

**MORE OF THE SAME:
WHY MEDIUM-DENSITY, LOW-RISE HOUSING
IS UNDERREPRESENTED IN SUBURBAN TORONTO HOUSING
MARKETS**

by

**Dev Roberto Handa
B.A.Sc Civil Engineering
University of Waterloo, Waterloo, Ontario
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Signature of the Author _____
Dev Roberto Handa
Department of Architecture
July 31, 1990

Certified by _____
Albert R. Lamb III
Lecturer, Department of Urban Studies and Planning
Thesis Supervisor

Accepted by _____
Gloria Schuck
Chairperson
Interdepartmental Degree Program in Real Estate Development

Rotch
MASSACHUSETTS INSTITUTE
OF TECHNOLOGY

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ABSTRACT

The design of new, speculative, for-sale housing in suburban Toronto housing markets, and those of most of the rest of Canada, is highly standardized with respect to design. The suburban housing stock is characterized by very little variety in the physical typology of housing; there is not much choice between a highly-standardized, low-density, single-family, detached home and a highly-standardized, high-density, high-rise condominium home. While there has been some medium-density townhouse development throughout the postwar history of Canadian housing, this form is also very homogeneous with respect to design. Innovative forms of medium-density, low-rise housing (MDLRH), typically developed through the use of some flexible, non-conventional approvals instrument such as planned unit development, are underrepresented in suburban Toronto housing markets.

Six key factors have had some bearing on the broader issue of homogeneity of housing design in Canada, and on the narrower issue of the fact that innovative MDLRH is virtually unseen in suburban Toronto. They are:

- federal housing and urban development policy;
- the mortgage lending industry;
- the residential real estate development industry;
- the planning instruments and municipal planning staffs in Ontario;
- the Toronto political scene; and
- Toronto homebuyers.

Though they are presented in order of decreasing geographical scope, research into the impact of each of these realms has shown that they are roughly in order of decreasing influence as well.

This research details the impact of each of these influences by making comparisons with the corresponding influences in the United States. Canada and the United States share similar postwar economic and demographic histories, and many of the innovative forms of MDLRH under study have been used to a considerable extent in the U.S. Comparison with the United States' experience has therefore helped to bring into focus those things Canadian.

THESIS SUPERVISOR: Albert R. Lamb III
TITLE: Lecturer, Department of Urban Studies and Planning

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CHAPTER 1 - INTRODUCTION

In many respects, the metropolitan Toronto housing market of the mid- to late-1980s has been very interesting. It has seen between 33,000 and 46,000 housing starts annually in each of the last four years, roughly one quarter of the Canadian total.¹ It has seen the ascendancy of the high-rise condominium to a level of market acceptance matched by no other North American city. And it has been witness to Toronto's rise to the stature of a world-class city.

But some aspects are less than interesting. The face of the rapidly growing suburbs, beyond Metro Toronto and into the outer reaches of the commutershed, is something which holds little intrinsic beauty insofar as the design of its housing is concerned. Jack Klein, a well-known Canadian housing architect offers, as a test of good design, "Will a visitor think it attractive? Is this housing something a stranger would go out of his way to see?"² Few would disagree; most would answer 'no'.

This thesis will establish that design of new, predominantly for-sale, production housing, whatever the density, is highly homogenized in Canadian postwar suburbs generally, and in suburban Toronto in particular. And one aspect to this standardization is that it stifles innovation in new housing product. In addition, the thesis will describe the evolution of a new North American, primarily U.S., popularity of forms of medium-density, low-rise housing (MDLRH). It will show that these new forms of MDLRH require a social, political and economic environment which fosters innovation.

The resulting conflict, between a housing market which restrains innovation and an innovative product type, is the basis of the thesis; the balance of the paper will attempt to discern the relative impacts of a variety of influences, national, provincial and regional in scope, that have contributed to the underrepresentation of innovative MDLRH in suburban Toronto for-sale housing markets.

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- 1 Canada Mortgage and Housing Corporation, *Canadian Housing Statistics, 1989*, (Ottawa: Canada Mortgage and Housing Corporation, 1990), 16.
 - 2 Jack Klein, "Design", in Joan Simon, editor, *Housing and the Community*, (Ottawa: Canadian Housing Design Council, 1978), 11.

Methodology

The initial basis of the thesis came from the author's frustration with the state of new housing design in Toronto, design which paled in comparison with that being built elsewhere in North America. Just as the seeds came from observation, so too has the resulting research. The methodology of this thesis has relied heavily on the literature, synthesizing from a wide number of divergent topics, a new whole. Interviews with a number of industry professionals in Toronto rounded out the approach.

It will become readily apparent that much stock has been placed in cross-national comparisons between Canada and the United States. There are several excellent reasons for this approach:

- as we will soon see, the standardized quality of new housing, while particularly acute in Toronto, is largely a Canadian phenomenon, so a discussion of national influences on design is warranted;
- in attempting to make clear the impact of national influences, cross-national comparisons can focus our attention on aspects which might otherwise be taken for granted;
- both countries "have undergone a similar demographic experience,"³ particularly in the postwar era;
- both countries have a similar economic experience in the postwar era, each being dominated by tertiary service industries, and each having experienced, along with Japan, "the most rapid rates of real economic growth of any nations in the world,"⁴ prior to 1960; and
- the impetus for change in the design of new MDLRH forms was American, not Canadian, though Canadians talked of many of the same ideas which the Americans eventually put into practice.

The first step in the research was to learn more about MDLRH, in order to better define it and to better understand why it has been of increasing interest in the twentieth century in North America. The second step was to understand more about postwar Canadian housing markets, from both the demand and supply sides, as a basis for making

3 Michael A. Goldberg and John Mercer, *The Myth of the North American City*, (Vancouver: University of British Columbia Press, 1986), 56.

4 Ibid, 75.

cross-national comparisons with the United States. The next was to substantiate the author's sense that housing design in Toronto is highly homogenized and conservative in its approach to innovation.

These things done, the stage was set. Medium-density, low-rise housing had been defined and understood, and it was clear that, despite calls by some Canadians for more of it, MDLRH is underrepresented in suburban Toronto. The balance of the research sought to discern just why this is so, by examining the impact of each of the following spheres of influence:

- federal housing and urban development policy;
- the mortgage lending industry;
- the residential real estate development industry;
- planning instruments and municipal planning staffs in Ontario;
- the Toronto political scene; and
- Toronto homebuyers.

Having studied each of these domains, it had become increasingly evident that many of the differences between Canada and the United States, vis-a-vis the relative acceptance of innovative MDLRH forms, were, to a degree, culturally based. Research into the relevant cultural differences between these two countries was therefore undertaken as a base to the six discussions just described.

A Guide to this Paper

Chapter 2 describes MDLRH and its contemporary North American history, and provides a summary of its relative advantages and disadvantages in comparison with typical low-density and high-density alternatives. The third chapter describes the postwar Canadian housing market, and then provides a characterization of some relevant qualitative aspects of new suburban housing in Toronto. Chapter 4 provides a brief summary of the key cultural differences between Canada and the United States, and serves as a reference for future chapters. Chapters 5 through 10 describe, in turn, each of the six factors above, assessing what impact, if any, each has had on the fact that there is not much

MDLRH in suburban Toronto housing markets. The final chapter provides a summary of the findings and offers recommendations to those who have the influence and the opportunity to change the face of Toronto's suburbs.

CHAPTER 2 - MEDIUM-DENSITY, LOW-RISE HOUSING (MDLRH)

This chapter begins by defining more precisely what is meant by medium-density, low-rise housing within the context of this thesis. Following that is a brief chronicle of the contemporary North American history of MDLRH. A review of the pros and cons of MDLRH concludes the chapter, and demonstrates that there is a valuable role for medium-density, low-rise housing to play in modern North American suburbs.

2.1 - Definition and Description

All new housing, whether urban or suburban, can be classified loosely on the basis of density. Within the North American context, conventional single-family detached housing covers a range from less than one unit per acre (u.p.a.) to 11 or 12 u.p.a. This low-density housing is further characterized as low-rise which means that, at least in Canada, it is typically of wood stud construction; concrete masonry is used in some southern climates within the U.S. From roughly 75 u.p.a. upwards is the domain of high-density housing which is built using high-rise methods of construction (poured concrete, structural steel or, occasionally, concrete masonry), and which usually includes common, interior vertical and horizontal circulation areas. Production (large-volume, speculative) developers of either of the low- or high-density forms typically apply a common physical prototype, modified slightly for each new site, as necessary.

Medium-Density, Low-Rise Housing

Between these two extremes lies the medium-density range, which is less easily characterized because it relies less on physical prototypes and more on site-specific design for each new project; examples of this range therefore tend to encompass a wide variety of often innovative physical forms. One common and important attribute, though, is that these forms try to combine some of the qualities of lower-density, detached product with more efficient use of the land. The medium-density range includes projects of both the low-rise and high-rise methods of construction. But it is the low-rise end of this spectrum, from roughly ten u.p.a. to about 35 (some might argue 40 or 45) u.p.a., which is of interest to the current work. This thesis might easily have included the other half (high-rise) of the medium-density spectrum, but, for the sake

of clarity in the arguments presented, and because this paper is intended primarily for an audience of builders currently engaged in low-density, low-rise construction, it has been limited to MDLRH, medium-density, low-rise housing.

Three Sub-Ranges of MDLRH

The MDLRH range can be further subdivided, on the basis of density and physical form, into three parts; at the risk of stealing some fire from the next chapter, a brief comment is provided regarding the existence of each of the following sub-ranges in suburban Toronto. At the low end of the MDLRH spectrum is what can be characterized as a variety of innovative, higher-density, single-family detached planning concepts which reach densities as high as 13 to 14 u.p.a. These forms further resemble their conventional low-density cousins because, where they are used, they are often used as prototypes by volume builders. Some of the more common prototypes are: zero-lot line lots; narrow, angled lots; wide, shallow lots; angled, offset lots; 'Z' lots; angled 'Z' lots; interlocking lots; zipper lots; and shared driveway lots. Apart from zero lot line housing, these forms are practically unrepresented in suburban Toronto.

At the middle of this range, up to roughly 20 u.p.a. is a small variety of conventional, linear townhouses, a form which is common in Toronto. These forms typically provide parking, in a garage or otherwise, directly in front of, or attached to the dwelling. Private yards for each unit are also a common attribute. These aspects, parking and yards, coupled with the very linear nature of the form, tend to make each home very easily discernable from the others, such that a feeling of 'house' remains. This very simple form is also an easily-repeated prototype.

Beyond this second sub-range, the use of a prototype is less effective. The third category picks up from the linear townhouse forms of attached housing and includes the balance of the MDLRH spectrum, to about 35 u.p.a. Projects in this sub-range do not lend themselves to simple characterization, other than to suggest that they are attached housing, often of a non-linear form and often with at least some units stacked above others; the sense of 'house' is generally not as apparent as with the first two MDLRH sub-ranges. This third category is commonly known to the marketing professionals involved with MDLRH as clustering, though the broader planning definition of clustering would include all of the MDLRH forms which have been described. Therefore, we will

hereafter refer to the marketing definition as klustering and the planning definition as clustering. Unlike townhouses, kluster schemes are uncommon in both urban and suburban Toronto and most of the rest of Canada.

A Flexible Planning Instrument

Most forms of MDLRH have been developed under some sort of flexible planning/ approvals instrument in lieu of the usual, rigid subdivision and zoning ordinances. In fact, for the purposes of this thesis, MDLRH shall be understood to mean MDLRH achieved through the use of some type of flexible approvals standards. There are several possible approaches, the most common of which are condominium and planned unit developments (PUDs). Whatever approach is used, some relaxing of the typically onerous yard, setback, massing, lot configuration and other subdivision and zoning criteria is required.

Linear townhouses, which, we have noted, are the only one of the three MDLRH groups well represented in suburban Toronto, generally do not require a flexible device. That many townhouses in Canada are developed as condominium is very rarely a function of a need for flexibility in design; rather, condominium is used to provide a strong legal basis for the ownership of the common areas typically associated with townhouse projects. It is for this reason that PUD, and not condominium, is the most important of these flexible planning/approvals devices.

Colleen Grogan Moore, in her book PUDs in Practice, puts forward this description of PUDs: "PUDs typically have a variety of housing types, with some open space or facilities owned in common and a community association to maintain them, and are developed under a special zoning provision enabling PUDs."¹ A more rigorous definition is provided by Richard Untermann and Robert Small, in Site Planning for Cluster Housing: "A Planned Unit Development ... is a parcel of land planned as a single unit rather than as an aggregate of individual lots, with design flexibility from traditional

1 Colleen Grogan Moore, *PUDs in Practice* (Washington: ULI - the Urban Land Institute, 1975), vi.

siting regulations (setbacks, height restrictions) or land use restrictions (such as mixing land uses)."²

2.2 - History of MDLRH in North America

The history of new North American housing from before World War II through the postwar era provides a critical underpinning to the development of medium-density, low-rise forms of housing, a trend which began in earnest in the late 1950s. The North American story really begins in the late 1920s with Radburn in New Jersey, which represented this continent's first development experience with the British Garden City concept of Ebenezer Howard. Radburn successfully illustrated the efficacy of clustering homes to preserve common space and of larger-scale (superblock) planning as an alternative to traditional lot-by-lot zoning. But Untermann and Small point out that "in spite of the success of this housing environment [Radburn -sic], the automobile and yankee pioneer ethic were not to be denied and the endless expansion of suburbia accelerated at an even greater rate... America was not yet ready for large scale development of cluster housing environments."³

Moore provides an excellent chronicle of this 'endless expansion' and of the emergence of clustering and PUD as land use/planning tools, encapsulated below.⁴ Early zoning ordinances were an extension of public nuisance law, typically provided for a number of separate use districts, and relied on lot-by-lot regulation. During the 1920s and 1930s, this lot-by-lot system suited both the pace and nature of development as well as the prevailing desire of local governments for simplicity and predictability in land use regulation. Zoning did not, however, address a number of emerging problems including:

- the difficulty in predicting when and where particular types of development would or should occur;
- the inflexibility of exclusive-use districts; and

2 Richard Untermann and Robert Small, *Site Planning for Cluster Housing*, (New York: Van Nostrand Reinhold Company, 1977), 10.

3 Untermann and Small, *Site Planning for Cluster Housing*, 7.

4 Moore, *PUDs in Practice*, 3-4.

- the problem of transition from one segregated use to another.

In the immediate postwar years, and into the 1950s, demand for new housing soared and these problems with conventional zoning were exacerbated. Moreover, many developers, in the push for volume, met only the minimum requirements of zoning and subdivision ordinances. This usually meant monotonous, unimaginative rows upon rows of tract homes, with no open spaces other than that required in the yard and setback requirements for individual lots.

This proliferation of low-density, single-family detached home subdivisions rapidly consumed much of the best farmland around growing cities and, aided by increasing car ownership and new highways, led to the condition known as urban or suburban sprawl. Given the unabating attractiveness of the American Dream, defined here as fee simple ownership of a detached house on its own piece of land, the need had become increasingly apparent by the late 1950s, for a more rational approach to land use planning. Also, by this time, the initial pent-up demand from the Great Depression and the war years had been met, consumers were becoming more selective in their housing choices, and so the industry recognized a need for greater variety in housing form to satisfy this new, 'move-up' market.

Clustering was a primary response to these needs. By the late 1950s, developments using this approach began to appear with considerable frequency. The initial purpose of clustering was to hold down utility costs, preserve open space and special features of the land, and to conserve land. Their acceptance in the market was, in part, a reaction to urban sprawl. Cluster housing could be achieved through condominium development, development via a PUD provision, or through ad hoc negotiations with a willing municipality. Moore points out that it is not readily apparent why PUD emerged in the United States as the most popular conduit for this form of development, but she suggests four possible influences:

- suburban PUDs, generally developed at a large scale, offered to their residents amenities which might otherwise be the responsibility of the local jurisdiction;
- since PUDs encouraged a variety of housing forms, some communities saw it as a politically useful tool for achieving multifamily housing, because any perceived negative externalities could be packaged along with the positive amenities provided by a PUD project;

- the logical, deliberate, often larger-scale approach to planning provided by PUD made sense as an alternative to the piecemeal, lot-by-lot approach; and
- the shift of industry and commerce into the suburbs necessitated better planning efforts like those offered by PUD.

