Policy Scenarios To Address Supply Gaps

The Case for 3Cs:
Cooperation, Collaboration & Coordination

Ted Tsiakopoulos
Housing Markets Policy
Policy Sector, CMHC

Canada

CMHC SCHL

AGENDA

- Why collaboration is so important
- How modelling tools (ie. UrbanSim) can help
- The expanded housing problem
- Unconstrained model simulation findings:
  - *Yellow Belt & Bloor West Village*
  - *Golden Mile Redevelopment*
  - *Federal Canada Post site*
- Barriers and potential remedies
- Lessons learned from the sports world

Why collaboration & coordination is so important?

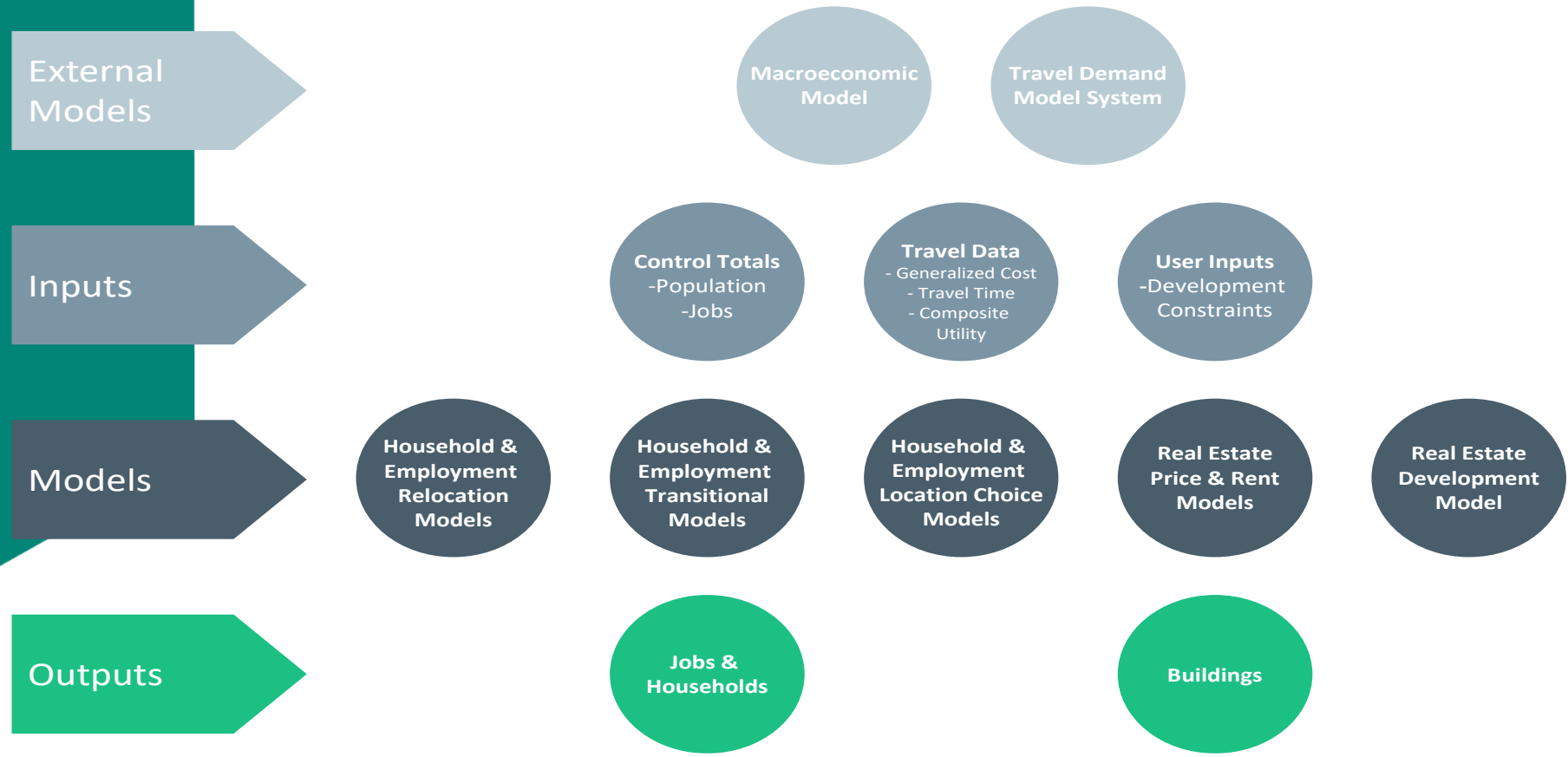
“The professionals (planners) in charge of modifying market outcomes through land regulations (zoning) know very little about markets, and the professionals who understand markets (economists) are seldom involved in the design of regulations aimed at restraining these markets”

Alain Bertaud, Urban Planner – *Order Without Design, 2018*

UrbanSim:

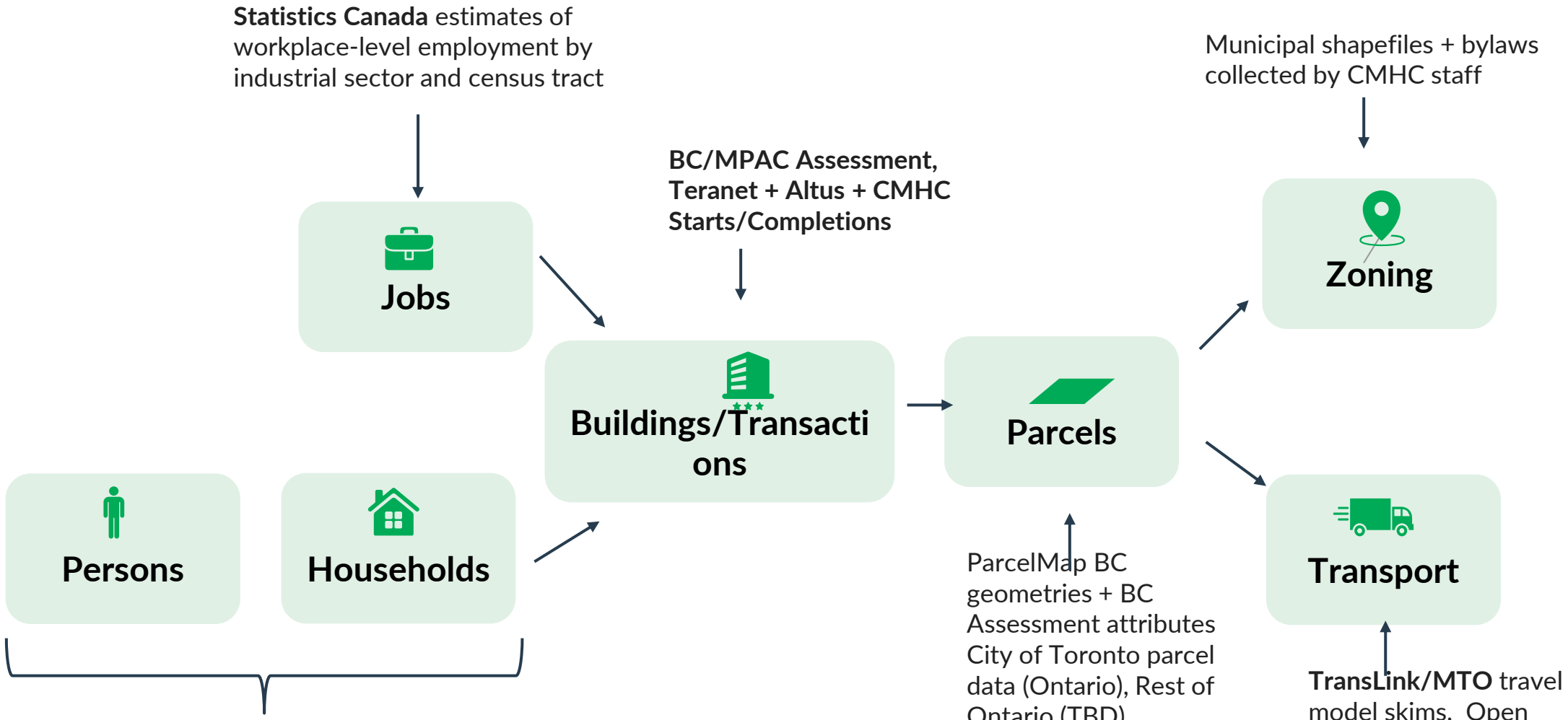
urban region models to support collaborative planning decisions and housing supply

- ***Urban Canvas*** is a metro area micro-simulation model system (15 Canadian cities modelled)/***Pencile***r is a site-specific project feasibility tool
- Urban Canvas simulates different zoning. transportation, economic, demographic "what if" policy scenarios and their impacts on location choices of households, developers and employers
- Urban Canvas simulates what policy scenarios could help address where housing demand is needed most in a coordinated and sustainable manner.



