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## Toronto's housing supply challenge and growth plan paradox

Toronto, Canada's largest city and one of the world's hottest property markets, has a supply problem and the nation's housing agency admits it is not quite sure why soaring prices have not spurred more construction. New homes replace demolished ones at a sharply lower rate than early this decade, completion times for multi-family projects have doubled and prospective buyers have far fewer new homes to choose from than only a few years ago. The reason, in part, may lie in an ambitious growth plan for the greater Toronto area the Ontario province forged over a decade ago.

With new "density" targets favoring multi-family housing, designated urban growth areas and tougher environmental rules, the 2006 plan sought to check urban sprawl while supporting the area's further growth as North America's major economic hub. The market, though, did not follow that vision. Detached homes are still most sought-after and their tight supply keeps prices high even as some condominiums and multi-family projects languish.

Developers say the growth plan, updated in 2017 with higher density targets, both created a demand-supply mismatch and added a layer of new municipal regulations. "The growth plan has throttled growth severely," said Matthew Cory, principal at planning consulting firm Malone Given Parsons. Ryerson University economist Frank Clayton said part of the problem was the plan's emphasis on protecting the environment and heritage sites at the expense of development. "That superimposed more planning on a planning structure that was already bureaucratic-heavy," he said in an interview.

Toronto's troubles are of national concern given its role as Canada's top financial and technology hub, which, together with surrounding towns, accounts for a fifth of the nation's economy. The city, alongside Vancouver, Canada's third-largest city, is also among top North American destinations for international property investors and a major draw for Chinese capital. So far, the authorities have sought to cool what they call speculative demand with stricter lending rules and by taxing foreign buyers. Now they also begin to look at supply bottlenecks as a driver for prices that have risen by 43 percent in Toronto and 63 percent in Vancouver just over the past three years.

"If I were concerned about anything from a long-term housing market point of view it's the supply of housing in Toronto and Vancouver," Evan Siddal, the head of the federal housing agency, the Canada Mortgage & Housing Corporation, told Reuters. "We're replacing houses in Toronto at a much lower rate than we were five or six years ago," he said. The agency's data, first published by Reuters, show just over 20 new homes were built in Toronto for each one demolished in 2016, down from around 70 to one in 2011. Data from property research firm Altus Group offered a different perspective: it estimated last year prospective buyers had about 11,000 properties to choose from in the greater Toronto area, less than half the level of just two years earlier.

### 'Land banking' and red tape

Siddal said "simpler, more flexible" approval procedures would help, but developers were also contributing to the bottlenecks by "land banking" - delaying projects in anticipation prices will rise further. In a report this month, the agency said, however, that it needed more data to fully understand the factors behind supply constraints. Industry representatives said complex regulation, rather than speculation, drives the delays.

Michael Pozzebon, vice president of low-rise developer DG Group, said his firm used to sell houses once it got approvals because in the past it knew how long projects would take. "To sell at that point now, there's a risk that we can't deliver the product on time. So there's a perception that we're holding on to land without developing it," he said. A 2016 survey of land use regulations by the Fraser Institute, a public policy think-tank bears out developers' assessment. The survey found Toronto was Canada's most regulated city, with approval times nearly double that in other centers, and the highest compliance costs, followed by Vancouver, Edmonton, Calgary and Montreal.

Developers now have to satisfy about 200 conditions, from protecting species at risk to transport requirements, to get municipal approval, according to Bryan Tuckey, former head of the Toronto area's building and developer lobby. That compared with about 25 at the start of the last decade, he said. East Gwillimbury, a town just north of Toronto, is a case in point.

The plan designated it as a significant growth area, but the municipality is at least six years behind with construction of a new sewage plant needed for the town's population to grow from 30,000 to 86,000 by 2031. The reason? A municipal funding shortage and delayed environmental assessments by the province, says James Young, town councillor and former mayor. "Without the servicing, we stop. It's been very frustrating," Young said.

Developers said municipal cash is tight in part because planned condominiums take longer than expected to complete, or do not get built at all, and that means less income from development fees that help fund infrastructure. —Reuters


# World braces for Xi power play blowback

President Xi Jinping's leap toward lifelong rule has largely been met by guarded silence in world capitals as governments try to predict how China's formidable leader will wield his newfound power on the global stage. The Communist Party's move to lift presidential term limits will allow Xi to reign supreme as he pushes through an ambitious agenda to turn China into a military and economic superpower by mid-century. "Xi has all this power. But we don't really know what he wants to use it for," said Kerry Brown, the director of the Lau China Institute at King's College London. "If it's to address the challenges that need sorting out in China then that will be a good thing. If not, then it will be deeply problematic."

China is already causing global jitters with its growing assertiveness, from its territorial claims in the South China Sea to the opening of its first overseas military base in the Horn of Africa and its influence in capitals across the Western world. Xi has championed one of the largest international infrastructure projects in history, the $1 trillion Belt and Road initiative, which has drawn both interest and suspicion about China's intentions.

At the same time, it is teetering on the brink of a trade war with the world's largest economy, the United States. At home, the move has been hailed by state media as a necessary measure to usher in an era of "stability" that will provide a reassuring beacon of hope to countries spooked by the turmoil of American politics. "In the future, with Xi leading the country for a very long time, it's guaranteed that foreign relations will be stable and predictable," Wu Xinbo, a US politics expert at Fudan University, told AFP.

