CITY OF Thunder Bay
Superior by Nature

Thunder Bay Housing Land Needs Study & Strategy

THIRD DRAFT

HTFC PLANNING & DESIGN

1. Executive Summary

The City of Thunder Bay's Housing Land Needs Study and Strategy ("the Study") aims to ensure that the City has an adequate supply of housing of all types needed to meet demand for the next 20 years.

The Study forecasts future population growth and trends, identifies the existing and future projected housing supply and demand in the city by type, analyzes opportunities and limitations in the designated land supply. These components are built on first-hand knowledge of residents and housing providers in Thunder Bay through stakeholder workshops and online engagement of all Thunder Bay residents.

The report shows that Thunder Bay's population has been relatively stable in recent years. The city's 2021 census population was 108,843, a modest 0.9% growth rate from the previous census. However, the City has been seeing a growing number of international students and new immigrants and continues to serve as a hub for many neighbouring Indigenous communities.

Thunder Bay has a particular need for affordable housing of all kinds. The District of Thunder Bay Social Services Administration Board's social housing waitlist has now grown to more than 1,200 people. Affordable market housing is also needed. Over the last 30 years, house prices in Thunder Bay have increased 152%, while household incomes have only increased 54%. As of 2021, 50 percent of households in Thunder Bay would not have been able to purchase an average-priced home at a cost affordable to their income (i.e. without spending more than 30% of their income on housing). In that same year, more than 30% of all renters in Thunder Bay spent more than 30% of their income on housing.

There is also a need to replace dwelling units that are no longer suitable. In the City of Thunder Bay, 39% of occupied private dwellings were built prior to 1961, making it a city with some of the oldest housing stock in Canada. The City loses an average of 22 units per year due to fires, demolitions, and other reasons.

To ensure that everyone has a place to live, Thunder Bay must immediately increase the rate of housing construction to meet the existing housing shortfall and future growth projections. From 2016 to 2023, Thunder Bay saw an average of 190 housing units built per year.

In 2023, the Ontario government assigned the City of Thunder Bay a housing target of 2,200 new homes by the year 2031. This would require the construction of 220 housing units per year over the ten-year period between 2021 and 2031, a 16% increase from the current average annual number of units built. However, under the high-growth population scenario in this report, Thunder Bay will need to have an even greater number of units built each year to meet housing demand. That scenario identifies that Thunder Bay needs to construct 8,825 new housing units between the years 2021 and 2045, an average of 353 units per year.

A major component of this study involved an analysis of Thunder Bay's existing land supply to see if it could accommodate the projected future housing needs. The study found that there is sufficient land available to meet the housing needs in all growth scenarios through a combination of development on vacant and underutilized land, intensification of existing urban low-density housing areas, and the development of some areas currently zoned for future development (the study identifies ten future development sites that are best suited to meet the City's needs for various densities of housing). Because these areas are sufficient to meet the identified housing need, the study recommends that at this time, urban expansion into the City's Growth Area is not required.

The report closes with specific recommendations to achieve the project goals of improving housing affordability, reducing barriers to development, and addressing the gaps in the existing housing supply.

Recommended changes to Thunder Bay's Official Plan policies and zoning regulations include focusing on sustainable growth by taking advantage of existing infrastructure and servicing; preparing secondary plans for future growth areas; reforming zoning around residential development on commercial sites; reducing minimum parking space requirements; and providing clearer rules for tiny homes and other alternative forms of housing.

Recommendations related to supporting affordable housing include hiring an affordable housing navigator, developing an affordable housing Community Improvement Plan (CIP); and creating an arms-length development corporation for the development of affordable housing.

The City can incentivize the creation of affordable housing and housing in general by updating the Strategic Core Areas CIP to promote housing growth in the core areas; incentivizing Accessory Dwelling Units (ADUs); and providing financial support for housing repair or renovations.

Lastly, there are other strategies that will help the City of Thunder Bay to prepare for growth and change over the coming decades, including continuing to implement an e-permitting system; addressing student housing needs; furthering a vacant industrial land assessment and conversion program of industrial land to residential; piloting a tiny home pocket community; and supporting the preparation of a city-wide archaeological management plan so that provincial policies related to archaeological assessments do not deter development.

Every city across the country is dealing with challenges related to housing supply and affordability. The provision of housing requires all levels of government, social service providers, and private housing developers to work together. While no city can address this need alone, it is the goal of this study to serve as a roadmap for all housing partners to prepare Thunder Bay to meet the future housing demands of all residents—both now and in the years to come.

Table of Contents

1. PROJECT BACKGROUND

2. Project Background

The City of Thunder Bay

Thunder Bay, situated on the north shore of Lake Superior, is the most populous municipality in Northwestern Ontario, with a population of 108,843. It is nicknamed "The Lakehead" due to its location at the head of the Great Lakes and is known for being the sunniest city in eastern Canada, with an annual average of 2167.7 hours of bright sunshine.

A Regional Business Hub

Thunder Bay serves as the commercial, administrative, and medical hub for the region. Key sectors with a regional significance include mining, aerospace, and forestry. The city is a four-season outdoor paradise and offers the amenities of an urban center while serving as the gateway to outdoor adventure in Northwestern Ontario.

Diverse Community

Thunder Bay is a culturally diverse community with deeply rooted European and Indigenous cultures, making it the sixth most diverse community of its size in North America.

Some of the most represented ethnic backgrounds include Finnish, Italian, Scottish, Ukrainian, Polish, French, Indigenous Canadian, Chinese, and Croatian.

Quality Education

The city is home to several post-secondary institutions, including Lakehead University, Confederation College, and the Northern Ontario School of Medicine, which is the first medical school to open in North America in over 30 years. The city also has an assortment of private colleges and tutoring programs.

Transportation Hub

Thunder Bay is a significant transportation hub, receiving considerable air, rail, and shipping traffic due to its central location in Canada and proximity to the United States. The Port of Thunder Bay is the largest outbound port on the St. Lawrence Seaway System and the sixth largest port in Canada, and the Thunder Bay International Airport is the third busiest in Ontario.

Project Context

The City of Thunder Bay's Housing Land Needs Study and Strategy ("the Study") aims to ensure that the City has an adequate supply of housing to meet demand over the next 20 years.

The Study forecasts future population growth and trends, identifies the existing and future projected housing supply and demand in the city by type, and analyzes opportunities and limitations in the designated land supply. These components are built on first-hand knowledge of residents and housing providers in Thunder Bay through stakeholder workshops and online engagement of all Thunder Bay residents.

Based on the research findings, the Study provides a strategy and specific recommendations to address future housing needs in Thunder Bay.

The results of the Study will position Thunder Bay to:

i. Improve and support housing affordability by ensuring an adequate, cost-effective and sustainable supply of residential land and intensification opportunities;

ii. Reduce barriers in municipal processes related to housing development;

iii. Develop a residential land and housing inventory;

iv. Understand current and potential future gaps in housing supply, land supply, infill & intensification; and

v. Develop a strategy to close identified gaps and best position Thunder Bay to respond to current and future housing demand.

Community Engagement

A key part of understanding the current and future housing needs in the city is listening to the lived experience of residents and housing stakeholders in Thunder Bay.

To achieve this, the two main public engagement objectives for the plan were to engage residents of Thunder Bay that represent the full diversity of the population; and engage with key stakeholders who are involved in the provision of housing or housing-related services in Thunder Bay (including housing providers, contractors, social/supportive/non-profit organizations, Indigenous groups, academic and educational institutions, housing advocates, private planners/consultants/architects, real estate lawyers, etc.).

This approach provided an understanding of lived experiences with housing in the city. It enabled our team to hear community member's ideas for the future of housing development in the city, with a recognition that all people are affected by decisions regarding housing. Engagement with stakeholders provided a means to obtain the most detailed insights into constraints and barriers to housing development in the city.

To achieve these objectives, the project team held an in-person stakeholder workshop in Thunder Bay, conducted one-on-one interviews both in-person and virtually, and coordinated an online survey open to the public on the City's public engagement portal.

While the public survey was not a scientific survey, the respondent demographic was representative of the census population of Thunder Bay in terms of geographic distribution, household incomes (with some underrepresentation in households with a before tax total annual income under $50,000), age (with an overrepresentation of 30- to 39-year-olds and very few 20 and under responses) and gender (with a slight underrepresentation of males).

Findings from the engagement are included throughout this report. Full details of these engagement activities are provided in the appendices.

Engagement Details		
Date(s)	Activity	Details
Jan. 2023	Stakeholder Workshop	Half-day, in-person workshop with 21 key stakeholders held at Thunder Bay City Hall.
Jan. – Mar. 2023	Targeted Interviews	19 interviews were held with targeted stakeholders.
Feb. 2023	Public Survey	Online survey open to Thunder Bay residents via City's engagement website. The survey included an interactive mapping exercise. The survey website received 1,100 total visits, with 261 individuals completing the survey and 195 unique points placed on the map.

Comparison Cities

The study uses three other cities in northwestern Ontario for statistical comparison to Thunder Bay: Sault Ste. Marie, Greater Sudbury, and Kenora.

These municipalities are referred to as the "comparison cities" in this report, based on their similarities to the City of Thunder Bay in growth rate, population, and geographical proximity.

Sault Ste. Marie is located across Lake Superior from Thunder Bay. It had a population of 72,051 in 2021 which has been trending downward since 2011.

Greater Sudbury is the largest and eastern-most of the comparison cities to Thunder Bay. It had a population of 166,004 in 2021.

Kenora is the smallest and western-most of the comparison cities. It had a population of 14,967 in 2021 though the city sees seasonal fluctuations as tourists and cottagers arrive in the summer months.

Section 2 of this study provides more details on the population demographics and other statistics relevant to housing in these comparison cities.

Thunder Bay's Neighbourhoods

Figure 1.1 shows the City of Thunder Bay divided into 9 neighbourhoods, following the boundaries identified by the Canada Mortgage and Housing Corporation (CMHC), with 7 forming the urban core and 2 covering the rural boundaries of the city:

- College Heights / Grandview / Lakefront
- Confederation College (Intercity)
- Current River / Hudson Heights / Shuniah
- Downtown / West End (Port Arthur)
- East End
- Lakehead University
- Rural North Ward
- Rural South Ward
- Westfort / Green Acres / Hyde Park

Although the City has other neighbourhoods defined colloquially (e.g. Jumbo Gardens), these larger CMHC neighbourhoods provide a way to make more general insights about the city that coincide with CMHC housing data consistent with these neighbourhood boundaries.

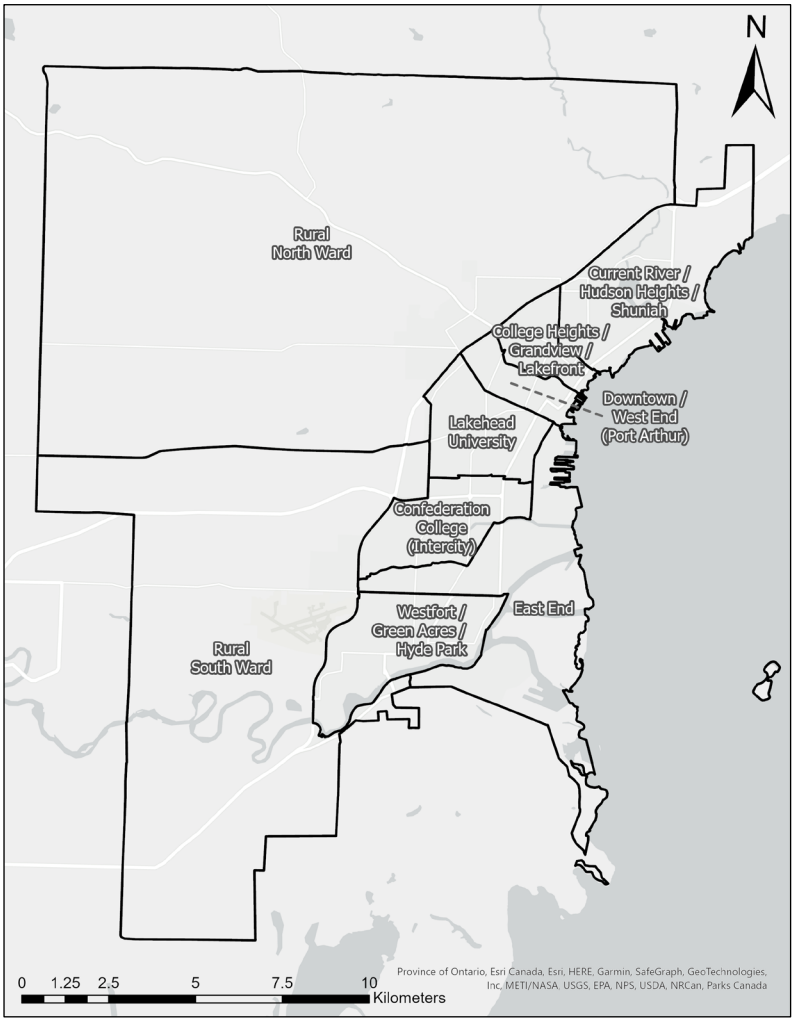


Figure 1.1: Thunder Bay neighbourhoods as defined by the CMHC.

The Housing Continuum

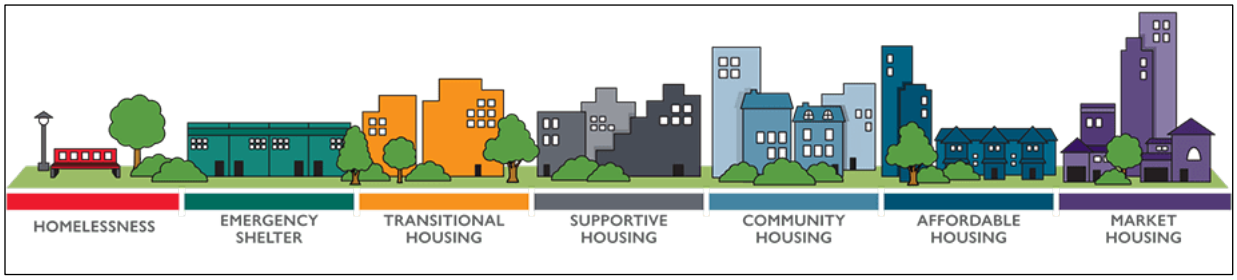


Figure 1.2: The Housing Continuum (CMHC, 2018)

This study looks at all kinds of housing in the City of Thunder Bay, as shown on the Canada Mortgage and Housing Corporation's (CMHC's) housing continuum (**Figure 1.2**). The housing continuum refers to the broad spectrum of shelter types (and lack of housing) found in municipalities across Canada.

Definitions for each part of the housing continuum are provided below:

Homelessness is the term used to describe a situation where a person lives without a fixed residence. A person experiences *hidden homelessness* when they are living in a temporary housing arrangement, such as couch-surfing with friends, rather than sheltering on public land.

Emergency Shelters provide temporary housing for people in crisis or people without a permanent residence.

Transitional Housing is conceptualized as a medium-term (three months to three years), intermediate step between emergency crisis shelters and permanent housing. It is meant to provide a safe, supportive environment where residents can overcome trauma, begin to address the issues that led them to homelessness or kept them homeless, or begin to rebuild their support networks.

Supportive Housing is an option for those who require some level of support to live in the community in an affordable housing unit and can include "supportive" housing, where supports are offered on site, 24 hours a day; and "supported" housing, where supports come to the client wherever they live in the community. Housing with support can generate positive outcomes, including enhanced life skills, improved health status, an increased sense of empowerment and involvement in the community.

Community Housing (also known as rent-geared-to-income (RGI) housing and Public Housing) describes housing where rents are based on the tenant's gross monthly income.

Affordable Housing generally describes any housing arrangement where the cost of rent or a mortgage is less than 30% of that household's pre-tax income. This can refer to rental housing, co-operative housing, social housing, or homes which are owned by the occupants.

Market Housing refers to housing that is sold or rented for profit on the free market. The market rate fluctuates based primarily on supply and demand. Other factors such as the location, condition of the property, or included amenities may also influence the price of market housing.

2. POPULATION GROWTH & HOUSING DEMAND

3. Population Growth & Housing Demand

Population Trends

This study is informed with an understanding of population change and housing demand. This section looks at population trends in the City of Thunder Bay through a detailed analysis of census information, housing information from the Canada Mortgage and Housing Corporation and other relevant data sources.

Total Census Population

The total census population of Thunder Bay is 108,843, making it the 51st most populous municipality in Canada and the 25th most populous in Ontario (Statistics Canada, 2021).

Figure 2.1: City of Thunder Bay Population 1951-2021 (Statistics Canada, 2021) shows population growth in the City of Thunder Bay since the year 1951. In that year, the population of Thunder Bay was 66,108—approximately 60 percent of its current size. In the span of fifteen years, the population had exploded to a size of 104,539, with an average 5-year growth rate of 16.5% during that period.

However, growth in Thunder Bay slowed in the 1970s, dropping to an average 5-year growth rate of only 1.7% between 1971 and 1991. Thunder Bay's census population peaked in the early 1990s, with the highest recorded total at 113,946.

In the two decades from 1996 to 2016, Thunder Bay's population slowly declined, with an average 5-year change in that period of -1.1%. In that time, the only growth took place between 2001 and 2006, which saw a small increase of 124 people in the city over those five years (a growth rate of 0.1%).

The most recent census demonstrated the start of another five-year period of growth in Thunder Bay. Almost 1000 people were added to the population between 2016 and 2021. This represents a growth rate of 0.9%.

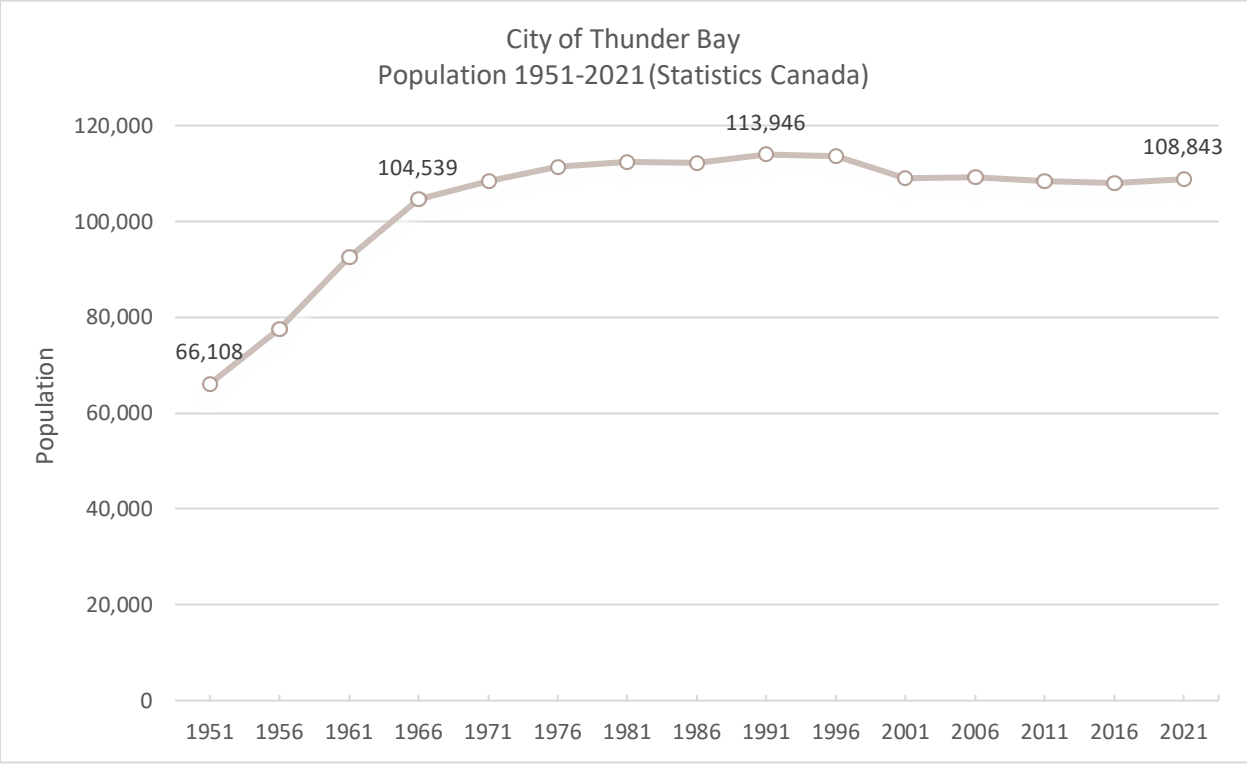


Figure 2.1: City of Thunder Bay Population 1951-2021 (Statistics Canada, 2021)

The growth rates in Thunder Bay have similarities to the growth rates in the comparison cities of Sault Ste. Marie,

Greater Sudbury, and Kenora (**Table 2.1**), which also experienced either a slight gain in population or slight decline over the last three census periods. The most significant 5-year population decline took place in Sault Ste. Marie between 2011 and 2016, when the population decreased 2.4%. The most significant growth occurred in Greater Sudbury during the last census period, where the population grew 2.8%. In contrast, growth rates for municipalities in southern Ontario were generally much higher, with the 5-year growth rate of some communities with populations of a similar size to Thunder Bay often in the 8% to 15% range (Pickering, Clarington, Waterloo, Ajax, Kingston), to as high as 20.7% (Milton).

Table 2.1: Population and Growth Rates for Thunder Bay and Comparison Cities 2011 to 2021 (Statistics Canada, 2021)

	Thunder Bay		Sault Ste. Marie		Greater Sudbury		Kenora	
	Population	Growth Rate	Population	Growth Rate	Population	Growth Rate	Population	Growth Rate
2011	108,359	-0.7%	75,141	+0.3%	160,274	+1.5%	15,348	+1.1%
2016	107,909	-0.4%	73,368	-2.4%	161,531	+0.8%	15,096	-1.6%
2021	108,843	+0.9%	72,051	-1.8%	166,004	+2.8%	14,967	-0.9%

Limitations to Census Data

It should be noted that there are several limitations to the census data that may obscure the true state of the population and housing situation in Thunder Bay, including the COVID-19 pandemic and uncounted residents.

COVID-19

The census was taken in the year 2021, during a period when classes at Lakehead University and Confederation College were primarily offered in a remote delivery format due to pandemic restrictions. Confederation College has 1,748 international students and 674 southern Ontario learners, the vast majority of which would have been living in Thunder Bay in a regular census year but likely stayed in their own countries or cities during the 2021 census period (Confederation College, 2023). Lakehead University has more than 1,500 international students that also likely would have been out of country during the 2021 census (Lakehead University, 2023). Lakehead has not published enrolment numbers for southern Ontario learners.

Uncounted Residents

There is evidence that a significant portion of Thunder Bay's Indigenous population is undercounted in the census. Statistics Canada's official census population of Indigenous people in Thunder Bay is 15,055. However, according to a study by the action research centre Well Living House, Thunder Bay's Indigenous population is estimated to be somewhere between 23,080 to 42,641 people (Thompson, 2022). The authors of the report say the reason for this is that Indigenous people who come to Thunder Bay for medical or other services would likely be counted in the census as residing in their home community rather than in Thunder Bay, even if they spend a large portion, or all, of the year in the city.

This means the entire Thunder Bay population could be undercounted by 8,025 to 27,586 people, or 7% to 25% of the current census population.

Age and Sex

Statistics Canada defines a generation as a "cohort of people who have grown up in a specific social, economic and political context that can shape their view of the world. The year of birth determines which generation a person belongs to" (Statistics Canada, "A generational portrait of Canada's aging population from the 2021 Census", 2022). They define the generations in Canada in the 2021 census as follows:

- **Greatest Generation:** people aged 94 or older (born before 1928)
- **Interwar Generation:** people aged 76 to 93 (born between 1928 and 1945)
- **Baby Boomer Generation:** people aged 56 to 75 (born between 1946 and 1965)
- **Generation X:** people aged 41 to 55 (born between 1966 and 1980)
- **Generation Y (millennials):** people aged 25 to 40 (born between 1981 and 1996)
- **Generation Z:** people aged 9 to 24 (born between 1997 and 2012)
- **Generation Alpha:** people aged 8 or younger (born between 2013 and 2021)

An analysis of Thunder Bay's population by age and sex reveals that there are two age groups with significant population "bubbles" that stand out from the average population, one younger and one older (**Figure 2.2**).

The younger population experiences a significant increase in the age 20-24 (late generation Z) and 25-29 cohorts (young millennials), which is slightly more pronounced in the male population. This bubble of 20-29 year-olds is not observed in cities like Sault Ste. Marie or Kenora, although it is seen in other parts of Ontario. The reason for this increase is not immediately clear, though it may be attributed to students moving to Thunder Bay for post-secondary school.

Starting with the 30-34 age cohort (mid to late millennials), population numbers decline before rebounding beginning with the 45-49 age cohort and remaining relatively high through the baby boomer generation (particularly in the 55-64 age cohort) until experiencing a steep decline between 70-74 and 75-79 (late baby boomers to interwar generation).

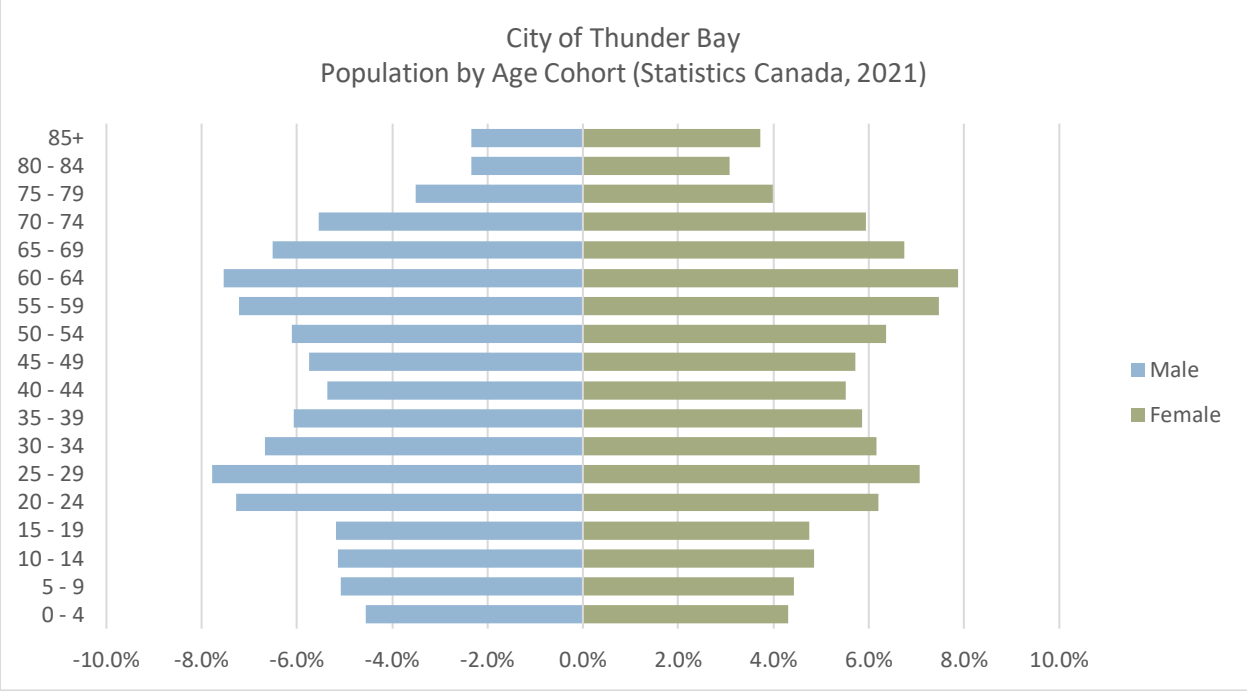


Figure 2.2: City of Thunder Bay Population by Age Cohort (Statistics Canada, 2021)

Age Cohorts in Comparison Cities

Table 2.2 shows the ways Thunder Bay's age cohorts differ from the age cohorts that are seen in the comparison cities. In this table, and in other tables throughout this document, green text or cell shading is used to represent the highest value in a category while red is used to represent the lowest value. The following text summarizes the content in the table:

- **Age 0 – 14**: Thunder Bay has a slightly lower percentage of 0- to 14-year-olds (14.2%) than in Greater Sudbury, Kenora, and the provincial average (16.2%).
- **Age 15 – 29**: Thunder Bay has a sizeable group of 15- to 29-year-olds (19.1%), which is one to three percentage points higher than any of the other comparison cities in northern Ontario, but similar to the provincial average.
- **Age 30 – 59:** The percentage of adults in the 30- to 44-year-old and 45- to 59-year-old cohorts are all within two percent of the provincial average and other comparison cities.
- **Age 60+**: Thunder Bay's 60- to 74-year-old age cohort and age 75 and older cohort are both several percentage points higher than the provincial average, as are other comparison cities in the north.
- **Average Age:** These findings are captured in the average age of Thunder Bay, which is 43.7 years old. This is almost two years older than the provincial average of 41.8 years old, but in line with the comparison cities.

Table 2.2: Grouped Cohort Percentage - Comparison Cities (Statistics Canada, 2021)

Grouped Cohort Percentage - Comparison Cities (2021)					
Age	**Thunder Bay**	**Sault Ste. Marie**	**Greater Sudbury**	**Kenora**	**Ontario**
75+	9.5%	11.4%	8.9%	8.8%	7.9%
60 - 74	20.1%	21.7%	18.8%	20.9%	17.3%
45 - 59	19.3%	19.1%	20.2%	19.6%	20.1%
30 - 44	17.8%	17.1%	18.5%	18.7%	19.7%
15 - 29	19.1%	16.4%	18.1%	16.7%	18.7%
0 - 14	14.2%	14.2%	15.4%	15.3%	16.2%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Average Age of Population	**43.7**	**45.4**	**42.9**	**43.6**	**41.8**

Age by Neighbourhood

Table 2.3: Age Cohorts in Thunder Bay by Neighbourhood (Statistics Canada, 2021)

Neighbourhood	0 - 14	15 - 24	25 - 34	35 - 64	65 +	Avg. Age	Total Pop.
Rural North Ward	**17%**	12%	10%	41%	21%	42.8	16,625
Current River / Hudson Heights / Shuniah	12%	**9%**	15%	40%	24%	**46.0**	13,022
College Heights / Grandview / Lakefront	**12%**	11%	15%	38%	**24%**	45.7	**8,935**
Downtown / West End (Port Arthur)	14%	13%	**17%**	35%	20%	43.0	9,930
Lakehead University	14%	**17%**	15%	**33%**	22%	**38.6**	9,336
Confederation College (Intercity)	15%	12%	14%	35%	24%	45.2	8,993
East End	13%	11%	16%	38%	22%	41.2	15,012
Westfort / Green Acres / Hyde Park	15%	11%	15%	39%	**20%**	44.4	**16,670**
Rural South Ward	15%	11%	**9%**	**44%**	21%	44.2	10,218

Table 2.3 shows the breakdown of age cohorts in Thunder Bay by neighbourhood based on the 2021 census data. The analysis reveals the following key findings for each neighbourhood.

The **Rural North Ward** features the highest relative percentage of those in the 0 to 14 age range, which will reflect the ongoing need for schools and recreation services in that area.

The **Current River / Hudson Heights / Shuniah** neighbourhood has the oldest overall average age (46.0) of any of the neighbourhoods in Thunder Bay. Not surprisingly, it also has the lowest relative percentage of those in the 15 to 24 age group.

The **College Heights / Grandview / Lakefront** neighbourhood has the smallest total population of all Thunder Bay neighbourhoods (at 8,935). It also has a high average age (45.7 years old) and the highest relative percentage of all Thunder Bay neighbourhoods for people in the 65+ age bracket (24.4% of the neighbourhood population). People in this age bracket tend to stay in their houses until they need to downsize into smaller apartments or condominiums.

The **Downtown / West End** area in the former Port Arthur has the highest relative percentage of those in the 25- to 34-year-old age bracket (17.3%). This age group has typically represented first-time home buyers.

The **Lakehead University** neighbourhood has the lowest average age of any neighbourhood in Thunder Bay (38.6), largely due to the significant population in the 15 to 24 age cohort (16.5%). This group is considered the main renter market. Many in this age range may also be staying in dormitory on the Lakehead University campus. The neighbourhood also features the lowest percent of those in the 35 to 64 age range.

The **Confederation College** area interestingly does not see the same large demographic of young adults that the Lakehead University neighbourhood does (only 12.2% in the 15-24 cohort and 13.7% in the 25-34 cohort). There are relatively larger groups of both youth under age 14 (15%) and those 65+ (24%).

The **East End** has an average age of 41.2, making it the second youngest overall neighbourhood in Thunder Bay.

The **Westfort / Green Acres / Hyde Park** area has the largest total population of any neighbourhood in Thunder Bay (16,670). It has the lowest relative percentage of those in the 65+ age group (20.2%).

The **Rural South Ward** has the lowest percentage of those in the 25 to 34 age range (only 8.8%) but the highest percentage of those in the 35 to 64 age group (43.8%). The 35- to 64-year-old cohort is the predominant group of "move-up" home buyers that are looking to purchase larger homes and yards.

Growth Trends

Figure 2.3 reveals several interesting growth trends by comparing the actual 2021 Thunder Bay census population data by age cohort to the projected population of those age cohorts if the 2016 census cohort population numbers were advanced by five years.

The analysis shows there are approximately 1,400 more men and women in the 20- to 24-year-old cohort in the 2021 census numbers than anticipated from the 2016 census.

There are also approximately 600 more men and women in the 25- to 29-year-old cohort than anticipated.

Among older residents, the trend is reversed, with progressively fewer people between the ages of 50 and 85 than anticipated.

However, the trend once again reverses for the 85+ cohort, where there are 400 more women than anticipated.

The explanation for some of these growth trends may be found in the components of population change described in the following section.

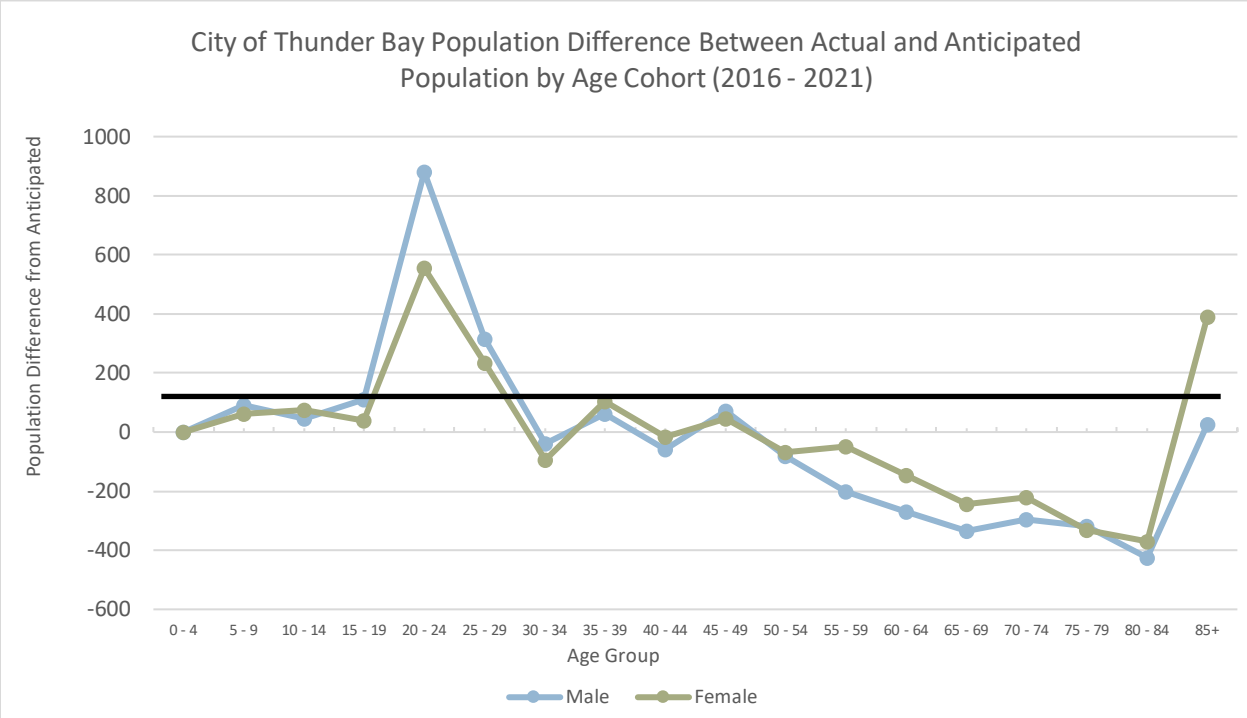


Figure 2.3: City of Thunder Bay Difference Between Actual and Anticipated Population by Age Cohort (Statistics Canada, 2021)

Components of Population Change

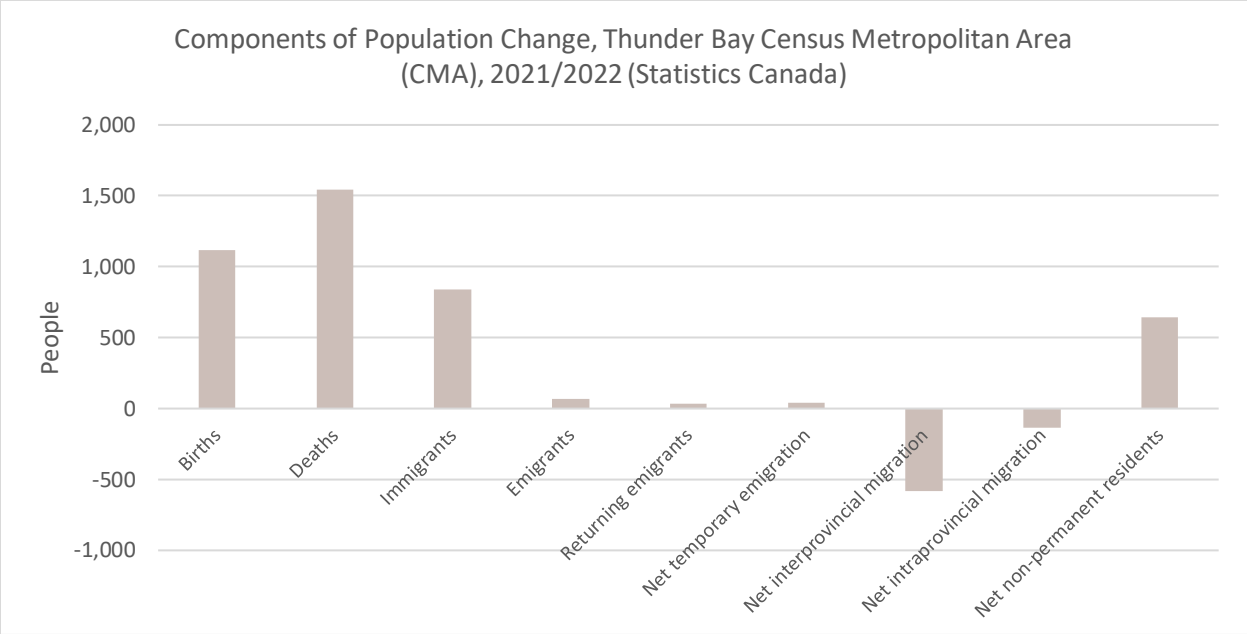


Figure 2.4: Components of Population Change, Thunder Bay Census Metropolitan Area, 2021/2022 (Statistics Canada, 2023)

Statistics Canada provides information on the components of population change at the census metropolitan area (CMA) level on an annual basis. **Figure 2.4** shows the components of population change in the Thunder Bay CMA from 2021 to 2022 (note that there is no data available for just the City of Thunder Bay). These include births, deaths, immigration, emigration, and non-permanent residency. Each of these components is described in more detail below.

Births

Between July 1, 2021 and June 30, 2022, there were an estimated 1,119 births in the Thunder Bay CMA. This ranks among the lowest number of births among census metropolitan areas across the country. Only the Belleville CMA had a lower number of births between 2021 and 2022. In the previous year, Thunder Bay had the fewest number of births of any metropolitan area in Canada, with 1,079. However, there is a distinct possibility that births in Thunder Bay may rise sharply over the next census periods as the observed population "bubble" of 20 to 29-year-olds in Thunder Bay grows older into the prime childbearing age (in Canada, the mean age of mother at time of delivery is now 31.4 years old (Statistics Canada, 2021).

Deaths

Between 2021 and 2022, there were an estimated 1,546 deaths in the Thunder Bay metropolitan area. This means that without immigration, Thunder Bay's population would have decreased by 427 in that one-year period alone. Over a five-year period from 2016 to 2021, the number of deaths exceeded the number of births in the Thunder Bay CMA by 1,619.

A key factor in the number of deaths in Thunder Bay is the rate of premature mortality (death between 0 and 74 years of age). The rate of premature mortality in the Thunder Bay District is 464 per 100,000 population—1.6 times higher than the Ontario-wide rate of 287 per 100,000 people (Statistics Canada, 2015-2017).

Migrations

Migrations are a significant component of population change in Thunder Bay, as shown in **Figure 2.4.**

An **immigrant** refers to a landed immigrant or permanent resident who has been granted the right to live in Canada permanently by immigration authorities. Immigrants who have obtained Canadian citizenship by naturalization are included in this group. 843 new immigrants came to the Thunder Bay CMA between 2021 and 2022.

Emigrants are Canadian citizens or immigrants who have left Canada to establish a permanent residence in another country. In the census, permanent emigration involves severing residential ties with Canada and acquiring permanent residency in another country. 65 people emigrated away from the Thunder Bay CMA during the 2021 to 2022 period.

Returning emigrants are Canadian citizens or immigrants having previously emigrated from Canada and subsequently returned to Canada to re-establish a permanent residence. 35 came to the Thunder Bay metropolitan area in 2021/2022.

Net temporary emigration refers to people who leave Canada to live temporarily in another country and to others who were temporarily outside Canada who have returned. The net result of those departures and returns is the component known as "net temporary emigration". The net temporary emigration in the Thunder Bay CMA in 2021 – 2022 was 44.

Net interprovincial migration represents the difference between in-migrants and out-migrants for a given province or territory involving a change in the usual place of residence. 584 more people left the Thunder Bay CMA than came in due to interprovincial migration in the 2021 to 2022 period.

Net intraprovincial migration represents the difference between in-migrants and out-migrants in a given region. In the Thunder Bay CMA, net intraprovincial migration was -137 between 2021 and 2022.

The **net non-permanent residents** count **in Figure 2.4** represents the difference between non-permanent residents (or temporary immigrant) coming to the area and leaving that area. A non-permanent resident is a person lawfully in Canada on a temporary basis under the authority of a valid document (work permit, study permit, ministerial permit) issued to that person along with members of their family living with them. There was a net increase of 643 non-permanent residents in the Thunder Bay RMA between 2021 and 2022.

International Students

In the City of Thunder Bay, a large portion of non-permanent residents are international students. **International student** enrolment numbers have grown exponentially over the previous 13 years across the country. However, enrolment growth in Thunder Bay has even vastly outpaced the national figures.

International student numbers at Lakehead University and Confederation College (whose largest campuses are in Thunder Bay) increased by 1,987% from 2010 to 2021, more than 11 times faster than the Canada-wide international student enrolment increase during this period (176%, which in itself is a significant increase).

In 2010, the overall international student enrolment between Lakehead University and Confederation College totaled just 154 students. Enrolments increased steadily before peaking at 4,440 international students in 2020 (**Figure 2.5**).

Enrolments dropped following the beginning of the COVID-19 pandemic but have since started to rebound with positive growth occurring in 2023. In the near future, international student numbers in Thunder Bay are likely to climb back or surpass 2020 numbers. The housing needs of these international students will continue to exceed the supply available in student resident housing and put pressure on the housing supply in the city as a whole.

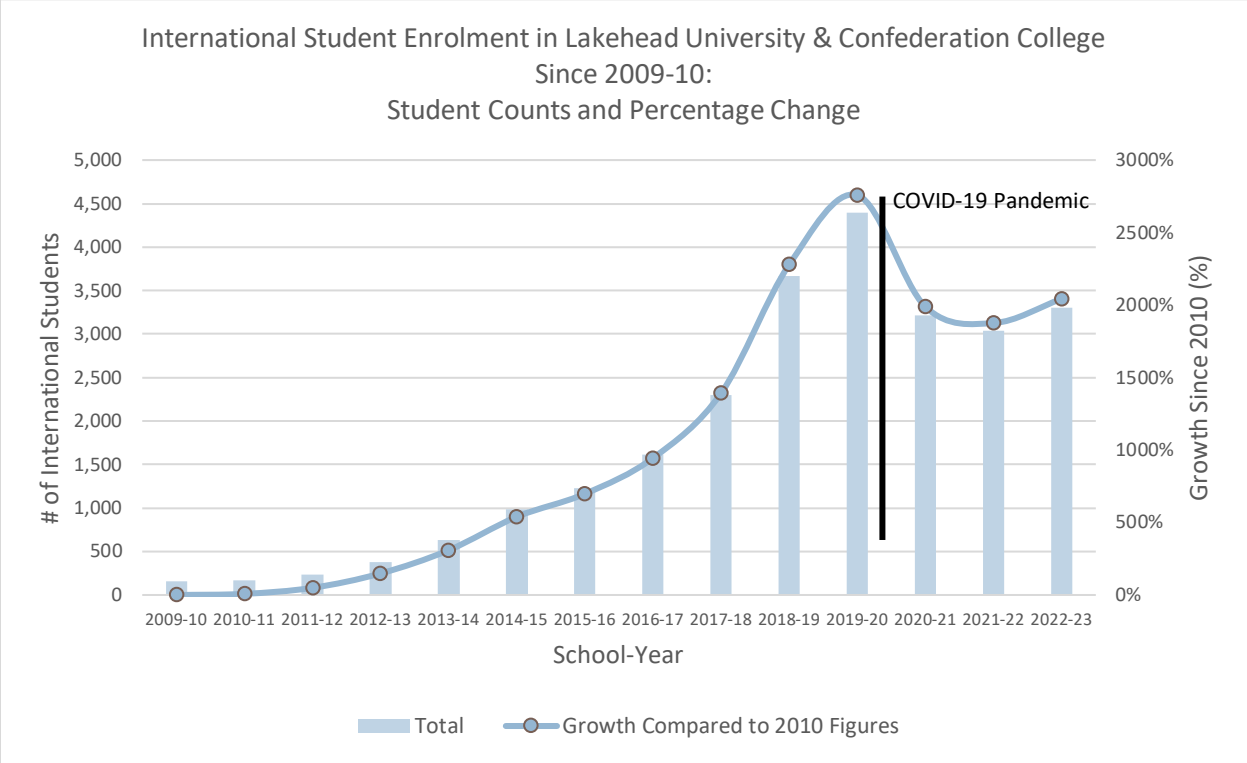


Figure 2.5: International Student Enrolment in Lakehead University and Confederation College 2009 – Present (sourced from annual reports)

Income

Figure 2.6 shows household before-tax income groups in 2020 for private households in the City of Thunder Bay. The median household after-tax income for Thunder Bay was $69,000 in 2020. This is an increase of $5,800 from the previous census (Statistics Canada, 2021). Those earning less than $20,000 per year represented 4.5% of all households. For households earning between $20,000 and $50,000, income is almost evenly distributed across income intervals. At this point, there is a significant increase in household earnings that tapers off until the $100,000 threshold is reached. The $100,000 to $124,999 bracket contains more households than any other, followed by $150,000 to $199,999.

