

State of housing in Guelph

A first step in the development of the
2024 Housing Affordability Strategy



CITY OF
Guelph
Making a Difference

To request this document in an alternative format as per the Accessibility for Ontarians with Disabilities Act (2005), please contact Planning Services at the City of Guelph.

Telephone: 519-837-5616
Email: planning@guelph.ca
TTY: 519-826-9771

Overview

This State of Housing in Guelph report presents a statistical analysis of demographic, economic and housing data, and identifies the gaps in our housing needs. This report also identifies five 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 (2022). The information from this report will be used to inform the recommendations that will be presented in the 2024 Housing Affordability Strategy.

The focus of the Housing Affordability Strategy is primarily on private-market housing for low-and moderate-income households – this is where the city has the most influence and jurisdiction over housing. The City has a responsibility to create the conditions needed for housing development, yet we have limited control over some aspects of the process. The City is responsible for facilitating – not building – housing supply. Figure 1, below, provides more specific examples of what the City can and cannot do when it comes to housing supply.

Figure 1. What municipalities have control over in relation to affordable housing.



- Regulatory authority over land use and building standards
- Lay the groundwork for number of units needed, the types of units and where they can go
- Financial incentives to encourage the development of rental housing and non-profit housing
- Policies to promote the availability of a full range of housing types



- No authority to ensure that affordable housing is built
- No authority to force homebuilders to build within a certain timeframe
- No ability to change current provincial or federal legislation to make this happen faster
- No influence over the list price for new housing units or resale housing within the private market

Ultimately, addressing Guelph's housing affordability needs is a shared responsibility and will require significant collective action and financial contributions from not only the municipal level of government, but also by the Provincial and Federal levels of government, as well as our community partners, homebuilding industry, and agencies. The City will continue to provide financial support and advocate for increasing housing supply while also exploring more ambitious tools to accelerate development approvals.

One area where the City will advocate is in continuing to recognize that housing is a human right, and the City and its community partners are committed to adopting and implementing a housing first approach to housing, that is in line with Canada's National Housing Strategy (A Place to Call Home). To achieve the three pillars of the strategy which include, eliminating homelessness, reducing waitlists, and building more affordable units, we must collaborate with our community partners, developers and builders, and other levels of government, to

be successful. In Guelph, private-market housing represents 96 per cent of the current housing supply, which is equivalent to over 55,000 units.

The County of Wellington is our Consolidated Municipal Service Manager for social services, which means they are responsible, via provincial mandate, for funding and administering non-market housing on the left-side of the housing continuum (e.g., emergency shelters, transitional housing, rent-geared-to-income housing, and affordable rental).

They are also responsible for producing a 10-year Housing and Homelessness Plan for Guelph and Wellington County, and this Plan, A Place to Call Home, 2013 was created in collaboration with the City and other community providers and outlines the community's plan for the provision of non-market housing. The City recognizes the continued lead role of County in implementing the Housing and Homelessness Plan, and anticipates an updated Plan

in 2024, which aligns well with the City's upcoming Housing Affordability Strategy. The City's strategy will be complementary to the County's Housing and Homelessness Plan by ensuring that it is clearly communicated how housing across the entire continuum will be built, managed, and or facilitated.

The City's Housing Affordability Strategy will focus on identifying policy drivers, tools, and incentives available to the City, to facilitate affordable housing supply. 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 by using the City's Affordable Housing Reserve, or Community Improvement Programs, for example. 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 across what is known as the housing continuum. 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.

For this report, the use of the term affordable housing aligns with the City’s Official Plan and the Provincial Policy Statement’s (2020) definition¹, which is as follows:

Ownership Housing

The least expensive of:

- i.** Housing for which the purchase price results in annual accommodation costs which do not exceed 30 per cent of gross annual household income for low- and moderate-income households; or
- ii.** Housing for which the purchase price is at least 10 per cent below the average price of a resale unit in the regional market area.

Rental Housing

The least expensive of:

- i.** A unit for which the rent does not exceed 30 per cent 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.

For definitions and types of non-market² social housing that are government subsidized and constitute the left side of the housing continuum, refer to [Section 6.6](#) of this report.

¹ The Government of Ontario has introduced new legislation that could change the definition of affordable housing for the purposes of development charge related discounts and exemptions. The City of Guelph continues to maintain the ability to establish its own definition of affordable housing in order to meet affordable housing targets.

² Non-market housing refers to housing that is in part, or wholly financed by the government. This can include shelters, transitional housing, supportive housing, rent-geared-to-income units, and subsidized rental housing. Further details on the types of non-market housing are available in [Section 6.6 Non-market housing](#) and in [Appendix A: Key terminology](#).

Summary of data findings

Economic and demographic factors that influence housing demand

- **Population growth:** Guelph is planning to achieve a population of 208,000 people (201,000 people excluding the net census undercoverage³, which is a census-equivalent population) by 2051, which is an additional 56,000 people, or 27 per cent population growth over the period.
- **Significant 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 34 per cent between 2021 and 2051. Household growth is anticipated to be higher than population growth due to the increased formation of single person households, a direct result of decreased birth rates and the aging of the population.
- **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 seniors’ housing that is adaptable, accessible, and affordable for seniors, especially for those living on fixed incomes.
- **Immigration:** Immigration is expected to be a main contributor of population growth in the Greater Golden Horseshoe area, which includes Guelph. Recent immigrants are more likely to rent their units, which will increase the demand for rental accommodations.
- **People on the move:** Between 2016 and 2021, 23,000 individuals changed houses within Guelph. In addition, nearly 33,000 individuals moved to Guelph from other places. The majority of these new residents to Guelph (72 per cent) 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 two decades. Guelph typically holds one of the lowest unemployment rates in Ontario and across Canada, in part due to the diversity of employment sectors in Guelph. When unemployment rates are low, more people will typically have greater financial stability, making it easier for them to live below the threshold for affordability (i.e., spending less than 30 per cent of household income on shelter costs).
- **Guelph is an attractive place to work:** The cost of housing is a determining factor in where a worker chooses to live. In 2021, about 21,000 workers commuted to positions located in Guelph, while roughly 14,000 Guelph residents travelled to jobs located outside the City. All told, Guelph residents held 73 per cent of jobs located in the City of Guelph. The majority of external workers come from Waterloo Region and Wellington County.
- **Earnings:** In 2021, half of Guelph’s residents earned less than \$46,800 per year in employment income. Households whose primary income source is derived from earnings in low paying industries and occupations tend to require more affordable housing options, especially those working in the accommodation and food services, and retail industries.
- **Household Income:** The average household income among all households in Guelph according to the 2021 Census is \$111,700, which is slightly below the provincial average of \$116,700. On average, renter households earn 47 per cent less annually than homeowners in Guelph.

³ The net census undercoverage is a correction by Statistics Canada that adjusts the population after the Census has been conducted to include individuals who should have been counted in the census but were not initially counted. It is important to note that key census indicators and census data do not include the net census undercoverage. Statistics Canada does not amend published census indicators or data based on the net census undercoverage estimate, but does issue a publication with updated population estimates.

Summary of data findings

Household characteristics

- **Shrinking household size:** At present, the average household size in Guelph is 2.55 individuals. The average size of households has generally been in decline 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 generally been in decline.
- **More one-person households:** Individuals living alone have been one of the fastest growing household types in Guelph since 2011. They currently comprise over 28 per cent of all household types, and the largest share (40 per cent) of all renter household types.
- **Seniors living alone:** Seniors make up the largest segment (38 per cent) of all one-person households. Many of these seniors are living on fixed incomes and will require more affordable housing options. The 2022 median household income for those aged 65-74 is \$83,899, while households with those aged 75 years or older is \$64,911 and are some of the lowest median incomes among all age groups.
- **Age of homeowners:** 58 per cent of primary household maintainers over the age of 35 own their home, and homeownership rates remain high throughout the senior years (65+ years of age) with 74 per cent of residents in this age group owning their home.
- **Preferred housing unit type:** In general, renter households tend to occupy smaller units, primarily within apartments, while a majority of ownership households occupy single detached dwellings. Occupancy levels reflect the nature of the rental and ownership housing stock available.

Summary of data findings

Housing stock in Guelph

- **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 current housing stock is predominantly comprised of low-density housing (i.e., single and semi-detached dwellings), comprising 53 per cent of all residential units in the city. It is anticipated that Guelph's housing stock will shift to become more balanced with a greater share of townhomes and apartments by 2051.
- **Condominium conversions:** Rental conversions are not resulting in a significant loss of total rental housing stock.
- **Demolitions:** Recent demolitions in Guelph are resulting in a net increase of housing supply to make way for the construction of townhomes and apartments.
- **Low vacancy rate:** The vacancy rate among Guelph's primary rental market was 1.5 per cent in 2022, well below the balanced and healthy benchmark of 3 per cent.
- **Increasing rental rates:** Between 2018 and 2022, the private market rental rates for Guelph increased 27 per cent, above the Consumer Price Index (CPI) rate of inflation of 15 per cent for the same time period.
- **Secondary rental market:** It is estimated that 47 per cent 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:** In 2022, the average resale price of a home was \$834,220, up 67 per cent since 2018, well above the CPI of 15 per cent for the same time period.
- **Non-market housing:** Non-market housing represents approximately 4 per cent of the total housing stock in Guelph. The City currently supports non-market housing by providing funding support to the Consolidated Municipal Service Manager, as well as through its historic use of Affordable Housing Reserve funds to incent the development of affordable housing units.

Summary of data findings

Housing affordability, adequacy and suitability

- **Affordability challenges:** 23 per cent of Guelph's households spent above the affordability threshold for housing in 2021, with 8 per cent spending more than 50 per cent of their household income on shelter costs. Renters are more than twice as likely than homeowners to have affordability challenges.
- **Lack of small housing units:** There is a current 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.
- **Housing stock is generally in good condition:** 95 per cent of the housing stock is in good condition, requiring only regular maintenance and minor repairs.
- **Households in core housing need⁴:** 11 per cent of all Guelph households were living in core housing need in 2021. The incidence is highest among renters (22 per cent of all renter households), lone-parent households (22 per cent of all lone-parent households), and one-person households (20 per cent of all one-person households).

The updated affordable housing benchmarks for 2023

The updated affordability benchmarks for 2023 are:

- **Ownership: \$429,016 per dwelling**
- **Rental: \$1,434 per month**

The homeownership benchmark was derived using an income-based calculation, while the rental affordability benchmark was based on the lower market-based calculation. The calculations are detailed in the report.

In 2022, Guelph did not meet its affordable homeownership target of 25 per cent, with 22 per cent of units per cent of new units selling below the benchmark price. The affordability benchmark for new rental units is measured every five years. When it was last measured in 2020, Guelph did not meet the benchmark of 1 per cent of all new primary rental units. Guelph did meet the affordability benchmark among secondary market rental of 4 per cent, primarily through the creation of additional dwelling units.

⁴ A household is said to be in core housing need if its housing falls below at least one of the adequacy, affordability, or suitability indicator thresholds. Additional details are available in [Section 7 Housing affordability, suitability, and adequacy](#), and in [Appendix A Key terminology](#).

What does this overview tell us?

Guelph's housing options do not meet the affordability needs of the community.

The results from this data-driven analysis tell us that to solve the issues around housing affordability, all levels of government must come together. While the City has been working to implement recommendations from the 2017 Affordable Housing Strategy that support the facilitation and creation of affordable housing and private market supply, external factors like interest rates, federal and provincial fiscal frameworks, and skilled labour supply play a significant role in how effective and successful we can be in increasing housing supply. Partnerships, advocacy, and innovation are critical moving forward.

More specific to Guelph's context, we have found that:

- The affordability needs of the community are not always being met by Guelph's housing options;
- 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 rental market. In Guelph, this represents about 5,800 renter households with incomes below \$44,600. It is important to note that some of these households will already be living in government-assisted housing (i.e., non-market housing);
- Only households at the 30th income percentile are able to afford a unit in the private rental market, which is a bachelor unit that had an average market rental rate of \$990 per month in 2022;
- Households below the 30th percentile would need to see more affordable options, which may include: government subsidized housing, shared accommodations, rooming houses, or lower cost accessory apartments. When these options are not available, low-income renter households may be at risk of becoming homeless due to an inability to pay market rent;
- Renter households with incomes between the 30th and 60th income percentiles 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 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 \$44,600 and \$78,933). These households are able to afford a bachelor unit, and some one-bedroom units in the private rental market. Only those with incomes at or above the 50th percentile are able to afford a unit with 2 or more bedrooms in the private rental market, and;
- With respect to homeownership, a minimum household income of \$102,668 would be needed to purchase a unit in Guelph to be considered affordable (i.e. spending less than 30 per cent of gross household income on shelter costs). This minimum household income corresponds to the 50th income percentile in Guelph and would only be sufficient to purchase a bachelor-sized unit in the city. This means that 50 per cent of households, or 18,525 households with annual incomes below the 50th percentile would otherwise be unable to purchase an affordable unit. According to the National Occupancy Standard, a bachelor sized unit would only be suitable for a one-person household and would be considered unsuitable for households with more than one person.

Based on the analysis of demographic, economic and housing data specific to Guelph, five key issues have been identified that have an influence over the state of housing affordability, listed on the following page.

Key issues impacting affordability of housing in Guelph



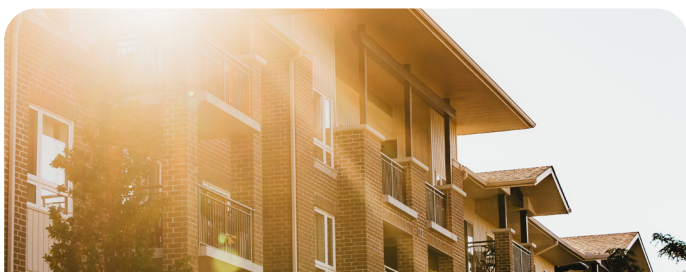
Issue 1

Guelph is working towards achieving its affordable housing targets



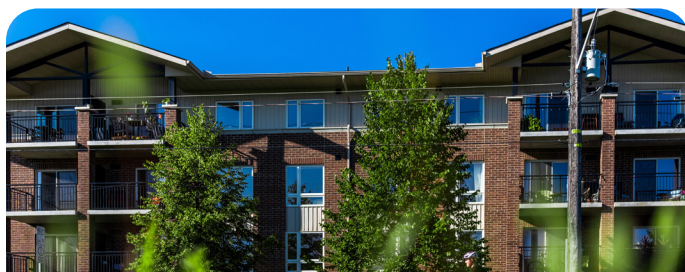
Issue 2

There is a need for smaller units



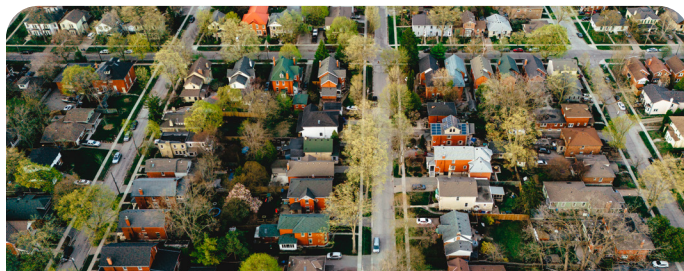
Issue 3

There is a need for an increased supply of primary rental units



Issue 4

The secondary rental market offers more affordable choices but could benefit from the stability offered by the primary rental market



Issue 5

There is a need for an increased supply of non-market rental housing

This page is intentionally left blank.

Table of Contents

Overview	i
What is affordable housing?	ii
Summary of data findings	iv
Economic and demographic factors that influence housing demand	iv
Household characteristics	v
Housing stock in Guelph	vi
Housing affordability, adequacy and suitability	vii
What does this overview tell us?	viii
Key issues impacting affordability of housing in Guelph	ix
1. Introduction	1
1.1 Data sources and limitations	1
2. Context for the housing affordability strategy	2
2.1 Scope of the housing affordability strategy	2
2.2 Goals and approach of the housing affordability strategy	3
3. Defining affordable housing	4
3.1 Housing terminology	5
4. Demographic and economic factors influencing housing demand	6
4.1 Population characteristics	6
4.2 Labour force characteristics	11
4.3 Income	15
4.4 Summary of demographic and economic data findings	19
5. Household characteristics	20
5.1 Household Size	20
5.2 Household types	22
5.3 One-person households	24
5.4 Housing tenure	25
5.5 Primary household maintainer	29
5.6 Summary of household characteristic findings	32

Table of Contents

6. Housing stock	33
6.1 Existing housing stock	33
6.2 Residential development	35
6.3 Primary rental market	38
6.4 Secondary rental market	40
6.5 Resale housing market	42
6.6 Non-market housing	43
6.7 Summary of housing supply findings	48
7. Housing affordability, suitability, and adequacy	49
7.1 Housing affordability	49
7.2 Housing suitability	50
7.3 Housing adequacy	52
7.4 Core housing need	53
7.5 Summary of housing affordability, suitability, and adequacy findings	58
8. Affordable housing benchmarks	59
8.1 Rental benchmark	59
8.2 Homeownership benchmark	63
9. Achieving the affordable housing targets	67
9.1 Establishing the target	67
9.2 Ownership outcomes	67
9.3 Rental outcomes	70
10. Broad economic conditions and the impact to housing supply and affordability	72
10.1 Provincial and Federal funding	73
10.2 Interest rates	74
10.3 Supply chain challenges	74
10.4 Skilled labour capacity	75
11. Findings and conclusion	76
11.1 Key issues	76
11.2 Conclusion	79

Table of Contents

References	80
Appendix A: Key terminology	83
Appendix B: Housing continuum methodology	88
Appendix C: Secondary rental market research methodology	89
Appendix D: Ownership benchmark price methodology	90
Appendix E: Number and type of units sold in relation to benchmark price	95
Appendix F: Supplementary household income percentile tables	96

1 Introduction

Where you live directly affects how you live. Having an adequate, safe and affordable place to call home is critical to individual and community wellbeing. Having an adequate, safe, and suitable home promotes positive health outcomes, supports strong educational and economic achievement, encourages social inclusion, and helps to reduce poverty and homelessness.

The provision of a full range and mix of housing options to meet the changing needs of the population is a fundamental component of the City of Guelph's (City) vision to be an inclusive, connected, prosperous city where we look after each other and our environment. Three key themes from the City's Corporate Strategic Plan 2024-2027, Future Guelph, highlights achieving this vision through:

- 1 City Building and focusing on growth and all the supporting elements to make Guelph a more liveable city
- 2 The Environment and how it empowers us and the community to help fight and adapt to climate change
- 3 Recognition that people and economy support our community's well-being and helps our local economy flourish

Accordingly, the City is updating the 2017 Affordable Housing Strategy, now retitled the Housing Affordability Strategy, to more clearly focus on private market housing for low- and moderate-income households.

This **State of Housing in Guelph** report presents a statistical analysis of demographic, economic and housing data for Guelph, and identifies five key issues where improvements can be made to advance the City's targets for affordable rental and ownership housing, as outlined in the City's Official Plan.

1.1 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 the following:

- Canada Mortgage and Housing Corporation (CMHC),
- City of Guelph, County of Wellington,
- Municipal Property Assessment Corporation (MPAC),
- Statistics Canada's Census of Population, and
- Labour Force Survey.

For a detailed list of definitions and data sources, please refer to [Appendix A: Key terminology](#) and [References](#) section of this report.

It is important to note that the data from the 2021 Census was polled in May 2021 when Canada was in the midst of a third wave of the COVID-19 pandemic. Statistics Canada is aware that the pandemic may have had an impact on the responses to some census questions, such as those on employment, education, commuting, and expenditures. Despite this limitation, the census continues to be the best available source for much of the information.

Where possible, data has been presented for the Guelph Census Subdivision (CSD) level of geography, which aligns with the boundary for the City of Guelph. In some instances, data is only available for the Guelph CMA (Census Metropolitan Area) level of geography, which includes the City of Guelph, the Township of Guelph/Eramosa and the Township of Puslinch. 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 Context for the housing affordability strategy

The Housing Affordability Strategy is intended to address municipal requirements under the Provincial Policy Statement, 2020. It builds on the City’s Official Plan Update (OPA 80), which establishes a framework for planning for a range and mix of housing types and densities to meet the future needs of Guelph’s residents, through appropriate land use designations and supporting policies.

The Housing Affordability Strategy will provide further clarity around affordability issues and specific, preferably measurable, recommendations regarding how to advance the Official Plan’s affordable housing target that 30 per cent of all new residential units constructed city-wide be affordable. This target is broken down into an annual target of 25 per cent ownership housing,

1 per cent affordable primary rental units, and 4 per cent affordable secondary rental units (which include additional dwelling units).

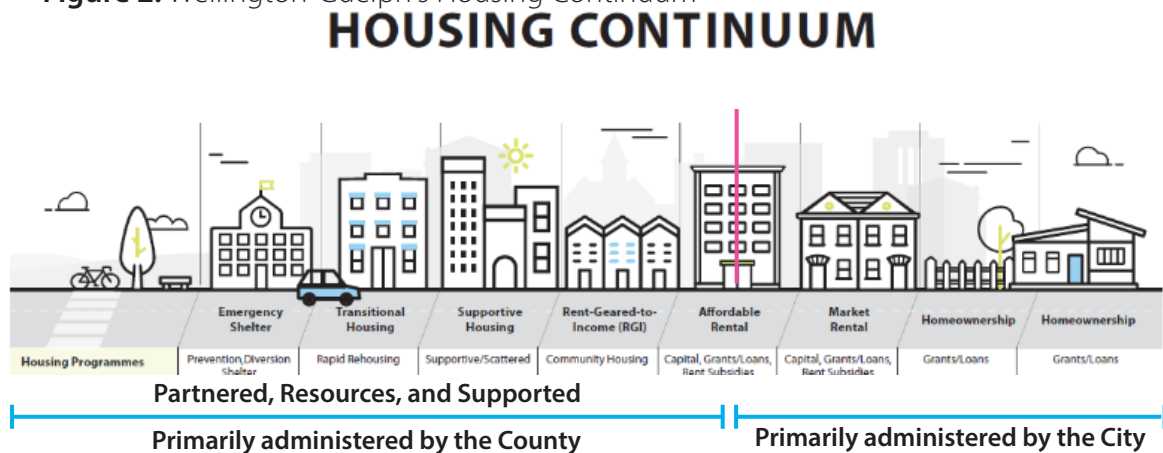
The City’s Housing Affordability Strategy will focus on identifying policy drivers, tools and incentives available to the City, to facilitate affordable housing supply. It will also assist Council in responding to affordable housing funding opportunities and the City’s potential role in funding or incenting affordable housing projects by using the City’s Affordable Housing Reserve, for example. The opportunity to weave 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 of the Housing Affordability Strategy

Guelph added an additional 1,500 units between census day in May of 2021 and the end of 2022, increasing the city’s existing housing stock to an estimated 61,300 units, 96 per cent of which are private market units and 4 per cent of which are non-market units (Statistics Canada, 2021 Census of Population, and County of Wellington Housing Services, 2023).

Figure 2, below, shows the right-side of the continuum, which is the private market and includes both private rental and homeownership. The left-side of the continuum is non-market housing and consists of emergency shelters, transitional housing, supportive housing, rent-geared-to-income housing, and some affordable rental), and is generally administered by other levels of government⁵.

Figure 2. Wellington-Guelph's Housing Continuum



⁵ 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, 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.

The focus of the Housing Affordability Strategy is primarily on the right-side of the continuum, on private market housing for low-and moderate-income households – this is where the city has the most influence and jurisdiction over housing. The City has a responsibility to create the conditions needed for housing development, yet we have limited control over some aspects of the process.

As housing is a human right, the City and its community partners are committed to adopting and implementing a housing first approach to housing, that is in line with Canada's National Housing Strategy (A Place to Call Home). In order to achieve the three pillars of the strategy which include eliminating homelessness, reducing waitlists, and building more affordable units, we must collaborate with our community partners, developers and builders, and other levels of government, to be successful. In Guelph, private-market housing represents 96 per cent of the current housing supply, which is equivalent to over 55,000 units.

The County of Wellington is our Consolidated

Municipal Service Manager, which means they are responsible, via provincial mandate, for funding and administering non-market housing on the left-side of the housing continuum (e.g., emergency shelters, transitional housing, supportive housing, rent-geared-to-income housing, and affordable rental).

They are also responsible for producing a 10-year Housing and Homelessness Plan for Guelph and Wellington County, and this plan, called A Place to Call Home, 2013 was created in collaboration with the City and other community providers and outlines the community's plan for the provision of non-market housing. The City recognizes the continued lead role of County in implementing the Housing and Homelessness Plan, and anticipate an updated Plan in 2024, which aligns well with the City's upcoming Housing Affordability Strategy. The City's Strategy will be complementary to the County's Housing and Homelessness Plan by ensuring that it is clearly communicated how housing across the entire continuum will be built, managed, and or facilitated.

2.2 Goals and approach of the Housing Affordability Strategy

The overall purpose of the Housing Affordability Strategy is to identify actions, advocacy, and partnership approaches to address private-market housing gaps in the short, medium, and long term – this is the market where the City has the greatest, albeit limited, ability to influence.

A secondary, equally important purpose is to strengthen relationships and enhance collaboration with Wellington County, the University of Guelph, Conestoga College, non-profit and for-profit housing agencies, Urban Indigenous residents, LGBTQ2S+, and residents of our community throughout this project update so that the final deliverable, the recommended strategy, will more clearly align the relationships towards providing housing affordability in the private market and non-market housing.

Specifically, the Housing Affordability Strategy will accomplish the following goals, working together with a consultant team:

- **Goal 1:** Enable a greater supply and mix of housing.
- **Goal 2:** Maximize and protect the use of existing housing resulting in a greater supply of affordable housing.
- **Goal 3:** Enhance capacity, awareness, and supports for affordable housing throughout the community.

To accomplish the goals of the Housing Affordability Strategy, the project will be completed in five phases, as follows, and are explained more fully in the September 12, 2023 [Staff Report 2023-331](#):

- Phase One (1): Project Initiation
- Phase Two (2): Research and Information Gathering
- Phase Three (3): Identify Goals and Targets
- Phase Four (4): Identify Actions
- Phase Five (5): Finalize Housing Affordability Strategy

3 Defining affordable housing

According to CMHC, housing is considered to be affordable for a given household if it costs less than 30 per cent 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 units, or ownership units in a freehold, condominium, or 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).

The City's Official Plan defines affordable housing according to the Provincial Policy Statement (2020), for ownership and rental housing as follows:

Ownership Housing

The least expensive of:

- i. Housing for which the purchase price results in annual accommodation costs which do not exceed 30 per cent of gross annual household income for low- and moderate-income households; or
- ii. Housing for which the purchase price is at least 10 per cent below the average price of a resale unit in the regional market area.

Rental Housing

The least expensive of:

- i. A unit for which the rent does not exceed 30 per cent 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, 2020 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 2022, the 60th income percentile for Guelph was \$122,539 for all households, and \$78,933 for renter households (2020 census incomes, adjusted for inflation). The affordable housing benchmark for 2023 is set at a price of \$429,016 per dwelling for ownership housing, and \$1,434 per month for rental housing for 2023. (Refer to affordable housing benchmarks in Section 8 of this report for detail on how these figures were derived).

Finally, it is important to note that the current definition for defining affordable housing in Guelph is derived from the Provincial Policy Statement, 2020. However, in October 2022, the Province introduced their intent to streamline the land use policy framework in Ontario, more specifically by merging the Provincial Policy Statement and the Growth Plan, to further the effort towards accelerating the development of housing. The streamlined document proposed to be called the Provincial Planning Statement was released for consultation in April of 2023 and the City of Guelph provided a review of the proposed policy changes through an information report to Council in May of 2023 ([The Proposed Provincial Planning Statement – A Review of the Key Changes 2023-204](#)).

The proposed provincial policy document did not include any policies or definitions for affordable housing. Instead, the Province had included a change to the affordable housing definition, for the purposes of discounting and exempting units from development charges through proposed legislative changes to the Development Charges Act, introduced through the [More Homes, Built Faster Act, 2022 \(Bill 23\)](#). Under these proposed changes, affordable housing benchmarks would be defined using a market-based approach to determine the benchmark for an affordable dwelling unit, where a dwelling would have been considered affordable if it was rented for no greater than 80 per cent of the average rental price in Guelph, or in the case of

homeownership, sold for no greater than 80 per cent of the average resale price of residential dwelling units in Guelph.

In September 2023, the Province proposed a new definition for an “Affordable Residential Unit” through the [Affordable Homes and Good Jobs Act, 2023 \(Bill 134\)](#). This bill proposes to amend the [Development Charges Act \(ERO 019-7669\)](#) that would re-introduce an income-based approach to defining an affordable residential unit, alongside an updated market-based approach for the purpose of discounting and exempting these units from municipal development-related charges. These proposed changes largely echo the current definition in the Provincial Policy Statement (2020), with the added provision that the methods and thresholds for determining an

affordable residential unit for both rental and homeownership will be determined by the Minister of Municipal Affairs and Housing.

Municipalities continue to be able to define affordable housing for the purposes of their Official Plan policies, and municipal strategies. The current definition for what constitutes an affordable residential unit in Guelph is based on the definition of an affordable unit under the Provincial Policy Statement (2020). Additional details are provided in Section 8 of this report.

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

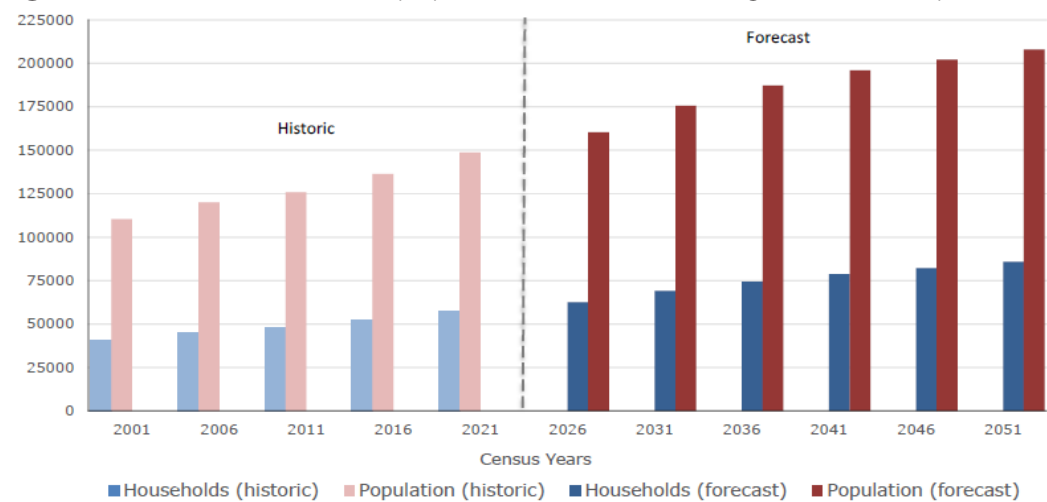
4.1.1 Population and Household Growth

The latest Census (2021) indicates that there are approximately 143,740 people and 56,480 households in Guelph. Guelph's Official Plan plans for a population of 208,000 (201,000 people excluding the net census undercoverage, which is a census-equivalent population) by 2051. The total number of households is projected to reach 85,700 by 2051. The average size of households is expected to continue to decline due to the aging population resulting in the creation of households that will outpace population growth. (see Section 5, Household characteristics for additional detail). Figure 3 illustrates Guelph's approved population and housing forecasts to 2051 from the Growth Management Strategy, which plans for approximately an additional 28,000 units and 59,000 people from 2021 to 2051.

Housing Pledge in an effort to meet the provincial target of building 1.5 million homes across the province by 2031. To implement the provincial housing target, the City of Guelph was asked to demonstrate its commitment to accelerating the housing supply by developing a Municipal Housing Pledge and outlining the necessary steps that would be needed facilitate the construction of 18,000 new homes by 2031. The target for Guelph supports the Province's goal of building 1.5 million homes by 2031, which exceeds the growth management forecasts by 6,100 over the time period. Additional details are outlined in the City's Municipal Housing Pledge, which was approved by Council in February 2023 ([City of Guelph Housing Pledge - By Guelph, For Guelph - 2023-88](#)). Modifications to the growth forecasts resulting from the Municipal Housing Pledge will be considered through the next update to Guelph's Official Plan.

Over the short term, the City of Guelph committed to accelerating its housing supply through a Municipal

Figure 3. Historic and forecast population and household growth in Guelph, 2001-2051



Source: City of Guelph Planning. Data from Statistics Canada Census of Population, and Watson & Associates, Long-Term Population and Housing Growth, 2022



Population and household growth data highlights

- There were 143,740 individuals living in Guelph in May of 2021.
- By the end of 2022, Guelph's population was estimated to have increased to 146,175 people, representing an increase of approximately 1.3 per cent from the Census in 2021.
- Guelph's population is expected to grow by an estimated 27 per cent by 2051, an increase of approximately 56,000 people.
- There were approximately 56,700 households in Guelph in 2021.
- There were approximately 59,900 total private dwellings in Guelph in 2021.
- Between 2021 and 2051, the total number of households is projected to grow by 34 per cent, an increase of 29,000 households to a total of 85,700 households in 2051.
- Future household growth is projected to be higher than historical trends (15 per cent between 2011 and 2021).
- Due to an anticipated decline in the average number of people living in a dwelling unit, future household growth will outpace population growth.

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.

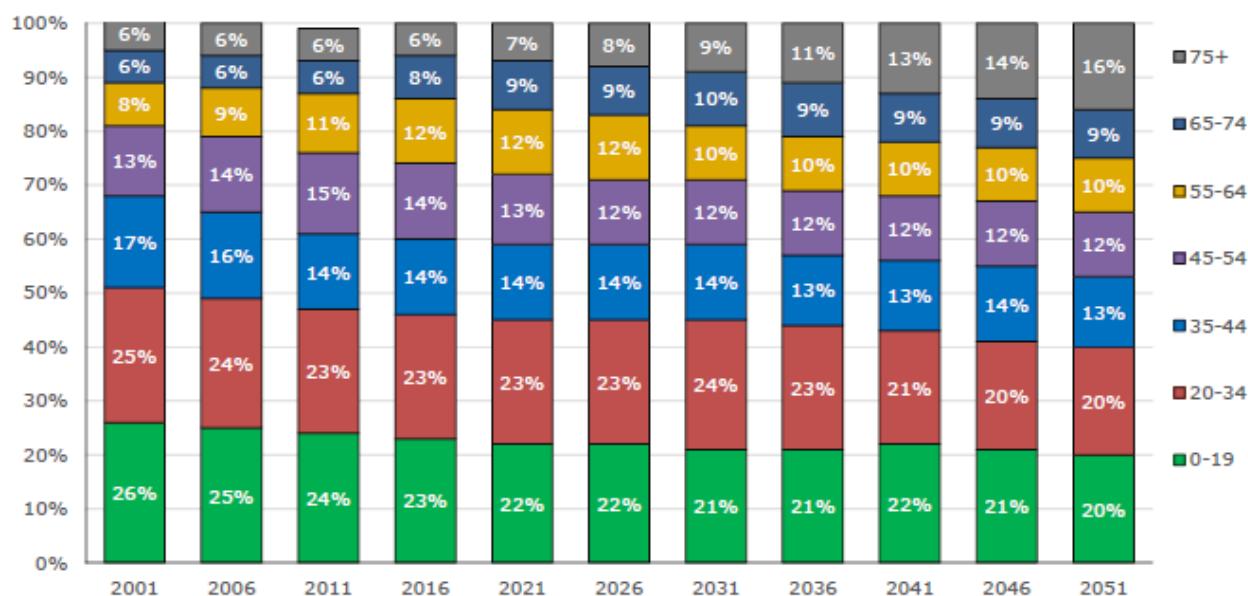
- 65-74 years:** It is this age group when the largest segment of the population begins to retire. A large percentage of seniors are expected to “age in place”; that is, they will continue to live in their current home and/or community for as long as possible, even if their health changes (City of Guelph Long-term Population and Housing Growth, January 2022). 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 as homeowners.

apartments and seniors’ homes) that are in proximity to urban amenities (e.g., hospitals and health care facilities, amenities and other community services geared towards older seniors). This age group 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.

