



Toronto Housing Market Analysis

From Insight to Action January 2019

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Executive Summary

This report was commissioned by the Affordable Housing Office of the City of Toronto in 2018. It will inform public and stakeholder consultations as part of the City's work in preparing the Housing Opportunities Toronto (HOT) Action Plan 2020-2030, the City's new long-term housing and homelessness action plan.

This report tracks 24 key housing indicators, among many others, that provide insight into Toronto's housing market and the considerable housing challenges that residents face under current and projected conditions. Toronto will experience accelerated population growth over the next 20 years and vulnerable groups and low- and moderate-income households will experience increased difficulty accessing suitable and affordable housing.

Our analysis projects almost double the rate of population growth to 2041 from what we've experienced since 2006, resulting in a significant increase in housing demand. In the absence of government intervention and action across the housing continuum, Toronto's low- and moderate-income households will face a grim housing situation. Unremedied, the housing situation in Toronto will produce consequential challenges for equity, cohesion, and economic prosperity in the city.

The report projects worsening conditions among those already severely burdened households, including low-income households; seniors with multiple health conditions and fixed incomes; lone parent families, households receiving social assistance, and immigrants. The report notes the challenging conditions people face in Toronto's rental market (steeply rising rents), ownership market (decoupling of house prices from wages), and social/affordable housing sector (severe lack of supply).



Key Findings

The findings point to a need for a “strong call for action” through the Housing Opportunities Toronto Action Plan (2020-2030) in alignment with strategic priorities set out in Toronto’s Seniors Strategy, TO Prosperity and the Official Plan.

Key Findings – Present

1. People are stuck – Toronto’s housing and homeless supports system is bursting at the seams.

People waiting for supportive housing are stuck in shelters, hospitals or correctional institutions; rooming and boarding homes or self-contained market housing for an average of 5-7 years.

Low-income renters are stuck in unaffordable units – 87% or 122,250 households in the private rental market with incomes <\$30,000 spend more than 30% of their incomes on shelter.

Renters are stuck in overcrowded conditions. Almost 148,000 additional bedrooms would be needed to eliminate overcrowding in the rental market.

Renters are stuck waiting to own. At current housing price levels, median-income renter households would require between 11 and 27 years to save for a 10 percent down payment on a median-price home.

People are stuck in unsuitable conditions waiting for social housing - social housing waiting list and waiting times have grown, with some 100,000 households waiting to access some 94,000 social housing homes. People who are eligible to live in social and supportive housing are discouraged by the length of the waitlist from signing up.

2. There is a significant shortage of new purpose-built rental housing.

Almost all new rental demand is being met through the secondary rental market (e.g. rented condominiums, secondary suites). The number of renter households continues to grow. Almost all of the nearly 48,000 new rental households formed from 2011 to 2016 were accommodated in the secondary market. Purpose built rental developments have accounted for a small fraction (6%) of the development pipeline from 2011 -2016. There has been a modest increase in purpose rental since then.

3. The rental market is becoming more expensive and middle-income households are priced out of the ownership market.

Rent for condo units grew by 25% from 2006 to 2017. Rent for new purpose-built rental units is out-pacing median renter household incomes.

From 2006 to 2018, median household income grew only 30% while average home ownership costs grew 131% reducing movement of middle-income households from rental housing to ownership.

4. The city has significant areas of population decline.

Large parts of the City’s ‘yellow belt’ experienced population decline or very little growth between 2011 and 2016. The public infrastructure built to support these neighbourhoods is under-utilized. Many of these areas are characterized by 3+ bedroom dwellings. Areas with declining populations have 220,000 fewer people since 2001 – the missing demographics are children and early and mid - career adults.

5. Housing affordability is a key driver of homelessness.

8,715 people were estimated to be experiencing homelessness on April 26, 2018 based on the 2018 Street Needs Assessment. The top three reported causes of homelessness in Toronto are migration, inability to afford rent, and eviction. 94% of those experiencing homelessness indicated a desire to get into permanent housing. People in shelters don't have appropriate exit strategies.

Key Findings – Future Projections

1. Toronto's population will grow at a faster pace than in the last ten years.

Between 2016 and 2031, Toronto's natural growth is projected to be 1.03 million people – an annual average growth of 41,000 – bringing the total population to 3,560,000. By 2041, the natural population growth in the city will exceed the provincial Places to Grow target by almost 500,000, with a total population of 3,913,000.

2. The city's population will get older.

By 2031, the number of seniors aged 65 and over will have grown by 59% to approximately 695,000. By 2041, the number of seniors will be close to 828,000.

3. Demand for long-term care will increase significantly.

From 2016 to 2031 demand will grow by 15,000 to 44,810 people. In the following decade to 2041, the demand will grow by an additional 23,000 to almost 68,000. The current long-term care waitlist is 14,500 people with current capacity at 14,992 beds.

4. More people will live in low-income households.

Approximately 540,000 people will live in low-income households by 2031, up from 471,203 in 2016. By 2041, nearly 600,000 people will live in low-income households.

5. More people will be in core housing need.

Households in core housing need will grow by twice the rate over past 12 years. There will be 47,000 more households in core housing need by 2031, or nearly 300,000 in total. By 2041, the number will grow to approximately 330,000 – equivalent to 20% of total households.

6. The social housing waitlist will continue to surpass the number of available units.

The waitlist for social housing will grow to approximately 120,000 households in 2031 and 135,000 by 2041, an increase of 30% and 47%, respectively. These numbers will exceed the 90,655 units of occupied units of social housing stock in Toronto.

7. Demand for mental health and addiction supportive housing will grow faster than the population.

The waitlist for mental health and addictions supportive housing is expected to grow by 2031 to more than 17,500 households, an increase of 31% over 2016 and three and a half times the existing 4,923 provincially-funded units in Toronto. These numbers will surpass 20,000 by 2041.

Models Used in this Report

The underlying population models considered two scenarios which only differ by the assumptions about how many residential dwellings will be created:

- **Places to Grow Scenario:** This is a supply policy scenario in which the net population growth is assumed to occur in line with Ontario's Places to Grow Act, with residential dwellings supplied accordingly. For the City of Toronto, this results an average growth rate of less than 1% annually which is significantly slower than the provincial growth rate.
- **Natural Growth Scenario:** In the natural growth scenario, interprovincial and interregional migration rates are assumed to follow recent historical trends, as well as where international immigrants settle. This scenario is used to understand the demand of a changing population to want to live in the City regardless of residential growth policies.¹ The potential for excess demand over supply is indicated when the natural growth scenario is higher than a policy scenario, such as Places to Grow.

In both scenarios, the age-standardized birth and death rates are used, as well the same recent international immigration and emigration rates. It is important to note that federal immigration policy can significantly affect the expected population growth of any region.

The initial conditions for both scenarios were based upon Statistics Canada 2016 Census Division population estimates (CANSIM 051-0062), which are derived from the 2016 Census, but accounts for under and

over counts as well as ensuring the population estimate is consistent with the birth, death, immigration, emigration, and inter-region migration data (CANSIM 051-0063). Due to the correction for census coverage, the population estimates presented in this analysis for 2016 are slightly higher than the census count but reflect a better estimate of the actual number of people living in the city.

Table 1 presents the differences between the published census figures and the correction for census coverage.

The current results of the analysis were completed with data as of September 4th, 2018 which includes more recent Statistics Canada demographic data than was used in the initial analysis from the spring of 2018.

Table 1 Population & Household

Scenario	2016
Census Population	2,731,571
Corrected Population	2,876,095
Census Households	1,112,929
Corrected Households	1,175,776

¹¹ The natural growth scenario is consistent with the assumptions used by the Ontario Ministry of Finance and the 2041 results fall in the mid-range, between their high and low growth scenarios.

1. People

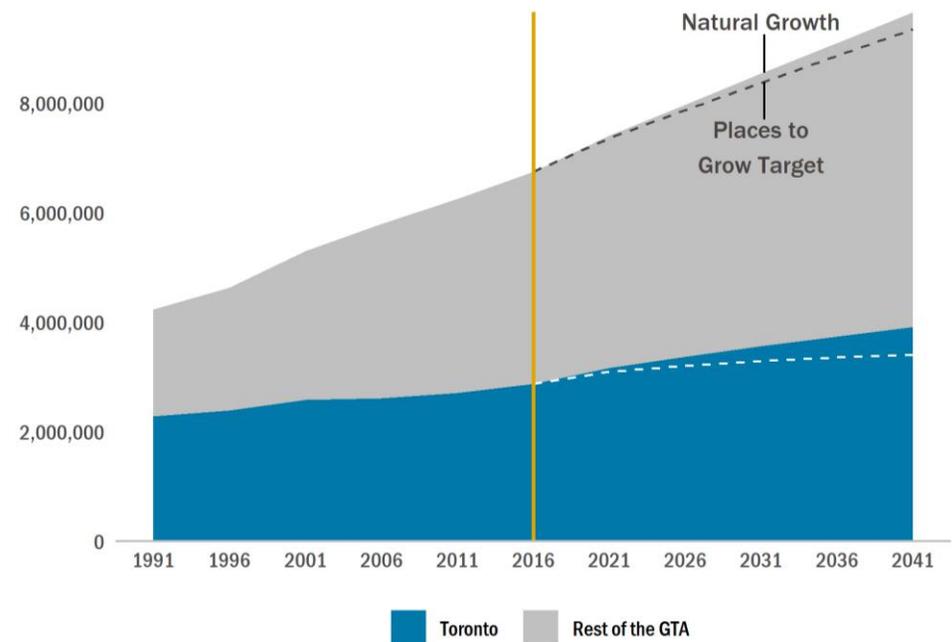
This section provides an overview of the anticipated population growth in Toronto and the Greater Toronto Area and highlights where growth has occurred and is expected to continue in relation to the targets set in the Places to Grow Act.

Population and Projected Growth

In 2016 Toronto's population was 2,876,095, up from 2,704,622 in 2011 – an average annual growth of close to 35,000 people.

Toronto is projected to continue to grow with demand for residential dwellings exceeding what the City has seen in the last ten years. Between 2016 and 2041, Toronto's natural growth is projected to be 1.03 million people - an annual average growth of 41,000 (Figure 1 & Table 2). This projection exceeds the provincial target in the Places to Grow Act by almost 500,000 which represents excess demand of almost 220,000 households over that recognized by Places to Grow.

Toronto's population is expected to grow by 1.03 million people between 2016 and 2041.



Source: Statistics Canada, 2016 Census of Population; Canadian Centre for Economic Analysis, Prosperity at Risk; Government of Ontario, Growth Plan For the Greater Golden Horseshoe

Figure 1 Projected Population Growth in Toronto and the GTA

Table 2. Projected Population Growth in the GTA

Region	1991	2001	2011	2016	2021 (% change from 2016)	2031 (% change from 2016)	2041 (% change from 2016)	Scenario
Toronto	2,275,768	2,584,246	2,704,622	2,876,095	3,168,000 (+10%)	3,560,000 (+24%)	3,913,000 (+36%)	Natural Growth
					3,099,000 (+8%)	3,288,000 (+14%)	3,400,000 (+18%)	Places to Grow Target
GTA	4,235,721	5,297,773	6,254,578	6,746,842	7,405,000 (+10%)	8,539,000 (+27%)	9,657,000 (+43%)	Natural Growth
					7,362,000 (+9%)	8,371,000 (+24%)	9,350,000 (+39%)	Places to Grow Target

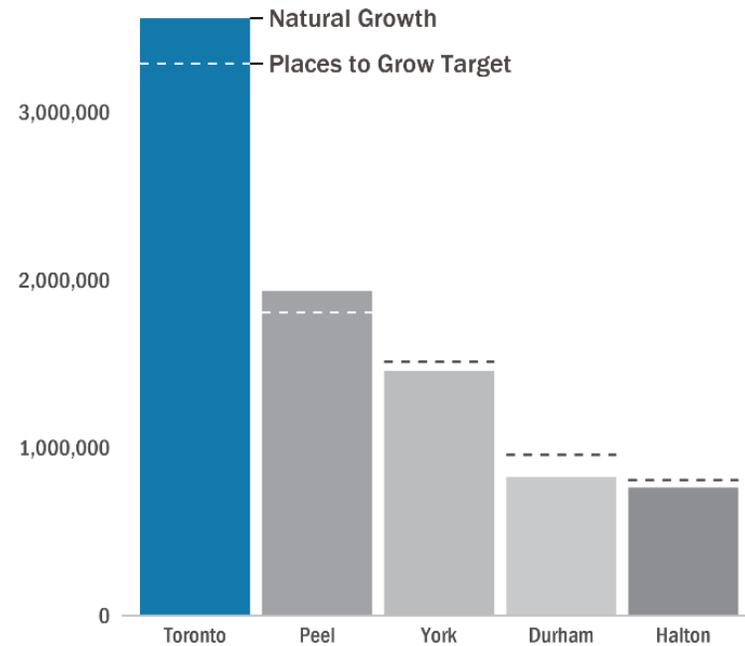
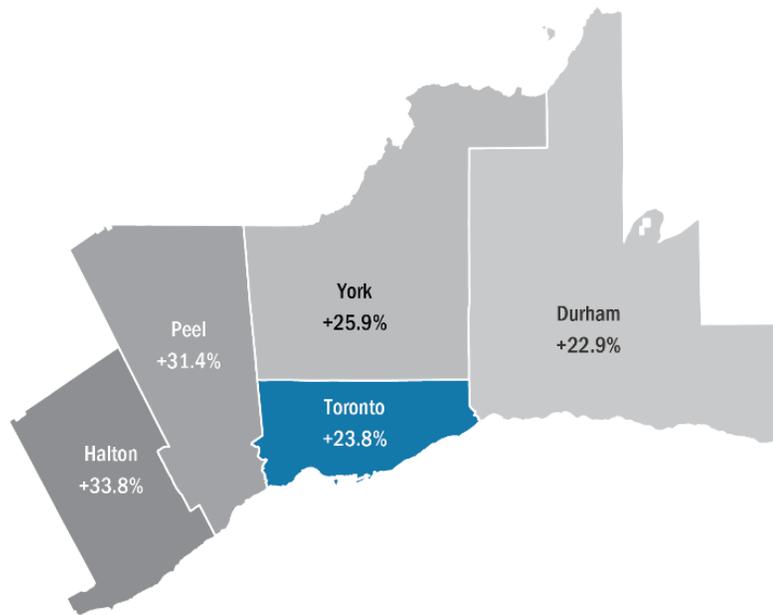
At the same time, regional population growth will continue. The GTA is projected to add more than 2.6 million people by 2041 bringing its population to 9,657,000.

As indicated in Figure 2, this will not be evenly distributed throughout the region. Toronto and Peel are projected to exceed their Places to Grow targets, while York, Durham and Halton will experience substantial natural growth but not exceed their targets.

The increased natural growth over planned growth suggests that there will be a persistent excess demand from households wanting to live in Toronto and the GTA with the primary constraint on this excess demand being the availability of residential dwellings. With this growth centred in

the City of Toronto, housing affordability pressure will continue to be an issue. A secondary implication is that the average age of the population in Toronto could increase more rapidly as younger households looking to migrate in will be constrained by limited income.

Households in Toronto are getting smaller compared to the GTA. This reflects both societal trends and that Toronto’s housing stock contains a higher proportion of one- and two-bedroom units than three- and four-bedroom units. While the population in Toronto will attempt to grow by 36% by 2041, the accompanying growth in households will be at 32.5%, For the GTA this is reversed, with the population attempting to grow by 43% and households by 44.5%.



Source: Canadian Centre for Economic Analysis, Prosperity at Risk; Government of Ontario, Growth Plan For the Greater Golden Horseshoe

Figure 2 Projected Population 2031 by GTA Region, Natural Growth vs Places to Grow Target

Geographic Distribution of Population Growth

Population growth is not evenly distributed throughout the city. Growth from 2011 to 2016 has been concentrated south of Bloor in the Downtown and especially in the Waterfront communities. There also has been high growth in the neighbourhoods just west of the Downtown and further west in Etobicoke. Another area of population growth has been along the Sheppard transit corridor.

Areas with falling density have displaced approximately 220,000 people since 2001 (equivalent to about 85,000 dwellings) that otherwise could have lived in Toronto. This has the effect of creating a supply squeeze for access to suitable housing which increases the price of what is available, which contributes to affordability issues.

However, many neighbourhoods (white and pink areas in Figure 3) experienced population decline or very little population growth between 2011 and 2016. This impacts:

- The productivity of land and the infrastructure that was built to service the land;
- The demographic composition of neighbourhoods. Fewer family characteristic households.
- Significant differences in living conditions between neighbourhoods. High density areas adjacent to low density areas.
- The ability of households with 3 or more members to live in the city.

