

Webinar

ULI Toronto: Affordable Housing in the GTA ??? Day 2: Supply, Supply, Supply: Will Trickle Down Deliver Affordability?

Date: November 22, 2022

00:00:08 --> 00:00:13: Good afternoon. As people are trickling in, we're going to
00:00:13 --> 00:00:17: begin with the UI Spring meeting 2023 video.
00:02:36 --> 00:02:39: Yuli prepares to welcome 4000 international experts from
across the
00:02:39 --> 00:02:42: real estate industry and land use industries in Toronto Next
00:02:43 --> 00:02:45: May 16th to 18th. This is your chance to make
00:02:45 --> 00:02:47: valuable connections listen to unparalleled.
00:02:47 --> 00:02:51: Speakers and join exclusive tours to learn more about the
00:02:52 --> 00:02:55: UI2023 spring meeting, the first time that it's been in
00:02:55 --> 00:02:59: Toronto, please take a look at the link in the
00:02:59 --> 00:02:59: chat.
00:03:02 --> 00:03:05: A lot on this mentioned that it's never a better
00:03:05 --> 00:03:08: time to become a member of UI, and there's a
00:03:08 --> 00:03:12: number of really incredible values that you get through your
00:03:12 --> 00:03:17: membership, including being part of the global membership
directory and
00:03:17 --> 00:03:21: access to it. Opportunities to get involved with you and
00:03:21 --> 00:03:26: I, both locally and globally. Through the navigator you can
00:03:26 --> 00:03:30: for networking, you can get access to all past attendees
00:03:30 --> 00:03:32: and future attendees to events.
00:03:32 --> 00:03:37: The especially in person events giving you incredible
networking tool
00:03:37 --> 00:03:40: and of course the famous knowledge Finder which is an
00:03:40 --> 00:03:45: incredible archive of global best practices and studies and
analysis
00:03:45 --> 00:03:49: of all kinds that that has become an invaluable resource
00:03:49 --> 00:03:53: to many professionals in our industry and that built that
00:03:53 --> 00:03:56: link as well will be on the on the chat.
00:03:57 --> 00:04:00: Once again good afternoon everyone. My name is Richard

Joy,

00:04:00 --> 00:04:03: executive director at ULI Toronto and we are pleased to

00:04:03 --> 00:04:07: be hosting today's session. Supply, supply, supply will trickle down

00:04:07 --> 00:04:10: equal affordability. This is the second of our five part

00:04:10 --> 00:04:15: lunchtime webinar series that we're hosting during this National Housing

00:04:15 --> 00:04:15: Week.

00:04:16 --> 00:04:19: Before we get there however, as always, we'll begin with

00:04:19 --> 00:04:22: a land acknowledgement. As a Toronto region based organization, we

00:04:22 --> 00:04:25: acknowledge that the land we are meeting on virtually is

00:04:25 --> 00:04:29: there just the traditional territory of many nations, including the

00:04:29 --> 00:04:33: Mississaugas of the Credit, Deanna Snobeck, Chippewa, Boldenone and the

00:04:33 --> 00:04:36: Wendat peoples, and is now home to many diverse First

00:04:36 --> 00:04:39: Nation Inuit and native people. We acknowledge that Toronto is

00:04:39 --> 00:04:42: covered by Treaty 13 with the Mississaugas of the credit.

00:04:43 --> 00:04:45: We are all treated people. Many of us have come

00:04:45 --> 00:04:48: here as settlers, immigrants and newcomers in this generation or

00:04:48 --> 00:04:49: generations past.

00:04:50 --> 00:04:53: You will I stands in solidarity with indigenous communities, demanding

00:04:53 --> 00:04:56: action and accountability for the ongoing legacy of the residential

00:04:56 --> 00:04:59: school system. We also like to acknowledge and honor those

00:04:59 --> 00:05:02: who come here involuntarily, particularly descendants from those who are

00:05:02 --> 00:05:04: brought here and through enslavement.

00:05:05 --> 00:05:08: To better understand the meaning behind this line of acknowledgement,

00:05:08 --> 00:05:10: we recommend for chat programs that we've uploaded to YouTube

00:05:10 --> 00:05:12: and these links are available in the chat.

00:05:14 --> 00:05:17: Today's event and all other UI programming would not be

00:05:17 --> 00:05:21: possible without the support of URI's annual sponsors, and I'd

00:05:21 --> 00:05:24: like to thank all of those sponsors for their support.

00:05:24 --> 00:05:27: Now more than ever, we really mean that UI relies

00:05:27 --> 00:05:30: on this support to put on high quality programs and

00:05:30 --> 00:05:33: series like this week and to to drive our mission

00:05:33 --> 00:05:37: to shape the future of the built environment for transformative

00:05:37 --> 00:05:41: impact in communities worldwide. To all of our sponsors we
00:05:41 --> 00:05:41: say thank.

00:05:43 --> 00:05:47: It's now my pleasure to introduce today's moderator, Jesse
Helmer,
00:05:47 --> 00:05:51: Senior Research associate at the Smart Prosperity Institute.
00:05:52 --> 00:05:54: We are going to do as we all with with
00:05:54 --> 00:05:57: all our speakers but their bio into the chat, just
00:05:57 --> 00:05:59: to save a little bit of time. So we thank
00:05:59 --> 00:06:02: our speakers for that indulgence. I also say, before we
00:06:02 --> 00:06:04: hand over to Jesse, just make a note to our
00:06:04 --> 00:06:07: to our audience that you and I is a nonpartisan
00:06:07 --> 00:06:10: organization. We do not advocate on public policy, pro or
00:06:10 --> 00:06:13: con, but we will take a free, frequently take a
00:06:13 --> 00:06:16: critical look at the public policy landscape in the context
00:06:16 --> 00:06:18: of advancing our global mission.
00:06:19 --> 00:06:22: And that's what this week's all about and we hope
00:06:22 --> 00:06:26: that you will enjoy this discussion today. Jesse, I'm going
00:06:26 --> 00:06:29: to with that hand it over to you. Thank you.
00:06:30 --> 00:06:32: Thanks so much Richard and everyone at ULI Toronto for
00:06:32 --> 00:06:36: bringing us together for this important conversation. I know
just
00:06:36 --> 00:06:39: looking at the Group of panelists we've got together and
00:06:39 --> 00:06:40: some of the attendees who are on.
00:06:41 --> 00:06:44: And the webinar, it's going to be a great discussion
00:06:44 --> 00:06:48: and the federal and provincial housing affordability strategies
early premise
00:06:48 --> 00:06:51: on the idea that enabling massive new housing supply is
00:06:51 --> 00:06:55: going to help us achieve affordability in a competitive
marketplace
00:06:55 --> 00:06:57: for housing. And maybe a bit more so for future
00:06:57 --> 00:07:01: home purchasers and future tenants and people who are
struggling
00:07:01 --> 00:07:04: with affordability issues right now. And today, I want to
00:07:04 --> 00:07:06: talk about is it possible, you know, is it even
00:07:06 --> 00:07:09: possible to achieve the level of supply that we're talking
00:07:10 --> 00:07:13: about here in the province of Ontario, somewhere between 1
00:07:13 --> 00:07:14: 1/2 and 2,000,000.
00:07:14 --> 00:07:17: Spending on what kind of estimate you're looking at over
00:07:17 --> 00:07:20: the next decade? And if so, can that surge and
00:07:20 --> 00:07:25: supply actually deliver the housing affordability that our
region needs?
00:07:26 --> 00:07:28: And to help us get a handle on these questions,
00:07:28 --> 00:07:31: we've got four really wonderful panelists. Their BIOS are
going

00:07:31 --> 00:07:34: to be dropped into the chat. First is Robin Brown,
00:07:34 --> 00:07:35: director of senior practice lead at.
00:07:36 --> 00:07:39: Arcadis Ibi Group second is Karen Chappell, who is the
00:07:39 --> 00:07:42: director of the School of City is the University of
00:07:42 --> 00:07:42: Toronto.
00:07:43 --> 00:07:46: Andrew Garrett, who's senior principal real estate at EMCO
and
00:07:46 --> 00:07:50: Robert Kousek, who's senior director and senior economist
at BMO
00:07:50 --> 00:07:53: Capital Markets. And so I'm, I'm really looking forward to
00:07:53 --> 00:07:56: hearing from everybody today about their views on this topic.
00:07:56 --> 00:07:58: We're going to open it up to each panelist and
00:07:58 --> 00:08:00: give me 5 minutes to get it to what they
00:08:00 --> 00:08:03: think a big picture of the answer to these questions
00:08:03 --> 00:08:05: are. I'll turn it over to you, Robin, to get
00:08:05 --> 00:08:06: us started.
00:08:14 --> 00:08:17: Hi. Thank you very much, Jesse. Hello, everyone. My name
00:08:17 --> 00:08:20: is Robin Brown. I'm the director of planning at Arcadia
00:08:20 --> 00:08:23: SIBI Group and I'm here to talk about supply. I
00:08:23 --> 00:08:26: think we're all really familiar with the numbers that have
00:08:26 --> 00:08:29: been quoted about 1.5 million new homes in Ontario in
00:08:29 --> 00:08:31: the next 10 years. And I think some of my
00:08:31 --> 00:08:34: fundamental questions is how do we do that? My next
00:08:34 --> 00:08:34: slide.
00:08:36 --> 00:08:39: So when we look at the last 10 years, Ontario
00:08:39 --> 00:08:43: housing completions we've been completing, we've
completed 640,000 units. So
00:08:43 --> 00:08:46: that's about 64,000 units annually. In order to reach 1.5
00:08:46 --> 00:08:48: million, we're going to need to double that, which I
00:08:48 --> 00:08:51: consider to be a real question about whether we have
00:08:51 --> 00:08:53: the ability to do that. I think if we also
00:08:53 --> 00:08:56: look at the supply that we've been providing in the
00:08:56 --> 00:09:00: recent completions, there's a lot of single detached houses.
That's
00:09:00 --> 00:09:02: not going to be the way going forward with recent
00:09:02 --> 00:09:06: policies around intensification. We're going to be delivering
more apartments
00:09:06 --> 00:09:08: and they can be harder to deliver in.
00:09:08 --> 00:09:11: Certain areas and I know Bill 23 is trying to
00:09:11 --> 00:09:13: deal with some of those issues, but I really question
00:09:13 --> 00:09:17: whether we're able to develop, develop 150,000 units per
year.
00:09:17 --> 00:09:17: Next slide.

