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A Taller Tale

INTENSIFICATION DIDN'T CAUSE OUR AFFORDABLE HOUSING CRISIS, BUT IT COULD HELP SOLVE IT.

BY RYAN MCGREAL

Toronto-based condo magnate Brad Lamb has lit a fire under Hamilton's already-hot housing market with a \$360-million development centred around the CHCH-TV studio at Jackson and Caroline. Television City will feature the historic Pinehurst Mansion alongside two new towers at 30 and 40 storeys, totalling 618 units.

Naturally, it has become a lightning rod for the various fears that Hamilton's renaissance have brought to the forefront: gentrification displacing low-income residents; block-busting condo development destroying neighbourhood character and, of course, our defensive, knee-jerk hatred of anything Toronto.

It didn't help that Lamb was quoted in a recent magazine article saying Hamilton is "going to be a suburb to Toronto. It just is." He later protested that his statement was taken out of context and he is investing in Hamilton precisely because it is a real city, not just a bedroom community. "I am only interested in the development opportunities in the core of vibrant, real cities," said Lamb.

Hamilton has a traditional built form, a diverse local job market, and a dynamic downtown core offering an appealing urban quality of life. Perhaps most important for developers, we have a Goldilocks real estate market: solid demand for more urban housing, property prices that are still reasonable compared to Toronto, and lots of untapped opportunity for exciting urban infill developments.

The lower city went into a postwar spiral of disinvestment and decline after the city embraced the suburban dream of single family houses for everyone and a car (or two or three) in every driveway. City streets were converted into dangerous one-way thoroughfares and new multi-lane es-carpment accesses opened the mountain for residential development.

A slow, gradual turnaround began some 15 years ago and has now reached the point in which Hamilton is becoming a destination of choice for affordable city living outside of Toronto. That, in turn, is attracting the attention of bigger developers. And that, of course, has many Hamiltonians worried that our beloved gritty city is about to change forever.

Anti-poverty advocates point out — quite rightly — that the renaissance has not lifted everyone's prospects equally. Many people whose economic conditions have not improved are now being squeezed by fast-rising housing prices.

Worse, unscrupulous property owners are trying to force lower-income residents out of their homes to cash in by reconfiguring buildings and increasing rents. As I write this, the property owner of 192 Hughson Street North and 181 John Street North seeks to convert 119 three-bedroom apartments into more profitable singles. If the city's goal is to create more complete, inclusive communities, we should be adding family units, not removing them.

Now, some of the recent craziness in our housing market is almost certainly due to a housing bubble in the Greater Toronto Area. Recent increases in house prices have outstripped what the economic and market fundamentals can explain: people are paying extraordinary prices because they believe those prices will keep going up. It remains to be seen whether provincial measures intended to cool Toronto's real estate market will produce a soft landing or trigger a panicky crash. Nevertheless, the underlying economic conditions remain sound and the GTA will continue to grow over the longer term.

As the only other "real" city in the GTA, Hamilton has major growth potential as people from across the region and beyond seek living and employment opportunities unique to cities.

To succeed, we need to get better at adding supply. According to the Canadian Mortgage and Housing Corporation, annual new housing starts in the Hamilton area have remained steady around 2,500-3,000 since 2006 and are expected to continue in the same range.

Meanwhile, the housing type is trending away from single-family homes, with semi, town and condo units now making up two-thirds of the total. This reflects changing preferences of homebuyers and the difference in relative affordability. If more people are trying to buy homes in Hamilton but the market is not providing additional units, the housing price will go up.

Some of the increased demand has been offset by Hamiltonians seeking even more affordable housing in places like Caledonia, but that's not a solution.

This is where projects like Television City come in. Taller buildings divide fixed costs among more units, bringing the unit price down. That's how they can offer units in the \$220,000 range, allowing first-time homebuyers to start building equity.

We can bring the supply of housing in line with demand, but we need to stop regarding density as a problem and recognize it as a solution. The Ontario Planning Act allows for inclusionary zoning — insisting that new projects include units that are appropriate and affordable for low- and middle-income families. The Act also allows "density bonusing," or granting height variances in exchange for public amenities.

We should use these tools to increase the range of housing and improve the public realm. Instead of resisting new developments, let's ensure they are well-designed, integrate with their surroundings, and add a variety of housing options.

The solution is not to scare away investment. We know what happens when a neighbourhood stagnates: over time, neglected properties deteriorate until they are no longer inhabitable. Disinvestment and decline is not an affordable housing strategy.