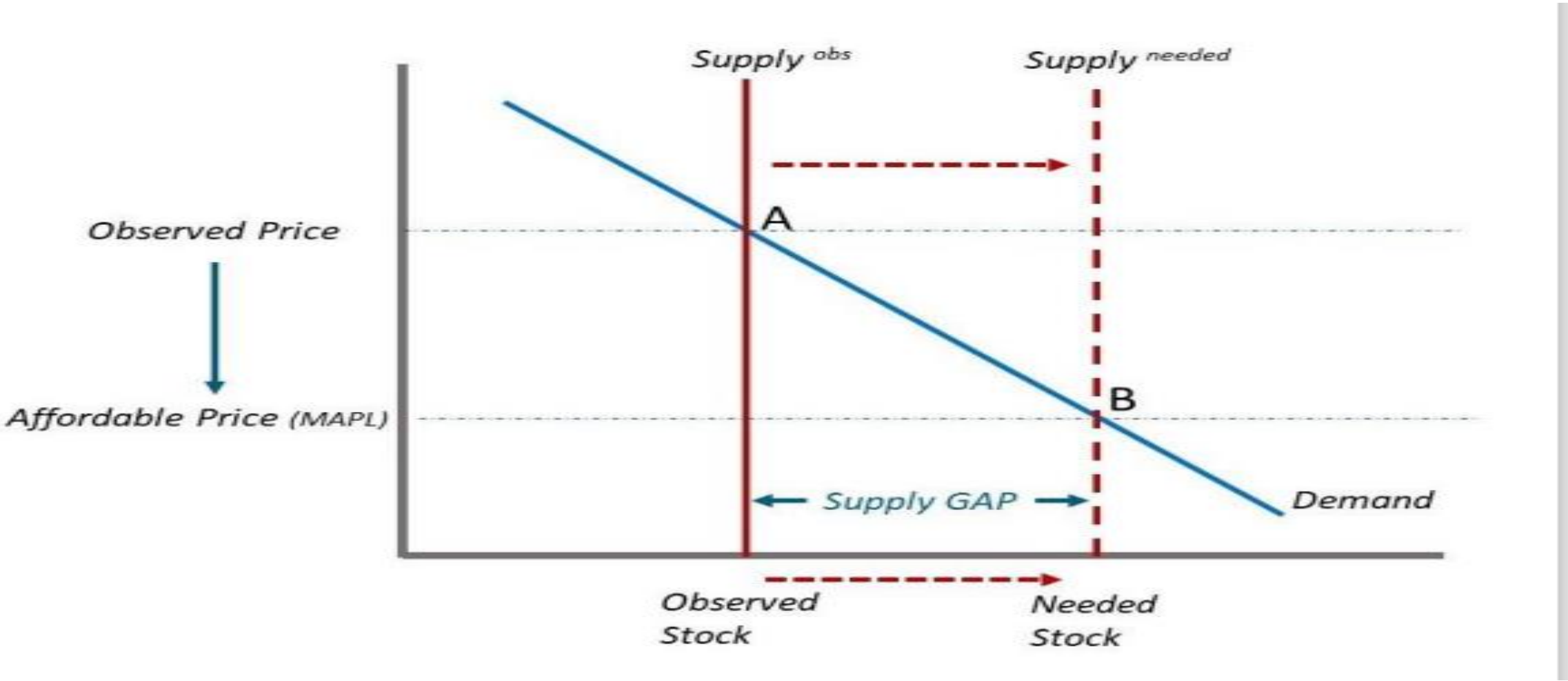
Source: UrbanSim Canada Modelling App, CMHC

A SYSTEMIC VIEW OF HOUSING WITH AN OBJECTIVE DATA SET (URBANSIM)



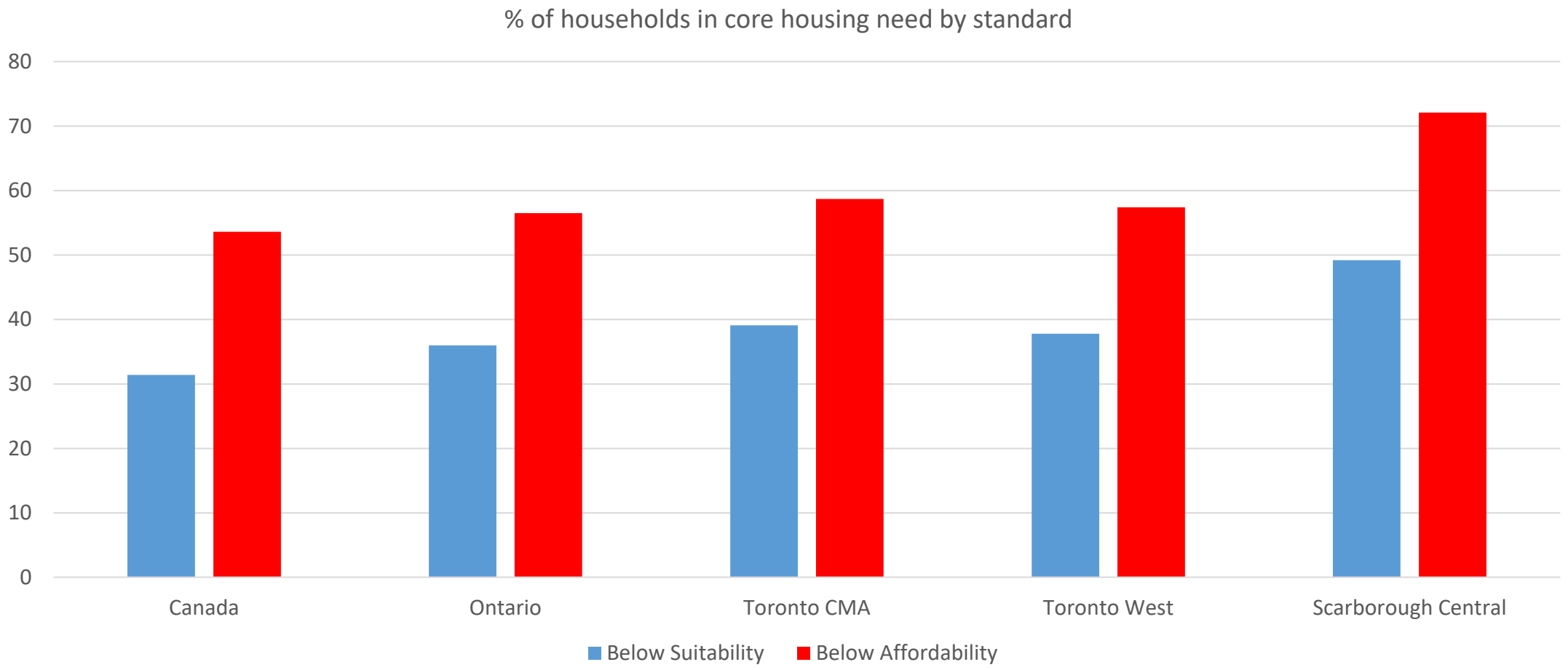
Source: UrbanSim Canada Modelling App, CMHC

Supply Gap Illustrated: What policies could address supply gaps?



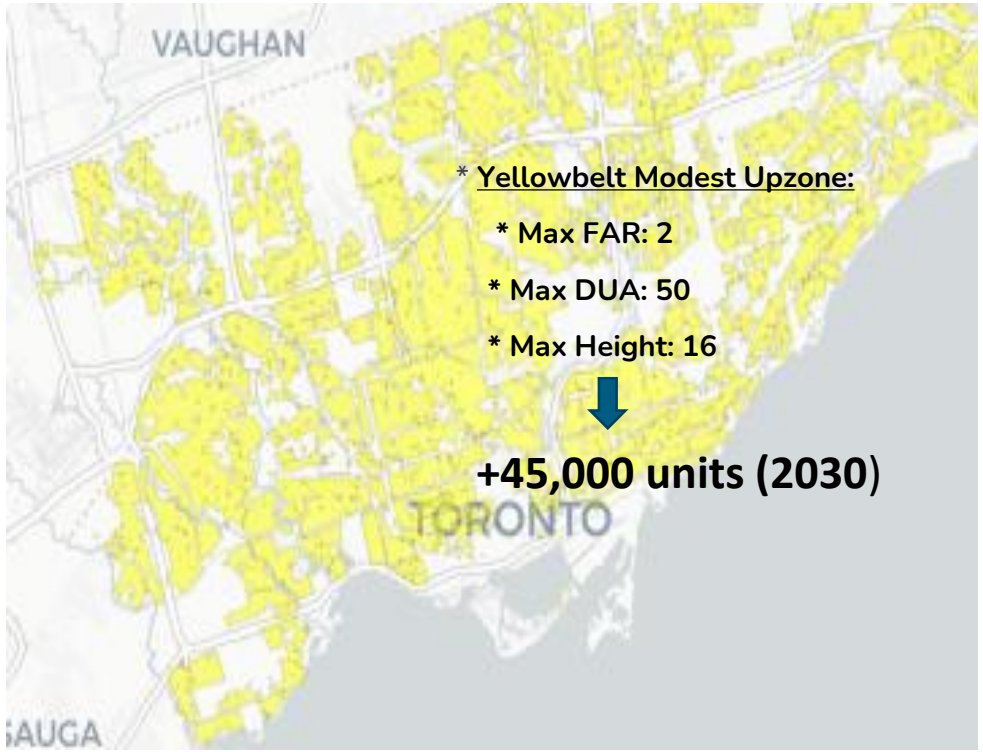
Source: CMHC

Besides addressing supply/affordability, ensuring housing is suitable must also be part of the solution



