

City of Markham Affordable and Rental Housing Strategy

Housing Needs Assessment and Next Steps

April 29th, 2019

Presentation to the Development Services Committee

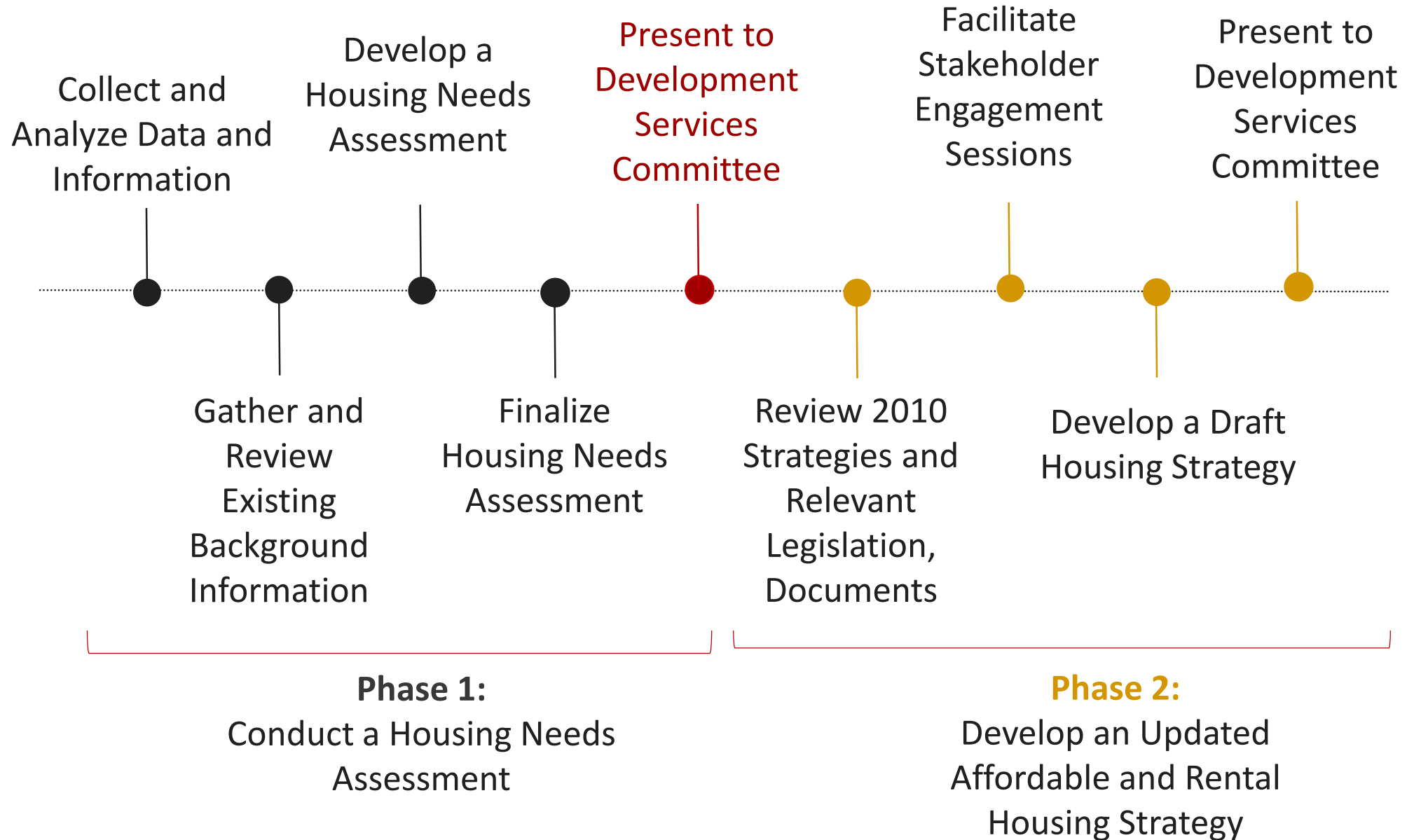


- Present key housing gaps identified in the housing needs assessment to Markham Development Services Committee
- Discuss the next steps in the update of the City's Affordable and Rental Housing Strategy

Study Purpose and Approach

Why update the City's Affordable and Rental Housing Strategy?

