TOWNSHIP OF
WELLESLEY

NEW OFFICIAL PLAN

Employment Projections and Employment Land Needs Analysis

November 2025

urban Metrics

NETHERY Planning

Table of Contents

1.0 Introduction and Purpose of the Discussion Paper 1

1.1 What is an Official Plan? 1

1.2 Township of Wellesley New Official Plan Process 2

1.3 What are the Discussion Papers? 3

1.4 Purpose of this Discussion Paper 4

2.0 Legislative Overview 5

2.1 Planning Act 5

2.2 Provincial Planning Statement, 2024 6

3.0 Local Context 8

3.1 Waterloo's Regional Official Plan, 2025 8

3.2 Waterloo Region Economic Development Strategy, 2025 9

3.3 Region of Waterloo Land Needs Assessment, 2022 9

3.4 Waterloo Economic Development Corporation Rural Investment Readiness Strategy, 2024 10

3.5 The Township of Wellesley Strategic Plan, 2019 11

3.6 Development Charges Background Study, 2024 12

3.7 Wellesley Community Improvement Plan, 2025 13

4.0 Key Topics for Discussion 15

4.1 Economic and Employment Land Trends 15

4.2 Employment Profile and Projections 22

4.3 Employment Land Supply 30

4.4 Employment Land Needs 34

4.5 Preliminary Policy Directions 39

5.0 Next Steps 41

5.1 What We Heard Summary 41

5.2 Township Council Presentation of Policy Directions 41

1.0 Introduction and Purpose of the Discussion Paper

1.1 What is an Official Plan?

An Official Plan is a comprehensive document, intended for long-term use, that shapes the future of a municipality by establishing how land in the community will be used. It outlines the goals, objectives, and policies for sustainable, efficient, growth within the Township of Wellesley. All land use, development, and public works in the Township must conform to the Official Plan.

The legislative ability for municipalities to enact an Official Plan arises from the Provincial Planning Act. All policies in the Official Plan must conform to this higher-order Provincial legislation. The Township of Wellesley is preparing a new Official Plan, which will guide growth and development within the Township until 2051. For the past two decades, growth in the Township has been shaped by both the Waterloo Regional Official Plan and the Township of Wellesley Official Plan. With recent Provincial legislation that removed planning authority from the Region of Waterloo, the Township has the opportunity to create a “made-for-Wellesley" Official Plan. This new Official Plan will incorporate the best of our past and present Official Plan policies, while charting out the future of Wellesley to the year 2051. A new Official Plan is being created to replace the existing Township and Regional Official Plans, and to align with the 2024 Provincial Planning Statement.

The Township of Wellesley has one urban area with full municipal services (Village of Wellesley) and ten rural settlement areas, covering an area of 278 square kilometres with a population of about 12,371 residents. The Township includes three designated rural employment areas (the Scheider Rural Employment Area, the M.K. Martin Rural Employment Area, and the Wellesley Rural Employment Area) characterized predominantly by industrial and agricultural activities. It is projected that the Township will grow to approximately 14,191 to 17,301 residents and 6,390 to 10,070 jobs by 2051. The new Official Plan will build on the Township’s long-term vision for growth with a renewed focus on complete communities, addressing land needs in both the urban area

and rural settlement areas of the Township. This will include housing mix and affordability, employment and commercial opportunities, servicing options, active transportation, open space and recreation, environmental protection and management, and the continued preservation of agricultural land.

1.2 Township of Wellesley New Official Plan Process

The creation of the Township of Wellesley's new Official Plan will occur over a year-long period, with several opportunities for community consultation.

Phase 1 of the project included drafting and finalizing the Comprehensive Consultation and Engagement Strategy, and early conversations were held with Township residents and council members to inform the process. A series of one-on-one conversations were held between interested members of the public and the project team to lay the foundation for the project. The Township of Wellesley project team hosted a booth at the 2025 Wellesley Fall Fair, where members of the public were introduced to the project, asked about opportunities and current challenges, and shaping the vision of the new Official Plan. Notice of the project initiation was provided to agencies, Indigenous communities, and residents. The *Planning Act* Section 26 legislative requirements were met by providing a Notice of Special Council Meeting to local newspapers leading up to the meeting. On August 26, 2025, the Special Council Meeting was held, where the project was formally introduced and initiated. This included information regarding the project's process and how residents and members of the public could get involved and follow along during the different phases of the project.

Phase 2 of the Official Plan involves conducting Background Research and Study Preparation, which includes the release of six draft Discussion Papers for public and stakeholder review and comment. Based on Township, agency, Council, and public feedback, the draft Discussion Papers will be reviewed and finalized. What is heard from engagement on these background reports will inform a series of policy directions which will inform Phase 3 of the project.

Phase 3 of the new Official Plan is the drafting of policies and land use maps. These **DRAFT** policies and maps will be published and shared with Township residents, stakeholders, and Indigenous communities for any further suggestions and input. The Statutory Public Open House and Statutory Public Meeting will both be held to inform Phase 4 finalization. A copy of the **DRAFT** Official Plan will be forwarded to the Ministry of Municipal Affairs and Housing for their review.

Phase 4 of the project involves the formal adoption of the new Township of Wellesley Official Plan by the Township of Wellesley's Council. Once Council adopts the new Official Plan, it will be forwarded to the Ministry of Municipal Affairs and Housing for the Minister's review and approval. After ministerial approval, the Township's new Official Plan will be in effect, replacing both existing Township and Regional Official Plans.

1.3 What are the Discussion Papers?

A series of six Discussion Papers have been prepared, which establish a foundation from which to develop policy directions for the new Official Plan. They include:

- Residential Growth, Housing, and Intensification Strategy
- Commercial Needs Assessment
- Employment Projections and Employment Lands
- Scoped Secondary Plan for New Designated Growth Areas
- Settlement Boundary Expansions
- Land Use Policy Review and Analysis

Each paper includes policy context of Provincial, Regional, and local documents relevant to the topic, an overview of the current state, key topics for discussion, preliminary policy directions and next steps. These papers represent the basis of the first phase of consultation for the project, assisting in the development of policy directions for the new Official Plan.

1.4 Purpose of this Discussion Paper

This Discussion Paper will provide strategic considerations and recommendations for meeting employment needs for the Township that can be considered in the creation and implementation of the new Official Plan.

2.0 Legislative Overview

This section provides an overview of the Provincial legislative context which informs the basis for creating the Township of Wellesley's new Official Plan.

2.1 Planning Act

The *Planning Act* is the overarching Provincial legislation which governs land use planning in Ontario. It establishes the respective roles of the Province and municipalities regarding land use planning and provides the basis for municipalities to create and use various planning tools, such as Official Plans and Zoning By-laws. The Act also sets out regulations for how planning processes are to be carried out, including mandatory dates for the completion of tasks, such as deciding on a planning application and setting the date for a public meeting. Notably, in Section 2, the Act establishes "matters of provincial interest", which municipalities must have regard to when carrying out land use planning. These matters include (but are not limited to) protection of ecological systems, protection of agricultural and natural resources, conservation of cultural history, provision of a full range of housing, the accessibility for people living with disabilities, and the orderly development of safe and healthy communities. It is important to note that all planning decisions and policies made by a municipality (or other planning authority) must conform to the *Planning Act,* as well as Provincial plans, as outlined in Section 2.1 of the Act. Further, Section 3 of the Act requires that all planning decisions shall be consistent with the Provincial Planning Statement.

The *Planning Act*, Part III – Official Plans sets out how Official Plans shall be created by a municipality, with respect to content and process. Specifically, this section includes direction for the inclusion of Provincially instated policies and restrictions on Official Plans, as well as requirements for assessment reporting, amendments to plans, and approval authorities.

Section 17 of the *Planning Act* states that "*the Minister is the approval authority in respect of the approval of a plan as an official plan*" and sets out a prescribed process

the Township of Wellesley must follow in the preparation of a new Official Plan. Specifically, the Township must provide for consultation and a public meeting, an open house, and adequate notice provided for each.

The creation of the new Township of Wellesley Official Plan must be done in conformity with the *Planning Act* and the legislated process outlined above.

2.2 Provincial Planning Statement, 2024

The Provincial Planning Statement, 2024 ("PPS") is a guiding policy document that provides direction on a variety of planning and land use matters in the province. The legal basis for conformity to the PPS is rooted in Section 3 of the *Planning Act,* which requires that all planning decisions be consistent with the minimum standards set out in the PPS. The Provincial Planning Statement outlines that "Official plans are the most important vehicle for implementation of the Provincial Planning Statement and for achieving comprehensive, integrated and long-term planning."

The PPS puts forward policy regarding housing, infrastructure, resource management, and public health. Pertinent policies for the new Township of Wellesley Official Plan include, but are not limited to, adjustments to municipal planning boundaries, regulations regarding employment areas, agricultural protection, and population growth targets.

Section 2.3.1 states that "sufficient land shall be made available to accommodate an appropriate range and mix of land uses to meet projected needs for a time horizon of at least 20 years, but not more than 30 years, informed by provincial guidance."

Furthermore, the PPS provides general policies for implementation and interpretation as it relates to the creation of the new Official Plan in Section 6.1.5. This section details how Official Plans shall identify Provincial planning interests and sets out policies which implement these interests.

To protect Provincial interests, planning authorities shall keep their official plans up-to-date with the Provincial Planning Statement. The policies of the Provincial Planning Statement continue to apply after adoption and approval of an Official Plan.

Finally, once the Township of Wellesley's new Official Plan has been approved by the minister, the PPS sets out a requirement for ongoing monitoring of the Official Plan's implementation.

