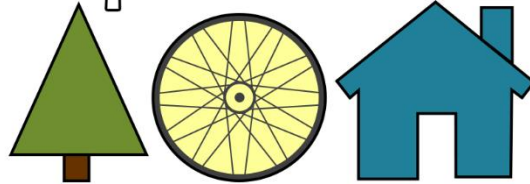


Shape the Sault.ca



Sault Ste. Marie Official Plan Review

**PROJECTED 20-YEAR LAND NEEDS IN SAULT STE. MARIE
TO ACCOMMODATE POPULATION AND EMPLOYMENT GROWTH**

Information Package

City of Sault Ste. Marie – Planning Division
December 2019



SAULT STE. MARIE

20-YEAR LAND NEEDS FOR RESIDENTIAL USES

Note: Numbers are rounded for simplicity.

PROJECTED CHANGE IN POPULATION OVER 20 YEARS DUE TO MIGRATION AND BIRTHS/DEATHS

Source: Metro Economics

	Projected net change in population
Migration	+ 18,000 people
Births/Deaths	- 8,000 people
Total change in population	+ 10,000 people

CURRENT AND PROJECTED POPULATION DISTRIBUTION BY AGE CATEGORY

Source: Statistics Canada / Metro Economics

Age category	Population distribution in 2016 <i>Actual – Statistics Canada</i>	Population distribution in 2036 <i>Projected – Metro Economics</i>
0 to 14 years	14%	16%
15 to 64 years	63%	59%
65 years & over	22%	25%
Total number of residents	73,400	83,300

→ The Sault will grow by **almost 10,000 people by 2036**, primarily from people coming and settling down here to fill new jobs and replace retiring Baby Boomers. A larger portion of our population will consist of seniors and children, compared to now.

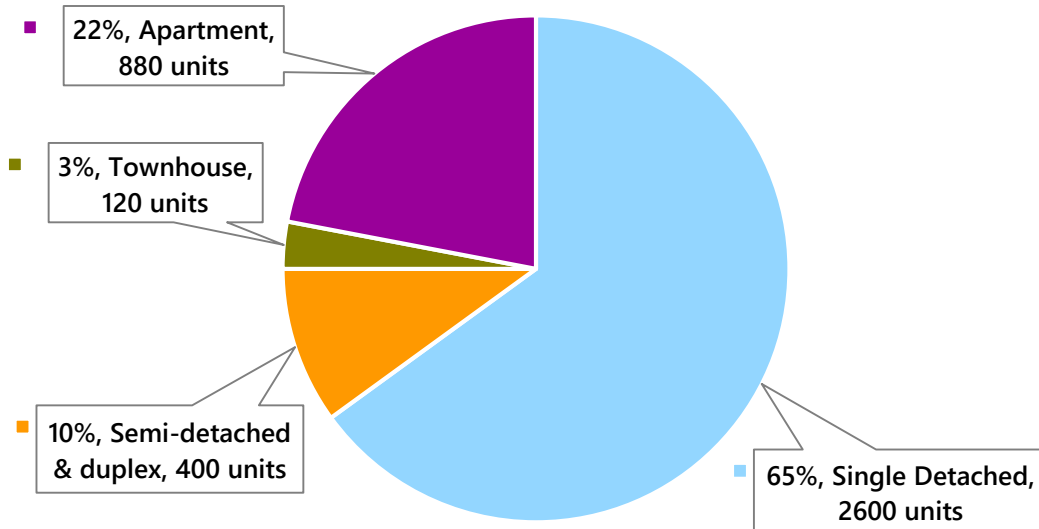
→ Based on household sizes, it's projected that we will need **approximately 4,000 new homes** to accommodate this population growth.

