
DATE: March 2, 2004

SUBJECT: **PEEL ACCESS TO HOUSING (PATH) FAMILY APPLICANT SURVEY -
EVIDENCE OF HOUSING NEED IN THE REGION OF PEEL**

FROM: Keith Ward, Commissioner of Housing and Property
and General Manager, Peel Living

OBJECTIVE

The purpose of this report, the first in a series of three, is to highlight the findings of a survey that was conducted in 2001 of family and single (non-senior) applicants on the Peel Access to Housing (PATH) waiting list for social housing in Peel.

REPORT HIGHLIGHTS

- A survey of family and single (non-senior) applicants on the Peel Access to Housing (PATH) waiting list for social housing was conducted in 2001.
- 8.5% of households on the PATH wait list were housed in 2003, with the average wait period for social housing applicants in Peel currently at 5-10 years.
- Only 578 rental units were built in Peel from 1997-2002, of which none were RGI units.
- Median family incomes for family and single (non-senior) applicant households on the social housing wait list are 73.3% lower than the median for all households in Peel.
- Half of all family and single (non-senior) applicants on the PATH wait list are paying 51.6% or more of their gross monthly income towards rent, thus experiencing a "severe affordability problem".
- High rents were cited as the primary reason for applying for social housing by all family and single (non-senior) applicant households surveyed.
- Understanding the complexity of social housing applicants' needs is critical to identifying and developing appropriate solutions.
- This is the first of three reports, each of which will focus on a different aspect of family and single (non-senior) social housing applicant needs.

DISCUSSION

1. Background

In an effort to better understand the needs and experiences of family and single (non-senior) applicant households on the social housing wait list in Peel, the Region of Peel Housing and Property Department undertook a survey in 2001. The survey was part of an overall effort to up-date the centralized waiting list for social housing. Unlike surveys in the past, this most recent research aimed to learn more about what social housing applicants were experiencing, and their means of coping, during their wait for housing. This was in

PEEL ACCESS TO HOUSING (PATH) FAMILY APPLICANT SURVEY - EVIDENCE OF HOUSING NEED IN THE REGION OF PEEL

addition to gathering data on such things as household size, rent levels, income levels, type of current housing, crowding/sharing of accommodation and reasons for applying.

Of the 8,000 surveys distributed in 2001 a total of 4,073 were returned, which is a relatively high response rate of 50.9%. The richness of the data that were gathered, and the complex issues that presented themselves, required an in-depth and thorough analysis. While this has taken more time than anticipated, it has resulted in a fuller understanding of family and single (non-senior) social housing applicants' experiences.

The survey findings, along with additional research and data, will be presented in a series of three reports, each focusing on a distinct theme that evolved during the data analysis, as indicated below:

- Evidence of Housing Need in the Region of Peel

A look at the social housing landscape in Peel, including: the wait list; regional growth and housing development; applicants' place of origin; applicants' income levels; average rents in Peel; primary reason for applying; and applicants' rent-to-income ratios.

- Risks and Costs Associated with the Wait for Social Housing in Peel

An analysis of the risks and costs that family and single (non-senior) applicants, and the Region, face while households wait for social housing in Peel in terms of their unstable housing situation, uncertain future, and their overall well-being.

- Limited Options for Low-Income Families

A closer look at the limited affordable rental options available to low-income families in Peel. These result in sharing of accommodations and over-crowding, two means of coping which present a distinct set of challenges and risks.

The first of these three reports is attached as Appendix I.

2. Findings

The following is a brief outline of the findings presented in the attached first report on the results of the survey, along with additional research data from other sources, related to family and single (non-senior) applicants on the PATH wait list for social housing in Peel:

- 13,500 and 13,457 applicant households were on the PATH wait list in 2002 and 2003, respectively, with approximately 77% being family and single (non-senior) applicants;
- Average wait period for family and single (non-senior) applicant households is currently 5-10 years;
- 1147 households on the PATH wait list were housed in 2003, indicating that at present Peel can house approximately 8.5% of its Rent-Geared-to-Income (RGI) wait list annually;
- Only 578 rental units were built in Peel between 1997 – 2002, with all of the completions being private rental units;
- Region of Peel committed its own funds to construct two new housing developments in 2002, resulting in 299 new rental units, with other projects under development;
- As a major centre of population growth in Ontario, Peel's population has increased by 3% each year between 1996-2001;

PEEL ACCESS TO HOUSING (PATH) FAMILY APPLICANT SURVEY - EVIDENCE OF HOUSING NEED IN THE REGION OF PEEL

- Peel's population growth translates into an increase of approximately 1,700 – 1,900 renter households annually;
- 62.6% of the applicant households surveyed have lived in Canada for 9 or more years, and only 1.7% of all respondents are new to Canada (i.e. have lived in Canada for less than one year);
- The median* income for family and single (non-senior) households on the PATH waiting list of \$18,126 is 73.3% lower than that of all households in the Region of Peel;
- Overall, 54.2% of surveyed applicants rely on full-time, part-time, or self-employment as their sole source of income;
- Only 22.3% of respondents rely solely on social assistance, in the form of Ontario Works or Ontario Disability Support Payments;
- Survey respondents' low incomes, and their application for social housing, indicate they are not part of the 72% of households in Peel who can afford to own property;
- All of the surveyed PATH applicants indicated high monthly rents as their primary reason for applying for social housing;
- The median monthly rent for family and single (non-senior) applicant households on the PATH waiting list was \$779;
- According to Canada Mortgage and Housing Corporation, households paying over 50% of their gross monthly income towards rent are experiencing a "severe affordability problem";
- Based on median rent and income figures, half of all family and single (non-senior) applicants on the PATH wait list are paying 51.6% or more of their gross monthly income towards rent;
- All households with three or more persons are paying over 50% of their gross monthly income towards rent;
- Some larger households are paying up to 64% of their gross monthly income towards rent.