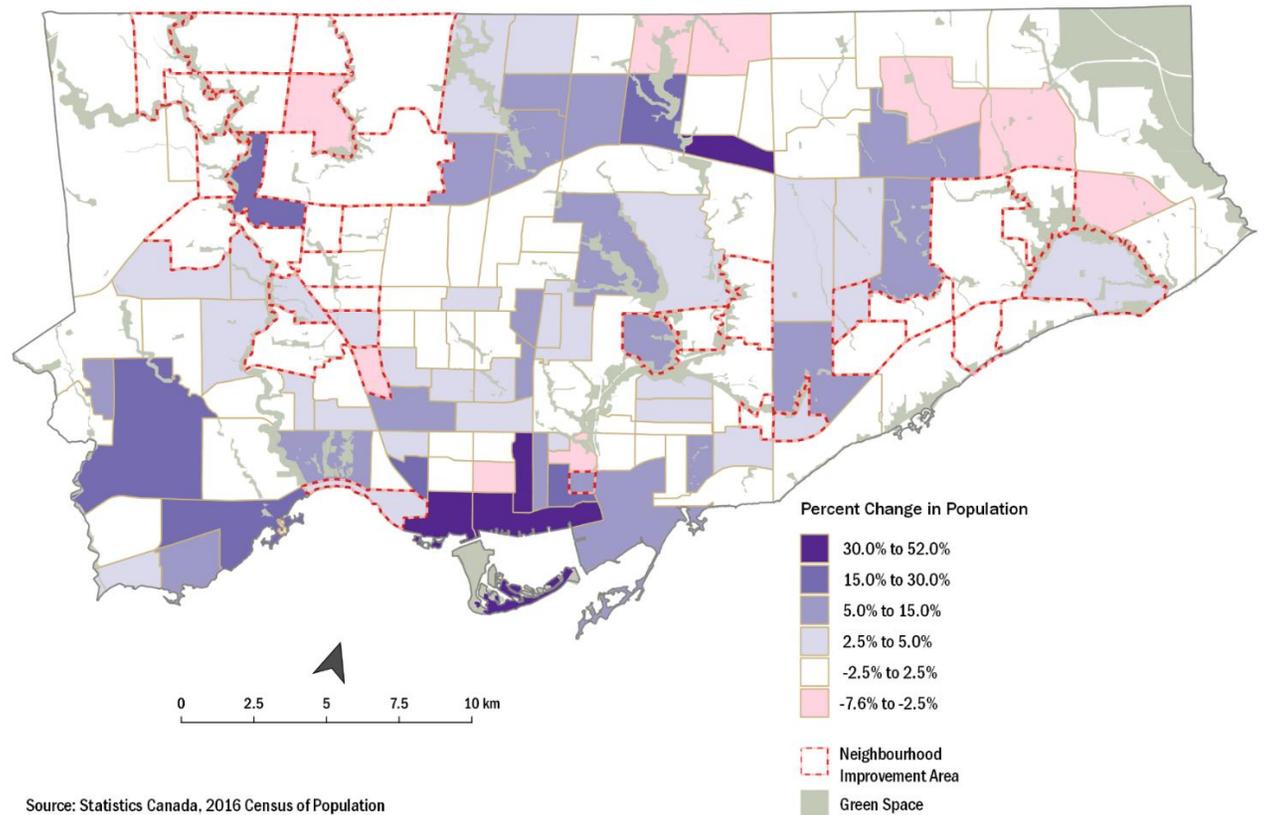


Figure 3 Population Change, 2011 to 2016

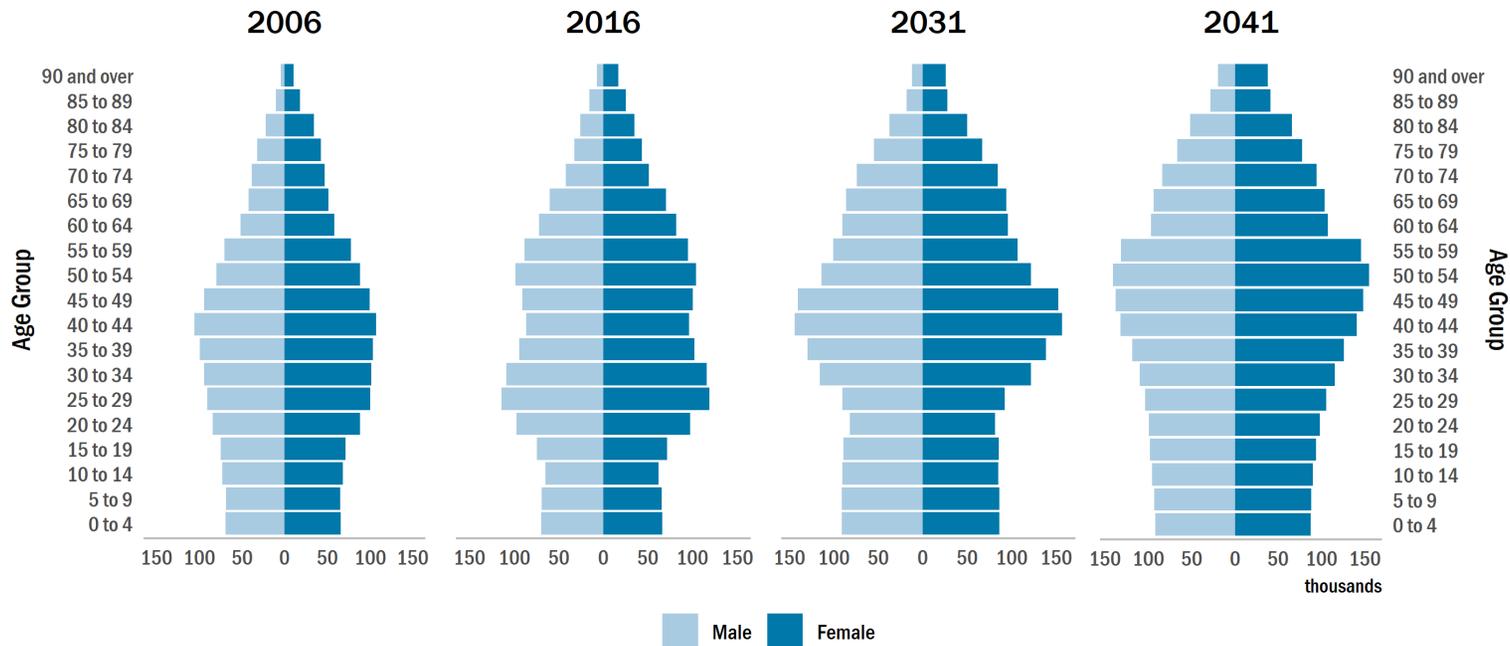
Population Distribution by Age and Gender

Cohorts between 20 and 34 provide the ‘bulge’ as they age through to 2041 (Figure 4). People currently aged 50 to 69 will live longer and contribute to substantial increases in the number of seniors as they age.

The share of the population aged 25-65 is expected to decrease while the population over 65 is expected to increase, placing greater pressure on housing options for older residents, additional falling density pressure on some neighbourhoods, and increased demand on the region’s health services. By 2031, the number of seniors between the ages of 65 and 84

will have grown by 51% and will outnumber children under the age of 14. This trend will be even more pronounced in the GTA.

Because they are living longer, the population of seniors 85 and older in Toronto grew by 22,130 (+51%) to 65,235 in the decade 2006 to 2016. The cohort will continue to grow in the next decade by 28% to 83,596 in 2031. Growth will accelerate in the decade from 2031 to 2041 to 126,556 – a 51% increase.



Source: Statistics Canada, 2016 Census of Population; Canadian Centre for Economic Analysis, Prosperity at Risk

Figure 4 Population Distribution by Age and Sex, Toronto 2006, 2016, 2031, & 2041

Migration

Toronto continues to attract young people from the rest of the province – college and university aged and recent graduates. At the same time, Table 3 shows that 28,000 people aged 25-44 left the Toronto CMA for other parts of the province (very likely accompanied by their 10,000 children 1-14 years old) while 18,445 people in the same age group moved to the Toronto CMA from within the province. Similarly, 15,795 people aged 45-64 moved out of the CMA while close to 6,000 moved in. Overall, the Toronto CMA experienced a net out migration to the rest of the province. Data are not available on the reasons for migration or the

role of housing affordability or housing stock in influencing movement in and out of the CMA.

Table 3 also indicates that much of Toronto’s population growth is fueled by international immigration. Toronto continues to attract people from around the world. The largest age group of immigrants for the 2015-16 year was in the 25-44 age group with 46,115 people. By comparison, the migration of people in that age group to the Toronto CMA from within the province and from other provinces was 31,745 people.

Table 3 Out Intraprovincial and Interprovincial Migration by Age Group in Toronto CMA, 2015 to 2016

Age Group	Intraprovincial Migration			Interprovincial Migration			External*
	In	Out	Net	In	Out	Net	In
Total	44,335	-72,155	-27,820	26,040	-22,220	3,820	104,440
1 to 14 years	3,935	-10,380	-6,445	3,155	-2,625	530	18,730
15 to 24 years	13,345	-11,170	2,175	5,185	-4,050	1,135	20,615
25 to 44 years	18,445	-28,005	-9,560	13,300	-10,965	2,335	46,115
45 to 64 years	5,945	-15,795	-9,850	3,320	-3,180	140	12,990
65 years and over	2,665	-6,805	-4,140	1,080	-1,400	-320	5,990

* External migrants include all immigrants arriving from outside of Canada. External out-migration data not available.

Vulnerable Population Groups

Vulnerable population groups in this report are defined as demographic cohorts that have a higher risk of being excluded from suitable housing or from Toronto's housing market altogether. These groups include seniors with low-income (Figure 5) or complex health issues, households with low income, lone-parent households, Indigenous peoples, visible minorities, and immigrants. Where data were available, the implications of growth for these vulnerable population groups in the City are examined.

Seniors

There were 107,215 adults age 65 and over living alone in private households in Toronto in 2016, an increase of 12.6% over the 2011 Census². Toronto continues to have the highest share of people age 65+ living alone in the GTA (26.7% in Toronto, versus 16.4% in the rest of the GTA). With people living longer and aging at home, the number of seniors living in potentially precarious circumstances such as living alone, on low income, and with multiple health conditions will increase.

The proportion of seniors 65+ living on low income will remain steady to 2041 at about 11% but with population increases that will mean about 30,000 more low-income seniors in Toronto by 2031 and about 40,000 more by 2041 (Figure 6 & Table 4).

Rates of seniors with at least one health issue will remain stable from 2016 to 2031. With population increases, this adds 154,000 seniors with at least one health issue and 26,000 with two or more health issues.



² City of Toronto; 2016 Census Backgrounder: Families, households and marital status; Language Date Prepared: August 3, 2017 (Revised September 14, 2017)

For seniors with more complex needs, new housing opportunities that can accommodate physical and mobility assistive devices and medical equipment are required to allow people to remain in their communities as they age.

Especially for those with low income, the older and more affordable rental stock in the non-condo secondary market is the least likely to meet these physical needs. Without these accommodations, home care options could be more limited, necessitating earlier enrollment in long-term care. Furthermore, units in the non-condo secondary market typically include rental houses which have more bedrooms than a senior household may need.

Demand for long-term care will increase by 15,000 people from 2016 to 2031. In the following decade to 2041, the demand will grow by an additional 23,000 to almost 68,000. The current long-term care waitlist is 14,500 people with current capacity at 14,992 beds.

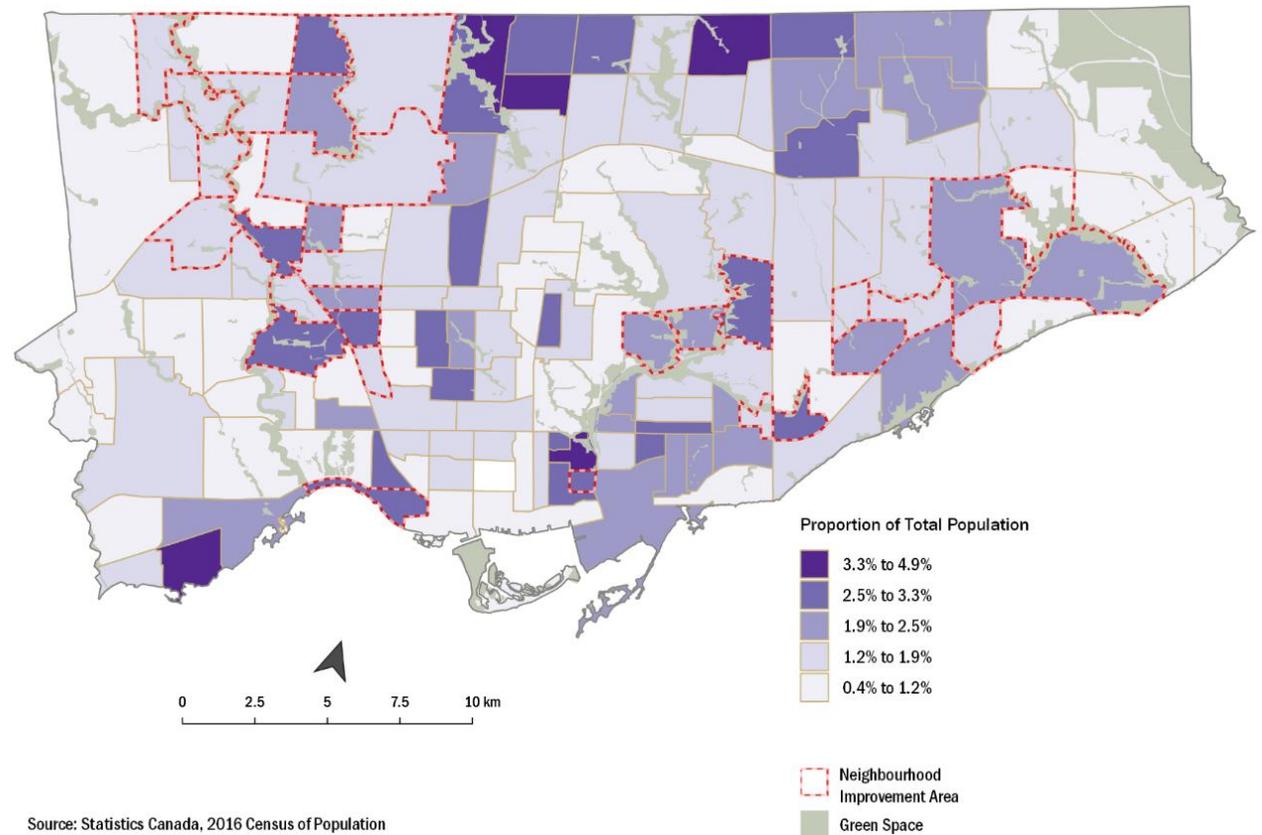
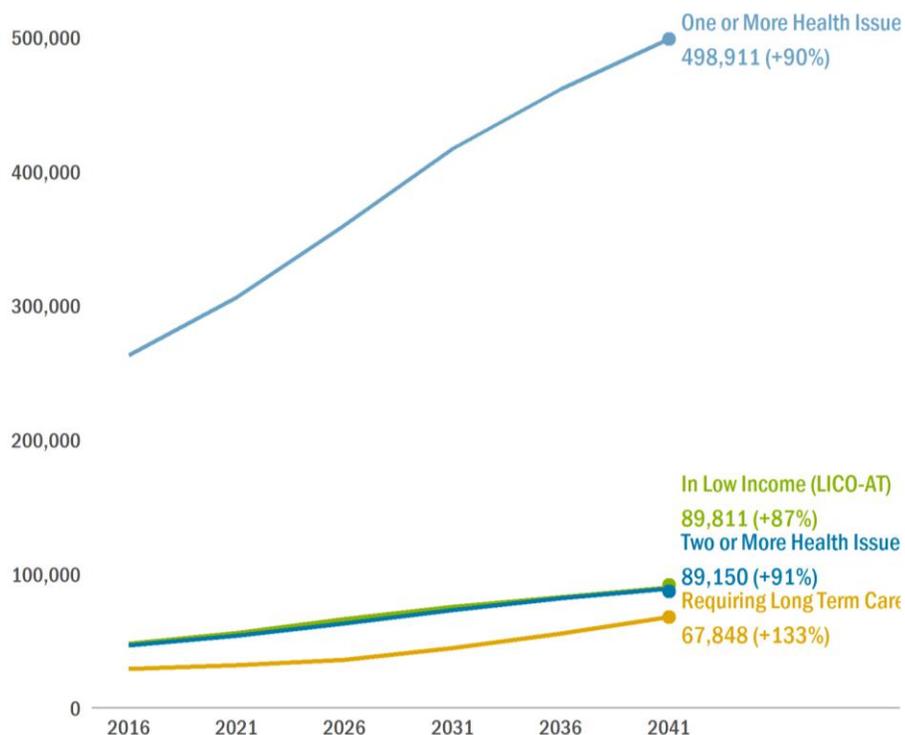


Figure 5 Seniors 65 Years Old and Over in Low-Income After Tax (LICO-AT)



Source: Statistics Canada, 2016 Census of Population; Canadian Centre for Economic Analysis, Prosperity at Risk

Figure 6 Projected Number of Vulnerable Seniors 65 Years and Older in Toronto, 2016 to 2041

Demand for long-term care will increase by 15,000 people from 2016 to 2031. In the following decade, demand will grow by an additional 23,000.

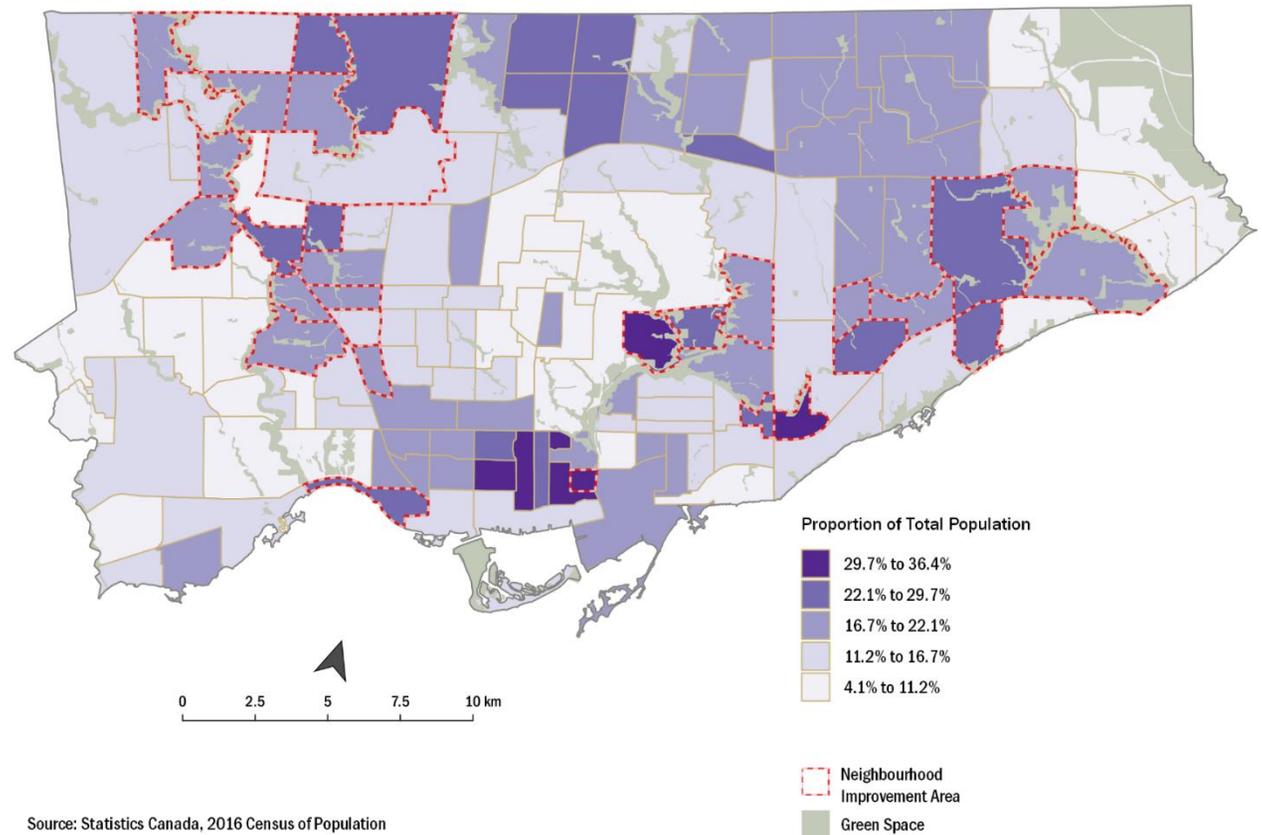
Table 4 Projected Number of Vulnerable Seniors 65 Years and Older in Toronto, 2016 to 204

Population Group	2016	2031 (% change from 2016)	2041 (% change from 2016)
Seniors Population, 65 Years and Over	438,126	695,308 (+59%)	828,064 (+89%)
With Low Income (LICO-AT)	48,067	75,398 (+57%)	89,811 (+87%)
One or More Health Issues	263,179	417,204 (+59%)	498,891 (+90%)
Two or More Health Issues	46,649	73,091 (+57%)	89,439 (+92%)
Requiring Long- Term Care	28,659	44,318 (+55%)	67,356 (+135%)

Low-Income Households

Except for a few pockets of lower income households in higher density private market rental buildings in the central part of Toronto, most people living in low income are distributed in the familiar U-shaped pattern. It stretches from north west Etobicoke, south to the lake narrowly through the downtown and up to north east Scarborough (Figure 7).

