



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

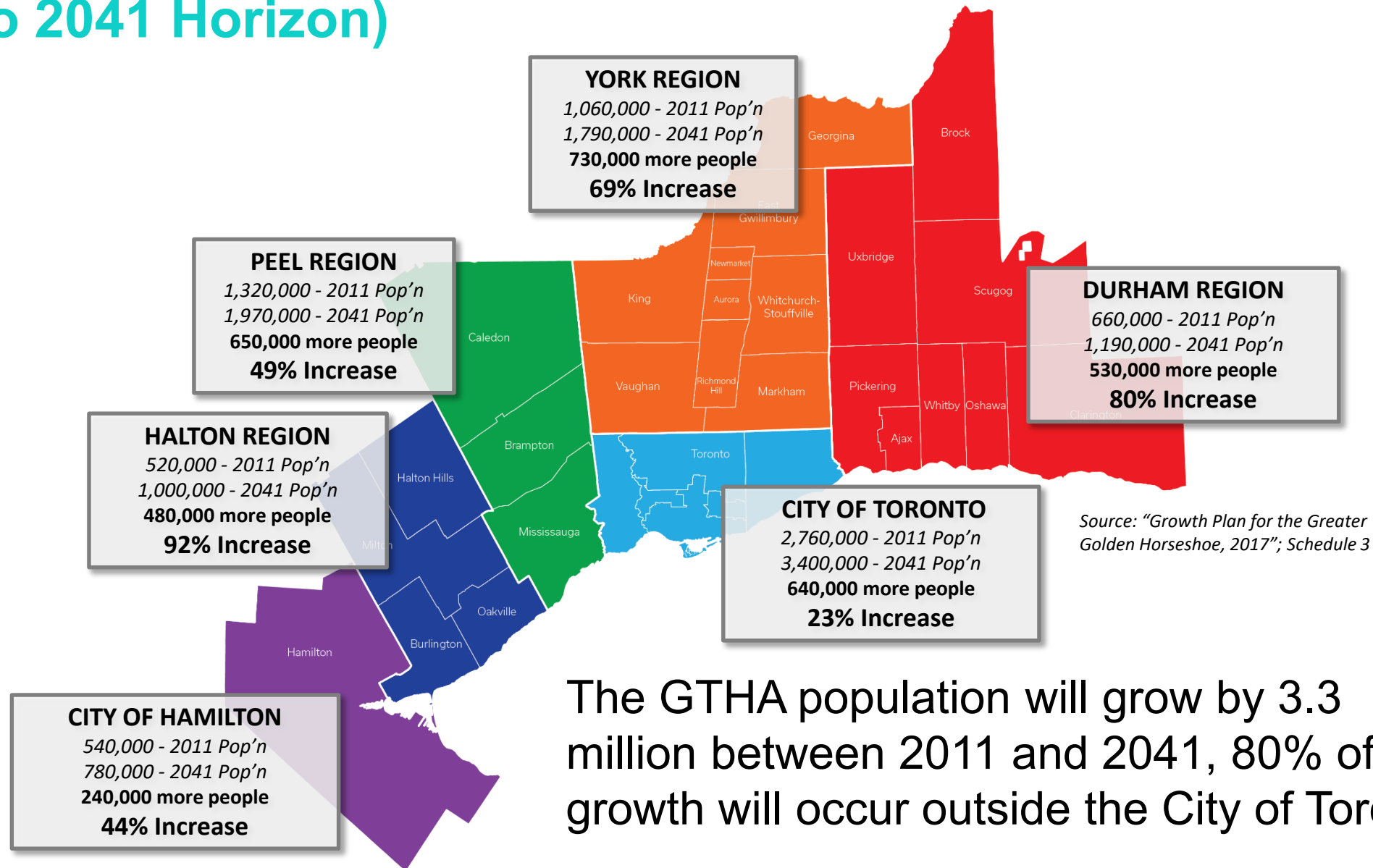
Purpose

- 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 and appropriate housing supply;
- Discuss servicing constraints, development timeframes and other market factors and current uncertainties in delivering growth.

GTHA Overview – Planning Perspectives

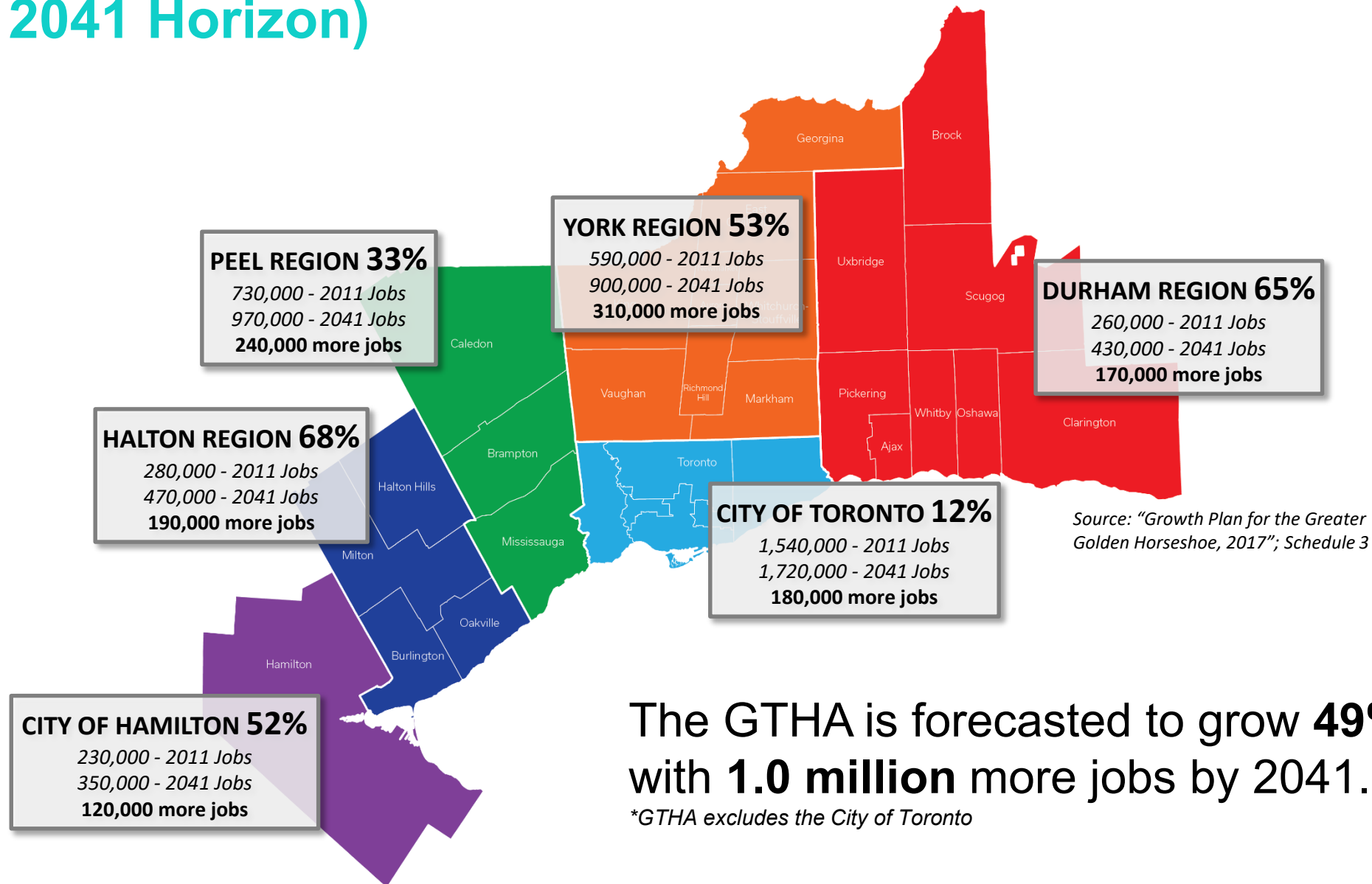
- Stable Neighbourhoods have institutionalized NIMBYism against gentle-density forms of intensification throughout the majority of the Settlement Area;
- The lengthy development approval process for Designated Greenfield areas has been further lengthened by the new 2017 Growth Plan and new municipal 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)

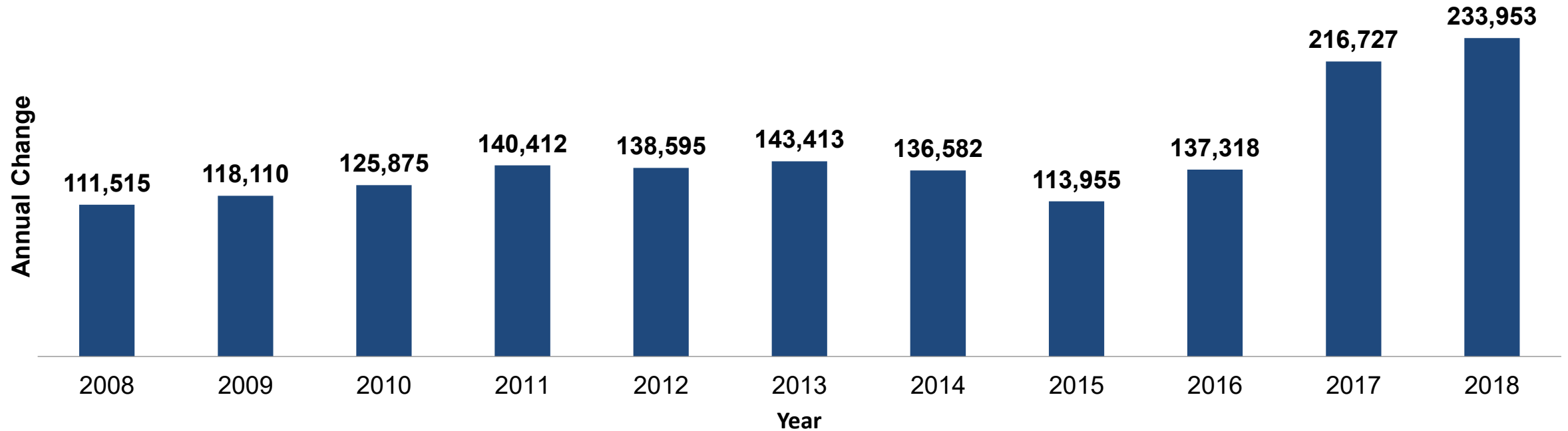


The GTHA population will grow by 3.3 million between 2011 and 2041, 80% of the growth will occur outside the City of Toronto

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

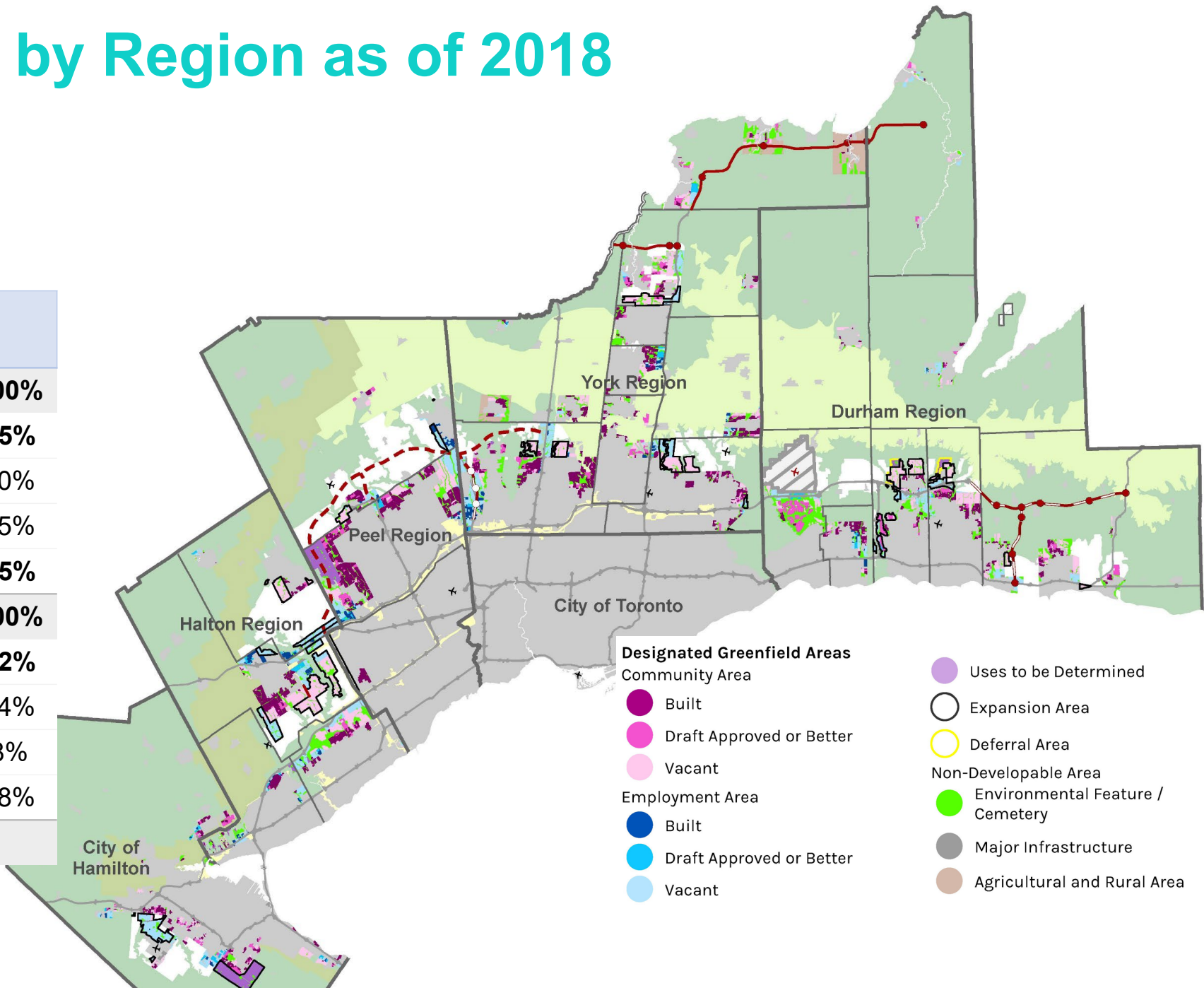
Policy Area	Key Provincial Plan Policy Changes
Intensification	Intensification target increased and phased in from 40% to 50%, then 60% by and after 2031. Major Transit Station Areas have minimum densities 500m around higher order transit stations and stops.
Designated Greenfield Area Density Target	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
2041 Population Allocation	10,130,000

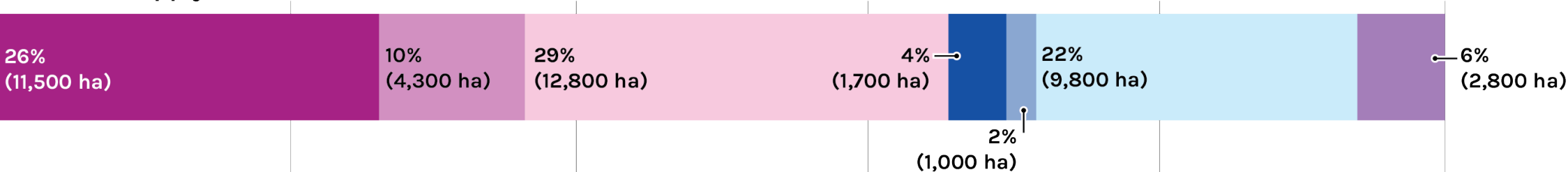
Total Designated Greenfield Area	Hectares	
	44,000	
Community Area	28,700	100%
Committed Land	15,800	55%
Built	11,500	40%
Draft Approved or better	4,300	15%
Vacant Land	12,800	45%
Employment Area	12,500	100%
Committed Land	2,700	22%
Built	1,700	14%
Draft Approved or better	1,000	8%
Vacant Land	9,800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

