Housing Needs Assessment

Township of Centre Wellington

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List of Acronyms and Abbreviations

Acronym	Full Description of Acronym
A.R.U.	Additional residential unit
CMHC	Canada Mortgage and Housing Corporation
COVID-19	Coronavirus disease
CPPS	Community Planning Permit System
NHS	National Housing Strategy
OLT	Ontario Land Tribunal
P.P.S., 2020	Provincial Policy Statement, 2020
P.P.S., 2024	Provincial Planning Statement, 2024
P.P.U.	Persons per unit
R.G.I.	Rent geared to income

Executive Summary

Overview

The Township of Wellington retained Watson & Associates Economists Ltd. to prepare a Housing Needs Assessment. The primary objective of this assignment is to help ensure that the Township's housing supply is appropriately aligned with housing needs. The key objective is to assess the current and forecast (10-year) housing needs in Centre Wellington and identify gaps between housing demand and supply metrics across the full housing continuum.[1]

The assessment considers macro-economic conditions, demographic trends, and regional and local real-estate development trends that are influencing current housing trends across the Centre Wellington. This analysis will help inform the definition of market demand and assess the various other supply and policy-based factors that are likely to impact local housing needs over the next three decades.

The study included a community engagement component which comprised a community-wide survey and the project was also promoted at the Township's Municipal Open House "Connect CW." The engagement offered valuable insight and feedback to best analyze and address the housing gaps in the Township.

Centre Wellington Housing Market

The Township of Centre Wellington is a lower-tier municipality located Wellington County that includes a blend of urban and rural communities. Centre Wellington's 2021 permanent housing base comprises approximately 11,970 occupied dwelling units, largely consisting of low-density housing (single detached/semi-detached) which accounts for 79% of units.[2] The remainder of the Centre Wellington's housing stock comprises approximately 7% medium-density (townhouse) and 14% high-density (apartment) units, respectively.

[1] Housing continuum includes market and non-market housing, including family housing, rental housing, affordable housing, supportive housing, accessible housing, seniors' housing, and transitional housing.
[2] Based on Statistics Canada, 2021. Reflects private dwellings occupied by usual residents on a permanent basis; excludes second homes and short-term rentals.

Centre Wellington's housing base has historically been predominantly owner-occupied, low-density units (single and semi-detached). The local housing market is gradually becoming more diverse with a greater share of higher-density units.

The Township's share of renter-occupied households is 19%, which is significantly lower than the provincial average of 31%.[3] There is a limited share of non-market housing in the Township, with 97% of total housing being market housing compared to 3% being publicly funded or provided by non-profit agencies. The share of non-market housing in Centre Wellington is lower than other municipalities of comparable size and the housing assessment presented herein suggests additional non-market housing options are needed.

The average number of persons per dwelling unit (P.P.U.) has declined in the Township of Centre Wellington and the Province over the past two decades.[4] While Centre Wellington's current (2021) P.P.U. is comparable to the Province of Ontario's average, it was observed that smaller household sizes are becoming more prevalent. The downward trend in housing occupancy in Centre Wellington has been driven by the aging of the population, which increases the proportionate share of empty nester and single-occupancy households.

Over the past decade, housing activity in Centre Wellington has averaged 273 residential units per year with a significant increase in development activity in the past five years. Over the period, low-density housing construction has declined as a share of total housing development, with an increase in the share of high-density units (i.e., apartments, triplexes, quadplexes, and other multi-unit dwellings).

Over the next three decades, Centre Wellington is anticipated to experience continued population and housing growth. The Township's population is expected to grow to 58,200 by 2051, up from 32,100 in 2021, representing an increase of 81%. Over the same period, the Township's housing base is projected to rise to 22,130 from 11,970 in 2021, which is an increase of approximately 85%.[5]

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[3] Based on 2021 Census Profile data.
[4] Average number of persons per unit is defined as the total population divided by the number of occupied dwelling units.
[5] 2022 Wellington County Phase 1 Municipal Comprehensive Review Report: Urban Structure and Growth Allocations.

Centre Wellington has experienced strong appreciation in housing prices and housing rental rates over the past five years. These price increases have been significantly higher than the rate of income growth or inflation, which has eroded housing affordability in the community.

Current Housing Needs

The findings from the technical analysis and community engagement suggest that Centre Wellington has a structural deficit in housing supply that has not kept pace with the growing needs of the current population from a household affordability lens. This includes an estimated 370 households of unmet (latent) demand. There are also 20 rental housing units to increase the rental vacancy rate to 3.0% which is considered to be a healthy rental vacancy rate, and 605 households in severe core need in Centre Wellington, as identified through the 2021 Census data. Ongoing efforts to address this affordable housing need should be considered a high priority for the short and medium term.

Future Housing Needs

Population growth in Centre Wellington will drive demand for a broad range of housing. Long-term population growth in the Township will be heavily driven by net migration. To a lesser extent, natural increases (i.e., births less deaths) also contribute to population growth.

Centre Wellington's population is aging. The Township's 65+ age group has grown considerably over the past 20 years and is expected to increase in both percentage and absolute terms over the next several decades. As the average age of the Township population continues to increase, it is anticipated that demand for higher-density housing forms will also continue to gradually increase.

In addition, the Township is also anticipated to accommodate a growing share of young adults and new families seeking competitively priced home ownership and rental opportunities. Accordingly, opportunities should be explored to provide a mix of future housing across a range of density types, to accommodate those with varying levels of income (including affordable housing options).

The Township of Centre Wellington needs approximately 8,690 new permanent housing units over the 2025 to 2051 period to meet the requirements of its growing population.

The majority of forecast permanent housing growth is expected to be accommodated within its settlement areas. The 10-year housing forecast totals 3,155 units, including 2,425 ownership units and 730 rental units.

This analysis indicates that the Township has a sufficient supply of potential housing units in registered and draft-approved plans to accommodate housing demand over the short to medium term.

The 10-year housing forecast by structure type and tenure has been further analyzed to determine the number of affordable versus market-based units in each category. The analysis demonstrates that 23% (720 units) of forecast housing growth between 2025 and 2035 is expected to require affordable housing. This includes 340 ownership units and 380 rental units.

Strategic Recommendations

The Township of Centre Wellington is responsible for local decisions that guide future land use, development, and growth. This includes authority over how land is utilized for housing; policies that guide the density, form, and type of housing development; policies that support and promote a full range of housing types; and potential regulatory and financial incentives to encourage development of rental and affordable housing.

Through various initiatives and programs, the Township and its strategic partners have made progress over the past five years with its efforts to address and meet the affordable housing needs in their community. Even with this progress, several housing needs remain unmet, as Centre Wellington continues to experience significant population and economic growth within an evolving provincial planning framework.

The following presents key strategic directions related to housing.

<u>Planning for Long-Term Population Growth Across a Diverse Range of Age Groups and Income Levels</u>

To accommodate the future population growth projected across Centre Wellington over the 2025 to 2051 period, the Township will require approximately 334 new permanent housing units per year. This is 22% higher than the amount of annual new permanent housing construction levels achieved over the past decade. Future housing growth is anticipated across a diverse range of housing forms.

To promote the attractiveness of Centre Wellington for future residents, there is a need to expand housing market choice and options in the community to include a broader range of housing typologies for a range of market segments and housing tenure (home ownership and rental), including affordable housing.

It is recommended that:

- The Township, as part of the next Official Plan Review, should update the definition of affordable housing in accordance with the new P.P.S., 2024, and update affordable housing targets for Centre Wellington to align with the affordable housing needs assessment presented herein.
- The Township should continue to plan for balanced growth by focusing residential development within the settlement areas and promoting a range of infill and intensification opportunities where servicing is available. This includes promoting medium-density ("missing middle") and high-density development and the development of A.R.U.s (e.g., secondary suites) within the Township's settlement areas.
- The Township should consider the development of a growth tracking model, in accordance with the P.P.S., 2024, with quantitative and qualitative indicators to track the outcomes of housing-related policies and programs.
- The Township should consider undertaking a seniors' housing study to identify housing needs, gaps, and opportunities in accommodating the growing older adult population within Centre Wellington. This would include identification of options to expand independent and assisted living and supportive housing models specific to older adults, including site locations and strategic partners for development.
- The Township should consider undertaking a temporary agriculture workers housing study to identify housing needs, gaps, and opportunities in accommodating seasonal workers in Centre Wellington.

Diversifying the Housing Base and Expanding Housing Affordability Supply Opportunities

The technical analysis and consultation identified the need to diversify the housing portfolio in Centre Wellington. This includes exploring alternative housing types such as townhouses, apartment buildings, and non-market housing tailored to different income levels and preferences.

The following initiatives should be considered to address the identified gaps in Centre Wellington's affordability housing needs and to promote a more diverse supply of housing.

- Centre Wellington should continue to work with home builders to expand the supply of more moderately priced ownership and rental housing options. As part of Centre Wellington's next Official Plan Review and update, the Township may want to consider more detailed policies and strategies that encourage and support the development of a broader range of housing options, in accordance with provincial policy direction.
- The Township should review local zoning and land-related barriers to identify opportunities to expand housing supply within the settlement areas that are more compact, land efficient, environmentally sustainable, and price competitive. This may include promoting more modular home and tiny home construction where appropriate, for example.
- The Township should consider alternative development standards for affordable housing developments, which would reduce development costs. These may include the adjustment of parking requirements, permitting innovative construction methods, and allowing for smaller units and lots, provided they meet Ontario Building Code requirements and other health and safety standards.

Through the *More Homes Built Faster Act, 2022*, changes were made to the *Planning Act* that now allow for up to three residential units per residential lot. This includes the primary residential unit and up to two A.R.U.s, including secondary suites. A.R.U.s represent an opportunity to increase rental housing supply, improve affordability, and support seniors aging in place through gentle intensification.

- The Township should update the Official Plan policies and zoning by-law to allow A.R.U.s (up to three units in total per lot) in the form of secondary suites (e.g., basement apartments) within the primary dwelling unit, as well as permanent garden suites, laneway housing, and other dwelling forms in accordance with provincial planning direction.
- The federal government recently announced, through their Secondary Suite Refinance Program, that homeowners will be able to refinance up to 90% of their property's value to add A.R.U.s as long-term rental units on their respective properties. The Township may also consider developing an A.R.U. program to

promote and provide financial incentives (e.g., grants) for homeowners who construct A.R.U.s that are intended to be rented out on a long-term basis.

Through demographic analysis and community feedback, it is evident that there is a need for more supportive and non-market housing in Centre Wellington. The Township, together with its housing service partners, should continue to maintain and incrementally increase housing support services and programs, and expand the supply of deeply affordable and near-market housing.

- The Township, in collaboration with its housing service partners and higher levels of government, should invest in more supportive housing options and incrementally increase housing support services and programs. The appropriate approaches and strategies should be examined through further study.
- The Township should conduct a review of available Township-owned land that is viable for affordable housing development, complementing the federal, provincial, and school board sites in the process.

Regulatory and Financial Tools to Support Housing Development

To achieve the housing mix and level of housing development activity needed to meet the existing and future housing needs identified herein, Centre Wellington will need to explore and consider the potential application of regulatory and financial tools to support/enable a higher rate of residential development activity.

Housing development incentives can be grouped into categories to help support project feasibility for private-sector and not-for-profit affordable housing providers:

- **Regulatory Incentives** – Regulatory incentives offer tools to assist in project feasibility through flexibility in the development approvals process (e.g., expedited processing), development permissions (i.e., building height, density), parking requirements, and design considerations.
- **Financial Incentives** – At the municipal level, this can focus on reducing the upfront financial obligations of the developer and/or reduce the operational costs moving forward.

The Township should consider a Community Planning Permit System (CPPS) to support and enable a higher rate of residential development activity, particularly for rental and more affordable ownership options.

A CPPS combines zoning, site plan, and minor variance processes into a single application and approval process, allowing municipalities to issue development permits in a one-step process. This streamlines the development approvals process, potentially bringing housing to market faster and providing developers with more certainty in the process outcomes. The program also allows municipalities to collect funds to support delivery of affordable housing and other community benefits such as affordable housing units. The Township should explore the development of a CPPS in Centre Wellington.

A number of municipalities have already implemented or are in the process of implementing a CPPS. The City of Guelph recently implemented a CPPS in a priority growth area (Stone Road/Edinburgh Road Area), permitting greater building heights and densities in exchange for affordable housing units (community benefit) in market developments. The CPPS in Guelph is expected to reduce development review timelines from the usual 180 days under the current approvals process to just 45 days under the CPPS Conclusions.

As Centre Wellington continues to grow, the demand for new housing products within the community is anticipated. Looking forward, the increasing cultural diversity, an aging population, growing demands from new families, and eroding housing affordability will require that the Township promotes and supports a broad range of new housing products by location, type, built-form, density, and price/affordability. This includes innovative approaches to accommodating new affordable rental housing and various other ownership housing products that are attractive to a broad range of demographic groups.

To achieve the housing mix (i.e., built form, tenure, and affordability) of development activity needed to meet the existing and future housing needs identified herein, the Township will need to consider a range of factors to support and enable a higher rate of residential development activity, with a particular effort for affordable housing, as presented herein.

Accommodating higher housing targets and enabling and supporting greater housing development will require the Township to also consider the following:

- **Planning Implications** – Over the next several decades, the focus of residential development is anticipated to continue to promote balanced growth – a balance between both intensification opportunities and greenfield opportunities. From a planning policy perspective, intensification nodes and corridors represent priority locations for residential development given the amenities that these locations provide with respect to access to transit, retail, and other community services.

- **Impacts on Infrastructure and Municipal Service Needs** – Higher housing density would require significant increases in local infrastructure and municipal service needs, particularly within built-up areas where most of the increased housing demand is anticipated to be directed. While small-scale infill or redevelopment can benefit from existing capacity associated with hard municipal services, large-scale intensification projects can come at a high price, given the costs associated with the replacement, improvement, and maintenance of existing services that have not been planned to accommodate significant increases in housing, population, and employment growth.
- **Financial Implications** – While it is beyond the scope of this study to address the financial implications of economic incentives and promote a broader mix of housing supply, municipal financial impacts of accommodating purpose-built rental housing and affordable housing must be addressed through alternative funding programs or then be passed on to existing rate payers.

The results of this study serve as a foundational document for housing in Centre Wellington, and this study is intended to guide decision-making and policy development specifically related to housing policy and programming in the Township. To ensure the housing needs assessment remains current and reflective of housing needs in the community, consideration should be given to updating the Housing Needs Assessment every five years.

1. Introduction

1.1 Terms of Reference

The Township of Centre Wellington retained Watson & Associates Economists Ltd. to prepare a Housing Needs Assessment. The primary objective of this assignment is to help ensure that the Township's housing supply is appropriately aligned with housing needs. Specifically, the assignment aims to assess the current and forecast (10-year) housing needs in Centre Wellington and identify gaps between housing demand and supply metrics across the full housing continuum.[6]

The assessment considers macro-economic conditions, demographic trends, and regional and local real-estate development trends that are influencing current housing trends across Centre Wellington. This analysis will help inform the definition of market demand and assess the various other supply and policy-based factors that are likely to impact local housing needs over the next three decades.

1.2 Local Housing Affordability Context

Centre Wellington has experienced strong population growth and demand for housing over the past five years. Average home prices and rental rates in Centre Wellington have also increased, which has eroded housing affordability. A range of demographic and economic factors are driving this shift, including growth in local employment opportunities, an aging population, and affordability considerations.

Over the next three decades, Centre Wellington is anticipated to experience strong population and housing growth. In accordance with the growth forecasts presented in the 2022 Wellington County Phase 1 Municipal Comprehensive Review Report: Urban Structure and Growth Allocations, the Township's population is expected to grow from 32,100 in 2021 to 58,200 by 2051, an increase of 81%.[7] Over the same period, the

[6] Housing continuum includes market and non-market housing, including family housing, rental housing, affordable housing, supportive housing, accessible housing, seniors housing, and transitional housing.
[7] Population includes net Census undercount estimated at 3.2%.

Township's housing base is anticipated to increase to 22,130 from 11,970 in 2021, representing an increase of approximately 85%.[8]

There are numerous economic benefits associated with population and employment growth related to economic expansion, community vibrancy, and an increasing tax base. On the other hand, new developments can also create new challenges associated with infrastructure requirements, municipal service delivery, housing needs, and environmental protection.

To maintain well-balanced and healthy communities and ensure long-term sustainability, it is vital that municipalities offer a wide range of housing options to a broad range of income groups, including a provision for attainable and affordable housing. The availability of housing is a key factor in attracting and retaining people and businesses to a community. In an increasingly knowledge-based environment, the ability to cultivate, retain, and attract talented workers is increasingly important. Attracting and retaining people of working age and their families, which is necessary to support a broad range of employment opportunities, requires a diverse housing stock.

Looking forward, the increasing cultural diversity, an aging Baby Boom population,[9] growing demands from new families, and eroding housing affordability will require that Centre Wellington promotes and supports a broad range of new housing products by location, type, built-form, density, and price/affordability. This includes innovative approaches to accommodate new affordable rental housing and various other ownership housing products that are attractive to a broad range of demographic groups.

There is a recognized need to support affordable housing in Centre Wellington. While the Township's strong real-estate market is beneficial for many current and future residents, it also results in affordability pressures on the Township's lower-income households, including those in minimum wage and service sector jobs, as well as other vulnerable populations. Opportunities exist to utilize a range of tools and programs to help support an environment that is conducive to affordable housing, particularly for development by the private sector.

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[8] 2022 Wellington County Phase 1 Municipal Comprehensive Review Report: Urban Structure and Growth Allocations.
[9] The Baby Boom population is generally defined as people born between 1946 and 1964.

1.3 Community Consultation

The Housing Needs Assessment study was promoted through local channels, including the Township's Municipal Open House "Connect CW" which was held on October 22, 2024 from 6:00 PM to 8:00 PM. This was a drop-in format event where residents could learn about and discuss key municipal projects, including the Housing Needs Assessment study, through engagement with project team members.

To complement the statistical analysis of housing needs presented herein, a community-wide survey was undertaken to provide a more comprehensive picture of the housing needs in Centre Wellington. The engagement strategy was designed to gather both quantitative and qualitative data, capturing a broad range of perspectives from residents.

The community survey was open to participation October 28, 2024 to January 20, 2025. The results of the survey are discussed in detail in section 5.2, with complete results provided in Appendix A.

2. Housing and Planning Policy Context

2.1 National Housing Policy

Introduced in 2017, the National Housing Strategy (NHS) is a federal strategy that identifies "Canadians have housing that meets their needs and they can afford. Affordable housing is a cornerstone of sustainable, inclusive communities and a Canadian economy where we can prosper and thrive." Through the NHS, the federal government plans to promote diverse communities and create a new generation of mixed-use, mixed-income, sustainable, and accessible housing.

The NHS recognizes "the right of every Canadian to access adequate housing" and sets ambitious and clear targets to achieve improved housing outcomes. The NHS is a 10-year plan that aims to reduce chronic homelessness by 50%, take out 530,000 households from housing needs, build 100,000 new housing units, and repair and renew 300,000 housing units. To meet these goals, the initiative introduces a mix of provisions for funding, grants, and loans and requires the collaboration and partnership of public, private, and non-profit sectors to create affordable and livable communities located near transit and public services.

2.2 Provincial Housing Policy

The following provides a summary of the relevant provincial and policy framework that relates to housing.

