730	10.0%
\$30,000 to \$39,999	4,460	12.0%	295	10.1%	505	11.4%	970	13.3%
\$40,000 to \$49,999	4,050	10.9%	245	8.4%	530	11.9%	875	12.0%
\$50,000 to \$59,999	3,670	9.9%	235	8.0%	485	10.9%	675	9.2%
\$60,000 to \$69,999	3,045	8.2%	210	7.2%	375	8.4%	595	8.1%
\$70,000 to \$79,999	2,660	7.2%	220	7.5%	305	6.9%	485	6.6%
\$80,000 to \$89,999	2,105	5.7%	180	6.2%	315	7.1%	335	4.6%
\$90,000 to \$99,999	1,495	4.0%	165	5.6%	145	3.3%	345	4.7%
\$100,000 and over	5,590	15.0%	670	22.9%	650	14.6%	1150	15.7%
Total	37,175	100%	2,925	100%	4,440	100%	7,315	100%
Median household income	\$49,912		\$59,061		\$ 51,634		\$ 48,839	
Average household income	\$62,546		\$79,691		\$ 63,478		\$ 68,479	

Source: Statistic Canada: Census 2006

At the local level (Table 14), the Primary Settlement Area of Thornbury-Clarksburg has by far the lowest average and median individual and household incomes, with the Escarpment and Georgian Bay area's having much higher incomes. The most dramatic difference is in average household incomes, where the Escarpment and Georgian Bay are roughly 40% higher than those of Thornbury-Clarksburg. This is not surprising, for the following reasons:

- 1) The average cost of housing is much lower in Thornbury;
- 2) Thornbury has the majority of the Town's rental housing stock; and,
- 3) Due to the range of services available and the concentration of lower paying jobs, Thornbury is much more attractive to those with lower incomes.

Table 14.

Local Pre-Tax Incomes 2005				
	Thornbury-Clarksburg	The Escarpment	Georgian Bay	Rural
Median Individual income	\$ 24,898	\$ 34,215	\$ 31,482	\$ 28,419
Average Individual income	\$ 35,261	\$ 48,673	\$ 52,044	\$ 34,453
Median household income	\$ 49,846	\$ 70,037	\$ 74,692	\$ 61,567
Average household income	\$ 66,620	\$ 94,177	\$ 96,363	\$ 72,882

Source: Statistic Canada: Census 2006, Special Run

One final analysis of income is to compare the incomes of those people that work in the Town of The Blue Mountains to the incomes of individuals that reside in the Town. As the following table shows, the incomes of those people working in the Town of The Blue Mountains is just over \$28,000, much lower than the incomes of those that live in the Town, which in 2006 was \$41,100.

As already discussed, this is related to the fact that the majority of jobs located in the Town are lower paying and, as a result, a large portion of the Town's population commutes to other municipalities to work, primarily in higher paying jobs. Only 12.2% of people that work in the Town earn over \$50,000 annually, as opposed to 24.4% of the resident population.

As can be seen, the average income of jobs located in the Town is much lower than the incomes of jobs located in Collingwood and the County as a whole. The average income of a job in the Town is \$28,100 compared to \$37,100 in Collingwood and \$31,200 in the County. This speaks directly to the types of jobs located in Town compared to Collingwood and the rest of the County. Furthermore, unlike the Town of The Blue Mountains, the incomes of jobs and residents (labour force) in Collingwood and Grey County are very similar, eluding to the fact that the type of jobs located in these municipalities are similar to the jobs in which their residents are employed.

Table 15.

Income Groups by Place of Work vs. Place of Residence, 2006												
	Town of The Blue Mountains				Collingwood				Grey County			
	Jobs	%	Resident	%	Jobs	%	Resident	%	Jobs	%	Resident	%
Less than \$10,000	865	24.4%	955	16.4%	1,630	17.6%	2,565	18.0%	8,610	22.9%	15,015	19.8%
\$10,000 - \$19,999	675	19.0%	1,300	22.3%	1,520	16.5%	3,225	22.7%	5,895	15.7%	16,145	21.3%
\$20,000 - \$29,999	500	14.1%	760	13.0%	1,310	14.2%	2,160	15.2%	6,035	16.0%	12,355	16.3%
\$30,000 - \$39,999	460	13.0%	715	12.3%	1,250	13.5%	1,940	13.6%	5,435	14.5%	9,965	13.2%
\$40,000 - \$49,999	370	10.4%	535	9.2%	925	10.0%	1,155	8.1%	3,530	9.4%	6,550	8.7%
\$50,000 - \$59,999	150	4.2%	365	6.3%	630	6.8%	690	4.9%	2,060	5.5%	4,450	5.9%
\$60,000 +	285	8.0%	1,055	18.1%	1,535	16.6%	2,005	14.1%	4,155	11.0%	8,525	11.3%
Total - With Income	3,305	93.2%	5,685	97.5%	8,800	95.2%	13,740	96.6%	35,720	95.0%	73,005	96.4%
Without Income	240	6.8%	145	2.5%	440	4.8%	485	3.4%	1,885	5.0%	2,690	3.6%
TOTAL	3,545	100%	5,830	100%	9,240	100%	14,225	100%	37,605	100%	75,695	100%
Average Income	\$28,100		\$41,100		\$37,100		\$36,600		\$31,200		\$31,917	

Source: Statistics Canada 2006, Special Run

Note: The number of people with incomes is not the same as the number of people in a municipal labour force. A number of people, primarily retired, that live in a certain municipality earn an income through government transfers, pensions, etc., but are not part of the labour force.

Both the Town's comparably lower job income level and the difference in incomes between jobs and residents in the Town can only effectively be remedied through aggressive economic development initiatives that result in higher paying jobs being attracted to the Town. As part of the Town's Integrated Community Sustainability Plan, the Town is currently preparing an economic development strategy that will work towards addressing these issues.

5.0 HOUSING MARKET

The housing market in the Town of The Blue Mountains can be split into two distinct categories: permanent and seasonal. The permanent housing market is dominated by lower density formats, with limited row/townhomes and apartments, and is centred predominately in the community of Thornbury-Clarksburg and along the Highway 26 corridor in the Escarpment and Georgian Bay areas. The principal buyer groups are empty-nesters and retirees from throughout Southern Ontario, attracted to the area for its natural beauty and numerous recreational opportunities, while still having relatively easy access to a range of services and conveniences, primarily located in Collingwood and to a lesser degree in Thornbury and Meaford.

The seasonal housing market is also dominated by lower density formats of housing, but with a greater amount of row/townhomes and condominium apartments, including commercial resort units (CRUs). The seasonal housing market is almost entirely centred on the Niagara Escarpment and the shores of Georgian Bay, predominately at the eastern edge of the Town. The principal buyer groups are affluent couples and families, as well as empty-nesters that buy properties under the premise that it will become their permanent residence upon retirement.

Like all residential real estate markets, the housing market in the Town of The Blue Mountains has been negatively impacted by the current economic downturn, with building permit activity, sales volumes and in some cases prices, significantly decreasing since 2008. However, the seasonal market, due to its discretionary nature, has been harder hit than the permanent market. As of late-2009 both markets were beginning to show signs of recovery.

5.1 Recent Development Activity

Between 2000 and 2008, the Town of The Blue Mountains averaged roughly 250 new residential building permits a year, compared to roughly 230 in the Town of Collingwood. However, the majority of building permits in the Town were for seasonal/non-permanent dwellings, where as a much larger portion in Collingwood were for permanent dwelling units.

Furthermore, as Table 16 demonstrates, in more recent years, development activity in Collingwood has been much stronger than in the Town of The Blue Mountains, with the difference entirely attributable to medium and higher density units serving both permanent and non-permanent buyer groups. Within the Town, the majority of building permit activity, for all unit types, has been for non-permanent residences primarily located in the Escarpment and Georgian Bay areas.

Table 16.

Town of The Blue Mountains, Building Permit Activity 2003-2009 YTD								
	Single/Semi		Row/Townhomes		Apartments		Total	
	Permits	%	Permits	%	Permits	%		
2006	253	75.3%	59	17.6%	24	7.1%	336	
2007	102	61.4%	40	24.1%	24	14.5%	166	
2008	91	84.3%	17	15.7%	-	0.0%	108	
2009 YTD	36	72.0%	14	28.0%	-	0.0%	50	
Total 2006-2009YTD	482	73.0%	130	19.7%	48	7.3%	660	
Average Annual 2006-08	149	73.1%	39	19.0%	16	7.9%	203	
Collingwood Average Annual 2006-08	149	53.0%	82	29.1%	50	17.9%	281	

Source: NBLC and Town of The Blue Mountains

In keeping with the character of the Town's existing housing stock and with some of the policies contained within its Official Plan, recent development activity in the Town of The Blue Mountains has been dominated by lower density units. However, there has been a recent move towards medium density units; representing almost 20% of building permits issued since 2006.

5.2 New Home Market Activity

There are numerous actively marketing residential developments in the Town of The Blue Mountains, as well as in nearby Collingwood. As outlined in Table 17 on the following page, there are at least 11 active developments in the Town, accounting for roughly 600 total units. The developments are spread between the Primary Settlement Area of Thornbury-Clarksburg and the Tourism/Recreation areas of the Escarpment and Georgian Bay.

The two most dominant unit types are: singles, largely in bungalow format, appealing to older age groups; and, row/townhomes, also appealing to older age groups, as well as younger families for use as permanent or non-permanent/seasonal dwellings. The majority of units are currently being marketed as permanent residences, with only those located in Craigleith actively being marketed as seasonal dwellings. Prices currently range from the high \$200,000s for apartments and townhomes in the village of Thornbury, to well over \$1.0 million for large detached homes in the Lora Bay, Camperdown and Craigleith areas.

Sales volumes at all of the developments were strong leading up to 2008, but have since declined significantly as a result of buyer apprehension due to the recent recessionary economic climate. However, sales at the low to mid price range continue to be relatively strong, especially at developments that are attractive to both permanent and seasonal buyer groups.

Compared to Collingwood, new residential developments in the Town of The Blue Mountains are quite different. There is a much larger selection of new homes in Collingwood, not only in terms of the number of developments and units available, but also in terms of unit types and price-points. The product available in Collingwood ranges from small condominium apartment units and smaller townhomes to suburban style single detached homes, with most units priced below \$500,000. Like the Town of The Blue Mountains, Collingwood also attracts both permanent and seasonal buyers; however, the cross-section of buyers within these groups is much broader, due primarily to the range of product available, the broader range of local amenities and services, and greater affordability.

Table 17.

Active Residential Development Projects, Town of The Blue Mountains & Collingwood									
Project Name	Developer	Location	Area	Product Type	Total Units	Total Sales	% Sold	Launch Date	Price Range (Remaining Inventory)
Edgewater Phase 2	Realty One RockPoint Construction	TBM	Craigleith	Row/Townhomes	6	1	16%	2009	\$599,000-\$640,500
Far Hill Phase 1 (West Side)	Siljon Developments	TBM	Thornbury	Townhomes/Apartments	34	11	32%	2006	\$379,000-\$459,000 Towns
Georgian Glen	Sorichetti	TBM	Camperdown	Detached Bungalows	36	0	0%	2007	\$498,900-\$579,900
Keepers Cove	Reids Heritage Homes	TBM	Lora Bay	Detached Bungalows	27	3	11%	2007	\$310,000-\$410,000
Lora Bay Phase 3	Lora Bay Corp	TBM	Lora Bay	Villas and Single Detached	137	43	31%	2008	\$450,000-\$1,000,000
Mill Pond Homes	Design QuorumInc.	TBM	Thornbury	Freehold Towns	10	3	30%	2007-08	\$299,000-\$399,000
Peaks Meadows	Sorichetti Alliance Homes	TBM	Camperdown	Detached Bungalows	45	17	37%	2005	\$537,900-\$875,900 (base)
Trailheads Phase 1	MacPherson	TBM	Lora Bay	Single/Semi/Row	130	101	78%	December 2007	\$446,000 - 1.5 million
Trailwood's Phase 1	Trailwoods Corporation	TBM	Lora Bay	Single Detached	72	8	11%	2008	\$450,000-\$1,000,000
Willow Creek at Blue	Royalton Homes	TBM	Craigleith	Townhouses	Two Phases (27 Total)	Phase I - 5/12 Remaining; Phase II - Launch TBA	58%	August 2008	\$299,900 - \$369,900
Woodlands	Sierra Building Group	TBM	Craigleith	Semi-Towns	72	54	75%	2003	389,000 - 549,000
Blue Shores	Kaitlin Group	Collingwood	Central	Detached/Bungalow	Four Phases (201 Total)	Phases I-III Sold Out; Phase IV - 19/70 Remaining 30 SOLD OUT	91%	November 2002	\$268,490 - \$393,490
Boardwalk	Lakeview Homes	Collingwood	West	Bungalow/Townhouses	30	(3 yr time period to sell out)	100%	2004	\$319,000 - 525,000
Collingwood Greens	Firstview Homes	Collingwood	West	Detached Townhouse	One Phase (75 Total)	Sold Out	100%	June 2005	\$295,000 - \$386,000
Creekside	Devonleigh	Collingwood	West	Singles/Semis/Towns	Two Phases (273 Total)	Phase I & 2 - 205 Sold	75%	July 2007	\$205,900 - \$324,900
Georgian Meadows	Sherwood Homes	Collingwood	West	Detached/Bungalow/Two St	Phase 3 & 4 = 175	160		2006	230,000 - 340,000
Heights of Collingwood	Regency Heights Homes	Collingwood	Central	Towns		Not Yet Launched			
Lakeside Point	Eden Oak	Collingwood	East	Bungalow/Two-Storey Detac	One Phase (68 Total)	32 Sold	50%	May 2007	\$254,900 - \$373,900
Mair Mills Estates	Carandale Homes	Collingwood	West	Detached/Bungalow	73	30	41%	April 2007	\$365,000-\$470,000
Mountain Trails	BrandyLane Homes	Collingwood	West	Stacked Towns	136 (Phase 1/40 units)	Currently Revising Plans	0%	September 2009	\$300,000+
Mountaincroft	Grandview Homes	Collingwood	West	Singles/Bungalows	Five Phases; 2 Phases Released (90 Total)	Phase I - 30/60 Remaining; Phase II - July 2009 Launch	33%	June 2008	\$250,000 - \$436,000
Silver Glen Preserve	Sherwood Homes	Collingwood	West	Singles/Bungalows/Two-Sto	Two Phases (90 Total)	Phase I - 20 Sold; Phase II - Launch TBA	30%	September 2006	\$229,000 - \$379,500
Tanglewood at Cranberry Trail	Sierra Building Group	Collingwood	West	Bungatowns/Towns	119	Phases I & II	75%	June 2009	199,000 - 529,000
The Shipyards	Fram/Slokker	Collingwood	Central	Bungaloffs/Apartment Cond	Two Phases	Phase I - 110 Sold; Phase II - Launch TBA	80%	July 2004	\$300,000 - \$934,900

Source: NBLC & Jones Consulting Ltd.