Additionally, both the Federal Housing Administration (FHA), which insures mortgages in the United States, and the Urban Land Institute (ULI) issued documents which served to spur the growth of PUD. In the early 1960s, the FHA published "Planned Unit Development with a Homes Association", a book of guidelines for site plans, design, legal documents and sales programs, the adherence to which would facilitate obtaining FHA mortgage insurance. In 1965, the ULI, in its continuing role of publishing research related to clustering and other innovative land use concepts, presented a model state enabling act for PUDs, widely believed to have spurred on the development of PUDs.

Since that time, the concepts of PUD and clustering have fostered in the United States a wide variety of MDLRH projects. Today, both concepts are alive and well in the U.S., but neither has made an impact in Canada.

2.3 - Advantages & Disadvantages of MDLRH

The fundamental premise of this thesis is to determine why the non-townhouse forms of MDLRH are not being utilized in suburban Toronto housing markets, where, as we will soon see, a preponderance of repetitive, conventionally-shaped single family lots and high-rise buildings dominate the new housing scene. The author's implication is that MDLRH can somehow provide new benefits to the housing market. Below, then, are the relative advantages and disadvantages of medium-density, low-rise housing in comparison with both conventional single-family and high-rise housing forms.

MDLRH vs. Lower-Density Forms: Added Benefits ...

Much of the literature supports the notion of a number of distinct advantages of MDLRH over conventional, single-family detached housing (in the order of about three to six units per acre). A ULI-sponsored debate among four prominent development

professionals in 1969 raised the following advantages of MDLRH, which, as noted above, is defined to include a flexible approach to land use regulation:⁵

- improved use of the land through higher densities;
- potential for an improved environment, from the perspective of open spaces, preserved natural terrain, and a higher aesthetic;
- more flexible use of the land from the developer's perspective, vis-a-vis market opportunities and the shape of the land;
- potential for lower improvement/infrastructure costs;
- potential for avoiding the development of the more difficult land on a site, as a trade-off for an equitable increase in the density on the buildable portions;
- potential for common open spaces and amenities, affordable to a community as a whole, but not otherwise feasible to individual homeowners;
- lower net ongoing maintenance costs, through common ownership of larger open spaces versus individual ownership of small, odd-shaped open spaces, and through leaving much of a site in its natural, unimproved state; and
- more efficient traffic flow, with fewer underutilized roads and the remaining roads operating at nearer to capacity.

Certain advantages were not raised in the ULI debate, and should be added to this list:

- higher densities encourage viable transit systems because of the higher potential ridership per unit area and the potential shorter average walking distance from home to transit stop;^{6 7}
- increased housing choices which benefit both the consumer and, by virtue of faster absorption in an expanded market, the developer;⁸
- richer social contacts between private and community life are possible;⁹

5 The Community Builders Council, ULI, *The Pros and Cons of Cluster Housing* (Washington: ULI - the Urban Land Institute, 1969), 5-13.

6 Greater Vancouver Regional District, *Compact Housing Checklist*, (Ottawa: Canadian Housing Design Council, 1975), 1.

7 John Sewell, "Spraaawl", in Joan Simon, editor, *Housing and the Community*, 41.

8 Reid Ewing, "The Evolution of New Community Planning Concepts", *Urban Land* 49, no. 6 (1990), 17.

9 James A. Murray and Henry Fliess, *Family Housing: A Study of Horizontal Multiple Housing Techniques*, (Ottawa: Canadian Housing Design Council, 1970), 3.

- potential for better design solutions, often surpassing traditional single-family detached product in terms of meeting site planning criteria such as individuality, private and usable yards, and interesting streetscape;¹⁰
- lower public expense (and taxes) for such services as fire fighting and ambulance, by virtue of a specific fire or ambulance station being able to serve more residents in a higher-density community, given a fixed maximum response time;¹¹ and
- higher energy efficiency of individual homes, due to fewer exterior walls and protected outdoor spaces which enjoy a less severe microclimate.¹²

MDLRH vs. Lower-Density Forms: ... And Higher Risk

The 1969 ULI debate also shed light on the downside of MDLRH with flexible land use regulation:¹³

- market acceptance for new housing forms may be difficult to predict;
- private infrastructure cost savings will likely not justify the additional expense of common amenities, so the sales prices may have to be higher than those of a competing, conventional development;
- flexible land use regulation introduces more uncertainty for the developer, particularly where changes in the local planning staff or political leadership are concerned;
- greater up-front design and professional fees, time required of the developer, and risk are inherent in MDLRH since each project needs to be planned as a whole rather than on a lot-by-lot basis;
- individual lots are usually smaller than those provided by conventional subdivision;
- less flexibility to change product because commitments have been made to both the regulating body and to initial purchasers; and

10 Neil Griggs and Richard Hulbert, *Institutional Impediments to the Construction of Detached Small Lot Housing*, (Ottawa: Canada Mortgage and Housing Corporation, 1984), 24,29.

11 Sewell, "Sprawl", 39.

12 David R. Jensen and HOH Associates, *Zero Lot Line Housing*, (Washington: ULI - the Urban Land Institute, 1981), 3.

13 The Community Builders Council, ULI, *The Pros and Cons of Cluster Housing*, 9-23.

- the need for 'exceptionally good' design in both site planning and architecture becomes critical.

One other disadvantage is raised by Chris Craiker, a San Francisco Bay Area architect who undertakes much high-density, single-family design work:

- since site planning and dwelling design are treated simultaneously, the developer has less (or no) opportunity to mix and match home plans to lots, a pre-construction selling practice on which many developers' sales forces rely, but which is not uncommon in speculative development;¹⁴

The arguments illustrated above, both for and against, can be summarized by suggesting that well-executed medium-density, low-rise housing has the potential to offer a wide range of benefits to housing consumers, developers and the host community at large, but in an environment of increased risk, particularly for the developer. Many of these risks can be mitigated by good design and thoughtful development and risk mitigation is, when it comes down to it, a primary job of the developer.

MDLRH vs. High-Rise Forms

But given the relative advantages of medium-density housing over conventional low-density subdivisions, why not extend the argument into the high-density, high-rise spectrum and accentuate the positives of economical land use, viable transit, open space, and so forth?

Untermann and Small, in Site Planning for Cluster Housing, put it quite bleakly in suggesting that the "alarming escalation of human pathology in high density/high-rise urban housing environments throughout the world has proven that human society cannot yet, and indeed may never be able to, adapt to this settlement form."¹⁵ The 1969 ULI debate raised the simple point that high-rise just isn't acceptable to the market in certain regions of the United States.¹⁶ But James A. Murray and Henry Fliess, in an

¹⁴ Lesley Guth, "New Tricks for Old Plots: Firm designs homes for high-density nouveau situations", *The Vacaville Reporter*, November 25, 1989.

¹⁵ Untermann and Small, *Site Planning for Cluster Development*, 1.

¹⁶ The Community Builders Council, ULI, *The Pros and Cons of Cluster Housing*, 12.

'ideas' paper prepared for the Canadian Housing Design Council, offer the following specific comparisons, first in favour of MDLRH:¹⁷

- MDLRH can provide private, outdoor garden space which is desirable for families;
- it creates a greater sense of individuality, particularly if each unit has its own front door, entered directly from the outdoors;
- medium-density, low-rise projects are of a more human scale and are therefore more comfortable and familiar to most Canadians;
- MDLRH homes can provide the opportunity for supervised outdoor play areas for children, and do not necessitate the use of elevators by children; and
- low-rise construction is cheaper per square foot of leasable/saleable building than high-rise construction;

... and then in favour of high-rise apartments, whether rented or owned:

- higher densities offer increased economy in the use of land;
- high-rise allows for more intense use of land and, hence, more open space to be left unimproved or undeveloped, and for better economies in the provision and maintenance of recreational amenities; and
- high-rise provides better opportunities for views.

Fliess, in a separate article, puts forward the argument for MDLRH, in perhaps the most succinct fashion:

Medium-density developments offer the opportunity to create residential environments that provide the best features of both high- and low-density living. It is possible to give people access to private open space and to good communal recreational facilities while, at the same time, to house people close enough together to operate a good public transportation system. The opportunity is there to use land more effectively, to reduce the per-unit land cost and to prevent needless consumption of agricultural land.¹⁸

Much of the literature, Untermann and Small excepted, merely suggests a substantially increased role for medium-density, low-rise housing within the existing range of

17 Murray and Fliess, *Family Housing: A Study of Horizontal Multiple Housing Techniques*, 8.

18 Henry Fliess, "Housing Mix & Density", in Simon, *Housing & the Community*, 32-33.

densities, rather than the abolition of either conventional single-family detached or high-rise housing. And the arguments presented above, pitting MDLRH against each of the typical North American low-density and high-density alternatives, certainly support this proposition.

CHAPTER 3 - SUBURBAN TORONTO HOUSING MARKETS

The previous chapter provided a description and brief history of medium-density, low-rise housing, and elucidated its relative benefits as compared to conventional, low-density, single-family housing and to conventional high-density, high-rise housing. The current chapter will firmly establish the basis of the thesis, namely that MDLRH is underrepresented in suburban Toronto housing markets. But, before getting to this specific aspect of Toronto housing, a broader background of Canadian housing markets and some relevant physical characteristics of new Toronto housing is provided.

3.1 - Postwar Trends in Canadian Housing Markets

This section is divided into three parts: the first will provide a cursory look at postwar trends in Canadian population and urbanization; the second reviews housing supply over the same timeframe; and the third gives a characterization of today's Canadian cities. Throughout the section, comparisons to corresponding trends of the United States are made, in order to lend some focus and meaning to the information provided.

Population and Urbanization

The growth rate of Canada's total population since the early 1940s has been extremely high by standards of other industrialized countries. For example, the Organisation for Economic Cooperation and Development (OECD) ranks Canada's population growth from 1959-1969, of 1.85% per annum (p.a.), fourth among its 24 member nations, versus tenth for the United States' 1.35% p.a.¹ Michael A. Goldberg and John Mercer, in their excellent volume, The Myth of the North American City, provide a comparison of postwar population growth statistics, culled from the two countries' respective census organizations:²

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- 1 D. Michael Ray, editor, *Canadian Urban Trends: Volume 1, National Perspective*, (Toronto: Copp Clark Publishing, 1976), 24.
 - 2 Goldberg and Mercer, *The Myth of the North American City*, 63.

Average Annual Rate of Growth Between Period

<u>Period</u>	<u>United States</u>	<u>Canada</u>
1940/1941		
	1.0%	1.0%
1950/1951		
	1.7%	1.7%
1955/1956		
	1.8%	2.8%
1960/1961		
	1.6%	2.5%
1965/1966		
	1.2%	1.9%
1970/1971		
	1.3%	1.5%
1975/1976		
	1.0%	1.3%
1980/1981		

Note: U.S. figures are for 0 & 5 years; those for Canada are for 1 & 6 years.

These figures demonstrate two things: the first is the common postwar surge in population from World War II through the late 1960s, followed by declining growth to the the early 1980s; and the second is that this effect was more pronounced in Canada than in the U.S. In fact, between 1941 and 1981, the population of Canada more than doubled, from 11,506,000 to 24,343,000, an increase of 112%.³

D. Michael Ray, in Canadian Urban Trends, indicates that Canadians are predominantly urban, and Canada has one of the most rapid rates of urbanization in the world.⁴ He goes on to say that roughly 75% of Canadians live in urban areas (the definition of which is not provided, but appears to be that which is commonly accepted), and two thirds live in Canada's largest urban places of over 100,000 in population. The statistics are similar for the Unites States, but urbanization has increased at a slightly higher pace in Canada than the States; at the end of World War II, Canada was slightly less urbanized than the United States, and it is now slightly more urbanized, both being roughly 75% urban today.⁵

3 J. D. Hulchanski, *Canada's Housing and Housing Policy: An Introduction*, (Vancouver: School of Urban and Regional Planning, University of British Columbia, 1988), 2.

4 Ray, *Canadian Urban Trends: Volume 1, National Perspective*, xii.

5 Goldberg and Mercer, *The Myth of the North American City*, 75.

These two trends, being the higher growth rate of total population and a slightly higher pace of urbanization, have combined to create greater overall growth rates in metropolitan areas within Canada than within the United States.⁶ Goldberg and Mercer point out that metropolitan areas, defined as having a population of 100,000 or more, are still growing more rapidly in Canada than in the U.S.⁷ They also suggest that while this difference in trends in metro areas, which was most pronounced in the 1960s, became less distinct in the 1970s, it still persisted in the suburban portions of metro areas, as indicated by the following chart:⁸

<u>Population & Household Change in American and Canadian</u>		
<u>Metropolitan Areas:</u>		
	<u>United States</u>	<u>Canada</u>
Census Period	1970-1975	1971-1976
<u>Mean Growth Rate of Population Change:</u>		
Total Metro Area	7.1%	6.3%
Central City	2.2%	0.9%
Balance (Suburbs)	11.2%	19.1%
<u>Mean Growth Rate of Household Change:</u>		
Total Metro Area	17.1%	20.0%
Central City	13.0%	15.7%
Balance (Suburbs)	20.1%	27.6%

These figures point to clear distinctions between Canadian and American metropolitan areas. First, suburbanization has been more pronounced in Canada. Second, population changes in Canada appear to produce fewer new households than a similar population change in the United States, indicating a trend toward smaller households in the U.S. This is in fact true, and the phenomenon finds its basis in a lower Canadian divorce

6 Ibid, 154.

7 Ibid, 154.

8 Ibid, 179-180.

rate,⁹ slightly younger Canadian population,¹⁰ and higher proportion of family households versus non-family households in Canada;¹¹ there is no significant difference in the average number of children per family.¹²

So, urban household formation has increased at a faster growth rate in Canada than in the United States, but, because Americans tend to smaller household size, the difference in household formation rates is not as dramatic as that between total urban population growth rates. But these aggregate statistics could be misleading because the United States' experience is far less homogeneous than that of Canada.¹³ For example, related to the statistics on total metro growth rate in households shown in the chart above, the standard deviation was greater by 50% for the American sample than for the Canadian sample,¹⁴ and, in terms of population, there were more of both net losers and substantial gainers (over 20% growth over five years) in the U.S.¹⁵

Finally, a brief note regarding Toronto's relative position within these Canadian urban trends is warranted. In each of the ten-year periods ending in 1951, 1961 and 1971, the population increase in Ontario has matched or surpassed that of Canada as a whole.¹⁶ And Ontario has always been more highly urbanized than the balance of Canada, today being at least 82% urban versus 75% for the country as a whole.¹⁷ Finally, Toronto has, within at least the last 20 years, been among the top one to four of the country's 14 fastest-growing metropolitan areas.¹⁸

9 Ibid, 53.

10 Ibid, 53.

11 Ibid, 66.

12 Ibid, 56.

13 Ibid, 154.

14 Ibid, 180.

15 Ibid, 179.

16 Ray, *Canadian Urban Trends: Volume 1, National Perspective*, 11.

17 Ibid, 18.

18 Ibid, 19.

Housing Supply

As did the United States, Canada entered the postwar era with a large stock of old and substandard housing, the result of neglect through both the depression and a world war.¹⁹ Throughout the postwar era, housing conditions have improved. The private sector, private non-profits and non-federal government housing agencies have been the producers of new housing for the last forty-five years.