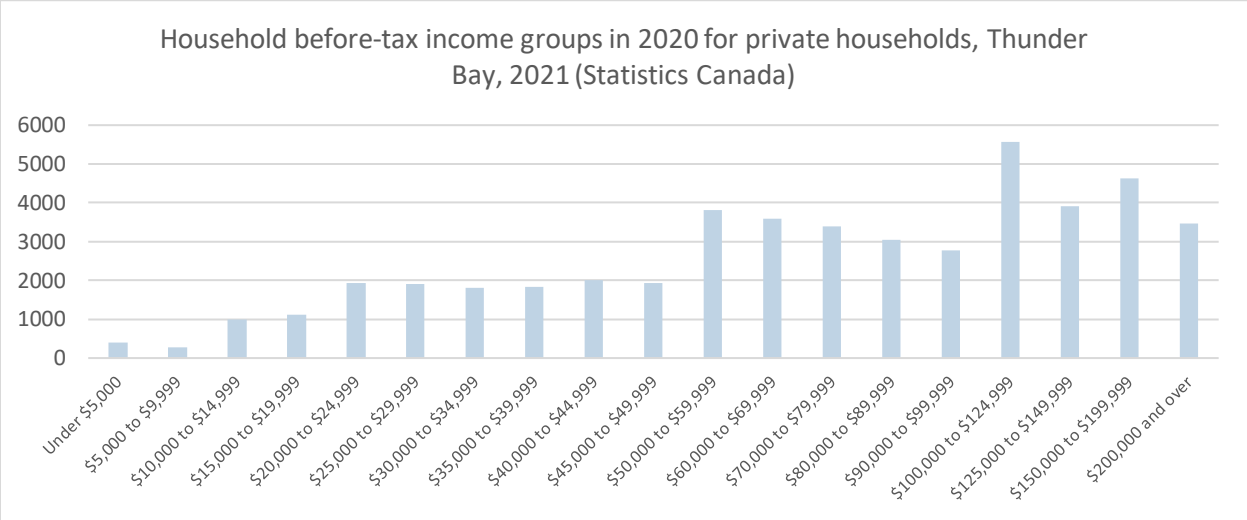


Figure 2.6: Household Before-Tax Income Groups In 2020 For Private Households, Thunder Bay (Statistics Canada, 2021)

Figure 2.7 shows a comparison of total household income between Thunder Bay and other cities in northern Ontario. Thunder Bay has the highest percentage of households making under $20,000 per year among the comparison cities. It also has a relatively high proportion of households with incomes from $20,000 to $59,999 (although slightly less than Sault Ste. Marie). Thunder Bay has a lower proportion of households with an income of $100,000 and over than in Sudbury and Kenora. This gap may reflect the challenges of attracting professional immigration to the city. Overall, the data highlights the sharp divide between low-income and high-income households in northern Ontario. Over the next twenty-five years, it will be essential to ensure there is sufficient housing available to meet affordability requirements for these significantly different income brackets.

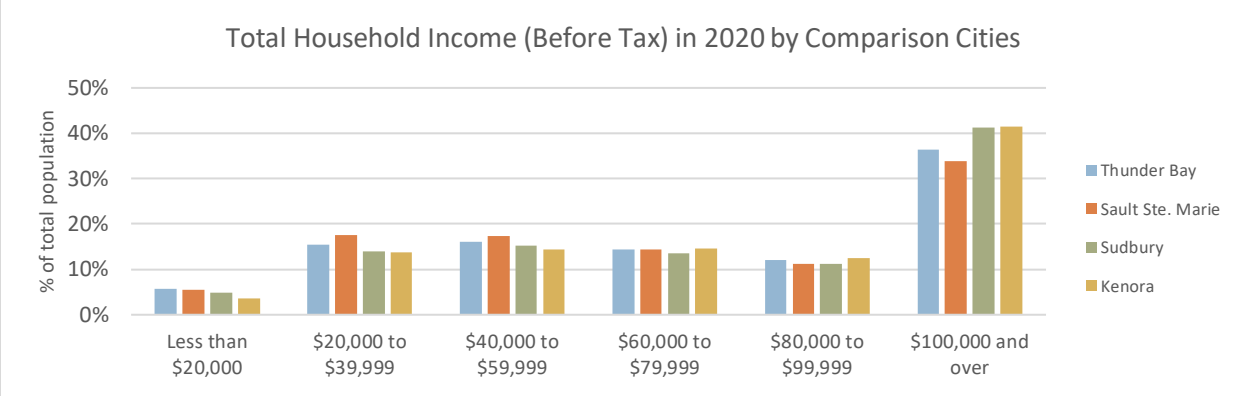


Figure 2.7: Comparison of Total Household Income (Before Tax) in 2020, by Percentage of Total Population (Statistics Canada, 2021)

Household Income by Neighbourhood

Table 2.4 and **Figure 2.8** provide information on the City of Thunder Bay's household income by neighbourhood for the year 2016.

There is a notable rural / urban split in terms of household incomes in Thunder Bay. Almost all the urban neighbourhoods in Thunder Bay have household incomes at or below the average household income of the city as a whole, with the **Confederation College** (Intercity) area being the highest at $86,700.

The **Rural South Ward** has the highest average household income before-tax income, at more than $115,300. This is almost twice the average income for households living in the **East End**, which is $59,700.

Table 2.4: Average household income by Thunder Bay Neighbourhood (Statistics Canada, 2016)

Neighbourhood	Average household income before taxes ($)
Rural North Ward	108,972
Current River / Hudson Heights / Shuniah	73,436
College Heights / Grandview / Lakefront	75,912
Downtown / West End (Port Arthur)	69,009
Lakehead University	82,497
Confederation College (Intercity)	86,746
East End	**59,707**
Westfort / Green Acres / Hyde Park	73,651
Rural South Ward	**115,364**
Average	**82,810**

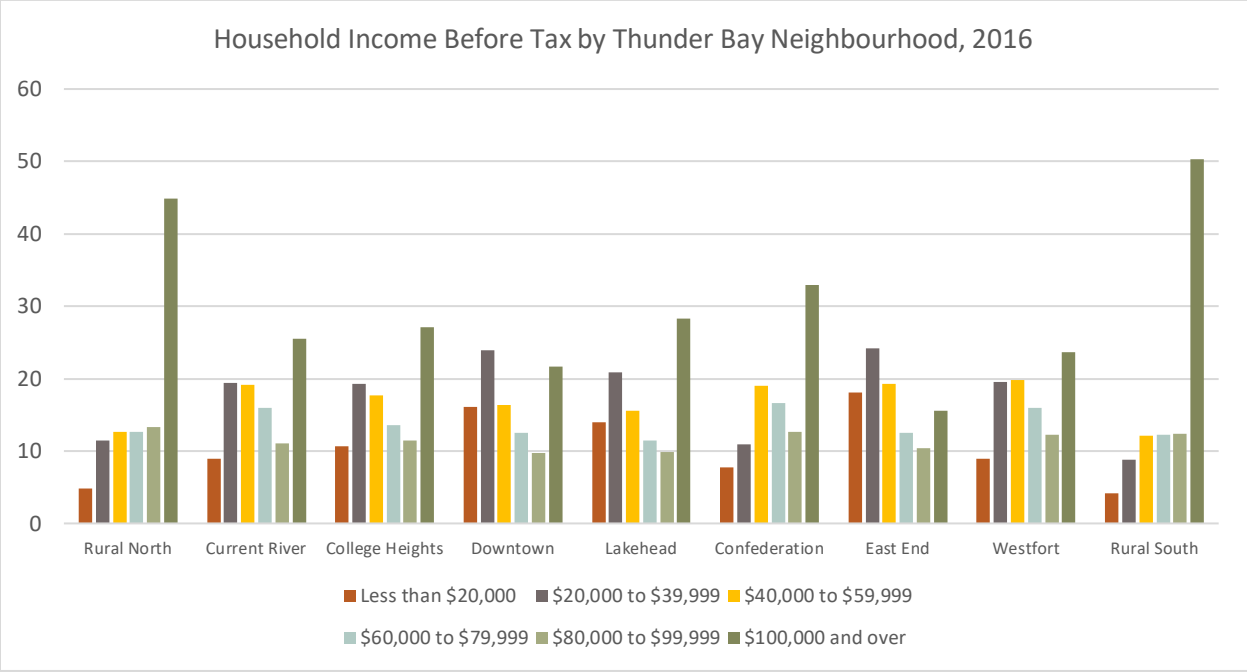


Figure 2.8: Household Income Before Tax by Thunder Bay Neighbourhood (Statistics Canada, 2016)

Housing Trends

This section examines historic and current housing data from the City of Thunder Bay that provides insight into housing needs in the city for the next twenty-five years. The analysis starts with a look at the current housing supply, average household sizes, and a breakdown of dwellings by type and tenure. The analysis also includes an assessment of housing condition and the rate of retirement of housing stock, as well as an analysis of demand for residential units over the last decade.

Total Housing Units and Household Size

The 2021 census identifies 50,995 private dwellings in the City of Thunder Bay; 48,405 of these housing units are counted as "private dwellings occupied by usual residents."[1] Using the census count of 106,645 persons in private households, this equates to an average size of 2.2 persons per household and approximately 454 housing units per 1,000 residents.

Homelessness and Social Housing

There are a significant number of people experiencing homelessness in the City of Thunder Bay. In 2021, community agencies counted 410 individuals experiencing homelessness in the city, with 693 individuals on the by-name list of people experiencing homelessness in the District of Thunder Bay (Point in Time Count, 2021).[2] Of the individuals experiencing homelessness in the city—58 percent of those counted were chronically homeless (homeless for 6 months or more in the past year); 20 percent were episodically homeless (homeless 3 or more times in the past year), and 10 percent experienced both chronic and episodic homelessness.

Figure 2.9 shows additional demographic information on people experiencing homelessness in the Thunder Bay District. 36% said they have always been in the district while 47% said they were not from the City of Thunder Bay. A further 10% said they were from a First Nation community and 18% said they were from somewhere else.[3]

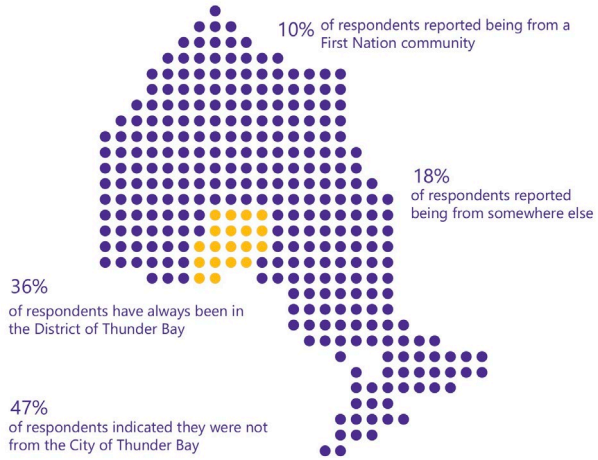


Figure 2.9: Report: 2021 Point in Time Count of People Experiencing Homelessness in The District of Thunder Bay, 2021 p. 6

Of those people who were experiencing homelessness who responded to the survey, 43% said they planned to sleep in an emergency shelter that night, 17% couch surfing, 12% in transitional housing or hotel/motel, 12% in the public system (e.g. a hospital or treatment centre), 12% unsheltered (e.g. in a tent or vehicle), and 5% were unsure.

Among survey respondents, the most reported factors contributed to recent housing loss were low income (20%), substance use (19%), and unfit or unsafe housing (12%).

The District of Thunder Bay Social Services Administration Board (TBDSSAB) is the service provider that manages social housing in Thunder Bay. As of July 2023, the **District of Thunder Bay Social Services Administration Board's social housing waitlist was 1,217 people** (note that people on the wait list may already have housing elsewhere but are on the TBDSSAB's list because they are looking for more suitable social housing to meet their needs). Of those on the housing waitlist, 56 people were on the high-needs homeless waitlist for priority housing need.

[1] According to the census, "A private dwelling occupied by usual residents refers to a private dwelling in which a person or a group of persons is permanently residing. Also included are private dwellings whose usual residents are temporarily absent on May 11, 2021. Unless otherwise specified, all data in housing products are for occupied private dwellings, rather than for unoccupied private dwellings or dwellings occupied solely by foreign residents and/or by temporarily present persons" (Statistics Canada, 2021).

[2] Note that the number of surveys completed with people experiencing homelessness were less in 2021 than in 2018 (211 compared to 474); however, this "should not be interpreted as an indication of a decrease in the homeless population in the District of Thunder Bay. Due to the presence of COVID-19, the number of locations where the public could drop in and complete the survey was reduced from the 2016 and 2018 PiT Surveys" (p. 4).

[3] Among people who responded to the survey, 68% identified as Indigenous, 7% as LGBTQ, 1% as two-spirit or non-binary, 3% as veterans, 53% as first experiencing homelessness before turning 25, and 45% as having spent time in foster care.

Housing Deficit

Recent research has shown that the number of housing units per 1,000 residents in Canadian cities is significantly less than in other countries across the world. Among the 38 countries belonging to the Organisation for Economic Co-operation and Development (OECD), there is an average of 462 housing units per 1,000 residents. To meet the shortfall of housing in our country, the CMHC and Finance Canada estimate "Canada will need to build at least 3.5 million new homes by 2031" (Making Housing More Affordable Report).

In Thunder Bay, approximately 865 more housing units would need to be built right now to provide the 462 housing units per 1,000 residents average that is seen in other OECD countries (1000 / 462 = 2.1645 persons per household. 106,465 / 2.1645 = 49,270 homes – 48,405 existing homes = 865). This number includes both market housing and social housing that would be intended to address the housing waitlist.[4] For planning purposes, this number will be used as the identified "housing deficit" for the City of Thunder Bay and be used to identify future housing need based on population projections later in this report.

Thunder Bay's housing deficit of 8 units per 1000 residents is much lower than Ontario's need for 70 units per 1000 residents (**Table 2.5**). The deficit is also greater in Sudbury and Kenora, with only Sault Ste. Marie coming out ahead of Thunder Bay among the comparison cities.

Table 2.5: Housing Deficits in Comparison Cities and Ontario

Location	Housing Deficit (Units)	Housing Deficit Per 1000 Residents
Thunder Bay	865	8
Sault Ste. Marie	147	2
Sudbury	3,844	23
Kenora	240	16
Ontario	991,468	70

Population Density

The City of Thunder Bay has a land area of 327.77 square kilometres (32,711 hectares). With a total census population of 108,843 (not just those in private households), this equates to a population density of 332.1 people per square kilometre (or 3.3/ha). While this makes Thunder Bay the most dense municipality amongst the other comparison cities in this study (see **Table 2.6**), it is significantly less dense than other major cities in Ontario.

Despite being the 25th most populous municipality in Ontario, there are 75 Ontario municipalities that have a greater population density. Thirty-three Ontario municipalities have densities over 1,000 people per square kilometre, with Toronto being the densest at 4,428 people per square kilometre.

Table 2.6: Population Density, Thunder Bay and Comparison Cities (Statistics Canada, 2021)

	Thunder Bay	Sault Ste. Marie	Greater Sudbury	Kenora
Population	108,843	72,051	**166,004**	**14,967**
Land Area	328 km^2	222 km^2	**3,186 km^2**	**212 km^2**
Density (pop./km^2)	**332.1**	324.6	**52.1**	70.7
Density (pop./ha)	**3.3**	3.2	**0.52**	0.71

Population Density by Neighbourhood

Table 2.7 provides an analysis of Thunder Bay's population density by neighbourhood.

The **Rural North Ward** is the largest neighbourhood in size—with an area of 164.42 square kilometres (16,442

[4] Note that this calculation uses the "Number of persons in private households" count (106,645) from the 2021 census, as this is the population number that corresponds to census responses related to all household and dwelling characteristics. Recognizing that Thunder Bay's total population includes those who may not have been counted in the census, this housing deficit could, in reality, be even larger than the identified 865 housing units.

hectares)—and the lowest population density of 101.1 people per square kilometre (1.01 people per hectare.[5]

The **Downtown / West End** neighbourhood of Port Arthur has the smallest total area, at 3.79 square kilometres (379 hectares), and the highest population density, at 2,620 people per square kilometre (or 26.2 hectares).

The next densest neighbourhood is **College Heights / Grandview / Lakefront** (at 2,122.4 people/km^2 or 21 people per hectare) followed by **Westfort / Green Acres / Hyde Park** (at 1,352 people/km^2 or 13.5 people per hectare).

However, even the densest neighbourhoods in Thunder Bay are not yet dense enough to start realizing some of the additional benefits of population density. Recent studies have shown that a density of 57 people per hectare is required to have an 80 percent chance of people walking for their transportation needs.[6] Thunder Bay's most dense neighbourhoods have densities that are currently less than half of this level.

To date, Thunder Bay has not had to follow density targets, unlike southern Ontario municipalities under the *Growth Plan for the Greater Golden Horseshoe*, which set gross density targets for urban growth centres from 150 to 400 people and jobs combined per hectare, depending on the municipality.[7] New proposed changes to the Provincial Policy Statement incorporate parts of the *Growth Plan* across Ontario, but do not include the same density targets. Recent versions have proposed "encouraging" large municipalities to plan for 50 people and jobs per hectare, with higher requirements near transit stations (including a target of 160 people and jobs per hectare near rapid bus lines). This document provides strategies and recommendations on how Thunder Bay can support infill development and higher-density in new construction to increase its overall population density.

Table 2.7: Thunder Bay Population Density by Neighbourhood (Statistics Canada, HTFC Planning & Design, 2021)

Neighbourhood	Total Population	Area km^2	Area (ha)	Pop. Density (per km^2)	Pop. Density (per. ha)
Rural North Ward	16,625	**164.42**	**16,442**	**101.1**	**1.01**
Current River/Hudson Heights/Shuniah	13,022	17.65	1,765	737.8	7.38
College Heights/Grandview/Lakefront	**8,935**	4.21	421	2,122.4	21.22
Downtown/West End (Port Arthur)	9,930	**3.79**	**379**	**2,620.0**	**26.20**
Lakehead University	9,336	8.35	835	1,118.0	11.18
Confederation College (Intercity)	8,993	8.93	893	1,007.1	10.07
East End	15,012	25.38	2,538	591.5	5.92
Westfort/Green Acres/Hyde Park	**16,670**	12.33	1,233	1,352.0	13.52
Rural South Ward	10,218	89.13	8,913	114.6	1.15

Housing Type

Distribution of Private Dwellings by Type

Figure 2.10 shows the distribution of occupied private dwellings by type in the City of Thunder Bay for the census year 2021. The definitions of each type follow Statistics Canada's classification of residential structures.

Single-detached houses are single dwellings not connected

[5] Note that the neighbourhood areas have been clipped to the municipal boundaries and exclude lake-covered areas that are included within some CMHC neighbourhood boundaries. This is to provide a more accurate measure of land area and therefore population density.

[6] See "Determining thresholds for spatial urban design and transport features that support walking to create healthy and sustainable cities: findings from the IPEN Adult study" by Cerin, Ester et al. in The Lancet Global Health, Volume 10, Issue 6, e895 - e906.

[7] Note: Thunder Bay's Official Plan has a policy for Growth Areas requiring a minimum overall density of 20 dwelling units per gross hectare through a range of housing types.

to another dwelling or structure (aside from its own garage, for example). According to the Statistics Canada definition, a mobile home fixed permanently to a foundation is counted as a single-detached house.

Semi-detached houses are one of two dwellings usually attached side by side (or sometimes back-to-back) with no dwellings above or below.

Row houses are three or more dwellings, usually joined side by side (such as townhouses), but not having any other dwellings either above or below.

Duplexes are buildings with two dwellings, located one above the other.

Apartments are dwelling units attached to other dwelling units, commercial units, or other non-residential space. Data is broken out for apartments in buildings with both fewer or more than five storeys.

Other housing includes single-attached houses that do not fall into any of the other categories, such as dwellings attached to a store or a church, as well as **movable dwellings** like mobile homes, and houseboats.

Within the City of Thunder Bay, single-detached homes are the most popular type of housing by a large margin (66%), followed by apartments in buildings with fewer than five storeys (16%). The remaining 18% consists of semi-detached & row houses (7%), apartments in a building with five or more storeys (5%), apartments or flats in a duplex (5%) and other dwellings (including other single-attached houses, mobile homes, and other movable dwellings) (1%).

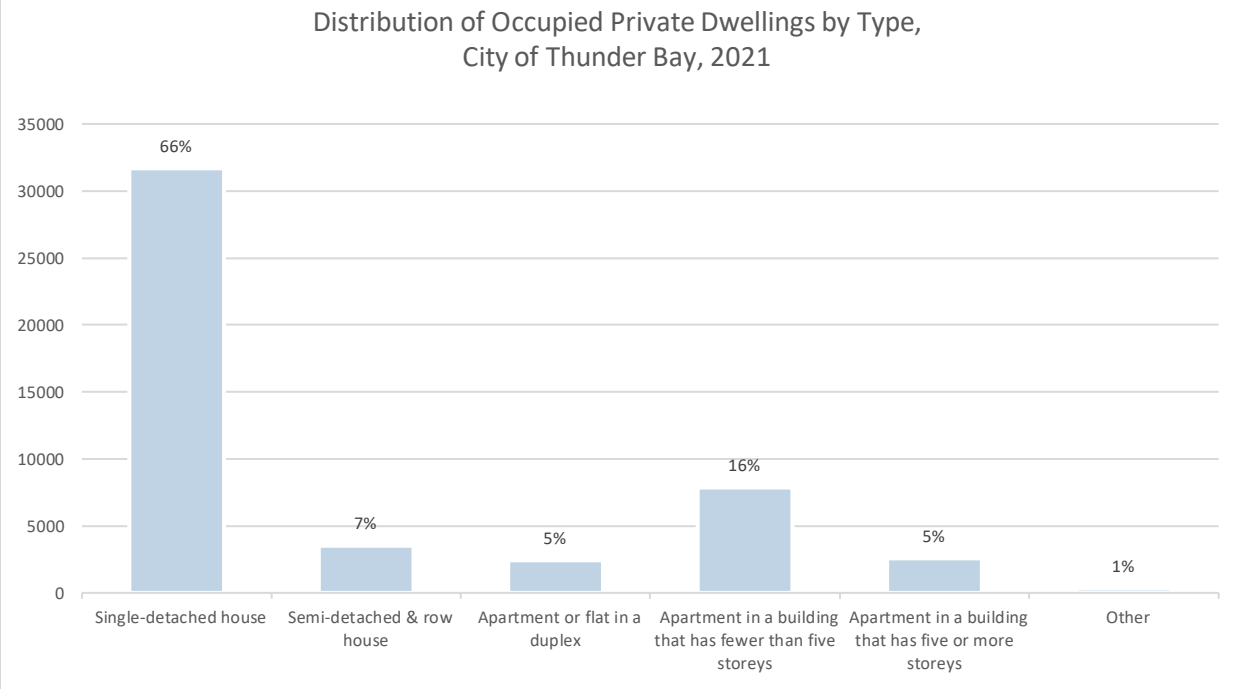


Figure 2.10: Distribution of Occupied Private Dwellings by Type, City of Thunder Bay (Statistics Canada, 2021)

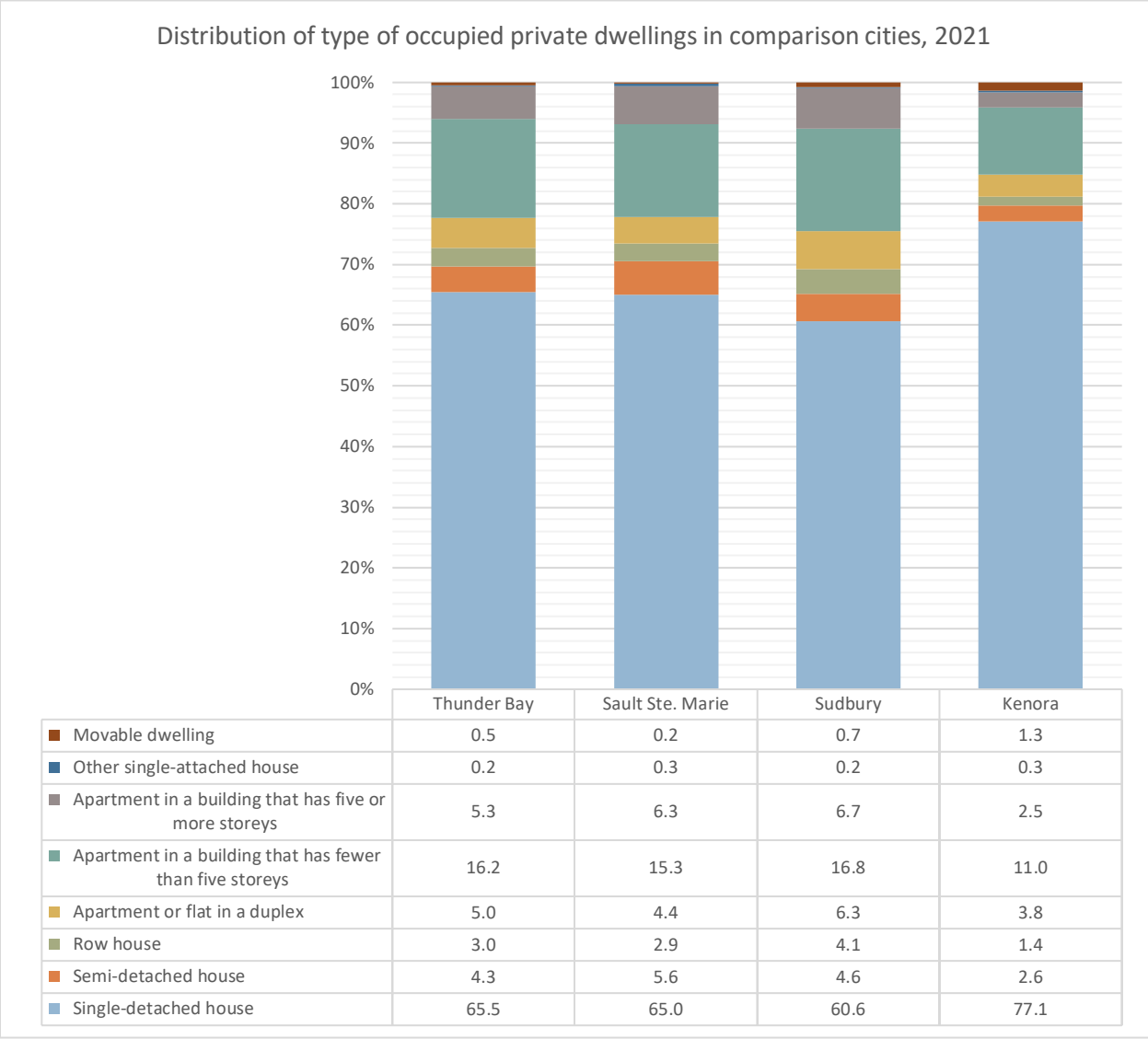
Dwelling Type Distribution in Comparison Cities

Figure 2.11 shows a comparison of the distribution of types of occupied private dwellings in the comparison cities.

Thunder Bay has a distribution of housing types very similar to Sault Ste. Marie. Kenora has a notably higher percentage of single-detached houses (77%) than Thunder Bay, while Greater Sudbury's is lower (60%).

Greater Sudbury has larger proportions of row houses (4%), apartments in buildings with five or more stories (7%), and apartments or flats in a duplex than Thunder Bay (6%).

Greater Sudbury's housing type distribution can provide instruction to the City of Thunder Bay as it aims to grow its population over the next twenty-five years.



	Thunder Bay	Sault Ste. Marie	Sudbury	Kenora
Movable dwelling	0.5	0.2	0.7	1.3
Other single-attached house	0.2	0.3	0.2	0.3
Apartment in a building that has five or more storeys	5.3	6.3	6.7	2.5
Apartment in a building that has fewer than five storeys	16.2	15.3	16.8	11.0
Apartment or flat in a duplex	5.0	4.4	6.3	3.8
Row house	3.0	2.9	4.1	1.4
Semi-detached house	4.3	5.6	4.6	2.6
Single-detached house	65.5	65.0	60.6	77.1

Figure 2.11: Distribution of Type of Occupied Private Dwellings in Comparison Cities (Statistics Canada, 2021)

Housing Type Distribution by Neighbourhood

Table 2.8 shows a breakdown of housing type distribution by neighbourhood in Thunder Bay, based on 2016 census data.[8]

The areas with the highest percentage of single-detached houses relative to other housing types are the **Rural North Ward** (81%) and the **Rural South Ward** (93%), likely due to lower land values and population densities.

The **Downtown/West End** neighbourhood has the lowest percentage of single-detached houses, at only 49%.

The **Confederation College** neighbourhood has the highest percentage of semi-detached houses (17%) relative to other housing types.

The highest percentage of row houses is found in the **Lakehead University** area.

Apartments in detached duplexes are most common in the **Downtown/West End** neighbourhood (8%).

The **East End** neighbourhood has the highest relative percentage of apartment buildings with fewer than five stories (28%), whereas the **Lakehead University** area has the highest relative percentage of apartments over five stories (14%).

Other housing types, such as mobile homes and other movable dwellings, are most common in the **Rural South Ward**, where they comprise 5% of the total housing stock.

Table 2.8: Thunder Bay Housing Type by Neighbourhood (CMHC, 2016)

Neighbourhood	Single detached houses (%)	Semi-detached houses (%)	Row houses (%)	Apartment, detached duplex (%)	Apartment, building with fewer than five stories (%)	Apartment, building with five or more stories (%)	Other
Rural North Ward	80.7	4.2	6.6	0.9	6.4	0.5	0.7
Current River/Hudson Heights/Shuniah	64.5	5.0	1.6	7.7	13.8	7.2	0.2
College Heights/Grandview/Lakefront	62.9	2.4	**0.0**	6.4	17.1	10.6	0.3
Downtown/West End (Port Arthur)	**49.2**	7.8	1.2	**8.2**	19.9	13.2	0.6
Lakehead University	53.2	2.5	**9.5**	5.5	15.6	**13.7**	**0.0**
Confederation College (Intercity)	64.4	**17.2**	2.8	2.5	10.3	2.5	**0.0**
East End	58.3	2.2	0.1	5.3	**27.8**	6.0	0.2
Westfort Green Acres Hyde Park	71.6	1.2	2.7	4.0	18.4	1.8	0.3
Rural South Ward	**93.2**	**0.2**	0.8	**0.5**	**0.7**	**0.0**	**4.6**
Total / Average	**66.4**	**4.7**	**2.8**	**4.6**	**14.4**	**6.2**	**0.7**

[8] 2021 housing-related census data by neighbourhood is not available as of the date of this report.

Housing Tenure

Figure 2.12 shows a comparison of owners and renters in private households in the City of Thunder Bay, as well as how this compares to other cities in northern Ontario. In Thunder Bay, there is approximately one renter-occupied dwelling (32%) for every two owner-occupied dwellings (68%).

The ratio of owners to renters in Thunder Bay is consistent with Sault Ste. Marie and the provincial average. Among the comparison cities, Greater Sudbury has the highest share of renters (36%) while Kenora has the highest share of owners (74%).

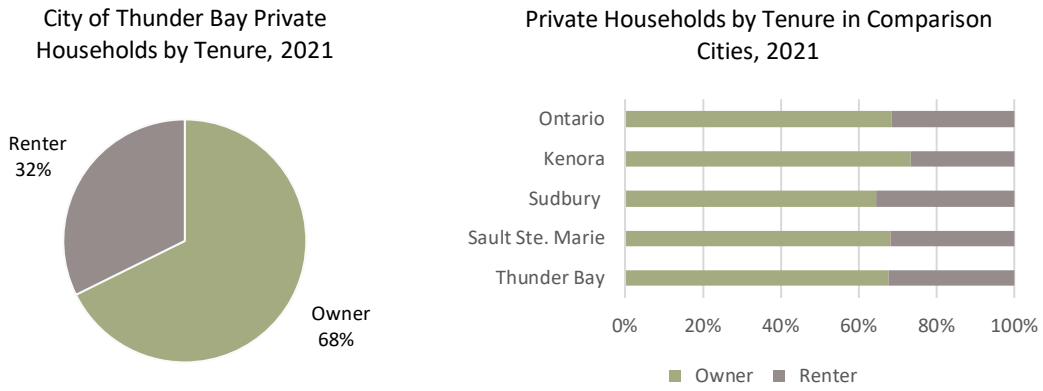


Figure 2.12: Private Households by Tenure in the City of Thunder Bay and in Comparison Cities (Statistics Canada, 2021)

Homeownership by Age

Figure 2.13 shows the homeownership rate by age of primary household maintainer for the City of Thunder Bay and how this has changed between the years 2016 and 2021. For both the 2016 census and 2021 census, the rate of homeownership generally increases with the age of the primary household maintainer. In 2021, just over 54 percent of millennials (25-40 age range) owned a home; this jumps to 70 percent for generation X (41-55) and peaks with 75 percent homeownership rate in the 55-75 cohort (baby boomers) before falling slightly to 73 percent for those over 75. However, from 2016 to 2021, the share of homeownership fell across all age groups. This suggests the amount of rental housing stock is rising faster than owner-occupied housing stock.

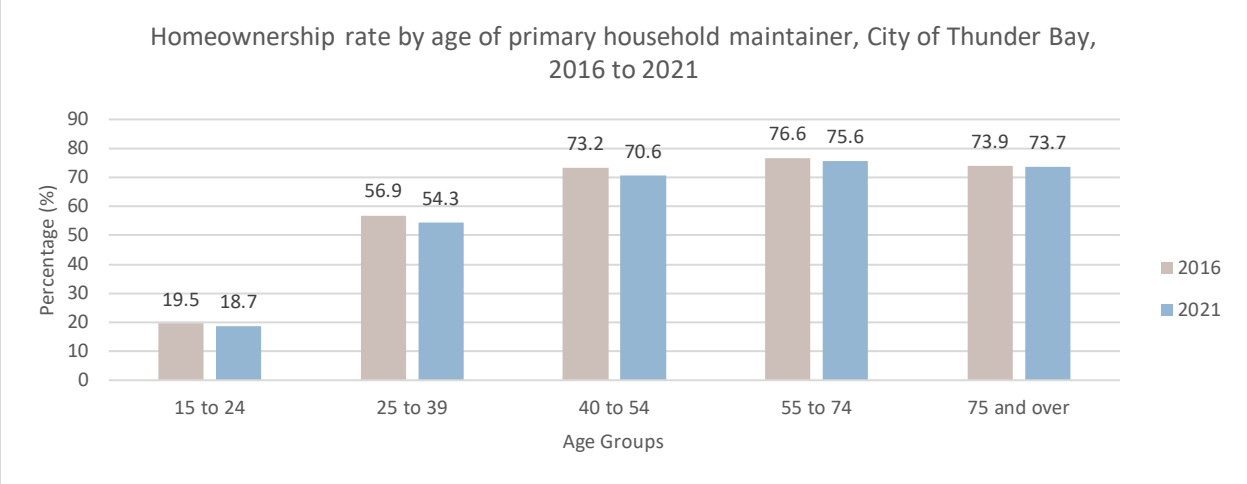


Figure 2.13: Homeownership Rate by Age of Primary Household Maintainer, City of Thunder Bay 2016 to 2021 (Statistics Canada, 2022. Focus on Geography Series. 2021 Census.)

Figure 2.14 shows how the homeownership rate by age in the City of Thunder Bay compares to the comparison cities and the Province as a whole.

The chart shows that the homeownership rate in the 15 to 24 age category (Generation Z) is lower in Thunder Bay than in all of the comparison cities except Greater Sudbury. Thunder Bay's homeownership rate for Generation Z, at 19 percent, is slightly lower than the provincial average of 20 percent and significantly lower than the City of Kenora's rate, at 30 percent.

In the 25 to 39 age category (millennials), Thunder Bay and Greater Sudbury once again have the lowest homeownership rates among the other comparison cities, at 54 percent, slightly above the provincial average of 52 percent. The ownership rate in this age group in the City of Kenora is 69 percent.

The homeownership rate in the 40 to 54 age cohort (Generation X) in the City of Thunder Bay and in Greater Sudbury is 71 percent. Once again, this is lower than the other comparison cities and close to the provincial average (also 71 percent). In Kenora, the homeownership rate for this age cohort is 78 percent.

In the City of Thunder Bay, the homeownership rate for the 55 to 74 age cohort (baby boomers) is 76 percent. This is slightly above the rates in Greater Sudbury (71 percent) and Sault Ste. Marie (74 percent), but below Kenora (78 percent) and the provincial average rate (77 percent).

Among the interwar generation (75+ age category), the homeownership rate in Thunder Bay of 74 percent is higher than every other comparison city. The lowest homeownership rates in this category are in Kenora, at 62 percent, and Greater Sudbury, at 65 percent.

Overall, the data shows that older generations (baby boomers and the interwar generation) in the City of Thunder Bay are staying in their homes longer than they are in other cities. Once the people in these age cohorts can find other housing suitable to their needs later in life, this should bring a large number of homes to the market that may help to increase the homeownership rates in the under-40 age groups. However, this requires that an adequate supply and variety of housing for seniors is available in the city, such as rentals and supported living options. More information on the most desired housing types in the city is provided in Section 3 of this report.

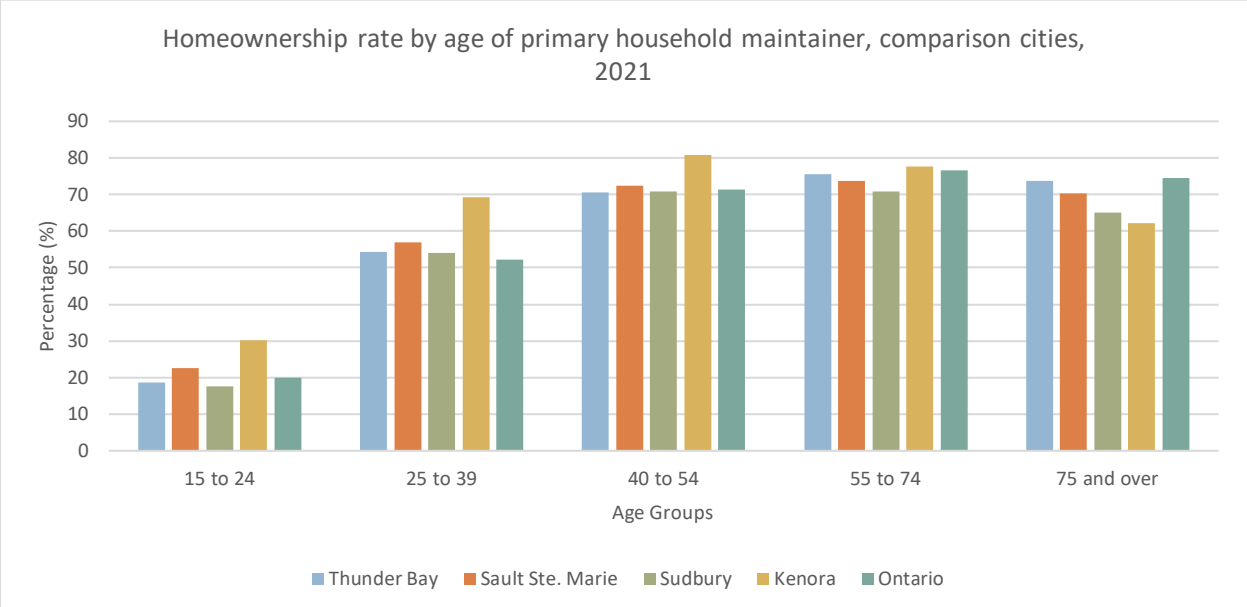


Figure 2.14: Homeownership Rate by Age of Primary Household Maintainer, Comparison Cities, 2021 (Statistics Canada, 2022. Focus on Geography Series. 2021 Census.)

Condominium Status

Figure 2.15 provides a comparison between cities of occupied private dwellings by condominium status for the year 2021. While the overall percentage of private dwellings with condominium status in Thunder Bay (4.4%) is relatively low compared to private dwellings without condominium status (95.6%), it is noteworthy that Thunder Bay has the highest ratio of condominium status to non-condominium status dwellings among comparison cities in northern Ontario. Greater Sudbury has the lowest ratio, with only 1.9% of private dwellings having condominium status.

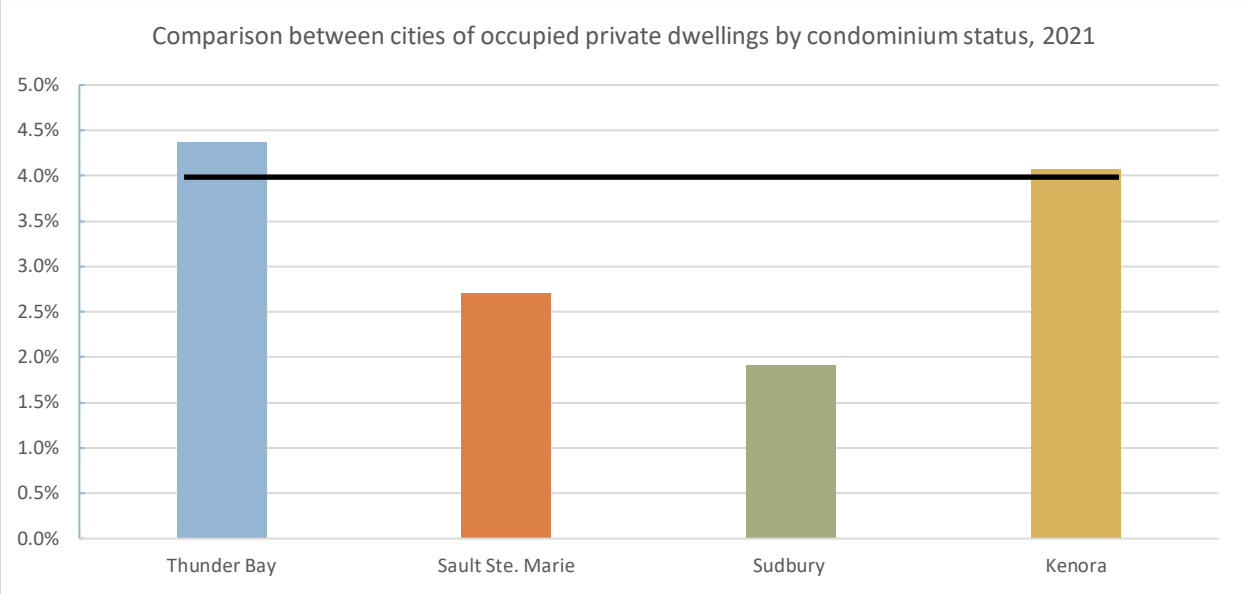


Figure 2.15: Comparison Between Cities of Occupied Private Dwellings by Condominium Status (Statistics Canada, 2021)

Housing Costs

Monthly Shelter Costs

Figure 2.16 shows average rents for private apartments in the City of Thunder Bay from 2018 to 2021 based on the CMHC Rental Market Survey. Over those years, the average rental prices of private apartments increased by 7% on average. This increase was not applied uniformly across rentals when separated by number of bedrooms. The more rooms an apartment has, the less the rent increased during this period. Rental prices for bachelor apartments (dwelling units consisting entirely of one room with no separate bedroom) increased by 12.8%, followed by 1-bedroom units at 11.7%, 2-bedroom units at 7.2%, and 3+ bedroom apartments at 0.9%. It is reasonable to assume this upward trend of rent increases has continued beyond 2021 due to inflation.

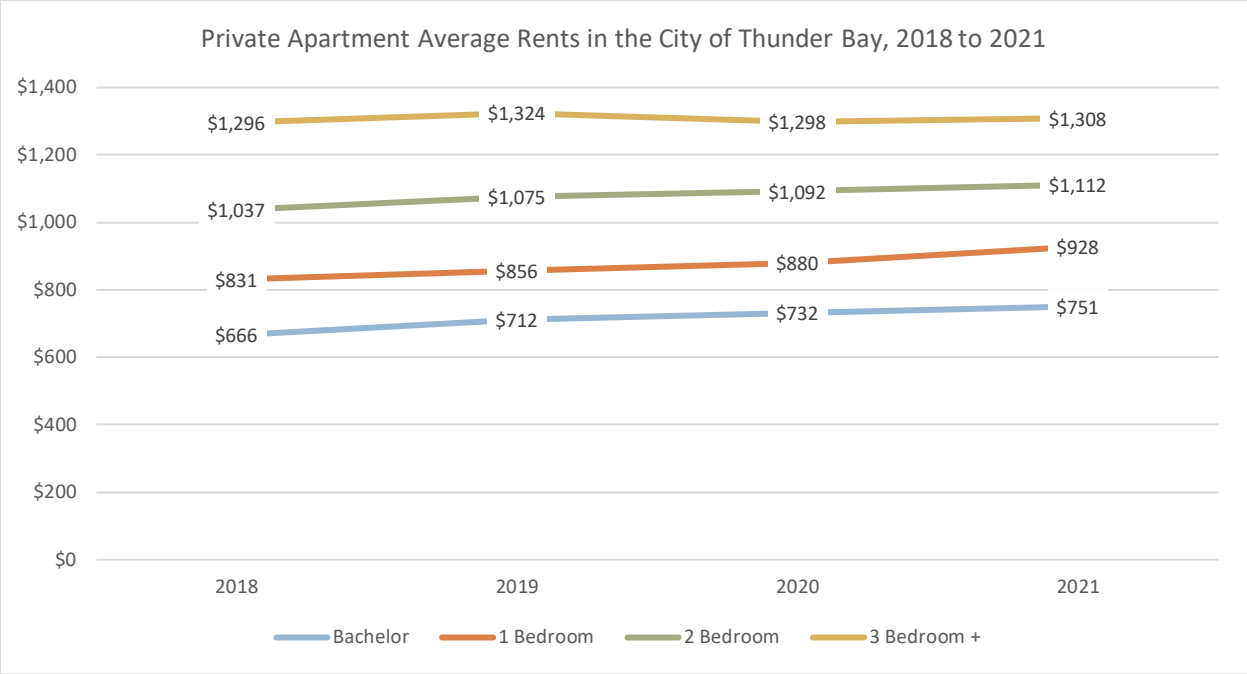


Figure 2.16: Private Apartment Average Rents in the City of Thunder Bay, 2018 to 2021 (CMHC Rental Market Survey, October 2021)

Figure 2.17 shows the average monthly shelter cost in 2021 among the comparison cities in northern Ontario for both owners and renters. The average homeowner in Thunder Bay spends $1,146 each month on shelter, compared to $994 for renters. For both occupant classes, this number was much lower than the Ontario average: owners spend 32.6% less while renters spend 29.4% less. Thunder Bay continues to fall in the middle when compared to Sault Ste. Marie, Greater Sudbury, and Kenora.

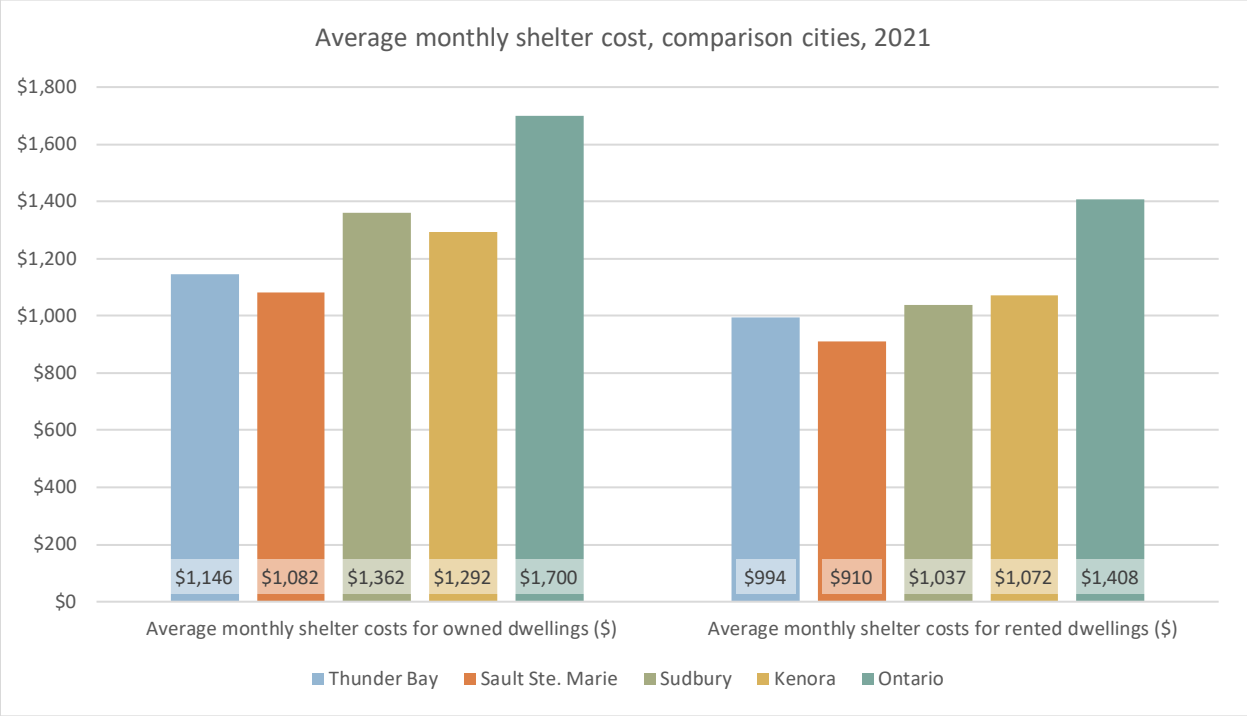


Figure 2.17: Average monthly shelter cost for comparison cities (Statistics Canada, 2021)

Resident Perception of Housing Costs

The online survey of Thunder Bay residents conducted for this housing needs assessment asked respondents for their opinions on home purchase prices in Thunder Bay relative to comparable cities (**Figure 2.18**).