Source: Statistics Canada Census 2016

Boosting density* in yellow belt communities – a potential remedy

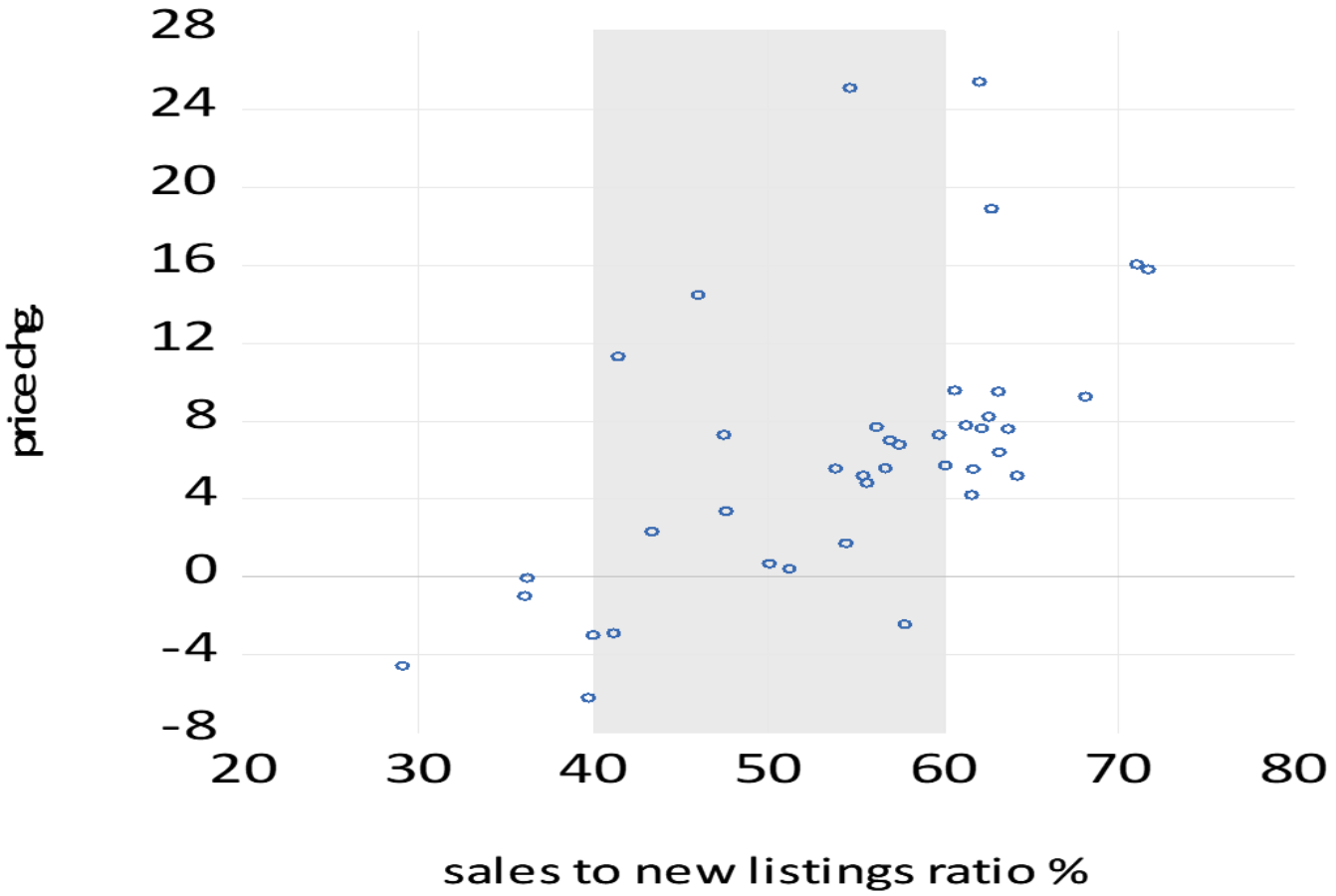


- Yellow belt comprises nearly 50% of Toronto's land mass
- Land zoned for residential detached - represents 2/3 share
- **Missing middle** addresses both suitability and affordability goals & includes: townhomes, duplexes/triplexes, secondary suites, laneway housing, mid density apts, modular homes.
- Lift from modest up-zoning of entire yellow belt estimated to address part of the supply gap
- City of Toronto will account for 60% of growth in GTA demand
- Not just about new supply – turnover of existing stock important to enable the filtering process

Source: UrbanSim Canada Modelling App, CMHC, City of Toronto Planning

How many new listings required to bring Ontario resale market into balance by 2030?

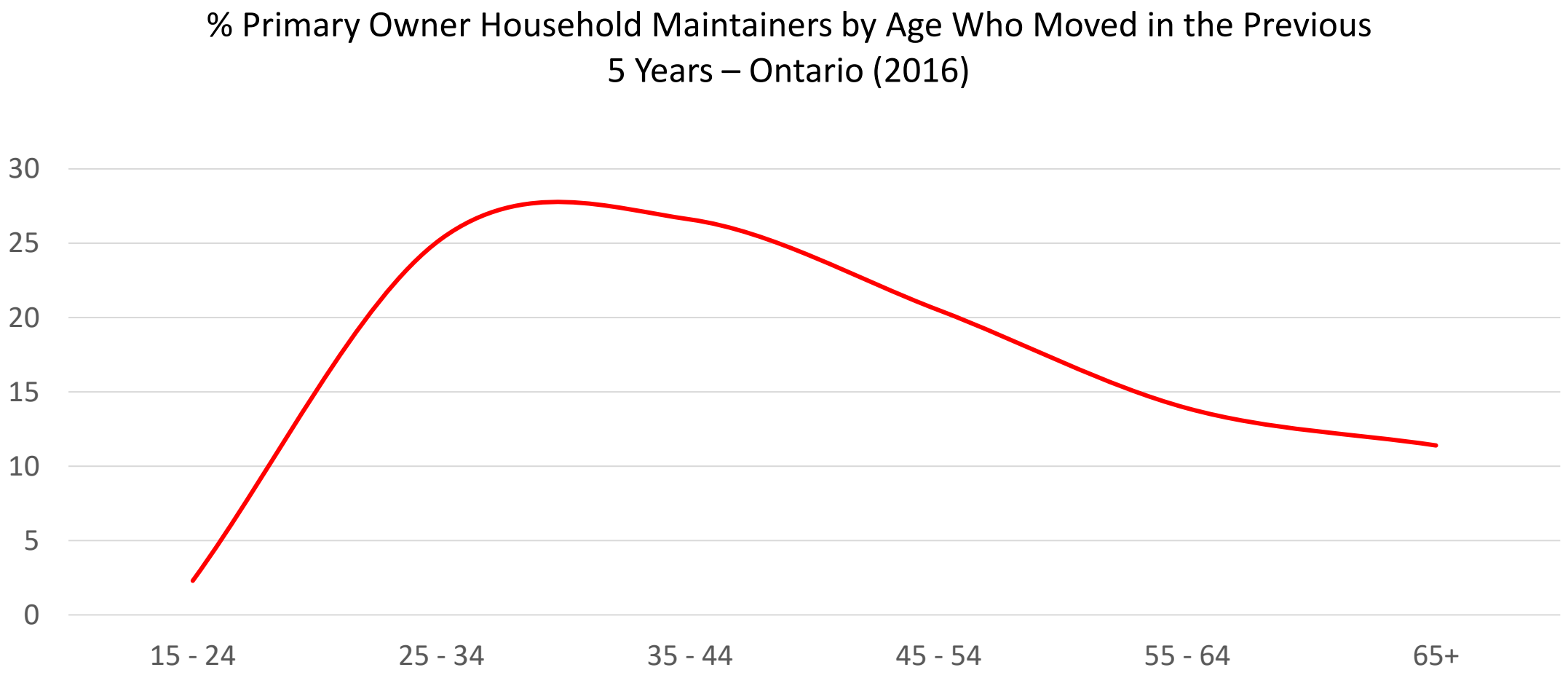
Balanced market=grey shaded range



- SNL=78% (2021)
- Long Run Ontario Sales*=215,000
- Long Run New Listings Needed=430,000
- Current New Listings= 345,000
- Required Cumulative Growth=25%

Source: CREA, CMHC
*Based on long run cointegrating relationship

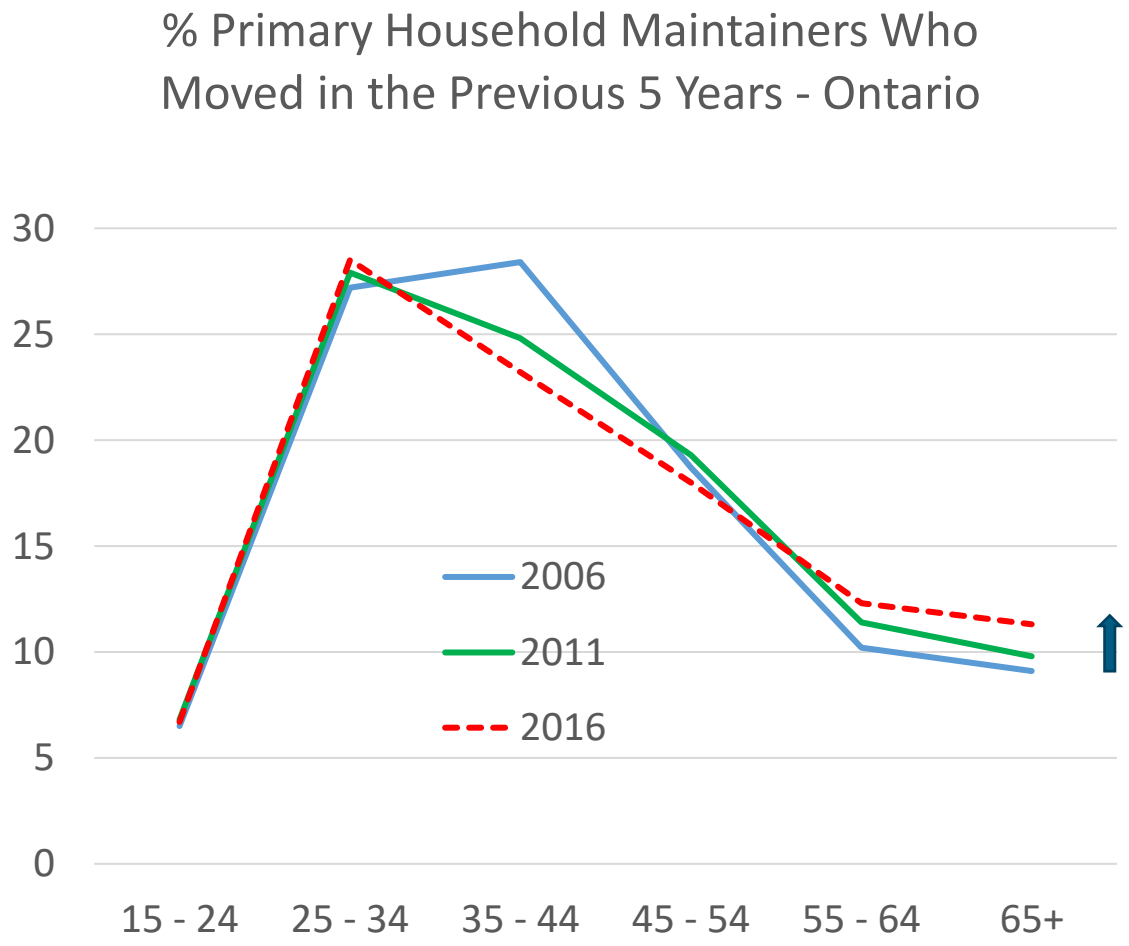
Almost 1/4 of population will be over age of 65 by 2030 and will restrain turnover of existing stock



