

Prepared for Submission to the City of Kingston

City's New Official Plan Proposals sit on a shaky foundation

A review of the 2023 Council Approve Population Projections

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8/26/2025

Times Change - Population Projections Now Questionable

City of Kingston Official Plan Review

Executive Summary

This report provides a critical analysis of the *Watson & Associates Economists Ltd. Population Projections (2023) Report*, which the City of Kingston adopted as the foundation for its Official Plan Review. The central finding of this analysis is that significant economic, political, and demographic shifts have rendered the *Report's* growth projections unreliable and overly optimistic. Proceeding with an Official Plan based on this outdated data presents considerable financial and environmental risks to the City.

The *Report* projected that Kingston's population would reach 197,000 by 2051. This forecast was heavily predicated on a buoyant economic outlook, anchored by the anticipated Umicore electric vehicle (EV) battery plant and sustained high levels of federal immigration. Based on these figures, the City has been planning for substantial growth, including a proposed 745-hectare expansion of the urban boundary to accommodate an estimated 27,000 new homes and related land uses.

However, the foundational assumptions of the *Report* have been fundamentally undermined. The indefinite hold placed on the Umicore plant, coupled with a broader slowdown in the EV sector and unresolved trade tariffs have erased a primary driver of the projected job growth. Concurrently, the federal government announced significant reductions to its immigration and international student targets in early 2025. This policy shift directly contradicts the *Report's* migration assumptions. Kingston's post-secondary institutions, which represent a major component of the local economy, have already experienced job losses and program cancellations. Furthermore, forecasted cuts to the federal public service will negatively impact another of the city's key employment sectors. The city's unemployment rate has already climbed from 5.5% to 8.6% in 2025, reflecting this new economic reality.

Continuing to plan based on the 2023 projections is therefore ill-advised. The proposed urban boundary expansion is no longer justified and would impose unnecessary and significant costs on taxpayers for service extensions, while promoting urban sprawl in conflict with the City's climate change commitments. Analysis shows that the City's existing housing supply pipeline is sufficient to meet the demand forecasted in the City's *2019 Growth Study*, which projected a 2051 population of 146,300. This earlier projection now appears far more realistic.

Given the unprecedented uncertainty, it is recommended that the City of Kingston take a more prudent and cautious approach. This report recommends that the City:

1. **Confirm the 2019 Growth Study (Medium Scenario)** as the population projection used as the basis for the current Official Plan Update.
2. **Defer any proposed extension to the current Urban Boundary** to the next Official Plan Update.
3. **Restore the associated 'cut-outs'** from the Natural Heritage Mapping that were proposed to facilitate the Urban Boundary expansions.

By taking these steps, the City can avoid costly and unnecessary development, protect its natural environment, and base its future planning on a more accurate and realistic assessment of its growth prospects.

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Council Approved Population Projection Outdated

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The City's work to revise its Official Plan builds on many studies. Population growth estimates are foundational, used to determine the number and type of facilities and related land required to serve the expected population. When a city is not expected to grow – think of a city that has lost major industries such as Cornwall or Elliott Lake – then there is no need to open new areas for development. When a city is expected to continue its rapid expansion – Barrie, for example – then careful planning is needed to identify the new areas that can be most efficiently serviced to support new developments – housing, commercial, and industrial.

The City of Kingston hired Watson & Associates Economists Ltd. to analyze population data and estimate Kingston's population for the year 2051, the timeframe for the new Official Plan.

Watson's Population Projections for the City of Kingston are based upon data available by the summer of 2023, two years ago. At that time prospects for the electric vehicle (EV) business in Ontario were bright and the Umicore battery plant in Loyalist Township was scheduled to be operative by 2026. The plant was to feature 600 new jobs and generate considerable 'spinoff'.

This 'bright future' was at the core of Watson's assumptions regarding growth and the related need to open new areas for development.

Umicore's local battery plant has been on indefinite hold since March of 2025 (with initial production apparently redirected to Poland and Korea), and EV related businesses, including GM, Honda, Volkswagen and Netstar experiencing delays in, or, reduced production.