1. To identify the current and emerging housing needs in Markham, particularly as it relates to affordable rental and ownership housing and market-rate rental housing.
2. To form the basis for the City's response to the Region's proposed incentives to support the development of rental housing.
3. To meet the provincial requirement for an assessment report to support implementation of inclusionary zoning by-laws for affordable and rental housing.
4. To ensure the City's Affordable and Rental Housing Strategy is consistent with current provincial and federal housing policies and initiatives.



Phase 1: Housing Needs Assessment

Housing Demand Analysis

- Population trends
- Household trends
 - Growth
 - Size
 - Type
 - Tenure
 - Age
- Economic Context
- Household Income
 - Average and Median Household Income
 - Household Income Deciles*

Markham Household Income Deciles

		2005	2015	2018
Low Income	Decile 1	\$23,612	\$25,336	\$26,718
	Decile 2	\$37,967	\$40,093	\$42,280
	Decile 3	\$51,809	\$55,877	\$58,925
Moderate Income	Decile 4	\$65,818	\$71,980	\$75,906
	Decile 5	\$80,026	\$89,327	\$94,199
	Decile 6	\$95,777	\$108,966	\$114,910
High Income	Decile 7	\$114,864	\$132,567	\$139,798
	Decile 8	\$140,512	\$162,531	\$171,396
	Decile 9	\$184,525	\$213,629	\$225,282

Source: Statistics Canada, Custom Tabs, 2006 & 2016

York Region Household Income Deciles

		2005	2015	2018
Low Income	Decile 1	\$24,118	\$27,595	\$29,100
	Decile 2	\$38,989	\$43,608	\$45,987
	Decile 3	\$53,164	\$60,210	\$63,494
Moderate Income	Decile 4	\$67,627	\$77,569	\$81,800
	Decile 5	\$82,020	\$95,916	\$101,148
	Decile 6	\$97,601	\$115,965	\$122,290
High Income	Decile 7	\$115,443	\$139,668	\$147,286
	Decile 8	\$139,789	\$170,771	\$180,086
	Decile 9	\$182,436	\$222,576	\$234,717

Source: Statistics Canada, Custom Tabs, 2006 & 2016

Housing Supply Analysis

- Overall Housing Supply
 - Type
 - Tenure
 - Completions
 - Condition
- Non-Market Housing Supply
 - Emergency and Transitional Housing
 - Supportive Housing
 - Affordable/Community/Subsidized Housing
- Market Housing Supply
 - Rental
 - Ownership

Housing Affordability Analysis

- Income Spent on Housing
- Core Housing Need
- Rental Housing Affordability
- Ownership Housing Affordability

Housing Gaps Analysis

- Housing Gaps within the Housing System
 - Who is in need
 - What housing is required

Current and Emerging Housing Gaps

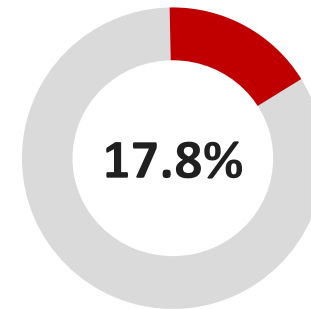
There is a need for more **housing options that are affordable to households with low incomes** and these options should include, smaller dwelling units, family-sized units and housing to facilitate aging in place

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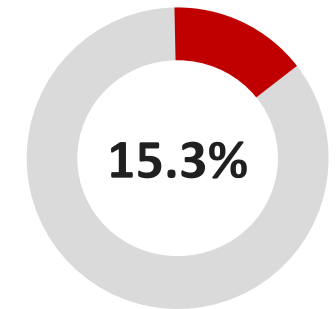
There were **16,058** individuals and families on the centralized housing wait list in York Region and **11,726** have expressed an interest in living in Markham.