2.2.1 Bill 109: More Homes for Everyone Act, 2022

Introduced on March 30, 2022, Ontario's *More Homes for Everyone Act, 2022* (Bill 109) received Royal Assent on April 14, 2022. Bill 109 was an attempt to implement some of the recommendations included in the Ontario Housing Affordability Task Force Reports released on February 8, 2022. The Ontario Housing Affordability Task Force recommends increasing the housing supply by 1.5 million housing units over the next 10-year period. Through Bill 109, the Province of Ontario responds to a need to increase housing supply and choice by proposing several amendments to existing legislation, including the *Planning Act*, the *Development Charges Act*, the *City of Toronto Act, 2006,* the *New Home Construction Licensing Act, 2017,* and the *Ontario New Home Warranties Plan Act.*

Some of the planning-related items in Bill 109 include:

- Requiring municipalities to provide refunds of application fee(s) for zoning by-law amendments, Official Plan amendments, and site plan control applications when a municipality takes longer than expected to reach a decision;
- Enabling the Ontario Land Tribunal (OLT) to provide a recommendation on a municipal comprehensive review or reach a decision on an Official Plan; and
- Introducing the Community Infrastructure and Housing Accelerator tool that permits the Minister of Municipal Affairs and Housing to make a zoning order at the request of municipalities.

Furthermore, Bill 109 supports expedited processes of approvals for housing and local priorities and faster resolutions at the OLT.

2.2.2 Bill 23: More Homes Built Faster Act, 2022

On October 25, 2022, the Ontario government introduced the *More Homes Built Faster Act* (Bill 23). Following Bill 108 and Bill 109, Bill 23 is part of a long-term strategy to address the housing crisis by facilitating the construction of 1.5 million homes over the next 10 years. Bill 23 received Royal Assent by the provincial legislature on November

28, 2022. The Bill is intended to increase the housing supply and provide a mix of ownership and rental housing types for Ontarians. This identified need for additional housing relates to demand associated with both existing Ontario residents and newcomers to the Province through immigration.

To support the provincial commitment to getting 1.5 million homes built over the next 10 years, Bill 23 includes sweeping and substantive changes to a range of legislation, as well as through updates to regulations and consultations on various provincial plans and policies. Some of the Bill's changes to the *Development Charges Act*, the *Planning Act*, and the *Conservation Authorities Act* intend to reduce and exempt fees to spur new home construction and reduce the cost of housing. This includes ensuring affordable residential units, select attainable residential units, inclusionary zoning housing units, and non-profit housing developments will be exempt from payment of municipal development charges, community benefit charges, and the parkland dedication provision.

Bill 23 exempts residential development with up to 10 residential units from site plan control approval. Furthermore, for developments that are subject to site plan control, Bill 23 limits the extent to which exterior design could be addressed through the site plan approval process. To encourage gentle intensification, Bill 23 also allows for up to three residential units to be developed on any serviced lot that is designated for residential uses.

In Bill 23, the Province of Ontario has assigned municipal housing targets, identifying the number of new housing units needed by 2031, impacting Ontario's 50 largest and fastest growing single/lower-tier municipalities in Ontario. While Centre Wellington is not subject to specific municipal housing targets, it is important to recognize the emphasis the Province is placing on housing supply expansion more broadly.

2.2.3 Bill 185: Cutting Red Tape to Build More Homes Act, 2024

With respect to the proposed changes to the *Planning Act* under Bill 185, the *Cutting Red Tape to Build More Homes Act, 2024*, we have identified the following key impacts as they broadly relate to housing in Ontario.

Enhancing and Broadening the Framework for Additional Residential Units

Under subsection 35.1 (2) of the *Planning Act*, the Minister is authorized to make regulations regarding additional residential units (A.R.U.s) by establishing requirements and standards with respect to a second or third residential unit in a detached house, semi-detached house, or rowhouse, as well as a residential unit in a building or structure ancillary to such a house.

Bill 185 proposes to broaden provisions to allow the Minister to regulate any A.R.U.s in an existing home (as noted above) or ancillary structure for the purposes of an A.R.U. If approved, the Minister will have a new regulation-making power to remove zoning barriers to accommodate A.R.U. developments, which may include maximum lot coverage and limits on the number of bedrooms allowed per lot.[10]

2.2.4 Bill 17: Protect Ontario by Building Faster and Smarter Act, 2025

The *Protect Ontario by Building Faster and Smarter Act* (Bill 17) was introduced on May 12, 2025, and received Royal Assent on June 5, 2025. Bill 17 includes a series of amendments to the *Development Charges Act* aimed at supporting housing development by modifying how municipalities collect and manage development charges. This includes deferring development charge payments for residential developments until occupancy, granting the Province regulatory authority to define eligible capital costs and local services, removing interest charges on deferred development charge payments for rental and institutional housing, allowing early payment of development charges without an agreement, and streamlining the process for municipalities to reduce development charge rates or remove indexing without the need for a background study or public meeting.

2.2.5 Provincial Planning Statement, 2024

The Province of Ontario issued a new Provincial Planning Statement on August 20, 2024 (P.P.S., 2024), which came into effect on October 20, 2024. The P.P.S., 2024 is intended to simplify and integrate existing provincial policies (A Place to Grow: Growth Plan for the Greater Golden Horseshoe (the Growth Plan, 2019) and the Provincial Policy Statement, 2020 (P.P.S., 2020)) while providing municipalities and the Province

[10] Bill 185, Schedule 12, section 9.

with greater flexibility to deliver on housing objectives. The P.P.S., 2024 also provides a more flexible horizon for planning for urban growth and land needs over a 20- to 30-year planning horizon.

The following summarizes key highlights of the new P.P.S., 2024.

Providing for an Appropriate Range and Mix of Housing Options

- The new P.P.S., 2024 requires that municipalities unlock more opportunities for housing. Generally unchanged from the P.P.S., 2020, the P.P.S., 2024 still requires planning authorities to maintain at all times the ability to accommodate residential growth for a minimum of 15 years through lands that are designated and available for residential development. Planning authorities are also required to maintain at all times, where new development is to occur, land with servicing capacity sufficient to provide at least a three-year supply of residential units, available through lands suitably zoned, including units in draft approved or registered plans.
- The P.P.S., 2024 requires municipalities to establish and maintain minimum targets for intensification and redevelopment within built-up areas, based on local conditions.[11] Furthermore, municipalities are required to keep their zoning by-laws up to date by establishing minimum densities, heights, and other standards to accommodate growth and development.[12]

No Significant Policy Change and Approach to Planning for Affordable Housing

- The new P.P.S., 2024 carries forward a similar definition of affordable housing as that established in the P.P.S., 2020. The definition of affordable housing in the P.P.S., 2024, however, is based on the municipality instead of the regional market area as defined in the P.P.S., 2020. Additionally, the P.P.S., 2024 carries forward the requirement of "establishing and implementing minimum targets for the provision of housing that is affordable to low- and moderate-income households."[13] The P.P.S., 2024 does not address the issue of attainable housing, an issue that was also lacking in the P.P.S., 2020.

[11] Bill 185, Schedule 12, section 9, policy 2.3.1.4, p. 8.
[12] Ibid., policy 6.1.6, p. 32.
[13] Ibid., policy 2.2.1, p. 7.

2.3 Local Policy Context

Wellington County Official Plan

As Centre Wellington is part of Wellington County, it takes directions from the County's plans and policies. Wellington County's Official Plan encourages a comprehensive approach to housing by promoting residential growth, housing diversity, and intensification, particularly in urban areas. It emphasizes efficient land use and diverse housing options to accommodate a variety of household types and incomes with a focus on making new housing affordable through secondary suites, low-rise developments, and A.R.U.s. It also supports a range of housing options for seniors and those with special needs, reflecting the County's commitment to inclusive and adaptable housing.

Centre Wellington Official Plan

The Township of Centre Wellington's Official Plan outlines land use policies for the urban centres of Elora, Fergus, Salem, and Belwood, while rural areas are governed by the County of Wellington Official Plan. The Centre Wellington Official Plan promotes the development of various housing types to meet future needs and ensures opportunities for moderate and lower-income households. Additionally, the Plan encourages intensification, primarily within urban centres and along major roadways, by supporting increased density in new greenfield areas, within built-up areas, and through the addition of housing above commercial uses, particularly in or near downtown areas.

2.4 Local Housing Plans and Strategies

2.4.1 2023-2026 Strategic Plan

The 2023-2026 Strategic Plan is a comprehensive roadmap for the Township of Centre Wellington, designed to guide the direction of Council. It was developed through a collaborative process involving Council, staff, and extensive engagement with stakeholders, including surveys, workshops, and sessions. One of the key focuses of the Plan is managing growth while enhancing the community's unique character. Within this objective, the Township aims to become a model municipality for housing variety, ensuring that the growth accommodates a range of housing options while preserving the distinctive features that define the community.

2.4.2 Attainable Housing Strategy Background Research Paper

The Attainable Housing Strategy Background Research Paper (2021), prepared by graduate students in the Rural Planning and Development program at the University of Guelph, supports the Township of Centre Wellington's efforts on attainable housing. It outlines the local planning context and emphasizes the need for a clear definition of attainable housing and timely implementation of supportive policies. The report recommends strategies such as increasing density, enabling secondary units, and supporting vulnerable populations, along with long-term solutions like inclusionary zoning and community land trusts to enhance housing affordability.

2.4.3 Affordable Housing Strategy (Planned 2025–2026)

Centre Wellington will initiate its first Affordable Housing Strategy in late 2025, using the Housing Needs Assessment as a key input.[14] The strategy will outline actionable policies, financial tools, and partnership models to address gaps across the housing spectrum. It will also explore opportunities such as leveraging surplus municipal lands and revising development standards to encourage more affordable and diverse housing forms.

This strategy will play a critical role in advancing the Township's housing objectives and will serve as a foundation for future Official Plan and zoning by-law updates.

2.5 What is Affordable Housing?

Definitions of affordability general fall into one of two categories: income-based or market-based. Income-based definitions of affordability consider housing affordable if it costs less than a certain percentage of a household's annual income, typically 30%, whereas market-based definitions of affordability consider housing affordable if the price of rent/ownership falls below the average or median market prices. It is important to note that not all affordable housing is social and/or subsidized. There is a need for housing that is affordable for people working at modest wages, sometimes referred to as "workforce housing" or "attainable housing."

[14] Housing Needs Assessment, Township of Centre Wellington (https://www.connectcw.ca/housing-needs-assessment)

The P.P.S. 2024 outlines definitions for "affordable" housing and "low- and moderate-income households," which are generally consistent with the P.P.S., 2020. The relevant definitions and policies are detailed below for reference:

> "**Affordable:** means
> 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 municipality;
>
> 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 municipality."[15]

> "**Low and moderate income households:** means
> a) in the case of ownership housing, households with incomes in the lowest 60 percent of the income distribution for the municipality; 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 municipality."[16]

Implementation of Affordable Residential Unit Exemption (Bill 134)

The *More Homes Built Faster Act* (Bill 23) identified an exemption for additional residential units. This exemption was subsequently revised through Bill 134, *Affordable Homes and Good Jobs Act, 2023*, whereby the Ontario Legislature made changes to the *Development Charges Act* and the *Planning Act*. These changes received Royal Assent on December 4, 2023, under Bill 134 (*Affordable Homes and Good Jobs Act*). The changes pertain to the definition of an "affordable residential unit" for the purpose of exempting such developments from the payment of development charges, community benefit charges, and parkland dedication.

[15] Provincial Planning Statement, 2024, Definitions, p. 39.
[16] Ibid., p. 45.

In May 2024, the provincial government tabled a bulletin under the *Planning Act* that listed the definition of affordable for the purpose of exemption for municipal development charges, community benefit charges, and parkland dedication fees.

The new definition of an affordable residential unit is generally consistent with the P.P.S., 2024 and considers both income-based and market-price approaches to derive an affordable housing definition for both rental and ownership housing units.

The exemption is summarized as follows:

- Affordable Rental: Where the rent is no greater than the lesser of the income-based affordable rent[17] set out in the Affordable Residential Units Bulletin and the average market rent[18] identified in the Affordable Residential Units Bulletin.
- Affordable Owned Unit: Where the price of the residential unit is no greater than the lesser of the income-based affordable purchase price[19] set out in the Affordable Residential Units Bulletin and 90% of the average purchase price identified in the Affordable Residential Units Bulletin.

This exemption came into force on June 1, 2024, and the Affordable Residential Units Bulletin is posted on Ontario.ca.

3. Centre Wellington Population and Housing Trends

The following provides an overview and analysis of the macro-economic factors, local market considerations, and socio-economic and demographic trends that are influencing housing ownership and rental housing demand, supply, and affordability. The analysis relies largely on Statistics Canada Census data for the 2006 to 2021

[17] Based on the 60th percentile of gross annual incomes for renter households in the applicable local municipality and where the rent is equal to 30% of the income of the household.
[18] The average market rent for the year in which the residential units are occupied by a tenant is published yearly by the Canada Mortgage and Housing Corporation.
[19] Based on the 60th percentile of gross annual incomes for households in the applicable local municipality and where the purchase price would result in annual accommodation costs equal to 30% of the income of the household.

period with supplemental data from the Canada Mortgage and Housing Corporation (CMHC) and the Township's Community Housing Division.

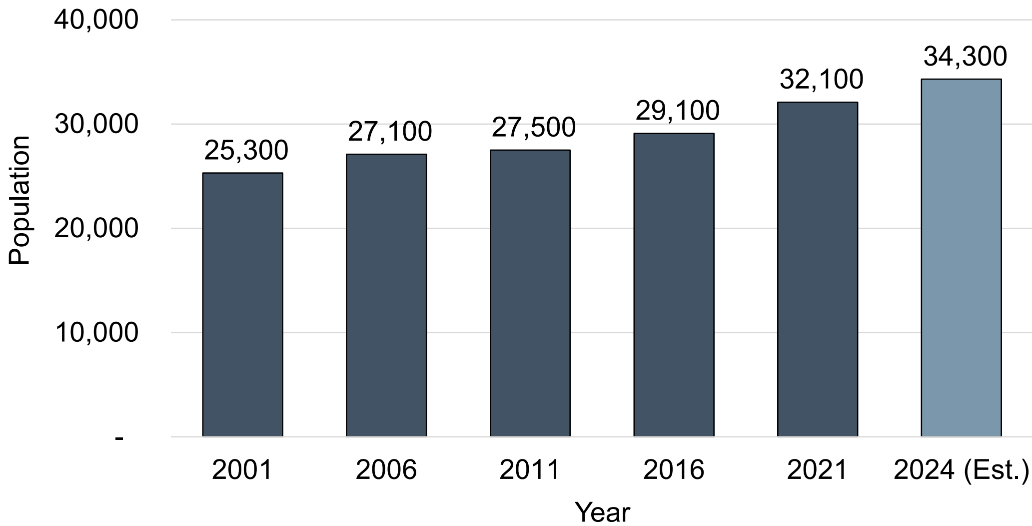
3.1 Local Population Growth Trends

Demographic trends strongly influence both housing need and form. Across the Province, the population is getting older on average, due to the aging of the Baby Boomers. The first wave of this demographic group turned 75 years of age in 2021.

Figure 1 and Figure 2 summarize historical population growth rates for Centre Wellington in accordance with Statistics Canada Census data. For comparative purposes, historical population growth rates have also been provided for the Province of Ontario. As illustrated, Centre Wellington's population base increased from 25,300 in 2001 to 32,100 in 2021, with 10% of the population increase occurring over the 2016 to 2021 period. Over the past two decades, the population base within the Township has increased by approximately 340 persons or approximately 1.2% per year, compared to the provincial average of 1.1% during the same time period. Centre Wellington's 2024 population was estimated at 34,300, representing a 7% increase from 2021.[20]

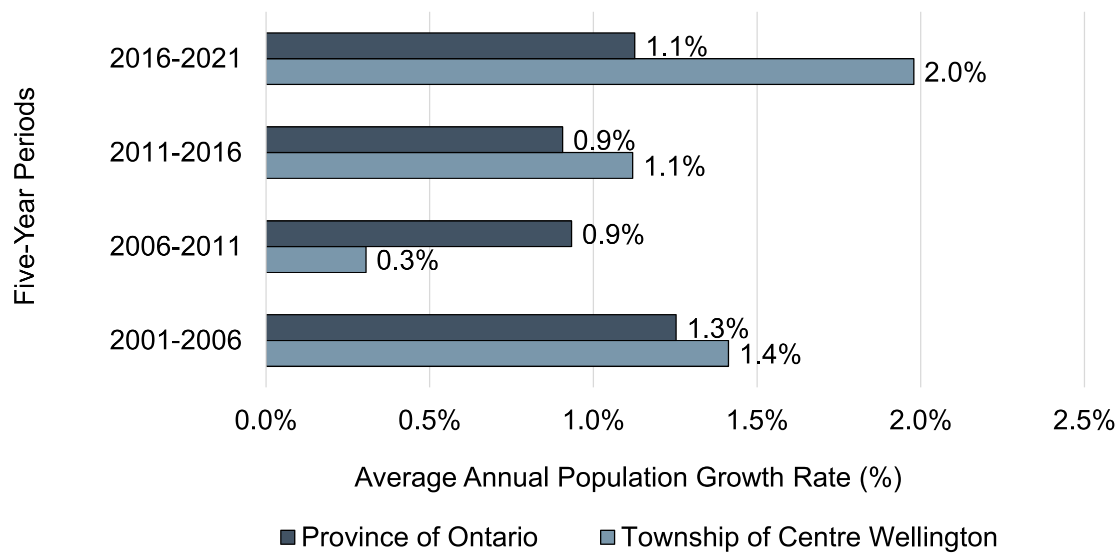
[20] Statistics Canada Table 17-10-0155-01.

Figure 1
Township of Centre Wellington
Historical Population, 2001 to 2024



Note: Population includes net Census undercount estimated at 3.2%.
Source: Derived from Statistics Canada Census data, 2001-2021, and the 2024 population estimate from Statistics Canada, Table 17-10-0155-01, by Watson & Associates Economists Ltd., 2025.

Figure 2
Township of Centre Wellington and the Province of Ontario
Average Annual Population Growth Rates in Five-Year Intervals, 2001 to 2021



Note: Population metrics include net Census undercount.
Source: Derived from Statistics Canada Census data, 2001 to 2021, by Watson & Associates Economists Ltd., 2025.

