



THE DISTRICT OF SAANICH

Population Projections, Trend & Capacity Build-Out Analysis

Saanich, British Columbia



EXECUTIVE SUMMARY

Prepared for:
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Table of Contents

Introduction	A-1
Policy Context	A-1
Population Growth Forecasts	A-2
Age Demographic Summary	A-4
Aging Demographic Impacts on Housing	A-5
Economic Sectors in Saanich	A-6
Retail Supply & Demand	A-9
Office Supply & Demand	A-10
Industrial Supply & Demand	A-11
Indoor Recreational Facilities Supply & Demand	A-12
Hotel Supply & Demand	A-12
Multi-Family Supply & Demand	A-13
Market Demand Summary	A-14
Key Findings	A-16

LIST OF TABLES

1 Congregate Care Requirement Estimates 2036	A-5
2 Saanich Multi-Family Residential Demand Forecast	A-13
3 Saanich Commercial, Residential & Industrial Land Demand Summary by Population Threshold Years	A-15

LIST OF FIGURES

1 District of Saanich Centres & Villages Hierarchy	A-1
2 District of Saanich Population Projection 2011 to 2036 Moderate Growth Scenario	A-3
3 District of Saanich Projected Annual Population Change by Age Cohort, 2011 to 2036	A-5

MXD Development Strategists Ltd. (“MXD”) was commissioned by the District of Saanich to conduct a “Population Projections, Trend & Capacity Build-out Analysis”.

The purpose of this study was to document in detail the retail, office, industrial, hotel, parks & recreation facilities and multi-family residential sectors in terms of supply and demand. The research conducted establishes a solid foundation and basis for determining the forecasted growth of land uses within the District of Saanich. This study included consultation with stakeholders who provided critical data and input (including local and national organizations and companies). A full list is provided in the main report.

POLICY CONTEXT

In 2003, the Capital Regional District (CRD) adopted the Regional Growth Strategy (RGS) which contains several policies that affect the type and rate of population, housing and employment growth in the region. These include focusing growth in Regional and Major Centres and protecting the green zone.

The 2008 Sustainable Saanich Official Community Plan reflects the goals of the RGS, and identifies Major Centres, Neighbourhood Centres, Villages and Rural Villages, as depicted in their hierarchical relationship in **Figure 1**.

Hence, a critical aspect of this study recognizes the established hierarchy of Centres and Villages in allocating future commercial and multi-family residential growth.

Figure 1 Current District of Saanich Centres & Villages Hierarchy

Major Centres

- Uptown
- Royal Oak
- Tillicum
- University
- (Hillside)

Neighbourhood Centres

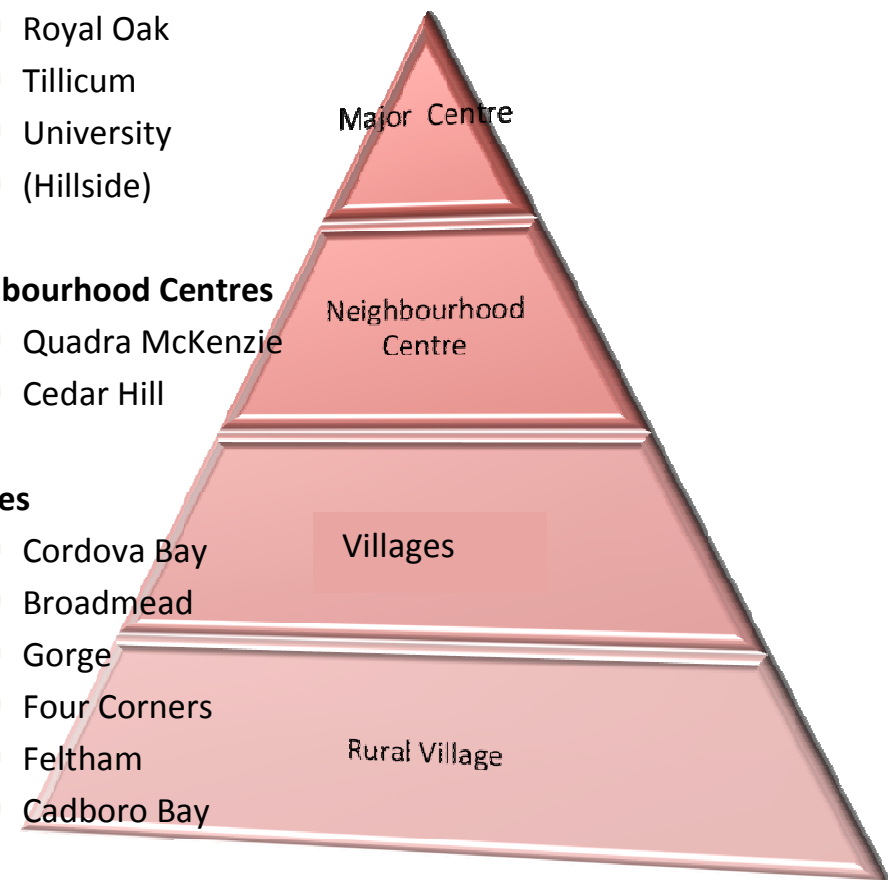
- Quadra McKenzie
- Cedar Hill

Villages

- Cordova Bay
- Broadmead
- Gorge
- Four Corners
- Feltham
- Cadboro Bay

Rural Villages

- Prospect Lake
- Strawberry Vale



POPULATION GROWTH FORECAST SUMMARY

An analysis of the District's population and demographics, current and projected, was undertaken to understand the dynamics underlying future demand for each type of land use of interest.

The District of Saanich, with a population of 109,752, represented 30% of the regional population in 2011. It is the most populated Municipality in the Capital Region and on Vancouver Island.

