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# Housing Supply Mix Strategy 6: Middle Housing

Canada lacks “in-between” housing typologies



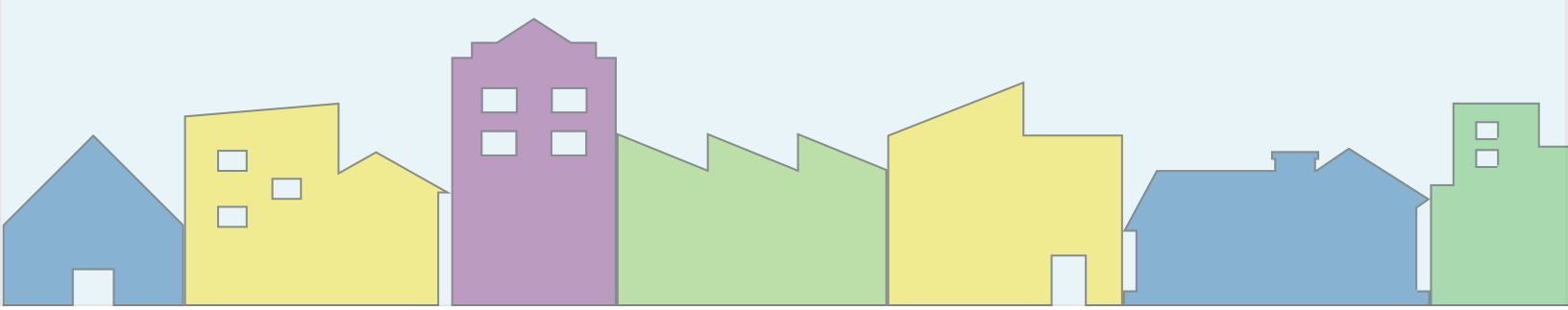
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SUPPLY MIX RESEARCH  
SUBMITTED TO THE TASK FORCE  
FOR HOUSING & CLIMATE



## The Issue

Canada is a diverse nation, but not in terms of housing types available. In the last five years, Canada has added almost 800,000 units in multi-unit condo and rental buildings and 335,000 single-family homes, but little in between. Condo and apartment units are declining in size and number of bedrooms, and are located in high-rise buildings in nodes of concentrated growth.<sup>1</sup> At the other end of the scale, single-family homes are much larger than the traditional starter home, and are increasingly unaffordable and out of reach for many.

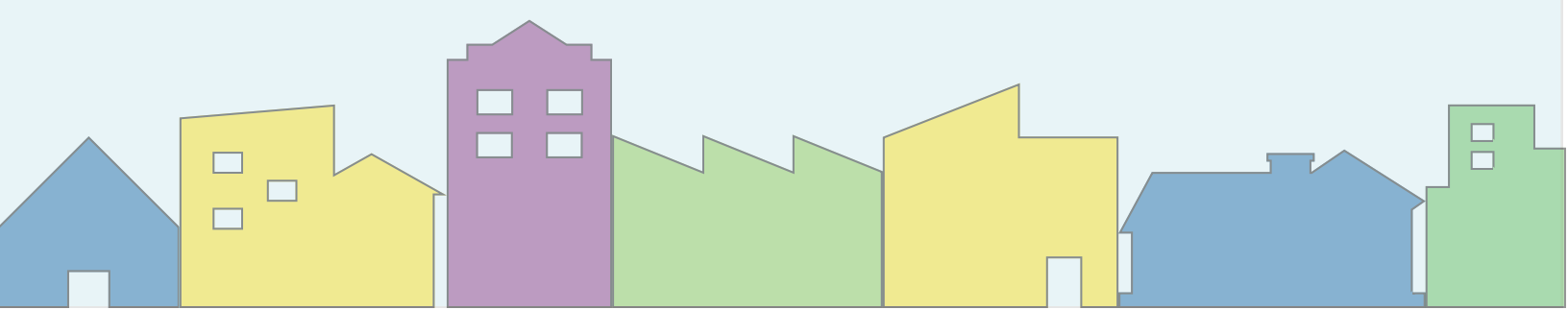
“Tall and sprawl” housing development not only fails to meet affordability and climate goals, it is a mismatch for Canadian families. More “middle” housing is needed to meet demand, such as mid-rise apartment buildings, the so-called “Missing Middle” (triplexes and above) or “Missing Little” (suites added to single-family homes).

