

INCREASING HOUSING SUPPLY IN ONTARIO

Consultation Document



Find out more at:
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Increasing Housing Supply in Ontario Consultation Document

About this consultation

A strong demand for housing and limited supply in Ontario has resulted in rapidly rising housing costs over the last few years. In high-growth urban areas, high prices and rents have made it too hard for people to afford the housing they need. High prices also affect other parts of Ontario, including northern and rural communities, where a lack of supply has made ownership more difficult and quality rental housing hard to find.



To help increase the supply of housing in Ontario, the government is developing a Housing Supply Action Plan that will address the barriers getting in the way of new ownership and rental housing.

To inform the Action Plan, the government wants to hear the views of all Ontarians on how to expand the housing supply in Ontario. Your input will provide important information about how we can make it easier for Ontarians to find an affordable place to call home.

Share your ideas by visiting ontario.ca/housingsupply or emailing housingsupply@ontario.ca by January 25, 2019.



Introduction

Housing is one of the largest cost burdens for households in Ontario, and an imbalance between strong demand for housing and limited supply means these costs have risen dramatically over the last few years. Across Ontario – in both urban and rural communities – high prices and rents have made it hard for people to afford the housing they need.

Creating more housing, of the types and sizes people need, will help make home ownership and renting more affordable and give people more choice.

The government is developing a Housing Supply Action Plan to address the barriers to creating more housing. It will include measures that the Province can take to increase the supply of new ownership and rental housing in Ontario. The Housing Supply Action Plan will support the government's commitment to reduce red tape and make it easier to live and do business in Ontario.



This consultation does not cover initiatives specifically related to community housing (e.g., social and supportive housing). However, the barriers and potential solutions being explored may have a positive impact on community housing providers, such as by either making it easier to develop new housing, or by easing some of the pressure on waitlists.

Barriers to new housing supply

The government has heard from many individuals and groups that it has become too complicated and expensive to build new housing in Ontario. There are five broad themes:

1. Speed: It takes too long for development projects to get approved.

To get a new home from the drawing board to the market, a number of different planning, building and site-specific approvals and permits are needed. These may be required by municipalities, provincial ministries, agencies, utilities, and occasionally federal authorities.

A single housing project may require approvals from many of these entities. Duplication, lack of coordination and delays add burden to the development process and increase costs for builders and homebuyers. Potential appeals of these decisions can add further delays and uncertainty.

The various regulatory requirements and approvals were established to serve specific public interests, policy objectives or government goals. For example, rules and processes exist to ensure the health and safety of residents, protect environmentally and culturally sensitive areas, and support economic development and a vibrant agricultural sector. Efforts to streamline these requirements need to balance these multiple goals.

What do you think?

- How can we streamline development approval processes, while balancing competing interests and the broader public interest?



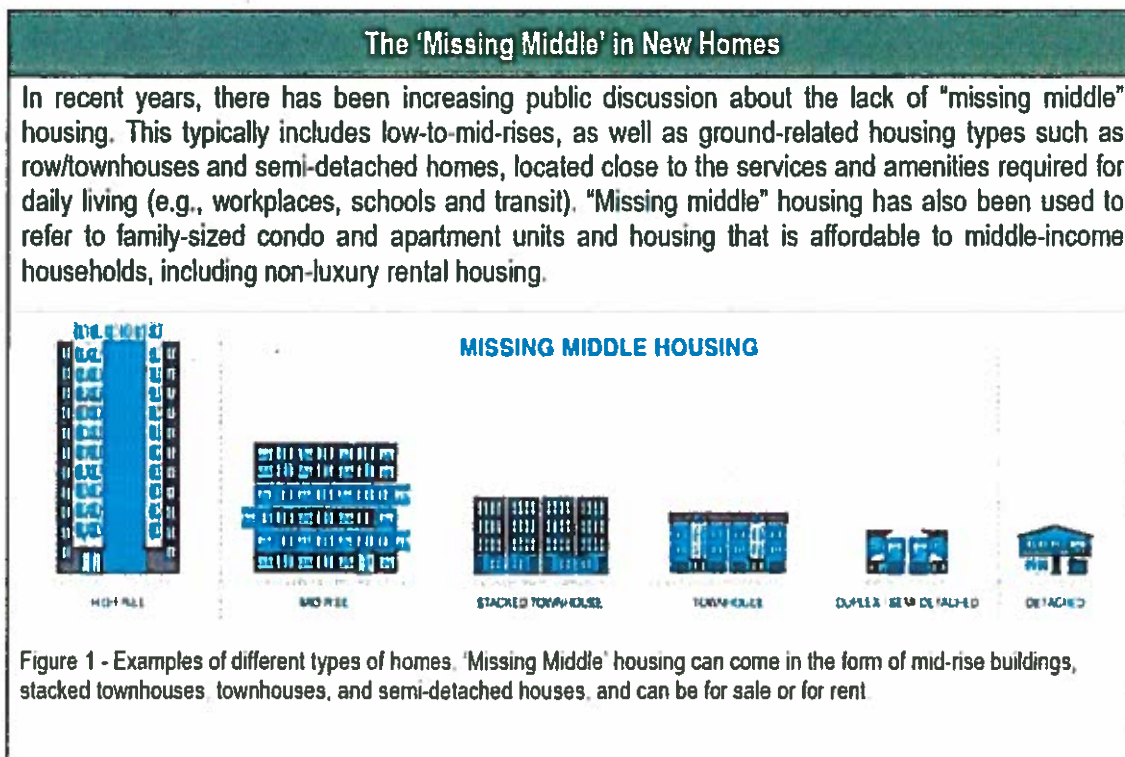
2. Mix: There are too many restrictions on what can be built to get the right mix of housing where it is needed.