While the rate (at around 15%) remains the same, the number of people living in low income households will grow by more than 70,000 by 2031 to 540,000 (Table 5). Over the following 10 years to 2041, that number is projected to grow to 587,000.



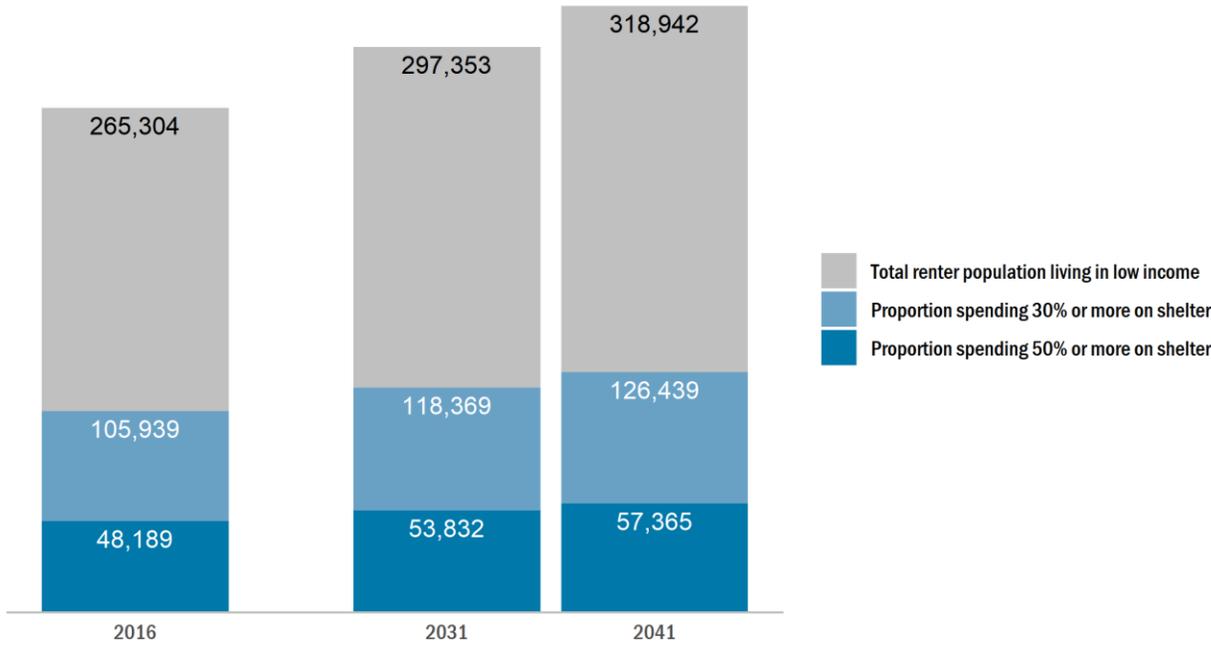
Source: Statistics Canada, 2016 Census of Population

Figure 7 Population Living in Low-Income After Tax (LICO-AT), 2016

Table 5 Projected Number of People Living in Low Income (LICO-AT) in Toronto, 2016 to 2041

Low Income Population Group	2016	2031 (% chg. 2016)	2041 (% chg. 2016)
Total population living in low income (LICO-AT)	471,203	542,646 (+15%)	586,592 (+25%)

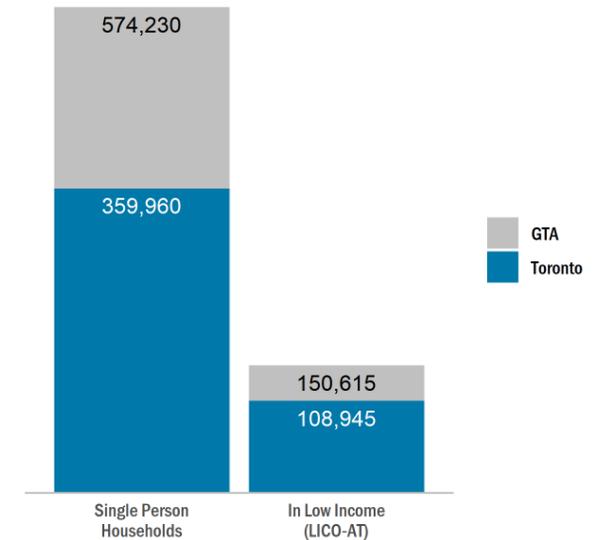
The number of low-income households living in rented dwellings will grow by 30,000 in 2031 (Figure 8). Nearly 120,000 of these households will be spending 30% or more of their income on housing and almost half of this group will be spending 50% or more.



Source: Statistics Canada, 2016 Census of Population; Canadian Centre for Economic Analysis, Prosperity at Risk

Figure 8 Projected Number of People in Renter Households Living in Low Income (LICO-AT) in Toronto and Proportion Spending 30% and 50% of Income on Shelter, 2016 to 2041

Greater numbers of vulnerable people are likely to live in Toronto than in other areas of the GTA. For instance, the City of Toronto is home to 72% of GTA's low-income single person households (Figure 9).

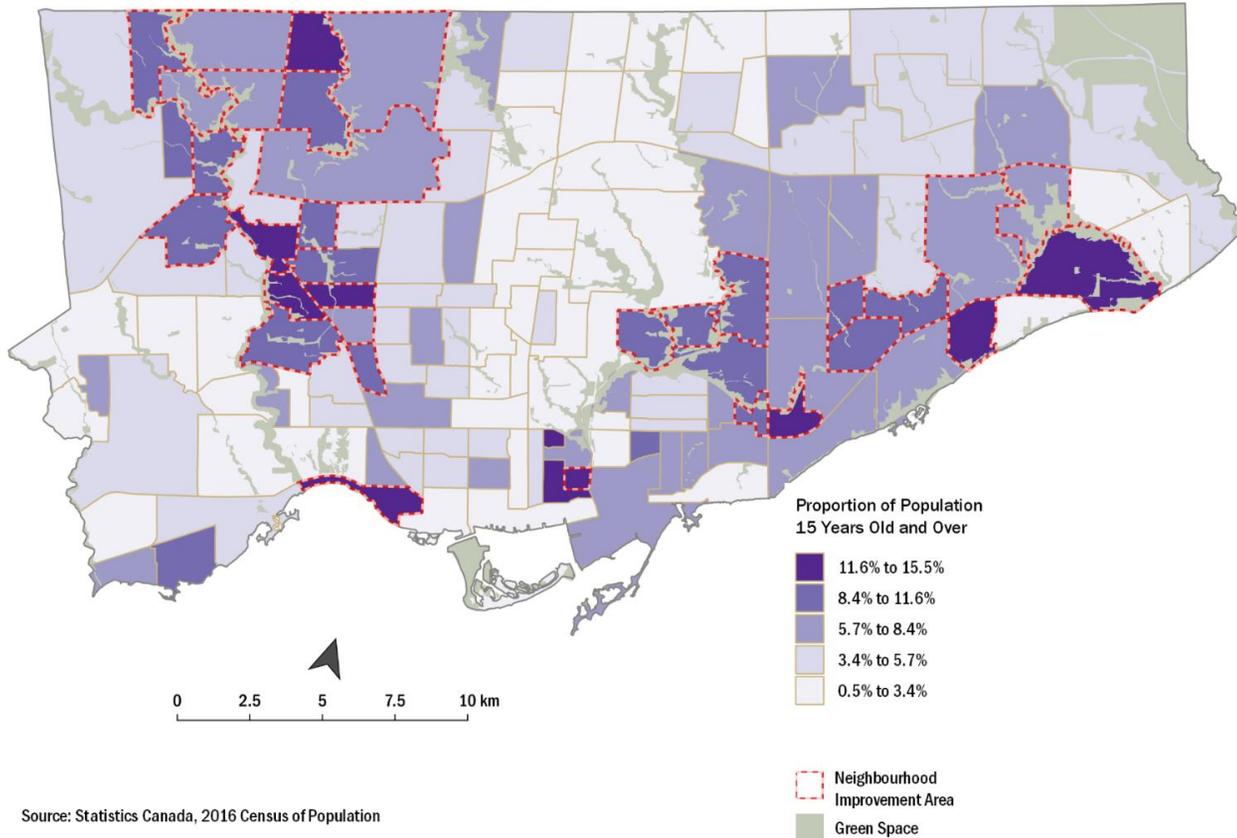


Source: Statistics Canada, 2016 Census of Population

Figure 9 Single Person Households and Low-Income Status in Toronto and GTA, 2016

People Receiving Social Assistance

Higher proportions of people receiving Ontario Works (OW) or Ontario Disability Support Program (ODSP) benefits live in and around the neighbourhood improvement areas (Figure 10).

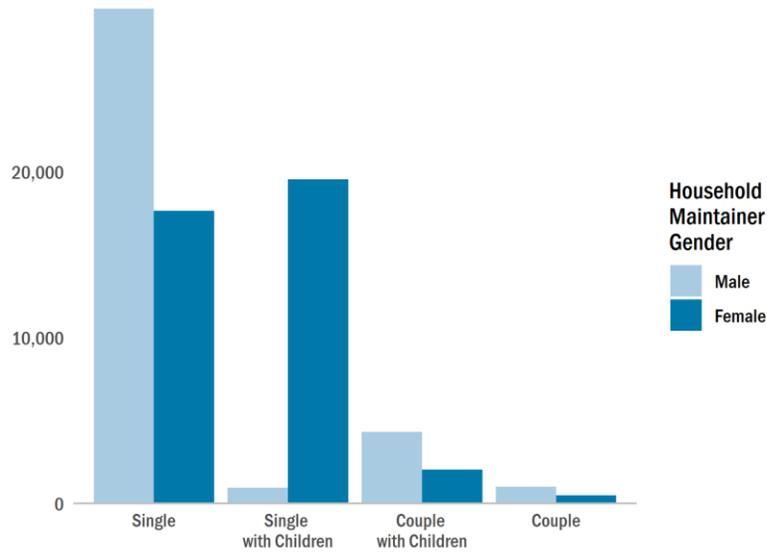


Source: Statistics Canada, 2016 Census of Population

Figure 10 Adults Over 15 Years Old Receiving Social Assistance (Ontario Works and Ontario Disability Support Program), 2016

The City of Toronto is home to 72% of the GTA's low-income single person households.

The OW caseload in Toronto is predominantly single-person and female-headed single parent households (Figure 11 & Table 6). With a total monthly allowance of \$733 for housing, food, transportation, and other living expenses, a single-person receiving OW in 2018 fell far short of the \$1,089 average market rent for a bachelor unit³. Only 5% of OW recipients in Toronto live in social housing or receive a rent subsidy⁴.



Source: City of Toronto, Toronto Employment Social Services

Figure 11 Ontario Works Recipient Household Types in Toronto by Household Maintainer Gender, May 2018

Table 6 Ontario Works Recipient Household Type in Toronto, May 2018

Household Type	Total	% of Total
Total	75,801	100%
Single	47,457	63%
Male	29,827	39%
Female	17,630	23%
Single with Children	20,494	27%
Female Parent	19,551	26%
Male Parent	943	1%
Couple with Children	6,354	8%
Couple	1,496	2%

³ Canada Mortgage and Housing Corporation, Rental Market Survey 2018

⁴ City of Toronto, Toronto Employment and Social Services, May 2018

Forty-five per cent of OW recipients report having someone with a short-term or chronic health issue in their family (Figure 12 & Table 7). In addition, recent changes to ODSP eligibility criteria could restrict more people receiving OW with health issues from receiving disability benefits. Since OW recipients receive a smaller monthly allowance than ODSP recipients, OW households with additional medical expenses will have less to spend on housing, requiring more deeply affordable dwellings.

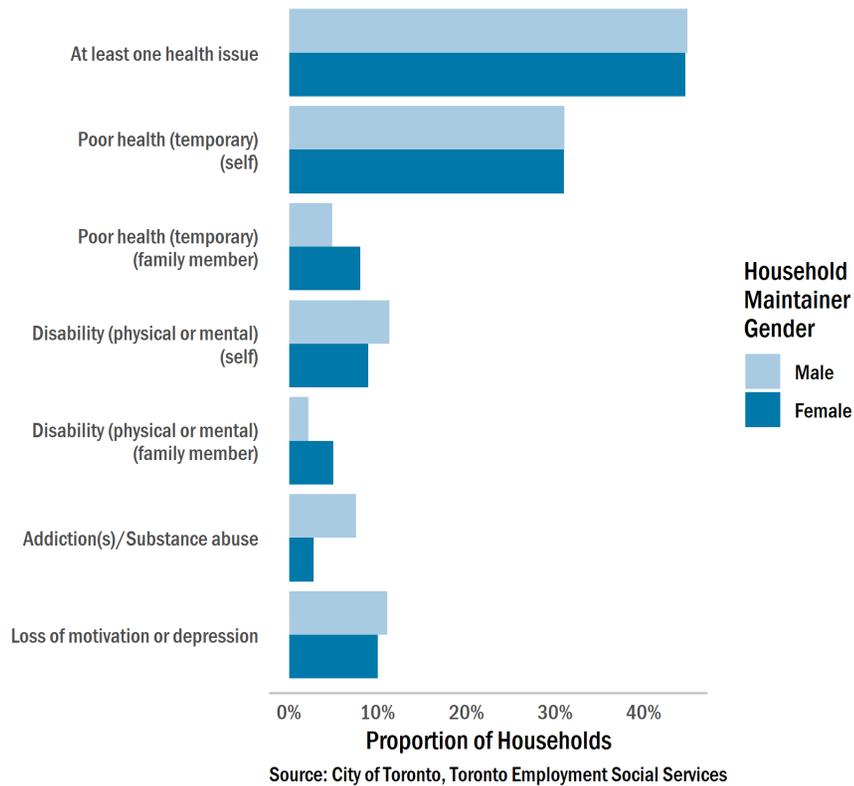


Figure 12 Selected Health Conditions of Ontario Works Recipients in Toronto, May 2018 (includes multiple conditions)

Table 7 Selected Health Conditions of Ontario Works Recipients in Toronto, May 2018 (includes multiple conditions)

Health Condition	Female	Male	Total
At least one health issue	45%	45%	45%
Poor health (temporary) (self)	31%	31%	31%
Poor health (temporary) (family member)	8%	5%	7%
Loss of motivation or depression	10%	11%	11%
Disability (physical or mental) (self)	9%	11%	10%
Disability (physical or mental) (family member)	5%	2%	4%
Addiction(s)/Substance abuse	3%	8%	5%

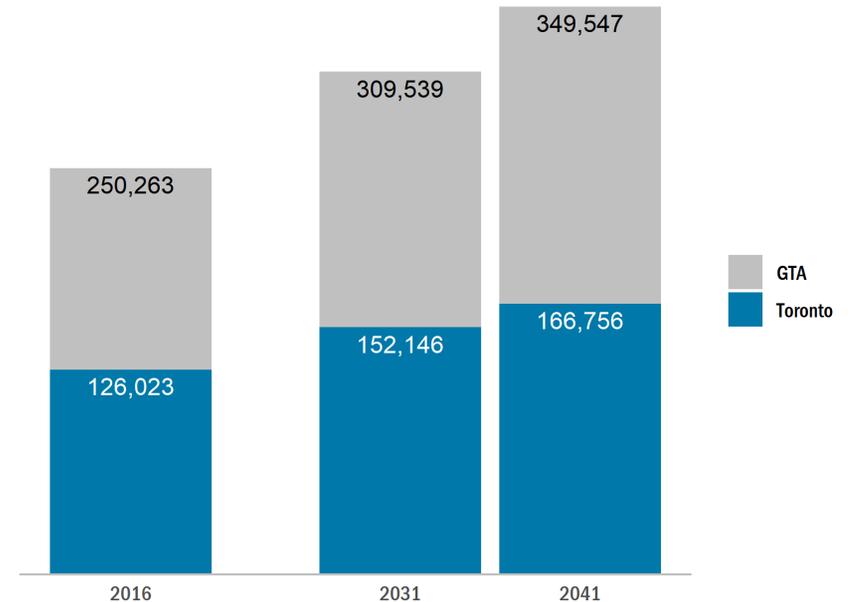
Indigenous Peoples

Due to limitations in Statistics Canada’s Census enumeration methodology, researchers estimate that the Indigenous population in Toronto is larger than reported in the 2016 Census.

*Aboriginal Health Counts Toronto*⁵ estimates the Indigenous Population to be between 45,000 and 60,000 in 2018. Of the total population, 86% identify as First nations, 14% as Métis, and 0.4% as Inuit. Eight-seven percent were in low income (LICO-BT). Furthermore, 35% of indigenous adults were precariously housed or experiencing homelessness. Of indigenous adults who were stably housed, 26% lived in dwellings that needed major repairs, more than three times the rate of all private dwellings in Toronto and 14% lived in unsuitable dwellings.

Lone Parent Families

In Toronto there were 126,023 lone-parent households in 2016. This is projected to grow to 152,146 in 2031 and 166,756 in 2041 (Figure 13).



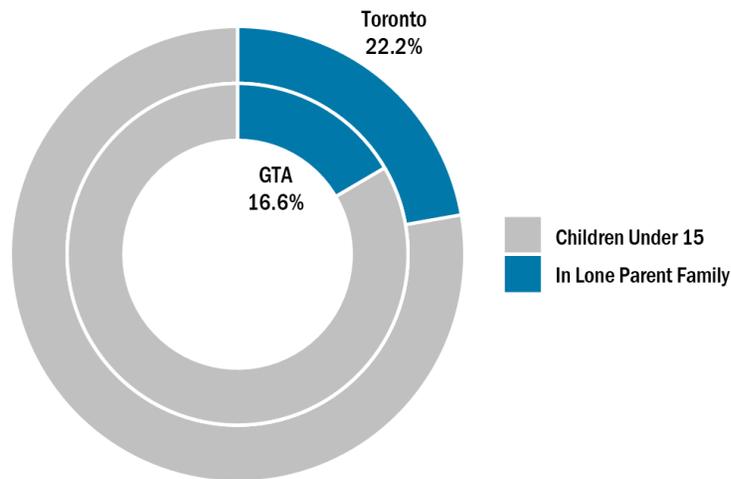
Source: Statistics Canada, 2016 Census of Population; Canadian Centre for Economic Analysis, Prosperity at Risk

Figure 13 Projected Number of Lone Parent Households in Toronto and the GTA, 2016 to 2041

⁵ Project Overview & Methods Recommended citation: Firestone, M., Maddox, R., O'Brien, K., Xavier, C., Wolfe, S., & Smylie, J. (2018). Our Health Counts Toronto - Project Overview & Methods. Accessed at <http://www.wellivinghouse.com/what-we-do/projects/our-health-counts-toronto/>

Figure 14 shows that a larger proportion of children live in lone parent families in Toronto than in other regions of the GTA. Nearly a quarter of children in Toronto live in a lone parent family. Of those, almost 90% live with a female lone parent.⁶

To suitably house lone-parent families, at least 2-bedroom units are required, which presents affordability challenges due to (at most) a single income earner competing with couples (with and without children) for same size of units.



