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# AGRICULTURAL ZONING REFORM WOULD IMPROVE HOUSING AFFORDABILITY IN QUEBEC

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Quebec has a history of protecting agricultural land, and in particular zoning certain land exclusively for agricultural use and denying petitions for other forms of development on it. In 2023, the province began a series of consultations around this issue, with the goal of introducing more flexibility into the use of agricultural land.<sup>1</sup> This would provide an opportunity for residential development and would also allow farmers to decide what to do with the land they own when farming it is no longer profitable.

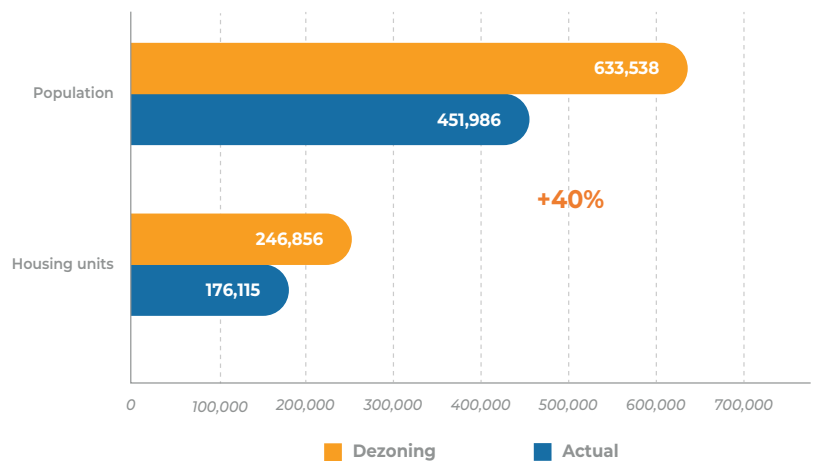
## AGRICULTURAL ZONING RESTRICTS HOUSING DEVELOPMENT

Since 1978, the government of Quebec has allowed (and in fact, actively encouraged) municipalities to enact agricultural zoning policies, which designate the uses of particular plots of land for activities such as farming or parks.<sup>2</sup> This restricts what developers are able to build on the land, and the ways they can use it. Evidence suggests that agricultural land designation close to metropolitan cities can decrease the value of the land.<sup>3</sup> It rules out the possibility of considering commercial or residential development projects in those areas, projects which could help solve the current housing affordability crisis in our cities.

Although it is possible to get agricultural land reclassified in Quebec, it is difficult, and it often comes on the condition that some other land needs to get zoned as agricultural instead. From 2020 to 2023, of all the requests for land to be zoned as agricultural, 95% of the total area was approved, totalling 50.01 km<sup>2</sup>. In contrast, of requests for land to be excluded from agricultural zoning, just 7.43 km<sup>2</sup> was approved,

Figure 1

### Population and housing, Laval, with & without agricultural dezoning



Source: Author's calculations. Statistics Canada, Census Profile, 2021 Census of Population – Laval, February 1<sup>st</sup>, 2023; City of Laval, "Le maire de Laval veut améliorer la protection des terres agricoles," Press release, January 23, 2024.

representing a mere 37% of the total area.<sup>4</sup> The amount of land set aside for agricultural purposes thus grew, reducing that available for housing development and other purposes.

The fact that so much more land is newly zoned as agricultural than is newly excluded from agricultural zoning, in both absolute and relative terms, shows a general unwillingness to rezone agricultural land for housing development, even when there is a high demand for housing. The increased amount of land zoned as agricultural, restricting where homes can be built, is especially significant in areas close to larger municipalities, where demand is high and supply is tight.

## AGRICULTURAL LAND IN LAVAL

The case of Laval is particularly interesting, as it is the second most populous city in the Montreal metropolitan region. The city also has a lot of farmland, with agricultural zoning covering almost 30% of its territory (70.5 km<sup>2</sup>).<sup>5</sup> Housing scarcity is a serious concern throughout Laval, which suggests that some of this agricultural land could be used for the construction of new residential units.

Taking the current density of the city of Laval of 2,574 people per km<sup>2</sup> (excluding agricultural land), and applying it to the land currently zoned as agricultural, it would be possible to accommodate some 181,000 additional Laval residents if this land were “dezoned,”<sup>6</sup> which would be a 40% increase in the current population (see Figure 1). Using Laval’s average household size from the most recent census, namely 2.57 people, this amounts to over 70,000 additional housing units.<sup>7</sup>

Such dezoning could enable even more households to live in Laval if a greater density of new residential projects were allowed. More units could then be constructed per plot of land, allowing for additional housing development. Given the current state of demand, such an increase in supply would help lower the price of housing in the region.

Indeed, the high price of housing in Laval is due in large part to rising demand that remains unmet by sufficient supply growth, making this administrative region a prime location for a far-reaching zoning change for agricultural land.<sup>8</sup> An increase in the number of housing units within the municipality would make it possible to meet some of the demand coming from those who do not want to live in the core of Montreal, but want to relocate close to the city.

For this to happen, major zoning changes will have to be implemented by public decision-makers. As a beneficial by-product, farm owners will be allowed to choose what to do with their own land. While dezoning does not necessarily

lead to the construction of housing units, it offers current owners greater freedom to dispose of their property as they see fit, and the chance to optimize the value of their land for the community as a whole.

Despite the significant potential for Laval to enable more prospective residents to find housing, the current administration would rather double down on the protection of agricultural land. This will only exacerbate the affordable housing shortage, and fail to make the best use of the valuable resources at hand.<sup>9</sup>

## CONCLUSION

Given the lack of affordable housing in Quebec, new solutions must emerge. Many of these will involve regulatory flexibility, as in the case of dezoning agricultural land. The Quebec government would do well to consider such an approach in its 2024 review of agricultural zoning regulations.

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9. City of Laval, *op. cit.*, endnote 5.



This Viewpoint was prepared by **Gabriel Giguère**, Senior Policy Analyst at the MEI, in collaboration with **Shal Marriott**, Public Policy Analyst at the MEI. The MEI’s Regulation Series aims to examine the often unintended consequences for individuals and businesses of various laws and rules, in contrast with their stated goals.

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