



# Let's Talk Housing Research: A Review of the Latest Reports Focused on the GTHA

January 23, 2019

# GTHA Land Supply and Market Conditions

## Planning Perspectives

Presentation by: Matthew Cory

January 23, 2019

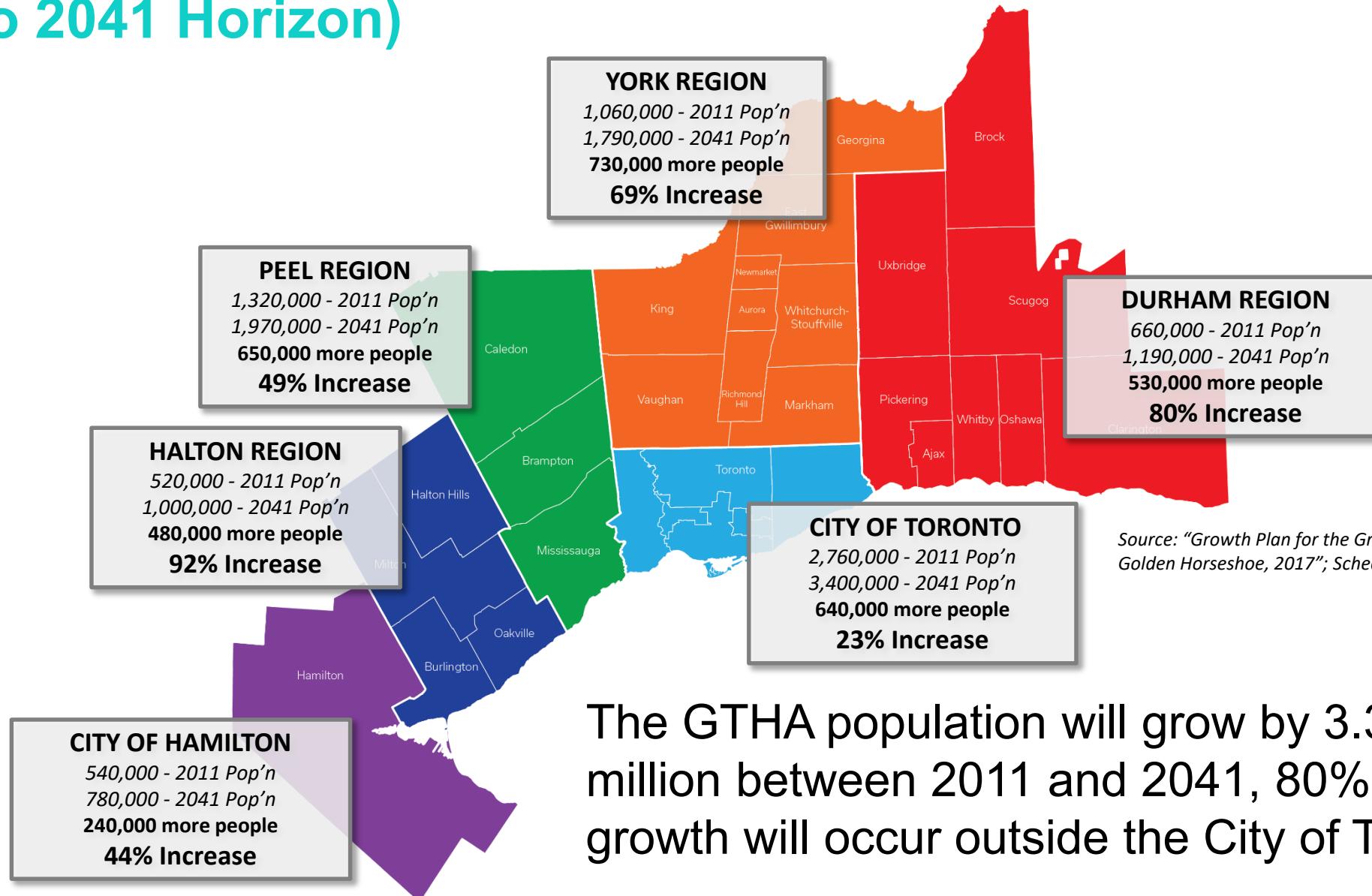
# Purpose

- Provide accurate quantification of the supply of Designated Greenfield land in the Greater Toronto and Hamilton Area;
- Assess the status and location of land available for growth;
- Assess the success of the Provincial Growth Plan in delivering an appropriate housing supply;
- Discuss servicing constraints, development timeframes and other market factors and current uncertainties in delivering growth.

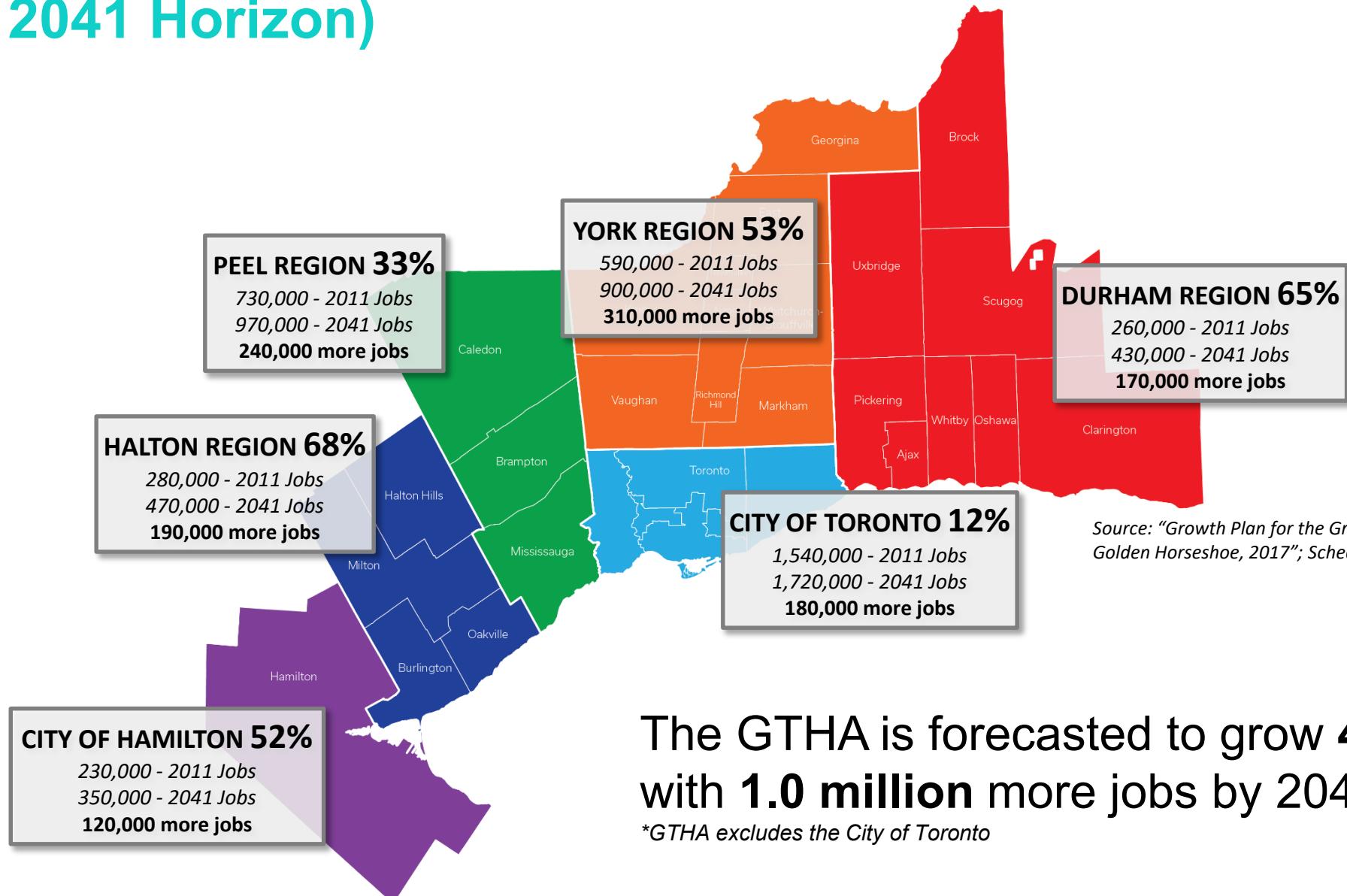
## GTHA Overview – Planning Perspectives

- Stable Neighbourhoods have institutionalized NIMBYism against gentle-density forms of intensification throughout the majority of the Settlement Area;
- The lengthy development approval process for Designated Greenfield areas has been further lengthened by the new 2017 Growth Plan and new municipal requirements;
- New Settlement Area Boundary Expansions are mired in the Provincial Land Needs Assessment Methodology and a host of uncertainties related to the 2017 Growth Plan.
- Peripheral market areas continue to struggle to provide growth at Growth Plan densities due to a lack of infrastructure (often servicing and/or transit)

# 2017 Provincial Growth Plan and Population Distribution for GTHA (2011 to 2041 Horizon)

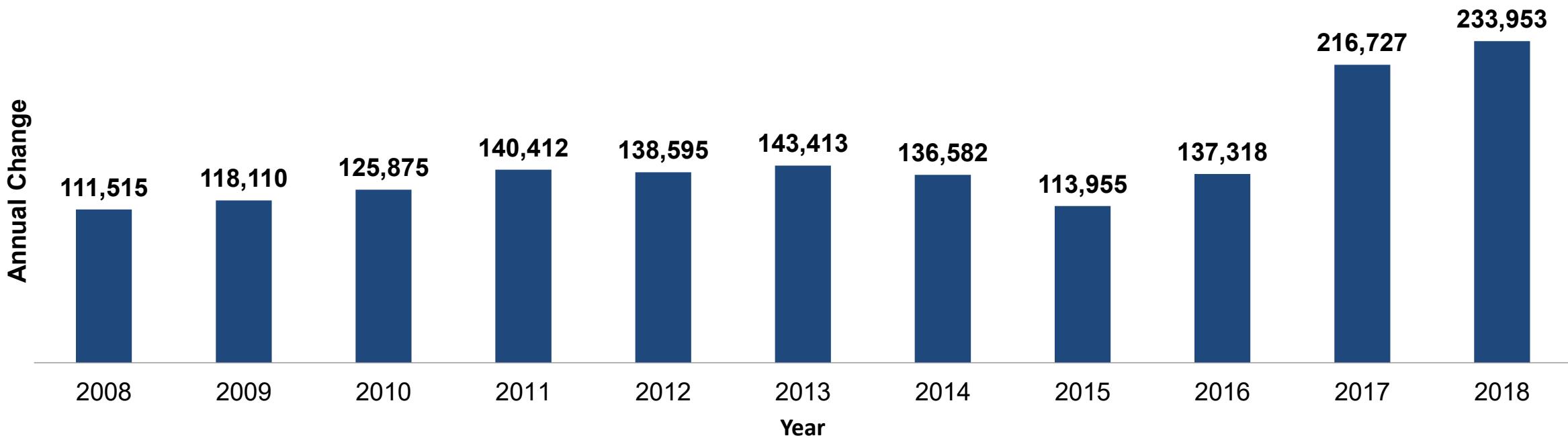


# 2017 Provincial Growth Plan and Population Distribution for GTHA (2011 to 2041 Horizon)



# Estimated Annual Population Growth, Ontario

## First Quarter, 2008 - 2018



Ontario's Population Grew by 234,000 People Annually in Q1-2018, the Highest Level since 1989

Between 1990 and 2017, the Province Saw Growth of 146,000 People per Year – Current Level is 60% Higher

# Key Provincial Plan Policy Changes

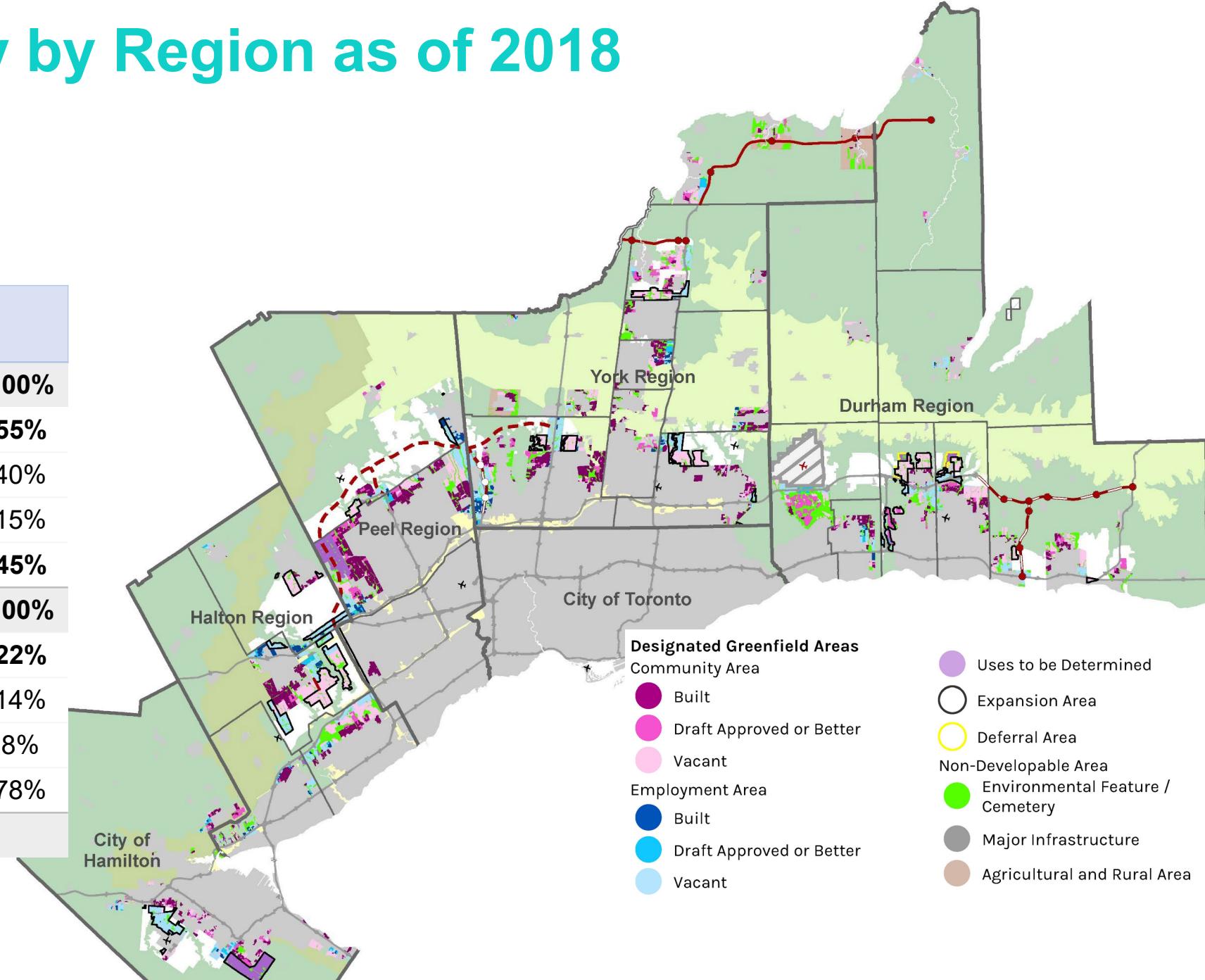
Policy Area	Key Provincial Plan Policy Changes
Intensification	Intensification target increased and phased in from 40% to 50%, then 60% by and after 2031. Major Transit Station Areas have minimum densities 500m around higher order transit stations and stops.
Designated Greenfield Area Density Target	Increased from 50 residents and jobs per hectare to 60 at time of completion of the Regional MCR and 80 residents and jobs per hectare density target for urban expansion lands to 2041 (if required)
Agri-food and Natural Heritage Systems	Agricultural System and Natural Heritage System in the Greater Golden Horseshoe to be identified and mapped by the Province by year-end 2017
Land Needs Assessment Methodology	Province released Land Needs Assessment methodology at end of 2017
Affordable Housing	Each municipality will have to develop a housing strategy that incorporates affordable housing policies

# GTHA Land Supply by Region as of 2018

2016 Census Population	7,176,000
2031 Population Allocation	9,010,000
<b>2041 Population Allocation</b>	<b>10,130,000</b>

	<b>Hectares</b>	
<b>Total Designated Greenfield Area</b>	<b>44,000</b>	
<b>Community Area</b>	<b>28,700</b>	<b>100%</b>
<b>Committed Land</b>	<b>15,800</b>	<b>55%</b>
Built	11,500	40%
Draft Approved or better	4,300	15%
<b>Vacant Land</b>	<b>12,800</b>	<b>45%</b>
<b>Employment Area</b>	<b>12,500</b>	<b>100%</b>
<b>Committed Land</b>	<b>2,700</b>	<b>22%</b>
Built	1,700	14%
Draft Approved or better	1,000	8%
<b>Vacant Land</b>	<b>9,800</b>	<b>78%</b>
<b>Uses to be Determined</b>	<b>2,800</b>	

