

Somerset

# LUD OF SOMERSET

Call to Developers

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& Associates Ltd.

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Date: April 2025

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## PREFACE

The Local Urban District (LUD) of Somerset is seeking to engage experienced residential, industrial, and commercial land developers to pursue opportunities identified in this report.

Nestled in the Pembina Valley, Somerset is a small, vibrant, rural community that is primed for growth and development. The following report defines the unique competitive advantages and value proposition of Somerset and sets out areas for targeted residential, commercial, and industrial development and focused investment. Expanding development in the area would not only address local needs but also contribute to the broader economic growth that the region is ready to embrace.

To encourage development, the LUD is working diligently to ensure 'shovel ready' conditions for developers. In addition the Municipality of Lorne offers a range of financial incentives designed to make new residential and commercial projects more attractive.

Incentives may include:

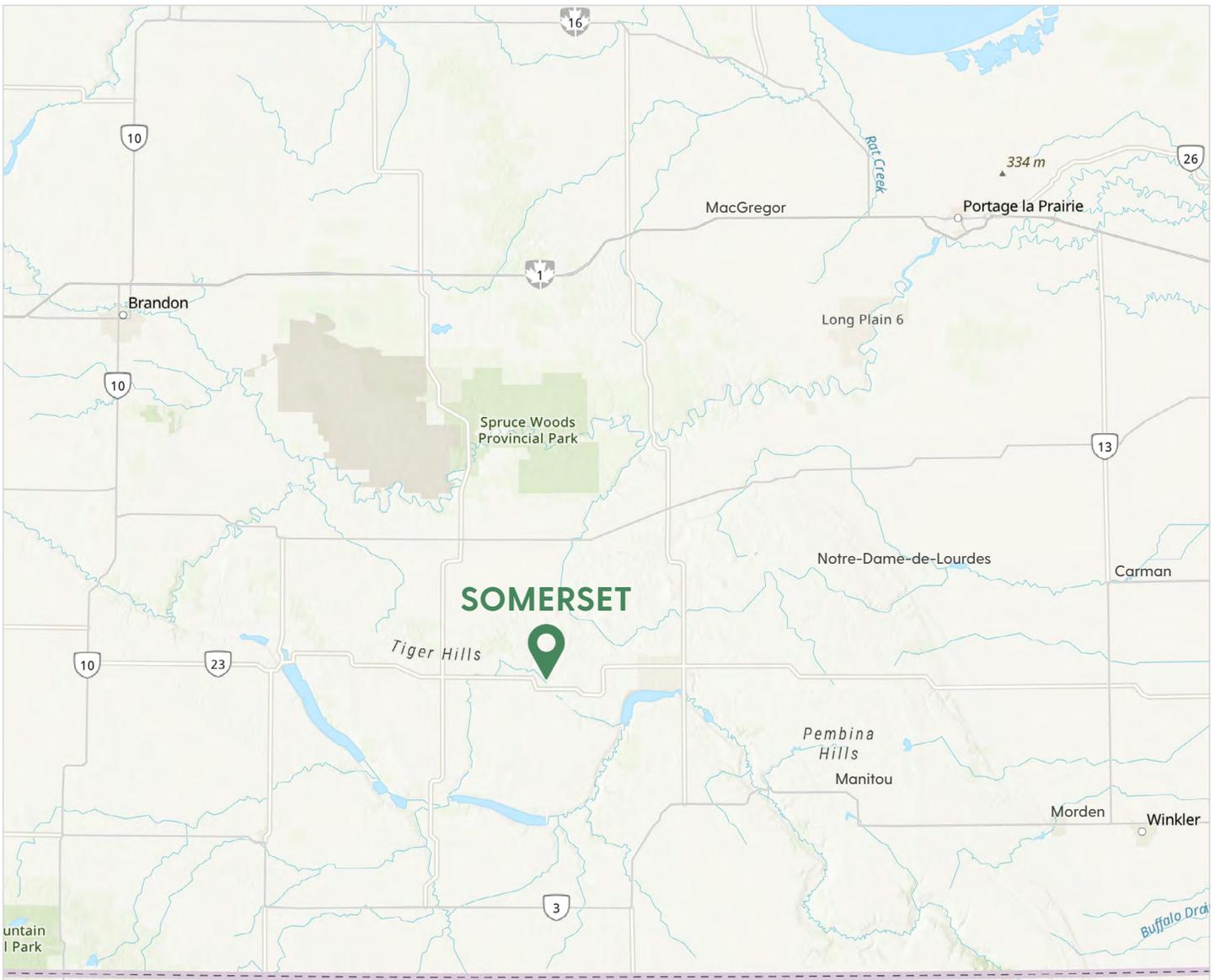
- Tax rebate for new commercial, industrial, or multiple-unit residential developments
- Tax rebate for major expansions or renovations to existing businesses or multi-unit residential developments.
- Permit fee rebates for new residential construction equal to the cost of development and building permits as invoiced by the South-Central Planning District.



# 1.0 ABOUT SOMERSET

Known for its prairie beauty, small-town charm, and rich history, Somerset is a hidden gem waiting to be discovered by developers and businesses looking for their next big opportunity. With available land, a strategic location, and strong municipal leadership, Somerset is primed for commercial, industrial, and residential development opportunities.

Found on the edge of the picturesque Pembina Hills, Somerset is located at the junction of Provincial Hwy. 23 and PTH 242, approximately 130 kilometers southwest of Winnipeg and 70 kilometers north of the United States.



Map 1 Somerset Area

## 1.1 DEMOGRAPHICS

### Population and Age

Somerset has maintained a small, but stable population, with 420 residents as of the 2021 Census. While growth has been modest, Somerset’s strong community and strategic location position it well for future development opportunities, particularly in business and industry sectors.

Like many Manitoban communities, Somerset is aging, with a higher proportion of older adults. Nearly 29% of the population is aged 65 and over, which is significantly higher than the provincial average of 17%. Despite this, Somerset retains a substantial working-age population, with individuals aged 15 to 64 making up 57% of the community. The median age of 49.2 reflects the aging trend, though opportunities for younger families and professionals remain a key focus for growth.

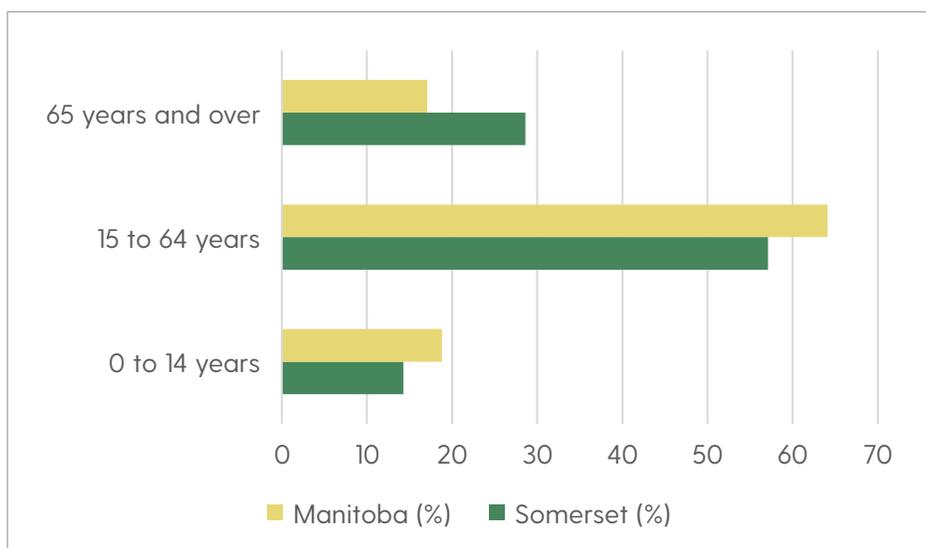


Figure 1 Age Group

### Housing Types

Next to single-detached homes, the most common type of housing in Somerset is low-rise apartments, with a small mix of semi-detached homes, row houses, and mobile homes. While single-detached homes remain predominant, there is room to diversify the housing market in the community.

