


**Re: EX32.19**

# **2018 RENTAL HOUSING MARKET CONDITIONS IN TORONTO**

Tenant Issues Committee  
February 9, 2018  
Committee Room 1, City Hall



47% 

of Toronto households are renters  
and this number is growing

65%

of Toronto's renter households live  
in apartments with 5 or more storeys



47% 

of Toronto renters spend  
more than 30% of their income  
on housing

50%

estimated share of  
rental housing stock that is private  
purpose-built rental

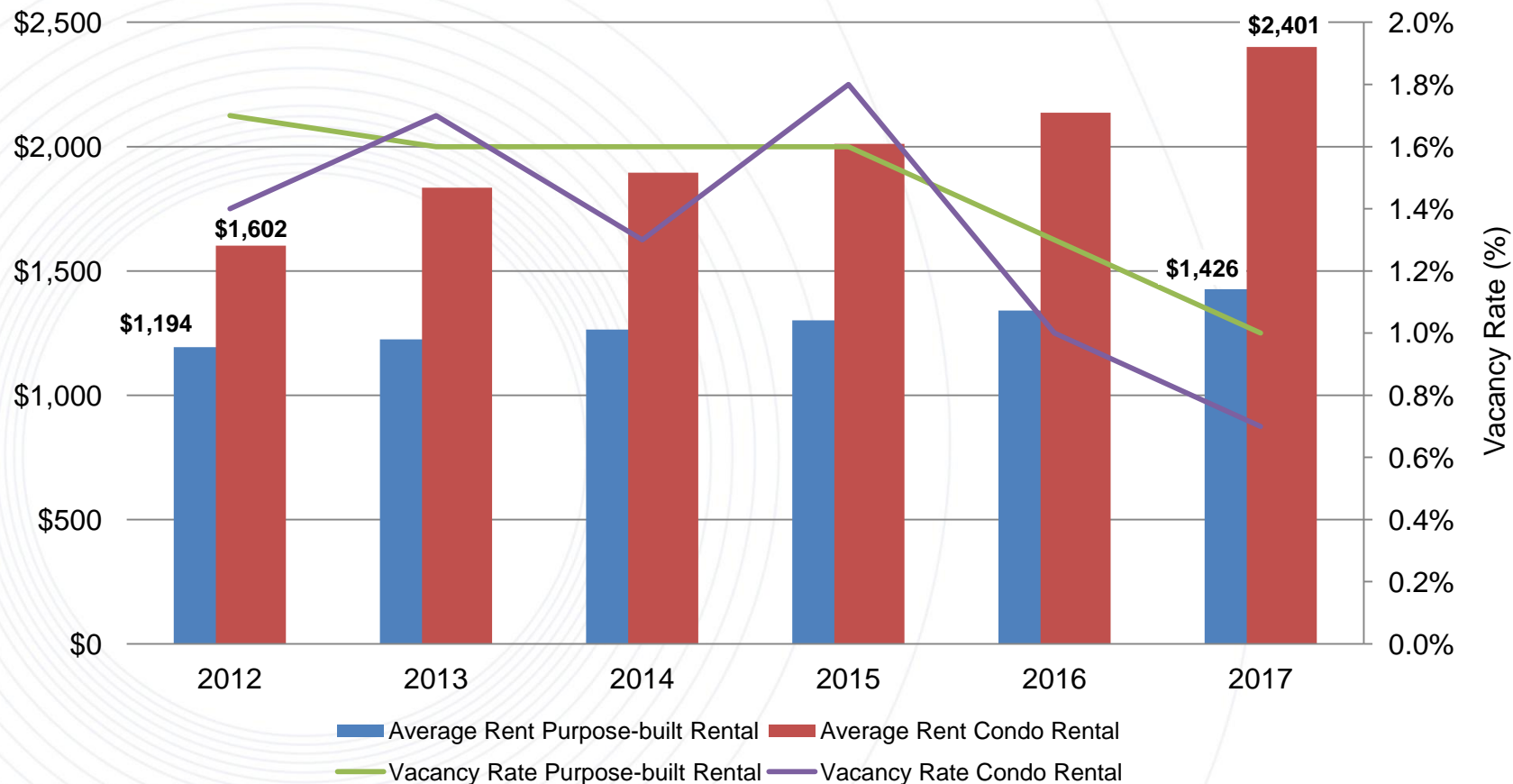


Sources: Statistics Canada, Census 2001, 2006 and 2016; National Household Survey 2011;  
CMHC Rental Market Reports



