



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
growth forecasts.

00:09:32 --> 00:09:36: Essentially for the greater golden horseshoe between 2021
and 2023,
00:09:36 --> 00:09:39: the forecast is for about just over 700,000 units. Obviously,
00:09:39 --> 00:09:42: that's quite a bit shy from the numbers that are
00:09:42 --> 00:09:45: being put around. The problem is that this is all
00:09:45 --> 00:09:48: of the background, the reasons we've planned for
infrastructure, social
00:09:49 --> 00:09:51: services, transportation. So the question is.
00:09:51 --> 00:09:54: Is this new number an acceleration or a brand new
00:09:54 --> 00:09:57: number and do we have the services and the plans
00:09:57 --> 00:10:00: to actually address this kind of number from permissions
wise?

00:10:00 --> 00:10:01: Next slide.
00:10:03 --> 00:10:06: So there's a lot of other issues related to supply.
00:10:06 --> 00:10:09: I think the financialization of housing, which I know was
00:10:09 --> 00:10:12: spoken about yesterday, is a very important sort of trend
00:10:12 --> 00:10:14: that is going on. The other thing is the housing
00:10:14 --> 00:10:17: typologies, as I mentioned, we're going to be building a
00:10:17 --> 00:10:20: lot more high density units. Are those going to meet
00:10:20 --> 00:10:23: the demand for the housing, the family housing that we
00:10:23 --> 00:10:26: really talk about, like the missing middle, is this the
00:10:26 --> 00:10:28: type of housing we actually need next is the construction
00:10:29 --> 00:10:32: labor market and Q 12022, there were 82,000 vacant
construction
00:10:32 --> 00:10:33: jobs in Canada.
00:10:33 --> 00:10:36: Aging population of the trades is a real concern and
00:10:36 --> 00:10:38: so do we have the people that it can actually
00:10:38 --> 00:10:40: build this. The other thing is do we have the
00:10:40 --> 00:10:41: technology to build this?
00:10:42 --> 00:10:45: The cost of living versus construction costs, we know the
00:10:45 --> 00:10:47: cost of construction has been going up significantly and the
00:10:47 --> 00:10:50: cost of living has been holding standard even if we
00:10:50 --> 00:10:52: were to create more supply. That is not addressing the
00:10:52 --> 00:10:55: delta that has been created over the last 10 years
00:10:55 --> 00:10:56: between those two things.
00:10:57 --> 00:11:00: Servicing, I've already addressed this. How well do we have
00:11:00 --> 00:11:03: the servicing capacity for this new housing? I know there's
00:11:03 --> 00:11:06: 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
00:13:14 --> 00:13:18: talking about 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 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

00:29:18 --> 00:29:19: timing and appeals and those types of things has allowed

00:29:21 --> 00:29:23: them to go forward.

00:29:23 --> 00:29:26: So I want to just add for us to consider

00:29:26 --> 00:29:28: because in the environment where we've had both them on

00:29:28 --> 00:29:31: the material side and on the labor side and on

00:29:31 --> 00:29:33: the interest rate side, all of a sudden all these

00:29:33 --> 00:29:36: things are going up. The cost of delays in particular

00:29:36 --> 00:29:39: is starting to become much higher than it is when

00:29:39 --> 00:29:41: you know interest rates are dropping, Labour's flat and

00:29:42 --> 00:29:44: materials

00:29:44 --> 00:29:46: are not jumping all over the place. So I just

00:29:46 --> 00:29:49: want to introduce that as part of the wrinkle here,

00:29:49 --> 00:29:52: which is at least in the short term, you know

00:29:52 --> 00:29:55: these things are all going in this certain direction and

00:29:55 --> 00:29:58: it may be making the cost of delays in particular.

00:29:58 --> 00:30:01: Very significant, um, we're certainly seen some bankruptcies,

00:30:01 --> 00:30:03: uh projects

00:30:03 --> 00:30:06: going into receivership because they just can't make

00:30:06 --> 00:30:09: payments and

00:30:09 --> 00:30:12: with the changing cost structure. So maybe I'll just go

00:30:12 --> 00:30:15: 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,
00:30:21 --> 00:30:24: you're, you're, you're,
00:30:21 --> 00:30:24: you're, you're deferring construction and you're taking on a
00:30:24 --> 00:30:26: 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
00:30:54 --> 00:30:57: 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
00:31:46 --> 00:31:48: 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 ads 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 on 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 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
are
00:42:08 --> 00:42:11: opportunities. But is that going to get us to 1.5
00:42:11 --> 00:42:13: million houses? No, it's it'll be real slow. You know,
00:42:13 --> 00:42:16: how many can we actually deliver a year into the
00:42:16 --> 00:42:18: to the point? Do we have the skilled labor, do
00:42:18 --> 00:42:20: the people who own these properties?
00:42:20 --> 00:42:22: Have the knowledge to actually build a laneway house. I
00:42:22 --> 00:42:25: would say the average resident who's got a little bit
00:42:25 --> 00:42:27: of extra land is going to really struggle with that
00:42:27 --> 00:42:30: process going through it because it's not going to be
00:42:30 --> 00:42:32: that easy regardless of whether you know.
00:42:32 --> 00:42:35: What the province has, but I think we do need
00:42:35 --> 00:42:38: to think about building units maybe more two and three
00:42:38 --> 00:42:41: bedroom units and maybe they are are lower grade, they're
00:42:41 --> 00:42:44: not necessarily towers you know maybe they're even less
than
00:42:44 --> 00:42:47: mid rise but you know to get people the types
00:42:47 --> 00:42:49: of houses and the sort of shape of houses that
00:42:49 --> 00:42:51: they want and I think.
00:42:52 --> 00:42:54: You know, people still ultimately want single family homes,
and
00:42:55 --> 00:42:57: I understand we can't keep providing them, but we can't
00:42:57 --> 00:43:00: just increasingly force people into smaller and smaller units.
It's
00:43:00 --> 00:43:03: going to change. It's going to, people are going to
00:43:03 --> 00:43:06: 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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