

Housing Needs Memorandum

Mississippi Shores Multifamily Development

Lake Avenue West

Carleton Place, Ontario

Effective Date: February 1, 2024

Report Date: February 1, 2024

Prepared For

Erin O'Connor
General Manager
Cavanagh Developments

Prepared By

Oliver Tighe B.A., AACI, P.App
Executive Director, Ottawa
Valuation & Advisory Services



Our File: OTT240058

February 1, 2024

Cavanagh Developments
9094 Cavanagh Road,
Ashton, ON K0A 1B0

**Attention: Erin O'Connor
General Manager**

Dear Ms. O'Connor;

**Re: Application for the Mississippi Shores Multifamily Development
Lake Avenue West, Carleton Place, Ontario**

Recently, it has come to the attention of Colliers professionals that Cavanagh Developments intends to increase the number of units in their proposed Mississippi Shores multifamily development by adding several bachelor/studio apartments in place of several two-bedroom units. Doing so will raise the total unit count of the development from 72 to 84, an increase of 12 housing units, without increasing the physical size of the buildings.

Based on our professional experience, it is our opinion that the Town of Carleton Place should grant Cavanagh Developments the right to incorporate the additional units into the development. We believe that this is the most optimal outcome for the development and for the town as a whole given the high rates of population growth Carleton Place is experiencing presently and is expected to experience in the future. In addition, our analysis has concluded that bachelor/studio apartments are the most affordable form of single-unit housing, and 12 of such units would serve to increase the stock of affordable housing within Carleton Place. We have surveyed the rental market of Carleton Place and have determined that affordable housing options such as bachelor/studio apartments are severely lacking throughout the town and are rarely listed for rent. The subject property is also located within walking distance of downtown Carleton Place and various other amenities, providing a unique opportunity to expand the supply of rental options in a walkable neighbourhood of town.

Should you have any questions, we would be pleased to discuss our conclusion further.

Yours very truly,

COLLIERS INTERNATIONAL REALTY ADVISORS INC.

A handwritten signature in blue ink, appearing to read "Oliver Tighe".

Oliver Tighe B.A., AACI, P.App
Executive Director, Ottawa

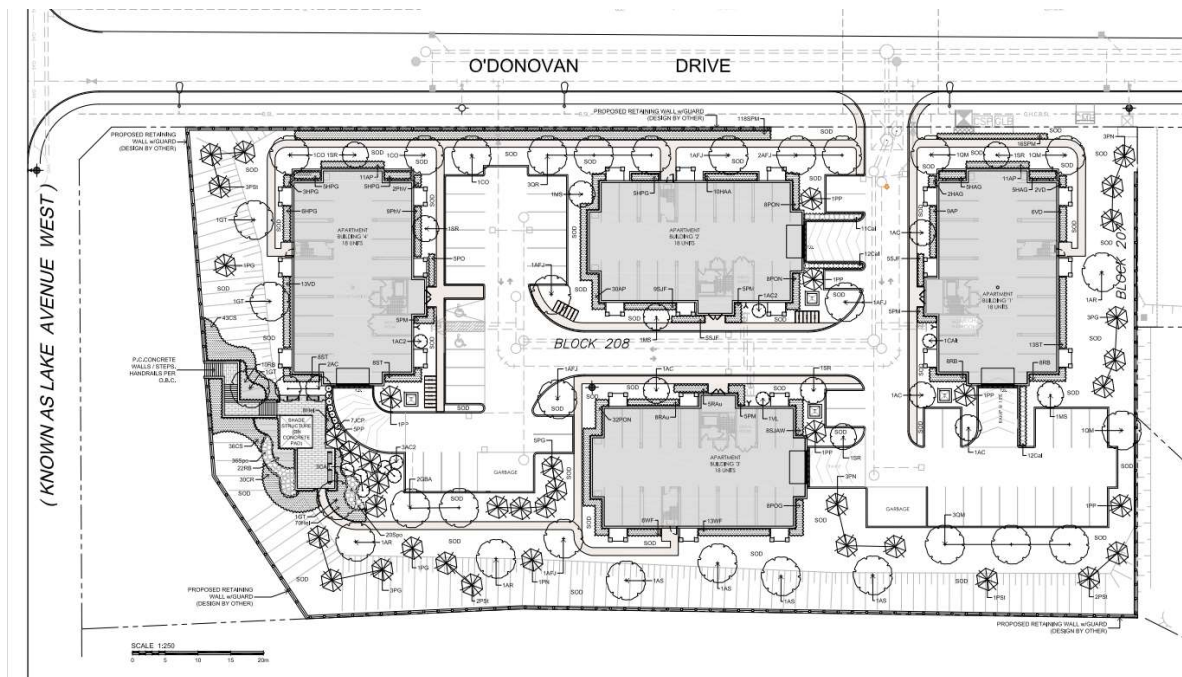
A handwritten signature in blue ink, appearing to read "Robert Gardiner".

