

City of Markham **Affordable and Rental Housing Study**

Phase 1: Housing Needs Assessment – April 2019

Prepared by:



Acknowledgement

The Markham Housing Study – Phase 1: Housing Needs Assessment was undertaken on behalf of the City of Markham.

We would like to thank Murray Boyce from the City of Markham and Sarah Cameron from the Regional Municipality of York for their direction, input and assistance throughout this project.

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1.0 Introduction

1.1 Background

The City of Markham is one of nine local municipalities in York Region and it is the largest of these municipalities. It is also one of the most diverse communities in Canada.

The City has been actively working to identify and address the housing needs of its residents. In 2003, Markham City Council adopted the Affordable and Rental Housing Strategy which supports the provision of affordable and rental housing and defines an advocacy, partnership, policy and financial role for Markham. In 2005, Markham Planning staff began developing an in-depth Housing Stock Analysis which formed the basis for the Recommended Markham Growth Alternative to 2031 and which was adopted by Council in May 2010.

In addition, Markham undertook the development of the Affordable and Special Needs Housing Strategy in 2010 which assessed the City's existing role in the provision of affordable and shared housing. This Strategy also put forth recommendations, including a new policy framework for the Official Plan and a recommendation for a further review of City policies related to special needs housing and shared housing. This led to the work on the Shared and Supportive Housing Policy Review in 2011 which examined existing policies and put forth recommendations related to shared housing forms and the demolition and conversion of rental housing.

Markham's Official was adopted by City Council in 2013 and was approved, in large part, by York Region in June 2014. This Official Plan includes housing objectives and policies to increase the diversity of housing type and tenure and affordable housing options throughout the City.

Since the completion of Markham's Affordable and Special Needs Housing Strategy in 2010, there have also been a number policy changes and funding programs introduced by the Federal and Provincial governments. The Federal government introduced Canada's first 10-year National Housing Strategy in November 2017. This Strategy includes over \$40 billion in program funding to strengthen the middle class, cut chronic homelessness, and fuel the economy. This funding is administered by Canada Mortgage and Housing Corporation (CMHC) and provided through a number of initiatives such as:

- the National Housing Co-Investment Fund, which provides low-cost loans and/or financial contributions to support and develop new mixed-income, mixed-tenure, mixed-use affordable housing;
- the Rental Housing Construction Financing Program, which provides low cost loans to encourage the development of new purpose-built rental housing;

- the Affordable Housing Innovation Fund, which provides funding for unique and innovative building techniques that revolutionize the affordable housing sector; and
- the Federal Lands Initiative, which provides surplus federal lands and buildings for the creation of affordable housing.

In addition, CMHC has increased the maximum amount available through the Seed Funding Program, which provides interest-free loans and grants to help with the costs related to pre-development activities for new affordable and rental housing construction projects.

The Province introduced new Planning Act legislation through the Promoting Affordable Housing Act which enables municipalities to adopt Official Plan policies and pass zoning by-laws to implement inclusionary zoning. This legislation came into effect in April 2018 and has effectively increased the role of lower-tier municipalities, such as Markham, in encouraging and supporting community and affordable housing. In addition, the Provincial government introduced a number of initiatives with the goal of making it easier and faster to build housing of all types, including rental housing. These initiatives include exempting new units from rent control, developing a Housing Supply Action Plan, and introducing amendments to the Growth Plan.

Markham has been working closely with the Region with regard to addressing the housing need of all residents of York Region, including Markham residents. The Region's 10-Year Housing Plan – Housing Solutions: A Place for Everyone¹ was approved in June 2014 and this Plan included goals which focused on increasing and sustaining the supply of rental housing. In coordination with this Housing Plan, the Make Rental Happen Collaborative Advocacy Plan was developed and implemented by the York Region Human Services Planning Board. As part of this initiative, a 36-month development charge deferral for a 225-unit private market rental development was provided in 2013 and in May 2017, Regional Council approved a permanent policy for a 36-month deferral of Regional development charges for purpose-built rental buildings with four or more storeys.

In November 2016, Regional Council supported the formation of a York Region – Local Municipal Housing Working Group to evaluate the entire housing system. This Working Group concluded that financial incentives should focus on increasing the private purpose-built rental supply affordable to mid-range income households. Based on the research and findings of the Working Group, Regional Council endorsed principles to develop guidelines which incorporate criteria where average rents should not exceed 175% of average market rents of private purpose-built apartments by bedroom type. Regional Staff also proposed two new incentives to support the development of rental housing for mid-range income households.

¹ Please note that the Region's 10-Year Housing Plan is currently undergoing a review with the updated Plan expected in Fall 2019.

1.2 Purpose of the Study

At its meeting of September 12, 2018 Markham City Council requested staff to report back on an updated Affordable and Rental Housing Strategy for the City of Markham, including options for inclusionary zoning and additional financial incentives, in response to provincial and regional housing initiatives. SHS Consulting was retained by the City to undertake a study in support of updating the City's Affordable and Rental Housing Strategy.

The purpose of this study is to build on previous work to identify the current and emerging housing needs in Markham, particularly as it relates to affordable housing and purpose-built rental housing, and to prepare a draft Affordable and Rental Housing Strategy for Council's consideration. The Strategy will be consistent with the current Federal, Provincial and Regional housing policies and initiatives.

This study will also form the basis for the City's response to the Region's proposed incentives to support the development of rental housing for mid-range income households as well as to meet the provincial requirement for an assessment report as part of implementing inclusionary zoning.

1.3 Approach to the Study

This study is being undertaken in two phases. This report represents the work on the first phase which is the housing needs assessment. This work involves examining the current and emerging housing needs and gaps in Markham. Phase two of the study will involve identifying and examining tools and incentives which the City can use to help address the identified housing gaps.

1.3.1 Study Area

The study area for this housing needs assessment is the City of Markham and the analysis of housing demand, supply and affordability is focused on the City. However, given that Markham is part of the regional area of York Region and that the Region is the Service Manager for the area, the assessment also looks at the housing situation in the Region as a whole. For some major indicators, data for all nine communities is also presented to provide context for the analysis undertaken for Markham.

Figure 1: Map of the Study Area: Markham and York Region



1.3.2 Sources of Information and Data Limitations

Sources of data and information for this study include Statistics Canada Census Profiles, topic-based tabulations, and custom tabulations for 2006 and 2016. Please note that census data for 2011 has been excluded from the analysis to avoid the challenges presented by the different methodology employed in 2011 for the National Household Survey. Other data and information sources include Canada Mortgage and Housing Corporation (CMHC), the Regional Municipality of York, and the City of Markham.

Please note that household counts in this report may not directly match the household counts on Statistics Canada's website as household data used for this report was obtained from custom tabulation data which uses the universe of households with incomes greater than zero in non-farm, non-reserve private dwellings.

1.4 Housing System

The Canada Mortgage and Housing Corporation (CMHC) defines the housing market as a continuum or system where housing supply responds to a range of housing need².

Due to demographic, social, economic and geographic factors which impact housing need and demand, the private housing market does not always meet the full range of housing need in a community. This is particularly true for individuals and families with low incomes or for persons with unique housing and support service needs. The housing needs of these population groups are often met by non-market housing provided by the public and non-profit sectors.

It should be noted that while the housing system looks linear, it is not. People can move back and forth through different stages of their lifetime. For example, a senior home owner may choose to sell their home and move to the private rental market. There may also be households who were in subsidized rental housing who are able to move to affordable ownership. As such, it is important for each community to have an adequate supply of housing options within the housing system.

The different elements of the housing system are³:

Emergency Shelters

This is short-term accommodation (usually 30 days or less) for people experiencing homelessness or those in crisis.

Transitional Housing

Housing that is intended to offer a supportive living environment for its residents. It is considered an intermediate step between emergency shelter and supportive housing and has limits on how long an individual or family can stay. Stays are typically between three months and three years.

² Canada Mortgage and Housing Corporation (2018). About Affordable Housing in Canada. Accessed from: <https://www.cmhc-schl.gc.ca/en/developing-and-renovating/develop-new-affordable-housing/programs-and-information/about-affordable-housing-in-canada>

³ National Housing Strategy Infographic and Glossary of Terms. Accessed from: <https://www.placetocallhome.ca/pdfs/Canada-National-Housing-Strategy-Infographic.pdf> and <https://eppdscrmssa01.blob.core.windows.net/cmhcprodcontainer/files/pdf/glossary/nhs-glossary-en.pdf?sv=2017-07-29&ss=b&srt=sco&sp=r&se=2019-05-09T06:10:51Z&st=2018-03-11T22:10:51Z&spr=https,http&sig=0Ketq0sPGtnokWOe66BpqguDljVgBRH9wLOCg8HfE3w=>

Supportive Living

This is housing that provides a physical environment that is specifically designed to be safe, secure, enabling and home-like, with support services such as social services, provision of meals, housekeeping and social and recreational activities, in order to maximize residents' independence, privacy and dignity.

Community Housing

This refers to either housing that is owned and operated by non-profit housing societies and housing co-operatives, or housing owned by provincial or municipal governments.

Affordable Rental and Affordable Ownership Housing

Affordable housing is housing that can be owned or rented by a household with shelter costs (rent or mortgage, utilities, etc.) that are less than 30% of its gross income. In the City of Markham Official Plan, this refers to housing which is affordable to households with low and moderate incomes (i.e. the lowest 30% and 60% of the income distribution respectively).

Market Rental Housing

These are rental units in the private rental market and include purpose-built rental units as well as units in the secondary rental market, such as second suites and rented single detached dwellings.

Market Ownership Housing

This refers to ownership units priced at market values and purchased with or without a mortgage but without any government assistance.

Figure 2: Elements of the Housing System



2.0 Housing Demand

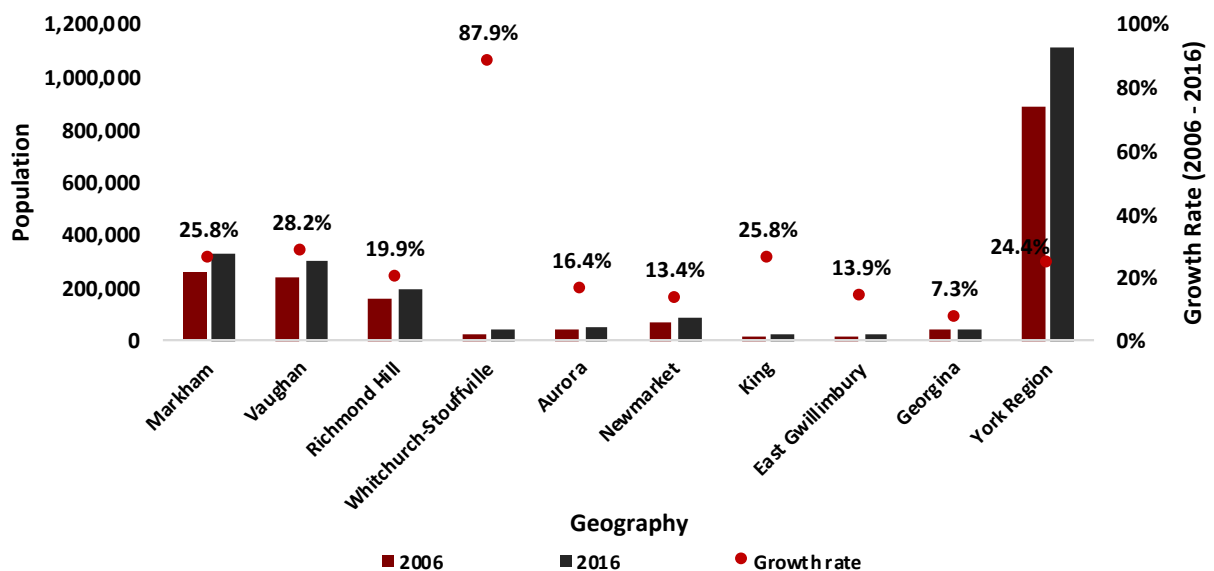
This section describes the demographic and economic characteristics in Markham. Population and household characteristics are important indicators of housing needs in a community.

2.1 Population Trends and Projections

Markham has been growing steadily with the population increasing by 25.8% from 261,573 in 2006 to 328,966 in 2016. In comparison, the population of York Region as a whole increased by 24.4% during the same time period.

Among all the local municipalities in York Region, Whitchurch-Stouffville saw the highest rate of increase in its population from 2006 to 2016; increasing by 87.9%. Vaughan saw the second highest rate of increase; increasing by 28.2%. Markham and King experienced the third highest rate of increase among the local municipalities in York Region with the population of both municipalities increasing by 25.8%. In contrast, Georgina saw the lowest rate of growth at 7.3% from 2006 to 2016. In terms of actual numbers, Markham saw the highest increase; increasing by 67,393 people from 2006 to 2016 followed by Vaughan, which saw an increase of 67,367 people.

Figure 3: Population Trends: Markham, York Region and Local Municipalities; 2006 and 2016



Source: Statistics Canada Community Profiles 2006 - 2016; Population forecasts provided by the Regional Municipality of York

Population projections for York Region show that Markham is expected to continue to grow to 458,786 people by 2031; an increase of 39.5% from 2016. The population of York Region is

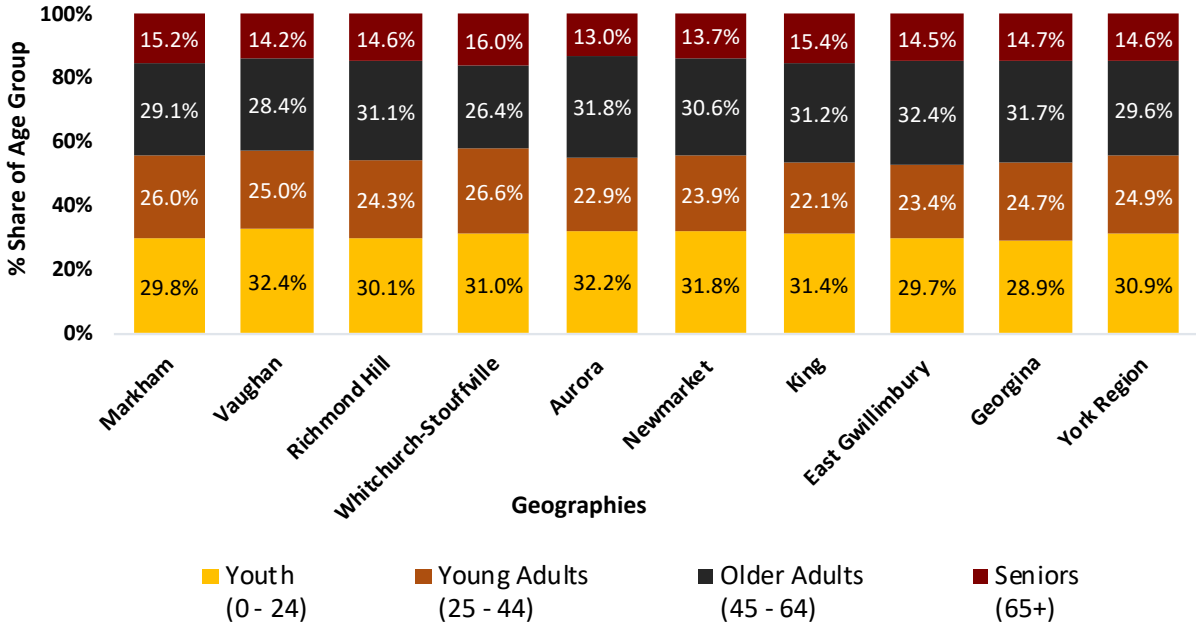
expected to increase by another 40.3% from 2016 to 2031. Among the local municipalities, East Gwillimbury is expected to see the highest rate of increase; increasing by 224.1% from 2016 to 2031.

2.1.1 Population Age

In 2016, a total of 29.8% of the population in Markham were youth aged under 25 years, while 15.2% were seniors aged 65 years or older. In comparison, York Region as a whole had a similar percentage of youth under 25 years (30.9%) but a slightly lower percentage of seniors over the age of 65 years (14.6%). Young adults aged of 25 to 44 years made up 26.0% of all residents in Markham in 2016, while older adults aged 45 to 64 years made up 29.1%.

When looking at all the local municipalities in York Region, only Whitchurch-Stouffville (16.0%) and King (15.4%) had higher proportions of seniors than Markham (15.2%) in 2016. Aurora (13.0%), Newmarket (13.7%) and Vaughan (14.2%) had lower proportions of seniors while Richmond Hill (14.6%), East Gwillimbury (14.5%) and Georgina (14.7%) had similar proportions of seniors compared to Markham in 2016.

Figure 4: Population by Age: Markham, York Region and Local Municipalities; 2006 and 2016



Source: Statistics Canada Community Profiles 2016

In addition, from 2006 to 2016, the number of seniors in Markham grew significantly faster (79.2%) than the population as a whole (25.8%). The number of youth (aged 24 or younger), on

the other hand, had a much slower growth rate (13.5%) over that same time period. This indicates the population in Markham is aging. Furthermore, the number of older adults (aged 45-64 years) also increased faster than the population as a whole by 29.9% from 2006 to 2016. This indicates the number of seniors is likely to continue to increase in the near future.

2.1.2 Homeless Population

The Canadian Observatory of Homelessness defines homelessness as:

“The situation of an individual or family without stable, permanent, appropriate housing, or the immediate prospect, means or ability of acquiring it.”⁴

Homelessness can take many forms. While people living on the street or in their cars are the most obvious forms of homelessness, people who have no permanent homes, such as those who are couch surfing or living in motels, are also considered part of the homeless population.

The 2016 point-in-time count for York Region (Count Me In) conducted on January 20th and 21st, 2016 found a total of 263 people who were homeless in York Region. In addition, data from the Homeless Individuals and Families Information System (HIFIS) from January to December 2015 showed that at least 1,103 individuals accessed shelter services in York Region⁵.

Of the individuals surveyed through Count Me In, 62% were adults aged 25 to 64 years and 34% were youth aged 16 to 24 years. Similarly, HIFIS data shows that 58% of the individuals who accessed shelter services in 2015 were adults aged 25 to 64 years and 24% were youth aged 18 to 24 years⁶.

Count Me In also found that 13% of the individuals surveyed were Indigenous peoples while HIFIS data shows 11% of the individuals who accessed shelter services were Indigenous peoples⁷. This shows that the Indigenous population is over-represented among the homeless in York Region given that in 2016, Indigenous peoples made up less than 1% (0.54%) of York Region’s population.

Count Me In data also shows that 29% of the people surveyed were high school graduates; 29% had some postsecondary education; and 17% were postsecondary graduates. In addition, 47% were receiving Ontario Works benefits, 11% had disability benefits, and 21% had employment

⁴ Gaetz, Donadson, Richter, & Gulliver (2013), The State of Homelessness in Canada 2013. Accessed from: <http://homelesshub.ca/sites/default/files/SOHC2103.pdf>

⁵ United Way Toronto and York Region and York Region (2016). Understanding the Numbers.

