

The background of the slide is a photograph of the York Region Council Chambers building. The building is a modern, curved structure with a light-colored facade and large windows. Two prominent, cylindrical towers rise from the building, each featuring a clock face. The sky is blue with some light clouds.

Regional Official Plan Update: Housing Challenges and Opportunities

Presented to
COMMITTEE OF THE WHOLE

Presented by
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The logo for York Region, featuring a stylized white starburst or 'Y' shape above the text 'York Region' in a white serif font.

York Region

Purpose

- Explore reasons for York Region's recent slower growth
- Proposed Regional Official Plan housing policy directions
- Provide a suite of options available to address housing challenges

Forecasted growth is unprecedented

YORK REGION'S **POPULATION** is EXPECTED to GROW from



YORK REGION'S **EMPLOYMENT** is EXPECTED to GROW from

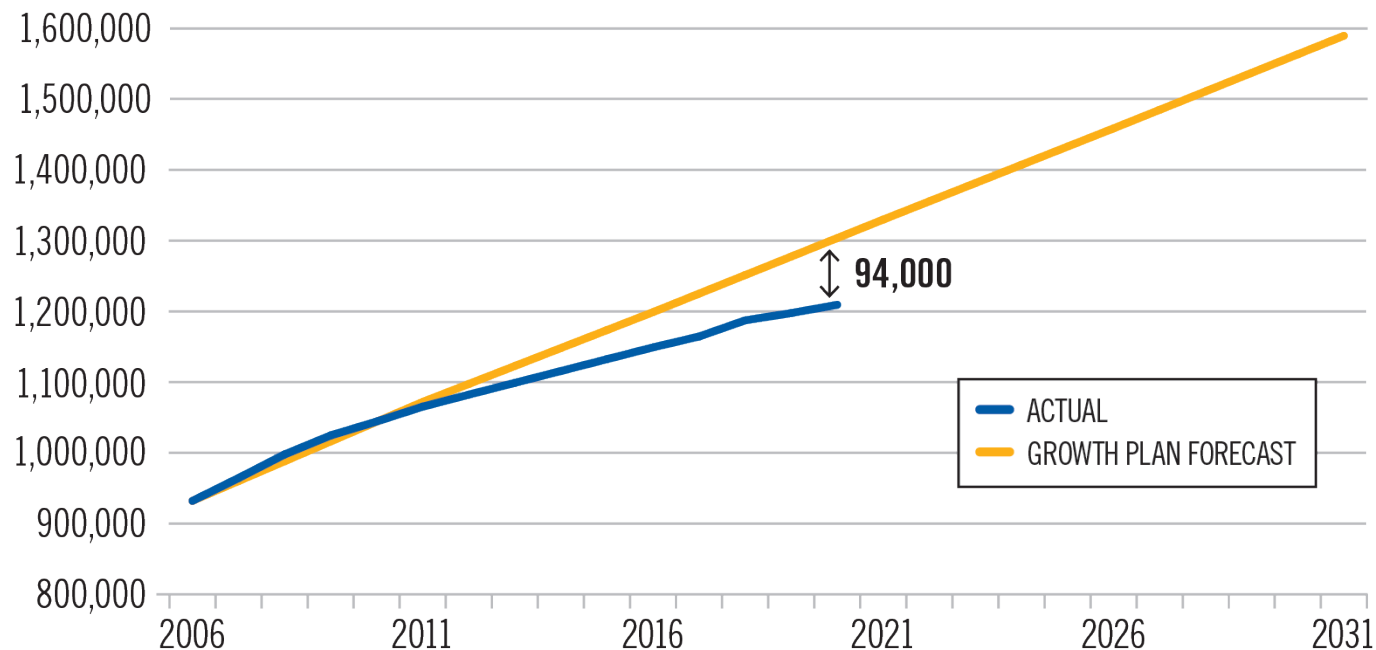


Foundational Housing Analysis Objectives

1. Assess recent growth trends and factors contributing to slow growth
2. Comment on how housing affordability may impact the housing market moving forward
3. Provide recommendations on housing strategies to address market demand

