

2021



Strathroy-Caradoc ATTAINABLE HOUSING STUDY

FINAL – September 2021





in Association with



Project Team

The Strathroy-Caradoc Attainable Housing Study was prepared by SHS Consulting. The consulting team for the Attainable Housing Study was:

Ed Starr, Partner

Johanna Hashim, Senior Consultant

Isanna Biglands, Senior Research and Policy Analyst

Table of Contents

1	Introduction	1
1.1	Purpose of the Study	1
1.2	Study Approach.....	1
1.3	Housing Continuum.....	2
2	Key Housing Gaps in Strathroy-Caradoc.....	5
3	Strathroy-Caradoc Attainable Housing Strategy.....	8
3.1	Housing Vision	8
3.2	Guiding Principles	8
3.3	Draft Recommendations.....	8
4	Appendix A: Housing Needs Assessment – Housing Demand.....	15
4.1	Population Trends and Projections.....	15
4.2	Households Trends and Projections.....	17
4.3	Household Income	21
4.4	Proportion of the Population by Income Deciles.....	22
4.5	Impacts of COVID-19 on Housing Need and Preferences	23
4.6	Key Findings: Housing Demand	26
5	Appendix B: Housing Needs Assessment – Housing Supply	28
5.1	Dwellings by Structure Type.....	28
5.2	Housing Completions.....	30
5.3	Condition of Dwellings	31
5.4	Non-Market Housing	33
5.5	Market Housing.....	40
5.6	Market Ownership Housing.....	46
5.7	Impacts of COVID on Housing Supply	49
5.8	Key Findings: Housing Supply.....	52
6	Appendix C: Housing Needs Assessment – Housing Affordability	55
6.1	Household Income Spent on Shelter.....	55
6.2	Core Housing Need.....	58
6.3	Rental Housing Affordability.....	60
6.4	Ownership Housing Affordability.....	62
6.5	Key Findings: Housing Affordability	63
7	Appendix D: Housing Policy Context	65

7.1	Provincial Policies and Initiatives.....	65
7.2	Municipal Policies and Initiatives.....	68
7.3	Policy Considerations	79
8	Appendix E: Best and Promising Practices.....	80
8.1	Diverse Housing Supply	80
8.2	Infill and Adaptive Reuse	83
8.3	Incentives for Affordable Housing	86

1 Introduction

1.1 Purpose of the Study

The Municipality of Strathroy-Caradoc (the Municipality) is benefiting from an increased interest in development since 2016 with a noticeable increase in demand for new homes in the area. This increase has occurred in combination with a substantial rise in the cost of housing, which, like many municipalities across Ontario, appears to be associated with the corresponding decrease in affordable housing options available for either rent or ownership.

The purpose of the Attainable Housing Background Report is to present key findings from an assessment of the need for attainable housing¹ in the Municipality, a review of the policy framework, a scan of best and promising practices, and the development of policy recommendations related to housing that will support housing affordability and diversity and be used to guide the updates to the Strathroy-Caradoc Official Plan. This report will also support the Municipality's efforts to obtain funding and facilitate partnerships for the development of affordable and attainable housing in Strathroy-Caradoc.

1.2 Study Approach

This report presents the key housing gaps in Strathroy-Caradoc as identified through the assessment of housing needs, the housing vision and guiding principles, and the recommendations to address the identified key housing gaps. The appendices of this report include the housing needs assessment, policy review, and best and promising practices.

1.2.1 Study Geographies

This report investigates the housing needs and identifies the key housing gaps for residents in Strathroy-Caradoc. In addition to Strathroy-Caradoc, four comparators geographies were selected to provide context to the findings for Strathroy-Caradoc. These were:

- The Municipality of Middlesex Centre
- The Town of Ingersoll
- The County of Middlesex
- The Province of Ontario

The City of London and Canada are both also referenced throughout the analysis where appropriate.

¹ For the purpose of this report, **attainable housing** is defined as housing which is not subsidized but that is affordable for households with moderate incomes.

1.3 Housing Continuum

The Canada Mortgage and Housing Corporation (CMHC) defines the housing market as a continuum or system where housing supply responds to a range of housing need².

Due to demographic, social, economic, and geographic factors which impact housing need and demand, the private housing market does not always meet the full range of housing need in a community. This is particularly true for individuals and families with low and moderate incomes or for persons with unique housing and support needs.

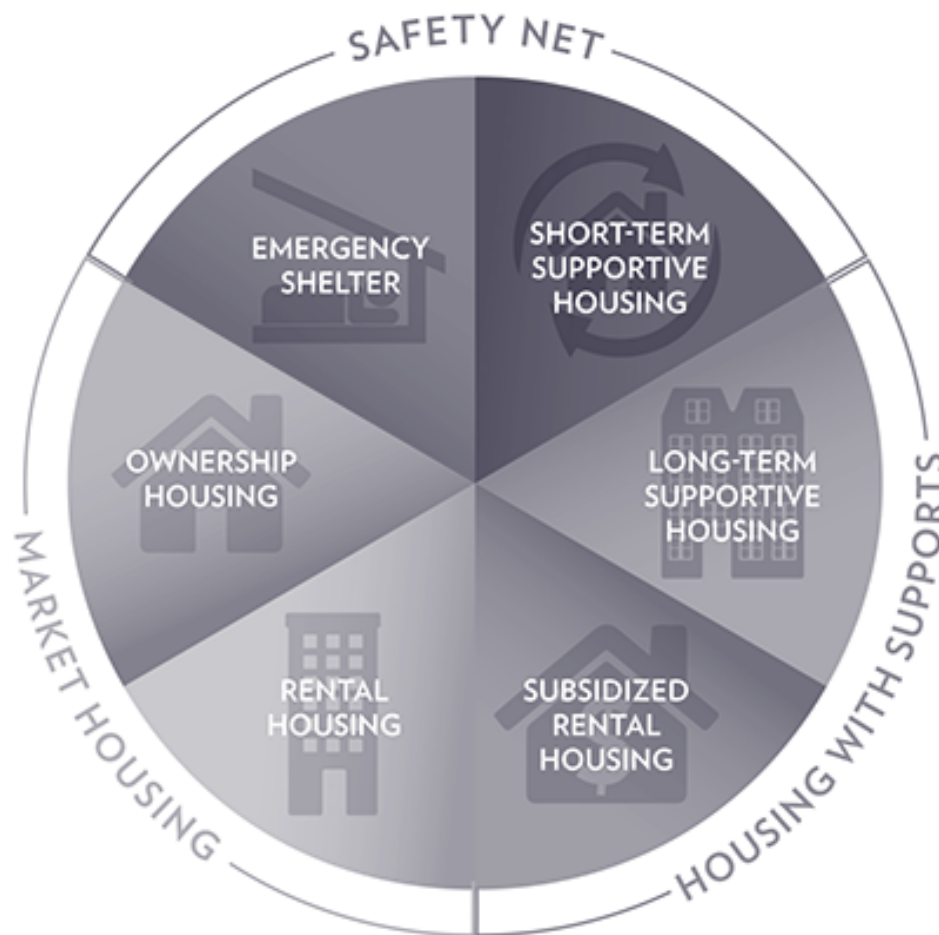
It should be noted that the housing continuum is not linear. People can move back and forth along the continuum through different stages of their lifetime. For example, a young couple may start in affordable rental housing when they settle in the community, move to ownership housing as they expand their family, then downsize into a market rental unit during retirement, and move into supportive housing in their old age. As such, it is important for each community to have an adequate supply of housing options within the housing system.

The different elements of the housing system are described below³:

² Canada Mortgage and Housing Corporation (2018). About Affordable Housing in Canada. Accessed from: <https://www.cmhc-schl.gc.ca/en/developing-and-renovating/develop-new-affordable-housing/programs-and-information/about-affordable-housing-in-canada>

³ National Housing Strategy Infographic and Glossary of Terms. Accessed from: <https://www.placetocallhome.ca/pdfs/Canada-National-Housing-Strategy-Infographic.pdf> and <https://eppdscrmssa01.blob.core.windows.net/cmhcprodcontainer/files/pdf/glossary/nhs-glossary-en.pdf?sv=2017-07-29&ss=b&srt=sco&sp=r&se=2019-05-09T06:10:51Z&st=2018-03-11T22:10:51Z&spr=https&sig=0Ketq0sPGtnokWOe66BpqguDljVgBRH9wLLOCg8HfE3w=>

Figure 1: The Wheelhouse: Elements of the Housing Continuum



Source: Canada Mortgage and Housing Corporation, 2019⁴

Emergency Shelters

Emergency shelter is short-term accommodation (usually 30 days or less) for people experiencing homelessness or those in crisis.

Transitional Housing

Transitional housing is intended to offer a supportive living environment for its residents. It is considered an intermediate step between emergency shelter and supportive or permanent housing and has limits on how long an individual or family can stay. Stays are typically between three months and four years.

⁴ CMHC, The Wheelhouse: A New Way of Looking at Housing Needs. Accessed from: <https://www.cmhc-schl.gc.ca/en/housing-observer-online/2019-housing-observer/wheelhouse-new-way-looking-housing-needs>

Supportive Living

Supportive living provides a physical environment that is specifically designed to be safe, secure, enabling and home-like, with support services such as social services, provision of meals, housekeeping and social and recreational activities, in order to maximize residents' independence, privacy and dignity.

Community Housing

Community housing refers to either housing that is owned and operated by non-profit housing societies and housing co-operatives, or housing owned by provincial or municipal governments.

Affordable Rental and Ownership Housing

Affordable housing is housing that can be owned or rented by a household with shelter costs (rent or mortgage, utilities, etc.) that are no more than 30% of its gross income. In the City of London, which is the local Service Manager for housing, this refers to housing which is affordable to households with low and moderate incomes (i.e. the lowest 60% of the income distribution respectively).

Market Rental Housing

Market rental housing is rental units in the private rental market and include purpose-built rental units as well as units in the secondary rental market, such as second suites and rented single detached dwellings.

Market Ownership Housing

Market ownership housing refers to ownership units priced at market values and purchased with or without a mortgage but without any government assistance⁵.

⁵ This does not include any mortgage insurance a household might have purchased through CMHC to access lower down payment requirements.

2 Key Housing Gaps in Strathroy-Caradoc

This section summarizes the key housing gaps identified through the needs assessment included in the appendix. The key housing gaps were determined by comparing trends and forecasts of demographics, household characteristics and household incomes in Strathroy-Caradoc with the housing supply, as well as trends in housing affordability. This analysis led to four key findings [housing gaps] that summarize the current and emerging need for housing that is adequate, suitable and affordable in Strathroy-Caradoc.

Gap 1: There is a need for more diverse housing options including smaller dwellings for seniors as well as more affordable family-sized dwellings suitable for young families in Strathroy-Caradoc.

Almost all dwellings in Strathroy-Caradoc were single-detached (74.1%). However, the supply of dwellings does not reflect the demographics of many households living in Strathroy-Caradoc. Smaller sized households (two members or less) remain the predominant household size (77.0%) in 2016. These households might end up being over-housed in single-detached dwellings if these dwellings are the only options available to them.

In addition, the population is aging. Households with primary maintainers aged 45 to 64 years represented 40.9% of the households in 2016 and those aged 65 years or more represented another 30.6% of the households. Single-detached dwellings are not always the most suitable dwelling type for seniors and older adults to age in place. In addition, these dwelling types are typically the most costly in a community and are only affordable to households with higher incomes in Strathroy-Caradoc.

When looking at dwelling completions, 79.9% were for single-detached dwellings. This demonstrates that the new supply of housing might continue to be misaligned from the demand from households that are smaller. Some dwelling completions (16.1%) were for row or townhouses however which does point to a slight increase in diversification of the housing stock. Furthermore, from 2006 to 2016 purpose-built rental housing completions increased more rapidly than ownership completions (122.2% versus 50.5%, respectively.) These housing types and tenures should be encouraged in Strathroy-Caradoc to enhance the housing options for all household types and sizes including seniors as well as young families with children.

Although larger households (three or more persons) represent a smaller share of households in Strathroy-Caradoc, these households often need housing with several bedrooms which are expensive. There is therefore a need for more affordable ownership options and larger rental options to attract young families to reside in Strathroy-Caradoc. As previously noted, the decrease in the number of families with children may suggest that the housing needs of these

households are not being met in the Municipality. Overall, these data demonstrate that there is a need to further diversify the housing stock with dwellings that include smaller units, larger sized rental units and ownership options affordable to households with moderate incomes in Strathroy-Caradoc.

Gap 2: There is a need to increase the supply of purpose-built rental housing in the primary rental market in Strathroy-Caradoc which is affordable to households with both low- and moderate-incomes.