*The median is the value at which one-half of ranked observations lie above that value and one-half lie below that value.

CONCLUSION

As stated in Appendix I, the long wait for social housing in Peel of up to 10 years, along with high rents and low turnover of needed units, indicates a significant need for more affordable housing in the Region of Peel. As one of Ontario's fastest growing regions, affordable housing will remain an important issue in Peel. As such, the Region needs to look at different options and models that will help meet the community's needs.

March 2, 2004

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PEEL ACCESS TO HOUSING (PATH) FAMILY APPLICANT SURVEY - EVIDENCE OF HOUSING NEED IN THE REGION OF PEEL

The diverse needs, which will be addressed more specifically in the next two reports, will aid in further understanding the complexity of both the issues and the required solutions.



Keith Ward
Commissioner of Housing and Property
and General Manager, Peel Living

Approved for Submission:



R. Maloney, Chief Administrative Officer

Authored By: Ragaven Sabaratnam

c. Legislative Services

Att:

**PEEL ACCESS TO HOUSING (PATH) FAMILY APPLICANT SURVEY
EVIDENCE OF HOUSING NEED IN THE REGION OF PEEL****INTRODUCTION**

The purpose of this report is to present some of the findings of a survey that was conducted of families and singles (non-senior) on the Peel Access to Housing (PATH) wait list for social housing in 2001. This is the first of three reports on the survey's findings, with each report focusing on a specific area. The reports cover the following three themes: Evidence of Housing Need in the Region of Peel; Risks and Costs Associated with the Wait for Social Housing in Peel; and the Limited Options Available to Low-Income Families.

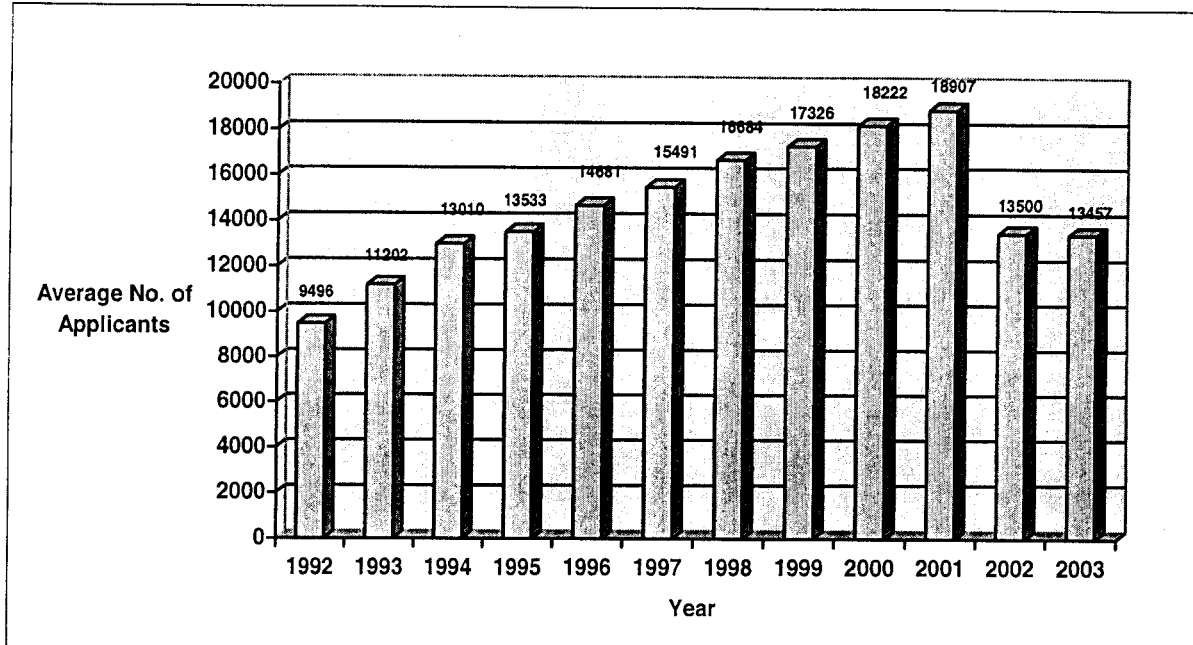
This first report presents some of the results of the survey, along with supplementary data from other sources, including Canada Mortgage and Housing Corporation (CMHC) and Statistics Canada. The analysis of the respondents' wait period for social housing, income levels, and current shelter expenses, has also been conducted within the context of Regional trends, including social housing development and availability in Peel.

BACKGROUND

In 2001, the Region of Peel Housing and Property Department undertook a survey of its centralized social housing wait list. This was part of an overall effort to up-date the centralized wait list for Peel, including consolidating the wait lists which had existed amongst the various social housing providers in Peel until that time. In total, 8,000 surveys were mailed out to families and singles (non-senior) and 4,073 were returned, resulting in a response rate of 50.9%. The focus of the survey was similar to the one administered by Peel Living in 1997, where the intent was to gather data on: household size; rent levels; income levels; type of housing currently occupied; crowding/sharing of accommodation; and reasons for applying. One major difference from the 1997 survey was to gain insight into personal experiences of households, specifically family and single (non-senior) applicants, while waiting for assisted housing. As such, the survey provides more meaningful information on housing needs in Peel than has been available.