Population growth is below the forecast

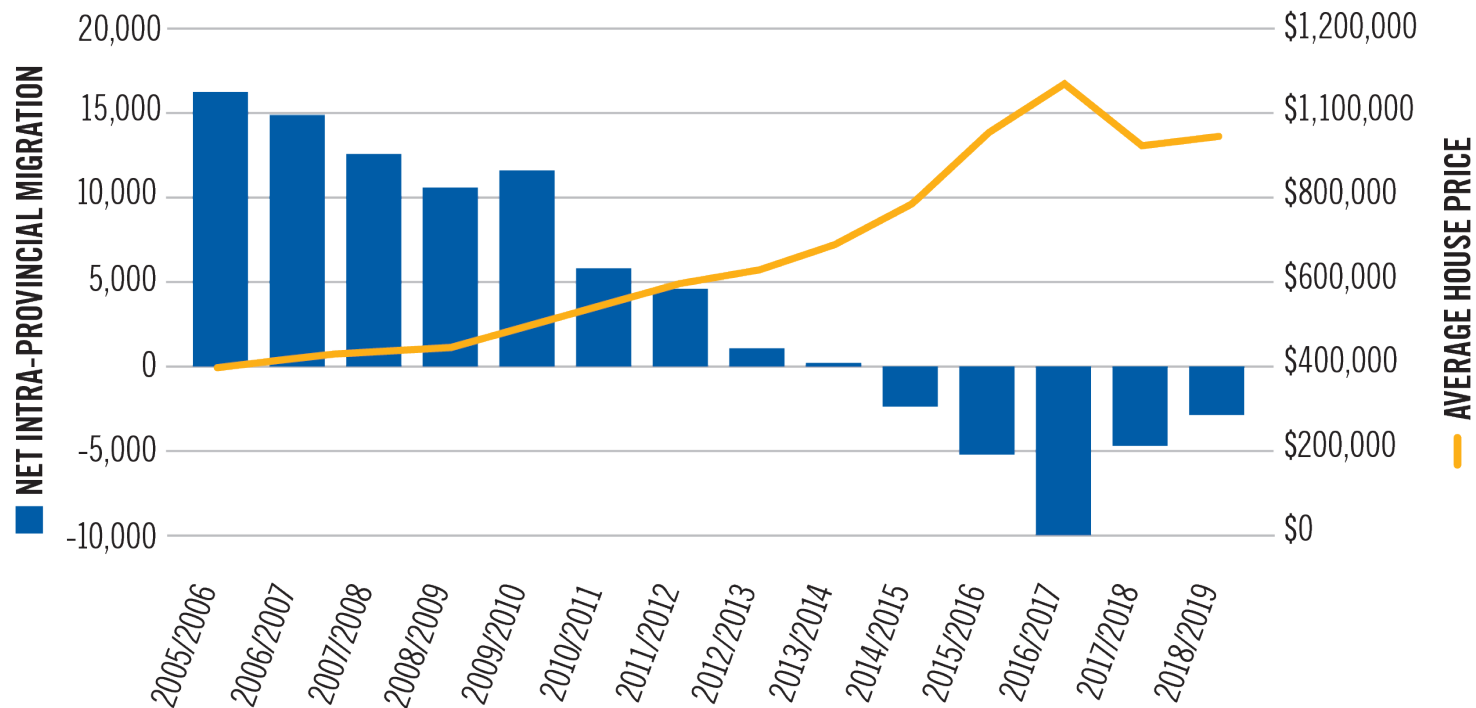
POPULATION (actual and forecast), 2006 to 2031