From 2006 to 2020, average household incomes in Strathroy-Caradoc increased at a rate of 31.8%. In contrast, the average price of a home grew at a rate 136.3% over that time period indicating homeownership has become rapidly unaffordable. In addition, the number of rental dwellings in need of major repairs was generally higher as opposed to ownership units (5.1% compared to 8.5%).

In 2020, the majority (71.9%) of newly completed dwellings were ownership dwellings. This could explain the higher proportions of renter households who are facing housing affordability issues or who are in core housing need in Strathroy-Caradoc. These findings suggest there is a strong need for more rental housing options that are in a good state of repair and affordable to households in with low and moderate incomes who cannot afford homeownership.

The rental vacancy rate in Strathroy-Caradoc has been in a steady decline since 2006 and was as low as 1.5% in 2020. There is therefore a very limited supply of units in the primary rental market even though the number of renters increased at a significantly faster pace compared to households as a whole (21.5% versus 8.1%). This demonstrates a need for increasing the supply of these rental units.

While homeownership may be the ideal for some households, rental housing provides more flexibility, requires less maintenance, and is generally more affordable for households with low and moderate incomes. This could explain why renter households were more likely to be in core housing need compared to owner households. Rental housing may be the better option for young adults just starting their careers, people living alone or with roommates, and seniors who wish to downsize. It is particularly important to encourage the development of primary rental units as these are much more stable and generally more affordable compared to rental units in the secondary rental market.

Gap 3: There is a need to develop more attainable ownership options for households with moderate incomes in Strathroy-Caradoc.

While there is a great supply of ownership housing in Strathroy-Caradoc, these units tend to be very costly. Of the new dwellings that were sold in 2019, only two were sold for less than \$400,000 which represents only 1.7% of the new dwellings sold that year. In comparison, 11.8% of the new dwellings (14 homes) were sold for prices greater than \$650,000. This demonstrates

new homes in Strathroy-Caradoc are selling for much more than what is affordable to a household in Strathroy-Caradoc who is earning the average household income.

Furthermore, in the resale market, the average price of a home would not be affordable to most household types analyzed in this report, aside from couples with children who had comparatively higher incomes than other household types. As such, it would be important to encourage the development of ownership options that are affordable to a diverse range of households with more moderate incomes.

Gap 4: The housing supply should be adaptable to shifting housing preferences initiated by COVID-19.

There have been widespread economic impacts for households related to the COVID-19 pandemic including widespread increases in unemployment as a result of lockdown measures. While this pandemic may be temporary, these trends indicate a need for affordable housing options for people who have experienced significant decreases in their incomes as well as subsidized housing options for people who have lost their jobs entirely and can no longer pay their rent or mortgage.

In addition, as a result of COVID-19, demand for housing which is more flexible to accommodate both living and working is anticipated to remain commonplace as many continue to work from home, at least part time. Prior to the pandemic, new house prices were trending upward in the more affordable housing markets within commuting distance of larger urban centres such as Strathroy-Caradoc. The pandemic has only accelerated this trend as homebuyers continue to seek out homes in communities which tend to be more affordable and offer more space. The COVID-19 pandemic has resulted in many households remaining home more than usual due to physical distancing measures.

In addition to the need for adaptable and affordable housing options, COVID-19 has also highlighted the need for mixed-use, walkable neighbourhoods with services and amenities within close proximity to meet daily needs. This illustrates the need to ensure that Strathroy-Caradoc's communities have a mix of housing options as well as a mix of uses.

3 Strathroy-Caradoc Attainable Housing Strategy

This section includes the vision for housing in Strathroy-Caradoc, the guiding principles for the development and implementation of the recommended actions, as well as the recommended policies and strategic actions.

3.1 Housing Vision

The housing vision for Strathroy-Caradoc was developed through a virtual public engagement session and validated through an online survey⁶. This vision sets out the ideal future outcome for housing in Strathroy-Caradoc in thirty years and it helps guide the direction of housing policies in the Municipality's Official Plan.

Strathroy-Caradoc is an inclusive, safe and attractive community with a diverse range of housing options, including affordable housing, which meets the growing housing needs of its current and future residents.

3.2 Guiding Principles

The following guiding principles form the framework for developing and evaluating the draft recommendations to ensure they are addressing the key housing gaps identified through the needs assessment. These guiding principles were identified through a virtual public engagement session and validated through an online survey.

- Financially responsible and sustainable
- Inclusive and equitable
- Environmentally responsible
- Flexible and adaptive
- Innovative and progressive

3.3 Draft Recommendations

This section presents recommended draft Official Plan policy changes and strategic recommendations based on a review of the Municipality's Official Plan, the assessment of housing needs and gaps, and an environmental scan of promising and best practices. These recommendations are also put forth to ensure the Municipality's Official Plan complies with the

⁶ The survey results showed that 45.5% of all survey respondents were either supportive or very supportive of this vision statement, 31.7% were neutral about it, and 22.8% were opposed to it.

policies of the County of Middlesex Official Plan and other relevant provincial legislation. These recommendations aim to address the key housing gaps discussed in the previous section.

Recommendations	Housing Gap Addressed
Policy and Regulations	
1. Consider adding a definition of affordable housing and/or attainable housing in the Municipality's Official Plan based on the definition in the PPS and the definition in the County Official Plan.	Gaps 1 – 3
2. Update Official Plan policy 2.4.3 to state that the municipality will maintain a 15 year supply of undeveloped and underutilized lands designated and zoned for residential purposes.	Gaps 1 – 4
3. Building on Official Plan policy 2.4.2, develop an inventory of surplus municipal land and buildings that may be appropriate for affordable housing. In identifying surplus land and/or buildings appropriate for affordable housing, consider its proximity to services and amenities such as grocery stores, a pharmacy, other shopping and consumer services, a bank and post office, community centre, day care, local health facilities, library, and open space. Ideally, these amenities are within 800 m (a 20-minute return walk ⁷) of the site. Access to transportation and job opportunities should also be considered. Additionally, the scale and impact on the surrounding neighborhood should be considered. Other considerations include typography, environmental conditions, soil properties, vegetation and wildlife, existing structures, and legal constraints (e.g., utility easements).	Gap 2
4. Building on the previous recommendation, consider prioritizing affordable housing when considering the sale or lease of surplus municipal properties.	Gap 2
5. Revise Official Plan policy 2.4.4. to state that the Municipality encourages and supports the development of a full range and mix of housing types, including the housing options identified in the Provincial Policy Statement 2020, throughout the Municipality.	Gaps 1 and 2
6. Building on the previous recommendation, revise the Official Plan to expand on the dwelling types categorized as low, medium and high density, ensure these definitions are consistent between Mount Brydges and	Gaps 1 and 2

⁷ Resilient Melbourne (2020), Living Locally: Creating Resilient 20-minute Neighborhoods in Greenfield Growth Areas.

Recommendations	Housing Gap Addressed
Strathroy, and update the Zoning By-law to ensure it aligns with the revised Official Plan policies.	
7. Building on the previous recommendation as well as the Community Improvement Plan (CIP), consider adding an Official Plan policy that states the Municipality may provide financial and non-financial incentives to support the development of affordable/attainable housing.	Gaps 1 and 2
8. Add an Official Plan policy to permit special needs housing in all areas where dwellings are permitted, subject to the availability of infrastructure.	Gap 1
9. Consider introducing a new term to the Official Plan and Zoning By-law which refers to housing where individuals share accommodation either for economic, support, long term care, security, or lifestyle reasons and supports may or may not be included in the housing. This new term could replace terms such as group homes and special needs housing to allow for a more flexible approach. Please see Appendix E for examples of this policy.	Gap 1
10. Revise Official Plan policy 3.3.4.10 and the Zoning By-law to remove any minimum separation distance requirements between two group homes to ensure these policies are consistent with the Ontario Human Rights Code.	Gap 1
11. Building on Official Plan policies 2.4.5 and 2.4.6, consider encouraging a certain proportion of all new dwellings in large scale developments (to be defined), particularly in Mount Brydges (policy 4.3.1.7), and in other appropriate areas throughout the Municipality, be in a form other than single- and semi-detached.	Gap 1, 3 and 4
12. Consider adding a rental housing target of at least 25% of all new dwellings be rental housing to increase the supply of purpose-built rental housing throughout the Municipality. A target would provide additional clarity for residential developers as well as guidance for staff reviewing planning applications. Purpose-built rental housing would include units in apartments, secondary/additional dwelling units, and rental housing units in non-residential buildings, such as above a store.	Gap 1 and 2
13. Consider developing and implementing a rental conversion and demolition policy which would require replacement of all rental units which are converted to other tenures or demolished to protect the supply of rental housing in the Municipality. The policy should speak to allowing the conversion or demolition of four or more rental units only if the rental vacancy rate in the Municipality has been at	Gap 2

Recommendations	Housing Gap Addressed
or above 3% for a period of three years. Exceptions may be allowed if the rental units are replaced with the same number of rental units and at the same rental levels. The policy should also speak to a requirement for a tenant relocation and assistance plan, including financial compensation, for any units that are demolished or converted.	
14. Building on Official Plan policy 2.4.7, consider developing and implementing a property standards by-law to ensure rental housing units meet all health and safety standards and are maintained in good condition.	Gap 2
15. Consider developing and implementing urban design guidelines which build on existing guidelines for some Secondary Plans that will ensure any medium density dwellings built in areas primarily characterized by single unit dwellings will be consistent with the character of the existing neighbourhood.	Gaps 1, 3 and 4
16. Consider updating the Official Plan and Zoning By-law to encourage medium density dwellings in serviced Settlement Areas, including areas which are predominantly characterized by single unit dwellings, provided they conform to urban design guidelines and maintain the residential character of the neighbourhood.	Gaps 1, 3 and 4
17. Building on the previous recommendations and on Official Plan policy 3.3.4.8, consider permitting the conversion of existing single unit dwellings or the development of new multiple unit dwellings in areas predominantly characterized by single unit dwellings on the condition that they maintain the residential character of the neighbourhood.	Gaps 1, 3 and 4
18. Update Official Plan policies 3.3.4.7 and 4.3.1.4.1 to allow for two additional dwelling units or secondary dwelling units (for a total of three dwellings on one lot) in appropriate locations to conform to recent Provincial legislation.	Gaps 1 – 4
19. Building on Official Plan policy 4.3.1.6, ensure there are no barriers to innovative housing forms and construction methods in either the Official Plan or Zoning By-law for all areas of the Municipality.	Gaps 1 – 4
20. Consider developing and implementing alternative development standards for affordable housing developments, such as alternative or flexible parking requirements and smaller lot sizes.	Gaps 1 – 3
21. Building on the recommendations in the CIP, undertake a comprehensive study to determine if the requirements in the Zoning By-law can be reduced and identify flexibilities, such as shared parking between different uses.	Gaps 1 – 4

Recommendations	Housing Gap Addressed
22. Review the Zoning By-law and consider removing minimum floor areas for dwellings which go beyond requirements in the Ontario Building Code.	Gaps 1 – 3
23. Review the Zoning By-law to ensure there are no barriers to infill, adaptive reuse, the conversion of non-residential to residential uses, and mixed use in appropriate areas throughout the Municipality.	Gaps 1 – 4
Program and Funding	
24. Consider the feasibility of developing an Affordable Housing Fund to finance incentives and other initiatives related to affordable housing. The fund may be financed through an annual budget allocation from Municipal Council, funding from senior levels of government, revenue from the sale or lease of surplus land or buildings which are not appropriate for affordable housing, and revenue from the community benefits charges.	Gap 2
25. Building on the Additional Unit Program in CIP, ensure that up to two additional units would be eligible for funding as long as at least one of these units is rented out.	Gap 2
26. Examine the feasibility of providing financial and non-financial incentives for new residential dwelling units which exceed the accessibility and energy efficiency requirements of the Ontario Building Code.	Gap 1
Partnerships, Education and Advocacy	
27. Facilitate partnerships among faith groups, non-profit and for-profit residential developers, community agencies, and private homeowners to redevelop, renovate or convert vacant or underutilized homes, non-residential buildings, and land to increase the supply of affordable and special needs housing. This may include vacant homes, commercial property, motels and hotels, parking lots, privately owned residential lots with the potential of adding an additional residential unit, and other underutilized property.	Gaps 1 and 2
28. Leverage existing partnerships to identify opportunities to include affordable and supportive housing in proposed infrastructure projects. This may include co-locating affordable and/or supportive housing with community centres, libraries, day care, and other community infrastructure.	Gaps 1 – 4
29. Facilitate partnerships among major employers and residential developers to develop rental housing for employees through the renovation of single detached homes into quad-plexes, converting non-residential buildings to	Gaps 2 and 3