### Household Size

In Somerset, two out of three households are occupied by one or two people. The average household size is 2.1. Larger households are less common as the community ages. This suggests a market for 1-, 2-, and 3-bedroom homes to accommodate both young professionals and aging-in-place.

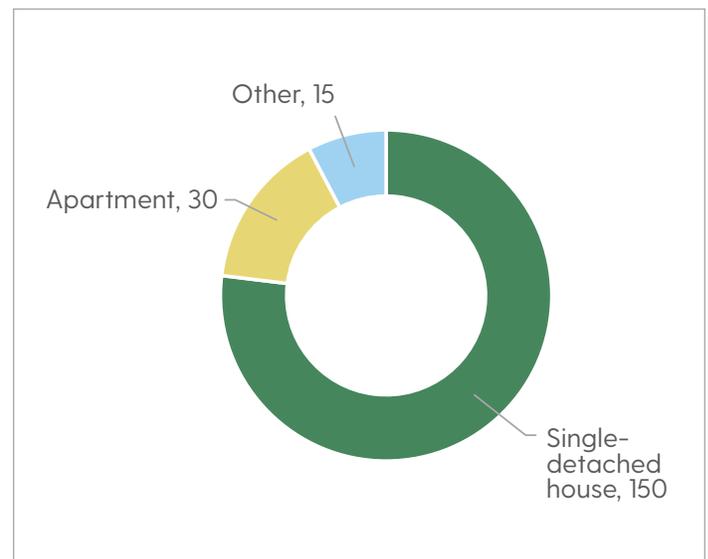


Figure 2 Housing Types

## 1.2 ECONOMY

### Income

Between 2015 and 2020, Somerset's median household income increased by 15.4%, rising from \$51,968 to \$60,000.

This positive growth reflects the Province's growth which saw a similar increase of 15.9% during the same period. As relative income levels continue to rise this suggests potential for greater spending power within the community.

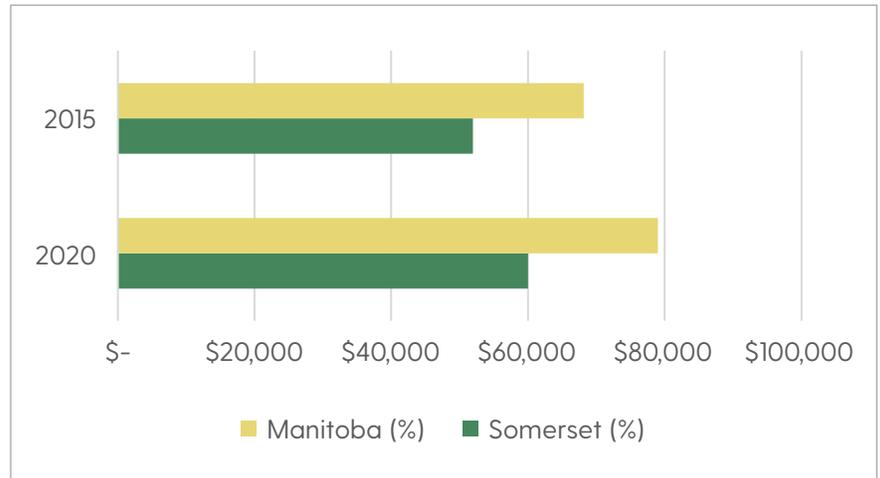


Figure 3 Median Household Income

### Employment

Somerset has a small but stable economy, with an employment rate of 55% and an unemployment rate of 9.1%. Somerset's businesses and industries remain active and vital contributors to the local economy.

The community faces challenges in attracting and retaining workers due to the limited availability of affordable housing. Many prospective employees are forced to settle in neighbouring communities and commute to Somerset, increasing their travel costs and limiting the economic benefits of new residents. Addressing housing availability and job creation could significantly enhance Somerset's ability to attract local talent and foster broader economic growth.

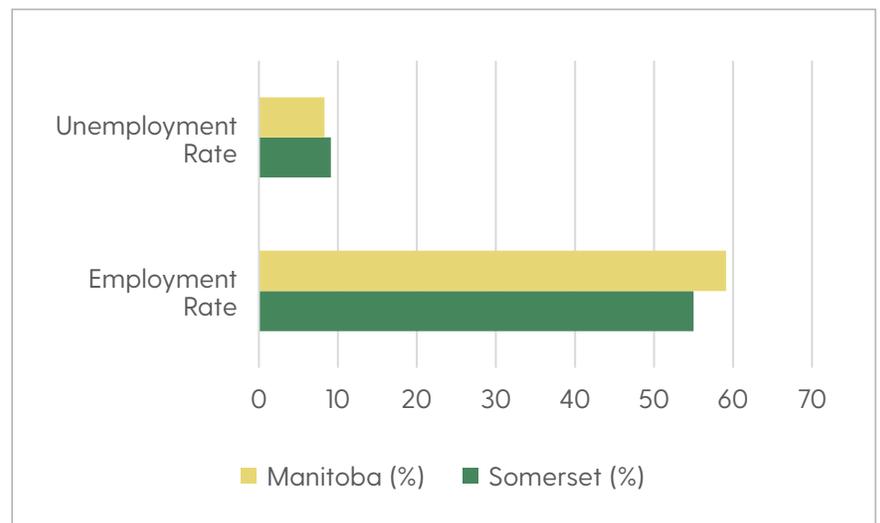


Figure 4 Employment

## Industry Sectors

Somerset’s economy is diverse for its size but is largely driven by a few key sectors. Transportation and health care anchor the community each employing 17% of the workforce, reflecting both the community’s logistical connections and essential services.

Construction accounts for 14.6% of employment, indicating strong activity in building and infrastructure. Agriculture also plays a notable role in Somerset’s economy, employing 10% of the workforce compared to just 4% provincially, highlighting the rural character of the area. The education sector contributes 12.2% to local employment, surpassing the provincial rate of 8.4%.

This diversity of sectors ensures Somerset’s economy remains resilient while offering a workforce open to new opportunities.

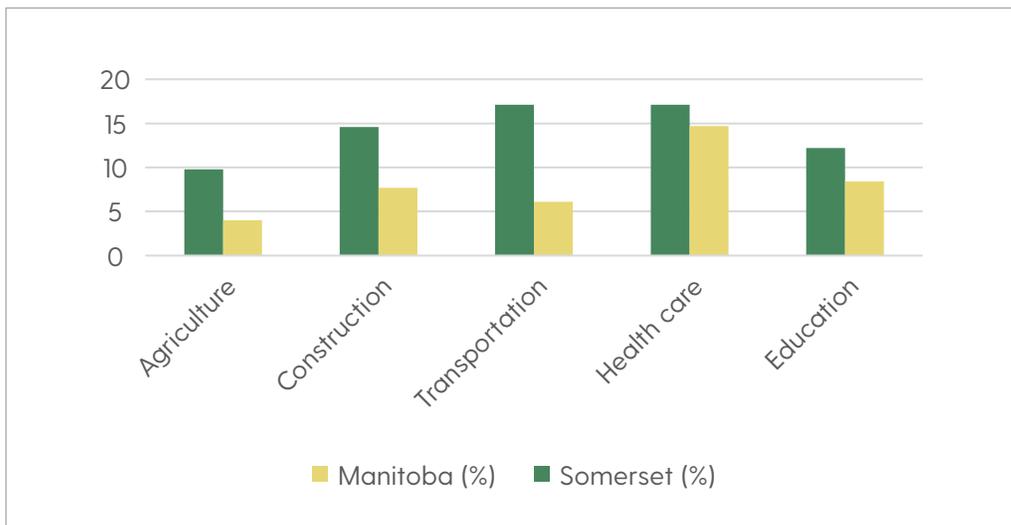


Figure 5 Industry



## 2.0 COMMUNITY ADVANTAGES

Somerset is a hub for health and community living and boasts a number of qualities and services that make it advantageous for targeted residential development and investment.