As of mid-2020, York Region is 94,000 people below the Provincial forecast

Housing affordability is a key factor impacting growth

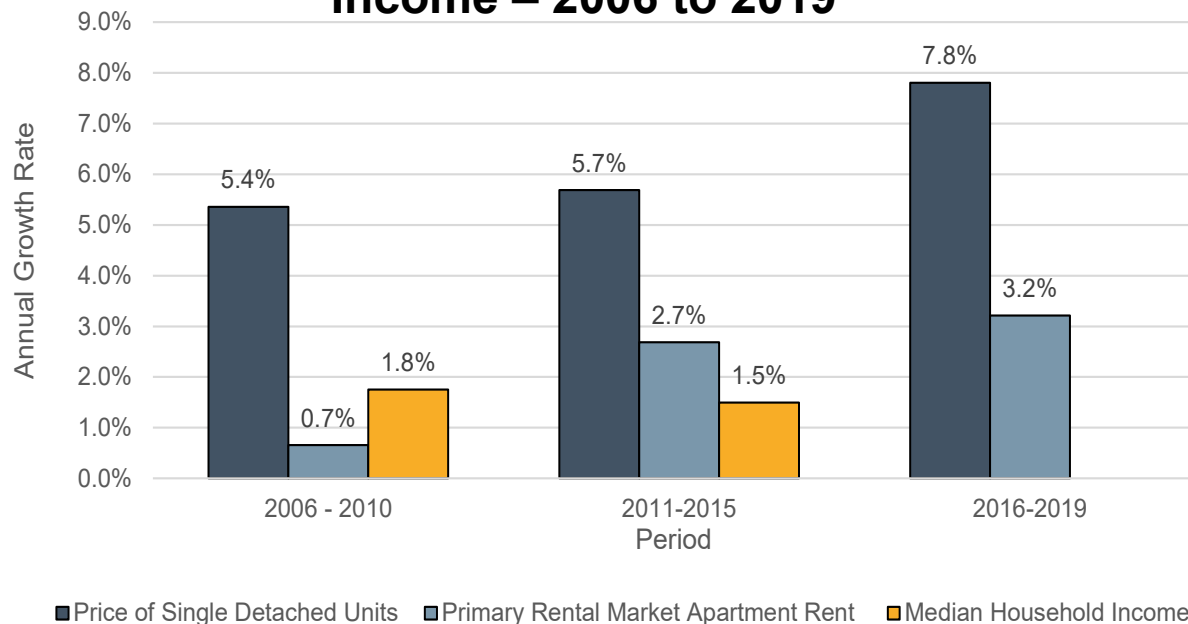
NET INTRA-PROVINCIAL MIGRATION and AVERAGE ANNUAL HOUSE PRICES in YORK REGION



There is a correlation between average house prices and intra-provincial migration

Housing affordability has declined in York Region over the past two decades

Annual Growth Rate in Single Detached Housing Prices, Primary Market Apartment Rent and Median Household Income – 2006 to 2019



Note: Historical period reviewed regarding median household income varies slightly from the housing price analysis for single detached units and apartment rent. Median income for the 2016 to 2019 period is not available.

Source: Compiled from CMHC and Statistics Canada Census data by Watson and Associates Economists Ltd., 2020.

- Between 2006 and 2019, average single-detached housing prices and average rents in the primary housing market have increased faster than household income.

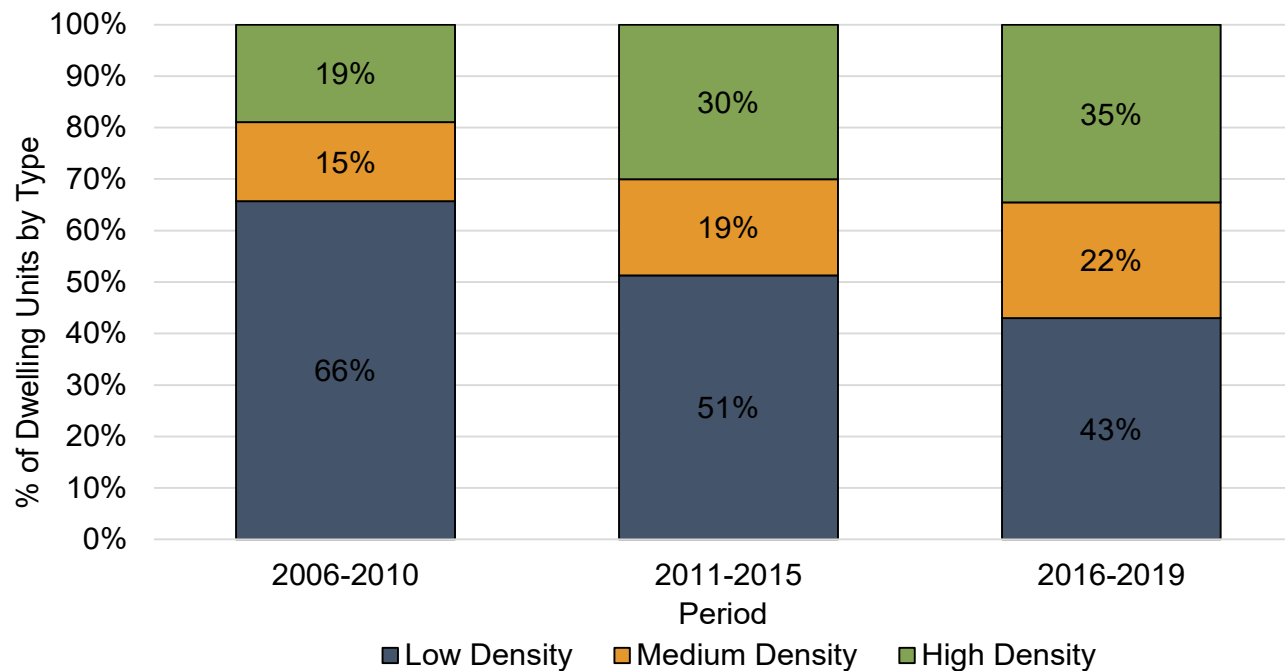
Housing affordability is determined by a range of national, provincial, regional, and community factors

