



Commentary | October 2025

Invest Now: An Action Plan for Seniors Living in and around Terrace Bay

NORTHERN
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We recognize and appreciate the historic connection that Indigenous peoples have to these territories. We support their efforts to sustain and grow their nations. We also recognize the contributions that they have made in shaping and strengthening local communities, the province, and Canada.

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He started and ran the Elliot Lake Tracking Study, an eight-year study of 1000 workers laid off in Elliot Lake beginning in 1990 (still the largest survey-based study of its kind). He conducted an influential study of the Mining Supply and Services Cluster in the Sudbury Region, then lobbied successfully to have the mining supply and services cluster recognized as a central part of Sudbury's development plan.

In 2005, he identified a shortage of design capacity related to the northern forestry sector and initiated the creation of the new McEwan School of Architecture. The project won the Economic Developers Council of Ontario (EDCO) Economic impact award. In 2015, he was presented with the Community Builders Award of Excellence for Economic Development. He has also consulted for forestry communities and literally wrote the book on the Economics of Community Forestry.



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Executive Summary

For many years, Terrace Bay has been considering ways of supporting members of their community to stay in Terrace Bay as they get older and potentially require more support.¹ This commentary examines three questions to provide the Council of the Township of Terrace Bay with an overview of whether and how it might support the development and operation of seniors' housing. The questions are:

1. IF the Township of Terrace Bay were to support the construction (and/or operation) of seniors housing in the community, what form should that support take?
2. IF the township were to support the construction (and/or operation) of seniors housing in the community, what service mix, if any, would represent the most effective and efficient combination balancing cost, demand, access to services, services available elsewhere, or other factors considered by comparator communities?
3. Given that the purpose of this commentary is to assist the Township of Terrace Bay (and other similar communities) in planning over the long-term to address an aging population, would the answers to question 1 or 2 above change 5, 10, or 15 years from now (2025)? The answer to this question should account for both what is currently known about service demands as populations age and current population.

This analysis begins by examining trends in the senior population. Based on the demographic analysis, the three questions are discussed in detail. Demographic modelling suggests that:

1. The demand for long-term care in 2026 is already more than double the existing capacity,
2. Demand will rise in all the scenarios we consider until at least 2031, when it will be at least triple the current 22 beds.
3. If the mill restarts in 2026, demand could be four times existing capacity by 2041.²

Based on population projections, provincial funding structures, and analysis of trends in seniors' care, we present 9 recommendations.

RECOMMENDATION 1: These estimates suggest the Township should immediately at least double long-term care capacity in Terrace Bay and plan to triple capacity by 2031 at the latest.

RECOMMENDATION 2: The simplest, quickest, and lowest risk approach is to assist North of Superior Healthcare Group to begin immediately twinning its current Wilkes Terrace facility.

RECOMMENDATION 3: Terrace Bay should work to provide both a continuum of health care and social services and a range of housing and living options for people as they move from total independence in their own homes to increasingly assisted settings.

RECOMMENDATION 4: The Township should develop and promote an Aging-in-place strategy.

RECOMMENDATION 5: The Township should collaborate with the province and local agencies to expand home care in Terrace Bay to support aging-in-place.

RECOMMENDATION 6: The Township should work with care providers and the province to increase the funding available to the North Shore Family Health Team to provide expanded primary care to seniors in the region.

RECOMMENDATION 7: The township should develop and promote in-termediate housing solutions with integrated health care and social services.

RECOMMENDATION 8: The Township should consider developing and promoting a senior-friendly neighbourhood or even a small "seniors' village."



¹ Supporting aging-in-place in Terrace Bay: Summary Report. Elaine C. Wiersmam and Emily Shandruk. Fall 2020

²The age of the mill and current market conditions make a restart unlikely in our view. Mills globally face sluggish rebound and excess supply (ResourceWise: Jun 25, 2025. <https://www.resourcewise.com/blog/what-pulp-and-freight-markets-signal-for-the-recycled-fiber-market-in-2025>)

1. Introduction: Demographics

For many years, Terrace Bay has been considering ways to support members of their community staying in Terrace Bay as they get older and potentially require more support.³ This commentary examines three questions to provide the Council of the Township of Terrace Bay with an overview of whether and how it might support the development and operation of seniors' housing. The questions are:

1. IF the Township of Terrace Bay were to support the construction (and/or operation) of seniors housing in the community, what form should that support take?
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Since the answer to Question 3 depends on what we know about the population of seniors in the future, we begin by examining trends in the seniors population. We then discuss Questions 1, 2, and 3, and provide nine recommendations for the Township.

1.1 Basic population information

In 2021, there were 370 Terrace Bay residents 65 or older; 190 men and 180 women. Women 80 and over outnumbered men 55 to 25. Residents over 65 made up 24.2% of the Terrace Bay population, compared to only 18.25% for Ontario as a whole.

The gray outlines in Figure 1, solid blue bars show the age distribution reported by Statistics Canada for the 2021 Census. Bars outlined in grey show the same age groups from the 2016 Census. The number in almost every age group over 60 rose between 2016 and 2021. The total over 65 rose from 320 to 380, and the relatively large 60-65 cohort in 2021 suggests that the 2026 census will show a further increase.

On the other hand, the figure shows that the number in the 50-65 cohort in 2021 had fallen sharply, suggesting much smaller numbers will turn 65 before each of the 2030 and 2036 censuses. We conclude that without 1) a large increase in older workers or 2) a large inflow of seniors from outside, Terrace Bay should expect a temporary rise in the seniors population, followed by a decline to roughly present levels.⁴ If the 2026 census reveals that the number of seniors or older workers has declined as a result of the mill closure, our forecasts would need to be revised downward. If the mill reopens in 2026, our forecasts might need to be revised upward. The size of the revision would depend on whether hiring was biased to younger or older workers. In the following section, we use a simple demographic model to provide more specific numerical projections.

Terrence Bay's population has not been rising. In 2014 The Planning Partnership and TCI Management Consulting had projected that the Terrace Bay and Schreiber combined population would increase from 2,596 in 2011 to approximately 3,000 in 2023.⁵ The regional population did rise to 2670 in 2016, but then fell to 2567 by 2022.⁶ The 18.5% overall decline in Terrace Bay's estimated population⁷ between 2002 and 2024 was therefore not expected. The decline reflects a general trend in rural communities in Northern Ontario. According to the Northern Policy Institute, the Thunder Bay District population is expected to fall from an estimated 148,100 in 2017 to 144,444 by 2041—an approximate 2.5% decrease over twenty-five years.⁸

³ Wiersmam and Shandruk, 2020.

