

6.0 Home Ownership Affordability

The following section provides an analysis of home ownership affordability based on trends in mortgage rates, a comparison of housing costs to household income, and an analysis of the impact of land supply and servicing costs on housing affordability.

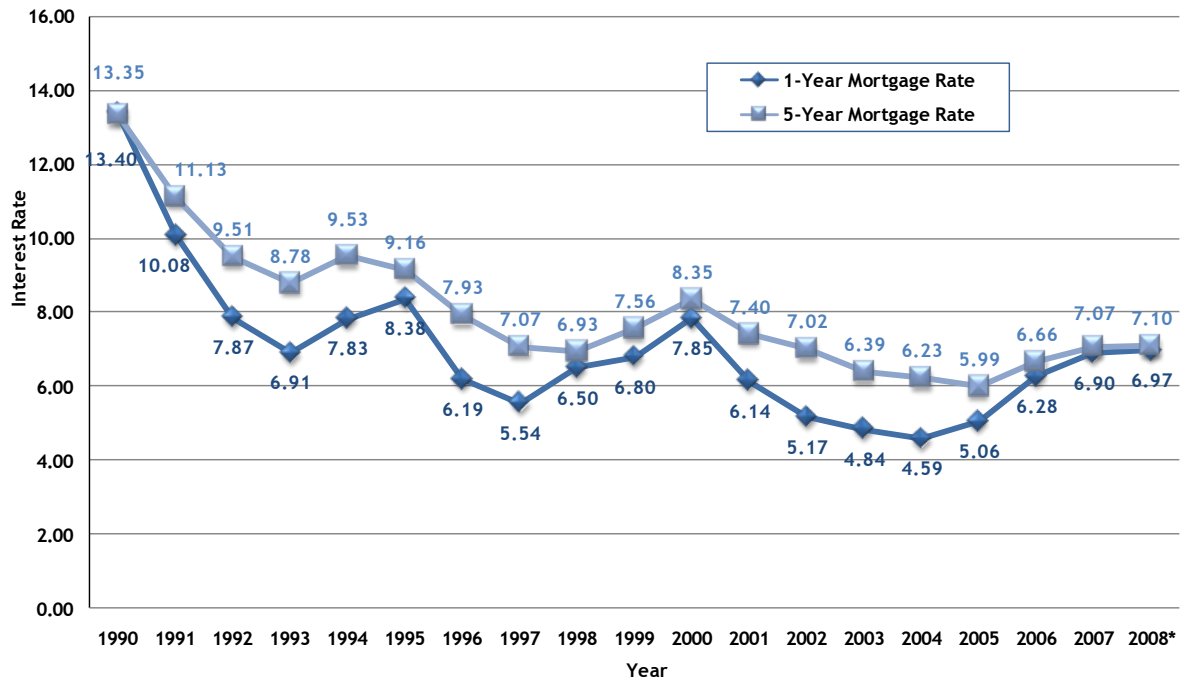
6.1 Trends in Mortgage Rates

The general decline in mortgage rates since 1990 has allowed many households to move up into larger units. This situation has also allowed many renters to venture into home ownership.

As Figure 34 shows, recent years have seen a slight increase in mortgage interest rates. In 2005, the mortgage interest rate for a typical 5-year mortgage was 5.99%. This increased to 7.10% as of May 2008.

In May of 2008, the typical one year mortgage rate stood at 6.97%, slightly below the 7.1% recorded for a five year loan. The overall trend has been toward lower rates since the recession of the early 1990's. This downward trend will be accentuated with central bank driven interest rate cuts in the latter half of 2008.

Figure 34: Mortgage Interest Rates, Canada, 1990-2008



Source: Bank of Canada, Department of Monetary and Financial Analysis, www.bank-banque-canada.ca

Note: *2008 rates are as of May 2008.

**The rates shown are the most typical of those charted by the major chartered banks on residential mortgages, on the last Wednesday of the month.

6.2 Affordability of New and Resale Housing

The following table (Table 12) compares housing demand, or affordable housing costs of owner households, to the ownership housing supply at each of the estimated income deciles of ownership households in Peel Region in 2008. It shows that there are few affordable ownership options for households with incomes in the lowest two income deciles of ownership households. Based on this figure, ownership households beyond the second income decile can begin to afford the lower end of condominium units. With an average price of \$258,723, the average condominium is affordable to owner households between the 4th and 5th income deciles. Townhouses also start to become affordable to owner households between the 4th and 5th income deciles, and the average townhouse with a price of \$285,554, was affordable to owner households beginning at the 5th decile income of \$82,828. Owner households in the top 40% of incomes were able to afford single detached homes at the lower end of the spectrum, and the average single detached home, at a price of \$468,349, was affordable to owner households close to the 8th income decile.

Table 12: Ownership Housing Continuum, Peel Region, 2008

	Income Decile	1 st	2 nd	3 rd	4 th	5 th	6 th	7 th	8 th	9 th	
Owner Housing Demand	Estimated 2008 Owner Household Income	\$25,151	\$39,269	\$52,245	\$65,663	\$79,930	\$96,159	\$116,784	\$146,414	\$206,292	
	Affordable Ownership Housing Costs	\$89,034	\$139,011	\$184,946	\$232,445	\$282,950	\$340,400	\$413,412	\$518,302	\$730,268	
Owner Housing Supply	Resale Homes				Condominium						
										Semi/Row/Townhouse	
		Not Affordable					Single-Detached				
	New Homes							Single-Detached			

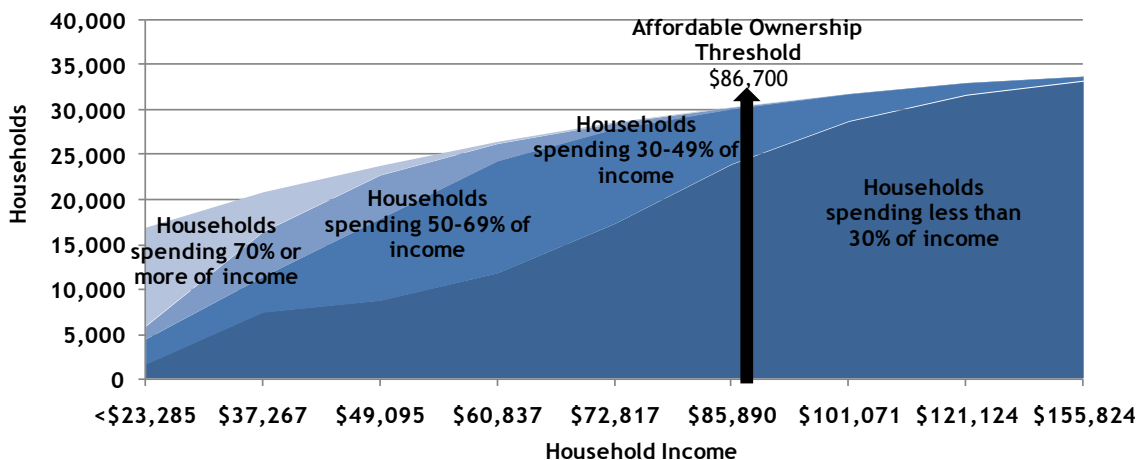
Sources: Peel Assessment Role, 2008, Statistics Canada, Custom Tabulations, 2006, and SHS Consulting Calculations

