47% of Toronto households are renters and this number is growing.

47% of Toronto renters spend more than 30% of their income on housing.

65% of Toronto’s renter households live in apartments with 5 or more storeys.

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)

Source: CMHC Rental Market Reports
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 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.

Source: Low End of the Rental Market, Presentation by PRISM Economics
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)

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>CMHC Average Monthly Rent</th>
<th>Average Asking Monthly Rent ($)</th>
<th>Difference CMHC and Asking Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shared</td>
<td>NA</td>
<td>$735</td>
<td>NA</td>
</tr>
<tr>
<td>Bachelor</td>
<td>$962</td>
<td>$1,342</td>
<td>40</td>
</tr>
<tr>
<td>1 Bedroom</td>
<td>$1,137</td>
<td>$1,614</td>
<td>42%</td>
</tr>
<tr>
<td>2 Bedroom</td>
<td>$1,341</td>
<td>$2,252</td>
<td>68%</td>
</tr>
<tr>
<td>3 Bedroom +</td>
<td>$1,595</td>
<td>$2,403</td>
<td>50%</td>
</tr>
<tr>
<td>All Units</td>
<td>$1,308</td>
<td>$1,829</td>
<td>40%</td>
</tr>
</tbody>
</table>

*Source: Low End of the Rental Market Study – Listings Database*
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)

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>Listed Units</th>
<th>Listed Units Below Threshold</th>
<th>Percent of Units below Threshold</th>
<th>Rent Threshold Tested</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shared</td>
<td>1,585</td>
<td>1,166</td>
<td>74%</td>
<td>$800</td>
</tr>
<tr>
<td>Bachelor</td>
<td>287</td>
<td>61</td>
<td>21%</td>
<td>$962</td>
</tr>
<tr>
<td>1 Bedroom</td>
<td>1,393</td>
<td>247</td>
<td>18%</td>
<td>$1,137</td>
</tr>
<tr>
<td>2 Bedroom</td>
<td>1,351</td>
<td>157</td>
<td>12%</td>
<td>$1,341</td>
</tr>
<tr>
<td>3 Bedroom</td>
<td>279</td>
<td>27</td>
<td>10%</td>
<td>$1,536</td>
</tr>
<tr>
<td>All Units</td>
<td>4,895</td>
<td>1,658</td>
<td>34%</td>
<td></td>
</tr>
</tbody>
</table>

*Source: Low End of the Rental Market, Presentation by PRISM Economics*
Toronto Housing Rents and Affordability by Income Band

<table>
<thead>
<tr>
<th>Rents</th>
<th>Annual Income</th>
<th>Occupations**</th>
</tr>
</thead>
<tbody>
<tr>
<td>150% AMR</td>
<td>• Annual income required for 150% AMR at 30%: $78,480</td>
<td>Nurses, Carpenters, Executive Assistants</td>
</tr>
<tr>
<td>Mid-range income rents under the City’s Official Plan</td>
<td>Monthly average rent of $1,962</td>
<td></td>
</tr>
<tr>
<td>100% AMR</td>
<td>• Annual income required for 100% AMR at 30%: $52,320</td>
<td>Dental Assistants, Social Service Workers, Secretaries</td>
</tr>
<tr>
<td>Moderate income rents under the City’s Official Plan</td>
<td>Monthly average rent of $1,308</td>
<td></td>
</tr>
<tr>
<td>80% AMR</td>
<td>Annual income required for 80% AMR at 30%: $41,840</td>
<td>Security Guards, Factory Workers, Data Entry Clerks</td>
</tr>
<tr>
<td>Low income rents under the Federal-Provincial Program</td>
<td>Monthly average rent of $1,046</td>
<td></td>
</tr>
<tr>
<td>60% AMR</td>
<td>• Annual income required for 60% AMR (Housing Allowance) at 30%: $31,400</td>
<td>Hotel Receptionists, Personal Support Workers, Nannies, Daycare Workers</td>
</tr>
<tr>
<td>Lower income rents under the City’s Housing Allowance Program of $250</td>
<td>Monthly average rent of $785</td>
<td></td>
</tr>
<tr>
<td>30% AMR</td>
<td>• Annual income required for 30% AMR (Rent-Geared to Income) at 30%: $15,680</td>
<td>Cashiers, Retail Sales Associates, Cab Drivers</td>
</tr>
<tr>
<td>Very low income rents under the City’s Rent-Geared to Income subsidy</td>
<td>Monthly average rent of $392</td>
<td></td>
</tr>
</tbody>
</table>

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)

Approved
Built

Average approved
(annual): 20,954
Average built
(annual): 16,552

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)

2012: 49,168
2013: 60,825
2014: 71,905
2015: 81,904
2016: 92,658
2017: 98,652

Source: CMHC Rental Market Reports
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
Strategic Initiatives, Policy & Analysis, City Planning

Rishab Mehan, Planner
Strategic Initiatives, Policy & Analysis, City Planning