

## UPCOMING DATES

### FEBRUARY

- 26 Etobicoke York Community Council, 9:30 a.m.
- 27 Infrastructure & Environment Committee, 9:30 a.m.
- 28 Planning & Housing Committee, 9:30 a.m.
- 29 Executive Committee, 9:30 a.m.  
Design Review Panel, 12:45 p.m.

### MARCH

- 8 CreateTO, 1:30 p.m.
- 18 Preservation Board, 9:30 a.m.
- 20-22 Council, 9:30 a.m.
- 25 Board of Health, 9:30 a.m.
- 26 General Government Committee, 9:30 a.m.
- 27 Infrastructure & Environment Committee, 9:30 a.m.  
Design Review Panel, 12:45 p.m.
- 28 Economic & Community Development Committee, 9:30 a.m.  
Preservation Board, 9:30 a.m.

### APRIL

- 2 North York Community Council, 9:30 a.m.
- 3 Toronto & East York Community Council, 9:30 a.m.
- 4 Scarborough Community Council, 9:30 a.m.
- 5 Planning & Housing Committee, 9:30 a.m.
- 8 Etobicoke York Community Council, 9:30 a.m.
- 9 Executive Committee, 9:30 a.m.



■ STUDY CONSIDERS WIDENING HOUSING AFFORDABILITY GAP BETWEEN TORONTO AND OTTAWA CMAS

# LOOKING AT HOUSING THROUGH A DIFFERENT LENS



**Matt Durnan**

**A** recently published study from **Toronto Metropolitan University's** Centre for Urban Research argues that a widening housing affordability gap between the Toronto census metropolitan area (CMA) and the Ottawa CMA is likely due to fragmented municipal governance and land use planning policy across the Toronto CMA and the **Province of Ontario's** introduction of additional planning layers to municipalities in the Greater Golden Horseshoe over the past nearly 20 years.

The study examines a widening housing affordability gap between the province's two largest census metropolitan areas, Toronto and Ottawa, with Toronto becoming much less affordable than the nation's capital. However, one housing expert says that focusing on housing affordability for one class of housing—ground-

related—does not paint the full picture needed to compare and contrast housing affordability in the two CMAs.

Published February 6, the study "The Housing Affordability Benefits of Commutershed Land Use Planning: A Case Study of Ottawa and Toronto Metropolitan Areas" examines why housing has become far less affordable in Ontario's largest census metropolitan area, the Toronto census metropolitan area than in Ottawa since the mid-2000s.

Commutershed refers to contiguous areas within driving distance of a particular large city, in this case, Toronto and Ottawa. These areas comprise smaller municipalities surrounding and feeding into the large city.

The report points to the Province of Ontario's introduction of policy frameworks like the Growth Plan (2006) and the *Greenbelt*

*Act* (2005) to the land use planning regime of municipalities in the Greater Golden Horseshoe as factors responsible for discrepancies in housing affordability between the Toronto CMA and Ottawa CMA.

The size and scope of the two CMAs also factor into the widening affordability gap, according to the report, as the Toronto census metropolitan area encompasses not only the City of Toronto, but in addition, a massive area presided over by multiple tiers of government. This includes York Region and its lower-tier municipalities, King, Vaughan, Markham, Aurora, Newmarket, Richmond Hill, Whitchurch-Stouffville, East Gwillimbury, and Georgina), Durham Region and its lower-tier municipalities (Pickering, Ajax, Whitby, Oshawa, Clarington, Uxbridge,

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# LOOKING AT HOUSING

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Scugog, and Brock), as well as Peel Region and its lower-tier municipalities (Mississauga, Brampton and Caledon). The Toronto CMA also encompasses Oakville and Orangeville.

Conversely, the Ottawa census metropolitan area mainly consists of the City of Ottawa. The study's author, **Frank Clayton** states that the fragmented nature of the Toronto CMA compared to Ottawa's single dominant municipality has also played a role in the widening housing affordability gap between the two.

Prior to Toronto's amalgamation on January 1, 1998, the Municipality of Metro Toronto operated as a two-

tier government made up of the old City of Toronto and a number of towns (Scarborough, Etobicoke, North York, East York) that surrounded it.

"Municipality of Metro Toronto was unique because it created a two-tier government and for infrastructure costs like roads and sewer, the upper-tier municipality was responsible for all of those things. We had Scarborough, we had North York, we had Etobicoke back in the 50s, and they were all farmland. After the war [WWII], there was a huge surge of demand for housing, and

Metro Toronto did a great job of expanding its infrastructure to accommodate for housing," Clayton told *NRU*.

Since amalgamation however, the Toronto CMA has expanded immensely and with a population of 6.2 million people, it is the sixth-largest CMA in North America. Clayton states that a contributor to the slowdown in ground-related housing in the Toronto CMA, is that there is not enough readily-available data with respect to what he calls "short-term land inventory".

