



# Greater Ottawa Home Builders' Association

Presentation to NCHCA  
January 28, 2020

# GOHBA in Brief

- 360+ Member Companies
- Builders, Developers, Renovators, Trade Contractors, Suppliers, and Manufacturers make up the core of membership
- 7,500 Homes built in 2017, 2018 & 2019
- \$3 billion invested in new homes
- \$3 billion invested in renovation
- 47,000 jobs

# GOHBA in Brief

- City-wide housing policies
- Focus on Permits, Applications, Development Charges, Planning and Growth & Zoning
- Advocate for housing affordability and the home buyer
- Affordability, Quality and Choice

# Ottawa's Official Plan

- OP guides Planning and Growth to 2046
- December 2019: Preliminary Policy Directions
- March 2020: Intensification # / Land Budget & Criteria
- October 2020: Draft Official Plan / Intensification Mapping

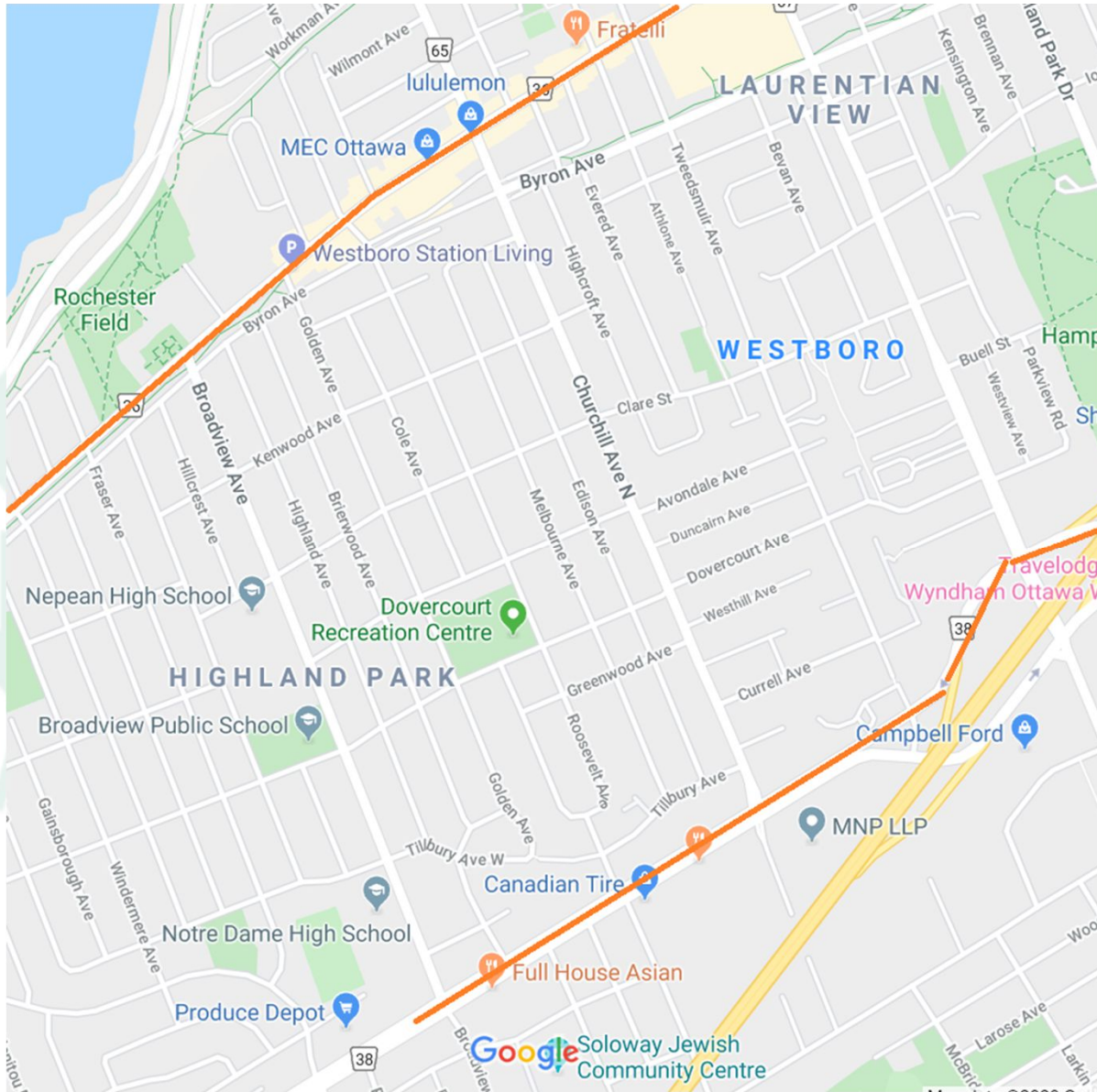
GOHBA

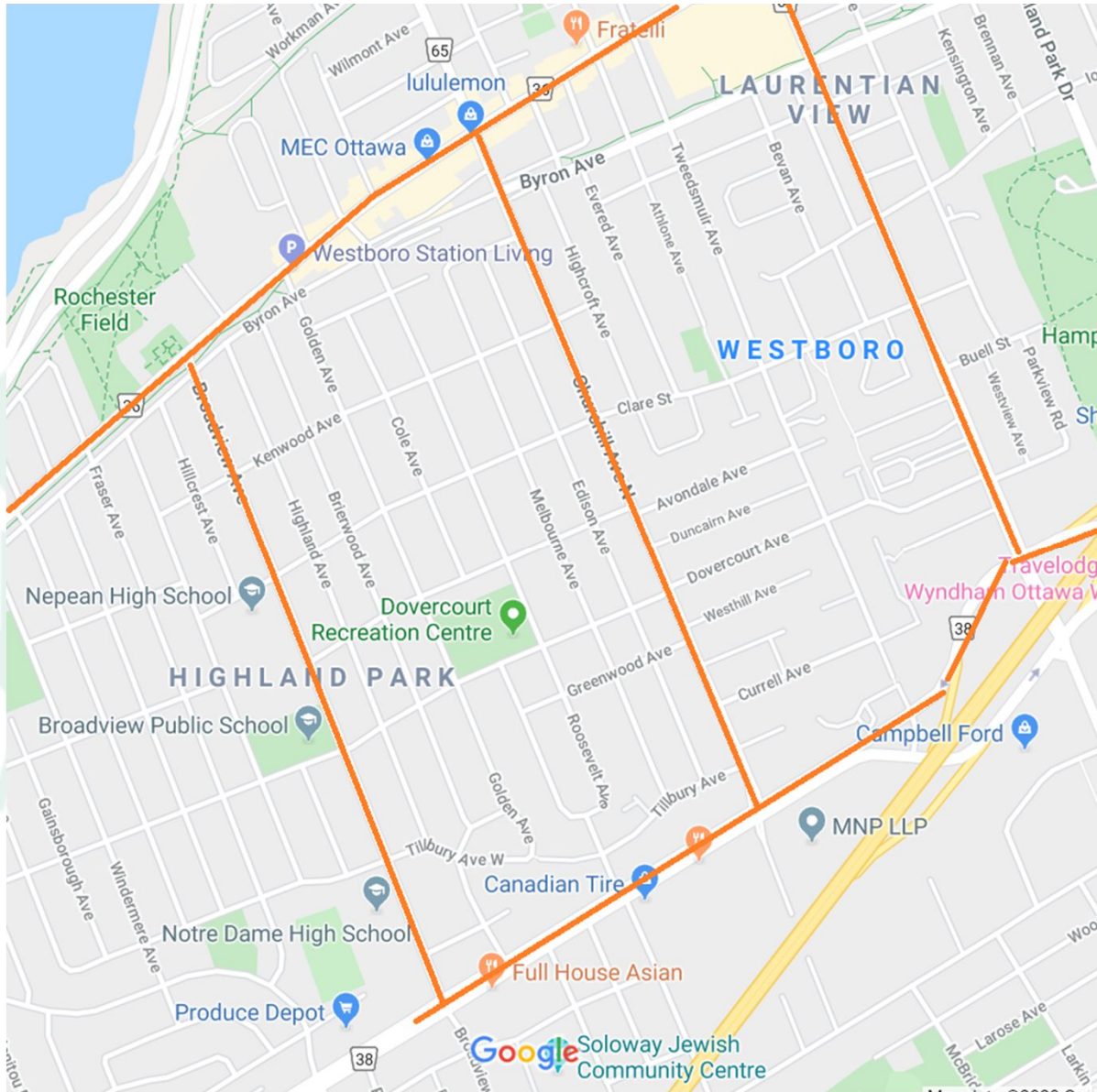
# Official Plan - Intensification

- OP – Intensification Target #
- Grow from 50% to 60% over 10 years
- ? On infrastructure capacity to support densification on land targeted for infrastructure
- IE, “Can the pipes in the ground that use to service 4 small single family homes on a parcel of land now accommodate a large building with 16 units? 50 units? More?”

