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July 18, 2025

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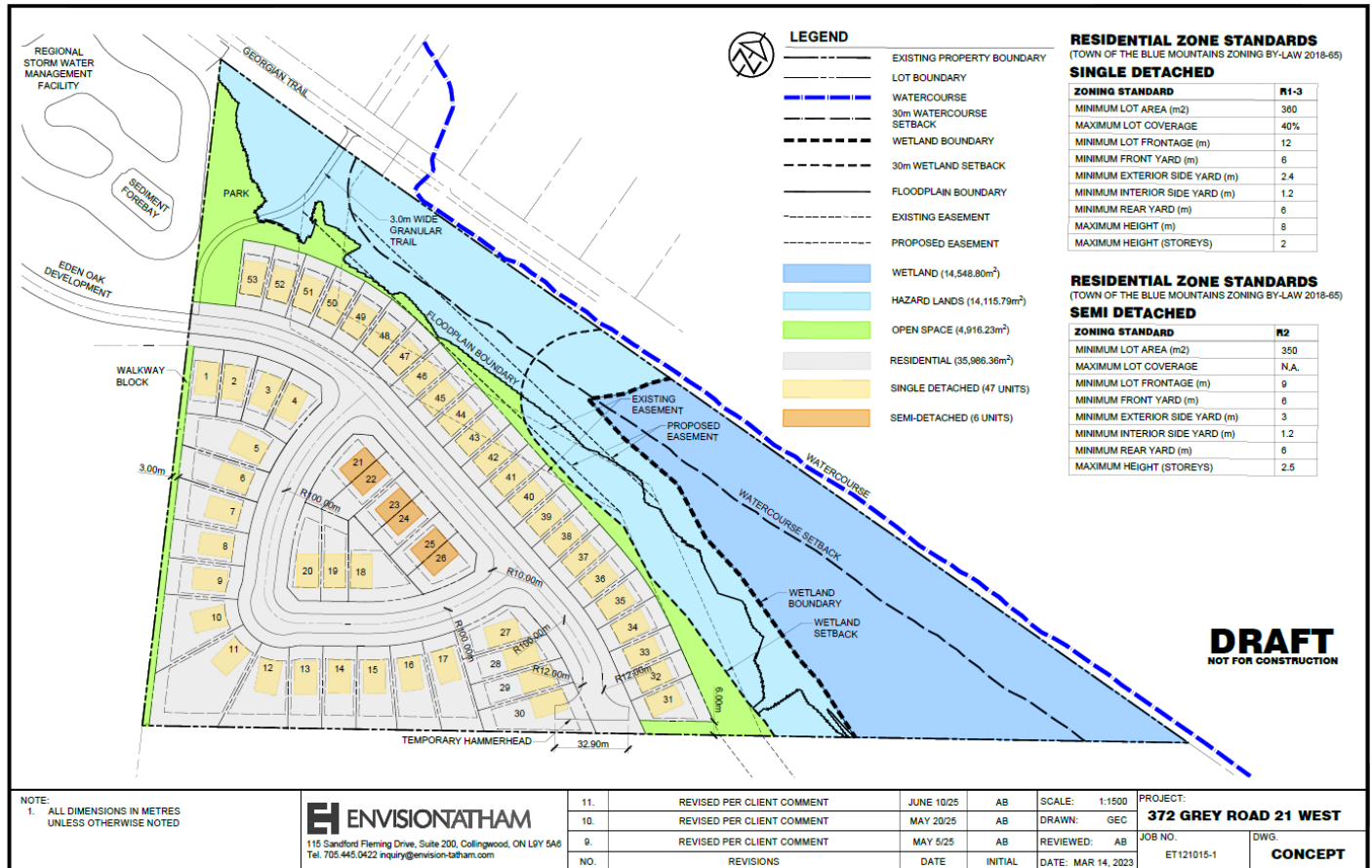
## RE: 372 Grey Road 21 - Housing Needs Report

Parcel Economics Inc. ("Parcel") is pleased to provide Rhemm Properties with the following Housing Needs Report to support your Official Plan Amendment ("OPA") and Zoning By-Law Amendment ("ZBA") applications for lands located at 372 Grey Road 21 in the Town of the Blue Mountains ("TBM"), hereinafter referred to as the subject site.

## Context

In February 2025, you attended a pre-application consultation meeting with staff from the TBM regarding your OPA and ZBA applications. At that time, Rhemm Properties was proposing the development of 53 single-detached lots on the subject lands. As part of this meeting, staff identified the need for a Housing Needs Report to be submitted with your OPA and ZBA application. Since that time, your consulting team has prepared a revised concept plan for the subject site that anticipates 47 single-detached and six (6) semi-detached residential lots for a total of 53 dwelling units (Figure 1). As noted, the number of single-detached lots has been reduced and semi-detached units have been incorporated to increase the range and mix of housing on the subject site.