Figure 35 shows that almost all of the 16,845 owner households with incomes of less than \$23,285 are experiencing housing affordability issues (90.4%), including 65.2% (10,985 households) spending greater than 70% of their income on housing. In the next income decile between \$23,285 and \$37,267, 4,410 households, or 21.2% were still experiencing severe housing affordability issues, and almost two-thirds (64.3%) of the households (or 13,375 households) were experiencing some housing affordability issues. In each of the income ranges up to \$72,817, over half of the owner households were spending more than 30% of their income on housing, although housing affordability issues were

moderate (spending 30-49% of their income on housing) for most of the households with incomes greater than \$60,837. Housing affordability issues were still apparent for households with income up to \$85,890, including 15,020 household with incomes between \$37,267 and \$49,095, 14,670 households with incomes between \$49,095 and \$60,837, and 11,330 with incomes between \$60,837 and \$72,817, 6,365 with incomes between \$72,817 and \$85,890.

Using the *Places to Grow* and *Provincial Policy Statement* definitions of affordable ownership housing, the affordable ownership housing threshold in Peel in 2008 is \$86,700. At this income, households can afford homes with purchase prices of \$307,000, which is 10% below the average purchase price of all resale units. As can be seen in the following figure, the vast majority of ownership households experiencing housing affordability issues have incomes below this threshold.

Figure 35: Ownership Households by Percentage of Income Spent on Housing by Income Decile, Peel Region, 2005



Source: Statistics Canada, Custom Tabulations, 2006
 Note: Incomes on x axis are Peel income deciles

Among owners paying 70% or more on shelter, the 1st income decile was \$991 while the 9th decile stood at \$35,905 in 2005 (Figure 36). For households paying 50-69% these deciles were \$23,334 and \$56,841. Among owners with less severe affordability problems (30-49%), the 1st decile was at \$32,119 while the 9th stood at \$85,587. Finally, those owners with affordable shelter costs displayed a median income of \$101,002, with the 1st and 9th deciles at \$51,233 and \$186,350 respectively.

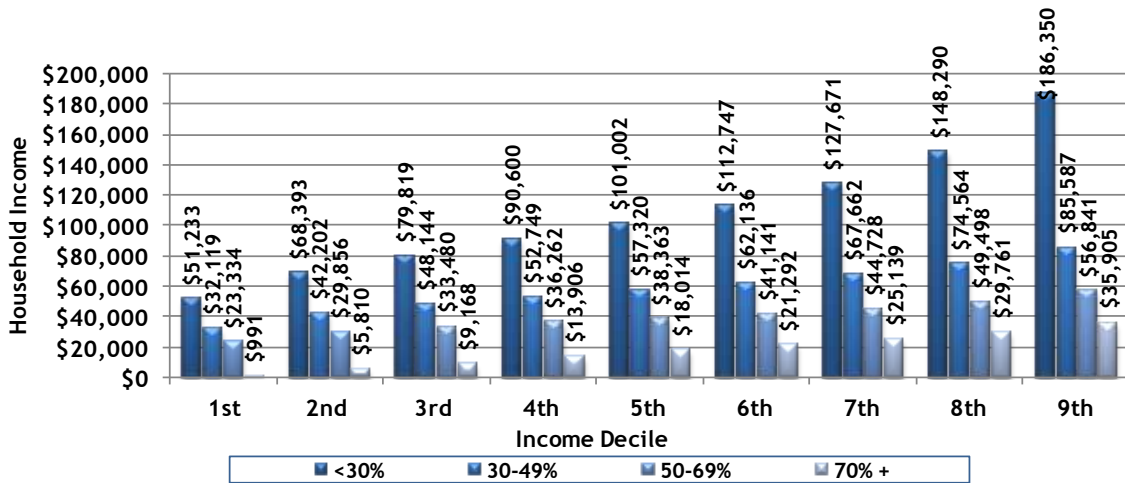
In Mississauga, the median income for those paying 30-49% on ownership costs was \$56,162. The first and ninth decile incomes ranged from \$28,161 to \$85,798. For those at 50-69% the median was \$37,525 and the deciles ranged from \$20,666 to \$57,463. For households paying 70% or more, the median stood at \$16,831 and the deciles ranged from \$726 to \$35,181.

In Brampton, the median stood at \$58,302 and the deciles ranged from \$36,740 to \$84,697 for those in the 30-49% group. For those paying 50-69% the median was \$39,719 and the deciles ranged from \$26,384 to \$55,841. Among those paying 70% or more, the median stood at \$19,266 and the deciles ranged from \$1,973 to \$36,762.

In Caledon, owners paying 30-49% recorded a median of \$59,824 with deciles between \$29,891 and \$93,242. For those spending 50-69% the median was at \$38,292 and the deciles ranged from \$24,089 to \$67,148. Finally, households paying 70% or more had a median income of \$16,896 with deciles ranging from \$455 to \$39,480.

At \$57,320 the median income of those paying 30-49% in Peel trailed York at \$58,697, Halton (\$55,677) and Durham (\$53,558), but was higher than Toronto (\$57,144) and Hamilton (\$42,839). The median income among this category in Ontario was \$47,592. At \$18,014, the median income of those paying 70% or more in Peel trailed only that of York at \$18,134. Peel was higher than each of Toronto (\$15,550), Halton (\$15,216), Durham (\$15,110) and Hamilton at \$12,460. Provincially, the median for this group of owners was \$13,925.