As for the type of new homes being built, J. D. Hulchanski, in Canada's Housing and Housing Policy: An Introduction, reports that "Canada has always been a nation of predominantly single detached homes... In 1941, just over 70% of the housing stock consisted of single detached houses."²⁰ But while the detached single family home still dominates the new housing scene in the late 1980s, there has been, in the interim, a shift toward and subsequent partial return from high-rise apartments. During the 1950s, single-family detached construction represented 65% to 75% of all starts; during the mid-1960s to the late 1970s, there was a boom in high-rise rental and condominium apartment construction and detached housing fell to 40% to 50% of starts; and during the 1980s, single family has returned to its dominance, lying within the 55%+/- range.²¹ The late 1980s in Toronto, however, have seen a temporary overshadowing of single-family housing by a buoyant high-rise condominium market; single-family represented 49% of Toronto starts in 1988 and 47% in 1989, versus similar figures for high-rise.²²

Single-family detached has played a greater role in the United States, with duplex, row and apartment housing starts all playing smaller roles than they do in Canada. For example, by 1970/1971, 73% of the in-place metropolitan housing stock (81% in the suburbs) in the United States was single family detached units, compared to 57% in Canada (72% in the suburbs).²³ And new starts in the first half of the 1970s, during Canada's high-rise boom, show the following:²⁴

19 Hulchanski, *Canada's Housing and Housing Policy: An Introduction*, 1.

20 Ibid, 5.

21 Canada Mortgage and Housing Corporation, *Canadian Housing Statistics, 1989*, 21.

22 Ibid, 18.

23 Goldberg and Mercer, *The Myth of the North American City*, 174.

24 Ibid, 174.

Distribution of Building Permits by Type
(per cent)

	United States	Canada
<u>Total Metro Area</u>		
Single Units	55%	43%
Duplex	3%	7%
Row	4%	8%
Apartments	38%	43%
 <u>Suburbs</u>		
Single Units	69%	59%
Duplex	3%	7%
Row	3%	7%
Apartments	25%	27%

Note: Rounding added by author.

Taken in this highly aggregated form, the higher proportion of duplex and row housing in Canada might be taken to run counter to the current thesis. This is not the case. First, as will be amplified in the second section of this chapter, the duplex and row forms of housing in Canada, being highly standardized, are very linear in nature, and on those grounds, were excluded from the definition of innovative MDLRH put forward in Chapter 2. And second, these statistics are taken from a time in Canadian housing policy when duplex, row and apartment housing were being promoted by various federal programs, such as the Assisted Home Ownership Program, and they are not in such wide use today, particularly in suburban Toronto's housing markets; of 1989 Toronto starts, for example, .4% was semi-detached (CMHC's statistical successor to duplex), and 3.3% was row housing.²⁵

As for housing tenure, Hulchanski indicates that tenure choices, in the aggregate, are relatively unchanged in the postwar era, but that the composition of each form of tenure has changed in terms of income distribution, reflecting an increasing polarization of Canadian households.²⁶ For example, between 1967 and 1986, the homeownership rate

²⁵ Canada Mortgage and Housing Corporation, *Canadian Housing Statistics, 1989*, 20.

²⁶ Hulchanski, *Canada's Housing and Housing Policy: An Introduction*, 7.

among the lowest income quintile has fallen from 62% to 38% while that among the highest income quintile has climbed from 73% to 86%;²⁷ during this period, overall homeownership hovered in the 62% range, similar to the American experience. The overall statistic has, in fact, remained more or less stable since World War II. It reached a peak of 66% in 1961, before the high-rise, predominantly rental boom, and fell to within the order of 60% in 1971; since then it has risen slightly to 62.4% in 1986, reflecting the aforementioned federal housing programs which primarily affected multiple-family housing. The rate in Ontario has, in the postwar era, been from 1% to nearly 5% higher than the country's rate.

Canadian renters reside in housing of similar quality to that of homeowners, in terms of basic services and level of disrepair.²⁸ Vacancy rates have always been exceptionally low in Canada, at 5% in the 1950s and 2% in the 1970s and 1980s.²⁹ It is not an uncommon report in Toronto that vacancy rates are below 0.1%, a situation due in large part to Ontario's tough and encompassing rent control laws and what has often been perceived as an anti-landlord, pro-tenant political posture. Despite the low vacancy rates, but very likely reflecting the various rent control laws in the country, the only private rental units built in the 1980s have been under government subsidy programs.³⁰ Rather, those developers experienced in high-rise apartment development have chosen to concentrate on the condominium market, which was especially lucrative in Toronto from 1985 through 1989.

The Form of Canadian Cities

It should not be surprising, given the greater role of attached housing forms in Canada versus the United States, that Canadian cities are physically more compact. Goldberg and Mercer tested and could not refute this hypothesis.³¹ An opportunity created from, or possibly a cause contributing to, a more compact city is a viable transit system. Canadian mass transit systems enjoy nearly 2.5 times the number of revenue-miles per

27 Ibid, 7.

28 Ibid, 2.

29 Ibid, 37.

30 Ibid, 37.

31 Goldberg and Mercer, *The Myth of the North American City*, 151.

capita as their American counterparts.³² Conversely, the U.S. has four times as many lane-miles of urban expressway per metropolitan resident than Canada.³³ Travel behaviour also fits the model, with 91% of American commuters choosing automobiles versus 65% of Canadian commuters (based on statistics gathered in 1977).³⁴

3.2 - Some Qualitative Aspects of New Suburban Housing in Toronto

That Canadian cities have a high net density is not the subject of the current thesis. Rather, the thesis purports that there is a role for innovative, medium-density, low-rise housing in suburban Toronto, beyond the prototypical, linear townhouses of today or the semi-detached housing popular in past decades. This section will show that Canadians in general, and housing consumers in suburban Toronto in particular, do not have much choice between a highly-standardized single-family detached home and a highly-standardized high-rise condominium apartment. There being no statistics to which one can defer in this regard, reliance is placed on the opinions of members of the Toronto housing industry and of its observers; the large number of citations below reflects the author's frustration with the current state of housing design and product development in Toronto.

The consensus of opinion is that housing design in Canada is highly standardized. John Miron, author of Housing in Postwar Canada, cites a number of forces that have contributed "to a standardization of housing constructed in the postwar period."³⁵ Kamal S. Sayegh, in his comprehensive work, Housing: A Canadian Perspective, suggests that the "[suburban -sic] scene is generally one of monotony, lacking individuality and any aspect of beauty."³⁶ James Murray, a prominent Canadian architect quotes another, Henry Fliess, in describing "the forces working in the direction of standardization".³⁷

32 Ibid, 152.

33 Ibid, 152.

34 Ibid, 177.

35 John Miron, *Housing in Postwar Canada: Demographic Change, Household Formation, and Housing Demand*, (Montreal: McGill-Queen's Press, 1988), 267.

36 Kamal S. Sayegh, *Housing: A Canadian Perspective*, (Ottawa: Academy Book, 1987), 427.

37 James A. Murray, "The Architecture of Housing" in Kamal S. Sayegh, editor, *Canadian Housing: A Reader*, (Waterloo, Ontario: University of Waterloo School of Urban and Regional Planning, 1972), 126.

And finally, Lionel D. Feldman, in an article written for the Canadian Housing Design Council (CHDC), puts forward the argument that "more and more, whether in Halifax, Mississauga, Regina or Saanich, new housing has a striking air of familiarity. Materials may vary from region to region; less brick, more stucco, or more wood, but design features tend to be homogenized."³⁸

But beyond homogenization of the design of new housing, experts also lament Canadians' lack of choice in housing typology. John Sewell, former mayor of Toronto, suggests that "we should review house forms to see if it is possible to provide a greater variety for residents, instead of asking people to choose only between a single-family house or a high-rise apartment."³⁹ W.R. Rhone and W.R. Iredale, two British Columbia designers, write in an article for the CHDC, "practically the only form of [high density housing - sic] recognized in Canada is the high-rise apartment, which ... accommodates only a certain portion of the population."⁴⁰ Paula Archer, in research conducted for Canada Mortgage and Housing Corporation (CMHC), notes that "medium density housing has not always found ready acceptance in the Canadian market."⁴¹ And finally, a 1987 *Canadian Building* article on housing affordability cited a development of 840 single-family houses being built on land which had been designated for 1,300 medium-density homes in the official plan of a Toronto suburb.⁴²

Recall from the first section of this chapter that the second of the three categories of MDLRH forms, namely the very linear semi-detached and row housing, have represented roughly 14% of new housing starts in the postwar era in Canada. But this medium-density, low-rise housing in Canada is very much lacking in imagination, and does not reach the density which more creative, non-linear forms do. Sayegh suggests that

38 Lionel D. Feldman, *Municipalities and Housing Design*, (Ottawa: Canadian Housing Design Council, 1975), 1.

39 Sewell, "Spraaal", 41.

40 Liz Bryan, editor, *Low Cost Housing: Comments, Criticisms, Ideas and Proposals by Canadian West Coast Architects and Designers*, (Ottawa: Canadian Housing Design Council, 1971), 6.

41 Paula Archer, *Preliminary Investigation into the Financial Aspects of Municipal Reluctance to Service Medium Density Residential Development*, (Ottawa: Canada Mortgage and Housing Corporation, 1980), 1.

42 M. J. Copps and G. Przybylowski, "Affordability: Part I", *Canadian Building* 37, No. 3 (1987), 19.

"much of today's horizontal type of multiple housing has an uninventive and uninteresting aspect. Moreover, the density achieved, usually eight to 18 u.p.a. is much lower than other forms of multiple housing."⁴³ He indicates that high-rise apartments suffer the same fate in Canada: "Even on a larger scale of developers and subdividers, the demand for multiple housing is being met almost entirely without imagination - block after block of deadly, repellent apartment projects put up by what appears to be the same architect and the same builder."⁴⁴

In fact, it is interesting to note, from a tour of the new housing product available today in Toronto and from the Canadian literature, that the word 'cluster' (or 'kluster', to keep our terms clear) is not even in the vocabulary; even those projects in Canada which might be more aptly described as kluster housing than as row housing are likely to be grouped with the latter. This is in sharp contrast to the American scene where, for example, Dr. Carl Norcross, in his near-epic 1973 ULI publication, Townhouses & Condominiums: Residents' Likes & Dislikes, quotes a California new-home marketing director, "...Townhouses in rows are fast approaching a saturation point."⁴⁵

And Toronto lies at the conservative extreme of what we have seen to be a highly standardized spectrum of the architecture of new Canadian housing. Murray Campbell, writing for *The Globe and Mail*, describes the regional variation in Canadians' receptiveness to architectural innovation this way: "In Vancouver, builders draw their inspiration from the roof lines and pastel colours of California, and have found a market for new designs. Calgarians have come to accept influences from California and Arizona, but Edmontonians are resistant - although their reluctance to embrace the new is nothing compared to the legendary conservatism of Toronto house buyers."⁴⁶ Most of the Toronto industry professionals interviewed for this paper agreed with the notion that, at least suburban, housing design in Toronto is stifled;⁴⁷ one did not agree

43 Sayegh, *Housing: A Canadian Perspective*, 420.

44 Ibid, 427.

45 Carl Norcross, *Townhouses & Condominiums: Residents' Likes & Dislikes*, (Washington: ULI, 1973), 52.

46 Murray Campbell, "The House: What we live in and why", *The Globe and Mail*, April 22, 1989, D1,D5.

47 Personal interviews with: Briane Randall, Principal of Lorian Development Group Inc.; William A. Salter, Team Three; David R. Easton, Fliess Gates McGowan Easton Architects

completely with this characterization, feeling it might be overgeneralized.⁴⁸ A developer who did agree, Briane Randall, Principal of Lorian Development Group Inc., suggests that product development of medium-density housing in the suburbs has been limited to townhouses and semi-detacheds.⁴⁹

The state of new home design in Toronto is pathetically funny. A common characterization is "two-storey, all-brick, with garages sticking out from the front."⁵⁰ Even more aggravating than the lack of imagination in the way land is subdivided for single family homes is Toronto's obsession with brick, termed by one industry pundit, Toronto's "brick veneer disease."⁵¹ The Clay Brick Association of Canada claims that "Toronto has the largest appetite for the building blocks in all of North America."⁵²

Ian MacLennan, a distinguished Canadian architect, in 1964, described the design of Canadian single-family homes as "drably similar or desperately different"⁵³ Even new housing design in Toronto has seen some changes in the past twenty years, generally a trend from conservative, sensible floorplans in the 1960s to large, conservative houses on small lots, replete with high-status features⁵⁴ such as large foyers, sweeping staircases and butler's pantries. And there has been variation in exterior elevations, usually executed in brick. "In many Toronto subdivisions, for example, it is easy to find a Georgian design next door to a Victorian gingerbread, next door to a French provincial model, next door to a Tudor-inspired house with ersatz leaded-glass windows. It's never a perfect mimicry, however; it is difficult to maintain the integrity of an elegant Georgian design with a two-car garage stuck out in front."⁵⁵ "What we've got here is Disneyland, this instant atmosphere"⁵⁶ said a Toronto designer and renovator in a 1989

Inc.; and Stephen T. Anderson, President of Anderson + Associates Inc.; June 27-28, 1990, Toronto.

48 Personal interview with Irving Grossman, Architect; June 29, 1990, Toronto.

49 Personal interview with Briane Randall.

50 John Terauds, "Future trends in housing", *The Toronto Star*, May 13, 1989, F1,F2.

51 Licia Corbella, "Standard brick comes under fire", *The Toronto Star*, January 6, 1990, E1.

52 Ibid, E1.

53 Ian MacLennan, *The Architecture of Urban and Suburban Development*, (Ottawa: Canadian Housing Design Council, 1964), 5.

54 Diane Sawchuk, "Decades of design shape modern house", *The Toronto Star*, March 26, 1988, E1,E4.

55 Campbell, "The House: What we live in and why", D5.

56 Ibid, D5.

Globe and Mail article. Even 20+ years ago, architect Fliess was compelled to draw comparisons to Disneyland.⁵⁷

But throughout this history of new housing design in Toronto, there have been imaginative exceptions, though few and far between. Professor Gary Hack of M.I.T.'s Department of Urban Studies and Planning, who was once a senior manager in CMHC's Demonstration Projects division, claims that there was once an era of innovation in Toronto housing, a period which ended roughly 15 years ago. And there is evidence to support this claim. The best known example is probably Flemingdon Park, designed by Toronto architect Irving Grossman and initiated by a young, entrepreneurial developer in the late 1950s who eventually ran into financial difficulties and sold to Webb & Knapp of New York. Architect David Easton cited an example of innovative land planning undertaken by a large Canadian developer who was still doing housing in the mid-1970s, the innovative aspects of which were eventually removed at the insistence of upper management.⁵⁸ And, more recently, William Salter's firm, Team Three, came up with an innovative land subdividing scheme for a mid-sized developer/financial institution in a Mississauga project called Trelawny.⁵⁹ Finally, there are current exceptions to the rule in greater Toronto, among them the City of Toronto,⁶⁰ Brampton (northwest of Toronto),⁶¹ and a young development firm, Daniels Development Corporation.⁶²

Summary

It has been established that housing design in Toronto is very conservative and that the product development process for housing is nearly nonexistent. While there is a history of some medium-density housing in the Toronto market, it has been almost exclusively of a very linear, repetitive and visually unexciting form. Rather, the innovative forms

57 Murray, "The Architecture of Housing", in Sayegh, *Canadian Housing: A Reader*, 126.

58 Personal interview with David R. Easton.

59 Personal interview with William A. Salter.

60 Paul Taylor, "Higher European-style buildings urged for Toronto thoroughfares", *The Globe and Mail*, November 26, 1987, A19.

61 Gail Swainson, "Brampton 'no-frills' rule brings \$150,000 homes", *The Toronto Star*, November 30, 1988, A7.

62 Terauds, "Future trends in housing", F2.

of MDLRH, including high-density, single-family detached, and kluster schemes, are, for all intents and purposes, completely missing from suburban Toronto housing markets.