Figure 1  
Concept Plan for the Subject Site



Source: Envision-Tatham

## Purpose

The Housing Needs Report identified in the pre-application consultation minutes is related to Amendment No. 5 to the Town of the Blue Mountains Official Plan, where Section D7.4 states:

*The Town will plan to achieve and provide affordable housing and attainable housing by:*

...

- f) *requiring the submission of an Affordable/Attainable Housing Report as part of a development application, demonstrating how the application provides the type, size and tenure of housing required to address affordable housing needs and meet the affordable housing target in this Plan:*

As part of the Pre-Application Consultation Meeting, TBM staff identified a Terms of Reference for a Housing Needs Report, which indicated that the report should consider commentary on matters such as:

- How is the proposed built form responsive to housing needs in the community and to what extent does it make home ownership more available to targeted income ranges?
- Can revenue from Additional Dwelling Units “ADUs” make home ownership viable to a wider range of targeted income types?
- Are there ways of increasing the number of ADU opportunities in the proposed development and the actualization of those opportunities? Examples: internal spatial planning to allow creation or convertibility to ADUs, marketing i.e. demonstrated financial?
- Are there opportunities to diversify the housing options and increase accessibility of housing to a wider range of targeted income types through additional built form opportunities?

As part of the Housing Needs Report, Parcel has reviewed the *Housing Needs Assessment*, November 17, 2023 (the “HNA”) and identified how the proposed development, which proposes a total 53 residential lots consisting of 47 single-detached and six semi-detached units, responds to targeted housing needs and “gaps” outlined in the report.

## Housing Needs Assessment

The TBM Housing Needs Assessment, 2023 was prepared by Parcel as a background paper for the Town’s Official Plan Review process to help identify existing and potential future housing “gaps” in the town and recommend policies to improve housing outcomes for current and future residents.

Based on a review of recent and emerging trends in demographics, tenure, housing type, and affordability, a total of five of gaps in the TBM housing market were identified. The gaps are listed and summarized below.

## **Gap 1:** Affordable Housing (Ownership and Rental)

- There is a clear need for affordable housing options, both ownership and rental. Based on the Housing Assessment Resource Tool methodology, there is a need for approximately 215 affordable housing units in the town, while forecasts indicate that as many 40% of new housing units would need to be affordable to accommodate projected population growth.

## **Gap 2:** Purpose-Built Rental Housing

- Rental housing stock in TBM is limited and there are currently no purpose-built rental units. This puts pressure on the secondary rental market, where renter households are likely to rent larger and more expensive housing typologies (singles, semis, rows) than may be desired. It also signals to the increased occurrence of cost burdened households and households in core housing need.

## **Gap 3:** Smaller Housing Units

- There is a lack of smaller housing units in TBM. As a result, roughly 70% of households can be considered “overhoused” – as in there are more bedrooms than number of persons in a dwelling unit.
- The need for smaller housing units is expected to increase in the future due to an aging population and its anticipated need to “downsize”, allowing such residents to age in place within the community.

## **Gap 4:** Seniors Housing and Long-Term Care

- Despite the greater proportion of residents aged 60 years and over in TBM, relative to Grey County and the province, there is no dedicated seniors housing or long-term care homes in the town. This limits opportunities for elderly residents to age in place.
- Filling the smaller housing units, purpose-built rental, and affordable ownership and rental housing gaps may also help to meet the need of seniors in the community.

## **Gap 5:** Workforce Housing

- There is a significant need for workforce housing in the town. A large share of the TBM workforce commutes from neighbouring municipalities, particularly workers in the accommodations and food services industries, which also tend to have lower wages. As per the study, ideally, employment and housing should be balanced such that the housing stock in a community is affordable based on local wages/salaries.
- Filling the gaps in smaller housing units, purpose-built rental, and affordable ownership and rental housing may also help to meet workforce housing needs.

The concept plan proposed for the subject site responds to targeted housing needs in the TBM by potentially addressing Gaps 3 and 5 as identified in the HNA.

