

A Fair Inventory of Short-Term Residential Land in the GTA According to the Latest Data: So, What's the Problem?



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*The opinions expressed in this research report are those of the authors only and do not represent the opinions and views of either CUR or Ryerson University.

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Introduction

When one looks at Figure 1, it is evident that there was a fair supply of short-term land for major dwelling types in the Greater Toronto Area (GTA) at the time the inventory was compiled. There were sites for just over 200,000 units, split between apartments (46%), singles/semis (42%) and townhouses (12%).¹

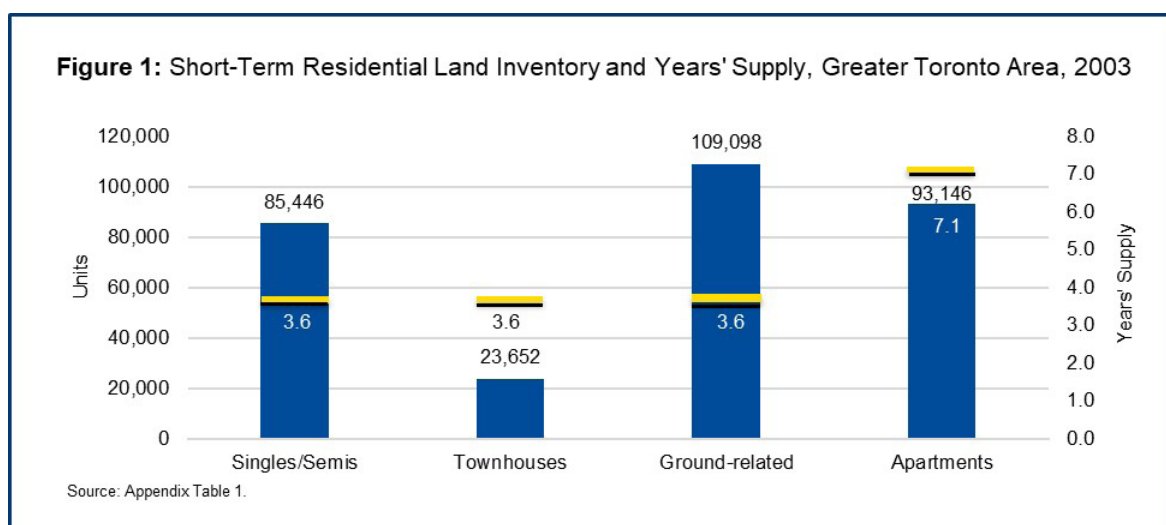
The provincial policy at the time required municipalities to maintain a minimum three-year supply of short-term land by dwelling type at all times (Policy 1.7).² With annual monitoring, this meant a de facto minimum supply of four years each time the inventory is compiled since the three-year minimum had to be maintained throughout the year.

Applying the household growth forecast of Hemson Consulting in its research for the Growth Plan for the Greater Golden Horseshoe, the land inventory was equivalent to a 3.6 years' supply for singles/semis, townhouses and ground-related homes (singles/semis and townhouses), below the de facto required minimum.³ For apartments, the inventory was an ample 7.0 years.

With a 3.6 years short-term land inventory for ground-related homes, housing prices would be expected to increase a bit over the inflation rate. Any shortages of new housing would not be prolonged if supply responds to demand.

So, what is the problem? The problem is that the last year we had complete information on the GTA's short-term residential land inventory was 2003. That's right, the year 2003, 18-years ago!

In the latter 1980s, a shortage of serviced land for housing, especially singles, triggered a housing price escalation. As a result, the Province, starting in 1989, introduced a series of policy statements requiring municipalities to maintain minimum supplies of medium-term lands and then both medium-term and short-term lands. In addition, CMHC and Ontario's Ministry of Municipal Affairs and Housing funded a survey of the GTA's short-term land inventory by type of dwelling and municipality between 1994 and 2003. The survey provided information on short-term land inventories that could be used to monitor municipal compliance.



¹ Appendix Table 1 provides data for the GTA land inventory by upper-tier and single-tier municipalities for 2003. The data are also available by local municipality.

² MMAH (1995). "Comprehensive Set of Policy Statements." Communications Branch.

³ The short-term land inventory and household forecasts utilized are presented in Appendix Table 1.

The last land inventory survey of the series, 2003, was released in 2004.⁴ Coincidentally, this was the same year the Liberals defeated the then Progressive Conservative Government with an environmental agenda that had the effect of discouraging the building of ground-related housing on the urban fringes ("greenfield lands").

What do we know about the short-term land inventory in the GTHA today?