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income. Only 11% of those surveyed reported having no income⁸. This shows that despite having an education and income, there is still a likelihood of people becoming homeless if their income is insufficient to cover their housing costs. This is supported by the fact that, when asked about barriers to finding housing, 46% of people surveyed through Count Me In noted their low or lack of income and 36% noted the high cost of rent⁹.

Regional Staff, community partners and 150 citizen volunteers connected with homeless individuals in April 2018 as part of the Region's Homeless Count (I Count 2018). Survey teams visited 44 outdoor locations and over 45 indoor community locations. A total of 226 individuals agreed to be surveyed but even those who chose not to complete the survey were still counted. A report will be released in April 2019¹⁰.

2.2 Household Trends and Projections

While population trends are an important indicator of housing need, household characteristics are a more important indicator of housing need in a community as each household requires one housing unit. This section examines the trends and characteristics of households in Markham.

There were a total of 102,675 households in Markham in 2016; up by 33.0% from 77,200 households in 2006. The number of households is expected to further increase by 40.8% to 144,584 in 2031. In comparison, York Region households increased by 29.5% from 2006 to 2016 and are expected to increase by another 41.3% from 2016 to 2031. Among the local municipalities, Whitchurch-Stouffville saw the highest rate of increase in the number of households, increasing by 80.1% from 2006 to 2016 while Georgina saw the lowest rate of increase; increasing by 10.2% during the same time period.

When compared to population growth, the number of households in Markham saw a higher rate of increase (33.0% compared to 25.8%). This suggests that households are decreasing in size.

⁸ United Way Toronto and York Region and York Region (2016). Understanding the Numbers.

⁹ United Way Toronto and York Region and York Region (2016). Understanding the Numbers.

¹⁰ Regional Municipality of York, Commissioner of Community and Health Services – Memorandum – June 7, 2018. Accessed from: <https://www.york.ca/wps/wcm/connect/yorkpublic/091fd16e-9854-43ff-9a37-3d20a12e446c/jun+7+chislett.pdf?MOD=AJPERES>.

Table 1: Household Trends and Projections: Markham and Local Municipalities in York Region: 2006-2031

	2006	2016	2031	% Change (2006 - 2016)	% Change (2016 - 2031)
Markham	77,200	102,675	144,584	33.0%	40.8%
Vaughan	69,535	94,250	134,293	35.5%	42.5%
Richmond Hill	51,000	64,115	84,386	25.7%	31.6%
Whitchurch- Stouffville	8,525	15,355	22,054	80.1%	43.6%
Aurora	15,655	18,850	25,302	20.4%	34.2%
Newmarket	25,085	28,675	35,383	14.3%	23.4%
King	6,395	8,145	11,959	27.4%	46.8%
East Gwillimbury	6,890	8,075	23,565	17.2%	191.8%
Georgina	15,265	16,825	22,882	10.2%	36.0%
York Region	275,680	357,085	504,410	29.5%	41.3%

Source: Statistics Canada Community Profiles 2006 - 2016; Household forecasts provided by the Regional Municipality of York

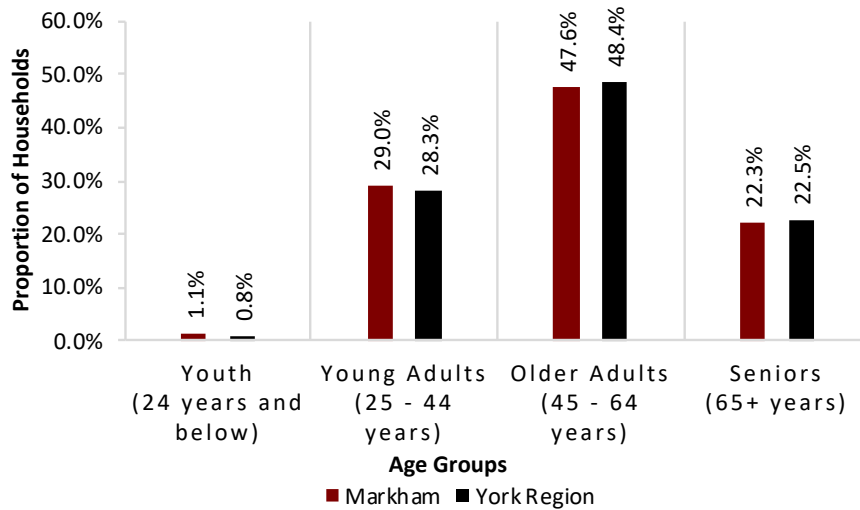
2.2.1 Age of Household Maintainers

In 2016, households led by older adults aged 45 to 64 years made up the largest share of households in Markham; making up 47.6% of all households. In contrast, households led by youth aged 24 years and younger made up the smallest share at 1.1% of all households in 2016. Households led by seniors aged 65 years and older made up just over a fifth (22.3%) of all households in 2016.

In terms of actual numbers, senior-led households saw the highest rate of increase; increasing by 89.0% from 2006 to 2016. Youth-led households also saw a significant increase in numbers; increasing by 87.8% during the same time period. While households led by younger adults aged 25 to 44 also saw an increase in actual numbers (increasing by 12.8%), their share decreased from 34.2% of all households in 2006 to 29.0% in 2016. Similarly, the number of older adult-led households increased by 28.3% from 2006 to 2016 but their share decreased from 49.3% to 47.6% in 2016.

Similar trends were seen in York Region as a whole, where older adult-led households made up the largest share of households (48.4%) in the Region in 2016 and youth-led households made up the smallest share (0.8%). However, older adult households saw a much higher rate of increase in York Region; increasing by 37.6% from 2006 to 2016 compared to 28.3% in Markham. Senior households made up a very similar proportion in York Region (22.5%) as they did in Markham (22.3%). Senior households also saw the highest rate of increase in York Region (77.3%) although this rate of increase was less than that seen in Markham (89.0%).

Figure 2: Primary Household Maintainer by Age Group (2016), Markham & York Region



Source: Statistics Canada Community Profiles 2016

2.2.2 Household Tenure

In 2016, the vast majority of households in Markham owned their homes (86.1%) while only 13.9% rented their homes. The share of owners in Markham decreased from 88.7% in 2006 to 86.1% in 2016 although the actual number of owner households increased by 29.0% during this time period. In comparison, the number of renter households increased by 64.2% and their share increased from 11.3% to 13.9%. Similar trends were seen in York Region although there renters made up a slightly higher share in York Region; making up 14.2%. The discussion on housing supply in the next section will show that units in the primary rental market in Markham actually decreased in the last few years. As such, it is assumed that most of this increase in renter households are households living in units in the secondary rental market, including rented condominium apartments, townhouses, detached dwellings, and secondary suites.

Table 2: Household Trends by Household Tenure: Markham and York Region; 2006 and 2016

		Markham		York Region	
		2006	2016	2006	2016
Total	#	77,200	102,675	275,680	357,085
	% Change	33.0%		29.5%	
Owned	#	68,505	88,395	243,315	306,535
	% Share	88.7%	86.1%	88.3%	85.8%
	% Change	29.0%		26.0%	
Rented	#	8,695	14,280	32,360	50,540
	% Share	11.3%	13.9%	11.7%	14.2%
	% Change	64.2%		56.2%	

Source: Statistics Canada Community Profiles 2006 - 2016

2.2.3 Household Size

Two-person households made up a quarter of all households (25.3%) in Markham in 2016; making up the largest share of all households. Four-person households made up 22.8% while three-person households made up 21.0% of all households. One-person households had the smallest share of households, making up only 13.4% in 2016 although these households saw the highest increase in actual numbers; increasing by 63.9%. Two-person households saw the second highest rate of increase; increasing by 54.2% from 2006 to 2016. Trends were similar for York Region although one- and two-person households made up a slightly larger share of all households in the Region compared to Markham (41.0% vs. 38.7%).

As the following table shows, smaller households make up a smaller share of all households in Markham (38.7%) compared to larger households (61.3%). However, smaller households saw a much higher rate of increase from 2006 to 2016. The higher rate of increase in smaller households may explain why households saw a higher rate of increase compared to the population, as noted in the household trends section above.

It should be noted that the housing needs assessment undertaken for Markham in 2010 found similar trends where the smaller households saw higher rates of increase from 1996 to 2006 although larger households still made up the majority. This suggests that the shift to smaller households will continue in the future although the majority of households will still be made up of three or more persons.

Table 3: Household Trends by Household Size: Markham and York Region; 2006 and 2016

		Markham		York Region	
		2006	2016	2006	2016
1 - 2 Persons	#	25,250	39,745	101,085	146,390
	%	32.7%	38.7%	36.7%	41.0%
	% Change	57.4%		44.8%	
3+ Persons	#	51,945	62,930	174,590	210,700
	%	67.3%	61.3%	63.3%	59.0%
	% Change	21.1%		20.7%	

Source: Statistics Canada Community Profiles, 2006 - 2016

2.2.4 Household Type

Couples with children made up the largest share of households in Markham in 2016; making up 40.2% of all households. Similarly, couples with children made up 41.5% of all households in York Region, a slightly higher share compared to Markham. However, while this household type made up the largest share in Markham in 2016, these households saw the lowest rate of increase; increasing by 14.9% from 2006 to 2016. In comparison, the number of couples without children increased by 49.1% during the same time period although this household type made up less than a fifth (18.9%) of all households in Markham in 2016. Non-family households with two or more persons saw the highest rate of increase; increasing by 98.7% from 2006 to 2016 although this household type made up only 2.2% of all households in Markham in 2016. One-person households made up 13.4% of all households in 2016, however, this household type saw the second highest rate of increase; increasing by 63.9% from 2006 to 2016. Similar to the trends seen in the analysis of household sizes, the smaller household types in Markham saw higher rates of increase in the last ten years. These findings are similar to those observed in the 2010 housing needs assessment. While couples with children still made up the majority, the share of this household type has decreased from 50.2% in 1996 while the share of couples without children and persons living alone continues to increase.

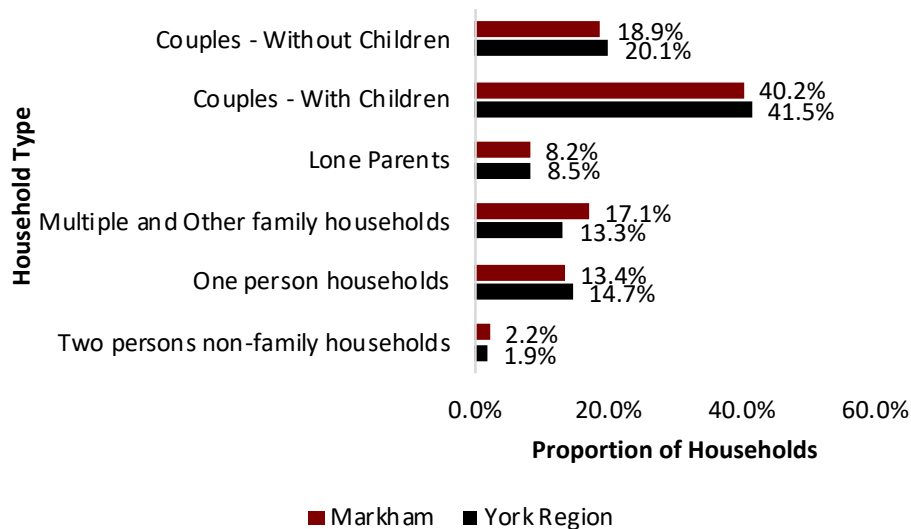
The share of lone parent households in Markham also increased; increasing by 48.1% from 7.3% of all households in 2006 to 8.2% of all households in 2016.

Multiple and other family households¹¹ made up 17.1% of all households in Markham in 2016; up by 34.8% from 16.9% in 2006.

¹¹ Statistics Canada defines these households as those with one census family household with other people included in the household.

In terms of dwelling types needed, while the need for options for smaller households is increasing, it should be noted that options which are appropriate for family-sized households is still the greatest need in Markham, given that family-sized households make up 65.8% of all households in 2016 (this includes couples with children, lone parent households, and multiple households).

Figure 5: Households by Type: Markham and York Region; 2016



Source: Statistics Canada Community Profiles 2016

Immigrant Households

The number of households in Markham who were led by an immigrant increased by 44.2% from 2006 to 2016. It should be noted that this is a higher rate of increase compared to the increase in the total number of households (33.0%). Immigrant households, as a proportion of all households in Markham also increased; increasing from 69.7% of all households in 2006 to 75.5% in 2016. This share is greater than the share of immigrant households in York Region (60.3%).

Of all the immigrant households in Markham in 2016, 6.7% were recent immigrant households¹²; down from 7.1% in 2006. However, the actual number of recent immigrants increased by 36.6% from 2006 to 2016. In comparison, recent immigrant households in York Region made up 5.9% in 2016; down from 6.7% in 2006. The actual number of recent immigrants in York Region did increase by 25.7% from 2006 to 2016.

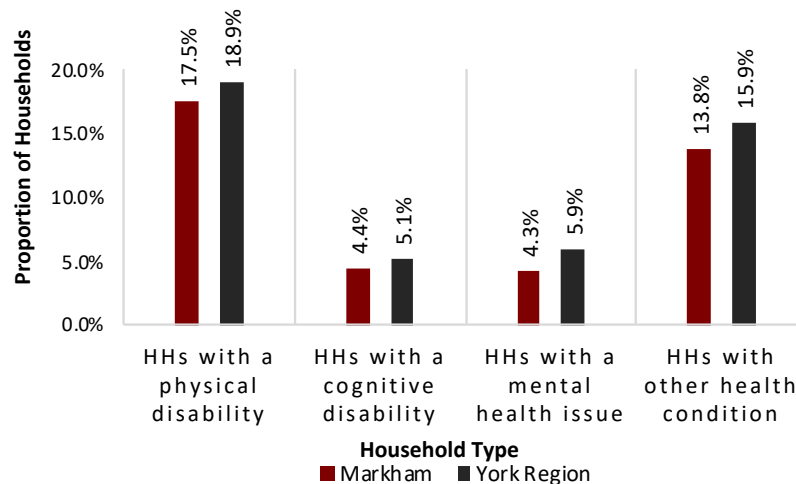
¹² Recent immigrants are immigrants who first obtained their landed immigrant or permanent resident status between January 1, 2011 and May 10, 2016.

It is interesting to note that among the recent immigrant population in private households, 91.6% (18,925 people) were born in Asia and a majority of this group (62.3%) were born in China. Another 4.5% (925 people) of recent immigrants were born in the Americas, with the largest group coming from the United States (390 people).

Households with a Member with a Disability

A slightly smaller proportion of households in Markham had a member with a physical disability, cognitive disability, mental health issue, and/or other long-term health issue in 2016 compared to York Region. Similarly, in 2006, 8.4% of all households in Markham had a member with activity limitations compared to 9.7% in York Region¹³.

Figure 6: Proportion of Households with a Member with a Disability: Markham and York Region; 2016



Source: Statistics Canada Custom Tabulations 2016

2.3 Potential Areas for Inclusionary Zoning

The City is considering implementing inclusionary zoning in certain areas throughout Markham. Some areas which are being considered are Markham Centre, Cornell Centre and the Langstaff Gateway area. These areas are being considered as they are located along a major transportation route (Highway 7), are within the Region's Centres and Corridors where major transit routes exist or are currently planned, and where residents would have easy access to jobs and services. As such, the City anticipates the majority of the projected population for Markham settling in these areas. Additional demographic analysis for these areas will be included in Phase 2 of this study as part of the work on inclusionary zoning.

¹³ The level of data available in 2016 was not available for 2006.

2.4 Economic Context

Changing economic conditions influence the demand for housing in a community in terms of the number of housing units required, the type and tenure of housing units, as well as the ability of households to afford housing.

Markham is the largest of the nine local municipalities in York Region and it has the highest concentration of Information and Communication Technology (ICT) employers per capita in Canada. Over 1,000 technology and life sciences companies are based in Markham and these two sectors combined employ about 38,000 people in Markham¹⁴.

The top ten employers in Markham include IBM Canada Ltd., TD Financial Group, City of Markham, Markham Stouffville Hospital, The Miller Group, AMD Technologies Inc., CGI Information Systems, Homelife Landmark Realty Inc., TD Insurance, and Aviva Canada¹⁵.

The industries in Markham with the highest proportions of the labour force are finance, insurance and real estate (13.8%), professional, scientific and technical (12.3%), and retail trade (11.3%)¹⁶.

2.4.1 Labour Participation and Unemployment

In 2016, 63.3% of the working age population in Markham was in the labour force, down from 67.9% in 2006. In comparison, 66.7% of York Region's population was in the labour force, down from 70.5% in 2006.

The unemployment rate in Markham increased from 6.7% in 2006 to 7.3% in 2016. Similarly, the unemployment rate in York Region increased from 5.4% to 6.4%. As of March 9, 2019, the unemployment rate for the Toronto Economic Region, which includes Markham, was 6%, up slightly from 5.9% from March 10, 2018¹⁷.

2.4.2 Place of Work

¹⁴ 2018 Markham Economic Profile. Accessed from:

<https://www.markham.ca/wps/portal/home/business/economic-development/business-data-and-community-profile/05-business-data-and-community-profile>

¹⁵ 2018 Markham Economic Profile.

¹⁶ 2018 Markham Economic Profile.

¹⁷ Government of Canada. EI Economic Region of Toronto. Accessed from:

http://srv129.services.gc.ca/ei_regions/eng/toronto.aspx

In 2016, more than half of Markham residents (54.1%) commuted to another municipality outside of York Region for their place of work compared to 46.9% of York Region residents. In comparison, 31.5% of Markham residents worked in Markham while 29.7% of York Region residents worked in the same local municipality as their residence. Another 14.2% of Markham residents commuted to another local municipality within York Region for their place of work.

Ideally, residents would live close to where they work within the same municipality. While Markham has a very strong and diverse employment sector, having a broad range of housing options would help to attract even more businesses into Markham and provide more employment opportunities to its residents.

2.5 Household Income

The financial capacity of a household is an important element in determining housing need. This section looks at the household income characteristics of households in Markham. Incomes have been calculated for 2018 using the growth rate in the consumer price index for Canada for 2015 to 2018 of 5.45%.

2.5.1 Average and Median Household Income

The estimated average household income in Markham in 2018 was \$119,255 and the median household income was \$93,884. In comparison, the estimated average household income for York Region as a whole was \$129,125 and the median household income was \$101,000. Among the local municipalities, King had the highest estimated average household income at \$185,301 while Georgina had the lowest at \$97,970.

The average household income in Markham increased by 11.6% from \$101,303 in 2005 to \$113,087 in 2015 and is estimated to have increased by 17.7% from 2005 to 2018. This increase in the average household income is the second lowest among the local municipalities, with King having the lowest rate of increase from 2005 to 2018 (15.1%). In comparison, the average household income in York Region increased by 18.4% from 2005 to 2015 and by an estimated 24.9% from 2005 to 2018.