Employment is a provincial interest outlined in the PPS:

- **Section 2.8.1** introduces policies that direct the promotion of economic development and competitiveness through a range of land uses (including employment), opportunities for a diversified economic base, monitoring the availability and suitability of employment sites, encouraging intensification of employment uses and compatible mixed-use development to foster complete communities, and providing an appropriate transition from employment areas to sensitive land uses.
- **Section 2.8.2** introduces policies for planning authorities to protect and preserve employment areas for current and future usage, protecting employment areas located near major goods movement facilities and corridors, assessing and updating employment areas in Official Plans, and policies around removing employment lands. This section also identifies the priority to protect and plan for employment areas in settlement areas.

3.0 Local Context

The following section provides an overview of the Region of Waterloo and Township of Wellesley's policies and strategic documents that set out directions and priorities for planning matters within the Township.

3.1 Waterloo's Regional Official Plan, 2025

The Waterloo Regional Official Plan, 2025 ("ROP") is an upper-tier municipal Official Plan that encompasses seven lower-tier municipalities in the Region of Waterloo. Historically, the Region of Waterloo was the approval authority for the Township of Wellesley's Official Plan, and the Township was required to conform to the Regional Official Plan.

As a result of Provincial legislative changes through Bill 23, on January 1, 2025, the Region of Waterloo became an upper-tier municipality without planning responsibilities. The ROP became the responsibility of the Township of Wellesley as a result of these changes. A new Official Plan is being created to replace the existing Township and Regional Official Plans and align with the 2024 Provincial Planning Statement. The Township's new Official Plan will incorporate the best of ROP policies, while charting out the future of the Township of Wellesley's growth to the year 2051.

The ROP includes high-level policies which ensure that Waterloo Region's economy is adaptable, innovative, and creative. These policies include:

- Protecting the environment, promoting cultural heritage, coordinating reurbanization-oriented financial incentive programs, and providing employment support services that help maximize the potential for employment and entrepreneurship.
- Accommodating forecasted employment growth using a balanced approach to the provision and development of employment areas within the Wellesley Built-Up Area and the Designated Greenfield Areas.

3.2 Waterloo Region Economic Development Strategy, 2025

The Waterloo Region Economic Development Strategy sets out a comprehensive framework to guide economic growth, innovation, and investment across the region over the coming years. It emphasizes a collaborative approach, leveraging key sectors such as technology, advanced manufacturing, and sustainable development to drive both job creation and competitiveness. The strategy lays out policy priorities to foster talent retention, attract new businesses, and ensure economic resilience, while recognizing the importance of inclusive growth and a strong infrastructure based across the Region's Townships and larger municipalities.

The strategy places significant emphasis on the concept of land readiness as a critical component of regional competitiveness and investments attraction. Land readiness refers to ensuring that employment lands are fully serviced, zoned, and prepared for timely development, so that businesses looking to invest can proceed without unnecessary delays. The strategy recognizes the importance of proactive infrastructure investment, coordinated permitting processes, and clear policy frameworks to bring new employment lands to market efficiently and align with future employment projections.

3.3 Region of Waterloo Land Needs Assessment, 2022

In 2022, Dillon Consulting Limited and Watson & Associates Economists Ltd. conducted a Land Needs Assessment (LNA) for the Region of Waterloo. The LNA notes that, as per the 2019 Growth Plan, the Region must plan for a "minimum [total] population of 923,000 and 470,000 jobs by 2051." The increase of jobs between 2019 and 2051 would represent an average annual growth rate of 1.5% during the forecast period, resulting in an increase of approximately 178,700 jobs between 2019 and 2051 based on 2019 employment estimate for the Region of 292,300. The LNA notes that Employment Lands Employment (ELE) would account for 28% of total employment growth in the Region (50,500) over the project period and would be driven largely by the automotive, aerospace and defence, construction, transportation, and logistics sectors.

At the time of the Region's LNA, the Township of Wellesley was allocated on percent of overall population and employment growth within the Region, reflecting prevailing assumptions about servicing capacity and growth distribution. These allocations projected an increase in employment from approximately 5,550 jobs in 2021 to 6,700 jobs by 2051, an increase of 1,200 jobs. The LNA identified no vacant urban employment lands in the Township of Wellesley. Due to this limited supply, coupled with servicing constraints, the LNA did not identify any employment growth in the urban area but anticipated some growth on rural employment lands.

However, these figures were based on the planning context and servicing constraints understood at that time. Looking forward, these growth assumptions require reassessment to reflect the change in planning authority and changing market conditions.

Since the LNA, the Province of Ontario has issued proposed updates to the projection methodology to support the implementation of PPS, 2024. As such, this Discussion Paper includes a new set of employment projections for the Township to reflect the updated methodology.

3.4 Waterloo Economic Development Corporation Rural Investment Readiness Strategy, 2024

This report provides an analysis of the economic development context and employment land needs for the Township of Wellesley through 2054. The Strategy highlights several strengths, including a robust industrial backbone, the concentration of labour within the Urban Settlement Area offering promising industrial development potential, and existing servicing capacity in the St. Clements and Wellesley water systems. However, the Township faces significant constraints due to limited serviced employment land and ongoing infrastructure (primarily wastewater servicing) capacity challenges. The report identifies that the Township currently has approximately 5 hectares of developable

vacant employment land (net), and projects an employment area land demand of 60 hectares by 2054, resulting in a deficit of about 55 net hectares.

To address the deficit and systemic challenges, the Strategy recommends proactive planning efforts—including updated Official Plans—and increased infrastructure investment. Moreover, it encourages exploring diverse municipal and public-private partnership approaches to accelerate the development of new employment lands and promote a more diversified mix of employment land uses.

This RIRS completed in 2024 suggests a need of 54–60 hectares of employment land to 2054, accommodating 595 new employment jobs in Wellesley. This will be further discussed in section 4.4 of this report, which identifies the quantity of employment lands required. The recently completed Rural Investment Reading Strategy (RIRS) serves as an important input to the Township's Official Plan review process, and the findings from the RIRS will be reviewed and integrated into this Discussion Paper.

3.5 The Township of Wellesley Strategic Plan, 2019

The Township's Strategic Plan '.com**unity**' is a guidance document which allows Council and Staff to prepare for the future needs of the Township. The 2019–2023 Plan has been extended to the end of 2026.

The Strategic Plan includes five focus areas developed by the Region of Waterloo and adopted by the Township:

- Thriving Economy
- Sustainable Transportation
- Environment and Sustainable Growth
- Healthy, Safe, and Inclusive Communities
- Responsive and Engaging Government Services

Under these five focus areas are fourteen strategic initiatives, including Affordable/Age Appropriate/Available Housing, Environmental Stewardship, Health Promotion, Intensification, Zoning, Development and Growth, Public Transit/Access to Urban Services, and Rural Character and Identity, among others.

The Strategic Plan outlines several strategies aimed at promoting growth while preserving the Township's rural character—considerations relevant to the analysis of employment land expansion. One of the most pertinent strategies, creating a "Thriving Economy," highlights the need for intensification, zoning, development, and growth. The Plan identifies the lack of commercial and industrial lands—as well as servicing constraints—as being hindrances to growth. Action items include rethinking land use (to be carried out through the refinement of the new Official Plan and Scoped Secondary Plan) and to address infrastructure servicing constraints (through the expansion of the Wellesley Wastewater Treatment Plant). Other strategies included in the Plan reference shifting demographics and the need for enhanced transit opportunities.

3.6 Development Charges Background Study, 2024

The Development Charges Background Study provides a report and calculations for changing and updating the Township's Development Charges By-law, as required by the *Development Charges Act, 1997.* The Development Charges By-law exists to ensure that new developments requiring services do not result in an overall loss of capital for a municipality as it grows.

The Background Study consists of an overview of changes to legislative requirements, growth forecasts, and a calculation of appropriate new Development Charges, considering the historical context and servicing standards. It recommends policies and wording for the By-law, as well as steps for implementation. The Development Charges By-law designates how Development Charges are applied, in this case to all lands within the Township of Wellesley, apart from lands owned by the Board of Education or the area municipal, Regional, or Federal government. It includes provisions for

calculating Development Charges for the types of developments and approvals needed, such as Zoning By-law Amendments, Consents, or Plans of Subdivision, among others.

The Background Study was based on a total employment growth of 339 jobs between 2024 and 2034. Of this total, employment lands employment was anticipated to grow by 200 jobs. The industrial employee density is recorded as 1,675 square feet per employee, with a total of 2,007 total industrial employees anticipated by 2034. This translates to a need for an additional 335,000 square feet of industrial space by mid-2034. However, this figure may be conservative given Development Charge population and employment projections are intended to reflect planning policies and trends at that time, for the purpose of determining capital needs for growth. A wider range of opportunities for growth or external market factors outside of the current policy framework that may increase demand for industrial lands is not considered.

3.7 Wellesley Community Improvement Plan, 2025

In May 2025, the Township of Wellesley Council adopted an updated Community Improvement Plan, a planning tool enabled by the *Planning Act* to set out programs for improving the built, economic, and social environment of designated areas within the Township. The CIP update focused on refreshing the goals and objectives of the CIP, as well as the incentive programs offered.

CIP goals are:

1. Foster economic growth and attract visitors.
2. Expand diverse housing options.
3. Enhance the aesthetic and functional quality of commercial clusters.
4. Preserve and celebrate heritage and community character.
5. Cultivate community wellbeing through public and private spaces.

