

Shift happens

Where are all the places to grow?

Development regulations a hindrance to housing affordability and choice

It's hard not to notice all the condominiums cropping up across the GTA these days.

Condos accounted for 62 per cent of new-home sales in the GTA last year, according to RealNet Canada, a Toronto-based national provider of real estate information services. And it seems that everywhere you look, there are construction cranes and new residential towers dotting the urban horizon. What isn't as visible, however, is the lack of subdivisions being built and the dwindling availability of new low-rise houses.

A decade ago, 75 per cent of all new homes sold in the region were single-family houses. Last year, low-rise housing comprised just 38 per cent of new-home sales, largely the result of provincial policies aimed at protecting greenbelt lands and promoting intensification.

The GTA housing market has been reshaped fundamentally by provincial policies introduced in 2006 as part of the Growth Plan for the Greater Golden Horseshoe, a region in Southern Ontario whose boundaries extend south to Lake Erie and north to Georgian Bay. With the Greenbelt Plan, the province has aimed to protect 1.8 million acres of green space, and its Places to Grow plan has designated areas best suited for intensification.

Commenting on the dearth of low-rise houses, Paul Golini, chairman of BILD (Building Industry and Land Development Association), says, "People can't see what doesn't exist anymore." BILD represents more than 1,375 member companies in the land development, homebuilding and professional renovation industries in the GTA. "The homes under construction today were sold to the homeowner a few years ago. The industry is worried about the balance in housing options and the affordability of new homes in the future," says Golini.

The shift from low-density to high-density housing has been directed by provincial intensification policies encouraging a more sustainable approach to urban development. Homebuyers want to choose the type of home that suits their lifestyle through the various stages of life — and choice in the low-rise market is diminishing.

"There just hasn't been the availability of land when it comes to low-rise product," Golini explains. "Not only is the low-rise price index the highest it's ever been — \$609,369 [this past] August — it's also driven the market toward high-rise. And if you're a first-time buyer, that seems to be your only option."

There has also been plenty of resistance to the intensification policy in the GTA at the municipal level, delaying approvals of condo projects and pitting developers against community groups opposed to the introduction of denser forms of housing in their neighbourhoods.

"Local interests are not always aligned with the province's goals when it comes to growth and intensification," Golini notes. "Not everyone is ready to accept this new form of living."

The development industry has been operating in accordance with the provincial growth plan, says Golini. But six years in, it has become clear that the policies have had an adverse impact on homebuyers, he says, creating severe constraints on land availability and resulting in limited housing options and ever-increasing prices.

"Places to Grow was designed to

Suburban option



Elaine Viterbo, with husband Raul and daughter Maelle, bought a new house in Upper Unionville.

WHAT DID YOU BUY AND WHY?

Elaine Viterbo — 40, manager, North 44° restaurant

Where did you buy? Upper Unionville, a 1,700-home community at Kennedy Rd. and 16th Ave.

Tell us about your place. It's a 2,300-sq.-ft. detached home on a 34-foot lot.

What appealed to you? For six years my husband and I have been living in a townhouse in Richmond Hill, but the pricing there for a detached home is ridiculous. We paid \$720,000 for the home at Upper Unionville, so the price was appealing. So is the location — it's easier to commute to work. Plus, it's near my aunt's house and she can take care of my two-year-old. And Unionville is a nice community that's still growing.

Why a low-rise home, not a condo? My husband really likes having a backyard, even though you have to mow it, and there's the maintenance of the home itself. But it's also just the freedom; you don't have to use an elevator. And we look at condos as a whole bunch of people living in one space.

Why did you buy new, not resale? I like the thought of being the first person using the bedroom and bathroom; being able to create something we want, not having to say, "We like the house except for this, but maybe we can renovate it to be that way"; being able to pick our own finishes — the builder had its own décor centre, so we chose the decor ourselves, and it suited our tastes; also, the smell of a new home (it's like buying a new car).