PEEL ACCESS TO HOUSING (PATH) FAMILY APPLICANT SURVEY
EVIDENCE OF HOUSING NEED IN THE REGION OF PEEL

THE WAITING LIST

GRAPH 1: WAITING LIST FOR SOCIAL HOUSING IN PEEL, 1992 - 2003

Source: Region of Peel Housing and Property Department, 2003

Efforts to up-date the wait list resulted in a clearer picture of the need for affordable rental housing in the Region of Peel. The up-date, which was conducted alongside the survey, helped remove inflated numbers that existed on the wait list due to deceased, disinterested, and/or duplicate applicants. As seen in Graph 1, the up-date resulted in the number of applicants dropping from just under 19,000 in 2001 to 13,500 households in 2002, which is still a significant number of households in need of assisted housing. There was little change in 2003.

As stated there are approximately 13,500 households on the wait list for social housing in the Region of Peel. Of these households, approximately 63% are families, 14% are singles (non-senior), and 23% are seniors. On average, each applicant household has a wait period of 3-10 years to be housed, depending on the number of bedrooms they require. More specifically, three and four bedroom households have a wait of at least 7-10 years; 2 bedroom households have a wait of approximately 6 years; households requiring one-bedroom have a wait of 5-10 years; and seniors have a wait of 3-5 years. All of these wait times are approximate, and can fluctuate depending on the location, availability of appropriate unit size and so forth. Further, these wait times are significantly longer than the 5-7 year wait for social housing prior to 1995, when the province was still committed to social housing development.

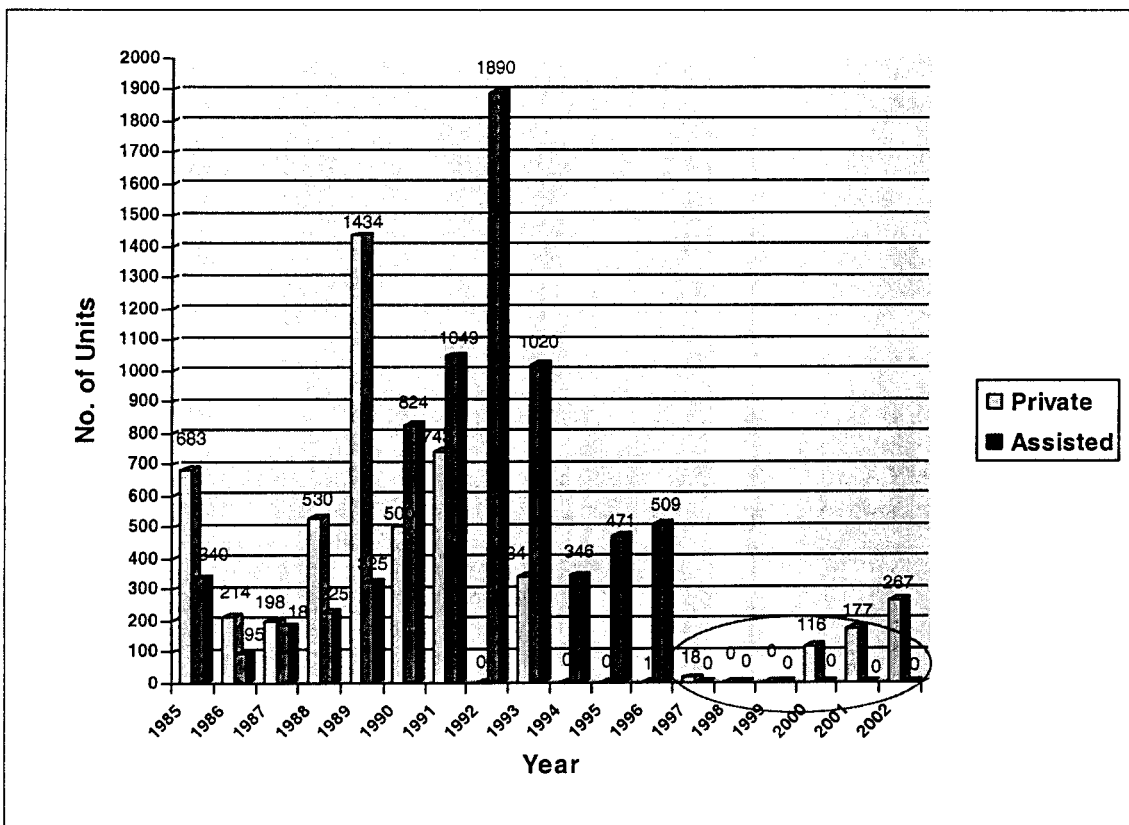
The primary reasons for these long wait times for social housing are the low turnover rate of Rent-Geared-to-Income (RGI) units in the Region of Peel, with 8.5% of applicant households on the PATH wait list being housed in 2003, coupled with the fact that no new social housing has been built since 1995.

**PEEL ACCESS TO HOUSING (PATH) FAMILY APPLICANT SURVEY
EVIDENCE OF HOUSING NEED IN THE REGION OF PEEL**

GROWTH AND DEVELOPMENT

Rental production has picked up recently but is still far short of earlier levels. An average of 7,500 non-profit housing units was built annually in Ontario between 1980 and 1995. In Peel, only 578 rental units were built from 1997 to 2002, with all of the completions being private rental units. The assisted housing completions in 1996 and 1997 reflect construction starts in 1995 or earlier, when the Provincial Government was funding the development of social housing. Graph 2 shows this dramatic decline.