- 75 years and over:** On average, seniors, particularly those in the 75+ age group, have less mobility, less disposable income and typically require increased health care compared to younger seniors (65-74 age group) and other segments of the younger working-age population (City of Guelph Long-term Population and Housing Growth, January 2022). Typically, these characteristics associated with the 75+ age group drive the demand for relatively higher density housing forms (e.g.,

Fewer people in Canada are having children and the fertility rate hit a record low of only 1.4 children per woman in 2020, coupled with the lowest number of births in the country since 2007 (Statistics Canada, 2022). This trend is expected to continue with an overall decline in the proportion of the population within the 0-19 age group. The population is also aging and the age distribution of the population is expected to age more rapidly than in recent years. Over the forecast period, 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 (75+ years). This is anticipated to place increasing demand on the need for seniors’ housing that is adaptable, accessible, and affordable housing for seniors, especially for those on fixed incomes.

Figure 4. Population distribution by age and sex in Guelph, 2001-2051



Source: City of Guelph Long-term Population and Housing Growth, January 2022



Age distribution data highlights

- Guelph's population is aging. In 2021, the median age of Guelph's population was 38.4 years, an increase from 37.7 years in 2011. Guelph's population in 2021 was 3.2 years younger than the provincial median age of 41.6 years;
- The population in their prime household formation years (25-44 years) represented 29 per cent of Guelph's total population;
- The percentage of the City of Guelph's youth (0-19) is forecast to gradually decline from 23 per cent in 2016 to 20 per cent in 2051;
- The 20-34 age cohort (young adults) comprised 22 per cent of the population in 2021. This age cohort is forecast to decline to 20 per cent in 2051;
- The 35-54 age cohort (adults) comprised 29 per cent of the population in 2021. This age cohort is forecast to decline to 25 per cent in 2051;
- The 55-74 age cohort (younger seniors) is forecast to marginally decline from 20 per cent to 19 per cent; and
- The 75+ age group (older seniors) in Guelph is forecast to more than double over the next 30 years from 6 per cent in 2021 to 16 per cent in 2051.

4.1.3 New immigrants

Recent immigrants (arrived to Canada between 2016 and 2021) represented 5 per cent of Guelph's population (7,115 individuals) in 2021, which is comparable to the percentage of new immigrants to Canada who settled in Ontario over the same period. International net migration to Canada over the last decade has been a significant source of new residents to Guelph and is anticipated to be

the primary source of population growth amid an aging population and declining fertility rate (City of Guelph Long-term Population and Housing Growth, January 2022). According to Statistics Canada (2021), immigrants are more likely to rent their unit and immigrants are more likely to live in unaffordable, unsuitable, or inadequate housing conditions.

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 within Canada (internal migrants); and people who came from another country to live in Canada (external migrants).

Between 2016 and 2021, nearly 33,000 individuals relocated their household within Guelph, representing 24 per cent of the population in 2021. The majority of these new residents, representing 18

per cent of Guelph’s population in 2021 moved to Guelph from another municipality in Ontario (intra-provincial migrants). When comparing the chart below, the proportion of people who lived in the same dwelling from the previous census and those who moved within the same municipality was less than the average for all of Ontario. However, a greater proportion of people moved to Guelph from another municipality in the province than the intra-provincial mover average for all of Ontario. This would imply that between 2016 and 2021, a greater proportion of Guelph residents moved away from the city and were replaced by residents from elsewhere in Ontario than the provincial average.

Table 1. Population who moved in Guelph and Ontario, 2016-2021

	Guelph total residents	Guelph (%)	Ontario total residents	Ontario (%)
Lived in Same Dwelling (non-movers)	78,500	58%	8,361,770	63%
Moved within municipality (non-migrants)	23,005	17%	2,900,355	22%
Moved from different municipality (intraprovincial migrants)	23,660	18%	1,938,720	15%
Moved from another province (interprovincial migrants)	2,125	2%	228,640	2%
Moved from another country (external immigrants)	7,115	5%	732,990	5%

Source: Statistics Canada, Census of Population 2021

Migration data highlights

- Between 2016 and 2021, 58 per cent of Guelph’s population remained living in the same residence as they did five years prior, below the provincial average of 63 per cent.
- 24 per cent of Guelph’s population relocated over the same time period, above the provincial average of 22 per cent.
- 18 per cent of Guelph’s population moved to Guelph from another municipality in Ontario (intraprovincial migrant), above the provincial average of 15 per cent.
- 2 per cent of Guelph’s population in 2021 moved from another province (interprovincial migrants) in the five years prior, which is equal to the provincial average.
- 5 per cent of Guelph’s population in 2021 moved to Canada from another country (external migrant)⁶, which is equal to the provincial average. The proportion of Guelph’s population being comprised of recent external migrants (i.e., moved within the last five years) increased from 2 per cent in 2011 and 4 per cent in 2016.

⁶ External migration also includes Canadian citizens who relocate to or from other countries

4.2 Labour force characteristics

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 higher-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 need to seek housing outside the community and commute to where they work. Therefore, there is a need to ensure

that the local housing supply meets the economic requirements of the local workforce.

As Guelph's population continues to age out of the working-age years (15-64 years) over the longer term, and as the fertility rate remains below population replacement levels, it will place downward pressure on labour force participation and labour force growth. This will further emphasize the need for steady migration, particularly within the working-age population (15-64 age cohort).

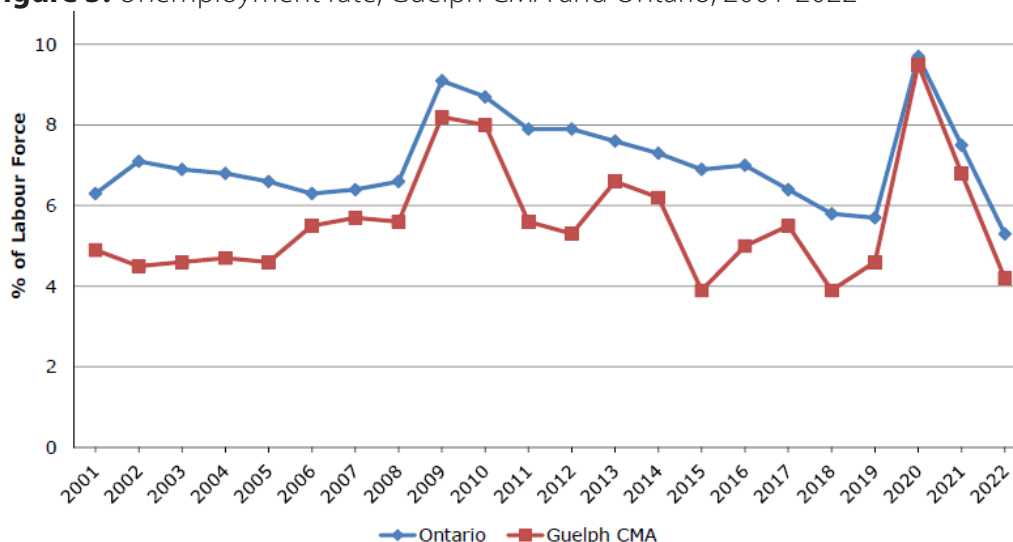
4.2.1 Unemployment rates

Guelph maintains a diverse employment base with jobs spread relatively uniformly across multiple major employment sectors. This helps to foster economic resilience of a community, reducing vulnerability to economic downturns in a single industry. Historically, Guelph has consistently outperformed the national and provincial average on a range of labour force indicators (i.e., participation rate, employment rate, etc.) Guelph typically holds one of the lowest unemployment rates in Ontario and across Canada. When unemployment rates are low, more people will typically have greater financial stability, making it easier for them to live below the threshold for affordability (i.e., spending less than 30 per cent of household income on shelter costs).

However, low unemployment rates may also present recruitment and employee retention challenges for employers, particularly those looking for skilled workers. For local employers to attract workers, it is important for municipalities to consider a range of diverse housing options, including locally available affordable housing to match the demand of the workforce.

Unemployment rates spiked across Canada between 2020 and 2022, driven mainly by temporary layoffs resulting from COVID-19 pandemic restrictions. These restrictions negatively impacted economic activity, resulting in jobs losses over the period. These jobs have largely recovered, and Guelph's unemployment rate has recovered to pre-COVID-19 pandemic levels.

Figure 5. Unemployment rate, Guelph CMA and Ontario, 2001-2022



Source: Statistics Canada. Tables 14-10-0385-01, and 14-10-0393-01. Labour force characteristics, annual.



Unemployment rates data highlights

- In 2022, the unemployment rate in the Guelph CMA was 4.2 per cent, below the provincial average of 5.3 per cent;
- Between 2001 and 2022, the unemployment rate for the Guelph CMA has consistently been lower than the provincial average;
- In 2022, the participation rate for the Guelph CMA labour force was 79.7 per cent, above the provincial average of 65.4 per cent
- The employment rate in the Guelph CMA in 2022 was 67.6 per cent, above the provincial average of 61.8 per cent;
- Between 2001 and 2022, both the participation rate and employment rate in the Guelph CMA has been higher in comparison to the provincial average.
- The annual unemployment in the Guelph CMA rate spiked to a high of 9.5 per cent in 2020 due to COVID-19 restrictions, improving to 4.2 per cent in 2022.
- The 2022 unemployment rate of 4.2 per cent represents one of the lowest annual unemployment rates in Guelph since 2001, outperformed only by years 2015 and 2018 when Guelph CMA's unemployment rate was 3.9 per cent.

4.2.2 Commuting patterns

The cost of housing can be a determining factor in where a worker chooses to live, however, the way Canadians worked and commuted between 2020 and 2022 was altered by the COVID-19 pandemic. The pandemic changed how and where millions of Canadians commuted, lived, and worked. According to Statistics Canada, this led to an average of 2.8 million fewer commuters each day across Canada, compared with five years earlier. In 2021, 32,200 residents of Guelph commuted to positions located in Guelph, while roughly 13,500 Guelph residents travelled to jobs located outside the city. The incidence of those working from home increased to

18,850 workers in 2021 in the midst of the pandemic, an increase of 322 per cent from the previous Census in 2016, when only 4,460 workers reported working from home. Including workers who worked from home and those with no fixed place of work, Guelph residents held 73 per cent of jobs located in the City of Guelph in 2021. The majority of workers who commuted to Guelph in 2021 came from Waterloo Region and Wellington County, while the majority of Guelph residents who commuted out of the city travelled to Waterloo Region, the Greater Toronto Area, and Wellington County for their jobs.

Table 2. Commuting flow to and from Guelph, 2021

Place of Work	Inbound	Outbound	Net Gain (Loss)
Waterloo Region	9,905	4,550	5,355
GTA (Greater Toronto Area)	2,280	3,900	-1,620
Wellington County	5,860	3,250	2,610
City of Toronto	360	790	-430
Hamilton	920	535	385
South-western Ontario	1,400	460	940
Other	255	180	75
Total	20,980	13,665	7,315

Source: Statistics Canada, 2021 Census of Population, place of work data

Commuting patterns data highlights

- In 2021, Guelph's labour force consisted of 78,145 workers. This includes those who worked at home and those with no fixed place of work.
- By the end of 2022 when those who were temporarily laid-off due to the pandemic returned to work, it is estimated that Guelph's labour force had increased to 85,200 workers.
- Guelph residents held 73 per cent of the positions in Guelph, which includes those who worked from home and those with no fixed place of work.
- 7,315 more workers travelled to Guelph to work than left Guelph to work elsewhere.
- 13,665 Guelph residents commuted to jobs located outside the city.
- 33 per cent of those who left Guelph for work commuted to jobs in Waterloo Region, followed by the GTA (29 per cent) and Wellington County (24 per cent). The remaining residents who commuted out of Guelph represented 14 per cent of commuters.
- 47 per cent of external workers came from Waterloo Region, followed by Wellington County (28 per cent) and the GTA (11 per cent).

4.2.3 Employment earnings

According to the North American Industry Classification System (NAICS), there are 20 different job sectors in Canada. The top five industries employing Guelph residents, in order of the greatest number of employees are: 1) Manufacturing; 2) Educational services; 3) Health care and social assistance; 4) Retail trade; and 5) Professional, scientific and technical services. Collectively, these sectors represent nearly two-thirds of all jobs held by Guelph residents.

According to the 2021 Census (2020 incomes), the average annual employment earnings of Guelph residents at that time was \$57,700, while half of Guelph's residents earned less than the

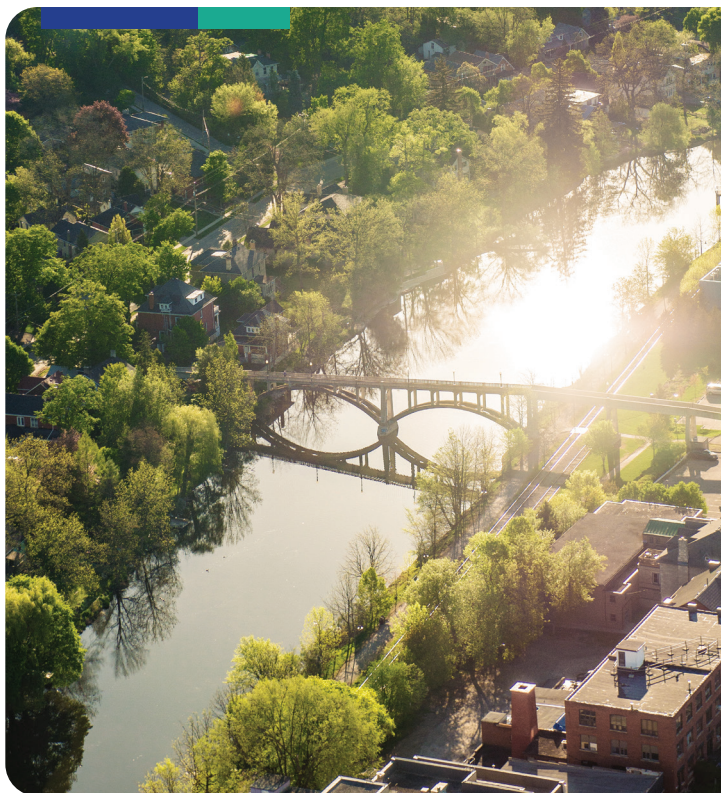
median annual employment earnings of \$46,800. Accommodation and food services, and Retail trade (which collectively represent 16 per cent of the jobs) are two of the lowest paying sectors for Guelph residents. As illustrated in Table 3. Earnings in the top 10 industries employment Guelph (CMA) residents, 2020), individuals holding sales and service positions earn the lowest annual employment earnings.

Employment income and shelter costs are factors that can impact housing security. Generally, households with incomes derived primarily from lower paying industries and occupations tend to require a wider range of affordable housing options.

Table 3. Earnings in the top 10 industries employment Guelph (CMA) residents, 2020

Industry	% Jobs		Average Annual Earnings Per Job, 2020
	2015	2020	
1. Manufacturing	19%	18%	\$62,650
2. Educational services	11%	11%	\$61,250
4. Health care and social assistance	9%	11%	\$54,000
4. Retail trade	10%	11%	\$33,840
5. Professional, scientific and technical services	7%	9%	\$70,400
6. Construction	5%	6%	\$57,450
7. Accommodation and food services	6%	5%	\$21,720
8. Public administration	4%	4%	\$83,800
9. Transportation and warehousing	5%	4%	\$56,400
10. Wholesale trade	4%	4%	\$78,400
All industries			\$57,700

Source: Statistics Canada, 2021. Table 98-10-0588-01. Employment income statistics by industry sectors: Canada, provinces and territories, Census Metropolitan Areas and Census Agglomerations with parts.



Employment earning data highlights

- In 2020 (2021 Census), the top five industries employing Guelph residents (Manufacturing; Educational services; Health care and social assistance; Retail trade; and Professional, scientific and technical services) represented 59 per cent of all jobs.
- The average annual employment earnings of Guelph residents in 2020 among all industries was \$57,700.
- Residents working in manufacturing, which is the largest industry employing Guelph residents, earned an average of \$62,500 in 2020, where the average individual income in Guelph was \$55,220.

4.3 Income

4.3.1 Income distribution

Housing affordability is related to the distribution of income in a community. Table 4 illustrates the distribution of owner, renter and all households, grouped by income decile. To calculate income deciles, households are grouped according to their before-tax income and divided into 10 equal groups, each decile representing 10 per cent of households, or approximately 5,650 households; consisting of 3,700 owner households, and 1,950 renter households. Unless otherwise stated, incomes in the following section have been updated to 2022 levels based on inflation, using the Consumer Price Index (CPI) of all goods.

According to the Provincial Policy Statement, 2020, households are considered to have low- or moderate-incomes when their total household income falls at or below the 60th income percentile for the regional market area. Generally, households in Guelph with income levels below the 30th income percentile are served by social housing, which is

administered by Wellington County, while housing affordability for households with moderate incomes between the 30th and 60th income percentiles are within Guelph's mandate to address.

In 2020, the 30th income percentile was \$40,400 for renter households in Guelph. Adjusted for inflation, this equates to a household income of \$44,600 in 2022. In other words, there are approximately 5,800 renter households in Guelph with annual household incomes below \$44,600 in 2022. These households have very limited housing options in the private market and are generally served by government subsidized housing options, shared accommodations, rooming houses, bachelor apartments, or lower cost accessory apartments. When these housing options are limited, or unavailable, it puts low income households at a greater risk of becoming housing insecure or homeless due to the inability to pay market rent.

The 60th income percentile was \$78,933 for renter households, \$146,824 for owner households, and \$122,539 for all household types in Guelph. There are approximately 22,500 households in Guelph (representing 40 per cent of all households) with incomes in the 30th to 60th income percentile, which consists of 14,800 owner households and 7,700 renter households. In Guelph, 66 per cent of all households own the unit that they occupy, while 34 per cent of all households rent the units that they occupy across all income percentiles.

The incomes of owner households in Guelph are higher than renter households. Renter households in

Guelph have higher income levels than the provincial average in the low- to moderate-income ranges, but the provincial average is higher for households above the 80th income percentile. Only owner households in Guelph above the 90th percentile have lower income levels than the provincial average.

Overall, Guelph has higher incomes in the low- and moderate-income percentiles than the provincial average, but lower than the provincial average among the highest income earners, implying that there is a smaller share of high-income individuals living in Guelph than other parts of Ontario.

Table 4. Income percentiles of households in Guelph and Ontario, 2022

Type of Household	Guelph			Ontario		
	All	Owner	Renter	All	Owner	Renter
Total Number of Households	56,310	37,050	19,265	5,415,420	3,709,425	1,705,995
Number per Decile	5,631	3,705	1,927	541,542	370,943	170,600
10th Percentile	\$34,223	\$49,016	\$24,949	\$31,794	\$44,600	\$24,066
20th Percentile	\$52,548	\$70,653	\$34,443	\$49,457	\$64,912	\$31,573
30th Percentile	\$68,887	\$90,524	\$45,041	\$65,796	\$83,901	\$42,392
40th Percentile	\$85,004	\$108,187	\$56,081	\$82,797	\$102,668	\$53,431
50th Percentile	\$102,668	\$128,059	\$67,562	\$100,460	\$121,435	\$64,912
60th Percentile	\$122,539	\$146,826	\$79,485	\$120,331	\$142,410	\$78,381
70th Percentile	\$145,722	\$171,113	\$93,836	\$145,722	\$168,905	\$93,836
80th Percentile	\$176,633	\$203,128	\$111,499	\$178,841	\$203,128	\$114,811
90th Percentile	\$227,415	\$256,117	\$141,306	\$236,246	\$264,949	\$150,138
Median	\$123,312	\$146,826	\$77,939	\$128,831	\$151,242	\$79,926
Average	\$102,668	\$128,059	\$67,562	\$100,460	\$121,435	\$64,912

Source: Statistics Canada, 2021 Census of Population, custom tabulation. Incomes from 2020, adjusted for 2022 Consumer Price Index

Income distribution data highlights

- The 2021 Census reported that households at the 90th income decile in Guelph have incomes that are 6.7 times higher than households in the 10th income percentile.
- Adjusted for the CPI in 2022, the 30th income percentile for all households was \$68,887 in Guelph; \$45,041 for renter households, and \$90,524 for owner households.
- The number of households with incomes at or below the 30th income percentile was 16,944, comprised of 5,814 renter households and 11,130 owner households. 30 per cent of households have incomes at or below the 30th income percentile.
- The 60th income percentile for all households in 2022 was \$122,539 in Guelph; \$79,485 for renter households, and \$146,826 for owner households.
- The number of households with incomes in the 30th to 60th income percentiles was 22,524, comprised of 7,706 renter households and 14,820 owner households.
- The median household income of renters was \$77,939, below the provincial median of \$79,926.
- The median household income of homeowners in Guelph was \$123,312, below the provincial median of \$128,831.
- The average household incomes for all households, owner households, and renter households were higher across Ontario than in Guelph. This implies that there is a smaller share of higher income earners in Guelph than elsewhere in the province.
- For all decile groups, the household incomes of owners were higher than renters in both Guelph and Ontario.
- Household incomes of renter households in Guelph earned more than the provincial average at every decile at or below the 70th income percentile.
- Only household incomes of owners in Guelph at the 90th income percentile and above were below the provincial average.

4.3.1 Incidence of low income

According to the Low-Income Measure After Tax (LIM-AT), there were 2.5 million Ontario residents (10 per cent) living in a low-income household, of whom 22 per cent were children and 21 per cent were seniors aged 65 years of age or older. Overall, the number of households living in low-income declined by 25 per cent in Ontario between 2015 and 2020. In Guelph, 11,580 individuals were living in a low-income household, of whom 21 per cent were children, and 18 per cent were seniors aged 65 years or older.

Guelph also experienced a decline of 20 per cent in the number of households living in low-income, from 11 per cent in 2015 to 8 per cent in 2020. The decline in the rate of low-income households is largely attributed to increased government transfers in 2020, including the enhanced Child Canada Benefit

and pandemic relief benefits. According to Statistics Canada, in 2020, one-parent families were nearly five times as likely to be living in a low-income household than couples with children.

Table 5. Individuals living in low income (Low-Income Measure After Tax) in Guelph and Ontario, 2020

		Guelph	Ontario
All Persons	Population in private households	141,835	14,031,755
	Population living in low income	11,580	1,420,525
	Prevalence of low income	8%	10%
Children (0-17 years)	Population less than 18 years	28,225	2,726,265
	Children living in low income households	2,475	314,150
	Prevalence of low income among children	9%	12%
Seniors (65+ years)	Population 65+ years	21,970	2,510,270
	Seniors living in low income households	2,125	303,160
	Prevalence of low income among seniors	10%	12%

Source: Statistics Canada, 2021 Census of Population

Incidence of low-income data highlights

- Overall, the number of individuals living in low-income households in Guelph (8 per cent) is lower than the provincial average (10 per cent) and the national average (11 per cent).
- The number of individuals living in low-income households in Guelph in 2020 decreased by 20 per cent since 2015 from 14,445 to 11,580 individuals.
- In Guelph, seniors (65+ years) were the only age group to see the incidence of low-income households increase since 2015, from 9 per cent of seniors in 2015 to 10 per cent of seniors in 2020.
- 9 per cent of children (0-17 years) were living in poverty, compared to 12 per cent in Ontario.
- 10 per cent of seniors (65+ years) were living in poverty, compared to 12 per cent in Ontario.

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 increase by 34 per cent (29,000 households) between 2021 and 2051.
- **Aging population:** The population is aging and the proportion of seniors in the community will increase the demand for affordable, adaptable, and accessible housing.
- **Immigration:** Despite reduced immigration levels during the COVID-19 pandemic, immigration is anticipated 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 2016 and 2021, over 23,000 residents moved to a new dwelling within Guelph. In addition, 33,000 individuals moved to Guelph from other places, the majority of whom moved to Guelph from other municipalities in Ontario.
- **Low unemployment:** Guelph consistently outperforms the provincial and national average on a range of labour force indicators (i.e., participation rate, employment rate, etc.). Guelph typically holds one of the lowest unemployment rates in Ontario and across the country. When unemployment rates are low, more people will typically have greater financial stability, making it easier for them to live below the threshold for affordability (i.e., spending less than 30 per cent of household income on shelter costs).
- **Commuters:** The cost of housing can be a determining factor in where a worker chooses to live. In 2021, about 21,000 workers from other communities commuted to positions located in Guelph, while roughly 13,500 Guelph residents travelled to jobs located outside the city. All told, Guelph residents held 73 per cent of jobs located in the City of Guelph, including those who worked at home and those with jobs that have no fixed place of work. The majority of external workers commuting to Guelph come from Waterloo Region and Wellington County. The incidence of those who worked at home quadrupled between 2016 and 2021, largely due to the pandemic restrictions.
- **Employment Earnings:** In 2020, half of Guelph's residents earned less than \$46,800 per year. Households whose primary income source is derived from earnings in low paying industries and occupations are more likely to require affordable housing options.
- **Household Income:** Median household incomes in Guelph are slightly above the provincial median, while average household incomes in Guelph are slightly below the provincial average. Renter households are more likely to have lower incomes than homeowners.

5 Household characteristics

This section of the report will explore aspects 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

The average household size in Guelph is currently 2.55 persons per unit and represents a slight increase from the 2016 Census of 2.53 persons per unit, as shown in Figure 6. This increase in household size was also seen in many other municipalities across the Greater Golden Horseshoe and is attributed to the growth in multigenerational households over the previous five years.

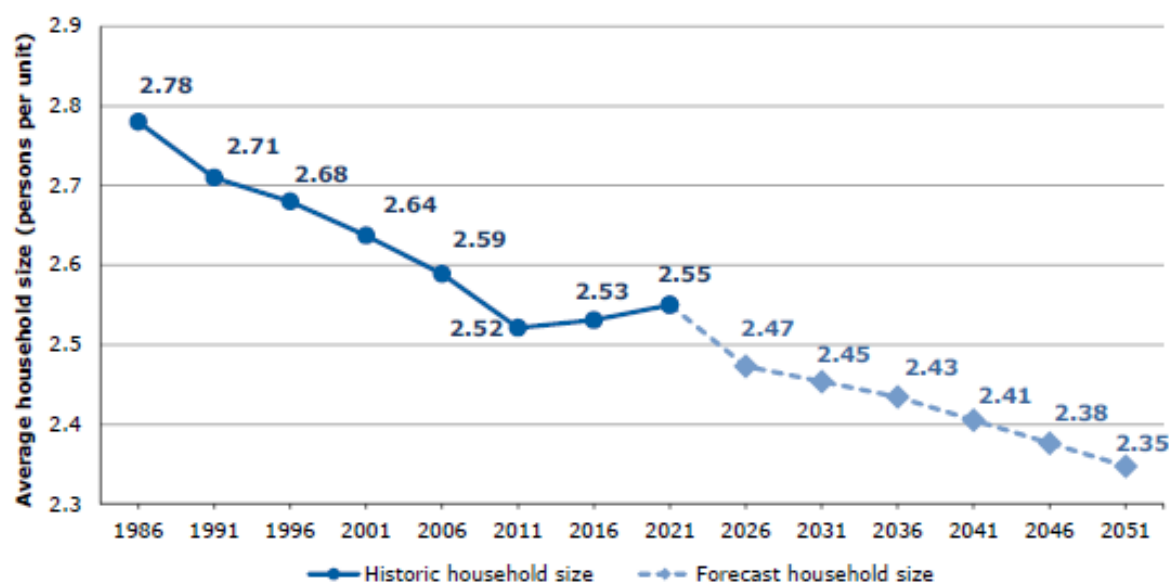
Multigenerational households refer to households where there is at least one-person who is both the grandparent of a person in the household and the parent of another person in the same household. They also represent households where there is at least one-person who is both the child of a person in the household and the grandchild of another person in the same household. Multigenerational households are most prevalent among indigenous and new immigrant populations (Vanier Institute, 2022). Between 2016 and 2021, the census recorded the highest number of new immigrants settling permanently in Canada. This is evidenced by the increase in five or more person households between 2016 and 2021, which grew by 14 per cent over the period after many years of relatively no growth.

Overall, the size of households has generally been in decline as observed in Figure 6 (Average household size in Guelph, actual and projected, 1986-2051), and this trend is expected to continue over the longer term through to 2051 when it is anticipated that the household size in Guelph will decrease to an average of 2.35 persons per unit. The decrease in household size is anticipated to be the result of an aging population where the share of one-person households is expected to steadily increase. Among all household sizes, one-person households increased by 54 per cent (5,315 households) since 2001, which is the fastest growing household size over that time

frame, followed by two-person households, which increased by 38 per cent (5,170 households). The proportion of three or more person households is expected to continue to decline over the longer term.

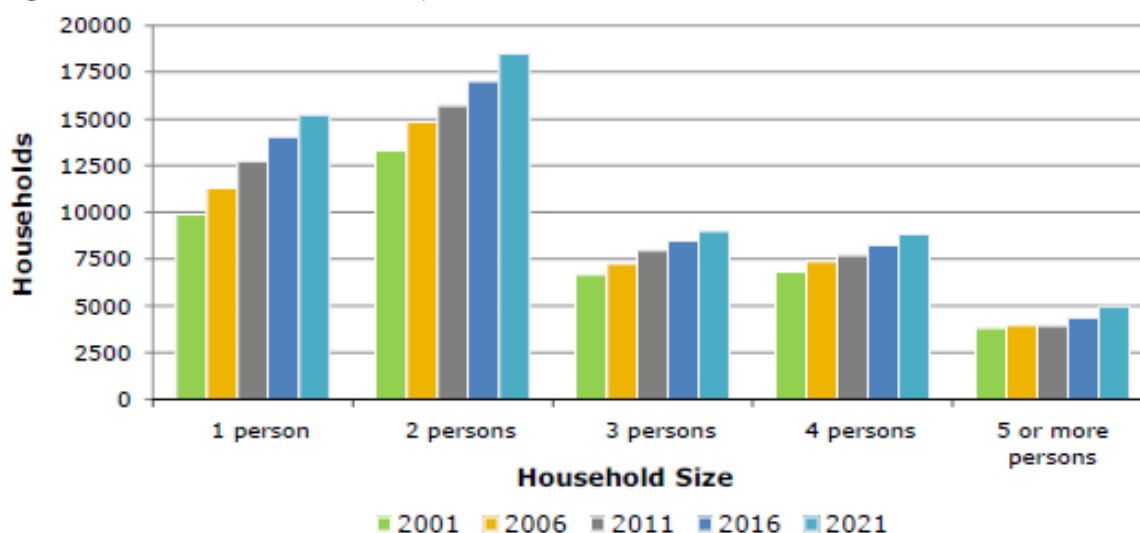
Despite the forecast decrease in household sizes due to the anticipated increase in one-person households, it is important to consider affordable options for family sized units. As is mentioned in Section 7 (Housing affordability, suitability, and affordability) of this report, the National Occupancy Standard defines a suitable dwelling unit for families with children with 2 more bedrooms, depending on the number of children and the children's ages and sex. Apartments are typically more affordable than other unit types and from an affordability perspective, it is important to ensure we meet the needs of all household types in Guelph. More details on the National Occupancy Standard are provided in Section 7.2 (Housing suitability) and under Key terminology for National Occupancy Standard.

Figure 6. Average household size in Guelph, actual and projected, 1986-2051



Source: Statistics Canada, Census of Population (1986-2021), City of Guelph Long-Term Population and Housing Growth Analysis, January 2022, adjusted to exclude the net census undercoverage.

Figure 7. Household size in Guelph, 2001-2021



Source: Statistics Canada, 2001-2021 Census of Population

Household size data highlights

- Individuals living alone represented 28 percent of Guelph's households. The proportion of single person households has been steadily increasing.
- Between 2011 and 2021, the number of one-person households experienced the second highest rate of growth, increasing by 19 per cent (2,460 households).
- Between 2011 and 2021, the number of three person households increased the least, by 13 per cent (1,010 households).
- Between 2011 and 2021, the number of five or more person households increased the most, by over 25 per cent (1,020 households).



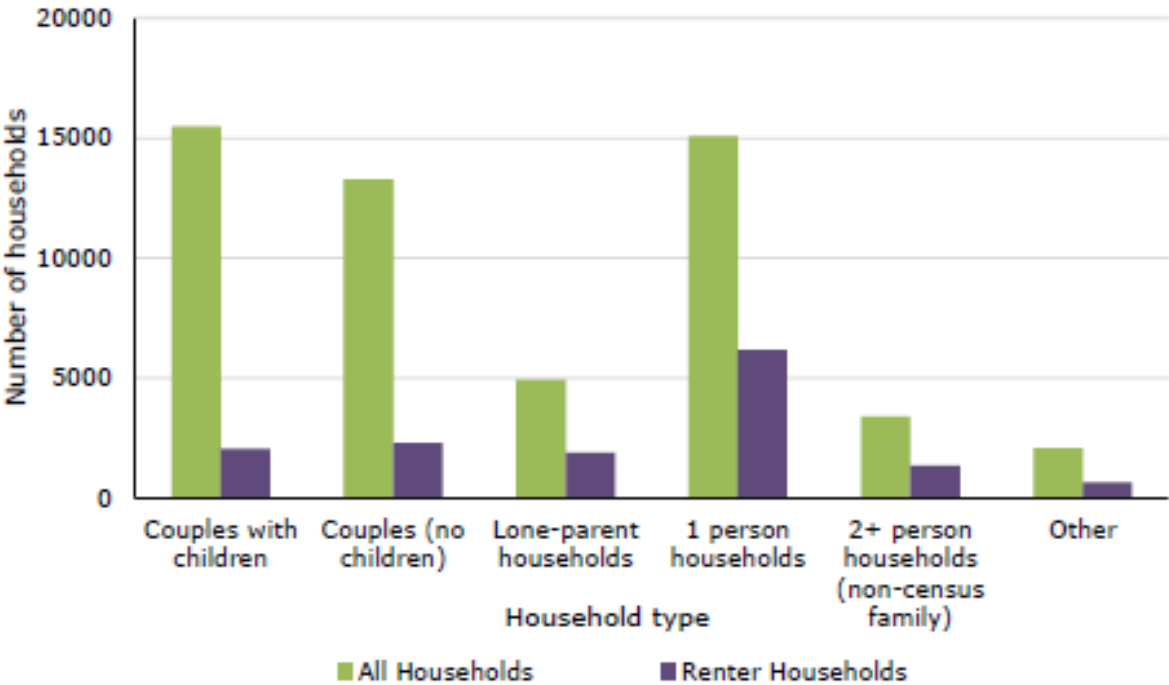
5.2 Household types

Statistics Canada categorizes 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 (a non-census family, such as roommates)
- f. Other family household types (multiple families living at the same address, multigenerational households, etc.)

As shown in Figure 8, among all household types, couple families with children continue to be the most dominant household type (29 per cent), followed by individuals living alone (28 per cent). Among renter households, the reverse is true. Individuals make-up the largest segment of renter households (40 per cent), followed by couples without children (18 per cent). Non-census family renter households with 2 or more individuals increased the most among household types over the past decade, from 9 per cent to 13 per cent. Other family household types decreased among all household types from 6 per cent in 2011 to 4 per cent in 2021, and from 5 per cent in 2011 to 2 per cent in 2021 among all renter households.