Saanich's population grew by only 1.4% (or 1,487 residents) between 2006 and 2011, indicating stable population dynamics, while Langford was the fastest growing community within the Capital Region, with a population growth of 6,769 residents (30%) between 2006 and 2011.

Regional Population Projections

Population projections completed at the regional level indicate growth in regional population to range from 360,000 to 470,000 (0.78% annual growth). This growth is anticipated to be distributed as follows:

- **50,000 new residents in the Westshore**
- **32,000 new residents in the Core (including Saanich)**
- **9,000 new residents in the Saanich Peninsula**

Saanich Population Projections

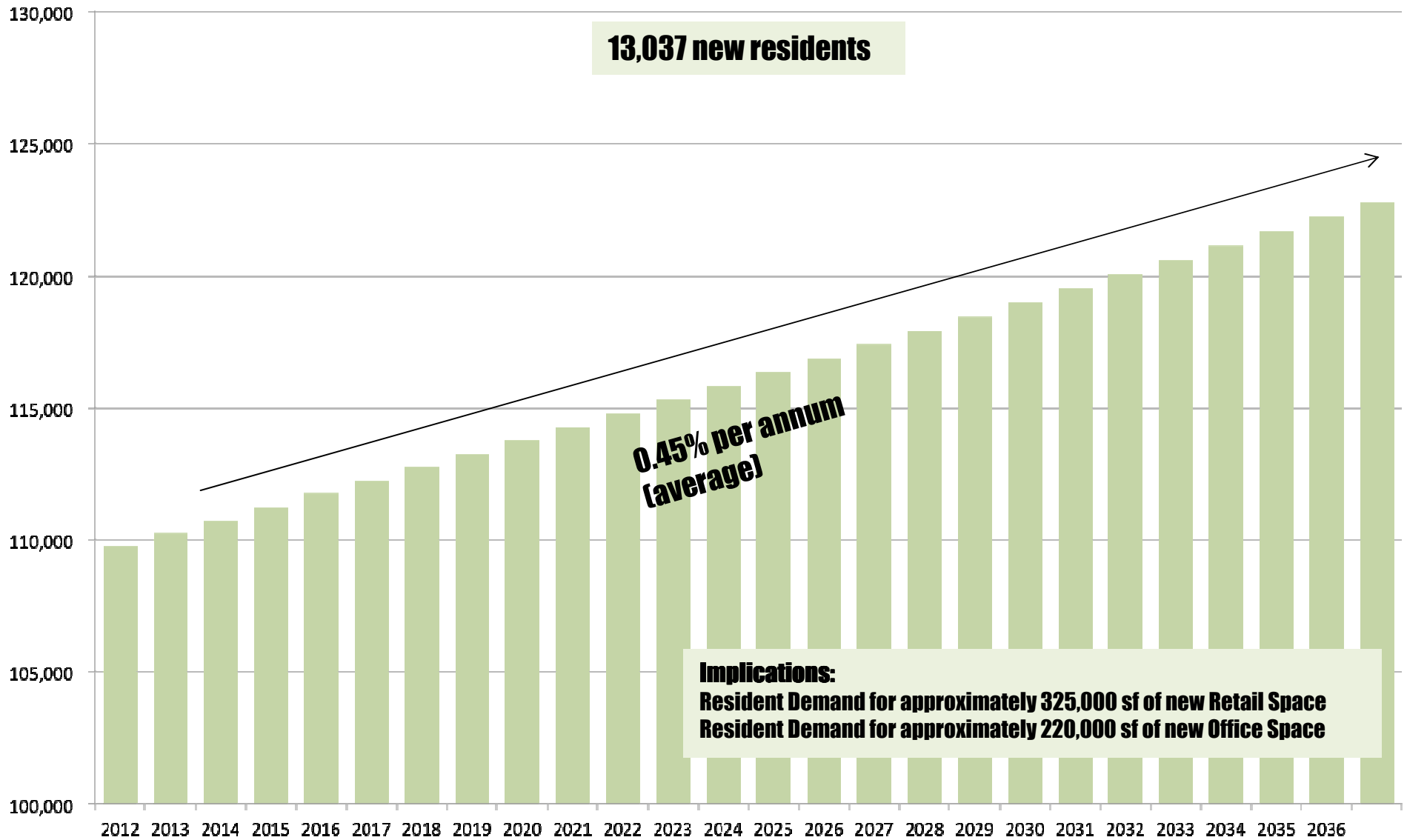
This study builds on regional projections and looks more specifically at Saanich and its Centres and Villages.

In undertaking the projections and analysis presented in this report, three (3) alternative population growth scenarios were developed. Each scenario examined historical trends and observations as well as an understanding of the availability for accommodating future growth in the various Centres and Villages. The estimates range between 10,000 to 18,000 new residents.

For the purposes of this study, the Moderate Growth Scenario of 0.45%/annum or 13,057 new residents over the next 25 years (**Figure 2**) is seen to represent the most reasonable and attainable growth forecast that respects the current and forecasted demographic composition, current provision of amenities (commercial and institutional) and available lands for future development or redevelopment. Additionally, this scenario concurs with other projections (CRD and BC Stats) and as such, is considered a likely growth forecast scenario for Saanich.

Accordingly, and for the purposes of this study, the chosen methodology is that when the population of Saanich, using the Moderate Growth rate of 0.45% per annum reaches a certain threshold, there is a correlation with demand and therefore the District can gauge how to best incrementally and/or cumulatively accommodate new growth and infrastructure necessarily without overbuilding. In other words, when the population thresholds of 113,000, 118,000, and 123,000 have been reached, an associated amount of retail, office, industrial, hotel and multi-family housing could be warranted or supported.

Figure 2 District of Saanich – Population Projection 2011 to 2036 (25 Years)
MODERATE GROWTH SCENARIO 13,000 New Residents (Source: Statistics Canada, MXD Development Strategists Ltd.)



