

Issue

The current housing crisis across Ontario is exacerbated by a significant gap in medium-density housing options, also referred to as “Missing Middle” (MM) housing. Systemic barriers and market dynamics have limited affordability, diversity, and the availability of family-sized housing, leaving many residents without homes that meet their needs. Addressing this issue requires a multi-faceted approach, including policy reforms, financial incentives, and community engagement to encourage the development of MM housing.

Key Messages

- **Demand-Supply Gap:** High demand for MM housing, but there is a market focus on high-rise developments due to higher profitability.
- **Systemic Barriers:** Zoning restrictions, financial challenges, and lengthy approval processes hinder MM housing development.
- **Policy Innovations Needed:** Simplified zoning, financial incentives, and demonstration projects can promote MM housing.
- **Community Involvement:** Public consultations are essential for aligning housing development with community needs and addressing public resistance.

Background

- **Missing Middle-Housing:** Housing types that offer moderate density, something increasingly absent in urban development.
 - Essential for walkable communities and meeting the needs of middle-income households.
 - Duplexes, fourplexes, townhouses, multiplexes, triple-stacked, live-work, etc.
- Ontario focuses on single-detached homes or high-rise apartments, creating a lack of diverse housing options that accommodate different household incomes or needs.
- More affordable housing is in high demand; there are 1400 encampments across Ontario, and citizens cannot afford currently vacant properties (see Figure 1).
 - MM housing has the potential to integrate seamlessly into existing neighbourhoods, also promoting walkability and community vibrancy.

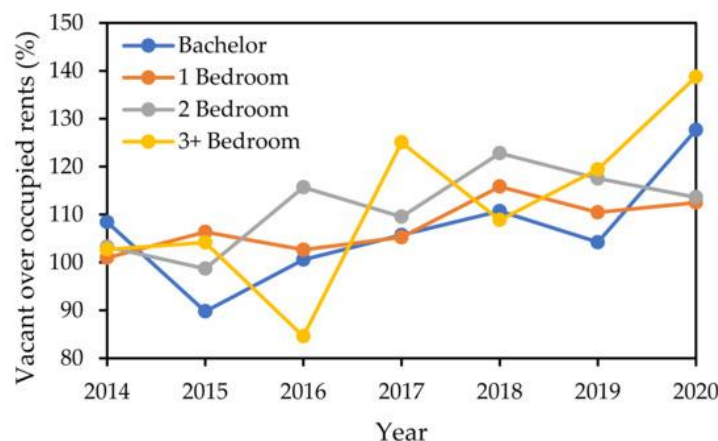


Figure 1. *Premium of vacant rents over occupied rents by year in Kitchener–Waterloo–Cambridge CMA.*
Copyright 2022 by CMHC.

Housing Crisis: Missing “Middle-Housing”

- **Ontario’s “More Homes Built Faster Act” (2022):**
 - Promotes “gentle intensification” through As-of-Right permissions (property owners can develop up to three residential units per lot).
 - Overrides restrictive municipal by-laws to facilitate MM housing in fully serviced settlement areas.
 - AMO has expressed concerns about increased financial burden towards taxpayers. There are also concerns about centralized control over local planning decisions causing limited public consultation and appeals.
 - Better policies and reforms are critical to supporting efficient home developments while considering citizens’ needs and concerns.

Considerations

- **Financial and Approval Challenges:**
 - MM projects are expensive and slower to develop, discouraging investment and complicating project approval for these homes.
- **Community Resistance:**
 - NIMBYism (“Not in My Backyard”) shows resistance against people living in affordable housing or emergency shelters, e.g., potential increases in density and inadequate infrastructure.
 - Valid/reasonable public opinions concerns/opinions need to be addressed, without derailing a housing project.

Recommendations

- **Policy Reforms:**
 - Simplify zoning laws to encourage MM housing development and introduce financial incentives to reduce costs and delays.
 - Ensure flexibility when planning and develop strong urban design guidelines to match neighbourhood needs and infrastructure capacity.
- **Pilot Projects and Community Engagement:**
 - Launch pilot projects of diversified types of MM housing and community servicing (particularly in rural areas) to showcase successful MM housing and demonstrate their integration into communities, for example:
 - **Urban Areas** – Multi-unit modular housing integrated with community hubs; addresses density challenges while promoting affordability.
 - **Rural Areas** – Small-scale modular housing clusters with shared amenities to support workforce housing and local economic development.
 - **Northern Regions** – Modular housing pilots that accommodate for extreme climates and sustainable, off-grid solutions.
 - Foster public consultations to gather feedback, address concerns, and ensure housing developments reflect community needs.
- **Resource Support for Municipalities and AMO:**
 - Equip municipalities with resources and guidance to implement MM housing-friendly policies and toolkits.
 - This support structure allows municipalities to better handle strategies around policy and program development, as well as managing any changes in demands from housing developments.
 - Review literature or research on varying issues surrounding NIMBYism and MM housing to gain better understandings of both issues surrounding MM housing

Housing Crisis: Missing “Middle-Housing”

and developing solutions to accommodate for more residents.

References

- CMHC. (2022). *Rental Market Survey 2014–2020; Canadian Mortgage and Housing Corporation: Ottawa, ON, Canada*. <https://www.cmhc-schl.gc.ca/en/professionals/housing-markets-data-and-research/housing-data/data-tables/rental-market/rental-market-report-data-tables>
- Evenson, J., Cancelli, A., Matthews-Hunter, K., German, M., Fader, F. (2018). What is the Missing Middle? A Toronto Housing Challenge Demystified. *Canadian Urban Institute and Evergreen*. <https://canurb.org/publications/what-is-the-missing-middle-a-toronto-housing-challenge-demystified/>
- Haines, G., Aird, B. (2018). Finding the Missing Middle in the GTHA: An Intensification Case Study of Mississauga. *Ryerson City Building Institute*. https://www.torontomu.ca/content/dam/city-building/reports/Finding_the_Missing%20Middle_FINAL.pdf
- Jacek, M., & Cherry, B. (2022). More Homes Built Faster Act Policy Update. *Association of Municipalities of Ontario*. <https://www.amo.on.ca/advocacy/health-human-services/more-homes-built-faster-act>
- Ministry of Municipal Affairs and Housing. (2022). *Opportunities to increase missing middle housing and gentle density, including supports for multigenerational housing*. <https://ero.ontario.ca/notice/019-5286>
- Ontario Human Rights Commission (n.d.). <https://www3.ohrc.on.ca/en/zone-housing-human-rights-and-municipal-planning/overcoming-opposition-affordable-housing>
- Opticos Design. (2024). Missing Middle Housing. <https://missingmiddlehousing.com>
- Parker, D. C., Sharif, S. V., & Webber, K. (2023). Why Did the “Missing Middle” Miss the Train? An Actors-In-Systems Exploration of Barriers to Intensified Family Housing in Waterloo Region, Canada. *Land* (12)2, 434. <https://doi.org/10.3390/land12020434>