The permanent buyers in Collingwood are largely comprised of empty-nesters and retirees, but also include a large component of younger individuals and families, who work in the region and/or whose children attend school in Town. It is likely that the broad range of new home prices and unit types in Collingwood, as well as the presence of primary and secondary schools, a good range of retail services and the hospital, are some of the most significant reasons for the lack of younger individuals and families choosing to live and remain in the Town of The Blue Mountains. Additionally, due to the presence of a hospital and a greater selection of services and amenities, Collingwood has also been successful in attracting the older age groups (75+), primarily living in condominium apartments, retirement homes and assisted living developments.

5.3 Resale Market

The resale residential market is also split between permanent and non-permanent residences; however there is no data available that distinguishes between the two. As a result, all resale data presented is comprised of both unit types.

Resale market information can be split between the two primary ownership formats; freehold and condominium. The estimated year-end 2009 number of freehold resales in the Town, which does include some new units, is 140 units, with an average price of \$446,000. This represents more than a 10% drop in sales volume since 2006, but an almost 10% increase in price (although there has been a decrease in average price from 2007).

Most important however, is the difference in the average resale price of homes in the Town compared to the other municipalities included within the Georgian Triangle Real Estate Area. As presented in Table 18, the average resale home price in the Town is almost \$200,000, or 78%, more than in Collingwood and \$175,000, or 65%, higher than in Meaford. The difference in price is largely a result of the predominant size and type of units available in the Town, the access/proximity to numerous recreational/outdoor activities, the exclusivity and prestige associated with many areas in the Town and, as a result, the high market demand from a number of wealthy buyer groups.

Table 18.

MLS Sales, Georgian Triangle, 2006- 2009 YTD										
	2006		2007		2008		2009 Est.		2006-09 % Change	
	Sales	Avg. Price	Sales	Avg. Price	Sales	Avg. Price	Sales	Avg. Price	Sales	Price
Clearview	153	\$ 297,200	166	\$311,400	147	\$278,200	155	\$ 243,200	1.0%	1.0%
Collingwood	269	\$ 233,700	281	\$244,900	247	\$257,300	278	\$ 250,200	3.2%	13.9%
Grey Highlands	76	\$ 278,200	99	\$358,600	75	\$271,500	72	\$ 291,200	-5.3%	25.4%
Meaford	136	\$ 245,100	165	\$257,700	136	\$243,900	110	\$ 271,100	-19.5%	23.6%
Town of The Blue Mountains	157	\$ 405,300	173	\$460,700	122	\$449,400	140	\$ 446,400	-11.1%	9.6%
Wasaga Beach	409	\$ 229,500	494	\$248,400	357	\$253,100	362	\$ 247,500	-11.6%	15.8%
Total/Average	1,200	\$ 279,200	1,378	\$ 288,900	1,084	\$278,900	1,115	\$ 278,100	-11.2%	14.3%

Source: Georgian Triangle Real Estate News, Rich Crouch - Based on MLS Sales Data

Note: MLS sales is primarily comprised of resale units, but does often include sales of new construction units. This is especially true in areas such as Georgian Triangle and in troubled economic/housing markets.

Note: 2009 estimated sales data is based on Jan 2009 to August 2009 YTD sales, with average monthly sales added for remaining 4 months.

There are also dramatic differences in sales volumes and prices within the Town. As the following table shows, the lowest average resale prices within the Town are in Thornbury-Clarksburg, due primarily to it having the greatest range of available unit types, an older housing stock, the broadest range of potential buyer groups and limited buyer competition from the non-permanent/seasonal market. On the other hand, the Lora Bay area and areas close to the major public/private ski resorts have the highest average resale prices, due to the majority of units being large single detached units, the areas' proximity to numerous recreational opportunities, prestige/exclusivity, and resulting higher market demand. Prices in these areas are generally well over \$500,000.

Table 19.

Town of The Blue Moutains - MLS Sales by Local Area, 2006-2009 YTD										
	2006		2007		2008		2009 Est.		2006-09 % Change	
	Sales	Avg. Price	Sales	Avg. Price	Sales	Avg. Price	Sales	Avg. Price	Sales	Price
Blue Mountain Resort Area	NA	NA	NA	NA	30	\$502,400	24	\$ 411,900	NA	NA
Craigeith/Alpine	NA	NA	NA	NA	9	\$388,400	30	\$ 498,600	NA	NA
Georgian Peaks	NA	NA	NA	NA	8	\$435,200	5	\$1,143,300	NA	NA
Blue Mountain East	NA	NA	NA	NA	13	\$406,600	17	\$ 405,100	NA	NA
Blue Mountain West (Lora Bay)	NA	NA	NA	NA	3	\$606,700	5	\$ 584,800	NA	NA
Thornbury/Clarksburg	48	\$ 261,000	43	\$387,800	59	\$410,500	60	\$ 382,800	114.3%	53.2%

Source: Georgian Triangle Real Estate News, Rich Crouch - Based on MLS Sales Data

Note: MLS sales is primarily comprised of resale units, but does often include sales of new construction units. This is especially true in areas such as the Georgian Triangle and in troubled economic/housing markets.

Note: 2009 estimated sales data is based on Jan 2009 to August 2009 YTD sales, with avg. monthly sales added for remaining 4 months.

The estimated year-end 2009 number of condominium resales in the Town, which also includes a large number of new unit sales, is estimated to be 86 units, similar to previous years, with an average sale price of almost \$300,000. Similar to freehold units, the average sale price is considerably more than condominiums in neighbouring municipalities, and while other municipalities have seen a decrease in average condominium sale prices between 2006 and 2009, prices in the Town have increased by almost 40%. This indicates that the Town's condo market is strong, especially compared to other municipalities, and that the majority of available units are likely larger and/or have more market appeal due to their location and/or amenities.

Table 20.

Condominium Sales, Georgian Triangle, 2006 - 2009 YTD										
	2006		2007		2008		2009 Est.		2006-09 % Change	
	Sales	Avg. Price	Sales	Avg. Price	Sales	Avg. Price	Sales	Avg. Price	Sales	Price
Clearview	-	\$ -	-	\$ -	-	\$ -	-	\$ -	NA	NA
Collingwood	220	\$ 213,000	233	\$201,900	170	\$213,500	194	\$ 213,200	-12.0%	0.1%
Grey Highlands	-	\$ -	-	\$ -	-	\$ -	-	\$ -	NA	NA
Meaford	6	\$ 145,300	16	\$167,600	8	\$169,400	-	\$ -	NA	NA
Town of The Blue Mountains	84	\$ 215,100	84	\$223,600	77	\$223,600	86	\$ 296,900	1.8%	38.0%
Wasaga Beach	15	\$ 171,600	9	\$171,300	5	\$173,200	9	\$ 154,200	-40.0%	-10.1%
Total/Average	325	\$ 195,900	342	\$ 202,000	260	\$ 207,200	288	\$ 263,800	-11.4%	34.7%

Source: Georgian Triangle Real Estate News, Rich Crouch - Based on MLS Sales Data

Note: MLS condominium sales data in areas such as the Georgian Triangle includes a large number of new and resale units.

Note: 2009 estimated sales data is based on Jan 2009 to August 2009 YTD sales, with average monthly sales added for

Condominium sales at the local level are less telling, as only Thornbury-Clarksburg and the Craigleith area have sales volumes of any significance. The nature of these two markets is very different. The Craigleith condominium market consists of all unit types and is largely comprised of non-permanent/seasonal buyers and investors, with many units (Intrawest) including ownership agreements that require mandatory inclusion in rental programs. The condominium market in Thornbury-Clarksburg, on the other hand, consists mostly of apartments and townhomes, geared towards older, permanent buyers.

Table 21.

Town of The Blue Moutains - Condominium Sales by Local Area, 2006-2009YTD										
	2006		2007		2008		2009 Est.		2006-09 % Change	
	Sales	Avg. Price	Sales	Avg. Price	Sales	Avg. Price	Sales	Avg. Price	Sales	Price
Blue Mountain Resort Area	59	\$ 243,600	52	\$220,800	52	\$218,200	56	\$ 199,200	-5.9%	-18.2%
Craigleith/Alpine	NA	NA	NA	NA	2	\$256,000	9	\$ 380,200	NA	NA
Georgian Peaks	NA	NA	NA	NA	0	\$ -	2	\$ 365,000	NA	NA
Blue Mountains East	NA	NA	NA	NA	0	\$ -	0	\$ -	NA	NA
Blue Mountains West (Lora Bay)	NA	NA	NA	NA	0	\$ -	0	\$ -	NA	NA
Thornbury/Clarksburg	25	\$ 186,600	32	\$226,500	23	\$196,600	20	\$ 239,200	-22.0%	28.2%

Source: Georgian Triangle Real Estate News, Rich Crouch - Based on MLS Sales Data

Note: MLS condominium sales data in areas such as the Georgian Triangle includes a large number of new and resale units.

Note: 2009 estimated sales data is based on Jan 2009 to August 2009 YTD sales, with avg. monthly sales added for remaining 4 months.

Discounting the Craigleith condominium market as largely unavailable or unsuitable for permanent use, the condominium market in Thornbury-Clarksburg, with average prices in the low \$200,000s represents by far the cheapest form of all ownership housing in the Town of The Blue Mountains.

5.4 Estimated Housing Values

There are two methods in which to estimate the value range of the existing housing stock in the Town; assessment data and Statistics Canada census data. In the case of census data, the values are dated and based purely on owner estimations. Property assessments are prepared by the Municipal Property Assessment Corporation (MPAC) and are based on the features of a property and neighbourhood sales data. MPAC does not account for the quality of the home, its finishes or updates. Given that neither of these methods can accurately estimate the market value of housing in the Town, we examine housing values using both sets of data.

5.4.1 2006 Census

The following two tables present the 2006 estimated value of all permanently occupied dwellings, split into value groups and unit type. While the estimated home values are somewhat unreliable due to their source (home owners) and the outdated nature of the data, the tables provide further evidence of the dramatic difference in homes values between the Town and neighbouring municipalities. As of 2006, almost 40% of homes in the Town were estimated to be worth over \$400,000, compared to 12.8% in Collingwood and 13.4% in Meaford. Furthermore, only 6.9% of homes in the Town are estimated to be worth less than \$150,000, compared to 13.3% in Collingwood and 16.4% in Meaford.

Table 22.

Estimated Value of Dwellings, Census 2006						
	Town of Blue Mountains		Collingwood		Meaford	
	Total	%	Total	%	Total	%
Under \$50,000	30	1.3%	50	0.9%	55	1.6%
\$50,000 - \$99,999	55	2.3%	45	0.9%	95	2.7%
\$100,000 - \$149,999	80	3.3%	605	11.5%	425	12.0%
\$150,000 - \$199,999	265	11.1%	1,410	26.8%	895	25.3%
\$200,000 - \$249,999	250	10.5%	1,025	19.5%	545	15.4%
\$250,000 - \$299,999	290	12.1%	595	11.3%	555	15.7%
\$300,000 - \$349,999	290	12.1%	515	9.8%	290	8.2%
\$350,000 - \$399,999	180	7.5%	350	6.6%	205	5.8%
\$400,000 - \$499,999	275	11.5%	295	5.6%	185	5.2%
\$500,000 - \$749,999	440	18.4%	230	4.4%	185	5.2%
\$750,000 +	235	9.8%	145	2.8%	105	3.0%
Total/Average	2,390	100%	5,265	100%	3,540	100%
Average Value of Dwelling	\$406,800		\$274,200		\$261,400	
Median Value of Dwelling	\$324,000		\$214,500		\$210,500	

Source: 2006 Census

Note: Home values are estimated by home owner, and are therefore likely not entirely accurate.

Note: Does not match private dwelling count due to omission of certain unit types.

Interestingly, as Table 23 suggests, the majority of lower valued homes are single/semi-detached; with apartments comprising only 12% of units valued under \$150,000, primarily as a result of the small total number of apartment units in the Town. In general, single and semi-detached homes comprise the high value range, townhomes the mid-range and apartments the low and high-range.

Table 23.

Value of Dwellings by Unit Type, Town of The Blue Mountains, 2006							
Value of Dwelling	Single & Semi-Detached		Row/Townhouse	Apartment	Other	Total Number of Units	% of Total units
	Under \$50,000	30	-	-	-	-	30
\$50,000-\$99,999	45	-	-	10	-	55	2%
\$100,000-\$149,999	35	35	-	10	-	80	3%
\$150,000-\$199,999	200	60	-	10	-	270	11%
\$200,000-\$249,999	225	25	-	-	-	250	10%
\$250,000-\$299,999	290	-	-	-	-	290	12%
\$300,000-\$399,999	430	30	-	-	-	460	19%
\$400,000-\$499,999	270	-	-	10	-	280	12%
Over \$500,000	640	-	-	30	-	670	28%
Total	2,165	150	70	-	-	2,385	100%
Average Value of Dwelling	\$406,800						
Median Value of Dwelling	\$324,000						

Source: Statistics Canada, Census Special Run

Note: Home values are estimated by home owner, and are therefore likely not entirely accurate.

Note: Does not match private dwelling count due to omission of certain unit types, including rental un.

At a local level, the lowest estimated housing values are in Thornbury-Clarksburg, estimated at roughly \$280,000, with the Escarpment, Georgian Bay and Rural areas all having average estimated homes values around \$450,000.

5.4.2 2010 Property Assessment

Using 2010 property tax assessment data, a similar pattern emerges. The average assessed value of all units in the Town is \$347,000, with a median value of \$312,000. Interestingly, seasonal/non-permanent unit values in the Town are higher than permanent unit values, with an average value of \$390,000 and a median value of \$352,000, while the average assessed value of permanent units is \$309,000 and a median value of \$271,000. It should be noted that one of the main reasons for the low assessed values of permanent units is the inclusion of various farm property types, which are assessed only on the value of the residential structure, not the land.