Note: Area excludes non-developable land

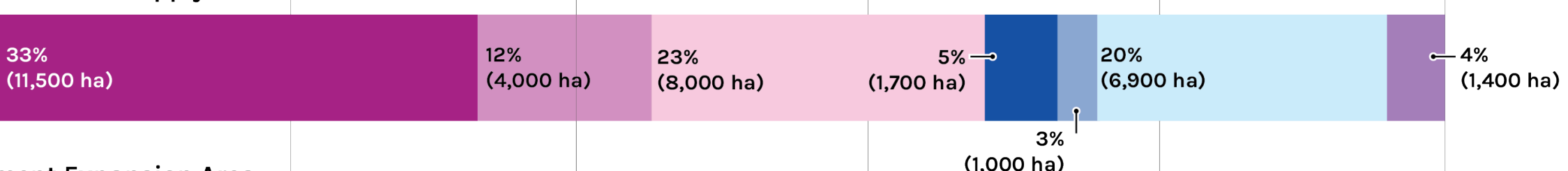


GTHA Land Supply

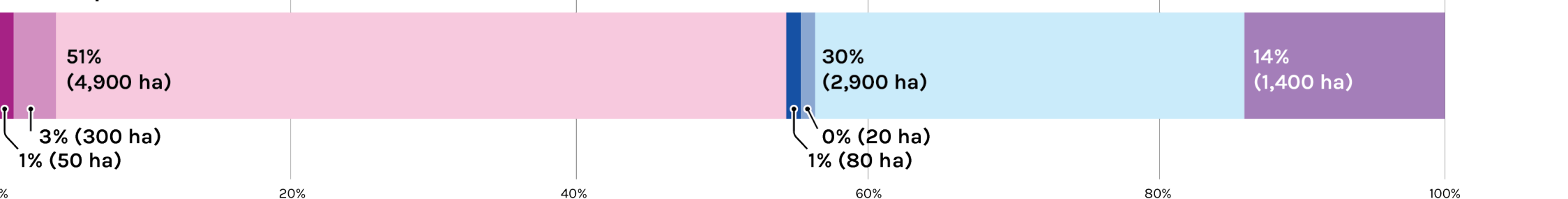
Greenfield Land Supply in 2018



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

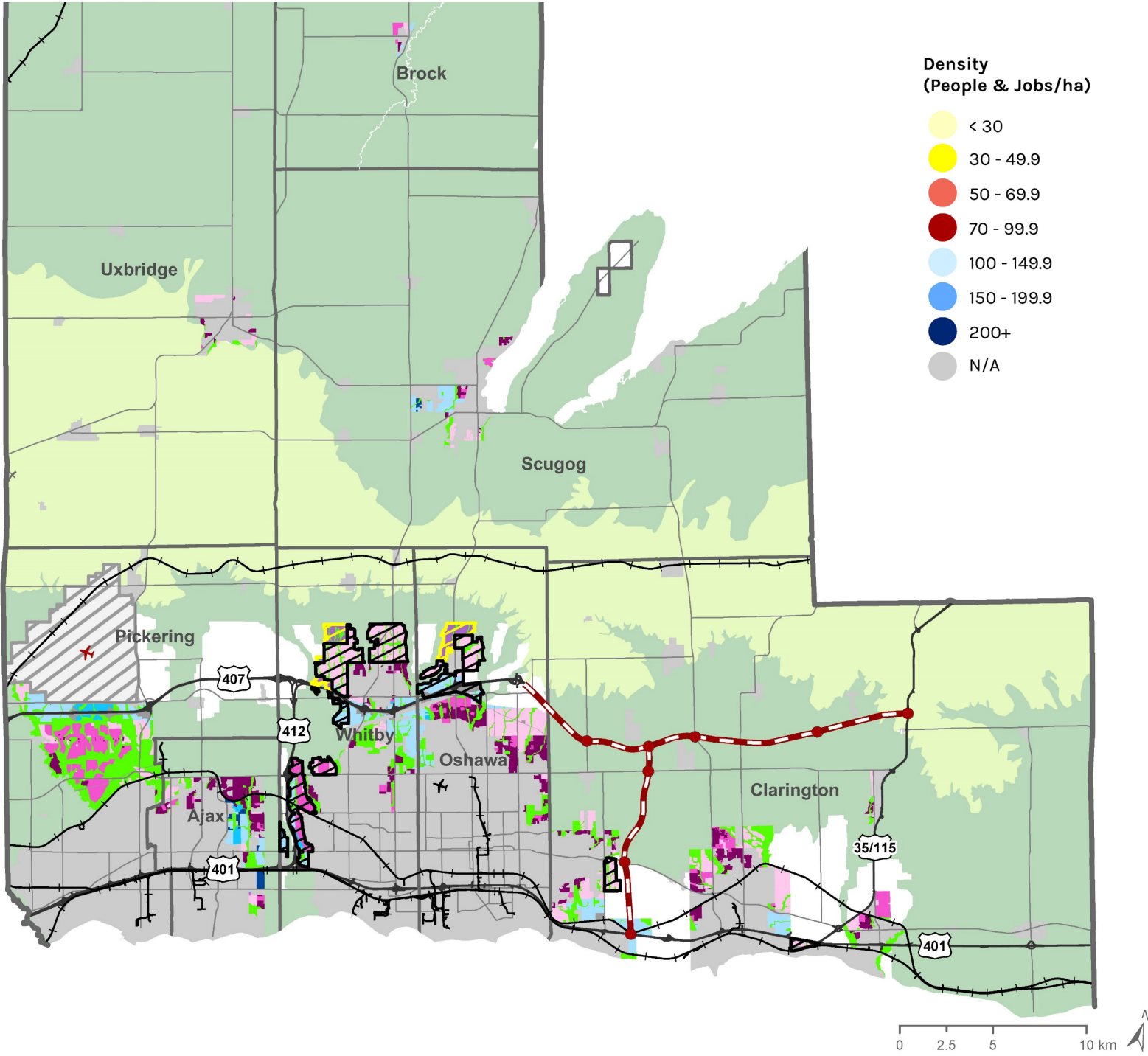
- Durham Region best poised for growth
- Availability of land and servicing, coupled with relatively low development charges encourage growth
- The Region is financially well positioned and able to invest in servicing infrastructure in time with development
- Recently completed 407 extension provides 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
2041 Population Allocation	1,190,000

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

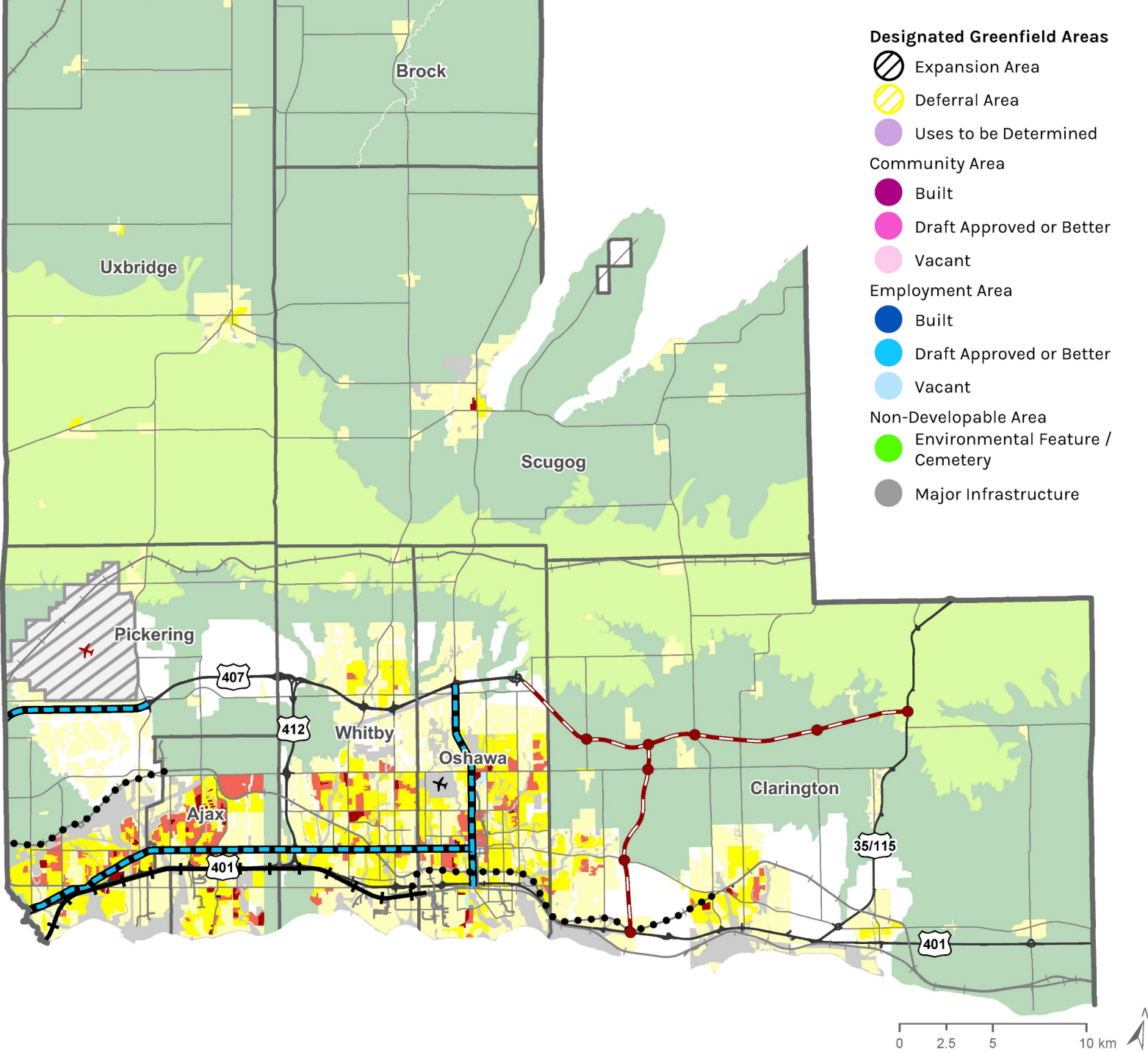


Durham Region

2016 Census Population	665,000
2031 Population Allocation	970,000
2041 Population Allocation	1,190,000

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

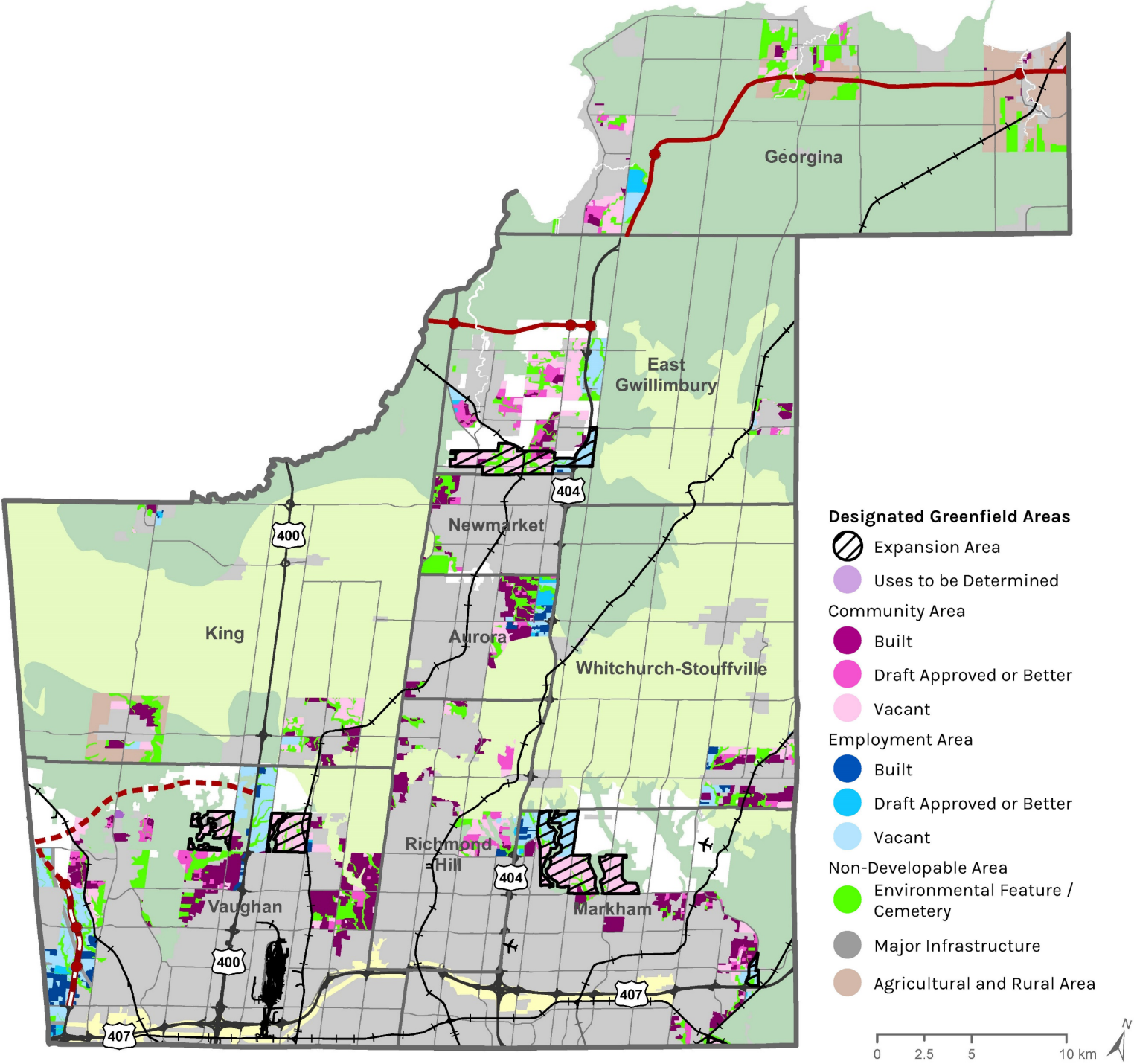
- Sanitary capacity constraints to the municipalities of Aurora, Newmarket and East Gwillimbury heavily constrain growth, largely dependent on the completion of the Upper York Sewer Solutions, which has been delayed to 2028
- Heavy debt load of the Region restricts financing opportunities and ability 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