Robert Gardiner, AIC Candidate
Associate, Ottawa

Development Overview

Cavanagh Developments has proposed a four-building multifamily project at the new Mississippi Shores subdivision. These four buildings are to be constructed at the corner of Lake Avenue West and O'Donovan Drive, directly across from Riverside Park. Currently, each building will contain 18 units, totaling 72 units across the development. These units will be a mix of one and two-bedroom units.

However, in a move to provide more affordable housing options, Cavanagh has recently updated their plans so that each building will contain three bachelor/studio units as well as three additional one-bedroom units, all at the expense of just three two-bedroom apartments per building. This would increase the unit count of the development to 84, and would see 12 new bachelor/studio apartments added to the project.



Population Growth in Carleton Place, 2016-Present

Between 2016 and 2021, Carleton Place was cited by Statistics Canada as the fastest-growing municipality in the country. The town faced a growth rate of 17.6% over that time, or an increase of around 2,000 people. This is only a fraction of the growth that is actually projected for Carleton Place. Based on provincial population projections, Lanark County is expected to grow 61% from 2016 to 2036, adding over 35,000 people. Of all the municipalities in the county, Carleton Place ranks first in terms of projected growth, at a staggering 97% growth rate over the same time period. This is expected to grow the town's population of 10,644 in 2016 to nearly 21,000 by 2036, accounting for a third of Lanark County's growth. However, the effects of this growth will be even greater as neighbouring Beckwith Township is also projected to see an 87% growth rate over the same time period, adding a further 6,500 people into the area immediately south of the town.

Based on recent completions as well current development applications within the Town of Carleton Place and Beckwith Township, the majority of new housing units to come in the near to medium term will be single-family homes, typically a mixed of detached and townhome-style units. These developments will further emphasize the need for purpose-built rental apartments featuring a diverse unit mix.



Demographic Trends

See Appendix A for graphic on demographic trends in Carleton Place.

The population growth seen in Carleton Place is primarily being driven by a mix of younger and middle-aged people moving from Ottawa in search of housing options more affordable than what is available to them in the city. This suggests that the population of Carleton Place will continue to get younger as new housing developments reach completion. As a result, housing options that meet the needs of young professionals should be a priority for new developments in Carleton Place. This includes rentals of smaller, more affordable units that a single individual can afford, such as the bachelor units being offered at the subject development.

Dwellings by Age of Maintainer	2017		2022		2027	
	Number	% Tot Hhds	Number	% Tot Hhds	Number	% Tot Hhds
Total Households	4,701	100.0%	5,494	100.0%	6,213	100.0%
Ages 15-24	96	2.0%	126	2.3%	144	2.3%
Ages 25-34	691	14.7%	788	14.3%	854	13.7%
Ages 35-44	778	16.5%	974	17.7%	1,176	18.9%
Ages 45-54	839	17.8%	879	16.0%	992	16.0%
Ages 55-64	976	20.8%	1,078	19.6%	1,077	17.3%
Ages 65-74	751	16.0%	927	16.9%	1,065	17.1%
Age 75+	570	12.1%	722	13.1%	905	14.6%

Evidence of this demographic shift can be seen when examining the percentage of dwellings by age of the maintainer (primary resident). Of all age groups, the only one to see positive relative growth between 2017 and 2022 in excess of 1% was the 35-44 group, representing the younger and middle-aged demographic discussed above. The only other group expected to see a relative increase in home occupancy is the 65-74 group. This can be explained by older individuals and retirees downsizing from neighbouring rural areas and moving into Carleton Place in search of accessible housing options, which the subject development provides. As a result, we can conclude that the unit mix of the subject development meets the housing needs of the two fastest-growing age groups in Carleton Place.

Unit Mix and Housing Options

The rapid growth of Carleton Place is expected to have significant ramifications for housing affordability in the town as the already tight housing market faces additional pressure. The majority of the growth already experienced in Carleton Place has been located in new subdivision developments along Highway 7 in the southeastern part of town. These new homes are typically three or four-bedroom townhouses or single detached homes. These homes are not purpose-built rentals though do often end up on the rental market, as many younger families have been permanently priced out of the housing market. Nevertheless, these units often require at least two income-earners within the household to be affordable, given that asking rents for many townhomes are in excess of \$2,400 per month. It is worth noting that, according to the 2021 census, 64% of all households in Carleton Place were made up of only one or two individuals. This means that there is a significant disparity between new housing types in Carleton Place and the actual kind of housing that local residents require.

