



Micro-housing to Promote Housing Affordability

INTRODUCTION

Significant barriers exist for the homeless and other vulnerable communities in the Greater Toronto and Hamilton Area (GTHA) in the acquisition of affordable housing. A growing number of towns and cities across North America and Europe have constructed micro-housing units as a solution for those seeking and transitioning to more stable housing options. Micro-housing options have shown success in some jurisdictions for providing low-barrier affordable housing. In Toronto there are a few examples of constructed higher-end micro-suites where affordability is typically not achieved. The viability of micro-suites as an affordable housing strategy is not thoroughly understood and there are persistent knowledge gaps on the regulatory, technical and cost fronts.

PROJECT OVERVIEW

The research objectives were to: 1) identify strategies and/or recommendations for changes or supports to address implementation barriers; 2) explore development planning issues that prevent development of micro-suite projects; 3) summarize potential building code and design issues; 4) consolidate stakeholder perspectives regarding the implementation of micro-suites within existing communities.

KEY FINDINGS

- There are positive examples of micro-suites used as supportive housing for vulnerable demographics, secured market rentals, and market ownership units. Micro-suites have housed seniors, students, and working professionals across a range of age and income groups.
- The opportunity for micro-suites to provide a cost-effective housing option is most apparent for non-market community housing and immediate housing relief for vulnerable individuals.
- Regulatory barriers related to zoning, explicit minimum area requirements, parking requirements, open- and common-space requirements, and unit-mix requirements were found to prevent micro-suite developments, increase costs past the point of financial feasibility, or push development to occur only in certain types of buildings.
- The housing market in Toronto is already very good at producing studio and 1-bedroom units. The opportunity is in moving forward, for affordable micro-suites to occupy some share of the conventional studio and 1-bedroom mix as the population grows, and more individuals opt to live alone.
- There is some evidence to suggest that micro-suites in market-ownership condominiums can have a resale price that is more affordable than conventional units, but that affordability is somewhat eroded when the unit is rented out on the secondary market (i.e. when it is purchased as an investment property and rented out to a tenant).

Fast Facts

- Research from the United States showed that 24% of conventional renters that are under the age of 34, making less than \$40k, and living with roommates would be interested in renting a micro-suite.
- Post-occupancy surveys in one Vancouver micro-suite development showed that 84% of tenants were either very satisfied, satisfied, or neither satisfied nor unsatisfied, with their micro-suite.
- Micro-suite tenants see size as an acceptable compromise to achieve affordability, location, and the ability to live without roommates.
- Micro-suites can incorporate thoughtful design features and building amenities that support livability and the well-being of tenants.

Micro-dwellings can also be a model of sustainability with buildings constructed to meet the Passive House standard for relatively small cost premiums. Shown below is Indwell's Parkdale Landing Building.

Hamilton-based *Indwell* provides an excellent case study of micro-suites being used in a cold-climate to provide shelter for individuals in housing need.



Credit: George Qua-Enoo

IMPLICATIONS FOR THE HOUSING INDUSTRY

In terms of affordable micro-suite market rentals, the recommended next steps for cities is to follow the example of other jurisdictions and conduct pilots. As part of a pilot, cities should find allies within the community, and incorporate different measures to build community interest and involvement, and consider relaxing regulatory barriers conditionally based on established design and affordability criteria.

Micro-suites can achieve deep levels of affordability, however the challenge for cities is in defining and encouraging buildings with the optimal balance of rent affordability, unit size and building amenities. This must come through knowledge sharing with other jurisdictions and additional research. From affordability, to environmental sustainability, to intensification, the micro-suite concept has potential to address many of the challenges facing the affordable housing sector.

FOR MORE INFORMATION

Full Research Report

Micro-housing Barriers, Issues, and Opportunities to Promote Housing Affordability in Toronto and Other Canadian Cities, May 2020

https://eppdscrmssa01.blob.core.windows.net/cmhcprodcontainer/sf/project/archive/publications/nhs/research_and_planning_fund_program/nhs-microhousing-final-07072020.pdf

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