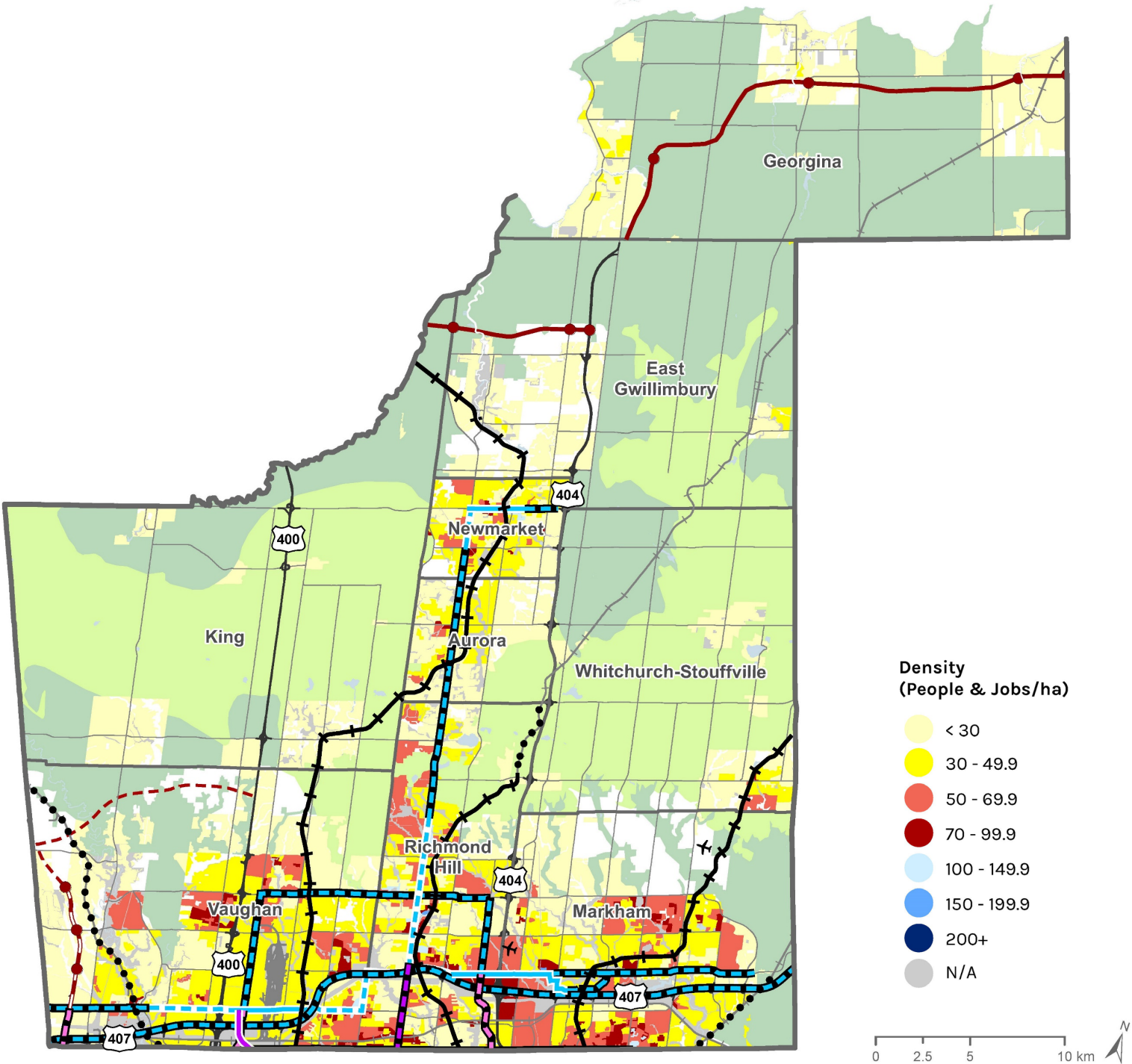


York Region

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

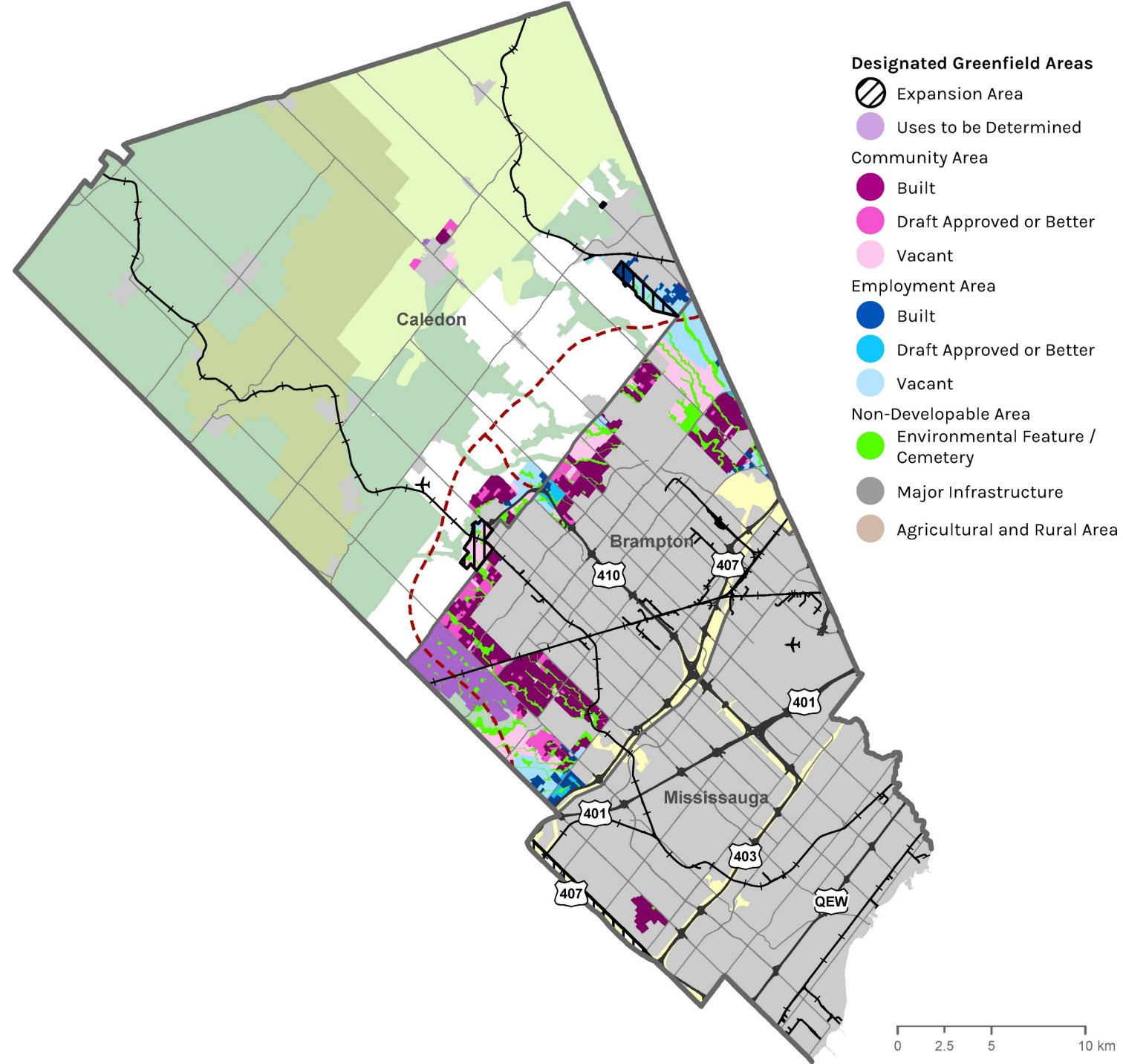
- Uncertainty over the status of the GTA West Corridor have left lands in Caledon and Brampton in development limbo
- If GTA West Corridor is implemented, lands adjacent to the corridor will likely be employment lands
- Only the 9th line lands provide Greenfield Growth potential in Mississauga with intensification 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
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

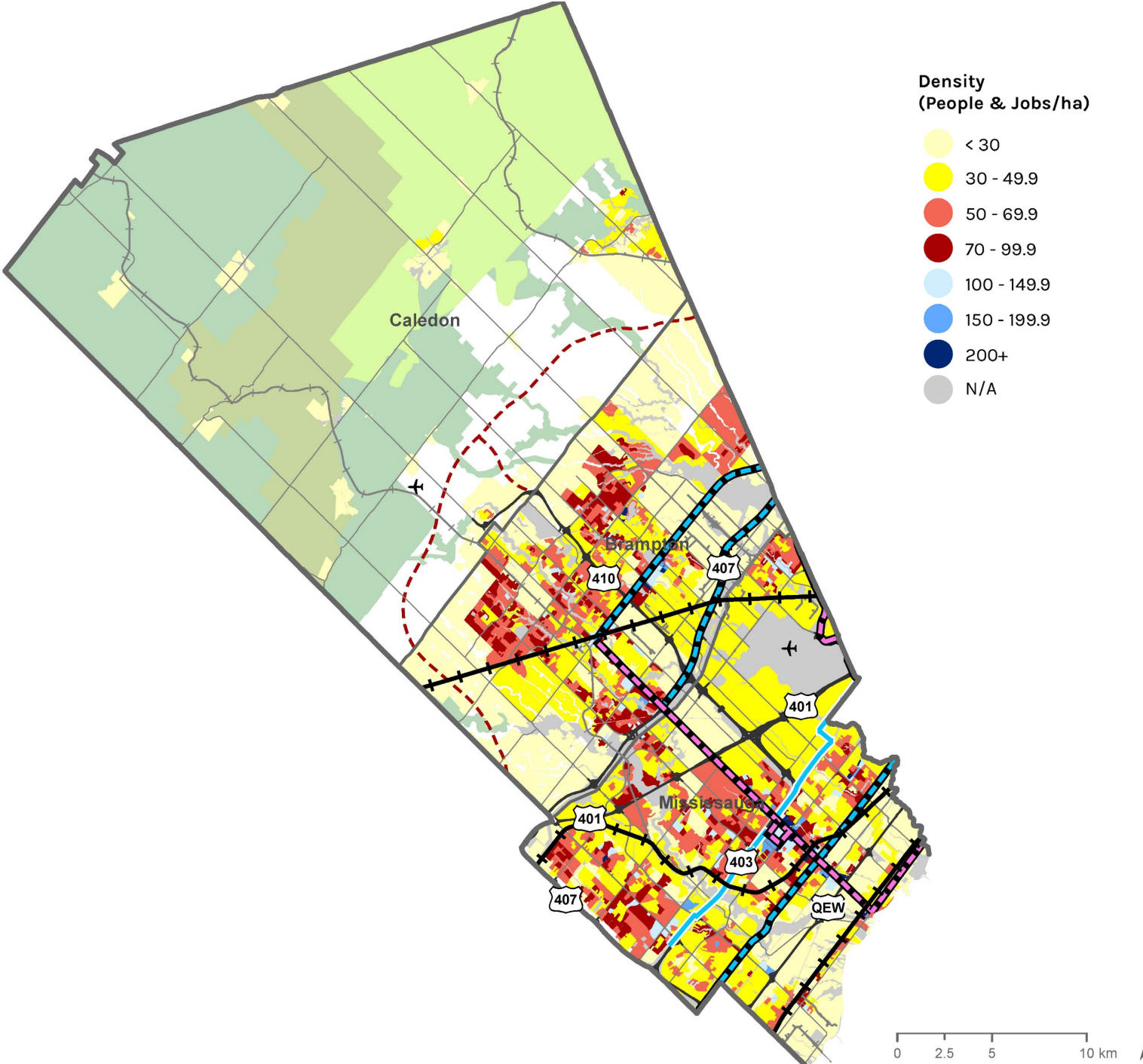


Peel Region

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

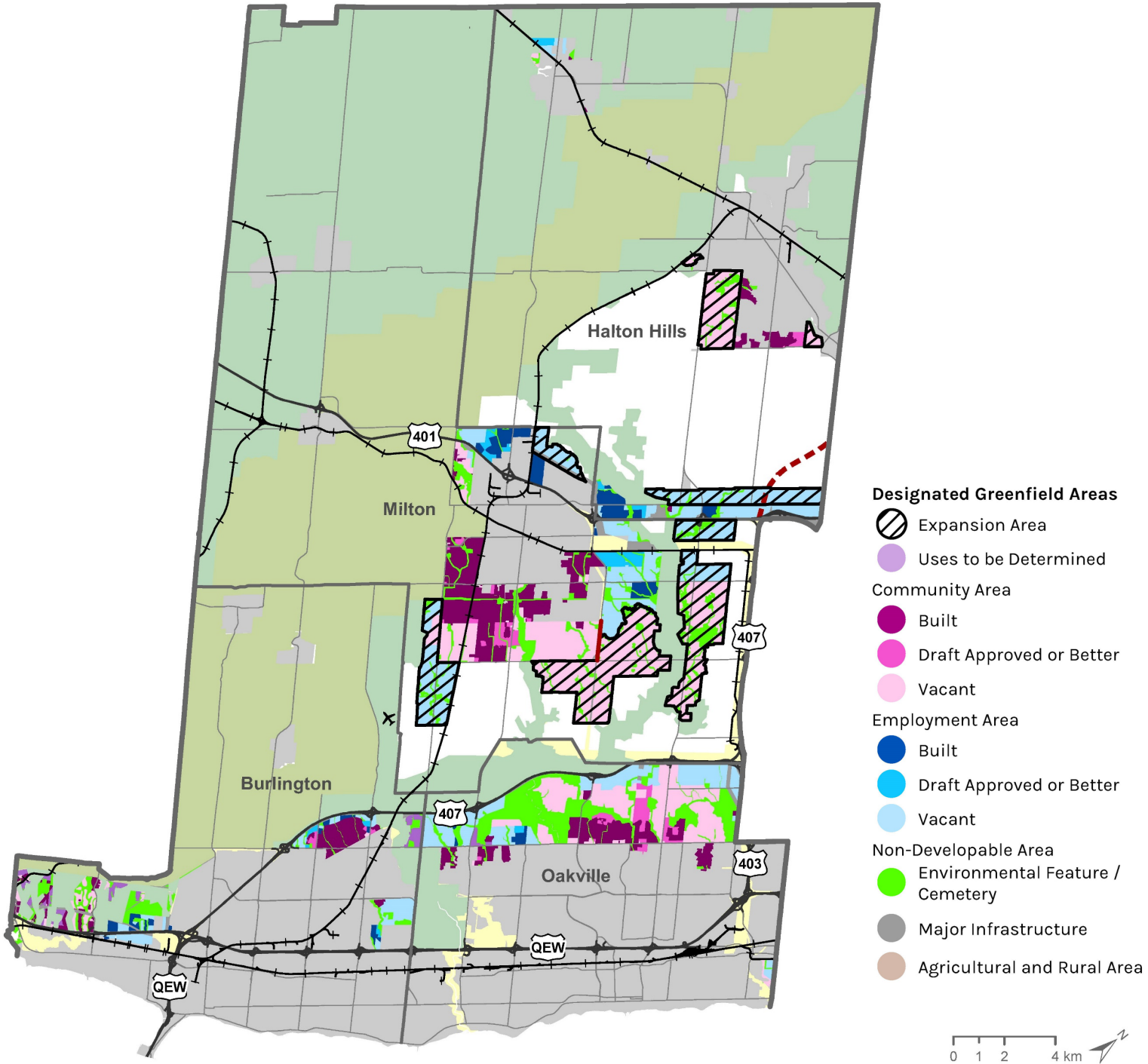
- Greenfield development opportunities are largely limited in Halton Region to North Oakville and Milton and Halton Hills
- Development in North Oakville is progressing but recent Official Plan changes may introduce delays
- Servicing infrastructure delivery to support growth in the Region continues 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
2041 Population Allocation	1,000,000

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

Note: Area excludes non-developable land

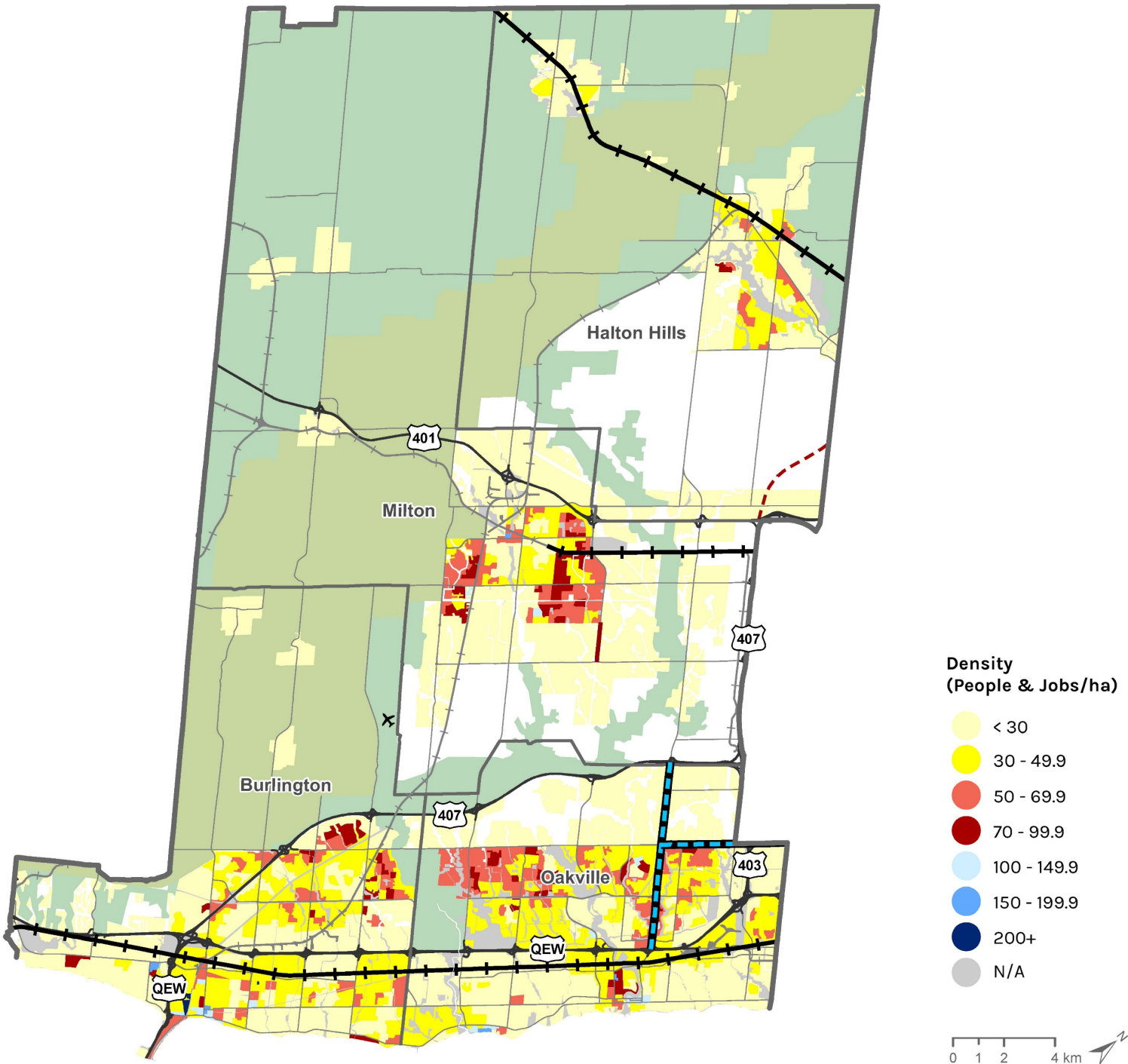


Halton Region

2016 Census Population	565,000
2031 Population Allocation	820,000
2041 Population Allocation	1,000,000

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

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
2041 Population Allocation	780,000