Figure 36: Proportion of Income Spent on Home ownership Costs by Income Decile, 2005



Source: Statistics Canada, Custom Tabulations, 2006

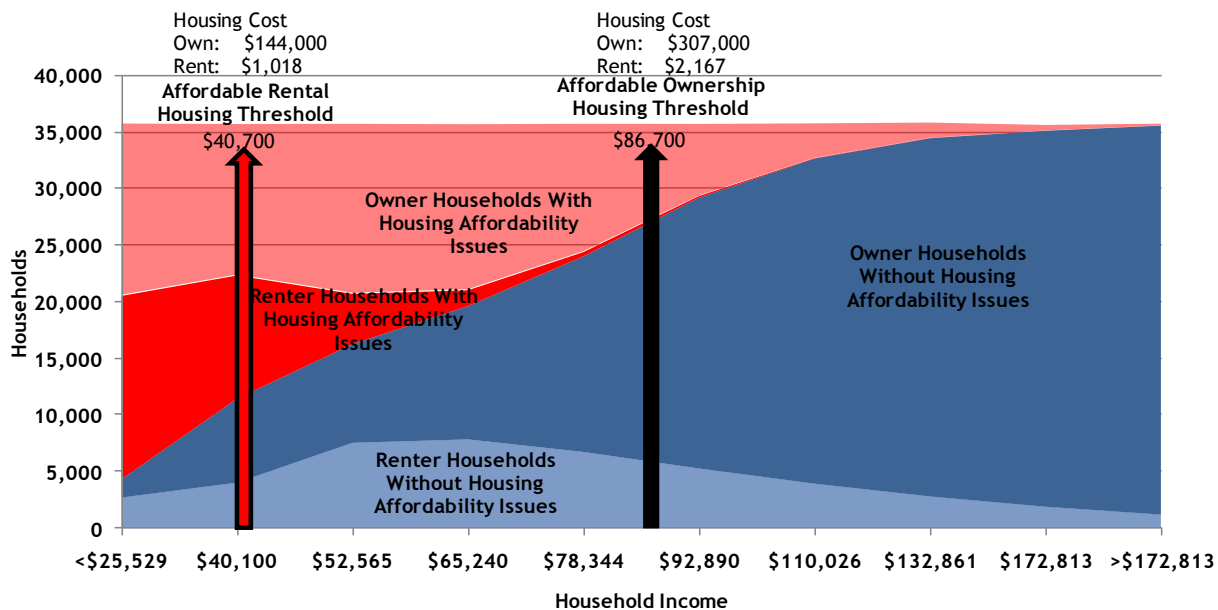
Note: Figures for each of the comparator municipalities are provided in: Appendix Table 52

6.3 Gaps in Rental and Ownership Housing Supply

A summary of the gaps in rental and ownership housing supply is shown in Figure 37 below. The red sections of the graph show the households spending greater than 30% of their income on shelter. All households to the left of the first arrow have limited housing choices in the rental housing market, and cannot afford the average rental unit in Peel. Households between the two arrows can afford market rental units but would have limited housing options in

the ownership housing market, and could not afford an ownership unit priced 10% below the average price of all resale units in Peel. Approximately 73,400 households, or 20% of all households, in Peel are beneath the affordable rental housing threshold. Another approximately 126,000 households, or 35% of all households, can afford market rental housing, but are beneath the affordable ownership housing threshold.

Figure 37: Gaps in the Rental and Ownership Housing Segments of Peel Region’s Housing Continuum, 2008



Source: Statistics Canada Custom Tabulations, 2006 and SHS Consulting Calculations
Note: X axis labels are the income deciles estimates for Peel Region
Note: Figures provided in Appendix Table 53

Just to maintain the status quo and not increase the gap in housing affordability, approximately 20% of the units being produced will need to be affordable to households beneath the rental threshold where market rental housing becomes affordable. The rents for these units will need to be less than \$1,018 per month (in 2008 dollars) or purchase prices of less than \$144,000. These units are likely to be almost exclusively rental units. Another 35% of the units will need to be created for households between the rental and ownership thresholds where ownership housing becomes affordable. These units will need rents between \$1,019 and \$2,167 or purchase prices up to \$307,000 and should be a mix of market rental and affordable ownership units. For further details on the assumptions used to generate these figures, please refer to Appendix 1.

6.4 Overview of Housing Demand and Supply Along the Continuum

A comparison between demand and supply characteristics at various points along the income spectrum will help identify gaps to be addressed by the Housing Strategy. This is provided below.

Income Decile 0 to 1 (under \$25,529²)

Households in the first income decile in Peel include not only households on social assistance but also single-earner working poor households. Almost 40% of all youth-led households are in this income bracket, and almost 20% of female-led and lone parent households had incomes in the first decile. Other groups over represented in the first income decile are Aboriginal households and households where a member of the household has a disability.

There are very few affordable housing options for households in the first income decile. The only housing options available for most of the 35,000 households in this decile are rooming houses, some accessory apartments and social housing (though with a 21 year waiting list for general applicants to some social housing unit types, social housing is not a viable option for a number of households in this decile). Rooming or lodging houses provide an important affordable housing option to households in this income decile, and as mentioned in Discussion Paper 1, there is a shrinking supply of lodging houses in Peel Region, generating fewer housing choices for Peel residents in this income decile. There are also few housing options within the conventional private market at this income level unless households double up to share accommodation, which appears to be happening in increasing numbers.

An indicator of the critical gap in housing supply versus demand for the lowest income decile is the significant portion of this group spending more than 30% of their income on shelter. Further, the first income decile accounts for approximately one-third of Peel households with severe affordability issues (spending more than 70% of their income on housing), and over half of those spending between 50 and 69%.

Because of the limited availability for affordable housing for this income decile, key informants have identified a need for additional emergency shelter beds and transitional housing for some population groups within this income decile, such as youth.

Income Decile 1 to 2 (\$25,530 to \$40,100)

Many of the households in the second income decile are one and two person households, including lone parent households. Households where a member of the household has a disability are overrepresented in this income decile. Individuals living alone and single income earners in occupations such as

² Estimate for 2008

receptionists, janitors, cooks, labourers in processing and manufacturing, and retail salespersons fall into this income category.

For those in the 2nd income decile, a bachelor apartment is an affordable housing option, and one-bedroom apartment units are affordable to households at the upper end of this decile. However, a bachelor apartment would not be suitable to meet the needs of families or even couples. Many households in this income decile must rely on social housing to meet their housing needs. Though, as discussed in Discussion Paper 2, the supply of social housing stock is not sufficient to meet the needs of this segment of the population. A sufficient supply of affordable housing is required to ensure that people employed in the Region are able to live and work within the Region.

Income Decile 2 to 3 (\$40,101 to \$52,565)

More housing options in the rental housing market become available for households with incomes in the 3rd income decile. Two bedroom units are affordable for this group and three bedroom apartment units are affordable to households at the upper end of this decile. Households in this income group have little access to the ownership market (unless they are already existing home owners with equity).

The projected growth of 45,000 households in the first three income groups from 2006 to 2031 (an average of 1,800 per year) points to a need to produce close to that number of new rental housing units over that time period. A review of recent housing supply trends showed that 1,913 assisted rental housing units and 27 private rental housing units were produced over the past year. This level of rental housing production must continue in order to not increase the gap in number of households in these income groups experiencing housing affordability issues.

Income Deciles 3 to 5 (\$52,566 to \$78,344)

Medium income households include a variety of households such as young families and childless couples. Recent immigrant and visible minority households are also over represented in this group. Virtually all rental housing units are affordable to households in the 4th and 5th income deciles as well as condominium units in ownership market. Larger households with children in this income range would have limited suitable housing options in the ownership market.

