

# Deconstructing the Housing System



**Understanding the Housing Affordability Crisis and the Ways to Solve It**

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To the family that got me here, and to the primary advisor who guided me through this process, thank you for your continuous support and guidance.

***To God be the glory, now and forever.***

# ABSTRACT

Canada has been facing a housing affordability crisis for the last decade. However, housing has become unattainable for most markets due to multiple factors in the last five years. Though many believe the solution lies in building more homes, there may be more aspects of the system that continue to perpetuate problems like a housing crisis. In this paper, we will be analyzing housing as a system and deconstructing it to see its shortcomings of the system. In doing so, this paper hopes to address the complexity by understanding the different layers of the problem and understanding the different leverage points to change it.

**Key Words:** *housing affordability crisis, Canadian housing system, leverage points, interventions, housing types*

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## Section 1:

# Introduction



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According to politicians, housing experts, and the Canadian Housing and Mortgage Corporation (CMHC), Canada has been undergoing an “affordable housing” crisis for the last ten years; the crisis being at its worst for the last two years. Many have various assumptions as to what the problems are and how to solve the crisis; some have argued that increasing the housing stock can fix the overheated housing market, while others believe the solutions should be focused on changing policies and programs to make homeownership more accessible to Canadians. All these solutions, have the potential to respond to the different symptoms in the housing system, but these solutions do not address the root causes of the issues we are experiencing.

Part of the problem is the way we have defined the crisis; an affordable housing crisis suggests that the issues are mainly around the costs of housing; currently, housing is considered unaffordable because Canadians are spending more than 30 percent of their household income on housing. Though this is true, this paper will argue that the crisis showcases a deeper problem by arguing that Canada is experiencing a housing

affordability crisis. Not only is there a low affordable housing supply and increasing prices of housing, but there is also an increase in housing associated costs. These issues and the crisis have been caused by the complexities and imbalances within the system such as the “established laws, institutions, and social practices” (Hulchanski J. D., Rethinking Canada’s Housing Affordability Challenge, 2005, p. 3) that construct the housing system. The housing system is facing a systemic issue that has led to major consequences such as an inaccessible object and a speculative commodity that no longer serves everyone (Hulchanski J. D., Canada’s Dual Housing Policy, 2007; CBC News, 2019). In this paper, we will explore the housing system, its complexities, and the shortcomings within the system through the deconstruction method. By understanding the system, this paper also hopes to uncover the interventions to alleviate the stressors within the system for system adaption.

## Summary of Topics

To best deconstruct the Canadian housing system, this paper will be organized into two major sections:

► **Understanding the Canadian Housing System and the Problems Within It:** In this section, we will be focusing on several aspects of the Canadian housing system. Such as the historical contexts of the Canadian housing system uncover how it was built and its original goals. Secondly, we will introduce an overview of the Canadian housing system, an introduction to the network of actors that operate within it as well as the power dynamics that influence the relationships between these actors. As well, in this section, we will identify the key problems impacting the Canadian housing system. These shortcomings are the

financialization of housing, the push and pull of the housing supply and demand, the land use and zoning laws that impact the building of diverse housing types, and the homeownership as a social phenomenon.

► **Interventions in the Housing System:** In this section, we turn the leverage points into interventions to alleviate the shortcomings of the system. For instance, developing a paradigm shift to change the way we think about the system, addressing housing issues through financial models, and diversifying the housing stock with different housing designs and types.

## Methodologies and Innovation Tools

In this paper, we are focusing on understanding a system to identify its shortcomings and uncovering ways to modify it. To do so, is to deconstruct the housing system. This paper will use several design approaches to do so. First, the focus of this project is to understand the housing system through systemic design and its tools such as actors maps, influence maps, causal loop diagrams to help understand the key shortcomings of the system, and to the leverage points to uncover the best ways to intervene in the system. Secondly, this project uses design thinking methodology and tools such as business model innovation to help guide the financial models (see [Appendix C: Conceptual Business Model Canvases](#))

and value propositions to understand the different people that are being served through those business models (see [Appendix D: Value Proposition Canvas](#)). The third method mentioned in this project is foresight. The affordable housing crisis has not only impacted the present but has implications for the future.

Understanding the different housing trends allows us to better design the system to respond to the changes within it. Through trend analysis (i.e., looking at the social, technological, economic, environmental, and political implications), we will be able to understand the future implications of housing in the system.

## Research Question(s)

Using specific examples from Toronto and the larger Canadian context, this paper seeks to understand the overall housing system while address housing affordability directly.

To do so, the research will attempt to answer the following questions:

- ▶ **How might we (HMW)** create a housing system that serves everyone regardless of socio-economic or housing situation (ex. homeowner or renter)?
  - **How might we (HMW)** create

a housing system that focuses on providing a social offer that can serve and build communities while supporting their needs?

- **How might we (HMW)** develop a housing system that is able to balance the diversity of financial, political, and social aspirations within the system?

## Section 2:

# Understanding the Canadian Housing System and the Problems Within It

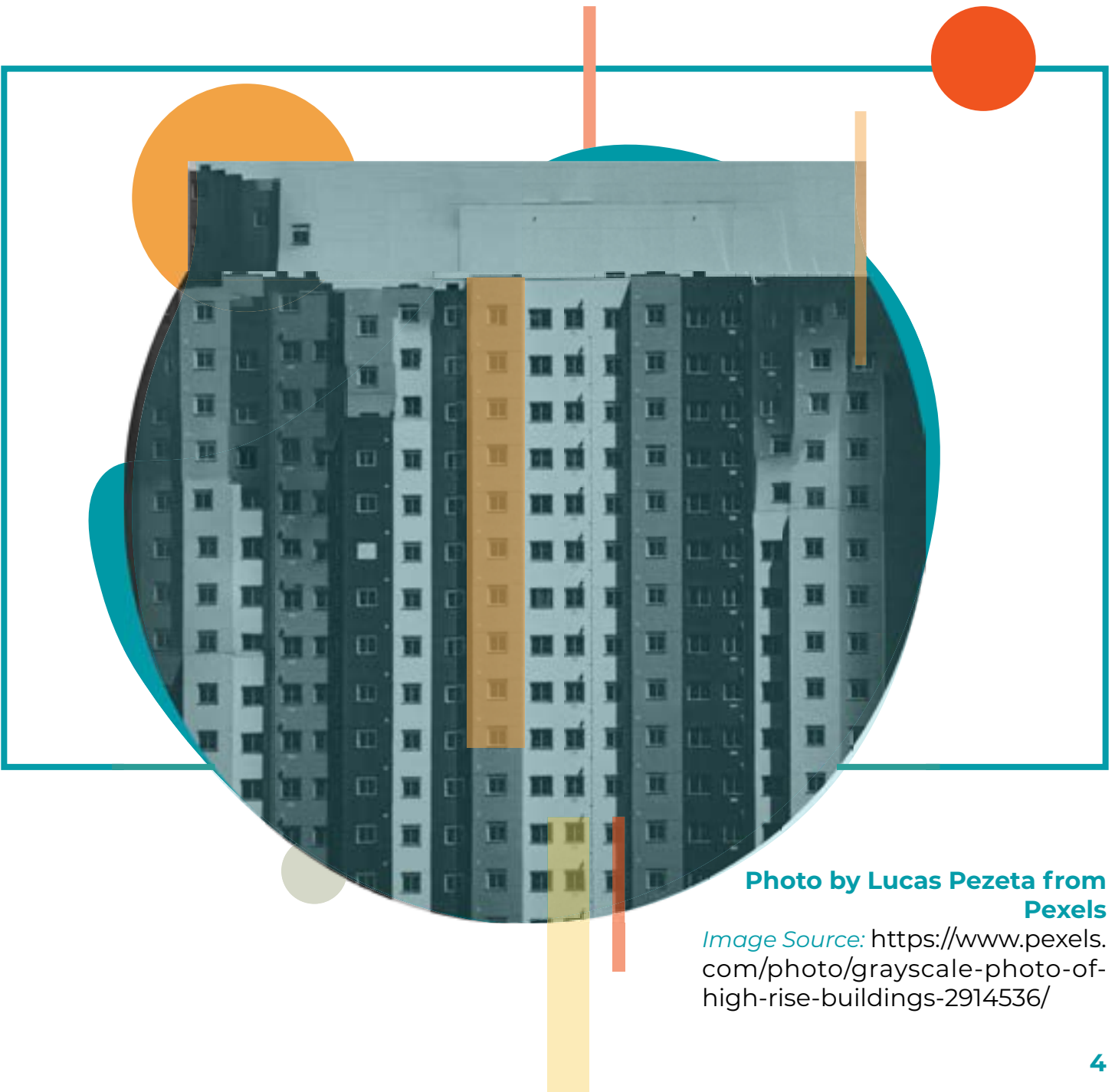


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In this section, we will focus on setting the stage of the Canadian housing system and highlight the different problems that have occurred within it. To do so, this section will be separated into three key parts.

In the first section, Key Historical Context of the Canadian Housing System, we will discuss the genesis of the housing system in Canada to understand how we got to the current housing affordability issues. In this section, we will only cover key developments, such as the development of housing policy, the transformative years of the 1970s, and the development of new housing typologies to address housing needs for Canadians, and some of the concerns that have impacted our current housing system and crisis. Also in this section, we will uncover the key functions and goals of the system.

In the next section, An Overview of the Canadian Housing System, we will begin to see the system; through the systems tool such as the actors map and influence map, will also uncover the different actors and stakeholders as well as the role they play within the system. In this part of the section, we will begin to see the imbalances within the system, specifically, the power dynamics and poor collaboration between actors like developers and its impact to the system.

In the final section of this section, Key Problems Impacting the Current Housing System, we address some of the key shortcomings within the system that have caused the housing affordability crisis. This section is divided into four parts: the housing industry: housing as a commodity; housing as a means a supply and demand; land use, zonings laws and regulations; and homeownership as a social phenomenon. Through causal loop diagrams, we will review how these different issues have caused an affordability and accessibility issue in the current housing system.

Through this overview and problem articulation, we will be able to see the systems inability to fulfill its purpose – to serve people and to provide housing as a social offer. Allowing us to then articulate keyways to intervene in the system to make a more

balanced and accessible housing system.

## Key Historical Contexts of the Canadian Housing System

Canadian affordable housing policy was established in 1919, but it was not until the late 1930s that Canada developed a comprehensive housing policy strategy. Through the Great Depression and World War II, the National Housing Act of 1938 and 1944, helped individuals not only obtain homes through housing programs (Prince, 1995, p. 725), it also helped bolster the economy through providing payouts to private institutions for them to build homes (Prince, 1995, p. 772), including the construction of low-rent housing (McAfee, 2006). During this time, the affordable housing premise became realized, housing was considered affordable if the housing cost less than 30 percent of a household's income before tax. By following the Keynesianism model to develop housing policy, the government was tasked to "adjust taxes and governmental spending to stimulate the demand for goods and services when the demand is deficient and to constrain demand when it is excessive in relation to the productive capacity of the economy" (Prince, 1995, p. 725). Through housing policy, the government used spending programs to be able to bolster the need while controlling the demand. However, many housing experts suggested these housing measures may have bolstered macro-economic growth but failed to help impoverished communities (Prince, 1995, p. 727). To continue to support the housing programming and policy, the Canadian Mortgage and Housing Corporation (CMHC) (which was once known as the Wartime Housing Corporation) was created to help "stimulate the private housing market by providing mortgage money and favorable interest rates to encourage homeownership and the construction of limited-dividend rental housing" (McAfee, 2006). The CMHC was also tasked to provide social housing for lower-income households, seniors, and those with disabilities (McAfee, 2006).



Housing in the 1960s to 1970s changed because governments began investing more money into building social housing projects. For instance, Toronto in the 1970s, was centered around redevelopment to become a diverse urban centre, but later decided that Toronto should be focused on building neighborhoods with mixed income households and diverse types of housing. During this time, in Canada housing became a shared responsibility between the federal, provincial, and municipal governments, as the costs for supporting the building of social housing and the federal government priorities slowly began to stray from solely supporting housing (McAfee, 2006). This allowed for the private and the non-profit sector to be more involved in the housing system and to support housing needs directly, while also developing new types of housing or housing typology like cooperatives and subsidized housing. Especially in cities like Toronto, aiming to deal with their own housing crisis at the time, many co-operatives were built near the downtown core like the Bain Co-op or the co-operatives within the Esplanade.

In the early 1970s, the provincial governments began to introduce the condominium housing types as another form of homeownership and rental. This led to condominium developers to be in direct competition with rental developers in major cities like Toronto (Alini, 2021). Overtime, condominiums began to replace rental homes in the new remodeling of major cities. For instance, in cities like Toronto, Jane Jacobs described that at this time there seemed to be this desire to create skylines and architecturally interesting buildings rather than neighbourhoods centered around community (Jacobs, 1958, p. 126). Later in this decade, governments and housing organizations began to focus their intentions on supporting families and individuals to become self-sufficient and become less reliant on social housing programs (Prince, 1995, p. 722). So, the CMHC developed the housing continuum – where non-profit organizations and the CMHC focused on transitioning individuals from emergency shelters, transitional housing, supportive housing, subsidy housing to market rent or homeownership (Canadian Home Builder's

Association, 2019).

Many of the interventions such as the Keynesian approach to housing as well as the need to financially maintain and build affordable housing for Canadians in housing need, has caused the push and pull referred to as the housing supply and demand. Housing supply refers to the “amount, type and cost of housing” (McAfee, 2006), in other words, the availability of land, the diverse housing types in an area, and the price of these housing. The governments grants and programs would attempt to support the development of this through the building of homes and affordable options. While the “number of households, their income and housing requirements describe the “demand” side of housing” (McAfee, 2006). Currently, the focus is developing different housing supports for future homeowners to manage supply and demand. For instance, through supportive Canadian homeowner programs and policies, like the tax-exempt Registered Homeownership Savings Plans, the Assisted Homeownership Program, and amendments to the Income Tax Act that exclude principal residences from capital gains tax (Begin, 1999), Canadians are encouraged to seek homeownership. For renters and affordable housing, government supports are given to developers to facilitate the building of rent-geared income or subsidized housing (Begin, 1999).

Since the 1970s, co-operatives are not as frequently made as it once was in the past. Financial support for the building of new homes, renovation and maintenance of older ones, and the lowering of interest rates or borrowing costs keep the housing market afloat (The Investopedia Team, 2021). However, this forms the beginning of the present crisis, as supply may increase, however demand is not being met. The issue from the past to now, is the type of demand that needs to be met. From the 1930s until the early 1980s, governments were able to provide homes and public or social housing, however, they were unable to foster community, whether intentionally or unintentionally, as they created ghettoization and isolated communities (Begin, 1999), by not providing a comprehensive and diverse social offer for

for all Canadians, which integrated ownership, rental, and subsidized options for all.

Historically the housing system has been developed for three circumstances: one, to support the housing industry by supporting developers and construction of homes and types of homes; two, to support governments and non-profit organizations in developing housing for those in housing need; and thirdly, to provide Canadians with housing while also using other interventions to usher them through the housing continuum to become self-sufficient. In the following sections, we will see in the next section that the Canadian housing system has forgotten the purpose of these priorities – to serve all Canadians and the social aspects of housing. Now, more than ever, we need to build homes, a variety of types of homes and communities for everyone, in the way that people need it. Housing should serve individuals and their communities through a diverse social offering.

# An Overview of the Canadian Housing System

The Canadian housing system is a complex system with various mechanisms and actors that deliver specific priorities to those it serves. This is because the housing system is made up of two spheres operating together, a socio-ecological system and a financial system (see *Appendix B: Canadian Housing system as a Socio-ecological and Financial System*), contributing to its complexity and the different actors that participate within the system. In this section, we will introduce the different actors and stakeholders within the housing system, the roles, and responsibilities they play in the system, and their relationship between each other.

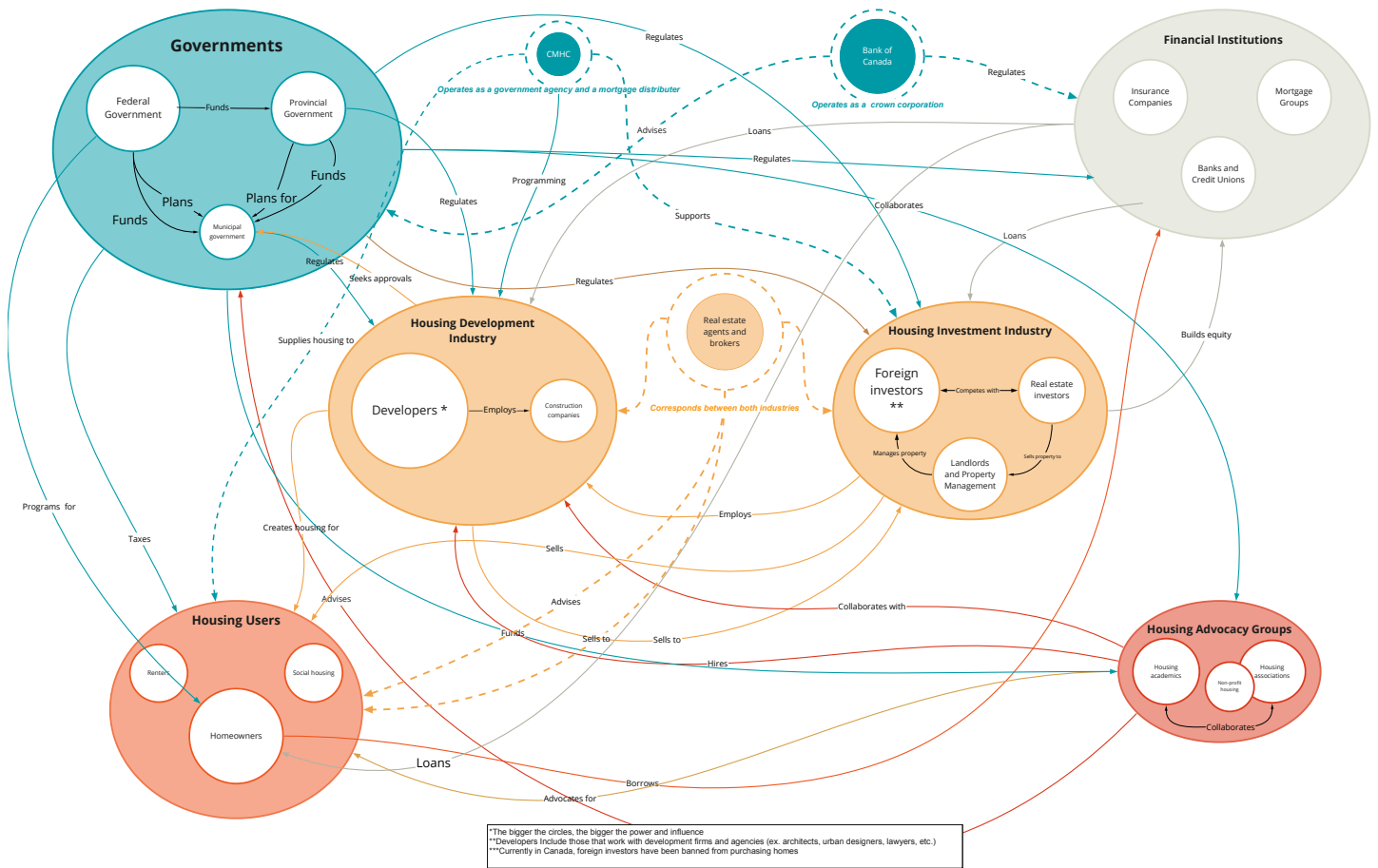


Figure 1: Canadian Housing System Influence Map



## Actors, their Responsibilities, and Power Dynamics in the Housing System

In the Canadian housing system, there are many actors that are responsible for different functions within the system. Understanding who these actors and stakeholders are allows for us to identify where the problems lie and who is best to intervene in different solutions scenarios. Through the influence map and actors, we can see the relationships these different groups, their influences within the system, and the power dynamics between them.

In this project, we have identified five different clusters, governments, financial institutions, housing industry, housing users, and housing advocacy groups.

- ▶ **Governments:** the three levels of government play a key role in developing housing policy and programming, creating zoning regulations, and providing financial supports to different parts within the system (Homeless Hub, 2012). In the housing system, these three levels have the most influence as they set the tone through policy and financial spending power.

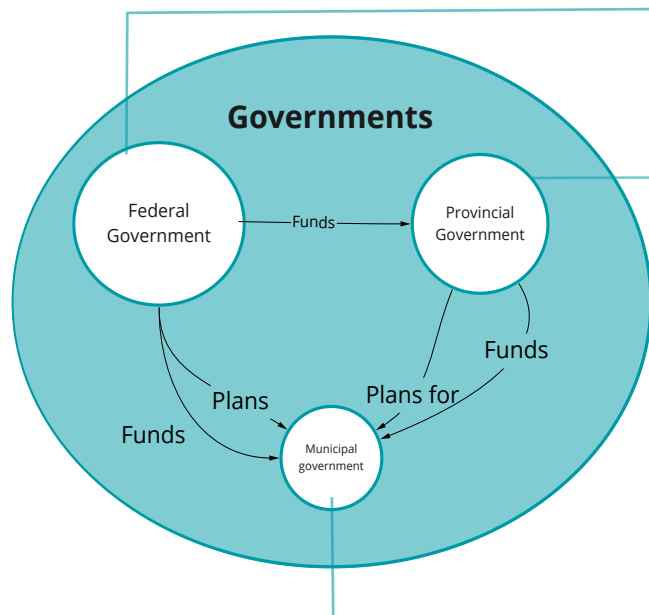


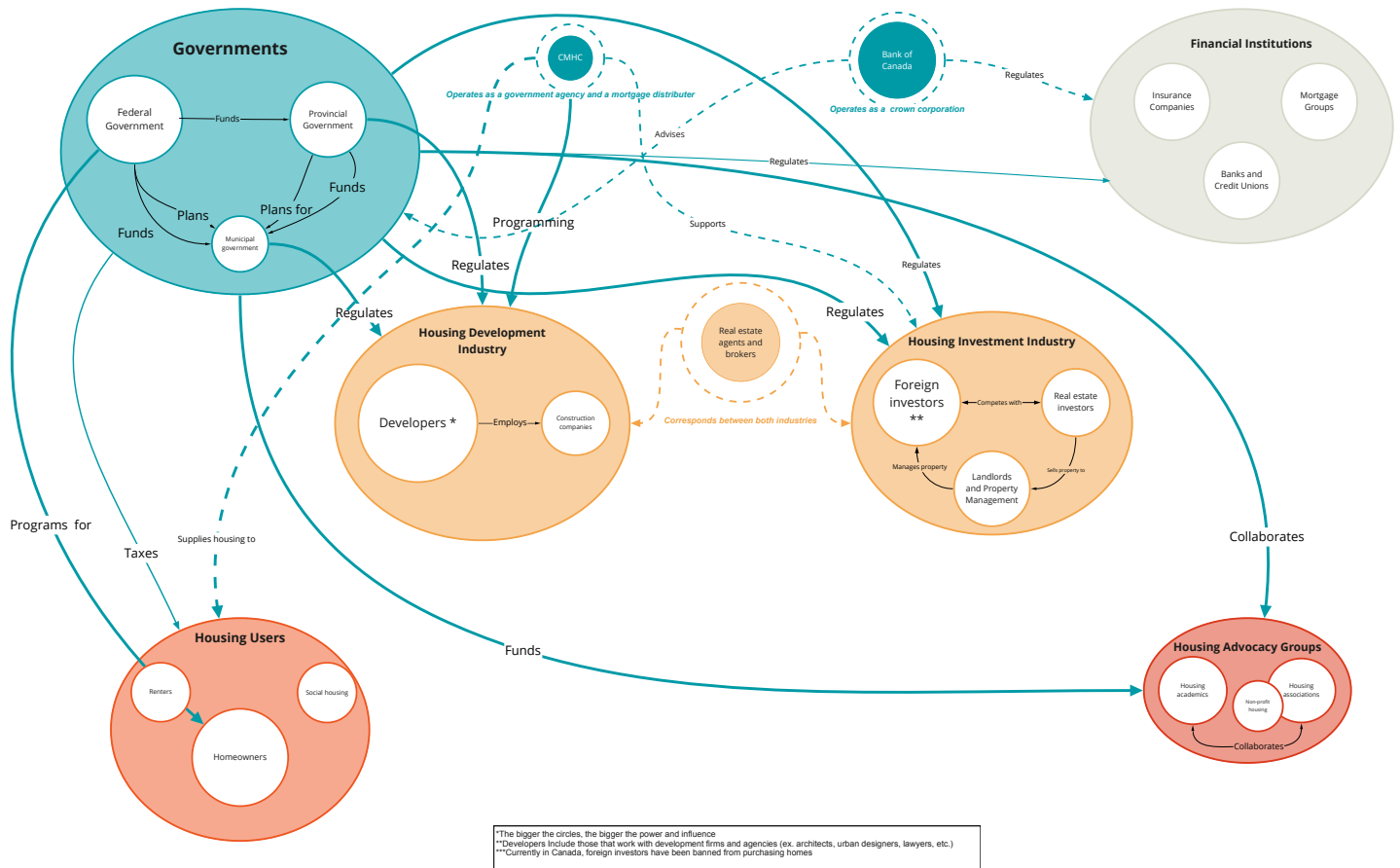
Figure 2: Government actors and relationships between them

- **Federal:** the highest level of government has the most spending power. They distribute funds throughout the system (Ontario Municipal Social Services Association, 2018, p. 2). After the 1970s, the federal government began to only have a financial role in housing policy, creating broader national strategies while the other governments dealt with housing types and options (Chisholm & Hulchanski, 2019, p. 24). The federal government hosts the national housing agency, the Canada Mortgage and Housing Corporation, which has both a “housing and mortgage market role” (Chisholm & Hulchanski, 2019, p. 25), and operate significantly in the financial side of the system (Traclet, 2005, p. 1). CMHC has funding programs for developers and others building affordable housing (Canada Mortgage and Housing Corporations, n.d.).

- **Provincial:** provinces are responsible to distribute money to municipalities and ensuring housing is being built through federal contributions (Chisholm & Hulchanski, 2019, p. 27). Some provinces, like Ontario are responsible for the general planning of lands, through the Ontario Planning Act. This legislation allows them dictate how lands are used (Atkey, et al., 2022, p. 2). Due to legislation agreement, municipalities cannot act unless allowed by their provinces (OECD, 2017, p. 1).