00:09:19 --> 00:09:22: The next question of course is how this relates to

00:09:22 --> 00:09:25: the growth forecast from the growth plan. So in the

00:09:25 --> 00:09:28: last couple years, all of the municipal governments and upper

00:09:28 --> 00:09:32: tier governments have been dealing with addressing these

00:09:32 --> 00:09:36: growth forecasts.

00:09:36 --> 00:09:39: Essentially for the greater golden horseshoe between 2021

00:09:39 --> 00:09:42: and 2023,

00:09:42 --> 00:09:45: the forecast is for about just over 700,000 units. Obviously,

00:09:45 --> 00:09:48: that's quite a bit shy from the numbers that are

00:09:49 --> 00:09:51: being put around. The problem is that this is all

00:09:51 --> 00:09:54: of the background, the reasons we've planned for

00:09:54 --> 00:09:57: infrastructure, social

00:09:57 --> 00:10:00: services, transportation. So the question is.

00:10:00 --> 00:10:01: Is this new number an acceleration or a brand new

00:10:03 --> 00:10:06: number and do we have the services and the plans

00:10:06 --> 00:10:09: to actually address this kind of number from permissions

00:10:09 --> 00:10:12: wise?

00:10:12 --> 00:10:14: Next slide.

00:10:14 --> 00:10:17: So there's a lot of other issues related to supply.

00:10:17 --> 00:10:20: I think the financialization of housing, which I know was

00:10:20 --> 00:10:23: spoken about yesterday, is a very important sort of trend

00:10:23 --> 00:10:26: that is going on. The other thing is the housing

00:10:26 --> 00:10:28: typologies, as I mentioned, we're going to be building a

00:10:29 --> 00:10:32: lot more high density units. Are those going to meet

00:10:32 --> 00:10:33: the demand for the housing, the family housing that we

00:10:33 --> 00:10:36: really talk about, like the missing middle, is this the

00:10:36 --> 00:10:38: type of housing we actually need next is the construction

00:10:38 --> 00:10:40: labor market and Q 12022, there were 82,000 vacant

00:10:40 --> 00:10:41: construction

00:10:42 --> 00:10:45: jobs in Canada.

00:10:45 --> 00:10:47: Aging population of the trades is a real concern and

00:10:47 --> 00:10:50: so do we have the people that it can actually

00:10:50 --> 00:10:52: build this. The other thing is do we have the

00:10:52 --> 00:10:55: technology to build this?

00:10:55 --> 00:10:56: The cost of living versus construction costs, we know the

00:10:57 --> 00:11:00: cost of construction has been going up significantly and the

00:11:00 --> 00:11:03: cost of living has been holding standard even if we

00:11:03 --> 00:11:06: were to create more supply. That is not addressing the

delta that has been created over the last 10 years

between those two things.

Servicing, I've already addressed this. How well do we have

the servicing capacity for this new housing? I know there's

been housing opening up in the Greenbelt. Is there servicing

00:11:06 --> 00:11:09: going to be available for that? So are we able

00:11:09 --> 00:11:12: to actually provide the infrastructure for all this new supply?

00:11:12 --> 00:11:16: And finally, growth funding tools, obviously there's some discounts considered

00:11:16 --> 00:11:19: in the new Bill 23, but between the DC, the

00:11:19 --> 00:11:22: CBC and the Parkland dedication, there's significant cost in housing

00:11:22 --> 00:11:25: that is put onto those and how that is actually

00:11:25 --> 00:11:27: going to change the affordability.

00:11:27 --> 00:11:30: It just increasing more supply when those huge costs are

00:11:30 --> 00:11:32: in there. I really have a lot of questions about.

00:11:32 --> 00:11:35: So in my opinion it's why is not the only

00:11:35 --> 00:11:38: answer to answering how we're going to get affordability. Thank

00:11:38 --> 00:11:38: you.

00:11:42 --> 00:11:45: Thanks so much, Robin. And let's turn it over to

00:11:45 --> 00:11:48: Karen and get your take on the supply issue.

00:11:49 --> 00:11:53: Great. Thanks so much. Thanks really to ULI for launching

00:11:53 --> 00:11:57: this series during National Housing Week. Next slide.

00:11:58 --> 00:11:59: So.

00:12:00 --> 00:12:04: First and foremost, we have an income crisis. Incomes are

00:12:04 --> 00:12:08: stagnant while housing prices and rents have increased from rapidly.

00:12:08 --> 00:12:11: We've done a couple of explainer videos on this, which

00:12:11 --> 00:12:14: you can find on our website. Next slide.

00:12:16 --> 00:12:20: Thinking about the rent burden that is experienced, the darkest

00:12:20 --> 00:12:23: purple in this map shows the areas where over 50%

00:12:23 --> 00:12:26: of the households are rent burdened, paying over 30% of

00:12:26 --> 00:12:29: their income from rent. Even in the magenta color, 40%

00:12:29 --> 00:12:31: are rent burdened. Next slide.

00:12:33 --> 00:12:38: When you factored in owners as well, the picture looks

00:12:38 --> 00:12:43: a little different. The purple is now concentrated in Toronto,

00:12:43 --> 00:12:47: so we may have a supply crisis for homeowners in

00:12:47 --> 00:12:51: the GTH A, but we have an affordability crisis for

00:12:51 --> 00:12:54: renters and for Torontonians.

00:12:55 --> 00:12:56: You could turn off the slides now if you.

00:12:59 --> 00:13:02: So we can argue about whether we need 1,000,000 or

00:13:02 --> 00:13:06: 2,000,000 new housing units, but I think the real question

00:13:06 --> 00:13:10: is how many affordable units do we need for renters

00:13:10 --> 00:13:14: and Torontonians? And when I'm talking affordable, I'm talking about

00:13:14 --> 00:13:18: units that are household earning 78,000 or less. That's the

00:13:18 --> 00:13:22: median household income in Toronto can live in for less
00:13:22 --> 00:13:26: than 30% of their income. So that's \$2300 a month
00:13:26 --> 00:13:26: rent.
00:13:27 --> 00:13:30: And I could tell you three things about this. The
00:13:30 --> 00:13:33: first thing is that there is no credible estimate of
00:13:33 --> 00:13:37: how many affordable housing units we need in this region.
00:13:37 --> 00:13:42: There's none. We're working now with demographers at the
School
00:13:42 --> 00:13:45: of Cities to give the region its number, so stay
00:13:45 --> 00:13:48: tuned on that. But even then it will be an
00:13:48 --> 00:13:52: estimate because our government has made it really hard for
00:13:52 --> 00:13:55: researchers to get the data they need to answer the
00:13:55 --> 00:13:57: hard housing questions.
00:13:57 --> 00:14:01: The second point is that there are no serious plans
00:14:01 --> 00:14:05: at the provincial level or even the national level to
00:14:05 --> 00:14:09: build the affordable housing units that we need. The need
00:14:09 --> 00:14:13: is clearly for hundreds of thousands of affordable units in
00:14:13 --> 00:14:18: the region, particularly for renters and particularly for
Torontonians. Right
00:14:18 --> 00:14:22: now, we have about 16,000 planned are being built across
00:14:22 --> 00:14:25: Canada, according to the Maytree Foundation.
00:14:26 --> 00:14:31: The third thing, building market rates. Supply is super
important,
00:14:31 --> 00:14:35: but we need an additional set of tools for affordability.
00:14:36 --> 00:14:40: Why? Well, there's a bunch of reasons. First, filtering works,
00:14:40 --> 00:14:44: but it takes time. When we build high end market
00:14:44 --> 00:14:47: rate supply, just 15% of it will filter down to
00:14:47 --> 00:14:51: low income households, and that will be in 30 years.
00:14:51 --> 00:14:55: And here I'm citing supply skepticism by NYU economists
and
00:14:56 --> 00:14:56: Even so.
00:14:56 --> 00:14:59: What we're building, and Robin mentioned this already, is not
00:14:59 --> 00:15:02: the kinds of homes or say the starter homes that
00:15:02 --> 00:15:03: working families need.
00:15:04 --> 00:15:08: Second, the principles of supply and demand work in
general.
00:15:08 --> 00:15:11: More housing reduces prices, but what you will see is
00:15:11 --> 00:15:14: price drops of 10 or 20%, not the deep decreases
00:15:14 --> 00:15:18: we need to make housing affordable to families at median
00:15:18 --> 00:15:21: income. We can see this already with all the new
00:15:21 --> 00:15:25: housing we've built downtown. It helps to reduce prices, but
00:15:25 --> 00:15:27: it's not deep enough.
00:15:28 --> 00:15:32: 3rd as we build new housing, we're seeing unintended

consequences

00:15:32 --> 00:15:35: and amenity effect that pushes rent up in the older

00:15:35 --> 00:15:39: buildings in the neighborhood in a process of gentrification.

00:15:39 --> 00:15:44: So we need intentional government action to create the affordable

00:15:44 --> 00:15:48: housing we need. What does that look like? What seems

00:15:48 --> 00:15:51: clear is that we need investment at a much more

00:15:51 --> 00:15:55: significant level than we have now. And I'd like to

00:15:55 --> 00:15:58: make a proposal here concluding with this that we take

00:15:58 --> 00:16:02: advantage of the poor market conditions right now and make

00:16:03 --> 00:16:06: that investment in the next few years. Let's commit to

00:16:06 --> 00:16:09: building and preserving 300, four, 105.

00:16:09 --> 00:16:13: 100,000 affordable units first before the market rate, let's take

00:16:13 --> 00:16:16: the good parts of Bill 23 in terms of reducing

00:16:16 --> 00:16:19: red tape, and then let's provide subsidies for developers to

00:16:19 --> 00:16:22: build affordable for up to median income households.

00:16:24 --> 00:16:26: So on onto the next speaker. Thank you.

00:16:28 --> 00:16:32: Thanks so much, Karen. Over to you, Andrew. Can we

00:16:32 --> 00:16:35: build this number of homes in the region and is

00:16:35 --> 00:16:39: it going to help with our affordability problems?

00:16:43 --> 00:16:47: Yes, it is kind of my answer and and and

00:16:47 --> 00:16:51: I kind of base that on. I was appointed to

00:16:51 --> 00:16:55: the Ontario Housing Affordability Task Force.