## In 2017, purpose-built apartment rents increased the most in 15 years and vacancy rates reached the lowest in 16 years

**Average rents (2-BDR) and vacancy rates (all unit-types) for purpose-built and condominium rentals**  
(City of Toronto, 2012-2017)





# Prevailing rents do not reflect asking rents

- Shelter, Support & Housing Administration and City Planning retained a consultant to study the low-end of the rental housing market to better understand housing availability in this section of the market and the characteristics of available units.
- The consultant took a snapshot of the rental housing market based on two custom datasets:
  - A web-scrape of 4,895 listings on public rental listing boards in September 2017.
  - A detailed database of 1,000 public rental listings below the City's affordable thresholds (average market rents).
- Additional qualitative analysis was done through interviews and focus groups with professional housing support workers, and tenants in the low end of rental housing market.



## Asking rents were nearly 1.5 times above CMHC average

**Toronto average asking rents compared to average prevailing rents**  
(September 2017 sample, n=4,895)

	A	B	C
Unit Type	CMHC Average Monthly Rent	Average Asking Monthly Rent (\$)	Difference CMHC and Asking Rent
Shared	NA	\$735	NA
Bachelor	\$962	\$1,342	40
1 Bedroom	\$1,137	\$1,614	42%
2 Bedroom	\$1,341	\$2,252	68%
3 Bedroom +	\$1,595	\$2,403	50%
All Units	\$1,308	\$1,829	40%