Individuals and families have to wait up to **8.5** years for a subsidized housing unit while wait times for seniors were **7.8** years and special priority applicants **1.7** years

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 units and housing to facilitate aging in place



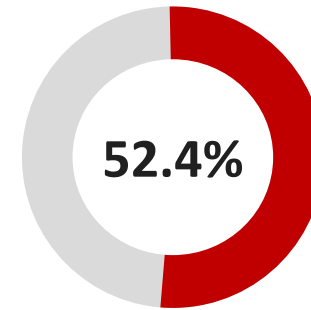
Proportion of Households in Markham Spending **50%+** of Household Income on Shelter
(18,235 households)



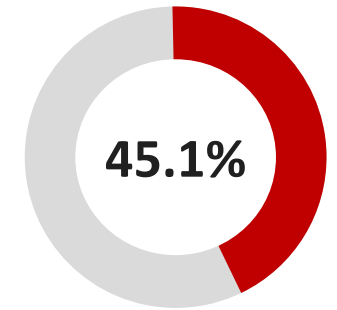
Proportion of Households in Markham in Core Housing Need*
(15,630 households)

*A household is in **core housing need** if they fall below one or more of the housing standards of **adequacy** (housing does not need major repairs), **suitability** (housing has enough bedrooms for the size and make-up of the household), and **affordability** (housing does not cost more than 30% of a household's income) and it would have to spend more than 30% of its gross income to be able to afford the median rent of alternative local housing that meets all three standards.

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 units and housing to facilitate aging in place



Proportion of Low Income Households in Markham Spending **50%+** of Household Income on Shelter
(16,110 households)



Proportion of Low Income Households in Markham in Core Housing Need
(15,120 households)

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 units and housing to facilitate aging in place

	2009	2018
Average Market Rent (AMR)	\$997	\$1,337
Household Income Required to Afford AMR	\$39,880	\$53,480
Household Income Decile (\$29,101 - \$63,494)	2 nd	3 rd

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 units and housing to facilitate aging in place

	2009	2018
Average Market Rent (Condo)	\$1,365	\$2,083
Household Income Required to Afford AMR (Condo)	\$54,600	\$83,320
Household Income Decile (\$63,495 - \$81,800)	4 th	5 th

There is a need to **increase the number of rental units in the primary housing market** in Markham.

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1.5%

Vacancy Rate
in the Primary
Rental Market
In **Markham**
(2018)

1.7%

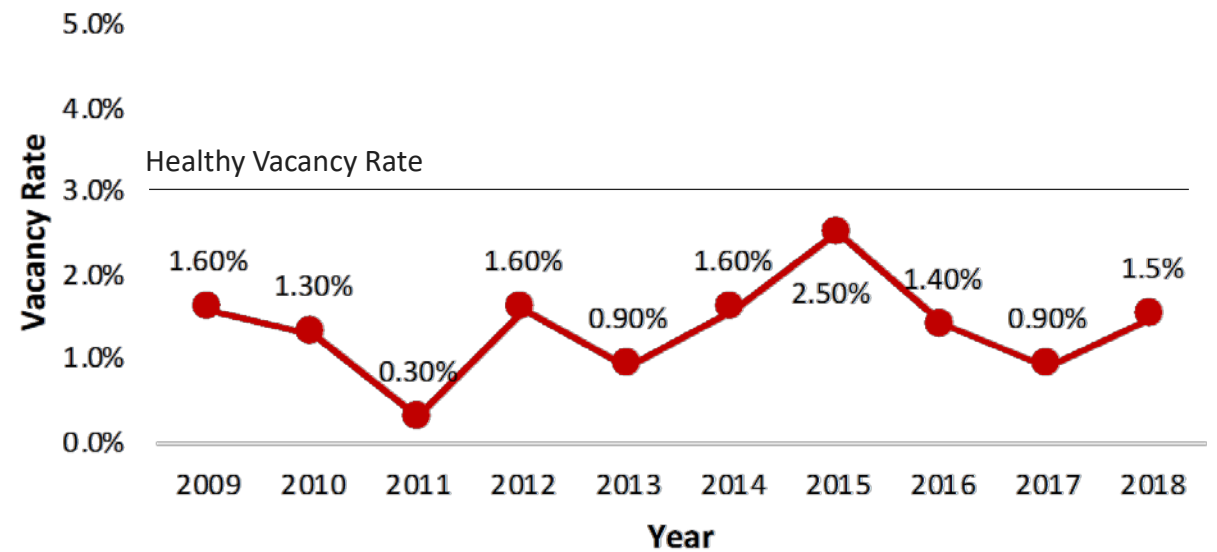
Vacancy Rate
in the Primary
Rental Market
In **York Region**
(2018)

