

Waterloo Region mayors call for collaboration to fix housing crisis

Federal, provincial and municipal governments, along with homebuilding industry and those who control capital all need to be at the table, mayors say heading into Wednesday's provincial housing summit

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Ontario is in the midst of a housing crisis as prices continue to skyrocket.

People should have the choice to live close to their work and family, just like generations before them. But for too many, the housing crisis has already made this choice for them. Tragically, as these problems cascade through the housing market, rents have skyrocketed, driving those in precarious housing into homelessness.

So, how do you fix this situation? How do you rein in an out of control, artificially inflated housing market without creating winners and losers?

Before we fix the problem, we must first understand it. Research by economist Mike Moffatt points to several factors that have led to a mismatch between housing supply and demand in the province.

Ontario has experienced accelerated population growth, with our population growing by a million people in the last five years, compared to 600,000 in the five years before that. Moffatt estimates this created demand for 430,000 housing units during that period, but only 330,000 housing units were completed. We're 100,000 homes short. Indeed, analysis by Canada's big banks points to a nationwide undersupply of housing over the past five years.

Adding to this challenge is the impact of investment purchases, and the availability of cheap credit which means those with financial resources are able to bid up prices for purchases. Layer on the impact of COVID driving demand out of the Greater Toronto Area. Finally, you have materials supply and labour shortages driving construction costs rapidly higher.

This has created a perfect housing storm. And while it might be tempting to blame municipalities for adding to the pain with approval processes or fees, there is much more happening.

A survey of Ontario's largest municipalities suggests that there are at least 250,000 new houses and apartments that were approved in 2019 or earlier but have not yet been built. Although the approval processes are a minor part of the overall cost of housing, the audit of both municipal and provincial ones can yield positive outcomes, but we need to also look at why approved units aren't being built.

We need more pragmatic and impactful solutions, based in sound economics. That means we must focus on economic levers; measures that reduce housing costs by a few thousand dollars won't make an impact in the face of current price increases.

Municipalities, the province, and the federal government need to change the economics of development to encourage affordable built forms — especially the “missing middle” which could include apartments on arterial roads, medium- and higher-density purpose-built rentals in urban centres, and gentle density in neighbourhoods.

What will get this done? We'll need a unified intergovernmental approach in 2022. There are too many task forces, summits and programs happening right now among all three orders of government. Instead, we all need to be at the same table — federal, provincial, municipal, the homebuilding industry, and those that control capital.

All three orders of government need to come together to plan for solutions such as immigration through a New Canadians housing strategy, which becomes part of the immigration system. We need to match supply to population growth.

And for those for whom housing costs are completely prohibitive, we'll need continued provincial and federal investment in subsidized and social housing.

Last, we need local implementation of housing solutions. Each community in Ontario is unique and the solutions will look different in Thunder Bay, Tillsonburg, and Toronto. Elected city councils must have the political will to implement changes because they are the closest to their communities and understand best what will work.

Respecting local decision-making will increase the chance of success as we grow housing supply in Ontario.

We know how our population is growing, we know how our workforce is changing. Let's take those numbers and prepare our communities to be able to house more people, in a co-ordinated and thoughtful way.

Jeff Lehman is the mayor of Barrie and the chair of Ontario's Big City Mayors' Caucus, which is comprised of the mayors of the 29 largest municipalities in the province. Berry Vrbanovic is the mayor of Kitchener, Dave Jaworsky is the mayor of Waterloo and Kathryn McGarry is the mayor of Cambridge.