Source: Statistics Canada census

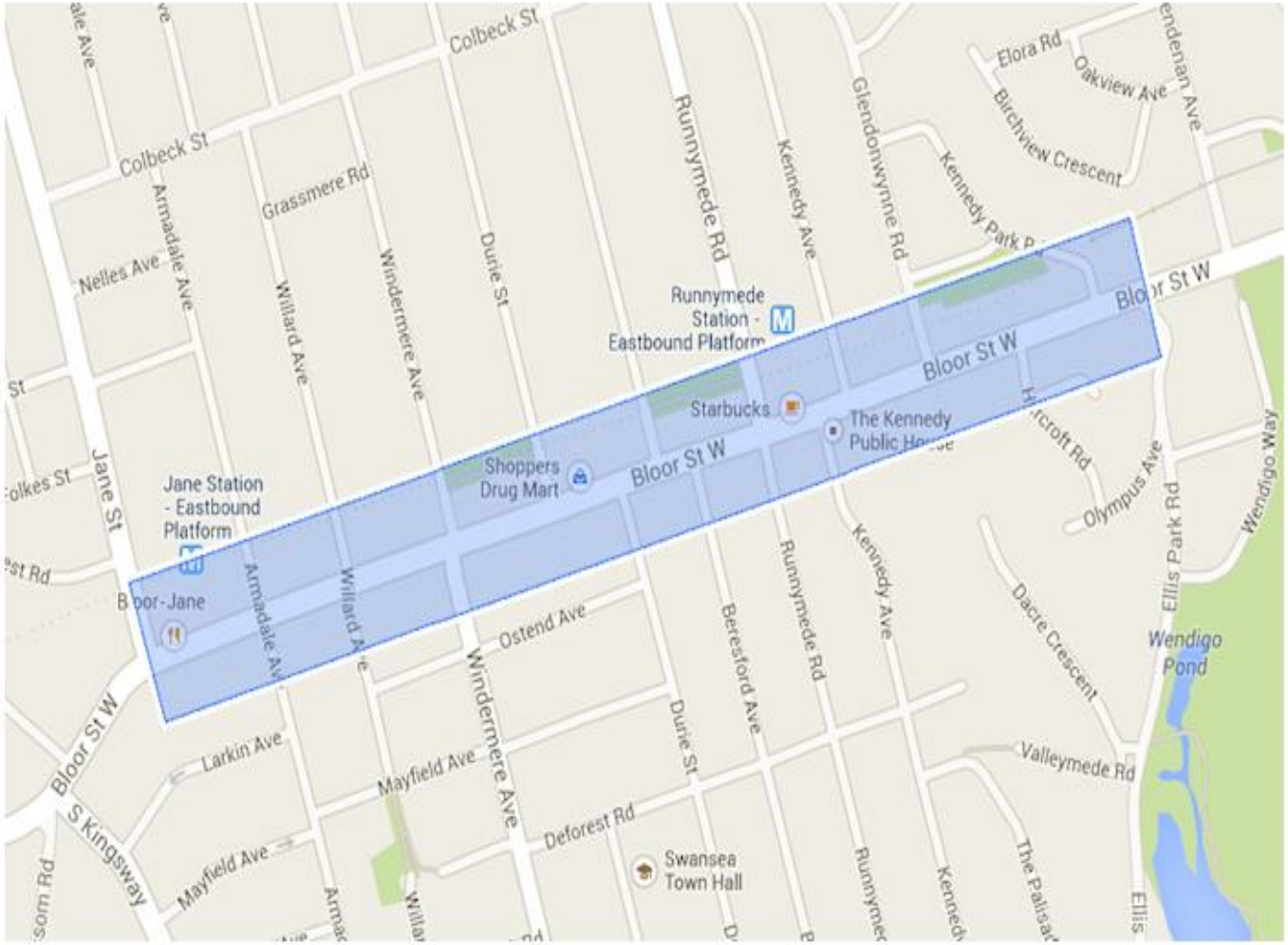
Aging households do move under certain conditions

- Health reasons
- To be closer to family
- Reduce housing costs
- Opportunities in community to downsize. A surge in rental and condo completions over 2014-16 period likely stoked mobility in 2016



Source: Statistics Canada, CMHC

Unconstrained Yellow Belt Case Study #1 – Bloor West Village Area

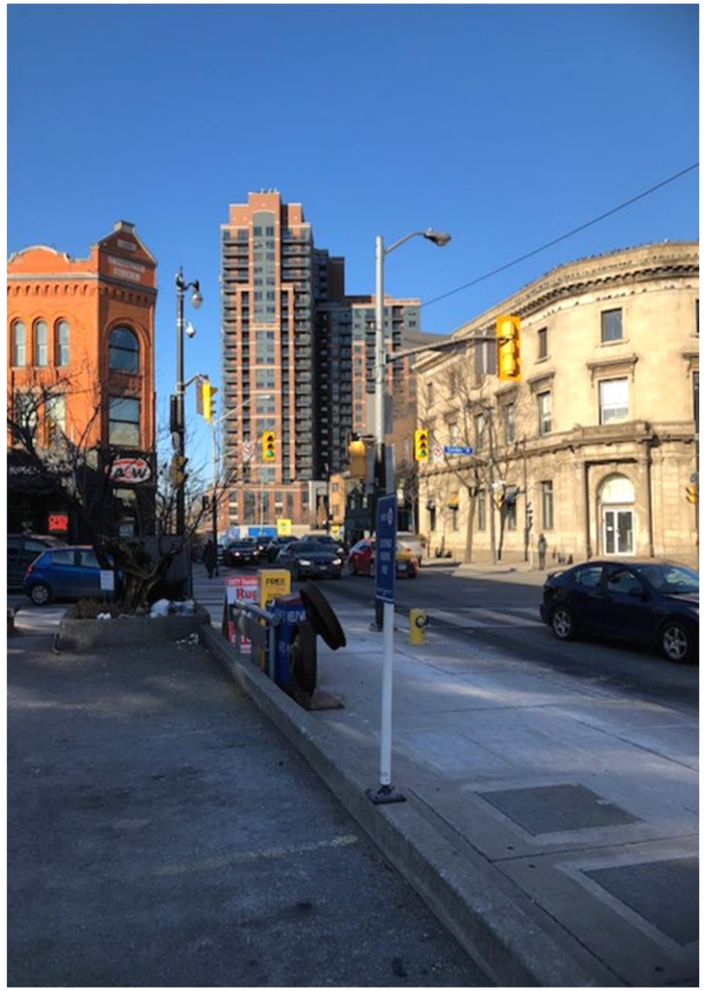


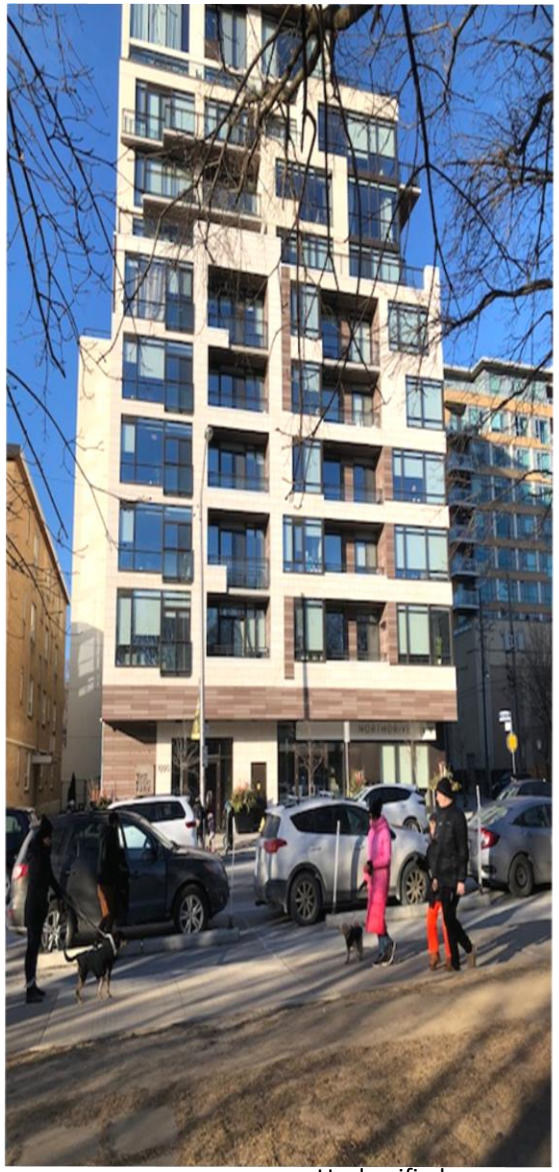
Community Snapshot

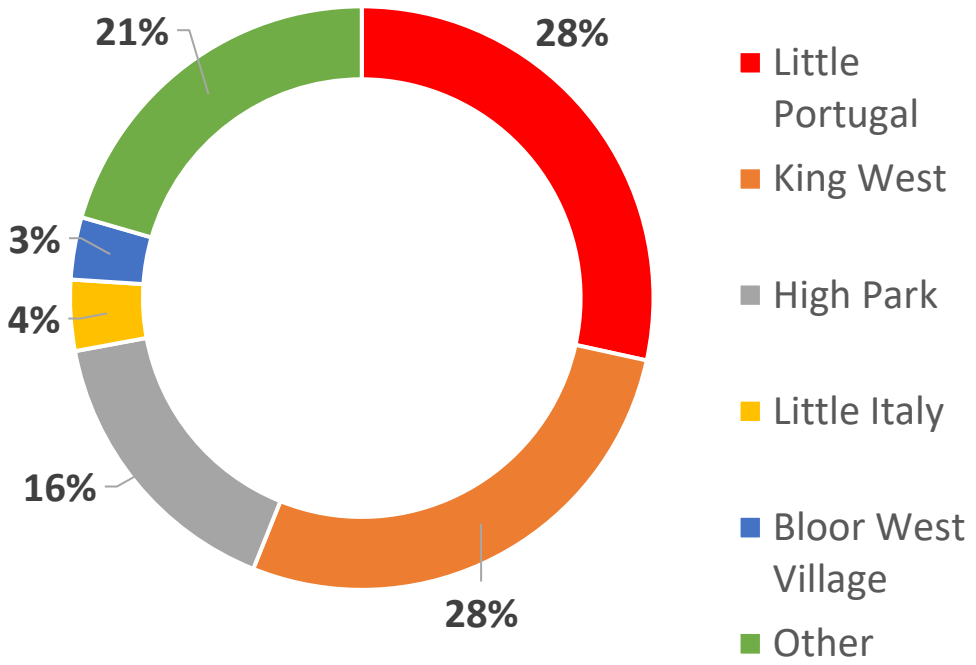
	% of hhlds 65+	% below affordability threshold	Median income before tax	Detached avg. price chg. (2010-21)
Bloor West Village	**25**	**51**	**$98,000**	**19%**
Toronto West	16	57	$68,000	17%
Toronto City	22	64	$66,000	17%

