

Building Futures

Places to Grow: THE RESHAPING OF THE GTA

The legislation that changed the way we grow

It has been nearly a decade since the Ontario government introduced Places to Grow – the provincial growth plan created to strategically accommodate future population growth, support economic prosperity and achieve a high quality of life for all Ontarians – and one doesn't have to look far to notice the effects.

In fact, all you have to do is walk out your front door and look around. You will notice the strong emphasis on intensification, from the towers in downtown Toronto to the townhomes in the surrounding areas.

This is all part of the province's vision for the Greater Golden Horseshoe, which is grounded on a series of principles that provide the basis for guiding decisions on how land is developed, resources are managed and public dollars invested.

They include building compact, vibrant, complete communities; planning and managing growth to support a strong and competitive economy; and making efficient use of existing infrastructure while preserving natural and agricultural resources to maximize the benefits of growth and minimize cost.

Most importantly, the plan calls for collaboration among all sectors, including government, private and non-profit, to work with residents in achieving this vision.

"One of the objectives of Places to Grow is to intensify development in urban areas, and this is exactly what is happening in the GTA," says Bryan Tuckey, president and CEO of the Building Industry and Land Development Association (BILD). "You can see the results in cities across the region, where a record number of tall towers seem to be constantly under construction. The GTA has the most high-rise buildings under construction in North America, overtaking the usual suspects like New York, Chicago and Los Angeles."

BILD is the voice of the land development, home-building and professional renovation industry in the GTA. With more than 1,400 member companies, it is the largest local home builders' association in Canada and has been represent-

ing its membership in government since 1921.

"Our association works collaboratively with our partners in government to help create fair and effective land-use policies so that our members can efficiently implement the objectives of Places to Grow," Tuckey explains.

Recent studies have shown that the GTA is one of the fastest growing regions in North America, with a population that is expected to increase by as many as 100,000 people each year. In order to accommodate this growth, the building and development industry has been tasked with adding more density in urban centres by building up instead of out.

The numbers tell the tale. Back in 2004, low-rise homes, which represent detached, semi-detached and townhomes, accounted for 68 per cent of all new homes sold in the GTA. Today those statistics are nearly reversed, with high-rise condominiums holding a dominant share of the market at just under 60 per cent.

