



# THE Clark Report

## Housing Unaffordability in Canada Calls for Flexibility

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**So, how do we remedy the fact communities across Canada are becoming increasingly unaffordable places in which to live?**

Housing unaffordability is not the result of some mysterious, unmanageable force. Nor is it a phenomenon unique to the pandemic. A chief factor is how municipalities, urban planners and developers have chosen, for decades, to parcel up, zone and develop land.

*Tristin Hopper at the [National Post](#) published a great piece last week* in which he targeted this aspect of the affordability conundrum. He took issue with the fact there is an “entire latticework of laws in this country to artificially constrict the supply of homes and make it illegal for you to build a reasonable place to live.”

As an example, he colour-coded a map of Vancouver – “where a dilapidated shed will cost you \$300,000” – to illustrate how it’s illegal in most of the city to build anything more dense than a duplex.

It’s a recurring problem across the country, often fueled by community interest groups and NIMBYism.

But, we can make housing more affordable without having to resort to the vertical densification that can rouse the ire of residents in an established neighbourhood.

### The new housing realities

Let’s consider the new realities which many people face:

– **Empty nester/retirees:** They no longer need the space they once did. A popular option is to downsize – trade that suburban McMansion for a condo apartment with all the amenities nearby to ensure the golden years are comfortable.

– **First-time homebuyers:** They may have, or be about to start, a young family in which case they need the space which only a three-bedroom home with a yard can provide. We have also heard the stories in recent years in inflated markets like Toronto or Vancouver of people who would otherwise be roommates in a rental situation now teaming to purchase together.

– **Hybrid workers:** Some people have jobs where they just have to be on a job site. Others have office jobs where their employer is likely to support as the new normal a hybrid model that splits work time between the regular office and the home office. Some white-collar employers have even made the decision to go virtual altogether. In urban markets with high percentages of professional or knowledge workers, this will have a profound impact on how residential real estate is used.

What these three profiles have in common is a need for flexibility. This can take several forms:

– **Build more detached and town homes with what was traditionally called a granny suite:** This allows elder relatives to downsize with their kids and grandkids while still having separate living quarters. The cost of the home – and the cost of the land on which to build the home – is then shared, thus increasing affordability. Parents can also benefit from not having to pay for outside daycare while they work. Seniors can remain independent longer and remain more social for their mental well-being. [Check out this recent article about a multi-generational home.](#)

– **Look to generational transfer of real estate without anyone moving:** Rather than downsize from what has become a house too large for the grandparents, look to adapt it to a multi-generational house with enough separation of living space to keep everyone sane without the need to move. The capital cost of the property may have long ago been paid and a well thought-out conversion can turn the asset into a long-term family solution . . . without the downside of the neighbours thinking you're creating a rental property.

– **Get on board with the “tiny home” trend:** This can be a primary home or a separate structure on a property that already has an existing house. Again, it could be a residence for a relative or for an adult child who otherwise struggles to purchase a home they can afford. Make sure our land-use policies and building codes don't force people into homelessness.

– **Consider the needs of work-from-home in new house design:** This is already on the radar for forward-thinking homebuilders.

## **Zoning is key to it all**

Having the right municipal bylaws in place, and a city hall that is receptive to such change, is of course critical for much of this to move ahead.

What may be needed is a solid review of zoning rules and local building codes to design shared living space that also affords privacy and to allow for additional residential space on an existing property.

There will of course be challenges. Take granny suites and tiny homes.

If zoning rules are adapted to allow for multi-generational housing with separate living quarters within one dwelling or on the same property, that beast called NIMBY may rear its ugly head. Some residents may perceive it as a roundabout way to add undesired rental stock to an existing neighbourhood even if that is not the intent.

So, zoning changes may need to have very precise language around property usage.

## **Let's rethink how much space we really need**

Our individual perceptions about space must also become more flexible. Cookie-cutter McMansions still rule the suburban landscape. **The average size of the average home for the average family across Canada has increased steadily since the 1960s.**

More space is great . . . if you can afford it. **The story of this family in Nova Scotia is an example of a community solution to a housing problem** that supports ownership. There is no basement, the house is small, but they own the lot. With help from their neighbours, it looks like they have a place to call home.

## **How else can you achieve a "15-minute" neighbourhood?**

My hometown of Ottawa is one city with a draft Official Plan that calls for 15-minute neighbourhoods.

To make this work, you need to have employment sources built right into the neighbourhood, retail sources and other amenities for most of your daily needs and access to transit. This needs to be the plan not only for existing inner-city neighbourhoods but just as much in the new areas that are getting developed on a city's periphery.

But, you also need to make it affordable for most people – including those working the local retail and service jobs – to live there. We can't always look to densify by building up to increase affordability.

Changing demographics and changing work habits all demand a new level of flexibility in building design and land usage that has, so far, been slow to come.

*To discuss this or any valuation topic in the context of your property, please contact me at [jclark@regionalgroup.com](mailto:jclark@regionalgroup.com). I am always interested in your feedback and suggestions for future articles.*

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