Source: Statistics Canada Census 2016, TREB

Most dense development since 2016 east of Bloor West Village area





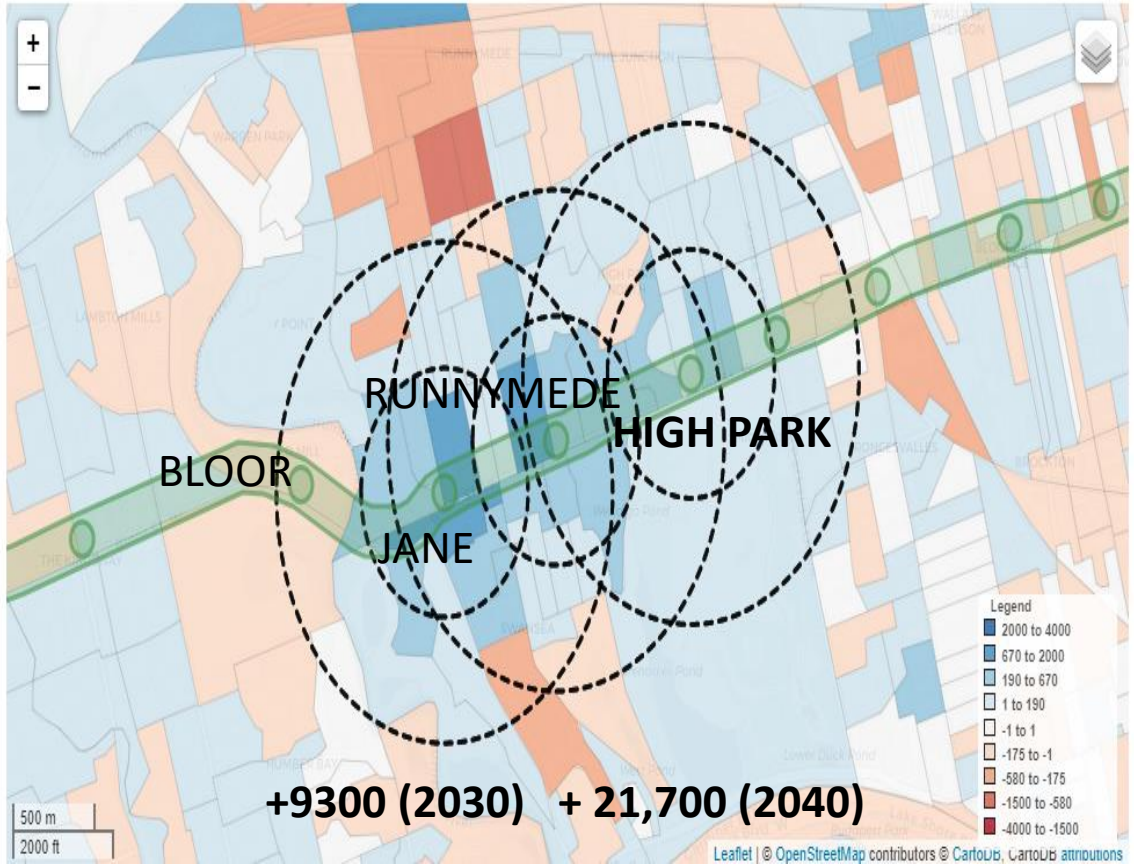


Source: CMHC

Loosening zoning yields more supply/choice vs baseline by 2030

	Bloor West Village - Assumptions			
	Height (m)	DUA	FAR	Employment
Scenario 1 (Baseline)	2016	2016	2016	2016
Scenario 2 (Upzoning) - 500m	50	150	6	60% increase
Scenario 2 (Upzoning) - 1 KM	25	60	3	

Absolute difference between scenario 2 and scenario 1 in Total Housing Units in 2030

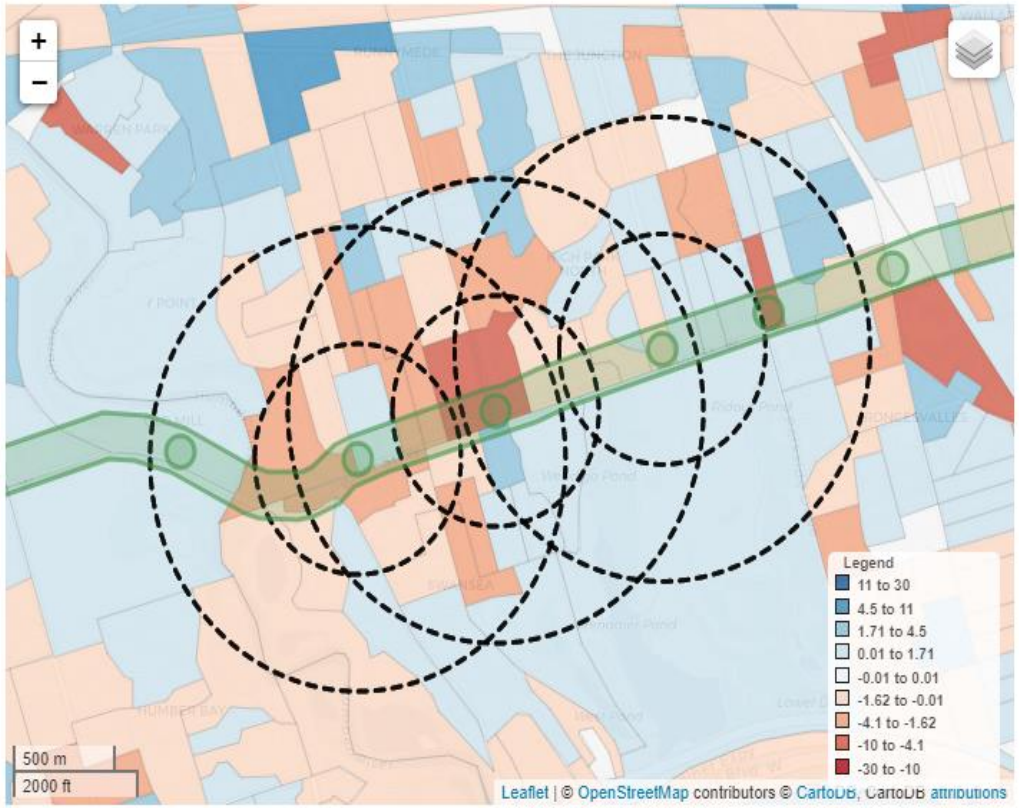


Source: UrbanSim Canada Modelling App, CMHC

Scenario 2 promotes more complete community and choices for lower income households including seniors

Absolute difference between scenario 2 and scenario 1 in Median Household Income in 2030

Absolute difference between scenario 2 and scenario 1 in Percent of Households in Unaffordable Housing in 2030



Source: UrbanSim Canada Modelling App., CMHC

Unconstrained Case Study #2 – GOLDEN MILE (GM)

The Golden Mile vs Other Major Redevelopment Areas in Toronto

Golden Mile, Toronto

- 280 Acres (GMSP)
- 30,000 + new units
- 40,000 + new residents
- 76 towers proposed (9+ stories)
- **Developers**: RioCan, Dream, ChoiceREIT, Daniels, Madison, SmartCentres, Starlight,

CityPlace, Toronto

- 55 acres
- 12,000 units
- 21,000 residents
- 31 towers (9+ stories)
- Currently Toronto's largest master planned community.
- **Developers**: Concord