Household growth is projected to increase by 30,000 in the medium income groups, indicating the need for approximately 1,200 new housing units per year for this group. New housing for these income groups should include a mix of rental and ownership housing, with a greater emphasis on higher density forms which tend to be more affordable. Continued condominium production is vital

to keeping the ownership option available for many in this income group, especially the first time home buyers.

Income Deciles 5 to 10 (\$78,344 and over)

The top half of households can be considered higher income households. This group includes a wide range of households, and includes a large number of mature families and multi-family households. These households have a wide range of housing options in the Peel housing market. Virtually all forms of rental housing are affordable to them, as well as condominium and townhouse units in the ownership market. Households with incomes above the 8th income decile can afford single detached homes.

Household projections project an increase in approximately 75,000 households in higher income groups from 2006 to 2031. New housing created for this group should be primarily ownership housing aimed largely at mature families, but should include some options suitable for large and multi-family households.

As households in these income groups age, they will seek alternative forms of retirement housing suited to their financial capacity. Accordingly, there will be a need to expand the housing options available for this group, such as higher end condominiums, retirement communities, and assisted living forms of accommodations.

7.0 Summary of Housing Affordability

General Housing Affordability

The number of low income individuals points to a need to ensure a sufficient supply of affordable housing

Peel has many affluent households with 30.6% of households earning \$100,000 or more, yet 166,690 individuals, or 14.5% of Peel's population, were living in low-income households in 2005. The prevalence of low income households points to the need to ensure that there is an adequate supply of affordable housing throughout the Region.

A significant proportion of all Peel Region households are experiencing housing affordability issues

Housing affordability is an issue of almost one-third (32%) of all households in Peel Region, as of 2005, and housing affordability has eroded slightly in Peel since 1995 when 29.9% of households were spending 30% or more of their income on housing. Likewise, some 53,345 households, or 15.6% of households, in Peel Region were in core housing need in 2006. This has risen steadily from 9.2% in 1991. These figures suggest that the supply of affordable rental and ownership housing does not meet the needs of residents.

Demographic Characteristics Impacting Housing Affordability

By age, youth and seniors are experiencing the greatest housing affordability issues

Younger households in particular face high shelter costs, with 70.5% of the 15-19 group spending in excess of 30% of their income on housing. This improves steadily to 55-59 where only 21.8% had this problem. This declines after age 60, to 34.4% at age 75 and over. Affordability for those 20-24 has deteriorated since 1995 to stand at 56.7%. From an affordability standpoint, future production continues to need to focus on those households at the opposite ends of the age distribution. This is compounded by the fact that these are typically single person and non-families. For those under 25, the need is for affordable rental units and additional higher density production. With age, the focus shifts to production of more medium density and condominium types. These are primarily the units that are accessible to this group as they enter the market.

Individuals living alone and lone parents are more likely to be experiencing housing affordability issues

In 2005, affordability problems were highest among single (49.3%) and lone parents (46.2%), dropping to 29.8% for couples with children and 28.5% for

larger non-family households. Multiple (23.8%) and childless couples (22.6%) had the fewest affordability concerns.

Over half of renter households are experiencing housing affordability issues

In 2005, there was a considerable discrepancy in incomes among renters and owners. The median household income for renters was \$41,815, approximately half of that reported by owners, of \$82,828. Only 57.0% of renters were in affordable units in 2005 as compared to 71.0% of owners. Peel and Halton renters had the fewest problems, however, Peel home owners recorded the highest affordability issues in the GTAH.

Households living in low- and high-rise apartments are more likely to be experiencing housing affordability issues than those in other dwelling types

There was considerable variation in affordability by dwelling types. This was a problem for only 24.3% in single detached but generally increased with higher density levels to 31.5% among semi-detached, 36.8% in row houses, 38.3% in duplex apartments, 41.5% in low-rise apartments, and fully 44.3% in high-rise units. This pattern was evident in all three municipalities. Affordability by type has also dropped since 2000. The 2005 rate among townhouses in Peel, of 36.8%, was the highest in the study area.

Households receiving social assistance are unable to afford shelter costs

There is consensus that Peel households on assistance have fallen behind since rates were cut back in 1995. Also, despite planned increases, minimum wages are insufficient as is the shelter component of Ontario Works and ODSP, a problem exacerbated by higher shelter costs in Peel. Tenant problems are often compounded by falling into arrears, concentration of low-income households in certain areas, lack of coordination among income support programs, fewer choices and more moves.

Rental and Ownership Housing Affordability

Rents are unaffordable to renters in the lowest third of the income distribution of renters

There are no conventional rental units affordable to households in the first two income deciles where rents are less than \$527 per month. Over 15,000 renter households can't afford a bachelor unit or any other housing units in the conventional private market. There is some availability of bachelor and one-bedroom units with rents between \$528 and \$720 which would be affordable for households between the 2nd and 3rd income deciles. The majority of one and two-bedroom units become affordable to household above the third income decile. The majority of three bedroom units are only affordable to households

with incomes greater than \$36,422 who are above the 4th income decile of renters.

Few ownership housing options are affordable to the bottom 40% of owners

There are few affordable ownership options for households with incomes in the lowest two income deciles of ownership households. Ownership households beyond the second income decile can begin to afford the lower end of condominium units. With an average price of \$258,723, the average condominium is affordable to owner households between the 4th and 5th income deciles. Townhouses also start to become affordable to owner households between the 4th and 5th income deciles, and the average townhouse with a price of \$285,554, was affordable to owner households beginning at the 5th decile income of \$82,828. Owner households in the top 40% of incomes were able to afford single detached homes at the lower end of the spectrum, and the average single detached home, at a price of \$468,349, was affordable to owner households close to the 8th income decile.

Housing Affordability Along the Housing Continuum

There are very few affordable housing options for households in the first income decile (under \$25,529), and the supply of some forms of affordable accommodation are shrinking

The only housing options available for most of the 35,000 households in the first decile are rooming houses, some accessory apartments and social housing. Rooming or lodging houses provide an important affordable housing option to households in this income decile, and as mentioned in Discussion Paper 1, there is a shrinking supply of lodging houses in Peel Region, generating fewer housing choices for Peel residents in this income decile. There are also few housing options within the conventional private market at this income level unless households double up to share accommodation, which appears to be happening in increasing numbers.

An indicator of the critical gap in housing supply versus demand for the lowest income decile is the significant portion of this group spending more than 30% of their income on shelter. Further, the first income decile accounts for approximately one-third of Peel households with severe affordability issues (spending more than 70% of their income on housing), and over half of those spending between 50 and 69%.