### 2.1 COMPLETE COMMUNITY

Somerset has all the necessary ingredients of a complete, rural community. It offers the peace and tranquility of a small town with the amenities, services and spirit of an established urban neighbourhood. The LUD is committed to supporting a variety of lifestyle options, allowing people of all ages and abilities to live, work, and play all in the same community.

#### Recreation

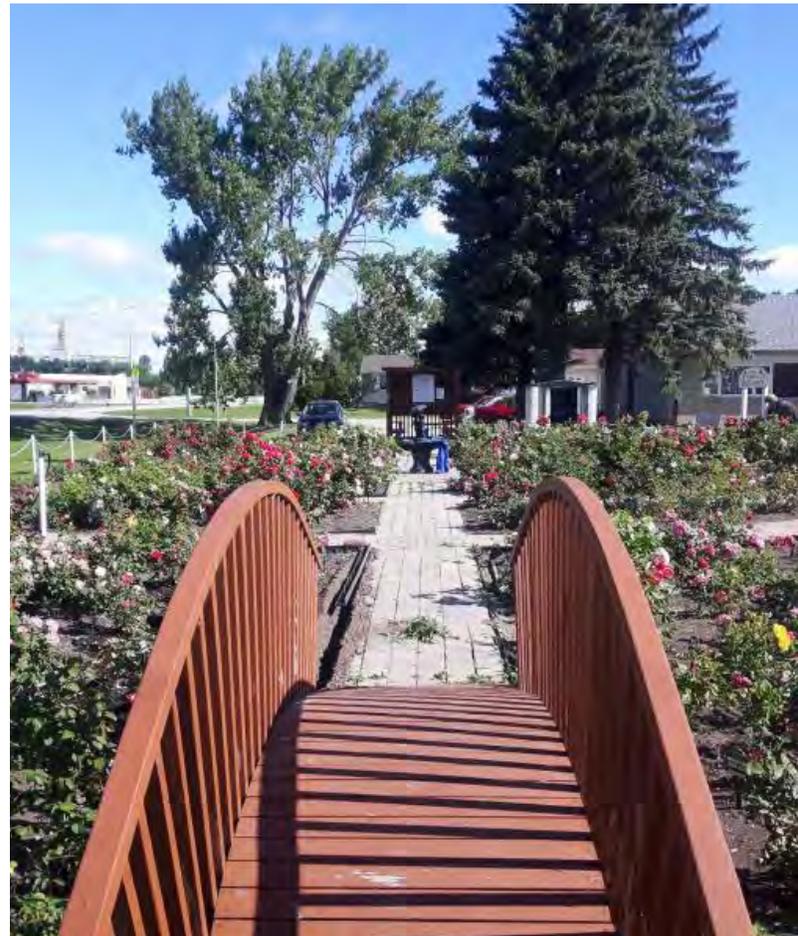
Somerset is a hub for outdoor enthusiasts and nature lovers. The community provides year-round opportunities for recreation, from nearby golf courses and hiking trails to winter activities like snowmobiling and skating at the community rink. The Somerset Sportsgrounds, splash park, and walking pathways offer residents and visitors opportunities to stay active and connected while enjoying the area's natural beauty.

Winter recreation is well-supported with skating and curling rinks equipped with artificial ice, hosting hockey tournaments and curling bonspiels.

Adding to the community's charm is the Somerset Memorial Rose Garden, featuring over 330 roses, and the Trans Canada Trail, which runs directly through Somerset's main street, connecting the community to broader regional trail networks.

#### Small Town, Big Character

Somerset is a resilient and close-knit community that continues to thrive despite economic challenges. The town is home to a range of small businesses and entrepreneurs who contribute to its unique character. Somerset has long been and remains a welcoming place for retirees, young families, and professionals seeking to establish roots in a community that values growth, opportunity, and a high quality of life.





## 2.2 RETAIL

Main Street (3rd St) in Somerset is the main hub for retail businesses and services for the community. Currently, the area features a variety of retail options, including restaurants, a thrift store, auto centre, insurance, and hotel. However, the existing retail landscape has room for expansion offering an opportunity to diversify the types of businesses available to residents such as healthcare services, professional offices, and recreational facilities to maximize the area's potential.

## 2.3 SERVICES

The LUD of Somerset offers a range of community services and amenities that enhance the quality of life for its residents and the surrounding region. Despite its size, cultural, recreational, and educational opportunities are abundant in Somerset. Prairie Mountain High School (Grades 9–12) serves approximately 125 students, offering a wide range of courses including Industrial Arts, Chemistry, Band, and Fitness. Grade K–8 students attend Prairie Mountain Elementary in nearby Swan Lake. Additionally, the Somerset Library provides over 9,000 materials in both English and French, along with public computer services and high-speed internet access.

Essential services such as the Somerset Place, built in 1995, provide medical and dental services to the community. The Somerset Farmer's Market, held weekly from July through September, showcases local produce, flowers, and handicrafts, fostering strong community ties.

While these services provide an excellent foundation for a strong community, chief among them is the Notre Dame Health Centre and Emergency Medical Services (EMS), a key healthcare hub that not only anchors health services in the region but also serves as a significant employer.

### List of Community Services

The Municipality is committed to providing core community services and partnering with institutions, government agencies, and community groups to deliver a wide range of programs that enhance the quality of life in Somerset. This includes:

- Prairie Mountain High School (Grades 9–12)
- Prairie Mountain Elementary School (K–8, located in Swan Lake)
- Somerset Place (medical and dental services)
- Somerset Library (community library with public computer access)
- Somerset Sportsgrounds (campgrounds, walking paths, recreational fields)
- Somerset Splash Park
- Skating and Curling Rinks (with artificial ice for year-round recreation)
- Canada Post Office
- Somerset Farmer's Market
- Somerset Memorial Rose Garden
- Somerset Fire Services
- Weekly Garbage and Recycling Collection

## 3.0 MARKET REVIEW

### 3.1 REAL ESTATE MARKET TRENDS

As economic trends shift and regional markets evolve, Somerset is well-positioned for residential, commercial, and industrial growth.

As housing demand increases across rural Manitoba, Somerset provides an opportunity for families seeking small-town living with essential services, schools, and recreational amenities. However, in a post-COVID-19 world, limited rental availability and rising housing costs present challenges in accommodating a growing population. Expanding diverse housing options, including rental and mixed-use developments, will be key to supporting workforce retention and new residents.

Beyond housing, Somerset’s Main Street corridor and surrounding commercial areas are primed for expansion. Existing businesses, including grocery, hardware, and dining services, create a strong foundation, but there is room for new retail, professional services, and tourism-based businesses to enhance economic activity. The LUD’s proximity to the Pembina Hills and the Trans Canada Trail also provides opportunities for hospitality, recreation, and visitor-driven industries.

On the industrial side, shovel-ready land offers potential for agricultural processing, light manufacturing, and logistics operations, leveraging Somerset’s location along its transportation routes. Strengthening both commercial and industrial sectors will diversify the local economy, create jobs, and enhance Somerset’s overall real estate market.