### 'Autocrat for life'

The Communist Party's constitutional amendment is certain to be approved by the rubber-stamp National People's Congress when it begins its annual session next week, which will enable Xi to remain president beyond 2023. Where countries stand on the move largely depends on where they sit. In Russia, whose President Vladimir Putin's unyielding grasp on power is often cited as a model for Xi's rule, the reaction to the abolition was largely positive, according to Alexander Gabuev, a senior fellow at the Carnegie Moscow Center.

Although some China-watchers expressed concern that China could slip back into Mao-style authoritarianism, the government thinks that Xi "staying in power beyond 2023 is a good thing," especially as "relations with the West are hitting new lows every month". But Xi's power play is likely to fuel growing suspicions about China in Western countries. After the election of Donald Trump in the US, China tried to step into the vacuum created by his rapid withdrawal from international trade pacts and environmental agreements.

Xi's speech at Davos last year emphasizing the importance of globalization earned rapturous reviews from liberal politicians. But "getting permission from a rubberstamp legislative branch to become autocrat-for-life only undermines the ability of democratic leaders to afford such respect," said Orville Schell, director of the Center on US-China Relations at the Asia Society in New York.

It will look particularly bad in Australia, New Zealand and the United States, where concerns about China's growing power and how it chooses to exercise it have increasingly preoccupied lawmakers. The White House has avoided criticism of the move, saying the decision was "up to China". But "there's been a lot more concern about China and what it wants abroad," said Eric Hundman, an international relations expert at NYU Shanghai. "Everybody's going to read this as he's going to become a dictator, which makes China look much more threatening."

### Surrounded by sycophants

Xi's consolidation of power means that China's own foreign policy will likely become more assertive, said Bonnie Glaser, a China expert at the Washington-based Center for Strategic and International Studies. If the term limit repeal is a sign of strength, that could mean that Xi will increasingly be surrounded by sycophants and yes-men. "Xi is unlikely to get balanced, objective input and advice. He may be overconfident about what he can achieve," Glaser said. That could mean a China that is "even more aggressive" in its use of economic coercion and its assertion of its territorial rights in places like the East and South China Sea, where it has long-standing disputes with its neighbors. NYU's Hundman warned that if Xi's apparent power grab is a sign of weakness, then that "may lead to actions on China's part that look irrational... but are directed at domestic audiences". He could do things such as threatening Taiwan that are aimed at "whipping up popular support. They would look very provocative to us, from a foreign perspective, but they may not be intended that way." —AFP

## From prison to fridges: Japan has a mascot

Representing everything from prisons to safe sex, Japan has literally thousands of mascots, ranging from the uber-cute to the frankly disturbing. As Tokyo 2020 organizers unveiled the mascot for the games yesterday, here are five of the most weird and wonderful mascots from the country that brought you Hello Kitty and Pokemon.

### Funassyi: The 'pear fairy'

Funassyi is a bright-yellow hyperactive lifesize mascot in the shape of a pear, who has a love of heavy metal and is renowned throughout Japan for death-defying TV stunts and good-natured bad behavior. The self-appointed representative for Funabashi City, 20 km east of Tokyo, Funassyi shot to fame after coming to blows with arch-rival mascot Kumamon on live TV.

The Aerosmith and Ozzy Osbourne-worshipping mascot has delighted fans with stunts: Once risking life and limb running shrieking through a field as explosions cascaded behind it. The chubby prankster has given press conferences and made international appearances as far afield as New York, entertaining supporters with high-pitched squealing, jumping and violent gyrating.

### Katakkuri-chan: Jailbird mascot

You might think prison is no place for a cuddly mascot, but not so in Japan, where Asahikawa prison on the northern island of Hokkaido adopted Katakkuri-chan in an attempt to soften its dark and foreboding image. The humanoid mascot stands nearly two metres tall, has a huge smiling face and sports an enormous purple flower for hair. It has a female and male incarnation and proudly wears a prison warden's uniform. The mascot's name and hair is inspired by the dogtooth violet - katakuri - which blooms on a mountain near the prison as soon as the winter snows melt.

### 'Jimmy Hattori: Binja condom'

Mascots are even used to promote safe sex in Japan, with one of the most famous being Jimmy Hattori, a ninja with a large pink condom on his head. Another mascot that has raised eyebrows is Com-chan, a fluffy character also based on a condom that is used by the AIDS information center in Yokohama, near Tokyo.

### 'Ororon Robo Mebius'

Budgetary pressures have forced some local communities to cut back on the number of mascots representing the community but the remote town of Rumoi in Hokkaido decided it simply couldn't face it, so created a terrifying hybrid from eight different mascots. "Ororon Robo Mebius", which resembles a gigantic humanoid "Transformers"-style robot, has legs, arms, a face and a body that all came from different mascots representing various communities.

### 'Fukuppy'

Not all mascots are cute and cuddly. Meron-kuma ("Melon-bear") from Yubari in Hokkaido comes in the shape of a terrifying bear with a melon for a head, a nasty snarl and razor-sharp teeth. Despite this, children love snapping photos with their heads between the bear's toothy grin.

One mascot that fell foul of online ridicule was that of Japanese refrigerator maker Fukushima Industries, with the unfortunate name of "Fukuppy". The firm tried to blend the first part of its name - Fuku - and the end of the English word happy but the result was that the Internet exploded in gags. It was particularly unfortunate as it recalled the catalogue of mishaps at the Fukushima nuclear plant - despite the firm having nothing to do with the area hit by nuclear catastrophe. —AFP

**This file handout photo from Asahikawa Prison taken on Sept 3, 2013 shows a person dressed up as "Katakkuri-chan", the mascot of Asahikawa Prison. —AFP**