3.2 Demographic Trends

Similar to the Province, the average age of the population base in Centre Wellington is also aging, due to the large concentration of Baby Boomers. The aging of the local population base further reinforces the need to attract younger age groups to the Township, particularly those characterized as Millennials and Generation Z, as well as other future generations.[21]

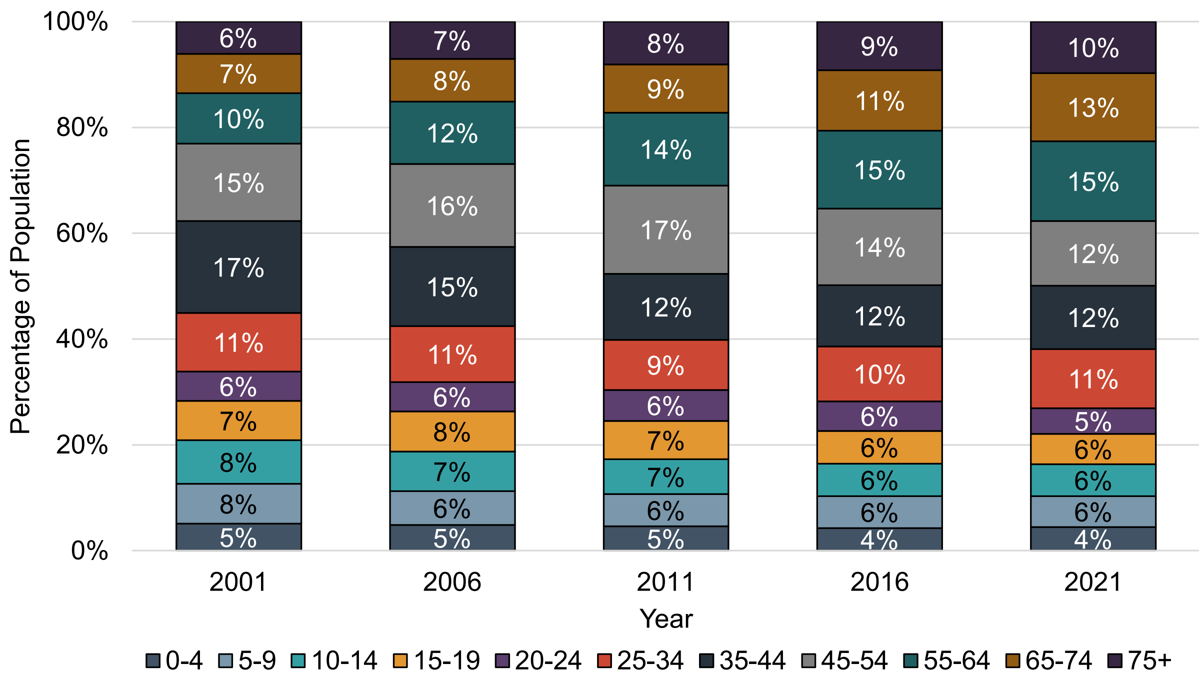
Figure 3 summarizes historical trends in permanent population structure over the 2001 to 2021 period by major age group in Centre Wellington. Key observations include:

- The share of the population in the 55+ age cohort steadily increased from 23% in 2001 to 38% in 2021;

[21] Millennials are generally defined as those born between 1980 and 1992. For the purposes of this study, we have assumed that those born between 1993 and 2005 comprise Generation Z.

- In contrast to the 55+ population age group, the population share of the 0 to 19 age group declined from 28% in 2001 to 22% in 2021;
- Similarly, the share of the 35 to 54 age group also steadily declined from 32% in 2001 to 24% in 2021; and
- Lastly, the population share of the young adult age group (20 to 34) was relatively stable.

Figure 3
Township of Centre Wellington
Historical Permanent Population by Major Age Group, 2001 to 2021



Source: Derived from Statistics Canada custom order data by Watson & Associates Economists Ltd., 2025.

3.3 Household Trends

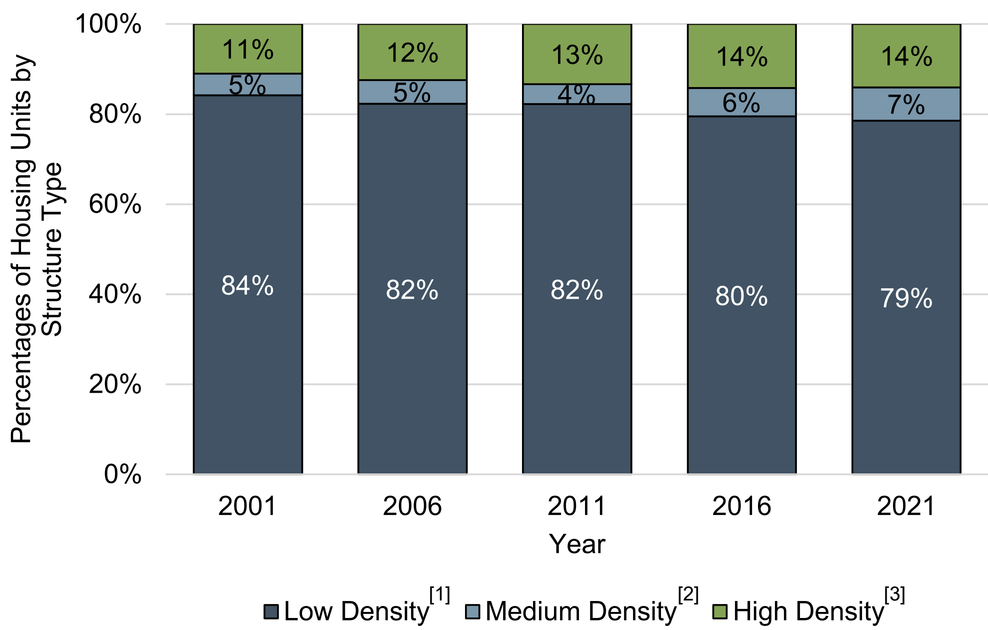
As shown in Figure 4, Centre Wellington's 2021 housing base comprises approximately 11,970 occupied dwelling units, largely consisting of low-density housing (single detached/semi-detached) which accounts for 79% of units.[22] The Township's housing

[22] Based on Statistics Canada. 2021.

base comprises approximately 7% and 14% medium- and high-density units, respectively. Key observations include:

- Centre Wellington's housing base has historically been predominantly owner-occupied low-density units (single and semi-detached); and
- The local housing market is gradually becoming more diverse with a greater share of higher-density units.

Figure 4
Township of Centre Wellington
Housing by Structure Type, 2001 to 2021

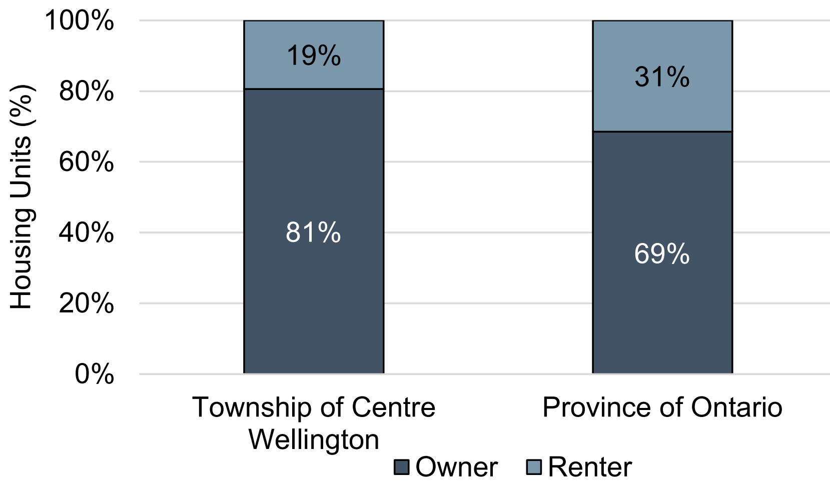


[1] Includes single and semi-detached units.
[2] Includes townhouses and apartments in duplexes.
[3] Includes bachelor, 1-bedroom, and 2-bedroom+ apartment units.
Notes: Numbers may not add precisely due to rounding.
Source: Data derived from Statistics Canada Census, 2001-2021 by Watson & Associates Economists Ltd., 2025.

3.3.1 Housing Tenure

Housing tenure falls under two categories – owner-occupied, and renter-occupied. As shown in Figure 5, within Centre Wellington in 2021, 81% of housing units are owner-occupied and 19% are renter-occupied.[23] Centre Wellington has a notably higher share of renter households than the provincial average of 31%.

Figure 5
Township of Centre Wellington
Housing by Tenure, 2021



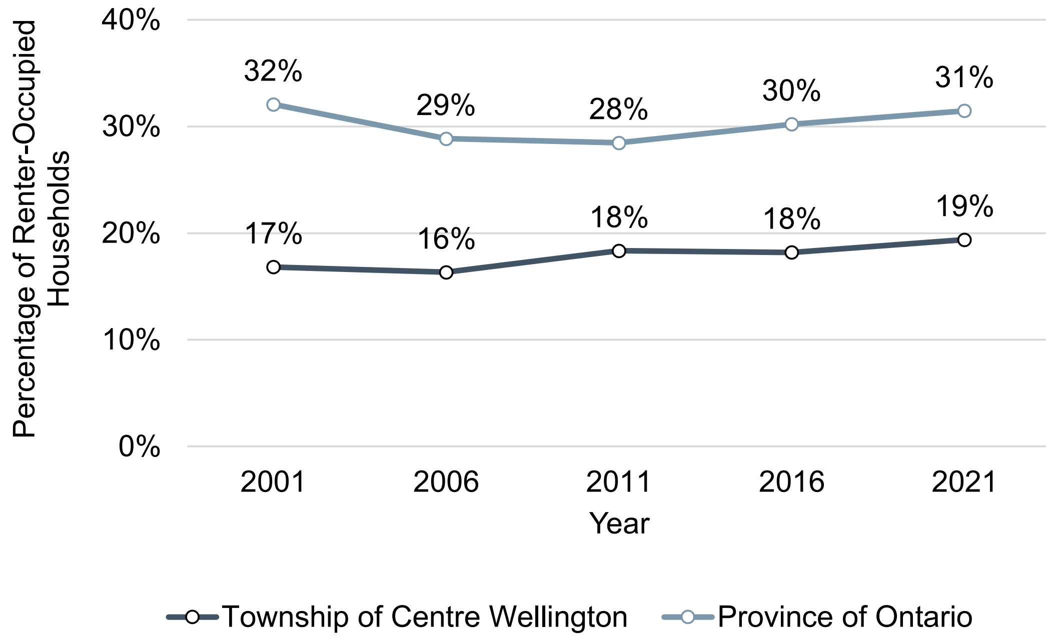
Source: Derived from Statistics Canada by Watson & Associates Economists Ltd., 2025.

Figure 6 summarizes historical share of renter-occupied units within Centre Wellington and the Province over the 2001 to 2021 period. Key findings include:

- The share of renter-occupied households in Centre Wellington decreased from 17% in 2001 to 16% in 2006, and increased by 3% from 16% in 2006 to 19% in 2021;
- Renter-occupied households as a proportion of total dwellings in Centre Wellington remained lower than the Province of Ontario throughout the 2001 to 2021 period; and
- Over the 2001 to 2021 period, the number of renter-occupied housing units in Centre Wellington increased by 875 units from 1,445 to 2,320.

[23] Based on 2021 Census Profile data.

Figure 6
Township of Centre Wellington
Renter-Occupied Dwellings as a Share of Total Occupied Dwellings, 2001 to 2021

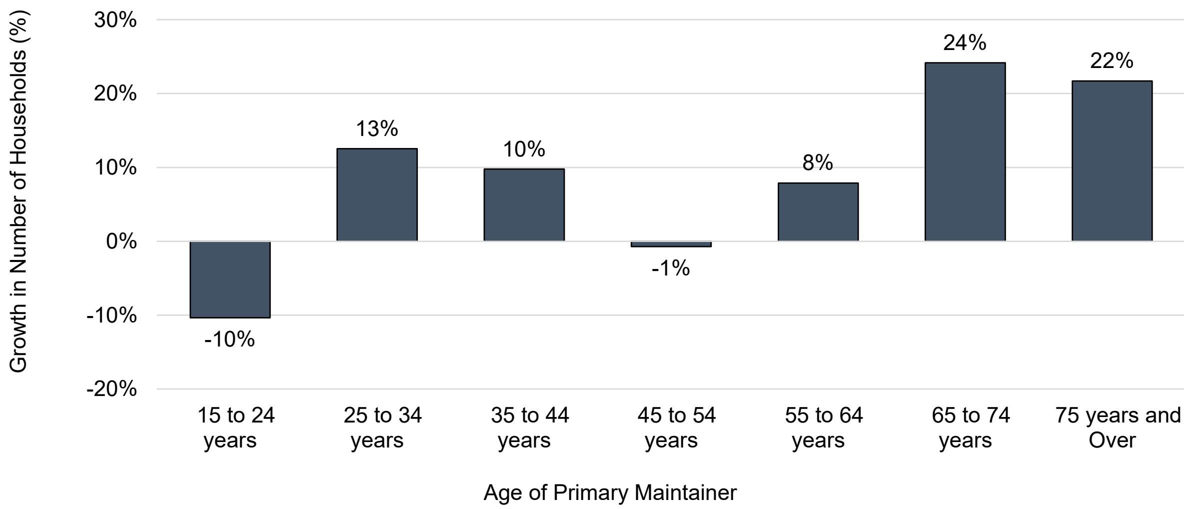


Source: Derived from Statistics Canada Census data, 2001-2021, by Watson & Associates Economists Ltd., 2025.

3.3.2 Household Growth by Age and Size

Figure 7 summarizes 2016 to 2021 household growth by age of primary household maintainer in Centre Wellington. Centre Wellington has experienced strong household growth in the 55+ age cohort, including empty nesters/young seniors (55 to 64 years of age) and seniors (aged 65+). Household growth in units maintained by those aged 55+ accounted for approximately 75% of the total housing increase over the 2016 to 2021 period, with 34% being renter-occupied and 66% owner-occupied households. During the same time period, moderately strong growth was experienced in households maintained by younger age groups (25 to 34 and 35 to 44 years of age), while the number of households maintained by those aged 15 to 24 and 45 to 54 declined.

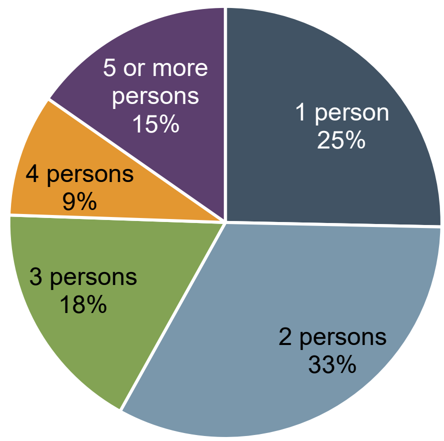
Figure 7
Township of Centre Wellington
Growth in Number of Households by Age of Primary Maintainer, 2016 to 2021



Source: Derived from Statistics Canada Census data, 2016-2021, by Watson & Associates Economists Ltd., 2025.

Figure 8 summarizes the 2016 to 2021 household growth by household size within the Township. As shown, 58% of the household growth comprised one- and two-person households (25% and 33%, respectively). In comparison, three-person households accounted for 18% of the total, four-person households 9%, and five-or-more-person households accounted for 15%.

Figure 8
Township of Centre Wellington
Share of Growth in Households by Size, 2016 to 2021



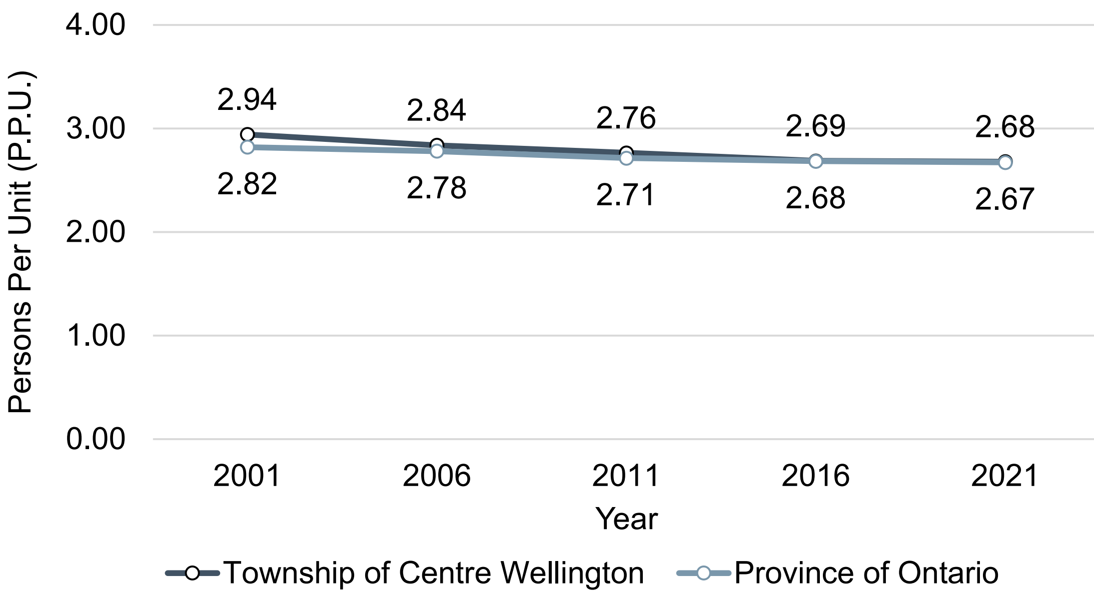
Source: Derived from Statistics Canada Census data, 2016-2021, by Watson & Associates Economists Ltd., 2025.

Figure 9 summarizes the average housing occupancy in the Township in comparison to the provincial average over the 2001 to 2021 period. This is expressed as the average number of persons per dwelling unit (P.P.U.).[24] As shown, average P.P.U.s have declined in Centre Wellington and the Province over the past two decades. Centre Wellington's current (2021) P.P.U. of 2.68 is approximately the same as the Province of Ontario's average of 2.67.

The downward trend in housing occupancy in Centre Wellington has been driven by the aging of the population, which increases the proportionate share of empty nester and single-occupancy households.

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

Figure 9
Township of Centre Wellington
Housing Occupancy Trends, 2001 to 2021



Note: P.P.U. metrics include net Census undercount.
Source: Derived from Statistics Canada Census Data, 2001 to 2021 by Watson & Associates Economists Ltd., 2025.

3.4 Observations

The Township's population has grown by 340 people, or about 1.2% annually over the past two decades, with significant growth since 2016. This growth, coupled with an aging population, particularly in the 55+ age group, highlights the need for a diverse range of housing options, including high-density and rental units. This emphasizes the importance of aligning new housing supply with these demographic trends to ensure affordability and meet the varied housing needs of the community.

4. Centre Wellington's Housing Market Profile

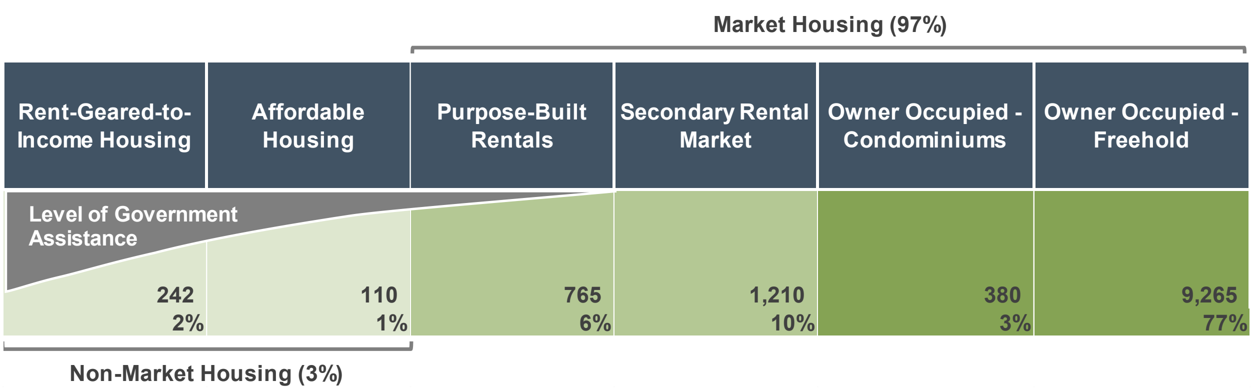
4.1 Centre Wellington's Housing Continuum

Centre Wellington's housing base has historically been dominated by grade-related housing. In 2021, 79% of the Township's housing base comprised low-density housing, 7% medium-density housing, and 4% high-density housing. The majority of housing (81%) was owner occupied.