**The demand for residential development in the Municipality of Lorne is expected to increase in the coming years due to the following trends and factors:**



**Infrastructure Improvements:**

Ongoing investments in cell service and wastewater servicing are enhancing the community’s readiness for residential development.



**Affordable Housing Shortage:**

Limited rental vacancies and rising housing costs are driving demand for new developments, particularly affordable rental units for seniors, young professionals, and newcomers.



**Work-from-Home Opportunities:**

The shift toward remote work has led to greater interest in affordable, rural communities like Somerset, where residents can enjoy a high quality of life with lower living costs.



**Supportive Policy Changes:**

The Municipality is working to amend the zoning by-law to enable development of mixed-use multi-family buildings in the Main Street area.

## Growth Projections

The following growth projections indicate a residential demand ranging from zero to 56 new residential units by 2046, depending on growth scenarios. Population projections suggest potential growth of up to 119 new residents over the next 25 years, while a low-growth scenario indicates population decline.

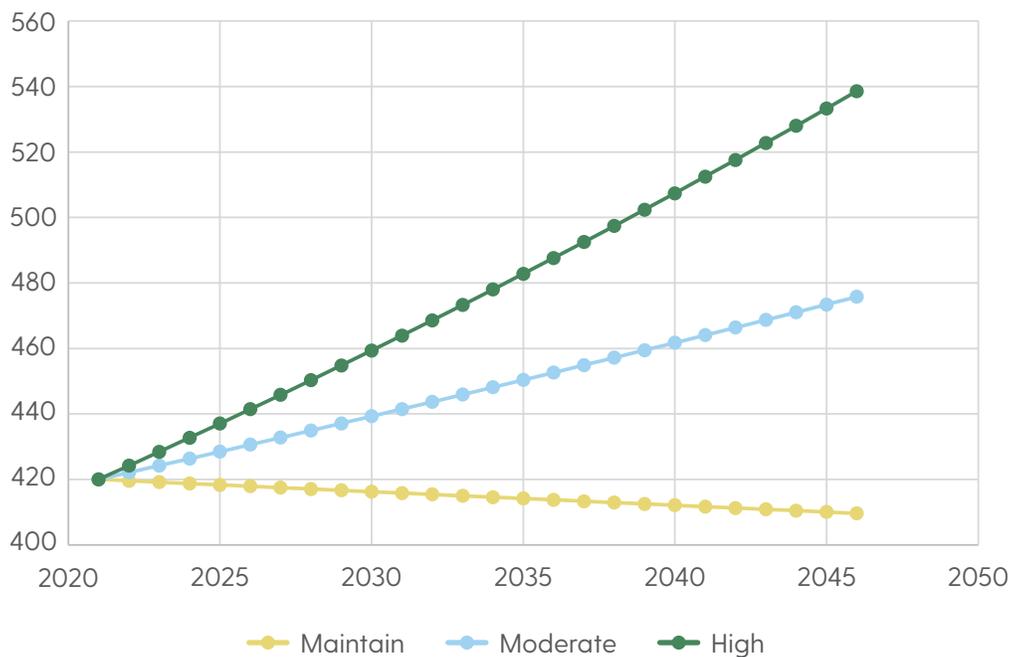
The growth projections are based off the 2006–2021 Census data and the following assumptions:

**Low Growth:** Based on current trends, Somerset’s population could gradually decline (-0.01%), leading to minimal housing development over the next 25 years.

**Moderate Growth:** If demand for housing remains stable and Somerset continues to attract new residents (+0.5%), the LUD could see up to 27 new builds by 2046.

**High Growth:** if the LUD fully captures its potential for housing with infrastructure development, commercial services, and job creation the area could see a 1% growth rate demanding 56 new units over the next 25 years.

	Low		Moderate		High	
	Population	Units	Population	Units	Population	Units
<b>2031</b>	-4	2	21	10	44	21
<b>2036</b>	-6	4	33	16	68	32
<b>2041</b>	-8	6	44	21	92	44
<b>2046</b>	-10	8	56	27	119	56



**Figure 6** Growth Projections

## Target Market

### Residential

Given the demographic shifts and housing needs, there is a growing demand for 1-2 bedroom rental units in Somerset, particularly among:

- Seniors seeking to downsize into affordable, accessible dwellings close to essential services like healthcare.
- Young professionals or new families looking for affordable living options that support a flexible work-life balance.

### Commercial

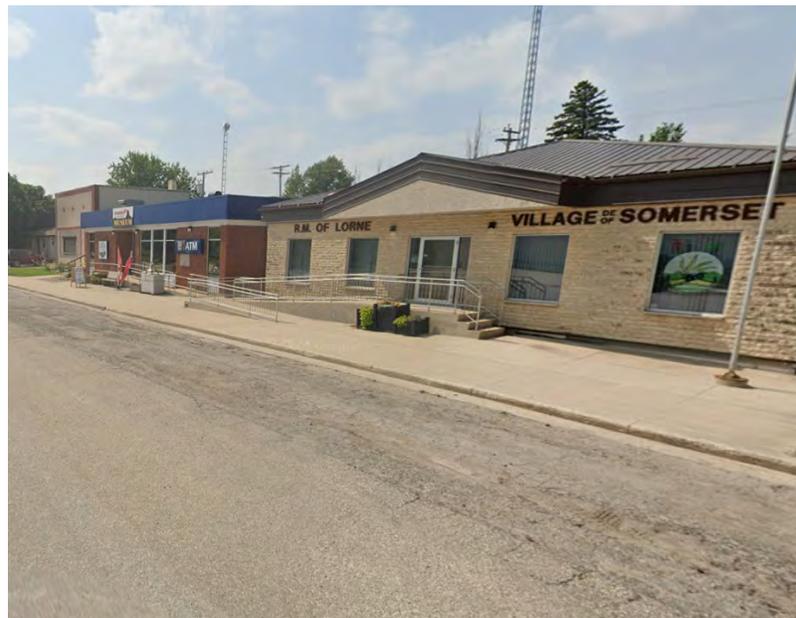
Somerset's Main Street serves as the LUD's commercial core, featuring a mix of retail, services, and community amenities. There remains opportunities for:

- New retail establishments, professional services such as healthcare, financial, and business offices
- Neighbourhood and highway commercial development

### Industrial

With access to regional transportation routes, Somerset has shovel-ready land available for light industrial uses. Potential industrial occupiers include:

- Agricultural processing and value-added industries
- Logistics and warehousing
- Light manufacturing



### 3.2 AVAILABLE AND AFFORDABLE LAND

Somerset has land available and ‘shovel-ready’ for residential, commercial, and industrial development. The rising cost of housing and land is considered affordable compared to other urban areas in Manitoba and Canada, making it an attractive option for developers who want to maximize their return on investment.

Housing prices in Somerset have seen a 36% increase between 2016 and 2021, rising from an average home value of \$123,178 to \$168,000. While this increase reflects growing demand, Somerset’s housing market remains significantly more affordable than the provincial average, where home values rose by 14% to \$338,800 in the same period. Median home values in Somerset (\$150,000) are less than half of Manitoba’s median of \$304,000, making the community an attractive option for first-time buyers, downsizers, and families seeking lower-cost housing in a rural setting.