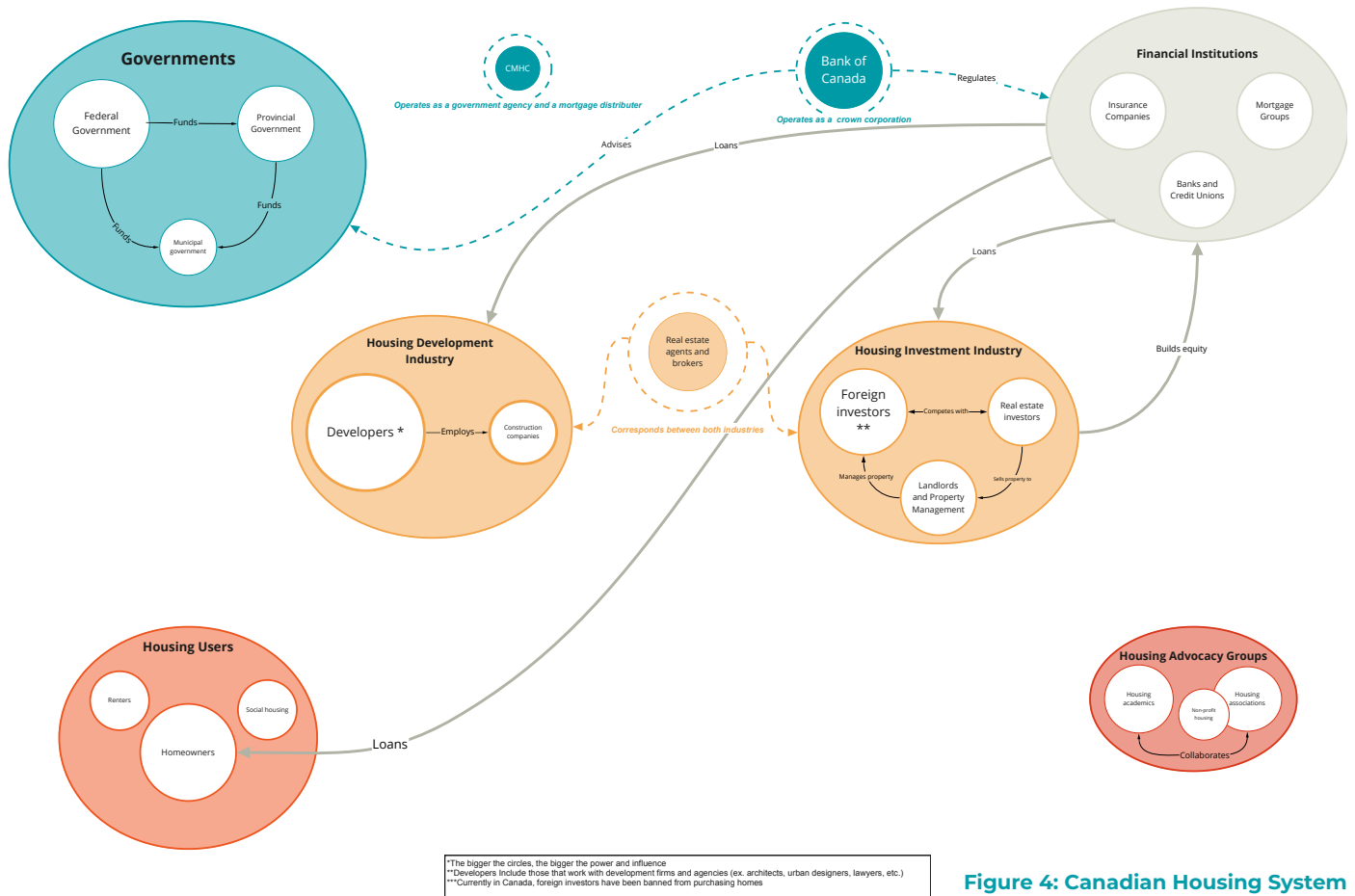
- **Municipal:** municipalities are responsible to regulate, plan, and zone housing projects, while also controlling the housing standard (i.e., what types of housing is needed, how communities are designed, etc.) (Fung, Parikh, & Zulauf, The Crisis of Affordable Rental Housing in Toronto (Written Summary), p. 8; Cox & He, 2015). This means that municipalities regulate the land and approve how the land is used. In Ontario, municipalities contribute the most to social housing funding and are responsible in ensuring they provide for housing needs (Ontario Municipal Social Services Association, 2018, p. 2). This can be seen in Toronto,

in organizations like Toronto Housing, and the different non-profit housing organizations they support as well.



**Figure 3: Canadian Housing System Influence Map - Governments' Influence**

- **Financial institutions:** financial institutions play a role in delivering different financial products to different groups within the system on a national basis (Tractlet, 2005, p. 4) In this case, they operate as lenders, providing loans to housing users for mortgages, lines of credit, or rental and homeownership insurance. Financial institutions, also provide loans to developers and others that operate within both the housing development and housing investment industry. Moreover, the Bank of Canada, a crown corporation, regulated by the government is responsible for monetary policy, they monitor markets such as the housing market and have the power to increase and lower the interest rates associated to mortgage loans (Kennedy, 2008).



**Figure 4: Canadian Housing System Influence Map - Financial Institutions' Influence**

► **Housing Industry:** the housing industry is divided into two different sections, with real estate agents working in between these two industries.

■ **Housing development industry:**

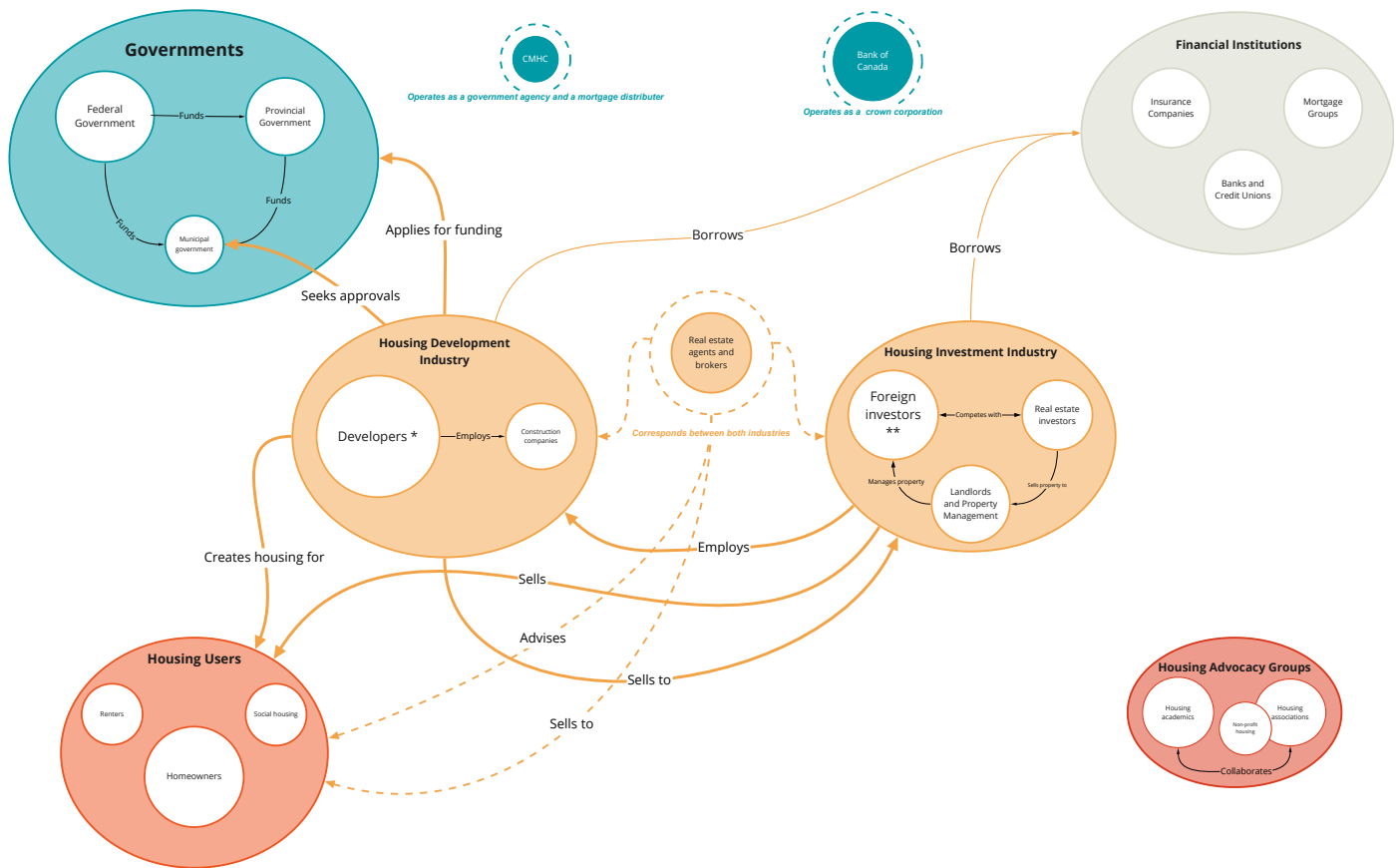
this industry contains those involved in the production of building homes, these include developers, construction companies and workers, urban planners, architects, and lawyers. Developers especially are responsible in purchasing land, hiring, developing contracts with different other professionals, designing housing development, and obtaining permits from municipalities to build (Indeed Editorial Team, 2022). They hold an influence in the types of housing built.

■ **Real estate agencies and brokers:**

this group works in between these two industries to sell for the housing development find these homes.

■ **Housing investment industry:**

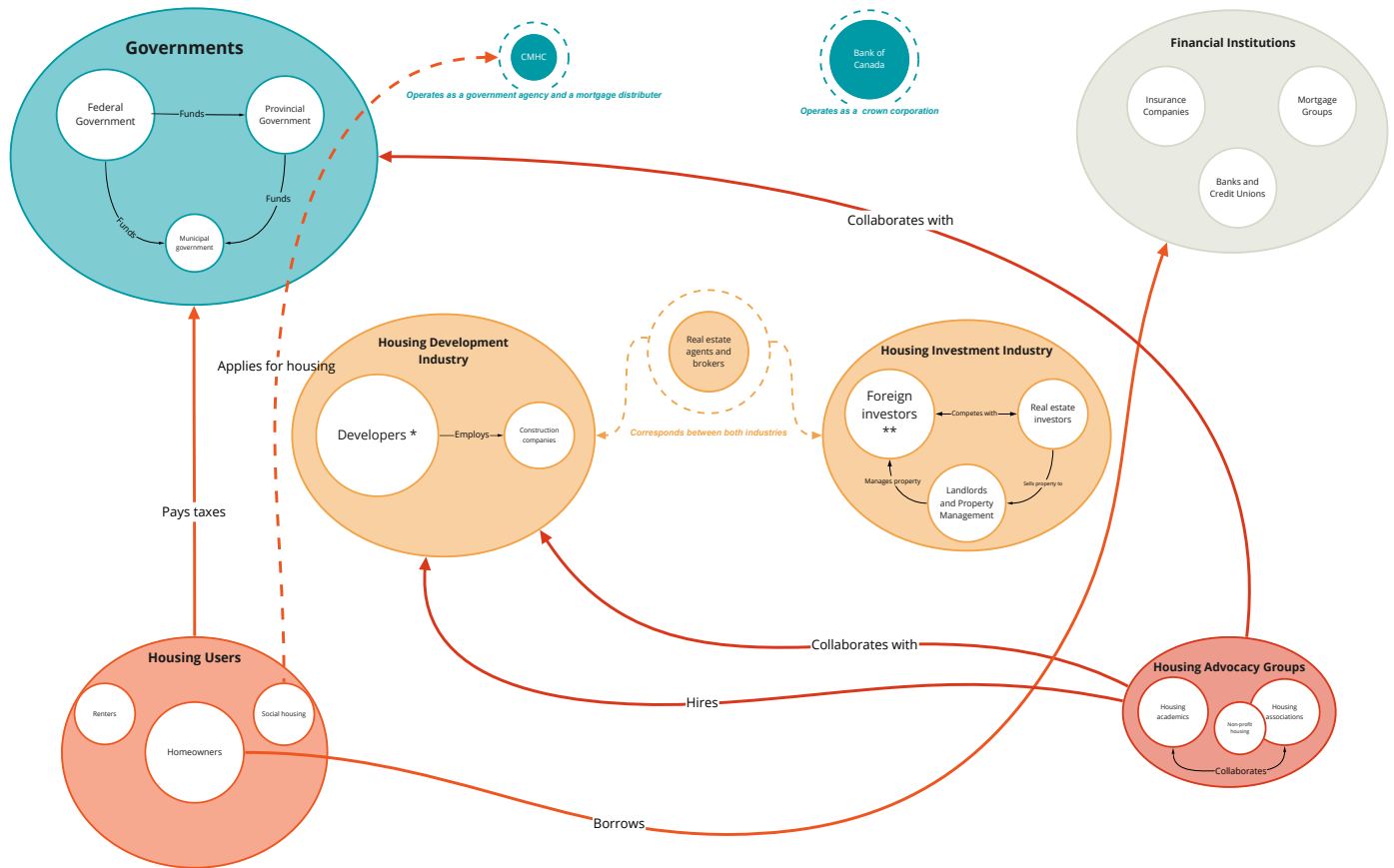
the housing investment industry has existed in Canada for years, however, in the last few years, investment properties have increased exponentially (Wood C. , 2021), specifically foreign investment in the Canadian housing market. However, recently, the Canadian government created a ban for foreign investors to purchase housing (BBC News, 2022). These groups are responsible for providing rental units to housing users. In this case Real Estates Investments Trusts (REITs) would also be included in this group of people as well.



\*The bigger the circles, the bigger the power and influence.  
 \*\*Developers include those that work with development firms and agencies (ex. architects, urban designers, lawyers, etc.)  
 \*\*\*Currently in Canada, foreign investors have been banned from purchasing homes

**Figure 5: Canadian Housing System Influence Map - Housing Development and Housing Investment Industries' Influence**

- ▶ **Housing Advocacy Groups:** these groups consist of housing academics and housing association groups (i.e., Options for Homes) that study the different housing trends, provides recommendations to the government, and often supports those in housing need with housing options.
- ▶ **Housing users:** these are individuals or groups that occupy housing spaces such as homeowners, renters, and those that occupy social housing. They have the most connections within the system, but do not have power or influence within it.



**Figure 6: Influence Map - Housing Users and Housing Groups**

\*The bigger the circles, the bigger the power and influence  
 \*\*Developers include those that work with development firms and agencies (ex. architects, urban designers, lawyers, etc.)  
 \*\*\*Currently in Canada, foreign investors have been banned from purchasing homes

## Actor’s and Power Distribution in the Housing System

The responsibilities, roles, and power dynamics showcase that there are imbalances in the housing system, power and economic opportunity dominate the intentions of these actors.

For instance, though municipalities like Toronto play a larger role in housing policy, they do not have the financial powers or constitutional ability to act without the knowledge and approval of the provinces (Hulchanski J. D., 2006, p. 234), in Toronto, they are required to follow the provincial plans of that region (OECD, 2017, p. 1). Though municipalities are responsible for most of the affordable housing and housing development in their regions, with a better understanding of the community needs. For example, in Ontario, 77 percent of social housing is operated by municipalities (Atkey, et al., 2022, p. 22). In addition, spending power – where the federal government and provincial governments generate significant

revenue and have the ability to choose what initiatives to spend this money (Dunsmir, 1991) – leads to initiatives to be in a very general focus with not much coordination between the city. As well, though they do have the financial capability to support municipal housing initiatives, housing corporation groups do not receive the necessary funds to operate (Atkey, et al., 2022, p. 1). Often, municipalities do not have the financial capacity to support housing initiatives without the contributions of the federal or provincial governments and do not receive enough funding to do so. Between the three levels of government, they have different ideas of how to effectively respond to crisis. There is a poor collaboration between the three levels of government, which in turn impacts the effectiveness of response. The levels have different responsibilities, with overlapping priorities, however they are unable to coordinate an effective response that will help communities directly in which the municipalities (Atkey, et al., 2022, p. 3).

As well, the developers play a larger role

developing homes and forms of housing in cities such as Toronto. As we mentioned in the previous section, condominiums became one of the most prominent housing types in Toronto. For both the municipalities and for the developers to turn a profit, building luxury condominiums or homes to sustain affordable or purpose-built homes (Diaz, 2021, p. 2; Herriges, 2019). These developers have more power in negotiating for permission to build housing projects, because cities like Toronto do need construction to generate more business or people to the city. If developers can concede to some community needs such as parks, they are able to build housing projects

(Herriges, 2019). The building of middle and high-end building project is needed to meet the bottom-line of developers and is considered a requirement for developers to build. Recently, municipalities like Toronto and Montreal have creating requirements that with the building of new condominium towers, some of these homes of these homes need to be affordable (Beattle, 2021). Though municipalities, housing associations, and housing academics may be more knowledgeable about the system and how it operates, they do not have the power to change some of the operations due to financial, constitutional, or governmental power.

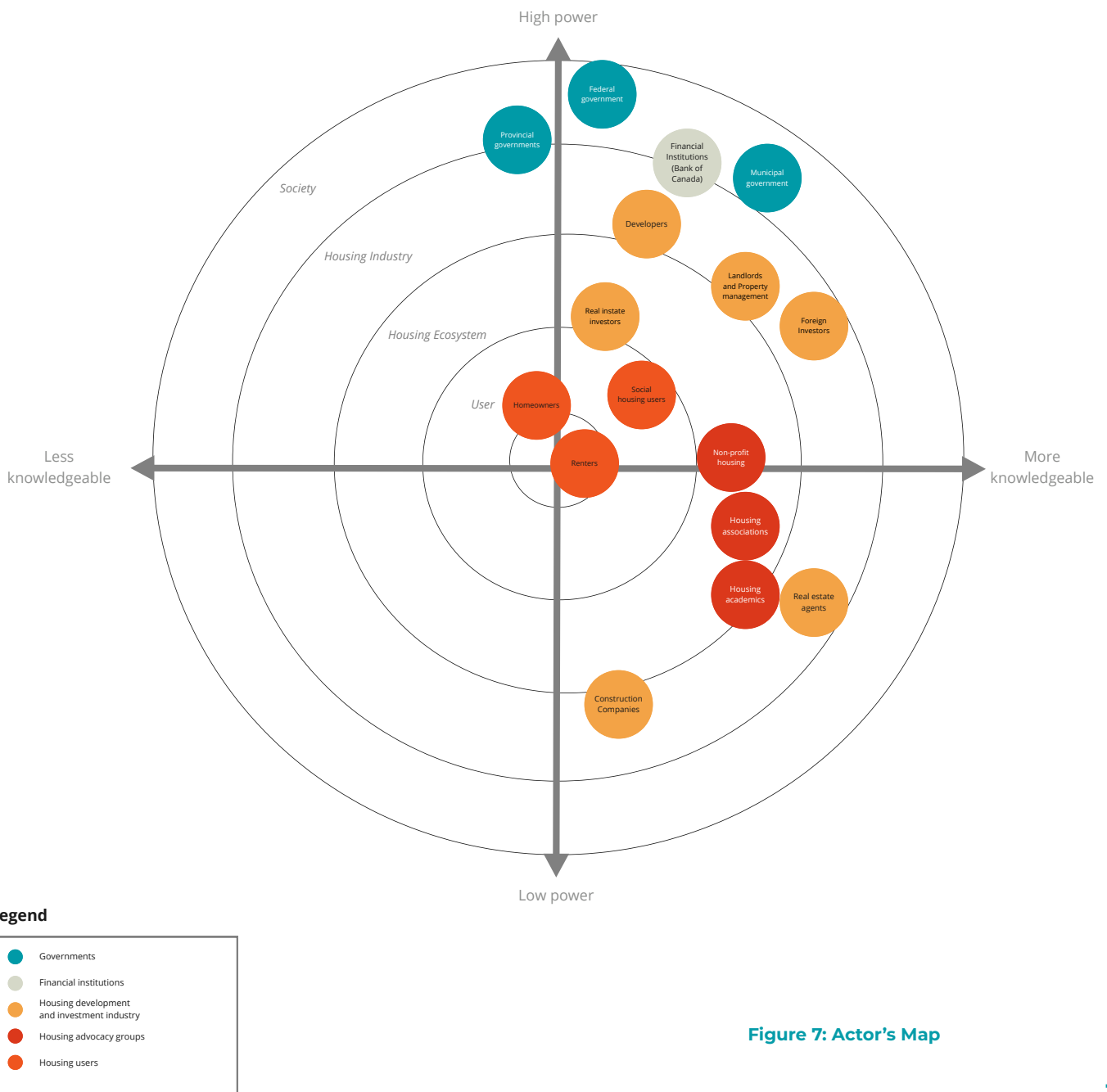


Figure 7: Actor's Map



These power dynamics showcase that actors with the most knowledge about community needs have the least power to make the change. For instance, housing advocacy groups, which are academics and housing corporations (i.e., Toronto Housing Corporation) are the most knowledgeable with different ideas on how to solve the issues, but due to the lack of funds, are unable to implement these changes. The housing crisis has been predicted and explored multiple times in the last few decades, with ideas to help stabilize it, but these groups are not heard due to the changes of policy agendas, and until it is too late.

To solve the housing affordability crisis and create a social offer for housing users, it is important to identify and rectify the power dynamics with the system. This project does not suggest legislative changes or giving political power to advocacy groups, but to stabilize the system through the collaboration of all these groups. The knowledge, experiences, and talents that one group or cluster possess can enrich the other and create interactions that produce quality outcomes. These outcomes can fit to serve communities again, rather than self-interests.

## Key Problems Impacting the Current Housing System

The housing system was designed to answer a need for Canadians during an economic crisis. The functions of the housing system were for governments and organizations to support the building of homes, create programs to ensure that Canadians are placed into a home, and move these individuals through the housing system. However, in the last few years, these functions have not been effectively executed given the shortcomings and disruptions in the housing system. In this part of the section, we will uncover four of the key shortcomings of the current housing system that has created the housing affordability crisis. First, the housing has become more of an industry rather than a social good. This

has led it to become a commodity, driven by consumers seeking investment property and the low rates in mortgage interest to encourage the purchasing of homes. Though housing is a financial system, and the moving of money is necessary to maintain it, the commodification, and the control of financial institutions in maintaining demand, have contributed to an unaffordable market. Secondly, as housing has become commodified, controlled by both consumer demand and the financial institutions, this has contributed to the push and pull of the housing system referred to as supply and demand. As housing demand increases, and housing supply decreases, the prices of housing and housing costs continue to increase, also impacting housing affordability and contributing to the overall crisis. Thirdly, the housing system has multiple different housing types and options represented within it, however, in the Canadian housing system we have made homeownership the center of housing. This focus has led to the Canadian housing continuum, a policy framework built to guide people to homeownership. But, given the current circumstances of the housing system, the housing continuum is not applicable for everyone because not everyone will achieve the Canadian dream of owning a home due to their income disparity. In the shortcomings of the system is where we can be able to see the root causes of the housing crisis and essentially, find the leverage points to solve them.

## The Financialization of Housing: Housing as a Commodity

Housing policy was once created to anchor the housing industry; through developing a Keynesian approach to housing policy in the 1930s, the three levels of government were able to maintain the roles of developers, constructions workers, and creating employment opportunities for Canadians to bolster macro-economy for the larger society (Prince, 1995, p. 726). Through governments being involved in the construction and maintenance of homes, also led to housing being considered a social good, leading to policies to ensure social housing for those facing financial and housing difficulties,

establishing that there is an essential “role of housing in industrial societies” (Dalton, 2004, p. 2). These policy changes were the building blocks to Canada becoming a welfare state, in the hopes of recovering from an economic depression. The Keynesian approach to housing established housing as a market, capable of impacting the economic climate of any time. While establishing housing as an essential part of industrial society, it also established housing as a form of capital that can be sold and traded (Farha, 2017). In this subsection, we will discuss the commodification of the housing system through two essential aspects of housing financial system. Firstly, commodities are driven by the desirability of the product to consumers. In the last few years, due to investment demand and other implications like falling interest rates, have created a consumer economy, which increases housing prices (Nemtin, Makris, Roberts, Ahmed, & Cheng, 2021, p. 24). Secondly, the housing market is being surveyed by financial institutions that control mortgage interests; the lower the interest rates, the more desirable the housing market, which increase the housing prices while shortening supply.

### CONSUMERS DRIVE HOUSING MARKET

The housing system is based on a consumer economy, meaning it centers around people and their willingness to purchase a home. Thus, for this research project, it is important to identify the significance of the market to the housing system as it impacts the policies, mindsets, and values that hold the system together. The housing system cannot be addressed absent of the financial market it operates in because this is what ensures its survival (Hulchanski J. D., Canada’s Dual Housing Policy, 2007, p. 1). Housing is considered a market because homes are items that can easily be valued, purchased, and sold. Many have compared this consumption to gold, stocks, and oil (United Nations Human Rights Office of the High Commissioner, n.d.). An example of the consumer driven market in Canada is the increase in the value of homes, and the

current real estate boom (Alini, 2021)<sup>1</sup>. This means Canadians are not purchasing homes to live in, they are purchasing homes as investments (Wood C., 2021). Because of the new investment demand, many people have been moving outside of major cities to more affordable housing markets, including young people (The Globe and Mail, 2021; Younqlai, 2021; Corradino & Forbes Nonprofit Council, 2021), low-income workers (Wood C., 2021), and young families. But, since consumers drive the housing market and the demand, the more people emigrate to other cities, the demand for real estate in those places increases and impacts cities that are unable to maintain or increase housing supply. For instance, Thunder Bay, Ontario has turned into a seller’s market, meaning that those who are in the selling position are in a more favourable position to achieve their ideal selling price. For instance, the 2021 prices in Thunder Bay have increased by 17 percent since the year before (Hardy, 2021). With more people leaving urban centers like Toronto to live in places like Thunder Bay, it has led to people to be involved in intense bidding wars, with those moving from Toronto able to pay over asking prices (Conerly, 2021). Housing shortages in all parts of Canada have also led to the increase in real estate pricing. Real estate groups known as Real Estate Investment Trusts (REITs) that own, operate, or finance income generating real estate, and they are benefiting from the markets demand. In cities like Toronto, REITs can afford to purchase older homes, buildings, and rental units, and through renovation, can increase the prices of these buildings. While this benefits REITs, it also requires that future renters pay an inflated price, in addition to the eviction of the current renters (Fung, Parikh, & Zulauf, The Crisis of Affordable Rental Housing in Toronto (Written Summary), p. 5). Lastly, as housing is property, foreign investments and policies around foreign investments have changed to facilitate foreign players to invest, also causing an increase in home costs (Alini, 2021). Markets are driven by consumers and if there are people to consume products, there are people who receive the financial award for it. In this case, the consumer driven

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<sup>1</sup> Relevance: In April 2022, the Canadian government has placed a two-year ban on foreigners or foreign investors purchasing homes (BBC News, 2022).