Figure 8. Household types in Guelph, 2021



Source: Statistics Canada, 2021 Census of Population

Household types data highlights

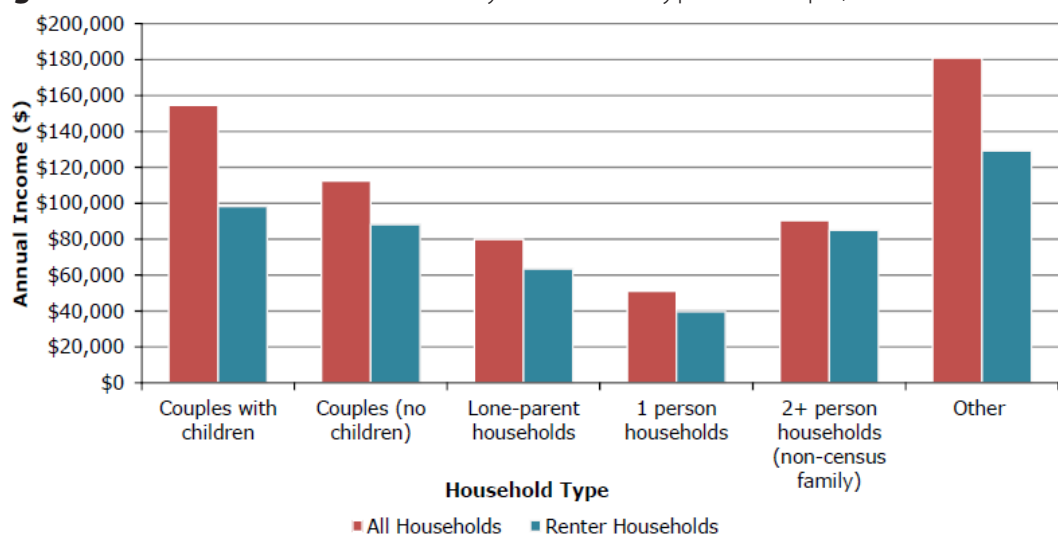
- Between 2011 and 2021, the proportion of couples without children among renter households increased from 16 per cent to 18 per cent.
- Between 2011 and 2021, the proportion of non-census family households among all households increased from 5 to 6 per cent, and from 9 to 13 per cent among renter households.
- Multigenerational households in the Guelph CMA were the fastest growing household type between 2011 (1,465 households) and 2021 (2,045 households), increasing by 40 per cent.
- In 2021, couples with children represented 29 per cent (15,500) of all Guelph household types, a slight decrease from 30 per cent in 2011. Among renter households, couples with children represented only 14 per cent (2,625) of all renter household types, remaining relatively stable since 2011.
- Couples without children represented 24 per cent (15,500) of all households, and 18 per cent (2,625) among renter households.
- Lone parent households represented 9 per cent (4,915) of all households, and 12 per cent (2,255) among renter households.
- Individuals living alone represented 28 per cent (15,090) of all households, and 40 per cent (7,495) among renter households.
- Two or more person households represented 6 per cent (3,400) of all households, and 13 per cent (2,430) among renter households.
- Other family households represented 4 per cent (2,085) of all households, and 2 per cent (655) among renter households.

5.2.1 Income by Household Types⁷

Among household types, “other” family types have the highest incomes, a trend that has continued since 2011, however, as illustrated in Figure 9 (Median household income by household type in Guelph, 2022), this represents a small proportion (4 per cent) of household types in Guelph. In 2020, among all

households, couple families with children have the second highest median household incomes at approximately \$140,000. One-person households have the lowest incomes at about \$46,400.

Figure 9. Median household income by household type in Guelph, 2022



Source: Statistics Canada, 2021 Census of Population, custom tabulation. 2020 incomes, adjusted for 2022 Consumer Price Index.

⁷ Note: All income data as reported in the 2021 Census are from 2020.

Income by household types data highlights

- In 2022, Guelph households comprised of couples with children had a median household income of \$140,000, or \$89,000 among renter households.
- Couples without children had a median household income of \$102,000, or \$80,000 among renter households.
- Lone parent households had a median household income of \$72,500, or - \$57,600 among renter households.
- Individuals living alone had a median household income of \$46,400, or \$36,000 among renter households.
- Two- or more-person, non-census family households had a median household income of \$82,000, or \$77,000 among renter households.
- Other family households had a median household income of \$164,000, or \$117,000 among renter households.
- The median income of all renter households was \$61,200, or 47 per cent less than the median income of \$116,000 among owner households.

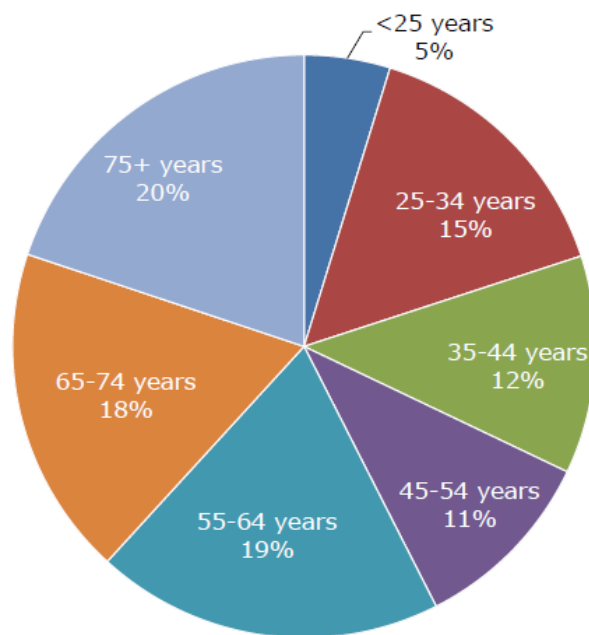
5.3 One-person households

In 2016, one-person households became the predominant household type across Canada for the first time. The share of one-person households is expected to continue to increase, despite the economic downturn and housing affordability, largely due to the aging population. One-person households continue to be most prevalent among the older age cohorts.

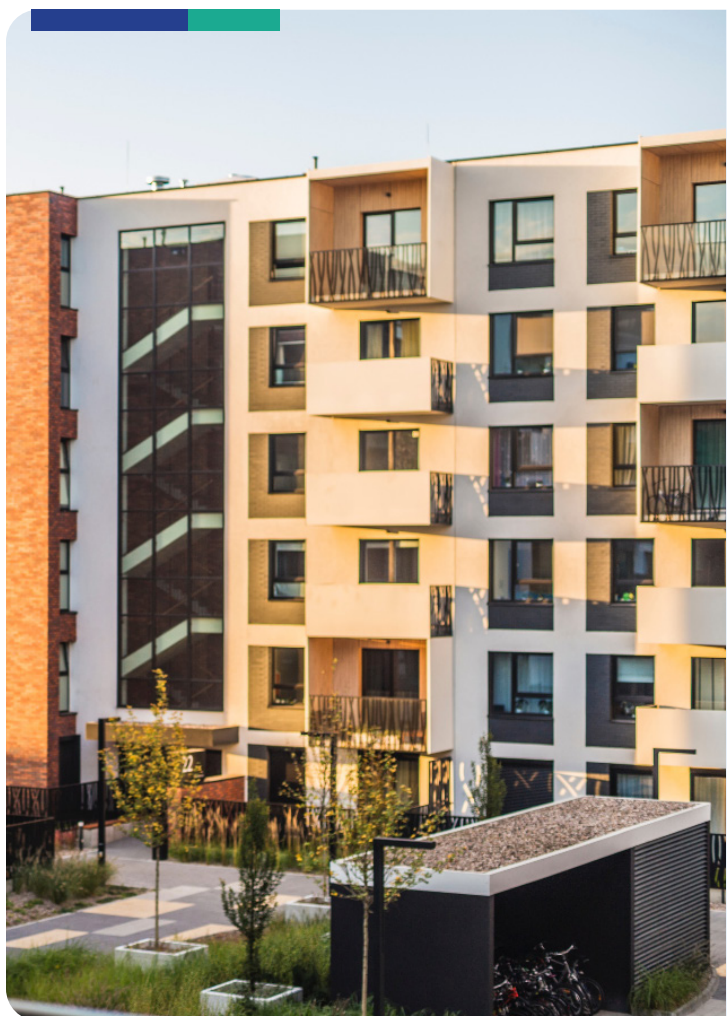
Individuals living alone currently comprise 28 per cent of all households, and the largest share among renter households at 40 per cent. In 2021, 51 per cent of all one-person households owned their home.

Figure 10 (Age distribution of one-person households in Guelph, 2021) displays the proportion of individuals in all age cohorts who live alone. In Guelph, seniors (ages 65+) make up the largest segment (38 per cent) of all one-person households. Many of these seniors are living on fixed incomes and require affordable housing options. In 2022, the median household income for those between 65 and 74 years of age living alone is \$47,690, with the 75+ age group earning the lowest median income of all household types at \$43,274.

Figure 10. Age distribution of one-person households in Guelph, 2021



Source: Statistics Canada, 2021 Census of Population, custom tabulation.



One-person households data highlights

- In 2021, one-person households represented 28 per cent (15,090) of all Guelph households.
- Between 2011 and 2021, the number of one-person households increased by 18 per cent (2,335 households).
- 51 per cent of one-person households were homeowners.
- Among all renter household types, one-person households comprised the largest share of all household types at 40 per cent (7,495).
- The median household income of one-person owner households was \$57,857 in 2022, or \$34,664 among all renter households. One-person households have the lowest median incomes among all household types.
- Seniors (65 years and older) comprised 38 per cent of all one-person households.
- Young adults less than 25 years old made up the smallest segment of one-person households.

5.4 Housing tenure

Housing tenure, whether someone rents or owns their dwelling, is an important factor to account for when considering housing affordability. Renting typically amounts to lower shelter costs and offers greater flexibility to move between units.

Homeownership offers an opportunity for households to build equity, however, it requires significantly greater initial investment, including a down payment, and homeownership typically has higher monthly costs than renting once mortgage payments, maintenance expenses, property taxes and utilities are taken into consideration. This is especially true following the recent move by the Bank of Canada in 2022 to control inflation by increasing the interest lending rates from 0.25 per cent in early part of the year to 4.25 per cent by the end of the year. The Bank of Canada steadily increased the lending

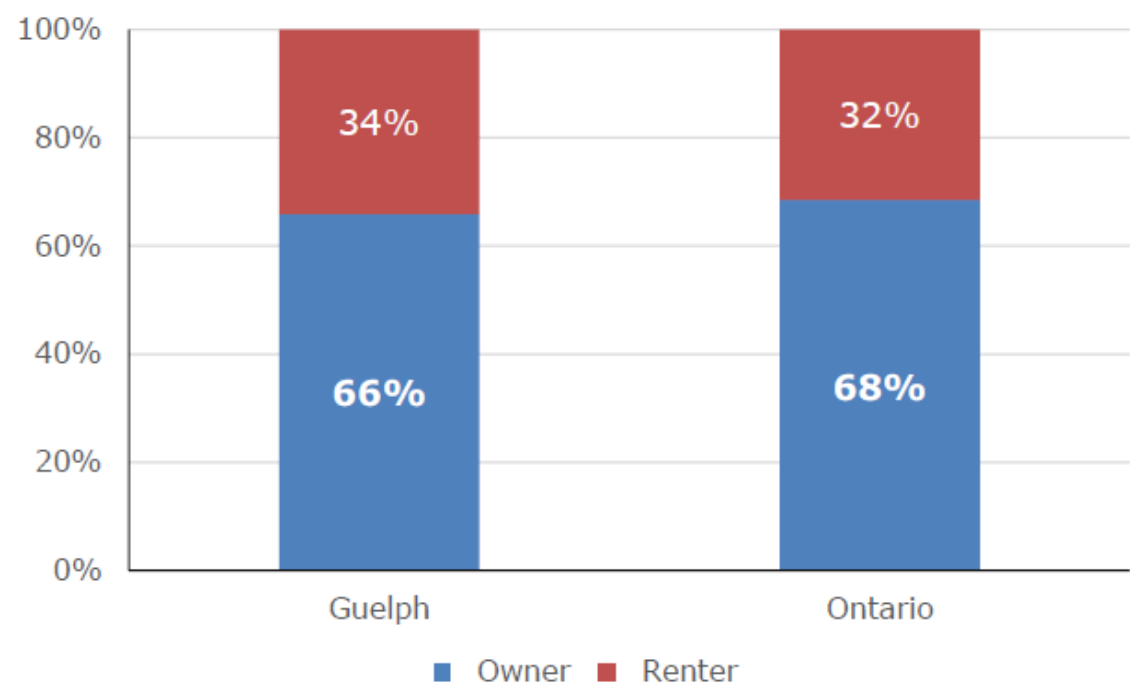
rate to 5 per cent in 2023 where it has remained since July. This increase in lending rates has greatly influenced the affordability of homeownership for people.

House prices have been increasing steadily since the economic downturn in 2008/2009 and have become increasingly unaffordable since that time. As a result, homeownership rates have decreased in the past decade from 70 per cent of all households in 2011 to 65 per cent in 2021. CMHC expects house prices to decline slightly over 2023 due to the increased borrowing costs, however, this decrease is not expected to return to pre-pandemic prices. These high home prices, combined with higher borrowing costs mean that homeownership will become less affordable through 2023.

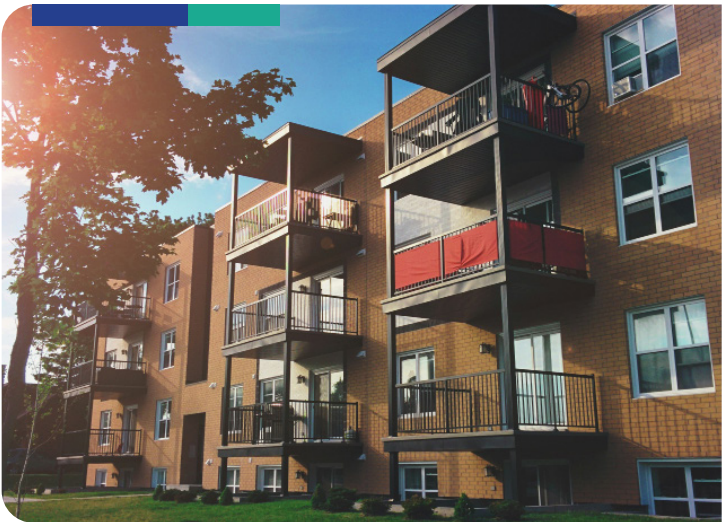
According to CMHC, affordability challenges in the homeownership market will continue to drive demand for rental units. This will increase rents, making them more unaffordable. Economic recovery and immigration is expected to add to the

demand for housing in 2024 and 2025 and the lack of affordable options and new supply will continue to create challenges. Figure 11 compares the rental versus homeownership rates in Guelph to the average across all of Ontario.

Figure 11. Rental versus homeownership rates in Guelph and Ontario, 2021



Source: Statistics Canada, 2021 Census of Population



Housing tenure data highlights

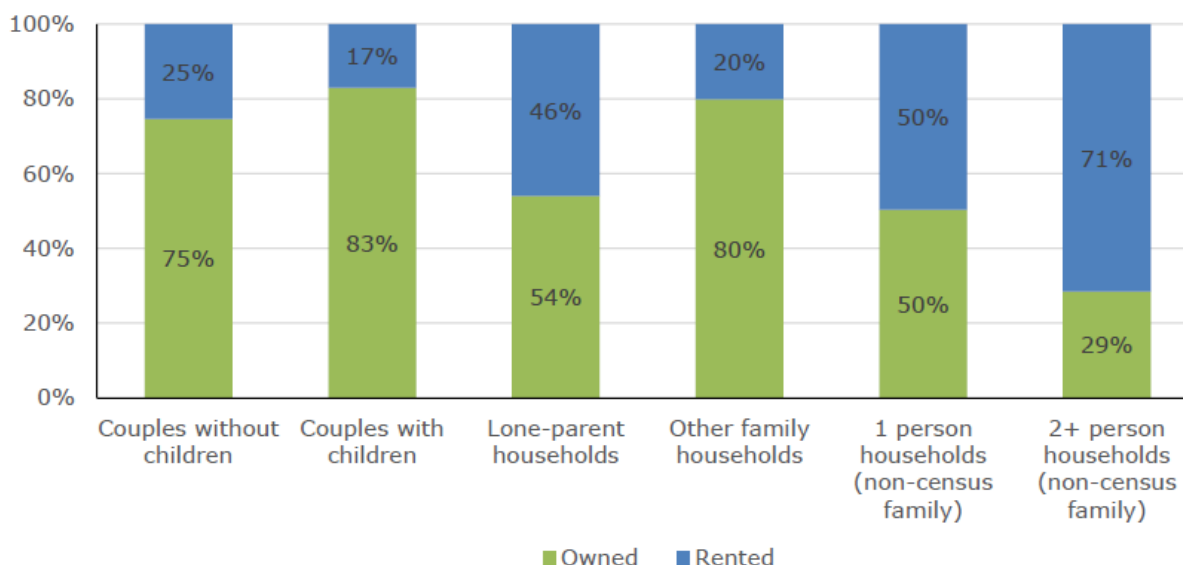
- In 2021, 34 per cent of all occupied dwellings were rented in Guelph, compared to 32 per cent across the province. In Guelph, this represents an increase in overall number of renter households from 30 per cent in 2011. When homeownership becomes increasingly unaffordable, households will seek out rental units for their primary residence.

5.4.1 Tenure by household types

Homeownership rates vary according to demographic characteristics, such as household make-up. As shown in Figure 12, among household types, couple families with children have the highest ownership rates (83 per cent) followed by couple

families without children (75 per cent) in Guelph. Households comprised of two or more non-census family members have the highest rental rates (71 per cent), followed by one-person households (50 per cent).

Figure 12. Tenure by household type in Guelph, 2021



Source: Statistics Canada, 2021 Census of Population, custom tabulation



Tenure by household types data highlights

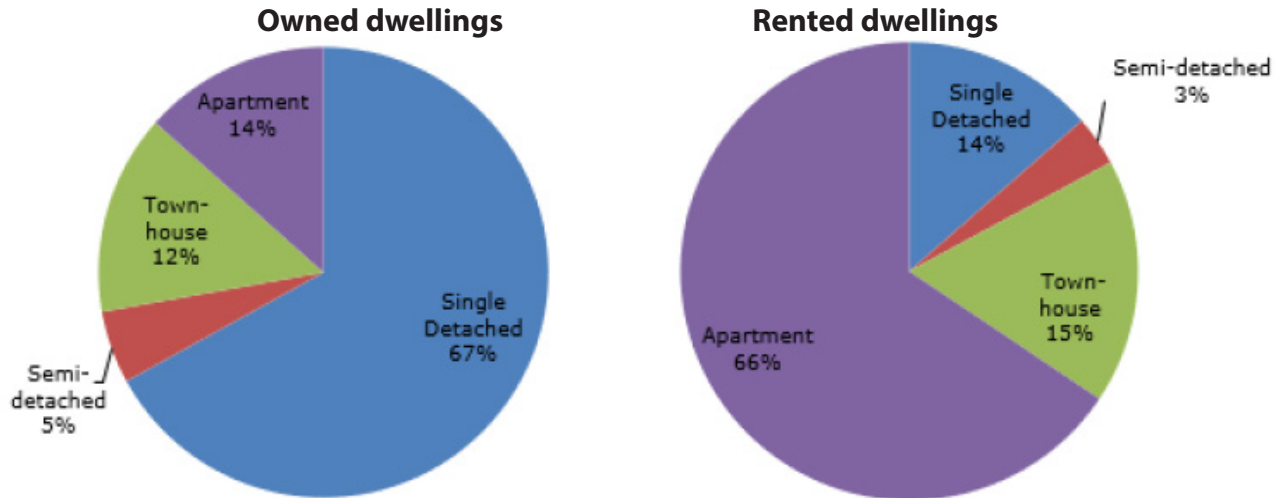
- In 2021, 83 per cent of Guelph households comprised of couple families with children were homeowners, and 17 per cent of these households were renters.
- For couples without children, 75 per cent were homeowners and 25 per cent were renters.
- For “other” family type households, 80 per cent were homeowners and 20 per cent were renters.
- For lone parent households, 54 per cent were homeowners and 46 per cent were renters.
- For one-person households, 50 per cent were homeowners and 50 per cent were renters.
- For two or more person, 29 per cent were homeowners and 71 per cent were renters.

5.4.2 Tenure by structure type

The predominant type of housing in which a household resides varies depending on whether the household rents or owns the dwelling. Most renter households live in multi-unit housing, whereas homeowners are more likely to reside in single detached homes (Figure 13). Guelph’s housing

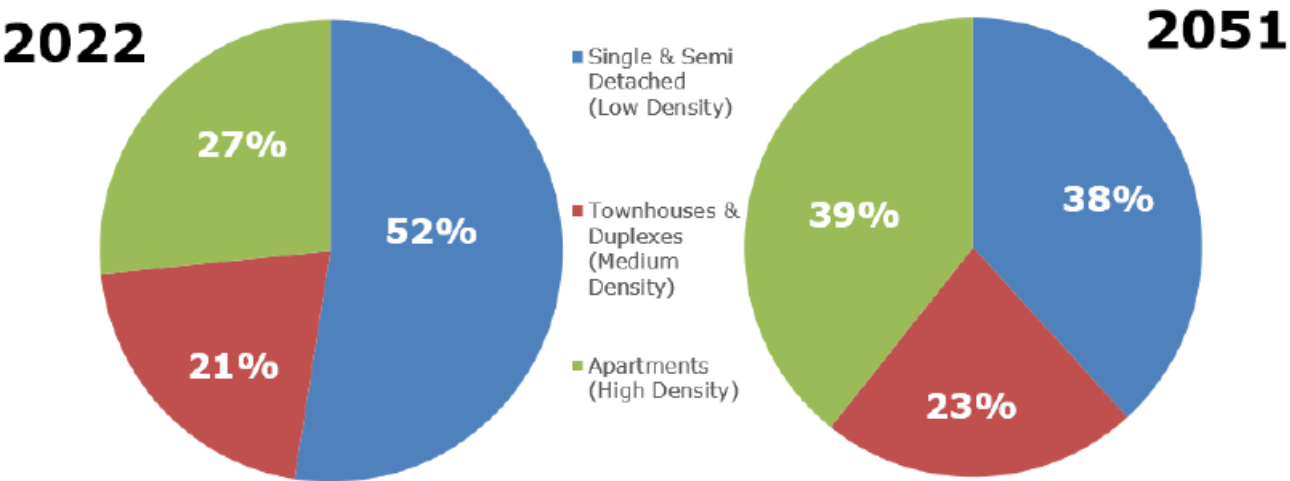
stock continues to be predominantly low-density in the form of single and semi-detached dwellings, however, that is expected to shift towards more medium and high-density dwellings in townhomes and apartments by 2051 (Figure 14).

Figure 13. Owned and rented dwellings by structure type in Guelph, 2021



Source: Statistics Canada, 2021 Census of Population, custom tabulation

Figure 14. Current and forecast housing stock in Guelph 2022-2051



Source: City of Guelph Planning Services, 2022

Tenure by structure type data highlights

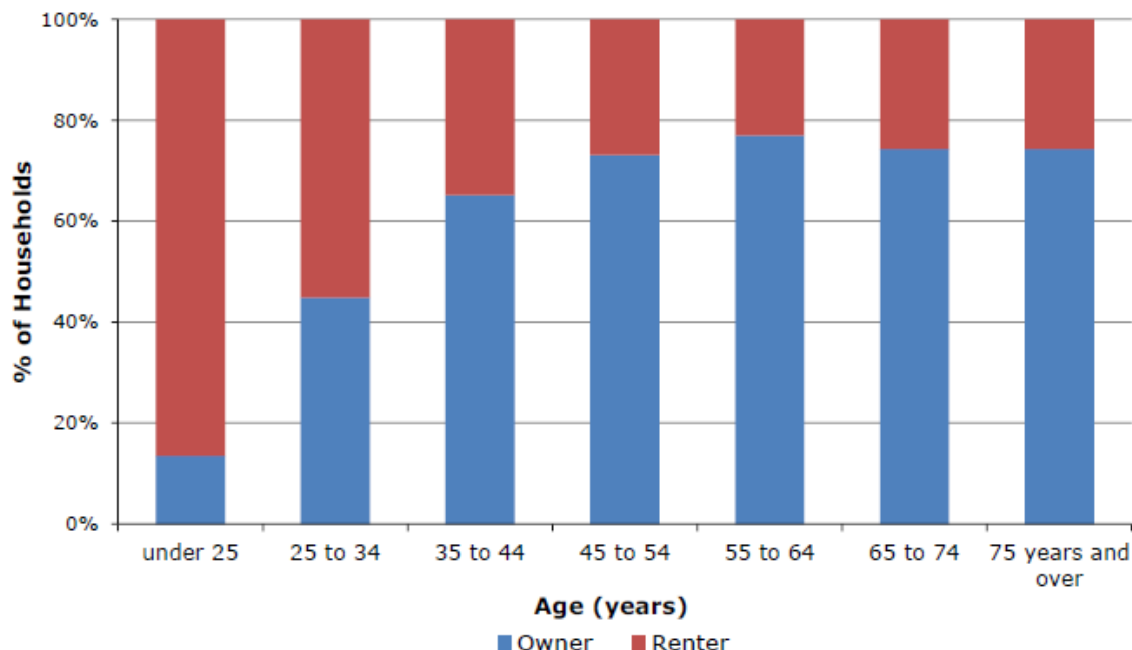
- In 2021, 72 per cent of owner households in Guelph lived in single detached and semi-detached dwellings, compared to 17 per cent of renter households.
- 83 per cent of renter households lived in apartments or townhouses, compared to 28 per cent of owner households.

5.5 Primary household maintainer

The household maintainer is the primary individual 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 on the completed census form.

As shown in Figure 15, the proportion of homeownership generally increases with the age of the maintainer. In Guelph, homeownership rates remain high (at or above 70 per cent) for individuals aged 45 years or more. These ownership rates are similar across the province and across Canada.

Figure 15. Age of primary household maintainer by tenure in Guelph, 2021



Source: Statistics Canada, 2021 Census of Population, custom tabulation

Primary household maintainer data highlights

- In 2021, 86 per cent of Guelph households with a primary household maintainer under the age of 25 years rented their homes.
- 55 per cent of Guelph households with a primary household maintainer between the age of 25 to 34 rented their home.
- 73 per cent of primary household maintainers above the age of 35 years owned their home, and homeownership rates remained high (above 70 per cent) throughout the senior years (65+ years of age).
- The highest ownership rate was highest among primary household maintainers aged 55 to 64 years at 77 per cent.



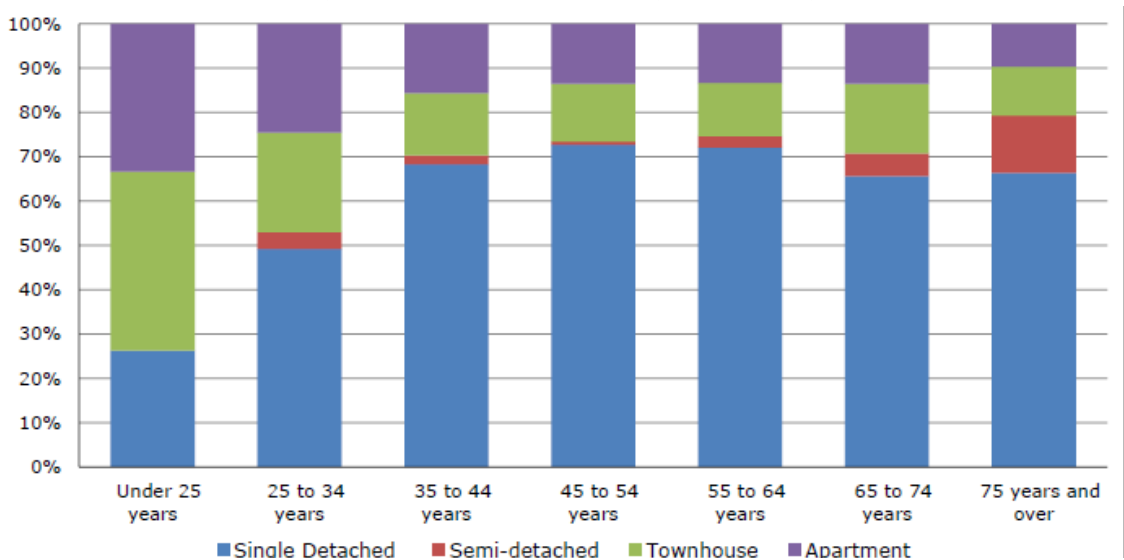


5.5.1 Age of primary household maintainer by structure type

The predominant type of structure that households occupy generally varies according to the age of the primary household maintainer. In Guelph, the dominant dwelling type among all households are single detached dwellings, with the exception of the youngest household maintainers under the age of 35 years old (Figure 16). As shown in Figure 17, the most common type of housing for younger household maintainers are apartment units. Townhouse and semi-detached dwellings are occupied in similar proportions among all age groups, but at a smaller percentage.

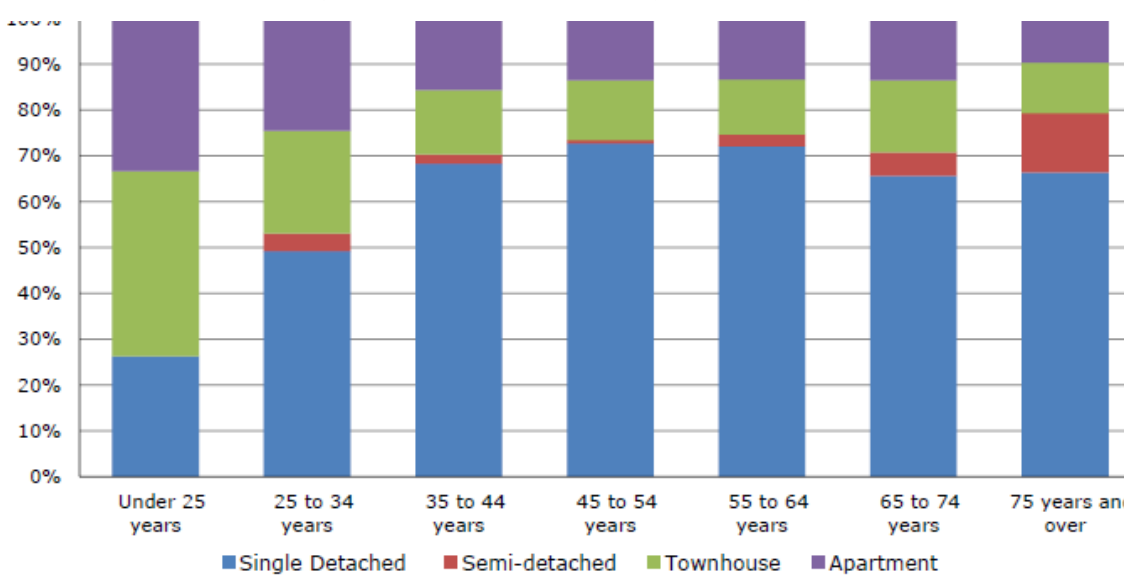
The ownership of single detached homes was highest among household maintainers between 45 to 54 years of age, while ownership of apartments was highest among household maintainers aged 75 years or more. Figure 18 shows that among all age groups, most renters occupy apartments, and most owner households occupy single detached dwellings in Guelph. The rental of single detached dwellings was highest for householder maintainers under 25 years old, while the rental of apartments was highest among household maintainers 75 years or more.

Figure 16. Age of primary household maintainer, by structure type for all households in Guelph, 2021



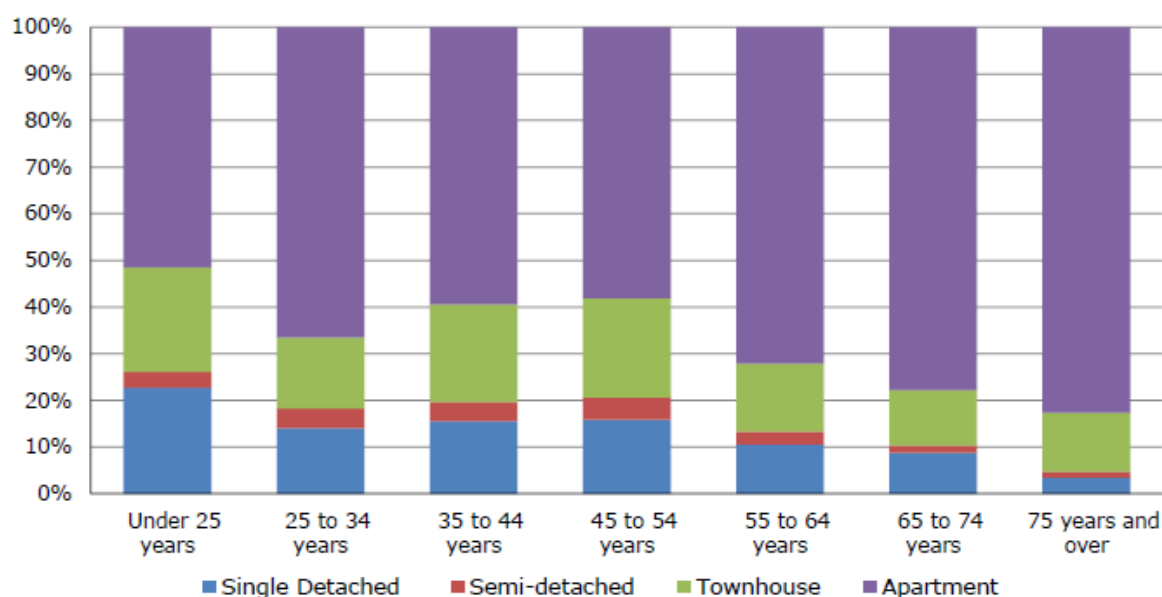
Source: Statistics Canada, 2021 Census of Population, custom tabulation

Figure 17. Age of primary household maintainer, by structure type for homeowners in Guelph, 2021



Source: Statistics Canada, 2021 Census of Population, custom tabulation

Figure 18. Age of primary household maintainer, by structure type for renters in Guelph, 2021



Source: Statistics Canada, 2021 Census of Population, custom tabulation

Age of primary household maintainer by structure type data highlights

All households

- Over 50 per cent of household maintainers 35 years and older occupy single detached dwellings, with a peak of 57 per cent for individuals aged 45 to 54 years of age.
- 49 per cent of household maintainers less than 25 years old occupy apartments.

Renter households

- 66 per cent of all renter households occupied apartment units.
- 82 per cent of senior household maintainers (aged 75 years or more) in rental households occupied apartment units.
- 23 per cent of household maintainers under 25 years old rented single detached dwellings.

Owner households

- 67 per cent of all owner households occupied single detached dwellings.
- Over 20 per cent of household maintainers less than 35 years old owned townhouses.
- 23 per cent of household maintainers over 75 years old owned apartments.

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:** Currently, the average household size in Guelph is 2.55 individuals (without the net census undercoverage). The average size of households has generally been declining for over 20 years, and this trend is expected to continue through to 2051, largely due to the aging population.
- **Seniors living alone:** Seniors (65 years of age and older) make up the largest segment (38 per cent) 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 is the lowest of all household types.
- **Age of homeowners:** Approximately 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 units, while a majority of ownership households occupy single detached dwellings.
- **Renter households:** Over 34 per cent of all households in Guelph are renter households. This figure has been steadily increasing since 2011, when only 30 per cent of households were renter households. The increase in the proportion of renter households in Guelph is attributed to homeownership becoming increasingly unaffordable.

6 Housing stock

This section will examine and report on the existing housing stock in Guelph

6.1 Existing housing stock

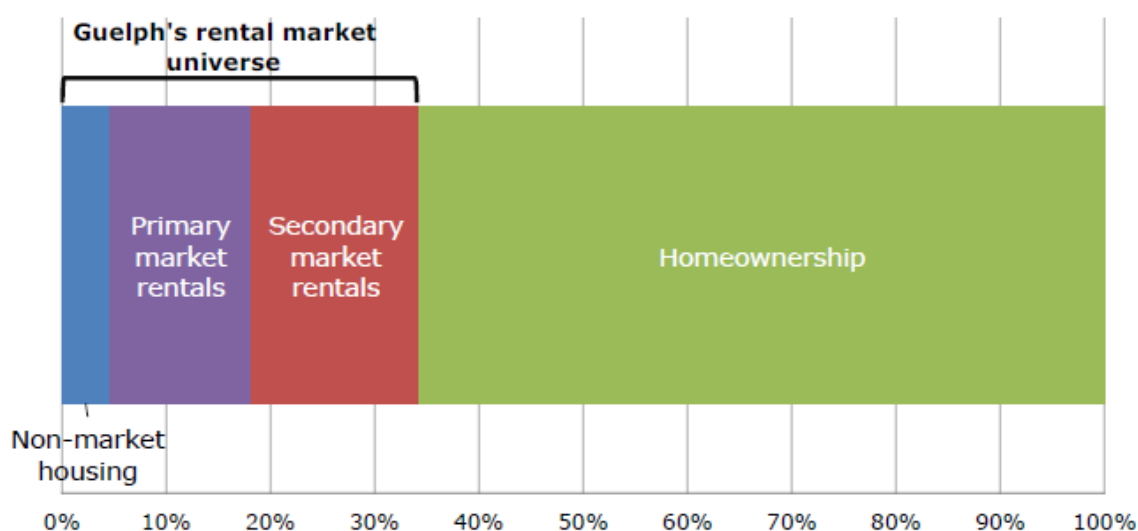
According to the 2021 Census, there are nearly 60,000 housing units in Guelph, among which approximately 56,500 units are occupied by usual residents⁸. Among those units occupied by usual residents, approximately 66 per cent are in homeownership, 30 per cent are private market rentals, and 4 per cent are non-market housing units, as shown in Figure 19.