CHAPTER 4 - CANADIAN CULTURE: A PRIMER

The previous two chapters taken as a whole have firmly established the basis for the current thesis, namely that medium-density, low-rise housing is underrepresented in suburban Toronto housing markets. Just why this is so will be explained by chapters 5 through 10, each of which describes the influence of a separate domain, including, for example, the role of national policy, the way the development industry and municipal regulation work, and the tastes of the Toronto homebuying public. Throughout these discussions, the theme of national cultural characteristics prevails. This, taken with the fact that much use is made of cross-national comparisons with the United States, makes it appropriate to provide a brief primer on some key differences between the Canadian and American cultures. Goldberg and Mercer provide an excellent, detailed discussion of the topic, and much of what follows is based on their work.¹

Let us begin with the results of what Goldberg and Mercer term "an early influential but flawed comparative analysis of value differences",² namely the work of sociologist Seymour M. Lipset. Goldberg and Mercer offer the following summary of Lipset's work, eight key dimensions on which to measure cross-national differences in values between Canadians and Americans:³

	<u>Canada</u>		<u>United States</u>
A	Deferential Behaviour	vs.	Assertive Behaviour
B	Collective	vs.	"Frontier" Individualism
C	Respect for Authority	vs.	Distrust of Authority
D	Elitist/Oligarchic	vs.	Egalitarianism/Democratic
E	Self-restraint	vs.	Self-indulgence
F	Social Liberalism	vs.	Economic Conservatism
G	Cautious/Evolutionary	vs.	Dynamic/Experimental
H	Peace/Order/Good Government	vs.	Pursuit of Happiness

Using the above as a starting point, the balance of the current discussion will revolve around similar, but different, comparisons that will prove a more meaningful basis for following chapters.

1 Michael A. Goldberg and John Mercer, *The Myth of the North American City*.

2 Ibid, 14.

3 Ibid, 14.

Cautious/Contemplative vs. Innovative/Experimental

In looking for a solution to a problem, Canadians are more inclined to study an issue, whether a business decision or a matter of government policy, whereas Americans are more likely to try something new and learn something from the experience. This observation is consistent with Lipset's dimensions **A & G** above. Goldberg and Mercer also report the results of research undertaken by sociologists Stephen J. Arnold and Douglas J. Tigert.⁴ They found that Americans are more inclined to agree (at a 0.001 level of significance) with the statements "I like to be considered a leader" and "I hate to lose at anything", suggesting that Americans may be more competitive and willing to depart from the status quo.

Oligarchic vs. Democratic

Canadians are less attached to the notions of individual achievement, private property and work than are Americans.⁵ For instance, Canadians perceive their society as more nepotistic than that of the U.S.⁶ and "nepotism apparently does not give rise to much public indignation, let alone outrage in Canada"⁷ This is in relatively sharp contrast to the 'hard work' ethic which is commonly felt by Canadians, who have had cross-national work experience, to hold more true in the United States than in Canada.

Elitism is also more common and tolerated in Canada,⁸ an idea which is supported by Lipset's dimensions **C & D** above. Goldberg and Mercer also report that the recruitment of ruling senior bureaucrats relies much more on socioeconomic elites in Canada than in the United States,⁹ and that there is, in Canada, "greater trust of ... ruling elites."¹⁰

4 Ibid, 135.

5 Ibid, 22.

6 Ibid, 22.

7 Ibid, 22.

8 Ibid, 140.

9 Ibid, 129-130.

10 Ibid, 140.

This is consistent with the results of a survey by Robert Presthus and William Monopoli, reviewed by Goldberg and Mercer, which shows that Canadian administrators are significantly more likely to "strongly agree" or "agree" with the statement "senior civil servants are among the most influential groups in this country".¹¹

Cultural Mosaic vs. Melting Pot

Canadians are more accepting of ethnic and racial differences than are Americans, and it is a matter of national policy to encourage and celebrate Canadians' different cultural heritages.¹² Goldberg and Mercer note that this stance is "in marked contrast to what has generally been an assimilationist posture in America.",¹³ where "immigrants had to be remade into Americans."¹⁴

Racial Tolerance vs. Racial Tension

As noted above, Canadians are more tolerant of both ethnic and racial differences. Goldberg and Mercer report the results of research by Alex C. Michalos, regarding the propensity of persons to move their home "if coloured people came to live next door".¹⁵ In Michalos' research, based on surveys of Canadians and white Americans from 1963 through 1975, 90% to 91% of Canadian respondents answered 'No' versus 55% to 65% of Americans (possible responses were 'Yes, Definitely', 'Yes, Might' and 'No'). But Goldberg and Mercer also point out that Canada's record on matters of racial discrimination is far from clean, and that the body of available research is inconclusive in terms of racial prejudice in the two countries.¹⁶ In fact, they suggest that, "given Canada's record in ethnic and race relations, one has to admit the possibility that if non-whites were as significant an urban minority as they are in many U.S. urban contexts,

11 Ibid, 138.

12 Ibid, 27.

13 Ibid, 27.

14 Ibid, 27.

15 Ibid, 31.

16 Ibid, 24.

one might find less willingness among Canadians to accept them as near-neighbours."¹⁷ Canada is predominantly white, far more so than the United States; it is possibly for this reason that "non-whites tend to be viewed more as another ethnic group than as a discrete racial category."¹⁸

Social Liberalism vs. Conservatism

Income redistribution mechanisms such as medicare are commonplace and an expected social amenity in Canada versus the United States, as noted by Lipset's dimension F above. But, after reviewing conflicting research results, Goldberg and Mercer were able to make no firm conclusion on the matter of cross-national differences between Canada and the United States regarding income distribution, though what limited evidence they could find tended to suggest that income distribution is slightly less unequal in Canada.¹⁹

Collectivism vs. Individualism

The matter of Canadians' and Americans' trust in government and government employees' abilities is inconclusive.²⁰ The commonly held precept (Lipset, dimensions B & C above) is that Canadians are more trusting of government and more willing to accept government intervention in the marketplace, whereas "in the United States, government is widely portrayed as something that shackles needlessly those individuals who are driving aggressively towards their goals in the spirit of competitive free enterprise."²¹ Older (1964 to 1972) research results of Nathaniel Beck and John C. Pierce, appearing in Goldberg and Mercer's volume, indicate mixed results regarding the level of cynicism towards government. More Canadians than Americans trusted the government to do right and fewer felt that the government wastes money or that people in the government were

17 Ibid, 24.

18 Ibid, 47.

19 Ibid, 48.

20 Ibid, 22.

21 Ibid, 18.

crooked; but, more Canadians felt the government is run by big interests and fewer Canadians felt that the people in government are smart.²²

Self-Restraint vs. Self-Indulgence

In a study of personal values across a number of nations (Canada, China, India, Japan, Norway and the U.S.A), Americans "were highest by a significant margin in self-indulgence",²³ and lowest in self-restraint.²⁴ Canadians, on the other hand, "scored lowest of all on self-indulgence and were higher than the Americans on self-restraint and concern for others."²⁵ Canadians are more willing to follow rules and revere authority figures in order to benefit the collective society, an idea supported by Lipset's dimensions **B, E & F** above.²⁶ But materialism, which, given the above results, one might expect to be more of an American phenomenon, is "not at all different in Canada and the U.S."²⁷

Implications

This chapter is intended to serve as a base for future discussions of various cross-national differences between the U.S. and Canada, and the reader may find it useful to refer back to it from time to time. Without getting into much detail, though, it is useful, at this time, to offer a glimpse of the implications of these cultural differences on the thesis.

For example, we should expect from the cautious Canadians vs. experimenting Americans, more innovation in design and new product development from the U.S., a conclusion which, by now, is firmly established as true. From the oligopoly/oligarchy versus democratic dimension, we would expect institutions and industry to be more

22 Ibid, 134.

23 Ibid, 23.

24 Ibid, 23.

25 Ibid, 23.

26 Ibid, 28-30.

27 Ibid, 23.

centralized and less competitive in Canada, something which, we will soon see, is very true in both the mortgage lending and development industries. The Canadian celebration of ethnicity, relative lack of racial tension, and history of income redistribution have direct implications for the socioeconomic stratification of metro areas; we will see that this holds true, and that central cities, in particular, are vastly different in Canada than they are in the United States.

That the results of the tenet, collectivism versus individualism are inconclusive, is no surprise when the respective experiences of federal housing and urban development policies are compared. While the common prejudice would expect Canadian government involvement to be greater than that of the United States, this is not the reality. Finally, with respect to the final dimension, self-restraint versus self-indulgence, we will see that there are implications for the way people view their home, as a varying mix of shelter, lifestyle, status and investment; we might expect Americans to place more emphasis on lifestyle than Canadians.

CHAPTER 5 - FEDERAL HOUSING AND URBAN DEVELOPMENT POLICY

Each of chapters 5 through 10 describes a distinct factor which has had an influence on why medium-density, low-rise housing is underrepresented in suburban Toronto housing markets. The first of these domains is the role of the federal government. What follows is a discussion of federal housing and urban development policy, which we will see is really a description of a variety of housing programs which reflect neither a comprehensive housing policy nor any concern for urban development. The chapter begins with a brief history of the federal government's role in housing. Following that is a series of observations and critiques of the federal record; and an analysis of the effects which federal policy has had on the design of new housing in Canada concludes the chapter.

5.1 - Postwar History of the Federal Government's Role in Housing Markets

Since at least the end of World War II, the primary emphasis of Canadian housing policy has been directed at increasing available mortgage funds. J. D. Hulchanski, in Canada's Housing and Housing Policy: An Introduction, suggests that "much of the history of Canadian housing policy is a history of a constant struggle aimed at improving the functioning of the private mortgage market to enhance opportunities for home ownership, and in doing so, to keep to a minimum the direct government role in the mortgage market."¹ Like that of the United States, Canadian housing policy sought "to ensure that as large a portion of housing be built by private initiative," (as stated by C. D. Howe, the federal minister who developed Canada's postwar housing policy).²

Canadian housing policy, particularly as it affects the mortgage market, has been delivered to the people via the National Housing Act (NHA) and its periodic revisions. The postwar policy draws its roots to a 1918 loan scheme that "gradually ... evolved into a deliberate policy of encouraging 'easy money' for housing, which effectively resulted in

1 Hulchanski, *Canada's Housing and Housing Policy: An Introduction*, 23.

2 Ibid, 16.

more, inexpensive housing,"³ and to the 1935 Dominion Housing Act which was "the first major, long-term move by the federal government into the mortgage market."⁴ The NHA replaced the Dominion Housing Act in 1938 and retained its provisions for joint lending by lenders and the federal government. The Veteran's Land Act of 1942, which was eventually terminated in 1975, was also geared to increasing the available funds for mortgages.

A 1944 rewriting of the NHA added to the joint lending practices, direct lending by the Central Mortgage and Housing Corporation (later the Canada Mortgage and Housing Corporation, CMHC), which was created shortly thereafter, in 1946, as the government agency responsible for administering the NHA; the direct lending program was geared to those regions of the country ill-served by the conventional lenders. Joint lending was replaced by a federal government mortgage insurance scheme in a 1954 rewrite of the NHA. In addition to lowering the risk of mortgage investments, the government sought to increase the available supply of mortgage monies by allowing commercial banks and caisses populaire to participate in NHA programs.⁵ CMHC was also given the authority to buy and sell insured mortgages.

An interest rate ceiling, imposed by the Act, led to a dramatic decrease in the volume of insured mortgages beginning in 1956. A 1957 increase in the maximum mortgage rate did not alleviate the problem. Midyear 1957, the government extended its direct lending program to the balance of the country, and the volume of mortgages written in this manner soon surpassed the total volume of private, NHA-insured mortgages.⁶ In 1966, for example, "only 4,000 private sector NHA loans were made compared to 28,000 CMHC loans."⁷ During the 1960s, several other adjustments were made in federal government policy, each with the intent of making mortgage lending a more attractive investment. A new formula for setting the maximum NHA rate was introduced in 1967 and the rate was freed of all government intervention in 1969;⁸ the 1960s also saw a

3 Miron, *Housing in Postwar Canada: Demographic Change, Household Formation, and Housing Demand*, 242.

4 Ibid, 242.

5 Ibid, 244.

6 Hulchanski, *Canada's Housing and Housing Policy: An Introduction*, 23-24.

7 Ibid, 24.

8 Ibid, 24.

reduction of the minimum term for an insured mortgage fall from 25 to five years,⁹ a move aimed at allowing commercial lenders to better match their assets to liabilities.

The federal government, having gradually removed most restrictions on the financial terms of NHA mortgages during the 1950s and 1960s, turned in the early 1970s to a variety of subsidy programs, a phase which extended into the early 1980s. In response to extraordinarily high inflation in housing prices in the early 1970s, the government introduced the Assisted Home Ownership Plan (AHOP).¹⁰ AHOP assisted first-time buyers, qualified on the basis of income and purchase price, by offering improved terms such as 5% down, 35-year amortization and a 10% rate of interest.¹¹ The AHOP program was gradually diminished in scope and was terminated in 1978. The federal government also had to intervene repeatedly in the multi-family rental market; "the only private rental units built in the 1980s have been under government subsidy programs."¹²

Federal tax policy has encouraged home ownership in Canada, but not to the same extent as does the American tax code. Capital gains are exempted on the principal residence, but mortgage interest is not deductible, although this was a hotly contested issue in the 1979 federal election campaign.¹³ A variety of other tax-based incentives for homeownership have come and gone, most notably the Registered Home Ownership Savings Plan (RHOSP) which allowed for tax-free savings toward a down payment, introduced in 1971 and removed after the 1984 election campaign.

As for the broader notion of urban development and the state of the urban environment, it was not until the late 1960s that the federal government appeared to take a genuine interest.; there had been a flirtation with American-style urban renewal from 1954 to 1969.¹⁴ A Task Force on Urban Development was established in 1968 and it concluded

9 Miron, *Housing in Postwar Canada: Demographic Change, Household Formation, and Housing Demand*, 244.

10 Ibid, 244.

11 Ibid, 244.

12 Hulchanski, *Canada's Housing and Housing Policy: An Introduction*, 37.

13 Chester McGuire, *International Housing Policies*, (Lexington, Massachusetts: Lexington Books, 1981), 112.

14 Stanley H. Pickett, "An Appraisal of the Urban Renewal Program in Canada" in Sayegh, *Canadian Housing: A Reader*, 208.

that the federal government should become much more involved in shaping urban development.¹⁵ Not many of the recommendations of the task force saw immediate action, and it was not until 1972 that a Ministry of State for Urban Affairs (MSUA) was created. Its role was to "advise the [federal -sic] government of the consequences of its various policies and programs for urban development in Canada and to co-ordinate the actions of various federal departments so that certain desirable urban policy objectives could be achieved."¹⁶ MSUA was disbanded before the end of the decade.

5.2 - Some Observations Regarding Federal Policy

A number of salient themes emerge from a reading of postwar federal policy and of its critics. This section will discuss a variety of observations and critiques, and set the stage for the final section of the chapter, an analysis of the net effect of federal policy on design aspects of new housing in Canada.