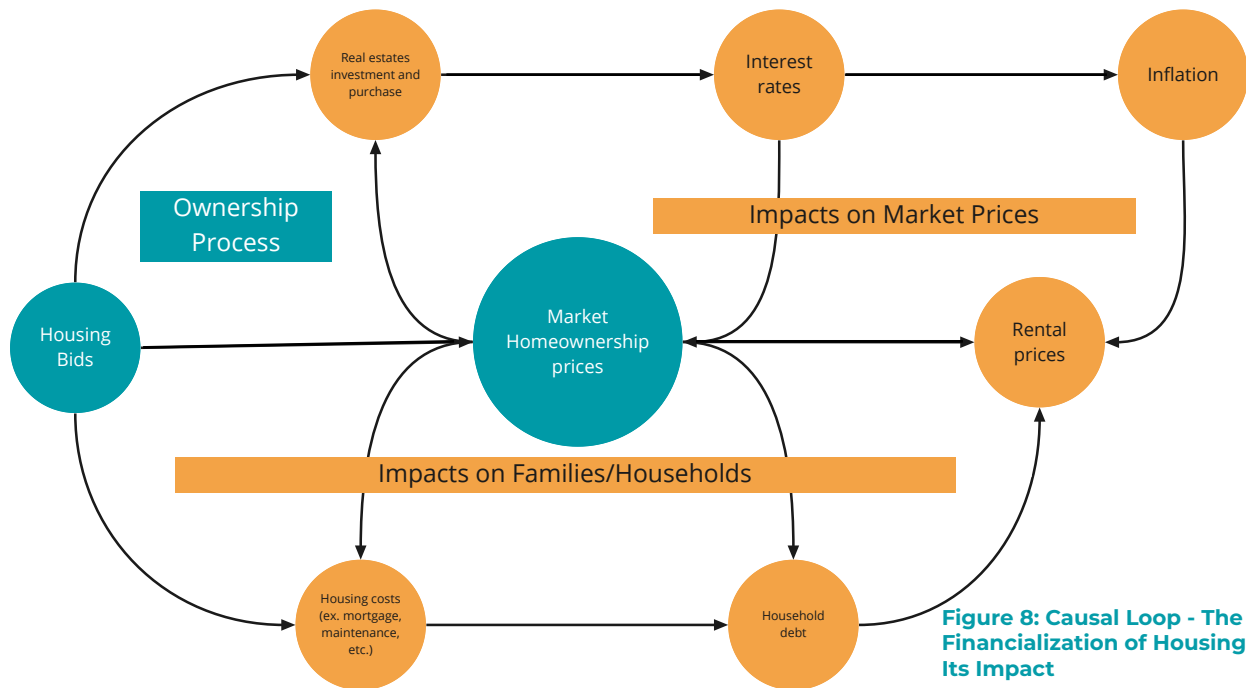


market is a result of the commodification of housing.

### FINANCIAL INSTITUTIONS AND LOW MORTGAGE RATES IMPACT AFFORDABILITY

The Keynesian model has allowed for many to be able to afford homes, but in doing so it has run governments into deficits. Federal borrowing to bolster the economy have usually led to higher interest rates. This is because the Keynesian model is not a long-term economic model, its intentions are to provide short-term fixes to major economic issue and the individual capabilities of businesses and workers (Prince, 1995, pp. 725-726). However, since the 1940s and the destabilizing of the economy the housing policy has not changed, as the government has maintained this approach, causing

mortgage interest rates to be lower for Canadians to purchase homes. For instance, during the COVID-19 pandemic, there were lower mortgage rates and high savings rates from financial institutions, making it easier to purchase homes (Wood C. , 2021). In August 2021, mortgage rates were lower than inflation, which was at three percent, with some expecting that inflation may rise. Usually, when inflation increases, so does housing prices and mortgage rates (Mulder, Do mortgage rates go up with inflation? , 2021). However, knowing the demand for housing, financial institutions and the Bank of Canada have yet (at the time of writing this report) to lower mortgage rates, up until the beginning of 2022. The purpose of maintain low interest rates is to encourage the demand of housing. But, in increasing the demand of housing, it has also created an overvalued



**Figure 8: Causal Loop - The Financialization of Housing and Its Impact**

housing market, which leads to increase housing prices that do not reflect the actual value of a home.

Moreover, the availability of low mortgage rates has allowed Canadians to take on larger mortgages for pricier homes; “falling rates expand [a] purchaser’s borrowing capacity, which is then promptly priced in by the market ... mortgage rates fall, buyers can afford to pay more for the principal value of the house” (Nemtin, Makris, Roberts, Ahmed, & Cheng, 2021, p. 24; Alini, 2021). Lower mortgage rates, increase the purchase value,

increasing housing costs. Often, these larger mortgage loans have negative impacts on the incomes of individuals and families, leaving many to be able to afford a home, but unable to pay for the rest of their livelihood. This causes household debt rates to rise and for Canadians to become housing poor. In September 2020, housing debt increased to \$ 1.7 trillion, it was a trillion dollars more than household debt a decade ago (Alini, 2021). Lower interest rates, raise inflation rates, which increases the costs of rental prices as well. Currently in Toronto, secondary rental units (i.e., condominiums) costs individuals

for over \$1 500 (Fung, Parikh, & Zulauf, p. 5). In many cases, the cost of rent is equal to the amount that homeowners are paying in mortgage.

The system is dependent on the financial part of the system to maintain itself. However, in creating a consumer driven market, dependent on interest rates to keep the system afloat, it has contributed to the housing affordability crisis. Also, this focus on market benefits have also led us to no longer provide a social need and social offer effectively (Fung, Parikh, & Zulauf, *The Crisis of Affordable Rental Housing in Toronto (Visual Systems Map)*, p. 5; Hulchanski J. D., *Canada's Dual Housing Policy*, 2007). In fact, in doing so, it has made it harder for Canadians and have increased costs.

## Housing as a Means of Supply and Demand

*“The gap between new demand [and supply] was large and growing in major cities before the pandemic, and it will re-accelerate coming out of the pandemic” (Nemtin, Makris, Roberts, Ahmed, & Cheng, 2021, p. 24; Alini, 2021)*

When we think of housing supply and demand, we think of the economic expression of housing supply that can be attributed to the “quantity of land, the extent to which land can be used intensively (which is largely a function of land use regulation), and construction costs”, whereas housing demand refers to the “demand for housing in a given city is determined by such factors as local population growth, the local economic growth, household wealth, the amenity value of living in that city, and interest rates” (Fraser Institute, 2015). The push and pull of housing supply and demand in the last few years, and especially during the global pandemic caused “home price appreciation over the course of the pandemic...contributed to irrational expectations of continued price growth and, in turn, more buyers entering the market than was warranted” (Younglai, 2021). The demand of homes has created the increase in housing prices. Because housing demand can never meet the supply, it becomes significantly harder to depreciate

the overvalue of homes.

Regarding the supply deficit can be affiliated to several factors; limited inventory of diverse housing options, and due to the low interest rates, it has created an increased number of investment buyers in the market. Firstly, condominiums and semi-detached homes have overtaken the housing stock. In cities like Toronto, in the 1970s regulations began to favour condominiums rather than multi-purpose rentals, cooperative housing units, or non-profit housing. In the past, non-profit housing represented fourteen percent of This is still prominent today, where new rentals that continue to be built are predominately secondary market luxury rentals. (e.g., condos) (Fung, Parikh, & Zulauf, *The Crisis of Affordable Rental Housing in Toronto (Visual Systems Map)*, p. 2). In Toronto the numbers of condominium developments have increased by over 323 percent between 2012 to 2019 (Fung, Parikh, & Zulauf, *The Crisis of Affordable Rental Housing in Toronto (Visual Systems Map)*, p. 2). This demonstrates that the supply issue relates to a poor distribution of housing types or a lack of a diverse housing stock (CBC News, 2019). Though we do have a limited supply of homes, which is a problem in a high demand environment, we have also failed to create the variety of houses that are available and affordable to Canadians (Alini, 2021). For instance, we have more condominiums than we have purpose-built rental or affordable rental options.

In addition to the low supply of housing options, investment demand has impacted supply (Nemtin, Makris, Roberts, Ahmed, & Cheng, 2021). The real estate boom was not due to individuals purchasing homes to occupy themselves, it was due to real estate investors desiring to purchase homes to rent to others (Nemtin, Makris, Roberts, Ahmed, & Cheng, 2021, pp. 28-29). It is important to note this form of demand “is not simply driven by income, population growth, credit conditions or demographic factors; it is also connected to how housing assets are valued compared to alternative investments” (Nemtin, Makris, Roberts, Ahmed, & Cheng, 2021, p. 30). Meaning, investing in housing does not have the same financial risks as other forms for

investments. Especially because the demand for housing will always exist.

Investment demand seems to have increase in condominium rentals in Toronto (Nemtin, Makris, Roberts, Ahmed, & Cheng, 2021, p. 29). The investment demand has caused the removal of homes in supply, while also attributing to high rental costs. For instance, REITs do this often – they purchase owned homes at a minimum cost to them, and then resell the units for a higher rental price (Chau & Atkey, 2022, p. 9). The key issues with the supply and demand are for two reasons.

One, through the increase in demand and the low supply, the housing market has become overvalued, meaning that the costs of housing or land is significantly more than the value of the house or land (Younglai, 2021). The inflation of housing prices, leads to the concern of how to cool down an overheated market. Secondly, the overvalue and demand has created an unaffordable housing market, which increases the need for social housing but the supply for affordable housing types is low. This demonstrates that we have a poor distribution of housing types that serves everyone and their needs (CBC News, 2019).

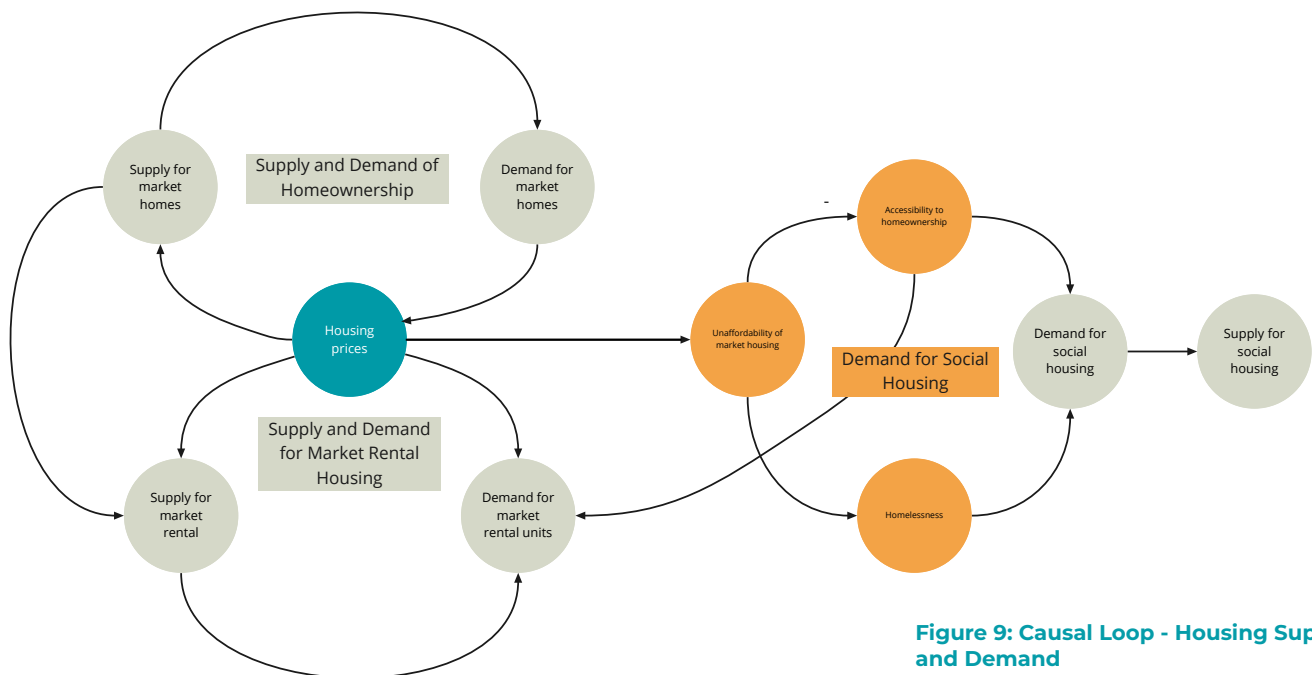


Figure 9: Causal Loop - Housing Supply and Demand

The housing stock comes from both owned homes and rental homes (Diaz, 2021, p. 31), however, there are more luxury condominiums, single apartments being built than social housing, purpose-built, or entry-level homes. In this case, it is important to be able to find the mechanisms to increase the housing supply with a distribution of different housing types, while focusing on building these types around the social needs of the community, while also meeting the demands of housing users.

This push and pull of supply and demand and its impacts on housing prices, has a long-term impact on Canada and its future. As the Canadian population continues to grow with more people immigrating to Canada, an increase in aging population Canada, and

poor social infrastructures to deal with an overwhelming capacity, Canada will not be able to provide for housing needs for them and are unable to provide for housing needs currently (Flanagan, 2021).

## Land Use, Zoning Laws, and Regulations Impacts on Affordability

Housing land use is another key issue when it comes to the housing crisis. Not only is there a finite amount of land in high density areas like Toronto, but there are also a series of regulative barriers that make it difficult for developers to acquire land as well as build affordable housing options that does impact housing prices and affordability. One of the

key issues is that zoning prevents the effective building of homes, which impact supply but also impact the type of housing that can be built. In Canada, housing zones identify what types of houses can be built in that zone. In Toronto, 63.5 percent of residential zones are specifically saved for detached houses, which mainly serve high income earners. (Whitzman, Flynn, Gurstein, & Jones, 2022, p. 6). This makes it difficult for diverse set of homes to be build when the types of things have already been accounted for. These “local zoning and related laws (such as growth caps or density restrictions) make it hard or impossible to navigate the local landscape and deliver the density needed to make an affordable apartment project work” (Corradino & Forbes Nonprofit Council, 2021). Also, these zoning laws are often complicated and very restrictive. One there is

a series of zoning types that make it difficult to understand what can be built where. To compare, there are several zoning types in Toronto, whereas in Japan, there are only ten that define what is built, but ensuring that the community component is integrated into the buildings (OECD, 2003, p. 4). For instance, one of the zones is Neighbourhood commercial zones, which “designate[s] ... daily shopping facilities for the neighbourhood residents” and “residential and shop buildings [and] small factory buildings” (OECD, 2003, p. 4). With this, they also have easier application processes and looser requirements that allows for developers to have an easier application process. Whereas in Canada, and in Toronto, it is difficult for developers to possess permits, this makes it more difficult to build affordable or non-profit housing as well.

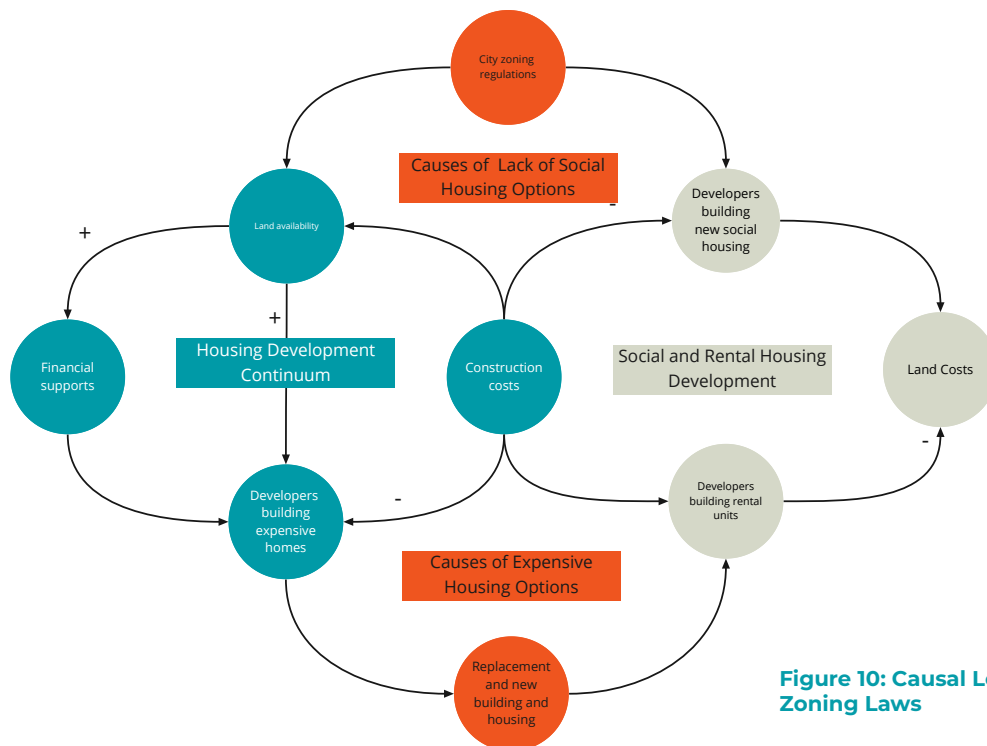


Figure 10: Causal Loop - Housing Zoning Laws

Policies in Toronto like urban containment policy make it even more difficult for developers to obtain the permits to build (Cox & He, 2015, p. 6). This is characterized as “the policy of limiting urban sprawl by restricting out of town development” as it restricts the building of homes out of designated zones (Pokhrel, 2020). These restrictions include “urban containment boundaries”, which “reduce the supply of developable land relative to housing demand” (Cox & He, 2015, p. 19). With the reduce amount of

available land, increases the prices of land, which in turn increase the prices for these homes because developers need to be able to turn a profit (Cox & He, 2015, p. 19). This also incentivizes them to build luxury homes or condominiums rather than affordable or purpose rental homes (Diaz, 2021, p. 2), which in some may argue intentionally to create a specific demographic of individuals in one place and a specific demographic in others (Corradino & Forbes Nonprofit Council, 2021).

The costs of land, its availability, the difficulty in possessing permits to build social housing or diverse housing options, and construction costs, have led many developers to be uninterested and unable to afford to build social housing or innovative forms of housing. These land issues create the building of expensive luxury rental homes to re-coup the money lost in costs for housing projects. Cities and provinces allow developers to build these projects over others. This has led to households such as people families and immigrants to not have homes designed to their needs and left out in the development of neighbourhoods; referred to as the missing middle (Haines & Aird, Finding the Missing Middle in the GTHA, 2018, pp. 2-3). Rather than building homes suitable for families at a decent price and for the space they need, development has been focused on condominiums and smaller space apartments for rent (Haines & Aird, Finding the Missing Middle in the GTHA, 2018, p. 1). All of these have contributed to the housing prices and the crisis.

## Homeownership as a Social Phenomenon

Homeownership has been a part of the Canadian dream and promoted through the conception of the Canadian Mortgage and Housing Corporation (CMHC). The capacity to purchase a home that retains its value, builds equity, and overtime reduces housing costs, indicates a dependable, responsible, and financially stable individual (Robb, 2021). As of 2020, about 68 percent of Canadian households own their homes (Mulder, Homeownership in Canada: What to Expect, 2022). This has led to many different policies and programs, to help support Canadians to obtain this dream (ex. First Time Home Buyers program). In this part of the section, we will discuss the issues of creating this social phenomenon. It is important to note, in this project we are not suggesting that homeownership is not a viable means of housing or that it is part of the problem. The issue is that homeownership is the central focus of the housing system. This can be

seen in two ways and two issues. Firstly, the housing continuum, a policy and program framework used by CMHC to help create a pipeline to homeownership, emphasizes homeownership without providing the conditions for individuals to go through one side of the system to the next. Through the increase in standard of living and income stagnation, it is difficult to have the financial means for households to save for a housing down payment and purchase a home. Secondly, homeownership has always divided the rich and the poor, but in the last few years, it has effectively made middle income earners incapable of purchasing homes. The inaccessibility of homeownership has only widened the gap between class structures. These gaps have also manifested itself in the development of communities and the services available to them. In creating homeownership as a social phenomenon, it unintentionally left people unserved by housing and for more resources to be placed to help homeowners rather than everyone.

### PROBLEMATIZING THE HOUSING CONTINUUM

The housing continuum was created to support Canadians in affordable housing need; both non-profit organizations and the CMHC focused on transitioning individuals through the housing system; from emergency shelters, transitional housing, to supportive housing, and subsidy housing to market rental and homeownership (Canadian Home Builder's Association, 2019). The theory is as one progresses through the linear housing continuum, with the support of subsidized housing or income-based rent assistance, this will eventually enable someone to be able to purchase a home. One of the key problems of the housing continuum is it neglects to consider the issues of income disparities of these individuals, health issues that they may face, and general economic concerns that have heightened their need for affordable housing which impact their ability to move towards homeownership (Prince, 1995, p. 748). For instance, income stagnation in comparison to housing prices have left many Canadians to believe they will never be able to purchase a home (CBC Radio, 2021; Corradino & Forbes Nonprofit Council, 2021). According to Statistics Canada, "house prices



# HOUSING CONTINUUM



(Wellington County, n.d.)

Figure 11: Housing Continuum

in Canada have been growing faster than household income” (Al-Tawil, 2019).

For young Canadians and low-to median-income earners the increase in housing costs (i.e., condominium fees, housing insurance, mortgage, rent, etc.) have made it difficult to afford the necessities after the cost of housing (City of Kelowna, 2018). The other key issue of the housing continuum, is the “pathways leading from one type of housing to another, and the lack of affordable supply on the right end [has] a downstream impact on everything to its left” (Fung, Parikh, & Zulauf, *The Crisis of Affordable Rental Housing in Toronto* (Written Summary), p. 3). The housing continuum assumes that there is not a supply issue between the housing affordability side to the side of the market rental and market homeownership. It also lacks the necessary transitional elements that allow for one to move from one side of the spectrum to the other. However, for those that can obtain homeownership, there are multiple governmental supports for them; 92.6 percent of government spending is for tax exemptions for homeowners (Whitzman, Flynn, Gurstein, & Jones, 2022, p. 4). But housing advocacy groups struggle

to maintain their supplies as well as find the necessary aids to help people achieve homeownership.

For these individuals, there are not a lot of diverse housing that fits their needs; whether that be affordable rental units, purpose-built rental, or entry-level homes options that can help Canadians be able to save or transition to homeownership. In our current housing market, rental prices are at the same amount that it is to pay mortgages. Three in four Canadians cannot afford to be homeowners (Canada Mortgage and Housing Corporation, n.d.), and with the conditions of affordability becoming worse, they may not.

Lastly, the CMHC does not provide the necessary supports to help those move through the system effectively. For instance, the CMHC focuses on market housing policy, that financially produces affordable housing. So, the focus is supporting the market housing system – from homeowners to private investors (Hulchanski J. D., *Canada’s Dual Housing Policy*, 2007, p. 2) through financial supports to reduce homeownership costs (Fung, Parikh, & Zulauf, *The Crisis of Affordable Rental Housing in Toronto* (Visual Systems Map), p. 8), with only a small portion of policy work being dedicated to social

housing assistance or renters. Seeing housing as a commodity for personal wealth and a vehicle to increase the stability of the general economy, impacts rental rights and policies as well (CBC News, 2019). For instance, in Toronto, there are some financial supports for renters in (City of Toronto, n.d.), however, these measures are on an application basis determined by risk factor; those in emergency housing needs, and to resolve legal disputes between landlords (City of Toronto, n.d.). Though these measures are helpful to some they are not universal to the Canadian housing context.

### DISPARITY OF THE COMMONS: ECONOMIC CLASS STRUCTURES AND THREE CITIES DIVIDE

The current housing affordability crisis and the housing prices influences the wealth distribution in Canada. Housing affordability is dependent on the income of a household and has made it difficult for all people to afford a home, especially impacting those struggling to build their economic status. Most are young people, immigrants, and young families – groups that are building their income. Due to the “superiority of the free market shift[ing] housing policy in Canada from welfare-oriented policy to market [and] encouraging home ownership, deregulation and private consumption” (Zhu, 2021), we have defined, replicated, and enforced whom within our population are able to own a home; creating the haves and have nots. Class and income are intimately related and directly reflect, manifest, and impact accessibility within the housing system. In our housing culture centering homeownership as the only meaningful form of housing, has actively pushed out people and created a new group of people struggling with little to no social services to guide them towards what is defined as the Canada Dream. Thus, “[o]ur housing system replicates, enforces, and impacts the withholding of socio-economic structures while also alienating and exasperating spaces between these classes” (Hulchanski J. D., *The Three Cities Within Toronto*, 2006, p. 18; National Post, 2015).

In David Hulchanski’s, “Three Cities within Toronto”, he believes that due to the different

housing options accessible to the three types of income earners (i.e., low-, middle-, and high- income earners) we have created three different environments, communities, and quality of services in these neighbourhoods, creating three different areas of a city (p. 1). In low and middle-income neighbours, the access to social or health services and transportation is not the same quality or as easily accessible as other high income-based areas in the city. Also, housing types such as social housing and rental units are placed in areas where services are often poor, while homeowners, luxury condominium owners and apartment renters are in areas providing higher quality services. In some cases, low-income neighborhoods’ lands become cheaper in the city, which gives developers the opportunity to purchase and build new developments resulting in gentrification and a change in affordability in the neighborhood (Hulchanski J. D., *The Three Cities Within Toronto*, 2006, p. 1) In Hulchanski’s report, he outlines that between 1970 to the 2005, that there has been rapid changes in Toronto that have widened the gap between income earners, stating that, “the incomes of individuals have fluctuated, [due to] changes in the economy, the nature of employment (more part-time and temporary jobs), and in government taxes and income transfers” (Hulchanski J. D., *The Three Cities Within Toronto*, 2006, p. 3).

Hulchanski has also mentioned these changes have especially impacted middle income earners as their numbers significantly shrank from 1970 to 2005, as more Torontonians have moved from middle-income to lower-income areas during those years (Hulchanski J. D., *The Three Cities Within Toronto*, 2006, p. 1). In the 1970s, the middle income represented 69 percent of individuals within the city of Toronto, while in 2005, only 29 percent of middle-income earners were represented in Toronto. Canada’s middle class has eroded, due to the “space between the rungs [of the economic ladder] at the top and the bottom [are] gett[ing] bigger, it gets harder to climb” (National Post, 2015). Due to increase in the standard of living, housing prices, debt and student loans, many middle-income workers

are unable to afford a home and afford the necessities (Blackwell, 2019). In this case, Canada has become a nation of part time workers as part time workers have increased from 22 percent to 33 percent (National Post, 2015). This has only widened the gap between income classes. In addition, in the past, middle-income earners have never had issues with affordability and did not require subsidies like low-income earners (Cox & He, 2015, p. 8). However, in the last few years, affordable housing access between income earners have grown in Canada, from 40 percent (Zhu, 2021).

Though more Canadians need affordable rental units and other methods to get to homeownership, our housing policy still centers the market as it perpetuates the welfare parts of housing policy. Middle income earners who in the past were able to afford housing, have not been able to due to the increase in pricing and other economic changes in the last decade and there has not been any attentions or changes to middle earners to help support them (Cox & He, 2015, p. 6). However, for high income earners, many of these economic changes have created economic opportunities for wealth accumulation. For example, the ability to own various properties and investment homes have contributed to housing unaffordability. Those who can purchase multiple homes that they do not live in, are high income earners, where low- to middle income earners are trying to seek affordable housing options (Zhu, 2021). The housing market is inclined to “respond to the housing demand of those with stronger purchasing power, leading to reduced housing supply for those at the bottom of the income ladder and reinforcing housing inequality between the two income groups” (Zhu, 2021). In this case, it has further divided classes, and began to “hollow out” or “eradicate” the middle class, while exasperating the issues faced by low-income earners (Collins-Williams, 2021; National Post, 2015).

Lastly, the disparity of the commons has

manifested itself through new policies. The housing affordability crisis has resulted in financial institutions defining low to high-risk individuals through a mortgage stress test. As an attempt to limit the mortgage and housing debt that has impacted Canadians, the mortgage stress was designed to ensure that home buyers can pay their mortgage loans in the case of economic changes, loss of employment, or the state of interest rates increases (Ghazi, 2021), while also protecting financial institutions from financial loss as well. The stress tests determine the form of loan an individual receives. Based on an individual’s income, job status, financial assets, and credit score determines how much loan you can afford based on the qualifying rate of the financial institutions (i.e., for most financial institutions this is 5 percent). For instance, “If you want to apply for a mortgage loan of \$500,000 at a [five]-year fixed rate of 2.5 [percent] and an amortization period of 25 years, the financial institution would assess your affordability on the higher of 4.5 [percent] (2.5 [percent] plus 2 [percent] [and] 5.25 [percent] (qualifying rate)” (Ghazi, 2021). This reduces the amount that one can receive in mortgage loans. While preventing people from becoming housing poor or dealing with housing debts, it has also made it difficult for those who do have a reasonable income level to be excluded from receiving mortgage loans. In doing so, the mortgage stress test has made it harder to access a home.

