

Attachment 2

Affordable Housing Strategy: The Current State of Housing in the City of Guelph

Prepared by
City of Guelph
(October 2015)

Executive Summary

This **State of Housing** report presents the results of **Phase 2** of the **Affordable Housing Strategy**. It presents a statistical analysis of demographic, economic and housing data for Guelph, and identifies three key issues where improvements can be made to advance the City's targets for affordable rental and ownership housing, as outlined in the Official Plan Update (Official Plan Amendment 48), 2012.

The primary focus of the Affordable Housing Strategy is on **private market housing for low and moderate income households**. In Guelph, private market housing represents 95% of the current housing supply (over 50,000 units).

The 10-year Housing and Homelessness Plan (HHP) for Guelph and Wellington County – A Place to Call Home, 2013 - produced by the Service Manager (County of Wellington) in collaboration with the City and other community providers, outlines the community's plan for non-market housing. The City recognizes the continued lead role of the Service Manager in implementing the 10-year HHP. The City's Affordable Housing Strategy is meant to complement the HHP, by ensuring that, where appropriate, complementary and value-added strategies are developed.

The City's Affordable Housing Strategy will focus on policy drivers, tools and incentives available to the City, in its role as the local land use planning authority. It will also assist Council in responding to affordable housing funding opportunities and the City's potential role in funding or incenting affordable housing projects, for example by using the City's Affordable Housing Reserve (AHR). The opportunity to integrate recommended actions with existing policies and processes, including other funding sources, growth management monitoring and other monitoring processes, will also be explored.

What is Affordable Housing?

The term "affordable housing" is often used interchangeably with "social housing." However, social (government subsidized) housing is just one category of affordable housing. Affordable housing is a much broader term that includes housing provided by the private, public and not-for-profit sectors, as well as all forms of housing tenure.

The City's Official Plan defines affordable housing according to the Provincial Policy Statement, 2014 and Provincial Growth Plan, 2006 definitions, as follows:

- a) In the case of **ownership housing**, the least expensive of:
 - i. Housing for which the purchase price results in annual accommodation costs which do not exceed 30% of gross annual household income for low and moderate income households; or
 - ii. Housing for which the purchase price is at least 10% below the average price of a resale unit in the regional market area.

- b) In the case of **rental housing**, the least expensive of:
- i. A unit for which the rent does not exceed 30% of gross annual household income for low and moderate income rental households; or
 - ii. A unit for which the rent is at or below the average market rent of a unit in the regional market area.

Summary of Data Findings

Economic and Demographic Factors that Influence Housing Demand

- **High household growth** – The population of Guelph is growing, which will contribute to strong household formation and housing demand. The number of households in Guelph is projected to rise 48% between 2011 and 2031.
- **Aging population** - The population is aging, and there is an increasing desire among seniors to “age in place”. The increase in the proportion of seniors in the community will increase the demand for adaptable and accessible, multiple-unit housing. Affordability for seniors living on fixed incomes will also be a factor.
- **Immigration** – Immigration is expected to be a strong contributor of population growth in the Greater Golden Horseshoe area, which includes Guelph. Recent immigrants will increase the demand for rental accommodations.
- **People on the move** - Between 2006 and 2011, over 27,000 individuals changed houses within Guelph. In addition, 20,000 individuals moved to Guelph from other places. The majority of these new residents are intra-provincial migrants (i.e. moved to Guelph from other municipalities in Ontario).
- **Low unemployment** – Guelph has consistently outperformed the provincial average on a range of labour force indicators (i.e. participation rate, employment rate, etc.) over the past decade. Guelph typically holds one of the lowest unemployment rates in Ontario. When unemployment rates are low, more people are typically able to afford a house.
- **Many commuters** - The cost of housing is a determining factor in where a worker chooses to live. In 2011, about 25,000 workers commuted to positions located in Guelph, while roughly 15,000 Guelph residents travelled to jobs located outside the City. All told, Guelph residents held 61% of jobs located in the City of Guelph. The majority of external workers come from Waterloo Region and Wellington County.
- **Earnings** - In 2014, half of Guelph’s labour force earned less than \$23 per hour, which equates to an annualized full-time salary of approximately \$43,000 per year. Households whose primary income source is derived from

earnings in low paying industries and occupations tend to require affordable housing options.

- **Household Income** – Average household incomes in Guelph are slightly below the provincial average. In general, tenant households have lower incomes than homeowners.

Household Characteristics

- **Shrinking household size** - At present, the average household size in Guelph is 2.5 individuals. The average size of households has been declining for over 20 years, and this trend is expected to continue. In Guelph, the share of one person households has increased, while the proportion of three or more person households has declined.
- **More one person households** - Individuals living alone have been the fastest growing household type in Guelph over the past 15 years. They currently comprise over one-quarter of all household types, and the largest share (43%) of all renter household types.
- **Seniors living alone** – Seniors make up the largest segment (37%) of all one person households. Many of these seniors are living on fixed incomes, and will require affordable housing options. The median household income for this group (\$32,379) is the lowest of all household types.
- **Age of homeowners** - Three-quarters of primary household maintainers above the age of 35 own their home, and homeownership rates remain high throughout the senior years.
- **Preferred structure type** - In general, renter households tend to occupy apartment structures while a majority of ownership households occupy single detached dwellings. Occupancy levels reflect the nature of the rental and ownership housing stock available.

Housing Supply

- **Composition of housing stock** - While there has been an increase in the number of new apartments and townhouse units being constructed in recent years, Guelph's housing stock is predominantly comprised of low density housing.
- **Condominium conversions** - Demolitions and rental conversions are not resulting in a significant loss of total rental housing stock.
- **Low vacancy rate** - The vacancy rate for Guelph's primary rental market is currently 0.6% (April 2015), well below the balanced and healthy benchmark of 3%.

- **Increasing rental rates** – Between 2011 and 2014, the private market rental rates for Guelph increased 8%, above the Consumer Price Index (CPI) rate of inflation for Ontario of 5% during this time period.
- **Secondary rental market** – 45% of Guelph’s rental units are in the secondary market, and are considered to be temporary. One-quarter of all accessory apartments are not rented.
- **Rising house prices** – The average resale price of a home was \$327,062 in 2013 – up 25% since 2009, well above the CPI for Ontario of 8% during this time period.
- **Non-market housing** – Non-market housing represents 4% of the total housing stock in Guelph. The City currently supports non-market housing by providing funding support to the Service Manager, as well as through its historic use of Affordable Housing Reserve funds to incent the development of affordable housing units.

Housing Affordability, Adequacy and Suitability

- **Affordability challenges** – One-quarter of Guelph’s households spent above the affordability threshold for housing in 2011. Renters are more likely than homeowners to have affordability challenges.
- **Lack of small housing units** - There is a shortfall of bachelor and one bedroom units, and an abundant supply of dwelling types consisting of three or more bedrooms. The projected rise in the number of one person households will further increase the demand for small units.
- **In good conditions** - Over 90% of the housing stock is in good condition, requiring only regular maintenance and minor repairs.
- **Households in core housing need** - 11% of all Guelph households were living in core housing need in 2011. The incidence is highest among renters, lone parent households, and one person households.

The Updated Affordable Housing Benchmarks

The updated affordability targets for 2013 are:

- **Ownership - \$294,000 per dwelling**
- **Rental - \$944 per month**

These benchmarks were derived using market based calculations, as the rates are lower than income based ones. The calculations are detailed in the report.

The City is currently exceeding its affordable homeownership target to provide 27% of new units below the benchmark price, but is not meeting the affordable rental target of 3%.

Problem Statement

The range of housing options available in Guelph is not fully meeting the affordability needs of low and moderate income households.

Over half of all households in Guelph cannot afford housing at the affordable benchmark amounts.

Renter households with annual incomes at or below the 30th income percentile have very limited housing options in the private market. In Guelph, this represents about 4,300 renter households with incomes below \$23,000 (some of whom would be living in non-market housing). These households are unable to afford a bachelor unit, with an average market rental rate of \$654 per month. Affordable options for these households include: government subsidized housing, shared accommodations, rooming houses, or lower cost accessory apartments. When these options are not available, low income tenant households may be at risk of becoming homeless due to an inability to pay market rent.

Tenant households with incomes between the 30th and 60th income percentiles may be able to afford to rent units in the private market. However, they most likely do not have the financial means to rent a "suitable" unit (i.e. a unit that has enough bedrooms for the size and make-up of the household). In Guelph, there are approximately 5,700 renter households with incomes in this range (between \$23,000 and \$46,000). These households are able to afford a bachelor unit, and some one and two bedroom units in the private market.

With respect to ownership, households with incomes between \$45,000 and \$89,000 (i.e. 30th and 60th income percentile for all households) may be able to afford to enter the ownership market. In Guelph, there are about 19,000 households with annual incomes in this range. These households can afford to purchase apartments and some townhouse and semi-detached units.

Key Issues

- Issue 1: There are not enough small units to rent or buy to meet the affordability needs of all smaller households.**
- Issue 2: A lack of available primary rental supply makes it difficult for people to find affordable rental housing.**
- Issue 3: The secondary rental market provides choice of affordable dwelling types but the supply is not as secure as the primary rental market.**

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1. Introduction

Where you live impacts how you live. Having an appropriate, safe and affordable place to call home contributes to all aspects of individual development. It promotes positive health outcomes, supports strong educational and economic achievement, encourages social inclusion, and helps to reduce poverty and homelessness. All of which are essential to maintaining community health and wellbeing.

The provision of a full range of housing options to meet the changing needs of the population is a fundamental component of the City of Guelph's (City) sustainable community vision. One of the key priorities of the City's Corporate Strategic Plan (2012-2016) is, "to ensure a well-designed, safe, inclusive, appealing and sustainable City." Accordingly, the City has undertaken the development of an Affordable Housing Strategy. The primary focus of this strategy is on private market housing for low and moderate income households.

This **State of Housing** report presents the results of **Phase 2** of the **Affordable Housing Strategy**. It presents a statistical analysis of demographic, economic and housing data for Guelph, and identifies three key issues where improvements can be made to advance the City's targets for affordable rental and ownership housing, as outlined in the Official Plan Update (Official Plan Amendment 48), 2012.

1.1 How To Read This Report

The information in this report has been organized into 11 sections, as follows:

1. **Introduction** – sets out the purpose and context of this report, and includes important background information about the sources of data used in this analysis.
2. **Affordable Housing Strategy Background** - provides an overview of the purpose, scope, approach and timeline for the development of the Affordable Housing Strategy.
3. **Defining Affordable Housing** – clarifies what the term "affordable housing" means, including how much an affordable unit would cost to rent or buy in the private market place.
4. **Demographic and Economic Factors Influencing Housing Demand** – presents Guelph's current and forecasted population, with a focus on key demographic and economic characteristics that influence the need for and supply of affordable housing.
5. **Household Characteristics** – explores the size and composition of households by structure type, tenure, and age of the primary household maintainer.

6. **Housing Supply** – describes the supply and make-up of both rental and ownership housing in the current private market place. Also includes some background information on non-market housing, which is primarily administered by the local Service Manager (County of Wellington).
7. **Housing Affordability, Suitability and Adequacy** – examines three vital indicators of community wellbeing individually- housing affordability, suitability and adequacy – and then as a combined indicator of core housing need.
8. **Updating the Affordable Housing Benchmarks** – describes how the housing affordability benchmarks were set, how these benchmarks have changed over time, and how the benchmarks compare to market prices and local household incomes.
9. **Achieving the Official Plan Amendment 48 Affordable Housing Targets** – outlines how the City has performed against the affordable housing targets in the Official Plan Update (OPA 48) to date.
10. **Findings and Conclusions** – describes three key issues about housing affordability that will guide the deliberations in the following phases of the Affordable Housing Strategy.
11. **References and Appendices** – includes supplementary information, such as a glossary of key housing terms, references, methodological and survey details, and technical data used to determine the housing affordability thresholds.

1.2 Data Sources and Limitations

This report presents a compilation of available demographic, socio-economic and housing market data about Guelph. The primary sources of data for this report include: Canada Mortgage and Housing Corporation (CMHC), City of Guelph, County of Wellington, EMSI (Economic Modeling Specialists Intl.), Municipal Property Assessment Corporation (MPAC), and Statistics Canada's Census of the Population, National Household Survey (NHS), and Labour Force Survey (LFS). For a detailed list of definitions and data sources, please refer to the References.

It is important to note that data from the 2011 NHS is of lower quality than the mandatory long-form Census it replaced, and some of the results show different trends than those derived from other surveys and administrative data. Consequently, data from the NHS has only been used when higher quality data is not available. In addition, due to changes in the collection methodology, the NHS data is not comparable to the Census-based estimates produced in the past, and this has limited the historical trending and analysis possible. In such instances, information for Ontario has been included for comparison purposes.

Where possible, data has been presented for the Guelph Census Subdivision (CSD population 121,688 in 2011) which aligns with the boundary for the City of Guelph. In some instances, data was only available for the Guelph CMA (Census Metropolitan Area), which includes the City of Guelph, the Township of Guelph/Eramosa and the Township of Puslinch (CMA population of 141,097 in 2011). The figures and tables cite where data represents the Guelph CMA. Where Guelph is stated alone, the data is for the Guelph CSD (City of Guelph).

2. Affordable Housing Strategy Background

The Affordable Housing Strategy is intended to address municipal requirements under the Provincial Policy Statement, 2014 and the Provincial Growth Plan, 2006. It builds on the City's Official Plan Update (OPA 48, currently under appeal to the Ontario Municipal Board), which establishes a framework for planning for a range of housing types and densities, through appropriate land use designations and supporting policies.

The Affordable Housing Strategy will provide further clarity around affordability issues and concrete recommendations regarding how to advance the Official Plan affordable housing target that 30% of all new residential units constructed be affordable. This target is broken down into an annual target of 27% ownership housing and 3% rental housing. While not part of the annual affordable housing target, the creation of 90 accessory apartments per year is also encouraged.

The Affordable Housing Strategy will focus on policy drivers, tools and incentives available to the City, in its role as the local land use planning authority. It will also assist Council in responding to affordable housing funding opportunities and the City's potential role in funding or incenting affordable housing projects, for example by using the City's Affordable Housing Reserve (AHR). The opportunity to integrate recommended actions with existing policies and processes, including other funding sources, growth management monitoring and other monitoring processes, will also be explored.

2.1 Scope

The current housing supply in Guelph consists of approximately 53,000 housing units – 96% of which are private market units and 4% of which are non-market units (MPAC, December 2013). As illustrated in Figure 1 – The Affordable Housing Continuum - the private market includes both private rental and homeownership. Non-market housing consists of emergency shelters, transitional housing, supportive housing, social housing and subsidized rental housing, and is generally administered by other levels of government.¹

¹ In accordance with the Housing Services Act, 2011, the County of Wellington is the Consolidated Municipal Service Manager (Service Manager) for Guelph, and as such,

The primary focus of the Affordable Housing Strategy is on **private market housing for low and moderate income households.**² The 10-year Housing and Homelessness Plan (HHP) for Guelph and Wellington County – A Place to Call Home, 2013 - produced by the Service Manager (County of Wellington) in collaboration with the City and other community providers, outlines the community’s plan for non-market housing. The City recognizes the continued lead role of the Service Manager in implementing the 10-year HHP. The City’s Affordable Housing Strategy is meant to complement the HHP, by ensuring that, where appropriate, complementary and value-added strategies are developed.

Figure 1 – The Affordable Housing Continuum



Source: Ministry of Municipal Affairs and Housing, 2011

administers provincially legislated social services for residents of both the City of Guelph and Wellington County. The City of Guelph is a funder of provincially mandated housing and homelessness services, administered by the County.

² Households with an annual gross income at or below the 60th income percentile for the regional market area are considered to be low and moderate income households.

2.2 Approach

The process for developing the City's Affordable Housing Strategy is occurring in the following four phases, with community engagement opportunities provided at key stages:

1. **Background** - The Background Report was presented to Council in April 2014. It sets out the context and scope of the Affordable Housing Strategy. It details information about various government roles, responsibilities and relationships, background policy documents, past studies and reports, and City funding initiatives.
2. **State of Housing** – Over the past year, City staff have collected and analyzed available demographic, economic and housing market data, primarily from Statistics Canada, MPAC and CMHC. Due to a lack of available data on the secondary rental market in Guelph, two studies were undertaken in 2014: a Registered Accessory Apartment Survey and a Secondary Rental Market Study. Following preliminary analysis of the data, the City held a targeted focus group on February 2, 2015 with 17 stakeholders³ to review the data findings, and discuss the emerging affordable housing issues. This report presents the results of this analysis.

The methodological details of the secondary rental market studies, and data collection and analysis process, is included in the Appendices.

3. **Directions** – The next phase of the project will build on the data and preliminary housing issues presented in this report. Staff will begin by identifying available tools and formulating directions. Examples of tools include regulatory responses (e.g. Zoning Amendment), policies and procedures (e.g. development approvals process), financial (e.g. Affordable Housing Reserve) and other (e.g. partnerships, communications, advocacy). Community stakeholders will be consulted about the tools generated by staff and how could they best be used to address the affordability issues.
4. **Affordable Housing Strategy** – The final report, which is scheduled for completion in 2016, will provide concrete recommendations regarding how to best support achievement of the city-wide 30% affordable housing target, along with mechanisms to monitor achievement of the target.

³ Focus group participants included representatives from CMHC, County of Wellington, Developer/Homebuilder, Guelph and District Association of Realtors, Habitat for Humanity, COALT (Community Older Adult Leadership Team), Guelph and Wellington Task Force for Poverty Elimination, University of Guelph, Central Student Association and the Wellington Guelph Housing Committee.

3. Defining Affordable Housing

According to CMHC (2014), housing is considered to be affordable for a given household if it costs less than 30% of gross (before-tax) household income. The term "affordable housing" is often used interchangeably with "social housing." However, social housing is just one category of affordable housing; it usually refers to rental housing subsidized by the government. Affordable housing is a much broader term and includes housing provided by the private, public and not-for-profit sectors as well as all forms of housing tenure (i.e. rental, ownership – freehold, condominium, and cooperative). It also includes temporary as well as permanent housing. In other words, the term affordable housing can refer to any part of the housing continuum from emergency shelters to market homeownership (see Figure 1 above).

The City's Official Plan defines affordable housing according to the Provincial Policy Statement, 2014 and Provincial Growth Plan, 2006 definitions, as follows:

- a) In the case of **ownership housing**, the least expensive of:
 - i. Housing for which the purchase price results in annual accommodation costs which do not exceed 30% of gross annual household income for low and moderate income households; or
 - ii. Housing for which the purchase price is at least 10% below the average price of a resale unit in the regional market area.

- b) In the case of **rental housing**, the least expensive of:
 - i. A unit for which the rent does not exceed 30% of gross annual household income for low and moderate income rental households; or
 - ii. A unit for which the rent is at or below the average market rent of a unit in the regional market area.

The Provincial Policy Statement, 2014 defines households as low and moderate income households when their total annual income falls at or below the 60th income percentile for the regional market area. In Guelph, the 60th income percentile is \$88,656 for all households, and \$43,685 for tenant households (2013). The affordable housing benchmark is set at a price of \$294,000 per dwelling for ownership housing, and \$944 per month for rental housing (Refer to section 8 – Updating the Affordability Housing Benchmarks – of this report for detail on how these figures were derived).

Finally, it is important to note that the affordability definition in the Provincial Policy Statement, 2014 differs from the definition in the federal-provincial Investment in Affordable Housing (IAH) program. For properties built/renovated through the IAH, tenants pay no more than 80% of Average Market Rent (AMR).

3.1 Housing Terminology

The definitions of key housing terms are described in the text (or footnoted) when they first appear. In addition, a full glossary is provided in Appendix A.

4. Demographic and Economic Factors Influencing Housing Demand

This section of the report presents demographic and economic factors that influence the demand for affordable housing in Guelph. The data presented here includes: population size, growth and composition; employment and working conditions; and household income levels. Reviewing both past trends and future forecasts helps us to understand the community's future affordable housing needs.

4.1 Population Characteristics

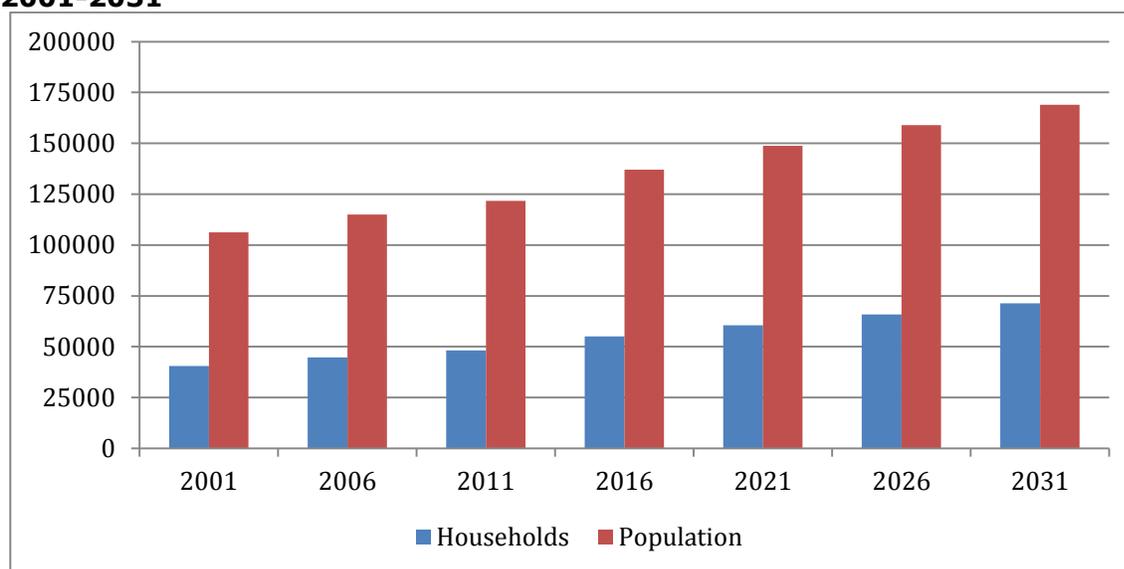
4.1.1 Population and Household Growth

The latest Census (2011) indicates that there are approximately 122,000 people and over 48,000 households in Guelph. Municipal projections estimate that the population will reach approximately 169,000 (excluding the Census undercount) by 2031. The total number of households is projected to reach 70,500 by 2031. The future increase in households will outpace population growth, primarily due to decreasing sizes of average households (see section 5 for detail). How the City manages this growth will have a large impact on livability and community wellbeing.

Data Highlights

- There were 121,688 individuals living in Guelph in 2011.
- Between 2011 and 2031, Guelph's population is expected to grow 39%, an increase of 50,000 people to a total of 169,000 people in 2031.
- Future population growth is projected to be higher (22% between 2011 and 2021) than historical trends (15% between 2001 and 2011).
- There were 48,115 households in Guelph in 2011.
- Between 2011 and 2031, the total number of households is projected to rise 48%, an increase of 22,500 households to a total of 70,500 households in 2031.
- Future household growth is projected to be higher (26% between 2011 and 2021) than historical trends (19% between 2001 and 2011).
- Future household growth will outpace population growth.

Figure 2 – Historical and Projected Population and Household Growth in Guelph, 2001-2031



Source: City of Guelph Planning, Urban Design and Building Services. Data from Statistics Canada, 2001 2006 and 2011 Census, and Watson & Associates, Development Charge Background Study, 2014

4.1.2 Age Distribution

The age distribution of the population impacts the type and size of housing needed in a community:

- **18-24 years** – At the onset of adulthood, young people begin moving out of their parental home and seeking independent accommodation. They may be entering the workforce and/or pursuing post-secondary opportunities. They are generally looking for shared rental accommodations, bachelor or one bedroom units.
- **25-44 years** – People in this age category are in their “prime household formation” years, when most individuals get married, have children, and enter the housing market.
- **45-64 years** – Individuals in this age category are in their prime earning years. Their housing needs and aspirations may also begin to change as they have more disposable income, and their children age and leave home.
- **65-74 years** – People begin to retire, but are still relatively active. According to CMHC (2015 & 2008), there is an increasing desire among seniors to “age in place” (i.e. continue to live in their current home and familiar community for as long as possible, even if their health changes). This trend will create a need for homes that can be easily adapted. Others may choose to downsize out of lifestyle preferences, and a desire for less responsibility for looking after a home. Research conducted by Lin (2015) found that individuals who downsize after the age of 65 tend to move to rental accommodations, whereas those who downsize before the age of 65 tend to stay owners.

- **75 years and over** – As individuals age, they may need support services and assistance, such as personal care, homecare and meal preparation, to allow them to remain in their homes. Others may need some form of supportive housing or long-term care.

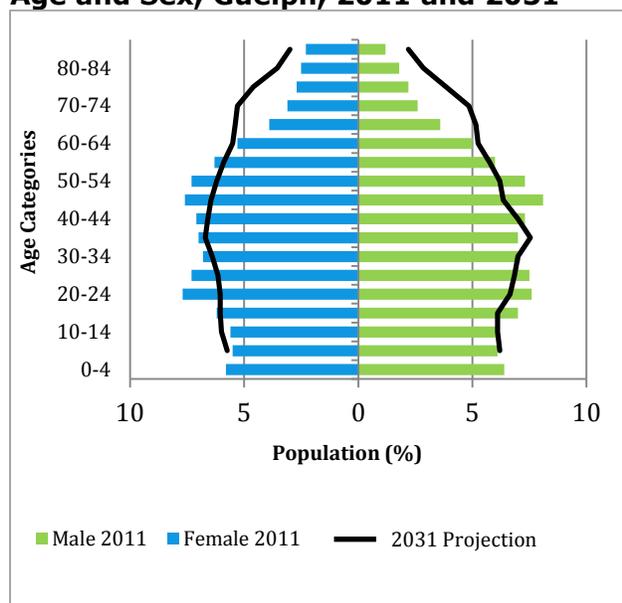
Figures 3 and 4 illustrate the 2011 Census and forecasted age distribution of males and females living in Guelph and in the Province of Ontario. In general, the population is aging and individuals of childbearing age are having fewer children than previous generations. Over time, the age distribution of the population is expected to become more uniform. There will be a decline in the proportion of households in their prime household formation years (25-44 years), and an increase in the proportion of seniors (65+ years). Although the absolute numbers of people living in the community, in all age groups, will increase due to population growth (see 4.1.1). The increase in the proportion of seniors in the community will increase the demand for adaptable and accessible, multiple-unit housing. Affordability for seniors living on fixed incomes will also be a factor.

Data Highlights⁴

- In 2011, the median age of Guelph's population was 37.7 years – 2.5 years younger than the provincial median of 40.4 years.
- The population in their prime household formation years (25-44 years) represented 29% of Guelph's total population – 3 percentage points more than the provincial average of 26%.
- Between 2011 and 2031, the share of Guelph's population aged 25-44 years is expected to decline by 2 percentage points. Although the absolute number will increase from 34,785 to 47,780 individuals.
- In 2011, older adults (55-64 years) represented 9% of Guelph's total population – 4 percentage points less than the provincial average of 13%.
- Between 2011 and 2031, the share of Guelph's population aged 55-64 years is expected to increase by 2 percentage points. The absolute number will increase from 10,860 to 18,670 individuals.
- In 2011, seniors (65+ years) represented 9% of Guelph's total population – 1 percentage point less than the provincial average of 10%.
- Between 2011 and 2031, the share of Guelph's population who will be seniors is expected to increase by 5 percentage points. The absolute number will increase from 11,285 to 24,240 individuals.

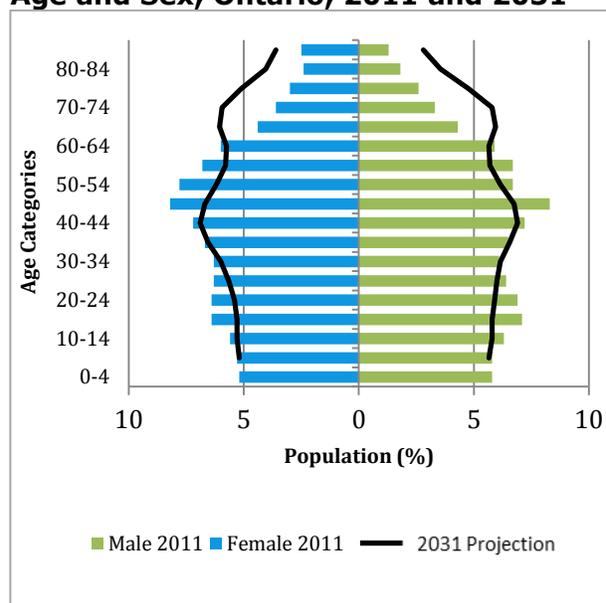
⁴ Due to a difference in data sources and methodologies, the future population projections for 2031 for Guelph and Ontario are not comparable.