Guelph's private rental universe is further subdivided into two categories: the primary and the secondary market. 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 mixed-use structures containing less than three

apartments. Guelph's primary rental market makes up approximately 14 per cent of Guelph's housing stock occupied by usual residents, and the secondary rental market makes up approximately 16 per cent of Guelph's housing stock.

Additional dwelling units (ADUs) form an important part of Guelph's secondary rental market, particularly from an affordability standpoint. According to a survey of ADUs conducted in Guelph in 2019, these types of units are typically rented for less than the market rate for rental units in Guelph. More details on ADUs can be found in Section 6.4 (Secondary rental market) and Section 9.3 (Rental outcomes) of this report. Figure 20 shows the number of registered ADUs compared to the private rental market stock in Guelph, however, it should be noted that there is no current process for deregistering an ADU, so the number is presented as an estimate of the total rental secondary rental market universe and may not necessarily reflect the current available stock of ADUs.

Figure 19. Existing housing stock tenure by market breakdown in Guelph, 2021

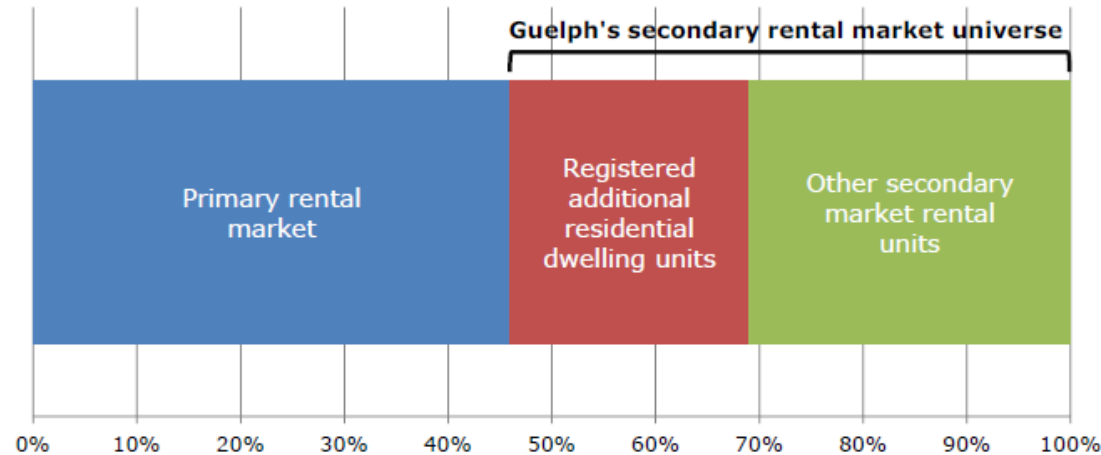


Source: City of Guelph Planning Services. Data from Statistics Canada, 2021, CMHC, 2022, and County of Wellington, 2023

⁸ Usual resident refers to individuals counted at their usual place of residence. In this case, a usual resident's address is the shelter they stayed at on Census day



Figure 20. Guelph's private rental market stock in Guelph, 2021



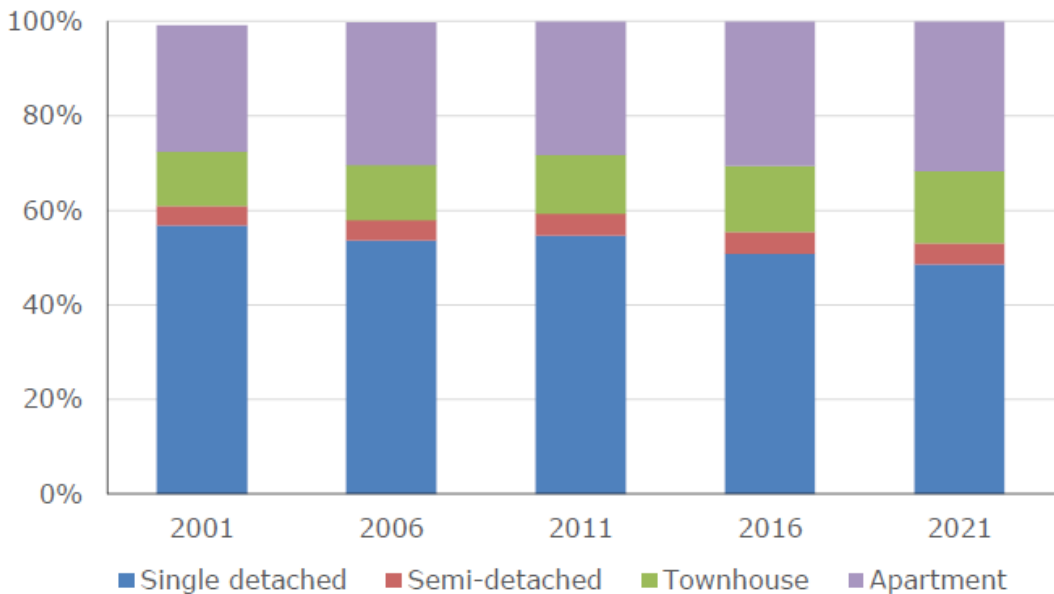
Source: City of Guelph Planning, City of Guelph Building Services, and Statistics Canada, 2021 Census of Population.

6.1.1 Structure type

Medium and high-density housing options (i.e., apartment and townhouse units) are generally more affordable than low density housing (i.e., single- and

semi-detached dwellings). The current make-up of Guelph's existing housing stock is predominantly comprised of low-density housing (Figure 21).

Figure 21. Housing stock by structure type in Guelph, 2001-2021



Source: City of Guelph Planning Services and Statistics Canada, Census of Population

Structure type data highlights

- The majority of Guelph's existing housing stock are single detached dwellings (48 per cent) followed by apartments (27 per cent), townhouses (21 per cent) and semi-detached dwellings (4 per cent).
- The housing stock is expected to become more diverse and balanced with townhouses and apartments expected to make up a much higher percentage of newly constructed dwellings than in the past.



6.2 Residential development

6.2.1 Residential permits

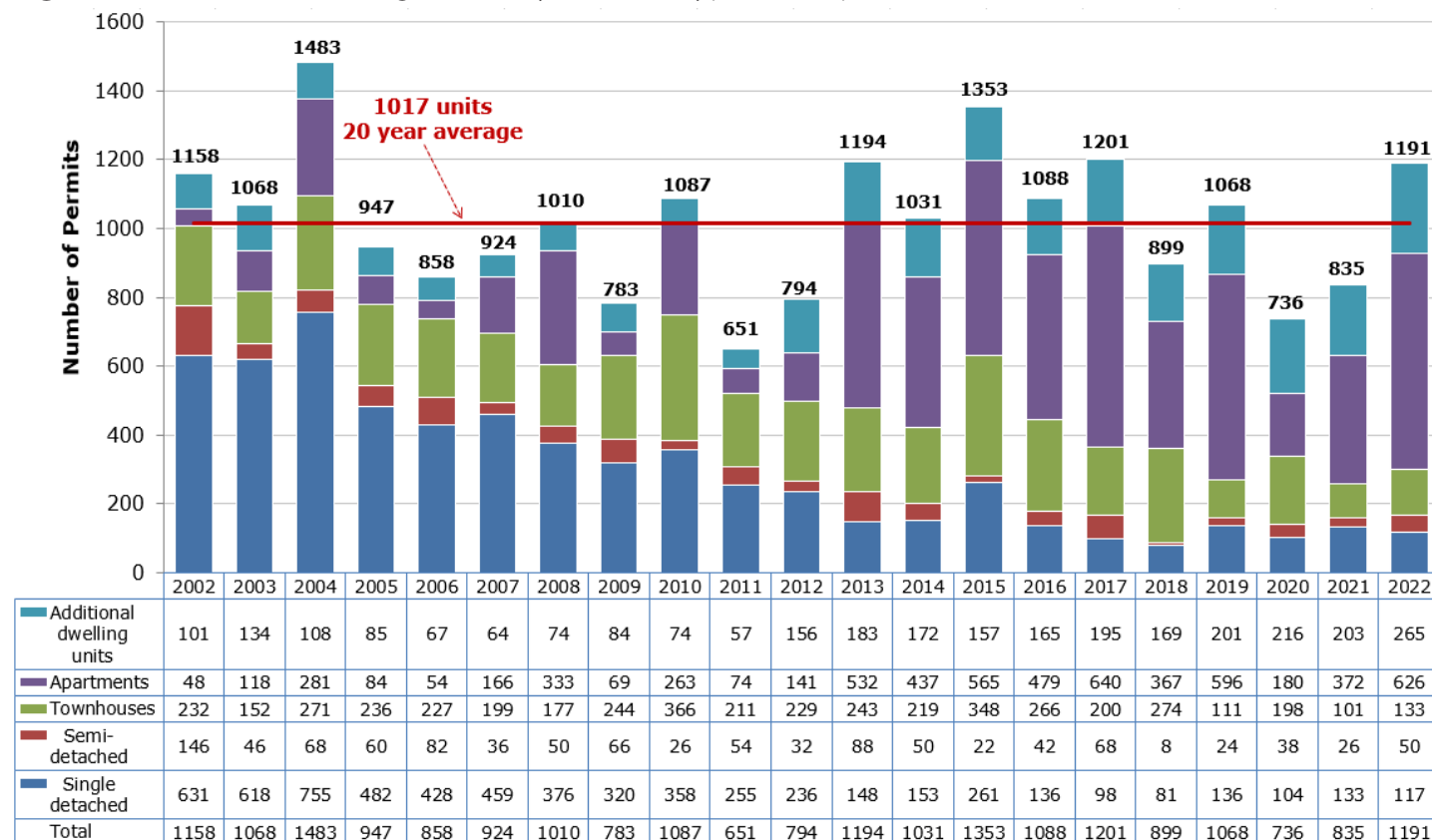
Historically, low-density housing has comprised the majority of new housing development over the past 25 years in Guelph, as seen in Figure 22. Recent housing growth over the last 10 years has started to shift towards the development of more medium- and high-density housing forms. Over the next 30 years, it is anticipated that housing development within the City of Guelph will be increasingly concentrated in medium- and high-density forms, largely driven by housing affordability, and the aging of Guelph's population to address mobility challenges and lifestyle preferences.

Additional dwelling units, which are separate, secondary units located within the same building or on the same lot of a primary dwelling unit are often referred to as "accessory apartments", "basement apartments", "in-law suites", or "garden suites". These dwelling units form part of Guelph's secondary rental

market and are a way to increase housing supply and offer a more diverse range of housing options and tenure in existing neighbourhoods. These units generally form part of Guelph's affordable housing supply and offer a way for many homeowners to generate additional monthly income and potentially qualify for a larger mortgage.

Note that Figure 23 (Historic housing stock and forecast housing stock in Guelph, 2016-2051) which illustrates the projected households in Guelph to 2051 is from the City's approved update to the Growth Management Strategy (2022), which was approved prior to the Guelph's housing pledge of building 18,000 units by 2031.

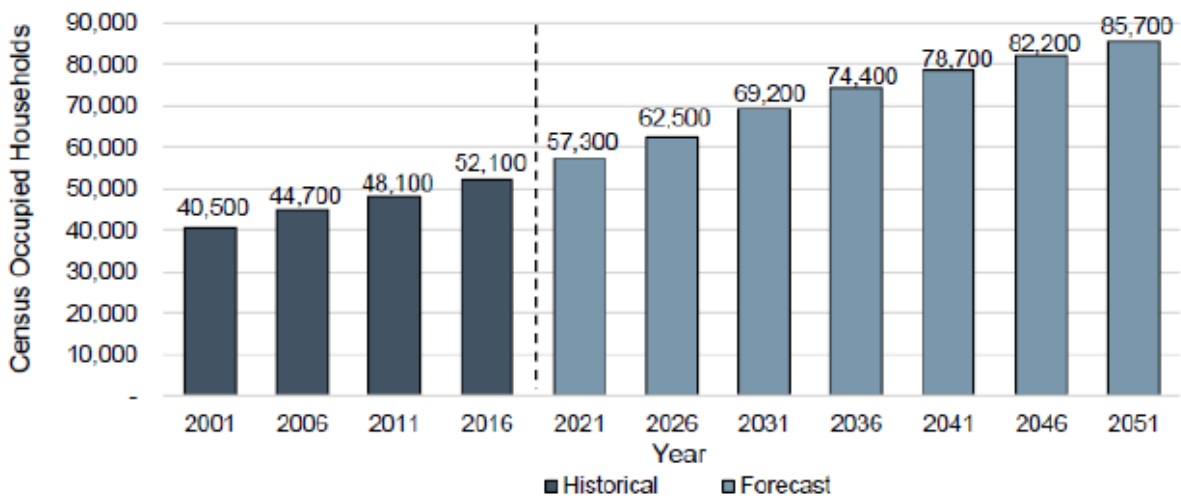
Figure 22. Residential Building Permits by Structure Type in Guelph, 2002-2022



Source: City of Guelph Planning, Building Permit Summaries, 2022



Figure 23. Historic housing stock and forecast housing stock in Guelph, 2016-2051



Source: Guelph's Long-Term Population and Housing Growth, Watson & Associates, 2022

Residential permits data highlights

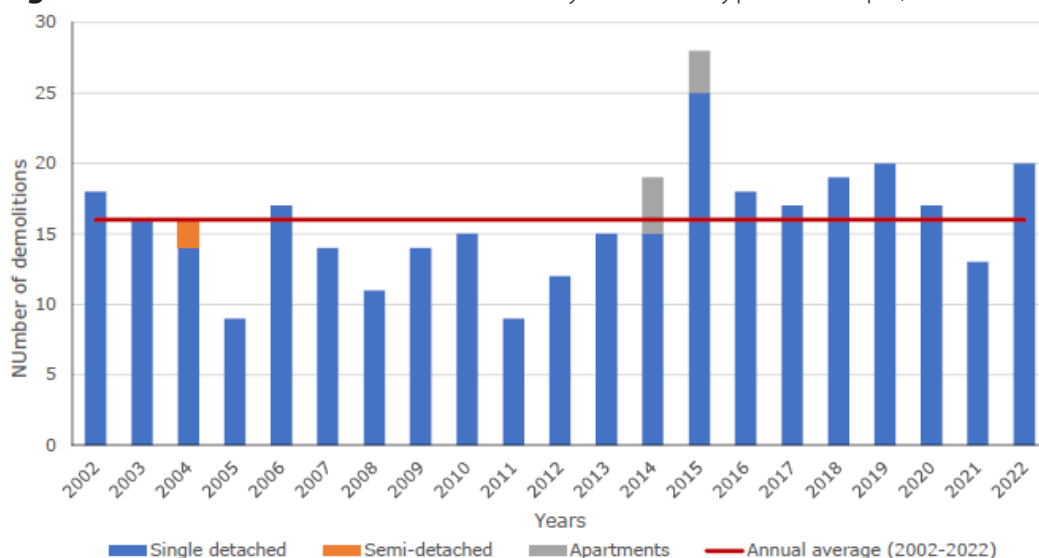
- On average, 1017 residential building permits have been issued annually over the last 20 years.
- The number of permits issued for single detached buildings has declined steadily over the same period, from a high of 755 permits in 2004 to 117 in 2022.
- Apartments have become the predominant form of housing since 2013. In 2017, the greatest number of apartment permits were issued, resulting in the creation of 640 apartments. In 2022, permits were issued to create 626 apartments.
- Additional residential dwelling permits have been steadily increasing over the past 20 years, from approximately 8 per cent of all annual residential permits to approximately 20 to 25 per cent of all residential permits more recently.

6.2.2 Residential demolitions

In Guelph, an average of 16 residential units have been demolished each year since 2002. As shown in Figure 24, the majority of these demolitions have been single detached dwellings, however, the vast majority of demolitions were replaced with new residential buildings. Early in the reporting period, the majority of the demolitions resulted in single replacement units, however, towards the latter part of the period, many of the demolitions were to make way for the construction of townhouse or apartment

developments. In 2022, the 20 approved residential demolitions are anticipated to result in the creation of 240 residential units, including 208 apartment units, 18 townhouse units, and 14 single detached units. The demolition of 20 units could result in 240 new units, or a net increase of 220 units to Guelph's housing stock.

Figure 24. Historic residential demolitions by structure type in Guelph, 2002-2022



Source: City of Guelph Planning, Amanda permit tracking system, 2002-2022

Residential demolitions data highlights

- On average, 16 residential dwelling units are demolished each year.
- Since 2002, 328 single detached dwellings,

7 apartment units and 4 semi-detached dwellings have been demolished for a total of 337 dwellings.

6.2.3 Condominium conversions

Rental units form an important part of Guelph's housing stock, providing greater options of affordable housing for households. However, when policies permit the conversion of rental units into condominiums, it results in the loss of primary rental stock. The City's Official Plan restricts the conversion of rental buildings to condominium when vacancy rates are below 3 per cent. Conversions are prohibited when the primary rental vacancy rate is below 1.5 per cent⁹. The vacancy rate in Guelph in 2022 was 1.5 per cent.

Over the last 20 years, only one rental building (55 Yarmouth Street) has undergone a conversion to condominium. This conversion occurred in 2012 and resulted in the loss of 72 rental units. As a condition of approval for the Yarmouth Street condominium conversion, the building owner was required to create and maintain 18 apartment units in the Gummer Building (5 Douglas Street) as rental for at least 10 years. The 18 units in the Gummer Building continue to remain as part of Guelph's rental housing stock.

⁹ The conversion of rental accommodation to condominium or co-ownership housing tenureship will be considered on the merits of each proposal, and based on the following policies:

- Conversion of rental accommodation to condominium or co-ownership housing may only be permitted where a Rental Conversion Report has been submitted demonstrating to the satisfaction of the City that no adverse impacts will result on the supply or range of rental housing provided, including its geographic distribution. Applicants may include a supplementary vacancy rate survey supplementing the vacancy rates reported by the Canada Mortgage and Housing Corporation (CMHC).
- 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 per cent, and will prohibit such conversions when the vacancy rate is below 1.5 per cent. 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 CMHC in accordance with its own findings.

- The City will utilize agreements setting out the specific conditions and standards for a condominium or co-ownership housing conversion.
- When considering applications for condominium or co-ownership housing conversion, Council will have regard for:
 - The number of units included in the conversion application;
 - The number of rental units under construction at the time of application for conversion;
 - The impact of the conversion on the rental housing market (i.e., anticipated change in vacancy rates).

6.3 Primary rental market

Data on the primary rental market comes from CMHC’s Rental Market Survey. This survey is conducted during the first two weeks of October each year and

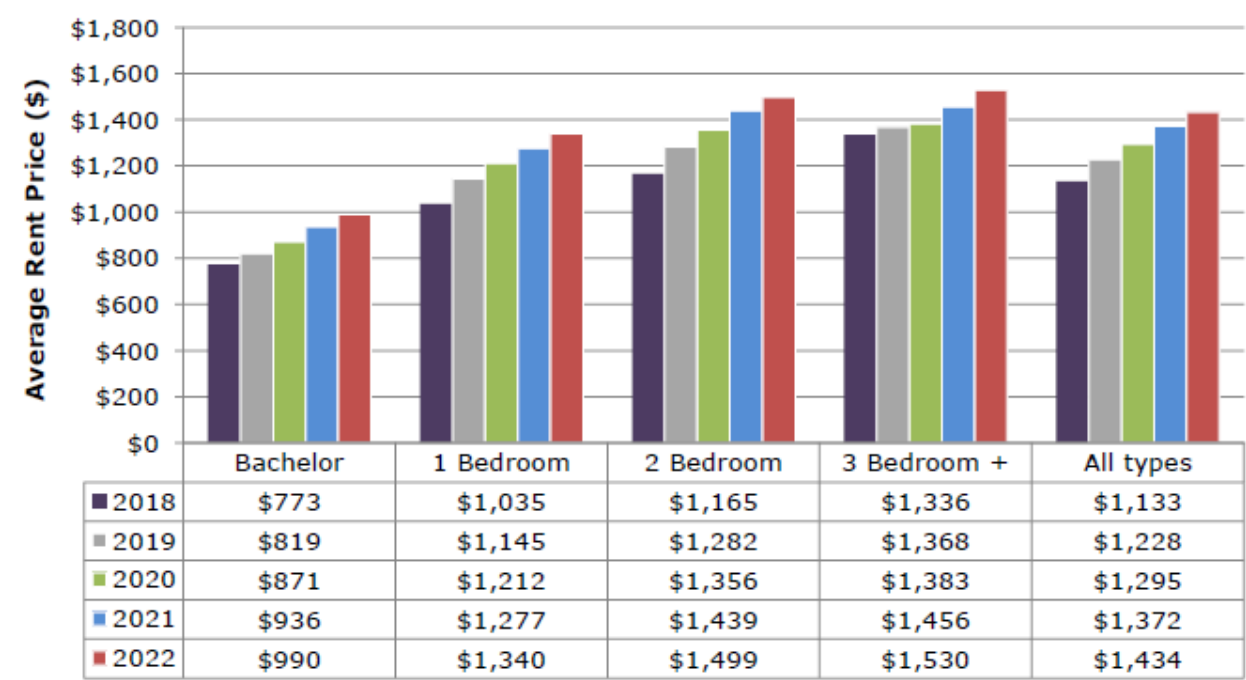
provides a summary of average market rents and vacancy rates of privately owned structures containing three or more units.

6.3.1 Average market rents

In 2022, the average monthly rental rate in the primary market in Guelph was \$1,434, ranging from \$990 for a bachelor apartment to \$1,530 for a 3-bedroom unit. Depending on the building, these rates may or may not include utilities such as heating and electricity. Between 2018 and 2022, the private

market rental rates for Guelph increased 27 per cent, which is above the Consumer Price Index (CPI) rate of inflation of 15 per cent during the same time period. Figure 25 illustrates the average primary-market rental prices in Guelph by unit size.

Figure 25. Average Primary Market Rental Price by Unit Size in Guelph, 2018-2022



Source: CMHC, Rental Market Survey, 2018-2022



Average market rents data highlights

- In October 2022, the average rate for a rental unit in the primary market in Guelph was \$1,434 per month
 - \$990 for a bachelor unit;
 - \$1,340 for a 1 bedroom unit;
 - \$1,499 for a 2 bedroom unit; and
 - \$1,530 for a 3+ bedroom unit.
- Average rental rates have risen 27 per cent between 2018 and 2022.



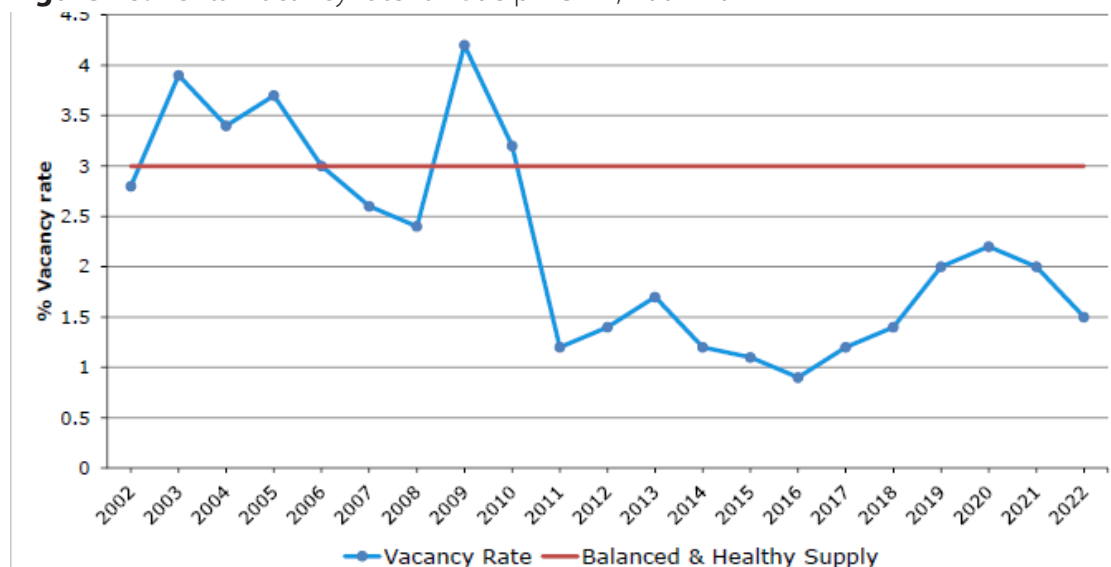
6.3.2 Vacancy rates

The benchmark for a balanced and healthy rental market is a vacancy rate of 3 per cent. In 2022, the vacancy rate for Guelph was 1.5 per cent (Figure 26), below what is considered a healthy vacancy rate. The vacancy rate for the Guelph CMA was among the lowest in Ontario and across Canada in 2022 (Figure 27). Lower vacancy rates mean there is more competition between renter households to find accommodation and a low supply of available rental units has the impact of increasing monthly rental rates. This may make it more difficult for renter households to find suitable and affordable

accommodation in the rental market and they may be unable to find an available unit to lease, particularly households seeking larger, family sized units. Figure 28 compares the vacancy rates in Guelph to the Ontario average by unit size.

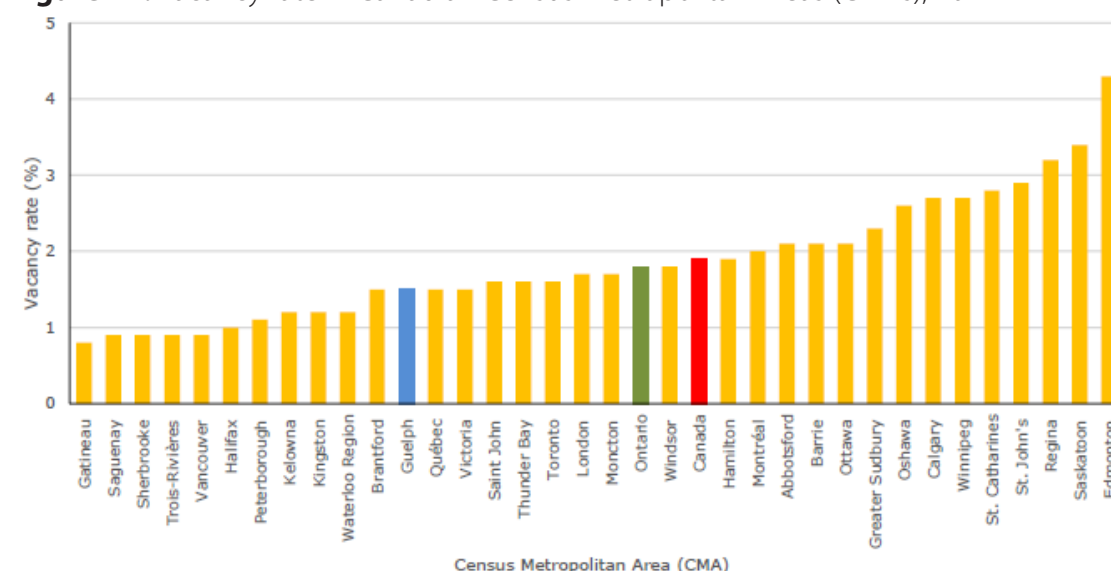
According to CMHC, the demand for rental housing outpaced the increase in supply in 2022. Vacancy rates are expected to remain low among rental units, at least in the short term as rental housing supply struggles to keep up with demand.

Figure 26. Rental vacancy rate for Guelph CMA, 2002-2022



Source: CMHC, Rental Market Survey, 2018-2022

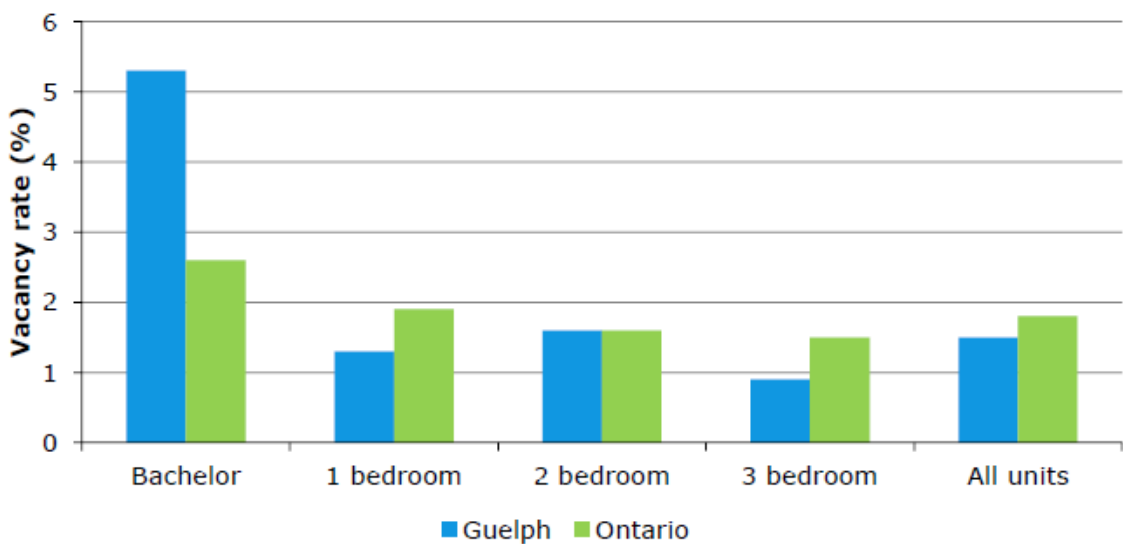
Figure 27. Vacancy rate in Canadian Census Metropolitan Areas (CMAs), 2022



Source: CMHC, Rental Market Survey, 2022



Figure 28. Vacancy rate by unit size in Guelph and Ontario, 2022



Source: CMHC, Rental Market Survey, 2022

Vacancy rates data highlights

- Since 2011, the overall vacancy rate has been below the benchmark of 3 per cent.
- The vacancy rate for the City of Guelph in 2022 was 1.5 per cent
 - 5.3 per cent for bachelor apartments;
 - 1.3 per cent for 1 bedroom apartments;
 - 1.6 per cent for 2 bedroom apartments; and
 - 0.9 per cent for 3+ bedroom apartments.

6.4 Secondary rental market

The secondary rental market includes all rented units other than those in the primary rental market. It generally consists of rented single detached, semi-detached, townhouses, condominium apartments and additional dwelling units (e.g., basement apartments, garden suites). Unlike the primary rental market, which consists of purpose-built rental apartments, the secondary rental market stock is considered to be temporary. This is because individual units in the secondary rental market may be sold and legally occupied by the new owner, or through legal evictions that allow the homeowner, or the homeowner’s immediate family to occupy the unit. In the case of an additional dwelling unit, particularly for basement apartments, there is the risk that they can be converted back into living space as part of the principal dwelling, decreasing the availability of rental units.

High-quality data on the secondary rental market is not available for Guelph, as CMHC does not conduct research on these types of rental units for the Guelph area. To help fill some of the data gaps in the secondary rental market, Guelph has previously conducted a survey of additional dwelling units, in order to better understand the breadth and make-up of the secondary rental supply, including rental rates. The first survey was conducted in 2014, with a follow-up study conducted in 2019. It is anticipated that an updated survey will be completed in 2024 as part of the update to Guelph’s Housing Affordability Strategy. Details on the methodology for the Accessory Apartment Survey is included in Appendix C.

6.4.1 Additional dwelling units (ADUs)

An ADU is a separate dwelling unit located within the principal dwelling that is secondary to the principal dwelling unit or is located in a separate, detached structure. These are self-contained units and include a living area, kitchen, bedroom, and bathroom that are separate from the main dwelling on the property. As mentioned in Section 6.2, not only can homeowners benefit from the income generated from having an ADU, which can help offset the cost of a mortgage,

they also provide affordable housing options within Guelph.

The City has a one-time registration process for ADUs and as of October 2023, a total of 3,870 ADUs were registered with the City of Guelph. According to a survey of ADUs conducted in 2019, 74 per cent of respondents reported that their ADU was rented.

ADU survey highlights

- Reason for creating the unit:
 - 55 per cent of respondents reported that they created their accessory apartment to assist in mortgage payments on the principal residence, compared to 54 per cent in 2014.
 - 16 per cent of respondents created the accessory apartment as an investment property (with both the main dwelling and the accessory apartment rented), compared to 24 per cent in 2014.
 - 18 per cent of respondents created the accessory apartment for use by a family member(s), down from 22 per cent in 2014.
- Tenant characteristics:
 - 75 per cent of properties are owner-occupied; 71 per cent live in the main unit and 4 per cent live in the accessory apartment.
 - 38 per cent of occupants are aged 19-25, compared to 47 per cent in 2014.
 - 34 per cent of occupants are aged 26-35, compared with 30 per cent in 2014.
 - 6 per cent of units are occupied by families with children aged 0-18 years.
 - 5 per cent of units are occupied by individuals aged 65 years of age or older.
- Vacancy:
 - 26 per cent of accessory units were vacant at the time of the survey, compared to 25 per cent in 2014.
- Permanency:
 - 8 per cent 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), compared to 9 per cent in 2014.
- ADU rental rates:
 - The average monthly rental rate for an accessory apartment in 2019 was \$1,118 compared to \$859 in 2014. This represents an increase of 30 per cent in the average monthly rental rate over five years.

6.5 Resale housing market

6.5.1 Average resale prices

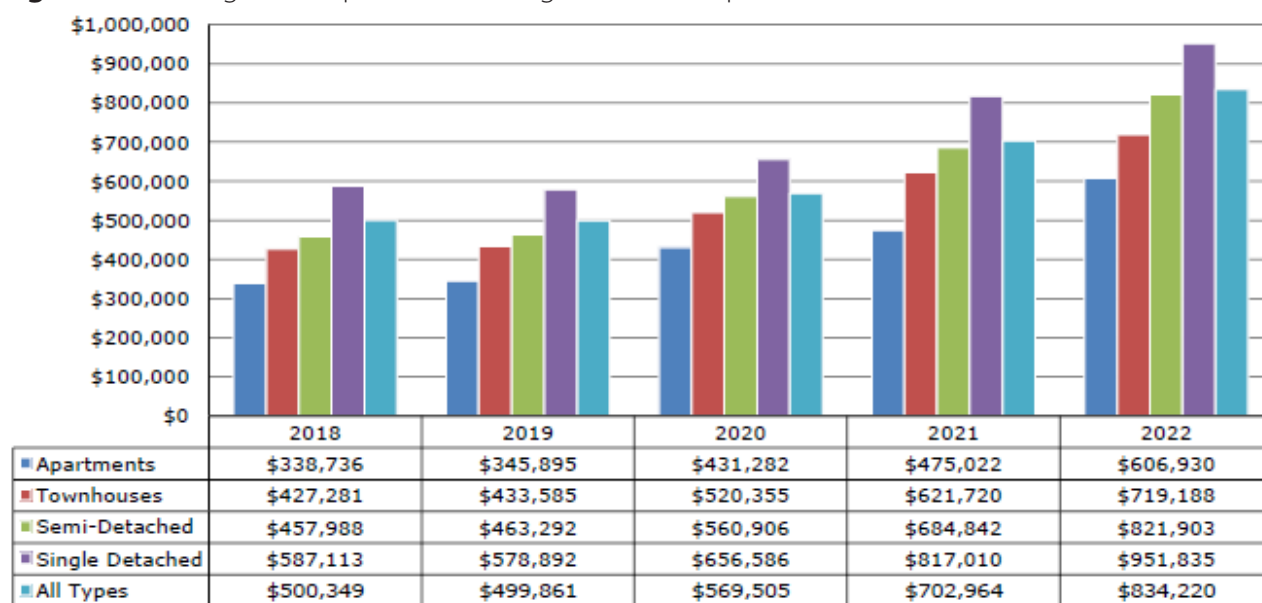
The average price of a home can vary depending on many factors, including the type, size, condition, amenities, age, and location of the dwelling. On average, single detached dwellings are the most expensive type of unit sold in Guelph, followed by semi-detached dwellings, townhomes, and then apartments which are generally the least expensive type of unit (Figure 29).