GRAPH 2: RENTAL HOUSING COMPLETIONS – PEEL REGION (1985-2002)



Source: Canada Mortgage and Housing Corporation: Rental Housing Completions, 1985 - 2002

As indicated, the focus of rental development since 1995 has been the private sector. Due to the lack of funding and increased pressure for new social housing, the Region of Peel committed its own funds to construct two housing developments in 2002, namely Millbrook and Twin Pines. This initiative will add 299 new affordable rental units, with other projects under development in new cost-shared initiatives.

This downward trend in the production of new rental housing has led to many renters having to live in other forms of housing such as basement apartments and shared accommodations, both of which pose a distinct set of challenges.

**PEEL ACCESS TO HOUSING (PATH) FAMILY APPLICANT SURVEY
EVIDENCE OF HOUSING NEED IN THE REGION OF PEEL**

Lower rental production in the face of the significant population growth which Peel has, and will continue to, experience is cause for concern. The Region of Peel is one of the major centres of population growth in Ontario, with more households, both immigrants and non-immigrants, choosing to move here. As indicated in Table 1, on average Peel's population has increased by more than 3% each year from 1996-2001. Compounded annually, this growth rate is greater than that of Toronto, and second only to York Region. The population in Peel was 988,945 in 2001 (Peel Data Centre, 2001 Census).

TABLE 1: COMPOUNDED ANNUAL POPULATION GROWTH RATE (1996 – 2001)			
<i>(*Compounded Annual Growth Rate refers to the year over year growth rate)</i>			
PEEL	TORONTO	YORK	GTA
3.0%	0.8%	4.2%	1.8%

Source: Statistics Canada, 2001 Census

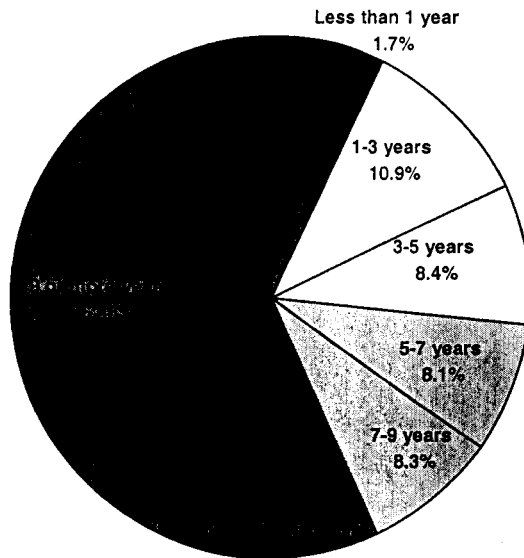
Affordable housing for modest income households remains one of the most pressing needs within the Region of Peel. According to a CMHC study commissioned in 1997 entitled "The Long-Term Housing Outlook: Household Growth in Canada and the Provinces, 1991-2016", the projected annual growth for renter households from 2001-2016 is expected to be around 20,000 – 30,000 households in Ontario. In Peel, this translates to an increase of approximately 1,700 – 1,900 renter households annually, and is a direct indication of the number of rental units needed in the Region on an annual basis. Of these units, a significant portion needs to be designed to address the issue of affordability due to the long wait list for social housing.

**PEEL ACCESS TO HOUSING (PATH) FAMILY APPLICANT SURVEY
EVIDENCE OF HOUSING NEED IN THE REGION OF PEEL**

PLACE OF ORIGIN

Family and single (non-senior) households on the wait list for housing are not necessarily immigrants or new arrivals to Canada. In fact, Figure 1 is a chart indicating that 62.6% of all households surveyed have lived in Canada for 9 or more years, with only 1.7% of all respondents being new to Canada.

FIGURE 1: PATH FAMILY APPLICANT SURVEY – NUMBER OF YEARS LIVED IN CANADA



Source: Region of Peel Housing and Property Department, 2001 PATH Family Applicant Survey

**PEEL ACCESS TO HOUSING (PATH) FAMILY APPLICANT SURVEY
EVIDENCE OF HOUSING NEED IN THE REGION OF PEEL****HOUSING APPLICANTS' INCOME LEVELS**

A comparison of median¹ annual family income is found below in Table 2 for Canada, the Region of Peel, the City of Toronto and households on the PATH waiting list. The figures for the Region have been further disaggregated by local municipality.

TABLE 2: COMPARISON OF MEDIAN ANNUAL FAMILY INCOME – NATIONAL AND SELECTED MUNICIPALITIES (2001)

	CANADA	PEEL	TORONTO	MISSISSAUGA	BRAMPTON	CALEDON	PATH WAITING LIST
MEDIAN FAMILY INCOME	\$55,0166	\$67,987	\$63,700	\$67,767	\$66,082	\$84,223	\$18,126