Figure 3 – Population Distribution by Age and Sex, Guelph, 2011 and 2031



Source: City of Guelph Planning, Urban Design and Building Services. Data from Statistics Canada, 2011 Census, and Hemson Consulting Ltd., Greater Golden Horseshoe Growth Forecasts to 2041, 2013

Figure 4 – Population Distribution by Age and Sex, Ontario, 2011 and 2031



Source: City of Guelph Planning, Urban Design and Building Services. Data from Statistics Canada, 2011 Census, and Ministry of Finance, Ontario Population Projections Update, 2011-2036, Spring 2012

4.1.3 New Immigrants

Recent immigrants (arrived between 2006 and 2011) represented 2% of Guelph's population (2,965 individuals) in 2011, compared to 4% across the province (Statistics Canada, 2011 NHS). Immigration is expected to be an important contributor to population growth in the Greater Golden Horseshoe area, which includes Guelph (Hemson Consulting Ltd., 2013). According to CMHC (2015), immigrant populations are more likely to rent when they first move to Canada.

4.1.4 People Who Moved

Mobility status refers to the movement of Canadian residents. Persons who have not changed residential dwellings are referred to as "non-movers", and persons who have relocated from one residence to another are referred to as "movers". There are different types of movers - people who moved within the same city or town (non-migrants); people who moved to a different city or town (internal migrants); and people who came from another country to live in Canada (external migrants).

Between 2006 and 2011, over 27,000 individuals relocated their household within Guelph. In addition, 20,000 individuals moved to Guelph from other places. The majority of these new residents are intra-provincial migrants (i.e. moved to Guelph from other municipalities in Ontario).

Data Highlights

- Between 2006 and 2011, the majority of residents in Guelph (58%) lived in the same residence as they did five years prior – 5 percentage points below the provincial average of 63%.
- 24% of Guelph’s population (20,085) relocated in the past 5 years – 3 percentage points above the provincial average of 21%.
- 14% of Guelph’s population (15,715) was intra-provincial migrants – 3 percentage points above the provincial average of 11%.
- 1% of Guelph’s population was inter-provincial migrants – on par with the provincial average.
- 2% of Guelph’s population was external migrants⁵ – 2 percentage points below the provincial average of 4%.

Table 1 – Population Who Moved, Guelph and Ontario, 2006-2011

	Guelph (#)	Guelph (%)	Ontario (%)
Lived in Same Dwelling (non-movers)	65,755	58%	63%
Moved within municipality (non-migrants)	27,300	24%	21%
Moved from a different municipality in Ontario (intra-provincial migrants)	15,715	14%	11%
Moved from another province (inter-provincial migrants)	1,610	1%	1%
Moved from another country (external migrants)	2,760	2%	4%

Source: Statistics Canada, 2011 NHS

4.2 Labour Force Characteristics

Employment and housing have an interdependent relationship, as most people’s income comes from their job. A robust labour market contributes to a high demand for housing, the type of which depends on the level of jobs in a community. An economy with a large proportion of high-income positions, for example, tends to lead to a demand for high-end housing. Low wage or part-time jobs can increase the demand for affordable housing. When affordable housing options are not available locally for the labour force, workers may purchase/rent homes outside the community and commute to where they work. Therefore there is a need to ensure that the local housing supply matches the economic requirements of the local workforce.

4.2.1 Unemployment Rates

Guelph has consistently outperformed the provincial average on a range of labour force indicators (i.e. participation rate, employment rate, etc.) over the past decade. Guelph typically holds one of the lowest unemployment rates in Ontario.

⁵ External migration should not be confused with immigration. It also includes Canadian citizens who relocate to/from other countries.

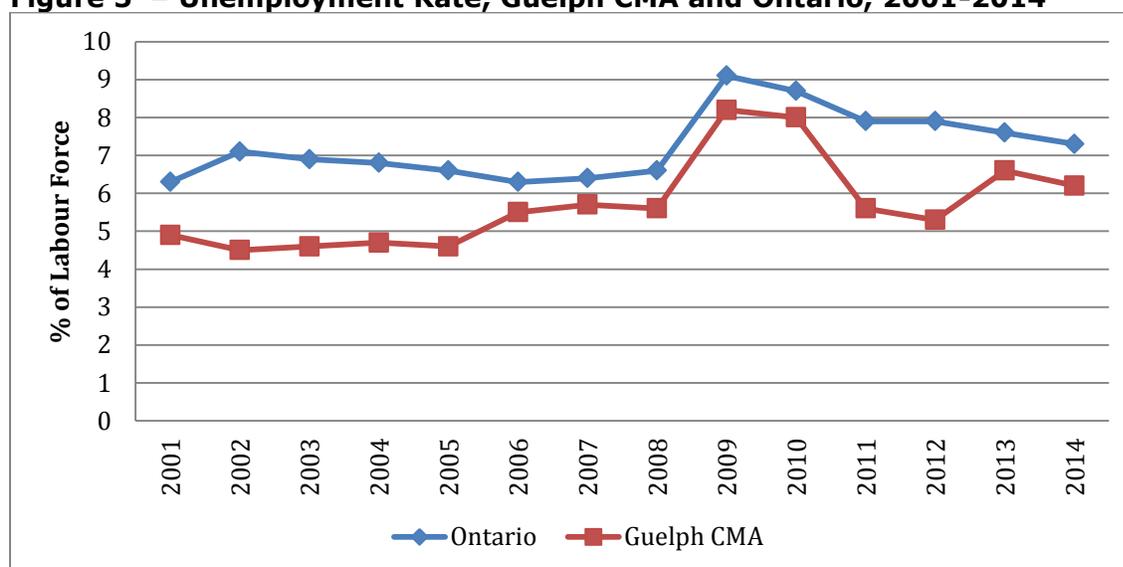
When unemployment rates are low, more people are typically able to afford a house.

However, low unemployment rates may present recruitment challenges for employers, particularly those looking for skilled workers. For employers looking to recruit workers, or invest and expand their businesses in Guelph, it is helpful if there is a range of affordable housing options available locally for the workforce.

Data Highlights

- In 2014, the unemployment rate of the labour force (individuals 15 years and over) in the Guelph CMA was 6% - 1 percentage point lower than the provincial average of 7%.
- Between 2001 and 2014, the unemployment rate for the Guelph CMA has consistently been lower than the provincial average.
- In 2014, the participation rate for the Guelph CMA labour force was 69% - 3 percentage points higher than the provincial average of 66%.
- The employment rate for the Guelph CMA labour force was 64% - 3 percentage points higher than the provincial average of 61%.
- Over the past decade, the participation rate and employment rate has been higher in the Guelph CMA in comparison to the provincial average. However, the gap between the rates for Guelph and Ontario shrunk in 2013-2014.

Figure 5 – Unemployment Rate, Guelph CMA and Ontario, 2001-2014



Source: Statistics Canada, Tables 282-0129 and 282-0123, LFS estimates, annual

4.2.2 Commuting Patterns

The cost of housing is a determining factor in where a worker chooses to live. In 2011, about 25,000 workers commuted to positions located in Guelph, while roughly 15,000 Guelph residents travelled to jobs located outside the City. All told,

Guelph residents held 61% of jobs located in the City of Guelph. The majority of external workers come from Waterloo Region and Wellington County.

Data Highlights

- In 2011, Guelph’s labour force consisted of 54,510 individuals.
- Guelph is the place of work for 65,100 individuals. Guelph residents hold 61% of these positions.
- 10,590 more workers travelled to Guelph to work than left Guelph to work elsewhere.
- 14,725 individuals (27% of Guelph’s labour force) commuted to jobs located outside of Guelph.
- 10% of Guelph’s labour force commuted to jobs in Waterloo Region, followed by the GTA (8%) and Wellington County (5%).
- 46% of external workers came from Waterloo Region, followed by Wellington County (27%) and the GTA (12%).

Table 2 - Commuting Flow To and From Guelph, 2011

<i>Place of Work</i>	<i>Inbound</i>	<i>Outbound</i>	<i>Net Gain (Loss)</i>
Waterloo Region	11,530	5,345	6,185
GTA (Greater Toronto Area)	3,040	4,305	(1,265)
Wellington County	6,905	2,595	4,310
City of Toronto	650	1,270	(620)
Hamilton	1,420	610	810
South-western Ontario	1,245	260	985
Other	525	340	185
Total	25,315	14,725	10,590

Source: Statistics Canada, 2011 NHS

4.2.3 Employment Earnings

According to the North American Industry Classification System (NAICS), there are 20 different job sectors in Canada. In Guelph, the top five industries are Manufacturing; Educational Services; Retail Trade; Health Care and Social Services; and Accommodation and Food Services. Collectively, these sectors represent two-thirds of all jobs in the city.

In 2014, the median hourly earnings among all occupations was \$22.99. In other words, half of Guelph’s labour force earned less than \$23 per hour (which equates to an annualized full-time salary of approximately \$43,000 per year).

Accommodation and Food Services and Retail Trade (which collectively represent 16% of Guelph’s labour force) are generally low paying sectors. As illustrated in Table 3, individuals holding sales and service positions earn the lowest wages of all occupation types (median of \$15.95 per hour). Households whose primary income source is derived from earnings in low paying industries and occupations tend to require affordable housing options.

Data Highlights

- In 2014, the top five industries in Guelph - Manufacturing; Educational Services; Retail Trade; Health Care and Social Services; and Accommodation and Food Services – represented 64% of all jobs.
- The average annual earnings among all industries located in Guelph were \$44,366.
- Among the top 10 industries in Guelph, workers on average earn the highest in Construction (\$58,577) and the lowest in Accommodation and Food Services (\$14,741).
- The median hourly earnings among Guelph’s labour force was \$22.99, ranging from \$38.33 for management positions to \$15.95 for sales and service jobs.

Table 3 – Earnings in the Top 10 Industries in Guelph, 2014

<i>Industry</i>	<i>% Jobs</i>		<i>Average Annual Earnings Per Job, 2014</i>
	<i>2009</i>	<i>2014</i>	
1. Manufacturing	26	28	\$50,521
2. Educational services	13	12	\$48,489
3. Retail trade	10	9	\$27,210
4. Health care and social assistance	8	9	\$42,678
5. Accommodation and food services	6	7	\$14,741
6. Public administration	5	5	\$55,725
7. Wholesale trade	5	5	\$53,628
8. Professional, scientific and technical services	4	4	\$58,033
9. Administrative and support, waste management and remediation services	4	4	\$29,441
10. Construction	3	4	\$58,557
All Industries			\$44,366

Source: EMSI – Employees, 2015.1⁶

⁶ In order to capture a complete picture of industry employment, EMSI combines employment data from Survey of Employment, Payrolls and Hours (SEPH) with data from the Labour Force Survey (LFS), Census, and Canadian Business Patterns (CBP) to form detailed geographic estimates of employment. Projections are based on the latest available EMSI industry data, 10-year past local trends in each industry and growth rates from national industry projections from the Canadian Occupational Projection System (COPS) produced by Human Resources and Skills Development Canada.

Table 4 - Earnings by Occupation for Guelph Labour Force, 2014

Occupation	% Labour Force		Median Hourly Earnings 2014	Average Hourly Earnings 2014
	2009	2014		
Sales and service	21	22	\$15.95	\$17.37
Business, finance and administrative	17	17	\$21.74	\$23.07
Processing, manufacturing and utilities	14	15	\$20.89	\$21.21
Trades, transport and equipment operators	14	14	\$22.13	\$22.95
Social science, education, government service and religion	12	10	\$30.69	\$31.82
Natural and applied sciences	6	7	\$31.11	\$32.59
Management	7	6	\$38.33	\$40.53
Health	4	5	\$29.07	\$28.72
Art, culture, recreation and sport	2	2	\$20.50	\$22.61
All Occupations			\$22.99	\$24.07

Source: EMSI – Employees, 2015.¹⁷

4.3 Income

4.3.1 Income Distribution

Housing affordability is related to the distribution of income in a community. Table 5 illustrates the distribution of owner, renter and all household income types according to decile groups. To calculate income deciles, households are sorted separately for owner and renter households and then for all households according to their before-tax income and then divided into 10 equal groups, each containing 10% of the household type (owner, renter and all). In other words, there are approximately 4,800 households in each decile group in Guelph – 3,400 owners and 1,400 renters. In Guelph, households in the top decile have household incomes that are 8.5 times higher than households in the lowest income decile.

According to the Provincial Policy Statement, 2014, households are considered to have low and moderate incomes when their total household income falls at or below the 60th income percentile for the regional market area. In 2010, the 60th income percentile was about \$44,000 for tenant households, \$100,000 for owner households, and \$84,000 for all household types in Guelph.

In 2010, the 30th income percentile was \$22,146 for tenant households in Guelph. In other words, there are approximately 4,300 renter households in Guelph with

⁷ Organizing regional employment information by occupation provides a workforce-oriented view of the regional economy. EMSI's occupation data are based on EMSI's industry data, regional occupation data from the Labour Force Survey (LFS), and regional staffing patterns taken from the Census.

annual household incomes below \$23,000. These households have very limited housing options in the private market. They typically seek out government subsidized housing options, shared accommodations, rooming houses, bachelor apartments, or lower cost accessory apartments. When these options are not available, low income households may be at risk of becoming homeless due to inability to pay market rent.

Overall, the incomes of owner households are higher than tenant households. For all decile groups in Guelph, tenant households have income levels below the provincial average. Above the 80th income percentile, owner households in Guelph have lower income levels than the provincial average, implying that there is a smaller share of high-income Canadians living in Guelph than other parts of Ontario.

Data Highlights

- Households in the 90th income decile have incomes 8.5 times higher than households in the 10th income decile – 8.3 for renters and 5.6 for owners.
- The 30th income percentile for all households was \$42,648 in Guelph - \$22,146 for renter households and \$59,414 for owner households.
- The number of households with incomes at or below the 30th income percentile was 14,406 – 4,332 renter households and 10,074 owner households.
- The 60th income percentile for all households was \$83,971 in Guelph - \$43,685 for renter households and \$99,789 for owner households.
- The number of households with incomes between the 30th and 60th income percentiles was 19,208 – 5,776 renter households and 13,432 owner households.
- The median household income of renters was \$35,906, below the provincial average of \$37,063.
- The median household income of owners in Guelph was \$86,371, above the provincial average of \$81,791.
- The average household income in Guelph was \$83,220, below the provincial average of \$86,082. This trend is true for all decile groups.
- For all decile groups, the household incomes of owners were higher than renters in Guelph and Ontario.
- For all decile groups, the household incomes of renters in Guelph were below the provincial average.
- The household incomes of owners in Guelph at the 80th and 90th income decile were below the provincial average.

Table 5 – Income Percentiles of Households in Guelph and Ontario, 2010

Type of Household	Guelph			Ontario		
	All	Owner	Renter	All	Owner	Renter
Total Number of Households	48,015	33,575	14,440	4,823,720	3,443,370	1,380,350
Number per Decile	4,802	3,358	1,444	482,372	344,337	138,035
10th Percentile	\$18,325	\$30,897	\$10,918	\$18,706	\$28,034	\$11,614
20th Percentile	\$31,143	\$46,014	\$16,523	\$30,586	\$42,571	\$17,805
30th Percentile	\$42,648	\$59,414	\$22,146	\$41,942	\$55,332	\$22,935
40th Percentile	\$54,840	\$72,669	\$29,208	\$53,612	\$68,173	\$29,761
50th Percentile (Median)	\$68,673	\$86,371	\$35,906	\$66,580	\$81,791	\$37,063
60th Percentile	\$83,971	\$99,789	\$43,685	\$81,448	\$96,691	\$45,272
70th Percentile	\$99,924	\$114,929	\$53,325	\$99,183	\$114,677	\$55,393
80th Percentile	\$120,371	\$136,913	\$68,657	\$123,084	\$139,056	\$70,006
90th Percentile	\$156,328	\$172,912	\$90,532	\$163,432	\$180,194	\$94,498
Average	\$83,220	\$99,773	\$44,731	\$86,082	\$101,379	\$47,921

Source: Statistics Canada, 2011 NHS, Custom Tabulation

4.3.2 Incidence of Low Income

In Guelph, 13% of all children are living in low income households, according to the after-tax Low Income Measure (LIM). This rate is lower than the provincial average of 17%. According to Campaign 2000 (2014), 40% of children living in poverty in Ontario reside in a household where at least one parent is working full-time, year round. Due to low incomes and a shortage of social housing options, these households struggle with housing affordability in the private market.

Data Highlights

- In 2010, 12% of Guelph’s population was living in poverty based on the after-tax LIM, compared to 14% in Ontario.
- 13% of children (0-17 years) were living in poverty, compared to 17% in Ontario.
- 7% of seniors (65+ years) were living in poverty, compared to 8% in Ontario.

Table 6 – Individuals Living in Low Income (after-tax LIM), Guelph and Ontario, 2010

		Guelph	Ontario
All Persons	Population in private households	120,550	12,600,230
	Population living in low income	14,635	1,745,900
	Prevalence of low income	12%	14%
Children (0-17 years)	Population less than 18 years	26,100	2,674,645
	Children living in low income households	3,465	463,945
	Prevalence of low income among children	13%	17%
Seniors (65+ years)	Population 65+ years	15,105	1,748,195
	Seniors living in low income households	1,125	14,4640
	Prevalence of low income among seniors	7%	8%

Source: Statistics Canada, 2011 NHS

4.4 Summary of Demographic and Economic Data Findings

The following is a summary of the findings from the demographic and economic statistics presented above:

- **High household growth** – The population of Guelph is growing, which will contribute to strong household formation and housing demand. The number of households in Guelph is projected to rise 48% between 2011 and 2031.
- **Aging population** - The population is aging, and there is an increasing desire among seniors to “age in place”. The increase in the proportion of seniors in the community will increase the demand for adaptable and accessible, multiple-unit housing. Affordability for seniors living on fixed incomes will also be a factor.
- **Immigration** – Immigration is expected to be a strong contributor of population growth in the Greater Golden Horseshoe area, which includes Guelph. Recent immigrants will increase the demand for rental accommodations.
- **People on the move** - Between 2006 and 2011, over 27,000 individuals changed houses within Guelph. In addition, 20,000 individuals moved to Guelph from other places. The majority of these new residents are intra-provincial migrants (i.e. moved to Guelph from other municipalities in Ontario).
- **Low unemployment** – Guelph has consistently outperformed the provincial average on a range of labour force indicators (i.e. participation rate, employment rate, etc.) over the past decade. Guelph typically holds one of

the lowest unemployment rates in Ontario. When unemployment rates are low, more people are typically able to afford a house.

- **Many commuters** - The cost of housing is a determining factor in where a worker chooses to live. In 2011, about 25,000 workers commuted to positions located in Guelph, while roughly 15,000 Guelph residents travelled to jobs located outside the City. All told, Guelph residents held 61% of jobs located in the City of Guelph. The majority of external workers come from Waterloo Region and Wellington County
- **Earnings** - In 2014, half of Guelph's labour force earns less than \$23 per hour, which equates to an annualized full-time salary of approximately \$43,000 per year. Households whose primary income source is derived from earnings in low paying industries and occupations tend to require affordable housing options.
- **Household Income** - Average household incomes in Guelph are slightly below the provincial average. In general, tenant households have lower incomes than homeowners.

5. Household Characteristics

This section of the report explores the make up of Guelph's households. The data presented here includes: household size, composition, tenure (rental or ownership), and age of the primary household maintainer. A more in-depth analysis of one person households is also provided due to the growth of this household type across Canada.

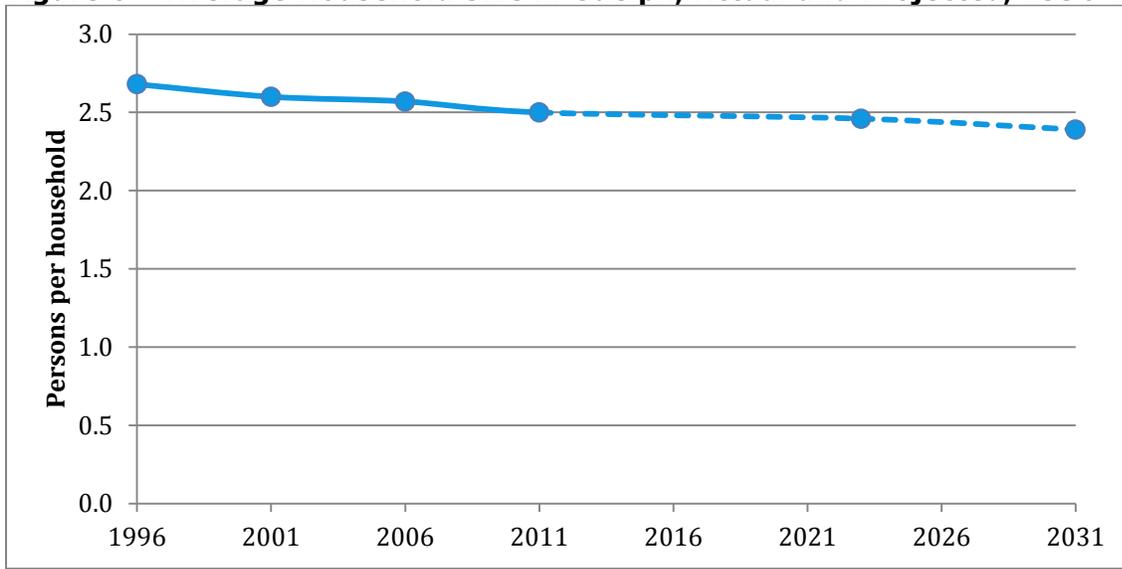
5.1 Household Size

At present, the average household size in Guelph is 2.5 individuals. The average size of households has been declining for over 20 years, and this trend is expected to continue. In Guelph, the share of one person households has increased, while the proportion of three or more person households has declined.

Data Highlights

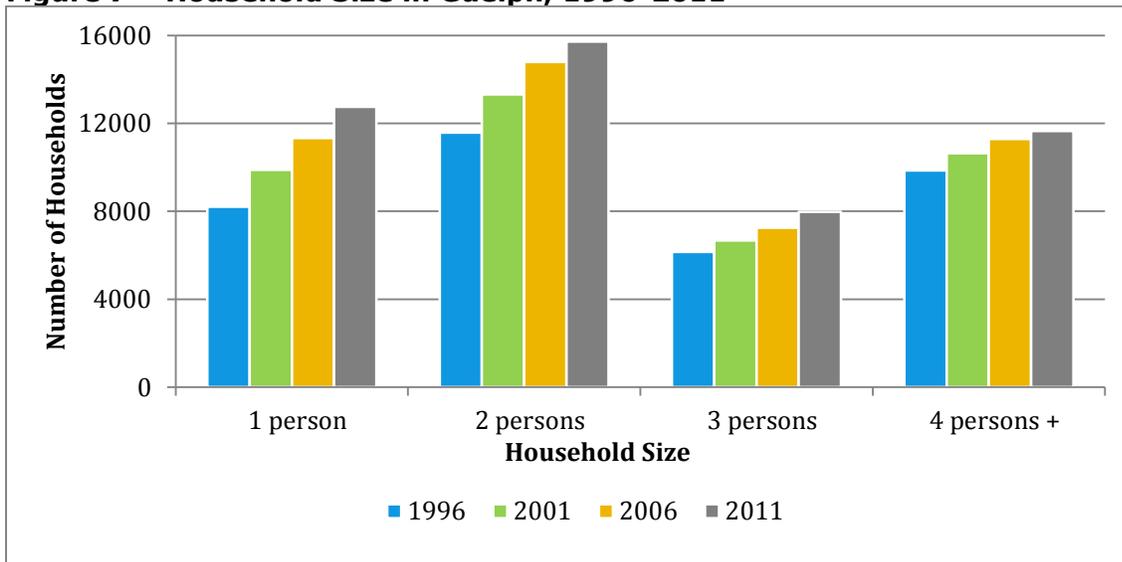
- Individuals living alone represented one-quarter of Guelph's households.
- Between 1996 and 2011, the number of one person households increased 55% (4,450 households).
- Between 1996 and 2011, the number of three or more person households increased 48% (3,615 households).
- The average number of persons per household has fallen from 2.7 in 1996 to 2.5 in 2011, and is expected to further decrease to 2.4 by 2031.

Figure 6 – Average Household Size in Guelph, Actual and Projected, 1996-2031



Source: City of Guelph Planning, Urban Design and Building Services. Data from Statistics Canada, 1996, 2001, 2006 and Census, and Watson & Associates, Development Charge Background Study, 2014

Figure 7 – Household Size in Guelph, 1996-2011



Source: Statistics Canada, 1996, 2001, 2006 and 2011 Census

5.2 Household Types

Statistics Canada categories households into six different types:

- a. Couples without children
- b. Couples with children
- c. Lone parent households

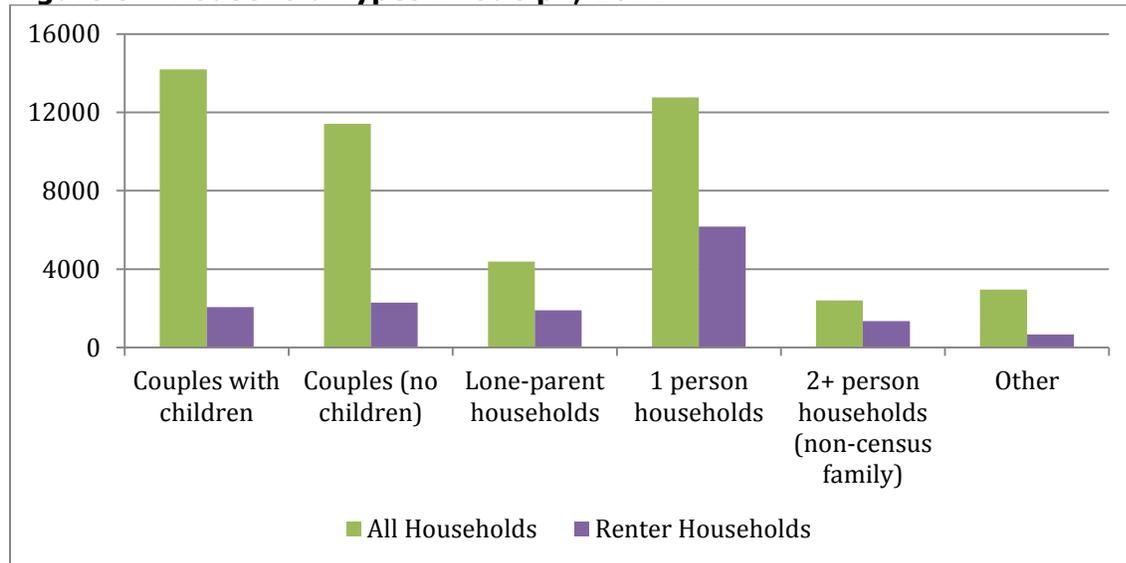
- d. One person households (individuals living alone)
- e. Two or more person households (non-census family - individuals living alone or with non-relatives, such as university students)
- f. Other family household types (multiple families living at the same address, multi-generation households, etc.)

Among all household types, couple families with children are the most dominant form (30%), followed by individuals living alone (26%). Among renter households, the reverse is true. Individuals living alone are the foremost type of renter households (43%), followed by couples without children (16%).

Data Highlights:

- In 2011, couples with children represented 30% (14,200) of all Guelph household types – 14% (2,055) of all renter household types.
- Couples without children represented 24% (11,415) of all households – 16% (2,290) for renters.
- Lone parent households represented 9% (4,390) of all households – 13% (1,900) for renters.
- Individuals living alone represented 26% (12,755) of all households – 43% (6,175) for renters.
- Two or more person households represented 5% (2,405) of all households – 9% (1,355) for renters.
- Other family households represented 6% (2,955) of all households – 5% (655) for renters.

