

Planning Advisory Committee November 14, 2023





Background to the Housing Affordability Strategy

- September 12, 2023 project initiation
- To be completed in five phases, concluding in 2024
- Overall goal is to identify actions, advocacy, and partnership approaches to address private-market housing gaps
- Complementary goals include:
 - Goal 1: Enable greater supply and mix of housing
 - **Goal 2:** Maximize and protect the use of existing housing resulting in a greater supply of affordable housing
 - **Goal 3:** Enhance capacity, awareness, and supports for affordable housing throughout the community.



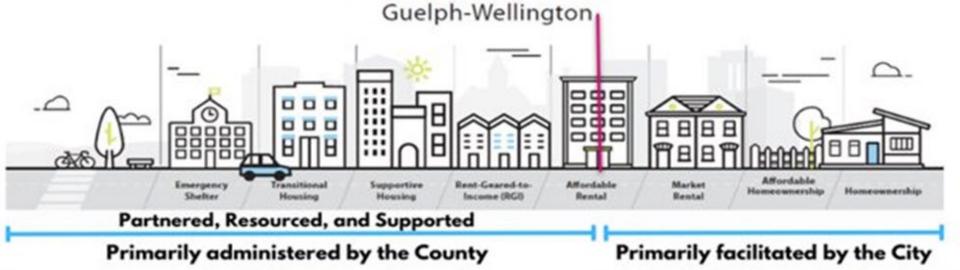
State of Housing in Guelph Report

- Presents a statistical analysis of demographic, economic, and housing trends
- Identifies the gaps in our housing needs
- Identifies key issues and where improvements can be made to advance City's targets for affordable rental and ownership housing.





HOUSING CONTINUUM







Defining Affordable Housing

- Includes housing provided by the private, public, and non-profit sectors
- For this report, affordable housing aligns with the City's Official Plan and the Provincial Policy Statement (2020) definition.
- Opportunity to explore definitions through the development of the Housing Affordability Strategy





Affordable Benchmarks 2023

Ownership: \$429,016 per dwelling

Rental: \$1,434 per month





Five Key Issues



1: Guelph is not meeting its affordable housing targets



2: There is a shortage of smaller units



3: There is a lack of primary rental supply



4: The secondary rental market offers more affordable choices but lacks stability







1: Guelph is not meeting its affordability targets

- Current affordability target: 30 per cent of all new residential units
 - 25 per cent ownership units
 - 4 per cent secondary rental market
 - 1 per cent primary rental market (reported every 5 years)





1: Guelph is not meeting its affordability targets

- In 2022, only 22 per cent of ownership units were sold below the benchmark price
- 11 per cent of all secondary market rental units
- Between 2015 and 2020, no primary market rental units were rented at or below the rental benchmark
- Between 2020 and 2022, 5 per cent of primary market rental units were rented at or below the affordable rental benchmark
- Primary rental units will be reported on in the 2025 Growth Management and Affordable Housing Monitoring report





2: There is a shortage of smaller units

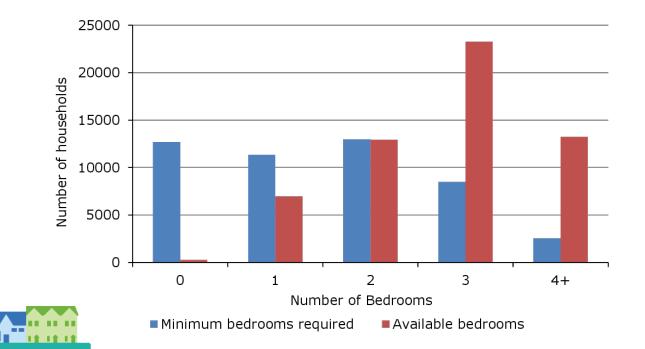
- One-person households are one of the fastest growing household types
- Currently comprise 28 per cent of all household types
- One-person households are the largest segment of renter households (40 per cent)
- 38 per cent of all one-person households are seniors (65+)





