



Toronto Housing Market Analysis: From Insight to Action

Date: February 5, 2019
To: Planning and Housing Committee
From: Director, Affordable Housing Office
Wards: All

SUMMARY

This report provides the results of an independent study prepared by the Canadian Centre for Economic Analysis and Canadian Urban Institute, “Housing Market Analysis: From Insight to Action” (the Study). The Study is attached as Appendix 1.

The Study provides insight into Toronto’s housing market and the considerable housing challenges that residents face under current and projected conditions. It includes a range of housing data and some 20 key housing indicators across the housing spectrum, from homelessness to rental housing to home ownership.

The Study provides a unique look at past trends, present and future housing demand and the need for the City to be ready to address the pressures of accelerated population growth over the next 20 years. During this timeframe it is predicted that vulnerable groups and low- and moderate-income households will experience increased difficulty accessing suitable and affordable housing.

In light of its key findings, the Study recommends actions be taken to provide improved pathways for residents through the housing continuum; to address “housing inequity” as experienced by vulnerable populations; to provide more supply of market and affordable rental housing; and for the City to collect better data to inform future policies and programs.

This staff report outlines recommendations for sharing the study findings with the public as part of the City’s current consultations on the City’s Housing Plan 2020-2030, and requesting City staff to provide annual updates on key housing statistical indicators.

RECOMMENDATIONS

The Director, Affordable Housing Office recommends that:

1. The Planning and Housing Committee request the Director, Affordable Housing Office to share the results of the Housing Market Analysis with the public and housing stakeholders as part of the current consultation process on the City's Housing Plan 2020-2030.
2. The Planning and Housing Committee request the Director, Affordable Housing Office in consultation with other divisions to provide an annual update to the Planning and Housing Committee on key housing indicators including those resulting from the "Toronto Housing Market Analysis".

FINANCIAL IMPACT

There are no financial implications resulting from the recommendations in this report.

DECISION HISTORY

On May 16, 2017, the Executive Committee requested the City Manager and the Deputy City Manager, Cluster A to commission a market analysis on housing in the City of Toronto, to help inform the creation of measures to improve the affordability of housing for Toronto residents.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.EX25.11>

On July 23-27 and 30, 2018 City Council requested the Director, Affordable Housing Office and the General Manager, Shelter, Support and Housing Administration to publish, as part of the public engagement process for the City's next 10-year housing plan, and report to the Affordable Housing Committee in the first quarter of 2019 on the results of the Toronto housing market analysis.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.EX36.32>

COMMENTS

The "Housing Market Analysis: From Insight to Action" study was commissioned by the City's Affordable Housing Office to provide insight into Toronto's housing market and the challenges people are facing today and will face over the coming decade. The results of the Study will inform the development of the City's next 10-year Housing Plan, led through an interdivisional senior staff team chaired by the Deputy City Manager, Community and Social Services.

The Study provides projections for the years 2031 and 2041 and reviews the housing implications of growth in vulnerable population groups including low income households,

seniors with multiple health conditions and low income, lone parent families, people receiving social assistance and immigrants. The Study details the challenges people face in Toronto's rental housing market, including social and affordable rental housing, and the ownership housing market.

Some Key Findings¹

The results of the Study found that between 2016 and 2031:

- Toronto's population will grow by 24% reaching 3.5 million people.
- The number of seniors will grow by 59% /reaching 695,308 people.
- The number of people requiring long-term care will increase by 55% reaching 44,318 people.
- The number of households in core housing need will also grow by 18.9% reaching 296,451.
- The number of households on the social housing waitlist will increase by 29.6% reaching 119,251.

The Study also shows that between 2016 and 2041:

- Toronto's population will grow by 36% reaching 3.9 million people.
- The number of seniors will grow by 89% reaching 828,064 people.
- The number of people requiring long-term care will grow 135% reaching 67,356 people.
- The number of households in core housing need will increase by 32.5% reaching 330,000.
- The number of households on the waitlist will grow by 47.4% reaching 135,626.

From Insight to Action

Toronto is a prosperous city that will experience accelerated population growth with a housing market in which vulnerable people and increasingly, low and moderate-income people will struggle to access appropriate housing opportunities and supports.

1. Toronto needs pathways through the housing continuum so that people who are stuck in the housing market can get moving. People in shelters, hospitals, correctional institutions, rooming houses and boarding homes need more supportive housing. Toronto needs to access about 150,000 bedrooms to free up renters stuck in overcrowded conditions. Toronto needs new social housing units to relieve the 122,250 households in the private rental market with incomes less than \$30,000 living in units renting at \$750 per month or more. Toronto also needs more affordable ownership housing to reduce the 11 to 27 years it takes median-income renter households to save for a 10% down payment on a median-price home.

2. Toronto needs to address "housing inequity". While the City has seen unprecedented growth during the last decade, new development and neighbourhood revitalization has primarily occurred in the city core and along main transit lines. As a

¹ The key findings of the Study are based on a natural growth scenario where interprovincial and migration rates are assumed to follow recent historical trends, as well as where international immigrants settle.

result, low-income, visible minorities and transit-poor communities have not shared in the economic and social prosperity experienced in other parts of Toronto.

"Housing inequity" is also experienced by families with three or more members that struggle to find appropriate and suitable housing. Situations of under-housing result in overcrowding and unsafe conditions for residents. Approximately 32% of renter family households in Toronto live in unsuitable housing. Additionally, many low-income residents face "housing inequity" as they live in aging high-rise apartment buildings which were primarily constructed some 60 years ago and are at risk of building and system failures.

3. Toronto needs more supply of both market and affordable rental housing.

Accelerated population growth results in an increased need for rental housing. If interprovincial and interregional migration rates as well as international immigrant settlement patterns continue at recent historical trends, the primary constraint on this excess demand will be the availability of residential units.

Currently there is roughly one "affordable" unit for every four low-income households (those with incomes of less than \$30,000) in the private rental market in Toronto. To provide even one affordable unit for every two low-income households would require about 30,000 new affordable rental units (with rents less than \$750 per month).

4. Toronto needs to collect better data to inform future policies and programs.

Though much data exists on the Toronto housing market, there are important gaps which, if filled, will assist in identifying opportunities and risks in support of policies and programs that more effectively target the goals set out in the City's new Housing Plan.

Key data gaps identified in the Study focus on rents paid by households in relation to the length of their occupancy of a rental unit, household mobility, housing stock occupancy trends and social housing usage patterns (e.g., demographic patterns of social housing residents with the characteristics of their dwelling type).

Next Steps

The results of the "Toronto Housing Market Analysis" will be shared with the public to inform the public and stakeholder engagement process to develop the City's next 10-year Housing Plan for 2020-2030.

To inform policy and program responses to improve housing affordability and housing opportunities for Toronto residents, City staff will provide annual updates on key housing statistical indicators identified in the Study through the Planning and Housing Committee.

The Director, Affordable Housing Office will also forward the "Toronto Housing Market Analysis" to the attention of Canada Mortgage and Housing Corporation and the Ministry of Municipal Affairs and Housing to inform their policies and programs, and to explore partnership opportunities to conduct future data collection, analysis and research.

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SIGNATURE

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ATTACHMENTS

Appendix 1 - Toronto Housing Market Analysis: From Insight to Action (January 2019)