PROJECTED MIX OF THE 4,000 NEW HOMES NEEDED OVER 20 YEARS

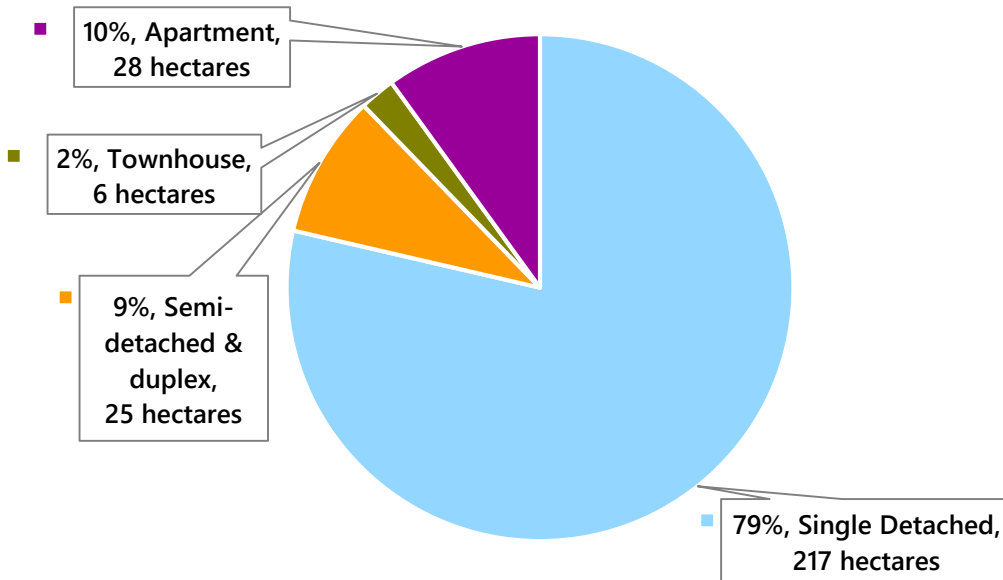
Source: Dillon Consulting / City of Sault Ste. Marie

Housing types	Single Detached	Semi-detached & duplex	Townhouse	Apartment	Total
Projected new housing mix by percentage – <i>based on current housing mix in SSM</i>	65%	10%	3%	22%	100%
Projected housing mix by units	2600	400	120	880	4000
Typical density (units per gross hectare – includes roads)	12.0	15.9	19.2	32.0	
Gross land demand	217 ha	25 ha	6 ha	28 ha	276 ha
Proportion of gross land demand	79%	9%	2%	10%	100%

Projected new dwelling units over 20 years



Projected land needed over 20 years for housing



→ Based on Sault Ste. Marie's current housing mix, more than half of the homes that will be built over the next 20 years will be single detached homes, and thus the vast majority of residential land needed will be used for constructing single detached homes.

LAND DEMAND, SUPPLY AND NET PROJECTED NEED FOR RESIDENTIAL USES

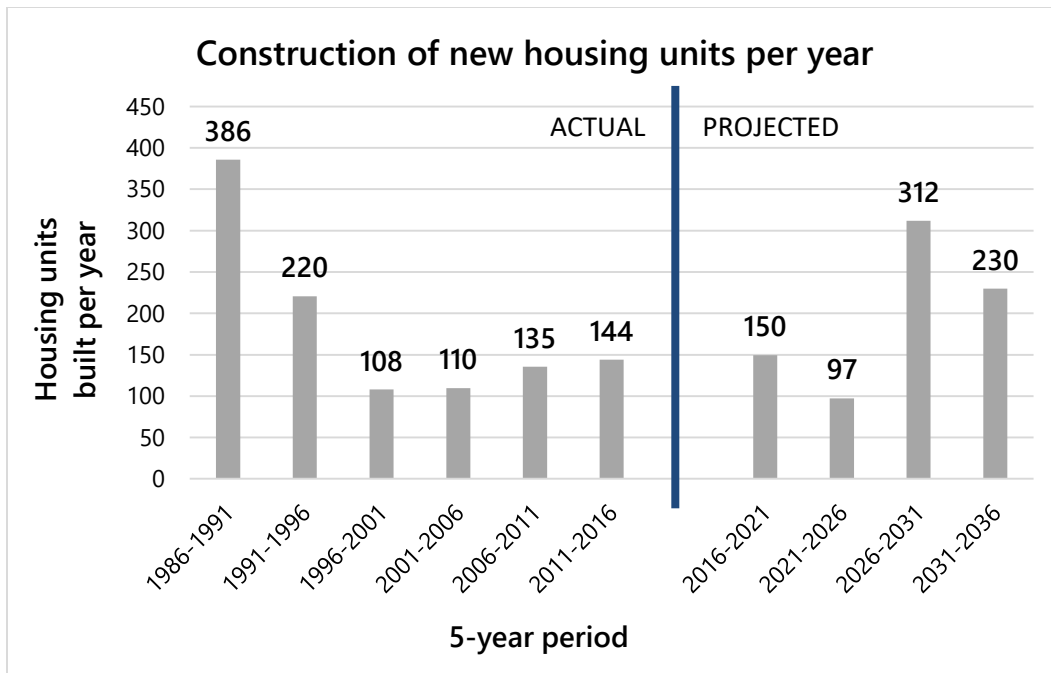
Source: Dillon Consulting / City of Sault Ste. Marie

