



Ontario
Home Builders'
Association

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Tuesday August 24th, 2021

The Honourable Steve Clark,
Minister of Municipal Affairs & Housing
777 Bay Street, 17th Floor
Toronto, ON M5G 2E5

Dear Minister Clark,

**Re: 'A Place to Grow - Growth Plan for the Greater Golden Horseshoe'
Land Needs Assessment Methodology (2020) Pursuant to the Growth Plan and Municipal
Comprehensive Reviews and Official Plans**

The Ontario Home Builders' Association (OHBA) continues to be supportive of the significant provincial actions taken to make housing supply and choice available to current and future residents of Ontario. These provincial initiatives include the '*Growth Plan*', '*Provincial Policy Statement*', the '*Land Needs Assessment Methodology*', '*Transit-Oriented Communities*', '*Ontario's Housing Supply Action Plan*' and the '*More Homes, More Choice Act*'. As a stated goal, these positive undertakings have focused on the delivery of housing supply and choice to accommodate market demand for residential units across the province. Minister, OHBA applauds this government's focus and leadership on the housing file.

The current provincial population forecasts expect over 2.4 million more people joining Ontario in the next 10 years, and that means we need to build a million homes to keep communities affordable and help these #homebelievers achieve the great Canadian dream of home ownership.

Regional and municipal governments are now actively engaging and consulting through their *Municipal Comprehensive Review (MCR)* and *Official Plan (OP)* processes, to confirm the housing supply and choices Ontarian's will have in those communities for the next 10, 20 and 30 years.

Our members have been working diligently with municipalities in the Greater Golden Horseshoe (GGH) in updating their respective Official Plans as part of the *Municipal Comprehensive Review (MCR)* process. Official Plans amended through the *MCR*'s are required to implement the provincial *Growth Plan* based on the province's approved '*Land Needs Assessment Methodology 2020*' (*LNAM*).'

As part of the *MCR*'s and using the *LNAM* framework, municipalities are required to determine housing requirements and 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. This is a requirement outlined in S1.4.2 of the *Provincial Policy Statement 2020 (PPS)* and in pages 8 to 12 of the *LNAM* document. Herein, there are several components that need to be addressed in the *MCR*'s. These include the following.

- Population projection by age group
- Household formation rates
- Households needs by dwelling type
- Housing supply potential within built-up areas
- Housing supply potential within designated greenfield areas

The forecast requirements to implement the *Growth Plan* through the *MCR's* are best summarized on page 5 of the *LNAM* document as follows.

“The Plan forecasts reflect the baseline reference scenario to be used by municipalities and form the basis for establishing a market-based supply of housing. Lower projections for population, dwellings by type or employment are not permitted as they would lead to housing affordability issues and land shortages. These background assumptions enable the provision of a sufficient range and supply of housing to meeting the projected needs of the current and future residents.”

The Ministry of Municipal Affairs and Housing commissioned a technical report by Hemson Consulting in 2020 to inform the *Growth Plan*. This provincial Hemson report provides the baseline forecasts to 2051 of population, employment, and housing by unit type. This provincial report formed the background for the *Growth Plan* representing a market-based demand forecast for housing by type for each upper and lower tier municipality. This work is representative of the approach contained in the provincial ‘*LNAM*’ document and the provincial expectations that *MCR's* are required to follow to determine the sufficient housing supply necessary to reflect market demand and a total range and mix of housing alternatives. This provincial report and the *LNAM* are the foundational documents required to implement the *Growth Plan* and the current *MCR* and *OP* work to provide housing supply and choice to communities across Ontario for the next 30 years.

Unfortunately, our observations through monitoring and participation in various *MCR's* indicate that the reviews presently underway are not addressing the market-based needs assessment methodology required and expected from the province to implement the provincial *Growth Plan* in an accurate, appropriate, and realistic manner.

A specific example of our concern has been documented by our colleagues at the Building Industry and Land Development Association (BILD) through their August 3rd letter (copy attached) to the Region of Durham Council and copied to the Ministry of Municipal Affairs and Housing.