Unfortunately, not much, even when we expand the geographic coverage to include Hamilton, which has published an annual short-term land inventory for 15 years.⁵

In the GTA, only York Region has released a recent short-term land inventory by dwelling type and municipality for greenfield lands for 2020. Peel, Halton, and Durham Regions do not release land inventory statistics. The City of Toronto releases short-term land inventory data for total units only – all this inventory is in the built-up area. Within the Region of Durham, only the City of Oshawa and the Town of Whitby released 2020 inventory data by dwelling type for greenfield lands.

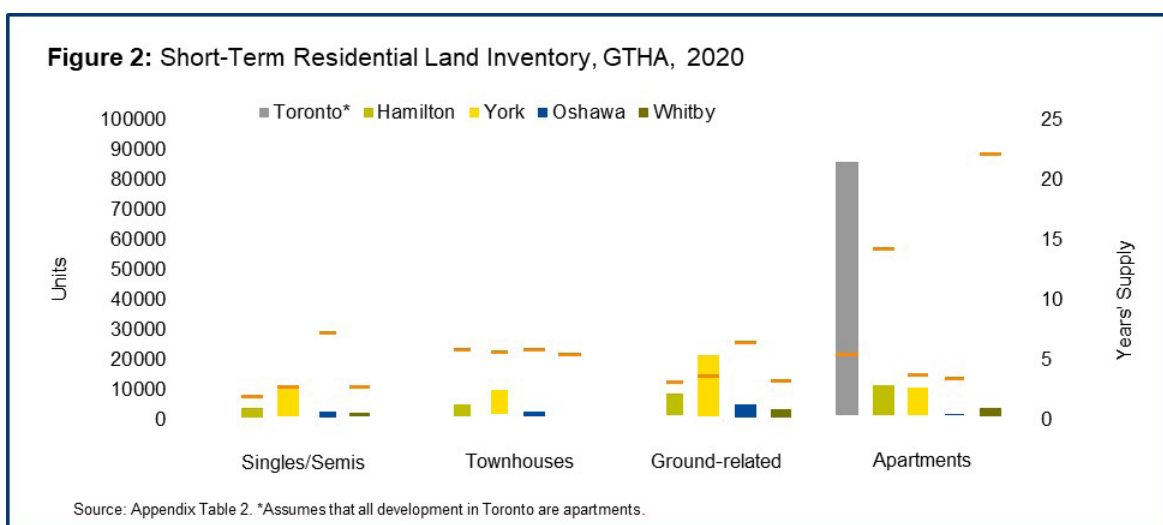
Within the GTHA, only the City of Hamilton releases land inventory by dwelling type for its greenfield lands and built-up areas.

Figure 2 contains the meager land inventory data available for GTHA municipalities in 2020. The years' supply is calculated using the 2020 Hemson Consulting household forecasts prepared for the Ministry of Municipal Affairs and Housing except for the City of Oshawa and the Town of Whitby, where the forecasts from the 2019 and 2021 development charges background studies are employed.

What can we learn about the GTHA's short-term land supply situation from these sketchy data on the short-term land supply and years' supply at the end of 2020?

- **There is likely an ample supply of short-term apartment land in the GTHA**

Hamilton has a 14.2-year supply of apartment land primarily in its built-up area. We know that Toronto's total 5.4 years' land inventory consists almost entirely of apartments. While York Region and Oshawa appear to have a shortage of apartment sites



4 CMHC and MMAH. (2004). "GTA Residential Land Inventory, 2003."

5 The most recent report can be found at Hamilton (2021). "Vacant Residential Land Area and Unit Potential, December, 2020." [Online] Available <https://www.hamilton.ca/sites/default/files/media/browser/2021-07-12/vacant-residential-land-total-report-dec2020-1.pdf>

with years' supply of 3.4 and 3.7 years, respectively, this includes only greenfield lands. Most apartment sites in these municipalities are on sites in built-up areas.

- **There is likely a shortage of short-term land for ground-related land in the GTHA, but the severity cannot be quantified**

Most ground-related housing (singles, semis and townhouses) are built on greenfield sites. Whitby, York Region and Hamilton, with 3.6, 3.5 and 3.1 years' supply of sites for ground-related housing respectively, had shortages when measured against the minimal continuous land supply policy of the Province's policies (four years with annual monitoring). Oshawa, in contrast, had an ample supply of short-term land (7.7 years) in 2020.

While the available land supply data are ambivalent, other indicators like home sales and price patterns in new and existing ground-related homes unequivocally point to a shortage of new ground-related homes in the GTHA.

- **The shortage of ground-related short-term land is likely most critical for singles/semis**

Hamilton, York Region, Whitby and Oshawa all had inventories of townhouse land exceeding the Province's minimum with years' supplies of 5.6 to 5.9 years. However, the land inventories for singles/semis fell far short of the de facto minimum requirements in York Region, Hamilton and Whitby (with 1.9 - 2.9 years, respectively). Oshawa, in contrast, had an ample supply of land for singles/semis at the time (7.2 years).

