

# Affordable Housing Program

HOUSING GAP ASSESSMENT



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# EXECUTIVE SUMMARY

This study was undertaken as part of the City of Mississauga's continuing work on Affordable Housing Program. The goal of this study was to present a high level analysis to better understand the current gap between housing demand and housing supply in Mississauga, particularly the affordable housing gap.

## Mississauga's Demographics

Mississauga is growing and is expected to continue to grow in the next twenty years. In 2011, there were 234,585 households in Mississauga and this is expected to grow to 280,800 households by 2036 (a 20% increase).

Almost 39% of these households lived in single detached homes, 35% in apartments and 26% in semi-detached and row/townhouses. Among homeowners, half lived in single detached homes and a fifth lived in apartments. Among renters, almost 80% lived in apartments and a fifth lived in single detached, semi-detached and row/ townhouses.

The share of smaller households (one- and two-person households) in Mississauga is increasing and now makes up 43% of all households. Unlike other municipalities, larger households in Mississauga continue to make up a significant proportion of all households (four or more-person households made up 37% in 2011).

## What is Affordable Housing?

Housing is considered affordable when housing costs (including utilities, taxes and maintenance costs) do not exceed 30% of the household's before-tax income. In Mississauga, ownership housing is affordable for low and moderate income households if it costs \$398,012 or less. Rental housing is affordable if it costs \$1,175 per month or less.



### Who are Low and Moderate Income Households in Mississauga?

**Low income households** are those who earn \$55,493 or less. These households can afford ownership housing of no more than \$221,147 and rental housing of no more than \$1,387 per month. Low income households would include the households on the centralized waiting list, households receiving OW and ODSP benefits, the majority of youth households (67%), almost half of senior households (45%), 64% of one-person households, and more than half (53%) of recent immigrant households. Low income households would also include people working as retail sales/ sales clerks, accounting clerks, and cleaners.

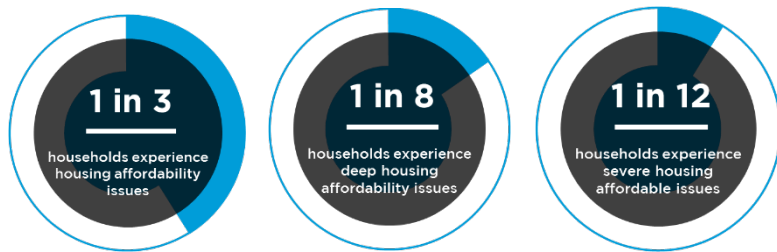


**Moderate income households** are those who earn from (\$55,494 - \$99,875). These households can afford ownership housing priced at \$221,147 to \$398,012 and rental housing which costs \$1,398 to \$2,497 per month. Moderate income households would include about a third of couples without children (33%), lone parent households (32%), and two or more people living together who are not part of a family (37%). Moderate income households would also include people working as journalists, social workers, and registered nurses.



## Is Housing Affordability an Issue in Mississauga, and if so, for Whom?

Housing affordability is an issue for almost 1 in 3 Mississauga households, including 1 in 8 who are in deep need (i.e. spending 50% or more) and 1 in 12 who are in severe need (i.e. spending 70% or more). The largest number of households facing housing affordability issues are among the low income households (69% of all low income households) but there is also more than a quarter (26%) of moderate income households facing housing affordability issues.



In addition, among low income households, 40% are in deep housing need and 25% are in severe housing need. Among moderate income households, 3% are in deep housing need and 0.4% are in severe housing need.

There are also some population groups who are more likely to be facing housing affordability issues.

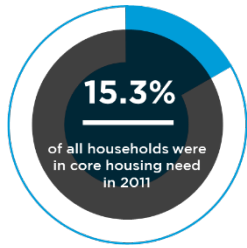
Among low and moderate income households, these groups include couples with children, multiple family households, recent immigrant households, and lone parent households.

### Housing Affordability by Tenure

A much larger proportion of renters (42%) are facing housing affordability issues compared to owners (27%) in Mississauga. In addition, among renters who have housing affordability issues, a fifth (20%) are in deep need and 12% are in severe need. In comparison, among owners with affordability issues, 11% are in deep need and 7% are in severe need.

### Core Housing Need

A household is in core housing need if its housing does not meet one or more housing standards of affordability (costs are less than 30% of income), adequacy (does not require major repairs) and suitability (appropriate size) and if it would have to spend 30% or more of its income to pay the median rent of alternative local market housing. In 2011, 33,380 households in Mississauga were in core housing need; making up 15% of all households in Mississauga and up from 12% of all households in 2006.



Of these households, 92% (30,995 households) lived in homes that were not affordable. In addition, 8% (2,640 households) lived in homes that were not adequate and 24% (8,065 households) lived in homes that were not suitable.

## Why are Mississauga residents having difficulty accessing affordable housing?

### Rental Market Conditions in Mississauga

Vacancy rates are extremely low in Mississauga. In 2015, the overall vacancy rate for primary/ purpose-built rental units was



1.6%, which is far below what is considered a healthy rental market's vacancy rate of 3%. Larger units with three or more bedroom had the lowest vacancy rate at 1.2%.

In addition, the number of **primary/ purpose-built rental units** is decreasing. In 2015, there were a total of 28,675 units in the primary rental market, down by 675 units from 2005.

This is due to the fact that there are not many primary/ purpose-built rental units being produced in Mississauga. Only 57 units were produced in 2014. Additionally, an average of 75 rental units are being converted to other forms of tenure each year.

There is also a **secondary rental market** in Mississauga which represents self-contained units that were not built specifically as rental housing but is currently being rented out. These units include rented single-detached, semi-detached, row/ townhouses, duplex apartments (i.e. one above the other), rented accessory apartments/ second units (i.e. separate dwelling units located within the structure of another dwelling), rented condominium units, and one or two apartments which are part of a commercial or other type of structure. In 2015, there were a total of 21,956 units in the secondary rental market. This includes 121 licensed second units and 6,384 rented condominiums. About 1 in 3 renter households in Mississauga rely on the secondary rental market.



**1 in 3**

households in Mississauga rely on  
the **secondary rental market**

While these units augment the primary/ purpose-built rental supply, these units are not as stable as they can easily be taken off the market by landlords.

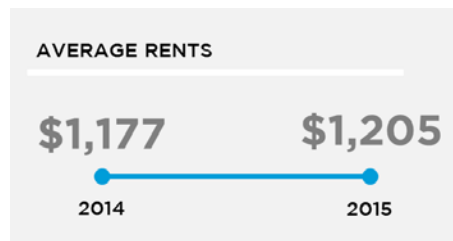
### Housing Costs in Mississauga

The cost of housing has been steadily increasing in Mississauga. The average price of a house in Mississauga in 2015 is \$546,720, up from \$421,096 in 2011. The average house prices by dwelling type are:

\$282,914 for condominium apartments; \$408,848 for condominium townhouses; \$552,464 for semi-detached homes; and \$868,380 for single detached homes.



Average Absorbed Prices			
Condo Apartment	Condo Townhouse	Semi-Detached	Single-Detached
\$282,914	\$408,848	\$552,464	\$868,380



The cost of rental housing is also increasing. In 2015, the total average market rent was \$1,205, up from \$1,010 in 2005. The average market rents by unit size

are: \$827 for bachelors; \$1,067 for one-bedroom units; \$1,243 for two-bedroom units; and \$1,442 for three-bedroom units or larger.

### Units that are Affordable to Low and Moderate Income Households

There are a total of 45,975 housing units affordable to low income households and 69,570 units affordable to moderate income households.

### Affordable Housing For Low Income Households

Most units that are affordable to low income households are either subsidized rental units or smaller units in the primary rental market.

There are a total of 10,730 subsidized rental units in Mississauga, including subsidized rental units, social housing units and rent supplement units. These units are affordable to low income households although they would have to meet eligibility criteria to access these units. In addition, there are 5,688 households on the centralized waiting list for these units with an average wait time of 5.3 years.



Additionally, there is a mismatch between the supply of subsidized rental units and the demand. One-bedroom units make up 34% of the social housing portfolio yet 59% of households on the centralized waiting list for these units are seeking one-bedroom units.

In addition, there are 24,367 bachelor, one-bedroom and two-bedroom units in the primary rental market that are affordable for low income households. There are also 121 licensed second units. Generally, second units are affordable to low income households with rents that average around \$955.

There are also 10,757 ownership units affordable to low income households although 98% of these units are apartments and 2% are townhouses.

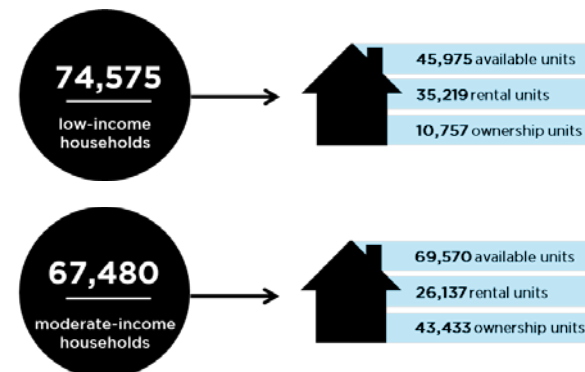
While there are both rental and ownership options for low income households, most of these are smaller units which would not be appropriate for larger households, which as noted above, make up 37% of all households in Mississauga. In addition, the majority of purpose-built rental units are focused along Lakeshore Road West and along Hurontario St. southeast of Square One. While other areas of the City have rental housing, certain areas have very limited options.

#### **Affordable Housing for Moderate Income Households**

There are 26,137 rental units affordable to moderate income households. This includes larger units in the primary rental market as well as units in the secondary rental market (including rented condominiums, single detached, semi-detached and townhouse dwellings). The average rent for the secondary rental market is \$1,453 and the average rent for condominiums is \$1,555. This is well above the affordable rental threshold of \$1,175 for Mississauga.

There are also 43,433 ownership units affordable to moderate income households. Of these, more than half (53%) are condominium apartments while 41% are townhouses. Single detached dwellings represent only 1% and semi-detached represent 4% of this supply.

There are more housing options for moderate income households, including larger units. However, most of the ownership housing options are condominium apartments and townhouses. These may not be the best options for larger households and would partly explain why many of the households who are more likely to be overspending on housing costs are larger household types (i.e. couples with children, multiple family households, and recent immigrant households).





## What is the Housing Gap in Mississauga and How can this be Addressed?

The housing gap analysis used several metrics to determine the gap in Mississauga, including the centralized waiting list, the number of households in core housing need, the proportion of income spent on housing, and the difference between the demand and supply of housing. This analysis shows that there are about 30,000 households in Mississauga who are facing a housing supply or affordability gap.

The majority of households facing housing affordability issues are low income households. For these households, there is both a supply and an income gap. The income gap is an issue to be addressed by senior levels of government through income or rent subsidies as well as other policy and program initiatives.

On the other hand, the supply gap is something that the City can help address and which should be the focus of its Affordable Housing Program. In terms of the supply gap, the analysis has highlighted a number of issues:

- **There is a need to increase the supply of rental housing for all income levels and all household sizes** to address the very low vacancy rates and provide choice for all households in Mississauga. The City can help address this gap by providing incentives to encourage the development of purpose-built rental housing throughout the City but with a focus on areas with good access to transit and services. Incentives can be provided on a sliding scale depending on how closely the proposed projects meet the need in terms of affordability and unit size.
- **There is a need to increase the supply of rental housing that is affordable to low income households.** The City can help address this issue by providing financial, land-based and regulatory incentives to encourage the private and non-profit sector to build purpose-built rental units, including subsidized rental units, as well as second units that meet the affordable rental housing threshold. By increasing the supply of affordable units, the provision of income or rental subsidies by senior levels of government would then have a more significant impact on addressing the need.



- **There is a need to protect the existing purpose-built rental housing stock.** A significant proportion of this stock is affordable to low and moderate income households and has good access to transit and other services.
- **There is a need to increase the supply of affordable ownership housing units, including units suitable for larger households.** While there are affordable ownership units, particularly for moderate income households, the majority of these units are not suitable for larger households. The City can help address this gap by providing incentives to encourage developers to build units suitable for both smaller (one- and two-person households) and larger (four or more-person households) households. Units for larger households do not necessarily need to be ground-related. Additionally, these options should be provided throughout the City with a focus on areas with good access to transit and services.

There are a range of tools that the City can implement to help address the identified gaps and these are discussed in the Best Practices report.

