



A Strategy for Significantly Increasing the Supply of “Missing Middle” Housing in the City of Toronto

**Highlights of a Study Conducted by The Centre for Urban Research and Land
Development, Ryerson University**

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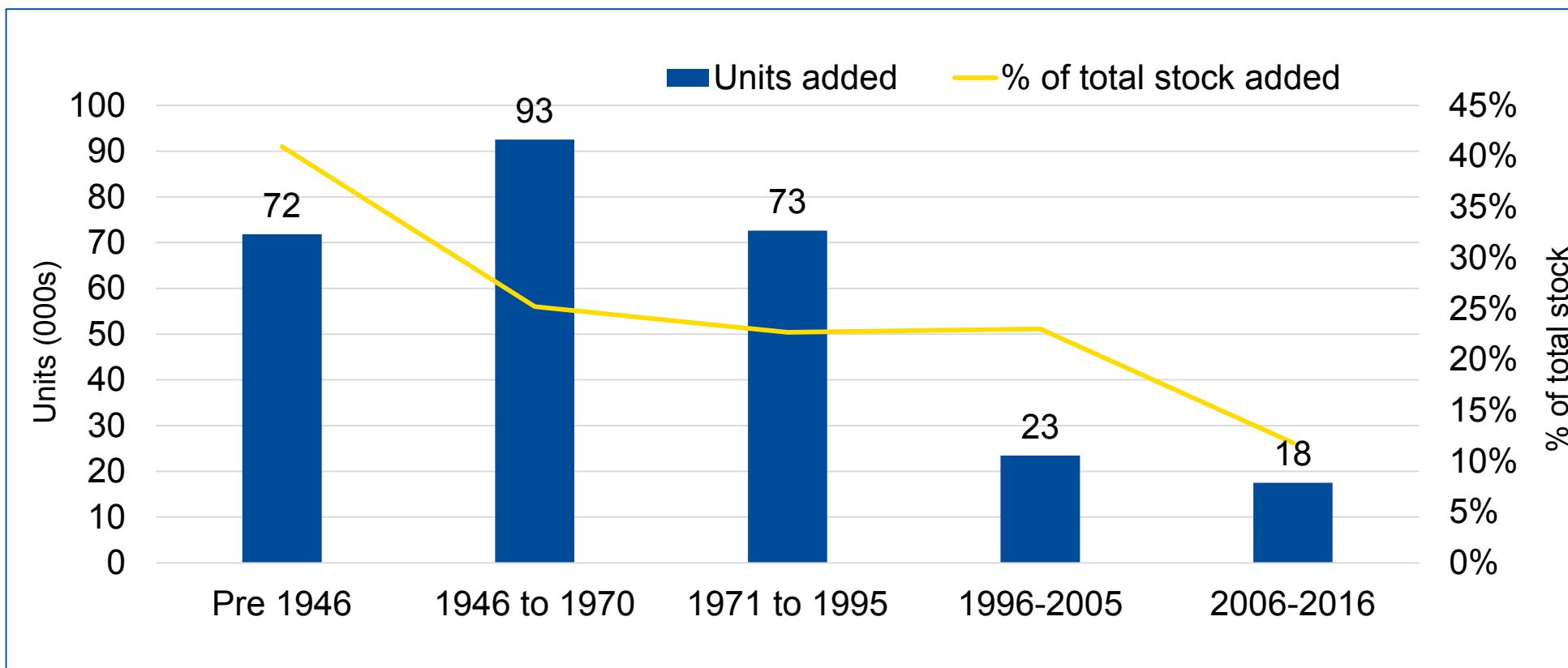
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What Is Missing Middle?

- All housing unit types, regardless of tenure, falling between singles/semis and mid/high-rise apartments (5 or more storeys)
- Townhouses
- Duplexes
- Low-rise apartments:
 - Triplexes and quadraplexes
 - Stacked townhouses
 - Garden/walk-up apartments (4 storeys or less)

Unlike in the Past, Toronto Not Building Much Missing Middle Housing



There Is Latent Demand for New Missing Middle Housing

- Strong underlying preference for ground-related homes in Toronto, including millennials
- Exceptional growth in the city's employment base adding to demand pressures
- Affordability challenges preventing many from achieving their dream house, even with long commutes
- Lack of affordable housing options other than high-rise apartments

Why Aren't We Building a lot More Missing Middle Housing

- The political challenge – overcoming NIMBYism
- Missing middle housing is restricted/disincentivized by the Official Plan/Zoning By-Laws
- Under current land use planning regime:
 - The amount of land open for development is restricted
 - The regulatory process slows the supply response to demand
 - Policies favour growth in high-density pockets of the city
 - Missing middle housing restricted in most of the city (“stable” neighbourhoods)

Strategy #1: Incentivize Second Suites in Existing Houses

- Quickest and most cost-effective way to create large numbers of missing middle units

	Total Cost Per Unit	Monthly Rent Per Unit
New Rental Apartment Suites		
High-end Downtown	\$425,680	\$2,025
Median Central (Not Downtown)	\$345,746	\$1,675
Basic Fringe	\$242,623	\$1,575
Non-Profit (No Return)	\$229,000-\$266,000	\$1,250-\$1,325
Secondary Suites in Existing Dwellings		
Secondary Suites	\$55,000	\$1,000

Strategy #2: Start to Densify the Stable Neighbourhoods

- Start with duplexes and triplexes (like Minneapolis)
- Introduce Density Transition Zones (Blair Scorgie/Sean Hertel)
 - DTZs would extend from middle of Avenues/major streets to a specific distance (100-200 metres into edge of adjacent “stable” neighbourhoods)
 - Allow low-rise apartment buildings in DTZs

Strategy #3: Create More Missing Middle Communities on Lower-Priority Employment / Industrial Lands

- Follow the precedents of Warden Woods and the former stockyards lands
- Can't believe all 8,000+ ha (20,000+ acres) of employment lands all higher priority than producing more affordable housing
- The pronounced shift from industrial to office jobs creates opportunities for more Warden Woods

Final Words and a Challenge

- Little, if any, evidence that densifying so-called “stable” neighbourhoods will cause price depreciation of existing houses
- Desirable “missing middle” neighbourhoods: Trinity Bellwoods, Roncesvalles, the Beach, Riverdale (Leslieville)
- Given this is a big NIMBYism concern let’s carry out empirical studies of price impacts
- Like we used to do for impacts of social housing on neighbourhood house prices
- My hypothesis: allowing missing middle housing in singles/semis neighbourhoods more likely to increase than decrease house prices