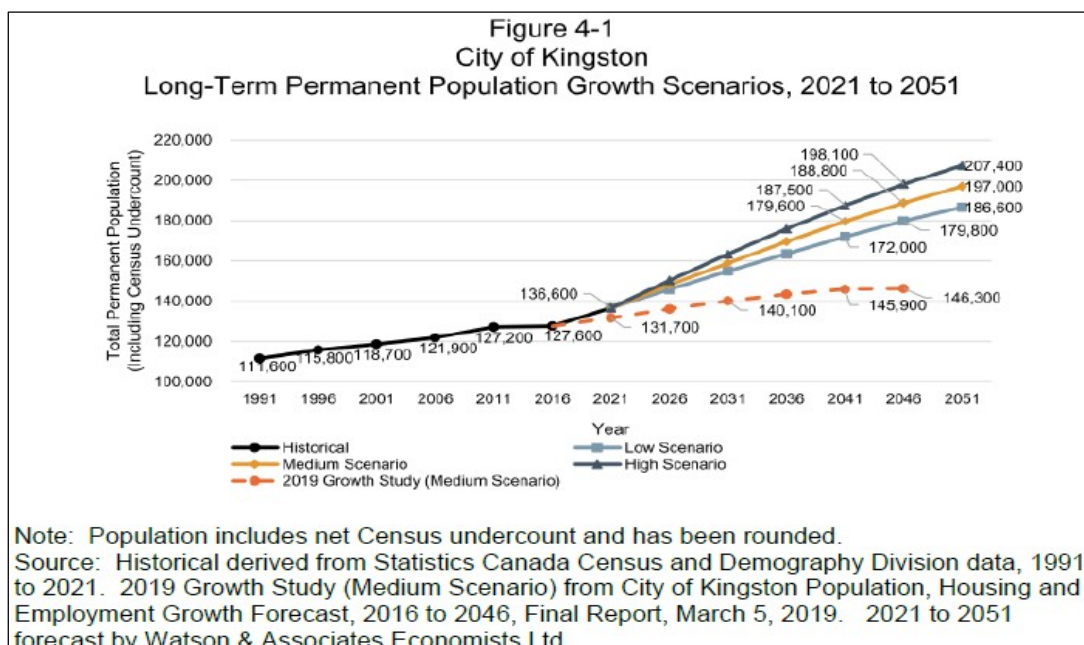
The US Election, November 2024, followed by the Canadian Election, April 2025, shook the political landscape. The current trade war, unresolved tariff applications and CUSMA-related issues, have not only resulted in a slowdown in Electric vehicle (EV) sales but have also generated a high level of uncertainty in the general economy.

Changes in the federal immigration policy have resulted in reduced student enrollment and job losses at colleges throughout the province with St. Lawrence College cancelling dozens of programs and laying off 100s of staff. And faced with a challenging budget shortfall, Queen's University is going through a massive restructuring.

The City is relying on the *Reports* 'Medium Scenario' population target of 197,000 people for the Official Plan Update. The City's **2019 Growth Study (Medium Scenario)** of 146,300 now seems to be more realistic given current circumstances.

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The more recent, *Interim Update: Ministry of Finance Population Projection for Ontario, 2024–2051*, dated May 7, 2025, confirms less optimistic projections for Ontario with growth expected to slow by 2027-28 throughout the province and eastern Ontario expected to fall below the provincial average. See Appendix A for an extract of the Interim Update.

Province sees
Slow Growth
projected for
Eastern Ontario

Key areas that need to be re-examined given major shifts since 2023 include:

A. Increased migration of 3,210 people was forecast by Watson. “All age groups are forecast to have higher amounts of migration. Strong increase in the primary family age group (20 to 54), from 37% historically to 66% from 2021 to 2051” However, these assumptions are no longer realistic given the Federal immigration policies announced in early 2025 as shown in the comparison below.

Year	2024	2025	2026	2027
Watson	485,000	500,000	500,000	500,000
Recent Federal Policy	485,000	395,000	380,000	365,000
Difference	0	- 105,000	-120,000	-135,000

The impact of these reductions needs to be analyzed to determine their impact the Report’s population projections. (The projected immigration figures shown on Page 11 predated the 2025 Federal announcement.)

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B. Job assumptions by Watson, derived from the ‘up to 2023’ data assume an annual growth rate of approximately 1.2% for the City of Kingston between 2023 and 2051. Under this scenario, the employment base is expected to increase by approximately 30,400 jobs by 2051, increasing from 80,500 in 2023 to 113,900 by 2051. Watson’s projections and recommendations were based upon 2023 data and experienced speculation. No information regarding the status of the local economy, or related future business plans, was provided as a basis for the projections or related recommendations.

Private sector job growth, aside from the reference to Umicore and related positive assumptions, has not been confirmed, as to source, in Watson’s work.

Post Secondary Education job growth will be negative. This sector apparently constitutes up to 30% of Kingston jobs

Public Service job growth is expected to be negative according to a May 23, 2025 CBC web report. “The federal public service has shrunk for the first time since 2015, after shedding nearly 10,000 jobs over the last year, according to new data released by the Treasury Board Secretariat (TBS). Of the 9,807 jobs cut between 2024 and 2025, a significant majority — 7,051, or 72 per cent — were in federal agencies such as Parks Canada, the National Capital Commission and the Canada Revenue Agency (CRA). The rest — 2,756 or 28 per cent — were in the core public administration.”