To achieve these goals, new and updated incentive programs were developed, including an additional residential unit grant, an agri-tourism grant, a building and accessibility

grant, a design and study grant, a façade, a signage and landscape improvement grant, a parking optimization grant, a placemaking and pedestrian grant, a planning application and building permit fee rebate, a sustainability top-up grant, and a tax increment equivalent grant.

The entire geographic area of the Township was identified as the Community Improvement Project Area, with focus areas in the core areas, rural settlement areas, and the countryside being eligible for certain incentive programs.

The CIP incentives are primarily targeted toward designated CIP areas, which are largely concentrated in settlement areas rather than the Township's employment lands. Consequently, although objectives such as promoting new business growth, supporting existing businesses, and reducing under-utilized properties are relevant to economic development, the direct influence of the CIP on industrial and employment land development is limited. The program may indirectly support employment growth by strengthening the overall business environment, potentially increasing demand for industrial and commercial lands, but it does not provide targeted funding or incentives for the infrastructure upgrades typically required to activate new employment lands. Other CIP goals, such as encouraging agri-tourism and preserving rural character, remain important considerations when assessing potential employment land expansions, ensuring that development aligns with the Township's rural identity and community values.

4.0 Key Topics for Discussion

The following section provides an overview of the key topics for discussion as they relate to the Employment Projections and Employment Land Needs Analysis Discussion Paper.

4.1 Economic and Employment Land Trends

This section will provide an overview of key economic trends impacting the Township and surrounding Region, such as rate of development and investment.

Economic Trends

Key economic trends impacting the Township of Wellesley and the broader Waterloo Region include population growth, sustained demand for industrial real estate, and investment in agri-food and manufacturing sectors, as well as in infrastructure. The Region of Waterloo has positioned itself as a technological innovation hub, attracting top talent and capital investment. Its connection to major transportation corridors and relative proximity to major urban centres—at more affordable price points—have also been key drivers enticing residents and business to relocate.

The region's flourishing, diversifying economy, along with efforts to improve infrastructure—such as investment in rural broadband, expanding and modernizing healthcare facilities, and building out transit networks—create positive spillover effects for the Township, which can leverage this regional momentum.

Employment Land Trends

Waterloo Region is actively expanding its supply of shovel-ready employment lands to meet the growing demand from advanced manufacturing, logistics, and technology sectors. Initiatives to streamline site readiness and enhance the scale of available industrial parcels are underway, aiming to attract large anchor tenants and generational investments that can foster local job creation and economic resilience. This surge in

activity is fueled by a recognition that previous land constraints have led to missed opportunities in securing major companies that require immediate development access.

With respect to the Township, as industrial sites in Waterloo and Kitchener become exhausted due to ongoing development, as well as intensification and reuse, the Township should be able to position itself to accommodate spillover employment growth opportunities that can no longer be accommodated within its urban neighbours. This includes companies serving broad markets, as well as smaller localized firms that will be needed to support the growing regional population.

Industrial Vacancy Rate

The industrial vacancy rate is a critical indicator of market health and the availability of industrial space within the Waterloo Region industrial market. Figure 1 illustrates the annual industrial vacancy rate in Waterloo Region from 2015 through Q2 2025, providing context for assessing supply-demand dynamics in the regional industrial real estate market. Over the past decade, the industrial vacancy rate has experienced notable shifts, largely reflecting periods of rapid absorption, rising demand for industrial premises, and a tightening of supply. In recent years, the vacancy rate has reached historic lows, signaling heightened competition for space among end-users and a growth environment marked by increased investment and expansion activity.

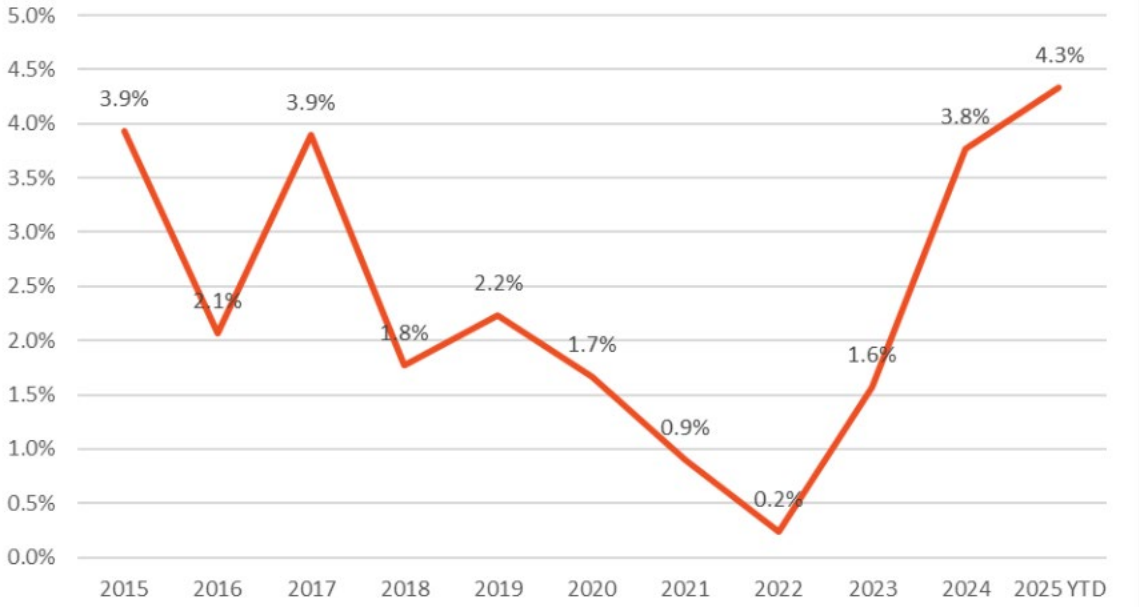


Figure 1: Waterloo Region Annual Industrial Vacancy Rate. Source: urbanMetrics Inc., with data from CoStar.

The Township of Wellesley's industrial real estate can be characterized by mostly small, single-tenanted occupied industrial buildings with a few large-format single-tenanted manufacturing use buildings. The current industrial vacancy rate in the Township is effectively zero, indicating demand for industrial land and facilities while signaling strong local business activity and employment stability. The lack of available space may present considerable obstacles for companies seeking new or expanded facilities and may indicate the need for additional employment land to facilitate new industrial space.

Industrial Rental Rate

The average industrial rental rate in Waterloo Region reflects the ongoing strength and competitiveness of the local industrial real estate market, with important implications for economic development in the Township of Wellesley, including attracting cost-sensitive

industrial and manufacturing investment. Figure 2 displays the annual average industrial net rent per square foot across the Region, offering a decade-long perspective from 2015 through 2025. In the mid-2010s, industrial rental rates hovered around $6 per square foot, marking a baseline period of relative market stability.

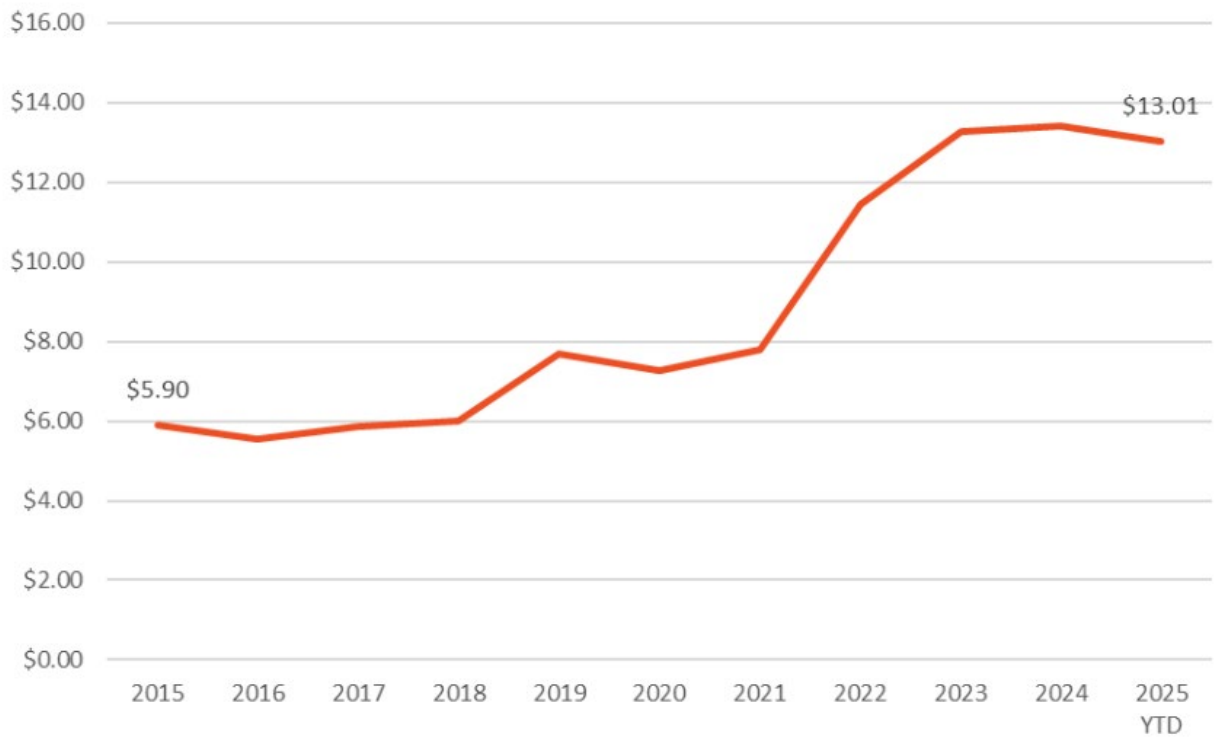


Figure 2: Waterloo Region Annual Industrial Net Rent Overall Per Square Foot. Source: urbanMetrics Inc., with data from CoStar.

