

Housing Crisis in the Golden Horseshoe: Addressing Affordability and Accessibility

by Dev Katyal

Canada has recognized adequate, safe housing as a fundamental human right; so why do 25,000+ people sleep on the street, in encampments or in shelters every night? In 2019, the Government of Canada passed the National Housing Strategy (NHS) Act, legislation that recognizes housing as a human right – a right first recognized 75 years ago in the Universal Declaration of Human Rights. Yet, despite adequate housing being a fundamental human right affirmed in international law, the population growth of urban cities like Toronto leaves Canadian families in the middle of a housing crisis. Ontario's Greater Golden Horseshoe is a 32,000 km² area home to approximately one-third of Canada's population. In 2011, the region was home to 8.68 million people and 4.61 million jobs, and those numbers are projected to increase by 50 percent in population and 30 per cent in employment by 2041. The Greater Toronto housing market has seen prices rise by 71.1% between January 2005 and January 2015 while consumer prices rose by 18% (Statistics Canada, 2015). The impact of the unaffordable market is that over 85,000 people are on the subsidized housing waitlist in Toronto, facing financial, mental and physical challenges. Owning a home is the "Canadian dream" for most immigrants; the roof about their head being a source of identity, safety and security (Steig, 2020). With Canadian families stuck in a cycle of renting and the market spiraling out of control, there is an urgent need for breakthroughs to solve the housing crisis.

Solution 1 : Revising local zoning and Permitting Systems

Canadians could need upwards of 3.5 million new homes by the end of the decade. The problem: from planning to approval to construction, housing developments can take five to 10 years before they're ready for residents to move-in. Relaxing zoning laws would allow homes to be built faster, ensuring the real estate industry in the Golden Horseshoe can keep up with the rising population. According to housing minister Sean Fraser, "A lot of people don't realize, one of the reasons that certain communities in this

country don't have enough homes is because it's literally illegal to build the kinds of homes that people could live in" (Uday, 2020). When an area is zoned exclusively for single-family housing, it shuts out the townhouses and multi-family housing that offer affordable alternatives for people on lower incomes. In Toronto only 10 percent of land is set aside for affordable housing, while 63.5 percent of residential land is zoned for detached houses that are unaffordable to all but high-income households (Kassam, 2023). Relaxing zoning laws means developers could build where they might not have been allowed, such as in areas currently zoned for commercial use. In addition, higher-density housing like smaller houses, semi-detached, and townhouses tends to be cheaper to construct not only because they are smaller but also because they require fewer resources.

Furthermore, increasing the speed at which permits are delivered to developers will help boost supply. According to the World Bank, it takes an astonishing 249 days in Canada to obtain approvals and building permits to build a warehouse without zoning changes. Compare that to 81 days in the United States and 121 days in Australia, and there is little wonder why Canadian developers are so slow to respond to demand. Waiting not only decreases supply, but incurs significant costs including : opportunity costs, taxes on vacant land, carrying costs of loans and increasing interest rates. These costs are then passed on to homebuyers and renters, averaging \$229,000 in the Golden Horseshoe (McNutt, 2023). Streamlining the process for receiving proper permits and paperwork would save time and the heavy cost associated with delayed construction; cutting down from the 9 month wait and alleviating the supply shortage

We can learn from other cities across Canada; Montréal's 20/20/20 bylaw is based on evidence of the required rents. This means 20 percent of development is set aside as non-profit, 20 percent for affordable rental properties and another 20 percent having three or more bedrooms. The result is that more than three-quarters of the city's residents are living in semi-detached houses, more than double the 35 percent figure for Canada as a whole (Renting vs. home ownership, 2022). The Ontario Government

should make this a provincial policy by implementing land use changes to end exclusionary zoning across Ontario.

Solution 2 : Purpose-Built Rentals

Nearly 30 per cent of Canadians rented their homes in 2016 and approximately 40 percent of households currently spend more than 30 per cent of their before-tax income on rent and utilities. Today, rental housing accounts for less than 10 percent of new construction in cities such as Toronto and Ottawa. With Canadian families putting home-buying on hold for renting, this is creating a supply crunch in major cities; purpose-built rental properties have the potential to alleviate this shortage. Michael Brooks, CEO of RealPac states that "Remember, affordable, deeply affordable housing is a public good, and the private sector is not primarily in the business of providing a public good...without landlords who have access to capital and scale and good management, you're not going to meet the housing needs of this country" (Luck, 2022). Purpose-built units make up what is known as the primary rental market, with all other rentals grouped together in the secondary rental market. Many Canadians are purchasing condominiums and renting them out temporarily, anticipating an increase in property values. However, purpose-built rental markets will play a crucial role in providing housing for various groups, such as young adults, individuals living alone, immigrants, and the elderly as a long-term solution.