Note: The Moderate Scenario is considered to be the most likely scenario of the three (3) evaluated. Refer to the Background Document & Appendices for more detail pertaining to all three (3) growth forecast scenarios

Population & Demographics

AGE DEMOGRAPHICS SUMMARY

A population and demographic analysis was undertaken for Greater Victoria and the District of Saanich in particular. The intent was to determine how population age dynamics will change, and assesses the implications for housing and amenity needs.

Our findings show that Saanich closely mirrors the Capital Region's population growth rate out to 2036, as well as its aging population base. While Saanich's retiree population is expected to grow by 16,496 over the next 24 years, its pre-retirement population is expected to decline by 3,450.

The 75+ year age cohorts typically begin downsizing to multi-family housing. This group is forecast to grow at a rapid rate, particularly between 2020 to 2032. As a result, the demand for multi-family housing is expected to grow disproportionately during this time period, and at a gradually diminishing rate from 2032 onwards.

An additional important upcoming demographic shift is the decline in average household size. Primarily driven by the aging population, but also cultural trends occurring throughout Canada, the decrease in household size will result in a relatively rapid growth in the number of households compared to population growth in the District.

An analysis of aging and housing choice reveals that the upcoming demographic shift will not have as pronounced an effect on housing demand as the statistics indicate. There is a pronounced persistence among older residents to remain in their home, and the move to multi-family housing or purpose-built congregate care is likely to be moderate and postponed to later years.

The vast majority of seniors would prefer to live in their own homes than move to a new community, so a shift towards less institutional, high-amenity environments, including active adult formats (also known as independent or supported living) are becoming more common. These types of developments provide a more multi-generational environment and have the inherent flexibility to integrate seamlessly into Saanich Centres and Villages as the baby boomer demographic impact recedes after 2036.

Therefore, in terms of providing the type of housing that will be in demand over the next few decades, it will be important to provide housing environments in Saanich's existing Centres and Villages that are popular with older residents and are flexible enough to accommodate other age segments as the Baby Boomer wave passes.

Additional housing types to consider that are both appealing to seniors and flexible over time, while still being compatible in Saanich's Centres and Villages include congregate housing, condominiums with services, mixed-tenure housing with services and flex housing (which are able to adjust to new types of occupants).

AGING DEMOGRAPHIC IMPACTS ON SAANICH HOUSING

While Saanich is expected to undergo a pronounced shift towards older age cohorts, the impact on the nature of housing in demand will not be as pronounced.

For example, Congregate Care (most notably Nursing Homes and purpose-built institutions) are expected to house just 3,643 of the projected 54,333 Saanich Seniors (6.7%) in 2036 (refer to **Table 1**).

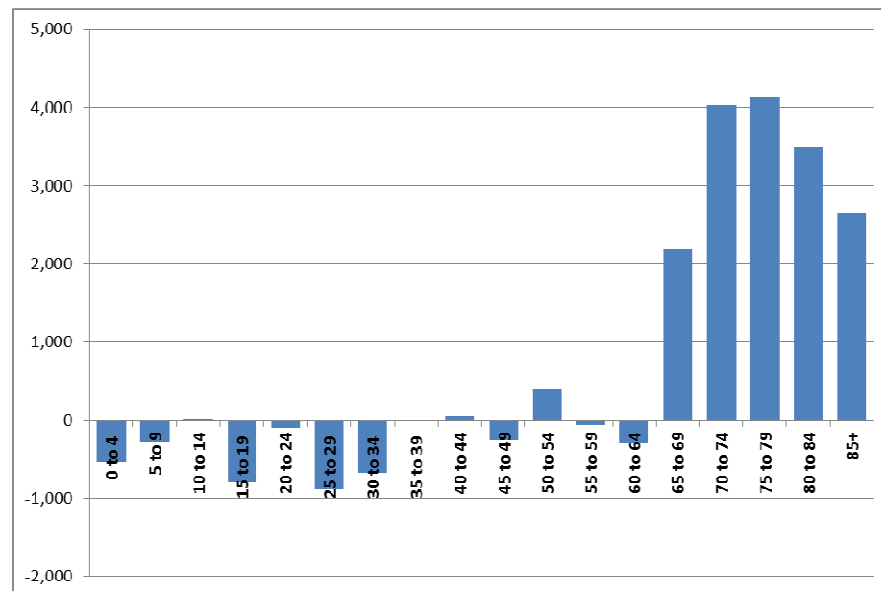
Given the high land costs in Saanich, it will be essential to create higher density residential developments in the District of Saanich.

These should include a combination of formats built and focussed around Saanich’s existing Centres and Villages, where transit access is very strong and a range of goods and services, such as shops, recreation and medical services, are within close proximity.

Such developments are likely an inevitability in the District, regardless of demographic shifts, as the area builds out and attempts to increase the use of transit, biking and pedestrian activity.

The potential market for active adult units is 35-50% of the overall seniors market which includes congregate care and other formats. This equates to between 19,000 and 27,000 Saanich seniors by 2036.

Figure 3 District of Saanich - Projected Annual Population Change by Age Cohort, 2011 to 2036



Source: Statistics Canada, BC Stats

Table 1 Congregate Care Requirement Estimate 2036

AGE COHORT	Population 2036	% Collective Dwellings	Population
55 to 59	9,060	1.2%	109
60 to 64	8,023	1.2%	96
65 to 69	8,247	2.4%	198
70 to 74	8,488	2.4%	204
75 to 79	7,960	14.8%	1,178
80 to 84	6,498	14.8%	962
85+	6,057	14.8%	896
TOTAL	54,333	6.7%	3,643

Economic Sector Overview

A review of the Capital Region’s economic sectors provides insight into the potential opportunities for employment growth, as well as the corresponding demand for commercial and residential growth in Saanich’s Centres and Villages. The Capital Region’s largest sectors, within which Saanich plays a significant role are summarized below.