Housing as an Instrument of Macroeconomic Policy

Hulchanski suggests that the federal government has used housing policy as a tool of macroeconomic policy,¹⁷ an idea which finds its roots in 1930s New Deal-style Canadian policy geared to increasing employment in the construction sector.¹⁸ Miron, in *Housing in Postwar Canada*, offers evidence of this argument; "the Dominion Housing Act of 1935 and the Home Improvements Loan Guarantee Act of 1937, ... intended to bolster renovation and new housing construction, ... were seen primarily as ways of increasing employment in the construction sector."¹⁹ "In 1949, [NHA mortgage -sic] downpayments were reduced even further in an attempt to bolster employment in the

15 Miron, *Housing in Postwar Canada: Demographic Change, Household Formation, and Housing Demand*, 241.

16 Ibid, 241.

17 Hulchanski, *Canada's Housing and Housing Policy: An Introduction*, 16.

18 Miron, *Housing in Postwar Canada: Demographic Change, Household Formation, and Housing Demand*, 240.

19 Ibid, 240.

construction sector."²⁰ And, "as part of an effort to curb [inflation -sic], the minimum downpayment on an NHA mortgage was raised in 1951."²¹

Ensuring the Supply of Mortgage Funds

It will be readily apparent from the brief history above of Canadian housing policy that Hulchanski's suggestion that "much of the history of Canadian housing policy is a history of a constant struggle aimed at improving the functioning of the private mortgage market,"²² is an apt characterization. Miron concludes that "in general, the federal government acted over the postwar period to make 'easy money' available to home (especially new home) purchasers."²³ Canadian architect, James A. Murray, perhaps puts it best, albeit in a lighter vein, in noting that the CMHC, Canada (then, Central) Mortgage and Housing Corporation, is not the CHMC, the Canada Housing and Mortgage Corporation.²⁴

An Emphasis on Housing Starts

Much criticism has been levied against CMHC and the nation's housing policy for having placed too great an emphasis on total annual starts, and too little emphasis on the distribution or quality of what was being built. Hulchanski quotes a former senior CMHC researcher, Humphrey Carver, "'the criterion of [NHA policy -sic] success was the number of housing units provided under the National Housing Act.'"²⁵ Hulchanski himself suggests that "Canadian housing policy consists of little more than a concern with production, that is, maintaining a reasonable annual level of private sector starts."²⁶

20 Ibid, 240.

21 Ibid, 240.

22 Hulchanski, *Canada's Housing and Housing Policy: An Introduction*, 23.

23 Miron, *Housing in Postwar Canada: Demographic Change, Household Formation, and Housing Demand*, 245.

24 James A. Murray, "The Architecture of Housing", 125.

25 Hulchanski, *Canada's Housing and Housing Policy: An Introduction*, 18.

26 Ibid, 39.

Reliance on Filtering

Part of the overall NHA approach was a reliance on filtering, a process which, in theory, has the housing stock filtering down through the socioeconomic spectrum as new housing stock is produced. The filtering argument is often cited as support for limiting production of new homes to the luxury category, in lieu of a greater range which might include affordable units. As a matter of policy, the qualitative aspects of new housing, including size, type, location, price, and form of tenure, were left for the most part, to the market and local zoning/subdivision regulations, with lower-income households dependent on the filtering process.²⁷ A 1972 study of low-income housing policy concluded that filtering had not worked.²⁸

Programs in Search of a Policy

"Rather than a housing policy as such, there has been a series of housing programs designed to stimulate private residential construction."²⁹ Hulchanski continues, referring to the "ad hoc crisis management orientation of housing policy,"³⁰ and the "partial system [which Canada has managed to construct -sic] during the postwar period,"³¹ and suggesting that "problems and potential solutions are focused narrowly on subsidy programs."³²

Murray offers an interesting comparison between the Canadian and American housing acts (housing and urban development in the American case). In its Strategic Plan: 1990-1994, CMHC describes the purpose of the National Housing Act as "[An Act to promote -sic] 'the construction of new houses, the repair and modernization of existing houses, and the improvement of housing and living conditions.'"³³ This "rather limited

27 Ibid, 17.

28 Ibid, 17.

29 Ibid, 16.

30 Ibid, 46.

31 Ibid, 37.

32 Ibid, 46.

33 Canada Mortgage and Housing Corporation, *Strategic Plan: 1990-1994*, (Ottawa: Canada Mortgage and Housing Corporation, c1989), 1.

definition of national policy,"³⁴ as Murray puts it, pales next to the beginning of the corresponding American legislation, "The Congress hereby declares that the general welfare and security of the Nation and the health and living standards of its people require housing production and related community development sufficient to remedy the serious housing shortage, the elimination of substandard and other inadequate housing through the clearance of slums and blighted areas, and the realization as soon as feasible of the goal of a decent home and a suitable living environment for every American family, thus contributing to the development and redevelopment of communities and the advancement of the growth, wealth and security of the Nation."³⁵ Whether or not one agrees with all of the sentiment and implied policy of the American legislation, it is clear that the American act appears at least to reflect more thought and concern for the overall urban environment.

But in comparing Canadian and American policy, it would be unfair to ignore Canada's relative successes where the United States has failed. Specifically, American policies such as urban renewal and freeway building have "left considerable marks on the U.S. urban scene,"³⁶ such as "to transform fundamentally urban land markets, to decrease the accessibility advantages of the inner city, and to gut minority and poor neighbourhoods around the city core."³⁷ That Canada avoided these pitfalls is most likely due to an act of omission, at least as far as the federal government is concerned. Federal policy was concerned with keeping starts at an acceptable level, rather than with the greater concerns of the overall urban environment; "various federal administrations have been kept at a distance from the cities by aggressive provinces or by their own lack of interest."³⁸ Whichever the case, the results for Canadian cities have been "less devastating".³⁹

34 Murray, "The Architecture of Housing", 125.

35 Ibid, 125.

36 Goldberg and Mercer, *The Myth of the North American City*, 143.

37 Ibid, 145.

38 Ibid, 145.

39 Ibid, 145.

The Scale of Experimentation

While one of the CMHC's objectives is to foster housing research, sponsor demonstration projects and disseminate information, there has been much concern that the scale of innovation in housing sponsored by the federal government is insufficient. Both before and after the then Minister Responsible for Housing, Robert Andras, announced in February 1970, a so-called '\$200 million innovations program', criticism abounded.⁴⁰ 41 42 The Canadian Council on Social Development, in a critique of what it calls the "opportunistic approach ... of the 1970 \$200 million program,"⁴³ suggested that "practically none of the projects financed under this program exhibited features sufficiently different from established practice to merit designation as an innovation,"⁴⁴ and that, by June of 1970, "the innovations aspect of the program became submerged in a frantic effort to boost faltering housing starts."⁴⁵

Canada, through the efforts of CMHC, does have an excellent, worldwide reputation in the field of energy-efficient residential construction. So, while some might argue that the scale of innovation has been inadequate, it is also apparent that construction techniques and engineering, rather than site planning and unit design for higher densities, have intrigued the CMHC and its research budget. The reaches of bureaucracy may have also taken their toll. When Canada's new housing minister, Alan Redway, first took over the ministry, his senior level officials would "respond to his ideas by showing him a picture of a winged pig with the caption, 'it'll never fly.'"⁴⁶ That Redway had, prior to his appointment to cabinet, been one of the CMHC's most persistent critics in parliament,

40 Geoffrey Massey, "Housing Design and Innovation", in Canadian Housing Design Council, *Innovation in Housing and the Urban Environment*, (Ottawa: Canadian Housing Design Council, 1971), 20.

41 W. R. Rhone & W. R. Iredale, "Research and a Questioning of Standards", in Bryan, *Low-Cost Housing: Comments, Criticisms, Ideas and Proposals by Canadian West Coast Architects and Designers*, 6.

42 The Canadian Council on Social Development, *Where the \$200 Million Went*, (Ottawa: The Canadian Council on Social Development, 1971), 17.

43 Ibid, 17.

44 Ibid, 9.

45 Ibid, 13.

46 David Israelson, title unknown, *The Toronto Star*, February 11, 1989, D4.

has been taken as a sign of the current Mulroney administration's attitude toward progressive change.⁴⁷

Underwriting Guidelines

NHA direct and NHA-insured mortgages, like most mortgage insurance schemes, have associated with them certain underwriting criteria or guidelines pertaining to the design of the dwelling unit, project amenities and form of tenure. CMHC, for example, issued in 1955 a 129-page booklet, which was "only a small part of the total set of CMHC requirements"⁴⁸ for eligibility as an NHA-insured loan. Requirements specified minimum standards which represented a "simplified building code."⁴⁹ But there were also a variety of minimum standards in regard to the internal layout of the dwelling, such as including a front entrance hall.⁵⁰ The CMHC standards also "dictated that detached dwellings be constructed at a low density, with extensive front and rear yards."⁵¹

There is evidence that the equivalent underwriting standards in the U.S., namely those of the Federal Housing Administration (FHA), were more progressive than the CMHC's in keeping up with trends in new housing product. Robert Engstrom and Marc Putnam report that the FHA, in 1961, approved a Virginia project even though it did not meet the usual FHA requirement of direct street frontage for each home; the following year, FHA decided to study the new interest in a variety of forms of townhouses.⁵² As for the legal basis for condominium ownership, the U.S. introduced it in 1951, but the first Canadian law was passed in British Columbia and Alberta in 1966, with Ontario

47 Ibid, D4.

48 Miron, *Housing in Postwar Canada: Demographic Change, Household Formation, and Housing Demand*, 266.

49 Ibid, 266.

50 Ibid, 266.

51 Ibid, 266.

52 Robert Engstrom and Marc Putnam, *Planning and Design of Townhouses and Condominiums*, (Washington: ULI - the Urban Land Institute, 1979), 5.

following suit in 1967 (condominium coming under provincial jurisdiction in Canada).⁵³

5.3 - The Effects of Federal Policy on Housing Design

The first sections of this chapter have described the history of postwar federal housing policy and suggested a number of themes by which it can be characterized. The balance of the discussion will focus on the lack of concern for housing design and the overall urban environment, embodied in federal housing policy, and an evaluation of the scale of the impact which the National Housing Act has had on new Canadian housing.

Little Concern for the Urban Fabric

From the discussion above of the various emphases of federal housing policy, it should come as no surprise that one of the two areas of loudest criticism revolves around the belief that "housing policy to date has shown little or no concern for the overall environment."⁵⁴ Humphrey Carver, the former CMHC researcher, added "a subject that did not appear on the agenda was the question of what was behind the front door and what it looked upon. The environmental quality of the product was not considered important."⁵⁵ Geoffrey Massey, a prominent Canadian west coast architect, related in a 1970 lecture sponsored by the Canadian Housing Design Council, that the "federal government's concern so far has been only with the piecemeal insertion of housing into the urban fabric."⁵⁶ He added, "the real problem is environmental and the solution lies in rational urban development, not in attempts to solve housing problems in isolation."⁵⁷

53 Morine Krissdottir and Joan Simon, *Shielding: People and Shelter*, (Toronto: Oxford University Press, 1977), 198-199.

54 Massey, "Housing Design and Innovation", 18.

55 Hulchanski, *Canada's Housing and Housing Policy: An Introduction*, 17-18.

56 Massey, "Housing Design and Innovation", 18.

57 Ibid, 19.

Homogenization of New Canadian Housing

But what has the federal policy's excessive concern with quantity and reciprocal neglect of the overall urban environment meant for the design of new Canadian housing? Miron suggests that the underwriting criteria of the NHA "contributed ... to a standardization of housing constructed in the postwar period."⁵⁸ The impact of the NHA's design criteria has been far reaching; the National Housing Act has "encouraged home ownership on a massive scale."⁵⁹ The extent of the NHA's influence is perhaps best illustrated by a comparison of mortgage insurance statistics between the United States and Canada. Chester McGuire, writing in 1981, reported that:⁶⁰ 43% of Canadian home mortgages were insured by the NHA and an additional 30% by the one private mortgage insurance company in Canada; The Federal Housing Administration (FHA) insured 6% of the total value of U.S. mortgage originations in 1977, the Veteran's Administration 9%, and a host of private mortgage insurance companies, 13%. Taking into account also that, from 1957 to the late 1960s, the government was involved in massive direct lending, and the potential for standardization is clear.

Implications for MDLRH

Canadian national housing policy has been one of trying to lend stability to the residential mortgage market and, therefore, attempt to remove some of the cyclic swings in the housing industry. The environment thus created has fostered the growth of large development firms. As we will see in a later chapter, these larger firms soon lost their interest in low-rise housing, something which did not bode well for innovation in low-rise housing design. Apart from this indirect influence, the federal government has made no direct substantial effort to stimulate product development, something which is clearly necessary for the forms of innovative MDLRH under study.

58 Miron, *Housing in Postwar Canada: Demographic Change, Household Formation, and Housing Demand*, 267.

59 Ian MacLennan, *The Architecture of Urban and Suburban Development*, 4.

60 McGuire, *International Housing Policies*, 87,107.

CHAPTER 6 - THE MORTGAGE LENDING INDUSTRY

This chapter will explore what impact the structure of the mortgage lending industry in Canada has had on the homogeneity of new housing design. The discussion begins with a characterization of the national mortgage market and the secondary mortgage market, followed by a review of lenders' attitudes; an account of how the nature of the lending industry has influenced the structure of the development industry concludes the chapter. Throughout each of these sections, the ramifications for design of new housing are considered.

A Highly-Centralized Mortgage Market

The Canadian mortgage market is highly centralized in comparison to those of other Western economies, particularly that of the United States. A study of homeownership and housing affordability in Great Britain, Japan, Canada, West Germany and the United States concluded that "the Canadian housing finance system is less segregated than those in the other countries studied."¹ McGuire, in *International Housing Policies*, points out that, because banking is chartered nationally in Canada and by state in the U.S., "banking in Canada is quite concentrated, [and -sic] the same is true of the other financial intermediaries, such as trust and mortgage-loan companies, which also do business nationwide."² Goldberg and Mercer, in their cross-national volume, *The Myth of the North American City*, note that Canadian chartered banks are relatively larger, more important, and more closely monitored than their U.S. counterparts,³ findings which are consistent with the cultural differences described in Chapter 4.

And in addition to, or perhaps the cause of, the more centralized Canadian system, there has been both the potential and the reality of "direct communication among elites."⁴ Goldberg and Mercer indicate that, in contrast to the rather crude and blunt 'open-

1 Stacy Holzman and Daniel F. Musser, *Homeownership and Housing Affordability in Great Britain, Japan, Canada, West Germany, and the United States*, (Cambridge, Massachusetts: MIT Center for Real Estate Development, 1989), 53.

2 McGuire, *International Housing Policies*, 103.

3 Goldberg and Mercer, *The Myth of the North American City*, 82.

4 Ibid, 83.

market' regulation instruments available to the Federal Reserve, "historically all bank chairmen could easily fit around a luncheon table and, in a uniquely Canadian way, get the message first-hand from the governor of the central bank,"⁵ the Bank of Canada. They offer, in summary, that the Canadian banking style is "a style which in many ways is a caricature of Canadian elite interactions and which stands in contrast to the more diffuse power base in the U.S."⁶

So we have two distinct differences in the Canadian and American mortgage markets. The first is the nationwide structure of mortgage lending in Canada, a structure which lends itself to national standards in underwriting criteria as a matter of the individual institutions' policies. The second is the elite, concentrated nature of the Canadian system (there being only 12 chartered banks, for example), one which decreases competition among lenders and which offers at least the opportunity for tacit, if legal, standardization of underwriting criteria across lenders. Taken with the concentration and onerous requirements required of NHA mortgage insurance (see Chapter 5), the potential for homogeneity in bank underwriting of mortgage loans, and hence in the design of the houses thus financed, is extremely robust.

A final aspect to the argument of higher levels of homogeneity in mortgage loan underwriting is the secondary mortgage market. It is a well established fact that the American market is, even in terms relative to the countries' sizes, larger than that of Canada. Some might argue that the American system should therefore tend to produce a more standardized housing product. But the primary purpose of the American secondary mortgage markets is to arbitrage funds across state lines, from regions with higher savings to regions of higher borrowing needs;⁷ the Canadian system has not needed this mechanism to the same degree since financial institutions are nationwide and can thus arbitrage funds internally.⁸ Presumably then, there exists a higher level of standardization in the Canadian system which the American system, in promoting a secondary mortgage market, is merely trying to emulate. Furthermore, Canadian mortgages are, in fact, traded on international money markets because of their terms

5 Ibid, 83.

6 Ibid, 83.

7 McGuire, *International Housing Policies*, 107-109.

8 Ibid, 109.

(from less than one to five years), the relatively high Canadian rates of interest, and the fact that these securities are guaranteed by virtue of federally-backed mortgage insurance;⁹ this fact tends toward a higher level of standardization among Canadian mortgages.