### Lack of housing diversity facilitates continued urban sprawl

Not only are small one-bedroom condos not matched to the needs of many households, but they can actually accelerate sprawl; if municipalities continue to meet their intensification goals primarily via high-rise buildings, they facilitate the demand for building more single-family homes in car-dependent greenfields as the only attainable family-friendly housing option available. Middle housing could fill this gap by offering more affordable options for ground-related housing without necessitating long commutes.<sup>2</sup> Surveys show that homebuyers would trade off a large house and yard for a more compact home with access to transit amenities and walkability – but these alternatives need to be created – and prioritized.

### Scaling middle housing options requires more than zoning

By now, most large municipalities across the country have rezoned to allow for at least some Middle housing development. With zoning reformed in most Canadian cities, the challenge now is tackling second-generation barriers like building codes, removing zoning-holdover obstacles and developing programs that offer repeatable designs, financing and other solutions to scale up this form of housing.<sup>3</sup>



## Research and Findings

### Untapped potential for middle income and middle typology

Canada’s residential neighbourhoods are dominated by single-family homes representing the largest land base in our cities, offering untapped potential to intensify in strategic locations.<sup>4</sup> While it may not be the most effective way to produce deeper affordability, middle housing types and mid-rise apartments have huge potential in Canada’s housing supply mix to meet the housing demand of middle-income earners who seek alternatives to the suburban car-dependent lifestyles and for homebuyers who do not want to live in condos. Vancouver’s draft multiplex policy, for example, supports larger unit sizes that can accommodate families. Scaling up this type of housing can go a long way in diverting home-seekers from sprawl, thereby reducing Canada’s fastest growing source of GHG emissions, namely the tailpipe.

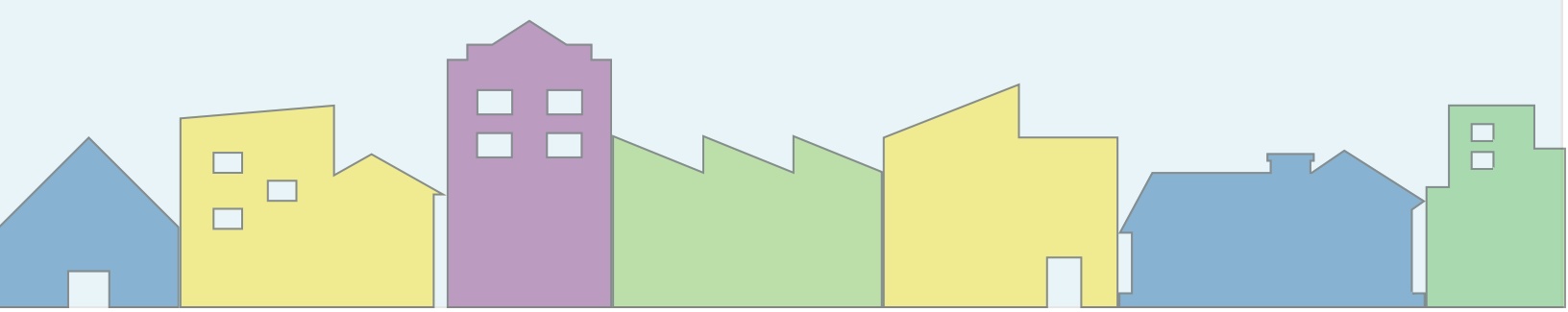
**Table 1: Building Type Composition and Trends**<sup>5</sup>

Building Type	Existing		Built 2018-2022	
	Count	Percentage	Count	Percentage
<i>Single-family</i>	8,096,610	54.1%	335,404	25.6%
<i>Duplex or Semi</i>	1,568,050	10.5%	44,172	3.4%
<i>Row</i>	980,110	6.5%	139,706	10.7%
<i>Apartment</i>	4,334,175	29.0%	788,350	60.3%

Sources: 2021 Census and Building Permit Survey, Stats Canada.