00:16:56 --> 00:17:01: And went through a very extensive process it coming to

00:17:01 --> 00:17:05: that target number and I would say it's a number

00:17:05 --> 00:17:09: in terms of addition to supply that is different is

00:17:10 --> 00:17:14: is at a level that we have done historically in

00:17:14 --> 00:17:15: in an Ontario and.

00:17:17 --> 00:17:22: Some of the challenges in getting back to that number

00:17:22 --> 00:17:27: aren't necessarily a lack of Labor or or technology. I

00:17:27 --> 00:17:33: think it's it's our current process and our process creates

00:17:33 --> 00:17:36: roadblocks and I think sometimes.

00:17:37 --> 00:17:40: We look at the at the supply as you know

00:17:40 --> 00:17:44: look at how many cranes are in Toronto as as

00:17:44 --> 00:17:48: an example as to we're building a lot of supply

00:17:48 --> 00:17:52: but it's not having an impact on the in the

00:17:52 --> 00:17:57: crisis and I believe cranes aren't a good proxy because

00:17:57 --> 00:18:01: we do need and I think to Karen's point more

00:18:01 --> 00:18:05: diverse types of supply and not all new units need

00:18:05 --> 00:18:07: to be have a crane.

00:18:07 --> 00:18:11: To build them and I think we've kind of forced

00:18:11 --> 00:18:16: ourselves into the only thing that's feasible and viable in

00:18:16 --> 00:18:21: terms of supply addition has been the high rise, but

00:18:21 --> 00:18:25: you know I could speak as as a global investor

00:18:25 --> 00:18:31: in multi year residential rental apartments globally. We invest billions

00:18:31 --> 00:18:36: of dollars internationally and it hasn't been a affordable unit

00:18:36 --> 00:18:38: and market units.

00:18:39 --> 00:18:43: In isolation, in many of our projects, it's a given

00:18:43 --> 00:18:48: that both of those are built into our performers going

00:18:48 --> 00:18:48: forward.

00:18:50 --> 00:18:55: Where we've had challenges achieving that is unfortunately on our

00:18:55 --> 00:18:59: own home soil, where where we have challenges.

00:19:05 --> 00:19:08: OK. Thanks so much, Andrew. Let's turn it to Robert

00:19:08 --> 00:19:11: Cassick. What do you think, Robert, can we hit this

00:19:11 --> 00:19:15: target for supply and how's it going to help with

00:19:15 --> 00:19:15: affordability?

00:19:17 --> 00:19:21: Well, short answer is no. Unfortunately I don't think so.

00:19:21 --> 00:19:24: If so, so and I'll get to that. What I'm

00:19:24 --> 00:19:26: going to do first of all if if we pull

00:19:26 --> 00:19:29: up the slide deck here is maybe step back since

00:19:29 --> 00:19:32: I'm the I guess the macro person on the panel

00:19:32 --> 00:19:34: and and and have a look at.

00:19:35 --> 00:19:37: How we got to where we are today, first of

00:19:37 --> 00:19:37: all?

00:19:39 --> 00:19:42: And that is, you know, partly on just what we've

00:19:42 --> 00:19:44: seen on the demand side.

00:19:44 --> 00:19:45: So.

00:19:47 --> 00:19:49: If we if we do, we have a slide deck

00:19:50 --> 00:19:51: up by any chance?

00:19:52 --> 00:19:53: If not, that's OK.

00:19:55 --> 00:19:59: Um anyway, so if.

00:19:59 --> 00:20:01: That just I think we don't have your slides. So

00:20:01 --> 00:20:03: if you happen to have them want to share them,

00:20:03 --> 00:20:06: you can, I apologize, but apparently we don't have.

00:20:06 --> 00:20:09: No that that that's OK. So the short story here

00:20:09 --> 00:20:11: is so when we look at this and we look

00:20:11 --> 00:20:13: at what happened with with housing just even with over

00:20:13 --> 00:20:15: the last 18 months or so we we saw a

00:20:15 --> 00:20:18: dramatic increase on the demand side right. So I know

00:20:18 --> 00:20:21: they're this, this is a long running debate and something

00:20:21 --> 00:20:22: we've been talking about for.

00:20:23 --> 00:20:25: The better part of a decade that we have a

00:20:25 --> 00:20:28: demographic situation in this country that is going to be
00:20:28 --> 00:20:31: pushing up against supply side constraints and that is very
00:20:31 --> 00:20:33: much the case. And and we think that is something
00:20:33 --> 00:20:35: that's going to continue. But in in the last 18
00:20:35 --> 00:20:38: months you just had this acute outburst of of demand
00:20:38 --> 00:20:40: and and most of it was really just fueled by
00:20:40 --> 00:20:43: by record low interest rates. And the pandemic obviously
created
00:20:43 --> 00:20:45: a lot of demand for housing, moved a lot of
00:20:45 --> 00:20:48: people around the city out to areas with more space,
00:20:48 --> 00:20:50: moved them to other regions of the province, things like
00:20:50 --> 00:20:53: that. But ultimately what happened here is when you had
00:20:53 --> 00:20:54: the market that was running.
00:20:55 --> 00:20:57: 2030% per year.
00:20:58 --> 00:21:00: You, you had a lot of speculation and a lot
00:21:00 --> 00:21:03: of fearing fear of missing out kind of building up
00:21:03 --> 00:21:05: on on the market as well. And all of this
00:21:05 --> 00:21:08: was kind of just supported and backed by record low
00:21:08 --> 00:21:11: mortgage rates since. And you kind of know that this
00:21:11 --> 00:21:14: is the case when you survey Canadians on their house
00:21:14 --> 00:21:16: price expectations or when you see things like 1/3 of
00:21:16 --> 00:21:20: purchase activity by you know coming from multiple property
purchasers
00:21:20 --> 00:21:23: and investors. And the minute the Bank of Canada raised
00:21:23 --> 00:21:26: rates 25 basis points back at the start of the
00:21:26 --> 00:21:28: year, housing market went cold overnight.
00:21:28 --> 00:21:31: So I think what we're seeing here is the demand
00:21:31 --> 00:21:34: side of the market which got excessively frothy.
00:21:34 --> 00:21:37: With respect to the asset, price is coming down quickly.
00:21:38 --> 00:21:40: A lot of markets are already down 20%. The correction
00:21:40 --> 00:21:44: is probably going to continue through through the middle of
00:21:44 --> 00:21:46: of next year, through the later stages of next year
00:21:46 --> 00:21:50: because we've seen just the dramatic increase in interest
rates
00:21:50 --> 00:21:52: here that the market is going to have to reprice
00:21:53 --> 00:21:56: itself off of and absorb. Now does that help affordability?
00:21:56 --> 00:21:59: I mean unfortunately not today because yes, prices might be
00:21:59 --> 00:22:01: down 20 or 25%, but you're going to the bank
00:22:01 --> 00:22:04: and you're borrowing at 5% instead of 1 1/2, they
00:22:04 --> 00:22:05: effectively offset.
00:22:05 --> 00:22:08: Each other from affordability perspective. So the way these
things
00:22:08 --> 00:22:10: tend to play out is prices, correct. You scrub a

00:22:10 --> 00:22:12: lot of the froth out of the market and then
00:22:12 --> 00:22:14: coming out the next cycle which might be two or
00:22:14 --> 00:22:17: three years down the road as interest rates are allowed
00:22:17 --> 00:22:19: to sell it back down to a more normal range,
00:22:19 --> 00:22:21: that's when you start to see some affordability come back
00:22:22 --> 00:22:22: into the market.
00:22:23 --> 00:22:25: And so that's kind of our, our, our hope here
00:22:25 --> 00:22:25: is that.
00:22:26 --> 00:22:28: With the Bank of Canada doing, it's scrubbing out a
00:22:28 --> 00:22:30: lot of the excess demand and the froth, and while
00:22:30 --> 00:22:32: it doesn't feel like it today, affordability a few years
00:22:33 --> 00:22:34: down the road is going to be.
00:22:35 --> 00:22:38: On the supply side, I think the challenge here is
00:22:38 --> 00:22:41: and and some of the panelists already got got to
00:22:41 --> 00:22:44: this or alluded to this and to your direct question
00:22:44 --> 00:22:47: here, can we actually hit these supply side targets? I
00:22:47 --> 00:22:50: think I think unfortunately the answer is, is no. There's
00:22:50 --> 00:22:53: really no conceivable way I can see that we can
00:22:53 --> 00:22:56: double the rate of of of housing output over the
00:22:56 --> 00:23:00: next decade when we are already building at maximum
capacity
00:23:00 --> 00:23:02: in this country. So if you look at.
00:23:03 --> 00:23:05: Things like the number of houses under construction, in raw
00:23:05 --> 00:23:09: terms we've never seen this level of construction activity
adjusted
00:23:09 --> 00:23:11: for the size of the population. Per capita units under
00:23:11 --> 00:23:14: construction today are as high as they were back in
00:23:14 --> 00:23:16: the boom in the late 1970s. Completions are taking a
00:23:16 --> 00:23:19: bit longer because the composition of the housing stock has
00:23:19 --> 00:23:22: changed. We're building more multi unit properties now than
it's
00:23:23 --> 00:23:25: a single detached houses and it typically takes you know
00:23:25 --> 00:23:28: one, two or three years to actually bring a project
00:23:28 --> 00:23:31: to completion. So the actual completion numbers haven't
necessarily kept
00:23:31 --> 00:23:33: up with starts but they are coming.
00:23:34 --> 00:23:37: And then more, I mean more seriously here is, is,
00:23:38 --> 00:23:40: is the reality of of who is just going to
00:23:40 --> 00:23:44: build these homes because we have, we already have record
00:23:44 --> 00:23:48: high, unprecedented vacancies in the construction industry
and we have
00:23:48 --> 00:23:52: a record low unemployment rate in the industry and you
00:23:52 --> 00:23:54: know you know to a person.

00:23:55 --> 00:23:56: It's.

00:23:57 --> 00:23:59: It's next to impossible to just.

