


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

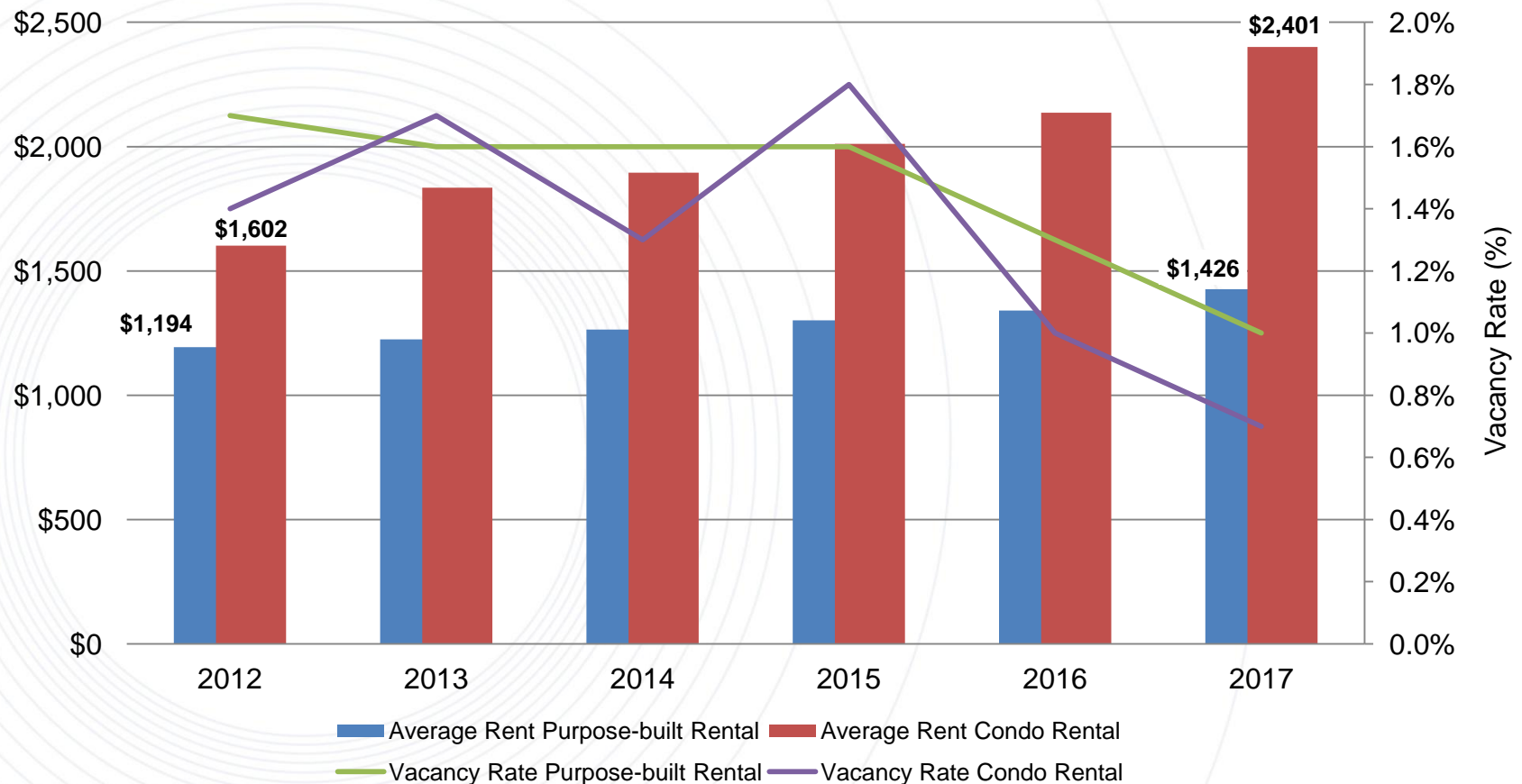


Sources: Statistics Canada, Census 2001, 2006 and 2016; National Household Survey 2011;
CMHC Rental Market Reports



