

NEWHOMES

Townhomes play a vital role



MARTIN SLOFSTRA
EDITOR'S
NOTE

In my recent visits to new home sites in Toronto and area, the vast majority seem to be either exclusively townhouse or partial townhouse developments. Having said that, I was surprised to find out they are still a relatively small part of the market.

In the GTA, new townhome sales have actually slowed in the past two years — both in absolute terms and as a percentage of total new home sales — at just 7% of all units in the first half of 2018, according to new research supplied by the Altus Group.

It's also surprising given that townhomes fill such a need — helping with the density issues facing most municipalities and as an affordable solution for first-time buyers.

But Matthew Boukall, vice-president, data solutions for the Altus Group believes that short-term findings aside, the segment will grow. "As millennials couple up and have kids, the next move will be to a townhome," he says.

Boukall advises looking at historical trends. Back in the 1950s, very few townhomes were built in Canada,



Ironwood is a 125-unit townhome development in North Oshawa with amenity space designed for virtually every home buyer's need.

accounting for only 1 in every 100 new housing starts.

Since that time, there has been a gradual increase to the current 7%, and expect that number only to increase given current trends.

Of particular note are "stacked townhomes," (as the name implies, one row of townhomes is stacked on top of another to create a three-storey or four-storey structure). So far, only a relatively small part of the townhome market is stacked (one in five townhome sales) but expect that to also change soon.

Stacked townhomes may offer even more appeal, offering twice the density of a regular townhome, plus major price advantages. Altus Group numbers puts the average price of a new townhome in Toronto at \$939,000 while stacked townhomes come in at \$671,000, which when you

analyze it, is even less than the average Toronto condo unit. (A bit of an apples and oranges comparison, I realize, most condos are situated downtown while townhomes are located outside the core, but still....)

And numbers tell only part of the story. Many stacked townhomes projects include neat features such as rooftop terraces and shared amenity spaces.

One project called Ironwood in North Oshawa is a 125-unit development offering a tobaggan park, community garden, dog walk, ice-rink, playground and yoga clearing area.

Put it all together and you can't help but think townhomes will take a more prominent place alongside high rise condos and the traditional fully detached, single family home.

What keeps trades workers happy? We want to know



RICHARD LYALL
RESCON

The construction trades are facing an uncertain future as almost 90,000 Ontario workers are heading towards retirement in the next 10 years, according to Build-Force Canada.

That stat has sparked our curiosity to find out how to keep workers in their jobs and attract youth to fill new job openings. It is imperative that the industry has an in-depth understanding of barriers to a career in the trades. But first, we must debunk the myth that young people are not interested in these high-paying, skilled careers.

So, a group including RESCON created a unique job satisfaction survey.

We want to hear from: the workers who frame your house, hang drywall or install flooring among other duties in residential construction; in infrastructure, the workers who build bridges and roads, operate heavy machinery and more.

"We're thinking about the

future," said Andrew Pariser, chair of the Ontario Residential Council of Construction Associations (ORCCA) and RESCON vice-president. "We've seen labour shortages on and off in different trades for more than a decade. We must prepare for how this will affect all construction sectors."

"Our goal is to better understand how we can retain current workers, recruit new workers and build a labour force to match tomorrow's needs. If we recruit the right people and provide them with the right opportunities, we can greatly improve all training and apprenticeship initiatives."

We also have received broad industry support from the Residential and Civil Construction Alliance of Ontario; the Greater Toronto Sewer and Watermain Contractors Association; the Ontario Skilled Trade Alliance; the Heavy Construction Association of Toronto; Toronto and Area Road Builders Association; and, the Ontario Construction Career Alliance. They're helping promote the academically based survey to their members.

It is being carried out by Job

Talks, an organization with a strong track record in academia and construction. Their recent projects include a national survey of workers in Red Seal trades and a complementary interview series on YouTube, as well as a national study that reveals new distinct segments of Canada's working population.

"It takes 20 minutes and is open to any person who works on tools or owns a pair of safety boots in infrastructure and residential trades in Ontario," said Jon Callegher of Job Talks. It has multiple choice and open-ended questions that "help us understand how construction workers really feel about their jobs and to gauge their happiness on the job."

The results will inform a report on retention and job satisfaction. Take the survey here: <http://f.canview.com/6036/>. Everyone who fills out the survey will receive a \$10 Tim Hortons e-card and be eligible for one of six \$500 prizes. Need more? Email dibe@rescon.com.

— **Richard Lyall, president of RESCON, has represented the building industry in Ontario since 1991.**

On November 1, the cost of a new single family home in Toronto went up by \$20,000



DAVE WILKES
BILD

I'm sure that as you sip on your Saturday morning coffee and flip through the pages of the Homes and Décor section, looking at new home ads, you probably had no idea that on November 1, the City of Toronto increased development charges by \$20,000 on a new single family home.

Development charges in the City of Toronto increased

from \$41,251 from May 1, 2018 to \$60,739 on November 1, 2018 for a single family home. That number will increase to \$71,432 on November 1, 2019 and then to \$80,227 on November 1, 2020, adding \$38,976 to the cost of a new home in just three years.

So, what are development charges? They are a tax imposed by local municipalities on new homebuyers, as well as GO Transit and education boards.

They contribute to the capital costs of municipal services such as roads, water services, sewers, parks and recreation and emer-

gency services. The building and land development industry supports the need for new home buyers to pay their fair share of these costs.

New home buyers pay their fair share for infrastructure and services, but municipalities like the City of Toronto are loading excessive costs on to new development.

The bottom line is that these costs price new home buyers out of the market. Development charges have increased exponentially and it has shifted the burden of paying for critical infrastructure onto the newest

residents and businesses moving into a neighbourhood.

This past May, BILD commissioned a study by the Altus Group that calculated all government fees and charges on a new single family home in six municipalities across the GTA, including the City of Toronto.

The study found that on average, all government fees, taxes and charges amounted for 22 per cent of the cost of a new home. The biggest contributor was development charges accounted for 30 per cent of all charges.

Since 2004, development charges have increased

between 236 and 878 per cent across the GTA. Once the City of Toronto finishes the phase-in of its latest round of increases in 2020, the increase over 2004 levels will be a whopping 1,700 per cent.

To provide a comparison over that same time frame, the Consumer Price Index (CPI — Inflation) rose by 22 per cent and the average new house price in Toronto increased by 143 per cent.

Development charges are increasing 10 to 40 times faster than inflation over the same period. Existing City of

Toronto home owners faced a property tax increase of 30 per cent per household during that same period.

When we talk about affordability of new housing, we must ensure that development charges do not become a barrier to new home ownership.

— **Dave Wilkes is President and CEO of the Building Industry and Land Development Association (BILD). For the latest industry news and new home data, follow BILD on Twitter, @bildgta, or visit www.bildgta.ca.**