Centre Wellington's housing continuum is presented in Figure 10. While the Township's range of housing market has been diverse, there is a limited share of non-market housing, with 97% of the Township's total housing being market housing compared to 3% being publicly funded or provided by non-profit agencies.

As shown in Figure 10, the Township's housing largely consists of owner-occupied households (80%), primary rental households (6%), and secondary rental households (10%), followed by non-market housing (3%).

Figure 10
Township of Centre Wellington
Market and Non-Market Housing Continuum



Notes:

– Rental (secondary market) household metrics do not include non-Census dwelling units.
– Numbers may not add precisely due to rounding.
– Affordable housing units are located at 165 and 169 Gordon Street in Fergus.
– Centre Wellington currently has no emergency beds or transitional/supportive housing.

Source: Derived from Township of Centre Wellington data, Canada Mortgage and Housing Corporation rental market data, Statistics Canada Table 46-10-0070-01, and Statistics Canada Census data, 2021, by Watson & Associates Economists Ltd., 2025.

4.2 Rental Housing Market

The inventory of rental housing options that can be found within the Township of Centre Wellington is moderately diverse, and it can thus be represented by a spectrum of different building typologies, dwelling unit sizes, and geographic locations. The rental market for various dwelling options is structured similarly to that of other communities in Canada, as the Centre Wellington rental market is characterized by both a primary and secondary market:

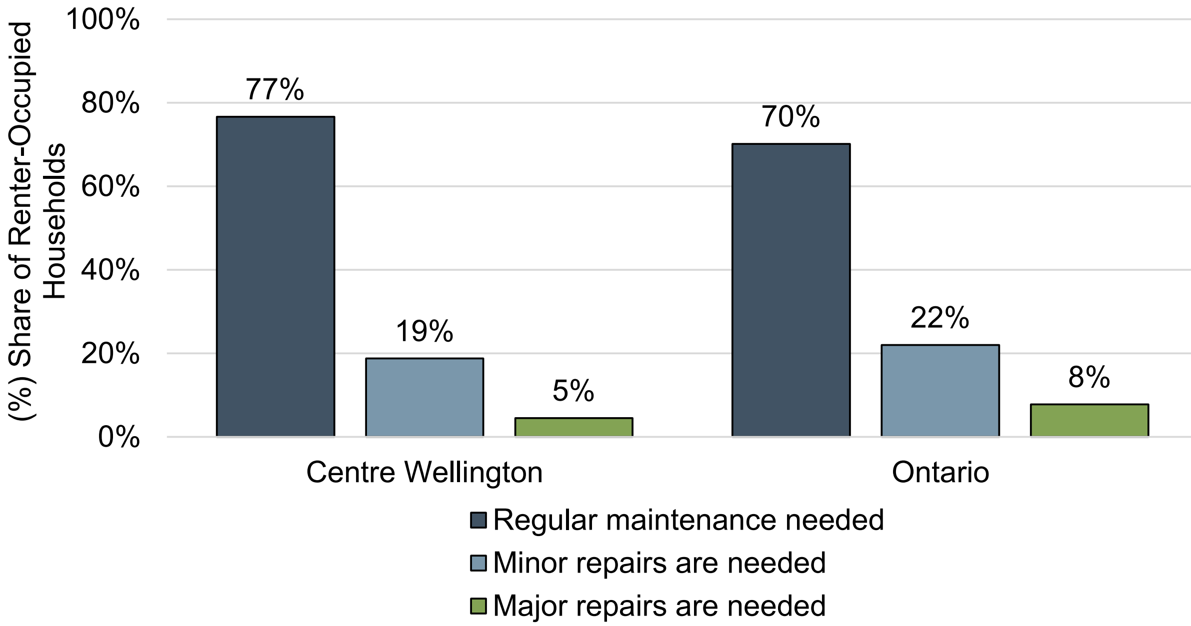
- **Primary rental market** – CMHC identifies the primary rental market as structures that have at least three rental units. These properties are typically operated by an owner, manager, or building superintendent.
- **Secondary rental market** – CMHC identifies rented condominiums, subsidized rental housing, and rentals in structures of less than three units as part of the secondary rental market. In fact, all rentals – except privately initiated, purpose-built rental structures of three units or more – are included in the secondary rental market.

As of 2021, the rental market supply for both primary and secondary units within the Township of Centre Wellington is approximately 2,325 dwellings. This amount includes the approximately 765 units (33%) within the primary rental market, approximately 350 subsidized or affordable units (15%), and about 1,210 units (52%) in the secondary rental market categories.[25]

Centre Wellington's renter-occupied households by dwelling condition, compared to the provincial average, are presented in Figure 11. As shown, more than three-quarters of the Township's renter-occupied households are in dwellings that only require regular maintenance, higher than the provincial average. Of the renter-occupied dwellings in Centre Wellington, 5% require major repairs, which is lower than the provincial average.

[25] Statistics Canada Census, 2021, and CMHC rental market data.

Figure 11
Township of Centre Wellington
Share of Renter-Occupied Households by Dwelling Conditions, 2021



Source: Derived from Statistics Canada, Table 98-10-0247-01, by Watson & Associates Economists Ltd., 2025.

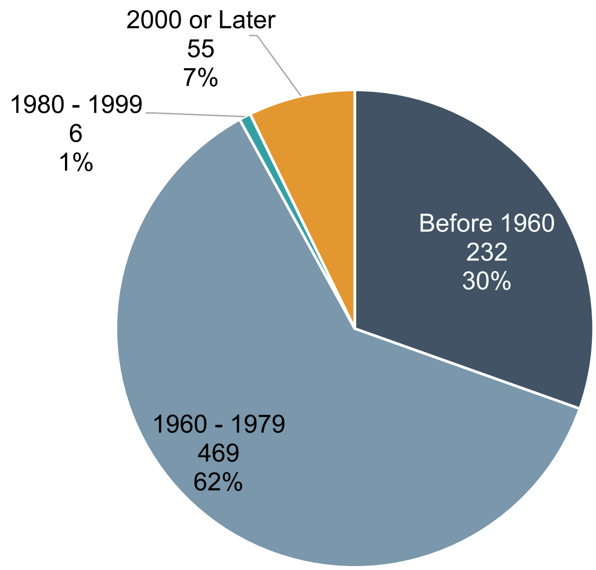
4.2.1 Purpose-Built Rental Market

As of October 2024, Centre Wellington's purpose-built rental market (primary rental market) totals 762 units, consisting entirely of apartments (100%) with no row houses (0%).[26]

Centre Wellington's existing purpose-built rental inventory primarily consists of units constructed during the 1960s and 1970s, accounting for 62% of the total stock. In addition, 30% of the rental units were built before 1960. A smaller portion, around 1%, was constructed between 1980 and 1999, and 7% of the inventory has been built since 2000, as shown in Figure 12.

[26] CMHC Rental Market Survey, October 2024.

Figure 12
Township of Centre Wellington
Purpose-Built Rental Housing Inventory by Year of Construction



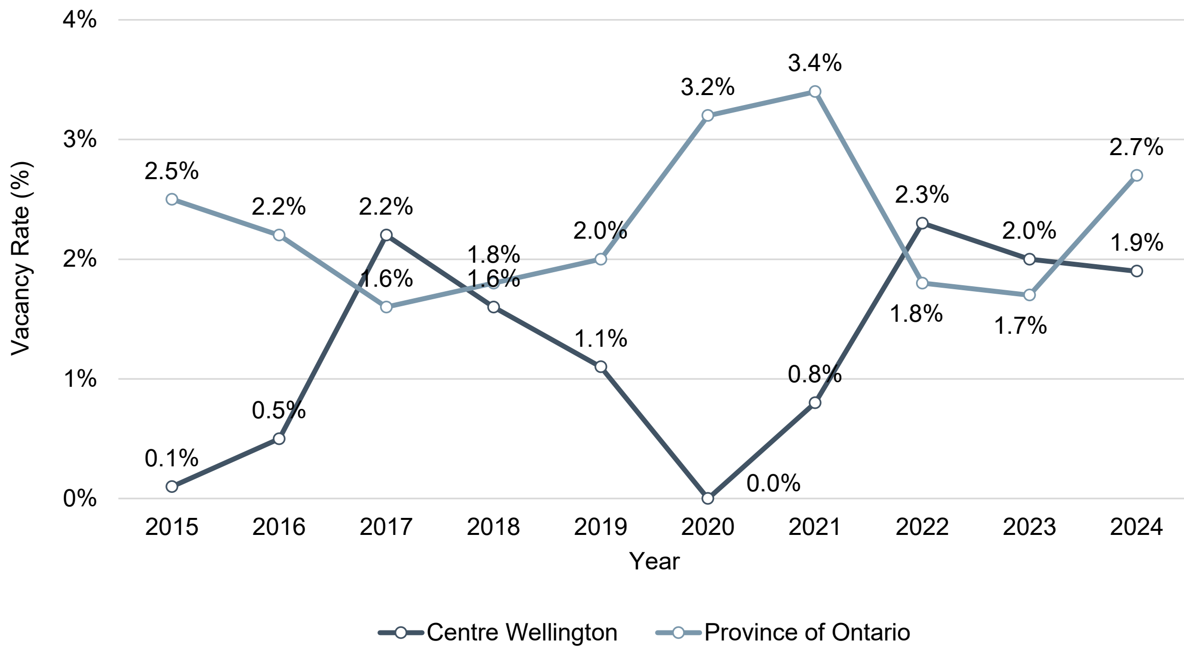
Source: Derived from Canada Mortgage and Housing Corporation Rental Market Survey, October 2024, by Watson & Associates Economists Ltd., 2025.

Figure 13 provides a summary of average rental vacancy rates for one-, two-, and three-bedroom apartments in the primary rental market over the past decade. Key observations include the following:

- As of October 2024, the overall vacancy rate is at 1.9% in Centre Wellington, significantly lower than the provincial average of 2.7%, indicative of a tight rental market (note that a healthy rental vacancy rate is generally considered to be 3%).[27]
- Since 2017, Centre Wellington's vacancy rate has been above the 10-year average (1.3%) except during the peak of the coronavirus disease (COVID-19) pandemic in 2020 and 2021 when it was 0% and 0.8%, respectively, and in 2019, when it was 1.1%.
- Over the past decade, the Township's vacancy rate has generally been lower than the provincial average (10-year average of 1.3% vs. 2.3%).

[27] Canada Mortgage and Housing Corporation, 2024.

Figure 13
Township of Centre Wellington
Historical Vacancy Rates, 2015 to 2024



Source: Derived from Canada Mortgage and Housing Corporation Rental Market Survey data tables by Watson & Associates Economists Ltd., 2025.

Typically, a rental vacancy rate of approximately 3% is considered healthy. It is noted that low average rental vacancy rates currently experienced in Centre Wellington and more broadly across the Province continue to place an upward price pressure on rents.

4.2.2 Secondary Rental Market

Centre Wellington's secondary rental market is growing and largely comprises grade-related housing, condominium rentals, and A.R.U.s that are rented out by owners, as presented in Figure 14. As shown, condominium units in the Township that are rented out by owners total 185 units, representing about 33% of the total condominium units in Centre Wellington.

A.R.U.s (secondary units) in grade-related housing, total approximately 500 units. Secondary units are present in about 4.8% of grade-related housing in Centre

Wellington.[28] Over the past decade (i.e., the 2015 to 2024 period), A.R.U. construction in Centre Wellington has averaged approximately 50 units per year.[29] Other grade-oriented housing (singles/semis and townhouses) are also rented out in the secondary market, totalling approximately 525 units, as shown in Figure 14.

Figure 14
Township of Centre Wellington
Secondary Rental Market, 2021

Secondary Rental Market	Units
Condominium Rental Apartments	185
Other (singles/semis and townhouses)	525
Additional Residential Units	500
Secondary Units	**1,210**

Note: Numbers may not add due to rounding.
Source: Derived from data provided by the Township of Centre Wellington GIS/Planning Division, Canada Mortgage and Housing Corporation rental market data, Statistics Canada Table 46-10-0070-01, and Statistics Canada 2021 Census data; compiled by Watson & Associates Economists Ltd., 2025.

4.3 Short-Term Rental Market

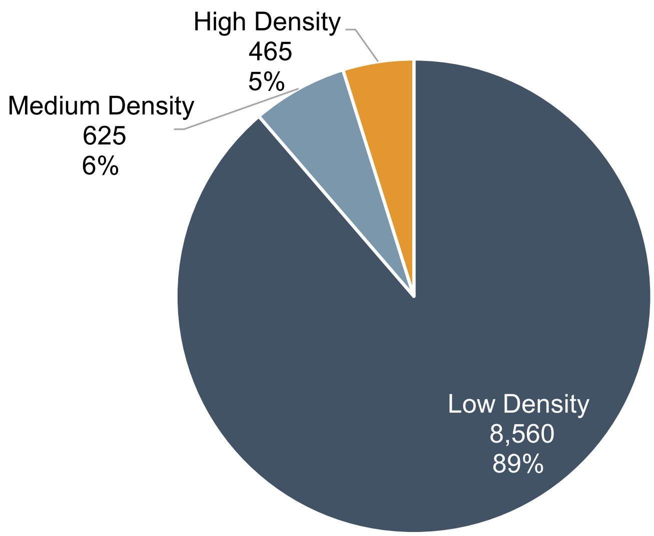
In May 2024, the Township of Centre Wellington conducted a desktop review and identified short-term rentals in Centre Wellington using multiple platforms, including Airbnb, VRBO, Booking.com, Expedia, and Google. These searches identified a total of 144 short-term rental units in Centre Wellington. Of these, 64% (92 units) were located in Elora, 27% (29 units) in Fergus, and the remaining 9% (12 units) in other areas of Centre Wellington.[30]

[28] Derived from data provided by the Township of Centre Wellington GIS/Planning Division and Statistics Canada Census Profile 2021.
[29] Data provided by the Township of Centre Wellington GIS/Planning Division.
[30] Derived from Centre Wellington local data, short-term rental (May 2024).

4.4 Ownership Market Housing

As shown in Figure 15, Centre Wellington has a strong tradition of home ownership with approximately 9,650 (81%) of housing units defined as owner occupied.[31] Centre Wellington's owner-occupied households largely comprise freehold grade-related housing units, including detached dwellings (low density) and townhouses (medium density), which account for 89% and 6% of the total, respectively. High-density units, comprising condominiums, account for 5% of the total.

Figure 15
Township of Centre Wellington
Ownership Housing by Structure Type, 2021

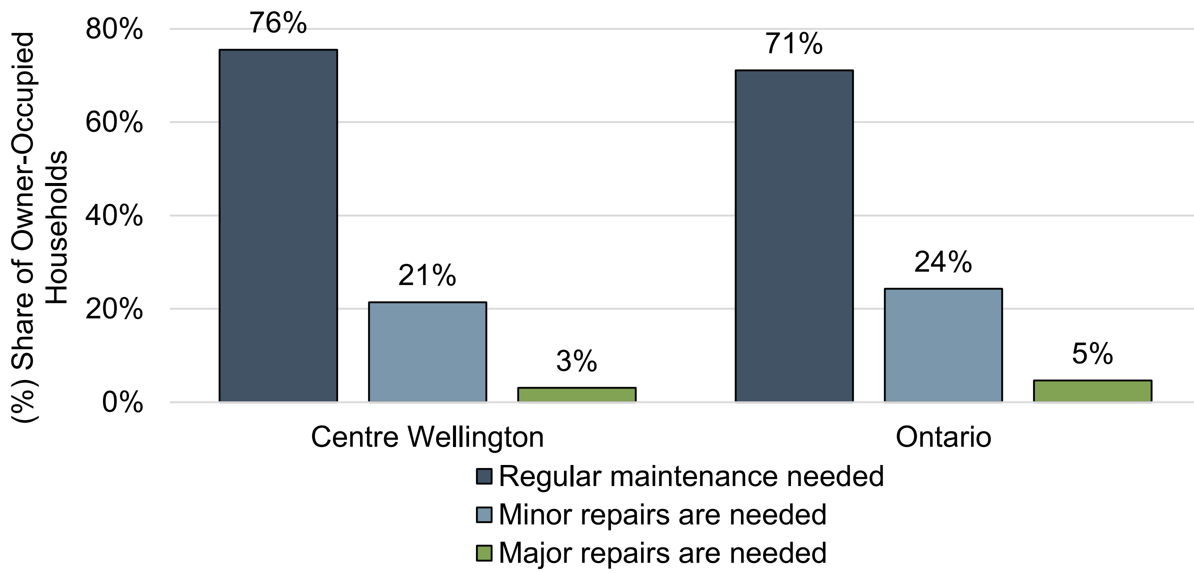


Source: Derived from Statistics Canada 2021 Census data by Watson & Associates Economists Ltd., 2025.

Centre Wellington's owner-occupied households by dwelling condition, compared to the provincial average, are presented in Figure 16. As shown, approximately 76% of Centre Wellington's owner-occupied households are in dwellings that only require regular maintenance, higher than the provincial average. Of the owner-occupied dwellings in Centre Wellington, 3% require major repairs, comparable to the provincial average of 5%.

[31] 2021 Statistics Canada Census.

Figure 16
Township of Centre Wellington
Share of Owner-Occupied Households by Dwelling Conditions, 2021



Source: Derived from Statistics Canada, Table 98-10-0234-01, by Watson & Associates Economists Ltd., 2025.

4.4.1 Condominium Market

Centre Wellington's condominium market is expanding and is estimated to total 565 units in 2021. Of these, 67% are owner occupied while 33% are rented out by owners.

Condominium development in Centre Wellington has grown over the past decade. Between 2014 and 2023, the condominium housing base expanded by 189 units.[32] Recent condominium development projects have comprised two mid-rise buildings. As of October 2024, there are no condominiums under construction or in the pre-construction phase in Centre Wellington.[33]

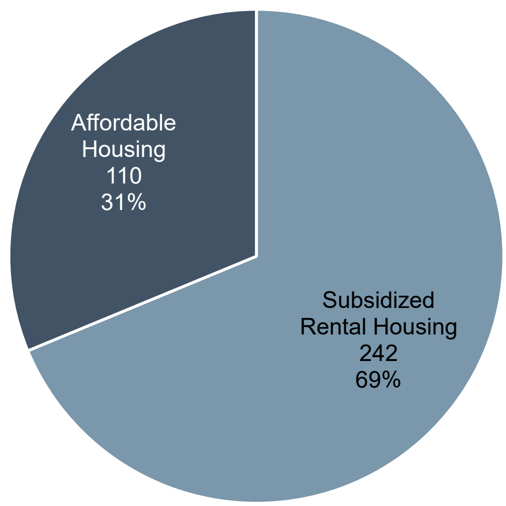
4.5 Publicly Funded/Non-Profit Housing

The County of Wellington serves as the Consolidated Municipal Service Manager for Social Services in the Wellington service area, which includes Wellington County and

[32] Altus Data Studio.
[33] Ibid.

the City of Guelph. As illustrated in Figure 17, Centre Wellington has 242 units (69%) of subsidized housing, also known as rent-geared-to-income (R.G.I.) or social housing, and 110 units (31%) of government-funded affordable housing.

Figure 17
Township of Centre Wellington
Non-Market Housing Continuum



Source: Derived from County of Wellington data by Watson & Associates Economists Ltd., 2025.