As an example, the Durham Region *MCR* does not reflect the market-based demand forecast provided in the provincial Hemson report. The provincial report includes a 2051 population forecast of 1,296,000 people for the Region and a need for new residential units from 2021 to 2051 as follows.

- 119,700 single-detached and semi-detached (55%)
- 48,700 medium-density (23%)
- 51,000 high-density (22%)

In contrast, Durham Region’s technical report used in its *MCR* forecasts includes a 2051 population forecast of 1,300,000 people and a need for new residential units from 2021 to 2051 as follows.

- 47,840 single-detached and semi-detached (22%)
- 67,280 medium-density (31%)
- 104,510 high-density (48%)

Although the 2051 population forecasts provided in the reports are very similar, the new residential units required from 2021 to 2051 through the Durham application of the *LNAM* are unreconcilable. As BILD expresses in their letter, the exceptionally high level of high-density units in the Durham forecast is unrealistic and unattainable and does not provide appropriate housing supply or choice for future residents. This aspirational intensification will not accommodate the market-based supply for residential units required to accommodate the future population and should not be permitted as it undermines the provincial Hemson report and the required *LNAM* process. There are other similar examples that we can provide in the future where the municipal application of the provincial *LNAM* is not consistent with the provincial Hemson report.

Minister Clark, OHBA believes that we have reached a point where your assistance is required as soon as possible to provide clarity and direction to the heads of Regional and Municipal Councils across the GGH regarding the conformity requirements they must follow to complete the *MCR and LNAM*. Otherwise, OHBA feels that the MMAH would be placed in the unnecessary position to refuse any *MCR* submitted for approval.

OHBA members are dependent on the provincial actions to approve the *Growth Plan* (particularly the population forecasts) and the *LNAM* market-based approach that deals with housing need by type. This will provide achievable options regarding housing supply and choice into the future across Ontario communities.

As such, OHBA respectfully requests your support in providing the following clarification and direction to GGH municipalities in the preparation of *MCR's* in accordance with the provincial requirements and the *Growth Plan*.

- The *LNAM* has been established and mandated by the province to implement the *Growth Plan*;
- Municipalities must use the established provincial *LNAM* to determine market-based housing needs to 2051; *and*
- *MCR's* that deviate from the established provincial *LNAM* cannot be deemed to conform to the *Growth Plan*.

Minister Clark, we expect over 2.4 million more people joining our communities in the next decade. With that reality, the decisions that municipalities make through their *MCR's* today will determine the housing supply and choice in Ontario for the next 30 years. We need to get it right, and with provincial clarity and direction, we can bring more housing supply and choice to communities across Ontario.

Sincerely,



Joe Vaccaro
Chief Executive Officer,
Ontario Home Builders' Association

Attachment: Letter dated August 3rd, 2021, from BILD to the Durham Region Council

C: OHBA Network

August 3, 2021

Chair John Henry &
Members of Regional Council
Regional Municipality of Durham
605 Rossland Road East
Whitby, Ontario
L1N 6A3

*Sent via email & to:
EnvisionDurham@Durham.ca*

**RE: Envision Durham - Durham Region Official Plan
Municipal Comprehensive Review &
Region-Wide Growth Analysis**

The Building Industry and Land Development Association (BILD) and our Durham Chapter have been intently following Regional and municipal discussions related to the Regional Official Plan Review and related Municipal Comprehensive Review exercises across the Greater Toronto Area. We appreciate the opportunity to contribute to this dialogue, and as interested and effected stakeholders, we respectfully submit the following comments for your consideration as part of the stakeholder discussions related to Envision Durham and the related MCR work.

Our intention is to discuss our comprehensive examination of issues and recommendations to policy makers that are guided by the recognition that growth objectives, housing supply, affordability and choice must be balanced with broader social, economic and environmental issues and protections.

We hope that our comments will be received constructively, as it is imperative that Envision Durham contemplates a balanced approach to future growth and compliments the long-range vision of the Region and its respective local municipalities.