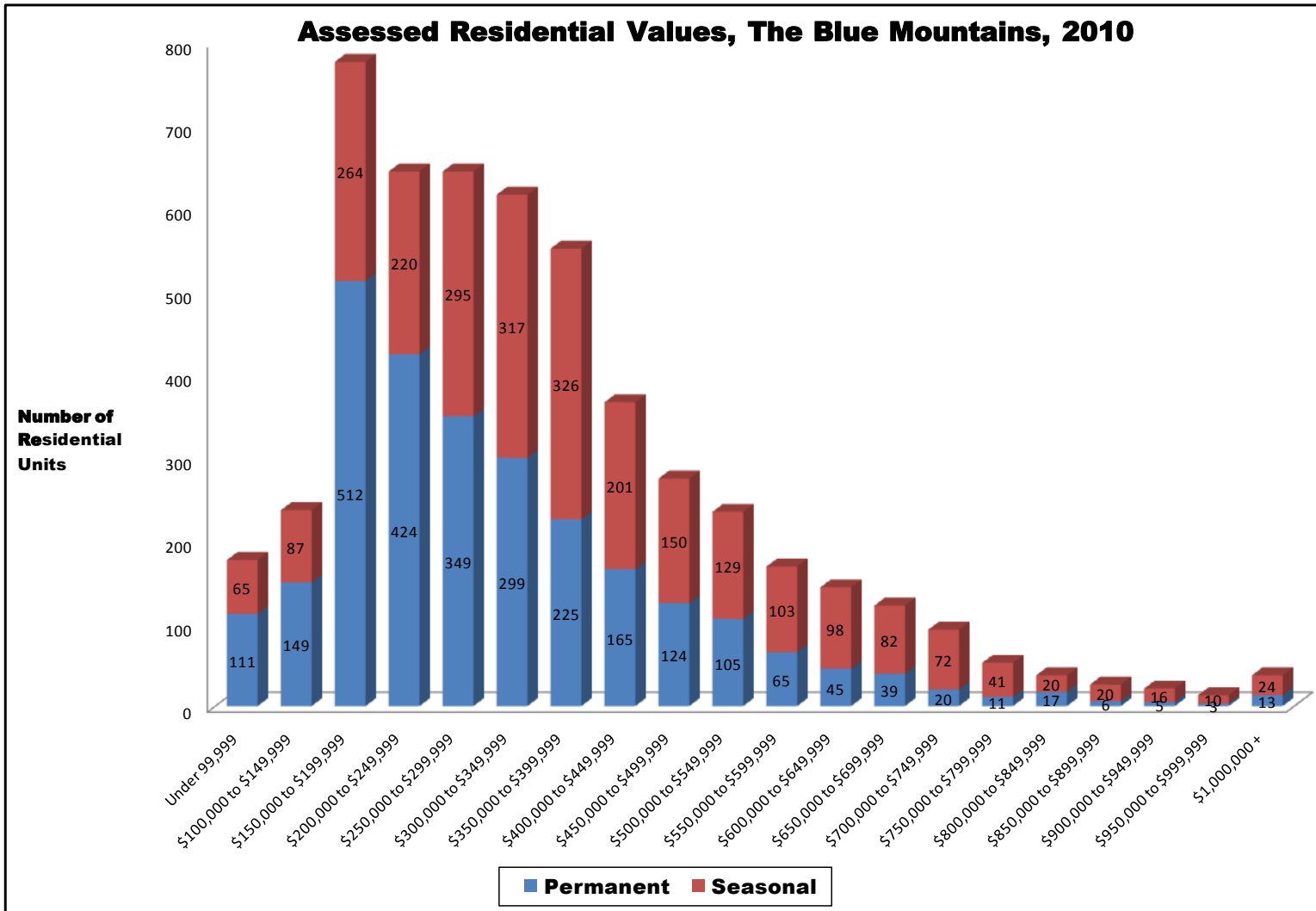
Table 24 and the graph on the following page illustrate the composition of the Town's housing stock by assessed value, with permanent and non-permanent units following a similar trend. The bulk of both unit types are assessed at between \$150,000 and \$400,000, with the largest portion of permanent units valued between \$150,000 and \$200,000 and the largest portion of seasonal units valued between \$350,000 and \$400,000. For both unit types, the average and median values are reflective of the bulk of respective unit types.

Table 24.

Number of Units by Assessed Residential Value, The Blue Mountains, 2010			
Assessed Value	Permanent	Seasonal	Total
Under 99,999	111	65	176
\$100,000 to \$149,999	149	87	236
\$150,000 to \$199,999	512	264	776
\$200,000 to \$249,999	424	220	644
\$250,000 to \$299,999	349	295	644
\$300,000 to \$349,999	299	317	616
\$350,000 to \$399,999	225	326	551
\$400,000 to \$449,999	165	201	366
\$450,000 to \$499,999	124	150	274
\$500,000 to \$549,999	105	129	234
\$550,000 to \$599,999	65	103	168
\$600,000 to \$649,999	45	98	143
\$650,000 to \$699,999	39	82	121
\$700,000 to \$749,999	20	72	92
\$750,000 to \$799,999	11	41	52
\$800,000 to \$849,999	17	20	37
\$850,000 to \$899,999	6	20	26
\$900,000 to \$949,999	5	16	21
\$950,000 to \$999,999	3	10	13
\$1,000,000 +	13	24	37
TOTAL	2,687	2,540	5,227

Source: Town of The Blue Mountains

Figure 3. Assessed Residential Property Values, 2010.



Source: Town of The Blue Mountains

5.5 Rental Market

Recent CMHC data covering the Town of The Blue Mountains rental market is not available; however data is available for Collingwood, Meaford and Owen Sound. The table below provides an overview of the purpose built rental units in these and other proximate areas. As can be seen, the number of vacant rental units in Collingwood decreased between April 2007 and April 2009, with the vacancy rate decreasing 40% over the same time, to 2.2%. The vacancy rates in Meaford and Owen Sound, on the other hand, have increased over the same time period.

Table 25.

Private Rental Row and Apartments - Vacancy Rates, April 2007-2009												
	Universe				Vacant Units				Vacancy Rate			
	2007	2008	2009	% Change	2007	2008	2009	% Change	2007	2008	2009	Change
Collingwood CA	589	588	559	-5.1%	22	14	12	-45.5%	3.8%	2.5%	2.2%	-42.1%
Meaford MU	NA	241	250	3.7%	NA	5	11	120.0%	NA	2.8%	4.1%	46.4%
Owen Sound CA	1,793	1,764	1,772	-1.2%	27	41	96	255.6%	1.5%	2.3%	5.4%	260.0%
Gravenhurst T	225	228	251	11.6%	9	2	6	-33.3%	4.2%	1.2%	2.2%	-47.6%
Barrie CMA	3,678	3,690	3,746	1.8%	153	134	163	6.5%	4.2%	3.6%	4.3%	2.4%

Source: Canada Mortgage and Housing Corporation

Based on 2006 census data, the average rent in the Town of The Blue Mountains was about \$850, more than average rents in surrounding municipalities, ranging from \$615 in Owen Sound to about \$810 in Collingwood. Locally, the average rent in Thornbury-Clarksburg, where the majority of renters are located, was about \$830, with rents in the Escarpment area close to \$1,000. The higher rental rates in the Escarpment area are likely due to the high demand for seasonal rental units close to the ski resorts by both those working on the mountain or by individuals/families renting the units for recreational purposes.

Two other sources were used to estimate current rental rates in the Town and the Region. Based on information provided by the Georgian Triangle Housing Resource Centre and a local newspaper survey, the average monthly rental rates in the Town of The Blue Mountains, as of 2008, ranged from \$720 for a one bedroom apartment to \$1,050 for a 3 bedroom house/condo. As can be seen in Table 26, these rates are relatively similar to rates in other areas in the region.

Table 26.

Regional Average Rental Rates, 2008				
	1 bdrm. Apt.	2 bdrm. Apt.	2 bdrm. House/ condo	3 bdrm. House/ condo
Town of The Blue Mountains	\$ 720	\$ 825	\$ 940	\$ 1,050
Collingwood	\$ 700	\$ 875	\$ 900	\$ 1,000
Meaford	\$ 650	\$ 775	\$ 800	\$ 950
Clearview	\$ 700	\$ 750	\$ 925	\$ 1,015
Wasaga Beach	\$ 650	\$ 875	\$ 875	\$ 975
Average	\$ 685	\$ 820	\$ 890	\$ 1,000

Source: Estimates, based on Georgian Triangle Housing Resource Centre data, and newspaper survey (August 2009).

6.0 HOUSING DEMAND & SUPPLY

6.1 Demand

Recent demand for permanent housing in the Town of The Blue Mountains has been dominated by affluent empty nesters and retirees. Moving forward, the Town will continue to attract this buyer group due its excellent quality of life, natural and cultural amenities and its relatively easy commute to the Greater Toronto Area. However, there is little reason to believe that future demand in the Town by other buyer groups will not continue to be largely stifled for reasons, including the lack of housing affordability and selection. Beyond housing affordability and selection, there are three other broad and significantly inter-related factors that will influence the level and character of future permanent housing demand in the Town: Demographics, Economy, and Regional Competition.

6.1.1 Demographics

Based on the updated County of Grey Official Plan and background growth management strategy (Malone Given Parsons Ltd, April 2008), the population of the Town of The Blue Mountains is forecast to grow by approximately 2,700 people by 2031, to a population of 9,700. There are three factors that will contribute to this forecast growth: natural increase; immigration; and aging. Natural increase (birth rate minus the death rate) in the Town is not expected to change dramatically in the near future, with the local death rate slightly outpacing the birthrate, and will therefore not have a significant impact on future population growth and housing demand. Immigration and aging on the other hand, will.

As of 2006, about 23% of the Town's population was comprised of migrants who had moved to the municipality in the past 5 years. The vast majority had moved from another part of the province, while the remaining were interprovincial or international migrants. This trend is expected to continue. Due to the quality of life, natural setting, relative proximity to major urban areas and numerous outdoor recreation opportunities, the Town is expected to continue to attract a significant number of migrants, predominately from larger urban areas in Southern Ontario. Unless issues of housing affordability are addressed and there is a significant increase in new, higher-paying jobs, the majority of these migrants will continue to be wealthier empty nesters and retirees.

Not only will the majority of people migrating to the Town be older, but the existing population will also continue to age. As already discussed, the Town currently has a comparatively older average age, with a large portion of the population aged over 65. The proportion of the population within this age group will grow as a result of the aging of the existing population. The natural aging of the population and continued in-migration of older age groups will continue to push the average household size (ppu) down, increasing demand for additional residential units.

Not only will the population of "younger" seniors increase, but due to the existing high number of seniors in the Town, the number of "older" seniors, above the age of 75, will also increase. The growing number of "older" seniors will result in increased demand for specific housing types that are suited to such age groups, that is; smaller unit sizes, low maintenance ownership formats, one-storey, and likely offering some level of assistance and potentially nursing care. Currently there exists a very limited supply of such housing, both affordable and market-rate, in the Town, forcing "older" seniors to either move to other municipalities, such as Collingwood, or to live in units that are not suited to their needs. The option to "age-in-place" comfortably should be available to all citizens and is important to the social health of the community.

Barring any municipal efforts to alter current trends, the population of the Town will continue to age due to demographics, the in-migration of empty nesters and retirees, and the out-migration of younger people seeking employment opportunities in larger urban centres. This current trend is recognized by the Town as undesirable, and in conjuncture with economic development and housing affordability policies and programs, it is possible that the trend can be reversed, not only lowering the average age of the population, but also increasing the total future population of the Town.

6.1.2 Economy

Employment and housing growth are directly linked. Simply put, the more confident individuals feel about their existing jobs or job prospects, and incomes, the more likely they are to purchase a home and start families.

Despite recent recessionary economic conditions, the long-term economic outlook for Southern Ontario is relatively positive, with overall employment increasing. Despite the positive outlook for the economy, the forecast number of additional jobs to be located in the County of Grey is somewhat limited 5,800 by 2031, with the Town of The Blue Mountains expected to attract 700 additional jobs¹, the majority of which will likely continue to be in lower paying and service-oriented sectors. These forecast future job prospects in the Town are in-line with recent trends and are a result of the Town's; limited forecast population growth, comprised mostly of older individuals and couples, its focus on tourism, and strong competition from other municipalities in area also looking to attract new employers.

However, there are two positive economic influences that may have an impact on the Town. The first is that job growth in Collingwood and the rest of Simcoe County and Barrie is expected to be very strong, with 70,000 additional jobs forecast by 2031 for Simcoe County, including the cities of Barrie and Orillia. Collingwood alone is expected to experience employment growth of 4,800 between 2006 and 2031. As it has in the past, the forecast employment growth in Collingwood and the rest of Simcoe County, as well as the rest of the Greater Golden Horseshoe, will continue to drive permanent and non-permanent housing demand in the Town of The Blue Mountains. These jobs, located outside of the Town, are primarily responsible for the level of employment and the relatively high personal and household incomes levels in the Town.

Based on current trends, future job growth in the Town is expected to be limited. However, new initiatives, such as the Town's on-going economic development strategy, Community Improvement Plan and this housing needs study, will result in policies and programs intended to create and foster well paying jobs, which in turn will have a direct impact on housing demand and housing affordability in the Town. This will encourage new families to settle within the community and help promote better and more sustainable live-work opportunities.

¹ *Grey County Growth Management Strategy: Growth Allocations and Issues Report*, Malone Given Parsons Ltd., April 2008.
Housing Needs Study
The Town of The Blue Mountains
August 2010

6.1.3 Competition

Possibly the most significant factor affecting future housing demand in the Town of The Blue Mountains is competition from other proximate municipalities. That is, like the Town of The Blue Mountains, the majority of neighbouring municipalities are also trying to attract new permanent residents/households of various ages, family sizes and income levels.

In order to attract the desired population growth, especially younger individuals and families, the Town of The Blue Mountains must compete with municipalities such as Collingwood, Meaford, Owen Sound, Wasaga Beach, and even Barrie and Orillia. A large portion of future home buyers in the Georgian Triangle district are flexible in the location in which they choose to settle, and base their location choices on a number of variables, including: cost of housing, selection of housing types, range of local and community services and amenities; employment opportunities; schools; hospitals; and, recreation opportunities.

As our analysis has revealed, with the exception of recreation opportunities, the Town of The Blue Mountains has a distinct competitive disadvantage in virtually all of these factors. Past housing growth in the Town was fuelled mostly by those attracted to the recreation opportunities and by those in the age and/or income level where the majority of other variables are of less concern, i.e. retired, no children, high incomes or large savings.

Neighbouring municipalities, such as Collingwood, on top of much of what Blue Mountains offers, have more affordable housing choices, better job opportunities, local junior and high schools, hospitals, established neighbourhoods, and a range of services/amenities, all of which are characteristics that appeal to a variety of buyer groups, especially younger individuals and families.

If the Town of The Blue Mountains is to successfully compete, it must become more competitive in these other variables. As mentioned, increased housing affordability and selection as well as economic development initiatives, will go a long way to increasing the Town's regional competitiveness. With further investment in community facilities and amenities, as well as community cohesion and programming, the Town will increasingly be viewed as an attractive alternative to municipalities such as Collingwood, Barrie and Meaford.

6.1.4 Unit Forecasts

The *County of Grey Growth Management Strategy: Allocations and Issues Report* forecasts permanent population growth for the Town between 2006 and 2031 to be approximately 2,700 people, moving from a total permanent population of 7,000 to 9,700.