*Note: Area excludes non-developable land*

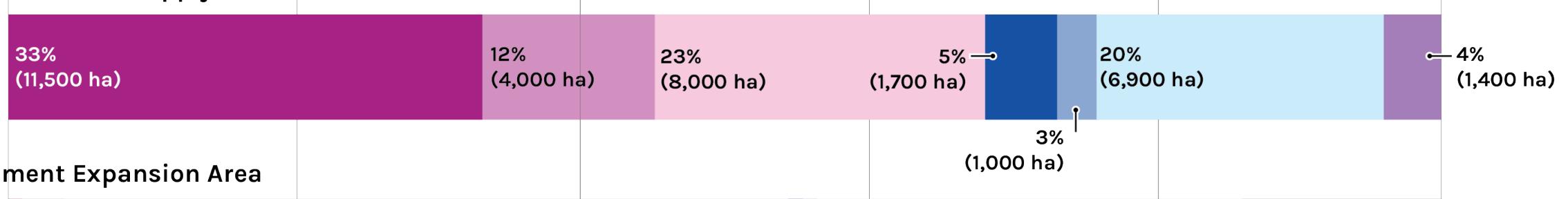


# GTHA Land Supply

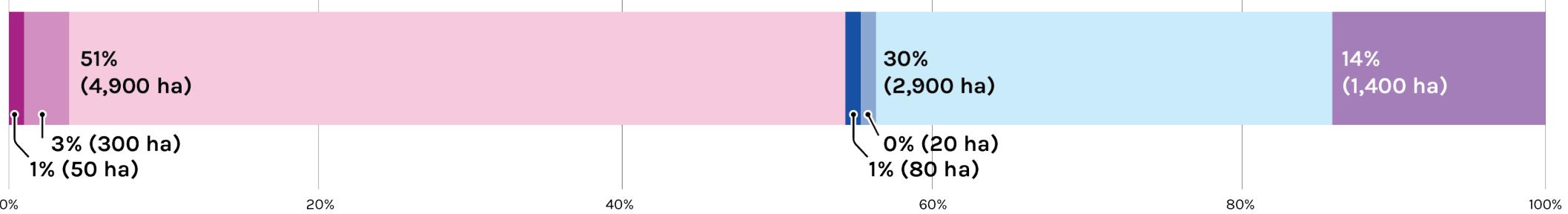
## Greenfield Land Supply in 2018



## Greenfield Land Supply in 2006



## Settlement Expansion Area



● Built Community Area

● Draft Plan Approved or Better Community Area

● Vacant Community Area

● Built Employment Area

● Draft Plan Approved or Better Employment Area

● Vacant Employment Area

● Uses to be Determined

## Durham Region Overview

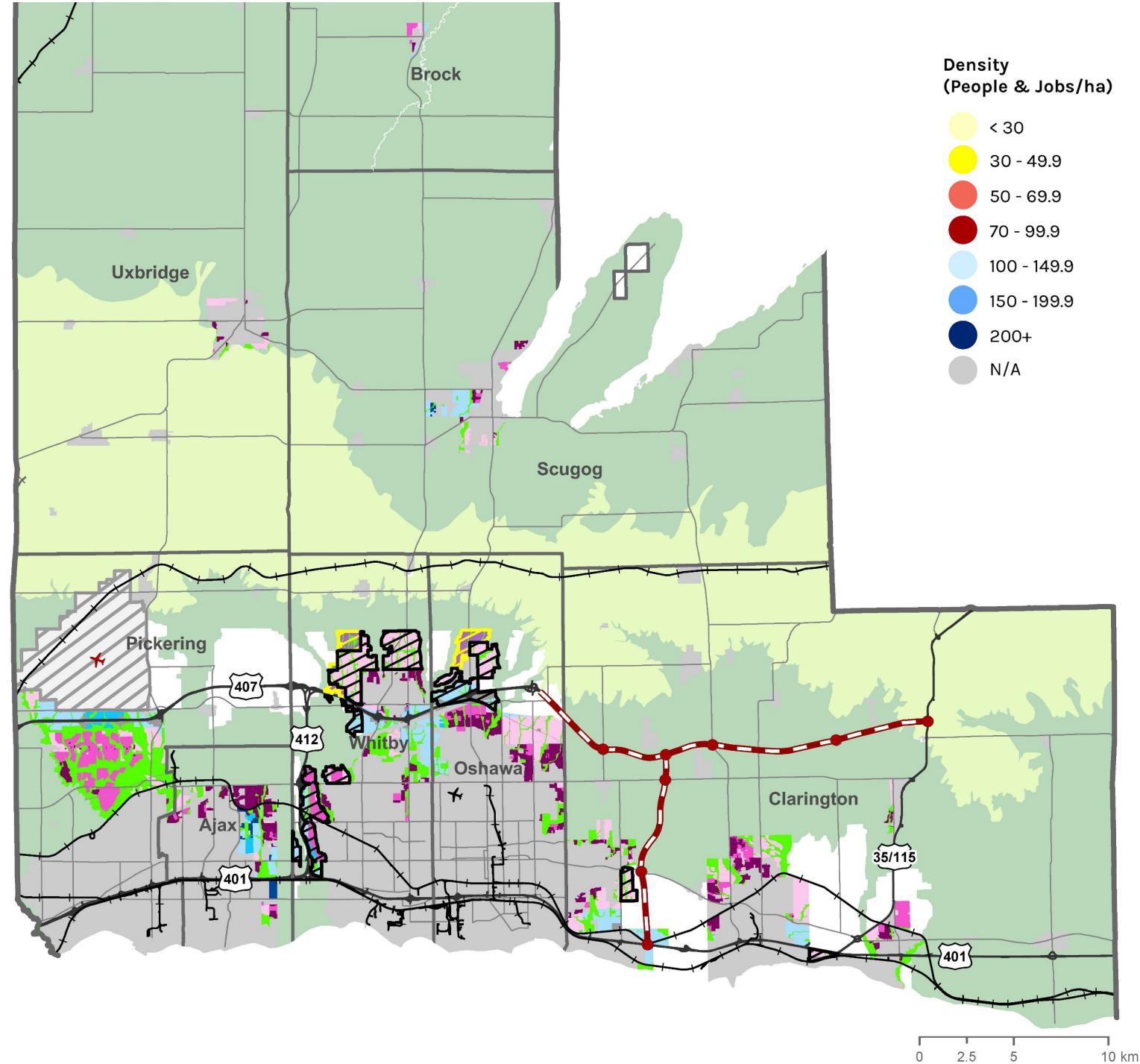
- Durham Region best poised for growth
- Availability of land and servicing, coupled with relatively low development charges encourage growth
- The Region is financially well positioned and able to invest in servicing infrastructure in time with development
- Recently completed 407 extension provides rapid access to and from the entire Region
- The prospect of a new airport in Pickering further encourages investors to think of economic opportunities in the Region, further driving growth

# Durham Region

2016 Census Population	665,000
2031 Population Allocation	970,000
<b>2041 Population Allocation</b>	<b>1,190,000</b>

Total Designated Greenfield Area	Hectares	
	8,500	
<b>Community Area</b>	<b>6,000</b>	<b>100%</b>
<b>Committed Land</b>	<b>3,100</b>	<b>52%</b>
Built	1,600	27%
Draft Approved or better	1,500	25%
<b>Vacant Land</b>	<b>2,900</b>	<b>48%</b>
<b>Employment Area</b>	<b>2,200</b>	<b>100%</b>
<b>Committed Land</b>	<b>300</b>	<b>14%</b>
Built	100	5%
Draft Approved or better	200	9%
<b>Vacant Land</b>	<b>1,900</b>	<b>86%</b>
<b>Uses to be Determined</b>	<b>300</b>	

Note: Area excludes non-developable land

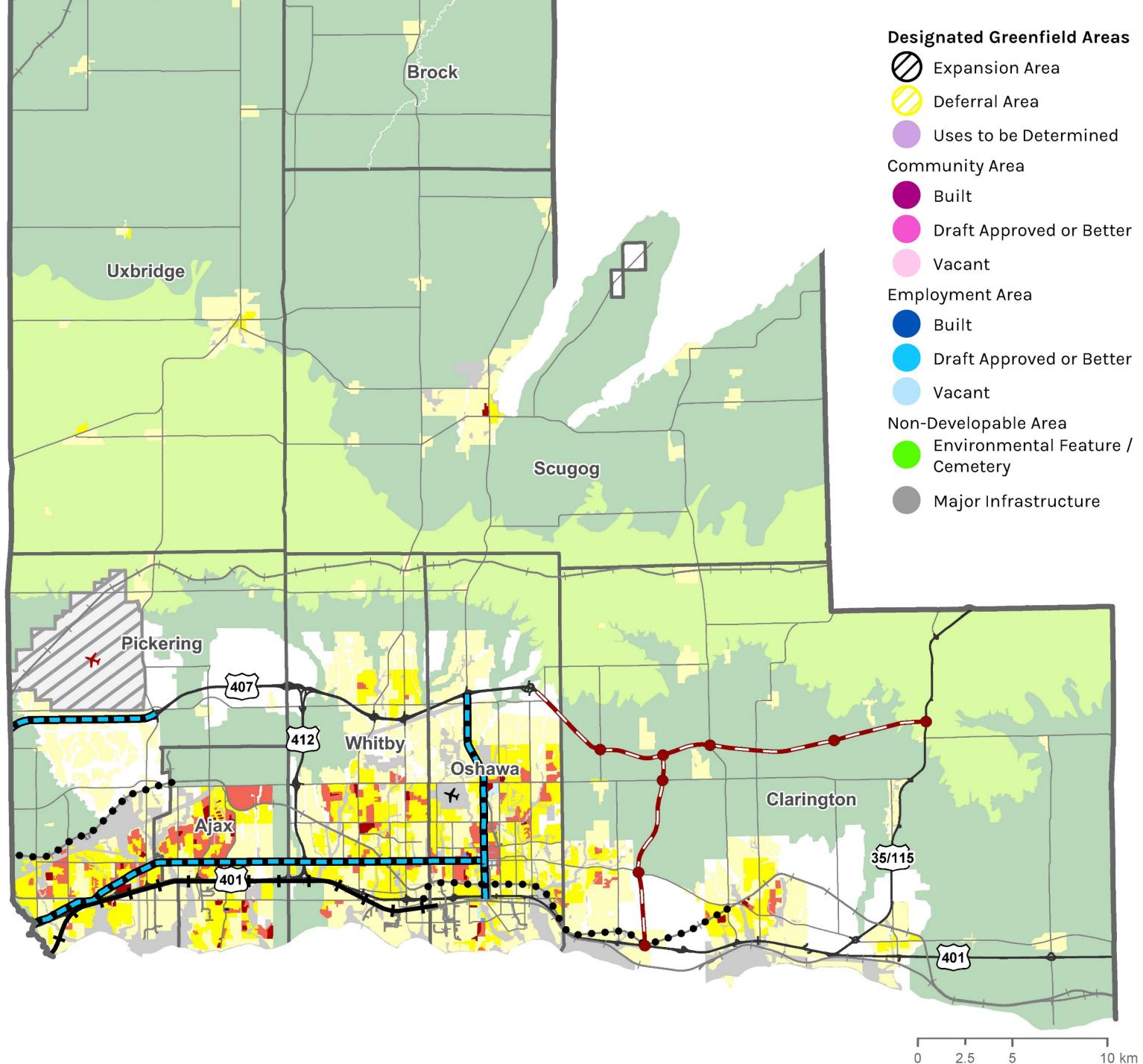


# Durham Region

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Total Designated Greenfield Area	Hectares	
	8,500	
Community Area	6,000	100%
Committed Land	3,100	52%
Built	1,600	27%
Draft Approved or better	1,500	25%
Vacant Land	2,900	48%
Employment Area	2,200	100%
Committed Land	300	14%
Built	100	5%
Draft Approved or better	200	9%
Vacant Land	1,900	86%
Uses to be Determined	300	

Note: Area excludes non-developable land



# York Region Overview

- Sanitary capacity constraints to the municipalities of Aurora, Newmarket and East Gwillimbury heavily constrain growth, largely dependent on the completion of the Upper York Sewer Solutions, which has been delayed to 2028
- Heavy debt load of the Region restricts financing opportunities and ability to provide timely infrastructure required for growth
- Rapidly increasing development charges have made residential and retail/commercial development more expensive
- The majority of existing residential development in York (apartments, townhouses) is suited to families
- The three future urban areas (one in Markham, Vaughan, and East Gwillimbury) are delayed and won't come to market until 2021 at the earliest, likely with a 20+ year buildout to accommodate over 70,000 people.
- While supply constraints pushed low density housing to historic highs, the Growth Plan's density requirements have pushed townhouses as the primary built form and have also become the entry level purchase for most buyers, replacing the single detached housing