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%

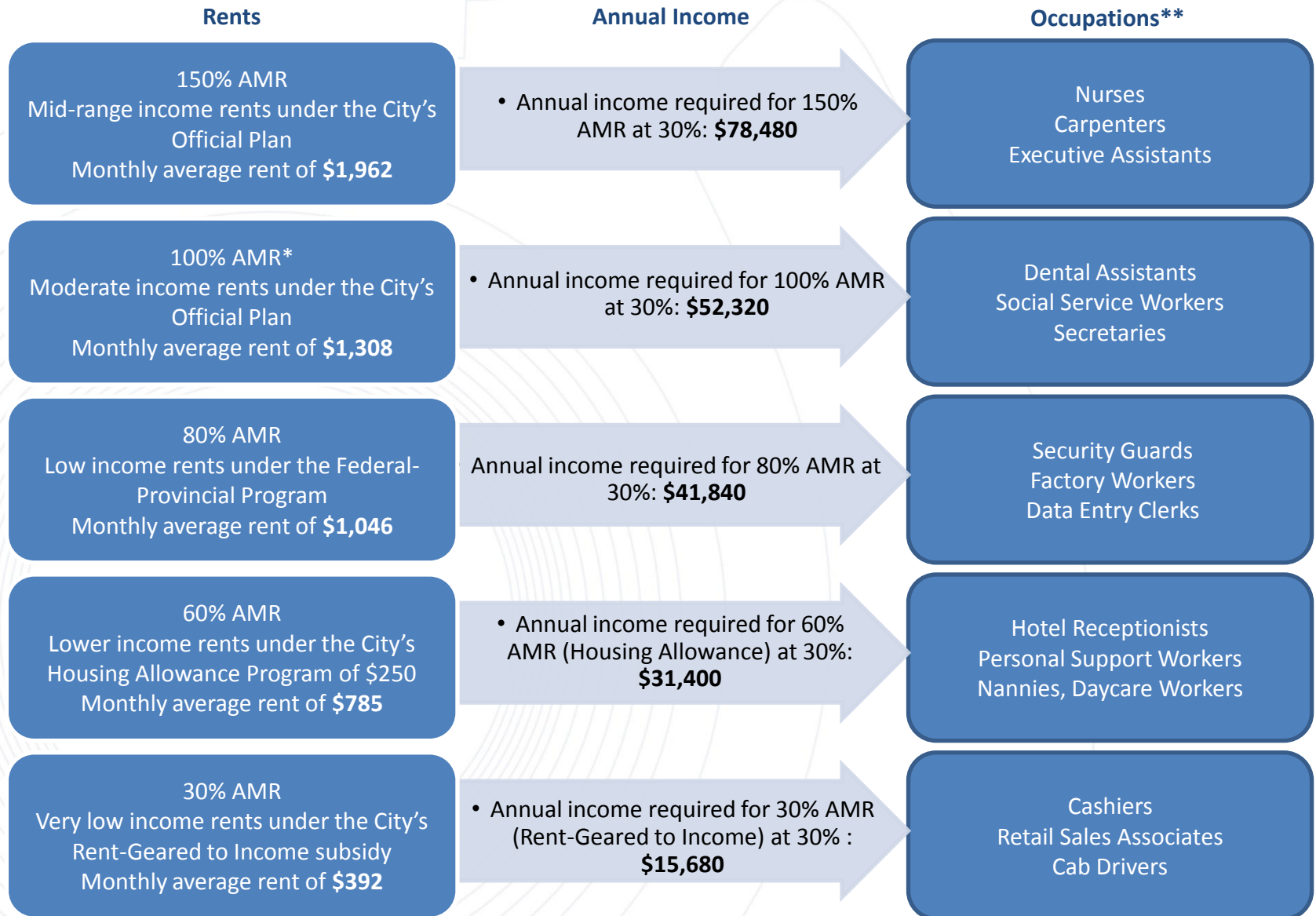


Most of the currently available affordable housing was in shared accommodation