	Projected Land Demand <i>Dillon Consulting – with input from CitySSM</i>	Vacant Land Supply <i>City of Sault Ste. Marie</i>	Residual Land Need
Residential land use	276 ha	312 ha	36 ha – Surplus

→ The Sault has enough land within the current urban area to accommodate projected new residential growth. Again, this assumes that the mix of all homes in Sault Ste. Marie remains constant over the next 20 years.

CHANGE IN NEW HOUSING UNITS CONSTRUCTED PER YEAR FROM 1986 TO 2036

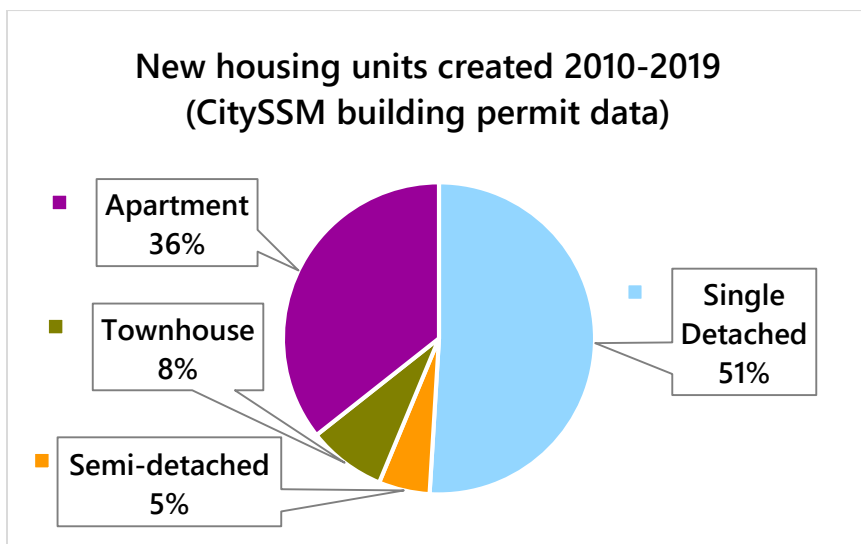
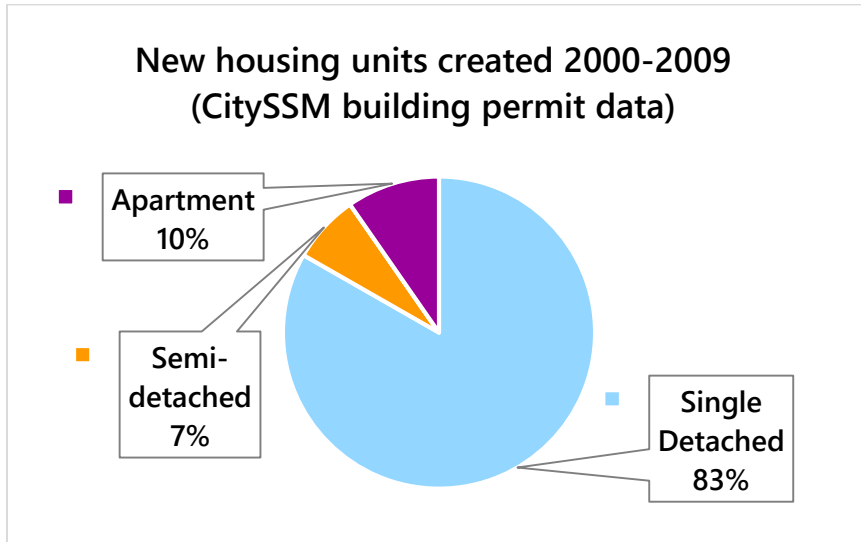
Source: City of Sault Ste. Marie – building permit data (1986-2016) /
 Metro Economics – projections (2016-2036)



