

PIPE DREAMS?

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A recent study from **Toronto Metropolitan University's** (TMU's) Centre for Urban Research & Land Development (CUR) suggests that it is the severe shortage of shovel-ready land for ground-related housing in the Greater Golden Horseshoe (GGH) that could prove to be a significant stumbling block when it comes to improving housing affordability in the Horseshoe. And the study identifies this, not lack of land supply as a whole, as one of the most significant barriers to timely and appropriate housing development in urban areas of the province.

A report prepared by TMU senior research fellow **Frank Clayton** and CUR director **David Amborski** released May 25 analyzes the findings of two recent land needs assessment reports, one by registered professional planner **Kevin Eby** published in February 2023 and one by the **Regional Planning Commissioners of Ontario** (RPCO), released in March 2023.

Eby's report, "Review of Existing Housing Unit Capacity Identified in Municipal Land Needs Assessments Prepared for Upper and Single-Tier Municipalities in the Greater Golden Horseshoe" analyzes

the existing capacity for developing new housing in built-up areas, in designated greenfield areas and in rural areas at the time the land needs assessments were completed by GGH municipalities.

The RPCO report analyzes existing approvals in the municipal development pipeline, noting that there are more than 1.25 million housing units approved and proposed to be built in Ontario (housing projects already reviewed and approved within municipal development pipelines). The report notes that this accounts for roughly 85 per cent of the Province of Ontario's goal of building 1.5 million new homes by 2031 (See: "*In Search of a Bigger Picture*", *Novae Res Urbis GTHA*, March 22, 2023). It concludes that the existing supply of approved and proposed residential development land in the development approval process for housing in Ontario could well exceed the Province's target of 1.5 million homes if all of the units that are currently in the development pipeline, according to RPCO's numbers, come to fruition.

The Clayton and Amborski report examines the findings of the two reports that suggest the GGH has more than enough

land to accommodate its share of the Province's 1.5 million new homes target by 2031, and states that the conclusions of the two reports are inconsistent with CUR's research. CUR's research shows that a shortage of approved and serviced development sites (shovel-ready) significantly contributes to the housing shortage and rising home prices we are experiencing right now in Ontario.

Clayton asserts that a large proportion of housing seekers in the GGH population wishes to live in a single-detached home at some point in their lives, but that with current market prices for single-detached homes being so high, that is an unattainable goal for many first-time home buyers.

As a result, these homebuyers move down the line to 'next best' to consider buying a semi-detached, a townhouse, or an apartment unit in a low-rise building, increasing the demand for

these types of ground-related dwellings. And as demand for these housing types increases, so too do the prices for them.

"That's the kind of progression; you can't go from not having single-detached houses to having 40-storey buildings with one and two bedrooms. You have to look at that transitional thing and what people want. We have to get more of that missing middle housing," Clayton told *NRU*.

"Stacked townhouses, low-rise apartments, things that are closer to the ground—we have to get more of that in both in built-up areas and the greenfield lands. If you go to Oakville, what they're building on greenfield is not single-detached houses. There's some single-detached, but they're building townhouses, stacked townhouses, garden apartments. It's a real mix of densities, so that's the alternative to a single-detached

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house—not a high-rise apartment.”

While the two reports analyzed by Clayton and Amborski conclude that the municipalities in the GGH have more than enough land capacity to meet and exceed the Province’s housing targets within built-up areas and on already designated greenfields, the TMU researchers point out that neither report actually addresses the status of land supply that is critical for constructing new housing—and that is the number of sites with appropriate zoning and servicing in place (shovel-ready development land).

“The zoning must be such that builders find it financially attractive to build and the servicing (trunk sewer and water infrastructure) readily available,” Clayton writes in the report.

According to the CUR report, there is a severe shortage of shovel-ready land for ground-related housing, and the current inventory for shovel-ready land for ground-related housing is 4,817 net hectares short of satisfying the Provincial Policy Statement’s minimum inventory requirement.

Eby explains that while the CUR report does present some important figures, he believes that its findings shouldn’t necessarily be viewed in contrast to the findings of

his report or that of the RPCO report, but rather as indicating a different subset of numbers.

“When you get to CUR’s numbers, you’ve got to realize they’re talking about four years’ worth. They’re talking about shovel-ready ... that really only takes us to the end of 2026. I agree we need to ‘up our game’ in approving and moving things through the approvals process,” Eby told *NRU*.

“But the other thing we have to do is, when you talk about servicing to sites, there is so much of it that is under the control of the development industry. And so, they have to ‘up their game’ as well in this. I think the message is that we don’t need [new] land, number one, that’s clear. And nowhere in their report that I’ve seen do they say my numbers are incorrect, or that the RPCO numbers are incorrect. They are measuring a different thing, but what we’re measuring is still a legitimate part of the planning process. Do we have enough land? Yes we do. Do we have enough applications in the process? We could always use a few more if we’re really going to get to 1.5 million homes. Do we have enough land that is shovel-ready, where developers can just go? What their study says is ‘No, we don’t.’”

According to the CUR report, the land supply of shovel-ready land for ground-

related housing (single and semi-detached houses and townhouses) in the Greater Golden Horseshoe is at just 1.9 years – or, there is only enough shovel-ready land for ground-related housing to provide 1.9 years’ supply of the demand for this housing type, well short of the required three-year supply of shovel ready land outlined in the Provincial Policy Statement (PPS).

The Provincial Policy Statement requires that municipalities maintain an inventory of land with servicing capacity for a three-year supply of residential units.

Conversely, the supply of shovel-ready sites for developing apartment buildings exceeds the minimum PPS requirement, and 60 per cent of the shovel-ready land in the GGH is zoned for apartments, while 40 per cent is zoned for ground-related housing such as single-detached, semi-detached and townhouse dwellings.

“The Province has been telling municipalities since 1995 that they have to have a minimum of a three-year supply of land ready to go at all times, which really means four years if you monitor once a year,” Clayton said.

“We have this mismatch between what people want and what the planners are planning, and that just simply means that you’re going to get more dispersal of the population and prices are going to stay very high. I’m just hoping that the Province will start monitoring

what municipalities are doing, and that they’re keeping with that the three year minimum [land supply] at all times.

“We’ve been documenting this land supply shortage going back two years now, and we get these policy reports that come out and say ‘There’s no problem with land [supply] and we have all kinds of land,’ but the problem is it’s not serviced and it’s not zoned right.”

The full CUR report “Expanding Housing Supply and Improving Housing Affordability in the GGH Are Pipedreams Without an Ample Inventory of Shovel-Ready Sites” can be read online [here](#).