⁴ The Township's 2025-2029 Strategic Plan states, "We want to grow (but not beyond 3,000 population)." p5

⁵ Housing Needs in an Uncertain Future, p2

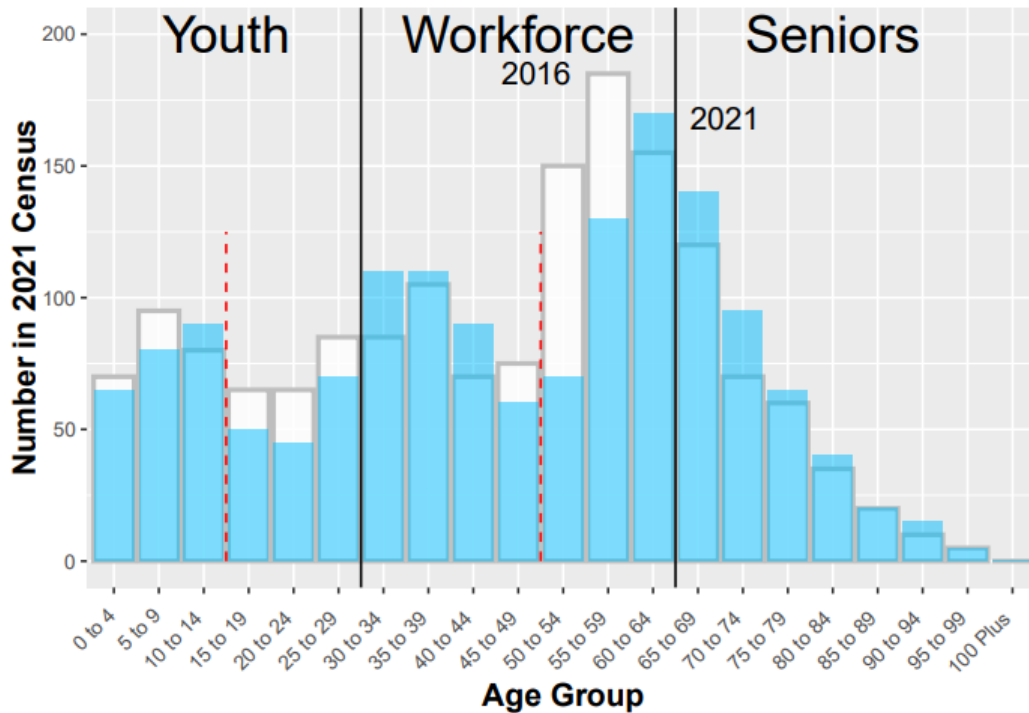
⁶ Census Profile, 2021 Census of Population.

⁷ Terrace Bay Township website, June 2025.

⁸ Despite the projected decline, however, the share of seniors (65+) in the Thunder Bay District has been projected to rise sharply to 30.4% by 2041.

Terrace Bay has 22 long-term care beds, or 58 per 1000 persons 65 and older in 2021. There are also 31 people on the waiting list.⁹ Total demand in 2021 can be pegged at 53.¹⁰

Figure 1: Five-year age groups for Terrace Bay, 2016 and 2021



By way of comparison, Ontario has 30 long-term care beds per 1,000 for a population that is on average younger, and Canada has 29.¹¹ Ontario has over 48,000 people on the waiting list for long-term care. They face long and growing wait times, and the Government has committed to adding 30,000 new beds by 2028-29. A 2017 Conference Board of Canada report¹² argued that Canada needed to nearly double its supply of long-term care (LTC) beds by 2035.

1.1.1 Summarizing the basic population information

1. Because the 60-64 group in 2021 is slightly larger than the 60-64 group in 2016, we should expect an increase in seniors in 2026.
2. Because the 2026 census is likely to reveal a reduction in the population between 50 and 64 due to the mill closure, we should expect fewer new seniors in 2031 and 2035 than a projection using the current population would suggest.
3. If the mill reopens in 2025 or early 2026, the 2026 census might find that the size of the working-aged population in 2026 is close to that in 2021. The average age would probably be lower, however, slowing the inflow to the senior population.
4. If the number of seniors in the township is to rise above the forecast levels, new seniors will have to come from outside of the township.

⁹ <https://www.ontario.ca/locations/longtermcare/homes/3040-wilkes-terraceWaiting>, July 2, 2025. Waiting list numbers are calculated by the Ministry of Long-Term Care based on data provided by the Ontario Ministry of Health.

¹⁰ This is slightly under the number we estimate for Terrace Bay in Table 7 below.

¹¹ Canadian Institute for Health Information <https://www.cihi.ca/en/how-many-long-term-care-beds-are-there-in-canada>.

¹² Sizing Up the Challenge: Meeting the Demand for Long-Term Care in Canada, Robyn Gibbard.

1.2 Predicting the future population of seniors

If we assume that no seniors will migrate into the community and there will be no large change in the number of workers between 40 and 60, the population for 2026 can be predicted by advancing each population age-group by 5 years and making an adjustment for normal attrition.

The first number in column two in the Table tells us that the actual number of seniors 65-69 in 2021 was 90% of the number in 2016. We call this the observed retention rate for the age group, and use it to find how many 65-69 year-olds to expect in 2026. We do the same calculation for each age group.

The observed retention rates based on local and recent data are reasonable estimates of future retention rates for individual age groups. We can improve them slightly by using a smoothed set of retention rates. The smoothed vector in column three is likely to be a better predictor overall because it removes some randomness in the data that is likely to be replaced by different randomness in the future. The smoothed vector we use is also slightly optimistic: it adds about one person to each senior age group.

Table 1: Senior Retention Rates between 2016 and 2021

Age group	Observed retention rate	Smoothed retention rate	National
60 to 64	0.903	0.90	0.96
65 to 69	0.792	0.86	0.94
70 to 74	0.929	0.82	0.92
75 to 79	0.667	0.74	0.86
80 to 84	0.571	0.70	0.77
85 to 89	0.750	0.62	0.62
90 to 94	0.500	0.46	0.34
95 to 99	0.000	0.03	-
100 Plus	0.000	0.00	-

The third column in Table 1 is the national retention rate calculated from Statistics Canada Table: 13-10-0710-01. Retention rates are higher than in Terrace Bay for those younger than 85 because seniors might leave Terrace Bay for a variety of reasons, but a smaller proportion will leave Canada. Retention may be higher after 85 because those remaining are relatively healthier.

It is reasonable to assume that the retention rates for seniors will be fairly stable. Seniors and older workers are likely to be home owners with long community attachments and are less likely to move for work than young workers. The McCausland Hospital and Wilkes Terrace Long Term Care Facility in Terrace Bay provide security with respect to health care, and housing costs are low relative to more urban areas with better services.

Table 2: Senior Retention Rates between 2016 and 2021

Census Year	65+ with observed	65+ smoothed
2021	380	380
2026	441	447
2031	441	447
2036	378	383
2041	309	315

Table 2 shows how the population of seniors is likely to have changed from the 2021 census 2026 using the smoothed transition vector.