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%
Vacant Land	800	35%
Employment Area	1,400	100%
Committed Land	300	21%
Built	100	7%
Draft Approved or better	200	14%
Vacant Land	1,200	86%
Uses to be Determined	1,100	

Note: Area excludes non-developable land

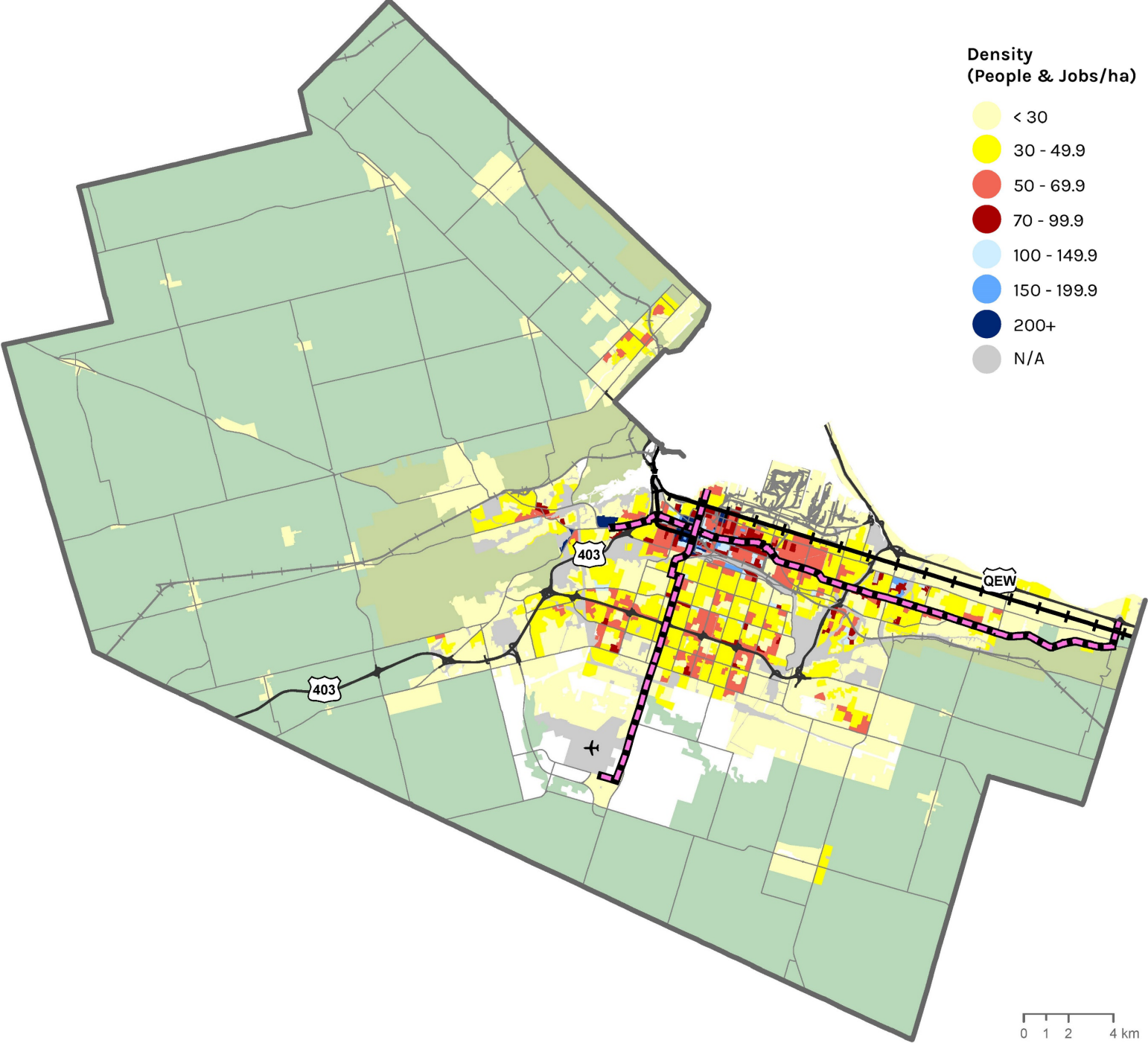


Hamilton

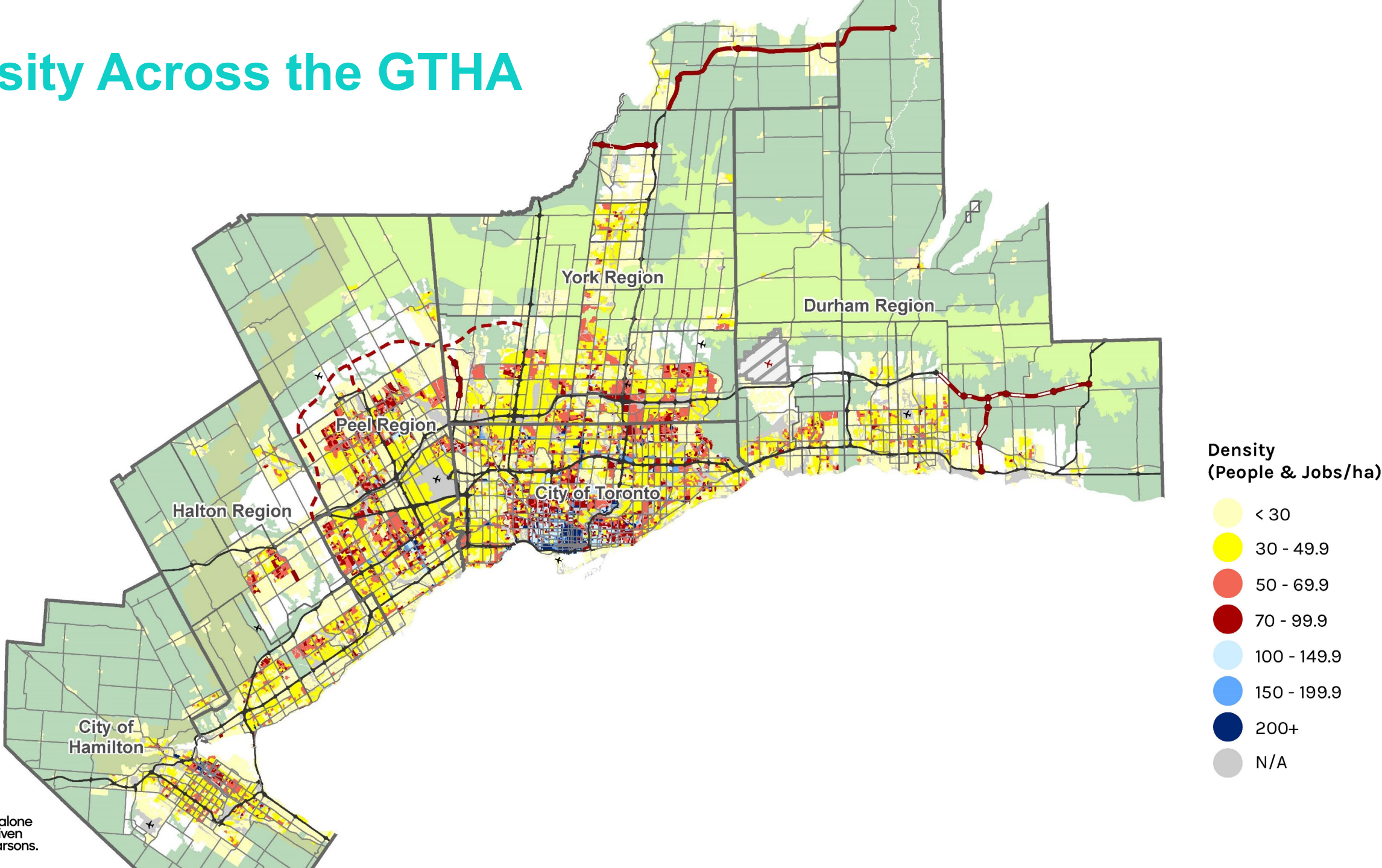
2016 Census Population	553,000
2031 Population Allocation	680,000
2041 Population Allocation	780,000

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%
Vacant Land	800	35%
Employment Area	1,400	100%
Committed Land	300	21%
Built	100	7%
Draft Approved or better	200	14%
Vacant Land	1,200	86%
Uses to be Determined	1,100	

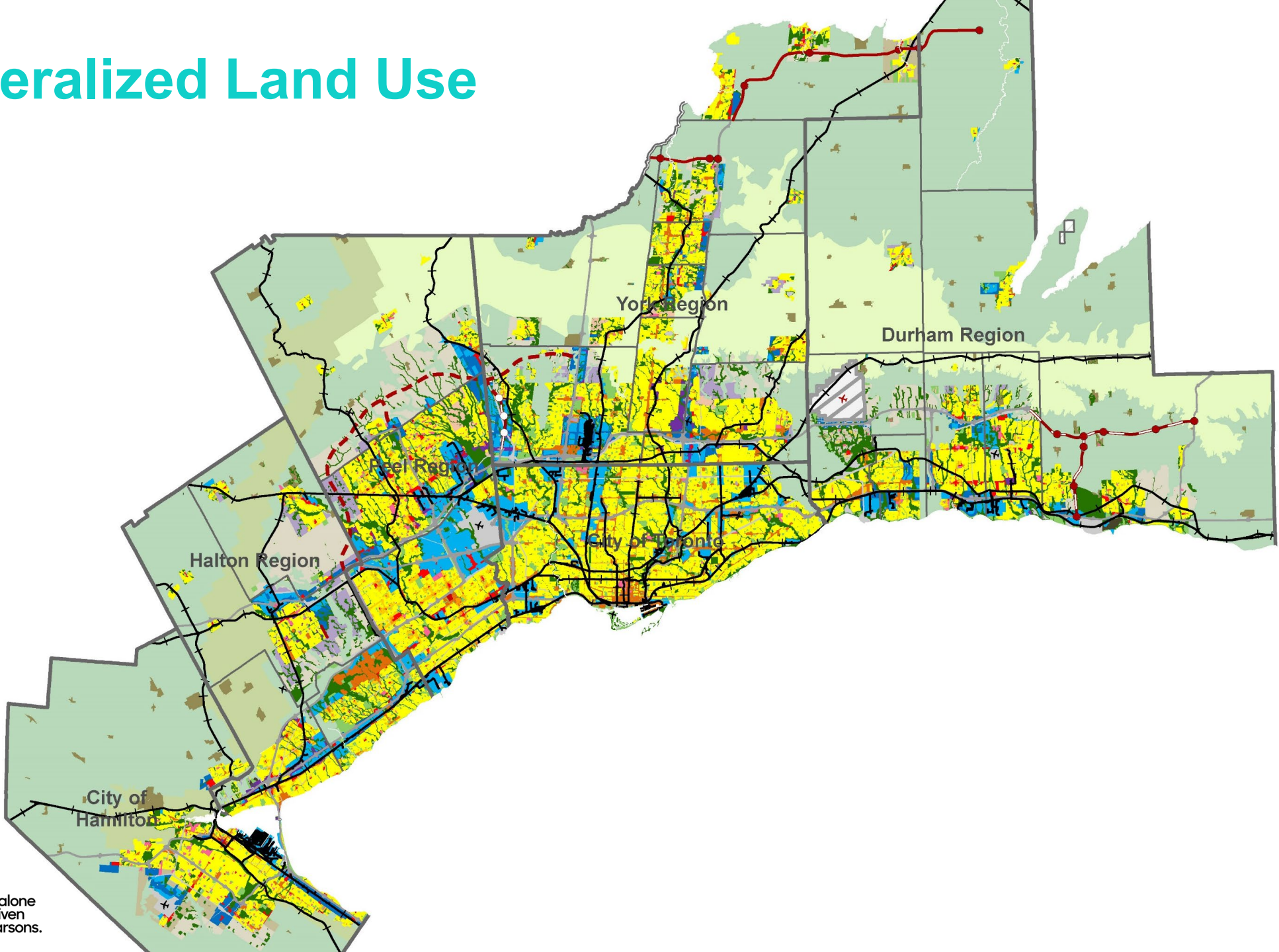
Note: Area excludes non-developable land