# Official Plan - Intensification

- City-wide Infrastructure Servicing Analysis be completed – timeline?
- Map of Infrastructure Upgrades
- Zoning: By-law timeframe
- Zoning: Mapping of Hubs and Corridors







# Official Plan - Intensification

Heavy Construction work within the Official Plan to accommodate growth through intensification:

- Infrastructure Servicing Analysis / Map of Needed Upgrades
- Mapping & Zoning of Hubs and Corridors

GOHBA

# Official Plan - Land Budget & Criteria

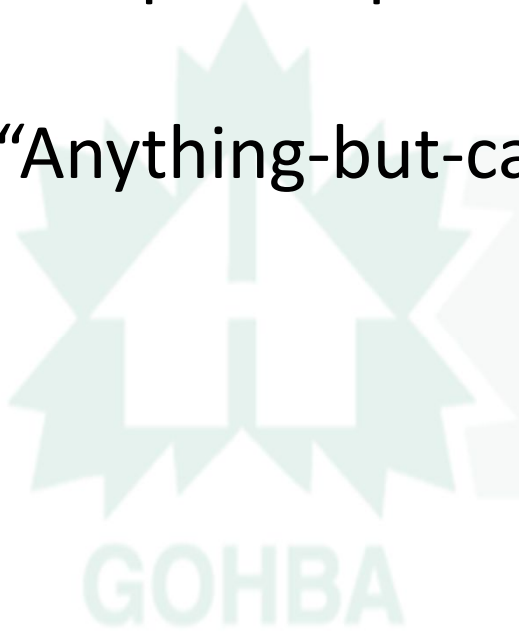
- March 2020: Number of hectares to add to Urban Boundary
- Enough land for 195,000 new homes – 1/3 Singles, 1/3 Townhomes, 1/3 Apartments (small, mid and highrise)
- Expansion Lands Selection Criteria:
  - Engineering / Serviceability
  - Transportation / Proximity to Higher-Order Transit
  - Land Absorption (current years of supply)

# Official Plan – New Communities

- Increased Density Target of 36 units per hectare
- Only minimum will be 10% apartments – no minimums for any other housing types
- Direction: to “avoid the cumulative impacts generated by high concentrations of narrow-frontage, front-driveway housing types”
- Timing of new development is contingent on the provision of new higher-order transit to serve it / minimum thresholds of service (starting with day-one rapid transit availability) before planning for new expansion lands can begin

# Official Plan – Transportation Master Plan

- Complete April 2022
- “Anything-but-car” transportation infrastructure



# Official Plan – Climate Change Master Plan

- New 2025, 2030 and 2040 corporate targets to reduce GHG emissions 100% by 2040 below 2012 levels
- New 2025, 2030, 2040 and 2050 community targets to reduce GHG emissions 100% by 2050 below 2012 levels
- Pathways: New & Existing Non-Residential Buildings; Demand Side Management and Energy Storage; Transportation; Solid Waste, Wastewater and Other Waste Sources

# Official Plan – Climate Change Master Plan

## Priorities:

- Apply a climate lens to asset management and capital projects.
- Explore the feasibility of setting corporate carbon budgets.
- Explore carbon sequestration methods and the role of green infrastructure.

# Official Plan – Parking/15-min Neighbourhoods

- More “Walkable” / 15-minute neighbourhoods
- Reduce reliance on car use
- Focus on housing typologies that do not include parking on-site.
- Approach parking as an interim use of land