00:24:00 --> 00:24:02: Go out and just do something simple like find an

00:24:02 --> 00:24:05: electrician or a plumber, right. And so that's represented of

00:24:05 --> 00:24:08: what we're seeing across the industry and the firms that

00:24:08 --> 00:24:10: we talked to is, is that we're building a Max

00:24:10 --> 00:24:12: capacity. How can we possibly double it? Even if we

00:24:12 --> 00:24:15: push a doubling of of construction on to the industry

00:24:15 --> 00:24:17: at this point, what happens, it ends up being very

00:24:17 --> 00:24:20: inflationary and that kind of just goes against what we're

00:24:20 --> 00:24:23: trying to achieve here. So unfortunately, I don't think there's

00:24:23 --> 00:24:25: a simple way out of this and just the demographic

00:24:26 --> 00:24:28: situation that we have here today is going to probably

00:24:28 --> 00:24:29: put some stress on housing.

00:24:30 --> 00:24:32: Look forward over over the next number of years and

00:24:33 --> 00:24:35: the final piece to This is why I say we're

00:24:35 --> 00:24:38: probably not going to hit these targets is that is

00:24:38 --> 00:24:41: that housing industry is very cyclical and it's very market

00:24:41 --> 00:24:43: driven and in fact like.

00:24:43 --> 00:24:46: Ironically what we're seeing now is because demand has has

00:24:46 --> 00:24:50: cracked so hard, we're actually hearing anecdotes and

00:24:50 --> 00:24:52: starting to

00:24:52 --> 00:24:54: see some. We haven't seen a lot of hard data

00:24:54 --> 00:24:56: yet but I I would suspect the next year we're

00:24:57 --> 00:25:00: going to see a lot more of this is that

00:25:00 --> 00:25:03: projects are actually getting cancelled and pulled back rather

00:25:03 --> 00:25:06: than

00:25:06 --> 00:25:10: being pushed out to the market more aggressively. And that's

00:25:10 --> 00:25:13: just the reality of demand coming down and and and

00:25:13 --> 00:25:16: construction and more importantly financing costs seeing

00:25:16 --> 00:25:19: probably the biggest

00:25:19 --> 00:25:22: short term increase we've seen in at least the generation

00:25:22 --> 00:25:24: going back.

00:25:24 --> 00:25:25: Well, I I think obviously there's a lot going on

00:25:25 --> 00:25:28: here and we can talk about it more but.

00:25:28 --> 00:25:31: To answer your question directly, hitting these targets is

00:25:31 --> 00:25:33: going

00:25:33 --> 00:25:37: to be really, really hard I think, and I'll leave

00:25:37 --> 00:25:40: it at that.

00:25:40 --> 00:25:43: OK. Well lots of really interesting stuff to to dig

00:25:43 --> 00:25:46: in with and it's it's great to have a panel

00:25:46 --> 00:25:49: that doesn't entirely agree with each other on everything,

00:25:49 --> 00:25:52: which

00:25:37 --> 00:25:39: is is wonderful. So I want to just briefly touch
00:25:39 --> 00:25:42: on this issue around the financial constraints and the cost
00:25:43 --> 00:25:46: of borrowing because I think sometimes the discussion will
supply
00:25:46 --> 00:25:49: can focus just on land use permissions and not on
00:25:49 --> 00:25:52: the willingness of people to actually build buildings. And so
00:25:52 --> 00:25:54: I wonder if I can just open up the panel
00:25:55 --> 00:25:57: to talk about how does the cost of borrowing affect
00:25:57 --> 00:25:59: the willingness of the builders?
00:25:59 --> 00:26:02: And uh, the developers actually move forward with these
projects
00:26:02 --> 00:26:04: and how, but how big of a problem is that
00:26:04 --> 00:26:07: in terms of hitting the 1.5 million or 2,000,000 homes
00:26:07 --> 00:26:08: in a decade kind of target?
00:26:13 --> 00:26:16: Speak maybe and maybe Andrew you want to weigh in
00:26:16 --> 00:26:16: for?
00:26:17 --> 00:26:17: That.
00:26:18 --> 00:26:19: Um.
00:26:19 --> 00:26:23: So in in terms of our our kind of forecast
00:26:23 --> 00:26:28: rather new builds or or renovating existing real estate for
00:26:29 --> 00:26:33: additional supply of the cost of borrowing is is is
00:26:33 --> 00:26:38: significant in terms of impacting your your your your near
00:26:38 --> 00:26:43: term cash flows and and your potential to sell property
00:26:43 --> 00:26:47: down down the down the road. So I think for
00:26:47 --> 00:26:49: a lot of developers and.
00:26:49 --> 00:26:54: And and and land owners. It has changed the game
00:26:54 --> 00:26:57: in in some ways, but I would say.
00:26:58 --> 00:27:00: It is an insurmountable.
00:27:02 --> 00:27:04: For a lot, because I think a lot of.
00:27:05 --> 00:27:09: The more cycle tested developers have been through a
number
00:27:09 --> 00:27:12: of cycles, many of them have added supply at much
00:27:12 --> 00:27:17: higher interest rates. So when we talk about increasing
interest
00:27:17 --> 00:27:18: rates from.
00:27:19 --> 00:27:24: What has been a multi decades low environment, many
developers,
00:27:24 --> 00:27:29: particularly in Ontario, have been through cycles where
they've added
00:27:29 --> 00:27:32: supply with significantly higher interest rates.
00:27:34 --> 00:27:38: I think the bigger challenge is.
00:27:39 --> 00:27:43: You know all these kind of charges that are added
00:27:43 --> 00:27:45: on to the pro forma to to.

00:27:47 --> 00:27:49: To support supply because I think.

00:27:50 --> 00:27:56: Development charges are very warranted and needed. However, they're an

00:27:56 --> 00:28:01: insufficient tool to try to I would say to finance

00:28:01 --> 00:28:06: all the infrastructure that needs to go into adding supply

00:28:06 --> 00:28:11: on just new homeowners. And so I think that's that's

00:28:11 --> 00:28:16: probably one of our our barriers from a financial point

00:28:16 --> 00:28:17: of view.

00:28:18 --> 00:28:22: As opposed to the lending side, I'd say there's certainly

00:28:22 --> 00:28:26: been cancellations. We have cancellations or deferrals in.

00:28:27 --> 00:28:31: Space projects and I would say you know.

00:28:33 --> 00:28:37: I would say maybe less than half the reason as

00:28:37 --> 00:28:42: an increase in interest rates and more have been increases

00:28:42 --> 00:28:45: in the development costs, but also in.

00:28:46 --> 00:28:50: Lack of clarity of how to intensify in in a

00:28:50 --> 00:28:54: lot of regions, I think a lot of regions outside

00:28:54 --> 00:28:58: of Ontario, they have a lot more clarity on the

00:28:58 --> 00:29:04: entitlement process, the appeals process and the timing risk

00:29:04 --> 00:29:07: to

00:29:04 --> 00:29:07: to put forward projects and in those markets.

00:29:09 --> 00:29:14: They're, they're experiencing higher borrowing costs, but the

00:29:14 --> 00:29:18: clarity on

00:29:14 --> 00:29:18: timing and appeals and those types of things has allowed

00:29:18 --> 00:29:19: them to go forward.

00:29:21 --> 00:29:23: So I want to just add for us to consider

00:29:23 --> 00:29:26: because in the environment where we've had both them on

00:29:26 --> 00:29:28: the material side and on the labor side and on

00:29:28 --> 00:29:31: the interest rate side, all of a sudden all these

00:29:31 --> 00:29:33: things are going up. The cost of delays in particular

00:29:33 --> 00:29:36: is starting to become much higher than it is when

00:29:36 --> 00:29:39: you know interest rates are dropping, Labour's flat and

00:29:39 --> 00:29:41: materials

00:29:39 --> 00:29:41: are not jumping all over the place. So I just

00:29:42 --> 00:29:44: want to introduce that as part of the wrinkle here,

00:29:44 --> 00:29:46: which is at least in the short term, you know

00:29:46 --> 00:29:49: these things are all going in this certain direction and

00:29:49 --> 00:29:52: it may be making the cost of delays in particular.

00:29:52 --> 00:29:55: Very significant, um, we're certainly seen some bankruptcies,

00:29:55 --> 00:29:58: uh projects

00:29:55 --> 00:29:58: going into receivership because they just can't make

00:29:58 --> 00:30:01: payments and

00:29:58 --> 00:30:01: with the changing cost structure. So maybe I'll just go

00:30:01 --> 00:30:03: to Robert and then I'll come to the other two

00:30:03 --> 00:30:06: panelists about this cost of borrowing and how it's affecting
00:30:06 --> 00:30:08: our ability to achieve the supply target.
00:30:09 --> 00:30:12: Yeah, you know, it's a good point for sure because
00:30:12 --> 00:30:15: the longer you delay project development the the the more
00:30:15 --> 00:30:17: you're allowing that cost base per unit to actually rise,
00:30:17 --> 00:30:21: right, in an inflationary environment. You're right. You're,
you're, you're,
00:30:21 --> 00:30:24: you're, you're deferring construction and you're taking on a
lot
00:30:24 --> 00:30:26: of a lot of margin pressure because of it.
00:30:28 --> 00:30:30: The reason I, I, I bring this up is, is
00:30:30 --> 00:30:33: again back to the demand side because the, I mean
00:30:33 --> 00:30:36: we got to remember there are two sides to every
00:30:36 --> 00:30:38: market here, right. And if you're a builder you go
00:30:38 --> 00:30:42: into the bank typically you're you know you're pre selling
00:30:42 --> 00:30:44: X percent of your project in order to get financing
00:30:45 --> 00:30:48: and then start breaking ground whether it's 70% or 80%
00:30:48 --> 00:30:50: or whatever the case may be, right. But the demand
00:30:50 --> 00:30:54: side is broken down so dramatically because of what's
happened
00:30:54 --> 00:30:57: with the cost of borrowing that it's it's becoming a
00:30:57 --> 00:30:58: lot tougher to actually.
00:30:58 --> 00:31:01: Resell those units and especially if you lose the the
00:31:01 --> 00:31:04: third or so of demand that was investor demand. I
00:31:04 --> 00:31:07: mean an investor today just is is looking at the
00:31:07 --> 00:31:10: you know the economics of of a new project purchase
00:31:10 --> 00:31:12: right now and it makes no sense at these prices
00:31:12 --> 00:31:15: and these interest rates given where where rents and cap
00:31:15 --> 00:31:16: rates are right?
00:31:18 --> 00:31:20: So, so, so it's hard to to to to sell
00:31:20 --> 00:31:23: these things until prices come down and then so the
00:31:23 --> 00:31:26: problem here is then you have a market that kind
00:31:26 --> 00:31:29: of stops clearing because builders can't you know supply a
00:31:30 --> 00:31:32: project right now at a price that makes sense or
00:31:32 --> 00:31:35: that a buyer can actually qualify for it 5 1/2%
00:31:35 --> 00:31:36: mortgage rates.
00:31:37 --> 00:31:41: So because of these reasons I kind of envision resale
00:31:41 --> 00:31:42: activity.
00:31:42 --> 00:31:46: And new construction activity actually backing off and and
kind
00:31:46 --> 00:31:48: of being depressed for for some time going forward until
00:31:48 --> 00:31:51: we can get through this cycle and adjust the demand
00:31:51 --> 00:31:53: side and adjust prices. The problem is of course and

00:31:53 --> 00:31:56: and comes back to this whole, whole, whole thing we're

00:31:56 --> 00:31:58: talking about is that we come out of this cycle.