→ Over the next 10 years, the rate of housing construction is projected to stay at similar levels to the housing construction rate over the past two decades. After 10 years, however, Sault Ste. Marie is projected to see housing construction increase back to 1980's levels, as families begin to grow here and our population expands.

CHANGE IN TYPES OF HOUSING UNITS CREATED FROM 2000 TO 2019

Source: City of Sault Ste. Marie



→ In recent years, the City has seen a trend towards greater demand for denser types of housing (apartments and townhouses) and less demand for single detached homes. In addition, Planning staff want to encourage greater residential intensification as opposed to sprawl or greenfield development. Therefore, we will likely need even less land for new housing than the amount projected.

20-YEAR LAND NEEDS FOR EMPLOYMENT USES

Industrial, Commercial, and Institutional uses

Note: Numbers are rounded for simplicity.

CHANGE IN JOB NUMBERS OVER 20 YEARS BY EMPLOYMENT SECTOR

Source: Metro Economics

Job sector	Projected net change in job numbers
Health and Social Services	+ 1,200 jobs
Business Services	+ 1,100 jobs
Construction	+ 700 jobs
Accommodation and Food	+ 600 jobs
Professional and Technical Services	+ 600 jobs
Arts, Entertainment, Recreation	+ 600 jobs
Education	+ 600 jobs
Wholesale	+ 200 jobs
Retail	+ 200 jobs
Finance	+ 200 jobs
Manufacturing	- 300 jobs
Total change in employment	+ 6,000 jobs

* Other job sectors change by less than approximately 100 jobs.

CURRENT AND PROJECTED TOP FIVE EMPLOYMENT SECTORS

Source: Statistics Canada / Metro Economics

Rank	Top job sectors in 2016 <i>Actual – Statistics Canada</i>	Top job sectors in 2036 <i>Projected – Metro Economics</i>
1st	Health and Social Services	Health and Social Services
2nd	Retail Trade	Retail Trade
3rd	Manufacturing	Manufacturing
4th	Accommodation and Food	Accommodation and Food
5th	Government	Education
Total number of jobs	31,000	36,900

→ Health and social services will continue to be the top employer in the Sault. Manufacturing jobs will drop slightly but still be one of the top sectors. The total net projected change over 20 years is an increase of **approximately 6,000 jobs**.

LAND DEMAND, SUPPLY AND NET PROJECTED NEED FOR EMPLOYMENT USES

Source: Dillon Consulting / City of Sault Ste. Marie

Employment land uses	Projected Land Demand <i>Dillon Consulting</i>	Vacant Land Supply <i>City of Sault Ste. Marie</i>	Residual Land Need
Industrial use	110 ha (accounts for assumed 10% vacancy rate)	543 ha	433 ha – Surplus
Institutional use	52 ha (accounts for assumed 5% vacancy rate)	55 ha	3 ha – Surplus
Commercial use	Total Commercial demand – 120 ha Retail – 15 ha (see below for details) Non-Retail – 105 ha (accounts for assumed 10% vacancy rate)	37 ha	83 ha – Deficit

→ The Sault has enough land to accommodate new Industrial and Institutional development, but will need more land for Commercial development. Planning staff are exploring the potential of using surplus Industrial land to satisfy some of the need for Commercial land.