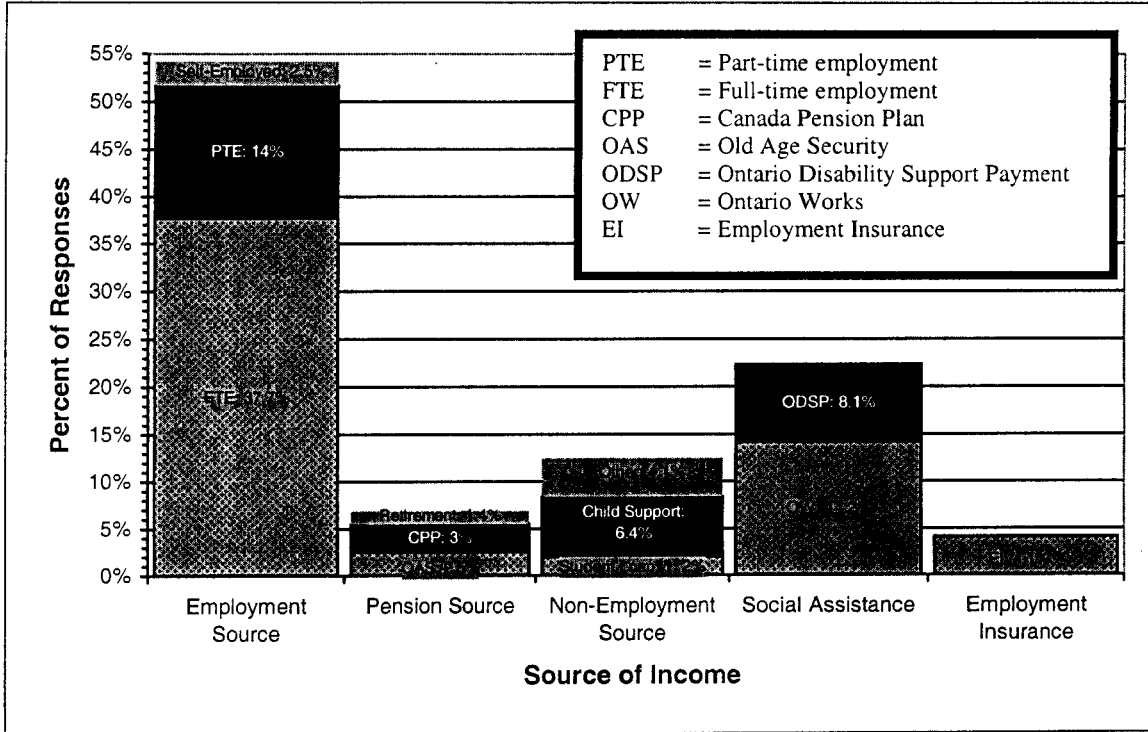
Source: Statistics Canada, 2001 and Region of Peel Housing and Property Department, 2001 PATH Family Applicant Survey

The above figures demonstrate that incomes for families and singles on the PATH wait list are far below the median income figure for the nation. Furthermore, although the Region of Peel appears quite prosperous in terms of median family incomes at \$67,987, this is not represented by the PATH family applicant survey results. In fact, the median family income of the PATH applicants surveyed is 73.3% lower than that of all households in the Region. This is a very significant shortfall, even after allowing for the difference between rental household incomes, and homeowner incomes, the latter of which are likely to be higher. This is despite the fact that the majority of the PATH survey respondents are dependent on employment as their sole source of income, as indicated in Graph 3.

¹ *median* = in a sample it is the value for which one-half (50%) of the observations (when ranked) will lie above that value and one-half will lie below that value

**PEEL ACCESS TO HOUSING (PATH) FAMILY APPLICANT SURVEY
EVIDENCE OF HOUSING NEED IN THE REGION OF PEEL**

GRAPH 3: PATH FAMILY APPLICANT SURVEY – SOURCES OF INCOME



Source: Region of Peel Housing and Property Department, 2001 PATH Family Applicant Survey

As shown in Graph 3, 54.2% of those surveyed rely on full-time, part-time, or self employment as their sole source of income. The remaining 45.8% rely on a combination of non-employment income such as pensions, student loans, child support, etc., with only 22.3% relying solely on social assistance (i.e. Ontario Works or ODSP). This dominant group on the wait list – the working poor – obviously feel vulnerable in trying to cope with their housing costs and conditions.

Lower-income households are not part of the 72% of households in Peel who own property. From 1984-1999 the median income of homeowners in Canada increased by 5% while renters' incomes decreased by 3%. Similarly, the median figures for wealth (net worth) grew by 24% for homeowners from 1984-1999 while the net worth of renters decreased by 48% during the same period.

**PEEL ACCESS TO HOUSING (PATH) FAMILY APPLICANT SURVEY
EVIDENCE OF HOUSING NEED IN THE REGION OF PEEL**

Homeowners are those in the upper tier of the income bracket while low-middle income households, who include the 'working poor', do not make up a significant portion of this segment. According to the Federation of Canadian Municipalities (FCM) Proposal for Community Social Infrastructure (January, 2003), this is because lower income households have not reaped the rewards of an improved economy, and associated employment and income gains. Rather, renters and homeowners in higher income brackets have benefited and eased some of their housing affordability problems. For instance, FCM reports that between 1997 and 2000, higher-income renters' incomes have increased at double the pace of rent increases (13% versus 6%), while in lower income households income gains have lagged behind rent increases (4.3% versus 4.9%).