Since that time, average rents have more than doubled. This marked upward trajectory in industrial rents over the past ten years was driven by rising demand for modern logistics, warehousing, and manufacturing space. This persistent growth in rental rates signals sustained pressure on available inventory and an increasingly competitive environment for businesses seeking industrial space. The upward movement in rental rates corresponds with tightening vacancy rates and robust absorption of new and existing supply, as detailed above in Figure 1.

Development Rate

The development rate of industrial land in Waterloo Region provides a clear window into the pace and scale of new construction, shaping the local market outlook for the Township of Wellesley. Figure 3 depicts annual industrial under-construction activity from 2015 through 2025, revealing a notable acceleration in development over the past decade. This rising trend is closely linked to market conditions described above, and the Region's proactive efforts to address land supply constraints.

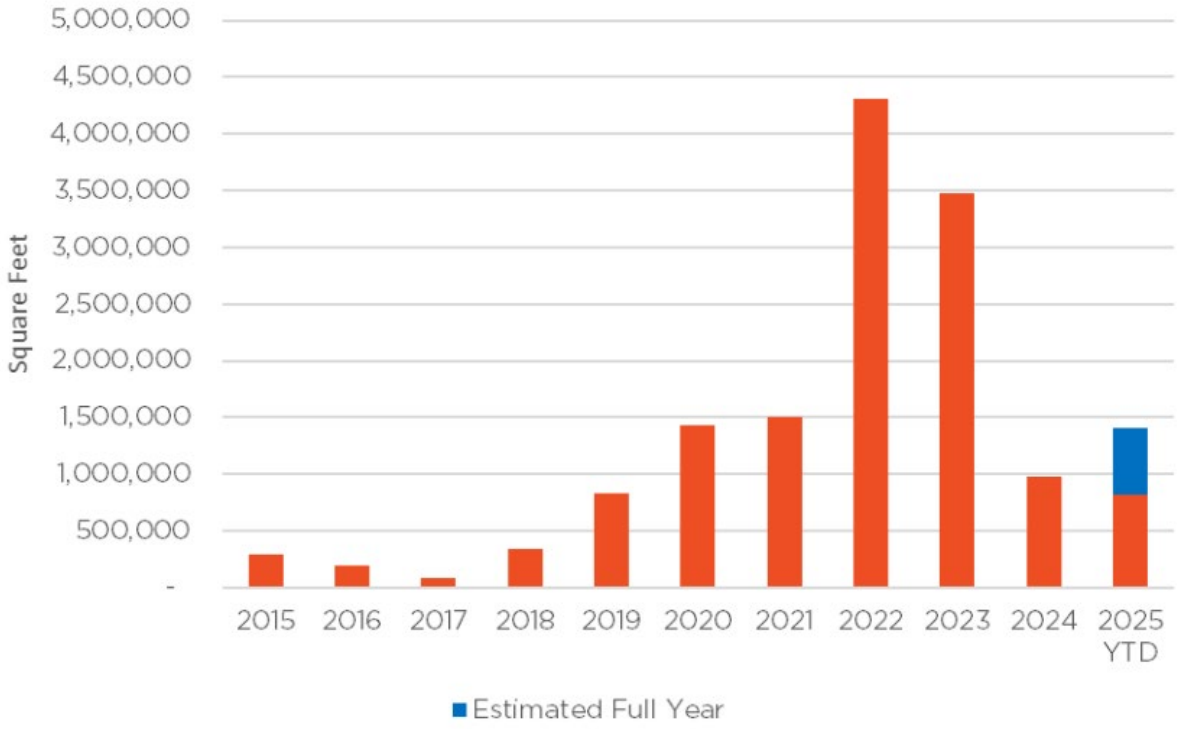


Figure 3: Waterloo Region Annual Industrial Under Construction. Source: urbanMetrics Inc., with data from CoStar.

The past decades' development activity across the Region demonstrates a surge in industrial projects breaking ground, particularly in recent years, driven by the requirements of advanced manufacturing, logistics, and technology sectors. The increase is especially pronounced during periods marked by e-commerce growth, supply chain reconfiguration, and a robust influx of both local expansions and inbound

investment. These factors have catalyzed an environment where new projects move swiftly from planning to construction—a shift from past patterns characterized by slower absorption and incremental build-out. Waterloo Region saw less industrial space under construction in 2024 mostly because oversupply from the preceding two years combined with rising vacancy rates. However, 2025 appears to regain some momentum with an estimated 1,500,000 million square feet under construction.

Within the region's four Townships, however, industrial development has seen limited activity over the past five years. Figure 4 compares the Township of Wellesley's annual new industrial gross floor area versus the other three Townships from 2020 to 2024. Annual new industrial development in Wellesley has ranged from 14,500 to upwards of 43,000 square feet annually over the past five years. Only Woolwich has seen more industrial space built in the same time frame. These numbers indicate that the size and scale of projects in Townships are significantly smaller than the rest of the region. However, they also confirm that there is new industrial activity and demand in the Townships.

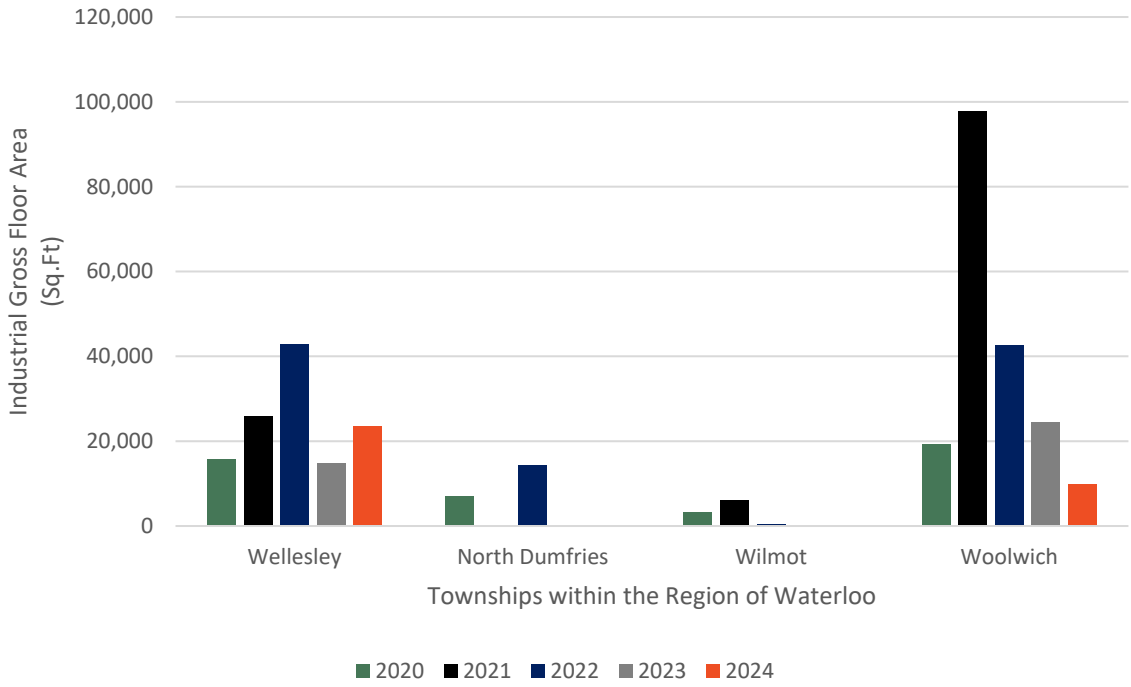


Figure 4: Region of Waterloo's Townships' Industrial Development Activity, 2020-2024. Source: urbanMetrics Inc. with data from Region of Waterloo Building Permit Activity.

The region-wide uptick in industrial development has important implications for the Township of Wellesley. While recent activity has been limited local absorption of employment lands, the overarching momentum offers the Township an opportunity to capture spillover demand.

4.2 Employment Profile and Projections

This section will discuss the current employment profile and projected growth for the Township. It explores trends regarding industry, demographics, activity rates, and major development projects.

Employment projections for the Township of Wellesley are a central focus of planning efforts, supporting land use policy and guiding future economic development decisions. As a smaller and largely rural municipality in Waterloo Region, the Township currently holds approximately 2% of the Region's businesses and 1% of its jobs, according to the Region's 2024 Workplace Count Survey results presented in Figure 5. This baseline share provides an important reference for assessing both present and future employment patterns as it relates to planning for the demand and supply of employment lands in the Township.