Homeownership has been a part of the housing system, but it has slowly begun to centre itself within the system. This has often led us to finding solutions to address homeownerships, with more financial supports that no longer benefits an increasing group of Canadians. The goal of the housing system should be to create a social offer that is beneficial to all housing users within the system, through creating new ways to be able to provide that while creating new conditions to ensure newer housing typologies, and financial models that promote affordability.



## Conclusion: Leverage Points for Intervention

To understand the current housing system, it was important to review what occurred in the past of the housing system and the original functions of the housing system. In designing the housing system, we unintentionally created shortcomings and imbalances within the system through “established laws, institutions, and social practices” (Hulchanski J. D., 2005, p. 3). For instance, the way the actors interact with each other and the different power dynamics that lead to uncooperative results is a way our social practices have led us to the housing crisis. These unintended consequences include the legal and institutional focus of housing as a commodity. Government programs, bank financing, and the economic climate urge housing to be what is referred to as an object of speculation (CBC News, 2019), meaning it does not hold its value as a social good in our society and impacts the way in which we address it as a commodity, ensuring that housing cannot be seen as a social necessity with a prioritized social offering. Moreover, the zoning laws and regulations have also impacted the ability to successfully build houses on land. The difficulty in obtain a permit and the complexity and restrictive nature of our zoning regulations, have all contributed to the ability of developing affordable homes and diverse housing options. Another unintended consequence is the social practice of viewing homeownership as a value and an emblem of success and responsibility. In doing so, our policies, programs, and supports have focused on homeownership, failing to serve others outside of home ownership. Lastly, understanding housing as a supply and demand problem, reveals the actions of our institutions, to set up legal frameworks and zoning policies that favor home ownership development.

To address the shortcomings within the system, we must recognize the paths of interventions. According to Donella Meadows, leverage points are points of

power – positions in which an individual can change a system given the information that one knows of the system.

Systems adaption and a balance to the housing system need four types or levels of interventions to succeed:

- ▶ **Conscious or mental model shifts:** creating a shared knowledge of values and parameters that construct the system (Meadows, 1999, pp. 17-18) and informs its goals.
- ▶ **Social and systemic structural change:** the reorientation of the rules, goals, and structures that move the system (Systems Innovation Network).
- ▶ **Informational and patterns of behaviour:** having new information that created new behaviours (Meadows, 1999, p. 12). This includes having a system that has an ebb and flow rather than strictly positive feedback without a balance, it will lead systemic collapse (Meadows, 1999, pp. 10-11; Systems Innovation Network). This also include clarifying the clear goals of the system, this ensure that “physical stocks and flows, feedback loops, information flows, even self-organizing behaviour, will be twisted to conform that goal” (Meadows, 1999, p. 16)
- ▶ **Physical events:** these are the physical arrangements of the system and the different materials necessary to achieve the functions sited from above (Meadows, 1999, p. 7; Systems Innovation Network)

The following are the different leverage points that will structure the forms the interventions should take to develop an adaptive, balanced, and resilient system.

### CONSCIOUS AND MENTAL MODEL SHIFTS

- ▶ **Need for new paradigms:** the current housing system is imbalanced and unadaptable; there is a monetary power imbalance between the different stakeholders, the system is unable to respond to change, and housing

affordability is focused on fixing the homeownership market rather than the rental or other housing options within the spectrum. The focus should be on developing social offers for all housing users, while affectively addressing and defining affordability clearly. Affordability also should focus on easy access to quality services, within the proximity of communities. Changing the values that set the system creates new parameters that ensure that “old information and goals and rules” are removed to change the system and the interactions within them (Meadows, 1999, p. 6)

### SOCIAL AND SYSTEMIC SHIFTS

- ▶ **Better ways to address housing policy:** the housing system is contained within the policies that frame it. To fix the system is to design better policies and programs that better coordinate the actors in the system. For instance, municipality regulations that ensure that developers can place a certain percentage of housing for purpose built or the building of mixed income communities. More importantly, there needs to be an intergovernmental and collaborative approach to housing, to ensure priorities are being met and for transparency as to how money is distributed to housing projects and their impacts to ease the housing crisis.
- ▶ **Develop effective frameworks for land use and urban planning:** managing land and developing better mechanisms to do so is necessary when it comes to building housing with a social offer. Creating zoning regulations or planning that allows for the easier development of diverse housing types, especially affordable housing, can be beneficial in addressing the housing crisis.

### INFORMATIONAL AND PATTERNS OF BEHAVIOURS

- ▶ **Creating balance in a divided system:**

creating a collaborative systems, where different groups work together to deliver the necessary services and housing for housing users. Part of this intervention is empowering groups like housing advocacy groups that are already doing this work, with the least amount of financial power. Models, designs, and housing types should have a series of sources of information from diverse set of actors to create comprehensive changes.

- ▶ **Ways to deal with financial burdens for housing users:** the housing affordability crisis cannot be addressed without addressing the root causes of the problem – housing overall has become expensive. Creating business and financial models that can decrease the costs to build housing, purchase land to be developed, decrease housing prices, and foster community while providing necessary services to the community.

### PHYSICAL OPPORTUNITIES FOR CHANGE

- ▶ **Reduce land and building costs for developers:** finding financial models that allows for developers to be access cheap or free land, is one of the core ways to decrease construction costs, which in turn increases housing costs for housing users (Whitzman, Flynn, Gurstein, & Jones, 2022, p. 6). These developments allow for it to be profitable to build diverse housing types, while also lower housing cost.
- ▶ **Building housing security through long-term housing:** housing affordability is connected to the precarity of housing for housing users. Housing options such as rent and social housing are temporary (ex. renters rent increase at annual rate, those in social housing rent will increase with income increases and considered a temporary living situation to make way for others that may need the housing as well). Homeowners can maintain their home until sold, but others do not have that option. Ensuring there are ways to

provide people more housing security, while not worrying about housing increases as well.

- ▶ **Retrofitting older buildings:** to avoid renovations and displacement of the community, retrofitting can help maintain existing affordable housing stocks. It also allows for more housing buildings in cities like Toronto to be in better conditions for easier maintenance.
- ▶ **Increasing housing diversity and incorporating new and old housing typologies:** there is a housing supply issue in Canada; the issue is that there is not an equal distribution of housing types that will be helpful to different types of households. In the GTA, especially in Toronto, a middle sprawl consisting of “multi-unit housing in our already built neighbourhoods” that are “rowhouses, townhouses, walk-up apartments and low- to mid-rise buildings” (Haines & Aird, 2018, p. 3), can help the missing middle while also building communities within buildings (ex. daycare services, business hubs, commercial zones, and affordable housing), will help address the gaps of housing types, address affordability needs, develop community services, and foster community living in these buildings.

## Section 3:

# Interventions in the Canadian Housing System



**Photo by Pic2Map**  
*Image source:* <https://www.pic2map.com/zvxjna.html>

**W**ith the leverage point addressed in the previous section, this project aims to provide suggestions that incorporate these intervention points for the Canadian housing systems. In this section, we look at three different forms of interventions integral to systemic change.

Housing as a Paradigm Shift: Create New Values for System Adaption addresses the conscious and mental shifts needed to help guide the system. In this part of the section, we will highlight the need to change the paradigm of the housing system to address housing as a social good to develop housing into an affordable, social offer. Meaning, that it has societal benefits for people to enjoy all types of housing. As well, as highlighting the need to be aware of the social changes that can impact the housing system directly, to use the information to be able to develop effective responses to these changes.

In Housing as Socio-Financial Models: Interventions to Balance Social Needs and Financial Cost, we address social, systemic, and informational behaviours needed to solve the shortcomings within the system. In analyzing existing housing knowledge that has balanced both social needs for housing users and financial costs for these housing projects. In this part of the section, we analyze three case studies and conceptual business models for each of them, the Esplanade Housing Development, Trillium's Shared Equity Mortgage Program, and the Parkdale Neighbourhood Community Land Trusts.

Lastly, in Housing Design: Diversifying the Housing Stock through Innovative Housing Types and Models, the focus is on the physical events that create change, while incorporating the different behaviours, information, and goals to inform the building blocks to system adaption. Here, we look at innovative or popularized housing designs and models that addresses the social needs of diverse groups.

Through intervening in the system in these three ways, we can create holistic and balanced approach to help deal with the shortcomings of the housing system that have manifested into the housing

affordability crisis.

## Housing as a Paradigm Shift

*“Paradigms are the sources of systems. From them, from shared social agreements about the nature of reality, come system goals and information flows... and everything else about the system” (Meadows, 1999, p. 18).*

To create positive system's adaption in the housing system, we need to change the shared agreement that constructs it (Meadows, 1999, p. 17). In this section, we will be discussing different values to instill into the housing system to help guide the system, its goals, functions, and behaviours within the system. We suggest the shared knowledges that needs to be instilled in the system is understanding housing as a social good. In understanding it as social good, it establishes that all forms of housing and providing the needs for all housing users have societal benefits. This helps in redefining affordability and allows for housing then to be built to ensure an affordable, social offer, which in the paper we suggest building the necessary social infrastructure and social connectivity to serve individuals and communities. Lastly, housing is not a constant, with different social trends and evolutions impacting its stability. To create system adaption, the housing system needs to be adaptive to change and be resilient to unwanted disruptions. To do this, it is necessary to be aware of these changes within the system to accommodate for disruptions and changes in the system.

## Housing as a Social Good

*“... housing as a merit good and to the belief that if people who are [...] disadvantaged have adequate housing then the whole community benefits – morally, socially, and politically” (Prince, 1995, p. 731).*



A social good “refers to services or products that promote human well-being on a large scale” (Barak, 2018, p. 139). In establishing housing as a social good, it recognizes housing as a larger societal benefit. But, to do so, it should focus on serving housing users and their needs as best as it can. Though defining housing as a social good often has political implications, for instance the idea that it should be operated, owned, and distributed by the state, this project does not suggest that. This project argues for balances within the system, that while maintaining a level of commodification, it must also maintain social integrity and benefit. As we mentioned earlier, the commodification of housing is important and sustains the housing system, however, commodification should be a degree within the system not what completely makes up the system (Carlson & Baiocchi, 2021). Developing this focus showcases the socio-ecological aspects of the housing system; the systems abilities to address its functions and provide societal benefits, simultaneously supports other social determinates, such as health, education, and wealth accumulation (Fung, Parikh, & Zulauf, p. 7). Moreover, housing has a central role in “social reproduction” through the development social infrastructure that works in conjunction with the building of homes (Fung, Parikh, & Zulauf, *The Crisis of Affordable Rental Housing in Toronto* (Written Summary), p. 7; Carlson & Baiocchi, 2021). Through this value shift, housing is no longer dependent on one group of actors or stakeholders, it allows for a comprehensive approach and interaction that goes beyond public policy and public funding (Barak, 2018, p. 140). As well, this means that housing will not be focused on one housing user, but with all housing users. Currently, rental housing has a social stigma, this is because of three essential beliefs: renting is considered to be a temporary state, while homeownership is the ultimate good; property and ownership define a person’s character; and homeowners fear that affordable housing or rental properties decreases property values (Fung, Parikh, & Zulauf, p. 7). By establishing, the housing as a social good, it also established that all forms of housing are beneficial to society and individuals. In addition, it ensures that even rental properties should have a

community-oriented design to create a civic minded community (Fung, Parikh, & Zulauf, p. 7).

## HOUSING AS AN AFFORDABLE, SOCIAL OFFER

*“Housing as a basis of a long-term home and as a social infrastructure”  
(Fung, Parikh, & Zulauf, p. 7)*

Defining housing as a social offer is turning housing projects, and urban planning into a social function and building community relationships (Local Government in New Zealand, 2018; Baiocchi & Carlson, 2021). Building an affordable, social offer is focused on two aspects: one, developing a new definition around affordability, and two, developing social infrastructure to serve communities.

Firstly, the definition for affordable housing differently between governments and organizations; both the Ontario government and the Canada Mortgage and Housing Corporation (a federal government agency) refers to affordability as costing less than 30 percent of the household’s income (Bowes, et al., 2018, p. 8). Whereas the City of Toronto defines affordability as a combination of things; one “housing where the total monthly shelter cost (gross monthly rent, inclusive of utilities for heat, hydro, hot water and water) is at or below the lesser of one times the average City of Toronto rent, by dwelling unit type, as reported annually by the Canada Mortgage and Housing Corporation (CMHC)” and secondly, “30 [percent] of the before-tax monthly income of renter households in the City of Toronto” depending on a series of percentiles that are based on the amount of bedrooms a unit has in relation to one’s income (Haines, 2021). These definitions of affordability are helpful to clarify the forms of people in housing need, and have been used to create conditions and classifications of support for housing users (Hulchanski J. D., 1995, p. 472), but it oversimplifies the housing problem and the concept of affordability (Hulchanski J. D., 1995, p. 483). In this project, we suggest defining affordability as both housing expenditure to income ratio and in terms of accessibility of services and community.

This consideration demonstrates housing has indirect costs that impacts affordability. For instance, access to broadband, transportation, quality groceries, clean water, and more impact a household's housing costs. If these forms of services are difficult to access, one must acquire it through paying more to access it. For instance, poor access to transportation, leads an individual to be forced to take multiple different forms of transit to go to a location, this increases the price to travel, due to the location and services in which they live. The cost of transportation, energy costs, or access to key social services are "indirect costs relating to housing" that we will argue need to be included in our concept of housing affordability (City of Kelowna, 2018, p. 10).

Secondly, an affordable social offer is centered around building housing with the necessary social infrastructure. In this project, housing as a social offer is the value system, the building of social infrastructure is the practical implications of that value. It is important to break down social infrastructure to capture its relevance in housing; infrastructure itself can be seen as an ecosystem that includes community assets (i.e., libraries, community centers, and parks), social services (i.e., health clinics, and childcare), cultural facilities (City of Vancouver, 2021, p. 2), and physical infrastructure (i.e., groceries, water, transportation, power) (Layton & Latham, 2019, p. 2). Social infrastructure are "the places where you're able to connect with other people, even be a part of community" or more specifically, places "where strangers can meet and mix with others with whom they share their neighbourhoods and cities" (Layton & Latham, 2019, pp. 1-2). One of the key questions to defining housing as a social offer is, "Why does housing need to offer social infrastructure, if the core need is simply the physical infrastructures themselves"? Our current system does not care about community outcomes when it comes to increasing housing stock. Often in re-building or building new homes into neighbourhoods, community assets are sold to build homes, apartments, or condominiums. In doing so, we are creating community erasure through undermining community character. Social infrastructure ensures "social surplus", that

regardless of differences socio-economic, racial, or social, it creates "trust, civility, encounter and common purpose" (Layton & Latham, 2019, p. 8). Social infrastructure and its distribution within a neighbourhood or city impacts "disparities and are maintained by them" (Layton & Latham, 2019, pp. 2-3).

As mentioned by Hulchanski, it creates distinctions between neighbourhoods and lacking in social essentials, impacting the character of the neighbourhood (Hulchanski D. J., 2010, p. 1). Housing as a social offer, is addressing the need to create housing that encourages community orientation, and through the building of social infrastructure it creates a flourishing, thriving, and viable neighbourhoods that addresses human needs – socialization, social reproduction, and avoid social isolation of groups (City of Vancouver, 2021, p. 8; Bowes, et al., 2018, p. 6). To build social infrastructure and incorporate it around housing types and options is to design, maintain, and plan these spaces around the housing that is built (Layton & Latham, 2019, p. 8) – we can do this through ensuring social infrastructures are embedded into the forms of housing. For instance, recently, an architectural phenomenon called vertical communities (Buildner, n.d.), where libraries, business and acceleration hubs, and gyms are built into apartment buildings or more commonly in luxury condominiums. Finding interesting and innovative ways to build community around homes, such as building vertical communities, is essential to ensure an affordable social offer through the form of housing.

The way to develop these values and standards into the system is often through the rules that structures it. In the Canadian housing system, this would be policies and legislation. Creating a connection between housing policy and social policy, may be a way to develop the shared knowledge and assumption of housing as a social good and creating a social offer. In placing housing as a part of the "social policy agenda" (Carter & Polevychok, 2004, p. 30), social policy can play a facilitating role to help stabilize housing by gathering an already thriving:

community development sector [...] to greater support [...] social housing programs and better integration of housing with neighbourhood revitalization, capacity building, community investment and employment initiatives. There is a clear recognition that the absence of integrated housing policy and programs weakens community development in general (Carter & Polevychok, 2004, p. 30)

## Housing as a Social Trend

The housing system is vulnerable to changes because of the different systems that impact it; namely societal changes, technological changes, political disruptions and economic downturns and upturns. However, in the last decade, the housing system has not effectively handled disruptions and changes, this can be seen in the way we are currently handling the housing affordability crisis. To intervene in the current housing system, the value we must undertake is being aware of potential disruptions to best respond to them. We must see housing as a social trend – vulnerable to the changes and disruptions of nationally as well as globally. To do so, we must be aware of the different trends that may impact the conditions of housing for the present future and longer future. In this part of the section, we will use the foresight tool called STEEPV that analyzes social, technological, economic, environmental, political and values that may have future impact.

### SOCIAL TRENDS

► **No desire to purchase homes:** due to various reasons including affordability, homeownership is no longer appealing to other housing users (Florida, 2013). For young Canadians especially homeownership no longer seems like a viable option (Khan Z., 2020). Nationally, 63 percent of Canadians have given up purchasing a home altogether (Lord, 2022; Carrick, 2021). *In this case, building, policies, and strategies need to be holistic and geared towards diverse housing options and housing security*

*outside of homeownership. As more people are settling and desiring for something with less permanency due to other factors outside of housing prices.*

► **#GreatCityEscape:** since the beginning of the pandemic, many Canadians have left urban cities to smaller towns. The mass exodus has been caused by increase in housing prices in cities (Lorinc, 2021), desires to be closer to nature and escaping the business of city living (Thompson, 2019), as well as searching for homes that suite their needs; especially young families looking for bigger homes (Hertzberg, 2021). With more young people (i.e., 25 to 30) moving out of major cities, there is a *growing need to increase housing stock and options in these communities that are affordable, while also ensuring the developments have the necessary services to address the increase in population in these areas, while also ensuring integration between residents and those that have migrated there from major cities.*

► **Growing number of seniors in Canadian society:** according to the most recent census, “seniors over the age of 85 are the fastest growing age group” in Canada and this number will triple in the next 25 years (Osman, 2022). This impacts the future of the housing group” in Canada and this number will triple in the next 25 years (Osman, 2022). This impacts the future of the housing system in three major ways. One, the increase of an unaffordable housing impacts seniors with a “modest income” due to their retirement income (Canadian Council on Social Development, 2015, pp. 10-11). Secondly, due to the current design of Canadian cities, it is difficult for the aging population to gain access to necessary supports and services such as home care, supportive services, or transportation, making it difficult for the aging population to “age in place” or within their respective homes (Canadian Council on Social Development, 2015, p. 11). Lastly, there is a lack of variety of housing options and assistance for seniors with different medical, physical, and intellectual needs (Molinsky & Airgood-Obrycki, 2018; Economic and Social Development Canada,



*As the senior population continues to increase, the housing system needs to reflect this population through, design innovative housing types, options, communities, and services that serve this population effectively, while not isolating them from the rest of society. Dealing with the housing affordability crisis, is one of the key ways to serve this community.*

#### TECHNOLOGICAL TRENDS

- ▶ **Housing technology helps housing affordability:** Currently, Blokable, a construction company, is one of the first to use 3D printing to build part of a house in a factory (Williams & Pardo, 2019). Later, these parts are shipped to assemble on site (Williams & Pardo, 2019). *This new technology may help lower the costs to build homes, which leads to more affordable and sustainable homes.*

#### ECONOMIC TRENDS

- ▶ **Millennials moving out later than before:** due to rising housing costs, changes in the workforce, and student debt, millennials are leaving home later in life than previous generations (CBC Life, 2018). *More than before, Canadians are living in multi-generation households, to save on expense, to take care of aging parents, and for support on childcare (Canadian Council on Social Development, 2015, pp. 10-11). This showcases how economic trends have impacts on social changes.*

#### ENVIRONMENTAL TRENDS

- ▶ **Increase prices for housing materials:** in the last two years, the costs to build homes in residential zones have increased by 24 percent (Porter, 2022). This is caused by labour shortages that have been occurring nationally, and the shortages of lumber (Armstrong, 2021; Porter, 2022). *The availability of housing supplies will impact the building and design of housing in the future. It will also impact the affordability*

*of housing in the future and the costs of housing as well.*

#### POLITICAL TRENDS

- ▶ **Housing Affordability Promises and Expectations:** For millennials, housing affordability is an important topic that will impact future voters, given that this is the group that is struggling the most to own or rent a home. According to Canada Home Builder's Association, 64 percent of Canadian millennials believe that the housing crisis is a key political issue that must be handled by the federal government (Canadian Home Builder's Association, n.d.) and is a growing concern for all Canadians (Chutter, 2021; Roberts, 2021). *This trend showcases an expectancy for governments to be more involved in the future and constituents believe they need to be able to provide a comprehensive strategy and policy to address the growing need.*

#### VALUE TRENDS

- ▶ **Home is where the work is:** more Canadians are adapting to a work from home or hybrid model of work. This makes where they call home to be a blend of both where they live and where they work. This has caused many to move to a house that accommodates home offices (Nguyen, 2021). *Lifestyles of Canadians are altering all the time, and what they expect a household to be designed is shifting as well. Designing homes and buildings that will grow to accommodate work from home through building business hubs, or workspaces into buildings or communities, may be a greater need in the future.*
- ▶ **Housing promotes healthy living:** Canadians are expecting for their residents to facilitate better health (Bowes, et al., 2018, p. 11). *Housing is one of the determinates of health. As health and wellness becomes an issue in the forefront of society, and work culture is installed in homes, it is important*

*for housing to be reflective of physical, social, and emotional health (Bowes, et al., 2018, p. 11). Whether that be through the community design, the communal activities offered, or the services built into the communities, health should be integrated into community living.*

Creating an adaptive system is understanding the changes and disruptions that can occur and how best to respond to them. Studying these social trends and developing frameworks to respond to them is necessary to maintain a resilient and an adaptive system.

*“A part is never modified unless it makes the whole better, that is a systemic principle, you don’t change the part because it makes the part better without considering its impact on the whole, that is systemic thinking”  
– Russel Ackoff*

Developing a common knowledge and set of values that will anchor the system and define its purpose is necessary to address the shortcomings that created the housing crisis. Through developing housing as a social good, it identifies the importance of housing in the socio-ecological landscape that it is in. Defining it as having a centrality in positive social impact, will ensure that we see interventions with a larger impact on individuals and society as whole. In establishing these values, it becomes easier to develop an affordable, social offer. It allows for us to clarify affordability as the ease and access to more than housing but for users to be able to have a livelihood with access to resources needed to survive in urban times. It also ensures that there is a variety of social and community services to foster community. If social services are neglected or restricted in certain areas, the succession of a neighbourhood is put into question as well as social equity (Layton & Latham, 2019, p. 8).

To effectively develop an affordable social offer, certain parameters need to be in place:

- ▶ **Diversity of social infrastructure:** a distribution of different spaces to serve

different people (Layton & Latham, 2019, p. 8), through a “holistic, culturally appropriate, and integrated approach that values and plans for diversity of spaces for cultural and social well-being” (City of Vancouver, 2021, p. 3).

- ▶ **Maintenance:** the physical buildings need to be cared for, updated, and designed to sustain through time (Layton & Latham, 2019, p. 8). Community assets are a part of community memory, these buildings can impact and create generations of social reproduction and surplus and need to be maintained to do so. Especially, as social infrastructures are under risk of closure (Layton & Latham, 2019, p. 9).
- ▶ **Responsiveness and democracy of social living:** these spaces and homes need to continue to respond to people’s needs (Layton & Latham, 2019, p. 8). Building housing and social infrastructure that is designed for different people with different lifestyles, is integral to maintaining the social offer. Also, ensuring that everyone is considered equal to these shared spaces, and can advocate, change, or adopt for new attributes to the housing or spaces is also important.

## Housing as Socio-Financial Interventions to Support Financial Costs for Social System Change

One of the key barriers to developing housing affordability options is the costs that are attached to, leading key stakeholders like governments and developers to have no interest in addressing it effectively. However, in the last few decades and in our recent history, there have been many innovative financial models that have been able to balance social needs for communities (i.e., social infrastructure, diverse housing types, etc.) while lowering financial costs for those developing these buildings. We will be exploring three case studies: the planning and development of the Esplanade neighbourhood, the Trillium Mortgage's shared equity program, and Parkdale Neighbourhood Land Trust. In each case study, we built conceptual business models, meaning, these are not made by the different groups and individuals who developed these ideas. These models were built through the sourcing of information and combining them together. Through understanding the financial and social innovations, goals, histories, and business models, we can learn from these models to better address the housing affordability crisis and build new ways to address the social offer.

### The Esplanade Development: Reviving the St Lawrence Market

One of the major housing innovations in Toronto's housing history was the Esplanade housing development. The neighbourhood was built in the 1970s during an urban revival in Toronto. Spearheaded by reformers like Jane Jacobs, Toronto neighbourhoods such as the Esplanade was designed to focus on the people and fostering community through the physical design, housing types, and tenor

of the neighbourhood (Hulchanski J. D., 1990, pp. 14-15). Through the "reuse of industrial lands near the lakeshore" (Gordon, p. 1), the different groups of "planners" goals were to build more housing for all incomes, increase housing supply in the central part of the city, and to create a new community through a more open planning approach and principles, and built upon existing historic buildings (Hulchanski J.D ., 1990, pp.1; Gordon, p. 2-3). In this subsection, we will be focusing on the key parts of the Esplanade's development conceptual business model pattern (see *Appendix C: Conceptual Business Model Canvases, the Esplanade Development: Reviving the St Lawrence Market*) in the building of the Esplanade neighbourhood, value proposition, key partners, and the cost and revenue streams of the development. In this analysis, we will also highlight the lessons learned from the project and some important aspects to consider.