# Official Plan – Parking/15-min Neighbourhoods

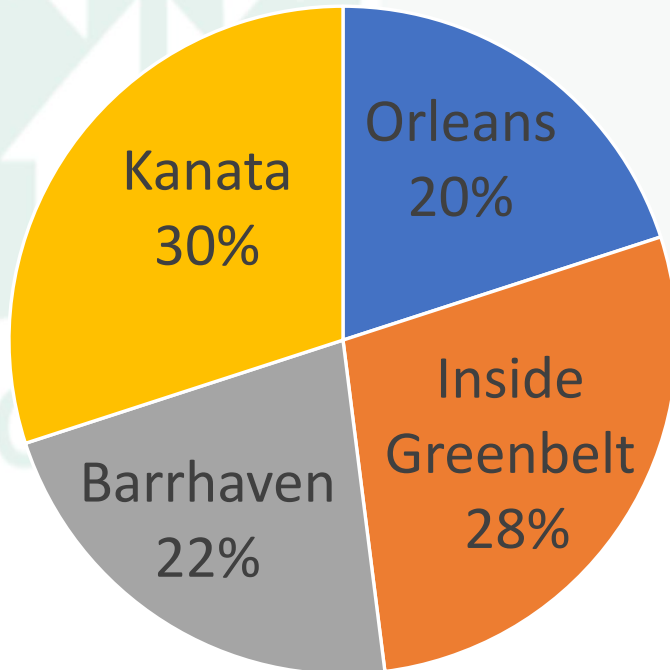
## Parking options:

- Parkades with retail on the main floor and parking on higher floors
- Small community or neighbourhood parking structures (Bank between 2<sup>nd</sup> and 3<sup>rd</sup> Avenues)
- Micro parking site for a designated cluster of homes