DETAILS ABOUT LAND NEED FOR RETAIL COMMERCIAL USE

These estimates account for e-commerce effects on retail. Floor space demand was converted into land demand using an assumed land coverage rate of 25%.

Retail category	Estimated 20-year demand in floor space <i>Dillon Consulting</i>
Food store retail	76,000 ft ²
General and specialty retail – including alcohol	427,000 ft ²
Home improvement retail	40,000 ft ²
Restaurant	56,000 ft ²
Total for all retail	599,000 ft²

	Projected Floor Space Demand <i>Dillon Consulting</i>	Vacant Floor Space Supply <i>City of Sault Ste. Marie</i>	Residual Floor Space and Equivalent Land Need
Retail Commercial use	599,000 ft ²	332,000 ft ² (Dillon Consulting estimates approx. 59% or 195,000 ft ² will be utilized by 2038)	404,000 ft² space – Deficit equivalent to 15 ha land – Deficit

VACANT COMMERCIAL SPACE IN SAULT STE. MARIE – based on 2011 to 2017 vacancy rebate data

Source: City of Sault Ste. Marie

	SAULT STE. MARIE TOTAL	Downtown	Great Northern Road	Second Line West	Trunk Road	Other areas in SSM
ALL COMMERCIAL SPACE						
Total space today (ft ²)	6,807,000	2,888,000	2,301,000	376,000	599,000	643,000
Total number of properties today	681	313	152	42	50	124
Average yearly vacant space (ft ²)	473,000	216,000	113,000	50,000	74,000	19,000
Average yearly vacancy rate (%)	6.9	7.5	4.9	13.3	12.4	2.9
Average properties with vacancy	77	39	19	5	7	7
RETAIL SPACE (including shopping centres)						
Total space today (ft ²)	4,356,000	1,586,000	1,499,000	323,000	513,000	436,000
Total number of properties today	418	185	82	27	36	88
Average yearly vacant space (ft ²)	332,000	115,000	82,000	48,000	73,000	13,000
Average yearly vacancy rate (%)	7.6	7.3	5.5	14.9	14.3	3.1
Average properties with vacancy	52	24	12	4	7	5

This analysis used 2011 to 2017 vacancy rebate applications received by the City, and counted spaces that were **vacant for at least half the year (i.e. at least 180 days) for any given year**. Focus was on determining average numbers over the analysis period, since numbers fluctuate from year to year.

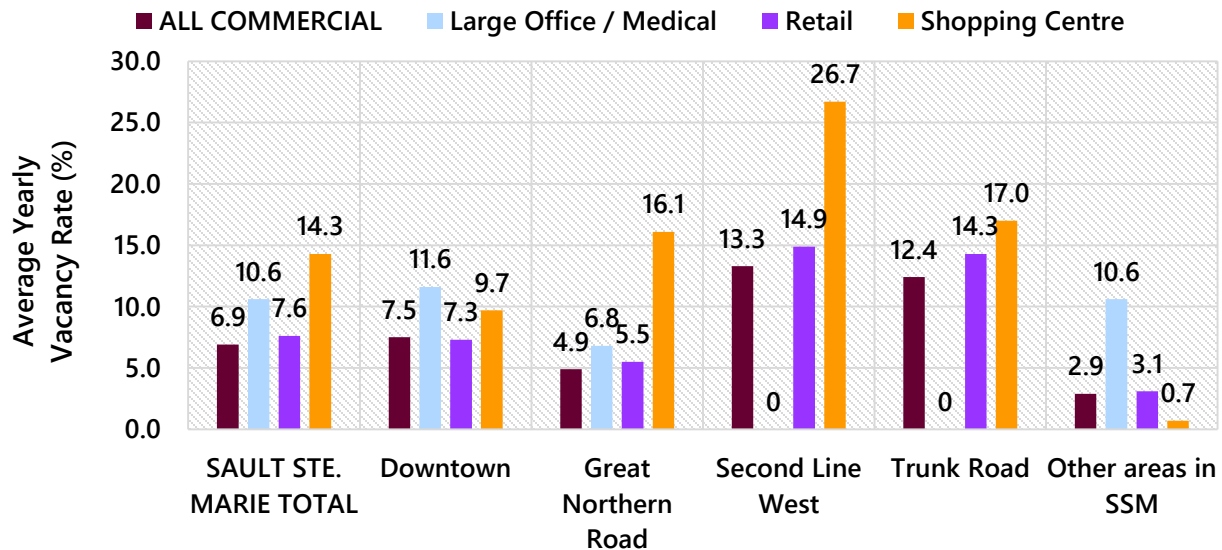
Some types of buildings were excluded from this analysis:

- Government-owned properties, e.g. Roberta Bondar Place, Civic Centre, Courthouse.
- Commercial use buildings on Industrial-zoned land, e.g. Rona on Black Road, White Oak Drive.
- Hotels and motels, e.g. Holiday Inn, Quattro, Howard Johnson.

Regarding a few specific buildings:

- Lowe's (92,000 ft², closed Jan 2019) – included in 2013, 2014 numbers before Lowe's moved in.
- Sears (124,000 ft², closed Oct 2017) – specifically included in 2017 numbers despite being vacant for less than half the year.
- Walmart (67,000 ft², closed July 2019) – not included at all, because outside 2011-2017 period.

Vacant Commercial Space in Sault Ste. Marie (2011-2017 CitySSM Rebate Data)



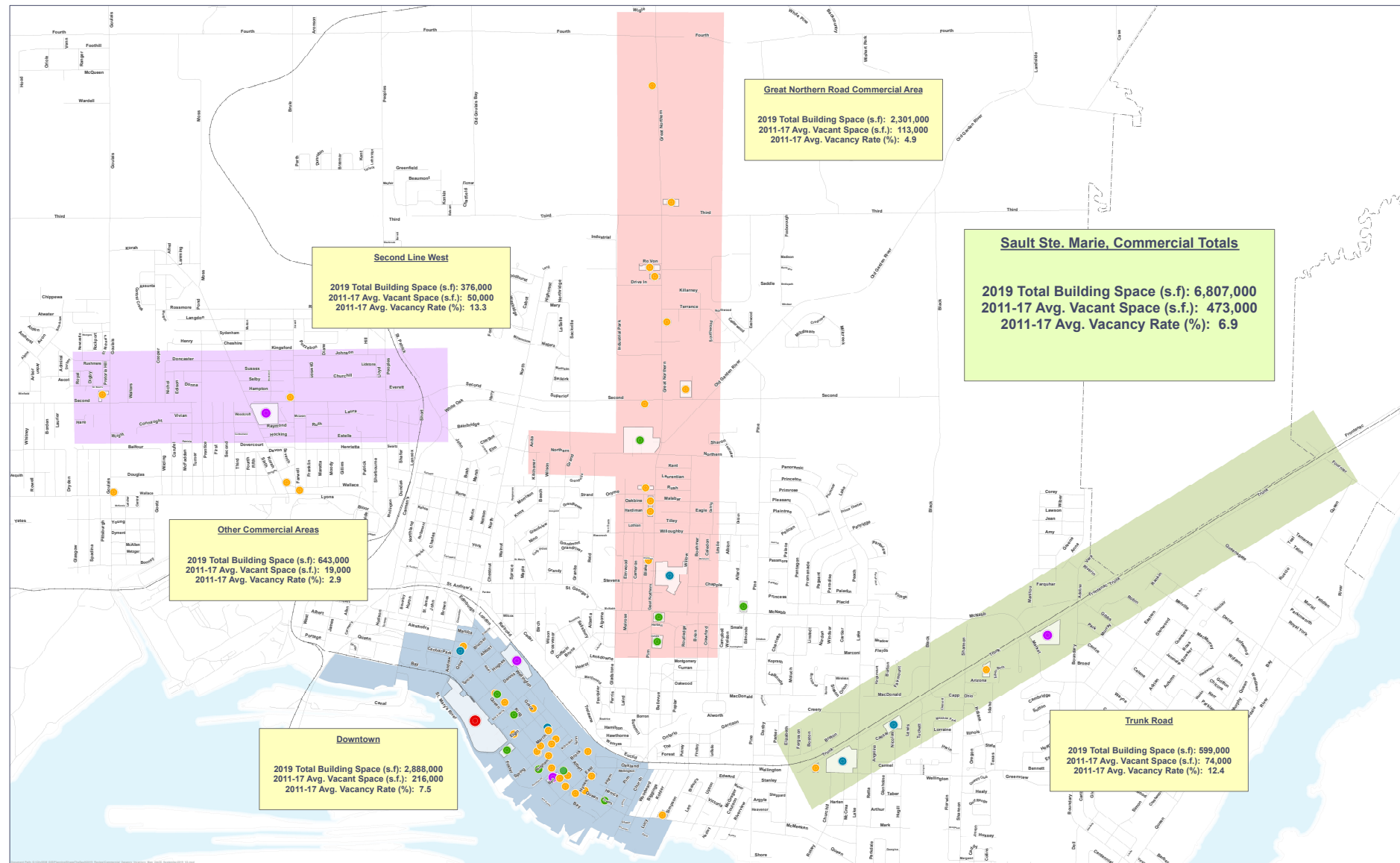
FOR REFERENCE: COMMERCIAL VACANCY RATES IN OTHER CITIES

