

WHERE HAVE ALL THE **NEW HOMES** GONE?

You have probably heard that now is a good time to buy and that the GTA's real estate market has rebounded from one year ago. Perhaps you've read about new sites that have sold out in a single weekend. However, if you are looking to purchase a new home today, you may be frustrated to find that many of the sales centres you visit are closed, or have only a limited choice available. And, you may be wondering why. In fact, it is a result of the shortage in approved available land for residential building in certain regions.

We have enjoyed a decade of robust population growth and a corresponding increased demand for new homes, both of which are projected to continue. It takes years, not months as is often perceived, for land developers to satisfy the multiple processes required to bring raw land to the point where it is ready for building. And, the fundamental requirements to bring land to fruition are the supply of water, sewers and transportation infrastructure. Access to allocations of these important infrastructure services falls under the control of one or more

of the provincial, regional and municipal governments. In recent years, the challenge for new home builders and local municipalities has been to meet demand while keeping up with a host of new approval procedures and legislative requirements. The high volume demand for new homes has resulted in available land being absorbed more quickly than projected. As a result, we have reached the stage at which builders have outpaced the supply of available land for development due to the processing time required.

“Our notion of a family dwelling is changing and the variety of home styles in the GTA is increasing.”

We have all become more aware of our impact on the environment and are taking steps to address this concern. Through forward thinking measures such as Ontario's Greenbelt, 1.8 million acres of environmentally sensitive and agricultural land around the Greater Golden Horseshoe is protected with the creation of the Oak Ridges Moraine Conservation Plan (a policy framework providing land use and resource management direction for approximately 500 acres of land and water within the Moraine). These lands once considered suitable for development are also being preserved.

In 2005, Ontario enacted Places to Grow legislation to meet the challenges of future population growth; creating guidelines for planning that

efficiently use existing infrastructure and preserve natural and agricultural resources to maximize the benefits and minimize the costs of growth. Specific geographic areas are identified and parameters are established for expansion and intensification to absorb population growth, to create residential housing that is supported by transportation, commercial and industrial zoned lands for employment, and public services (such as schools, hospitals, emergency services).

Building higher density, such as is achieved in townhomes and multi-storey condominiums, is an important component of Places to Grow. We have already seen many fine examples of smaller dwellings and builders are being challenged to be even more creative in home design. Our notion of a family dwelling is changing and the variety of home styles in the GTA is increasing.

What matters to many new home buyers today, is that in several specific areas of the GTA there is a shortage of low-rise residential land that has received allocation and is ready to be approved for building. And, as builders are unable to replenish their lots we will see upward pressure on prices.

The desire to own a home will continue to be a dream for many, but our definition of home and neighbourhood will evolve to include many kinds of homes and types of ownership.

If you are planning to purchase a new home in 2010, it's advisable to act soon while there is still a reasonable selection, interest rates are low and prices are relatively affordable. This is not a situation where “good things come to those who wait.” ■

Boaz Feiner is Vice President, Housing Division for Geranium Corporation

The start of a new community —
The Neighbourhoods of Cardinal Point
in Stouffville, Ontario