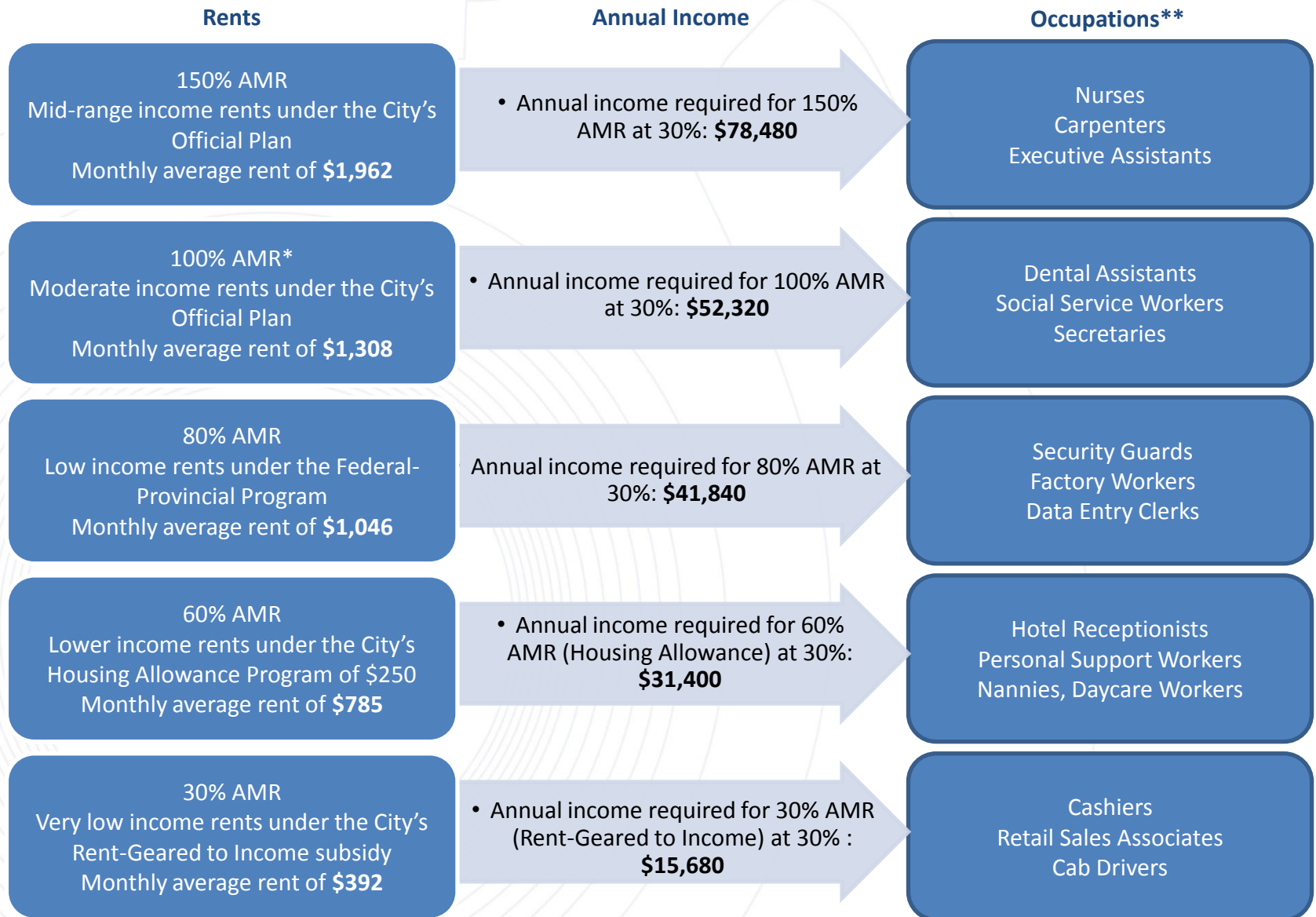


## Most of the currently available affordable housing was in shared accommodation

### Toronto percentage of units below affordable threshold by unit type (September 2017 sample, n=4,895)

	A	B	C	D
Unit Type	Listed Units	Listed Units Below Threshold	Percent of Units below Threshold	Rent Threshold Tested
Shared	1,585	1,166	74%	\$800
Bachelor	287	61	21%	\$962
1 Bedroom	1,393	247	18%	\$1,137
2 Bedroom	1,351	157	12%	\$1,341
3 Bedroom	279	27	10%	\$1,536
All Units	4,895	1,658	34%	

# Toronto Housing Rents and Affordability by Income Band



Notes: \*100% Average Market Rent (AMR) is total average of bachelors, 1, 2 and 3 bedroom units in Toronto – Adapted from CMHC Rental Market Report, Fall 2017

\*\*Occupational data adapted from Employment and Social Development Canada, Labour Market Information, Summer 2014