Permanent residential unit growth for the Town is forecast to be approximately 1,300 units between 2006 and 2031, for a total of approximately 4,200 units. There is also forecast growth of an additional 4,700 seasonal units over the same time period, for a combined total residential unit growth of 6,000 units.

The County growth management report did not include estimates of the number of household units by unit type. However, based on the Town's existing housing stock, as well as recent development permit activity and development applications, NBLC produced a household forecast for the Town, by unit type, for 2006 to 2031, summarized in table 27.

Based on current trends, single and semi-detached formats will account for almost 69% of growth, with row units accounting for 22% of growth and apartments 10%. While this does represent a large increase in medium and higher density units, the vast majority of growth will continue to be in low density units.

The move towards medium density housing is expected to largely be the result of an increase in demand for more affordable housing options, the aging of the population, the depletion of developable lands (especially in high demand areas - waterfront and downtown Thornbury), and changing consumer preferences. While there is likely to be some increase in the demand for apartment units, the increase is expected to be muted due primarily to the rural/recreational nature of the Town, the local market preference for ground related housing, the regional dominance of the Collingwood apartment market, and the limited amount and concentration of services and amenities seen as critical to successful high density development in the Town.

Table 27.

Town of The Blue Mountains Forecast Permanent Units by Type, 2006-2031							
	2006	2011	2016	2021	2026	2031	Growth 2006-31
Single/Semi	2,480	2,699	2,841	3,047	3,181	3,376	896
Row	240	297	337	402	448	520	280
Apartment	220	244	262	292	312	345	125
Total Households	2,900	3,200	3,400	3,700	3,900	4,200	1,300
% Single/Semi	85.5%	84.3%	83.6%	82.3%	81.6%	80.4%	68.9%
% Row	8.3%	9.3%	9.9%	10.9%	11.5%	12.4%	21.5%
% Apartment	7.6%	7.6%	7.7%	7.9%	8.0%	8.2%	9.6%
Total Households	100%	100%	100%	100%	100%	100%	100%

Source: Grey County Growth Management Strategy, Allocations and Issues Report (April 2008) & NBLC

Note: Totals may not add due to rounding

However, based on the policies of the Province and the County, as well as the principles of the Town's Integrated Community Sustainability Plan and on the desire to increase the supply and selection of more affordable units, future housing growth in the Town should be directed towards more dense forms. Through the application of various policies and programs, many of which are outlined in this report, the Town should work towards achieving housing growth, by type; similar to what is outlined in Table 28 below, which would challenge the community to decrease low density development from a forecast of 68.9% to less than 60% of new growth between 2006 and 2031. The table suggest that to achieve this, the percentage growth of row homes would have to increase from 21.5% to 26.8% and apartments from 9.6% to 14.3%.

Table 28.

Town of The Blue Mountains Forecast Permanent Units by Type, 2006-2031							
	2006	2011	2016	2021	2026	2031	Growth 2006-31
Single/Semi	2,480	2,690	2,820	3,000	3,108	3,246	766
Row	240	300	348	429	489	588	348
Apartment	220	250	272	311	343	406	186
Total Households	2,900	3,200	3,400	3,700	3,900	4,200	1,300
% Single/Semi	85.5%	84.1%	82.9%	81.1%	79.7%	77.3%	58.9%
% Row	8.3%	9.4%	10.2%	11.6%	12.5%	14.0%	26.8%
% Apartment	7.6%	7.8%	8.0%	8.4%	8.8%	9.7%	14.3%
Total Households	100%	100%	100%	100%	100%	100%	100%

Source: Grey County Growth Management Strategy (April 2008) & NBLC

Note: Totals may not add due to rounding

6.2 Supply

The existing housing supply in the Town, including both permanent and non-permanent units, is currently estimated to be over 9,000 units. This supply is comprised of three primary components; units under application or in the planning process; the potential supply of units on vacant designated residential lands and the potential supply of units achievable through intensification. The supply for each is briefly described below and summarized in Table 29.

- Units Under Application** – There are an estimated 6,500 units in the planning process. The vast majority of these units are low and medium density and are located in the Escarpment and Georgian Bay areas, as well as in Osler and Castle Glen in the Rural area. Almost 70% of this supply is proposed/under review, leaving a very large part of the supply uncertain as to timing and final unit count and mix. While the unit mix of those units proposed/under review is not available, based on those units that are registered and draft approved, as well as the nature of the proposed applications, it can be estimated that roughly 60% of all units under application are low density, with almost 30% medium density and 10% high density.
- Vacant Residential Land, Not Under Application** – It was estimated in the County’s Growth Management background study that there is approximately 530 gross hectares of vacant residential land within the Town’s settlement areas, of which less than 10% is located in Thornbury-Clarksburg, with the remainder located in the three other areas. The potential vacant residential land supply is estimated to be 1,620 permanent residential units. While the unit potential by type is not provided, it is likely that the vast majority would be in low and medium density format.
- Intensification** – The County’s growth management report estimated an intensification supply of 910 units, of which 110 units were estimated to be on vacant or under-utilized sites and the remaining 800 the result of the conversion of seasonal units to permanent units. The conversion of seasonal to permanent units was calculated at 1% of existing seasonal units converting per year between 2006 and 2031. The location of this supply

and the unit mix is not provided, but again is likely to be mostly low and medium density, with some high density units on existing vacant or under-utilized lots.

Table 29.

Residential Unit Potential - Town of The Blue Mountains, 2008-2009				
	Single/Semi	Row/Townhome	Apartment	Total
Registered				
Thornbury-Clarksburg		54	24	78
The Escarpment				-
Georgian Bay	258	75		333
Rural				
Total	258	129	24	411
	62.8%	31.4%	5.8%	
Draft Approved				
Thornbury-Clarksburg		78		78
The Escarpment	461	138	495	1,094
Georgian Bay	395	128		523
Rural				
Total	856	344	495	1,695
	50.5%	20.3%	29.2%	
Under Review/Proposed				
Thornbury-Clarksburg				406
The Escarpment				1,428
Georgian Bay				917
Rural				1,684
Total	-	-	-	4,435
	0.0%	0.0%	0.0%	
Vacant Designated Land Not Under Application				
Total	-	-	-	1,620
	0.0%	0.0%	0.0%	
Intensification				
Total	-	-	-	910
	0.0%	0.0%	0.0%	
Total Unit Potential	1,114	473	519	9,071
	12.3%	5.2%	5.7%	

Source: Registered, Draft Approved and Under Review/Proposed based on updated Town of The Blue Mountains Development Summary report (Based on December 2008)

Vacant Designated Land not under application and Intensification are taken from the Grey Growth Management Strategy: Growth Allocation and Issues Report (April 2008)

In order to properly assess the existing supply of permanent residential units in the Town, it is necessary to discount all seasonal units from this supply. Seasonal units were already subtracted from the vacant residential land supply potential, and by their nature, from the intensification potential. Therefore, it was only necessary to eliminate the supply of non-permanent units from the supply of units currently under application. This was done using two main assumptions:

1. The majority of units in Thornbury-Clarksburg are likely to be permanent; and,
2. The units under application in the three other areas are likely split 35% permanent and 65% non-permanent. This percentage split is based on 2006 Census data and was also utilized in the County's background growth management strategy for assessing the potential on vacant designated lands in the Town.

The calculation is summarized in Table 30.

Table 30.

Estimated Supply of Permanent Units - The Blue Mountains		
A	<i>Total Units under Application</i>	6,541
B	<i>Subtract Units under Application Located in Thornbury-Clarksburg</i>	562
C	<i>Remaining Units</i>	5,979
D	<i>Mutiplied by estimated percent of units that are permanent - 35%</i>	2,093
E	Total unit under application that are permanent (B + D)	2,655
F	Permanent unit potential on vacant designated lands	1,620
G	Permanent Units - Intensification	910
H	TOTAL PERMANENT UNIT POTENTIAL (E + F + G)	5,185

Source: NBLC, Town of The Blue Mountains and Grey Growth Management Strategy: Growth Allocation and Issues Report (April 2008)

Therefore, the existing estimated supply of residential units in the Town is 5,185. The vast majority of these units are likely low and medium density. Based on our analysis and the County's background growth management work, approximately 1,300 units are located in Thornbury-Clarksburg, with the majority of the remaining units located in the Escarpment and Georgian Bay areas. Assuming a similar unit split as utilized in the housing unit forecast, the supply of units by type would be approximately 3,580 singles/semis, 1,090 row and 520 apartments.

6.3 Demand vs. Supply

As our analysis of demand and supply confirms, the potential supply of permanent residential units far exceeds forecast housing demand, with an estimated over-supply of almost 3,900 units. Not only is the Town's existing total supply sufficient, but the housing supply at the local level within the Town is also sufficient, with the existing unit supply in just Thornbury-Clarksburg sufficient to meet the entire Town's forecast demand. Furthermore, the Town's estimated unit supply is also sufficient from a unit type perspective, with an estimated over supply of almost 2,700 singles and semis, 800 row/townhomes and 400 apartment units.

However, this analysis is based primarily on current and emerging trends. If the Town is successful in altering these trends, such as attracting younger individuals and families; attracting more and higher paying jobs; increasing local amenities and services; and, ultimately becoming more competitive in the broader region, then the forecast of households would likely require adjusting. Specifically by increasing the percentage of high and medium density units, as well as increasing the overall housing forecast.

7.0 HOUSEHOLD AFFORDABILITY

7.1 Incomes

As previously mentioned, the average household income in the Town of The Blue Mountains is \$79,700 and the median income is \$59,100, both far higher than in neighbouring municipalities.

Table 31 provides a detailed breakdown of household income in the Town, by income percentiles, as well as by housing tenure. As can be seen, the bottom 10th percentile of households in the Town, comprising 290 households, has an income of less than \$16,800, while the bottom 30th, comprising 875 households, have an income of below \$35,000. On the other hand households at or above the 70th percentile, equalling 875 households, have incomes above \$72,600. The top 10th percentile has incomes above \$155,100.

Table 31.

Town of The Blue Mountains, Households by Income Percentiles - Total and Renter Households, 2006								
	Total Households				Renter Households			
	Total	%	Cumulative Total	Cumulative % of Total	Total	%	Cumulative Total	Cumulative % of Total
Total - Households	2,935	100%			465	100%		
10th Percentile (\$16,799 and under)	290	10%	290	10%	110	24%	110	24%
20th Percentile (\$16,800-\$24,875)	285	10%	575	20%	45	10%	155	33%
30th Percentile (\$24,876-\$35,026)	300	10%	875	30%	50	11%	205	44%
40th Percentile (\$35,027-\$46,375)	290	10%	1,165	40%	45	10%	250	54%
50th Percentile (\$46,376-\$59,061)	295	10%	1,460	50%	65	14%	315	68%
60th Percentile (\$59,062-\$72,597)	290	10%	1,750	60%	50	11%	365	78%
70th Percentile (\$72,598-\$88,193)	300	10%	2,050	70%	45	10%	410	88%
80th Percentile (\$88,194-\$108,506)	290	10%	2,340	80%	15	3%	425	91%
90th Percentile (\$108,507-\$155,094)	295	10%	2,635	90%	20	4%	445	96%
100th Percentile (\$155,095 +)	290	10%	2,925	100%	20	4%	465	100%
Average total household income \$	\$ 79,691				\$ 51,031			
Median total household income \$	\$ 59,061				\$ 40,818			

Source: Census Canada 2006, Special Run

Note: Rental household split does not refer to percentiles but does refer to respective percentile incomes. Cumulative % of Totals are more reflective of percentile split for these households.

As is typical in all municipalities, renter households in the Town have considerably lower household incomes than non-renter households. The 2006 average household income of a renter household in the Town was \$51,000, much lower than the average for total households. This is the result of far more owner households being located in the higher income percentiles and far more rental households in the lower percentiles. Only 28% of owner households have incomes of less than \$35,000 compared to 44% of rental households. On the other hand, 33% of owner households have incomes of over \$88,200 compared to only 11% of rental households.

These breakdowns of households by income percentiles are very useful in understanding housing affordability in the Town.

7.2 Ownership Affordability

According to the Province's *Provincial Policy Statement (PPS)*, affordable home ownership is considered to be the less expensive of two scenarios. The following section outlines both of the scenarios and discusses home ownership affordability in the Town within the context of the PPS.

1) Housing for which the purchase price results in annual accommodation costs which do not exceed 30 percent of gross annual household income for low and moderate income households (lowest 60% of income distribution for the regional market area);

Affordability under this scenario was analyzed using our own calculations, as the Ministry of Municipal Affairs and Housing does not provide housing affordability analysis at the local municipal level.

NBLC calculated what the affordable home purchase price would be relative to 30% of estimated 2008 gross annual household income at all income percentiles, as well as in comparison to both the median and average household income percentiles.

The affordable purchase price included a number of assumptions, including: a 5% interest rate amortized over 25 years; 2.75% CMHC mortgage insurance; 5% down payment; existing Blue Mountain property tax rates; and, monthly utility costs of \$200.

Based on these assumptions it was estimated that the average household in the Town in 2008 could afford a home, including associated costs (property tax and utilities), valued at roughly \$290,150. The bottom 30th percentile of houses in the Town could afford houses less than \$110,500 and the bottom 60th percentile at less than \$261,600.

Table 32.

Household Incomes & Affordability, Town of The Blue Mountains, 2008					
	2006 Blue Mountains income levels		Est. 2008 Income levels	Affordable Annual Carrying Cost (30% of income) Affordable Purchase Price	
Median Household Incomes	\$	59,061	\$ 62,615	\$ 18,784	\$ 207,200
Average Household Incomes	\$	79,691	\$ 84,485	\$ 25,346	\$ 290,150
20th Percentile	\$	24,875	\$ 26,371	\$ 7,911	\$ 69,700
30th Percentile	\$	35,026	\$ 37,133	\$ 11,140	\$ 110,500
40th Percentile	\$	46,375	\$ 49,165	\$ 14,749	\$ 156,200
50th Percentile	\$	59,061	\$ 62,614	\$ 18,784	\$ 207,200
60th Percentile	\$	72,597	\$ 76,964	\$ 23,089	\$ 261,600
70th Percentile	\$	88,194	\$ 93,500	\$ 28,050	\$ 324,400
80th Percentile	\$	108,506	\$ 115,034	\$ 34,510	\$ 406,100
90th Percentile	\$	155,095	\$ 164,425	\$ 49,328	\$ 593,400

Source: Statistics Canada 2006 & NBLC

Note: 2008 income levels are calculated on 2006-2008 Ontario inflation rates

These affordable values fall well below the average MLS resale values of both homes and condominiums in the Town of The Blue Mountains. In fact, the average household, roughly between the 60th and 70th percentiles of household incomes, cannot afford the average price of a new/resale condominium in the Town. With an average value of just under \$300,000, this housing type represents the least expensive form of housing in the Town. Based on our analysis, it can be

concluded that people in low to mid income categories will have affordability problems locating within the Town.

