

# AFFORDABLE HOUSING

## in YORK REGION

2023 MEASURING and MONITORING



JUNE 2024

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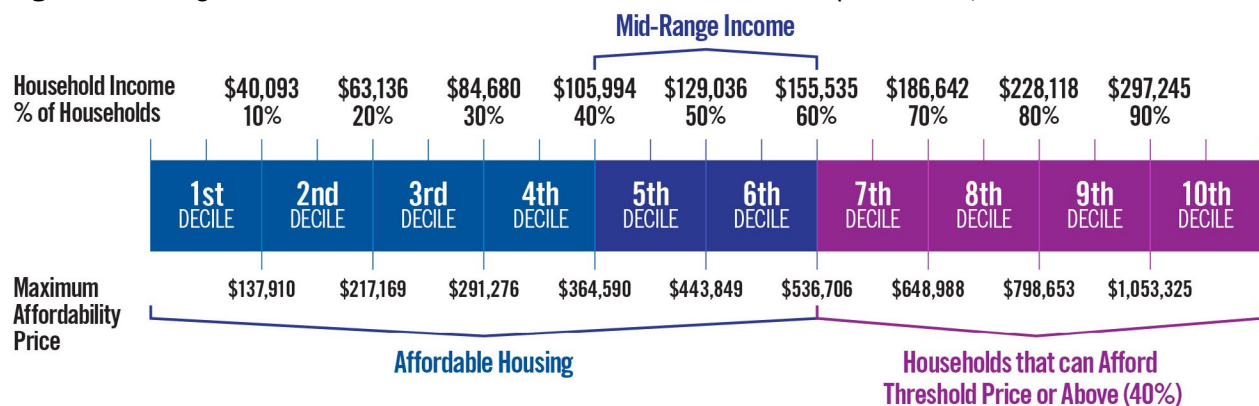
# Affordable Housing in York Region 2023 Measuring and Monitoring

[York Region Affordable Housing Measuring and Monitoring Guidelines](#) establish a standardized approach to identify and measure the supply of new affordable units in order to monitor progress each year in meeting affordable housing targets and to help inform decision making around housing need.

## Maximum Affordable Housing Thresholds are Calculated Annually for Rental and Ownership Supply

Affordable housing thresholds are calculated annually for both ownership and rental supply and provide the upper limits of what is considered “affordable” for York Region residents. Affordable threshold for ownership is the maximum price households at the sixth decile income segment can afford to pay for a home. This includes the cost of a mortgage, mortgage insurance, and property taxes. It is assumed that the minimum allowable down payment is provided with a 5-year fixed mortgage at the Bank of Canada posted interest rate.

**Figure 1: York Region Household Income Distribution and Affordable Ownership Thresholds, 2023<sup>1</sup>**



**Source:** York Region Planning and Economic Development, 2024. Based on Statistics Canada, Local Municipal property tax, Bank of Canada and Canada Mortgage and Housing Corporation data.

In 2022, gross annual income for a household at the 6th decile was \$150,426 and the affordability threshold was \$564,326. In 2023, York Region’s annual household income at the 6th decile was \$155,535 which allows for a maximum affordable house price of \$536,706. Decreased affordability between 2022 and 2023 can be largely attributed to increased interest rates impacting carrying costs of ownership.

The rental threshold is 125% of region-wide average market rent by bedroom type. Due to data limitations, staff are unable to monitor affordability of new rental products. As such, this exercise monitors supply of new purpose-built rental units year over year, including community housing units, private purpose-built rental units, and additional residential units (second suites) registered with local municipalities.

<sup>1</sup> The figure simplifies York Region’s housing market and represents all households in York Region. The figure separates York Region’s households into ten separate decile groups based on household income, each decile representing 10% of the total household population.

## 2023 Local Maximum Affordable Ownership Housing Thresholds Range from \$445,909 to \$536,706

**Table 1** provides maximum ownership thresholds for 2023 for the 6th decile household income in each municipality. As average household incomes vary between local municipalities, ownership thresholds are calculated on a region-wide basis and for each local municipality. For monitoring purposes, the lower of the two thresholds (local municipal or regional) is used to best reflect local context and scale of average household incomes across each local municipality within York Region.