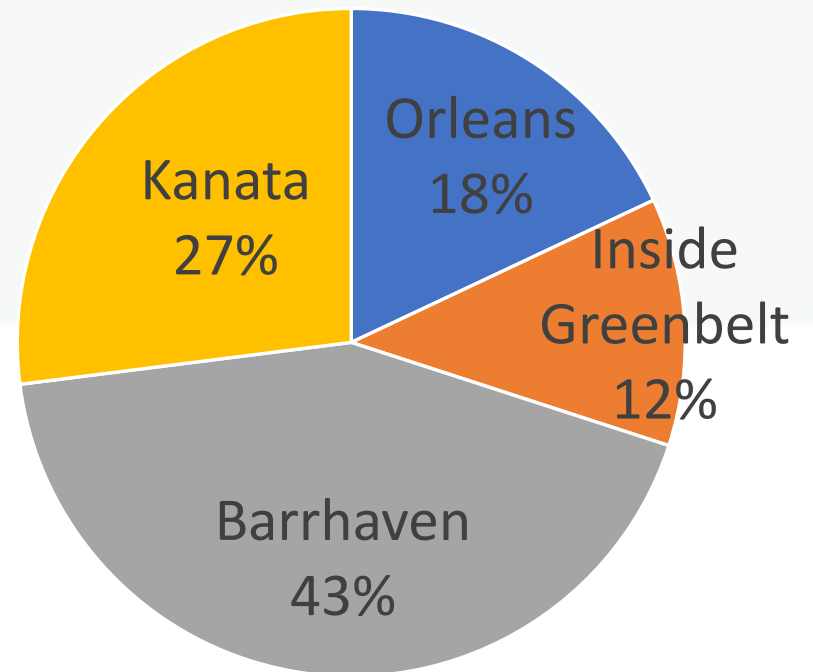


# New Home Patterns

## Distribution of New Home Sales 1999

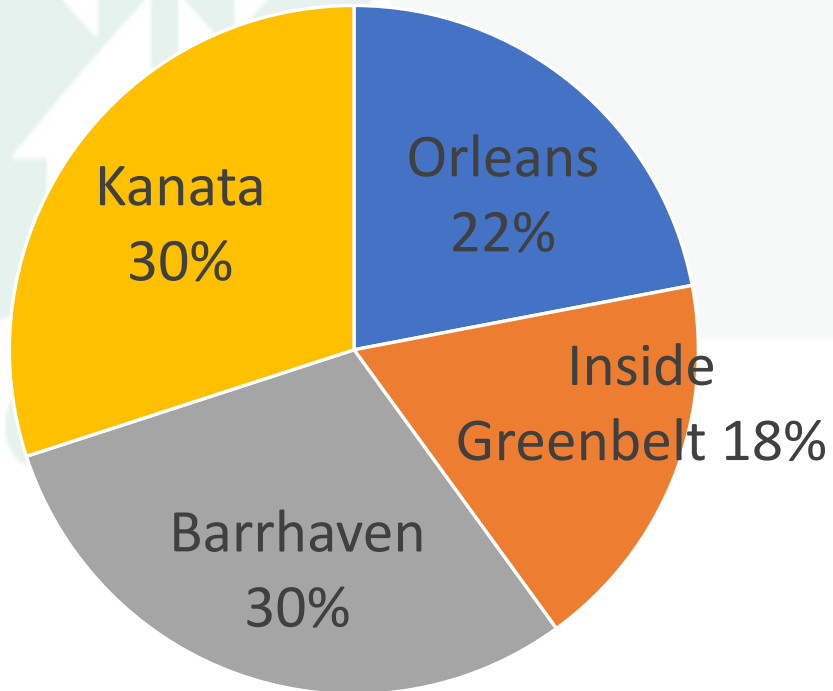


## Distribution of New Home Sales 2019

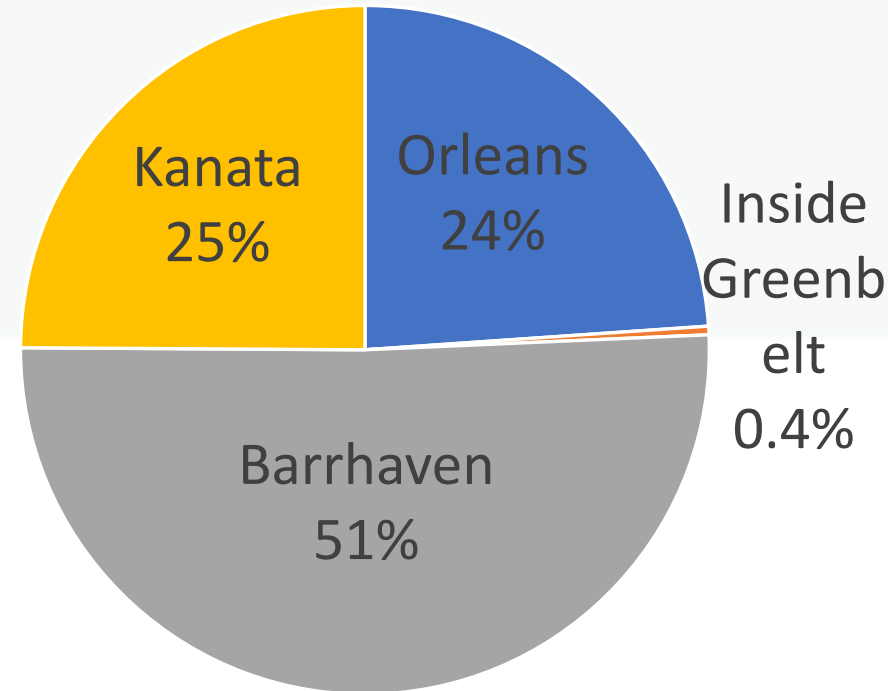


# New Home Patterns

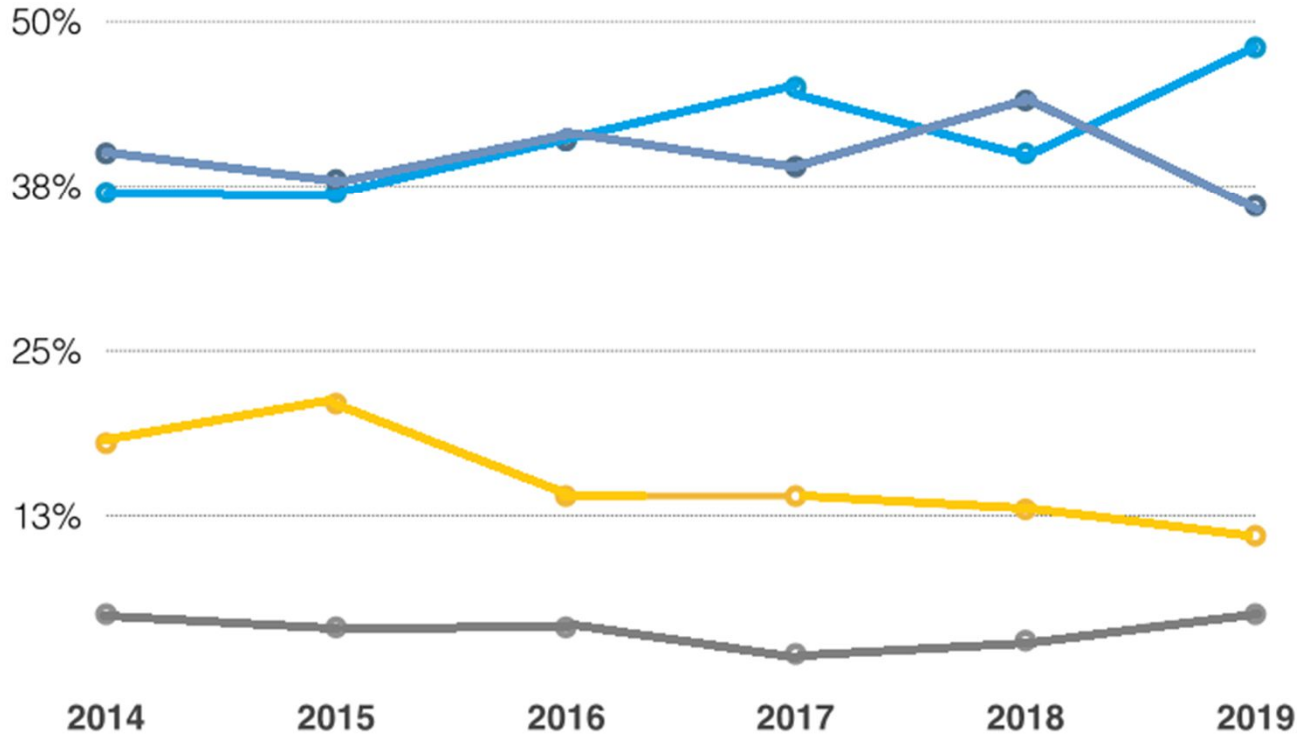
Distribution of New Single-Family Sales 1999



Distribution New Single-Family Sales 2019



# SALES BY PRODUCT 2014-2019



2019	2018
Single 36%	Single 44%
Townhome 48%	Townhome 40%
Condo Apt 11%	Condo Apt 13%
Condo Town 5%	Condo Town 3%



IN 2019...

SINGLE FAMILY HOMES IN OTTAWA  
HAD AN AVERAGE PRICE OF

**\$610,517**

**↑ 8.4% FROM 2018**



IN 2019...

TOWNHOMES IN OTTAWA  
HAD AN AVERAGE PRICE OF

**\$434,030**

**↑ 11.8% FROM 2018**

# New Homes in 2020

## Sales

- Ottawa continues to be one of the hottest markets in Canada.
- 
- High level of consumer demand for homes
- Significantly reduced Resale inventory
- Continued fast price growth in 2020

# New Homes in 2020

## Borrowing

- Rate 1.75% since October 2018.
- Mortgage rates in 2020 could be the lowest rates yet
- Stress test hasn't had the same impact in Ottawa as larger centres
- Minister ordered to “review”

# New Homes in 2020

## Supply

- Home sales show no signs of slowing down
- Need supply of lower density product in resale and new
- Housing affordability could continue to deteriorate



# New Homes in 2020

## Prices

- Ottawa advantage / most affordable city to buy a home