In Guelph, the average resale price of a home was \$834,220 in 2022. Over the last five years, the average resale price of homes has increased by 67 per cent. This increase in resale prices far exceeded the

consumer price index (CPI) of 15 per cent during this time period, and exceeding the increase in the price of rentals (27 per cent) over the same time period. This tells us that the cost of homes are increasing at a rate much higher than inflation.

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.

Figure 29. Average resale price of dwellings sold in Guelph, 2018-2022



Source: City of Guelph Planning. Data from MPAC, March 2023

Resale data highlights

- In 2022, the average resale price of a home in Guelph was \$834,220:
 - \$606,930 for an apartment;
 - \$719,188 for a townhouse;
 - \$821,903 for a semi-detached dwelling; and 1.6 per cent for 2 bedroom apartments; and
 - \$951,835 for a single detached dwelling.
- Between 2018 and 2022, the average prices of resale dwellings rose 67 per cent:
 - 79 per cent for apartments;
 - 68 per cent for townhouses;
 - 79 per cent for semi-detached dwellings; and
 - 62 per cent for single detached dwellings.

6.6 Non-market housing

Non-market housing refers to housing that is designed for individuals and families who cannot afford to pay market rents, or who have needs that cannot be met in the current market. These types of units address housing challenges and social equity and include units and beds administered on the “left side” of the housing continuum by providing safe and affordable places to live in an effort to reduce housing insecurity and homelessness. The County of Wellington is the service provider for non-market housing in Guelph and provides financial support and/or legislative oversight to these units and/or beds. 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.

The non-market components of the housing continuum include the following types of units and beds on the housing continuum:

a. Emergency shelters

Emergency shelters are an important part of the homeless serving system. They provide temporary, short-term lodging for adults, youth, and families experiencing or are at risk of homelessness and in need of emergency accommodation. Services offered may also include meals, access to showers and laundry, as well as assistance with linking to health and social services, as required.

In Guelph as of June 2023, there are 79 emergency shelter beds, and The County of Wellington also provides shelter overflow accommodation in motels as needed. According to A Place To Call Home, 2022 Annual Report (County of Wellington, 2022), 529 unique individuals used the emergency shelter system in 2022, contributing to a total of 28,639 number of emergency shelter nights. On average, the number of emergency shelter occupants per night was 79 people in 2022. Figure 30 illustrates the increase in emergency shelter usage for adults and youths over the past year.

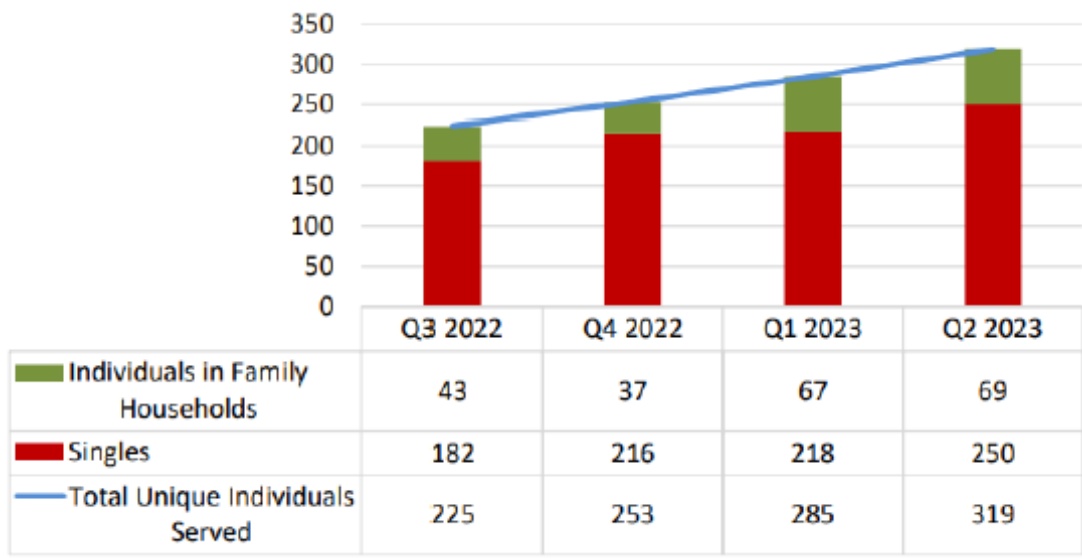
The County of Wellington tracks individuals experiencing chronic homelessness on a By-Name List. The average number of unique individuals accessing emergency shelters on the By-Name List has risen from 52 in 2018 to an average of 79 unique individuals in 2022. More recent data from June of 2023 shows that there has been a substantial increase with an average of 105 individuals accessing emergency shelters on a nightly basis. This same data shows that the duration for which individuals are accessing emergency shelters has also increased since 2018 from 25 days to 55 days (Figure 32).

According to the County of Wellington Housing Services Status and Activity 2023 Q1&Q2 report, the use of the emergency shelter system has been on the rise since Q3 2022, especially among individuals in family households that have increased emergency shelter usage by 60 per cent from 4 individuals in a family situation in July of 2022 to an average of 20 individuals in a family situation in 2023.

The County of Wellington has placed recent emphasis on supporting a “Housing First” philosophy to rehouse individuals as quickly as possible. For more details, refer to the County of Wellington’s Homelessness Strategy, [A Place to Call Home - A 10-year Housing and Homelessness Plan for Wellington-Guelph – Five Year Update \(2020-2024\)](#).

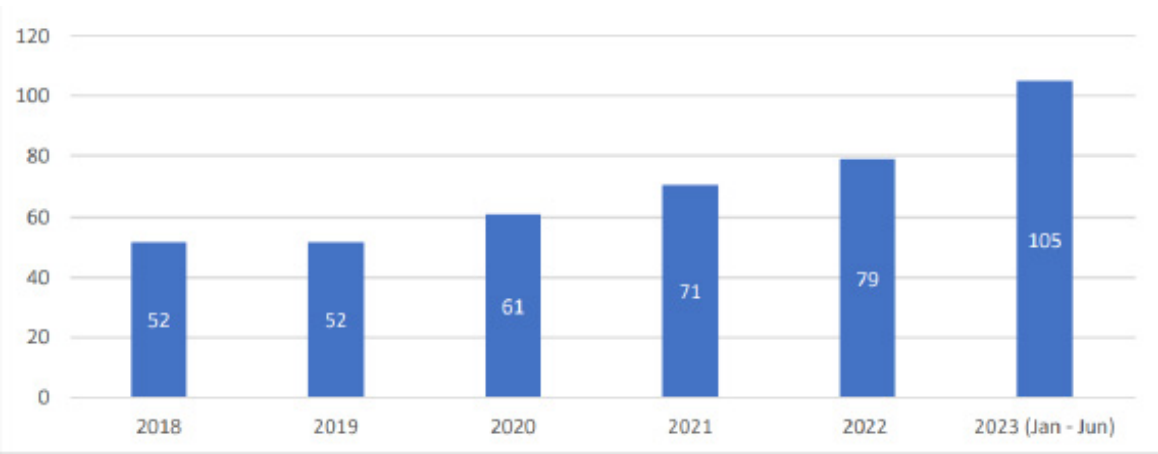


Figure 30. Emergency shelter usage for adults and youth



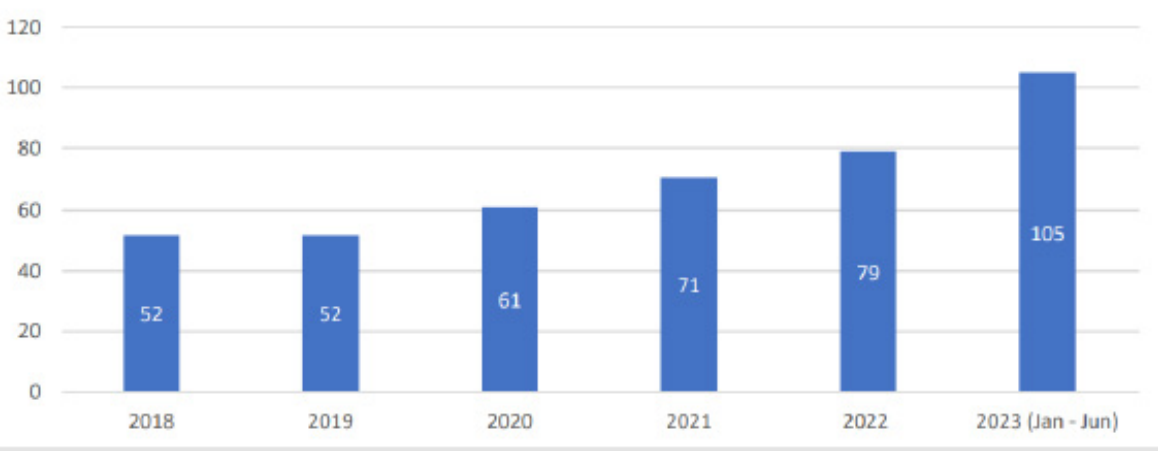
Source: County of Wellington Housing Services, Status and Activity Report – 2023 Q1&Q2 (January 1 to June 30, 2023).

Figure 31. Average number of unique individuals accessing emergency shelters per night over time, 2018-2023



Source: The County of Wellington, Housing Service Division, 2024/2025 Preliminary Budget Impacts.

Figure 32. Average length of stay in emergency shelter over time, 2018-2023



Source: The County of Wellington, Housing Service Division, 2024/2025 Preliminary Budget Impacts.

b. Transitional housing

Transitional Housing refers to temporary or time-limited housing units (up to 3 years) that provide an intermediate step between emergency shelters and permanent housing and are intended to prevent a return to homelessness. Transitional housing units are targeted to individuals in need of structure, support and/or skill building by providing a safe and stable housing option along with individualized support services that could include health, mental health, substance use supports, counselling, job training and placement, community activities, and help with life skills.

There are currently 30 transitional housing units within the Wellington-Guelph service area. In Guelph, there are 18 transitional housing units with an additional 28 units in development at 65 Delhi Street, which will bring the total number of transitional housing units to 46 within Guelph and 58 within the Wellington-Guelph service area. According to the County of Wellington's Status and Activity Report for Q1&Q2 2023, the units in development are anticipated to become available over the 2024-2025 timeframe in Guelph.

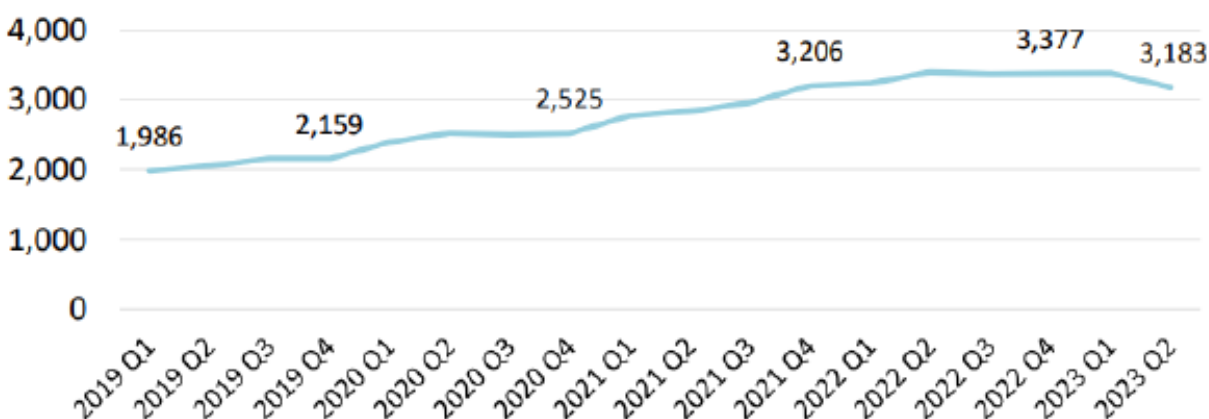
c. Rent-geared-to-income units/social housing

Rent-geared-to-income housing is also referred to as social housing, or subsidized housing. Rent-geared-to-income housing are units for which the tenants pay no more than 30 per cent of their household income on rent. The remainder of the rental cost is subsidized through government funding. These types of units may include public housing, non-profit rentals, and co-operatives.

Rent-geared-to-income units are accessed through the Centralized Waiting List administered by the County of Wellington. As of June 30, 2023, there were 3,183 households on the rent-geared-to-income waiting list (Figure 33). There has been a sharp increase in the number of applicant households on the Central Waiting List since 2019 when 1,986 households were on the waiting list, an increase of 60 per cent over the period.

As of June 2023, across the Wellington-Guelph service area, there are 2,516 rent-geared-to-income units, of which 2,073 units are located within Guelph. The current average wait time for households on the waiting list to secure a rent-geared-to-income unit is 5 years, with some households waiting longer than 8 years.

Figure 33. Applicant households on the Wellington-Guelph Centralized Waiting List, 2019-2023.



Source: County of Wellington Housing Services, Status and Activity Report – 2023 Q1&Q2 (January 1 to June 30, 2023).

c. Supportive housing

Supportive Housing refers to housing that combines rental assistance (i.e., rent subsidy) with individualized health support services for people with high needs related to physical or mental health, developmental disabilities, or substance use. Supportive housing units can be delivered in “scattered sites” across different housing provider locations or can be purpose-built housing. Unlike transitional housing, this type of housing does not have a maximum length of stay duration.

In the Wellington-Guelph service area, there are currently 48 supportive housing units, with 32 of those units located in Guelph. An additional 64 supportive housing units at 10 Shelldale Crescent (Kindle Communities) and 721 Woolwich Street (Grace Gardens) combined are currently planned to open in Guelph in 2024, bringing the total number of transitional units to 96 in Guelph and 112 across the Wellington-Guelph service area.

d. Rent Support Units

Rent subsidies are provided to offset rents in private market rental units for low-income households. As of June 2023, the County of Wellington is administering 560 rent supplements to households across the service area, of which 443 households are located in Guelph. The following rent support programmes are available across the service area:

- **Rent Supplement Programme**

The Rent Supplement Programme allows individuals and families to receive a geared-to-income rent supplement for a unit in the private rental market. Rent supplement units are filled by applicants on the County of Wellington’s Centralized Waiting List. The household pays their rent-geared-to-income rent amount directly to the landlord and the County of Wellington pays the rest of the rent to the landlord.

- **Housing Allowance Programme (HAP)**

The HAP is designed to help address rental affordability for households across the

service area. The programme offers rental assistance, which is delivered based on the depth of subsidy required by the clients. HAP is a programme that assists households in temporarily meeting their rental obligations, or until they are housed in permanent rent-geared-to-income housing, whichever comes first. HAP can generally assist a household with a benefit that does not exceed \$400 and is paid directly to the landlord.

- **Community Agency Delivery (CAD)**

The CAD programme is aimed at addressing chronic and episodic homelessness across the service area, by integrating supportive services through partnerships with community agencies. CAD uses the expertise of local community organizations to identify clients in need of safe and stable affordable housing. These community agencies are given the ability to select individuals, conduct client intake, provide unit search assistance (when needed), assist with client paperwork and take a lead role in tenant/landlord relations support for a specific number of rent support units as identified by the County. The community agencies are required to maintain ongoing support for these clients within the scope of their support service structure. Funding through the CAD programme is only available to cover partial rent costs and will only be provided as long as the tenant is receiving support from the community agency. Under the CAD programme, the minimum level of support is three hours per week per individual or family.

- **Community Agency Supported Unit (CASU) Programme**

The CASU programme is aimed at developing a supported rent support programme which attempts to address the lack of supportive housing in the community, by integrating client supportive services through partnerships with community agencies. CASU uses the expertise of local community organizations to identify clients in need of safe and stable

affordable housing. These community agencies are given the ability to select individuals, conduct client intake, provide unit search assistance (when needed), assist with client paperwork and take a lead role in tenant/landlord relations support for a specific number of rent support units as identified by the County. The community agencies are required to maintain ongoing support for these clients within the scope of their support service structure. Funding through the CASU programme is only available to cover partial rent costs and will only be provided as long as the tenant is receiving support from the community agency. Under the CASU programme, the minimum level of support is three (3) hours per week per individual or family.

- **Canada-Ontario Housing Benefit (COHB)**

The COHB is a monthly subsidy provided to low-income households to assist with housing costs. This is tied to the household and can be used to help pay rent anywhere in Ontario. The COHB pays the difference between 30 per cent of the household's income and the average market rent in the area. For recipients of social assistance, the COHB will pay the difference between the shelter allowance and the household's rent and utilities costs. The programme is administered by the Province of Ontario and the benefit amount will be reviewed every

year.

- **Supportive Addiction and Mental Health Housing (SAMH) Programme**
This programme is funded by the Ontario Ministry of Health and is designed to provide support for people with complex addiction and concurrent mental health needs who are homeless, at risk of becoming homeless, or who are considered inadequately housed. Stonehenge Therapeutic Community, in partnership with The Canadian Mental Health Association – Waterloo Wellington, provides the support services and housing units in the Wellington-Guelph region.

f. Affordable housing units (government-funded)

Affordable housing rents are set at less than, or equal to the most recently released Average Market Rent levels published by Canada Mortgage and Housing Corporation (CMHC). Yearly household income must fall below the maximum monthly household limit. Figure 34 provides the income thresholds by size of dwelling unit for the Wellington-Guelph service area.

As of June 2023, there were 681 government-funded affordable housing rental units across the service area, of which 443 of those units were located in Guelph.

Figure 34. Yearly household income limits for Guelph and Wellington

	Bach	1 Bdrm	2 Bdrm	3 Bdrm	4 Bdrm
City of Guelph	\$34,000	\$44,000	\$52,000	\$59,500	\$74,500
Wellington County	\$27,500	\$36,000	\$42,500	\$48,000	\$59,500

Source: County of Wellington website, Planning, Policies and Data. Accessed October, 2023.

6.7 Summary of housing supply findings

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

- **Composition of housing stock:** There has been a significant increase in the number of new apartments and townhouse units being constructed in recent years. Apartments now form the majority of new housing built in Guelph. Guelph's housing stock continues to be predominantly comprised of low-density housing, but that is expected to become more diverse and balanced by 2051, when the housing stock is anticipated to be comprised of 39 per cent low density housing (single and semi-detached), 23 per cent multiple dwellings (townhouses and duplexes), and 38 per cent high density housing (apartments).
- **Condominium conversions:** Conversions from rentals to condominiums is not resulting in a significant loss of rental housing stock in Guelph. The last conversion occurred in 2012 and resulted in the loss of 72 rental units.
- **Demolition of existing housing stock:** The demolition of Guelph's existing housing stock is resulting in a net increase of new units and increasing the supply of housing in Guelph as these demolitions make way for the construction of townhouses and apartments.
- **Low vacancy rate:** The vacancy rate for Guelph's primary rental market was 1.5 per cent in 2022, well below the balanced and healthy benchmark of 3 per cent. The low vacancy rate is anticipated to continue through 2024 and 2025 as homeownership continues to become increasingly unaffordable, driving up demand for rental units in a market with
- **Increasing rental rates:** Between 2018 and 2022, the private market rental rates for Guelph increased 27 per cent, above the CPI rate of inflation of 15 per cent during this time period.
- **Secondary rental market:** 47 per cent of all 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 \$834,220 in 2022, up 67 per cent since 2018, which is well above the CPI 15 per cent during the same time period.
- **Non-market housing:** Non-market housing represents 4 per cent of the total housing stock in Guelph. The City of Guelph currently supports non-market housing by providing funding support to the Service Manager (County of Wellington), 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 well-being and is a measure of housing affordability, housing suitability and housing adequacy. If a private household falls below one of the indicator thresholds, it is considered to be in core housing need, based on the following thresholds:

- Affordability:** Does the household spend 30 per cent or more of their before-tax income on accommodation?
- Suitability:** Are there enough bedrooms for the size and make-up of the household?
- Adequacy:** Is the dwelling in need of major repair?

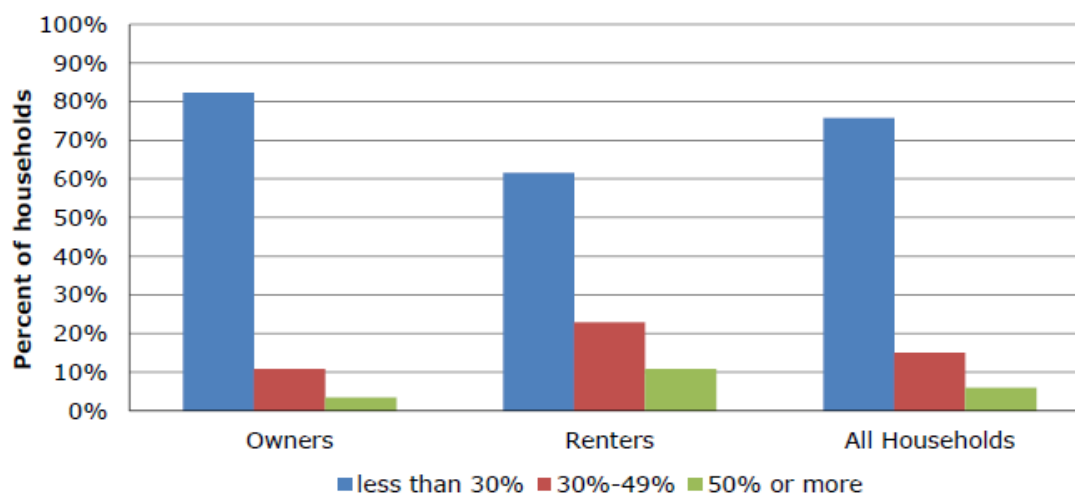
This section of the report will explore core housing need in Guelph and provide an in-depth analysis of each of the three indicators and how many households were living in core housing need in Guelph in 2021, according to the Census.

7.1 Housing affordability

Housing is considered to be affordable for a given household if the total monthly shelter costs are less than 30 per cent of the household's gross (before-tax) income. Households who pay above this threshold are considered to be at a greater risk of homelessness. According to the 2021 Census, 23 per cent of Guelph's households spent more than 30 per cent of their gross income on shelter costs, which is above the affordability threshold. In Guelph, there are more renter households spending greater than 30 per cent of their gross income on shelter than owner households (Figure 35), putting renter households at greater risk of homelessness.

8 per cent of Guelph's households are spending more than 50 per cent of their gross income on housing. These households are considered to be at great risk of homelessness.

Figure 35. Household spending on shelter costs by tenure in Guelph, 2021



Source: Statistics Canada, 2021 Census of Population, custom tabulation

Housing affordability data highlights

- In 2021, 23 per cent of all Guelph households (12,910) spent above the affordability threshold of 30 per cent:
 - 37 per cent (7,125) of renters, and
 - 16 per cent (5,780) of owner households.
- 8 per cent of all Guelph households (4,495) spend more than 50 per cent of their gross income on housing costs:
 - 14 per cent (2,720) of renters, and
 - 5 per cent (1,775) of owners.

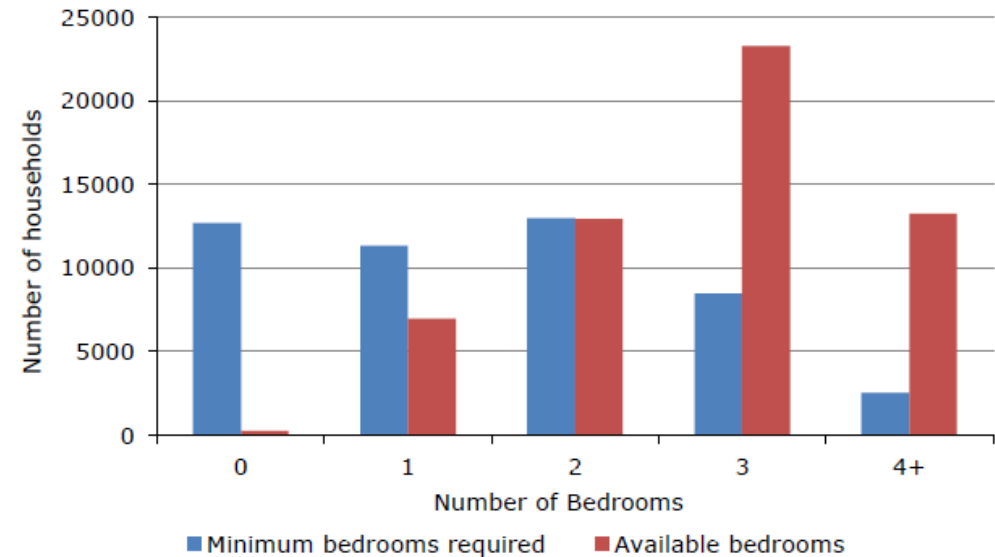
7.2 Housing suitability

The National Occupancy Standard 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 (i.e., 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 minimum standard, however, low- and moderate-income households may not have the financial means to choose a unit with more bedrooms than the minimum standard. Therefore, it is important that

there is sufficient supply of appropriately sized units to meet the needs of the community.

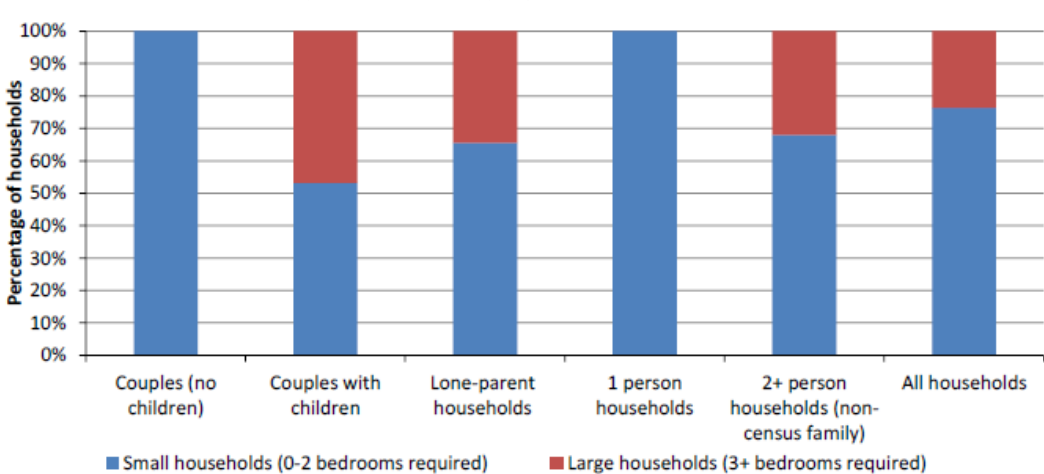
An analysis of existing housing stock in comparison to household sizes indicates that there is a shortfall of approximately 21,200 bachelor and one-bedroom units, and an oversupply of about 23,200 dwelling types consisting of three or more bedrooms than households who require this size of unit (See Figure 36). The projected rise in the number of one-person households will further increase the demand for smaller units.

Figure 36. Minimum number of bedrooms required according to the National Occupancy Standard in comparison to housing stock by unit size in Guelph, 2021



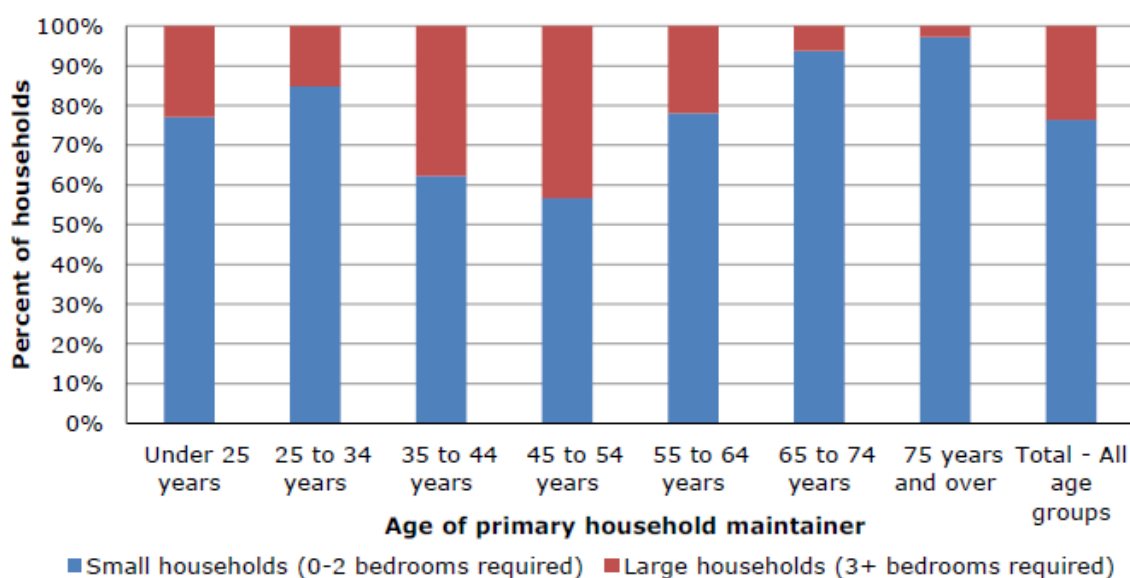
Source: Statistics Canada, 2021 Census of Population, custom tabulation

Figure 37. Household type occupancy by unit size in Guelph, 2021



Source: Statistics Canada, 2021 Census of Population, custom tabulation

Figure 38. Age of primary household maintainer by unit size in Guelph, 2021



Source: Statistics Canada, 2021 Census of Population, custom tabulation

Housing suitability data highlights

- In 2021, 13 per cent of the housing stock was comprised of bachelor and one-bedroom units (7,220 units).
- Based on the National Occupancy Standard, there is a need for 21,200 bachelor or one-bedroom units.
- 64 per cent of the housing stock was comprised of 3+ bedroom units (36,500 units).
- Based on the National Occupancy Standard, there is a need for 13,280 3+ bedroom units.
- Among household types, 100 per cent of one-person households and couples without children occupy small unit sizes (bachelor, 1- or 2-bedroom units) (Figure 37).
- 73 per cent of primary household maintainers under age 35 and 95 per cent of those 65 years of age and over occupy small unit sizes (Figure 38).
- The largest proportion of primary household maintainers occupying larger units (3+ bedrooms) are in the 45 to 54 age group, representing 43 per cent of households in that age group.

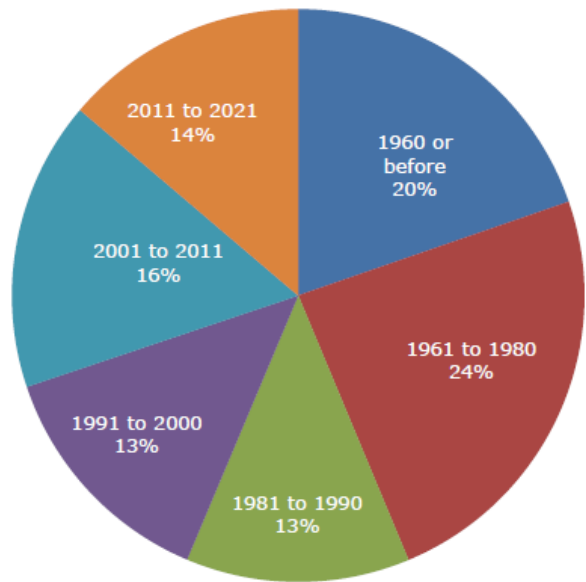


7.3 Housing adequacy

Much of the existing housing stock in Guelph is less than 35 years old and 95 per cent of the overall housing stock is in good condition, requiring only regular maintenance or minor repairs. This implies

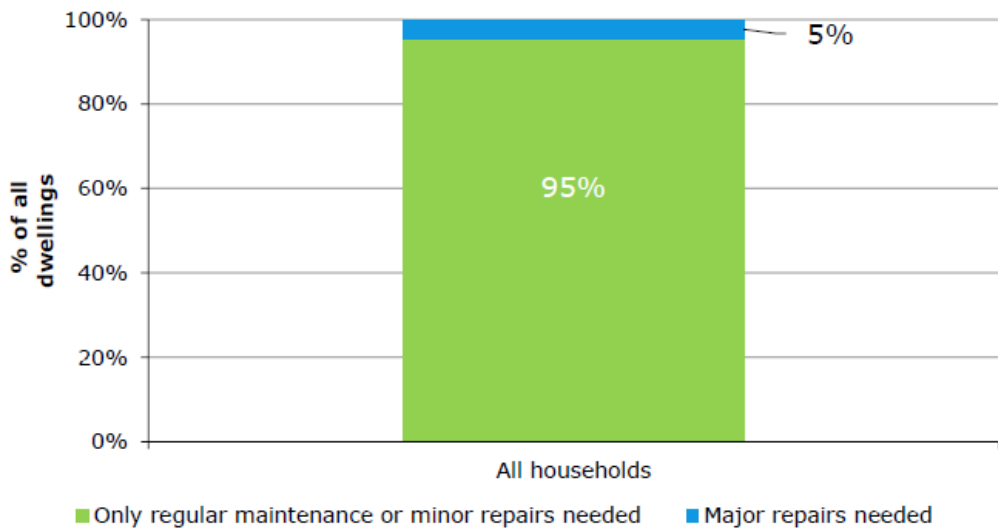
that there will be little need for new residential construction to replace existing units that are in need of major repair.

Figure 39. Age of occupied dwellings in Guelph, 2021



Source: Statistics Canada, 2021 Census of Population

Figure 40. Condition of housing stock by tenure in Guelph, 2021



Source: Statistics Canada, 2021 Census of Population

Housing adequacy data highlights

- In 2021, 5 per cent of households in Guelph reported that the condition of their house required major repairs.
- Guelph’s housing stock is relatively new. 44 per cent of Guelph’s existing housing stock has been built since 1991.

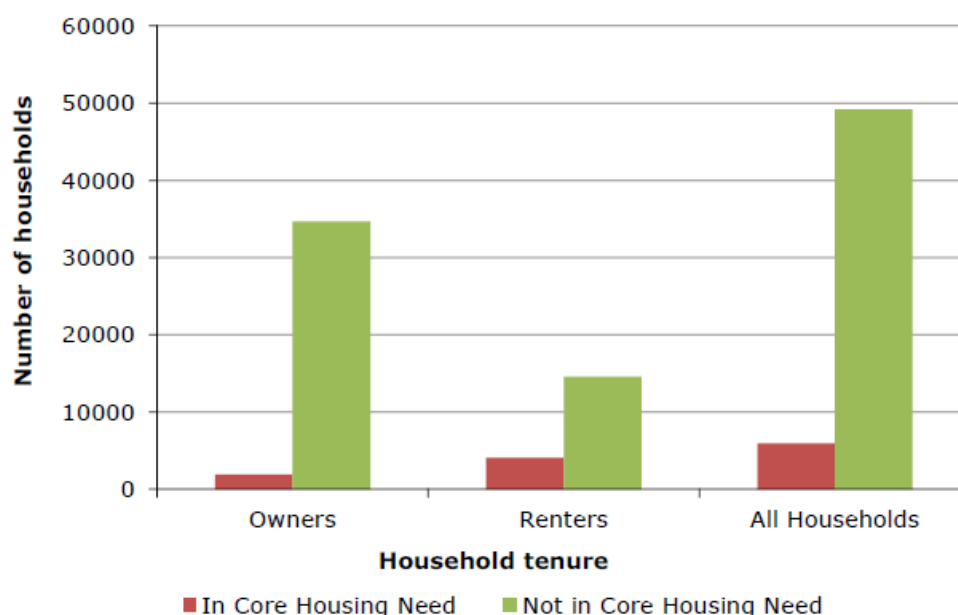
7.4 Core housing need

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. Regardless of their circumstances, non-family households with at least one maintainer aged 15 to 29 years attending school full-time are generally considered to be in a transitional stage of life and therefore not in core housing need. Low incomes earned by student households are viewed as being a temporary condition, according to Statistics Canada.