The Canadian Centre for Policy Alternatives web posting of June 30, 2025 is forecasting a 24% cut in federal non-defense personnel. As this will have a substantial local impact, it is essential to determine how many non-defense federal employees working in Kingston will be affected.

Health Care job status has not been estimated in the Watson report. According to data from the City of Kingston, the **Health Care and Social Assistance** industry (NAIC 62) has the highest share of the total labor force at **16.4%**. Job losses in this sector would also have an impact on the city’s growth projections.

Up-to-date information from local employers regarding future plans should be acquired to inform the Official Plan Update. A list for use as a starting point is set out in Appendix B.

C. The softening Ontario economy is mentioned in Watson’s **Population, Housing and Employment Growth Analysis Study September 3, 2024 Final Report** which states: “Near-term provincial G.D.P. growth slowed notably in 2023 and has continued to slow in 2024 due to the high cost of borrowing and persistent inflation at levels above target by the Bank of Canada. While national and provincial G.D.P. is anticipated to rebound by 2025/2026 in response to recent and anticipated interest rate cuts by the Bank of Canada, we would note that macro-economic conditions across Canada and Ontario have softened within the past year.” Current trends confirm that this softening continues. According to Ontario.ca and Statistics Canada, the City’s unemployment rate has increased this year from 5.5% in January to 8.6% in July. An up-to-date survey of the local job market, including prospects for new jobs, is necessary before the Official Plan update is finalized.

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D. Student population assumptions in the Watson report state: “Full-time post-secondary student enrolment in the City of Kingston is forecast to increase from 34,000 in 2021 to 48,300 by 2051, an increase of 42% (14,300 students) over the forecast period (1.2% annual growth rate).”

42%
Student
Increase
???

Compare the above to the following July 12, 2025 post by Kingston’s Member of the Provincial Parliament, Ted Hsu. “In the past year, 10,000 college faculty and staff have been laid off and more than 600 programs have been cancelled or suspended. Since 2020, Ontario’s colleges and universities had become increasingly dependent on international student tuition after the Ford government froze domestic tuition fees and did not compensate for cost increases. The fragility of this system was revealed when international student enrollment began to slow and then sharply declined following the federal government’s cap on study permits. Between 2023 and 2024, 23 of Ontario’s 24 public colleges saw international enrollment drop by 48%.”

Population projections for student enrollment need to be revised in consultation with local education providers including Queen’s University, St. Lawrence College, local colleges, and the four school boards.

E. Housing builds already underway. Pending and Committed Residential Unit data is set out below from City Report 25-066, March 4, 2025. It does not include any of the many projects submitted for approval after January 1, 2025, most recently, the 455 residential unit proposal for the Metro site at 310 Barrie Street.

Table 6: Pending and Committed Residential Units

Up to December 31, 2024	Multi-unit Residential	Single-detached, semi-detached or row house	Total
Pending Units (awaiting draft plan of subdivision or zoning approval, or under appeal)	4,589	195	4,784
Committed Units (Zoning approved, no Building Permits yet)	6,950	2,536	9,486
Up to December 31, 2024	Multi-unit Residential	Single-detached, semi-detached or row house	Total
Total	11,539	2,731	14,270