#### VALUE PROPOSITION

*"Don't say [housing] project... the way you think about it will determine what you do" (Gordon, p. 3)."*

**Socially Mixed neighbourhood:** Before the Esplanade, housing communities focused on building affordable rentals, not communities. For instance, Regent Park, a lower-income neighbourhood in Toronto, was an isolated neighbourhood, built with "one predominate housing type and tenure with one socio-economic class or resident" (Hulchanski J. D., 1990, p. 12). In doing so, it isolated the community from the rest of the Toronto area and from community services, creating a ghettoization of those communities. Learning from Regent Park and to combat social isolation and ghettoization, the Esplanade development planners focused on creating a socially mixed neighbourhood. Socially mixed refers to having a mix of socio-economic classes, ages, and household sizes (Gordon, p. 4). Thus, in one given neighbourhood there were senior residents, young families, single individuals, low-income homes, middle-class homes, and immigrants or newcomers (see *Appendix B: Value Propositions Canvases*). Though the focal point was to increase affordable housing supply as there was an

### Financial Innovations

- ▶ Retrofitting existing building curbed costs and avoided gentrification
- ▶ City owned land was sold and leased to subsidize costs
- ▶ Mixed income allowed for the subsidizing of social housing types

### Social Innovations

- ▶ Innovative partnerships between municipal, federal, provincial governments, and communities
- ▶ Mixed income and mixed use allow for the building of relationship and creating community through interactions
- ▶ Distributions of housing types and tenure housing options

affordable housing crisis at the time (Gordon, p. 1), there was a need to ensure that middle class homes were also represented in a neighbourhood for several key reasons. One of the key reasons is to avoid issues of equity and equal access. Social segregation based on socio-economic status, usually leads to the segregation of access to essential and quality services. Having diverse groups represented in one place, is the creation of different needs and services necessary for each group of people. More importantly, it answers to a justice and equity issue, as it avoids the keeping out of others based on socio-economic status, race, family type, and age (p. 13). As Hulchanski describes socially mixed neighbourhoods such as Esplanade allows for “equal access to a basic necessity (housing) in a good quality living environment (neighbourhood)” (p. 13). Secondly, a socially mixed neighbourhood is important as it allows for the developing of a neighbourhood – the connections and interactions of different people to form a sense of community. Through the proximity of different groups physically (ex. the sharing of community services, children playing at the same parks, etc.) will lead to social integration. Social integration is the mixing and identifying with one another to create a distinct and viable community. Through evoking a socially mixed neighbourhood allowed for the building of community.

*“The success [of] [neighbourhoods] [are] due to four attributes: the neighborhood had mixed uses, short blocks and narrow streets lined with continuous commercial use, a dense population (75,000 to 100,000 people), and structures built over time. These components [...] encouraged different kinds of people to walk around at all*

*times of day” (Jacobs, 1958, p. 124)*

**(Specific) Mixed uses (i.e., health, education, transportation, and community services):** Due to the Esplanade being in the central most part of the city, the goal was to ensure that there was a mixture of different services available. In this case, affordability is also the close availability of different services to the neighbourhood. Through an open plan, the focal point was to embed services into the community directly. These included schools, health clinics, grocery stores and recreation centers (Gordon, p. 4) in very interesting ways. For example, schools were built within condominiums, apartment buildings, or community centers with gyms, and schools being built within a close knit with each other. All these different spaces and people were continuously interacting with one another, all schools used the community center as a gym facility, or apartment buildings were using the gym as well (The Modern City, 2017). In doing so, it encouraged the services to be localized, but it also allowed for continuous movement on the street (Hulchanski J. D., 1990, p. 7). According to Jane Jacobs, having blocks with continuous commercial space and movement allows for “eyes on the street”, continuous surveillance of both shopkeepers and residents to discourage “criminal activity” and encourage “economic vitality” (Jacobs, 1958, p. 124). There is an importance of having promenade with “promenaders”; engaging in different activities throughout different areas within a neighbourhood to support commercialism, ensures safety, and leads to multiple uses of the space (Jacobs, 1958, pp. 128-129). These provisions for eyes on the street and community surveillance has led to the Esplanade neighbourhood to be one of the lowest crime neighbourhoods in Toronto (The Modern City, 2017).



*Big buildings “banish the cities function. They banish its variety...” (Jacobs, 1958, p. 126)*

**Diverse housing types:** Another goal for the Esplanade neighborhood was to develop a neighborhood with different housing types (Hulchanski J. D., 2005, p. 15) (see housing typology) but avoiding building high rise apartment buildings, as they did in Regent Park (Hulchanski J. D., 2005, p. 7). One of the reasons is due to the eyes on the street theory; by having mid-rise apartments at eye level to the streets, ensured community surveillance. The other reason is that high-rise buildings interfere with the mobility within a community and lacked the necessary functions of communities like ground floor businesses (Jacobs, 1958, p. 124). High-rise complexes “stifled or discouraged the busy, urban scene that made cities lively, secure, and attractive” (Jacobs, 1958, p. 124), it is then necessary to create different housing types (ex. townhouses, apartments, and co-operatives) to ensure the business and liveliness of a downtown area. Another reason is to support different users, their needs, and jobs, which responded to some of their pains from other previous neighbourhoods. By the 1990s, the Esplanade had condominiums, mid-rise rental apartments, and townhouses that were both non-profit, municipal or subsidized housing, and private or market rental (Gordon, p. 1). These were designed to be homes for young families, young professionals, and seniors (Hulchanski J. D., 1990; Gordon). It created buildings and spaces that represented the “wider physical and social world” that exists within city of Toronto (Hulchanski J. D., 1990, p. 15).

Housing Type in Area	Percentage
Condominiums	39 percent
Non-profit condominiums and private non profit rentals	30 percent
Municipal non-profit rentals	27 percent
Ownership	4 percent

(Gordon, pp.4, Hulchanski, 1990, p. 15)

**Table 1: Housing Types in the Esplanade Area**

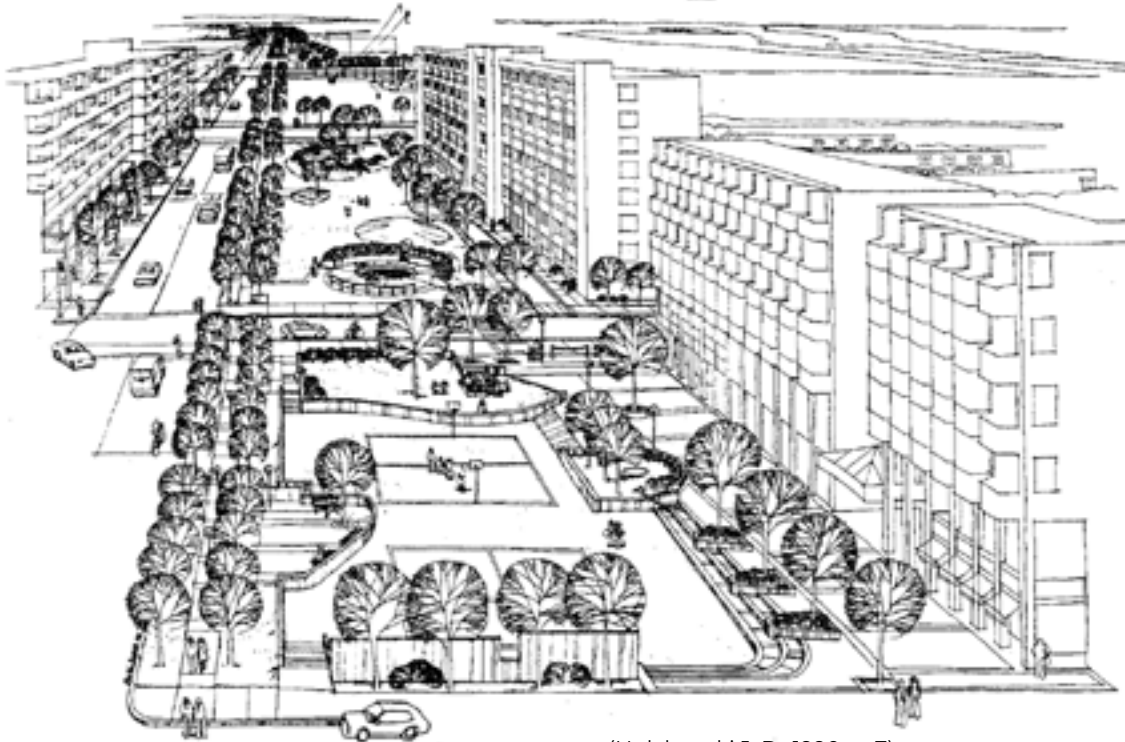
*“The mix of housing types, sizes, costs, and tenures can accommodate changing lifestyles and life cycles. Residents have a choice of staying within their area as their requirements change” (Hulchanski J. D., 1990, p. 15)*

**Tenure of housing and transitional housing:** The tenure of housing refers to the housing continuum directly; in the Esplanade neighbourhood, a person can move to different forms of housing according to their needs or changes in lifestyle. It allows for a smoother transition through the forms of housing if that is desired by the user, while also allowing people to remain within the community. For example, a young couple may live in the co-operative housing apartments and once they are able to afford a home or about to start a family can relocate to bigger units or different housing in the area.

#### KEY PARTNERS

One of the key innovations of the Esplanade neighbourhood project, was the variety of groups with differing expertise working together to plan and build this development. In this case, the building of the neighbourhood was provided, facilitated, and coordinated by the City of Toronto (Hulchanski J.D., 1990, p.14; Gordon, p. 2). The City of Toronto created the conditions that ensure that the development was carefully “planned by a broad range of people -for a broad range of people” (Hulchanski J. D., 1990, p. 16). These diverse set of planners included what Hulchanski refers to as professional planners (e.g., urban planners, architects, engineers), decision makers (e.g., City of Toronto’s Housing Department) and citizens and community-based organizations (Hulchanski J. D., 1990, pp. 2-3). In this case, everyone played a key role in the planning of the community and ensured that no group was in complete control of any part of the planning process. The focal point was to ensure that the elements of the neighbourhood were according to the wants and desires of the community and the organizations that were representing different community groups (Gordon, p. 4).

#### COST STRUCTURES AND REVENUE STREAMS



(Hulchanski J. D., 1990, p. 7)

**Figure 12: Crombie Park, the center of Esplanade**

Due to the range of housing in this neighbourhood and the amount of land needed, this was an expensive project. The costs included the acquisition and development of land as well as the different administrative costs for the development, this included consultants or community outreach events (Gordon, p. 5). However, due to the leasing and the sale of storefronts as well as the City of Toronto's access to public sector subsidies, interest free loans and grants, and operating on city owned land helped subsidize costs (Gordon, p. 5). In doing so, it allowed for the building of "community infrastructure, and the non-profit and co-operative buildings" that are found throughout the community (Gordon, p. 5).

### **CONSIDERATIONS AND CONCERNS IN THE ESPLANADE DEVELOPMENT**

What we can learn from the Esplanade Development is that city owned land helped was one of the key parts in developing the land. Also, the collaboration between different levels of government and the influence of members of the community, created a successful and thriving neighbourhood that established affordability while also giving people a sense of community. This is through

the focus of creating a neighbourhood built around mixed uses, mixed income, and housing diversity. In doing so, it allowed for people to effectively transition into different housing types according to their needs and provided them with housing security to remain within the that they love.

Some of the current issues in the Esplanade neighbourhood are not necessarily due to the mismanagement or issues of the planning process, but rather the implications of a changing housing system with a changing focus. Currently, the Esplanade neighbourhood is undergoing renovation, with many of the new buildings not following the eye on the street design. As more and more high-rise condominiums begin to be built, there is a change in user and offers to these users that do not lead to the mixing of different income levels. For instance, within the community center there is a community gym that is used by the community and the local school. But, if you have not lived within the community, you would access to the newly renovated GoodLife Fitness that was built around the condominiums. These condominiums are replacing community memory or infrastructures that was once built for a diverse group of individuals.

## The Road to Homeownership: Trillium Housing Program

Another interesting socio-financial model is the shared equity mortgage model, which has become popular within the last few years as more and more developers, municipal housing associations, families, and governments have been developing new transitional paths to homeownership for low-to medium- income earners (Kagan, 2022). Shared equity mortgages are an interesting financial model as they allow for the borrower and the lender of a mortgage to both have a share of the mortgage and to both gain equity in the process. Often, the lender helps contribute to a down payment for the borrower to be able to purchase the house. In Canada, there are many different groups adopting or have installed ways to help individuals build a down payment needed for homeownership. For instance, the federal government has a First Time Home Buyer Incentive, where the government helps first time home buyers with five or ten percent of their down payment. As well, the CMHC has a Shared Equity Mortgage Providers Fund set to support shared equity mortgage providers in two ways; financial supports for the pre-construction costs of housing development projects and monies that contribute directly to home buyers (Canada Mortgage and Housing Corporation, 2018). This year, the government launched a first home shared equity mortgage geared towards Black families called the Black North Home Ownership Bridge Program, with the intentions to enable Black families to break into the housing market and combat systemic barriers to homeownership for Black families (Gaviola, 2022). Lastly, there is a non-profit, social enterprise called Options for Homes that offers a shared equity program for high quality condos called the Option Ready Program (Toronto Star, 2021). Their goal is to build dwellings at locations to then offer potential home buyers the lowest possible price for a quality home, and to use the profits to then enhance and build more homes, and offer up to 15 percent of a down payment for houses that are \$500 000 or over (Options for Homes, 2021; Toronto Star, 2021).

In this subsection, the focus is on the non-profit and social enterprise Trillium Housing that offers a shared equity assistance program for low-to middle income earners. In the case of Trillium Housing, their business model is the most unique as they operate as both developer and lender, like that of Options for Homes, but with more safety nets to protect the borrower.

Here we will be focusing on the elements that define Trillium's conceptual business model pattern (see *Appendix C: Conceptual Business Model Canvases, the Road to Homeownership: Trillium Housing Program*) their value propositions, key partners, and forms of interventions regarding their shared equity program. We will be discussing what we can learn from the shared equity program as well as some of the key aspects to consider when adopting such a model.

### TRILLIUM HOUSING: A SOCIAL ENTREPRISE

It is important to distinguish Trillium Housing's business model from that of the Esplanade's. Trillium Housing is a social enterprise as its focus is not on turning a profit but the provision of housing for low-to middle income families, first time home buyers, and single parent households (Kucharsky, 2021) (see *Appendix B: Value Propositions*). In Tandemic's Social Business Model Canvas, there are several boxes that differ from the Strategyzer Business Model Canvas ® :

- ▶ **Partners and key stakeholders:** the necessary partners to help deliver the program, product, or service to customers.
- ▶ **Types of interventions:** the form in which the intervention/interventions will take (ex. workshop, product, or service). In Trillium's case, the intervention is the down payment program itself, the financial supports that protect the loaner, and the development of various housing types and putting it into the housing stock.
- ▶ **Segments**
  - **Beneficiaries:** these are the groups that do not necessarily have the



means to be customers. In the case of Trillium Housing, everyone interested in a home is required to pay a down payment. But the individual must pay a minimum of five percent of the down payment (Trillium Housing, n.d.). This benefits single parent households as well as low-income families who can potentially provide a minimum down payment and Trillium will fill the rest.

- **Customers:** these are the individuals that are going to pay to help address the key issues the beneficiaries are going to face. In this case, those most likely to have a higher down payment (i.e., are first time home buyers, young professionals, or middle-income earners).

► **Value proposition:**

- **User value proposition:** these are specifically targeted to the beneficiaries and the values they are receiving through this organization.

- **Impact measures:** this significantly differs from the Strategyzer Business Model – the impact measurements are needed in social enterprises to ensure that their value proposition and interventions are making a social impact to society and especially the beneficiaries

- **Customer value proposition:** like the user value proposition, the customer value proposition is what is offered to those that are paying for a service, what do they get out of the initiative.

► **Surplus:** this is the extra money that can be used to invest back into the business.

*User and Customer Value Proposition*

*“... Trillium offers ... [a] creative solution the GTA has been lacking for far too long... It’s the opportunity to own your own home and not likely to have to pay any more than what you would be paying if you were renting – maybe even less” (Trillium Housing, 2020).*

**Path to Homeownership:** One of the main innovations of Trillium’s Second Mortgage program and shared equity ownership, it allows for the borrower to be part owner of the property. As will be described further in this section, due to the affordable prices and the housing financial support, low- to middle income- earner in our current market are not able to afford a home, through this program, have an opportunity to do so (Nelles, p. 3). The borrower will only have to pay back what they borrowed from Trillium once the property is resold, or if the home is rented to anyone but the owner (Kucharsky, 2021).

*“A Trillium 2nd Mortgage of \$80,000 will save a family \$420 per month on their housing costs for as long as they own and live in the home” (Trillium Housing, n.d.).*

**Housing financial support:** With the focus of Trillium housing for low-to middle income earners (ex. Pickering housing project the threshold for household income was \$99,580) (Accessing the Housing Market, 2019), Trillium’s second mortgage offers households with several key financial supports that are hurdles for low-to middle income earners when it comes to home ownership.

Trillium offers to help households to make a down payment as low as five percent

**Financial Innovations**

- Financial supports for low - and middle - income earners to access homeownership
- Offers more affordable housing prices (lower than the median housing)
- Organization is developer and mortgage loaner

**Social Innovations**

- Build quality homes and communities with essential services and resources
- Housing security and tenure housing for low - to middle - income earners

(Kucharsky, 2021), and Trillium’s payment-free mortgage covers 25 percent of the value of the house itself (Kucharsky, 2021). As mentioned before, the household does not have to pay for the mortgage loan until the property is resold or rented. Moreover, if the borrower does decide to sell and there is a depreciation in the value of the house and are forced to sell the property, Trillium will assume 50 percent of the loss (Sharma, 2017). Lastly, though eligible users must be approved by a bank, credit union or mortgage broker, though Trillium’s second mortgage covers the leverage costs and carrying costs to receiving an ownership (Kucharsky, 2021; Sharma, 2017). Secondly, the monthly payment for the home is dependent on your income, the goal is to ensure that about 30 percent of income goes towards housing costs (Trillium Housing , n.d.). This is also dependent on family size as well (Kucharsky, 2021). This allows the monthly costs of owning part of the home to cost as much as rent (Trillium Housing, 2020; Accessing the Housing Market, 2019). Thirdly, Trillium acts as a financial buffer in the case of temporary financial changes for the homeowner to avoid defaulting on monthly payments,

and in a financial disruption as an income shock (Nelles, p. 5), so, they can continue to mitigate financial risks as they continue to live within the home. Trillium is a non-profit social enterprise that works as a lender that bridges the gap between homeownership and affordability. Their efforts allow families to save a large amount on monthly payments, for example in one of their housing projects called Loop, families can save up to \$ 400 a month (Sharma, 2017).

In the example below, Trillium takes on the housing price, and provide a low mortgage for individuals, while trying to provide a low monthly payment for a home as well.

**Affordable housing prices:** One of the ways in which Trillium Housing offers pricing of homes according to size of the home that is lower to than the city’s median price (Kucharsky, 2021). For instance, a single mother with two children, was able to afford according to her income, a townhouse with three bedrooms (Sharma, 2017).

**Housing Affordability Forecast\***

	<b>1 bedroom</b>	<b>2 bedrooms</b>	<b>3 bedrooms</b>
Home Price	\$358,900	\$420,900	\$551,900
Down payment	\$17,945	\$40,000	\$37,595
<b>Trillium Mortgage</b>	<b>\$80,955</b>	<b>\$105,900</b>	<b>\$214,305</b>
<b>Monthly Savings</b>	<b>\$420/month</b>	<b>\$490/month</b>	<b>\$1020/month</b>
First Mortgage	\$260,000	\$275,000	\$300,000
<b>Monthly Mortgage Payment**</b>	\$1,317	\$1,320	\$1,442
Other costs annual	\$3,500	\$4,500	\$5,000
<b>Household Income***</b>	\$54,080	\$46,000	\$63,000

\*Based on actual Trillium Project

\*\*Meridian 5 year closed, fixed rate – 3.15percent.

\*\*\*33 percent of income to housing costs.

(Trillium Housing, n.d.)

**Table 2: Example of Household Savings with the Trillium Housing Program**

**Quality homes:** the housing communities Trillium builds can be social housing, but through a focus on partnering and finding investors that are developers with a social conscience, money is pooled into creating quality entry-level homes for individuals and families (Kucharsky, 2021; Sharma, 2017). Through their intentional designs of homes, they have also developed strict standards on quality, and these homes are built to last, so then can be sold afterwards. (Nelles, p. 3).

### *Impact Measures*

*“The reality of producing both a financial and social return on an investment is no longer considered “alternative” as mainstream institutions begin to offer opportunities that include blended returns. Affordable housing stands out specifically as a significant impact investment opportunity” (Nelles, p. 3).*

As discussed previously, due to Trillium being a non-profit social enterprise, part of their business model is to ensure that their value propositions create positive social impact to society and the communities they deal with directly. Through their social business model, Trillium can effectively impact five key factors that have been difficult for low-to middle income earners when it comes to housing: high housing prices, lack of financial supports, poor housing security and tenure, and lack of quality homes for families.

*“Whether it is investment savings, control over rising housing costs, protection from the volatile rental market, or building household equity, the potential financial impact of ownership is especially significant for low - to modest-income Canadian families” (Nelles, p. 7).*

**Financial savings:** Trillium housing allows for households to be able to save monthly on their housing costs through a low interest rate on mortgages as well as down payment support (Nelles, p. 3). Allowing for individuals to save on housing costs, allows them to either save for other aspects of their lives, or to invest in other ventures. It also allows for

households to prepare themselves for higher housing costs in the future, unexpected income changes, or economic changes (Nelles, p. 7).

*“For homeowners, high and increasing house costs contribute to their lifelong accumulation of wealth,” for renters the opposite is true, “high housing costs make it difficult, if not impossible, for [renters] to accumulate assets (such as the amount needed for a down payment) resulting for many, in lifelong impoverishment” (Hulchanski J. D., 2001, p. 3).*

**Household and financial stability:** Not only does Trillium’s second mortgage option allow for entry-level homeowners to be able to build equity, but homeownership with a fixed mortgage ensure a stable place to live and shelters individuals from the instabilities of a rental housing market (Nelles, pp. 5-6). Especially in places like Toronto, where condominiums are one of the main sources of rental units, they are often overvalued because of the potential resale rates of rental units (Nelles, p. 7). Moreover, through home ownership, low - to middle income earners build wealth through the building of equity, and as Hulchanski’s writes in, “A Tale of Two Canadas: Homeowners Getting Richer and Renters Getting Poorer”, the income gap between renters and homeowners between 1984 and 1999, was such that homeowners were able to increase their income, while renters’ incomes decreased (Hulchanski J. D., 2001, p. 2). Especially, as the resale value of their homes increases, they will be able to recoup some of the gains from it, while renters are not able to do so.

**Community development and determinancies of living:** housing has an impact on many every facet of societal living, and the development of neighbourhoods impacts the different determinacies. Like Esplanade, Trillium designs its projects to be oriented around community and ensures to create inclusive design in their project sites, by creating community oriented and social living, through the development of access to necessary services like transportation.

## Partners and Key Stakeholders

*“We always look to partner with other organizations or local government to find new ways to deliver increased housing affordability (Trillium Housing, n.d.).*

Given that Trillium is a non-profit, social enterprise, to be able to build these developments is through partnership with housing development firms, B-corps such as Vancity Community Investment Bank, banks or credit unions, and municipalities (Toronto Star, 2021). As Trillium itself is the purchaser, site selector, and designer, it needs the support to put their ideas into fruition, thus the need for other housing development supports that are also invested in creating housing affordability. Through negotiation with banks, it allows for low - to middle income earners to be less of a financial risk and qualify for down payment loans (Sharma, 2017). Other partners, like Vancity Community Investment Bank<sup>2</sup>, are necessary investment partners that accumulate some of the financial gains from the project (i.e., equity), while offering financial aid to the projects and their developments (Toronto Star, 2021). Usually, they partner with like-minded organizations; in the case of Trillium’s Pickering project, they partnered with Vancity; a B-corps company that supports changemaker organizations that drive social and environmental impacts (Toronto Star, 2021). Lastly, municipalities are important as they can structure the zoning codes and regulations for city and can provide breaks for those developing affordable housing affordability developments. For instance, municipalities in the past have helped by providing breaks “on charges and fees [...] letting [Trillium Housing] pay at the end of the project instead of up-front – [they] take the financing savings from that and all of it goes to finance more Trillium Mortgages” (Trillium Housing, 2020) According to Joe Deschênes Smith, the Principle and Founder of Trillium Housing, “this costs government a fraction compared to what they spend on landlord subsidies – often to help families with about

the same income” (Trillium Housing, 2020).

## Considerations and Concerns for Shared Equity Mortgages

There are very interesting aspects of the shared equity model that we can learn from to develop more housing affordability. This model provides the necessary support that allow for low-to middle income earners to transition into homeownership and accumulate wealth. Whereas many of our current homeownership supports often lead to more financial risks and can lead people to housing debt and being “housing poor”. As well, this model allows for the building of entry level homes that can be the first step for someone to then enter the market full force once they are able to save. Through removing the biggest obstacles – down payments and high monthly mortgage costs – it allows for more people to enter homeownership that are not higher income earners. Also, these supports are not temporal or require the interventions from governments exactly, saving government and taxpayers accumulating the costs as well.

There are many benefits from the shared equity mortgage model, especially Trillium’s business model, as there are some key considerations regarding such a program. For instance, homeowners that are in a shared equity mortgage agreement often do not build as much as equity or collect from the appreciation of a home because of the shared ownership model. Lenders like Trillium can take a larger percentage of the equity since it is share and dependent on the percentage of down payment (Government of Ontario, 2021). There is not much flexibility with this model – homeowners are unable to rent or use the location as an investment property (Government of Ontario, 2021). In the case of Trillium, once that occurs, you are required to begin to pay back the loan. Also, there may be some restrictions in rebuilding or renovating homes because of the shared agreement. Lastly, if the property does depreciate, households do acquire some of the loss, however, in the case of Trillium,

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<sup>2</sup>Vancity Community Investment Bank is a B Corp located in Toronto that finances social and environmental initiatives created by business or community organizations (Vancity Community Investment Bank About, n.d.)

once that occurs, you are required to begin to pay back the loan. Also, there may be some restrictions in rebuilding or renovating homes because of the shared agreement. Lastly, if the property does depreciate, households do acquire some of the loss, however, in the case of Trillium, if depreciation does occur, they assume 50 percent of the loss (Sharma, 2017), making it easier on the household during such a change.

## Community Funds: Parkdale Neighbourhood Land Trusts

The final socio-financial business model we will explore in this project is community land trusts (CLTs) – a unique business model that allows for the community to own the land and decide how the land is used. In this project, we will be focusing on the Parkdale Neighbourhood Land Trust (PNLT), designed as a “response to gentrification” and “to protect the social, cultural and economic diversity of Parkdale” (Parkdale Neighbourhood Land Trust, n.d.). The community made a non-profit organization with members of the board to include residents and local organizations, to ask the following question, “How can we ensure that everyone, particularly those with fewer resources and lower income benefit from these changes” (Parkdale People’s Economy, n.d.)?

In this subsection, we will focus on the business model according to its pattern ((see *Appendix C: Conceptual Business Model Canvases, Community Funds: Parkdale Neighbourhood Land Trusts*), focusing on value propositions that community land trusts (CLT), the channels that they used to provide these products, the different

activities involved in the land trusts, and the different partners and stakeholders involved in the non-profit organization.

### VALUE PROPOSITION

*“The Parkdale Neighbourhood Land Trust (PNLT) is a community-controlled non-profit organization of residents and local agencies that seeks to build a just, healthy, and inclusive neighbourhood” (Parkdale Neighbourhood Land Trusts, 2015).*

**Community land ownership:** CLT is already a unique business proposition, through this model communities own and manage the land, allowing the community to decide the land use (Goodmurphy & Kamizaki, 2011, p. 4). The difference, however, in the Parkdale Neighbourhood Land Trust (PNLT) business model is they do not focus on providing homeownership for low-income families because of the financial challenges that it would pose to low-income households and the land trust (Goodmurphy & Kamizaki, 2011, p. 4). Rather, the focus of the PNLT is “community development projects – organizations, social service agencies and co-operative that provide affordable and supportive rental housing, community services and healthy foods for low-income people” (Goodmurphy & Kamizaki, 2011, p. 4). The goal of the PNLT is to remove land or building from the real estate market to preserve housing supply and develop the community projects to create affordable housing stock in the community (Parkdale Neighbourhood Land Trust, n.d.). Having control over the land into the community, has allowed the community to plan for community assets and social infrastructure (Parkdale Neighbourhood Land Trusts, 2015,

#### Financial Innovations

- ▶ Community land trust covers land costs
- ▶ Purchase of existing buildings and retrofitting them while saving housing users from renovations

#### Social Innovations

- ▶ Community decides on how land should be used and ensure communal benefit of development projects
- ▶ Fosters community development outside of housing (ex. maintain commercial spaces, social resources and services, art spaces, etc.)



p. 2).