# INTRODUCTION

This study was undertaken as part of the City of Mississauga's continuing work on the Affordable Housing Strategy and Action Plan. The goal of this study was to present a high level analysis to better understand the current gap between housing demand and housing supply in Mississauga, particularly the demand for and supply of affordable housing.

This report used the most updated data that was readily available. It should be noted that this report used data from Statistics Canada's National Household Survey, which may not be as comparable to data from previous censuses. There were also challenges in gathering data on the current housing supply, including the supply of secondary rental market units in the City.

In addition to an overview on the current demand and supply of housing in the City, this study aims to identify the current housing gap in the City through a number of methodologies. The report also presents annual housing targets by category based on targets identified in the Regional Official Plan for new housing units as well as high level recommendations for addressing the identified housing gap.

## WHAT IS AFFORDABLE HOUSING?

**Canada Mortgage and Housing Corporation (CMHC)** defines affordable housing as housing which costs less than 30% of before-tax household income. For renters, shelter costs include rent and any payments for electricity, fuel, water and other municipal services. For owners, shelter costs include mortgage payments, property taxes and condominium fees, and any payments for electricity, fuel, water and other municipal services<sup>1</sup>.

According to CMHC, a household is in **core housing need** if its housing does not meet one or more housing standards (affordability, adequacy and suitability) and if it would have to spend 30% or more of its before-tax household income to pay the median rent (including utilities) of appropriately sized alternative local market housing.

The housing standards are:

- **Adequate** housing does not require any major repairs.
- **Suitable** housing has enough bedrooms for the size and make-up of resident households.
- **Affordable** housing costs less than 30% of before-tax household income.

The **Provincial Policy Statement (PPS)** defines affordable housing as:

1. In the case of ownership housing, the least expensive of:
  - a. Housing for which the purchase price results in annual accommodation costs which do not exceed 30% of gross annual household income for low and moderate income households; or
  - b. Housing for which the purchase price is at least 10% below the average purchase price of a resale unit in the regional market area;
2. In the case of rental housing, the least expensive of:
  - a. A unit for which the rent does not exceed 30% 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.

The PPS defines low and moderate income households as those with incomes falling at or below the 60<sup>th</sup> income percentile.

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<sup>1</sup> CMHC (2014). Housing in Canada Online Definitions. Accessed from: [http://cmhc.beyond2020.com/HiCDefinitions\\_EN.html#\\_Affordable\\_dwellings\\_1](http://cmhc.beyond2020.com/HiCDefinitions_EN.html#_Affordable_dwellings_1)

## Affordable Housing Thresholds

Affordable housing thresholds in the City of Mississauga have been set by the Region of Peel based on Region of Peel household income deciles and the cost of housing in the entire Region, using the definition of affordable housing in the PPS. As such, the **maximum affordable rent is \$1,175** while the **maximum affordable house price is \$398,012** (for 2015). Households below the 6<sup>th</sup> income decile (60<sup>th</sup> percentile) are considered low- and moderate-income households.

**Household income deciles** divide the total universe (i.e. households) into ten equal portions of income groups and take into account the context of location and local standards of living.

## Household Income Groups

Based on the affordable housing thresholds and the analysis of need, households have been divided into the following groups:

- **Low Income Households** – These are households with incomes falling within the 1<sup>st</sup> – 3<sup>rd</sup> income deciles (earning \$55,493 or less).
- **Moderate Income Households** – These are households with incomes falling within the 4<sup>th</sup> – 6<sup>th</sup> income deciles (earning between \$55,494 and \$99,875)



- **High Income Households** – These are households with incomes falling within the 7<sup>th</sup> – 10<sup>th</sup> income deciles (earning more than (\$99,875).

## Housing Continuum

The housing continuum consists of a range of housing and includes different types of housing for different needs and economic circumstances provided solely by government and non-profit organizations at one of the spectrum and completely by the private sector at the other end. Households can move back and forth along the continuum through different stages of the life cycle. For example, senior homeowners may choose to sell their homes and move to private market rental. There may also be households who move from market rental or ownership to subsidized rental due to an illness or loss of employment. Alternatively, households who were in subsidized rental may find better-paying jobs that will allow them to move to affordable ownership units. As such, it is vital to have an adequate supply of units throughout the continuum.

The different elements of the housing continuum are:

### Non-Market Housing

#### Emergency Shelters

Temporary housing that is required in some type of crisis including domestic violence, eviction, family break-up or mental illness.

#### Transitional Housing

Transitional housing provides opportunities for those living in emergency housing to move to a more supported environment where some type of stability can be achieved. The goal is to eventually move the persons and households from transitional housing to permanent housing.

#### Supportive and Social Housing

This housing is generally comprised of public housing managed by a service provider, non-profit housing, and social housing where units have rent supplement agreements. The maximum rent for social housing is 30% of household income or market rent whichever is lower. Supportive housing includes housing for persons with disabilities and housing for seniors<sup>2</sup>.

### Market Housing

#### Affordable Rental and Ownership Housing

This is rental or ownership housing the cost of which does not exceed 30% of the household's annual income.

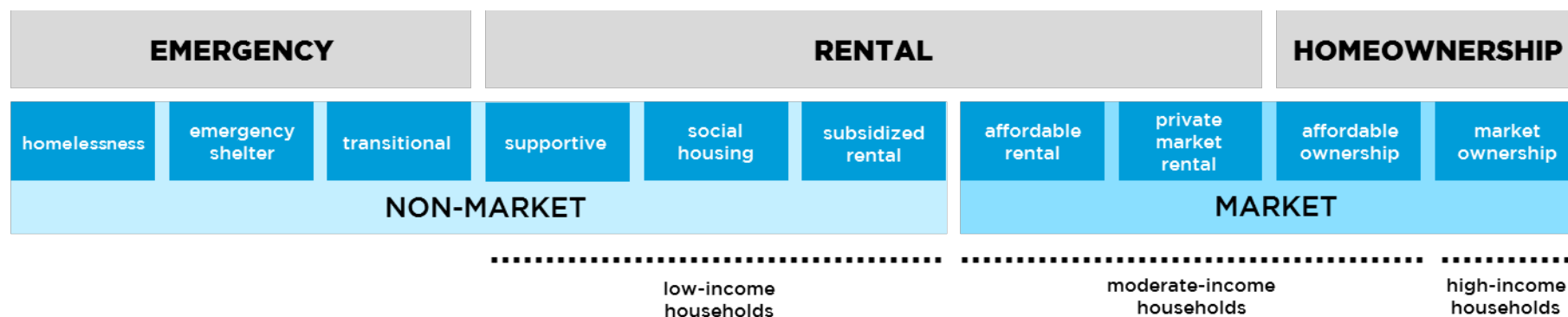
#### Market Rental Housing

This consists mainly of purpose-built private sector rental apartments, secondary rental units and rented condominium units. Secondary rental units include rented single detached, semi-detached, duplex and row/townhouse dwellings or secondary suites within these dwellings.

#### Market Ownership Housing

This refers to housing priced at average market values and purchased with or without a mortgage.

<sup>2</sup> Mississauga Planning and Building (2011). Housing Choices: Vision and Framework



## WHY DOES AFFORDABLE HOUSING MATTER?

Housing is a major contributor to economic growth, social stability and household wealth and indebtedness.

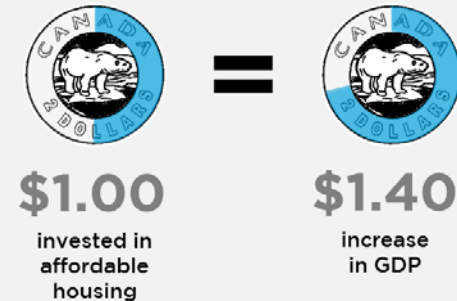
### Economic Growth

Investment in housing and housing-related spending make up a significant share of a country's GDP through direct impacts within the construction sector as well as indirect impacts in sectors such as manufacturing, finance, real estate and insurance, and forestry. According to the Federation of Canadian Municipalities (FCM), every dollar invested in affordable housing generates a \$1.40 increase in GDP. Thus, an additional \$10 million in financing projects could generate roughly \$14 million in local GDP growth. In addition, by leveraging government financing with other sources, every dollar invested in affordable housing by government may generate three or four dollars in construction activity due to the additional contributions made by owners and investors in mortgage financing and equity<sup>3</sup>.

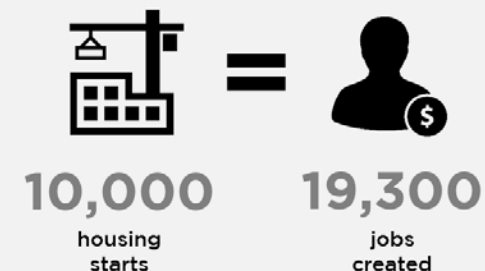
### Increased Employment

Investment in housing also results in increased employment. For example, a study by Altus Group found that 10,000 housing starts generate \$1.8 billion in production within the construction sector and creates over 19,300 jobs<sup>4</sup>.

#### CONTRIBUTION TO GDP



#### CONTRIBUTION TO EMPLOYMENT



<sup>3</sup> Federation of Canadian Municipalities (2012). The Housing Market and Canada's Economic Recovery.

<sup>4</sup> Altus Group Economic Consulting (2009). Economic Impacts of Residential Construction.



The Region of Waterloo found that each dwelling constructed generates approximately 3 person years of employment<sup>5</sup>. Also, for every new home built, approximately 2.0 person years of employment are generated<sup>6</sup>. In addition, investment in housing results in induced impacts from the labour income resulting from the direct impacts of housing investment.

### **Social Impacts**

Housing is also directly linked to health, education and household wealth. Households who live in secure housing are more likely to be in better health, perform better in school, and have more personal wealth, including non-housing wealth.

### **Positive Economic and Social Impacts for Communities**

The shortage of affordable and appropriate housing has direct impacts on communities and businesses. Communities lose part of their workforce and employers face challenges related to hiring and retaining the personnel they need.

The availability of affordable housing in a community results in improving the capacity of businesses to recruit and retain employees, efficiencies, and economic gains due to reduced staff turnover.

It also results in improved quality of the environment by reducing commute distances and increased use of active and public transit use as employees will more likely live in the community rather than finding housing elsewhere and commuting long distances for jobs.

Having affordable housing in a community also attracts people from all life stages, from single individuals, to families with children to seniors, to live in the community. This results in an increase in the overall economic activity in the community, including increased consumption of goods and services and higher rates of ownership.

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<sup>5</sup> Region of Waterloo Planning, Housing and Community Services (n.d.). The Economic Benefits of Affordable Housing. Accessed from: <https://www.peelregion.ca/planning/liveable-peel/pdf/housing-murdoch.pdf>

<sup>6</sup> Federation of Canadian Municipalities (2012). The Housing Market and Canada's Economic Recovery.

### Decreases Homelessness

The lack of affordable housing can also lead to homelessness for individuals and families. Providing housing and supports not only results in increased quality of life for individuals and families as well as boosting the economy of cities, it also results in savings for all levels of government. For example, a 2014 report found that every \$10 spent on housing and supports for chronically homeless individuals results in \$21.72 in savings related to health care, social supports, housing and involvement in the justice system<sup>7</sup>. In addition, the Region of Waterloo found that capital investment of over \$10 million has generated more than \$70 million in construction activity<sup>8</sup>.



<sup>7</sup> Londerville, J. and Steele, M. (2014). Housing Policy Targeting Homelessness.

<sup>8</sup> Region of Waterloo Planning, Housing and Community Services (n.d.). The Economic Benefits of Affordable Housing. Accessed from: <https://www.peelregion.ca/planning/liveable-peel/pdf/housing-murdoch.pdf>

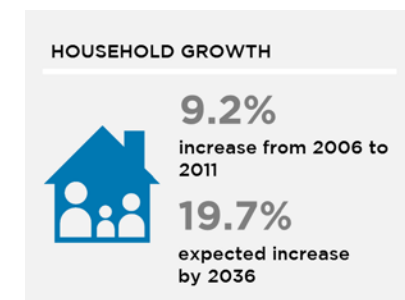
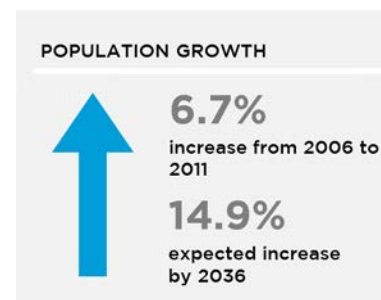
# DEMAND AND SUPPLY ANALYSIS

## WHAT IS THE CURRENT DEMAND IN MISSISSAUGA?

The demand for housing in a community is influenced by population and household growth as well as household characteristics, including household type, size, tenure and household incomes.