The magnitude of the ownership affordability issue in the Town is better understood when the number of households in certain percentiles is compared to the number of households in certain values, as outlined in table 22 in section 3.4.

- The bottom 30th percentile of households, representing 875 households, can afford housing units valued at less than \$110,500. There are only 165 households in the Town in homes valued at under \$150,000. Therefore, hypothetically in 2008, 710 households would have been unable to find a house that they can afford to buy.
- The bottom 60th percentile of households, representing 1,750 households, can afford housing units valued at no more than \$261,600. As of 2006, there was estimated to be only 685 households in homes valued under \$250,000, representing a hypothetical gap of over 1,000 housing units.

Those households that are unable to find a house in which they can afford; either rent, live in affordable/social housing, or live in other alternative living arrangements. Furthermore, it should be noted, a large portion of those households hypothetically unable to afford to own a house based on their household income already own a house, likely by those that purchased well before the estimated value of their home reached existing levels, by those reporting modest annual incomes, but having large amounts of accumulated wealth (retirees and/or seniors), or by those that are unable to afford the home in which they live.

2) Housing for which the purchase price is at least 10% below the average purchase price of a resale unit in the regional market area.

In terms of the second criteria, if the *regional market area* is defined as the area covered by the Georgian Triangle Real Estate Board, which is comprised of north-east Grey County and north-west Simcoe County, an affordable home price would be roughly \$250,300 (\$278,100 – 10%).

Based on this measure, housing in the Town is also considered very unaffordable, with the average house value in the Town estimated at \$406,800 (2006 Census) or \$449,000 (2009 MLS). Like the first measure, there would exist a similar disconnect between the number of households that could afford a unit considered affordable, and the number of actual units.

7.3 Rental Affordability

According to the Province's *Provincial Policy Statement*, affordable rental housing is considered to be the less expensive of two scenarios. The following section outlines both of the scenarios and discusses rental housing affordability in the Town of The Blue Mountains within their context.

1) A unit for which the rent does not exceed 30% of gross annual household income for low and moderate income households (households with incomes in the lowest 60% of income distribution for the market area);

Unlike ownership housing, based on estimated 2008 household incomes, existing rental rates in the Town can be considered generally affordable to most income levels. With an estimated average monthly rental rate of roughly \$875, it appears that only households in the bottom 20th percentile

would have difficulty affording rent. This is also true when factoring in differing unit sizes. Generally, all unit types would be affordable to households in the 30th or higher percentiles.

Table 33.

Household Incomes and Affordable Monthly Rent, Town of The Blue Mountains 2008			
	2006 Town income levels	Est. 2008 Income levels	Estimated 2008 Affordable Monthly Rent
Median Household Incomes	\$ 59,061	\$ 62,615	\$ 1,565
Average Household Incomes	\$ 79,691	\$ 84,485	\$ 2,112
20th Percentile	\$ 24,875	\$ 26,371	\$ 659
30th Percentile	\$ 35,026	\$ 37,133	\$ 928
40th Percentile	\$ 46,375	\$ 49,165	\$ 1,229
50th Percentile	\$ 59,061	\$ 62,614	\$ 1,565
60th Percentile	\$ 72,597	\$ 76,964	\$ 1,924

Source: Statistics Canada & NBLC

Note: 2008 income levels are estimated by applying 2006-2008 inflation rates to the 2006 income levels.

However, looking at overall household incomes overstates affordability in the Town, as the vast majority of households own rather than rent. If the income of only renter households is considered, rental affordability in the Town of The Blue Mountains is much lower. In fact, as outlined in Table 34, using estimated 2008 rental income levels, roughly the bottom 40th percentile of renter households are not able to afford to rent in the Town. Based on this, it is estimated that roughly 200 households in the Town are unable to afford to rent an average rental unit.

Table 34.

Renter Household Incomes and Affordable Monthly Rents, The Town of The Blue Mountains 2008			
	2006 Town Rental Household Income levels	Est. 2008 Town Rental Household Income levels	Est. 2008 Affordable Monthly Rent
Median Household Incomes	\$ 40,818	\$ 43,273	\$ 1,082
Average Household Incomes	\$ 51,031	\$ 54,101	\$ 1,353
Renter Household 20th Percentile	\$ 14,000	\$ 14,842	\$ 371
Renter Household 30th Percentile	\$ 22,610	\$ 23,970	\$ 599
Renter Household 40th Percentile	\$ 31,840	\$ 33,755	\$ 844
Renter Household 50th Percentile	\$ 42,940	\$ 45,523	\$ 1,138
Renter Household 60th Percentile	\$ 52,110	\$ 55,245	\$ 1,381

Source: Statistics Canada & NBLC

Note: 2006 Rental household income levels are estimates based on percentile split values for total households

Note: 2008 income levels are estimated by applying 2006-2008 inflation rates to the 2006 income levels.

Under this definition, rental housing in the Town is affordable to most households that currently own, as well as renter households in the mid to high income percentiles, but is not affordable to renter households in the lower income percentiles, generally below the 40th percentile.

2) A unit for which the rent is at or below the average market rent of a unit in the regional market area.

Similar to home ownership affordability, if the *regional market area* is considered to be the broader region including Collingwood, Meaford, Clearview, Wasaga Beach and the Town of The Blue Mountains, then rental rates in the Town can generally be considered affordable. That is, as Table 25 in Section 3.5 shows, the Town generally has the same rental rates as most other areas in the regional market area.

It should be noted that within the Town of The Blue Mountains, Thornbury-Clarksburg would actually be considered relatively affordable, as it has lower average rental rates than other areas of the Town, as well as many other neighbouring municipalities. On the other hand, the Escarpment area would likely be considered unaffordable, as it has the most expensive rental rates in the Town, well above the regional average rental rates. The unaffordability in the Escarpment area is due to the high demand from resort employees and seasonal or weekly non-permanent visitors.

7.4 Income Growth vs. Housing Affordability

One other measure of affordability for the Town is to compare the increase of household incomes in the Town to the increase in home ownership and rental costs. This measure is to ensure that rental rates and home values are increasing proportionate to household incomes. If rental or home values increase more than household income, then affordability begins (or continues) to erode.

Based on 2001 and 2006 census data, Table 35 compares the median household income of the Town of The Blue Mountains to the average rental rates and owned dwelling values. It should be cautioned that the owned dwelling values are estimates provided by home owners, as reported in census surveys. While the accuracy of these estimates is suspect, the proportional increase in value between census periods is likely still reflective of the actual housing resale market.

Table 35.

Household Income, Average Rent & Value of Dwelling Increase, Town of The Blue Mountains, 2001-06			
	Median Household Income	Average Rent	Average Value of Dwelling
2001	\$ 47,809	\$ 570	\$ 247,300
2006	\$ 59,061	\$ 854	\$ 406,800
Increase 2001-06	\$ 11,252	\$ 284	\$ 159,500
% Increase 2001-06	23.5%	49.8%	64.5%

Source: NBLC and Statistics Canada

The median household income in the Town increased by 23.5% between 2001 and 2006 while rental rates increased by almost 50% and the value of dwellings increased by 64.5%. As a result, it can be concluded that between 2001 and 2006, rental and home ownership affordability in the Town of The Blue Mountains decreased. This erosion of affordability is especially concerning on the ownership side, as ownership housing is already unaffordable to a large proportion of households in the Town. If home values continue to increase at a rate far greater than household incomes, home ownership in the Town is likely to become considerably more constrained.

7.5 Affordability Targets for the Town of The Blue Mountains

Based on the foregoing analysis of housing affordability and the Provincial Policy Statement definition of affordability we have established the following targets for ownership and rental housing in the Town

- As of 2008, an affordable ownership housing price in the Town would be considered as any unit valued under \$250,000; which is equal to a house valued at 10% below the regional average.
- As of 2008, an affordable monthly rental rate in the Town would be considered as any unit renting for under \$840.

The definition for ownership affordability is based entirely on the provincial and county approved definitions of affordability, while the rental affordability definition is defined more aggressively than the provincial and county definition. The more aggressive definition of rental affordability is because overall income in the Town is high relative to rental rates. A more aggressive definition of affordability ensures that “affordable” rental rates stay closer to current values and do not increase significantly. This revised definition of affordable rental will require review and approval at the County level.

8.0 SOCIAL HOUSING

There are 60 social housing units in the Town of The Blue Mountains, located in two apartment buildings in the village of Thornbury. These units are all 1 bedroom units, having all previously been designed for seniors, and are available to adult and senior individuals and couples. All units are owned and operated by Grey County Housing, the housing authority for all former Ontario Housing Corporation units in the County of Grey.

The units are all rental, with rates based on individual household incomes levels. Currently all units are occupied, primarily by individuals in their 40s and 50s, many of which suffer from some form of disability, including alcohol and drug abuse and mental and physical handicaps, and are usually recipients of some other form of social assistance.

The waiting list as of October 2009 consisted of 30 individuals, comprised of 22 single adults and 8 seniors. Based on past turnover rates of roughly 15% to 20% per year, it was estimated by Grey County Housing that the waiting list constitutes a 2 to 2.5 year demand for units. The size of the waiting list and wait time has been steadily increasing in the Town, due to units not turning over as quickly as well as due to increased numbers of people able to afford market rental and ownership housing in the Town.

The Town of The Blue Mountains is recognized as one of the principle target areas for future increased social housing supply in the County, by Grey County Housing. This need is based on: steadily increasing demand, generally in line with population growth; the fact that there are no family units available in the Town; and, that the Town is the least affordable municipality in the County in terms of home ownership and rental rates.

It is likely that demand for social housing units will steadily increase in the Town, as in the past, in line with population growth and an aging population, with the unmet demand either choosing alternative living arrangements until they can be accommodated or relocating to other municipalities, including Collingwood, for social housing.

9.0 ISSUES & OBSERVATIONS

Based on our analysis of relevant planning policies, demographics, housing, employment, income, housing demand and supply, housing affordability and social housing, we have arrived at a number of key observations, all of which have a considerable bearing on the major existing and emerging housing issues and needs in the Town of The Blue Mountains. A detailed list of observations is provided in the following section, split into: town profile, housing market, housing supply & demand, housing affordability and social housing.

9.1 Relevant Planning Policy

- 1) The County of Grey has recently completed an Official Plan review that, among other items, requires local official plans to include policies and designations to implement the County housing policies, including those related to affordable and social housing.
- 2) The existing Town of The Blue Mountains Official Plan does not provide a strategy for assessing and addressing specific housing needs, nor does it adequately acknowledge the limited affordability of housing to low and medium income households.
- 3) The Town's existing Official Plan and implementing Zoning By-laws in some regards perpetuates the status quo in terms of development form and density in the Town.

9.2 Town Profile

- 1) The Town's population has experienced significant growth in recent years, growing at a faster rate than all other municipalities in the County of Grey and the Town of Collingwood.
- 2) The Town's population is aging. The majority of the Town's population growth has been due to the large in-migration of older age groups, generally over the age of 55. This, along with a decrease in the number and proportion of younger age groups, especially between the ages of 25-44, has led to a rapidly aging population, with one of the oldest average ages (51) in the Province.
- 3) Housing growth has been strong in recent years, but has not kept up with population growth. The main reason for this is the conversions of existing seasonal dwellings to permanent use as a large number of seasonal owners choose to retire to the Town of The Blue Mountains.
- 4) The proportion of permanent housing units as a percent of total housing stock is increasing. This is due to the conversion of seasonal units to permanent units, as well as the majority of newly built units being targeted towards, and bought by, permanent buyers.
- 5) The Town's existing permanent housing stock is dominated by low density, single-detached units. There exists a very small number of existing row/townhome and apartment units in the Town, of which the majority are located in Thornbury-Clarksburg. However, recent building permit activity and active development applications show a large shift towards medium density, townhouse units.

- 6) The Town has a very high ratio of home ownership, higher than all other surrounding municipalities, which is surprising considering the high price of housing in the Town. This high rate of home ownership is due to a number of factors, including; a small supply of purpose built rental units in the Town, the age of the resident population, the wealth of the population, and the dominance of the regional rental market by Collingwood.
- 7) The Town has a high rate of employment, with employment growing at the roughly same rate as the population. The primary employment industries are construction, manufacturing, retail trade, professional, scientific & technical, as well as healthcare.
- 8) The number of jobs located in the Town is equal to the Town's employment level. However, the types of jobs that are located in the Town differ significantly from the types of jobs in which residents are employed. The vast majority of jobs in the Town are lower paying; service, tourism and recreational based. The result is that a large portion of residents commute to other municipalities to work, especially for higher paying jobs. Therefore, the income of those working in the Town is much lower than the income of those living in the Town.
- 9) Individual and household incomes in the Town are high, especially compared to neighbouring municipalities.

9.3 Housing Market

- 1) The local housing market is split into two categories; permanent and seasonal.
 - The permanent market is dominated by single detached houses and townhouses, located primarily in Thornbury and the Highway 26 corridor, with empty-nesters and retirees as the primary buyer groups.
 - The seasonal market is also dominated by single detached units, but with a much larger proportion of townhomes and apartments. The seasonal market is centred on the Escarpment and Georgian Bay areas, with couples, families and empty nesters as the main buyer groups.
- 2) Recent development activity has averaged roughly 200 to 250 units per year, with a considerable decline in activity in 2008 and 2009. Development activity is largely split between permanent and non-permanent units, located in Georgian Bay, Escarpment and Thornbury.
- 3) There are a number of active developments in the Town, as well as in Collingwood. The majority of active developments in Town are for single detached and townhouse units, marketed towards both permanent and non-permanent buyers. Prices range from the high \$200,000s for apartments and townhouses, to well over \$1 million for single family homes.
- 4) The Collingwood new home market is larger and broader than the Town of The Blue Mountains market. The Collingwood market offers a greater selection of units, in terms of size, type and pricing, therefore attracting a much broader range of buyer groups, including younger individuals and families.

- 5) The resale housing market in the Town has also slowed in the past 2-3 years in terms of sales volumes, but is still experiencing price increases. The average price of a resale house in the Town in 2009 was \$446,000, with a condominium (apartment or townhouse) just under \$300,000. Resale values in the Town are significantly higher than surrounding municipalities.
- 6) Within the Town, the lowest resale prices, which include permanent and seasonal dwellings, are found in Thornbury, while the highest are found in the Escarpment and Georgian Bay areas.
- 7) Based on 2006 census data, the average value of a residential dwelling in the Town was estimated to be \$406,000, well above other neighbouring municipalities. The estimated value was \$274,000 in Collingwood. However, based on 2010 property tax assessment data, the average value of a permanent home in the Town is roughly \$310,000.
- 8) The Town's rental market is very small. Average monthly rental rate is about \$850, ranging from \$720 for a 1-bedroom unit to over \$1,000 for a 3-bedroom. These rental rates are in-line with surrounding areas, including Collingwood. The cheapest rental rates are again, found in Thornbury, with the highest rental rates in the Escarpment area.