- **Gap 3:** Smaller Housing Units – The latest concept plan has now converted six residential lots to accommodate semi-detached units. This update creates more diverse housing options and provides opportunities for those who may currently be “overhoused” to potentially relocate to smaller housing units. It also ensures that a variety of housing options are available in TBM to meet the varied housing needs of elderly residents, allowing them to age in place. Further, most of the detached lots on the subject site will have the option to create an ADU, which would increase the supply of smaller housing units in the municipality.
- **Gap 5:** Workforce Housing – A more diversified housing stock, including the potential for ADUs, can also help address the need for workforce housing, notably for workers in the accommodation and food services industries. The provision of smaller housing units makes housing more attainable for lower income households and/or commuting employees.

## Housing Needs Criteria

The following section summarizes how the proposed concept plan for the subject site addresses the housing needs criteria identified in the terms of reference prepared by the Town.

### **How is the proposed built form responsive to housing needs in the community and to what extent does it make home ownership more available to targeted income ranges?**

The previous development concept for the subject site featured 53 single-detached units. This has been revised to reduce the number of single-detached lots and incorporate six semi-detached lots. This broadens the mix of housing in the town and provide semi-detached units at a more attainable house price in comparison to single-detached units. While unit prices and unit sizes for these units has not yet been established, the latest Census data shows that the average value of a semi-detached unit was about 25% less than single-detached homes in TBM

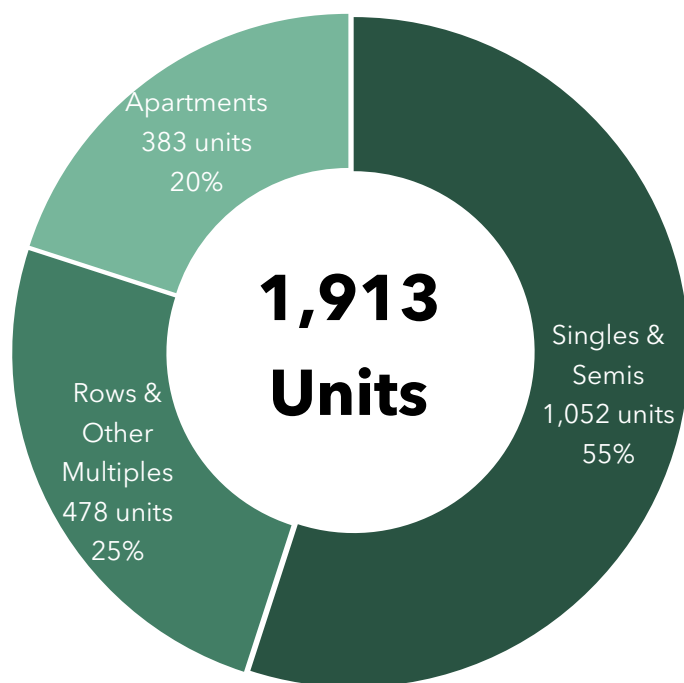
(average owner-estimated value of singles is about \$1.3M and \$1.0M for semis<sup>1</sup>). The provision of various built forms in the concept plan makes home ownership more attainable for a greater number of households by catering to and targeting households of differing income levels and housing needs, such as the local workforce and the community's aging population.

The Town's 2024 Development Charges Background Study, June 20, 2024 (the "DC Study"), forecast growth of 1,913 permanent dwellings in TBM between 2024 and 2033. It is anticipated that 1,052 of these units, or 55% of growth, will be in single- and semi-detached units (Figure 2). The proposed concept plan will help address demand for these types of housing.

The gaps in housing needs for smaller housing and a more balanced housing stock, as outlined in the HNA, are both addressed as the proposed concept for the development now features a more diverse housing stock that makes home ownership more available to targeted income ranges.

Figure 2

## Growth in Households by Unit Type in TBM, 2024-2033



Source: Parcel, based on the Town of the Blue Mountains DC Background Study 2024

<sup>1</sup> Average value (owner-estimated) of dwellings retrieved from Statistics Canada Table: 98-10-0257-01

## **Can additional revenue from ADUs make home ownership viable to a wider range of targeted income types?**

By providing an opportunity to create an ADU on most single-detached lots in the concept plan for the subject site, it makes home ownership viable to a wider range of incomes. Based on a review of ADUs in the town that are currently for lease, average monthly rent ranged from \$1,950 to \$3,000 per month, with an average of approximately \$2,400 per month. An additional \$2,400 per month in rental income has the potential to reduce the income that the homeowner needs to carry the mortgage payment.

Based on an analysis by Parcel an additional \$2,400 per month in rental income is equivalent to reducing the income required to carry a mortgage by \$96,000 per year, assuming that 30% of income goes towards housing (including mortgage, utilities and property taxes). This shows that additional revenue from ADUs makes home ownership viable to a wider range of incomes in the town.