Source: Statistics Canada, 2016 Census of Population

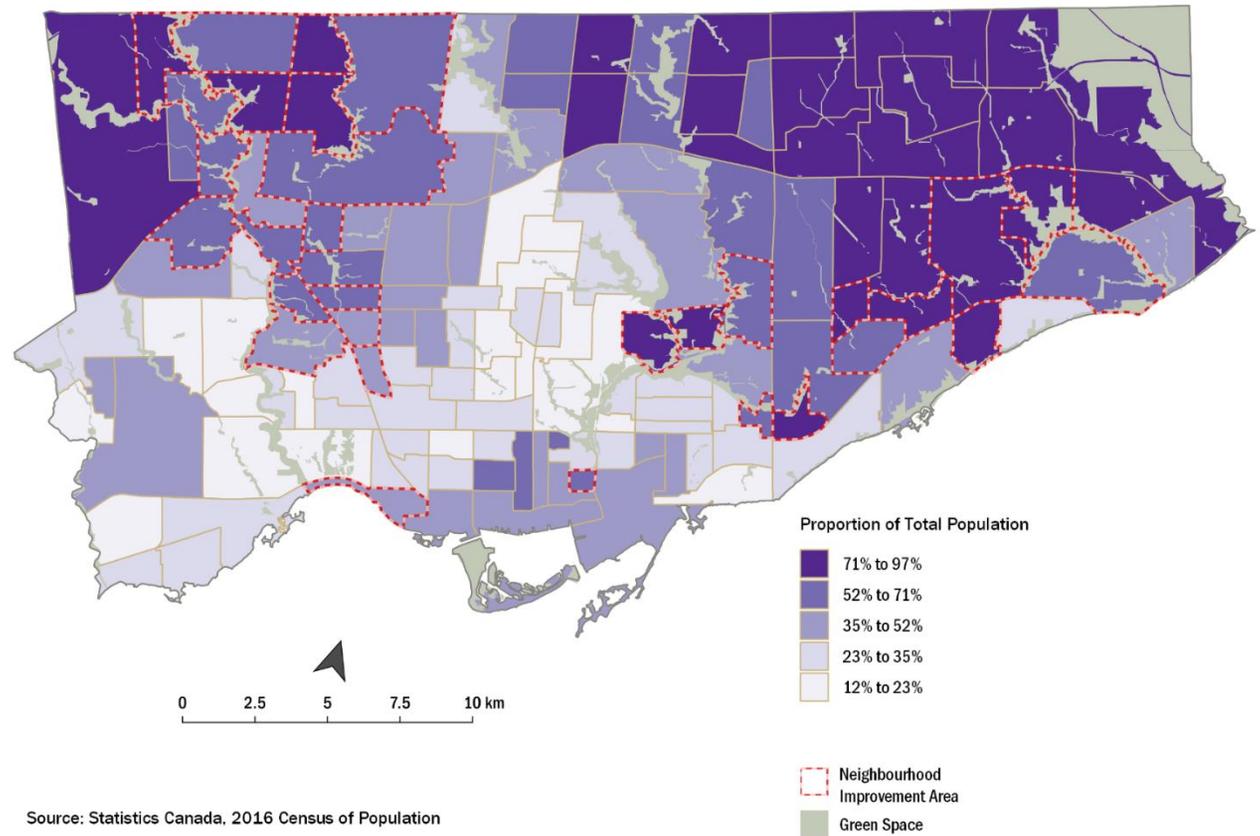
Figure 14 Proportion of Children in Toronto and the GTA that are in Lone Parent Families

To suitably house lone-parent families, a unit with at least 2 bedrooms is required. This presents affordability challenges.

⁶⁶City of Toronto Backgrounder 2016 Census: Families, households and marital status; Language Date Prepared: August 3, 2017 (Revised September 14, 2017)p.3 accessed at <https://www.toronto.ca/wp-content/uploads/2017/10/96e4-2016-Census-Backgrounder-Family-Households-Languages.pdf>

Visible Minorities

Statistics Canada defines a visible minority as a person who identifies as non-Caucasian or non-white. For the first time in the city of Toronto, a majority of the population (51.5 per cent or 1,385,855 people) belonged to this group. This is an increase from 46.9 per cent in 2006⁷. The highest proportion of visible minorities are found in north and east Scarborough and north and northwestern Etobicoke (Figure 15). This geographic distribution is in stark contrast to the areas of population growth and residential development presented in Figure 3.

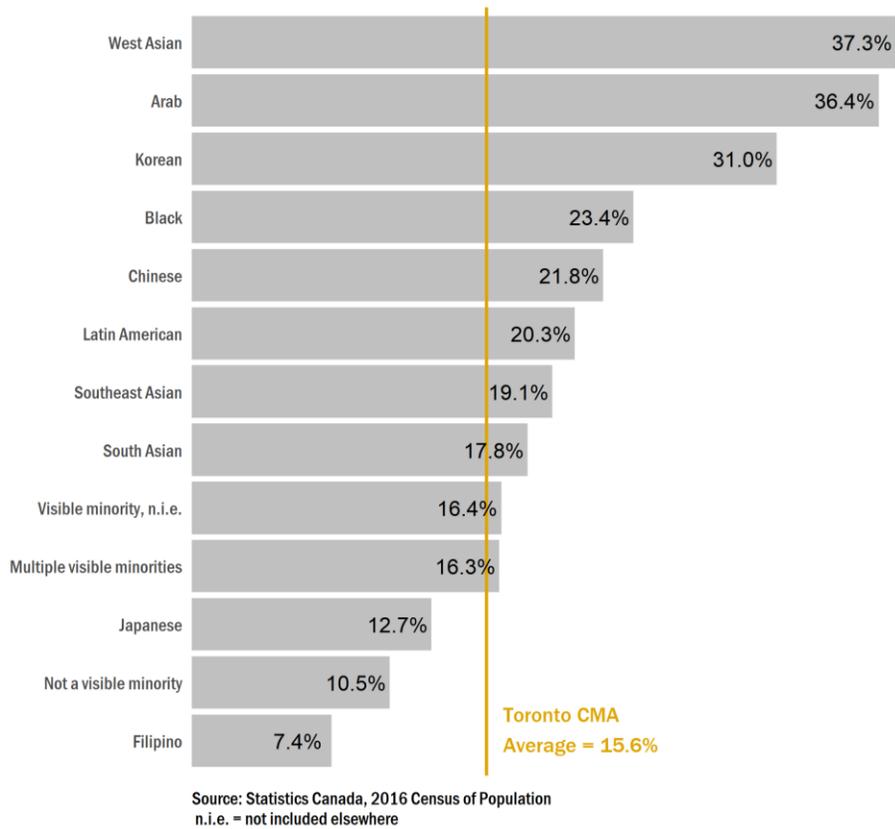


Source: Statistics Canada, 2016 Census of Population

Figure 15 Visible Minorities, 2016

⁷ City of Toronto: Backgrounder 2016 Census: Housing, Immigration and Ethnocultural Diversity, Aboriginal peoples October 26, 2017 accessed at <https://www.toronto.ca/wp-content/uploads/2017/12/8ca4-5.-2016-Census-Backgrounder-Immigration-Ethnicity-Housing-Aboriginal.pdf>

Most visible minority groups experience greater incidences of low income (LIM-AT) than the Toronto CMA average (Figure 16).



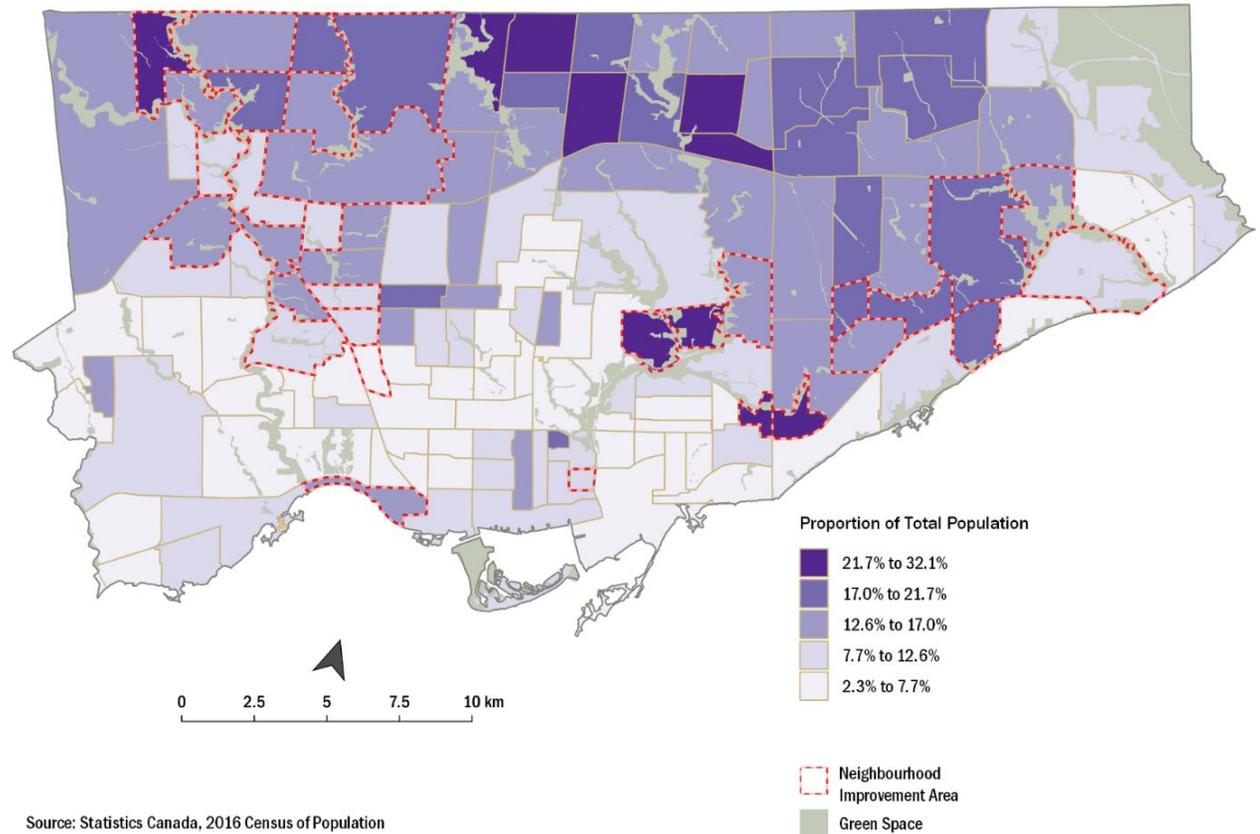
Twice as many visible minorities are in low-income than individuals who are not visible minorities in low income.

Figure 16 Prevalence of Low Income (LIM-AT) by Visible Minority Group in Toronto CMA, 2016

Immigrants

Immigrants who arrived in the last 10 years have tended to settle in Toronto's northern parts of the inner suburbs and throughout Scarborough (Figure 17).

High proportions of immigrant groups have also settled in some of the City of Toronto's Neighbourhood Improvement Areas.



Source: Statistics Canada, 2016 Census of Population

Figure 17 Recent Immigrants Who Arrived in the Last 10 Years, 2016

Those who immigrated within the last 20 years are more vulnerable to falling into low income.

Those who immigrated as long as 20 years ago are more vulnerable to falling below the Low-Income Measure - After Tax (LIM-AT), but the prevalence of low income gets closer to and falls below the Toronto CMA average for immigrants that have been in the country for longer periods of time (Figure 18).

While data are not available on the housing situation of immigrant communities in Toronto, the geographic distribution and proportions of low-income immigrants suggest that immigrants, especially within their first 10 years of arrival are more likely to struggle with finding affordable, suitable housing. In addition, it is unknown whether the change in low-income rates over time are due to immigrants attaining better economic conditions as they become more established or out-migration of lower income immigrant households to more affordable communities.

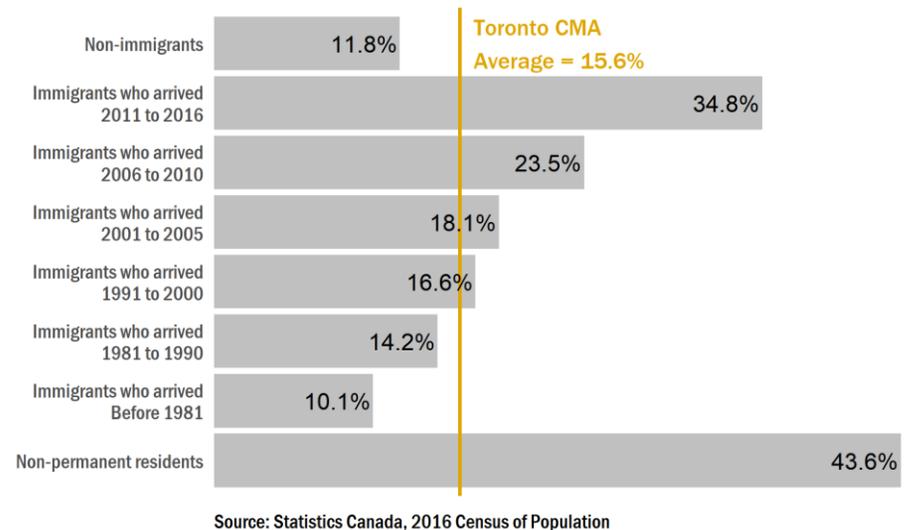


Figure 18 Prevalence of Low Income (LIM-AT) by Period of Immigration to Toronto CMA, 2016

2. The Housing Market

As of the 2016 Census, Toronto's housing market was comprised of 1,112,930 households. 587,095 of these households (53%) lived in ownership housing while the remaining 525,830 households (47%) lived in rental housing. Well over half (61%) of all owner households resided in single-detached, semi-detached, or row houses while 87% of renter households resided in apartment buildings (Figure 19). However, the percentage of owner households in apartment buildings has increased dramatically in recent years as condominiums continue to be the single largest source of new housing supply in the City.⁸ Similarly, although the percentage of renter households living in apartment buildings has historically been high, the number of renters living in condominiums is increasing. Today, housing units in apartment buildings make up almost 60% of the City's housing stock, and more than 70% of these units are occupied by renter households.

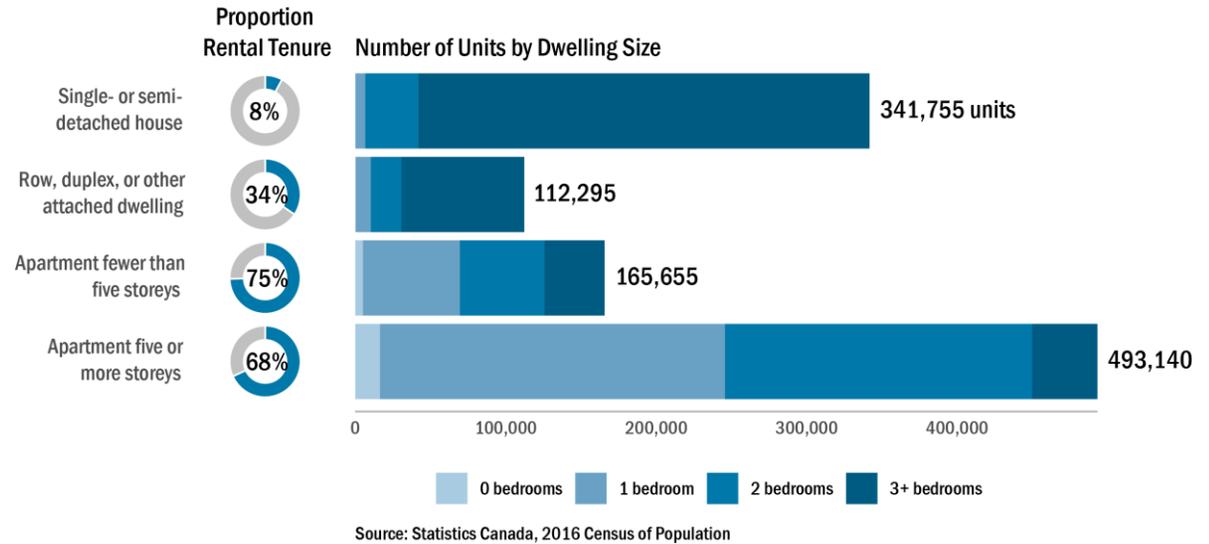


Figure 19 Breakdown of Toronto's Housing Market by Dwelling Type and Size

⁸ For example, between 1998 and 2018, condominiums accounted for 77% of all housing completions in the City of Toronto.

Rental Market

Breakdown of Rental Market by Market Type and Unit Size

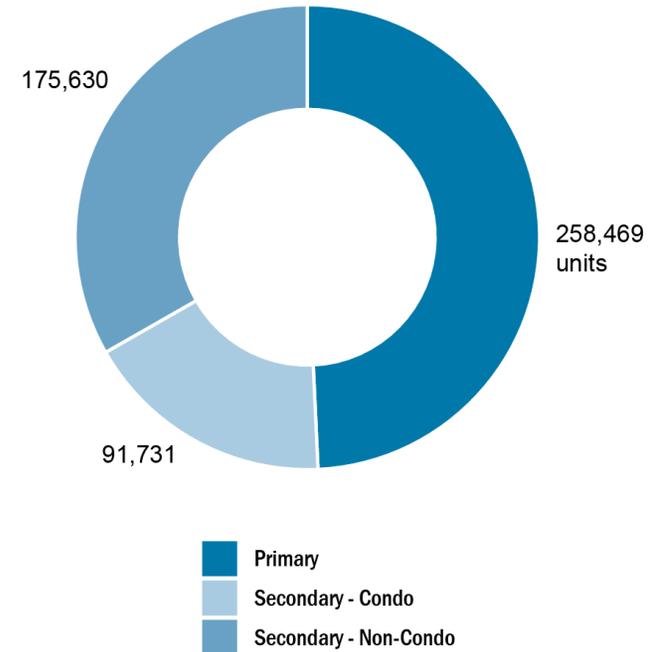
There are two components to Toronto's rental housing market – the primary rental market and the secondary rental market. Traditionally, most rental housing in Toronto has been delivered through the primary rental market, which consists of rental units in privately initiated, purpose-built apartment and row house structures of three units or more.

The other half of the rental market is known as the secondary rental market and consists of higher proportions of high- and low-cost rental housing than the primary rental market. The secondary rental market is divided into *condominium rental housing* and *non-condo secondary rental housing*. The latter includes rented houses, secondary suites in houses, and social and affordable (non-market) rental housing.

Figure 20 provides a breakdown of Toronto's occupied rental stock by market type. Today, the rental housing sector in Toronto is almost evenly divided between primary and secondary rental housing, although the proportion that is comprised of primary rental has been declining. For instance, in 2001, primary rental made up approximately 54.5% of the occupied rental stock in the City; by 2016, this proportion had declined to 49.2%.