As a result, there is significant demand in Carleton Place for housing that households with a single income-earner can afford. This would include bachelor/studio, one-bedroom, and even two-bedroom units. The unit mix of the proposed development meets this demand perfectly, featuring primarily smaller units that are more appropriate for single-income earners.



In addition, there is also demand for housing in the more central areas of Carleton Place as well as the area north of the Mississippi. The proposed development will meet this need as it is centrally located and within walking distance to downtown.

Affordable Housing Options in Carleton Place

Affordable housing options in Carleton Place are slim. A survey of available rental units in Carleton Place has found that the average rent for a one-bedroom apartment in town is \$1,675, while the average rent of two-bedroom apartments is \$2,195. It is worth noting that not a single bachelor/studio apartment is available for lease at the moment in Carleton Place. Past rent studies of the Carleton Place market conducted by Colliers professionals have also failed to uncover any bachelor/studio units. A close proxy to bachelor/studio units are single-bedroom rentals with shared kitchen/bathroom facilities, but even those are hard to find in town. And while geared-to-income units do exist in some newer developments, it is ultimately not enough to meet the demand for affordable housing in Carleton Place.

Private Rooms		Bachelor/Studio Units		One-Bedroom Units		Two-Bedroom Units	
Address	Monthly Rent	Address	Monthly Rent	Address	Monthly Rent	Address	Monthly Rent
N/A	\$750	-	-	251 Bridge Street	\$1,800	250 Miguel Street	\$2,907
N/A	\$800			127 Boyd Street	\$2,200	14 Coleman Street	\$2,300
				149 Bridge Street	\$1,690	386 Edmund Street	\$2,100
				315 Bridge Street	\$1,200	15 Findlay Avenue	\$1,800
				308-332 Lake Avenue E	\$1,940	17 Moore Street	\$2,200
				Bridge Street	\$1,550	308-332 Lake Avenue E	\$2,260
				William Street	\$1,350	Bridge Street	\$1,800
Average	\$775.00				\$1,675.71		\$2,195.29

**Some addresses were not given in the public listing.*

This comes at a time when Carleton Place is undergoing a serious housing crisis. Buyers and renters alike are no longer competing against other Carleton Place residents for housing, but must also compete with new residents moving to the town from Ottawa or other communities in search of cheaper housing options. This has placed considerable upward pressure on housing prices throughout Carleton Place, significantly impacting the living standards of lower-income renters. This is in addition to ongoing inflation and economic concerns, which has eroded housing affordability and living standards even further.

Official Plan Review

With that, we turn to the Town of Carleton Place's Official Plan. Section 6.15.3 of the Plan states that a key objective of the municipality is "to encourage the provision of a mix of housing types, including the construction of affordable housing". The mixture of unit types at this development promotes this key objective of the municipality.

Section 6.21.1 also outlines the municipality's efforts to promote affordable housing. According to the Official Plan, the Town seeks to encourage "infill and housing intensification. This may be achieved through...re-development at higher densities"; again, exactly as Cavanagh Developments is doing at Mississippi Shores. In order to facilitate such higher-density development, the same section of the Plan states that the municipality will seek to encourage "cost-effective development standards and density for new residential development to reduce the cost of housing".

The most effective way for the Town of Carleton Place to meet their goals on affordable housing is to allow developers to construct high-density developments with smaller unit types (bachelor/studio and one-bedroom units) and without burdening them with high parking ratios. In the case of the Mississippi Shores



development, a high parking ratio will only succeed in creating a larger parking lot and will inevitably result in fewer housing options.

Development Constraints in Carleton Place

Expanding on the section above, the need for greater density in Carleton Place is driven primarily by the town's geographic constraints. The boundaries of the municipality are relatively tight, meaning that there is a shortage of greenfield land available for future developments. What greenfield land that does exist is typically located on the periphery of the town, often in areas that are not conducive to walkability and accessibility. This places a considerable emphasis on the need to develop infill lands and properties located within walking distance of downtown, such as the subject. Doing so will meet the requirements of the town's official plan, as well as provide residents with a diverse selection of rental housing types located in an accessible area.

