



ontario greenbelt alliance

## **Top Five Facts The Development Industry Doesn't Want You To Know About Housing In The Greater Golden Horseshoe**

- 1. There is a huge abundance of land already available for development in the Greater Golden Horseshoe (GGH).**
- 2. Land hoarding by speculating developers is limiting the amount of Land that is currently being developed, which in turn is a factor in rising house prices.**
- 3. Demand for detached single family homes would decrease if more diverse housing options were available.**
- 4. The Growth Plan will increase home ownership options.**
- 5. The factors real that contribute most rising house prices in the Greater Golden Horseshoe are: low interest rates; demand for central locations; lack of housing options and lack of rental properties.**

### **Here Are The Real Facts That Back These Top Five Up:**

#### **1. There is a huge abundance of land already available for development in the Greater Golden Horseshoe (GGH)**

- Land the size of 1.5 Torontos is already set aside** for projected population growth in the GGH far into the future. As the Growth Plan policies are implemented and shift development patterns away from sprawl towards more compact communities, land consumption rates will slow, further extending the availability of land.

- **Already more than enough land:** Under the Growth Plan municipalities have already added 19,100ha. to their urban boundaries to accommodate 2031 population projections of an addition 2.8 million people. In total 107,100ha are currently designated for growth in the GGH (1.5 Torontos). After the land was added updated projections have lowered the expected number of new residents in the GGH, meaning that municipalities may be adding more urbanized land to their boundaries than they need.
- It is **Unlikely any new land will be needed** to accommodate population projections for 2041 according to the Crombie advisory panel that released their report to the province this past May.

## **2. Land hoarding by developers is limiting the amount of land that is currently being developed which in turn is factor in rising house prices.**

- **Developer land hoarding is real.**
- **Reports by the Residential Construction Council of Ontario, TD Bank and CIBC** all suggest that another important factor in rising housing prices is that major landholders are withholding lots for sale that are in areas set aside for development, based on speculation that higher returns will materialize in the future.

## **3. Demand for single family detached homes would decrease if more diverse housing options were available.**

- **The Growth Plan aims to create more mixed-use communities people prefer to live in.** The majority of GTHA residents are willing to live in smaller units such as semi-detached houses, townhomes and mid-rise apartments if it puts them closer to schools, services and public transit.
- **Mixed use is what the public wants.** A study by RBC and the Pembina Institute found that 81% of GTA residents want to live in location efficient neighbourhoods with access to public transit, schools, shops and amenities. 60% of families with three or more children would trade off a larger house in a car-dependent location for walkability, rapid transit and a smaller home. And if price were not an issue, all age groups would

prefer to live in a location-efficient city or suburb, with 82% of respondents over 60 and 84% under 35 exhibiting that preference.

- **The market is already shifting to meet this demand.** Many GGH residents are willing to give up a large yard for a more compact home with these amenities. However, if the only options are small high-rise units or single family detached homes, the demand for single family detached homes will be high. But if more townhomes and mid-rise buildings with 2 and 3 or 4 bedroom apartments are built in mixed-use neighbourhoods, the demand for single family detached homes will decrease.
- **The Growth Plan promotes gentle densities** that can help revitalize main streets, create walkable communities and support more public transit to create the neighbourhoods where people most want to live.

#### **4 . The Growth Plan will increase home ownership options.**

- **The Growth Plan aims to encourage a greater mix of housing types.** Currently many municipalities are building almost entirely low-density urban sprawl and have been since the 1950's. The majority of the housing stock in the GGH is already single family detached housing, with little other choice for residents.
- **Ontario needs a greater mix of housing not just low-density sprawl options.** For example York Region's housing stock is 87% low-density and just 13% apartments and townhouses. In the last 10 years 80% of new units were low density, despite the direction of the Growth Plan. If municipalities are required to follow the Growth Plan, more mid-density housing will be available. Moreover, the Growth Plan will provide more units in walkable neighbourhoods that are suitable for seniors, thereby increasing the availability of single family homes that will come on the market as baby boomers downsize over the next 20 years.

#### **5. The factors that contribute most rising house prices in the Greater Golden Horseshoe are: low interest rates; demand for central locations; lack of housing options and lack of rental properties. Moreover, house prices began rising long before the Growth Plan came into effect.**

- **The Current run-up in house prices began in about 1997**, before the Growth Plan came into effect in 2006 and has continued almost

unabated. Since 2000, the price of houses across Canada has risen 127%. (Richard Blackwell, Globe and Mail, December 28, 2012).

- **Other cities without Growth Plans have seen similar price increases:** Calgary saw a 52% increase in housing prices from 2005 to 2011, while Ottawa rose by 31% and Montreal by 39%. And none of these communities have Greenbelts or Growth Plans.
- **Low interest rates are the biggest influence** on rising housing prices. In fact mortgage rates have declined significantly in Canada, from a peak of 18.5% in 1981 to 4.25% (posted) in 2012, with all-time lows occurring in 2005 and again in 2011. This has allowed more homebuyers to enter the market, driving up demand and prices. (RBC/Pembina report: Priced Out)
- **Location remains a big factor** - housing prices are rising the sharpest in Toronto and other cities with vibrant downtown cores, jobs, and public transit where people want to live.
- **According to York Region's own figures**, just 11% of new suburban single family homes are affordable, compared to 74% of medium and high density units built in urban areas.
- **Ontario's Growth Plan aims to shift from building predominately single family detached homes in low-density suburban sprawl to building more homes where demand is the highest - downtown, near jobs and transit.** It also aims to ensure the home types and their prices are diverse - building a mix and range of singles, townhouses, mid-rise, condos and apartments. Building more townhomes and mid-rise condos will make more homes available that cost less.
- **Building more rental units will increase affordability and decrease demand for purchasing homes.** "New rental construction will give cash-strapped young families, new immigrants, and an aging population housing options they can afford, and protect construction jobs as governments turn off the (post-recession) stimulus taps," said Federation of Canadian Municipalities president Berry Vrbanovic.