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# Rental Housing Update

Presentation to Affordable Housing and Tenant Issues Committees

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Affordable Housing Office

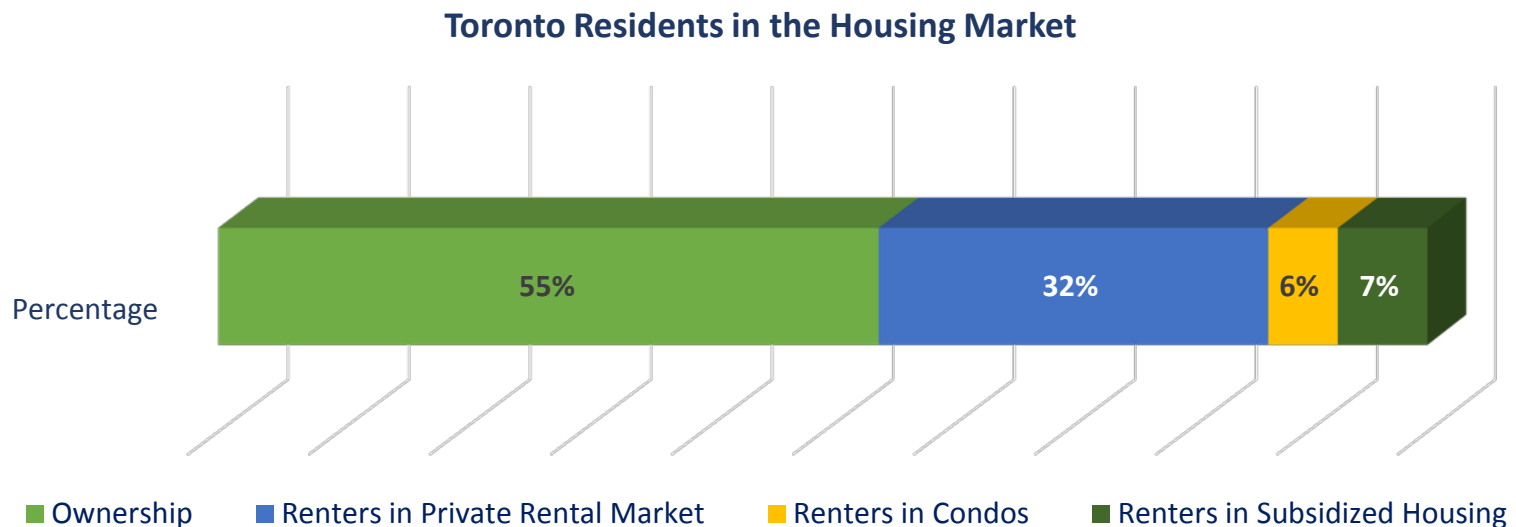
April 3, 2017

# Overview

- Current Housing Situation
- Toronto's Turbulent Housing Market
- Rental Market Update
- Community Voices

# Where We Live!

- According to the National Housing Survey (2011), 55% of Toronto households live in ownership homes (571,795 HHs). Majority of renting households live in private market rent housing.

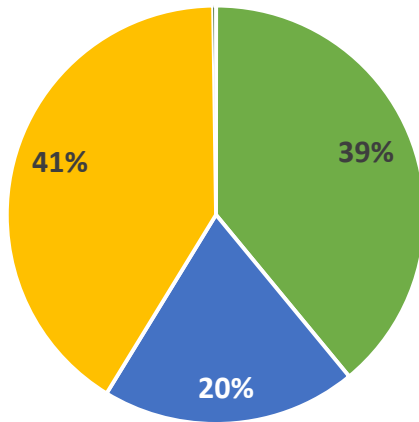


Source: CMHC – City of Toronto’s Housing Stock (2011)

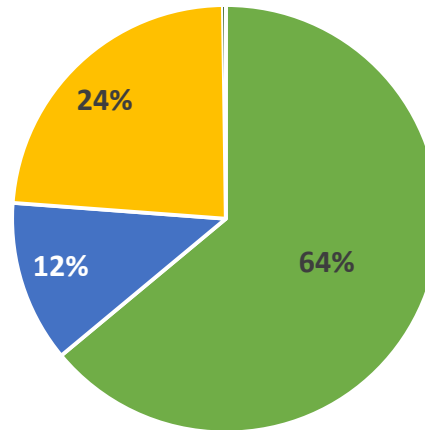
Subsidized housing as reported by the National Household Survey is not representative of the total social housing universe.