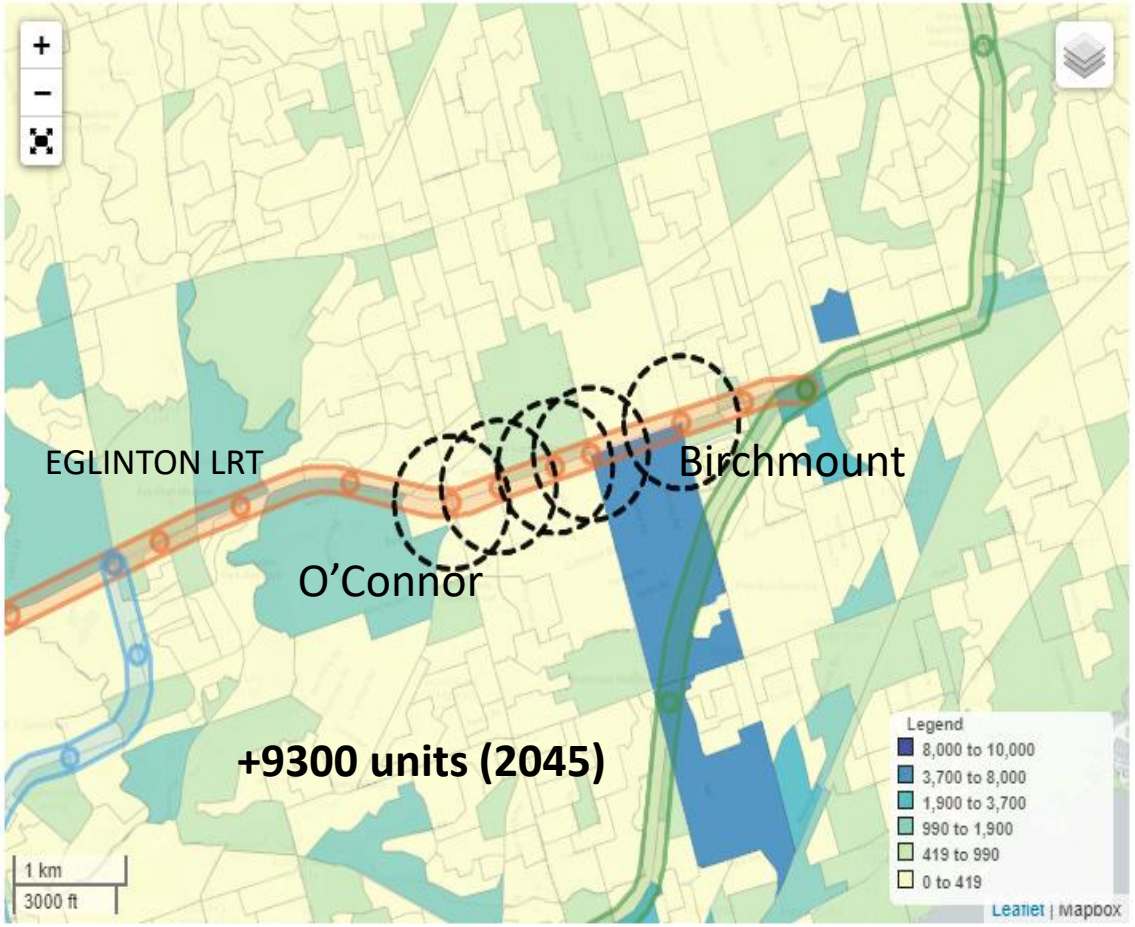
Regent Park, Toronto

- 69 Acres
- 11,200 units upon phase 5 completion
- 17,000 people upon phase 5 completion
- 17 towers to date (Phase 1-3 only with 9+ stories)
- **Developers**: The Daniels Corporation, Tridel

GM Scenario Assumptions & Output

	Golden Mile - Assumptions			
	Height (m)	DUA	FAR	Employment
Scenario 1 (Baseline)	20	500	1	
Secondary Plan - 500m	90	500	3	20% increase
CMHC Scenario 2 (Upzoning) - 500m	110	500	12	70% increase

BASELINE TOTAL SUPPLY CHANGE (2016-2045)

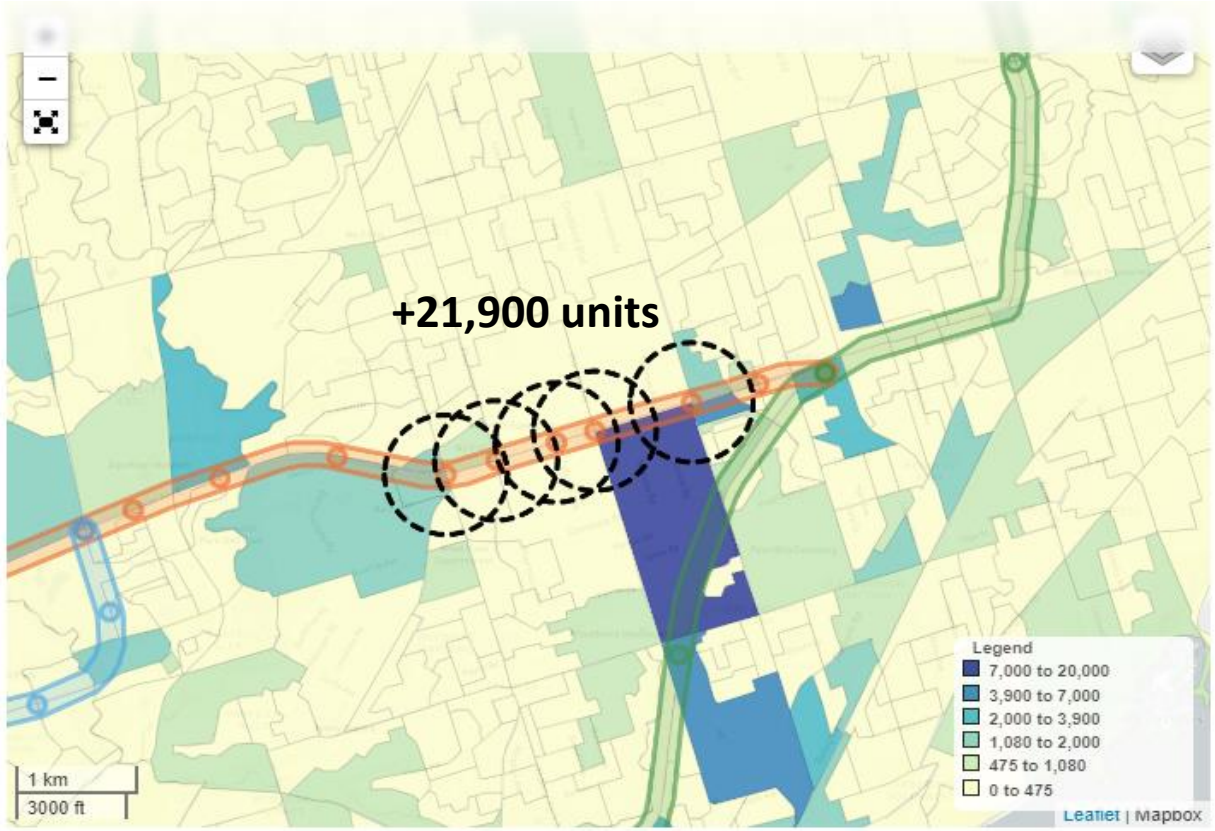


The difference in Total Housing Unit Growth (Cumulative) for the 17 affected DAs is 9337.

Source: UrbansSm Canada Modelling App., CMHC

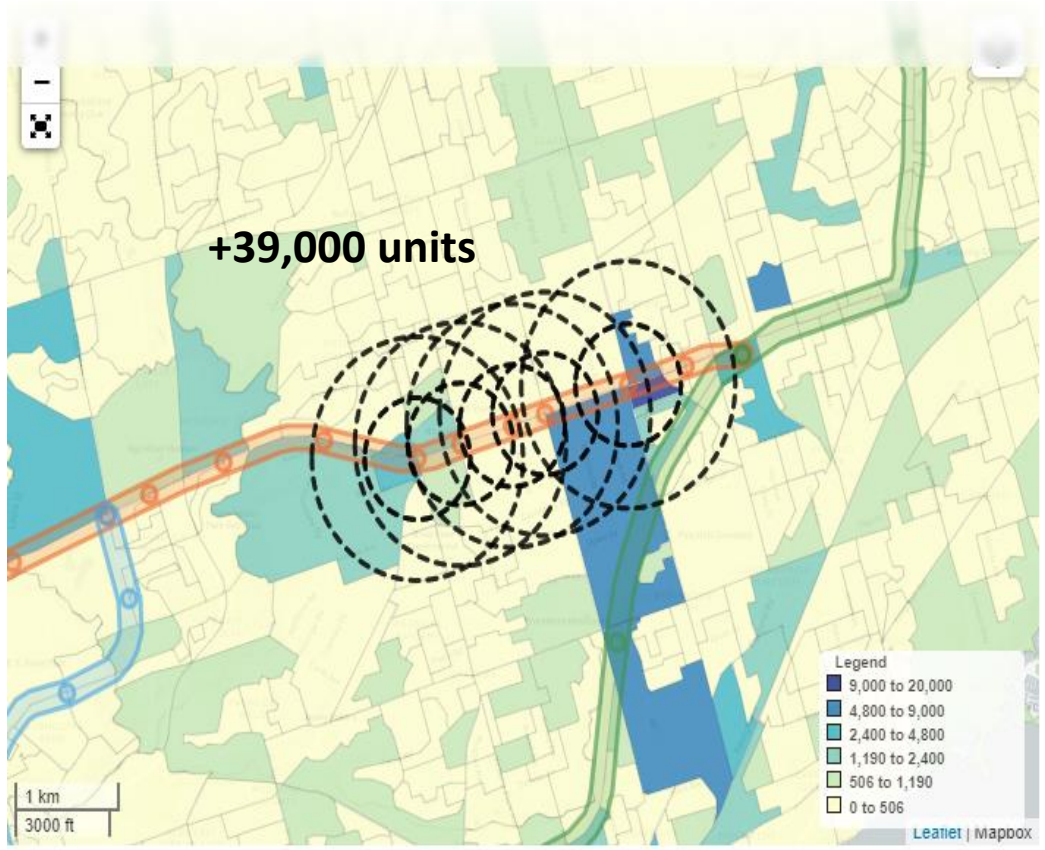
Secondary plan falls short of delivering proposed 30-40k units – CMHC plan delivers more supply

SECONDARY PLAN: TOTAL SUPPLY CHANGE (2016-2045)



The difference in Total Housing Unit Growth (Cumulative) for the 17 affected DAs is 21901.