Figure 2: Rising senior population 2021-2026

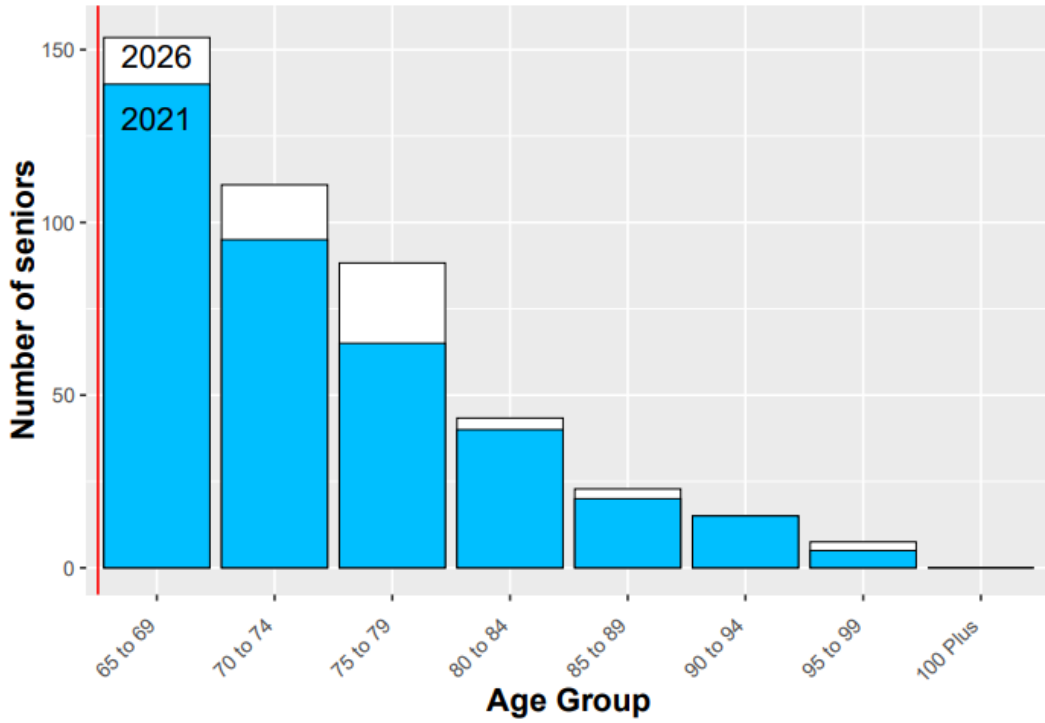
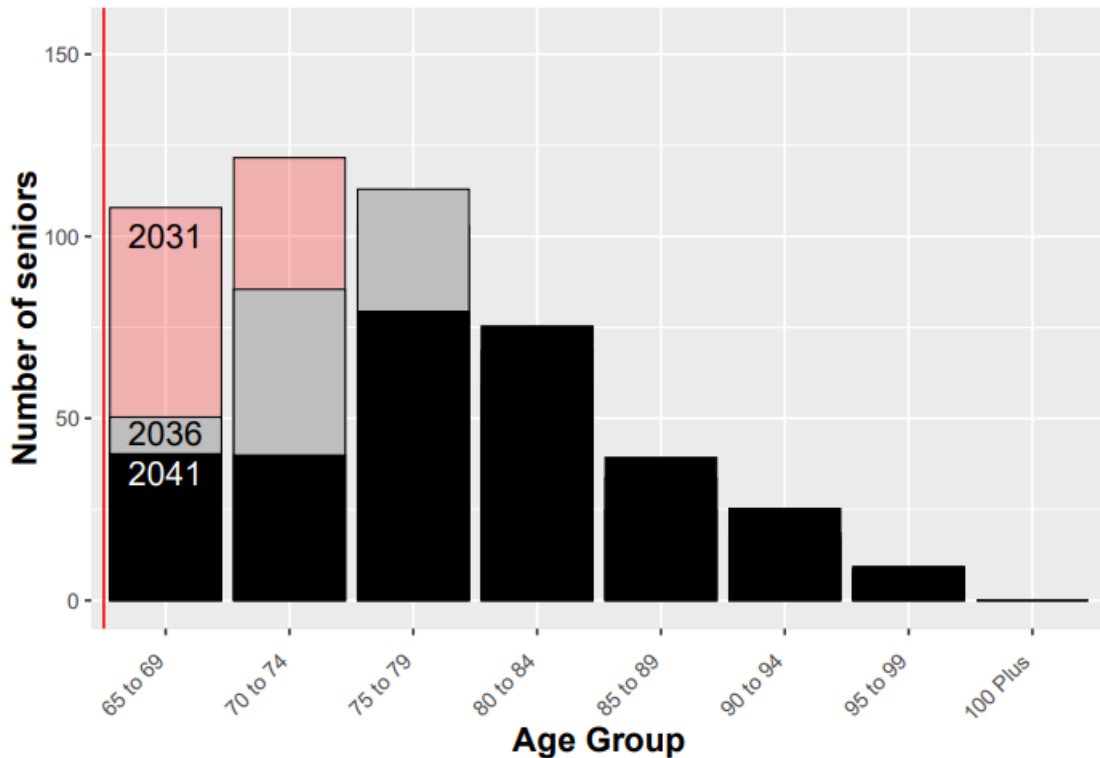


Figure 2 shows projected seniors population of seniors is likely to evolve beyond 2031. The number entering retirement is falling from 2026 to 2041 because of the small cohorts between 45 and 60 in the current population. The peak in the age profile that was near age 65 in 2021 will have moved forward to become the 75-85 age group.



Figure 3: Declining Seniors populations 2031-2041



1.2.1 Assumptions underlying these forecasts include that:

1. No seniors migrate to the community; and
2. There is no large increase in the number of workers between 40 and 60. The estimates may be too large because they do not take into account the reduction in employment due to the mill closure that had not happened at the time of the 2021 census. The estimates assume that:
3. Retention rates for seniors will not fall as a result of the mill closure. It is possible that a larger fraction of seniors will have left the community as a result of the closure, for example, if children in the workforce have had to move away.

Unforeseen social changes, the mill opening, or even policy decisions may affect one or more of these assumptions.

1.3 If the mill reopens

If the mill were to reopen, the number of jobs in the community would increase, and in time the number of seniors would rise above the projections in the previous section. To see how this might affect the evolution of the seniors population in Terrace Bay, we consider two models. The first is based on plausible assumptions about how the reopening would affect the population distribution. The second, highly optimistic model that many more workers hired will be between 40 and 65, increasing the flow into retirement.

1.3.1 Model 1

We need to make specific assumptions about how the working-age population would be affected. Clearly, some will have been laid off when the mill shut down, and some of those will have left the community by 2026. Reopening will add people to the working-age population, and these new workers will eventually become seniors. We assume, very optimistically, that 500 jobs are added at the mill suddenly in 2026.

Some jobs will be taken by people already in the community. The 2021 census identifies 610 as employed, 60 as unemployed, and 575 as not in the labour force. Perhaps 30 of the unemployed and 50 of the 575 not in the labour force take jobs, leaving 420 potential new jobs for residents. Assume that 0.4 of these are taken by commuters from outside of Terrace Bay. The result is a 252 increase in the number of employees in the community.

Some of the new employees in the community, say 0.4 will bring partners or spouses. This brings the new population to 352.8. Some will have children, but the number of children will not affect entry to retirement. Children will have an indirect effect on demand for teachers and other services, but we can assume that the small increase is included in the initial 500.