# Where We Live! Structure Type

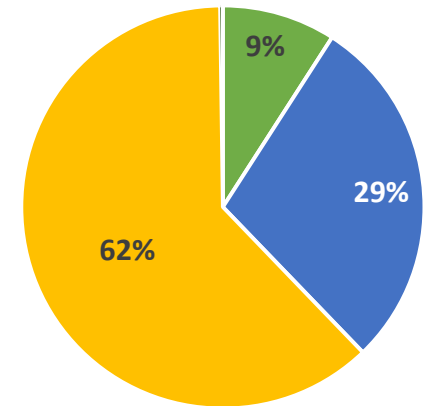
All Housing



Ownership Housing



Rental Housing



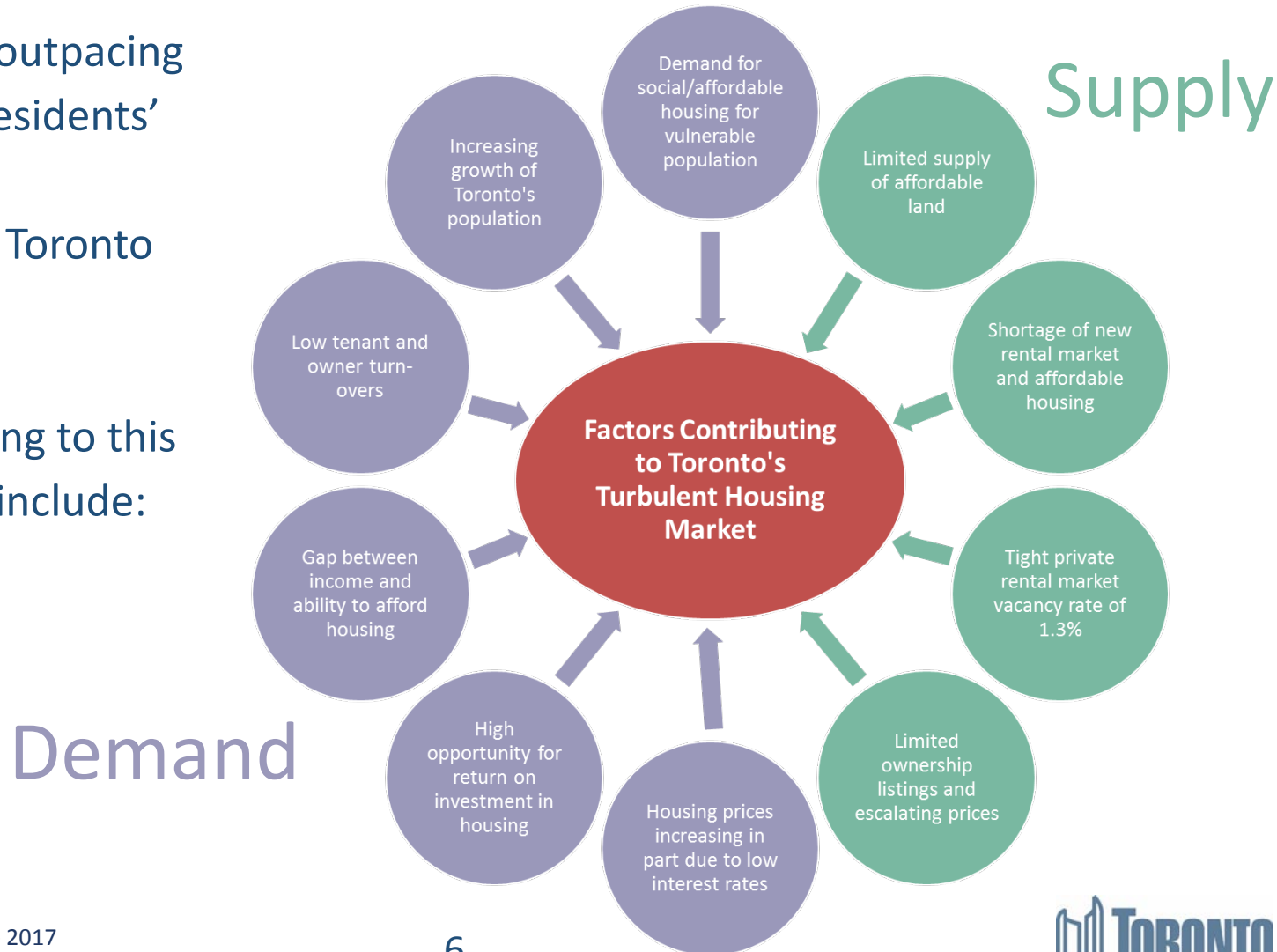
- Single, semi/double, and row houses
- Duplex apartments and apartments in a building with fewer than five storeys
- Apartments in a building with five or more storeys