Lenders' Attitudes Toward Housing

In discussing the relative size and influence of Canadian lenders versus their American counterparts, all that we have established is the greater potential in Canada for standardization. If the chairpersons of the big five chartered banks in Canada were all renegades, we might expect to see an eclectic and exciting mix of housing types in Canada. But this is not the case. Not surprisingly, Geoffrey Massey, in Housing Design and Innovation, suggests that "we are not going to see innovation to any extent either from developers or lenders."¹⁰ Sayegh, in Housing: A Canadian Perspective, purports that lenders "have a considerable space of autonomy and content themselves with applying rules-of-thumb and rigid formulas."¹¹

Massey argues that, in terms of architecture, we are confined to cosmetic changes, a fact that was clearly established in Chapter 4. He adds, "for much of this I blame the lending institutions. They are the ones who say they know what the public wants; but what the public gets is what the lending institutions want. Therefore, lenders become the arbiters of public taste in housing."¹² Sayegh, cites a variety of material restrictions employed by Canadian lenders when funds are scarce, such as: "restriction against innovation in design;"¹³ a preference for "conservative, traditional housing design with proven marketability;"¹⁴ and a "bias against small houses,"¹⁵ because "lenders prefer large, expensive houses to smaller and cheaper ones."¹⁶ A bank official's recent

9 Ibid, 109.

10 Massey, *Housing Design and Innovation*, 19.

11 Sayegh, *Housing: A Canadian Perspective*, 239.

12 Massey, *Housing Design and Innovation*, 20.

13 Sayegh, *Housing: A Canadian Perspective*, 239.

14 Ibid, 239.

15 Ibid, 239.

16 Ibid, 239.

exuberance over the relative states of soaring prices in Toronto and Vancouver is perhaps typical of the lending institutions' collective attitude towards housing; the banker was referring to the fact that Vancouver had just become less affordable than Toronto, but rather than expressing concern over Vancouver's affordability problem, he is euphoric that "Toronto has been unseated from the top spot,"¹⁷ as if it was some kind of contest.

Blaming the lender for its intransigence is a virtual pastime among developers as well as most people who have applied for a retail loan. So what is the relevance of the above argument regarding the conservatism of lenders when compared to any other market, the American one in particular? It is relevant for two reasons. One is the size of Canadian lenders, the oligopoly which they share, and the resulting influence which they wield over new housing design. The second is that there is evidence that Canadian lenders are also more conservative than their American counterparts;¹⁸ the free-flowing money which led to the current Savings & Loan crisis in the United States surely stands out as a clear example of this difference.

Lender-Developer Relations

Goldberg and Mercer offer a final observation which has a further bearing on the influence of lenders on the standardization of housing design. This influence is indirect, though. Canadian lenders and their large developer clients/partners have a unique relationship which has allowed Canadian developers to "achieve a scale and sophistication that is scarcely matched even in the United States."¹⁹ Ironically, Goldberg and Mercer suggest that the closer bank-developer ties in Canada "have allowed the Canadian development community to be highly innovative and to undertake large developments in city cores without the government subsidies that have been so typical of analogous developments in the urban centers of the United States."²⁰ Clearly, as we have established in a previous chapter, Canadian housing has not been characterized by much

17 Canadian Press Wire Service, "Vancouver homes hit new heights: Affordability leaps ahead of Toronto, survey finds", *The Vancouver Sun*, March 23, 1990, C1.

18 Goldberg and Mercer, *The Myth of the North American City*, 82.

19 Ibid, 83.

20 Ibid, 83.

innovation as the above citation might suggest. Rather, Goldberg and Mercer are referring to the innovation in commercial and mixed-use projects in downtown Canadian cities. Many of these resulting projects have been world-class. But the ability of large developers to pursue this kind of innovation merely exacerbates the problem of boring housing design in the suburbs for two reasons: first, it has allowed many homebuilders to grow, and eventually outgrow, suburban housing; and second, for those developers still active in both sectors, the exciting downtown or midtown projects and their glamorous natures tend to draw needed attention from the product development process in the production housing operation.

CHAPTER 7 - THE RESIDENTIAL REAL ESTATE DEVELOPMENT INDUSTRY

The residential real estate development industry, including both land development and homebuilding, has developed in such a way in Canada as to foster the homogeneity of new housing design. The American experience is considerably different and there are signs that the Canadian industry, or at least that in Toronto, may now be following a trail which some Americans blazed 30 years ago. The current discussion will begin with a brief characterization of the industry, followed by a sketch of its attitudes toward innovation in housing product; an analysis of issues of leadership in the industry concludes the chapter. The implications for the acceptance of innovative MDLRH forms in suburban Canada and Toronto housing markets is considered throughout the chapter. The theme of cross-national comparisons with the United States is continued here, and it provides excellent contrasts to the Canadian experience.

7.1 - A Characterization of the Development Industry

Just as the banking industry is more centralized in Canada, so to is the development industry. In both Canada and the U.S., development is a highly fractured, localized business, but it is less so in Canada than in the United States.¹ A number of factors appear to have contributed to this state of affairs: first, Canada's postwar population growth and rate of urbanization have led to faster growth of metropolitan areas (Chapter 3), thus allowing a number of small homebuilders to become "large successful real estate developers,"² such as Cadillac-Fairview Ltd., Campeau Corporation and Bramalea Limited; second, the relatively sustained, and proportionately higher level of housing starts compared to the American level,³ have created an economic environment which has been conducive to the growth and survival of large development firms; and third, the special relationship between Canadian lenders and large developers, described in the previous chapter, has assured relatively more stable access to capital for large Canadian firms.⁴

1 Goldberg and Mercer, *The Myth of the North American City*, 83.

2 Hulchanski, *Canada's Housing and Housing Policy: An Introduction*, 13.

3 McGuire, *International Housing Policies*, 101.

4 Goldberg and Mercer, *The Myth of the North American City*, 84.

What has this meant for housing design? Most of the large developers who had their roots in detached suburban housing and became large, multi-faceted firms through the apartment boom of the late 1960s and early 1970s, eventually abandoned the less glamorous and more management-intensive field of housing for retail, office and industrial development in both the suburbs and downtown. Bramalea Limited, still active in low-rise and high-rise housing, is widely held to be the last of its generation to remain in housing; after a host of management changes at the most senior levels, many are questioning whether the firm will remain in housing. But even when the majority of these firms were still in housing, the interest of the senior management, with the bankers' blessings no doubt, has been on the more prestigious office towers, world-class mixed-use projects, and suburban retail centres. The net effect is that housing has been, to a degree, ignored.

Among the mid- to large-size firms active in housing today, the interest, certainly at least in Toronto, has been in the predominantly urban, high-rise luxury condominium product, rather than in low-rise, suburban forms; this interest has become an obsession with building what looks like the same building everywhere, from downtown to midtown, to the outer reaches of the commutershed. It is not at all unusual to find seemingly-transplanted, 28-storey, twin-tower, semi-luxury condominium developments in far-flung suburbs, immediately adjacent single-family homes at seven units per acre. Briane Randall, a Toronto developer, concurs in this observation, adding that, since the 1970s, what limited innovation there has been in Toronto housing, has been on the urban scene, with new product in the suburban environment limited to linear townhouses and semi-detached homes,⁵ link homes, a cross between detached and townhouses, and also highly-linear in nature, became popular too.

Recall from Chapter 2 that the incubation period for many of the new ideas in suburban North American houses, the advent of clustering and innovative medium-density, low-rise solutions, was the early 1960s, and the place was the United States. At the same time, Canadians were facing similar but greater pressures on growth as were the Americans. Whereas the American response evolved as medium-scale firms building large-scale planned communities with a mix of uses and housing types, the Canadian instrument was a blunt one, namely large and ever-growing firms building many high-

5 Personal interview with Briane Randall.

rise apartment buildings, from what appeared to be the same working drawings. The net effect has been a highly homogenized design in Canadian housing, with little innovative MDLRH, compared to a healthier variety in the American product.

7.2 - Homebuilders' Attitudes Toward Innovation

Accounts from the mid-1960s, early 1970s and mid-1980s all describe the Toronto housing market as booming. And as we have seen above, the Canadian level of starts has been less volatile than that of the U.S. Furthermore, it is generally agreed that the medium-density, low-rise forms of housing require more thorough design and marketing efforts, and require of the development industry, an endeavour to educate their customers and the municipalities.^{6 7 8} All of this has meant little incentive for the Canadian residential development firm to innovate;^{9 10} and we have seen that the resulting Canadian product has been highly homogenized insofar as design is concerned (see Chapter 3).

But more than an unwillingness to innovate, the Toronto industry has been accused of discouraging innovation, in favour of the status quo; Stefan Hensel, an Ottawa architect, suggests that builders are "content to play on buyers' fear of the new."¹¹ While there is considerable evidence to support the claim that Toronto residential developers have not been innovative, the industry is sensitive to this criticism. This is often manifested through the industry's blaming others for the boring design of most new housing in Toronto. Two common builders' claims are: one, that the harsh Toronto climate renders infeasible both a variety of cladding materials other than brick, and more innovative, higher-density site plans; and two, that the market is conservative and does not want innovation. The first claim could not be substantiated in the literature,^{12 13} but there may be some credence to the second, as we shall see in a subsequent chapter.

6 Sayegh, *Housing: A Canadian Perspective*, 429.

7 The Community Builders Council, ULI, *The Pros and Cons of Cluster Housing*, 7.

8 Personal interview with William A. Salter.

9 Personal interview with Briane Randall.

10 Corbella, "Standard brick comes under fire", E1.

11 Campbell, "The House: What we live in and why", D5.

12 Jensen, *Zero Lot Line Housing*, 13.

Contrast with the American experience is useful here. With a slower rate of population growth in the postwar years, the United States' immediate postwar housing shortage was abated by the early 1960s.¹⁴ This abatement, coupled with a corresponding increase in the ability of buyers to be selective, led the American industry into the realm of target marketing;^{15 16} 'lifestyle' and 'move-up' were added to the vocabulary. Flipping through any recent copy of *Builder* magazine will confirm that relatively sophisticated target marketing and merchandizing are alive and well in the American industry, in many regions of the country. To be sure, Toronto developers have touted their marketing prowess in recent years, lending a certain triteness to the word 'lifestyle'. But one is left with the distinct feeling that it is lip service. For example, a senior executive of a well-respected home builder in Toronto suggests that all the focus groups pale in their meaningfulness next to "what's on the market, what's selling;"¹⁷ this approach fine in a market which at least offers variety, but in Toronto, where product is highly homogenized, what's selling conveys very little information about what the market really wants. Sayegh, in *Housing: A Canadian Perspective*, sums it up: "when a family goes into the marketplace in search of a home, they really typically do not have free choice. Yet the way they choose is then taken by a marketing expert and read as a matter of preference when it is a matter of constraints."¹⁸ This complacent attitude of Toronto housing developers only serves to reinforce the concept of a highly standardized new housing product, with little room for innovative design like that required for MDLRH.

7.3 - Issues of Leadership

Thus far we have seen two key differences between the Canadian and American development industries, both of which have tended to produce a more homogenized design and physical typology for new housing in Toronto versus greater variety in major markets in the United States. One final difference, leadership, serves as a clear cross-national difference. The discussion below falls into two realms. The first centres on the

13 Sayegh, *Housing: A Canadian Perspective*, 421.

14 Moore, *PUDs in Practice*, 5.

15 Ibid, 5.

16 James W. Wentling and Llyod W. Bookout, editors, *Density by Design*, (Washington: ULI - the Urban Land Institute, 1988), 8.

17 Campbell, "The House: What we live in and why", D5.

18 Sayegh, *Housing: A Canadian Perspective*, 276.

issue of leadership within the development industry, the second on the issue of whether designers or developers should lead the product development process.

A Voice for the Development Industry

The role of the Urban Land Institute (ULI) in the American development industry is entirely unparalleled in Canada. In the ULI's own words, "the Institute is committed to conducting practical research in the various fields of real estate knowledge; identifying and interpreting land use trends in relation to the changing economic, social, and civic needs of the people; and disseminating pertinent information leading to the orderly and more efficient use and development of land."¹⁹ While there have been regional and national organizations in Canada which have tried to emulate all or part of the functions so ably executed by the ULI, none have reached a comparable position of influence and respect. Specifically, the Urban Development Institute has failed in its mission as the voice of the development industry in Canada.

Among those firms active in residential development, the National Association of Home Builders (NAHB) of the United States enjoys a similar reputation to that of the ULI. The Canadian equivalent, the Canadian Home Builders' Association (CHBA), does not have a considerable national presence. CMHC, under the auspices of its responsibilities to sponsor research and demonstration projects and disseminate information, could possibly have emerged as a comparable to the ULI or NAHB, but, as we have noted in a previous chapter, its energies were expended elsewhere rather than in becoming a national advocate of the homebuilding industry and a champion of progressive change and innovation in housing design. The Canadian Housing Design Council, a quasi-public association, affiliated with CMHC, and comprised mainly of designers, has made considerable efforts to promote innovation in the design of housing, specifically medium-density, low-rise housing (as the number of citations in Chapter 2 will attest), but its influence in the Canadian industry is minimal to nonexistent.

That there has been leadership within the American industry, unmatched in Canada, would be of no consequence it were not for the progressive stance regarding new product

19 James W. Wentling and Llyod W. Bookout, editors, *Density by Design*, ii.

and medium-density housing, which both the ULI and NAHB have taken. It was these two organizations, in addition to various U.S. government agencies, which cosponsored the ULI's Technical Bulletin #40, New Approaches to Residential Land Development. A Study of Concepts and Innovations.²⁰ ULI also has a firm track record of publishing timely technical information, such as a model state enabling acts for PUD ordinances in 1965.²¹ And the NAHB, through its *Builder* magazine, among other channels, promotes higher-density projects by showcasing them regularly and by providing practical how-to information in the areas of design, merchandizing, financing and legal aspects of medium-density projects.^{22 23} Both organizations are also active in publishing books geared to practitioners of medium-density techniques.

But the situation in Canada appears to be changing. The Toronto Home Builders' Association (THBA) and the Ontario Home Builders' Association (OHBA), to a lesser degree, have, in the past two years, been emerging as a representative voice of the residential development industry, not only in Toronto, but in much of the balance of Canada as well.²⁴ Much of the THBA's and OHBA's recent emphasis has been, in fact, on promoting higher densities and on adapting solutions from other countries (mainly Western European) to the high-priced Toronto market.^{25 26 27} In a sense, both from the perspective of national leadership in homebuilding, and from the vantagepoint of housing design, Toronto may be today where American residential development was in the early 1960s.

20 The Community Builders Council, ULI, *The Pros and Cons of Cluster Housing*, 5.

21 Moore, *PUDS in Practice*, 7.

22 Bernard Schreft, "Rethinking High Density", *Builder, The Magazine of the National Association of Home Builders*, 13, no. 6 (1990), 62.

23 Mitchell Rouda, editor, various articles, special issue "America's Affordable Housing Crisis", *Builder, The Magazine of the National Association of Home Builders*, 13, no. 7, 48,54,86,119, 156,174.

24 Personal interviews with Briane Randall and Stephen T. Anderson.

25 Virginia Galt, "Builders group proposes ways to increase housing", *The Globe and Mail*, January 19, 1990, A13.

26 Terauds, "Future trends in housing", F1,F2.

27 Keith Bolender, "Europe may teach lesson in ...", *The Toronto Star*, June 24, 1989, G1,G2.

Architects & the Academic Community vs. the Development Industry

Finally, there is an interesting aspect to the issue of leadership which is, perhaps, uniquely Canadian. A subtle but important distinction between Canada and the U.S. has been that the industry took the initiative to foster change and innovation in the 1960s, guided in large part by the leadership of the ULI, as we have just seen. Within several years after clustering, medium-density and planned unit developments started to become a regular part of the new suburban landscape in America, there were calls in Canada for similar, but Canadian, medium-density solutions; but the advocates of change were architects and members of the academic community, rather than any constituents of the development industry. Much of the Canadian literature on the subject of medium-density was published in the 1970s, in large part by the architect-dominated Canadian Housing Design Council.