**Table 1: 2023 Affordable Ownership Thresholds**

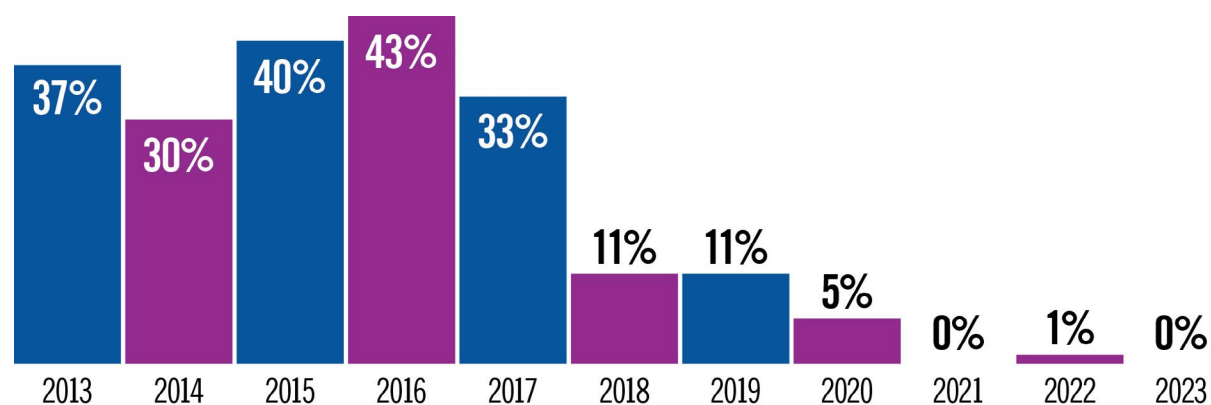
Local Municipality	Local Municipal Threshold	Thresholds Used for Commitments and Monitoring
Aurora	\$565,538	\$536,706
East Gwillimbury	\$556,019	\$536,706
Georgina	\$445,909	\$445,909
King	\$696,362	\$536,706
Markham	\$511,873	\$511,873
Newmarket	\$513,326	\$513,326
Richmond Hill	\$505,857	\$505,857
Vaughan	\$598,245	\$536,706
Whitchurch-Stouffville	\$575,532	\$536,706

Source: York Region Planning and Economic Development, 2024. Based on Statistics Canada, Local Municipal property tax, Bank of Canada and Canada Mortgage and Housing Corporation data.

## Low Affordability Rates Continued in 2023, Impacting the Region's Ability to Achieve Growth Targets

**Figure 2** provides an overview of percentage of new ownership units below affordable thresholds from 2013 to 2023. Since 2018, Regional affordability targets have not been achieved in the new ownership market across the Region. The decline in new ownership affordability has reached a point where almost no units were captured as affordable since 2021.

**Figure 2: Affordable New Ownership Units, 2013 to 2023**



Source: York Region Planning and Economic Development, 2024.

Based on available data, no units could be identified as affordable. Since 2021, affordability of condominium units by bedroom type has not been monitored due to a data limitation. Analysis from 2021 to 2023 used median prices of all units within a condominium development to assess affordability.

## York Region’s Housing Affordability Targets are not being Achieved with Only 15% Affordable New Units

**Table 2** displays the number of new affordable units in 2023 by local municipality and tenure based on the thresholds in Table 1. For monitoring purposes, all rental units are considered affordable due to data limitations of rents charged on new units.

**Table 2: New Affordable Housing Monitoring Analysis, 2023**

Local Municipality	Ownership Units		Rental Units		All Units	
	Total Units	Affordable Units	Total Rental Units	Affordable Units	Total Units	Affordable Units
Aurora	99	0	26	26	125	26
East Gwillimbury	453	0	22	22	475	22
Georgina	199	0	30	30	229	30
King	189	0	0	0	189	0
Markham	3,016	0	293	293	3309	293
Newmarket	230	0	259	259	489	259
Richmond Hill	753	0	0	0	753	0
Vaughan	2,024	0	635	635	2659	635
Whitchurch-Stouffville	506	0	6	6	512	6
<b>York Region</b>	<b>7,469</b>	<b>0</b>	<b>1,271</b>	<b>1,271</b>	<b>8,740</b>	<b>1,271</b>

Source: York Region Planning and Economic Development, 2024. Based on Teranet, RealNet/Altus and Canada Mortgage and Housing Corporation data.