67% of all respondents said they saw home prices in Thunder Bay as similar to (30%) or lower (28% a little lower and 9% much lower) than comparable cities. This reflects a fairly accurate perception of costs for owned dwellings, based on the data from the 2021 census.

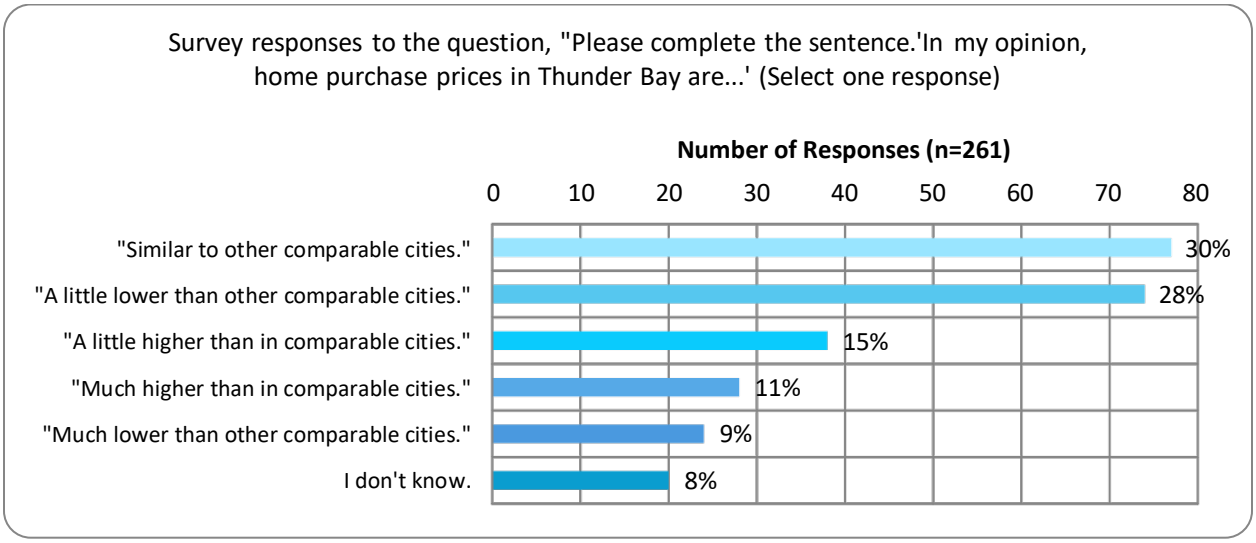


Figure 2.18: Survey Responses on Home Purchase Prices in Thunder Bay (2023)

In contrast to home purchase prices, respondents felt residential rent prices in Thunder Bay skew much higher than in comparable cities (**Figure 2.19**). A majority of respondents felt prices were higher in Thunder Bay, split nearly evenly between “much higher” (29%) and “a little higher” (28%). Only 8% felt Thunder Bay’s prices were lower, while 21% felt they were similar. The remaining 14% did not know how to complete the prompt. These responses suggest Thunder Bay’s rental market is perceived as more expensive than peer cities, despite the fact that rent prices in Thunder Bay were comparable or slightly lower than in other Northwestern Ontario cities based on 2021 census numbers.

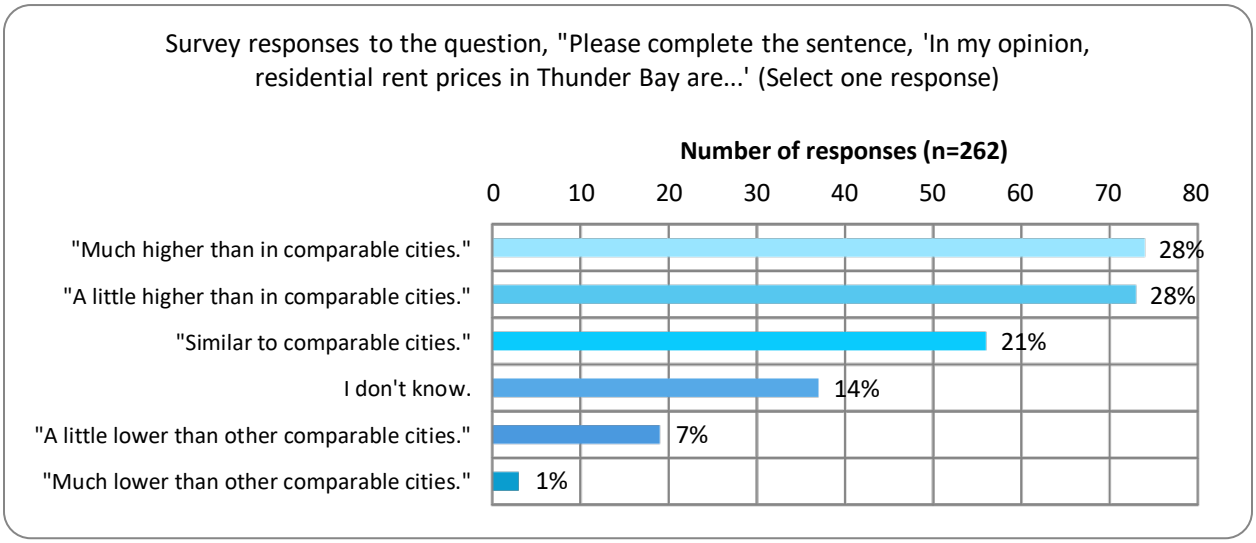


Figure 2.19: Survey Responses on Residential Rent Prices in Thunder Bay (2023)

Renter Household Incomes and Affordable Rental Rates

The CMHC states that housing is considered "affordable" if the total shelter costs are less than 30% of a household's before-tax income. According to Statistics Canada, the cost of shelter for a renter household includes "the rent and costs of electricity, heat, water and other municipal services". This definition of affordable housing refers to both rental and ownership costs.

Figure 2.20 shows renter household incomes and affordable rates for the Thunder Bay area in 2021 (note that the data is for the entire Thunder Bay district, which goes beyond the Thunder Bay city limits).

In 2021, renters earning the 10th percentile of household incomes can only afford to pay $340 a month, based on definitions of affordable housing that are less than 30% of a household's income. At the 50th percentile, this increases to $950 a month, and at the 90th percentile it reaches $2,500 a month.

When comparing these values to the average rent costs for the same year (later in this section), the picture of housing affordability appears dire. **To afford the cheapest rental option (a bachelor apartment, which on average costs $751 a month in Thunder Bay), a household must have an income in the 40th percentile.** This means that 40 percent of households in Thunder Bay earn less than the income needed to rent a bachelor apartment at an affordable rate.

To upsize to a 1-bedroom apartment at $928 a month, a household must earn in the 50th percentile, meaning half of Thunder Bay renters are immediately priced out of housing affordability for this apartment type, as well as apartments with two and three or more bedrooms. The numbers show that a significant amount of Thunder Bay renters are either underhoused or financially overextending themselves to achieve shelter.

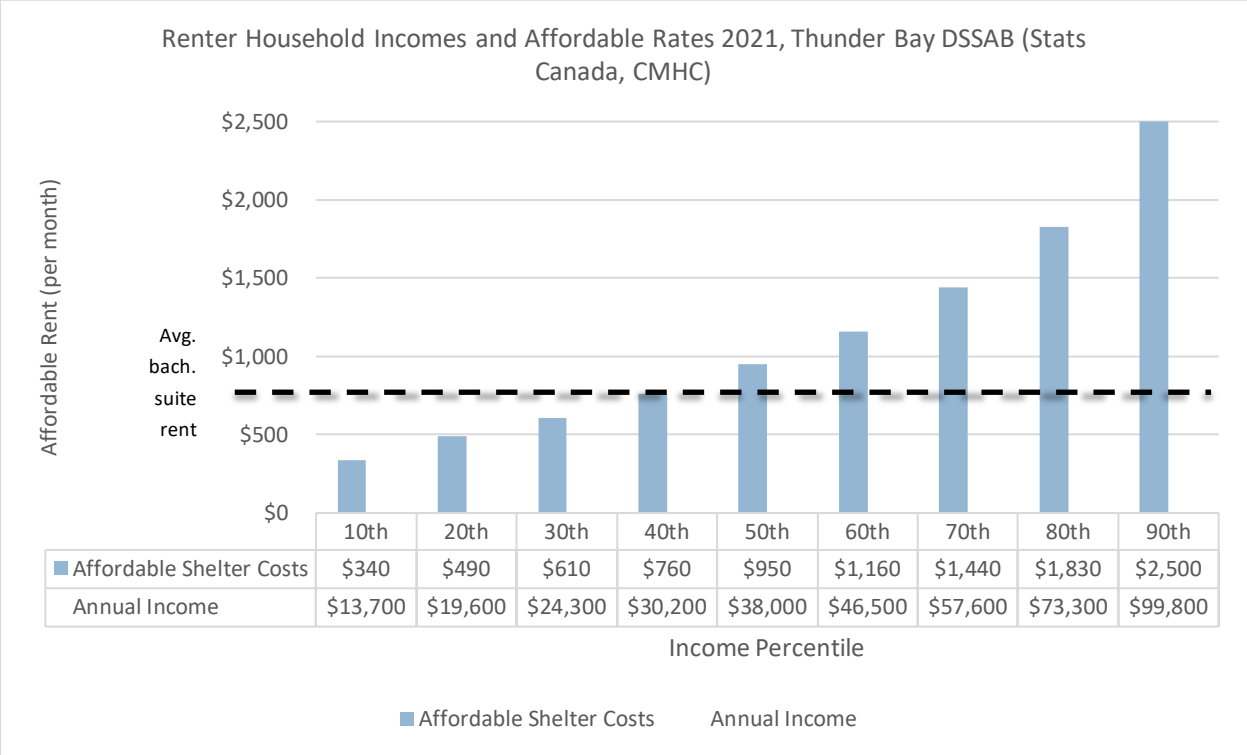


Figure 2.20: Renter Household Income and Affordable Rates for the Thunder Bay District (District of Thunder Bay Social Services Administration Board, Statistics Canada, and CMHC, 2021)

Owner Household Incomes and Affordable House Prices

The City of Thunder Bay was once known as one of the most affordable housing markets in the country. In 1991, the average price for a dwelling in Thunder Bay was $118,859. That same year, the median income for a family in Thunder Bay was $50,011 (Statistics Canada, 1991).

However, house prices in the city started to rise sharply in 2008. By 2021, the average price for a house was $300,000—a 152 percent increase over that 30-year period. In comparison, the median total household income in 2021 was $77,500—only a 54 percent increase over those 30 years (Statistics Canada, 2021). This disparity between increase in incomes and the cost of housing is a main factor driving the housing crisis in Canada.

House prices in Thunder Bay continued to rise through the COVID-19 pandemic, reaching a peak in early 2022 before dropping slightly near the end of the year and then rising again through 2023 (see **Figure 2.22**).

As of July 2023, the median price for a single detached home was $345,000 (CREA, 2023). This is up 14.4% from July 2022, although the year-to-date median price of $330,000 is 2.9% lower than the median price from January to July 2022.

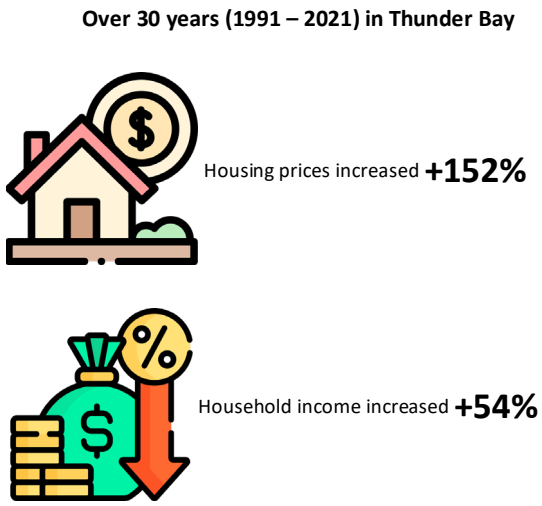


Figure 2.21: Housing and income change, 1991 – 2021, Freepik

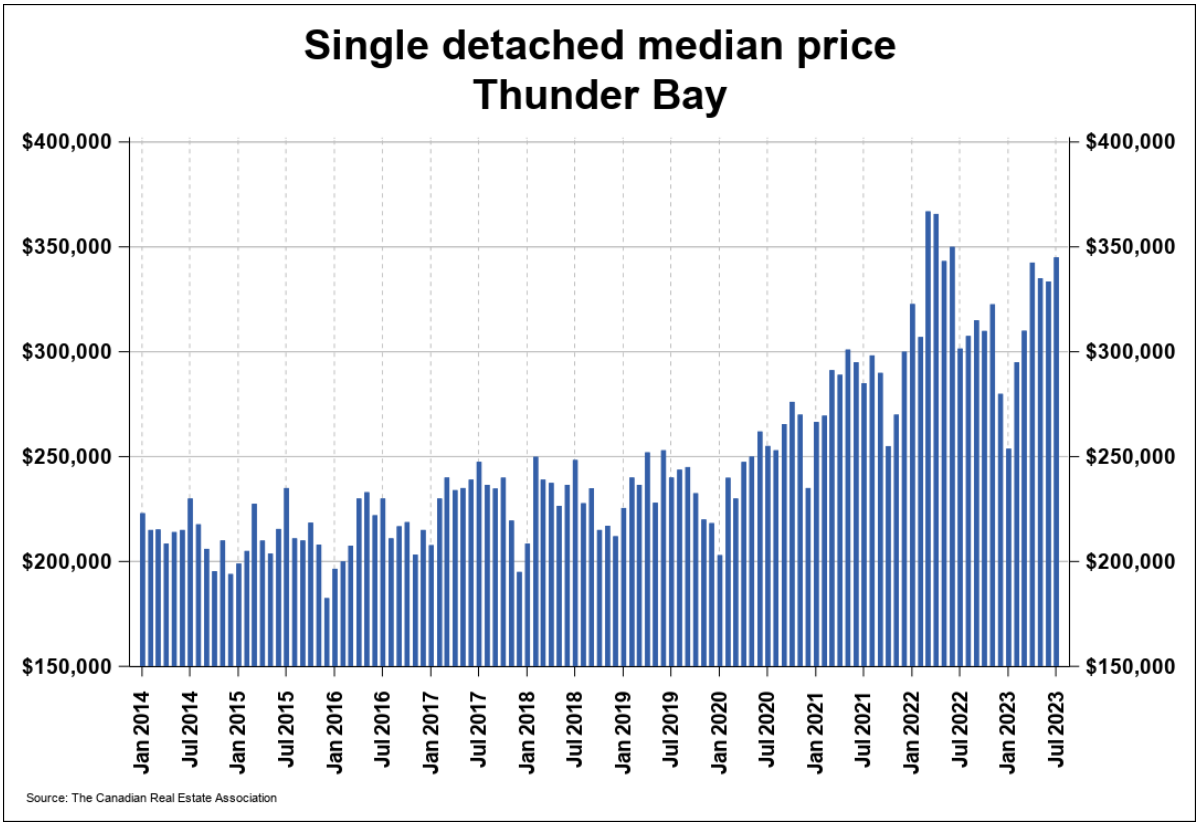


Figure 2.22: Single Detached Median Price in the City of Thunder Bay (CREA, 2023)

Figure 2.23 demonstrates the financial barrier to home ownership in Thunder Bay. For households earning in the

50th percentile, an affordable home price has an upper limit of $284,700 — on par with the average sale price of a single detached home at that time (July 2021) (Canadian Real Estate Association). This means that **50 percent of households in Thunder Bay would not have been able to purchase an average-priced home at the time at a cost affordable to their income** (i.e. without spending more than 30% of their income on housing).

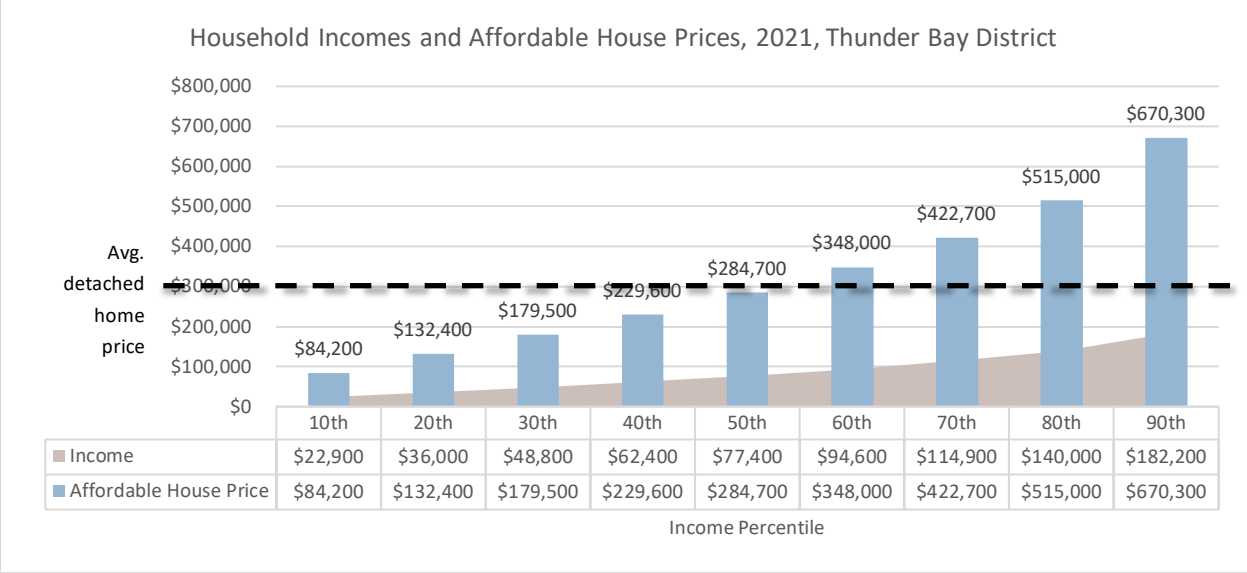


Figure 2.23: Household Incomes and Affordable House Prices, Thunder Bay District (District of Thunder Bay Social Services Administration Board, Statistics Canada, and CMHC, 2021)

Households Spending 30% or More Income on Shelter Costs

Figure 2.24 shows online survey responses to the question, "Do you currently spend 30% or more of your total household income on housing costs?" The results place over 50% of respondents in unaffordable arrangements, illustrating a troubling picture of the housing environment in Thunder Bay: 28% of respondents said they spent "much more" than 30% of their income on housing, while 27% said they spent "a little more" than this amount.

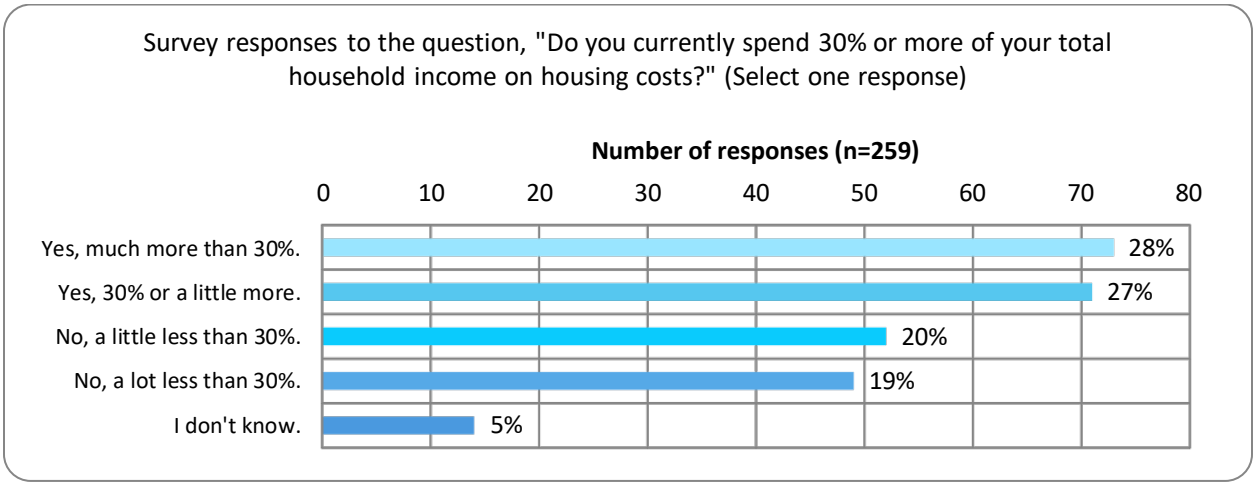


Figure 2.24: Survey Responses - Households Spending More Than 30 Percent of Income on Housing Costs (2023)

The census provides a somewhat more positive picture related to affordable housing: from 2016 to 2021, the share of all householdings (renter and owner combined) spending 30% or more of their income on shelter (the cut-off for

housing to be considered affordable) fell from 20.2% to 16.0% (see **Figure 2.25**).

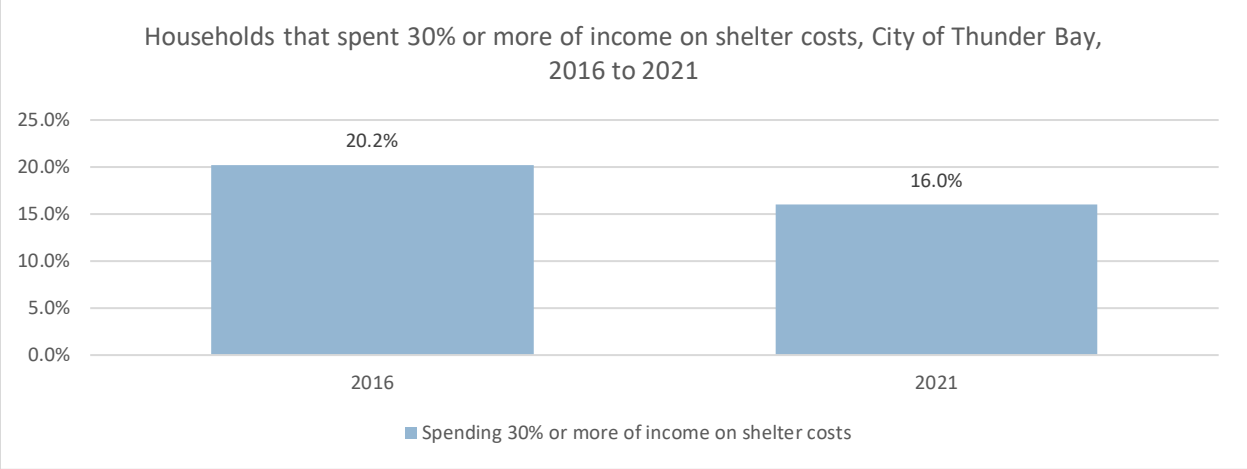


Figure 2.25: Households that Spent 30% or More of Income on Shelter Costs, City of Thunder Bay, 2016 to 2021 (Statistics Canada, 2021)

Figure 2.26 shows households that spent more than 30% of their income on housing by city in 2021. In general, percentages of homeowners that spend more than 30% of their income on housing in Thunder Bay are in-line with Sault Ste. Marie, Greater Sudbury, and Kenora. Interestingly, the percentage of renters in Thunder Bay who spend more than 30% of their income on housing are the lowest of the comparison cities. However, this should not minimize the affordable housing needs of renters in Thunder Bay. In comparison to the 9.1% of owner households that spent 30% or more on shelter costs, 30.4% of tenant households spend more than 30% of their income on housing in the City of Thunder Bay.

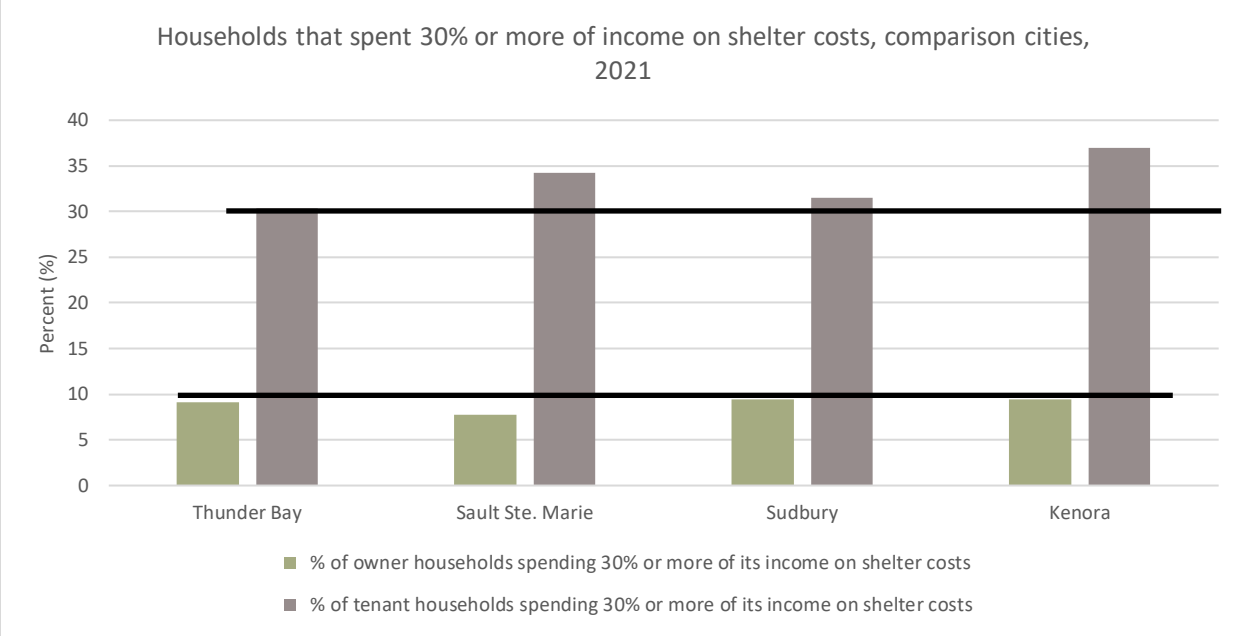


Figure 2.26: Households that Spent 30% or More of Income on Shelter Costs, Comparison Cities (Statistics Canada, 2021)

Household Size and Type

Household Size

Thunder Bay's household sizes are generally consistent with its neighbouring comparison cities.

Compared to Sault Ste. Marie, Greater Sudbury, Kenora, and the provincial average, Thunder Bay had the highest percentage of 1-person households (**Figure 2.27**).

For 2-person households, Thunder Bay was ahead of only Ontario as a whole. However, all municipalities were within 2% of one another.

This trend continues for 3-person, 4-person, and 5+ person households, as Thunder Bay remained consistent with its peer cities.

When looking at the four cities averaged, they trend counter to the provincial average. Ontario starts the dataset 6.6% behind the cities for 1 person households, with that gap shrinking successively until Ontario leads by 4.6% for 5+ person households. This reveals differences in the housing environments of Northern Ontario and Southern Ontario. Thunder Bay and its comparison cities have more one-person households than the provincial average, which is skewed by the more populous south. The relatively higher share of 1-person households suggests there is a greater opportunity to add additional units within single-detached homes or as freestanding units in the backyard.

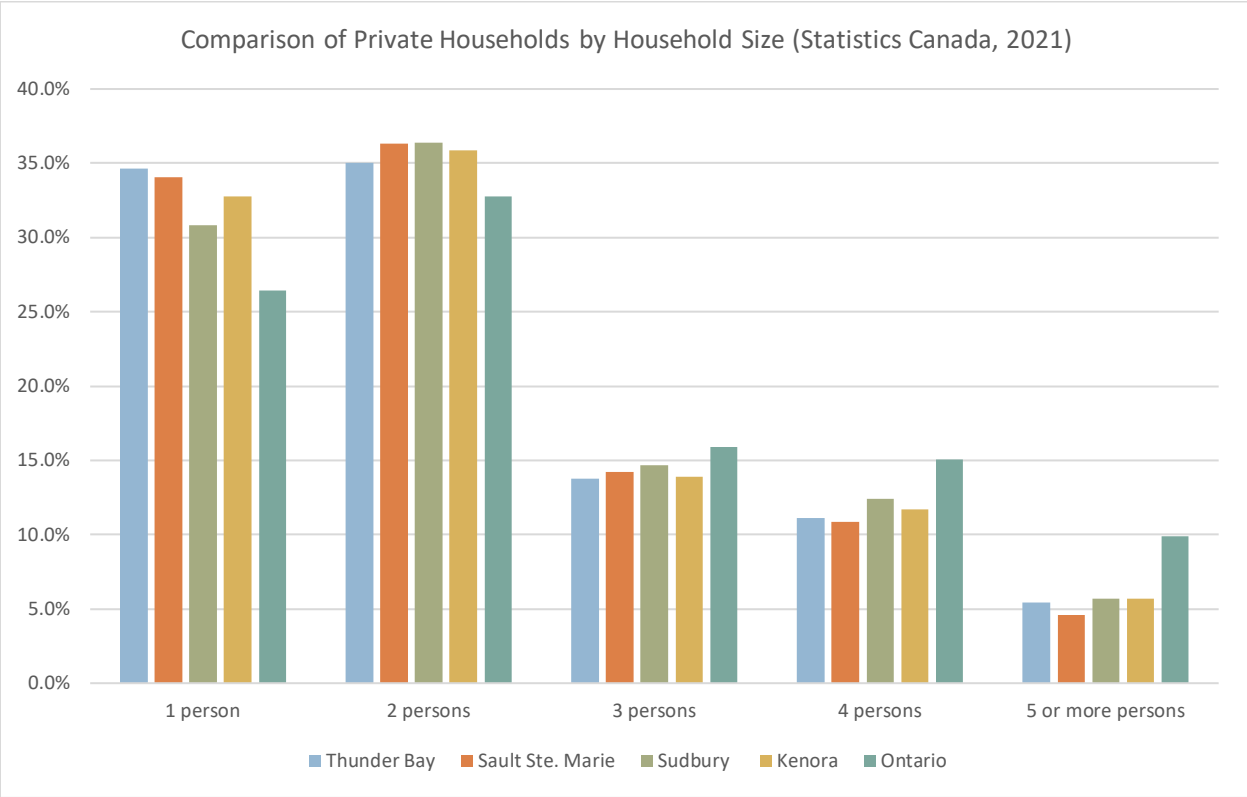


Figure 2.27: Comparison of Private Households by Household Size (Statistics Canada, 2021)

Household Type

Figure 2.28 depicts examples of different household types while **Figure 2.29** shows a breakdown of household type in the City of Thunder Bay.

One-family households form the majority of households in Thunder Bay (56% of all households). Such families are defined as a married couple (with or without children), a common-law couple (with or without children), or a one-parent family.

Together, one-family households and **single-person households** (35%) make-up 91% of all households in the City of Thunder Bay.

The remaining 9% of household types from greatest to least are **two-or-more person non-family households** (5%), **one-family with additional persons** (3%), and **multi-generational households** (2%).

Multiple-family households came last at less than 1%, or at approximately 150 households in real numbers.

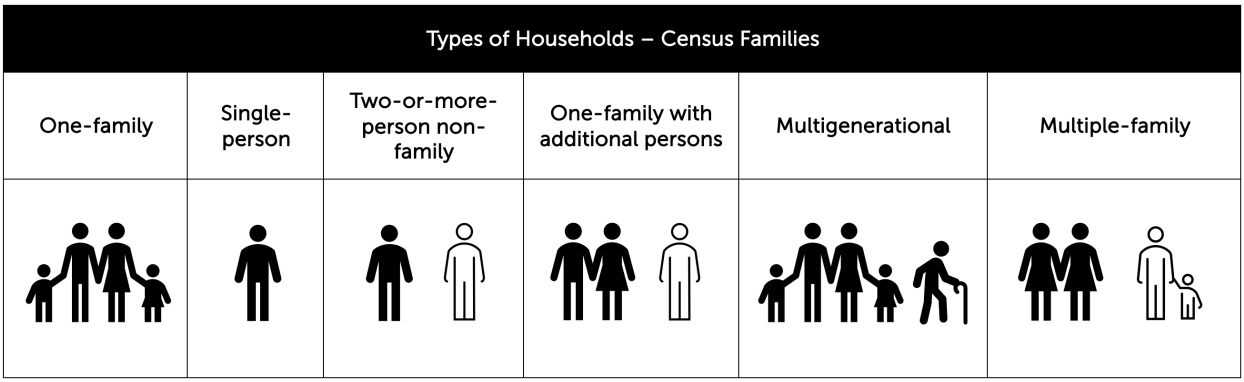


Figure 2.28: Different Household Types According to Statistics Canada (HTFC, 2024)

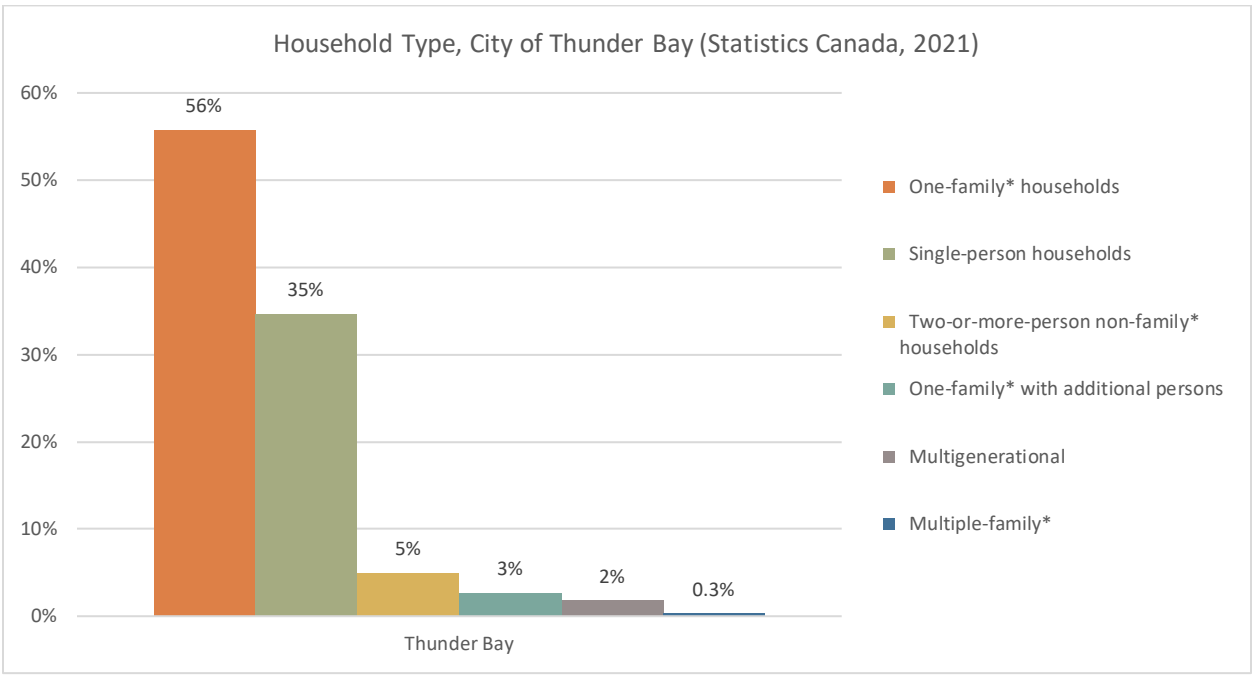


Figure 2.29: Household Type, City of Thunder Bay (Statistics Canada, 2021)

Number of Bedrooms

Figure 2.30 shows the number of occupied private dwellings by number of bedrooms, by comparison city.

Overall, the distribution of bedroom counts in occupied private dwellings was relatively consistent across Thunder Bay and the comparison cities.

1-bedroom dwellings had the smallest share and was very similar across the four cities, all falling within 1% of each other (**Figure 2.30**).

The share of 2-bedroom dwellings had higher variability with a 3% spread.

Among all cities, **3-bedroom** dwellings achieved plurality, with Sault Ste. Marie emerging as an outlier among its peers.

The share of **4+ bedroom** dwellings was similar to 2-bedroom dwellings but contained the highest in-group variability at 4.7%. In this set, Thunder Bay was most comparable to Greater Sudbury.

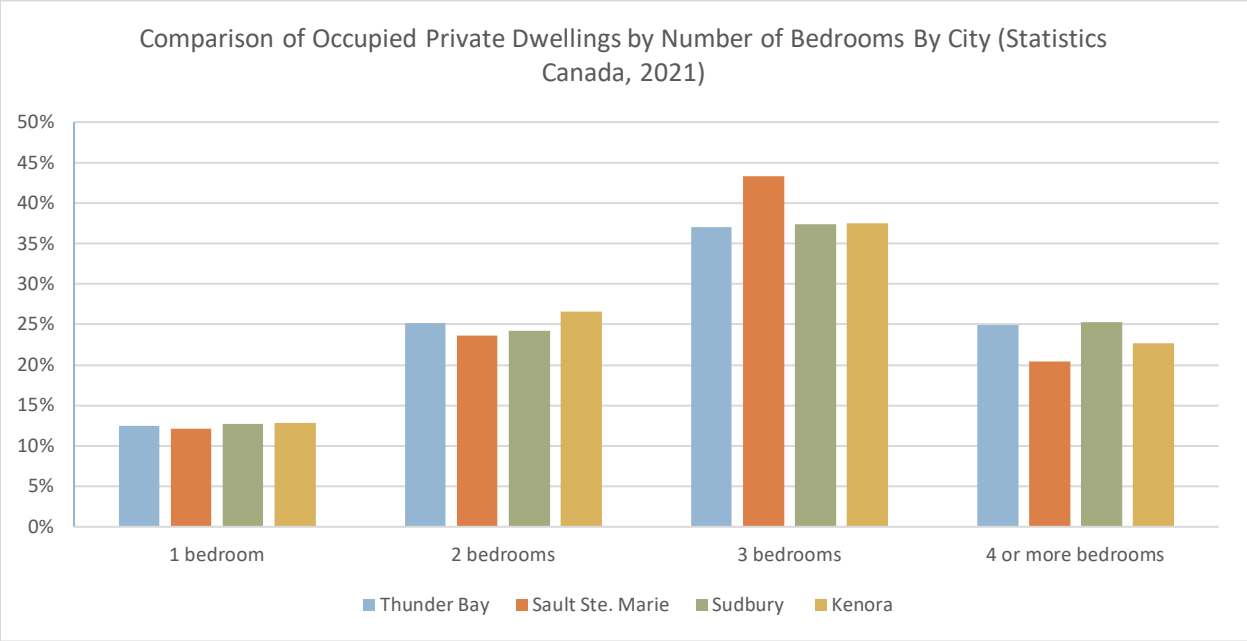


Figure 2.30: Comparison of Occupied Private Dwellings by Number of Bedrooms by City (Statistics Canada, 2021)

Housing Suitability

According to Statistics Canada definitions, "suitable housing" has enough bedrooms for the size and composition of private households according to the National Occupancy Standard.

A large majority of private households in Thunder Bay (96.7%) and the comparison cities live in housing suited to the size and composition of the occupants.

In Thunder Bay, approximately 3.3% of private households were not living in suitable housing according to the National Occupancy Standard.

In the comparison cities, Sault Ste. Marie and Greater Sudbury had the lowest share of housing that is not suitable, with 2.8% each. Kenora had the highest share of housing that is not suitable, at 3.7%.

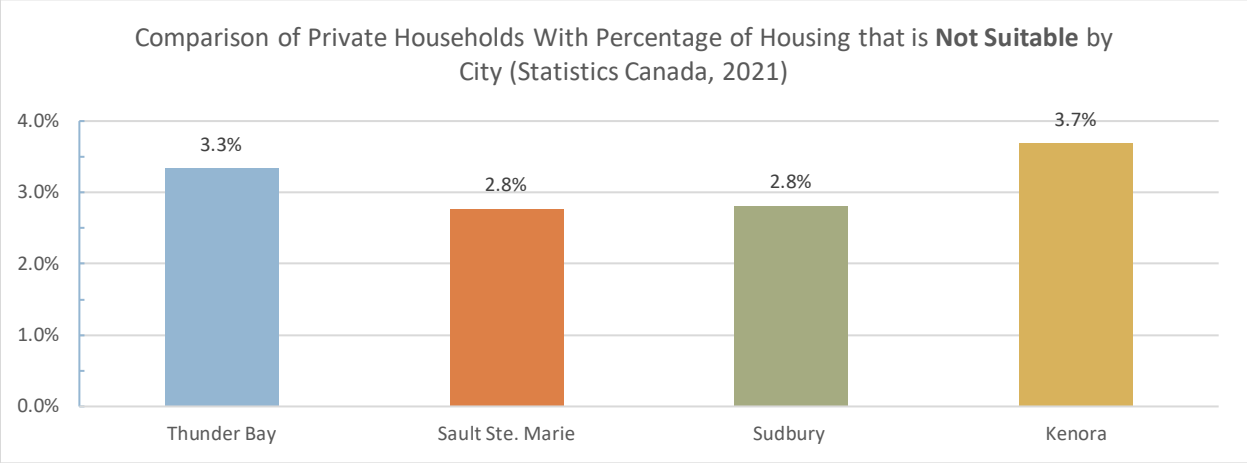


Figure 2.31: Comparison of Private Households with Percentage of Housing that is Not Suitable by City (Statistics Canada, 2021)

Housing Stock Age

As evidenced by the occupancy numbers, housing stock in Thunder Bay and the comparison cities skews toward a pre-1981 construction date (**Figure 2.32**). In the City of Thunder Bay, 39% of occupied private dwellings were built prior to 1961, making it a city with some of the oldest housing stock in Canada.[9] Across Canadian municipalities, an average of only 20% of dwellings were built prior to 1961. In fact, when looking at census metropolitan areas (CMAs) across the country, Thunder Bay's CMA has the highest proportion of dwellings built prior to 1961 (at 36.5%).

In Thunder Bay, 34% of occupied dwellings were built between 1961 and 1980. Construction of the remaining 27% spans a 40-year period from 1981-2021, with percentages declining each decade from 10% in 1981-1990 to just 4% in 2011-2021. The slow growth of housing aligns with the slow growth of Thunder Bay's population, which experienced little growth in the 1970s before stagnating in the 1980s and experiencing periods of decline in the 1986, 1996, 2001, 2011, and 2016 census years.

The comparison cities follow similar trends, as seen in Figure 19. Kenora, which also has a high percentage of occupied dwellings built in 1960 or before, experiences the same downward trajectory as Thunder Bay over time with comparable numbers. In Sault Ste. Marie and Greater Sudbury, the period of 1961-1980 saw the most housing construction. Beginning in 1981 however, all four cities saw a steady decline decade-over-decade.

[9] In comparison to other cities with old housing stocks, Moose Jaw had 37.5% of its housing stock built prior to 1961, Hamilton had 32.8%, Winnipeg had 31.3%, Toronto had 29.3%. Edmonton only had 12.7% of its housing built prior to 1961.

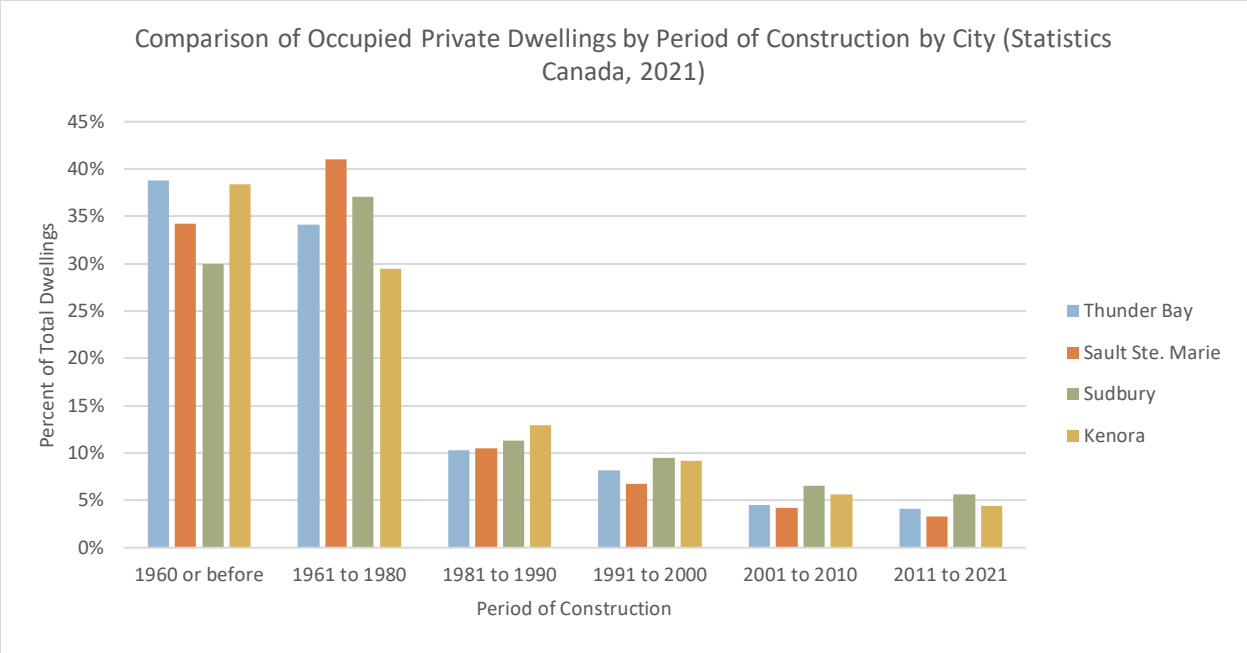


Figure 2.32: Comparison of Occupied Private Dwellings by Period of Construction by City (Statistics Canada, 2021

Rate of Retirement of Housing Stock

The rate of retirement of housing stock is based on the number of dwelling units that are removed from the housing market on an annual basis. This may be due to demolition, being in a condition unsuitable for habitation, or other causes such as converting a duplex into a single dwelling. The City of Thunder Bay tracks the number of housing units lost on a monthly basis.

Table 2.9 shows this information consolidated annually from 2016 to the end of 2022. The data shows that the City of Thunder Bay lost 155 housing units between 2016 and 2022. This equates to an average loss of 22.1 units per year, or 0.05% of the total housing stock (48,405 units) on an annual basis.

103 total units were lost in the 5-year census periods of 2016 and 2021: a loss of 0.21% of the total housing stock during this period. This number will be used when calculating the future housing need for Thunder Bay later in this report.

Table 2.9: Residential Units Lost Per Year (City of Thunder Bay, 2016-2022)

Year	Residential Units Lost
2016	33
2017	14
2018	22
2019	16
2020	18
2021	22
2022	30
Total	155
Average	22.1
5-Year Total	103

Inadequate Housing

A dwelling is considered inadequate when it requires major repairs (regardless of its suitability to the household composition). This figure was self-reported on the 2021 census. In Thunder Bay, 7.5% of households live in inadequate dwellings (**Figure 2.33**). This means that major repairs are needed on 3,650 housing units in the city.

This percentage is slightly higher (within one percent) than in the comparison cities of Sault Ste. Marie and Greater Sudbury. Kenora has the highest percentage of inadequate dwellings amongst comparison cities, with 9.8% of households considered inadequate.