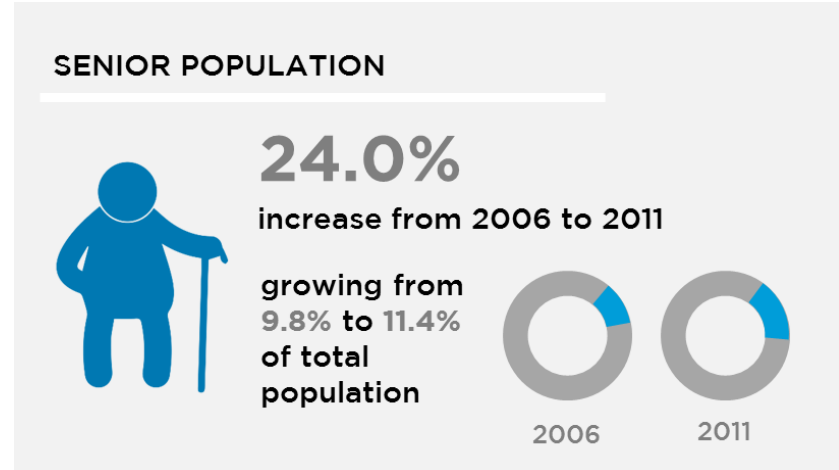
**Overall demand for housing is expected to grow by almost 20% to 2036.**

- Mississauga's population increased by 6.7% from 2006 to 2011 and it is expected to increase by another 14.9% by 2036
- The number of households in Mississauga grew by 9.2% from 2006 to 2011 and it is anticipated to grow by 19.7% to reach 280,800 households by 2036



## The share of the senior population in Mississauga is increasing.

- Older adults aged 55 and older made up 14% of the population in 1991. By 2011, this share had increased to 23% of the total population in Mississauga
- The senior population (65 years or older) increased by 24.0% (15,770 people) from 9.8% in 2006 to 11.4% in 2011
- The share of the youth population (0-24 years) decreased from 34.2% in 2006 to 32.7% in 2011 although overall numbers of youth increased by 2.0% (4,520 people)
- These trends suggest a need to provide a range of housing options suitable for the changing demographics in the City



## There is increasing need for housing suitable for a range of household sizes, from small to large.

- In 2011, owners in Mississauga made up 74.9% of all households while renters made up 25.1%
- The share of one- and two-person households is increasing. In 2011, one- and two-person households made up 43% of all households in Mississauga, up from 41% in 2006. This suggests an increasing need for smaller housing units to accommodate this growth.
- Larger households continue to make up a significant proportion of all households in Mississauga, unlike many communities in Ontario. In 2011, four-person households made up 21.7% of all households while five or more-person households made up 15.7%. This indicates that while there is an increasing need for smaller housing units, there is also a continuing need for larger units.

## **Mississauga's population is continuing to diversify**

- Immigrant households made up 63.8% of all households in Mississauga in 2011. Of these households, 75.8% are owners.
  - 1 in every 12 Mississauga residents is a recent immigrant (arriving in the last five years). This group made up almost half (44%) of those who moved to Mississauga between 2006 and 2011
- Households with a member with a disability made up 10.8% of all households in Mississauga in 2011.
- The proportion of lone parent families has declined; making up 9.7% of all households in Mississauga in 2011 compared to 10.5% in 2006.
- These household trends point to the need for a broad range of housing choices in the City, including accessible housing options for people with disabilities.

## The gap in household incomes in Mississauga is widening.

- The average household income in 2010<sup>9</sup> was \$95,052 compared to \$88,512 in 2005; increasing by 7.4%.
- The bottom 10% of Mississauga households had incomes of \$21,589 or less in 2010; decreasing by 0.6% from \$21,709 or less in 2005.
- The highest 10% of Mississauga households had incomes of \$177,369 or more in 2010; up by 10.8% from \$160,048 in 2005.

	Lowest 10% of Incomes	Highest 10% of Incomes
<b>2005</b>	\$21,709	\$160,048
<b>2010</b>	\$21,589	\$177,369

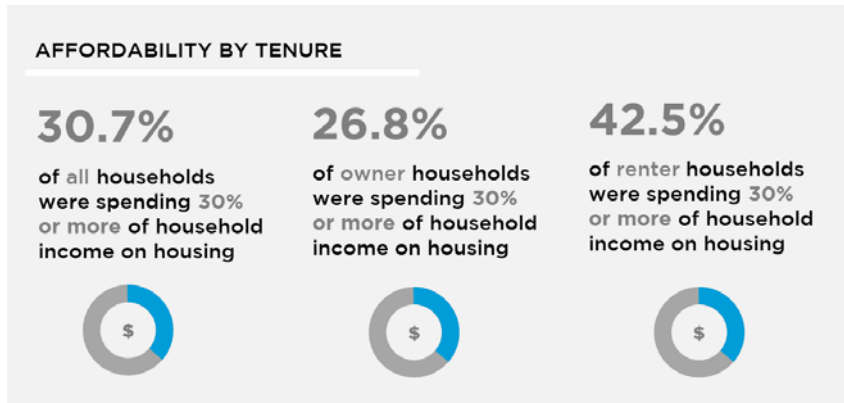
## Housing affordability is an issue for almost 1 in 3 Mississauga households.

- Almost 1 in 3 Mississauga households (30.7%) were experiencing housing affordability issues (i.e. spending 30% or more of their income on housing costs), including 1 in 8 households (13.6%) with deep housing affordability issues (spending more than half of their income on housing), and 1 in 12 (8.1%) with severe housing affordability issues (spending 70% or more).



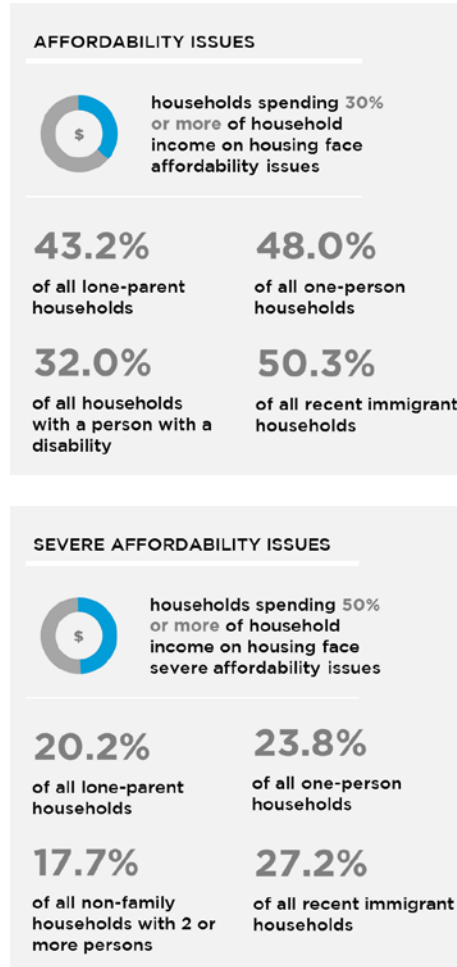
<sup>9</sup> Income data from Statistics Canada is from the year prior to the Census, i.e. 2010 for the 2011 Census and 2005 for the 2006 Census

- In 2010, 26.8% of all owner households in Mississauga were spending 30% or more of their household income on housing costs and 11.4% were spending 50% or more.
- A much larger proportion of renter households were facing housing affordability issues with 42.5% of renter households spending 30% or more on housing costs and 20.4% spending 50% or more of their income on housing costs.
- Based on Peel Region household income deciles, 84.9% of households in the first income decile in Mississauga are spending 30% or more of their income on housing costs, 71.7% are spending 50% or more, and 57.5% are spending 70% or more.
- When broken down by household income decile, the greatest proportion of households experiencing housing affordability issues are households with incomes falling within the first income decile (84.9% of Mississauga households in the first decile) followed by 70.4% of households in the second decile. In addition, more than half of households falling within the third income decile (\$38,277 to \$51,346 in 2010) were facing housing affordability issues.



		Spending 30%+	Spending 50%+	Spending 70%+
Low	Decile 1	84.9%	71.7%	57.5%
	Decile 2	70.4%	32.1%	13.5%
	Decile 3	51.0%	14.2%	2.2%
Moderate	Decile 4	37.9%	5.2%	0.7%
	Decile 5	25.7%	1.5%	0.2%
	Decile 6	14.0%	0.9%	0.2%
High	Decile 7	7.5%	0.4%	0.0%
	Decile 8	2.8%	0.2%	0.0%
	Decile 9	1.5%	0.0%	0.0%
	Decile 10	0.3%	0.0%	0.0%

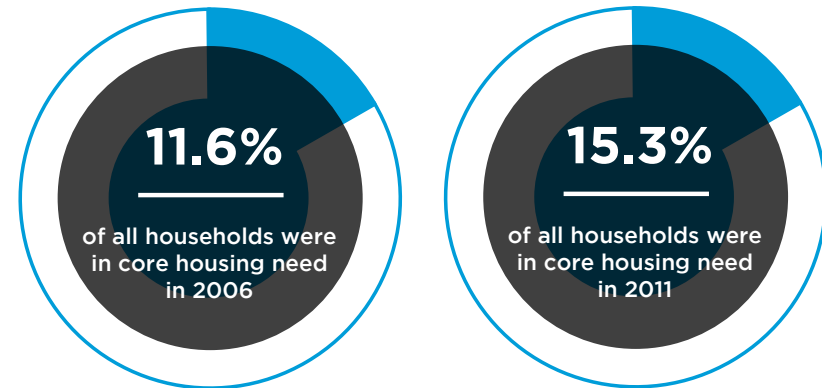
- Some household types are more likely to face housing affordability issues (i.e. spending 30% or more of their household income on housing costs) including:
  - 50.3% of all recent immigrant households
  - 48.0% of all one-person households
  - 43.2% of all lone parent households
  - 32.0% of all households with a person with a disability
- Some household types are facing deep housing affordability issues (i.e. spending 50% or more of their household income on housing costs) including:
  - 27.2% of recent immigrant households
  - 23.8% of one-person households
  - 20.2% of lone parent households
  - 17.7% of non-family households with two or more persons





## The number of households in core housing need is increasing

- The number of households in core housing need in Mississauga increased by 8.2% (16,790 households) from 23,755 households in 2006 to 33,830 households in 2011
  - In terms of proportions, the proportion of households in core need increased from 11.6% of all households in 2006 to 15.3% in 2011.
- Most households in core need fell below the affordability standard. In 2011, 91.6% of households in core need in Mississauga lived in homes that were not affordable; 23.8% of households in core need lived in homes that were not suitable and 7.8% lived in homes that were not adequate (i.e. required major repairs).



## There is not enough subsidized rental housing to meet the need.

- As of December 2015 there were 5,688 households on the centralized waiting list who were waiting for an affordable unit in Mississauga out of the 12,843 households on the waiting list for the entire Region<sup>10</sup>.
- Of those on the waiting list, 42.9% are families, 33.0% are seniors and 24.1% are singles
- Of the households on the waiting list, the majority (58.8%) are waiting for a one-bedroom unit and almost a fifth (18.6%) are waiting for a two-bedroom unit.
- The average wait time for a social housing unit in Peel Region is 5.3 years. Seniors wait about 4.9 years, families wait 5.7 years and singles wait 5.2 years (data only available for Peel Region).

### CENTRALIZED WAITING LIST



of the households on the  
waiting list as of December  
2014

**42.9%**  
are families

**33.0%**  
are seniors

**24.1%**  
are singles

**5,688**

households were on  
the centralized  
waiting list  
in 2015

<sup>10</sup> It should be noted that there may be some duplication as some applicants choose more than one City.

## The Rental Market

The **primary rental market** includes all self-contained rental units where the primary purpose of the structure is to house rental tenants. The primary rental market includes purpose-built rental apartments and townhouses. CMHC's Rental Market Survey (which is the source of rental data for this report) includes all structures with three or more units.

The **secondary rental market** represents self-contained units that were not built specifically as rental housing but are currently being rented out. These units include rented single-detached, semi-detached, row/ townhouses, duplex apartments (i.e. one above the other), rented accessory apartments/ second units (i.e. separate dwelling units located within the structure of another dwelling), rented condominium units, and one or two apartments which are part of a commercial or other type of structure.