Recommendations	Housing Gap Addressed
housing, adding rental apartments above or behind commercial and retail space, and developing new dwellings.	
<p>30. As part of an education campaign, work with Middlesex County, the City of London, and community-based groups to undertake education initiatives, including a housing summit, to raise awareness of the need for a diverse housing supply, including special needs housing and attainable housing, for continued economic prosperity and for the development of complete and inclusive communities.</p> <p>This would be an opportunity to build on community involvement and existing partnerships and to identify champions to help in the implementation of the recommended actions. This would also be an opportunity to increase awareness and highlight the opportunities for additional residential units, particularly within larger homes and/or lots. This would also be an opportunity to work with traditional and non-traditional housing partners, such as lenders and local employers, to increase attainable housing options in the Municipality.</p>	Gaps 1 – 4
<p>31. As part of an education campaign, work with Middlesex County, the City of London, and community-based groups to offer education on the rights and responsibilities of both landlords and tenants.</p> <p>These educational initiatives should include education on discrimination and accountability and may also include Rent Smart courses for tenants.</p>	Gap 2
<p>32. As part of an education campaign, advocate to Middlesex County to facilitate training opportunities among community-based groups and non-profit agencies to initiate and develop successful partnerships with private developers to develop mixed-income housing projects in Strathroy-Caradoc.</p>	Gap 1 – 3
<p>33. Building on the priorities identified in the Middlesex County Homeless Prevention Plan – Change Begins with Choice update, advocate to Middlesex County and the City of London to take a more active role in encouraging the development of a more diverse housing supply, including affordable and attainable housing, by providing financial and in-kind assistance to private and non-profit developers seeking assistance.</p> <p>Assistance could be financial, such as waiving certain planning application fees and charges, as well as non-financial, such as providing a letter of support.</p>	Gaps 1 – 4
<p>34. In partnership with community-based organizations, advocate to Middlesex County and the City of London to consider the unique needs of smaller communities when making decisions regarding the allocation of funding for housing and support services.</p>	Gaps 1 and 2

Recommendations	Housing Gap Addressed
35. Work with Middlesex County and the City of London to advocate to the federal and provincial governments for increased capital funding for affordable housing to allow for deeper levels of affordability and to take into account the unique circumstances in smaller communities.	Gap 2

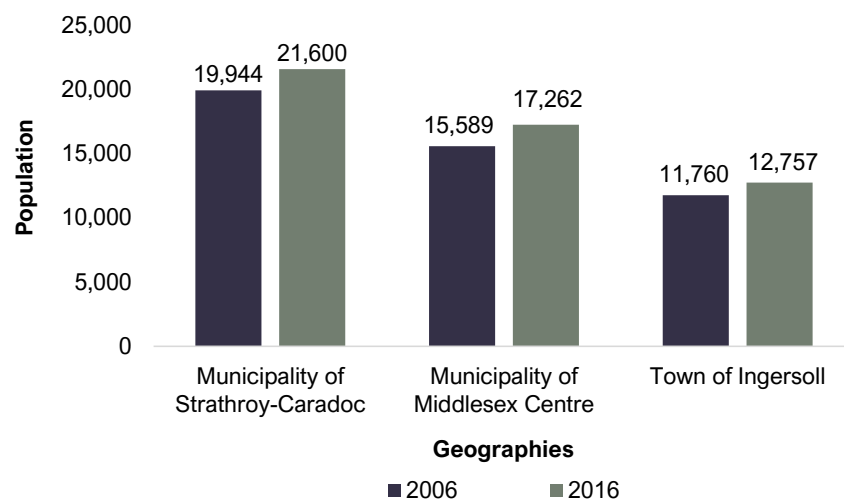
4 Appendix A: Housing Needs Assessment – Housing Demand

The aim of this section is to identify the demographic and socio-economic characteristics of the people living in Strathroy-Caradoc. Population and household characteristics are important determinants of the housing need in a community. Please note that Statistics Canada data for Middlesex County includes data for the City of London.

4.1 Population Trends and Projections

According to the Statistics Canada Census, there were 21,600⁸ people living in Strathroy-Caradoc in 2016; up by 8.3% from 19,944 in 2006. While the population in Strathroy-Caradoc increased over this time period, in Middlesex Centre the population increased by 10.7%, and the population in Ingersoll increased by 8.5% from 2006 to 2016. Furthermore, the population of Strathroy-Caradoc and its comparators grew at a similar pace as that of Ontario as a whole which increased by 10.6% during the same time period.

Figure 2: Population Trends: The Municipality of Strathroy-Caradoc and Comparators, 2006-2016



Source: Statistics Canada Census Profiles; 2006-2016.

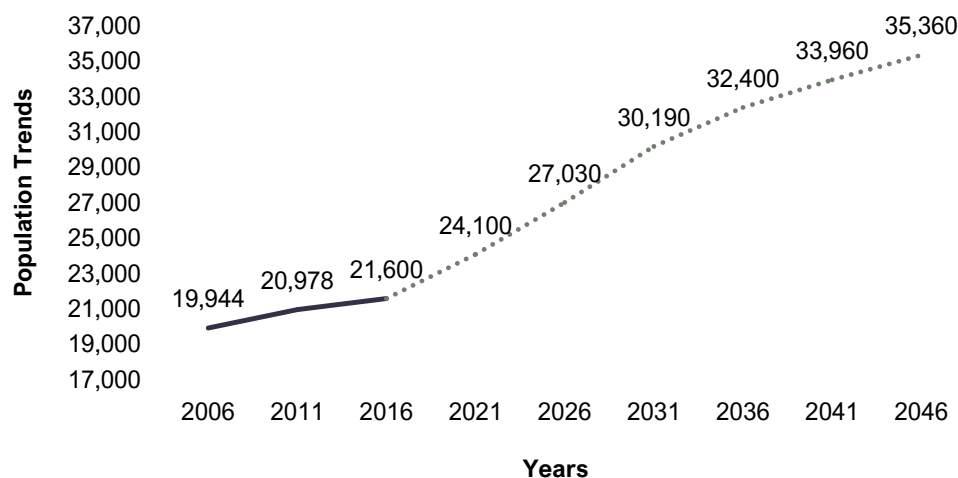
According to estimates of future population growth, the total population of Strathroy-Caradoc is forecasted to reach 35,360 by 2046⁹; an increase of 63.7% from 2016, or an approximate increase of 459 people each year. This forecast is based on the County of Middlesex's high

⁸ It is noted that the 2016 population data was adjusted for anticipated Census undercount.

⁹ Based on Watson Report, population projection (high scenario) including census undercount

growth rate projection for the Municipality which was chosen due to significant recent residential development activity which has occurred within the Mt. Brydges and Strathroy areas. This recent residential development activity has contributed to the expectation that there will be significant demand for these units by an increased population.

Figure 3: Population Forecast: The Municipality of Strathroy-Caradoc, 2006-2046



Note: Population statistics from 2021 to 2046 are projections.

Source: Statistics Canada Community Profiles; 2006 & 2016. Watson & Associates Economists Ltd. Middlesex County - Housing Allocations Letter Report 2020.

4.1.1 Middlesex County Population Trends and Projections by Age Group

It is predicted that the average age of the population in Middlesex County will be getting older. This is due to the large concentration of Baby Boomers (individuals aged between 56 and 74 years) which represent approximately a quarter of the total population. As the Baby Boomer population continues to age, the percentage of seniors, particularly older seniors (seniors 75 years of age and older), is anticipated to steadily increase and is forecast to almost double, from 7% in 2016 to 13% by 2046. Seniors typically have less mobility, less disposable income and have increased health care needs. These characteristics will drive demand for relatively higher density housing forms that are in proximity to urban amenities.

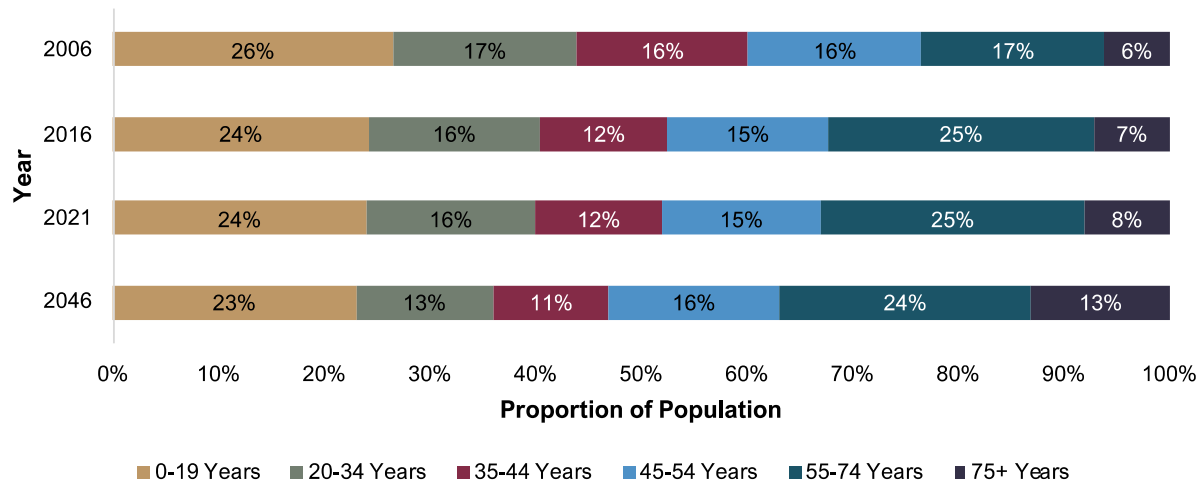
Future population growth, as well as associated housing needs, will largely be driven by Millennials¹⁰ and Generation Z¹¹. A diverse range of housing by both type and tenure are anticipated to be required to accommodate these two demographic groups. For Middlesex County to attract these groups, a number of economic and socio-economic variables such as relative

¹⁰ Millennials are persons born between 1980 and 1992, currently aged 28 to 40 years.

¹¹ Generation Z refers to persons born between 1993 and 2005, currently 15 to 27 years of age.

housing costs, local and regional employment opportunities, lifestyle preferences, local amenities, community services, and perceived quality of life will have an impact.

Figure 4: Population Forecast by Age Group: Middlesex County, 2006-2046



Note: Population statistics from 2021 to 2046 are projections.

Source: Statistics Canada Community Profiles; 2006 & 2016. Watson & Associates Economists Ltd. Middlesex County - Housing Allocations Letter Report 2020.

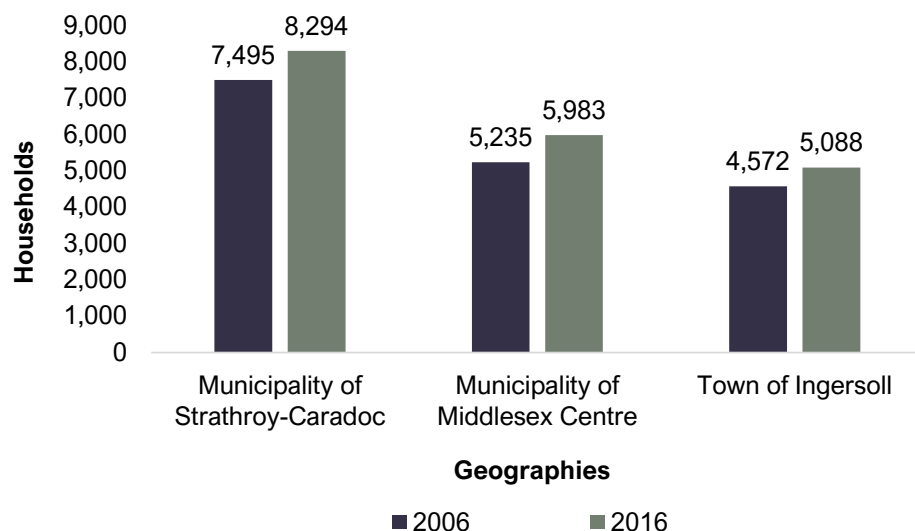
4.2 Households Trends and Projections

While population trends and characteristics are important indicators of housing need, household characteristics are more directly related to housing need as each household requires a housing unit. As such, it is important to understand the trends in the households in a community.

There were 8,294¹² households in Strathroy-Caradoc in 2016; up by 10.7% from 7,495 in 2006. Middlesex Centre saw an increase of 14.3% in its number of households, while the number of Ingersoll households increased by 11.3%. In Ontario as a whole, the number of households increased by 13.5% from 2006 to 2016. In comparison, household trends from 2006 to 2016 in Strathroy-Caradoc did not increase to the same extent as those in Middlesex Centre, Ingersoll or Ontario, however the rates were relatively similar.