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

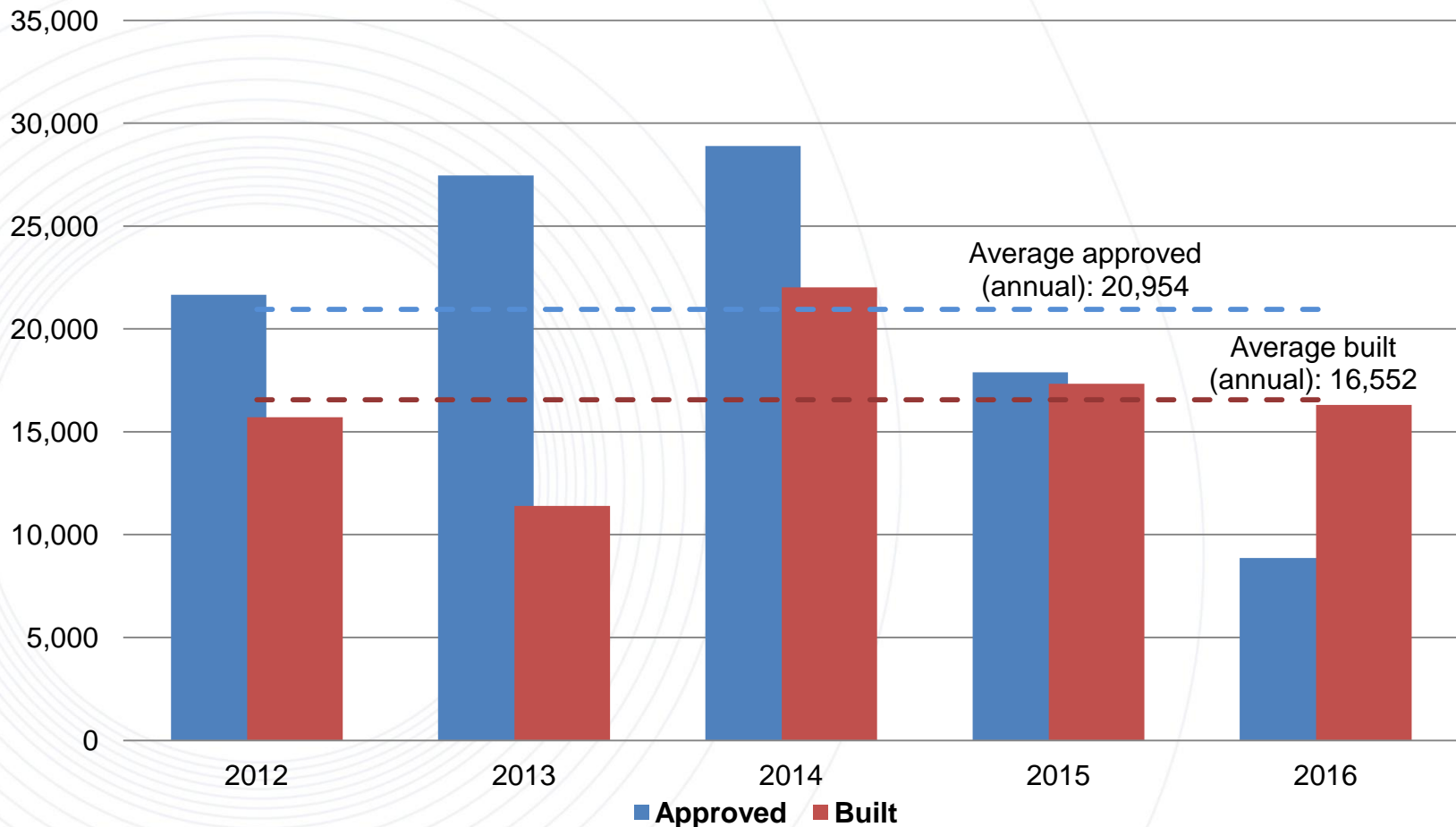
Prepared by: Affordable Housing Office
Date: January 2018