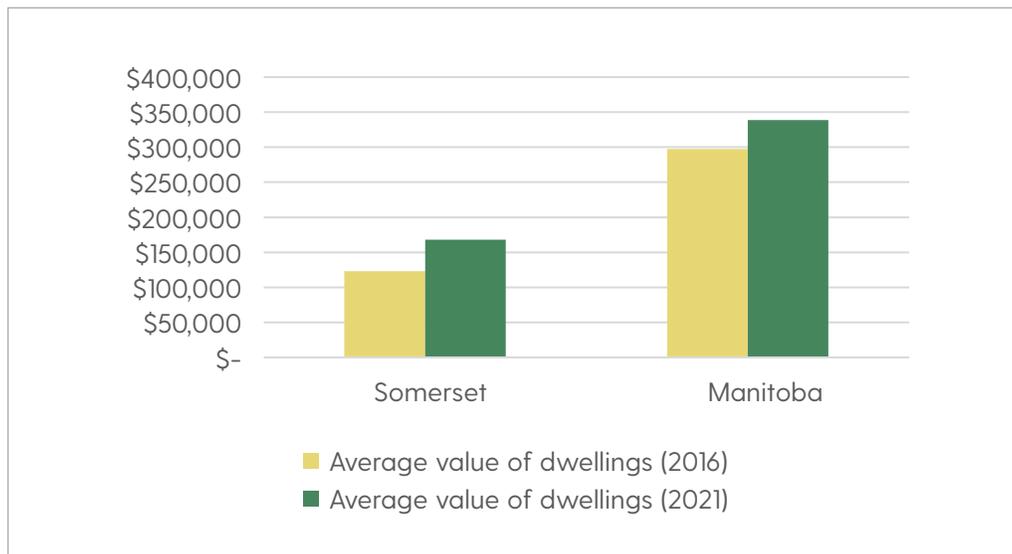


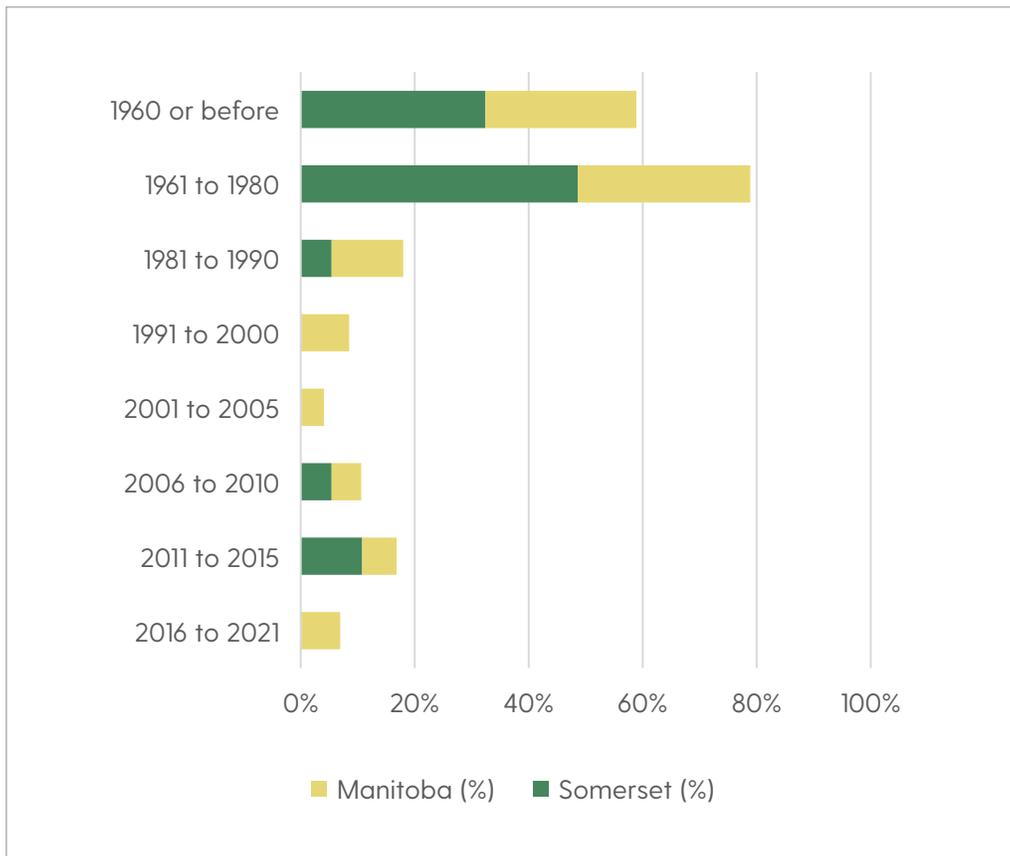
Figure 7 Average home value, 2016 and 2021

	Somerset	Manitoba
<b>Monthly Rental Costs</b>	\$ 600	\$ 1,074
<b>Monthly Home Ownership Costs</b>	\$ 690	\$ 1,225



## Dwellings by Period of Construction

The majority of houses in Somerset were constructed before 1990, and development has been limited in the last decade.



**Figure 8** Dwellings by Period of Construction

## Building Permits

The LUD's building permit data from 2016 to 2024 demonstrates modest but steady investment in the area. Recent projects indicate an opportunity for developers to capitalize on growing demand for housing and business expansion.

### Level of Investment:

- Over **\$1.7 million** in recorded construction value from 2016 to 2024.
- Residential construction values range from **\$7,000 to \$600,000** from a mix of renovations, new builds, and accessory structures.

### Permit Types:

- **29 Housing Building Permits**, including new home construction, additions, and accessory structures.
- **10 Development Permits**, including solar panel installation, storage structures, and property improvements.
- **5 Demolition Permits**, indicating some turnover in land use but minimal large-scale redevelopment.