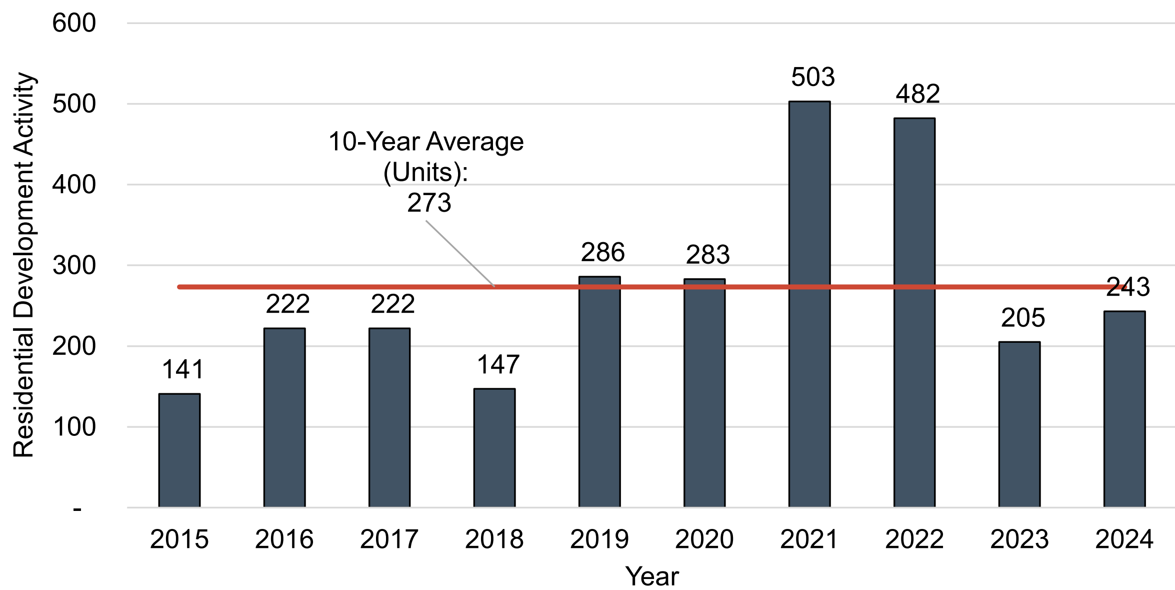
Further details on Centre Wellington's non-market housing ecosystem are provided below:

- **Subsidized Rental Housing** – Subsidized housing units, also called R.G.I. housing, have rent set at 30% of gross monthly household income. The remainder of the rental cost is subsidized through government contributions. As of December 2024, there were 242 social housing (R.G.I.) units across Centre Wellington.
- **Affordable Housing** – Government-funded affordable housing units are units with rental rates at or below the CMHC average market rent of a unit. Currently there are 110 affordable housing units in Centre Wellington.

4.6 Housing Development Activity Trends

Over the 2015 to 2024 period, Centre Wellington has averaged 273 residential units constructed per year, as illustrated in Figure 18. In the past five years, housing growth has accelerated, with an average of 343 units per year over the 2020 to 2024 period. Over the past decade, low-density housing construction has declined as a share of total housing development, with a significant increase in the share of high-density units (i.e., apartments and condominiums).

Figure 18
Township of Centre Wellington
Housing Development Activity, 2015 to 2024

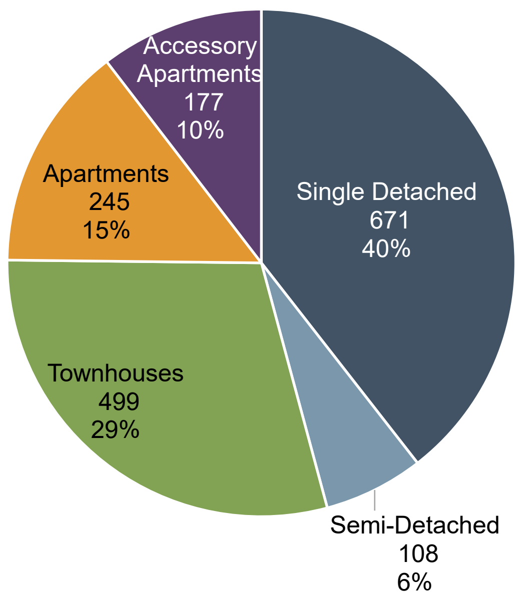


Source: Derived from the Township of Centre Wellington's building permits data by Watson & Associates Economists Ltd., 2025.

Building permit activity by housing type in Centre Wellington over the past five years (2020 to 2024) is presented in Figure 19. As illustrated:

- There has been a significant shift to higher-density developments, with 29% of units being medium density and 25% high density, compared to 40% for low-density units.
- Centre Wellington experienced relatively strong accessory apartment unit growth, accounting for 10% of housing unit development over the period.

Figure 19
Township of Centre Wellington
Residential Development Activity by Type (Units), 2020 to 2024



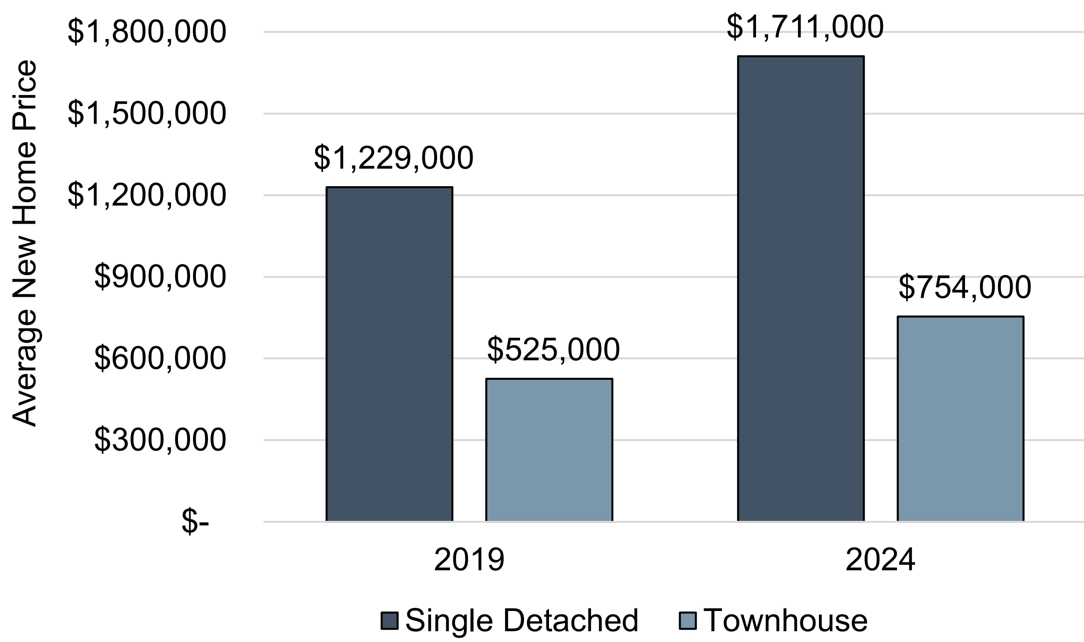
Source: Adapted from the Township of Centre Wellington's building permits data by Watson & Associates Economists Ltd., 2025.

4.7 Housing Cost Trends

Average home prices and rental rates in Centre Wellington have also increased, which has eroded housing affordability across the housing continuum in the Township.

Figure 20 summarizes historical trends in housing prices in Centre Wellington over the 2019 to 2024 period for single detached and townhouses dwellings. As illustrated, during this period, the average annual price for single detached homes increased by 39%, rising from $1,229,000 to $1,711,000, while the average price for townhouses grew by 44%, from $525,000 to $754,000.

Figure 20
Township of Centre Wellington
New Single Detached and Townhouse Prices, 2019 and 2024

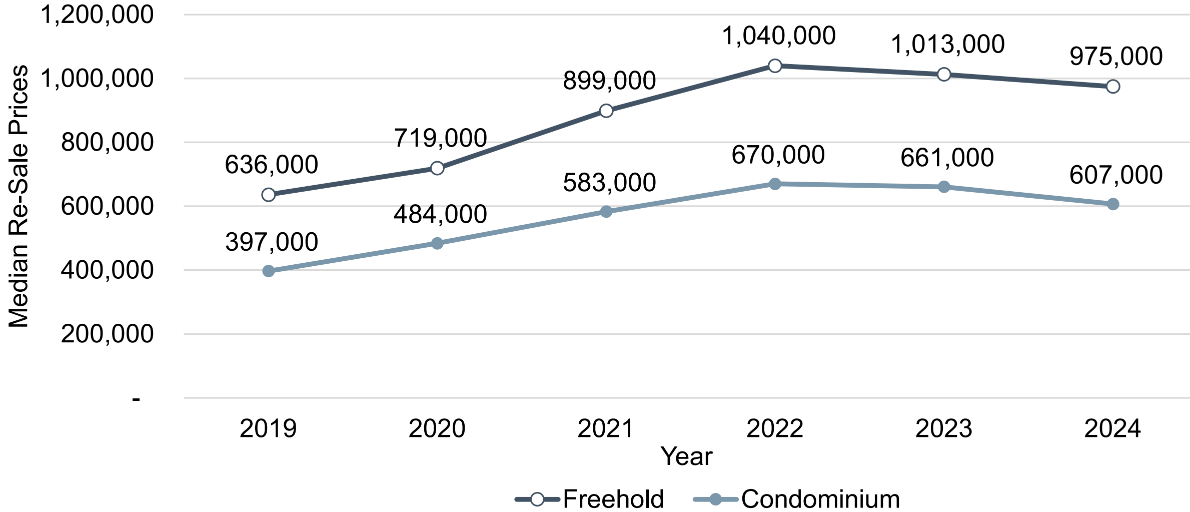


Source: Derived from Altus Studio Data by Watson & Associates Economists Ltd., 2025.

Similar to the new home market, the re-sale market has experienced strong price appreciation over the 2019 to 2024 period, as illustrated in Figure 21.

- The average annual re-sale price for freehold dwelling units has increased by 53%, rising from approximately $636,000 in 2019 to $975,000 in 2024.
- The average annual re-sale price for condominiums has increased by 53%, rising from approximately $397,000 in 2019 to $607,000 in 2024.

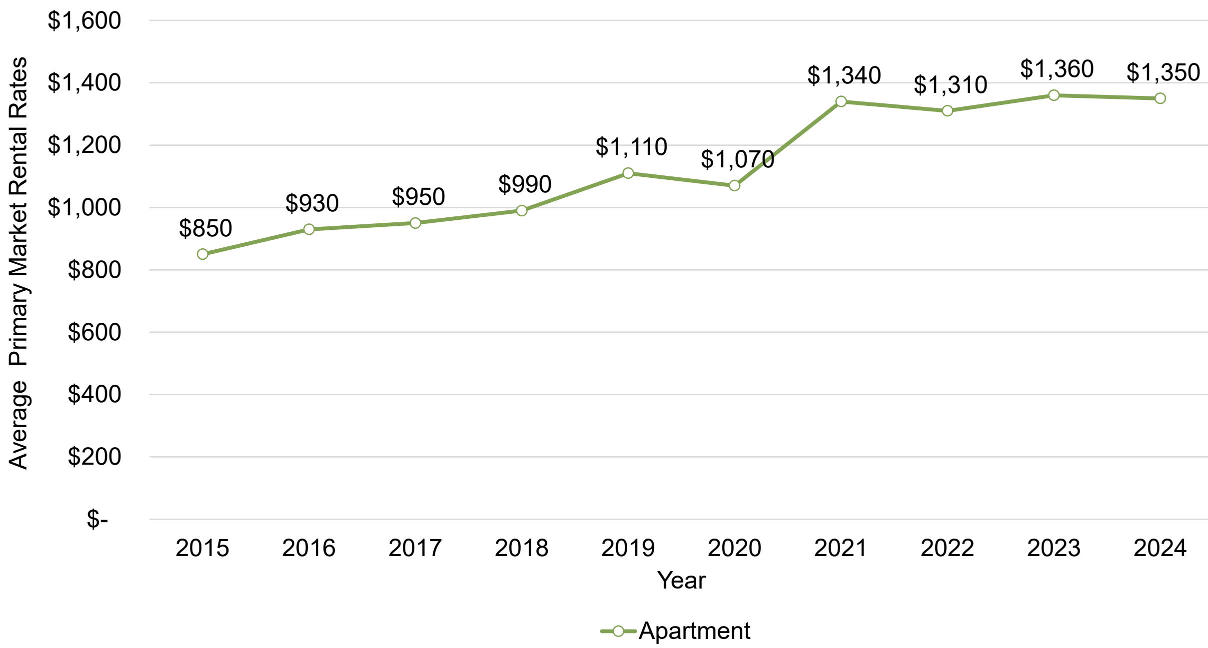
Figure 21
Centre Wellington
Median Re-sale Prices, 2019 to 2024



Source: Derived from the Royal City Reality Brokerage Real Estate Market Reports by Watson & Associates Economists Ltd., 2025.

Figure 22 illustrates the average rental market rates for apartments from 2015 to 2024 in Centre Wellington. As shown, over the 2020 to 2024 period, the average primary rental market rate for apartments increased 26%, rising from approximately $1,070 in 2019 to $1,350 in 2024.

Figure 22
Township of Centre Wellington
Average Primary Rental Market Rates – Apartments, 2015 to 2024



Source: Derived from Canada Mortgage and Housing Corporation Rental Market Survey, by Watson & Associates Economists Ltd., 2025.

4.8 Housing Affordability Benchmarks

In accordance with the definition of affordable housing provided in the P.P.S., 2024 and Bill 134, the following provides current housing affordability benchmarks for both rental and ownership housing in Centre Wellington.

4.8.1 Renter Housing

Figure 23 presents the benchmark for affordable housing in Centre Wellington in 2024. The assessment of affordable rental housing criteria is based on the review of both income-based and average market rent approaches where rent is no greater than the lesser of:

- **The income-based affordable rent** where the 60th percentile of gross annual income for renter households is equal to 30% of the income of the household; and

- **The average market rent** in Centre Wellington, based on the P.P.S., 2024 and average apartment rent data.

As illustrated below in Figure 23, the income-based affordable rent for a housing unit is $1,940, based on the current income distribution. The average market rents for different unit types vary, with bachelor units priced at $1,145, one-bedroom units at $1,167, two-bedroom units at $1,457, and three-bedroom+ units at $1,305. The average market rents by unit size represent the affordable rental housing thresholds for Centre Wellington.

Figure 23
Township of Centre Wellington
Assessment of Affordable Rental Housing Benchmarking, 2024

Affordable Rental Housing Unit	Amount
Rent Based on Income:	**$1,940**
Average Market Rent:	-
Bachelor Unit	$1,145
1-Bedroom Unit	$1,167
2-Bedroom Unit	$1,457
3-Bedroom+ Unit	$1,305

Source: Adapted from Affordable Residential Units for the Purposes of the *Development Charges Act, 1997* Bulletin, by Watson & Associates Economists Ltd., 2025.

4.8.2 Ownership Housing

In the determination of affordable ownership housing, the price of the residential unit is to be no greater than the lesser of:

- **The income-based affordable purchase price** for the residential unit based on the income of a household that the 60th percentile of gross annual income for the household would result in annual accommodation costs equal to 30% of the income of the household.
- **Market price** at 90% of the average purchase price identified for homes in Centre Wellington.

As illustrated below in Figure 24, the income-based affordable purchase price in Centre Wellington is $427,600, based on the current income distribution. The market prices at the 90% range vary by housing type, with single detached houses priced at $864,000, semi-detached houses at $621,000, townhouses/rowhouses at $648,000, and condominium apartments at $594,000. As such, the affordable household threshold for Centre Wellington is based on the income-based price of $427,600.

Figure 24
Township of Centre Wellington
Assessment of Affordable Ownership Housing Price Benchmarking, 2024

Affordable Ownership Housing Unit	Amount
Purchase Price Based on Income:	**$427,600**
Market-based Purchase Price (90% of average):	-
Single Detached	$864,000
Semi-Detached	$621,000
Townhouse/Rowhouse	$648,000
Condominium Apartment	$594,000

Source: Adapted from Affordable Residential Units for the Purposes of the *Development Charges Act, 1997* Bulletin, by Watson & Associates Economists Ltd., 2025.

Appreciation in house prices primarily impacts carrying costs through increased mortgage costs. As such, the erosion of housing affordability attributed to higher housing prices has a greater impact on lower- and middle-income households, and first-time home buyers who often can only meet the minimum down payment requirements for a mortgage.

5. Centre Wellington's Current Housing Needs

This chapter presents an overview of housing needs in Centre Wellington through both a quantitative and qualitative lens. A closer look at the municipal context of housing in the Township is required to provide a more comprehensive review of the barriers and challenges that residents face in accessing housing.

5.1.1 Waiting List for Non-Market Housing

Figure 25 shows the number of applicants on the Wellington-Guelph Centralized Waiting List managed by the County of Wellington Housing Service Division. As shown, as of December 2024, there were 3,526 households on the waitlist for subsidized, affordable, supportive, and special-needs housing units. The number of households on the waitlist increased by 40% over the 2020 to 2024 period, as shown in Figure 25.

Figure 25
Wellington-Guelph Service Area
Number of Households on Social Housing (R.G.I.) Wait List

Centralized Waiting List	2019	2020	2021	2022	2023	2024	2020-2024 Changes (%)
Applicants	2,159	2,525	3,206	3,377	3,181	3,526	40%

Note: R.G.I. means rent geared to income.
Source: Derived from the County of Wellington Housing Services Status and Activity Report by Watson & Associates Economists Ltd., 2025.

As of June 30, 2024, the Centralized Waiting List maintained by the County of Wellington indicates that 870 households had selected buildings in Centre Wellington (i.e., they expressed interest in living there). Of these, 168 households were eligible for R.G.I., affordable, or supportive housing.[34]

5.1.2 Core Housing Need

Figure 26 illustrates the households in core housing need by tenure (owner, renter) and renter households that are subsidized and not subsidized. In accordance with CMHC's definition, a household is considered to be in core housing need if it meets two criteria:

- A household **is below one or more** of the adequacy (repair), suitability (crowding) and affordability standards.

[34] The Corporation of the County of Wellington, *Joint Social Services and Land Ambulance Committee Agenda*, June 11, 2025, 1:00 p.m., Council Chambers.

- The household would have to spend 30% or more of its before-tax household income to access local market housing that meets all three standards.

The households in core housing need in Centre Wellington total 605 dwelling units as of 2021. This amount has been derived from a total of 11,540 assessed occupied dwelling units and represents approximately 5% of households in the Township, which is lower than the provincial average of 12%.[35]

Of the households in core housing need, approximately 380 (63%) are renter households and 220 (37%) are owner households. Of the renter households in core housing need, 79% are not subsidized and 21% are subsidized households, as shown in Figure 26.

