



Revised Special Development Services Committee Meeting Agenda

Meeting No. 10 | June 19, 2025 | 10 AM | Live streamed

Members of the public are encouraged to view the presentation portion of this meeting via the livestream or may attend the meeting in-person in the Canada Room at the Civic Centre to observe the proceedings.

Note:

Today's Special Development Services Meeting is a session for an Inclusionary Zoning Workshop. The purpose of this workshop is to provide an update on the Housing Needs Assessment and Inclusionary Zoning Assessment projects and to receive feedback from Development Services Committee Members.

The meeting will be conducted as a workshop; as such, deputations will not be heard during this session. There will be future opportunities for members of the public and stakeholders to provide input on the development of Markham's Housing Needs Assessment and Inclusionary Zoning framework.

Members of the public can participate by:

1. VIEWING THE ONLINE LIVESTREAM:

Council meetings are video and audio streamed at: <https://pub-markham.escribemeetings.com/>

The list of [Members of Council is available online at this link.](#)

Alternate formats for this document are available upon request.

Closed captioning during the video stream may be turned on by clicking the [cc] icon located at the lower right corner of the video screen.

Note: As per Section 7.1(h) of the Council Procedural By-Law, Council will take a ten minute recess after two hours have passed since the last break.

Information Page

Development Services Committee Members: All Members of Council

Planning - Development and Policy Matters

Chair: Regional Councillor Jim Jones

Vice Chair: Regional Councillor Joe Li

(Development Services Committee Public Statutory Meetings - Chair: Regional Councillor Joe Li)

Engineering - Transportation & Infrastructure Matters

Chair: Councillor Karen Rea

Vice Chair: Councillor Reid McAlpine

Culture & Economic Development Matters

Chair: Regional Councillor Alan Ho

Vice Chair: Councillor Amanda Collucci

Development Services meetings are live video and audio streamed on the City's website.

Alternate formats for this document are available upon request.

Consent Items: All matters listed under the consent agenda are considered to be routine and are recommended for approval by the department. They may be enacted on one motion, or any item may be discussed if a member so requests.

Please Note: The times listed on this agenda are approximate and may vary; Council may, at its discretion, alter the order of the agenda items.

**Development Services Committee is scheduled to recess for lunch from
approximately 12:00 PM to 1:00 PM**

**Note: As per the Council Procedural By-Law, Section 7.1 (h)
Development Services Committee will take a 10 minute recess after two hours
have passed since the last break.**



Special Development Services Committee Agenda

Revised Agenda

Revised items are identified by an asterisk (*)

Meeting Number: 10
June 19, 2025, 10:00 AM - 12:00 PM
Canada Room

This Special Development Services Meeting is a session for an Inclusionary Zoning Workshop. The purpose of this workshop is to provide an update on the Housing Needs Assessment and Inclusionary Zoning Assessment projects and to receive feedback from Development Services Committee Members.

The meeting will be conducted as a workshop; as such, deputations will not be heard during this session. There will be future opportunities for members of the public and stakeholders to provide input.

Pages

1. CALL TO ORDER

INDIGENOUS LAND ACKNOWLEDGEMENT

We begin today by acknowledging the traditional territories of Indigenous peoples and their commitment to stewardship of the land. We acknowledge the communities in circle. The North, West, South and Eastern directions, and Haudenosaunee, Huron-Wendat, Anishnabeg, Seneca, Chippewa, and the Mississaugas of the Credit peoples. We share the responsibility with the caretakers of this land to ensure the dish is never empty and to restore relationships that are based on peace, friendship, and trust. We are committed to reconciliation, partnership and enhanced understanding.

2. DISCLOSURE OF PECUNIARY INTEREST

3. PRESENTATIONS

3.1 INCLUSIONARY ZONING ASSESSMENT COUNCIL WORKSHOP

3

H. Song, ext. 2406/ D. Wedderburn, ext. 2109

Note: Materials have been attached.

1. That the presentation dated June 19, 2025 entitled "Inclusionary Zoning Assessment Council Workshop" be received; and further,
2. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

4. ADJOURNMENT



Council Workshop: Inclusionary Zoning Assessment

Special Development Services Committee

June 19, 2025



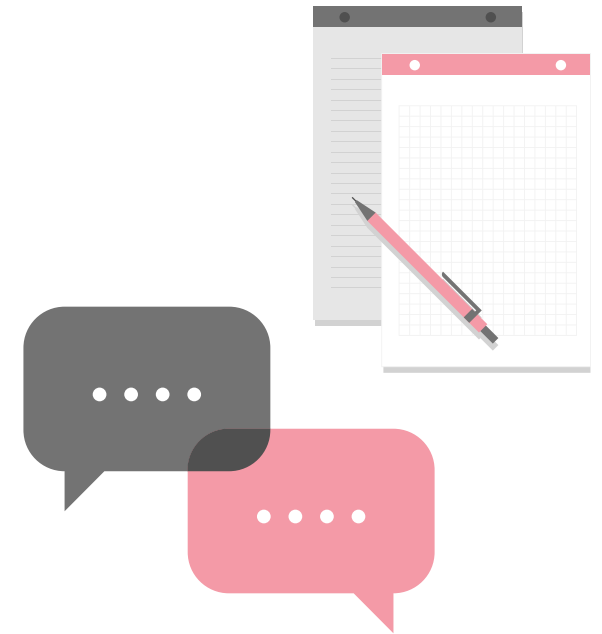
Agenda

Items	Time
Project Overview	10 Minutes
Housing Needs Assessment <ul style="list-style-type: none">• Presentation• Round Table Discussion	50 Minutes
Break	5 Minutes
Inclusionary Zoning <ul style="list-style-type: none">• Presentation• Round Table Discussion	50 Minutes
Next Steps and Closing	5 Minutes

Purpose of the Workshop

Why are we here?

- Help us understand the housing needs in your respective Wards
- Discuss how Markham can successfully expand housing options and secure more affordable housing
- Inform the engagement and consultation approach for these projects



Project Overview

Project Objectives

- Meet legislative and federal funding requirements
- Identify Markham's housing needs, gaps, and opportunities
- Increase the supply of affordable housing
- Continue to encourage market housing development by supporting a diverse range of housing supply
- Propose housing policies and strategic recommendations
- Engage with stakeholders and facilitate public consultation