9.4 Housing Demand & Supply

- 1) Beyond housing affordability and selection, there are three principal factors likely to affect future housing demand in the Town of The Blue Mountains.
 - i. Demographics – Including population growth, in-migration and out-migration, and the aging of the population;
 - ii. Economy – Local and regional job growth, and income levels;
 - iii. Regional Competition – The ability of the Town to entice individuals and families to live in the Town, rather than in other areas such as Collingwood, Owen Sound, and Meaford, especially in the face of an aging population, the high cost of housing, poor selection of affordable units, limited high-paying local employment opportunities, and a relative lack of amenities and services.
- 2) It is forecast that between 2006 and 2031, the Town's permanent population will grow by 2,700 people, resulting in 1,300 additional permanent housing units. Based on current and existing trends, NBLC forecasts that of this household growth, roughly 900 units or 69% will be single and semi-detached units, 280 or 22% will be townhomes and 125 or almost 10% will be apartments. In line with building permit activity and active development applications, this represents a significant shift towards medium density units.
- 3) The total housing supply in the Town of The Blue Mountains is estimated at over 9,000 units, of which 6,500 units or 72% are in the planning process. 1,600 units are located on vacant designated land, and over 900 are through intensification. Of this total supply, it is estimated that the supply of permanent residential units will be almost 5,200 units, of which it is estimated that over 3,500 would be single/semi-detached, 1,100 would be townhomes and 520 apartments.
- 4) Based on the forecast demand and supply of permanent units, it can be concluded that there is currently a significant over supply of permanent residential units in the Town, far more than is required to meet the forecast demand to 2031.

- 5) The current oversupply of permanent residential units in the Town is based on forecast demand based mostly on existing and past trends. If the Town is successful in addressing matters related to housing affordability, housing selection, local job growth, and improved community facilities and amenities, the Town will become more competitive in the Region and likely attract greater and broader household population growth. While the supply of units is likely still sufficient to meet future demand, there may exist a shortage of units in some local areas, like Thornbury-Clarksburg, and/or a shortage of certain unit types, such as apartments.

9.5 Housing Affordability

- 1) Using affordability definitions contained in the Provincial Policy Statement, home ownership affordability in the Town is severely constrained. Rental tenure largely meets the technical definition of affordability, but rental supply is very limited.
- 2) Home ownership in the Town today is estimated to be challenging for households with incomes below \$77,000. As of 2006, 1,750 or 60% of households in the Town would have trouble purchasing a home. These households would only be able to afford housing units valued in the neighbourhood of \$260,000. Based on the average price of new and resale houses and condominiums in the Town, as well as the 2006 average estimated home value, there is a limited choice of units available in this price range. In fact, there are estimated to be less than 700 existing homes around this value. As a result, there is a significant shortage of affordable units, based on existing household incomes.
- 3) Based on the first scenario of rental affordability, average rental rates in the Town, regardless of unit type or size, are generally affordable to all but the lowest income households. This is due primarily to the relatively high household incomes in the Town and moderate rental rates. However, when considering only rental households, rental affordability in the Town is much more limited, with renter households in the bottom 40th income percentiles likely unable to afford any rental unit type. This is due primarily to the significantly lower income of renter households in the Town, which are primarily comprised of single individuals with and without children, and seniors.

Under the second scenario, rental affordability does not appear to be a significant issue, due to the average rental rates in the Town compared to other areas in the market. Rental rates in the Town, for all unit types, generally fall within the range of average rental rates in other municipalities, such as Collingwood, Wasaga Beach and Meaford.

- 4) Finally, of significant concern, is that recent household income growth has significantly lagged behind the estimated growth in home values, and to a lesser degree, rental rates. This points to the erosion of housing affordability in the Town, which if sustained, will result in a growing proportion of households unable to afford to purchase or rent a home.

9.6 Social Housing

- 1) There exist 60 social housing units in the Town of The Blue Mountains, all units are: rent-geared-to-income; owned and operated by Grey County Housing; 1-bedroom; and, available to adult and senior singles and couples.

- 2) As of October 2009, all social housing units in the Town were occupied, predominately by single adults in their 40s and 50s, of which most were recipients of social assistance, with many suffering from some social or physical disability.
- 3) The existing demand or waiting list for the units is comprised of 30 people, of whom most are single adults. Based on recent turn-over rate, this represents a demand of roughly 2 to 2.5 years. This level of demand for social housing has been steadily increasing in the Town, and is likely to continue to increase as housing affordability continues to erode and as the population grows and continues to age.

10.0 HOUSING STRATEGY

The Town of The Blue Mountains is located in one of the most geographically unique and diverse areas of the Province, offering exceptional recreational opportunities and a high quality of life for its residents. Generally, residents can enjoy all the benefits of rural/country living, yet with access to services normally only available in larger centres.

The Town's geographic location, selection of outdoor recreation opportunities and overall high quality of life, have resulted in significant growth in the Town, primarily attracting wealthy retirees and empty-nesters, as well as a variety of seasonal household buyer groups.

The Town's success has created a number of challenges, including an increasingly limited number of ownership and rental housing choices for lower and middle income households. As the Town works to develop a future sustainability framework this issue is becoming increasingly apparent as a barrier to improving live-work relationship, age-in-place, and the overall quality of life for residents of the Town. Understanding the challenges of providing affordable housing choices to both existing and future residents is one of the core issues to be addressed in the broader sustainability framework.

Based on our analysis, there are two principle housing needs or objectives in the Town of The Blue Mountains.

- Like the majority of municipalities in Ontario, there exists a need for additional social housing in the Town, specifically targeting those with severe financial constraints and those with physical or mental disabilities; and
- Based on definitions of affordability as determined in this study, there exists an affordable housing need in the Town. Within this affordable housing need, it is necessary to provide a variety of unit types and sizes, throughout the community, with a focus on Thornbury-Clarksburg.

Addressing the need for a greater supply and broader selection of affordable housing in the Town, undertaken in conjuncture with various economic development, planning and community building initiatives, will go a long way to attracting and retaining younger individuals and families and facilitating a more sustainable and competitive community.

In developing a housing strategy, we recommend the following overriding principles be considered:

- The resort area of the Town of The Blue Mountains is unique in Ontario, catering to the needs of vacationing affluent visitors, seasonal residents and empty nesters. However, the lack of community services and conflicts between the lifestyles of visitors and permanent residents make this area less suitable for families. For example, children living in the resort area and attending high school would likely be required to bus to Meaford, rather than Collingwood. Compared to the resort area, Thornbury offers a broader set of community services that are necessary to attract families and younger residents. We suggest that initiatives aimed at developing affordable housing, with the exception of some employee housing and other specifically targeted groups, such as volunteer firefighters, be largely focused within the community of Thornbury.

- Any strategy must work within the capabilities and capacities of the Town of The Blue Mountains.
- Any strategy should leverage the skills and participation of the private sector.
- The strategy should be multi faceted and flexible.
- The strategy must focus on longer term goals and objective. The possibilities for “quick fixes” are limited.
- Any strategy must adequately consider and preserve the uniqueness of the community
- The strategy must almost include public education, especially related to the need and importance of affordable housing in the Town.

The strategy for affordable housing provided can be described in five basic but inter-related steps including;

- establish housing policies, including a sustainability framework, that is designed to achieve long and short term objectives;
- establish a housing delivery structure;
- establish funding mechanisms;
- establish housing programs: and,
- create a five year work program.

10.1 Housing Policy

The Town of The Blue Mountains will need a policy framework within its Official Plan as basis by which to implement its housing program. The follow summarizes key areas that require attention within the Official Plan. Specific policy suggestions are contained in Appendix A.

10.1.1 The Official Plan and the Sustainability Framework

The Town’s existing Official Plan does not provide a strategy for assessing and addressing specific housing needs or adequately acknowledge the limited affordability of housing to low and medium income households, it also contains policies that emphasis low density residential developments and other non-sustainable planning practices.

A core component to the Town’s Housing Strategy and its Official Plan should be a housing Sustainability Framework, that sets broad targets for housing growth by unit mix. As discussed previously, in order to provide more affordable housing choices and to increase the Town’s overall density, an increasing proportion of new units should be in higher density formats, reducing the dominance of large and expensive, single detached units in the Town. Regardless of the level of growth, NBLC recommends that between 2006 & 2031, a target of approximately 40% of all new growth in permanent units constructed in the Town should be in medium and high density format. Medium and high density growth targets have been combined, as from a policy perspective, the objective is to move away from the development low density housing and not be seen as pushing towards one form of higher density housing over another.

Table 36, provides five-year housing growth mix targets for the Town to 2031.

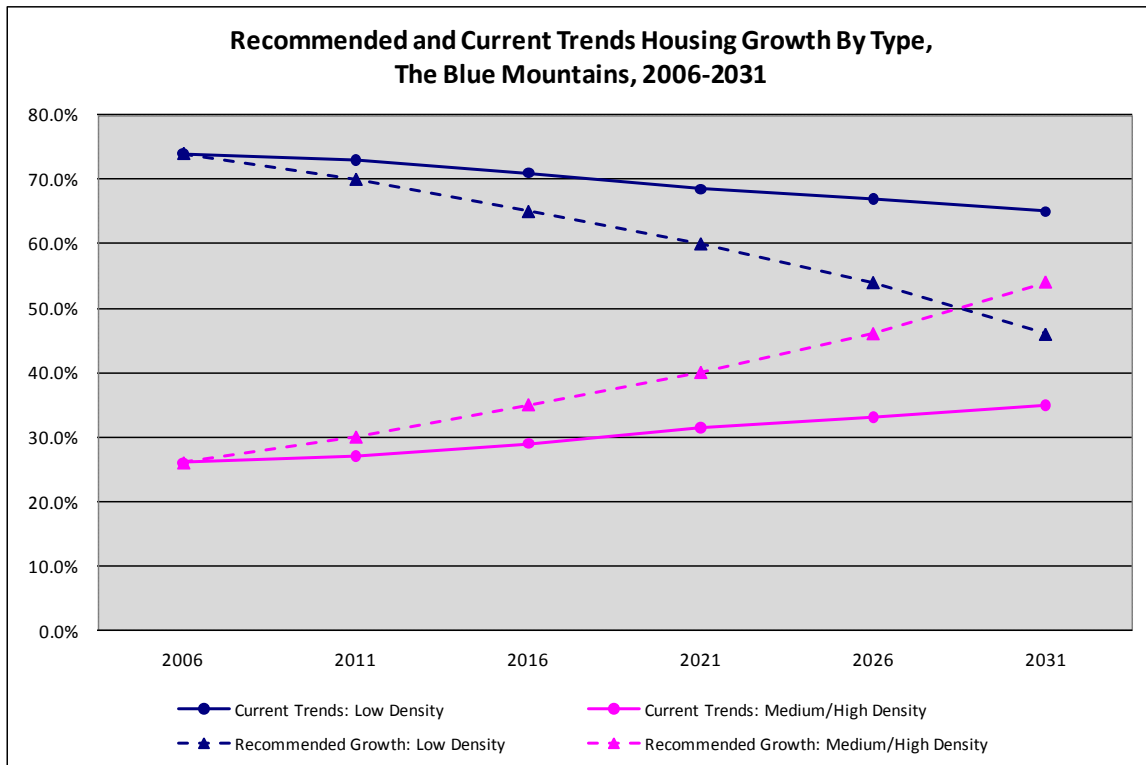
Table 36.

Recommended % Housing Growth by Type, 2006			
	Low Density	Medium & High Density	Total
2006-11	70%	30%	100%
2011-16	65%	35%	100%
2016-21	60%	40%	100%
2021-26	54%	46%	100%
2026-31	46%	54%	100%
Total	59%	41%	100%

Source: NBLC

Based on the unit forecasts outlined in Section 6.1.4, Figure 4, provides an illustration of the likely unit mix of new units in the Town between 2006 and 2031 under current trends (i.e. no policy intervention) and under the recommended housing Sustainability Framework. As can be seen, the recommended unit growth housing mix envisions significantly more medium/high density development in the Town that what is likely to occur under current trends.

Figure 4. Recommended and Current Trends Housing Growth by Type, 2006-2031



Beyond the sustainability framework, there are a number of provisions and policies that will need to be examined during the Official Plan review process, including:

- Ensuring that housing directives clearly support innovative new projects that work towards affordable housing initiatives;

- Direct new growth to serviced settlement areas in order to provide for minimum lot area and lot frontages which promote intensification and greater affordability;
- Implement County directed intensification targets;
- Consider the utilization of density targets for certain areas, targeting primarily larger greenfield sites located in Thornbury-Clarksburg and the Craigleith area;
- Add specific policies that support intensification and infill by way of zoning for higher density uses, apartments in houses and secondary suites;
- Direct that affordable housing be well mixed and integrated into existing communities, and are provided in a variety of unit types and sizes;
- Include provisions that prohibit the conversion of rental units to ownership format (primarily condominium) or the demolition of existing rental units without replacement.
- Include design criteria to ensure that all new residential developments are in keeping with Town's character.
- Specific reference in the Goals and Objectives sections are required
- Section 3.2 should summarize the housing issues and key objectives.
- Section 3.2.5 should make reference to encouraging affordable housing through innovative development forms and unit types
- Section 3.3 Commercial Areas – consider inclusion of wording to encourage upper level residential developments and live-work units in commercial designations.
- Section 3.20(1) Heights. The height of buildings in the Town is limited to 11 metres. This is a major impediment to intensification and affordable housing. Consideration should be given to increasing this to four to five storeys and perhaps higher based on performance criteria.
- Section 3.20 (4). Bonus Heights. Currently bonus density can only be applied to resort commercial uses and special cases as determined by Council. Consideration should be given to increasing the bonus height permitted and applied to broader range of uses.
- Section 4.9, 4.10, 4.11 allow medium density but the permissible density ranges from 2.5 to 10 units per hectare.
- Section 4.12 Residential Infilling R1 only allows detached dwellings. Small townhome or semidetached dwellings should be considered. The similar issue exists with the Village Residential (VR) designation.
- 4.27.3.1 Suggest that the minimum height limited be raised from three to four stories
- Section 11.7 (4) (h) should be amended by deleting the words "other low income" with the word "affordable"
- Section 11.7 should be amended to properly define affordable housing.

Once these policy suggestions have been reviewed and a determination made on their inclusion in the Official Plan the zoning by-law should be reviewed to ensure its conformity.

10.1.2 Bonus Zoning and Section 37 of the Planning Act

Bonus zoning (also known as density bonusing) is a planning tool, permitted by Section 37 of the Planning Act, which enables municipalities to allow for increased height and density over and above existing planning permissions in exchange for community benefits. Community benefits are defined by the local municipality and take the form of capital facilities or the cash equivalent. For the most part, it is only larger, rapidly growing, urban areas that utilize Section 37 of the planning act in Ontario, primarily the Cities of Toronto and Ottawa. Examples of benefits gained through bonus zoning include public facilities, public art, affordable housing and heritage conservation, among others. The Town of The Blue Mountains provides for the use of Section 37 in Section 11 of the Official Plan. However, the necessary policies to guide defining benefits from the provision of affordable housing are absent.

