

Is bureaucracy responsible for housing affordability woes?

by Neil Sharma on 15 Sep 2021



Housing is top of mind for Canadians with the federal election less than a week away, but unless political parties cut the red tape responsible for the chronic undersupply of housing in key markets, the affordability woes will persist, says RE/MAX.

“All the federal platforms don’t touch on the jurisdiction limitations when it comes to housing. Our point is that there needs to be a plan involving all three levels of government working together,” said Christopher Alexander, senior vice president of RE/MAX Canada. “The only way we’re going to achieve more supply is if we start to unlock land that has been restricted from development for a variety of reasons, specifically in Greater Vancouver and Greater Toronto,

where there's such a lock on development that there has been upward pressure on prices because there's no way to keep pace with the amount of demand we're experiencing."

In addition to lacking a cogent action plan between municipalities, provinces and the federal government, Alexander says the painstakingly slow approvals and rezoning process in the aforementioned metropolitan regions is preventing housing units from being completed in a timely manner.

"A year and a half is a long time and it's because there's a lot of bureaucracy," he continued. "A perfect example is the Rail Deck Park that was debated for almost two years. But there's no reason, other than bureaucracy, that approvals should take that long. Bureaucracy has led to the constriction of the approvals process."

RE/MAX isn't the only organization that thinks so. The Residential Construction Council of Ontario (RESCON) has long advocated, albeit in vain, for a more seamless approvals and rezoning process. Although it isn't an all-encompassing solution to the logjam, the Ministerial Zoning Order (MZO) is a tool the Minister of Municipal Affairs and Housing could use to regulate land use, building location, height, size, use, even spacing. Essentially, MZOs can push developments mired in delays through the system.

But according to RESCON's president, there is only so much that can be accomplished with MZOs because the system needs to be overhauled.

"The use of MZOs is reflective of a systemic problem in the planning approvals process," said Richard Lyall. "The present system, quite simply, is inefficient and needs to be modernized and digitized. Going forward, we need the entire development and building approvals process to be online. However, we aren't even close to that happening. Presently, there are too many government agencies and ministries that all have their fingers in the pie, which only bogs down the approvals process."