Figure 8 – Household Types in Guelph, 2011



Source: Statistics Canada, 2011 Census

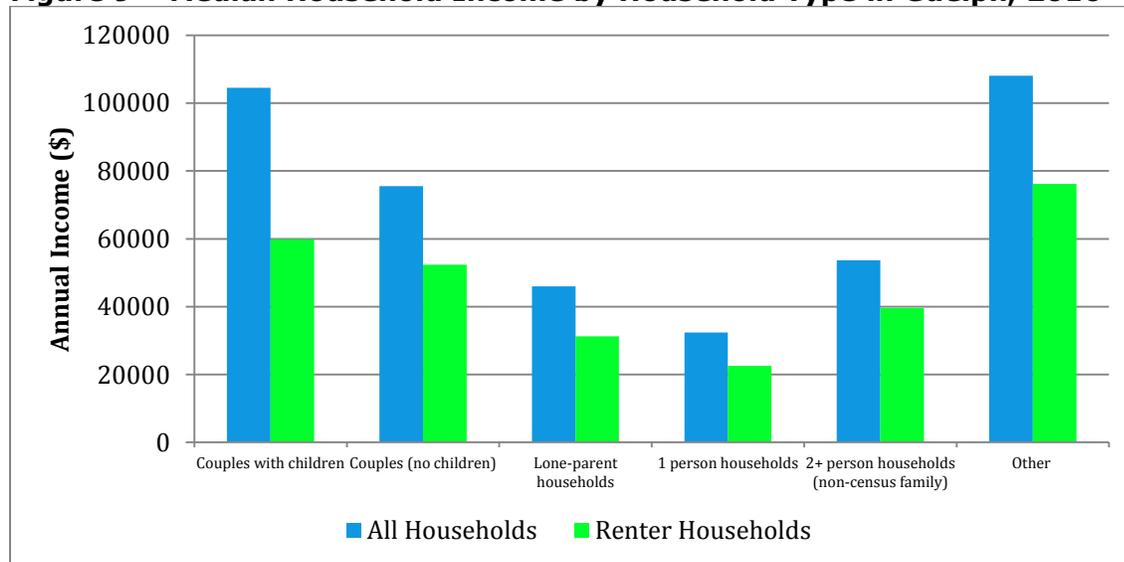
5.2.1 Income by Household Types

Among household types, “other” family types have the highest incomes, however, as illustrated in Figure 8 above, this represents a small proportion (6%) of household types in Guelph. In 2010, couple families with children have the second highest median household incomes at approximately \$104,000. One person households have the lowest incomes at about \$32,000. As noted above, the incomes of tenant households are lower than owner households.

Data Highlights

- In 2010, Guelph households comprised of couples with children had a median household income of \$104,473 - \$59,836 for renters.
- Couples without children had a median household income of \$75,480 - \$52,375 for renters.
- Lone parent households had a median household income of \$45,979 - \$31,311 for renters.
- Individuals living alone had a median household income of \$32,379 - \$22,537 for renters.
- Two or more person households had a median household income of \$53,666 - \$39,630 for renters.
- Other family households had a median household income of \$108,068 - \$76,158 for renters.

Figure 9 – Median Household Income by Household Type in Guelph, 2010



Source: Statistics Canada, 2011 NHS, Custom Tabulation

5.3 One Person Households

According to CMHC (2013), the share of one person households is expected to experience the fastest pace of growth to 2036, making it the single biggest type of household by the 2020s. This increase is driven in large part by an aging population, particularly widowed women living alone, and individuals delaying marriage. Among these households, homeownership rates are rising, with one bedroom condominiums as popular housing options (Marotte, 2014).

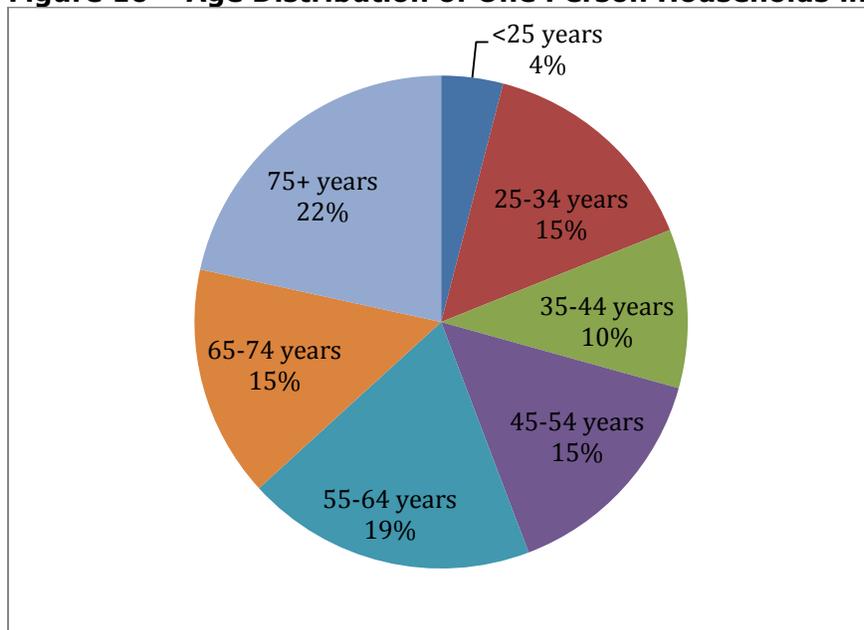
As illustrated in section 5.2 above, individuals living alone have been the fastest growing household type in Guelph over the past 15 years. They currently comprise over one-quarter of all household types, and the largest share (43%) of all renter household types. Nevertheless, among one person households in Guelph, the homeownership rate (51%) is slightly above the renter rate.

Figure 10 below shows that individuals of all age groups live alone. In Guelph, seniors make up the largest segment (37%) of all one person households. Many of these seniors are living on fixed incomes, and will require affordable housing options. The median household income for this group (\$32,379) is the lowest of all household types.

Data Highlights

- In 2011, one person households represented 26% (12,775) of all Guelph households (Figure 8).
- Between 1996 and 2011, the number of one person households increased by 55% (4,450 households). This is the highest growth rate among all household types (Figure 7).
- 51% of one person households were homeowners (Figure 12).
- Among all renter household types, one person households comprised the largest share of all household types at 43% (6,175).
- The median household income of one person households was \$32,379 - \$22,537 for renters. This is the lowest of all household types (Figure 9).
- Seniors (65 years and older) comprised 37% of all one person households (Figure 10).
- Older adults (55-64 years) and young adults (less than 35 years) each made up 19% of one person households respectively.

Figure 10 – Age Distribution of One Person Households in Guelph, 2011



Source: Statistics Canada, 2011 NHS, Custom Tabulation

5.4 Tenure

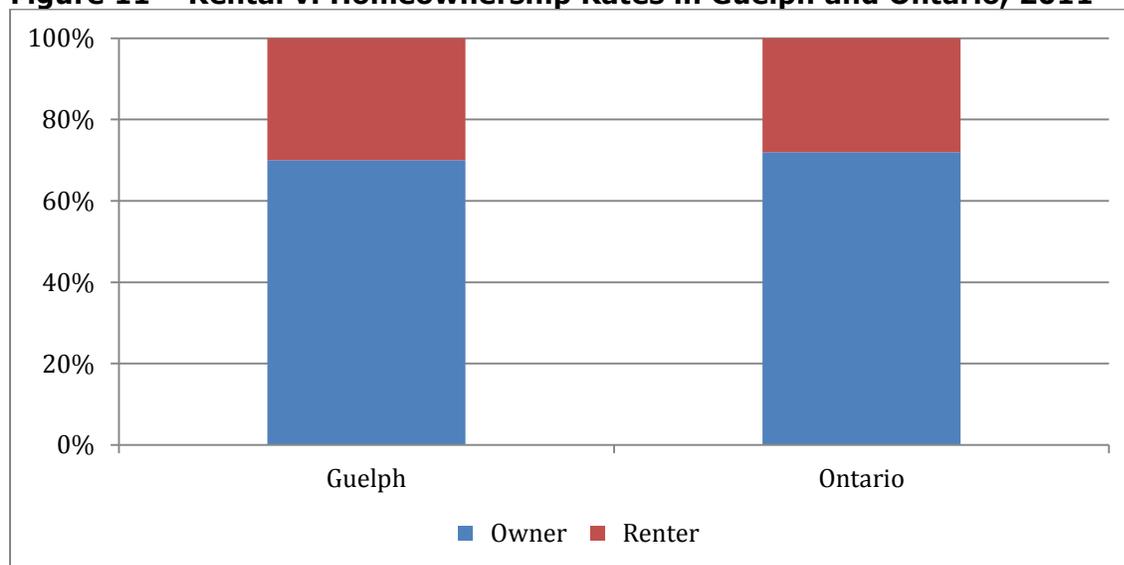
Housing tenure, whether someone rents or owns their dwelling, is an important factor to consider when examining housing affordability. Renting typically amounts to lower shelter costs, and offers more flexibility to move. Homeownership offers an opportunity for individuals to build assets, however, it requires a down payment, and is usually more costly than renting on a monthly basis, once mortgage payments, maintenance expenses, property taxes and utilities are taken into consideration. Homeownership rates have increased in the past decade due to low mortgage rates, lengthy amortization periods⁸, strong employment gains, and rising disposable incomes. At present, 70% of occupied dwellings in Guelph are owned.

Data Highlights

- In 2011, 30% of all occupied dwellings were rented in Guelph – 2 percentage points above the provincial average of 28% (NHS).
- In 2006, 31% of all occupied dwellings were rented in Guelph – 2 percentage points below 2001 level of 33% (Statistics Canada 20% sample data).
- In 1991 and 1996, 40% of all occupied dwellings were rented in Guelph (Statistics Canada 20% sample data).

⁸ Amortization periods of 30-35 years were permitted up until 2012 in Canada, and have since been reduced to 25 years (CBC News, 2012).

Figure 11 – Rental v. Homeownership Rates in Guelph and Ontario, 2011



Source: Statistics Canada, 2011 NHS

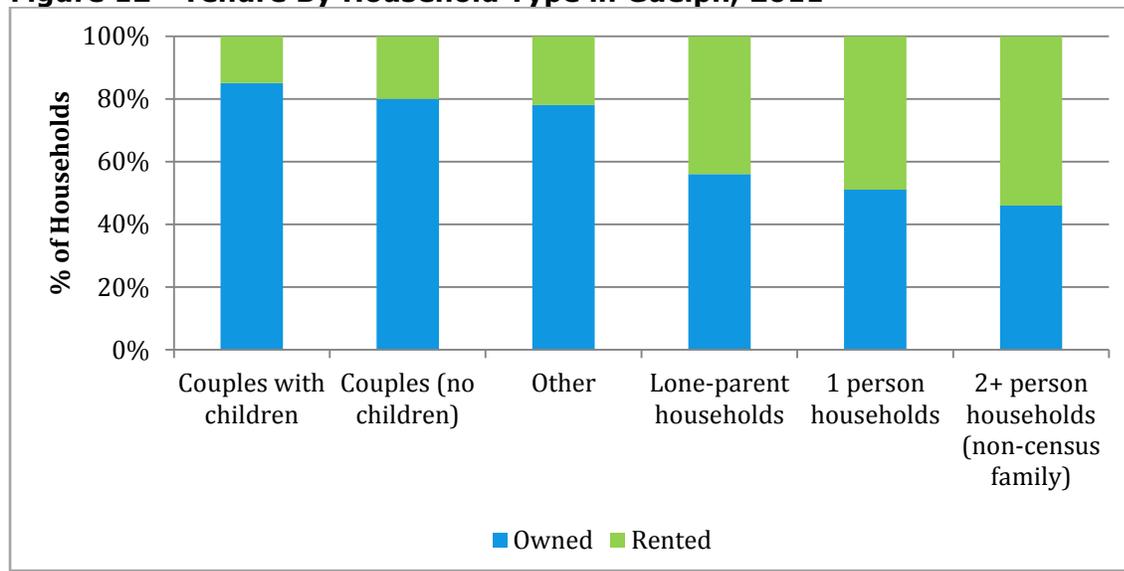
5.4.1 Tenure by Household Types

Homeownership rates vary according to demographic characteristics, such as household make-up. Among the different household types, couple families with children have the highest ownership rates (85%), followed by couple families without children (80%) in Guelph. Households comprised of two or more non-census family members have the highest rental rates (54%), followed by one person households (49%).

Data Highlights

- In 2011, 85% of Guelph households comprised of couple families with children were homeowners, and 15% of these households were renters.
- For couples without children, 80% were homeowners and 20% were renters.
- For "other" family type households, 78% were homeowners and 22% were renters.
- For lone parent households, 56% were homeowners and 44% were renters.
- For one person households, 51% were homeowners and 49% were renters.
- For two or more person, 46% were homeowners and 54% were renters.

Figure 12 - Tenure By Household Type in Guelph, 2011



Source: Statistics Canada, 2011 NHS, Custom Tabulation

5.4.2 Tenure by Structure Type

The type of dwelling that a household resides in differs by tenure. Renters tend to live in multi-unit housing, whereas homeowners tend to reside in low or medium density housing. These occupancy patterns are highly dependent on the types of structures available in the housing stock. At present, Guelph's housing stock is predominantly comprised of low density housing (see section 6.1.1).

Data Highlights

- In 2011, 78% of owner households in Guelph lived in single detached and semi-detached structures, compared to 15% of renter households.
- 85% of renter households lived in apartments or townhouses, compared to 22% of owner households.

Figure 13 – Owned Dwellings by Structure Type in Guelph, 2011

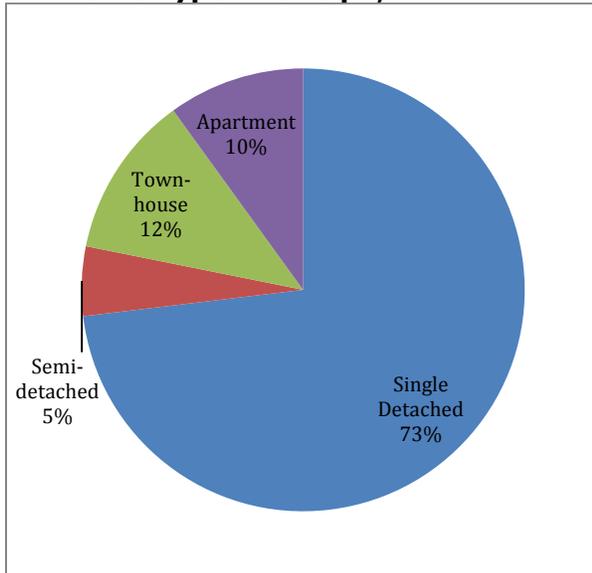
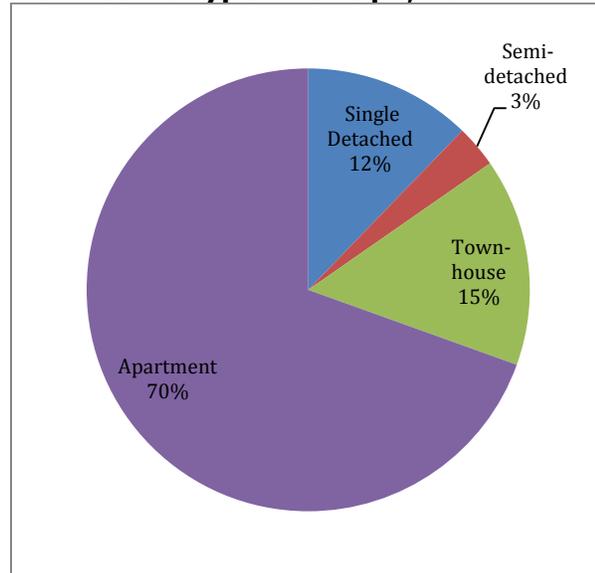


Figure 14 – Rented Dwellings by Structure Type in Guelph, 2011



Source: Statistics Canada, 2011 NHS, Custom Tabulation

5.5 Primary Household Maintainer

The household maintainer is the person(s) in the household responsible for major household payments such as the rent or mortgage. In households with more than one maintainer, the primary maintainer is the first person listed.

The proportion of homeownership generally increases with the age of the maintainer. In Canada, older adults (aged 55-64) have the highest rates of homeownership (CMHC, 2015). In Guelph, homeownership rates remain high (at or above 75%) for individuals aged 60 years or more.

As previously reported, there is an increasing desire among seniors to “age in place”. The increase in the number of seniors remaining in their own homes will increase the demand for adaptable and accessible housing.

Data Highlights

- In 2011, 72% of Guelph households with a primary household maintainer under the age of 25 years rented their homes, followed by 53% of 25-29 year olds.
- Three-quarters of primary household maintainers above the age of 35 years owned their home, and homeownership rates remained high throughout the senior years.
- The highest ownership rate (80%) was among primary household maintainers aged 60-64 years.

Figure 15 – Age of Primary Household Maintainer by Tenure in Guelph, 2011



Source: Statistics Canada, 2011 NHS, Custom Tabulation

5.5.1 Age of Primary Household Maintainer by Structure Type

The type of structure that households occupy varies according to the age of the primary household maintainer. In Guelph, the most common structure type for all households are single detached dwellings, with the exception of household maintainers less than 25 years old. The most common type of housing for young people is apartments. Townhouse and semi-detached structures are occupied by all age groups, but at a small percentage.

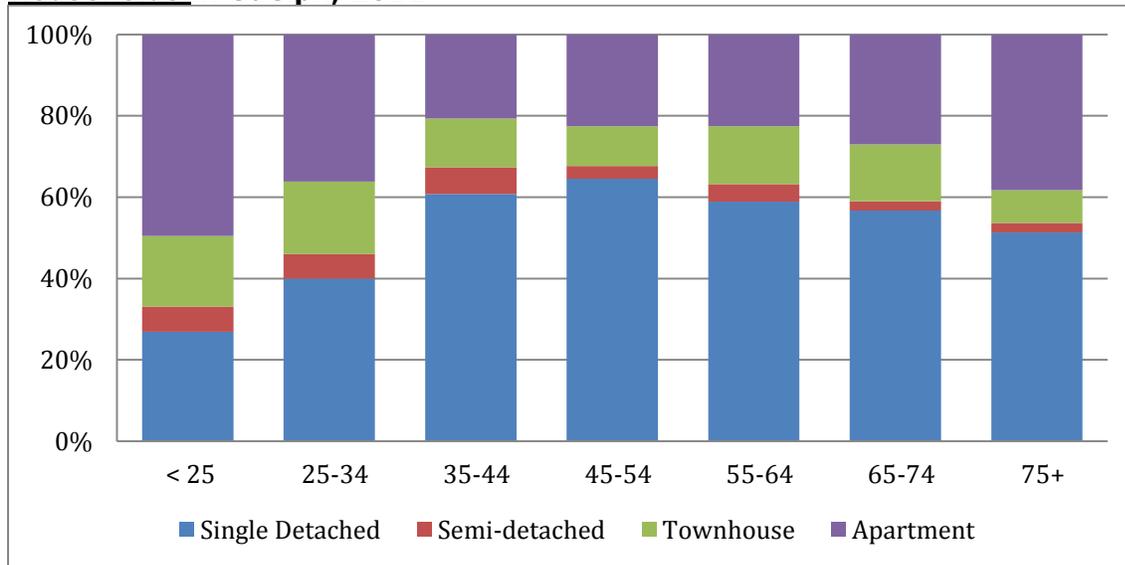
For all age groups, most renters occupy apartments, and most owner households occupy single detached dwellings in Guelph. The rental of single detached dwellings was highest for householder maintainers under 25 years old and individuals aged 35-44 years. The ownership of apartments was highest for household maintainers 75 years or more.

Data Highlights

- All households:
 - Over 50% of household maintainers 35 years and older occupy single detached dwellings, with a peak of 65% for individuals aged 45-54 years.
 - 49% of household maintainers less than 25 years old occupy apartments.
- Renter households:
 - Over 60% of renter households, within all age groups, occupied apartment units.
 - Over 80% of seniors who rent, rented apartment units.
 - 18% of household maintainers under 25 years old rented single detached dwellings.

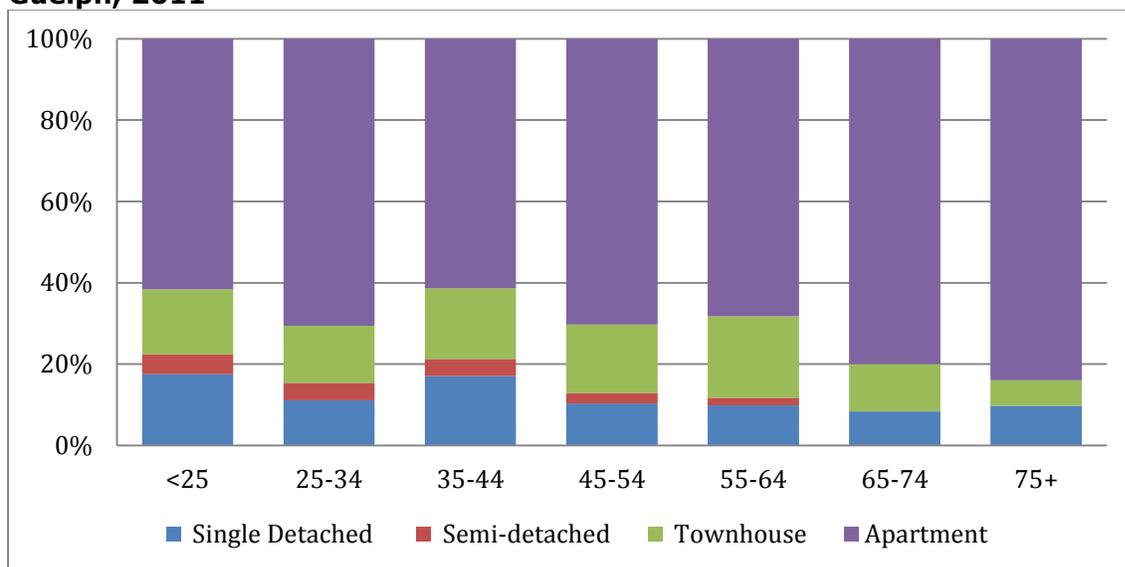
- 20% of household maintainers aged 55-64 years old rented townhouses.
- Owner households:
 - Over 50% of owner households, within each age group, occupied single detached dwellings.
 - Over 20% of household maintainers less than 35 years old owned townhouses.
 - 23% of household maintainers over 75 years old owned apartments.

Figure 16 – Age of Primary Household Maintainer by Structure Type for All Households in Guelph, 2011



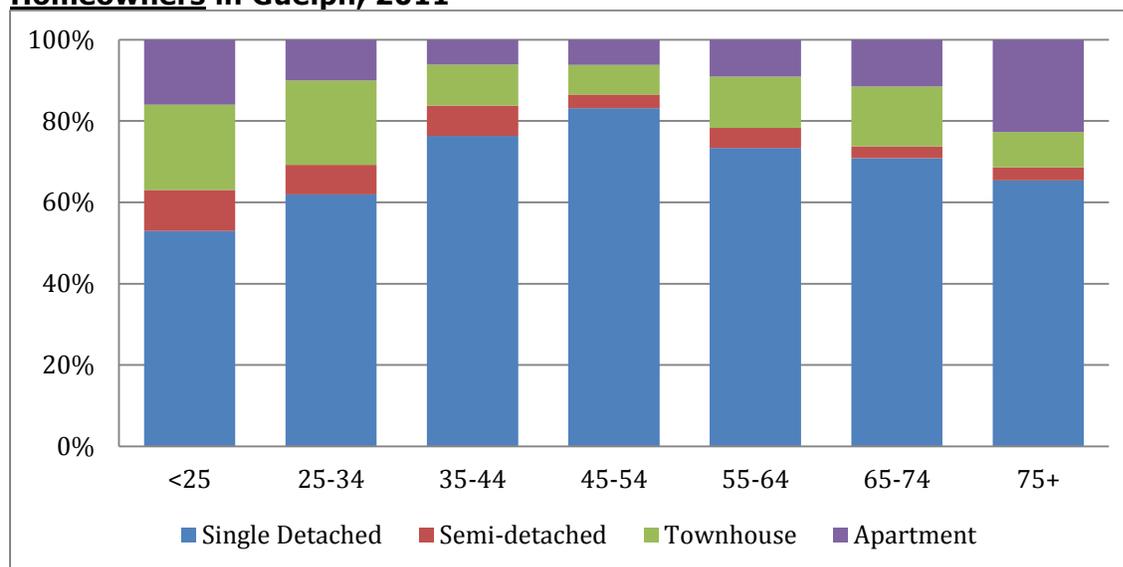
Source: Statistics Canada, 2011 NHS, Custom Tabulation

Figure 17 – Age of Primary Household Maintainer by Structure Type for Renters in Guelph, 2011



Source: Statistics Canada, 2011 NHS, Custom Tabulation

Figure 18 – Age of Primary Household Maintainer by Structure Type for Homeowners in Guelph, 2011



Source: Statistics Canada, 2011 NHS, Custom Tabulation

5.6 Summary of Household Characteristic Findings

The following is a summary of the findings from the analysis of housing characteristic data presented above:

- **Shrinking household size** - At present, the average household size in Guelph is 2.5 individuals. The average size of households has been declining for over 20 years, and this trend is expected to continue. In Guelph, the share of one person households has increased, while the proportion of three or more person households has declined.
- **More one person households** - Individuals living alone have been the fastest growing household type in Guelph over the past 15 years. They currently comprise over one-quarter of all household types, and the largest share (43%) of all renter household types.
- **Seniors living alone** - Seniors make up the largest segment (37%) of all one person households. Many of these seniors are living on fixed incomes, and will require affordable housing options. The median household income for this group (\$32,379) is the lowest of all household types.
- **Age of homeowners** - Three-quarters of primary household maintainers above the age of 35 own their home, and homeownership rates remain high throughout the senior years.
- **Predominant structure type** - In general, renter households tend to occupy apartment structures while a majority of ownership households

occupy single detached dwellings. Occupancy levels reflect the nature of the rental and ownership housing stock available.

6. Housing Supply

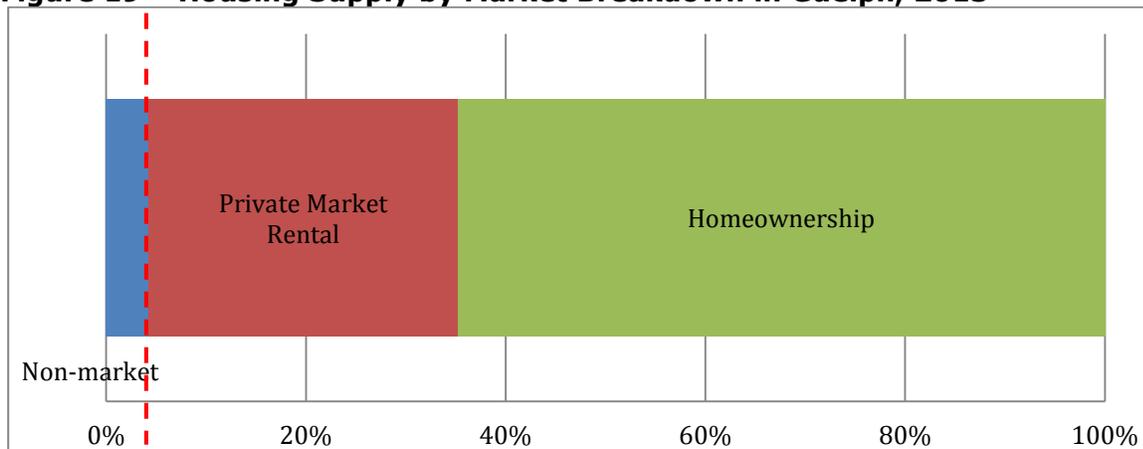
This section examines the existing housing supply in Guelph. The data provides a baseline against which the success of affordable housing strategies and Official Plan policies can be measured.

6.1 Existing Housing Stock

An analysis of MPAC data (December 2013) reveals that there are close to 53,000 housing units in Guelph – approximately 65% of these units are homeownership, 31% are private market rental, and 4% are non-market units.

It is important to note that MPAC figures differ slightly from the Statistics Canada Census and NHS data reported earlier. Statistics Canada data does not separate the primary and secondary rental market. City staff reviewed MPAC data to estimate the number of secondary rental units. The MPAC data was compared with the City’s listing of registered accessory apartments and non-market housing stock to ensure that units were not double counted. The MPAC data was also aligned with CMHC’s definition of primary rental housing. For additional details, see Appendix B – Housing Continuum Methodology.