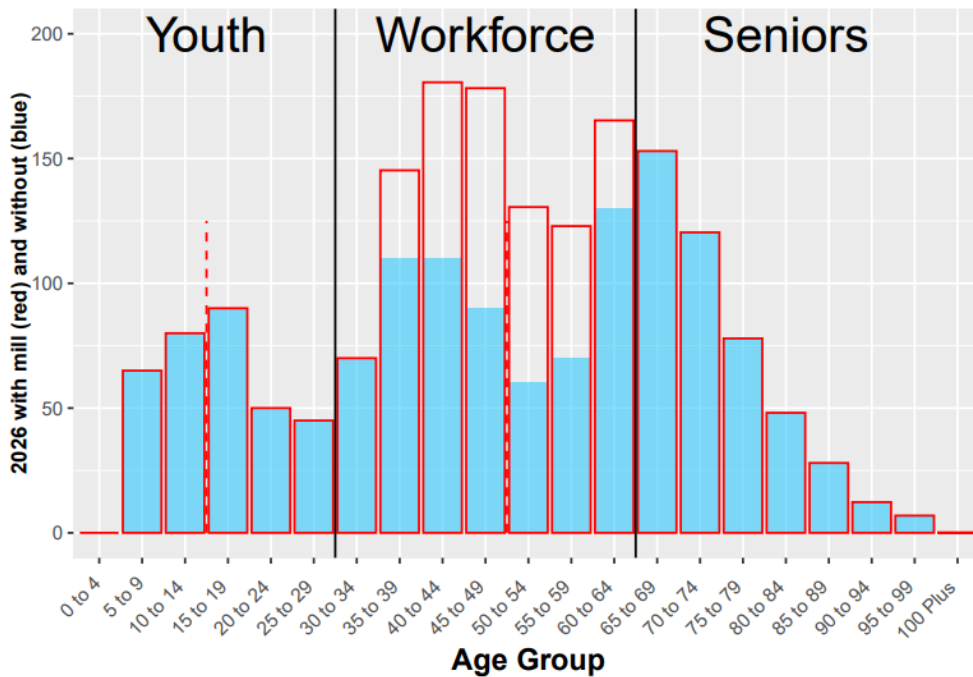
1.3.2 Model 1

The new population must be distributed across the nine age groups from 20 to 65. The age distribution of new residents if the mill opens cannot be predicted, which is why we consider two cases. For Model 1, taking into account the low numbers in the 40 to 49 age groups in the 2021 census, we spread the remaining 353 across the working age groups with the largest numbers in these groups.

1.3.3 Model 2

For Model 2 we increase the working age population by the same total amount but concentrate hiring between 40 and 60. Increasing hiring in the older age groups would increase the numbers of seniors more rapidly than would happen with Model 1. The red line in Figure 4 shows what the population profile would look like if we add optimistically high numbers of working-aged people to the population for 2026.

Figure 4: 2026 Population with Model 2 hiring in 2026



To get estimates of the seniors population for 2031, 2035, and 2041 in the two models we add the numbers described in Table 3 to the age groups in our original prediction for 2026, and then update as before using the smoothed probabilities.

Both models increase the senior populations. Model 1 produces a moderate increase in the number of seniors after 2031 and a population of seniors that is on average older. Model 2, because it adds more people to the late working ages, sustains higher numbers of new seniors out to 2041 but appears to stabilize over 400.

Table 3: Additions to working age population in two models with mill reopening

Age group	Added for Model 1	Added for Model 2
20 to 24	7	0
25 to 29	28	0
30 to 34	42	0
35 to 39	53	35
40 to 44	64	71
45 to 49	71	88
50 to 54	35	71
55 to 59	35	53
60 to 64	18	35

Table 4: Seniors population to 2041 if the mill reopens in 2026

Years	No mill	Model 1	Model 2
2021	380	380	380
2026	447	447	447
2031	447	434	478
2036	383	424	459
2041	315	378	427

1.4 Summary of demographic analysis

The number of seniors to expect in Terrace Bay depends on whether the mill reopens and details of the pattern of hiring if it reopens. If the mill does not reopen and there is no in-migration of seniors or older working-aged people:

1. The number of seniors rises to 2031 then falls to 2041 because of the current population trough between 45 and 60 in 2021. The peak in the age profile around age 65 in 2021 will have moved forward to become the 75-85 age group.
2. If the mill does reopen in 2025 or 2026 and hires about 500 workers, the number of seniors also rises to 2031 to the same level and stays at least 60 above the no-mill case from 2036 on.
3. If the mill does reopen, and hires enough older workers the number seniors rises to 2041 to at least 110 above the no-mill case.
4. If the mill does not reopen but other new employment develops, smaller increases in the number of seniors are likely, but the increase is likely to be slow.
5. Additional seniors may move into the community, especially if housing is available and amenities are competitive, and the community may wish to encourage this if the mill does not restart.

1.5 How many Long-term beds will be needed

A recent survey by the Canadian Medical Association found that 96% of older Canadians wish to age at home and avoid long-term care, a sentiment echoed in the U.S. and other countries.¹³

According to the 2020 survey, as many as 96% of Canadians aged 65 and older reported that they would do everything they could to avoid going into a long-term care facility.¹⁴ National Institute for Aging determined¹⁵ that there were 74 times more deaths among older Canadians living in LTC and retirement homes than among older Canadians in the community.

1.5.1 What fraction of each 5-year age grouping after 65 can continue to live independently

The ability to live independently declines with age due to increasing care needs, however. Data from the U.S. and Canada shown in Table 5 suggests that the decline is slow.

Table 5: Share of seniors living independently by broad age group

Age group	Percentage	Situation
65–74	~90%	Most remain independent, may need occasional help
75–84	~80–85%	More require regular assistance, but majority still at home
85+	~75–80%	Independence declines, but still a majority at home

Table 6: Probability of needing seniors home by age

Age group	Probability
65 to 69	0.1
70 to 74	0.1
75 to 79	0.2
80 to 84	0.2
85 to 89	0.22
90 to 94	0.25
95 to 99	0.7
100 Plus	1

We can use these results to estimate roughly what fraction of Terrace Bay seniors in each 5-year age group are likely to need accommodation in long-term care homes in the future. Applying the probabilities to the projections developed above produces estimates of the number of places that will be required.

¹³ Final Report of the Expert Panel Supporting Canadians Aging at Home: p 13, retrieved from <https://www.canada.ca/en/national-seniors-council/programs/publications-reports/aging-at-home.html>

¹⁴ Final Report of the Expert Panel Supporting Canadians Aging at Home: p 13

¹⁵ National Institute on Ageing. 2021. Pandemic Perspectives on Long-Term Care: Insights from Canadians in Light of COVID-19. Toronto, ON.

Terrace Bay currently has, in the Wilkes Terrace, a 22-bed, 14-room (that includes 6 private rooms) Long Term Care Home built in 2011. Table 7 suggests that even without the mill restarting, demand in 2026 will be more than three times current supply. If the mill restarts in 2026 demand could reach almost four times the existing supply by 2041.

Table 7: Number needing Long-term care 2021-2041

Census year	No mill	Model 1	Model 2
2021	56	56	56
2026	67	67	67
2031	70	74	75
2036	68	77	80
2041	61	76	83



RECOMMENDATION 1:

Based on these estimates, the Township should immediately at least double long-term care capacity in Terrace Bay and plan to triple capacity by 2031 at the latest.



2. Understanding the funding model

Long-term care homes in Ontario are provincially funded regardless of who operates the facility, but municipalities often end up contributing capital or covering shortfalls to maintain service quality.

2.1 Capital costs

The cost to build a long-term care home in Ontario is typically between \$346,000 and \$477,000 per bed (in 2021 dollars), according to the Financial Accountability Office (FAO) of Ontario. Recent industry reports and sector advocacy groups note that the cost can exceed \$500,000 per bed for new construction, especially for modern homes built to the latest standards.¹⁶ Building long-term care homes in Ontario involves a shared financing model. The province provides substantial but not total funding for construction through a construction funding subsidy and a development grant.¹⁷

1. An up-front development grant to help cover eligible initial construction costs, land costs and development charges. The development grant for new long-term care beds in Ontario is calculated as 12% of eligible capital costs, to a maximum of \$29,246 per bed for rural projects.
2. A construction funding subsidy **paid monthly for a period of 25 years** at a specified rate per bed-day and known as the "per diem"

Table 8: Maximum Construction Funding Subsidy per diem and development grant, November 2022

Components of per diem and development grant	Daily rate	Monthly rate
Base Per Diem	\$20.78	632
Small home top-up	\$1.50	46
Maximum top-up (if eligible)	\$35.00	1,065
Maximum per diem	\$57.28	1,742

Combined with the up-front development grant, the province provides \$359,804 per bed for construction, significantly less than the projected capital cost. The operator must secure the balance of any capital costs not covered by the development grant and the per diem.