Advanced Technology



- **Fastest Growing Industry in Greater Victoria**
- **Generates: \$1.95 billion annually**
- **Companies: 850**
- **Employment: 13,000**
- **Total Economic Impact: \$2.6 billion**

At the heart of this growing regional industry sector is the Vancouver Island Technology Park (VITP) located in Saanich adjacent to Camosun College’s Interurban Campus. VITP generates \$317 million in direct, indirect and induced revenue.

Overall, this regional sector benefits from access to universities, colleges and technical training institutions, not to mention its proximity to government agencies and funding opportunities.

Tourism



- **Tourism is one of the key industries driving the region’s economy.**
- **Generates: \$1.19 billion in annual revenue**
- **Annual Visitors: 2.38 million (2010)**
- **Avg. Daily Expenditure/Visitor: \$123 (2010)**

Victoria is one of the top tourist destinations in Canada, with a diversity of tourism activities ranging from business tourism to cultural tourism to sports tourism.

Tourism has seen significant employment growth over the past decade. Recreation and travel services in the Province are forecast to be among the fastest growing sectors for tourism job growth over the next decade. Saanich will be well positioned to fulfill demand generated by this growth, particularly when utilizing its strong recreational assets.

Government



- **The Federal Government spent \$51.2 million on wages and salaries in the Greater Victoria in 2008**

Being the Provincial Capital, Victoria has a strong and stable public sector presence in the region, leading to many benefits for other industry sectors. Public sector agencies account for the majority of top employers in the Capital Region. This sector is estimated to remain relatively stable. One of the many economic spin-offs from the Government Sector presence in Greater Victoria is the higher salaries that help support local businesses and attract research oriented businesses catering to the public sector.

Oceans & Marinespace



- **Victoria’s Shipyard generates \$1 billion in annual economic activity and employs approximately 700 people.**

The University of Victoria (UVic) is a world leader in ocean research. UVIC’s Venus and Neptune Projects are the world’s first regional scale research facilities for ocean and atmospheric systems.

In late 2011, Seaspan Marine Corporation was awarded an \$8B federal contract to the province. The project will create over 200 new trade jobs at the Victoria Shipyards. Though not directly impacted, new job creation will attract skilled workers to the Capital Region, many of whom will choose to reside with their families in the District of Saanich, attracted by the location of good schools, access to services, recreation facilities and quality of environment.

Education



- **University of Victoria: 19,905 students** (Saanich)
- **Royal Roads University: 2,700+ students**
- **Camosun College: 12,500 students** (Saanich)

The Greater Victoria Region benefits from three major post secondary institutions, two of which are located in Saanich.

The **University of Victoria** is one of the top employers in the region providing approx. 5,048 jobs. Annually, the impact of UVic education and salaries in B.C. is estimated to be \$1.27 billion. The impact of UVic research, development and innovation is estimated at \$994 million.

Having a highly regarded and Internationally recognized educational institution (University of Victoria ranked #2 in Canada according to MacLean's Magazine) is a significant attribute for the District of Saanich and the local economy.

Camosun College has two Campuses located in Saanich. The Interurban Campus is located in a more rural and industrial setting and has land available for future development.

Forecasts indicate the **Interurban Campus** will require between 59,200 and 62,500 gross sq.m. of new building within the next 10 years to accommodate anticipated needs. This includes at least 21 500 net sq.m. of new student housing.

The **Lansdowne Campus**, which is located in a more urban neighbourhood context, is forecast to require about 3,700 sq.m. to accommodate anticipated growth in programs and associated service spaces, plus an additional 3,900 sq.m. to replace existing areas that are slated to be decommissioned.

Construction



- **\$800 million spent on new construction in 2010.**
- **Jobs Created in 2010:**
Direct: 6,400 / Indirect: 5,300
Total Wages Generated: \$590 mil.

Despite recent declines attributed to the wider economic slowdown, overall housing starts in Greater Victoria are above 10 and 15 year averages.

Construction activity generated by the municipal capital projects includes maintenance and upgrade work estimated at over \$8 million annually. This is expected to increase as a result of aging infrastructure and the need for replacement. In 2013, construction activity includes the replacement of Rithet Reservoir estimated at \$8 million, and the construction of the Craigflower Bridge, a major project with a 100-year lifespan.

Agriculture



- **The Greater Victoria Region benefits from an active and growing agriculture industry.**
- **Saanich's agricultural land generates a high yield relative to the amount of land currently under cultivation.**

Global trends are resulting in an increase in urban farming, community gardens, and demand for locally grown agricultural goods.

Agro-tourism, is a growing sector, providing a wide-range of activities including farm tourism, retail markets, and recreational activities such as seen at Galey Farms in Saanich.

Saanich has a long history as an agricultural settlement and has maintained this status through the application of the Urban Containment Boundary (UCB). 52% of Saanich is protected by the UCB, and the Province has designated 20% of Saanich as an Agricultural Land Reserve (ALR). The total amount of agricultural land in Saanich is approximately 13,294 acres. 380 properties in Saanich have been granted farm-based status, though not all are within the ALR.

Retail



- Greater Victoria retail sales: \$4 billion (2010)
- Sales have increased 23% since 2000.

The Greater Victoria Region benefits from a stable retail market. Factors which are contributing to the stability of the retail market include:

- High average median household income
- Strong and stable public sector
- Impact of tourism

It cannot be understated how important the retail sector is to the collective social and economic vibrancy of the District of Saanich. The retail offerings within Saanich provides necessary daily services and amenities for residents, but also are increasingly seen as a destination for out of town residents and visitors.