Source: CBRE – Canada Retail Marketview and Canada Office Quarterly Statistics

City	Population (2016 census, metro not city)	Retail all types (H2 2018)	Regional shopping centre (H2 2018)	Office city-wide (Q2 2019)	Office downtown (Q2 2019)
Sault Ste. Marie	78,000	7.6%	14.3% *	10.6%	11.6%
Halifax	403,000	8.2%	12.3%	15.9%	18.8%
London, ON	494,000	n/a	n/a	18.3%	19.2%
Waterloo	535,000	n/a	n/a	8.8%	9.8%
Winnipeg	778,000	8.4%	15.0%	11.0%	11.9%
Edmonton	1,321,000	2.3%	3.3%	19.3%	19.1%
Ottawa	1,324,000	5.3%	6.3%	7.0%	7.4%
Calgary	1,393,000	3.7%	14.7%	24.4%	26.1%
Vancouver	2,463,000	1.8%	n/a	4.3%	2.6%
Montreal	4,099,000	4.1%	5.1%	11.2%	7.5%
Toronto	5,928,000	2.3%	4.4%	7.4%	2.6%
Total vacancy in compared cities		3.6%	6.5%	11.3%	9.8%

* For this analysis, shopping centres in SSM include 7 properties: Station Mall, Cambrian Mall, Market Mall, Wellington Square, Churchill Plaza, Metro/Lowe's Plaza, and Pine Plaza.

→ Compared to Canada's major cities, Sault Ste. Marie's vacancy rate for retail properties is relatively higher. On the other hand, Sault Ste. Marie's vacancy rate for office properties is not considerably different from that of Canada's major cities.



Vacant Commercial Inventory Map - 2019 Study

Commercial Vacancy Rebate Data

Notes

"Average" (Avg) refers to the average (mean) amount and percentage of space per year that was vacant for at least 180 days in each of the seven years analysed.

Legend

- 2017 Dataset: 120 - 5,000 s.f.
- 2017 Dataset: 5,001 - 10,000 s.f.
- 2017 Dataset: 10,001 - 25,000 s.f.
- 2017 Dataset: 25,001 - 50,000 s.f.
- 2017 Dataset: 50,001 - 100,000 s.f.
- 2017 Dataset: 100,001 - 150,000 s.f.
- Downtown (OPA Defined)
- Great Northern Road
- Second Line West
- Trunk Road