- Speculative phase with condo and residential
- Current average household income of \$110,000
- Average price of \$550,000 to \$575,000 could throw off balance of household income and house price

# New Homes in 2020

## Immigration

- 70% jump since 2015
- Newcomers purchase 1 in every 5 homes sold
- Shifting proportion of sales between single detached and townhomes

# New Homes in 2020

## Multi-family Homes

- Ottawa won't be dominated by high-rise
- Low vacancy & low supply has been driving up rental fees
- Purpose-built rentals a growing segment

# New Homes in 2020

## Investors

- Increase in local and non-local investors
- Focus on condos, towns, multi-family units
- Additional pressure on supply

# New Homes in 2020

## Recession

- Business cycles average 120 months / Current cycle is 127 months
- Ottawa will be affected but not nearly as hard as other major markets
- Local housing market fundamentals are good

# Recommendations for NCHCA

Watch the Official Plan:

- Infrastructure Servicing Analysis / Map of Needed Upgrades
- Mapping & Zoning of Hubs and Corridors
- Transportation Master Plan
- Climate Change Master Plan

# Recommendations for NCHCA

## Watch Home Building Trends:

- Proportion of Housing Type moving forward / Infrastructure Needs by Housing Type
- Reduction on parking both in new communities and infill
- Investors / Immigration / Rental / Multi-family