



# From Dream to Reality: Time to Take the Leap on “Missing Middle” Housing

**A Submission by the Centre for Urban Research and Land Development to City of Toronto Council in Response to Agenda Item 2020.PH15.6 - Expanding Housing Options in Neighbourhoods**

July 27, 2020

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## BACKGROUND ON CUR

The Centre for Urban Research and Land Development (CUR) is a research centre at Ryerson University focused on promoting better urban policy through economic analysis. Our Centre has conducted extensive research on housing affordability and the reasons for high and escalating home prices and rents in Toronto and the broader Greater Toronto Area (GTA) region, including:

- An in-depth analysis of housing supply and factors restricting affordability in the GTA. This includes the impact of regulation on supply and affordability;
- A study of millennials and how the aging of this large demographic is boosting housing demand;
- An examination of how a deterioration in ownership affordability in the City of Toronto is driving many millennials to leave the City of Toronto for more affordable regions in Canada;
- A detailed look at what future housing preferences will look like in the City of Toronto. Condos are the least preferred housing type among first-time homebuyers (who are mostly millennials); and
- An investigation into major constraints to the creation of “missing middle” housing in the City of Toronto in 2019, titled “[A Strategy for Significantly Increasing “Missing Middle” Housing in the City of Toronto](#)”.

We are writing you in response to the City Planning report dated July 2020 on “[Expanding Housing Options in Neighbourhoods](#)”. CUR is pleased that the City of Toronto has taken on this initiative to increase the supply of “missing middle” housing and we look forward to the City enacting proactive policies that will encourage and facilitate the development of these type of units. In this submission, we offer some key recommendations to help move this initiative forward and facilitate the provision of the much needed “missing middle” housing.



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## **FROM DREAM TO REALITY: TIME TO TAKE THE LEAP ON “MISSING MIDDLE” HOUSING. A SUBMISSION BY THE CENTRE FOR URBAN RESEARCH AND LAND DEVELOPMENT**

The City Planning Division recently released a report entitled “[Expanding Housing Options in Neighbourhoods](#)” (“Planning Report”), which is scheduled for consideration by Toronto City Council on July 28<sup>th</sup>. The Planning Report explores how, under the Official Plan, the City’s neighbourhood policy has limited the creation of “missing middle” housing and seeks to provide a framework for opening up low-rise neighbourhoods for the incorporation of more housing of this type. The Planning Report is well researched and presents a clear understanding of both the need for more “missing middle” housing and of the factors holding back its use. The main concerns the Centre for Urban Research and Land Development (CUR) has with the Planning Report is the lack of urgency to significantly enlarge the supply of “missing middle” housing units.

The findings of the Planning Report are largely in-line with our 2019 study, entitled “[A Strategy for Significantly Increasing “Missing Middle” Housing in the City of Toronto](#)”.

CUR’s recommendations for Council to greatly increase the supply of “missing middle” housing are as follows:

- **Think bolder.** Opening up a significant amount of low-rise neighbourhoods (the so-called “yellow belt”) to more density will help provide accommodation in housing forms closely related to ground-related housing (secondary suites, townhouses, stacked townhouses and low-rise apartments), while not distracting from the neighbourhood ambiance (think Deer Park). CUR’s 2019 report found that encouraging secondary suites in single-detached houses alone could generate 325,000 apartment suites in low-rise neighbourhoods across the City of Toronto;
- **Move much faster.** Under the current Planning Report’s timeline, any meaningful changes to the regulatory environment will not occur for at least two years. But the City is in pressing need of more ground-related affordable housing options now. Even amid the pandemic, ground-related housing is in short supply in the City, and the pricing for this housing is rising faster than household incomes. Toronto’s affordability challenges are making it a less attractive place to live, especially for millennials in their 30s who are looking for ground-related housing options. A recent CUR report showed that in one year, 32,000 persons left Toronto for other regions of the GTA and beyond as they looked for more affordable housing. High-rise apartments are not a suitable option for many households;
- **Go after low hanging fruit first.** The Planning Report noted that some Toronto neighbourhoods are in fact experiencing a decline in population. Our 2019 “missing middle” report highlighted 10 low-rise neighbourhoods that had declining populations between 1971 and 2016. These neighbourhoods likely already have the amenities and infrastructure to absorb a sizeable number of “missing middle” housing units. Our

recommendation is that the City fast track “missing middle” initiatives in these neighbourhoods (see Figure 1);