¹² It is important to note that the number of new households according to the 2016 Census figures is considered to under-represent the actual number of new residential units constructed during that time. See Growth Management Housing Report (Municipality of Strathroy-Caradoc, 2020) for more information.

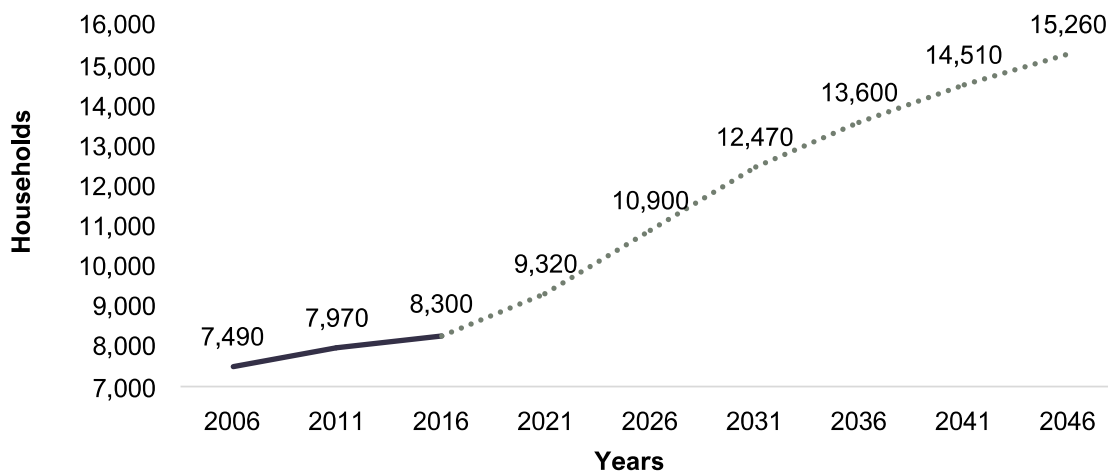
Figure 5: Household Trends: The Municipality of Strathroy-Caradoc & Ontario; 2006-2016



Source: Statistics Canada Census Profiles; 2006-2016

The number of households in Strathroy-Caradoc is expected to increase by approximately 6,960 households from 8,300 in 2016 to 15,260 in 2046; an 83.9% increase over a 30-year period. This forecast is based on the County's high scenario and reflects the recent increase in development activity in the Municipality.

Figure 6: Household Forecasts: The Municipality of Strathroy-Caradoc; 2006-2046



Note: Household statistics from 2021 to 2046 are projections.

Source: Statistics Canada Community Profiles; 2006 & 2016. Watson & Associates Economists Ltd. Middlesex County - Housing Allocations Letter Report

The number of households is projected to increase in the future and an increase in the demand for housing will accompany this growth.

Household trends in Strathroy-Caradoc highlight the diverse housing needs of those living in the municipality. The number of households in Strathroy-Caradoc increased more rapidly than the total population from 2006 to 2016 (10.7% increase to households versus 8.3% increase in population). This suggests that household sizes in Strathroy-Caradoc are getting smaller as more households are being created by less people comparatively. As mentioned in previous sections of this report, the County's population is aging. The growth in the seniors population will likely contribute to increased demand for higher density housing forms that are in proximity to urban amenities which are more suitable for this population group. In addition, a diverse range of housing by both type and tenure are anticipated to be required to accommodate the Millennial generation and the Generation Z.

4.2.1 Households by Age of Primary Maintainer

Households with a primary maintainer¹³ aged 45 to 64 years made up the largest share of households in Strathroy-Caradoc in 2016 (40.9% of all households). The second largest cohort of households in 2016 was those with a maintainer who was 65 years or older; its share of all households was 30.6%. Households with a maintainer aged 25 to 44 years represented the next greatest share of the households in Strathroy-Caradoc (26.6% of households). Finally, households led by an individual younger than 25 years accounted for 1.9% of all households in 2016.

The high share of households led by an individual 45 years and over in Strathroy-Caradoc will result in increased demand for housing options which are suitable to older residents, including units which meet physical mobility needs as well as having access to support services such as housekeeping, personal support and healthcare available to them at home, if possible. As households in Strathroy-Caradoc continue to age, it is important for there to be a diverse range of housing options available to seniors that are affordable, meet their needs and preferences.

As the population continues to live longer, and as housing costs increase in Strathroy-Caradoc, younger households can find it challenging to obtain suitable and affordable housing. These households are more so than ever in competition with older households in the labour market as the participation rates of Canadians aged 55 years and over have increased by a significant margin over the past two decades¹⁴. There is also increased competition in the housing market as aging-in-place becomes more common for the aging population. There is therefore a need for housing that is desired by households led by individuals aged 25 to 44 years in Strathroy-Caradoc.

¹³ Statistics Canada defines a primary household maintainer as: the first person in the household who pays the rent, or the mortgage, or the taxes, or the electricity services/utility of the dwelling.

¹⁴ Statistics Canada, Working Seniors in Canada. Accessed from: <https://www12.statcan.gc.ca/census-recensement/2016/as-sa/98-200-x/2016027/98-200-x2016027-eng.cfm>

4.2.2 Households by Household Size

Smaller households (i.e. one- and two person households) made up 77.0% of all households in Strathroy-Caradoc. Larger households (i.e. with three or more persons) made up 23.0% of all households in 2016. The greatest demand for housing in Strathroy-Caradoc is from households which are smaller and the housing supply should reflect this. In comparison, smaller households made up 51.8% of all households in Middlesex Centre and 61.4% of all Ingersoll households in 2016. Therefore, in comparison with other municipalities, Strathroy-Caradoc has a high share of smaller households.

Seniors typically live in households which are small, so this trend is consistent with the aging of the population. These data suggest there will be a greater need for housing which is appropriate for smaller households in Strathroy-Caradoc in the future.

Although smaller households make up a greater share of the overall households, there may be an increased need for housing suitable for larger households if the municipality would like to attract Millennials and young families which typically need larger sized units.

4.2.3 Households by Household Types

Couples without children made up 30.0% of all households in Strathroy-Caradoc in 2016 - the largest share among different household types. The share of couples with children in households in Strathroy-Caradoc was 29.8%. This indicates that Strathroy-Caradoc is a desirable place for families with children to reside. The share of non-census-family households (i.e. persons living alone and non-family households with two or more persons) was 26.7% of all households. The share of lone parent households was 9.2% in 2016. Finally, other family households accounted for the smallest share of all households in 2016 with 4.3%. The distribution of household types in Strathroy-Caradoc highlight the need for a diverse housing supply that is appropriate for households with children as well as other smaller household types.

Figure 7: Households by Age, Size, and Type: The Municipality of Strathroy-Caradoc; 2016

Strathroy-Caradoc			
		2016	
		#	%
Households by Age	0 -24 years	160	1.9%
	25 - 44 years	2,210	26.6%
	45 - 64 years	3,390	40.9%
	65+ years	2,540	30.6%
Household Size	Small Households (Less than 3 persons)	6,390	77.0%

	Large Households (3+ persons)	1,905	23.0%
Households by Type	Couples without Children	2,485	30.0%
	Couples with Children	2,475	29.8%
	Lone Parents	760	9.2%
	Other Family Households	355	4.3%
	Non-Census-Family Households	2,215	26.7%
	Total Private Households	8,295	100.0%

Source: Statistics Canada Community Profiles; 2016.

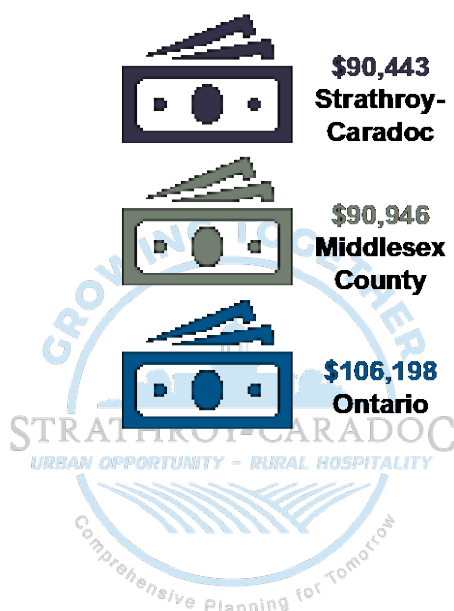
4.3 Household Income

The financial capacity of a household is an important element in determining housing need. As such, this section looks at the income of households in Strathroy-Caradoc. Household income has been calculated for 2020 using the growth rate in the consumer price index for Ontario for 2015 to 2020 of 8.5%.

4.3.1 Average and Median Household Income

The estimated average household income in Strathroy-Caradoc in 2020 was \$90,443 while the median household income was \$77,684. In comparison, the estimated average household income in Middlesex County in 2020 was \$90,946, while the estimated median household income was \$70,321. In Ontario the average household income was \$106,198 in 2020 and the estimated median household income was \$80,619. This demonstrates that while the average household income in Strathroy-Caradoc is lower than in Ontario, it is very comparable to the average income of households in Middlesex County.

Figure 8: Average Household Income: The Municipality of Strathroy-Caradoc and Comparators; 2020



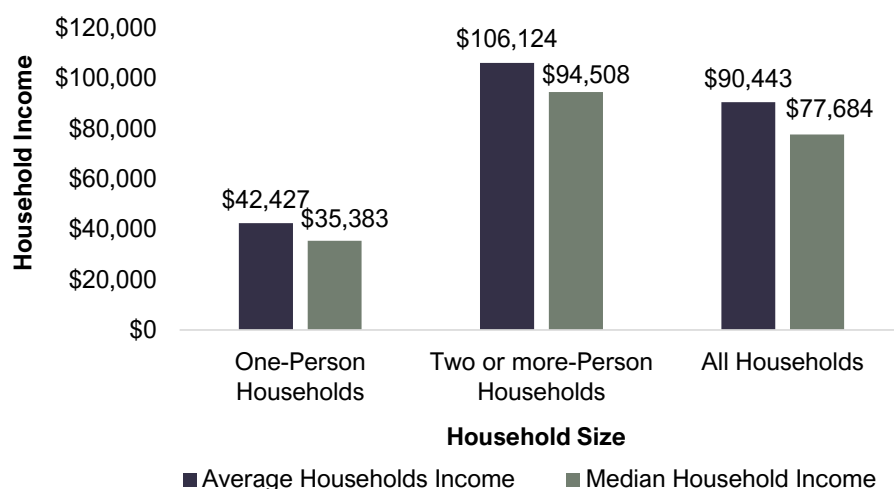
Source: Statistics Canada Community Profiles; 2016 and SHS Consulting estimates based on the growth rate of the CPI for Ontario for 2015-2020.

As mentioned above, households in Strathroy-Caradoc had a slightly lower average income than in Middlesex County and in Ontario in 2020. This may impact housing affordability as the average household in Strathroy-Caradoc could afford a lower standard of living than the average household in Middlesex County and Ontario.

4.3.2 Average and Median Household Income by Household Size

The estimated average household income of households with only one-person in Strathroy-Caradoc in 2020 was \$42,427 while the median household income was \$35,383. In comparison, the estimated average household income of households with two or more persons in Strathroy-Caradoc in 2020 was \$106,124 while the median household income was \$94,508. This demonstrates that small households with only one person can afford housing that is significantly less costly than larger households with at least two persons. These data demonstrate that there is a need for housing units in Strathroy-Caradoc that are affordable to one-person households and are small or can accommodate non-family roommates comfortably.

Figure 9: Average & Median Household Income by Household Size: The Municipality of Strathroy-Caradoc; 2020



Source: Statistics Canada Community Profiles; 2016 and SHS Consulting estimates based on the growth rate of the CPI for Ontario for 2015-2020.

4.4 Proportion of the Population by Income Deciles

Income deciles divide the total population in economic families into ten equally portioned income groups. This means that there is one tenth (or 10%) of the population in each income decile. Income deciles in this report are based on the income decile thresholds for Canada in 2016. Please note that where dollar amounts are presented, these represent the upper range of each income decile except for in the case of the high income group as the upper range has been suppressed based on Statistics Canada's confidentiality rules.

For the purposes of this report, the low income decile group refers to the population with incomes in the first to the third income deciles earning \$34,200 or less in 2016; the moderate income group refers to the population with incomes in the fourth to sixth income deciles (from \$34,201 to \$53,600 in 2016); and the high income group refers to the population with incomes in the seventh to tenth income deciles in 2016 (\$53,601 and above).

In the table below, the proportion of Strathroy-Caradoc's population based on Canada income decile thresholds are presented. While 30% of Canada's population is in the low income group and moderate income group and 40% in the high income group, the data show that there is a slightly greater share of Strathroy-Caradoc's population in the moderate income group and fewer in the other decile groups. This means that the distribution of incomes in Strathroy-Caradoc's population is skewed towards more moderate incomes than in Canada as a whole.