0.8%

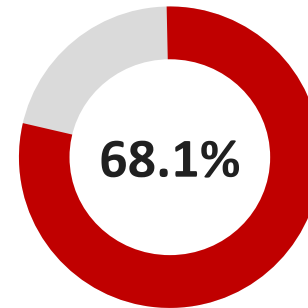
Vacancy Rate for
Condominium
units in
York Region
(2018)

There is a need to **increase the number of rental units in the primary housing market** in Markham.

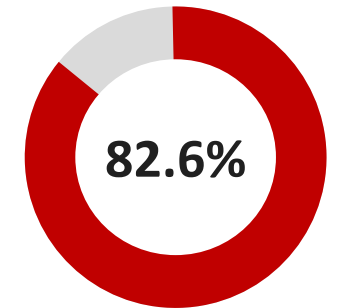
Vacancy Rates in the Primary Rental Market: The City of Markham; 2009-2018



There is a need to **increase the number of rental units in the primary housing market** in Markham.



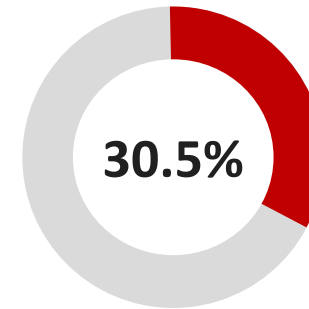
Estimated Share of Renter Households in the Secondary Market in Markham in 2006
(5,800+ households)



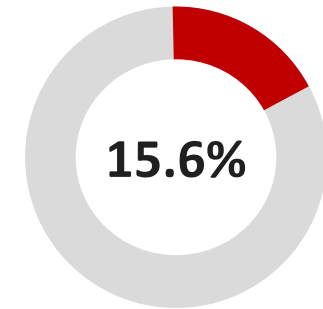
Estimated Share of Renter Households in the Secondary Market in Markham in 2016
(11,700+ households)

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.

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Proportion of Moderate Income Households in Markham in 2018
(33,312 Households)



Proportion of Ownership Units affordable to Moderate Income Households in Markham in 2018
(15,636 dwellings)

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.

	New Units Constructed	Proportion
Total 2017	2,009	100.0%
Affordable to the 4th Income Decile (\$63,495 - \$81,800)	13	0.6%
Affordable to the 5th Income Decile (\$81,801 - \$101,148)	190	9.5%
Affordable to the 6th Income Decile (\$101,149 - \$122,290)	884	44.0%

There is a need to **encourage the development of ownership options which are affordable to households with moderate incomes** and that are appropriate for larger households.