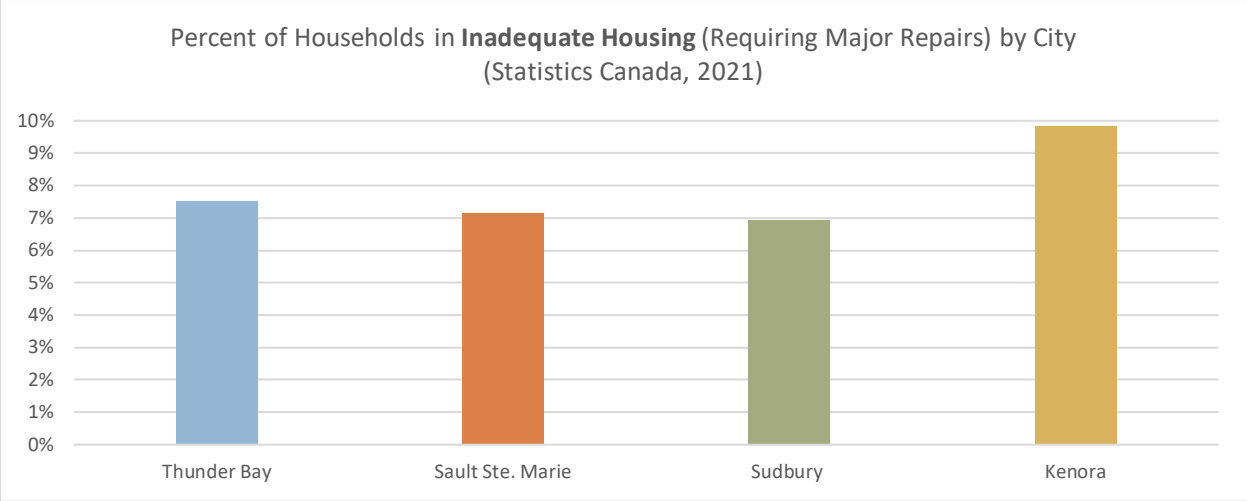


Figure 2.33: Percent of Households in Inadequate Housing by City (Statistics Canada, 2021)

Core Housing Need

Core housing need refers to whether a private household's housing falls below at least one of the indicator thresholds for housing adequacy, affordability or suitability, and would have to spend 30% or more of its total before-tax income to pay the median rent of alternative local housing that is acceptable. The percentage of households experiencing core housing needs in Thunder Bay (**Figure 2.34**) reveals a stark contrast between renters and owners. While an overall 9.0% of households have at least one core housing need, this number is over twice as high for tenants (19.8%) and less than half for owners (3.8%).

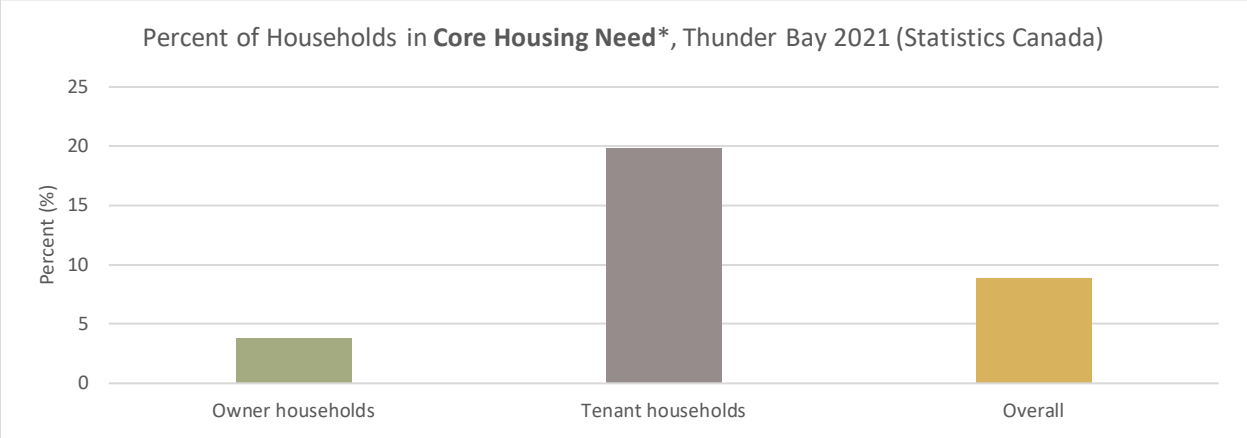


Figure 2.34: Percent of Households in Core Housing Need, Thunder Bay (Statistics Canada, 2021)

Unfortunately, these numbers are similar to other cities across Canada. National averages show 20% of renter

households in Canada are in core housing need, along with 5.3% of owner households. Households in the northwestern Ontario comparison cities (**Figure 2.35**) experience a similar levels of core housing need among owners, tenants, and overall numbers; however, Thunder Bay is higher in each category (on average, Thunder Bay is 1.1% higher among owner households, 2.8% higher among tenant households, and 1.8% higher among overall households). The biggest gaps are between Thunder Bay and Kenora (1.2% among owners), Sault Ste. Marie (3.9% among owners), and Kenora (2.5% overall). While these gaps are relatively small, the core housing need situation in Thunder Bay is worse by every measure.

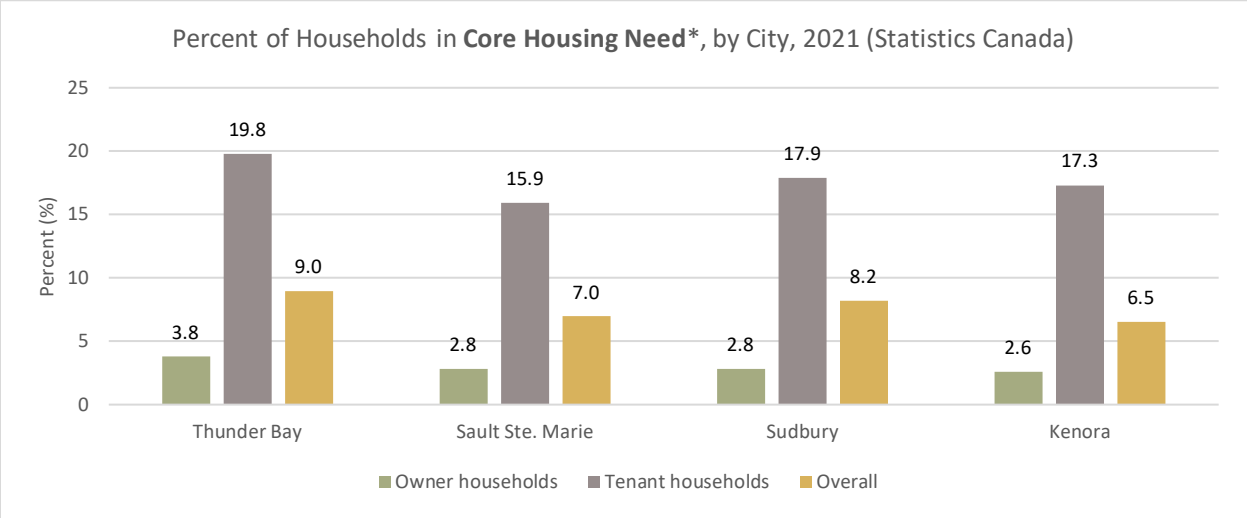


Figure 2.35: Percent of Households in Core Housing Need, by City, 2021 (Statistics Canada, 2021)

Housing Availability

Private Apartment Vacancy Rates

From 2016-2021, when vacancies fell or rose in one size of apartment they generally fell or rose across the board (**Figure 2.36**). However, there is little consistency in the magnitude of these changes, and no correlations to be drawn from these numbers.

The highest vacancy rates were seen in **bachelor apartments**, peaking at 10.2% in 2016. Although data for 2019 and 2021 has been suppressed for privacy reasons, it is clear bachelor apartments represent the lowest demand, the highest stock, or some combination of the two factors.

1-bedroom apartments experienced a subtle rise and fall, beginning at 3.6% in 2016, peaking at 5.1% in 2018, and returning to 3.6% in 2021.

The vacancy rates for **2-bedroom apartments** consistently rose after falling and vice versa, averaging a 3.5% vacancy rate.

The most volatility in vacancy rates was observed in **3+ bedroom apartments**. In 2017, the vacancy rate hit 0% before rebounding to 6% the following year, taking it from the lowest figure to the highest figure among apartments with at least one bedroom.

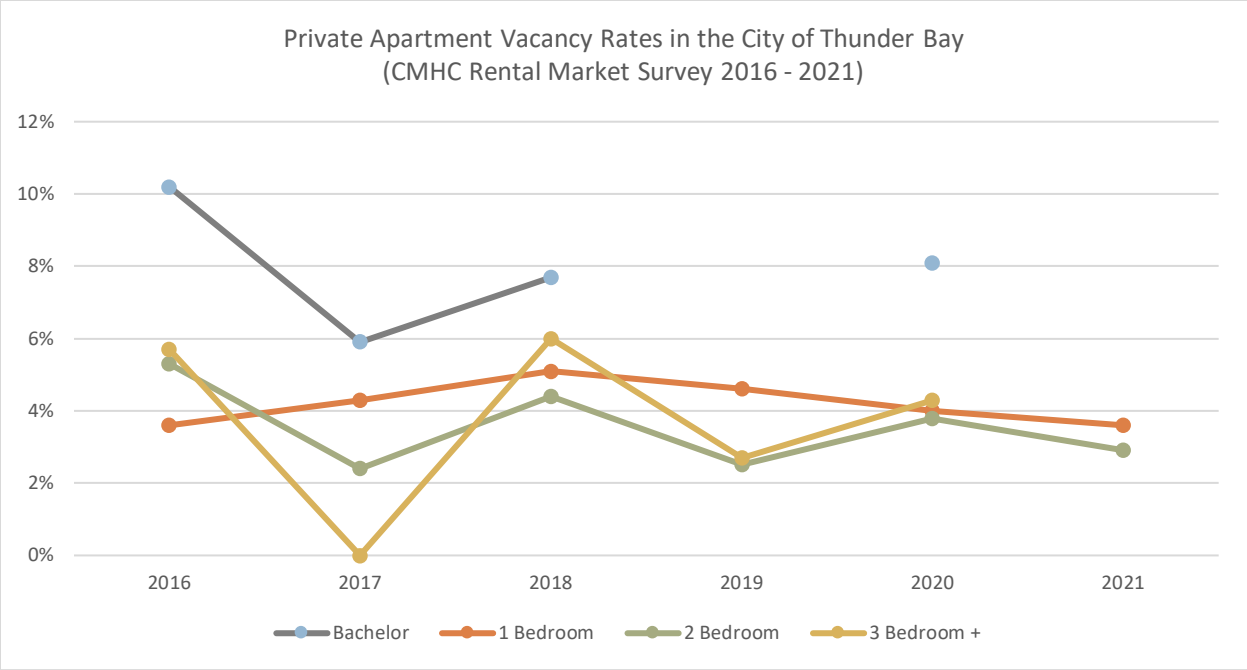


Figure 2.36: Private Apartment Vacancy Rates, City of Thunder Bay (CMHC Rental Market Survey 2016 - 2021). Note that some data has been supressed by the CMHC.

Sales by Housing Type

By units sold, detached houses dominated the real estate market in 2021, outselling all other types of housing combined by 651% (**Figure 2.37**). While 1,976 detached homes were sold, just 99 apartments were sold for second place. This was followed by semi-detached (80), multi-family (75), and townhouse/row (9).

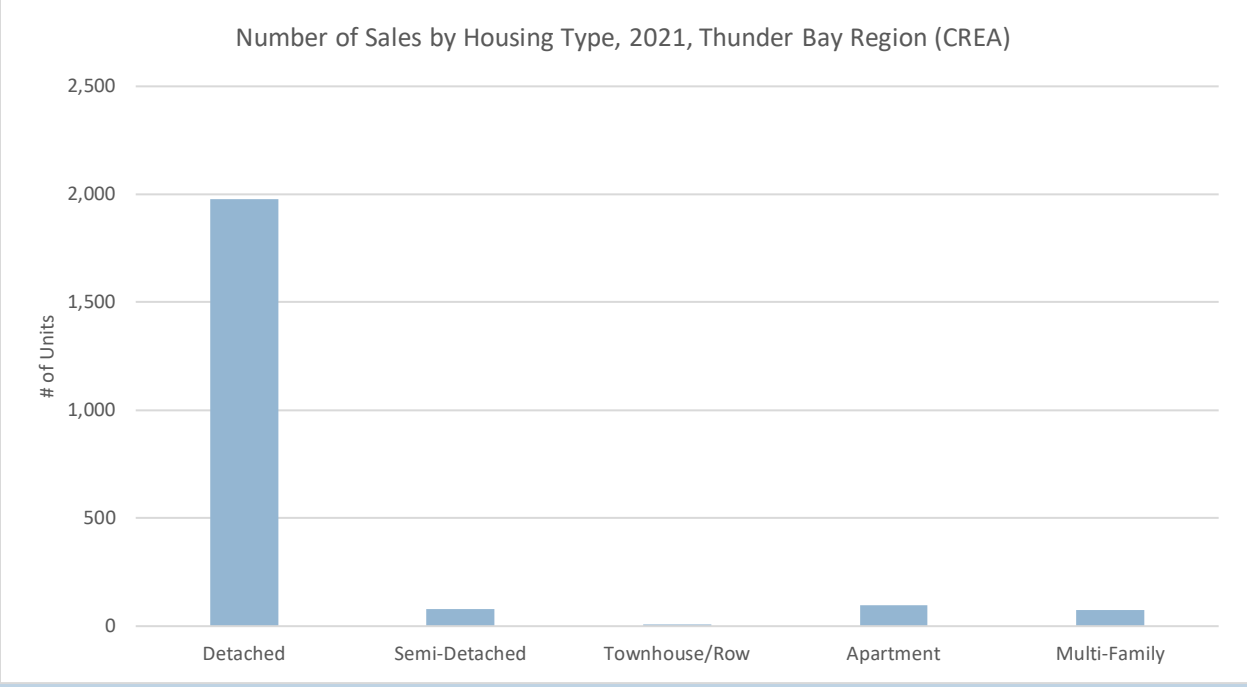


Figure 2.37: Number of Sales by Housing Type, 2021, Thunder Bay Region (CREA)

The total number of sales trended upwards from 1,593 in 2002 to 2,411 in 2021 with an average of 2,055 sales per year (**Figure 2.38**). While detached homes showed the most consistent growth, their share of the total sales was the lowest percentage in the data range despite setting a single year high in 2021. This may be explained by apartment and multi-family sales hitting new highs that same year, with both being unusually higher than the previous average: apartment at 157% and multi-family at 214%. In the previous year, 2020, detached homes were 84.3% of sales, just 0.5% below the historical average. Semi-detached and townhouse/row home sales also recorded higher than average sales in 2021, although in neither case were they among even the three best years for sales figures in that category.

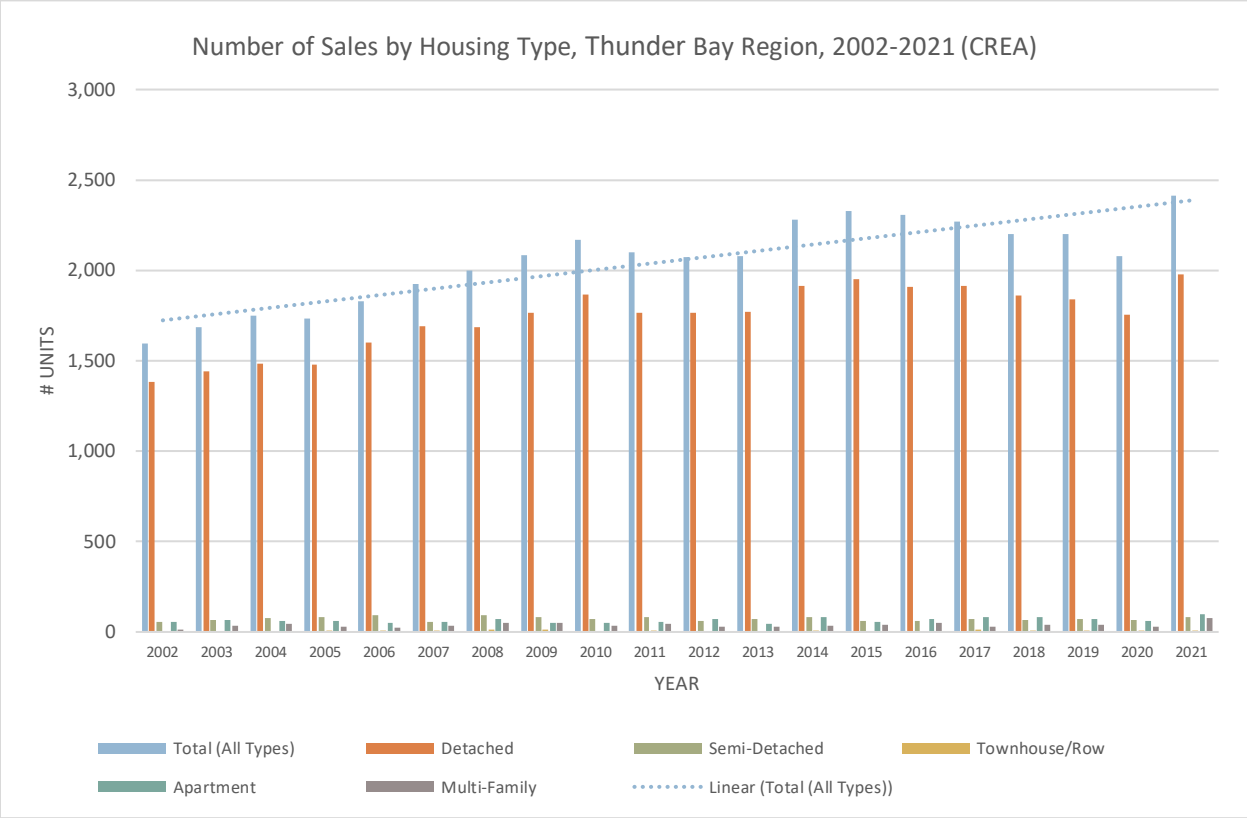


Figure 2.38: Number of Sales by Housing Type, Thunder Bay Region, 2002 to 2021 (CREA)

Months of Inventory

Months of inventory (MOI) is a statistic useful for determining the state of the housing market, indicating how long it would take the current inventory of housing stock to sell at current sales volumes. The more months of inventory available, the longer one would expect a home to sit on the market before selling.

A market is generally considered to be balanced when the MOI is between four and six months, with anything lower indicating a seller's market and anything higher indicating a buyer's market (MoneySense, 2016). In a seller's market, low inventory drives prices up, and in a buyer's market, high inventory brings prices down. A balanced market falls in the middle, with prices holding steady.

Table 2.10 shows Thunder Bay's MOI from 2002-2021. From 2002-2015, the average MOI for **detached homes** in Thunder Bay was 11.7 months, indicating a buyer's market. These numbers then dropped significantly, creating a balanced market for four years, averaging 5.3 months from 2016-2019. Since then, detached homes have been in a seller's market, averaging 2 months from 2020-2021.

While the MOI for **semi-detached homes** in Thunder Bay has fluctuated, it remained a buyer's market from 2003-2015. In the years following, the market for semi-detached has changed from a balanced market to a buyer's market, and then, most recently, to a seller's market.

Data for **townhouse/row homes** is too incomplete to draw conclusions from, but the existing data points toward a seller's market. MOI for **apartments** have historically indicated a buyer's market, becoming a seller's market in 2021 for just the second time in 20 years.

In 2021, the collective real estate market was a buyer's market, save for the multi-family market which was balanced. This suggests the market has become less affordable for buyers across the board in recent years.

Table 2.10: Thunder Bay Real Estate Housing - Months of Inventory (CREA, 2023)

Thunder Bay Real Estate Housing - Months of Inventory* (CREA, 2023)					
YEAR	**Detached**	**Semi-Detached**	**Townhouse/Row**	**Apartment**	**Multi-Family**
2002	10	5		4	33
2003	13	7		5	11
2004	10	9		8	10
2005	17	55		7	42
2006	13	14	2	8	30
2007	11	57		19	
2008	11	46		15	23
2009	11	25		20	8
2010	11	10		12	15
2011	12	7		20	18
2012	11	24		28	14
2013	11	10		7	19
2014	11	11	1	3	42
2015	12	29		23	19
2016	6	6		26	5
2017	6	12	1	14	7
2018	5			20	21
2019	4	15		8	5
2020	2	1	1	19	8
2021	2	3		2	4

Recent Construction

The City of Thunder Bay has processed an average of 808 building permits per year for residential development from 2016 to 2023 (**Table 2.11**). This includes an average of 9 permits per year for apartment blocks, 8 for duplexes, 72 for single dwellings and 714 for residential additions and alterations. During that time, the highest number of permits processed was 1,329 in the year 2021, mostly due to the 1,239 permits for additions and alterations (likely attributable to people who wanted to renovate their homes during the COVID-19 pandemic to accommodate extra office space or bedrooms).

Table 2.11: City of Thunder Bay Building Permits per Year 2016 - 2022 (City of Thunder Bay, 2022)

Building Permits / Year	2016	2017	2018	2019	2020	2021	2022	2023	Avg.
Apartment Blocks	9	7	5	10	6	6	7	20	9
Duplex Dwellings	7	9	10	10	10	7	14	0	8
Single Dwellings	105	78	75	68	61	77	55	55	72
Res. Add. & Alts	629	538	464	457	920	1239	772	689	714
TOTAL	**750**	**632**	**554**	**545**	**997**	**1329**	**848**	**764**	**802**

This equates to an average of 190 new housing units being granted permits per year between 2016 and 2023, for a total of 1516 units (**Table 2.12** and **Figure 2.39**).

On average, there were 85 units in apartment blocks given permits each year, 11 duplex units, 72 single dwellings, and 23 units from residential additions.

The year with the highest number of units added per year was 2023, when 301 units were granted permits.

The lowest number registered was for 134 units in 2020, a year in which constructions plans may have been put on hold due to the pandemic.

Table 2.12: City of Thunder Bay Number of Housing Units / Year based on Building Permit Data 2016 - 2022 (City of Thunder Bay, 2022)

Housing Units / Year	2016	2017	2018	2019	2020	2021	2022	2023	Avg.	%
Apartment Blocks	44	92	45	88	44	73	67	226	**85**	**45**
Duplex Dwellings	10	10	17	12	11	8	16	0	**11**	**5**
Single Dwellings	104	78	75	68	61	77	55	55	**72**	**38**
Res. Add. & Alts (Units)	17	22	44	16	18	26	17	20	**23**	**12**
TOTAL	**175**	**202**	**181**	**184**	**134**	**184**	**155**	**301**	**190**	**100**

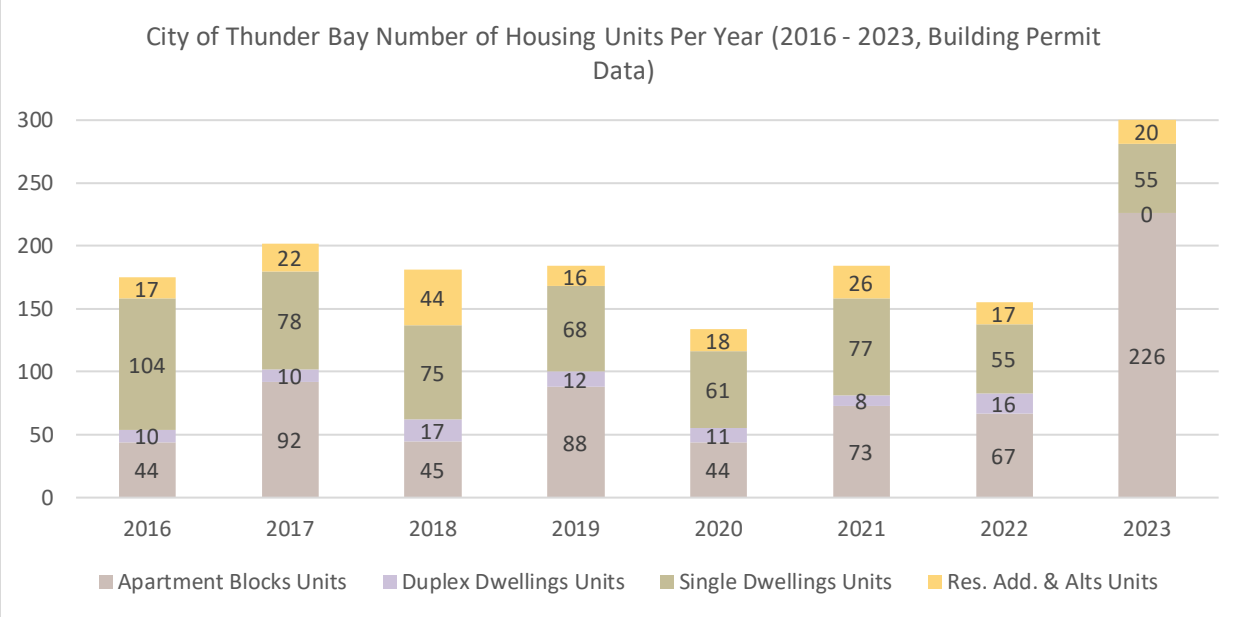


Figure 2.39: City of Thunder Bay Number of Housing Units Per Year, 2016 - 2023, Building Permit Data, 2023

Average Proportion of Dwelling Units Created Annually

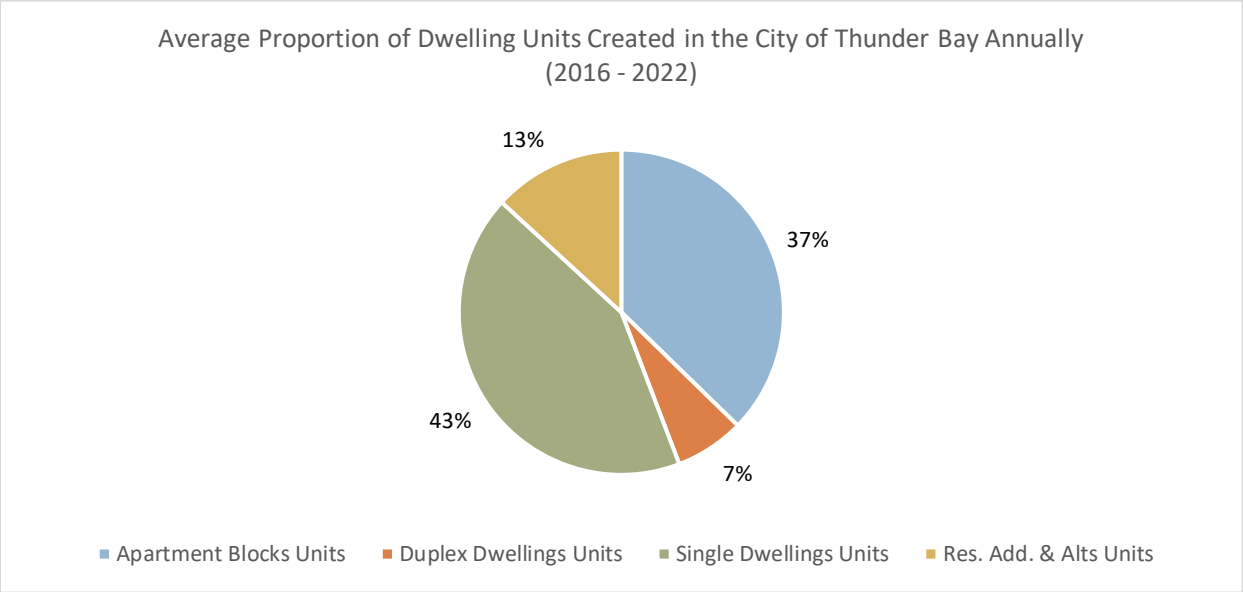


Figure 2.40: Average Proportion of Dwelling Units Created in the City of Thunder Bay Annually, Based on Building Permit Data (2016-2022)

Figure 2.40 shows that over the 2016 to 2022 period, apartment blocks represented 37% of all units created; duplexes provided 7%; single dwellings provided 43%; and units from additions provided 13%.

This data is consistent with the Statistics Canada census data for the change in number of occupied private dwellings in the City of Thunder Bay from 2016 to 2021 (see **Figure 2.41**), which shows a net increase of 1,220 dwelling units during that period, including 470 single-detached houses, 525 small apartments, 140 semi-detached buildings, and 85 others. Note that these numbers show the overall net change and therefore would include units constructed as well as those that may have been demolished or destroyed during that period.

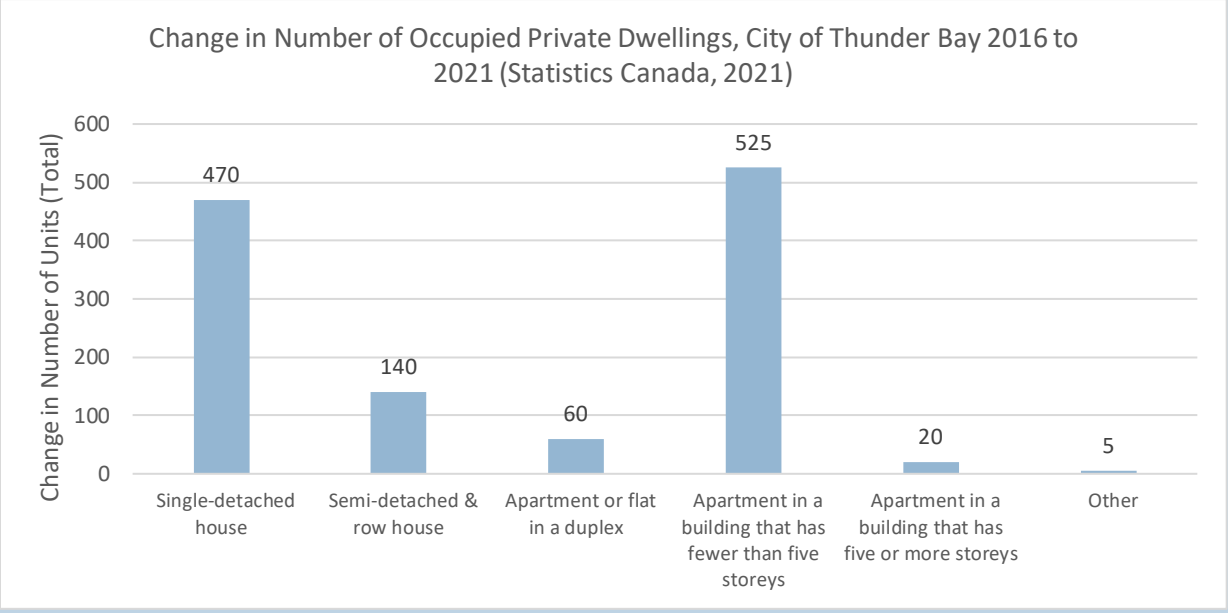


Figure 2.41: Change in Number of Occupied Private Dwellings, City of Thunder Bay 2016 to 2021 (Statistics Canada, 2021)

Addressing Barriers to Housing Development

Figure 2.42 shows survey responses to the question, "What do you think are the most significant barriers to more housing in Thunder Bay?" When asked their thoughts on the most significant barriers, respondents selected "cost of building materials" as the most popular answer (59.3% of respondents). "Property taxes" was the second highest response (45.2%) and the "cost of lots to build" was the third (41.5%).

"Other" responses (15%) were varied. One respondent said, "The City does not encourage building / renovating older areas. [The City] leaves too much to developers which build out and then later turn the infrastructure back to the city and the taxpayers." Other respondents agreed, saying there is an "absence of a strong plan to improve inner city housing opportunities, including incentives for builders to choose that option over costly and environmentally unsound suburban sprawl."

The availability of land for new subdivisions and challenging terrain to build on were not seen as significant barriers to building more housing in Thunder Bay, selected by only 7.9% and 14.1% of respondents respectively.

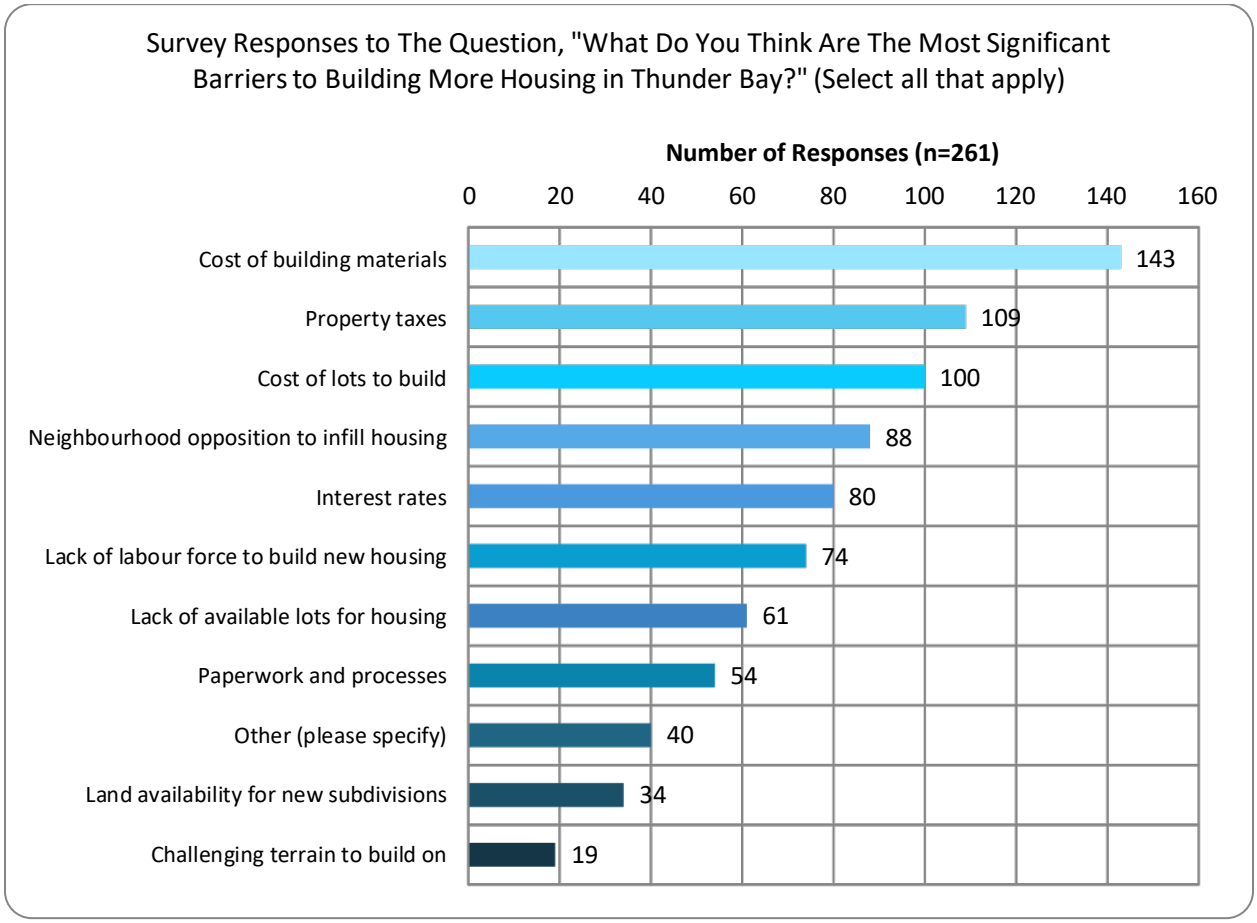


Figure 2.42: Survey Responses to Most Significant Barriers to Housing Development

Survey respondents also had a chance to provide comments on possible means for the City of Thunder Bay to address these identified barriers. **Figure 2.43** shows survey responses to the question, "How do you think the City of Thunder Bay should support affordable housing or non-market housing options?" Overall, respondents felt the City of Thunder Bay should be "fast-tracking development approvals for affordable housing" (60%), "Providing clearer rules for unique kinds of housing, such as 'tiny homes'" (55%), and "Increasing support services to help individuals and non-profit organizations navigate development processes" (55%). Only 10% felt the City should not be involved in supporting affordable housing, and 8% suggested maintaining existing supports but not increasing services.

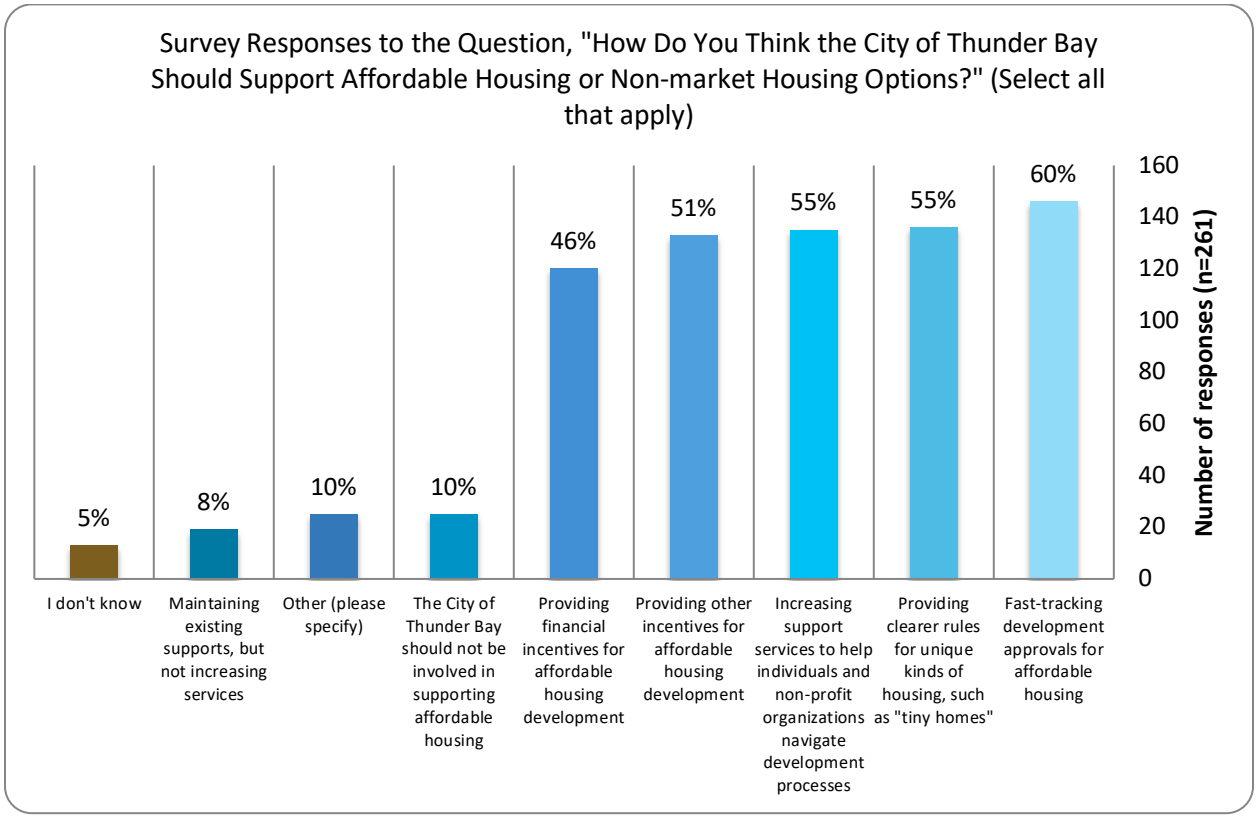


Figure 2.43: Survey Results for Ways the City of Thunder Bay Should Support Housing

"Other" responses and further clarification about why people chose their responses included comments related to up-zoning areas to increase density (while ensuring support for affordable housing), fast-tracking transit-oriented development, offering financial incentives for desired housing development, greater enforcement of standards for landlords—particularly in rooming houses and other affordable housing units, developing city-owned land, and increasing City staffing to help support non-profits and small developers through the development process.

Stakeholders in the housing industry provided some more nuanced understanding of the barriers to housing development and ways to address these barriers. Like the survey respondents, housing stakeholders raised the issue of construction costs and other financial issues, including high property taxes. Many in the industry highlighted labour shortages, a lack of development-ready lots, and a variety of challenges with infill development. Stakeholders also mentioned the desire to expedite the permitting and approval process, as well as changing zoning laws to influence where future housing development could take place.

These barriers and possible means of addressing the barriers are described in greater detail below, accompanied by other data when available.

Construction Costs & Labour

Stakeholders and survey respondents alike highlighted high construction costs as a barrier to housing development in the City of Thunder Bay.

Stakeholders in the housing industry said it is more cost effective to retrofit existing buildings than to build new due to current material costs. Some noted the costs of new construction were now $380 per square foot or higher. One stakeholder said, "Nobody is developing new housing because of the costs, putting increased pressures on existing housing stock. There is little incentive to build."

Some of the high price of construction cost is due to supply chain issues that were experienced around the globe. Overall, the Thunder Bay CEDC says construction costs in Thunder Bay are still 15% lower when compared to cities like Minneapolis.

Many stakeholders also highlighted the shortage of labour as a major barrier to housing development. The consensus among housing developers is that there is a limited number of contractors and house builders in Thunder Bay. In some cases, they said, sub-contractors are busy working in the surrounding communities, limiting the trades that can service the Thunder Bay area. The challenge is the same for both private developers and other builders. An Indigenous housing developer said, "The challenge in finding workers is pervasive, and COVID made it worse."

The CEDC highlights that the Thunder Bay District has "480 active apprentices in the construction sector and 1,379 active journey persons, across all industry sectors."

Property Taxes and Development Charges

Survey respondents and housing industry stakeholders highlighted property taxes as one of the key barriers to housing development in the City of Thunder Bay. This barrier is supported by property tax data. Research by housing analysts show that of 35 major cities across Ontario in 2022, Thunder Bay had the second highest property tax rate, at 1.649% (see map in **Figure 2.44**). This means the tax assessed on a home at $500,000 would have been $8,243.

Note that property taxes include both education and municipal portions. In Ontario municipalities that are two-tiered, part of the municipal portion tax rate is set by the upper-tier municipality and the other part is set by the lower-tier municipality, depending upon the services provided by each; however, these rates are combined (i.e. property owners in two-tier municipalities don't pay extra taxes to the upper-tier municipality). The property tax rates shown for two-tier municipalities in the figures on the following pages therefore include the amounts paid to both municipal tiers.

Thunder Bay is one of only five cities of the 35 examined in Ontario with a property tax rate over 1.5%. Windsor is the only city in the Ontario list which had a higher property tax rate in 2022, at 1.854%.

In contrast, the City of Toronto had the lowest property tax rate, at 0.632%. This means that the tax assessed on a home at $500,000 in Toronto would only be $3,160—2.6 times less than in Thunder Bay.

In Thunder Bay, the high property tax is usually offset by lower overall housing values. **Figure 2.45** shows sample property taxes based on the average home price in each city. The tax assessed on a home at average home price in Thunder Bay ($318,045 in 2022) would have been $4,890, while in Toronto ($1,093,097 average in 2022), the tax assessed on a home at average price would have been $6,908. **Indeed, the tax assessed on a home at the average house price in Thunder Bay was the lowest of all the 35 major cities in Ontario in 2022.** This is positive for many owners of existing lower-priced homes in Thunder Bay.

However, the high property tax remains an issue for developers of new housing, where assessed values will be high. Developers noted that when development required the creation of new lots, property taxes were charged as soon as each lot is registered with the Municipal Property Assessment Corporation (MPAC), which can create significant cash-flow challenges.

While outside the City's control, this issue represents a roadblock to development. These costs, though, are partially offset by the fact that Thunder Bay does not have

development charges. In Greater Sudbury, for example, current development charges are $22,162 for single family dwellings and $12,791 per unit for multiples, apartments and small residential buildings.

Development charges are levied in many cities across Ontario, in accordance with the Development Charges Act, as a means of covering the costs associated with growth that are eventually borne by municipalities (such as roads, services, and piped infrastructure). The other comparison cities of Sault Ste. Marie and Kenora do not currently levy development charges.

Thunder Bay has been reviewing development charges in a separate study, so further commentary on the charges are not provided in this report.

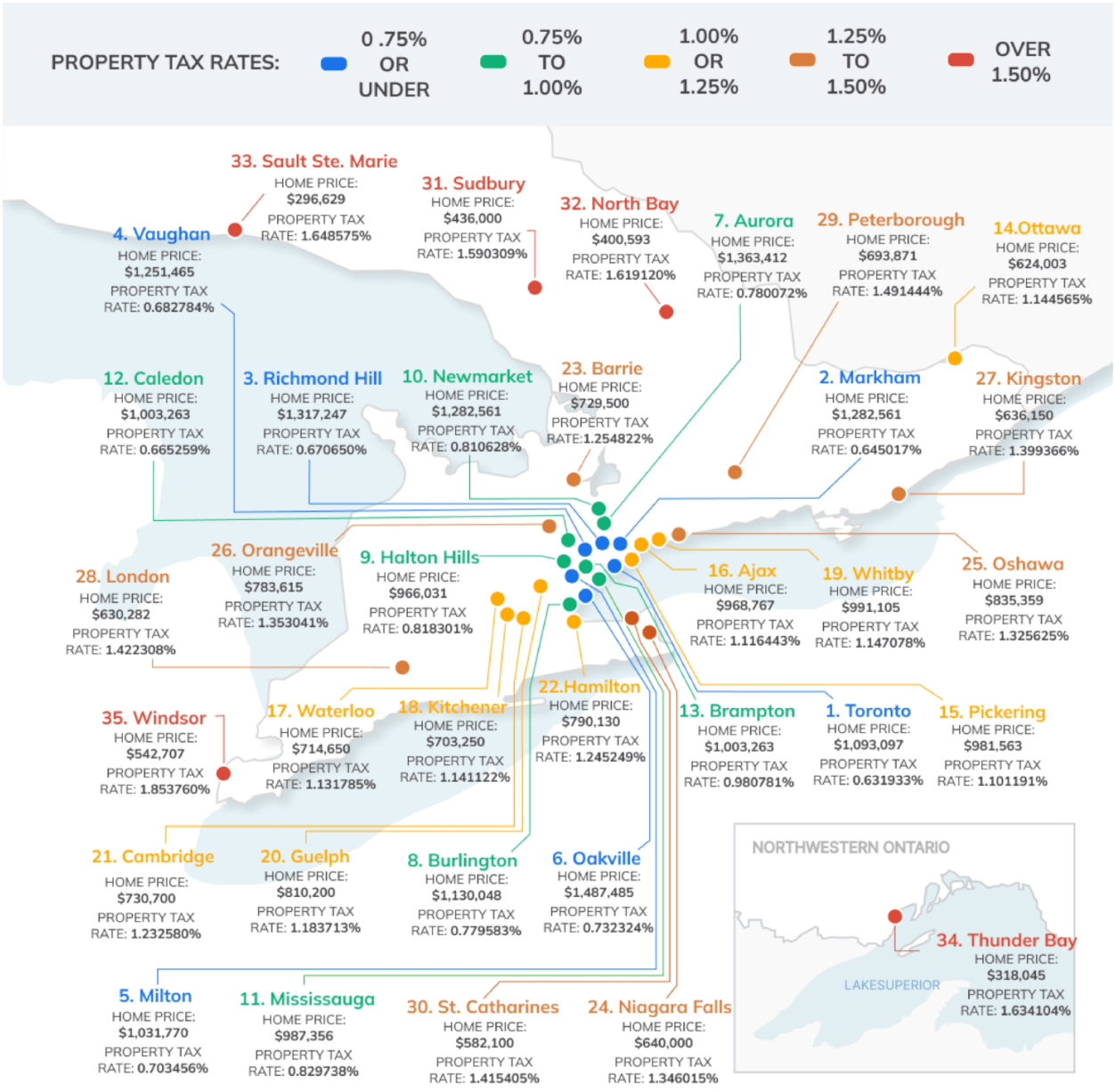


Figure 2.44: Ontario Cities with the Lowest and Highest Property Tax Rates for 2022 (Zoocasa, 2022)

MUNICIPALITY (RANKED BY LOWEST TO HIGHEST PROPERTY TAX RATE)		2022 PROPERTY TAX RATE	SAMPLE PROPERTY TAXES TAX ASSESSED ON A HOME AT AVG HOME PRICE	TAX ASSESSED ON A HOME AT $500,000	TAX ASSESSED ON A HOME AT $1,000,000	TAX ASSESSED ON A HOME AT $1,500,000
1	Toronto	0.631933%	$6,907.64	$3,159.67	$6,319.33	$9,479.00
2	Markham	0.645017%	$8,272.74	$3,225.09	$6,450.17	$9,675.26
3	Richmond Hill	0.670650%	$8,834.12	$3,353.25	$6,706.50	$10,059.75
4	Vaughan	0.682784%	$8,544.80	$3,413.92	$6,827.84	$10,241.76
5	Milton	0.703456%	$7,258.05	$3,517.28	$7,034.56	$10,551.84
6	Oakville	0.732324%	$10,893.21	$3,661.62	$7,323.24	$10,984.86
7	Burlington	0.779583%	$8,809.66	$3,897.92	$7,795.83	$11,693.75
8	Aurora	0.780072%	$10,635.60	$3,900.36	$7,800.72	$11,701.08
9	Newmarket	0.810628%	$10,396.80	$4,053.14	$8,106.28	$12,159.42
10	Halton Hills	0.818301%	$7,905.04	$4,091.51	$8,183.01	$12,274.52
11	Caledon	0.821184%	$8,238.64	$4,105.92	$8,211.84	$12,317.76
12	Misssissauga	0.829738%	$8,192.47	$4,148.69	$8,297.38	$12,446.07
13	Brampton	0.980781%	$9,839.81	$4,903.91	$9,807.81	$14,711.72
14	Pickering	1.101191%	$10,808.88	$5,505.96	$11,011.91	$16,517.87
15	Ajax	1.116443%	$10,815.73	$5,582.22	$11,164.43	$16,746.65
16	Waterloo	1.131785%	$8,088.30	$5,658.93	$11,317.85	$16,976.78
17	Kitchener	1.141122%	$8,024.94	$5,705.61	$11,411.22	$17,116.83
18	Ottawa	1.144565%	$7,142.12	$5,722.83	$11,445.65	$17,168.48
19	Whitby	1.147078%	$11,368.75	$5,735.39	$11,470.78	$17,206.17
20	Guelph	1.183713%	$9,590.44	$5,918.57	$11,837.13	$17,755.70
21	Cambridge	1.232580%	$9,006.46	$6,162.90	$12,325.80	$18,488.70
22	Hamilton	1.245249%	$9,839.09	$6,226.25	$12,452.49	$18,678.74
23	Barrie	1.254822%	$9,153.93	$6,274.11	$12,548.22	$18,822.33
24	Oshawa	1.325625%	$11,073.73	$6,628.13	$13,256.25	$19,884.38
25	Niagara Falls	1.346015%	$8,614.50	$6,730.08	$13,460.15	$20,190.23
26	Orangeville	1.353041%	$10,602.63	$6,765.21	$13,530.41	$20,295.62
27	Kingston	1.399366%	$8,902.07	$6,996.83	$13,993.66	$20,990.49
28	London	1.422308%	$8,239.07	$7,111.54	$14,223.08	$21,334.62
29	St Catharines	1.415405%	$8,964.55	$7,077.03	$14,154.05	$21,231.08
30	Peterborough	1.491444%	$10,348.70	$7,457.22	$14,914.44	$22,371.66
31	Sudbury	1.590309%	$6,933.75	$7,951.55	$15,903.09	$23,854.64
32	North Bay	1.619120%	$6,486.08	$8,095.60	$16,191.20	$24,286.80
33	Sault Ste. Marie	1.634104%	$5,197.19	$8,170.52	$16,341.04	$24,511.56
34	Thunder Bay	1.648575%	$4,890.15	$8,242.88	$16,485.75	$24,728.63
35	Windsor	1.853760%	$10,060.49	$9,268.80	$18,537.60	$27,806.40

Sources

Home Prices: Home prices were sourced from real estate boards including the Toronto Regional Real Estate Board, Niagara Association of Realtors, London and St Thomas Association of Realtors, Realtors Association of Hamilton-Burlington, Barrie and District Association of Realtors, Ottawa Real Estate Board, Windsor-Essex County Association of Realtors and the Canadian Real Estate Association.