Figure 10: Proportion of the Population by Canada Income Decile Groups: The Municipality of Strathroy-Caradoc, Ontario & Canada; 2016

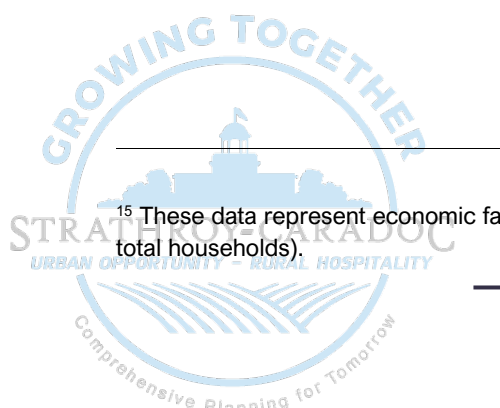
Income Decile Groups in Canada	2016					
	Strathroy-Caradoc		Ontario		Canada	
	#	%	#	%	#	%
Low Income (Decile 1 to Decile 3) - \$34,200	5,195	25.3%	3,864,735	29.2%	10,337,775	30.0%
Moderate Income (Decile 4 to Decile 6) - \$53,600	7,270	35.4%	3,749,530	28.3%	10,337,755	30.0%
High Income (Decile 7 to Decile 10) - \$53,601+	8,065	39.3%	5,627,895	42.5%	13,784,535	40.0%
Total ¹⁵	20,535	100.0%	13,242,160	100.0%	34,460,065	100.0%

Source: Statistics Canada Community Profiles; 2016

Note: The dollar value corresponding with each income decile is the maximum income earning by the population in that group.

4.5 Impacts of COVID-19 on Housing Need and Preferences

The COVID-19 pandemic has increased the need for housing that is safe, suitable, and adaptable. Some preliminary findings have been determined to date on the impacts of COVID-19 on housing demand today and in the future. These are outlined below.



¹⁵ These data represent economic family income decile groups for the population in private households (rather than total households).

4.5.1 Economic Impacts Caused by COVID-19

There have been widespread economic impacts for households related to the COVID-19 pandemic. Many individuals across Canada, including in the London region¹⁶, have lost their job or have had to move to part-time work due to the pandemic. As the virus spread through Canada in early 2020, governments adopted lockdown measures to prevent transmission. These lockdown measures however adversely impacted jobs and many people have become unemployed due to these shutdowns.

As of December 2019, 5.6% of the labour force in London was unemployed. Similarly, in Ontario 5.4% of the labour force was unemployed at that time, and in Canada 5.7% were unemployed. By May of 2020, the unemployment rate in London rose to 11.7% - a 108.9% increase. These trends were observed province- and nation-wide as well (10.8% and 11.5%, respectively). While the rate of unemployment has improved since then, many individuals are still facing increased job loss and financial insecurity. In December 2020, the unemployment rate in London decreased to 7.7%, which represents a 37.5% increase year-over-year. Although rates of unemployment remain high in the London area, conditions have improved more rapidly than in other areas in Ontario where the rate of unemployment in December 2020 was 9.4%, or a 74.1% annual increase. The increase in the unemployment rate in London indicates these households are likely also facing challenges in affording housing costs as a result.

Figure 11: Unemployment Rate during COVID-19 Pandemic: City of London, Ontario & Canada; 2019-2020

	Unemployment rate				
	December 2019	May 2020	December 2020	Δ December 2019 - May 2020	Δ December 2019 - December 2020
	%	%	%	%	%
London (CMA)	5.6%	11.7%	7.7%	108.9%	37.5%
Ontario	5.4%	10.8%	9.4%	100.0%	74.1%
Canada	5.7%	11.5%	8.7%	101.8%	52.6%

Source: Statistics Canada Labour Force Survey; 2020.

While this situation may be temporary, these trends indicate a need for affordable housing options for people who have experienced significant decreases in their incomes as well as subsidized housing options for people who have lost their jobs entirely and can no longer pay

¹⁶ The London Free Press, COVID-19 taking record shattering toll on London economy (2020). Accessed from: <https://lfpres.com/news/local-news/london-jobless-rates-ballooned-in-april-as-covid-19-shutdown-hammered-economy>

their rent or mortgage.

4.5.2 Emerging Housing Preferences and Trends

As a result of COVID-19, research undertaken by York Region¹⁷ staff shows demand for housing that can accommodate both living and working has increased as teleworking remains commonplace for many in the labour force. This trend could translate into an increased demand in the future for single detached dwellings and other ground-related housing that is suitable to accommodate teleworking. As many workplaces remain closed and government restrictions encourage households to remain at home, a preference for housing which is more adaptable has emerged, at least for the short term. These trends demonstrate a rise in demand for housing units which are affordable but still offer the adaptability to accommodate teleworking.

Furthermore, due to COVID-19, commuting distance is predicted to have less of an impact on the choice of the location of housing¹⁸. This is because many individuals have begun working from home and no longer need to commute to work on a daily basis. This trend may result in future home buyers possibly expanding their search further away from cities such as Toronto, which tend to be more costly, to be able to afford larger homes in municipalities such as Strathroy-Caradoc.

With regards to individuals living in larger congregate settings including long-term care homes and other supportive living arrangements, these people may be at a higher risk of being infected by COVID-19. Given the large percentage of households in the seniors' cohort in Strathroy-Caradoc, a large demand on long-term care homes and alike is expected. At the same time, with effects of COVID-19 on the long-term care system, this may evolve in the coming years.

In addition to the need for adaptable and affordable housing options, COVID-19 has also highlighted the need for mixed-use, walkable neighbourhoods with services and amenities within close proximity to meet daily needs. This illustrates the need to ensure that Strathroy-Caradoc's communities have a mix of housing options as well as a mix of uses.

¹⁷ York Region (2020). Emerging COVID-19 Trends and Impacts on Land Use Planning and Community Design
Accessed from: <https://yorkpublishing.escribemeetings.com/filestream.ashx?DocumentId=17048>

¹⁸ Statistics Canada, Price Trends and Outlook in Key Canadian Housing Markets (2020). Accessed from:
<https://www150.statcan.gc.ca/n1/pub/45-28-0001/2020001/article/00053-eng.htm>

4.6 Key Findings: Housing Demand

There is a Need to Create New Housing Opportunities

- The population and number of households in Strathroy-Caradoc are projected to grow indicating there is a need to continue to create new housing opportunities in the municipality.

There is a Need for Options for Older Adults and Seniors to Age-in-Place

- The proportion of households led by an individual, aged 45 years or more, is growing rapidly, indicating there is a need for additional dwellings that are appropriate for older adults and seniors who wish to age-in-place.

There is a Growing Need for Options Suitable for a Range of Households Sizes

- Smaller households (2 or less members) are the predominant household group in Strathroy-Caradoc. This is consistent with an aging of the population. The share of the households that are small in Strathroy-Caradoc is higher than in Middlesex Centre and in Ingersoll as well. This suggests there is a need for housing with smaller unit sizes to accommodate these household types.
- Although smaller households made up the greatest share of household sizes in Strathroy-Caradoc, couples without children and couples with children were almost equally as prevalent (30% of households) in Strathroy-Caradoc in 2016. This demonstrates there is also a growing need for larger units that are affordable to first-time home buyers and young families with children in Strathroy-Caradoc. These households may have moderate incomes and are seeking to enter the housing market for the first time. A diverse range of housing types and sizes could help meet the attainable housing needs of these households.

There is a Growing Need for Affordable Options for Households with Lower Incomes

- Households with only one-person in Strathroy-Caradoc have significantly lower average household incomes than other households. This demonstrates a need for more housing options that are affordable to one-person households including small units with one-bedroom or dwellings that can accommodate non-family roommates comfortably.
- Due to the COVID-19 pandemic there has been significant job losses throughout the region. As such, there is a need for affordable housing options for people who have experienced significant decreases in their incomes as well as subsidized housing options for people who have lost their jobs entirely and can no longer pay their rent or mortgage.

Attainable Housing is Needed for Households with Moderate Incomes in Strathroy-Caradoc

- Households in Strathroy-Caradoc had a slightly lower average income than in Middlesex County and in Ontario in 2020. This may impact housing affordability as the average household in Strathroy-Caradoc would be able to afford a lower standard of living than the average household in Middlesex County and Ontario.
- In order to meet the current and future needs of residents, there must be an appropriate range and mix of housing types, tenures, and densities to attract households to dwell in Strathroy-Caradoc as average incomes are slightly lower than in other municipalities in the County.

There is a Growing Need for Flexible Housing Options to Meet the Shifting Preferences of Households during COVID-19

- There could be an increased demand for housing which is more flexible to accommodate both living, working, and remote learning for children.
- Many households, including young people in particular, have been significantly impacted by unemployment increases as a result of COVID-19. There is likely a need for more employment opportunities and affordable housing options for these individuals to generate a vibrant and financially sustainable community.
- Individuals living in crowded and congregate settings are at a higher risk of being infected by COVID-19 and demonstrate the greater need for housing which is affordable and suitable to these households in order to reduce the spread of infectious diseases in Strathroy-Caradoc.

5 Appendix B: Housing Needs Assessment – Housing Supply

Housing supply is measured by the available housing options in a community. An important aspect of assessing housing supply is to examine recent construction activity, the tenure and condition of current dwellings, and the supply of housing for residents with unique needs or affordability challenges. This allows an analysis of the extent to which housing supply matches housing need and helps identify gaps in the current housing supply. In the Growth Management Housing Report produced by the Municipality the value of being a community that includes a wide variety of housing choices by dwelling type and tenure was recognized. This section describes the housing supply in Strathroy-Caradoc. Similar to the previous section, Statistics Canada data for Middlesex County includes the City of London.

5.1 Dwellings by Structure Type

In 2016, there were a total of 8,295 occupied private dwellings in Strathroy-Caradoc¹⁹. Of these dwellings, the greatest proportion consisted of single-detached dwellings, which accounted for almost three-quarters of the housing supply (74.1%). In comparison, 54.9% of dwellings in Middlesex County were single-detached dwellings.

Strathroy-Caradoc had a larger share of semi-detached dwellings than Middlesex County (7.5% versus 3.6%) and dwellings in apartments with fewer than five storeys (12.2% versus 9.8%). However, the share of dwellings in apartments with five or more storeys was lower in Strathroy-Caradoc than in Middlesex County (0.0% versus 17.9%), the share of row and townhouses in Strathroy-Caradoc was also less prominent compared to Middlesex County (3.0% versus 11.1%), and the proportion of duplexes was lower in Strathroy-Caradoc than in Middlesex County (0.8% versus 2.3%).

From 2006 to 2016, row and townhouses increased by 23.0%, apartments with fewer than five storeys increased by 16.7%, and single-detached dwellings increased by 13.7%. In comparison, duplexes decreased by 6.7% over that time period and semi-detached dwellings decreased by 20.0%.

This data demonstrates that generally there is a need for more diversity among the dwelling structures in Strathroy-Caradoc, as single-detached dwellings continue to be the predominant dwelling type in the housing supply. While single-detached dwellings may be the ideal for larger families with children, they may not be the most appropriate dwelling for other household types, such as young adults purchasing their first home, singles, seniors looking to downsize, or people

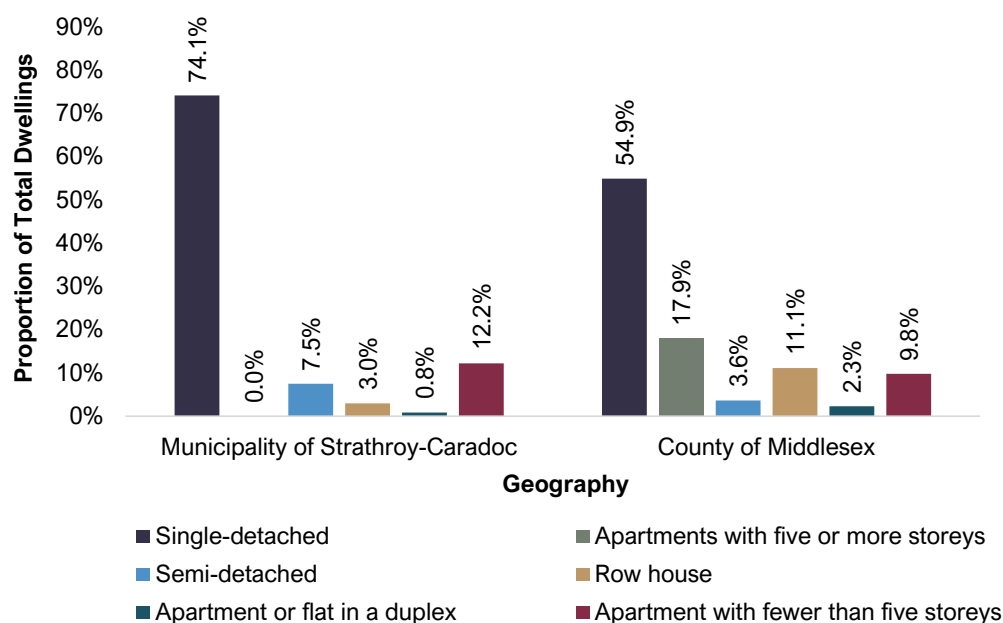
¹⁹ Please note: the analysis conducted in this section is based on occupied private dwellings. The total number of dwellings in Strathroy-Caradoc in 2016 was slightly higher (8,455 dwellings.)

with accessibility challenges such as persons with disabilities. Single-detached dwellings are generally less accessible due to the presence of stairs and it may be harder to adapt them for accessibility compared to an apartment. In addition, they require more maintenance.