# York Region

2016 Census Population 1,144,000

2031 Population Allocation 1,590,000

**2041 Population Allocation 1,790,000**

**Total Designated Greenfield Area** **Hectares** **12,700**

**Community Area** **9,200** **100%**

**Committed Land** **5,300** **58%**

    Built 4,000 43%

    Draft Approved or better 1,300 14%

**Vacant Land** **3,900** **42%**

**Employment Area** **3,400** **100%**

**Committed Land** **900** **26%**

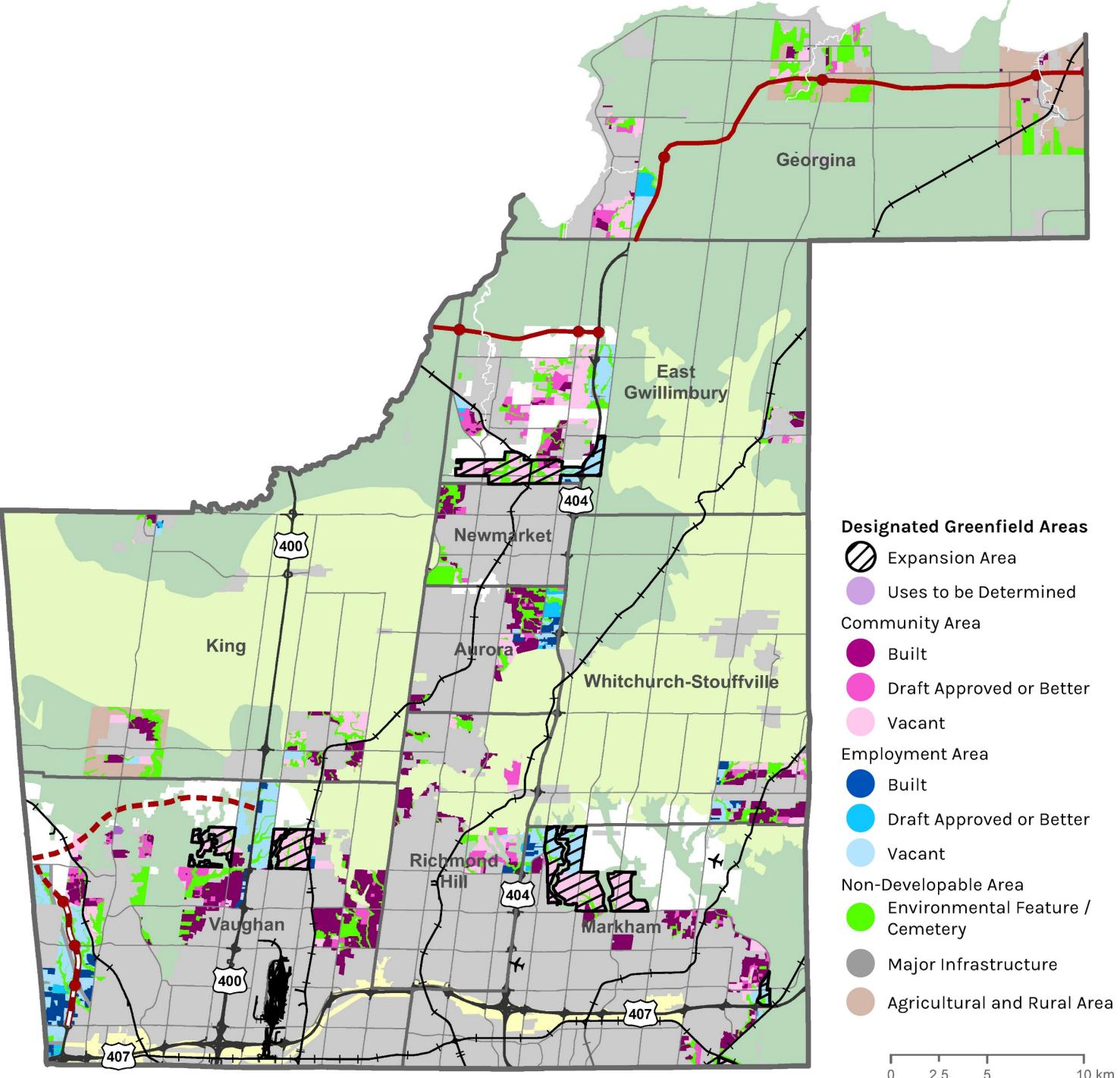
    Built 600 18%

    Draft Approved or better 300 9%

**Vacant Land** **2,600** **76%**

**Uses to be Determined** **20**

*Note: Area excludes non-developable land*



# York Region

2016 Census Population 1,144,000

2031 Population Allocation 1,590,000

**2041 Population Allocation 1,790,000**

**Total Designated Greenfield Area Hectares 12,700**

**Community Area 9,200 100%**

**Committed Land 5,300 58%**

    Built 4,000 43%

    Draft Approved or better 1,300 14%

**Vacant Land 3,900 42%**

**Employment Area 3,400 100%**

**Committed Land 900 26%**

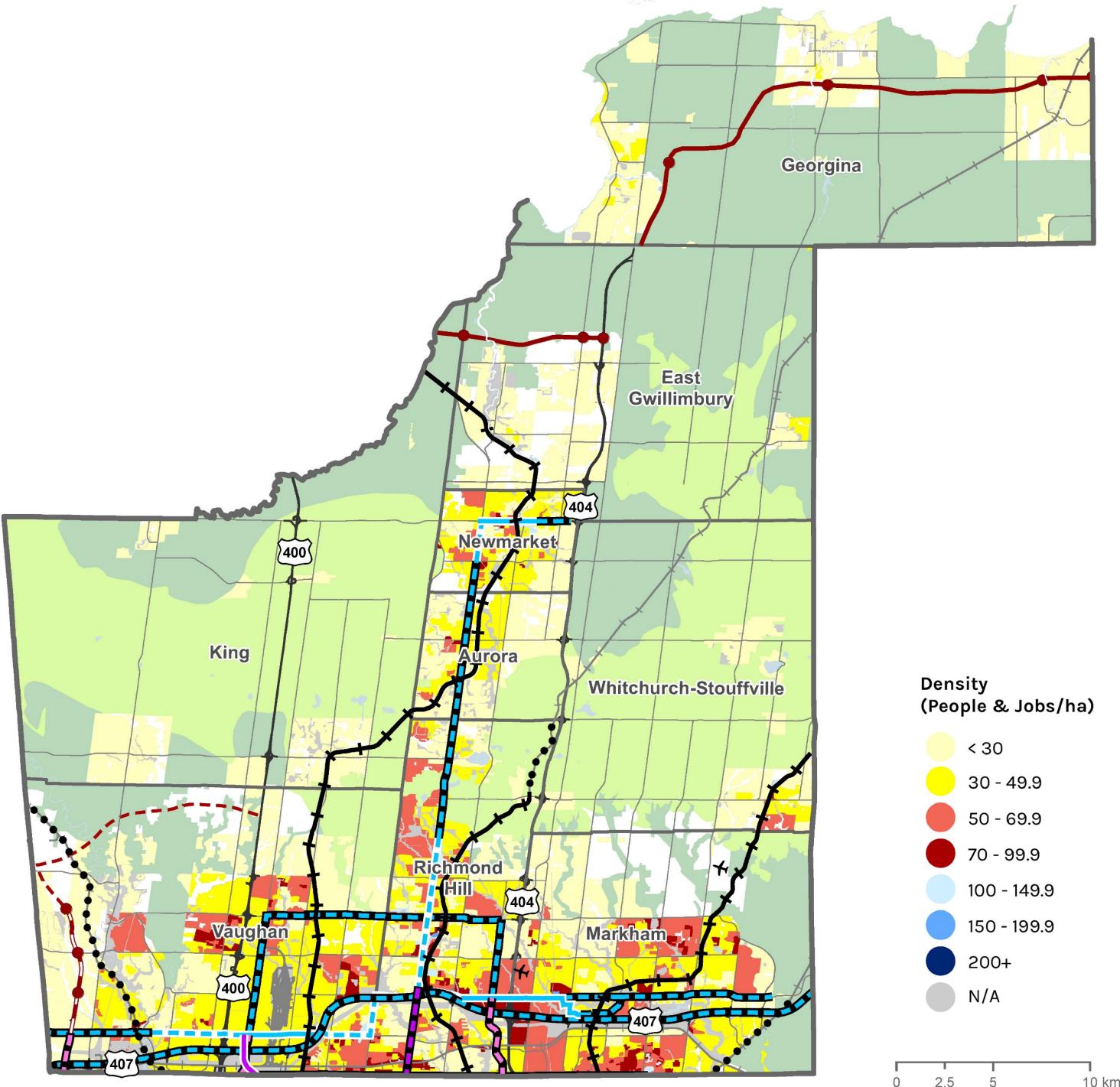
    Built 600 18%

    Draft Approved or better 300 9%

**Vacant Land 2,600 76%**

**Uses to be Determined 20**

*Note: Area excludes non-developable land*



## Peel Region Overview

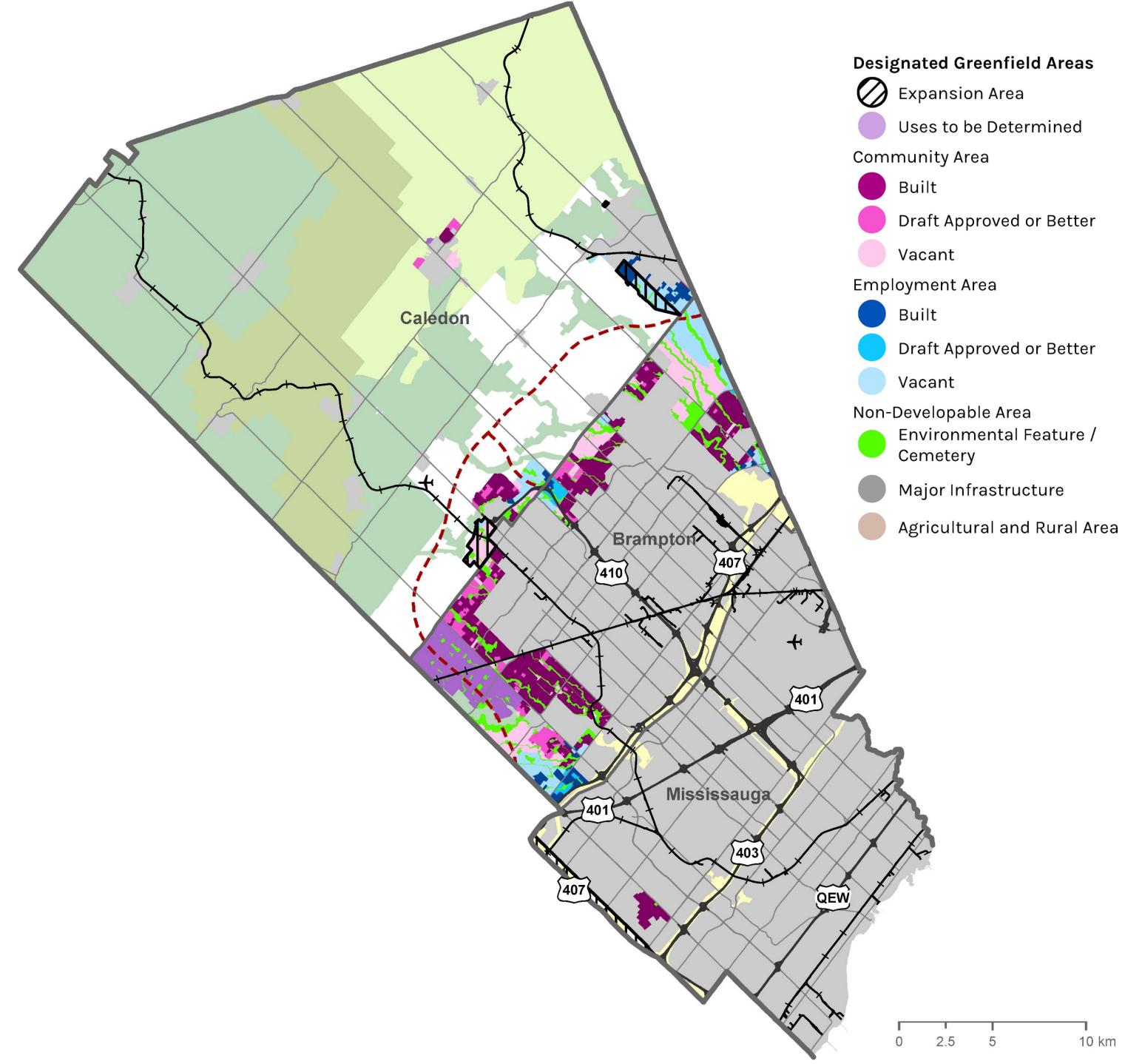
- Uncertainty over the status of the GTA West Corridor have left lands in Caledon and Brampton in development limbo
- If GTA West Corridor is implemented, lands adjacent to the corridor will likely be employment lands
- Only the 9<sup>th</sup> line lands provide Greenfield Growth potential in Mississauga with intensification opportunities like the Lakefield Power Station site providing the most potential
- Capacity for growth remains in Brampton (Bram West) and Caledon (Bolton and Mayfield West)

# Peel Region

2016 Census Population	1,427,000
2031 Population Allocation	1,770,000
<b>2041 Population Allocation</b>	<b>1,970,000</b>

Total Designated Greenfield Area	Hectares	
	8,800	
<b>Community Area</b>	<b>5,600</b>	<b>100%</b>
<b>Committed Land</b>	<b>3,800</b>	<b>68%</b>
Built	3,100	55%
Draft Approved or better	700	13%
<b>Vacant Land</b>	<b>1,800</b>	<b>32%</b>
<b>Employment Area</b>	<b>2,000</b>	<b>100%</b>
<b>Committed Land</b>	<b>600</b>	<b>30%</b>
Built	500	25%
Draft Approved or better	100	5%
<b>Vacant Land</b>	<b>1,400</b>	<b>70%</b>
<b>Uses to be Determined</b>	<b>1,300</b>	

Note: Area excludes non-developable land



# Peel Region

2016 Census Population 1,427,000

2031 Population Allocation 1,770,000

**2041 Population Allocation 1,970,000**

**Total Designated Greenfield Area Hectares 8,800**

**Community Area 5,600 100%**

**Committed Land 3,800 68%**

    Built 3,100 55%

    Draft Approved or better 700 13%

**Vacant Land 1,800 32%**

**Employment Area 2,000 100%**

**Committed Land 600 30%**

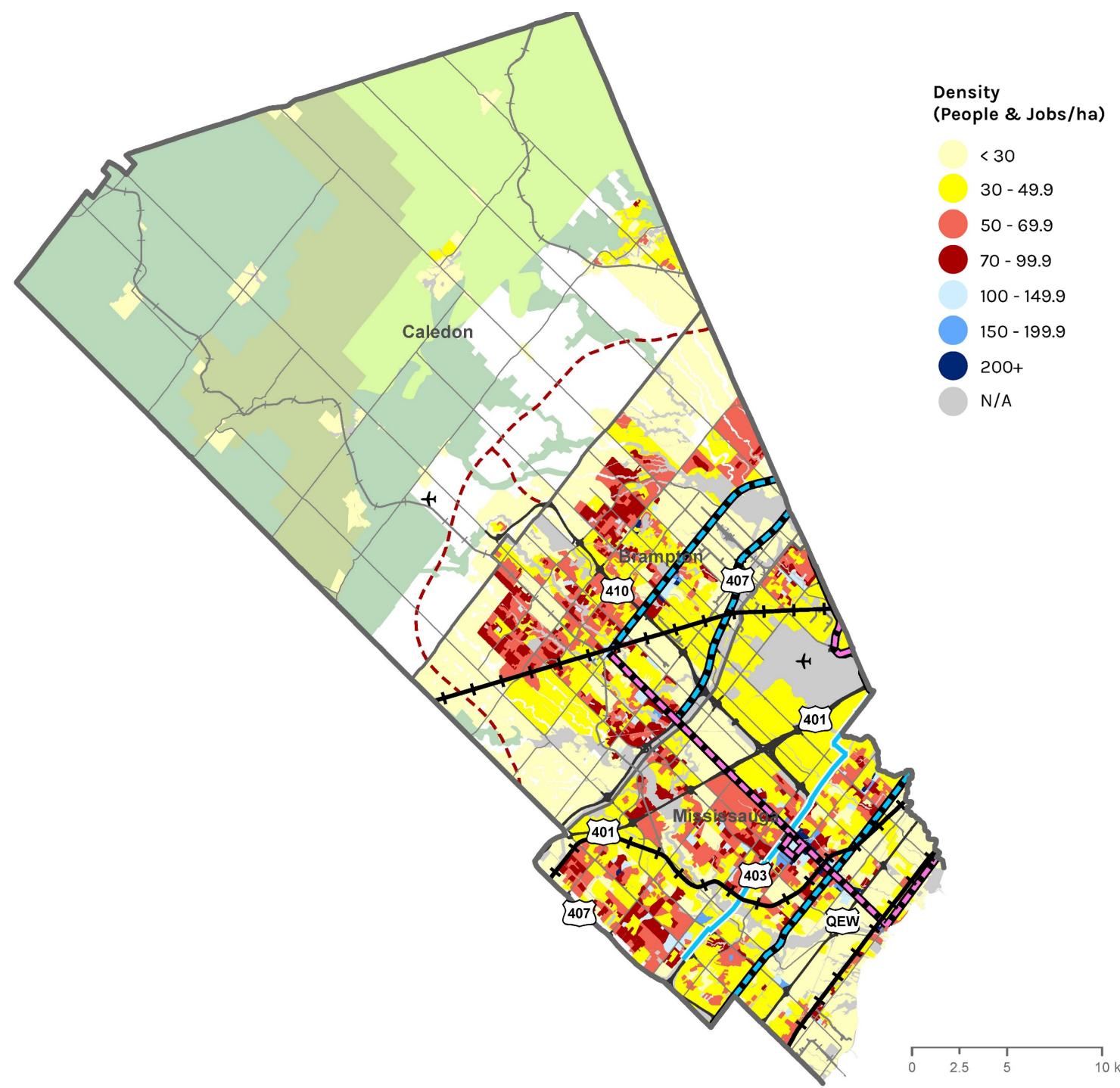
    Built 500 25%

    Draft Approved or better 100 5%

**Vacant Land 1,400 70%**

**Uses to be Determined 1,300**

*Note: Area excludes non-developable land*



# Halton Region Overview

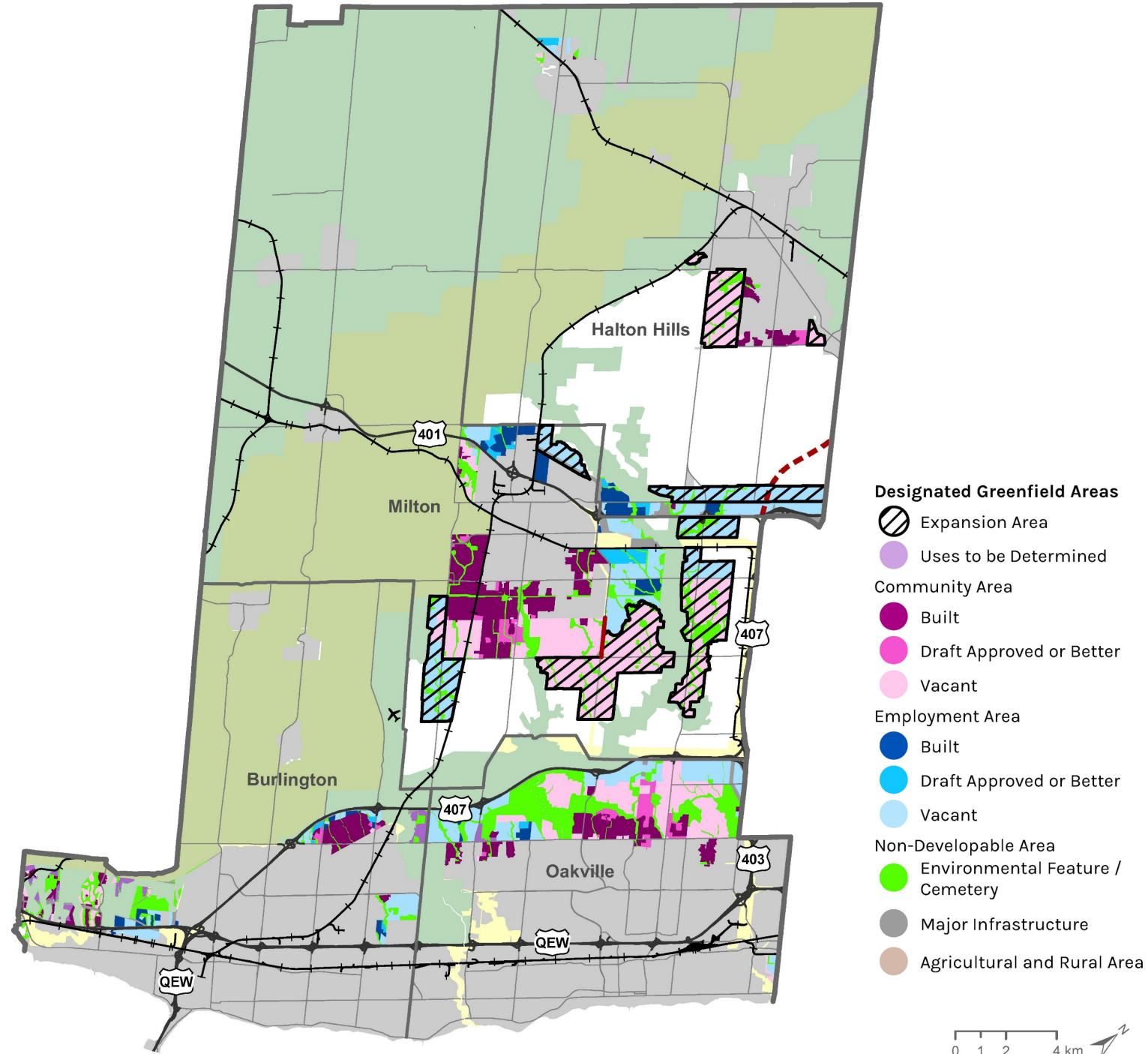
- Greenfield development opportunities are largely limited in Halton Region to North Oakville and Milton and Halton Hills
- Development in North Oakville is progressing but recent Official Plan changes may introduce delays
- Servicing infrastructure delivery to support growth in the Region continues to be an expensive challenge reflecting the lack of a historic Provincial servicing scheme to support growth

# Halton Region

2016 Census Population	565,000
2031 Population Allocation	820,000
<b>2041 Population Allocation</b>	<b>1,000,000</b>

Total Designated Greenfield Area	Hectares	
	9,200	
<b>Community Area</b>	<b>5,600</b>	<b>100%</b>
<b>Committed Land</b>	<b>2,100</b>	<b>38%</b>
Built	1,800	32%
Draft Approved or better	300	5%
<b>Vacant Land</b>	<b>3,500</b>	<b>63%</b>
<b>Employment Area</b>	<b>3,500</b>	<b>100%</b>
<b>Committed Land</b>	<b>700</b>	<b>20%</b>
Built	500	14%
Draft Approved or better	200	6%
<b>Vacant Land</b>	<b>2,800</b>	<b>80%</b>
<b>Uses to be Determined</b>	<b>100</b>	

*Note: Area excludes non-developable land*

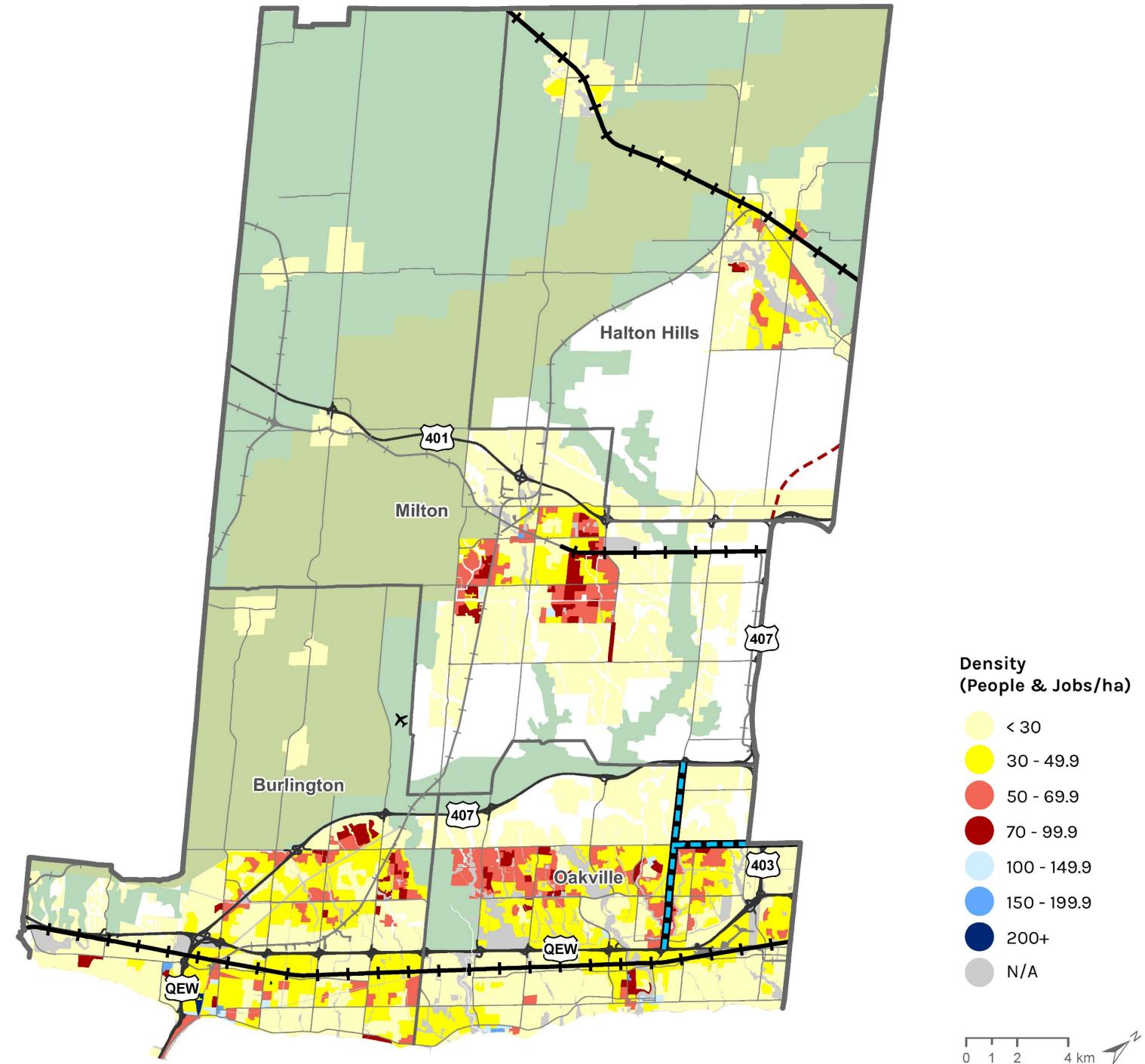


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Built	500	14%
Draft Approved or better	200	6%
<b>Vacant Land</b>	<b>2,800</b>	<b>80%</b>
<b>Uses to be Determined</b>	<b>100</b>	

Note: Area excludes non-developable land



## Hamilton Overview

- New Greenfield development opportunities are limited to the Elfrida area, which has been overtaken by the 2017 Growth Plan and has an uncertain development timeframe.
- The redevelopment of the harbor along Lake Ontario provides a major intensification opportunity for the City of Hamilton
- Continued lack of supply and rising prices for homes in the GTA is manifesting in growth and pricing pressures in Hamilton and Niagara.