Due to data limitations, the median sale price of all unit types was used to assess affordability of high-density ownership. As a result, there are likely smaller affordable units (bachelor/1BR) that were not captured.

### Purpose-Built Rental Completions Continue to Increase

A healthy rental housing stock is of greater importance as ownership affordability becomes less attainable for most York Region households. As of 2016, York Region had the lowest proportion of rental housing stock in the GTHA. It was estimated that 62% of York Region rental market were secondary units, with 19% in high-rise developments and 43% in ground related units.

Due to data limitations, all rental units are coded as “affordable” for monitoring purposes. New rental supply in 2023 consisted of 935 purpose-built units and 336 registered additional dwelling units. Of the 935 new purpose-built rental units, 670 were delivered by the private market across two municipalities and three developments. The remaining 265 units were community housing units delivered by Housing York Inc. in Unionville. Change in affordable units can be seen in Figure 3. An average of approximately 258 new purpose-built rental units have been built per year since monitoring began in 2013, with variations year over year based on completion dates for single developments.

## 2023 Affordable Rent Thresholds range from \$1,310 to \$2,354

In 2023, condominium rental supply grew by approximately 2,140 units to 18,636 which represents approximately 35% of all rentable condo units. The Canadian Mortgage and Housing Corporation's (CMHC) Rental Market Report showed that average cost of rent in the condo market increased slightly from \$2,605 in 2022 to \$2,617 in 2023 exceeding the affordable rental threshold of \$2,080 by about \$550 (26%). CMHC data shows average rents in the purpose-built rental market were more affordable at \$1,664 per month. Although more affordable, the purpose-built rental market's limited supply pushes renters to less affordable secondary rental options; a market not easily monitored, with less security of tenure.

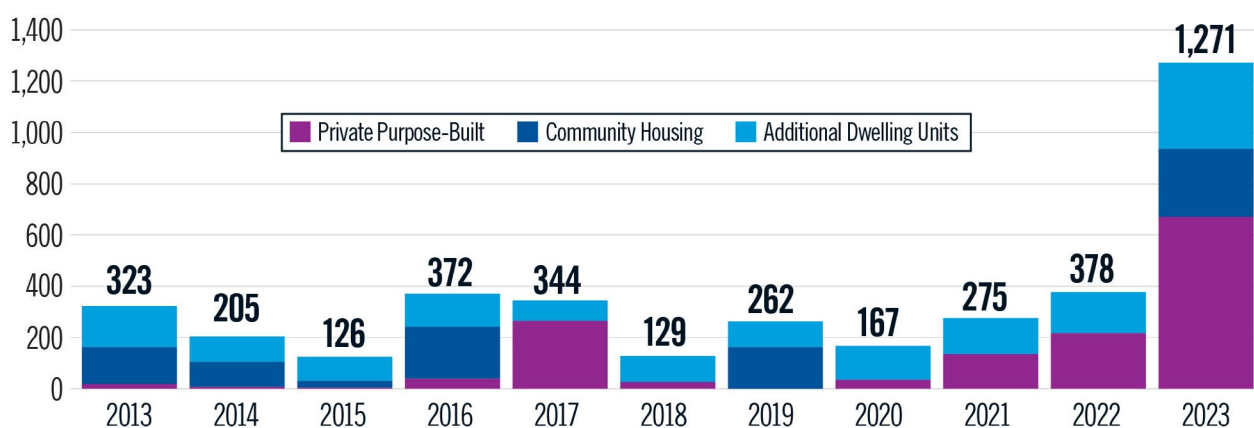
Existing purpose-built rental stock is generally aged and not reflective of current building code and amenity standards. For that reason, in 2018, York Regional Council established a rental threshold of 125% AMR for monitoring affordability to better reflect rents that can be reasonably coded affordable considering average household incomes and market conditions. The 2023 threshold for affordable rental housing across all bedroom types was \$2,080. Maximum 2023 rental thresholds by bedroom type range from \$1,278 for a bachelor to \$2,526 for a three-bedroom apartment. However, the Region's average market rent and rent thresholds are heavily influenced by existing occupied rent-controlled units. Table 3 illustrates the rent gap between occupied units and rent charged for vacant units (new and existing) rented in 2023. An increased number of purpose-built rental units completed each year since 2020 coupled with units becoming vacant (turnover of new tenants) can be expected to affect the average market rent across the Region.