Single-detached dwellings in general are also less affordable compared to other dwelling types, such as condominium apartments or row houses. As such, having a housing supply which is predominantly single-detached homes limits the options for certain households.

However, while there is a need for a more diverse housing supply in Strathroy-Caradoc, it should be noted that the Municipality's Growth Management Report found that among the local municipalities (not including the City of London), Strathroy-Caradoc did have the most diverse housing supply.

Figure 12: Proportion of Dwellings by Structural Type: Strathroy-Caradoc & Middlesex County; 2016



Source: Statistics Canada Community Profiles; 2016

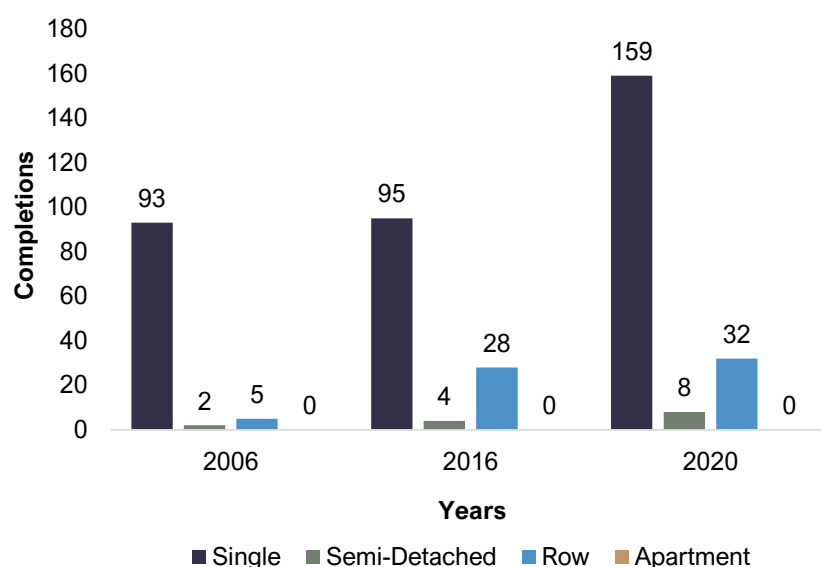
These findings indicate there is a growing need for more diversity in type among dwelling structures in Strathroy-Caradoc to meet the increased demand for housing caused by current and anticipated trends in the number, size, composition and income of households.

5.2 Housing Completions

5.2.1 Housing Completions by Type

CMHC housing completions²⁰ data show that single-detached dwelling completions made up the largest share in Strathroy-Caradoc in 2020 at 79.9% (159 housing completions). Completions of row or townhouses made up 16.1% (32 housing completions). Semi-detached completions represented 4.0% of all completions in 2020, and finally, there were no apartment completions in 2020 (0 housing completions). This demonstrates the majority of new supply of housing in Strathroy-Caradoc will continue to be single-detached dwellings. There does not seem to be very much interest among developers in Strathroy-Caradoc to develop higher density dwelling types such as apartments.

Figure 13: Proportion of Housing Completions by Dwelling Type: Strathroy-Caradoc; 2006 – 2020



Source: CMHC Information Portal; 2006 - 2020.

5.2.2 Housing Completions by Tenure

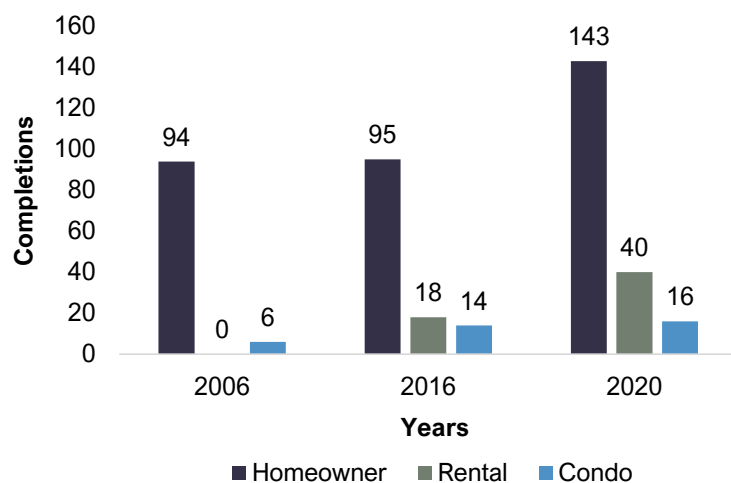
In Strathroy-Caradoc, the focus of dwelling completions remains in the ownership market primarily with a moderate increase in the supply of purpose-built rental housing options for

²⁰ For purposes of this report, a housing completion is defined as the stage at which all the proposed construction work on a dwelling unit has been performed, although under some circumstances a dwelling may be counted as completed where up to 10% of the proposed work remains to be done. (Source: CMHC)

households as well. In 2020, there were 143 ownership dwelling completions, 40 purpose-built rental units were completed, and 16 condominium units were completed.

From 2006 to 2016, rental dwelling completions increased most rapidly (122.2%), followed by ownership dwelling completions (50.5%), and then condominium dwelling completions (14.3%). Regardless of the lower number of completions of new purpose-built rental dwellings in Strathroy-Caradoc, the rate of increase in the number of rental housing units is greater than other housing tenures indicating an increased demand for rental housing in the municipality.

Figure 14: Proportion of Housing Completions by Tenure: Strathroy-Caradoc; 2006 – 2020



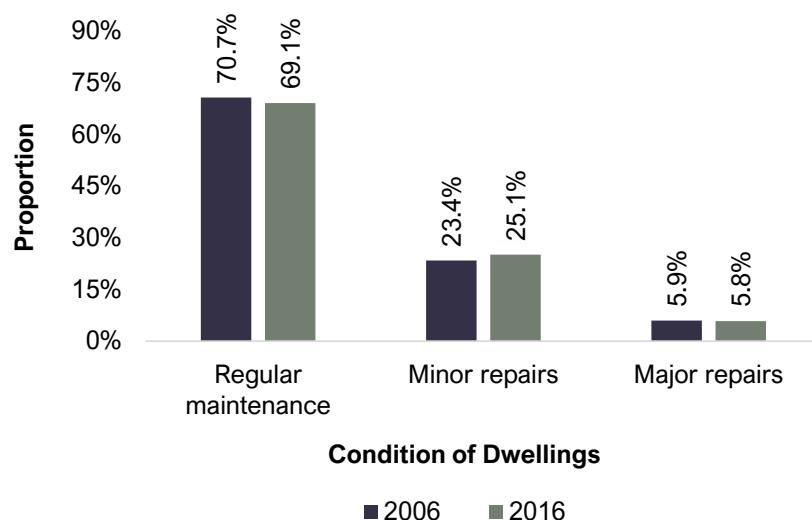
Source: CMHC Information Portal; 2006 - 2020.

5.3 Condition of Dwellings

In 2016, 69.1% of all dwellings in Strathroy-Caradoc required regular maintenance only, while 25.1% required minor repairs, and only 5.8% of dwellings required major repairs. In Middlesex County as a whole, 70.5% of all dwellings required regular maintenance only, 23.7% required minor repairs, and only 5.8% of dwellings required major repairs. The condition of the households in Strathroy-Caradoc is therefore quite comparable to the condition of households in the County overall.

The number of dwellings requiring minor repairs increased by 18.5% while total dwellings increased by 10.7% from 2006 to 2016 in Strathroy-Caradoc. The number of dwellings requiring regular maintenance only increased by 8.1% and dwellings requiring major repairs increased by 7.9%. These data suggest that the majority of dwellings in Strathroy-Caradoc are in a good state of repair overall.

Figure 15: Proportion of Dwellings by Dwelling Condition: Strathroy-Caradoc; 2016



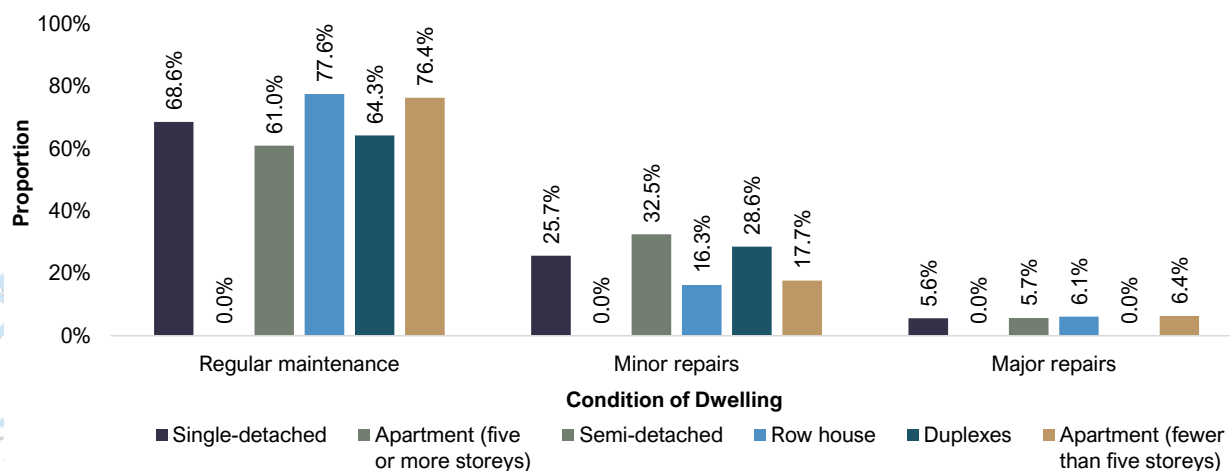
Source: Statistics Canada Community Profiles; 2006 & 2016.

5.3.1 Condition of Dwellings by Type

In 2016, 25.1% of dwellings in Strathroy-Caradoc were in need of minor repairs as stated previously. Some dwelling types were proportionately more likely to require minor repairs than the overall housing supply, however. These included: semi-detached dwellings (32.5%), duplexes (28.6%), and single-detached dwellings (25.7%).

Additionally, 5.8% of all dwellings in Strathroy-Caradoc required major repairs in 2016. Apartments in buildings with fewer than five storeys were most in need of major repairs (6.4%). Dwellings which were in row and townhouses (6.1%) were also noteworthy as they exceeded the average proportion of dwellings requiring major repairs. In 2016, 5.7% of semi-detached dwellings and 5.6% of single-detached dwellings required major repairs.

Figure 16: Proportion of Dwellings by Dwelling Condition and Dwelling Type: Strathroy-Caradoc; 2016

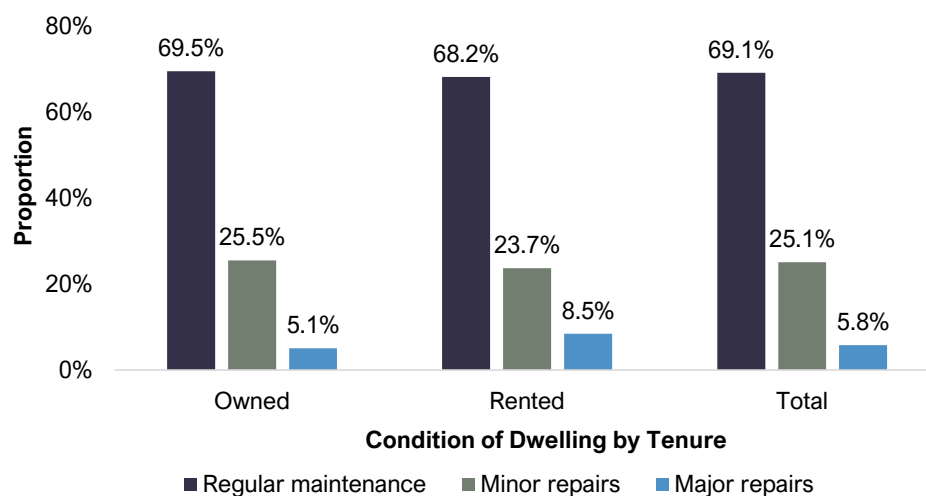


Source: Statistics Canada Community Profiles; 2006.