# Hamilton

2016 Census Population	553,000
2031 Population Allocation	680,000
<b>2041 Population Allocation</b>	<b>780,000</b>

Total Designated Greenfield Area	Hectares	
<b>Community Area</b>	<b>2,300</b>	<b>100%</b>
<b>Committed Land</b>	<b>1,500</b>	<b>65%</b>
Built	1,000	43%
Draft Approved or better	500	22%
<b>Vacant Land</b>	<b>800</b>	<b>35%</b>
<b>Employment Area</b>	<b>1,400</b>	<b>100%</b>
<b>Committed Land</b>	<b>300</b>	<b>21%</b>
Built	100	7%
Draft Approved or better	200	14%
<b>Vacant Land</b>	<b>1,200</b>	<b>86%</b>
<b>Uses to be Determined</b>	<b>1,100</b>	

Note: Area excludes non-developable land

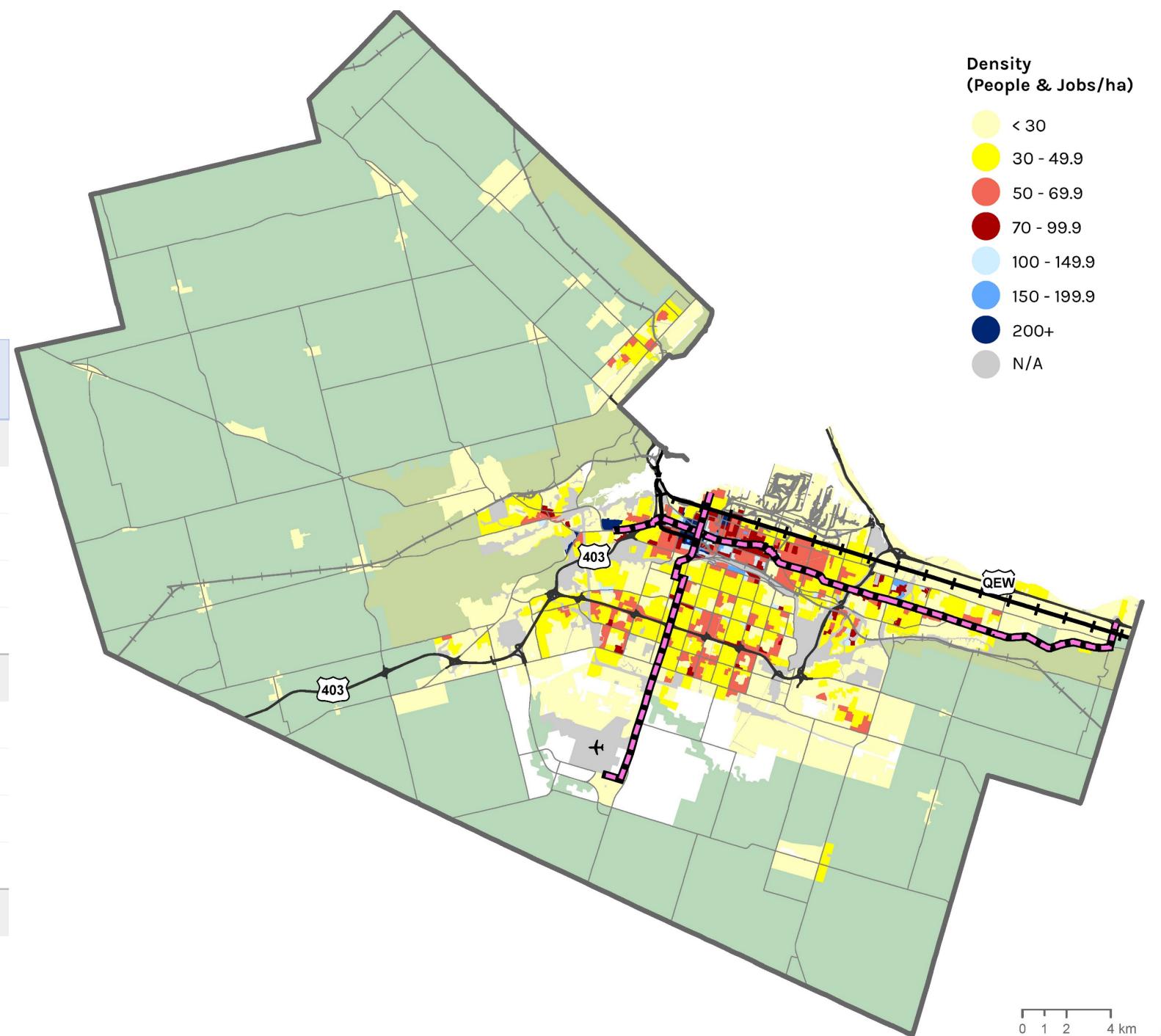


# Hamilton

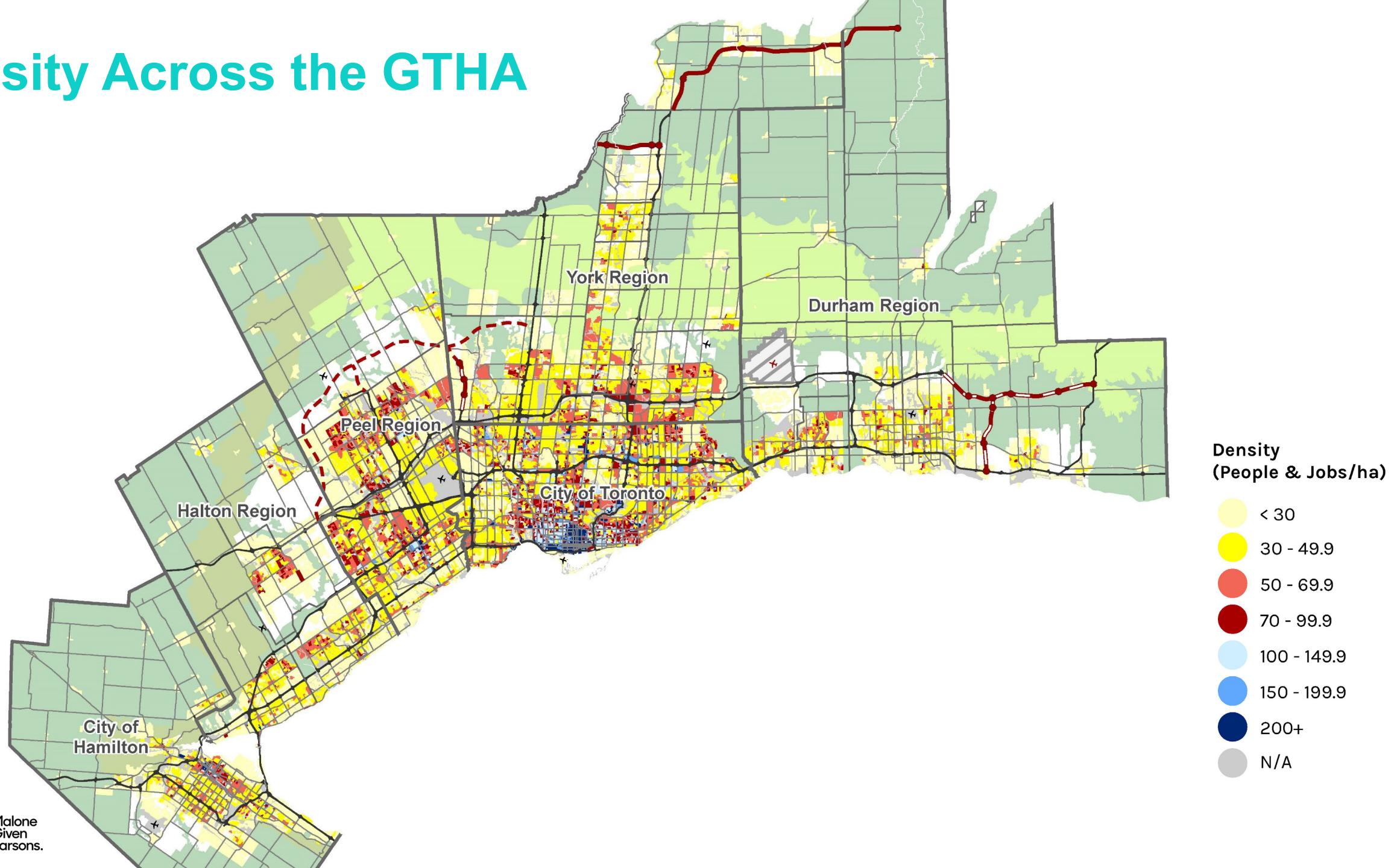
2016 Census Population	553,000
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Total Designated Greenfield Area	Hectares	
	4,800	
Community Area	2,300	100%
Committed Land	1,500	65%
Built	1,000	43%
Draft Approved or better	500	22%
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Employment Area	1,400	100%
Committed Land	300	21%
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<b>Uses to be Determined</b>	<b>1,100</b>	

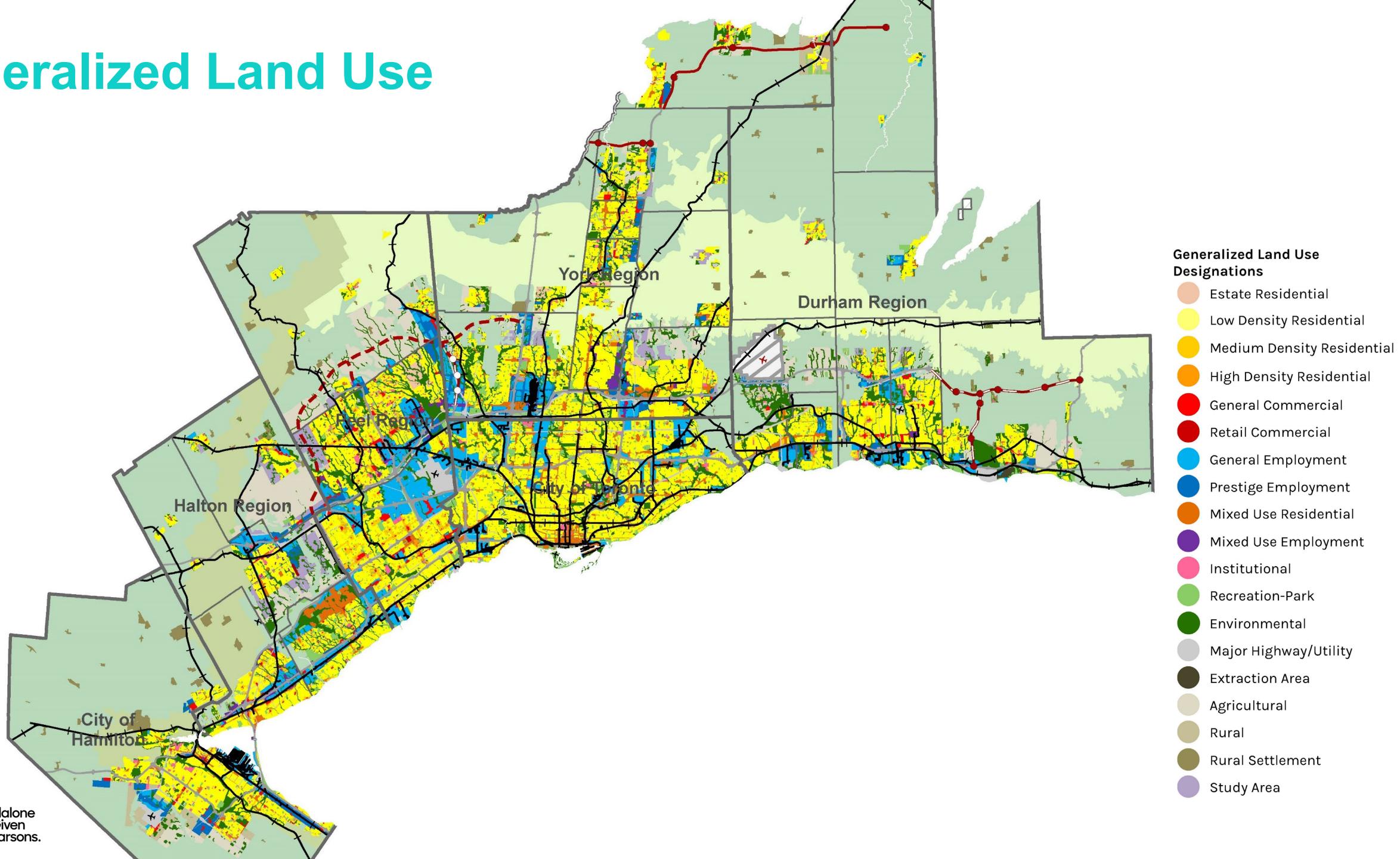
Note: Area excludes non-developable land