**Table 3: Private Purpose-Built Average Market Rents by Bedroom Type, 2023**

Unit Type	Vacant Units (\$)	Occupied Units (\$)	AMR \$	Affordable Threshold (\$)
Bachelor		\$1,022	\$1,022	\$1,278
1 Bedroom	\$1,954	\$1,502	\$1,511	\$1,889
2 Bedrooms	\$2,348	\$1,771	\$1,779	\$2,224
3+ Bedrooms	\$3,095	\$1,959	\$2,021	\$2,526
<b>Average</b>	<b>\$2,317</b>	<b>\$1,652</b>	<b>\$1,664</b>	<b>\$2,080</b>

Source: Canada Mortgage and Housing Corporation Rental Market Survey Data Tables 2023.

**Figure 3: New Purpose-Built Rental Supply, 2013 to 2023**



Source: York Region Planning and Economic Development, 2024.

## Lower income households have fewer housing options

Affordable ownership housing thresholds and analysis are benchmarked to the 6th decile of income distribution. Ownership housing thresholds provide an upper limit, but do not address the need for a range of housing options for households with income below this limit. To understand housing need throughout the income spectrum, the Region reviews affordability at the 4th and 5th decile thresholds to evaluate depth of affordability for households below the upper threshold (**Table 4**).

**Table 4: New Affordable Ownership Housing Lower Income Supplemental Analysis, 2023**

Monitoring Decile	Maximum Income	Maximum House Price (Threshold)	Percent Units Sold Under Threshold
6 <sup>th</sup> Decile (Primary Analysis)	\$155,535	\$536,706	0%
5 <sup>th</sup> Decile (Supplemental Analysis)	\$129,036	\$443,849	0%
4 <sup>th</sup> Decile (Supplemental Analysis)	\$105,994	\$364,590	0%

Source: York Region Planning and Economic Development, 2024. Based on Teranet, RealNet/Altus and Canada Mortgage and Housing Corporation data.

Maximum affordable price for the 5th decile of households was \$443,849 in 2023, and 0% of new units fell below this price. Maximum affordable price for the 4th decile of households was \$364,590 and 0% of new units fell below this price.

## Higher income households can also face affordability challenges

York Region residents and workers throughout the income spectrum face affordability challenges. Affordability for higher income households in the Region is also evaluated (**Table 5**).

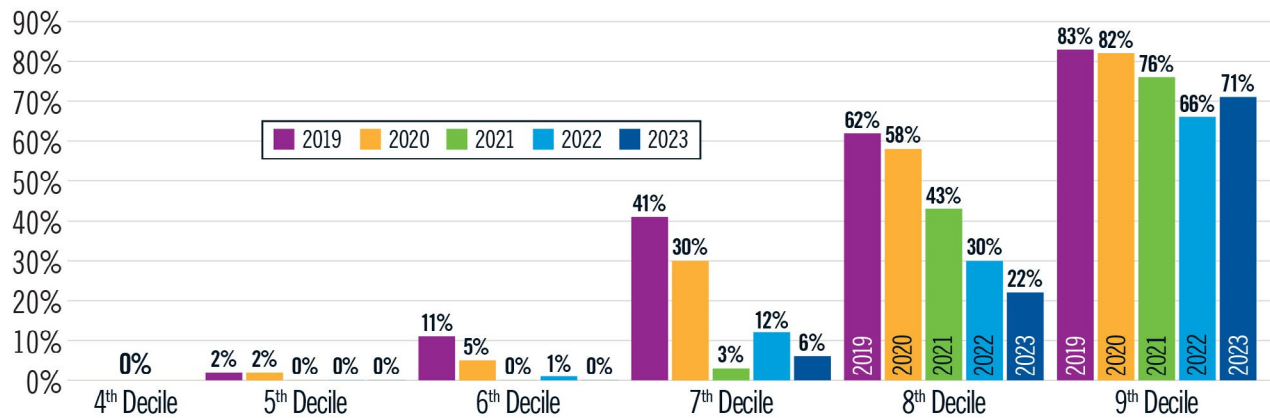
Even at the 9th Decile, only 71% of new housing is affordable leaving 29% of units only affordable to the highest earning 10% of households, or those who have access to assets outside of their gross income (**Figure 4**).