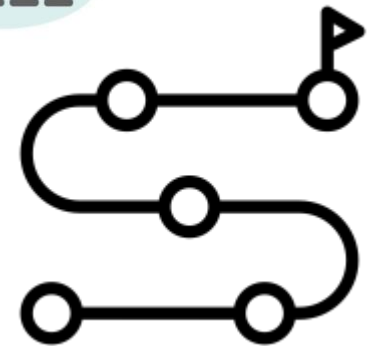
Project Status

Project Progress Bar

30%

Completed Tasks and Milestones

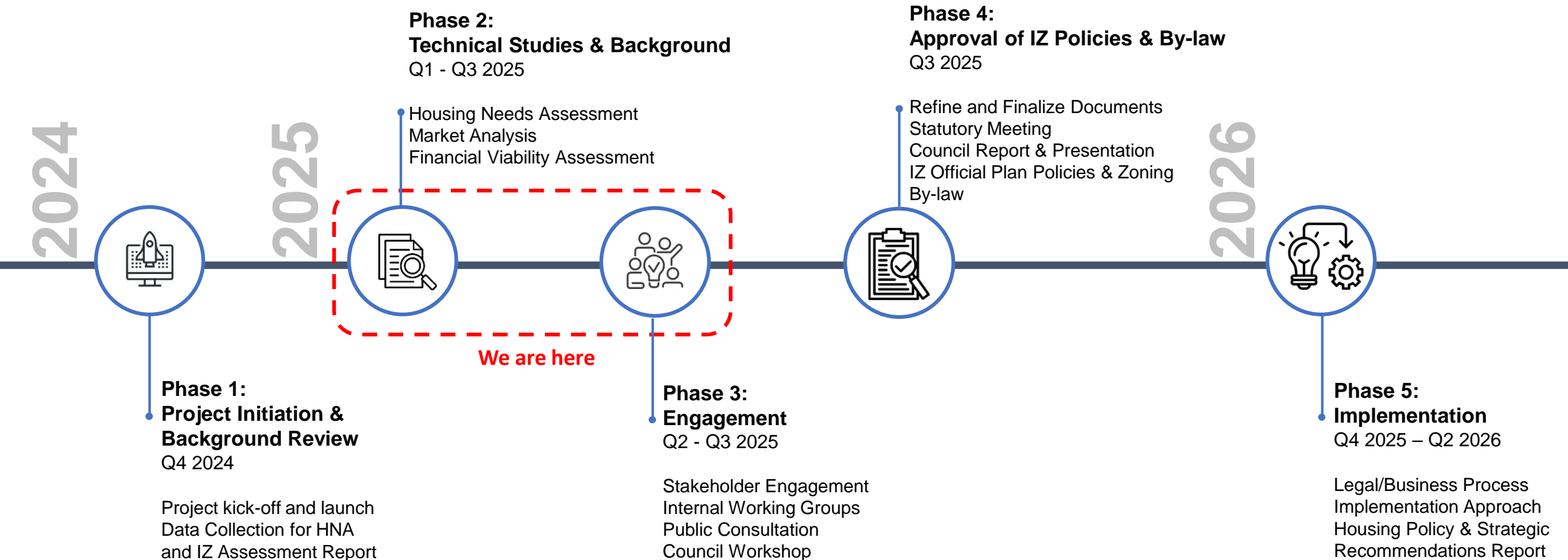
- Project Initiation (November 2024)
- Housing Needs Assessment
 - Federal Template Approved – CCBF (March 2025)
 - Draft Fulsome Housing Needs Assessment Update (April 2025)
- Inclusionary Zoning Assessment
 - Preliminary market research and financial modelling (June 2025)
- Launched Project Websites on YVM (June 2025)





Project Workplan

Target Completion of Inclusionary Zoning Assessment Report – Q3 2025



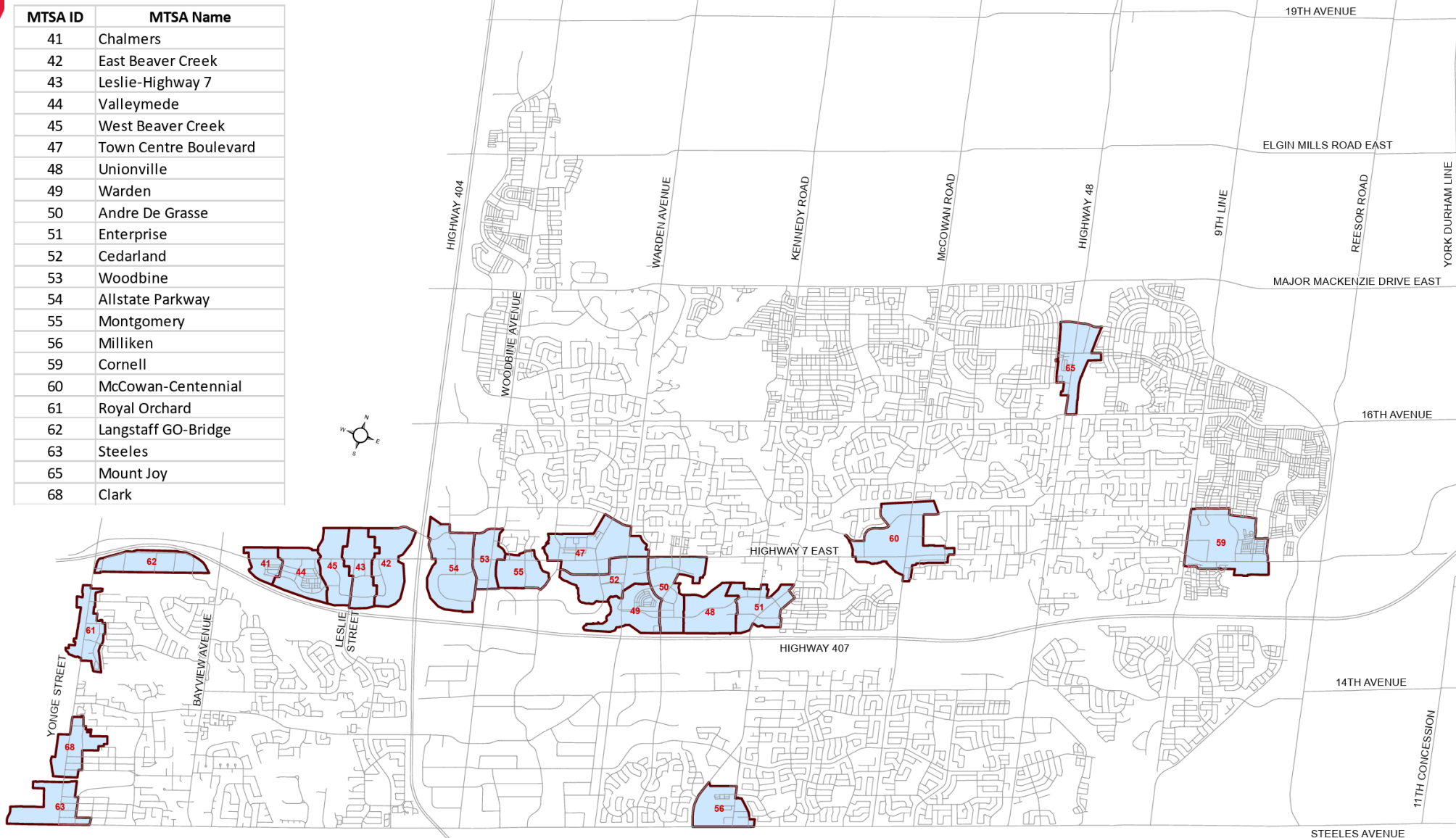


Policy Drivers & Requirements

Federal Funding	Housing Accelerator Fund The Canada Community-Building Fund	→	Initiative 4 (IZ) Housing Needs Assessment
Provincial Legislation	Planning Act Ontario Regulation 232/18 & 54/25 Housing Pledge Bill 23 & Bill 17	→	Major Transit Station Areas Inclusionary Zoning
Markham Policies & Strategies	Official Plan Policies Zoning By-law	→	Housing Strategy Updates IZ Framework



Approved and In-Force Major Transit Station Areas



IZ Legislated Requirements

Prescribed parameter requirements:



**Protected
Major Transit
Station Areas
& CPPS**

22 PMTSAs in Markham
Minister Approved Areas



< 10 Units

New developments
or redevelopments
with more than 10
units

Maximum

5%

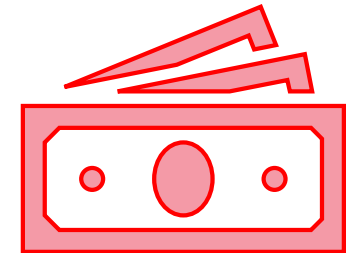
Affordable Units or
Total GFA

25 yrs

Set Aside Rate &
Affordability Period

Lesser of:

30% Household Income
at 60th percentile



100%
AMR*

90%
APP**

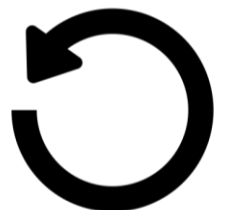
MMAH Affordable
Residential Units Bulletin

*average market rent
**average purchase price

IZ Legislated Requirements

Assessment Report

- Required under Ontario Regulation 232/18 under the *Planning Act*, which has been amended as recent as May 2025
- Required key document that must include detailed analysis on demographics, housing need and demand, impacts of IZ on the housing market and financial viability of development, etc.
- Test policy parameters under the prescribed regulations
- Requires a third-party review
- Must be updated every 5 years