00:31:59 --> 00:32:01: Not in six months or eight months, but 2345 years

00:32:02 --> 00:32:04: down the road we're going to be under supplied again.

00:32:04 --> 00:32:06: And so we have this discussion all over again and

00:32:07 --> 00:32:10: that's unfortunately the nature of housing. It's very cyclical.

00:32:13 --> 00:32:15: Anyone else want to weigh in on the clustering issue?

00:32:15 --> 00:32:18: Because there's lots of other topics to discuss for sure.

00:32:19 --> 00:32:20: Go ahead.

00:32:20 --> 00:32:24: OK. Just very quickly I would say that you know

00:32:24 --> 00:32:28: this, this conversation reminds me of 2007 and eight and

00:32:28 --> 00:32:31: you know that's if if we knew now you know

00:32:31 --> 00:32:34: what if we knew then what we know now you

00:32:34 --> 00:32:37: know that we were back in that part of the

00:32:37 --> 00:32:40: cycle and where where costs were going up in all

00:32:40 --> 00:32:45: different areas and and we didn't take opportunity, we didn't

00:32:45 --> 00:32:48: take the opportunity to to you know act to have

00:32:48 --> 00:32:50: massive government investment.

00:32:51 --> 00:32:54: You know, instead we kind of watched the foreclosure crisis

00:32:54 --> 00:32:56: go down. And I'm thinking a lot of, a lot

00:32:56 --> 00:32:58: of this was South of the border, but it was

00:32:58 --> 00:32:59: also north and.

00:33:01 --> 00:33:03: And you know and then we had private equity, uh

00:33:03 --> 00:33:07: folks buying up single family homes because that that was

00:33:07 --> 00:33:10: the moment to do that. And and so anyway we

00:33:10 --> 00:33:12: we should be able to. It's a shame that we

00:33:12 --> 00:33:16: can't learn from history learn from our mistakes. 15 years

00:33:16 --> 00:33:19: later we're not we know where we are in the

00:33:19 --> 00:33:21: cycle yet we're paralyzed to act.

00:33:23 --> 00:33:25: I'm going to go to you, Robin, and then if

00:33:25 --> 00:33:27: you want to talk also about the constraints in the

00:33:27 --> 00:33:29: labor market in particular, I think that's also one that's,

00:33:29 --> 00:33:32: you know, particular interest. It's one thing to have projects

00:33:32 --> 00:33:35: planned out and have approvals ready to go and then

00:33:35 --> 00:33:37: you actually have to build them and it requires a

00:33:37 --> 00:33:39: lot of people with all the different skill sets. So

00:33:39 --> 00:33:41: I think that's an area I want to discuss as

00:33:41 --> 00:33:43: well. You raised it in your opening remarks.

00:33:44 --> 00:33:46: Yeah, just back to the financials, I would like to

00:33:46 --> 00:33:49: mention the one player we're not talking about is actually

00:33:49 --> 00:33:52: the municipalities and how they're going to finance a lot

00:33:52 --> 00:33:54: of infrastructure because you know so much as it's been

00:33:54 --> 00:33:57: downloaded to the municipalities also with the changes and build

00:33:57 --> 00:33:59: 23 and some of the regional governments sort of where

00:34:00 --> 00:34:02: they're going to land and what they're responsible for. You

00:34:02 --> 00:34:05: know, when you have aging infrastructure, I think that's really

00:34:05 --> 00:34:08: important to consider is how you know, is the government

00:34:08 --> 00:34:10: going to help with some of the infrastructure. We're going

00:34:10 --> 00:34:13: to speed up development, we're going to need more infrastructure

00:34:13 --> 00:34:15: that isn't already in the capital planning.

00:34:15 --> 00:34:19: Process and how can municipalities actually afford this and the

00:34:19 --> 00:34:21: risk is if they build it and the development doesn't

00:34:21 --> 00:34:24: come, they are going to be in some serious, serious

00:34:24 --> 00:34:27: problems. So I think that's the other risk of the

00:34:27 --> 00:34:30: slowdown. But yes, you're right about about the labor market

00:34:30 --> 00:34:32: and I think that's a great concern. I think that

00:34:32 --> 00:34:35: statistic of the 82,000 vacant jobs that is Canada wide.

00:34:35 --> 00:34:39: However that is still you know that's predominantly going to

00:34:39 --> 00:34:41: be in your major markets of development and I think

00:34:41 --> 00:34:44: having you know the the trades are getting, the trades

00:34:44 --> 00:34:46: are generally fairly older.

00:34:46 --> 00:34:49: And I think it's becoming increasingly difficult. I think the

00:34:49 --> 00:34:52: other thing is the development industry and the construction industry

00:34:52 --> 00:34:55: really hasn't gone into a lot of automation. It's been

00:34:55 --> 00:34:57: one of the last sort of industries to not look

00:34:57 --> 00:34:59: at sort of how to do things more efficiently and

00:34:59 --> 00:35:01: how to automate some of those things. I think they

00:35:02 --> 00:35:04: can be automated, not all of them of course. And

00:35:04 --> 00:35:06: I think you know there is opportunities to bring new

00:35:06 --> 00:35:09: technologies and perhaps can speed up some of the development,

00:35:09 --> 00:35:12: which would be very useful for both the cost perspective

00:35:12 --> 00:35:14: and a labor perspective. But I do think that's a

00:35:14 --> 00:35:17: big challenge. I think the other challenge is.

00:35:17 --> 00:35:19: Useful staff. Some of these timelines that are expected for

00:35:19 --> 00:35:22: them to do approvals in and change radically change, you

00:35:22 --> 00:35:25: know, zoning and official plans. It's going to be difficult

00:35:25 --> 00:35:28: to actually get done. So if we're talking about opening

00:35:28 --> 00:35:30: up the yellow belt, this is big opportunity for new

00:35:30 --> 00:35:33: supply. And to Andrew's point, there's only certain places you

00:35:33 --> 00:35:34: could build easily.

00:35:35 --> 00:35:37: You know, I have concerns about how quickly we can
00:35:37 --> 00:35:40: get those permissions on if we're talking about a 10
00:35:40 --> 00:35:42: year and those kind of approvals can take multiple years
00:35:42 --> 00:35:45: with public consultation. I think there's some issues around
whether
00:35:45 --> 00:35:48: the the municipalities are staffed up to actually do those
00:35:48 --> 00:35:49: approvals also.
00:35:51 --> 00:35:53: Anyone else on the labor side?
00:35:55 --> 00:35:59: I think Robin Manson, good points. One nuance I'd like
00:35:59 --> 00:36:01: to bring up on the labor side is that you
00:36:01 --> 00:36:05: need you Max capacity and with our larger contractors that
00:36:05 --> 00:36:09: do high rise construction, there's a big difference between
the
00:36:09 --> 00:36:13: labor needed for that high density construction versus
someone who
00:36:13 --> 00:36:16: makes a laneway house or adds on a granny suite
00:36:16 --> 00:36:17: and all these these.
00:36:19 --> 00:36:23: There's there's more availability of those types of trades and
00:36:23 --> 00:36:28: labor for low and mid size density developments because
those
00:36:28 --> 00:36:31: are the ones that have been deferred or not been
00:36:31 --> 00:36:35: or been blocked altogether. So. So those traits have been
00:36:35 --> 00:36:39: a bit more on the sidelines than the high
00:36:39 --> 00:36:43: rise construction. So I think there's an ability there to
00:36:43 --> 00:36:46: to help that. I agree with Rob, you can't Robert
00:36:46 --> 00:36:49: you can't do and add the supply.
00:36:49 --> 00:36:52: Doing things the same way and with Robin as well.
00:36:52 --> 00:36:55: You can't use the same technology, you can't use the
00:36:55 --> 00:36:58: same contractors, you can't do things the same way. I
00:36:58 --> 00:37:01: think the only way you're able to do this is
00:37:01 --> 00:37:02: you've got to be.
00:37:03 --> 00:37:07: Innovate technology from a technology point of view. So
we've
00:37:07 --> 00:37:11: got to look at modular construction, timber, all those types
00:37:12 --> 00:37:16: of innovations and you have to and municipalities have to
00:37:16 --> 00:37:19: use new tools with their reserve. So you know you're
00:37:19 --> 00:37:24: paying into these reserves that are getting decimated by
inflation
00:37:24 --> 00:37:28: and so they can't build the infrastructure to support the
00:37:28 --> 00:37:32: new supply. These reserves need to be in not earning
00:37:32 --> 00:37:33: 0% annually.
00:37:33 --> 00:37:38: In these pools, because their purchasing power is declining
00:37:38 --> 00:37:43: rapidly. So municipalities need to look at their pools or