The method for evaluating the amount of community benefit is normally not fixed by any formula, but is typically negotiated between the local municipality and the developer. However, the Official Plan must provide a basis for these negotiations by properly defining what affordability means. In this regard we suggest that the Town adopt the Provincial definition for both rental and ownership housing.

We are suggesting that where additional density is being requested, that if approved, a minimum of 30% of the additional density value be dedicated to affordable housing. This dedication could also be provided through lands dedicated elsewhere in the Town or cash-in-lieu providing Council is in agreement. All contributions would be administered and managed by a municipal housing corporation or land-trust.

10.1.3 Rental Conversions

Due to the relatively small supply of rental units in the Town and in order to maintain existing levels of affordability, the conversion of rental units to other ownership formats, primarily condominium ownership, or the demolition of existing rental units should be prohibited.

10.1.4 Inclusionary Housing Policies

Often tied to only certain areas or developments of a certain character (size, type, density, etc.), inclusionary housing policies are employed principally in the United States to require the provision of affordable housing as part of the approval process of residential developments.

Bonus zoning (Section 37) and inclusionary zoning are often confused. The principle difference between the two is that bonusing provides a developer an incentive for the provision of affordable units. Inclusionary zoning is where affordable housing must be provided as pre-requisite to development. There is no current legislation that would permit inclusionary zoning in Ontario.

However, Bill 198, before the Ontario Legislature prior to being prorogued, was to provide municipalities the power under the Planning Act to require affordable housing units, regardless of any increase in density. The minimum sized project would be 20 units. For example, if a site had approved zoning for 50 units, but they came in for any other variances or development approvals, a municipality would be able to require a certain number of affordable units, even if

they didn't ask for an increase in density. If approved, this would have been true inclusionary housing powers. The bill, prior to the proroguing of Legislature, had not gone to Committee for public hearings, but had already passed 2nd reading in the Legislature. It is our understanding that there are attempts to have the bill reintroduced.

10.1.5 Municipal Housing Facilities By-law

The Town should encourage the County of Grey to consider the enactment of a Municipal Housing Facilities Bylaw as provided for under the Municipal Act. The bylaw would help to encourage the development of affordable ownership and rental housing by enabling the use of developer incentives that go beyond the Federal-Ontario Affordable Housing Program. This could be used to incentivize affordable residential developments, in areas outside of the Community Improvement Plan (CIP) area or not covered by specific CIP programs. An employee housing apartment building within the Blue Mountain resort that might be jointly funded by the Town/County and the resort would be one application of this program.

10.2 Housing Delivery Structure

The Town of The Blue Mountains will need to determine what resources are required and how those resources will be deployed internally to administer and monitor the programs. There are several options to consider.

- **Municipal Staff** - housing initiatives of the Town could be managed through a designated Town staff person(s). The Town would have to determine whether this function could be undertaken within its existing staff complement or will require additional staff. The key advantage of this approach is that it provides maximum control. However, within a municipal structure, staff priorities and assignments, as well as spending and resources, can easily be shifted from year to year. Understanding that a long term approach is required to resolve the shortage of affordable housing options, it must be recognized that shifts in political, policy or time imperatives could be a significant threat to the success of a housing program.
- **Housing Corporation** - a separate municipal corporation could be created by the Town with the mandate to create a supply of affordable housing. This would create an entity that has a clear focus and mandate to develop and operate an affordable housing inventory. However, a corporation such as this requires staffing and resources that may not be scalable to the needs of the community. It's likely that the overhead associated with a housing corporation would not be supportable unless significant funding and housing projects could be identified in the near-term.
- **Community Housing Land Trust** – A land trust is a non-profit organization that assembles and manages land upon which affordable homes can be built and maintained. The homes are rented or sold but the underlying land is retained by the Trust. They act as long term stewards of land, protect affordability and preserve public grants, subsidies and donations. Our study recommends that Council consider the creation of a Town owned Community Housing Land Trust, with support from municipal staff, which would hold lands provided to it through government transfers and future land acquisitions, in trust for perpetuity, for housing purposes. The land trust has several advantages:
 - Land owned by a land trust is held in perpetuity for housing purposes;

- A land trust can accept charitable donations and fundraise;
 - A land trust operates separately from the Municipality but can have direct reporting as a requirement to funding;
 - A land trust draws heavily from experienced volunteers.
- A business plan and legal advice are recommended to develop the land trust concept in more detail.
 - The delivery structure could be composed of two or more of these vehicles but an overall co-ordinating role is required at the Town staff level.

10.3 Establish Funding Mechanisms

An effective strategy will require a process by which a regular supply of funds can be raised. We suggest the following mechanisms be considered:

- Development Charges - capital costs associated with affordable or social housing is an allowable growth related expense provided there is a defined program with identified funding requirements. Once a housing program has been established. Consideration of amending the Development Charge to fund allowable portions of the program could be considered.
- Taxation - Generating funds for affordable housing is a legitimate use of municipal taxation powers. This is the most controversial but, from an administrative perspective, the simplest approach.
- Special Taxation Powers - Advocate for special taxation powers.
- Section 37 of the Planning Act - Municipalities can extract community benefits for certain types of developments where additional density is provided, through Section 37 of the Planning Act. Policies within the Official Plan are required to provide guidance on where inclusionary policies are applied and the expectations of the private sector. A proposed policy is attached within Appendix A.
- Fundraising - A community land trust would be able to accept charitable donations.
- A land trust would be able sell land that may become residual to its needs on the open market.
- Municipal Capital Facilities By-Law
- Partnership Agreements.

10.4 Implementing Programs

With a broad policy structure in place, specific programs for the delivery of affordable housing can now be considered. The following programs are those that should be considered by the Town of The Blue Mountains in the near term that can offer the most significant benefits.

10.4.1 Community Improvement Plans

Community Improvement Plan legislation is designed to allow municipalities to designate sectors in need of revitalization. Programs directed at improving the supply of affordable housing in downtown areas such as the plan under consideration in Thornbury, Craighleith and Clarksburg

have been proven to provide a modest but steady supply of new units especially in second story office/retail conversions. The current CIP project for Thornbury has already identified the need for affordable housing in the community and should therefore consider a number of programs to encourage residential development in the core area such as:

- Development charge and/or planning fee rebates for rental housing development;
- Development charge and/or planning fee rebates for innovative housing forms that achieve the objectives of the Official Plan such as live-work and mixed used developments;
- Loans or grants that encourage the conversion of second story commercial space to affordable rental housing. Typically, municipalities have offered between \$5,000 and \$15,000 per unit for new or converted residential space (with a project cap).
- The City of Hamilton offers a five year, interest free loan of \$20 per buildable square foot of new residential space for apartment units in the downtown core. This program has been very well received.

Suggested criteria could include:

- The development must have a minimum number of units;
- Priority to conversion of existing buildings with a view to strengthen the housing stock;
- Guarantees of rental rates at affordable levels (80% of CMHC rates) for a period of at least 15-20 years.
- The amount and number of fees waived/reduced could be dependent on the degree to which the proposed development meets outlined affordability criteria.

10.4.2 Tax Increase Equivalent Rebate Program

This program is structured around the concept that without intervention in terms of incentives, lands would remain vacant and generate little if any tax assessment. In this program, the municipal portion of the property tax is waived for period of time, usually 10 to 15 years, in consideration of the fact that the lands may not have otherwise been developed.

The Town could consider a program in support of affordable rental projects that provides a developer an annual property tax rebate, to the equivalent increase in assessment. This, possibly combined with other programs, could make a project viable in the community. This program could again be used as part of CIP plan or a County Municipal Housing Facilities Bylaw.

Appendix B illustrates that with property tax, development charges and planning fees waived, a 20 unit apartment building, composed of two bedroom units averaging about 800 square feet and rented at CMHC rates could be financially viable.

It is important to note that many municipalities offer this program on a sliding scale basis or for some component of the tax charges, typically 50% to 80%. The best results from these programs however require 100% of the tax increment to be granted.

The Counties participation in this program, through matching grants would make the program all the more attractive.

10.4.3 Property Tax Equalization

Currently the property tax rate of multi-unit residential buildings in the Town is higher than the tax rate of single family units. Equalizing the property tax rate for all new multi-residential buildings with that of the single family tax rate would help remove an economic barrier to the development of new rental housing. However, this is only one component of the economic problem and should not be seen as a lone solution.

10.4.4 Affordable Housing Incentive Program

In absence of a legislative tool to require developers to build affordable housing, the proposed Housing Policy (Section 3. 23 (2)) (along with a capital facilities by-law) would offer the Town of The Blue Mountains an opportunity to provide incentives to developers for providing affordable housing through tax or development charge rebates or other financial incentives, scalable to the amount of affordable housing provided. These incentives would have to be considered on a proposal by proposal basis but would likely be based on the notion of acknowledging developer's lost profits in exchange for rebates on municipal taxes and charges or relaxation of other development requirements such as parkland dedications.

Homes or land provided through this program could be managed as affordable ownership or rental projects through the land trust, housing corporation or municipal department.

10.4.5 Employee Housing

Many major resort communities offer housing that is developed specifically for local employees. This housing is typically for more transitory workers but has the benefits of reducing car use and traffic, keeps spending local and encourages increased familiarity with the community, allowing younger persons to become familiar with the region and encouraging the establishment of permanent roots. This might be accomplished in partnership with the resort development community, potentially on municipally owned land, with support of financial incentives.

10.4.6 Down Payment Assistance Program

An effective way of improving affordability that should be considered is a down payment assistance program. Both the private and public sector have provided down payment assistance in the form of second mortgages to penetrate greater levels of affordability. In the context of the Town of The Blue Mountains, the program could respond immediately to the issue at hand. However, this is a long term commitment of the Town. A proposed framework for the program could be as follows:

- 5% down payment assistance on homes up to \$400,000;
- No interest on payments;
- Repayable if house is sold;
- Town receives 5% of equity gains; and,
- Limited to the funding available on an annual basis

Appendix B provides examples of where such programs have been applied.

10.4.7 Municipal Affordable Ownership Program

The Town should consider, potentially through a Community Land Trust structure, developing a small pool of affordable ownership or rental housing for those living and working in the Town, on municipally owned lands in Thornbury. The number of homes constructed would be dependent on the resources of the community but even a small number of homes would be a valuable start in terms of building experience and capacity within the community. The following are the key components of an ownership project.

- Town land is used – i.e. Bay Street site
- An initial phase of four to eight, two and three bedroom townhomes are constructed through the municipally owned Land Trust.
- The homes are sold “at cost” with no land value or profit attached. The underlying land could also be leased (at no cost) to ensure that the municipality has ultimate control over the unit.
- Values should be in the range of \$160,000 to \$180,000 based on standard construction costs;
- This would target families with incomes of about \$40,000 to \$45,000 per year
- Criteria could include:
 - i. Must work within the Municipality or County;
 - ii. Two or more family related persons; and
 - iii. Maximum income.
- The home can be sold at any time, but for no more than the posted rate of inflation over the ownership period.
- Town would keep a waiting list of potential purchasers. At the time of sale, the vendors would approach the Town to co-ordinate a sale thereby avoiding brokerage fees.
- The Town would always have first right of refusal to purchase the unit.
- Through the paying down of their mortgage and the savings achieved from not needing a sales agent, owners are allowed to build equity.
- Overtime, funds through appreciation can flow back into other housing initiatives.
- If funding could be found for the capital construction costs, the Town could also consider offering mortgages that could also provide new revenue for housing.

10.4.8 Purchase Homes for Affordable Housing

It may be worth considering the purchase of homes, including condominium apartments, for affordable housing purposes. In a manner similar to the Champlain Housing Trust in Burlington Vermont, homes could be purchased by the Trust and then resold, with underlying land leased. Gains on equity would be limited as it would in other models. This requires a more opportunistic approach but could bring homes into the market sooner. Public concerns may also be reduced as it would be less apparent that the home was used for affordable housing purposes.

Developers may also be encouraged to sell the Town units “at cost” in return for incentives.

To ensuring that the pricing of the units remain affordable to subsequent owners we suggest that a mechanism be tied to the title of the property that limits that sale price cannot exceed inflation over the period of ownership. The Town could also retain a first right of refusal at the time of sale.

10.4.9 The Federal-Provincial Affordable Housing Program (AHP)

The Affordable Housing Program is the most significant source of public funds for the provision of new affordable rental housing. In the most recent round of funding, grants of up to \$120,000 per unit were offered subject to developers ensuring rental rates would be at or below CMHC averages for a 20 to 25 year period. When the next allocation is announced, the Town of The Blue Mountains should work with the private sector and through the County of Grey, to attract this funding into a rental project in Thornbury.

In this regard, we suggest that the Town actively promote the program immediately with the local development community to clearly articulate the programs “shovel ready” requirement so that they are prepared to make submissions at the announcement of the next program.

10.5 Establish a Five Year Work Program.

With the programs determined and the structure and funding mechanisms in place, a work plan is required that provides direction for the Town during the initial phases of this strategy. This work plan provides a sequential order of tasks in the preliminary years of the affordable housing program.

- I. Identify a lead person at the Town of The Blue Mountains to provide leadership and co-ordination of the Housing Strategy. This person will be responsible for refining and guiding the implementation of the housing program as well as providing a liaison role between the County and the Province as well as other municipalities. This person would also act as an advocate for the Municipality on housing issues such as Bill 198.
- II. Update the Official and Zoning By-law with a housing policy framework as suggested in Appendix A.
- III. Co-ordinate amendments to the development charge by-law to allow for development charge exemptions for affordable housing initiatives.
- IV. Develop a program to raise awareness of the requirements of the Affordable Housing Program with the local development community to ensure a number of local social and affordable housing projects can be ready for the next round of AHP funding. This responsibility should likely be added to the responsibilities of an existing or future Town employee. This program should also include public education efforts related to the importance and need of additional affordable housing in the Town.

The major tasks identified above provide the Town of The Blue Mountains with a strong policy framework on which to base the Housing Strategy. This policy basis is necessary to begin to engage developers early and form a platform by which to establish housing programs. At this stage the decision on housing delivery mechanisms and program choices are related and dependent on other municipal priorities. The decision for instance to develop affordable housing on Town land or begin to purchase units to maintain as affordable could drive the decision on a particular approach. However, we would suggest that the following be considered as initial program tasks:

- I. Complete the proposed Community Improvement Plans with housing incentive policies – The CIP process is already underway and has identified the need for affordable housing in Thornbury, Clarksburg and Craigleith. Programs such as those discussed in the CIP Background Study and this report should be considered for inclusion.
- II. It may also be determined that the Town wishes to begin its own affordable housing project by taking the lead on construction on Town lands as discussed in Section 8.4. This may be the catalyst to establish a Housing Trust that would oversee the development and management.