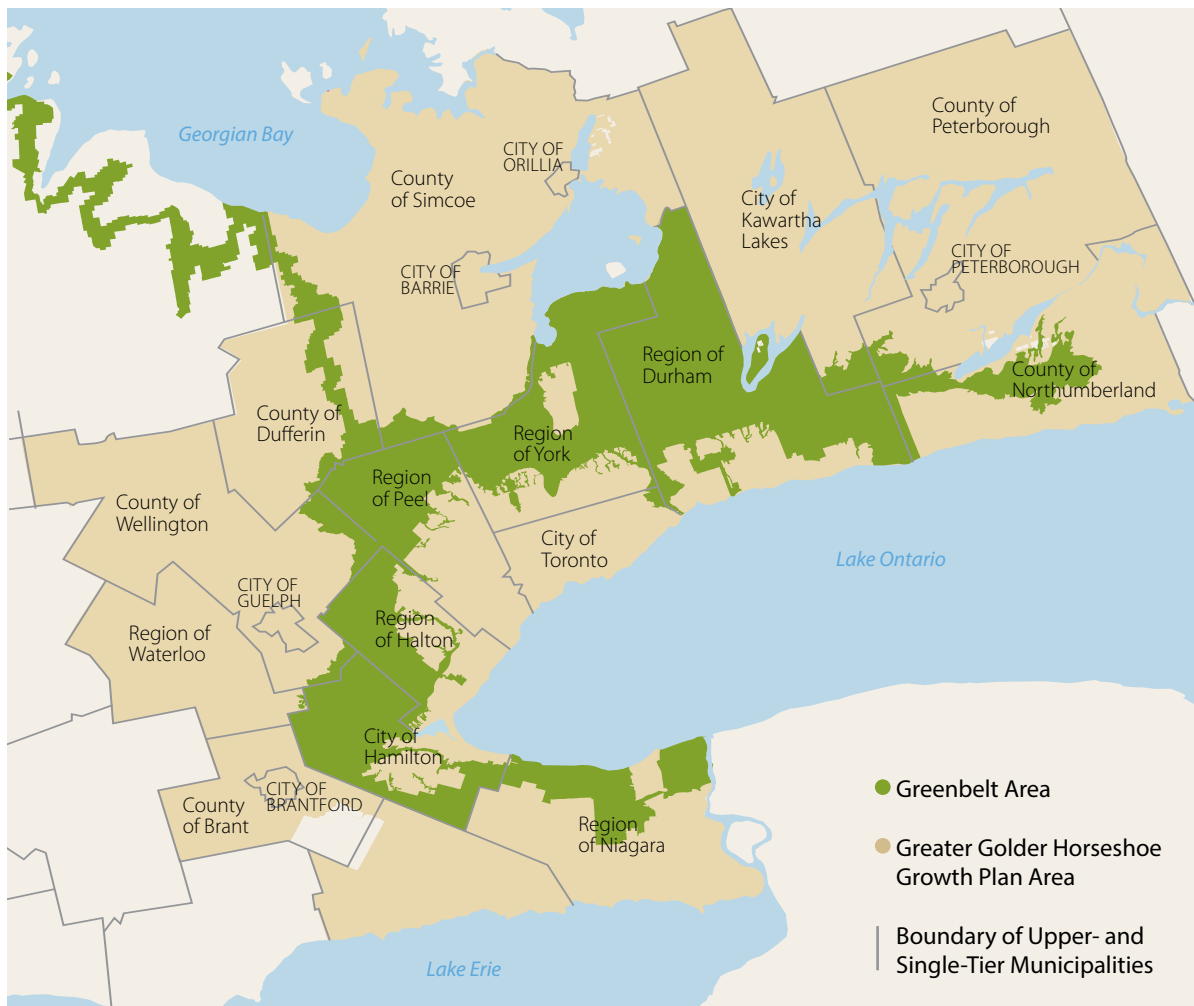
The shift is driven by the introduction of the Greenbelt – a legislative border that surrounds the GTA and prohibits new development within its boundaries. While the policy's goal of intensifying the areas inside the Greenbelt have been effective, a constrained supply of serviced land designated for development close to Toronto has also been an important outcome of the growth plan's implementation.

When land supply diminished, its value skyrocketed. As a result, the price of new homes has doubled in the last decade.

While it may seem like there is plenty of land in areas outside the City of Toronto, only a small portion is designated for urban use and servicing. There are numerous factors that come into play when introducing a new community into an area, such as pipes in the ground to accommodate water and sewage, various utilities like hydro or electricity, as well as appropriate road access so that residents can commute to and from their homes.

As the GTA continues to grow, so does the demand for new homes. This means the cost of new housing will continue to increase as well, making it even more challenging for people to purchase homes they can afford.

Ontario Home Builders' Association CEO Joe Vaccaro points out



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that while the industry has done its part in implementing the objectives of Places to Grow, government has been lagging in supporting intensification with new transit lines, roads, hospital and schools. This often results in unnecessary disputes between developers and residents opposed to new communities in their neighbourhoods.

a responsibility to provide those complementary services."

Government often looks to development fees and charges to fund this new infrastructure and services. The issue is that these fees are paid by new-home buyers as part of their final purchase price, but used by all residents of the area.

"New-home purchasers in the

a challenge because these bylaws do not reflect the intensification goals of the province.

If a development application is in conformity with the objectives of Places to Grow, it often requires a rezoning application. An unnecessary rezoning application also leads to conflict with residents of the neighbourhood who are presented with a false expectation of what the planning perspective is for the community.

This often leads to the Ontario Municipal Board (OMB) making the decision, which results in delays and unnecessary costs for new-home buyers.

"The reality is, no one seems to want to have an honest conversation about what the growth plan means," Vaccaro says. "It's always the developer standing up there explaining the growth plan to people – that tall, dense projects are what we've been asked to produce. The provincial government and municipalities have a responsibility to educate the residents why this change is happening."

The province has dedicated 55,000 hectares of rural and agricultural lands, commonly referred to as the Whitebelt, which is meant to function as an urban reserve to accommodate long-term future growth. Yet developing this land has been a challenge due to restrictions imposed by some municipalities, which has only contributed to additional constraints in land supply.

