



MEMBER UPDATE

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Report: GTA Must Increase Rate of Building and Adjust Housing Mix to Accommodate Demographic Shifts

A new [report](#) released earlier this week by the Missing Middle Initiative, commissioned for the Ontario Home Builders' Association (OHBA) and the Building Industry and Land Development Association (BILD), highlights the need to increase the rate of building and focus on larger units to accommodate demographic shifts in a still growing GTA population. It recommends various policy solutions for all levels of government to act quickly to address barriers to new home construction in the region to mitigate the situation.

"The report estimates that the GTA will need to see 30,000 ground-oriented homes and 20,000 apartment units built each year just to keep up with demographic change ahead," said Scott Andison, Chief Executive Officer of OHBA. "This is a significant increase in total building rate versus the average of the last decade and also indicates population demand may be looking for a refinement in the housing mix. Over the last decade a mixture of policy, costs, available serviced land, demand, and other factors has resulted in roughly 10,000 ground-oriented starts and 20,000 annual apartment starts each year."

The report highlights three key demographic drivers:

1. While the population of the GTA is still growing, **more than 80,000 people leave the region each year**, compared to those moving in from other parts of Canada.
2. **Young families**, specifically adults in their late 20s and early 30s, and children under the age of 5, **are the group most likely to move out of the GTA** to areas like London, Hamilton, and Tillsonburg, likely in search of larger and lower cost housing.
3. That demographic composition and demand in the GTA will continue to result in increased demand from grade related and larger housing due to the higher proportion of the population in the early stages of family formation.

“While recent immigration and non-permanent resident policy changes have temporarily reduced housing demand, we note that a high number of people in their early 20s will continue to fuel demand for housing for years to come,” said Dr. Mike P. Moffatt, Founding Director of the Missing Middle Initiative. “With a population skewed toward younger people, the demand for family-sized homes is expected to increase, not decrease, even as the region ages.”

The report also outlines several key policy reforms necessary to address the GTA's housing crisis. Among the recommendations are incorporating pre-existing housing shortages into planning, reviewing generational turnover assumptions, lowering development taxes, streamlining approvals processes, legalizing gentle density, opening more land for residential development, and facilitating the construction of three-bedroom apartments without the use of cross-subsidies.

“Development charges and other municipal fees in the GTA are higher than in the rest of the province, putting GTA communities at a cost disadvantage and fueling the exodus of young families,” said David Wilkes, President and CEO of BILD. “Approval timelines are longer in the GTA and Hamilton than in London and Ottawa, and substantially longer than in Calgary and Winnipeg. Government action to address these lengthy timelines and extremely high government-imposed fees, taxes, and charges would help lower the ‘cost to build’ and make homes more affordable, which would, in turn, reduce the outflow of young families from the region. We are in the middle of a housing crisis and the time for action is now. The socio-economic future of our region is dependent on taking the necessary steps to address the structural challenges facing the housing industry.”

Please read the full report [here](#).