**Table 5: New Affordable Ownership Housing Higher Income Supplemental Analysis, 2023**

Monitoring Decile	Maximum Income	Maximum House Price (Threshold)	Percent Units Sold Under Threshold
6 <sup>th</sup> Decile (Primary Analysis)	\$155,535	\$536,706	0%
7 <sup>th</sup> Decile (Supplemental Analysis)	\$186,642	\$648,988	6%
8 <sup>th</sup> Decile (Supplemental Analysis)	\$228,118	\$798,653	22%
9 <sup>th</sup> Decile (Supplemental Analysis)	\$297,245	\$1,053,325	71%

Source: York Region Planning and Economic Development, 2024. Based on Teranet, RealNet/Altus and Canada Mortgage and Housing Corporation data

**Figure 4: Percent New Affordable Ownership Units by Income Decile, 2019 to 2023**

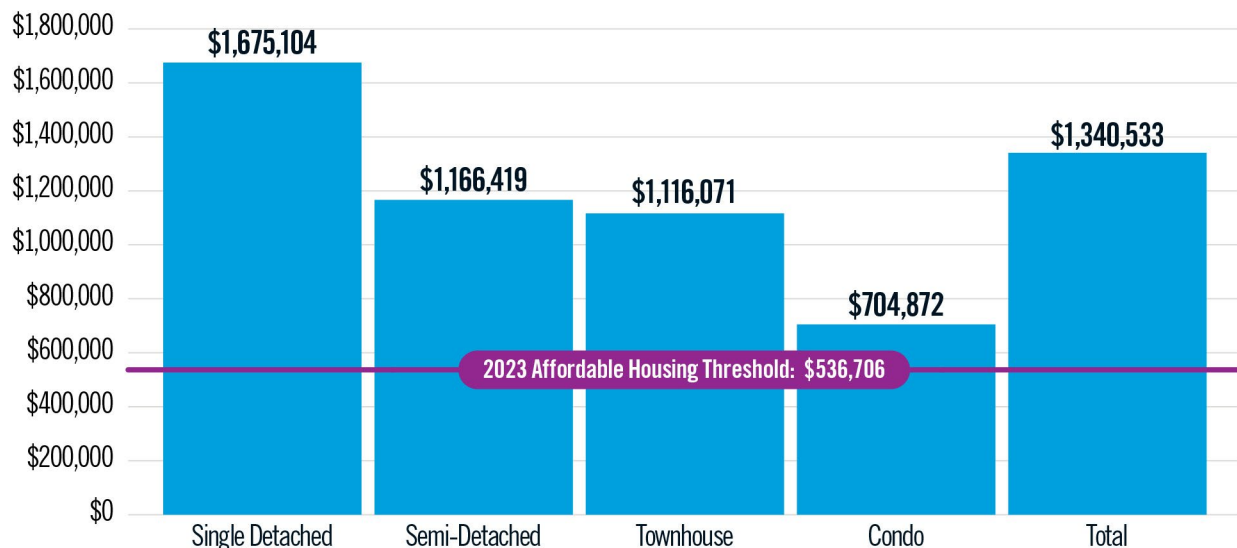


Source: Canada Mortgage and Housing Corporation Rental Market Report 2023.

## Affordability in the Resale Market is Increasingly Limited

Although average household incomes increased in 2023, interest rates have slowed the ownership market as York Region residents navigate higher carrying costs of home ownership. Prices in the resale market dropped slightly in 2023 in response to the increased interest rates, which grew from 4.25% in January 2023 to 5.00% by December 2023. Despite increased household income and decreased average resale prices, the increased carrying cost of home ownership has caused a decrease in affordability thresholds across the Region.