Home Prices are all average prices for October 2022, except Thunder Bay where the September 2022 price was used as it was the most recently available data.

Property tax rates. Property tax rates were sourced from each municipality's website.

Figure 2.45: Sample Property Tax Rates for Ontario Cities, 2022 (Zoocasa, 2022)

Cost and Availability of Land

The cost of lots to build was the third-highest barrier to housing development identified in the survey. However, the cost of land was not a major barrier identified by stakeholders. Indeed, a KPMG Competitive Alternatives Study found that the cost of land in Thunder Bay was 68% below average of the other cities in the study (KPMG, 2016).

However, many stakeholders in the housing industry did report that a barrier to housing development was the lack of development-ready lots. One survey respondent said the main barrier is investors buying properties and holding onto them without developing. Echoing these comments in the survey, private sector housing developers said, "Land developers are holding lots to select specific builders. There is no inventory for other developers." One private housing developer said the City should be significantly increasing taxes on vacant properties to incentivize owners to develop or sell properties to others who want to develop. Analysis of vacant lots in Thunder Bay are found in Section 4 of this report.

Several housing developers said they thought the City's restriction on servicing properties outside of the urban settlement area hindered housing development.

Some housing developers noted, "Finding good land is hard. Finding good land for higher density is even harder." In some cases, this is due to the physical limitations of lots in the older neighbourhoods in Thunder Bay. Developers said, "Lot sizes in Thunder Bay are small, and inexpensive, but hard to build on. 25' and 33' lots are hard to develop." Some developers said that lots these sizes are seen as less desirable. Other private sector housing developers noted that there are currently no real incentives to build dense housing or affordable housing.

Although recent zoning changes allow increased density on all lots zoned Urban Low-Density (UL), there are still challenges with developing many of these lots. One developer said, "The new zoning is good, but laneway homes face real infrastructure issues." Others, for example, worried how infill lots can accommodate parking and other servicing requirements. One Indigenous non-profit housing developer said, "You can't always fit three units on a 33' lot." Another said, "We had parking issues with one building. It was originally allowed in the front, but during re-zoning it had to be moved to the back. This made access and shoveling hard."

Many non-profit organizations in the housing industry noted that finding suitable lots for housing was a significant barrier. One stakeholder said, "There are way less lots available today compared to the past. You need personal knowledge to find them."

This is an area where the City of Thunder Bay may be able to provide direct assistance. Stakeholders noted that, "the City is the largest property owner and should identify affordable for opportunities and locations." Others noted that the City itself could act as a housing developer on the lots it owns, rather than sell off the properties to others. Some non-profit organizations highlighted the need for City staff to provide more guidance to walk them through the housing development process, from property acquisition through to permitting.

Development Application Processes and Timelines

Many private sector housing developers had comments regarding development application processes and timelines. For many developers, there is a general feeling that the City should have less oversight and control on new developments. One developer noted, "The City rezoning approvals are becoming more involved, with secondary plan requirements, landscaping requirements, etc." This sense of dissatisfaction may come from comparing the process in Thunder Bay to how things used to work in the City in previous decades, or from comparing it to the process in surrounding rural areas. One housing stakeholder said, "People are choosing to build in surrounding communities instead of Thunder Bay because it is cheaper and faster."

Often, it is provincial processes—not City of Thunder Bay processes—that slow developments down the most. Developers highlighted issues with the length of time to register new subdivisions, road access, and environmental assessments and the corresponding Records of Site Condition process. Housing stakeholders noted that it is taking up to two months to get replies from the province on

environmental assessments. One Indigenous housing developer said, "There are hurdles with the provincial environmental regulations. The application process takes a long time, and if the regulator comes back with any questions, it resets your timeline." One Indigenous housing stakeholder organization was not aware about environmental study requirements for developments before they tried to develop a property, which led to frustration with the Province and the City.

The Ontario Records of Site Condition (RSC) process must be done before the use of any property is permitted to change to a more sensitive use (e.g. an industrial site changing to a residential site). The RSC must set out the environmental condition of a property at a particular point in time, based on environmental site assessments conducted by a qualified person (usually a professional geoscientist or engineer). RSCs, along with supporting documents, must be filed electronically to the Ontario Ministry of Environment, Conservation and Parks' Environmental Site Registry (ESR) once the ministry confirms that the contents of the RSC meet regulatory requirements. Stakeholders in Thunder Bay said this process is now taking six months to a year. This lead time is a major barrier to developing housing in Thunder Bay, particularly due to the large amount of industrial and commercial land that could be suitable for conversion to housing.

Unfortunately, these processes are—except for on City-owned properties—out of the City's control. The best the City can do is to raise awareness of these processes to new housing developers and advocate for change. Stakeholders called for the City to create a "one-stop-shop" process, with online applications to speed up the development process. This could be accompanied by a digital checklist to ensure applicants have everything they need when applying for permits and an online status that would let applicants see where their application was in the review process.

Zoning Changes

Overall, housing stakeholders and survey respondents looked favourably upon recent changes to the City of Thunder Bay zoning by-law. Stakeholders felt these updates made standards for development more flexible, with the goal of increasing density and housing affordability. Housing stakeholders appreciated new bylaw changes allowing secondary suites, back lane housing and increased density on existing lots in the urban area.

However, stakeholders also identified several areas where they thought further change would lead to improvements. One private sector housing developer said they wanted the City to further extend zoning allowances, or zoning overlays, on parts of the city that are low density to make it possible to build higher in these older neighbourhoods.

Many stakeholders wanted to see the zoning by-law allow housing in zones where it is currently prohibited, such as in commercial and light industrial areas. This would allow for older shopping malls or underutilized commercial properties be converted to housing, for example. This could involve removing requirements for housing to only be located above the first floor in commercial areas, as older neigbourhoods may have unused main floor commercial spaces that could instead be used for housing.

These relatively simple changes could open up large areas of the city already serviced by sewer, water, and roads to new housing opportunities.

3. FORECAST TO MEET FUTURE DEMAND

4. Forecast to Meet Future Demand

Perceived Population Changes

The survey conducted for this study asked respondents how they expected the population of Thunder Bay to change over the next 20 years (**Figure 3.1**).

Overall, most respondents felt that change over the next twenty years would be slow. 32% said they expected Thunder Bay's population to "grow slowly," while 23% expect a slight decline. A similar amount said they expected the population to stay around current levels.

Fewer people expected major change. 11% thought the population would grow rapidly over 20 years, while just 6% of responses anticipate a rapid decline. 5% did not know how to answer.

Stakeholders were similarly divided regarding the future of Thunder Bay. Those predicting growth noted that immigration is likely to continue to increase, with many new immigrants expected to stay in Thunder Bay. Others believed that Thunder Bay will see population growth due to new mine expansion in the area—that if there are any new mining operations within a few hundred kilometres, there is a high likelihood of staff living in Thunder Bay if suitable housing is available.

Other stakeholders were more pessimistic. One said, "Developers are always saying, 'The mining boom is coming, where are we going to house all these people?', but there has always been a 'boom' just around the corner in Thunder Bay. For decades it has always been 'coming'". Others noted that smaller municipalities in the region are attracting growth and some of this will "eat into" the population of the City of Thunder Bay over the next twenty years.

While none of these predictions about the future of Thunder Bay are scientific, they do help to provide a sense of lived experience of population changes that are useful when combined with more detailed population data.

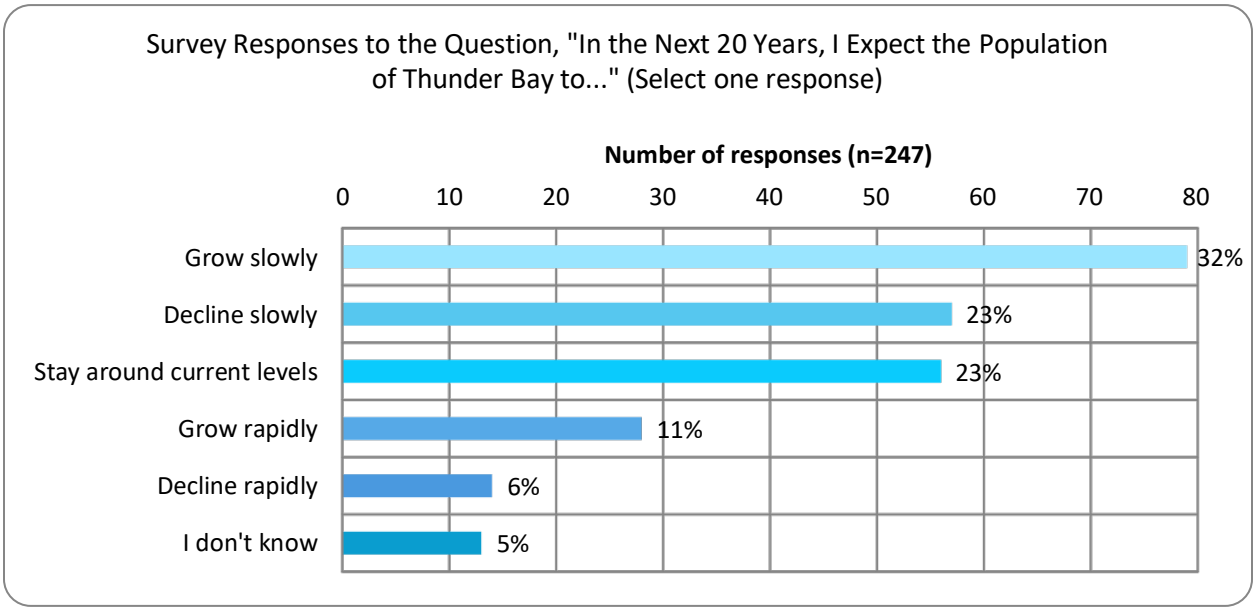


Figure 3.1: Survey Responses on Population Changes in Thunder Bay Over the Next 20 Years

Population Projections

This section provides three population projections for the future of Thunder Bay: a low-growth scenario, medium-

growth scenario, and high-growth scenario. The projections are based on socio-economic, economic and demographic trends in the City of Thunder Bay and larger region, including historic changes in population, population demographics, information on the local economy and employment, and through Ontario's Long-Term Report on the Economy (Ministry of Finance, 2020). Note that these projections use census data, and therefore do not reflect for the uncounted residents discussed in Section 2.

Low-Growth Scenario

The low-growth scenario (**Figure 3.2**) provides a population change forecast based on the average five-year change over the last twenty years (2001 – 2021). During this period, the census population of Thunder Bay decreased by a five-year average of 0.04%. According to these projections, the 2045 population of Thunder Bay would be 108,637, a slight decrease of 206 people. This scenario essentially presents an option where the population remains stable from current numbers.

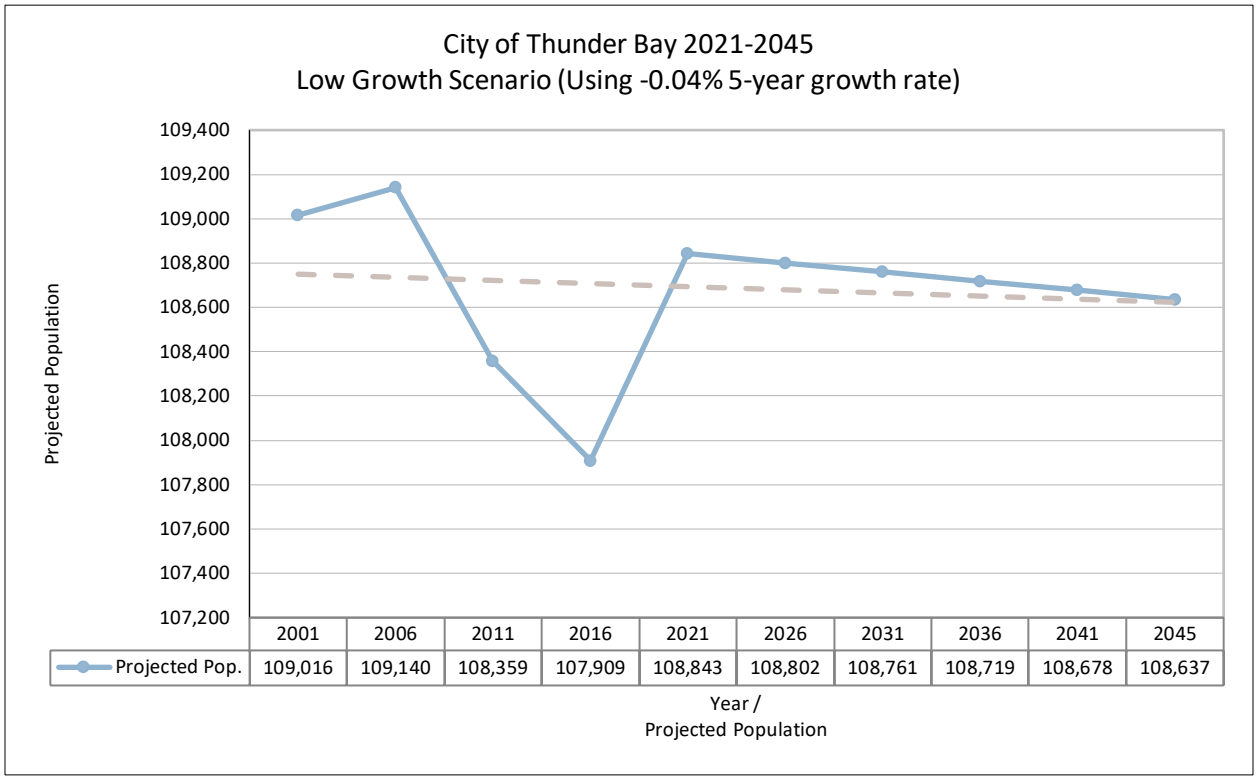


Figure 3.2: City of Thunder Bay 2021-2045 Low-Growth Scenario

Medium Growth Scenario

The medium-growth scenario (**Figure 3.3**) is based on an extrapolation of the average five-year change of 0.87%, which was experienced over the last 5-year period (2016 – 2021). If Thunder Bay's population grew by this average rate over the next few decades, the population would grow to 113,636 by 2045, an increase of 4,793 people from the 2021 census.

This growth rate is slightly higher than the long-term growth projections for Northwestern Ontario (a growth rate of 0.62% per 5-year period), as provided in Ontario's Long-Term Report on the Economy (June 2020). This report includes demographic trends and projections for the Province of Ontario to the year 2046. It also provides more specific projections for different regions in the province.

For Northern Ontario, the report says, "Population growth trends for the North changed significantly over the past few years, driven by rapid growth in the number of non-permanent residents living in the region. The population of Northern Ontario is projected to remain relatively stable, with a slight increase of 2.0 per cent, from 811,000 in 2019 to 828,000 by 2046. Within the North, the Northeast is projected to see its population edging up by 10,000, or 2.0 per cent, from 568,000 to 579,000. The Northwest is also projected to experience slight population growth of 6,000 people, or 2.5 per cent, from 243,000 to 249,000." This is an average growth-rate of 0.62% over a 5-year period.

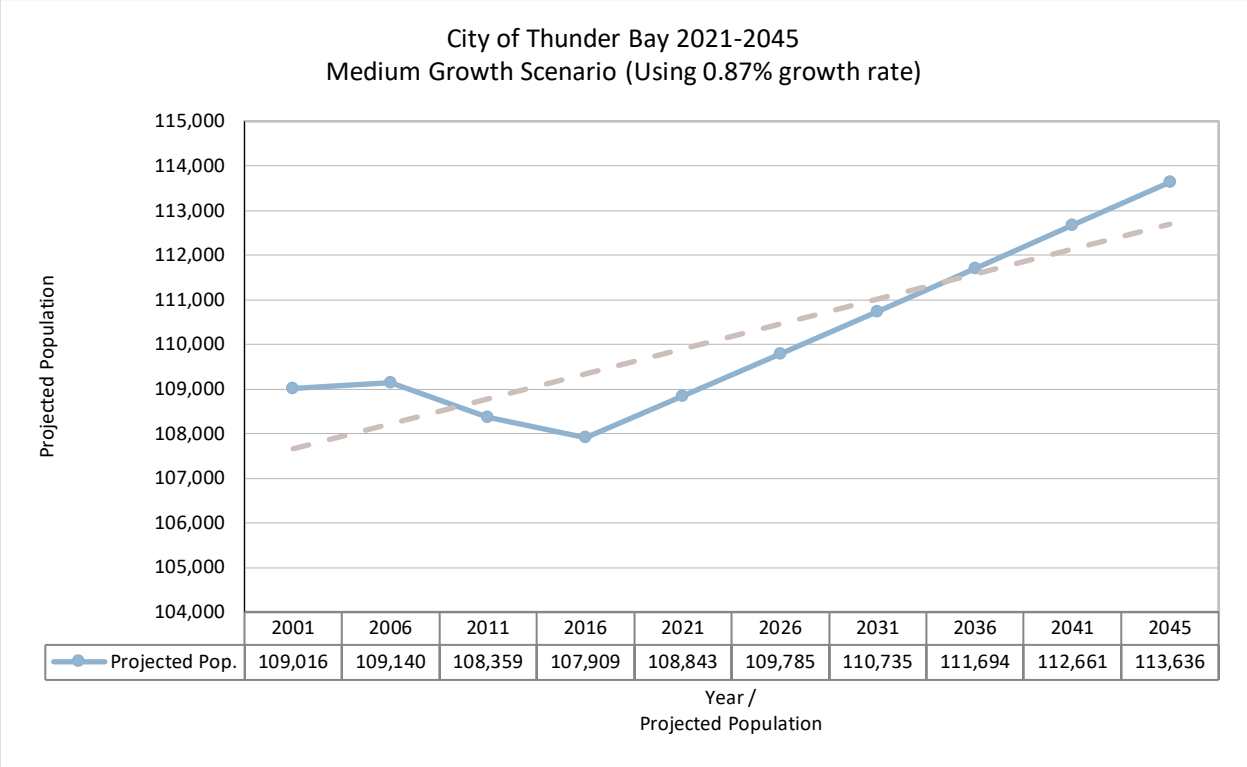


Figure 3.3: City of Thunder Bay 2021-2045 Medium-Growth Scenario

High Growth Scenario

Figure 3.4 shows the high-growth scenario for the City of Thunder Bay.

The high-growth scenario is based on a 2.8% average 5-year growth rate. This growth rate equates to the highest growth rate observed of the three comparison cities and Thunder Bay over the last 20 years—the growth rate of Greater Sudbury between 2016 and 2021. As described above, Greater Sudbury has many of the same characteristics as the City of Thunder Bay and it is plausible that the growth rate experienced in one of these locations could realistically be experienced in the other.

If this growth rate is applied to the City of Thunder Bay and extrapolated over a 20-year period, this would equate to a population of 124,959 in the year 2045. This is an increase of 16,116 people from the census population in 2021.

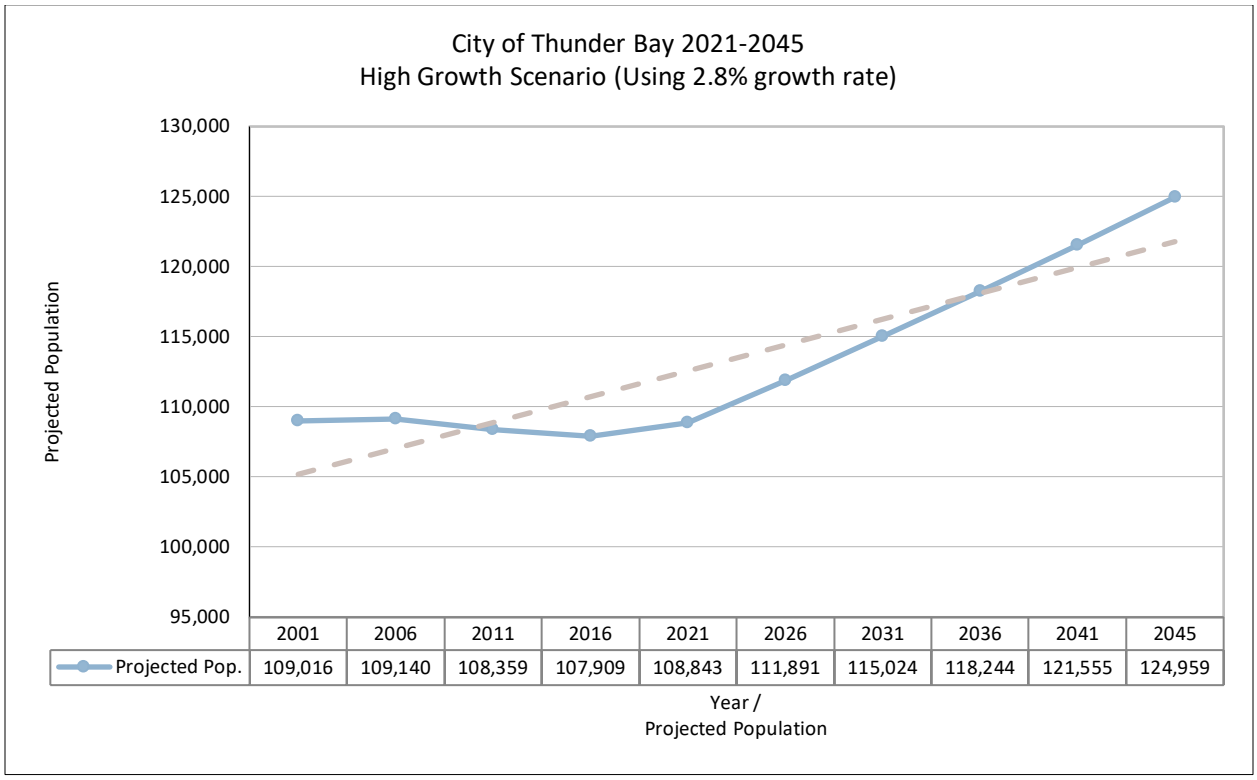
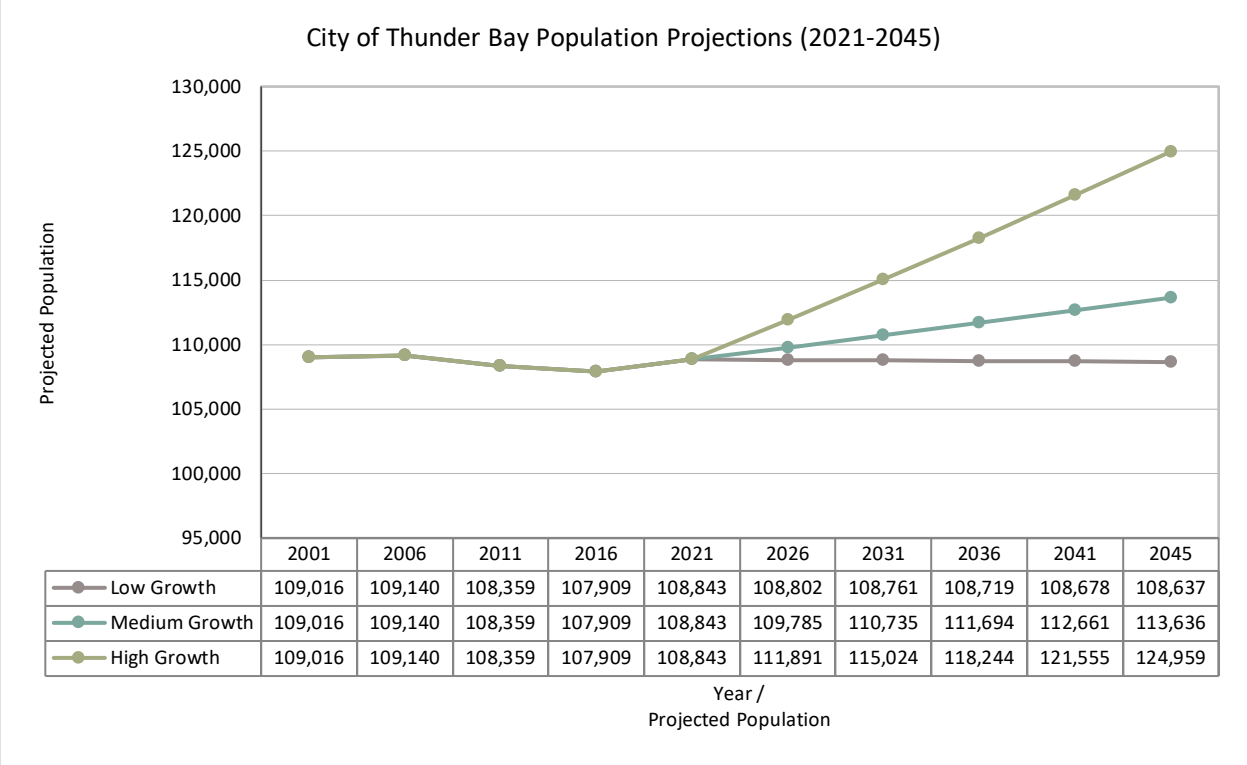


Figure 3.4: City of Thunder Bay 2021-2045 High-Growth Scenario

The Three Scenarios

Figure 3.5 shows the three scenarios together on a chart. Note that these projections vary from projections provided in some other documents for the City of Thunder Bay. The Thunder Bay Employment Land Strategy (2020), for example, includes a "High Growth" scenario with a population of approximately 132,500 by the year 2045 and a "High+ Growth" scenario with a population of approximately 151,950 by 2045. It is possible that Thunder Bay may experience a population boom, due, for example, to a large new mine opening; however, the Thunder Bay Housing Land Needs Study and Strategy is focusing on observed trends in recent history in northwestern Ontario.



	2001	2006	2011	2016	2021	2026	2031	2036	2041	2045
Low Growth	109,016	109,140	108,359	107,909	108,843	108,802	108,761	108,719	108,678	108,637
Medium Growth	109,016	109,140	108,359	107,909	108,843	109,785	110,735	111,694	112,661	113,636
High Growth	109,016	109,140	108,359	107,909	108,843	111,891	115,024	118,244	121,555	124,959

Figure 3.5: City of Thunder Bay Population Projections (2021-2045)

Future Housing Need

Table 3.1 shows a table of projected housing needs for the next twenty years using estimates for the three population projections based on: the current deficit in the housing stock (865 housing units); the rate of retirement of housing stock (103 units/5-year period); and the OECD target housing standard of 462 housing units per 1,000 residents (counted for all new residents projected after the year 2021).

Table 3.1: Future Housing Need by Growth Scenario

Year	Low Growth Scenario			Medium Growth Scenario			High Growth Scenario		
	Projected Pop.	Change from 2021	**New Housing Needed***	Projected Pop.	Change from 2021	**New Housing Needed***	Projected Pop.	Change from 2021	**New Housing Needed***
2021	108,843	0	**865**	108,843	0	**865**	108,843	0	**865**
2026	108,802	-41	**968**	109,785	942	**1,403**	111,891	3,048	**2,376**
2031	108,761	-82	**1,071**	110,735	1,892	**1,945**	115,024	6,181	**3,926**
2036	108,719	-124	**1,174**	111,694	2,851	**2,491**	118,244	9,401	**5,517**
2041	108,678	-165	**1,277**	112,661	3,818	**3,041**	121,555	12,712	**7,150**
2045	108,637	-206	**1,380**	113,636	4,793	**3,594**	124,959	16,116	**8,825**

*Based on existing housing deficit of 865 and an average of 103 residential units lost in a 5-year period, plus factoring in OECD standards of 462 housing units per 1,000 residents for new residents from 2021.

Thunder Bay Housing Target

Since 2016, Thunder Bay has averaged constructing 190 new dwelling units per year. This "business as usual" construction rate will not be sufficient to meet the projected number of housing units needed in most growth scenarios.

As of August 21, 2023, the Ontario government assigned the City of Thunder Bay a housing target of 2,200 new homes by the year 2031. This would require the construction of 220 housing units per year over the ten-year period between 2021 and 2031, a 16% increase from the current average annual number of units built in Thunder Bay (190).

While this target is ambitious, the City has taken recent actions to reduce barriers and continues to work on policy review with the goals of increasing the rate of housing construction. These efforts appear to be working. In 2023, 301 new units were built in the calendar year. This number extrapolates to 6,020 over twenty years. This would exceed the projected amount of housing needed under the medium growth scenario in this report, although still not meet the projected needs in the high-growth scenario.

Following written confirmation from the mayor of Thunder Bay that the City pledges to meet the official housing target, Thunder Bay has been identified as a city with Strong Mayor Powers under Ontario Regulation 530/22 and will have access to the Ontario "Building Faster Fund" if it meets at least 80% of its annual target for 2023-2025. The targets are: 161 in 2023 (exceeded), 183 in 2024, and 220 in 2025.

Desired Housing Types

This section discusses the targeted proportions of different housing types to meet the future housing demand in the City of Thunder Bay over the next twenty years, looking at the different types of housing including single-detached units, townhouses, and apartments, along with unique housing types such as tiny homes.

Figure 3.6 shows the survey responses to the question, "Do you feel more variety of housing is needed in Thunder Bay?" Respondents overwhelmingly indicated support for more housing options, with 86% agreeing more variety is needed. Only 8% felt there was enough variety in existing housing while 6% did not know how to answer.

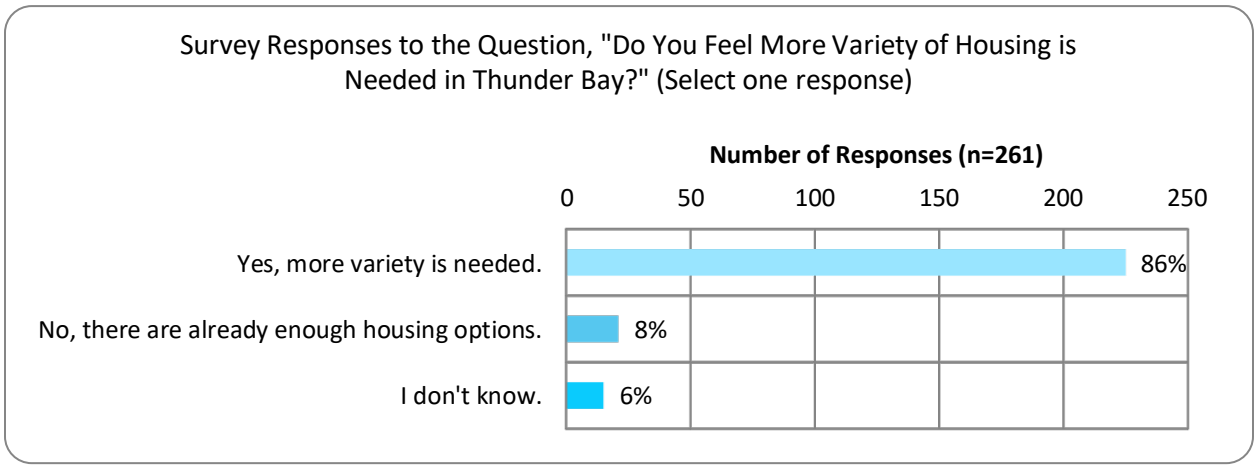


Figure 3.6: Survey Responses on Need for More Variety of Housing (2023)

Figure 3.7 shows survey responses to a question asking participants to identify how much more of each housing type will be needed in Thunder Bay over the next 20 years? Respondents were asked if they thought Thunder Bay will need "many more," "some more," or "no more/already enough" of 15 different housing types over the next 20 years. They also had an option to choose "I don't know" (not shown on the graph).

The types of housing that respondents said were most needed were: **Assisted living**, **entry-level / affordable single-detached houses**, **55+ / seniors living**, and **small apartments,** followed closely by **other supportive housing**.

For **single-detached houses**, respondents generally said Thunder Bay needs more entry level/affordable homes, some more mid-priced homes, and few additional high-end homes. The expressed need for certain single-detached housing types is likely correlated to the high homeownership percentages of people in the 55-75 age cohort (baby boomers) and the 75+ cohort, who are staying in houses rather than moving into apartments or condominiums.

Respondents saw a clear need for more **duplexes and townhouses / rowhouses**, with a small percentage feeling there is already enough of each.

When asked about **apartments**, respondents preferred small buildings (under 5-storeys) to large buildings (over 5-storeys), but support was strong for both.

Regarding **tiny homes,** 68% of respondents said many (37%) or some (31%) more **tiny homes** were needed in Thunder Bay in the future.

Respondents also had favourable opinions on **co-op housing**, with 34% saying many more were needed and 28% saying some more are needed. One participant said, "Co-operative housing is a proven model. Thunder Bay has 3 housing co-operatives that I know of, all self-supporting. All self-governing. The City of Thunder Bay should be supporting this model."

Participants had mixed opinions on **condominiums**, with 37% of respondents feeling there was already enough, 34% suggesting some more are needed, and 17% saying many more were needed.

Secondary suites received high levels of support (56% saying many or some more were needed) but also had the highest rate of "I don't know" responses.

Rural housing was dominated by "already enough" responses (46%). 32% said some more or many more rural housing units were needed.

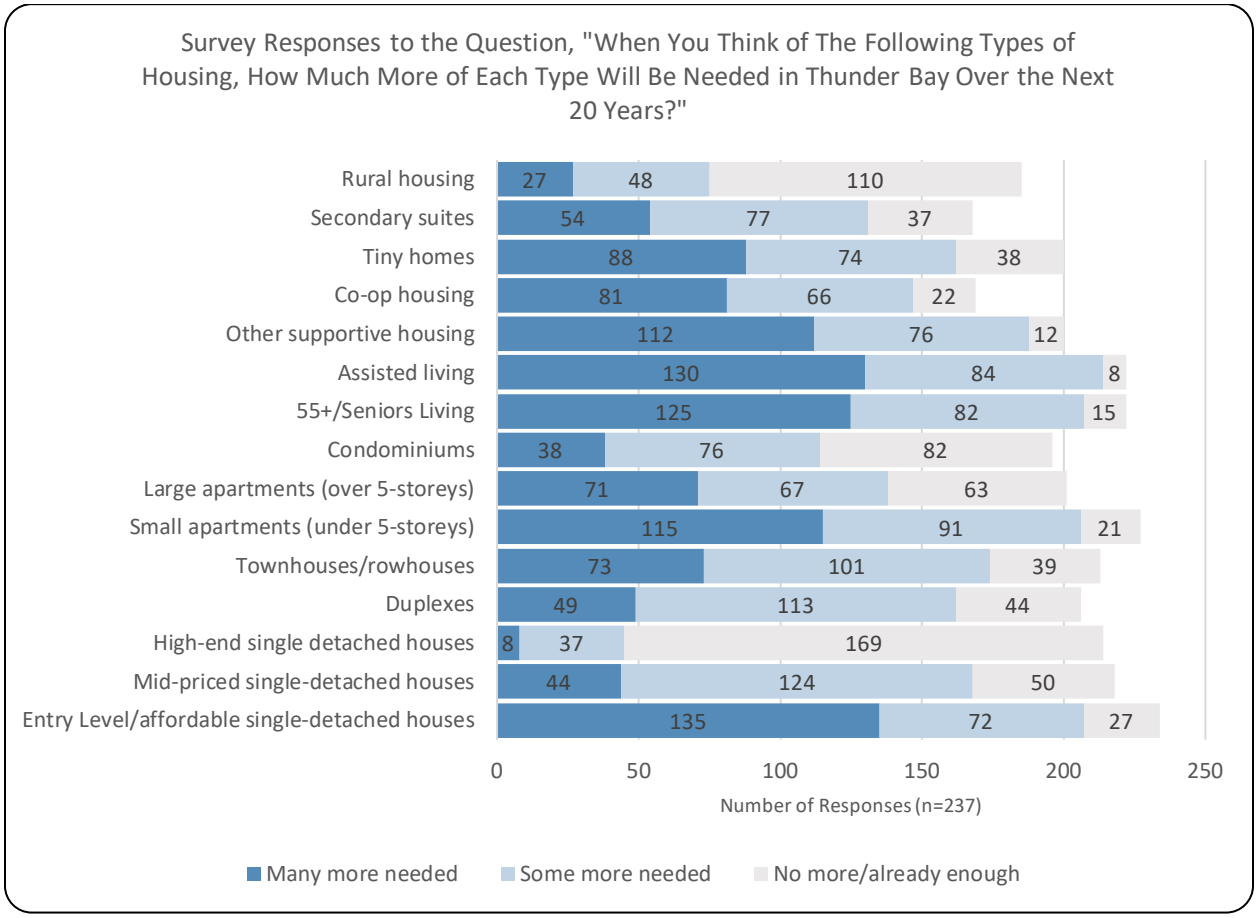


Figure 3.7: Survey Responses to Question on Need for Future Housing Types

These comments were largely echoed by housing stakeholders, who had a wide range of answers regarding which housing types were most needed in Thunder Bay.

Stakeholders highlighted that students need access to affordable **student housing rentals** during school and **entry-level homes** to retain them long-term as new graduates. Stakeholders stressed that student housing is one of the big housing challenges facing Thunder Bay.

Stakeholders also reiterated that **seniors need affordable, accessible buildings** with the option for **assisted living**. Alternative models of affordability like **co-ops, rent-to-own properties, and tiny homes** were suggested, as well as **transitional housing** for those experiencing homelessness. Stakeholders noted that there is a gap in safe and accessible housing that supports women and transgender people experiencing homelessness.

Indigenous stakeholders highlighted the need for stable, permanent lifetime housing while recognizing that 1-bedroom housing is the most sought-after.

Several stakeholders identified a particular need for housing to serve the **mining and forestry industries**, which could range from **short-term or long-term rentals** to larger rural properties.

This demographic and others may also have an appetite for **higher end multifamily units and condos**, as well as **single family, larger, suburban style homes** with frontage, which were not identified as high needs by the public in the community survey.

Location of New Housing

The survey asked respondents the question, “What factors would be important if you were looking to move to a new home or place of residence in Thunder Bay?” The responses are shown in **Figure 3.8**. The survey shows the highest

priorities for people looking to move within Thunder Bay include safety, affordability, access to trails and parks, and proximity to shops and culture.

The most popular response, selected by 62.3% of respondents (154 individual responses), was the desire for an "area that feels safe". This answer was given at nearly a 3:2 ratio over the next most popular answers, "less expensive rent/mortgage" and "access to trails/parks."

An additional 30.4% of respondents selected "I'm perfectly happy with my current home" as the fourth most popular answer, while "closer to shops/culture" rounded out the top five.

After the fifth answer, there is a much lower degree of separation between options until reaching the bottom 3 answers. These were "closer to other family members" (9.3%), "I'm looking to leave Thunder Bay" (6.1%), and "other" (5.3%).

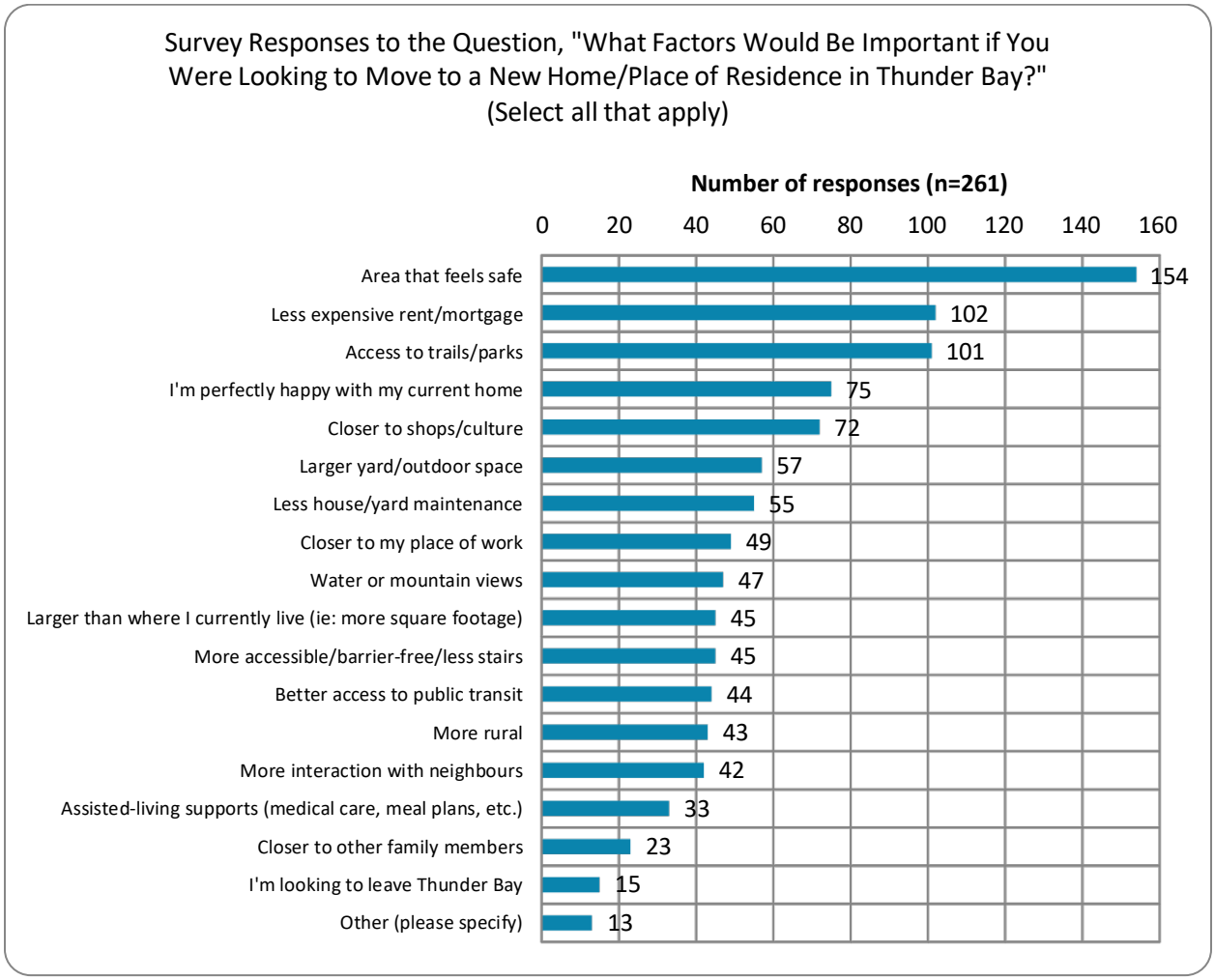


Figure 3.8: Survey Responses on Important Factors for a New Place to Live in Thunder Bay

Figure 3.9 shows survey responses to the question about where the City of Thunder Bay should be looking for places to develop housing.

According to most respondents, the City of Thunder Bay should encourage infill over greenfield development when looking for new housing sites. Among infill options, **building on empty lots in existing urban areas** was the most popular response, selected by 83% of respondents (more than 200 individual respondents).

Acquiring deteriorated homes for demolition to build in higher densities was also popular, receiving support from 78%.

Repurposing underutilized or vacant commercial and industrial sites were third and fourth with 73% and 64% respectively.

Using **educational or other institutional sites** toward the same goal was less popular, receiving support from 54% of respondents.

Despite the popularity of infill options, only 52% said the City should encourage **increasing density in existing neighbourhoods**, suggesting that some who support infill are concerned about rapid increases in density from the current housing stock in built-up neighbourhoods.

Suburban greenfield development options were relatively unpopular overall. **Fewer than one in five (18%) supported new subdivisions beyond the existing urban area**.

Only 16% supported the idea of the City "exploring all public and private lands for housing, even if it meant using existing greenspace if necessary".

The "other" response was selected by 6% and consisted mostly of respondents stressing the need for infill development over new subdivisions outside the urban area, as well as highlighting the need for affordable housing. Only 2 respondents (1%) said "none of the above."

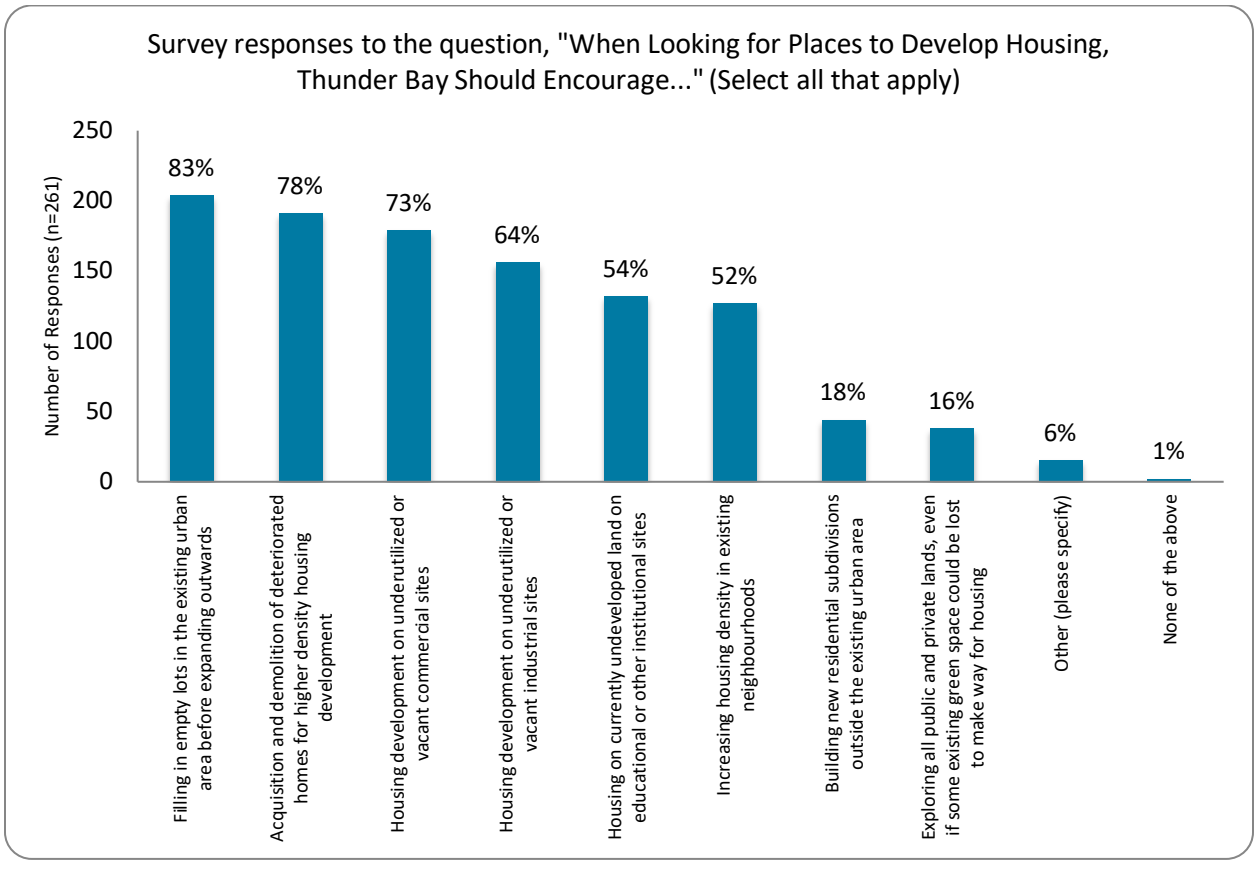


Figure 3.9: Survey Responses on Places to Develop Housing in Thunder Bay

Stakeholders largely agreed with residents in the survey that land already serviced by the city should be prioritized

over greenfield development, and housing should be located near transit and other amenities.