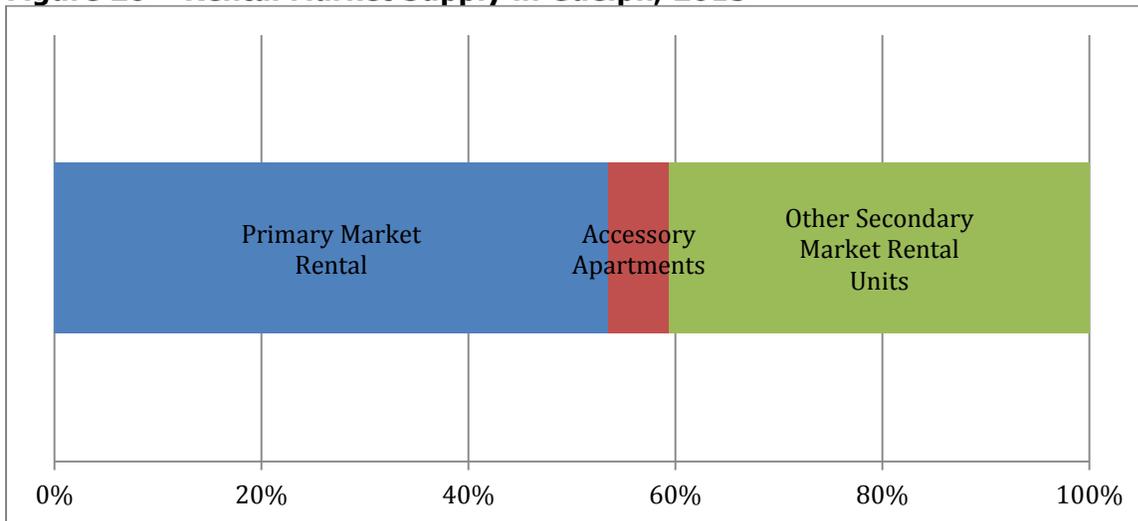
Figure 19 – Housing Supply by Market Breakdown in Guelph, 2013



Source: City of Guelph Planning, Urban Design and Building Services. Data from MPAC, December 2013, and JPMC Services Inc., Inventory of Government-Assisted Housing Located in Guelph Wellington – A Background Report for the 10-year Housing and Homelessness Plan, 2013

The rental universe is divided into two categories: primary and secondary. CMHC defines the primary rental market as structures that contain at least three rental units, including both townhouse and apartment units that are not held in condominium ownership. The secondary rental market includes all rented units other than those in the primary rental market. It consists of rented units within single detached, semi-detached and townhouse homes, accessory apartments, condominium apartments, and one or two apartments located in a commercial or other type of structure. An analysis of MPAC data reveals that the current private market rental housing supply consists of nearly 16,000 units – approximately 55% of which are within the primary rental market and 45% of which are in the secondary rental market (2013).

Figure 20 – Rental Market Supply in Guelph, 2013



Source: City of Guelph Planning, Urban Design and Building Services. Data from the City’s Secondary Rental Market and Accessory Apartment Surveys, 2014 and MPAC, December 2013

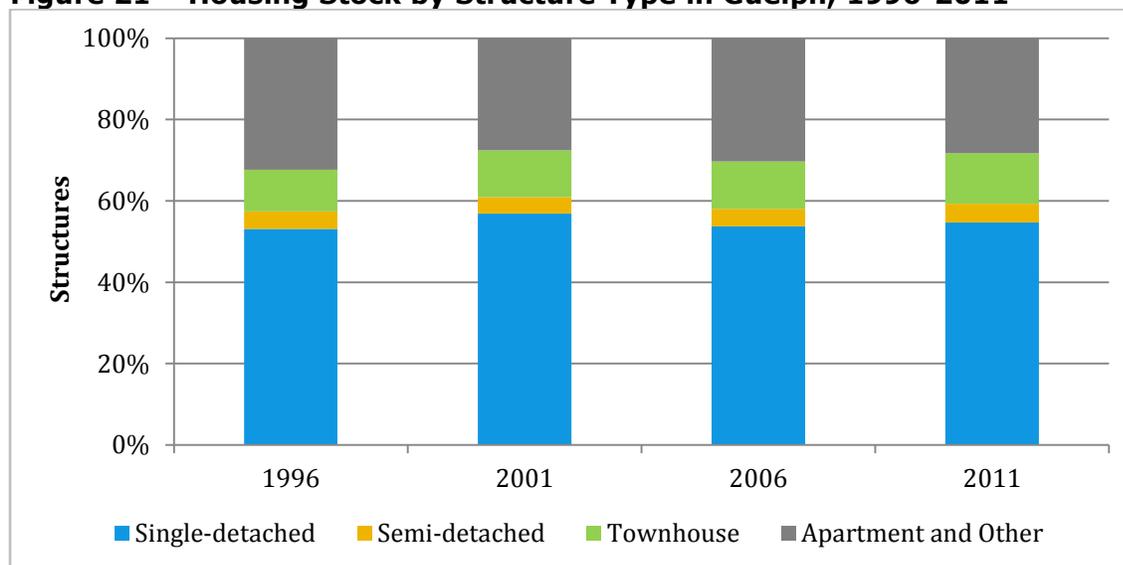
6.1.1 Structure Type

Medium and high density housing options (i.e. apartment and townhouse units) are inherently more affordable as they tend to be smaller in square footage, and require less land and infrastructure than low density housing (i.e. single- and semi-detached dwellings). At present, the current make-up of Guelph’s housing stock is predominantly comprised of low density housing.

Data Highlights

- The 2011 Census shows that the majority of Guelph’s existing housing stock are single detached dwellings (55%), followed by apartments and other dwelling types (28%), townhouses (12%) and semi-detached dwellings (5%).
- The ratio among dwelling types has remained relatively constant since 1996.

Figure 21 – Housing Stock by Structure Type in Guelph, 1996-2011



Source: Statistics Canada, 2011 Census

6.2 Residential Development

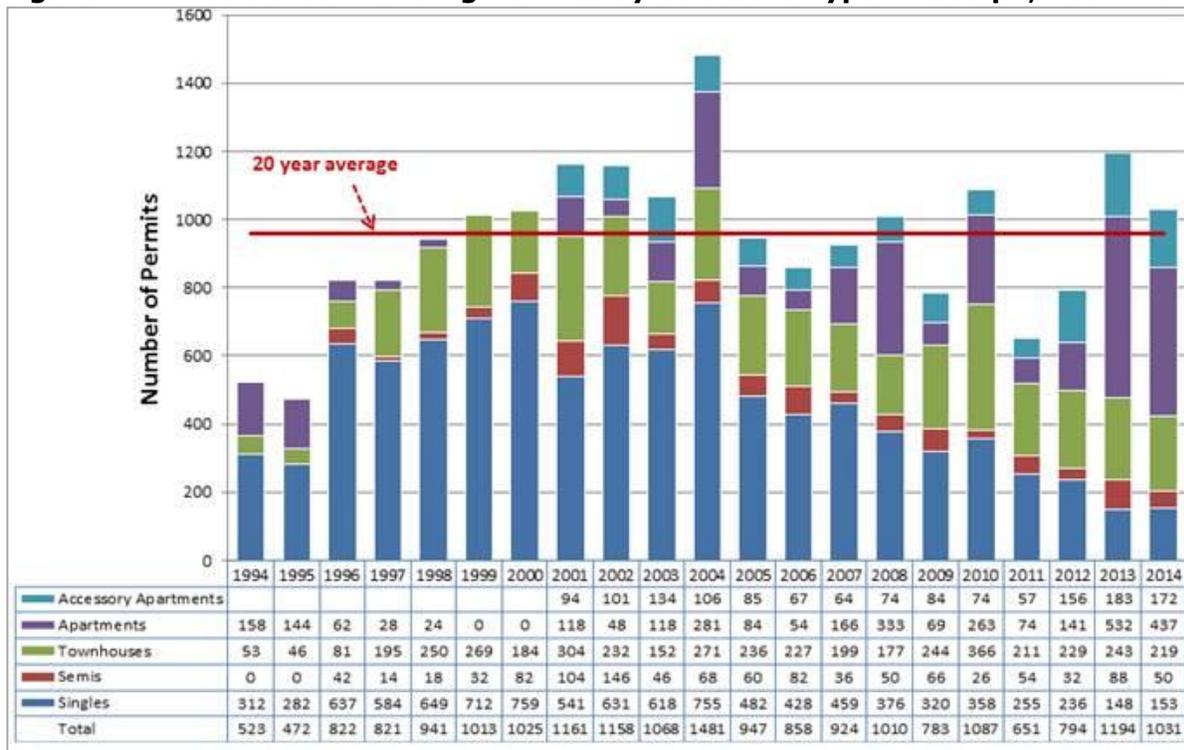
6.2.1 Residential Permits

Residential permit activity indicates that recent housing development is shifting from the construction of single detached dwellings to more apartments and townhouses. In the past two years, there were more permits issued for apartments and for townhouses than for single detached dwellings. Municipal housing forecasts to 2031 indicate that there will be a continued shift in the type of housing constructed. The share of low density housing is expected to decrease, while the share of high density is expected to increase.

Data Highlights

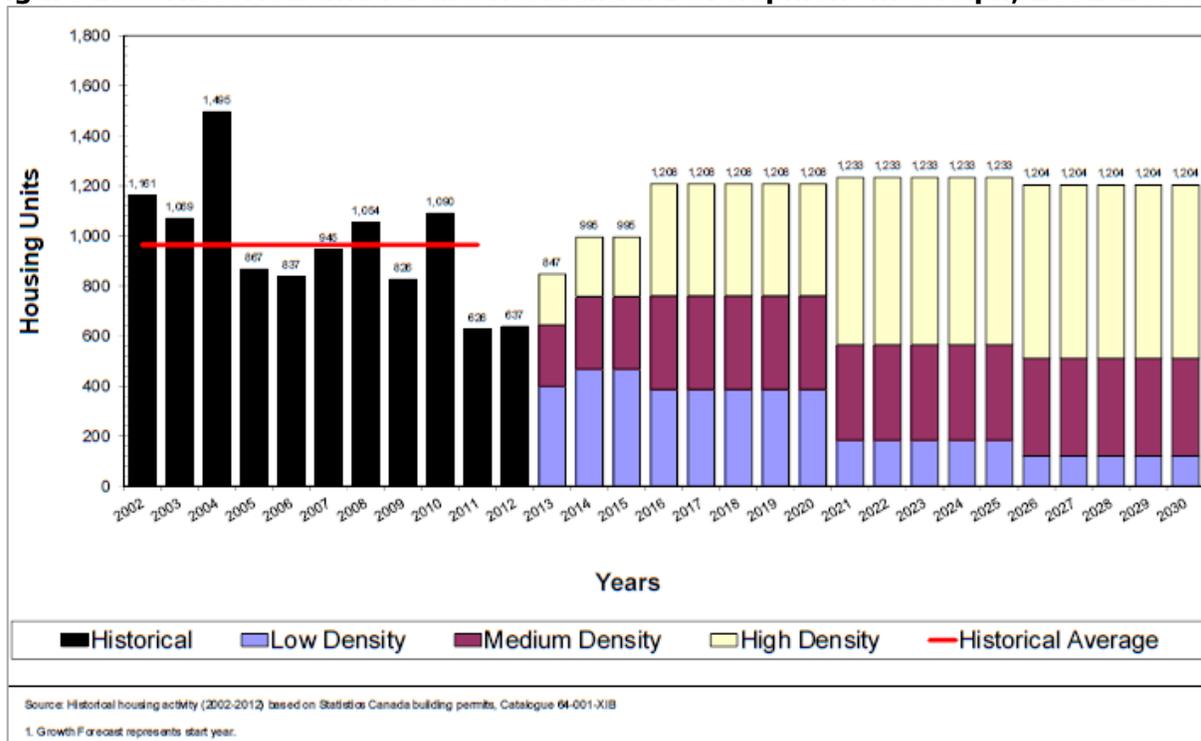
- On average, 953 residential building permits have been issued annually over the last 20 years.
- The number of permits issued for single detached buildings has declined steadily over the past 10 years (755 in 2004 to 153 in 2014).
- For the first time in 2013, there were more permits issued for both apartments (532) and townhouses (243) than for single detached dwellings (148).

Figure 22 – Residential Building Permits by Structure Type in Guelph, 1994-2014



Source: City of Guelph Planning, Urban Design and Building Services, Building Permit Summaries, 2015

Figure 23 – Historical and Future Residential Development in Guelph, 2002-2030



Source: Watson & Associates, Development Charge Background Study, 2014

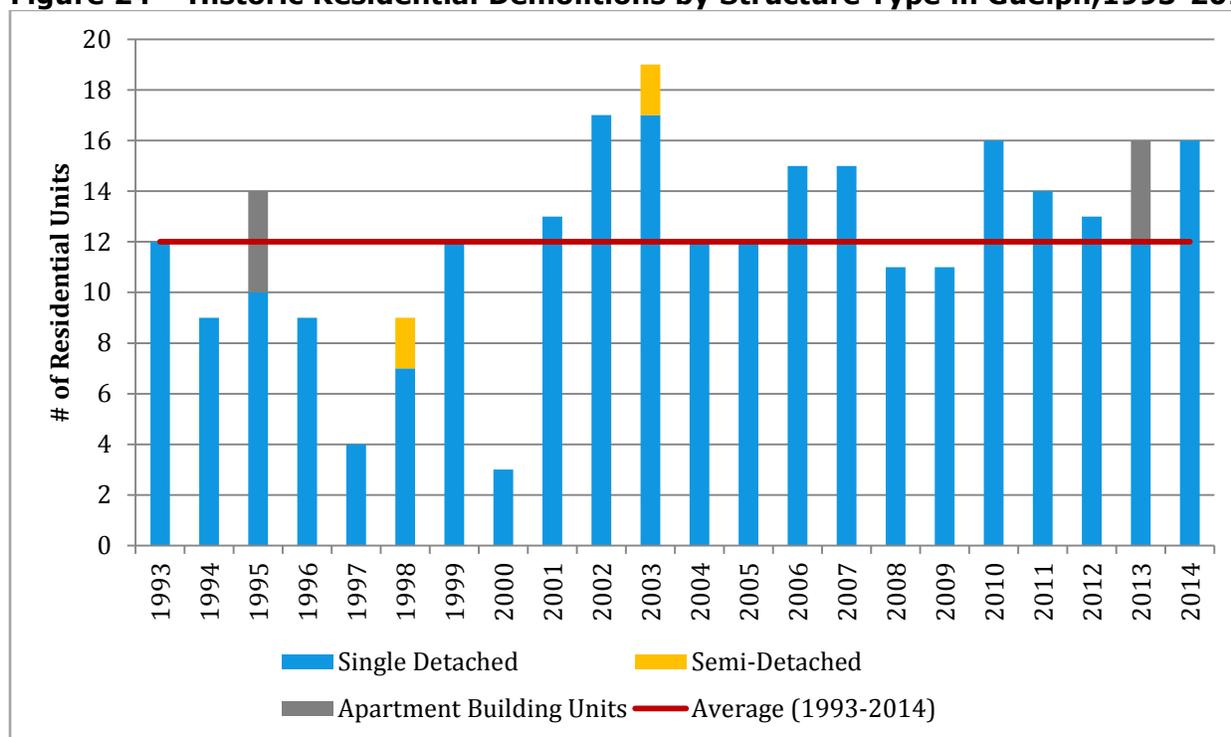
6.2.2 Residential Demolitions

In Guelph, few residential units are demolished each year. Only eight apartment units and four semi-detached dwelling units have been demolished over the last 20 years. Most have been single detached dwellings. However, this has little effect on the total housing stock, as the vast majority of demolitions were replaced with new residential buildings.

Data Highlights

- On average, 12 residential dwelling units are demolished each year.
- Since 1993, 8 apartment units and 4 semi-detached dwellings have been demolished.

Figure 24 – Historic Residential Demolitions by Structure Type in Guelph, 1993-2014



Source: City of Guelph Planning, Urban Design and Building Services, Amanda Permit Tracking System, 2015

6.2.3 Condominium Conversions

The conversion of rental units into condominiums results in the loss of primary rental stock. However, it sometimes results in new secondary rental market units, as well as affordable ownership opportunities. The City's Official Plan (policy 7.2.15) restricts the conversion of rental accommodation to condominium when vacancy rates are below 3%, and prohibits such conversions when the vacancy rate is below 1.5%.⁹

⁹ The conversion of rental accommodation to condominium or co-ownership housing tenureship will be considered on the merits of each proposal.

Over the past 20 years, a total of 172 rental units have been converted to condominiums – 100 townhouse units in 1998 (700 Paisley Rd.), and 72 apartment units in 2012 (55 Yarmouth St.). As a condition of approval for the Yarmouth St. condominium conversion, the owner was required to create and maintain 18 apartment units in the Gummer Building (1 Douglas St.) as rental for at least 10 years.

6.3 Primary Rental Market

The following information on the primary rental market comes from CMHC's Fall Rental Market Survey. This survey is conducted twice a year, and provides a summary of average market rents and vacancy rates of privately owned structures containing three or more units.

6.3.1 Average Market Rents

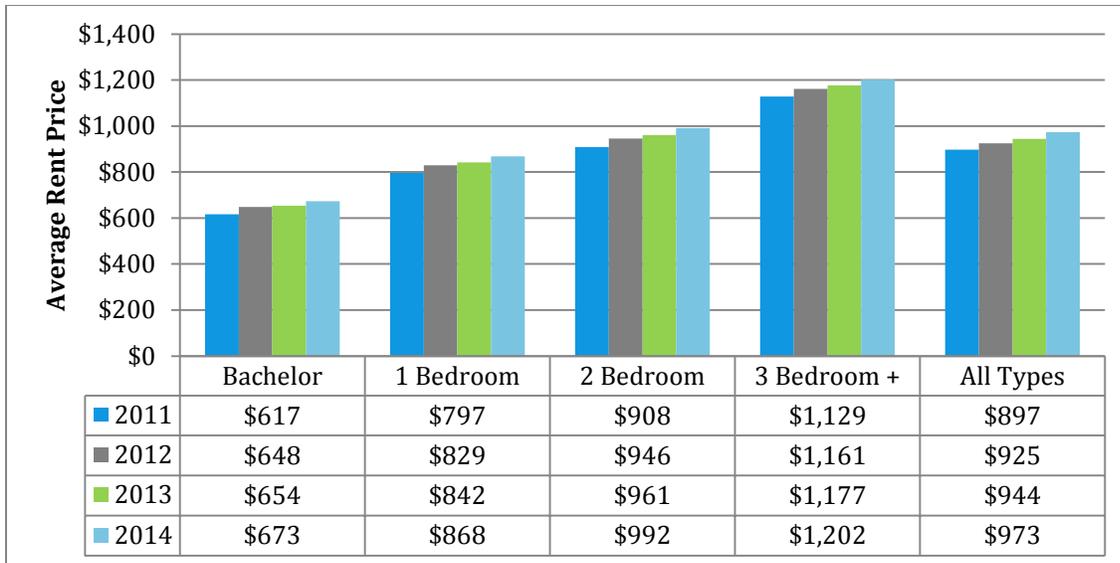
Rental rates vary according to unit size. Generally, the more bedrooms there are, the higher the rent. In Guelph, the average rate in the primary market is \$973 per month, ranging from \$673 for a bachelor apartment to \$1,202 for a 3-bedroom unit (October 2014). These rates may or may not include utilities such as heating and electricity. Between 2011 and 2014, the private market rental rates for Guelph increased 8%, above the Consumer Price Index (CPI) rate of inflation for Ontario of 5% during this time period.

Data Highlights

- In October 2014, the average rate for a rental unit in the primary market in Guelph was \$973 per month
 - \$673 for a bachelor unit;
 - \$868 for a 1 bedroom unit;
 - \$992 for a 2 bedroom unit; and
 - \$1,202 for a 3+ bedroom unit.
- Average rental rates have risen 8% between 2011 and 2014.

Figure 25 - Average Primary Market Rental Price by Unit Size in Guelph, 2011-2014

-
1. The City will discourage the conversion of existing rental units to condominium or co-ownership housing when the vacancy rate for rental accommodation is below 3%, and will prohibit such conversions when the vacancy rate is below 1.5%. The vacancy rate shall be defined as the average vacancy rate of the latest two vacancy surveys conducted in Guelph by the Canada Mortgage and Housing Corporation. The City may conduct supplementary vacancy rate surveys and modify the vacancy rates reported by C.M.H.C in accordance with its own findings.
 2. The policies of the City's approved "Municipal Housing Statement" will be used to outline the general requirements of the Municipality to permit a condominium or co-ownership housing conversion.
 3. The City will utilize agreements setting out the specific conditions and standards for a condominium or co-ownership housing conversion.
 4. When considering applications for condominium or co-ownership housing conversion, Council will have regard for:
 - a) The number of units included in the conversion application;
 - b) The number of rental units under construction at the time of application for conversion;
 - c) The impact of the conversion on the rental housing market (i.e. anticipated change in vacancy rates).



Source: CMHC, Fall Rental Market Survey, 2011-2014

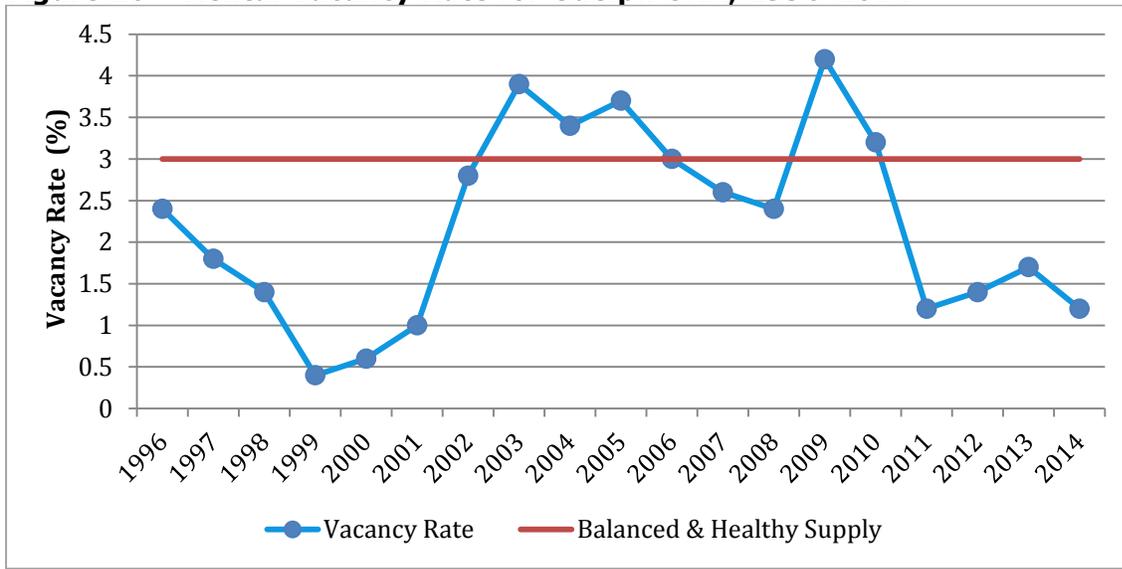
6.3.2 Vacancy Rates

The benchmark for a balanced and healthy rental market is a vacancy rate of 3%. The vacancy rate for Guelph is currently 0.6% (April 2015), well below that figure. Among other municipalities, the vacancy rate for the Guelph CMA is the lowest in Ontario and the third lowest in Canada (2014). This means that even if a household has sufficient income to pay market rents, they may not be able to find an available unit to lease, particularly households seeking small unit sizes.

Data Highlights

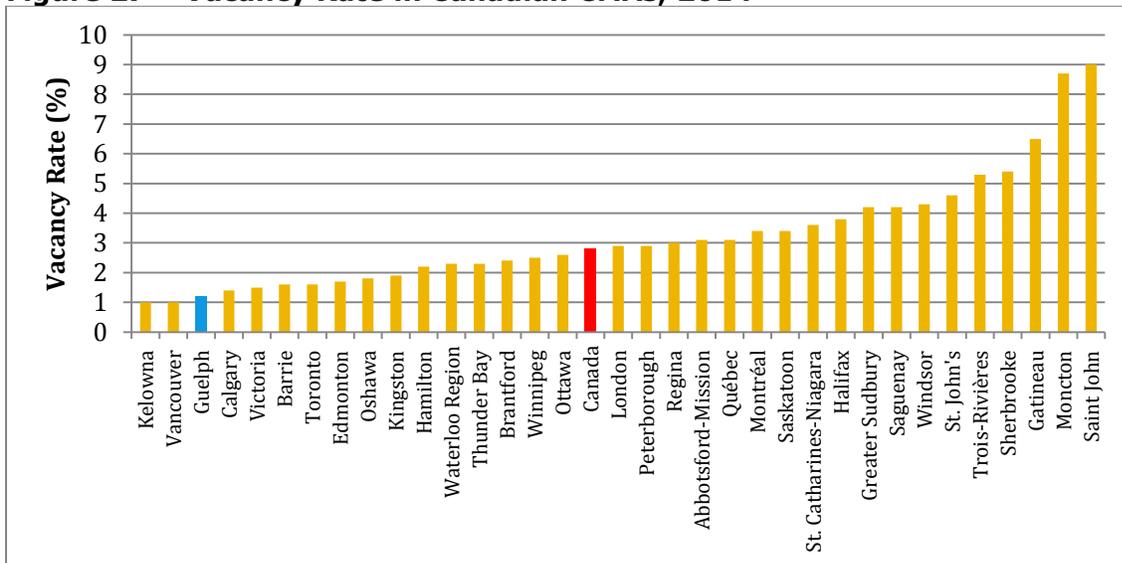
- Since 2011, the overall vacancy rate has been far below the benchmark of 3%.
- The current vacancy rate for the City of Guelph is 0.6% (April 2015)
 - 0.5% for bachelor apartments;
 - 0.3% for 1-bedroom apartments;
 - 0.7% for 2-bedroom apartments; and
 - 0.8% for 3+-bedroom apartments.

Figure 26 – Rental Vacancy Rate for Guelph CMA, 1996-2014



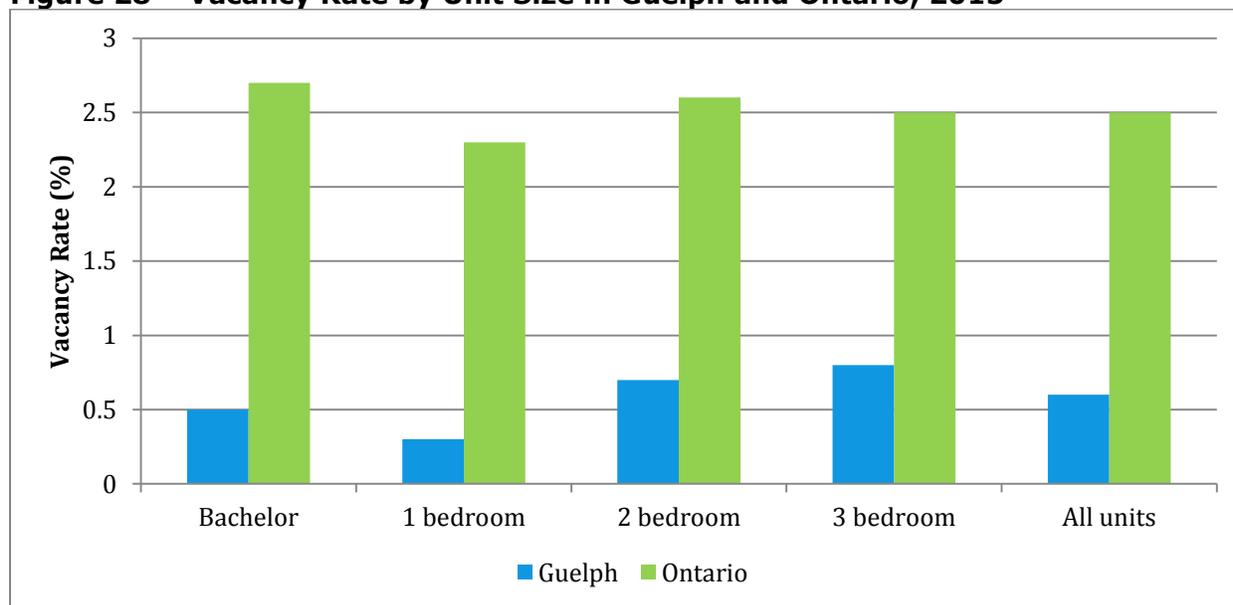
Source: CMHC, Fall Rental Market Survey, 1996-2014

Figure 27 – Vacancy Rate in Canadian CMAs, 2014



Source: CMHC, Fall Rental Market Survey, 2014

Figure 28 – Vacancy Rate by Unit Size in Guelph and Ontario, 2015



Source: CMHC, Spring Rental Market Survey, 2015

6.4 Secondary Rental Market

The secondary rental market includes all rented units other than those in the primary rental market. It consists of rented single detached, semi-detached and townhouse homes, accessory apartments, condominium apartments, and one or two apartments located in a commercial or other type of structure. Unlike the primary rental market, which consists of purpose-built rental apartments, the secondary rental market stock is considered to be temporary.