# Current Situation

- Housing and construction are core industries:
  - GTA building/development industry employed 196,603 people, paid \$11.4 billion in wages, contributed more than \$30 billion to the economy in 2015
- While some benefiting from rising prices (investors, sellers), many are struggling:
  - Low-income families in need of social housing
  - People trying to find/afford even modest housing
  - Renters worried about economic or forced evictions
  - Many, including young people, squeezed out of ownership market.

# A Turbulent Housing Market

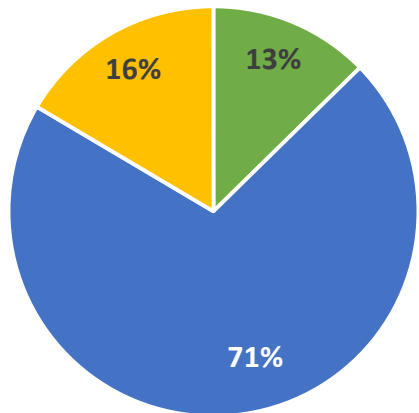
- Sale prices/rents outpacing income growth, residents' capacity to afford renting/buying in Toronto and GTA
- Factors contributing to this worrisome trend include:



# Renters

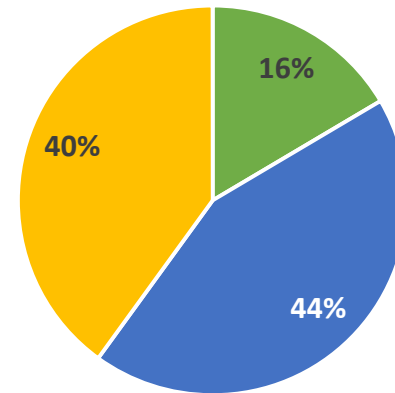
- Majority live in private market rent housing
- Many struggle with affordability.

Rental Stock Universe - 2011



- Rental Condos (60,230 Households)
- Private Rental (337,301 HHs)
- Subsidized Homes (78,554 HHs)