Approximately one third (33.4%) of renter households reside in non-condo secondary rental housing, while the remainder (17.4%) reside in condo rental units.

The proportion of the rental housing sector that is comprised of primary rental has been declining.



Source: Statistics Canada, 2016 Census of Population; Canada Mortgage and Housing Corporation, Rental Market Survey

Figure 20 Rental Housing Stock by Market Type, 2016

An important consideration is the distribution of primary and secondary rental units by unit size (Figure 21). Whereas primary rental accounts for close to half of all 1-bedroom and 2-bedroom rental units in the City, the non-condominium secondary rental market is the source of most 3-bedroom+ units. This highlights the importance of the non-condo secondary rental market in helping to meet the needs of family households in Toronto’s rental sector.

Figure 21⁹ shows that:

- 80% of the rental sector is comprised of one- and two-bedroom units;
- Most bachelor rental units are in the primary rental market;
- Condominiums account for more 1- and 2-bedroom rentals than other (non-condo) secondary rental; and
- Most rental units with 3+ bedrooms (60%) are in the non-condo secondary rental market (e.g. apartments in single- and semi-detached houses)

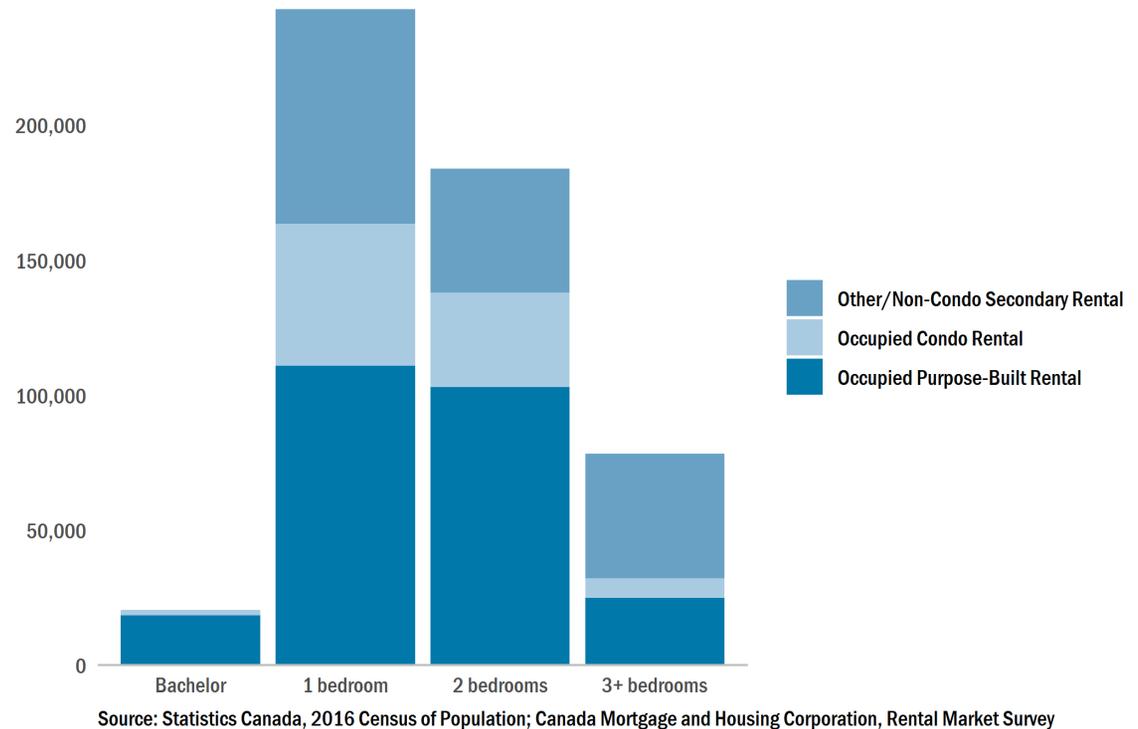
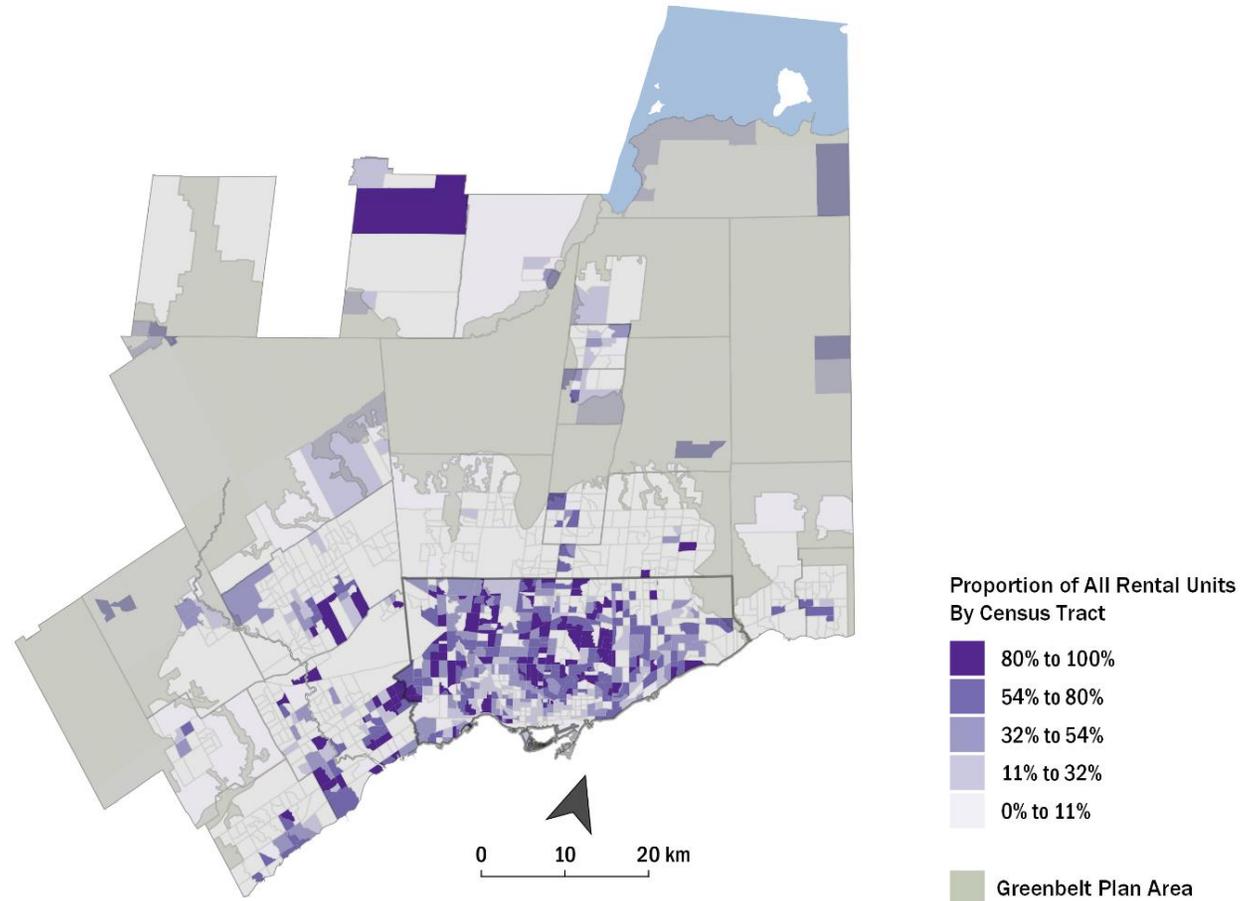


Figure 21 Estimated Number of Occupied Rental Units by Unit Size and Market Type in Toronto, 2016

⁹ Note: The number of primary rental bachelor units enumerated by CMHC’s 2016 Rental Market Survey (RMS) exceeds the total number of bachelor rental units enumerated by the 2016 Census. Estimates of primary and condo bachelor rental units reflect the number of rented bachelor units with and without out condominium status during the 2016 Census (rather than the number of condominiums recorded by CMHC’s Secondary Rental Market Survey). Estimates of other secondary rental reflect the total number of occupied rental units enumerated by the 2016 Census less the number of occupied primary rental units recorded by the RMS and the number of occupied rental units with condominium status during the 2016 Census. CMHC data on rented condominiums by unit size are unavailable for 2016.

Figure 22 illustrates the geographic distribution of Toronto's primary rental stock. In 2016, nearly three quarters (74.3%) of the City's primary rental housing stock was in Old Toronto (33.9%) or one of York, East York, or North York (40.4%). Just over one quarter of primary rental units were in Etobicoke (12.5%) or Scarborough (13.2%).

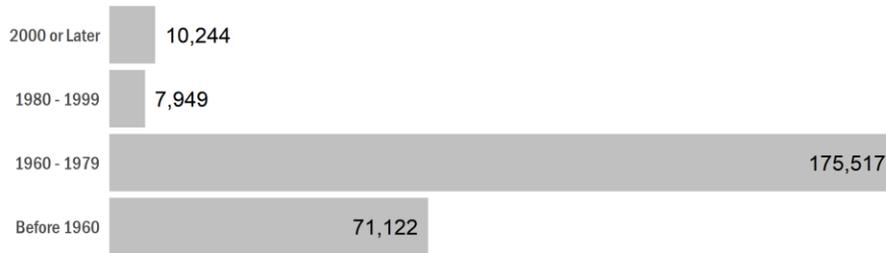
When expressed as a percentage of all rental units, most primary rental is concentrated in Toronto's inner suburban neighbourhoods – areas in which the physical infrastructure was largely developed during the postwar period.



Source: Canada Mortgage and Housing Corporation, 2017 Rental Market Survey;
 Statistics Canada, 2016 Census of Population

Figure 22 Primary Rental Market Units as a Proportion of Total Rental Market Units in the Toronto CMA

Consistent with this geography, Figure 23 illustrates how most purpose-built rental housing, including social housing, in Toronto was constructed during the postwar rental apartment boom of the 1960s and 1970s. Approximately two thirds (66%) of these units were constructed between 1960 and 1979, and fully 93% were constructed prior to 1980. In contrast, fewer than 20,000 primary rental units in the City were constructed after 1980, indicating how there has been a dearth of primary rental construction in recent decades.



Source: Canada Mortgage and Housing Corporation, Rental Market

Figure 23 Primary Rental Market Universe in Toronto by Period of Construction (as of 2018)

Rental Housing Demand and Supply in Toronto

In the face of growing rental demand and little rental construction activity, the vast majority of new rental supply in Toronto over the last decade has been delivered through the secondary rental market.

Figure 24 illustrates this trend using Toronto’s occupied rental stock over the last three Census years. Between 2006 and 2016, the total number of renter households in Toronto rose from 446,850 to 525,830, meaning 78,980 new renter households were formed. Over the same period, however, Toronto experienced a net addition of only 1,466 primary rental units¹⁰. After adjusting for vacancies in both years, this amounts to 6,915 primary renter households, which represents 8.8% of total renter household formation over that period. On the other hand, the number of condominium units that were being rented out in Toronto grew by 59,486 between 2006 and 2016. After adjusting for vacancies, this amounts to a net increase of 58,692 renter households, which represents nearly three quarters (74.3%) of net renter household formation over that period.

There is also the non-condominium portion of the secondary rental market, which is the lowest cost segment of the rental housing market. The non-condo secondary market includes all rental housing that is neither primary nor condominium rental, such as rented houses (including rooming houses and second units in houses) and social and affordable rental housing. We estimate that approximately 13,370 new households (16.9%) were formed in non-condo secondary rental housing between 2006 and 2016.

A gap in existing data sources means it is not possible to estimate how many non-condo secondary renter households were formed in newly created affordable (non-market) rental units. However, we do know that there were 5,558 affordable rental housing completions in Toronto

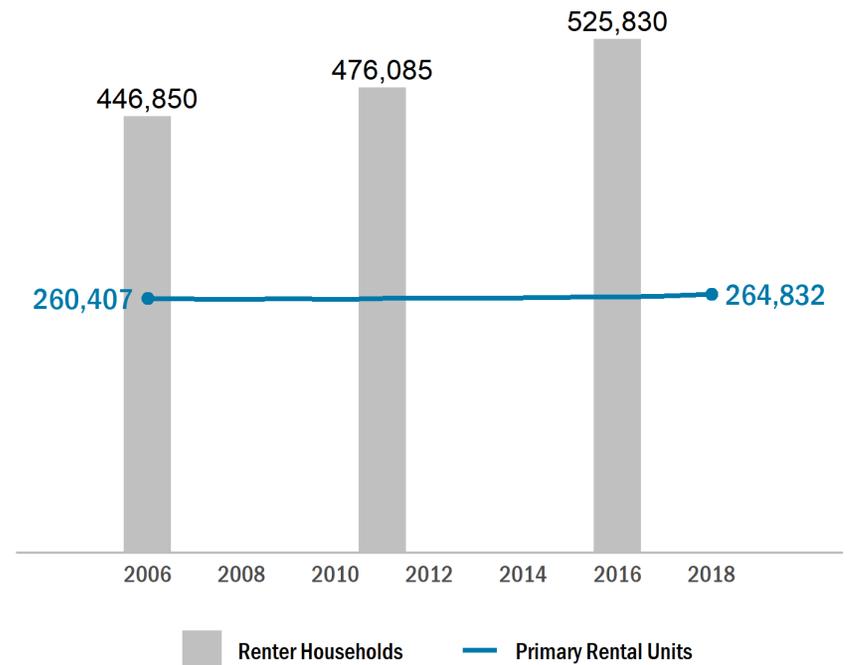
¹⁰ The net change in units over time is different from housing completions, as it accounts for both new construction and demolitions/conversions.

between 2006 and 2016, accounting for nearly half (47.5%) of all rental completions (11,701) during that period. If we assumed that the number of non-market/affordable rental vacancies were in line with (private) primary rental vacancies in both 2006 and 2016, the number of new households formed in affordable rental housing would be roughly in line with those formed in the primary rental market.

These figures indicate that renter household growth in Toronto over the decade between 2006 and 2016 was largely accommodated by housing supply generated in the secondary rental market – and, in particular, the condominium rental market. It is important to note that while these figures provide some indication of how housing supply in the secondary rental market has responded to rental demand, they do not account for new renter household formation that was suppressed or forgone because of individuals’ and families’ inability to afford or access rental housing. Given that condominium housing has been the source of most new rental supply but is characterized by the highest average rents among all rental types, it is very possible that many more renter households would have been formed had there been a greater supply of available and affordable rental housing in Toronto.

More recently, Toronto has experienced a noticeable increase in rental housing construction. In 2018, there were 2,567 rental starts and 2,472 rental completions¹¹ - the highest (annual) number of rental starts and completions recorded over the last two decades. However, it is important to place these figures into comparative perspective. For example, in 2018, there were 18,397 condominium starts and 11,816 condo completions, which represented 80.8% and 73.4% of all housing starts and completions in Toronto respectively. In fact, the 18,397 condo starts in 2018 is the second highest annual number of condo starts on record

in Toronto over the last two decades. In other words, despite the uptick in rental construction, condominiums remain the predominant source of new housing supply in Toronto (Figure 25).



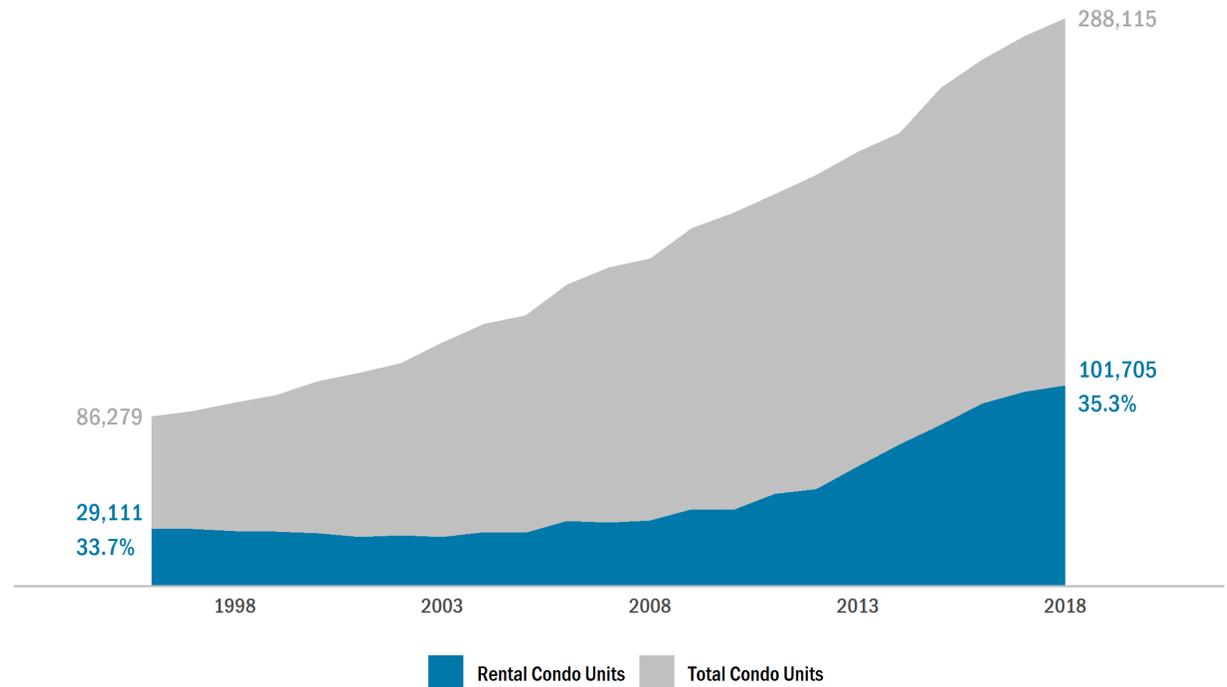
Statistics Canada, 2006 and 2016 Census of Population; Statistics Canada, 2011 National Household Survey, Canada Mortgage and Housing Corporation, Rental Market Survey

Figure 24 Number of Rental Households and Primary Rental Units in Toronto, 2006 to 2016

¹¹ Note that rental starts and completions, as defined and recorded by CMHC’s Starts and Completions Survey, are dwellings constructed for rental purposes (regardless of who finances the structure), meaning they are not necessarily *primary* rental completions. For example, the Survey counts rented single and semi-detached houses as well as non-market rental housing. However, we know that all 2,472 rental completions in 2018 were either primary or non-market rental (as opposed to non-condo secondary rental).

Toronto's increasing reliance on condominiums to deliver rental housing can be problematic. Rented condominiums are not only a less stable form of tenancy (as tenancies can be terminated on the basis that the unit is required for use by the owner), but they can also be readily reverted to ownership housing upon becoming vacant (thereby removing units from the City's rental market altogether). In short, while condominiums are evidently a flexible and often desirable housing option, they are also a much more expensive and potentially less secure form of rental accommodation.

In Toronto the vast majority of new rental supply is being delivered through the condominium rental market.