The per diem, per bed payment to the operator (including any top-up) must be used by the operator to support scheduled repayment of loans or other financing arrangements for the construction of the beds. In effect, the Province covers most of the mortgage payments. The present value of the \$57.28 discounted at 4% is approximately \$330,558 per bed. The operator may use the part of the per diem not required to pay down debt for other purposes.

(The construction funding subsidy may include a fixed time-limited top-up. Up to \$15 per bed of the subsidy may be convertible to a construction grant for eligible non-profit homes.)

The province also provides a premium for small and medium-sized homes and a planning grant available to non-profit long-term care homes. The planning grant is paid to non-profit long-term care home operators after the execution of the Development Agreement.

The land cost for an average long-term care (LTC) bed is typically 5-15% of total cost (\$20,000–\$60,000) is eligible for construction subsidy.¹⁸ The Not-For-Profit Loan Guarantee Program allows non-municipal, not-for-profit LTC homes to secure development loans from Infrastructure Ontario at lower interest rates by leveraging the province's borrowing power.

¹⁶ Strengthening capital re/development pathways, Ontario Long Term Care Association

¹⁷ To receive provincial funding, an operator/licensee must enter into a development agreement with the Ministry of Long-Term Care.

¹⁸ Cost Eligibility Guide for Long-Term Care Capital Development: Development Grant and Time-Limited Construction Funding Subsidy Top-Up, Capital Planning Branch February 2023, p11

2.2 Operating costs

Residents are required to pay a government-set accommodation fee (also called a co-payment), which varies depending on the type of room (basic, semi-private, or private). The government sets maximum co-payment fees each year and provides subsidies for residents who cannot afford the full accommodation cost. The 2025 fees are shown in Table 9.

Table 9: Long-term care home maximum co-payment fees, 2025

Type of accommodation	Daily rate	Monthly rate
Long-stay basic	68.56	2,085.37
Long-stay semi-private	82.66	2,514.24
Long-stay private	97.95	2,979.32

Municipal contributions go primarily to operating and capital costs for additional staffing, enhanced services, and services that go beyond provincial minimums. They typically range from \$10,000 to \$25,000 per bed per year. Smaller or rural municipalities like Terrace Bay may contribute less per bed. The per-bed municipal supplement is not fixed and can fluctuate annually based on municipal budgets and needs.

2.3 Cost to meet demand for long-term care in Terrace Bay by 2031

To understand the financial implications of expanding long-term care in Terrace Bay, assume that Terrace Bay plans to triple capacity by 2031 to 66 beds. This is a sensible target given the demographic data we currently have, although there would still be a small shortfall in 2031.¹⁹ Using recent estimates from the Ontario FAO, adding 44 new long-term care beds should cost between \$19,800,000 and \$24,200,000.

If the target is undertaken in two stages of 22 beds as suggested, the first stage construction would cost between \$9,900,000 and \$12,100,000. The province would be committed to pay \$7,915,688, although top-ups and negotiations might raise this figure. Provincial contributions have risen since 2020 and can be expected to rise further in the face of rising costs and growing shortages.

The additional annual municipal contribution for the first stage might be between \$9,900,000 and \$12,100,000.

If land were contributed by the Township or the hospital, the cost would count as a contribution to the capital cost and would reduce the monthly cost to the municipality.

¹⁹ The main population data from the 2026 Census are likely to be published by mid-2028. The new data may suggest revising this target.

3. Question 1: What form should support for the construction of seniors housing take?

3.1 Alternative operational models

Potential operational models include:

- finding a private operator willing to build and operate,
- creating or partnering with a non-profit operation,
- entering a public-private partnership to build and/or operate,
- operating a facility directly.

Each has advantages and risks.

3.1.1 Private operators

Major Private Long-Term Care Operators in Ontario are Revera, Extendicare, Chartwell Retirement Residences, and Sienna Senior Living and Southbridge Care Homes (active in Thunder Bay area). These large chains typically focus on urban markets with higher population density. They provide a commercial service for a profit, taking advantage of scale economies, especially in management. They relieve communities of commercial risk and responsibility, but residents or the community ultimately pay for it.

The major disadvantage of large private operators for Terrace Bay is that they are largely uninterested in integrated community care and especially in preventing residents from needing long-term care. They generally offer limited resident participation and very little community control.

Research shows that non-profit seniors' homes consistently provide better staffing than for-profit ones.²⁰ Lower staffing levels in for-profit homes are linked to reduced nurse availability and RPN/RN hours.

A concern is that about 3,300 COVID-19 deaths occurred in homes run by six major companies and those companies are now facing class action lawsuits.²¹

3.1.2 Operation by a non-profit

According to AdvanAge Ontario (formerly the Ontario Association of Non-profit Housing (OANHSS)), non-profits 'stand apart' because of their "commitment to putting residents first, reinvesting in care, and for their dedication to local accountability, strong community support, quality and innovation." Research consistently indicates that non-profit seniors' homes generally provide superior care compared to privately operated, for-profit homes.²²

The non-profit form offers the greatest potential for designing integrated community care (ICC) with a high level of community participation. Integrated community care weaves together local health care and social care services through interdisciplinary and cross-sectoral collaboration.²³ ICC is based on a specific philosophy for professional care-giving agencies. It may include a commitment to community participation to mobilize the energy and resources of community members to support residents and link them to the formal care system.

A variety of non-profit structures are possible, ranging from purpose-built non-profit organizations, through hospital or municipal ownership and operation, to public-private projects.

²⁰ Comondore et al. Quality of care in for-profit and not-for-profit nursing homes: systematic review and meta-analysis. *BMJ*. 2009 Aug 4;339:b2732. doi: 10.1136/bmj.b2732. PMID: 19654184; PMCID: PMC2721035.

²¹ An Ontario study found after a 12 month follow-up, residents in for-profit facilities had a hospitalization rate of 462 per 1000 PY versus 358 per 1000 PY in not-for-profit facilities. Tanuseputro P, Chalifoux M, Bennett C, Gruneir A, Bronskill SE, Walker P, Manuel D. *J Am Med Dir Assoc*. 2015; 16(10):874-83. Epub 2015 Sep 30.

²² For a comprehensive review see Comondore et al, Quality of care in for-profit and not-for-profit nursing homes: systematic review and meta-analysis. *BMJ*. 2009 Aug 4;339:b2732. doi: 10.1136/bmj.b2732. PMID: 19654184; PMCID: PMC2721035.

²³ Allaire JF, Morin P, Doré C, Hyppolite SR, Suzanne Badji M, Zomahou HTV. Integrated Community Care Delivered by Public Health-Care and Social-Care Systems: Results from a Realist Synthesis. *Int J Integr Care*. 2024 Feb 16;24(1):11. doi: 10.5334/ijic.7042. PMID: 38370568; PMCID: PMC10870956.