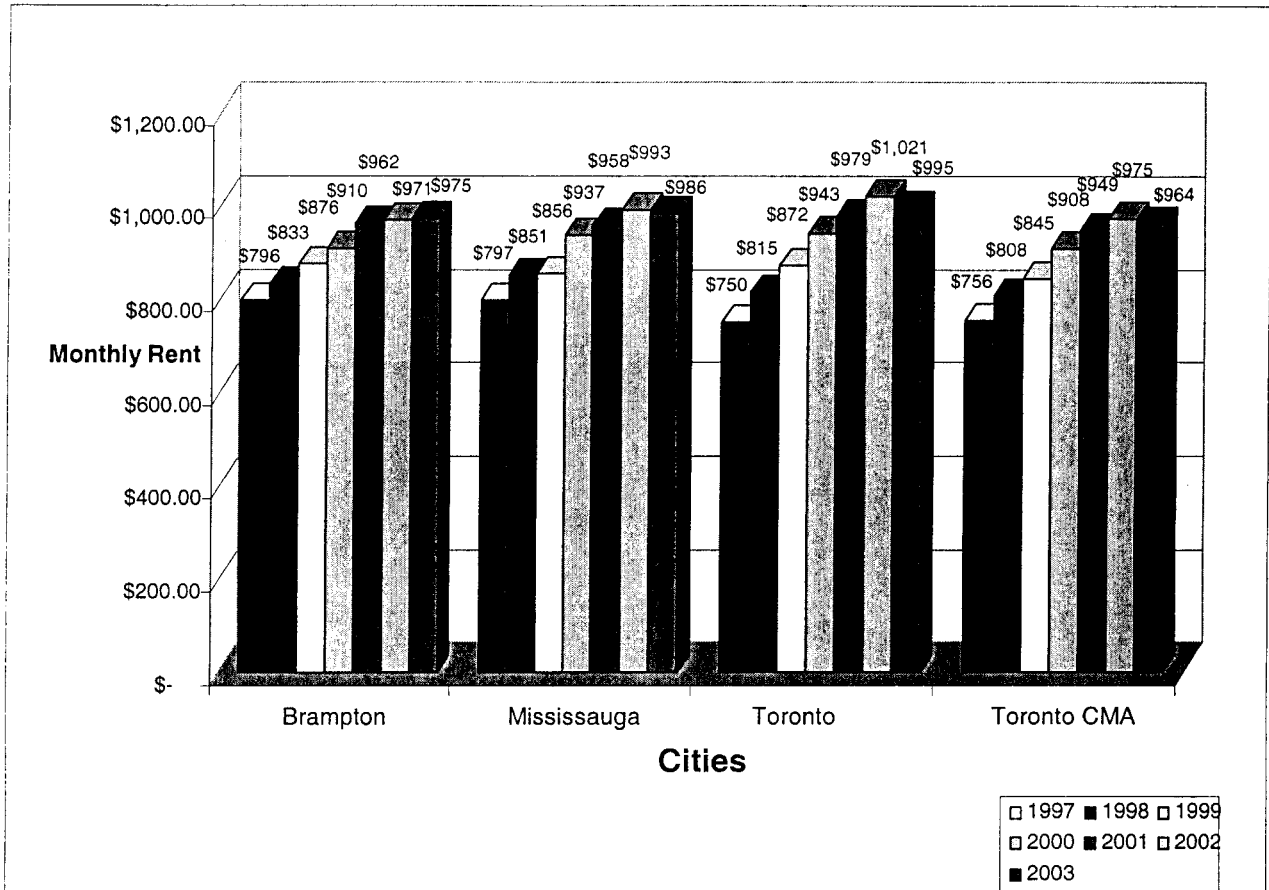
AVERAGE RENTS IN PEEL

The cost of rental housing in Peel has been steadily increasing over the past few years, as it has in other parts of the province.

As indicated in Graph 4, the 2001 average monthly rent in Brampton and Mississauga was \$962 and \$958, respectively. These figures are higher than the surveyed PATH applicants' average monthly rent of \$714.

PEEL ACCESS TO HOUSING (PATH) FAMILY APPLICANT SURVEY
EVIDENCE OF HOUSING NEED IN THE REGION OF PEEL

GRAPH 4: AVERAGE MONTHLY RENT (1997-2003) – CITY OF BRAMPTON, CITY OF MISSISSAUGA, CITY OF TORONTO AND TORONTO CMA



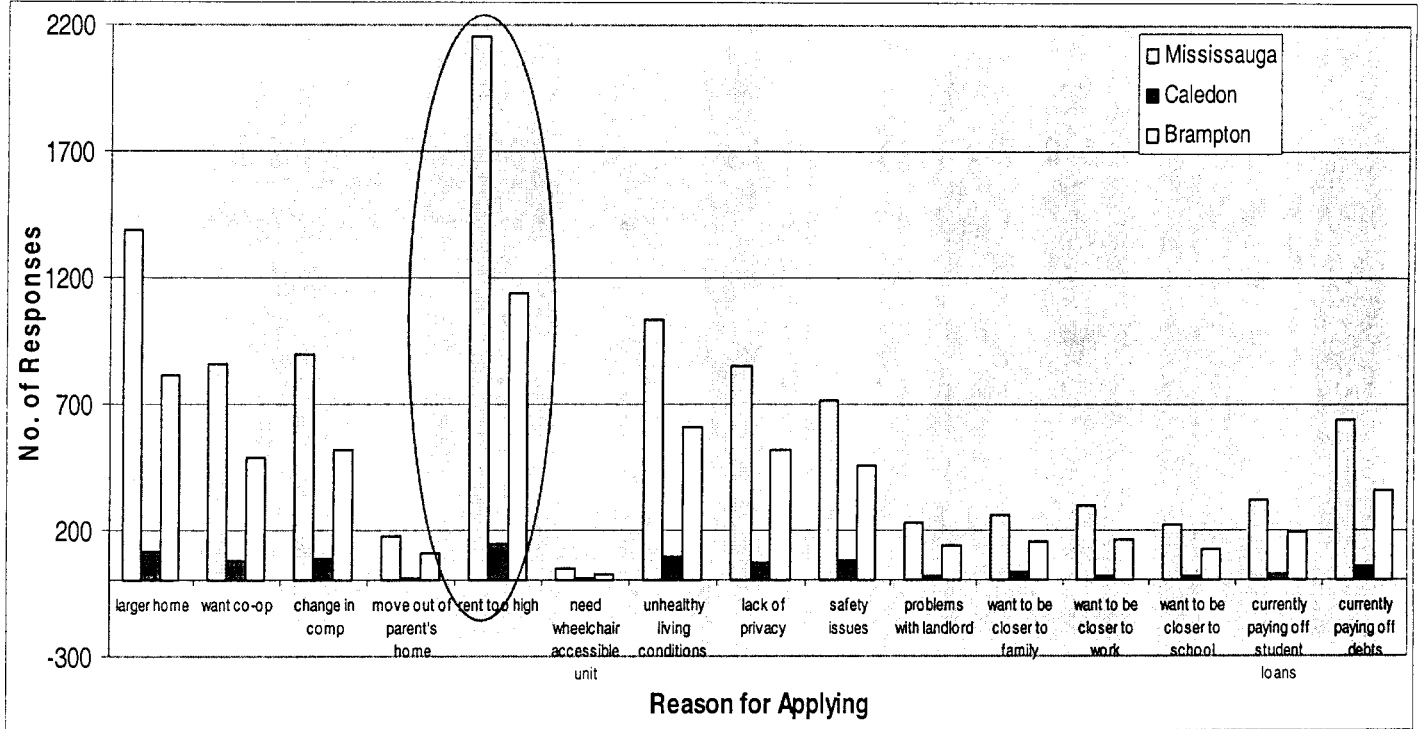
Source: Canada Mortgage and Housing Corporation: Average Monthly Rents for Selected Cities (1997-2003)