While some stakeholders acknowledged the desire for new housing subdivisions in the rural areas, most said Thunder Bay should focus on making use of existing infrastructure and reuse of vacant buildings or lots in mature neighborhoods.

Stakeholders and survey respondents also highlighted several specific locations where they wanted to see new housing development, including the Lakehead Psychiatric Hospital, the Waterfront, and Fort William.

Target Proportion of Housing Type for New Construction

Figure 3.10 shows the targeted proportions of different housing types and locations (where relevant) for new housing required to meet the housing demand in the City of Thunder Bay from now until the year 2045.

The percentages are based on balancing current trends and the demand for future housing types shown in the research in this housing study and the policies in Thunder Bay's Official Plan, which generally encourage the development of higher density dwelling types before lower density housing forms. Note that these percentages are targets only and may be adjusted based on changing demand and land availability.

More details on each housing type are provided below.

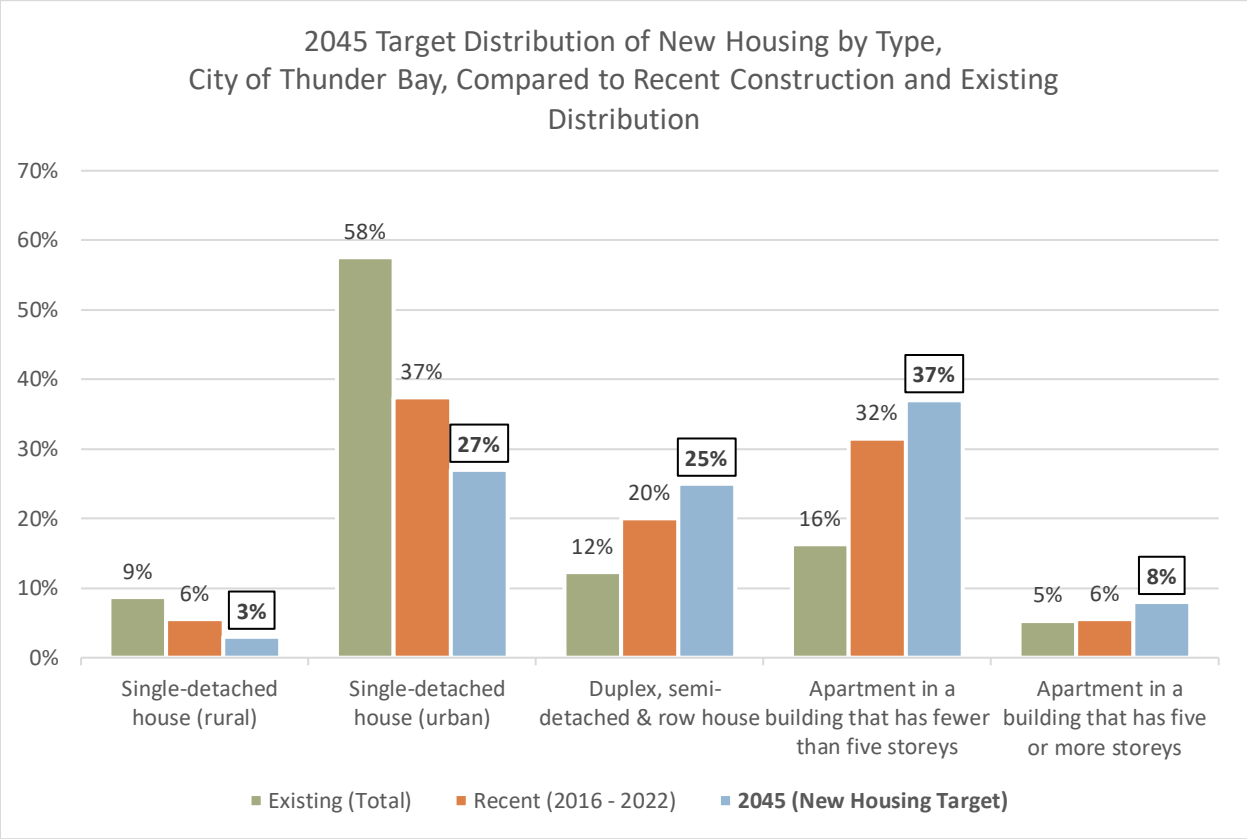


Figure 3.10: 2045 Target distribution of new housing by type, City of Thunder Bay, compared to recent construction and existing distribution

Single-detached housing (rural)

The new housing target for single-detached homes in the rural area is 3% of the total number of housing units

developed from now until 2045. Rural single-detached homes have historically comprised 9% of the total housing supply in the City of Thunder Bay. In recent years (2016 to 2022), 6% of all new housing units have been developed in the rural area.

The research and community engagement undertaken for this study has shown that there will still be a demand for rural housing over the next twenty years; however, it also showed that future growth in this area will need to be done sustainably so as to reduce the need for the costly extension of infrastructure and servicing to new areas.

A 3% target will allow for the continued development of housing types that need to be located in the rural area (such as rural lots that support small-scale sustainable agricultural operations, horse stables, etc.) and to support other new development types that may benefit from being located in a more rural setting such as a **tiny house community** or **conservation subdivisions / cluster developments**, and so forth. Further discussion of these alternatives are included in the recommendations section of this report.

Single-detached housing (urban)

The new housing target for single-detached housing in the urban area is 27% of all projected new dwelling units. This is a significant decrease from existing housing proportions in Thunder Bay, where single-detached housing in the urban area comprises 58% of all units. However, this percentage has already been decreasing in recent years. From 2016 to 2022, urban single-detached housing made up only 37% of all new units. These trends are expected to continue in the future as Thunder Bay looks to increase density within the urban boundary as a means of addressing rising costs for infrastructure and creating more environmentally sustainable neighbourhoods to address climate change mitigation and adaptation.

Notwithstanding the overall desire for increased housing density in the city, there will remain a demand and a need for single-detached housing over the next twenty years.

The single-detached housing category encompasses more than middle-class single-family housing. It also includes **entry-level homes** and other types of **affordable housing** (e.g. Habitat for Humanity homes) and emerging housing forms such as **tiny houses** and **modular housing.**

The majority of existing urban single-detached units in the City of Thunder Bay are within the Urban Low-rise (UL) zone (87% of all single dwelling units in the City, compared to 13% in the rural area). The new single-detached housing target recognizes the ongoing desire for this housing type, with the understanding that up to four housing units are now permitted on each lot in the UL zone in the City under updated zoning rules. To meet future housing needs, it is anticipated that construction of accessory dwelling units (ADUs), duplexes, and apartments will increasingly replace single-detached houses over the next twenty years.

Duplex, semi-detached, and row house

Thunder Bay is targeting 25% of housing created between now and 2045 as duplexes, semi-detached houses, and row houses. This is an increase from the historical proportion of these unit types in Thunder Bay (12% of existing units). However, demand for these housing types has increased significantly in recent years. From 2016 to 2022, 20% of new units in Thunder Bay were duplexes, semi-detached, or row houses. With recent changes to the zoning by-law permitting up to four units on lots in the Urban Low-Rise (UL) zone, including **secondary suites / backyard homes**, it is anticipated that the number of these housing types will continue to grow over the next twenty years.

Apartment (under five storeys)

Apartments in buildings under five storeys have always provided a significant number of housing units in Thunder Bay. This size of apartment building is usually classified as the "missing middle" in larger cities, where housing is most often found in high-rise apartments or in detached dwellings. In Thunder Bay, these buildings are still fairly common.

Historically, 16% of all dwelling units in Thunder Bay are found in this building type. Recently (between 2016 and 2022), an estimated 32% of housing units built were in apartments under five stories. With support, Thunder Bay will target 37% of all new housing units as apartments in buildings under five storeys between now and 2045. This type of housing will primarily be situated in urban medium density zones, including the UM – Urban Mid-rise Zone, and, to a lesser extent, the UX – Urban Mixed-use Zone, NC – Neighbourhood Commercial Zone, and the MS – Main Street Zone where these buildings may be part of mixed-use developments (such as those with ground floor commercial activity) that can help to improve urban vitality and the revitalization of downtown core areas.

This category includes some of the housing types that were identified as the most in-demand by survey respondents, including: **Assisted living**, **55+/seniors living**, **small apartments, co-op housing** and **other supportive housing** types. Current zoning regulations allow for a full range of housing needs and tenure to be accommodated in the same building.

Apartment (over five storeys)

Apartments in buildings with five or more storeys comprise 5% of the existing housing supply in the City of Thunder Bay. In recent years, an estimated 6% of all housing in Thunder Bay is housing of this type. With these types of developments, even a single project can contribute a significant portion of the housing units constructed in the city on an annual basis.

Because these buildings contain many floors of housing, they are often the most efficient way to add units in small footprints on the land (although row housing and small apartments can also add significant density without using significant land). They are found primarily in urban high-density zones such as the UH – Urban High-rise Zone, and, to a lesser extent, the DN – Downtown Neighbourhood Zone (although this zone is not exclusively residential).

With funding and council support, the City of Thunder Bay will target 8% of new housing over the next twenty years to be apartments in buildings of five or more storeys, which can support many desired housing types, including **55+ seniors living, condominiums,** and **co-op housing.**

Total Projected Housing Need by Type

Table 3.2 shows the total projected housing units, by type, that are needed in Thunder Bay by the year 2045. They are presented according to the three growth scenarios identified in **Table 3.1** and based on the target housing type percentages shown in **Figure 3.10.**

The final column shows the primary land use zones where each dwelling type is likely to be located, based on existing land use patterns and zoning requirements. This information will be used in the inventory of current to assess if there is a gap between housing demand and availability of appropriate lots for development.

Table 3.2: Total Projected Housing Units, by Type, Needed in Thunder Bay by 2045

	Units Needed By 2045			
Dwelling Type	**Low-Growth Scenario**	**Medium-Growth Scenario**	**High-Growth Scenario**	**Primary Land Use Zones**
Single-detached house (rural)	41	108	265	Rural Zones (RU, RS1)
Single-detached house (urban)	373	970	2,383	Urban Low-Density Zones (UL)
Duplex, semi-detached & row house	345	899	2,206	Urban Low-Density Zones (UL)
Apartment (<5 storeys)	511	1,330	3,265	Urban Medium-Density Zones (UM, UX, NC, MS)
Apartment (5+ storeys)	110	288	706	Urban High-Density Zones (UH, DN)
TOTAL	**1,380**	**3,594**	**8,825**	

4. INVENTORY OF CURRENT RESIDENTIAL LAND SUPPLY & HOUSING

5. Inventory of Current Residential Land Supply and Housing

This section describes the spatial inventory of existing housing and the residential land supply in the City of Thunder Bay undertaken as part of this project.

A corresponding GIS dataset has been provided to the City of Thunder Bay as a component of this study's deliverables.

Assessed Value Per Acre

Figure 4.1 shows a map of the assessed value per acre of every parcel in the City of Thunder Bay while **Figure 4.2** visualizes the same data in three dimensions. The maps were created using assessed value for properties provided by the Municipal Property Assessment Corporation (MPAC), which were then divided by the area of each parcel to give a value per acre. The maps show assessed values for all properties in Thunder Bay, not only residential lots.

Note that typically, property assessments in Ontario are conducted every four years; however, assessments have been frozen since 2016 because of the COVID-19 pandemic, therefore assessed values reflect 2016 values rather than current values. This should not affect interpretation of the map shown in **Figure 4.1**, as property values shown are relative to other property values.

The map highlights a few key facts regarding assessed value per acre. In general, **the lowest values per acre** (shown in green on the map) are found within the rural areas of Thunder Bay. The value of these properties is generally less than $100,000 per acre. This is because rural properties are notably larger than urban properties but are not assessed correspondingly higher than urban properties. This dynamic is best illustrated by **Figure 4.2,** where the assessed value of a property is expressed by the height of each data point.

As a rule, the **highest values per acre** (shown in red or purple on the map) are found in the downtown areas and in the newer subdivisions, such as those in the northwest corner of the urban area. These properties have assessed values greater than $2,000,000 per acre—more than 20 times greater than the identified parcels in the rural area.

The comparative value of more dense forms of residential development compared to larger rural lots should guide council decisions related to permitting and incentivizing certain types of residential development as well as strategies related to cost recovery for new development, depending upon location.

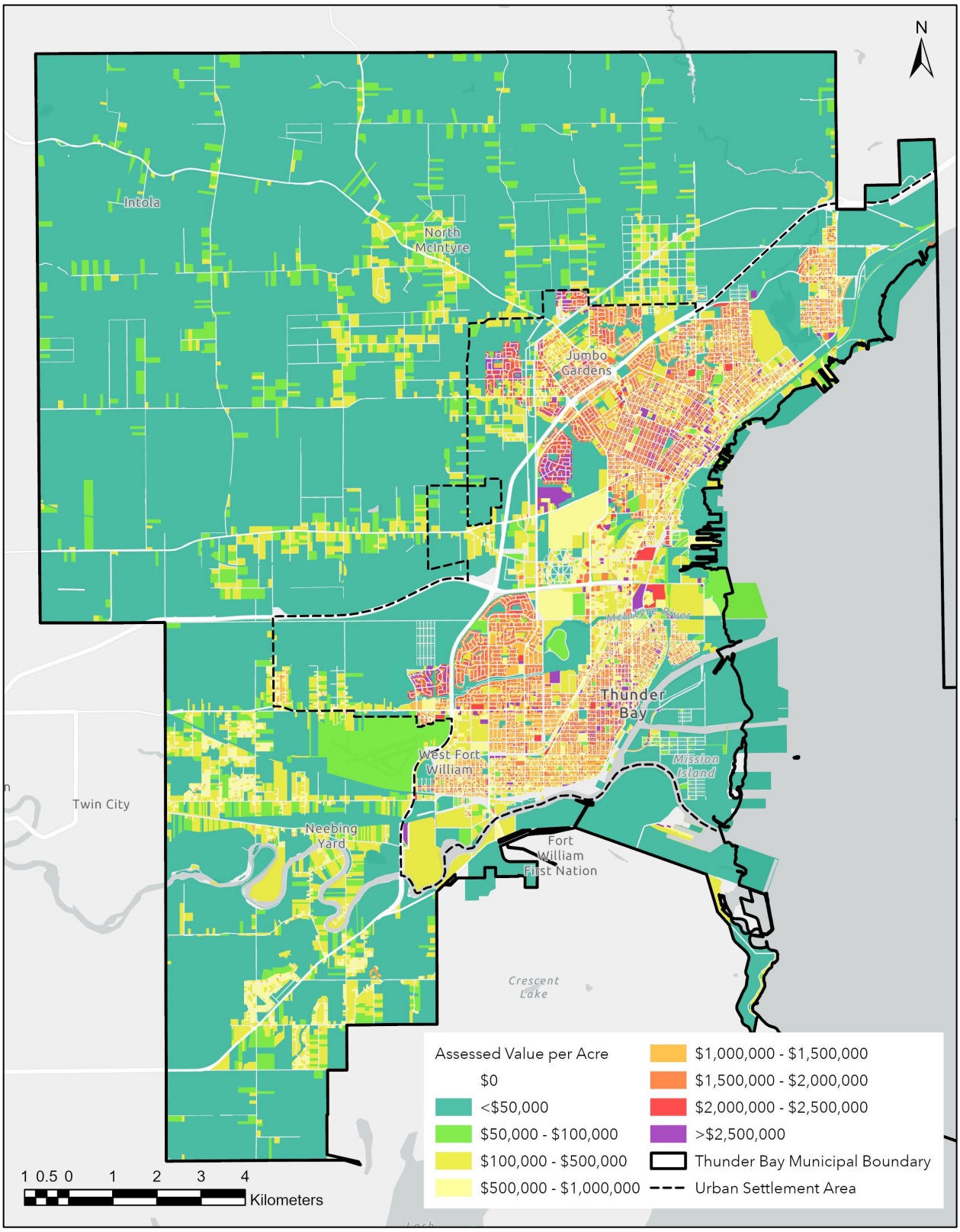


Figure 4.1: Assessed Value Per Acre, City of Thunder Bay (based on MPAC assessment data, 2023)

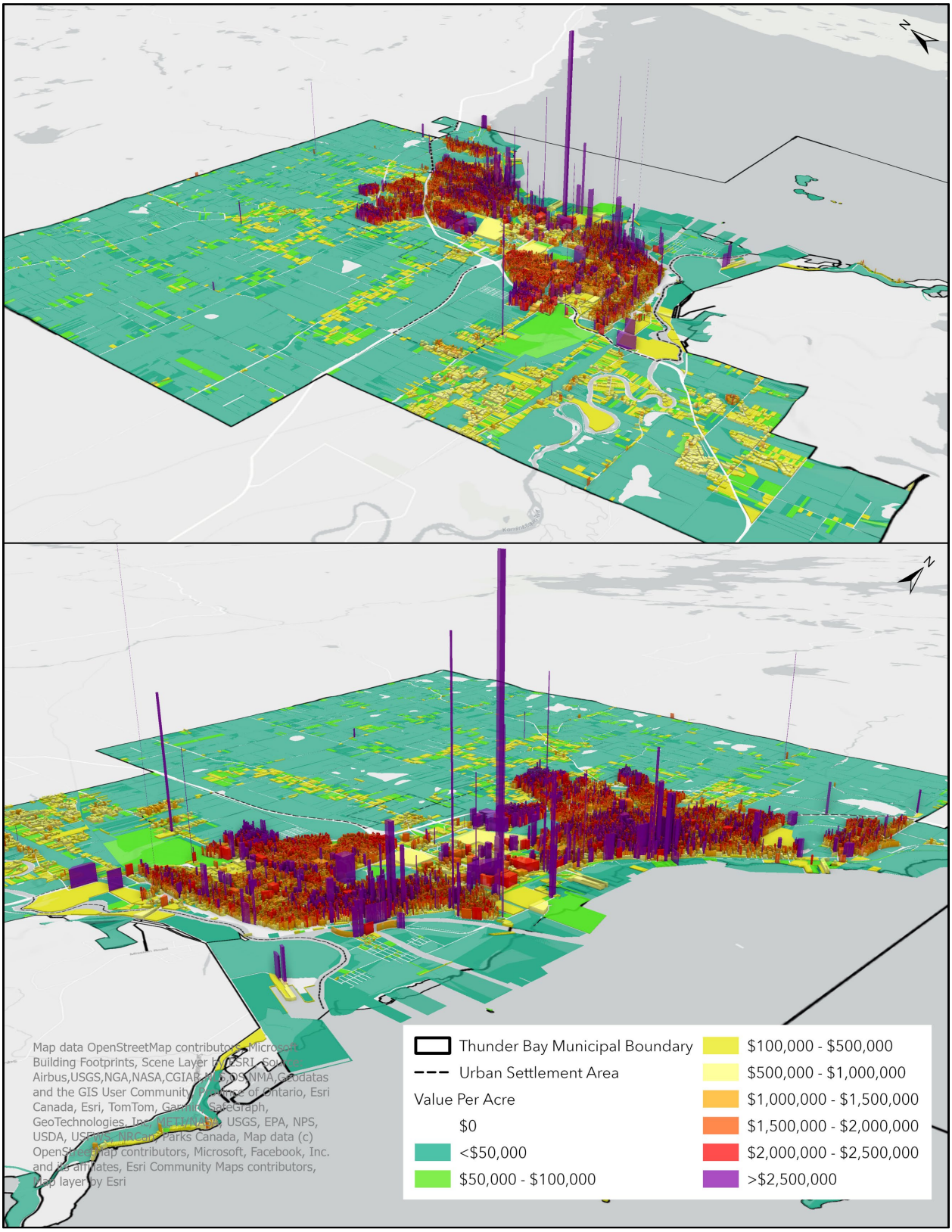


Figure 4.2: Assessed Value Per Acre, City of Thunder Bay, visualized in 3D (based on MPAC assessment data, 2023)

Existing Residential Land Supply

This section includes an analysis of the characteristics of the existing residential supply in Thunder Bay. The assessment is based on a spatial analysis of Geographic Information System (GIS) data that cross-references property assessment information with lot size data, zoning and Official Plan information, and physical development constraints.

This information is used to provide a complete picture of housing in the City of Thunder Bay according to zoning category and cross-referenced by housing size.

Table 4.1 shows numbers of housing units in the City of Thunder Bay within each zone and land use area. The majority of housing units in Thunder Bay are provided in Urban Neighbourhoods (more than 44,000 dwelling units), with most of these located in the Urban Low-Rise Zone. This zone alone provides 34,652 total dwelling units—more than 66% of all dwelling units in the city.

In contrast, housing in the rural areas makes up just 9% of the overall housing inventory in Thunder Bay, with 3,548 units in rural areas (7%) and 1,176 in rural settlements (2%).

Small portions of the overall housing totals are located in other areas—most of these are a result of housing that is "grandfathered" into a zone even though future housing in these areas may not be appropriate or desired in the City's Official Plan.

Table 4.1: Count of Dwelling Units by Type per Zone / Land Use Area

Zone	1 Units	2 Units	3 Units	4 Units	5 Units	6 Units	7 Units	8 Units	9 Units	10 Units	11+	Condo	Total
Rural Areas													**3,548**
RU	3,153	37	0	1	0	1	0	0	0	0	3	54	3,529
RUC	7	0	0	0	0	0	0	0	0	1	0	0	17
RR	2	0	0	0	0	0	0	0	0	0	0	0	2
Rural Settlements													**1,176**
RS1	1,160	6	0	0	0	0	0	0	0	0	0	0	1,172
RS2	1	0	1	0	0	0	0	0	0	0	0	0	4
Urban Neighbourhoods													**44,059**
UL	28,642	1615	370	192	44	55	1	14	8	3	7	12	34,652
UM	419	37	12	39	14	63	4	12	4	4	147	1,393	7,837
UH	0	0	0	0	0	0	0	0	0	0	6	516	1,261
UX	65	22	8	7	4	1	1	0	1	0	6	0	304
NC	1	0	0	1	0	0	0	0	0	0	0	0	5
Pedestrian Commercial Areas													**1,662**
MS	28	9	4	8	4	4	0	1	0	2	6	0	259
DN	97	32	29	20	9	5	2	1	2	4	18	93	1,304
WC	0	0	0	0	0	0	0	0	0	0	0	99	99
Commuter Commercial Areas													**461**
SC	84	17	14	11	4	3	2	5	2	0	1	0	422
CC	6	2	0	1	0	0	0	0	0	1	0	0	24
RC	0	0	3	0	0	1	0	0	0	0	0	0	15
Business Areas													**169**
LI	114	8	1	2	0	0	0	0	1	0	0	0	150
BU	16	0	0	0	0	0	0	0	0	0	0	3	19
Heavy Industrial Areas													**28**
HI	25	0	0	0	0	0	0	0	0	0	0	0	25
AP	1	0	0	0	0	0	0	0	0	0	0	0	1
US	2	0	0	0	0	0	0	0	0	0	0	0	2
Institutional and Community Areas													**385**
IN	11	0	0	0	0	0	0	0	0	0	5	0	363
CM	18	2	0	0	0	0	0	0	0	0	0	0	22
Natural Heritage Areas													**244**
EP	228	8	0	0	0	0	0	0	0	0	0	0	244
Future Development Areas													**436**
FD	190	11	1	0	0	0	1	0	0	0	0	0	222
UG	208	3	0	0	0	0	0	0	0	0	0	0	214
Tot.	**36,648**	**1,809**	**443**	**282**	**79**	**133**	**11**	**33**	**18**	**15**	**199**		**52,168**

Existing Density by Zoning Type

Table 4.2 shows the housing density of existing lots for all primary residential zones in the City of Thunder Bay, for lots that have a minimum of 1 dwelling unit (vacant lots are not included in the calculation). The table also excludes residential condominiums, although these are included in the total dwelling unit count on **Table 4.1** (MPAC classifies condominiums as single units but uses the size of the total lot for all area calculations; if included in this table, it would lead to errors when calculating the number of units per hectare of land area).

Not surprisingly, the rural areas have the lowest number of units per hectare. In the RU – Rural Zone, where most of Thunder Bay's rural dwellings are located, there is an average density of 0.3 units per hectare (or 0.13 units per acre).

The urban neighbourhood areas have the highest number of units per hectare. The UL – Urban Low-rise Zone, has an average density of 19.2 units per hectare (7.8 units per acre).

The UM – Urban Mid-rise Zone has an average density of 51.3 units per hectare (or 20.7 units per acre). Other mixed-use zones with a similar level of density include the UX – Urban Mixed-use Zone, NC – Neighbourhood Commercial Zone, and the MS – Main Street Zone.

The UH – Urban High-rise Zone has the greatest density, at 90.2 units per hectare (36.5 units per acre). The DN – Downtown Neighbourhood zone, at 71.4 units per hectare, is also considered high-density.

Increasing the supply of units with these higher densities and trying to increase the density of new developments in each of these zones will be essential in order for Thunder Bay to achieve greater overall densities in its neighbourhoods.

Table 4.2: Housing Density of Existing Lots in Primary Residential Zones (for lots with a minimum of 1 dwelling unit)

Zone	Total Existing Dwelling Units*	Total Existing Lots*	Avg. Units / Lot	Total Area (ha.)	Avg. Lot Size (ha.)	Avg. Lots / ha.	Avg. Units / ha.
Rural Areas							
RU	3,475	3,195	**1.1**	10,078.6	3.15	0.3	**0.3**
Rural Settlements							
RS1	1,172	1,166	**1.0**	564.8	0.48	2.1	**2.1**
Urban Neighbourhoods							
UL	34,640	30,951	**1.1**	1,805.1	0.06	17.1	**19.2**
UM	6,444	757	**8.5**	125.7	0.17	6.0	**51.3**
UH	745	6	**124.2**	8.3	1.38	0.7	**90.2**
UX	304	115	**2.6**	7.6	0.07	15.1	**40.0**
NC	5	2	**2.5**	0.1	0.06	15.8	**39.4**
Pedestrian Commercial Areas							
MS	259	66	**3.9**	4.5	0.07	14.8	**58.0**
DN	1,211	219	**5.5**	17.0	0.08	12.9	**71.4**

*Total dwelling units and existing lots counted in this table excludes lots with residential condominiums.

Density Targets

Table 4.3 takes the average number of units per lot and the average units per hectare from **Table 4.2** and uses this baseline to establish future density targets for each of the primary residential zones to guide the City of Thunder Bay's development over the next 20 years and help to estimate the development potential of vacant and underutilized lots.

The targets for each zone are discussed below the table.

Table 4.3: Future Density Targets for Primary Residential Zones

Zone	Avg. Units / Lot (Existing)	Avg. Units / ha. (Existing)	Zoning Maximum Number of Homes / Density	Zoning Maximum Units / ha.	Future Density Target (Units / Lot)	Future Density Target (Units / Ha.)	Target % Change from Existing
Rural Areas & Rural Settlements							
RU	**1.1**	**0.3**	2 ha minimum lot area on large rural lots / 1 ha minimum lot area on small rural lots	0.5 (large lots) 1 (small lots)	**1.0**	**0.35**	*17%*
RS1	**1.0**	**2.1**	1 ha minimum lot area	1	**1.0**	**1***	*-52%*
Urban Neighbourhoods							
UL	**1.1**	**19.2**	Apartments: 1 per 135 m^2 of lot area (up to a max of 4 per lot) Detached House: 1 per 150 m^2 of lot area (up to a maximum of 3)	74 (apartments) 67 (detached house)	**1.4**	**24**	*25%*
UM	**8.5**	**51.3**	1 per 135 m^2average (540 m^2 for 4 homes and 90 m^2 per each additional home over 4)	109	**9.5**	**57**	*12%*
UH	**124.2**	**90.2**	1 per 92 m^2 average (1100 m^2 for 12 homes and 40 m^2 per each additional home over 12)	234	**138.5**	**101**	*12%*
UX	**2.6**	**40**	1 per 125 m^2 of lot area	109	**2.95**	**45**	*12%*
NC	**2.5**	**39.4**	1 per 135 m^2 of lot area average (540 m^2 for 4 homes and 90 m^2 per each additional home over 4)	74	**2.8**	**44**	*12%*
Pedestrian Commercial Areas							
MS	**3.9**	**58**	No maximum	N/A	**4.4**	**65**	*12%*
DN	**5.5**	**71.4**	No maximum	N/A	**6.2**	**80**	*12%*

In the **RU – Rural Zone,** there is a maximum of one home per lot. Increased density, therefore, can only come from lot creation through land severances (consents). The Official Plan places limits on lot severances through minimum lot size and frontage requirements, which vary depending upon the particular rural area (there are three rural areas identified in the Official Plan). The Zoning By-Law provides additional regulations for both large and small rural lots. To encourage a slight increase in rural density over the next 20 years, while recognizing the limited means to increase this density without costly infrastructure expansions, the future density targets are set for 0.35 units per hectare. This is a 17% increase from the existing density of 0.3 units/ha.

In the **RS1 – Rural Settlement Zone**, the current housing density is 2.1 units per hectare. Due to the requirement of lots that are a minimum of 1 hectare in size to accommodate on-site sewage disposal, this level of density is no longer permitted under the Zoning By-Law. The future density target is therefore set at 1 housing unit per hectare, based on the maximum allowable density for this zone.

The City of Thunder Bay's Official Plan prioritizes increased density in all residential zones in **urban neighbourhoods**. The Official Plan says, "Residential intensification represents the best opportunity for the provision of affordable housing and is essential to making the most efficient use of land, resources, infrastructure, and public service facilities, while minimizing impacts on air quality and climate change, promoting energy efficiency, and supporting public transit and active transportation . . . This Plan's goal is that each year 20% of all new residential units within the City's Urban Settlement Area are created through residential intensification" (p. 75). Meeting this goal requires increased density targets in all urban neighbourhood zones.

The **UL – Urban Low-rise Zone**'s current density is 1.1 dwelling units per lot, or 19.2 units/ha. Recent changes to the City's zoning by-law now allow up to 4 homes on each lot in the UL zone. While recognizing that demand for single-detached dwellings in the UL zone will likely continue, there are nonetheless numerous opportunities to increase density in these zones over the next 20 years through the City's support for garden suites, duplexes, townhouses and other forms of additional dwelling units. This will establish a future density target of 1.4 units per lot or 24 units/ha, a 25% increase from existing development patterns.

The existing housing density in the **UM – Urban Mid-rise Zone** is 8.5 units per lot or 51.3 units/ha. The existing density in the **UH – Urban High-Rise Zone** is 124.2 units per lot or 90.2 units per hectare. While these densities are already significantly higher than in the UL zone, the City's Official Plan encourages further intensification in these zones. With a 12% increase in density from existing development, the future density target in the UM zone is 9.5 units per lot or 57 units/ha. At the same increase, the UH zone will have a future density target of 138.5 units per lot or 101 units per hectare.

Although the **UX – Urban Mixed-Use Zone** and the **NC – Neighbourhood Commercial Zone** are not primarily focused on residential development, these zones do encourage "flexibility between small-scale pedestrian oriented commercial uses and housing". Existing housing densities in these zones, for lots containing at least one residential unit, is relatively similar (2.6 units per lot or 40 units/ha in the UL zone; 2.5 units per lot or 39.4 units/ha in the NC zone). Using the same 12% increase in density as the UM and UH zones, the future density target for the UX zone becomes 2.95 units per lot or 45 units/ha. The target for the NC zone becomes 2.8 units/lot or 44 units/ha.

There are two zones within pedestrian commercial areas where housing is currently permitted under the City of Thunder Bay Zoning By-Law: the **MS – Main Street Zone** and the **DN – Downtown Neighbourhood Zone.** The existing average housing density in the MS Zone, for lots with at least one residential unit, is 3.9 units per lot or 58 units per hectare. The existing average density for lots in the DN zone is 5.5 units per lot or 71.4 units/ha. The MS Zone only permits housing above the ground floor, which is reserved for commercial. The DN Zone allows apartments, townhouses and other housing types as a main use. With an increase in density at the same rate as in other mid- to high-density zones (of 12%), the new target densities for the MS Zone becomes 4.4 units per lot or 65 units/ha, while the target for the DN Zone becomes 6.2 units per lot or 80 units/ha.

Inventory of Vacant or Underutilized Lots

This section includes a summary of the inventory of lots that are potentially vacant or underutilized, based on

assessment data provided by the Municipal Property Assessment Corporation (MPAC). A Geographic Information System (GIS) was used to spatially join the City of Thunder Bay zoning by-law mapping data with the MPAC assessment data for analysis.

The study identified several categories of lots that could be vacant or underutilized. The purpose of this analysis is to estimate the total residential development potential of existing lots in the City of Thunder Bay, to advise the determination of whether or not expansion into additional areas for development will be necessary in the future.

Privately-Owned Potentially Vacant Lots in Urban Neighbourhoods

Vacant Lots in Urban Neighbourhoods with Road Access

The first category in the inventory includes privately-owned vacant lots currently zoned for residential development in urban neighbourhoods. These are lots that are mostly ready to develop, with existing road access and easy access to municipal water and sewer infrastructure.

In order to meet the criteria as vacant or underutilized, the properties had to: include zero existing dwelling units (based on MPAC assessment data); have total structure value less than $20,000 (to exclude sites that are already built up with non-residential uses); have an active & effective frontage greater than 6 metres (20 feet) to exclude narrow parcels of land not suitable for housing (the zoning by-law does not permit buildings on lots with less than 6.0 m of lot frontage on a street (11.1.1); and did not have zoning holding provisions related to environmental hazards (H15) covering all or the majority of the parcel, which would likely make development challenging.

The inventory also excluded lands that were identified as railway lands, lands part of the Hydro One right-of-way or transformer stations, or cemeteries. Properties that are identified as surface parking lots are assessed separately in a section below, as are properties owned by the City of Thunder Bay. The assessment also used visual adjustments to remove parcels that appeared to be incorrectly identified or assessed by the MPAC data.

Table 4.4 and **Figure 4.3** show the vacant lots that meet the above criteria and are located in urban residential neighbourhoods identified in the zoning by-law.

These include lots in the UL – Urban Low-Rise Zone, UM – Urban Mid-Rise Zone, UH – Urban High-Rise Zone, UX – Urban Mixed-Use Zone, and NC – Neighbourhood Commercial Zone.

There are currently 447 potentially vacant lots in zones within urban neighbourhoods that meet the criteria, ranging in size from 252 m^2 to 25 hectares (62 acres), with a total area of 141 hectares (348 acres). The sites are primarily in the UL (351 sites) and UM zones (68 sites). These lots appear to be, in most cases, relatively ready to develop, with nearby connection to water and sewer services. In some areas, lot severances will be required before development can occur (particularly in several large UL properties shown on the map).

Table 4.4 calculates the total number of potential housing units available on these lots, without rezoning, by applying the density targets discussed in the previous section to the total area of available vacant lots in urban neighbourhoods. These calculations lead to a target of 4,085 potential units in privately-owned vacant lots in urban neighbourhoods. Note that the total unit potential could be increased if parts of the large UL zoned sites are rezoned to higher UM or UH densities during the lot severance process.

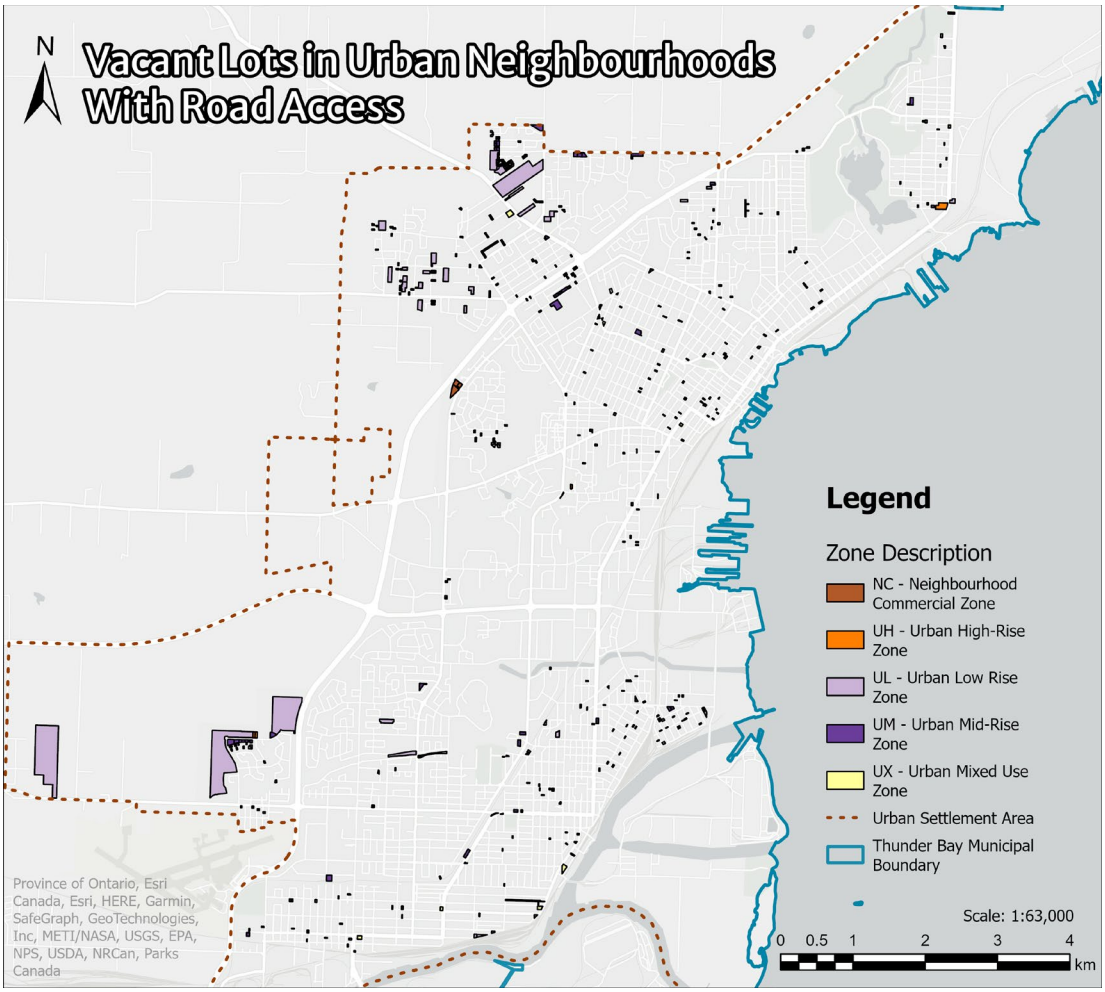


Figure 4.3: Vacant Lots in Urban Neighbourhoods with Road Access

Table 4.4: Vacant Lots in Urban Neighbourhoods: Residential Development Potential

Zone	Lots	Area Total (m^2)	Area Total (ha.)	Density Target (units / hectare)	Target Unit Potential
UL	351	1,203,411	120.3	24	**2,888**
UM	68	138,247	13.8	57	**788**
UH	4	19,290	1.9	101	**195**
UX	20	28,708	2.9	45	**129**
NC	4	19,204	1.9	44	**84**
Total	***447***	**1,408,859**	**140.9**		**4,085**

Vacant Lots in Urban Neighbourhoods with No Road Access

Table 4.5 and **Figure 4.4** show vacant lots in Urban Neighbourhoods that meet all of the criteria above, except that they currently do not have road access. Roads would need to be extended to these areas prior to development. There are currently 22 potentially vacant lots within zones in urban neighbourhoods that meet these criteria, ranging from 297 m^2 to 12,087 m^2 in size, for a total area of 6.5 hectares (16 acres).

Based on the minimum lot sizes for each zone specified, this equates to a **target development potential of 206 housing units**. Due to the added cost to extend a road to these lots (in addition to other servicing requirements), it is less likely that these lots will be developed over the next 20 years than other lots in the urban area with existing road access.

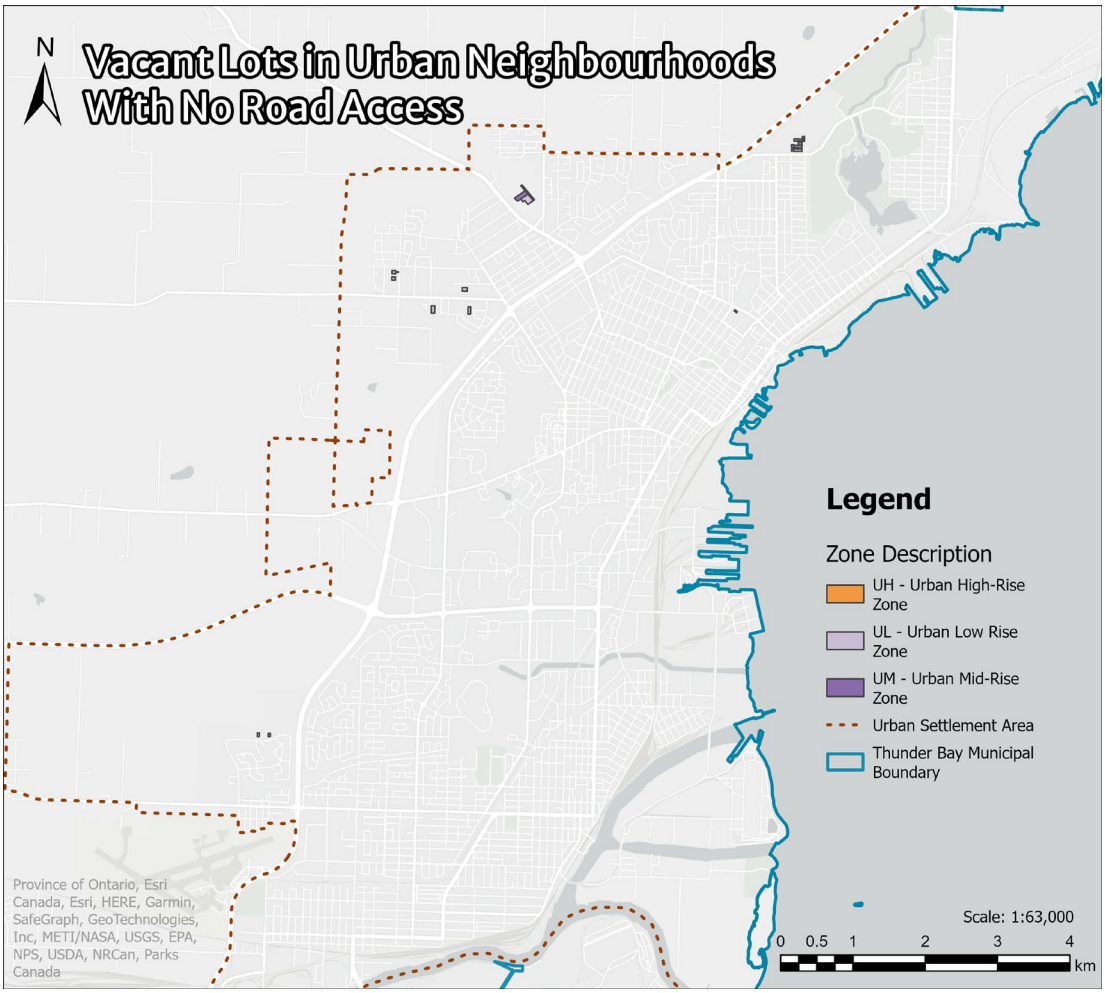


Figure 4.4: Vacant Lots in Urban Neighbourhoods with No Road Access

Table 4.5: Vacant Lots in Urban Neighbourhoods With No Existing Road Access: Residential Development Potential

Zone	Lots	Area Total (m^2)	Area Total (ha.)	Density Target (units / ha.)	Target Unit Potential
UL	19	51,032	5.1	24	**122**
UM	2	12,062	1.2	57	**69**
UH	1	1,519	0.2	101	**15**
Total	**22**	**64,614**	**6.5**		**206**

Privately-Owned Vacant Rural Lots Currently Zoned for Residential Development

Privately-Owned Vacant Rural Lots with Road Access

The inventory of potentially vacant or underutilized lots also includes privately-owned vacant rural lots that are currently zoned for residential development.

Table 4.6 and **Figure 4.5** show there are currently 457 potentially vacant lots within the rural area that meet these criteria, ranging in size from 0.0387 hectares (0.09 acres) to 107 hectares (265 acres) in size.

The total area of all potentially vacant lots in the rural area is 3,023.5 hectares (7,471 acres). Because lot severances in the rural area are restricted due to Official Plan policies, the density target for this area utilizes the units per lot target rather than the units per hectares. This equates to **a total target development potential of 457 units**.

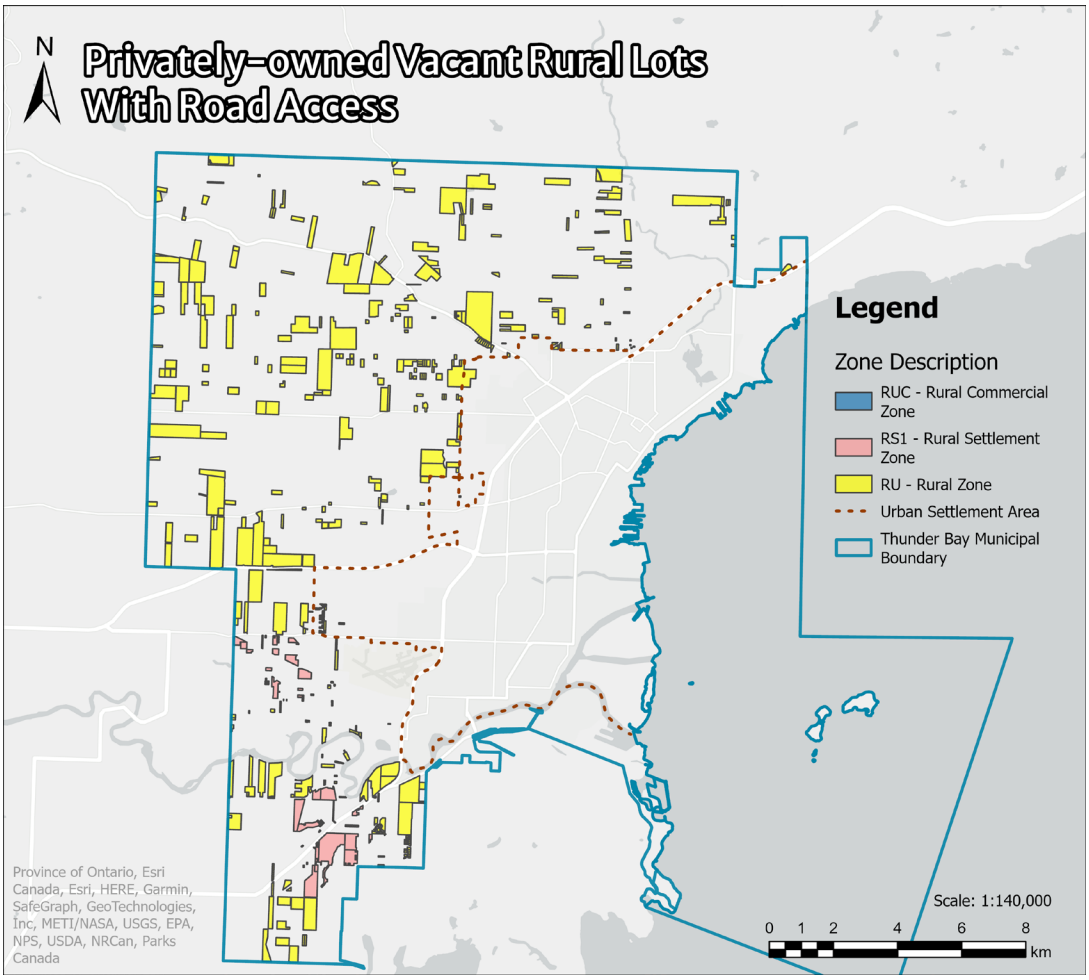


Figure 4.5: Privately-Owned Vacant Rural Lots with Road Access

Table 4.6: Privately-Owned Vacant Rural Lots with Existing Road Access: Residential Development Potential

Zone	Lots	Area Total (m^2)	Area Total (ha.)	Density Target (units / lot)	Target Unit Potential
RU	391	27,646,991	2,764.7	1	**391**
RS1	66	2,587,946	258.8	1	**66**
Total	**457**	**30,234,937**	**3,023**	**2**	**457**

Privately-Owned Vacant Rural Lots with no Road Access

Table 4.7 and **Figure 4.6** show there are currently 162 privately owned potentially vacant lots in the rural area

without existing road access, ranging in size from 1,888 m^2 (.47 acres) to 124 hectares (307 acres), for a total area of 970 hectares (2,397 acres).