# Density Across the GTHA

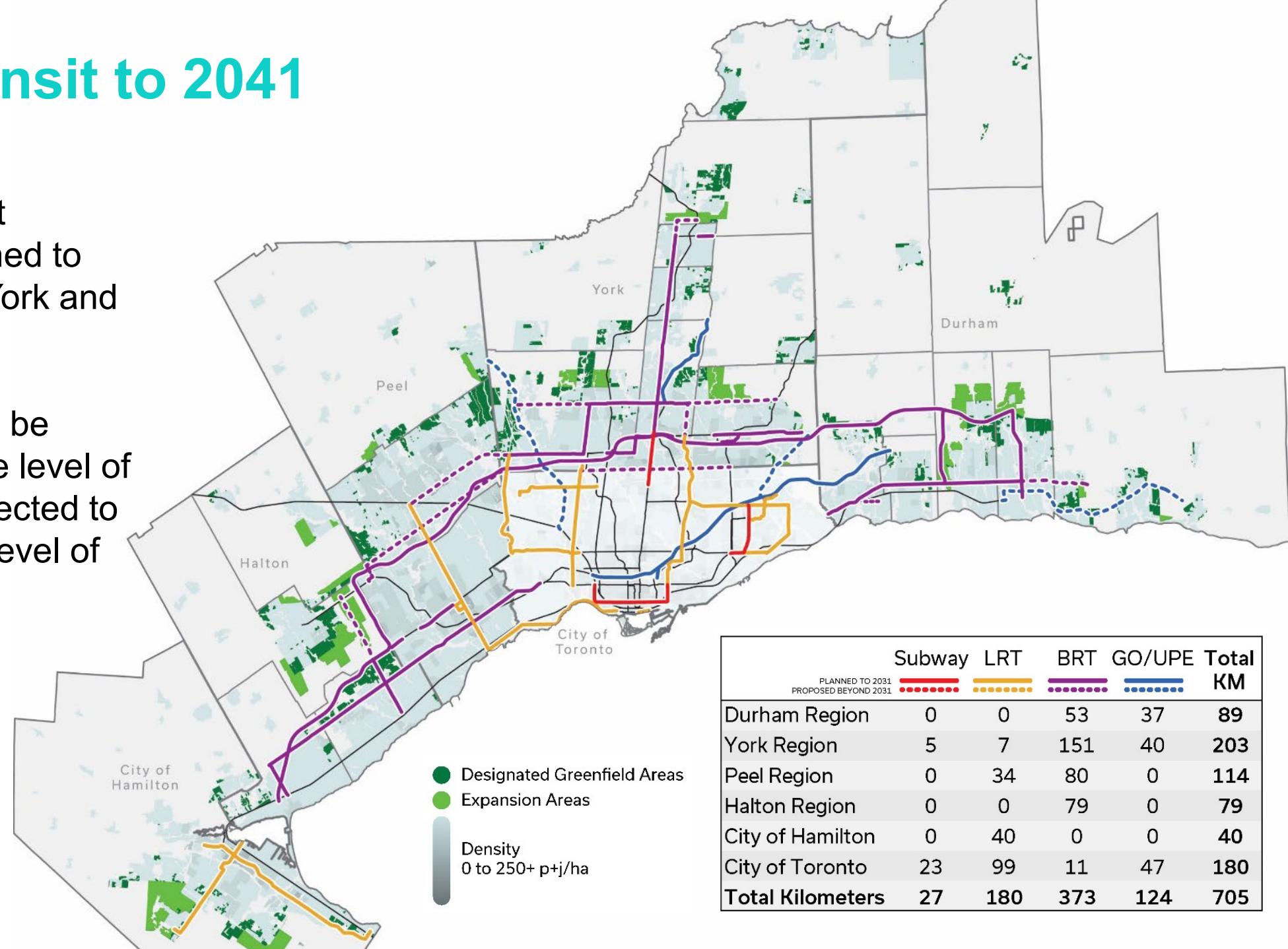


# Generalized Land Use

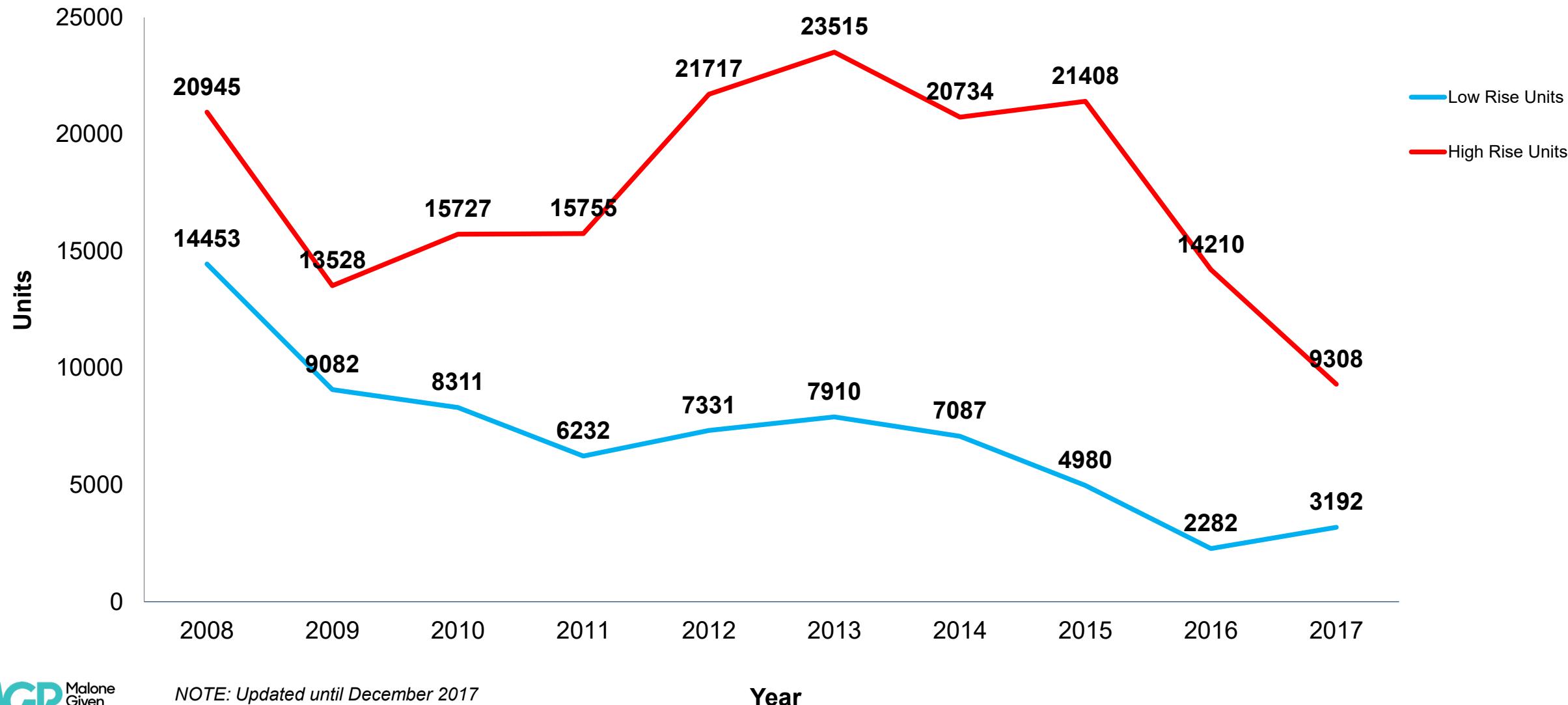


# Proposed Transit to 2041

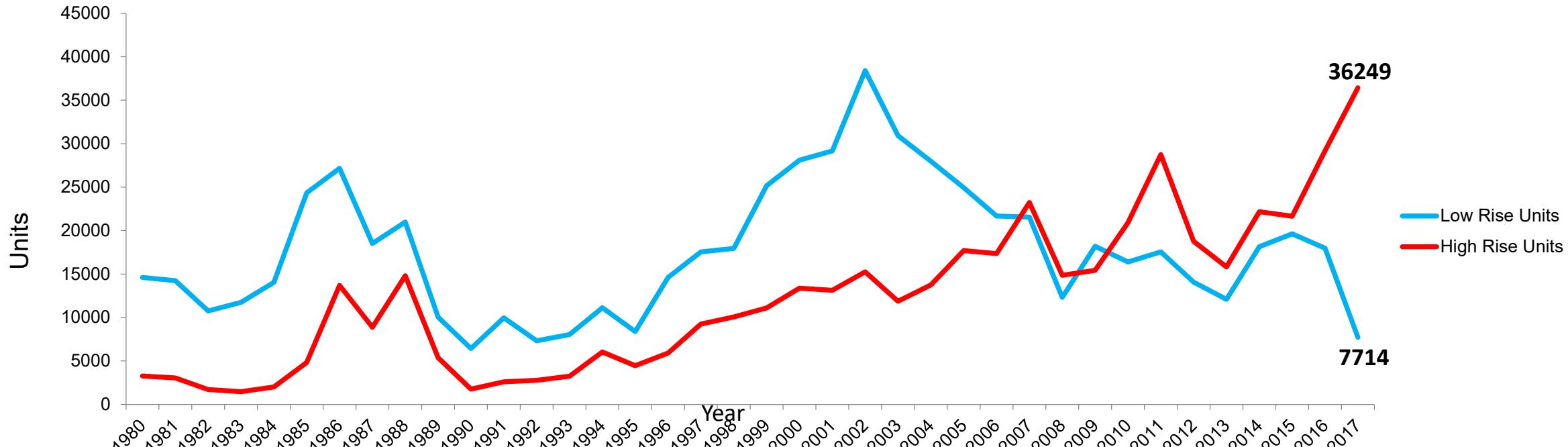
- Higher-order transit investment is planned to focus on Toronto, York and Peel.
- Not all Regions will be served by the same level of transit, but are expected to achieve the same level of intensification



# GTA New Home Supply – Low Rise and High Rise Dwellings (2008 - 2017)



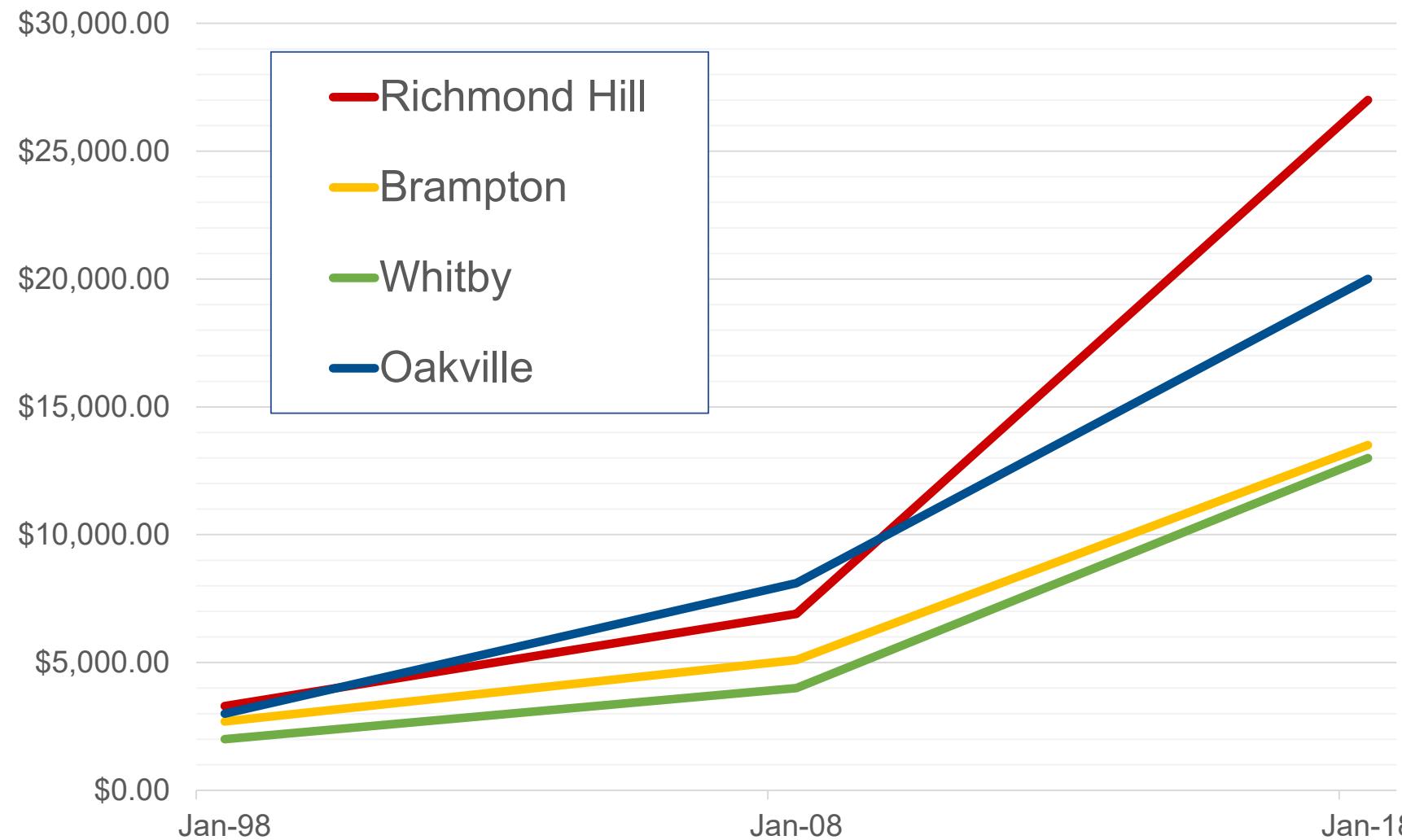
# GTA New Home Sales – Low Rise and High Rise Dwellings (1980 - 2017)



NOTE: Updated until December 2017

Source: Altus Group, 2018

# MCAP Values per Front Foot for 20 Foot Freehold Townhouse (1998-2018)



**Average Annual Increase  
(1998 – 2018)**

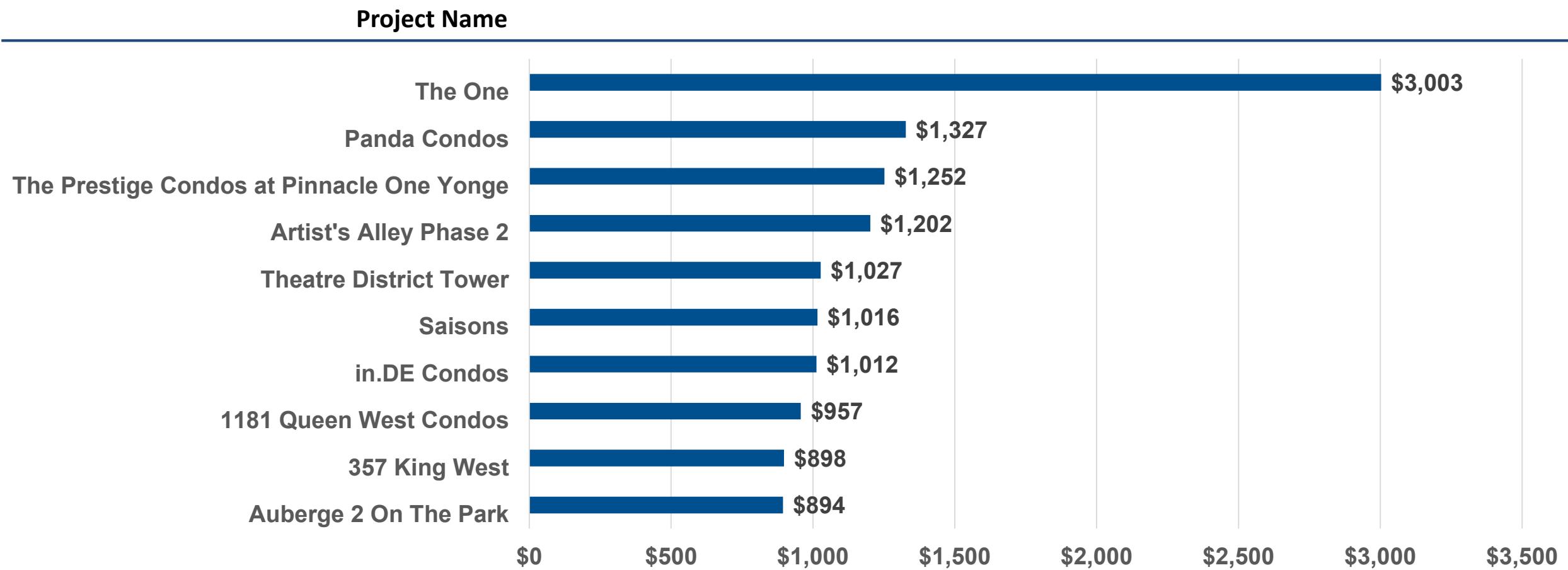
**Richmond Hill:** 40%

**Brampton:** 34.30%

**Whitby:** 32.50%

**Oakville:** 33.30%

# Average Per-Square-Foot Values for Sample of 2018 Prices, Recently Launched New Condo Projects



Major Sites Selling Product at \$1,000 to \$1,200 per square feet

# Affordability Challenges Persist

- Assuming 'a unit is a unit' or levelling all housing units into a global total based on headship rates at the beginning of the analysis results in no flexibility to change the housing mix to achieve Growth Plan targets.



# Affordability Challenges Persist

**Your Income**

Gross Household Income

A horizontal slider with a yellow arrowhead pointing right, indicating the current value of \$118,547. The slider scale is labeled with '\$10,000' on the left and '\$1,000,000' on the right.

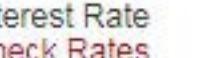
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**Your Mortgage Information**

Down Payment Amount  

A horizontal slider with a yellow arrowhead pointing right, indicating the current value of \$25,000. The slider scale is labeled with '\$10,000' on the left and '\$1,000,000' on the right.

Term and Type  

Interest Rate  

You can borrow a maximum of  
**\$475,000.**

Down Payment Options

Mortgage Payment Options

The purchase price of your home can vary based on your down payment.

Down Payment Options	Your Results
Maximum Purchase Price	\$500,000
Down Payment %	5.00%
Down Payment Amount	\$25,000
Mortgage Principal	\$475,000