The reason for this discrepancy could be the various types of housing occupied by applicants on the PATH waiting list, which include shared housing, rooming houses, basement units, etc.

Moreover, the main reason PATH family and single (non-senior) applicants had for applying for social housing was that their rent was too high. As evident in Graph 5, this was true of applicants applying to live in any of the three municipalities and was the dominant reason, regardless of whether they had additional reasons for applying as well.

**PEEL ACCESS TO HOUSING (PATH) FAMILY APPLICANT SURVEY
EVIDENCE OF HOUSING NEED IN THE REGION OF PEEL**

GRAPH 5: PATH FAMILY APPLICANTS' REASONS FOR APPLYING AND REQUESTED AREA OF RESIDENCE



Source: Region of Peel Housing and Property Department, 2001 PATH Family Applicant Survey

The full effect of such high monthly rents is not apparent from the above. However, analyzing a household's monthly rent within the context of their total household income provides a more accurate view of their predicament. CMHC defines those in "core housing need" to be households who spend more than 30% of their gross monthly income on shelter expenses. Further, CMHC considers households that spend over 50% of their gross monthly income on shelter expenses to be experiencing a severe housing affordability problem.

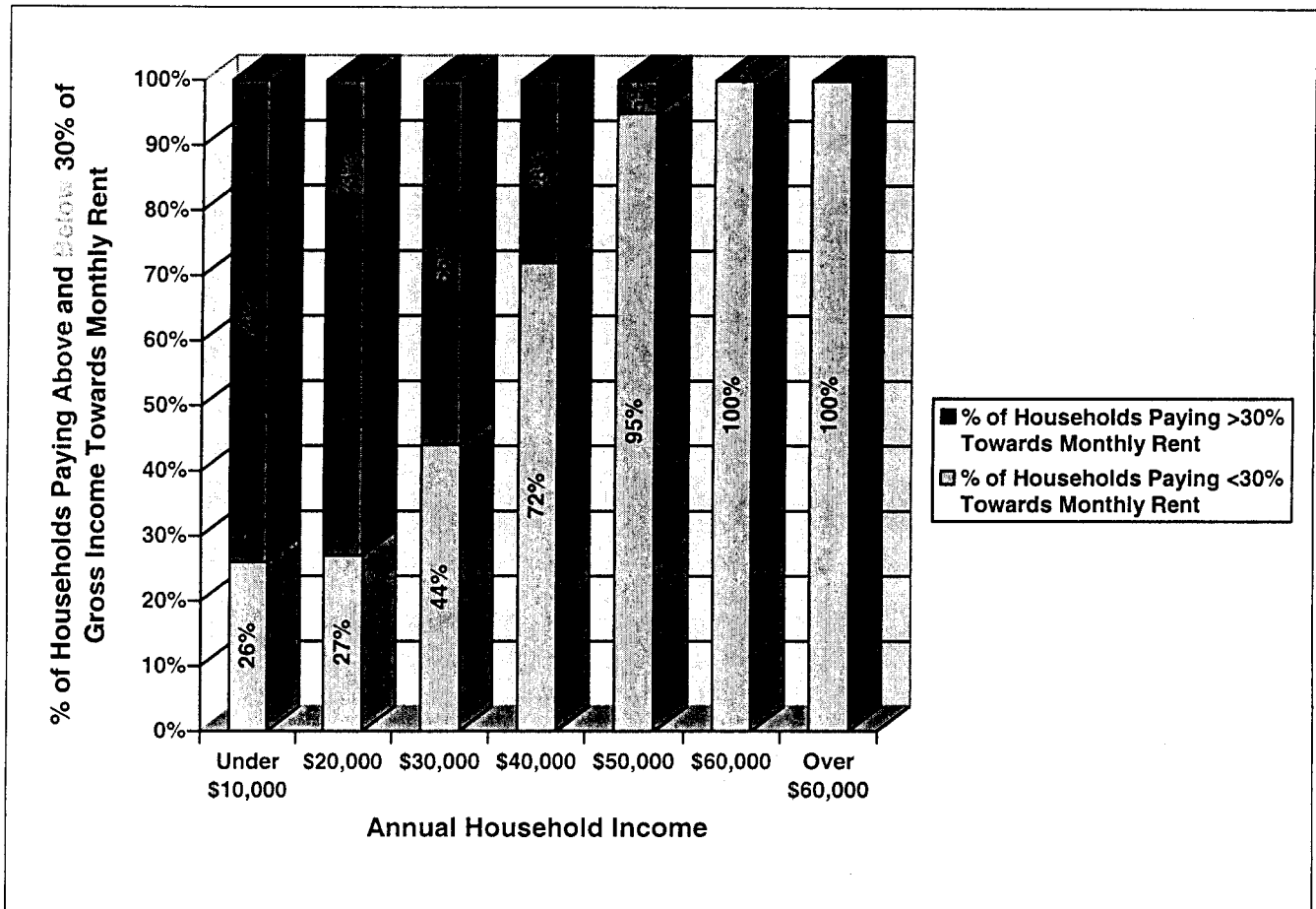
The results from the PATH family applicant survey show that many households are paying much more than 30% of their gross income towards shelter. For instance, households with a combined income of \$10,000 should only be paying \$250 per month towards rent and households with incomes from \$10,000 - \$20,000, \$375 per month, based on calculations using 30% of gross monthly income. However, such households are paying well over these amounts with some even paying over \$1,000 monthly in rent.