2: There is a shortage of smaller units

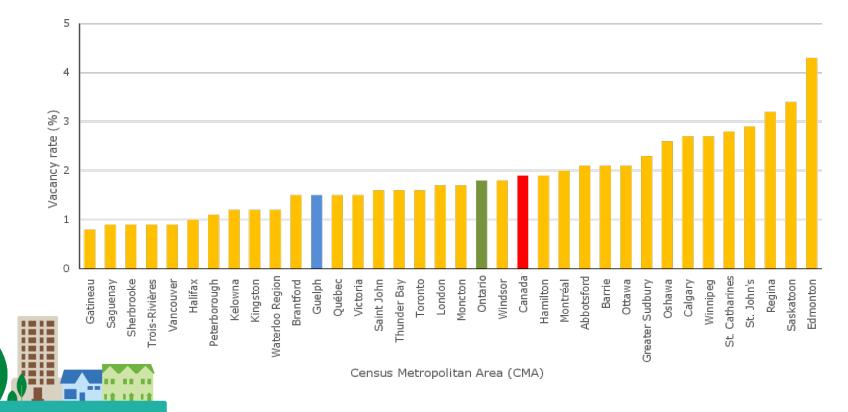
- Shortfall of 21,200 bachelor and one-bedroom units
- Reduced birth rates and an aging population will contribute to the growth of one-person households





3: There is a lack of primary rental supply

• In 2022, Guelph had one of the lowest primary rental vacancy rates in Canada at 1.5 per cent





3: There is a lack of primary rental supply

- A healthy vacancy rate is considered to be 3 per cent
- Guelph's vacancy rate has remained below 3 per cent since 2011





3: There is a lack of primary rental supply

- Since 2015, Guelph added roughly 1,500 primary rental units, marking a shift from the preceding 40 years when very few new units were added to Guelph's primary rental housing stock
- Within the last 2 years, construction has begun on 64 affordable supportive housing units, a 110-unit seniors' residence, and a 138-unit rental building.
- Demand for rental housing will continue to outpace construction as homeownership becomes increasingly unaffordable





4: The secondary rental market offers more choices but lacks stability

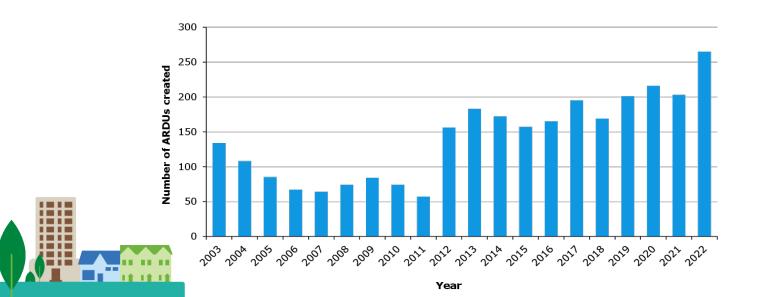
- Secondary rental market includes rented units other than those in a purpose-built primary rental unit and includes additional residential units (e.g., accessory apartments).
- Considered temporary rental units
- Obtaining information on the secondary rental market is challenging, and CMHC does not report on the secondary rental market in Guelph
- Guelph conducts an ADU rental market survey approximately every 5 years, the next one is anticipated to be completed in early 2024





4: The secondary rental market offers more choices but lacks stability

- 34 per cent of all households in Guelph live in a rental unit, over half of which reside in a secondary rental unit
- Guelph has seen a recent increase in the creation of ADUs, averaging 193 units over the last 10 years. As of October 2023, 3,870 additional residential units were registered with the City of Guelph.