Official Plan policies prevent the "opening of new roads or existing unopened road allowances, and the extension of existing roads within areas designated as Rural, with exception of the Rural Settlement Areas…"

Of the vacant sites examined here, 43 lots are within the Rural Settlement Area where roads could be extended, each leading to one potential unit. The other sites are located outside the Rural Settlement Areas; there is no development potential for these lots unless Official Plan policies change.

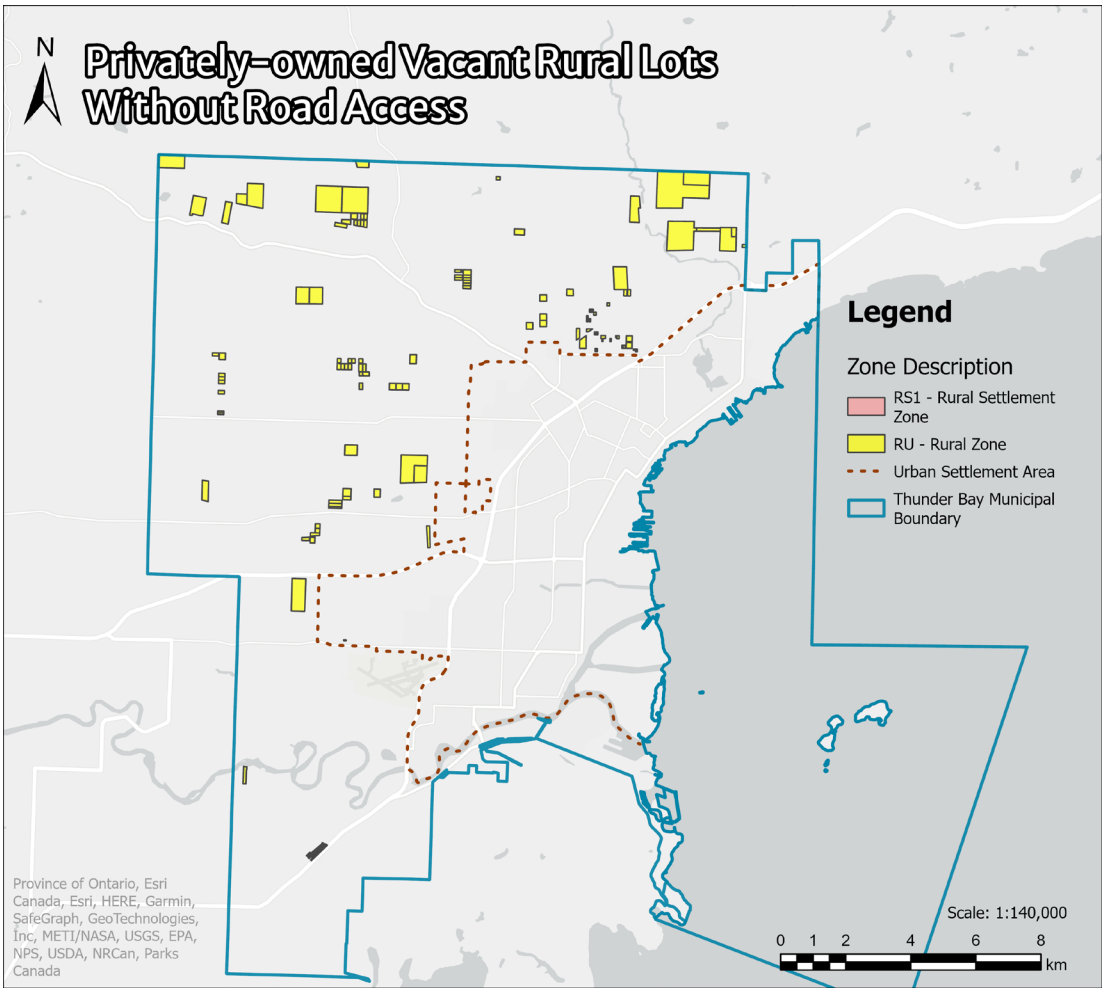


Figure 4.6: Privately-Owned Vacant Rural Lots Without Existing Road Access

Table 4.7: Privately-Owned Vacant Rural Lots Without Existing Road Access: Residential Development Potential

Zone	Lots	Area Total (m^2)	Area Total (ha.)	Density Target (units / lot)	Target Unit Potential
RU	118	9,594,876	959.5	N/A	N/A
RS1 – in Rural Settlement Area	43	92,431	9.2	1	**43**
RS1 – not in Rural Settlement Area	1	2274	0.22	N/A	N/A
Total	**162**	**9,689,582**	**969.0**		**43**

Vacant City-Owned Properties Currently Zoned for Residential Development

Urban Residential City-Owned Properties with Road Access

Table 4.8 and **Figure 4.7** show there are currently 65 vacant properties owned by the City in Urban Neighbourhood zones, with areas from 207 m^2 to 45,799 m^2. Collectively, the properties are 14.4 hectares (35.6 acres) in size. Using the identified density targets, and without rezoning, they would have a **target potential of 862 dwelling units.**

Because the City of Thunder Bay owns these properties, it is very likely they could be developed over the next twenty years. However, there is the potential that some of these properties may be developed for uses other than housing or may have other barriers that limit their development potential.

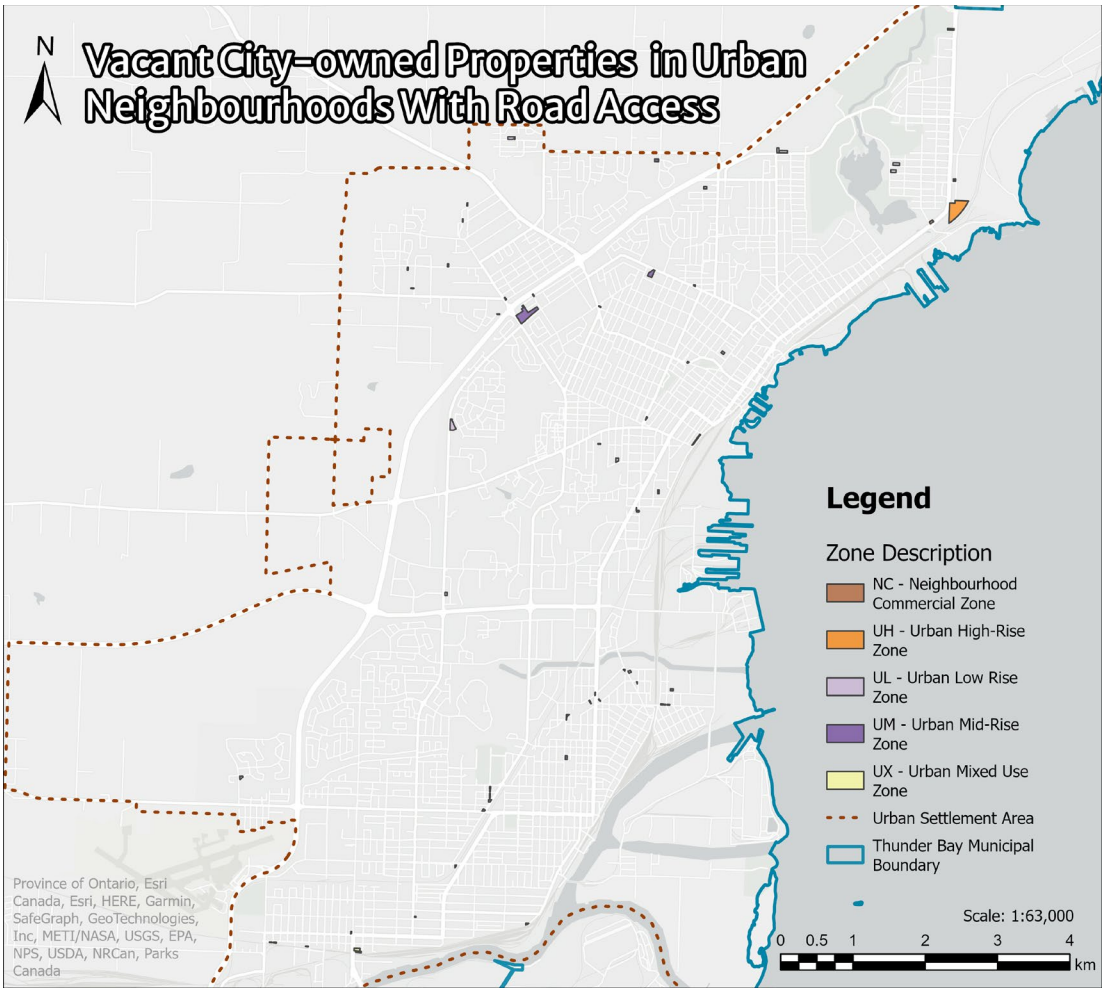


Figure 4.7: Vacant City-Owned Properties in Urban Neighbourhoods with Road Access

Table 4.8: Vacant City-Owned Properties in Urban Neighbourhoods with Access: Residential Development Potential

Zone	Lots	Area Total (m^2)	Area Total (ha.)	Density Target (units / hectare)	Target Unit Potential
UL	51	49,184	4.9	24	**118**
UM	9	42,507	4.3	57	**242**
UH	2	47,405	4.7	101	**479**
UX	2	4,667	0.5	45	**21**
NC	1	453	0.0	44	**2**
Total	**65**	**144,216**	**14.4**		**862**

Urban Residential City-Owned Properties with no Road Access

In addition to the City owned properties in Urban Neighbourhoods identified above, there are also 18 other City owned properties in this area without existing road access. These properties range from 285 m^2 in size to 4303

m^2. Combining all these sites together, there is a total area of 20,746 m^2 (5 acres).

All of the properties are located in the Urban Low-Rise (UL) zone. Without rezoning and at a target density of 24 units per hectare, this would equate to a target unit potential of **50 units for these lots**.

Due to the cost of building a road to these properties, and, in some cases extending other services, there are limitations to development; however, these properties are clustered in a few areas, so extending infrastructure in these cases could unlock several potential lots at one time.

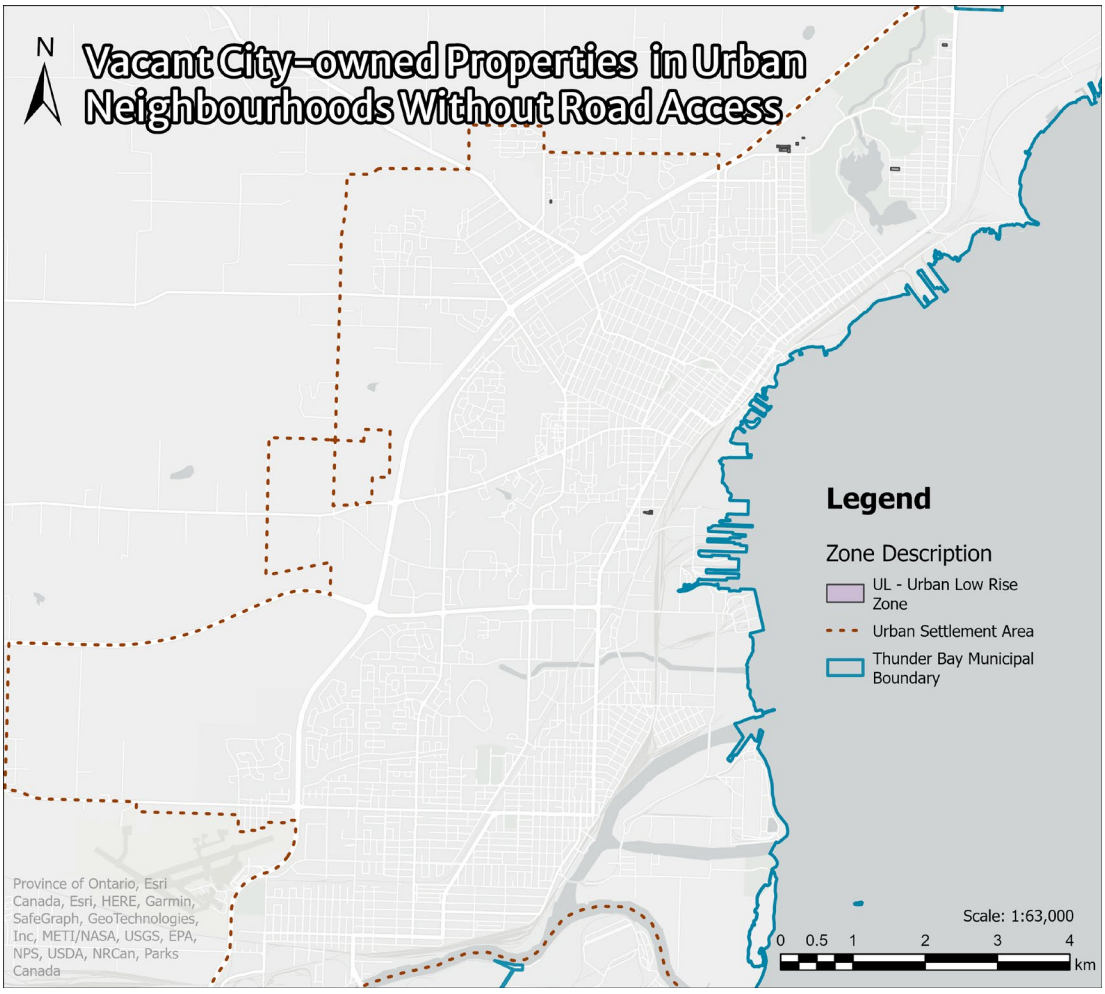


Figure 4.8: Vacant City-Owned Properties in Urban Neighbourhoods Without Road Access

Table 4.9: Vacant City-Owned Properties in Urban Neighbourhoods Without Road Access: Residential Development Potential

Zone	Lots	Area Total (m^2)	Area Total (ha.)	Density Target (units / hectare)	Target Unit Potential
UL	18	20,746	2.1	24	50

Vacant City-Owned Residential Properties in Rural Areas with Road Access

Table 4.10 and **Figure 4.9** show potentially vacant City owned properties in rural areas with existing road access. There are 25 rural lots that are owned by the City that meet this criteria. These lots will likely have restrictions on severances, so the target development potential based on zoning by-law standards is one home per lot, **or 25 homes**. The City of Thunder Bay could increase this potential by changing policies to remove the restrictions on lot severances in the rural area.

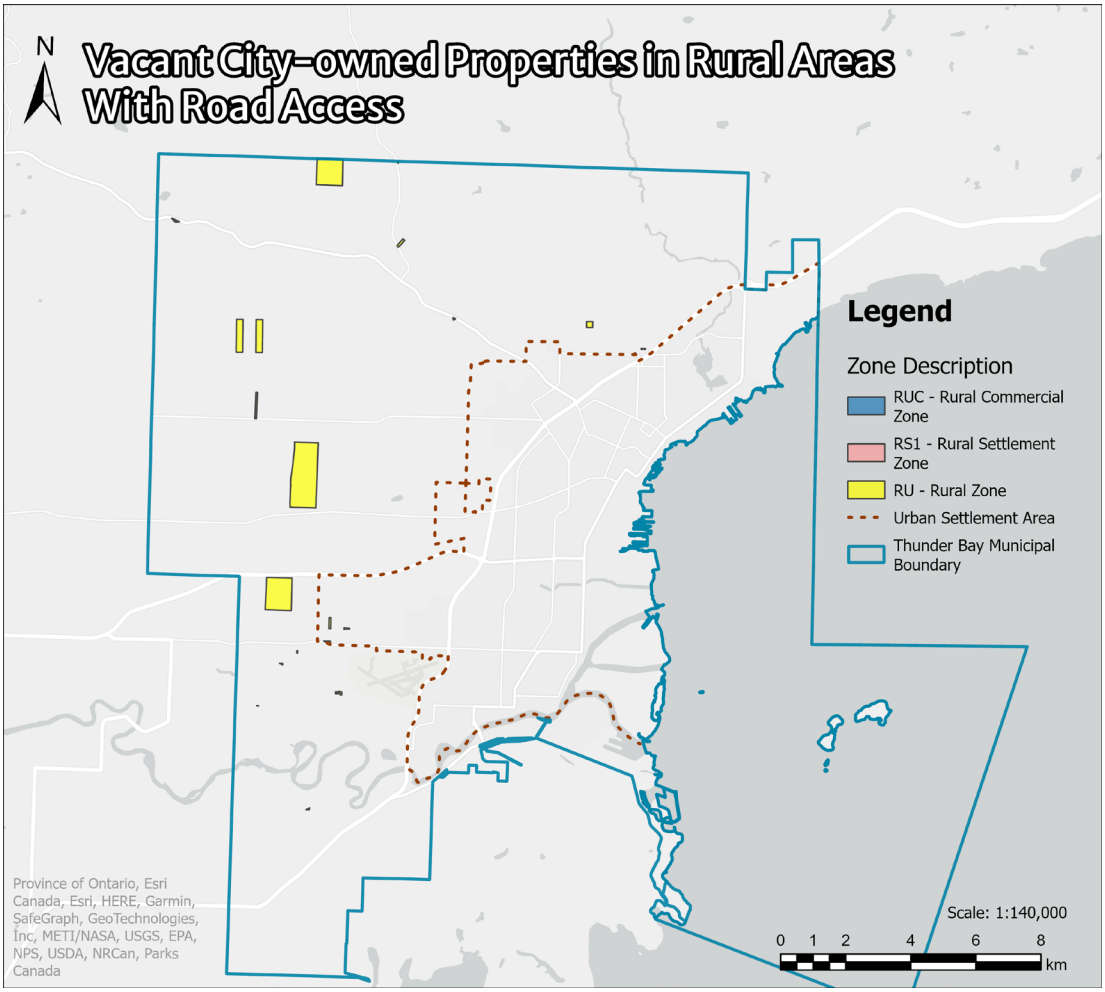


Figure 4.9: Vacant City-Owned Properties in Rural Areas with Road Access

Table 4.10: Vacant City-Owned Properties in Rural Areas with Road Access: Residential Development Potential

Zone	Lots	Area Total (m^2)	Area Total (ha.)	Density Target (units / lot)	Target Unit Potential
RU	*20*	3,547,346	354.7	1	20
RS1	*5*	730,461	73.0	1	5
Total	***25***	***4,277,807***	***428***	**2**	**25**

Vacant City-Owned Properties in Rural Areas Currently Zoned for Residential Development without Road Access

The City of Thunder Bay also owns a number of parcels in the rural area without road access. Many of these are on environmentally-sensitive land, which restrict development potential (these have been removed from the potentially-developable lots).

Table 4.11 and **Figure 4.10** show nine lots that are City owned in the rural area without significant environmental concerns and without existing road access, ranging in size from 388 m^2 to 36,400 m^2, for a total of 6.2 hectares. As in the case of privately-owned rural lots without existing road access, the Official Plan prohibits development of these lots. Therefore, the total development potential of these lots is 0 units.

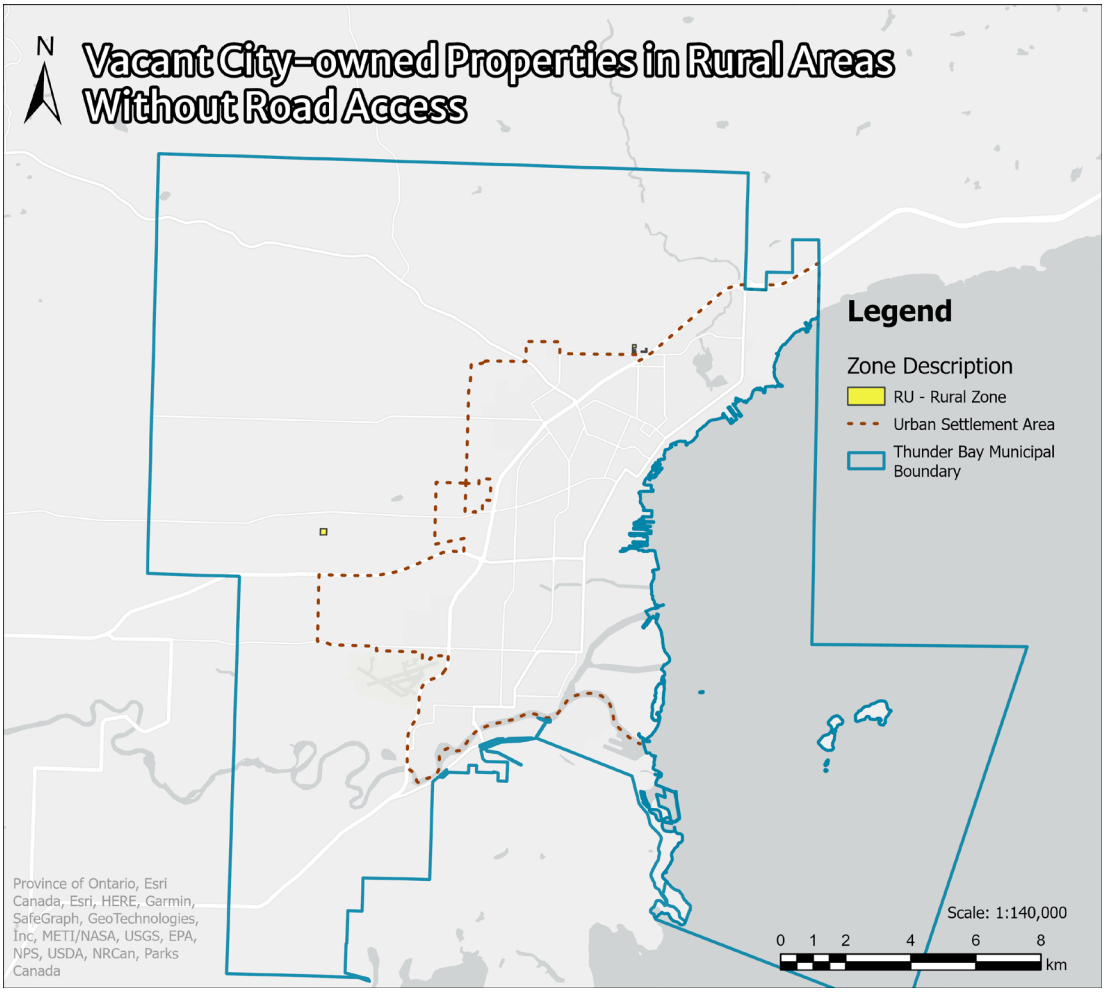


Figure 4.10: Vacant City-Owned Properties in Rural Areas with No Road Access

Table 4.11: Vacant City-Owned Properties in Rural Areas with No Road Access: Residential Development Potential

Zone	Lots	Total Area (m^2)	Total Area (ha.)	Density Target (units / lot)	Target Unit Potential
RU – no road access	9	61,873	6.2	N/A	N/A

Surface Parking Lots in Areas Currently Zoned for Residential

There are 106 stand-alone surface parking lots in the urban area currently zoned for residential or mixed-use development that do not include other uses. This number includes surface parking lots that are identified as being used in conjunction with another property and those that are not used in conjunction with another property (stand-alone parking lots). Surface parking lots located on the same lot as buildings with residential or other uses are not included in the inventory. The inventoried properties range in size from 215 m^2 to 4516 m^2, for a total area of 106,716 m^2 (10 hectares).

Table 4.12 and **Figure 4.11** show more details about the development potential of these surface parking lots.

Based on the identified density targets, **728 housing units** could be built on these lots without rezoning. Incentives to develop these surface parking lots for residential uses could help to unlock the development potential of these sites over the next twenty years.

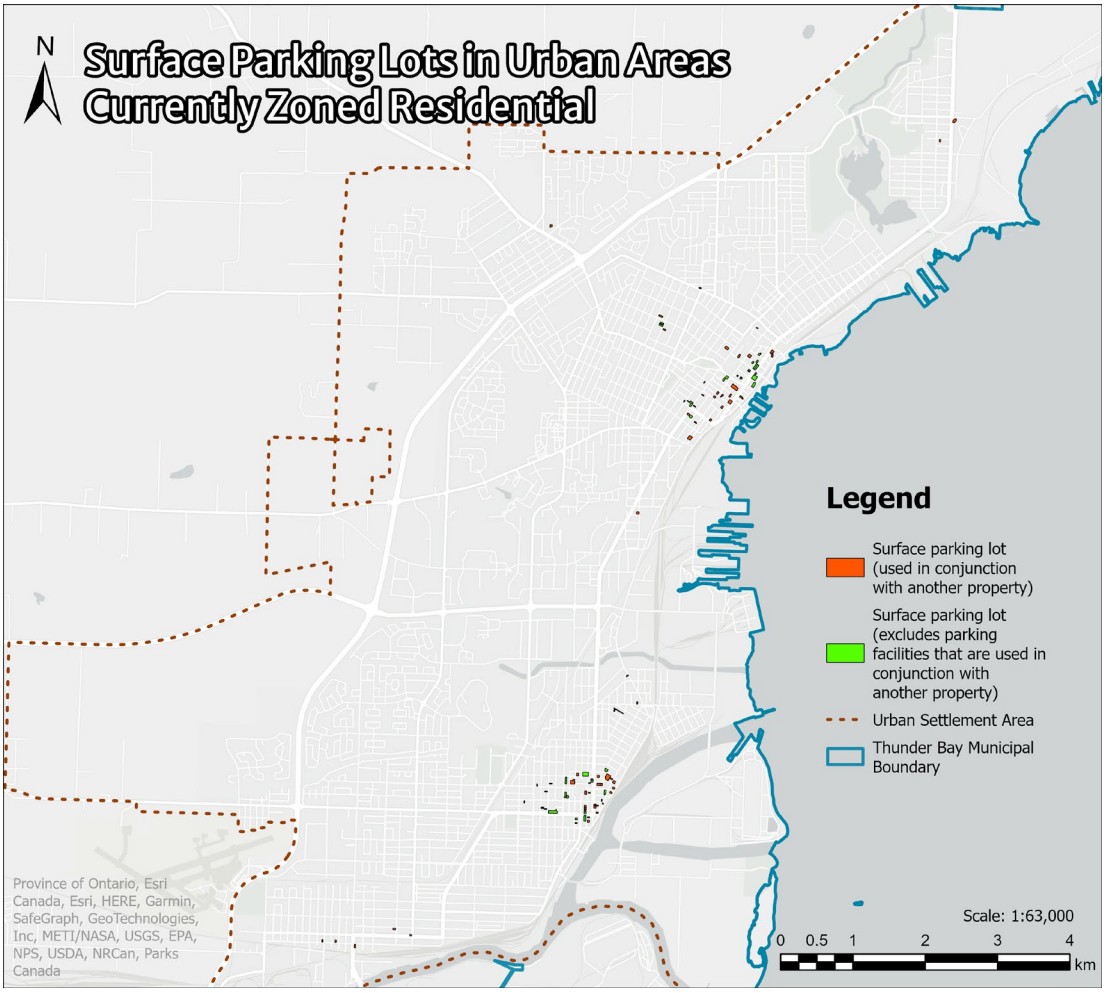


Figure 4.11: Surface Parking Lots in Urban Areas Currently Zoned for Residential Development

Table 4.12: Surface Parking Lots in Urban Areas Currently Zoned for Residential Development: Residential Development Potential

Zone	Lots	Area Total (m^2)	Area Total (ha.)	Density Target (units / hectare)	Target Unit Potential
UL	12	9,196	0.9	24	**22**
UM	5	3,734	0.4	57	**21**
UH	0	0	0.0	101	**0**
UX	9	7,100	0.7	45	**32**
NC	1	472	0.0	44	**2**
MS	9	11,295	1.1	65	**73**
DN	70	72,161	7.2	80	**577**
Total	**106**	**103,958**	**10**	**416**	**728**

Additional Dwelling Units on UL Lots (including potential for severances)

The vacant land inventory also looks at the development potential of additional dwelling units on lots currently zoned Urban Low-Rise (UL) with one or more existing dwellings. Recent changes in the zoning by-law for the City of Thunder Bay now permit up to a maximum of 3 housing units of these lots, including the existing house. The total number of additional units allowed depends upon the lot size:

- Up to 1 additional housing units permitted if lot size is greater than 300m^2 and frontage is greater than 10 m.
- Up to 2 additional housing units permitted if lot size is greater than 450 m^2 and frontage is greater than 15 m.

This infill density could be achieved by adding units within an existing house (e.g. a basement suite), constructing a backyard home, or by lot severances that would allow for additional housing units on lots that are currently large enough to be split to meet the requirements for new housing in the zoning by-law.

According to the analysis, 26,229 lots in the UL currently have the size necessary to add additional housing units under the zoning by-law requirements.

Table 4.13 and **Figure 4.12** show the residential development potential of these lots. 8,673 would be able to add one more unit. 17,556 have the potential to add two more units, for a total of 35,112 new dwelling units. Based on these requirements, the estimated maximum total potential of additional dwelling units in the UL zone under the new zoning regulations is 43,785 housing units.[10] If fully realized, this potential alone would provide many times more low-density housing units than all the projected housing need for Thunder Bay over the next 20 years.

However, development of these lots requires homeowner demand, which can be limited by the cost of development and other zoning requirements, such as the number of required parking spaces per lot. To get a more accurate assessment of the development potential of these lots, this study applies the future density target of 1.4 units per UL lot to any UL lot in the study that would be allowed to create additional units under the zoning by-law. This study then subtracts the existing dwelling units in these lots to provide a target unit potential. The resulting target unit potential is **2,675 units** on UL lots where one additional unit would be permitted and **5,944 units** on UL lots where two additional units would be permitted, for a total unit potential of **8,620.**

The City could encourage homeowners to build additional dwelling units through financial incentives and by increasing awareness of the development potential of their lots, which would help to realize a greater percentage of the maximum housing potential in this zone over the next twenty years.

[10] Note that this total does not include lots where apartments of up to 4 units are permitted through new changes in the Zoning By-Law, which would provide additional development potential. However, the target unit potential calculation of 1.4 units/lot would account for the construction of 4-unit apartments on some of these UL lots.

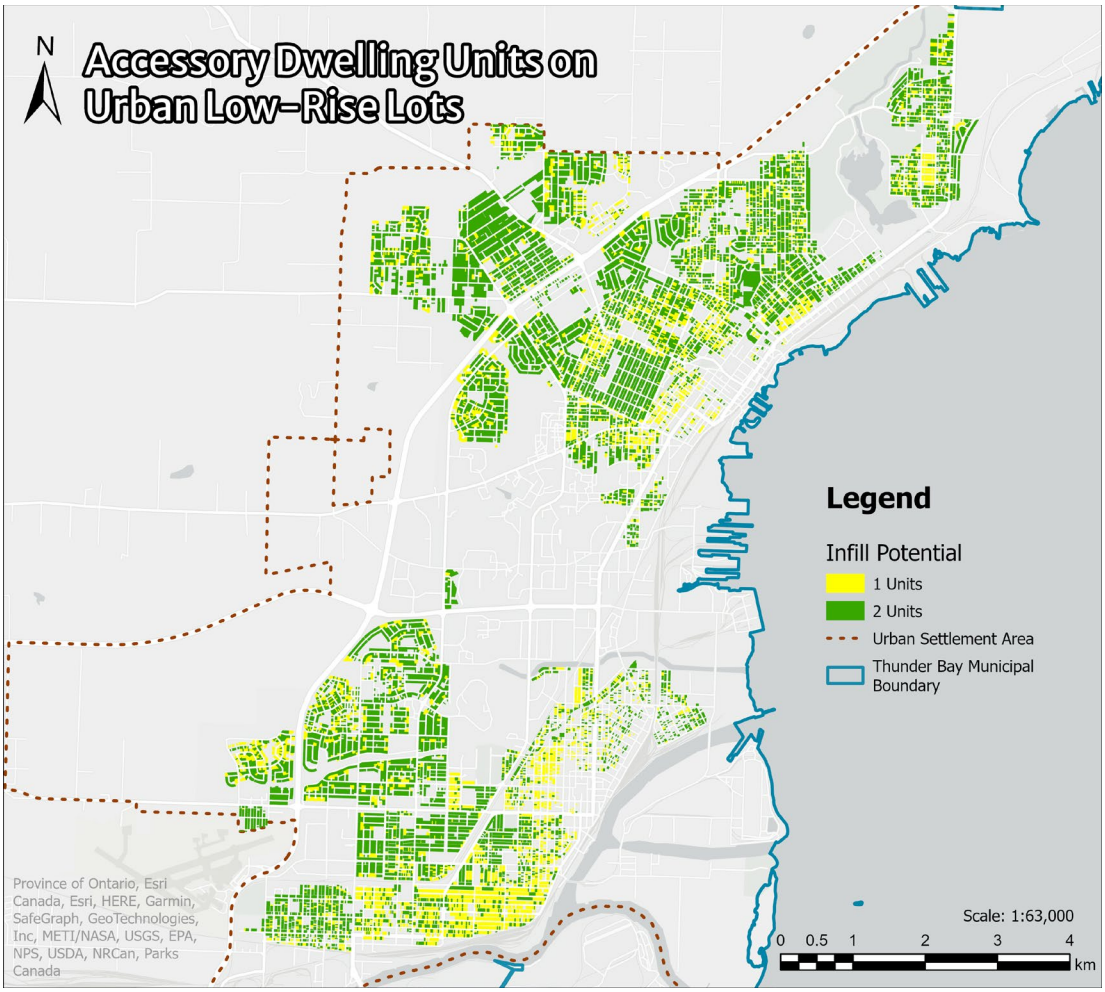


Figure 4.12: Additional Dwelling Units on Urban Low-Rise (UL) Lots

Table 4.13: Additional Dwelling Units on Urban Low-Rise (UL) Lots: Residential Development Potential

Zone	Additional Units Potential	Lots	Existing Units	Existing Density (Units / Lot)	Zoning maximum homes	Maximum homes (under zoning)	Future Density Target (Units / Lot)	Target Unit Potential
UL	1	8,673	9,467	1.09	Lot size is greater than 300m^2 and frontage is greater than 10 m	8,673	1.4	**2,675**
UL	2	17,556	18,634	1.06	Lot size is greater than 450 m^2 and frontage is greater than 15 m	35,112	1.4	**5,944**
Total	-	**26,229**	**28,101**	**1.07**	-	**43,785**	1.4	**8,620**

Other Sites Not Counted in the Inventory of Vacant or Underutilized Lots

In addition to the site types included in the inventory of vacant or underutilized lots discussed above, this study examined several other site types that are not included in the inventory for a variety of reasons. These include: vacant commercial lots and commercial conversions, commercial surface parking lots, industrial land conversions to residential, and city-owned parkettes in urban neighbourhoods. These are discussed in more detail below.

Vacant Commercial Lots and Commercial Conversions

The potential for conversion of vacant commercial lots to residential purposes could provide a significant number of housing units in Thunder Bay and help to revitalize certain parts of the city. There are 106 potentially vacant commercial lots in the Service Commercial (SC) and Regional Centre (RC) zones. Residential units are currently not permitted in these zones, so a zoning by-law amendment or a rezoning of individual properties would be required before these lots could be developed for residential purposes. Note that this assessment only includes lots that are currently identified as vacant (or containing buildings with a total assessed value of $20,000 or less, which could be redeveloped for higher-value uses).

These lots have a total area of 295,751 m^2 (29.6 hectares). Using the zoning standards for the Urban Medium-Density (UM) zone of 57 units per hectare for estimation purposes, these lots could accommodate **1,686 housing units;** however, many of these sites would likely be redeveloped for commercial uses rather than residential. Because of this, these totals are not included in the vacant land inventory counts in this report.

The likelihood of redevelopment for residential uses could be encouraged by city-wide rule changes to permit residential development in these zones. This could particularly benefit areas where there are a number of underutilized commercial sites with pedestrian-scale streets and amenities that would be suited to additional residential development.

This assessment does not include existing commercial buildings that may be vacant—these would present additional opportunities for conversion into residential units. This also does not include surface parking lots; these are examined separately in the section below.

Surface Parking Lots in Areas Currently Zoned for Commercial

This study also examined the residential development potential of surface parking lots in areas currently zoned for commercial development. There are currently 34 surface parking lots in commercial areas with development potential, ranging in size from 220 m^2 to 4318 m^2. Collectively, the total area of these sites is 41,867 m^2 (41.9 hectares). As mentioned for other vacant commercial lots with development potential, all of these sites would have to be rezoned prior to development, or changes would have to be made to the zoning by-law provisions as a whole.

Following this, using the target density for for the Urban Medium-Density (UM) zone of 57 units per hectare for estimation purposes, the **development potential of these sites would be estimated at 239 units**.

Because development of these lots is unlikely for the same reasons as those described in previous sections above, for the purposes of this report, these totals have not been added to the vacant land inventory counts in this report.

Industrial Land Conversions to Residential

Another potential source of land for residential units in Thunder Bay is industrial land that is converted to residential use. As a city built on a variety of industries, there is an abundance of industrial land in Thunder Bay. Some of this land, including certain areas along the waterfront, is now vacant. Converting industrial land to residential has several significant hurdles. First, it has to be determined that conversion of the site to residential is consistent with Official Plan Policies and that the site is not needed for future industrial development. The City also has to prefer residential redevelopment on the site above other uses, such as waterfront commercial. Any environmental contamination on the site has to be remediated. Developers have to undertake the Record of Site Condition process to get provincial approval before development can take place. The site will have to receive planning approvals, including rezoning. Due to these complexities, this study does not estimate the amount of industrial land in Thunder Bay that could be converted to residential use; however, if encouraged this could be a notable source of additional land for future development in Thunder Bay.

City-Owned Parkettes in Urban Neighbourhoods

As part of the vacant land inventory study, City-owned parkettes were also analyzed for their housing development potential. The parkettes across the city are small parks, usually only one to several city lots in size. Some have play equipment, while others are forested or open green space. None of these parkettes would be developable unless the City identified them as surplus land and moved to dispose of them or develop them.

Following analysis, there are only six parkettes that appear to be underutilized for park and recreational purposes that would be suitable for residential development. These properties are all located in the UL zone and range in size from 1230 m^2 to 8094 m^2 and have a total area of 23,131 m^2 (2.3 hectares or 6 acres). At the target density for UL lots of 24 units per hectare, this would equate to **a target development potential of 55 housing units**. However, the City-wide survey of residents in Thunder Bay conducted as part of this study shows that residents are generally not in support of conversion of park space for residential purposes—only 16% of respondents supported the idea of using existing greenspace to build housing.

Due to the likelihood of neighbourhood opposition, it is recommended that the City carefully consider the disposal of any parkland against parkland allocation metrics and make improvements to area parklands to mitigate impacts of parkland reduction.

Rezoned Vacant or Underutilized Residential Lots

This study does not consider the potential number of units that may be gained due to the rezoning of residential lots to other residential zones with a higher density (for example, amending the zoning of a UL – Urban Low-rise Zone lot to a UM – Urban Mid-rise Zone). The rezoning of sites could contribute a notable number of units to the City of Thunder Bay over the next 20 years. However, due to the inability to predict where these rezonings are likely to occur and what scale future development could be, these numbers are not considered in this section.

Total Target Development Potential of Vacant or Underutilized Lots

Table 4.14 and **Table 4.15** provide a summary of the total target development potential from the various types of land analyzed in the inventory of current vacant or underutilized lots above. Categories where there were no potential target dwelling units are not included in the chart.

When combining all of the categories of vacant or underutilized lots in the City of Thunder Bay examined above, there is a **total target development potential of 15,074 housing units**.

Table 4.14: Inventory of Current Vacant or Underutilized Lots: Total Target Development Potential

	Target Development Potential of Housing Units for Vacant or Underutilized Lots, by Category									
Zone	Privately-Owned Vacant Urban with Access	Privately-Owned Vacant Urban no Access	Privately-Owned Vacant Rural with Access	Privately-Owned Vacant Rural without Access	City-Owned Vacant Urban with Access	City-Owned Vacant Urban no Access	City-Owned Rural with Access	Surface Parking Lots Zoned Residential	Additional Dwellings UL Lots	**TOTAL**
Rural Areas										
RU			391				20			***411***
RS1			66	43			5			***114***
Urban Neighbourhoods										
UL	2,888	122			118	50		22	8,620	***11,820***
UM	788	69			242			21		***1,120***
UH	195	15			479			0		***689***
UX	129				21			32		***182***
NC	84				2			2		***88***
Pedestrian Commercial Areas										
MS								73		***73***
DN								577		***577***
TOTAL	***4,084***	***206***	***457***	***43***	***862***	***50***	***25***	***727***	***8,620***	***15,074***

Total Target Development Potential by Land Use Type

Table 4.15 provides an analysis of the total target development potential (discussed in the previous table) by land use type. The table shows that of the 15,074 housing units identified as the total target development potential, 525 are located in rural areas (RU and RS1 zones); 11,820 in the UL – Urban Low-rise Zone; 1,463 in medium-density areas (UM, UX, NC, and MS zones); and 1,226 in high-density areas (UH and DN zones).

Overall, the 15,074 potential housing units identified in the inventory of vacant or underutilized lots would be more than sufficient to meet the housing need in all three growth scenarios for the next 20 years. When looking at the specific land use types where housing is desired over the next 20 years in the high-growth scenario (as identified above in **Table 3.2: Total Projected Housing Units, by Type, Needed in Thunder Bay by 2045**), the total number of potential housing units identified in the inventory of vacant or underutilized lots exceeds the demand for rural lots, low-density lots, and high-density lots. However, there is a notable shortfall of available medium-density lots—3,265 units of medium-density housing are needed by 2045, while only 1,463 are available in the inventory of vacant or underutilized lots (a shortfall of 1,802 units).

While rezonings of low-density lots to medium-density lots and commercial conversions to residential may help to supplement the number of units available for medium-density development over the next 20 years, this analysis shows there is a need to look at other options to meet this need, including the supply of future development sites. These sites are examined in the following section. The Gap Identification section later in this report provides a more robust analysis of the potential supply of land needed to meet the future housing demand in Thunder Bay.

Table 4.15: Inventory of Current Vacant or Underutilized Lots: Total Target Development Potential by Land Use Type

	Land Use Type (Zoning)				
	Rural (RU, RS1)	Low-Density (UL)	Mid-Density (UM, UX, NC, MS)	High-Density (UH, DN)	**TOTAL**
Target Development Potential for Housing Units in the Inventory of Vacant or Underutilized Lots	**525**	**11,820**	**1,463**	**1,266**	***15,074***
Housing Units Needed by 2045, by Growth Scenario					
Low-Growth Scenario	41	718	511	110	***1,380***
Medium-Growth Scenario	108	1,869	1,330	288	***3,595***
High-Growth Scenario	265	4,589	3,265	706	***8,825***

Assessment of Future Development Areas

This section includes an assessment of the major areas that Thunder Bay has identified for future development, which are zoned as FD - Future Development under the City of Thunder Bay Zoning By-law.

Land within the City's Urban Growth Area, another area set aside for future residential development, is examined separately in a section following the analysis of Future Development sites below.

Development Profiles of Future Development

Before analyzing specific future development sites, this section sets out the assumptions for how those sites might be developed, using a variety of housing densities. Some may even include commercial development, industrial development, institutional uses or other non-residential development. To estimate the potential supply of housing units that could be created with the development of the future development sites, this study creates a number of development profiles, such as urban low-density housing or rural large lot development.

Table 4.16 shows the different development profiles and the how each profile allocates the potential housing or other development types. In addition to the various residential densities and non-residential development, the table also allocates a percentage of each area for parkland dedication and other space (for roads, rights-of-ways (ROWs), other greenspace, etc.) For legibility, cells with 0 percent have been removed from the table.

The percentage of land allocated for parkland dedication is consistent with Official Plan policies that state, "In the case of commercial or industrial development or redevelopment, the amount of land required to be conveyed shall not exceed 2% of the total land area. In the case of all other development or redevelopment, the amount of land required to be conveyed shall not exceed 5% of the total land area" (p. 59).

Table 4.16: Development Profiles of Future Development

	Target Percentage of Future Development							
Development Profile	Rural (RU)	Urban Low-Density (UL)	Urban Mid-Density (UM)	Urban High-Density (UH)	Non-Res. (Com., Ind., Inst.)	Parkland Dedica-tion	Other	Total
Rural – Large Lot	80%					5%	15%	**100%**
Urban - Low-Density Housing (Urb. Low)		80%				5%	15%	**100%**
Urban - Low- to Mid-Density Housing (Urb. Low to Mid)		65%	15%			5%	15%	**100%**
Urban - Mid- to Low-Density Housing (Urb. Mid to Low)		25%	55%			5%	15%	**100%**
Urban - Mid- to High-Density Housing (Urb. Mid to High)			55%	25%		5%	15%	**100%**
Urban - Mixed Use (Urb. Mixed Use)		40%	10%		30%	5%	15%	**100%**
Non-Residential					83%	2%	15%	**100%**

Major Sites Designated for Future Residential Development

Figure 4.13 shows a map of sites zoned FD – Future Development. Each major sites over 20 acres in size is given a number for use in the analysis in this study. A total estimate for future development sites under 20 acres is also provided in the analysis but these sites are not discussed individually.

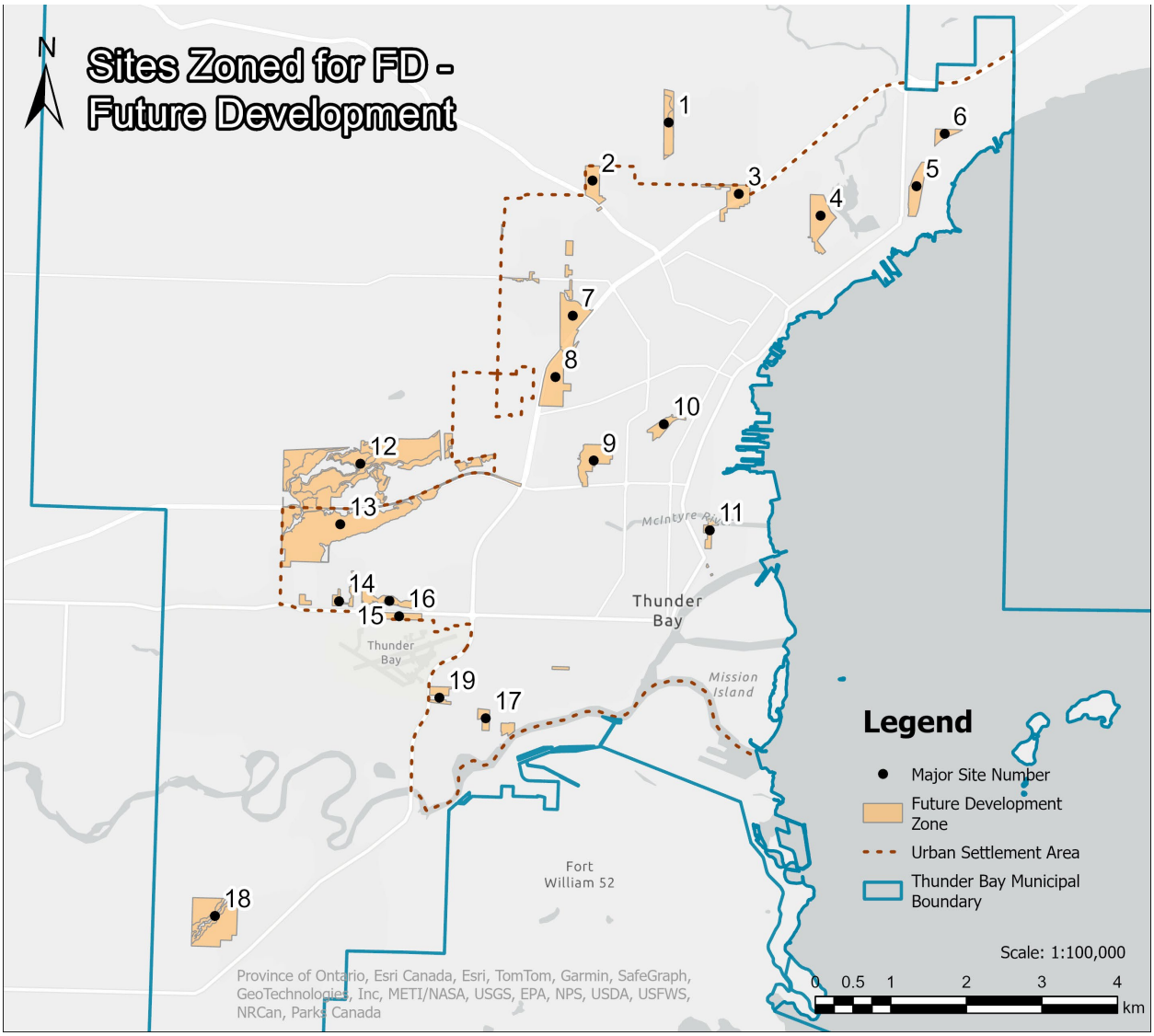


Figure 4.13: Map of Future Development Zones over 20 Acres in size

The City of Thunder Bay's Official Plan sets out policies related to Future Development Zones. It says, "The City may establish and use a Future Development Zone in areas where development is premature and the appropriate future use is undetermined, until such time as appropriate secondary planning, studies or planning approvals have been undertaken." The City of Thunder Bay Zoning By-law currently has 61 different areas zoned as FD – Future Development, although each of these may be comprised of numerous existing parcels.