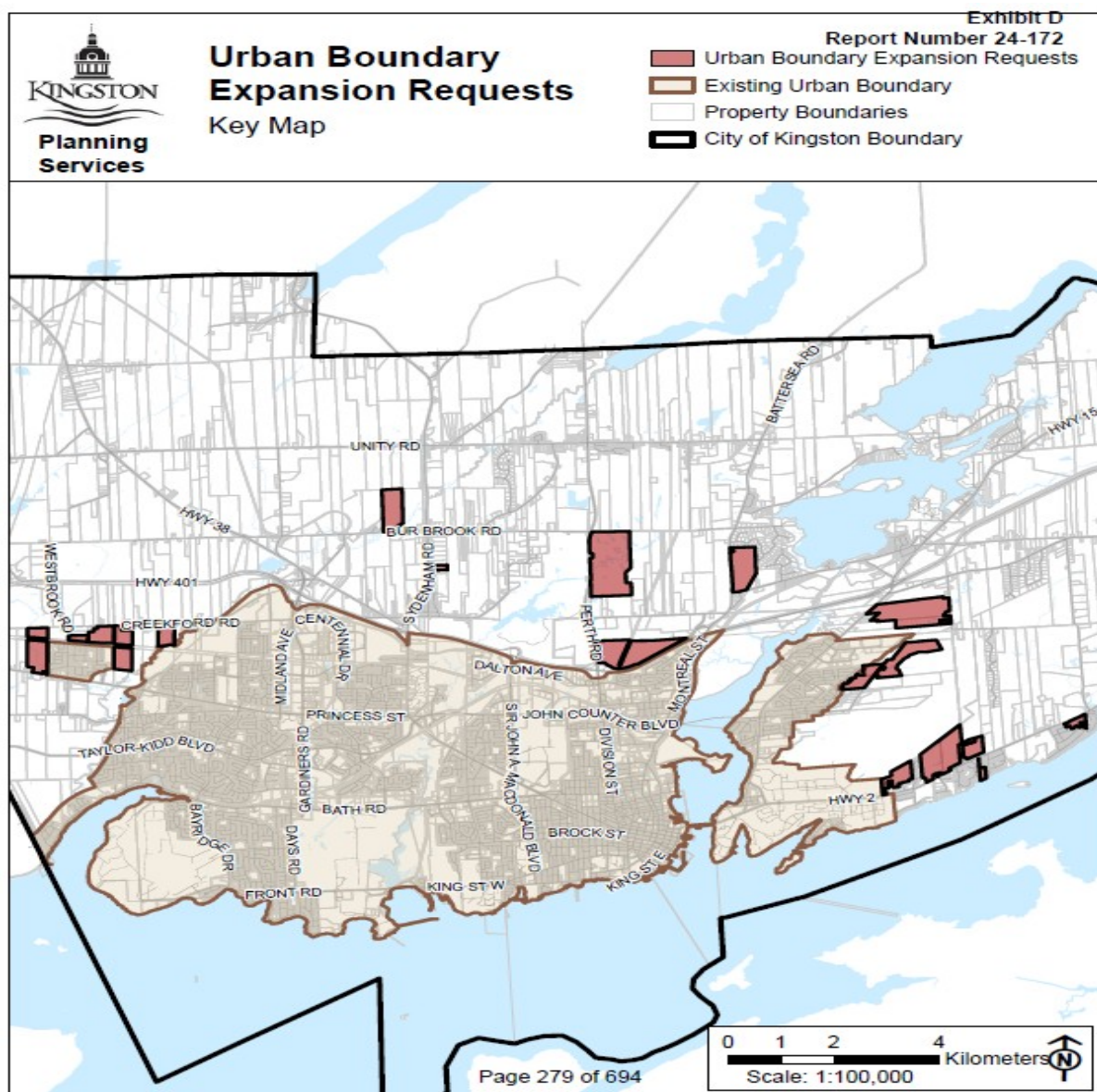
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The Watson projections call for 27,000 new homes to be added to the Kingston market, to accommodate the approximately 61,000 new people expected by 2051.

By comparison, the 2019 Growth Study (Medium Scenario) suggests population growth of approximately 14,600 by 2051. Assuming a unit occupancy rate of 2.29 persons per unit, about 6,375 new residential units will be required by 2051, an amount already accommodated, and either under construction or awaiting building permits, as shown in the out-of-date Table above. This supply of new residential units already meets the 25 year housing supply requirements of the current Provincial Planning Policy Statement.

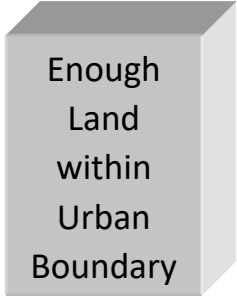
F. Urban Boundary extensions, the opening of new areas for fully serviced development, consisting of approximately 745 hectares, are proposed to accommodate Watson's, projections.



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The Urban Boundary, shown above together with Expansion Requests, is a critical component of the Official Plan establishing limits to the City's urban fabric and protecting rural, resource and environmental lands from urban encroachment. It is meant to constrain Greenfield development and contain expensive urban sprawl. Containing the urbanized portion of the City and preserving natural assets within the City's portion of the planet, is a key feature of the City's commitment to combat climate change. The areas shown as Expansion Requests have been removed from the Natural Heritage mapping component of the Official Plan Update to accommodate the Expansion Requests.



Enough
Land
within
Urban
Boundary

Any change to the Boundary implies major cost to taxpayers, given the related upfront and ongoing expense of providing required municipal services to new areas. There are also additional and significant costs in allowing 'leapfrog' development.

The Ontario government has compromised the City's ability to extract development charges resulting in an extra, significant, burden on taxpayers. This additional burden is very likely to increase as the demand for traditional 'bricks and mortar' commercial and industrial land decreases, reducing the related traditional contribution of tax dollars to the City. The City must commit to conducting an appropriate, independent, cost benefit analysis of any proposed Urban Boundary extension. In the final analysis, it may develop that by the time Boundary expansion is anticipated, the required form and composition of development could be quite different from what is currently anticipated.

The Urban Boundary Expansion proposals, together with the related 'carve outs' mapped in the associated June 2025 Natural Heritage Study, are inappropriate and not required since current circumstances, indicate that no extensions are warranted prior to 2051. No Expansion would be required to accommodate the 2019 Growth Study (Medium Scenario).