# Housing Families Across Housing Types

Markham – 3 Beds



## Single Detached

1500-2000 ft<sup>2</sup>

Asking \$1,050,000

\$525 – 700/ft<sup>2</sup>



## Townhouse

1500-2000 ft<sup>2</sup>

Asking \$649,000

\$324 – 433/ft<sup>2</sup>



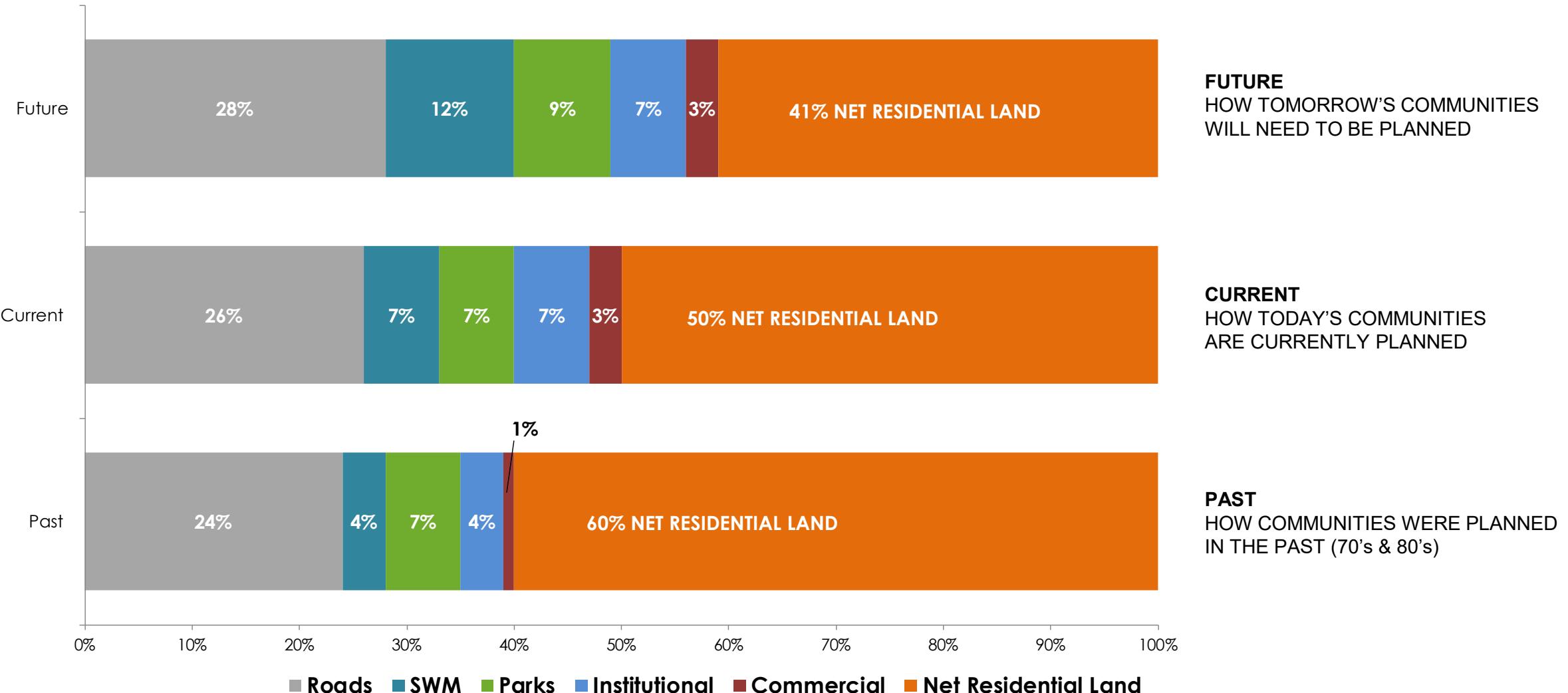
## Apartment

1200 ft<sup>2</sup>

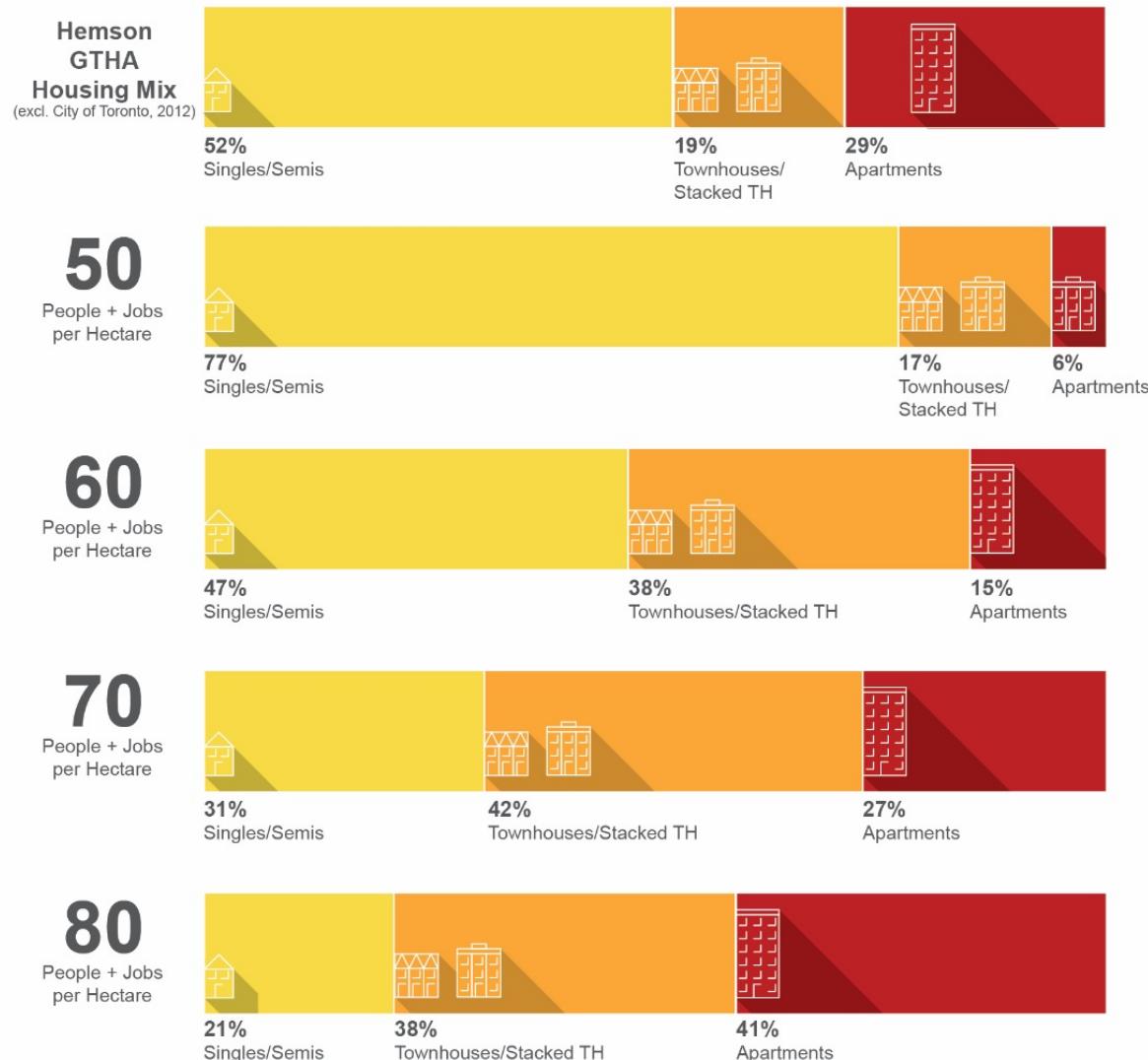
Asking \$862,000

\$718/ft<sup>2</sup>

# Increasing Intensity of Net Developable



# Housing Mixes to Achieve Density Targets

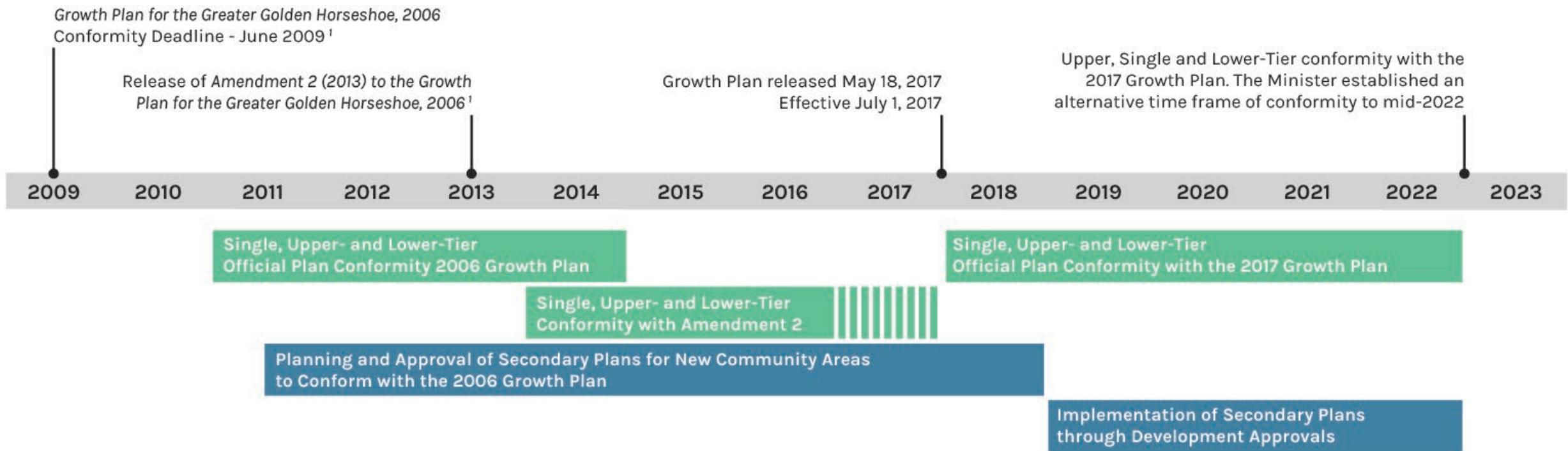


	Singles/ Semis	Townhouses	Stacked Townhouses, Apartments	Apartments
Net Density (units/ha)	30	45	80	200
Gross Density (units/ha)	13	19	34	86
Persons per Unit (2041)	3.23	2.83	2.17	2.17

# General Approach to the Proposed Methodology



# Implementation of the Growth Plan is Delayed



Notes:

(1) The 2006 Growth Plan and Amendment 2 (2013) are replaced by the Growth Plan for the Greater Golden Horseshoe, 2017

\* Recent changes, particularly the new government, will likely alter this timeline

Thank you

# What is the Missing Middle? A Toronto housing challenge demystified



Michelle German  
Senior Lead, Policy and Partnerships  
Evergreen



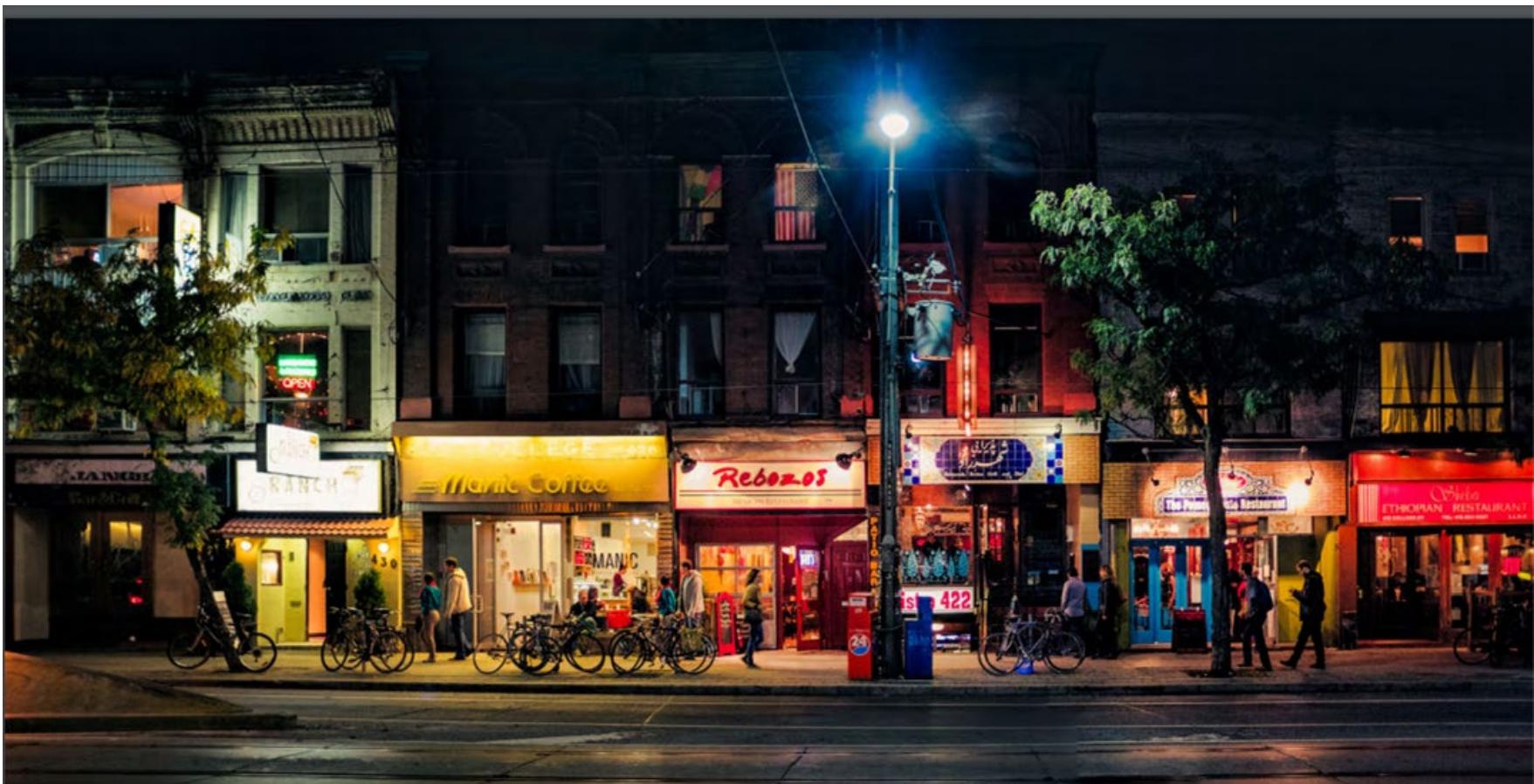
## A Healthy Housing Ecosystem

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A healthy system provides adequate housing for all incomes, ages, and ethnicities.

Getting to 8,000



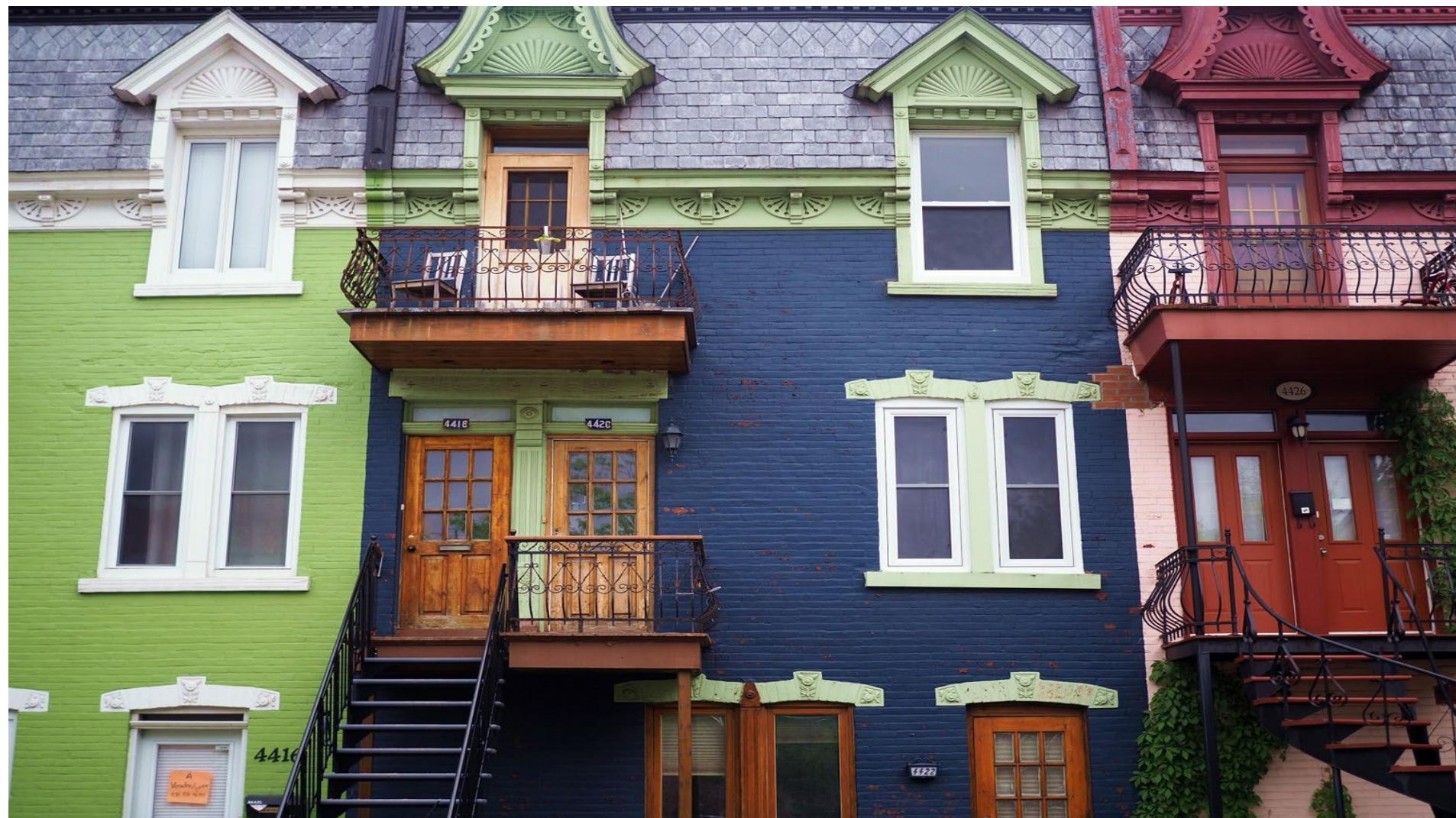


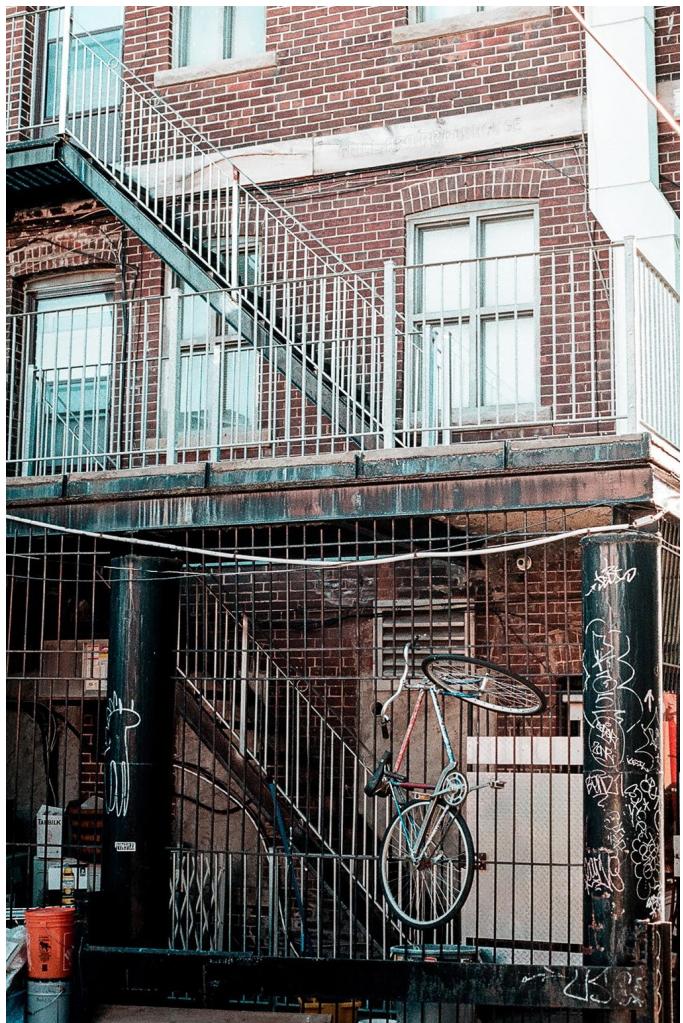
## What is the Missing Middle?

