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"HOUSING BY THE NUMBERS"
A COMPARISON OF AFFORDABLE HOUSING AND HOMELESSNESS STATISTICS IN THE GREATER TORONTO AREA

The Community Services and Housing Committee recommends the adoption of the recommendations contained in the following report, March 28, 2007, from the Commissioner of Community Services, Housing and Health Services:

1. RECOMMENDATIONS

It is recommended that:

1. This report be forwarded to M.P.'s and M.P.P.'s in the Region, the Minister of Community and Social Services (MCSS) and Assistant Deputy Minister of Social Policy Development at MCSS, as well as, the Minister of Municipal Affairs and Housing (MMAH) and Assistant Deputy Minister, Housing Division at MMAH.

2. This document be used as a tool to support the Region's need for funding for additional affordable housing services in the community.

2. PURPOSE

The purpose of this report is to provide Council with information relating to affordable housing and homelessness in the Greater Toronto Area (GTA).

3. BACKGROUND

The four regional municipalities in the GTA(York, Durham Peel and Halton) have undertaken a comparative snapshot of affordable housing and homelessness statistics in each Region and the City of Toronto.

This information can be used in the Regions as a basis for planning. It can also be used to inform other sector stakeholders, including other levels of government, of the need for affordable housing and homelessness programs in each municipality and the current ability to respond to those needs. Although the City of Toronto did not participate throughout the process, they have confirmed the accuracy of their statistics.

4. ANALYSIS AND OPTIONS

The comparative statistical analysis, *Housing by the Numbers* is attached to this report (see *Attachment 1*). The analysis covers a wide range of housing and homelessness statistics in areas such as vacancy rates, average market rents, ability to afford rental housing, the number of affordable housing units on an absolute and per capita basis, the number of shelter and domiciliary hostel beds on an absolute and per capita basis, and the average price of ownership.

4.1 Rental Market Statistics

Vacancy rates in the GTA rental market rose to historically high levels starting in 2002, peaking in 2004. This dramatic increase, after many years of an overly tight rental market, coincided with historically low interest rates which prompted many renters to become first time homebuyers. This spike in vacancy rates was felt most dramatically in Toronto and Mississauga which have a large availability of rental units. In contrast, York Region had only marginal increases in vacancy levels due to the smaller number of rental units available at the same time there was a substantial increase in population.

Vacancy rates in the balance of the GTA have declined in the past two years as a result of increasing mortgage costs, slightly higher levels of immigration, incentives offered by landlords and little, if any; rent increases in many rental properties.

Average market rents in the market mirror the experience in vacancy rates. Average rental rates in Mississauga and Toronto have stalled in the past several years as landlords have tried to reduce their vacancy rates. However, continuing low vacancy rates in York Region have caused rental rates to continue to increase. York Region now has average market rates in the Region comparable to the City of Toronto. If present trends continue, rents in York Region could exceed average market rents in the City of Toronto by 2008.

4.1.1 Affordability of Rental Market Housing

Although rents in the large population centres of the GTA have remained relatively stable in the past several years, the cost of renting is still prohibitive to many households. As shown in *Housing by the Numbers*, a household would need to be earning about $20 an hour to afford a two bedroom apartment in York Region – a level well above the minimum wage of $8 an hour. This rate is consistent with most other Regions, and the City of Toronto.

4.2 Social Housing Statistics

There are over 120,000 social housing units in the GTA. At a conservative replacement cost of $150,000 per unit, these homes represent a public asset with a value of over $18 billion dollars.

Although the absolute need for social housing remains the greatest in the City of Toronto, the substantial population growth of the outlying Regions has increased demand in these areas. This situation has evolved to a large extent due to the cancellation of funding for social housing development programs in the early and mid 1990's by the provincial and federal governments. The number of units in each of the Regions and the City of Toronto represents the relative population and need of 15 -20 years ago. The population growth experienced in the Regions in the intervening time period has not been matched by corresponding social housing development. Additionally, current program allocations are still based on absolute need and do not account for the restricted ability of the Regions to respond to that need.

For example, there are 10.55 households making under $40,000 per year in York Region, for each subsidized housing unit available, compared to only 4.25 households in the City of Toronto. In the case of the other Regions, they have a somewhat lower ratio than York Region but still have a much higher ratio than the City of Toronto. It can reasonably be expected that this gap will continue to grow as the Regions' populations continue to grow compared to the City of Toronto.

4.3 Homelessness Statistics

As in the case of social housing, the Regions are under serviced in their provision of emergency shelter space compared to the populations who could be expected to use them. For example, there are over 108 households in York Region making under $10,000 per year for every available emergency shelter bed, while there are only 16 such households in the City of Toronto. The ratio for the other Regions is between 30 – 40 households, pointing to a critical under servicing in York Region.

This gap can be explained in part by a relative lack of capital funding in the past 15 years, resulting in a skewed bed availability situation. As well, many shelters in the City of Toronto were started by charitable organizations which had offices there. As in the case of the availability of affordable housing, this gap can be expected to expand over time given current population and urbanization growth trends.

The shelter bed gap is also of concern as provincial homelessness funding allocations continue to reflect the number of available shelter beds in each Service Manager area.

5. FINANCIAL IMPLICATIONS

The historic and continuing under funding of affordable housing and homelessness needs by other levels of government in York Region places greater pressure to direct regional funds to meet these needs. Regional Council recently supported the recommendation of the Federation of Canadian Municipalities (FCM) for the federal government to formulate a multi-pronged national housing strategy that better balances fiscal responsibility among the different levels of government.

6. LOCAL MUNICIPAL IMPACT

The limited ability of the Region to appropriately service those who are homeless, at risk of becoming homeless and with affordable housing needs may have an effect on continuing economic growth. As highlighted in the *Housing and our Economy – Remaining Competitive* report, completed by the Region in 2004, an increased supply of affordable housing is critical to maintaining York Region's economic competitiveness and high quality of life. Affordable housing is a key driver in attracting and retaining employees.

A lack of funding for affordable housing and homelessness in a period of continued population growth and urbanization may also lead to an increase in visible homelessness while further straining already stressed human services providers in the community.

7. CONCLUSION

York Region has led the four Regional municipalities in the GTA in conducting a statistical overview of affordable housing and homelessness. Although the absolute need for affordable housing and homelessness programs remains greatest in the City of Toronto, there is an increasing need for those programs in the surrounding Regions. The ability of the Regions to respond to their own growing needs is restricted by services and programs that were designed to serve the populations when they were significantly smaller. Current program allocations continue to reflect these historically lower levels of need. This comparative data analysis is designed to quantify and highlight the issues.

For more information on this report contact Sylvia Patterson, Director, Housing Services Branch in the Community Services and Housing Department.

The Senior Management Group has reviewed this report.

(The attachment referred to in this clause is attached to this report.)