	2018
Average House Price	\$913,500
Household Income Required to Afford the Average House Price	\$234,717
Household Income Decile	9 th

Housing Gaps within the Housing System

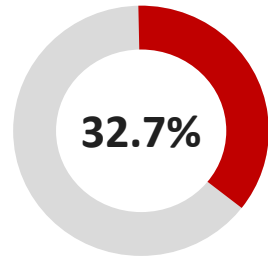
HOUSING GAPS

Summary

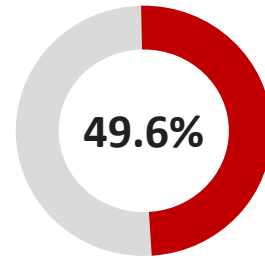
	Low Income Households			Moderate Income Households			High Income Households
Household Income	\$63,494 or less			\$63,495 - \$122,290			\$122,291+
Housing Supply	Emergency and Transitional Housing	Supportive Housing	Community Housing	Affordable Rental Housing	Affordable Ownership Housing	Market Rental Housing	Market Ownership Housing
Number of Households	35,690 households (32.7%)			33,315 households (30.5%)			40,070 households (36.7%)
What they can Afford	rent = \$1,587 house price = \$244,551			rent = \$3,057 house price = \$471,008			rent = \$3,058+ price = \$471,009+
Who is in Need							
Spending 30%+	26,460+ households (74.1%)			9,600+ households (28.9%)			1,320+ households (3.3%)
Spending 50%+	17,720+ households (49.6%)			1,640+ households (4.9%)			
Core Need	16,000+ households (45.1%)			530+ households (1.6%)			persons living alone, non-family 2+ persons, persons with physical and/or cognitive disabilities, youth
Household Types	couples with children, lone parents, non-family 2+ persons, Indigenous, youth, other family households, persons with disabilities			couples with children, immigrants, youth, other family households			
What Housing is Available	1,090 subsidized and market-rate units in subsidized buildings, 120 subsidized and market-rate units in AHP/IAH buildings, 80 rent supplement units, 1,008 ownership units, 1,627 primary rental units (+/- 3,900 total)			17,400 ownership units, 9,800+ secondary rental market units (+/- 27,200 units)			81,670 ownership units, 2,750+ secondary rental market units (+/- 84,420 units)
What Housing is Required	community housing, affordable rental (including family-sized and smaller units), accessible units and units with supports			affordable and market-rate rental (including family-sized and smaller units), family-sized affordable ownership (including medium and high density units)			market rental and ownership (including family-sized and smaller units), accessible units with supports

HOUSING GAPS

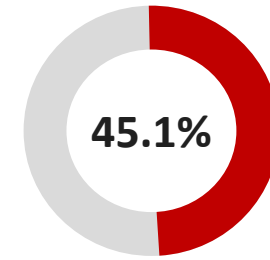
Low Income Households (earning up to \$63,494 or less per year)



Proportion of Low Income Households
(35,690 Households)



Proportion of Low Income Households Spending 50% or more of Household Income on Housing Costs
(17,720+ Households)



Proportion of Low Income Households in Core Need
(16,000+ Households)

Who are the Low Income Households in Greatest Need



Couples with Children



Lone Parents



Non-Family 2+ Person Households



Youth Households



Persons with Disabilities



Other Family Households

What Dwelling Types do they Need



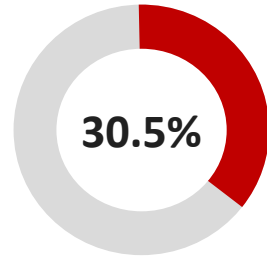
Community
Housing



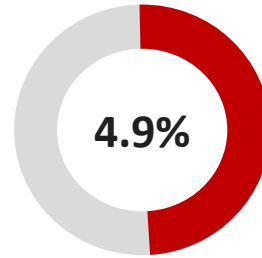
Affordable Rental
(including family-sized
and smaller units)



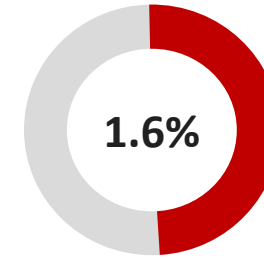
Accessible Units and
Units with Supports