- A range of factors influence supply and demand for housing, cost of residential development, carrying costs and rental market rates
 - Macro and regional economic conditions
 - Dollar exchange rate, federal trade and immigration policy;
 - Interest rate policy, regulatory environment, and mortgage rates
 - Land costs, construction costs, property taxes, municipal fees and other utility costs.
- York Region has some influence or role in market choice of housing stock, availability of developable lands, municipal servicing

York Region's housing market must continue to evolve to meet the needs of existing and future residents

- Over the past two decades, York Region's housing market has evolved considerably.

**York Region
Housing Completions by Housing Density, 2006 to 2019**

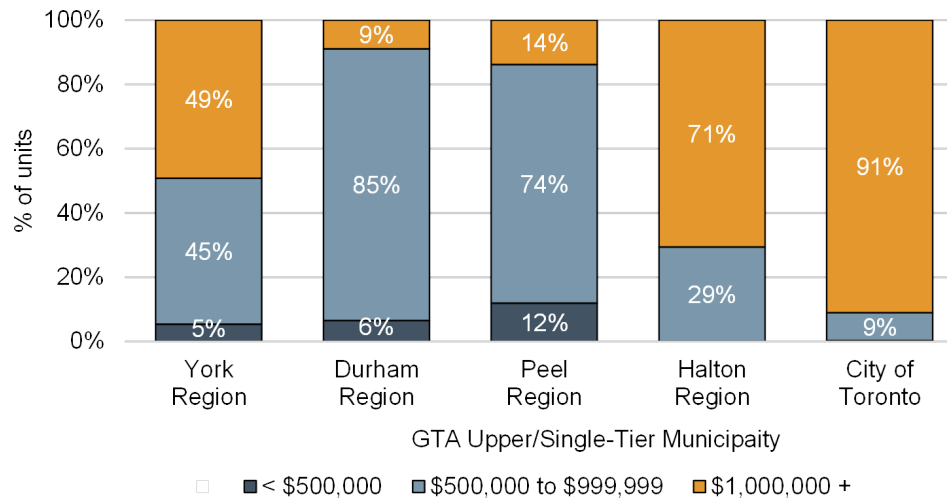


Source: Derived from CMHC Rental Market Survey by Watson & Associates Economists Ltd., 2020

Constraints in affordable ownership housing are impeding the Region's near-term population growth potential

- A lack of affordable housing choice currently exists in York Region related to grade-related ownership housing.

Absorbed Single Detached Units by Price Range, GTA Upper/Single-Tier Municipalities, 2018