Renters and Affordability-2011

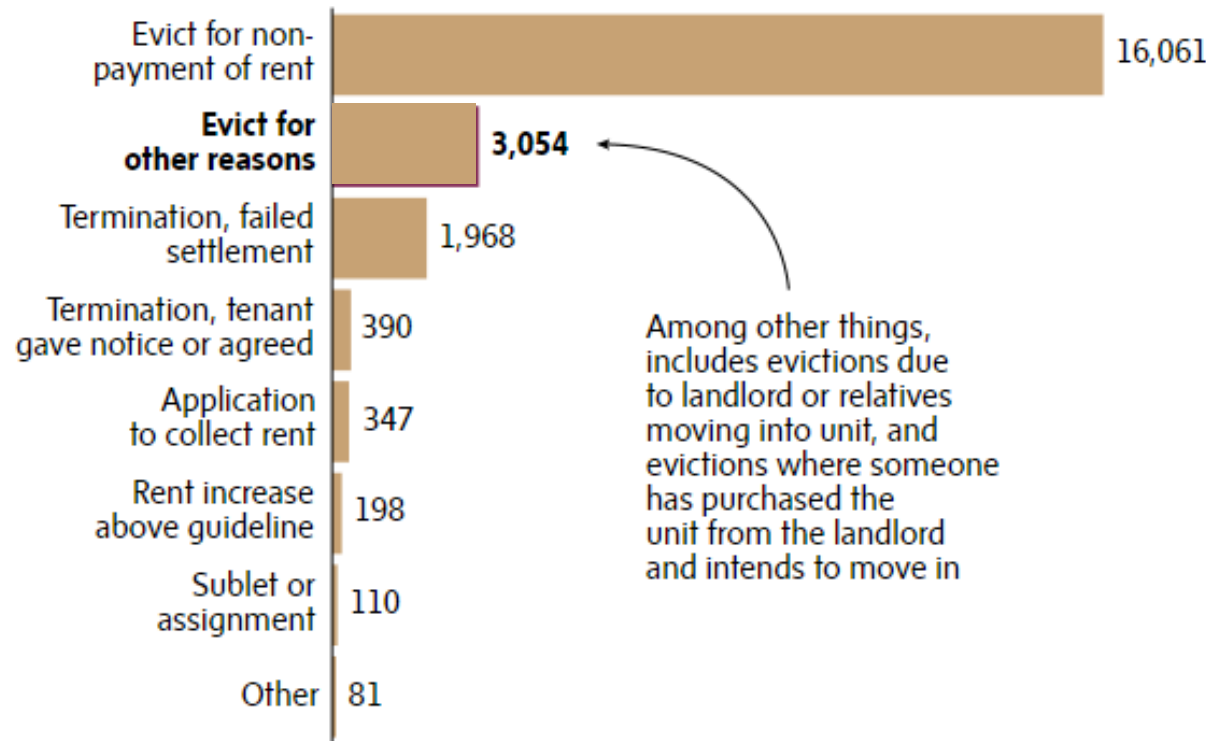


- Renting a subsidized unit (78,554 HHs)
- Paying 30% or more of income on rent (207,907 HHs)
- Paying 30% or less of income on rent (190,434 HHs)

# Applications to Landlord and Tenant Board

- In 2016, 72% of landlord applications to Landlord and Tenant Board due to non-payment of rent.

Applications by landlords to the LTB in 2016, by type





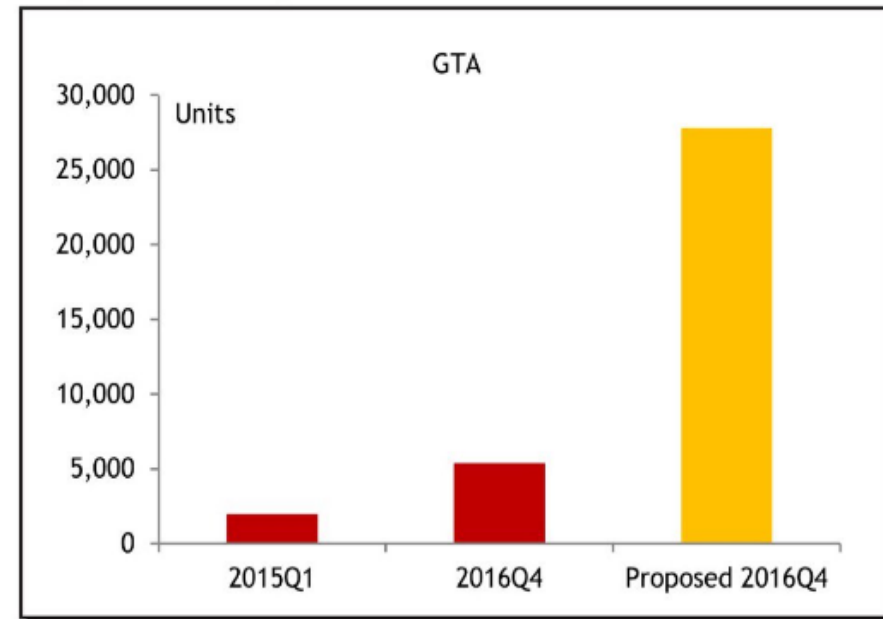
# Tight Rental Market

- Adequate, appropriate rental homes hard to find and increasingly expensive:
  - Primary rental market vacancy rate was 1.3% (3,347 units) as of October, 2016 - healthy rate considered to be 3%
  - Turnover rate in Toronto's private rental market 2015-2016: 16.1% (41,446 units)
    - 98,928 households on the Housing Connection's waiting list (Dec. 2016)
    - 2,771 households were housed from the waiting list in 2016
  - 66,128 units unoccupied by usual residents as of May, 2016 - Statistics Canada
    - City examining how to collect data on number of homes intentionally left vacant.