Engagement with the Industry

BILD appreciates the amount of work that the Region has undertaken in preparing the proposed Regional Official Plan, and considering the importance of this work, and the industry as a significant and extremely interested and invested stakeholder, we would like to stress the importance of engagement with BILD and its Durham Chapter representatives.

As an example of a best practice, York Region has established both an MCR Advisory Group and an MCR Technical Working Group with BILD and representatives of the BILD York Chapter in order to provide for pre-scheduled discussions on the LNA Methodology and ROPR process. The purpose of these working groups is to allow for the industry and the Region to constructively and proactively discuss the process in advance, during, and post each strategic stage of the Region's MCR- related work. The Regional Chair is an active participant in the Advisory Group discussions.

We at BILD have established an MCR Working Group with Durham Region. We were very pleased when staff agreed to this forum. At this point, we have had one meeting, and it is our intention to follow-up with staff upon submission of this letter to schedule another.

However, as we move forward, we hope that it can follow the same format as our engagement with York Region - where again, constructive and proactive discussions occur in advance, during and post each strategic stage of the ROPA work. That is the way to move forward for this exercise that has such significant implications for the future of the Region, which closely involves the BILD Durham Chapter members are your partners in building communities.

We look to the Chairman's support to reinforce the importance of meaningful dialogue with the association. Our members are vital to the ROPA's execution, and its' success is also predicated on a Plan that is supported by the industry, and is one that represents a path forward based on market demand and realistic planning, economic, and job-related projections.

Provided that our members have extensively contributed to the building of complete communities in Durham Region, we feel it imperative to **recommend that the Region create a Strategic Engagement Plan to allow for even more constructive and purposeful discussions with the industry.**

This Strategic Engagement Plan would prove to be a very significant way forward to facilitate meaningful engagement especially considering the Region's next steps:

Much of this submission will comment on the Region's consultant report: "*Region-Wide Growth Analysis Technical Report - Chapter 1 of the Region of Durham Growth Management Study: Land Needs Analysis*" (July 2021). In addition to this, we trust that work is already underway or being contemplated regarding these other Envision Durham supportive documents:

The **(1) Housing Intensification Strategy**: The purpose of the Housing Intensification Strategy Technical Report "is to evaluate growth and intensification capacity within Durham's delineated Built-Up Area. This Technical Report provides dwelling unit supply by housing type for each Strategic Growth Area (SGA) as defined by the Growth Plan, aligned with the forecast-based demand for housing type and policy recommendations to determine forecasted levels of intensification across Durham Region."

In addition, another step will be the **(2) Employment Strategy Technical Report** which is meant to “assess the region’s capacity to accommodate forecast employment growth to the year 2051. This is informed by an employment land policy review, assessment of employment trends, employment land supply analysis, employment forecast to 2051, and a land needs analysis to determine the regional Employment Area land requirement to 2051. This Technical Report will identify strategic policy recommendations for the region’s Employment Areas, provide recommendations on Employment Area conversion requests, provide the necessary background for the future delineation of Employment Areas, and establish employment density targets.”

Then, the **(3) Community Area Land Needs Analysis** will “analyze the region’s existing Designated Greenfield Area (DGA) land densities as well as assess the region-wide DGA Community Area land needs to the year 2051. This land needs analysis is informed by forecast population and employment growth as well as density trends associated with greenfield lands.”

These technical reports will collectively form the Land Needs Assessment and Phase 1 of the Growth Management Study. BILD and its Durham Chapter members therefore obviously have a very strong interest in being a part of the discussions associated to all of this extremely significant work that is instrumental to the future planning of the Region, and must reinforce the need for a Strategic Engagement Plan as the way forward for continued discussions with the industry.