APPENDIX A – DRAFT HOUSING POLICY

Adequate and affordable housing is a necessity for all sustainable urban and rural areas. Where and how we live contributes to the cohesion of a community and the overall well being of its residents. Living within a strong community creates a sense of belonging, which in turn, strengthens socialization and safety within any neighbourhood. A supply of housing available to the broadest ranges of incomes also promotes economic development by encouraging a diverse pool of labour.

The Town of The Blue Mountain's appeal as a four season recreational community has attracted a growing number of seasonal residents and retirees. The influx of these residents has pushed housing prices out of reach for many, including those employed within the Town. This is a serious problem that, left unchecked, will detract from the sustainability of the Town from a social and economic perspective. What is required is a larger proportion of permanent *affordable housing* formats in both rental and ownership tenure that will encourage younger families and individuals to both work and live with the Town of The Blue Mountains, as well as older age groups to age-in-place.

1. The following section should be added to Section 2 - Goals and Objectives:

2.6 Housing

Goal – Quality housing, that is affordable, is a basic human need and a foundation of the overall sustainability of the community. The current production of housing in the Town is adequately supporting higher income groups, the seasonal marketplace and a growing percentage of older residents. However, specific policies are required to address a significant shortfall in the supply of permanent housing to middle and lower income groups that would, in part, help to attract and retain younger persons and families. The goal is to improve the supply of affordable ownership and rental housing in order to meet the needs of existing and future Town residents.

Objectives –

- a) It is a policy of this plan to achieve a broad range of housing types and tenure, mixed and dispersed throughout the Town, which are suitable for all income groups, of both existing and future residents, and that maintain the unique character of the community.
- b) To ensure that a minimum target of 35% (approximately 28% in 2006) of all permanent housing units meet the Town definitions of affordability. Of this number the Town will target 20% to be affordable to households in the bottom 40th gross income percentile.
- c) To encourage the development of new affordable housing units in the community of Thornbury-Clarksburg where there is a broad range of services and amenities including schools and community services that suitable to attracting families and younger persons.
- d) To support the maintenance and rehabilitation of existing housing stock.
- e) To provide housing opportunities for those people in need of specialized assistance and care.

To assist in achieving these objectives and other objectives of this plan, the Town will encourage the development of a higher percentage of growth in housing forms that offer opportunities for more sustainable and affordable housing with the Town. In the regard the following Table establishes targets for new growth to the year 2031 towards an objective of 41% of all new growth in medium and high density formats, as defined in this Official Plan.

Recommended % Housing Growth by Type, 2006			
	Low Density	Medium & High Density	Total
2006-11	70%	30%	100%
2011-16	65%	35%	100%
2016-21	60%	40%	100%
2021-26	54%	46%	100%
2026-31	46%	54%	100%
Total	59%	41%	100%

Source: NBLC

- The following section be added to Section 3.2.5 Major Residential and Resort Areas:

(6) Development within lands designated for Major Residential or Resort Areas will be encouraged to include dwellings which are affordable as defined in Section XX of this plan. In this regard, innovative and diverse development forms and techniques that can improve affordability will be encouraged. The Town is also prepared to consider incentives and partnerships in return for housing that will be suitable for lower or middle income households. These incentives are described in Section 3.23 of this plan.

- In Section 3.20 consider changing the height limit from 11 to 15 metres (four stories).
- The following section be added to Section 3- General Development Policies:

3.23 Affordable Housing

Improving the stock of housing that is affordable to lower and middle income families is a priority of this plan. Providing a good selection of homes that is accessible to all incomes groups also supports objectives related to economic development, community health and overall sustainability.

- Prior to the approval of development that, in all phases, will consist of more than 20 units, applications must illustrate that a minimum of 30% of new housing units will be in forms other than single-detached housing such as townhomes, stacked townhomes and apartments unless otherwise prohibited by this plan.
- Applications for plans of subdivision or condominium that propose a majority of housing units that serve to achieve the objectives outlined in Section 2.6 through innovative housing forms will be deemed to be in the public interest and identified as a priority for approval.
- At the discretion of Council, assistance will be provided to the private sector to encourage the production of affordable rental or ownership housing. In doing so, Council may consider:

- a. rebates on property taxes;
 - b. rebates on development charges, planning and building permit fees;
 - c. exemptions/reductions on parkland and open space requirements;
 - d. the sale of municipal land below market rates;
 - e. low interest loans; and,
 - f. expedited approvals and/or other measures as may be deemed appropriate.
4. Where developers provide housing units that can be sold or rented at prices within the definition of affordable as defined in this plan, as part of any development, the Town will consider granting a range of financial incentives that may be applied to the balance of the development. The nature and level of assistance will be determined based on number of factors that will include, not be limited to:
- a. the amount of housing allocated for affordable housing;
 - b. The manner by which the homes will be retained as affordable;
 - c. The type of housing;
 - d. The level of affordability proposed; and,
 - e. The location of the housing
5. Priority for any assistance will be given to non-profit housing providers.
6. Prior to the approval of an official plan and/or zoning by-law amendment that would allow for residential or commercial resort development that in all phases will consist of 20 or more units, Council may require that the applicant enter into an agreement that would dedicate 10.0% of the developable land or units for affordable rental or ownership housing purposes.

Alternatively, Council may consider:

- a. The conveyance of other lands of equal or greater size, suitably located, elsewhere in the Town, and/or;
- b. Cash-in-lieu for the purposes of constructing affordable housing elsewhere in the Town.

Where Council exercises this requirement it will consider assisting in the development approval by prioritizing and expediting municipal processes.

7. In circumstances where an application seeks to increase the approved density of the site, 30% of the additional density will be dedicated as affordable ownership or rental housing. Alternatively Council may consider:
- a. The conveyance of other lands of equal or greater size, suitably located, elsewhere in the Town, and/or;
 - b. Cash-in-lieu for affordable housing purposes elsewhere in the Town.

At the discretion of Council, other facilities or services can be provided for by the developer if it is determined that the affordable housing dedication is not necessary and/or of a lesser priority.

5. The following Section should be added to Section 11.0 Implementation

11.21 Conversion from Rental to Condominium or Freehold

1. New development that would result in the loss of rental housing units will not be approved unless:
 - a. A plan is developed, to the satisfaction of Council, that provides for tenant relocation and assistance that ensures the right to return to occupy a replacement unit at similar rents, and other assistance to lessen the impacts of temporary relocation, and,
 - b. A report is prepared, to the satisfaction of Council, which illustrates that the supply of rental housing in the Town is able to meet the housing requirements of current and future residents.
2. When reviewing a proposal for permission to convert a rental residential building to ownership tenure, Council will be guided by the following criteria before approving such applications.
 - a) Whether, in the opinion of Council, the proposal will add to the affordable housing stock and the proportion of similarly priced ownership housing in the housing market. The affordability of ownership housing will be determined by using local income data, a 10% down payment, the current mortgage interest rate, and a 30% gross income allocation for housing.
 - b) A report is prepared by the proponent, to the satisfaction of Council, which illustrates that the supply of rental housing in the Town is able to meet the housing requirements of current and future residents.
 - c) The impact of the conversion on tenants and the potential for displacement and the measures proposed to minimize hardship for existing tenants.
 - d) That the proposal complies with the Ontario Building Code and Fire Codes or is proposed to be upgraded in accordance with such standards or requirements. The County may require a building condition report to be submitted by a qualified professional engineer for this purpose.
10. Definition section should be added to the Official Plan. Included within the section should be the following definitions:

Affordable Ownership Housing – Housing that is valued as the lesser of the following two values:

- a) Housing for which the purchase price results in annual accommodation costs (including interest, property tax and utilities) which do not exceed 30% of gross annual household income for those in the lowest 60th percentiles of household incomes; or,
- b) Housing for which the purchase price is 10% below the regional (Georgian Triangle Real Estate Board area) average for similar unit types.

Affordable Rental Housing – One bedroom or larger units for which monthly rent does not exceed 30% of gross annual household incomes for those in the lowest 40th percentiles of rental household incomes.

Low Density Residential – Development that does not exceed 30 units per net hectare.

Medium Density Residential – Development that is between 30 and 60 units per net hectare.

High Density Residential – Development that is 60 units per net hectare and above.

Region – Relating to calculating ownership and rental housing affordability, refers to the area covered by the Georgian Triangle Real Estate Board, and includes; the Town of The Blue Mountains, Grey Highlands, Meaford, Collingwood, Wasaga Beach and Clearview.

Net Hectare – Is the total land area less lands designated for flood protection or similar environmentally protected lands, as well as public roadways.

APPENDIX B- AFFORDABLE OWNERSHIP HOUSING MODELS

Affordable ownership housing may be able to play an important role as a bridge between affordable rental and market ownership. The following are three examples of models for affordable ownership

Options for Homes

The model that is most often cited as the best methodology is that of Options for Homes a private sector company in Toronto that produces, through a complex co-op program, housing that is generally priced at the “low-end-of-market”. Part of the profits from sales goes into a Land Trust controlled by a separate company (Home Ownership Alternatives) which in turn administers a refundable second mortgage pool and investment fund. In this fashion, prospective qualified purchasers are able to purchase reasonably well priced, fairly “basic” market housing with relatively small equity requirements. This is not a non-profit venture and has had little government assistance over the years. There are a few built-in mechanisms to prevent re-sales as “non-affordable” market housing some years hence.

The key criticism of this model is that they depend on rising property values. If property values decline, the value of the second mortgage could easily be reduced or eliminated.

Wave

Other more mainstream developers have tried their own versions of affordable market housing. The Daniels Corporation, a few years ago, initiated their Wave Program. Qualified home buyers put down 5% of the new home purchase price with Daniels matching their 5% down by “lending” them an additional 5%, payment free for 5 years, payable at the end of that period with only 5% interest. And, when available, further funds are made available under the Canada-Ontario Affordable Housing Program providing a second 5% loan towards the down payment, payment free for 20 years, with the principal forgiven at that time with no interest. For this latter funding, qualifying purchasers must have an annual income of less than \$59,000, be a renter household and be primary residents of their new condo. CMHC has, for this program, also extended the mortgage amortization period from 25 to 35 years, further lowering purchaser’s monthly mortgage payments. Several hundred units have been sold under this program with over-night sell outs of all units made available.

Whistler Development Corporation

Perhaps most relevant to the Town of The Blue Mountains is the approach taken in Whistler to affordable ownership housing. The Whistler Development Corporation/Land Trust is a variation on the land trust mechanism. It is a land trust held and administered by the Municipality on behalf of a development company created by and owned by the Municipality. Affordability was simply created by the fact that land was granted to the company by the Province at no cost and that the development company is non-profit, and therefore has no requirement to make undue profits. As a result, units can sell at prices almost half of the surrounding market place. All sales were restricted to bona fide “workers” in the Whistler area, with units only able to be re-sold to local workers at the original price paid plus cost of living increases (inflation). Through restrictions on 3rd party rentals, units are maintained entirely owner occupied.

APPENDIX C - IMPACT OF FINANCIAL INCENTIVES ON RENTAL HOUSING VIABILITY

Methodology & Assumptions

The methodology employed in the financial analysis is a Residual Land Value (RLV) analysis. The basic methodology determines the revenues attributed to the project, less the hard and soft costs of developing the project, resulting in a calculated “Residual Land Value and Profit”. The developer’s profit is then subtracted from this amount to determine the RLV (in future dollars), or the value attributed to the site once all revenues and costs associated with the proposed development are accounted for. This value is then discounted to the present day to give the RLV, or land value of the site, in present dollars.

NBLC analyzed two scenarios for a prototypical rental apartment building: one involving municipal development charges and one without.

The following main assumptions were employed in the pro forma analysis:

- A waiver of municipal development charges, building permit fees, parkland dedication fees, and municipal property taxes;
- A developer’s profit of 10.0%;
- A discount rate of 10.0%;
- A cost inflator of 2.0% per year;
- A revenue inflator of 2.0% per year;
- An average net unit size of 800 square feet;
- A gross to net efficiency ratio of 88%;
- A monthly rental rate of \$825 per unit per month;
- A parking ratio of 1.0 stalls per unit;
- A vacancy allowance of 4.5%;
- A capitalization rate of 6.0%;
- Operating costs of \$3,500 per unit per year;

Results of Financial Analysis

Without the waiver of any municipal development fees and taxes, a rental apartment development in the Town would not be expected to generate any land value. As illustrated in the table on the following page, the level of rents required for such a development based on an 800 square feet, 2-bedroom unit, would be \$939 month per unit. This rent is both higher than what is likely achievable in the market area for this type of product and well above the definition of affordability. For the exact same type of development, NBLC also calculated the level of rents required to make a rental apartment development project financially feasible given the waiving of all municipal charges and taxes. In this case, required rents are \$843 per unit per month, falling within an achievable range, but still not meeting the provincial definition of rental affordability.

The findings from the financial analysis are summarized in the following table.

Summary of Results of Financial Analysis		
<i>Prototypical Rental Apartment Building</i>		
Item	No Municipal Development Waivers	With Municipal Development Waivers
Project Stats		
Number of Units	10	
Average net Unit Size (Square Feet)	800	
Gross Residential Area (Square Feet)	9,091	
Gross Floor Area (Square Feet)	9,091	
Index Revenue Per Square Foot Per Month	\$1.03	
Monthly Rent Per Unit	\$825	
Operating REI		
Total Annual Revenues, Year 1	\$99,785	\$101,924
Total Annual Operating Expenses, Year 1	\$38,257	\$38,257
Net Operating Income, Year 1	\$62,642	\$64,782
Development Costs		
Total Project Hard Costs	\$732,943	\$732,943
Total Project Hard Costs Per Square Foot	\$81	\$81
Total Project Soft Costs	\$385,860	\$238,660
Total Project Soft Costs Per Square Foot	\$42	\$42
Total Project Costs	\$1,118,803	\$971,603
Total Project Costs Per Square Foot	\$123	\$123
Capitalized Project Value		
Capitalized Project Value	\$1,044,041	\$1,079,701
Capitalized Project Value (Per Unit)	\$104,404	\$107,970
Capitalized Project Value (Per Square Foot)	\$115	\$119
Profits		
Total Profit (future\$)	\$104,404	\$107,970
Profit per Unit (future\$)	\$10,440	\$10,797
Profit per Square Foot (future\$)	\$11	\$12
Residual Land Value		
RLV (present\$)	\$0	
RLV per Unit (present\$)	\$0	
RLV per Square Foot (present\$)	\$0	
Required Rent		
Required Rent to Generate Value	\$939	\$843

Source: N. Barry Lyon Consultants Limited