Figure 26
Township of Centre Wellington
Households in Core Housing Need

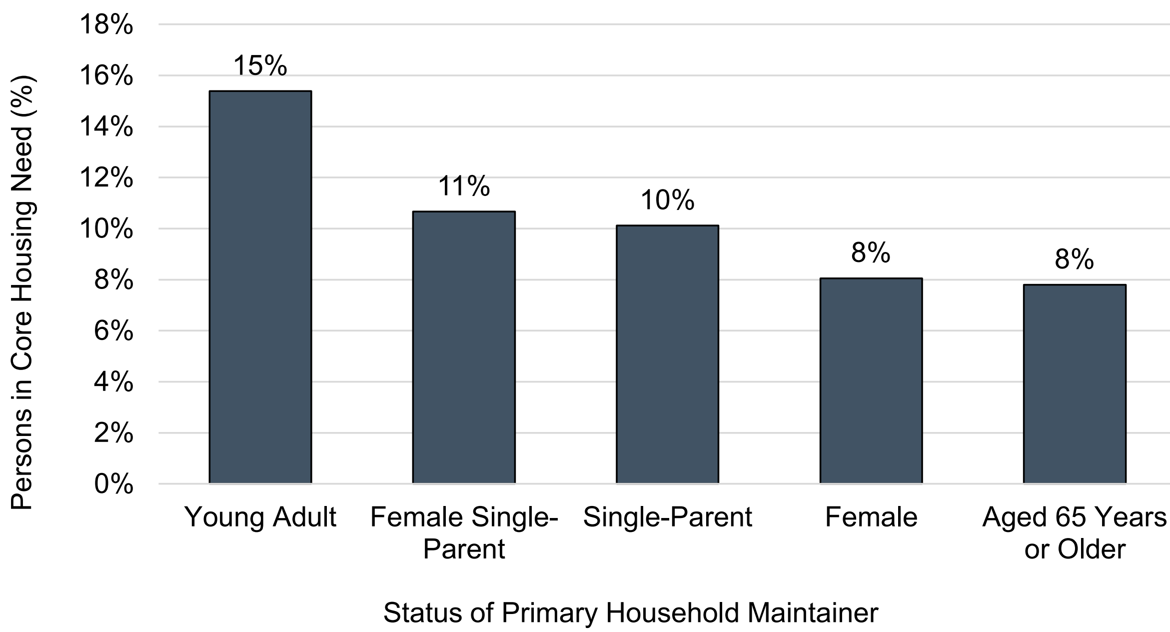
Housing Need Standards	Owner Households	Renter Households (Subsidized)	Renter Households (Market)	Total Owner and Rental Households
Below adequacy threshold only	20	-	-	20
Below suitability threshold only	-	-	-	-
Below affordability threshold only	190	80	240	510
Below affordability and suitability thresholds	-	-	20	20
Below affordability and adequacy thresholds	-	-	25	35
Below suitability and adequacy thresholds	-	-	-	-
Below all three thresholds	-	-	-	-
Total Households in Core Need	**220**	**80**	**300**	**605**

Note: Numbers may not add precisely due to rounding.
Source: Derived from Housing Assessment Resource Tools (HART) – 2021 Census of Canada by Watson & Associates Economists Ltd., 2025.

[35] Statistics Canada, Table 98-10-0247-01, Core housing need by tenure including presence of mortgage payments and subsidized housing: Canada, provinces and territories, Census divisions and Census subdivisions.

Figure 27 illustrates percentages of households in core housing need by priority population in the Township of Centre Wellington. As shown, in 2021, approximately 15% of households maintained by young adults were in core housing need, along with 11% of households maintained by female single parents, 10% by single parents overall, 8% by women, and 8% by individuals aged 65 and over.

Figure 27
Township of Centre Wellington
Key Characteristics of Population in Core Housing Need, 2021



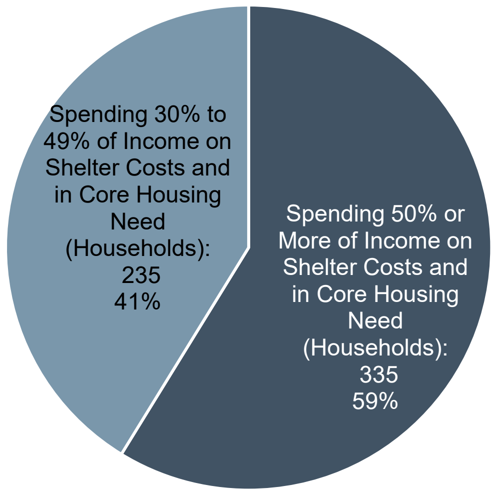
Source: Derived from Housing Assessment Resource Tools (HART) – 2021 Census of Canada by Watson & Associates Economists Ltd., 2025.

Figure 28 shows the Township's total households in severe core housing need. A household is considered to be in severe core housing need if it meets two criteria:

- A household **is below one or more** of the adequacy (repair), suitability (crowding) and affordability standards.
- The household would have to spend 50% or more of its before-tax household income to access local market housing that meets all three standards.

As shown in Figure 28, 335 households are in severe core housing need, representing 59% of the Township's total households in core housing need.

Figure 28
Township of Centre Wellington
Households in Severe Core Housing Need

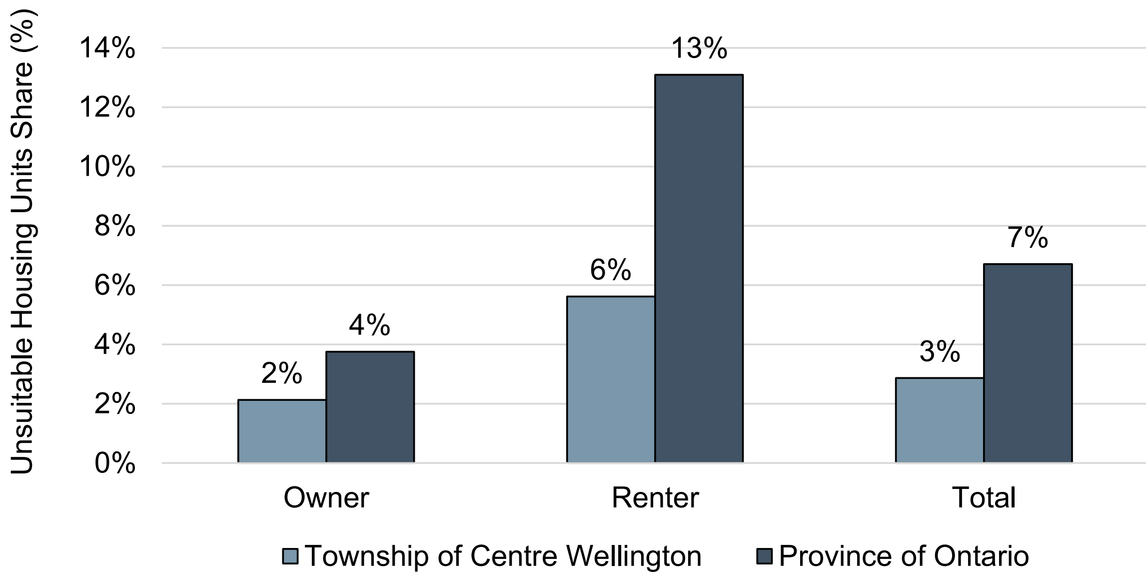


Source: Derived from Housing Assessment Resource Tools (HART) – 2021 Census of Canada by Watson & Associates Economists Ltd., 2025.

5.1.3 Housing Suitability

The indicator for housing suitability (a topic often referred to as crowding) is measured by the number of bedrooms within the dwelling related to the size and composition of the household. Within Centre Wellington, 3% (335 units) of occupied housing is not considered suitable for occupants from a space needs perspective. The percentage share of dwellings not considered suitable in Centre Wellington is considerably lower than the Ontario average (7%), as shown in Figure 29. Centre Wellington's unsuitable housing share has remained largely unchanged since 2006, when it was 3%.

Figure 29
Township of Centre Wellington and Province of Ontario
Housing Suitability, 2021



Source: Derived from Statistics Canada, Table 98-10-0247-01, by Watson & Associates Economists Ltd., 2025.

5.1.4 Homelessness

As of October 23, 2024, 335 individuals were actively homeless across Wellington County and the City of Guelph. A total of 227 surveys were completed by these individuals, of which 173 (76%) identified as chronically homeless, as shown in Figure 30.[36]

[36] Chronic homelessness refers to individuals who have experienced homelessness for six months or more within the past year.

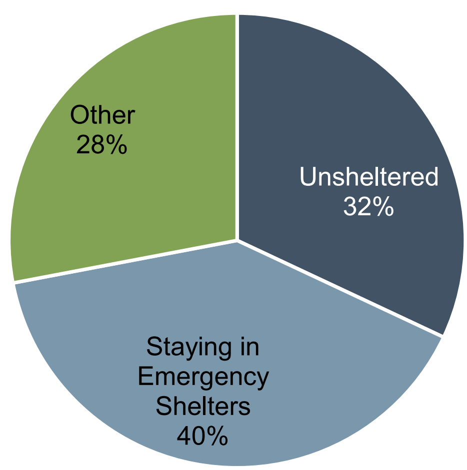
Figure 30
Wellington-Guelph Service Area
Number of People Experiencing Homelessness by Type

Type of Homelessness	2021 (# of People)	2024 (# of People)
Actively Homeless	270	335
Chronically Homeless	167	173

Source: Derived from Guelph-Wellington 2021 Everyone Counts by Watson & Associates Economists Ltd., 2025.

Figure 31 shows the status of the active homeless population in the Wellington service area as of May 2021. Of those who were actively homeless, 32% were unsheltered, 40% were staying in emergency shelters, while 28% were staying with friends or family (i.e., couch surfing).

Figure 31
Wellington Service Area (Wellington County and City of Guelph)
Status of the Chronically Homeless Population, 2021



Source: Derived from the Homeless Hub by Watson & Associates Economists Ltd., 2025.

5.2 Community Engagement Survey Findings

The Township of Centre Wellington conducted a Housing Needs Assessment Survey from October 28, 2024, to January 20, 2025, with a total of 145 participants. Respondents represented a range of age groups, with the majority between 25 and 44 years of age (47%), followed by those aged 45 to 64 (32%). Most respondents were long-term residents: 67% had lived in Centre Wellington for over 10 years, while only 2.8% had been there for less than two years. Nearly all (99.3%) currently live within the Township.

Based on the responses received, while the majority of Centre Wellington residents reported living in housing that meets their current needs (73%), there is a strong and widespread concern about housing affordability across the community. The lack of affordable housing was identified as a major issue by 76.6% of respondents, and an additional 17.2% said it was somewhat of an issue. Only 5.5% felt it was not much of an issue or not an issue at all. This concern was reinforced in the open-ended comments, where 51% of respondents expressed concerns about unaffordable living and high rental costs, and 46% specifically cited affordable housing as a key issue. Despite having suitable housing themselves, many residents expressed awareness of broader systemic challenges, including the limited availability of smaller or starter homes and an overall lack of housing diversity.

A key finding of the survey was the identification of population groups perceived to face the greatest housing challenges in Centre Wellington. Respondents were able to select multiple groups. The groups most frequently identified included single-parent families (63%), family households (50%), single adults (49%), seniors (48%), individuals requiring accessible or barrier-free housing (41%), and those in need of mental health or other support services (37%). These responses point to a broad recognition of the diverse housing needs across the community and emphasize the importance of developing more targeted strategies. This includes expanding options for supportive, accessible, and family-oriented housing types.

In addition to housing-specific concerns, open-ended responses also raised issues related to short-term rentals, infrastructure limitations, public transportation gaps, and the potential impact of development on agricultural lands. These comments reflect a broader awareness that housing challenges are intertwined with other community priorities and local conditions. Overall, the survey highlights a strong desire for inclusive, affordable, and adaptable housing solutions that reflect the evolving needs of Centre Wellington residents.

5.3 Observations

The analysis presented above strongly suggests that Centre Wellington has a structural deficit in housing supply that does not meet the needs of the current population from a household affordability and market choice lens. Based on the current housing needs analysis presented above, a summary of the current housing needs in Centre Wellington is presented in Figure 32. This includes approximately 1,000 non-market housing units estimated to be required to address the existing structural deficit. Addressing this deficit in non-market housing should be considered a high priority for the short and medium term.

To provide better balance and market choice, the Township needs to continue promoting supply expansion and improving the condition of both rental and ownership market housing, to better align with broader core housing needs, enhance housing suitability, and alleviate the low vacancy rates in Centre Wellington. At a minimum, the Township should continue to promote the expansion of attainable purpose-built rentals and secondary rental market units, recognizing a need for approximately 10 rental housing units to bring Centre Wellington's rental housing market into a better market balance.[37]

[37] The Township of Centre Wellington requires approximately 20 rental housing units to increase the rental vacancy rate to 3.0% which is considered to be a healthy rental vacancy rate.

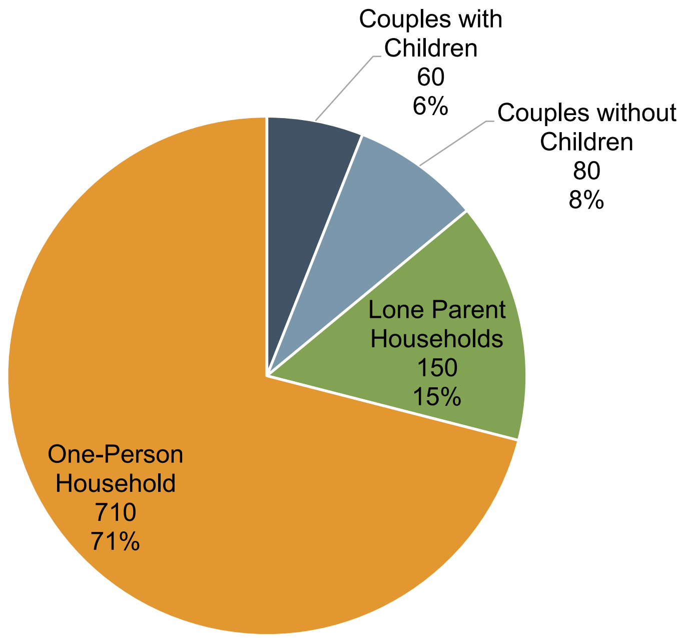
Figure 32
Township of Centre Wellington
Current Housing Needs

Existing Housing Need	Housing Units
Structural Deficit	370
Core Housing Need	605
Expanded Market Choice in Purpose-Built Rental Housing to Achieve 3% Vacancy Rate	20
Current Housing Needs	**1,000**

Note: Numbers have been rounded.
Watson & Associates Economists Ltd., 2025.

The approximately 1,000 non-market units identified above are needed to accommodate a range of household types, as summarized in Figure 33. This includes approximately 710 units to accommodate one-person households (71% of total), 150 units (15%) for lone-parent families, 60 units (8%) for couples without children, and 60 units (6%) for couples with children. Of the 1,000 non-market housing units identified, approximately 62% are needed to accommodate households aged 65+ (i.e., seniors).

Figure 33
Township of Centre Wellington
Current Non-Market Housing Needs by Household Type



Source: Derived from Statistics Canada Census data, 2021, by Watson & Associates Economists Ltd., 2025.

Addressing the Township's current housing needs by developing planning initiatives to achieve higher housing targets could serve as an effective approach to providing additional housing choice to low- and moderate-income households in Centre Wellington with a focus on non-market rental housing. Critical to the success of these initiatives is the alignment of new housing products with local housing demand, in accordance with affordability and household type. Having said that, expanding housing supply accordingly in Centre Wellington over the short to medium term is recognized as ambitious.

6. Assessment of Future Housing Needs

6.1 Demographic Factors Influencing Centre Wellington's Future Housing Needs

Population growth in Centre Wellington will drive demand for a broad range of housing, including rental and affordable housing. Long-term population growth in Centre Wellington will be heavily driven by net migration. To a lesser extent, natural increases (i.e., births less deaths) also contribute to population growth.

Population age structure influences the socio-economic characteristics of the population related to income/affordability, lifestyle, family size, lifestyle decisions, health, and mobility. Propensities for high-density housing (apartments and condominium units) are highest among younger age groups, while propensities for low-density housing (single and semi-detached housing) tend to be highest among population age groups between 35 and 64 years of age.

As previously discussed in section 3.2, Centre Wellington's population is aging. The 55+ age group has grown considerably over the past 20 years and is expected to increase in both percentage and absolute terms over the next several decades. As the average age of the Township's population continues to increase, it is anticipated that the demand for higher-density housing forms will also continue to gradually increase.

The aging of Centre Wellington's population is also anticipated to drive the need for seniors' housing and other housing forms geared to older adults (e.g., assisted living, affordable housing, adult lifestyle housing). Given the diversity of the 55 to 74 and 75+ population age groups, forecast housing demand across the Township within this broad 55+ demographic group is anticipated to vary considerably.

Within the 55+ age group, housing demand within the 55 to 74 cohort is anticipated to be relatively stronger for ground-oriented housing forms (i.e., single detached, semi-detached and townhouses) that provide proximity to urban amenities, municipal services, and community infrastructure. With respect to the 75+ cohort, the physical and socio-economic characteristics of this age group (on average) are considerably different than those of younger seniors, empty nesters, and working adults with respect to income, mobility, and health. Typically, these characteristics represent a key driver behind the propensity for medium- and high-density housing forms, including seniors' housing, that are in proximity to urban amenities, health care services, and other community facilities geared toward this age group.

In addition, Centre Wellington is also anticipated to accommodate a growing share of young adults and new families seeking competitively priced home ownership and rental opportunities. Accordingly, opportunities should be explored to provide a mix of future housing across a range of density types, including affordable housing options, to accommodate residents with varying levels of income in both new greenfield areas and priority intensification areas across the Township's built-up area.

Housing demand associated with younger generations in Centre Wellington is anticipated to be strong across a range of housing types that are affordable to new home buyers and renters and cater to a broad range of lifestyle preferences, including both urban and suburban living. This includes housing options such as townhouses (including back-to-back townhouses and stacked townhouses), higher density developments (i.e., purpose-built apartments and condominiums) and, to a lesser extent, low-density housing forms. Demand for low-density housing is anticipated to be strongest for "move-up" home buyers with growing families, typically working-age homeowners approaching 40 years of age and older.

Accommodating younger generations, such as Millennials and Generation Z, and other working-age adults is a key objective for the Township of Centre Wellington, recognizing that the accommodation of skilled labour and the attraction of new businesses are inextricably linked and positively reinforce one another. To ensure that economic growth is not constrained by future labour shortages, continued effort is required by the Township and its partners to explore ways to attract and accommodate new skilled and unskilled working-age residents to Centre Wellington within a diverse range of housing options by structure type, tenure, and location.

6.2 Centre Wellington's Residential Supply Opportunities

As shown in Figure 34, Centre Wellington has approximately 3,170 units in the residential supply pipeline, comprising 2,770 (87%) registered and draft approved, and 400 (13%) under-review units. Of the current total market housing units, 1,968 (63%) are ground-oriented units (single and semi-detached, townhouses, stacked townhouses, and units in duplexes) and 1,133 (37%) are high density.

As shown, 98% (3,100 units) of Centre Wellington’s total residential supply comprises market housing and 2% (68 units) is non-market housing. Of the supply of market housing, about 1% (38 units) of the units are purpose-built rentals.