Whether it be through:

- (a) presentations to our BILD Durham Chapter – a format being followed by the other GTA Regional staff as part of their MCR work and engagement strategy with our association and its members,
- (b) a series of technical meetings between the Region’s consultants, and consultant members of BILD,
- (c) the already established Durham MCR Working Group between the Region and representative of the Durham Chapter, but improved upon to have key meetings scheduled around strategic milestones related to the Region’s Envision Durham work, or;
- (d) any other additional type of meaningful consultation with our builder and developer members, we at BILD are the forum and vehicle for it.

It is best when conducted early and often. **We would therefore strongly recommend that our BILD Durham Chapter membership including its’ expert consultant and builder members are engaged in a robust and meaningful stakeholder engagement process related to these above noted reports, and any others associated to Envision Durham through the creation of a Strategic Engagement Plan.**

As your community building partner, BILD is happy to assist in facilitating the creation of this engagement plan following the same approach that we have used in neighbouring Regions.

In the interim we have the following questions:

- How will the industry's recommendations and the recommendation of its members be considered once all comments are received?
- How does the Region foresee the proactive involvement of the development industry moving forward?

Housing Affordability and Choice to 2051 Growth Plan Conformity, Local Planning Objectives & The Land Needs Assessment

BILD and its' Durham Chapter members are committed to improving housing affordability and choice for the province's new home purchasers and renovation customers by positively impacting and upholding provincial legislation, regulation and policies that affect the industry and the residents of the GTA and province. The GTA is the fastest growing region in North America with its population increasing by 2.6 million, or almost 37 percent, from 7 million in 2019 to over 9.5 million by 2046 and our members are proud to be a part of building complete and balanced communities to support this growth.

As mandated by *A Place to Grow: Growth Plan for the Greater Golden Horseshoe* (2020) (Growth Plan), municipalities in the Greater Golden Horseshoe (GGH) are required to accommodate population and growth to 2051.

With input and direction from lower-tier municipalities on local growth priorities and objectives, the Region is to undertake a Land Needs Assessment that evaluates the amount of land required to accommodate population and employment growth in each municipality to 2051. The first, and incredibly significant underpinning step in implementing the LNA is producing a market-based housing demand forecast.

Urban Strategies Inc. and Watson & Associates Economists Ltd. were retained by the Region to undertake the Growth Management Study: *"Region-Wide Growth Analysis Technical Report - Chapter 1 of the Region of Durham Growth Management Study: Land Needs Analysis"* (July 2021).

As outlined in the report, "the outcomes of the analysis undertaken in Phase 1 are documented in a series of four Technical Reports and a summary Land Needs Assessment report. The purpose of this Region-wide Growth Analysis Technical Report is to analyze the region's long-term population and housing growth potential based on current data, extend the Region's population forecast to 2051 to implement the Growth Plan Schedule 3 forecasts, and inform A Place to Grow ..."

BILD Durham Chapter members have expressed significant concerns with some of the report's assumptions, direction and findings. **We would therefore respectfully request that those technical consultant members of BILD have an opportunity to meaningfully discuss and collectively assess the report's inputs with its authors prior to the advancement of any additional policy directions and decisions.**

As the Region is aware, the LNA Methodology is a critical component of the Growth Plan that municipalities are required to follow in order to ensure conformity. This exercise ensures that the appropriate amount of land be determined to accommodate all housing segments, avoid housing shortages, consider market demand and plan for all infrastructure that is needed to meet the objectives of complete communities as set out in the Growth Plan.

The Provincial Land Needs Assessment Methodology of 2020 clearly spells out rules related to calculating household formation rates, and how to forecast housing need.

BILD Durham Chapter members have expressed an alarming concern that the Region's consultant(s) work is occurring without completing the required calculation of household formation rates and households by dwelling type. Page 38 of the *Region-Wide Growth Analysis Technical Report* exhibits this contradiction of LNA requirements when it states: "A housing propensity analysis by population age and housing structure type represents a useful starting approach in developing long-term assumptions regarding forecast housing growth by structure type. However, in addition to population age structure, there are a number of factors such as household income, housing demand by tenure (i.e., rental vs. ownership housing), housing affordability, lifestyle decisions, health, mobility, and planning policy, which also influence the built form and type of housing units constructed across Durham Region. These additional factors make it difficult to accurately project housing propensity by type over both short-term and longer-term periods. While the influence of these other socio-economic variables on the Region's future housing needs by structure type can be explored and tested to varying degrees, these impacts cannot be easily isolated when assessing the region's future housing needs."