Table 4: Average Household Incomes: Markham and Local Municipalities in York Region: 2005 - 2018

	2005	2015	2018*	% Change (2005 - 2015)	% Change (2005 - 2018)
Markham	\$101,303	\$113,087	\$119,255	11.6%	17.7%
Vaughan	\$108,925	\$133,095	\$140,355	22.2%	28.9%
Richmond Hill	\$97,577	\$115,526	\$121,827	18.4%	24.9%
Whitchurch-Stouffville	\$114,431	\$130,938	\$138,080	14.4%	20.7%
Aurora	\$120,508	\$147,604	\$155,655	22.5%	29.2%
Newmarket	\$96,680	\$116,456	\$122,808	20.5%	27.0%
King	\$160,964	\$175,716	\$185,301	9.2%	15.1%
East Gwillimbury	\$105,244	\$127,175	\$134,112	20.8%	27.4%
Georgina	\$71,549	\$92,903	\$97,970	29.8%	36.9%
York Region	\$103,420	\$122,446	\$129,125	18.4%	24.9%

**Note: Household incomes for 2018 were estimated based on household incomes for 2015 and CPI growth for the Province of Ontario 2015 - 2018*
Source: Statistics Canada Community Profiles 2006 – 2016

2.5.2 Household Income Deciles

While the average and median household incomes provide a general sense of a household's economic capacity, looking at the distribution of income within the local context provides greater detail of the economic capacity of households.

Household income deciles divide all households into ten equal portions of income groups. There is one tenth (or 10%) of all households in each income decile. These income deciles are used throughout the following sections to provide a more detailed picture of the economic profile of Markham households. Unless otherwise specified, **household income deciles for York Region are used throughout the following sections** as York Region is considered the regional market area, which is used in the provincial definition of affordable housing. In addition, using household income deciles for York Region ensures this study is consistent with Regional initiatives related to housing, including the annual monitoring report.

For the purposes of this study and based on the provincial definition of affordable housing, **low income households** refers to households with incomes in the 1st to 3rd household income deciles, **moderate income households** refers to households in the 4th to 6th income deciles, and **high income households** refers to households in the 7th to 10th income deciles.

Please note that where dollar amounts are presented, these refer to the upper range of each household income decile except for the 10th income decile which represents all household incomes which are one dollar more than the upper range of the 9th income decile.

The following table shows the top range of each of the household income deciles in Markham as well as the growth rate for each decile. The data shows that households with moderate and high incomes saw higher rates of growth in their incomes compared to households with low incomes. For example, households with incomes in the first income decile saw an increase of 7.3% from 2005 to 2015 while households with incomes in the 9th income decile saw a 15.8% increase.

Table 5: Trends in Household Income Deciles: Markham; 2005-2018

		2005	2015	2018*	% Change (2005 - 2015)
Low Income	Decile 1	\$23,612	\$25,336	\$26,717	7.3%
	Decile 2	\$37,967	\$40,093	\$42,278	5.6%
	Decile 3	\$51,809	\$55,877	\$58,922	7.9%
Moderate Income	Decile 4	\$65,818	\$71,980	\$75,903	9.4%
	Decile 5	\$80,026	\$89,327	\$94,195	11.6%
	Decile 6	\$95,777	\$108,966	\$114,905	13.8%
High Income	Decile 7	\$114,864	\$132,567	\$139,792	15.4%
	Decile 8	\$140,512	\$162,531	\$171,389	15.7%
	Decile 9	\$184,525	\$213,629	\$225,272	15.8%
<i>*Note: Household incomes for 2018 were estimated based on household incomes for 2015 and CPI growth for the Province of Ontario 2015 - 2018</i> <i>Source: Statistics Canada, Custom Tabulation Data, 2006 - 2016 and SHS calculations</i>					

As noted in the previous section, household incomes in York Region as a whole are slightly higher than those in Markham. Households in York Region as a whole also saw higher rates of increase from 2005 to 2015 compared to households in Markham. Similar to Markham, York Region households with high incomes saw higher rates of increase compared to those with low incomes. However, the difference in the rate of increase in incomes of households in the lowest income decile in York Region and the highest income decile was not as significant as the difference seen in Markham household incomes.

Table 6: Trends in Household Income Deciles: York Region; 2005-2018

		2005	2015	2018*	% Change (2005 - 2015)
Low Income	Decile 1	\$24,118	\$27,595	\$29,100	14.4%
	Decile 2	\$38,989	\$43,608	\$45,987	11.8%
	Decile 3	\$53,164	\$60,210	\$63,494	13.3%
Moderate Income	Decile 4	\$67,627	\$77,569	\$81,800	14.7%
	Decile 5	\$82,020	\$95,916	\$101,148	16.9%
	Decile 6	\$97,601	\$115,965	\$122,290	18.8%
	Decile 7	\$115,443	\$139,668	\$147,286	21.0%

		2005	2015	2018*	% Change (2005 - 2015)
High Income	Decile 8	\$139,789	\$170,771	\$180,086	22.2%
	Decile 9	\$182,436	\$222,576	\$234,717	22.0%

**Note: Household incomes for 2018 were estimated based on household incomes for 2015 and CPI growth for the Province of Ontario 2015 - 2018*
Source: Statistics Canada, Custom Tabulation Data, 2006 - 2016 and SHS calculations

The following table shows the proportion of Markham households based on York Region income deciles. While there are 10% of York Region households in each decile, the data shows that there are slightly greater shares of Markham households in the first five income deciles (and particularly in the first two) and less in the upper deciles. This means household incomes in Markham are lower than they are in York Region as a whole.

Table 7: Proportion of Markham Households by Markham and York Region Household Income Deciles; 2015

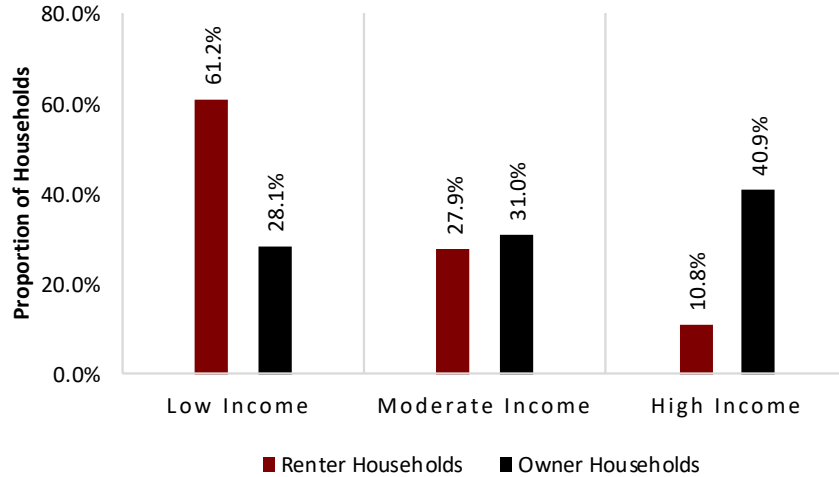
	Markham	York
Decile 1	11.2%	10%
Decile 2	11.1%	10%
Decile 3	10.4%	10%
Decile 4	10.6%	10%
Decile 5	10.3%	10%
Decile 6	9.6%	10%
Decile 7	9.4%	10%
Decile 8	9.3%	10%
Decile 9	9.1%	10%
Decile 10	8.8%	10%

Source: Statistics Canada, Custom Tabulations Data, 2006 & 2016

Household Income Deciles by Tenure

As previously noted, the majority of households in Markham are home owners; making up 86.1% of all households in 2015. Among Markham home owners, 40.9% have high incomes; down slightly from 42.8% in 2005. There were also 28.1% of owners who had low incomes; up from 26.4% in 2005. In comparison, only 10.8% of Markham renters had high incomes in 2015; up from 9.0% in 2005. Furthermore, 61.2% of renters had low incomes; down from 66.6% in 2005. While the proportion of renters with low income decreased from 2005 to 2015 and the number of owners with low income saw a slight increase, the data still suggests that in terms of housing need, renters are more likely to require housing which is affordable to households with low incomes.

Figure 7: Household Tenure by Household Income Deciles: Markham; 2015

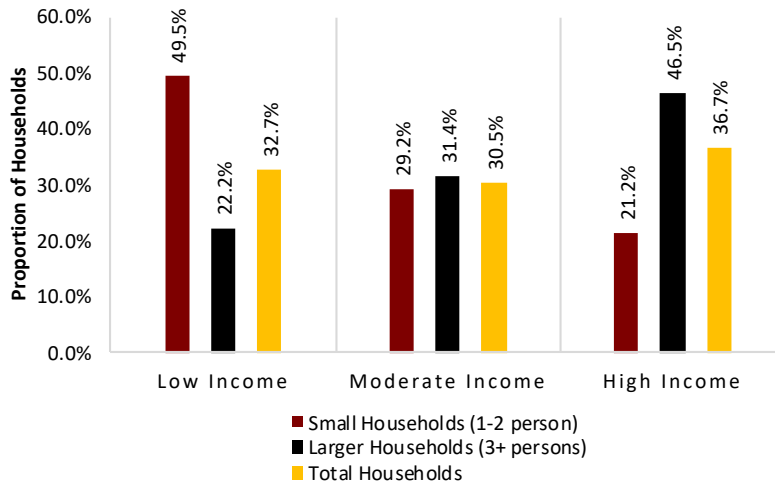


Source: Statistics Canada Custom Tabulations 2016

Household Income Deciles by Size

As previously mentioned, 38.7% of all households in Markham in 2016 were one- and two-person households while 61.3% had three or more persons. Of the smaller households (one- and two-person households) in Markham in 2015, 49.5% had low incomes, 29.2% had moderate incomes and 21.2% had high incomes. Among the larger households (those with three or more members) in Markham in 2015, 22.2% had low incomes, 31.4% had moderate incomes, and 46.5% had high incomes. To compare, among all households in Markham, 32.7% had low incomes, 30.5% had moderate incomes, and 36.7% had high incomes. This shows that larger households are more likely to have higher incomes compared to smaller households and households overall. This may be partly due to having more than one member earning an income. However, while larger households are more likely to have higher incomes, they would also require larger dwelling units, which generally cost more, compared to smaller households.

Figure 8: Household Size by Household Income Deciles; Markham; 2015

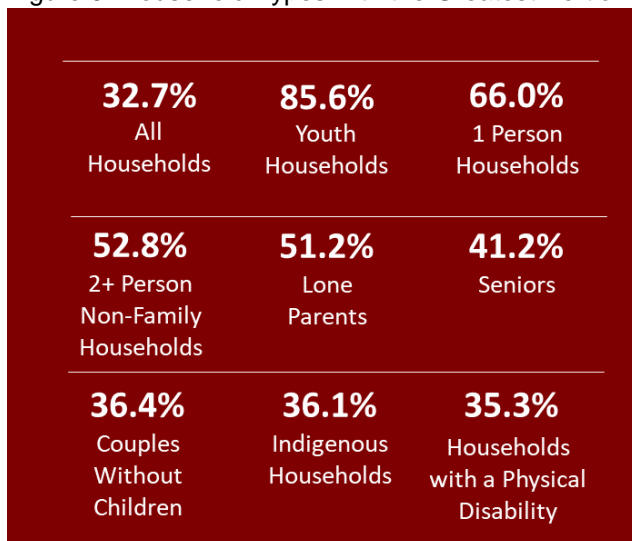


Source: Statistics Canada Custom Tabulations 2016

Household Income Deciles by Household Type

There are certain household types who are more likely to have low incomes. In 2015, 32.7% of all households in Markham had low incomes. In comparison, 85.6% of youth households, 66.0% of one-person households, 52.8% of non-family households with two or more members, 51.2% of lone parent households, 41.2% of senior households, 36.4% of couples without children, 36.1% of Indigenous households, and 35.3% of households with a member with a physical disability had low incomes. On the other hand, there are certain household types who are more likely to have high incomes, including multiple and other family households (49.0%) and couples with children (47.9%).

Figure 9: Household Types with the Greatest Portions in Low Incomes: Markham; 2015



Source: Statistics Canada Custom Tabulations 2016

2.5.3 Incidence of Low Income

The incidence of low income in a community is measured using Statistics Canada's Low Income Cut-Offs – After Tax (LICO-AT). These cut-offs are income thresholds below which a family will likely devote a larger share of its income on necessities such as food and shelter compared to the average family in the area. The approach estimates an income threshold at which families are expected to spend 20% more than the average family on food, shelter and clothing¹⁸.

In 2015, 12.2% of the population in Markham fell under the LICO-AT cut off, which means 12.2% of the population would likely have to allocate a larger share of its income on necessities such as food and shelter compared to the average family in the area.

2.6 Key Findings: Housing Demand

The key findings from the housing demand analysis are as follows.

Markham is growing at a slightly higher growth rate compared to York Region as a whole but projections indicate York Region overtaking Markham in terms of growth in the next fifteen years.

- Markham has been growing steadily with the population increasing by 25.8% from 261,573 in 2006 to 328,966 in 2016 although, this is a slower rate of growth compared to an increase of 70% in Markham's population from 1991 to 2006. In comparison, the population of York Region as a whole increased by 24.4% during the same time period.
- There were a total of 102,675 households in Markham in 2016; up by 33.0% from 77,200 households in 2006. The number of households is expected to further increase by 40.8% to 2031. In comparison, York Region households increased by 29.5% from 2006 to 2016 and is expected to increase by another 41.3% from 2016 to 2031.

Senior-led households and youth-led households are increasing at a much higher rate compared to all households in Markham.

- Senior households made up 15.2% of all households in Markham in 2016 compared to 10.7% in 2006 and 8.1% in 1996. In addition, senior households saw the highest rate of increase in the last ten years; increasing by 89.0% from 2006 to 2016.
- Youth-led households also saw a significant increase in numbers; increasing by 87.8% during the same time period although they made up only 1.1% of all households in 2016.

¹⁸ Statistics Canada (2015). Low Income Cut Offs. Retrieved from: <https://www150.statcan.gc.ca/n1/pub/75f0002m/2012002/lico-sfr-eng.htm>

- Similar to the findings in 2010, this data suggests a continued need for housing options which are appropriate for an aging population, including options to facilitate aging in place.

Households with three or more members made up the majority in Markham but smaller households are increasing at a much faster rate.

- The average household size in Markham in 2016 was 3.2 persons per household; down slightly from 3.5 persons in 2006.
- Smaller households made up a smaller share of all households in Markham (38.7%) compared to larger households (61.3%). However, smaller households saw a much higher rate of increase from 2006 to 2016 (57.4% vs. 21.1%). The share of smaller households also increased; increasing from 31.8% in 2006 to 38.7% in 2016.
- Similar to the findings in 2010, couples with children made up the majority of households in Markham although the share of this household type has decreased from 50.2% in 1996 and 46.6% in 2006 to 40.2% in 2016.
- In contrast, the share of couples without children and persons living alone continues to increase. Couples without children increased by 49.1% from 16.9% in 2006 to 18.9% in 2016. Persons living alone increased by 63.9% from 10.9% in 2006 to 13.4% in 2016.
- Lone parent households made up 8.2% while multiple and other family households made up 17.1% of all households in Markham in 2016.
- In terms of dwelling types needed, while the need for options for smaller households is increasing, it should be noted that options which are appropriate for family-sized households is still the greatest need in Markham, given that family-sized households make up 65.8% of all households in 2016 (this includes couples with children, lone parent households, and multiple households).

Markham households have lower incomes compared to York Region households as a whole and household incomes in Markham saw a lower rate of increase.

- The estimated average household income in Markham in 2018 was \$119,255 and the median household income was \$93,884. In comparison, the estimated average household income for York Region as a whole was \$129,125 and the median household income was \$101,000.
- The average household income in Markham increased by 11.6% from \$101,303 in 2005 to \$113,087 in 2015. In comparison, the average household income in York Region increased by 18.4% from 2005 to 2015. Similarly, the 2010 housing needs assessment found that the median household income in Markham increased by a lower rate compared to York Region; increasing by 19.5% from 1995 to 2005 compared to 29.0% in York Region during the same time period.

- When Markham households are analyzed using York Region household income deciles, there are greater shares of Markham households in the lower income deciles – 32.7% of Markham households have low incomes compared to 30.0% of York Region households and 36.7% of Markham households have high incomes compared to 40.0% of York Region households.
- Certain household types are more likely to have low incomes. These include: renters, youth households, one-person households, non-family households with two or more members, lone parent households, senior households, couples without children, Indigenous households, and households with a member with a physical disability. Likewise, the 2010 housing needs assessment found that youth households, senior households, recent immigrants, lone parent households, and one-person households were more likely to have low incomes.
- This suggests a need for housing options which are appropriate for these household types and which are affordable to households with low incomes.
- On the other hand, there are certain household types who are more likely to have high incomes, including multiple and other family households and couples with children (47.9%).

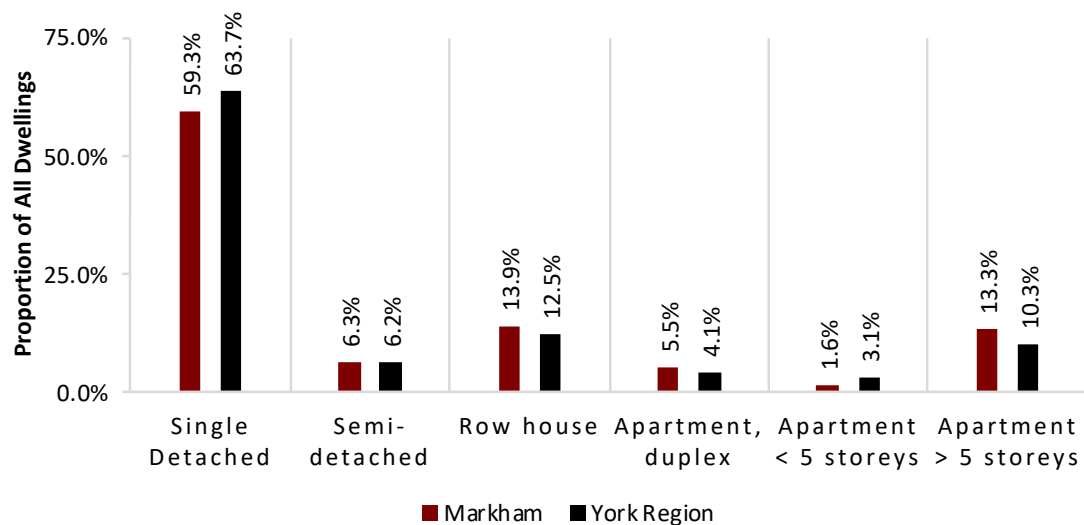
3.0 Housing Supply

Housing supply is measured by the available housing options in a community. An important aspect of assessing housing supply is to compare the existing housing supply as well as recent housing activity to housing need. This allows the identification of any gaps between the need and the housing options available in a community. This section provides an assessment of the housing supply in the City of Markham.