00:37:43 --> 00:37:47: reserves and find ways to ensure that they earn interest
00:37:47 --> 00:37:50: and are protected against inflation.
00:37:54 --> 00:37:54: Robert.
00:37:58 --> 00:38:00: Well, yeah, on the labor side, I mean.
00:38:00 --> 00:38:03: So again I'll, I'll step back and take the Mac
00:38:03 --> 00:38:06: review here because that's that's that's what we focus on.
00:38:06 --> 00:38:08: But we're like we're pretty acutely aware of of of
00:38:08 --> 00:38:11: what's going on here and we have been for a
00:38:11 --> 00:38:13: while and I think this is coming to light now
00:38:13 --> 00:38:16: very quickly that we have a big demographic problem in
00:38:16 --> 00:38:19: this country and it's the pandemic probably pulled some of
00:38:19 --> 00:38:21: it forward and maybe put a spotlight on it, but
00:38:21 --> 00:38:23: it was coming at us anyway.
00:38:23 --> 00:38:26: And the reason I say that is, um, just, just,
00:38:26 --> 00:38:29: I mean very simply go back to where the peak
00:38:29 --> 00:38:32: birth year was during the baby boom. It was like
00:38:32 --> 00:38:35: 62 years ago, 63 years ago, exactly right. So that
00:38:35 --> 00:38:38: big cohort, a lot of them being skilled trades and
00:38:38 --> 00:38:41: and and the labor that we have historically leaned on
00:38:41 --> 00:38:45: to complete housing are moving into retirement and are we
00:38:45 --> 00:38:47: able to backfill that loss of Labor with?
00:38:49 --> 00:38:53: People coming up the demographic curve that are much
younger?
00:38:53 --> 00:38:56: Not necessarily. There's been a pretty big dearth of of
00:38:56 --> 00:38:59: of of movement into skilled trades among the younger and
00:39:00 --> 00:39:01: the millennial population.
00:39:02 --> 00:39:05: Umm, and I mean, obviously the federal government's
leaning on
00:39:05 --> 00:39:08: immigration to fill this hole because we're losing 3 or
00:39:08 --> 00:39:11: 400,000 per year to retirement right now. We can bring
00:39:11 --> 00:39:15: in four or 500,000 internationally, but takes time to integrate
00:39:15 --> 00:39:18: them into the labor force and provide them with the
00:39:18 --> 00:39:20: right skills to actually just be able to step in
00:39:20 --> 00:39:23: and say, OK, go, why are this House now, right.
00:39:23 --> 00:39:26: So the numbers might match up, but the actual, the
00:39:26 --> 00:39:29: actual like impact on the labor force and and and
00:39:29 --> 00:39:32: kind of refilling the labor force takes more time, so.
00:39:32 --> 00:39:33: I.
00:39:33 --> 00:39:36: We're most likely going through at least a mild recession
00:39:36 --> 00:39:38: in the next 18 months. It's going to take some
00:39:38 --> 00:39:40: strain off the labor market, but.
00:39:41 --> 00:39:43: This is still a big demographic issue that's going to

00:39:43 --> 00:39:45: be with us for a number of years, regardless of
00:39:45 --> 00:39:47: of how this cycle plays out.

00:39:48 --> 00:39:51: And just one quick thing to add here which is
00:39:51 --> 00:39:54: that the IT we don't have the labor force ready
00:39:54 --> 00:39:57: to do the missing middle type of alterations. We don't,
00:39:57 --> 00:40:00: the industry is not really prepared to go back to
00:40:00 --> 00:40:04: building duplexes, triplexes, fourplexes. So that's a whole
other area

00:40:05 --> 00:40:06: of Labor shortage.

00:40:08 --> 00:40:10: OK. I want to talk a little bit about that
00:40:10 --> 00:40:13: because it's come up in a number of comments. You
00:40:13 --> 00:40:15: know, it's one thing to have a big picture target,
00:40:15 --> 00:40:18: you know .5 million, 2,000,000, but what what exactly we
00:40:18 --> 00:40:21: were talking about building and is it going to be
00:40:21 --> 00:40:24: more affordable to build it than what we have been
00:40:24 --> 00:40:26: building in the past? You know, it's one thing to
00:40:26 --> 00:40:29: build a 2500 square foot single data shows, it's quite
00:40:29 --> 00:40:32: another thing to build an apartment tower with 700 square
00:40:32 --> 00:40:34: foot units in it. And so in terms of the
00:40:34 --> 00:40:37: housing mix, you know what needs to change in terms
00:40:37 --> 00:40:38: of the mix of housing typologies.

00:40:39 --> 00:40:42: In order to actually improve affordability, right, rather than
perhaps

00:40:42 --> 00:40:44: make it worse, you know, we built a whole bunch
00:40:44 --> 00:40:47: of really large homes that probably wouldn't help with
affordability

00:40:47 --> 00:40:49: at all. And what needs to change in terms of
00:40:49 --> 00:40:52: what's being built and it's, it's related to this issue
00:40:52 --> 00:40:54: that's come up with demographics which is we have all
00:40:54 --> 00:40:57: these people are retiring, they're looking to downsize, they
want

00:40:57 --> 00:40:59: to move out of their houses that they have now
00:40:59 --> 00:41:01: they might want to stay in the communities that are
00:41:01 --> 00:41:04: in. So you know how are these things related where
00:41:04 --> 00:41:07: you have demographic changes that are driving potentially
changes and

00:41:07 --> 00:41:09: what the kind of housing people are looking for.

00:41:09 --> 00:41:10: And.

00:41:10 --> 00:41:13: It's opened up to the whole panel start with you
00:41:13 --> 00:41:15: Rob and I saw you reacting to some of those
00:41:15 --> 00:41:16: comments. So while you go ahead.

00:41:18 --> 00:41:20: Sure. I mean I I think at this point you
00:41:20 --> 00:41:22: know we we do talk about downsizing but there hasn't

00:41:23 --> 00:41:25: really been you know the the evidence yet to demonstrate
 00:41:25 --> 00:41:28: that. And I think that that's something we use is
 00:41:28 --> 00:41:30: sort of it's going to, it's going to solve us.
 00:41:31 --> 00:41:33: I know there was a paper on generational housing and
 00:41:33 --> 00:41:36: sort of the idea that suddenly all these single family
 00:41:36 --> 00:41:39: homes would open up because as as the boomers moved
 00:41:39 --> 00:41:42: into elsewhere but we're not building the elsewhere for them.
 00:41:42 --> 00:41:45: That's the huge thing you know and you think about
 00:41:45 --> 00:41:48: the affordability of family related condo units you know.
 00:41:48 --> 00:41:51: You're paying per square foot, it's expensive and then you're
 00:41:51 --> 00:41:53: also paying condo fees, which adds to it. And so
 00:41:53 --> 00:41:55: all of a sudden you, you, you might as well
 00:41:55 --> 00:41:58: be buying a house because it's over \$1,000,000 and what
 00:41:58 --> 00:42:01: would you rather have a yard and things like that.
 00:42:01 --> 00:42:03: So I think, I think that's a bit of the
 00:42:03 --> 00:42:05: problem is that we really are kind of only building
 00:42:05 --> 00:42:08: 2 things. And yeah, laneway houses, granny suites, those
 00:42:08 --> 00:42:11: are
 00:42:11 --> 00:42:13: opportunities. But is that going to get us to 1.5
 00:42:13 --> 00:42:16: million houses? No, it's it'll be real slow. You know,
 00:42:16 --> 00:42:18: how many can we actually deliver a year into the
 00:42:18 --> 00:42:20: to the point? Do we have the skilled labor, do
 00:42:20 --> 00:42:22: the people who own these properties?
 00:42:22 --> 00:42:25: Have the knowledge to actually build a laneway house. I
 00:42:25 --> 00:42:27: would say the average resident who's got a little bit
 00:42:27 --> 00:42:30: of extra land is going to really struggle with that
 00:42:30 --> 00:42:32: process going through it because it's not going to be
 00:42:32 --> 00:42:35: that easy regardless of whether you know.
 00:42:35 --> 00:42:38: What the province has, but I think we do need
 00:42:38 --> 00:42:41: to think about building units maybe more two and three
 00:42:41 --> 00:42:44: bedroom units and maybe they are are lower grade, they're
 00:42:44 --> 00:42:47: not necessarily towers you know maybe they're even less
 00:42:47 --> 00:42:49: than
 00:42:49 --> 00:42:51: mid rise but you know to get people the types
 00:42:51 --> 00:42:54: of houses and the sort of shape of houses that
 00:42:54 --> 00:42:57: they want and I think.
 00:42:57 --> 00:43:00: You know, people still ultimately want single family homes,
 00:43:00 --> 00:43:03: and
 00:43:03 --> 00:43:06: I understand we can't keep providing them, but we can't
 00:43:06 --> 00:43:09: just increasingly force people into smaller and smaller units.
 00:43:09 --> 00:43:12: It's
 00:43:12 --> 00:43:15: going to change. It's going to, people are going to
 00:43:15 --> 00:43:18: move out. It's also going to change household formation

because

00:43:06 --> 00:43:09: that's essentially what we're doing. So I really think that

00:43:09 --> 00:43:11: some of that, it's sort of a chicken and the

00:43:11 --> 00:43:13: egg thing, and I think we need to think more

00:43:13 --> 00:43:16: creatively about the typologies we're really providing and whether it's

00:43:16 --> 00:43:19: going to meet current and future populations.

00:43:21 --> 00:43:21: Enter.

00:43:23 --> 00:43:26: Yeah, I I agree with that. It's on that resume

00:43:27 --> 00:43:31: there, right, with Robin mentioned in terms of where your

00:43:31 --> 00:43:36: Overhauser need the downside, where, where, where does this demographic

00:43:36 --> 00:43:39: move to, right. And so in other markets we're seeing

00:43:39 --> 00:43:43: really attractive options for where they can move to in

00:43:43 --> 00:43:47: terms of mid and low density housing with lots of

00:43:47 --> 00:43:51: amenities like I started my career in in the hotel

00:43:51 --> 00:43:53: sector and a lot of the additional.

00:43:53 --> 00:43:58: Apply in some U.S. markets looks like downsizing and moving

00:43:58 --> 00:44:02: into a hotel and the hotels are of all types

00:44:02 --> 00:44:06: from very budget to very high end in terms of

00:44:06 --> 00:44:11: amenities and services and in in in Ontario there isn't

00:44:11 --> 00:44:11: that.

00:44:12 --> 00:44:16: Option. So it becomes very discouraging and and and for

00:44:16 --> 00:44:20: for a lot of people wanting to a different housing

00:44:20 --> 00:44:24: option, they don't want to just move into what's available

00:44:24 --> 00:44:28: here. They they they need a new typology to move

00:44:28 --> 00:44:33: into that makes sense for their lifestyle, particularly that aging

00:44:33 --> 00:44:34: demographic.