### Middle typologies can yield big supply

- With effective programs, accessory dwelling units (the “Missing Little”) could satisfy 10% to 20% of Canada’s new housing supply targets. It has the potential to be scaled quickly, to produce market-rate housing affordable to middle-income households in otherwise exclusive neighbourhoods, and to provide ground-related alternatives to sprawl.<sup>6</sup>
- Mid-rise buildings have the capacity to achieve 20% to 60% of new housing supply targets throughout the urban and suburban landscape, offering livable alternatives to tall high-rises with densities that support walkability and transit.<sup>7</sup>



## Housing Typologies



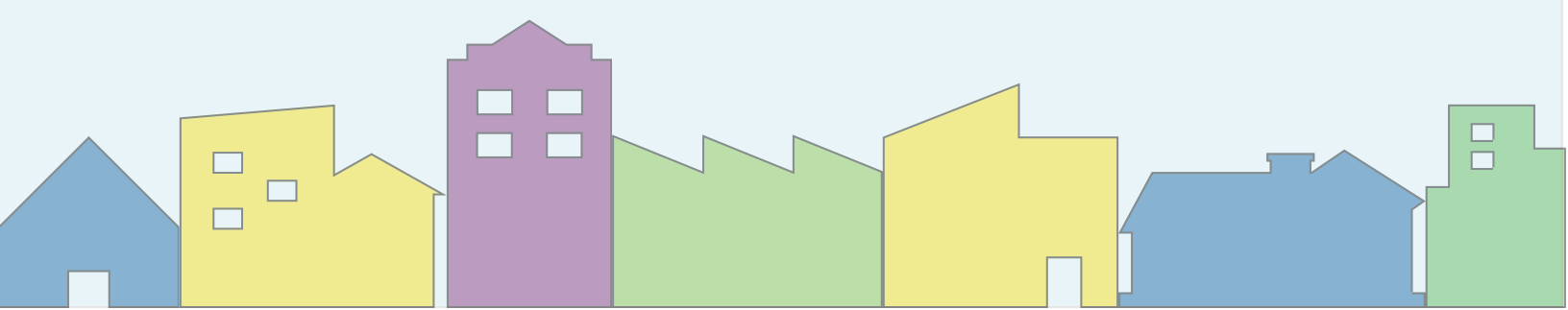
### *Building the “Missing Little”*

**“Missing Little” typologies can save money, time and emissions, while achieving housing targets**

The “Missing Little” is a term coined by architect Michael Piper and includes housing types that can be added to single-family homes or on their parcel of land, for example, converting a basement or garage into a livable suite; building a garden suite or laneway house; or subdividing a home into multiple units without demolishing and rebuilding it. By using existing assets, this option can save money, time and carbon emissions, and if a homeowner is adding the suites, rather than a developer having to purchase the property and rebuild, the land cost is reduced. Replicable and pre-approved designs can reduce time and costs.

Adding one Accessory Dwelling Unit (ADU) to 30% of the suitable properties located within Canada’s eight largest cities could potentially generate over 7% of Canada’s new target housing supply.<sup>8</sup> Similarly, adding one ADU to 10% of the suitable properties located in many Ontario municipalities would meet between 8% and 30% of provincially mandated housing supply targets.<sup>9</sup> Examples of building “Missing Little” housing in Canada show that this is possible. Edmonton built over 9,000 secondary suites over the past decade by streamlining as-of-right.<sup>10</sup> In 2022, 14% of Waterloo’s total new housing supply for the entire region was secondary suites, laneway houses or tiny homes added to existing properties by homeowners – five times the forecasted rate for this typology.<sup>11</sup>

Because the above additions have the potential to be replicated and scaled across neighbourhoods, Missing Little options offer a strong opportunity to add new housing supply in urban areas quickly in the short term. It’s also possible that not-for-profit housing organizations, co-operatives and land trusts could acquire certain of these new properties and offer them as non-market housing. Another benefit: this lighter-touch density has shown to draw less opposition from the community (adding to efficient process).