Density Across the GTHA



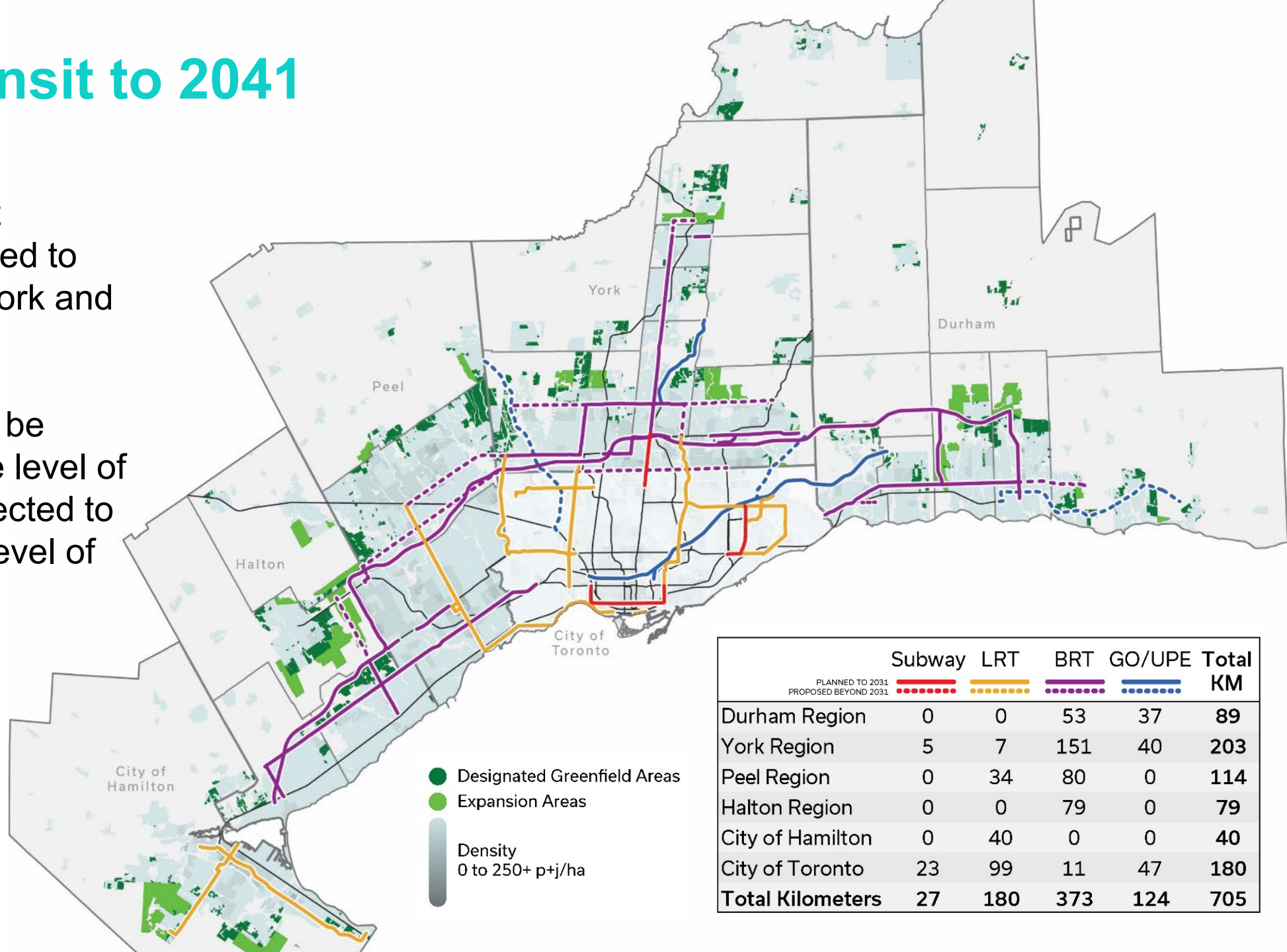
Generalized Land Use



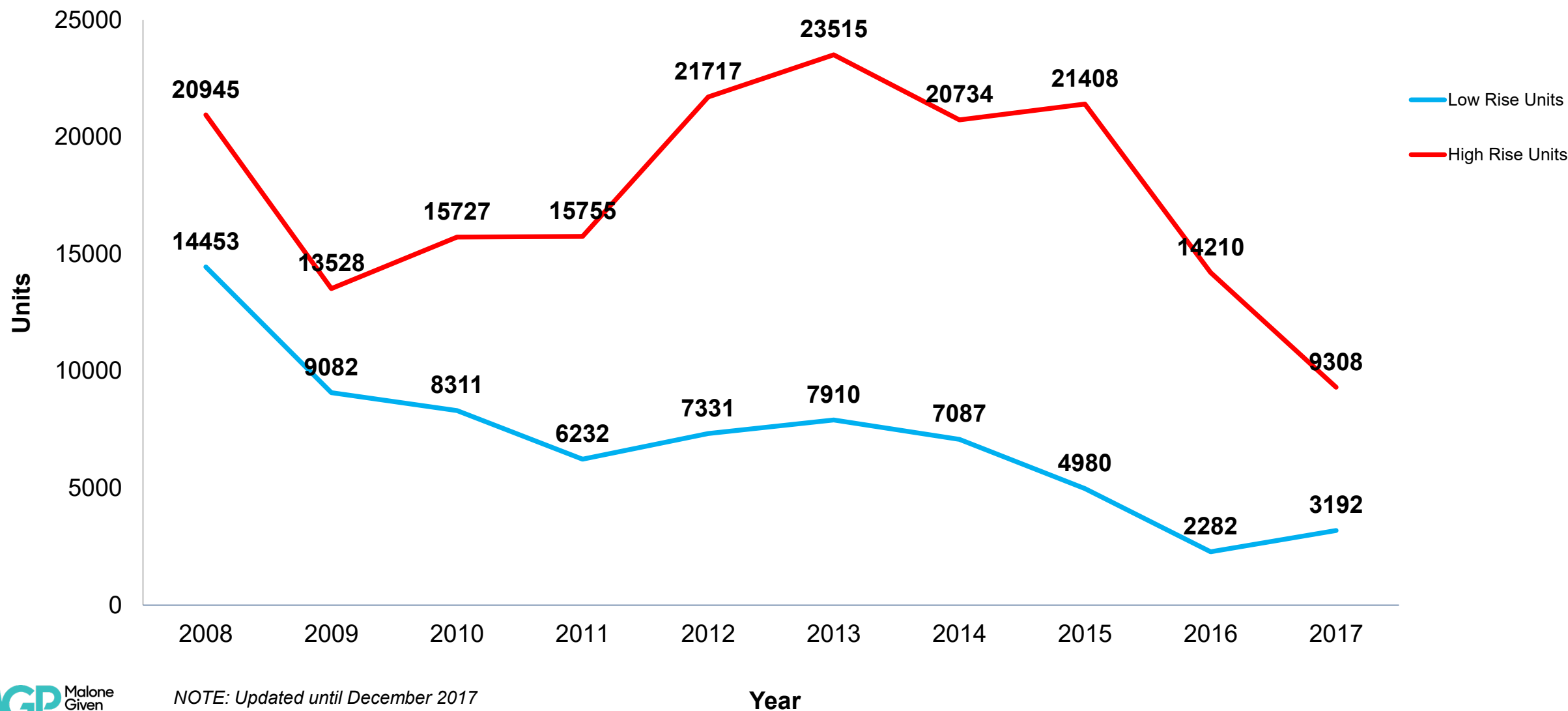
- Generalized Land Use Designations**
- Estate Residential
 - Low Density Residential
 - Medium Density Residential
 - High Density Residential
 - General Commercial
 - Retail Commercial
 - General Employment
 - Prestige Employment
 - Mixed Use Residential
 - Mixed Use Employment
 - Institutional
 - Recreation-Park
 - Environmental
 - Major Highway/Utility
 - Extraction Area
 - Agricultural
 - Rural
 - Rural Settlement
 - Study Area

Proposed Transit to 2041

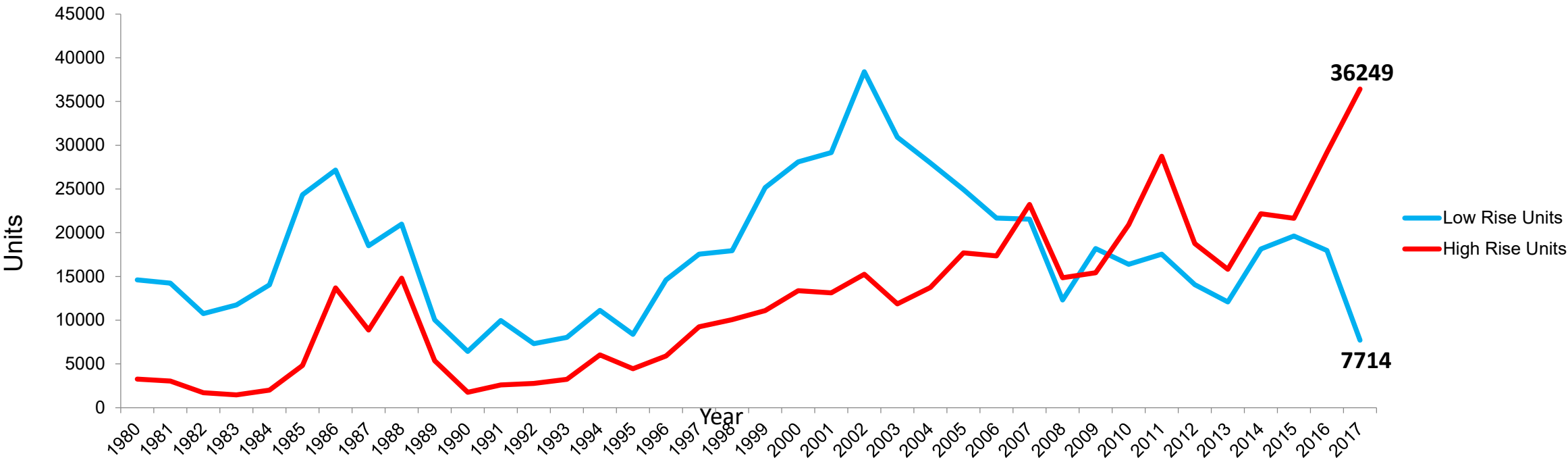
- Higher-order transit investment is planned to focus on Toronto, York and Peel.
- Not all Regions will be served by the same level of transit, but are expected to achieve the same level of intensification



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

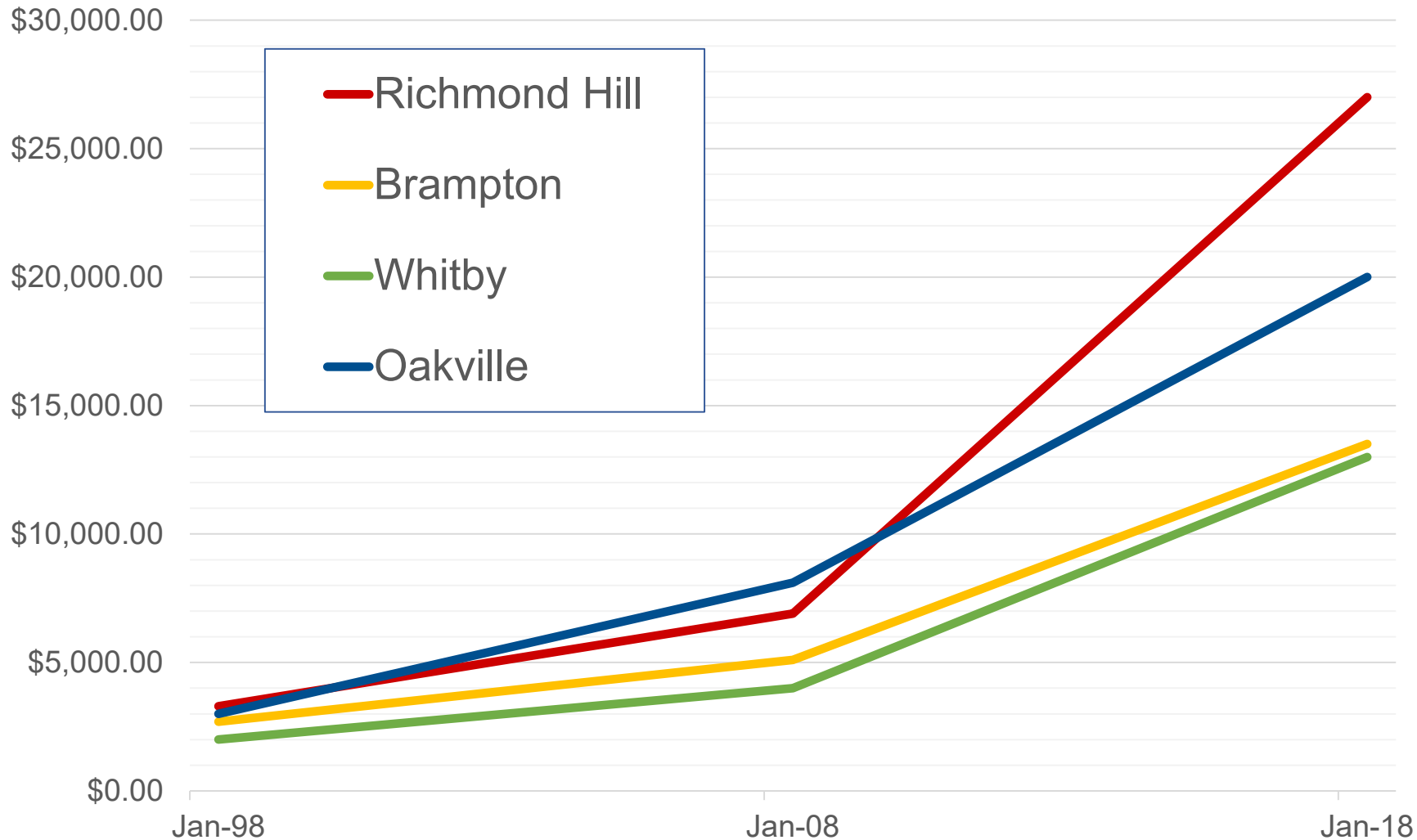


GTA New Home Sales – Low Rise and High Rise Dwellings (1980 - 2017)



NOTE: Updated until December 2017
Source: Altus Group, 2018

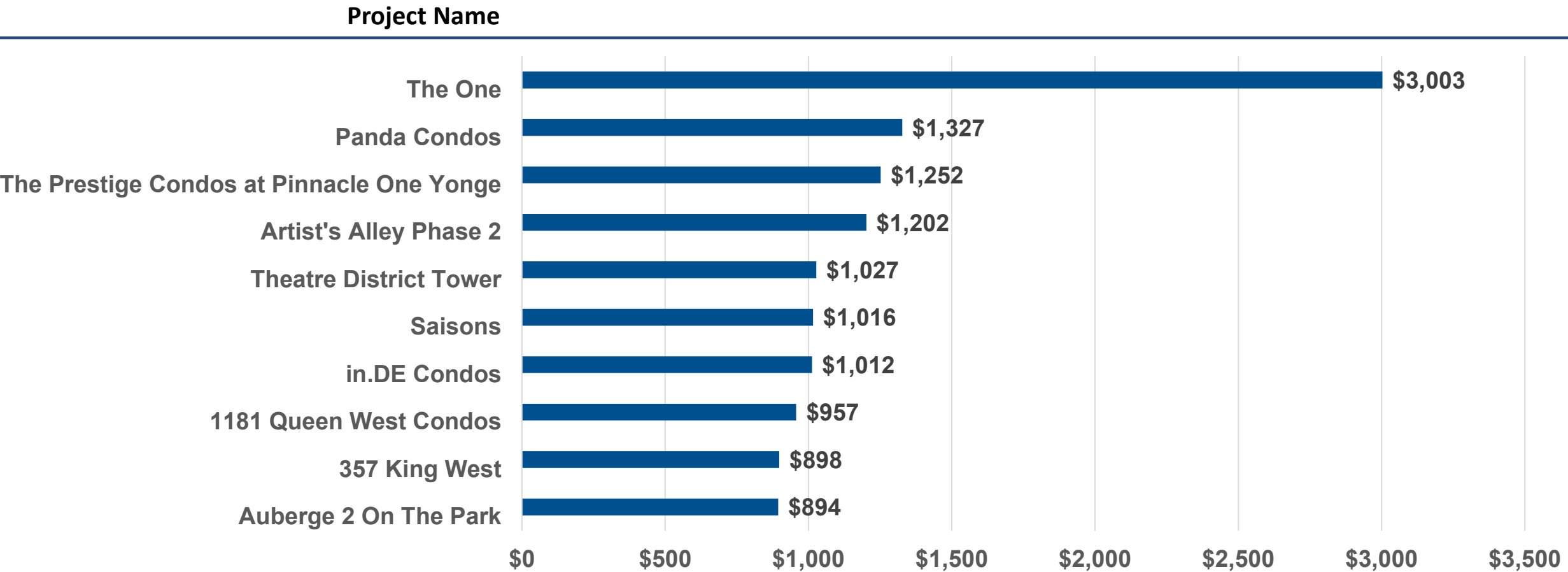
MCAP Values per Front Foot for 20 Foot Freehold Townhouse (1998-2018)



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

\$118,547

\$10,000

\$1,000,000

Your Mortgage Information

Down Payment Amount

?

\$25,000

\$10,000

\$1,000,000

Term and Type

?