### Top High-Value Projects:

- **\$600,000** new home build
- **\$360,000** solar panel installation

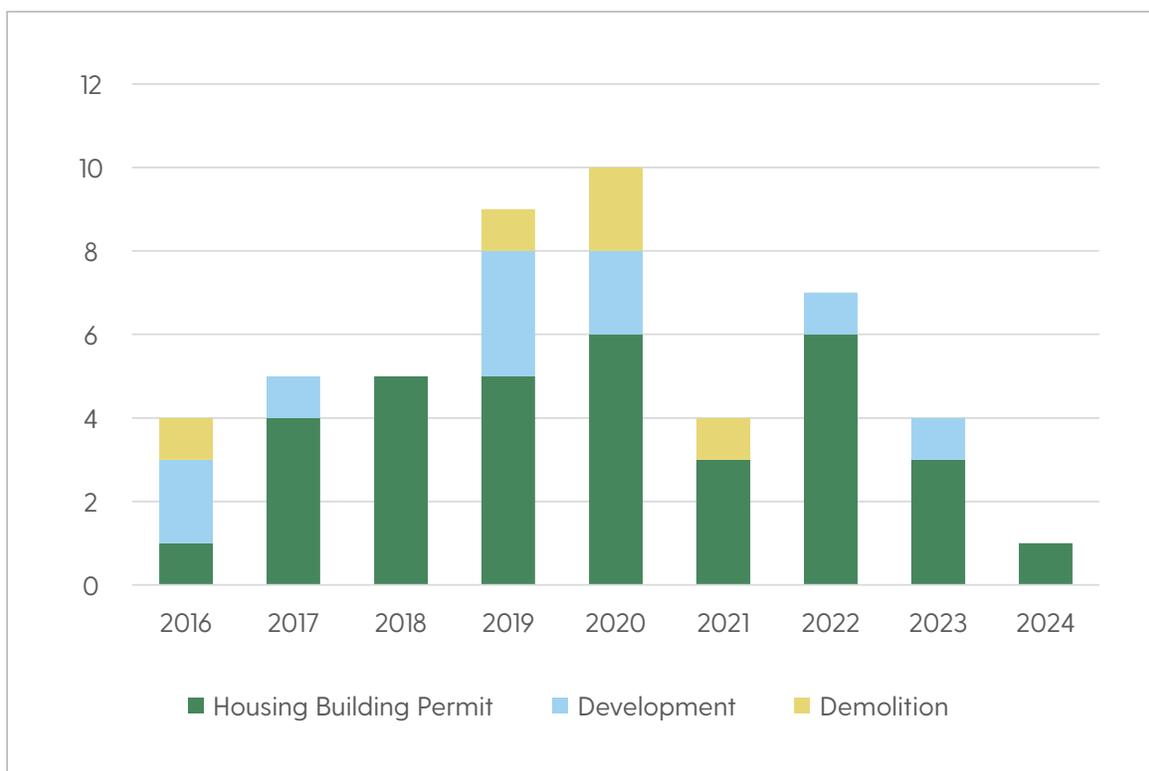


Figure 9 Building Permit Types

# 4.0 AVAILABLE LAND

## 4.1 ‘SHOVEL-READY’ & AVAILABLE LAND

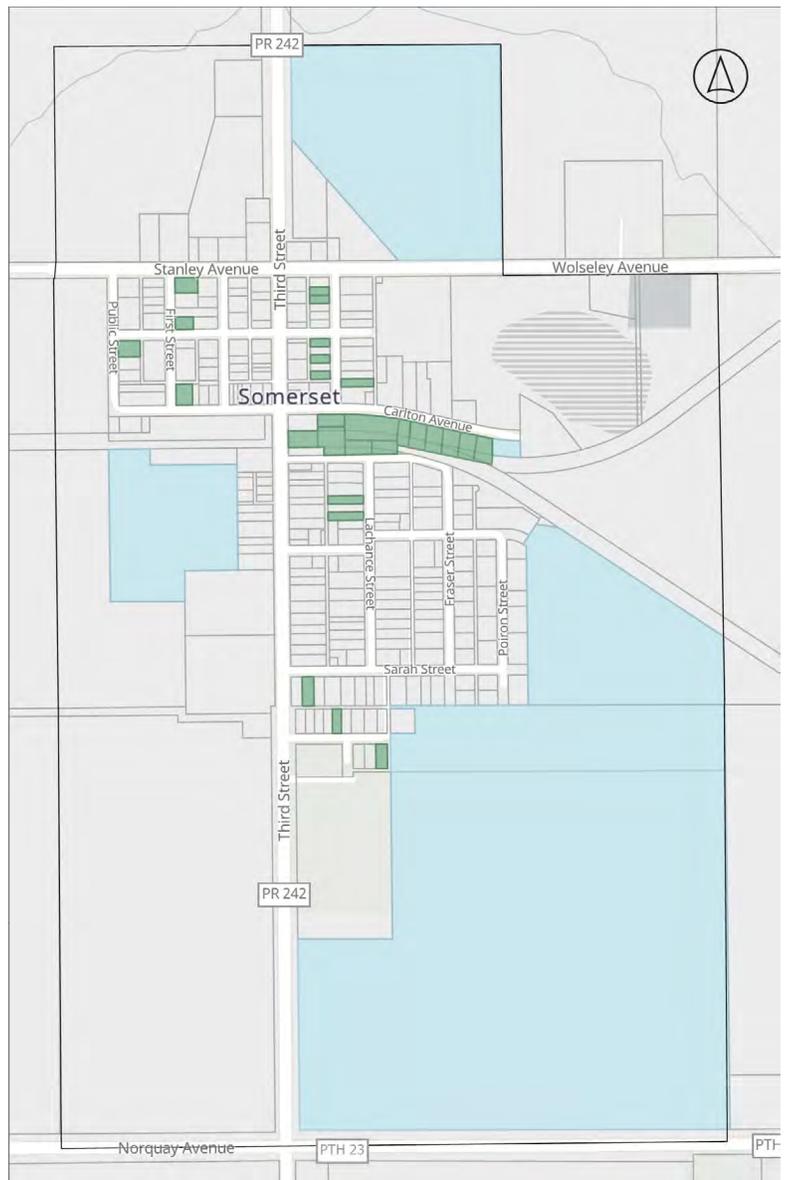
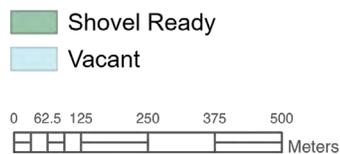
According to the Municipality of Lorne, there are numerous potential sites for housing projects, including private land ready to be sold for a development project, land owned by the LUD and land that is being developed by a private entrepreneur ready to partner to make this initiative a reality.



For the purpose of this report, we have defined **vacant land** as properties that are undeveloped, but would require either a rezoning or an extension of infrastructure in order to develop.



**Shovel ready** parcels on the other hand have the correct zoning, with the necessary infrastructure to the property line.

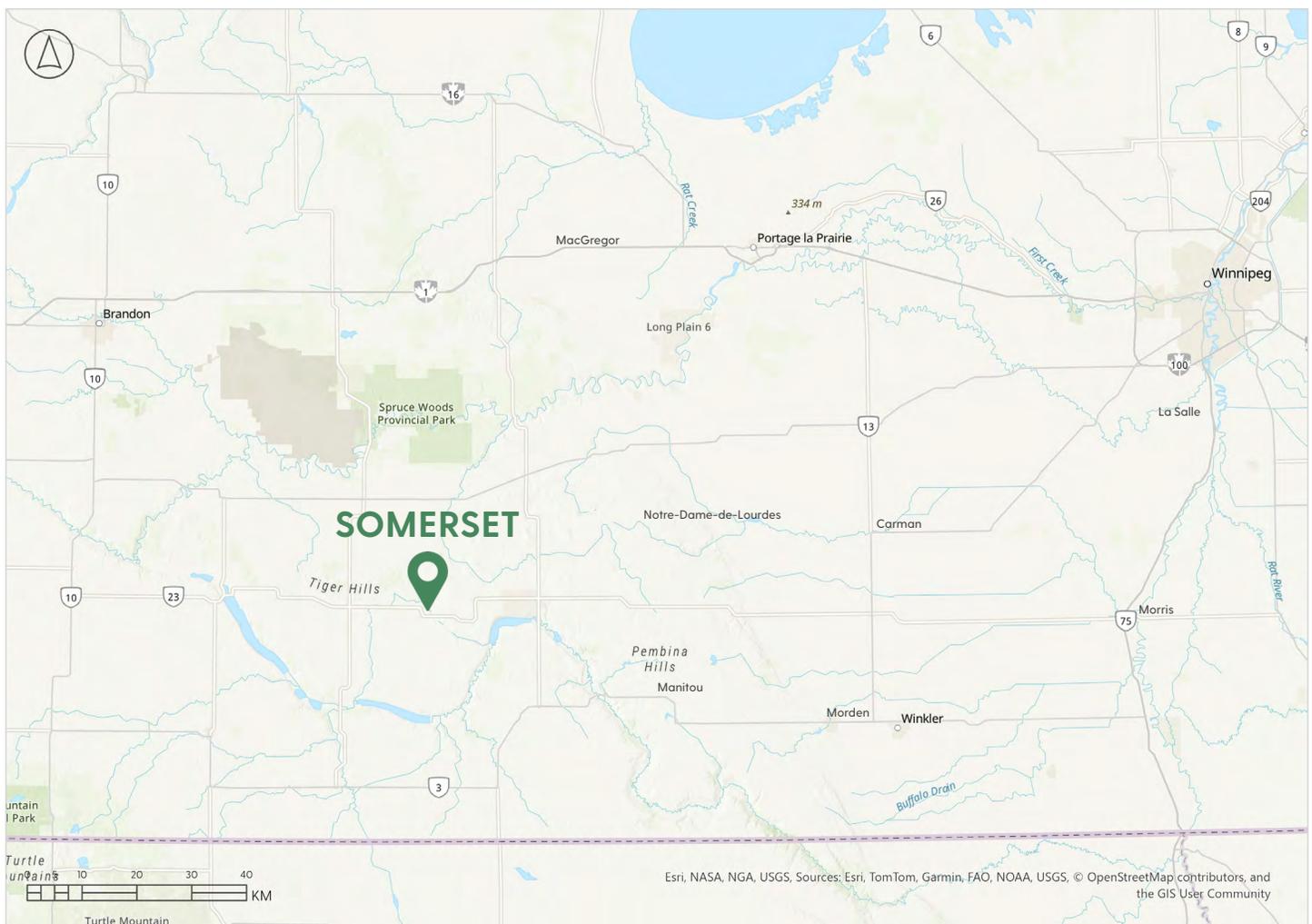


Map 2 ‘Shovel-Ready’ & Available Land

## 4.2 TRANSPORTATION NETWORK

Somerset is strategically located at the junction of Provincial Highway 23 and PTH 242, offering strong regional connectivity and access to key urban centers. The community is situated 130 km southwest of Winnipeg, making it well-positioned for commercial, industrial, and residential growth while maintaining its rural character.