A greater supply of subsidized housing, including emergency shelter beds, transitional and social housing, is needed because of the limited availability of affordable housing for individuals in the first income decile

Because of the limited availability of affordable housing for the first income decile, key informants have identified a need for additional emergency shelter

beds and transitional housing for some population groups within this income decile, such as youth, as well as permanent housing such as supportive and transitional housing.

The supply of affordable rental housing does not meet the needs of households between the 1st and 2nd deciles (\$25,530 to \$40,100)

For those in the 2nd income decile, a bachelor apartment is an affordable housing option, and one-bedroom apartment units are affordable to households at the upper end of this decile. However, a bachelor apartment would not be suitable to meet the needs of families or even couples. Many households in this income decile must rely on social housing to meet their housing needs. Though, as discussed in Discussion Paper 2, the supply of social housing stock is not sufficient to meet the needs of this segment of the population. A sufficient supply of affordable housing is required to ensure that people employed in the Region are able to live and work within the Region.

There is a lack of ownership housing affordable to households between the 2nd to 5th income deciles (\$40,101 to \$78,344)

More rental housing options become available for households with incomes in the 3rd income decile. Two bedroom units are affordable for this group and three bedroom apartment units are affordable to households at the upper end of this decile. Though, households in this income group have little access to the ownership market (unless they are already existing home owners with equity).

Housing production needs to adjust to meet future housing needs

As Peel's population continues to grow, there will be a need for approximately 20% of the units to be produced annually to have rents of less than \$1,018 (in 2008 dollars), 35% of the units which should be a mix of market rental and affordable ownership with rents between \$1,019 and \$2,167 and purchase prices of less than \$307,000 (affordable ownership means home prices that require no more than 30% of income levels to be spent on housing for households with incomes of up to \$86,700). Market ownership production should contribute to approximately 45% of the units produced annually.

Appendix 1- Glossary of Terms and Acronyms

Abbeyfield Housing

Abbeyfield houses are small-scale accommodations for senior citizens who live like a large “family” under one roof, each with their own bed-sitting room but who share facilities such as a communal living room and dining room. Typically a Cook/Co-ordinator prepares daily meals for the ten or so residents who otherwise live independently.

Accessibility for Ontarians with Disabilities Act, 2005 (AODA)

This regulation establishes accessibility standards for customer service and it applies to every designated public sector organization and to every other person or organization that provides goods or services to members of the public or other third parties and that has at least one employee in Ontario (Ministry of Community and Social Services, 2008).

Accessory Apartment / Secondary Suite / Basement Apartment

A self-contained apartment consisting of a room or rooms in a single or semi-detached house and can be located in any part of the house, not necessarily in the basement. They are also called “granny flats” or “nanny suites” (City of Brampton).

Affordable Housing

In the case of ownership housing, the least expensive of:

Housing for which the purchase price results in annual accommodation costs which do not exceed 30 percent of gross annual household income for low and moderate income households; or

Housing for which the purchase price is at least 10 percent below the average purchase price of a resale unit in the regional market area;

In the case of rental housing, the least expensive of:

- a) A unit for which the rent does not exceed 30 percent of gross annual household income for low and moderate income households; or
- b) A unit for which the rent is at or below the average market rent of a unit in the regional market area (Ministry of Public Infrastructure Renewal, *Places to Grow*, 2006).

Affordable Housing Program (AHP)

Is the term that the federal government is using for its 2005 affordable housing program. In Ontario, it is called Canada-Ontario Affordable Housing Program (Ontario Ministry of Municipal Affairs and Housing, 2008).

As-of-Right

Means an allowable land use within an existing municipal zoning by-law (Halton Region, 2006).

Assisted Housing

Is housing that is available to low and moderate-income households for rent where part of the housing cost is subsidized through a government program. This is also referred to as “Social Housing” (Halton Region, 2006 or City of Toronto, 2003).

Boarding House

Is a structure where:

- The building height does not exceed three storeys and the building area does not exceed 6500 sq. ft.;
- Accommodation is provided for more than three persons in return for remuneration or provision of services, or both;
- Accommodation is provided with meals;
- Operator does not offer bathroom or kitchen facilities for the exclusive use of individual occupants; and

Residents may or may not require care or treatment because of age, mental or physical limitations (Region of Peel, 2006).

Bluefield

Refers to older, unused institutional lands or buildings.

Brownfield Sites

Undeveloped or previously developed properties that may be contaminated. They are usually, but not exclusively, former industrial or commercial properties that may be underutilized, derelict, or vacant (Ministry of Public Infrastructure Renewal, *Places to Grow*, 2006).

Built-Up Area

Refers to all land within the built boundary, which are the limits of the developed urban area as defined by the Minister of Public Infrastructure Renewal in accordance with Policy 2.2.3.5 (Ministry of Public Infrastructure Renewal, *Places to Grow*, 2006).

Canada Mortgage and Housing Corporation (CMHC)

Is the agency responsible for carrying out the current responsibilities of the federal government with regard to affordable housing (ONPHA, 2007).

Caregiver

A person who is responsible for attending to the needs of an older adult and who also helps in identifying or preventing or treating an illness or disability (Peel Region, 2006).

Care Home

A residential complex that is occupied or intended to be occupied by persons for the purpose of receiving care services, whether or not receiving the services is the primary purpose of the occupancy. Care services means health care services, rehabilitative or therapeutic services or services that provide assistance with the activities of daily living. These are often referred to as Retirement or Rest Homes. The tenant enters into a lease that sets out the rent and the care services and meals being provided and the charges for them (Halton Region, 2006).

Cohousing

Cohousing is a concept that came to North America in 1988 from Denmark where it emerged over 25 years ago. It describes neighbourhoods that combine the autonomy of private dwellings with the advantages of shared resources and community living (Canadian Cohousing Network, BC).

Community Care Access Centres (CCACs)

Are provincially-funded organizations providing information about the care options available in designated geographic areas. CCACs serve as a local point of contact and service coordination. They also determine eligibility for government-funded home and community support services and admission to a long-term care home (Ministry of Health and Long-Term Care, 2002).

Compact Complete Community

This refers to a well designed and properly scaled community which meets the daily, and lifetime needs of all people through an appropriate mix of employment, services, a full range of housing including affordable housing, community and cultural infrastructure, schools, recreation opportunities, open space, and access to public transportation as well as other options for safe, non-motorized travel (SHS Consulting, 2008 based on the definition of “Complete Communities” in *Places to Grow*).

Cooperative Housing (Co-op)

This is a different form of social housing in that it is not rental housing. The households who live in the project are all members of the cooperative corporation that owns the building. They elect amongst themselves a board of

directors who are responsible for overseeing the management of the building. They are subject to rules in the Co-operative Corporations Act and are not considered to be landlords so are not subject to the Tenant Protection Act (ONPHA, 2007).

Density Bonus

A voluntary scheme in zoning by-laws that enables developers to build additional units in return for public amenities such as affordable housing, underground parking, parkland, and daycare facilities (West Coast Environmental Law).