00:44:37 --> 00:44:40: Anyone else? What should we be building? How? How could

00:44:40 --> 00:44:41: the mix affect affordability?

00:44:42 --> 00:44:44: Yeah I you know I I I, we we clearly

00:44:44 --> 00:44:48: need a more more diversity of housing types to accommodate

00:44:48 --> 00:44:53: the diversity of the population. That's that's that's the easy

00:44:53 --> 00:44:56: part. You know one I was very influenced by seeing

00:44:56 --> 00:45:01: the ULI Technical Assistance Panel on Multiplex and the cost

00:45:01 --> 00:45:04: of Multiplex and Oh my goodness, this will not be

00:45:04 --> 00:45:09: affordable without major government subsidies of some kind. So that's

00:45:09 --> 00:45:12: not the easy solution we're sort of missing.

00:45:12 --> 00:45:16: The whole building type, which is the starter home for

00:45:16 --> 00:45:20: young families, that's 800 square feet instead of 2000 square

00:45:20 --> 00:45:23: feet. We've lost the art of building those small starter
00:45:23 --> 00:45:26: homes. I think that's one thing we need to, to
00:45:26 --> 00:45:30: think about going back to, I do think we underestimate
00:45:30 --> 00:45:34: in Canada the potential of garden suites and secondary
suites.
00:45:34 --> 00:45:38: Generally in California, 10% of new housing stock comes
from
00:45:38 --> 00:45:41: suites at this point and this has been true from
00:45:41 --> 00:45:43: the last five years, so.
00:45:43 --> 00:45:46: That's 150,000 right there if we could do 10% in
00:45:46 --> 00:45:48: Canada. So we we need to make it super easy
00:45:48 --> 00:45:50: just like California has.
00:45:52 --> 00:45:54: And and and then we need to think more about
00:45:54 --> 00:45:57: a different sites, you know whether we're talking about older
00:45:57 --> 00:46:00: malls and you know different sites that we could actually
00:46:00 --> 00:46:01: put more housing on.
00:46:06 --> 00:46:06: Number.
00:46:08 --> 00:46:09: Yeah, I, I, I don't have too much to add
00:46:10 --> 00:46:12: here. I guess I'll say because we mentioned the Boomers.
00:46:12 --> 00:46:14: I will add that the single biggest cohort here is
00:46:14 --> 00:46:17: the millennial, right? Because every boomer family, I'd like 2
00:46:17 --> 00:46:20: 1/2 kids and the millennial doesn't get enough play.
00:46:21 --> 00:46:25: Peak millennial I think is like 32 right now and.
00:46:26 --> 00:46:28: If if you've had a couple kids like I have,
00:46:28 --> 00:46:31: you know that once that kid starts walking or you
00:46:31 --> 00:46:34: have a second one, you're looking for a a backyard
00:46:34 --> 00:46:36: and a street and everybody is doing it at the
00:46:36 --> 00:46:39: same time, the pandemic may be pulled forward some of
00:46:39 --> 00:46:43: that. So unfortunately just we almost, we almost set
ourselves
00:46:43 --> 00:46:44: up for an affordability problem.
00:46:45 --> 00:46:47: 15 years ago when we when we create not, not,
00:46:48 --> 00:46:50: not against any of the policy or anything that but
00:46:50 --> 00:46:53: we created the places to grow act and mandated all
00:46:53 --> 00:46:56: this intensification and we built a ton of condos.
00:46:57 --> 00:46:59: But this demographic train was coming at us where we
00:46:59 --> 00:47:02: need single detached housing. And one of the reasons a
00:47:02 --> 00:47:04: lot of people packed up and left Toronto during the
00:47:04 --> 00:47:07: pandemic. When you can work hybrid and things like that
00:47:07 --> 00:47:10: because you actually move out to another town and you
00:47:10 --> 00:47:12: can get a single attached house. And that's that's just
00:47:12 --> 00:47:15: where we are in the demographic curve right now. When
00:47:15 --> 00:47:17: you look out five or ten years, this will probably

00:47:17 --> 00:47:20: start to normalize. And I mean to I think Robin's

00:47:20 --> 00:47:22: point the the the relief valve on this is the

00:47:22 --> 00:47:25: boomer that owns all these single attached houses and they're

00:47:25 --> 00:47:26: not moving, not at all.

00:47:28 --> 00:47:31: Hmm. I want to pick up on this sort of

00:47:31 --> 00:47:33: out migration from.

00:47:34 --> 00:47:36: Uh, the GTA which we've seen you know, in terms

00:47:36 --> 00:47:39: of inter intra provincial movers and should have been a

00:47:39 --> 00:47:42: lot of that going on and they tend to be

00:47:42 --> 00:47:45: moving into lower density housing that's a bit more affordable

00:47:45 --> 00:47:47: than what you would get in the GTA.

00:47:50 --> 00:47:53: You said Robert that he's sort of like disappoint we're

00:47:53 --> 00:47:56: at and the demographic curve. But if if the pace

00:47:56 --> 00:47:58: of construction is kind of uneven so you know supply

00:47:59 --> 00:48:01: targets of 1.5 million or for the whole province but

00:48:01 --> 00:48:04: about a million of those that are in the GTA.

00:48:04 --> 00:48:06: And if we're not able to achieve that target you

00:48:06 --> 00:48:09: know hit the million what what else will we see

00:48:09 --> 00:48:12: happen in terms of other shifts you know where people

00:48:12 --> 00:48:14: say I can't find what I'm looking for at the

00:48:14 --> 00:48:17: price point and this out migration may continue or or

00:48:17 --> 00:48:20: might pick up speed where you have people moving to

00:48:20 --> 00:48:21: smaller places like St. Catherines.

00:48:22 --> 00:48:25: Niagara finding housing that's more in line with their budget

00:48:25 --> 00:48:27: and the lifestyle that they're looking for.

00:48:29 --> 00:48:32: Yeah, this, this isn't really new, right, this, this we're

00:48:32 --> 00:48:35: already starting to see signs of this back in 20151617

00:48:35 --> 00:48:38: where those markets really started to get a lot of

00:48:38 --> 00:48:41: strength and we asked, well, why is all of a

00:48:41 --> 00:48:42: sudden?

00:48:42 --> 00:48:45: Like Guelph or Saint Catherines market, maybe not so much

00:48:46 --> 00:48:48: guilt but say like a St. Catherines or Barry a

00:48:48 --> 00:48:50: market that was dead for a decade. Why of a

00:48:50 --> 00:48:53: sudden is all of a sudden is this market starting

00:48:53 --> 00:48:56: to move and prices starting to rise 1015% per year

00:48:56 --> 00:48:58: because we we hit the start of this millennial cohort

00:48:58 --> 00:49:02: looking for single attached housing. Like it's fine when you're

00:49:02 --> 00:49:04: a student or a bachelor and or maybe newly married

00:49:04 --> 00:49:07: but which was the case through the first part of

00:49:07 --> 00:49:09: the decade, but we got into the latter stage of

00:49:09 --> 00:49:13: the decade, people started having kids, they needed houses.

00:49:13 --> 00:49:18: Um, so that had already kind of started and the
00:49:18 --> 00:49:19: pandemic?
00:49:20 --> 00:49:24: Just facilitated it I think and maybe pulled some of
00:49:24 --> 00:49:26: it forward so and and what I mean there is.
00:49:27 --> 00:49:30: If, as an example, someone in the financial sector for
00:49:30 --> 00:49:33: for example is able to work hybrid, say two or
00:49:33 --> 00:49:36: three days a week, it makes a commute that previously
00:49:36 --> 00:49:39: was not reasonable. All of a sudden something that's within
00:49:39 --> 00:49:42: the realm of reasonable. Or you wouldn't drive 2 hours
00:49:42 --> 00:49:45: every day, but you might drive 2 hours two or
00:49:45 --> 00:49:47: three times a day if it meant having a backyard
00:49:47 --> 00:49:48: for your kids.
00:49:49 --> 00:49:50: So.
00:49:51 --> 00:49:53: That's some of what's going on. And and I think
00:49:53 --> 00:49:56: you might continue to see it as affordability gets stressed
00:49:56 --> 00:49:59: in in the GTA, you might continue to see that
00:49:59 --> 00:50:02: there. Now from like a very cyclical perspective, we've
00:50:02 --> 00:50:06: actually
00:50:06 --> 00:50:08: seen those markets get hit extremely hard with interest rates
00:50:08 --> 00:50:10: rising and a lot of the froth come out and
00:50:10 --> 00:50:13: I think that migration is really.
00:50:13 --> 00:50:15: Slow down if not stalled today, but if we look
00:50:15 --> 00:50:17: at a kind of a bigger picture of you like
00:50:17 --> 00:50:18: 5 or 10 years, we might be looking at that
00:50:20 --> 00:50:23: still for some time.
00:50:23 --> 00:50:27: I think also when you're talking about most of the
00:50:27 --> 00:50:31: municipalities within the GTA being a post Greenfield
00:50:31 --> 00:50:35: situation, they
00:50:35 --> 00:50:37: can't deliver single family homes, whereas the niagaras, the
00:50:37 --> 00:50:40: the
00:50:40 --> 00:50:42: berries, the East Gwillimbury, they're still delivering single
00:50:42 --> 00:50:44: family home.
00:50:44 --> 00:50:47: So if that is what you want.
00:50:47 --> 00:50:49: That is the place you're going to have to go
00:50:49 --> 00:50:52: to get it or you're going to get into a
00:50:52 --> 00:50:55: bidding war in Toronto and very pricey real estate that
00:50:55 --> 00:50:58: you don't actually need to live in anymore because you
00:50:58 --> 00:51:01: can commute to your job and you can telecommute. So
00:51:01 --> 00:51:04: that's the other thing is these are the, these municipalities
00:51:04 --> 00:51:07: still have the opportunities for that lower density or even
00:51:07 --> 00:51:10: townhouses that are still in the rent of possibility for
00:51:10 --> 00:51:13: people. So that's the other reason they're going there is
00:51:13 --> 00:51:16: there's still opportunity and there's still growth. So in a

00:51:04 --> 00:51:07: certain sense their additional ability to supply that has allowed

00:51:07 --> 00:51:07: has.

00:51:07 --> 00:51:10: Made people look farther afield and I agree that obviously

00:51:10 --> 00:51:13: the pandemic and working at home has changed that too.