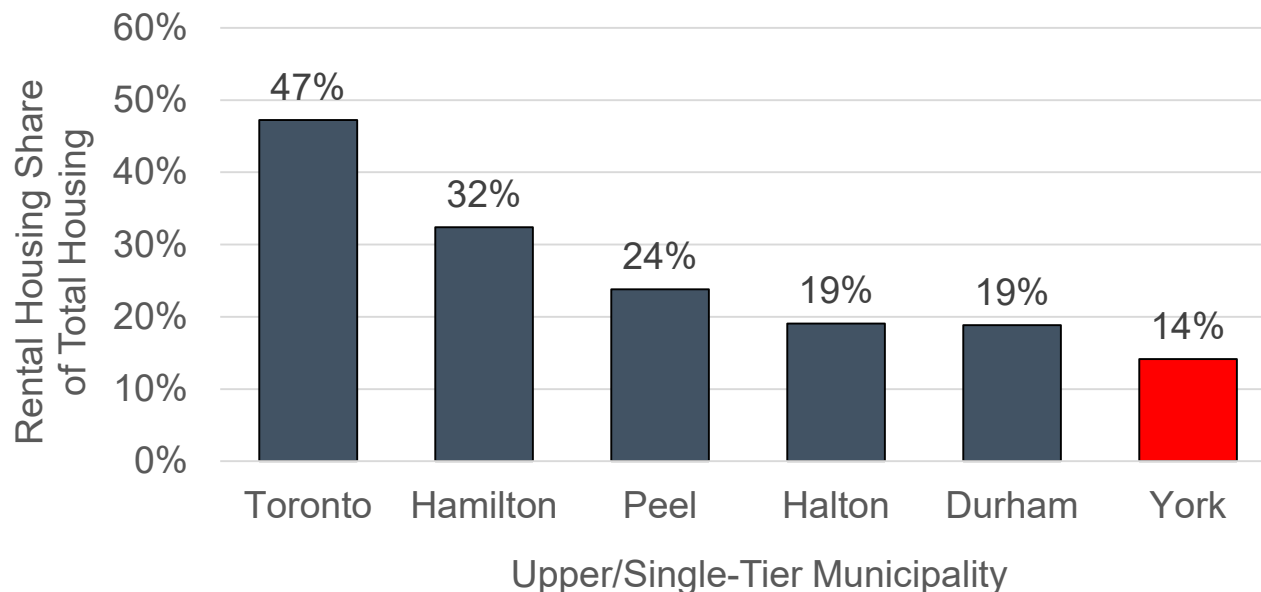
Compiled from CMHC Housing NOW Tables by Watson And Associates Economists, 2020



A greater share rental housing is needed to accommodate the Region's growing population by age and income

- At 14% of total the total housing stock as of 2016, York Region's share of rental housing remains significantly lower than the GTHA average.

GTHA Upper/Single-Tier Municipalities Rental Housing Share of Total Housing, 2016



Source: Derived from 2016 Statistics Canada Census data, by Watson & Associates Economists

Emphasis should be placed on increasing the supply of purpose-built rental housing in York Region

- York Region has a limited supply of purpose-built rental units to address the significant growth anticipated in renter occupied dwellings
- York Region's purpose-built rental inventory was largely constructed over the 1960 to 1980 period, and since that time the Region has seen limited purpose-built rental development
- Vacancy rates in purpose-built rental housing in York Region have historically been lower than the provincial average and are currently at 1.0% (compared to the provincial average of 2.0%), indicative of a very tight market in purpose-built rentals

There are potential risks if housing is not well-aligned with anticipated affordability needs

- If York Region is unable to attract certain target market segments (e.g. middle-income households) the following combination of outcomes are likely:
 - A growing share of York Region residents will need to spend greater than 30% share of household income on shelter costs
 - More households may need to settle for housing arrangements that do not meet their functional space needs
 - A greater share of low- and middle-income households will likely rent and not purchase homes, placing greater pressure on the both the primary and secondary rental markets in York Region
 - Households may consider less expensive housing options in other locations outside of York Region creating difficulties for York Region to meet its long-term population and housing forecast to 2051

Several actions are needed to ensure that York Region's housing market remains competitive

- Understand the broader factors that are influencing York Region's population and economic growth potential but continue focusing on local growth initiatives that are within the control of York Region
- Continue emphasizing the importance of Placemaking in local planning and economic development
- Work with public and private partners to provide a more diverse supply of housing
- Continue emphasizing an integrated approach to long-term growth management

Proposed policy directions



Update residential land supply requirements



Incorporate new rental target



Update second suite parameters



Encourage delivery of more affordable housing

Innovative approaches and partnerships are required to address affordability challenges

Built Form and
Diversification

Design and
Construction

Municipal Programs

Process Improvements
and Financial Tools

Examples of approaches to address affordability challenges

Family Friendly Housing Policies



Modular Housing



Examples of approaches to address affordability challenges

Vacant Unit Tax



Rent to own



Importance of Partners

Housing solutions require many partners

- Federal Government
- Provincial Government
- York Region
- Local Cities and Towns
- Housing Development Industry
- Community Partners

Recommendations

1. Endorse the housing policy directions summarized in this report and further described in Attachment 1
2. Direct staff to continue to work with key stakeholders to find solutions to the lack of affordable housing options