G. Recent reports suggest that residential building activity in other jurisdictions is experiencing a substantial downturn, and in some cases, project failures, brought about by overly optimistic building starts.

The current high level of multi-unit residential building construction and reduced occupancy in Kingston is notable, as confirmed by current listings and the many construction cranes on the horizon. It appears that Kingston may be headed for potential over supply with costly related consequences as Development Charges, as of June 2025, are now only payable at the time of occupancy rather than building permit approval.

Accordingly, any Official Plan Update should be informed by current information related to:

1. Residential unit vacancy rates,
and
2. The number of open building permits for multi-unit residential projects,
as of the end of 2025.

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Conclusions

Current circumstances have rendered the Watson report's population and related projections to be inaccurate and the summary recommendations, as set out in **Watson Conclusions from City of Kingston Growth Analysis and Urban Land Needs Study – Phase 1 Draft Findings** no longer reliable assumptions upon which to base the Official Plan Update.

Unprecedented uncertainty is both local and global in nature, a very difficult time to plan for the next year let alone 25 years hence. This uncertainty is likely to persist for at least the next two and half years, or perhaps longer. Caution is required.

Given that there is a new Statistics Canada census in 2026 with the data available by 2027 or early 2028 at the latest, it would be prudent for the City to wait for projections based upon those figures rather than relying on the no longer reliable population projections which are the current underpinning proposed for the current Official Plan Update. The following assumes that the Update must be completed by 2026.

Recommendations

Based upon the foregoing, it is recommended that the City:

(a) Confirm the 2019 Growth Study (Medium Scenario) as the population projection used as the basis for the current Official Plan Update,

AND

(b) Defer any proposed extensions to the current Urban Boundary to the next Official Plan Update,

AND

(c) Restore the associated 'cut outs' from the Natural Heritage Mapping that were proposed to facilitate the requested Urban Boundary extensions.

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Appendix A

Interim Update: Ministry of Finance Population Projection for Ontario, 2024–2051

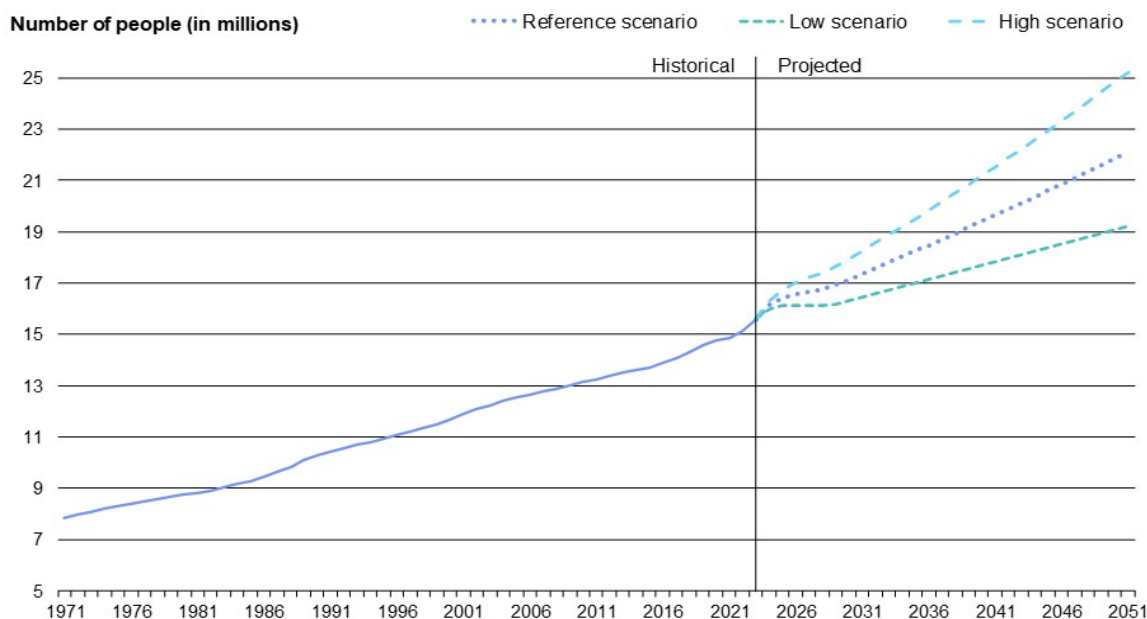
Projection Results

Reference, low and high-growth scenarios

The Ministry of Finance projections provide three growth scenarios for the population of Ontario to 2051. The medium-growth or reference scenario is considered most likely to occur if recent trends continue. The low- and high-growth scenarios provide a forecast range based on plausible changes in the components of growth. Population is projected for each of the 49 census divisions for the reference scenario only. Charts and tables in this report are for the reference scenario, unless otherwise stated.