3.1 Overall Housing Supply

In 2016, there were a total 102,430 dwellings in Markham. Of these dwellings, just over half (59.3%) were single detached dwellings. In comparison, 63.7% of dwellings in York Region were single detached. Markham also had larger shares of apartments with more than five storeys (13.3% vs. 10.3%), duplex apartments (5.5% vs. 4.1%), row or townhouses (13.9% vs. 12.5%), and semi-detached dwellings (6.3% vs. 6.2%). York Region had a higher share of apartments with less than five storeys (3.1% vs. 1.6%). This data shows that while the majority of dwellings in Markham are single detached dwellings, the City has a more diverse housing supply compared to York Region as a whole.

Figure 10: Dwellings by Type: Markham and York Region; 2016



Source: Statistics Canada Custom Tabulations 2016

In addition, except for duplex apartments which grew by only 3.9% from 2006 to 2016, all other dwelling types saw higher rates of increase compared to single detached homes. Apartments with more than five storeys increased by 119.9% from 2006 to 2016, semi-detached dwellings

increased by 83.4%, and row houses increased by 67.2%. In comparison, single detached dwellings increased by 17.4% while apartments with less than five storeys increased by 18.8%.

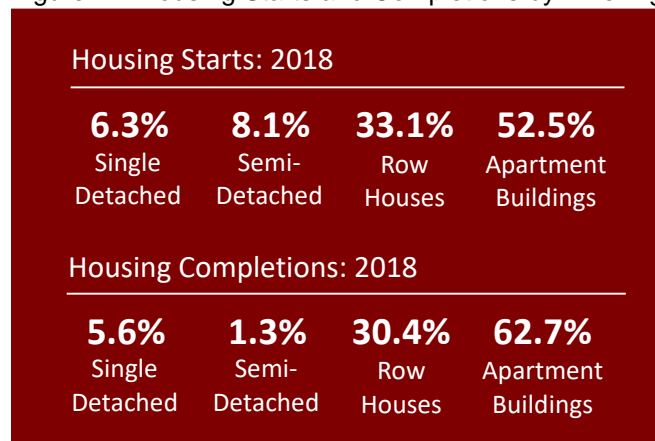
It should be noted that duplex apartments are, historically, not a common building type in Markham. As such, City Staff believe that some respondents to the census who live in secondary suites or accessory dwellings have selected this dwelling type in their response. This is supported by the fact that City Staff believe that, in addition to the over 700 legally registered secondary suites in Markham, there are many other illegal secondary suites, which would account for the 5,660 duplex apartments reported in Markham in 2016.

Housing Starts and Completions by Type

Similarly, CMHC data on housing starts in 2018 show that apartment starts made up 52.5% of all housing starts in Markham compared to 6.3% for single detached dwellings and 8.1% for semi-detached dwellings. Furthermore, the proportion of apartment starts increased from 21.4% of all housing starts in Markham in 2006 while the starts for single detached dwellings decreased from 42.1% in 2006. However, it should be noted that these apartment starts were all ownership or condominium tenure units and none of these starts were for purpose-built rental units.

In terms of housing completions, apartment completions made up the largest share of housing completions in Markham in 2018 at 62.7% while completions for row or townhouses made up 30.4%. Single detached housing completions made up 5.6% in 2018.

Figure 11: Housing Starts and Completions by Dwelling Type: Markham; 2018



Source: Canada Mortgage and Housing Corporation 2018

The data on housing starts and completions in Markham suggest that the shift to multi-residential dwellings seen from 2006 to 2016 will continue in the near future. One thing to note is that while the housing supply in Markham is becoming more diverse, the focus seems to be on ground-oriented dwelling types and high-rise multi-residential dwellings. There appears

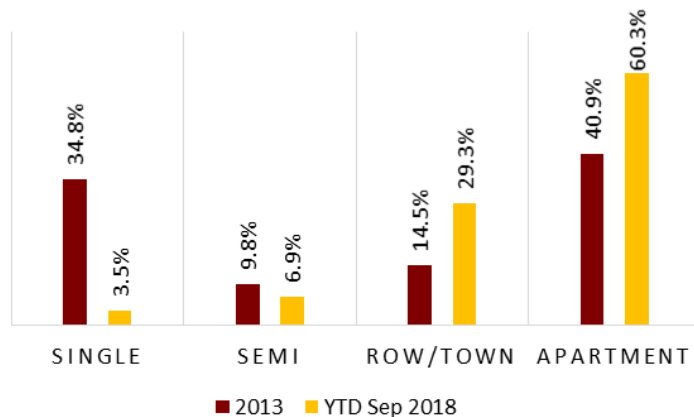
to be a gap for mid-rise dwelling types, where only 1.6% of the current supply was made up of apartments with less than five storeys.

New Residential Developments¹⁹

Building permit data, site plan applications and subdivision agreements provided by the City were also examined to further determine whether a gap exists between the housing need and supply of housing, including dwellings which are under construction and dwellings which will be added in the near future.

Building permit data showed that in 2013, apartment units (40.9%) made up the largest share of units for which permits were approved in Markham followed by single detached dwellings (34.8%), row/townhouses (14.5%) and semi-detached dwellings (9.8%). In comparison, as of the end of September 2018, apartment units made up 60.3% of all approved building permits in Markham while single detached dwellings made up only 3.5%. Row/townhouses made up 29.3% while semi-detached dwellings made up 6.9%.

Figure 12: Building Permit Data: Markham; 2013 and YTD Sep 2018

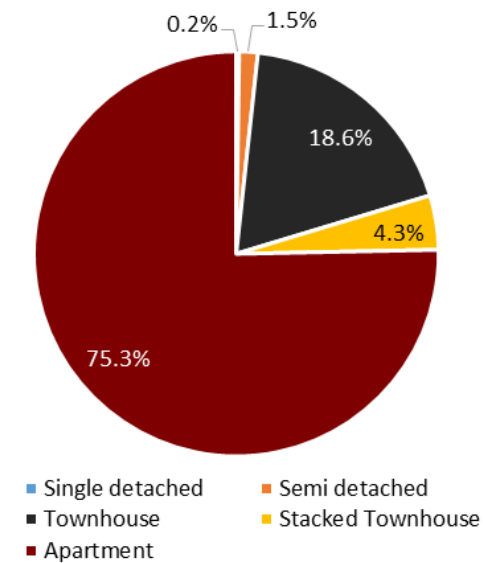


Source: City of Markham

Site plan application data showed that of the 7,297 residential units anticipated in site plan applications, 75.3% were for apartment units and 18.6% were for townhouses. Additionally, 4.3% were for stacked townhouses and 1.5% were for semi-detached units.

¹⁹ Data is as of October 31, 2018.

Figure 13: Current Site Plan Applications: Markham; 2018



Source: City of Markham

Data for subdivision agreements was also analyzed and this showed that for the 182 dwelling units anticipated as part of these developments, 94.0% were for townhouse units while only 6.0% were for single detached units.

This data shows that observed trends from historical data will continue in the near future with a focus on apartment dwelling units with some ground-oriented dwellings in the form of townhouses.

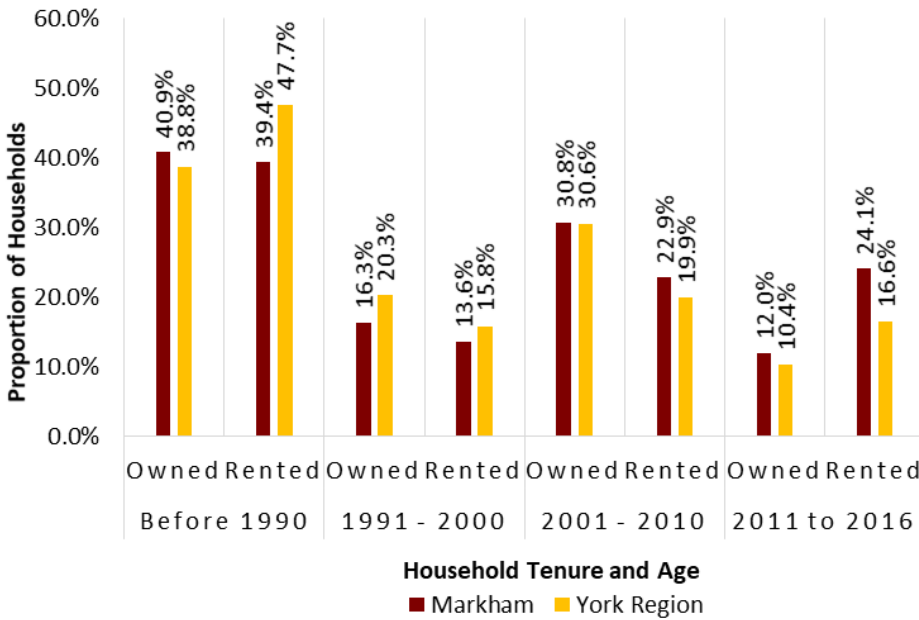
3.1.1 Age and Condition of Dwellings

The largest share of dwellings in Markham (40.7%) were built before 1990 while 13.7% were built between 2011 and 2016. Likewise, 40.0% of dwellings in York Region were built before 1990 and 11.2% were built between 2011 and 2016.

Age of Dwellings

While the largest share of dwellings in Markham were built before 1990, there is a slightly larger share of owned dwelling built before 1990 compared to rented dwellings (40.9% vs. 39.4%). The next largest share of owned dwellings in Markham were built between 2001 and 2010; making up 30.8% of all owned dwellings and compared to just over a fifth (22.9%) of rented dwellings. Of all the owned dwellings in Markham, only 12.0% were built between 2011 and 2016 compared to 24.1% of rented dwellings. It should be noted that these rented dwellings would include units in the secondary rental markets, such as condominiums which are currently being rented out.

Figure 14: Proportion of Dwellings by Age and Tenure: Markham and York Region; 2016

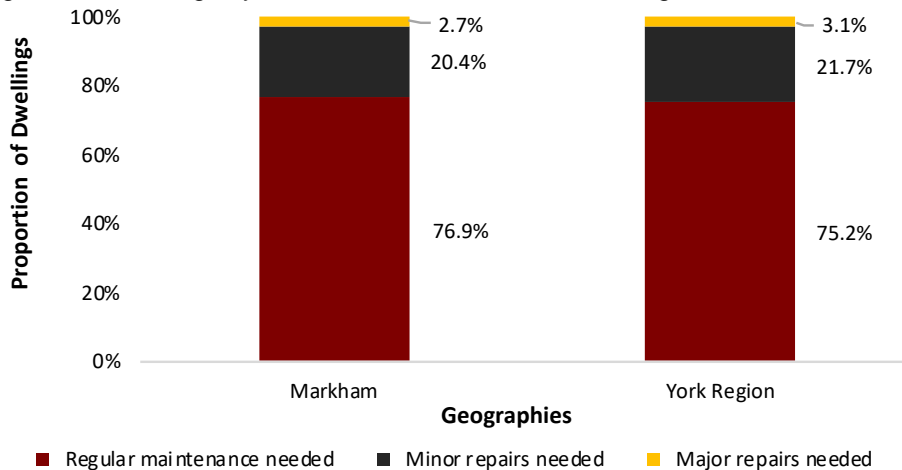


Source: Statistics Canada 2016 Custom Tabulation Data

Condition of Dwellings

In 2016, 76.9% of all dwellings in Markham required only regular maintenance while 2.7% required major repairs. In comparison, 3.1% of all dwellings in York Region as a whole required major repairs. However, while the number of dwellings requiring major repairs in Markham increased by 20.0% from 2006 to 2016, dwellings requiring major repairs in York Region increased by only 14.1% during the same time period.

Figure 15: Dwellings by Condition: Markham and York Region; 2016



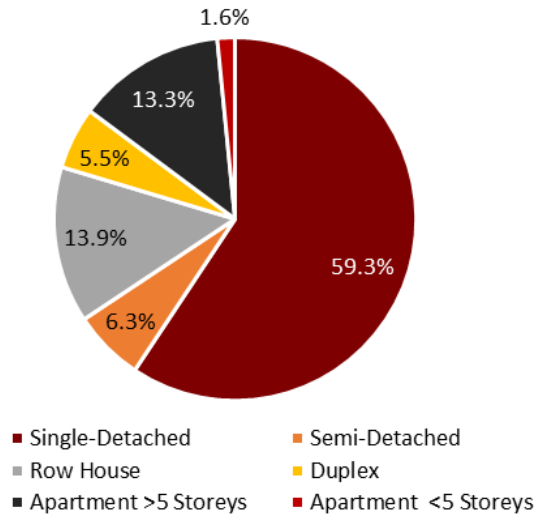
Source: Statistics Canada Custom Tabulations 2016

Among owned dwellings in Markham, 2.6% require major repairs and 21.3% require minor repairs. In comparison, 3.6% of all rented dwellings require major repairs and 14.9% require minor repairs.

3.1.2 Dwellings by Tenure

More than half (59.3%) of dwellings in Markham in 2016 were single detached dwellings and of these dwellings, most (95.9%) were owned while only 4.1% were rented. Row houses made up the second largest proportion of dwellings (13.9%) and of these dwellings, 82.5% were owned and 17.5% were rented. Apartments with more than five storeys made up 13.3% of all dwellings in Markham and of these dwellings, just over half (55.6%) were owned and 44.4% were rented. Apartments with less than five storeys made up only 1.6% of all dwellings and of these, 62.5% were owned and 37.2% were rented.

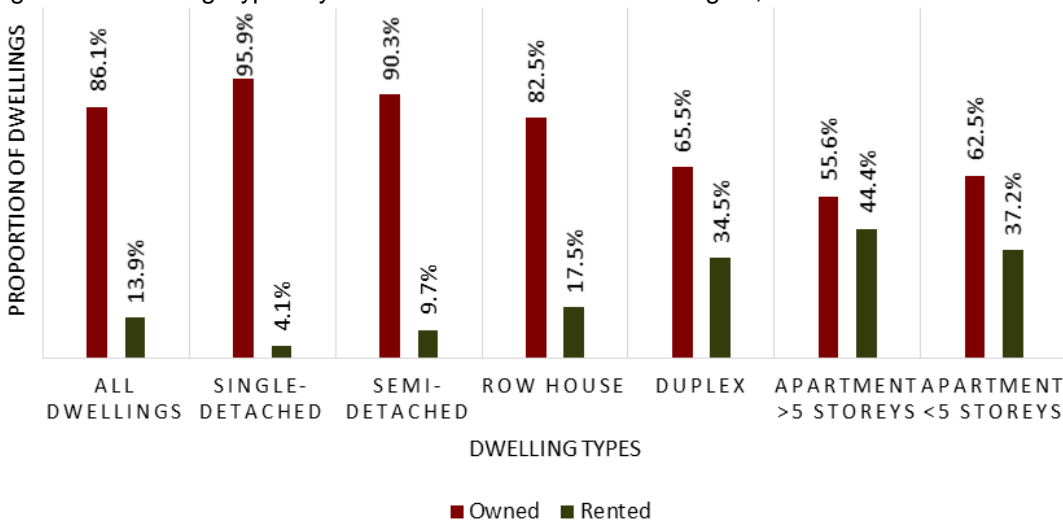
Figure 16: Proportion of Dwellings: Markham; 2016



Source: Statistics Canada Custom Tabulations: 2016

As previously discussed, only 13.9% of all dwellings in Markham are rented. Among the different dwelling types, apartments with five or more storeys have the largest share of dwellings which are rented (44.4%). Apartments with five or more storeys also saw the highest rate of increase; increasing by 119.9% from 2006 to 2016.

Figure 17: Dwelling Types by Tenure: Markham and York Region; 2016



Source: Statistics Canada Custom Tabulations: 2016

Housing Starts and Completions by Tenure²⁰

As previously mentioned, in 2016, 86.1% of all dwellings in Markham were owned; down from 88.7% in 2006. The focus on home ownership is expected to continue in the near future as 42.5% of all housing starts in Markham in 2018 were ownership dwellings and 57.5% were condominium tenure. There were no rental dwelling starts in Markham in 2018. In comparison, in 2006, ownership and condominium housing starts made up 99.6% of all housing starts in Markham while rental housing starts made up less than 1% (0.4%) of all housing starts in Markham.

Housing completions data from CMHC shows that there were no rental housing starts in Markham in 2017. All the housing completions in 2017 were for owned dwellings.

3.2 Non-Market Housing Supply

Non-market housing is made up of dwellings that are both temporary and permanent and which are provided by non-profit organizations and government agencies. Monthly rent rates for permanent units are geared-to-income or set at below-market levels. The Regional

²⁰ CMHC reports on housing starts and completions based on the intended market, which is the tenure in which the unit is being marketed. This includes a freehold unit where the owner owns the dwelling and lot outright and is referred to as “ownership” or “ownership tenure” in this report. A condominium is an individual dwelling unit which is privately owned but where the building and/or land are collectively owned by all dwelling unit owners. A condominium is a form of ownership rather than a type of dwelling. Rental tenure refers to dwellings which were constructed for rental purposes.

Municipality of York, as the Service Manager, is responsible for administering and funding subsidized housing throughout the Region.

3.2.1 Emergency Shelters and Transitional Housing

The need for emergency shelter and transitional housing units is driven by many factors such as family break-up, loss of a job, illness, domestic violence, or recent release from the correctional system. While these factors contribute to the need for emergency and transitional housing in a community, in general, the primary factors which influence the need for these types of housing are poverty and a lack of permanent affordable housing. As such, while there will always be a need for emergency and transitional housing, efforts should be focused on increasing the supply of permanent affordable housing and the necessary support services to keep people housed.

The following table shows the emergency shelters available to all York Region residents, including Markham residents. While not all of these facilities are located in Markham, they are all open to Markham residents. The data show there were a total of 316 shelter beds in York Region in 2018. In comparison, in 2009, there were a total of 231 emergency shelter beds in York Region.

Table 8: Emergency Shelters: York Region; 2018

Agency/Shelter Name	Target Population	Beds
Leeder Place Family Shelter	Families	60
Porter Place Men's Shelter	Men	30
Inn from the Cold	Men and Women	30
Mosaic Interfaith Out of the Cold	Men and Women	31
Belinda's Place	Women	28
Yellow Brick House Women's Shelter	Women and Children	41
Sandgate Women's Shelter	Women and Children	40
The Youth Hub	Youth (16-26)	14
Sutton Youth Services	Youth (16-26)	16
360° kids	Youth (16 - 26)	14
Kevin's Place	Youth (16-26)	12
Total		316

Source: Data provided by the Regional Municipality of York

The following table shows the transitional housing options available for all York Region residents, including Markham residents. The data show there were a total of 30 transitional housing units in York Region in 2018. In comparison, in 2009, there were a total of 36 transitional housing units in York Region.

Table 9: Transitional Housing Units: York Region; 2018

Agency Name	Target Population	Units
Belinda's Place	Women	9 Units
The Youth Hub	Youth (16-26)	11 Units
Sutton Youth Shelter	Youth (16-26)	10 Units
Total		30 Units

Source: Data provided by the Regional Municipality of York

3.2.2 Supportive Housing

Supportive housing is permanent housing which includes appropriate accessibility design features and support services to allow people with unique needs to live independently.