Figure 34
Township of Centre Wellington
Residential Development Pipeline (as of April 9, 2025)

More Affordable

Less Affordable

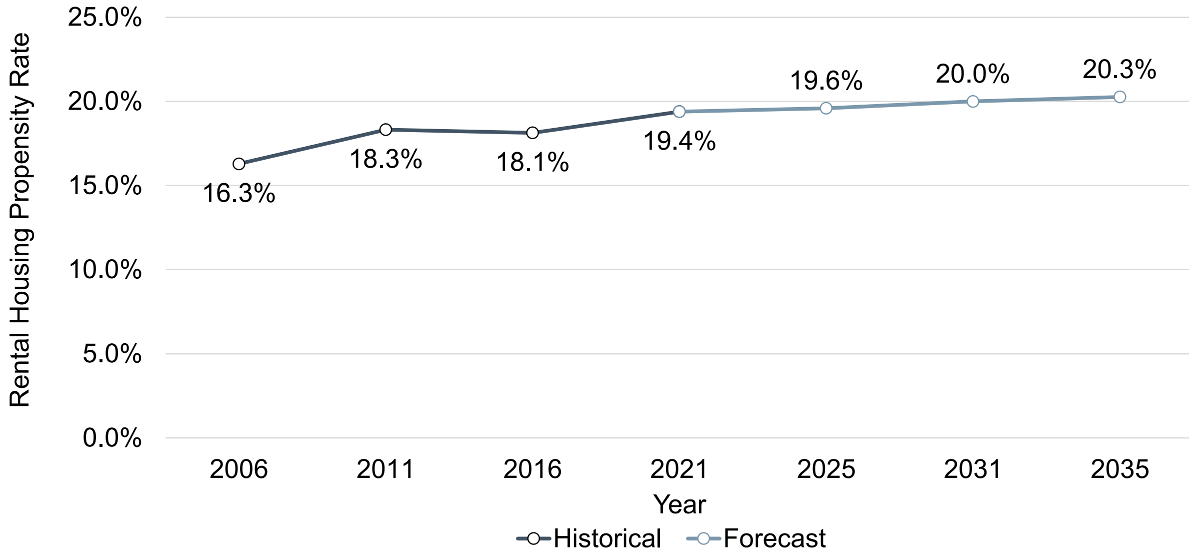
Unit Type	Registered & Draft Approved (Units)	Under Review (Units)	Total (Units)	Total (Share)
Affordable Units [1]	36	-	36	1%
Attainable Units [2]	32	-	32	1%
Purpose-Built Rentals	38	-	38	1%
Apartments	997	98	1,095	35%
Townhouses	535	148	683	22%
Semi-Detached	22	-	22	1%
Single Detached	1,109	154	1,263	40%
Total	**2,770**	**400**	**3,170**	**100%**

[1] 350 St. Andrew Street W., Fergus, Ontario.
[2] 465 Garafraxa Street, Fergus, Ontario.
Note: Totals have been rounded; individual metrics are as reported.
Source: Data adapted from the Township of Centre Wellington's Residential Housing Supply Data by Watson & Associates Economists Ltd., 2025.

6.2.1 Housing Demand by Tenure

Figure 35 summarizes historical and forecast trends in rental housing propensity from 2006 to 2035. Between 2006 and 2021, rental housing propensity in the Township of Centre Wellington increased from 16.3% to 19.4%. The percentage of renter households in Centre Wellington is forecast to continue to grow from 19.4% in 2021 to 20.3% in 2035, driven by the demographic and socio-economic trends previously discussed in section 4.8.

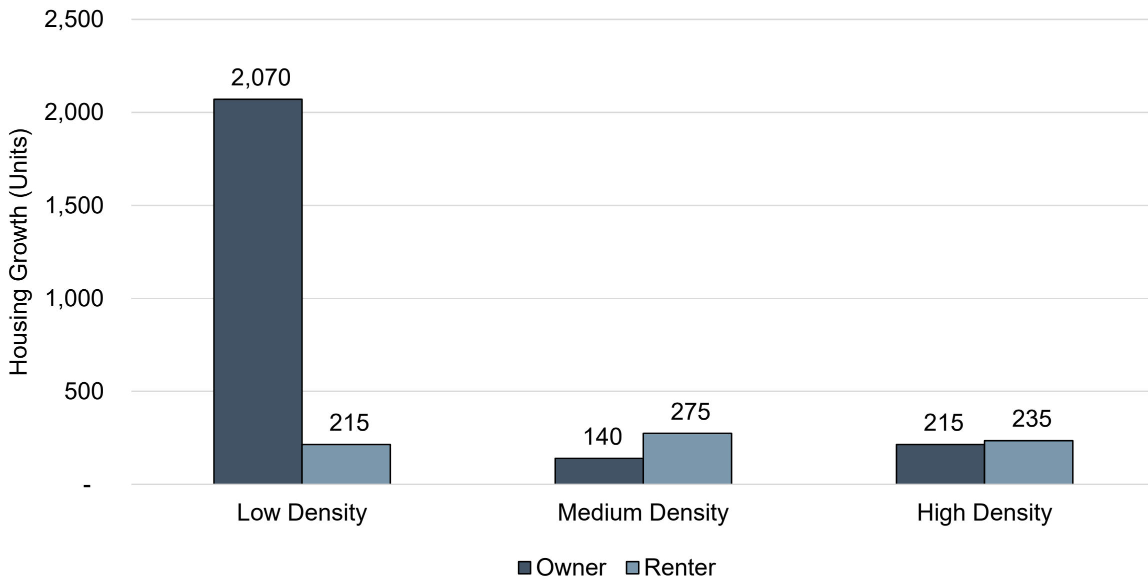
Figure 35
Township of Centre Wellington
Rental Housing Propensity Rate – Historical and Forecast, 2006 to 2035



Source: Historical data from Statistics Canada Census; forecast by Watson & Associates Economists Ltd., 2025.

Over the 2025 to 2035 period, Centre Wellington is expected to add 730 rental units, comprising nearly 23% of total household growth. Within this rental market, 29% of rental units are anticipated to be low-density housing (single/semi-detached houses), 31% medium-density housing (townhouses and apartments in duplexes), and the remaining 39% high-density housing (apartments), as shown in Figure 36.

Figure 36
Township of Centre Wellington
Forecast Housing Growth by Density Type



Source: Watson & Associates Economists Ltd., 2025.

6.3 Forecast Housing Need by Tenure and Affordability

As discussed throughout this report, many residents in Centre Wellington are finding it difficult to afford housing. This highlights the need for the Township to provide a variety of housing options to meet these growing needs associated with affordable and market housing. Figure 37 summarizes Centre Wellington's housing needs based on an analysis that compares the Township's household income trends against housing affordability for both affordable and market-based units.

As previously mentioned, Centre Wellington is expected to add approximately 730 rental housing units and 2,425 ownership housing units between 2025 and 2035. To determine the number of affordable rental and ownership units required, the Province's affordable housing benchmarks were applied (for further details, please refer to section 4.8).[38] Based on this analysis, 14% of the total forecast ownership units (340 units) will

[38] Province of Ontario. (2024). *Affordable Residential Units for the Purposes of the Development Charges Act, 1997 Bulletin.*

need to be affordable. These affordable ownership units represent households where housing costs do not exceed 30% of household income in the 60th income percentile and/or they meet the Province's affordable housing ownership benchmark price of $427,600. For rental units, 380 units (58% of total rental units) will need to be affordable to households whose incomes are insufficient to afford an average market rent of $1,345 per month within the Township of Centre Wellington. Further details regarding the distribution and breakdown of affordable rental units are shown below in Figure 38**.**

In an effort to meet the target of 810 total affordable housing units, the Township will need to continue to work with its public- and private-sector partners to encourage a greater supply of more moderately priced, higher-density, freehold and condominium units and purpose-built rental apartments.

Figure 37
Township of Centre Wellington
Forecast Housing Need by Tenure, and Market, 2025 to 2035

	Owner	Renter	Total Units
Affordable	340	380	810
Market	2,085	350	2,435
Total	**2,425**	**730**	**3,155**
% Affordable	**14%**	**52%**	**23%**

Source: Watson & Associates Economists Ltd., 2025.

Figure 38 summarizes forecast renter households by income group (in 2024 dollars). Also summarized is the market rent that each renter household by their respective income group can afford, which is then compared against the current average market rent in Centre Wellington, which is $1,345 per month.[39] As shown, households with an income of $53,800 or higher can afford Centre Wellington's average market rent (i.e., $1,345) or higher, as they can allocate 30% of their income toward rent. Therefore, households with incomes lower than $53,800, totalling 380 units, will require affordable rental units to meet their housing needs.

[39] CMHC Rental Market Survey, October 2024.

Figure 38
Township of Centre Wellington
Rental Housing Growth by Income and Affordability

Household Income (2024 dollars)	Household Growth, 2025-2035	% of Affordable Units	Maximum Affordable Monthly Rental Cost[1]	Maximum Affordability based on % of A.M.R.[2]	Comments
Less than $23,200	14	2%	Less than $580	43%	**Affordable Units**
$23,200 to $34,900	129	18%	$580 to $875	65%	
$34,900 to $46,500	98	13%	$875 to $1,165	87%	
$46,500 to $53,800	139	19%	$1,165 to $1,345	100%	
Subtotal	**380**	**52%**			
$53,800 to $69,700	108	15%	$1,345 to $1,740	129%	**Market Units**
$69,700 to $93,000	118	16%	$1,740 to $2,325	173%	
$93,000 to $104,600	36	5%	$2,325 to $2,615	194%	
$104,600 to $112,300	13	2%	$2,615 to $2,810	209%	
$112,300 and greater	75	10%	*$2,810 and greater*		
Subtotal	**350**	**48%**			
Total Renter	**730**	**100%**			

[1] Housing affordability based on 30% income to shelter ratio.
[2] Based on 2024 October CMHC Market Rents for the Township of Centre Wellington Average Market Rent (A.M.R.).
Numbers may not add due to rounding.
Source: Watson & Associates Economists Ltd., 2025.

6.4 Observations

As previously mentioned, population age structure influences the socio-economic characteristics of the population related to income/affordability, lifestyle, family size, lifestyle decisions, health, and mobility. Propensities for high-density housing (rental apartments and apartment condominium units) are highest among younger and older age groups, while propensities for low-density housing (single and semi-detached housing) tend to be highest among working-age population groups between 35 and 64 years of age.

As the average age of Centre Wellington's population continues to increase, it is anticipated that the demand for higher-density housing forms will also continue to gradually increase. The aging of the Township's population is also anticipated to drive the need for seniors' housing and other housing forms geared to older adults (e.g., assisted living, affordable housing, adult lifestyle housing). Given the diversity of the 55 to 74 and 75+ population age groups, forecast housing demand across the Township within this broad 55+ demographic group is anticipated to vary considerably.

The demand for affordable rental housing is increasingly concentrated among smaller household sizes, including smaller families, lone-person households, and non-Census families. Driven by demographic shifts such as aging, changing family structures, and a rise in single-person households, this trend highlights the need for the Township to prioritize smaller, cost-effective rental units. Expanding the supply of these units will be essential to addressing affordability challenges for low- and moderate-income individuals, seniors, and young professionals while maintaining a balanced rental market.

Housing demand associated with younger generations in Centre Wellington is anticipated to be strong across a range of housing types that are affordable to new home buyers and renters and cater to a broad range of lifestyle preferences, including both urban and suburban living. This includes housing options such as townhouses (including back-to-back townhouses and stacked townhouses), higher-density developments (i.e., purpose-built apartments and condominiums), and, to a lesser extent, low-density housing forms. Demand for low-density housing is anticipated to be strongest for “move-up” home buyers with growing families, typically working-age homeowners approaching 40 years of age and older.

Accommodating younger generations, such as Millennials and Generation Z, and other working-age adults is important, recognizing that the accommodation of skilled labour and the attraction of new businesses are inextricably linked and positively reinforce one another. To ensure that economic growth is not constrained by future labour shortages, continued effort is required by the Township to explore ways to attract and accommodate new skilled and unskilled working-age residents to Centre Wellington within a diverse range of housing options by structure type, tenure, and location.

7. Strategic Directions

The Township of Centre Wellington is responsible for local decisions that guide future land use, development, and growth. This includes authority over how land is utilized for housing; policies that guide the density, form, and type of housing development; policies that support and promote a full range of housing types; and potential regulatory and financial incentives to encourage development of rental and affordable housing.

Through various initiatives and programs, the Township and its strategic partners have made progress over the past five years with its efforts to address and meet the affordable housing needs in their community. Even with this progress, several housing needs remain unmet, as Centre Wellington continues to experience significant population and economic growth within an evolving provincial planning framework.

The following presents key strategic directions related to housing.

7.1 Planning for Long-Term Population Growth Across a Diverse Range of Age Groups and Income Levels

To accommodate the future population growth projected across Centre Wellington over the 2025 to 2051 period, the Township will require approximately 334 new permanent housing units per year. This is 22% higher than the amount of annual new permanent housing construction levels achieved over the past decade. Future housing growth is anticipated across a diverse range of housing forms.

It is generally recognized that the accommodation of skilled labour and the attraction of new businesses are dependent on one another. As such, for the Township's economic base to grow, effort will be required to continue to attract new, skilled, working residents to Centre Wellington with suitable employment opportunities and market choice in housing, to ensure that economic growth is not constrained. Attraction efforts must also be linked to housing accommodation (both ownership and rental), municipal services and infrastructure, and quality of life attributes that appeal to the younger mobile population, while not detracting from the Township's attractiveness to older population segments.

To promote the attractiveness of Centre Wellington for future residents, there is a need to expand housing market choice and options in the community to include a broader range of housing typologies for a range of market segments and housing tenure (home ownership and rental), including affordable housing.

Recommended Actions

- The Township, as part of the next Official Plan Review, should update the definition of affordable housing in accordance with the new P.P.S., 2024, and update affordable housing targets for Centre Wellington to align with the affordable housing needs assessment presented herein.

- The Township should continue to plan for balanced growth by focusing residential development within the settlement areas and promoting a range of infill and intensification opportunities where servicing is available. This includes promoting medium-density ("missing middle") and high-density development and the development of A.R.U.s (e.g., secondary suites) within the Township's settlement areas.
- The Township should consider the development of a growth tracking model, in accordance with the P.P.S., 2024, with quantitative and qualitative indicators to track the outcomes of housing-related policies and programs.
- The Township should consider undertaking a seniors' housing study to identify housing needs, gaps, and opportunities in accommodating the growing older adult population within Centre Wellington. This would include identification of options to expand independent and assisted living and supportive housing models specific to older adults, including site locations and strategic partners for development.
- The Township should consider undertaking a temporary agriculture workers housing study to identify housing needs, gaps, and opportunities in accommodating seasonal workers in Centre Wellington.

7.2 Diversifying the Housing Base and Expanding Housing Affordability Supply Opportunities

As of 2021, Centre Wellington's housing base comprised 11,970 occupied dwelling units, with low-density housing (single detached/semi-detached) being the largest segment at 79%. The technical analysis and consultation identified the need to diversify the housing portfolio in Centre Wellington. This includes exploring alternative housing types such as townhouses, apartment buildings, and non-market housing tailored to different income levels and preferences.

Meeting the needs of rental and affordable housing requires a significant emphasis on expanding the purpose-built rental inventory to meet growing market demand. It is recognized that significantly increasing the supply of rental housing in the market will likely require greater participation by the private-sector development community to construct purpose-built rental housing. In the home ownership market, there are also identified gaps in affordability, particularly in lower-priced, medium-density products.

The following initiatives should be considered to address the identified gaps in Centre Wellington's affordability housing needs and to promote a more diverse supply of housing.

More Compact Built Form and Innovative Design

- To address the gap in affordably priced, higher-density ownership and rental housing, Centre Wellington should continue to work with home builders to expand the supply of more moderately priced ownership and rental housing options. As part of Centre Wellington's next Official Plan Review and update, the Township may want to consider more detailed policies and strategies that encourage and support the development of a broader range of housing options, in accordance with provincial policy direction.
- The Township should review local zoning and land-related barriers to identify opportunities to expand housing supply within the settlement areas that are more compact, land efficient, environmentally sustainable, and price competitive. This may include promoting more modular home and tiny home construction where appropriate, for example.
- The Township should consider alternative development standards for affordable housing developments, which would reduce development costs. These may include the adjustment of parking requirements, permitting innovative construction methods, and allowing for smaller units and lots, provided they meet Ontario Building Code requirements and other health and safety standards.

Promote and Enable Additional Residential Unit Development

Through the *More Homes Built Faster Act, 2022*, changes were made to the *Planning Act* that now allow for up to three residential units per residential lot. This includes the primary residential unit and up to two A.R.U.s, including secondary suites. A.R.U.s represent an opportunity to increase rental housing supply, improve affordability, and support seniors aging in place through gentle intensification.

- The Township should update the Official Plan policies and zoning by-law to allow A.R.U.s (up to three units in total per lot) in the form of secondary suites (e.g., basement apartments) within the primary dwelling unit, as well as permanent garden suites, laneway housing, and other dwelling forms in accordance with provincial planning direction.

- The federal government recently announced, through their Secondary Suite Refinance Program, that homeowners will be able to refinance up to 90% of their property's value to add A.R.U.s as long-term rental units on their respective properties. The Township may also consider developing an A.R.U. program to promote and provide financial incentives (e.g., grants) for homeowners who construct A.R.U.s that are intended to be rented out on a long-term basis.

Expand Non-Market Housing

Through demographic analysis and community feedback, it is evident that there is a need for more supportive and non-market housing in Centre Wellington. The Township, together with its housing service partners, should continue to maintain and incrementally increase housing support services and programs, and expand the supply of deeply affordable and near-market housing.

As previously defined, supportive housing assists chronically homeless individuals and people at risk of homelessness with finding suitable accommodations, including shared housing and one-bedroom apartments.

In November of 2024, the federal government, through the CMHC, announced a short-term window of funding for supportive housing through the Rapid Housing Stream of the Affordable Housing Fund and affordable housing through the Community Housing Sub-Stream. This funding represents a potential source of support for a range of non-market housing development options for applicants, including municipalities and their partner agencies. Centre Wellington should continue its efforts to identify appropriate partners and sites for development to support non-market housing.

Recommended Actions

- The Township, in collaboration with its housing service partners and higher levels of government, should invest in more supportive housing options and incrementally increase housing support services and programs. The appropriate approaches and strategies should be examined through further study.
- The Township should conduct a review of available Township-owned land that is viable for affordable housing development, complementing the federal, provincial, and school board sites in the process.

7.3 Regulatory and Financial Tools to Support Housing Development

To achieve the housing mix and level of housing development activity needed to meet the existing and future housing needs identified herein, Centre Wellington will need to explore and consider the potential application of regulatory and financial tools to support/enable a higher rate of residential development activity.

Housing development incentives can be grouped into categories to help support project feasibility for private-sector and not-for-profit affordable housing providers:

- **Regulatory Incentives** – Regulatory incentives offer tools to assist in project feasibility through flexibility in the development approvals process (e.g., expedited processing), development permissions (i.e., building height, density), parking requirements, and design considerations.
- **Financial Incentives** – At the municipal level, this can focus on reducing the upfront financial obligations of the developer and/or reduce the operational costs moving forward.

The Township should consider the following regulatory tools to support and enable a higher rate of residential development activity, particularly for rental and more affordable ownership options.

7.3.1 Community Planning Permit System

A Community Planning Permit System (CPPS) combines zoning, site plan, and minor variance processes into a single application and approval process, allowing municipalities to issue development permits in a one-step process. This streamlines the development approvals process, potentially bringing housing to market faster and providing developers with more certainty in the process outcomes. The program also allows municipalities to collect funds to support delivery of affordable housing and other community benefits such as affordable housing units. The Township should explore the development of a CPPS in Centre Wellington.

A number of municipalities have already implemented or are in the process of implementing a CPPS. The City of Guelph recently implemented a CPPS in a priority growth area (Stone Road/Edinburgh Road Area), permitting greater building heights and densities in exchange for affordable housing units (community benefit) in market developments. The CPPS in Guelph is expected to reduce development review timelines from the usual 180 days under the current approvals process to just 45 days under the CPPS.