There is a lack of information available on the secondary rental market, as CMHC does not conduct research on these types of units for the Guelph area. Consequently, two local studies - a Registered Accessory Apartment Survey and a Secondary Rental Market Study - were undertaken as part of this Affordable Housing Strategy research in order to better understand the breadth and make-up of the secondary supply, including rental rates. Details on the methodology for these studies are included in Appendix C.

6.4.1 Accessory Apartments

An accessory apartment is defined as a separate dwelling unit that is located within the structure of a principal dwelling, and which is secondary to the principal dwelling unit. It includes a separate living area, kitchen, bedroom and bathroom. Examples include basement apartments or in-law suites. Not only can homeowners benefit from the income generated from having an accessory apartment, but they also provide affordable housing options within Guelph.

The City has a one time registration process for accessory apartments (units are not required to be unregistered). As of December 31, 2013, a total of 2,123 accessory apartments were registered with the City. Of these units, 78% were rented according to the City's survey results.

Survey Highlights

- Reason for creating the unit:
 - 54% of respondents initially created their accessory apartment to assist in mortgage payments on the principle residence.
 - 24% of respondents created the accessory apartment as an investment property (with both the main dwelling and the accessory apartment rented).
 - 22% of respondents created the accessory apartment for use by a family member(s).
- Tenant characteristics:
 - 70% of properties are owner occupied; 67% live in the main unit and 3% live in the accessory apartment.
 - 47% of occupants are aged 19-25.
 - 30% of occupants are aged 26-35.
 - 6% of units are occupied by families with children aged 0-18 years.
- Vacancy:
 - Almost one-quarter of accessory units were vacant at the time of the survey.
- Permanency:
 - 9% of respondents plan to remove the unit from their dwelling unit in the future, most likely in the medium to long-term (6 years or more).

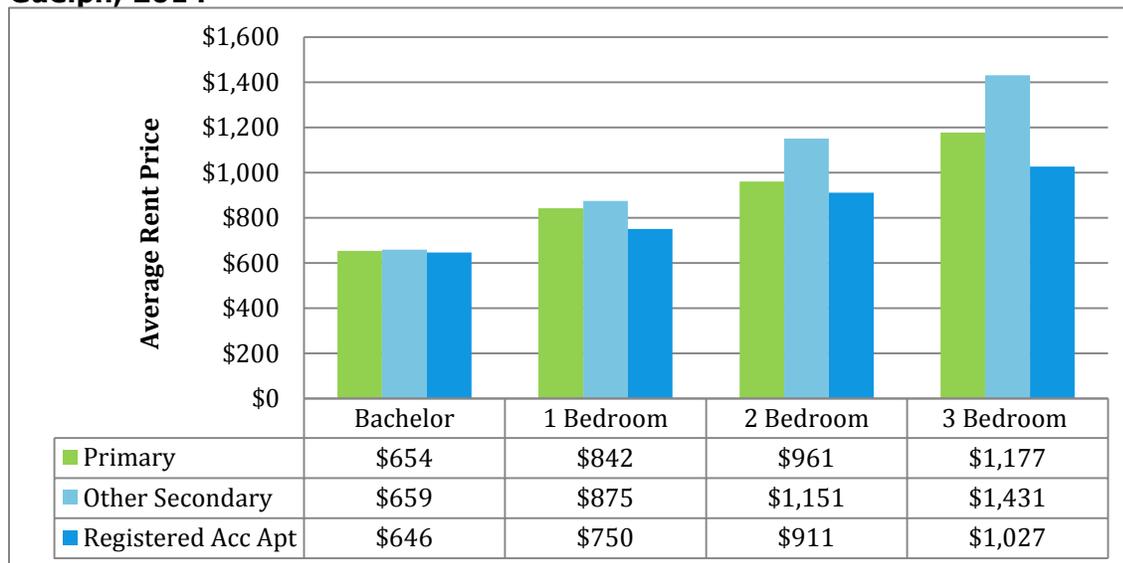
6.4.2 Secondary Market Rental Rates

Accessory apartments are typically less expensive than units in the primary rental market. Other types of secondary rental units (e.g. townhouse and condominium apartments), with the exception of bachelor units, tend to be more expensive.

Data Highlights

- The average rental rate for a bachelor apartment in Guelph is about \$650 a month, regardless of whether that unit is in the primary or secondary market.
- On average, accessory apartments offer the cheapest rents in Guelph:
 - \$750 for a 1 bedroom unit;
 - \$911 for a 2 bedroom unit; and
 - \$1,027 for a 3+ bedroom unit.
- On average, other types of secondary units (e.g. townhouse and condominium apartments) have the highest rents in Guelph:
 - \$875 for a 1 bedroom unit;
 - \$1,151 for a 2 bedroom unit; and
 - \$1,431 for a 3+ bedroom unit.

Figure 29 – Average Primary v. Secondary Rental Market Rents by Unit Size in Guelph, 2014



Source: City of Guelph Planning, Urban Design and Building Services. Data from Secondary Rental Market and Accessory Apartment Surveys, 2014 and CMHC, Fall Rental Market Survey, 2014 (see Appendix C)

6.5 Resale Housing Market

6.5.1 Average Resale Prices

Like rent, the average price of a home varies according to unit size and dwelling type. Location, amenities, age of dwelling, and finishes are also important factors. In general, single detached homes tend to be more expensive than semi-detached dwellings, which in turn are more expensive than townhomes and apartments. In Guelph, the average resale price of a home was \$327,062 in 2013 – up 25% since 2009. This increase far exceeded the CPI for Ontario of 8% during this time period.

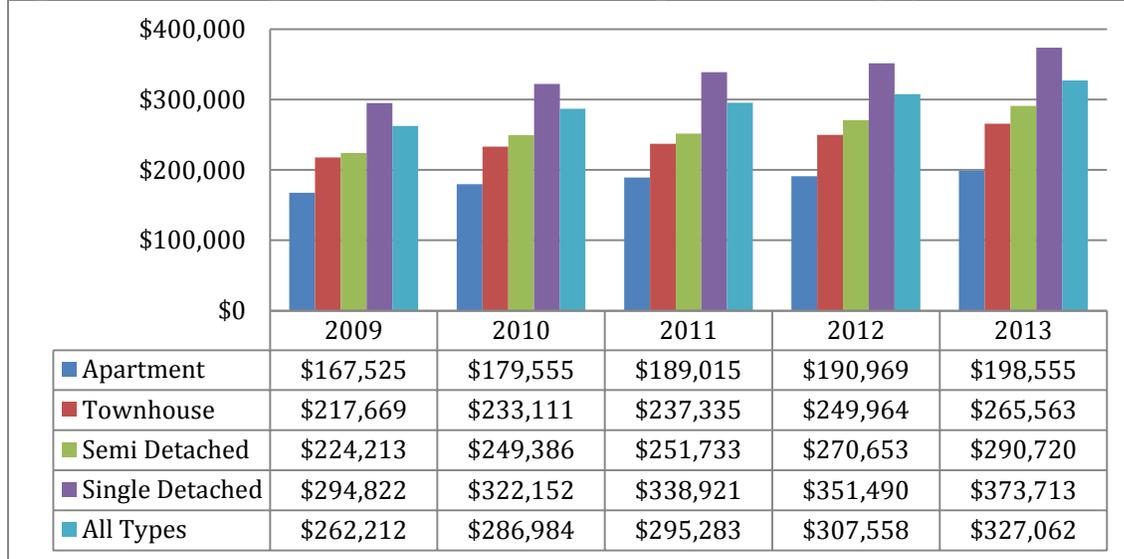
The range of prices for resale units is broader than the range for new homes. New townhouses and apartments are slightly less expensive than resale units. This could be related to the fact that new sales can be dominated by one or two development projects, where there is little variability in the type and cost of units available.

Data Highlights

- In 2013, the average resale price of a home in Guelph was \$327,062:
 - \$198,555 for an apartment;
 - \$265,563 for a townhouse;
 - \$290,720 for a semi-detached dwelling; and
 - \$373,713 for a single detached dwelling.
- Between 2009 and 2013, the average prices of resale dwellings rose 25%:
 - 19% for an apartment;
 - 22% for a townhouse;

- 30% for a semi-detached dwelling; and
- 27% for a single detached dwelling.

Figure 30 - Average Resale Price of Dwellings Sold in Guelph, 2009-2013



Source: City of Guelph Planning, Urban Design and Building Services. Data from MPAC, December 2013

6.6 Non-Market Housing

The non-market components of the housing continuum include the following five components:

- Emergency Shelters** – Shelters provide short-term lodging for individuals and families in need of emergency accommodation. Services may also include meals, access to showers and laundry, as well as assistance with linking to health and social services, as required.

In Guelph, there are currently three community providers, offering up to 75 beds, plus overflow accommodation in motels as needed. In 2014, the average number of shelter occupants per night was 129 people.

In recent years, there has been a shift away from the traditional emergency shelter system to a “Housing First” approach. For more details, refer to the County of Wellington’s Homelessness Strategy: A 5-Year Plan to Reduce Homelessness in Guelph Wellington (2014).

- Transitional Housing** – Transitional units are targeted to individuals in need of structure, support and/or skill building, in order to move from homelessness to housing stability and ultimately prevent a return to homelessness. They provide support services such as counselling, job training and placement, community activities, and help with life skills.

Accommodation is temporary (time limited); residents can typically stay up to a maximum of three years.

There are currently six transitional housing providers, providing up to 46 units in Guelph. These programs are administered by the Waterloo Wellington Local Health Integration Network (LHIN) through supportive service providers.

- c. **Social Housing** – Social housing refers to permanent, independent-living housing financed at least partly through government funding and mortgage guarantees. It includes: public housing, municipal and private non-profit rentals, and co-operatives where residents contribute to the management of the property to increase the sense of community and reduce operating costs.

In Guelph, there are 2,238 social housing units – 259 are classified as senior units (age 55+) and 1,979 are non-senior units including 253 non-senior co-operative units. A major portion of these units is rent-geared-to income (RGI), and the remainder may be rented at average social market rents. Tenants in RGI units pay no more than 30% of their household income in rent or rent is based on social assistance rent scales, and the remainder is subsidized through government contributions. Currently there are 52 designated supportive housing units and these tenants receive services from supportive service providers.

Social housing is accessed through the Centralized Waiting List administered by the Service Manager for specific social housing providers. As of December 31, 2014, there were 881 Guelph households on the Service Manager's RGI waiting list. The 52 designated supportive housing units are accessed through the supportive service providers. The social market rent units are accessed through the individual housing providers.

- d. **Supportive Housing** – Supportive housing is geared for individuals with special needs, including long-term mental health problems, physical disabilities, developmental delays and the frail elderly. It consists of three elements: (1) physical facility (e.g. apartment, group home, retirement home), (2) rent subsidies (e.g. rent supplement or RGI), and (3) supportive services (in a range of intensities) that help residents maintain independence. Unlike transitional housing, there is no length of stay duration.

Research conducted by TaylorNewberry (2014) identified about 380 permanent supportive housing units located in Guelph, however, some of these units may be double counted in the social housing and subsidized rental numbers listed here. Some of these units are shared accommodations (e.g. group homes), while others are independent apartments located in scattered sites within the private market housing stock.

The system of supportive housing is administratively complex. It is accessed through specific support service providers, Here247¹⁰, community agencies and social and affordable housing providers, and is funded and administered primarily by several provincial ministries, the WWLHIN, the supportive service provider and the Service Manager.

- e. **Subsidized Rental** – Rent subsidies are provided to offset rents in private market rental units for low income households. These subsidies are administered by the Service Manager or directly provided by a community agency for qualifying households in three ways:
- **Rent Supplement** – The calculation for rent supplements takes into consideration average market rent less RGI. These subsidies involve an agreement with a landlord for a particular unit(s) to be allocated to a household(s) on the Centralized Waiting List. As of June 2015, the Service Manager is administering 219 rent supplements in Guelph. Of these, there are nine designated supportive housing units.
 - **Housing Allowance** - Housing Allowances are fixed subsidies involving separate agreements with the landlord and the existing or new tenant household. As of June 2015, the Service Manager is administering 89 housing allowances in Guelph.
 - **Community Agency Delivery (CAD)** - The Community Agency Delivery (CAD) units are housing allowances that are delivered through a partnership with select community agencies. As of June 2015, the Service Manager is administering 12 fixed subsidies through the CAD programme.

The Service Manager also administers affordable rental housing projects through agreements with non-profit or private owners and has a homeownership programme which provides down-payment loans, with forgiveness after 20 years, for moderate income households. Funding for the affordable rental housing projects is provided through grants and loans by federal, provincial and municipal levels. Homeownership programme funding uses federal and provincial funding.

Accessible housing options are geared for persons with physical disabilities with access to the rental units through waiting lists by the Service Manager, housing providers and student cooperative.

As noted above, the non-market housing system is administratively complex. The County of Wellington in its role as the local Service Manager administers much of the non-market housing in Guelph. However, a number of non-market housing units are funded and administered by upper levels of government, such as the Ministries of Community and Social Services and Health and Long-Term Care. Furthermore, the federal investment for social housing will be ending by 2033, which will impact 2,238 permanent units and the 119 rent supplement units locally. The provincial funding for other rent supplement and housing allowances will end between 2023 and 2024.

¹⁰ An anytime call service to access addictions, mental health and crisis services.

The City currently supports non-market housing by providing funding support to the Service Manager, as well as through its historic use of the Affordable Housing Reserve to incent the development of affordable housing units.

6.7 Summary of Housing Supply Findings

The following is a summary of the housing supply data presented above:

- **Composition of housing stock** - While there has been an increase in the number of new apartments and townhouse units being constructed in recent years, Guelph's housing stock is predominantly comprised of low density housing.
- **Condominium conversions** - Demolitions and rental conversions are not resulting in a significant loss of total rental housing stock.
- **Low vacancy rate** - The vacancy rate for Guelph's primary rental market is currently 0.6% (April 2015), well below the balanced and healthy benchmark of 3%.
- **Increasing rental rates** - Between 2011 and 2014, the private market rental rates for Guelph increased 8%, above the CPI rate of inflation for Ontario of 5% during this time period.
- **Secondary rental market** - 45% of Guelph's rental units are in the secondary market, and are considered to be temporary. Almost one-quarter of all accessory apartments are not rented.
- **Rising house prices** - The average resale price of a home was \$327,062 in 2013 - up 25% since 2009, well above the CPI for Ontario of 8% during this time period.
- **Non-market housing** - Non-market housing represents 5% of the total housing stock in Guelph. The City currently supports non-market housing by providing funding support to the Service Manager, as well as through its historic use of Affordable Housing Reserve funds to incent the development of affordable housing units.

7. Housing Affordability, Suitability, and Adequacy

Core housing need is a vital indicator of community wellbeing that takes into account the following three factors:

- a. **Affordability** - Does the household spend 30% or more of their before-tax income on accommodation?
- b. **Suitability** - Are there enough bedrooms for the size and make-up of the household?

c. **Adequacy** - Is the dwelling in need of major repair?

This section of the report explores available data about these three elements separately and then as a combined indicator of core housing need.

7.1 Affordability

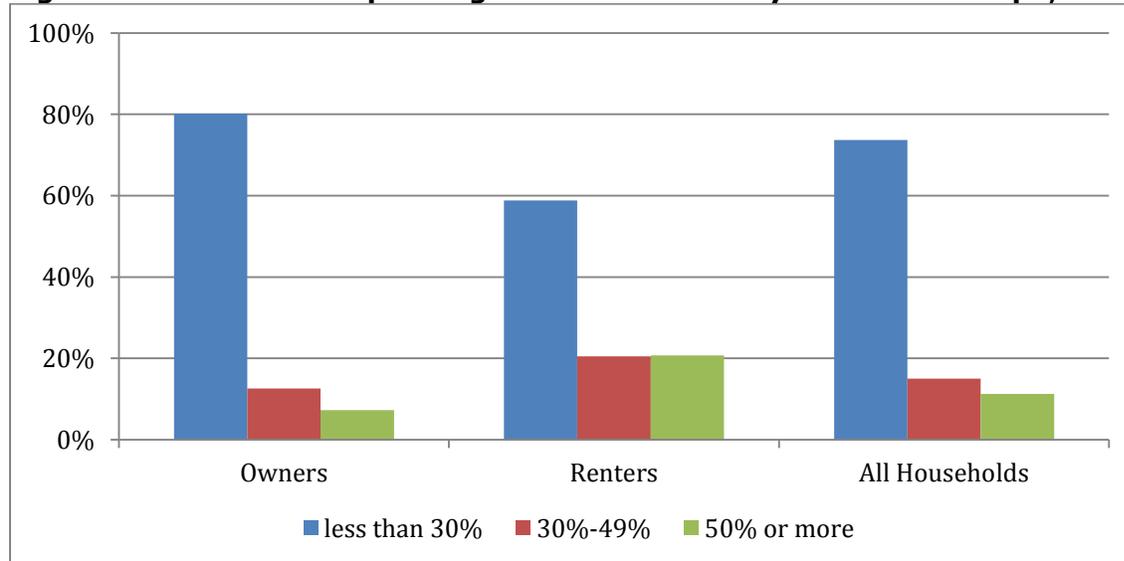
As mentioned above, housing is considered to be affordable for a given household if it costs less than 30% of gross (before-tax) household income. Households who pay above this threshold are considered to be “at risk of homelessness”. In 2011, one-quarter of Guelph’s households spent above the affordability threshold. Renters are more likely than homeowners to be at risk of homelessness.

One-tenth of Guelph’s households are spending more than 50% of their income on housing. These households are considered to be at great risk of homelessness.

Data Highlights

- In 2011, 26% of all Guelph households (12,620) spent above the affordability threshold of 30%:
 - 41% (5,950) of renters, and
 - 20% (6,665) of owners.
- 11% of all Guelph households (5,425) spend more than 50% of their income on housing costs:
 - 21% (2,995) of renters, and
 - 7% (2,430) of owners.

Figure 31 - Household Spending on Shelter Costs by Tenure in Guelph, 2011



Source: Statistics Canada, 2011 NHS, Custom Tabulation

7.2 Suitability

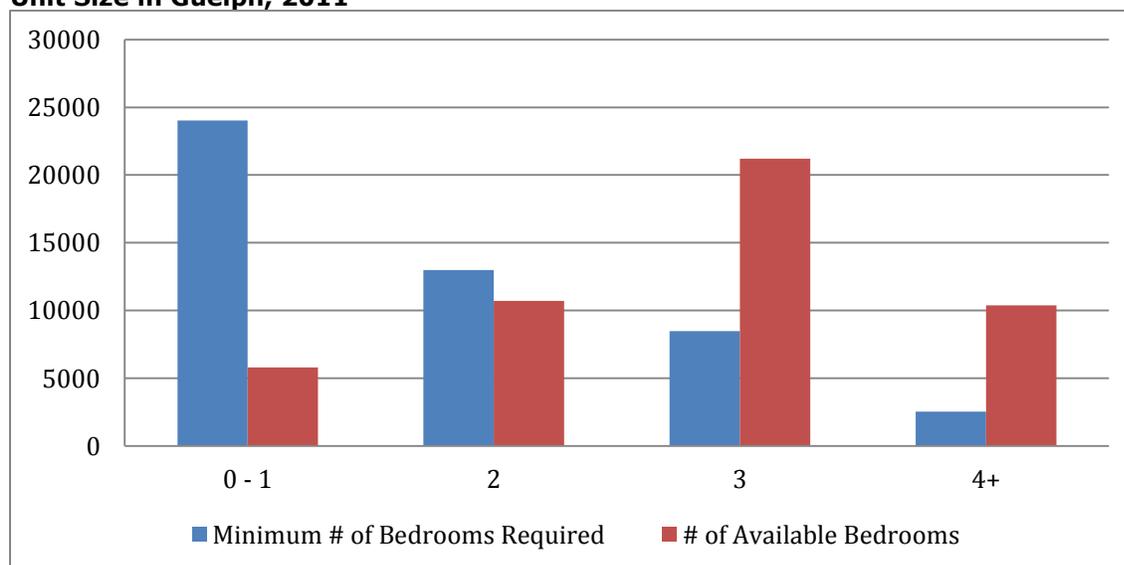
The National Occupancy Standard (NOS) outlines the minimum number of bedrooms that a household requires based on its size and composition. For example, a one person household requires as a minimum a bachelor unit (zero bedrooms), a couple requires as a minimum a one bedroom unit, a couple or lone parent with one child requires as a minimum a two bedroom unit etc. Many households prefer to rent/own a unit with more bedrooms than the NOS. However, low and moderate income households do not typically have the financial means to choose a unit with more bedrooms than the minimum required. Therefore, it is important that there is sufficient supply of smaller sized units available in the community.

An analysis of existing housing stock in comparison to household sizes indicates that there is a shortfall of approximately 18,000 bachelor and one bedroom units, and an oversupply of about 13,000 dwelling types consisting of three or more bedrooms than households who require this size of unit. The projected rise in the number of one person households will further increase the demand for small units.

Data Highlights

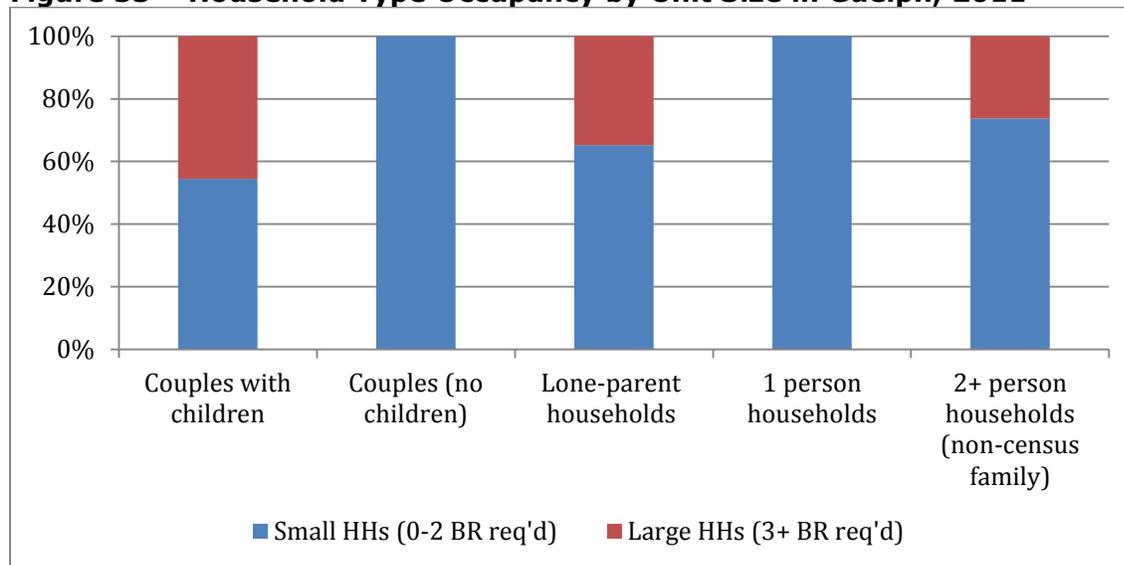
- In 2011, 12% of the housing stock was comprised of bachelor and one bedroom units (5,805 units).
- Based on the NOS, there is a need for 24,025 bachelor or one bedroom units.
- 44% of the housing stock was comprised of three bedroom units (21,220 units).
- Based on the NOS, there is a need for 8,470 three bedroom units.
- Among household types, 100% of one person households and couples without children occupy small unit sizes (bachelor, 1 or 2 bedroom units) (Figure 33).
- Over 80% of primary household maintainers under age 35 and over age 55 occupy small unit sizes (Figure 34).

Figure 32 – Minimum Number of Bedrooms Required in Comparison to Housing Stock by Unit Size in Guelph, 2011



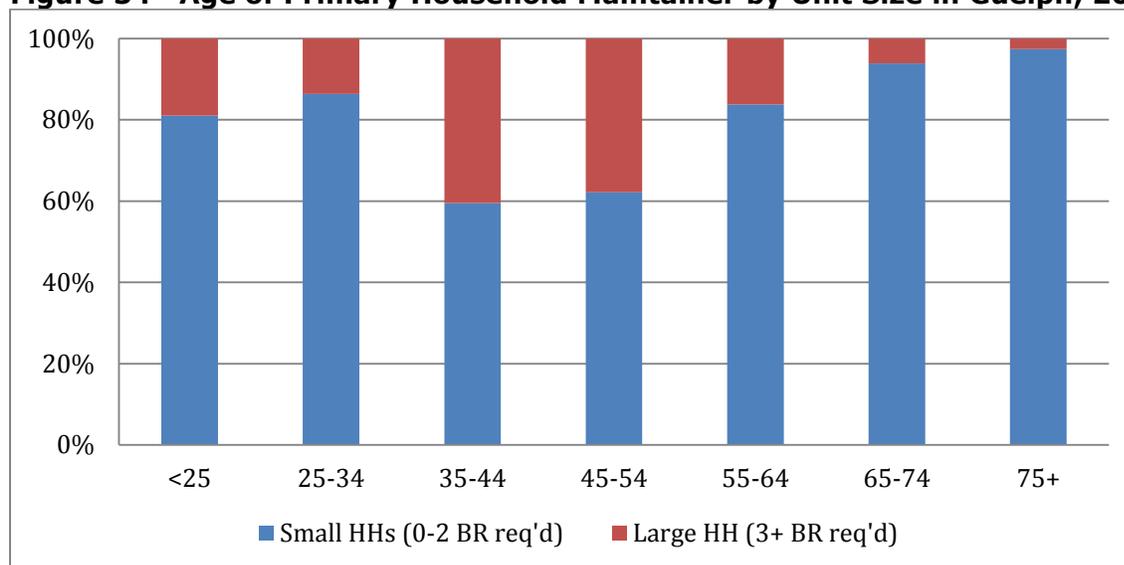
Source: City of Guelph Planning, Urban Design and Building Services. Data from Statistics Canada, 2011 NHS, Custom Tabulation

Figure 33 – Household Type Occupancy by Unit Size in Guelph, 2011



Source: City of Guelph Planning, Urban Design and Building Services. Data from Statistics Canada, 2011 NHS, Custom Tabulation

Figure 34 – Age of Primary Household Maintainer by Unit Size in Guelph, 2011



Source: City of Guelph Planning, Urban Design and Building Services. Data from Statistics Canada, 2011 NHS, Custom Tabulation

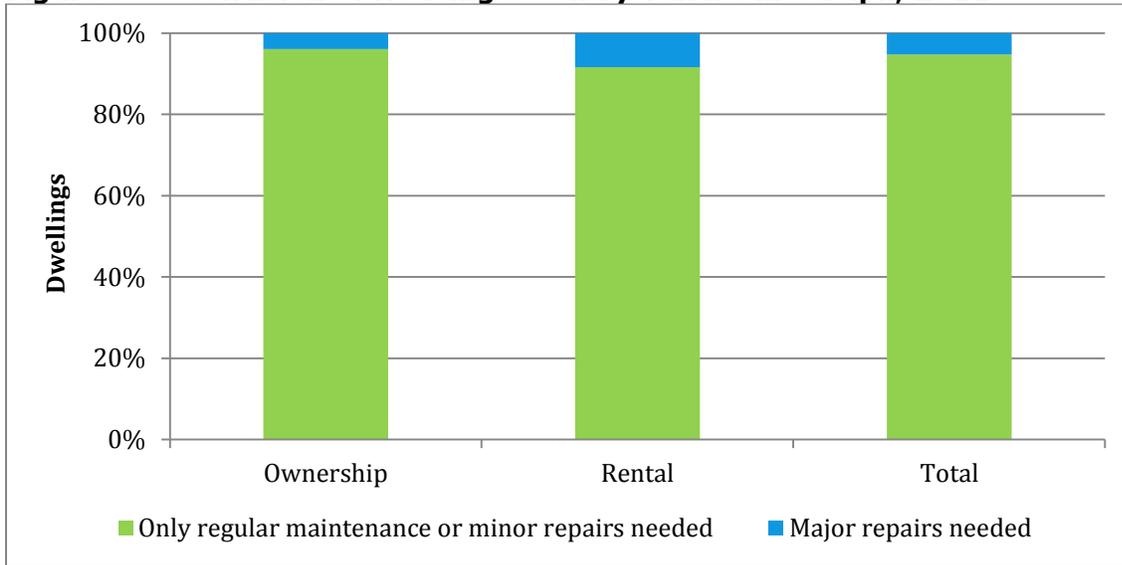
7.3 Adequacy

Most of the housing stock in Guelph is less than 35 years old. Over 90% of the overall housing stock is in good condition, requiring only regular maintenance and minor repairs. This implies that there will be little need for new residential construction to replace existing units.