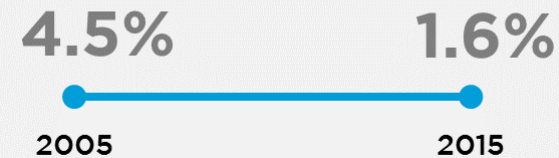
### Vacancy Rate

A healthy vacancy rate is generally accepted to be 3.0% where there is a balance between the supply of rental units and the demand for these units. When the vacancy rate moves above 3.0%, there tends to be greater choice and pressure for landlords to reduce rents. A vacancy rate below 3.0% indicates that there is less choice for renters in terms of unit types and affordability. There is also generally an upward pressure on rent levels, making rental housing less affordable.

## Demand for market rental units in Mississauga exceeds the supply.

- The overall vacancy rate for private row houses and apartments in Mississauga in 2015 was 1.6%, down from 4.5% in 2005
  - Bachelor units had the highest vacancy rate in 2015 at 2.9% while larger units with three or more bedrooms had the lowest vacancy rate at 1.2%.
- The total average rent (all unit sizes) in Mississauga increased by 2.4% from \$1,177 in 2014 to \$1,205 in 2015. Further, the average rent in 2015 increased by 10.6% from \$1,064 in 2010 and by 19.3% from \$1,010 in 2005.
  - The average market rent for two-bedroom units saw the highest rate of increase from 2014 to 2015; increasing by 2.7% to \$1,243.
  - The average market rent for bachelor units remained at \$827 in 2015
- The primary rental universe in Mississauga increased by 57 units or 0.2% from 28,618 unit in 2014 to 28,675 units in 2015. This decreased by 2.4% or 695 units from 2005. In addition, the City's Planning Department notes that an average of 75 rental units are converted to other forms of tenure per year. This suggests a need to examine the feasibility of implementing a rental demolition and conversion policy.
- The low vacancy rates for primary rental dwellings in Mississauga indicate the need for additional rental units.

### VACANCY RATES



### AVERAGE RENTS



## About 1 in 3 renter households<sup>11</sup> in Mississauga rely on the secondary rental market<sup>12</sup>

- Based on the CMHC data, there were approximately 15,572<sup>13</sup> secondary rented units in Mississauga in 2015 (not including condominium rentals).
  - Of these units, 44% were semi/ row/ duplex apartments, 32% were single detached homes, and 24% were other dwelling types but primarily second units.
  - The total average rent for Toronto CMA for these secondary rental units was \$1,453 in 2015 compared to \$1,208 for the average rent for primary rental units. The total average rent for second suites in Toronto CMA in 2015 was \$1,039.
  - There are 121 licensed second units in Mississauga (as of 2015) and a scan of online ads show an average rent of \$955 and a median rent of \$950 in 2015 for these units.
- In addition, there are an estimated 6,384 rented condominium units in Mississauga<sup>14</sup>. The total average rent for these condominium units was \$1,555 in 2015 (for Peel Region).

<sup>11</sup> 37.3% of renter households

<sup>12</sup> It should be noted, that there are challenges to collecting data on the secondary rental market, including the number of second units, so this data should be used with caution.

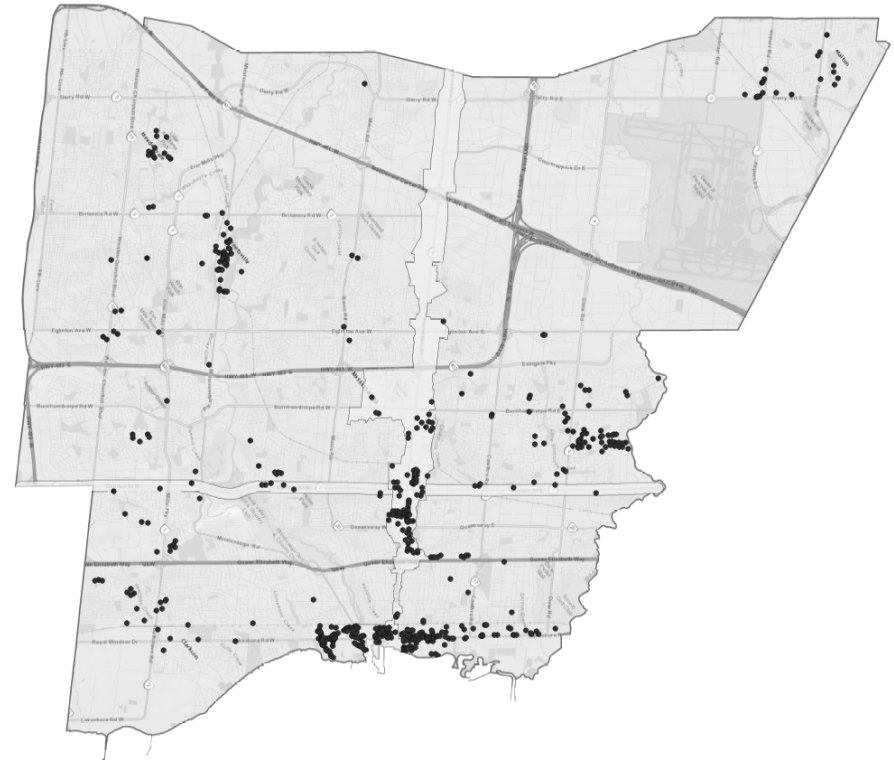
<sup>13</sup> As CMHC data was only available for the Toronto CMA, this number was estimated based on the share of Mississauga households in the Toronto CMA (11.8% in 2011).

<sup>14</sup> This estimate is based on the share of Mississauga households in Peel Region (58.2% in 2011).

## Most rental units are concentrated in certain areas of the City

- As previously mentioned, according to CMHC, there are a total of 28,675 purpose-built rental units in Mississauga.
- Based on City data, 30% of these units are located in the Downtown area (Cooksville, Core, Fairview and Hospital).
  - 14.4% is located in the Applewood Neighbourhood
  - Another 10.8% is located in the Port Credit area (Port Credit Neighbourhood East and West and Port Credit Community Node);
  - The Meadowvale area (Community Node and Neighborhood) have 7.1% of all rental units;
  - The Clarkson – Lorne Park Neighbourhood has 4.2% of rental units;
  - The Lakeview Neighbourhood has 4.6% of rental units; and,
  - There is 2.0% of rental units within the Streetsville area (Streetsville Neighbourhood and Community Node).
- The map (as well as a Neighbourhood Character Map in the Appendix) shows that there are purpose-built rental units throughout most areas of the City although certain areas have a limited rental units.

Purpose-Built Rental Units in Mississauga



# SUMMARY OF HOUSING DEMAND IN MISSISSAUGA

## HOUSEHOLD GROWTH

The demand for housing is expected to grow by almost 20% by 2036.



**9.2%**

increase from  
2006 to 2011

**19.7%**

expected  
increase by 2036

**280,800**

expected number of  
households in  
Mississauga by  
2036

The share of the senior population in Mississauga is increasing.



**24.0%**  
increase in  
senior  
population

growing from 9.8% to  
11.4% of total population  
between 2006 and 2011

2006



2011



## HOUSEHOLD SIZE

There is increasing need for housing suitable for a range of household sizes, from small to large.

**43.0%**

1- and 2-person

**21.7%**

4-person

**15.7%**

5+-person

## HOUSEHOLD TYPES

There is a wide range of housing choices needed for Mississauga's diverse population.

**63.8%**

immigrant  
households

**10.8%**

households with a  
member with a  
disability

## DEMAND FOR RENTAL UNITS

**vacancy  
rates are  
decreasing**

**4.5%**

2005

**1.6%**

2015

## DEMAND FOR RENTAL UNITS



**1 in 3**

households in Mississauga rely on the secondary rental market

## HOUSING AFFORDABILITY

Housing affordability is an issue for almost 1 in 3 Mississauga households.

**1 in 3**

households spend 30% or more of household income on rent

**1 in 8**

households spend 50% or more of household income on rent

**1 in 12**

households spend 70% or more of household income on rent

**5,688**

households were on the centralized waiting list in 2015

## SOCIAL HOUSING WAITING LIST



**5.3 years**

average wait time for a social housing unit in Peel Region

**4.9 years**

for seniors

**5.7 years**

for families

**5.2 years**

for singles

## CORE HOUSING NEED

The number of households in core housing need is increasing.



**15.3%**

of all households were in core housing need in 2011

up from  
**11.6%**  
in 2006



## WHAT IS THE CURRENT SUPPLY IN MISSISSAUGA?

The range of housing options as well as the make-up of the housing supply in a community should match the housing need in that community.

### More households in Mississauga are living in higher density homes.

- In 2011, 39.1% of Mississauga households lived in single-detached homes compared to 40.9% in 2006; 35.3% lived in apartments compared to 33.9% in 2006; and 25.6% lived in semi-detached and row houses which was the same proportion in 2006.
- Half (50.2%) of owners lived in single detached homes and a fifth (20.4%) lived in apartments.
- Most renters lived in apartments (79.6%) and a fifth lived in single detached, semi-detached and row houses.



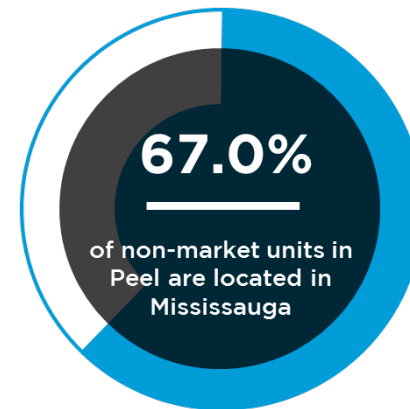
### Average house prices in Mississauga are becoming less affordable.

- Average house prices in Mississauga have risen steadily over the past few years. The average house price in 2015 in Mississauga (for all housing types) was \$546,720; increasing by 29.8% from \$421,096 in 2011.
- The median house price was \$495,000 in 2015; increasing by 31.6% from \$495,000 in 2011.
- The average house price for single detached homes was \$868,380 in December 2015; increasing by 34.0% from 647,883 in December 2011.
- The average price for condominium apartments was \$282,914 in December 2015; increasing by 7.9% from \$262,200 in December 2011<sup>15</sup>.
- More than half (52.3%) of all owners in Mississauga have incomes that fall within the first – sixth income deciles yet only 27.8% of the ownership housing supply are affordable to these households.

<sup>15</sup> Toronto Real Estate Board (2016). Market Watch, December 2011 and 2015.