To prioritize the voices of the community, as of 2018, the PNLTL developed a community benefits framework; this framework embeds community assets (i.e., affordable housing units or grocery stores, etc.) as contractual obligations in contracts with developers, investors, and organizations (Parkdale People's Economy, 2018, pp. 8-9). These obligations include contributing to current affordable housing concerns and needs, developing affordable commercial spaces, offering decent work to members of the community, and creating social services like community centers (Parkdale People's Economy, 2018, pp. 8-9). Particularly in their new development project, the focus is to build housing and retrofit housing without displacing current members of the community (Parkdale People's Economy, n.d.). Also, within the community benefits framework there are specific affordable housing criteria for buildings within their community. For instance, the land trust believes the affordable housing they need in their community is shelter allowance or rent geared housing. The land trust also has a requirement for what is built on private owned land; they expect eight stories or less high-rise apartments must have a minimum of 20 percent permanent affordable housing with inclusionary units, and eight stories or more apartments to have a minimum of 30 percent of units as affordable units (Parkdale People's Economy, 2018, p. 16). More importantly, the goal is to create a vertical infill intensification to create a vertical community space through the building of high-rise buildings (Parkdale People's Economy, n.d.).

#### CUSTOMER RELATIONSHIPS

*"...directions for Parkdale foregrounds two broader objectives: 1) the democratization of local land use planning and 2) a tandem strategy for development without displacement that simultaneously promotes various initiatives and policy for preserving and strengthening affordable housing" (Parkdale People's Economy, n.d.).*

**Co-creation:** One of the integral facets of

community land trusts (CLTs) and especially Parkdale's is every solution is created with the "customers" or community members. Through community outreach and community workshops, the community can be involved in decisions around land use, develop innovative ideas of land use together, or share concerns to the local organization members that form the PNLTL board. This ensures that the community needs are prioritized over those that are developing or building on the land (Parkdale People's Economy, n.d.).

*"Governance of the CLT should be community-based in that people who use the lands or reside in surrounding areas should guide its development, while user control implies that users of the CLT, not absentee investors, for example, should control its operations" (Parkdale Neighbourhood Land Trust, n.d.).*

**Community:** The key to the community land trust is the involvement of the community and ensuring a connection between those that work and live in Parkdale. Through different forums as mentioned above, the PNLTL can exchange and connect with community members directly to understand the needs of the community and affordability on a local scale. To maintain democratic order, there are levels to the decision-making process. For the PNLTL, believes the governance model must be community-based that is being established in the current structure. The goal is to have a mix of CLT users (e.g., the community organizations), general members and public members (Parkdale Neighbourhood Land Trusts, 2015, p. 2; Parkdale Neighbourhood Land Trust, n.d.).

#### KEY ACTIVITIES

*"Through the community land trust model, PNLTL will acquire land and use it to meet the needs of Parkdale by leasing it to non-profit partners who can provide affordable housing, furnish spaces for social enterprises and non-profit organizations, and offer urban agriculture and open space" (Parkdale*



**Land acquisition:** Part of the role of the land trust is to acquire land within the community from either private owners or the public housing market. The goal is to maintain housing supply within the community and take housing out of the public market to then lease to non-profit partners to provide affordable housing or other community assets (Parkdale People's Economy, n.d.).

*“Create Parkdale affordability benchmark to keep track of changes in affordable housing, set goals for preservation of affordable housing and detect early signs of displacement pressures” (Parkdale People's Economy, n.d.).*

**Research:** Another important activity is research on the pressing issues that are impacting or can impact the community. Through different studies done by researchers within the team or through community outreach and workshops. The goal is to monitor the housing situation and develop the right parameters to be able to preserve the housing supply and avoid the displacement of community members because of increasing rental prices and the development and replacement of older buildings for newer apartment or condominiums (Parkdale People's Economy, n.d.).

*“Community members stressed the importance of participatory planning and democratic participation in deciding how neighbourhood should develop and how local economic resources are allocated” (Parkdale People's Economy, n.d.).*

**Democratic community consultation:** to be completely community led, the focus is to ensure there is a community process and there is a consistent relationship between the land trust and the community to ensure a constant feedback loop between the two groups. The manner in which they do this is having a very limited formal governance structure that focuses on educating everyone on the current events of Parkdale (Parkdale

*“... leveraging its democratic governance and neighbourhood-wide membership structure, Parkdale Neighbourhood Land Trust is building its capacity to act as a vehicle that fosters community-led participatory planning” (Parkdale People's Economy, n.d.).*

**Community planning:** through a democratic governance process, the PNLTL can then build urban plans for the community together, which is one of the key purposes and values of the CLTs and a key activity for the PNLTL. Through their contractual obligations that reference their community benefits framework that feature some of the needs and assets of the community (e.g., green spaces, food security centers, affordable housing, affordable commercial spaces, and bringing employment opportunities to the community) (Parkdale People's Economy, 2018, pp. 16-18)

*“As Parkdale anticipates a rising wave of future development, it is critical for developers, investors, and policy makers to collaborate with community to ensure that neighbourhood changes are benefitting equity-seeking residents rather than harming or displacing them. We need tools to negotiate for site-specific developments to address broad community needs in alignment with the neighbourhood values of inclusivity, diversity, affordability, and equity” (Parkdale People's Economy, 2018, p. 8).*

**Community and affordable housing advocacy:** through their research and the local organizations helping diverse groups that suffering from housing and food insecurity, the PNLTL believes they have a duty to advocate and impact policy decisions in the city of Toronto to improve community conditions in Parkdale (Parkdale People's Economy, 2018, p. 8). For instance, the PNLTL was able to conduct a study involving community members and housing experts called “Fixing the Leaky Bucket: A

Comprehensive Policy to Preserve Toronto's Supply of Deeply Affordable Housing" that describes an action plan regarding the gaps in the affordable housing market in Toronto (Goldstein & Campsie, 2020, p. 7).

## KEY PARTNERS

*"While all levels of government have mandates to tackle the affordable housing crisis, currently there are no municipal, provincial or federal programs that specifically support the acquisition and conversion of existing rental housing into permanently affordable housing. As a result, the Parkdale Neighbourhood Land Trust has turned to impact investors to support our community to preserve and protect affordable housing before it is gone" (Vancity Community Investment Bank, 2021).*

As a non-profit organization, it is necessary for the PNLT to have different partners to help support the purchasing, development and leasing of land to meet the community requirements as well as help support the various studies to improve housing in the area (Goodmurphy & Kamizaki, 2011, p. 5; Vancity Community Investment Bank, 2021; Parkdale People's Economy, 2018). Local organizations are integral partners to the governance and research arm of the CLT. Whereas private owners, work with the PNLT to donate land to the community or plan for the land to be used for community circumstances (Goodmurphy & Kamizaki, 2011, p. 5). Moreover, development agencies and groups can receive leases to build on their land and are able to leverage public subsidies for building affordable housing (Parkdale People's Economy, 2018, p. 8). PNLT also partners with non-profit housing organizations like the Toronto Housing Corporations to consult with them on affordable housing issues and are some of the groups they lease land to, to provide affordable housing to the neighbourhood (Vancity Community Investment Bank, 2021). The PNLT relies on corporate investors for funding to purchase land and to support social infrastructure projects. For instance, recently, the PNLT acquired a residential building with 36 apartments and saved

renters from being re-evicted by partnering with Vancity Community Investments Bank, the same B-Corp that has contributed funds to Trillium Housing (Vancity Community Investment Bank, 2021). Municipal, or local governments are needed to help make direct policy changes to allow for Parkdale to grow and develop in the ways the community desires it to.

## COST STRUCTURE AND REVENUE STREAMS

Due to the PNLT being a non-profit organization that focuses on the acquisition of land, financial costs and revenue streams are integral to their organization running. The PNLT is made up of other local organizations, so staff are paid by those other organizations. Also, as they have obtained charitable status, they are able to receive tax credits (Goodmurphy & Kamizaki, 2011, p. 5). Funds come from the leasing and renting of land and commercial spaces from these developers and non-profit organizations. Financial donations through fundraising campaigns, private funding from other businesses or organizations, and donations of land, are revenues streams that help in the acquisition of land.

## CONSIDERATIONS AND CONCERNS IN THE COMMUNITY LAND TRUSTS

*"The high cost of land in our area is the biggest barrier to anyone wishing to develop affordable housing in our community. The ability to spread the cost of development between the landowner, the developer [,] and the potential owner - of the unit(s) seems to be a practical way to keep the cost affordable" (Hosseini, 2014, p. 53)*

The CLT model is a unique model that can address land costs and use, which is impacting the housing crisis. One of key elements of the PNLT is the goal of empowering their community and advocating for their needs on their own. Evidently, people of Parkdale believed their interests and needs were not being addressed through government interventions and believe the best ways to respond is to do it themselves. Rather than governments having a direct role in the

housing crisis, there may be interesting ways they can support community initiatives such as this. Providing CLTs the room and the legislative precedent to do so, will be important for the future. Moreover, we can also learn from the way the PNLT was able to democratize the real estate market. Through the purchasing of land, and designating its use, the PNLT was able to focus on equitable access and a good quality neighbourhood that the private market is unable to do (Hulchanski J. D., 1990, p. 13).

Though there are many benefits to the community land trust model, there are many considerations to be made concerning it. Primarily, land is very expensive in cities like Toronto and makes it difficult for CLTs in Toronto to purchase and acquire land (Hosseini, 2014, p. 53). PNLT as a non-profit organization, it is difficult to find the funding to afford the land, so land trusts are reliant on land donations or partnerships to be able to use the land in the way the community desires potentially. Also, in Toronto, space is limited, thus it requires CLTs to purchase existing buildings from the private market and retrofit those buildings, if necessary, which also requires financial support. To continue, usually CLTs do not receive government funding and support for their community-based initiatives from provincial governments like the Ontario government, which has more available funds and resources than municipalities (Hosseini, 2014, p. 53). However, cities have seen the benefits in community land trusts. Recently, the City of Toronto has contributed three million dollars to the Kensington Market Community Land Trust (CBC News, 2021). This money would be used to “acquire, renovate, and operate the building at 54-56 Kensington Ave. as affordable housing for the next 99 years” (CBC News, 2021). With governments focusing on affordable housing but there being the lack of clarity as to how some financial investments are being used, direct government funds to community initiatives like community land trusts may be the future of addressing housing affordability. Lastly, due to the interests being community oriented and any financial gains are used to fund the organization, the individual interests of homeowners, realtors and developers are

not being actualized, impacting the power dynamics within the market that the market is not used to. This can lead to opposition and conflict that may setback the acquisition of land and the developing of affordable housing in the community (Hosseini, 2014).

These examples of financial models demonstrate that addressing housing affordability can be cost effective. Moreover, often when advocating or providing reasoning for affordable housing there seems to be an assumption that affordable housing leads to social gain, but someone must deal with the financial losses of such a project. However, these examples showcase that the ability of having an economically viable affordable housing project, while also committing to social changes and providing a social offer to those who need it. More importantly, these financial models also showcase the growing need to support low - to middle -income earners in different ways but all contribute to housing affordability and the social offer as well. However, it is important to identify the key features of these examples, such as accessibility to homeownership through transitional financial supports, developing community with mixed use and mixed income, and covering land costs and land use intentionally. Moreover, it is important to note how these offerings were given, whether that be through innovative partnerships with diverse actors including the three levels of government, collaborations with B corps and social enterprise, or community advocates, creating the conditions themselves to improve and diversify their own communities.

However, these socio-financial models are should not simply be copied and replicated. These models have been designed for specific people and in specific communities. To best address the housing affordability while ensuring a social offer, these models should be researched, learned from, and adapted to serve the needs of the individuals they are designed for. As well, elements of these socio-financial model can easily be combined to be able to create a unique value proposition that addresses housing affordability for the most vulnerable groups. For instance, the Esplanade neighbourhood model can be combined with a Parkdale

Neighbourhood Land Trust; land trusts can cover the costs of the land, while building a community that is designed by different stakeholders. Or Trillium's shared equity mortgages can include a mixed income and mixed-use development and build different housing types within a community that can be owned. Through these examples, we can develop more unique financial models that can contribute to curbing the housing affordability crisis as well as ensure that housing projects embeds social offers to contribute the affordability.

## **Housing Design: Diversifying Housing Stocks through Innovative Housing Types, Models, and Arrangements**

In the last few years, many experts have discussed the importance of building the housing stock or increasing housing supply. However, the housing supply issue is not necessarily that there not enough houses, the supply issue is that there is not an even distribution of diverse housing types within the housing stock. This addresses affordability because having diverse housing options allows for diverse housing prices, which can cater to both individuals needs and what they are able to afford. For example, in Toronto, there are more rental luxury condominiums than affordable rentals. This leads to varying levels of affordability and often pressures those with other needs, to find the financial means to afford expensive housing.

In the last part to this ssection, we will discuss innovative housing designs, models and types that have helped address affordability, social, economic, and individual needs of those that live in these housing situations. This section is related to the diverse social trends and how housing can be designed or arranged to address them. As needs of individuals change, housing needs to be able adapt to fit those needs and respond to affordability and ways people combat it.

Though there are many innovative housing designs and urban plans, in this project we are going to focus on five: co-living, co-working, multi-generational homes, vertical communities and co-operatives (Co-ops). Through these designs, we will recognize the importance of housing typologies in addressing the housing affordability crisis while also providing a comprehensive social offer for different demographics of people with differing needs.

## **Sharing Economy Model for Housing Affordability Initiatives**

Sharing economy is often synonymous with circular economy, however they have two different intentions that can be complementary to one another (Ferguson, 2016). Both are economic models that have slowly been integrated into housing design and developing new housing types. Circular economy "seeks to keep all resources within a closed loop system, so that nothing is lost to waste" while sharing economy "refers to the sharing of goods or other resources by multiple people" (Ferguson, 2016). So, circular economy is focused on the manufacturing of goods, whereas sharing economy is "what we do with the goods during their lifespan".

Though this project will not focus on the different forms of the circular economy, it is important to note this is form of economic model is used more in the sustainable housing design. This can be seen in the development of alternative building materials, the re-use of building material, or retrofitting older buildings ensuring that buildings are not pre-maturely demolished when it can be changed for other uses (Acharya, Boyd, & Finch, 2020, p. 18). Both construction and design process are helpful in creating affordability due to the reduction in construction costs (Çetin, Gruis, & Straub, 2021, p. 12). However, this economic model has not been financially viable, as the cost to purchase these materials, especially for social housing organizations, is often expensive and difficult to obtain (Çetin, Gruis, & Straub, 2021, p. 13). In this part of the subsection, we will discuss two new housing trends that have become more popular in the last few years,



co-living and co-working arrangements – which focuses on individuals living and working alongside each other – and multi-generational housing design.

## CO-LIVING AND CO-WORKING ARRANGEMENTS

*“I think that if we are able to create a [housing] model that offers a better quality of life, at a better price point to a wide variety of people, while bringing revenues to a series of investors, that’s great” Claire Flurin, Purehouse Lab (Wood H. , 2017)*

In the last few years due to increasing rent, co-living has become a housing type accessed and adapted by both young professionals and young families (Wood C. , 2021). Co-living is the sharing of “accommodation[s] initiated by an external agent, such as developer or entrepreneur” (Wood H. , 2017). Meaning, more than one person sharing a space together; sharing amenities, dining spaces, and living spaces (Bowes, et al., 2018, p. 19). Co-living is often synonymous to co-housing; however, co-housing is when a community of individuals share only amenities but have private homes (Bowes, et al., 2018, p. 19). Co-living is the gathering of multiple people into one accommodation while operating as a single housing unit, sharing different utilities within a household (Bowes, et al., 2018, p. 19). This model was discovered in the 1980s in Denmark in the modern era, but human civilization has always had individuals living with different people (Wood H. , 2017). This housing type has allowed for “different demographics and socio-economic backgrounds” to live and connect with one another while addressing social needs, affordability, and sustainability (Purehouse Lab, 2017).

Often co-living spaces also have co-working arrangements. As these are geared for young professionals or entrepreneurs, co-working arrangements allows for “innovation and collaboration spaces such as makerspaces and co-working spaces” that creates “open, flexible locales where separated professions and disciplines” converge (Purehouse Lab, 2017). Having both residential and commercial spaces within one building

allowed for individuals who are unable to afford office space or studio spaces for their business the opportunity to work within their home (York Region, 2021, p. 17). This housing model is not only affordable due to rental prices, it also allows individuals to not have high housing costs like condominium or apartment fees, utilities, or laundry fees, allowing people to have access to a variety of services and products within their own building (Bowes, et al., 2018, p. 19).

In many different countries, especially in Europe, co-living has been a popular and useful housing arrangement. In Denmark, co-living is oriented around family and family dynamics. The Lang Eng Community Housing has “54 houses and apartments within Lang Eng, home to over 100 adults and 100 children” centered around ownership (Wood H. , 2017). Those who lived there had access to “a large community house [...] and dining hall, café, lounge, play areas and a [...] cinema” (Wood H. , 2017). The focal point of the housing units is the center that has a communal garden that connects the different multi-family units together. The goal of this housing project was to create a balance of “private, semi-private and communal spaces” (Wood H. , 2017).

Currently in Toronto, there are some co-living and co-working arrangements such as the Sumach Street Home, was retrofitted into a condominium that allowed for both working and living (Huminilowycz, n.d.) , and Roost using an online platform that allows people to connect and decide who they would like to live with (Yu, 2019). However, co-living is seen as a glorified rooming house rather than a considerable option to address housing affordability issues, especially in places like Toronto. Due to this view, co-living housing cannot be adopted in many parts of the city due to zoning issues. The other issue is often, these buildings are luxury condominiums that are still expensive for users.

Through co-living and co-working arrangements buildings are designed to be able to house diverse set of people. Designing such spaces would require a balance of the private, semi-private and communal spaces, as the Denmark project.

as the Denmark project. But it may be an interesting way to be able to address affordability while creating the need for family and work socialization in a world that is becoming more and more divided. Through creating a diversified space with different elements and uses, provides people access to both social needs and products, allowing for more than affordability in terms of housing costs, but also in activities and products.

### **MULTI-GENERATIONAL HOUSING DESIGN**

Multi-generational housing is a shared economy housing model because of the sharing of one good amongst two or more generations (York Region, 2021, p. 18). In the last few years, social trends in Canada have determined that in the last 20 years, multi-generational homes have increased by 45 percent (Deschamps, 2022). This is due to several different reasons: young families moving in with their parents due to increasing housing prices, seniors moving in with their children due to income decline after retirement, the lack of available and affordable senior housing, and seniors not able to have the necessary supports to live on their own (Canadian Council on Social Development, 2015, pp. 10-11; Molinsky & Airgood-Obrycki, 2018; Economic and Social Development Canada, 2019). The benefits of multi-generational housing appease the needs of those who live within the household: reductions of housing maintenance and operating costs, seniors can provide daycare and babysitting ensuring parents of children save on costs, and there are better health outcomes for seniors, as they are able to be in a social environment as well as have their health needs met (York Region, 2021, p. 18).

In Byfleet, Surrey in the United Kingdom, a series of homes are designed for multi-generational homes, geared towards supporting senior members of these households (Manwell & Morley, 2015, p. 2). Through consultations with the local community, these housing units were designs with a “two-storey scheme which is fully accessible with sufficient space for wheelchair users’ turning requirements, level access throughout, including first floor lift access and with walk-in showers in the

en-suites to the two-bedroomed and one-bedroom homes” (Manwell & Morley, 2015, p. 2) with green spaces surrounding the apartments (Manwell & Morley, 2015, p. 4).

Currently in Canada, there are not many homes that are well suited to accommodate that many people in one home. Designing a home with multiple generations and individuals again, is the need to have both private, semi-private and communal spaces, and consider accessibility for seniors. For instance, these forms of homes need to have grab-bars in the bathroom for safety in the shower, safe stairs and doorways, a balance of family shared spaces and privacy (i.e., having two master bedrooms instead of one), and providing more open doorways and safety precautions for stairs (Rayworth, 2021). Families often must invest in building these homes themselves, which is an expensive task. However, recently, the Peel Region has seen the rise of multi-generational homes and the need to be able to design adequately for these needs of these individuals, understanding that this will change the demand for senior living in the future (urbanMetrics, 2020). This year, the federal government has announced a new tax credit for families who want to renovate their home and add different design accommodations for seniors. Families can claim “15 percent of up to \$50 000 of [...] eligible renovations expenses” (H & R Block, 2022).

As the aging population continues to increase in Canada, building these forms of housing options are beneficial to them as they age and go into retirement and As millennials find it increasing difficult to leave or afford a home and child care, this housing option may allow for two generations needs to be satisfied and met. Thus, diversifying the housing stock with these designs may be important for the changing demographics, and help allow for affordability for both vulnerable groups.

### **Designing Communities: Creating Homes with Social Purpose**

In the last two years, more attention has



been placed on designing homes that are attached to community with the goals of building an enduring community, with different activities, and necessities embedded into the community. In this part of the section, we will discuss the significance of vertical communities and how the design of these mid-rise and high-rise designs have positive contributions to this project's definition of affordability and creating a social offer. We will also describe a disappearing housing type called co-operative housing, which in the past in Toronto, made up a significant amount of the housing stock, but have recently declined in number.

### VERTICAL COMMUNITIES

*“When you're building vertical, you have to think about the design of the unit, you have to think about the design of the building and the design of the neighbourhood” – Jennifer Keesmaat (Mastroianni, 2022)*

Vertical communities are often associated with luxurious condominiums, however, currently developers, architects, and municipalities have slowly developed them as purpose-built rental units to address housing diversity, affordability, and ensure that different needs are being met by a variety of different demographics. In Toronto, the city and some developers have made the shift to building purpose built-rental housing, currently “about 80 per cent [of major housing projects] – shift[ed] to residential and mixed-use development in all forms” due to the aging population downsizing and newcomers, families, students, and single parents needing available rental units (Lawrence, 2019). Purpose-built rental units are buildings or units that are set apart from market ownership and were solely built as rental apartments. Vertical communities are condominium-like apartments with residential units and social infrastructure as well as services embedded into the community. These social infrastructures and services include “transit, and other consideration for convenient access” (York Region, 2021, p. 18) such as childcare, schools, storefronts, offices, and health services (City of Toronto, 2020, p. 6). Vertical communities are

designed to be able to develop community assets and density upward. For developers, this help save on costs because they do not have to purchase or acquire larger land, and it also allows for different rental or leasing agreements to be placed into these buildings for added profit.

Though vertical community design has been incorporated in neighbourhoods like Esplanade (where one can see a high school embedded into mid-rise apartment buildings) and a similar design has been made with the North Toronto Collegiate housing development, slowly this design model has been incorporated into the current stream of housing to building housing diversity. Recently, in Toronto, an elementary school will be inside of a condo building to “support” working families in “urban communities” (Houghton, 2022).

### CO-OPERATIVE HOUSING MODEL

*“This social housing is commendable for the strong community it supports and for its rare sense of intimacy...” (Callaghan, James, Kelly, & Govler, 1992).*

Between the 1960s to 1990s in Toronto, co-operative housing was a viable housing type. However, in the current state of housing co-operatives have become less popular. One of the key benefits of cooperatives is that they are operated within the community, meaning there is not a landlord and households are capable to make decisions concerning their neighbourhood because of the shares they own (International Housing Association, 2017; Stephenson, 2022). Once someone leaves the co-operative, the shares are “passed to the next resident who moves into the co-operative” (Stephenson, 2022). Through this model, regardless of ownership or rental, it allows for people to have been actively involved in their community. Also, it encourages the mixed-income and mixed-use design of the community, as we have seen in the Esplanade Development (Stephenson, 2022). In the past, co-operatives were used as one of the best methods to combat a similar housing affordability crisis and many believe it can do the same in this current crisis. (Carman, 2022). In Canada, most of the

co-operatives are non-profit rental, with affordable rental and ownership options.

According to Tim Ross, “a two-bedroom co-op in Toronto in 2021 was almost 30 per cent cheaper than a two-bedroom unit on the private market” (Stephenson, 2022). Cooperative models have also known to offer “security of tenure, removing the risk that a renter will be evicted by a landlord seeking to sell the property or convert units into [condominiums]” (Stephenson, 2022). More importantly, through the community atmosphere of co-operative housing there are “very low vacancy rates and turnover” (Stephenson, 2022).

One of the successful co-operatives in Toronto is the Bain co-operative, born during the 1970s, when Canada was dealing with an affordability crisis, an immigration boom, and a limited housing supply (Dixon, Housing that sustains: A case study of Bain Co-op and its historic buildings, 2018, p. 5). It was built to ensure that people can interact and affiliate with nature and with community, thus green spaces like courtyards, private and public gardens, were the means to integrate nature within urban living (Dixon, 2018, pp. 40-44). It houses subsidized and rental units, which makes the community very diverse in terms of income. This leads to a diverse demographics of people, newcomers, seniors that have obtained community memory, young families with children, and some millennials. However, many people do not leave because of the community activities, security, control, and connections that they have with their neighbours (Dixon, 2017, p. 1). Those that live there have a sense of “pride” living in the community and “trust” is incorporated through the co-operative model.

Within co-operatives, there are cooperative types. For instance, in the Esplanade neighbourhood, there is a senior co-operative focused on providing affordable housing and community to senior artists called the Performing Arts Lodge Toronto (Performing Arts Lodge Toronto, n.d.). Soon, more cooperatives may have the work incorporated into the cooperative housing. In doing so, it integrates “remote gig working with a relatively stable lifestyle” (Rodgers &

Tang, 2022). In this case, it allows people to be able to find employment stability in an economy focused on gig work, while also having housing stability. Though there are many different types of co-operatives and its ability to address housing affordability, in the last few decades governments have stopped developing initiatives to support the building of more co-operates. Not because “it didn’t work, it’s that they (governments) decided they didn’t want to spend on it” (Stephenson, 2022).

These innovative designs, housing models and arrangements are practical interventions into the system. Designing an equal distribution of affordable and social offers, it provides individuals with options that both cater to their needs and what they are available to afford. A distributive housing supply is an active response to changing social needs, while actively responding to housing affordability crisis.

## **Conclusion: Problem Solving, A Holistic Approach**

To enable change, and create an adaptive and resilient system, there needs be different dimensions of change. One is the knowledge that forms the system. This knowledge defines the goals, functions, and outputs of the system and the matter in which they different actors interact with each other to produce these products. The housing system has been focusing on creating housing with a commodified intention, that benefits some, like those within the housing industry, while hurting others – the users themselves. In establishing housing as a social good, with the intentions to produce an affordable, social offer, it creates the necessary balances within the system by avoiding limits to growth or fixes that fail mentalities. Housing as a social good is the actualization that housing has an overall societal benefit that should not be controlled or benefit one actor over the other, but actors form a collaborative approach to obtain that.