The purpose-built non-profit Hoivakoti Finlandia Nursing Home in Sudbury was created in the 1980's by the Finnish community to provide care for members. It has some of the most attractive and pleasant buildings in the long-term care sector, with an active community and resident control. Hoivakoti Finlandia relies on ongoing community fundraising to provide a high-quality environment for residents.

Many care homes in Northern Ontario are operated by hospitals, which are non-profit corporations, usually with municipal linkages. This is the Terrace Bay model with Wilkes Terrace receiving municipal support. Other examples include Pioneer Manor in Sudbury, Atikokan General Hospital LTC unit (a municipal LTC with a rehab wing); Sensenbrenner Hospital LTC, Sioux Lookout Meno-Ya- Win Health Centre, which is run under public/municipal oversight, and Weeneebayko Area Health Authority LTC operated within its hospital complex in a municipal framework.

Hospital-run homes generally combine the strengths of clinical expertise, integrated care pathways, and comprehensive support services, resulting in improved health outcomes, safety, and continuity of care for seniors with complex needs.²⁴ North of Superior Healthcare Group is the non-profit that owns Wilkes Terrace and it is the most obvious developer for additional long-term care in Terrace Bay. Other organizations that might be consulted early in the process include AdvantAge Ontario, which has represented not-for-profit providers of long-term care and housing for seniors for over 90 years; St. Joseph's Care Group in Thunder Bay; North of Superior Healthcare Group; and Ontario Long-Term Care Association (OLTCA).

3.1.3 Public-private partnerships (P3s)

P3s combine non-profit and for-profit models. They range from complete private operations that are eventually turned over to the public sector through turnkey private construction followed by non-profit operation. They offer access to capital and management capacity that local government may lack. Institutional investors, such as pension funds and insurance companies, are often involved, viewing public infrastructure as a stable, long-term investment.

There are some challenges in working with P3s. P3s can sometimes lead to higher overall costs due to the complexity of contracts and the cost of private financing. Negotiation can be time-consuming and may require complex contractual arrangements. Transparency and public oversight can be reduced, as many P3 contracts are not fully disclosed to the public.

The Ontario COVID-19 Commission's report recommended a two-tier approach where the government or municipalities provide/own the land or build the infrastructure and use private capital and private builders to construct facilities. The province would then lease or pay for facility use, while licensed operators – typically non-profits or mission-driven providers – run the homes.

This model allows smaller communities like Terrace Bay, with limited budgets, to access private financing for capital costs while keeping operations public or non-profit.

There does not seem to be any advantage to public-private partnerships for operation, but contracting for specific services may make sense for some communities. Public-public partnerships may be more useful. Nursing services, for example, might be provided by a regional body or medical care might be provided on contract by a local hospital. Municipalities have building management capacity and may achieve economies of scale or scope by taking on building management for a LTC facility.

3.1.4 Municipal operation

The non-profit model is focused on residents, not shareholders. This is also true of direct municipal operation. Municipalities operate almost 1 of every 5 long-term care homes in the province and are home to almost 1 in 4 Ontarians receiving long-term care. Municipal homes are unique in the long-term care sector in that they are part of an integrated system of municipal services within their communities. Municipal homes tend to deliver higher direct care hours, lower infection/mortality rates, and stronger integration with regional health systems. A study of 53,739 new residents in 640 Ontario homes (2010–2012) found that for-profit homes had significantly higher rates of both hospital admissions and deaths compared to non-profit and municipal homes:

Municipal operation offers direct control over service quality and local priorities. It is much easier to integrate with other municipal services and provides greater ability to tailor services to community needs.

²⁴ The available research does not specifically isolate hospital-run long-term care homes, but see "Hospitalization and mortality rates in long-term care facilities: does for-profit status matter?" by Tanuseputro P, Chalifoux M, Bennett C, Gruneir A, Bronskill SE, Walker P, Manuel D. *J Am Med Dir Assoc.* 2015; 16(10):874-83. Epub 2015 Sep 30.

A disadvantage of municipal operation that often concerns municipal authorities is that financial risks are borne by the community. This includes the possibility that operating and mortgage costs might exceed revenue. This might be the case with a variable rate mortgage, if demand were to fall, or if operating or regulatory costs rises unexpectedly.

Regulatory requirements and licensing are complex, and access to both specialized healthcare management and financial management expertise is needed.



RECOMMENDATION 2:

The simplest, quickest, and lowest risk approach is to assist North of Superior Healthcare Group to begin immediately twinning its current Wilkes Terrace facility.

A modestly-sized project of this sort faces no demand risk and can be planned and built more quickly than a larger project. It might be completed by 2028. This strategy draws on existing management and operational capacity in the community, responds to the existing wait-list, and ensures effective integration with the hospital. It also offers potential efficiency gains from expanded scale in the Wilkes Terrace operation.

It is short-term response to the most pressing need immediate need. It does not address the need for a community level effort to encourage aging-in-place and to expand home care

It does provide the opportunity to begin a community engagement process and planning leading to a second round of the project for 2030-31. That project could be more ambitious. It might include independent living facilities for seniors and filling the gap between the aging-in-place model and the extended care model currently in place. It could address the need for a community-level effort to encourage aging-in-place.

Long-term care homes in Ontario are provincially funded regardless of who operates the facility, but municipalities often end up contributing capital or covering shortfalls to maintain service quality.



4. Question 2: What service mix would represent the best balance of cost and service access

Research and provincial policy are increasingly emphasizing supportive and preventative care as people age-in-place as a way to improve health status and reduce costs.

The service mix within long-term care facilities is largely determined by provincial policy, funding and labour supply. The Council of the Township of Terrace Bay should instead focus on promoting aging-in-place and on the "missing middle" range of housing and services. Policies include promoting intermediate housing forms, expanding home care, promoting integrated health care in general and building a supportive community. The Council can play a pivotal role in each of these.

The best service mix for a long-term care home and community elder care is defined by what people in Terrace Bay want. Supporting aging-in-place in Terrace Bay by Wiersma and Shandruk²⁵ provides some guidance about what seniors in Terrace Bay want.

- Most seniors prefer to stay in their own homes with in-home support services and/or with home modifications
- Many would consider relocating to retirement homes
- Some expressed concern that they would not be able to manage their present or future health status or conditions in Terrace Bay
- Most prefer congregate housing and assisted living as compared to shared housing or home matching. (Congregate housing is a type of living arrangement where individuals have their own private living spaces but share common areas and facilities, such as kitchens and dining rooms.)

Summarizing the report, people generally want to 1) delay their transition to long-term care through improvements in the homes and health and other services provided in the home, 2) have available intermediate housing forms that preserve their independence between while providing more support that they can get in their homes, and 3) live in circumstances that preserve or expand their social contacts.

Other observations from the Wiersma and Shandruk study, indicate warns us that many have not yet thought through their needs and preferences or lack crucial information:

- 23.5% of participants were not at all aware of other available housing options, and 21.7% felt there were no other housing options.
- Only 24.4% were aware of funding options to renovate their homes if needed.
- Most participants had not talked with their doctor about pre-existing medical conditions and what services and supports they may need.²⁶
- 67% of participants sometimes, "usually," or "always" worried that they will not be able to manage their future health status in Terrace Bay.
- Less than half have thought about reducing their belongings and/or moving to a smaller home.



²⁵ Supporting aging-in-place in Terrace Bay: Final Report Fall 2020 By Elaine C. Wiersma and Emily Shandruk.

²⁶ 45% of respondents were under 65, whereas 55% were over the age of 65.