Short-term land refers to readily-available or serviced unbuilt land in registered subdivision plans, draft-approved subdivision plans and sites suitably zoned to facilitate residential intensification—in other words "shovel-ready"

sites.

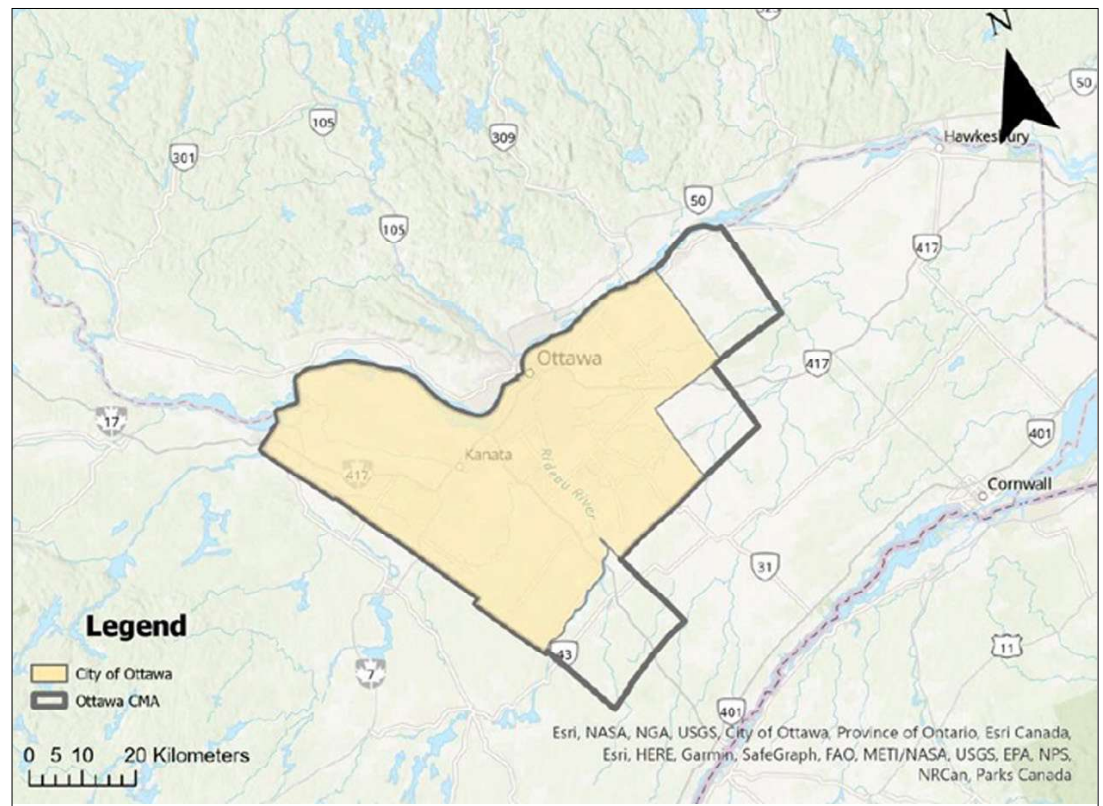
The **City of Ottawa** and its predecessor the **Region of Ottawa-Carleton** released annual surveys of greenfield land by planning status and housing type, tabulating that annual inventory from 2001 to 2021.

In the Toronto CMA however, the database of "short-term" land is tougher to get ahold of. Clayton says that only one survey of the Toronto CMA's short-term land inventory has been conducted since 2003. This was the 2023 survey conducted by the **Regional Planning Commissioners of Ontario** (RPCO) in 2023 (See: "*In Search of a Bigger Picture: RPCO Report Seeks Better Understanding of Multiple Pressures Affecting*

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Map showing the Ottawa census metropolitan area (CMA) (outlined in dark grey) and the City of Ottawa (shaded yellow). A recent study published by Toronto Metropolitan University's Centre for Urban Research argues that the relatively similar size of the Ottawa CMA and city have been a contributing factor in a growing housing affordability gap between Toronto CMA and Ottawa CMA. The study argues that Ottawa CMA has done a better job of keeping track of its inventory of "shovel-ready" land, thanks in part to more centralized governance structure than the more fragmented Toronto census metropolitan area, which includes in addition to the City of Toronto, Peel, York and Durham regional municipalities.

SOURCE: TORONTO METROPOLITAN UNIVERSITY



# LOOKING AT HOUSING

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*Housing Supply,” NRU GTHA, Wednesday, March 22, 2023).*

This lack of data, according to Clayton, plays a significant role in new housing production. Clayton says that while Ottawa CMA has done a great job tracking land inventory numbers, the Toronto CMA has not. In essence, if you don't know how much land you have available for ground-related housing and where that land is available, you're not going to be able to build on as much of it. Much of Clayton's research for the report focused on ground-related housing and its role in housing affordability.