Purpose-built rentals can only be built when proper incentives are provided to developers. One report, from the Building Industry and Land Development Association (BILD) and the Federation of Rental-housing Providers of Ontario (FRPO) says the overall deficit of rental housing in the GTA will double in the next 10 years to 177,000 units (Gilmore, 2022). With inflation, supply chain disruptions, and other shortages, housing is not exempt from rising costs. However, a big part of the cost incurred on new housing developments is due to administrative fees, taxes, and charges. Compounded by the general rising costs, these fees are making housing more expensive to build, causing more builders to shy away

from building more homes. As a result, the Government must offer incentives to developers for purpose-built rental housing, these include low-interest or forgivable loans for certain types of developments, development charge rebates or deferrals, or even provincially-subsidized development charge-free zones in priority areas (Toronto Foundation, 2023). Through new affordable purpose-built rental supply, we can slow down gentrification of much of the existing rental stock.

Solution 3 : Providing Support for Vulnerable Households

The Golden Horseshoe needs 1.2 million new homes by 2030 and more purpose-built rentals, however these solutions are long-term and will take several years. This means that vulnerable and low-income families in the Golden Horseshoe will not see any relief anytime soon. Not only must we invest in our future, but provide immediate relief to the millions of Canadians that live below the poverty line who struggle with basic necessities. Dr. Monika Dutt leverages her experience working with vulnerable families and describes how she "works predominantly with people who do lack access to housing, who do have issues around drug use and so are already facing a lot of barriers. And now you add this on top of that, it just makes it even more difficult to find housing when you already have little to no income" (Luck, 2020). As various levels of government implement measures to increase the supply of affordable housing, it often takes up to three years to build that housing. The result is that there are between 850-2,000 youth experiencing homelessness on any given night in Toronto (City of Toronto, 2018). Thus, we need focused services to support families and individuals experiencing homelessness to find secure, long term housing (Gaetz & DeJ, 2017). For qualified households, the federal and provincial governments could create a rebate program that covers rental costs paid above 30 percent of the household's before-tax income for a limited period. This would help reduce the financial stress facing families in the short run.

Furthermore, to ensure that everyone has a secure affordable home to live in, we need to end the financialization of housing. Between 2015 and 2019, for every new affordable unit created at public cost, 15 units renting below \$750 a month were lost to real estate investment trusts and similar investors (Santarelli, 2023). A home is a fundamental human right, not a speculative commodity. We need to steadily convert most rental units to co-operative or non-profit ownership. This could be achieved by giving community organizations the first right of refusal and the financial means to buy a rental apartment or mobile home park. Community land trusts remove the land from the land market in perpetuity, helping ensure that housing units located within them can remain affordable in the long term. This solution would help provide quick relief; instead of building new houses, we would convert already built homes into affordable social housing.

We can learn from the YWCA Saskatoon Crisis Shelter & Residence for women and their children who are victims of domestic violence. This center offers 54 housing units of different types to women and their children. Its success is supported by the array of community services that residents have access to. 92% of residents who have stayed there say that they now live in stable housing, and that their personal situation is improving (Centre for Support, 2023). Through short-term solutions for vulnerable households, Canadians can feel immediate relief and have access to the fundamental human right of housing.

Conclusion : Framework for Affordability

In conclusion, from relaxing zoning laws to build more affordable housing, providing incentives to developers for the construction of purpose-built housing, and providing support for vulnerable households, the Golden Horseshoe housing crisis can be resolved through these efforts. Homeownership has become unfeasible for a large segment of the population, particularly young people and low to middle income families. In the next 5 years, through active work on multiple governmental levels, housing prices

will likely decrease in the Golden Horseshoe. We vowed to recognize housing as a fundamental human right as a nation; for people to call Canada home, all residents must have a safe and affordable place to live and thrive.

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