5.3.2 Condition of Dwellings by Tenure

Among owned dwellings in Strathroy-Caradoc, 5.1% required major repairs and 25.5% required minor repairs in 2016. In comparison, 8.5% of all rented dwellings required major repairs and 23.7% required minor repairs. In general, dwellings in Strathroy-Caradoc are in good condition and the majority only require regular maintenance. However, there was a greater need for major repairs among dwellings occupied by renters in comparison with dwellings occupied by owners in Strathroy-Caradoc in 2016. In most cases, landlords are responsible for major repairs to rental housing rather than the renters themselves. The condition of the housing that was being used as rental housing in 2016 is an increasingly important consideration. The demand for rental housing has been growing in recent years in Strathroy-Caradoc and the rental supply in both the primary and secondary market should be adequate and safe to live in.

Figure 17: Proportion of Dwellings by Dwelling Condition and Tenure: Strathroy-Caradoc; 2016



Source: Statistics Canada Community Profiles; 2016.

5.4 Non-Market Housing

Non-market housing is made up of emergency accommodation and permanent housing where monthly rent rates are geared-to-income or set at below-market rates (lower end market units). The need for emergency housing, transitional housing, subsidized housing, and “affordable housing” is currently being addressed by the City of London through an update to the City of London Homeless Prevention and Housing Plan, as the City of London is the Housing Service Manager for the County of Middlesex and all of its lower-tier municipalities, including the Municipality of Strathroy-Caradoc²¹.

²¹ Municipality of Strathroy-Caradoc, Growth Management Housing Report (2020).

The City of London also has a Housing Stability Action Plan²² that references the County of Middlesex Homeless Prevention and Housing Plan, and notes alignments between it and the Stability Action Plan. The Housing Stability Action Plan defines the current environment and future needs of London and area. The Plan sets the new direction for the collective work of the community to address housing stability. The desired result of the Stability Action Plan is to have one housing stability system working together to meet the needs of individuals and families.

5.4.1 Emergency and Transitional Housing

Emergency Shelter

The need for emergency shelters and transitional housing is driven by a number of factors, such as family break-up, loss of employment, illness, domestic violence, substance abuse issues or recent release from the hospital or the correctional system. While these factors contribute to the need for emergency shelters and transitional housing, in general, the main factor which influences the need for these housing types is the limited supply of permanent affordable housing as well as appropriate supports to help people maintain their housing.

There are 10 shelters in Middlesex County and the City of London combined, with a maximum capacity of 365 beds in 2020. Women's Rural Resource Centre in Strathroy-Caradoc provides 15 beds to women and children. A total of 98 beds were dedicated to adults and provided at Centre of Home in London. Men's Mission in London has 80 beds for men. Rotholme provides families with 10 shelter beds in London, and YOU Shelter includes 30 units for all individuals. It is important to note that the majority (95.8%) of these emergency housing options are located in London and although the units are available to residents of Strathroy-Caradoc, they would need to leave their community and any social support system to be able to access them.

As part of the City of London's response to COVID-19, the City of London has opened 132 new temporary beds to create physical distancing in the shelter system and provide space for people to move indoors from encampments. These beds are provided at five locations.

²² Housing Stability for All: The Housing Stability Action Plan for the City of London, 2019-2024. Accessed from: <https://london.ca/sites/default/files/2020-10/2020-01-24%20181029038-COL-Homeless-Prevention-And-Housing-Plan-Report-EMAIL-WEB%20%28002%29.pdf>

Figure 18: Emergency Housing: Municipality of Strathroy-Caradoc and Comparators; 2020

Location	Agency/Shelter Name	Target Population	Number Units/Beds	Share of Total
Middlesex County	Women's Rural Resource Centre	Women	15	4.1%
City of London	Centre of Hope	Adults	98	26.8%
City of London	Men's Mission	Men	80	21.9%
City of London	Rotholme	Families	10	2.7%
City of London	YOU Shelter	No mandate	30	8.2%
City of London	Unity	Physical Distancing Spaces for Shelter	50	13.7%
City of London	Men's Mission	Physical Distancing Spaces for Shelter	40	11.0%
City of London	Atlohsa	Physical Distancing Spaces for Shelter	9	2.5%
City of London	My Sisters Place	Physical Distancing Spaces for Shelter	18	4.9%
City of London	Anova	Physical Distancing Spaces for Shelter	15	4.1%
Total			365	

Source: Middlesex County, Ontario Works & Homeless Prevention Services; 2020. City of London, Housing, Social Services & Dearness Home; 2020.

Besides those who are homeless, there are also individuals and families who are at risk of homelessness. As previously mentioned, there are many factors which contribute to homelessness but one of the main reasons is a lack of housing which is affordable to households with low incomes as well as limited support services to help people live independently and maintain their housing.

Transitional Housing

Transitional housing provides medium-term accommodation for those who have experienced homelessness or who are coming from emergency shelters. It is meant to bridge the gap between emergency shelters and permanent housing. Transitional housing usually includes support services provided on site to help with residents' housing stability and self-sufficiency to assist them in moving to permanent housing. There are a total of 126 transitional housing beds or units in Middlesex County and London provided by five organizations. Women's Rural Resource Centre provides two three-bedroom units for women in Middlesex County. Atlohsa operates 11 beds in London. Men's Mission has 35 beds for men in London. Finally, YOU Cornerstone provides 12 beds under no mandate. As in the case of emergency shelter beds, these transitional housing units are also primarily located in London. This geographic barrier may present challenges for residents of Strathroy-Caradoc in accessing these units.

Figure 19: Transitional Housing: Municipality of Strathroy-Caradoc and Comparators; 2020

Location	Agency/Shelter Name	Target Population	Number Units/Beds	Share of Total
Middlesex County	Women's Rural Resource Centre	Women	6	1.6%
City of London	Atlohsa	Indigenous women and children	11	8.7%
City of London	Centre of Hope	Adults	66	52.4%
City of London	Men's Mission	Men	35	27.8%
City of London	YOU Cornerstone	No mandate	12	9.5%
Total			126	

Source: Middlesex County, Ontario Works & Homeless Prevention Services; 2020. City of London, Housing, Social Services & Dearness Home; 2020.

The temporary nature of transitional housing ensures turnover is relatively high compared to other forms of housing, but there is a chance residents end up being homeless again if they have not secured a permanent home when their stay in transitional housing comes to an end.

Housing and Homelessness Programs and Services

Middlesex County's Social Services Department provides a range of services to County residents to assist with housing needs, including through the Community Homelessness Prevention Initiative (CHPI). The CHPI is sponsored by the Government of Ontario and administered by the County of Middlesex. It aims to prevent and end homelessness by improving access to adequate, suitable, and affordable housing and homelessness services for people experiencing homelessness and for people at-risk of homelessness. The CHPI plan includes the following items: payment of last month's rent, ancillary costs (for example moving costs), deposit for utilities, arrears for unpaid rent; and/or utilities arrears. The CHPI is available to OW and ODSP recipients as well as low income residents of Middlesex County, including those in Strathroy-Caradoc.

The Middlesex County Homelessness Prevention and Housing Plan identified that in total, 1,648 individuals and families experiencing or at-risk of experiencing homelessness were provided with services and supports between 2018 and 2019²³. However, other than a Domestic Violence Against Woman (DVAW) emergency shelter, there are no emergency shelters in Middlesex and limited transitional housing solutions for vulnerable individuals (primarily, youth and men).

²³ Middlesex County, Homelessness Prevention and Housing Plan. Accessed from: https://legenda.middlesex.ca/files/agendas/260/4349_C_13_CW_Info_May_12_CHPI_2020_Update.pdf

5.4.2 Community Housing

Community housing (also referred to as “subsidized housing”) is housing which has received some form of subsidy from the City of London or other levels of government. In Strathroy-Caradoc, these units are provided by community non-profit organizations, cooperative housing providers, as well as the City of London through London Middlesex Community Housing (LMCH).

In 2020, there were 3,222 community housing units in London. Alternatively, there were 674 community housing units throughout Middlesex County. These community housing units include both subsidized housing and low-end market rent (not subsidized) for households with low incomes. Of the units in Middlesex County, approximately 43.6% were subsidized and accessed through the City of London’s Housing Access Centre. Rent is subsidized by the City of London, Housing Division and is normally set at 30% of the household’s gross income from all sources such as employment, pensions, investment interest, etc. For households to access low-end market rent (not subsidized) housing, they must apply directly to the housing provider.

In Strathroy-Caradoc specifically, there were approximately 220 community housing units in 2020. Of these, 70.9% (156 units) were subsidized and accessed through the City of London’s Housing Access Centre. Of these units, 16 units are provided by Caradoc Non-profit Housing Corporation – a municipally run not-for-profit housing corporation. These 16 units are subsidized and mandated for seniors and are in one building called Parkview Manor in Mount Brydges. The current move-in rent for a one-bedroom unit in Parkview Manor is \$725 a month and \$825 for a two-bedroom unit.

Approximately 6.4% of subsidized and affordable housing units in Strathroy-Caradoc were modified/accessible units.

Figure 20: Community Housing: Municipality of Strathroy-Caradoc and Middlesex County; 2020

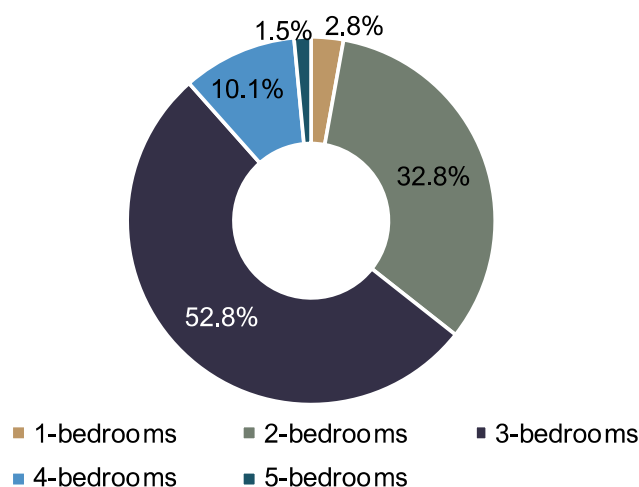
	Strathroy-Caradoc		Middlesex County	
	#	%	#	%
Rent Supplement Units	0	0.0%	N/A	
Modified/Accessible Units in Community Housing	14	6.4%	N/A	
Rent-geared-to-income Units (RGI)	156	70.9%	294	43.6%
Community Housing Units	220		674	

Source: City of London, Housing, Social Services & Dearness Home; 2020.

Community Housing by Unit Size

The majority of community housing in London is in the form of three-bedroom units (52.8%), followed by two-bedroom units (32.8%), four-bedroom units (10.1%), and one-bedroom units (2.8%). In 2020, only 1.5% of the community housing supply had four-bedrooms which would be suitable for larger households and families.

Figure 21: Community Housing Supply by Unit Size: City of London; 2020



Source: City of London, Housing, Social Services & Dearness Home; 2020.

In London and Middlesex County, there are also housing units created through the Investment in Affordable Housing Program. These units are rented out at prices that are set at or below average market rent in London as determined by the Canada Mortgage and Housing Corporation (CMHC). The City has established an income eligibility requirement of five (5) times the monthly rent.

Demand for Subsidized Housing

The City of London Housing Services manages the centralized wait list for the subsidized rental housing units across London and Middlesex County. As of December 31, 2020, there were 209 households on this wait list in Middlesex County. Of the households waiting for subsidized housing, 115 (55.0%) were adults and 94 (45.0%) were families.

The number of applicants on the wait list for subsidized housing has decreased by 11.1% from 235 in 2015 to 209 in 2020. This suggests that the need for options which are affordable to households with low incomes is high but decreasing slightly since 2015.

For units in Parkview Manor operated by Caradoc Non-Profit Housing Corporation, there are 34 individuals on the waiting list for two-bedroom units and 44 on the waiting list for one-bedroom units. However, of these, 19 individuals are on both lists and only need one apartment unit.

Figure 22: Waiting List for Subsidized Housing: Middlesex County; 2020

	Middlesex County	
	2015	2020
Adults	128	115
Families	107	94
Total	235	209

Source: City of London, Housing, Social Services & Dearness Home; 2020.

This high demand for subsidized housing by individuals and families is contributing to long wait times for these units. Starting in December 2016, the average wait time for all urgent and non-urgent applicants across all subsidized buildings in Strathroy-Caradoc is 551 days. This is based on the average wait time for the 43 individuals who have been housed in a subsidized unit (rent-geared-to income unit) in Strathroy-Caradoc since 2016.