Under all three scenarios, Ontario's population is projected to experience growth over the 2023–2051 period. In the reference scenario, population is projected to grow 41.7 per cent, or over 6.5 million, during the next 28 years, from an estimated 15.6 million on July 1, 2023, to over 22.1 million on July 1, 2051.

Chart 1: Ontario population, 1971 to 2051



Sources: Statistics Canada for 1971–2023, and Ontario Ministry of Finance projections.

[Accessible description of Chart 1: Ontario population, 1971 to 2051](#)

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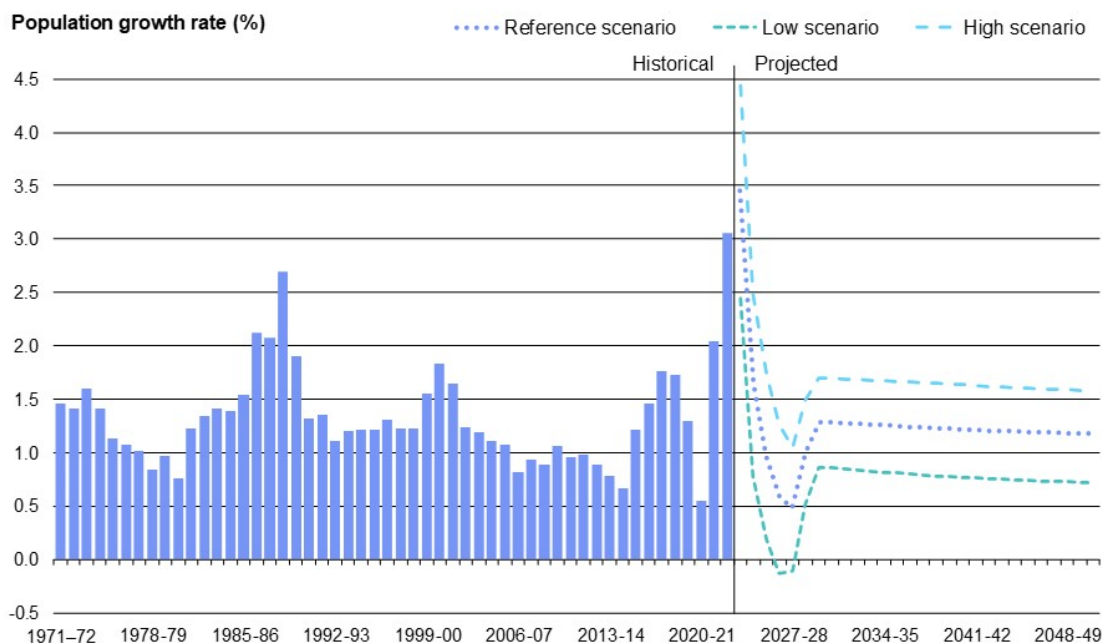
Appendix A - continued

The provincial population is projected to grow rapidly in the short term, increasing at an annual rate of 3.4 per cent in 2023–24 and 1.6 per cent in 2024–25. The rate of growth is then projected to dip to a low of 0.5 per cent by 2027–28, before returning to faster growth of 1.3 per cent by 2029–30. Thereafter, the rate of population growth will ease slowly over time, reaching 1.2 per cent by 2050–51.

In the low-growth scenario, population increases 23.0 per cent, or 3.6 million, to reach 19.2 million people by 2051. In the high-growth scenario, population grows 61.7 per cent, or 9.6 million, to over 25.2 million people by the end of the projection period.

In the low-growth scenario, the annual rate of population growth is projected to decline rapidly over the first five years of the projections, from 2.4 per cent in 2023–24 to population declines of 0.1 per cent in both 2026–27 and 2027–28. Thereafter, the population will resume growing, reaching a pace of increase of 0.9 per cent in 2029–30, followed by a gradual easing over time to 0.7 per cent by 2050–51. In the high-growth scenario, the annual population growth rate is also projected to fall quickly over the first five projected years, from 4.4 to 1.0 per cent by 2027–28, to return to 1.7 by 2029–30, and then to decline gradually to 1.6 per cent by 2050–51.

Chart 2: Annual rate of population growth in Ontario, 1971 to 2051



Sources: Statistics Canada for 1971–2023, and Ontario Ministry of Finance projections.