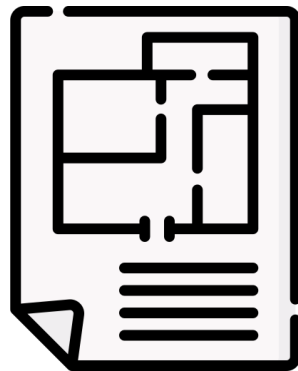


IZ Legislated Requirements

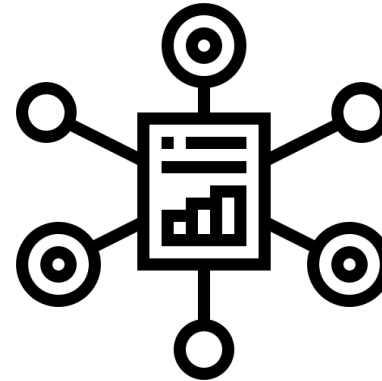
Prescribed implementation requirements:



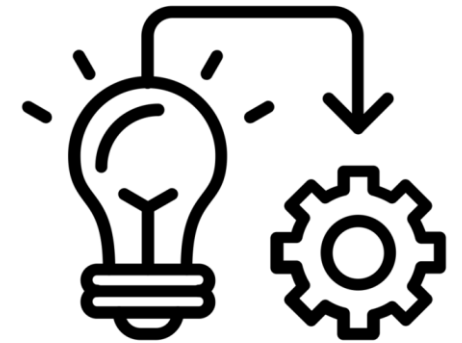
All IZ units are exempt
from DCs, CBCs, &
Parkland Fees



Reports to Council on
units secured &
characteristics of units



Framework for affordable
ownership &
administration



Implementation Official
Plan policies & Zoning
by-law

Consultant Presentations and Discussions

Items	Time
Housing Needs Assessment <ul style="list-style-type: none">• Presentation• Discussion	50 Minutes
Break	5 Minutes
Inclusionary Zoning <ul style="list-style-type: none">• Presentation• Discussion	50 Minutes
Next Steps and Closing	5 Minutes



City of Markham

Housing Needs Assessment and Housing Strategy Update

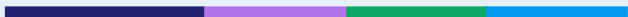


2025 Update

June 2025



Presentation Outline



June 2025

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Study Background



Contents

Project Background

Project Phases

Study Background

Project Background

In 2018, SHS Inc. was retained to undertake a comprehensive study to assess the current and projected housing needs in Markham.

This study was completed in two phases:

- Phase 1 entailed creating an updated Housing Needs Assessment; and,
- Phase 2 involved updating Markham’s Affordable and Rental Housing Strategy to reflect the identified housing needs and gaps outlined in Phase 1.
- The strategy was adopted by Council in June 2021.

In 2025, SHS was hired to update to the Housing Needs Assessment and Strategy to meet the requirements of several priorities for the City.

This update factors new Federal requirements and City priorities.

Project Phases



Study Background

Housing Continuum

The housing continuum is a model used in Canada to describe the full range of housing types that meet diverse needs, preferences, and income levels, from temporary shelters to homeownership.

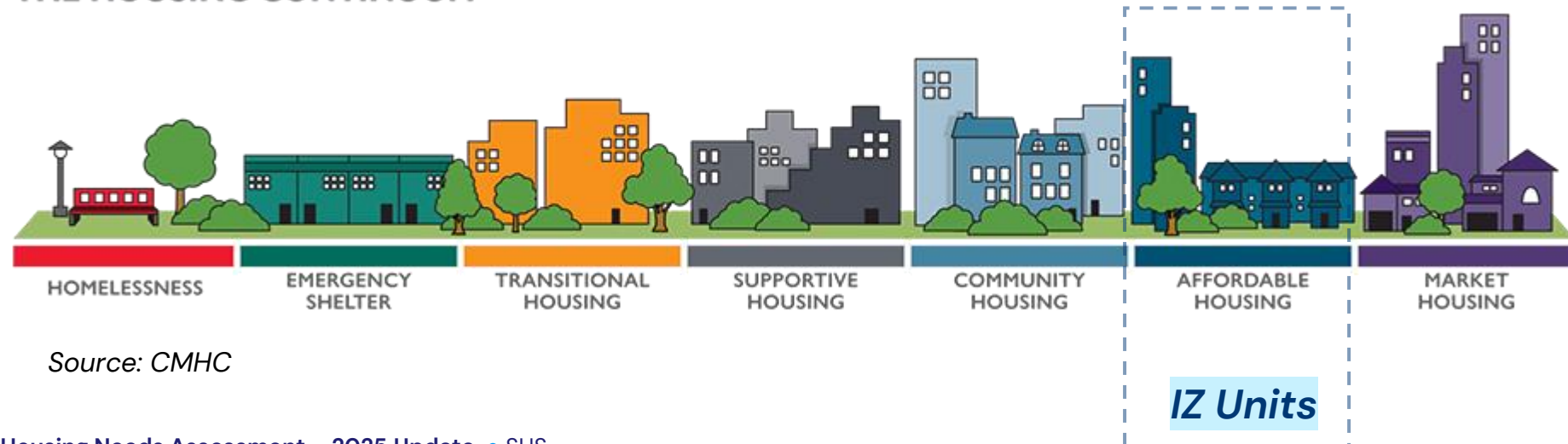
As defined by CMHC, it includes emergency shelters, transitional housing, supportive housing, community housing, affordable housing, and market rental housing and homeownership.

The housing continuum is not linear

Although it is depicted linearly below, the continuum reflects that housing is not static; individuals and families may move along it depending on their life circumstances, income, and support needs.

The housing continuum is a key tool for understanding housing challenges and developing policies to improve access to suitable, adequate, and affordable housing across all stages.

THE HOUSING CONTINUUM



Source: CMHC

Study Background

What is Affordable Housing in Markham

According to the PPS, 2024:

- a) in the case of **ownership housing**, the least expensive of:
- housing for which the purchase price results in annual accommodation costs which do not exceed 30 percent of gross annual household income for *low- and moderate-income households*; or
 - housing for which the purchase price is at least 10 percent below the *average purchase price of a resale unit* in the municipality;

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

Percentile of households and income


	All Households	Renter Households	Affordability Thresholds Based on Ontario's PPS 2024	Other Key Thresholds	
90th	\$234,827	\$194,900		175% Average Market Rent \$3,200	Regional Program
80th	\$232,300	\$144,400		125% Average Market Rent \$2,290	YROP ² Policy
70th	\$192,000	\$117,400	Ownership Threshold \$529,400		
60th	\$158,500	\$97,400	Based on income		
50th	\$136,200	\$80,400	Rental Threshold \$1,831		
40th	\$107,300	\$65,700	Based on average market rents ¹	80% Median Market Rent \$1,440	CMHC Programs
30th	\$85,200	\$50,700			
20th	\$63,200	\$38,000			
10th	\$40,000	\$25,400			

Note: Income decile thresholds are projected forward using increase in CPI 2020–2024; incomes rounded to nearest hundred

¹ Average and Median Market Rent represents figures for all households from CMHC's Rental Market Survey

² York Region Official Plan

Introduction to Housing Needs Assessment



Contents

*What is a Housing Needs
Assessment?*

*Purpose of the Housing Needs
Assessment*

*Federal Housing Needs Assessment
Template*

Introduction to Housing Needs Assessments

What is a Housing Needs Assessment?

