

By-law for a diverse metropolis

Montréal, a Metropolis to Live In

Summary





For a Diverse Metropolis

Living in the city must not be a privilege reserved for the wealthy. If we want Montréal to continue to stand out as a welcoming urban centre, where families can afford to live, it is essential to put in place tools to ensure that everyone can find affordable housing.

This is why one of my administration's key commitments was to propose a by-law on the supply of social, affordable and family housing. Specifically, we wanted to ensure that we maintain quality living environments in Montréal that favour social diversity in neighbourhoods so that families choose to stay here.

This By-law was designed to be viable, adaptable and predictable. Viable, because we want to preserve a vigorous residential development. Adaptable, because it is essential to adapt to the nature and location of each project. And predictable, because it is necessary to create a stable framework for private and community developers alike.

This is why, in designing the By-law, my administration has met with actors in the social and private real estate sectors. We have also conducted various analyses, including an impact study on the Montréal housing market. These analyses indicate that the by-law will have structuring benefits, combined with modest financial impacts on the market.

This tool, which we are now presenting to the Montréal population through a public consultation, reflects these fruitful discussions with the community.

We are certain that we can achieve our goal of creating a structuring effect by stimulating the construction of social, affordable and family housing, without compromising the vitality of the residential market as a whole.

More housing. More development.
But done the right way!

Valérie Plante
Mayor of Montréal



A New Tool to Meet Housing Needs

Montréal is an attractive city, particularly for its quality of life, innovative energy, artistic spirit, institutions of higher education, green spaces, and, above all, thanks to its citizens.

The *By-law for a diverse metropolis*, which we are presenting with great pride, allows us to put in place the necessary measures to guarantee the affordability and diversity of real estate development, and to start building the Montréal of tomorrow, today.

This by-law will ensure the development of new housing that meets the diverse needs of Montréal households. Families, workers, first-time home buyers, people with low income, seniors, all have very different needs that we want to be able to meet. These are the foundations on which to consolidate the mixed and inclusive character of our city.

More broadly, this tool is the latest in a series of measures taken to meet the housing needs of Montréalers. Whether it is through our Strategy to Develop 12,000 Social and Affordable Housing Units, our Home Purchase Assistance Program, or our investments to buy land dedicated to construction of social housing, our administration is doing its utmost to substantially improve the diversity of the housing supply in Montréal.

The strength of the Montréal real estate market is unprecedented, and our administration plans to maintain this momentum while ensuring that all Montrealers, regardless of their means, have access to decent housing. Our ongoing collaboration with all the private and community developers in the sector will allow us to plan what Montréal will look like in 10, 20 or 50 years.

We will continue our efforts to protect the affordability of housing in Montréal. I am convinced that the new by-law will actively contribute to this.

Robert Beaudry

Executive committee member responsible for economic and commercial development, housing and design

Housing: A Collective Challenge

Like Barcelona, New York, Mexico City, London and other large urban centres around the world, Montréal is facing a growing housing challenge.

- Available housing is rare, particularly in the case of large dwellings. The vacancy rate plunged to **1.9%** in the region in 2018 (**0.8%** for three-bedroom units);
- Some **23,000** households are on the Office municipal d'habitation de Montréal waiting list for a dwelling;
- One in three tenant households spend more than **30%** of their income on housing;
- Rents are **increasing faster than inflation**;
- Real estate prices are soaring. In the past five years, the median price of a plex has climbed **21%**, and that of condominiums by **15%**. In some neighbourhoods, the increase has surpassed **40%**.

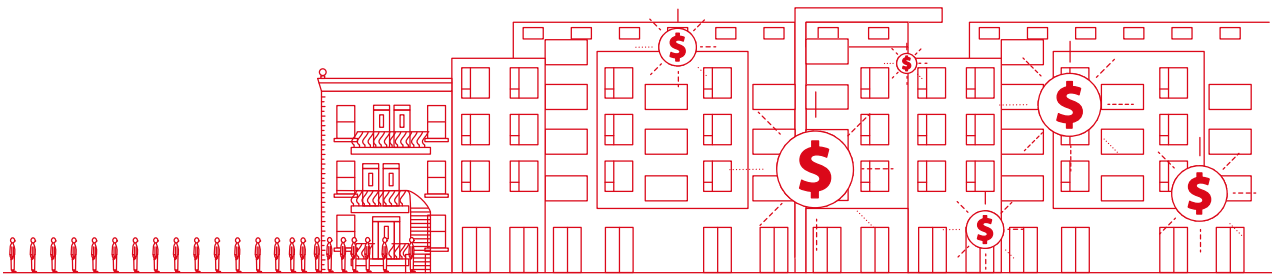
This is why the Ville de Montréal is introducing the **By-law for a diverse metropolis**, which aims to improve the supply of social, affordable and family housing.

THIS NEW TOOL IS DESIGNED TO:

- Preserve the diverse, affordable nature of Montréal, and support the quality of our living environments;
- Favour universal access to suitable housing;
- Create a structuring effect on the residential market by boosting its vitality and sustainability.

Acting before it is too late

To ensure that the Montréal of tomorrow meets the needs of its population, to encourage families to stay in the city and attract others to live here, and to provide a place for everyone, we need to change the way we are developing the housing supply.