[Accessible description of Chart 2: Annual rate of population growth in Ontario, 1971 to 2051](#)

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Appendix A - continued

The population of Eastern Ontario is projected to grow 45.7 per cent over the projection period, from 2.06 million to 3.00 million. Ottawa, the fastest growing census division in Ontario, is projected to grow by 60.2 per cent, from 1.11 million in 2023 to 1.79 million in 2051. All other Eastern Ontario census divisions are also projected to grow, but below the provincial average, with growth ranging from 18.4 per cent in Prince Edward to 40.2 per cent in Lanark. *(Edit note: This May 7, 2025 Interim Update was issued just prior to the population reductions announced in the months that followed. A population projection should be calculated for the City when the most recent federal and provincial data is available.)*

The components of Ontario population change

The contributions of natural increase and net migration to population growth vary from year to year. While natural increase trends evolve slowly, net migration can be more volatile, mostly due to swings in interprovincial migration and variations in international migration. For example, over the past 10 years, the share of population growth coming from net migration has been as low as 53 per cent in 2014–15 and as high as 97 per cent in 2022–23.

Net migration levels to Ontario have averaged about 177,000 per year in the past decade, with a low of 49,000 in 2014–15 and a high of 448,000 in 2022–23. The number of births has been falling slowly, and deaths have been rising more rapidly, resulting in natural increase declining from 46,000 to 15,000 over the last decade.

Recently, net migration was affected by COVID-19 pandemic-related disruptions, slowing from 212,000 in 2018–19 to 60,000 in 2020–21. However, in the past two years net migration to Ontario rebounded to record levels of 283,000 in 2021–22 and 448,000 in 2022–23. While immigration has been rising, the very high net migration levels observed recently have mostly been driven by a rapid increase in the number of non-permanent residents.

In the medium-term, as the net change in non-permanent residents goes from its current elevated levels to annual declines announced by the federal government (more on this topic below), net migration will decline from a projected 528,000 in 2023–24 to 70,000 by 2027–28. Subsequently, net migration is projected to rebound to 209,000 in 2029–30 and increase gradually over the rest of the projection, reaching 255,000 by 2050–51. The share of population growth accounted for by net migration is projected to decline from 98 per cent in 2023–24 to 87 per cent in 2027–28, rebound to 96 per cent in 2029–30, and then slowly rise thereafter to reach over 99 per cent by 2051.

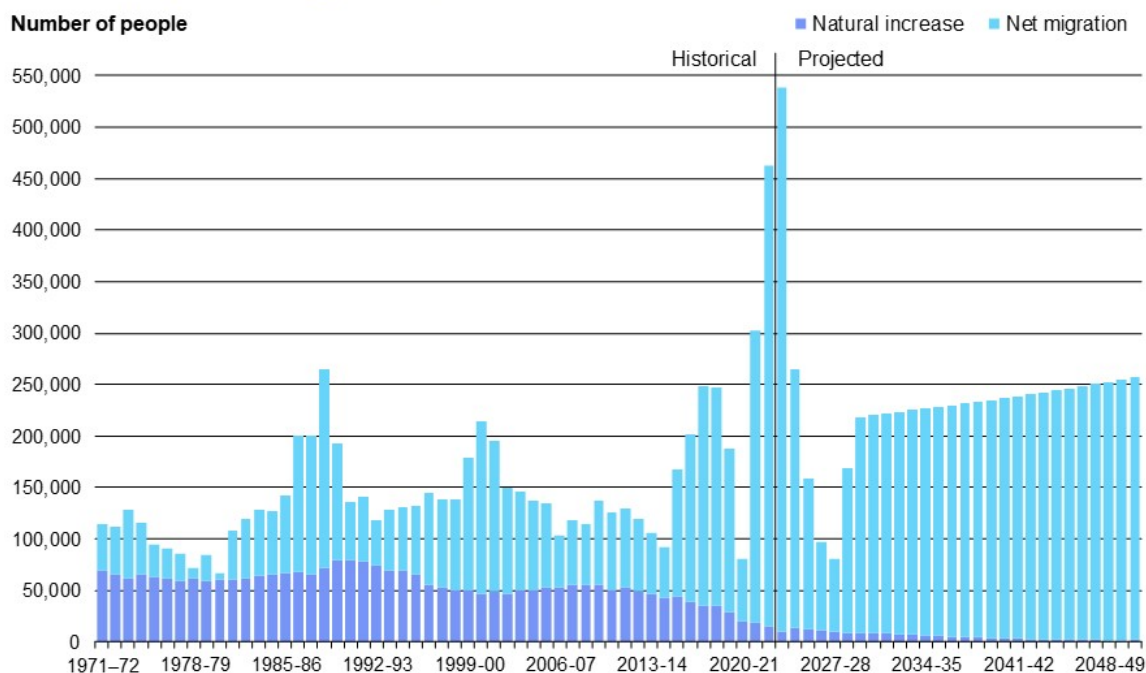
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Appendix A - continued

Chart 3: Contribution of natural increase & net migration to Ontario's population growth, 1971 to 2051



Sources: Statistics Canada for 1971–2023, and Ontario Ministry of Finance projections.