Development Charges (DC)

Fees charged to developers of new residential and non-residential facilities. The fees are used to offset the municipal costs of providing services to these new facilities in accordance with the Development Charges Act (Ministry of Municipal Affairs and Housing, 2007).

Disability

The Accessibility for Ontarians with Disabilities Act defines this as any degree of physical disability, infirmity, malformation or disfigurement that is caused by bodily injury, birth defect or illness and, without limiting the generality of the foregoing, includes diabetes mellitus, epilepsy, a brain injury, any degree of paralysis, amputation, lack of physical co-ordination, blindness or visual impediment, deafness or speech impediment, or physical reliance on a guide dog or other animal or on a wheelchair or other remedial applicants or device. It is a condition of mental impairment or a developmental disability. A learning disability, or a dysfunction in one or more of the processes involved in understanding or using symbols or spoken language. It is a mental disorder or an injury or disability for which benefits were claimed or received under the insurance plan established under the *Workplace Safety and Insurance Act, 1997*; May also be referred to as a “handicap” (*Accessibility for Ontarians with Disabilities Act 2005*).

Diverse Populations

Diverse populations: distinct groups within our population that require different levels of services and needs which may include and are not limited to older adults, children, youth, diverse ethnic populations, Aboriginal persons, and recent immigrants.

Domiciliary Hostels

Are permanent residences that are safe and supportive for people with special needs. The hostel operators enter into agreements with the municipality and are paid to provide residents (e.g., people with special needs, including individuals with developmental disabilities, people with mental illnesses, elderly individuals with developmental disabilities, and people with

addiction problems) with permanent accommodation and support for daily living (Peel Region, 2006). These residences are client-focused and tenants are supported in a manner that meets individual needs.

Emergency Shelter

Is a short-term living situation in an emergency housing facility or motel for individuals and families who have no shelter.

Greyfield

Previously developed properties that are not contaminated. They are usually, but not exclusively, former commercial properties that may be undervalued, derelict or vacant (Ministry of Public Infrastructure Renewal, *Places to Grow*, 2006).

Group Homes (*from Toronto*)

Supervised living accommodation -

- a) licensed or funded under Province of Ontario or Government of Canada legislation,
- b) for persons requiring a group living arrangement by reason of their emotional, mental, social or physical condition or legal status, and
- c) is for limited number of persons, exclusive of staff, living together as a single housekeeping unit.

Home in Peel Affordable Ownership Program

This program is designed to provide low-to-moderate income residents who are currently renting a unit the opportunity to qualify for down-payment loan assistance to buy a home in Peel Region. This program will assist eligible applicants who have a total annual income of \$75,800 or less to purchase a resale home in the Region of Peel that does not exceed a purchase price of \$247,000 (Peel Region).

Homelessness

Homelessness is being absolutely without shelter; being forced to share accommodation under conditions offering no security of tenure or which are adverse to physical and emotional well being; or, being at substantial risk of being on the street in the immediate future (Peel Region).

Homelessness Partnering Strategy (HPS)

This replaces the National Homelessness Initiative, which expired on March 31, 2007. It provides funding over two years to prevent and reduce homelessness by helping to establish the structures and supports needed to move homeless and at-risk individuals towards self-sufficiency and full participation in Canadian society. Under the HPS, the federal government will offer the provinces and territories the opportunity to enter into bilateral partnerships, improve collaboration and develop linkages between the federal

homelessness programs and provincial/territorial social services to help communities make strategic investments that will best serve their homeless populations (Human Resources and Social Development Canada).

Human Resource and Social Development Canada (HRSDC)

The federal agency that administers the Homelessness Partnering Strategy (HPS) (Human Resources and Social Development Canada).

Immigrant Population

Refers to people who are, or have been, landed immigrants in Canada. A landed immigrant is a person who has been granted the right to live in Canada permanently by immigration authorities. Some immigrants have resided in Canada for a number of years, while others have arrived recently. Most immigrants are born outside Canada, but a small number were born in Canada (Statistics Canada, 1999).

Inclusionary Zoning

The establishment of zoning regulations that require the provision of affordable housing as part of the rezoning for a development (Smart Growth BC).

Intensification

The development of a property, site, or area at a higher density than currently exists through: (1) redevelopment, including the reuse of brownfield sites; (2) the development of vacant and/or underutilized lots within previously developed areas; (3) infill development; or, (4) the expansion or conversion of existing buildings. (Ministry of Public Infrastructure Renewal, *Places to Grow*, 2006).

Key Stakeholders

A key stakeholder refers to an individual or group that is or might be affected by the outcome of an individual or organization's actions, e.g., a decision related to the use of a particular resource. People's involvement in the use of this resource could be related to the economy, use, mandate, proximity, and/or values/philosophy (Peel Region, *Retirement Homes Key Terms Definitions*, 2006).

Local Health Integration Network (LHIN)

LHINs are not-for-profit corporations that work with local health providers and community members to determine the health service priorities of their regions. LHINs do not provide services directly but are responsible for integrating services in each of their specific geographic areas (Ministry of Health and Long-Term Care, 2002).

Lodging or Rooming Home

This refers to structures where:

- building height does not exceed three storeys and the building area does not exceed 6500 ft² ;
- accommodation is provided for more than three persons in return for remuneration or the provision of services, or both;
- accommodation is provided without meals; and
- operator does not offer bathroom or kitchen facilities for the exclusive use of individual occupants (Peel Region, 2006).

Long-Term Care (LTC) Facilities

Are facilities designed for people who require the availability of 24-hour nursing care and supervision within a secure setting. In general, long-term care homes offer higher levels of personal care and support than those typically offered by either retirement homes or supportive housing (Ministry of Health and Long-Term Care, 2002).

Low and Moderate Income (*from PPS*)

In the case of ownership housing, households with incomes in the lowest 60 per cent of the income distribution for the regional market area; or in the case of rental housing, households with incomes in the lowest 60 per cent of the income distribution for renter households for the regional market area.

Market Housing

This is non-subsidized housing that is rented or owned (Peel Region).

Ministry of Community and Social Services (MCSS)

Is the provincial ministry responsible for numerous social service programs. In the housing field, it is directly involved in the funding and administration of special needs social housing projects that are occupied 100 percent by special needs clients (Ministry of Community and Social Services, 2005).

Ministry of Health and Long Term Care (MOH-LTC)

The department of the Ontario government that is responsible for administering the health care system and providing health care services to the public through such programs as health insurance (OHIP), drug benefits, assistive devices, care for the mentally ill, long-term care, home and community support services, public health, health promotion and disease prevention. It also funds and regulates hospitals and long-term care homes, public health laboratories, coordinates emergency health services and operates psychiatric hospitals (Ministry of Health and Long-Term Care, 2002).