## There are non-market units in Mississauga but the make-up of the portfolio does not match the demand.

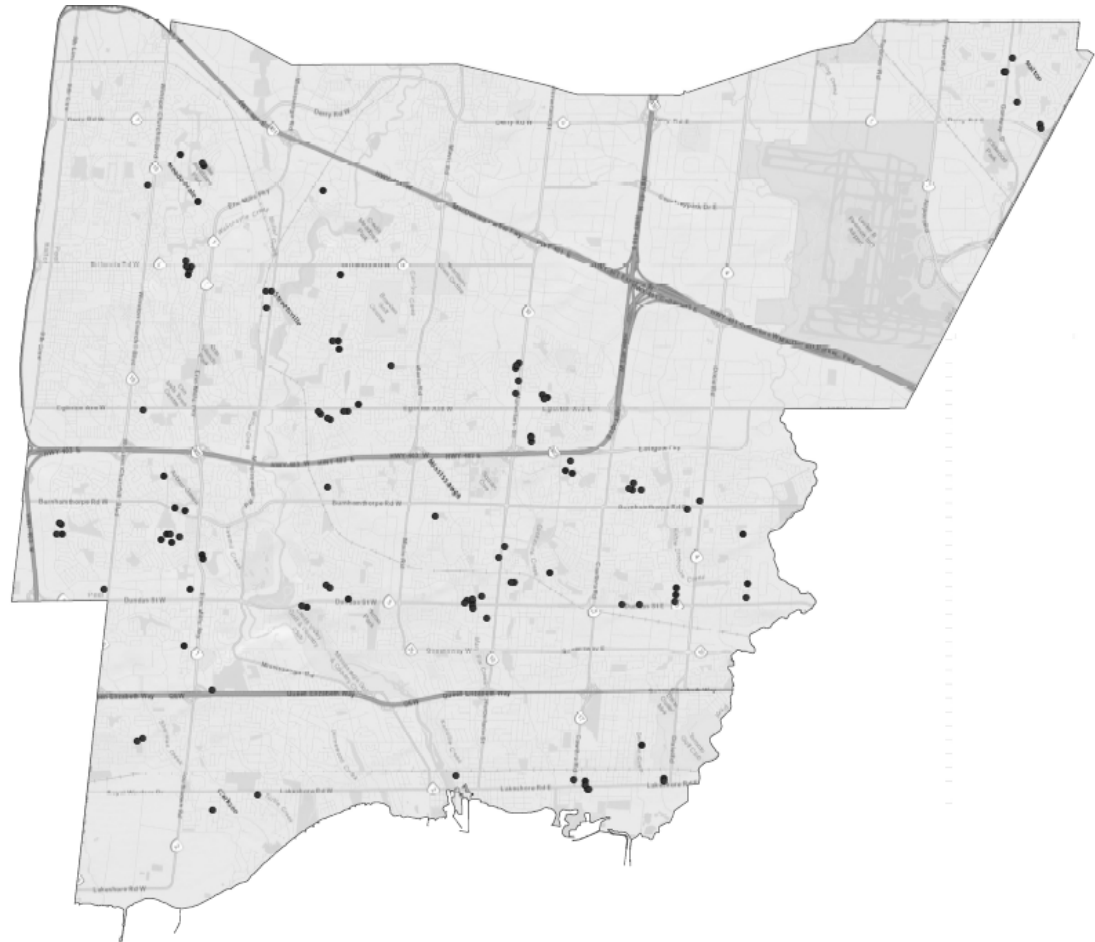
- There are a total of 19,603 non-market units in Peel which includes affordable rental housing, affordable ownership housing and emergency and transitional beds. Of these, 67.0% (13,132) are in Mississauga.
- As of May 2013, there were a total of 8,841 affordable rental housing units in Mississauga.
  - Two-bedroom units made up 38.4% of these units, one-bedroom units made up 33.8%, three-bedroom units made up 21.5%, four-bedroom units made up 3.5%, and bachelor units made up 2.8%.
  - The composition of the affordable rental housing portfolio does not match the demand as the wait list shows the greatest need is for one-bedroom units (58.8% of households on the centralized waiting list) and only 18.6% of households on the waiting list are waiting for two-bedroom units.
- In addition, there are 1,889 rent supplement units in Mississauga.
- There are also approximately 2,000 affordable ownership units in Mississauga.
- As of 2011, there were 492 emergency shelter beds, transitional housing units/ beds, and domiciliary hostels in Peel Region, of these, 63 units/ beds are in Mississauga.



## Social housing units are located throughout Mississauga

- Social housing units are located throughout the City:
  - The East Credit Neighbourhood has 10.6% of these units;
  - The Applewood Neighbourhood as another 8.6% of social housing units;
  - 8.0% of these units are in the Downtown area (Cooksville, Core, Fairview and Hospital);
  - The Cooksville Neighbourhood (West) has 6.9% of these units
- There is an opportunity to focus new non-market units along the identified intensification areas of the City.

Social Housing Units in Mississauga



# SUMMARY OF HOUSING SUPPLY IN MISSISSAUGA

## DWELLINGS BY TYPE

More households in Mississauga are living in higher density homes.

**39.1%**

single-detached dwellings

**35.3%**

apartment units

**25.6%**

semi-detached and row houses

## OWNERSHIP DWELLINGS

The demand for affordable ownership dwellings does not match the supply.

**52.3%**

of all owners have incomes in Deciles 1-6



**27.8%**

of the ownership housing is affordable to these households



Average house prices in Mississauga are becoming less affordable.

**\$546,720**

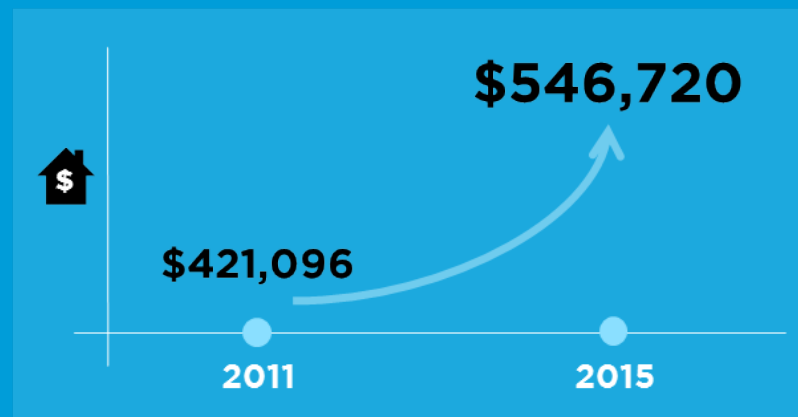
average house price in Mississauga

\$

**\$495,000**

median house price in Mississauga

Average house prices have increased significantly since 2011.



## RENTAL DWELLINGS



**28,675**  
primary  
rental units  
(2015)



**1.6%**  
vacancy  
rate  
(2015)



**13,132**  
non-market  
units



**21,955**  
secondary  
rental units

The non-market units do not meet the demand.

1-bedroom units  
make up  
**33.8%**  
of the stock

**58.8%**

households on the  
centralized waiting  
list seeking a 1-  
bedroom unit

Average rents are increasing.

**\$1,010**

**\$1,205**

2005

2015

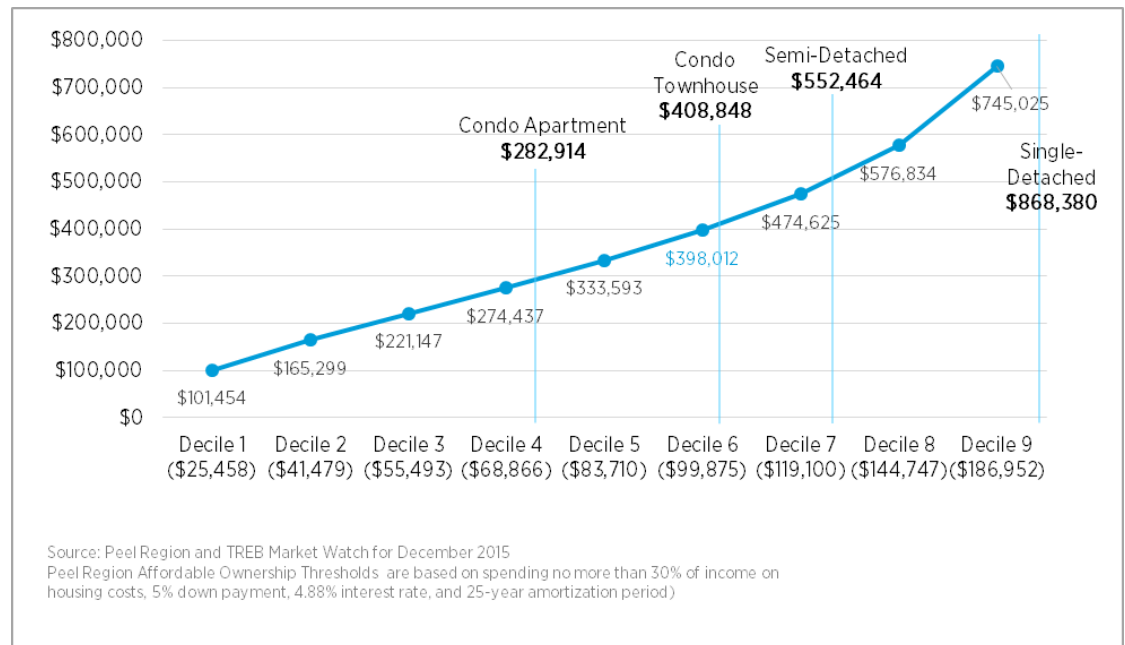
## WHAT IS THE CURRENT AFFORDABLE HOUSING GAP IN MISSISSAUGA?

There are a range of non-market and market housing options in Mississauga but there is still a gap particularly for households with low incomes.

### Average house prices and average market rents are not affordable to some low and moderate income households in Mississauga.

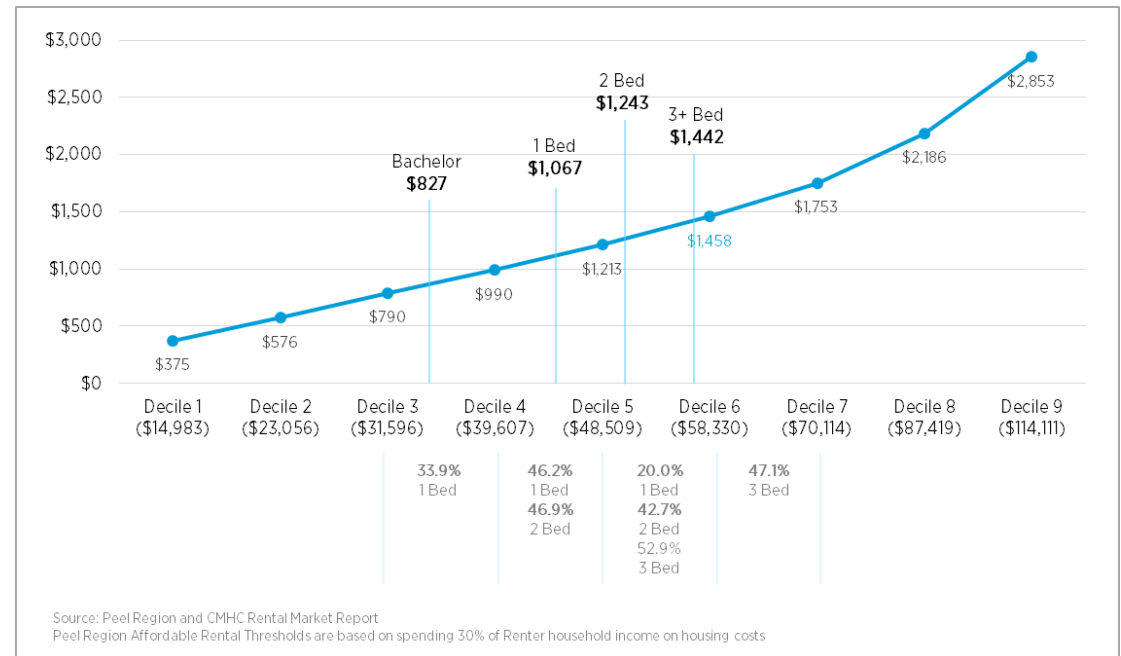
- Average house prices have risen steadily over the years making homeownership unattainable for some low and moderate income households (making up more than 40% of all Mississauga households) unless they spend more than 30% of their household income on housing costs or unless they have a down payment greater than 5% of the purchase price

Ownership Housing Affordability



- Average market rents in Mississauga are still unaffordable to approximately 30% of renter households in Mississauga. These households would require some form of assistance to afford average market rents or would have to spend more than 30% of their household income on housing costs.
- Data on the primary rental market shows that only about a third of one-bedroom units are affordable to renter households in the 4<sup>th</sup> income decile and renter households in the 5<sup>th</sup> income decile would not be able to afford a three-bedroom apartment. This means that renter households in the 4<sup>th</sup> income decile with more than one or two people in the household would have to spend more than 30% of their income on housing costs. Additionally, couples with more than one child with incomes falling within the 4<sup>th</sup> or 5<sup>th</sup> deciles would have to spend more than 30% of their income on housing costs.

Rental Housing Affordability



## Housing Demand and Supply Continuum

The following table was created using custom tabulation data from Statistics Canada which divides the number of households into ten equal income groups (ten household income deciles). In this table, household income deciles for Peel Region were used and applied to the number of households in the City of Mississauga, which is why some deciles have more or less than 10% of households. Incomes were projected to 2015 based on the increase in the consumer price index to be able to compare to the current housing costs. Affordable housing costs for both rental and ownership markets are based on spending 30% of income on shelter costs.

Generally speaking, as household income increases and households move along the continuum from left to right, an increasing number of housing options become available within the housing market.

### Low Income Households (Households in the 1<sup>st</sup> – 3<sup>rd</sup> Income Deciles with incomes up to \$55,493)

- Low income households have limited housing options in Mississauga.
- Of all Mississauga households, 31.8% (74,575 households in 2011) fall into this category. Of these households 54.0% are owners (40,305 households) and 46.0% are renters (34,280 households).

- Low income households would likely include the over 5,000 households on the centralized waiting list, households receiving Ontario Works and Ontario Disability Support Program benefits, seniors on a fixed income, and the working poor.
- When compared to the supply of housing, about 10,730 subsidized rental units affordable to these households. In addition, there are about 647 bachelor units and 121 second units affordable to households in the 2<sup>nd</sup> decile and about 23,720 one- and two-bedroom units affordable to households in the 3<sup>rd</sup> decile.
- There are also 10,757 ownership units are affordable to these households unless they spend more than 30% of their income on housing or if they have more than 5% down payment for ownership housing
- There are about 51,620 low income households (69.2% of all households in these deciles) spending 30% or more of their income on shelter costs. Of these households, about 29,980 households (40.2% of households in these deciles) are spending 50% or more and 18,860 households (25.3%) are spending 70% or more on shelter costs.
- Some population groups with low incomes are more likely to be facing housing affordability issues. These groups include couples with children, multiple family households, recent immigrant households, lone parent households and households with two or more people who are living together but who are not family.