Source: Canada Mortgage and Housing Corporation

Figure 25 Proportion of Rental Condo Units Out of Total Condo Stock in Toronto, 1996 to 2017

Purpose built rental developments continue to account for a small fraction of the development pipeline

Of the 100,000 residential units completed in the last seven years, only 5,500 units were part of developments intended solely for the primary rental market (Table 8). A further 4,000 units were built with mixed rental and other market types. Of these, 3,303 units were affordable rental built with federal, provincial, and City investments

Of the developments that were active and not yet complete on Jan 31, 2018, there were 8,000 units that were solely intended for the primary

rental market. This accounted for just 6% of total residential units planned. However, of the mixed tenure / market types, there were nearly 23,000 units under active development, a six-fold increase over the units that were completed in this timeframe.

A further 14,000 purpose built rental units and 30,000 purpose built rental mixed with other tenure units were under review as of Jan 31, 2018.

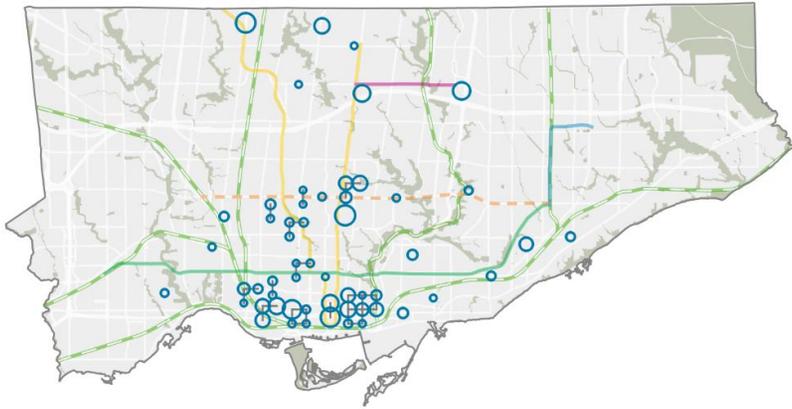
The locations of the built, under construction, and approved units are presented in Figure 26.

Table 8 Toronto Residential Rental Unit Pipeline Jan 1, 2011 to Jan 31, 2018

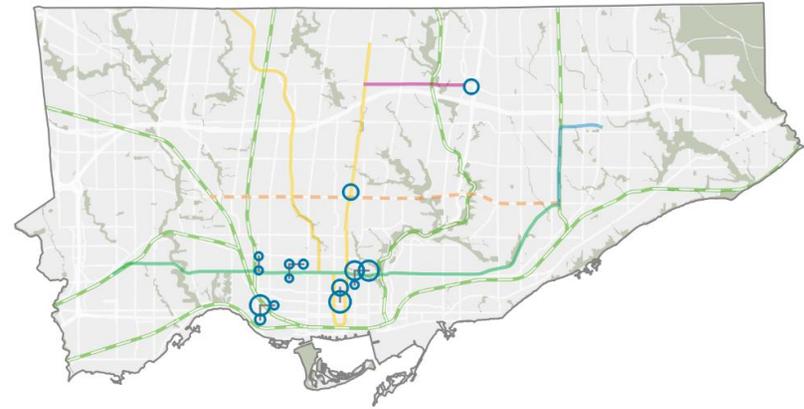
	Completed		Under Review		Active (approved but not completed)		All Proposed Residential Units	
	Units	% Units	Units	% Units	Units	% Units	Units	% Units
All Residential Projects	100,096	100%	164,615	100%	124,049	100%	388,760	100%
Rental Only Tenure	5,566	6%	13,743	8%	7,995	6%	27,304	7%
Mixed Tenure*	4,050	4%	29,656	18%	22,563	18%	56,269	14%
Owner Only Tenure	90,480	90%	121,216	74%	93,491	76%	305,187	79%

*Note: These projects contain a rental component with units in other tenure(s). Some of these projects may be proposing only non-rental units; the rental component may consist exclusively of rental units that pre-existed the proposed development.

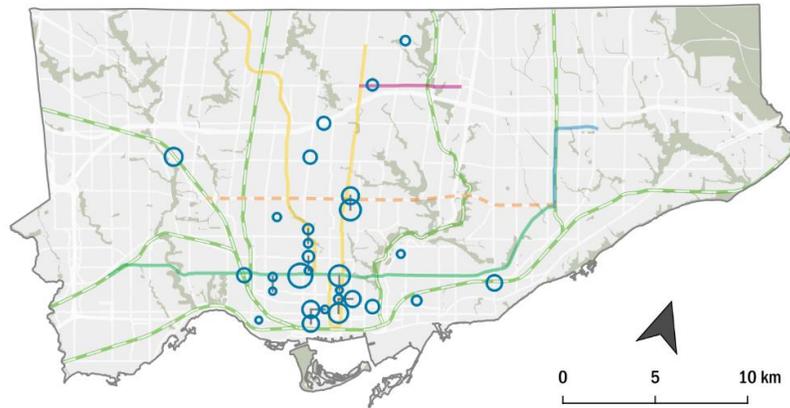
Built Between Jan 1, 2011 and Jan 31, 2018



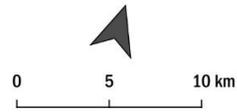
Under Construction, Jan 31, 2018



Approved But Not Started, Jan 31, 2018



-  Rental Tenure Development (size proportional to number of units)
-  Neighbourhood Improvement Area
-  Green Space
-  Eglinton Crosstown (expected completion: 2021)



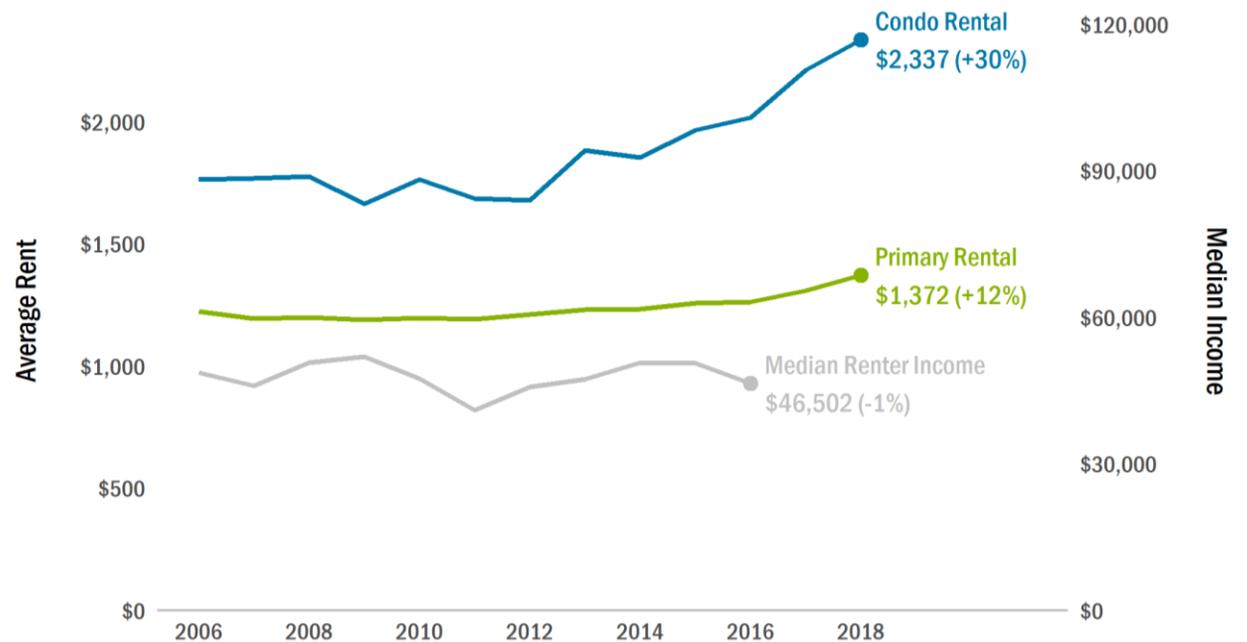
Source: City of Toronto, Planning Division

Figure 26 Pipeline for Rental-Only Tenure Developments

The rental market is becoming more expensive

Rent for condo units surged by 30% from 2006 to 2018 (Figure 27). The cost of rent for purpose built rental units grew faster than the pace of growth of the median renter household income.

Rent for condo units surged by 30% from 2006 to 2018.



Source: Canada Mortgage Housing Corporation, Rental Market Survey; Statistics Canada, Canadian Income Survey 2012-2016, Survey of Labour and Income Dynamics 2006-2011

Figures in 2018 constant dollars; Median income data not available for 2017 and 2018.

Figure 27 Change in Average Rent in Toronto and Median Renter Household Income (before tax), 2006 to 2018

There is a rental housing affordability mismatch for low-income renters in Toronto

One approach to understanding the mismatch between the supply and demand of affordable rental units in Toronto is to calculate a *rental housing affordability mismatch ratio*.¹² This approach uses the CMHC's affordability standard (e.g. shelter cost of less than 30% of pre-tax household income) and considers the potential level of demand for rental units meeting this standard. The rental affordability mismatch ratio calculates the ratio of the number of rental units in a given price range to the number of renter households in income groups for which such units would be considered "affordable" using the affordability standard. A mismatch ratio of less than one (1) indicates that there are fewer affordable units than the number of households in need.

We calculate the mismatch ratio for renter households living in the private (non-subsidized) rental market with pre-tax incomes of less than \$30,000 (which was just under half of the median household income in Toronto in 2016) to understand the mismatch in affordable housing

demand and supply for *low-income* renters in Toronto's rental market. A household with a pre-tax income of \$30,000 could spend no more than \$750 on shelter for a housing unit to be considered "affordable" using the CMHC standard. Therefore, the rental affordability mismatch ratio is calculated as the number of units renting at \$749 or less to the number of renter households with incomes of \$29,999 or less.¹³

On the supply side, there were an estimated 31,265¹⁴ private market rental units in which the resident households paid shelter costs under \$750 as of the 2016 Census. This represented only 7.0% of all occupied units in the private (non-subsidized) rental market. On the demand side, there were an estimated 122,525 renter households with incomes of less than \$30,000 living in the private rental market. This represented more than one quarter (27.5%) of all renter households in the private market. Together, these figures amount to a rental housing affordability mismatch ratio of 0.255, meaning there was roughly one "affordable" unit for every four low-income households (households with incomes of less than \$30,000) in the private rental market.¹⁵

¹² Bogdon, A. S. & Can, A. (1997). Indicators of Local Housing Affordability: Comparative and Spatial Approaches. *Real Estate Economics*, 25 (1), 43-80.

¹³ For simplicity, we assume that all units with rents at or below \$750 would be "affordable" to households with incomes of less than \$30,000, even though there are likely some affordability mismatches within these income and shelter costs groups themselves.

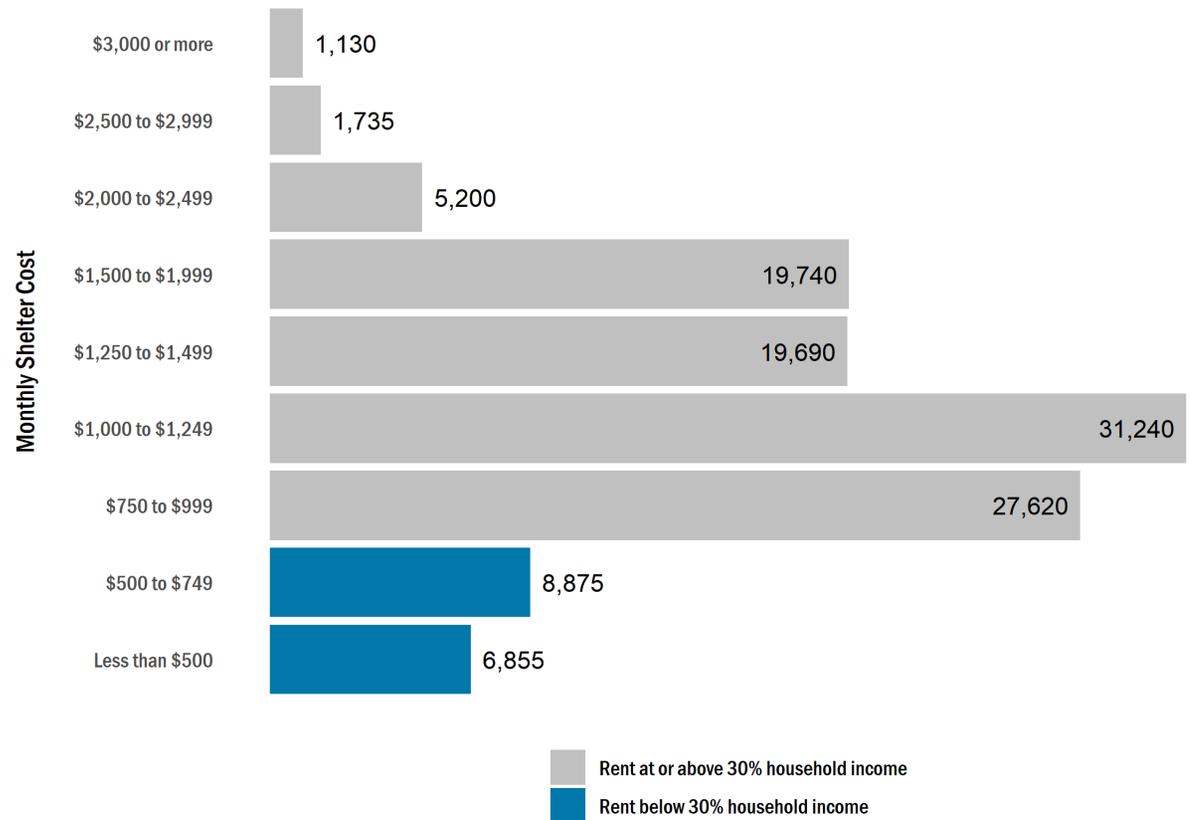
¹⁴ These estimates are based on data that was aggregated up from Census tracts (CTs). Because Statistics Canada rounds CT figures up or down to a multiple of 5 (and in some cases 10) to prevent the possibility of associating data with any identifiable individual, the aggregated totals presented in this section may not add up *exactly* to City-level totals.

¹⁵ Unfortunately, data is not available to calculate affordability mismatch ratios for housing in different sub-markets of the overall housing market.

Low-income households experience severe housing affordability stress

With Toronto’s shortage of low-cost rental housing, most low-income renter households experience housing affordability stress. In 2016, an estimated 87% of renter households living the private rental market with pre-tax incomes of less than \$30,000 were spending more than 30% of their incomes on shelter (Figure 28).

This finding further illustrates the rental housing affordability mismatch in Toronto. While there was only one unit that could be considered “affordable” (using CMHC’s affordability standard) for every four low-income renter households in Toronto’s private rental market (suggesting that about 25% of private rental units were “affordable” to these households), the proportion of low-income renter households who actually *lived* in such “affordable” rental housing was even smaller.



Source: Statistics Canada, 2016 Census of Population

Figure 28 Number of Private Market Renter Households with Pre-tax Household Incomes < \$30,000 by Range of Monthly Shelter Cost, Toronto, 2016

Available rental housing is hard to find

Rental vacancy rates in Toronto have not only followed a downward trend in recent years, but have, in fact, remained consistently low for the better part of the last two decades. A vacancy rate of 3.0% is often considered a 'healthy' rental market, balancing housing choice and demand to maintain investment in rental housing. However, the City of Toronto has maintained a 'healthy' vacancy rate for only six of the last 20 years (2003-2007; 2009). Today, vacancy rates are as low as 1.1% and 0.7% in the primary and condominium rental markets respectively (Figure 29).

The implications of low vacancy rates are well appreciated. Within a rental market as tight as Toronto's, there is greater potential for price increases when units turn over, which can lead to large discrepancies in rents among different segments of the rental market. Similarly, low vacancy rates also mean that landlords can be highly selective with their tenants, potentially opening the door to housing discrimination. All of this can make the housing search particularly dire for more vulnerable and marginalized groups.



Figure 29 Average Rental Vacancy Rates in Toronto, 2006 to 2018

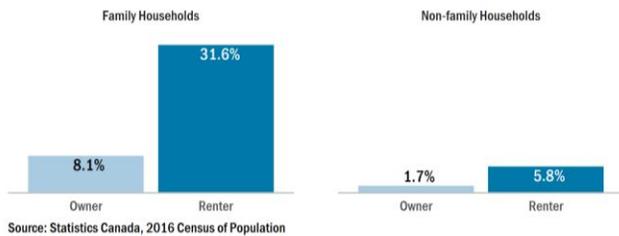


Figure 30 Percentage of Households in Toronto in Unsuitable Housing by Household Type and Tenure, 2016

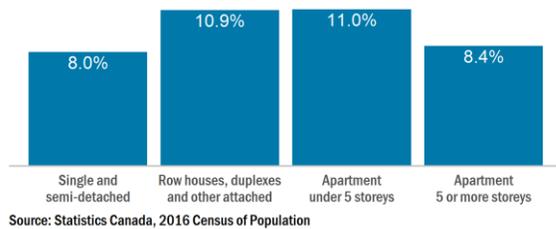


Figure 31 Percentage of Renter-Occupied Dwellings in Toronto Requiring Major Repairs by Dwelling Type, 2016

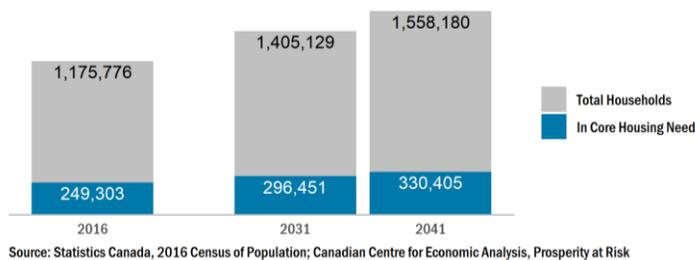


Figure 32 Projected Number of Households (Renters and Owners) in Core Housing Need, 2016 to 2041

Many families are living in unsuitable housing, units in need of major repairs, and core housing need

Unsuitable housing is defined as housing that does not have enough bedrooms for the size and makeup of the resident household. In 2016, renter households were four times more likely than owner households to reside in unsuitable housing if they were a family household and three times more likely to be in unsuitable housing if they were a non-family household (Figure 30). Nearly one in three renter family households were living in unsuitable housing.

Between 8% and 11% of renter-occupied dwelling types required major repairs in 2016 (Figure 31).