Proportion of Moderate Income Households
(9,600+ Households)



Proportion of Moderate Income Households Spending 50% or more of Household Income on Housing Costs
(1,640+ Households)



Proportion of Low Income Households in Core Need
(530 Households)

Who are the Moderate Income Households in Greatest Need



Couples with Children



Immigrant Households



Youth Households



Other Family Households

What Dwelling Types do they Need



Family Sized Affordable
Ownership (including
medium and high
density units)



Affordable and Market-
rate Rental (including
family-sized and
smaller units)

Who is in Need

The faces of who is in need in Markham



Sharon - Single Mother with 2 Children
 Sharon is a single mother with two children, Jen and Thomas. Sharon has not been able to find work that allows her to combine her duties as a mother and a single income earner and has been trying to find a rental apartment that suits the family's needs

Income – Low (2nd Decile) \$38,726 per year	Max. Rent* \$968
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Housing Need 3-bedroom rental apartment	Market Rent \$1,538
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Maria - Single Senior with a disability
 Maria has been a Markham resident for many years. She owned her home but had to sell it as her pension wasn't enough to cover the costs of maintaining it. She also needs some help but has limited savings so needs to find a rental apartment with supports that she can afford.

Income – Low (1st Decile) \$22,914 per year	Max Rent* \$573
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Housing Need 1-bedroom unit in a seniors apartment building with supports	Market Rent \$1,213
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Dave - Single
 Dave is a temp agency worker currently juggling two minimum wage jobs. He lives in an apartment together with a roommate, but he would like to find a suitable 1 bedroom apartment close to a transit route to help him re-establish contact with his 3 year old son

Income – Low (1st Decile) \$25,480 per year	Max Rent* \$637
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Housing Need 1-bedroom rental apartment	Market Rent \$1,213
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Ruby and Dennis – Couple with 2 Children
 Ruby and Dennis are a young couple with two children. Dennis is full-time employed as a bank teller and Ruby works as a customer service representative. They would like to move out of their 2 bedroom condo to make room for their growing family.

Income – Moderate (6th Decile) \$114,875 per year	Max Price* \$442,446
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Housing Need 3-bedroom ownership townhome	Avg. Price \$752,586
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*Note: Max Rents/Prices are based on what household types can afford if they were to spent no more than 30% of their household income on shelter costs

Next Steps

Today's Session



Examine tools and incentives which Markham can use to encourage the right kind of housing supply



Facilitate Stakeholder engagement sessions to discuss and evaluate potential tools and incentives.

Examine **tools and incentives** which Markham can use to encourage the right kind of housing supply

We will consider some of the following tools:

- **Property tax grants** for Markham's portion of the property taxes
- Deferral of Markham **development charges**
- Relief from all or part of **parkland dedication requirements**.
- Deferral of **Markham development application fees**
- **Alternative parking standards** for developments along the Centres and Corridors.
- Policies on **conversion and demolition of rental housing**.
- Policies on **community hubs and surplus school land** for seniors and affordable housing
- **Inclusionary zoning** (IZ)

Inclusionary Zoning (IZ)