The issue of architect versus developer as the agent of innovation shows up in the Canadian literature; Geoffrey Massey, an architect, for example, suggested that innovation would not come from the developer, but rather that "real innovation in the physical form will come from designers."²⁸ That the architects' advocacy of medium-density solutions has not amounted to change in Canada is perhaps the best judge of the efficacy of Massey's argument. Rather, as architect James A. Murray has put forward that the architect "has to follow the fashions, or his builder clients will forsake him to leave him to his ideological pursuits."²⁹ Toronto architects, no doubt, despair the state of housing design in their backyards, but it is only now, with the market in a mess and the industry at least beginning to talk of change, that real innovation may be on the horizon.

28 Massey, "Housing Design and Innovation", 19-20.

29 Murray, "The Architecture of Housing", 126.

CHAPTER 8 - PLANNING INSTRUMENTS & MUNICIPAL PLANNING STAFFS IN ONTARIO

Thus far we have seen that each of federal housing policy, the mortgage lending industry and the residential real estate development industry have contributed to the standardization of design of new housing in Canada and Toronto, and that this homogeneity has stifled innovation in such forms as MDLRH. The current chapter will narrow the geographic focus slightly to consider how the planning instruments made available to Ontario towns and cities by the provincial government, and their administration by municipal planning staffs, may have had the effect of further encouraging standardization and discouraging medium-density, low-rise housing.

8.1 - Planning Instruments in Ontario

As we defined it in Chapter 2 for the purposes of this paper, MDLRH means the innovative forms of MDLRH, and includes the use of some sort of flexible approvals instrument rather than the conventional, lot-by-lot method of zoning and subdivision regulation. The recent history of planning devices in Ontario has embodied a constant struggle between certainty and flexibility.¹ The former reflects the original purposes of zoning, namely predictability and protection of land values, the latter the need for deliberate planning in lieu of the piecemeal, naysaying approach of conventional zoning.

Flexible Land Planning Devices

Ontario has not been quick to adopt many of the so-called flexible zoning schemes made popular within various jurisdictions of the United States. Specifically, and in decreasing order of their representation within Ontario, transfer of density rights, incentive-zoning, and planned unit development have been used rarely or not at all.² One flexible instrument that Ontario does have is site plan control, known also as

1 J. Barry Cullingworth, *Urban and Regional Planning in Canada*, (New Brunswick, New Jersey: Transaction Books, 1987), 126.

2 Ibid, 117-124.

development review.³ Cullingworth, in Urban and Regional Planning in Canada, offers the following description of site plan control in Ontario:

[Site plan control -sic] is used by three-quarters of the municipalities in Ontario. It can be applied to any area designated a proposed site plan control area in an official plan. The act lists the specific matters which can be dealt with and, in practice, most bylaws simply reproduce the list. It includes road widenings, access, parking and circulation; site grading, landscaping and floodlighting; site layout, the massing and conceptual design of buildings; and waste storage and removal and snow clearing.

However, despite the reference to 'massing and conceptual design,' matters of height and density are specifically excluded. These are covered in the zoning bylaw and cannot be reviewed on a site basis.⁴

Reluctance to Pass Down Discretionary Powers

So, while Ontario has attempted to introduce some flexibility in order to deal with the increasing complexity of development and the corresponding deficiencies in conventional zoning, the province has been reluctant to wholeheartedly endorse the idea of vesting municipal officials with broadly-based discretionary powers.

And in this reluctance to pass discretionary authority to the junior levels of government, we have established a theme in Ontario's experience. Ontario is, for instance, the only province in Canada which retains the final say in matters of land subdivision, although this power is often delegated to the larger cities.⁵ This has been the case historically in the province; the Ontario City and Suburbs Act of 1912 required all plans of subdivision within or within five miles of any city of at least 50,000 people, to be submitted to the Ontario Railway and Municipal Board (the predecessor of the Ontario Municipal Board, an appeals board which now hears matters of land use decisions), for approval.⁶

3 Ibid, 124-125.

4 Ibid, 125.

5 R. Audet and A. LéHenaff, *Land Planning Framework of Canada: An Overview*, (Ottawa: Environment Canada, 1984), 24.

6 J. Barry Cullingworth, *Urban and Regional Planning in Canada*, 134.

The experience across the rest of Canada is similar. Only Saskatchewan has ever provided for the enabling of PUD provisions, which, as we have seen, has been widely associated with innovative MDLRH in the United States; but an ill-prepared reference to the instrument was eventually dropped in a 1983 revision of Saskatchewan's legislation. But it is Alberta that has what is probably the most flexible zoning rules of any Canadian province. Alberta's system has been described as combining "the best features of zoning and (discretionary) development control while retaining the maximum flexibility for both the planner and the developer."⁷ New residential subdivisions in Alberta are the closest thing in Canada to resemble the master-planned communities of suburban America, and clustering is part of its planning vocabulary.

Calls for Community Planning

It should come as no surprise that Ontario's and Canada's reliance on relatively old-fashioned, certainty-oriented zoning devices has led to what has been described as piecemeal suburban development.⁸ Critics have decried the resultant monotony (see Chapter 3), the socioeconomic segregation,^{9 10} and the lack of overall community planning.¹¹ Furthermore, piecemeal development tends to breed precisely the sort of political opposition which characterizes Toronto's suburbs.¹² Canadian prescriptions for change in suburbia have included: undertaking local community planning on a larger, more comprehensive scale;^{13 14} returning to planning by first principles;¹⁵ encouraging innovation;¹⁶ incorporating a mix of unit types;¹⁷ and relaxing

7 Ibid, 128.

8 Sayegh, *Housing: A Canadian Perspective*, 427.

9 H. Terry Tanner, "Housing shouldn't be designed like automobiles", in Bryan, *Low Cost Housing: Comments, Criticisms, Ideas and Proposals by Canadian West Coast Architects and Designers*, 13.

10 MacLennan, *The Architecture of Urban and Suburban Development*, 4.

11 Ibid, 26,420.

12 Ibid, 427.

13 Sayegh, *Housing: A Canadian Perspective*, 428.

14 MacLennan, *The Architecture of Urban and Suburban Development*, 10.

15 John Robert, "Demand that the consumer be considered first", in Bryan, *Low Cost Housing: Comments, Criticisms, Ideas and Proposals by Canadian West Coast Architects and Designers*, 8.

16 Ibid, 225.

development standards in favour of a more flexible, creative, performance-oriented scheme of approvals.¹⁸

Taken as a whole, these recommendations resemble the sort of flexible planning device, the planned unit development in particular, which became popular as a result of the American industry's 1960s' search for better ways of suburban development. Even the Ontario Government got in on the act in recent years, with the former minister, Chaviva Hosek, suggesting that new, affordable homes, envisaged as a result of what was then a proposed provincial initiative (25% of all new housing developments are to be priced so as to be affordable), might not be detached, but rather, might come in "a wide range of physical types."¹⁹

No Cohesive Policy

Just as planning in Ontario's suburbs has been narrowly defined and lacks a broader, community-oriented focus, so too has Ontario's entire approach to municipal planning been criticized as being one of crisis management, lacking a cohesive vision.²⁰ The approach taken by many Canadian provinces has been one of superimposing planning matters onto the static concept of zoning, something which has been done with varying degrees of success.²¹ The problem in Ontario was particularly noticeable during at least the first year after the provincial government announced plans to require all new housing developments to make at least 25% of their units affordable, with affordability being defined as the price which the median income in the area can afford. What was then just a policy, but now is a law, was publicly derided by many of the suburban Toronto mayors, councillors and professional planning staff; not for the first time, municipal actions, made under the auspices of the Ontario Planning Act, were blocking a provincial

17 Fliess, "Housing Mix & Density", 33.

18 Dale M. L. DuQuesnay and Janina Milisiewicz, *A Summary of Members' Opinions on the Planning Act of Ontario*, (Toronto: Community Planning Association of Canada, Ontario Division, 1976), 6

19 Mary Gooderham, "Detached house in Metro for moderate-pay sector just a dream, Hosek says", *The Globe and Mail*, February 16, 1989, A1,A2.

20 Warren Potter, "There is no simple solution to Metro's high housing prices", *The Toronto Star*, December 3, 1988, F1.

21 Cullingworth, *Urban and Regional Planning in Canada*, 101.

initiative.²² Not having a cohesive policy does not bode well for medium-density, low-rise housing, which, as we have seen, requires an environment willing to foster innovation in housing typology.

8.2 - Professional Planning Staff in Ontario

A thorough discussion of the attitudes of Ontario municipal planning staff towards innovative, medium-density, low-rise housing is beyond the scope of this thesis. But one can make several brief observations which serve to suggest that planning staffs are not very open to new ideas which don't mesh nicely with the existing (and as we have seen above, outdated) rules. A senior-level Ministry of Housing official, quoted in an article for *The Toronto Star*, suggests that municipal planners are difficult to get past, "partly due to the old rules and regulations and partly due to their personal tastes."²³

That municipal planners in Canada might be more apt to rely on the rules as stated, and less open to persuasive argument from a developer, should come as little surprise given the observation that Canadians show a greater propensity for rule-following and self-restraint (see Chapter 4), than do Americans. Steve Anderson, a Toronto-area designer of production housing for builder clients, concurs, based on his experience in Phoenix; planners were more likely to waive the rules and give credence to a rational argument in Arizona than they are in Ontario.²⁴ He further suggests that there is a culturally-ingrained jealousy and suspicion of developers, evident in the way they are approached by municipal planning staff in Canada which he contrasted to a more cooperative atmosphere in the U.S.²⁵ There are, in the greater Toronto area, a few exceptions to this general rule. The city of Brampton, and its home region of Peel stand out among them. In Brampton, there appears to be a more flexible way of thinking about the approvals process; but as we will see in the next chapter, there is also a stronger political will to accept MDLRH and the innovations in physical form which usually accompany MDLRH.

22 Sean Fine, "Housing study urges zoning changes", *The Globe and Mail*, September 26, 1987, A14.

23 Peter Bailey, "Is Toronto ready for cube houses?", *The Toronto Star*, August 12, 1989, E1,E2.

24 Personal interview with Stephen T. Anderson.

25 Ibid.

The relevance of this intransigence is that well-designed, site-specific MDLRH, as we have seen, depends on the waiving or bending of certain guidelines or the use of an entirely new, flexible approach of evaluation in lieu of the more rigid methods provided in standard subdivision ordinances. To the extent that municipal planners' attitudes prevent this performance-oriented evaluation of MDLRH plans, these plans are likely to be disallowed under those planners' scrutiny.

To be sure, some of the aforementioned criticisms of the Ontario Planning Act have come from municipal planners themselves. A consensus of members' opinions, published by the Ontario Chapter of the Community Planning Association of Canada, supported the belief that the planning instruments made available to Ontario municipal planners were outdated in their negative, prohibitive approach, and should move toward a more flexible, creative approach which would foster innovative solutions.²⁶ But in the members' comments lies what might be a fitting way to summarize the experience in Ontario; in calling for more flexible instruments than the conventional, lot-by-lot approach, members also suggested that a "resort to discretion" would be impractical.²⁷

26 DuQuesnay and Milisiewicz, *A Summary of Members' Opinions on the Planning Act of Ontario*, 6-7.

27 *Ibid*, 6.

CHAPTER 9 - THE TORONTO POLITICAL SCENE

The previous chapter attempted to assess the impact of municipalities on the acceptance of innovative forms of medium-density, low-rise housing by examining the planning framework in Ontario and how it is administered by local planning staffs. The other side of the municipal equation is the political climate, and that is the subject of the current chapter. Those people active on the suburban Toronto political scene have not viewed MDLRH as the addition of much-needed variety to the housing stock; rather, they have focused narrowly on seeing it as affordable housing which, in the suburban perception, will bring a host of negatives with it.

Where Planners Might Have Succeeded

The Toronto political climate over the recent housing boom, from 1985 to 1989, is likely best characterized by the expression, *NIMBY - Not In My Back Yard*. Even in the few instances where municipal planning staffs have given their recommendation for approval of non-traditional, innovative MDLRH schemes, councillors, and the vocal ratepayers whom they represent, have trooped in and denied.

In April of 1989, a proposal for affordable single detached and duplex homes, to be priced such that families of moderate means might be able to afford homeownership, received approval in principle from the planning committee of Mississauga, a suburb to the west of Metro Toronto. The project aimed "to show that houses can be built to sell for under \$180,000 [the definition of affordable under the province's new 25% affordable rule -sic] by using innovative planning, relaxing zoning and engineering standards and speeding the approval process."¹ At least one councillor hailed the project as an exciting concept in providing affordable homeownership for young families.² Five weeks later, the proposal lost by an 8-2 vote in Mississauga's council, despite the project's backing from the Ontario Ministry of Housing, the Toronto Home Builders'

1 Mike Funston, "Mississauga backing plan for affordable housing units", *The Toronto Star*, April 18, 1989, A6.

2 Ibid, A6.

Association, and the Toronto Real Estate Board.^{3 4} Ratepayer opposition was held by the THBA to have been responsible, and no technical or planning reasons were given by the naysaying councillors.

The Stockbroker Belt

Mississauga's record hasn't even been as bad as some. Gary Hack, Professor at M.I.T. suggests that the city once had a reputation for approving innovative multiple-family (medium-density) schemes.⁵ And it was Mississauga that approved the innovative high-density single-family land subdividing scheme of Trelawny. Briane Randall puts forward that the planning staffs once commanded considerable respect on the Toronto municipal scene, and pretty much dictated what would be built during the late 1960s and early 1970s.⁶ But in the past five years at least, it has been the ratepayers, described by *The Toronto Star's* real estate columnist, Warren Potter, as "the lucky homeowners who had the cash to get in on the ground floor a few years back and are comfortably ensconced in a large suburban home in Markham, Vaughan or any other municipality in the stockbroker belt,"⁷ who have been most influential.

The attitudes of ratepayer groups and the municipal politicians whom they control have approached sickening proportions in certain of the northern suburbs, notably Vaughan, with its misguided mayor, Lorna Jackson. Ms. Jackson has suggested that building expensive, single family homes is a sufficient contribution to alleviating the current housing crisis, and that, accordingly, there ought not to be any relaxing of the town's large-lot provisions.⁸ And in a *Toronto Star* article which predicts the future downsizing of new houses, Vaughan's mayor insists that the market demand is only for large-lot, 3,000 square foot homes in the \$350,000 to \$400,000 range, for second-

3 Ibid, A6.

4 Mike Funston, "Low-cost housing experiment rejected", *The Toronto Star*, May 24, 1989, A25.

5 Personal interview with Gary Hack, Professor, Department of Urban Studies and Planning, M.I.T., June 18, 1990.

6 Personal interview with Brian Randall.

7 Potter, "There is no simple solution to Metro's high housing prices", F1.

8 Sean Fine, "Suburban housing policy defended by mayor", *The Globe and Mail*, January 25, 1988, A12.

and third-time buyers.⁹ Ms. Jackson, the Vaughan councillors and the town's planning staff have been impressed with attractive and innovative^{10 11} schemes for more affordable product, but insist that higher densities don't fit in a "rural area"¹² and that the town doesn't have the servicing capacity for higher-density development "which would take [the land -sic] away from industrial-commercial development, which is needed to balance the town's tax base."¹³

Other suburban towns and cities within the greater Toronto area have similar records. The Town of Newmarket has persisted, despite three trips to the Ontario Municipal Board, in disallowing a rezoning of United Church land which would allow a cooperative housing development including some units for which the rents would be geared to the tenants' incomes, despite three trips to the Ontario Municipal Board. A Richmond Hill ratepayers' group fought to prevent neighbouring Aurora's plan to build affordable housing, on the grounds that the project, which their group feels is merely an attempt to "transplant Metro Toronto's housing problem,"¹⁴ will "'undermine' their neighbourhood."¹⁵ And in Pickering, east of Metro, flyers have circulated which "scream terrifying headlines like ... 'Concerned about your property value being decreased? ... You should be ... This development is the typical beginning of increased crime rates, vandalism, gang violence and drug operations. An excellent example is the well-known [very West Indian -sic] Jane/Finch area;"¹⁶ the flyer succeeded in defeating a proposal for 2,000 square foot townhomes, not even an 'affordable' product by provincial standards.