**Figure 1: Top 10 Neighbourhoods with the Largest Population Decline between 1971 and 2016, City of Toronto**

		Population (2016)	Population (1971)	% of Housing Stock That Is Single- Family Homes (Detached and Semi- attached)	% Change in Population between 1971 and 1996	Average Person per Household (2016)	Average Person per Household (1971 Estimate)	% Change in Average Household Size between 1971 and 2016
1	Palmerston-Little Italy/Trinity Bellwoods	30,382	50,830	18.2	-40.2	2.3	4.1	-45.2
2	Lambton Baby Point	7,985	13,105	58.2	-39.1	2.6	3.3	-22.7
3	Playter Estates-Danforth/Danforth	17,470	24,405	41.8	-28.4	2.3	3.2	-27.2
4	Oakwood Village	21,210	29,430	46.6	-27.9	2.4	3.4	-29.7
5	Humewood-Cedarvale	14,365	18,795	32.2	-23.6	2.2	2.6	-15.2
6	Roncesvalles	14,974	19,340	24.2	-22.6	2.2	3.5	-38.5
7	Caledonia-Fairbank	9,955	12,690	57.4	-21.6	2.7	3.5	-23.2
8	Rexdale-Kipling	10,529	13,330	46.9	-21.0	2.7	3.7	-26.8
9	Alderwood	12,054	15,230	73.3	-20.9	2.6	3.6	-28.3
10	Riverdale	47,519	59,641	33.1	-20.3	2.3	3.5	-34.6
Top 10 Neighbourhood Average		186,443	256,796	37.3	-27.4	2.4	3.5	-33.1
City Average		2,723,706	2,090,576	33.0	30.3	2.4	3.0	-18.2

Source: CUR based on City of Toronto and 2016 and 1971 Census of Canada data.

- Incentivize the creation of large numbers of secondary suites.** The Planning Report mentioned that secondary suites have been legal throughout the city since 1999, yet only 2,500 legal units have been added since that time. Secondary suites are desirable as they provide both rental housing and financial resources for homeowners to help fund their purchase (e.g. first-time homebuyers) or to aid in alleviating shelter costs (e.g. seniors). The City should also look at identifying financial and regulatory barriers (e.g. stringent building code guidelines) that currently hold back the creation of secondary suites. There may be opportunity to work with Canada Mortgage and Housing Corporation to develop programs aimed at incentivizing secondary suites;
- Less research, more action.** The efforts of planners should be more concretely targeted at implementation. Emphasis should be placed on changing zoning in those low-rise neighbourhoods that can absorb more population growth while having a limited impact on amenities and infrastructure.

- **Make the production of more “missing middle” housing a top priority.** A key objective to opening up room for more density should be to provide more housing options for all households. Providing more “missing middle” housing units should help the City get closer to meeting other policy objectives outlined in the Planning Report, including the provision of more affordable housing; diversity; inclusion; social equality; and the reduction in greenhouse gas emissions. The addition of “missing middle” housing to low-rise neighbourhoods is consistent with all these objectives and can help the City meet them without the need of implementing additional policies. For instance, neighbourhood policies in the Official Plan not only protect high-income low-rise neighbourhoods from development but have also resulted in the gentrification of what used to be more affordable low-rise neighbourhoods, which has created significant inequalities<sup>1</sup>; and
- **Introduce targets for “missing middle” housing production by unit type and neighbourhood and monitor progress.** Toronto City Council should establish ambitious targets for the creation of new “missing middle” housing units in low-rise neighbourhoods to address the lack of affordable ground-related housing. The progress towards these targets should be monitored annually.

## Final Word

CUR is pleased that the City, province and many community groups are on-board with the need to create more “missing middle” housing within low-rise neighbourhoods. There is no better time than the present to start building it.

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<sup>1</sup> The Canada Mortgage and Housing Corporation has highlighted the inequitable impact of single-detached neighbourhoods. CMHC (2018). "Examining Escalating House Prices In Large Canadian Metropolitan Centers." [Online] Available at <https://www.cmhc-schl.gc.ca/en/data-and-research/publications-and-reports/examining-escalating-house-prices-in-large-canadian-metropolitan-centres> 7.