Although we acknowledge that this *Region-Wide Growth Analysis Technical Report* represents one of the first steps in the overall Envision Durham's land needs assessment work, the fact that it does not use the Province's Land Needs Assessment Methodology that all Regions are required to use is very alarming. This is a critical piece that forms the basis for any future decisions that Regional Council must make about future housing and employment planning for the Region.

The Region's next steps in their MCR work, as noted above, will involve an examination of intensification targets and the calculation of land needs. The Provincial LNA methodology requires that the Region forecast housing need using age-specific propensities to occupy various types of housing as one of the first components to assess community land needs. The Region's analysis does not do this, and instead, provides a long-term housing supply forecast based on recent trends instead of a housing demand forecast.

It is imperative for the Region to function as a complete community with balanced growth. Again, instead of following a market-based approach as directed by the Provincial LNA Methodology, the Region has proposed a policy-based approach that will not provide for a range and mix of housing types that best meets the housing demand in the Region. The results of this shift, is a disproportionate amount of apartment units being planned in the Region.

The Technical Report prepared by Hemson Consulting in August of 2020 “*Greater Golden Horseshoe: Growth Forecasts to 2051*” contained forecasts to 2051 of population, employment, housing by unit type, and employment by job type. These forecasts are the background and foundational backbone for the Growth Plan.

Specific to Durham Region, the Hemson report provides a housing need forecast for prepared using an age-specific housing propensity model. Fundamental to this conversation, it’s important to note that the report states that between 2021 to 2051, the Region is forecast to need 51,000 new high-density units, representing an overall 22%, 48,700 new medium density units (23%), and approximately 119,700 new single and semi-detached units (55%). The Hemson Report forms the critical groundwork for a market-based demand forecast for housing by type for each upper or single-tier municipality.

The Region’s *Region-Wide Growth Analysis Technical Report* proposes a mix of housing units that does not reflect market-based demand, nor does it conform to the Provincial Growth Plan. In stark contrast, the housing forecast in the Region’s consultants report forecasts growth for the 2021 to 2051 period of 104,510 high density, representing an overall 48%, 67,280 medium density (31%) and 47,840 low density units (22%).

There is little evidence presented to suggest that the market for apartment dwellings in Durham Region will grow enough to warrant the amount of apartments in the Region’s forecast.

It is critical for the Region to consider that for most families, apartment units, particularly larger apartment units with 2 or 3-bedrooms are maybe less practical and more expensive than similarly sized ground-related units - such as townhouses or semi-detached units.

According to data provided by Altus RealNet, 3-bedroom condominiums in the Town of Clarington are being listed from \$654,900 for a 855 square foot unit to \$889,000 for a 1,370 square foot unit. In comparison, a new 1,542 square foot 3- bedroom freehold townhome in the City of Oshawa is priced at \$549,990.

Providing a range of houses to allow for consumer choice is critical, as is understanding and following through with market demand. It is imperative for the Region to understand the desire of its residents related to housing choice, and not to have this choice dictated by a consultant analysis which appears to be based on policies that don’t reflect this market demand.

Planning for a balanced mix of housing is essential to the success of the Region because when faced with the choice of similarly priced ground-related housing in outlying municipalities or apartment units in Durham, young families may choose to seek housing in other municipalities that better suits their needs at equal or lower prices. The potential exodus from Durham Region in search of more affordable family-oriented housing will have an impact on the Region’s ability to attract employment opportunities and businesses.

BILD strongly recommends that the Region revisit its current analysis and instead follow the mandated steps of the provincial Land Needs Assessment and its' requirement that a market-based supply of housing be delivered. It being such a foundational piece for Envision Durham and the overall MCR process, the Region-Wide Growth Analysis must reflect a market-based demand for housing, and *that* forecast should be the basis and future direction for the Region's MCR work.

