

3.1 Focus on strategic growth policies by ensuring that land use planning and development regulations are aligned, to increase density and create more housing stock

HIGHLIGHTS:

- Rental demand has reached multi-decade highs, driven by population growth, job creation for prime renter cohorts, and a decline in home ownership affordability
- The OCC is calling on the newly elected government to focus on strategic growth policies to increase density and create more housing stock.
- Ontario needs a strategic growth plan that will ensure land use planning prioritizes available and affordable housing.

While shelter-related costs have been gradually increasing across Canada, in Ontario the challenge is even more acute. Rental demand has reached multi-decade highs, driven by population growth, job creation for prime renter cohorts, and a decline in home ownership affordability. A healthy vacancy rate is considered to be 3 percent or higher.¹ In Ontario, purpose-built rental vacancy rates have fallen to a 15-year low of 1.6 percent across the province,² and as of late 2017 the vacancy rate in Toronto had reached 1 percent.³

Overall, Ontario's housing market is struggling to keep up with demand as supply lags. If the market is unable to meet the demands for housing, the cost of all housing – rental and purchased – will continue to rise. This is particularly concerning given the stagnant nature of income growth.⁴

Additionally, members of the OCC have raised valid concerns regarding the Building Better Communities and Conserving Watersheds Act, that a weakened Ontario Municipal Board (OMB) will undermine the

important economic development role of the land use planning appeals system by placing greater barriers to land development. This will also leave provincial growth plans vulnerable to not-in-my-backyard (NIMBY) tendencies in communities, and make it much more difficult to get intensification and public transit-related projects built.⁵

The Chamber Network has identified issues such as housing affordability, intensification, and the needs of growing communities as being critical to their ability to compete and grow as businesses. Ontario's strategic growth plan must consider housing affordability as a key and integral component. The province should ensure that its land use plans be subject to a comprehensive consultation process.

The availability and affordability of housing greatly impacts the cost of living for Ontarians, and limits the ability of Ontario business to attract and retain talent, reducing our competitiveness.

1 Wellesley Institute. 2017. *Precarious Housing in Canada*. http://www.wellesleyinstitute.com/wp-content/uploads/2010/08/Precarious_Housing_In_Canada.pdf

2 Canada Mortgage and Housing Corporation. *Ontario Annual Report*. <https://www03.cmhc-schl.gc.ca/catalog/productDetail.cfm?lang=en&cat=59&itm=11&fr=1513104529990>

3 Mathieu, Emily. Toronto Star. *Rental Vacancy Rates Lowest in 16 Years*. 2017. <https://www.thestar.com/news/gta/2017/11/28/rental-vacancy-rates-lowest-in-16-years.html>

4 Thomas F. Phillips, "The Economic and Social Costs of Property Development Delays in Peterborough," May 16, 2017. <https://www.trentu.ca/trentlandsplan/sites/trentu.ca.trentlandsplan/files/documents/Peterborough%20Development%20Delays%20-%20Phillips%20report%20May%202017.pdf>

5 CBC News, "Province to replace Ontario Municipal Board with less powerful tribunal," May 16, 2017, accessed May 18, 2017, <http://www.cbc.ca/news/canada/toronto/omb-changes-1.4117063>