00:51:15 --> 00:51:16: Yeah, I would just.

00:51:18 --> 00:51:21: Ohh, just quickly that there's a, you know, there's a

00:51:21 --> 00:51:26: huge opportunity here to take advantage of underutilized transit lines

00:51:26 --> 00:51:30: and think about, you know, places like Picton, Kingston, Belleville,

00:51:30 --> 00:51:33: Cobourg, Trenton. These, these could service a lot more of

00:51:34 --> 00:51:36: this demand as we move to a one or two

00:51:36 --> 00:51:37: day a week commute.

00:51:42 --> 00:51:44: Thank you. I just wanted to.

00:51:45 --> 00:51:49: Return to something that came up earlier in the discussion,

00:51:49 --> 00:51:50: which is.

00:51:53 --> 00:51:56: When the municipalities are on the hook for building growth

00:51:56 --> 00:52:00: infrastructure, for example, right, there's the question of who should

00:52:00 --> 00:52:03: pay, right? And for the last little while, a lot

00:52:03 --> 00:52:06: of the costs have been on the development charge, which

00:52:06 --> 00:52:09: is really passed on to the buyers of those residential

00:52:09 --> 00:52:12: properties when they're constructed and and the other property.

00:52:13 --> 00:52:16: If we're starting to shift that so that, you know,

00:52:16 --> 00:52:18: the development charges are not going to cover the whole

00:52:18 --> 00:52:21: cost of this infrastructure, it's going to start to come

00:52:21 --> 00:52:24: back on property taxpayers. What do we think about that

00:52:24 --> 00:52:27: in terms of the impact on affordability generally, right. Property

00:52:27 --> 00:52:29: taxes, not a huge component of the cost of housing,

00:52:29 --> 00:52:32: but they are a component. And if we start shifting

00:52:32 --> 00:52:35: around, who should pay for the growth infrastructure? It's not

00:52:35 --> 00:52:37: the same at all different parts of the province, but

00:52:37 --> 00:52:40: we start making those changes. Do you think that's going

00:52:40 --> 00:52:42: to help or maybe make some of these issues but

00:52:42 --> 00:52:43: worse?

00:52:43 --> 00:52:44: In terms of overall affordability?

00:52:47 --> 00:52:50: I don't know if it's strictly property taxes, but I

00:52:50 --> 00:52:53: do agree municipalities have very few revenue sources which is

00:52:53 --> 00:52:56: very problematic for them because you know it's essentially a

00:52:56 --> 00:52:59: trickle down. We pay up, the province gives us you

00:52:59 --> 00:53:02: know what we did and then development charges and the
 00:53:02 --> 00:53:04: bulk of the ways of municipalities can pay for very
 00:53:04 --> 00:53:07: important things. So I do agree that probably our property
 00:53:07 --> 00:53:10: taxes are a little undervalued and of course that's a
 00:53:10 --> 00:53:13: political nightmare. It would be the politician is going to
 00:53:13 --> 00:53:16: raise property taxes. I think, you know that's pretty much
 00:53:16 --> 00:53:17: a non starter.
 00:53:17 --> 00:53:19: But I do agree if so much of this is
 00:53:19 --> 00:53:23: the responsibility of the upper and lower chair municipalities,
 they
 00:53:23 --> 00:53:27: need the revenue tools beyond property taxes and
 development charges
 00:53:27 --> 00:53:30: in order to fund these kind of infrastructure pieces.
 00:53:34 --> 00:53:36: Anyone else want to weigh in on that? And if
 00:53:36 --> 00:53:39: not, we're going to just go rapid fire. Last closing
 00:53:39 --> 00:53:42: thoughts on this really important and hugely consequential
 issue of
 00:53:42 --> 00:53:45: can we supply our way out of the affordability crisis?
 00:53:45 --> 00:53:47: If not, I'm going to go rapid fire. I'm going
 00:53:47 --> 00:53:48: to start with Karen.
 00:53:50 --> 00:53:53: Yeah. So I you know I think we're all in
 00:53:53 --> 00:53:57: agreement that we're we're having challenges supplying our
 way out
 00:53:57 --> 00:54:00: of the affordability crisis and then I I think there's
 00:54:01 --> 00:54:04: there's disagreement on how to move forward and end. To
 00:54:04 --> 00:54:07: me it's clear that it's going to take working across
 00:54:07 --> 00:54:11: sectors it's going to create a working across levels of
 00:54:11 --> 00:54:14: government that we really you know we have very different
 00:54:14 --> 00:54:18: ideas of how to move forward between Toronto and the
 00:54:18 --> 00:54:20: province and the federal government and.
 00:54:20 --> 00:54:23: And so looking to, you know, link arms to really
 00:54:23 --> 00:54:26: solve the problem. I think is, is is is really
 00:54:26 --> 00:54:30: important. And I think, you know ULI at the table
 00:54:30 --> 00:54:34: is a fabulous resource to school cities is another resource
 00:54:34 --> 00:54:37: we need to pull in smart prosperity. You know, we
 00:54:37 --> 00:54:40: all need to be working together on this problem.
 00:54:41 --> 00:54:42: Thank you.
 00:54:43 --> 00:54:46: I'm going to go Andrew, Robert, Robin real quick.
 00:54:47 --> 00:54:50: Yeah, quickly, I'm just saying certainly we need a lot
 00:54:50 --> 00:54:54: of stakeholders at the table to make this work and.
 00:54:55 --> 00:54:58: I'm I'm quite hopeful that we have the tools. We
 00:54:58 --> 00:55:01: can't do what we have been doing in the past
 00:55:01 --> 00:55:05: if we expect to achieve so this achieving this target

00:55:05 --> 00:55:08: requires innovation, but it's possible.

00:55:12 --> 00:55:15: There's a lot to sum up here. I mean, I,

00:55:15 --> 00:55:17: I I think we just had a period where we

00:55:18 --> 00:55:20: had a lot of froth build up in the price

00:55:20 --> 00:55:23: of housing and the Bank of Canada is taking care

00:55:23 --> 00:55:25: of that today. So that takes us.

00:55:26 --> 00:55:29: Halfway there, the other half is that underlying all that

00:55:29 --> 00:55:32: froth, we still have a very tight housing market from

00:55:32 --> 00:55:33: a demographic perspective.

00:55:34 --> 00:55:36: And we can try and build every last unit we

00:55:36 --> 00:55:38: can. We're already doing it. The reality is that the

00:55:38 --> 00:55:41: demographics are going to be pretty tough for housing demand

00:55:41 --> 00:55:43: for for a number of years, a number of years

00:55:43 --> 00:55:46: still going forward. And unfortunately, I don't think it's an

00:55:46 --> 00:55:49: easy solution to just make everything affordable tomorrow.

00:55:52 --> 00:55:55: Robin, we're looking for easy solutions. Go.

00:55:56 --> 00:55:58: No easy solutions, I agree. I don't think we can,

00:55:58 --> 00:56:01: we can build the numbers. However, I think this is

00:56:01 --> 00:56:04: a great opportunity for innovation in our construction industry.

00:56:04 --> 00:56:08: I believe also partnerships along with partnerships with the government about

00:56:08 --> 00:56:11: new revenue tools to try and address this and try

00:56:11 --> 00:56:14: and address it holistically. And I think one thing I

00:56:14 --> 00:56:17: will point out we are not actually addressing affordable housing

00:56:17 --> 00:56:20: and that is a whole other thing and a whole

00:56:20 --> 00:56:21: other group that as we help.

00:56:21 --> 00:56:24: This other middle group got affordable housing. There is a

00:56:24 --> 00:56:26: lot of risk for another group that will not be

00:56:26 --> 00:56:29: able to afford any of these things. So I do

00:56:29 --> 00:56:31: want to point out that we can't build the 1.5

00:56:31 --> 00:56:33: for this sort of middle class. How are we going

00:56:33 --> 00:56:36: to build the the number and to Karen's point that

00:56:36 --> 00:56:38: we don't even know about and what are we doing

00:56:38 --> 00:56:41: there? And I think that's a very important thing to

00:56:41 --> 00:56:43: be thinking about how we're doing both.

00:56:46 --> 00:56:48: OK. I'm just going to turn it over to Richard.

00:56:49 --> 00:56:53: OK. That was fantastic. Thank you, Jesse for moderating a

00:56:53 --> 00:56:57: really, really terrific panel. Robert, Robin, Karen and Andrew,

00:56:57 --> 00:57:01: I thank you very much for participating in this really important

00:57:02 --> 00:57:05: dialogue. I think we've, we've put a few important points
00:57:06 --> 00:57:09: on the board that that, that that were needed and
00:57:09 --> 00:57:12: we're not done yet. There is more to come as
00:57:12 --> 00:57:15: I think most of our audience will know, this is
00:57:15 --> 00:57:18: just the second of of A5 part series.
00:57:19 --> 00:57:22: And to be expected to be more after that even
00:57:22 --> 00:57:25: and so we thank you all the audience I know
00:57:25 --> 00:57:28: that we're just going to put up on the screen
00:57:28 --> 00:57:31: really quickly a couple of other upcoming events if I
00:57:31 --> 00:57:34: could ask my colleague to to do that.
00:57:35 --> 00:57:38: If it's ready to go. If not, we are going
00:57:38 --> 00:57:41: to just sign off, OK. I think we're just going
00:57:41 --> 00:57:44: to sign off here. Here we go. It's coming in.
00:57:44 --> 00:57:48: So yes there's a few a great events coming one
00:57:48 --> 00:57:51: of them this evening still opportunity to get into that
00:57:51 --> 00:57:54: if you wanted as an in person event relating to
00:57:54 --> 00:57:58: the the last frontier the GTA mall opportunity. I believe
00:57:58 --> 00:58:02: that the nervous village tour this Thursday is, is is
00:58:02 --> 00:58:05: is sold out. But there's also a really important.
00:58:05 --> 00:58:11: Like next week accelerating towards accessibility,
accelerating accessibility, the launch
00:58:11 --> 00:58:15: of a new coalition of industry players to focus on
00:58:15 --> 00:58:19: a really, really important part of building for everybody and
00:58:19 --> 00:58:23: that is accessibility. So lots, lots on the horizon and
00:58:23 --> 00:58:26: more still to be announced. So thank you all and
00:58:26 --> 00:58:29: we will see you hopefully tomorrow.

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