- Low income households include people working as retail sales/sales clerks (\$29,120 annually), accounting clerks (\$39,520 annually), and cleaners (\$27,040 annually). *It should be noted that these are individual incomes and not household incomes.*

#### **Moderate Income Households (households in the 4<sup>th</sup> – 6<sup>th</sup> Income Deciles with incomes between \$55,494 and \$99,875)**

- While households in these income deciles have more choices, 26.1% of households in these deciles are experiencing affordability issues
- About 28.8% (67,480 households in 2011) of all households in Mississauga have incomes falling within the 4<sup>th</sup>-6<sup>th</sup> income decile.
- When compared to the housing supply, there are 4,303 three-bedroom units in the primary rental market and 21,955 units in the secondary rental market affordable to households in the 4<sup>th</sup> income decile as well as about 43,433 ownership units affordable to these households in the 4<sup>th</sup> – 6<sup>th</sup> decile based on spending 30% of their income on housing costs and a 5% down payment.
- Of all moderate income households, there are about 17,590 households (26.1% of households in these deciles) are spending 30% or more of their household income on housing costs. Of these households, about 1,725 (2.6%) are spending 50% or more and 240 households (0.4%) are spending 70% or more on housing costs.

- Some groups with moderate incomes are more likely to be facing housing affordability issues including couples with children and multiple family households.
- Moderate income households include people working as journalists (\$56,160 annually), social workers (\$60,320 annually) and registered nurses (\$72,800 annually). *It should be noted that these are individual incomes and not household incomes.*

#### **High Income Households (households in the 7<sup>th</sup> – 10<sup>th</sup> Income Decile with incomes over \$99,875)**

- Households earning over \$99,875 have a range of housing choices in Mississauga.
- About 39.4% (92,530 households in 2011) of all Mississauga households have incomes falling within the 7<sup>th</sup> – 10<sup>th</sup> income deciles.
- When compared to the supply, all rental and ownership units are affordable to these households.
- Within these income deciles, there are about 2,695 households (2.9% of all households in these deciles) spending 30% or more of their income on housing costs. Of these households, about 145 are spending 50% or more. It should be noted that at these income levels, households who are spending more than 30% may be choosing to do so and would likely be able to find more affordable housing options if they chose to.

## Housing Demand and Supply Continuum

			Decile 1	Decile 2	Decile 3	Decile 4	Decile 5	Decile 6	Decile 7	Decile 8	Decile 9	Decile 10	
demand	Who lives in Mississauga?	number of households <sup>1</sup>	26,135	24,325	24,115	23,100	22,490	21,890	22,270	22,230	23,025	25,005	
	What is their income <sup>2</sup> ?		\$25,458	\$41,479	\$55,493	\$68,866	\$83,710	\$99,875	\$119,100	\$144,747	\$186,952	\$186,953+	
	What can they afford <sup>3</sup> ?	ownership	\$101,454	\$165,299	\$221,147	\$274,437	\$333,593	\$398,012	\$474,625	\$576,834	\$745,025	\$745,026+	
		rental	\$636	\$1,037	\$1,387	\$1,722	\$2,093	\$2,497	\$2,978	\$3,619	\$4,674	\$4,675+	
	Who is in need?	spending 30%+	22,185 84.9%	17,125 70.4%	12,310 51.0%	8,755 37.9%	5,780 25.7%	3,055 14.0%	1,665 7.5%	625 2.8%	335 1.5%	70 0.3%	
		spending 50%+	18,735 71.7%	7,815 32.1%	3,430 14.2%	1,195 5.2%	330 1.5%	200 0.9%	90 0.4%	55 0.2%	0 0.0%	0 0.0%	
		spending 70%+	15,040 57.5%	3,285 13.5%	535 2.2%	155 0.7%	45 0.2%	40 0.2%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	
	supply	What housing is available <sup>4</sup> ?	subsidized rental units <sup>5</sup>	10,730 4.2%									
primary rental units <sup>6</sup>			647 0.3%		23,720 9.3%		4,303 1.7%						
secondary rental units <sup>7</sup>							21,834 8.5%						
secondary units <sup>8</sup>			121 0.05%										
ownership units <sup>9</sup>			1 0.0%	1,975 0.8%	8,781 3.4%	13,374 5.2%	13,347 5.2%	16,712 6.5%	25,311 9.9%	34,588 13.5%	52,376 20.5%	28,270 11.0%	
	demand	31.8%				28.8%		39.4%					
		17.9%				27.2%		54.9%					
			affordable rental threshold \$1,175				affordable ownership threshold \$398,012						

Notes on the Housing Continuum:

1. The number of households is from the 2011 Census
2. Household incomes have been estimated to 2015 based on the CPI
3. Affordable house prices have been estimated based on a household spending 30% of their income on housing costs and having a down payment of 5%
4. Housing supply numbers are from 2015 so these may exceed the housing supply numbers presented in other sections of this report
5. Subsidized rental units include all units receiving some form of government subsidy, such as social housing, subsidized rental, affordable rental and rent supplements.
6. Primary rental units are units that were purposely built to be rental housing. The number of primary rental units is from the CMHC Rental Market Report for the Toronto CMA (October 2015)
7. Secondary rental units are units that were not necessarily built to be rental housing but are currently being rented out by the owner. The number of secondary rental units includes rented condominiums and rented single, semi and row/townhouses. This number has been estimated by applying the proportion of Mississauga households to the Toronto CMA numbers.
8. The number of second units is the number of licensed second units as of the end of 2015
9. Affordable and Market Ownership units are based on 2015 MPAC data

## Housing Affordability in the 1<sup>st</sup> to 3<sup>rd</sup> Deciles

### Who are in the 1<sup>st</sup> to 3<sup>rd</sup> Deciles?

**67.3%**  
of youth

**45.1%**  
of seniors

**63.8%**  
of one-person  
households

**52.9%**  
of recent  
immigrant  
households

**49.3%**  
of lone parent  
households

**39.9%**  
of households  
with a person  
with a disability

**37.1%**  
of non-family  
households with  
2+ persons

Some examples of  
occupations with  
salaries falling within  
the 1<sup>st</sup> to 3<sup>rd</sup> income  
deciles:



**\$27,040**  
cleaners



**\$29,120**  
retail/sales  
clerks



**\$39,520**  
accounting  
clerks

#### COUPLES WITH CHILDREN

**79.9%**

of households were  
spending **30% or  
more** of household  
income on housing



**50.3%**

of households were  
spending **50% or  
more** of household  
income on housing



#### RECENT IMMIGRANT HOUSEHOLDS

**78.8%**

of households were  
spending **30% or  
more** of household  
income on housing



**50.3%**

of households were  
spending **50% or  
more** of household  
income on housing



#### MULTIPLE FAMILY HOUSEHOLDS

**77.4%**

of households were  
spending **30% or  
more** of household  
income on housing



**46.9%**

of households were  
spending **50% or  
more** of household  
income on housing



#### LONE PARENT HOUSEHOLDS

**79.9%**

of households were  
spending **30% or  
more** of household  
income on housing



**50.3%**

of households were  
spending **50% or  
more** of household  
income on housing



#### NON-FAMILY HOUSEHOLDS WITH 2+ PERSONS

**78.8%**

of households were  
spending **30% or  
more** of household  
income on housing



**50.3%**

of households were  
spending **50% or  
more** of household  
income on housing



## Housing Affordability in the 4<sup>th</sup> to 6<sup>th</sup> Deciles

### Who are in the 4<sup>th</sup> to 6<sup>th</sup> Deciles?

**20.0%**

of youth

**29.5%**

of seniors

**33.0%**

of couples  
without children

**31.8%**

of lone parent  
households

**34.5%**

of non-family  
households with  
2+ persons

Some examples of occupations with salaries falling within the 1<sup>st</sup> to 3<sup>rd</sup> income deciles:



**\$56,160**  
journalists



**\$60,320**  
social workers



**\$72,800**  
registered nurses

### HOUSEHOLDS WITH A PERSON WITH A DISABILITY

**3.0%**

of households were  
spending **30% or  
more** of household  
income on housing



### RECENT IMMIGRANT HOUSEHOLDS

**2.7%**

of households were  
spending **50% or  
more** of household  
income on housing



### COUPLES WITH CHILDREN

**33.7%**

of households were  
spending **30% or  
more** of household  
income on housing



**4.0%**

of households were  
spending **50% or  
more** of household  
income on housing



### MULTIPLE FAMILY HOUSEHOLDS

**33.4%**

of households were  
spending **30% or  
more** of household  
income on housing



## What Does Future Growth Look Like?

The City of Mississauga is growing and is expected to continue to grow and become a more urban community. A large share of this growth will be accommodated in higher density housing forms.

- In 2013, Mississauga had 243,000 housing units. By 2041, it is expected to have a total of 289,000 housing units; increasing by 19% or 46,000 units from 2013.
- The make-up of the housing stock in 2041 is expected to be: 34% single detached, 11% semi-detached, 16% row/ townhouse, and 39% apartments.
- Residential intensification in Mississauga is expected to be focused in the Hurontario transit corridor and Central Erin Mills Major Node<sup>16</sup>.
- The Mississauga Growth Forecast for Housing (2014) predicts a growth of 1,900 units annually. There is a need to ensure that a portion of these units are allocated to affordable housing to help address the identified housing gap.

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<sup>16</sup> Hemson Consulting Ltd. (n.d.). Mississauga Long-Range Growth Forecasts: Housing Units, 2011-2041.

## THE HOUSING GAP IN MISSISSAUGA

The housing gap in Mississauga is predominantly experienced by households with annual incomes below \$55,493 and, to a lesser extent, by households with incomes between \$55,494 and \$99,875. A number of different metrics have been used to identify this affordable housing gap in Mississauga.

- The first approach looked at the number of households on the Region of Peel's centralized waiting list for subsidized rental housing who want to live in Mississauga.
- The second approach looks at the number of households in core housing need.
- The third approach looks at the proportion of income spent on housing. Specifically, it looks at the number of low and moderate income households spending 50% or more of their household income on housing costs.
- In the fourth approach, the housing gap was identified by comparing the demand and supply for housing based on what is affordable for low, moderate and high income households.

In identifying the housing gap, the annual housing targets identified by the Region of Peel for Mississauga are also considered. These targets are for new housing units where proportions are allocated for subsidized rental housing, market rental and affordable ownership, and market ownership.

The different approaches to identifying the housing gap in Mississauga show that the most urgent need is for households with low incomes (earning \$55,493 or less). For the majority of these households, income supplements are required in addition to increasing the affordable housing stock. This is discussed in more detail in the following sections.

## Subsidized Rental Housing Gap

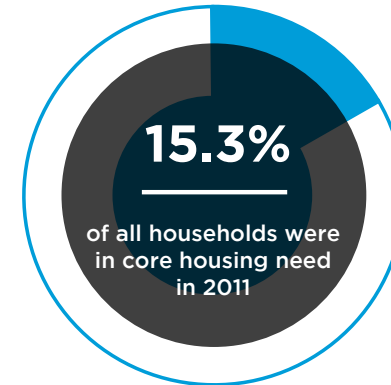
- There are 13,132 non-market/ subsidized rental units in Mississauga yet there were still 5,688 households on the centralized waiting list as of December 2015, up from 5,215 households as of December 2014.
- It should be noted that there are many households who may be in housing need but who are not on the centralized waiting list due to the very long wait times. In addition, moderate income households would not meet the income requirements to be on the centralized waiting list even though they may be facing housing affordability issues.





## Core Housing Need

- In 2011, there were 33,830 households in core housing need according to CMHC. This represents 15.3% of all households in Mississauga and is up from 11.6% (23,755 households) in 2006.
- The majority of these households (91.6%) are living in housing that falls below the affordability standard, that is, they are living in housing that costs more than 30% of their household income.
- There are also 23.8% living below the suitability standard and 7.8% living below the adequacy standard.



## Proportion of Income Spent on Housing

A total of 31,705 Mississauga households (13.5% of all households) are in deep housing need, that is, they are spending 50% or more of their household income on housing costs.