In Guelph, 11 per cent (5,960) of all households were living in core housing need in 2021. As shown in Figure 41, the rates are higher for renters (22 per cent) than for homeowners (5 per cent)¹⁰.

The main reason for households being in core housing need is due to affordability. As shown in Table 6, the median total income of a household living in core housing need, adjusted for inflation in 2022 is \$35,106, in comparison to \$114,811 for a household not in core housing need.

Figure 41. Number of households in core housing need by tenure in Guelph, 2021



Source: Statistics Canada, 2021 Census of Population, custom tabulation

Table 6. Average total income of households in core housing need and tenure

	Not in core housing need		In core housing need	
	Average	Median	Average	Median
All households	\$136,007	\$114,811	\$39,212	\$35,106
Owner Households	\$154,774	\$133,578	\$39,919	\$35,768
Renter Households	\$91,739	\$81,693	\$38,859	\$34,885

Source: Statistics Canada, 2021 Census of Population, custom tabulation. Incomes from 2020, adjusted for 2022 consumer price index of all goods

¹⁰ The Core Housing Need data includes only households with shelter cost to income ratios (STIRs) less than 100 per cent, consistent with CMHC's approach.

Core housing need data highlights

- In 2021, 11 per cent of all Guelph households (5,960) were in core housing need. This consists of
 - 5 per cent (1,910) of owners; and
 - 22 per cent (4,405) of renters.
- The median income of all households in core housing need, adjusted for inflation is \$35,106:
 - \$35,768 for owners; and
 - \$34,885 for renters.

7.4.1 Core housing need by household type

The following section will provide context on Guelph's core housing need by household type. The analysis reveals that the prevalence of core housing

need is highest for one-person households and lone parent households, particularly among renters, as shown in Table 7 and Figure 42.

Table 7. Number of households in core housing need by household type and tenure in Guelph, 2021

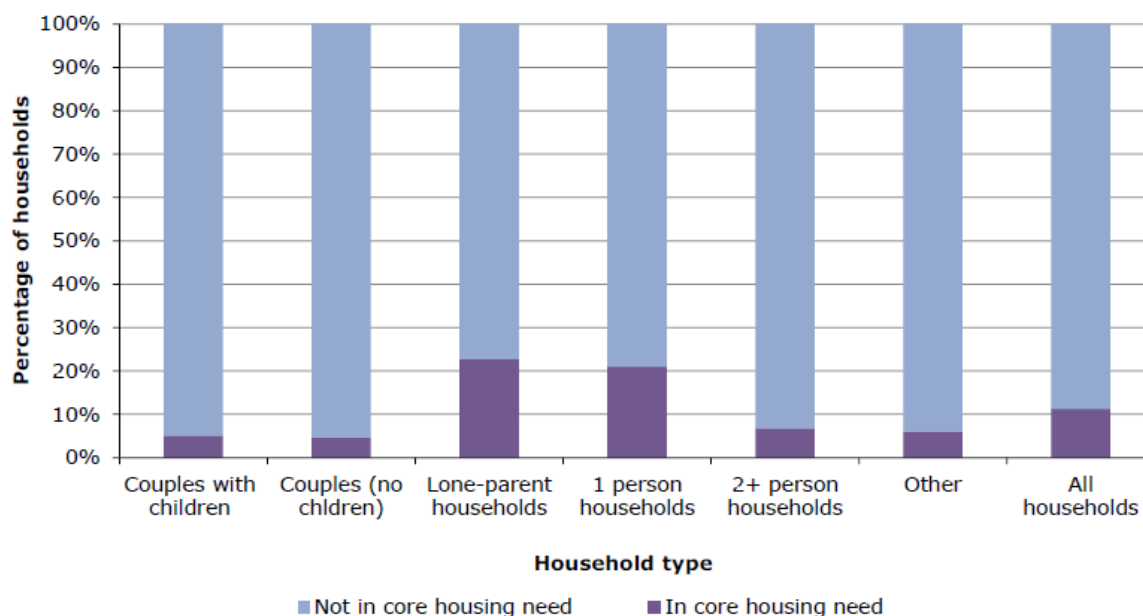
	All households		Owner households		Renter Households	
Couples with children	790	1.4%	315	0.6%	475	3.1%
Couples (no children)	620	1.1%	245	0.4%	370	2.4%
Lone parent households	1095	1.9%	340	0.6%	755	4.9%
1 person households	3005	5.3%	905	1.6%	2105	13.6%
2+ person households	225	0.4%	30	0.1%	195	1.3%
Other	125	0.2%	35	0.1%	90	0.6%
Total in core housing need	5860	10.4%	1870	3.3%	3990	7.1%

Source: Statistics Canada, 2021 Census of Population, custom tabulation

Core housing need by household type data highlights

- In 2021, there were 3,005 one-person households living in core housing need in Guelph, representing 5 per cent of total households.
- There were 2,105 one-person renter households living in core housing need, representing nearly 14 per cent of all renters.
- Among all one-person households, 20 per cent were living in core housing need.
- There were 1,095 lone-parent households living in core housing need, representing 2 per cent of all households.
- There were 755 lone parent renter households living in core housing need, representing 20 per cent of all renter households living in core housing need.
- Among all lone parent households, 22 per cent were living in core housing need.

Figure 42. Percentage of all households in core housing need by household type in Guelph, 2021



Source: Statistics Canada, 2021 Census of Population, custom tabulation

7.4.2 Core housing need by age group

The following section will illustrate Guelph's core housing need by age of the primary household maintainer in 2021. The analysis shows that the prevalence of core housing need for all households is

highest for primary household maintainers aged 75 years and over, and lowest for individuals under 25 years and adults aged 45 to 64 as shown in Table 8 and Figure 43.

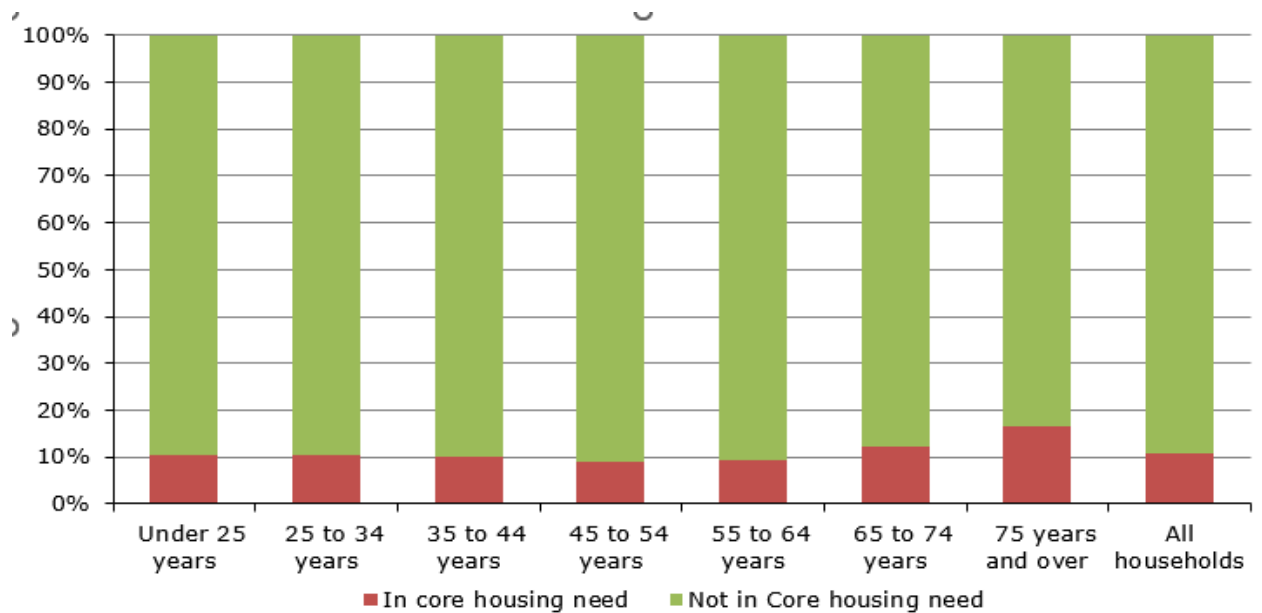
Table 8. Number of households in core housing need by age of primary household maintainer and tenure in Guelph, 2021

Age (years)	All households		Owner households		Renter Households	
<25	205	0.4%	0	0.0%	200	0.4%
25-34	905	1.6%	130	0.2%	775	1.4%
35-44	1045	1.9%	330	0.6%	715	1.3%
45-54	915	1.6%	325	0.6%	595	1.1%
55-64	960	1.7%	375	0.7%	590	1.0%
65-74	920	1.6%	380	0.7%	540	1.0%
75+	1005	1.8%	370	0.7%	640	1.1%
Total in Core Housing Need	5955	10.6%	1910	3.4%	4055	7.2%

Source: Statistics Canada, 2021 Census of Population, custom tabulation



Figure 43. Percentage of all households in core housing need by age of primary household maintainer in Guelph, 2021



Source: Statistics Canada, 2021 Census of Population, custom tabulation

Core housing need by age data group highlights

- In 2021, the age group of primary household maintainers with the highest rate of households living in core housing need in Guelph was the 75 years and over age group with 16 per cent of households in core housing need (1,005 households)
- The age groups with the lowest rate of

households living in core housing need was the under 25 age cohort (205 households), along with the 45 to 54 (915 households) and 55 to 64 (960 households) age groups, each with 9 per cent of households living in core housing need.

7.4.3 Core housing need by household type and age

As described in Section 7.4.1, the rates of core housing need are greatest for lone parent and one-person households. The incidence varies by age. Among all lone parent households, the incidence of

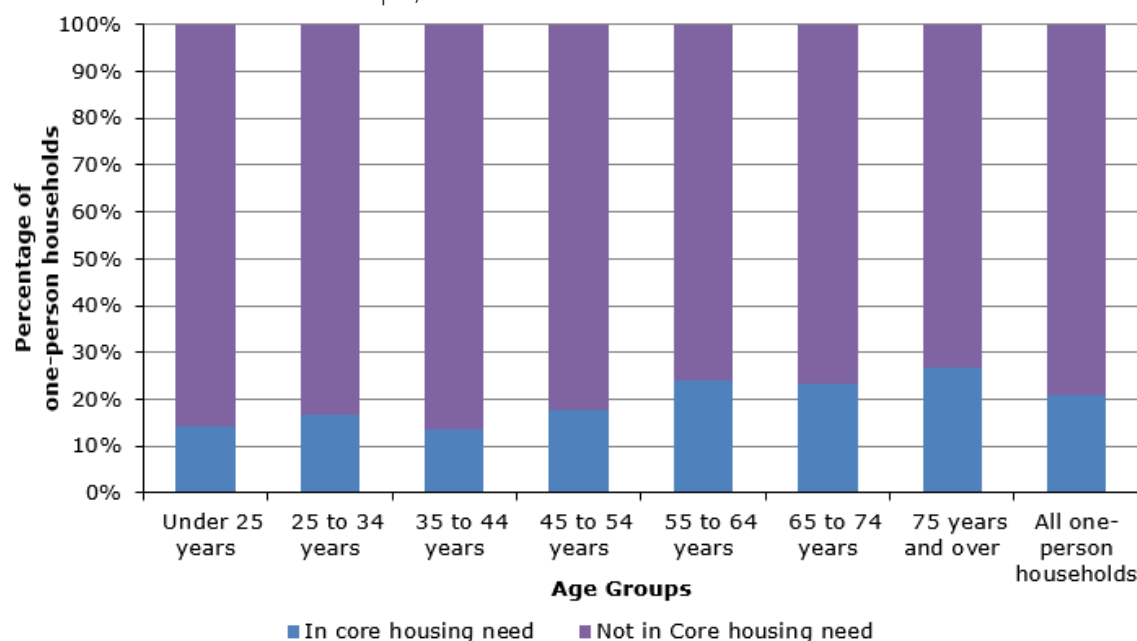
core housing need decreases with age (Figure 44). Among all one-person households, the incidence of core housing need increases with age (Figure 45).

Figure 44. Percentage of lone parent households in core housing need by age of primary household maintainer in Guelph, 2021



Source: Statistics Canada, 2021 Census of Population, custom tabulation

Figure 45. Percentage of one-person households in core housing need by age of primary household maintainer in Guelph, 2021



Source: Statistics Canada, 2021 Census of Population, custom tabulation

Core housing need by age data group highlights

- Among lone-parent households, core housing need is highest for primary household maintainers under age 34 (50 per cent) and lowest for the older adult age group of 55 to 64 (10 per cent).
- Among one-person households, core housing need is highest for primary household maintainers who are seniors aged 65-74 years old (27 per cent), and lowest for individuals under 25 years (12 per cent).

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:** Nearly one quarter of Guelph's households spent above the affordability threshold for housing in 2021. Renters (37 per cent) are more likely than homeowners (16 per cent) to have affordability challenges.
- **Lack of small housing units:** There is a shortfall of approximately 21,200 bachelor and one-bedroom units, and an oversupply of 23,200 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.
- **Housing is generally in good condition:** 95 per cent of the overall housing stock is in good condition, requiring only regular maintenance or minor repairs. Only 5 per cent of the housing stock is in need of major repairs as reported by the 2021 Census of Population.
- **Households in core housing need:** 11 per cent of all Guelph households were living in core housing need in 2021. The incidence is highest among renters, lone parent households, and one-person households.

8 Affordable housing benchmarks

Each year, Guelph releases updated housing affordability benchmarks that set the price threshold at which rental units and new home sales are considered affordable for the upcoming year. The benchmark is set using the lower value among an income-based approach and a market-based approach. The income-based and market-based approaches to setting the benchmarks for both rentals and ownership are described below:

Rental benchmark

1 Income-based rental benchmark: rent that does not exceed 30 per cent of the gross annual income for low- and moderate-income renter households (i.e., at or below the 60th percentile of the income distribution for renter households).

2 Market-based rental benchmark: the previous year's average market rent for all primary rental units in Guelph.

Ownership benchmark

3 Income-based ownership benchmark: purchase price that results in shelter costs that do not exceed 30 per cent 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 per cent below the average purchase price of a resale unit in the regional market area.

For 2023, the benchmark prices were set at the following levels: \$429,016 for homeownership, which is an income-based benchmark, and \$1,434 per month for rental units, which is a market-based benchmark.

The following section of this report describes how housing affordability benchmarks are set locally, 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, E and F.

In September 2023, the Province proposed a new definition for an "Affordable Residential Unit" through the [Affordable Homes and Good Jobs Act, 2023 \(Bill 134\)](#). This bill proposes to introduce the new definition for affordable residential units through the [Development Charges Act \(ERO 019-7669\)](#). This proposed definition would closely resemble the current definition for an affordable residential unit in the Provincial Policy Statement (2020), with the added provision that the methods and thresholds for determining an affordable residential unit for both rental and homeownership will be determined by the Minister of Municipal Affairs and Housing.

The methods for setting the affordability benchmarks in the following section are based on the current definition of what would constitute an affordable residential unit under the Provincial Policy Statement (2020).

8.1 Rental benchmark

For the affordable rental benchmark calculations, the 2020 income percentile figures have been adjusted for inflation to 2022, based on the CPI (all items). The 2022 rental rates are for the City of Guelph, as reported by the Canadian Mortgage and Housing Corporation (CMHC), which was \$1,434 per month in 2022. Consistent with CMHC's approach, these figures are not adjusted to include utility costs.

Table 9. Maximum rental affordability by income percentile for Guelph, 2022

Percentile	10th	20th	30th	40th	50th	60th	70th	80th	90th
Income of renter households (\$)	\$24,508	\$34,002	\$44,600	\$56,081	\$67,120	\$78,933	\$93,836	\$110,395	\$140,202
30 per cent gross annual income	\$7,352	\$10,201	\$13,380	\$16,824	\$20,136	\$23,680	\$28,151	\$33,119	\$42,061
Maximum affordable monthly rent (\$)	\$613	\$850	\$1,115	\$1,402	\$1,678	\$1,973	\$2,346	\$2,760	\$3,505

Source: City of Guelph Planning. Data from Statistics Canada, 2021 Census of Population, custom tabulation, 2020 income data adjusted for inflation in 2022.

The 2023 rental affordability benchmarks are as follows:

Income based benchmark

The gross annual income for renter households in the 60th income percentile in 2022 is \$78,933. Therefore, the income based affordable rental benchmark is \$1,973 per month (Table 9, above).

Market based benchmark

According to the CMHC, the average market rental rate in Guelph in 2022 was \$1,434 per month, which is the market-based benchmark.

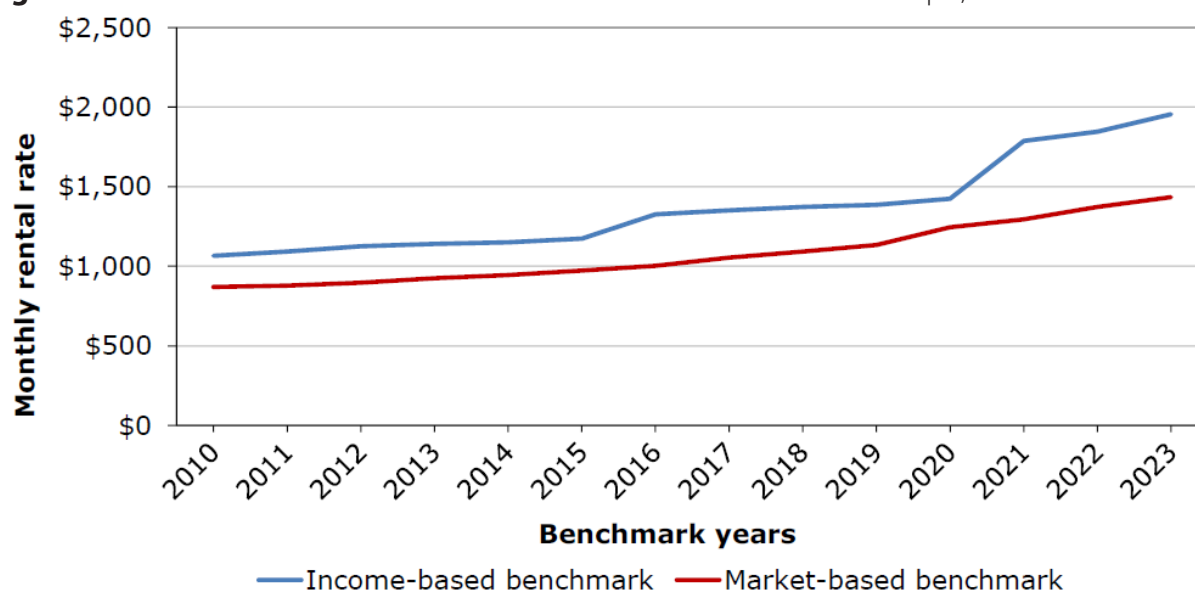
Since the market-based benchmark is lower than the income-based benchmark, the rental benchmark for 2023 is set using the market-based benchmark of \$1,434 per month.

8.1.1 How the rental benchmarks have changed over time

Figure 46 illustrates how the income and market-based benchmarks have changed between 2010 and 2023. The income-based benchmark increased 83 per

cent from \$1,066 to \$1,955 between 2010 and 2023, while the market-based benchmark increased 65 per cent from \$870 to \$1,434 over the same period.

Figure 46. Market vs income-based affordable rental benchmarks in Guelph, 2010-2023



Source: City of Guelph Planning. Data from CMHC, Rental Market Survey, 2009-2022, and Statistics Canada, 2021 Census of Population, custom tabulation, income data adjusted for inflation.

8.1.2 Who can afford to rent

Figure 47 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 2022. The data shows that half of all renter households can afford the benchmark rental rate of \$944 per month.

In general, low-income renter households, with annual incomes at or below the 30th income percentile have very limited housing options in the private rental market. In Guelph, there are approximately 5,800 renter households with 2022 incomes below \$44,600 (some of whom would be residing in social housing). Only households at or above the 30th income percentile can begin to afford a rental unit in Guelph, which is a bachelor apartment, the least expensive unit type in the private rental market which had an average market rental rate of \$990 per month in 2022.

Affordable options for households at the 10th and 20th percentile would include: government subsidized housing options; shared accommodations; rooming houses; or lower cost additional dwelling units. When these affordable housing options are not available, low-income households at the 10th and 20th percentile may be at risk of becoming homeless

due to an inability to pay market rent.

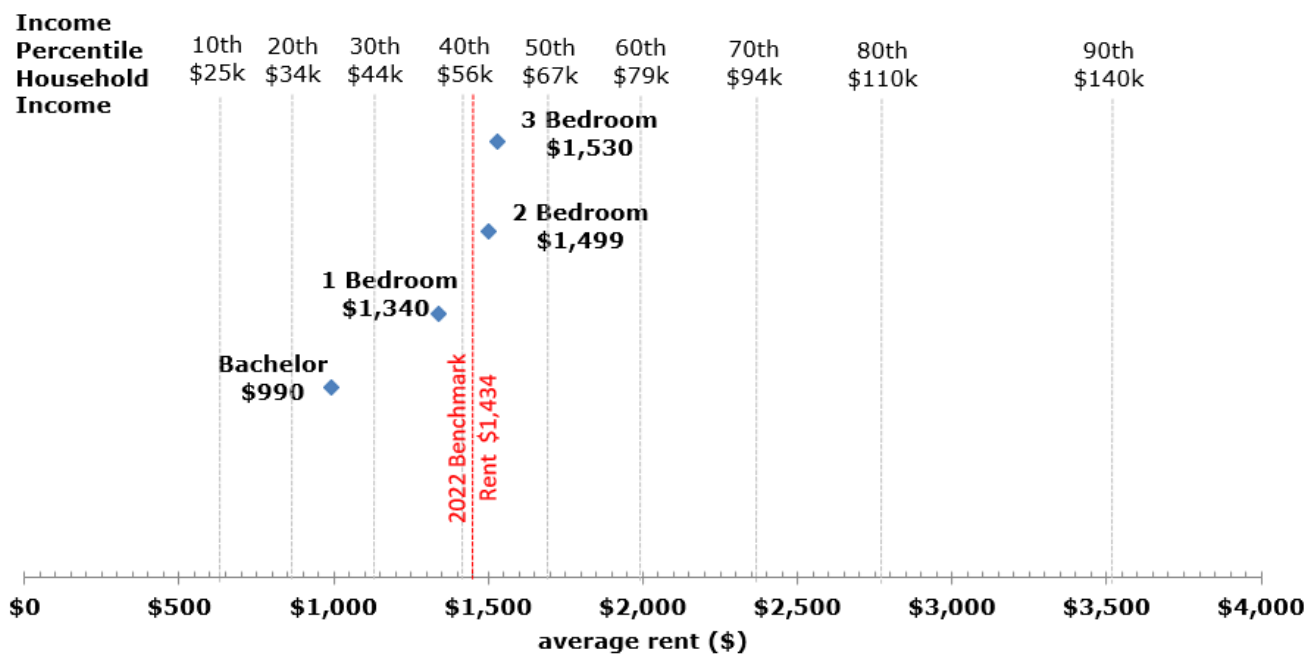
Households with incomes between the 30th and 60th income percentiles may be able to afford to rent units in the private market. However, they may not have the financial means to rent a “suitable” unit that has enough bedrooms for the size and make-up of the household. In Guelph, there are approximately 7,700 renter households with incomes between the 30th percentile (\$44,600) and the 60th percentile (\$78,933). Only households at or above the 50th percentile are able to afford two- and three-bedroom units in the private market at average rental rates for 2022.

Table 10 illustrates the difference between affordable rent and average market rent when the National Occupancy Standard is taken into consideration (also see Appendix F). As described above, the Standard 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 households below the 50th income percentile can only afford

to rent bachelor or one-bedroom apartments. This means that 50 per cent of rental households cannot currently afford private rentals with 2 or more bedrooms and households with children with household incomes below the 50th percentile will be in core housing need.

In the chart below, the blue diamonds represent the average market rental price. The top horizontal axis shows incomes by decile for renter households. The bottom horizontal axis shows the average rent each decile can afford.

Figure 47. Average primary market rents in comparison to renter income percentiles in Guelph, 2022



Source: City of Guelph Planning. Data from CMHC, Market Rental Survey, 2022, and Statistics Canada, 2021 Census of Population, custom tabulation, 2020 income data adjusted for inflation.

Table 10. Difference between affordable rent and average market rent, by renter household income percentile and minimum number of bedrooms required in Guelph, 2022

Min. Bed-rooms Req'd	# of renter house-holds	Avg. Market Rent	Difference between Affordable Rent and Average Market Rent by Renter Household Income Percentile								
			10th	20th	30th	40th	50th	60th	70th	80th	90th
Zero	7,495	\$990	(\$377)	(\$140)	\$125	\$412	\$688	\$983	\$1,356	\$1,770	\$2,515
One	3,370	\$1,340	(\$727)	(\$490)	(\$225)	\$62	\$338	\$633	\$1,006	\$1,420	\$2,165
Two	4,670	\$1,499	(\$886)	(\$649)	(\$384)	(\$97)	\$179	\$474	\$847	\$1,261	\$2,006
Three+	3,740	\$1,530	(\$917)	(\$680)	(\$415)	(\$128)	\$148	\$443	\$816	\$1,230	\$1,975

Source: City of Guelph Planning. Data from CMHC, Market Rental Survey, 2022, and Statistics Canada, 2021 Census of Population, custom tabulation, 2020 income data adjusted for inflation (see Appendix F)

Denotes households by minimum required bedrooms that cannot afford 'suitable' rental housing at average market rent

Rental benchmark data highlights

- In Guelph, only the average rental rates for private bachelor and one-bedroom units are below the 2023 benchmark rent of \$1,434 per month.
- Renter households in the 30th income percentile (\$44,600) can afford to spend a maximum of \$1,115 on shelter. These households can only afford a bachelor apartment (\$990) at current average rental rates.
- Renter households in the 40th income percentile (\$56,081) can afford to spend a maximum of \$1,402 on shelter. These households can only afford a bachelor (\$990) or one-bedroom unit (\$1,340) at current average rental rates.
- Renter households in the 50th income percentile (\$67,120) can afford to spend a maximum of \$1,520 on shelter. It is only at this income level that households are able to afford a unit with more than one bedroom at current average rental rates.
- According to National Occupancy Standard:
 - A one-person renter household below the 30th percentile income can only afford a bachelor apartment (\$990 per month) in Guelph at the current rental rates.
 - A couple with no children can only afford to rent a one-bedroom unit at the 40th income percentile.
 - A lone-parent, or couple household with children can only afford to rent a unit if their household income is at or above the 50th percentile.

8.2 Homeownership benchmark

For the affordable ownership benchmark calculations, the 2020 income percentile figures from the most recent Census have been adjusted for inflation to 2022. House prices are sourced from MPAC for 2022.

The ownership calculation assumes today's prevailing mortgage terms, a 5 per cent down payment, average utility payments and property tax rates.

Table 11. Affordable homeownership prices according to income distribution in Guelph, 2022

Percentile	10th	20th	30th	40th	50th	60th	70th	80th	90th
Income of All Households (\$)	33,781	52,107	68,445	84,452	102,668	122,539	145,722	175,529	227,414
Affordable House Price (\$)	89,151	159,322	221,884	283,178	352,927	429,016	517,787	631,921	830,599

Source: City of Guelph Planning. Data from Statistics Canada, 2021 Census of Population, custom tabulation, 2020 income data adjusted for inflation.

The 2023 ownership affordability benchmarks are as follows:

Income based benchmark

The gross annual income for all households in the 60th income percentile is \$122,539. Therefore, the income based affordable benchmark is a house price of \$429,016.

Market based benchmark

The average resale price of a house in 2022 was \$834,220. The market-based benchmark is set at 10 per cent below the average resale price at \$750,798.

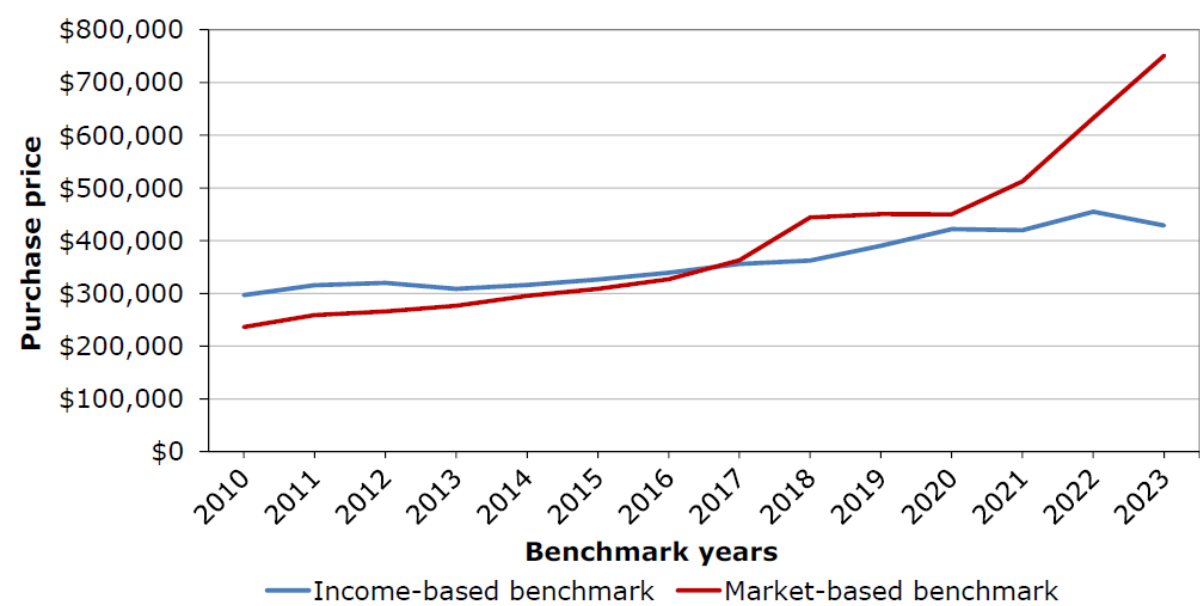
Unlike the benchmark for affordable rental units that was set using the market-based approach, for affordable homeownership, the market-based benchmark is higher than the income-based

benchmark for 2023. Therefore, the ownership benchmark for 2023 is set using the income-based benchmark.

8.2.1 How the homeownership benchmarks have changed over time

Figure 48 illustrates that until 2017, the market-based benchmark exceeded the income-based benchmark for the first time. This figure also shows that house prices started to accelerate faster than incomes around 2013. Over the 2010 to 2023 period, the income-based benchmark increased 31 per cent (from \$296,378 to \$429,016), while the market-based benchmark increased 69 per cent (from \$235,991 to \$750,798). This means that the rise in house prices have outpaced incomes for Guelph households.

Figure 48. Market versus Income based affordable ownership benchmarks in Guelph, 2010-2023



Source: City of Guelph Planning. Data from MPAC, March 2023, and Statistics Canada, 2021 Census of Population, custom tabulation, 2020 income data adjusted for inflation.

Updated average monthly utility costs were obtained using data from local utility providers. These updated utility costs will serve as the basis for defining the income-based homeownership affordability benchmark for 2024 if the new definition of an affordable residential unit is not fully implemented, or the Minister of Municipal Affairs and Housing

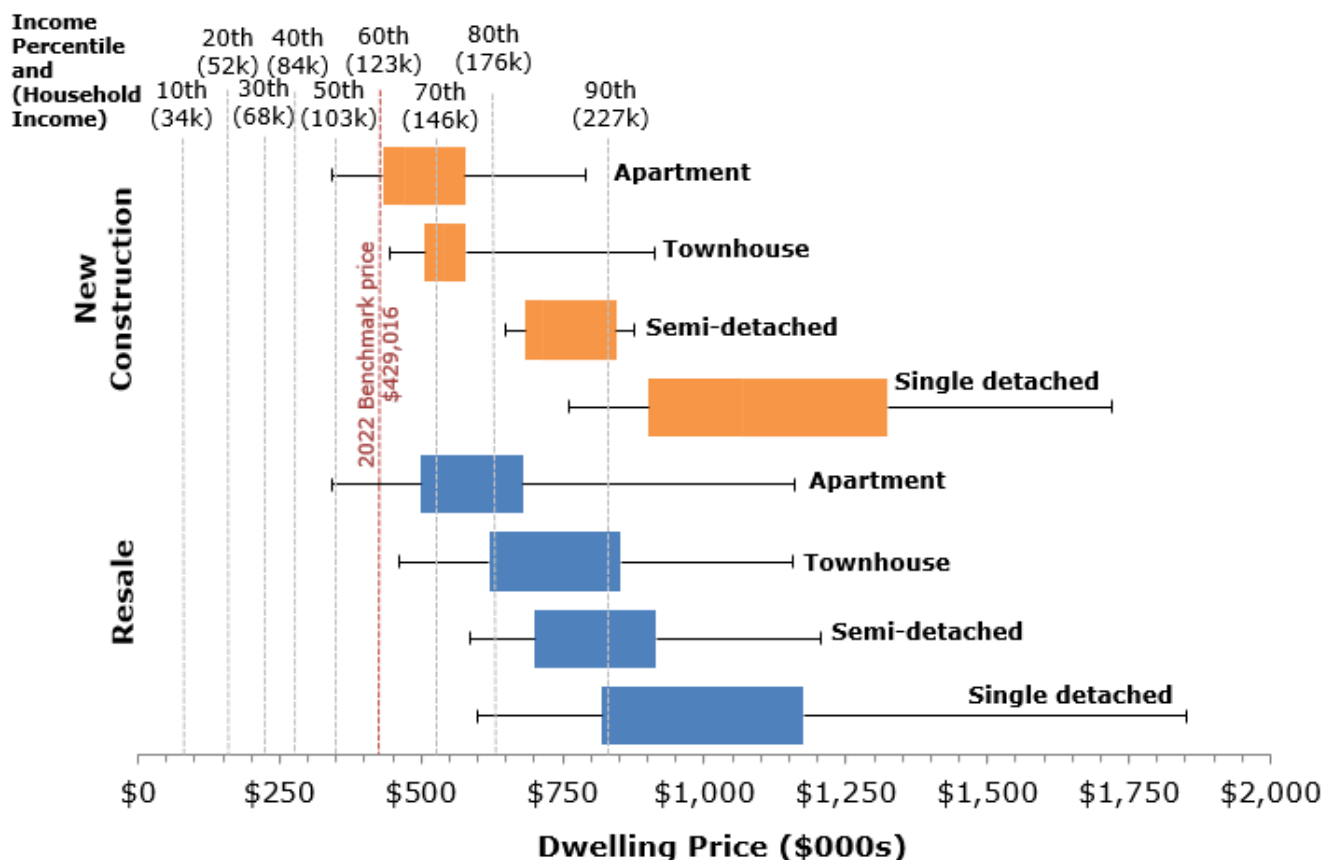
has not released updated affordable rental and homeownership benchmarks for the regional market area, as proposed through the legislative changes to the Development Charges Act. More details on the updated average utility costs are provided in Appendix D (Ownership benchmark price methodology).

8.2.1 Who can afford to purchase a home

Figure 49 (New and resale house prices in comparison to all household income percentiles for Guelph, 2022) illustrates the different dwelling types that households can afford to purchase, by comparing all household income percentile (adjusted for inflation) and average private market home sales in 2022.

The data shows that only those households at the 50th income percentile (\$102,688) in 2022 can begin to afford a home. At this income level, households can purchase a home valued at \$352,927 and only the average price for a bachelor unit fell below this price point. Half of Guelph households earn less than \$102,688 annually and cannot currently afford to own a home in Guelph.

Figure 49. New and resale house prices in comparison to all household income percentiles for Guelph, 2022



Source: City of Guelph Planning, data from MPAC, March 2023, and Statistics Canada, 2021 Census of Population, custom tabulation, 2020 income data adjusted for inflation.