Toronto is adding significant housing supply annually

Number of residential units approved and built

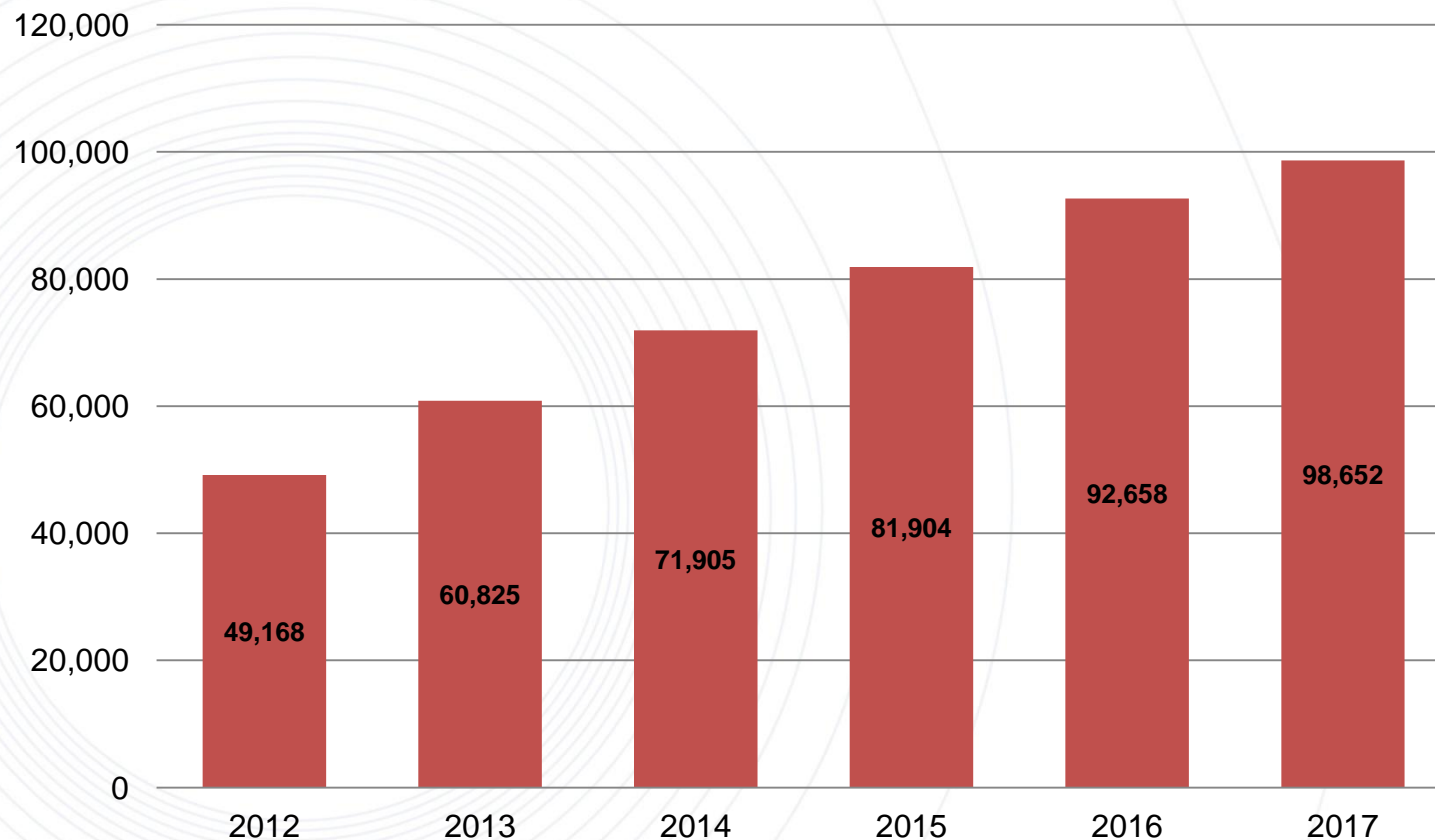
(City of Toronto, 2012-2016)