## **Are there ways of increasing the number of ADU opportunities in the proposed development and the actualization of those opportunities?**

As part of the development proposal, ADU's will be promoted and encouraged, particularly on the single-detached lots. At this time, most of the 47 single-detached units (40' and 50' lots) will have the **option to purchase an ADU package** at the construction phase. The preliminary design option for a 956 square foot, two-bedroom, two-bathroom ADU is shown in Figure 3.

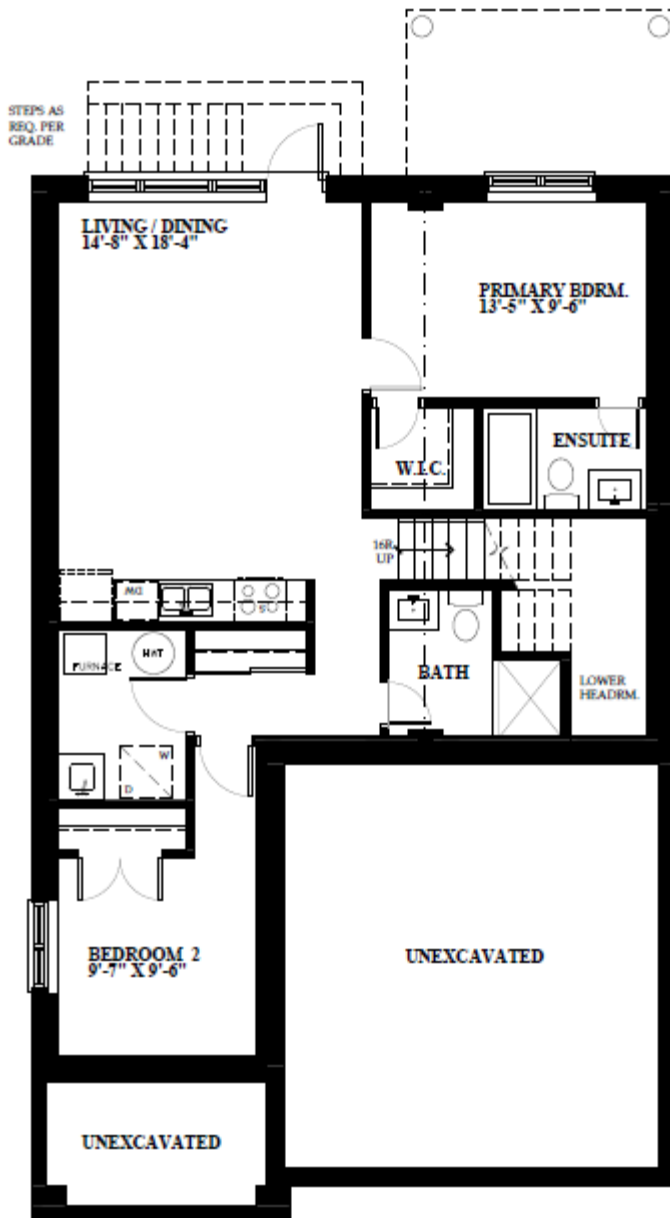
New home purchasers at the subject site will be provided with a Marketing Package for ADUs, which will summarize the benefits of creating an ADU during the initial construction of the unit, as well as the options and costs associated with incorporating the ADU. The ADU package that will be offered to purchasers will incorporate the necessary design features, mechanical considerations, and basement rough-ins for plumbing, allowing for an ADU to be added at any point.

The addition of an ADU at the time of constructing the new home will be more cost effective for the purchaser, and as previously discussed, will also help subsidize the homeowner's mortgage payments. The option to accommodate an ADU on the single-detached lots enhances housing options available, by creating smaller unit sizes and workforce housing.

The gaps identified in the HNA, including the need for smaller unit sizes and a more diverse housing stock are both addressed when increasing the number of ADU opportunities in the development.

Figure 3

Design Option for a 956 Sq. Ft. Basement Additional Dwelling Unit (ADU)



**BASEMENT PLAN 'A' & 'B'  
WITH ADU**

Source: Flanagan Beresford & Patteson Architects Inc.



## **Are there opportunities to diversify the housing options and increase accessibility of housing to a wider range of targeted income types through additional built form opportunities?**

As previously outlined, the concept plan initially considered all single-detached units. It has now been revised to reduce the number of single-detached units and add six semi-detached units. By providing a mix of housing options and maximizing potential for ADUs, there will be increased accessibility to housing for a wide range of households with varying incomes. This involves being able to specifically target households that may currently be “overhoused”, the aging population of the community wanting to downsize, and the local workforce (particularly from lower paying industries like accommodation and food services) that commute from neighboring municipalities.