The other is managing social need with

financial reward, as many have discussed the expenses of developing housing, and specifically alternative housing options such as social housing. The interventions needed are ways to manage funds that allow for financial reward with greater social impact. In the Esplanade development, the selling and leasing of land, as well as the mixed income helped fund the ability to have subsidized offers in the community. Whereas Trillium, the interventions they need is legislation and regulations that allow for them to build their homes as well as financial leniency to be able to do the work. For the community land trusts (CLTs), facilitating these groups and providing them with the space and land to do so is important.

The responsibility of housing and containing the housing work is the levels of government and their differing responsibilities. In each intervention, there is a role that they need to play to facilitate change. It is important to note, the role and how they do is vital; as Meadows mentions a system that is not able to have clarity in interventions, will lead to a systems breakdown (Meadows, 1999, p. 12).

## Section 4:

# Conclusion

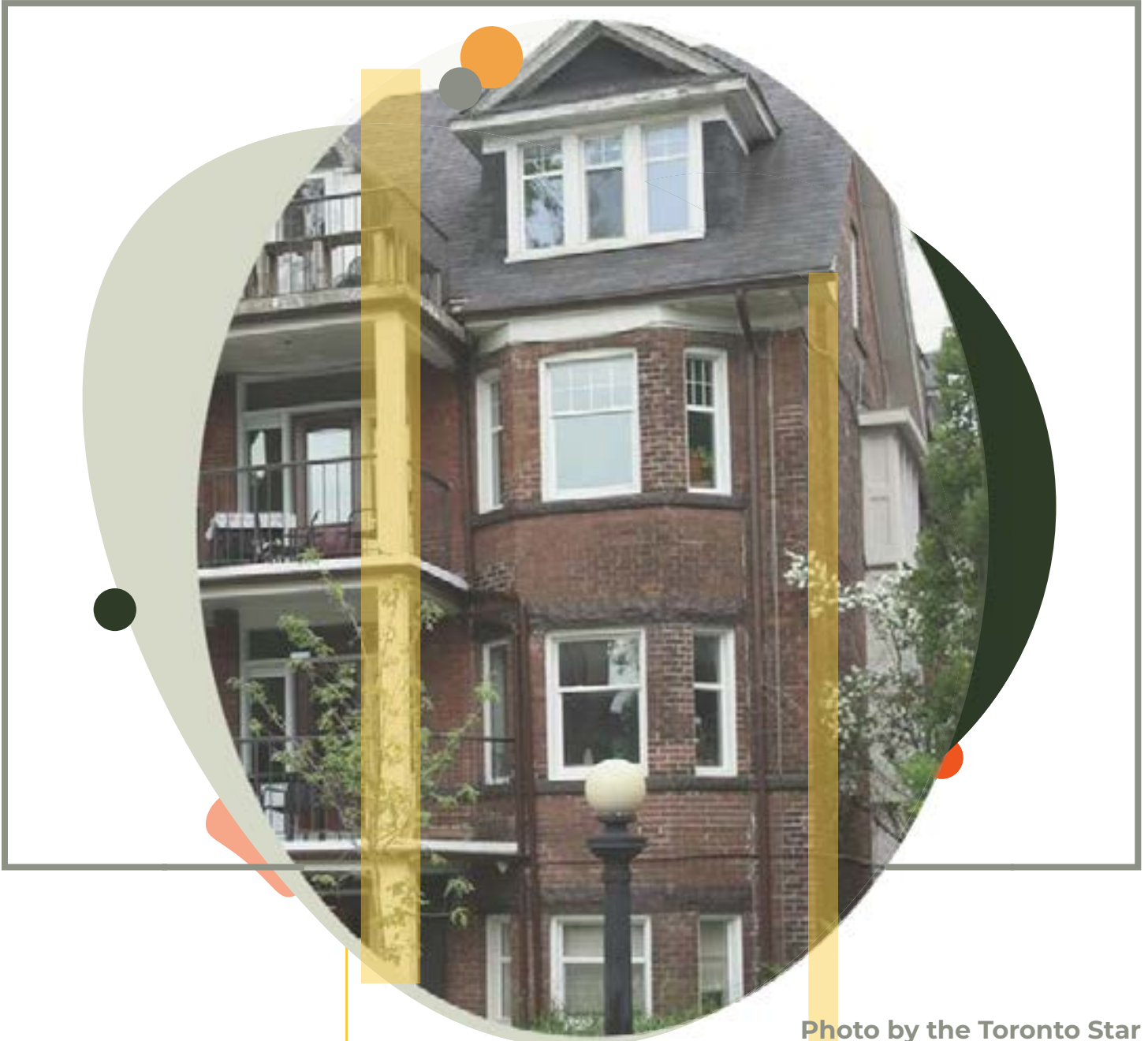


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In conclusion, the research paper aimed to fix the shortcomings of the housing system for system adaptation and to address the problems of the housing crisis. In this project, we argued the best way to address the crisis is to aim to develop a system geared towards serving everyone regardless of socio-economic or housing situation by providing a social offer, and a balanced system that balances the financial, political, and social components of the housing system. Through this project, we can understand that housing is a complex system with various actors and shortcomings. By not viewing housing as complexity and not understanding the unintended consequences of the actions of these actors, have led to some of the issues that have perpetuated the housing affordability crisis. For instance, the commodification and financialization of the housing system, which benefits some while also making it difficult for others to afford and be recipients of quality and available homes. Or the lack of distribution within the housing system that can be seen within the push and pull of housing supply and how it is unmatched with housing demand. Also, the shortcomings of the land issues and costs that make prices increase and difficult for developers to be able to provide adequate and affordable housing as well. Lastly, the social phenomenon of the social phenomena of centering housing around the progression to home ownership have created disparities that have led to the disappearance of the middle class and their ability to afford a home.

Through understanding of the shortcomings within the system the system of housing provision and availability, this project highlighted some interventions to combat them and help identify levers for change. Through the creation of a value system that centers housing as a social offer that benefits everyone and developing an affordable, social offer that is embedded into the forms of housing. Developing socio-financial models that balances social needs and financial gains, shared equity mortgages that provides opportunities for low- to middle -income earners to own homes, and community land trusts that help developers build or retrofit in existing communities while ensuring the community is the one

that designs the housing around them. As well as responding to the social trends of society through designing innovative housing arrangements, designs, and models as a response. This is diversifying the housing supply while attending to the needs of individuals.

To further develop these ideas, the last part of this paper will focus on providing diverse set of recommendations for different needs to help respond to the housing affordability crisis and lead to systems adaptations.

## **Recommendations: Implementations for Change**

### **Government Tools**

**Coordinating the levels of government:** the levels of government have operated within an uncoordinated system, which has led to mixed responses to the housing affordability crisis. The first step to change is being able to structure those behaviours. Through an intergovernmental relationship allows for the development of strategy that can serve everyone while developing the necessary housing, social, and community needs.

The other key aspect of the coordination is the transparency of the relationship and the actions they decide to partake to address the housing crisis. In the last few years, promises and funding dollars have been put into the system without clarity of the output. As we have described, municipalities have knowledge and understanding of their communities and their needs, without funding and legislative power to do those behaviours. Currently, the federal and provincial governments have decided to support the municipalities to address the crisis but need to be authentic and clear on how to do so, without just addressing the systems and not the root causes. The transparency will not only allow for accountability, but it also allows for housing advocacy groups and academics to be able to respond to the government commitments and address



them.

**Housing policy reform:** relates to how we view housing in policy. Often, we see housing as a distinctive policy that is separated from the rest of the public administration functions. However, as we have discussed, housing has implications to all parts of society including social and economic. Housing must be viewed in those two ways, housing as social policy and housing as economic policy. This connection will allow for housing to be seen as a social good that benefits society when articulated well, and a societal misfortune when not responded to. As well, housing as social policy leads to developing the essential social services or infrastructure needed for communities (Prince, 1995, p. 2). Housing as economic policy, is addressing the financial aspect of the housing market, that needs to be balanced with the social aspect. There are two ways that governments can be able to do this; for instance, in the Ontario government has a ministry for housing, embedding the housing department with the economic department or directorates to make these connections. Or, in the federal government, embedding housing team within the Economic and Social Development Canada department.

**Housing programs to incentivize affordability and support affordable housing:** this is creating an action plan that incentivize not only developers but housing investors to help support affordability. For instance, developing family-friendly housing policies that serve the missing middle (York Region, 2021, p. 18). This can be done through the changing of zoning laws, allowing developers to pay after the development is complete, enforcing rules of affordable rental and creating bigger spaces for families, or grants and contribution that can help build these forms of housing (York Region, 2021, p. 18). For housing investors or owners, establishing a laneway housing program (which has been adapted by the City of Toronto) that supports the building of “secondary dwellings constructed behind traditional street-facing homes on lots abutting a public laneway” (York Region, 2021, p. 18). These programs would further develop housing stock while also ensuring

affordability for many.

**Stepping away from the housing continuum model:** the housing continuum model does not help to understand the housing needs of Canadians. There are different impacts that make it difficult to move through the next system, without the necessary transitional support to go through it. A comprehensive approach would be the Wheelhouse housing model, which focuses on different supports needed through each part of the system, if they desire to. For instance, rent-to own programs or shared equity mortgage programs are beneficial to be able to guide people to be first-time homeowners, build their equity and wealth accumulation, that will then allow them to pursue market homeownership if they so desire.

## Financial Tools

**Mixed funding models for projects:** rather than relying on government financial interventions to support housing, there needs to be a fulsome financial support to address the financial needs to build diverse types of housing. Leveraging social investments or B corps interesting in investing in social endeavors maybe helpful. For instance, B corps like Vancity Investment Bank are investing in homeownership through working directly with community organizations and looking towards what the need is. In the Esplanade development, one of the ways they allowed for mixed funding models is that some of the market rental subsidized for the affordable housing.

**Publicly owned land:** government land and acquisition [is] [the] best access to affordable housing” (Whitzman, Flynn, Gurstein, & Jones, 2022, p. 6). Developers having access to free land, or almost free land, reduces the prices of housing for developers. Municipalities are responsible for zoning and land acquisition and can help create low-cost or free land. There have been successful cases where building on publicly owned land connected both social and housing needs. For instance, Toronto District School Boards built apartments on their land to provide easy access to the school as well as social



housing (Brown, 2010). In neighbourhoods. Other models like the Esplanade developments acquisition and selling of land and Parkdale Neighbourhood Land Trust's purchasing of land can help developers as well

**Protecting existing affordable rental stock:** through protecting existing affordable rental stock, allows for the retrofitting of buildings, which is cheaper than building projects from scratch (Berkow, 2021). Through government or community land trusts being able to save buildings that potential need to be updated and maintained can support affordability while also allowing for the embedding of different social infrastructures within these communities.

## Community and Social tools

**Innovative partnerships:** this project recommends all actors within the housing system to work together. Through developing collaborations of resources, knowledge, decision-making power, and financial power, innovative and new ideas can be met to address housing. For instance, in the Parkdale Neighbourhood Land Trust, there are a variety of people working together to support housing endeavours such as research, advocacy, urban planning, financial planning, and more. If there is ability to do this at a wider scale, this can lead to innovative changes. Community examples such as this can be mechanisms to advance other projects.

**Co-design with communities:** one of the aspects that have not been elaborated in this project but is necessary, is the element of communities designing their neighbourhoods. In the socio-financial models we have shared, talking to community members, and developing workshops with them to create housing changes have led to interesting ideas. For instance, the Parkdale Neighbourhood Land Trust, led to the building of community frameworks that have defined how the land should be used in that community, whether that be community assets, employment opportunities, or affordable housing. Integrating people into the products of designs will lead to a better

execution of housing and community design.

**Understand the totality of urban plans:** this recommendation works with the previous one, provincial urban plans need to be able to adapt to growing needs and social trends accordingly. In building communities and neighbourhoods there needs to be an emphasis on developing attributes of buildings or homes with social purpose that focuses on urban living in changing times. Whether this be embedding multi generational home designs into single attached homes, lifestyle-based co-operatives that have mixes of income, or the vertical communities that are affordable with luxury amenities, buildings need to serve purpose and have longevity. The focus should be on designing communities and neighbourhoods, not on sky pollution.

**Housing development needs to provide diversity of housing types with different designs:** housing diversity within communities is essential in creating fulsome communities. Incorporating Esplanades mixed-use, mixed-income and mixed types will allow for more diverse communities that integrate and socially reproduce. Our recommendation is to build a mixed sprawl to serve the missing middle. One of the ways to do so is to bring back the building of co-operatives because co-operatives can take on different forms while integrating different housing types into them. For instance, townhouses, mid-rise apartments, or condominium style homes with the variety of ownership, rental, and subsidy. This allows the empowerment of others, while providing families or individuals the ability to move to other homes to serve their needs at the time. As well as ensuring that housing design does not exclude people from services, community, and each other.

In conclusion, the housing system is a complex socio-ecological system with a history that has legacies that have impacted our present day housing shortcomings. Through understanding our housing system and orienting its function as offering, guided to benefit everyone in society, we will be able to effectively address the crisis and the different factors that influence it.

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# **Appendices**

## Appendix A: Definitions

### A

**Actors map:** a systemic tool used to define the different stakeholders and actors in the system and how they behave and interact with each other (Jones). The map is a metric between the most powerful and the most knowledgeable in the system (Jones).

**Affordability:** in this research project, when we discuss affordability, we are thinking about both costs and added related costs when it comes to housing. For instance, rental units may be cheaper but due to a lack of transportation in a neighbourhood, it makes it expensive to travel within the city.

**Affordable housing:** this refers to affordability to those with a specific income and on the percentage of income needed for shelter (ex. in Canada, housing is considered affordable if costs only require 30% of one's income) (International Housing Association, 2017).

**Affordable housing crisis:** in the last decade, Canadian housing in most urban centres' costs more than the total 30% of peoples base income due to increase in real estate values, and the market pricing of homes. Although this impacts those who are seeking homeownership, this increase also impacts all forms of housing including rented homes across Canada (Wood C. , 2021).

### B

**Building typology:** see also housing typology

**Business model innovation:** a model that allows individuals to strategize how a business or an organization operates to deliver value (or a value proposition) to its customers (Laundry, 2020). It outlines features of the business such as the value proposition, revenues streams and cost structures, key activities of the business or organizations, and the customer segments the business or organization hopes to target, and more.

**Business model pattern:** connected

to business model innovation, business model patterns are different archetypical components or elements that lead to a certain outcome or business model. Some of these archetypes are reusable to create pre-existing archetypes (ex. Freemium model), but many have created new patterns and archetypical components to create new forms of business models (Etiemble, 2020).

### C

**Canada Mortgage and Housing Corporation:** Canada's national housing agency that holds the responsibilities of developing housing policies and the distribution of funds that contribute to their mandate.

**Causal loop diagrams:** a visual representation of the causal relationships between different variables within a system.

**Circular economy:** the close-loop system of different resources within a material to avoid waste. The goal is to ensure that materials re-uses, recycled, and preserved. The focus of the circular economy is on the manufacturing of goods, and their sustainability (Ferguson, 2016) (Mambo, Pochiraju, Plamenco, Sours, & Del Pino, 2021).

**Co-housing arrangements:** communal living where individuals live in different houses but share amenities and common spaces.

**Co living:** refers to many different people sharing one accommodation as well as common spaces and amenities. This often is used by young people and professionals to save costs in living in downtown areas.

**Co-working arrangements:** building with both residential and commercial spaces that allows entrepreneurs or businesses to have inexpensive office or studio spaces. Co-working arrangements are often paired with co-living arrangements.

**Community land trust (CLT):** a non-profit organization that owns land and ensures that the use of the land contributes to the community benefit (Parkdale Neighbourhood Land Trusts, 2015, p. 2).



Cooperative (co-op) housing: those who live in this community are members of households that are a co-operative corporation that owns the building or houses and elects from amongst themselves a board of directors. In this case, those living in this dwelling use the board of directors to respond to their needs and oversee the management of the building (International Housing Association, 2017).

## **D**

Deconstruction method: a method derived by French philosopher Jacques Derrida, focused on using criticism to identify distinctions or oppositions in philosophical concepts (The Editors of Encyclopaedia Britannica, n.d.). In the context of social phenomenon, the deconstruction methods focus on understanding conceptual systems and the assumptions that lie within those systems.

Design thinking: a method of a human-centered approach that focuses on the needs of people as the center of the problem solution. Through design thinking, it centres desirability (the want of a product, idea, or solution), the viability (the ability for something to be successful), and the feasibility as the approach of solutioning (IDEO, n.d.).

## **F**

Financial system: a system made up of institutions like banks, credit union, and stock exchanges that focus on the exchanging of funds (current cash), credit (future money), and assets (equity) between lenders, borrowers, and investors (Investopedia, 2019).

Foresight: a creative method that centers understanding around the uncertainties of the future. Foresight is not attempting to predict the future or to forecast what can occur, but that there is a diverse set of futures that can potentially occur, and an organization, a system, or an individual needs to strategically prepare for whatever may occur (Government of New Zealand, n.d.; Fergnani, 2020).

## **H**

Housing affordability crisis: a crisis created

when there is a low the availability of market housing and rental housing that can be purchased by lower - and middle-income owners. The current state of housing makes it difficult for people to own homes or rent homes while also meeting their basic needs (ex. clothing, food, etc.) (International Housing Association, 2017).

Housing as commodity: this is known as the financialization of housing, where housing is treated not as an essential good but as a means for personal wealth and future investment (United Nations Human Rights Office of the High Commissioner, n.d.)

Housing continuum: a linear transition that progresses from homelessness to homeownership - (Homeless Hub, n.d.).

Housing typologies: identifies the organizational structure, residential spaces, and function. In the case of community buildings, typologies are related to the zones in which they are in. For instance, a residential zone may have different housing typologies within it such as high and mid-rise apartments, low-rise townhouses, single family dwellings etc.

## **I**

Influence map: a systemic tool that visualizes different individuals and groups within the system and how they relate to each other as well as their positions within the system (Sridharan, 2021).

## **K**

Keynesian model of economics: Keynesian model was created as a macro-economic theory that considers governments "total spending in the economy and its effects on output, employment, and inflation" (The Investopedia Team, 2022). In this case, governments increase their expenditures to support and bolster the economy and employment, while lowering taxes to stimulate demand, to create the necessary cycle for economic growth (The Investopedia Team, 2022).

## **L**

**Leverage points:** a system thinking tool that focuses on points of power within the system and how to utilize these points to produce a solution or an intervention that will create systems change (Meadows, 1999, p. 1).

**Low-rent housing:** see also Subsidized housing

**Limited-dividend housing:** see also Social housing

## **M**

**Missing middle:** in Canada, especially in the Greater Toronto Area (GTA), there seems to be a gap in housing types that are “multi-unit-family-friendly housing” with access to diverse services near the home like schools, jobs, and transportation while being affordable for individuals with mixed income (Haines & Aird, Finding the Missing Middle in the GTHA, 2018, p. 1). The missing middle refers to filling this gap with diverse types (typologies) of dwellings such as semi-detached, row homes, townhomes, multiplexes, and courtyard apartments.

**Multi-generational housing:** a form of housing design that focuses on building a home for two or more generations within one household. This has mainly been used for young families within senior parents and allows for the social inclusion and saving in costs for all generations (York Region, 2021, p. 18).

## **N**

**Non-profit housing:** an affordable rental housing provided by a non-profit corporation that does not focus on making a profit but profit but balances income and expenses without profit. An example of a non-profit housing is subsidized housing.

## **P**

**Purpose-built rentals:** also known as purpose-built housing, are buildings or units that are set apart for rental housing instead of the selling of an individual condo unit. Usually, these rental units have similar qualities to condominium units.

## **S**

**Shared equity mortgage:** a financial arrangement where both the lender for a mortgage and the borrower of the mortgage money share ownership of a property. The borrower occupies the land and when the land is sold, part of the equity accumulated goes to each party according to the equity contribution (Kagan, 2022).

**Sharing economy:** similar to the circular economy, the focus of sharing economy is the sharing of goods or resources with multiple people. Sharing economic model's focus is ensuring that the goods are well used through its lifespan (Ferguson, 2016).

**Socio-ecological system:** a systemic model that describes a complex adaptive system that showcases the social aspects of society, how it interacts with biological or environmental aspects, and how these different aspects contribute to changes in both corresponding systems that force them both to adapt to sustain itself (South American Institute for Resilience and Sustainability Studies, n.d.)

**Social housing:** Mixed-income housing (some rent-geared-to-income or subsidized housing, some market rent units) owned and operated by municipalities, local neighbourhood groups, and other community organizations. Social housing is usually funded by a legally prescribed government program and technically defined as either, Non-profit housing or Co-operative (co-op) housing.

**Spending power:** usually used to reference the federal government, spending power describes how the federal government uses financial contributions to the provinces (then to the municipalities who are under provincial powers or responsibility according to the Canadian Constitution section 92) to influence provincial policies and program standards. Federal financial contributions are geared toward health, education, social development programs, and regional development

**Subsidized housing:** refers to those units provided to those who are unable to pay market rent. In this case, depending on

a home's total income (rent-geared-to-income-housing), usually determines the amount of rent one pays. There are also units determined to rent for regular monthly costs below market value to those who qualify to occupy them.

**System:** different parts of a mechanism that work together to produce specific outcomes.

**Systemic design:** a methodology that combines elements of systems thinking tools with human-centered design (design thinking). It allows for a deeper understanding of how parts influence a system, while also understanding those parts to leverage a means for systems change (Jones).

## **V**

**Vertical communities:** often used in luxury apartment buildings or condominiums (Buildner, n.d.), vertical communities refer to a building with different tenants within different floors that share common spaces as well as work and live together for a common goal. This form of typology is centered around relationships and community building between all actors associated with the building (ex. developers, property managers, and tenants).

## **W**

**Wheelhouse housing continuum:** a new and alternative approach to the housing continuum model. Rather than seeing housing continuum as a linear process, it views housing in a circular model that better reflects people's housing needs as something that changes rapidly and through different forms of housing consistently (Canada Mortgage and Housing Corporation, 2019).

## **Z**

**Zoning laws and regulations** are the regulations and by-laws surrounding a piece of land in a particular city. In Canada, zoning laws are defined by both the municipality and its use by the provinces.

## Appendix B: Canadian Housing System as a Socio-Ecological and Financial System

“A system is not the sum of the behaviour of its parts, it’s the product of their interactions” Russ Ackoff

In this research project, we will be analyzing the housing affordability crisis as a problem within the housing system. A system is different parts of a mechanism that form a whole. In most systems and in the case of the housing system, there are a many different parts that interact and interconnect that produces various outcomes that can change and alter depending on unexpected outcomes. These parts are often controlled by diverse set of actors, with a diverse set of roles and responsibilities within a system that can also change. In this case, we would then classify a system like this, a complex system. To be clearer, we define the housing system as a socio-ecological and financial system, showcasing the system operates within these two parameters; a complex system that is dependent and interacts with various other systems (i.e., political, social, economic, and environmental) as well as a system that requires financial mechanisms to move the system to action.

A socio-ecological system describes a complex, social system that includes human social activities and how they interact with the biological or environmental system (South American Institute for Resilience and Sustainability Studies, n.d.). Human social activities include economic, political, social, and technological. It showcases how these two systems work together or disrupt each other, which forces the two systems to adapt accordingly (Raffestin & Lawrence, 1990, p.145; South American Institute for Resilience and Sustainability Studies, n.d.). System thinkers utilize this framework for several key reasons, one of the reasons is that it showcases the dynamics of a system and the constant changes it undertakes. A socio-ecological framework “present[s] non-linear changes

and abrupt transitions, that is changes in structure and functions” (South American Institute for Resilience and Sustainability Studies, n.d.). Another key reason system thinkers use the systemic model of a socio-ecological system is because it focuses on seeing the different interactions between actors, networks, and objects as well as what products they produce. Or, what it means for the core functions and goals of the system. Lastly, using a socio-ecological system in this project, allows for the us to be able to build resiliency and create a more adaptive system.

In the context of this project, we will be analyzing the housing system through a socio-ecological perspective. This perspective allows us to understand key aspects of the system; the Canadian housing system interacts and produces outcomes based on interactions with other systems within Canadian society (i.e., condition of Canada’s economic system, the focus of the political system on housing policy, social changes that impact housing, and the technological systems that have created new housing types), these different interactions lead to a system with many disruptions, and housing is dependent on these different interactions to occur for the system to function. All three of these aspects of the housing system have been demonstrated in the last three years of the global pandemic. For instance, the Canadian housing system interacts with the environmental world for key resources like lumber, but lumber mills act as the actor to retrieve these materials and produces the resource for them to use. However, during the pandemic lumber mills were forced to close leading to a lumber shortage and increased the costs of building homes (Armstrong, 2021), which can result to the increase in housing prices to compensate for those costs as well as makes it difficult for developers to consider building affordable housing options (Diaz, 2021, pp. 1-2). Another example, which relates to this project is the high inflation rates and costs of living in the recent years, have made it difficult for people to be able to afford owning a home or renting property (Lord, 2022).

Likewise, in this project, we also see housing as a financial system and will often discuss the role finances impact different outputs. A financial system is defined as set of institutions (i.e., banks, insurance companies, credit unions, stock exchanges, etc.) that focus on the exchanging of funds, assets, or equity (Investopedia, 2019). A financial system contains rules and behaviors between borrowers, lenders, and investors. For example, banks serve in providing financial products such as mortgages and lines of credit to homeowners, or loans to developers to build housing projects. This leads then certain actors to gain financial reward from owning or building a home. The Canadian housing system is dependent on the market, making it necessary for some actors or stakeholders to receive some financial benefits in being implicated in the system.