Evidence that older members of the community may not have worked out what they want and need is important because developing an effective delivery system demands knowing their needs, resources and desires. These observations suggest that an extensive consultation and information process would be valuable. Part of an effective service mix must be providing a situation where seniors and seniors-to-be can explore the challenges they may face and gather information about the potential solutions. Promoting this process and eliciting informed expression is partly a service the community can provide and partly a creative form of engagement for the whole community. It can be challenging, but also enjoyable. It is also one of the least costly parts of the service mix. Wiersma and Shandruk also identified some specific gaps in services. Many respondents reported that personal support services were only rarely to sometimes available in the community. Some expressed a desire for more social opportunities, and community meals. 83.33% of respondents disagreed or strongly disagreed that there are people and companies available to ask or hire to modify their homes.

Previous studies²⁷ have reported a lack of home supports and other options prior to institutional care. Wiersma and Shandruk cite a respondent saying that, "In Terrace Bay, it is either live at the hospital or LTC if you are unable to stay in your own home."²⁸



RECOMMENDATION 3:

Terrace Bay should work to provide both a continuum of health care and social services and a range of housing and living options for people as they move from total independence in their own homes to increasingly assisted settings.

4.1 Support aging-in-place

The National Seniors Council concluded²⁹ that most older persons in Canada may be able to live on their own in their place of choice for much longer if certain health challenges could be addressed. These include early assistance with the onset of neurocognitive disorders, maintaining functional mobility, assistance dealing and reducing with chronic disease (for example, hypertension, diabetes, cancer, heart disease, and stroke). There will be progress on all of these health issues.

Community initiatives can also support aging-in-place by supporting opportunities to maintain social connections and meaning in their lives, mobility and especially all-season walking and exercise, education and assistance to reduce the dangers of fraud and scams.

Improving the capacity of seniors to continue living in their homes can have a significant impact on demand and costs. If it were possible to delay the need for long-term care by five years for just 10% of seniors it would reduce the demand for beds shown in demand by 10%. Assuming that the target capacity for 2031 is 66, increasing aging-in-place by 10% could reduce the required capital expenditure required by between \$2,970,000 and \$3,630,000.

Given that average annual municipal expenditures per bed are between

\$10,000 and \$25,000 per year, a 10% improvement in the rate of aging-in-place could save the Township from \$66,000 to \$132,000 annually. Part of the saving could be allocated to the infrastructure needed to support aging-in-place.

²⁷ e.g., Wiersma, E.C. & Denton, A. (2016). From social network to safety net: Dementia friendly communities in rural northern Ontario. *Dementia*, 15(1), 51-68.

²⁸ p15

²⁹ Final Report of the Expert Panel Supporting Canadians Aging at Home: p 24



RECOMMENDATION 4:

The Township should develop and promote an Aging-in-place strategy. The key to successful aging in place is the availability of home care. Funding is the main challenge. Canada spends \$1 on home care for every \$6 spent on institutional LTC. Most others spend roughly equal amounts.³⁰

RECOMMENDATION 5:



The Township should collaborate with the province and local agencies to expand home care in Terrace Bay to support ageing-in-place. The Government of Ontario has committed³¹ \$235M to support primary health-care teams. A priority area for Primary Care Teams is to develop “readiness for integrated home” care in their areas.



RECOMMENDATION 6:

The Township should work with care providers and the province to increase the funding available to the North Shore Family Health Team to provide expanded primary care to seniors in the region.

4.2 Develop intermediate housing solutions for seniors.

There is a missing set of housing alternatives for seniors between independent living at home and full institutionalization for long-term care. Long-term care facilities are generally the most expensive alternative available for both individuals and the public. If some of the demand for long-term care can be shifted to less costly intermediate housing forms such as, co-housing, assisted living, mobility flats, seniors' apartments, subsidized community housing, short-term respite housing, and retirement homes, it can have a significant impact on total system costs. It should be possible to divert at least 10% of seniors who would otherwise enter a long-term care home to less costly alternatives. Diversion would reduce the demand for beds calculated Section 2, reducing the required capital expenditure to provide adequate long-term care facilities.

³⁰ OECD (2011). Help Wanted? Providing and Paying for Long-Term Care. OECD Publishing, Chapter 1: Long-term Care: Growing Sector, Multifaceted Systems

³¹ <https://www.cbc.ca/news/canada/toronto/ontario-announces-investment-to-support-primary-care-teams-1.7568514>

These alternative housing forms also help conserve and prolong residents' independence and encourage healthy life-styles, further reducing costs.³²

Steps to consider in the short run include: identifying municipally owned land that could be used by developers for seniors' housing; updating zoning bylaws to support accessible, mixed-use, or clustered housing types; engaging regional partners to explore collaborative models.

Architectural features to emphasize include: homes with no-step entryways, open floor plans, and wide doorways for easy movement; user-friendly controls, reachable storage, and layouts that minimize fall risk; and housing that is affordable, secure, and located within the broader community. New units should combine housing with health care and social services to promote independence.³³



RECOMMENDATION 7:

The township should develop and promote intermediate housing solutions with integrated health care and social services.

4.3 Promote Senior-Friendly Neighbourhoods

Successful senior-friendly neighbourhoods are thoughtfully designed to support independence, safety, and social connection for older adults. Encouraging or creating a seniors' neighbourhood in Terrace Bay can be seen as both a responsibility and an opportunity.

The community has the power to create an effective seniors-friendly neighbourhood using zoning, regulation, and its ability to affect the location of public services. It can pre-zone or designate land near services for seniors' housing, enable mixed-use or medium-density housing forms with barrier-free design, offer municipal land through lease or donation for non-profit or co-op housing, waive or reduce development charges and property taxes for eligible projects, and support site servicing. Development for seniors should focus on higher density areas around commercial areas, near cafe's, malls, health services, and community facilities.

Best practices in designing neighbourhoods for seniors have been developed elsewhere.³⁴ They should emphasize walkability for health, independence, and socialization.³⁵ access to parks, community centers, healthcare, local shops, and pharmacies, and might support for community shuttles or taxis. Some features to consider are: benches, shaded spots, and weather shelters to encourage outdoor activity and provide comfort; smooth, level, and well-maintained paths with non-slip surfaces, ramps, and handrails for mobility aid users; adequate lighting, clear signage, and contrasting color strips on stairs to enhance visibility and prevent accidents.

It is worth noting that the author has found no studies that specifically discuss selecting and creating neighbourhoods that are well located for seniors in smaller communities. There appears to be some reluctance to make proposals that have implications for person's location decisions or for community zoning. This may be in part a result of the expressed preference of many for "aging-in-place." It may be in part be due simply to a failure to think through the implications of seniors' mobility, the advantages of bringing seniors together, and the cost implication of having a widely scattered seniors population that requires home care and other services.

³² Social Architecture: Aging in Community. Orhan Hassan A thesis submitted for the degree of Master of Architecture, Carleton University 2016.

³³ Supportive Housing: Critical to Meeting the Needs of an Aging Population. Shannon Guzman 16 Jun 2019

³⁴ See for example Vancouver's Age-Friendly Action Plan 2013-2015, Garden City standards, from the Town and Country Planning Association Homes for all and Design and Master planning (p16). The World Health Organisation has published information about creating Age Friendly Cities and Communities. See also the Centre for Ageing Better's network on age friendly communities which includes resources and ideas.