"We talk often about population growth until 2031, but the reality is that the GTA will continue to grow past that," Tuckey notes. "That is why it is so important to ensure the availability of sufficient land for employment and housing, not just for today but for future generations."

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president and CEO of the Building Industry and Land Development Association (BILD)

"They're worried about transit, traffic and whether they have enough capacity in their schools," Vaccaro says, pointing to the collaboration principle of Places to Grow. "This is where we turn to our partners in government and say, 'Private developers have responded to the growth plan by bringing projects online that are consistent with what you wanted. Now you have

GTA contribute approximately \$1 billion per year in development charges, which is just one component in a series of government fees and charges on new homes," Tuckey explains. "We understand that growth must pay for growth, but is it fair to have new neighbours pay for something that will be enjoyed by the whole neighbourhood for decades?"

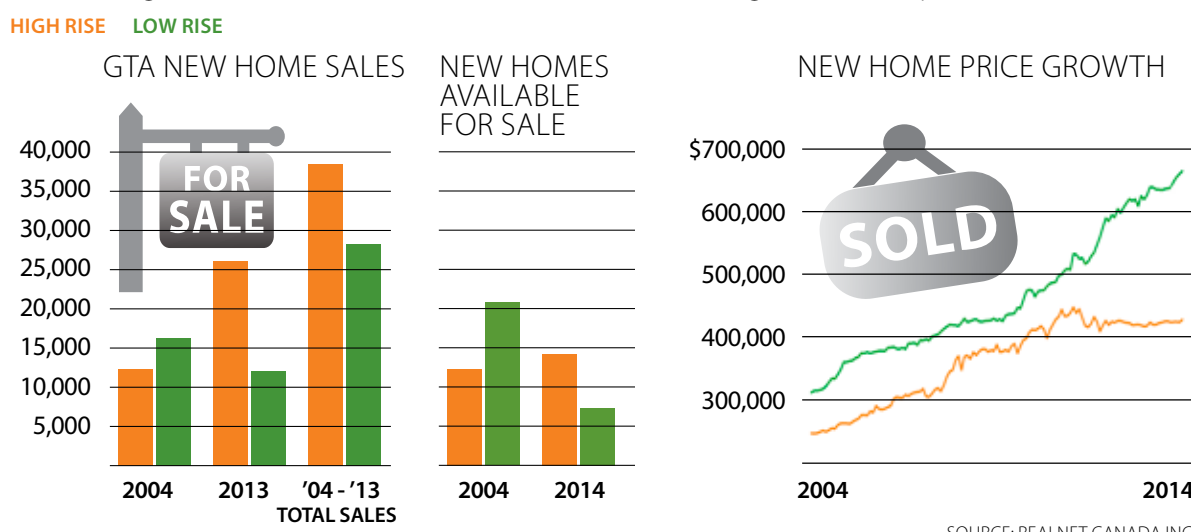
A study released by BILD in 2012 shows development fees and charges on new homes represent approximately 20 per cent of the cost of a home. When you combine high fees and charges with outdated land-use planning policies and zoning bylaws at the municipal level, the result is a higher price tag for the new-home buyer.

While municipalities must update their official plans every five years to conform to the provincial growth plan, no such requirement exists when it comes to zoning bylaws.

A number of municipalities within the GTA are currently operating under bylaws that date back to the 1970s or even the 1950s. This makes implementation of the growth plan

Then and now

The intensification of the GTA — with limited land available for low-rise development — has caused a seismic shift in the housing market. Here, by the numbers, is how drastically things have changed in the last decade when it comes to housing choice and prices:



This is the second in a 4-part series sponsored by BILD. Look for the next one on Saturday, October 18.

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WORKING TOGETHER TOWARD A GREATER GTA

Building healthy, complete communities is a team effort. That's why BILD works closely with our partners in government to establish fair and effective policies that affect the land development, home building and professional renovation industry in the GTA. We are always at the table on behalf of the industry and new home buyers. So why is advocating on your behalf so vital to us?

BECAUSE THE GTA IS OUR HOME TOO