Data Highlights

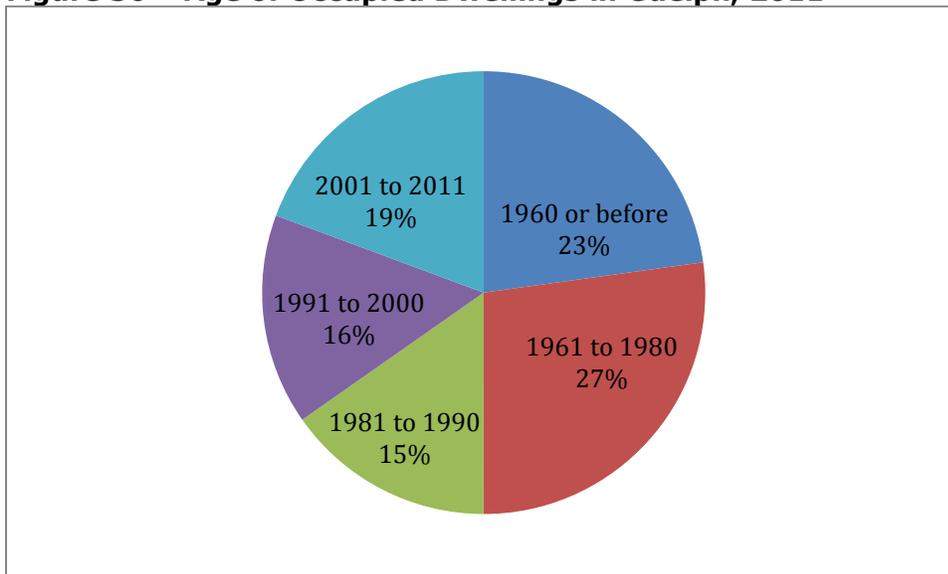
- In 2011, 5% of owner households and 8% of tenant households reported that the condition of their house required major repairs.
- 50% of Guelph’s housing stock has been built since 1981.

Figure 35 – Condition of Housing Stock by Tenure in Guelph, 2011



Source: Statistics Canada, 2011 NHS

Figure 36 – Age of Occupied Dwellings in Guelph, 2011



Source: Statistics Canada, 2011 NHS

7.4 Core Housing Need

A household is said to be in Core Housing Need (CHN) if its housing falls below at least one of the adequacy, affordability or suitability standards, and it would have to spend 30% or more of its total before-tax income to pay the median rent of alternative local housing that is acceptable. Regardless of their circumstances, non-family households led by maintainers aged 15 to 29 years attending school full-time are considered to be in a transitional stage of life, and therefore not in core housing need.

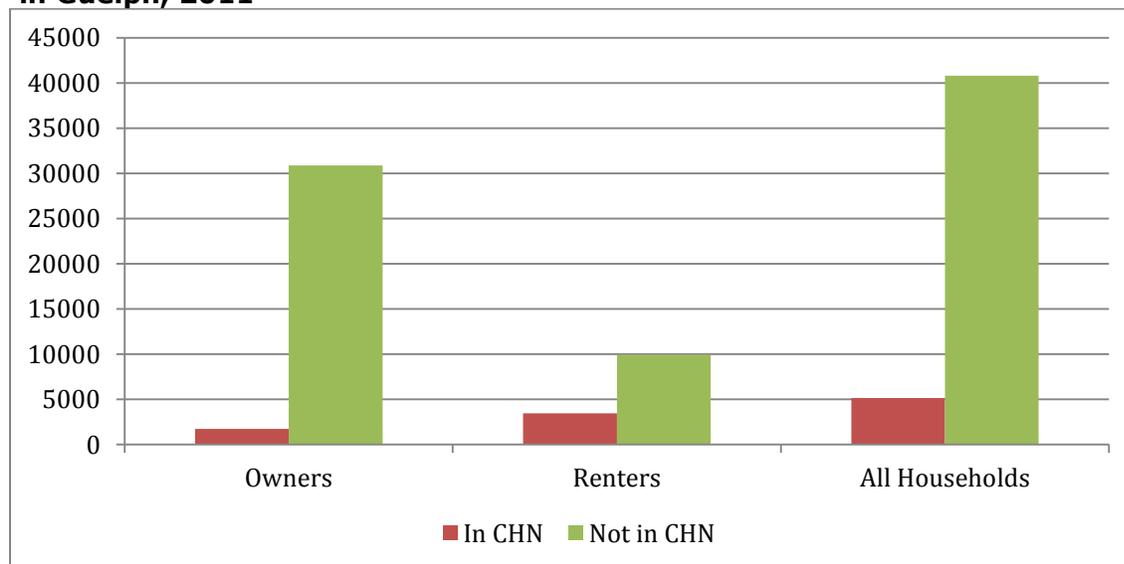
In Guelph, 11% (5,150) of all households were living in core housing need in 2011. The rates are higher for renters (26%) than for homeowners (5%).¹¹

The main reason for households being in core housing need is due to affordability. The average total income of a household living in core housing need is about \$23,000, in comparison to \$95,000 for a household not in core housing need.

Data Highlights

- In 2011, 11% of all Guelph households (5,150) were in core housing need:
 - 5% (3,445) of owners; and
 - 26% (1,710) of renters.
- The average total income of households in core housing need is \$23,029:
 - \$25,232 for owners; and
 - \$21,937 for renters.

Figure 37 – Number of Households in Core Housing Need by Tenure in Guelph, 2011



Source: Statistics Canada, 2011 NHS, Custom Tabulation

¹¹ The Core Housing Need data includes only households with shelter-cost-to-income ratios (STIRs) less than 100%, consistent with CMHC's approach.

Table 7 – Average Total Income of Households in Core Housing Need and Tenure in Guelph, 2011

	<i>Not In CHN</i>	<i>In CHN</i>
All Households	\$94,626	\$23,029
Owner Households	\$106,757	\$25,232
Renter Households	\$56,805	\$21,937

Source: Statistics Canada, 2011 NHS, Custom Tabulation

7.4.1 Core Housing Need by Household Type

The following charts illustrate core housing need by household type. Table 8 shows core housing need by household type and tenure in comparison to total households in Guelph. Figure 38 shows the prevalence amongst like household types. The analysis reveals that the prevalence of core housing need is highest for one person households and lone parent households, particularly among renters.

Data Highlights

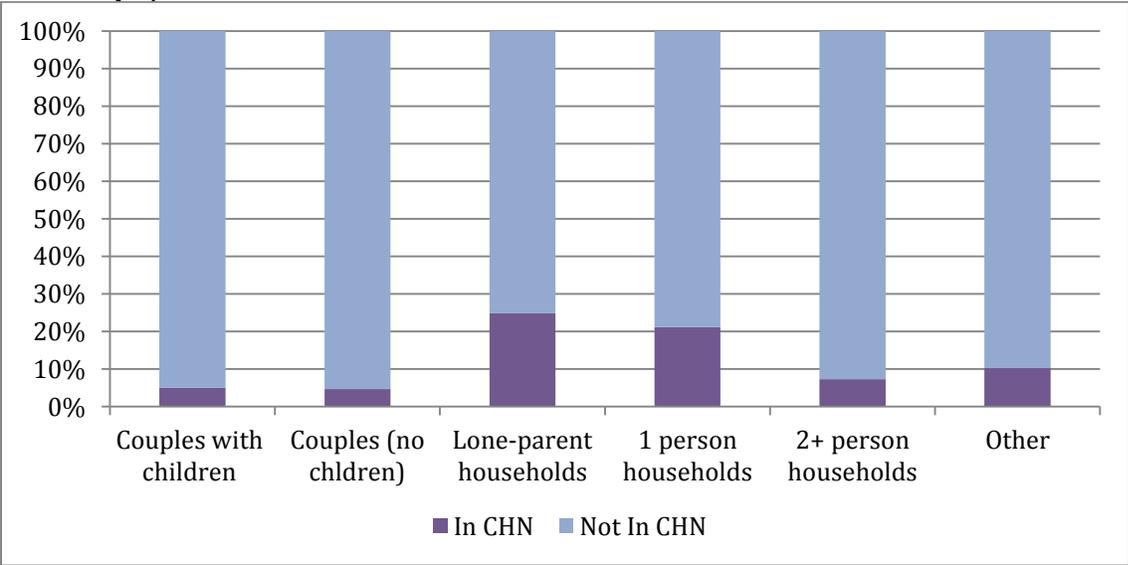
- In 2011, there were 2,430 one person households living in core housing need in Guelph, representing 5% of total households.
- There were 1,705 one person renter households living in core housing need, representing 13% of all renters.
- Amongst all one person households, 21% were living in core housing need.
- There were 1,010 lone parent households living in core housing need, representing 2% of total households.
- There were 750 lone parent renter households living in core housing need, representing 6% of all renters.
- Amongst all lone parent households, 25% were living in core housing need.

Table 8 – Number of Households in Core Housing Need by Household Type and Tenure in Guelph, 2011

	<i>All Households</i>		<i>Owners</i>		<i>Renters</i>	
Couples with children	705	2%	305	1%	400	3%
Couples (no children)	525	1%	240	1%	285	2%
Lone parent households	1010	2%	260	1%	750	6%
1 person households	2430	5%	725	2%	1705	13%
2+ person households	170	0%	30	0%	140	1%
Other	310	1%	145	0%	165	1%
Total in Core Housing Need	5150	11%	1710	5%	3445	26%

Source: Statistics Canada, 2011 NHS, Custom Tabulation

Figure 38 – Percentage of All Households in Core Housing Need by Household Type in Guelph, 2011



Source: Statistics Canada, 2011 NHS, Custom Tabulation

7.4.2 Core Housing Need by Age

The following charts illustrate core housing need by age of the primary household maintainer. Table 9 shows the core housing need by age and tenure in comparison to total households in Guelph. Figure 39 shows the prevalence amongst each age group. The analysis shows that the prevalence of core housing need for all households is highest for primary household maintainers aged 35-44 years, and lowest for individuals under 25 years, particularly amongst renters. Amongst each age group, however, the prevalence is highest amongst individuals 25 years and under and individuals over 75 years.

Data Highlights

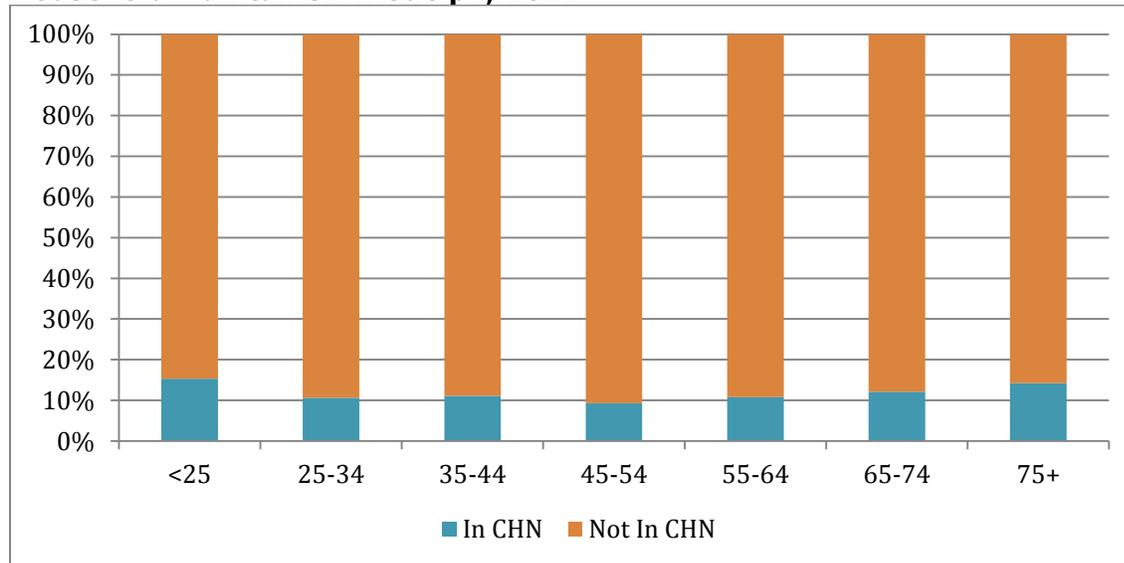
- In 2011, the age group of primary household maintainers with the highest number of individuals living in core housing need in Guelph was 35-44 year olds (975).
- The age group with the lowest number of individuals living in core housing need was individuals less than 25 years old (290).
- Amongst each age group:
 - Core housing need was highest for primary household maintainers under age 25 years (15%), followed by seniors 75+ years (14%).
 - Core housing need was lowest for 45-55 year olds (9%).

Table 9 – Number of Households in Core Housing Need by Age of Primary Household Maintainer and Tenure in Guelph, 2011

Age (years)	All Households		Owners		Renters	
	Count	%	Count	%	Count	%
<25	290	1%	30	0%	260	2%
25-34	815	2%	150	0%	660	5%
35-44	975	2%	275	1%	700	5%
45-54	940	2%	320	1%	625	5%
55-64	855	2%	390	1%	465	3%
65-74	570	1%	215	1%	360	3%
75+	700	2%	335	1%	375	3%
Total in Core Housing Need	5150	11%	1710	5%	3445	26%

Source: Statistics Canada, 2011 NHS, Custom Tabulation

Figure 39 – Percentage of All Households in Core Housing Need by Age of Primary Household Maintainer in Guelph, 2011



Source: Statistics Canada, 2011 NHS, Custom Tabulation

7.4.3 Core Housing Need by Household Type and Age

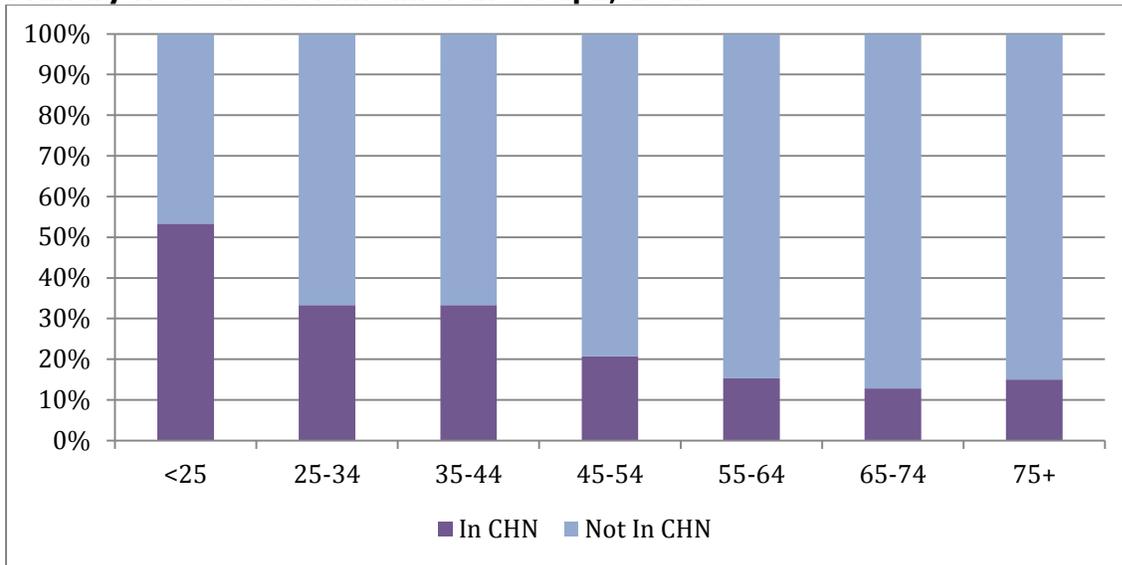
As illustrated above, the rates of core housing need are greatest for lone parent and one person households. The incidence varies by age. Amongst all lone parent households, the incidence of core housing need decreases with age. Amongst all one person households, the incidence of core housing need increases with age.

Data Highlights

- Amongst lone parent households, core housing need is highest for primary household maintainers under age 25 (53%), and lowest for seniors aged 65-74 years (13%).

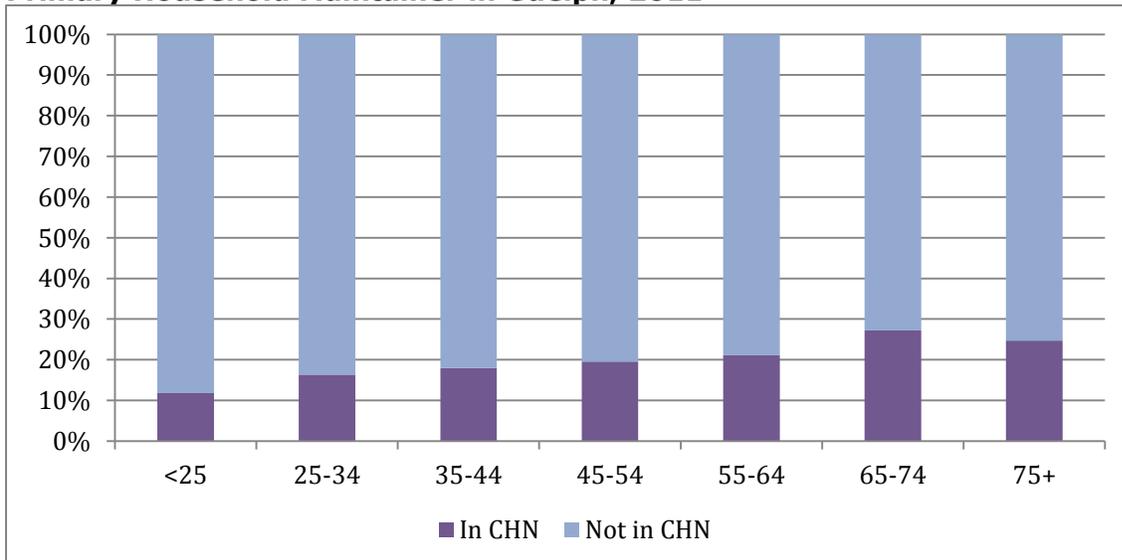
- Amongst one person households, core housing need is highest for primary household maintainers who are seniors aged 65-74 years old (27%), and lowest for individuals under 25 years (12%).

Figure 40 – Percentage of Lone Parent Households in Core Housing Need by Age of Primary Household Maintainer in Guelph, 2011



Source: Statistics Canada, 2011 NHS, Custom Tabulation

Figure 41 – Percentage of One Person Households in Core Housing Need by Age of Primary Household Maintainer in Guelph, 2011



Source: Statistics Canada, 2011 NHS, Custom Tabulation

7.5 Summary of Housing Affordability, Suitability, and Adequacy Findings

The following is a summary of the housing affordability, adequacy and suitability data presented above:

- **Affordability challenges** – One-quarter of Guelph’s households spent above the affordability threshold for housing in 2011. Renters are more likely than homeowners to have affordability challenges.
- **Lack of small housing units** - There is a shortfall of bachelor and one bedroom units, and an abundant supply of dwelling types consisting of three or more bedrooms. The projected rise in the number of one person households will further increase the demand for small units.
- **In good condition** - Over 90% of the overall housing stock is in good condition, requiring only regular maintenance and minor repairs.
- **Households in core housing need** - 11% of all Guelph households were living in core housing need in 2011. The incidence is highest among renters, lone parent households, and one person households.

8. Updating the Affordable Housing Benchmarks

A previous Affordable Housing Discussion Paper (2009) for Guelph calculated four benchmark prices:

1. **Income Based Rental Benchmark** – rent that does not exceed 30% of the gross annual income for low and moderate income tenant households (i.e. at or below the 60th percentile of the income distribution for renter households).
2. **Market Based Rental Benchmark** – average market rent.
3. **Income Based Ownership Benchmark** – purchase price that results in accommodation costs that do not exceed 30% of gross annual income for all low and moderate income households (i.e. at or below the 60th percentile of the income distribution for all households).
4. **Market Based Ownership Benchmark** – purchase price is at least 10% below the average purchase price of a resale unit in the regional market area.

In 2008, the benchmark prices were set at the following market based levels: \$237,000 for ownership, and \$833 per month for rental. The updated affordability targets for 2013 are:

- **Ownership - \$294,000 per dwelling**
- **Rental - \$944 per month**

This section of the report describes how the housing affordability benchmarks were set, how these benchmarks have changed over time, and how the benchmarks compare to market prices and local household incomes. For additional details, please refer to Appendices D to F.

8.1 Rental Benchmark

For the affordable rental benchmark calculations, the 2010 income percentile figures have been adjusted for inflation for 2013, based on the CPI for Ontario (all items). The 2013 rental rates are for the Guelph CMA, as reported by CMHC. Consistent with CMHC’s approach, no attempt has been made to adjust these figures for utility costs.

Table 10 – Maximum Rental Affordability by Income Percentile for Guelph, 2013

<i>Percentile</i>	<i>10th</i>	<i>20th</i>	<i>30th</i>	<i>40th</i>	<i>50th</i>	<i>60th</i>	<i>70th</i>	<i>80th</i>	<i>90th</i>
Income of Renter Households (\$)	11,527	17,445	23,381	30,838	37,910	46,122	56,300	72,487	95,583
Max. Affordable Rent (\$)	288	436	585	771	948	1,153	1,408	1,812	2,390

Source: City of Guelph Planning, Urban Design and Building Services. Data from Statistics Canada, 2011 NHS, Custom Tabulation, 2010 income data adjusted for inflation

The 2013 rental affordability benchmarks are as follows:

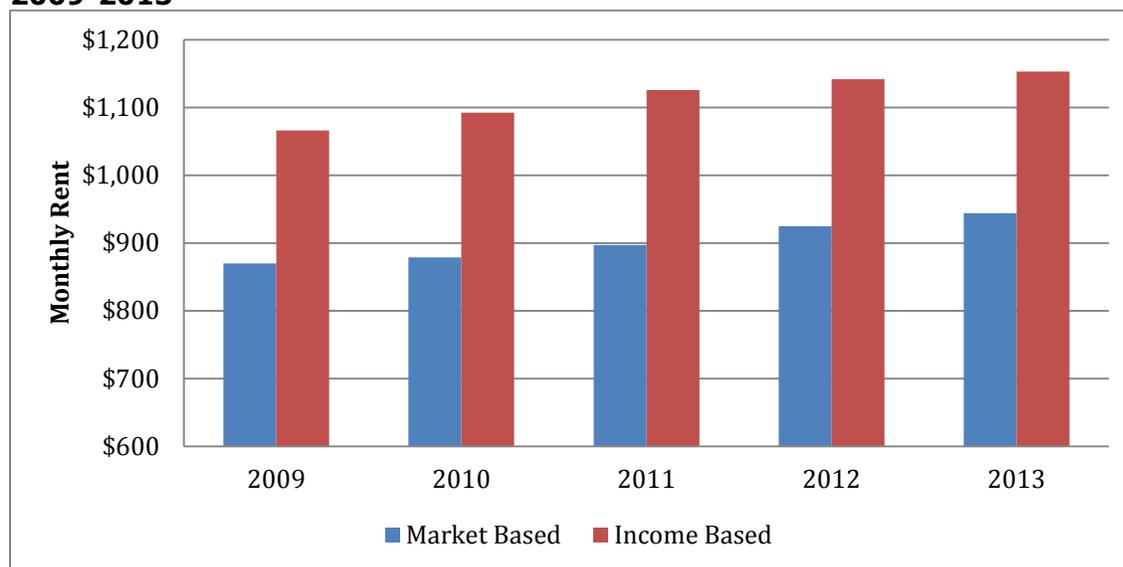
- **Income based** – The gross annual income for tenant households in the 60th income percentile is \$46,122. Therefore, the income based affordable rental benchmark is \$1,153 per month (or \$13,837 per year).
- **Market based** – The average market rental benchmark is \$944 per month.

Since the market based benchmark is lower than the income based one, the rental benchmark for 2013 is set at the market based benchmark of \$944 per month.

8.1.1 How the Rental Benchmarks have Changed Over Time

Figure 42 illustrates how the income and market based benchmarks have changed between 2009 and 2013. The income based benchmark increased 8% (from \$1,066 to \$1,153) between 2009 and 2013, while the market based benchmark increased 17% (from \$810 to \$944). This means that rental prices have increased at a faster pace than low and moderate tenant household incomes.

Figure 42 – Market v. Income Based Affordable Rental Benchmarks in Guelph, 2009-2013



Source: City of Guelph Planning, Urban Design and Building Services. Data from CMHC, Fall Rental Market Survey, 2009-2013, and Statistics Canada, 2011 NHS, Custom Tabulation, 2010 income data adjusted for inflation

8.1.2 Who Can Afford to Rent What

Figure 43 illustrates the different unit sizes that renter households can afford, by comparing renter household income percentile (adjusted for inflation) and average private market rental rates in 2013. The data shows that half of all renter households can afford the benchmark rental rate of \$944 per month.

In general, low income tenant households, with annual incomes at or below the 30th income percentile have very limited housing options in the private market. In Guelph, there are over 4,300 renter households with incomes below \$23,000 (some of whom would be residing in social housing). These households are unable to afford a bachelor unit, with an average market rental rate of \$654 per month. Affordable options for these households would include: government subsidized housing options, shared accommodations, rooming houses, or lower cost accessory apartments. When these options are not available, these low income households may be at risk of becoming homeless due to an inability to pay market rent.

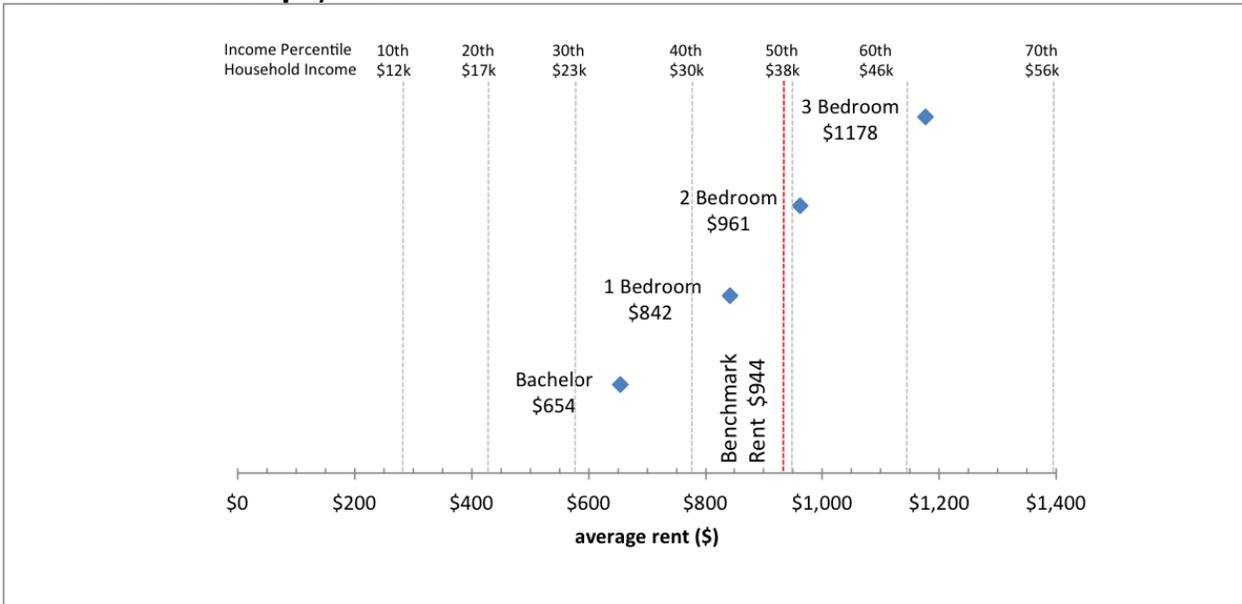
Households with incomes between the 30th and 60th income percentiles may be able to afford to rent units in the private market. However, they most likely do not have the financial means to rent a “suitable” unit (i.e. a unit that has enough bedrooms for the size and make-up of the household). In Guelph, there are approximately 5,700 renter households with incomes between \$23,000 and \$46,000. These households are able to afford a bachelor unit, and some one and two bedroom units in the private market.