- A **Housing Needs Assessment (HNA)** is a research report that draws on data and analysis to describe current and projected future housing needs within a municipality or community
- Required contents of a HNA include analysis and discussion of:
 - **Demographic trends**, such as population and household growth, age, income, and household tenure and composition
 - **Housing Supply trends**, such as dwelling type, size, and condition, as well as housing market trends for both ownership and rental
 - **Housing Affordability trends**, such as core housing need and shelter-to-income ratios
- HNAs includes both **quantitative and qualitative data**

Qualitative vs Quantitative Research

Quantitative Research methods



Census Data



CMHC Surveys



Local Data

Qualitative Research methods



Interviews



Focus Groups



Resident Surveys




Introduction to Housing Needs Assessments

Purpose of the Housing Needs Assessment

- Housing Needs Assessments help all levels of government understand the local housing needs of communities, and how they may relate to infrastructure priorities, by providing the data necessary to determine what kind of housing should be built and where.
- The Housing Strategy will be developed to respond to the identified housing needs outlined in the Housing Needs Assessment. The Strategy will help decision makers, stakeholders and community members have a meaningful sense of the housing market, understand key issues and provide policy recommendations to inform decision making.
- Housing Needs Assessments provide information required by *Ontario Regulation 232/18 Inclusionary Zoning Assessment* by assessing local demographic and housing supply trends.
- Completing a new Federal Housing Needs Assessments template is required to access certain Federal funding programs for municipalities relating to housing and infrastructure.

Housing Needs Assessment Key Findings



Contents

Key Trends

Key Housing Insights

*Changes in Housing Gaps over
Time*



Housing Needs Assessment Key Findings

Key Trends: Housing Demand



The **population of Markham is growing**, but at approximately half the rate of York Region and the province as a whole.



The **population aged 65 years and older accounted for nearly all the net population growth** in Markham between 2016 and 2021.



The population under 65 years of age declined between 2016 and 2021. **Younger population age cohorts in Markham are declining** at faster rates than the Region and Toronto CMA.



Markham has historically been an attractive destination for immigrants. Over **half of Markham's population is comprised of immigrants**.



Immigrant households have **higher rates of household formation and homeownership** than non-immigrant households. Immigrant-led households are also **more likely to be family households** with larger household sizes.



For additional information on these trends, please see the appendix section at the end of this presentation

Housing Needs Assessment Key Findings

Key Trends: Housing Supply



The existing housing stock in Markham is comprised primarily of **ground-oriented housing in the form of single- and semi-detached and row houses.**



Since the early-2000s, **new housing construction has shifted** away from freehold tenure single- and semi-detached housing units **toward condominium row house and apartment units.**



Markham's housing stock is relatively new, with **nearly half of all occupied dwellings constructed in the new millennium.**



Markham has experienced **significant growth in the demand for rental accommodation** without corresponding growth in the purpose-built rental stock. Very few rental units have been developed over the last 35 years. As a result, **most renter household growth has been accommodated by the secondary rental market.**



Rental vacancy rates have remained persistently low for as long as data has been available, pointing to a chronic rental housing deficit. **Larger units (with 3+ bedrooms) have zero vacancy.**



For additional information on these trends, please see the appendix section at the end of this presentation

Housing Needs Assessment Key Findings

Key Trends: Housing Demand



Renter households are more likely to spend 30% or more of their incomes on shelter and experience core housing need.



Households led by younger adults (under 35 years of age) are most likely to spend 30% or more of their incomes on shelter. Smaller households (with one or two persons) are also most likely to spend more than 30% of their incomes on shelter.



Persistently low vacancy rates have resulted in consistent annual increases in real average rents over time, with minor disruptions to long-term trends during the COVID-19 pandemic.



From 2015 to 2024, the prices of newly constructed single- and semi-detached dwellings and resale homes increased dramatically



Interest rate changes, such as the historically low interest rates in 2020 and 2021 followed by the aggressive rate increases to combat inflation, have created significant fluctuations in real ownership housing affordability.

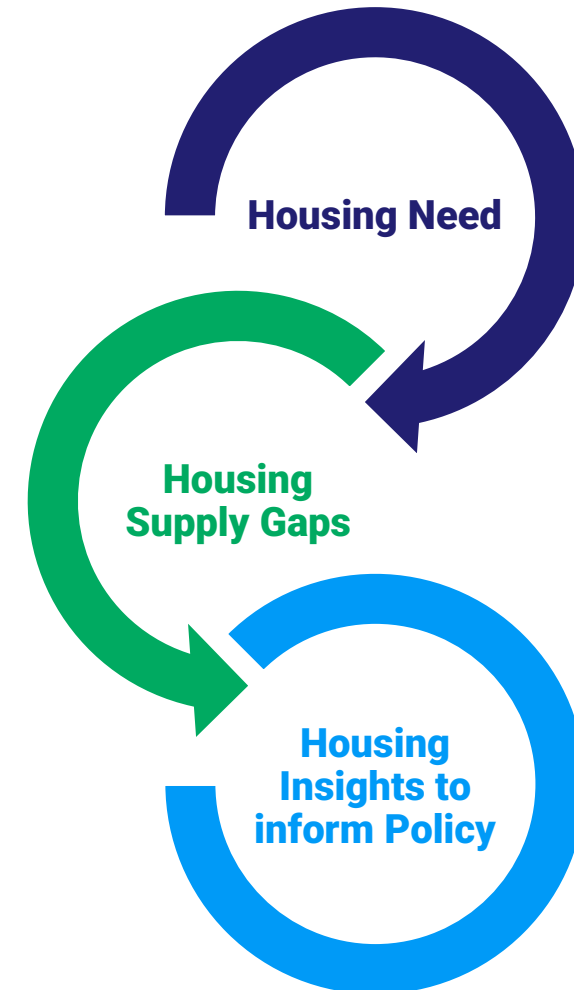


For additional information on these trends, please see the appendix section at the end of this presentation

Housing Needs Assessment Key Findings

Key Housing Insights

- The Housing Needs Assessment findings highlight the mismatch between existing housing supply and the needs of current and future residents of Markham.
- Building on these trends, the *Key Housing Insights* outline the need and demand for housing that is not being met by the supply within the existing housing stock.
- This analysis serves as a foundation for evidence-based decision-making, informing municipal strategies and housing policies aiming to address these housing.



Housing Needs Assessment Key Findings

Key Housing Insights

*Key Housing Insight #1:
There is a need for considerations to house an aging population*



*Key Housing Insight #2:
There is a need for more community housing options for low-income households*



*Key Housing Insight #3:
There is a need for an increased supply of purpose-built rental housing*



*Key Housing Insight #4:
There is a need for a mix of housing sizes to provide options for households*



*Key Housing Insight #5:
There is a need for diverse housing types to deliver affordable ownership options*



For additional information on these insights, please see the appendix section at the end of this presentation

Housing Needs Assessment Key Findings

Changes in Housing Gaps over Time

- Generally, the key housing gaps that were outlined in the City of Markham in 2019 have remained persistent in 2025. Namely, the need for housing affordable for **low-income households**, **purpose-built rental housing**, and **affordable ownership options for families**.
- However, since 2019 these trends have escalated.
 - The number of **low-end of market housing** has declined, the **number of households on waitlists** for subsidized housing has increased, and **housing costs** have increased.
 - The number of **renter households** has continued to outpace the growth in the **supply of purpose-built rental housing** as vacancy rates remain low and rent prices increase.
 - The **prices to purchase a home** have escalated rapidly, making **home ownership even more unaffordable** for households.



For details on the 2020 Housing Strategy, please see the appendix section at the end of this presentation

Housing Needs Assessment Key Findings



Discussion

Do these key insights resonate with you and your Ward?

What do you see as the role of the City in addressing the key housing insights?

1

There is a need for ***considerations to house an aging population***

2

There is a need for more ***community housing options for low-income households***

3

There is a need for an ***increased supply of purpose-built rental*** housing

4

There is a need for a ***mix of housing sizes*** to provide options for households

5

There is a need for ***diverse housing types*** to deliver affordable ownership options

Next Steps



Contents

*Housing Needs Assessment
Informing Inclusionary Zoning*

Consultation Approach

*2020 Affordable and Rental
Housing Study*

Housing Strategy Direction

Next Steps

Housing Needs Assessment Informing Inclusionary Zoning

- The table on this slide outlines the data requirements to support *Ontario Regulation 232/18 Inclusionary Zoning Assessment* by identifying the sections in the report where the require data can be accessed.
- The HNA **outlines analysis of demographics and population, household incomes, and housing supply** in the City of Markham.
- The HNA **informs the housing gaps analysis of housing types and sizes of units that may be needed to meet anticipated demand** for affordable housing.
- Further data on market prices, considering location in Markham, and the potential impacts on the housing market of inclusionary by-laws, will be included in the Inclusionary Zoning Assessment Report.