A Toronto housing challenge demystified











Apartments  
under  
five storeys



Duplexes, triplexes, and fourplexes



Townhouses



Laneway suites



Row houses

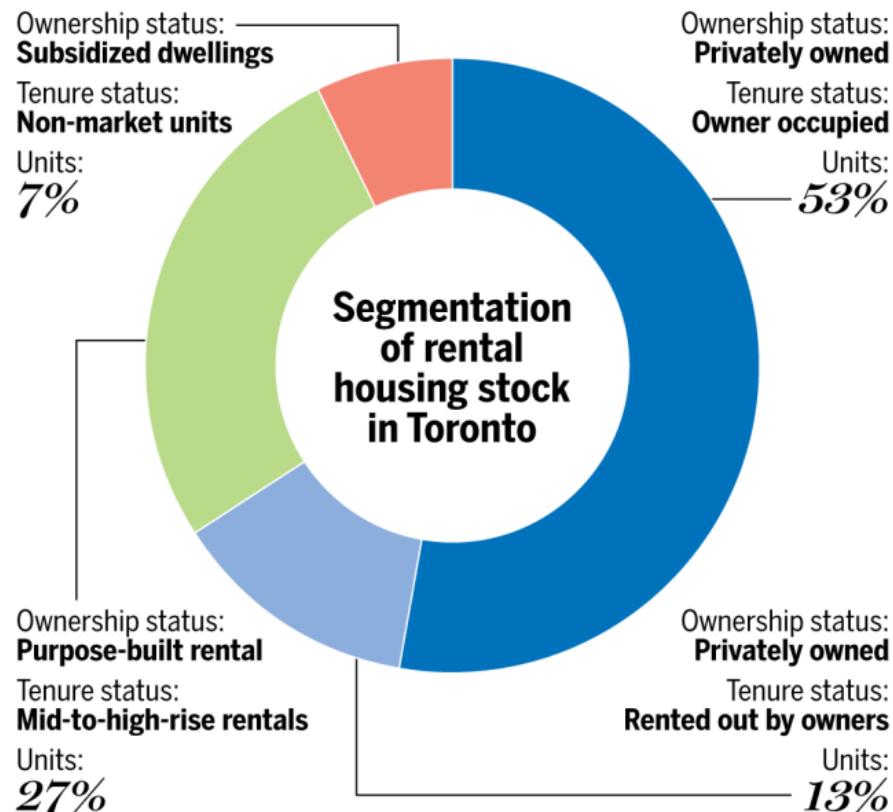


Garden and courtyard apartments



Residential units above commercial businesses

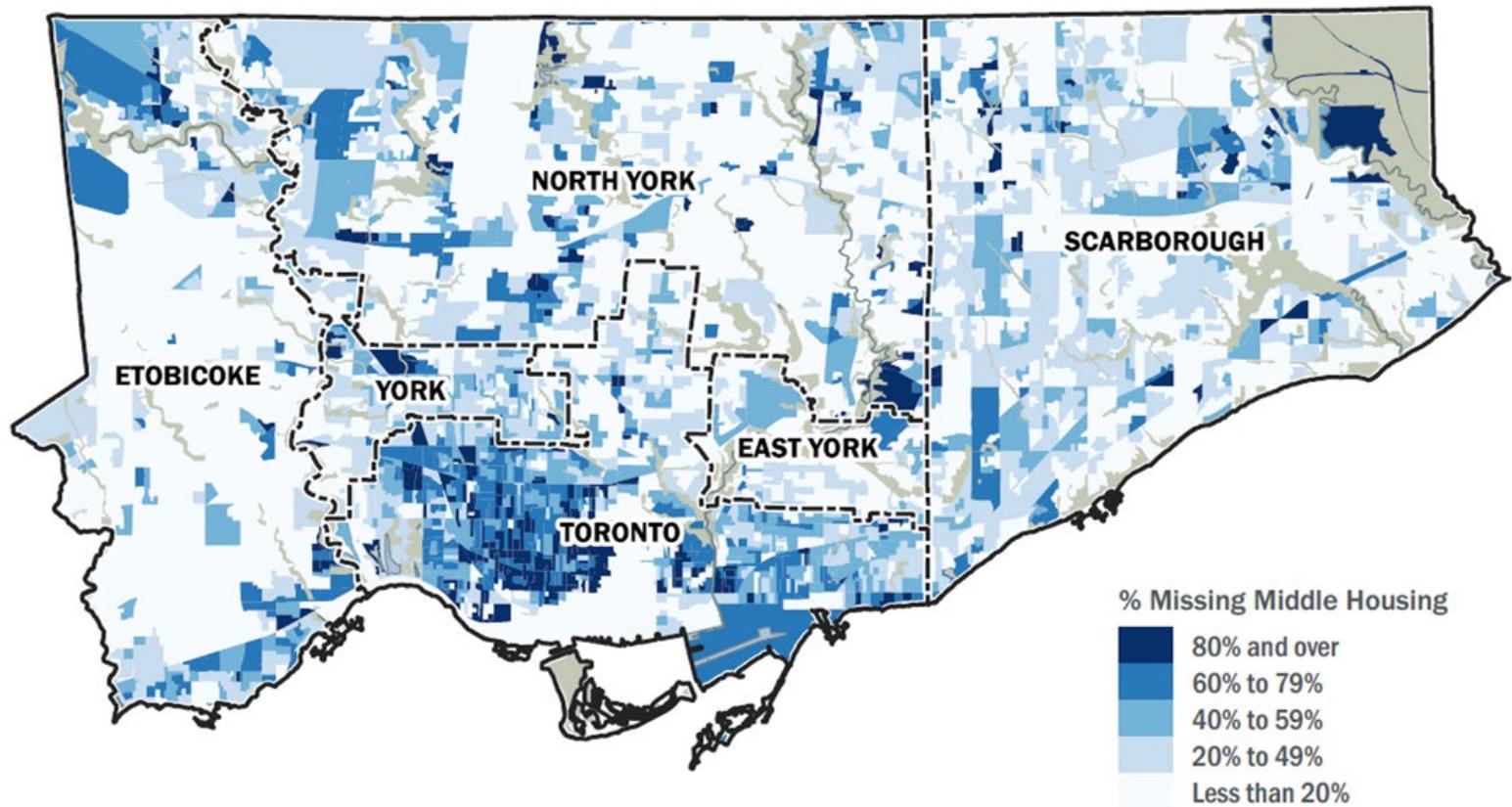
## RENTAL HOUSING BREAKDOWN

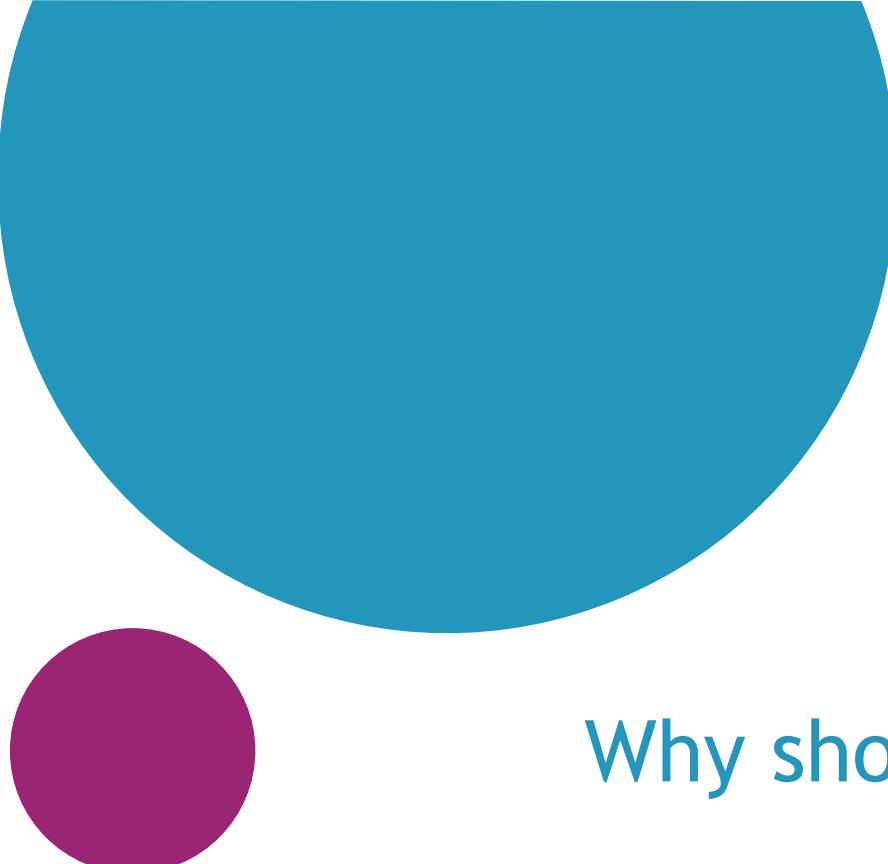


SOURCE: STATISTICS CANADA

NATIONAL POST

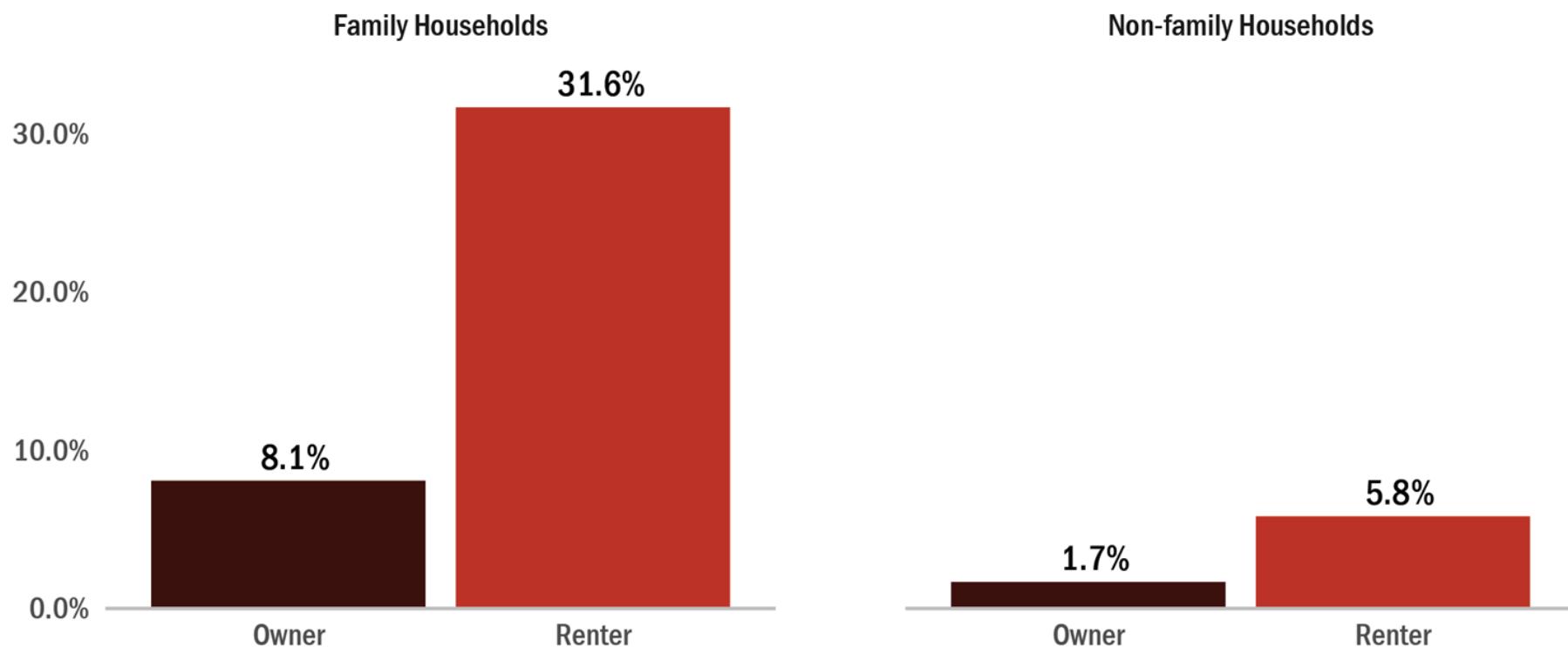
**Figure 3. Presence of Missing Middle Housing and Land-Use Zoning for Residential Development in the City of Toronto**





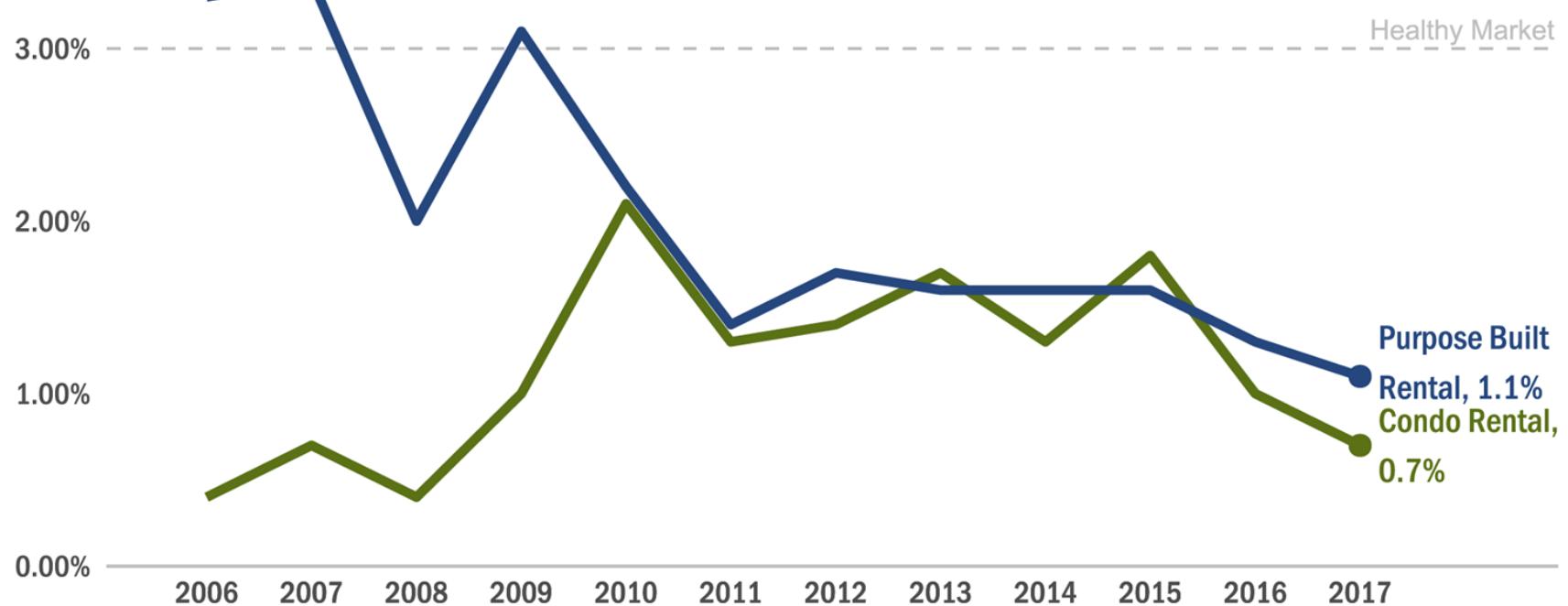
Why should you care?

**Figure 4. Percentage of Households in Unsuitable Housing in the City of Toronto by Household Type and Tenure**



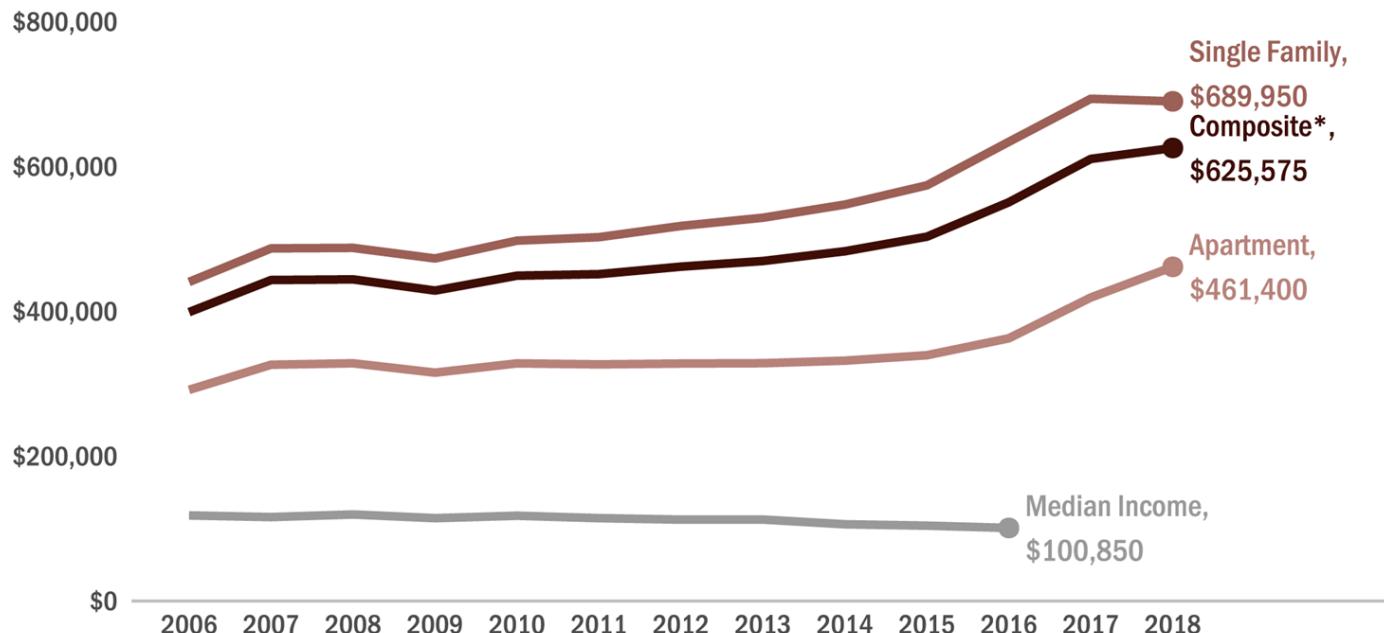
Source: Statistics Canada, 2016 Census of Canada

**Figure 5. Average Rental Vacancy Rates in the City of Toronto,  
2006 to 2017**



Source: Canada Mortgage and Housing Corporation, Rental Market Reports, 2006-2017

**Figure 7. Change in Home Price Index and Median Before-tax Income (Owner Households) in the Greater Toronto Area, 2006 to 2018**