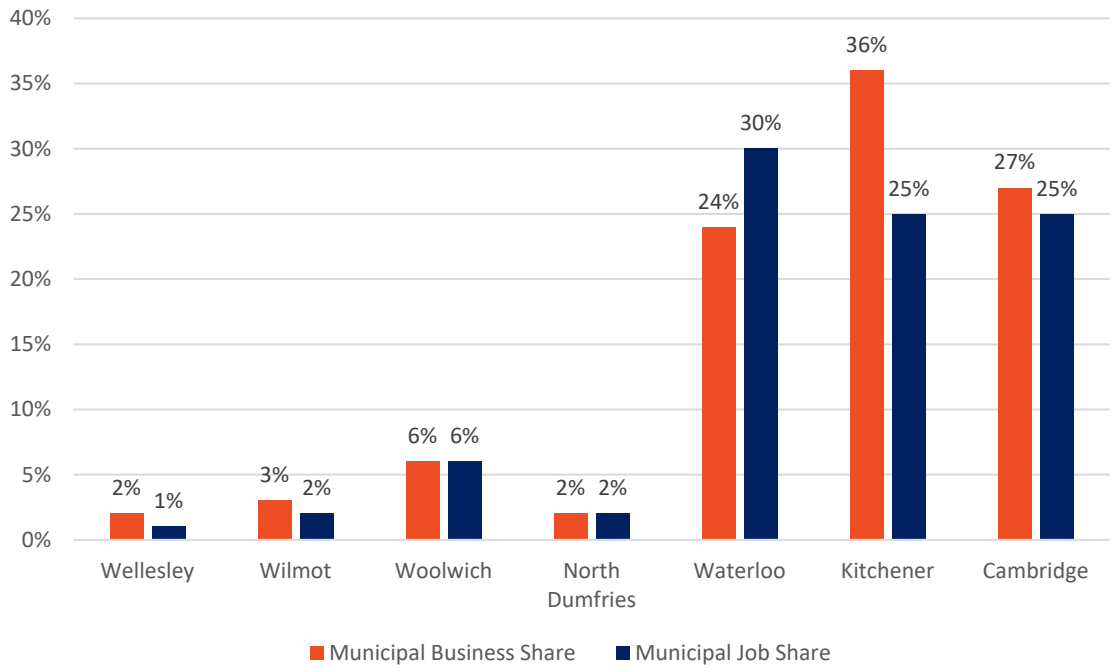


Figure 5: Waterloo Region – Municipal Business and Job Share. Source: urbanMetrics Inc. with data from Region of Waterloo's 2024 Workplace Count Survey.

The Township of Wellesley's economy is shaped by its agricultural roots, with over 90% of its land designated as prime agricultural area. The Township also has a vibrant rural business community anchored by the Mennonite population, and local manufacturing. Industrial activity is centred around livestock feed mills, agrifood processors, and farm-related fabrication shops. It's also complemented by a small but active retail and service sector in the Township. New residential growth and employment land activity are fostering modest growth and attracting remote workers seeking the Township's rural character and proximity to Waterloo Region's urban amenities.

The employment mix within the Township, illustrated in Figure 6, highlights that rural-based employment accounts for over 52% of local jobs, while 27% of jobs are located within employment lands which are mostly manufacturing, warehousing, and other similar activities. The remaining 21% of jobs are categorized as general employment (jobs primarily serving the needs of the local and Regional population that are within the settlement areas but are primarily outside of employment areas.). Notably, office employment remains absent, which is expected for a small, predominantly rural, municipality like the Township of Wellesley. The current employment mix is important for future employment land planning, as it points towards both the demand for industrial real estate and potential for rural-based industrial activity seeking expansion opportunities within designated employment areas.

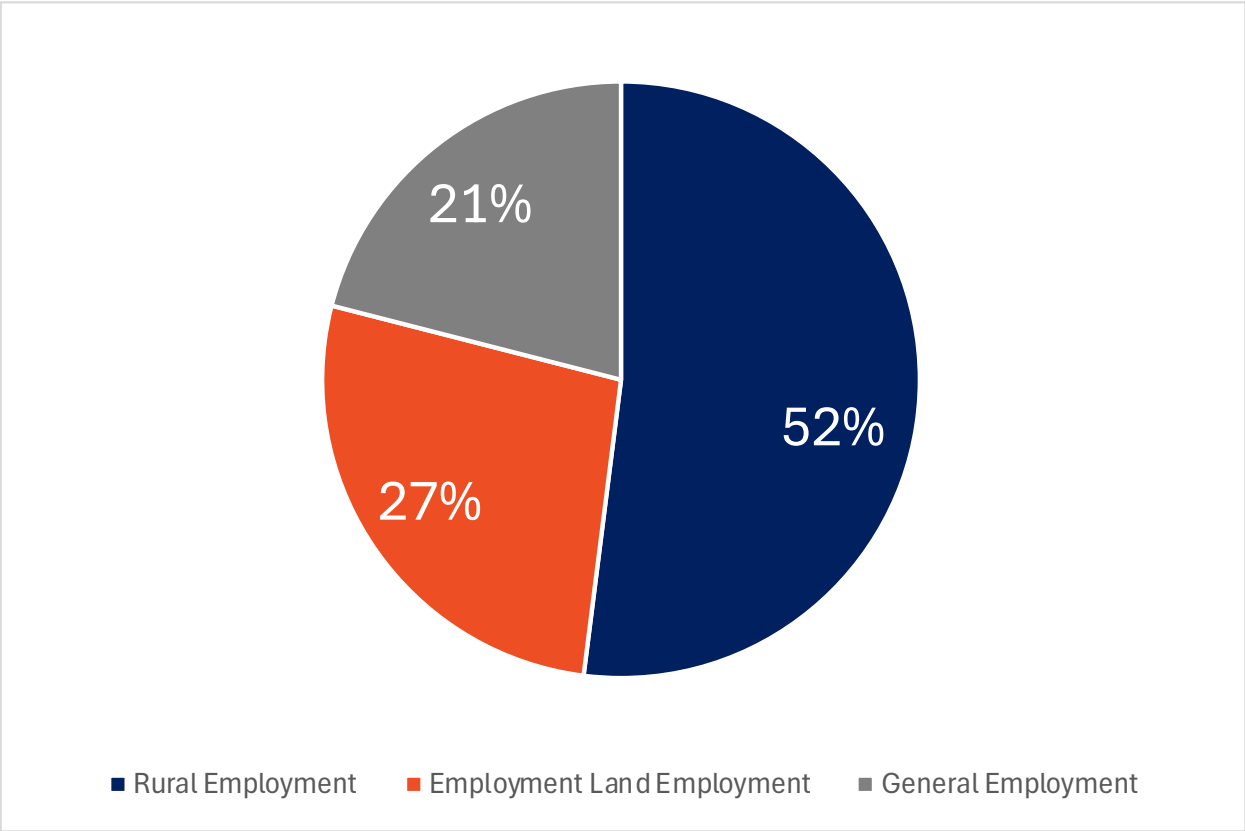


Figure 6: The Township of Wellesley Employment by Type 2021 Job Share. Source: urbanMetrics Inc., with data from the Township of Wellesley's 2025 Region of Waterloo Growth Projections.

The Township of Wellesley has witnessed over 2,370 new jobs between 2014 and 2013, averaging 264 new jobs annually. Figure 7 illustrates employment growth by economic sectors between 2014 and 2023 with construction, retail trade, and professional, scientific and technical services sectors experiencing the largest individual sector employment growth ovet the period. For the purposes of employment areas, the construction, manufactiuring, wholesale trade, transportation and warehousing, and utilities sectors, which are the most prevlanet sectors to locate on employment lands, contributed approximately 40% of all new jobs to the Township between 2014 and 2023.

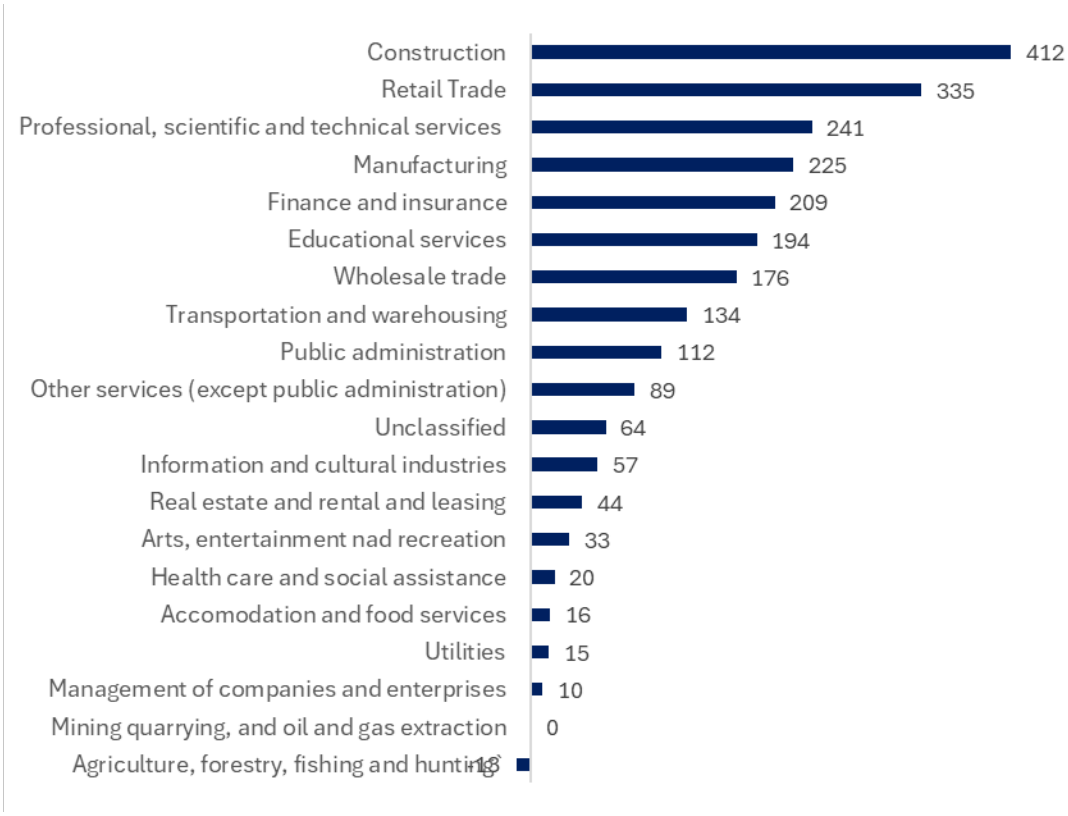


Figure 7: The Township of Wellesley – Employment Growth by Sector, 2014 to 2023. Source: Waterloo Region's Rural Investment Readiness Strategy, 2025.