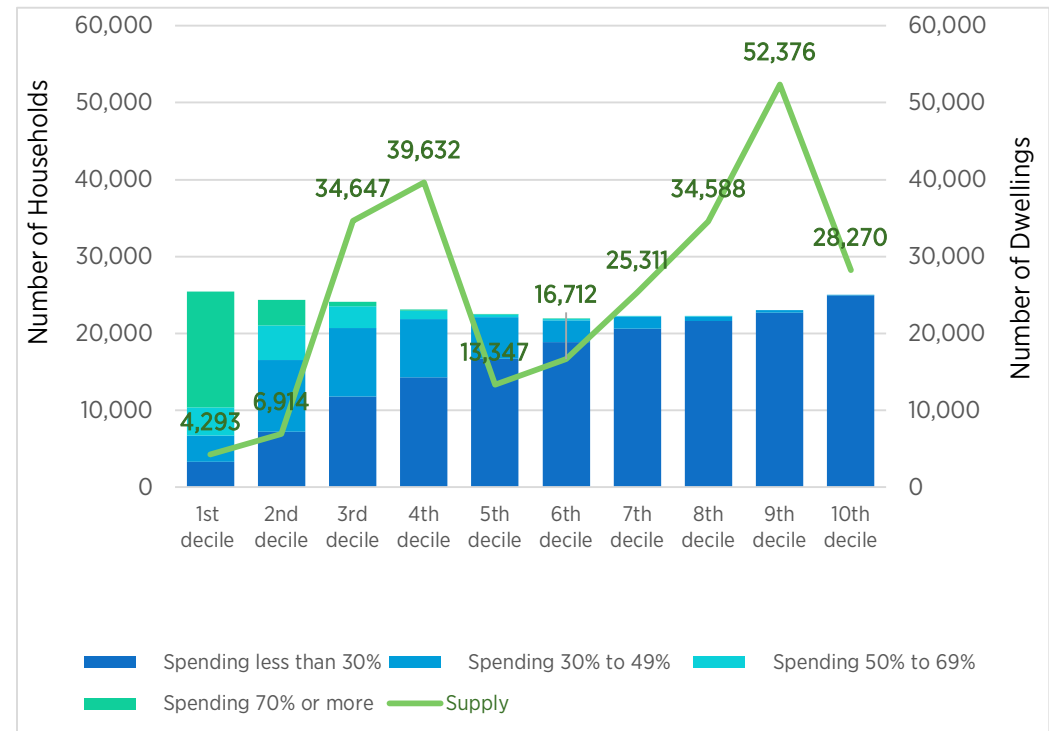
### Low Income Households

- Among low income households, there are approximately 51,620 households (69.2% of households in these deciles) spending 30% or more on housing costs. Of these households, 29,980 households (40.2%) are in deep need (i.e. spending 50% or more) and 18,860 households (25.3%) are in severe housing need (i.e. spending 70% or more on housing costs).

**Addressing this gap would require rent or income supplements in addition to investments by senior levels of government and incentives from the City to encourage the development of units that would meet the affordable rental housing threshold (\$1,175).**



Proportion of Income Spent on Housing by Household Income Decile



### Moderate Income Households

- Among moderate income households, there are approximately 17,590 households (26.1%) spending 30% or more of their household income on housing costs. Of these households 1,725 households (2.6%) are in deep need and 240 households (0.4%) are in severe housing need.

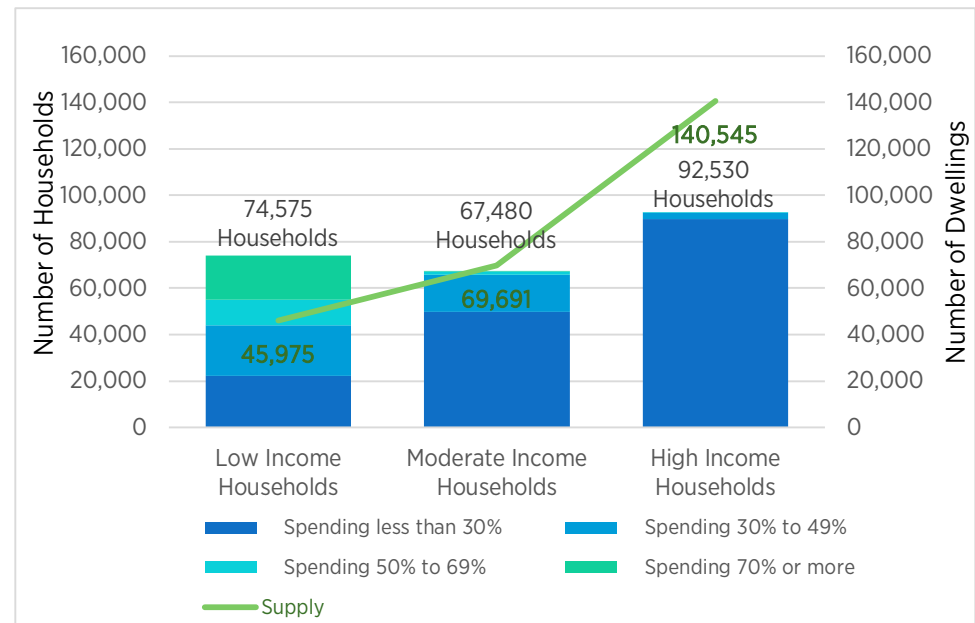


**Addressing this gap would require some incentives from the City to encourage the private sector to build units at this price point. These units would include market rate rental units as well as affordable ownership units (both for smaller and larger households).**

### High Income Households

- While 2.9% of the 92,530 households with high incomes are spending 30% or more on housing costs and 0.2% are spending 50% or more, most of these households are likely choosing to do so and would be able to find alternative housing that is more affordable.

Proportion of Income Spent on Housing for Low, Moderate and High Income Households

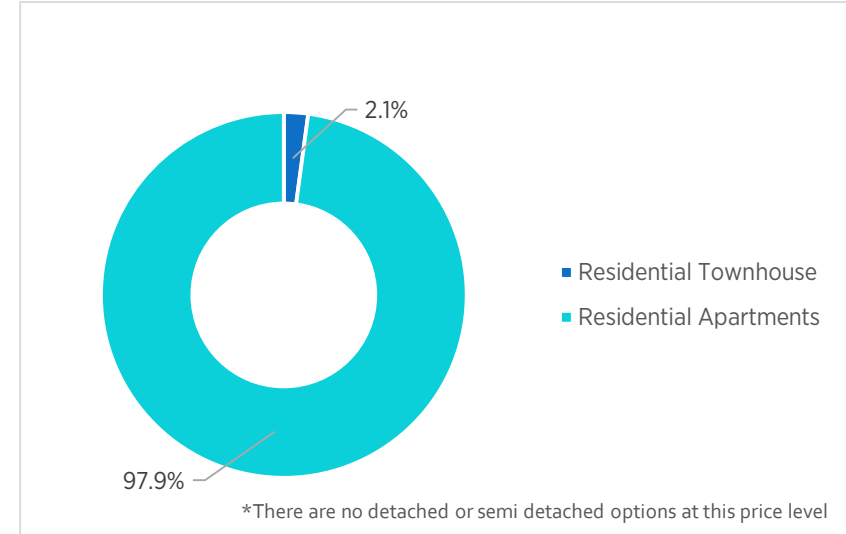


## Housing Demand and Supply Gap

### Low Income Households

- As previously discussed, the private housing market is not addressing the housing need for low income households. This would be housing that costs \$221,147 or less for ownership and \$1,175<sup>17</sup> or less for rental.
- There are 74,575 households within these deciles yet there are only 45,975 housing units affordable to these households.
  - Of these housing units 10,757 (23.3%) are ownership dwellings. Most of these dwellings are apartments (97.9%) and only 2.1% are townhouses. Most of these owned apartments are located along the Hurontario Corridor. This suggests that while there are ownership options for these households, they may not necessarily be appropriate for families with children and larger households. In addition, there are very limited ownership options in some areas of the City.
  - The market rental units affordable to low income households include 24,367 bachelors, one- and two-bedroom rental units as well as 121 second units. While these units are affordable to low income households, they may not be appropriate for all types of households, including larger households. In addition, the very low vacancy rates in Mississauga suggest that there is significant competition for these units.
  - There are also 10,730 subsidized rental units available to low income households but as previously discussed, the average wait for these units is more than five years and there are more than 5,800 households already waiting for these units.

### Supply of Ownership Housing Affordable to Low Income Households



- The gap between demand (74,575 low income households) and supply (45,975 units) does not necessarily mean a shortage of units but, rather, it suggests a gap in units affordable to low income households.

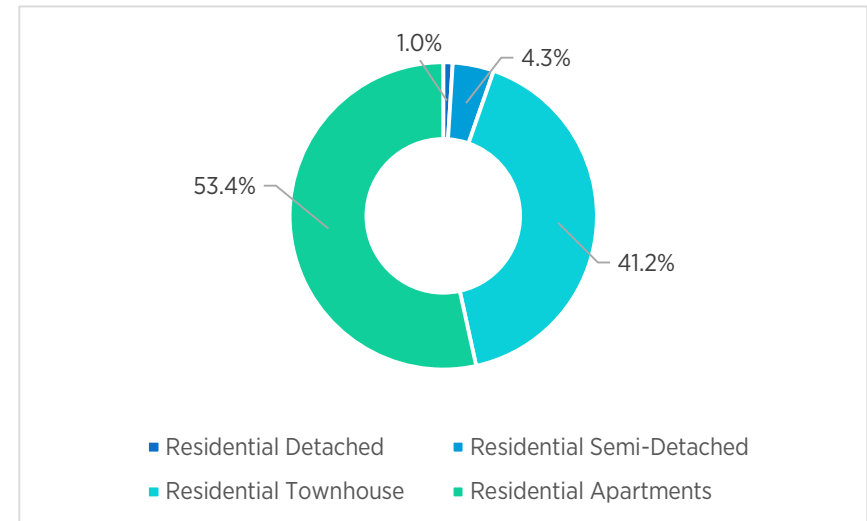


**While the City can help address this gap by providing incentives to encourage the development of more affordable housing units by the private and non-profit sector, fully addressing the gap would require capital investments from senior levels of government as well as the provision of income supplements.**

### Moderate Income Households

- The private housing market is partly addressing the housing need for moderate income households. This would be ownership housing that costs \$398,012 or less and rental housing that costs \$1,175 or less.
- There are 67,480 households in these deciles yet there are a total of 69,691 units affordable to these households.
  - Of these units, 43,333 units are ownership dwellings and more than half (53.4%) are apartments. A large proportion of these owned apartments are located along the Hurontario Corridor. There are also townhouses (41.2%), semi-detached (4.3%) and detached homes (1.0%). Most townhouses are located in Meadowvale, Erin Mills, Hurontario, Churchill Meadows, and Mississauga Valleys. The only area with any concentration of affordable semis and detached homes is the Malton neighbourhood.
  - While there are now more options for both smaller and larger households, the options for larger households, such as families with children and multiple family households, are still limited. In addition, these affordable options are concentrated in only certain areas of the City.
  - In terms of rental housing, moderate income households can afford the average market rent for all types of units, including larger units. However, the very low vacancy rate (1.6% for all units in 2015) suggest that there is significant competition for these units.

Supply of Ownership Housing Affordable to Moderate Income Households



- Moderate income households would also be able to afford units in the secondary rental market, including detached and semi-detached homes and condominium apartments being rented out.
- While the comparison between the demand (67,480 moderate income households) and the supply (69,691 units) shows that there is a surplus of units, it should be noted that some of these units are likely occupied by low income households paying more than 30% towards shelter as well as high income households paying less than 30% of their income on shelter costs.

<sup>17</sup> Based on the average market rent for the regional market area in 2015

- It should also be noted that more than a quarter (26.1%) of moderate income households are still spending 30% or more of their income on housing costs and 2.6% are spending 50% or more.
- Addressing the gap for moderate income households would require a combination of incentives to encourage the private sector to build more housing units at this price point. These units should include both affordable ownership and rental units and should include both smaller units for the increasing number of one- and two-person households but also units appropriate for larger households.

#### **High Income Households**

- The private market, both rental and ownership, is adequately addressing the housing needs of high income households. This would be ownership housing at \$398,013 or more and rental housing at \$1,459 or more.
- There are 92,530 high income households while there are 140,545. Many of the units that appear to be surplus are likely occupied by low and moderate income households who require larger housing units.