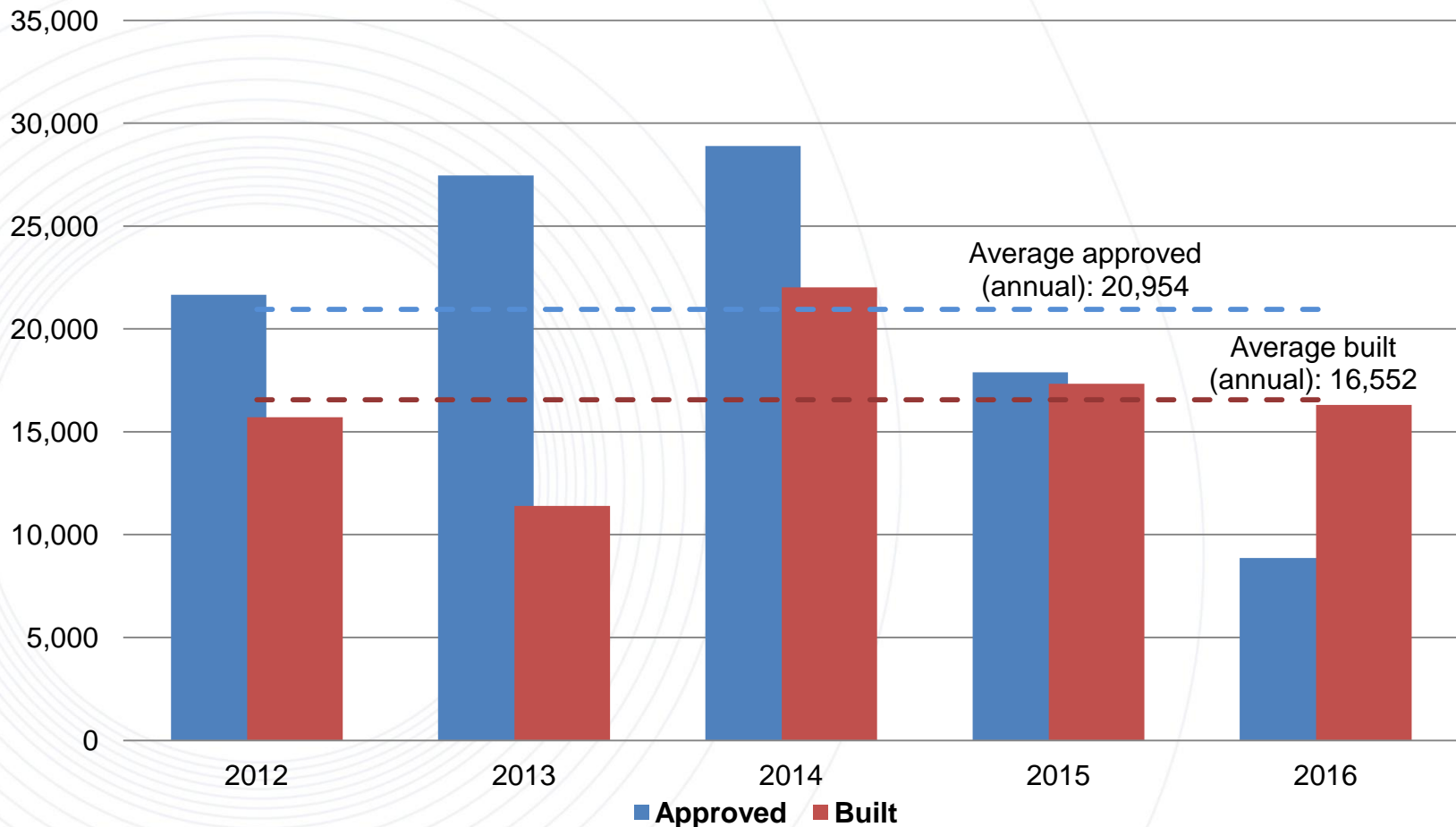
Prepared by: Affordable Housing Office  
Date: January 2018



# Toronto is adding significant housing supply annually

## Number of residential units approved and built

(City of Toronto, 2012-2016)