Saanich is comprised of thirteen (13) retail nodes ranging in size from Major Centres such as Uptown to Neighbourhood Centres such as Quadra Mackenzie, to Village Centres such as Broadmead or Cadboro Bay as well as Rural Villages, such as Prospect Lake.

The regional centrality of Saanich plays a pivotal role in how retail can and should permeate throughout the community. Each Centre and Village has a distinct character and market appeal.

Recent major developments such as the Uptown Shopping Centre are critical to success for the District in retaining as much spending as possible within the community. Other recent events, include the opening of Target at Tillicum Centre will also help to reinforce strong shopping patterns in the District of Saanich.

Healthcare & Retirement



- The Vancouver Health Authority (VIHA) employs ~18,000 professionals (2012) in over 150 facilities on Vancouver Island
- Greater Victoria has 230 residents per doctor, a ratio that is lower than BC's

The Vancouver Island health Authority (VIHA) provides health care to Vancouver Island and employs approx. 18,000 professionals (2012) in over 150 facilities on the Island.

The health care industry has been steadily growing, indicating that the region is a popular location for retirement, primarily due to it's milder winter climate and natural environment. In addition to acute care facilities, such as the Victoria General Hospital and Royal Jubilee Hospital, facilities include assisted living and residential care homes for people with physical or cognitive disabilities. In Saanich examples include the Lodge at Broadmead, Nigel House, Luther Court and Mount Tolmie residences.

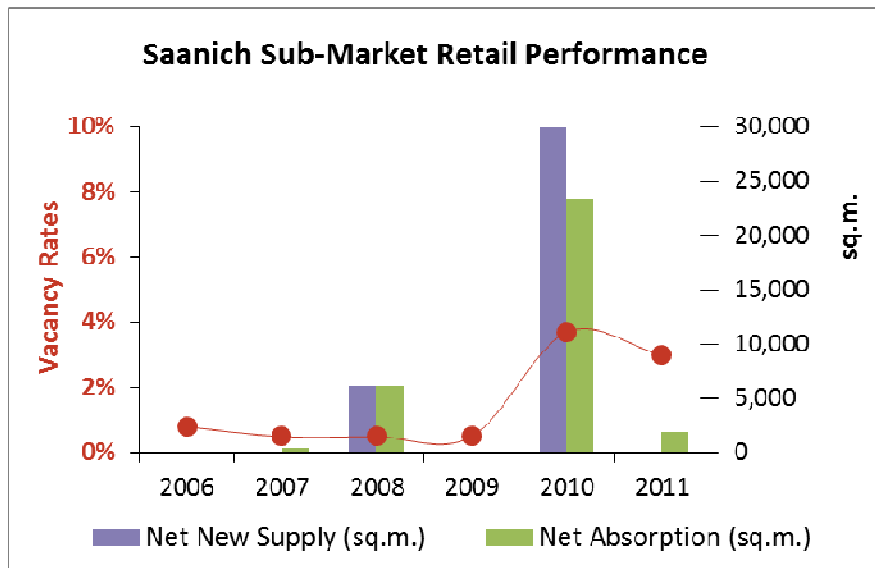
By 2026, in the District of Saanich, it is anticipated that one in three residents will be over the age of 55. Population projections indicate retiree age segments will grow rapidly between 2013 and 2036. This gives an indication as to the future resources and amenities that will be needed which can be expected to accommodate such demographic trends.

RETAIL SUPPLY SUMMARY

The estimated total inventory for retail space in Saanich is 268,500 sq.m./2.89 million sq.ft. This estimate includes street retail formats, all shopping centre within Saanich, as well as the Hillside Shopping Centre.

Retail supply has been stable and growing, in particular with the addition of Saanich’s Uptown Development which is emerging as the region’s foremost retail centre sought after by the market’s top tenants. The current vacancy ratio of approximately 3%, indicates a stable retail market. Generally, a retail vacancy rate below 5% is considered to be healthy.

The location of existing supply has been driven by exposure to high traffic counts and pedestrian access. The scale of a given retail centre and the traffic count volumes of adjacent roads are naturally linked. Hence, major commercial nodes have been developed along major transportation corridors such as: Patricia Bay Highway, McKenzie Avenue and Shelbourne Street.



FORECASTED RETAIL DEMAND

Saanich’s cumulative new retail demand is estimated as follows:

- **At a population benchmark of 113,000 cumulative market demand for an additional 9,400 sq.m.**
- **At a population benchmark of 118,000 cumulative market demand for an additional 26,210 sq.m.**
- **At a population benchmark of 123,000 cumulative market demand for an additional 42,708 sq.m.**

Under the above growth scenarios, Saanich should be well positioned to comfortably absorb future market-driven and tenant-driven growth while maintaining a sustainable total ratio in the range of less than 2.8 sq.m. per capita.

Although there is a combination of current latent demand as well as future demand opportunities, Saanich is not an isolated market and as such it is expected that demand will leak beyond the District’s boundaries. The Hillside Centre illustrates an example of a centre that, while not entirely in Saanich likely garners significant demand from Saanich residents. The reverse is also the case for Uptown, and Tillicum Centre.

To maintain future stability and competitive balance in all areas it is important that Saanich continue to not overbuild, but rather use benchmarks and performance indicators, such as the retail space per capita, vacancy, and market-driven and tenant-driven demands, as key variables to managing growth in a way that allows Saanich to maintain a solid footing in the Greater Victoria Region.

Office Overview

OFFICE SUPPLY SUMMARY

The estimated inventory for office space in Saanich is 154,220 sq.m./1.66 million sq.ft., which requires a ratio of 1.4 sq.m. per capita. This figure illustrates relative stability in the market, but also indicates room for growth, particularly in Uptown, given its potential for intensification and proximity to Downtown Victoria and regional centrality. This figure takes into account future supply at the Uptown Shopping Centre development but does not include future potential phases of the Vancouver Island Technology Park.