This document presents the broad outlines of the *projet de règlement visant à améliorer l'offre en matière de logement social, abordable et familial*. In case of discrepancy, the text of the By-law will prevail. To access the bylaw, consult the website ville.montreal.qc.ca/housing.

Broad Outlines of the By-Law

This by-law introduces a new requirement for all housing projects of 450 m² or more (equivalent to about five units). Before obtaining a construction permit, builders must sign an agreement with the city regarding the housing supply.

The By-law sets out obligations along with various compliance options: transfer of land in exchange for financial compensation, price ceilings on the sale or rental of housing, financial contributions, etc.

The final result is a contribution corresponding to 20% social housing, 20% affordable housing and 20% family housing. Depending on the area and the options chosen by the builder, these percentages may vary. Family housing requirements are distributed over the entire project.

3 major categories

- social housing
- affordable housing
- family housing

Thresholds, requirements and options

Each of these categories includes:

- a **minimum application threshold** (residential area of the project or number of units)
- **required percentage** of the targeted project
- **various contribution options**

4 territories of application

Based upon real estate value:

- downtown
- inner neighbourhoods
- periphery
- outskirts

Number of units in the project	Social Housing		Affordable Housing		Family Housing		
	Downtown	Other territories	Downtown	Other territories	Downtown	Central neighbourhoods and periphery	Outskirts
5 (450m ²) to 49 units	Financial contribution	Financial contribution	NA	NA	NA	NA	NA
50 units or more	20% or Financial contribution	20% onsite or 22% offsite or Financial contribution	10% to 15% including 5% family units or Financial contribution	15% to 20% including 5% family units or Financial contribution	5% without price control	10% without price control	NA

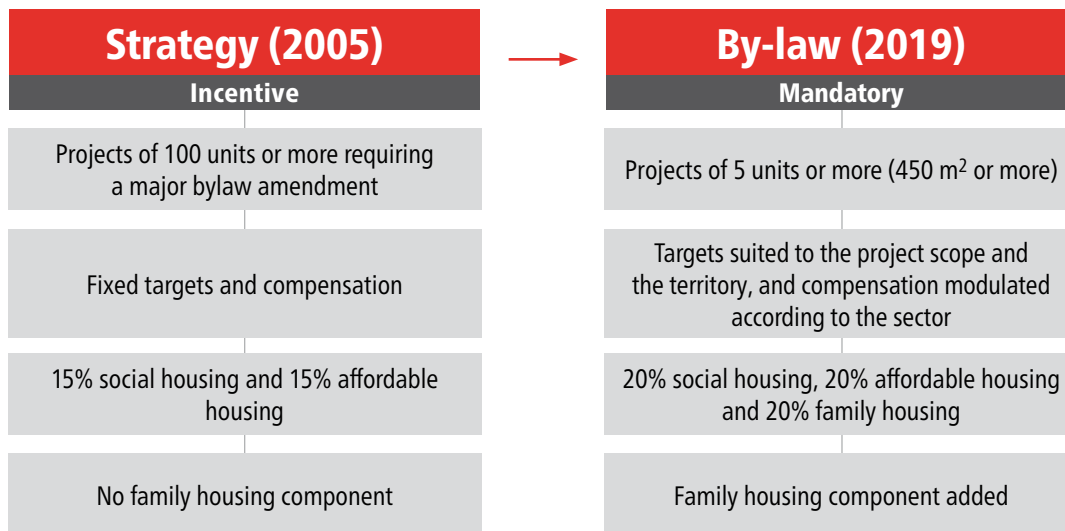
A Viable, Predictable Tool Adapted to the Realities of Montréal

Every effort has been made to ensure that this by-law is a viable, predictable tool for the industry, tailored to the diverse realities of the Montréal real estate market.

- It rests on rigorous analyses, including a housing market impact study.
- It takes into account the characteristics of the territory and the size of projects.
- It addresses the concerns of private and social housing developers.

From Strategy to By-law

This by-law replaces the *Strategy for the inclusion of affordable housing in new residential projects*, which the city adopted in 2005.



Concrete benefits

Projections indicate that the By-law should have significant benefits regarding social, affordable and family housing.

Projections per year	
Social housing	600 social housing units and \$13.7 M in financial contributions
Affordable housing	1,000 affordable housing units, including 300 family units
Family housing	500 family units at market price

A few definitions

Social housing

Social housing is housing whose construction is subsidized by a social and community housing program run by the Québec government. Currently, this corresponds to the AccèsLogis Québec and AccèsLogis Montréal programs. Social and community housing is developed by cooperatives, non-profit organizations, and the Office municipal d'habitation de Montréal.

Affordable housing

Under the By-law, housing is considered affordable if its price or rent is situated below the limits defined by the bylaw. These ceiling prices are equal to or slightly lower than market prices for modestly designed housing units.

Family housing

The By-law defines family housing as a unit with at least three bedrooms and sufficient space for a family, namely a gross area of 86 m² for the "downtown" and "inner neighbourhoods" territories of application, and a gross area of 96 m² for the "periphery" and "outskirts" territories of application. A family housing unit may be social, affordable or at market price. Such housing may take the form of rental or homeownership.

Next Steps

The Office de consultation publique de Montréal will organize a public consultation on the proposed by-law in the fall of 2019.

The adoption of the final by-law is slated for early 2020, and the By-law should take effect on January 1, 2021.



Montréal 

ville.montreal.qc.ca/housing