The completion of the MCR process will have lasting impacts on the individual identity of the municipalities within the Region so it is critical that this is created and executed correctly. Each Durham Region municipality has its own respective visions and context for how they should grow over the next 30 years. Planning for the future is not a one-size-fits all approach. It is critical for the Region's work to respect the positions of the local Councils and must build their visions into the path forward.

Taking this into consideration, BILD respectfully recommends that the Region undertake a more balanced approach to future growth with the help of its local area municipalities to ensure that appropriate land be determined to accommodate each municipality's vision for growth.

Job Creation and Economic Growth to 2051

A critical component of building complete communities is the assurance of job creation and economic growth in the Region.

Durham is in a unique geography when we consider the employment discussion. With its location and prime access to major 400 series highways, the Region provides an attractive option for new non-residential investment.

The Region's economy cannot be underestimated. Without job creation or economic assurance people will chose to live, work and play outside of the Region. **Therefore, in order to ensure economic growth in the Region, BILD strongly recommends that the Region continue to support the importance of new employment land in all Envision Durham studies and future planning.**

Sustainable Growth to 2051

BILD members remain committed to the delivery of sustainable communities and environmentally conscious development. We collectively agree that climate change is an important and key consideration for Durham Region's future growth and must be addressed when considering any urban boundary expansions.

By 2030, the National Building Code and Ontario Building Code are targeting Net Zero Energy ready homes and will apply to new developments within the 2031 to 2051 planning horizon. In order for climate change to be looked at holistically, and to ensure that planning policies in Durham do not result in unintended negative impacts to the overall climate change targets for Canada and the Province, **BILD welcomes and recommends future discussions with our members who are industry leaders in the implementation of sustainable communities.**

Urban Sprawl

We would like to take this opportunity to reinforce an incorrect narrative that often correlates settlement boundary expansions to sprawl. Sprawl is defined by uncontrolled growth of an urban area. BILD members proudly contribute to complete communities that emphasize walkability, protect and enhance environmental features, are transit supportive, contribute to housing choice and employment opportunities and incorporate community services.

Our industry and its members are essential partners with all levels of government in the planning, development and building of complete communities and the required infrastructure to meet the needs of the rapidly and inevitably growing population in the GTA. We take this role very seriously as we work toward responsible planning and development of communities.

BILD also continues to support and be a significant part of balanced public policy initiatives that support housing supply and choice, and employment opportunities that contribute to the vitality of this region and its' citizens that are proud to call Ontario and Durham Region home.

We are committed to being a part of this significant discussion, with due respect for all participants and intentions. Durham Regional Council will soon be faced with having to make significant decisions related to Envision Durham and the overall Municipal Comprehensive Review Growth Plan Conformity exercise. Our members have a keen interest in the future of Durham Region. Being your partners in building communities, we want to be at the table and move forward collectively.

BILD, and a small group of its Durham Chapter representatives would therefore respectfully request a meeting as an opportunity to elaborate and provide additional context regarding this submission.

Thank you for your consideration. As critical stakeholders, our members look forward to continued dialogue.

Sincerely,



Paula Tenuta
SVP, Policy & Government Relations
ptenuta@bildgta.ca

The Building Industry and Land Development Association is an advocacy and educational group representing the building, land development and professional renovation industry in the Greater Toronto Area. BILD is the largest home builders' association in Canada, and is affiliated with the Ontario Home Builders' Association and the Canadian Home Builders' Association. It's 1,500 member companies consists not only of direct industry participants but also of supporting companies such as financial and professional service organizations, trade contractors, as well as manufacturers and suppliers of home-related products.

cc.

*Minister's Office, Ministry of Municipal Affairs & Housing
Brian Bridgeman, Commissioner, Planning & Economic Development, Durham Region
Gary Muller, Director - Planning, Durham Region
Colleen Goodchild, Manager of Policy Planning & Special Studies, Durham Region*