

## Action needed to solve the housing crisis

by Richard Lyall [on 22 Sep 2021](#)



We are in the middle of a housing crisis, plain and simple, because demand is outpacing supply and, consequently, we're seeing some very dramatic spikes for the price of homes.

It's a big deal, as evidenced when it became a key issue on the federal election campaign trail, with each party leader outlining what steps they would take to rectify the situation.

Embarrassingly, Canada has the lowest number of housing units per 1,000 residents of any G7 country. The number has been falling since 2016.

In a healthy housing market, there would be about six months of housing supply, but that is not the case here. Across Canada, there is about 2.8 months inventory, according to Statistics Canada.

I am glad that housing was on federal leaders' radar. It is a critical issue, and they are now paying attention. However, it's long overdue as the shortage of housing threatens to derail our economic recovery.

We cannot grow the economy or build back better if we can't provide enough affordable housing for the workforce. There's also a social cost, as the crisis is preventing younger people from buying a home and starting a family. A recent survey from RBC found that more than one-third of Canadians between ages 18 and 40 no longer believe they will ever be able to own their own home.

So, what needs to be done?

We can't keep doing things the same way. We need to think out of the box because the current system is not working. We must find a way to eliminate red tape and speed up the development process.

Countries like Japan, Germany, Austria and Switzerland have excellent systems in place for approval of developments. Japan, for example, has an unusual degree of national control over zoning and building codes. As a result, the country has an abundance of affordable housing in compact neighbourhoods.

Germany, Austria, and Switzerland, meanwhile, employ rule-based permitting systems for construction, so if your plans check the boxes, building authorities have no choice but to sign off on them.

In Canada, our permitting systems are more often discretionary, giving municipal officials the power to approve or reject applications.

In Ontario, for example, developers must deal with excessive red tape, an abundance of zoning bylaws and an antiquated and cumbersome development approvals system that stymie new housing. It takes far too long to get an application approved. We need a standardized, digitized e-permitting system to make the process more efficient and speed-up routine approvals for projects.

Having a planning coordinator at the local level might help. Such an individual could work with a developer's team to help coordinate approvals between municipalities and various agencies and authorities. This is done in the State of Texas and Denmark for bigger projects with solid results.

The population of our country is expected to grow by up to 50% over the next decade, resulting in even more pressure on the housing market. It is essential, then, to tackle the problem head-on.

Yes, it is good that the federal parties were listening during the election. However, the Canadian government doesn't control all the levers to housing policy. An appropriate start then would be to have a provincial housing summit to get industry representatives and government in the same room to work on a solution.

Housing is a basic need. Our economic recovery will stall unless we find a way to bring more on stream. Minor tweaking of the system will not get us to where we need to be. It is time for some bold action.

*Richard Lyall, president of RESCON, has represented the building industry in Ontario since 1991. Contact him at [media@rescon.com](mailto:media@rescon.com).*