Further analysis of workforce dynamics, shown in Figure 8, reveals that only 33% of the Township of Wellesley residents work within the Township, with the majority commuting elsewhere in Waterloo Region for employment, as well as outside of the Region. This commuter pattern underscores the Township's evolving position within Waterloo Region as not only an agricultural producing hub, but also a bedroom community for the region's workforce and talent pool.

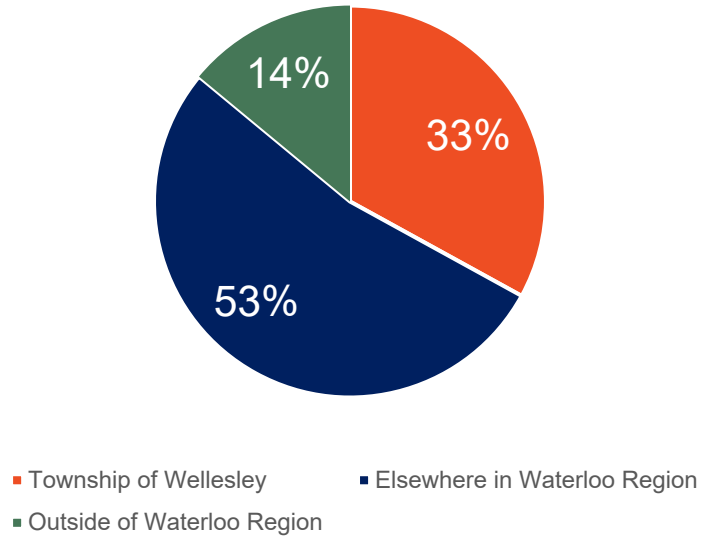


Figure 8: The Township of Wellesley – Where Residents Work. Source: Statistics Canada 2021 Census Population from Table 98-10-0459-01.

The economic share, employment mix, sector growth, and labour force patterns presented above are all factors that are applied to projecting the Township's future employment projections and employment land needs.

Activity Rate

The activity rate in the Township of Wellesley is a key metric used to forecast future employment needs by linking the number of jobs located within the municipality to its base population. This metric is consistent with the Province's recently released draft projection methodology to support the PPS. Defined as the ratio of total local jobs to the resident population, the current activity rate in the Township of Wellesley is 44%, indicative of a relatively balanced population-to-local-job ratio. To some extent, the relatively high activity rate is reflective of the Township's agricultural sector providing extensive farm and secondary farm employment, unlike other townships that serve more as a bedroom community.

This activity rate serves as a multiplier for planning purposes and is applied to projected population scenarios to estimate future employment land requirements. The approach ensures that employment forecasts reflect both the Township's current economic footprint and anticipate demographic shifts, supporting accurate policy and land use decisions. It is expected that the Township's activity rate will remain at approximately 44-–45% over the planning horizon, maintaining a balance between population growth and jobs.

Employment Projections

urbanMetrics has developed employment projections to 2051 based on the population projections developed in the Housing Needs Study discussion paper, using the three population scenarios: "Population Share," "Growth Share Low," and "Growth Share High" in accordance with the Province's draft projection methodology, recognizing that the relationship between employment and housing is circular.

The Township's current municipal activity rate is influenced by a large, farm-based population. Going forward, particularly with the high population growth scenarios, it would be anticipated that new residents would be more urban focused, with associated jobs both within and outside of the Township. Recognizing the already high activity rate, for projection purposes this rate has been held constant. The "Population Share" method assumes the Township's population remains a consistent proportion of Waterloo Region's total population and employment, while the "Growth Share Low" and "Growth Share High" scenarios reflect historical rates and periods of accelerated regional growth, respectively. Figure 9 presents these employment projections for 2024 to 2051, highlighting the relationship between population growth and employment growth under each scenario. The increase in total employment under the three scenarios ranges from 890 to 5,200 new jobs. It provides an evidence base for the Township's planning process, ensuring that employment land needs are aligned with potential demographic trends. This iterative approach supports the Township of Wellesley's goal of balancing growth and job creation with sustainable land use and community development.

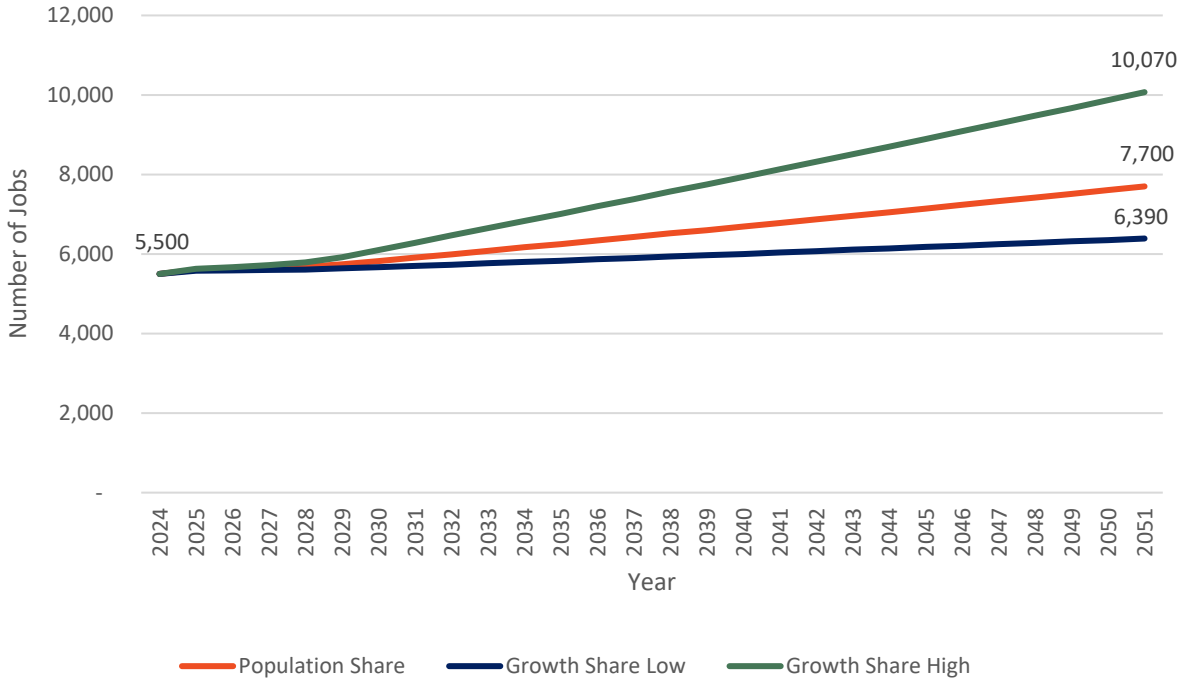


Figure 9: Wellesley Employment Projection 2024–2051. Source: urbanMetrics Inc.

Employment Categorization by Land Use

Based on the total forecasted employment, the jobs are then categorized based on land use in order calculate and ensure a sufficient land supply for all uses.

The forecasted jobs are classified into the following employment land use categories as per the Province's Provincial Policy Statement 2024 and draft methodology:

- **General Employment (GE):** Jobs primarily serving the needs of the local and regional population that are within the *settlement area* but are primarily outside of *employment areas*. These jobs primarily serve a resident population, including, retail, commercial, hospitality, institutional, educational, health care, and work from home employment. Jobs typically located in standalone office buildings. Some smaller or rural municipalities may not have many of these types of jobs.
- **Rural Employment**: Resource and agriculture-based jobs (e.g., mining, forestry, feed/ fertilizer facilities) that are typically located outside *settlement areas*.

Municipalities may consider including an appropriate share of other job categories such as GE jobs located outside of *settlement areas* (e.g., gas and service stations).

- **Employment Land Employment (ELE):** Jobs related to industries and activities that are generally not compatible with sensitive land uses and are primarily located within or adjacent to *employment areas* (e.g., manufacturing and warehousing jobs).

The forecast for three employment categories as shown in Figure 10 assumes General Employment (GE) will maintain the same proportion of total employment over the planning period, while Employment Land Employment (ELE) will increase and Rural Employment will slightly decrease, and has been applied to the three growth scenarios. New ELE jobs will range from 835 to 2,385 jobs over the planning period based on the three scenarios. The ELE jobs forecast serves as key input to determining whether the Township will have sufficient employment lands over the planning period.

Year	Population	Employment			
		General Employment	Employment Land Employment	Rural Employment	Total
Growth Share Low Scenario					
2024	12,370	1,170	1,465	2,865	5,500
2051	14,190	1,280	2,300	2,810	6,390
20204-2051	1,820	110	835	-55	890
Population Share Scenario					
2024	12,370	1,170	1,465	2,865	5,500
2051	22,370	2,140	3,850	4,710	10,700

2024-2051	4,735	370	1,305	525	2,200
Growth Scenario High Scenario					
2024	12,370	1,170	1,465	2,865	5,500
2051	22,370	2,140	3,850	4,710	10,700
2024-2051	10,000	970	2,385	1,845	5,200

Figure 10: Employment Forecast by Employment Category. Source: urbanMetrics Inc.

4.3 Employment Land Supply

This section will provide an inventory of the current employment land supply in the Township, including occupied lands, vacant lands, intensification opportunities, potential new employment lands, and absorption trends.