Table 4.17 provides an analysis of all of these areas in the City of Thunder Bay zoned FD – Future Development, with a focus on larger areas over 20 acres in size. For each site, the table provides several pieces of information. The total area includes the site size, in hectares, of the part of the site zoned for Future Development. Note that in some cases, there are parts of the site that are colloquially referred to with the same name that are not zoned FD. For example, only part of the former Lakehead Psychiatric Hospital (LPH) site is zoned for Future Development; the parts zoned for institutional use or for parks and recreation are not included in the area assessed in the table.

The estimated developable area includes only the portion of the site, in hectares, where development is likely to occur. This area excludes parts of the site with existing buildings, with zoning holding provisions related to environmental hazards (H15), areas with steep slopes, or areas with forested or wetland areas would need to be preserved over and above the percentage identified for parkland dedication. The study utilized a variety of techniques to identify these areas, including GIS analyses of Forest Resource Inventory data, soils data, topographical data, and satellite imagery.

The next column includes the development profile for each site, corresponding with the information in **Table 4.16**. This study assigns development profiles based on the type of development most suited for each site or based on existing development proposals or secondary plans for the sites, if available. For sites where plans are available, the study cross-referenced proposed unit totals in the plans with the numbers in the table to ensure general compatibility without requiring exact precision, recognizing that the units proposed in the plans are subject to change.

The final columns in the table indicate the number of potential housing units, by type (rural, urban low-density, urban mid-density, urban high-density), calculated by multiplying the corresponding percentage of each from the development profile table with the estimated developable area, and then multiplying this with the density target number of units per hectare for each development type as provided in **Table 4.3**. For example, the Dawson and Wardrope site has a development profile of Urban – Low-Density Residential. In that profile 80% of the site's estimated developable area will be in the UL zone, which has a target density of 24 units per hectare. 80% of 13 hectares is 10.4 hectares. A density of 24 units per hectare multiplied by 10.4 hectares equals an estimated 250 units in the UL Zone.

Note that the table shows that there are no additional rural housing units added through this analysis of the future development areas. This is because the sites located outside of the urban boundary are in areas where the Official Plan currently prohibits the extension of rural roads. Furthermore, even without the policy constraints, large portions of several rural FD sites are not developable because there are existing residences on them or there are additional restrictions, such as environmental overlay restrictions or holding restrictions under the Zoning By-law.

In total, there are 943 hectares of land in Thunder Bay zoned as FD – Future Development. However, the analysis shows that the amount of land within these sites that is suitable for development is only around one third of the overall area, at approximately 328 hectares. Nonetheless, the land in this area presents opportunities to address the future housing, economic, public services, and other needs in the city. If the sites are developed according to the identified development profiles, and at the target densities established in this report, they would accommodate 3,321 units of urban low-density housing, 2,689 units of medium-density housing, and 930 units of high-density housing, for a total of 6,941 dwelling units.

Table 4.17: Analysis and Residential Development Potential of Future Development Zones over 20 Acres in Size

					# of Potential Units, by Type			
Site No.	Site Name	Total Area	Est. Devel.	Development Profile	Rural (RU)	Urban Low-	Urban Mid-	Urban High-

		(ha.)	Area (ha.)			Density (UL)	Density (UM)	Density (UH)
1	McVicar Creek	27.83	0.00	Rural-Large Lot	0	0	0	0
2	Dawson and Wardrope	22.01	13.00	Urb. Mixed Use	0	125	74	0
3	Wardrope and Balsam	27.99	15.85	Urb. Low to Mid	0	247	136	0
4	LPH North / Boulevard Ridge	39.10	20.00	Urb. Mid to High	0	0	627	505
5	Strathcona and Rail	25.05	25.05	Urb. Low to Mid	0	391	214	0
6	Strathcona and Audrey	9.07	0.00	Urb. Low	0	0	0	0
7	McIntyre Falls	48.45	29.47	Urb. Low	0	566	0	0
8	Conservation Lands	51.03	30.00	Urb. Mixed Use	0	288	171	0
9	InterOcean (excl. ball diamonds)	33.84	17.07	Urb. Mid to Low	0	102	535	0
10	Hillyard Lands	13.32	3.50	Urb. Mid to High	0	0	105	85
11	East End Railyards	8.49	1.88	Non-Residential	0	0	0	0
12	Mapleward - Trans Canada North	253.63	0.00	Rural-Large Lot	0	0	0	0
13	West Arthur – Trans Canada South	189.25	63.80	Urb. Low	0	1,225	0	0
14	West Arthur - Melody Court North	9.30	7.00	Urb. Low	0	134	0	0
15	West Arthur – Neebling River	19.91	13.50	Urb. Mid to High	0	0	423	341
16	Airport North	13.52	11.82	Non-Residential	0	0	0	0
17	Nipigon and Mountdale	8.90	1.16	Urb. Mid to Low	0	7	36	0
18	Deepwood Cavar	85.09	0.00	Rural-Large Lot	0	0	0	0
19	Federica St. West	10.27	8.50	Urb. Mid to Low	0	51	266	0
	Other sites under 20 ac	47.29	4.91	Urb. Low to Mid	0	184	101	0
	Total	**943.3**	**328.0**		**0**	**3,321**	**2,689**	**930**

The previous section of this report identified that 15,074 potential housing units could be accommodated on vacant and underutilized lots in the City of Thunder Bay. This alone would be more than sufficient to meet the housing need in all three growth scenarios for the next 20 years. However, when looking at the specific land use types where housing is desired over the next 20 years in the high-growth scenario (as identified above in **Table 3.2: Total Projected Housing Units, by Type, Needed in Thunder Bay by 2045**), there was a shortfall of 1,802 available medium-density lots.

The land currently within FD – Future Development zones

provides an opportunity to address this shortfall as the land is developed. Of course, any new public roads and services required to develop these sites must eventually be paid for by city taxpayers, even if developers bear the cost of infrastructure extensions initially. Therefore, the City of Thunder Bay should carefully consider where and when to support development on the FD-zoned sites.

There are several factors for Thunder Bay to consider when prioritizing the development of particular sites in the FD – Future Development zone. As mentioned, there is a greater need to develop sites that are suitable for medium-density residential units or higher. However, the City must also consider each site's relative development readiness, desirability, and cost effectiveness related to the extension of roads and services. An analysis of these factors for each site is included in the appendices to this report.

Based on this analysis and Thunder Bay's identified housing need, this study recommends that, when looking for the development of sites in the FD - Future Development Zone, the City of Thunder Bay should first consider the ten sites identified as priorities in **Table 4.18**.

The sites in the table are arranged by site number, as shown above, not in order of priority for development. Note that information on potential unit counts for these sites provided in the table are for estimation purposes only.

Plans for the sites will need to be approved by the City of Thunder Bay and may include housing at different densities than those shown on the table.

Using the identified development profiles, the estimated total housing development potential of these ten sites alone is 4,729 dwelling units. 2,587 of these dwelling units are of the medium-density type. This surpasses the identified shortfall of this housing type of 1,802 from the inventory of vacant and underutilized lots.

Table 4.18: Top 10 Sites Zoned FD to Prioritize for Future Development

			# of Potential Units, by Type			
Site Name	**Site No.**	**Development Profile**	**Rural (RU)**	**Urban Low-Density (UL)**	**Urban Mid-Density (UM)**	**Urban High-Density (UH)**
Dawson and Wardrope	**2**	Urb. Mixed Use	0	125	74	0
Wardrope and Balsam	**3**	Urb. Low to Mid	0	247	136	0
LPH North / Boulevard Ridge	**4**	Urb. Mid to High	0	0	627	505
Strathcona and Rail	**5**	Urb. Low to Mid	0	391	214	0
Conservation Lands	**8**	Urb. Mixed Use	0	288	171	0

InterOcean (excl. ball diamonds)	**9**	Urb. Mid to Low	0	102	535	0
Hillyard Lands	**10**	Urb. Mid to High	0	0	105	85
West Arthur – Neebling River	**15**	Urb. Mid to High	0	0	423	341
Nipigon and Mountdale	**17**	Urb. Mid to Low	0	7	36	0
Federica St. West	**19**	Urb. Mid to Low	0	51	266	0
Total			**0**	**1,211**	**2,587**	**931**

Gap Identification

Table 4.19 provides an updated summary of the total target development potential including both the inventory of vacant or underutilized lots and the top ten sites zoned for future development. It compares this to the number of dwelling units needed to meet future demand under the high growth scenario (as discussed in Chapter 3: Forecast to Meet Future Demand). This section then discusses if a gap exists between the identified supply of available lots and the forecasted future housing need.

Total Housing Development Potential

As summarized earlier in this chapter, there is a total target development potential of 15,074 housing units within sites examined in the inventory of vacant and underutilized lots. There is potential for an additional 4,729 housing units in the top ten sites zoned for future development. Together, there is a total target development potential of 19,803 housing units in these two analyses.

This more than doubles the forecasted housing need for the next 20 years in the City of Thunder Bay under the high-growth scenario (8,825 housing units).

This also provides more than enough land of each land use type to meet the future target demand for different types and density of housing, as discussed below the table.

Table 4.19: Total Target Development Potential by Land Use Type including Vacant Land and Future Development Land

	Land Use Type (Zoning)				
	Rural (RU, RS1)	Low-Density (UL)	Mid-Density (UM, UX, NC, MS)	High-Density (UH, DN)	**TOTAL**
Total Target Development Potential for Housing Units, by Analysis Type					
Inventory of Vacant or Underutilized Lots	525	11,820	1,463	1,266	***15,074***
Top 10 Sites Zoned for Future Development	0	1,211	2,587	931	***4,729***
Subtotal	**525**	**13,031**	**4,050**	**2,197**	***19,803***
Housing Units Needed by 2045, High-Growth Scenario	*265*	*4,589*	*3,265*	*706*	***8,825***
Net Difference Between Development Potential and High-Growth Scenario Housing Need	**260**	**8,442**	**785**	**1,491**	**10,978**

Rural Housing

The analysis shows that there are 260 more potential housing units in the **rural area** than required to meet the demand for this type of housing for the next 20 years, as identified earlier in this report.

Low-Density Housing

For lots zoned for **low-density residential development** (in the UL – Urban Low-rise Zone), there are more than 8,442 potential housing units in the two analyses than will be required in the high-growth scenario. Additional development potential for UL lots is available in the FD – Future Development Zone sites not counted in the top ten sites, should population growth and demand for this housing type exceed forecasts.

Medium-Density Housing

For **medium-density housing** (most typically found in the UM – Urban Mid-rise Zone), there are 785 more potential housing units in the two analyses than the forecasted demand for this type of housing as identified earlier in this report. Additional development potential for medium-density housing is likely to occur from the rezoning of lower-density residential lots, commercial lots, or other lots to UM over the next 20 years.

High-Density Housing

The number of **high-density housing** units shown as the target development potential in the two analyses exceed the identified number of units needed over the next 20 years in the high growth scenario by 1,491 units. As for medium-density housing, additional development potential for high-density housing is likely to occur from the rezoning of lower-density residential lots, commercial lots, or other lots to UH.

Recommendations

Based on this analysis, there will be a sufficient supply of available housing on vacant or underutilized lots and through development of the identified future development sites to meet the housing demand over the next 20 years, even in the high-growth scenario. However, these analyses are estimates only and may differ from how the land is actually developed over time. For example, there is a risk that even though development is possible on a vacant site, the site owner may choose not to develop the site for several reasons. The City may encourage development through incentives, regulations or development agreements; however, it cannot necessarily ensure that land suitable for development is actually developed in a timely manner.

The City will need to continue to monitor population growth and housing availability to see if it is in line with projections. If the population growth in the next census period is in line with the low- or medium- growth scenarios, the City may wish to continue to hold off on the development of future development areas. If the population growth is consistent with the high-growth scenario, the City should proceed with development of the future development sites as discussed in this section.

When determining which Future Development (FD) sites to prioritize for development, the City will need to consider: the types and densities of housing that can be accommodated on the site and current availability of those types in Thunder Bay; the extent of new infrastructure required to service the site; the ownership of the land and development readiness; the site's desirability from a market perspective; and overall number of dwelling units that could be accommodated on the site. These factors for each site are discussed in the table in Appendix B.

Though the City may conduct Secondary Planning in the Growth Area, the City should not permit urban expansion into the Growth Area at this time. Such expansion should only be contemplated if:

- The City's population growth significantly exceeds the growth rate forecast in the high-growth scenario (for example, as the result of a large mine opening in the area);
- Available land in future development areas has been built out; and/or
- Available vacant land in infill areas (and draft and registered plans of subdivision), has been built out.

More discussion on the Growth Area is provided in the following section.

Growth Area Development

The City of Thunder Bay's Official Plan designates a large part of the northwest corner within the City's urban settlement area as a Growth Area. The City's Zoning By-law zones this same area as an UG – Urban Growth Zone. **Table 4.20** shows a map of this area, sometimes referred to as the Belrose Area.

According to Official Plan policies, the Growth Area is "protected for future urban residential development." The Official Plan prohibits lot creation and plans of subdivision in this area until a Secondary Plan for the area is completed. Policies say the City can only initiate a Secondary Plan "if it can be demonstrated that there is an insufficient supply of existing developable land available to meet housing demand, or if it has been demonstrated that there is a need to increase the supply of buildable lots in either the north or south areas of the City to ensure that there is sufficient choice in the market" (p. 78).

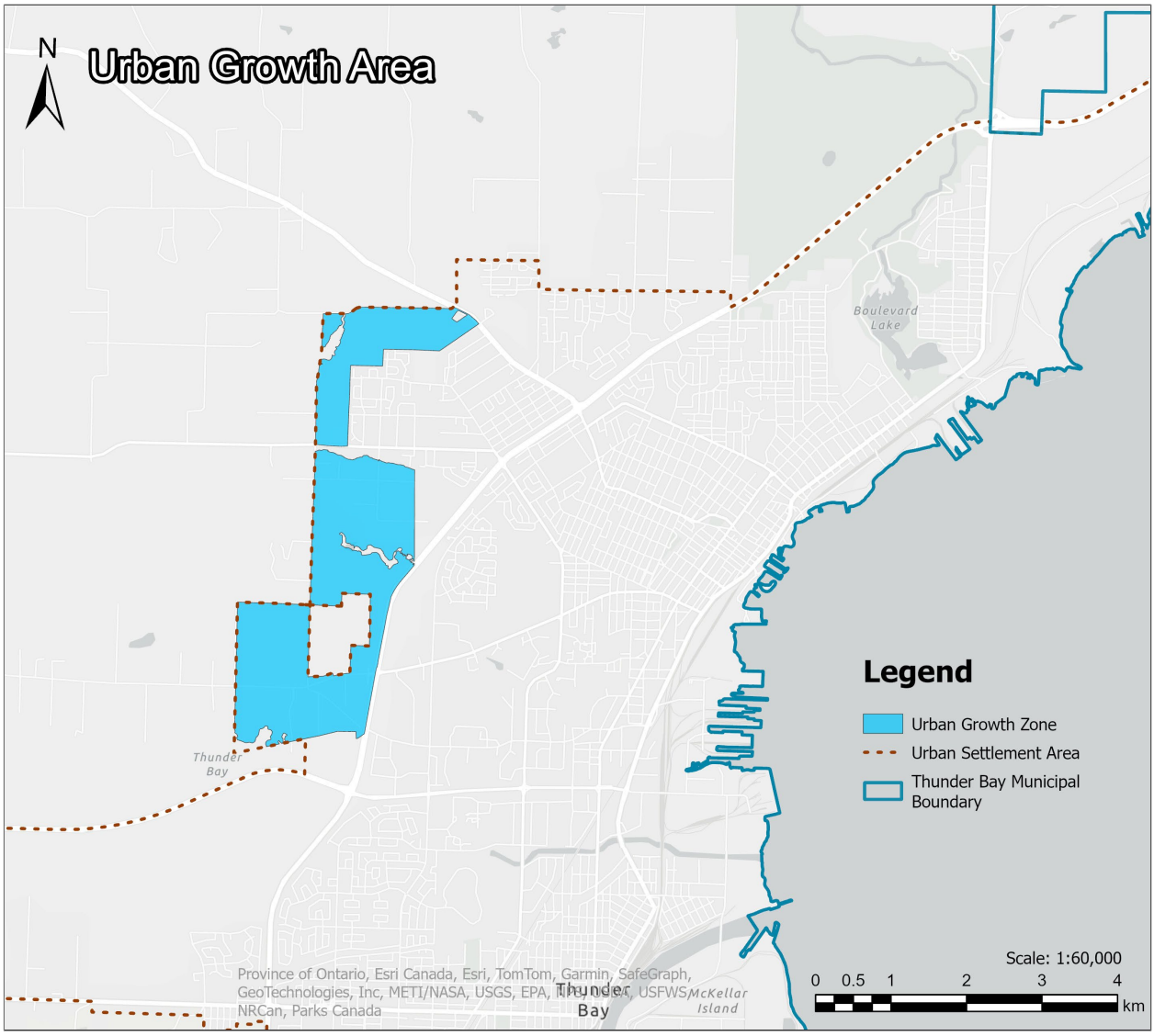


Figure 4.14: City of Thunder Bay Growth Area

The analysis in this Study has found that currently, there is still a sufficient supply of existing developable land available to meet the forecasted housing need. Therefore, expansion into the Growth Area is not needed at this time. However, should the City experience more rapid population growth than projected in the high growth scenario (due, for example, to the development of a new major mine or other industry), or if housing availability in the future is less than anticipated, the City should consider expansion into this Growth Area following creation of a Secondary Plan.

Located within the urban settlement area and in relatively close proximity to existing services and highway access, the Growth Area is a logical place for new housing development. Official Plan policies ensure that housing in the area will be developed at an urban scale, with a mix of housing densities. The Plan says, "Within the Growth Area, every residential neighbourhood shall be developed with a full range of housing types, meeting or exceeding an overall density of 20 dwelling units per gross hectare in order to provide for the housing needs of all citizens. Neighbourhoods should provide for a sense of place through non-residential nodes. It is intended that neighbourhoods connect to one another and surrounding areas through accessible, safe, and efficient transportation networks that will facilitate access to, and sharing of, community services and facilities. Connections through green corridors and open spaces that link Environmental Protection areas will also be important considerations" (p. 78).

Although, as mentioned, expansion into the Urban Growth Area is not recommended at this time, **Table 4.20** provides a summary of what the housing development of this area might look like, using the development profile of urban low- to mid-density housing to align with the policies of providing a mix of housing densities.

While the entire Urban Growth Area is almost 600 hectares in size, building multiple new housing subdivisions will be challenging in this area—large portions of the site are already developed with rural housing and the area is bisected by creeks, ravines and ridges, significantly reducing the developable area. There are a few larger areas of open land 4 to 10 hectares in size where new housing subdivisions are possible, but the Urban Growth Area as a whole should essentially be seen as a rural infill project. Removing all of the preexisting rural housing and other development, as well as areas where development is not feasible due to the other reasons described, the estimated developable area in the UG – Urban Growth Zone is approximately 294 hectares. With a mix of low- to mid-density urban-scale housing development, this would equate to the potential for 4,592 new low-density (UL) housing units and 2,517 medium-density (UM) units. This would be a total of 7,109 units, an overall density of 24 units per hectare of developable area.

More information on the Urban Growth Area's overall development readiness, desirability, and cost effectiveness for the extension of services is provided in the Appendices.

Table 4.20: Residential Development Potential of Urban Growth Area

				# of Potential Units, by Type			
Site Name	Total Area (ha.)	Est. Devel. Area (ha.)	Development Profile	Rural (RU)	Urban Low-Density (UL)	Urban Mid-Density (UM)	Urban High-Density (UH)
Growth Area	595.55	294.39	Urban: Low- to Mid-Density	0	4,592	2,517	0

5. HOUSING STRATEGY – RECOMMENDATIONS & SOLUTIONS

6. Housing Strategy - Recommendations & Solutions

This section discusses strategies the City of Thunder Bay may use to address barriers to housing and to ensure there is sufficient land and housing available to meet future demand as forecasted earlier in the report. The major areas of focus include: changes to Thunder Bay's Official Plan policies and zoning regulations; supporting affordable housing; incentivizing housing; and other strategies.

Official Plan Policies and Zoning Regulations

This report has identified numerous areas where the City of Thunder Bay's Official Plan policies and Zoning By-law regulations, as well as policy areas and zones, may need to be further amended to support the housing development that Thunder Bay needs to meet projected population changes over the next twenty years. These recommendations include: focusing on sustainable growth; preparing secondary plans in future growth areas; reforming zoning around residential development on commercial sites; and providing clearer rules for tiny homes and other alternative forms of housing.

Focus on Sustainable Growth

The analysis in the Thunder Bay Housing Land Needs Study and Strategy shows that there is sufficient vacant and underutilized land available to meet the forecasted demand for housing in the City of Thunder Bay for the next twenty years, even in the high growth scenario.

The City of Thunder Bay should therefore focus on promoting infill development and development in areas suitable for sustainable growth and the expansion of services.

This study recommends that in order to meet the housing demand for different housing types and densities that the City support the development of key areas zoned for future development (FD) over the next twenty years.

However, it is recommended that the City does not allow for urban expansion into the Growth Area at this time, unless population growth in Thunder Bay significantly exceeds projections over the next twenty years or if housing availability is significantly less than forecasted. The development of the Growth Area would require the costly extension of services and roads, which would add to the City's long-term costs. This should be avoided until a time that expansion is necessary.

To encourage sustainable growth, the City of Thunder Bay should instead consider other changes to zoning regulations, allowing increased flexibility to develop residential units on lots where this is currently prohibited. More recommendations on this are included below.

Prepare Secondary Plans in Future Growth Areas

This report has identified large areas suitable for residential development but currently zoned for Future Development (FD). These areas include land near the downtown cores and university neighbourhoods where that development cannot occur without secondary planning that sets out a road map and expectations for development and infrastructure expansion.

There are no secondary plans for many of the top ten FD sites identified in this report. Secondary plans are required before development can occur in these areas and would support housing development within these areas by providing a plan for servicing, roads, and other infrastructure. It would also help to address current barriers to development due to fragmented property ownership in these areas.

Reforming Zoning Around Residential Development on Commercial Sites

Currently, the City of Thunder Bay's zoning by-law does not allow residential units to be built in several commercial zones, including the Service Commercial Zone (SC) and the Regional Centre Zone (RC). While this regulation was designed with the intention of encouraging active commercial streets in these zones, the result is often vacant storefronts and restricted housing densities. Sections of Simpson Street, for example, are zoned as Service Commercial (SC), but feature mostly one-storey commercial buildings and old single-detached housing stock, which is now a legal non-conforming use in this zone. The street, however, has wide sidewalks and has had some public realm upgrades that would benefit from new medium- to high-density housing along the corridor (providing it could meet safety standards for proximity to rail yards and heavy industrial uses).

Currently, if a developer would want to build residential units on these sites, it would require a rezoning process and a public hearing, with the potential to end in rejection by Council. It is recommended that the zoning by-law be amended to allow residential units to be built above all commercial sites "as-of-right" in these zones. Alternately, the City could proactively re-zone streets like these for mixed-use development.

The City of Thunder Bay should also consider if even more drastic changes may be needed. Housing is currently only permitted on storeys other than the first storey in buildings in the Neighbourhood Commercial Zone (NC), the Main Street Zone (MS), and the Community Commercial Zone (CC). The City could look to make housing more flexible in these zones, as it is in the Downtown Neighbourhood Zone (DN), where apartments, care housing, converted houses, emergency shelters, homes, long-term care housing, shared housing, and townhouses are permitted as main uses alongside a wide range of commercial and other uses.

The City could also consider permitting some residential uses in the Light Industrial Zone (LI)—where no residential developments are currently permitted—and additional housing types in the Institutional Zone (IN)—where currently only long-term care housing is permitted. While recognizing that processes like the Record of Site Condition (RSC) may still be required before residential uses can be built on former industrial sites, proposed changes to the Provincial Policy Statement (2024) do encourage planning authorities to encourage "intensification of employment uses and compatible, compact, mixed-use development to support the achievement of complete communities" (2.8.1.1.d) in predominantly commercial and light industrial areas outside of designated employment areas. These changes could allow the city's developed areas to intensify, promote a more sustainable growth pattern through infill, and reduce the financial burden of maintenance and servicing costs in the long-term. Introducing residential units to core commercial areas will encourage urban renewal and contribute to the creation of complete communities.

Figure 5.1: Simpson Street at Rowand Street, within the Service Commercial (SC) Zone, Google Street View (2023)

Reduce Minimum Parking Space Requirements

While the City of Thunder Bay's 2022 Zoning By-Law removes requirements for the mandatory minimum number of parking spaces required from many zones and uses (such as most commercial and service-related uses in

the zones), parking minimums remain in place for most residential uses within the City of Thunder Bay's urban area.

In the Urban Neighbourhood area, including the UL, UM, UH, UX, NC and CC zones, there are minimum requirements of:

- 1 parking space per home for detached houses, semi-detached houses, townhouses, and apartments with 4 homes or less;
- 1 parking space for every two bedrooms used in association with a bed and breakfast;
- 1 parking space per home in shared housing, plus 0.2 per rooming unit;
- 1.5 parking spaces per home for apartments with 5 homes or more; and
- 0.5 parking spaces per home for converted houses.

While these minimum parking requirements may not cause issues on larger lots, they pose significant challenges for infill development on some of the city's narrower lots, particularly the development of backyard homes on the same lots as detached houses and apartments with 5 homes or more. Many cities across Canada are reducing parking minimums for these kinds of residential developments—finding that requirements exceed actual demand—or removing parking minimums altogether.

To address the issue of parking minimums in Thunder Bay, the City should undertake a parking study to assess the true parking demand for different residential uses and neighbourhoods. Based on the findings of this study, the City should review the parking minimums in the Zoning By-law and reduce or remove these for uses or zones where the minimum is higher than necessary (e.g. in areas that are located in proximity to frequent transit service). These changes will help to remove barriers to infill development and processes such as the need for minor variances, which could deter some developers.

Clearer Rules for Tiny Homes and other Alternative forms of Housing

Currently, there are no regulations in the City of Thunder Bay Zoning By-Law (such as minimums for lot coverage) that explicitly limit the development of tiny homes and other alternative forms of housing; however, 55 percent of survey respondents felt the City of Thunder Bay still needed to "provide clearer rules for unique kinds of housing, such as 'tiny homes'". Tiny homes are small and affordable houses, generally below 400 square feet, which connect to municipal servicing and may rest on a foundation or on wheels. In contrast to ADUs, a tiny homes may be smaller and may occupy their own lot.

Clarity and certainty for developers is particularly needed when it comes to pocket neighbourhoods or communities that would include multiple tiny houses or prefabricated houses on one lot. A typical pocket neighbourhood of tiny houses, for example, may include approximately 8 to 12 tiny homes on a 1-acre piece of land, in addition to common areas that may include community hub buildings, community gardens, and shared off-street parking.

Although it is unlikely that pocket neighbourhoods and tiny homes in general will contribute a significant proportion of the needed housing in Thunder Bay over the next twenty years, the City of Thunder Bay should nevertheless revise its zoning by-law to provide clarity on zones where pocket neighbourhoods would be permitted, along with any related use-specific regulations.

Supporting Affordable Housing

Research and engagement undertaken for this study highlights the need for more affordable housing in Thunder Bay across the housing continuum (including homelessness, emergency shelters, transitional housing, housing with supports, community housing, and other forms of affordable housing that include both renting and home ownership). While affordable housing has typically been considered the jurisdiction of the Thunder Bay District Social Services Administration Board (DSSAB), with the support of other non-profit and Indigenous-run organizations, the City of Thunder Bay also needs to play a more active role in supporting affordable housing options in the city.

This section provides strategies that the City of Thunder Bay may consider in supporting housing affordability, including: the hiring of an "Affordable Housing Navigator"; the preparation of an Affordable Housing Community Improvement Plan; and the creation of an arms-length development corporation.

Affordable Housing Navigator

Stakeholders in the non-profit sector cited the difficulty of the development process as a barrier to the creation of new housing stock. While many non-profit organizations are working to provide affordable housing options in Thunder Bay, few have in-house expertise in housing development and financing. As a result, this has led to false expectations, frustrations, and potential cancellations in potential affordable housing developments that are desperately needed.

In response, the City of Thunder Bay should create a new ambassador position dedicated to assisting non-profit organizations in navigating the housing development process. The Navigator would grow non-profit organizations' capacity to work within the municipal and provincial development processes by offering help free of charge as it relates to development applications, permits, land acquisition, zoning, and funding options and opportunities. The Navigator would inform non-profit organizations about opportunities to acquire appropriate City-owned land for affordable housing projects and provide assistance on an as-needed basis. Over time, the Navigator could also identify common and recurring issues, recommend policy changes, and provide general feedback intended to simplify the development process in Thunder Bay.

Affordable Housing Community Improvement Plan

Currently, affordable units in Thunder Bay are not developed fast enough to meet demand, with over 1,000 people on the waitlist managed by the DSSAB.

Thunder Bay should encourage the creation of multi-unit housing and affordable housing by providing a financial incentive for developers. This may take the form of grants, rebates, or forgivable loans. This could include the creation of an Affordable Housing Community Improvement Plan (CIP) and the identification of a CIP project area that are prioritized for affordable housing development based on proximity to transit, adequate servicing, and other relevant factors. A contractual agreement with housing developers to sustain affordable rents long-term should be required to receive these grants.

To prepare an Affordable Housing Community Improvement Plan, the City should seek input from advocates and institutions to identify the most promising target areas and considerations for the grant, which may include additional elements such as tax increment financing, property tax rebates, planning and development fee rebates. The strategy may also include exploring disposing of city owned surplus lands for the purpose of affordable housing.

Creation of an Arms-Length Development Corporation

The City of Thunder Bay has extensive land holdings that could be disposed of for the development of affordable housing. Currently, the process for the City to dispose of land for development requires the City to formally identify land as surplus and then post the land for sale to the general public via the city's website and MLS (multiple listing service). Non-profit housing organizations have expressed that they are not always aware when new land becomes available, and the general posting process does not necessarily lead to visionary developments or achieve desired targets for affordable housing or quality design.

To be more proactive about the land that becomes available for sale and to guide the desired outcomes of development on that land, the City should explore the creation of an arms-length development corporation that will foster residential, economic and cultural growth through innovative partnerships in the disposal of city-owned land for development.

Arms-length development corporations have been successfully implemented in cities across Canada and could work well in the Thunder Bay context. Winnipeg's CentreVenture Development Corporation, for example, has facilitated more than 150 development projects in Winnipeg's downtown area since its inception in 1999. CentreVenture actively acquires and markets derelict and underutilized properties and assembles properties for sale as an attractive package. They also provide loans and gap financing for projects, program design and administration of housing construction programs, as well as the administration of heritage tax credit programs.

A City of Thunder Bay development corporation could similarly kickstart downtown revitalization projects and initiate the disposal of important parcels of land with affordable housing developers, rather than simply posting properties as available for sale.

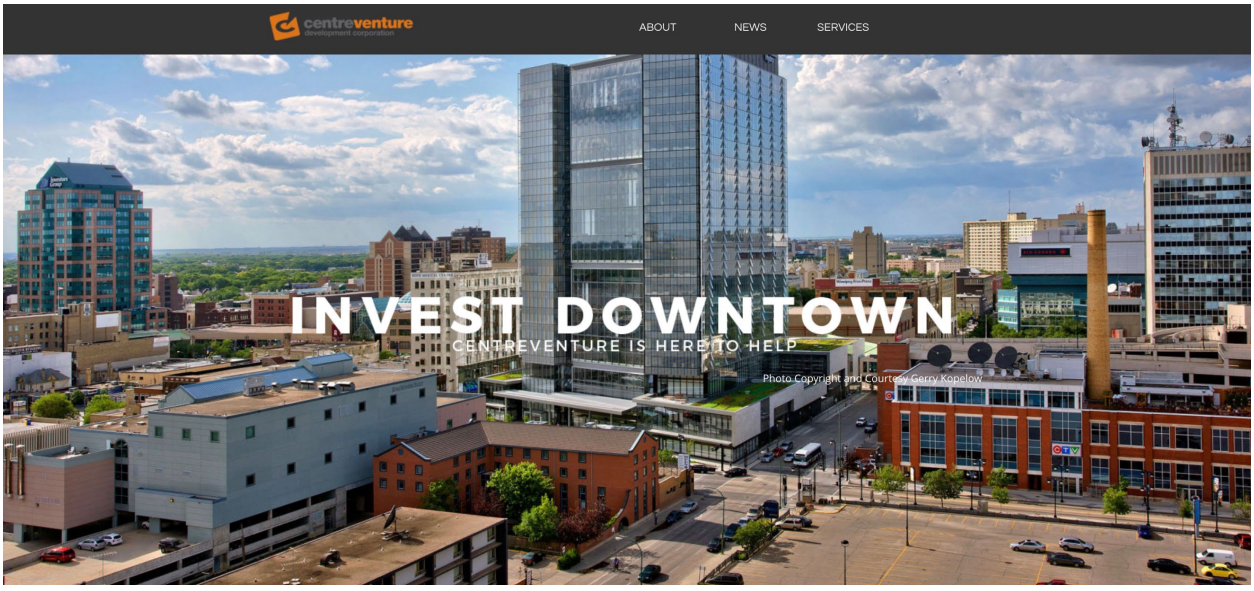


Figure 5.2: Winnipeg's CentreVenture is an arms-length development corporation (CentreVenture, 2023)

Incentivizing Housing

This section includes additional strategies to incentivize housing in the City of Thunder Bay. These strategies include updating the Core Areas Community Improvement Plan Grants to incentivize residential infill, encouraging accessory dwelling units (ADUs), and financial support for housing repair or renovations.

Updating Core Areas "Community Improvement Plan" (CIP) Grants for Residential Infill

Thunder Bay currently utilizes a Strategic Core Areas Community Improvement Plan (CIP) to promote growth in core areas and encourage public and private investment. Currently, the CIP covers three areas: the North Core, South Core, and Westfort Project Area. Projects in these areas are eligible for a maximum of $25,000 in financial incentives, including a rebate of planning application and building permit fees, a main floor commercial conversion grant, an upper floor residential/office conversion grant and a commercial façade improvement grant. While the CIP grants sound enticing, no new permitted residential units have been incented under the existing CIP to date.

To incentivize more housing, the City of Thunder Bay should review and revise the "Community Improvement Plan to further incentivize residential infill development in the areas within the existing CIP areas. It could also look to expand the footprint of these areas to include more of the units highlighted in the vacant land inventory shown in this report.

The grant could be modified to provide more funding per unit of rehabilitated/converted housing or new residential construction in the two downtown cores, Port Arthur and Fort William, and in the Westfort and Bay/Algoma Business Districts. There are opportunities in these areas for both small-scale infill projects, and large-scale residential conversions of historic or other buildings.

The updated CIP could also include additional incentives for development that transforms surface parking lots and vacant commercial lots into new residential or mixed-use buildings, which could unlock significant housing development in these areas.

The analysis presented in earlier sections of this report show that there are approximately 106 vacant commercial lots in Thunder Bay's urban area, with an estimated development potential of 1,686 housing units, although some of the lots would be used for new commercial developments. Incentives could help to significantly increase the likelihood of housing development on vacant commercial sites.

Likewise, there are 106 surface parking lots zoned for residential and 34 surface parking lots in commercial areas, with estimated development potentials of 728 housing units and 239 housing units, respectively, if housing was to be developed on the sites. From a business perspective, surface lots are a profitable, low-maintenance business with a low barrier to entry and success. Due to these factors, the likely development potential of these lots may be low without incentives for development.

Encouragement of Accessory Dwelling Units (ADUs)

Following the zoning by-law changes which now permit the building of multiple dwellings on all lots in the Urban Low-Rise (UL) zone, the City should begin promoting this change to encourage the construction of accessory dwelling units (ADUs). ADUs may include basement suites, laneway houses, or additional suites in a single-family home. This could have a major effect on the number of dwelling units in the City, as this study has shown that up to 43,785 additional units are now permitted by right on existing residential lots in the Urban Low-Rise Zone.

The City could encourage these units through financial incentives (grants or loans) to create interest among residents. Greater Sudbury, for example, has implemented a Residential Incentive Program that offers a grant of $10 per square foot of newly created affordable habitable residential space, or $20,000 per affordable dwelling unit (whichever is lesser), which is paid out after occupancy permits are issued. They also have a Second Unit Incentive program that provides a maximum of $50,000 (up to 50% of the approved project costs) to non-profit and charitable organizations who create secondary units. A similar or more robust incentive program in Thunder Bay would encourage single-detached dwelling owners to add accessory dwelling units on their property.

To make it even easier for people to build ADUs, the City of Thunder Bay may consider creating templates for free-standing units that will meet zoning requirements and expedite the approval process. This could be followed by an advertising campaign to make people aware of financial incentives and the new regulations.

Financial Support for Housing Repair or Renovations

This study has shown that the City of Thunder Bay has one of the oldest housing stocks in the country. Major repairs are needed on 3,650 housing units in the city, meaning 7.5% of all households live in inadequate dwellings. Preserving these units for the future will be essential, as this amount is nearly equivalent to the total number of housing units needed in the City of Thunder Bay by 2045 under the medium-growth scenario (3,594). If these units become uninhabitable, the housing need over the next 20 years in that scenario will essentially double.

Therefore, the City of Thunder Bay should create an incentive program for housing repairs and renovations of houses older than a certain age to keep these units in the housing stock and continuing to provide adequate housing for their residents. This will also help to create more habitable affordable housing units in the city, as it will give people the incentive to purchase and renovate affordable houses in need of repairs.

This is similar to a program that is offered by one First Nation with members living in Thunder Bay; the Nation provides maintenance funding that can be used for repairs or renovations, with increasing incentives for members aged 55 and up.

Figure 5.3: Thunder Bay house in need of major repairs

Other Strategies

This section includes other strategies that the City of Thunder Bay could use to support housing development

that are not related to the topics already covered in the sections above. These strategies include preparing a city-wide archaeological management plan; setting up a vacant industrial land assessment and conversion program; piloting a tiny home pocket community; and continuing to implement the e-permitting system.

Continuing to Implement an E-Permitting System

Thunder Bay has started to implement an e-permitting system that allows property owners to apply for building permits for residential projects through an online portal (see **Figure 5.4**). Currently, users are able to apply for permits for new residential accessory buildings (for garages, sheds, etc.) and structures (such as fences and pools), but not for new single-family homes, backyard homes, or seasonal dwellings—they may only apply for permits for alterations or basement finishing on these buildings. The online permitting system is not available at all for other types of residential units, including duplexes and multi-family housing.

The City of Thunder Bay should continue to add functionality to the e-permitting system so that all building permits related to housing development can be processed online (including new single-detached housing, duplexes, multi-family, etc.).

The e-permitting system should allow applicants to submit the full application digitally, including application forms that now need to be submitted in PDF format.

A full e-permitting system should also make it clear to applicants where the application is in the development review timeline once an application has been submitted. This will give additional certainty to developers and simplify the application process overall, which will particularly be an asset to non-profit housing developers with less experience with city development review processes.

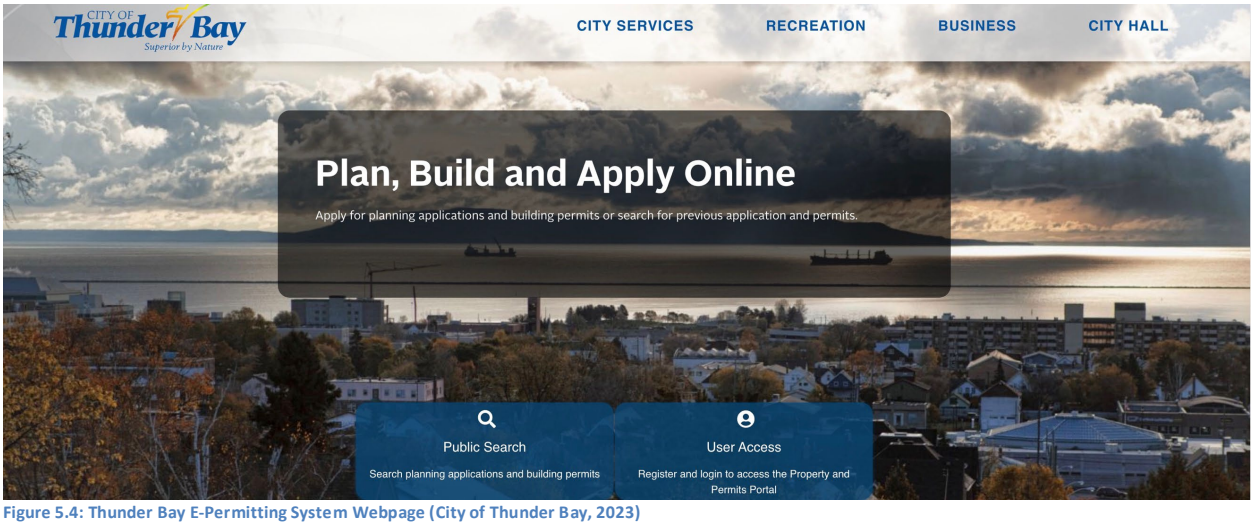


Figure 5.4: Thunder Bay E-Permitting System Webpage (City of Thunder Bay, 2023)

Address Student Housing Needs

This study has shown that student housing needs, particularly from out-of-town students and International students, assert significant pressure on the supply of available housing in Thunder Bay. On-campus housing often requires students to sign full-year leases, even if they intend to travel back to their hometowns when classes are not in session. Rather than spend the money paying for housing when they are not in class, many students look for other housing options in the City, including renting rooms in other houses that may not meet code requirements.

The City of Thunder Bay should work with its major post-secondary institutions and find ways to encourage them to build more housing on their campuses, with arrangements that meet the needs of all students. Land owned by these institutions has significant opportunity for infill development.

Vacant Industrial Land Assessment & Conversion Program

A 2020 Land Study identified 406 vacant, undeveloped properties which are currently designated for industrial use. Among these sites are a collective 42 hectares of properties individually measuring less than 0.5 hectares in size (Note that these lands are not included in the vacant land inventory in this report due to this industrial designation). The 2020 Land Study suggests these properties are limited in their potential for industrial development due to their small size. Some of this land may be better suited to residential use.

Working with an environmental engineer to identify the best candidates, the City should systematically assess land for compatibility with residential use.

Following this assessment, priority status should be assigned to land that is city-owned, serviced, and with little-to-no site remediation required. This would then be made available for residential development without the need to develop greenfield sites.

Figure 5.5: Thunder Bay industrial land

Piloting a Tiny Home Pocket Community

68 percent of survey respondents said that many more or some more tiny homes were needed to meet the future housing demand in the City of Thunder Bay. This demonstrates strong support for further exploring the concept of tiny homes in the city.

Popular interest in tiny homes has grown over recent decades due to the rising price of traditional single-detached houses alongside a desire for downsizing possessions and "living simply" as a means of lowering our ecological footprint. However, despite the level of interest, few people have had a chance to see a tiny home in person, let alone a community of tiny homes.

To assess the demand for tiny homes and identify unexpected barriers, the City of Thunder Bay should work with a tiny home developer over the next few years to initiate a tiny home community pilot project.

The Tiny Town Association (TTA) is a Canadian-based non-profit organization that is looking to partner with cities to pilot tiny home neighbourhoods that can be replicated, if successful (see **Figure 5.6**). The process starts with city staff identifying one or two potential properties for a project (approximately 0.8 acres to 4+ acres in size).

The City of Thunder Bay has a significant amount of city-owned land (as shown earlier in this report) and should have several sites that would meet the criteria for a pocket community. If interested in the identified sites, TTA staff will then select a property to pursue. The city would then put the property on hold and provide a letter of support to be used by TTA in funding applications. TTA would then apply for pre-development funding through the Federation of Canadian Municipalities (FCM) and the Canada Mortgage and Housing Corporation (CMHC). At this point, TTA would design the tiny house community and the site would be rezoned appropriately. At this point, TTA would secure full funding for the project, present plans to council, and then, with all approvals in place, proceed to development. In municipalities where significant housing is required, TTA may also consider developing a factory to construct the homes.

In addition to the TTA, there may be other partners interested in developing tiny homes in the City of Thunder Bay. For example, Fort William First Nation has expressed interest in exploring a pocket neighbourhood for Elders in Thunder Bay who may not have access to supportive housing on Reserve.

Figure 5.6: Pocket Community of tiny houses (Tiny Town Association, 2023)

City-Wide Archaeological Management Plan

Provincial policy dictates a Stage 1 Archaeological Assessment must be carried out prior to land development on properties that have a known archaeological site or the potential to have archaeological sites. However, 76% of all land within the municipal boundary of the City of Thunder Bay falls within the area identified as having the potential to have archaeological sites. Further, these assessments require time and money, slowing the rate of building while increasing the cost of the end product—housing.

By leveraging the 2023 Heritage Inventory (a city-wide study of land with the aim of verifying and correcting the inventory of known sites), an Archaeological Management Plan can be created. This plan would support the goals and directions of provincial planning documents, streamline the planning and development process, and provide clear direction for when archaeological assessments will be required. Such a plan would remove the financial uncertainty and time burden from the developer, accelerating housing creation.

Summary

The Thunder Bay Housing Land Needs Study and Strategy aimed to ensure an adequate supply of housing is available in the City of Thunder Bay over the next 20 years.

The report shows that Thunder Bay's population has been relatively stable in recent years, but the need for more housing—especially affordable housing—persists. Thunder Bay must immediately increase the rate of housing construction to meet the existing housing shortfall and future growth projections. There is a particular urgency to addressing the housing needs of Thunder Bay's Indigenous population (largely uncounted in the census) and a growing international student population.

To increase the rate of housing construction, the strategy and recommendations in the report provide specific actions to achieve the project goals of improving housing affordability, reducing barriers to development, creating a residential land and housing inventory, and addressing the gaps in the existing housing supply.

The strategies include recommended changes to Thunder Bay's Official Plan policies and zoning regulations; actions to supporting affordable housing; ideas to incentivize housing; and other strategies that will help the City of Thunder Bay to prepare for growth and change over the coming decades.

Housing-oriented initiatives and other efforts put forth by the City are anticipated to have a significant impact on housing in both the near- and long-term. As such, the contents of this report should be reviewed periodically in 5-year intervals, with projections compared against new data as it becomes available. This will allow for evaluation of this strategy and a renewed approach to ensuring Thunder Bay has enough housing now and in the future.

7. Appendix 1: Engagement Summary

8. Appendix 2: Site Assessment Matrix