2. (1) An assessment report required by subsection 16 (9) of the Act shall include information to be considered in the development of official plan policies described in subsection 16 (4) of the Act, including the following:	
Requirement	What section of the HNA the data is located:
1. An analysis of demographics and population in the municipality.	<i>Community Profiles and Trends</i>
2. An analysis of household incomes in the municipality.	<i>Household Profiles and Economic Characteristics</i>
3. An analysis of housing supply by housing type currently in the municipality and planned for in the official plan.	<i>Housing Profile</i>
4. An analysis of housing types and sizes of units that may be needed to meet anticipated demand for affordable housing.	<i>Projected Housing Needs and Next Steps + Detailed Forecast for Planning Horizon</i>
5. An analysis of the current average market price and the current average market rent for each housing type, taking into account location in the municipality.	<ul style="list-style-type: none"> Housing prices and rents will be included in <i>Housing Profile</i> IZ Assessment Report will include location-specific data
Further information is provided in IZ Assessment report – see appendix for details.	

Next Steps

Consultation Approach

Stakeholder consultation for this study aims to identify trends, patterns, and barriers regarding housing supply and demand that were not identified through the quantitative data.

These consultations may be conducted using a variety of activities and approaches, based on feedback from Council and City staff.

Participants throughout future consultations will be expected to provide feedback on shared results and input for policy recommendations to address the identified challenges and barriers to maintaining and creating affordable housing in the City of Markham.

Consultation for this study are beginning today with this session and are expected to occur throughout Q2 and Q3 2025. The findings will be incorporated into the fulsome HNA report and future Housing Strategy.

Proposed Consultation Participants

- Not-for-profit housing providers
- Special/additional needs housing providers
- Local health agencies
- Community organizations and agencies
- Private developers, real estate associations

Consultation Objectives

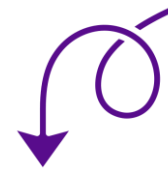
- Validate and refine findings from the Housing Needs Assessment
- Validate and refine Key Housing Insights
- Input on strategic directions

Next Steps

Proposed Housing Strategy Direction

- Using the Key Housing Insights from the Housing Needs Assessment, a proposed framework for an updated Housing Strategy have been developed.
- This proposed framework includes updated **goals** and **desired outcomes**, described on this slide.
- Each of the goals addresses a specific area of the housing system: the **people** (or households) **in need**, the **supply of housing**, and the **housing system** itself.
- Although these goals are framed differently than goals from the *2020 Affordable and Rental Housing Study*, these updated goals reflect the ongoing need for housing identified in 2020.
- Upon finalizing the goals and desired outcomes, **strategies** and **actions** will be developed for the Housing Strategy.

Key Housing Insights



Goals

- Goals articulate what the City wants to achieve through the housing strategy, focusing on a specific area identified through the Housing Needs Assessment.



Desired Outcomes

- Desired outcomes describe the results or changes that are desired through the housing strategy.
- These outcomes address the key housing insights from the Housing Needs Assessment



Strategies

- Strategies are recommended approaches that the City may take to address the identified housing needs and achieve the desired outcomes outlined.



Actions

- Proposed actions are concrete steps that the City can take to implement the strategies.



Next Steps

Proposed Housing Strategy Direction

“2020 Housing Vision: To support the social and economic vitality of the City of Markham through the facilitation and provision of a range of housing options (by type, tenure and affordability) for Markham residents and workers throughout their lifetime, in order to sustain a more complete community.”

Goal 1: Expand Access to Affordable Housing to Households Across the Continuum

Description: Ensure housing in Markham meets the needs of diverse populations, including seniors, low-income households, and growing families



Goal 2: Promote a Diverse Housing Supply to Meet the Needs of a Growing City

Description: Increase the supply of needed housing units identified through the Housing Needs Assessment, including purpose-built rental, affordable, and family-oriented housing through a mix of built forms



Goal 3: Strengthen the Housing System in Markham through Partnerships and Policy

Description: Create a resilient and coordinated housing system through leadership, data, partnerships, and policy alignment



Proposed Housing Strategy Direction



Discussion

Do the new proposed Goals resonate with you?
Are there any comments or suggested changes?

Are there any other target group or audience
that we should include in our consultations?

Are there any other insights you would like us to
gain insight into from the consultations?

Goal 1: Expand Access to Affordable Housing to Households Across the Continuum

Goal 2: Promote a Diverse Housing Supply to Meet the Needs of a Growing City

Goal 3: Strengthen the Housing System in Markham through Partnerships and Policy

Proposed Housing Strategy Direction



Discussion

Do the new proposed Goals resonate with you?
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Proposed Consultation Participants:

- Not-for-profit housing providers
- Special/additional needs housing providers
- Local health agencies
- Community organizations and agencies
- Private developers, real estate associations

Consultation Objectives

- Validate and refine findings from the Housing Needs Assessment
- Validate and refine Key Housing Insights
- Input on strategic directions



Break Time – 5 Minutes

Items	Time
Break	5 Minutes
Inclusionary Zoning <ul style="list-style-type: none">• Presentation• Round Table Discussion	50 Minutes
Next Steps and Closing	5 Minutes

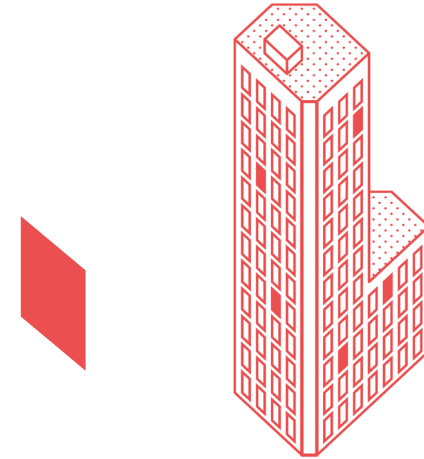
City of Markham Inclusionary Zoning Overview

N. Barry Lyon Consultants Limited

What is Inclusionary Zoning (IZ)?

- Inclusionary Zoning (IZ) creates mixed-income housing by requiring a certain percentage of affordable housing units in new residential developments
 - The percentage is referred to as the set aside rate.
 - For example, a 5% set aside rate would mean 5% of the total units / GFA within the project is affordable.
 - Affordability tied to Development Charge Act's definition of affordability & MMAH Bulletin
- IZ is one solution to help low- and moderate-income households' access affordably priced housing

Maximum
5%
Affordable



Affordable Pricing Thresholds for Markham

Affordable purchase price of a condo apartment	\$456,300
Affordable monthly rent of a bachelor unit	\$1,022
Affordable monthly rent of a 1-bedroom unit	\$1,541
Affordable monthly rent of a 2-bedroom unit	\$1,677
Affordable monthly rent of a 3+ bedroom unit	\$1,880

Figures as per DCA definition of affordability / MMAH bulletin for Markham.


IZ - What is it NOT?