9 Victoria Stevens, "Will the trend turn toward smaller homes?", *The Toronto Star*, June 10, 1989, G1,G2.

10 Ibid, G2.

11 Personal interview with David Easton.

12 Stevens, "Will the trend turn toward smaller homes?", G2.

13 Ibid, G2.

14 Brian Dexter, "Low-cost housing 'undermines' area estate owners say", *The Toronto Star*, May 9, 1988, A4.

15 Ibid, A4.

16 Keith Bolender, "The struggle to build affordable housing", *The Toronto Star*, June 3, 1989, E1,E2.

Some Progressive Thinking

There have been exceptions. Brampton, northwest of Toronto, has been mentioned in previous chapters. This working class city was one of the first to accept the province's new 25% affordable policy,¹⁷ even before it became law, at a time when it was being ridiculed by people like Lorna Jackson. And Brampton's observation of this policy has led to precisely the kind of innovative, medium-density, low-rise housing which is the subject of this thesis,¹⁸ even though Brampton, like other area municipalities, still sees MDLRH narrowly as affordable housing.

The City of Toronto has taken a leadership role in attempting to foster new and innovative, higher-density housing. One example is a proposal for the intensification of uses along the main thoroughfares of Metro Toronto, a proposal which was received with interest by both the Metro Toronto council and the City of Toronto's council.¹⁹ The City of Toronto has, after several years of an 'illegal suite witch-hunt', also been active in changing zoning bylaws in single-family areas to allow the addition of flats.²⁰ And Toronto mayor, Art Eggleton has co-authored a proposal with the provincial government, to build St. Lawrence Square, a \$1-billion neighbourhood planned for just east of the downtown core. The project, when completed, would include at least 35% affordable housing.²¹

17 Gail Swainson, "Brampton 'no-frills' rule brings \$150,000 homes", *The Toronto Star*, November 30, 1988, A7.

18 Stevens, "Will the trend turn toward smaller homes?", G1.

19 Taylor, "Higher European-style buildings urged for Toronto thoroughfares", A19.

20 Fine, "Housing study urges zoning changes", A14.

21 Sean Fine and Paul Taylor, "Plan's affordable housing queried", *The Globe and Mail*, July 19, 1988, A13.

CHAPTER 10 - TORONTO HOMEBUYERS

We have seen the impact of a variety of influences on the issue of why, in suburban Toronto housing markets, there is not much innovative, medium-density, low-rise housing. This has included such forces of a national nature as federal housing policy and the banking and development industries; as well as the regional domains of planning instruments and planners in Ontario, and the local political scene in Toronto. We now turn our attention to the Toronto homebuying market. There is conflicting evidence in support of holding the market responsible for the present state of affairs, as it relates to both the underrepresentation of MDLRH in particular, and to the homogeneity of new housing design in general. The discussion will begin with an explanation of why high-rise housing is so accepted in Canada, and will then turn to matters of a more local nature, attempting to shed some light on two key aspects of how Toronto homebuyers view their houses. Finally, the impact of the Toronto market on the central tenet of the thesis will be examined.

High-Rise Housing in Canada

It was demonstrated in Chapter 3 that there is proportionately more new apartment construction in Canada than the United States, and it was suggested that, of new apartment starts, the proportion which is high-rise is higher in Canada as well. What explains this difference? The market's tastes and preference for this form have certainly played a significant role, particularly in the late 1980s in Toronto's *suburban and urban* markets. This market acceptance of high-rise living draws its roots from a fundamental difference between Canadian and American cities and how Canadians and Americans view their cities.

The central cities in Canadian and American metropolitan areas have lost population or not grown as fast as the metro area as a whole,¹ but for radically different reasons. Whereas the predominantly-white American central city population of the immediate postwar era fled to the suburbs in pursuit of a perceived better lifestyle, Canadians have been "priced-out" of their central cities because of the desirability of central

1 Goldberg and Mercer, *The Myth of the North American City*, 179-180.

neighbourhoods.² Goldberg and Mercer, in The Myth of the North American City, report that Canadians "expressed a consistently positive degree of satisfaction with their cities,"³ whereas Americans prefer "small to medium nonmetropolitan communities first, suburbs next, then rural areas, followed last by large cities."⁴ There are several factors that have had a bearing on this important cross-national difference:

- white flight has been an American phenomenon,⁵ and Canadians have shown a greater racial tolerance (see Chapter 4);
- immigrants to Canada have been attracted to urban areas⁶ and, encouraged by Canada's propensity to celebrate ethnicity rather than to exert pressure for assimilation (see Chapter 4), have created many desirable ethnic central city neighbourhoods which both attract more immigrants and serve to create a more livable and desirable city;⁷
- more so in Canadian cities than in American ones, there exist on the outer fringes of the original central cities some of the most desirable neighbourhoods in the entire metro area; these quasi-bucolic areas were originally built by the Canadian Pacific Railway for the "civic elite"⁸ (see Chapter 4), and have been "maintained as high-status residential areas ... by sympathetic civic administrators;"⁹ and
- there is a "strong anti-urban intellectual tradition"¹⁰ in the United States of which there is no Canadian equivalent.

In order for residential uses to compete in the predominantly commercial downtown core, the required land rents impute a high-rise form. New, 'lifestyle-oriented', high-rise downtown condominium have, since the 1970s, been a very sought-after form of housing in Toronto. Much of the current skyline, beyond the immediate financial core, is residential. Downtown and waterfront projects have been, during the most recent real estate boom, the object of affection of hundreds of prospective purchasers who would beseege sales offices for a chance to be among the lucky few who would be blessed with

2 Ibid, 155.

3 Ibid, 58.

4 Ibid, 59.

5 Ibid, 24.

6 Ibid, 33.

7 Ibid, 140.

8 Ibid, 30.

9 Ibid, 30.

10 Ibid, 141.

the opportunity to purchase a unit. And, as we have noted earlier, the phenomenon of the twin-tower condo with a 'million-dollar' recreation centre has proliferated in the outer suburbs as well.

The Simple Status Symbol

Baby-boomers, *Yuppies*, *DINKs*, whichever term one finds least distasteful, have been, in addition to recent 'investor-class' immigrants, the driving force behind the 1985-1989 real estate boom in Toronto, dominating the market for new housing.¹¹ Fueling both the single family freehold and luxury high-rise condominium markets, this market segment has pursued, above all, the simple status symbol.

Social critics have noted that "Canadians no longer seem to want well-crafted houses for their own sake but prefer the pleasures of mass-produced items ... that can give even the most pedestrian of houses the comfortable feel of aristocratic living."¹² Homebuilding executives have noted that the Toronto market wants "more bells and whistles, ... something with a grand foyer. ... Bathrooms today communicate a lifestyle. They're a major room, and they're used to impress your friends."¹³ This pursuit of the status symbol should come as no surprise, considering Canada's reverence for the ruling elite (see Chapter 4).

The Home as Investment

Many people made big profits over the last real estate boom. Somewhere along the way, Toronto homebuyers began to see their home not only as shelter, lifestyle or even status, but as an investment.¹⁴ There has been some speculation that there is some element of East vs. West in this attitude, namely that easterners are more likely to regard their home as an investment whereas westerners see it more as lifestyle. While this has been

11 Campbell, "The House: What we live in and why", D1.

12 Ibid, D5.

13 Sawchuk, "Decades of design shape modern house", E4.

14 Chris Haslett, "Canadian home builders can take a tip from Hong Kong: think small", *The Globe and Mail*, January 3, 1990, A7.

a difficult hypothesis to support, there is some evidence in its favour. For example, a 1973 study of townhouse owners found that easterners (proxied by the Washington D.C. market) cited economics first as a reason for a purchase and westerners (proxied by several California markets) cited freedom from yard maintenance.¹⁵

Issues of east and west aside, however, Toronto is the financial center of Canada and, as such, attracts the high-powered-career set who may be more intent on making a big profit than on having a comfortable, well-designed home suitable to their lifestyles. Lifestyle selling has certainly been a big deal in Toronto recently, as evidenced by the condominium boom, but one gets the sense that it is lip service rather than any concerted effort by the developer to learn more about a particular market segment's lifestyle preferences and to design accordingly.

Implications for Medium-Density, Low-Rise Housing

We have identified three distinct themes in the Toronto market's homebuying behaviour. The implication of the first, that Toronto is generally accepting and even desirous of high-rise housing would suggest that there ought to be a market for MDLRH. That is, the issue of not owning a single family home is common to both of these higher-density forms of housing. MDLRH cannot compete in the downtown area on the basis of land prices, but given that suburbanites are willing to live in a thirty-storey tower in the far-flung suburbs of Brampton or Pickering or Milton, there would appear to be a potential market in the suburbs for MDLRH.

That the Toronto market is in pursuit of status-imbued frills and not necessarily design has no consequence for the acceptance of MDLRH, given that frill-seekers appear to express no preference among single-family, high-rise and townhouse homes. In fact, most of the very few Toronto examples of the kind of innovative MDLRH under study are urban in nature and homes in these projects are considered more valuable than their neighbouring high-rises. Taken in isolation, the Toronto market's pursuit of the status symbol could be exploited in favour of producing more MDLRH, suburban or urban.

15 Norcross, *Townhouses & Condominiums: Residents' Likes & Dislikes*, 7.

Viewing housing increasingly as an investment is another story, however. Professor Witold Rybczynski of McGill University suggests that "when you buy as an investor, it really changes how you see the house. Do they really like fireplaces or do they see this as something that makes the house attractive when it comes time to sell it?"¹⁶ It is this attitude of the market which tends to encourage standardization of housing design, imparting to housing more of the qualities of a commodity. This usually manifests itself as architectural conservatism, something which does not favour innovative MDLRH. And this is played to the limit by developers who would rather build a standardized product anyway. There is evidence, though, that innovation in design, if thoughtfully executed, can bring brisk sales.¹⁷

These three aspects of Toronto's homebuying behaviour, when taken as a whole, make it difficult to ascertain the net effect of Toronto homebuyers on housing design. But, there are indications that a position of strong leadership in product design, skillfully marketed as a package of status and investment, could induce a big segment of the market to follow suit. Such an attempt to lead the market might be based on the use of attractive and exciting new forms of medium-density, low-rise housing.

¹⁶ Campbell, "The House: What we live in and why", D5.

¹⁷ Corbella, "Standard brick comes under fire", E1.

CHAPTER 11 - CONCLUDING REMARKS

Suburban Toronto homebuyers and potential homebuyers are being offered only a limited range of housing types, homogenized in design. There are few choices between a standardized single-family detached house and a standardized, highly urban high-rise condominium. But other markets in North America, particularly in the United States, enjoy more variety in their physical typology. There are numerous medium-density, low-rise housing forms, which are able to provide considerable benefits to the Toronto region, and which are underrepresented in suburban Toronto housing markets.

These MDLRH forms add much-needed variety to the housing stock, to match the increasing variety in Canadians' lifestyles. They can add visual excitement in contrast to the monotonous look of today's new Toronto suburbs. They lend themselves better to fostering a sense of community than do the low-density and high-density alternatives. And they encourage variety in design solutions, which are created specifically for each site, as opposed to the large-scale reproduction of a few physical prototypes, dressed up in various historical costumes.

Why Medium-Density Low-Rise Housing is Underrepresented in Suburban Toronto Housing Markets

Six key influences have played roles in creating a suburban Toronto housing market in which product development is almost nonexistent, and where these relatively new and innovative forms of medium-density, low-rise housing are underrepresented. Federal policy, the impact of which is far-reaching because of the dominant role of government-backed mortgage insurance, has concentrated narrowly on the issue of total aggregate housing supply, to the exclusion of a reasonable level of concern for the design of new housing and the resulting urban landscape into which new housing is inserted.

The mortgage lending industry, having considerable influence, has encouraged standardization of housing at a national scale through an oligopoly structure, conservative attitudes toward product design, and a propensity to encourage the growth of large development firms. And these larger firms have lost interest in their development heritage, namely low-rise housing, to concentrate their energies on the more glamorous fields of luxury condominium, office, industrial, retail and mixed-use

development. But above all, more than any other single reason, a lack of leadership in the Canadian development industry is responsible for staid design and the systematic reluctance to accept new, design-intensive, innovative, medium-density, low-rise housing forms.

Within Ontario, there has been an on-going attempt to come to grips with the issue of flexibility vs. certainty in land use planning. As a result, many of the flexible planning instruments, on which most well-executed MDLRH relies, have not been embraced by the Ontario Planning Act, or that of most other provinces for that matter. This has been despite calls, from all sorts of critics, for most of the features which flexible instruments, like planned unit developments, can encourage.

And municipal planning staff, responsible for administering the outmoded OPA, have shown their own personal reluctance to bend the rules in the name of rationale. But where a minority of planners have opened the door to relaxed zoning and/or relaxed engineering standards, in the name of providing better variety in new housing, the municipal politicians of Toronto's suburbs have slammed it shut. Seeing medium-density, low-rise housing, and the inherent affordability by which it is often accompanied, as something undesirable, these politicians, coaxed by vocal, narrow-minded ratepaying groups, have put up the usual *snob zoning* ordinances, which Ontario has only recently, and not very convincingly, attempted to override.

Finally, the homebuying public of Toronto has often been blamed by the industry for harbouring a negative disposition toward innovation in housing design. Three salient themes which have emerged in the homebuying behaviour of the collective suburban market in recent years, yield the developers' claim partially true at best. Residents of Toronto have shown an overwhelming acceptance of high-rise living; they have pursued simple status symbols; and they have begun to see their homes increasingly as investment as opposed to shelter and lifestyle. The first of these themes suggests market acceptance for MDLRH. The second has little bearing. And the third makes it difficult, but not impossible, for innovative MDLRH forms to be introduced in a significant way to Toronto's suburbs.

Future Directions

Within this web of various players' responsibilities, attitudes and priorities lie a number of opportunities for change.

The Housing Industry

First and foremost, the residential real estate development industry in Canada is sorely in need of leadership. There are signs that the Toronto Home Builders' Association may be emerging as a strong, meaningful voice for the industry. It has been front and centre on the Toronto stage in the past two years, and among its most public priorities is the call for new and varied forms of MDLRH. The Association must be sure that this is not just a passing fad, something to keep the members occupied during the upcoming economic slowdown.

Furthermore, it must broaden its argument for MDLRH beyond just the provision of affordable housing, to include such urban development issues as efficient use of natural resources, regional transportation planning, community building, and sustainable development. Finally, the industry has an obligation to educate the general public, the municipal politicians and planners, and the ratepayer groups. Nothing significant can happen before this essential step.

In this there is also a potential role for the Urban Land Institute of the United States. Canada has often been something of an afterthought in many ULI initiatives, but there is now an exceptional opportunity for the ULI to increase its constituency. While many American firms are getting excited about Europe '92, most have ignored the considerable opportunities of North America '89 - the Canada-U.S. *Free Trade Agreement*.

Ontario Planning Act

But the best efforts of the industry, and indeed progress in the matter of encouraging innovative forms of MDLRH, would soon hit a wall. One of the directions of the new voice of the residential development industry must be to lobby intensively for sweeping changes to the Ontario Planning Act. Specifically, a strong argument must be made for

the enabling of planned unit development ordinances. An election has just been called in Ontario, though there is no need for Premier Peterson to renew his mandate so soon; the Liberal government has therefore promised an election platform full of substantive issues. Herein lies an opportunity for the industry's new leadership to make an issue out of urban development and the OPA.

Federal Policy

By now there must be much inertia within the CMHC. But there is an opportunity to take a lead in matters of urban development. A reading of the most recent strategic plan confirms that the CMHC recognizes this, but the genuine will of the organization will become apparent by its actions, rather than its strategic plan. In an environment of increasing fiscal constraint, federal policy should strike a new direction, through a carefully-prepared program of deliberately encouraging innovation as a prerequisite to qualifying for the shrinking subsidies of the 1990s. From necessity can come invention.

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