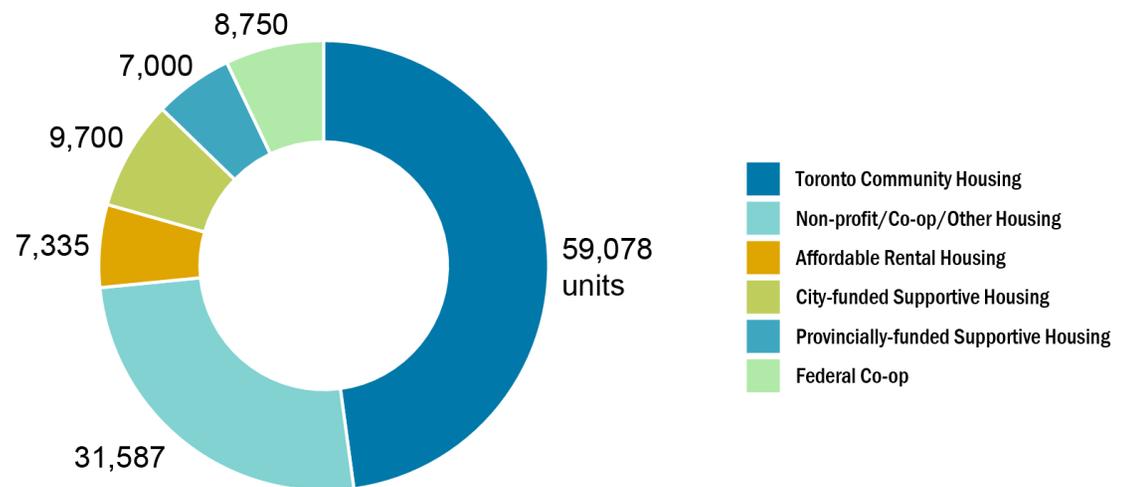
A household was considered to be in core housing need if it did not meet one of the adequacy, affordability, or suitability standards and if they could not afford suitable, adequate housing in the local housing market. Twenty-one percent of all households (both renters and owners) in 2016 were in core housing need. The number of households in core housing need is projected to increase by 80,000 to approximately 330,000 in 2041 (Figure 32).



Social and Affordable Housing

There were an estimated 123,450 social and affordable rental housing units in Toronto in 2018. Due to a patchwork of funding and multiple waitlists, it is difficult to get a precise figure for the social housing universe.

Figure 33 shows that the majority of these belong to Toronto Community Housing's portfolio. These assets include a mix of rent-geared-to-income (30% of gross monthly household earnings before taxes and deductions), affordable, and market rent units.



Source: City of Toronto; Suttor (2016). Taking Stock of Supportive Housing for Mental Health and Addictions in Ontario.

Figure 33 Toronto's Estimated Social and Affordable Rental Housing Stock, 2018

If historical social housing production levels had been maintained, the social housing waitlist would be cut in half

Although Toronto’s social housing stock is not growing today, this was not historically the case. According to data provided by the City’s Affordable Housing Office, Toronto added an average of approximately 13,000 social housing units to its rental housing sector during each 5-year period between 1971 and 1996 (before responsibility for social housing was devolved to the City of Toronto).

Although Canada’s social housing system is the outcome of a series of complex program and policy changes that took place over more than four decades,¹⁶ figure 34 illustrates what Toronto’s non-market (social and affordable) housing stock might look like today had we continued on the 1970s to early 1990s trajectory. Specifically, we illustrate a scenario in which approximately 13,000 non-market housing units had been added to Toronto’s rental sector during each 5-year period since 1996, taking into account recent affordable housing construction activity.

Under this scenario, Toronto would have had 136,300 social housing units in 2016, an additional 45,600 spaces that would have been sufficient to reduce the social housing waitlist by nearly 50%. However, in the absence of new social housing units, the waitlist continues to grow. By 2031, the number of households on the waitlist will exceed the number of occupied spaces by 25% if no new units are created (Figure 35).

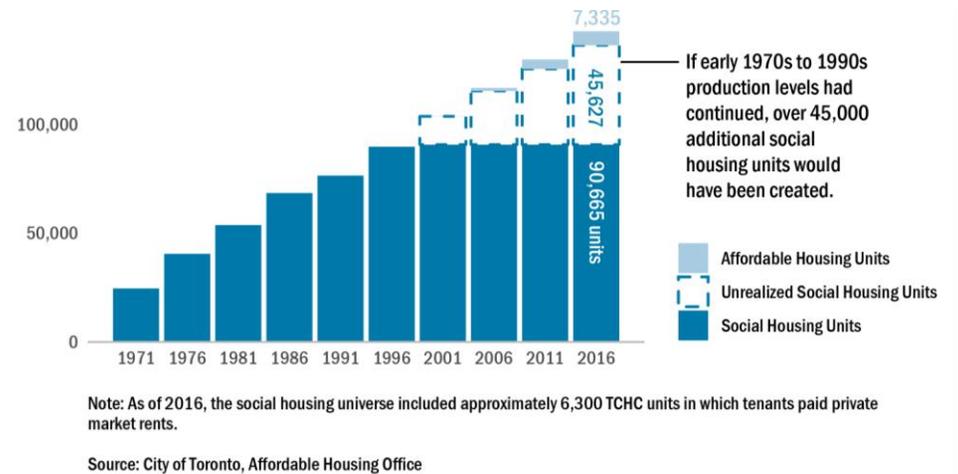


Figure 34 Actual and Scenario Social and Affordable Housing Universe, 1971-2016

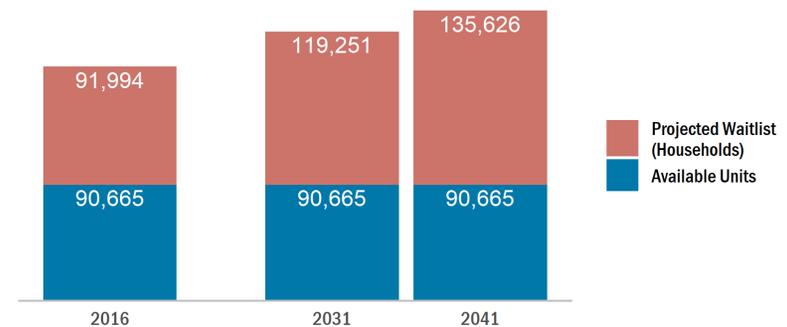


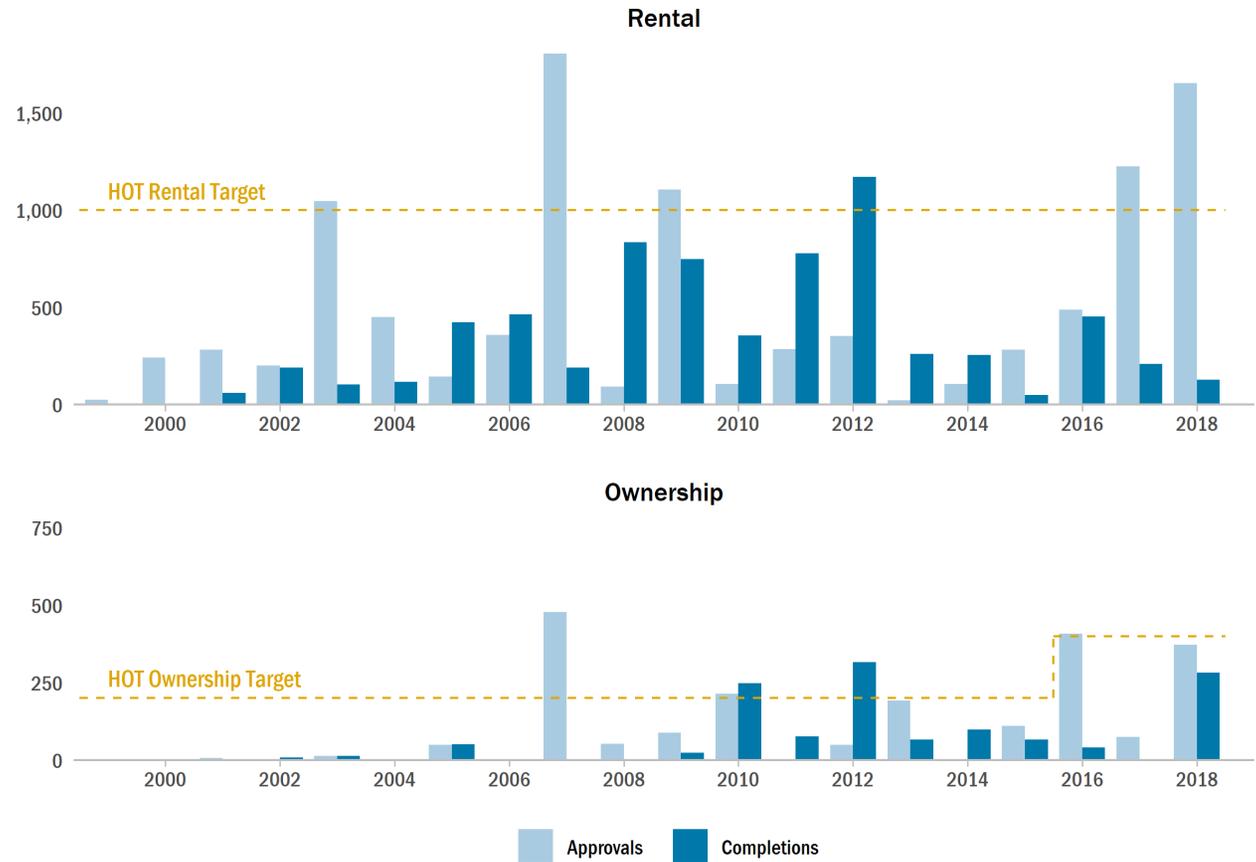
Figure 35 Projected Demand for Social Housing, 2016 to 2041

¹⁶ Suttor, G. (2016). *Still Renovating: A History of Canadian Social Housing Policy*. McGill-Queen’s University Press.

Annual affordable housing rental approvals have exceeded 1,000 units in the past couple of years

In 2017 and 2018 the City of Toronto exceeded the annual HOT (2010 – 2020) and Open Door Affordable Housing Program annual approvals target of 1,000 new affordable rental homes. Actual approvals in 2018 were 1,497 (Figure 36).

The Affordable Housing office projects higher levels of activity from 2019 onwards reflecting completions of developments previously approved, increased federal, provincial and City investments, interest in the Open Door program from the private and non-profit sectors and the City's new Housing Now initiative to activate 11 City/CreateTO sites for new affordable rental homes.¹⁷



Source: City of Toronto, Affordable Housing Office

Figure 36 Affordable Housing Approvals and Completions, 1999 to 2018

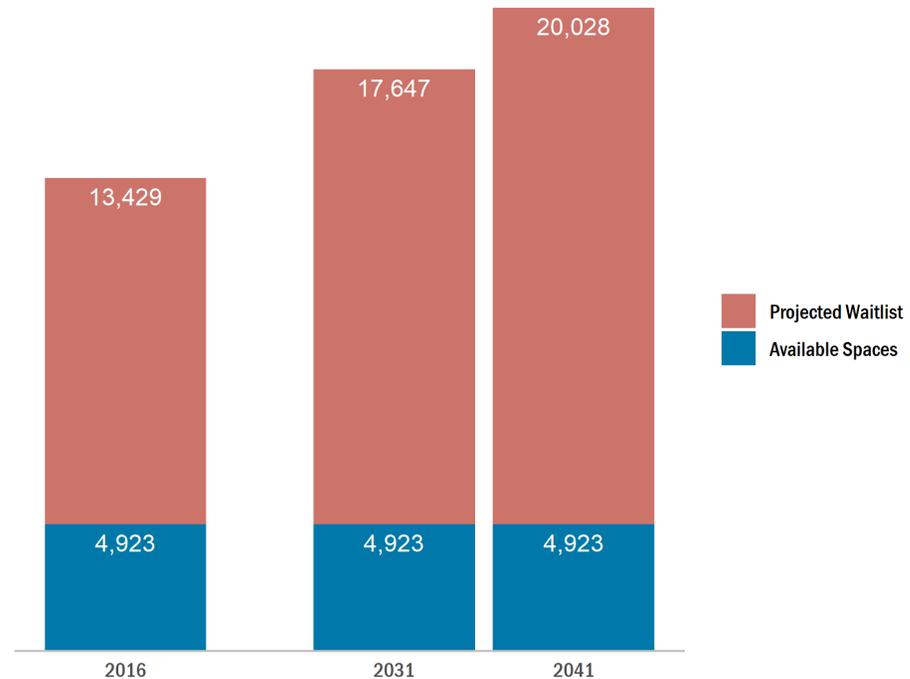
¹⁷ City of Toronto Affordable Housing Office, Budget Notes 2019

The waitlist for mental health and addictions supportive housing is expected to grow by 2031 to 17,800, an increase of 31% over 2016 and more than 3.5 times the 4,923 provincially-funded units

In addition to mental health and addictions supportive housing, the province funds about 2,000 other supportive and assisted living units in Toronto.

The City of Toronto also administers or funds approximately 9,700 alternative housing units that provide a range of permanent and transitional housing with supports for people experiencing homelessness¹⁸. Many of these units are administered with independent waitlists.

Since September 2017, the provincially-funded Home for Good program has been responsible for the creation of programs that supported 1,500 individuals¹⁸.



Source: City of Toronto; Suttor (2016). Taking Stock of Supportive Housing for Mental Health and Addictions in Ontario; Canadian Centre for Economic Analysis, Prosperity at Risk

Figure 37 Projected Demand for Mental Health and Addictions Supportive Housing, 2016 to 2041

¹⁸ City of Toronto, Shelter, Support and Housing Administration

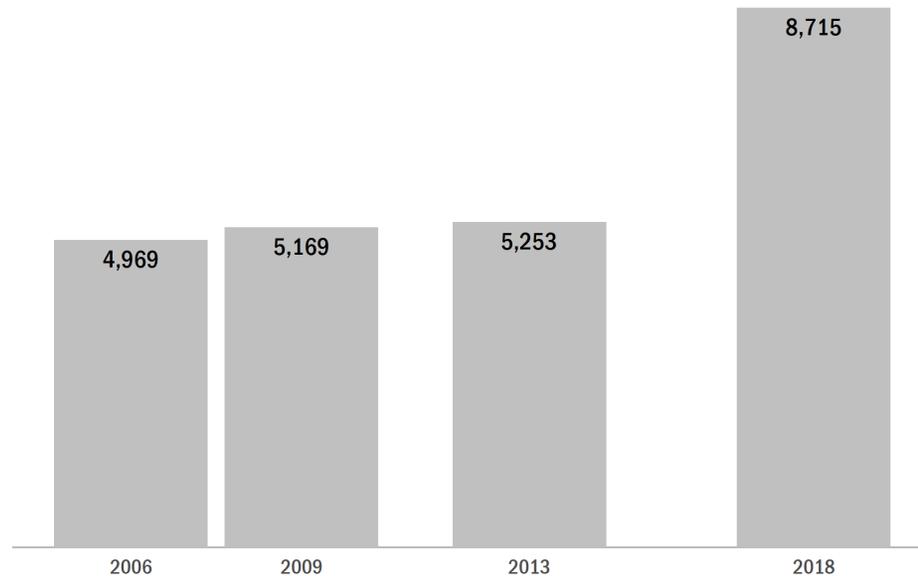
Recent spike in homeless population introduces uncertainty around short-term and long-term trends

8,715 people were estimated to be homeless on any given night in May 2018; 7,518 of them stayed in shelters and respite sites (Figure 38).

The proportion of refugees in the shelter system was 40.8%, four times the proportion in 2016. While the shelter capacity has been expanded in the last 12 months to accommodate additional families, much of it was filled immediately and most shelters continue to operate at capacity (Figure 39 & Table 9).

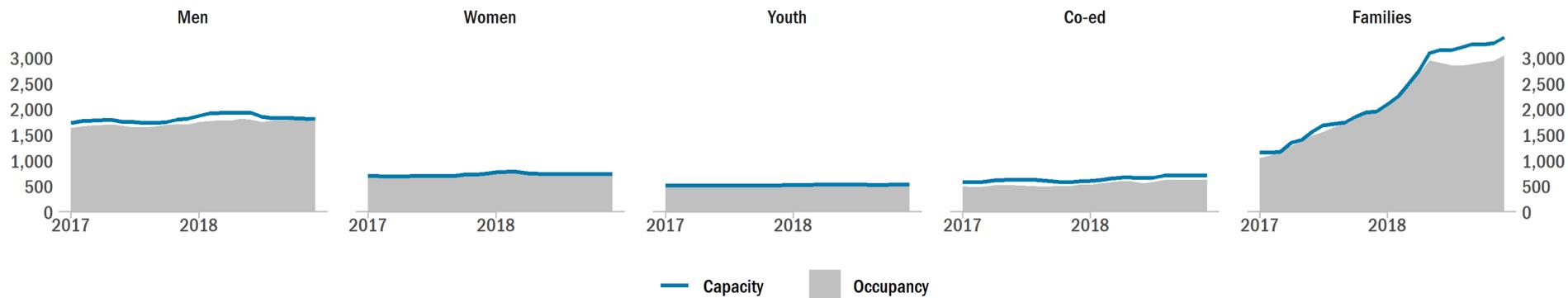
Over half of the shelter capacity is consumed by 15% of shelter residents who have episodic or chronic patterns of use.

The shelter capacity has been expanded in the last 12 months, but much of it was filled immediately and most shelters continue to operate at capacity.



Source: City of Toronto, Shelter, Support & Housing Administration

Figure 38 Estimated Homeless from Street Needs Assessment



Source: City of Toronto, Shelter, Support & Housing Administration

Figure 39 Average Monthly Shelter Capacity and Occupancy in Toronto by Shelter Type

Table 9 Average Monthly Shelter Occupancy in Toronto by Shelter Type

Month	Men		Women		Youth		Co-ed		Families		Total Users
	Users	Capacity	Users	Capacity	Users	Capacity	Users	Capacity	Users	Capacity	
Jan 2017	1,639	94%	659	95%	500	96%	502	86%	1,057	92%	4,356
Jul 2017	1,653	95%	688	97%	499	96%	513	82%	1,553	92%	4,907
Jan 2018	1,752	94%	760	98%	516	98%	537	88%	2,083	99%	5,647
Jul 2018	1,753	95%	729	99%	512	97%	584	87%	2,862	91%	6,440
Dec 2018	1,760	97%	733	98%	519	98%	627	89%	3,047	90%	6,686
Capacity (Dec 2018)	1,813	n/a	748	n/a	528	n/a	706	n/a	3,400	n/a	7,195*

*Does not include 787 spaces in overnight respite sites

Ownership Market

Recent housing construction dominated by condominiums

Condos account for 81.5% of all completions (Table 10). 99.1% of all condo completions between 2007-2017 were in apartment buildings (as opposed to single-, semi-detached, or row houses).