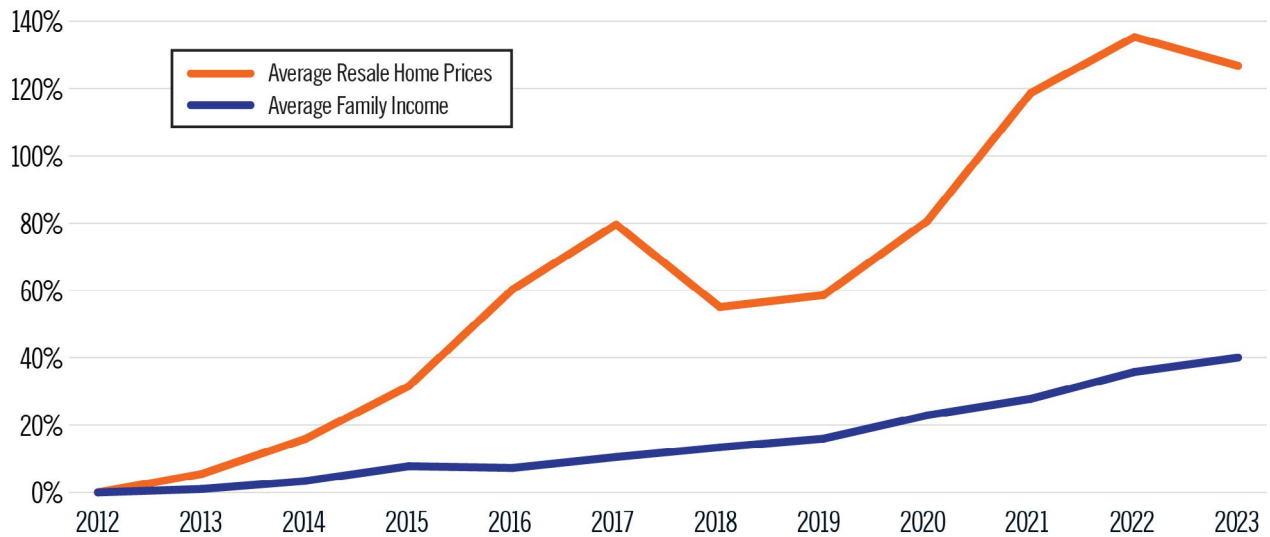
**Figure 5: Affordable Housing Threshold and Average Resale Home Prices, 2023**



Source: York Region Planning and Economic Development, 2024.



**Figure 6: Percent Increase: Average Resale Home Price and Average Family Income, 2012 to 2023**



Source: York Region Planning and Economic Development, 2024.

Toronto Regional Real Estate Board (TRREB) records show that total number of sales fell 7.3% from 2022 to 2023. Interest rates are a key factor in the carrying cost of home ownership and while prices in the resale market have fallen by about 3.6% in 2023, any potential benefit to carrying costs is offset by higher interest rates.

The Provincial definition of affordable requires an income based and a market-based approach to affordability be calculated for each tenure and the lower of the two form the affordability threshold. Ownership income-based calculation assumes that 30% of gross household income can be spent on mortgage, mortgage insurance and property taxes assuming the lowest allowable down payment and the 5-year fixed rate mortgage posted by the Bank of Canada.

## Strategies to Help Address Housing Challenges are Under Development

York Region's next 10-year housing and homelessness plan is anticipated to be brought to Council in Q2 2025. To help inform the Housing and Homelessness Plan, implementation plans for each segment of the housing continuum are anticipated to be brought to Council in 2024, including:

- The Affordable Private Market Housing Implementation Plan, which will identify actions, advocacy and partnership approaches to private market housing gaps in the short, medium and long-term
- Community Housing Master Plan which will guide long-term investments to increase the supply of community housing, including Housing York Inc
- Homelessness Service System Plan which will respond to immediate and long-term needs of residents experiencing or at-risk of homelessness.

Actions endorsed by Council under each plan will be consolidated into the next 10-year housing and homelessness plan. The 10-year housing and homelessness plan will serve as an overarching implementation road map setting out short, medium and long-term actions to be completed over the next 10 years to achieve key targets and objectives for measuring progress.

# AFFORDABLE HOUSING in YORK REGION 2023 MEASURING and MONITORING

For more information on housing affordability  
in York Region please contact:

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