Somerset benefits from direct highway access to nearby economic hubs, including: Brandon (west) and Winnipeg (northeast) via Highway 2 and PTH 3; U.S. border crossings within a 73 km drive; and Proximity to regional centers such as Portage la Prairie, Carman, and the Winkler-Morden area.



Map 3 Regional Map

## 4.3 DEVELOPMENT POTENTIAL

Envision your development opportunities in Somerset:





1

### Infill Development

These vacant lots are zoned appropriately and have the necessary infrastructure to the property line. They could become short-term residential, multi-family, or seniors housing. Not all of these sites are necessarily for sale at this time, however.



2

### Mixed-Use Development

Owned by a local developer, this site are ideal for mixed-use development with a blend of street-level commercial use with residential units for rent above or behind the main street commercial.



3

### Industrial Development

Given the proximity to existing industrial use, access to the highway network, and total acreage, this site is ideal for industrial development in close to proximity to the community centre. This could include a business park, light industrial or highway commercial use.



4

### Greenfield Subdivision

These lots would create a long-term supply of lots for single- and multi-family dwellings but will require amendments to the Zoning By-law and infrastructure improvements to the site.



## 4.4 PROPERTY INFORMATION AND POLICY AREAS



### Development Plan

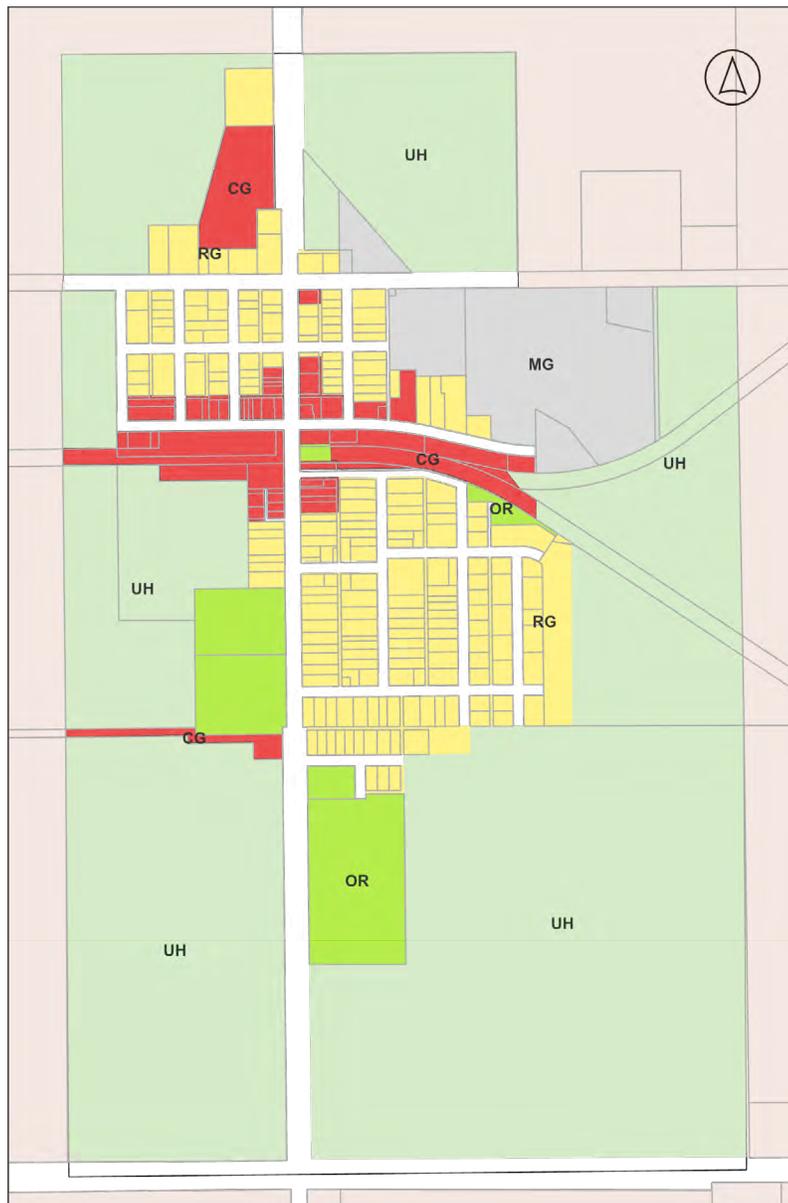
The LUD of Somerset falls within the *South-Central Planning District (SCPD) By-Law 35-2019*, and is designated as **Urban Settlement Centre** in the Urban Policy Areas.

### Zoning

The properties under consideration for development are subject to the *Municipality of Lorne Zoning By-Law 0070-22*. Zoning is generally permissive of a range of housing and commercial development, and the LUD Committee and Municipality of Lorne Council are supportive of increased density and development.

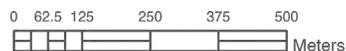
### Development Agreement

Part of the Municipality and LUD's efforts to attract investment include drafting Development Standards to streamline the development process and clarify expectations and responsibilities for infrastructure and servicing upgrades, while ensuring that upfront costs are clear.



#### Zoning By-law

- AG - Agricultural
- AL - Limited Agriculture
- CG - General Commercial
- MG - General Industrial
- OR - Open Space and Recreational
- RG - General Residential
- RG1 - Single Family Residential
- UH - Urban Hold
- CMU - Commercial Mixed Use



Map 5 Current Zoning

## 4.5 COST OF LAND

Recent land purchases in Somerset have varied between \$15,000 and \$22,000 depending on lot size, servicing availability, and location. No recent land sales have been made in Somerset for unserviced lots, but comparitavely with other parts of the Municipality come in at \$1.00/sq ft less than serviced lots. Below is an estimated overview of recent land prices in the area based on available data provided by the Municipality of Lorne:

### Serviced Lots:

- **Range:** Approximately **\$0.64/sq ft to \$1.16/sq ft**
- **Average:** Around **\$0.90/sq ft** (~\$39,20 per acre) for lots with available main lines.

### Un-serviced Lots:

- Larger lots tend to have lower per-square-foot costs but require additional servicing investment.



# 5.0 INFRASTRUCTURE

The LUD and Municipality are working diligently to ensure that its infrastructure can support the community’s expected growth and development. The LUD currently has a range of servicing capacities.

## Road Network

Somerset has a well-connected road network that serves the community, including sidewalks and essential transportation links. There are some limitations with specific greenfield sites that lack direct connectivity which will have to be extended.