In understanding the Canadian system as socio-ecological and financial system, a system dependent on the movement of money between different actors and stakeholders, we can begin to see the outlines of the system and where some of the shortcomings may come from. For instance, given the current housing affordability crisis, the housing system has not been able to adapt and respond to the different disruptions that have occurred in the last few decades and especially in the last few years. According to Louise Crabtree, “adaptive capacity refers to the resources a system can draw upon to respond to uncertainty” (Crabtree, 2010, p. 2). Or the ability for a system to be able to “respond creatively to disturbances without loss of functionality” (Crabtree, 2010, p. 3). However, during the last few years, especially during the global pandemic, the system has not been able to adapt and react to the crisis effectively or fast enough. Difficulty to adapt and respond effectively to disturbances without the changes in functionality, demonstrates a system that is not resilient. The housing affordability crisis is the by-product of a poorly adaptable and resilient system. Also, the financial aspect of the system and its impact on the market showcases the imbalance and poor stability of the system (Canada Mortgage and Housing Corporation, 2022). It impacts every part of

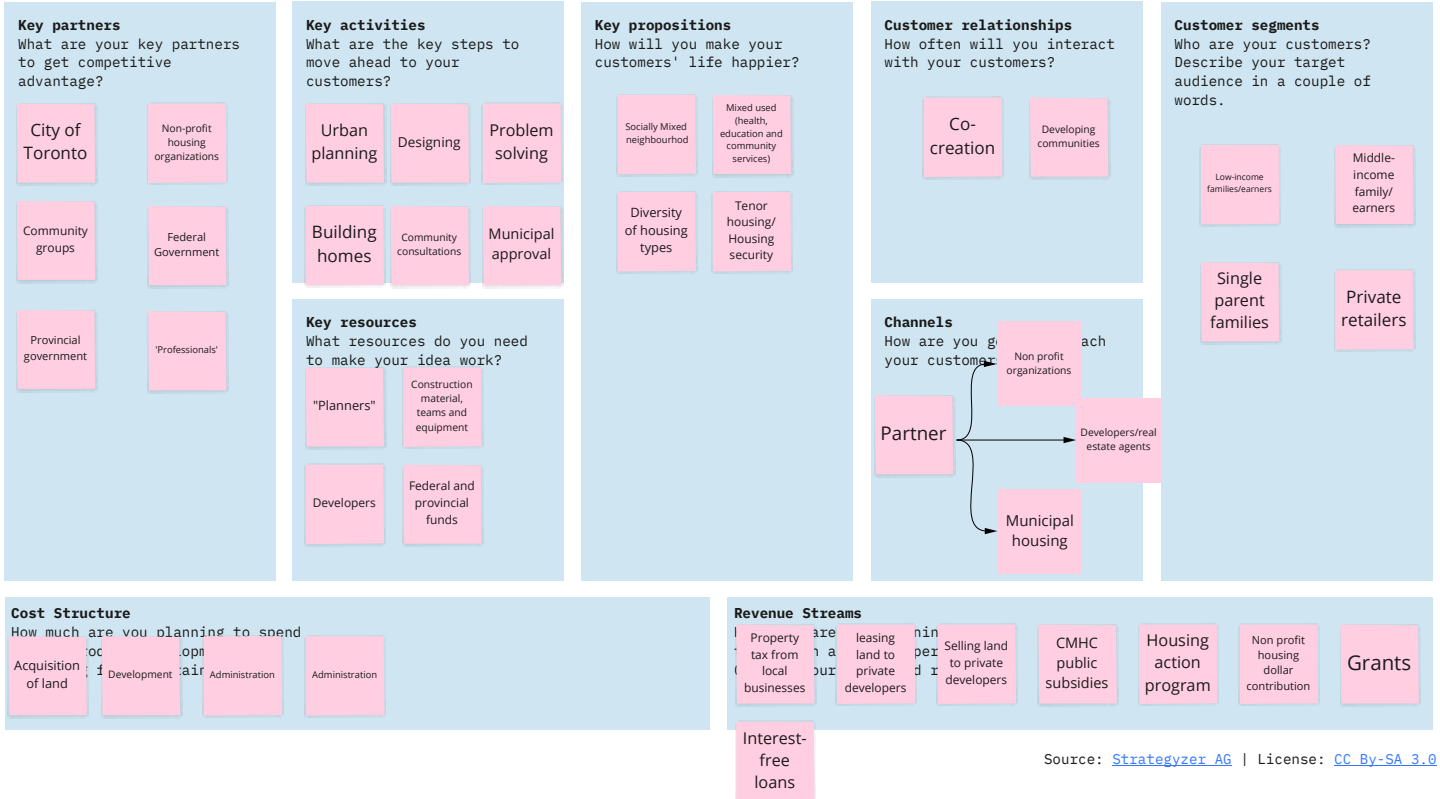
the system, from government to developers to housing users. We will try to address the mechanisms to create an adaptable socio-ecological system by stabilizing the financial part of the system, addressing the imbalances, and gather resources within its system to serve its functions, one of which is to serve diverse housing users.



# Appendix C: Conceptual Business Model Canvas

## The Esplanade Development: Reviving the St Lawrence Market

### Esplanade Development (Conceptual Business Model Canvas)



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Figure 13: Conceptual Business Model Canvas - The Esplanade Development: Reviving the St Lawrence Market

# The Road to Homeownership: Trillium Housing Program

## Trillium Housing (Conceptual Social Business Model Canvas)

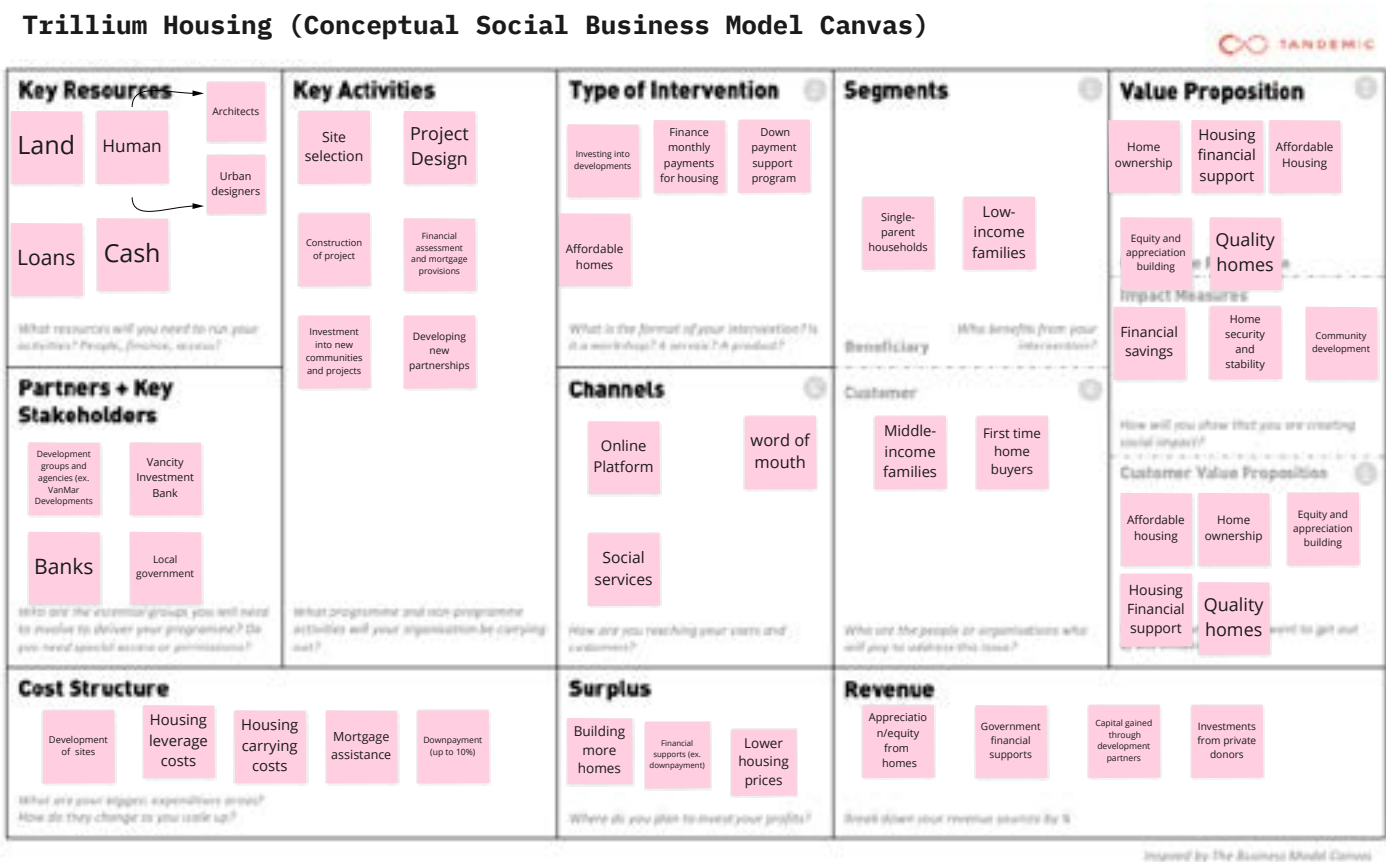


Figure 14: Conceptual Business Model Canvas - The Road to Homeownership: Trillium Housing Program

# Community Funds: Parkdale Neighbourhood Land Trusts

## Parkdale Neighbourhood Land Trust (Conceptual Business Model Canvas)

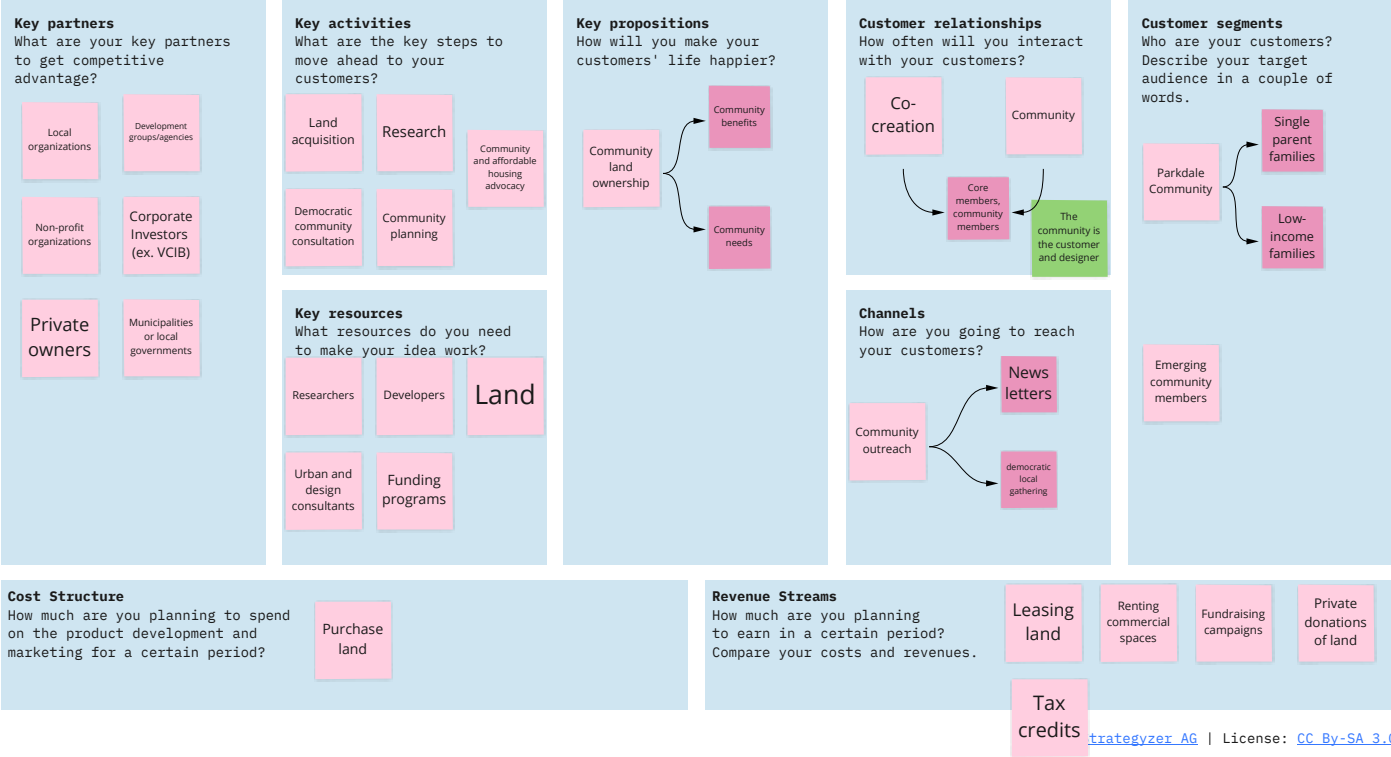


Figure 15: Conceptual Business Model Canvas - Community Funds: Parkdale Neighbourhood Land Trusts

# Appendix D: Value Proposition Canvas

For all business models, they are different groups of people that the business is trying to create value for. In the case of the different socio-financial business models, the Esplanade Development: Reviving the St Lawrence Market, the Road to Homeownership: the Trillium Housing Program, and the Community Funds: the Parkdale Neighbourhood Land Trust all serve individuals in low- to middle income situations. For this project, we were able to identify four different demographics of people that fit under this general economic situation and develop a value proposition canvas – the different jobs, gains, and pains and ways to translate these things into products and services, gain creators, and pain relievers. The four demographics that seem to be most prevalent in the housing industry but not adequately served have been newcomers, young professionals, and seniors, and first-time home buyers. These demographics are also the ones that have been experiencing the negative impacts of the housing affordability crisis the most, while also seeking communities that reflect their social, familial, and health needs.

## Low-Income Families

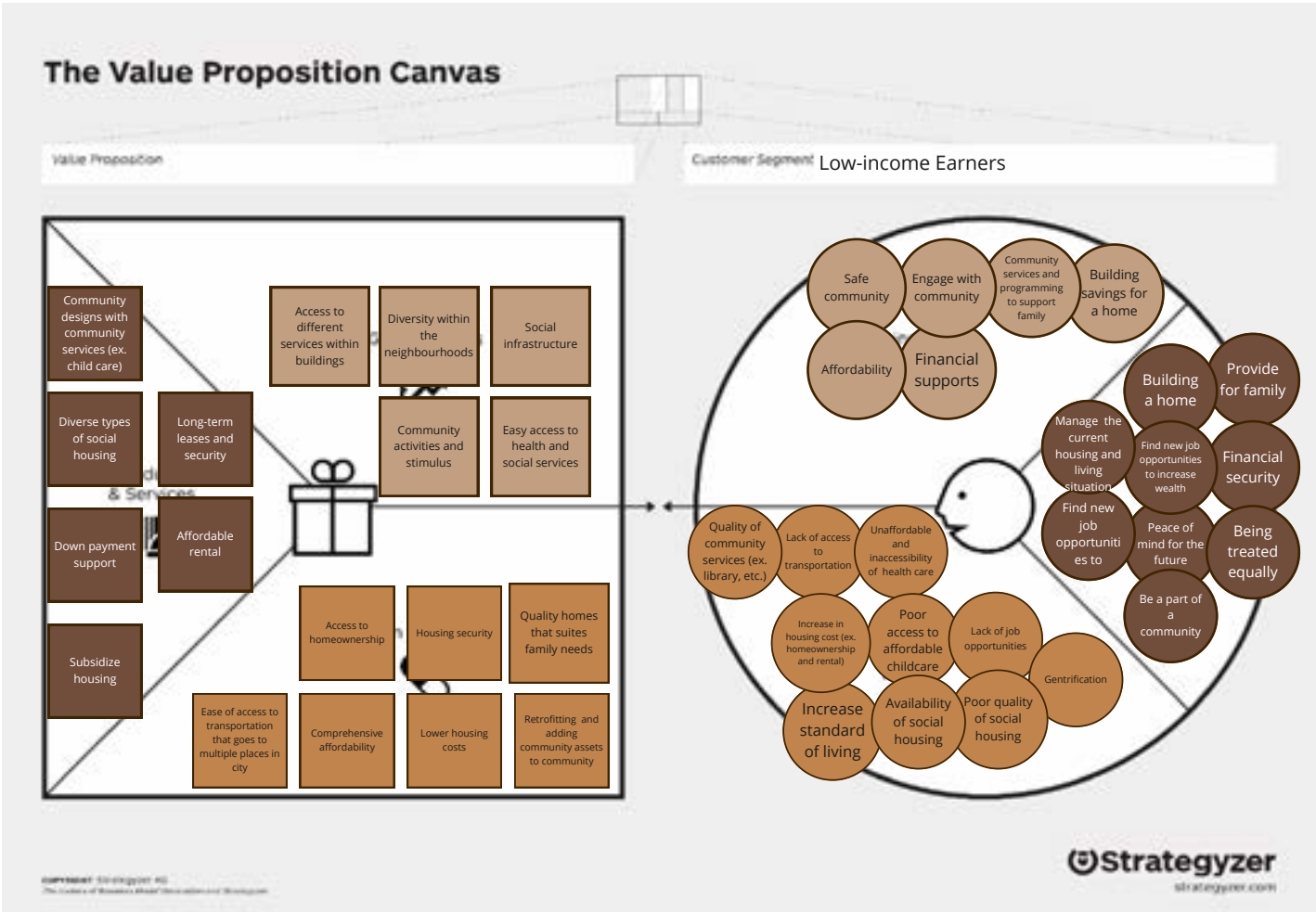


Figure 16: Value Proposition Canvas - Low-Income Families

# Middle Income earners

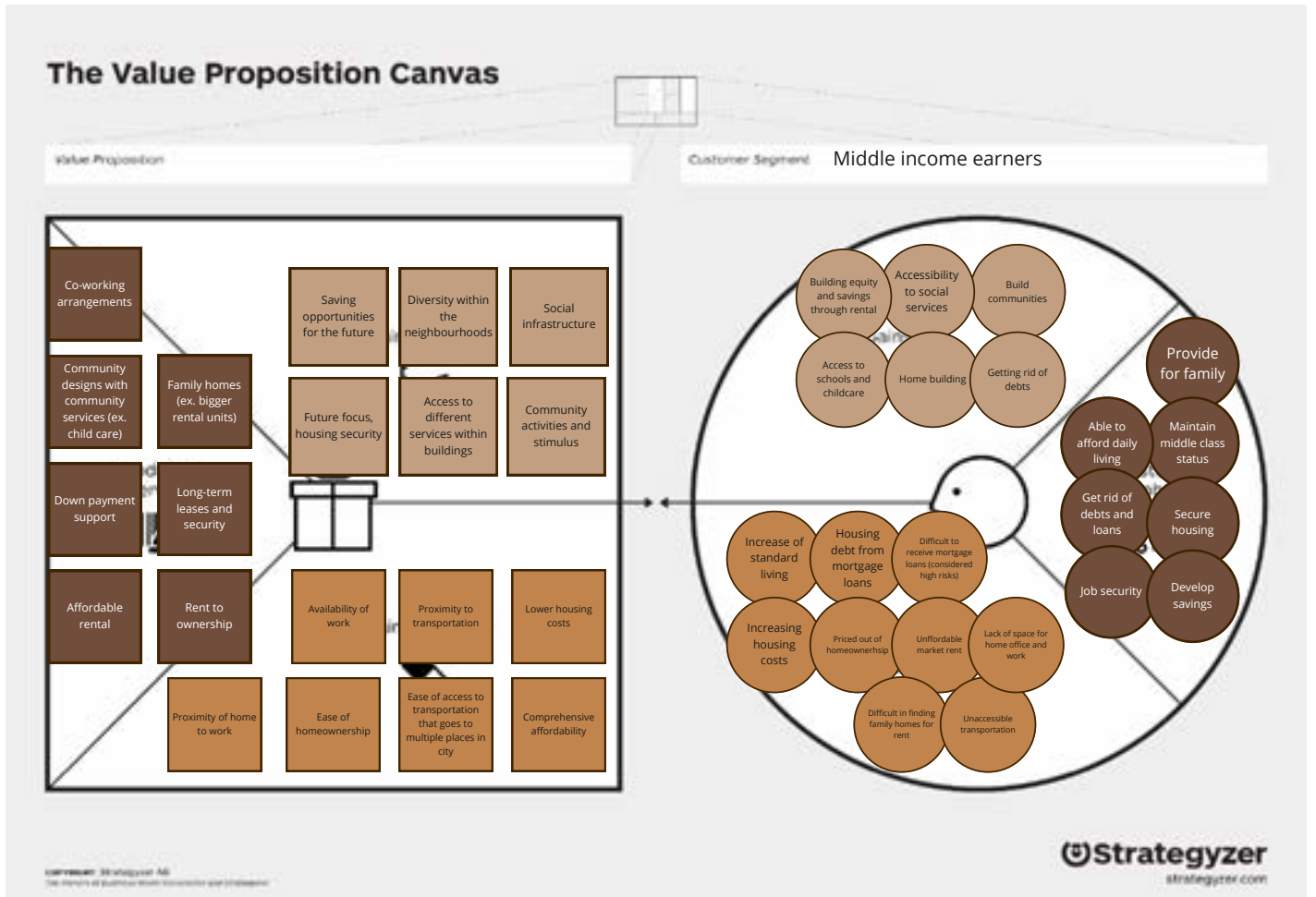


Figure 17: Value Proposition Canvas - Middle Income Earners

# Young Professionals

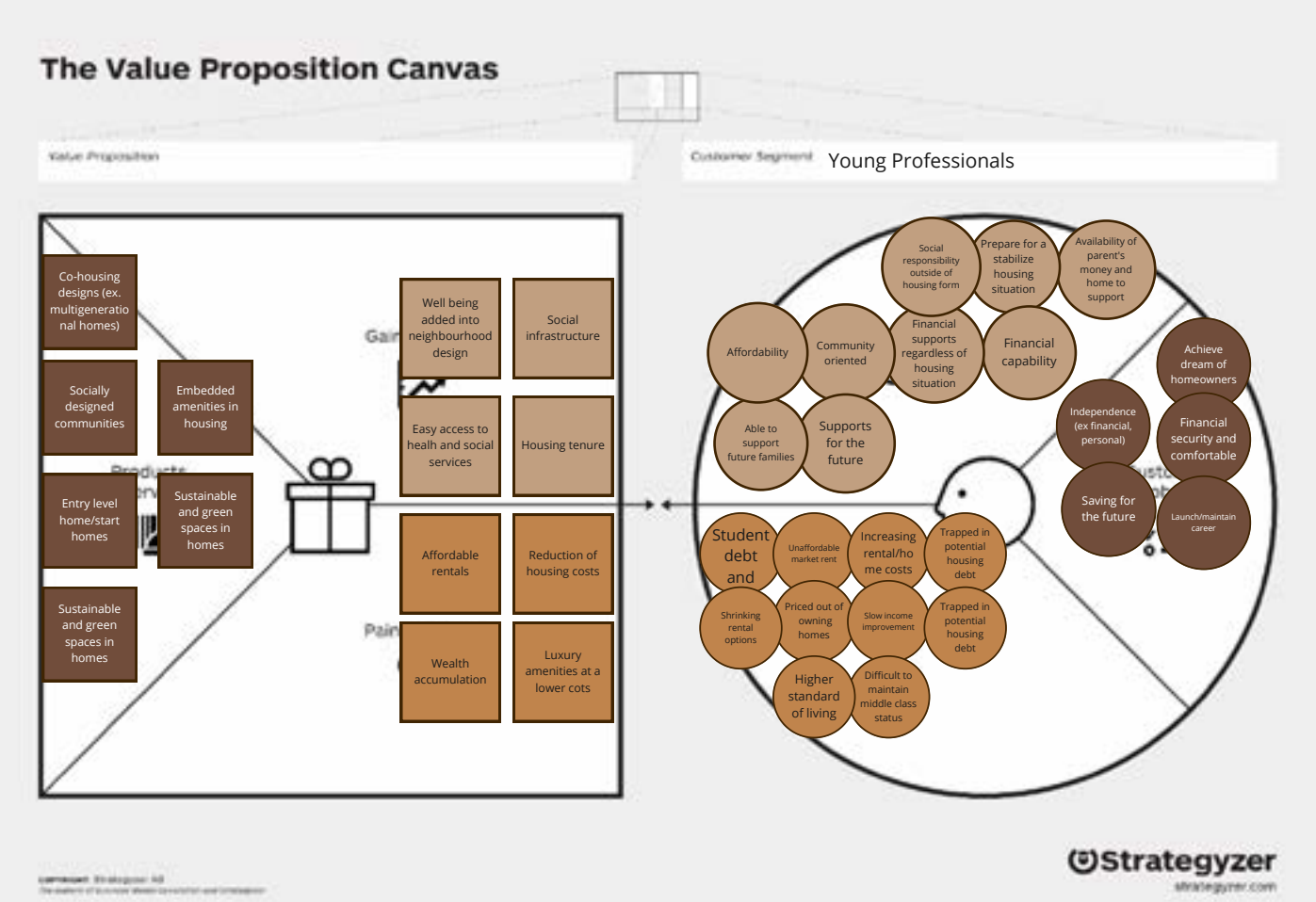


Figure 18: Value Proposition Canvas - Young Professionals



# Seniors

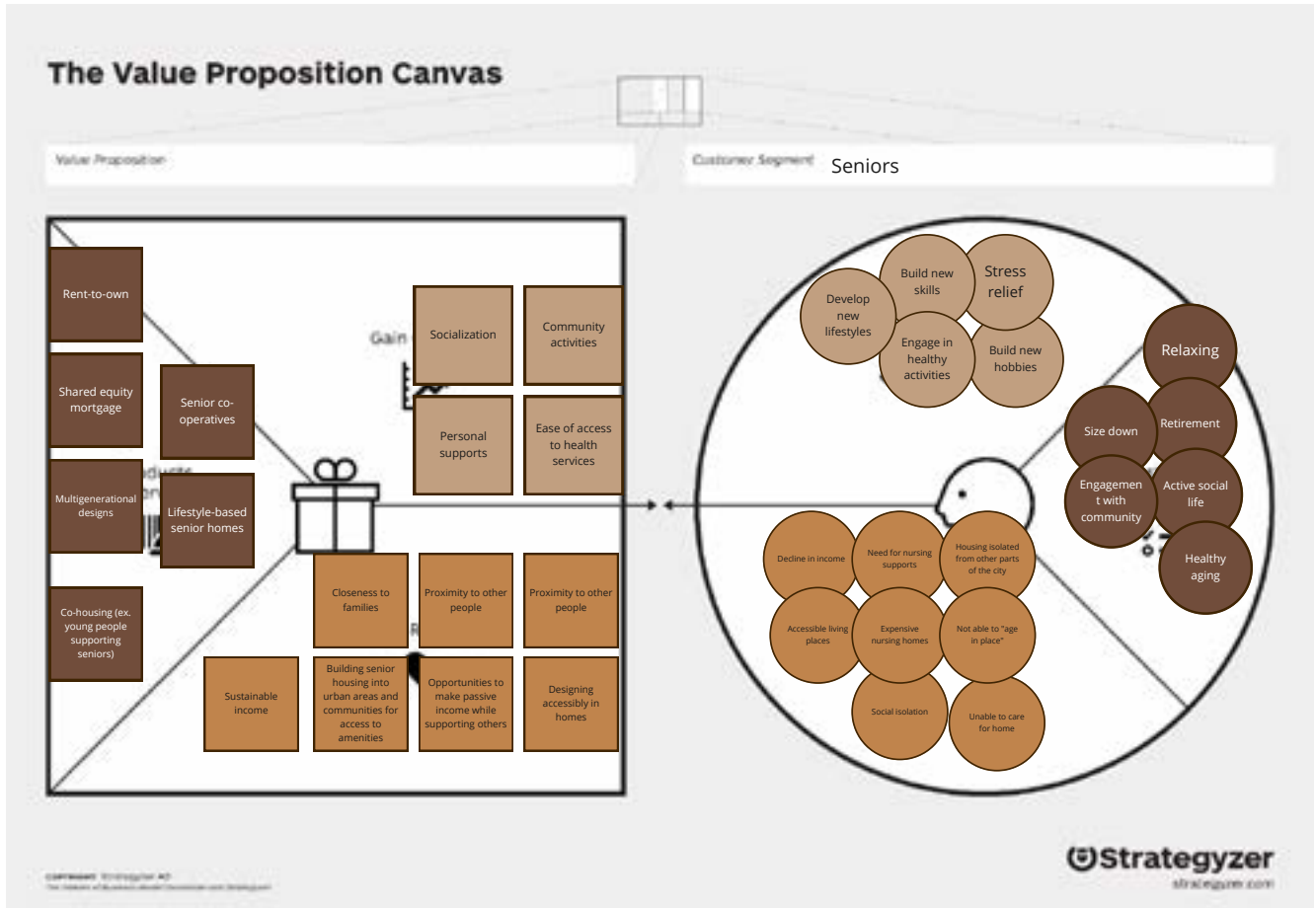


Figure 19: Value Proposition Canvas - Seniors