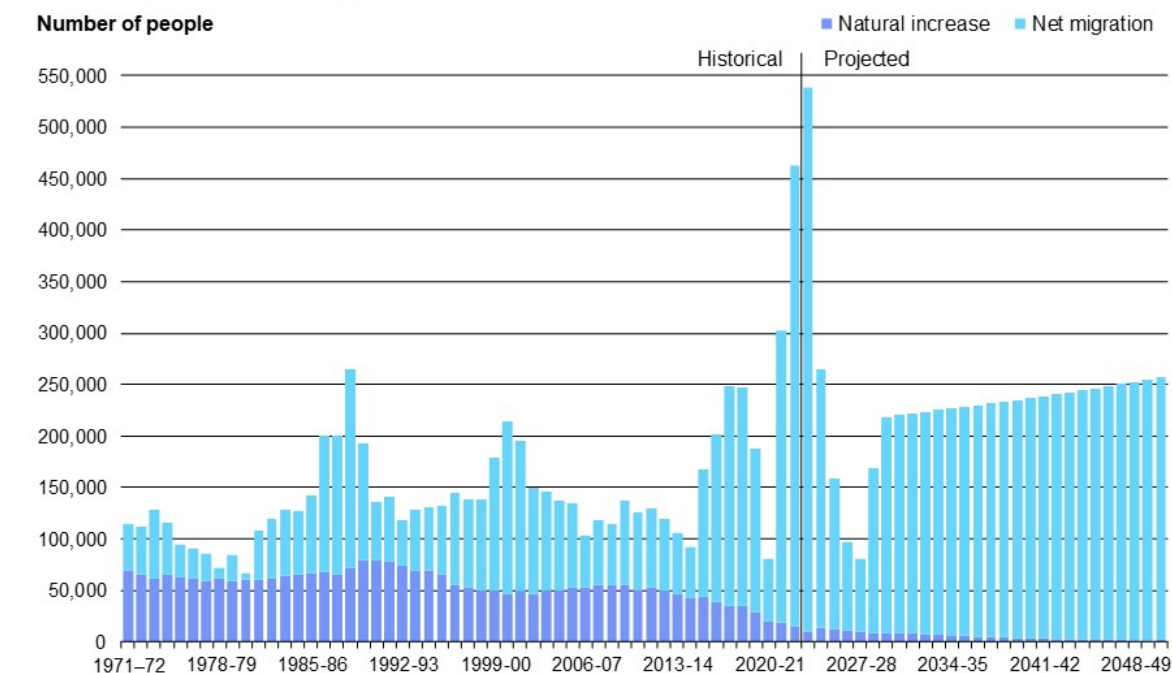
[Accessible description of Chart 3: Contribution of natural increase & net migration to Ontario's population growth, 1971 to 2051](#)

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Appendix A - continued

Chart 3: Contribution of natural increase & net migration to Ontario's population growth, 1971 to 2051



Sources: Statistics Canada for 1971–2023, and Ontario Ministry of Finance projections.

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Appendix – B

Based on available data, the largest employers in the City of Kingston, Ontario, are primarily in the public sector, with a strong focus on education and healthcare. The largest employers by the number of jobs are:

- **Canadian Forces Base Kingston:** Over 9,600 employees
- **Queen's University:** Over 9,300 employees
- **Kingston Health Sciences Centre (KHSC):** Over 8,500 employees (This includes Kingston General Hospital and Hotel Dieu Hospital)
- **Correctional Service of Canada:** Over 5,900 employees
- **Limestone District School Board:** 3,400 employees
- **Providence Care:** 1,700 employees
- **City of Kingston:** 1,550 employees
- **St. Lawrence College:** 875 employees

Based on information from the Kingston Economic Development Corporation and other sources, here are the largest private employers in the City of Kingston, along with their approximate number of employees:

- **INVISTA (Canada):** Approximately 700 employees
- **Empire Life Insurance:** Approximately 674 employees (some sources suggest over 1,000 employees nationally)
- **J.E. Agnew Food Services:** Approximately 450 employees
- **Calian Technologies:** Approximately 363 employees
- **Novelis Inc.:** Approximately 285 employees
- **Tim Hortons Distribution Centre:** Approximately 280 employees

Above information obtained from various internet sources on August 21, 2025.

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This information is provided as a starting point for appreciating the nature of major employment in the City. The employment numbers need to be verified and related corporate plans confirmed, in the context of current circumstances explained herein, so that the need for future land uses can be confirmed.

Also, the findings of the most recent FAO report ‘are troubling: rising unemployment, weak manufacturing activity, declining consumer spending, and falling exports. In manufacturing alone, Ontario lost 29,400 jobs (3.5% of the sector’s workforce). Youth unemployment now sits at 16.6%, two full percentage points higher than the national average and amongst the worst in the country. Across the province 700,000 people are unemployed.’