## Region of Peel's Annual Housing Targets

The Region of Peel's Official Plan sets out annual targets for new housing units for each Area Municipality. The table shows these targets based on an estimated residential growth of 1,900 units per year. These targets aim to address the housing need of future Mississauga residents, including for affordable housing

- **Subsidized Rental** – Capital and/or ongoing operating funding as well as policy measures are required to produce these units. As such, it is assumed that the Regional, Provincial and Federal governments would have primary responsibility for these units. The City may also assist through policy measures. These units would help meet the need of low income households.

	Annual Targets for New Units		Income Threshold	House Price Threshold
Subsidized Rental	21.0%	400	\$47,000	\$0 - \$1,175
Market Rental & Affordable Ownership	34.0%	645	\$99,875	\$1,176 - \$2,497 \$398,012
Market Ownership	45.0%	855	\$99,876+	\$398,013+

Source: Region of Peel Official Plan and Mississauga's Growth Forecast for Housing

Note: Subsidized Rental includes social housing, subsidized rental units, affordable rental units and rent supplement units

- **Market Rental and Affordable Ownership** – The market is producing units for this price range however, different levels of government, including the City, may intervene through policy measures to ensure an adequate number of units are produced, particularly toward the lower end of this price range. Any initiatives should also ensure that units produced match the need for both smaller households (i.e. one- and two-person households) as well as larger households (i.e. four or more-person households).
- **Market Ownership** – The market is meeting this need.

## HOW DO WE ADDRESS THE GAP?

The analysis on the gap shows that there are about **30,000 households** in deep need (i.e. 33,830 households in core need, 31,705 households spending 50% or more on housing costs, and an affordable housing supply gap of 28,600). The analysis also shows a need to increase the rental housing supply for low and moderate income households and the affordable ownership supply for moderate income households.



Meeting this need cannot be the sole responsibility of one agency or body. While the City of Mississauga has an important role in responding to the housing needs of its current and future residents, creating more viable and healthy communities relies on the collaboration of many stakeholders, including the non-profit and private sectors, the Provincial and Federal Governments and the Region of Peel as the Service Manager. Successfully addressing the housing gap in the City of Mississauga will depend on cultivating strong and lasting partnerships, collaborations and the sharing of resources and information.

### Housing Partners

There are a number of stakeholders involved in the provision of housing in a community. These stakeholders include:

#### Federal Government

The Federal government plays a major role in the provision and rehabilitation of housing in communities across the country. Along with the Province, it is the primary jurisdiction for funding, financing, and other regulatory changes needed to help shape housing policy.

#### Provincial Government

The Ontario Government has a broad role in housing through legislation, regulation, and funding programs. The Provincial role in housing has evolved over the years from direct delivery of housing programs and services to a more regulatory, financial and administrative role. The Province helps set the housing agenda for Ontario and assists communities in meeting housing needs through the provision of transfer payments to the municipalities and the funding of programs such as the Investment in Affordable Housing (IAH) Program.

Recent Provincial initiatives such as the Long Term Affordable Housing Strategy (LTAHS), the Strong Communities through Affordable Housing Act and the Provincial Policy Statement (2014) requires municipalities to ensure the provision of a wide range of housing options, including affordable housing, to meet local needs.



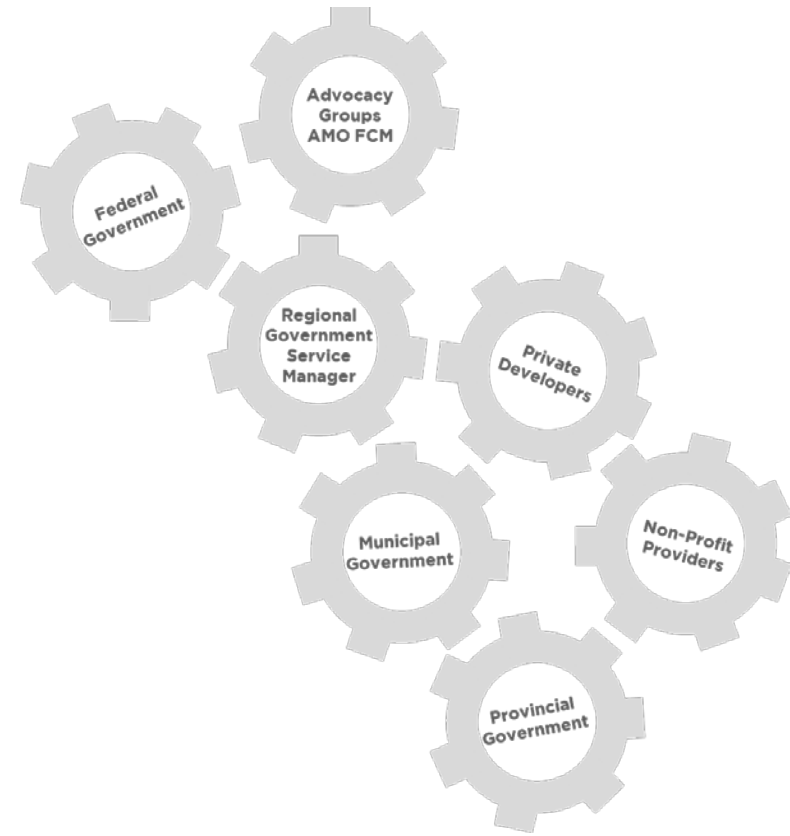
### Region of Peel

The Region is the Service Manager for the area and is primarily responsible for the provision of subsidized housing funded by senior levels of government. It is also responsible for administering homelessness programs. The Region has implemented a number of initiatives to better understand and to help address the housing need in the Region, including the Peel Housing and Homelessness Plan which has resulted in a stronger and more consolidated role for the Region.

### City of Mississauga

Local municipalities establish the policy framework which permits various types of housing through official plans and zoning bylaws. They also process applications for housing through the development approval process. The City has opportunities to have a more effective role in housing through the provision of financial incentives, advocacy, facilitation of partnerships, and the use of regulatory tools to encourage the development of affordable housing.

**Non-Profit Sector:** The non-profit sector assumes a number of roles in addressing the housing needs in a community, including housing providers and support service providers. There are 49 housing providers in Peel Region, including Peel Living which administers the largest proportion of social housing units in the Region.



**Private Sector:** The private sector provides the majority of housing within a community and is comprised of private land owners, builders/ developers, investors, and landlords.

## Peel Region Initiatives to Address the Affordable Housing Gap

- A 10-year Housing and Homelessness Plan was created for the Region of Peel. This Plan aims to increase safe, affordable, accessible and appropriate housing in Peel. Progress to date on the goals identified in the Plan include:
  - Supporting 3,260 households through rent supplement initiatives
  - Assisting 250 households in making their homes accessible or suitable through the Region's Peel Renovates program
  - Assisting Peel residents by providing grants to over 100 agencies through the Region's Community Investment Program
  - A decrease in the annual homeless shelter use
- The Regional budget for 2016 includes capital funding to increase the supply of affordable housing and to maintain the existing affordable housing stock
- The Regional budget for 2016 also includes funding for an additional 142 rent supplements/ housing subsidies.
- Approximately \$1.5 million to be invested in the Home in Peel Program which provides low to moderate income households down payment loan assistance to purchase a home in Peel.
- The purchase of 40 condominium units to provide affordable rental housing non-senior single applicants and couples on the centralized waiting list for one-bedroom units with a minimum gross income of at least \$30,000 per year. Rental rates for these units will be set at 30% of the applicant's gross household income.

# CONCLUSION

The housing gap analysis used several metrics to determine the gap in Mississauga, including the centralized waiting list, the number of households in core housing need, the proportion of income spent on housing, and the difference between the demand and supply of housing. This analysis shows that there are about 30,000 households in Mississauga who are experiencing a housing supply or affordability gap.



The majority of households facing housing affordability issues are low income households. For these households, there is both a supply and an income gap. The income gap is most suitably addressed by senior levels of government through income or rent subsidies as well as other policy and program initiatives.

On the other hand, the supply gap is something that the City can help address and which should be the focus of its Affordable Housing Program. Key findings from the analysis include:

## **There is a need to increase the supply of rental housing for all income levels and all household sizes.**

The low vacancy rate in Mississauga (1.6% in 2015) demonstrates a significant need for rental housing in the City. Increasing the supply

of rental housing for all income levels and all household sizes will provide choice for all households in Mississauga. While homeownership is the ideal for most households, there are many households, such as seniors who are downsizing or young adults starting their own households, who prefer rental housing. In addition, for many low income households, rental housing would be the most appropriate form of tenure. As such, it is necessary to ensure that there is a sufficient supply of rental housing at all price levels.



**The City can help address this gap by providing incentives to encourage the development of purpose-built rental housing throughout the City but with a focus on areas with good access to transit and services. Incentives can be provided on a sliding scale depending on how closely the proposed projects meet the need in terms of affordability and unit size.**

## **There is a need to increase the supply of rental housing that is affordable to low income households.**

Households spending the most on housing costs are low income households. Many of these households (about 40%) are in deep housing need (i.e. spending 50% or more) and would have difficulty meeting other basic needs such as food, clothing and transportation. While there are some options for these households,

these options may not be appropriate in terms of the size or condition of the unit or there may be a very lengthy wait list in terms of subsidized rental housing.



**The needs of low income households is best addressed through the provision of rent or income supplements as well as other investments by senior levels of government. The City can support these initiatives by providing incentives to encourage the private and non-profit sectors to build rental housing that meets the affordable rental threshold (\$1,175). These incentives may include a combination of financial, land-based and process or regulatory incentives. Incentives can be provided on a sliding scale depending on how closely the proposed projects meet the need in terms of affordability and unit size. By increasing the supply of affordable units, the provision of income or rental subsidies by senior levels of government would then have a more significant impact on addressing the need.**

### **There is a need to protect the existing purpose-built rental housing stock.**

A large proportion of the existing purpose-built housing stock is affordable to low and moderate income households and has good access to transit and other services. Yet the stock is aging and an average of 75 units per year are being converted to other forms of tenure. In recent years, a large proportion of new rental units are

being added within the secondary rental market through condominium units being rented out. While these units do meet a need, particularly for moderate and high income households, this supply is not stable as landlords can easily take these units out of the rental market. In addition, the average rents for these units are much higher than rents in the primary/ purpose-built rental market. Also, these condominium units are often one- and two-bedroom units. While there is a need for these smaller units for the increasing number of one- and two-person households in the City, there is also a need for larger units suitable for households with four or more- persons.



**The City can help address this gap by protecting the existing supply of purpose-built rental through a rental conversion and demolition policy. This is particularly important as many of these existing units are affordable to low and moderate income households. The City is currently in the process of undertaking a study on the need to protect rental housing. In addition, the City can encourage the development of new rental units through regulatory incentives.**

### **There is a need to increase the supply of affordable ownership housing units, including units suitable for larger households.**

While there are affordable ownership units, particularly for moderate income households, the majority of these units are not

suitable for larger households, which make up 37% of all households in Mississauga. Despite the good balance between the demand and supply of housing for moderate income households, there is still more than a quarter of these households in housing need (i.e. spending 30% or more). This suggests that while there are units affordable to moderate income households, these units may not be suitable for these households (i.e. size).



**The City can help address this gap by providing incentives to encourage developers to build units suitable for both smaller (one- and two-person households) and larger (four or more-person households) households. Units for larger households do not necessarily need to be ground-related. Additionally, these options should be provided throughout the City with a focus on areas with good access to transit and services.**

The Region of Peel's Home in Peel program helps to address this gap by providing down payment assistance to low and moderate income households. An expansion of the City's second unit policy can also assist in meeting this gap by providing loans or grants to encourage the development of legal second units in both existing and new homes. Second units provide affordable rental but they can also assist moderate income homeowners.

The City of Mississauga does not have the capacity to fully address the housing gap, particularly for low income households. As such,

there is a need for the City to build on and support initiatives of senior levels of government. In addition, there is a need to work collaboratively with all housing stakeholders to share resources to address this gap.

There are a number of tools available for the City to help encourage the development of affordable housing which would help address both the current and future housing gaps. These are further discussed in the Municipal Best Practices report. It should be noted, however, that a combination of financial, land-based and regulatory tools is the most effective approach to addressing the housing gap.

In addition to working to address the current housing gap, the City should also consider closely monitoring new residential development to ensure housing targets are being met. The City may also want to consider working with the Region of Peel to continue to collect housing data for all categories of the continuum on an annual basis.

# APPENDIX – MISSISSAUGA CHARACTER AREAS

