

How To Make Housing More Affordable

1 Repeal all vacancy rebates

\$34,000,000
Average tax rebate per year from the Vacancy Tax Rebate*



28,000,000 ft²
of vacant space in Toronto*



* 2011 Estimated using average space rent size and average cost per square foot, Toronto.

Number of years under Vacancy Rebate Program



The city of Toronto like many cities across Canada has a Vacancy Rebate program for land owners. If a landowner's property is unused for a period of time during the year, it can be deducted off their property taxes (maximum of 35%). For the majority of the properties, they only utilized the rebate for 1 to 4 years. However, there were some that abused this rebate for over 5 years. 10% of property owners involved had used this for more than 10+ years. The program has only been in place since 2001.

This visualization shows the breakdown of all properties which used the rebate for over 5 years. The breakdown shows that the majority of the properties are office, retail and shopping centre space. All of which can be repurposed with relative ease to condominiums.

Location Type Breakdown



2 Repurpose buildings which stay vacant for over 5 years

80 tonnes CO²
prevented by not constructing a house from scratch



22 trees saved
by not building on demolished properties



Port Lands Framework Plan

The Port Lands are a revitalization plan by City of Toronto. It will be a "blueprint" that will establish a refined and refreshed vision for the lands, guiding revitalization and redevelopment over the coming decades. In the framework plan, the Port Lands will be established for more specific land use direction to provide clarity and certainty as development proceeds.

We are using this as an example of our secondary solution, the re-purposing of lands. As currently this is an industrial sector in Toronto, that is greatly unused. At its finished proposed state, it will double the downtown core of Toronto.

The Cause

Toronto is a main focus of our research. The city is in a precarious situation in which the lack of housing available has left new home buyers with little to no choice. Constantly being outbid by foreign investors, residents of Toronto need a different way to get into the market.

Increased construction is still not meeting demand, and new developments will not see completion for another half a decade. Yet jobs are still moving towards Toronto and Vancouver, forcing more and more people to move within the vicinity of the city.

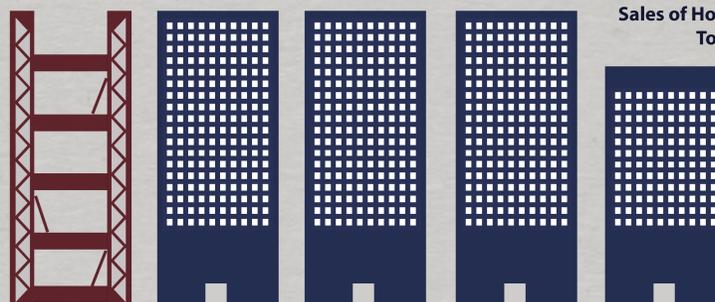
1 in 8 homes
were purchased by foreign investors



25% of all new jobs
were in Toronto and Vancouver



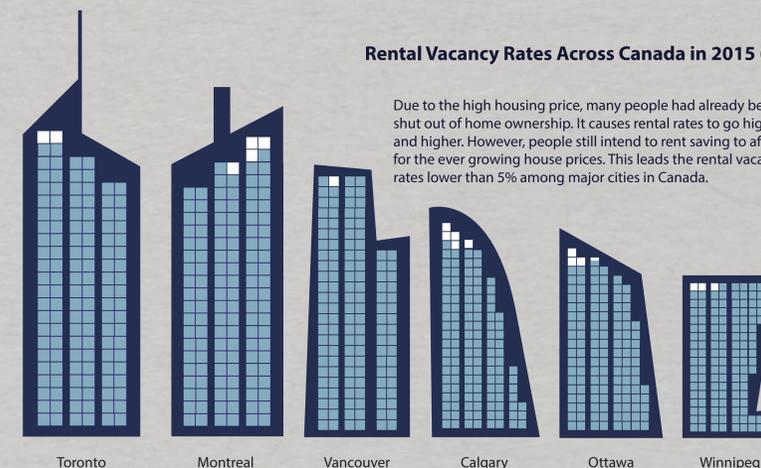
Sales of Homes vs. Homes Built Toronto 2016



Number of homes built
Amount of homes sold

In Toronto last year around 29000 new homes finished construction. However, over 100,000 units were sold in the same period. Although many of the units were the sale of pre-existing homes, the gap in supply versus demand currently is more than triple.

Rental Vacancy Rates Across Canada in 2015 (%)



Due to the high housing price, many people had already been shut out of home ownership. It causes rental rates to go higher and higher. However, people still intend to rent saving to afford for the ever growing house prices. This leads the rental vacancy rates lower than 5% among major cities in Canada.

The Problem

Across Canada, citizens are feeling the strain of the housing market. With it nearly doubling in some cases in price, lower to middle class citizens don't have the buying power they once had on a house.

Wages have not increased in tandem with the housing cost, leaving many in a low-income bracket for a few years. Canadians are battling just to afford rent which is also increasing with housing costs.

Canada National Housing Price Map September 2016



Home Cost Increase Over Time (%)

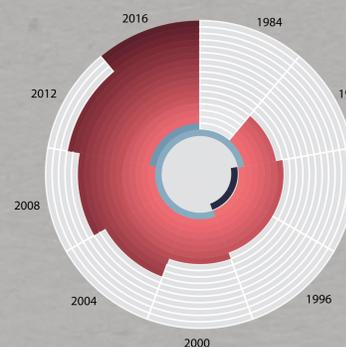


On a national level, the clear problem areas for housing increase is the most densely populated provinces.

\$113,722 to \$897,158

\$95,423 to \$622,707

Wage Change vs. Average House Cost Over Time



Average Wage Decrease (%)
Average Wage Increase (%)
Average House Increase (%)

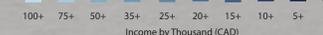
Canada has seen an extreme rise in housing prices since 1984, jumping an average of 25% per year. This is shown in relation to the wage increase. Wage has remained mainly stagnant, increasing the difficulty and time for a member of our society to own their own home. Also in the years of 1992-1996 the average wage went down below 1984 values. In 2016 the average wage had increased by just 12.5%, while housing cost jumped by 225%.

Percentage of Canadians Who Experienced Low Income For At Least One Year from 2002 to 2007



About 40% of Canadians experienced low income for one year. The percentage goes down constantly from 1 year to 5 years, however, the percentage goes up by 5% for Canadians who experienced low income for 6 years.

Individual by Total Income Level Ontario, 2014



The majority of Canadians are in the \$5000 - \$10,000. This means the average income is only about \$32,000 a year. This coupled with the fact that a sizable percent of Canadians experienced low income, means that fewer and fewer Canadians don't have the money to afford a home, let alone the rising rent rates.