5 year fixed closed

Interest Rate

Check Rates

4.99%

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 ft²

Asking \$1,050,000

\$525 – 700/ft²



Townhouse

1500-2000 ft²

Asking \$649,000

\$324 – 433/ft²



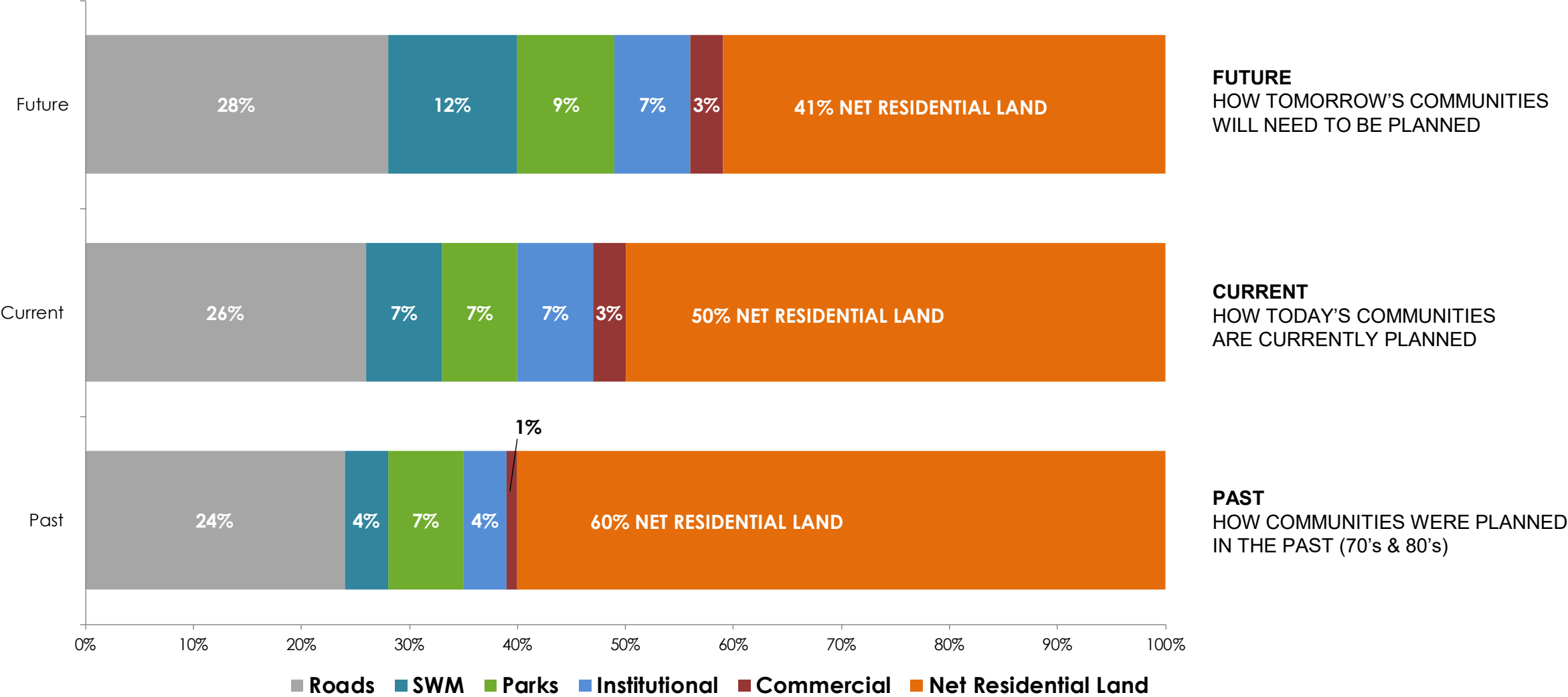
Apartment

1200 ft²

Asking \$862,000

\$718/ft²

Increasing Intensity of Net Developable



Housing Mixes to Achieve Density Targets

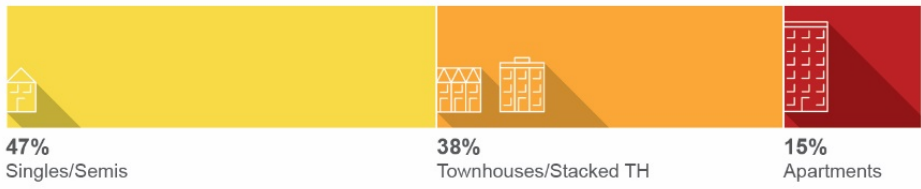
**Hemson
GTHA
Housing Mix**
(excl. City of Toronto, 2012)



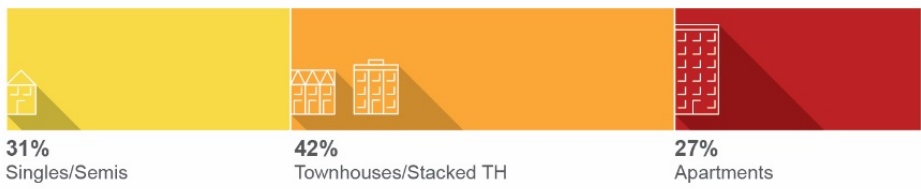
50
People + Jobs
per Hectare



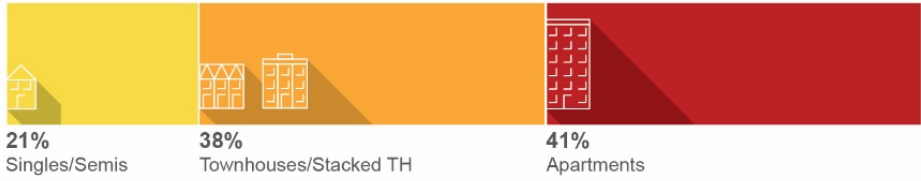
60
People + Jobs
per Hectare



70
People + Jobs
per Hectare

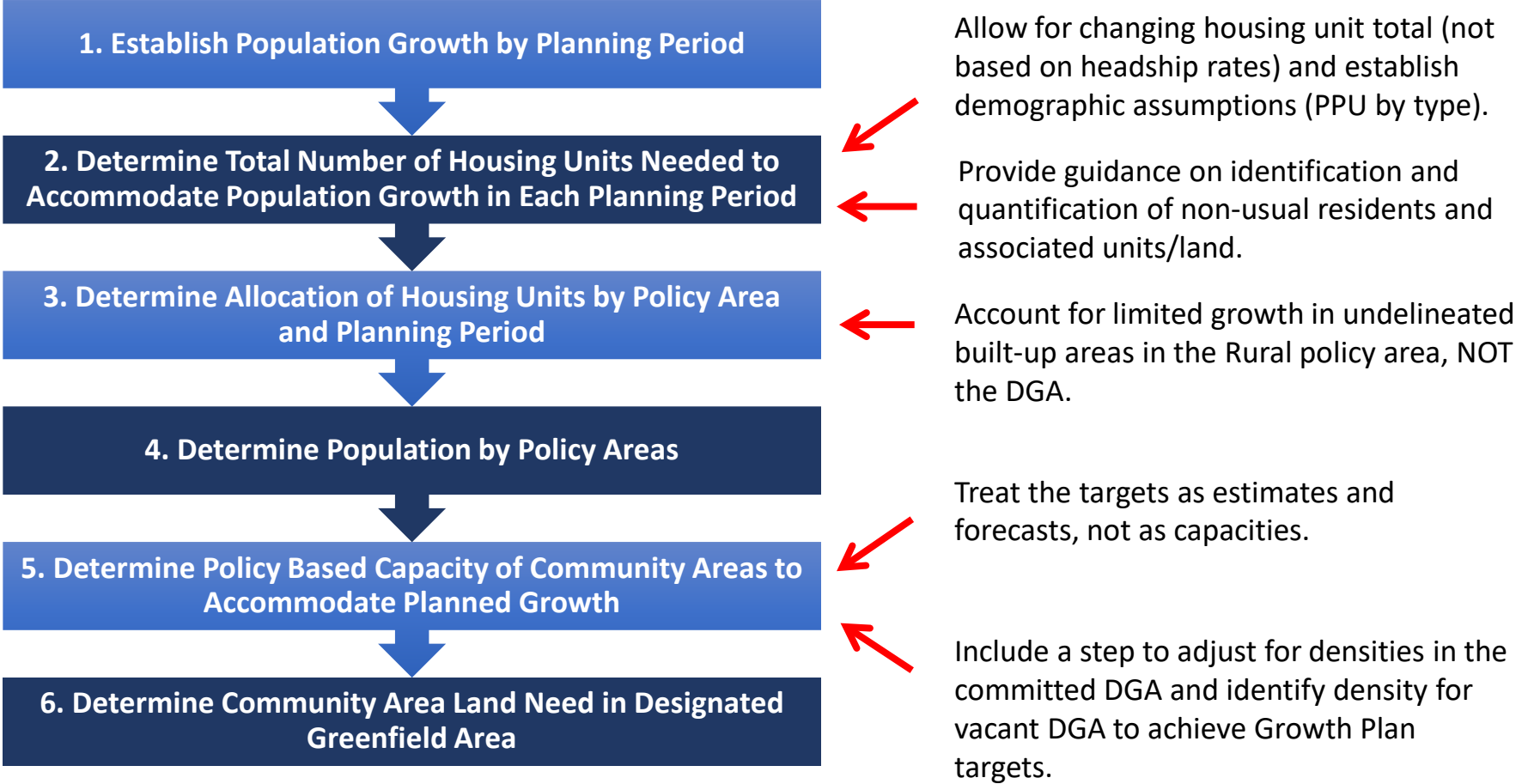


80
People + Jobs
per Hectare

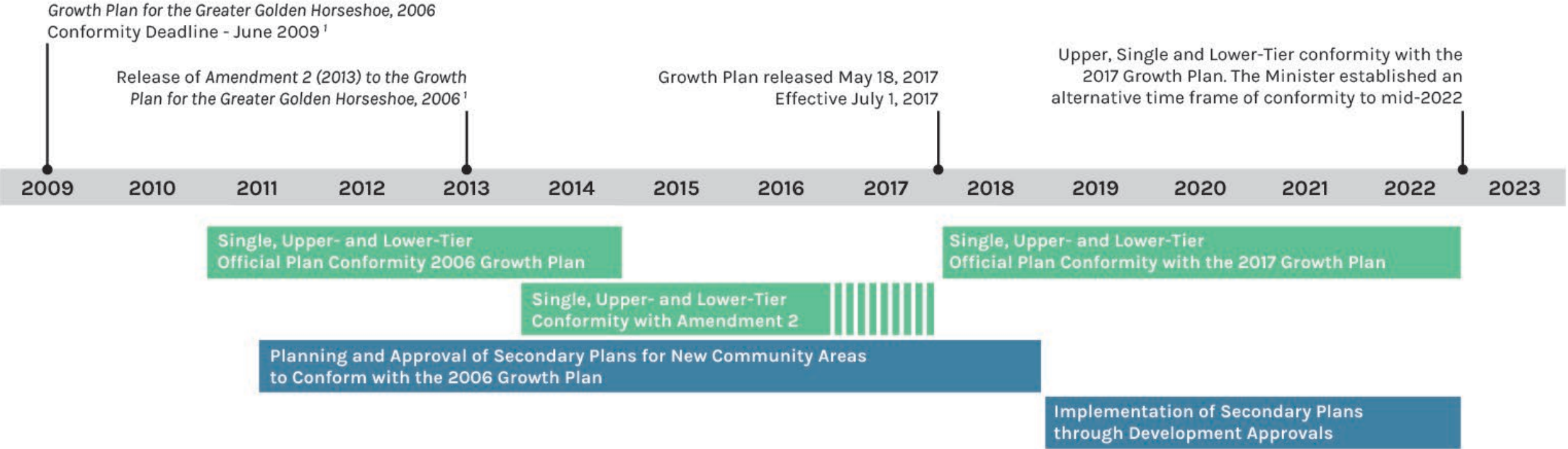


Net Density (units/ha)	30	45	80	200
Gross Density (units/ha)	13	19	34	86
Persons per Unit (2041)	3.23	2.83	2.17	2.17

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

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



Getting to 8,000

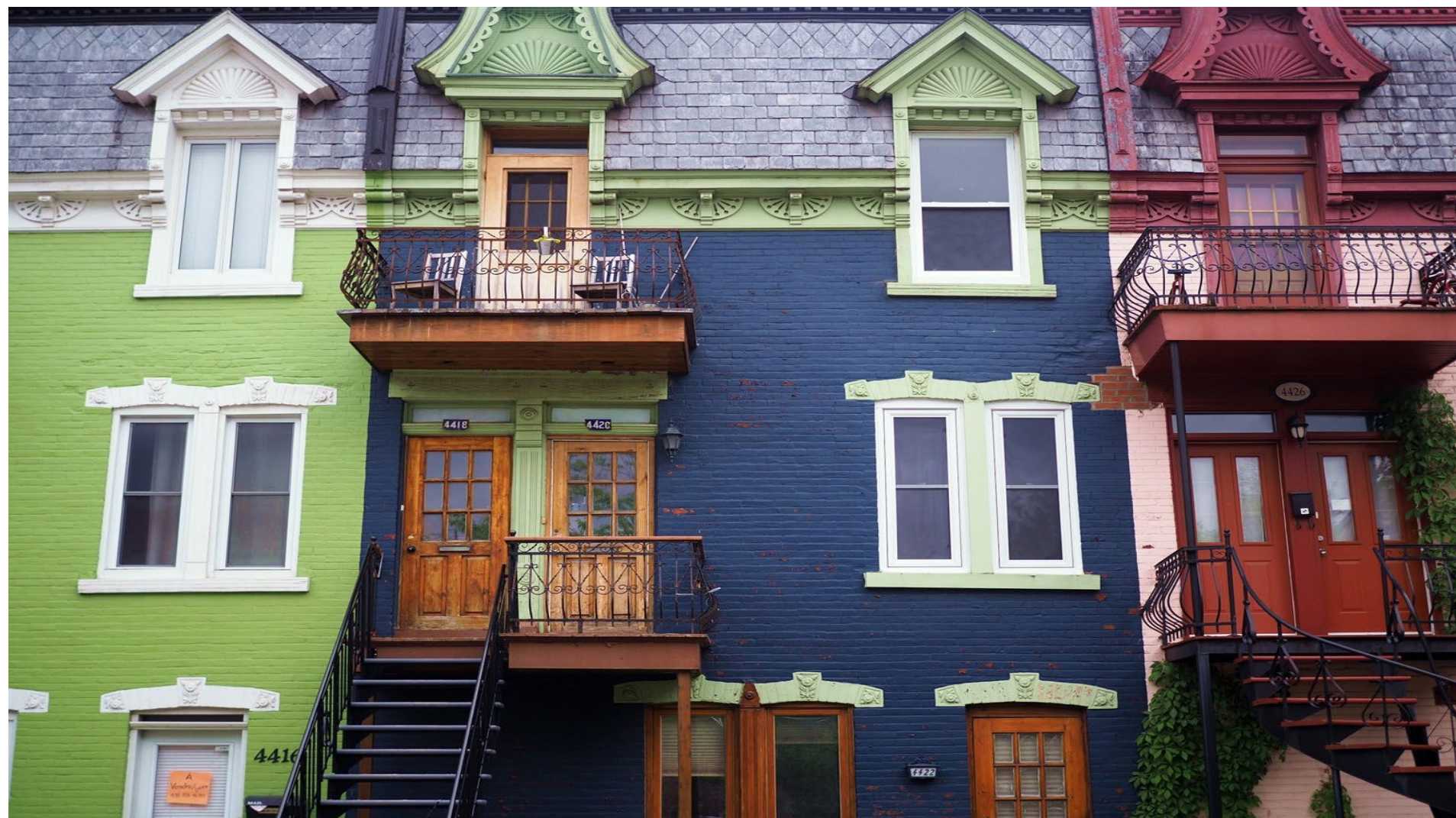


What is the Missing Middle?