Ministry of Municipal Affairs and Housing (MMAH)

In terms of social housing, this ministry has responsibility for the Social Housing Reform Act. The Ministry also sets out and administers other municipality-related legislation (Ministry of Municipal Affairs and Housing, 2008).

Modified Unit

Social Housing Reform Act (2000) defines modified unit as a unit that has been modified so as to be accessible to an individual with a physical disability or so as to allow an individual with a physical disability to live independently (Social Housing Reform Act, 2000).

Non-Profit Housing

This is housing that is owned and administered by not-for-profit housing corporations, incorporated under the Ontario Corporation's Act. Non-profit housing is run by community groups such as service clubs, ethnic organizations, faith groups, unions, and advocates for people with disabilities. Operating on a not-for-profit basis, it is funded through tenants' rents with subsidies from various government programs. In the Region of Peel, there are 32 private non-profit housing providers, accounting for over 3,500 units (Peel Region).

Ontario Disability Support Program (ODSP)

Is a provincial income assistance program for people who are deemed to be unable to return to the workforce due to medical reasons (Ministry of Community and Social Services, 2005).

Ontario Works (OW)

Is the municipally administered financial assistance program that assists families and individuals who are in temporary financial need and who have no other source of income (Ministry of Community and Social Services, 2005).

Performance Based Planning

A type of flexible zoning which determines land use locations and characteristics through the application of a system of performance criteria, regulating land based on the actual impacts measured against predetermined standards or performance criteria as opposed to regulating on proposed use.

Peel Access to Housing (PATH)

Peel Access to Housing (PATH) is the "one-window" point of access for people who want to apply for subsidized housing in the Region of Peel. It is managed by the Region and maintains a centralized waiting list for the various social housing providers in Peel, and provides customer services to applicants on the waiting list (Peel Region).

Peel Living

Is the Region of Peel's non-profit housing company. It is also known as Peel Housing Corporation. It operates as an independent corporation of the Region of Peel and is administered by the Region's Housing and Property department (Peel Region).

Peel Region Official Plan Review Program (PROPR)

This work program outlines the approach the Region will take in reviewing its Official Plan. It was developed with input from area municipalities to ensure the work involved on the Region and area municipality official plans is complementary. The Official Plan Review is being undertaken to meet the requirements of the Planning Act for a municipality to revise its Official plan every five years to ensure that it conforms to provincial plans, including the Places to Grow Act, the Greenbelt Plan, and the Provincial Policy Statement (Peel Region).

Places to Grow

Places to Grow is the Ontario government's initiative to manage growth and development in Ontario in a way that supports economic prosperity, protects the environment and helps communities achieve a high quality of life (Ministry of Energy and Infrastructure, 2007).

Provincial Growth Plan

Released on November 24, 2005, the Provincial Growth Plan entitled "Places to Grow- Better Choices, Brighter Future" was issued by the Minister of Public Infrastructure and Renewal under the authority of the Places to Grow Act (2005). The proposed Plan provides a framework for implementing the Province's vision for managing growth in the Greater Golden Horseshoe area in 2031. It expresses the Province's interests and directions on issues ranging from the distribution of population, household and employment forecasts to where and how to grow; and from the infrastructure needed to support growth to the protection of heritage and natural resources. The proposed Provincial Growth Plan received final approval on June 13, 2005.

Provincial Policy Statement (PPS)

Provincial Policy Statement is a statement of the Provincial government's intention or desires regarding certain matters in the development of housing (Ministry of Municipal Affairs and Housing).

Public Housing

In Ontario, this housing was funded through agreements between the federal and provincial governments. Housing developed in the 1950's to mid-1960's was cost shared on a 75/25 basis. Housing developed after the mid-1960's was cost shared on a 50/50 basis between the federal and provincial

government. (Until the late 1970's, municipalities contributed 7 per cent of the provincial costs.) Public housing is 100 per cent rent-geared-to-income housing (Halton Region, 2006).

Recent Immigrants

Immigrants who came to Canada up to ten years prior to a given census year. For the 2006 Census, recent immigrants are landed immigrants who arrived in Canada between January 1, 1996 and Census Day, May 16, 2006. Similarly, recent immigrants in the 2001 Census were newcomers at the time of the 1991 Census, i.e. they came to Canada between January 1, 1996 and Census Day, May 15, 2001 (Statistics Canada).

Rent Supplement Program

A form of social housing whereby units in buildings owned by both private sector landlords and non-profit/co-operative social housing providers are subsidized for residents who cannot afford market level rents. Rent supplements involve a contract between these private landlords or non-profit/co-operative social housing providers and the Region of Peel. Residents pay a rent-geared-to-income (RGI) portion of the rent directly to the landlord and the rent supplement program bridges the gap between the actual market rent for the unit and the resident's RGI rent. Rent supplement residents are selected from the centralized waiting list run by Peel Access to Housing (PATH) and they are seamlessly integrated into existing neighbourhoods and communities in Peel (Peel Region).

Rent-Geared-to-Income (RGI)

The subsidy paid to a social housing provider which equals the difference between the actual rent paid by a low-income tenant (paying approximately 30 percent of their income) and the government-approved market rent of a unit (ONPHA, 2007).

Residential Intensification

An increase in the number of dwelling units per hectare.

Residential Rehabilitation Assistance Program (RRAP)

Is a federally funded and administered program that provides funding to upgrade housing. The program has components for homeowners, landlords and people who need physical modifications to their home. This program is delivered by Canada Mortgage and Housing Corporation (Service Canada, 2007).

Residential Tenancies Act (RTA)

As of January, 31, 2007 this act replaced the Tenant Protection Act of 1998 which governs the relationship between landlord and tenant in Ontario (ONPHA, 2007).

Retirement Home

A retirement home, as opposed to a long-term care facility, is a residential home facility that allows retired residents who are 55 years of age or older to live independently with varying levels of support - for hire or gain - for daily activity, i.e., where common facilities are provided for food preparation and consumption and where housekeeping activities and on-site medical services are provided when residents become vulnerable; such a facility may also provide retail and recreational uses for residents (Peel Region, 2006).

Safer Communities Program

A community safety program which aims to respond to tenant concerns about safety and security. Key elements can include in-house security services, call centres that receive and coordinate maintenance requests and can dispatch staff in response to security and maintenance-related calls, community development staff that work with tenant associations to foster the active participation of tenants in creating healthy communities and help develop partnerships with community agencies, and safety planning which can help identify and resolve problems that may cause safety concerns in buildings. The Region of Peel's Crime Free Multi-Housing Program is a community safety program.

Service Manager

A municipal government responsible for carrying out the funding and administrative responsibilities of the Social Housing Reform Act. A Service Manager could be a regional government, a county or a separated city, depending on the local circumstances (ONPHA, 2007).