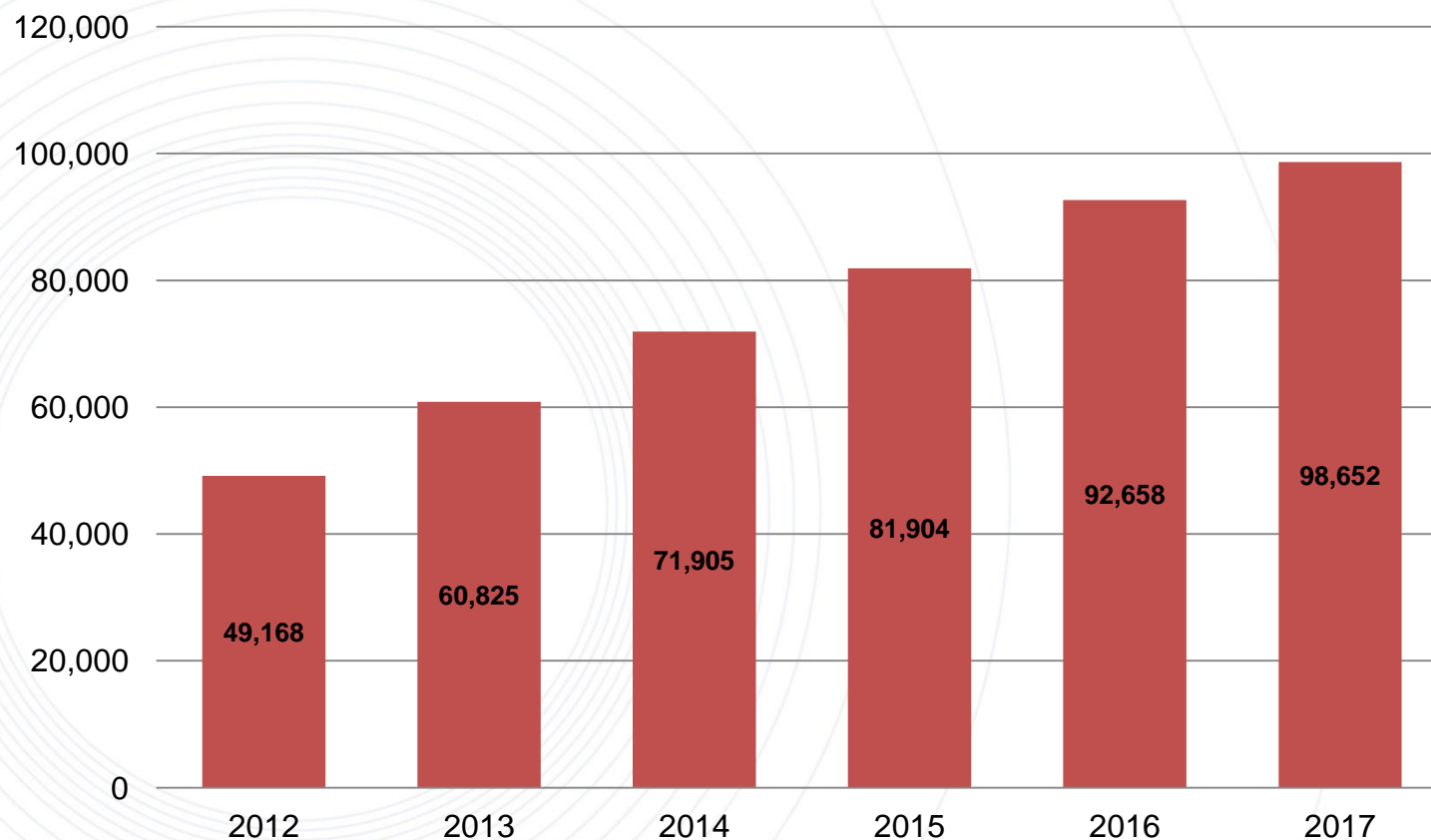
Source: *How Does the City Grow*, April 2017 Report, City Planning