A Toronto housing challenge demystified











Apartments
under
five storeys



Duplexes, triplexes, and fourplexes



Townhouses



Laneway suites



Row houses

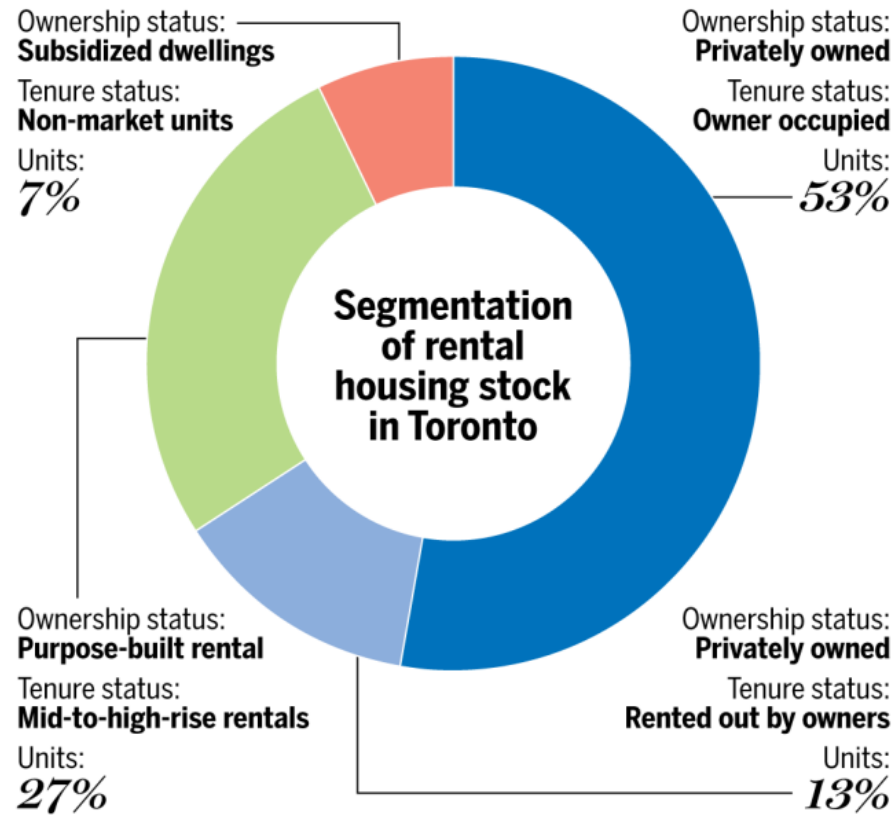


Garden and courtyard apartments



Residential units above commercial businesses

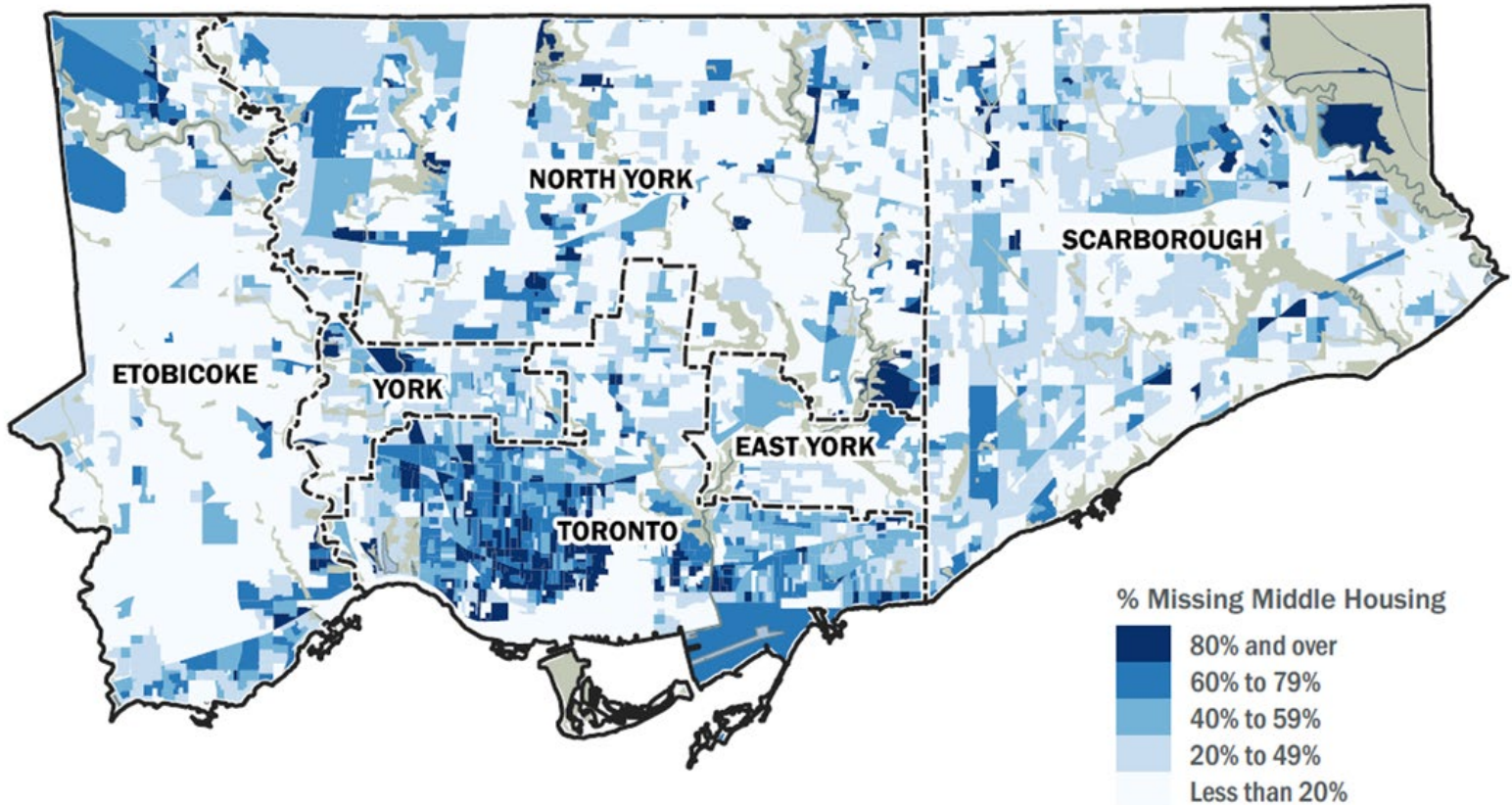
RENTAL HOUSING BREAKDOWN



SOURCE: STATISTICS CANADA

NATIONAL POST

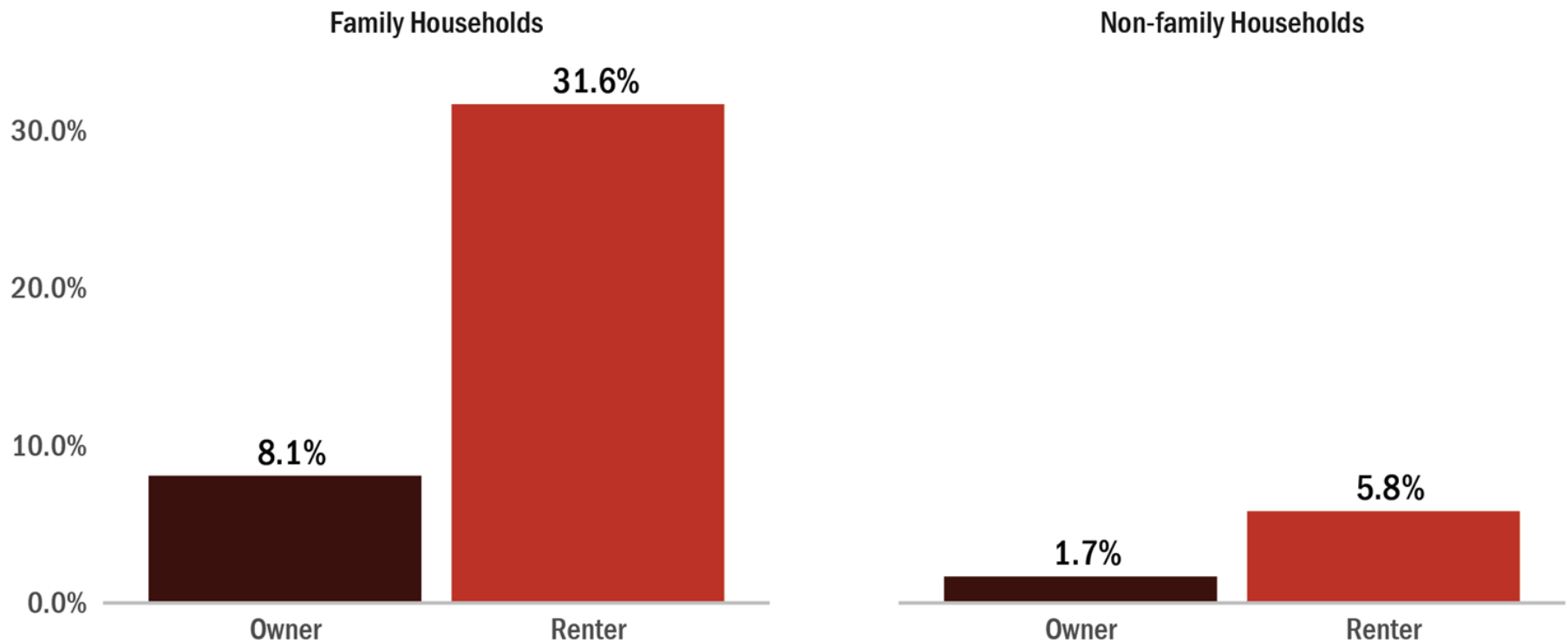
Figure 3. Presence of Missing Middle Housing and Land-Use Zoning for Residential Development in the City of Toronto





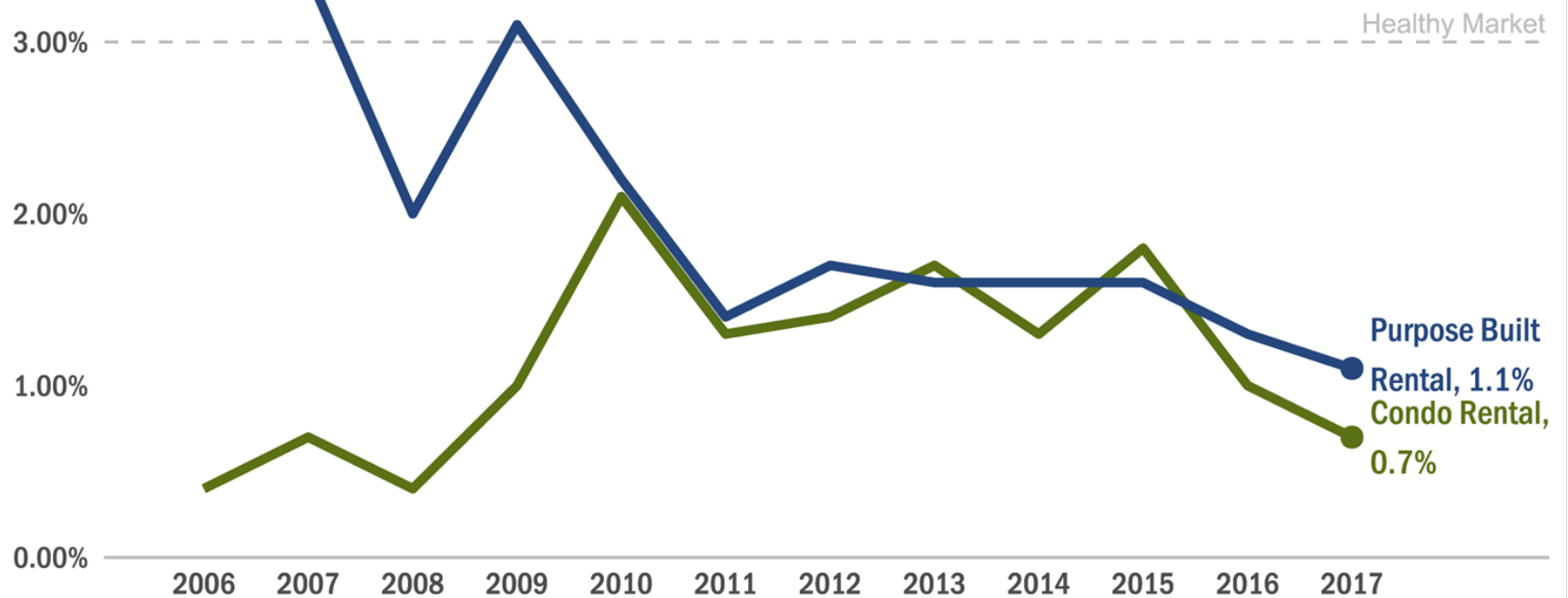
Why should you care?

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



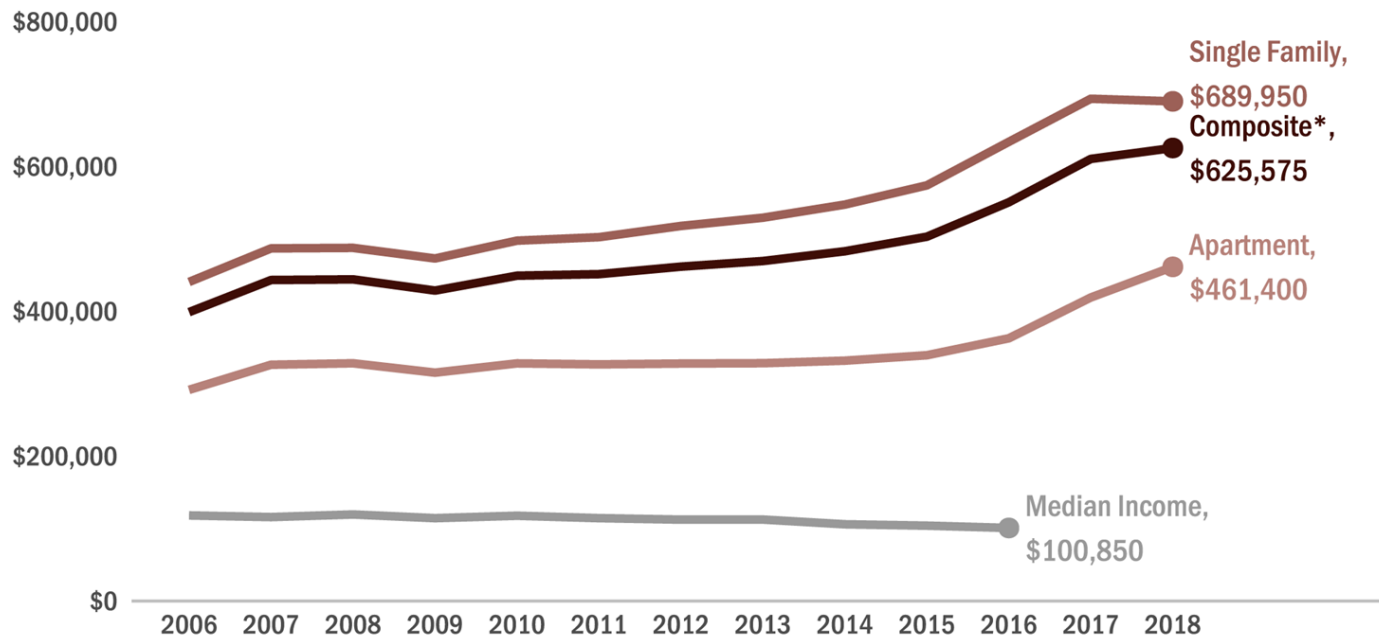
Source: Statistics Canada, 2016 Census of Canada

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

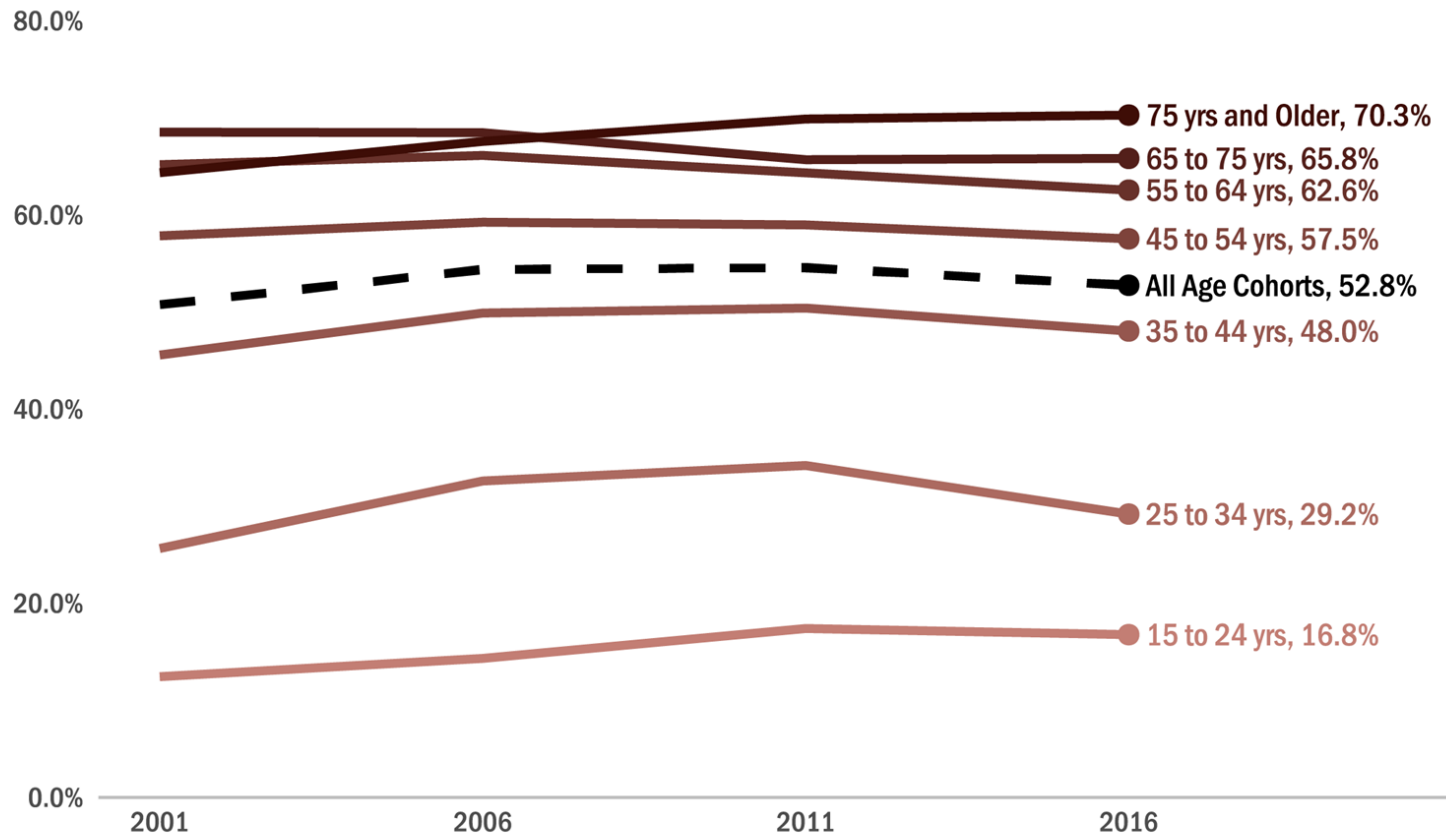


Source: MLS Home Price Index, 2006-2017; Canada Mortgage and Housing Corporation, Statistics Canada, Canadian Income Survey 2012-2015, Survey of Labour and Income Dynamics 2006-2011