4: The secondary rental market offers more choices but lacks stability

- Additional dwelling units (ADUs) are typically rented for less than the market rate for rental units in Guelph and offer more affordable options in the private rental market
- Average rental rates for ADUs in 2019 was \$1,118 when the affordable rental benchmark that year was \$1,133
- The creation of ADUs has helped Guelph achieve the secondary rental market affordable housing target of 4 per cent each year since 2017. Last year, 11 per cent of all new units created were rented at or below the 2022 affordable rental benchmark of \$1,372





5: The supply of non-market rentals is not keeping pace with demand

- Non-market housing refers to housing that is designed for individuals and families who cannot afford market rents. These units are generally subsidized in part, or in whole by government, and includes:
 - Emergency shelters
 - Transitional housing
 - Supportive housing
 - Rent-geared-to-income units
 - Subsidized rental housing
- County of Wellington is the Service Provider who administers non-market housing. Funding is jointly provided by the County of Wellington and the City of Guelph





5: The supply of non-market rentals is not keeping pace with demand

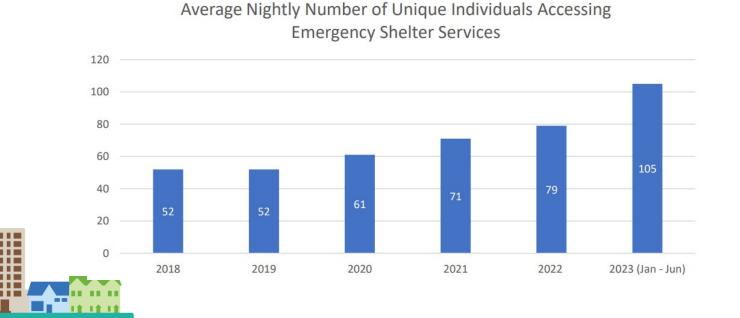
- Represents approximately 4 per cent of the total housing stock in Guelph
- Within Guelph:
 - 79 emergency shelter beds (with motels used for overflow)
 - 46 transitional housing units by 2025
 - 96 supportive housing units by 2024
 - 2,073 rent-geared-to-income units
 - 443 households receiving rent support
 - 443 government funded affordable housing units





5: The supply of non-market rentals is not keeping pace with demand

- Since 2018, emergency shelter usage in Guelph has increased 102 per cent since
- The average length of stay has increased by 120 per cent since 2018 from 25 days to 55 days





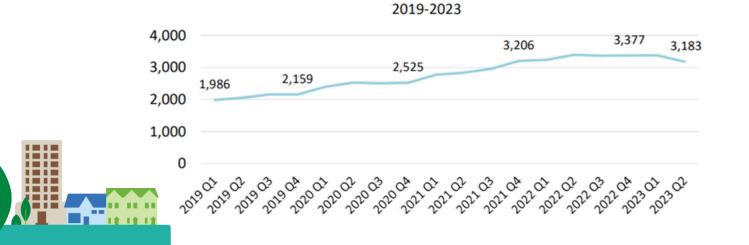
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5: The supply of non-market rentals is not keeping pace with demand

- The County of Wellington maintains a Centralized Waiting List (CWL) for individuals waiting for a subsidized rental unit across the Wellington-Guelph service area
- This waiting list has seen a 60 per cent increase in the number of households waiting for subsidized housing since 2019

Applicant Households on W-G Centralized Waiting List (CWL)

• The average wait time for individuals on the CWL is 5 years





Summary

To begin addressing housing affordability in Guelph:

- Review affordable housing targets and methods for determining benchmarks
- More primary rental units are needed to meet increased demand as housing becomes increasingly unaffordable
- Smaller units will be needed in Guelph to meet the increased demand as household sizes decrease
- Additional residential units will be needed to provide more accessible affordable housing options for lower income earners
- More supportive and subsidized housing is needed to meet
 the needs of lower income households



Next Steps

- Recruitment for the Housing Affordability Focus Group
- Continue Gentle Density work, including preparing a draft zoning bylaw amendment for 4 units
- Continue with Phases 2 through 5 of the Housing Affordability Strategy (HAS) workplan – information gathering, identification of goals, targets actions, and drafting a recommended HAS

Continuous public engagement





Thank you! Questions or comments?