CMHC PLAN: TOTAL SUPPLY CHANGE (2016-2045)

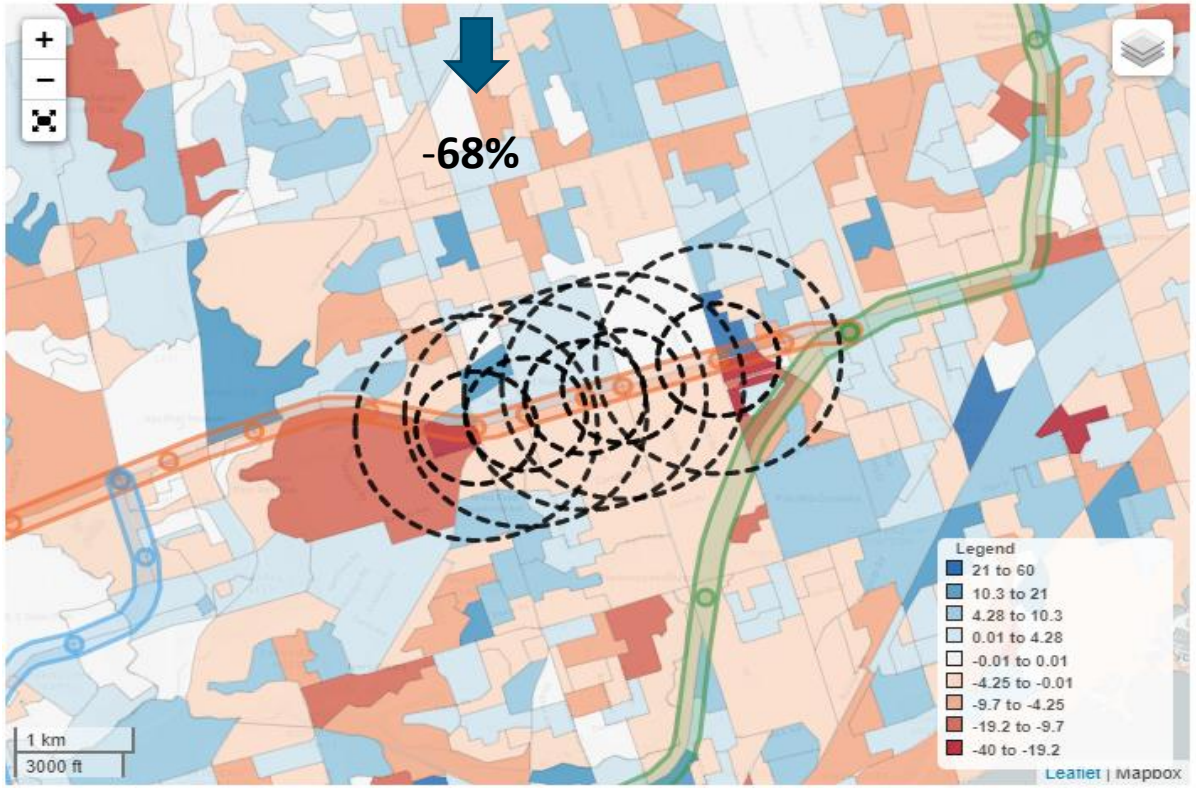


The difference in Total Housing Unit Growth (Cumulative) for the 17 affected DAs is 39105.

Source: UrbanSim Canada Modelling App., CMHC

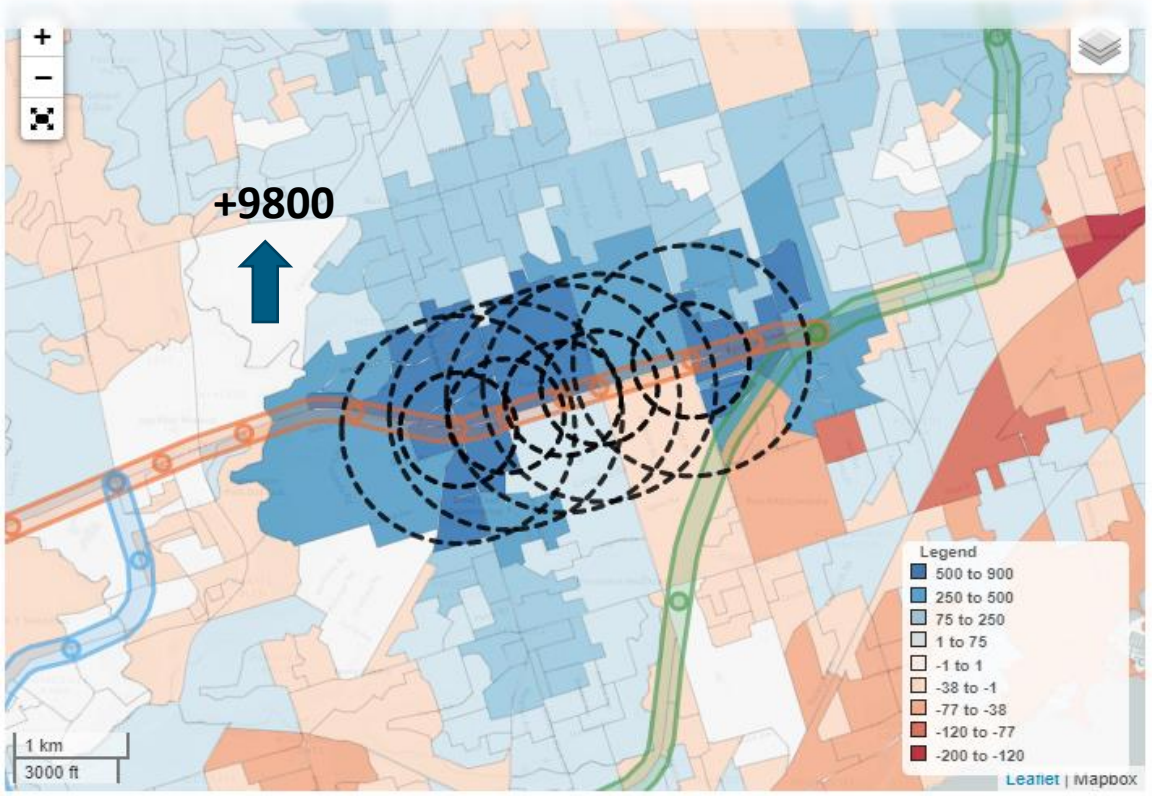
With improved affordability and accessibility to jobs

CMHC vs Secondary Plan: chg. in % of households in 25-50th income percentile in unaffordable housing



The difference in Percent of Households 25-50th Income in Unaffordable Housing for the 17 affected DAs is -68.28000000000002.

CMHC vs Secondary Plan: chg. in jobs within 1km walk

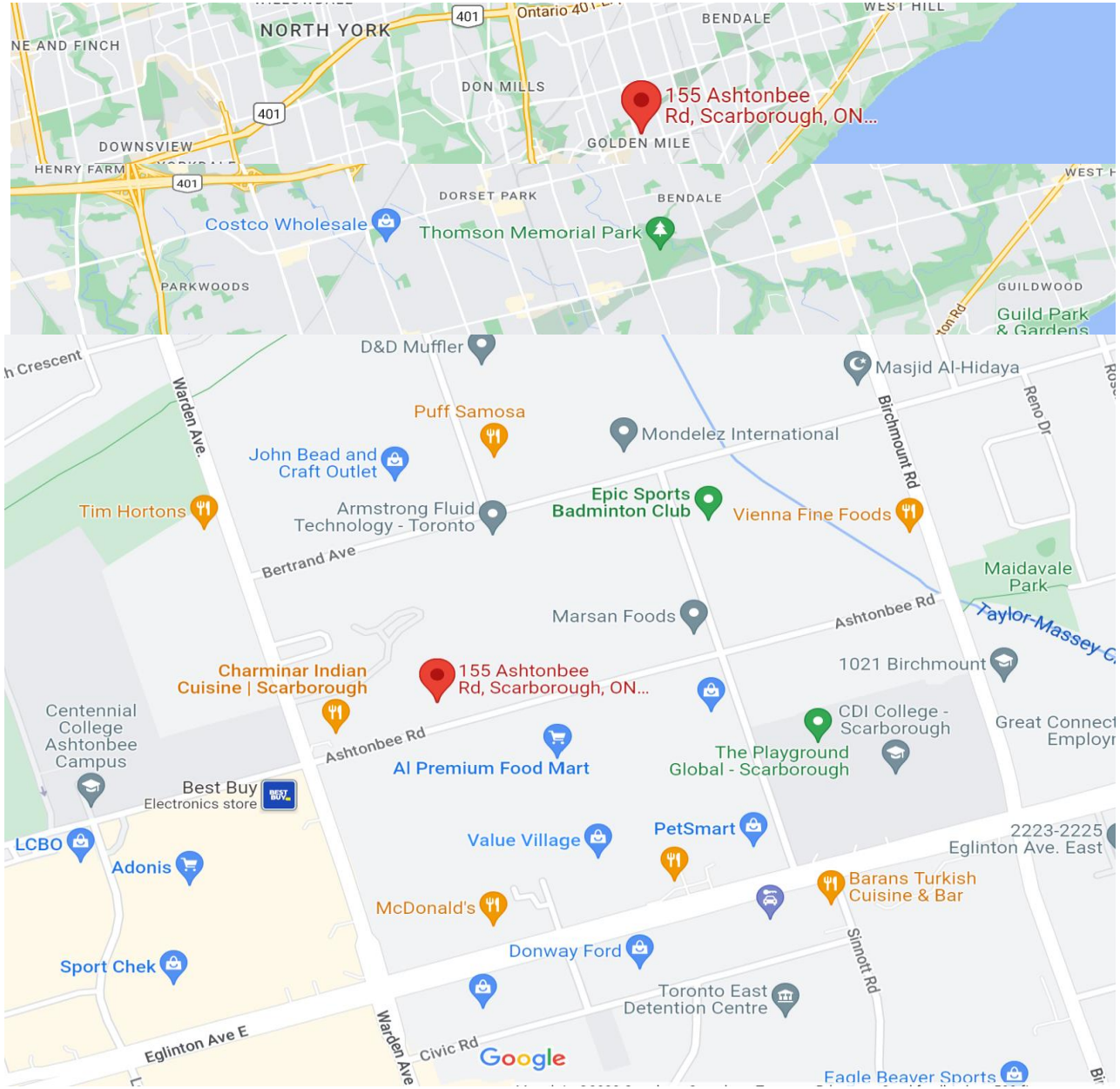


The difference in Jobs within 1km Walk for the 17 affected DAs is 9755.