# Rental Housing Supply

- Growth in purpose-built rentals slow but gaining momentum in Toronto:
- 5,128 government-assisted rental homes completed 2006 -2015
- 2,050 private rental homes completed 2006 -2015
- As of end of 2016,
  - Urbanation estimated 28,000 purpose-built rental homes proposed in the GTA
  - Rental homes proposed in Toronto: 22,194 homes.

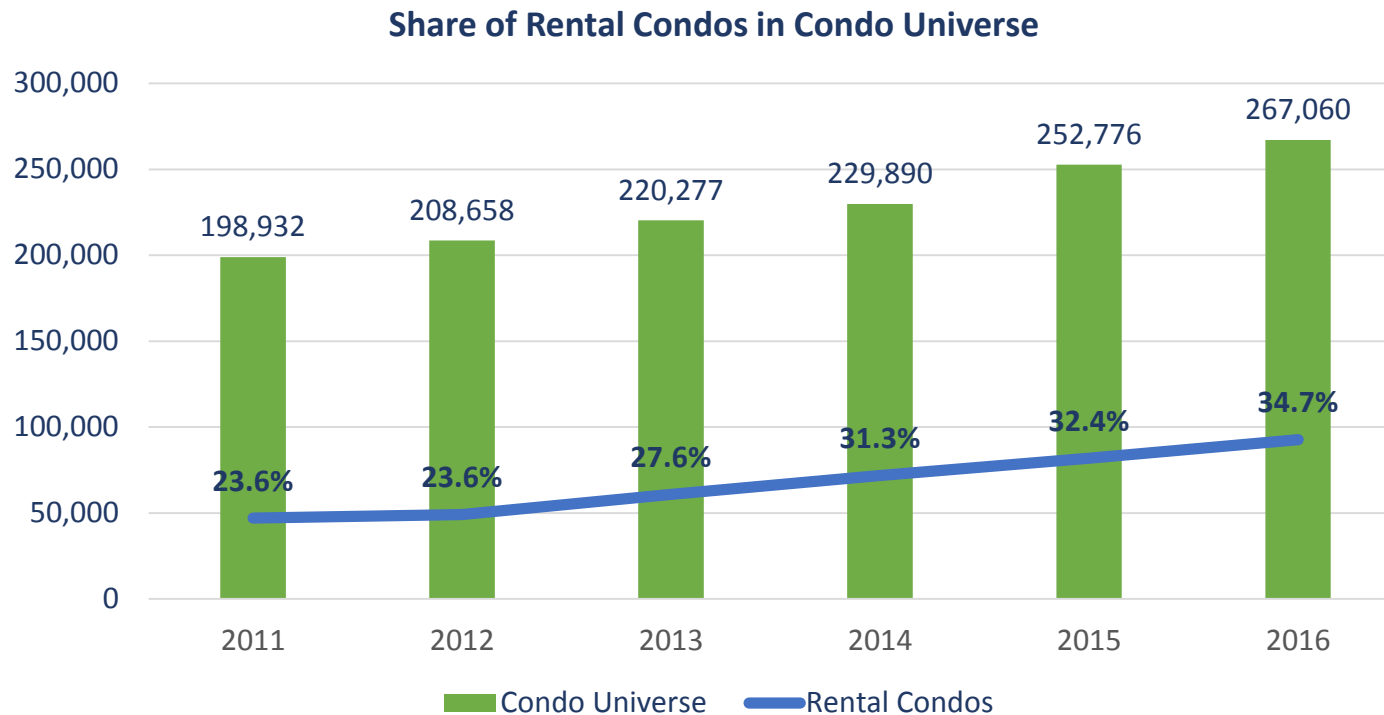
*Purpose-Built Apartments Under Construction*



Source: Urbanation, CIBC

# Condos in the Rental Market

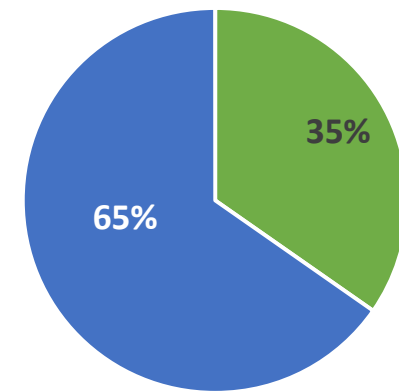
- Majority of new built homes are condos
- Condos providing an increasing share of rental opportunities for Torontonians.