Graph 6 outlines each applicant's monthly rental payment, and shows that most of the households paying in excess of 30% of their gross monthly income towards rent are in the \$10,001 - \$20,000 income bracket.

**PEEL ACCESS TO HOUSING (PATH) FAMILY APPLICANT SURVEY
EVIDENCE OF HOUSING NEED IN THE REGION OF PEEL**

While this demonstrates that most of the households in core housing need, or experiencing severe affordability problems, are in the lower income households, a significant number of households with somewhat higher incomes (up to \$40,000) are also experiencing comparable challenges.

GRAPH 6: PATH FAMILY APPLICANTS' RENT-TO-INCOME RATIO



Source: Region of Peel Housing and Property Department, 2001 PATH Family Applicant Survey

Based on the respondents' median annual income of \$18,126 and median monthly rent of \$779, the rent-to-income ratio was 0.516. What this means is that half of the family and single (non-senior) households on the PATH wait list were contributing 51.6% or more of their gross monthly income towards their current household's monthly rent at the time of the survey.

Table 3 further summarizes the survey's findings by household size and highlights the trend that as household size increases, the rent-to-income ratio increases, as well.

PEEL ACCESS TO HOUSING (PATH) FAMILY APPLICANT SURVEY
EVIDENCE OF HOUSING NEED IN THE REGION OF PEELTABLE 3: PATH FAMILY APPLICANT SURVEY – RENT-TO-INCOME RATIO BASED ON MEDIAN INCOME
BY NUMBER OF PERSONS PER HOUSEHOLD

	MEDIAN YEARLY INCOME	MEDIAN MONTHLY INCOME	MEDIAN MONTHLY RENT	MONTHLY RENT-TO- INCOME RATIO
1 PERSON HOUSEHOLD	\$13,642	\$1,137	\$479	42.1%
2 PERSON HOUSEHOLD	\$17,303	\$1,442	\$696	48.3%
3 PERSON HOUSEHOLD	\$18,538	\$1,545	\$809	52.4%
4 PERSON HOUSEHOLD	\$19,916	\$1,660	\$900	54.2%
5 PERSON HOUSEHOLD	\$21,404	\$1,784	\$932	52.3%
6 PERSON HOUSEHOLD	\$22,501	\$1,875	\$953	50.8%
7 PERSON HOUSEHOLD	\$20,000	\$1,667	\$1,011	60.7%
8 PERSON HOUSEHOLD	\$20,000	\$1,667	\$1,068	64.1%

Source: Region of Peel Housing and Property Department, 2001 PATH Family Applicant Survey

The survey results show that the vast majority of the respondents are in “core housing need” given that they are spending over 30% of their gross monthly income on rent, as evident in the ratios provided above. Respondents with three or more persons within their household indicate a severe housing affordability problem as more than half in each size category are paying over 50% of their gross monthly income on shelter.

**PEEL ACCESS TO HOUSING (PATH) FAMILY APPLICANT SURVEY
EVIDENCE OF HOUSING NEED IN THE REGION OF PEEL**

CONCLUSION

The extensive wait for social housing in Peel of up to 10 years, coupled with high rents and a low turnover of needed units, demonstrates a significant need for more subsidized housing in the Region of Peel. As Peel is one of the fastest growing regions in Ontario and Canada, affordable housing continues to be a vital concern for the community. The results of the PATH family applicant survey have shown that a large number of the survey respondents are in core housing need, and that many are experiencing a severe housing affordability problem.

Affordable housing will remain a critical issue in Peel, as it will in other parts of the Greater Toronto Area, for the foreseeable future due to the growing population and the long wait list for social housing. In order to meet the burgeoning demand for affordable housing, the Region needs to look at many different options and models that take into account the diverse needs of the community. Social housing is only a part of the solution. A better understanding of the complexity of the needs of families and singles (non-senior) on the wait list, which will be further expanded in future reports, will help to clarify the complex issues and assist in efforts to develop appropriate solutions.