Housing with Supports

The Region offers housing with supports (formerly domiciliary hostels) which include housing and daily meals for people who need supervision of their daily living activities. The Region also offers financial assistance for people who cannot afford the full cost of living in these homes. There are a total of 22 homes in York Region and these are located in Aurora, East Gwillimbury, Georgina, and Newmarket.

Supportive Housing

Within York Region, there are a number of organizations which provide housing with supports to individuals with frail health, physical disabilities, mental health issues or developmental disabilities. A total of 266 supportive units have been identified of which 42.8% (114 units) were located in Markham. A total of 39 units were available for older adults/seniors with physical or cognitive disabilities, 104 units for individuals with developmental disabilities, 114 for individuals with either physical or developmental disabilities and 9 for households with acquired brain injury.

Table 10: Supportive Housing Units by Location and Mandate: York Region; 2018

	Agency	Type	Target Population	Units
Richmond Hill	Reena	Independent living apartments	Individuals with developmental disabilities	60
	March of Dimes Canada	Independent living apartments	Independent living units for seniors with cognitive disabilities	13
	March of Dimes Canada	Independent living apartments	Individuals with acquired brain injury	9
	March of Dimes Canada	Independent living apartments	Individuals with developmental disabilities	14
Thornhill	Hesperus Village	Independent living apartments	Older adults with disabilities	26
Markham	Participation House	Group homes/independent living apartments	Individuals with developmental and physical disabilities	114
Various	Reena	Group homes	Individuals with developmental disabilities	30
Total				266

Source: Healthline 2018

Seniors Housing

There are a total of 3,721 seniors housing or retirement home²¹ spaces in 33 residences²² in York Region. In 2017, a total of 3,853 residents were living in these spaces, which represents a 5.0% capture rate²³.

The vacancy rate for these spaces was 6.0% in 2018; down from 9.1% in 2017. This high vacancy rate may be partly due to the fact that the average rent for these spaces was \$4,464 in 2018, up slightly from \$4,373 in 2017. Of all the spaces in York Region, only 0.5% had rents of \$2,500 or less while 66.9% have rents of \$4,000 or more. These rents do include at least one meal and

²¹ Seniors housing refers to facilities which have at least one unit that is not subsidized, be in operation for at least one year, have at least ten rental units, offer an on-site meal plan, not offer high levels of health care (defined as 1.5 hours or more of care per day) to all its residents (so nursing homes and long term care homes are not included), offer rental units (life lease units and owner-occupied units are not included), and have at least 50% of its residents who are 65 years or older.

²² Please note that some of these residences may already be included in the supply of supportive housing in the previous section.

²³ The capture rate is the ratio of the total number of residents living in the survey universe divided by the estimated population aged 75 years and older. The population 75 years and older is used as the majority of seniors living in these residences are aged 75 years and older.

some light supports but, they would not be affordable to a large proportion of the senior population in Markham and York Region²⁴.

The following table shows the seniors housing/retirement homes that are located in Markham. These represent 17.9% of all the seniors housing/retirement home spaces in York Region. In comparison, 30.8% of all seniors in York Region live in Markham.

Table 11: Seniors Retirement Homes: Markham; 2019

Organization	Units
Chartwell Rouge Valley Retirement Residence	89
Sunrise of Unionville	98
Bethany Lodge - Bethany Manor - Retirement Home	40
Amica at Unionville	150
Amica Swan Lake	116
Revera - Glynnwood retirement residence	175
Total Units	668

Source: Accessed from: centralhealthline.ca and phone calls

Long Term Care Homes

A long-term care home is permanent accommodation for people who need 24-hour nursing and personal care with on-site supervision or monitoring to ensure their safety, and who have care needs that cannot be safely met in the community through community-based services and/or in home supports²⁵. People who need long term care are placed through Community Care Access Centres (CCAC) administered by the province.

Similar to the findings in 2010, there are 776 long term care beds in Markham in 2018. Accommodation rates for long term care range from \$1,848.73 per month for basic accommodation to about \$2,640.78 for private accommodation. The province provides a subsidy if a person does not have enough income to pay for the basic rate²⁶

²⁴ Canada Mortgage and Housing Corporation (2018). Seniors Housing Report. Accessed from: <https://eppdscrmssa01.blob.core.windows.net/cmhcprodcontainer/sf/project/cmhc/pubsandreports/seniors-housing-report/2018/seniors-housing-report-on-65981-2018-en.pdf?sv=2017-07-29&ss=b&srt=sco&sp=r&se=2019-05-09T06:10:51Z&st=2018-03-11T22:10:51Z&spr=https,http&sig=0Ketq0sPGtnokWOe66BpqguDljVgBRH9wLOCg8HfE3w%3D>

²⁵ Queen's Printer for Ontario (2018). Long-Term Care Overview. Accessed from: <https://www.ontario.ca/page/find-long-term-care-home#section-3>.

²⁶ Queen's Printer for Ontario (2018). Long-Term Care Rates. Accessed from: <https://www.ontario.ca/page/get-help-paying-long-term-care>

Table 12: Long-Term Care Rates: Ontario; July 2018 - July 2019

Type of accommodation	Daily rate	Monthly rate
Long-stay Basic	\$60.78	\$1,848.73
Long-stay Semi-private	\$73.27	\$2,228.63
Long-stay Private	\$86.82	\$2,640.78
Short-stay	\$39.34	N/A

Source: Province of Ontario 2018

Support Services

In addition to housing with supports, there are a number of community agencies in York Region and Markham which provide support services to assist individuals and families. These agencies provide a range of services, including assistance with searching for housing, eviction prevention, legal assistance, referrals to housing and other support services, food banks, clothing and furniture banks, life skills training, employment supports, and counselling.

3.2.3 Community Housing

Community housing (also referred to as subsidized housing) refers to housing which has received some form of subsidy from the City, Region or other levels of government. These units are provided by community non-profit organizations, cooperative housing providers, as well as the Regional Municipality of York through Housing York Inc. The Region funds and administers 6,773 social and affordable housing units owned by more than 40 non-profit and community housing providers, including Housing Services Act providers, federal non-profit providers, and CHP/IAH (Canada-Ontario Affordable Housing Program/Investment in Affordable Housing) housing providers. About 70% of these units are subsidized and accessed from the Region's centralized wait list. These subsidies include rental subsidies under the different programs outlined below. These subsidies allow the housing provider to charge rents which are geared to the household's income (i.e. about 30% of household income) or, at least, below the average market rent.

The different types of community/subsidized housing in York Region are as follows²⁷.

²⁷ The Regional Municipality of York (2018). About Subsidized Housing. Accessed from: <https://www.york.ca/wps/portal/yorkhome/support/yr/housing/aboutsubsidizedhousing>

Non-Profit Housing

Non-profit housing is owned and operated by community-based, non-profit organizations such as faith groups and service clubs. They are either self-managed or managed through a property management company. Non-profit housing can be a mix of subsidized and market rent units.

Co-operative Housing

Co-operative housing are collectively owned and managed by the people who live in them. Residents living in co-ops are called members. A board of directors is elected among the members of a co-op.

Housing York Inc.

Housing York Inc. is York Region's housing corporation. It owns and operates 2,600 subsidized and market rent housing units across York Region. Housing York Inc. also works with community agencies to provide support and services to some Housing York tenants. Some of these community agencies include: Canadian Hearing Society, Canadian Mental Health Association, Community Care Access Centre, Community Home Assistance to Seniors, Community Living Newmarket/Aurora District, March of Dimes, LOFT Community Services, York South Community Living.

Rent Supplement Units

York Region has rent supplement agreements with various private landlords. Rent supplement tenants pay a rent which is based on about 30% of their income. The Region pays the landlord the difference between the tenant's subsidized rent and the market rental cost of the unit.

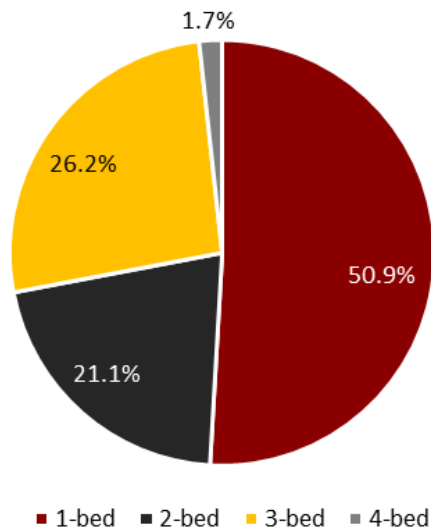
Number of Units

There are about 4,500 subsidized housing units²⁸ in York Region and about 15% of these units are located in Markham (equating to about 680 subsidized units). There are also about 410 market-rate units in subsidized buildings in Markham in addition to the 680 subsidized units. Of the 680 subsidized units, 57.6% are for families and 42.4% are for seniors.

Of the total 1,090 units (which includes subsidized and market-rate units) in subsidized buildings, half (50.9%) are one-bedroom units, just over a quarter (26.2%) are three-bedroom units, 21.1% are two-bedroom units, and 1.7% are units with four or more bedrooms.

²⁸ Please note that numbers for subsidized housing units are approximate based on housing provider subsidy targets for 2019 and include RGI units and rent supplement units in subsidized housing buildings.

Figure 18: Proportion of Units in Subsidized Buildings by Unit Size: Markham; 2018



Source: Regional Municipality of York

There are also a total of 458 subsidized units in AHP/IAH buildings throughout York Region. These include Regional Rent Assistance units and Tiered Rent units at the Richmond Hill Hub. Of these subsidized units in AHP/IAH buildings, 60 subsidized units are located in Markham.

Of the total AHP/IAH units in Markham, almost half (46.7%) are one-bedroom units, two- and three bedroom units each have 21.7%, and units with four or more bedrooms make up 10.0%. When compared to the wait list for these units, the current breakdown of units in subsidized buildings and AHP/IAH buildings is a good match. The majority of applicants on the wait list require one-bedroom units and the smallest proportion require 4+-bedroom units.

There are also rent supplement units in York Region and Markham. There are a total of 485 rent supplement units in York Region and 80 units in Markham. These rent supplements include units in AHP/IAH buildings.

Demand for Community Housing Units

York Region Housing Services manages the Region's centralized wait list for the subsidized rental housing units in York Region. As of December 31, 2018, there were 16,237 households on this wait list. Of all these households on the wait list, 11,726 (72.2%) noted their interest in living in Markham in the application. Of the households who expressed interest in living in Markham, 54.2% were seniors and 45.8% were non-seniors.

The number of applicants on the wait list for subsidized housing in York Region has increased by 176.0% from 5,833 in 2008 to 16,237 in 2018. To compare, the number of households in York Region increased by 29.5% from 2006 to 2016. This suggests that the need for options which

are affordable to households with low and moderate incomes is increasing at a much faster rate than the increase in the overall number of households. This may partly explain the long wait times for these subsidized units. Senior applicants waited an average of 7.8 years while non-senior applicants waited an average of 8.5 years in 2017. Special priority applicants waited an average of 1.7 years in 2017.

Figure 19: Waitlist for Subsidized Housing: York Region; 2008 and 2018



Source: Regional Municipality of York, 2019

In 2017, a total of 301 households were housed in a subsidized unit in York Region and of these, 33 were housed in Markham.

It should be noted that the Region has adopted new income and asset limits as of October 1, 2018. As such, these will impact the number of applicants on the centralized wait list. Regional staff anticipate that these numbers will decrease given the new income and asset limits. Prior to October 1, 2018, any applicant who meets the general eligibility criteria outlined in the Housing Services Act was placed on the wait list regardless of their income or assets.

Units under Development

The Region is currently working with Unionville Home Society (UHS) and Minto Communities on a master plan to redevelop the UHS campus to include an affordable rental building for seniors which will be owned and operated by Housing York Inc. as well as a new Minto Communities townhouse development. The proposed 11-storey Housing York Inc. building will include 260 apartments for seniors, a public community centre and a senior's hub. This project is expected to be completed in 2021²⁹. Markham Inter-Church Committee for Affordable Housing (MICAH) is also building a 32-unit building for seniors in Markham. Most of these units (25 units) will be one-bedroom units and another five units will be accessible barrier-free units for seniors with disabilities. The remaining two units are designated for the use of 360 Kids³⁰. All of these units will be rented at 80% Average Market Rent.

²⁹ The Regional Municipality of York (2018). New Developments and Proposed Projects. Accessed from: <https://www.york.ca/wps/portal/yorkhome/support/yr/housing/aboutsubsidizedhousing>

³⁰ Water Street Project. Accessed from: <https://www.micahinmarkham.ca/index.php/our-community/water-street-project>

3.2.4 Housing Stability

In addition to providing actual housing units, the Regional Municipality of York provides assistance to help people stay in their homes.

Home Repair Program

This program offers grants of up to \$7,500 with a lifetime maximum of \$15,000 to home owners with low and moderate incomes who need critical repairs or renovations to their homes to make them accessible. These include ramp installations, grab bars, converting to walk-in showers, porch lifts, interior stair lifts, urgent repairs to roofs, and repairs or replacement of furnaces. Households with incomes of not more than \$79,697 may be eligible³¹.

Housing Stability Program

People who are on Ontario Works or the Ontario Disability Support Program who are behind on their rent, mortgage or utility payments can receive supports from the Housing Stability Program for preventing a utility cut off; preventing an eviction due to unpaid rent; last month's rent deposit; moving and storage costs; utility deposits and reconnection costs; and household items.

To be eligible, applicants have to be receiving assistance from the Ontario Works or Ontario, live in York Region, be homeless or at risk of homelessness, and have not received benefits from this program within the last three years.

Homelessness Prevention Program

This program provides a one-time assistance to York Region households with low and moderate incomes who are homeless or at risk of homelessness and who are not receiving Ontario Works or Ontario Disability Support Program benefits. Applicants may receive assistance for the following once every three years.

- First and last month's rent
- Rental arrears
- Utility arrears
- Utility security deposit
- Utility reconnection fees

³¹ The Regional Municipality of York (2018). Home Repair Program. Accessed from: <https://www.york.ca/wps/portal/yorkhome/support/yr/housing/aboutsubsidizedhousing>. Please note that this income limit is for 2018. There will be a new income limit for 2019.

- Moving costs
- Assistance with mortgage payments (including mortgage arrears)
- Replacement costs for identification
- Compensation for urgent medical needs
- Landlord and tenant medication.

Applicants have to have gross household incomes based on the income cut-offs identified on the Region's website and based on Statistics Canada's low income cut-offs.

3.2.5 Student Housing

Seneca College has a campus in Markham, indicating student housing, particularly those living off-campus, impacts the overall need in Markham. Students attending the Markham campus are provided with off campus housing at the Newnham residence where direct transportation provided by the college allows students to reach the Markham campus. The Newnham residence has 1,110 beds and accepts students from every Seneca campus. An intercampus shuttle service travels between Newnham and the other campuses. However, these residences are not nearly enough for all the students studying at the Markham campus and many students are likely living in off-campus rental units. Similarly, there are plans to house some students from York University in off-campus rental units, including rented condominium apartments.

3.3 Market Housing

The majority of housing units in a community are private market housing units and include both rental and ownership units.

3.3.1 Private Rental Market

Rental housing fulfills a number of important roles in the housing market in a community. It offers a flexible form of accommodation, provides relief from day-to-day maintenance, and often provides more modest-sized units. In addition, rental housing is generally more affordable compared to ownership housing. In most cases, rented dwellings tend to have lower monthly costs and only require the first and last months' rent as deposit. The flexibility and affordability of rental housing is ideal for some households, such as seniors wishing to downsize or who are on a fixed income, young adults starting their careers, people living alone, and the more mobile workforce/contract workers who do not want the expense of buying and selling a house each time they move for a new contract.

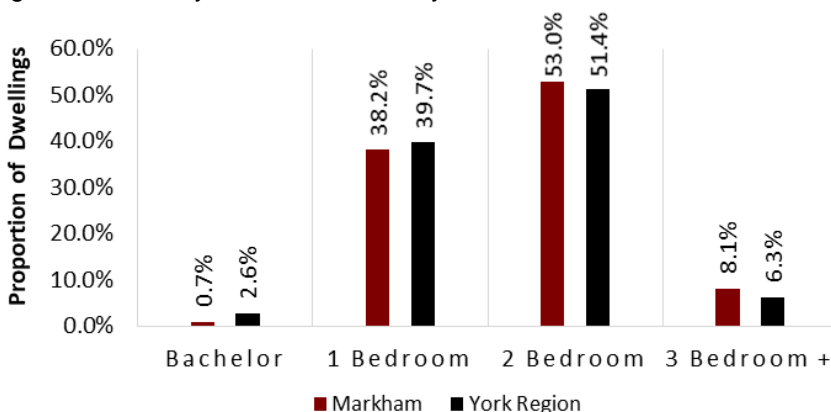
The private rental market in a community is generally made up of the primary or purpose-built rental market and the secondary rental market. The primary rental market includes all self-contained rental units where the primary purpose of the structure is to house tenants. The primary rental market includes purpose-built rental apartments and town houses. CMHC reports on the primary rental market in a community although the rental market survey that CMHC conducts only includes structures with three or more units.

The secondary rental market represents self-contained units which were not built specifically as rental housing but are currently being rented out. These units include rented single-detached, semi-detached, row/town houses, duplex apartments, rented condominium units, and one or two apartments which are part of a commercial or other type of structure.

Primary Rental Market

According to CMHC, there were 1,627 primary rental units in Markham in 2018. More than half of these units (53.0%) were two-bedroom units and 38.2% were one-bedroom units. Less than one percent (0.7%) were bachelor units and 8.1% were units with three or more bedrooms. Most of these units (1,619 units) were built between 1960 and 1979. Furthermore, the majority (1,473 units or 92.9%) are units in buildings with fifty or more units. It should be noted that the total number of primary rental units in Markham decreased by 22.1% (461 units) from the previous year (2,088 in 2017). This decrease in units may be due to a number of reasons, including units being taken off the market for repairs and renovations and units being converted to other forms of tenure. CMHC data shows that 460 units were built in Markham in 2000 or later. This seems to be the same number of units that were added to the supply of primary rental units in 2017 and then removed the following year.