### The “Missing Little” includes:

**Accessory Dwelling Units (ADUs):** Defined as an additional dwelling unit built in or near a main dwelling unit on the same lot (backyard, laneway, garage, etc.), ADUs have the potential to scale up and provide affordability. California has had major success with ADUs – both in uptake and lower cost – due to its approach to construction and design, with repeatable plans, but also creating programs that make ADUs easy and cost effective to homeowners. With seniors representing the fastest growing demographic in Canada, alternative housing options for older Canadians is critical in the new housing supply.<sup>12</sup>

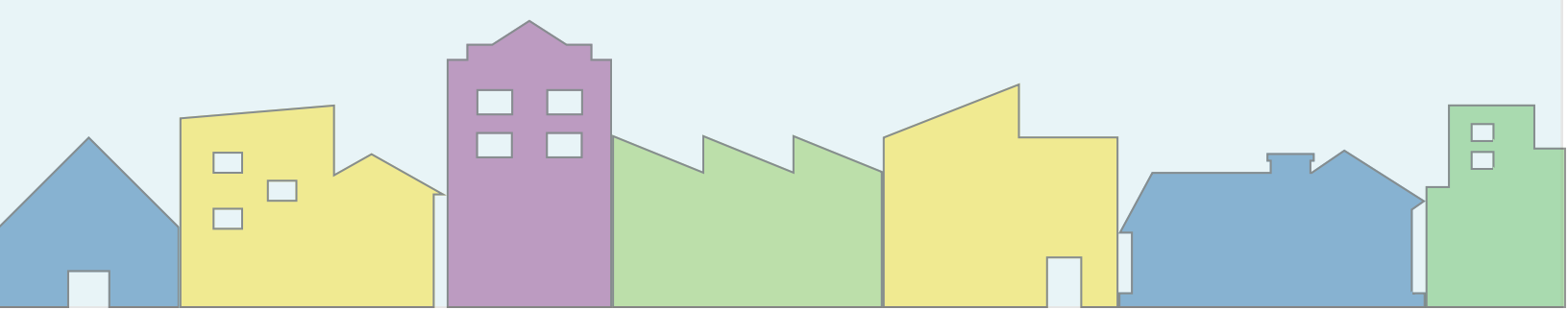
**The “Hidden Middle:”** The house itself offers the potential to add suites within the existing dwelling without having to tear down and rebuild. Basement suites are one well-known example. Above and beyond basements, it’s possible for suites to be added within the existing house via renovations rather than tearing down and rebuilding. A study by ULI Toronto found that this approach yielded the greatest cost-efficiency and rental affordability per unit compared to tearing down and rebuilding a triplex or redeveloping up to ten units on a single parcel or assembled parcel of land.<sup>13</sup>



### *Developing Multiplexes*

**Multiplexes are developed faster than other housing types, making more housing available, quicker**

A growing number of Canadian municipalities are changing zoning to allow multiplex housing, with Vancouver proposing up to six units, possibly up to eight, and Victoria allowing as many as 12 units in some locations.<sup>14</sup> Given the size and complexity of these projects, they are typically undertaken by a developer and involve land costs and rebuilding or adding stories. There is uncertainty about the degree of uptake these programs will have, however triplexes are appearing in many urban neighbourhoods. One of their many advantages is that they’re faster to accomplish: a triplex takes one to two years to deliver, compared to three to four years for a mid-rise, or five to seven years for a high-rise.<sup>15</sup>



Redeveloping just 1% of Toronto’s existing 1.1 million single-family homes into triplexes could create approximately 44,000 new housing units.<sup>16</sup> If Toronto had the same ratio of duplexes to single-detached homes as Vancouver, the city would add 300,000 to 400,000 family-friendly housing units; even more housing would be possible if the entire GGH region had the same share of duplexes as cities like Vancouver or Montreal.<sup>17</sup> Duplex conversions in the GTA along could compose about 7% of the CMHC’s target of creating 5.8 million new homes.