These tentative findings in themselves are not of much use to provincial policymakers tasked with ensuring municipalities are bringing ample zoned and serviced sites for a range of dwelling types and densities to the marketplace.

What short-term land supply information is required regularly?

Under Policy 1.4.1a) of the most recently enacted Provincial Policy Statement (2020), municipalities must:

Maintain at all times where new development is to occur, land with servicing capacity sufficient to provide at least a three-year supply of residential units available through lands suitably zoned to facilitate residential intensification and redevelopment, and land in draft approved and registered plans.⁶

Upper-tier and single-tier municipalities may choose to substitute land with servicing capacity of "at least a five-year supply of residential units available" in place of a minimum continuous three-year supply. This policy means six years instead of the minimum of four years with annual monitoring.

Policy 1.4.3 requires the mix and appropriate range of housing options and densities to meet projected market-based and affordable housing needs:

Planning authorities shall provide for an appropriate range and mix of housing options and densities to meet projected market-based and affordable housing needs of current and future residents.⁷

The Provincial Policy Statement requires that municipalities maintain at least a three-year land supply "at all times." With annual monitoring, this policy requires a minimum four-year supply of land.

The mandatory short-term land inventory considers "housing types and densities," not just total housing units.⁸

Data show that most net additions to the existing

6 MMAH (2020). "Provincial Policy Statement 2020", 16.
7 Ibid.

8 Housing options are defined in the Provincial Policy Statement (PPS) as a range of housing types such as, but not limited to, single-detached, semi-detached, rowhouses, townhouses, stacked townhouses, multiplexes, additional residential units, tiny homes, multi-residential buildings. MMAH (2020). "Provincial Policy Statement 2020," 45.

housing stock in built-up areas of a municipality are of apartment units – typically around 75-80 percent, with townhouses accounting for much of the remainder. In contrast, greenfield sites (e.g., farmland) meet the bulk of the demand for ground-related housing (singles, semis, and townhouses).

Lands in the designated built-up area to accommodate new housing through intensification or redevelopment must meet two conditions to be part of the short-term land inventory:

- The lands must now be serviced or capable of being serviced quickly

“Servicing capacity” is not defined but appears to refer to sewage, water, and stormwater infrastructure. Most sites in build-up areas already have these services. An exception could occur if redevelopment and intensification activity has exhausted the current sewer and water capacity in an area, meaning there would be no capacity without an expansion.

- The lands must be suitably zoned

"Suitably zoned" is not defined, but it must refer to zoning consistent with what developers plan to build to serve their identified market niche. Lands with rezoning applications only are part of the inventory if approval is imminent.

In addition to having servicing capacity, lands in designated greenfield areas in the short-term inventory must be contained within:⁹

- Draft approved plans of subdivision

All applications to divide land into parcels required municipal approval. The first stage is draft approval which amounts to a commitment to go ahead with the subdivision once any conditions are satisfied

within a prescribed time frame.

- Registered plans of subdivision

Once all conditions of draft approval are satisfied and subdivisions receive final support, applicants can register their plans of subdivisions and start to sell homes. Vacant lots without building permits issued qualify for inclusion.

Provincial planning documents lack direction to municipalities on how to estimate what intensification lands in the designated built-up area are to be included as short-term land. A recent City of Hamilton report provides some guidance here. It identifies properties which have the potential to redevelop before the year 2031 from a review of:

- Vacant or under-utilized sites;
- Presence of poor building conditions; and,
- Current development applications (Official Plan Amendment, Zoning Bylaw Amendment, Site Plan or Subdivision) or known development proposal on subject lands.¹⁰

It is time for the Province to instruct all municipalities in the GGH to regularly compile data on their short-term land supplies in built-up areas and greenfield areas by dwelling type and density and take suitable steps to ensure compliance.

The Province could direct municipalities to accelerate their approvals process or provide financial incentives to municipalities to do so.

9 Plans of subdivisions are much less common in built-up areas but do occur. For example, a developer may buy a golf course or a large obsolete industrial property and apply for a change of use and submit an application for a plan of subdivision.

10 Lorus and Associates (2021). “City of Hamilton Residential Intensification: Market Demand Analysis.” Prepared for the City of Hamilton. [Online]. Available: <https://www.hamilton.ca/sites/default/files/media/browser/2021-03-18/grids2-ped17010i-appendixb.pdf>. 6, 8-10.