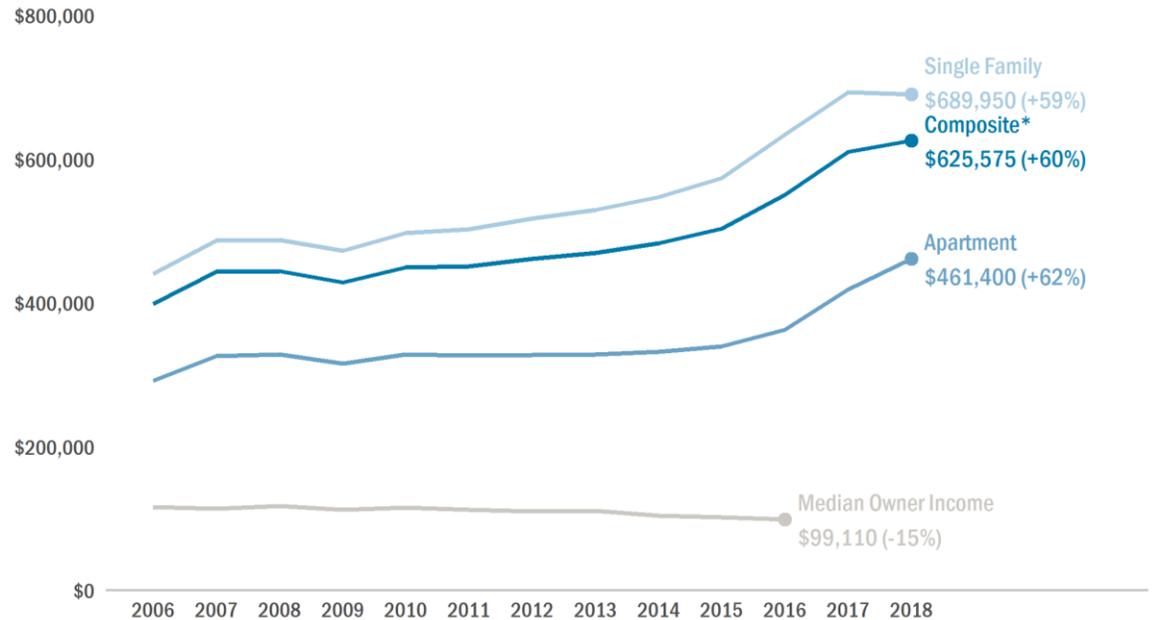
Table 10 Completions by Intended Market

Intended Market	Number of Housing Completions, 2007-2017	% Housing Completions, 2007-2017
Total	161,161	100%
Homeowner (Freehold)	18,119	11.2%
Rental	11,632	7.2%
Condo	131,377	81.5%
Co-Op	33	<0.01%



Ownership housing is becoming more expensive

Average home ownership costs (including condo purchases) are outpacing median household income growth. From 2006 to 2016, median owner household income declined by 15% while average home ownership costs grew 60% in constant dollars between 2006 and 2018 (Figure 40).



Source: MLS Home Price Index, 2006-2017; Canada Mortgage and Housing Corporation, Statistics Canada, Canadian Income Survey 2012-2015, Survey of Labour and Income Dynamics 2006-2011

Figures in 2018 constant dollars. Household income is for the Toronto CMA (data not available for 2017 & 2018).

*Composite home price represents all homes including one and two-storey single family homes, townhouses, and apartments.

Figure 40 Change in Home Prices and Median Owner Household Income (before tax) in the GTA, 2006 to 2018

Data Gaps

Data Required for Strategic Planning

Though significant data exists on the Toronto housing market, there are important gaps which, if filled, can assist in identifying opportunities and risks in support of policies and programs that more effectively target the goals set out in a new Housing Strategy.

Key data gaps identified focus upon rents paid, household mobility, housing stock and social housing usage patterns. Filling these data gaps would require reporting data on dwelling and households at a more granular resolution and providing additional cuts linking household characteristics (e.g. income level, age, composition, etc.) with dwelling characteristics (e.g. neighbourhood, number of bedrooms, tenure, etc.).

Under each section below, metrics and data cuts that could enable the City to gain further insight into the data gaps are suggested as starting points.

Rental Market

More information is needed about what rents households currently pay. Low rental turnover rates and rent controls can slow the rate of increase in rents.

For example, the rent paid by renters that have occupied their units for longer can be considerably lower than the average market rent for similarly sized units. To understand this effect and the magnitude of the

divergence between paid rents and market rents, additional data is required on:

- the rents currently paid by households at the neighbourhood resolution
- the length of time that a given dwelling has been occupied by the same household by tenure type

There is also a lack of information regarding the condo rental segment of the City's housing market. It is often suggested that renting condos on the secondary market is more precarious than renting on the primary market, however data does not currently appear to be available to validate this claim. This is an important gap, considering that the current demand for rental dwellings in Toronto is primarily being met through the secondary rental market, which comprises an increasing share of condo units.

To gain more insight into whether renting a condo is more precarious for households than renting in the purpose-built market, more information is needed on mobility in Toronto, such as:

- the number of times individuals/households have moved within Toronto in a set timeframe by individual/household demographic characteristics
- the length of time that a dwelling has been occupied by the same household by tenure type at the neighbourhood resolution
- reasons for moving and reasons for remaining in a dwelling

Productivity of Housing Stock

There is also a gap in our understanding of how the current housing stock is being used and ways to increase the productivity of underused stock. Information on the occupancy patterns of the current housing stock can help identify policies that will better align the use of the housing stock with the City's priorities.

Data cuts that would be helpful to better assess the productivity of Toronto's housing stock against a given set of priorities include the linking of demographic characteristics of household occupants by tenure to the number of bedrooms by income level and tenure.

Similarly, assessing the productivity of Toronto's Social Housing Stock requires data that connects the demographic characteristics of households with the characteristics of their dwelling type. Such information and data cuts could include:

- Household structure, number of occupants and number of bedrooms by income level
- Inventory, State of Good Repair (SOGR), and characteristics or residents for TCHC and non-profit housing providers

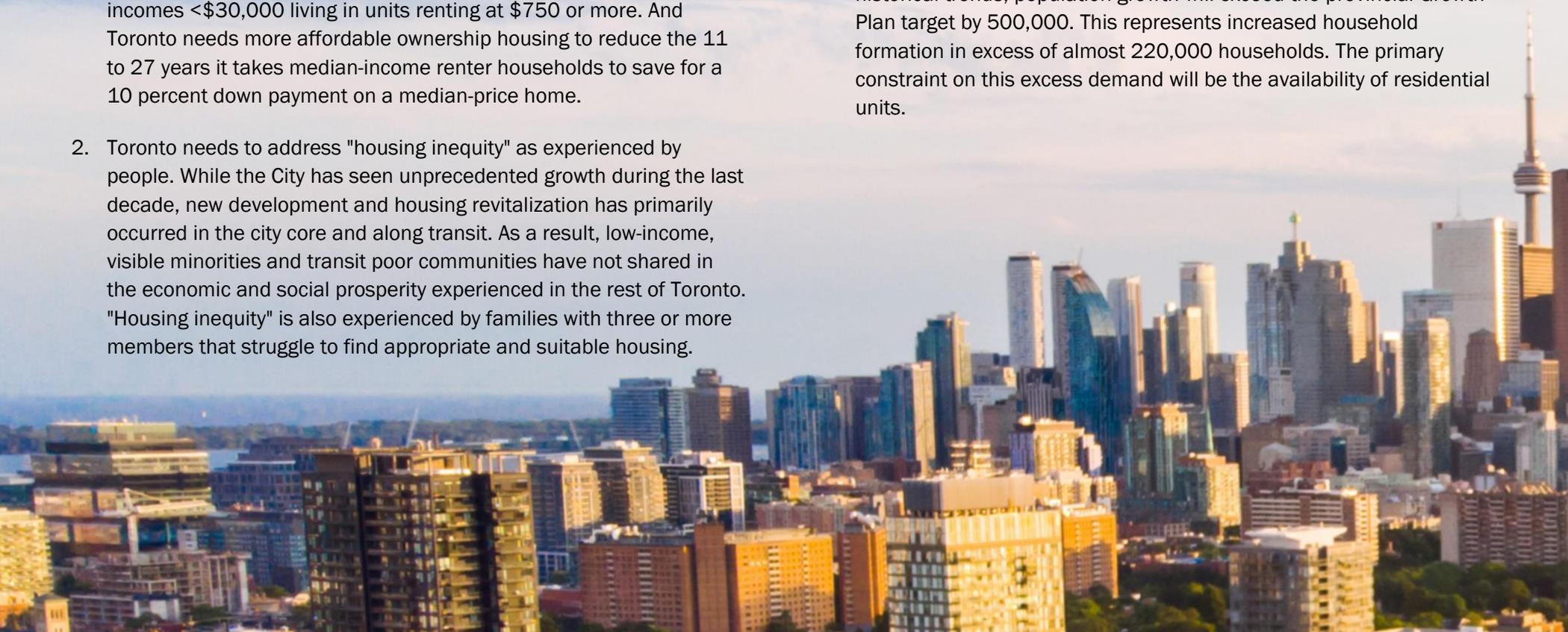
Conclusions

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 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 stuck in shelters, hospitals or correctional institutions; rooming 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 <\$30,000 living in units renting at \$750 or more. And Toronto needs more affordable ownership housing to reduce the 11 to 27 years it takes median-income renter households to save for a 10 percent down payment on a median-price home.
2. Toronto needs to address "housing inequity" as experienced by people. While the City has seen unprecedented growth during the last decade, new development and housing revitalization has primarily occurred in the city core and along transit. As a result, low-income, visible minorities and transit poor communities have not shared in the economic and social prosperity experienced in the rest of Toronto. "Housing inequity" is also experienced by families with three or more members that struggle to find appropriate and suitable housing.

These situations of under housing result in overcrowding and unsafe conditions for residents. 31.6% of renter family households 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 failure.

3. Toronto needs more supply of both market and affordable rental housing. Accelerated population growth results in an increased need for housing. If interprovincial and interregional migration rates as well as international immigrant settlement patterns continue at recent historical trends, population growth will exceed the provincial Growth Plan target by 500,000. This represents increased household formation in excess of almost 220,000 households. The primary constraint on this excess demand will be the availability of residential units.



The non-condominium secondary rental market (single and semi-detached houses) is currently the source of most 3-bedroom+ units. Housing suitability indicators in Toronto suggest that there is an undersupply of larger units for family households.

Currently there is roughly one “affordable” unit for every four low-income households (households with incomes of less than \$30,000) in the private rental market in Toronto. There were an estimated 122,525 renter households with incomes of less than \$30,000 living in the private rental market. To move this ratio to one affordable unit for every two low-income households would require about 30,000 new affordable rental units (rent less than \$750/month).

4. Toronto needs to collect better data to inform future policies and programs. Though significant data exists on the Toronto housing market, there are important gaps which, if filled, can assist in identifying opportunities and risks in support of policies and programs that more effectively target the goals set out in a new Housing Strategy.

Key data gaps identified in this report focus upon rents paid, household mobility, housing stock and social housing usage patterns. Filling these data gaps would require reporting data on dwelling and households at a more granular resolution and providing additional cuts linking household characteristics (e.g. income level, age, composition, etc.) with dwelling characteristics (e.g. neighbourhood, number of bedrooms, tenure, etc.).

While this report has focused mainly on Toronto, it is important to recognize that Toronto's housing market operates within the larger Greater Toronto and Hamilton region. As a result, it is recommended that the development of the new Housing Strategy adopt a regional lens.

Glossary

Affordable Housing

Affordable Rental Housing, in this report, refers to government-subsidized housing in which rents are set at a fixed percentage of the Average Market Rent (AMR) for the City of Toronto, as reported annually by Canada Mortgage and Housing Corporation (CMHC). Under affordable housing programs (e.g. Investment in Affordable Housing or IAH), rents are determined in relation to rents paid in the primary (private) rental market. This contrasts with Rent-Geared-to-Income (RGI) social housing, where rents are set at a fixed percentage of gross household income.

Affordable Ownership Housing refers to government-subsidized down payment assistance to renter households who have incomes below a pre-determined threshold and are purchasing their first and only owner-occupied dwelling.

It should be noted that the City of Toronto Official Plan (OP) has slightly different definitions of affordable housing. The OP defines affordable rental housing as housing where the total monthly shelter cost (rent and utilities) is at or below one times the AMR for the City of Toronto by unit size. The OP defines affordable ownership housing as housing where the total monthly shelter cost (mortgage principal, interest, and monthly property tax expenses) equals the AMR for the City of Toronto by unit size. All affordable housing referenced in this report meets the OP definitions, although not all housing defined as affordable by the OP meets the definitions used in this report.

Census Metropolitan Area (CMA) refers to one or more municipalities that are situated around a core population of at least 50,000 and together comprise an overall population of at least 100,000. To be included in a CMA, adjacent municipalities must be economically and socially

integrated with the core, as determined by Statistics Canada using commuting flows. As of the 2016 Census, there were 35 CMAs in Canada.

Condominium Rental Housing refers to housing that forms part of a condominium development and is currently occupied or listed for rental purposes.

Core Housing Need refers to households whose housing falls below at least one of CMHC's housing standards (*adequacy, affordability or suitability*) and would have to spend 30% or more of its total before-tax income to pay the median rent of alternative local housing that meets all three standards. CMHC's housing standards are defined as follows:

- *Adequacy* is housing that does not require major repairs, as reported by the resident household.
- *Affordability* is housing with shelter costs (average monthly total of all shelter expenses) that amount to less than 30% of a household's pre-tax income.
- *Suitability* is housing that does not have enough bedrooms for the size and composition of the resident household, as determined by the National Occupancy Standard (NOS).

Development Pipeline refers to all development projects in the City of Toronto that have been active over the last five years. A development is considered active if it is at any stage of the approvals and development processes, including: applications submission, review, approval, Building Permit application, Building Permit issuance, construction, occupancy, and completion.

Economic Family refers to two or more persons who live in the same dwelling and are related to each other by blood, marriage, common-law union, adoption or a foster relationship. Two families who are related to one another and live in the same dwelling are considered one economic family.

Greater Toronto Area (GTA) refers to the area encompassing the Census divisions of Toronto, Durham, Halton, Peel, York, Dufferin, and Simcoe. The GTA is different from the Toronto Census Metropolitan Area (CMA) and includes municipalities from both the Toronto and Oshawa CMAs.

Interprovincial Migration refers to residents who moved to Toronto from a different province or territory within one (1) or five (5) years before the date they were enumerated for the 2016 Census.

Intraprovincial Migration refers to residents who moved to Toronto from a different city, town, township, village, municipality or reserve in Ontario within one (1) or five (5) years before the date they were enumerated for the 2016 Census.

Long-term Care refers to accommodation in which residents receive 24-hour care and services, including nursing and personal care, behavioural support programs, medical services, recreational programs, dietetics and food services, laundry services, social work, spiritual and religious care, housekeeping services, maintenance, trust and administrative services.

Low Income Cut-Offs – After Tax (LICO-AT) refers to income thresholds below which economic families or persons not in economic families will likely devote a larger share of their after-tax income than average to the necessities of food, shelter, and clothing. In particular, the thresholds represent income thresholds at which economic families or persons not in economic families are expected to spend 20% or more of their after-tax

income than average on food, shelter, and clothing. LICO-AT has 35 cut-offs that vary by family size (to account for economies of scale) and size of area of residence (to account for potential differences in cost of living in communities of different sizes).

Low Income Measure-After Tax (LIM-AT) refers to an income threshold equivalent to half (50%) of the median household after-tax income of the population. The household after-tax income is adjusted by family size (to account for economies of scale). All persons in a household whose adjusted household after-tax income falls below half of the median-adjusted income are considered to be low income. Whereas LICO-AT is based on a given pattern of spending on food, shelter, and clothing of an average family (making implicit assumptions about propensities to consume), LIM-AT can be viewed as a purely *relative* low income measure that reflects a contemporary standard of living (i.e. assumptions are explicit).¹⁹ Unlike LICO-AT, LIM-AT is not adjusted for the size of area of residence and therefore does not account for geographic differences in the cost of living.

Non-Condo Secondary Rental Housing refers to rental housing that is neither primary rental nor condominium rental housing. Non-condo secondary rental housing encompasses rented single- and semi-detached houses, duplexes, accessory apartments (separate housing units located within the structure of another housing type, e.g. basement suites), and units that are part of a commercial, row house, or other type of structure with fewer than three (3) units. Non-condo secondary rental also includes social and affordable rental housing.

Primary Rental Market refers to rental housing units in privately initiated, purpose-built apartment and row house structures of three (3) units or more. Primary rental housing is commonly referred to as ‘purpose-built’

¹⁹ Zhang, X (2010). *Low Income Measurement in Canada: What do Different Lines and Indexes Tell Us?* (Income Research Paper Series) Ottawa, ON: Statistics Canada, Income Statistics Division.

rental housing because it is constructed purposively and expressly as long-term rental accommodation. It should be noted that the City of Toronto sometimes uses the term ‘purpose-built’ to describe affordable rental and social housing, as both also operate as long-term rental accommodation. This usage should not be confused with the term ‘primary rental housing’ (as defined by CMHC and used in this report), which is restricted to *privately initiated* rental housing. Technically, affordable and social rental housing form part of the secondary rental market.

Rent-Geared-to-Income (RGI) refers to a system of public subsidy in which rents in designated social housing units are set at a fixed percentage (approximately 30%) of gross household income. RGI is specifically targeted toward low-income renter households and eligibility is determined on the basis of income and/or need. Housing programs that produced RGI units were terminated in the 1990s; today, most new subsidized rental housing is affordable rental housing – that is, housing in which rents are set according to rents prevailing in the private market (rather than the incomes of households).

Secondary Rental Market refers to all housing that is currently occupied and/or listed for rental purposes but is not primary rental housing. In contrast to primary rental housing, secondary rental housing is often initially constructed for owner occupation and then rented out at a later date to accommodate demand that is not met through the primary rental market. Exceptions to this include affordable rental and social housing, which are technically part of the secondary rental market. Secondary

rental housing can be sub-divided into condominium rental and non-condo secondary rental housing.

Social Housing refers to rental housing units that are owned and operated by a government or non-profit corporation on a non-market basis (e.g. in terms of rents) and are funded under government programs with comprehensive funding or financing arrangements. Social housing includes Rent-Geared-to-Income (RGI) and market-rent social housing.

Supportive Housing refers to accommodation in which residents receive intermittent 24-hour support and an on-site Registered Practical Nurse. Services include personal care, light housekeeping, laundry, medication reminders, security checks, and light meal preparation.

Unit Size refers to the size of a rental housing unit, as indicated by the number of bedrooms. Unit sizes include Bachelor, 1-Bedroom, 1+Den, 2-Bedroom, 2+Den, and 3-Bedroom+ units.

Unsuitable Housing refers to housing that does not have enough bedrooms for the size and composition of the resident household, as determined by the National Occupancy Standard (NOS).

Vulnerable refers to “the result of interaction between the challenges a person faces and the resources that they can access when facing those challenges. A vulnerable resident must be assessed in context - a person's vulnerability or resiliency will depend on their circumstances, environment and resources in the broadest sense. Vulnerable persons may be isolated, without identified supports, reclusive, have underlying medical problems and/or mental health issues posing a threat of harm to themselves and/or others.”²⁰

²⁰ Toronto Community Housing (2014, Dec 16). *Vulnerability Definition Policy and Vulnerability Operational Guideline*. Toronto, ON: Toronto Community Housing. Retrieved from <https://www.torontohousing.ca/about/Documents/Board%20Approved%20Policy%20-%20Definition%20of%20Vulnerability%20-%20Dec%2016%202014.pdf>