



# Reframing Where and How We Live: Tackling housing affordability

## THE FOCUS

The housing affordability crisis threatens our quality of life. As the region's rental vacancy rates hit new lows and the cost of housing rises, increasing residential density can help house a growing urban population. **How might we create the conditions to broaden housing options, including increasing density within existing neighbourhoods, more evenly across our cities?**

## WHAT WE KNOW

Sources: Ontario Ministry of Finance; Residential and Civil Construction Alliance of Ontario; Canadian Centre for Economic Analysis and Canadian Urban Institute; Ryerson City Building Institute and Evergreen; Housing Services Corporation.

**Demand for housing in the Greater Toronto and Hamilton Area (GTHA) is high across all housing types – including owner-occupied, rentals, supportive and transitional housing, and emergency shelters – due to a combination of demographic pressures and household preferences. Existing and projected housing supply is not keeping up with demand.**

- By 2041, the population of the GTHA is expected to reach nearly 10 million people. Housing this population will require about 7,200 new dwellings to be built each year.
- Since 1980, only 18,000 purpose-built rental housing units were constructed in Toronto, compared to 175,000 units between 1960 and 1979. As a result, rental vacancy rates are at historic lows. While a healthy vacancy rate is considered to be 3% at minimum, Toronto's rate routinely dips to around 1%.
- Much of the existing social housing stock in the GTHA and across Ontario requires significant capital investment for repairs and upgrades.
- More than one-third of Indigenous people in Toronto reported being precariously housed or experiencing homelessness. Indigenous residents report experiencing housing discrimination, especially in rental markets where vacancy rates are low and housing demand is high.

## WHY IT MATTERS

Sources: Ryerson City Building Institute and Evergreen; Canadian Centre for Economic Analysis; Toronto Region Board of Trade; Laher & Aery; Our Health Counts Toronto.

**We risk losing our region's talent, diversity, quality of life, and growth momentum.**

- Home prices in the GTA increased by 133% between 2001-2014, while household incomes grew only by 36%.
- Rent in Toronto condo units surged by 30% between 2006 and 2018, while the median renter income actually declined by 1% between 2006 and 2016.
- About 42% of young professionals are considering leaving the region because of the high cost of housing.
- Tight rental markets tend to worsen housing discrimination, preventing people who receive social assistance, are racialized, live with mental illness, and/or have small children from accessing housing.

### Rental Market Statistics, Greater Toronto Area

Source: CMHC Rental Market Survey



# MYTHS

Sources: Clayton & Amborski; Residential and Civil Construction Alliance of Ontario; IPSOS, BILD & TREB.

## “Rising prices are only a City of Toronto problem.”

**The housing market disregards municipal boundaries, and tackling the housing crisis requires a regional lens.**

- Between 2005–2017, the price of a single-detached home increased 126% in Durham, 136% in Peel, 152% in Toronto, 154% in Halton, and 181% in the York Region.

## “We just need to build more.”

**We certainly need to build more, but it matters what we build, and where.**

- Only 15% of GTHA households live in medium-density housing such as townhouses, laneway suites, walk-up apartments, and low- to mid-rise buildings.
- Even though 88% of Torontonians support building more homes to ease prices, many don't want them in their backyards. 37% of GTA residents don't want a new townhouse within a half kilometer of their home. This number rises to 52% for mid-rise condo buildings and 59% for high-rise condos.



# WHAT IS BEING DONE

## Options for Homes

Options is Canada's largest developer working exclusively on making home ownership more affordable. Options develops high quality condos with building partner Deltera (of the Tridel Group of Companies). They keep traditional marketing and sales costs low so that they can pass along the savings to their homeowners through lower prices and down payment support.

## Mixer Mortgages

Vancity, a Vancouver-based credit union, offers a “mixer mortgage” that allows first-time homebuyers to share the cost of buying a home with one or more friends, roommates, co-workers, or family members. In addition to increasing first-time buyers' purchasing power, it could provide options for increasing residential density in neighbourhoods and help sellers downsize out of houses that are too large for them.

## FirstHome

FirstHome, an affordable housing initiative by Toronto-based developer Daniels, offers buyers of midrise condos and townhomes special programs to help make homeownership more attainable. In addition to pricing 30 percent of the units at affordable ownership levels, FirstHome offers a 5% gradual deposit payment plan that enables buyers to make monthly deposit payments until they reach 5% of their purchase price before they move into their new home.

## GLOSSARY

### Affordable housing:

The Canadian federal government defines housing as affordable when it costs less than 30% of a household's before-tax income.

The Canadian Mortgage and Housing Corporation further defines “affordable” housing by including the factors of suitability and adequacy. Suitability has to do with whether the home has enough bedrooms for the size and makeup of the household. Adequacy refers to the state of repair of the home. Affordable housing is that which is suitable, adequate, and costs less than 30% of a household's total income.

### The Missing Middle:

A term coined by Daniel Parolek, an American architect, to refer to housing types such as townhouses, multiplexes, apartments under five stories, laneway suites, and residential/commercial blend buildings.

### Yellow Belt:

Refers to the 60% of residential land in Toronto where zoning rules restrict house height and density, resulting in mostly single-family detached houses.