The majority of Saanich's inventory of office space is located in close proximity to the Patricia Bay Highway or McKenzie Avenue. Office space located in Saanich's eastern Centres and Villages is predominantly made up of health and personal services. In contrast there are a number of office clusters in Saanich (west of Pat Bay Hwy) that are occupied by government and research oriented tenants and industries.

New construction, notably at Uptown, has increased the supply of Class A office space. Class A office space is the preferred format in Saanich, particularly given the regional centrality and proximity to the City of Victoria, as well as at the convergence of major transportation routes.

Class B & C office space is comprised of older buildings and is likely to continue to be the lesser preferred office format.

FORECASTED OFFICE DEMAND

Saanich's cumulative new office demand is estimated as follows:

- ***At a population benchmark of 113,000 cumulative market demand for an additional 10,323 sq.m.***
- ***At a population benchmark of 118,000 cumulative market demand for an additional 26,189 sq.m.***
- ***At a population benchmark of 123,000 cumulative market demand for an additional 37,593 sq.m.***

Growth under the above scenario shows a gradually increasing per capita office space ratio, but still maintains a balance recognizing the external influences and surrounding communities, in particular Downtown Victoria and the West Shore.

As with retail, Saanich's potential for office growth is not just dependent upon population or employment growth, but also on the ability to attract new businesses to the city. In this respect the District of Saanich must be proactive in promoting opportunities to attract and retain businesses in the community.

In order for Saanich to be competitive within the Greater Victoria Region, the Uptown area must take advantage of its ability to combine office and higher yielding employment with higher density residential and more progressive retail formats with pedestrian, vehicular and transit connectivity.

Demand forecasts therefore suggest that Uptown should be the first priority for major office development. Areas such as the McKenzie/Quadra and the Vancouver Island Technology Park will also serve important roles as Saanich grows towards and beyond 123,000 residents.

INDUSTRIAL SUPPLY SUMMARY

Saanich's industrial inventory has been relatively stable since 2006 hovering at around 167,225 sq.m. and comprising 22% of the regions total industrial supply. Industrial vacancy rate has risen in recent years, in large part due to the departure of Sysco in 2010. Although Saanich has the highest industrial vacancy rate in the region (5.6%), this figure declined in 2011 by over 2%.

New supply is forecast to be very limited in Saanich because of a shortage of land availability. The Royal Oak Industrial Park and Douglas Street West Industrial Park areas are almost fully developed whereby only a few opportunities remain to accommodate new businesses without substantial redevelopment.

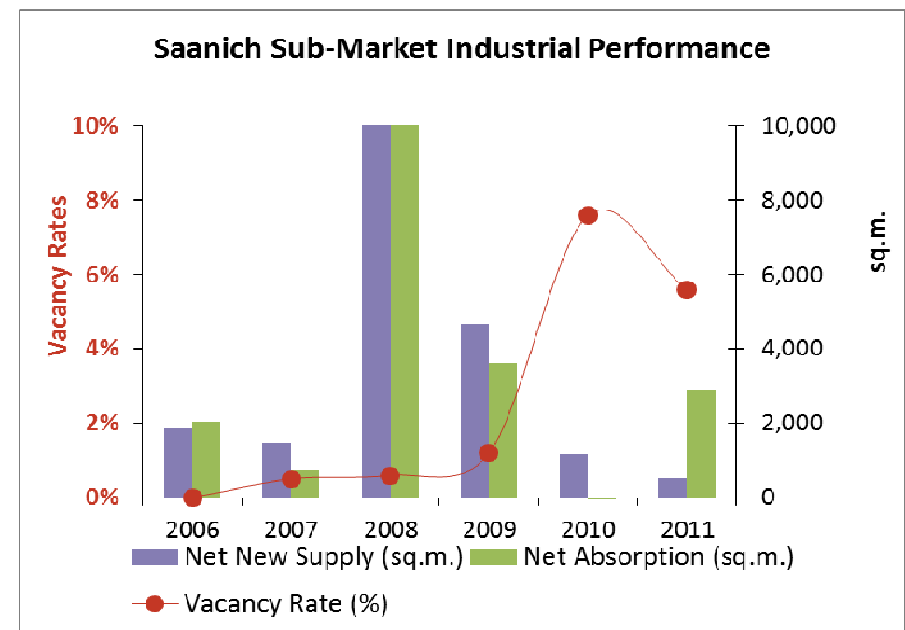
Current industrial supply has been driven by a number of key requirements. Industrial Parks tend to be located within 1-1.5 km of a major highway interchange and prefer large and flat sites.

Industrial tenants who utilize trucks frequently prefer to be located in exclusively industrial areas rather than mixed residential and commercial areas. On the other hand, high tech industrial tenants often seek areas in proximity to amenities and educational institutions or technical training facilities.

FORECASTED INDUSTRIAL DEMAND

It is conceivable that demand could far exceed the actual amount of land and capacity currently available or allocated in the District of Saanich. As such, it is not required nor necessarily recommended that the District of Saanich identify new Industrial lands, but rather look to the better utilization and perhaps transition of its existing industrial lands to attract newer higher yield industrial uses or formats.