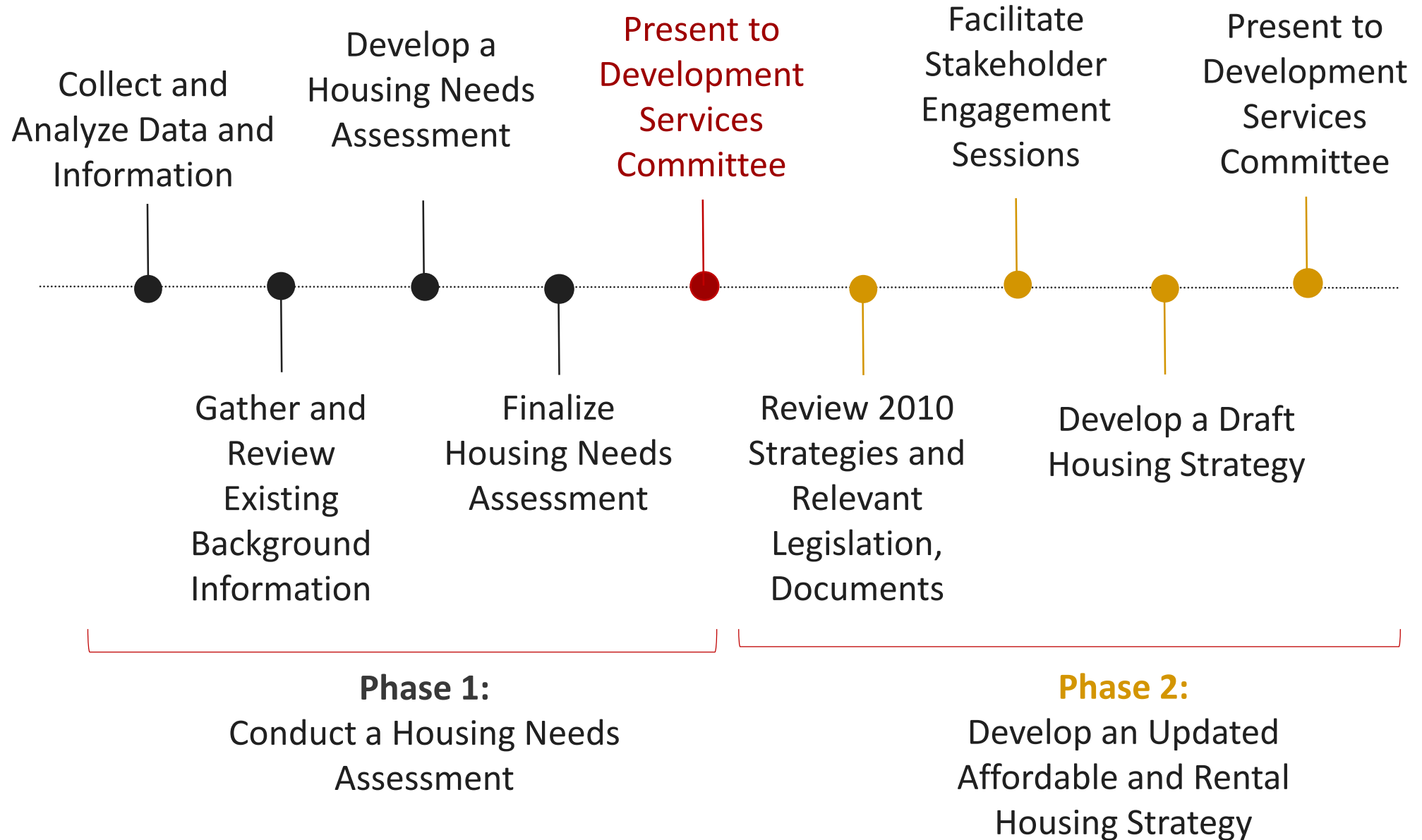
We will consider some of the following options for IZ:

- Applying IZ to Gross Floor Area OR to the total number of units.
- Applying IZ only to increased density vs. the entire development.
- Applying IZ to only certain parts of the City OR to the entire City.
- Ensuring that the required units are built in the first phase of the development.
- Ensuring that the units remain affordable for a set period of time, such as 15, 20, 25 years or longer.
- Rental and ownership units vs. rental only.
- Allowing offsite units or not.
- Setting the threshold size of the development for when IZ takes effect.
- Providing other financial or in-kind incentives if the developer provides more than the minimum requirements

Facilitate stakeholder engagement sessions to discuss and evaluate potential tools and incentives

Stakeholders we propose to invite include:

- Private residential developers
- Non-profit housing developers/providers
- Ratepayers' Association representatives
- Councillors
- City and Region Staff
- CMHC



THANK YOU!

Please let us know if you have any questions or comments.

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