- ✗ IZ is not low income/ social housing
- ✗ IZ cannot dictate tenure (rental or ownership)
 - Developers decide whether they will pursue rental or ownership
 - This applies to both market and affordable units
- ✗ IZ is not a standalone solution to housing affordability and may have limited impact if not paired with other policies
- ✗ IZ is not a subsidy to developers, but if IZ requirements are not well calibrated, developers will not build – offsets may be required

IZ Legislation (O.Reg. 232/18)

- To implement IZ, O.Reg 232/18 requires that an Assessment Report be prepared, and that its contents be considered in the development of relevant Official Plan policies.
- The Report must contain analysis of demographics, household incomes, housing supply type and size of units, average market prices, potential impacts and more.
- Analysis is underway and Assessment Report will be completed by the end of 2025

Stakeholder Engagement

- DSC Workshop  Today!
- Public (TBD)

Establish Assessment Parameters

- Housing needs (SHS)
- PMTSA Geography
- IZ Parameters
- Development Prototypes

Financial Proforma Modeling

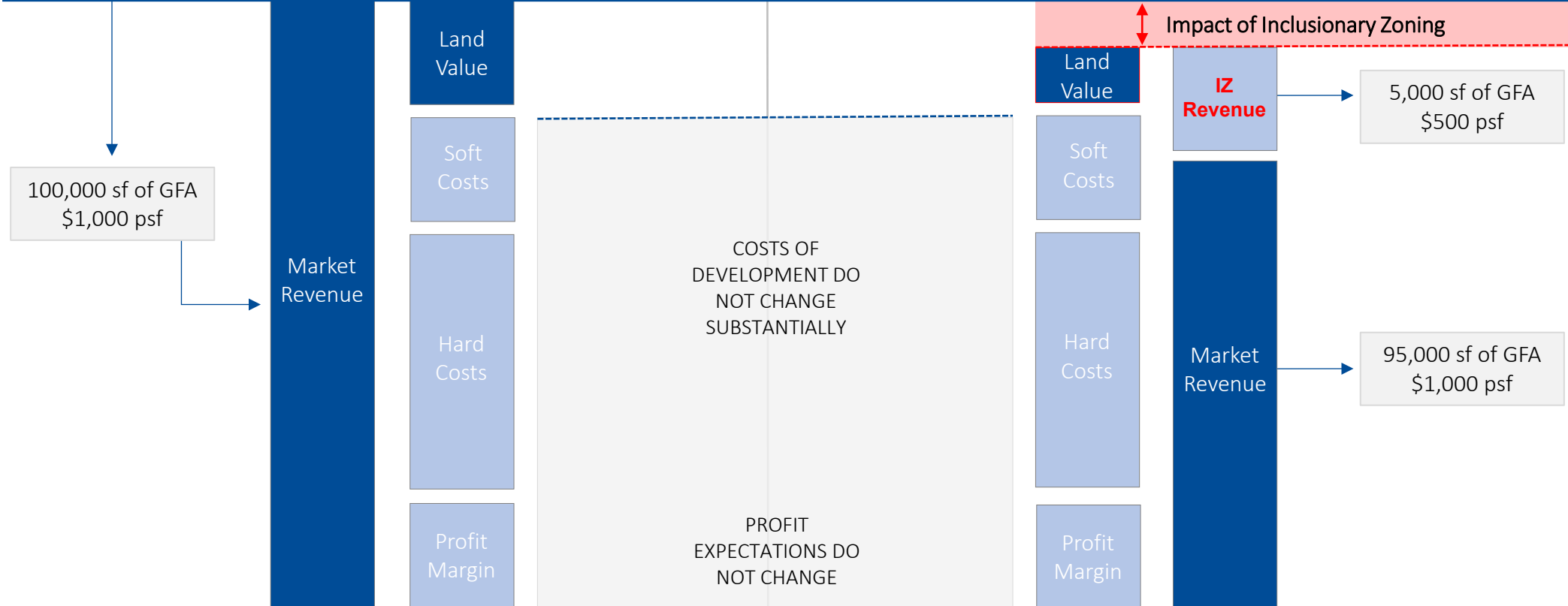
- Base “market” scenarios
- Initial IZ tests
- Sensitivity testing

IZ Assessment Report

- Statutory peer review

Economics of Inclusionary Zoning

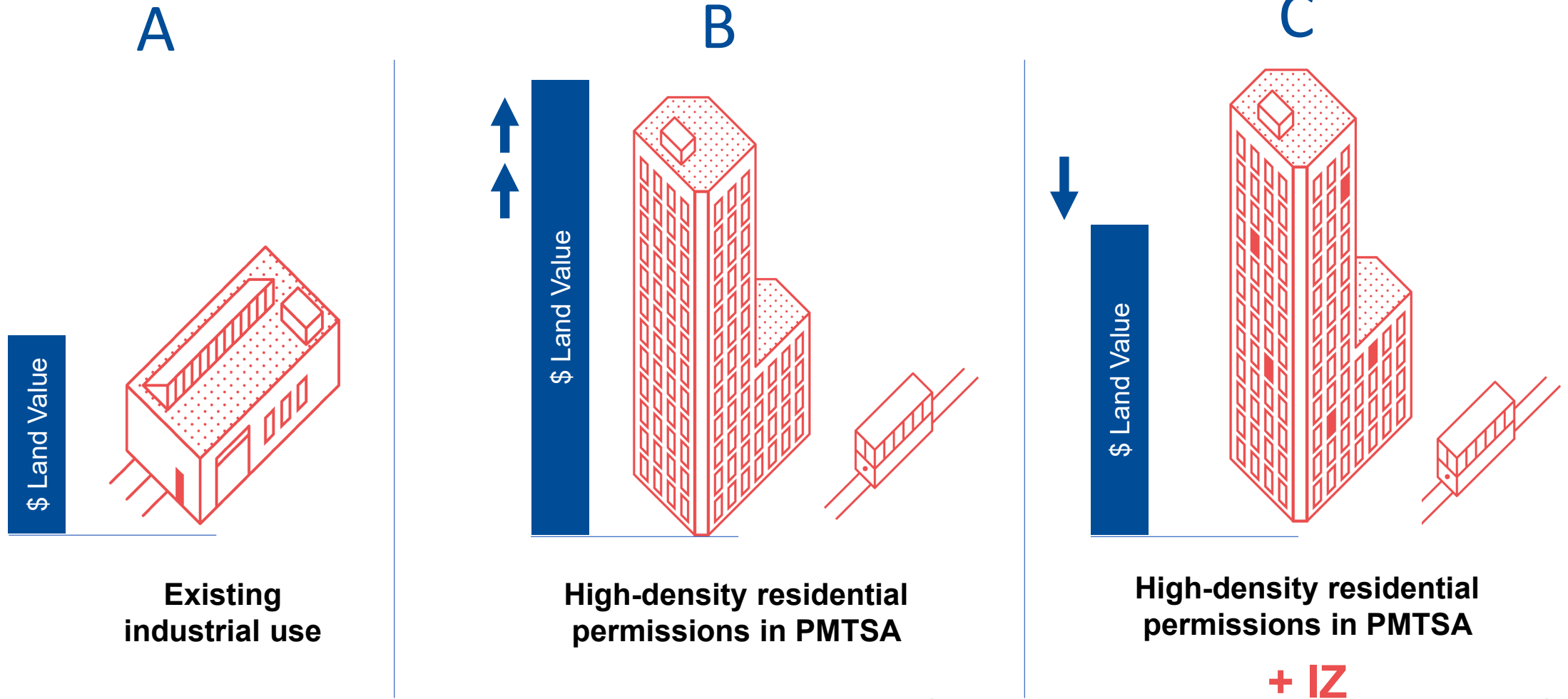
Equilibrium Price *(maximum that the market can bear)*



A. Typical Market Development

B. Inclusionary Zoning Development

IZ Economics: Opportunity



Land Value Comparison:

$B > A$

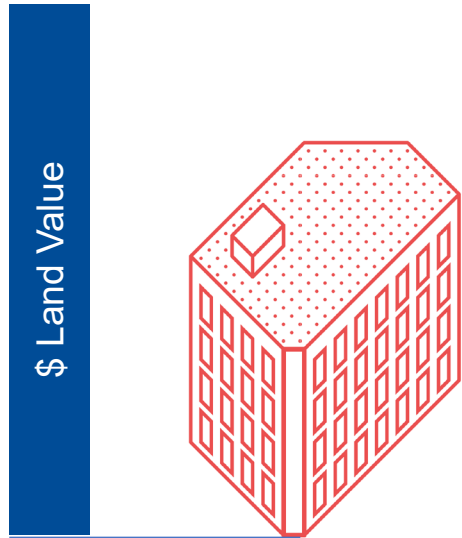


$C > A$



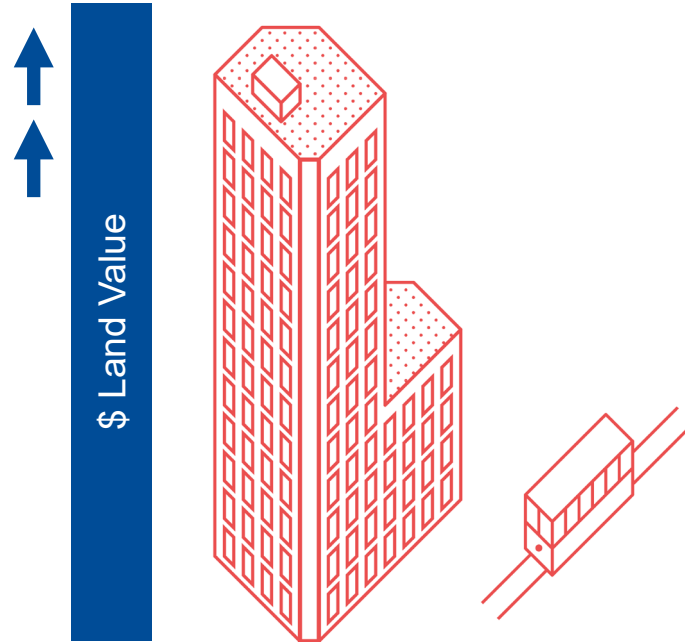
IZ Economics: Challenge

A



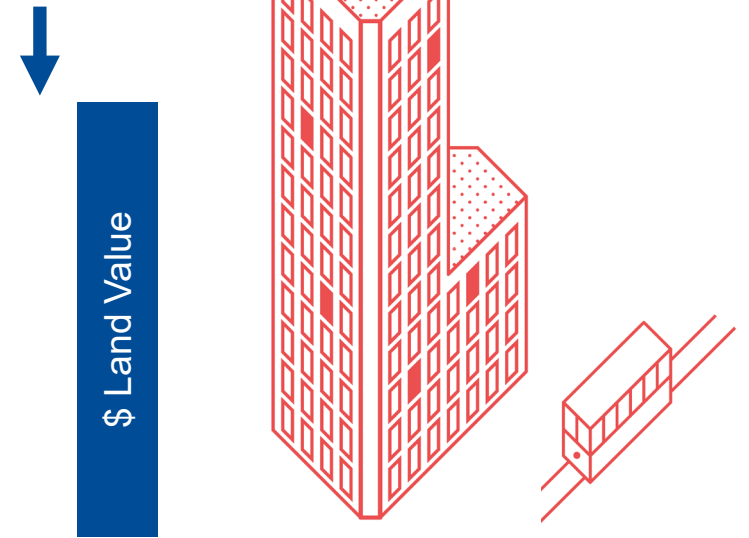
Current Zoning
permits mid-rise

B



Upzoned through
PMTSA planning

C



Upzoned through
PMTSA planning

+ IZ

Land Value Comparison:

$B > A$



$C < A$



Markham's Residential Market Context

- Rising costs, interest rates & caps to immigration / non-permanent residents
- Pace of development is slowing, projects struggle to be viable
- Challenging environment to implement IZ without subsidy:
 - Many communities (e.g., London, Richmond Hill) have decided not to move forward with IZ.
 - Others (e.g., Kitchener-Waterloo) have delayed implementation.
- In addition to macro issues, development density expectations are established in secondary plans, informing land costs and making a voluntary IZ approach unlikely.

Considerations for Markham

- IZ calibration:

- Depth of affordability
- Unit mix, unit sizing
- Market location variability
- Variability in development tenure

- Offsets & incentives?

- Financial incentives
- Fee waivers for market units
- Density offsets
- Parking standards

Admin & implementation:

- Who will own and operate the affordable housing units, developer, non-profit partner, Region?
- How will long-term affordable ownership be secured?
- How will households purchasing/leasing units be qualified and selected?
- Who will monitor affordability over the long term?
- Who will educate potential buyers/renters about program requirements?
- Who would be responsible for the condo fees and special assessments?

Questions of Clarification

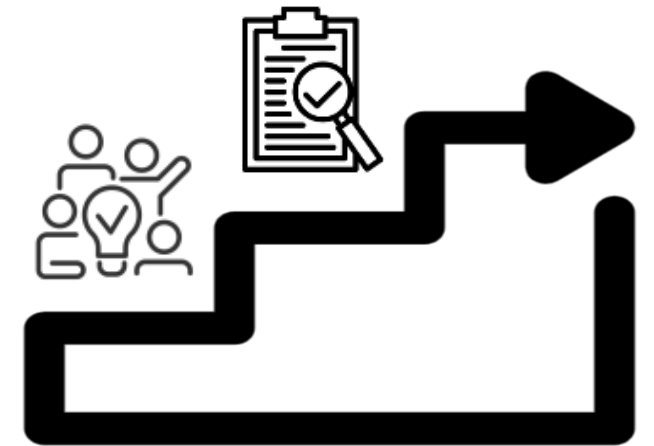
Discussion – Inclusionary Zoning

- **Is there an appetite to provide incentives to support IZ viability?**
 - Is there financial capacity?
 - Are there time limits or other constraints?
- **What will support successfully implementing IZ in Markham?**
 - How long will long-term affordable ownership be secured?
 - Who will be responsible for condo fees and special assessments?
 - Who will monitor affordability over the long term?
 - What will partnership between developers, non-profit and Region look like?
 - Who will own and operate the affordable housing units?
 - How will households purchasing/leasing units be qualified and selected?
 - Who will educate potential buyers/renters about program requirements?

Next Steps


Upcoming Milestones

- Engage with stakeholder groups and the public to inform the IZ Framework and Housing Strategy
- Complete the Housing Needs Assessment
 - Strategy and policy directions
- Draft Inclusionary Zoning Assessment Report



Thank you

Appendix: Additional Resources



Contents

Housing Needs Assessment Key Trends

Key Housing Insights

2020 Housing Strategy Details



Housing Needs Assessment Key Findings

Key Trends: Housing Demand



The **population of Markham is growing**, but at approximately half the rate of York Region and the province as a whole.



The **population aged 65 years and older accounted for nearly all the net population growth** in Markham between 2016 and 2021.



The population under 65 years of age declined between 2016 and 2021. **Younger population age cohorts in Markham are declining** at faster rates than the Region and Toronto CMA.



Markham has historically been an attractive destination for immigrants. Over **half of Markham's population is comprised of immigrants**.



Immigrant households have **higher rates of household formation and homeownership** than non-immigrant households. Immigrant-led households are also **more likely to be family households** with larger household sizes.

Supporting Data

- Between 2016 and 2021, Markham's population grew by **9,535 (+2.9%)**, lower than York Region (+5.7%) and the Province as a whole (+5.8%).
- Between 2016 and 2021, the population aged 65 years and older grew by **12,140 (+24.3%)**.
- Between 2016 and 2021, the population aged under 65 years in Markham decreased by **2,600 persons (-0.9%)**, including the population under 15 years of age decreased by 1,510 (-2.7%), the population aged 15 to 24 years decreased by 1,650 (-3.9%).
- In 2021, there were **197,535 immigrants** residing in Markham, representing **58.6% of the total Markham population** (337,250).
- In 2021, four in five (**79.5%**) **homeowner households** and nearly two in three (**63.3%**) **renter households** were **led by immigrants**, despite immigrants comprising 58.6% of the population.
- In 2021, **60.7% of immigrant-led** households had **three or more persons**, whereas only 44.6% of non-immigrant-led households had three or more persons.

Housing Needs Assessment Key Findings

Key Trends: Housing Supply



The existing housing stock in Markham is comprised primarily of **ground-oriented housing in the form of single- and semi-detached and row houses**.



Since the early-2000s, **new housing construction has shifted** away from freehold tenure single- and semi-detached housing units **toward condominium row house and apartment units**.