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

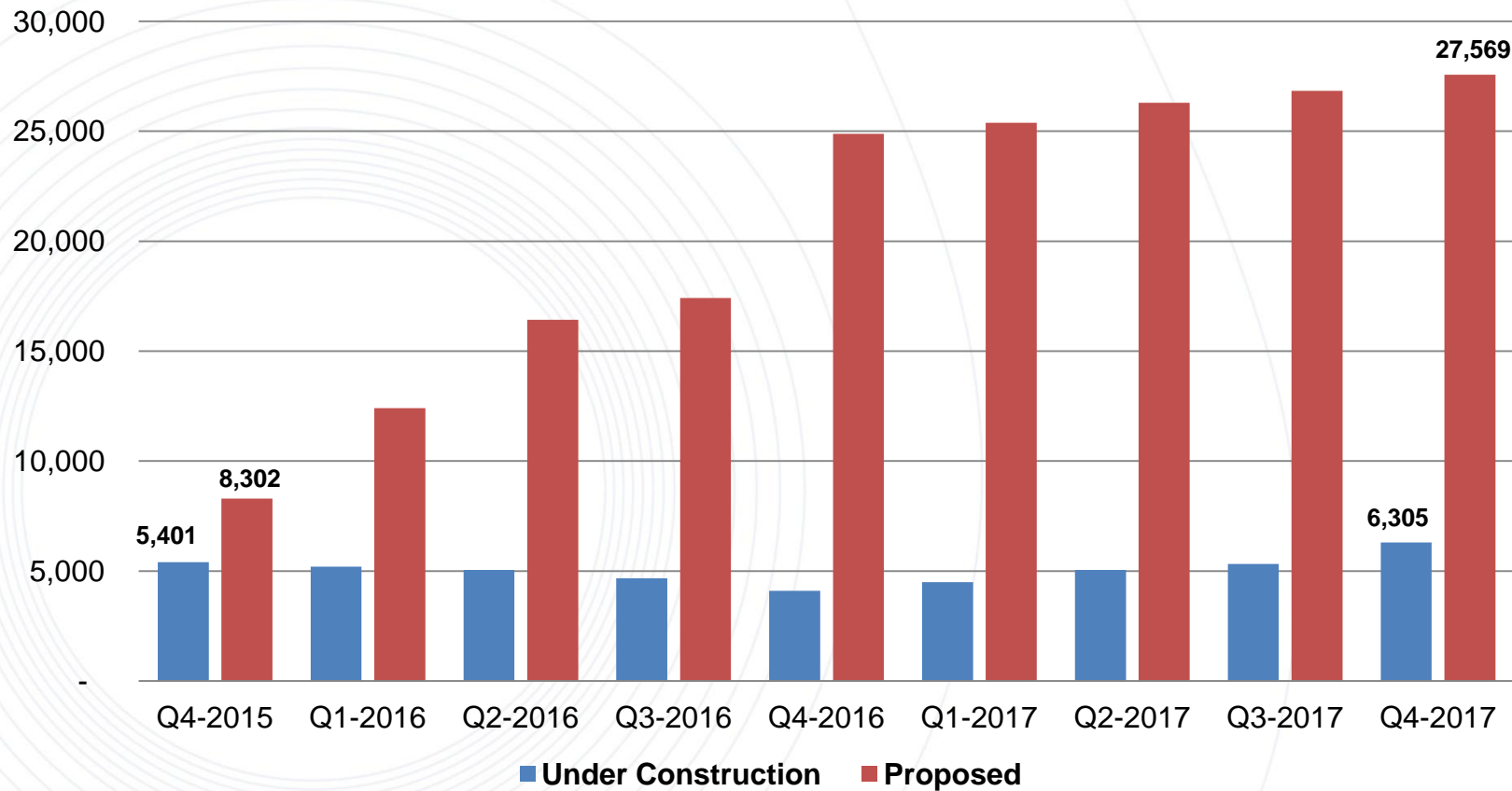
Approximate number of condominium units rented
(City of Toronto, 2012-2017)





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
Strategic Initiatives, Policy & Analysis, City Planning

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