When do you move in? August 2013. We visit the site weekly to see what stage it's at. But it's still just dirt at the moment.

City centre option

WHAT DID YOU BUY AND WHY?

David Porter — 39, condo-garden designer, Toronto Condo Garden

Where did you buy? River City, Phase One, King St. E. and River St. (the first residential project in the new West Don Lands precinct)

Tell us about your place. It's a one-bedroom, 762-sq.-ft. corner unit on the 12th floor, with north- and west-facing views.

What appealed to you? The amazing and unobstructed view of downtown. The second reason was value — it was \$437,000, including one parking spot and a locker. This worked out to \$525 per square foot, compared to the downtown core, which is five minutes away by streetcar, where condos are going for about \$700 per square foot. I thought it was a cool little pocket of the city.

Why a condo, not a low-rise home? I travel quite a bit and I like walking out the door and not worrying about it, so it fits my lifestyle. Although a backyard garden can be nice, I do love gardening on a balcony or a terrace. So easy to maintain and change up.

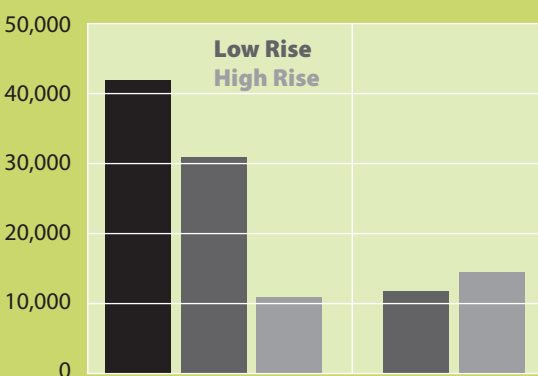
Why did you buy new, not resale? I'm not big into resale. That's part of the fun of buying new construction — actually watching it, being able to pick all your finishes and then seeing it go from nothing into something.

When do you move in? Next summer. They've just topped off my building and I can see there are windows being installed, so they seem on schedule.



David Porter is eager to explore the King St. E and River St. area when he moves to his new condo.

New homes sold in GTA 2001 vs. 2012



RealNet Price Index



SOURCE: REALNET

put tension in the system to promote higher-density development, and that tension is there," says BILD president and CEO Bryan Tuckey. "But you wonder if the balance has been shifted too far."

With an estimated 100,000 people moving to the GTA each year, Tuckey notes that the industry recognizes that the lack of affordable hous-

ing options for new and first-time homebuyers is a serious issue in the GTA, and wants to be part of the solution. "Our industry plans and builds about 40,000 homes every year to meet the demand from first-time homebuyers, the aging demographic, immigration and the changing family formation."

The challenge is getting political and

community support to build them.

Many municipalities have outdated zoning bylaws that don't conform to Places to Grow and don't include intensification targets, says Tuckey, resulting in further delays, as rezoning is required before construction can begin on higher-density projects.

"I interact with many of the best developers in the city and they all feel that the approval process gets bogged down at the city level," says Barbara Lawlor, president of Baker Real Estate, a leading brokerage firm in the GTA.

"We need to see more streamlining when it comes to the red tape and the layers of regulation," Golini agrees, noting too that excessive development charges and parkland requirements create hindrances that contribute to higher home prices.

BILD is determined to ensure the 68,000 hectares of whitebelt lands — the area between the GTA and the greenbelt — are preserved for growth past 2031.

Though the whitebelt was intended to function as an urban reserve that would accommodate future growth in the region — whose population is projected to spike from 6.3 million to 8 million by 2031 — many municipalities have been restricting development of these lands.

"If the province was able to give a clear statement regarding the whitebelt and its long-term future," says Tuckey, "it would go a long way to helping the implementation of Places to Grow in the GTA."

This is the first in an 8-part series sponsored by BILD. Look for the next one on Sat., Nov. 3.



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