Figure 20: Primary Market Universe by Unit Size: Markham and York Region; 2018

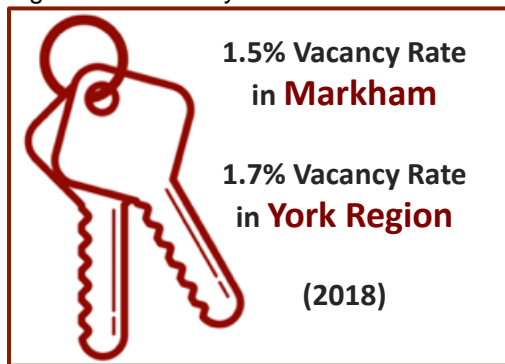


Source: Canada Mortgage and Housing Corporation 2018

Vacancy Rates

A vacancy rate of 3.0% is generally accepted as a ‘healthy’ vacancy rate, indicating a balance between the supply of rental housing and the need for rental housing. In 2018, the vacancy rate for units in the primary rental market in Markham was 1.5%; up slightly from 0.9% in 2017. Similarly, the vacancy rate for York Region was 1.7%; up from 1.3%³². Except for 2015 where the vacancy rate in Markham reached 2.3%, the total vacancy rate has been less than 2% since 2010. This indicates a significant need for purpose-built rental housing. In addition to the fact that there are very few purpose-built rental units in Markham, CMHC noted that the rising cost of home ownership in the Greater Toronto Area (which includes Markham) has resulted in a rising demand for rental units³³.

Figure 21: Vacancy Rates: Markham and York Region; 2018



Source: Canada Mortgage and Housing Corporation 2018

Average Market Rent

In 2018, the average market rent (AMR) for all units in the primary rental market was \$1,337. The AMR for one-bedroom units was \$1,213; \$1,408 for two-bedroom units; and \$1,538 for three-bedroom units.

The total AMR for Markham increased by 20.3% from 2005 to 2015. In comparison, the consumer price index (CPI) for Ontario increased by 18.3% from 2005 to 2015. Furthermore, the AMR increased by 11.7% from 2015 to 2018 whereas the CPI increased by only 5.4% during the same time period. This shows that the AMR is increasing faster than inflation. This may be partly due to the very limited supply of purpose-built rental units compared to the significant need for these units.

³² CMHC (2018). Rental Market Report: Greater Toronto Area.

³³ CMHC (2018). Rental Market Report: Greater Toronto Area.

Table 13: Primary Market Average Rents Over Time Compared to CPI: Markham and York Region; 2005 - 2018

		2005	2015	2018	% Change 2005 - 2015	% Change 2015 - 2018	Canada CPI Change
Markham	Bachelor	\$625	**	**	**	**	% CPI Change 2005 - 2015: 18.3%
	1 Bedroom	\$903	\$1,092	\$1,213	20.9%	11.1%	
	2 Bedrooms	\$1,037	\$1,257	\$1,408	21.2%	12.0%	
	3 Bedrooms +	\$1,239	\$1,401	\$1,538	13.1%	9.8%	
	Total	\$995	\$1,197	\$1,337	20.3%	11.7%	
York Region	Bachelor	\$625	\$833	\$897	33.3%	7.7%	% CPI Change 2015 - 2018: 5.4%
	1 Bedroom	\$903	\$1,091	\$1,151	20.8%	5.5%	
	2 Bedrooms	\$1,037	\$1,262	\$1,344	21.7%	6.5%	
	3 Bedrooms +	\$1,218	\$1,441	\$1,522	18.3%	5.6%	
	Total	\$978	\$1,189	\$1,269	21.6%	6.7%	

Source: Canada Mortgage and Housing Corporation 2005 – 2018

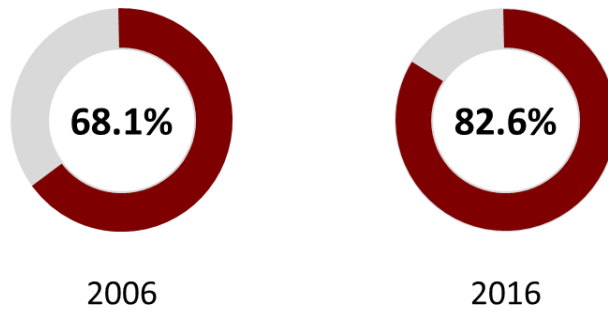
Secondary Rental Market

According to Statistics Canada data, there were 14,195 renter households in Markham in 2016. CMHC data shows that there were 1,646 rental units in the primary rental market in Markham in 2016. Data provided by the Region shows that there are about 820 subsidized units³⁴ in Markham. This suggests that about 11,724 renter households (82.6% of all renters) were living in secondary rental units in Markham. The analysis on dwelling types by tenure earlier in this section of the report shows that most of these renter households live in apartments with more than five storeys, apartments with less than five storeys, and duplex apartments.

In 2006, there were a total of 8,555 renter households in Markham and 1,638 units in the primary rental market. This suggests that in 2006, about 5,828 renter households (68.1% of all renters) lived in the secondary rental market.

³⁴ This estimate is for 2018 and includes subsidized units in Housing York Inc. buildings, community non-profit buildings, and AHP/IAH buildings as well as rent supplement units in private rental buildings.

Figure 22: Proportion of Renter Households Living in the Secondary Rental Market: Markham; 2006 and 2016



Source: Statistics Canada Custom Tabulation Data, 2006 and 2016; and Canada Mortgage and Housing Corporation, 2018; York Region data on subsidized units; Town of Markham Affordable and Special Needs Housing Strategy: Background Report, 2010

While the secondary rental market is a good option, particularly for households who prefer to live in ground-oriented units, it is not as stable as the primary rental market as it is easier for landlords to remove these units from the market. In addition, other than secondary suites which usually have more affordable rents, rents for units in the secondary rental market are generally higher than rents for units in the primary/purpose-built rental market.

While CMHC does not report on condominium units which are being rented out in Markham, it does show that in 2018, there were 11,620 condominium units being rented out in York Region; making up 28.3% of all the condominium units in York Region. However, demand for these units were also quite high as shown by a 0.8% vacancy rate in 2018; down from 0.9% in 2017³⁵.

The Toronto Real Estate Board reports on condominium apartments which are currently being rented out. As of the fourth quarter of 2018, there were a total of 413 condominium apartment units available for rent in Markham and a total of 272 had been leased as of the same time period.

Secondary suites³⁶ are also a part of the secondary rental market if they are rented out. As of October 2018, there were 732 suites on Markham's secondary suite registry.

Average Market Rent

The total AMR of rental condominium apartments in York Region in 2018 was \$2,001. Two-bedroom units had rents at \$2,161 while one-bedroom units had an AMR of \$1,685. These are significantly higher than the average rents for units in the primary rental market as noted above.

³⁵ CMHC (2018). Rental Market Report: Greater Toronto Area.

³⁶ Secondary suites or second units are self-contained dwelling units located within a single detached, semi-detached or townhouse. Secondary suites include basement apartments.

Figure 23: Average Market Rents in the Primary and Secondary Rental Market: York Region; 2018

\$1,267	\$2,001
Primary Rental Market	Secondary Rental Market

Source: CMHC Rental Market Report (2018). Greater Toronto Area.

This is further supported by TREB data on the average lease rates for condominium apartments which are being rented out in Markham. As the following graph shows, the difference between the average market rents in the primary and secondary markets range from \$651 (42.3%) for a one-bedroom unit to \$875 (47.4%) for a two-bedroom unit to \$1,112 (53.1%) for a three-bedroom unit.

Figure 24: Average Market Rents in the Primary and Secondary Rental Market: Markham; 2018

Average Lease Rate for Condominium Apartments		Average Market Rent for Purpose-Built Apartments	
\$1,533	\$1,864	\$1,337	\$1,213
Bachelor	1-Bedroom	Total	1-Bedroom
\$2,283	\$2,650	\$1,408	\$1,538
2-Bedroom	3-Bedroom	2-Bedroom	3-Bedroom

Source: TREB Rental Market Report, Fourth Quarter 2018 and CMHC Rental Market Report (2018). Greater Toronto Area.
Note: The average lease rate refers to the average lease rate for firm lease transactions entered into the TREB MLS system between the first and last day of the reporting period.

3.3.2 Market Ownership Housing

Home ownership is a valuable form of personal investment and is often viewed as the most important way to build person assets. For many households, home ownership is the ideal form of housing and can offer a form of investment, security of tenure, and quality in accommodation.

Average House Price

In 2016, there were 88,230 owned homes in Markham, making up 86.1% of all dwellings in Markham. According to Toronto Real Estate Board (TREB) data, the average resale price of these owned homes in 2018 was \$913,500, down by 14.6% from \$1,070,241 in 2017. Similarly, the average house price in York Region decreased by 13.6% from 2017 to 2018. However, it should be noted that while average house prices decreased in 2018, this is likely a market

correction rather than an overall trend giving that the average house prices in 2018 are still higher than the average house prices in 2016.

Among the different dwelling types, condominium apartment had the lowest average resale price in 2018 at \$494,767. In comparison, the average resale price for townhouses was \$752,586, \$840,655 for semi-detached dwellings, and \$1,198,854 for single detached dwellings³⁷.

3.4 Supply by Affordability

Housing is said to be affordable if the household spends no more than 30% of its household income on housing costs. This section discusses the housing supply in Markham which is affordable to households with low, moderate and high incomes.

3.4.1 Ownership Housing Supply by House Price

The data on the current supply of owned dwellings by the affordable house prices³⁸ based on tax assessment data provided by the City shows that most units (84.0%) in Markham are only affordable to households with high incomes³⁹, who make up 40.0% of all households in Markham, unless the household spend more than 30% of their income on housing costs or unless they have a down payment greater than 5% of the purchase price. Households with moderate incomes, who make up 30% of all households in Markham, can only afford 15.6% of the current supply of ownership housing. Only 0.4% (350 units) of the owned housing supply is affordable to households with low incomes.

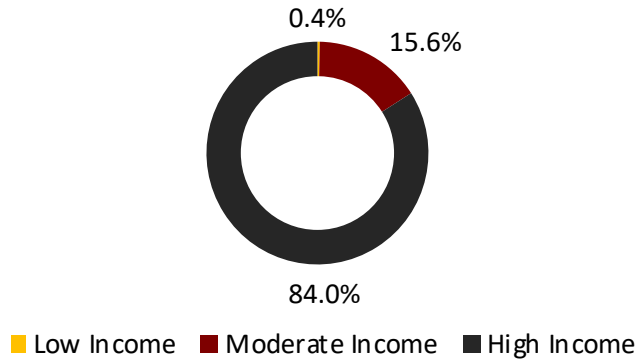
Most of these units which are affordable to households with low incomes are condominium apartments with only one single detached dwelling included in this category. The tax assessment data shows that a total of 15,636 owned units are affordable to households with moderate incomes. Almost all of the units which are affordable to households with incomes in the 4th and 5th income deciles are condominium apartments. Other dwelling types (9.9% of row/townhouses and 3.2% of semi-detached dwellings) are only affordable to households with incomes in the 6th income decile.

³⁷ TREB 2018 Market Watch Data provided by the Regional Municipality of York.

³⁸ These are calculated based on spending 30% of the gross household income on housing costs, annual property tax rate of 0.82%, 25-year mortgage, 5% down payment, and 5.27% interest rate.

³⁹ These are based on Markham household income deciles.

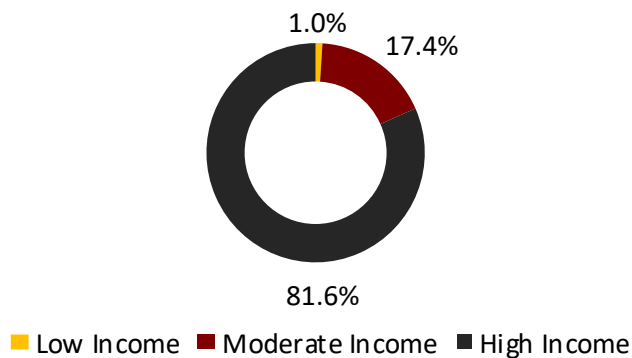
Figure 25: Housing Supply by Markham Household Income Deciles: Markham; 2018



Source: Statistics Canada Custom Tabulations 2016 and City of Markham Tax Assessment Data, 2018

Similarly, using the York Region household income deciles, 81.6% of owned units in Markham are affordable to households with high incomes while only 1.0% are affordable to households with low incomes. Furthermore, almost all of these units which are affordable to households with low incomes are condominium apartment units. Households with moderate incomes can afford 17.4% of all the owned units in Markham but the majority of these units are condominium apartments. Among households with moderate incomes, only those households with incomes in the 6th income decile can afford row/townhouses (22.6% of the supply), semi-detached dwellings (5.7%), and link homes (5.5%).

Figure 26: Housing Supply by York Region Household Income Deciles: Markham; 2018



Source: Statistics Canada Custom Tabulations 2016 and City of Markham Tax Assessment Data, 2018

This data shows that despite the fact that the average resale price in Markham did not increase as much as inflation, house prices, in general, are unaffordable to households with low incomes. There are options for households with moderate incomes but most of these options are condominium apartments, which may not be the most appropriate option for all households, particularly larger households such as households with children. This signals an issue considering 40.4% of all households are made up of four or more persons.

3.4.2 New Units Built

The Region collects annual data on the number of ownership and rental units built in all of its local municipalities which are affordable to households with moderate incomes⁴⁰. This data shows of the 2,009 residential units built in Markham in 2017, 44% (884 units) were within the affordable housing threshold, that is, they were affordable to households with moderate incomes. Of these units, 97.3% (860 units) were high density studio and one-bedroom units and 2.7% (24 units) were ground-oriented units. In comparison, 33% of all units built in York Region in 2017 were affordable to households with moderate incomes and 93.8% of these units were high density units⁴¹.

This shows that while housing units which are affordable to households with moderate incomes are being built in Markham, most of these units are only appropriate for smaller households with one or two people and most of these are in high density buildings⁴². While demographic trends show a shift to smaller households, the majority of households in Markham are still households with three or more persons (61.4% in 2016).

In 2017, only three rental units were built in Markham and these were all secondary suites⁴³. While all three legal secondary suites had rents which were affordable to households with moderate incomes, this is less than what is needed in terms of rental housing in Markham, as discussed in the previous sections.

3.5 Key Findings: Housing Supply

The key findings from the analysis of the housing supply in Markham are as follows.

Markham has a more diverse housing supply compared to York Region as a whole and building trends indicate that Markham's supply will continue to diversify in the near future.

- In 2016, there were a total 102,430 dwellings in Markham. Of these dwellings, just over half (59.3%) were single detached dwellings. The findings in 2010 show that 67.3% of all dwellings in Markham in 2006 were single detached, down from 77.1% in 1996. This suggests that the supply has been diversifying over the last twenty years.
- In comparison, 63.7% of dwellings in York Region were single detached. Markham also had larger shares of apartments with more than five storeys (13.3% vs. 10.3%), duplex

⁴⁰ The Regional Municipality of York (2017). Housing Solutions – 2017 Progress Report.

⁴¹ The Regional Municipality of York (2017). Housing Solutions – 2017 Progress Report. Table 5.

⁴² The Regional Municipality of York (2017). Housing Solutions – 2017 Progress Report. Appendix B, Table 1.

⁴³ The Regional Municipality of York (2017). Housing Solutions – 2017 Progress Report. Appendix B, Table 2.

apartments (5.5% vs. 4.1%), row or townhouses (13.9% vs. 12.5%), and semi-detached dwellings (6.3% vs. 6.2%).

- CMHC data on housing starts in 2018 show that apartment starts made up 52.5% of all housing starts in Markham compared to 6.3% for single detached dwellings and 8.1% for semi-detached dwellings. Furthermore, the proportion of apartment starts increased from 21.4% of all housing starts in Markham in 2006 while the starts for single detached dwellings decreased from 42.1% in 2006.
- Building permit data showed that at the end of September 2018, apartment units made up 60.3% of all approved building permits in Markham while single detached dwellings made up only 3.5%. Row/townhouses made up 29.3% while semi-detached dwellings made up 6.9%.

The number of households on the centralized wait list for subsidized housing as well as the long wait times indicate a need for more rental options which are affordable to households with low incomes.

- There are about 4,500 subsidized housing units⁴⁴ in York Region and about 15% of these units are located in Markham (equating to about 680 subsidized units). Of the subsidized units, 57.6% are for families and 42.4% are for seniors.
- Of the total 1,090 units in subsidized buildings in Markham, half (50.9%) are one-bedroom units, just over a quarter (26.2%) are three-bedroom units, 21.1% are two-bedroom units, and 1.7% are units with four or more bedrooms. When compared to the wait list for these units, the majority of applicants on the wait list require one-bedroom units and the smallest proportion require 4+-bedroom units.
- As of December 31, 2018, there were 16,237 households on this wait list. Of all these households on the wait list, 11,726 noted their interest in living in Markham in the application.
- Senior applicants waited an average of 7.8 years while non-senior applicants waited an average of 8.5 years in 2017. Special priority applicants waited an average of 1.7 years in 2017. While these are long wait times, it should be noted that in 2010, the average wait time for a subsidized unit in York Region was ten years.
- The number of applicants on the wait list has increased by 176% from 5,833 in 2008 to 16,237 in 2018. To compare, the number of households in York Region increased by 29.5% from 2006 to 2016. This suggests that the need for options which are affordable to households with low and moderate incomes is increasing at a faster rate than the increase in the overall number of households.

⁴⁴ Please note that numbers for subsidized housing units are approximate based on housing provider subsidy targets for 2018 and include RGI units and rent supplement units in subsidized housing buildings.

The vacancy rates in the primary rental market as well as the fact that most rented dwellings in Markham are in the secondary rental market indicate a significant need for more purpose-built rental options.

- In 2016, households in Markham owned their homes (86.1%) while only 13.9% rented their homes. According to Statistics Canada data, there were 14,195 renter households in Markham in 2016. CMHC data shows that there were 1,646 rental units in the primary rental market in Markham in 2016. This suggests that about 11,784 renter households (83.0% of all renters) were living in secondary rental units in Markham. While the secondary rental market is a good option, particularly for households who prefer to live in ground-oriented units, it is not as stable as the primary rental market as it is easier for landlords to remove these units from the market. In addition, while secondary suites are usually more affordable, other units in the secondary rental market generally have higher rents.
- In 2018, the vacancy rate for units in the primary rental market in Markham was 1.5%; up slightly from 0.9% in 2017. Similarly, the vacancy rate for York Region was 1.7%; up from 1.3%. However, the vacancy rate in Markham is still below what was reported in the 2010 housing needs assessment (1.6% in 2009) which suggests that the situation has not improved over the last nine years.

Average rents and average house prices are increasing and becoming less affordable to households with low and moderate incomes.

- In 2018, the average market rent (AMR) for all units in the primary rental market in Markham was \$1,337. The AMR for one-bedroom units was \$1,213; \$1,408 for two-bedroom units; and \$1,538 for three-bedroom units.
- The total AMR for Markham increased by 20.3% from 2005 to 2015. In comparison, the consumer price index (CPI) for Canada increased by 18.3% from 2005 to 2015. Furthermore, the AMR increased by 11.7% from 2015 to 2018 whereas the CPI increased by only 5.4% during the same time period. This shows that the AMR is increasing faster than inflation. This may be partly due to the very limited supply of purpose-built rental units compared to the significant need for these units.
- The AMR for rented condominium apartments in Markham are significantly higher (ranging from \$651 to \$1,112 higher) than the AMR for rental units in the primary rental market. In addition, these rents increased by an average of 28.5% from 2015 to 2018 with the highest increase (43.4%) seen in the AMR for bachelor units.
- According to Toronto Real Estate Board (TREB) data, the average resale price of owned homes in Markham in 2018 was \$913,500; down by 14.6% from the previous year. Among the different dwelling types, condominium apartment had the lowest average resale price in 2018 at \$494,767. In comparison, the average resale price for townhouses was \$752,586, \$840,655 for semi-detached dwellings, and \$1,198,854 for single detached dwellings.