In the chart above, the **blue boxes** represent the median house price range in the resale market, by type of unit, and the **orange boxes** represent the median house price in the new construction market, by type of unit. The top horizontal axis shows income deciles for households. The bottom horizontal axis shows the house price each decile can afford. The whiskers (the lines outside the coloured boxes) indicate the minimum and maximum purchase price of each unit type in 2022.

Homeownership has become increasingly unaffordable in recent years and in general, low- and moderate-income households will find it difficult to afford to purchase any homes in Guelph. Lone-parent households and couple households with children can only begin to afford a "suitable" residence with 2 bedrooms at the 80th income percentile. No households at or below the 90th percentile are able to currently afford a unit with four or more bedrooms.

Table 12 (Difference between affordable ownership and average resale price by household income percentile and minimum number of bedrooms required in Guelph, 2022) illustrates the difference between affordable ownership and average dwelling

prices when the National Occupancy Standard is 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.

Table 12. Difference between affordable ownership and average resale price by household income percentile and minimum number of bedrooms required in Guelph, 2022

Min. Bed-rooms Req'd	10% Below Avg. Resale House Price	Difference between affordable price and average resale price by income percentile and minimum size of unit required								
		10th	20th	30th	40th	50th	60th	70th	80th	90th
Zero	\$351,000	(\$261,849)	(\$191,678)	(\$129,116)	(\$67,822)	\$1,927	\$78,016	\$166,787	\$280,921	\$479,599
One	\$464,998	(\$375,848)	(\$305,677)	(\$243,114)	(\$181,820)	(\$112,072)	(\$35,982)	\$52,789	\$166,923	\$365,600
Two	\$612,097	(\$522,946)	(\$452,775)	(\$390,212)	(\$328,918)	(\$259,170)	(\$183,080)	(\$94,310)	\$19,824	\$218,502
Three	\$757,498	(\$668,348)	(\$598,177)	(\$535,614)	(\$474,320)	(\$404,572)	(\$328,482)	(\$239,711)	(\$125,577)	\$73,100
Four	\$934,588	(\$845,437)	(\$775,266)	(\$712,704)	(\$651,409)	(\$581,661)	(\$505,572)	(\$416,801)	(\$302,667)	(\$103,989)
Five+	\$1,010,145	(\$920,995)	(\$850,823)	(\$788,261)	(\$726,967)	(\$657,218)	(\$581,129)	(\$492,358)	(\$378,224)	(\$179,547)

Source: City of Guelph Planning. Data from MPAC, March 2023, and Statistics Canada, 2021 Census of Population, custom tabulation, 2020 income data adjusted for inflation (see Appendix F)

 Denotes households that cannot afford to purchase suitable housing at current resale prices.

Homeownership benchmark data highlights

- In Guelph, only households at the 60th income percentile can afford the benchmark price of \$429,016 set for 2023.
 - In the resale market, households at the 60th income percentile can afford to purchase a bachelor apartment at the average resale price.
- Households in the 30th income percentile (\$68,445) can afford a maximum purchase price of \$221,884. These households cannot afford to purchase any new residential construction, nor can they afford to purchase any units in the resale market in Guelph at current prices. Households at or below this income percentile typically seek out social housing options.
- According to the National Occupancy Standard:
 - No households can afford units with 4 or more bedrooms in Guelph at current incomes. Even at the 90th percentile, these households would need to earn approximately an extra \$50,000 per year to afford a 4- bedroom unit.
 - Only households with children at the 80th percentile can afford to purchase a suitable two-bedroom unit at resale prices in 2022.

9 Achieving the affordable housing targets

The City's Official Plan currently sets a city-wide target requiring that an average of 30 per cent of new residential development constitute affordable housing. This target is broken down into an annual target of 25 percent affordable ownership units, 1 per

cent affordable primary rental units, and 4 per cent affordable secondary rental units (which includes additional dwelling units). This section outlines how the target was established in 2017 and how the City has performed against these targets since that time.

9.1 Establishing the target

Provincial policy requires the City set a target for housing that is affordable for low- and moderate-income households. The Province currently defines affordable housing in the Provincial Policy Statement (2020) and prescribes how affordable housing is measured, but does not prescribe a target or a method to determine the target. The goal of the Housing Affordability Strategy will be to identify how best to address and facilitate housing affordability through a range and mix of housing options. Progress towards this goal is measured by a number of key indicators including the vacancy rate, core housing need, and how new residential construction is

performing against the affordable housing target.

The City is planning for a forecast population of approximately 208,000 people (201,000 people excluding the net Census undercoverage, which is the census-equivalent population) by the year 2051. Projected household growth in Guelph to 2051 equates to a long-term average of 947 new units required per year. Applying the current affordable housing target of 30 per cent equates to 285 dwelling units being affordable annually (237 ownership units and 48 rental units, of which 10 are to be primary rental units).

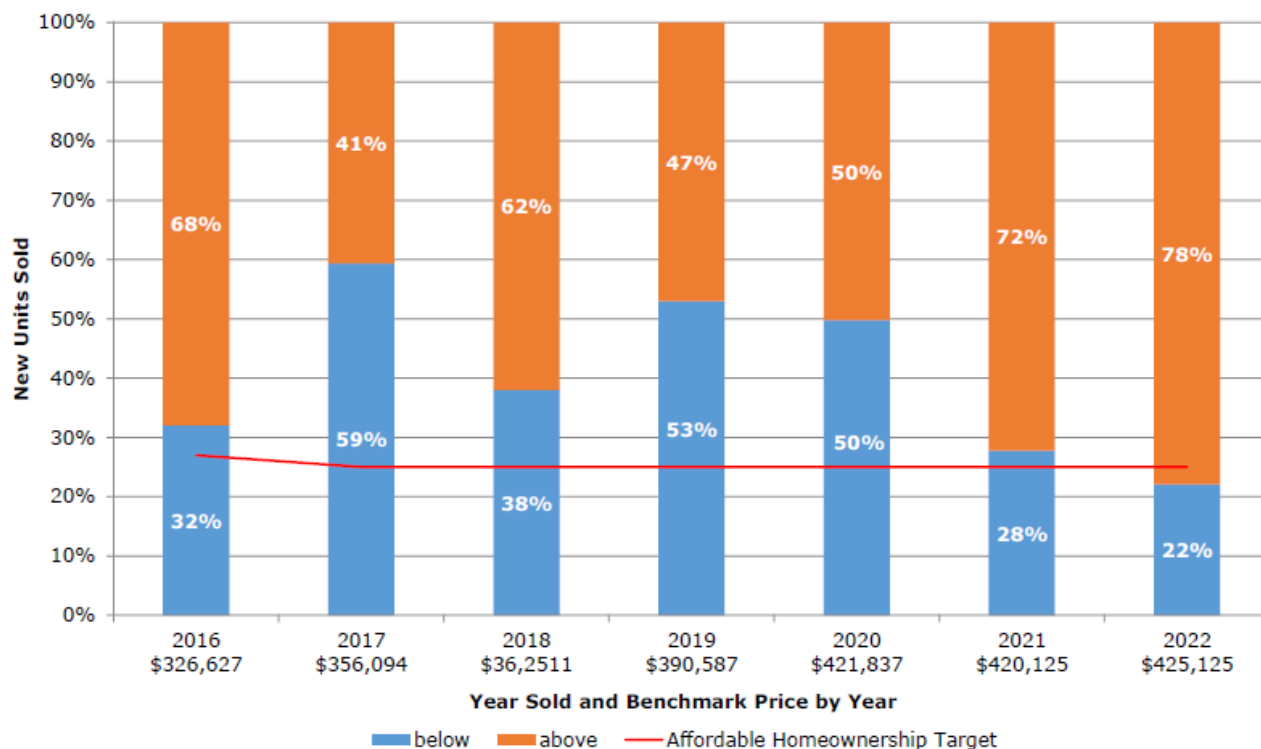
9.2 Ownership outcomes

9.2.1 New residential development

Since 2016, when the current affordable housing targets were established, the ownership target for new development (25 per cent) was exceeded each year as shown in Figure 50, until 2022 when only 22 per cent of newly built units were sold below the benchmark price. As shown in Figure 51, 2016 was the last year when any new units other than apartments or townhouses were sold below

the benchmark price. That year saw seven semi-detached, and one single detached unit sold below the benchmark price of \$352,627. Since then, all the new units sold below the benchmark price have been townhouse or apartment units. Figure 52 shows the breakdown of units by type sold above the benchmark price since 2016

Figure 50. Percentage of new units sold above and below the ownership affordability benchmark in Guelph, 2016-2022



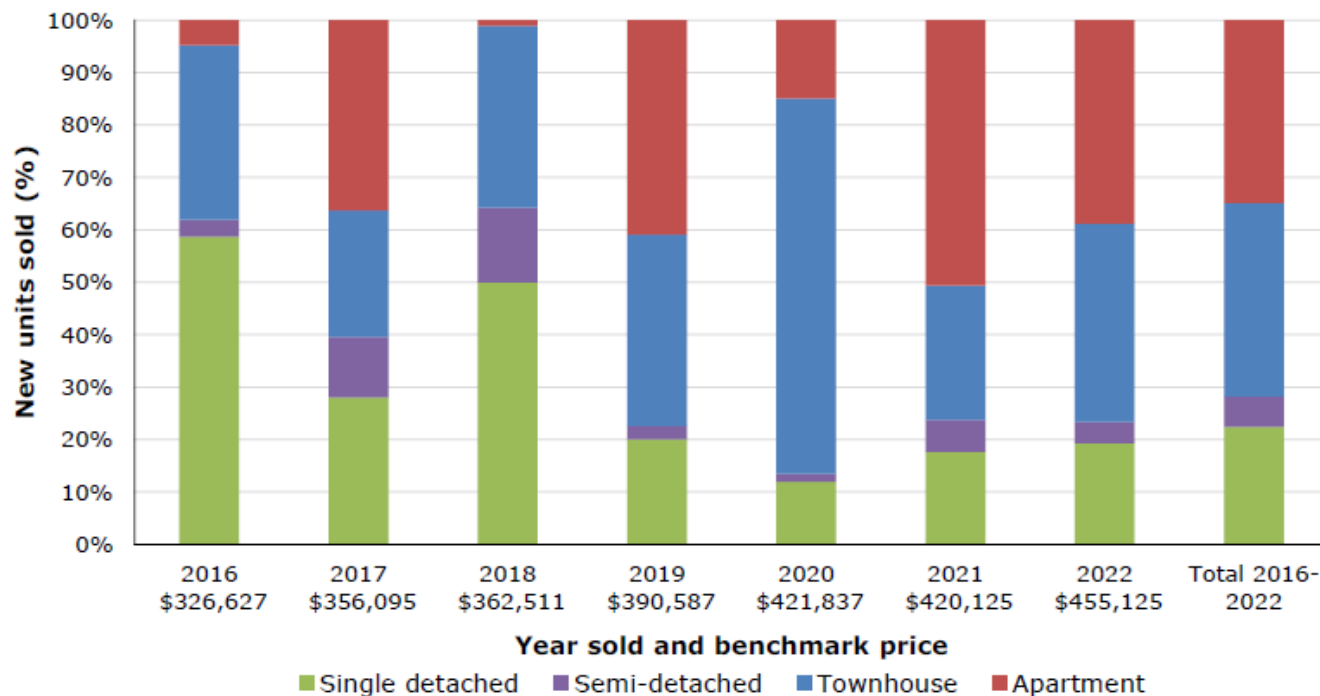
Source: City of Guelph Planning. Data from MPAC, 2016-2022

Figure 51. Percentage of new units, by type, sold below ownership affordable benchmark price (2016-2022)



Source: City of Guelph Planning. Data from MPAC, 2016-2022

Figure 52. Percentage of new units, by type, sold above ownership affordable benchmark price (2016-2022)



Source: City of Guelph Planning, Data MPAC, 2016-2022

New residential development data highlights

- Between 2016 and 2022, a total of 2,579 qualifying new units were sold; 44 per cent of these units (1,133) were priced below the benchmark price.
- The ownership affordable target (25 per cent) for new development was met every year between 2016 and 2021, but was not met in 2022, when only 22 per cent of new units were sold at or below the benchmark price of \$429,016.
- 2016 was the last year when low-density housing units were sold below the benchmark price of \$326,627 that year. All new units sold below the benchmark price have been townhouses (12 per cent) or apartments (88 per cent).
- Of all the units sold above the benchmark price since 2016, 33 per cent were single or semi-detached dwellings, 37 per cent townhouses, and 31 per cent were apartments.



9.3 Rental outcomes

9.3.1 Primary rental market

Since 2020, which was the last time the affordable purpose-built primary rental unit target was reported on in the [2020 Guelph Growth Management and Affordable Housing Monitoring Report](#), a total of 312 purpose-built rental units have been constructed or are currently under construction. This includes 32 affordable supportive housing units at 10 Shelldale Crescent, 32 affordable supportive housing units at 721 Woolwich Street, a 110-unit seniors' residence at 166 College Avenue West, and 138 rental apartments at 191 Elmira Road South. The conversion of a former hotel at 601 Scottsdale also provides an additional 151 rental suites and 13 rental units that are marketed towards postsecondary students. A mixed-income seniors' development at 120 Westmount Road that did not have set rental rates at the time

of 2020 Growth Management and Affordable Housing Monitoring report offers 115 units for rent, of which 65 of those units are rented at rates that are considered affordable.

Between early 2020 and the end of 2022, the primary rental affordable housing target of 1 per cent was met, representing 5 per cent of all new units built over the 3-year period being rented at or below the rental affordable housing benchmark of \$1,372 among purpose-built primary rental units. This affordable primary rental housing target is officially reported every 5 years and will be next reported in the 2025 Guelph Growth Management and Affordable Housing Monitoring report.

9.3.2 Secondary rental market

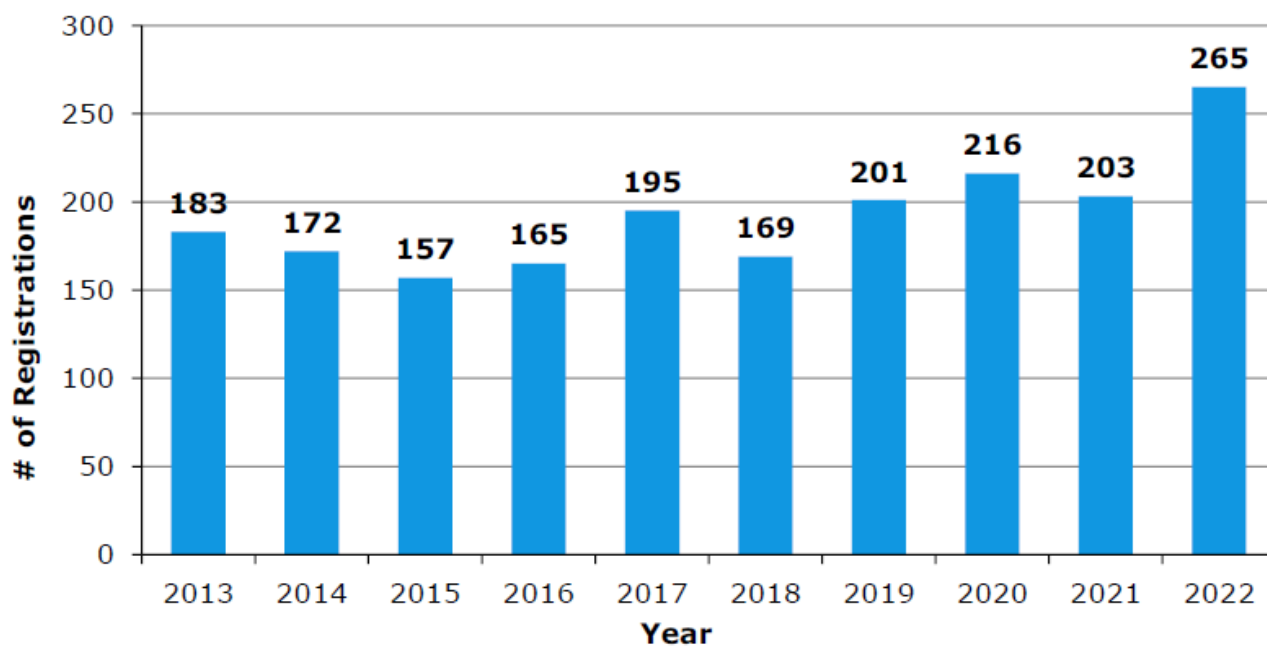
Currently, Guelph has 3,872 registered additional dwelling units (ADUs). These units serve as an important part of Guelph's housing stock, particularly from an affordability standpoint, because they are typically rented for lower than the average market rent. These units also help to increase the housing supply in Guelph without significant changes to the existing built-form and help to gently increase density and diversify the housing stock in existing neighbourhoods.

There has been a recent surge in the creation of ADUs (Figure 53), with an average of 193 units being registered each year over the past 10 years. The previous 10 years saw an average of 90 ADUs created each year. However, according to Guelph's Long-Term Housing and Population Growth report (January, 2022), it is anticipated that over the longer term, the creation of ADUs will decrease. This trend

can be attributed to the anticipated decline in the construction of low-density dwellings, which are the dwelling types that have the greatest potential for accommodating ADUs. According to the report, it is anticipated that Guelph will add an additional 2,500 ADUs to its housing stock by 2051, or a long-term average of approximately 83 units per year.

The creation of ADUs has helped Guelph achieve the secondary rental market affordable housing target of 4 per cent each year since it was established in 2017. In 2022, based on survey data from the survey of ADUs conducted in 2019, 131 of the 265 ADUs, or 11 per cent of the total new units created were rented at or below the affordable rental benchmark of \$1,372 last year.

Figure 53. Annual additional dwelling unit creation in Guelph, 2013-2022



Source: City of Guelph Planning. Data from Amanda permit tracking system, 2013-2022

Rental outcomes data highlights

- On average, 193 additional dwelling units have been created every year between 2013 and 2022.
- Since 2013, additional dwelling units have comprised at least 15 per cent of all units created in Guelph each year. Since 2020, they have comprised between 22 and 29 per cent of all units created each year.
- Guelph has consistently achieved the secondary rental market affordable housing target of 4 per cent each year since it was established in 2017.



10 Broad economic conditions and the impact to housing supply and affordability

To gain a more complete understanding of the current state of housing in Guelph, and throughout many municipalities across Canada, it is important to reflect on decisions made by upper levels of government stretching as far back as the early-to-mid 1990s. This is when various federal non-market, social housing programs were effectively cancelled (i.e., defunded) and the responsibility for housing was downloaded to the provinces, and then subsequently, to municipalities.

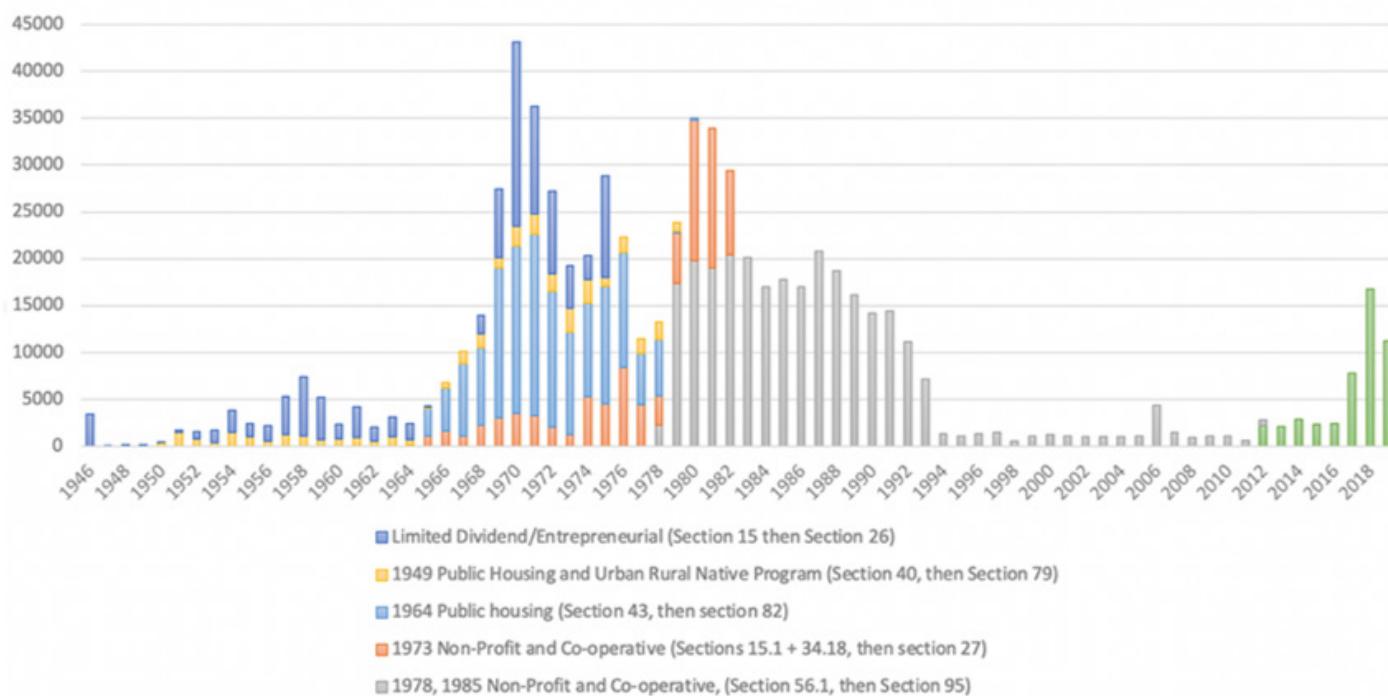
The result of the decision to cancel non-market, social housing programs has resulted in Canada now having one of the most privatized housing markets in the Organization for Economic Co-Operation and Development (OECD), and only approximately 3.5 per cent of Canada's housing stock is protected

from market influences (Young, 2023). This is in comparison to between the years 1972 and 1994, when 7 to 20 per cent of all housing built annually was considered non-market, social housing.

In 2017, the federal government recognized the need to act on the issue of declining housing affordability and released the National Housing Strategy which was accompanied by a 10-year, \$82B commitment to fund housing across Canada. Figure 54, below, shows Canada's spending on affordable housing over the decades and most notably, the sharp drop in the mid-1990s and then an increase starting in 2017 with the introduction of the National Housing Strategy.

There are several other external economic factors creating conditions that have a direct

Figure 54. Federally assisted affordable housing units (new and acquired), by program, 1946-2019



Source: The Tyee, Why Can't We Build Like It's the 1970s?, April 22, 2022



negative impact on the supply of housing and housing affordability. Factors such as availability of infrastructure, materials, financing options, labour capacity constraints, and housing market conditions are all contributing to the challenges we face with housing (CMHC, 2023). To combat these challenges, Guelph will need to collaborate with local homebuilders, community partners, agencies, and the provincial and federal governments through sustained partnerships and funding, recognizing that there is a shared responsibility to achieve solutions to these challenges.

More recently, the provincial government's defunding of social services has created a situation where there has been a significant erosion of a social safety net that also took decades to create. Municipalities, like Guelph, have been tasked with trying to find solutions to housing affordability and homelessness all while experiencing a decreasing lack of revenue from multiple sources.

10.1 Provincial and Federal funding

Most recently, the passing of Provincial Bill 23, the More Homes Built Faster Act in 2022 significantly affected municipal financing, infrastructure planning and funding. Bill 23 removed some of the City's ability to collect development charges through exemptions to affordable and non-profit housing and this has created a significant gap between the cost of infrastructure to accommodate new growth and the capital growth revenue stream. [Through consultation on Bill 23 \(2022-349\)](#), the City of Guelph requested that the provincial government fund the infrastructure financial gap for municipalities. The provincial government has since responded, promising to make municipalities "whole" on the loss of development charge revenues, however little progress has been made to-date related to this promise.

As a result, many municipalities across the province have delayed housing-related projects due to the

The following sections provide some additional context on how past provincial and federal funding decisions, interest rates, supply chain challenges, and skilled labour capacity have affected the current state of housing supply.

funding uncertainty, and many are passing budgets on the assumption that they will be made "whole" with a dollar-for-dollar replacement (CBC, 2023). These development charge exemptions will have a direct impact on Guelph's ability to fund and support the necessary infrastructure and municipal services needed to accommodate the level of growth that is required to achieve our housing targets through the provincial housing pledge.

Additionally, Guelph's [2024-2027 Multi-Year Budget](#) notes that if interest rates remain elevated or increase, it will increase debt servicing costs. This will have a negative impact on the City's ability to fund debt-financed capital projects. Increased infrastructure funding from upper levels of government would assist the City to continue to finance infrastructure projects that support new growth and help us achieve our provincial housing targets.



10.2 Interest rates

In an effort to slow the rate of inflation, the Bank of Canada steadily raised the policy interest rate from 0.25 per cent in early part of 2022 to 5 per cent by July of 2023 where it has since remained. This increase in lending rates has had an immediate impact on new and existing debts (Bank of Canada, 2023) and has impacted housing supply and housing affordability (CMHC, 2023). These increases represent the fastest and largest increase to interest rates in over 4 decades which have greatly influenced the residential construction industry as well as housing affordability (CMHC, 2022).

According to CMHC, in the first half of 2023, nearly 300,000 mortgage holders renewed their mortgages at higher interest rates, paying up to 5.45 per cent for a five-year fixed rate, and up to 7.38 per cent for a variable rate mortgage. Over the next two years, an estimated 2.2 million mortgages, representing 45 per cent of all outstanding mortgages in Canada will come up for renewal at higher interest rates. This will place additional strain on households that hold a mortgage, reducing their spending power. With incomes not keeping pace with the rate of inflation, this may put some households at risk of losing their homes.

As an example, on an outstanding five-year fixed rate mortgage, amortized over 25 years, mortgage valued at \$500,000 these interest rate increases could result in monthly payments increasing by \$1,000 per month

upon renewal (CMHC, 2023).

The significant increases in interest rates have also had an impact on the residential construction industry with increased financing costs. CMHC notes that some housing projects may become unviable at current financing rates and construction financing for future projects will become harder to obtain. The CMHC Housing Market Outlook for 2023 expects that housing starts will see a significant decline as a direct result of the increased borrowing costs for homebuilders, resulting in supply gaps that are expected to worsen. A potential looming recession will further erode consumer confidence, resulting in decreased demand for housing that will impact housing supply in the following years with delays in construction and reduced buying power for homeowners. This could directly impact Guelph's ability to achieve its provincial housing targets of constructing 18,000 homes by 2031.

[Guelph's 2024-2027 Multi-Year Budget: economic overview](#) notes that debt servicing costs will increase if interest rates remain elevated or increase. These high rates put significant pressure on the City's capital programs as available capital funding does not keep pace with cost increases. This will have a direct negative impact on the City's ability to finance infrastructure projects required for debt-financed capital projects.

10.3 Supply chain challenges

The COVID-19 pandemic forced many industries to temporarily shut down or resulted in limited production capacity, creating massive disruptions to material supply chains around the globe. While bottlenecks in the supply chain have since improved, they have not yet fully recovered (Bank of Canada, 2023). According to Statistics Canada, global conflicts are further deepening the strain on already weakened supply chains. The disruption to global supply chains have impacted industries that supply materials to the residential construction industry, further weakening the supply of housing across Canada. The Canadian Home Builders' Association notes that production shortages have greatly impacted the supply of wood for house frames, windows, plumbing materials, and appliances that

are installed in new homes. These supply chain issues have led to shortages of construction materials, resulting in price increases that are increasing the costs of residential construction and are increasing house prices for buyers of new homes.

These supply chain issues are also placing strain on infrastructure, putting upward pressure on the cost of materials and increasing project timelines for replacing aging infrastructure and new infrastructure to service new residential developments. The [City's multi-year budget \(2024-2027\)](#) notes that the cost of infrastructure projects have outpaced the current capital funding levels as commodities used in capital construction have increased in cost between 20 and 50 per cent since January of 2022.

10.4 Skilled labour capacity

The residential construction industry is dealing with skilled labour shortages that are challenging the construction of new housing. According to CMHC (2023), there is currently insufficient labour capacity to address the significant housing supply gaps. Labour capacity issues are most critical in Ontario and under CMHC's best case scenario, Ontario will need to double the labour capacity in order to adequately achieve the provinces' housing affordability supply targets by 2031. CMHC (2022) further reports that there are the fewest number of residential construction workers per unit under construction over the past 25 years. Statistics Canada reveals that there are fewer working-age individuals in key construction trades in 2021 compared to five years earlier.

Demand for these skilled trades is expected to increase over the next decade as the population continues to age and workers begin to retire. To encourage greater youth participation in residential construction to replace retiring construction workers, financial support for learning the required skills, and enhanced vocational training facilities across Canada are needed (CMHC, 2022). More targeted immigration programs to bring in skilled foreign workers can also help to reduce the impacts, however, CMHC further notes that even by bringing in more workers quickly through express immigration programs, it will take some time for the construction industry to adjust and make use of the additional workforce effectively.

10.4 Summary

A wider understanding of the historical decision-making regarding housing coupled with current external factors is essential moving forward. The housing affordability crisis that Canada is currently experiencing, and by extension Guelph, is decades in the making and will require concerted and collaborative efforts and actions by all levels of government, proportionate to the crisis. Even

more importantly, perhaps, will be forging stronger relationships with our homebuilding industry, community advocates, and local agencies to explore innovative and creative models for housing. This will take a lot of hard work and commitment but is entirely possible and the development of the Housing Affordability Strategy is a strong signal of Guelph's commitment.



11 Findings and conclusion

11.1 Key issues

Issue 1
Guelph is working towards achieving its affordable housing targets.

Issue 2
There is a need for smaller units.

Issue 3
There is a need for an increased supply of primary rental units.

Issue 4
The secondary rental market offers more affordable choices but could benefit from the stability offered by the primary rental market.

Issue 5
There is a need for an increased supply of non-market rental housing

1 Guelph is working towards achieving its affordable housing targets.

Housing affordability affects many households in Guelph. In 2021, 23 per cent of all Guelph households spent above the affordability threshold of 30 per cent (16 per cent of all owner households, and 37 per cent of renter households) spent more than 30 per cent of their income on housing. Rental households are twice as likely to be living in unaffordable accommodations and between 2018 and 2022, average monthly rental rates increased by 27 per cent, at a much faster pace than low- and moderate-household incomes.

Tenant households, with annual incomes at or below the 30th income percentile (\$44,600) have very limited housing options in the private market. Households at or below this income percentile typically seek out government subsidized housing options, shared accommodations, rooming houses, or lower-cost additional dwelling units. When these options are not available, low-income households are at a greater risk of becoming housing insecure and are at risk of becoming homeless due to an inability to pay market rent. Renter households with incomes

between the 30th and 60th income percentiles (\$44,600 and \$78,633) 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 that has enough bedrooms for the size and make-up of the household.

With respect to homeownership, low-income households, with annual incomes at or below the 30th income percentile among all households (\$68,445) cannot afford to purchase any units in the private market. These households typically seek units in the rental market, or non-market housing. Only households with incomes at or above the 50th income percentile (\$102,668) among all households, which can afford a maximum purchase price of \$352,927 can begin to afford to purchase a unit at resale prices in 2022, which was a bachelor unit, which at 90 per cent of the average resale price was \$351,000.

New construction in Guelph is not currently meeting its affordable homeownership target to provide 25

per cent of new units for sale at prices below the benchmark price. In 2022, only 22 per cent of units were sold below the affordability benchmark for homeownership of \$425,125. Over half of households in Guelph cannot afford housing at the affordable benchmark for homeownership.

The 1 per cent affordable rental target for purpose-built rentals, which is measured every five years, was not met when it was last reported on in the 2020 Guelph Growth Management and Affordability Monitoring report. During this period, Guelph added 1,250 primary rental units in Guelph, but none of those new rental units constructed in Guelph were being rented below the affordability rental benchmark of \$1,245 in 2020. At that time, the least expensive rental units were one-bedroom units with

a monthly rental rate of \$1,595. Since then, several new supportive housing projects, and a seniors' residence that began construction in early 2020 Guelph offer a combined 129 affordable rental housing options, representing nearly 5 per cent of all new construction. Additional details on these units are provided in Section 9.3.1 (Primary rental market) of this report. The primary rental housing target is officially reported on a 5-year schedule and will be next reported on in the 2025 Guelph Growth Management and Affordability Monitoring report.

The 4 per cent rental target in the secondary rental market was exceeded in Guelph last year through the creation of additional dwelling units (ADUs), when 11 per cent of ADUs were rented at or below the affordability benchmark of \$1,373 in 2022.

2 There is a need for smaller units.

The National Occupancy Standards 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, and a couple- or lone-parent household with one child requires as a minimum a two-bedroom unit, etc. Many households will prefer to reside in a unit with more bedrooms than the National Occupancy Standard requirements, however, low- and moderate-income households may not 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, particularly as homeownership becomes increasingly unaffordable, and as increasing demand for rental units continues to put upward pressure on rental prices as new rental stock does not keep pace with the demand.

The share of one-person households has experienced some of the greatest growth among household types in recent years, a trend that is expected to continue with the aging population and declining birth rates. One-person households currently comprise over 28 per cent of all household types, have the lowest median household incomes of all housing types (\$51,223), and comprise the largest share (40 per

cent) of all renter household types. Seniors (65 years of age or older) make up the largest segment (38 per cent) of all one-person households. Many of these seniors are living on fixed incomes and will require affordable housing options. The aging of the population is anticipated to 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 21,200 bachelor and one-bedroom units in Guelph, and an overabundant supply (23,200) of dwelling types consisting of three or more bedrooms.

Housing development since 2013 has started to shift away from the construction of single and semi-detached dwellings to more townhouses and apartments. Guelph's housing forecasts to 2051 indicate that this trend is anticipated to continue with the share of low-density housing stock is expected to decrease from 52 per cent of the current housing stock to 38 per cent of the housing stock in 2051. The share of high-density dwelling is expected to increase over this time from a share of 27 per cent of the existing housing stock to 39 per cent by 2051.

3 There is a need for an increased supply of primary rental units.

The vacancy rate in the private rental market in Guelph was at 1.5 per cent in 2022, below a healthy vacancy rate of 3 per cent. Guelph's vacancy rate was also below the provincial average of 1.8 per cent and the national average of 1.9 per cent, both of which are also below a healthy vacancy rate of 3 per cent. This means that even if a household has sufficient income to pay market rent, they may not be able to find an available unit. A low vacancy rate will also have the effect of placing upward pressure on market rents as competition for available units increases. CMHC reports that the demand for rental units will outpace construction of new rental units and

projects that across Canada, 3.5 million additional dwelling units will be needed before 2030 to restore affordability in the housing market.

The condominium conversion controls in the Official Plan have proven successful in retaining primary rental stock, however, the City is currently not meeting its primary affordable rental target of 1 per cent of new construction. Between 2015 and 2020, 1,250 purpose-built primary rental units were constructed, but none of these units were rented at or below the affordability benchmark.

4 The secondary rental market offers more affordable choices but could benefit from the stability offered by the primary rental market.

The current private market rental housing supply consists of approximately 16,800 units, 46 per cent of which are within the primary rental market and 54 per cent of which are in the secondary rental market (2021). The lack of primary rental market construction recently, 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). Over the last 10 years, an average of 193 new additional dwelling units have been created each year, representing as much as 25 per cent of the

new residential units created each year. As of October 2023, a total of 3,870 additional dwelling units were registered with the City.

However, the secondary rental market does not offer the same levels of permanency as a rental unit in the primary rental market. This is because individual units in the secondary rental market may be sold and legally occupied by the new owner, or through legal evictions that allow the homeowner, or the homeowner's immediate family to occupy the unit. For rental households, the secondary rental market is not as secure as the primary rental market.

5 There is a need for an increased supply of non-market rental housing.

Non-market housing refers to housing that is designed for individuals and families who cannot afford market rents, or who have needs that cannot be met in the current market. These types of units address housing challenges and social equity and include units and beds administered on the "left side" of the housing continuum. The County of Wellington is the Service Provider for non-market housing in the Wellington-Guelph service area, and the City of Guelph provides funding support to the County of Wellington for the oversight of these units. The City of Guelph also has the ability to provide

financial incentives through the Affordable Housing Reserve fund to encourage the development of affordable housing in the city.