³⁵ Because women dominate among the older senior population and are often frightened of, and endangered by, falls, the Township should emphasize clearing snow and ice in areas where seniors walk or congregate.

The per capita costs of making a neighbourhood more suitable for seniors goes down as the density of the population served goes up.



RECOMMENDATION 8:

The Township should consider developing and promoting a senior-friendly neighbourhood or even a small “seniors’ village.”

4.4 Social connection and engagement

Social and recreational needs are essential for aging well. Promoting social connection and engagement is cheap. It can improve perceived quality of life for many members of the community, promote health, and even reduce demands on the healthcare system.

- Community gardens, community rooms, and recreational areas that foster social interaction.
- Activity Programs: Leisure, cultural, and spiritual activities for all ages.
- Civic Engagement: Opportunities for volunteering and intergenerational activities.

RECOMMENDATION 9:

Working with seniors, the Township should create a plan to enhance social connection and engagement.



The recommendations in this section will provide guidance in moving toward an effective and efficient combination of services and facilities.



5. Question 3: How will these recommendations change in 5, 10, or 15 years?

5.0.1 Short Term (0–10 years):

The number of seniors between now and 2041 is unlikely to vary much from the forecasts developed in Section 2 over the following 15 years. Changing funding, programs, and technology are likely to present challenges.

New information from the 2026 Census may lead to minor adjustments in estimates, but there will ample time to correct course if there is an unexpected decline in the number of seniors.

The danger of building too many beds before 2041 is tiny. Ontario has a severe shortage of long-term care beds, and its plans to deal with the shortage are well behind schedule. Having too few beds, on the other hand, will definitely affect residents of Terrace Bay.

It is very likely that provincial funding for long-term care, aging-in-place, and home care will increase, making expanded home programs more financially sustainable for Terrace Bay.³⁶

It is very likely that provincial requirements will become more stringent – costly, demanding, for example, advanced ventilation to prevent the spread of disease, air conditioning, and sprinkler systems.

There will be pressure on long-term Care homes to better recognize and respect the cultural, linguistic, religious, and spiritual needs of residents, potentially adding costs.

New mandates for organized programs specifically addressing dementia care and related services are likely to increase costs.

Residents will demand an increasing role in facility management.

Technological and program improvements are likely to make aging-in-place safer and easier. The technologies are falling in price, and availability will increase rapidly over even the 5-year horizon. The resulting changes might slightly reduce the numbers entering long-term care by 2031.

Relevant technological innovations that will reduce demand for long-term care include hip and knee surgery, smart home technologies that make it easier to control home functions, smart sensors that detect movement, monitor daily activity, and alert caregivers to falls or changes in routine, remote health monitoring and Telehealth, robotics and mobility aids, wearable safety devices, and AI with predictive analytics. Program innovations that improve home care and support will also help extend the time seniors are able to remain in their homes, as will changes that improve quality of life and access for seniors at the community level. These innovations will be welcomed by seniors and will generally reduce social costs. Many seniors will acquire technologies on their own and will be very happy to share their knowledge.

The current shortages of medical personnel and staff for care homes, including nurses, are likely to get worse in the short run and may make it difficult to bring new homes on line in Terrace Bay. (See, for example, “Addressing the Staffing Emergency in Long-Term Care in Canada, Submission to Submission to the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities.)

The economics of health care labour point to the sector requiring much larger funding increases that are currently scheduled. Attracting new healthcare workers in a tight labour market requires a substantial increase in the wage offering. Because it is difficult to raise wages just for new entrants, it will be necessary to increase wages across the sector. The resulting increase in the healthcare budget will be very difficult for the provincial government.

Pressure for energy efficiency will increase.

The cost of heat pump technology will fall and demand for air conditioning will rise, making the choice of heat pumps almost unavoidable.

³⁶ The province has committed to more funding. For a discussion of the need, see “ONTARIO NEEDS MORE HOME CARE: Recommendations for the 2024-25 Ontario Budget, January 2024” from Home Care Ontario.

Rising institutional construction costs will make efforts to reduce demand for long-term care more desirable.

Hospitals and social-service institutions will continue to innovate, extending the lives of patients in long-term care, requiring more beds.

5.0.2 Long Term (10–15 years):

Technologies will continue to evolve.

Seniors' health life-expectancy,³⁷ will continue to rise, largely due to improved health care.³⁸ This change alone will increase the demand for intermediate housing and services.

Modular housing units may become available for use in the construction of seniors housing.

Global warming will be an increasing issue, demanding cooling stations, tree planting and other community-level adaptations.



³⁷ Overall life expectancy at 65 was 20.8 years in Canada in 2021.

³⁸ On average across OECD countries, life expectancy at age 65 increased by 6 years between 1970 and 2021, and by 2.1 years between 2000 and 2021. Health at a Glance 2023: OECD Indicators Report.

6. Conclusions

The main conclusions of this study are that:

1. Terrace Bay will need to **triple the number of long-term care beds** from 22 to at least 66 by 2031.
2. The Township should **begin the development process immediately** in partnership with the North of Superior Healthcare Group and Wilkes Terrace.
3. The project should **proceed in two stages** of 22 units.
4. The target for completion of the first stage should be not later than 2028.
5. The Township should begin immediately, in partnership with the seniors in the community, a program to support **aging-in-place**. This has two components:
 - improving home delivery of healthcare and assistive services
 - Inspecting and modifying homes to make current seniors homes better for seniors to continue living in. Much of this can be done by assisting seniors, many of whom have the resources to modify their own homes but may need help identifying issues, finding solutions, or engaging contractors.
6. The Township should begin immediately in partnership with health, housing, and community providers and community seniors to support the development of accessible housing options and **transitional housing solutions**.
7. The Township should work with care providers and the province to increase the funding available to the North Shore Family Health Team to provide expanded primary care to seniors in the region.

The Council of the Township of Terrace Bay can play a pivotal role in supporting the development and operation of seniors' housing and the establishment of service models that cater to the unique needs of its aging population.



Appendix

Table 10: Age and sex distribution 2021

Age Group	Total	Men	Women	Percent
Total	1530	790	740	NA
0 to 4 years	65	35	30	4.2
5 to 9 years	80	40	40	5.2
10 to 14 years	90	45	45	5.9
15 to 19 years	50	30	25	3.3
20 to 24 years	45	25	15	2.9
25 to 29 years	70	35	35	4.6
30 to 34 years	110	55	55	7.2
35 to 39 years	110	55	55	7.2
40 to 44 years	90	50	40	5.9
45 to 49 years	60	30	30	3.9
50 to 54 years	70	35	35	4.6
55 to 59 years	130	65	70	8.5
60 to 64 years	170	100	75	11.1
65 to 69 years	140	70	65	9.2
70 to 74 years	95	55	40	6.2
75 to 79 years	65	35	25	4.2
80 to 84 years	40	15	25	2.6
85 to 89 years	20	10	15	1.3
90 to 94 years	15	0	15	1
95 to 99 years	5	0	5	0.3
100 years and over	0	0	0	0

Table 11: Population and Dwellings 2021

Characteristic	Number
Population, 2021	1528.0
Population, 2016	1611.0
Population percentage change, 2016 to 2021	-5.2
Percent 65 years and over	24.2
Number 65 years and over	370.0
Percent 85 years and over	2.6
Number 85 years and over	40.0
Total private dwellings	793.0
Private dwellings occupied by usual residents	713.0

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