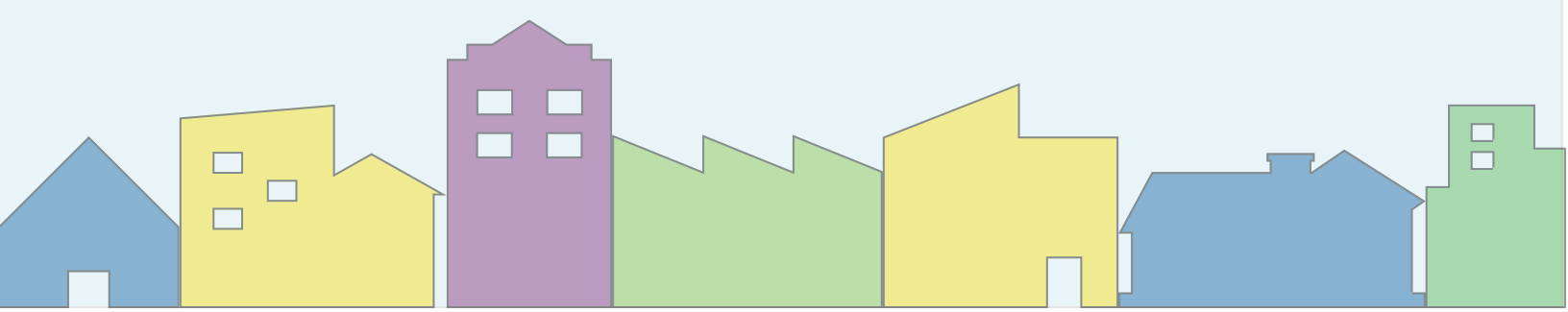


### *Townhouses and Rowhouses*

**Townhouse and rowhouse typologies can add density, increase walkability and support transit**

Townhouses (stacked or back-to-back) and rowhouses in existing residential neighbourhoods, including multiplexes, stacked towns, low-rise walk-up buildings and more, generally of heights of up to four storey’s, can add gentle density, increase walkability and support transit ridership, both in existing residential areas and along main streets in lower-density suburban areas.<sup>18</sup> Walk-ups and townhouses can offer many of the same amenities as single-detached homes, including ground-level entry and access to the front or rear yards, while allowing for more density than single-detached homes. While costly overall, they are more likely to deliver market-rate housing, be it ownership or rental, though arguably with a lower net cost than other ground-related property, such as a house, in the same neighbourhood.

Townhouses along rapid transit corridors could sufficiently accommodate Ontario’s expected population growth over the following 24 years.<sup>19</sup> Townhouses fronting onto municipal streets can provide approximately double the amount of housing per hectare as single-detached dwellings.<sup>20</sup>



## Mid-rise apartment buildings can account for a large share of new apartment buildings

Mid-rise buildings, defined as five to 11 storeys (and often shorter along avenues and neighbourhood main streets), currently account for a growing share of construction starts.<sup>21</sup> Six-storey wood and brick buildings with 150 units do not have the same construction cost as 20-storey concrete buildings with the same number of units, and construction time is shorter for a building with fewer storeys.<sup>22</sup> Eliminating some or all underground parking in transit accessible sites and smaller-scale projects can also reduce construction costs and time to distribute density and scale new supply throughout neighbourhoods.

Projecting forward current trends for multi-unit building construction,<sup>23</sup> mid-rise buildings could account for 50% to 75% of apartment units and lower scale mid-rise (five to seven storeys) along avenues and neighbourhood main streets. With a range of heights, mid-rise can fit nicely into the neighbourhood main-street scale and help intensify smaller communities, as well as accommodate the densities required to support higher order transit such as light rail transit and bus rapid transit.<sup>24</sup>

## Key Recommendations for Middle Housing by the Task Force for Housing and Climate

Top recommendations in the National Task Force on Housing and Climate's *Blueprint for More and Better Homes* include:

- Lease surplus or underused Crown lands to municipal governments and community organizations contingent on building affordable or [middle] housing solutions.<sup>25</sup> (Federal)
- Ensure that the homes that become part of the CMHC pre-include mid-rise purpose-built rentals that are energy-efficient and climate-resilient, using innovative methods such as panelization and mass timber. (Federal)
- Permit as-of-right secondary suites, garden suites, laneway houses, multi-tenant housing (renting rooms within a dwelling) and conversions of underutilized or redundant commercial properties to residential or mixed residential and commercial use. (Provincial and municipal)

# Endnotes

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