

Ontario Needs One Million New Homes in the Next Ten Years

New research shows that over the next decade, family-friendly, climate-friendly homes need to be built in the province to keep up with a growing number of new families.

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Ottawa, Oct. 05, 2021 (GLOBE NEWSWIRE) -- Ontario's population is growing rapidly, which will require the building of one million new homes in the next ten years. Baby Needs a New Home, a new research paper from Smart Prosperity Institute explores population and demographic trends, to answer the question 'how many homes and what type of homes do we need to make housing available, attainable, affordable and sustainable in Ontario'. Failure to build enough housing in our cities and communities will increase the number of young families driving until they qualify across the province in search of housing.

Drive until you qualify is a powerful force. In the 12 months between July 2019 and July 2020, 60,000 people, on net, left the City of Toronto and Peel Region for other parts of the province. These were primarily made of children under the age of 5 and their parents, who are moving further from their existing careers and community in the search for family-friendly housing that meets their needs and wants in communities across Southern Ontario. We should expect that this reality will continue for the projected 910,000 net new families formed in Ontario over the next decade.

"The goal of building one million new homes in the next ten years presents a challenge for Ontario," said Mike Moffatt, Senior Director, Policy and Innovation, at Smart Prosperity Institute. "However, the prize is substantial: ensuring an adequate supply of high-quality available and attainable housing, while at the same time driving economic prosperity and enabling climate action. Failure to do so will make it impossible for Ontario to attract and retain the talent it needs to compete in the global economy." Starting in 2015, the population of the Golden Horseshoe dramatically increased due to an influx of talented, young international students and workers to the area. Despite this regional population increase, the number of houses built in the Hamilton CMA fell in 2015-20 relative to 2010-15. Too many families chasing too few homes has now led to Hamilton becoming the city with the third worst housing affordability in all of North America, according to Oxford Economics.

“Ontario’s housing market is a bit like a cruel game of musical chairs where more and more people, and in particular young families looking for room to grow are leaving more expensive cities and scattering across the province in search of housing. We need more housing supply and choice in communities across Ontario. The one million new homes that are needed over the next decade to respond and support young families can only happen if municipal councils approve the necessary mix of housing options in their communities. We need to build up, in and out across Ontario.” said Mike Collins-Williams, Chief Executive Officer, West End Home Builders’ Association.

Baby Needs a New Home provides projections, at a local level, for 49 communities, of the number of the demand for high-rise apartments (5 storeys or more) units and other forms of housing, based on historical trends. This provides policymakers and home builders from Kenora to Windsor with the data needed for informed decision making. Furthermore, the report calculates an existing excess demand for homes of 64,000 units due to homebuilding not keeping up with population growth over the past five years. Put together, Ontario will need to build approximately one million net new homes to keep up with the demand of a growing population.

How many housing units are ultimately built in the province will be the result of the choices all levels of government make in the coming years. If Ontario manages, through the complex planning system that ultimately requires municipal governments to implement Official Plans, to ensure housing supply matches with projected housing demand, the provincial economy and residents of the province will benefit enormously as the quality of life improves and housing becomes more available, attainable, affordable and sustainable. What Baby Needs a Home makes abundantly clear is that attainable housing is critical in Ontario over the decade to come.

This research was conducted by Smart Prosperity Institute, with funding from the Ontario Home Builders’ Association. For more detailed information, the full Research Paper “Baby Needs a New Home - Projecting Ontario’s Growing Number of Families and their Housing Needs” is available online [here](#).

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Available for interview: Mike Moffatt, Senior Director, Smart Prosperity Institute

Key Statistics:

- The Ontario Ministry of Finance projects that Ontario’s population will grow by 2.27 million more people over the next ten years.
- Ontario will need an additional one million homes; the report projects 910,000 will be needed due to the formation of new households, 65,000 will be needed to

address the current supply gaps, and 25,000 are a cushion for unanticipated additional population growth.

- Of the 910,000 net new households formed over the next ten years, primarily made up of couples planning on having children, we project that 195,000 will live in high-rise apartments (of five storeys or more), while 715,000 will live in all other forms of housing.
- In the 12 months between July 2019 and July 2020, 60,000 people, on net, left the City of Toronto and Peel Region for other parts of the province. These were primarily made of children under the age of 5 and their parents, who are driving till they qualify for family-friendly housing that meets their needs and wants in communities across Southern Ontario.

About Smart Prosperity Institute

Smart Prosperity Institute is a national research network and policy think tank based at the University of Ottawa. We deliver world-class research and work with public and private partners – all to advance practical policies and market solutions for a stronger, cleaner economy. [Institute.smartprosperity.ca](https://institute.smartprosperity.ca)

About the Ontario Home Builders' Association

The Ontario Home Builders' Association is the voice of the residential construction industry in Ontario, representing 4,000 member companies organized in a network of 27 local associations across the province. From Windsor to Ottawa, Niagara Falls to Thunder Bay and across the Greater Golden Horseshoe, OHBA advocates at the provincial level and supports the efforts of the local associations at the municipal level to impact housing policy and decisions. As #homebelievers, the OHBA believes in the great Canadian dream of home ownership by supporting more housing choice and supply across Ontario. OHBA looks forward to working with Housing Champions in communities across Ontario, to make housing more affordable and attainable for the millions of #homebelievers joining our neighbourhoods over the next decade. Together, we can make their #homebelievers dreams a reality.

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