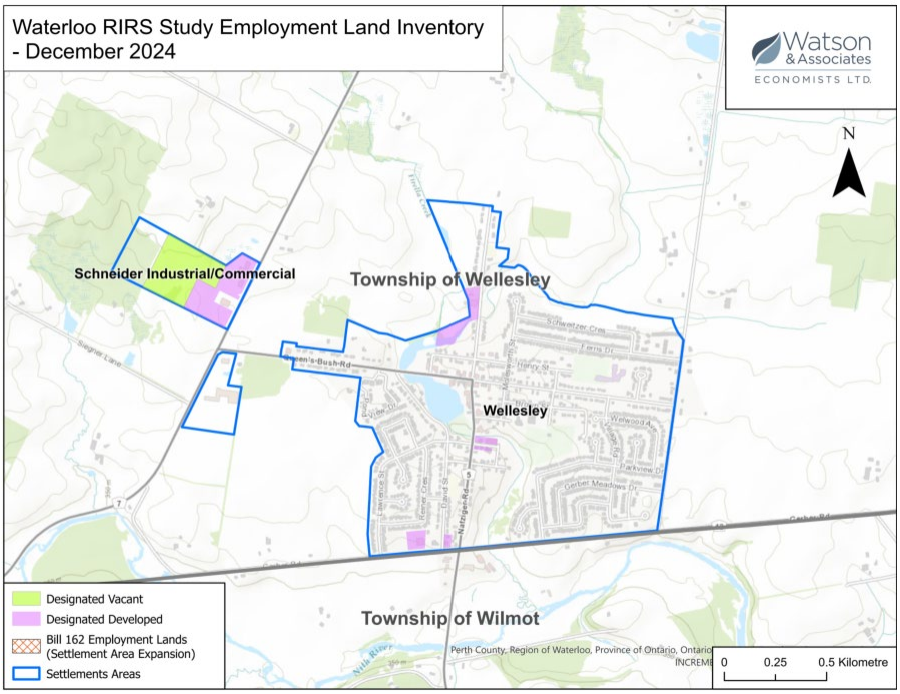
Occupied Lands

The Township of Wellesley's occupied employment lands are spread across the Township located within the Village of Wellesley's settlement area, the Township's other rural settlement areas, and three rural employment areas. The Township has approximately 62 hectares of designated employment lands, reflecting a modest industrial footprint. The Village of Wellesley is the only settlement with full servicing capacity, and as of 2024, all designated employment lands within the Village are fully occupied.

As existing employment areas approach full occupancy, proactive management and targeted development strategies will be critical to ensure that the Township of Wellesley remains responsive to market demand and attractive for ongoing business investment.

Vacant Employment Lands

The Township of Wellesley's supply of vacant employment lands constitutes a vital resource for supporting economic growth, attracting new industry, and diversifying the local business base. Based on the inventory conducted in the Rural Investment Strategy in 2024, there are approximately 5 hectares of designated vacant employment land across the Township as shown in Figure 11. The inventory identified a total of three parcels across the entire Township that were designated vacant employment land. Two parcels are in the Crosshill settlement area, both with limited development opportunities for the open market to pursue due to no road access or being located outside the settlement area. The third vacant parcel is in the Schneider Industrial Area near the Village of Wellesley, which also has development constraints, including natural heritage and limited road frontage.



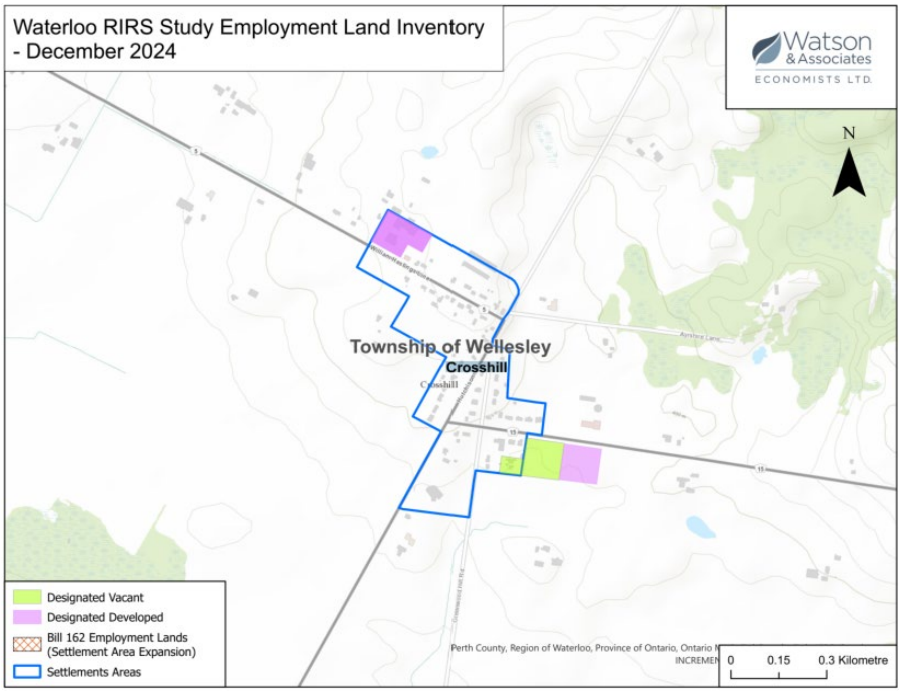


Figure 11: Wellesley Vacant Employment Land Inventory. Source: Rural Investment Readiness Strategy.

This limited availability of vacant employment land poses a challenge for businesses looking to start or expand their operations in the Township. Over the planning horizon, to accommodate employment land employment growth, new lands will be required to meet the Township's forecasted employment growth projections.

Absorption Trends

Absorption trends for employment lands in the Township provide guidance for planning, infrastructure investment, and an understanding of its overall competitiveness. Over the past decade, Wellesley experienced extremely low employment land absorption, with no new land absorbed during 2014–2018 and only a slight uptake of 0.5 hectares in 2019–2023 period. This minimal change—as shown in Figure 12—reflects a direct correlation with the Township's limited vacant employment land inventory and is not necessarily indicative of low demand. Across the four Townships, absorption increased from 9.2 hectares during 2014–2018 to 24.5 hectares from 2019–2023, indicating increasing demand.

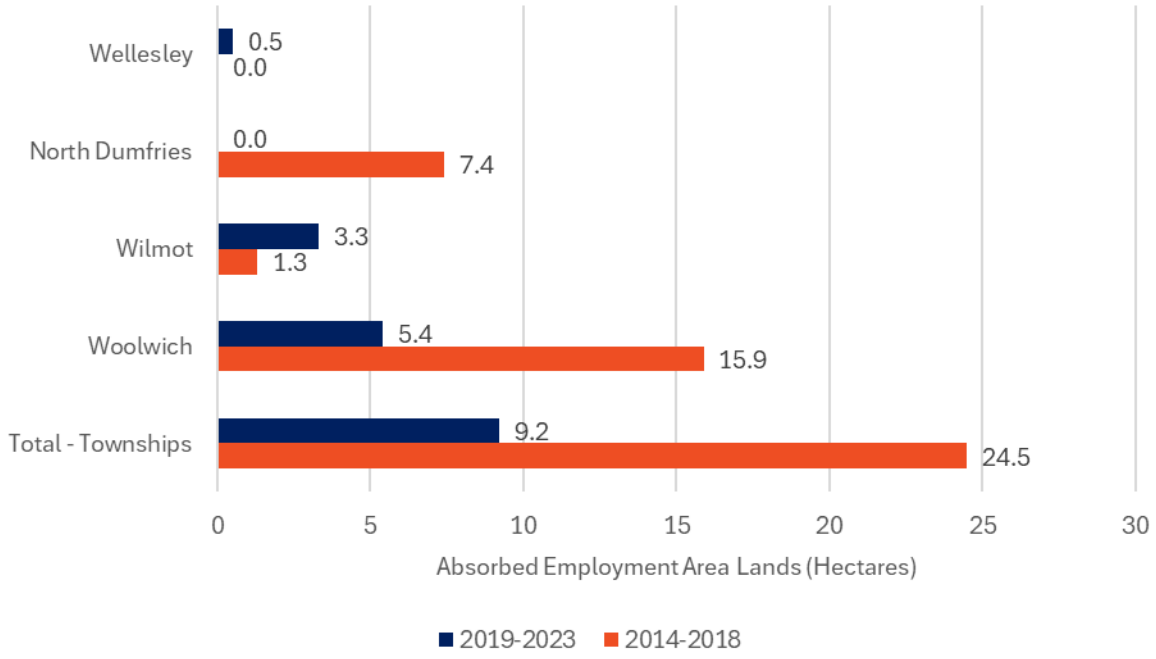


Figure 12: Waterloo Region Townships Employment Area Lands Absorption (net hectares), 2014 to 2018 and 2019 to 2024. Source: urbanMetrics Inc., with data from Waterloo Economic Development Corporation's Rural Investment Readiness Strategy.

4.4 Employment Land Needs

This section will analyze the employment land needs of the Township, including the quantity and characteristics of lands required to attract desired businesses.

Quantity of Employment Land Required

Based on the Township's current limited amount of designated vacant employment land, employment land required from 2024 to 2051 ranges from 79 to 234 hectares. These figures are strongly influenced by both the employment growth realized and the job density ascribed to employment lands. Rural and light industrial lands call for lower job densities and will require more land. Achieving higher densities significantly reduces the total lands required. In all scenarios, there is not enough employment lands to meet forecasted growth.