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Appendix

Appendix Table 1: Short-Term Residential Land Inventory and Years' Supply by Municipality in Greater Toronto Area, December 2003

	Singles/Semis	Townhouse	Apartment	Total	Ground-related
Units in Approved Development Plans, December 31, 2003*					
Durham	16,597	3,627	3,291	23,515	20,224
Halton	8,414	4,237	1,721	14,372	12,651
Toronto	716	276	50,577	51,569	992
Peel	19,973	4,200	28,792	52,965	24,173
York	39,746	11,312	8,765	59,823	51,058
GTA	85,446	23,652	93,146	202,244	109,098
Forecast of Average Annual Household Growth 2001-2011**					
Durham	4,200	800	300	5,300	5,000
Halton	3,500	1,300	500	5,300	4,800
Toronto	1,700	1,000	9,700	12,400	2,700
Peel	6,700	1,500	1,500	9,700	8,200
York	7,700	2,000	1,200	10,900	9,700
GTA	23,800	6,600	13,200	43,600	30,400
Years' Supply of Short-Term Residential Land					
Durham	4.0	4.5	11.0	4.4	4.0
Halton	2.4	3.3	3.4	2.7	2.6
Toronto	0.4	0.3	5.2	4.2	0.4
Peel	3.0	2.8	19.2	5.5	2.9
York	5.2	5.7	7.3	5.5	5.3
GTA	3.6	3.6	7.1	4.6	3.6

Source: CUR, based on *CMHC and Ontario Ministry of Municipal Affairs and Housing (MMAH). (2004). "GTA Residential Land Inventory, 2003." Communications Branch, Ministry of Municipal Affairs; and *Hemson Consulting (2005) "The Growth Outlook for the Greater Golden Horseshoe." [Online] Available: <https://hemson.com/wp-content/uploads/2016/03/GrowthOutlookForGGH-17Jan2005.pdf>.

Appendix Table 2: Short-Term Residential Land Inventory and Years' Supply by Municipality in the Greater Toronto and Hamilton Area, 2020

	Singles/Semis	Townhouse	Apartment	Total	Ground-Related
Total Residential Land Inventory					
Units					
Durham	N/A	N/A	N/A	N/A	N/A
Oshawa*	2,414	2,483	1,751	6,648	5,897
Whitby**	2,054	1,169	3,960	7,183	3,223
Rest of Region	N/A	N/A	N/A	N/A	N/A
Halton	N/A	N/A	N/A	N/A	N/A
Toronto***	N/A	N/A	N/A	85,908	N/A
Peel	N/A	N/A	N/A	N/A	N/A
York	11,481	9,945	10,407	31,833	21,426
Hamilton	3,632	4,852	11,376	19,860	8,484
GTHA	N/A	N/A	N/A	N/A	N/A
Average Annual Household Growth 2021-2031					
Units					
Durham****	3,620	1,400	1510	6,530	5,020
Oshawa*****	336	425	515	1,276	761
Whitby*****	775	218	179	1171	993
Rest of Region	N/A	N/A	N/A	N/A	N/A
Halton****	2,760	1,430	1,290	5,480	4,190
Toronto****	840	540	14,400	15,780	1,380
Peel****	5,290	1,970	2,950	10,210	7,260
York****	4,260	1,780	2,810	8,850	6,040
Hamilton****	1,910	840	800	3,550	2,750
GTHA	N/A	N/A	N/A	N/A	N/A
Years' Supply of Short-Term Land					
Years					
Durham***	N/A	N/A	N/A	N/A	N/A
Oshawa****	7.2	5.8	3.4	5.2	6.4
Whitby*****	2.7	5.4	22.1	6.1	3.2
Rest of Region	N/A	N/A	N/A	N/A	N/A
Halton****	N/A	N/A	N/A	N/A	N/A
Toronto****	N/A	N/A	N/A	5.4	N/A
Peel****	N/A	N/A	N/A	N/A	N/A
York****	2.7	5.6	3.7	3.6	3.6
Hamilton****	1.9	5.8	14.2	5.7	3.1
GTHA	N/A	N/A	N/A	N/A	N/A

Source: CUR, based on *Oshawa (2020). "2019 City of Oshawa Housing Monitoring Report." [Online] Available: http://app.oshawa.ca/agendas/development_services/2021/03-08/CORR_DS-21-51.pdf; **Whitby (2021) "Housing Monitoring Report." [Online] Available: https://whitby.civicweb.net/FileStorage/BED2BAA63459475F9B031346E7_F0CF70-Staff%20Report%20PL%2056-21.pdf; ***City of Toronto (2021). "Profile T.O., Development Pipeline 2021." [Online] Available: <https://www.toronto.ca/wp-content/uploads/2021/06/963e-Development-Pipeline-2021.pdf>; ****Hemson Consulting (2005) "The Growth Outlook for the Greater Golden Horseshoe." [Online] Available: https://hemson.com/wp-content/uploads/2016/03/Growth_OutlookForGGH-17-Jan2005.pdf; *****Watson & Associates Economists Ltd. (2019). "Development Charges Background Study." Prepared for the City of Oshawa. [Online] Available: <https://www.oshawa.ca/city-hall/resources/2019-Development-Charge-Background-Study.pdf>.