Many people have pointed out that the mix of housing types being built does not fully reflect what people are looking for, and certain types of housing are not being built where demand is greatest. For example, the government has heard that not enough housing appropriate for families and seniors wishing to downsize is being built near transit, schools, workplaces and amenities.

Market conditions, provincial policies and plans, local planning priorities, and municipal zoning by-laws can all affect the type and location of housing.

Promoting “gentle” density and a mix of housing, and creative re-use of heritage properties and building design ideas can result in more housing, as well as economic and environmental benefits.

The character of some existing neighbourhoods will begin to change as new types of housing are built. The government has heard that plans to make more room for housing also need to respect the existing qualities of these neighbourhoods.



What do you think?

- How can we make the planning and development system more effective to build the kind of housing people want, and can afford, in the right places with the right supports (e.g., schools, transit and other amenities)?
- How can we bring new types of housing to existing neighbourhoods while maintaining the qualities that make these communities desirable places to live?
- How can we balance the need for more housing with the need for employment and industrial lands?

3. Cost: Development costs are too high because of high land prices and government-imposed fees and charges.

New housing development requires access to serviced land (land that has critical infrastructure like water and sewer lines in place). Some people have raised concerns that land prices are driven up because there is a lack of serviced land available for development in locations where people want to live. There have also been debates about how best to pay for that servicing and how to ensure it is done in the most cost-effective manner.

Development Charges

Under the Development Charges Act, 1997, municipalities are permitted to levy certain charges on new developments, including housing and commercial developments. These funds are designed to assist municipalities in paying a portion of the costs for growth related services, such as roads, water services, and police and fire services.

Under the Education Act, school boards may also levy education development charges. Education development charges are primarily levied by school boards that cannot accommodate new students in their existing schools and may only be used to purchase and prepare land for future school sites.

Government-imposed costs also make it more difficult and expensive to develop new housing. Examples include municipal and education development charges, planning and building approval fees and federal and provincial taxes.

Rental housing developers have noted that the challenges created by high land prices and government-imposed costs make some of their projects financially unfeasible due to the inability to attract investment capital.

Many of the investments in public infrastructure (e.g., sewer and water services, roads, etc.) needed to support housing development are funded by these fees and charges. There is a need to balance efforts to lower the costs of development with building and maintaining vital public infrastructure.



What do you think?

- How can we lower the cost of developing new housing while ensuring that funds are available for growth-related infrastructure (e.g., water and sewer systems, fire and police services, schools, roads and transit)?
- How can we make sure that serviced land is available in the right places for housing?

4. Rent: It is too hard to be a landlord in Ontario, and tenants need to be protected.

It is hard for Ontarians to find rental housing that is affordable and meets their needs. In many urban areas, vacancy rates have fallen to historic lows. In northern and rural communities, a long-term shortage of suitable rental units has made it difficult for renters to find a home in their communities.

A rental unit can be an apartment, a house, a condominium unit, a unit in a retirement or care home, or a home in a mobile home park or land lease community.

In Ontario, rental housing is regulated by the *Residential Tenancies Act, 2006*. This Act establishes rules for landlords and tenants, including rent increase rules. It also establishes the Landlord and Tenant Board, which helps landlords and tenants resolve disputes.

Many small landlords say the Act makes it difficult to be a landlord. On the other hand, tenants have said they need stronger protections against unlawful evictions and poorly maintained rental housing.

Second units, such as basement apartments, are an important part of the rental market and can make better use of existing homes. Yet creating new legal second units is difficult because of government requirements, such as the Building Code and local bylaws/restrictions.

Landlord and Tenant Board

The Landlord and Tenant Board (LTB) is an adjudicative tribunal that is accountable to Ontario's Ministry of the Attorney General, and makes decisions independent of government.

The LTB adjudicates disputes and also provides information to landlords and tenants about their rights and responsibilities under the Residential Tenancies Act, 2006.

Over the past few years, wait times for hearings and orders have increased at the LTB.

What do you think?

- How can we make the current system work better for landlords?
- What additional protections should be provided for tenants?
- How do we encourage homeowners to create legal second units and new rental supply?

5. Innovation: Other concerns, opportunities and innovations to increase housing supply.

The government is interested in other creative ideas to help increase the supply of housing. Some examples include:

- Innovative forms of homeownership
- State-of-the-art building designs and materials.
- Creative building design ideas to improve the quality of the community.

The government is also interested in hearing your input about other issues that people face when trying to find or afford a home, including issues that new home buyers face.

What do you think?

- How do we encourage innovation in the building industry while maintaining high standards of safety and efficiency?
- Are there any innovative forms of homeownership (e.g., shared ownership or rent-to-own models) that you feel could help make housing more attainable?
- Do you have any creative ideas to make better use of existing homes, buildings and neighbourhoods to increase the supply of housing?
- What other creative solutions could help increase the supply of housing?
- What type of protections would help new home buyers?



Your privacy matters

Your privacy is important to us. By participating in this consultation through the online survey or sending your submission, you may be sharing some personal information with the Ministry of Municipal Affairs and Housing. Any personal information collected will be handled according to our [Privacy Statement](#) and used only for research and housing policy development purposes. This information is collected pursuant to section 4 of the Ministry of Municipal Affairs and Housing Act. Questions about the collection of personal information may be directed to:

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