



Wrong types of housing being built: report

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Article

A recently released report by the Canadian Centre for Economic Analysis (CANCEA) sheds light on the GTA's paucity of affordable housing, and while there's no quick fix, it would help if more townhomes and shared dwellings were built. Currently, about 45% of GTHA households live in detached homes and 35% live in apartment buildings. This leaves only 20% living in what is often called the "missing middle" — types of housing such as semi-detached, row homes, townhomes, multiplexes and courtyard apartments, says the report called *Understanding the Forces Driving the Shelter Affordability Issue*. The idea is to not just build more housing, but build appropriately sized housing, and then getting people to move into it, says the report. The problem, however, is that this type of housing is not allowed to be built in most places. "The Places to Grow Act is pushing density targets onto different municipalities, but it is not telling them how to do it. So, the preference is to meet density through high-rises as opposed to relooking at single-detached dwellings and whether they're getting the right kind of land productivity out of those spaces," says Paul Smetanin, president of CANCEA. "Single-detached is the least productive use of land," added Smetanin. Yet the new home market has been mostly "responding to demand from wealthier households offering large, ground related homes in car-dependent neighbourhoods on the low density urban fringe." On the other hand, while more condos are being built, "people typically don't want to live in mid-rises or high-rises, they'd

rather move to a duplex or nice townhouse. This is why a new type of housing stock is needed.” Another solution is to build more rentals, and among the report’s recommendations is to fill the need for more so-called purpose-built rental units, especially in downtown Toronto. “The rent-to-price ratio in Toronto is lower than every major North American city (except Vancouver and Ottawa) and is much closer to other world class cities suggesting that renting in Toronto could be a good alternative to buying,” says the report. Smetanin says the solution is to build “architecturally desirable, diversified rentals in the form of low-density and mid-rise units, with two to four bedrooms.” According to the report, the local market’s exorbitant price points are to blame for an “over- and under-housing problem.” Baby boomers and empty nesters, in particular, cannot afford to downsize, so they’re stuck in homes with too much space. “Part of the problem, we’ve noticed through our analysis, is baby boomers and empty nesters are sitting in a lot of the single-detached dwellings across the region, and they’re over-housed,” said Smetanin. An interesting fact: 1 in 8 Ontarians are under-housed (that is, they do not have enough bedrooms), while over half of Ontarians are over-housed (that is, they have too many bedrooms), especially in the 65+ age group category. “There are over 5 million spare bedrooms in Ontario equivalent to 25 years’ worth of construction,” says Smetanin. “And for every bedroom that is needed in the GTA, there are roughly six spare bedrooms elsewhere not being used directly as bedrooms.” In general, an estimated \$100 to \$150 billion worth of development will occur in the region over the coming decade, and it’s imperative that most of it now be shifted to rental housing and the ‘missing middle.’ Transportation costs are also hurting the ability to afford housing, because it’s yet another expense during a time when wages aren’t growing but the cost of living is. For many, car ownership has become a necessity to access jobs across the region. “Transportation is a big cost when you live in the GTA,” said Smetanin, and is one of “several factors that conspire to put a squeeze on affordability. “At least one in three households or families is at unaffordable housing levels,” says Smetanin.