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
Mgerman@evergreen.ca
Evergreen



The GTHA's Unbalanced Housing Stock:

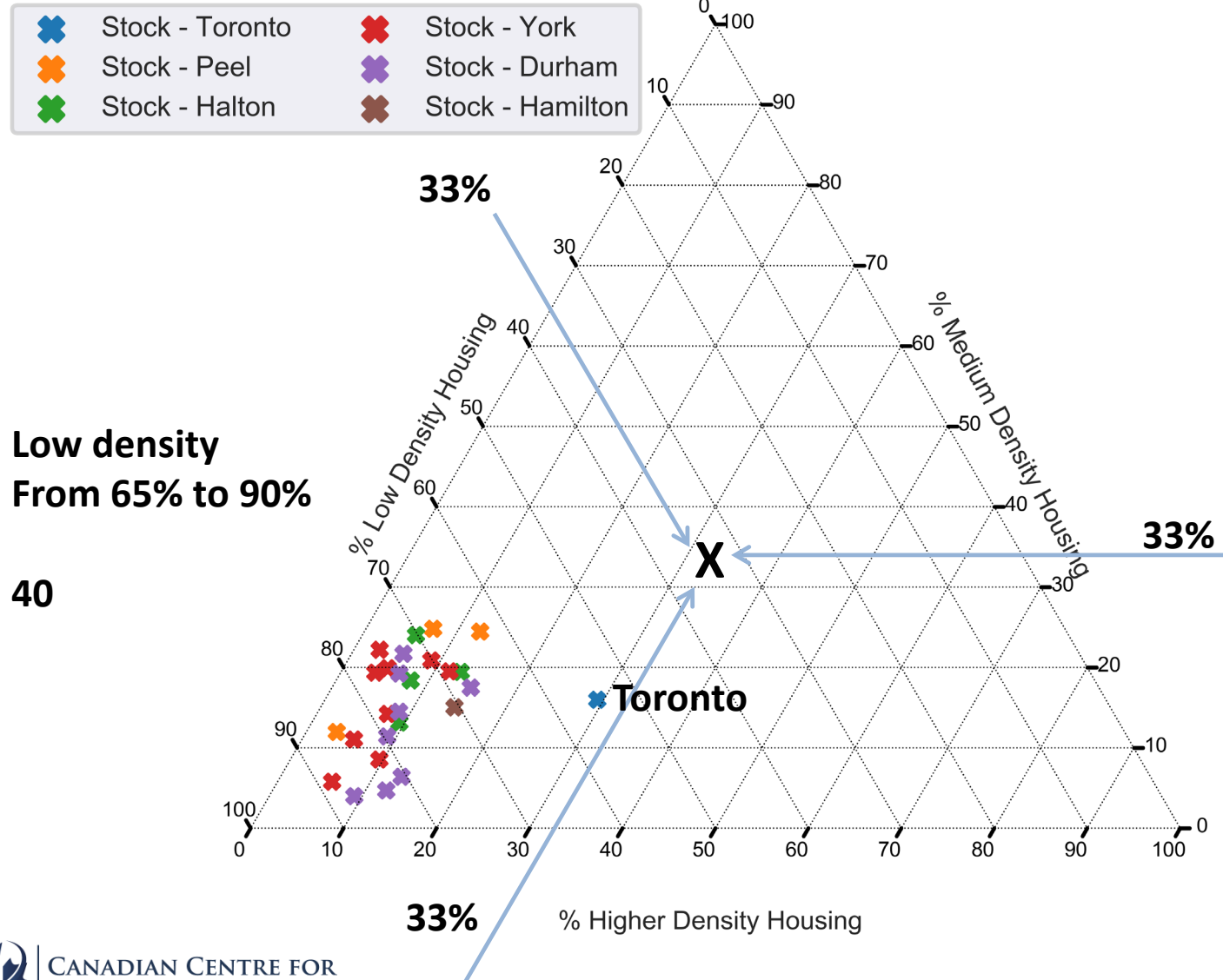
A Benchmarking Study

January 23rd, 2019
Presenter: Paul Smetanin

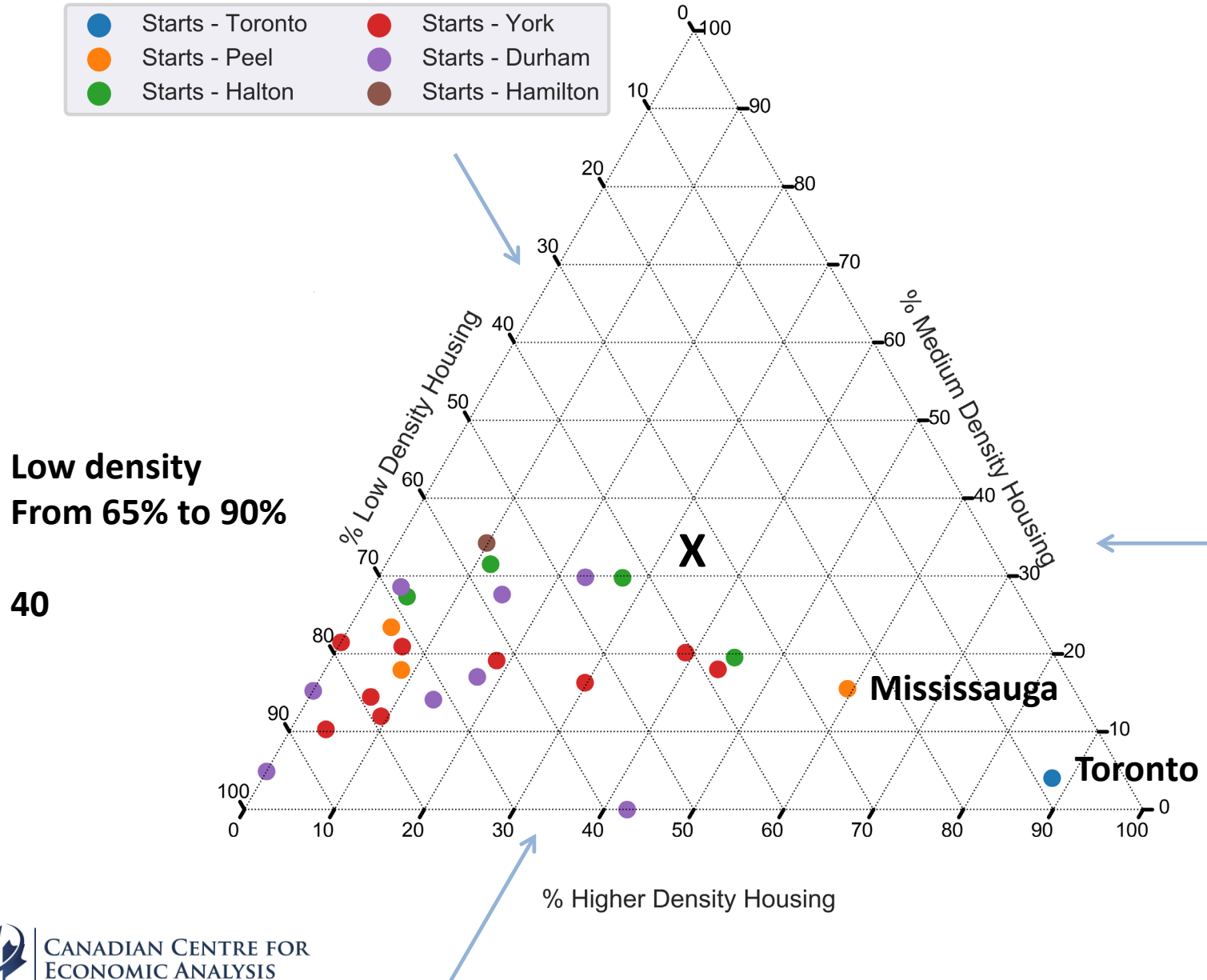
**CANADIAN CENTRE FOR
ECONOMIC ANALYSIS**

Current Housing Stock in the GTHA

Dwelling Mix of Census Subdivisions in the GTHA



Current Housing Trends in the GTHA



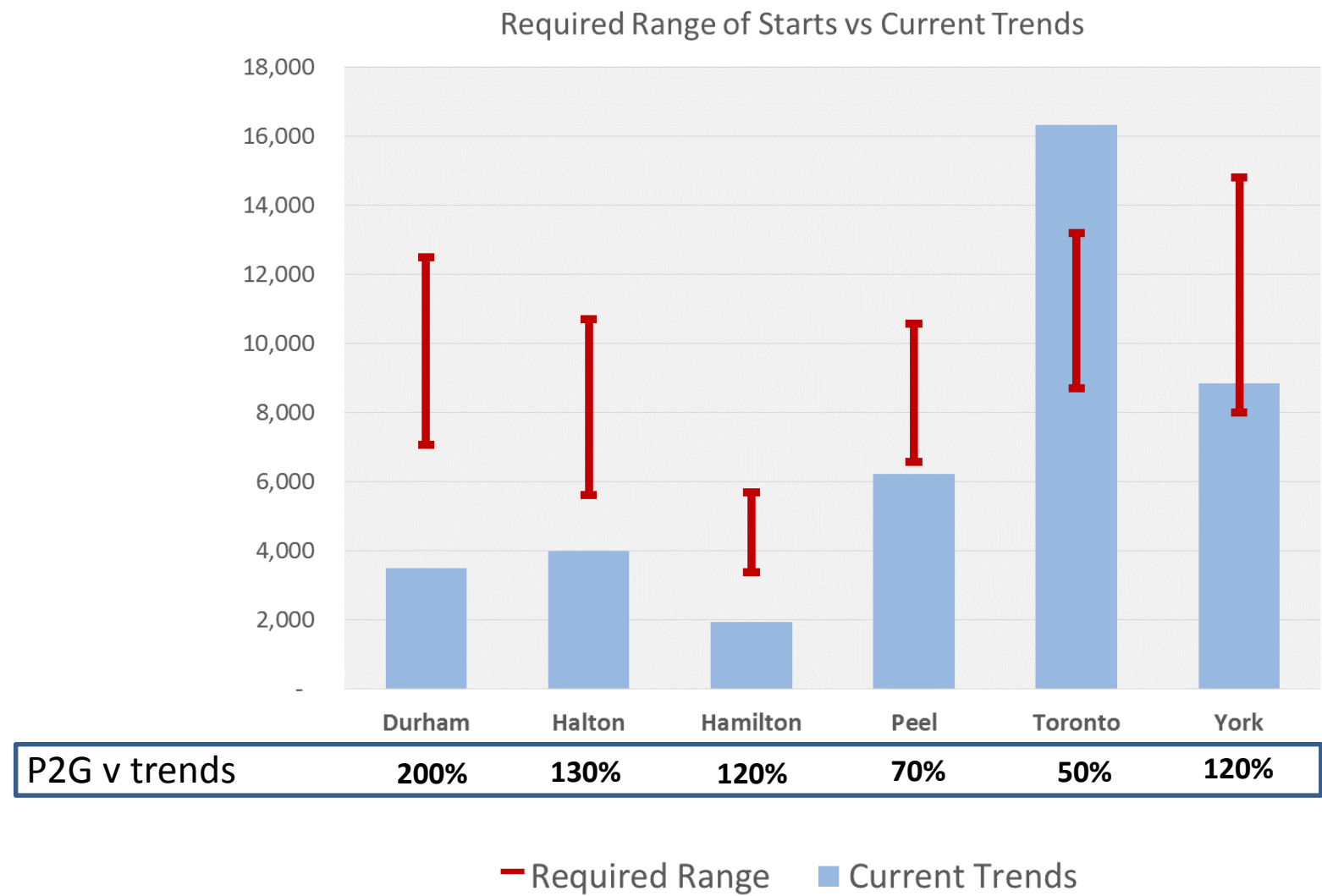
Current Housing Trends in the GTHA

- 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?**

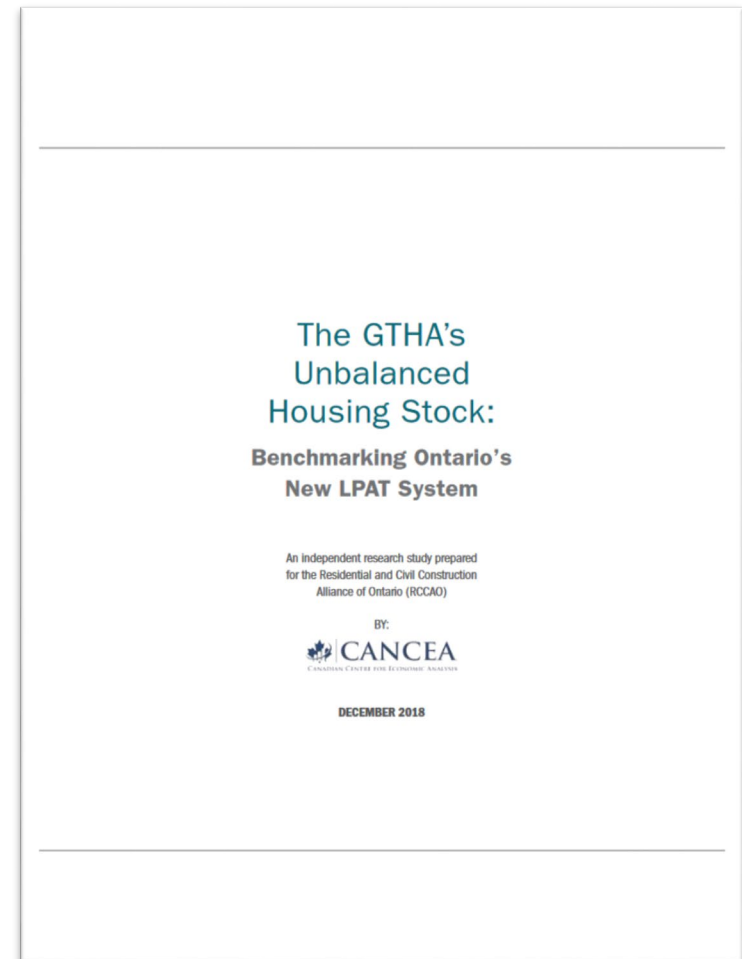
Places to Grow Targets



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



Available for download at www.rccao.com

Contact

**Centre for Urban Research and Land Development
Faculty of Community Services
Ryerson University
Toronto, ON**

T: 416-979-5000 ext. 3348

E: cur@ryerson.ca

www.ryerson.ca/cur