“I call it relative growth between [Toronto and Ottawa]. I wrote out demographics.

I wrote out income. I wrote out employment and existing market performance. And then I looked at what's happening with housing starts,” Clayton told NRU.

“Ottawa has really gone big on ground-related housing. Even though they have a lot of apartments built, they do a lot of townhouses, which we don't do [in the Toronto census metropolitan area]. You'd expect us to be building a lot more townhouses because if people can't afford a single-detached home, they'll go for a townhouse,

but we build very few.”

Following the recession of the early 1990s, new housing starts of ground-related housing units picked up in both CMAs, peaking in the early 2000s, with the Toronto CMA ground-related housing starts generally outpacing Ottawa from 1995 to 2008.

However, housing starts for ground-related housing were more similar between the two CMAs from 2009 to 2021, with the Ottawa CMA surpassing the Toronto CMA in ground-related housing starts from 2020-2022, when adjusting for the size difference between the two CMAs.

Clayton asserts that the divergence in housing starts performance for single and semi-detached housing in the Ottawa CMA and the Toronto

CMA is somewhat surprising, given the similar demand for housing and existing market factors in each city.

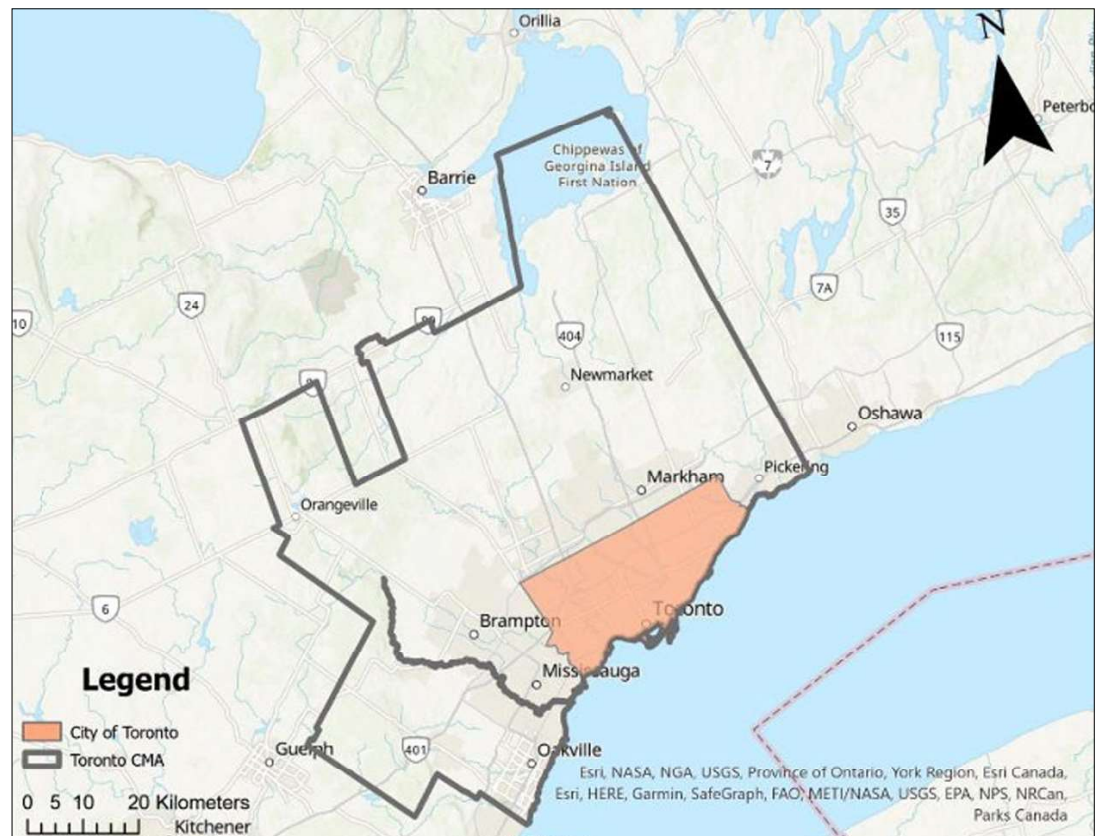
Clayton's study notes that from the late 1990s onward, townhouse starts in the Toronto CMA were mostly flat, while in the Ottawa CMA, since the mid-1990s, townhouse starts have been mostly increasing, with the differential between the two CMAs accelerating in 2016 and surging in the Ottawa CMA over the next five years (2017-2022).