Map 6 Transportation and Road Network

# 5.0 INFRASTRUCTURE

## Water & Wastewater

The planning area has access to water and wastewater infrastructure throughout the built-up town area. For infill developments, there are no existing constraints, meaning new development can hookup to the existing infrastructure without major issues. However, greenfield development projects will generally require extensions of the current servicing infrastructure.

Scheduled upgrades to the waterline system in 2025 demonstrate the Municipality’s commitment to shovel readiness.

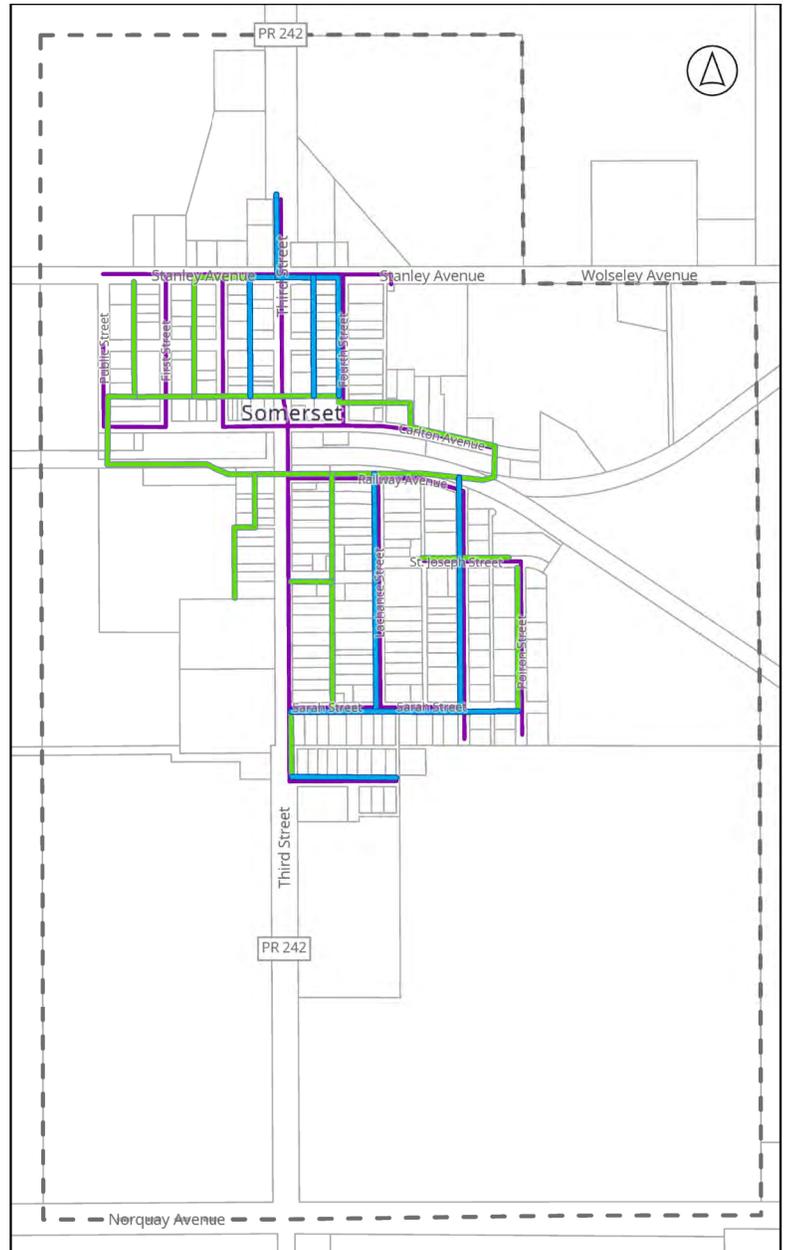
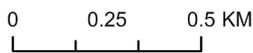
### Servicing

— Sewer

### Watermains

— Mains 6"

— Updated Plastic 6"



Map 7 Water/Sewer Lines

## Digital Infrastructure

The community currently lacks adequate digital infrastructure to fully support the increasing demand for work-from-home lifestyles. However, there is active progress toward improving cellular service across the Municipality. This will ensure residents have access to the necessary digital services to meet all their business and lifestyle needs.

## Hydroelectricity

Somerset is powered through hydroelectricity from Manitoba Hydro. According to Manitoba Hydro, the LUD has ample hydroelectric capacity to accommodate larger residential developments, as well as small and medium commercial businesses. Power lines can be installed either above ground or below, based on the preference of the landowner, while site-specific limitations may also influence the location of new power lines.

## Landfill Rates

The Miami Transfer Site, which services Somerset, charges fees based on the type and quantity of waste.

### General Waste:

- Small loads (500 kg or less): \$10–\$15.
- Larger loads (1,000 kg or more): \$50–\$70 per tonne.

## Water Rates

The water rates for Somerset as part of the Municipality of Lorne, are as follows:

- **Water:** \$11.72 per 1,000 gallons
- **Wastewater:** \$2.69 per 1,000 gallons
- **Water & Wastewater Combined:** \$14.41 per 1,000 gallons

## Property Tax Rates

<b>General Municipal Mill Rate</b>	4.347 mills
<b>LUD of Somerset</b>	30.789 mills
<b>School Division Mill Rate</b>	8.481 mills
<b>Improvement Levy</b>	0.246 mills



## 6.0 CONCLUSION

### Summary

The LUD of Somerset presents a compelling opportunity for developers to invest in a community poised for growth. With its strategic location and supportive municipal leadership, Somerset is primed to address its housing and infrastructure challenges while fostering economic development.

### Municipality of Lorne Economic Development Incentive Program (By-law #1777/14)

The Municipality of Lorne offers developers a range of financial incentives to support the creation of new commercial, industrial, and residential developments, as well as renovations and green initiatives. This includes property tax abatements, direct cash incentives for new construction, and incentives for energy-efficient upgrades. The program is designed to encourage development that meets the community's needs while increasing property assessments and supporting sustainable growth.

#### Incentives may include:

- Cash incentive for new single-family residential buildings constructed in the community ranging from \$10,000-\$25,000/unit.
- 100% municipal tax rebate for the first two years and a 50% rebate for years three and four for new commercial, industrial, or multiple-unit residential developments with a minimum assessed building value of \$50,000.
- 100% municipal tax rebate for the first two years and a 50% rebate for years three and four for major expansions or renovations to existing businesses or multi-unit residential developments with a minimum assessed building value of \$50,000.

- Permit fee rebates for new residential construction equal to the cost of development and building permits as invoiced by the South-Central Planning District.

The Municipality of Lorne and Somerset have staff available to support applicants with the development application and review process. A typical development project in Lorne may involve the following applications and review processes:

1. Pre-application review
2. Building and development permit review
3. Development agreement
4. Site plan approval and building permit issuance

All applications are reviewed on a case-by-case basis to determine eligibility, and the final decision rests with the Council.



## Contact Us

Thank you for this opportunity to present the business case for development in the LUD of Somerset. The Municipality and LUD are eager to work with interested developers to address the current housing shortage and fulfill the economic and social potential of the region. We look forward to collaborating with you.

If you have any further questions, please reach out to us at:



### **Municipality of Lorne**

P.O. 10 - 3rd Street  
 Somerset, Manitoba  
 R0G 2L0 (Canada)  
 Tel: (204) 744-2133  
 Fax: (204) 744-2349  
 Email: [info@lornemb.ca](mailto:info@lornemb.ca)



### **CDC Somerset**

P.O. 10 - 3rd Street  
 Somerset, Manitoba  
 R0G 2L0 (Canada)  
 Tel: (204) 744-2133  
 Fax: (204) 744-2349  
 Email: [cdcsomerset@gmail.com](mailto:cdcsomerset@gmail.com)

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