- **At a population benchmark of 113,000 cumulative market demand for an additional 7,910 sq.m.**
- **At a population benchmark of 118,000 cumulative market demand for an additional 20,207 sq.m.**
- **At a population benchmark of 123,000 cumulative market demand for an additional 30,954 sq.m.**



Indoor Recreation Facility & Hotel Overview

INDOOR RECREATION FACILITY SUPPLY SUMMARY

Over the years, the District of Saanich has made substantial investments to improve facilities and services. The current supply of indoor recreation facilities is 395,540 sq.ft and includes five facilities:

- Saanich Commonwealth Place
(District of Saanich)
- Pearkes Recreation Center
(District of Saanich)
- Cedar Hill Recreation Center
(District of Saanich)
- Gordon Head Recreation Center
(District of Saanich)
- Pacific Institute of Sport Excellence
(Camosun College)

FORECASTED INDOOR RECREATION FACILITY DEMAND

- ***At a population benchmark of 113,000 cumulative market demand for approximately 1,000 sq.m.***
- ***At a population benchmark of 118,000 cumulative market demand for approximately 2,737 sq.m.***
- ***At a population benchmark of 123,000 cumulative market demand for an additional 4,000 sq.m.***

Future population growth may only warrant an indoor recreational facility of approximately 4,000 sq.m. by the year 2036 or by such a time that the District of Saanich population reaches 123,000 residents. Based on the current inventory of indoor facilities, the average size is approximately 6,132 sq.m., thus a new indoor recreation facility of a slightly smaller size is not forecasted to be required in the near future.

HOTEL SUPPLY SUMMARY

Saanich’s current hotel inventory (including residences at UVic), is estimated at 1,342 rooms, represents an average of approximately 13 hotel rooms per 1,000 residents. This ratio is slightly below the urban national average (16.0) and as such illustrates some latent demand in the market.

FORECASTED HOTEL DEMAND

Saanich’s cumulative new hotel demand is estimated as follows:

- ***At a population benchmark of 113,000 cumulative market demand for approximately 76 rooms.***
- ***At a population benchmark of 118,000 cumulative market demand for approximately 219 rooms.***
- ***At a population benchmark of 123,000 cumulative market demand for approximately 366 rooms.***

Unlike retail, office or industrial demand which has a correlation to population growth forecasts, hotel demand is less driven by population, and much more by visitor dynamics of the region.

Over the forecast horizon as the District grows towards a population of 123,000 the Saanich hotel inventory could increase by 366 rooms to approx. 1,700 rooms (at a population of 123,000).

The development of the Uptown area is highly compatible with the introduction of another hotel. Saanich’s reputation as a destination for leisure as well as its accessibility, regional centrality and future shopping are all strong attributes for prospective hotel operators.

MULTI-FAMILY RESIDENTIAL SUPPLY SUMMARY

Multi-family residential consists of developments that are 3+ units. Saanich’s key residential characteristics are:

- Low ratio of Single-family units (53%) to Multi-family units (47%)
- Similar to the Greater Victoria, Saanich has a high ratio of older residential housing inventory (72%) built before 1986.
- 73% of residential dwellings are owned and 27% are rented.

Since 2001 condominium, townhouse and strata duplex unit prices have increased by 150% and 114% respectively. Since 2008, it was noted that number of unit and prices have been declining. In 2011, the average condominium in Saanich was \$290,123 and the average townhouse/strata duplex \$477,732. CMHC Housing Market Outlook for the region indicates that sales are expected to increase. Multi-family apartment condominiums are expected to account for 50% of the total housing starts in 2013.

Table 2 Multi-Family Residential Demand Forecast

District of Saanich	2012	2017	2022	2027	2032	2036
Population Growth Rate (0.45%)	110,246	112,749	115,309	117,927	120,604	122,789
Avg. Hhld Size	2.17	2.12	2.10	2.07	2.03	2.02
Households	50,738	53,106	54,913	57,047	59,499	60,787
Annual Growth in Households	537	364	301	404	528	272
% Living in MultiFamily Units (Rental & For-Sale)	46.8%	51.0%	57.9%	59.7%	58.8%	57.2%
% Aged 75 Years +	8.8%	8.6%	10.0%	12.5%	14.6%	15.6%
Population Growth Rate						
District-wide Annual Demand for MF Units	251	186	175	241	311	156
District-wide Cumulative Demand for MF Units	251	1,399	2,390	3,646	5,104	5,852
% of Demand Anticipated from Outside Market	10%	10%	10%	10%	10%	10%
Incremental Demand for MF Housing in the Market	276	205	193	265	342	172
Cumulative Demand for MF Housing in the Market	276	1,539	2,629	4,011	5,614	6,437
Incremental Demand for SFD Housing in the Market	261	160	109	139	186	101
Cumulative Demand for SFD Housing in the Market	261	1,366	2,083	2,836	3,683	4,149

FORECASTED MULTI-FAMILY RESIDENTIAL DEMAND

Following the *Population & Demographic Analysis*, and *Multi-Family Residential Supply Analysis*, a forecast was made of the demand for multi-family units in Saanich over the 2012-2036 forecast horizon.

A total of 6,437 new multi-family units are expected to be required in the District of Saanich by 2036 as well as an additional 4,149 new single family detached units.

Average household size is projected to decline to that of BC retirement communities current average, gradually as a function of changing age composition in the District of Saanich. This will result in accelerated growth in the number of new households in relation to population, but is expected to start decreasing after 2036.

The current percentage of people living in multi-family units is projected to grown from today’s share of 46.8% to a peak of 58.4% based on the changing age profile (particularly those aged 75+) and the housing type preferences of each age cohort.

MARKET DEMAND SUMMARY

The comprehensive market analysis of retail, office, industrial, hotel and multi-family land use segments as quantified against the District of Saanich's anticipated population growth is summarized in **Table 3** on the next page.

By 2036 or when the District of Saanich population reaches 123,000 residents (13,000 new residents from today) there will be a total demand for 1.4 million sq.ft. of additional new commercial and industrial floorspace as follows:

- **RETAIL** 460,000 sq. ft./42,700 sq. m. requiring 26 ac / 11 ha.
- **OFFICE** 400,000 sq. ft./37,600 sq. m. requiring 9 ac / 4 ha.
- **INDUSTRIAL** 330,000 sq. ft./31,000 sq. m. requiring 25 ac / 10 ha.
- **HOTEL** 220,000 sq. ft./20,400 sq. m. (366 rooms) requiring 4 ac / 2 ha.