Dwellings which are affordable to households with moderate incomes are being built in Markham but most of these are only appropriate for smaller households.

- The Region's monitoring data shows that 2,009 residential units were built in Markham in 2017 and 44% (884 units) were within the affordable housing threshold, that is, they were affordable to households with moderate incomes.
- Of the units which were affordable to households with moderate incomes, 97.3% (860 units) were high density units and 2.7% (24 units) were ground-oriented units. Of the 860 high density affordable units built in Markham, 830 units (96.5%) were one-bedroom units. This shows that while housing units which are affordable to households with moderate incomes are being built in Markham, most of these units are only appropriate for smaller households with one or two people and most of these are in high density buildings. While demographic trends show a shift to smaller households, the majority of households in Markham are still households with three or more persons (61.4% in 2016).

4.0 Housing Affordability

Housing is the largest monthly expenditure for most households in Canada. According to Statistics Canada's Survey of Household Spending, a household's spending on shelter, which includes rent or mortgage payments, repairs and maintenance, property taxes, insurance, and utilities, made up 21.2% of all expenditures by Canadian households in 2015⁴⁵.

Access to affordable, adequate and suitable housing is a pressing concern for many individuals and families. While households with low incomes are much more likely to experience housing affordability issues, increasing house prices and rents have also made housing affordability an issue for some households with moderate incomes.

This section looks at the proportion of households' income which is spent on housing costs as well as what Markham households can afford and how this compares to average house prices and rents. Please note that the following sections analyze the proportion of Markham households based on York Region income deciles.

4.1 Defining Affordable Housing in Markham

The Markham Official Plan⁴⁶ defines **affordable housing** as:

In the case of **ownership housing**, the least expensive of:

- a) Housing for which the purchase price results in annual accommodation costs not exceeding 30% of gross annual household income for low and moderate income households; or
- b) Housing for which the purchase price is at least 10% below the average purchase price for a resale unit in the regional market area;

In the case of **rental housing**, the least expensive of:

- a) A unit for which the rent does not exceed 30% of gross annual household income for low and moderate income households; or

⁴⁵ Statistics Canada (2017). Table 203-0021: Survey of household spending (SHS), household spending, Canada, regions and provinces, annual (dollars), CANSIM.

⁴⁶ Markham 2014 Official Plan, Chapter 11 – Definitions. Accessed from: https://www.markham.ca/wps/wcm/connect/markham/b793e003-a684-46e7-8897-b5498889fa8a/Official-Plan-Chapter-11-20180409.pdf?MOD=AJPERES&CONVERT_TO=url&CACHEID=ROOTWORKSPACE.Z18_2QD4H901OGV160QC8BLCRJ1001-b793e003-a684-46e7-8897-b5498889fa8a-msj6zlk

- b) A unit for which the rent is at or below the average market rent of a unit in the regional market area.

For the purposes of this definition, “low and moderate income households” means in the case of ownership housing, households with incomes in the lowest 60% of the income distribution for Markham with particular attention to households in the lowest 30% of the income distribution or, in the case of rental housing, households with incomes in the lowest 60% of the income distribution for rental households in Markham with particular attention to the households in the lowest 30% of the income distribution.

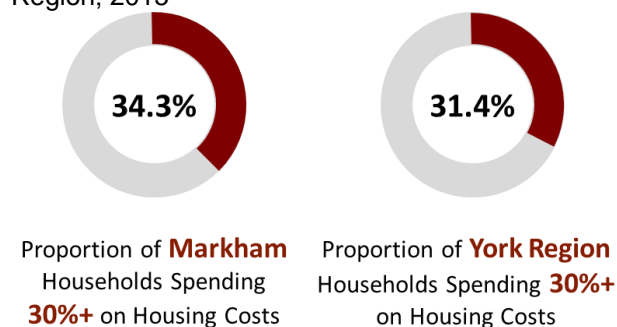
In 2018, this means ownership housing which is priced at a maximum of **\$471,008** for the lowest 60% of the income distribution (also referred to in this report as households with moderate incomes) and a maximum house price of **\$244,551** for the lowest 30% of the income distribution (households with low incomes).

For rental housing, this means rents of no more than **\$1,337** which is the average market rent in Markham.

4.2 Household Income Spent on Housing

In 2015, 34.3% of all households in Markham were spending 30% or more of their gross household income on housing costs compared to 31.4% in York Region. The number of households facing housing affordability issues (i.e. spending 30% or more) increased by 42.0% from 32.2% of all households in 2005. Furthermore, 17.8% of all households in Markham were facing severe housing affordability issues (i.e. spending 50% or more of their gross household income on housing costs) and the number of households facing severe housing affordability issues increased by 57.2% from 2005 to 2015. It should be noted that these increases are greater than the overall increase in the number of households (33.2%) during this same time period.

Figure 27: Proportion of Households Spending 30% or more on Housing Costs: Markham and York Region; 2015

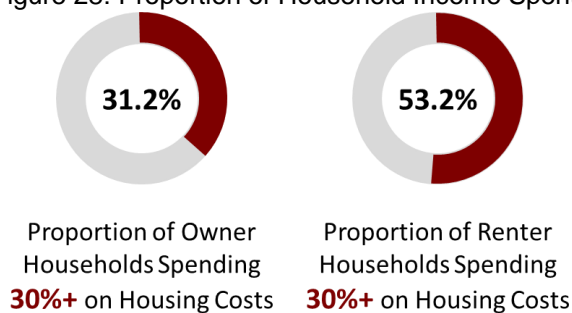


Source: Statistics Canada Custom Tabulations 2016

4.2.1 Income Spent on Housing by Household Tenure

Among home owners, 31.2% were facing housing affordability issues while 53.2% of renters were facing housing affordability issues. The number of owners facing housing affordability issues increased by 36.6% from 29.5% of all owners in 2005. The number of renters facing housing affordability issues saw a much greater rate of increase; increasing by 65.6% from 2005 although the share of renters remained the same (53.3% of all renters in 2005).

Figure 28: Proportion of Household Income Spent on Shelter by Tenure: Markham; 2015



Source: Statistics Canada Custom Tabulations 2016

4.2.2 Income Spent on Housing by Household Income Deciles

As can be expected, households with low incomes are more likely to be facing housing affordability issues, particularly given the very limited supply of rental and ownership housing which is affordable to households with low incomes. As the following table shows, in 2015, 74.1% of Markham households with low incomes were facing housing affordability issues and 49.6% were facing severe housing affordability issues. Even households with moderate incomes had housing affordability issues with 28.9% spending 30% or more and 4.9% spending 50% or more on housing costs. The actual number of these households also increased from 2005 to 2015, with households with low incomes who were facing housing affordability issues increasing at a greater rate than the increase in the number of households overall.

This trend may be partly due to the high rents and house prices, as discussed in the previous section, most of which are not affordable to households with low incomes unless they spend more than 30% of their income on housing costs or have access to a down payment in excess of 5%. In addition, as the discussion in the previous section highlighted, many of the units that are currently being added to the housing stock may not necessarily meet the need. Ground-related

units such as townhouses are being built yet the average price for these dwelling types are not affordable to households with moderate incomes unless they spend more than 30% of their income on housing costs or have a significant down payment to reduce mortgage payments. The more affordable condominium apartment units that are being built are mostly smaller units in high density projects which would not necessarily be suitable for larger households and households with children.

Table 14: Proportion of Households Facing Housing Affordability Issues based on York Region Household Income Deciles: Markham; 2005 and 2015

		Spending 30% or more	Spending 50% or more
Low Income	2005	71.1%	45.0%
	2015	74.1%	49.6%
	% Change	47.1%	55.4%
Moderate Income	2005	30.2%	3.6%
	2015	28.9%	4.9%
	% Change	29.5%	83.9%
High Income	2005	2.9%	0.2%
	2015	3.3%	0.2%
	% Change	40.9%	-23.1%

Source: Statistics Canada, Custom Tabulations, 2006 & 2016

4.2.3 Income Spent on Housing by Household Type

Certain household types are more likely to be facing housing affordability issues. These household types include lone parent households (49.0%), one-person households (53.3%), non-family households with two or more persons (52.1%), Indigenous households (38.9%), immigrant households (37.2%), and youth-led households (82.2%)⁴⁷. As noted in the analysis of household incomes, these households are also more likely to have low incomes. These same household types are also more likely to be facing severe housing affordability issues. Of all the Markham households in 2015, 17.8% were spending 50% or more on housing costs. In comparison, 28.5% of lone parent households, 30.9% of one-person households, 34.5% of non-family households with two or more persons, 19.4% of Indigenous households, 19.5% of immigrant households, and 66.8% of youth-led households were spending 50% or more of their income on housing costs.

Among households with low incomes, certain household types have greater shares who are facing housing affordability issues. These households are couples with children (81.3% of all couples with children with low incomes), lone parent households (79.0%), multiple and other family households (79.0%), non-family households with two or more persons (78.2%), Indigenous households (76.9%), immigrant households (74.1%), and youth-led households (90.4%)⁴⁸.

As noted above, even some households with moderate incomes are facing housing affordability issues, with 28.9% of all households with moderate incomes facing housing affordability issues. Among households with moderate incomes, households with greater shares who are spending 30% or more of their income on housing costs are couples with children (34.0%), multiple and other family households (39.5%), immigrant households (32.1%), and youth-led households (33.3%)⁴⁹.

It should be noted that, except for youth-led households, all the household types with low and moderate incomes who are facing housing affordability issues tend to be larger households. As previously discussed, this may be partly due to the fact that these households tend to require larger dwelling units, which are generally less affordable.

⁴⁷ These proportions represent the share of each household type who is spending 30% or more of their income on housing costs.

⁴⁸ These proportions represent the share of each household type who have low income and is spending 30% or more of their income on housing costs.

⁴⁹ These proportions represent the share of each household type who have low income and is spending 30% or more of their income on housing costs.

Table 15: Households by Type with Low Income Spending 30% or More of Household Income on Shelter: Markham; 2015

74.1% All Low Income Households	81.3% Couples with Children	79.0% Lone Parents
78.2% 2+ Person Non-Family Households	76.9% Indigenous Households	74.1% Immigrant Households
90.4% Youth (24 years or younger)		

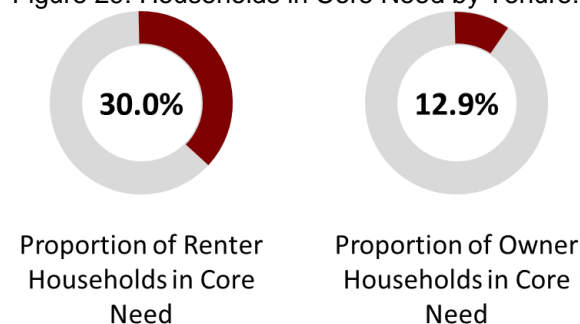
Source: Statistics Canada Custom Tabulations 2016

4.3 Core Housing Need

A household is said to be in core housing need if its housing falls below one of the standards of adequacy, suitability, or affordability⁵⁰ and if it would have to spend more than 30% of its before-tax income to pay the median rent for alternative housing which meets all three standards in the area.

In 2015, 15.3% of all households in Markham were in core housing need; increasing by 45.9% from 14.7% of all households in 2005. Among all owners in 2015, 12.9% were in core need compared to 30.0% of all renters. In 2005, 12.0% of all owners and 38.6% of all renters were in core need.

Figure 29: Households in Core Need by Tenure: Markham; 2015



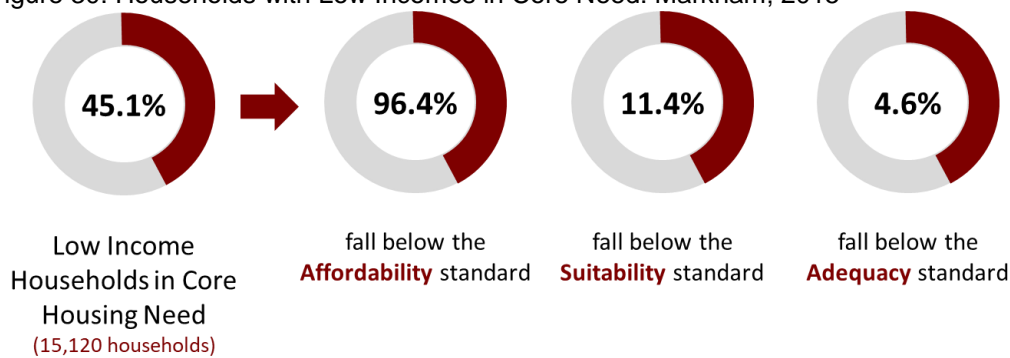
Statistics Canada Custom Tabulations 2016

⁵⁰ According to CMHC, **adequate housing** is housing that does not require any major repairs. **Suitable housing** is housing with enough bedrooms for the size and make-up of the household. **Affordable housing** is housing which costs no more than 30% of a household's income.

4.3.1 Core Housing Need by Household Income Deciles

Among households with low incomes in Markham, 45.1% (15,120 households) were in core housing need in 2015. Most of these households (96.4%) were living in housing that did not meet the affordability standard, 11.4% did not meet the suitability standard, and 4.6% did not meet the adequacy standard. This shows that for households with low incomes, the primary issue is related to the affordability of housing.

Figure 30: Households with Low Incomes in Core Need: Markham; 2015

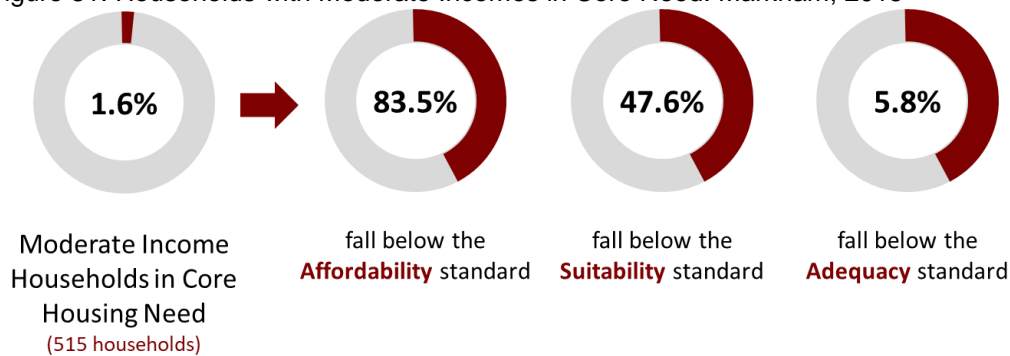


Source: Statistics Canada Custom Tabulations 2016

Note: Proportions add up to greater than 100% as a household can fall below more than one housing standard.

Among households with moderate incomes, 1.6% (515 households) were in core housing need in 2015. Of these households, 83.5% were in housing that did not meet the affordability standard, 47.6% were in unsuitable housing, and 5.8% were in inadequate housing. While a much smaller share of households with moderate incomes were in core housing need compared to households with low incomes, almost half of these households (47.6% or 245 households) were living in housing that did not have enough bedrooms for the size and make-up of the household. This may be partly due to the fact that the majority of units being added to the supply and which are affordable to these households are smaller units.

Figure 31: Households with Moderate Incomes in Core Need: Markham; 2015



Source: Statistics Canada Custom Tabulations 2016

Note: Proportions add up to greater than 100% as a household can fall below more than one housing standard.

4.4 Rental Housing Affordability

The following graphs shows the top range of each renter household income estimated for 2018 and the maximum monthly rent that is affordable for each decile. The affordable rents are then compared to average market rents as reported by CMHC for Markham. It should be noted that the purpose-built rental universe in Markham makes up only 11.6% of the total rented dwellings. As such, these average market rents are based on only 11.6% of the total rental supply.

Incomes for renter households were used in this analysis as renters generally have much lower incomes than owners. In addition, the provincial definition of affordable rental housing is based on renter household incomes.

As the following graph shows, the total average market rent is not affordable to renter households with incomes from the 1st to the 5th income deciles. Only renters with incomes falling within the 6th household income decile or higher can afford the total average market rent without having to spend more than 30% of their income on housing costs. The data also shows that anyone who is working full time and earning the minimum wage⁵¹ would not be able to afford any unit type in Markham.

While renter households with incomes in the 5th income decile can afford the average rent for a one-bedroom unit, renter households would have to have high incomes to be able to afford a three-bedroom unit in Markham. This demonstrates that all renter households with low incomes would require some form of assistance to avoid having to spend too much on housing costs. Furthermore, even renter households with moderate incomes would struggle to afford the average market rent in Markham, particularly if they needed a unit with more than one bedroom.

Table 16: Average Market Rents in the Primary Rental Market Compared to Affordable Rents based on York Region Household Income Deciles: Markham; 2018

		2018	Maximum Affordable Rent	Total	1 Bedroom	2 Bedrooms	3+ Bedrooms
				\$1,337	\$1,213	\$1,408	\$1,538
Low Income	Decile 1	\$14,441	\$361	N	N	N	N

⁵¹ Assuming the person is working 40 hours per week, 52 weeks per year and earning the minimum wage of \$14 per hour.

		2018	Maximum Affordable Rent	Total	1 Bedroom	2 Bedrooms	3+ Bedrooms
				\$1,337	\$1,213	\$1,408	\$1,538
Moderate Income	Decile 2	\$22,180	\$555	N	N	N	N
	Decile 3	\$30,510	\$763	N	N	N	N
	Decile 4	\$39,451	\$986	N	N	N	N
	Decile 5	\$49,707	\$1,243	N	Y	N	N
	Decile 6	\$61,211	\$1,530	Y	Y	Y	N
High Income	Decile 7	\$75,659	\$1,891	Y	Y	Y	Y
	Decile 8	\$95,817	\$2,395	Y	Y	Y	Y
	Decile 9	\$130,312	\$3,258	Y	Y	Y	Y
	Decile 10	\$130,313+	\$3,259+	Y	Y	Y	Y
Minimum wage		\$29,120	\$728	N	N	N	N

Sources: Statistics Canada, Custom Tabulations, 2016. CMHC Housing Information Portal; and SHS Calculations based on spending 30% of income on rent

When the analysis is done using Markham household income deciles⁵², the data shows that renter households would have to have high incomes to afford the total average market rent or the rent for a two-bedroom unit. Renters would need to have incomes in the 8th income decile or higher to afford a unit with three or more bedrooms.