The Service Provider manages a Central Waiting List for those waiting for subsidized housing. The current average wait time for households on the Central Waiting List to secure a subsidized unit is 5 years, with some households waiting longer than 8 years. There are exceptions for applicants meeting Special Priority Status or Local Priority categories to receive prioritized housing. However, the Central Waiting

List has seen a significant increase in the number of applicant households. In the early part of 2019, there were 1,986 households on the list, and by the end of 2022 the number of households on the waiting list peaked at 3,377. By the end of July 2023, the number of households on the waiting list declined slightly to 3,183 households. The number of households on the Central Waiting List has increased by 60 per cent in just over four years. Despite the slight decrease in the number of households on the list between December 2022 and July 2023, there is still a significant demand beyond the current supply of subsidized housing.

According to County of Wellington Housing Services, which monitors trends among individuals experiencing chronic homelessness, on the By-Name-List, the average number of unique individuals accessing emergency shelters has risen from 52 in 2018 to 79 in 2022.

More recent data from June of 2023 shows that there has been a substantial increase with an average of 105 individuals accessing emergency shelters on a nightly basis. This same data shows that the duration for which individuals are accessing emergency shelters has also increased since 2018 from 25 days to 55 days. The number of families that are experiencing homelessness has also risen over the past year from 4 individuals in a family situation in July of 2022 to an average of 20 individuals in a family situation in 2023.

Since 2005, funding has been secured to support the construction of 454 units of affordable housing in Wellington-Guelph, of which 319 units are within the City of Guelph. An additional 28 units of affordable supportive housing units in Guelph are expected to begin construction in 2024.

11.2 Conclusion

This State of Housing report presents the results from a statistical analysis of demographic, economic and housing data for Guelph, and identifies five key issues where improvements can be made to advance the City's targets for affordable rental and ownership housing.

This report will serve as the foundation for the next phases of the Housing Affordability Strategy and identify recommendations, within the scope of the City's influence, that will help to close the gaps in housing affordability.

Collaboration and strengthening partnerships throughout this work will be critical to the success of implementing any identified recommendations. We are taking an all-hands-on-deck approach to finding solutions to housing affordability in Guelph.

References

1. Alectra Utilities (2023). Average monthly electric bill for Guelph, based on time of use, Residential service classification.
2. Bank of Canada (October 25, 2023). Policy interest rate. <https://www.bankofcanada.ca/core-functions/monetary-policy/key-interest-rate/>
3. Bank of Canada (2023). Monetary Policy Report, October 2023. <https://www.bankofcanada.ca/wp-content/uploads/2023/10/mpr-2023-10-25.pdf>
4. Canadian Broadcast Corporation (2023). Municipalities feel impacts of Ford government's housing law, worry over little audit progress, March 13, 2023. <https://www.cbc.ca/news/canada/toronto/bill-23-housing-audits-worry-1.6776917>
5. Canadian Home Builders' Association (2022). Global material supply and price issues continue to impact Canadian builders and home buyers. Accessed November, 2023. https://www.chba.ca/CHBA/BuyingNew/Supply_Chain_Issues/CHBA/BuyingNew/Supply_Chain_Issues.aspx
6. Canadian Mortgage and Housing Corporation (March 31, 2018). About Affordable Housing in Canada. <https://www.cmhc-schl.gc.ca/professionals/industry-innovation-and-leadership/industry-expertise/affordable-housing/about-affordable-housing/affordable-housing-in-canada>
7. Canadian Mortgage and Housing Corporation (2023). Rental market data. CMHC Rental Market Survey, October 2022.
8. Canadian Mortgage and Housing Corporation (2022). Canada's housing supply shortage: skilled labour capacity, October 6, 2022. <https://www.cmhc-schl.gc.ca/media-newsroom/news-releases/2022/canada-housing-supply-shortage-skilled-labour-capacity>
9. Canadian Mortgage and Housing Corporation (2022). Housing Market Insight, Canada, Labour Capacity Constraints and Supply Across Large Provinces in Canada, October, 2022. <https://assets.cmhc-schl.gc.ca/sites/cmhc/professional/housing-markets-data-and-research/market-reports/housing-market-insight/2022/housing-market-insight-canada-m10-en.pdf>
10. Canadian Mortgage and Housing Corporation (January 26, 2023). Rental supply increases but demand surges. <https://www.cmhc-schl.gc.ca/blog/2023/rental-supply-increases-but-demand-surges>
11. Canadian Mortgage and Housing Corporation (February 2023). Housing Market Information, Rental Market Report, January 2023 edition.
12. Canadian Mortgage and Housing Corporation (April 27, 2023). Lower house prices and less supply projected for 2023. <https://www.cmhc-schl.gc.ca/blog/2023/lower-house-prices-less-supply-projected-2023>
13. Canadian Mortgage and Housing Corporation (2023). National Occupancy Standard, 2023.
14. Canadian Mortgage and Housing Corporation (2023). Rental Market Statistics – Guelph, 2018-2022.
15. Canadian Mortgage Trends (January 1, 2023). Avg. 5-yr fixed rate on new insured mortgages, 2022 – A Year in Review, 2022. <https://www.canadianmortgagetrends.com/2023/01/2022-year-in-review/>
16. Canadian Mortgage and Housing Corporation (2023). Mortgage loan insurance and premiums.

References

17. City of Guelph (2019). Registered accessory apartment survey results, February 2020.
18. Canadian Mortgage and Housing Corporation (2023). Rising rates on homeowners and the shocks that lie ahead, November 9, 2023. <https://www.cmhc-schl.gc.ca/blog/2023/rising-rates-homeowners-greatest-shocks-lie-ahead>
19. City of Guelph, Environmental Services (2023). Average annual water and wastewater utility bill for Guelph residential dwellings, 2023.
20. City of Guelph (2023). 2024-2027 Multi-Year Budget: economic overview. Accessed November 23, 2023. <https://guelph.ca/city-hall/budget-and-finance/city-budget/2024-2027-multi-year-budget/2024-2027-myb-economic-overview/>
21. City of Guelph (2023). 2023 tax rates. Tax rates and capping parameters. <https://guelph.ca/city-hall/budget-and-finance/property-taxes/tax-rates-and-ratios/#2023-tax-rates>
22. County of Wellington (2022). 2022 Housing and Homelessness Plan (HHP) Annual Report: A place to call home.
23. County of Wellington (2023). Housing income limits (as of January 2023). Planning, Policies and Data. <https://www.wellington.ca/en/social-services/hs-plans-policies-and-data.aspx#Housing-Income-Limits-as-of-January-2023->
24. County of Wellington Housing Services (2023). Status and Activity Report – 2023 Q1&Q2 (January 1 - June 30, 2023). Guelph, ON; County of Wellington.
25. County of Wellington, Housing Service Division (September 2023). 2024/2023 Preliminary Budget Impacts.
26. Grodzinski E. (2019). A Place to Call Home - A 10-year Housing and Homelessness Plan for Guelph-Wellington – Five Year Update (2020-2024). Guelph, ON; County of Wellington.
27. Ministry of Municipal Affairs and Housing (2020). Provincial Policy Statement, 2020. Queen's Printer for Ontario, 2020.
28. Municipal Property Assessment Corporation (2023). Property Assessment Information as of December 31, 2022.
29. Ontario Energy Board (2023). Calculate an estimated monthly bill, Enbridge Gas.
30. Statistics Canada (March 18, 2021). North American Industry Classification System (NAICS) Canada 2017 Version 3.0. <https://www23.statcan.gc.ca/imdb/p3VD.pl?Function=getVD&TVD=1181553>
31. Statistics Canada (November 22, 2021). Housing experiences in Canada: Recent Immigrants in 2018. <https://www150.statcan.gc.ca/n1/pub/46-28-0001/2021001/article/00005-eng.htm>
32. Statistics Canada (October 6, 2022). Fewer babies born as Canada's fertility rate hits a record low in 2020. <https://www.statcan.gc.ca/o1/en/plus/960-fewer-babies-born-canadas-fertility-rate-hits-record-low-2020>

References

33. Statistics Canada (November 9, 2022). Disaggregated trends in poverty from the 2021 Census of Population. <https://www12.statcan.gc.ca/census-recensement/2021/as-sa/98-200-X/2021009/98-200-X2021009-eng.cfm>
34. Statistics Canada (November 30, 2022). Has the COVID-19 pandemic changed commuting patterns for good? <https://www150.statcan.gc.ca/n1/daily-quotidien/221130/dq221130c-eng.htm>
35. Statistics Canada (2023). Table 18-10-0005-01 Consumer Price Index, annual average, not seasonally adjusted.
36. Statistics Canada. 2023. Special tabulation, based on 2021 Census of Population.
37. Statistics Canada (October 4, 2023). A tale of two renters: Housing affordability among recent and existing renters in Canada. <https://www12.statcan.gc.ca/census-recensement/2021/as-sa/98-200-X/2021016/98-200-X2021016-eng.cfm>
38. Statistics Canada. Table 98-10-0453-01 Job permanency by highest level of education, occupation major group, employment income statistics, age and gender: Canada, provinces and territories, census metropolitan areas and census agglomerations with part
39. The Tyee, Why Can't We Built Like It's the 1970s? April 22, 2022. Accessed November 25th, 2023. <https://thetyee.ca/Analysis/2022/04/22/Why-Cant-We-Build-Like-1970s/>
40. The Vanier Institute of the Family (July 28, 2022). Sharing a Roof: Multigenerational Homes in Canada (2021 Census Update). <https://vanierinstitute.ca/sharing-a-roof-multigenerational-homes-in-canada-2021-census-update/#:~:text=Multigenerational%20households%20are%20increasing%20faster,6.4%25%20of%20the%20total%20population>
41. Watson and Associates (December 2021). Shaping Guelph Growth Management Strategy and Land Needs Assessment Report.
42. Watson and Associates (January, 2022). City of Guelph Long-term Population and Housing Growth.
43. Young, Rebekah (January 18, 2023). Canadian Housing Affordability Hurts. Accessed November 27, 2023. <https://www.scotiabank.com/ca/en/about/economics/economics-publications/post.other-publications.insights-views.social-housing--january-18--2023-.html>

Appendix A Key Terminology

Additional dwelling unit (ADU)

A dwelling unit that is self-contained and subordinate to a primary dwelling. It can be located within the same building or on the same lot of a primary dwelling unit in a detached building. They are often referred to as “accessory apartments”, “basement apartments”, “in-law suites”, or “garden suites”.

Adequate housing

Housing is defined as adequate if it is only in need of regular maintenance, or minor repairs and is not in need of major repairs.

Affordable housing

Shelter costs that do not exceed 30 per cent of total before-tax household income, as defined by the Canadian Mortgage and Housing Corporation (CMHC).

Affordable ownership housing

Housing with a purchase price that is “affordable” (i.e., does not exceed 30 per cent of gross annual household income) to households of low- and moderate-income (i.e., households within the lowest 60th percentile of the income distribution for the regional market area); or housing for which the purchase price is at least 10 per cent below the average price of a resale unit in the regional market area.

Affordable rental housing

Rental housing where the monthly shelter cost does not exceed 30 per cent of the combined gross income (i.e., before tax) for renter households, 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 dwelling unit 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 (homeownership)

As defined by the Provincial Policy Statement (2020):

- **Income-based benchmark price:** the price that is affordable to the 60th income percentile for all households.
- **Market-based benchmark price:** 10 per cent below the average resale price of housing in the regional market area.

Benchmark rent

As defined by the Provincial Policy Statement (2020):

- **Income-based benchmark rent:** the monthly rental rate that is affordable to low- and moderate-income households, defined as the 60th income percentile for renter households.
- **Market-based benchmark rent:** the average primary market rent as reported by CMHC.

Census Metropolitan Area (CMA)

An area defined by Statistics Canada that consists of one or more neighbouring municipalities which have a high degree of integration as measured by commuting flows from census data. These municipalities are situated around an urban area with a total combined population of at least 100,000 people. 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 a property (e.g., apartments) are owned by individuals and the common areas or parts of the property (e.g., grounds, amenities, and building structure) are owned jointly by the unit owners who live in the same building or on the same property. Fees are usually collected by the owners of all the units in the same building or property to maintain the common areas.

Core housing need

A household is said to be in core housing need if its housing falls below at least one of the adequacy, affordability, or suitability indicator thresholds as outlined below:

- Adequate housing are reported by their residents as not requiring any major repairs.
- Affordable dwellings where total shelter costs are less than 30 per cent of the total before-tax household income.

Appendix A Key Terminology

- Suitable housing has enough bedrooms for the size and make-up of resident households, according to National Occupancy Standard requirements.

A household is not in core housing need if its housing meets all of the adequacy, suitability and affordability standards. Regardless of their circumstances, a non-family households that is led by primary household maintainers aged 15 to 29 years old who are attending school full-time are considered to be in a transitional stage of life and therefore not in core housing need.

Decile

Is a statistical measure of a way to divide a group (i.e., population) into ten equally sized smaller groups, where each decile represents 10 per cent of the population.

Density (low, medium, high)

A measure of the number of people or the number of dwelling units within a defined area (e.g., a parcel of land). Single detached dwellings are considered low density housing, townhouses are considered medium density, and apartments are most often considered 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. These units do not form part of a condominium. Most single detached, semi-detached and on-street townhomes are considered freehold ownership units.

Homelessness

An individual or family without stable, permanent, appropriate housing, or the immediate prospect, means and ability of acquiring it. Homelessness can be 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 to own property. In simple terms, it means a dwelling unit that is owned and occupied by the owner.

Household

One or more people who occupy a single housing unit as their usual place of residence. This can consist of related individuals, such as a family unit, or roommates sharing a dwelling unit. It is a way of describing or categorizing people based on their living arrangements and the sharing of a common living space.

Household type

The basic division of private households into the following family and non-family households. According to Statistics Canada:

- Census family is defined as a married couple and the children, if any, of either and/or both spouses; a couple living common law and the children, if any, of either and/or both partners; or a parent of any marital status in a one-parent family with at least one child living in the same dwelling and that child or those children. All members of a particular census family live in the same dwelling. Children may be biological or adopted children regardless of their age or marital status as long as they live in the dwelling and do not have their own married spouse, common-law partner or child living in the dwelling. Grandchildren living with their grandparent(s) but with no parents present also constitute a census family.
- Non-census-family households are either one-person living alone or a group of two or more persons who live together but do not constitute a census family.
- Other family households refer to one-census family households with additional persons and multiple-census-family households with or without additional persons.

Low-income measure after tax (LIM-AT)

A fixed percentage (50%) of median adjusted after-tax income of households observed at the person level,

Appendix A Key Terminology

where ‘adjusted’ indicates that a household’s needs are taken into account.

Low- and moderate-income households

Households with gross annual incomes in the lowest 60th income percentile of households in a regional market area. Low income households are those below the 30th income percentile in the regional market area, while moderate-income households are those between the 30th and 60th income percentile.

Market housing

Housing produced by the private sector that are available for rent or purchase without any government restrictions, or government subsidies. These are units that can be bought, sold or rented at prices determined by location, size, and the price that people are willing to pay in the open market.

Market rent

The rent that a dwelling unit, as set by the landlord per month in the open market and is without any special discount, income restrictions, or government subsidies. It is the going rate for renting a unit in the open market that considers location, features, size, and price that people are willing to pay in the open market.

Multigenerational households

Term used to describe a household with three or more generations of a family. These households contain at least one-person who is both the grandparent of a person in the household and the parent of another person in the same household.

National Occupancy Standard

The National Occupancy Standard offers a measure for what is considered “suitable” housing, taking into account the number of bedrooms and the number of occupants that a particular housing unit can comfortably accommodate (i.e., not overcrowded). According to the National Occupancy Standard, “suitable” housing is based on the number of bedrooms a household requires, based on the following criteria:

- A maximum of 2 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 from their children.
- 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 of age of the same sex may share a bedroom, except lone parents and those living as part of a married or common-law couple.
- Household members under 5 years of age of the opposite sex may 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, and odd number of females under 18 and at least one female and one male under the age of 5.

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 is considered to be living in suitable accommodations).

Net census undercoverage

The net census undercoverage is a correction by Statistics Canada that adjusts the population after the Census has been conducted to include individuals who should have been counted in the census but were not initially counted. It is important to note that key census indicators and census data do not include the net census undercoverage. Statistics Canada does not amend published census indicators or data based on the net census undercoverage estimate, but does issue a publication with updated population estimates.

Non-market housing

Housing that is in part, or wholly financed by the government. This can include shelters, transitional housing, supportive housing, rent-geared-to-income units, and subsidized rental housing.

Appendix A Key Terminology

Percentile

A statistical measure used to describe the distribution of a particular variable. In the context of this report, it is a way to divide the population into parts to understand how different groups within a population compare to each other. For example, dividing people's incomes into deciles, the first decile (i.e., 10th decile) would represent the lowest incomes of 10 per cent of population.

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 (i.e., shelter costs). Where more than one member of a household contributes to the payments, it is the first person listed on the Census form.

Primary rental market

Self-contained, purpose-built residential dwelling units located within a structure that has three or more units where the primary purpose of the structure is to house renter households.

Prime household formation

Refers to the stage in life when adults typically move out of their parents' home on their own and establish their own households (i.e., forming a new household) by renting or purchasing a dwelling unit. This period is called "prime" because it's when individuals are best positioned to create their own household due to factors such as starting a job, getting married, or becoming more financially independent.

Secondary rental market

Self-contained units not included in the primary rental market. Secondary rental market units may include rented condominium apartments, additional residential unit (e.g. accessory apartments), rented single detached dwellings, or mixed-use buildings with fewer than three apartments.

Shelter costs

Amount paid by a household for their dwelling, such as:

- **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

Permanent rental housing that is at least partly financed through government funding. These units are typically rent-geared-to income, where tenants pay no more than 30 per cent of their household income in rent and the remainder is subsidized through government contributions. Social housing includes: public housing (which is 100 per cent rent-geared-to-income), municipal and private non-profit rentals, and cooperative housing.

Subsidized rental

Financial subsidies, generally provided through government funding, which are used to help offset rental rates in primary and secondary market rental units for low-income households (i.e., rent supplements).

Suitable housing

Housing that has enough bedrooms for the size and make-up of resident households, according to National Occupancy Standard requirements.

Supportive housing

Supportive Housing refers to housing that combines rental assistance (i.e., rent subsidy) with individualized health support services for people with high needs related to physical or mental health, developmental disabilities, or substance use. Unlike transitional housing, this type of housing is permanent rental accommodation and does not have a maximum length of stay duration.

Transitional housing

Transitional Housing refers to temporary or time-limited housing units (up to 3 years) that provide an intermediate step between homelessness or emergency shelters and permanent housing and are intended to prevent a return to homelessness.

Appendix A Key Terminology

Transitional housing units are targeted to individuals in need of structure, support and/or skill building by providing a safe and stable housing option along with individualized support services that could include health, mental health, substance use supports, counselling, job training and placement, community activities, and help with life skills.

Vacancy rate

The average number of primary market rental units in a regional market area that are unoccupied, divided by the total number of primary market rental units in the same market area. The vacancy rate among primary market rental units is determined by the Canadian Mortgage and Housing Corporation (CMHC) through an annual primary market rental survey that is conducted each October in Guelph.

Appendix B Housing Continuum Methodology

Non-market housing

The number and type of non-market housing units is based on data provided by the County of Wellington Housing Services division.

Market housing

The number and type of private market housing units is based on a combination of data as reported by the 2021 Census of Population and CMHC's definition of primary rental housing.

Secondary rental housing

The number of accessory apartment units is based on the City's list of registered additional dwelling units (ADUs) as of October, 2023. Other Secondary Rental Units include rental units that are not accessory apartment units.

Ownership housing

Ownership housing counts was determined by the number of owner households in Guelph as reported by the 2021 Census of Population.

Appendix C Secondary rental market research methodology

Accessory Apartment (Additional dwelling unit) survey

The survey was undertaken to gain a better understanding of accessory apartments (now referred to as additional dwelling units) and their contribution to the rental market. Owners of accessory apartments are asked to complete a survey to help the City understand the characteristics of this form of rental housing. The results provided information about the current use of the unit, parking requirements, rental prices, vacancy rates and occupancy.

On October 25, 2019, a notice was mailed out to accessory apartment property owners within the City requesting their participation in an online survey active from October 25th to November 18th, 2019. The notice also provided owners with the option of requesting a hardcopy of the survey.

In total, 3,027 notices were mailed out and 444 responses were collected, resulting in a response rate of 14.7 per cent. The list included 3,646

accessory apartment properties as of October 15, 2019. A number of individuals own multiple properties with accessory apartments, which accounts for the reduced number of mailings compared to the number of units.

The mailing list included properties with a registered accessory apartment, in the process of registering an accessory apartment, suspected of having an accessory apartment, and cancelled submissions. The survey asked owners 37 questions about their property regarding current use of the unit, occupancy, challenges of creating an accessory apartment, construction costs, rental prices, parking, etc. A short-term rental (less than 28 consecutive days) was also asked regarding the average length of stay for occupants of the accessory apartment. Not all of the respondents replied to all questions since some questions were not applicable to all respondents based on current accessory apartment use.

Appendix D Ownership benchmark price methodology

House price and benchmarking information is based on an analysis of the MPAC database of residential dwelling sales between January 1, 2022 and December 31, 2022.

The data was refined to only capture home sales based on the following criteria:

- Structure types that include: single detached, semi detached, condominium apartments, and townhouse
- Sale prices were greater than \$50,000
- Sales code prefixes that include: open market sale, builder sale, and sale amount not reflective of registered date
- Sales code suffixes: other, residential condominium, sale to person whose principal occupation is other than farming, semi-detached, single family detached
- Records with no data for any of the above categories were excluded from the analysis.

The data was then reviewed to exclude any obvious outliers and anomalies where the ratio

of the following were too dissimilar compared to other similar properties:

- Sales price to assessed value ratio
- Sales price to floor area ratio.

Differentiating between new home sales and home resales was done by reviewing the sale date relative to the year the dwelling was built and whether the sales code prefix indicated it was a builder sale to a new owner.

The average resale price was calculated across all structure types and the value of 10 per cent below that average resale price is set as the ownership benchmark price using the market-based method. Records were then assessed as to whether the dwelling sale was above or below the benchmark price. Sale prices below the benchmark price were used to determine whether the City was meeting its housing affordability targets for homeownership.

Table D1. Income-based affordable homeownership benchmark price calculation in Guelph, 2022

	Income percentile of all households								
Income Percentile all households	10th	20th	30th	40th	50th	60th	70th	80th	90th
Gross annual household income (2020)	\$30,600	\$47,200	\$62,000	\$76,500	\$93,000	\$111,000	\$132,000	\$159,000	\$206,000
Consumer price index rate of increase (2020-2022)	10.40%	10.40%	10.40%	10.40%	10.40%	10.40%	10.40%	10.40%	10.40%
Gross annual household income (2022 adjusted) ^[1]	\$33,781	\$52,107	\$68,445	\$84,452	\$102,668	\$122,539	\$145,722	\$175,529	\$227,414
Percent of income spent on housing	30%	30%	30%	30%	30%	30%	30%	30%	30%
Annual income spent on housing	\$10,134	\$15,632	\$20,534	\$25,336	\$30,800	\$36,762	\$43,717	\$52,659	\$68,224
Monthly income spent on housing	\$582.05	\$1,040.20	\$1,448.66	\$1,848.84	\$2,304.22	\$2,801.00	\$3,380.58	\$4,125.75	\$5,422.89
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]	1.18%	1.18%	1.18%	1.18%	1.18%	1.18%	1.18%	1.18%	1.18%
Monthly property tax rate	0.098%	0.098%	0.098%	0.098%	0.098%	0.098%	0.098%	0.098%	0.098%
Mortgage insurance standard premium rate ^[6]	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Monthly premium rate (over 25 years)	0.013%	0.013%	0.013%	0.013%	0.013%	0.013%	0.013%	0.013%	0.013%
Down payment (percentage of total price)	5%	5%	5%	5%	5%	5%	5%	5%	5%
Monthly mortgage factor	0.005697084	0.005697084	0.005697084	0.005697084	0.005697084	0.005697084	0.005697084	0.005697084	0.005697084
Maximum affordable house price	\$89,151	\$159,322	\$221,884	\$283,178	\$352,927	\$429,016	\$517,787	\$631,921	\$830,599

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

[1] Statistics Canada, 2021 Census of Population, custom tabulation, adjusted for inflation (CPI of all goods in 2022)

[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, 2022.

[6] CMHC, 2022

Appendix D Ownership benchmark price methodology

There are several key limitations of this approach:

- Hydro, heating, and water and wastewater costs are based on the Guelph average among all residential users and has been applied uniformly across all percentiles. It is likely that 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.

Updated average monthly utility costs were obtained using data from local utility providers. These updated utility costs will serve as the basis for defining the income-based homeownership affordability benchmark for 2024 if the new definition for an affordable residential unit is not fully implemented at that time. The updated rates are found in Table 13 and represent a negligible change.

Table 13. Updated average utility rates in Guelph.

Updated Utility Rates 2024	Utility Provider	Average monthly rate (\$)
Hydro ^[1]	Alectra Utilities	\$125
Heat ^[2]	Enbridge Gas	\$76
Water and wastewater ^[3]	City of Guelph	\$78

Sources:

[1] Alectra Utilities Ltd., Residential Service Classification at Time of Use, Tariff of Rates and Charges, January 2022.

[2] Ontario Energy Board, Enbridge average bill calculator, 2022

[3] City of Guelph, Water and Wastewater Rates, 2023

The key variables in calculating the income-based ownership benchmark over time are shown below. The key factor increasing the benchmark price is the increase in incomes at the 60th percentile, per the Census, adjusted for the rate of inflation using the Consumer Price Index (CPI) of all goods. The key factor in reducing the benchmark price is the rapid change in mortgage lending rates in 2022 when the Bank of Canada raised its policy interest rates from 0.25 per cent in January of 2022 to 4.25 per cent by the end of the year. This led to an increase in the average 5-year fixed rate on new mortgages from 2.12 per cent to 4.79 per cent in

2022. Increases in mortgage lending rates reduces the purchasing power of home buyers, meaning that buyers were able to afford a more expensive home in early 2022 than they could towards the end of the year.

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

Appendix D Ownership benchmark price methodology

Table D2. Variables used in calculating the income-based ownership benchmark price in Guelph, 2018-2022

Year	Property Tax Rate	Monthly Mortgage Rate	60th Percentile Income	Monthly Mortgage and Tax	Mortgage Rate	Income Based Benchmark
2018	1.17%	0.004758148	\$98,437	\$2,198	3.05%	\$390,588
2019	1.14%	0.004534627	\$101,475	\$2,274	2.61%	\$421,837
2020	1.12%	0.004006513	\$101,106	\$2,265	1.52%	\$420,125
2021	1.14%	0.004292642	\$104,501	\$2,350	2.12%	\$455,125
2022	1.18%	0.005697084	\$122,539	\$2,801	4.79%	\$429,016

Table D3. Mortgage factor assumptions, 2022

Variable	Value	Comments
Sales price	\$105,263	The sales price of the housing unit. (note: \$105,263 was chosen for simplicity sake, where a 5 per cent downpayment would equate to a \$100,000 mortgage)
Mortgage loan-to-value ratio	95%	The proportion of the amount borrowed to the value of the sales price. (A 5 per cent down payment yields a 95 per cent loan-to-value ratio.)
Present value of loan	\$100,000	The present value of the loan, when it is borrowed.
Nominal annual interest rate	4.79%	The interest rate on the loan, as advertised by the bank. (Source: Canadian Mortgage Trends, average 5-year fixed rate on new insured mortgage, 2022)
Compounding periods per year	2	Mortgage interest is compounded semi-annually in Canada.
Effective annual interest rate	4.85%	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	4.74%	The equivalent interest rate charged monthly that includes the effect of semi-annual compounding.
Amortization period	25	The amount of time to pay off your loan. This is the maximum amortization period permitted in Canada on an insured mortgage.

Appendix D Ownership benchmark price methodology

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	0.005697084
Total value of monthly loan payments	\$176,176
Total interest portion	\$70,913
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
....					
299	\$1,133	\$570	\$4	\$565	\$567
300	\$532	\$534	\$2	\$532	\$0

Appendix E Number and type of units sold in relation to benchmark price

Table E1. Number of units sold by type and number of bedrooms in relation to homeownership benchmark price in Guelph, 2018-2022

Structure type and number of bedrooms	New builds			Resale		Total resale	Total sales
	Sold below benchmark	Sold above benchmark	Total new builds	Sold below benchmark	Sold above benchmark		
Single detached	0	88	88	119	1300	1419	1507
1	0	0	0	1	4	5	5
2	0	1	1	14	120	134	135
3	0	25	25	77	861	938	963
4	0	53	53	21	264	285	338
5	0	9	9	6	51	57	66
6	0	0	0	1	9	10	10
7	0	0	0	0	2	2	2
8	0	0	0	0	1	1	1
Semi-detached	0	24	24	16	165	181	205
2	0	0	0	0	14	14	14
3	0	24	24	15	121	136	160
4	0	0	0	1	25	26	26
5	0	0	0	0	3	3	3
6	0	0	0	0	2	2	2
7	0	0	0	0	0	0	0
8	0	0	0	0	2	2	2
Townhomes	19	198	217	82	581	663	880
1	8	0	8	4	13	17	25
2	8	11	19	15	75	90	109
3	3	165	168	59	467	526	694
4	0	22	22	4	25	29	51
5	0	0	0	0	1	1	1
Apartments	177	191	368	147	324	471	839
1	76	15	91	49	61	110	201
2	91	154	245	79	203	282	527
3	7	22	29	16	42	58	87
4	3	0	3	3	18	21	24

Source: MPAC, 2018-2022

Note: the data in Table E1 only reflects qualifying MPAC sales data where the number of bedrooms were available.

Appendix F Supplementary household income percentile tables

Table F1. Household income by income percentile and national occupancy standards in Guelph, 2022

Min. # of Bed-rooms Req'd	# of house-holds	Income Percentile of All Households								
		10th	20th	30th	40th	50th	60th	70th	80th	90th
Zero	15,090	\$19,871	\$27,599	\$33,781	\$41,950	\$51,223	\$60,938	\$71,205	\$86,108	\$110,395
One	13,290	\$53,873	\$69,770	\$83,901	\$98,252	\$112,603	\$129,163	\$145,722	\$171,113	\$211,959
Two	14,645	\$49,016	\$68,445	\$85,004	\$101,564	\$117,019	\$134,682	\$154,554	\$183,256	\$227,415
Three	9,700	\$67,562	\$89,420	\$108,187	\$128,059	\$145,722	\$167,801	\$192,088	\$225,207	\$273,781
Four	2,650	\$81,693	\$102,668	\$125,851	\$140,202	\$157,865	\$187,672	\$216,375	\$249,494	\$306,899
Five	695	\$104,876	\$137,994	\$158,969	\$178,841	\$196,504	\$216,375	\$240,662	\$275,989	\$304,691
Six	235	\$111,499	\$140,202	\$172,217	\$185,464	\$222,999	\$247,286	\$284,820	\$324,562	\$401,839
All house-holds	56,310	\$34,223	\$52,548	\$68,887	\$85,004	\$102,668	\$122,539	\$145,722	\$176,633	\$227,415

Source: City of Guelph Planning. Data from Statistics Canada, 2021 Census of Population, custom tabulation, 2020 income data adjusted for inflation.

Table F2. Affordable homeownership price by income percentile and national occupancy standards in Guelph, 2022

Min. # of Bed-rooms Req'd	# of house-holds	Income Percentile of All Households								
		10th	20th	30th	40th	50th	60th	70th	80th	90th
Zero	15,090	\$28,723	\$55,527	\$76,970	\$105,306	\$137,470	\$171,167	\$206,778	\$258,471	\$342,712
One	13,290	\$146,660	\$201,800	\$250,813	\$300,591	\$350,370	\$407,807	\$465,244	\$553,314	\$694,992
Two	14,645	\$129,812	\$197,205	\$254,642	\$312,079	\$365,687	\$426,953	\$495,877	\$595,435	\$748,600
Three	9,700	\$194,142	\$269,958	\$335,054	\$403,978	\$465,244	\$541,827	\$626,068	\$740,941	\$909,423
Four	2,650	\$243,154	\$315,908	\$396,320	\$446,098	\$507,364	\$610,751	\$710,308	\$825,182	\$1,024,297
Five	695	\$323,566	\$438,440	\$511,194	\$580,118	\$641,384	\$710,308	\$794,549	\$917,082	\$1,016,639
Six	235	\$346,541	\$446,098	\$557,143	\$603,093	\$733,283	\$817,524	\$947,715	\$1,085,563	\$1,353,602
All house-holds	56,310	\$78,502	\$142,065	\$198,737	\$254,642	\$315,908	\$384,832	\$465,244	\$572,460	\$748,600

Source: City of Guelph Planning. Data from Statistics Canada, 2021 Census of Population, custom tabulation, 2020 income data adjusted for inflation.

Appendix F Supplementary household income percentile tables

Table F3. Renter household income by income percentile and national occupancy standards in Guelph, 2022

Min. # of Bed-rooms Req'd	# of house-holds	Income Percentile of All Households								
		10th	20th	30th	40th	50th	60th	70th	80th	90th
Zero	7,495	\$16,890	\$24,508	\$27,599	\$32,677	\$39,742	\$46,808	\$56,081	\$66,679	\$87,212
One	3,370	\$43,275	\$57,847	\$68,445	\$78,381	\$88,316	\$100,460	\$113,707	\$131,371	\$154,554
Two	4,670	\$35,327	\$46,366	\$58,289	\$68,004	\$78,381	\$88,316	\$100,460	\$115,915	\$143,514
Three	2,630	\$49,016	\$60,938	\$72,309	\$80,589	\$91,628	\$104,876	\$119,227	\$134,682	\$165,593
Four	800	\$64,471	\$74,517	\$82,797	\$92,732	\$104,876	\$115,915	\$133,578	\$150,138	\$178,841
Five	235	\$88,316	\$102,668	\$130,267	\$152,346	\$167,801	\$181,048	\$187,672	\$203,128	\$242,870
Six	75	No data	No data	No data	No data	\$122,539	No data	No data	No data	No data
All house-holds	19,265	\$24,949	\$34,443	\$45,041	\$56,081	\$67,562	\$79,485	\$93,836	\$111,499	\$141,306

Source: City of Guelph Planning, Urban Design and Building Services. Data from Statistics Canada, 2021 Census of Population, custom tabulation, 2020 income data adjusted for inflation.

Table F4. Affordable rent by income percentile and national occupancy standards for rental households, 2022

Min. # of Bed-rooms Req'd	# of house-holds	Income Percentile of All Households								
		10th	20th	30th	40th	50th	60th	70th	80th	90th
Zero	7,495	\$422	\$613	\$690	\$817	\$994	\$1,170	\$1,402	\$1,667	\$2,180
One	3,370	\$1,082	\$1,446	\$1,711	\$1,960	\$2,208	\$2,511	\$2,843	\$3,284	\$3,864
Two	4,670	\$883	\$1,159	\$1,457	\$1,700	\$1,960	\$2,208	\$2,511	\$2,898	\$3,588
Three	2,630	\$1,225	\$1,523	\$1,808	\$2,015	\$2,291	\$2,622	\$2,981	\$3,367	\$4,140
Four	800	\$1,612	\$1,863	\$2,070	\$2,318	\$2,622	\$2,898	\$3,339	\$3,753	\$4,471
Five	235	\$2,208	\$2,567	\$3,257	\$3,809	\$4,195	\$4,526	\$4,692	\$5,078	\$6,072
Six	75	No Data	No Data	No Data	No Data	\$3,063	No Data	No Data	No Data	No Data
All house-holds	19,265	\$624	\$861	\$1,126	\$1,402	\$1,689	\$1,987	\$2,346	\$2,787	\$3,533

Source: City of Guelph Planning. Data from CMHC, Market Rental Survey, 2022, and Statistics Canada, 2021 Census of Population, custom tabulation, 2020 income data adjusted for inflation.