Shelter

Shelter is short-term accommodation for persons who have no other suitable accommodation.

Shelter Allowance

Subsidy paid to a tenant on the social housing waiting list to help them pay the difference between rent-geared-to-income and market rent in the private rental marketplace (ONPHA, 2007).

Single Room Occupancy Accommodation (*from CMHC*)

Single room occupancy accommodation: is similar to a *rooming house*, but with a kitchen and a bathroom in each unit. Support services such as health facilities or assistance in finding employment may be provided.

Social Housing

Social Housing (sometimes referred to as “assisted”, “subsidized” or “rent-geared-to income” housing) is housing that is a sub-set of affordable

housing. It refers to housing units provided under a variety of federal and provincial housing programs by the municipal non-profit housing corporation (Peel Living) and private non-profit and co-operative non-profit housing corporations. Residents in rent-geared-to-income units in social housing portfolios pay no more than 30% of their annual gross household income in rent. It also refers to housing units within the private rental sector, including the above affordable housing, where rent-geared-to-income subsidy is provided through a rent supplement agreement with the landlord (Peel Region).

Special Needs

Individuals who require ongoing personal care and support services in a supervised environment which is safe and which offers personal care services (e.g. meals, housekeeping and assistance with activities of daily living), as well as recreational and social activities to enhance quality of life.

Special Needs Housing

A unit that is occupied by or is made available for occupancy by a household having one or more individuals who require accessibility modifications or some form of social as well as financial support (examples include group homes, rooming houses, lodging houses, boarding houses, supportive housing, transition housing, and emergency shelters) in order to live independently in the community.

Supportive Housing

This type of housing offers separate and self-contained, affordable housing units with services that assist people live more stable, productive lives. Services may include help with personal care and assistance with medical care including diagnosis and treatment and distribution of medicine. Such services may or may not be provided on site on a “round the clock” basis and may be funded with government support and/or by the users of these services themselves (Peel Region, 2006).

Transitional Housing

This is a category of government funded housing that provides medium-term accommodation for those who have experienced homelessness or shelter use. It is meant to bridge the gap between costly emergency shelters and permanent housing and is also known as “second stage housing.” Transitional housing usually involved support services delivered on site, building on those available at emergency homeless shelters (Peel Region).

Universal Physical Accessibility or Universal Design

A set of principles that guide decision-makers to create communities that are as inclusive as possible. These seven principles are:

Equitable use - the design is useful and marketable to people with diverse abilities

- Flexibility in use - the design accommodates a wide range of individual preferences and abilities
- Simple and intuitive use - use of the design is easy to understand regardless of user's experience and knowledge
- Perceptible information - the design communicates necessary information effectively to the user
- Tolerance for error - the design minimizes hazards
- Low physical effort - the design can be used efficiently and comfortably and with minimum fatigue
- Size and space for approach and use - appropriate size and space is provided for approach and reach, regardless of the user's body size or mobility (Multiple Sclerosis Society of Canada, 2003).

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Appendix 3 - Housing Target Assumptions

Determining the Affordable Rental and Ownership Thresholds

Places to Grow and the *Provincial Policy Statement* require municipalities to establish minimum targets for housing which is affordable to low and moderate income households. These documents define affordable to low and moderate income households as follows:

In the case of rental housing, the least expensive of:

1. A unit for which the rent does not exceed 30% of household income for households with incomes in the lowest 60% (beneath the 6th decile) of the income distribution of renters in the region.

In Peel, in 2008, we have estimated the 6th income decile or renters to be \$52,461. The rent affordable to households with incomes of \$52,461 is \$1,312.

2. A unit for which rent is at or below the average market rent for units in the region.

In Peel, in 2008, the average market rent for all units is \$1,018. This rent is affordable to households with incomes of \$40,720.

Because the second figure is lower, the **affordable rental threshold becomes rents of \$1,018 and incomes of \$40,720.** The equivalent **purchase price of an ownership unit would be \$144,000.**

In the case of ownership housing, the least expensive of:

1. Housing for which the purchase prices results in annual accommodation costs of less than 30% of annual household incomes for households with incomes in the lowest 60% of the income distribution in the region.

In Peel, in 2008, we have estimated the 6th income decile of all households to be \$92,890. The price of an ownership unit affordable to households with this income is \$328,827, assuming a 25-year amortization period, a 6.1% mortgage rate, and a 10% down payment.

2. Housing for which the purchase price is at least 10% below the average purchase price of a resale unit in the region.

In Peel, the average price of a resale unit from January to April 2008 (most recent data available at the time of the analysis) was \$340,900,

and 10% below that figure was \$306,815. This purchase price is affordable to households with income of \$86,670.

Because the second figure is lower, the **affordable ownership threshold** becomes a unit with a **purchase price of \$307,000** and incomes of **\$86,700**. The equivalent rent would be **\$2,167**.

Developing the Targets

Assumptions for Annual Housing Targets For Each Threshold

The percentage of units assumed beneath the affordable rental housing threshold and between the affordable rental and ownership threshold is based on the percentage of all households currently beneath (between) the given threshold.

In terms of tenure, it has been assumed that all of the units developed beneath the affordable rental housing threshold will be rental because of the difficulty of achieving a purchase price of a home beneath \$144,000. The units to be affordable to households beneath the affordable ownership housing threshold should be a mix of market rental housing and affordable ownership housing. It should be noted that the household income limits for households applying for rent-g geared-to-income housing in 2- 3- and 4-bedroom or larger units are above the affordable rental threshold, although there are market rental units available for households with incomes above the affordable rental housing threshold. All units to be produced at levels affordable to households above the affordable ownership housing threshold are assumed to be ownership units.

Assumptions for the Area Municipal Targets

The income thresholds developed for the Region as a whole were applied to the income distribution of each area municipality to develop the area municipal targets.

Summary of Annual Housing Targets

Table 13: Annual Housing Targets, Peel Region and Area Municipalities

		Social Housing	Affordable Rental	Market Rental and Affordable Ownership	Market Ownership
Income Threshold		less than \$37,200	\$37,200 - \$40,720	\$40,720 - \$86,700	More than \$86,700
Rent	1 Bedroom	less than \$900	\$900 - \$926	\$1,018 - \$2,167	-
	2 Bedroom	less than \$1,050	\$1,050 - \$1,063		
	3 Bedroom	less than \$1,263	\$1,263 - \$1,525		
	4+ Bedroom	less than \$1,525			
	Average	less than \$930	\$930 - \$1,018		
Purchase Price		less than \$132,000	\$132,000 - \$144,000	\$144,000 - \$307,000	more than \$307,000
Percentage of Total Units	Mississauga	19%	3%	34%	45%
	Brampton	16%	3%	37%	44%
	Caledon	11%	2%	28%	59%
	Peel Region	17%	3%	35%	45%