Rental Housing Update

Presentation to Affordable Housing and Tenant Issues Committees
Sean Gadon, Director
Affordable Housing Office
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Overview

• Current Housing Situation

• Toronto’s Turbulent Housing Market

• Rental Market Update

• Community Voices
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**: 41% Single, semi/double, and row houses, 39% Duplex apartments and apartments in a building with fewer than five storeys, 20% Apartments in a building with five or more storeys.
- **Ownership Housing**: 64% Single, semi/double, and row houses, 24% Duplex apartments and apartments in a building with fewer than five storeys, 12% Apartments in a building with five or more storeys.
- **Rental Housing**: 62% Single, semi/double, and row houses, 29% Duplex apartments and apartments in a building with fewer than five storeys, 9% Apartments in a building with five or more storeys.

Source: CMHC – city of Toronto’s Housing Stock (2011)
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.
Sale prices/rents outpacing income growth, residents’ capacity to afford renting/buying in Toronto and GTA

Factors contributing to this worrisome trend include:

- Increasing growth of Toronto’s population
- Demand for social/affordable housing for vulnerable population
- Low tenant and owner turnovers
- Gap between income and ability to afford housing
- High opportunity for return on investment in housing
- Housing prices increasing in part due to low interest rates
- Limited ownership listings and escalating prices
- Limited supply of affordable land
- Shortage of new rental market and affordable housing
- Tight private rental market vacancy rate of 1.3%

Source: Affordable Housing Office - 2017
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)

Source: CMHC – City of Toronto’s Housing Stock (2011)
In 2016, 72% of landlord applications to Landlord and Tenant Board due to non-payment of rent.

Source: The Globe and Mail, Landlord and Tenant Board
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.
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.

Source: City Planning – 2017
• Majority of new built homes are condos
• Condos providing an increasing share of rental opportunities for Torontonians.

Source: CMHC - Rental Market Report - Greater Toronto Area (Fall 2016)
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.

Source: CMHC - Rental Market Report - Greater Toronto Area (Fall 2016)
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](chart.png)

Source: CMHC - Rental Market Report - Greater Toronto Area (Fall 2016)
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

Sean Gadon
Affordable Housing Office
City Of Toronto
416-338-1143
Sean.Gadon@toronto.ca

www.toronto.ca/affordablehousing