Conclusion

Based on our analysis of the issue facing Cavanagh Developments, we believe that the Town of Carleton Place should allow them to increase the unit count of their Mississippi Shores multifamily development. It is our professional opinion that the addition of 12 bachelor/studio units to the development would have a significant impact on the stock of affordable housing within Carleton Place. The development also meets the housing needs of Carleton Place's changing demographics. Lastly, it is our opinion that failing to grant the additional 12 units would be counterintuitive to the guiding principles of the municipality's Official Plan and would be a disservice to Carleton Place residents in need of affordable housing.



Demographic Trends & Key Indicators

Carleton Place, ON (T) |



12,748	5,494	2.3	41.5	CA\$94,666	69.7%	6,601	6,219	382
Population	Households	Avg Household Size	Median Age	Median Household Income	Tenure: Owned	Workforce Population	Employed	Unemployed

Average Annual Household spending



CA\$124,279

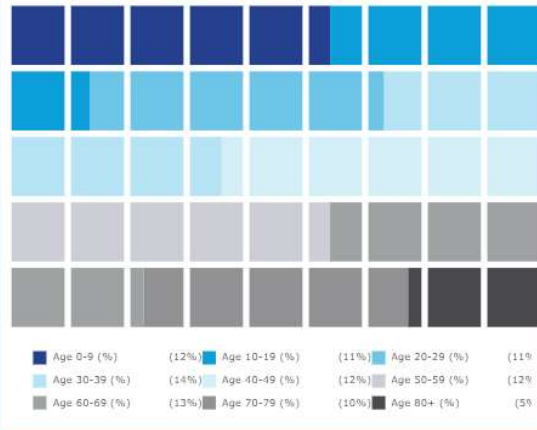
Household Expenditures



CA\$17,603

Principal Accommodation (Shelter)

Population by age



Population by Generation



1,138

Silent Generation: born 1975 and before



3,165

Baby boomers: born between 1946 and 1964



2,324

Generation x: born between 1965 and 1980



2,563

Millennials: born from 1981 to 1998



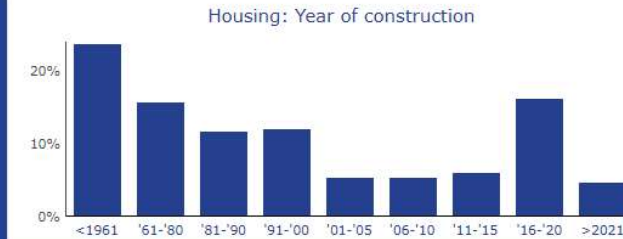
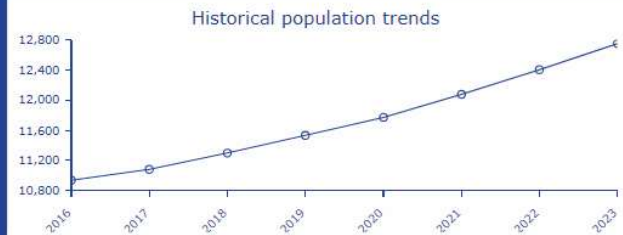
2,837

Generation z: born from 1999 to 2016



721

Alpha: born 2017 to present



About the Authors



[Oliver Tighe, AACI, P.App](#)

Oliver Tighe is the Executive Vice President of Valuation and Advisory Services in the National Capital Region. He leads a team of professional responsible for the completion of appraisals, market studies and consulting services throughout South Eastern Ontario and Gatineau. In his 12 years in Ottawa Oliver has completed hundreds of valuation and consulting reports relating to multi-family developments throughout South Eastern Ontario. Oliver is a designated appraiser with the Appraisal Institute of Canada and works with numerous property owners, investors and non-government / governmental organizations in providing real estate valuation and consulting services. Oliver and his team have also completed a number of national studies relating rental housing giving them a unique view into the challenges and needs for affordable housing in Canada. Oliver has a particular interest in the creation of affordable housing and believes that municipalities are at the forefront of the creation of affordable housing and need to adopt creative and collaborative policies to ensure the creation of a wide variety of housing forms to meet the needs of its residents.



[Robert Gardiner, AIC Candidate](#)

Robert Gardiner is an Associate with the Valuation and Advisory Services Group in the National Capital Region. Robert performs work related to multi-family properties though the National Capital Region. This includes appraisals, feasibility studies, market rent studies, and other forms of consulting work for clients that range from national developers to municipal governments. Robert has extensive knowledge of the Ottawa Valley market and has a keen interest in the changes affecting the region. Robert was born and raised in Mississippi Mills and currently resides in Carleton Place. Robert is also an accomplished author having published his first book *The History of Pakenham: 1823-2023* in April of 2023. As a resident of Carleton Place, Robert has a firsthand perspective of the needs for affordable housing in the town.