Most new housing built on greenfield sites consists of ground-related housing types, while built-up areas are more likely to accommodate apartment buildings built through redevelopment or intensification. Short-term land

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Map showing the Ottawa census metropolitan area (CMA) (outlined in dark grey) and the City of Ottawa (shaded yellow). A recent study published by Toronto Metropolitan University's Centre for Urban Research argues that the relatively similar size of the Ottawa CMA and city have been a contributing factor in a growing housing affordability gap between Toronto CMA and Ottawa CMA. The study argues that Ottawa CMA has done a better job of keeping track of its inventory of “shovel-ready” land, thanks in part to more centralized governance structure than the more fragmented Toronto census metropolitan area, which includes in addition to the City of Toronto, Peel, York and Durham regional municipalities.

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# LOOKING AT HOUSING

■ CONTINUED FROM PAGE 4

inventory is mainly associated with greenfield sites.

“Land inventory is a very big component, you have to look at land inventory and your expected demand [for housing], and if you haven’t got enough land to meet the expected demand, you increase the land. When the demand comes, you have more land on the market,” Clayton said.

“We have very little information [on short-term land in Toronto CMA], it’s not nearly as comprehensive as Ottawa,” Clayton said.

While the focus of Clayton’s research is centred on ground-related housing, he believes that there does need to be a balance between building housing on both greenfield sites and in built-up areas. However, the crux of his argument is that provincial policies introduced over the last 20 year for cities in the Greater Golden Horseshoe are steering development away from ground-related housing on greenfields, and that this is a significant contributor to the widening affordability gap between the Toronto and Ottawa CMAs.

“I looked at Ottawa’s official plan and they’re planning 50 per cent of their new housing to be in built-up areas, so they’re meeting what the Growth Plan is requiring

municipalities to do. But they’re also building and developing on greenfield land, and it’s not just for single-detached, it’s a mixture of townhouses, stacked townhouses, a few singles, low-rise apartments. It’s not just a mass of single-detached houses. They are building much higher density, and that’s what we want to do [in Toronto CMA],” Clayton said.

“Toronto [CMA] I don’t think will never become affordable unless they make some structural changes. Unless you have statistics to measure things, you can’t get rid of the problem. In Toronto, we’re stuck, where many decision makers—the planners and politicians—think that anything less than an apartment is no good. We’re trying to get missing middle housing and you’re getting that in the suburbs—that’s where you’re building townhouses, in the GTA. But the City of Toronto is actually losing missing middle housing as low-rise apartments are converted or torn down and replaced with high-rise apartments.”

**University of Ottawa** adjunct professor in the department of geography, environment and geomatics **Carolyn Whitzman** told *NRU* that the metrics used by Clayton may not be telling the entire story when it comes to housing

affordability.

“[Clayton] is focusing on single-family homes. He’s saying that in Toronto, there have been fewer single-family homes—including townhomes—built and the price has gone up; in Ottawa, there have been more single-family homes built and the price has gone up less, ergo, Ottawa must be doing something right and Toronto must be doing something wrong,” Whitzman told *NRU*.

“This sort of area of analysis, the way that some housing economists have of looking at the housing market says that the only housing that really matters is single-family housing and the only reason that matters is regulation. In that kind of world, Houston is the best city in the world and New York is the worst city in the world, because if you have people living in apartments that’s not right.”

Whitzman argues that looking at housing affordability through a very specific lens doesn’t paint the entire picture, especially when looking at a housing type that the vast majority of the population simply cannot afford.

“This report says that single-family homes have become more affordable in Ottawa compared to Toronto, but you know, only 10 per cent of households [in the two CMAs] the top 10 per cent in terms of income, can afford to buy a new single-family home,” Whitzman said.

“So why are we talking about this very small stratum of society? If you want to have a serious discussion

about affordability and about regulation and compare Ottawa and Toronto, I’m all for it, but this isn’t it.”

Still, Clayton’s research argues that the Province’s imposition of additional planner layers in the Toronto CMA and not in metropolitan Ottawa have played a role in the widening affordability gap between the two when it comes to single-family housing. Clayton maintains that planning policies like the Growth Plan and the *Greenbelt Act* have given municipal planners in the Greater Golden Horseshoe the ability to build what they want to, but not the ability to build what people are seeking, which, according to Clayton, is ground-related housing.

“We’re doing this very gingerly, with what I call ‘gradual density’ and you’ll never resolve the affordability problem that way,” Clayton said.

“The whole thing is, if you want to improve housing affordability, you’ve got to supply the housing type that people really want and have enough number [of that housing type]. Then you’ll have the competition in the marketplace and prices stabilize. Right now, we’re moreso telling people what they want and what they need.”

To read the full report “The Housing Affordability Benefits of Commutershed Land Use Planning: A Case Study of Ottawa and Toronto Metropolitan Areas” please visit the Toronto Metropolitan University Centre for Urban Research and Land Development website [here](#). 🌍