## Most new rental housing supply is in the form of condominium rentals

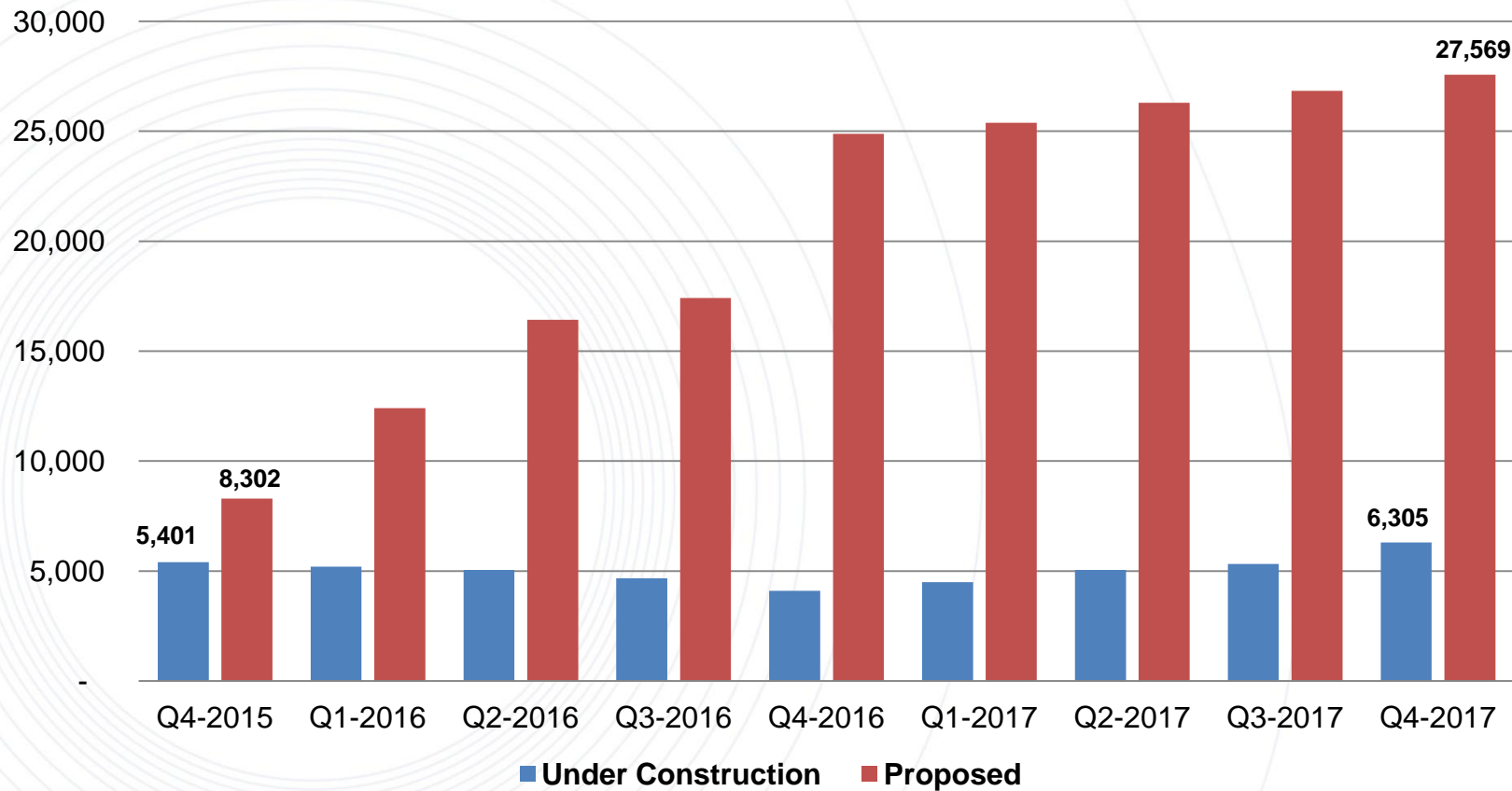
**Approximate number of condominium units rented**  
(City of Toronto, 2012-2017)





## Proposed rental supply is increasing

**Approximate number of purpose-built rental units proposed and under construction**  
(City of Toronto, Q4-2015 to Q4-2017)



Projects are within the City of Toronto and approximated becomes some projects may eventually register as condominium.

Source: Urbanation



## City actions maintain and expand the stock of rental housing

- From 2009 to 2017, City Planning has secured the replacement and creation of 1,781 rental housing units through Official Plan rental housing replacement policies:
  - 610 replacement units are affordable
  - 808 replacement units are mid-range
- Over 8,200 units have been secured as rental housing for at least 20-years.
- From 2014 to 2016, on average, 16% of financial contributions through Section 37 were allocated to affordable housing, including upgrades and repairs to existing TCH properties (\$26.7 million secured in total).
- Additional affordable housing is secured through the Official Plan Large Sites Policy and Secondary Plans.



## City programs and partnerships support rental housing supply

- City Council approved the five-year Open Door Affordable Housing Program in 2016 to accelerate affordable housing construction by providing City financial incentives and capital contributions, fast-tracking planning approvals, and activating surplus public land.
- In 2017, 1,200 affordable rental homes were approved through the Open Door program.
- The second annual call for applications for new affordable rental housing under the Open Door Program was released in January 2018, with a closing deadline of March 22, 2018.
- There are currently 18 public sites identified in 12 wards across the City for affordable housing development through the Open Door Program.
- City Council in 2017 and 2018, through the Provincial Affordable Housing Lands Program, pre-approved Open Door financial incentives for up to 760 affordable rental homes, out of approximately 2,200 rental homes, on three Toronto sites.



## Ongoing City initiatives support the provision of rental housing

- City Planning staff are working inter-divisionally to prepare draft policies to mitigate the loss of dwelling rooms.
- The Province recently completed a consultation on draft inclusionary zoning regulation. As directed by Council, staff recommended revisions to the regulation to support affordable rental housing provision.
- An RFP has been issued for a Housing Market Analysis Study to provide detailed data and analysis on Toronto's housing market.



# QUESTIONS

Narmadha Rajakumar, Planner  
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