Markham's housing stock is relatively new, with **nearly half of all occupied dwellings constructed in the new millennium**.



Markham has experienced **significant growth in the demand for rental accommodation** without corresponding growth in the purpose-built rental stock. Very few rental units have been developed over the last 35 years. As a result, **most renter household growth has been accommodated by the secondary rental market**.



Rental vacancy rates have remained persistently low for as long as data has been available, pointing to a chronic rental housing deficit. **Larger units** (with 3+ bedrooms) **have zero vacancy**.

Supporting Data

- In 2021, Markham had 62,270 (**56.2% of supply**) occupied dwellings in single-detached dwellings, 6,985 (**6.3%**) in semi-detached dwellings, and 15,985 (**14.4%**) in row house dwellings.
- In the five-year period between 2000 and 2004, there were **12,614 single and semi-detached housing starts** in Markham, representing **72.9%** of housing starts during this period (17,299).
- In contrast, between 2020 and 2024, there were only 1,712 single and semi-detached housing starts (**18.0% of all housing starts**).
- In 2021, there were 52,485 occupied dwellings constructed after 2000, representing **47.3% of the existing stock (110,865)**.
- Between 2016 and 2021, Markham experienced renter household growth of **6,040 (+42.3%)**, which represented **73.8%** of total household growth (8,185).
- The number of households residing in the primary rental market over the same period **decreased by 24 (-1.5%) households**.
- The **rental vacancy rate across all unit types in Markham was below 2.0%** in all but four years (including 2020 and 2021), and below 3.0% for all but one year (2021) during the previous 35 years. As of October 2024, the **vacancy rate among three-or-more-bedroom units was 0.0%**.

Housing Needs Assessment Key Findings

Key Trends: Housing Demand



Renter households are more likely to spend 30% or more of their incomes on shelter and experience core housing need.



Households led by younger adults (under 35 years of age) are most likely to spend 30% or more of their incomes on shelter. Smaller households (with one or two persons) are also most likely to spend more than 30% of their incomes on shelter.



Persistently low vacancy rates have resulted in consistent annual increases in real average rents over time, with minor disruptions to long-term trends during the COVID-19 pandemic.



From 2015 to 2024, the prices of newly constructed single- and semi-detached dwellings and resale homes increased dramatically



Interest rate changes, such as the historically low interest rates in 2020 and 2021 followed by the aggressive rate increases to combat inflation, have created significant fluctuations in real ownership housing affordability.

Supporting Data

- In 2021, **nearly half (47.8%) of renters** were spending 30% or more of their household incomes on shelter costs, compared to **29.5% of owners**.
- In 2021, households maintained by **individuals aged 24 years and younger** experienced the highest incidence of housing unaffordability (**965 households, 64.8%**), followed by households maintained by adults aged 25 to 34 years (**5,495, 50.1%**).
- One-person households were more likely to be spending 30% or more of their household incomes on shelter costs (**8,900 households, 51.5%**) relative to other household sizes.
- Between 2015 and 2024, the average nominal (non-inflation-adjusted) rent across all unit sizes in the primary rental market **increased by 53.0%, reaching \$1,831**. This was driven by increases across all unit sizes, including one-bedroom (**+59.5%**), two-bedroom (**+50.6%**), and three- or more-bedroom (**+41.6%**) units.
- Between 2015 and 2024, the nominal average **new** house price for single-detached houses in Markham increased by **\$1,131,349 (+134.4%)**. Over the same period, the nominal average **existing** house price increased by **\$491,366 (+61.2%)**. When adjusted for inflation, sale price trends over time illustrate peaks and troughs that generally correspond with interest rate trends.

Housing Needs Assessment Key Findings

Key Housing Insights

Key Housing Insight #1:

There is a need for considerations to house an aging population

- Demographic trends indicate the need for increased housing options tailored to older adults, including affordable rental housing, accessible units, and supportive housing programs that enable aging in place.
- Addressing these gaps will be essential to ensuring that the aging population in Markham can continue to live comfortably and affordably within their communities.

Key Housing Insight #2:

There is a need for more community housing options for low-income households

- The insufficient supply of community and affordable housing has not kept pace with demand, particularly for supportive and accessible housing. The limited availability of these housing types highlights a significant gap in the housing supply in Markham.
- To address these gaps, there is a need for increased development of affordable rental and community housing options, as well as targeted efforts to preserve existing naturally occurring affordable housing.

Housing Needs Assessment Key Findings

Key Housing Insights

Key Housing Insight #3:
There is a need for an increased supply of purpose-built rental housing

- The number of renter households in the City of Markham has grown in recent years, increasing demand for rental housing across the city. The rental housing market in the Markham has faced persistent challenges due to a lack of sufficient rental supply, leading to consistently low vacancy rates and rising rent prices.
- Addressing these housing gaps will require the expansion of the rental housing supply, with a focus on affordable and family-sized units.

Key Housing Insight #4:
There is a need for a mix of housing sizes to provide options for households

- Household growth in Markham has outpaced population growth in recent years, indicating a shift toward smaller household sizes. This trend signals an increasing demand for smaller housing units that can accommodate new household formations.
- A recent shift in the development trends presents an opportunity to address the mismatch between household needs and available housing options. Future development should focus on providing a diverse range of unit sizes, ensuring that both smaller households and growing families have access to suitable and affordable housing options.

Housing Needs Assessment Key Findings

Key Housing Insights

Key Housing Insight #5:

There is a need for diverse housing types to deliver affordable ownership options

- Historically, single-detached dwellings have dominated Markham's housing stock, offering suitable living spaces for larger households but at price points well beyond the reach of moderate-income families. As a result, [homeownership has become increasingly inaccessible to many households in the city](#).
- The emergence of more dense and diverse housing types, such as row houses and apartments, [has the potential to bridge this affordability gap](#).

Housing Needs Assessment Key Findings

Changes in Housing Gaps over Time

The key housing gaps identified in the 2019 Housing Needs Assessment were as follows:

- There is a **need for more housing options that are affordable to households with low incomes** and these options should include **smaller dwelling units, family-sized options, and housing to facilitate aging in place.**
- There is a need to **increase primary rental units** in Markham.
- There is a need to **encourage the development of ownership options that are affordable to households with moderate incomes** and that are appropriate for larger households.

Key Housing Gaps – 2019 to 2025:

- Generally, the key housing gaps that were outlined in the City of Markham in 2019 have remained persistent in 2025. Namely, the need for housing affordable for low-income households, purpose-built rental housing, and affordable ownership options for families.
- However, since 2019 these trends have escalated.
 - The number of low-end of market housing has declined, the number of households on waitlists for subsidized housing has increased, and housing costs have increased.
 - The number of renter households has continued to outpace the growth in the supply of purpose-built rental housing as vacancy rates remain low and rent prices increase.
 - The prices to purchase a home have escalated rapidly, making home ownership even more unaffordable for households.

Next Steps



2020 Affordable and Rental Housing Study

Housing Vision

“To support the social and economic vitality of the City of Markham through the facilitation and provision of a range of housing options (by type, tenure and affordability) for Markham residents and workers throughout their lifetime, in order to sustain a more complete community.”

2020 Housing Goals

Goal 1: Increase the supply of affordable rental housing options, particularly for small and larger households with low incomes and that meet their needs in terms of size, accessibility and support services.

Anticipated outcomes:

- *Increased supply of options which are affordable to households with low incomes, including options for smaller and larger households.*
- *Increased supply of accessible and supportive housing.*

Goal 2: Stimulate the development of ownership housing options, particularly larger options for families, which are affordable to households with moderate incomes as well as households with low incomes where feasible.

Anticipated outcome:

- *Increased supply of ownership options, particularly larger units.*

Goal 3: Expand the supply of purpose-built rental market units throughout Markham.

Anticipated outcomes:

- *Increased supply of purpose-built rental housing units.*
- *Increased supply of secondary dwelling units which are being rented out, including coach houses, laneway houses, and other innovative rental housing forms*