Table 11 illustrates the difference between affordable rent and average market rent when NOS are taken into consideration (also see Appendix F). As described above, NOS outlines the minimum number of bedrooms that a household requires based on its size and composition. For example, a one person household requires as a minimum a bachelor unit (zero bedrooms), a couple requires as a minimum a one bedroom unit, a couple or lone parent household with one child requires as a minimum a two bedroom unit etc. The data shows that a single person with a household income at the 50th percentile cannot afford to rent a bachelor apartment. The situation is likely exacerbated by the fact that there is a low supply of bachelor apartments in the private market place (see section 7.2 above).

Data Highlights

- In Guelph, rental rates for bachelor and 1 bedroom units are below the benchmark rent of \$944 per month (2013).
- Renter households in the 30th income percentile (\$23,381) can afford to spend a maximum of \$585 on shelter. These households cannot afford to rent an average priced unit in the private market, regardless of unit size.
- Renter households in the 40th income percentile (\$30,838) can afford to spend a maximum of \$771 on shelter. These households can afford to rent a bachelor unit.
- Renter households in the 50th income percentile (\$37,910) can afford to spend a maximum of \$948 on shelter. These households can afford to rent a 1 bedroom unit.
- Renter households in the 60th income percentile (\$46,112) can afford to spend a maximum \$1,153. These households can afford to rent a 2 bedroom unit.
- According to NOS:
 - A one person renter household in the 50th percentile income cannot afford to rent a bachelor unit. This household would need an extra \$26 per month to afford the average bachelor apartment.
 - A couple with no children renter household in the 20th income percentile can afford to rent a 1 bedroom unit.

Figure 43 – Average Primary Market Rents in Comparison to Renter Income Percentiles in Guelph, 2013¹²



Source: City of Guelph Planning, Urban Design and Building Services. Data from CMHC, Fall Market Rental Survey, 2013, and Statistics Canada, 2011 NHS, Custom Tabulation, 2010 income data adjusted for inflation

Table 11 - Difference between Affordable Rent and Average Market Rent by Renter Household Income Percentile and Minimum Number of Bedrooms Required in Guelph, 2013

Min. Bed-rooms Req'd	# of renter households	Avg. Market Rent	Difference between Affordable Rent and Average Market Rent by Renter Household Income Percentile								
			10th	20th	30th	40th	50th	60th	70th	80 th	90 th
Zero	6,175	\$654	-\$480	-\$333	-\$235	-\$137	-\$26	\$101	\$283	\$510	\$887
One	2,290	\$842	-\$116	\$142	\$286	\$468	\$623	\$854	\$1,120	\$1,460	\$1,877
Two	3,655	\$961	-\$557	-\$425	-\$188	\$14	\$204	\$417	\$708	\$1,153	\$1,732
Three+	2,315	\$1,177	-\$678	-\$402	-\$205	-\$8	\$261	\$591	\$921	\$1,334	\$2,029

Source: City of Guelph Planning, Urban Design and Building Services. Data from CMHC, Fall Market Rental Survey, 2013, and Statistics Canada, 2011 NHS, Custom Tabulation, 2010 income data adjusted for inflation (see Appendix F)

Cannot afford 'suitable' rental housing at average market rent

¹² The blue diamond represents the average market rent. The top horizontal axis shows income deciles for renter households. The bottom horizontal axis shows the average rent each decile can afford.

8.2 Ownership Benchmark

For the affordable ownership benchmark calculations, the 2010 income percentile figures have been adjusted for inflation for 2013. The 2013 housing prices are from MPAC. The ownership calculation assumes today's prevailing mortgage terms, a 5% down payment, average utility payments and property tax rates.

Table 12 - Affordable Homeownership Prices according to Income Distribution in Guelph, 2013

Percentile	10 th	20 th	30 th	40 th	50 th	60 th	70 th	80 th	90 th
Income of All Households (\$)	19,347	32,881	45,028	57,900	72,505	88,656	105,499	127,087	165,050
Affordable House Price (\$)	35,753	90,434	139,515	191,524	250,535	315,794	383,846	471,072	624,464

Source: City of Guelph Planning, Urban Design and Building Services. Data from Statistics Canada, 2011 NHS, Custom Tabulation, 2010 income data adjusted for inflation

The 2013 ownership affordability benchmarks are as follows:

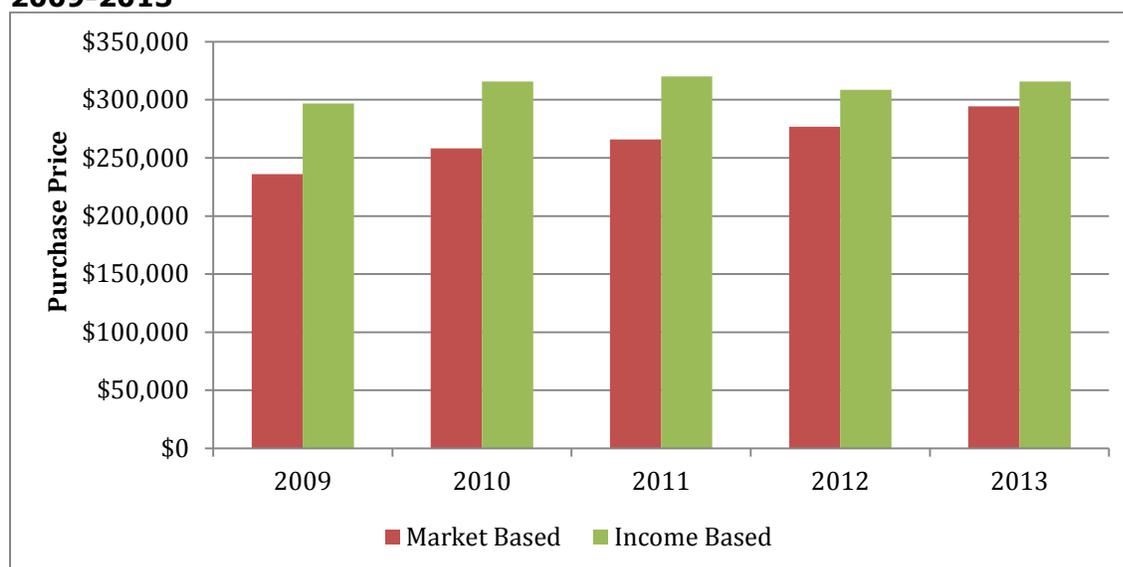
- **Income based** – The gross annual income for all households in the 60th income percentile is \$88,656. Therefore, the income based affordable benchmark is a house price of \$315,794.
- **Market based** – The average resale price of a house is \$327,062. The market based benchmark is 10% below this, at \$294,356.

Like the rental benchmark, the market based one is lower than the income based. Therefore, the ownership benchmark for 2013 is set at the market based benchmark, and has been rounded to \$294,000.

8.2.1 How the Ownership Benchmarks have Changed Over Time

Figure 44 illustrates that the gap between the income and market based benchmarks is closing. The income based benchmark increased 7% (from \$296,378 to \$315,794) between 2009 and 2013, while the market based benchmark increased 25% (from \$235,991 to \$294,356). This means that ownership prices have increased at a substantially faster pace than incomes for low and moderate income households.

Figure 44 – Market v. Income Based Affordable Ownership Benchmarks in Guelph, 2009-2013



Source: City of Guelph Planning, Urban Design and Building Services. Data from MPAC, December 2013, and Statistics Canada, 2011 NHS, Custom Tabulation, 2010 income data adjusted for inflation

8.2.2 Who Can Afford to Purchase What

Figure 45 illustrates the different dwelling types that households can afford to purchase, by comparing all household income percentile (adjusted for inflation) and average private market rental rates in 2013. The data shows that over half of all households in Guelph can afford the benchmark ownership price of \$294,000.

In general, low income households, with annual incomes at or below the 30th income percentile cannot afford to purchase any units in the private market. In Guelph, there are over 14,000 households with total incomes below \$45,000. These households require rental housing.

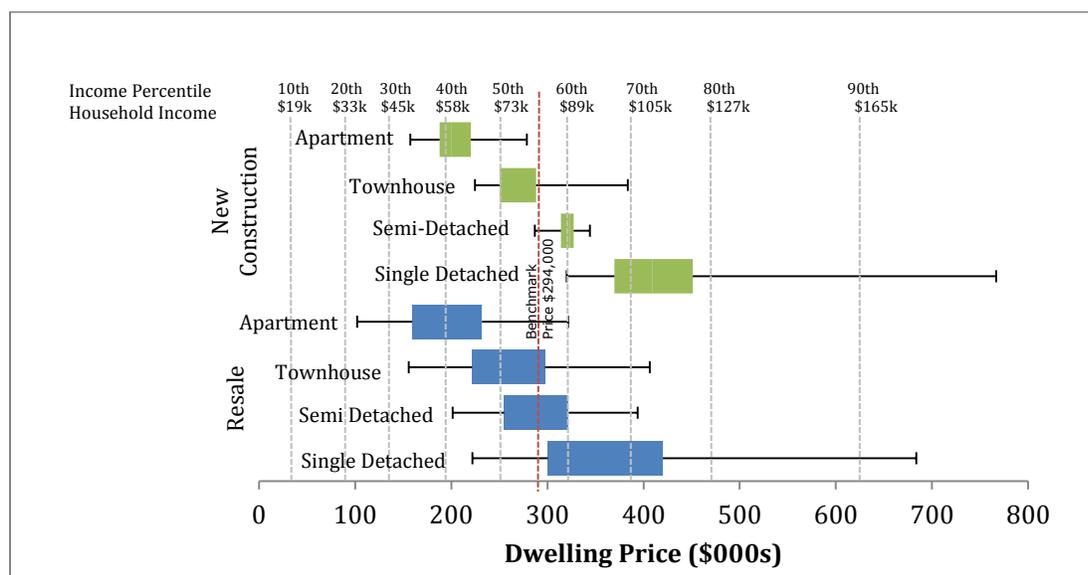
Households with incomes between the 30th and 60th income percentiles may be able to afford to enter the ownership market. In Guelph, there are approximately 19,000 households with incomes between \$45,000 and \$89,000. These households can afford to purchase apartments and some townhouse, semi-detached and single detached units.

Table 13 illustrates the difference between affordable ownership and average dwelling prices when NOS are taken into consideration (also see Appendix F). The data shows that a single person with a household income at the 70th percentile cannot afford to purchase a bachelor condominium unit.

Data Highlights

- In Guelph, households between the 50th and 60th income percentile can afford the benchmark price of \$294,000 (2013).
- Households in the 30th income percentile (\$45,028) can afford a maximum purchase price of \$139,515. These households can afford to purchase:
 - 25% of the apartment units in the resale market; and
 - No units in the new construction market.
- Households in the 60th income percentile (\$88,656) can afford a maximum purchase price of \$315,794.
 - In the resale market, these households can afford to purchase:
 - More than 25% of single detached units,
 - 75% of semi-detached units,
 - More than 75% of townhouse units, and
 - 98% of apartment units.
 - In the new construction market, they can afford to purchase:
 - Approximately 2% of single detached units,
 - 50% of semi-detached units
 - More than 75% of townhouse units, and
 - Over 98% of apartment units.
- According to NOS:
 - A one person household in the 70th percentile income cannot afford to purchase a bachelor unit. This household would need an extra \$11,313 per year to afford the average bachelor unit.
 - A couple with no children household in the 30th income percentile can afford to purchase a 1 bedroom unit.

Figure 45 – New and Resale House Prices in Comparison to All Household Income Percentiles for Guelph, 2013



Source: City of Guelph Planning, Urban Design and Building Services. Data from MPAC, December 2013, and Statistics Canada, 2011 NHS, Custom Tabulation, 2010 income data adjusted for inflation. The **blue box** represents the median house price range in the resale market, and the **green box** represents the median house price in the new construction market. The top horizontal axis shows income deciles for households. The bottom horizontal axis shows the house price each decile can afford.

Table 13 - Difference between Affordable Ownership and Average Resale Price by Household Income Percentile and Minimum Number of Bedrooms Required in Guelph, 2013

Min. Bed-rooms Req'd	# of Households	10% Below Avg. Resale House Price	Difference between Affordable Price and Average Resale Price by All Household Income Percentile									
			10th	20th	30th	40th	50th	60th	70th	80th	90th	
Zero	12,690	\$173,196	-\$83,811	-\$148,703	-\$127,422	-\$106,520	-\$77,257	-\$44,586	-\$11,313	\$37,027	\$124,417	
One	11,335	\$173,196	-\$65,900	-\$23,213	\$18,814	\$64,115	\$106,688	\$163,584	\$220,646	\$290,474	\$424,877	
Two	12,980	\$237,633	-\$178,111	-\$109,211	-\$54,458	\$1,658	\$56,524	\$110,932	\$173,963	\$253,261	\$400,507	
Three	8,470	\$289,983	-\$183,980	-\$98,223	-\$19,416	\$42,783	\$87,588	\$147,063	\$227,453	\$322,804	\$478,602	
Four	2,010	\$382,396	-\$252,884	-\$149,877	-\$76,339	-\$29,377	\$44,417	\$115,769	\$191,796	\$259,370	\$382,878	
Five	455	\$395,343	-\$170,981	-\$23,287	\$23,342	\$86,936	\$101,238	\$246,198	\$408,930	\$466,621	\$669,032	

Source: City of Guelph Planning, Urban Design and Building Services. Data from MPAC, December 2013, and Statistics Canada, 2011 NHS, Custom Tabulation, 2010 income data adjusted for inflation (see Appendix F)

Cannot afford 'suitable' ownership housing at size based on benchmark price

9. Achieving the Official Plan Amendment 48 Affordable Housing Targets

The City's Official Plan Update (OPA 48), 2012 sets a city-wide target requiring that "30% of new residential development constitute affordable housing." This target is broken down into an annual target of 27% ownership housing and 3% rental housing. While not part of the annual affordable housing target, the creation of 90 accessory apartments per year is also encouraged. This section outlines how the target was established, and how the City has performed against these targets since 2009.

9.1 Establishing the Target

In 2009, the affordable ownership target was established based on the percentage of affordable ownership housing stock in the City (i.e. properties valued at or below the \$205,500 benchmark price based on the value of dwelling data from the 2006 Census). The affordable rental target was established based on the percentage of the City's affordable primary rental stock that rented at or below the \$844 benchmark rent in 2008.

The target was reviewed as part of the background work for the Affordable Housing Strategy. It was determined that the 2009 method measured what was available within the existing housing stock at a value less than the established benchmark price and did not address the need for affordable housing. The need for affordable housing is more appropriately assessed using household income and the ability of households to afford the ownership benchmark price and benchmark rent.

The revised method considers the entire housing stock and projects how many new affordable units would be required annually to meet the need for affordable housing to 2031. It does so by applying the number of households that need affordable housing to the number of forecasted households to determine an appropriate target.

The revised method (based on household need) compared to the previous method (based on housing valuation) resulted in a similar target, which validates the appropriateness of the 30% target however, further review is required to determine the appropriate split of ownership vs. rental and to provide directions for implementation.

9.2 Ownership Outcomes

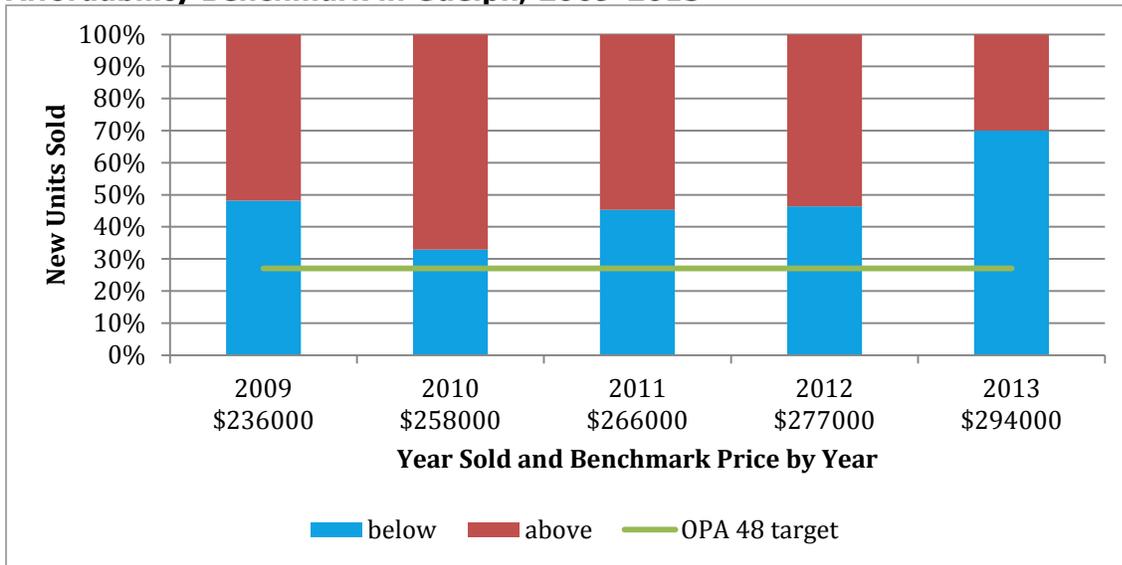
9.2.1 New Residential Development

Since 2009, the affordable housing ownership target for new development (27%) has consistently been exceeded. The vast majority (94%) of new units sold below the benchmark price (BMP) have been high or medium density units (e.g. apartments and townhouses).

Data Highlights

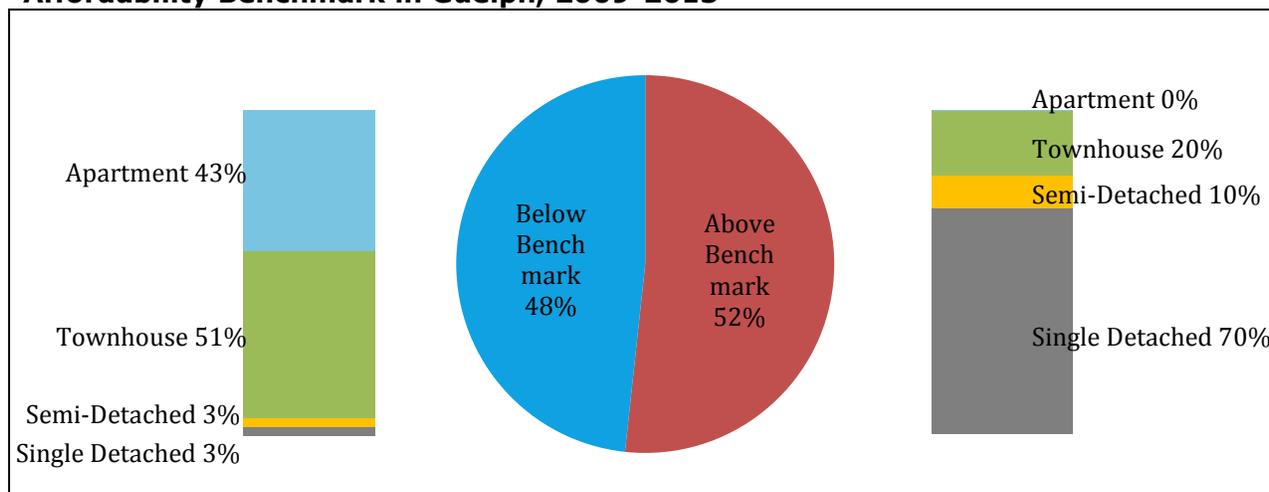
- Between 2009 and 2013, a total of 3,305 new units were sold; 48% of these units (1,593) were priced below the BMP.
- The ownership affordable target for new development was met every year between 2009 and 2013.
- In 2013, the target was exceeded by 43 percentage points.
- 94% of units sold below the benchmark price were apartment or townhouse units.
- 80% of units sold above the benchmark price were single or semi-detached dwellings.

Figure 46 - Percentage of New Units Sold Above and Below the Ownership Affordability Benchmark in Guelph, 2009-2013



Source: City of Guelph Planning, Urban Design and Building Services. Data from Official Plan Update (OPA 48), 2012 and MPAC, December 2013

Figure 47 – Type of New Structures Sold Above and Below the Ownership Affordability Benchmark in Guelph, 2009-2013



Source: City of Guelph Planning, Urban Design and Building Services. Data from OPA 48 and MPAC, December 2013

9.3 Rental Outcomes

9.3.1 Primary Rental Market

A total of 217 purpose-built rental units were constructed between 2009 and 2013, one-third of which are affordable (80 units). All of these affordable rental units are for seniors.

The overall target of 3% new construction to be affordable rental was not met, except in 2012.

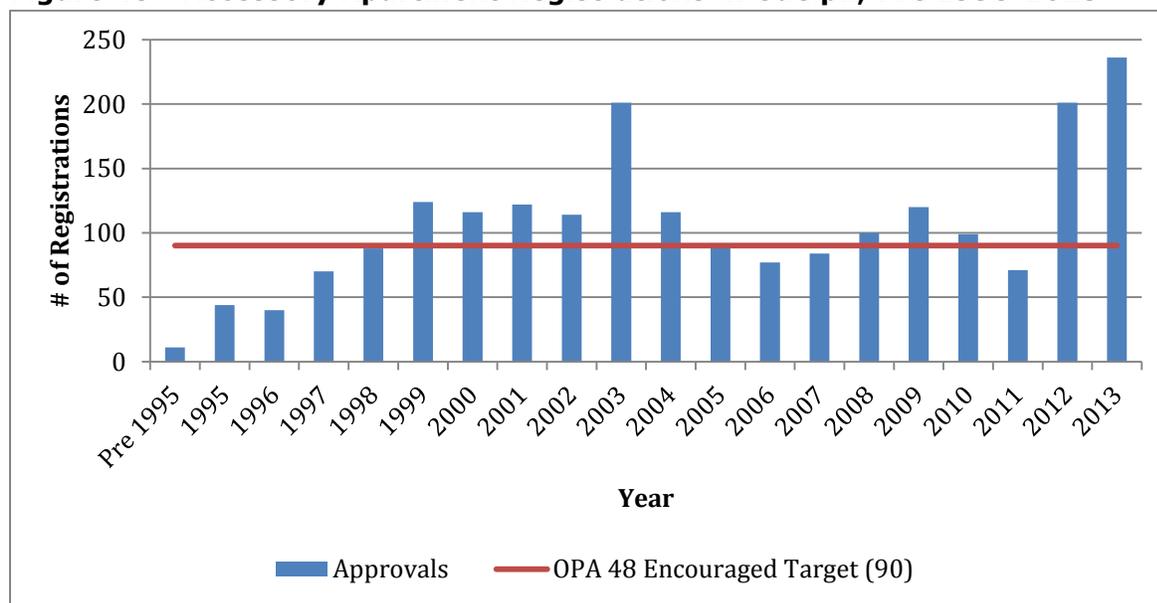
9.3.2 Secondary Rental Market

The City has approved an average of 117 new accessory apartments each year since 1995, exceeding the OPA 48 target of 90 units per year. A temporary reduction in the number of accessory apartments registered was experienced between 2010 and 2012, when an interim control by-law was in effect restricting the creation of new accessory apartments in the south end of the City while zoning regulations were under review.

Data Highlights

- On average, 145 accessory apartments have been approved every year between 2009 and 2013.
- The highest number was 236 in 2013.
- The lowest number was 91 in 2011, when an interim control by-law was in effect.

Figure 48 - Accessory Apartment Registrations in Guelph, Pre 1995-2013



Source: City of Guelph Planning, Urban Design and Building Services. Data from Amanda Permit Tracking System (RX Permits and TU Registrations), Pre 1995-2013

10. Findings and Conclusion

10.1 Problem Statement and Key Issues

Problem Statement: The range of housing options available in Guelph is not fully meeting the affordability needs of low and moderate income households.

Housing affordability affects many households in Guelph. In 2011, 20% of owners and 41% of renters spent more than 30% of their income on housing. Between 2009 and 2013, rental rates and housing prices increased at a faster pace than low and moderate household incomes.

Tenant households, with annual incomes at or below the 30th income percentile (\$23,000) have very limited housing options in the private market. They typically seek out government subsidized housing options, shared accommodations, rooming houses, or lower cost accessory apartments. When these options are not available, low income households may be at risk of becoming homeless due to inability to pay market rent. Renter households with incomes between the 30th and 60th income percentiles (\$23,000 and \$46,000) may be able to afford to rent units in the private market. However, they may not have the financial means to rent a “suitable” unit (i.e. a unit that has enough bedrooms for the size and make-up of the household).

With respect to ownership, low income households, with annual incomes at or below the 30th income percentile (\$45,000) cannot afford to purchase any units in the private market. These households typically seek units in the rental market. Households with incomes between the 40th and 60th income percentiles (\$45,000 to \$89,000) can afford to purchase apartments and some townhouse, semi-detached and single detached units.

The City is currently exceeding its affordable homeownership target to provide 27% of new units below the benchmark price, but is not meeting the 3% affordable rental target. However, over half of households in Guelph cannot afford housing at the affordable benchmark amounts.

Issue 1: There are not enough small units to rent or buy to meet the affordability needs of all smaller households.

National Occupancy Standards (NOS) outlines the minimum number of bedrooms that a household requires based on its size and composition. For example, a one person household requires as a minimum a bachelor unit (zero bedrooms), a couple requires as a minimum a one bedroom unit, a couple or lone parent household with one child requires as a minimum a two bedroom unit etc. Many households prefer to rent/own a unit with more bedrooms than the NOS. However, low and moderate income households do not typically have the financial means to choose a unit with more bedrooms than the minimum required. Therefore, it is important that there is a sufficient supply of smaller sized units available in the community.

According to CMHC (2013), the share of one person households is expected to experience the fastest pace of growth to 2036, making it the single biggest type of household by the 2020s. This increase is driven in large part by an aging population, particularly widowed women living alone, and individuals delaying marriage. This trend is evident in Guelph, where individuals living alone have been the fastest growing household type over the past 15 years. They currently comprise over one-quarter of all household types, have the lowest household incomes of all housing types, and comprise the largest share (43%) of all renter household types. Seniors make up the largest segment (37%) of all one person households. Many of these seniors are living on fixed incomes, and will require affordable housing options. This will contribute to the demand for small units.

An analysis of existing housing stock in comparison to household sizes indicates that there is a shortfall of 18,000 bachelor and one bedroom units, and an overabundant supply of dwelling types consisting of three or more bedrooms.

Residential permit activity indicates that recent housing development is shifting from the construction of single detached dwellings to more apartments and townhouses. In the past two years, there were more permits issued for apartments and for townhouses than for single detached dwellings. Municipal housing forecasts to 2031 indicate that there will be a continued shift in the type of housing constructed. The share of low density housing is expected to decrease, while the share of high density is expected to increase.

Issue 2: A lack of available primary rental supply makes it difficult for people to find affordable rental housing.

The vacancy rate in the private rental market in Guelph is extremely low. It is currently 0.6%, which is well below the benchmark for a balanced and healthy rental market of 3%. This means that even if a household has sufficient income to pay market rent, they may not be able to find an available unit.

The condominium conversion controls in the Official Plan have proven successful in retaining primary rental stock. However, the City is currently not meeting its affordable rental target of 3% of new construction. Between 2009 and 2013, only 217 purpose-built rental units were constructed, one-third of which are affordable.

Issue 3: The secondary rental market provides choice of affordable dwelling types but the supply is not as secure as the primary rental market.

An analysis of MPAC data reveals that the current private market rental housing supply consists of approximately 16,000 units – 55% of which are within the primary rental market and 45% of which are in the secondary rental market (2013). The lack of primary rental market construction, coupled with a very low vacancy rate, places increasing importance on the secondary rental market in meeting the community's needs for rental accommodation.