From a residential demand perspective, the changing demographics of the District of Saanich will drive residential formats over the next 20 years. By 2036, or when the District of Saanich population reaches 123,000 residents (13,000 new residents from today), the multi-family residential demand is forecast to comprise the following:

- **SINGLE FAMILY RESIDENTIAL** will still be in demand and needed (in the range of 4,000 new units by the time Saanich reaches a total population of 123,000). Given the limited land supply for residential development in Saanich, it may be a challenge to accommodate this magnitude of single family dwellings, thus the focus should be on accommodating the expected aging of the population as well as the future "urban dwellers" in multi-family dwellings.
- **MULTI-FAMILY RESIDENTIAL** 6,400 new units requiring 162 ac / 65.5 ha (**Note:** The total land required for new Multi-Family residential units varies depending on the development formats and densities. The values presented here reflect a diverse mix of housing options ranging from densities of 15 units/acre to 125 units per acres or an overall average density of approximately 40 units/acre).

Multi-Family Housing is likely to occur at various densities in Centers and Villages responding to the demographic evolution of each specific area (e.g. Uptown vs Cordova Bay vs Cedar Hill vs University Centre).

Overall Market Demand

Table 3 District of Saanich Commercial, Residential & Industrial Land Demand Summary by Population Threshold Years

LAND USE	YEAR	2017	2022	2027	2032	2036
	POPULATION ESTIMATE	112,749	115,309	117,927	120,604	122,789
RETAIL						
Cumulative Floor Area (sq. ft.)		101,181	189,634	282,127	378,942	459,709
Cumulative Floor Area (sq. m.)		9,403	17,624	26,220	35,218	42,724
Cumulative Land Area (acres)		5.8	10.9	16.2	21.7	26.4
Cumulative Land Area (hectares)		2.4	4.4	6.6	8.8	10.7
OFFICE						
Cumulative Floor Area (sq. ft.)		111,117	203,796	281,891	319,636	404,645
Cumulative Floor Area (sq. m.)		10,327	18,940	26,198	29,706	37,606
Cumulative Land Area (acres)		2.6	4.7	6.5	7.3	9.3
Cumulative Land Area (hectares)		1.0	1.9	2.6	3.0	3.8
INDUSTRIAL						
Cumulative Floor Area (sq. ft.)		91,821	152,443	223,864	281,311	333,194
Cumulative Floor Area (sq. m.)		8,534	14,168	20,805	26,144	30,966
Cumulative Land Area (acres)		7.0	11.7	17.1	21.5	25.5
Cumulative Land Area (hectares)		2.8	4.7	6.9	8.7	10.3
HOTEL						
Cumulative Rooms (rooms)		76	145	219	298	366
Cumulative Floor Area (sq. ft.)		45,600	86,921	131,400	178,739	219,600
Cumulative Floor Area (sq. m.)		4,238	8,078	12,212	16,611	20,409
Cumulative Land Area (acres)		0.9	1.7	2.5	3.4	4.2
Cumulative Land Area (hectares)		0.4	0.7	1.0	1.4	1.7
MULTI-FAMILY RESIDENTIAL						
Number of Units (units)		1,539	2,629	4,011	5,614	6,437
Cumulative Land Area (acres)		20.5	52.6	100.3	140.4	160.9
Cumulative Land Area (hectares)		8.3	21.3	40.6	56.8	65.2
SINGLE FAMILY RESIDENTIAL						
Number of Units (units)		1,366	2,083	2,836	3,683	4,149
Cumulative Land Area (acres)		91.1	138.9	189.1	245.5	276.6
Cumulative Land Area (hectares)		36.9	56.2	76.6	99.4	112.0

Key Findings

Beyond the quantified floor space and land demand forecasts for the District of Saanich, the following highlights are also identified:

- ✓ *“Responsible Intensification”* in “Major Centers”, most specifically Uptown and McKenzie /Quadra should be prioritized, followed by Cedar Hill (Shelbourne Valley) and Tillicum/Burnside.
- ✓ The majority of new Industrial demand (estimated at 330,000 sq.ft.) will be difficult to accommodate in existing industrially-zoned areas requiring potential densification of industrial areas or the addition of new lands for industrial use.
- ✓ Overall, not all demand as quantified has to be accommodated in the District of Saanich. Because Saanich is not in an isolated area and central to many adjacent municipal jurisdictions, Saanich is likely to have inflow and outflow of demand. Uptown, however is an area that should be prioritized for densification in both commercial and residential uses as the area is rapidly positioning itself to become the more urban business and transit hub of the region.
- ✓ Medium and higher density residential development and redevelopment is likely to occur in Uptown.
- ✓ Over time, Saanich will increase its ratio of multi-family to single family housing, which is already higher than regional average.
- ✓ Land assembly in corridors such as Shelbourne, Quadra, Bethune and Burnside is a key challenge to accommodating forecasted multi-family growth.
- ✓ Medium density residential development is envisioned to occur in surrounding suburban nodes as infill formats, where land values are now reaching a point where redevelopment of older housing stock is taking place.
- ✓ Lower to medium density mixed-use residential infill and redevelopment is further envisioned to occur in existing “Neighbourhood Centres” and “Villages”.
- ✓ The aging population base and high desirability of the Saanich area suggests that residential development comprising active adult communities as well as some assisted living are envisioned in nodes such as Cordova Bay, Cadboro Bay, Cedar Hill and Tillicum Burnside, particularly where amenities and medical wellness services are in close proximity.
- ✓ New population growth does not necessarily equate to more retail demand, particularly when population growth is concentrated towards seniors who spend less.

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