# Condos in the Rental Market

- According to CMHC Rental Market Report in 2016:
  - There were 92,658 rental condos (35% of all condos)
  - 65,800 of these rental condos were built after 1991 (25% of all condos)
  - Rental condo vacancy rate of 1% (927) - tighter than private rental market.

Condo Owners/Renters (2016)



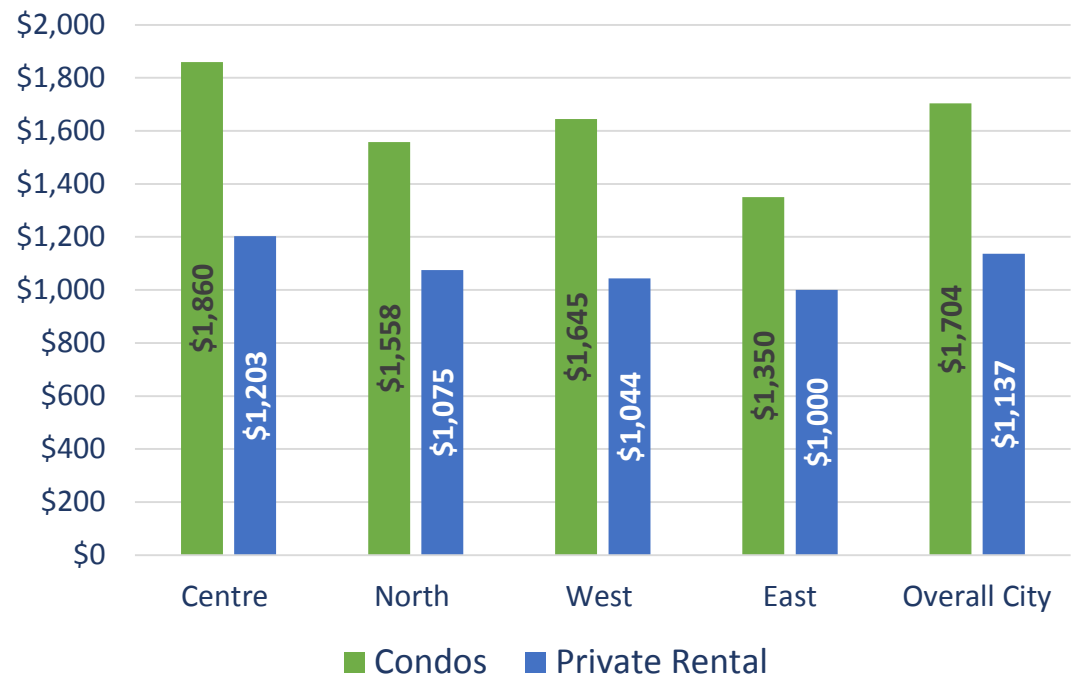
- Rental condo units (92,658)
- Owner-occupied condo units (174,402)

# Factors Impacting Rents

- Overall rents in private/condo rental market vary depending on factors such as:

- Location
- Age, size and state of repair
- Amenities
- Turn-over
- Government regulations

Average Rents (1-bedroom) - Toronto



# Community Voices

- Toronto/GTA private and non-profit organizations, experts, public calling for:
  - Federal/provincial/local governments to take action on housing
  - More rental opportunities across Toronto and GTA through increased construction
  - More financial support for families having difficulties paying rent, staying housed
  - Scaled up effort to find/implement innovative solutions to rental and ownership housing challenges
  - Updated residential tenancy practices and regulations.

# Summary

- Housing plays a vital role in economic and social well-being of Toronto/GTA
- Increasingly prominent issue on public/government agendas
- More data needed to generate more accurate housing profile and more effective decisions
- Crucial that everyone contributes ideas to policy/program development and resources to solutions
- Only strong partnership between governments, renters, public and private sectors will reverse the current affordability crisis.

# Contact Information

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