The City has a one-time registration process for accessory apartments (units are not required to be unregistered). Since 1995, the City has approved an average of 117 new accessory apartments each year since 1995, exceeding the OPA 48 target of 90 units per year. As of December 31, 2013, a total of 2,123 accessory apartments were registered with the City.

However, the secondary rental market does not have the same levels of security and permanency as the primary rental market. A unit in the secondary rental market could be rented one month and owner occupied the next. For instance, almost one-quarter of registered accessory apartments were not rented at the time of the Accessory Apartment Survey conducted for this strategy.

10.2 Conclusion

This State of Housing report presents the results of Phase 2 of the Affordable Housing Strategy. It presents a statistical analysis of demographic, economic and housing data for Guelph, and identifies three key issues where improvements can be made to advance the City's targets for affordable rental and ownership housing, as outlined in the Official Plan Update (OPA 48), 2012.

The next phase of the project will build on the data and preliminary housing issues presented in this report. Staff will begin by identifying available tools and formulating directions. Examples of tools include regulatory responses (Zoning Amendment), policies and procedures (e.g. development approvals process),

financial (e.g. Affordable Housing Reserve) and other (partnerships, communications, advocacy). Community stakeholders will be consulted about the tools generated by staff and how could they best be used to address the affordability issues.

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Appendix A – Glossary

Accessory Apartment	A dwelling unit located within and subordinate to an existing single detached dwelling, semi-detached dwelling or a link dwelling (e.g. basement apartment).
Adequate Housing	Housing that is not in need of major repairs.
Affordable Housing	Dwellings costs that do not exceed 30% of total before-tax household income.
Affordable Ownership Housing	Housing with a purchase price that is “affordable” (i.e. does not exceed 30% of gross annual household income) to households of low and moderate income (i.e. households within the lowest 60 th percentile of the income distribution for the regional market area); or housing for which the purchase price is at least 10% below the average price of a resale unit in the regional market area.
Affordable Rental Housing	Rental housing where the total monthly shelter cost (i.e. gross monthly rent including utilities – heat, hydro and hot water – but excluding parking and cable television charges) is “affordable” to renter households of low and moderate income; or a unit for which the rent is at or below the average market rent of a unit in the regional market area.
Apartment	A building that contains three or more dwelling units, where access to each unit is obtained through a common entrance or entrances from the street level and subsequently through a common hall or halls. Apartments can be purpose built rental or condominium ownership.
Benchmark Price (BMP)	Income based BMP - The price that is affordable to the 60 th income percentile for all households. Market based BMP - 10% below the average resale price of housing in the regional market area.
Benchmark Rent	Income based benchmark rent – Rental rate that is affordable to low and moderate income households, defined as the 60 th income percentile for renter households. Market based benchmark rent - The average primary market rent as reported by CMHC.
Census Metropolitan Area (CMA)	Area consisting of one or more neighbouring municipalities situated around a core. The Guelph CMA includes the City of Guelph, Puslinch Township and Guelph-Eramosa Township.

Condominium	A form of legal ownership in which the units of property (e.g. apartments) are owned by individuals and the common parts of the property (e.g. grounds and building structure) are owned jointly by the unit owners.
Core Housing Need	<p>A household is said to be in core housing need if its housing falls below at least one of the adequacy, affordability or suitability, standards <u>and</u> it would have to spend 30% or more of its total before-tax income to pay the median rent of alternative local housing that is acceptable (meets all three housing standards).</p> <ul style="list-style-type: none"> • Adequate housing are reported by their residents as not requiring any major repairs. • Affordable dwellings costs less than 30% of total before-tax household income. • Suitable housing has enough bedrooms for the size and make-up of resident households, according to National Occupancy Standard (NOS) requirements. <p>A household is not in core housing need if its housing meets all of the adequacy, suitability and affordability standards OR, If its housing does not meet one or more of these standards, but it has sufficient income to obtain alternative local housing that is acceptable (meets all three standards).</p> <p>NOTE: Regardless of their circumstances, non-family households led by maintainers 15 to 29 years of age attending school full-time are considered to be in a transitional stage of life and therefore not in core housing need.</p>
Decile	Each of ten equal groups into which a population can be divided according to the distribution of values of a particular variable (e.g. household income).
Density (Low, Medium and High)	The number of people inhabiting a given urbanized area. Single detached dwellings are considered low density housing, townhouses are medium density, and apartments are high density.
Emergency Shelter	Short-term temporary housing.
Freehold	A form of legal ownership in which the property is "free from hold" of any entity besides the owner.
Homelessness	An individual or family without stable, permanent, appropriate housing, or the immediate prospect, means and ability of acquiring it. Homelessness is the result of systemic or societal barriers, a lack of affordable and appropriate housing, the individual/household's financial, mental, cognitive, behavioural or physical challenges, and/or racism and discrimination.
Homeownership	The legal right of owning property.

Household	One or more people who occupy a housing unit as their usual place of residence.
Household Type	<p>The basic division of private households into the following family and non-family households. According to Statistics Canada:</p> <ul style="list-style-type: none"> • Family household refers to a household that contains at least one census family, that is, a married couple with or without children, or a couple living common-law with or without children, or a lone parent living with one or more children (lone parent household). One-family household refers to a single census family (with or without other persons) that occupies a private dwelling. Multiple-family household refers to a household in which two or more census families (with or without additional persons) occupy the same private dwelling. Family households may also be divided based on the presence of persons not in a census family. • Non-family household refers to either one person living alone in a private dwelling or to a group of two or more people who share a private dwelling, but who do not constitute a census family. • Other family household refers to one-census family households with additional persons and multiple-census-family households with or without additional persons.
Low and Moderate Income Households	Households with gross annual incomes in the lowest 60 th income percentile of households in a regional market area.
Market housing	Housing produced by the private sector that is rented or sold directly by landlords/owners or indirectly through property managers/brokers. Tenure may be rental or ownership.
Market Rent	The rent that an apartment, without rent or income restrictions or rent subsidies, would command in the open market considering its location, features, and amenities.

National Occupancy Standard (NOS)	<p>The number of bedrooms a household requires to be suitable (not overcrowded), as follows:</p> <ul style="list-style-type: none"> • A maximum of two persons per bedroom. • Household members, of any age, living as part of a married or common-law couple share a bedroom with their spouse or common-law partner. • Lone-parents, of any age, have a separate bedroom. • Household members aged 18 or over have a separate bedroom – except those living as part of a married or common-law couple. • Household members under 18 years old of the same sex share a bedroom – except lone-parents and those living as part of a married or common-law couple. • Household members under 5 years old of the opposite sex share a bedroom if doing so would reduce the number of required bedrooms. This situation would arise only in households with an odd number of males under 18, an odd number of females under 18, and at least one female and one male under the age of 5. <p>An exception to the above is a household consisting of one individual living alone. Such a household would not need a bedroom (i.e., the individual may live in a studio apartment and be considered to be living in suitable accommodations)</p>
Non-Market Housing	Housing that is financed in part by the government. Includes Shelters, Transitional Housing, Supportive Housing, Social Housing and Subsidized Rental Housing.
Percentile	A measure used in statistics indicating the value below which a given percentage of observations in a group of observations fall.
Primary Household Maintainer	The person who is responsible for paying the rent, or the mortgage, or the taxes, or the electricity or other services or utilities. Where a number of people may contribute to the payments, more than one person in the household may be identified as a household maintainer.
Primary Rental Market	Units in structures with three or more units, composed of self-contained units where the primary purpose of the structure is to house rental tenants.
Prime Household Formation	When a person who lives with someone else (e.g. parents, roommates, etc.) moves into another housing unit on his or her own, creating a new household.
Secondary Rental Market	Self-contained units not included in the primary rental market. It can include rented condominium apartments, accessory apartments, rented single detached dwellings, and one or two apartments located in a commercial or other type of structure.

Shelter Costs	<p>Amount paid by a household for their dwelling, such as:</p> <ul style="list-style-type: none"> • For renters - rent and any payments for electricity, fuel, water and other municipal services • For owners - mortgage payments (principal and interest), property taxes, and any condominium fees, along with payments for electricity, fuel, water and other municipal services
Social Housing	<p>Permanent rental housing financed at least partly through government funding and mortgage guarantees. A portion of units is rent-geared-to income (RGI), and the remainder may be rented at market rents. For these RGI units tenants pay no more than 30% of their household income in rent and the remainder is subsidized through government contributions. Social housing includes: public housing (which is 100% RGI), municipal and private non-profit rentals, and and cooperative housing.</p>
Subsidized Rental	<p>Financial subsidies provided to offset rental rates in market rental units for low income households (i.e. rent supplements).</p>
Suitable Housing	<p>Housing that has enough bedrooms for the size and make-up of resident households, according to National Occupancy Standard (NOS) requirements.</p>
Supportive Housing	<p>Permanent rental accommodation that offers an alternative to institutional care. Supportive housing involves the provision of three elements: a physical facility (e.g. apartment or group home), a rent supplement, and (3) supports for daily living to help people live independently, in a range of intensities. Supportive housing providers manage the property, often in partnership with private landlords in a head lease arrangement, and are responsible for ensuring quality standards, upkeep and maintenance.</p>
Transitional Housing	<p>Short term housing that is targeted to those in need of structure, support and/or skill building, in order to move from homelessness to housing stability and ultimately prevent a return to homelessness.</p>
Vacancy Rate	<p>The average number of primary market rental units in a regional market area that are unoccupied divided by the total number of rental units in the same market area.</p>

Appendix B – Housing Continuum Methodology

Non-market Housing

The number and type of non-market housing units is based on data reported in the County of Wellington's Inventory of Inventory Government-Assisted Housing Located in Guelph Wellington - A Background Report for the 10-year Housing and Homelessness Plan (2013). It was important to determine the actual addresses and number of non-market housing units to ensure that the units were not double counted in the private market rental counts. Individual housing providers were contacted to find out property addresses and to confirm the number of units they manage/own. In a number of cases a single property included supportive housing units, social housing units and market units. Supportive housing refers to units owned by a supportive housing agency as well as subsidized rental units leased by a community agency (support provider) from a private sector landlord.

Market Housing

The number and type of private market housing units is based on a cross tabulation of data within the MPAC database as of December 31, 2013. The MPAC data was compared with the City's listing of registered accessory apartments and non-market housing stock to ensure that units were not double counted. The MPAC data was also aligned with CMHC's definition of primary rental housing.

Units were deemed to be a rental unit when: the legal owner was listed as a corporation; the owner resided in a different residence; or the owner lived in another apartment on the property. A unit shown to contain an occupant with a tenant status was also deemed as being a rental unit.

The number of units within each rental property is based on an inventory of the number of known units within purpose-built rental dwellings and secondary rental market units that contain an accessory apartment. The number of accessory apartment units is based on the City's list of registered accessory apartments as of December 31, 2013.

Individual addresses for subsidized private market rental properties (supportive and non-supportive) were not available, so there is the potential that some of these units may be double counted in both the non-market and market housing unit totals. The number of subsidized units within the private market varies overtime and at last count was approximately 215 units.

Secondary Rental Housing

The number of accessory apartment units is based on the City's list of registered accessory apartments as of December 31, 2013. Accessory apartments were only counted as rented if the main unit met the definition for a rental unit as per the conditions stated under the second paragraph under the Market Housing heading.

Other Secondary Rental Units include rental units that are not accessory apartment units.

Ownership Housing

Ownership housing counts were determined by taking the total household count from MPAC as of December 31, 2013, and subtracting the market rental count from MPAC discussed above.

Appendix C – Secondary Rental Market Research Methodology

Accessory Apartment Survey

The Accessory Apartment Survey was conducted from November 24 to December 15, 2014. Notices were sent to all registered accessory apartment owners (1987) representing 2,123 registered units in the City since some owners have more than one unit. The purpose of the survey was to gather further information about the existing accessory apartment stock within Guelph. The survey collected 362 responses, for a response rate of 18%.

The survey asked owners 39 questions about their property regarding occupancy, challenges of creating an accessory apartment, parking, rent price, etc. A full report of the accessory apartment survey results is available under a separate cover.

Secondary Rental Market Study

The Secondary Rental Market Study gathered rental postings from popular rental websites (kijiji and Craigslist) for one month, from October 15 to November 15, 2014. Vacant rental unit advertisements were reviewed and recorded based on the number of bedrooms (bachelor, 1 bedroom, 2 bedroom and 3 bedroom) to align with CMHC's primary rental market statistics. A total of 237 advertisements were recorded: 17 Bachelor, 86 one bedroom, 67 two bedroom and 64 three bedroom apartments were included.

Sources of Error and Limitations

A number of listed advertisements were missing portions of the rental information being collected. One follow up email was sent to the contact to gain clarification. Approximately one-quarter of the landlords/owners did not respond to emails.

When the address was not available, the description and photographs were assessed to ensure that the property was not part of the primary rental market. If the price of rent was not included in the ad and the landlord/property owner did not respond to the email, the ad was deleted from the data.

Addresses and street names were collected when possible to verify that ads were a part of the secondary market. When possible the MPAC structure type was recorded to prevent any properties in the primary rental market from being included in the data. All properties that are considered by CMHC as the primary rental market were deleted from the data.

The reliability of sources used was limited as advertisements were often posted more than once. Advertisements were scanned for duplication; all advertisements were only counted once in the data.

Calculating Average Rental Price for the Secondary Rental Market

The rent for the secondary rental market has been divided into registered accessory apartments and other secondary rental.

Average rents for Registered Accessory Apartments were determined by averaging the results of the Accessory Apartment Survey based on the size of the unit. The 2014 average rent prices were reduced to represent 2013 rents. This was calculated based on the difference between 2013 and 2014 primary market rents by number of bedrooms.

Average rents for Other Secondary Rental units were calculated based on the size of the unit by:

- Removing any registered accessory apartments from the data collected;
- Reducing the average rental price by size of unit by 5.59%, to make the rate comparable with CMHC's primary rental market rate for "occupied units" (5.59% represents the difference between CMHC's primary rental market data of vacant and occupied units, 2013); and
- Reducing the 2014 average rent prices to represent 2013 rents, based on the difference between 2013 and 2014 primary market rents by number of bedrooms.

Appendix D – Ownership Benchmark Price Methodology

House price and benchmarking information is based on an analysis of the MPAC database of sales as of December 31, 2013. The database representing structures was joined with the one representing sales.

The data was cleaned by only retaining the following records from the database:

- According to structure code not a single detached (301,304,351) semi detached (302,305,351) condo-apartment (352,353), or townhouse (303,354,355)
- Sold for more than \$50,000
- Retained the Following Sales suffixes (Other, Residential Condominium, Sale to person who's principal occupation is other than farming, semi-detached, Single Family detached)
- Retained the following prefixes (Open market sale, Builder Sale, Sale Amount not reflective of registered date)
- Nulls were deleted found in any of these categories

The data was then viewed for outliers and anomalies:

- Calculate price/assessed value
- Calculate price/floor area

Thirteen records were removed based on a review of the property via aerial photography and local knowledge such as development parcel, missing data, rental apartment building, etc.

A new field was created in the database called "market".

Where prefix is builder sale, sale amount not equal registered date, or open market sale with sale year is \leq built year - 1), then the property is categorized as "new construction," otherwise is was categorized as Resale.

The 10% below the average resale price was calculated by sale year across all structure types (the benchmark price). The sale amount for the record was then compared against that value and categorized as sold as "above" or "below" the benchmark price for that year.

**Table D1 - Income based Affordable Ownership Benchmark Price (BMP)
Calculation in Guelph, 2013**

	<i>Income Percentile of All Households</i>								
	<i>10th</i>	<i>20th</i>	<i>30th</i>	<i>40th</i>	<i>50th</i>	<i>60th</i>	<i>70th</i>	<i>80th</i>	<i>90th</i>
Gross annual household income (2010)[1]	\$18,325	\$31,143	\$42,648	\$54,840	\$68,673	\$83,971	\$99,924	\$120,371	\$156,328
Consumer price index rate of increase	5.58%	5.58%	5.58%	5.58%	5.58%	5.58%	5.58%	5.58%	5.58%
Gross annual household income (2013 adjusted)	\$19,347	\$32,881	\$45,028	\$57,900	\$72,505	\$88,656	\$105,499	\$127,087	\$165,050
Percent of income spent on housing	30%	30%	30%	30%	30%	30%	30%	30%	30%
Annual income spent on housing	\$5,804	\$9,864	\$13,508	\$17,370	\$21,751	\$26,597	\$31,650	\$38,126	\$49,515
Monthly income spent on housing	\$221.22	\$559.55	\$863.23	\$1,185.03	\$1,550.15	\$1,953.94	\$2,375.00	\$2,914.70	\$3,863.79
Hydro[2]	\$122	\$122	\$122	\$122	\$122	\$122	\$122	\$122	\$122
Heat[3]	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75
Water and Wastewater[4]	\$65	\$65	\$65	\$65	\$65	\$65	\$65	\$65	\$65
Condo Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Annual property tax rate[5]	1.23%	1.23%	1.23%	1.23%	1.23%	1.23%	1.23%	1.23%	1.23%
Monthly property tax rate	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
Mortgage insurance standard premium rate	2.75%[6]	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
Monthly premium rate (over 25 years)	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%
Down payment (percentage of total price)	5%	5%	5%	5%	5%	5%	5%	5%	5%
Monthly mortgage factor	0.00534	0.00534	0.00534	0.00534	0.00534	0.00534	0.00534	0.00534	0.00534
Affordable house price	\$35,753	\$90,434	\$139,515	\$191,524	\$250,535	\$315,794	\$383,846	\$471,072	\$624,464

Source: City of Guelph Planning, Urban Design and Building Services.

- [1] Statistics Canada, 2011 NHS, Custom Tabulation
- [2] Guelph Hydro Inc., Sustainability Report, 2013
- [3] Union Gas, Ed Stuart Personal Communication, 2014
- [4] City of Guelph, Water and Wastewater Rates, 2013
- [5] City of Guelph Finance Department, 2014
- [6] CMHC, 2014

There are several key limitations of this approach:

- Water, Hydro and Heat Rates are based on the Guelph average, and are uniform across all calculations. It is likely reasonable these costs would vary by unit type and age of dwelling.
- No condominium fees were included in this calculation. However, the exclusion of condominium fees combined with the average utility rate being applied to all properties may counterbalance each other as condominium forms are assumed to be more likely to have lower than average utility costs

The key variables in calculating the income based ownership benchmark over time are shown below. The key factor increasing the BMP is the increase in the 60th percentile income, as per the CPI at the rate of inflation. The key factor reducing the BMP is the change in maximum amortization from 35 years in 2009 to 25 years in 2013.

Variables not listed were treated as constant throughout the years. These are shown in the tables D1, D3 and D4.

Table D2 - Variables Used in Calculating the Income based Ownership Benchmark Price in Guelph, 2009-2013

<i>Year</i>	<i>Property Tax Rate</i>	<i>Monthly Mortgage Factor</i>	<i>Income Adj.</i>	<i>60th Percentile Income</i>	<i>Monthly Mortgage and Tax</i>	<i>Mortgage Rate</i>	<i>Amortization (years)[1]</i>	<i>Income Based Benchmark</i>
2009	1.34%	0.0050954	-2.40%	\$81,953	\$1,786	5.13%	35	\$296,738
2010	1.31%	0.0049025	0.00%	\$83,971	\$1,837	4.82%	35	\$315,714
2011	1.28%	0.0050537	3.09%	\$86,566	\$1,902	4.52%	30	\$320,130
2012	1.26%	0.0053856	4.55%	\$87,791	\$1,932	4.23%	25	\$308,642
2013	1.23%	0.0053363	5.58%	\$88,656	\$1,954	4.14%	25	\$315,794

Table D3 - Mortgage Factor Assumptions, 2013

		Notes:
Sales price	\$105,263	The sales price of the housing unit. (\$105,263 was chosen as an example.)
Mortgage loan-to-value ratio	95%	The proportion of the amount borrowed to the value of the sales price. (A 5% down payment yields a 95% loan-to-value ratio.)
Present value of loan	\$100,000	The present value of the loan, when it is borrowed.
Nominal annual interest rate	4.14%	The interest rate on the loan, as advertised by the bank. (Source: Bank of Canada 5 year conventional mortgage interest rate, August 2013)
Compounding periods per year	2	Mortgage interest is compounded semi-annually in Canada.
Effective annual interest rate	4.18%	The interest rate on the loan, after the effect of semi-annual compounding.
Payments per year	12	The number of mortgage payments made per year.
Equivalent nominal rate compounded monthly	4.10%	The equivalent interest rate charged monthly that includes the effect of semi-annual compounding.
Amortization period	25	

Table D4a - Mortgage Amortization

Payment number	n
Principal (opening balance)	p (open)
Monthly loan payment	pmt
Interest portion of monthly loan payment	pmt (i)
Principal portion of monthly loan payment	pmt (p)
Principal (closing balance)	p (close)
Mortgage factor	0.005336
Total value of monthly loan payments	\$165,354
Total interest portion	\$60,091
Total principal portion	\$100,000
Down payment	\$5,263

Table D4b - Mortgage Amortization

n	p (open)	pmt	pmt (i)	pmt (p)	p (close)
1	\$100,000	\$534	\$342	\$192	\$99,808
2	\$99,808	\$534	\$341	\$192	\$99,616
3	\$99,616	\$534	\$341	\$193	\$99,423
....					
300	\$532	\$534	\$2	\$532	\$0

Appendix E – Number and Type of Units Sold in Relation to BMP

Table E1 - Number and Type of Units Sold in Relation to BMP in Guelph, 2009-2013

<i>Structure Type/ # of bedrooms</i>	<i>New</i>		<i>Resale</i>	
	<i>Below BMP</i>	<i>Total</i>	<i>Below BMP</i>	<i>Total</i>
Apt	687	689	844	905
1	214	214	256	257
2	392	394	471	521
3	81	81	112	122
Semi	42	216	542	830
1			2	5
2		3	40	57
3	40	208	433	648
4	2	5	57	98
5			9	19
6			1	3
Single	48	1237	1510	6696
1		2	23	37
2	1	53	345	675
3	40	703	983	4431
4	6	449	140	1320
5	1	19	18	179
6		8		42
Town	819	1163	1798	2497
1	42	43	10	18
2	121	178	257	362
3	643	925	1421	1986
4	11	15	101	118
5			5	5
6			2	2
Total	1596	3305	4694	10928

Source: MPAC, December 2013

Appendix F – Supplementary Household Income Percentile Tables

Table F1 - Household Income by Income Percentile and National Occupancy Standards in Guelph, 2013

Min. # of Bedrooms Req'd	# of Households	Income Percentile of All Households								
		10th	20th	30th	40th	50th	60th	70th	80th	90th
All households	48,015	\$19,347	\$32,881	\$45,028	\$57,900	\$72,505	\$88,656	\$105,499	\$127,087	\$165,050
Zero	12,690	\$10,857	\$16,561	\$21,828	\$27,001	\$34,243	\$42,329	\$50,564	\$62,528	\$84,157
One	11,335	\$37,054	\$47,619	\$58,020	\$69,232	\$79,769	\$93,850	\$107,973	\$125,255	\$158,519
Two	12,980	\$25,230	\$42,282	\$55,834	\$69,722	\$83,301	\$96,767	\$112,367	\$131,992	\$168,435
Three	8,470	\$36,734	\$57,958	\$77,463	\$92,857	\$103,946	\$118,665	\$138,561	\$162,160	\$200,720
Four	2,010	\$42,552	\$68,046	\$86,246	\$97,869	\$116,133	\$133,792	\$152,608	\$169,333	\$199,900
Five	455	\$66,027	\$102,581	\$114,121	\$129,860	\$133,400	\$169,277	\$209,552	\$223,830	\$273,926
Six	80	\$83,681	\$118,953	\$119,368	\$124,678	\$143,813	\$154,552	\$155,629	\$203,078	\$209,553

Source: City of Guelph Planning, Urban Design and Building Services. Data from Statistics Canada, 2011 NHS, Custom Tabulation, 2010 income data adjusted for inflation

Table F2 - Affordable Homeownership Price by Income Percentile and National Occupancy Standards in Guelph, 2013

Min. # of Bedrooms Req'd	# of Households	Affordable Homeownership Price by Income Percentile								
		10th	20th	30th	40th	50th	60th	70th	80th	90th
All households	48,015	\$35,753	\$90,434	\$139,515	\$191,524	\$250,535	\$315,794	\$383,846	\$471,072	\$624,464
Zero	12,690	\$1,448	\$24,494	\$45,774	\$66,676	\$95,939	\$128,610	\$161,883	\$210,224	\$297,613
One	11,335	\$107,296	\$149,983	\$192,010	\$237,311	\$279,884	\$336,781	\$393,842	\$463,671	\$598,073
Two	12,980	\$59,522	\$128,421	\$183,175	\$239,291	\$294,156	\$348,565	\$411,596	\$490,894	\$638,140
Three	8,470	\$106,003	\$191,759	\$270,567	\$332,766	\$377,571	\$437,045	\$517,435	\$612,787	\$768,585
Four	2,010	\$129,511	\$232,519	\$306,057	\$353,019	\$426,813	\$498,165	\$574,192	\$641,766	\$765,274
Five	455	\$224,362	\$372,056	\$418,685	\$482,279	\$496,581	\$641,541	\$804,273	\$861,964	\$1,064,375

Source: City of Guelph Planning, Urban Design and Building Services. Data from MPAC, December 2013, and Statistics Canada, 2011 NHS, Custom Tabulation, 2010 income data adjusted for inflation.

Table F3 - Renter Household Income by Income Percentile and National Occupancy Standards in Guelph, 2013

Min. # of Bedrooms Req'd	# of Households	Income Percentile of Renter Households								
		10th	20th	30th	40th	50th	60th	70th	80th	90th
All households	14440	\$11,527	\$17,445	\$23,381	\$30,838	\$37,910	\$46,122	\$56,300	\$72,487	\$95,583
Zero	6175	\$6,585	\$12,153	\$15,882	\$19,589	\$23,794	\$28,605	\$35,512	\$44,114	\$58,388
One	2290	\$27,522	\$37,298	\$42,747	\$49,634	\$55,520	\$64,258	\$74,328	\$87,217	\$103,025
Two	3655	\$15,313	\$20,314	\$29,282	\$36,955	\$44,138	\$52,212	\$63,213	\$80,086	\$102,018
Three	1835	\$18,900	\$29,345	\$36,818	\$44,288	\$54,490	\$66,990	\$79,478	\$95,134	\$121,476
Four	440	\$37,315	\$39,136	\$43,661	\$60,547	\$69,968	\$77,966	\$90,580	\$108,963	\$155,416
Five	40	\$40,572	\$40,708	\$41,664	\$41,840	\$65,973	\$66,156	\$113,022	\$113,415	\$242,431

Source: City of Guelph Planning, Urban Design and Building Services. Data from Statistics Canada, 2011 NHS, Custom Tabulation, 2010 income data adjusted for inflation

Table F4 - Affordable Rent by Income Percentile and National Occupancy Standards for Rental Households (2013)

Min. # of Bedrooms Req'd	# of Households	Affordable Rent for Rental Households by Income Percentile								
		10th	20th	30th	40th	50th	60th	70th	80th	90th
All households	14440	\$304	\$460	\$617	\$814	\$1,001	\$1,217	\$1,486	\$1,913	\$2,523
Zero	6175	\$174	\$321	\$419	\$517	\$628	\$755	\$937	\$1,164	\$1,541
One	2290	\$726	\$984	\$1,128	\$1,310	\$1,465	\$1,696	\$1,962	\$2,302	\$2,719
Two	3655	\$404	\$536	\$773	\$975	\$1,165	\$1,378	\$1,669	\$2,114	\$2,693
Three	1835	\$499	\$775	\$972	\$1,169	\$1,438	\$1,768	\$2,098	\$2,511	\$3,206
Four	440	\$985	\$1,033	\$1,152	\$1,598	\$1,847	\$2,058	\$2,391	\$2,876	\$4,102
Five	40	\$1,071	\$1,074	\$1,100	\$1,104	\$1,741	\$1,746	\$2,983	\$2,994	\$6,399

Source: City of Guelph Planning, Urban Design and Building Services. Data from CMHC, Fall Market Rental Survey, 2013, and Statistics Canada, 2011 NHS, Custom Tabulation, 2010 income data adjusted for inflation