8. Conclusions

As Centre Wellington continues to grow, the demand for new housing products within the community is anticipated. Looking forward, the increasing cultural diversity, an aging population, growing demands from new families, and eroding housing affordability will require that the Township promotes and supports a broad range of new housing products by location, type, built-form, density, and price/affordability. This includes innovative approaches to accommodating new affordable rental housing and various other ownership housing products that are attractive to a broad range of demographic groups.

To achieve the housing mix (i.e., built form, tenure, and affordability) of development activity needed to meet the existing and future housing needs identified herein, the Township will need to consider a range of factors to support and enable a higher rate of residential development activity, with a particular effort for affordable housing, as presented herein.

Accommodating higher housing targets and enabling and supporting greater housing development will require the Township to also consider the following:

- **Planning Implications** – Over the next several decades, the focus of residential development is anticipated to continue to promote balanced growth – a balance between both intensification opportunities and greenfield opportunities. From a planning policy perspective, intensification nodes and corridors represent priority locations for residential development given the amenities that these locations provide with respect to access to transit, retail, and other community services.
- **Impacts on Infrastructure and Municipal Service Needs** – Higher housing density would require significant increases in local infrastructure and municipal service needs, particularly within built-up areas where most of the increased housing demand is anticipated to be directed. While small-scale infill or redevelopment can benefit from existing capacity associated with hard municipal services, large-scale intensification projects can come at a high price, given the costs associated with the replacement, improvement, and maintenance of

existing services that have not been planned to accommodate significant increases in housing, population, and employment growth.

- **Financial Implications** – While it is beyond the scope of this study to address the financial implications of economic incentives and promote a broader mix of housing supply, municipal financial impacts of accommodating purpose-built rental housing and affordable housing must be addressed through alternative funding programs or then be passed on to existing rate payers.

The results of this study serve as a foundational document for housing in Centre Wellington, and this study is intended to guide decision-making and policy development specifically related to housing policy and programming in the Township. To ensure the housing needs assessment remains current and reflective of housing needs in the community, consideration should be given to updating the Housing Needs Assessment every five years.

Appendices

Appendix A
Community Consultation Survey

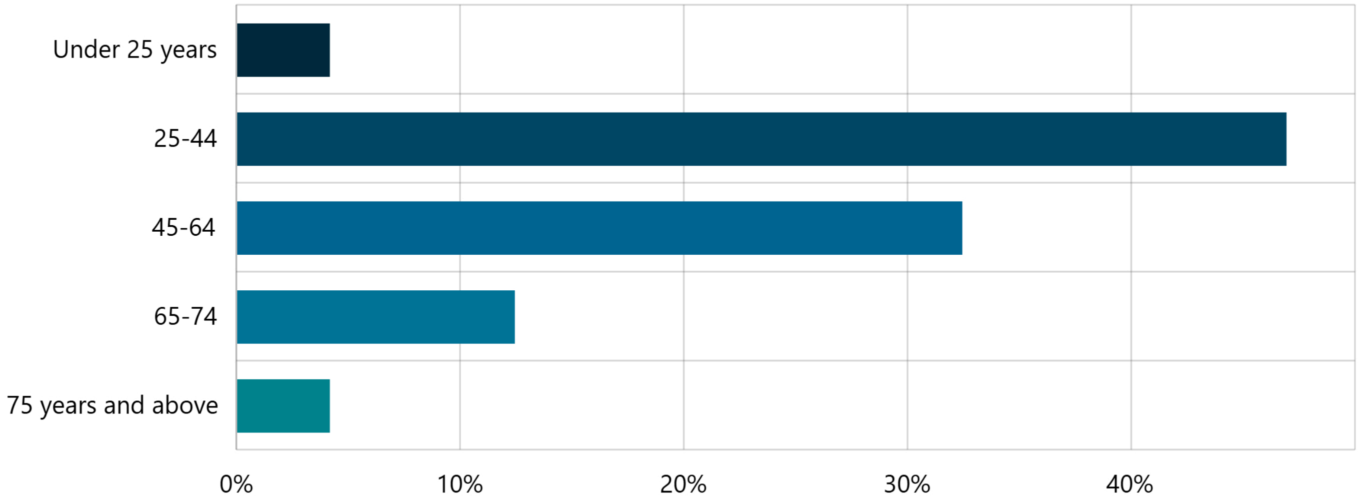
Closed

Township of Centre Wellington Housing Needs Study Survey
Housing Needs Assessment

110 Contributors | **145** Contributions

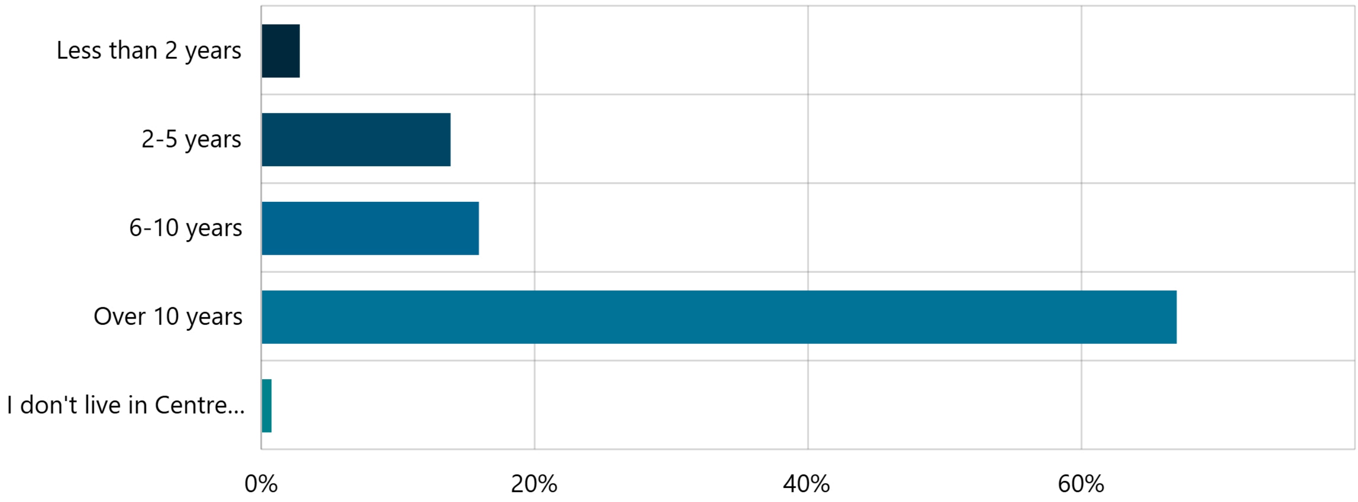
Contribution Summary

1. What is your age range? Required
Multi Choice | Skipped: 0 | Answered: 145 (100%)



Answer choices	Percent	Count
Under 25 years	4.14%	6
25-44	46.90%	68
45-64	32.41%	47
65-74	12.41%	18
75 years and above	4.14%	6
Total	**100.00%**	**145**

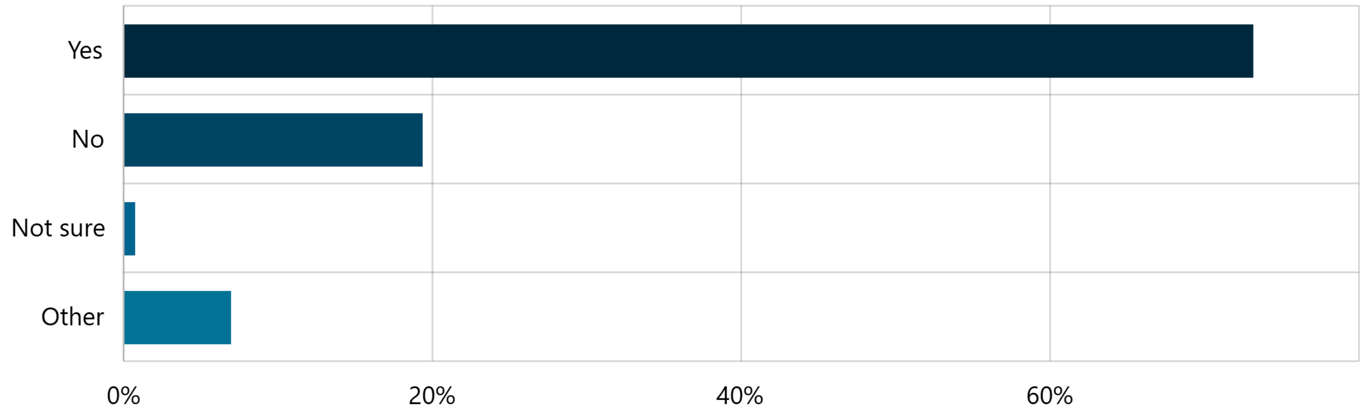
2. How long have you lived in Centre Wellington Required
Multi Choice | Skipped: 0 | Answered: 145 (100%)



Answer choices	Percent	Count
Less than 2 years	2.76%	4
2-5 years	13.79%	20
6-10 years	15.86%	23
Over 10 years	66.90%	97
I don't live in Centre Wellington	0.69%	1
Total	**100.00%**	**145**

3. Do you have suitable housing that meets your needs? Required

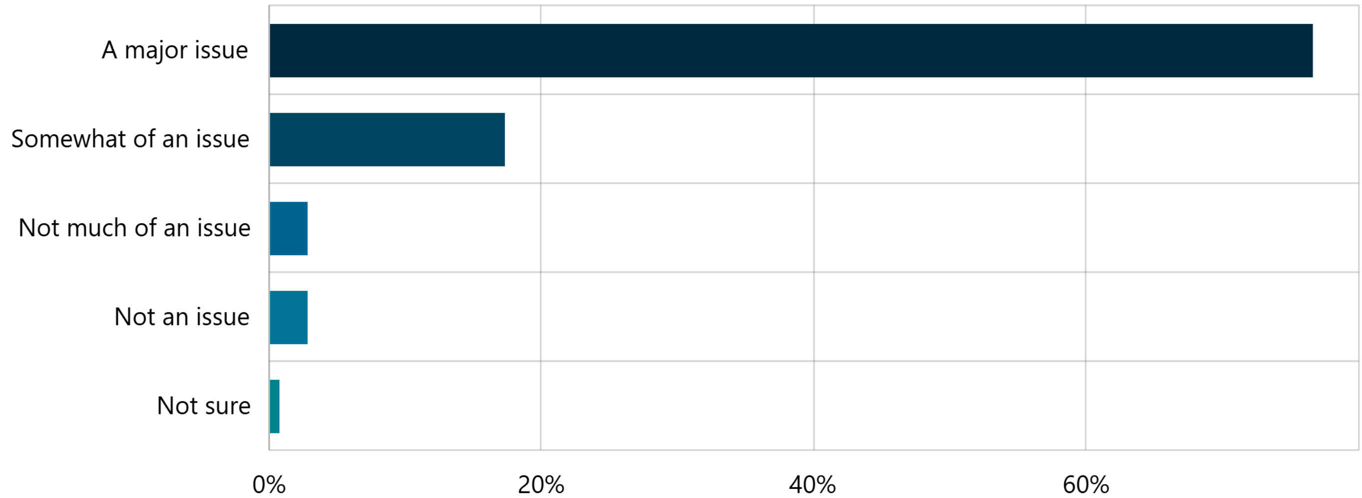
Multi Choice | Skipped: 0 | Answered: 145 (100%)



Answer choices	**Percent**	**Count**
Yes	73.10%	106
No	19.31%	28
Not sure	0.69%	1
Other	6.90%	10
Total	**100.00%**	**145**

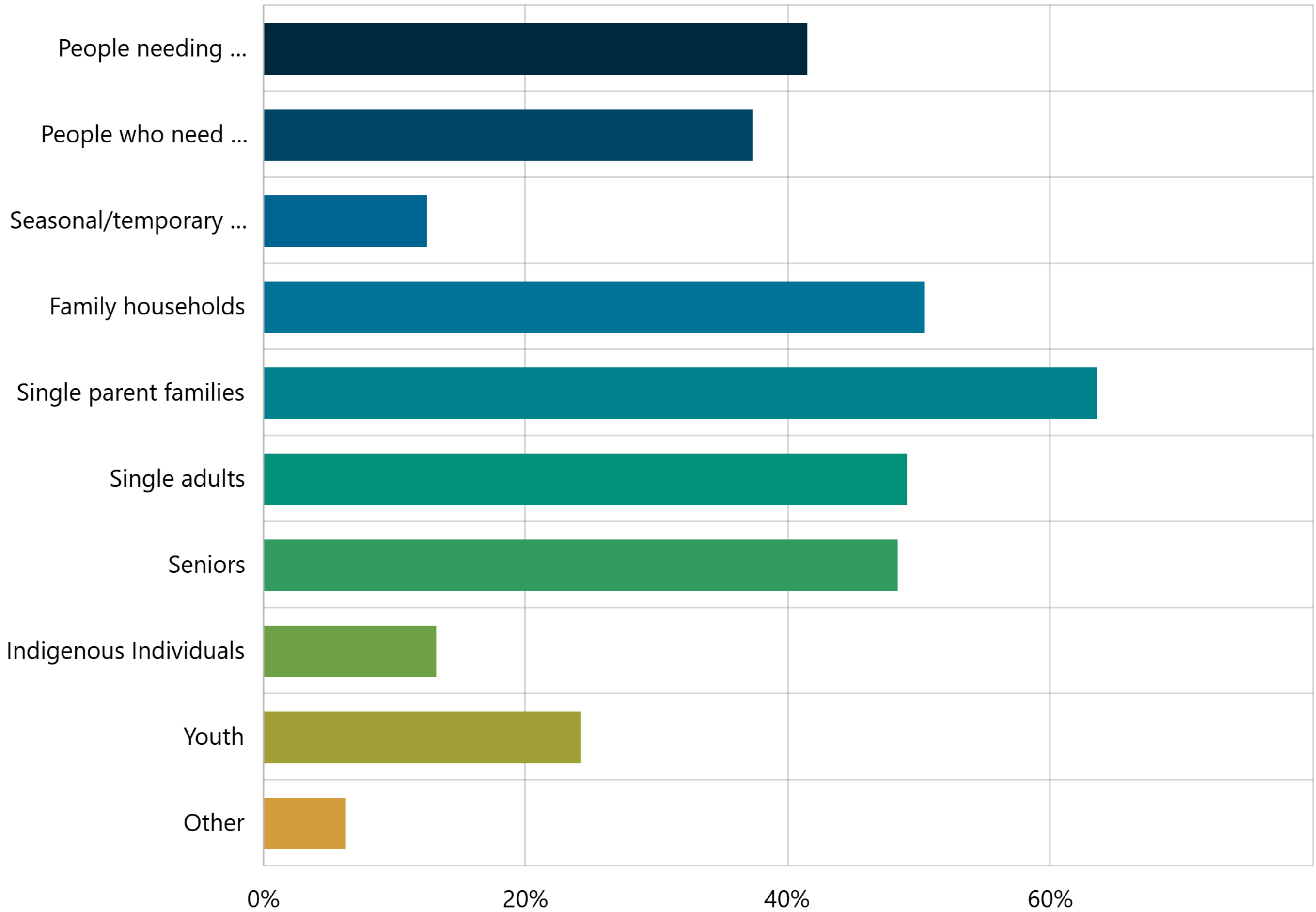
4. How much of an issue do you think "a lack of affordable housing" is in Centre Wellington? (e.g., households paying more than 30% of their before-tax income on housing) Required

Multi Choice | Skipped: 0 | Answered: 145 (100%)



Answer choices	**Percent**	**Count**
A major issue	76.55%	111
Somewhat of an issue	17.24%	25
Not much of an issue	2.76%	4
Not an issue	2.76%	4
Not sure	0.69%	1
Total	**100.00%**	**145**

5. Considering the needs of all residents in Centre Wellington, in your opinion, which groups face the greatest challenges in finding suitable housing? (select all that apply) Required
Multi Choice | Skipped: 0 | Answered: 145 (100%)



Answer choices	Percent	Count
People needing accessible or barrier-free housing	41.38%	60
People who need support services for mental health or other reasons	37.24%	54
Seasonal/temporary workers	12.41%	18
Family households	50.34%	73
Single parent families	63.45%	92
Single adults	48.97%	71
Seniors	48.28%	70
Indigenous Individuals	13.10%	19
Youth	24.14%	35
Other	6.21%	9

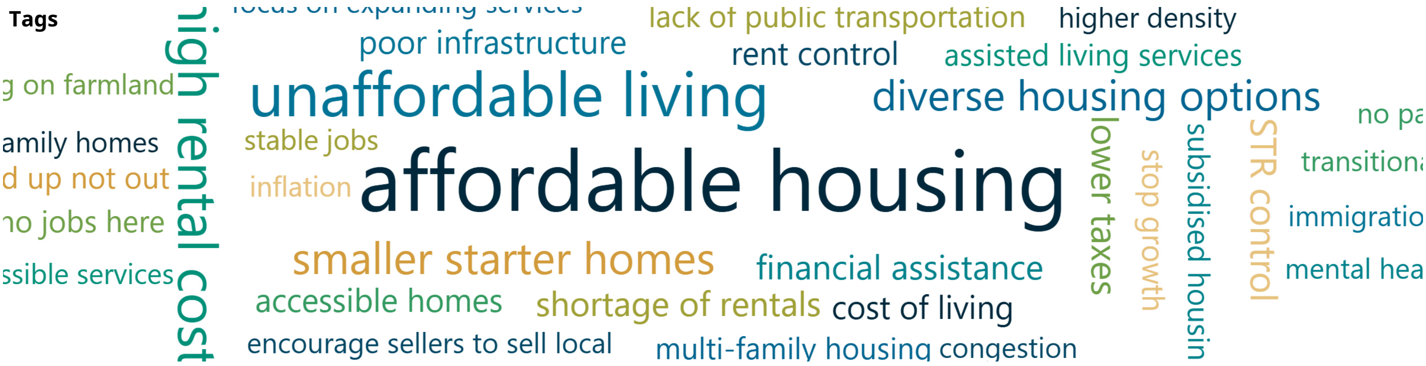
6. If you have any further comments, please share them with us here.

Long Text | Skipped: 82 | Answered: 63 (43.4%)

Sentiment

Positive	Mixed	Negative	Neutral	Unclassified
22% (14)	3% (2)	60% (38)	14% (9)	0% (0)

Tags



Tag	Percent	Count
affordable housing	46%	29
unaffordable living	29%	18
high rental costs	22%	14
smaller starter homes	14%	9
diverse housing options	13%	8
lower taxes	8%	5
STR control	8%	5
financial assistance	6%	4
shortage of rentals	6%	4
rent control	5%	3
accessible homes	5%	3
cost of living	5%	3
poor infrastructure	5%	3
assisted living services	3%	2
build up not out	3%	2
multi-family housing	3%	2

no jobs here	3%	2
stop growth	3%	2
subsidised housing	3%	2
lack of public transportation	3%	2
encourage sellers to sell local	2%	1
transitional housing	2%	1
regular family homes	2%	1
immigration	2%	1
accessible services	2%	1
discount permits and development charges for local builders	2%	1
focus on expanding services	2%	1
stop building on farmland	2%	1
inflation	2%	1
mental health/addiction support	2%	1
stable jobs	2%	1
congestion	2%	1
no parking	2%	1
higher density	2%	1
middle housing	2%	1

Featured Contributions

No featured contributions