Source: UrbanSim Canada Modelling App., CMHC

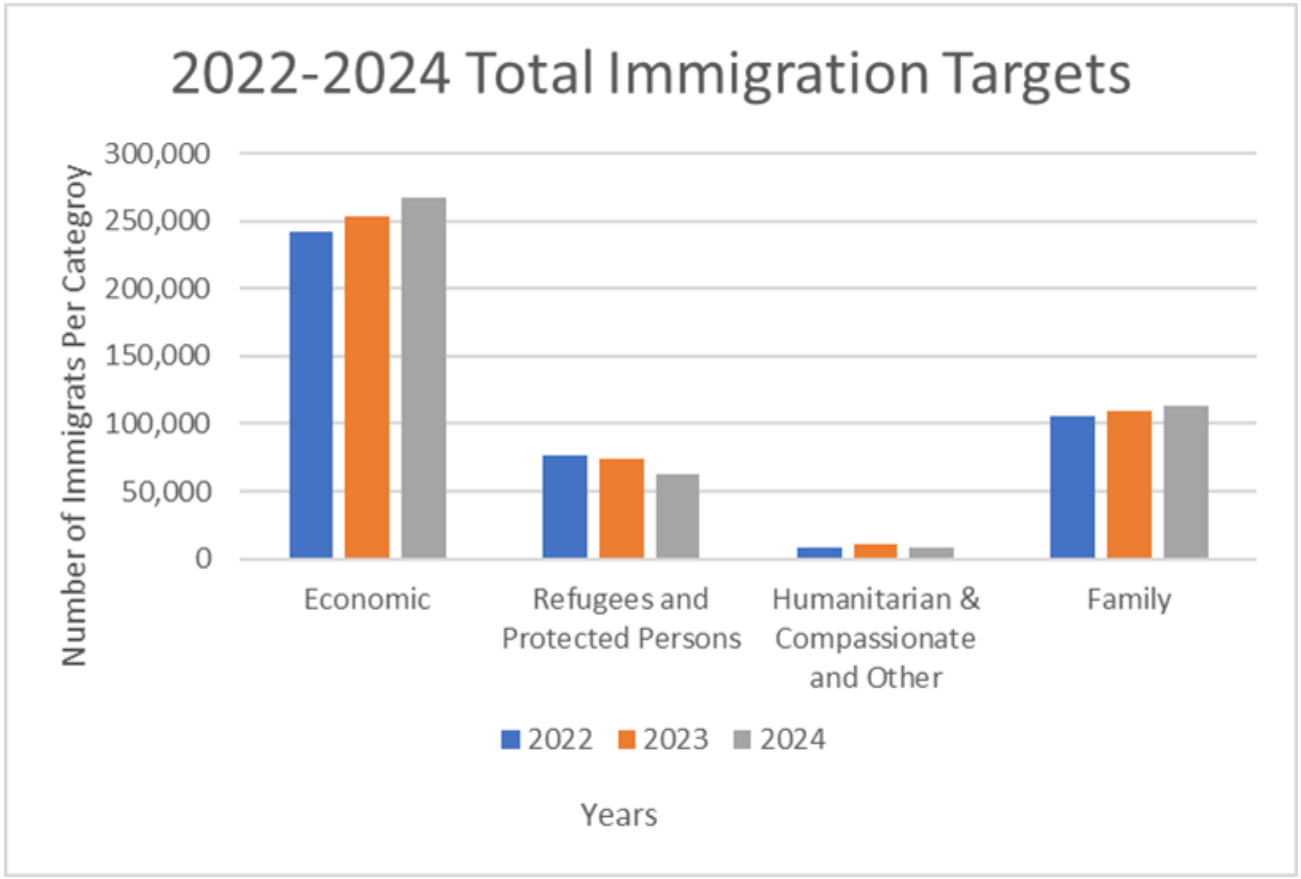
Golden Mile: Canada Post Site

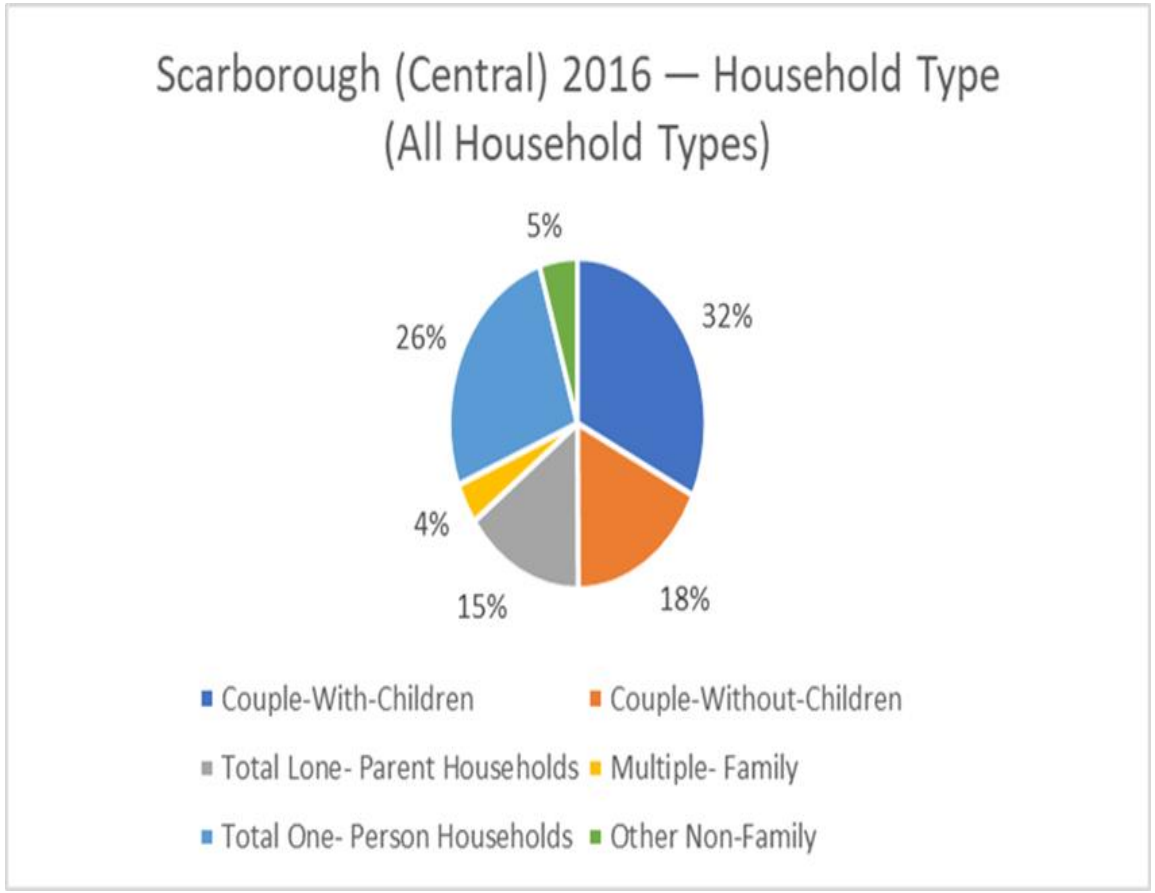
155 Ashtonbee Rd, Scarborough, Ontario



Unclassified

Family class immigrants rising and more will call Scarborough home





Source: Citizenship and Immigration Canada, Statistics Canada census, CMHC

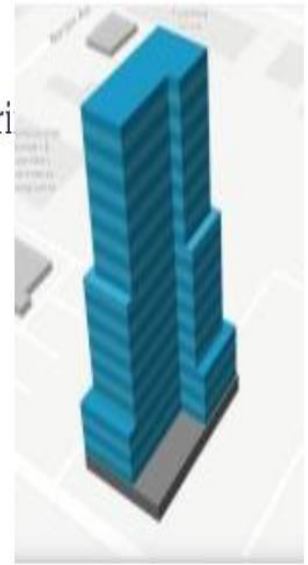
Canada Post *Build Two Option* strikes best balance between supply & suitability

Existing use:

- Federal land
- Canada Post centre
- Zoned mixed employment
- One storey + parking lot

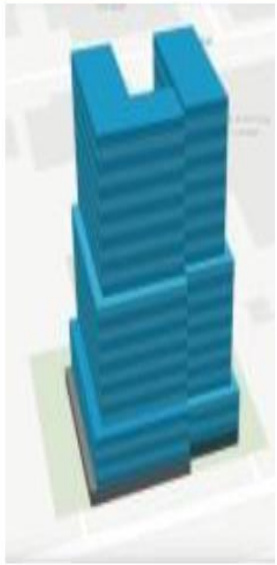
Build One:

- Build on top of existing footpri
- 30 storeys
- 311 total units
  - 1 bd: 63%
  - 2bd: 19%
  - 3bd: 18%
- FAR = 3.06
- **Pros**: Lowest lot coverage
- **Cons**: Fewest units created



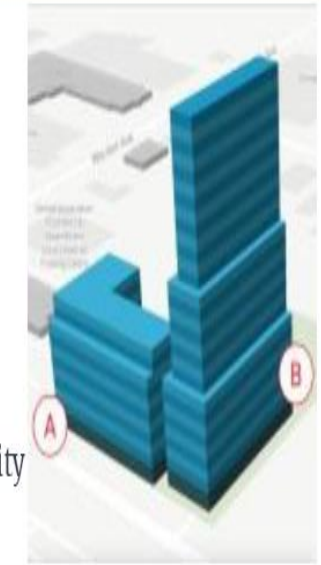
Build Two:

- Housing on top of existing + another on the side
- 30 storey building
- 653 total units
  - 1 bd: 63%
  - 2bd: 21%
  - 3bd: 16%
- FAR = 6.25
- **Pros**: Most total units
- **Cons**: Highest lot coverage, most dense option



Build Three:

- Subdivide on cleared land
- 11 and 30 storey towers
- 543 total units
  - 1 bd: 55%
  - 2bd: 27%
  - 3bd: 8%
- FAR = 4.38
- **Pros**: Retain unit count w/o losing lot coverage and density
- **Cons**: Cost will be higher to build multiple buildings



Source: UrbanSim Penciler App., CMHC

More potential for density but some barriers to overcome

BARRIERS

- Neighborhood resistance (NIMBYism)
- Post COVID longevity of less transit use, suburban living/car dependency
- Lengthy planning approval process
- Municipal fiscal revenue imbalances
- Underground parking requirements
- Are there other capacity constraints? (i.e. labor, water/sewage)
- Land value uplift and displacement around transit

REMEDIES

- ✓ ***Housing Accelerator Fund (HAF)***
- ✓ Regional governance structure & alignment
- ✓ Establishing one residential zoning classification
- ✓ Strike better balance between “neighborhood character” & density
- ✓ Inclusionary zoning and density bonuses
- ✓ Rebalancing of municipal fiscal revenues
- ✓ Manufacturing mindset in building homes

Source: CMHC

Barriers overcome when collaborating as **ONE TEAM WITH ONE VISION**

Source: Ted “the soccer fan/player/coach/dad”, 1979 - ?