It should also be noted based on the Township's existing occupied vacant lands that there is minimal opportunity for intensification as most sites are built out or have servicing restrictions as well as limited market feasibility.

Most employment growth would need to occur on vacant employment land.

The Region's recent Rural Investment Readiness Strategy (RIRS) applied a 10 jobs per hectare target for the Township of Wellesley's projected employment land needs between 2024–2054. For comparison, Figure 13 applies a 10 jobs per hectare density target to the three scenarios presented in this report, which increases the Township's employment lands needs to between 79 and 234 hectares.

	Employment Land Employment Growth 2051 (# of jobs)	Density (jobs/ha)	Land Demand (hectares)	Surplus/ Shortfall (hectares)
Growth Share Low Scenario	835	10	84	79
Population Share Scenario	1,305	10	131	126
Growth Share High Scenario	2,385	10	239	234

Figure 13: 10 Jobs Per Hectare - Wellesley Employment Land Needs to 2051. Source: urbanMetrics Inc.

The RIRS suggests a need of 54–60 hectares of employment land to 2054, accommodating 595 new employment jobs. The RIRS's employment land projections for Wellesley fall approximately in line with the" Growth Share Low" scenario presented in this report. However, the RIRS used a different methodology.

Alternatively, a 20 jobs per hectare in the Township reflects a goal to use less land more efficiently while supporting a balanced and sustainable local economy. Figure 14 demonstrates a 20 jobs per hectare density target to the three scenarios presented in this report, which increases the Township's employment lands needs between 37 and 114 hectares. By increasing the density and encouraging more compact development within and near settlement areas, the Township could take advantage of existing infrastructure, minimize costs of expansion, and protect the surrounding agricultural land uses that define its rural identity. This would result in a land use framework that promotes steady job growth while maintaining Wellesley's rural and agricultural character.

	Employment Land Employment Growth 2051 (# of jobs)	Density (jobs/ha)	Land Demand (hectares)	Surplus/ Shortfall (hectares)
Growth Share Low Scenario	835	20	42	37
Population Share Scenario	1,305	20	65	60
Growth Share High Scenario	2,385	20	119	114

Figure 14: 20 Jobs Per Hectare - Wellesley Employment Land Needs to 2051. Source: urbanMetrics Inc.

A suitable employment density target for the Township would be approximately 10 to 20 jobs per hectare, reflecting the Township's current employment structure and growth scenarios. Most employment currently occurs in small-scale industrial and contracting operations in settlement areas and other rural areas. This form of dispersed, low-intensity employment requires larger parcels of outdoor storage, rural lot configurations, and limited on-site servicing, all of which reduce higher densities, such as in urban employment areas. As such, a moderate density target ensures both economic viability

and land efficiency without imposing unrealistic expectations on the Township's employment areas.

Employment Area Expansions

Potential new employment lands to address the projected shortfall in the Township of Wellesley should be strategically located to maximize market appeal and functionality. Priority should be given to sites near existing serviced areas or where infrastructure upgrades are planned, ensuring suitability for a broad range of tenants. Situating sites with easy accessibility to the rest of the Region along regional roads to facilitate connection to nearby highways and goods movement facilities is also an important site selection factor.

By emphasizing proximity to theses strategically located areas, the Township ensures that its employment lands are attractive to a diverse array of industrial and commercial enterprises—including those in advanced manufacturing and logistics—that require reliable transportation and regional connectivity. Moreover, situating employment lands near existing settlement areas such as the Village of Wellesley can leverage available servicing and planned capacity upgrades, support enhanced synergies with community amenities, and foster workforce retention by providing convenient commutes for residents.

At the same time, reflecting the Township's rural character, there is value in designating additional opportunities for lighter agri-industrial uses and small- to mid-sized manufacturing operations that do not require full municipal servicing. Locating these lands adjacent to existing operations of this nature would also support natural business expansion opportunities. There may also be value in providing services to existing rural industrial sites where feasible to support intensification and redevelopment on these lands.

Designating new and additional lands for employment uses should be a strategic direction for the new Official Plan. The identification process for potential new

employment lands in the Township must account for a suite of community and economic needs to future-proof the Township's growth. Diversification is key, as sites should not only address traditional industrial demand, but also accommodate emerging sectors like clean technology, agri-business, and modern logistics. However, it will be important to balance traditional rural industrial uses and emerging industries with the preservation of rural landscapes. Additionally, new lands must be sufficiently flexible in size and configuration to respond to evolving market trends; allowing local businesses to start or expand while being able to attract potentially large investments suitable within the context of the Township of Wellesley's economy.

Characteristics of Employment Lands

Employment lands in the Township must embody several key features to be competitive for site selection and business attraction:

- **Location/Accessibility:** Proximity and accessibility along regional transportation corridors and connectivity to major highways to facilitate efficient logistics, supply chain operations, and workforce commuting.
- **Servicing/Infrastructure:** Infrastructure to support operations such as water and wastewater, roads, utilities, broadband, and stormwater management should be in place so businesses can build without delay. Insufficient servicing reduces site attractiveness, restricts the range of compatible industries, and may deter potential tenants who might seek better-equipped locations elsewhere in the region.
- **Land Configuration/Profile:** A range of parcel sizes for employment lands should be offered ranging in size from under 1 hectare to 20 hectares to support a variety of business types and sizes.
- **Environmental Sensitivity:** Sites should preserve natural features such as waterways, woodlands, and wetlands, ensuring minimal impact on these assets. Careful consideration of land adjacencies is critical to minimize potential conflicts from noise, odour, or other externalities to safeguard both the environment and surrounding land uses.

- **Preservation of Rural Character and Minimizing Impacts to Agriculture:** Ensuring that new development occurs in a way that preserves high-quality farmland and mitigates conflicts with ongoing farming operations. This approach maintains the Township's rural and agricultural identity while allowing employment uses to expand sustainably and compatibly within the land use framework.
- **Regional Collaboration and Economic Vision**: Coordinate planning and support from economic development organizations, such as Waterloo Region Economic Development Corporation, is vital for attracting industrial end-users and maximizing employment land impact.

4.5 Preliminary Policy Directions

This section will discuss preliminary policies and initiatives to attract target businesses to the Township of Wellesley

1. Identify and Designate New Employment Lands

- To address the employment land shortfall identified in this paper, the Township will need to identify and designate new employment lands to accommodate projected employment growth. By providing strategically located employment lands, The Township of Wellesley can encourage local job creation, thereby supporting live-work opportunities for its projected growing population. To support future demand, new employment lands will need to be identified within the Township to support new employment growth.
- The Township of Wellesley should prioritize locating employment lands within or immediately adjacent to existing (or planned) water and wastewater infrastructure. The existing infrastructure within the Village of Wellesley (urban settlement area) is well-suited and will stand to benefit from planned infrastructure upgrades that will increase servicing capacity and be able to attract and broader array of business—especially more intensive uses that would benefit from having municipal water and wastewater services. By clustering these new designations strategically, servicing extension costs can be minimized while infrastructure efficiency can be maximized.
- By prioritizing shovel-ready sites and streamlined approvals, the Township can position its employment lands to attract development activity at a scale and pace consistent with regional trends that are best suited in Wellesley.

2. Advance Priority Areas Identified in RIRS

- Continue to advance the recommended “Priority Areas of Focus and Action Orientated Implementation Plan” presented in the Region’s Rural Investment Readiness Strategy (RIRS) to support the Townships investment readiness.

- Noted action items that identified the Township to either initiate or lead include:
  - Update local Official Plan to ensure employment areas align with the definition provided in the Provincial Planning Statement, 2024 and Bill 162 lands (High Priority/Short term).
  - Prepare feasibility studies and business case assessments that identify potential servicing and financing strategies and development approaches to new Employment Areas to market (High Priority/Short Term).
  - Prepare Implementation Strategy which provides detailed land use plans and direction on land acquisition, budget requirements, legal considerations, and administration and management. (Implementation Strategy will vary depending on the level of municipal involvement in employment lands development.) (Medium Priority/Medium Term).

5.0 Next Steps

This Discussion Paper is one of six papers that are being completed as part of Phase 2: Background Research and Study Preparation of the Township of Wellesley New Official Plan process.

This paper establishes a foundation from which the Township will develop policy directions. This is a starting point for generating discussion around key land use policies for the future of the Township of Wellesley. Policy directions will follow out of this engagement to outline proposed changes in the new Township of Wellesley Official Plan.

5.1 What We Heard Summary

The Discussion Papers were released in **DRAFT** form to inform public engagement in fall 2025. The Township and consulting team hosted an open public session, as well as a virtual meeting with agencies, in November 2025 to present the Discussion Papers and discuss revisions that may be required. These engagements were some of several opportunities throughout this project where public input is needed and welcomed. These papers have been updated to reflect additional insights or items arising from public engagement and include thematic summaries of input received (with a companion Engagement Report also being prepared).

Through engagement, we heard about the importance of the countryside line in protecting agricultural land, and the role rural employment—primarily on-farm diversified uses and home industries—play across the Township. Comments emphasized the need to enhance employment opportunities to ensure the Township is a complete community, and a place that can retain youth and attract workers.

5.2 Township Council Presentation of Policy Directions

The **FINAL** reports include recommended policy directions that will inform the development of the new Official Plan. These papers will be presented to Township of Wellesley Council on December 9, 2025. The reports, together with public input, will

serve as the basis for developing the Township of Wellesley's new Official Plan as part of Phase 3: Draft Policies and Land Use Maps. The **DRAFT** new Official Plan will be released for review in 2026 and includes public events in addition to the statutory *Planning Act* process.