Table 17: Average Market Rents in the Primary Rental Market Compared to Affordable Rents based on Markham Household Income Deciles: Markham; 2018

		2018	Maximum Affordable Rent	Total	1 Bedroom	2 Bedrooms	3+ Bedrooms
				\$1,337	\$1,213	\$1,408	\$1,538
Low Income	Decile 1	\$12,423	\$311	N	N	N	N
	Decile 2	\$20,961	\$524	N	N	N	N
	Decile 3	\$30,597	\$765	N	N	N	N
Moderate Income	Decile 4	\$39,629	\$991	N	N	N	N
	Decile 5	\$50,132	\$1,253	N	Y	N	N
	Decile 6	\$61,488	\$1,537	Y	Y	N	N
High Income	Decile 7	\$76,004	\$1,900	Y	Y	Y	Y
	Decile 8	\$93,910	\$2,348	Y	Y	Y	Y
	Decile 9	\$125,052	\$3,126	Y	Y	Y	Y
	Decile 10	\$125,053+	\$3,127+	Y	Y	Y	Y
Minimum wage		\$29,120	\$728	N	N	N	N

Sources: Statistics Canada, Custom Tabulations, 2016. CMHC Housing Information Portal; and SHS Calculations based on spending 30% of income on rent

⁵² As previously discussed, Markham income deciles are based on household incomes of Markham households while York Region deciles are based on the household income of all households in York Region.

A similar analysis was undertaken using the average market rents for rented condominium apartments in Markham. It should be noted that this data is only based on 272 rented units. However, this analysis shows that units in the secondary rental market are even less affordable to renter households with low and moderate incomes.

As the following table shows, renter households would have to be earning high incomes (i.e. in the 7th renter household income decile) to be able to afford the average market rent for a bachelor or one-bedroom condominium apartment. Renters who require a three-bedroom unit would need an income within the 9th renter household income decile if they were to spend a maximum of 30% of their income on housing costs.

Table 18: Average Market Rents for Rented Condominium Apartments in the Secondary Rental Market Compared to Affordable Rents based on York Region Household Income Deciles: Markham; 2018

		2018	Maximum Affordable Rent	Bachelor \$1,533	1 Bedroom \$1,864	2 Bedrooms \$2,283	3 Bedrooms \$2,650
Low Income	Decile 1	\$14,441	\$361	N	N	N	N
	Decile 2	\$22,180	\$555	N	N	N	N
	Decile 3	\$30,510	\$763	N	N	N	N
Moderate Income	Decile 4	\$39,451	\$986	N	N	N	N
	Decile 5	\$49,707	\$1,243	N	N	N	N
	Decile 6	\$61,211	\$1,530	N	N	N	N
High Income	Decile 7	\$75,659	\$1,891	Y	Y	N	N
	Decile 8	\$95,817	\$2,395	Y	Y	Y	N
	Decile 9	\$130,312	\$3,258	Y	Y	Y	Y
	Decile 10	\$130,313+	\$3,259+	Y	Y	Y	Y
Minimum wage		\$29,120	\$728	N	N	N	N

Sources: Statistics Canada, Custom Tabulations, 2016. TREB Rental Market Report Q4; and SHS Calculations based on spending 30% of income on rent

Similarly, when the analysis is done based on Markham household income deciles, renter households in the 6th renter household income decile would be able to afford the average rent for a bachelor unit but all other units would require high incomes (i.e. in the 7th renter household income decile or higher).

Table 19: Average Market Rents for Rented Condominium Apartments in the Secondary Rental Market Compared to Affordable Rents based on Markham Household Income Deciles: Markham; 2018

		2018	Maximum Affordable Rent	Bachelor \$1,533	1 Bedroom \$1,864	2 Bedrooms \$2,283	3 Bedrooms \$2,650
Low Income	Decile 1	\$12,423	\$311	N	N	N	N
	Decile 2	\$20,961	\$524	N	N	N	N

Moderate Income	Decile 3	\$30,597	\$765	N	N	N	N
	Decile 4	\$39,629	\$991	N	N	N	N
	Decile 5	\$50,132	\$1,253	N	N	N	N
	Decile 6	\$61,488	\$1,537	Y	N	N	N
High Income	Decile 7	\$76,004	\$1,900	Y	Y	N	N
	Decile 8	\$93,910	\$2,348	Y	Y	Y	N
	Decile 9	\$125,052	\$3,126	Y	Y	Y	Y
	Decile 10	\$125,053+	\$3,127+	Y	Y	Y	Y
Minimum wage		\$29,120	\$728	N	N	N	N

Sources: Statistics Canada, Custom Tabulations, 2016. TREB Rental Market Report Q4; and SHS Calculations based on spending 30% of income on rent

Secondary suites are also part of the secondary rental market and, in general, they are more affordable than rented condominium apartments or ground-related units. The York Region Monitoring Report for 2017 shows that there were three legal secondary suites built in Markham in 2017 and these were affordable to households with incomes in the 4th income decile (maximum of \$81,800 in 2018). However, given that renters have lower incomes, this income level would actually equate to about the 8th renter income decile. This means that even secondary suites, at least the new ones being built, are still not affordable to renters with low and moderate incomes.

4.5 Ownership Housing Affordability

The following chart shows the top range of each income decile (based on total household income decile) estimated for 2018 as well as the house price that each decile can afford, assuming they only spend 30% of their income on housing costs and have a 5% down payment. As the graph shows, only households with incomes in the 9th and 10th income decile can afford the total average resale house price in Markham as well as the average prices for semi-detached dwellings and row/townhouses. The average price of a single detached dwelling is only affordable to households with incomes in the 10th income decile. The average price of condominium apartments is affordable to households with high incomes but not to households with moderate incomes unless they have a down payment which is greater than 5% of the purchase price.

Table 20: Average Resale House Prices in Markham Compared to Affordable House Prices based on York Region Household Income Deciles: Markham; 2018

		2018 Household Income	Maximum Affordable House Price	Total	Detached	Semi-detached	Row/Town	Condo Apartment
				\$913,500	\$1,198,854	\$840,655	\$752,586	\$494,767
Low Income	Decile 1	\$29,100	\$112,081	N	N	N	N	N
	Decile 2	\$45,987	\$177,120	N	N	N	N	N
	Decile 3	\$63,494	\$244,551	N	N	N	N	N
Moderate Income	Decile 4	\$81,800	\$315,057	N	N	N	N	N
	Decile 5	\$101,148	\$389,576	N	N	N	N	N
	Decile 6	\$122,290	\$471,008	N	N	N	N	N
High Income	Decile 7	\$147,286	\$570,393	N	N	N	N	Y
	Decile 8	\$180,086	\$702,633	N	N	N	N	Y
	Decile 9	\$234,717	\$923,002	Y	N	Y	Y	Y
	Decile 10	\$234,718+	\$923,003 +	Y	Y	Y	Y	Y

Sources: Statistics Canada, Custom Tabulations, 2016; TREB Market Watch Data provided by the Regional Municipality of York and Regional calculations based on spending 30% of income on housing costs, 5% down payment, 25-year mortgage, and 5.27% interest rate

The analysis based on Markham household income deciles shows an even bleaker picture, where the total average house price is only affordable to households with incomes in the 10th income decile. While the data from the Region's monitoring exercise shows that there are ownership units being built which are affordable to households with moderate incomes, most of these units are condominium apartments and most are small units appropriate only for households with one or two persons. This may partly explain the finding from the previous section where even households with moderate incomes are facing housing affordability issues and most of these households are household types who tend to have three or more members.

Table 21: Average Resale House Prices in Markham Compared to Affordable House Prices based on Markham Household Income Deciles: Markham; 2018

		2018 Household Income	Maximum Affordable House Price	Total	Detached	Semi-detached	Row/Town	Condo Apartment
				\$913,500	\$1,198,854	\$840,655	\$752,586	\$494,767
Low Income	Decile 1	\$26,718	\$102,906	N	N	N	N	N
	Decile 2	\$42,280	\$162,843	N	N	N	N	N
	Decile 3	\$58,925	\$226,952	N	N	N	N	N
Moderate Income	Decile 4	\$75,906	\$292,357	N	N	N	N	N
	Decile 5	\$94,199	\$362,814	N	N	N	N	N
	Decile 6	\$114,875	\$442,446	N	N	N	N	N
High Income	Decile 7	\$139,798	\$541,393	N	N	N	N	Y
	Decile 8	\$171,396	\$668,730	N	N	N	N	Y
	Decile 9	\$225,281	\$885,899	N	N	Y	Y	Y
	Decile 10	\$225,282 +	\$885,900 +	Y	Y	Y	Y	Y

Sources: Statistics Canada, Custom Tabulations, 2016; TREB Market Watch Data provided by the Regional Municipality of York and Regional calculations based on spending 30% of income on housing costs, 5% down payment, 25-year mortgage, and 5.27% interest rate

It should be noted that the Region's Monitoring Report does show that ownership units are being built which are affordable to households with moderate incomes, although the majority of these units are one-bedroom units in high-rise developments. However, as the preceding discussion shows, average resale prices would require high incomes to afford the average house prices in Markham.

4.6 Key Findings: Housing Affordability

The following are the key findings from the housing affordability analysis.

More than a third of households in Markham are facing housing affordability issues and these households increased at a higher rate than the overall increase in the number of households in Markham.

- In 2015, 34.3% of all households in Markham were spending 30% or more of their gross household income on housing costs and the actual number of these households increased by 42.0% from 2005. To compare, the total number of households in Markham increased by 33.0% during this same time period.
- In addition, 17.8% of all households in Markham were facing severe housing affordability issues (i.e. spending 50% or more of their gross household income on housing costs) and the number of households of households facing severe housing affordability issues increased by 57.2% from 2005 to 2015.

- In 2015, 15.3% of all households in Markham were in core housing need; increasing by 45.9% from 14.7% of all households in 2005.
- Certain household types are more likely to be facing housing affordability issues. These household types include lone parent households (49.0%), one-person households (53.3%), non-family households with two or more persons (52.1%), Indigenous households (38.9%), immigrant households (37.2%), and youth-led households (82.2%)⁵³. The 2010 housing needs assessment also highlighted the fact that youth-led households, recent immigrant households, lone parent households and one-person households were more likely to be facing housing affordability issues. The current analysis shows that in addition to these households, Indigenous households and non-family households with two-or more persons are now also more likely to be facing housing affordability issues.

The majority of Markham households with low income are facing housing affordability issues

- In 2015, 74.1% of Markham households with low incomes were facing housing affordability issues and 49.6% were facing severe housing affordability issues.
- Furthermore, 45.1% of households with low incomes were in core housing need in 2015.

Markham households with moderate incomes are also finding it challenging to afford housing costs.

- Among households with moderate incomes, 28.9% were spending 30% or more of their income on housing costs and 4.9% were spending 50% or more on housing costs.
- In addition, 1.6% of households with moderate incomes were in core housing need in 2015.

Average market rents and average house prices are not affordable to most households in Markham.

- The total average market rent for purpose-built rental units in 2018 was not affordable to renter households with incomes from the 1st to the 5th income deciles. Only renters with incomes falling within the 6th household income decile or higher would be able to afford the total average market rent without having to spend more than 30% of their income on housing costs. The 2010 housing needs assessment found that rental housing in Markham was only affordable to households earning more than \$37,000. This current assessment has found that a renter household would have to be earning about \$53,500 to afford the average market rent for dwellings in the primary rental market and about \$83,000 to afford the average market rent for condominium rental units.

⁵³ These proportions represent the share of each household type who is spending 30% or more of their income on housing costs.

- Additionally, anyone who is working full time and earning the minimum wage⁵⁴ would not be able to afford any unit type in Markham without having to spend much more than 30% of their gross income on housing costs.
- In terms of home ownership, only households with incomes in the 9th and 10th income decile can afford the total average resale price in Markham as well as the average prices for semi-detached dwellings and row/townhouses. The average resale price of a single detached dwelling is only affordable to households with incomes in the 10th income decile. The average resale price of condominium apartments is affordable to households with high incomes but not to households with moderate incomes unless they have a down payment which is greater than 5% of the purchase price.

⁵⁴ Assuming the person is working 40 hours per week, 52 weeks per year and earning the minimum wage of \$14 per hour.

5.0 Housing Gaps in Markham

This section summarizes the key housing gaps identified in the previous sections.

5.1 Key Housing Gaps

The key housing gaps in Markham are 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.

The significant number of households with low incomes who are facing housing affordability issues and are in core housing need demonstrate the need for more options which are affordable to households with low incomes. This is supported by the large number of households on the centralized wait list for subsidized housing as well as the long wait times. While recent changes in the Region's income and asset limits are expected to decrease the number of households on the wait list, there is still a need for affordable units. While households with three or more persons currently make up the majority of households in Markham, smaller households and senior-led households are increasing at a much faster rate. In addition, larger households require larger units which are also less affordable. For example, a two-bedroom unit in the primary rental market would only be affordable to renter households with incomes in the 7th income decile and a two-bedroom rented condominium unit would only be affordable to renter households with incomes in the 8th income decile. As such, any new affordable rental units should include units for families, couples and persons living alone, and a portion should be appropriate for an aging population. It should be noted that the need for affordable housing options for households with low incomes was also one of the key findings in the 2010 housing needs assessment.

There is a need to increase primary rental units in Markham.

The rental vacancy rate and the very limited supply of units in the primary rental market demonstrate a need for increasing the supply of these units. While home ownership may be the ideal for some households, rental housing provides more flexibility, requires less maintenance, and is generally more affordable for households with low and moderate incomes. As such, it may be the better option for young adults just starting their careers, people who move to Markham for work especially in lower paying occupations, people living alone or with roommates, and seniors who wish to downsize. It is particularly important to encourage the development of primary rental units as these are much more stable compared to rental units in the secondary rental market. Furthermore, adding to the supply in the primary rental market

may encourage some households to move to newer rental units which would then free up some of the more affordable units that currently exist.

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.

The tax assessment data from the City as well as data from the Region's monitoring initiative shows that options which are affordable to households with moderate incomes are being built in Markham. However, most of these options are smaller condominium apartments, which would only be appropriate for one- and two-person households. There are also townhouses being built and planned but, as previously discussed, these are not enough to meet the current need. As such, the City and Region may want to focus efforts on encouraging the development of ownership options that are affordable to larger households, including families with children. While smaller households are increasing at a much faster rate, the majority of households in Markham are still larger households. It should be noted that the need for ownership housing options for households with moderate incomes was also one of the findings from the 2010 housing needs assessment.

5.2 Housing Gaps along the System

The following figure shows a summary of the housing gaps in Markham along the housing system.

Households with Low Incomes

The following figure shows that there were an estimated 35,690 households with low incomes in Markham in 2018. These households would include households earning the minimum wage, those receiving Ontario Works and Ontario Disability Support Program benefits, seniors with low, fixed incomes, and the working poor. These households had incomes of \$63,494 or less in 2018 and they could afford a maximum monthly rent of \$1,587 and a maximum house price of \$244,551. However, there were only about 3,925 housing units which were affordable to these households. In addition, while the average market rent for units in the primary rental market were affordable to these households, the 1.5% vacancy rate for these units suggests that very little of this supply is actually available. Furthermore, the average market rent for rented condominiums in Markham of \$2,083 is not affordable to this group. This would likely explain why 74.1% of these households were facing housing affordability issues, almost half (49.6%) were facing severe housing affordability issues, and 45.1% were in core housing need. In addition, while households with a member with physical and/or cognitive disabilities and/or mental health issues were not more likely than all households to be facing housing affordability issues, it should be noted that these household types generally have lower incomes and would

be more likely to find it challenging to pay for renovations to their homes to make these accessible and/or to pay for support services. To address these housing gaps, there is a need for more affordable rental options, particularly options for larger households, as well as market rental options, ideally in the primary rental market, for both small and larger households. There is also a need to ensure that a portion of these dwelling units are barrier-free and have support services. The need for accessible units was also one of the key findings in the 2010 housing needs assessment.

Households with Moderate Incomes

There were approximately 33,315 households with moderate incomes in Markham in 2018. These households had incomes from about \$63,495 to \$122,290 in 2018. They would be able to afford a maximum monthly rent of \$3,057 and a maximum house price of \$471,008. Despite their higher incomes, it is estimated that there were about 27,200 units which were affordable to these households. While some of these households may be living in units which are actually affordable to households with low incomes, such as the units in the primary rental market, there is still an inadequate number of units for these households. This may explain why 28.9% were facing housing affordability issues and 4.9% were facing severe housing affordability issues. In addition, 1.6% were in core housing need. To address this gap, there is a need for more purpose-built rental units, including units which are appropriate for smaller and larger households. Affordable ownership options would also assist some households to move to other options in the housing system and, possibly, free up some of the more affordable rental units they are currently occupying. As previously discussed, the units which are currently being built and which are affordable to these households are mostly smaller units in high-density projects. As such, adding more ownership options which are larger and appropriate for families and larger households as well as ground-oriented units such as townhouses, stacked townhouses, and mid-rise buildings would help address the gap for this group.

Households with High Incomes

There were an estimated 40,070 households in Markham who had high incomes in 2018. These households would have an estimated income greater than \$122,291 and would be able to afford a monthly rent of \$3,058 or more and a house price of \$471,009 or more. However, given that the average house price in Markham was \$913,500 in 2018, which is only affordable to households with incomes in the 9th and 10th household income deciles and only condominium apartments are affordable to households with incomes in the 7th and 8th income decile, there may be a need to ensure that there are sufficient dwelling options for larger households with incomes in the 7th and 8th income deciles. In addition, there should also be a focus on accessible housing units and units with support services.

Figure 32: Summary of Housing Gaps within the Housing System in Markham; 2018

	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

Source: Statistics 2016 Canada Custom Tabulation data, household projections from the Regional Municipality of York, CMHC Rental Market Report: Greater Toronto Area 2018, City of Markham tax assessment data

Notes:

- Household counts have been estimated for 2018 based on the household projections provided by the Regional Municipality of York but proportions in housing need are based on 2015 Statistics Canada data.
- The number of units in the secondary rental market affordable to households with moderate incomes has been assumed based on the proportion of rented dwellings other than single and semi-detached rented dwellings.
- The number of units in the secondary rental market affordable to households with high incomes has been assumed based on the proportion of rented single detached and semi-detached dwellings.

6.0 Conclusion

Markham is growing at a faster rate compared to York Region as a whole and it is expected to continue to grow in the next ten years. While the majority of Markham households have three or more members, the City is continuing to see a shift to smaller households. Markham is also seeing an aging population and a more diverse population.

However, the current housing stock is not fully addressing the need of City residents. There is still a very limited supply of affordable housing, particularly for households with low incomes, and a very limited supply of purpose-built rental housing. While there are some affordable housing units being added to the supply, most of these are only affordable to households with incomes in the 5th and 6th income decile and most units are one-bedroom units, which is not suitable for families with children. The aging population and the proportion of households with disabilities also suggest a need for more barrier-free housing options and an increase in support services.

The next phase of this study will examine the tools and incentives that the City can use to encourage and support the development of the right kind of housing, including affordable rental and ownership housing, market-rate rental housing, accessible housing, and housing which is suitable for smaller and larger households.