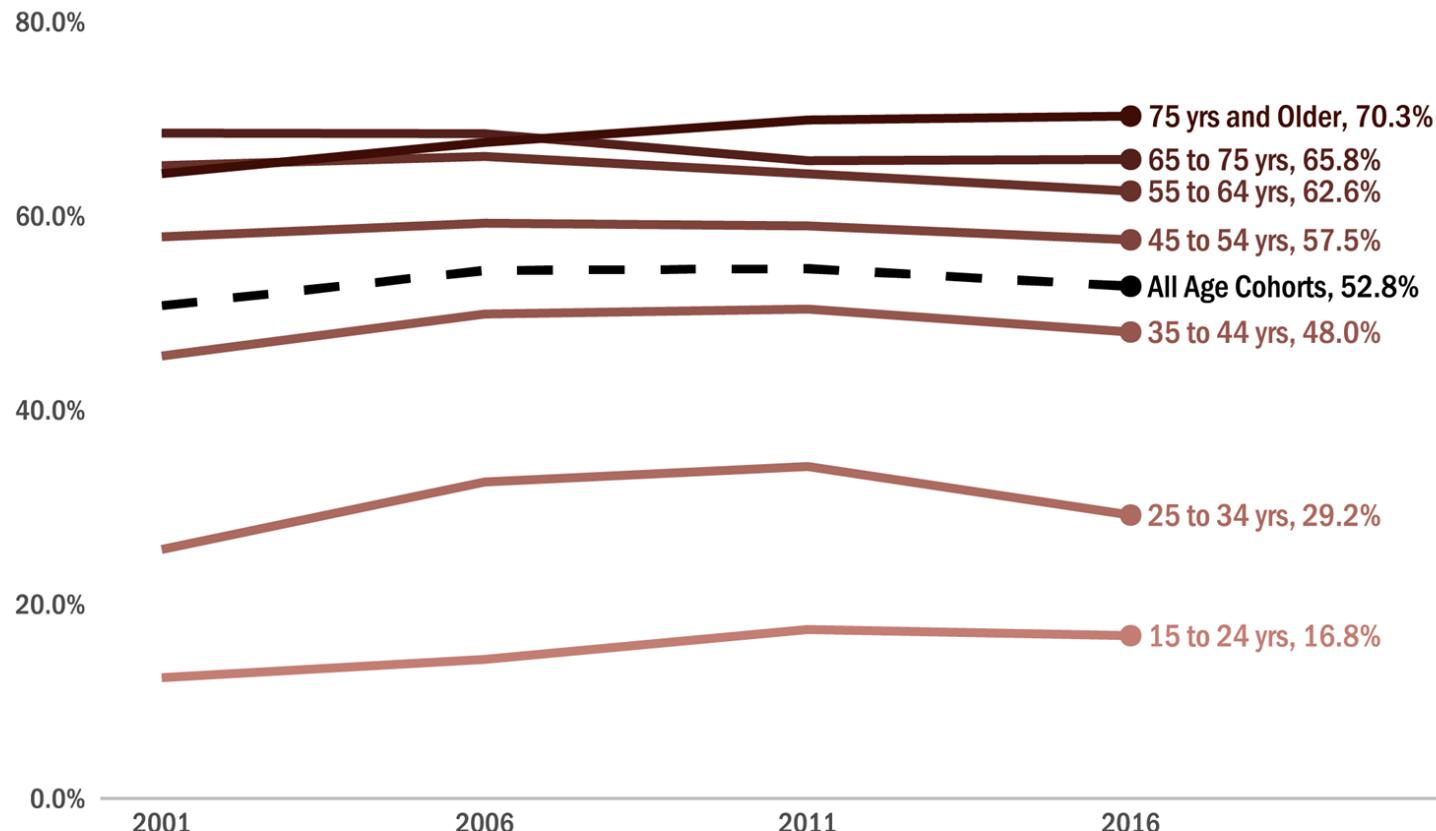


Source: MLS Home Price Index, 2006-2017; Canada Mortgage and Housing Corporation, Statistics Canada, Canadian Income Survey 2012-2015, Survey of Labour and Income Dynamics 2006-2011

Figures in 2018 constant dollars. Household income is for the Toronto Census Metropolitan Area (household income data not available for 2017 & 2018).

\*Composite home price represents all homes including one and two-storey single family homes, townhouses, and apartments.

**Figure 8. Home Ownership Rate from 2001 to 2016  
by Age Cohort in the City of Toronto**



Source: Statistics Canada, 2016 Census of Canada; 2006 Census of Canada.

# Increasing the supply of Missing Middle Housing

Explore specific zoning alternative

Explore options for adding 'gentle' density to Toronto's neighbourhoods.

Explore options for adding 'gentle' density to Toronto's neighbourhoods.





Thank You

Michelle German  
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Evergreen

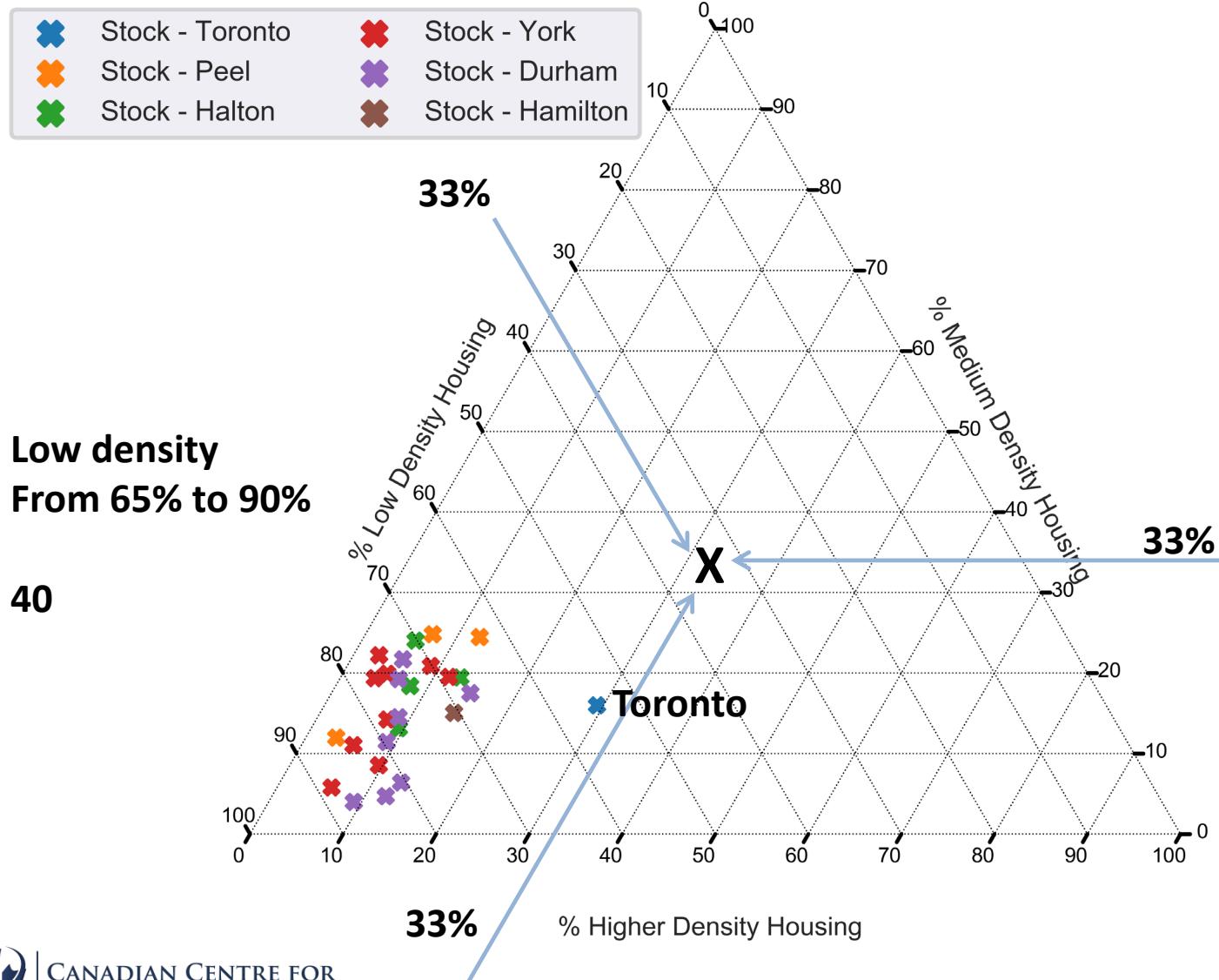
# The GTHA's Unbalanced Housing Stock: A Benchmarking Study

January 23<sup>rd</sup>, 2019  
Presenter: Paul Smetanin

CANADIAN CENTRE FOR  
ECONOMIC ANALYSIS

# Current Housing Stock in the GTHA

Dwelling Mix of Census Subdivisions in the GTHA

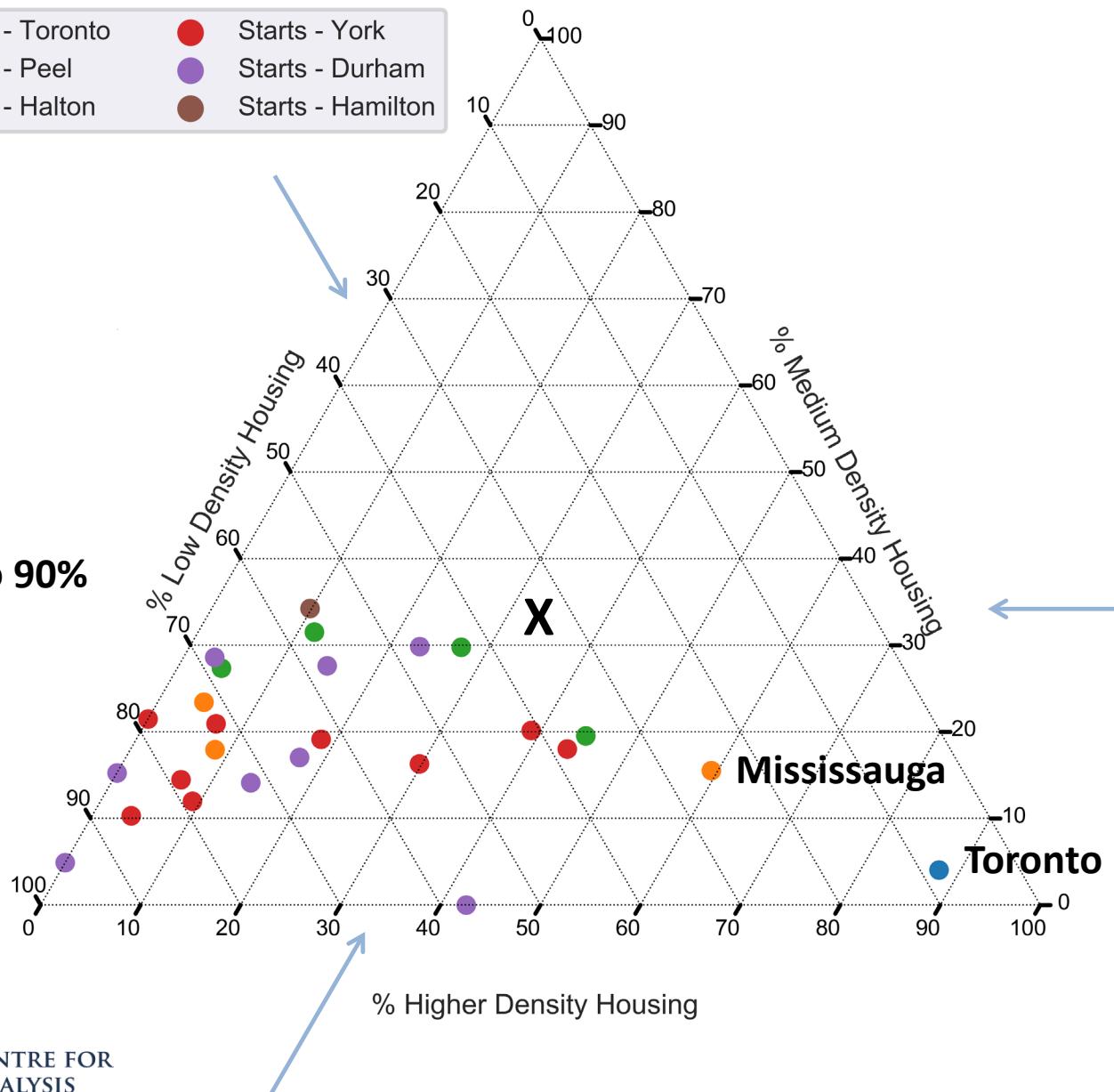


# Current Housing Trends in the GTHA

Starts - Toronto	Starts - York
Starts - Peel	Starts - Durham
Starts - Halton	Starts - Hamilton

**Low density**  
From 65% to 90%

40



# Current Housing Trends in the GTHA

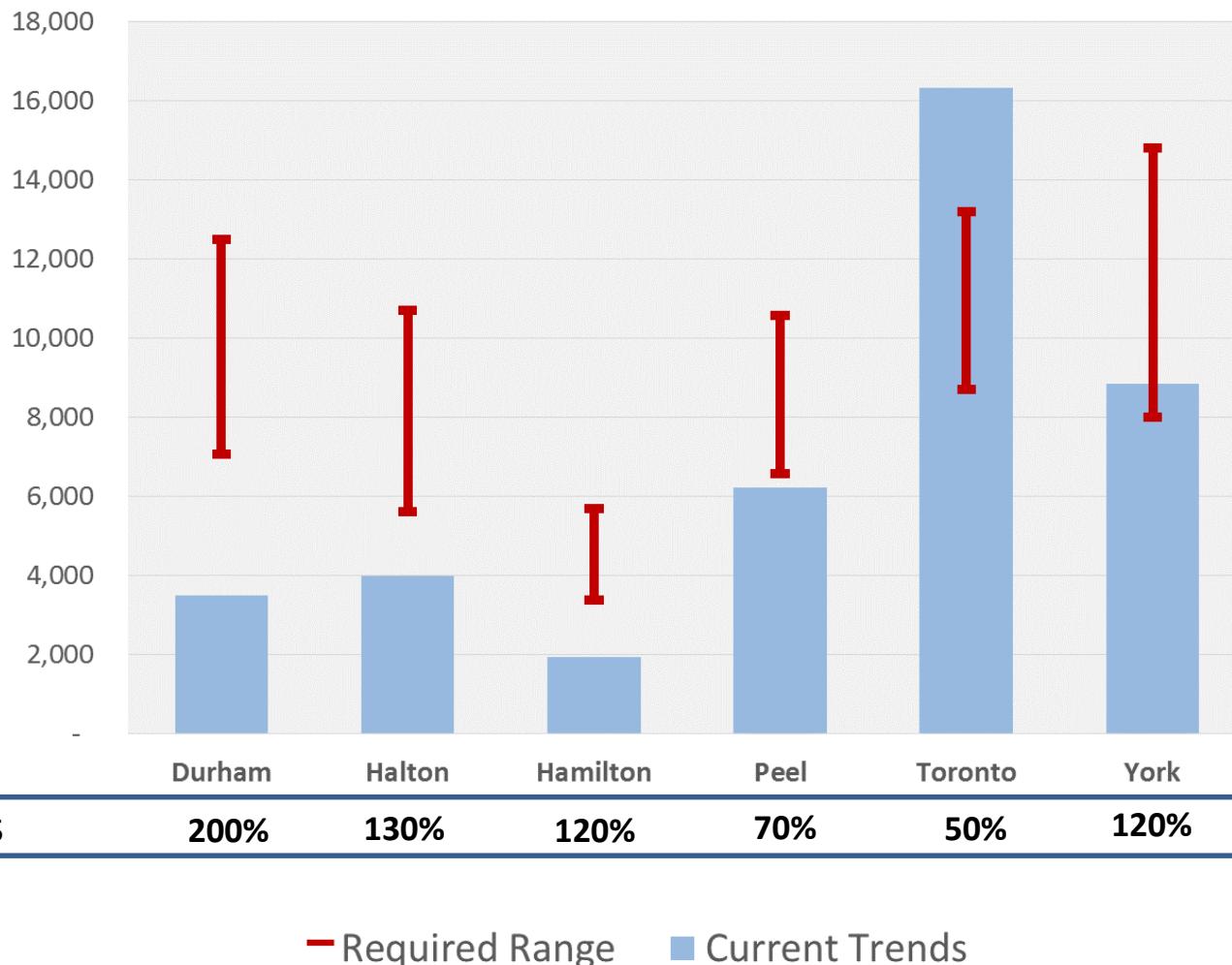
- Dominance of high-rise and low-density housing results in urban sprawl with pockets of ultra-high-density clusters
- Insufficient supply of appropriate housing types for a range of household desires, sizes and budgets
- If done right, a proper mix of densities can:
  - Ensure productive use of infrastructure (e.g., public transportation)
  - Enable older households to right-size and free up their dwellings for growing families

# Places to Grow Targets

- According to Places to Grow (P2G), the population of the GTHA will increase by 46% and exceed 10 million in 2041
- To accommodate this growth, either
  - Population density will have to increase by 46%, or
  - Total residential land area will have to be 46% larger
- Given current construction trends, **is the GTHA on target to house this growth appropriately?**

# Places to Grow Targets

Required Range of Starts vs Current Trends



# Places to Grow Targets

- At the current rates of construction, most regions within the GTHA will not be able to house the P2G target populations suitably, regardless of the type of dwellings that are built.
- The risk to P2G represents 7,200 dwellings per year that will not be built
- Annual average loss of \$1.95 billion in GDP accruing directly from residential construction activity
- Market v policy = increased affordability pressures in the region

# Read the full report

An Independent Study  
Commissioned by

RESIDENTIAL AND  
CIVIL  
CONSTRUCTION  
ALLIANCE OF  
ONTARIO  
**RCCAO** Constructing Ontario's Future

**The "Missing Middle" In New Homes**



MISSING MIDDLE HOUSING

High-Rise      Mid-Rise      Stacked Townhouse      Townhouse      Duplex/Semi-Detached      Detached

**Dwelling Mix Of Census Subdivisions In The GTHA**



The Missing Middle

Stock - Toronto  
Stock - York  
Stock - Peel  
Stock - Halton  
Stock - Waterloo  
Stock - Durham  
Stock - Hamilton  
Stairs - Toronto  
Stairs - York  
Stairs - Peel  
Stairs - Halton  
Stairs - Waterloo  
Stairs - Durham  
Stairs - Hamilton



**The GTHA's Unbalanced Housing Stock: Benchmarking Ontario's New LPAT System**



## The GTHA's Unbalanced Housing Stock:

### Benchmarking Ontario's New LPAT System

An independent research study prepared  
for the Residential and Civil Construction  
Alliance of Ontario (RCCAO)

BY:  
**CANCEA**  
CANADIAN CENTRE FOR ECONOMIC ANALYSIS

DECEMBER 2018

Available for download at [www.rccao.com](http://www.rccao.com)

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