The large wait list for subsidized housing indicates there is a strong need for housing units that are affordable to households with low incomes.

5.4.3 Affordable Housing Developments

Since 2015, three affordable housing projects have been constructed in Strathroy-Caradoc with the help of government funding through programs such as the Investment in Affordable Housing (IAH) Program and Social Infrastructure Fund (SIF). These three projects have contributed 60 new affordable housing units and 14 market rate housing units to the Strathroy-Caradoc supply. To bring these units forward, over \$4.3 million was received in funding from sources which include the Federal government, Provincial government, and other sources.

5.4.4 Supportive Housing

Supportive housing is permanent housing which includes appropriate accessibility design features and support services to allow people with unique needs to live independently.

In Middlesex County, there are a number of organizations which supply housing units with supports to individuals in need, including:

- Canadian Mental Health Association (CMHA) Middlesex
- Cheshire Middlesex County
- Four Counties Community Villa

The individuals living in these supportive housing units may have frail health, physical disabilities, mental health issues and/or developmental disabilities which require them to receive appropriate support to live as independently as possible.

According to members of the Homelessness Action Committee, there are approximately 30 individuals experiencing homelessness in Strathroy-Caradoc at the moment. There is a need to ensure there is a sufficient supply of supportive housing for households in Strathroy-Caradoc who require additional support to live as independently as possible.

Support Services

In addition to the housing with supports which are available to residents of Strathroy-Caradoc, there are also a number of community agencies that provide support services to individuals and families who need assistance. Support services offered by these agencies may include assistance with searching for housing, eviction prevention, legal assistance, referrals to housing and other support services, youth outreach, addiction services, food banks, clothing and furniture banks, life skills training, employment supports, and counselling.

5.5 Market Housing

The majority of housing units in a community are private market housing units and include both rental and ownership units.

5.5.1 Private Rental Market

Rental housing fulfills a number of important roles in the housing market in a community. It offers a flexible form of accommodation, provides relief from day-to-day maintenance, and often provides more modest-sized units. In addition, rental housing is generally more affordable compared to ownership housing. In most cases, rented dwellings tend to have lower monthly costs and only require the first and last months' rent as deposit. The flexibility and affordability of rental housing is ideal for some households, such as seniors wishing to downsize or who are on a fixed income, young adults starting their careers, or people living alone.

Until the mid-1970's, rental housing as a tenure was more prevalent than it is today, particularly in urban areas. It was common to rent even among high-income earners²⁴. However, a reform of the Canadian tax code in 1972 shifted the balance in the housing market to an ownership-based model which provided tax incentives for homeowners while removing tax incentives for the construction of purpose-built rental apartments. In addition, rent controls were introduced in 1975 in Ontario. Although controls have undergone numerous changes since then, the general effects of such controls have been to reduce rents on units built prior to 1976 while rents on newly constructed units have increased, to reduce new construction of rental housing, to accelerate deterioration and conversion of the existing rental stock, and to generate a severe rental housing shortage²⁵. Implications of this policy decision can be observed in Strathroy-Caradoc where today, ownership is the predominant housing tenure. The introduction of the National Housing Strategy in 2018, which includes some programs intended to encourage the development of purpose-built rental housing, suggests the federal government is starting to put some measures in place to re-balance the housing market to some extent.

The private rental market in a community is generally made up of the primary or purpose-built rental market and the secondary rental market. The primary rental market includes all self-contained rental units where the primary purpose of the structure is to house tenants. The primary rental market includes purpose-built rental apartments and rowhouses. The secondary rental market represents self-contained units which 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. 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.

There was a total of 1,780 rented dwellings in Strathroy-Caradoc in 2016, making up 21.5% of all dwellings. The number of rented dwellings increased by 21.5% since 2006 compared to an increase in all dwellings of 10.5% from 2006 to 2016. This demonstrates that more households are turning to the rental market for housing in Strathroy-Caradoc.

Primary Rental Market

According to CMHC, there were 818 purpose-built rental units in Strathroy-Caradoc in 2020. The majority of these units (68.5%) had two-bedrooms and 25.9% were one-bedroom units. Units with three or more-bedrooms accounted for 3.1% of all units, and the share that were bachelor units made up 2.6%.

In comparison with the data on household size in Strathroy-Caradoc, 77.0% of households were composed of less than three persons and households with three or more persons made up 23.0% of all households in 2016. However, larger purpose-built rental units with three or more

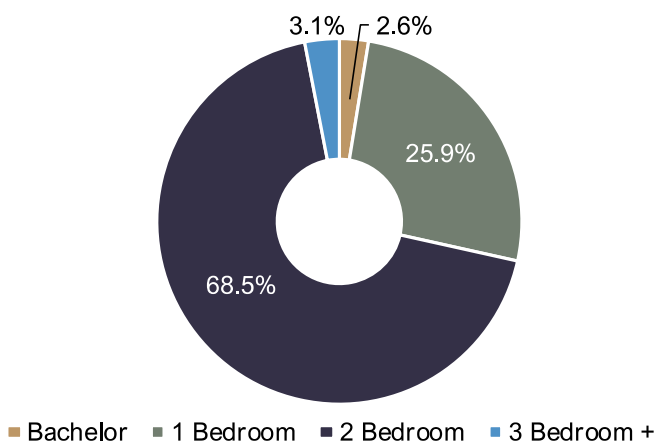
²⁴ Suttor G. 2015. Rental Paths from Post-war to Present: Canada Compared. Retrieved from: <http://www.urbancentre.utoronto.ca/redirects/rp218.html>

²⁵ Smith, L.B. 1988. An economic assessment of rent controls: The Ontario experience. Retrieved from: <https://doi.org/10.1007/BF00658918>

bedrooms only made up 3.1% of all units in the primary rental market. This indicates that the current composition of the purpose-built rental market does not match well with the current household sizes in Strathroy-Caradoc and there could be a lack of supply of larger rental dwellings.

While the data in the paragraph above suggests there could be a need for additional larger family sized rentals units, household income data show larger families are most likely to have high incomes and be able to afford homeownership. In contrast, low income households are more likely to depend on rental housing and these households are more frequently found among smaller household compositions. Therefore, the rental stock may need to include more smaller units to align with the household types with lower incomes and who are more likely to be renters such as seniors, people living alone, and lone parent households.

Figure 23: Primary Rental Market Units by Unit Size: The Municipality of Strathroy-Caradoc; 2020



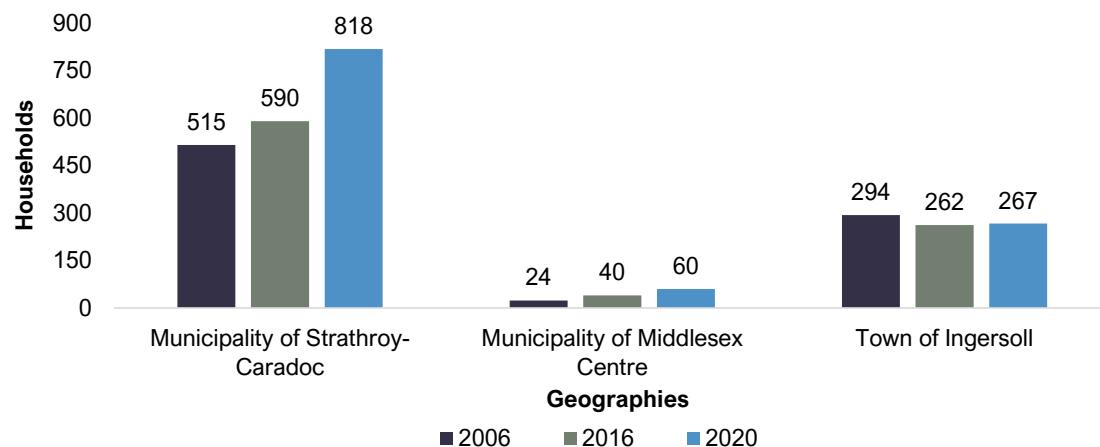
Source: CMHC Information Portal; 2020.

In comparison with other similar communities, Strathroy-Caradoc had a much larger supply of purpose-built rental housing (818 units in Strathroy-Caradoc). In 2020, Ingersoll had 267 units, while only 60 units were reported in Middlesex Centre.

Since 2006, in Strathroy-Caradoc there has been an increase in the number of purpose-built rental units from 515 units to 818 units in 2020. The supply of purpose-built rental housing increased by 58.8% from 2006 to 2020 which suggests that this housing tenure is becoming more prevalent in the housing market. This trend highlights the increasing demand for purpose-built rental housing among households in Strathroy-Caradoc.

As previously mentioned, the number of households who are renters increased from 2006 to 2016. The increased supply of housing in the primary rental market suggests that these new renter households are able to find some housing in this market, while others are likely finding housing through the secondary rental market.

Figure 24: Primary Rental Market Units: The Municipality of Strathroy-Caradoc and Comparators; 2006-2020



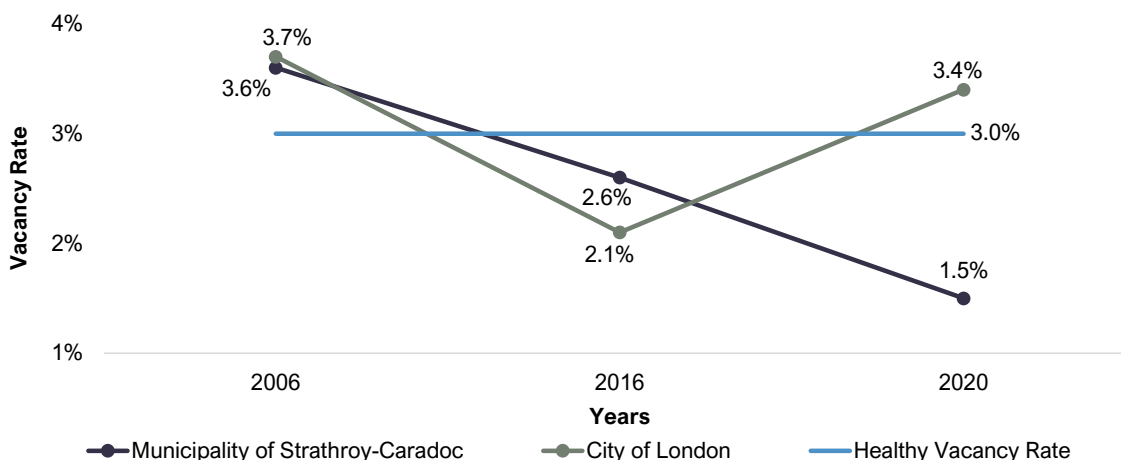
Source: CMHC Information Portal; 2006, 2016, 2020.

Primary Rental Market - Vacancy Rates

A vacancy rate of 3.0% is generally accepted as a 'healthy' vacancy rate, indicating a balance between the supply of rental housing and the need for rental housing. In 2020, the vacancy rate for units in the primary rental market in Strathroy-Caradoc was 1.5%; down a percentage point from 2.6% in 2016. In 2006, the vacancy rate had been 3.6% in Strathroy-Caradoc, which suggests that over time, the rental market in Strathroy-Caradoc has tightened. The purpose-built rental housing supply in Strathroy-Caradoc is quite limited (818 units); therefore the vacancy rate is easily skewed by only a few vacant units.

Furthermore, the vacancy rate in 2020 is much lower than what is generally considered to be a healthy rate (3%). This suggests there is a significant need for new purpose-built rental housing in Strathroy-Caradoc. In comparison, in London the vacancy rate was 3.4% in 2020 – which is much higher than the vacancy rate in Strathroy-Caradoc (1.5%).

Figure 25: Primary Rental Market Vacancy Rates: The Municipality of Strathroy-Caradoc and City of London; 2006, 2016 - 2020



Source: CMHC Information Portal; 2006, 2016 - 2020.

Primary Rental Market - Average Market Rents

The average market rent (AMR) of units in the primary rental market was \$1,397 in 2020; up by 120.7% since 2006. This increase is much faster than the rate of inflation (26.4%) and of average household income growth (27.1%) during that same time period. Due to the small sample size, CMHC does not report on the AMR by all unit sizes however statistics for one- and two-bedroom units are available. The average market rent for one-bedroom apartments increased by 59.5% from \$588 in 2006 to \$938 in 2020. Units with two-bedrooms had an AMR of \$1,546 (an increase of 131.1% from 2006).

Compared with rents in Strathroy-Caradoc, Ingersoll had a lower average rent (\$834) for units in its primary rental market. The average rent in Strathroy-Caradoc also increased far more rapidly from 2006 to 2020 compared to Ingersoll, which increased by 34.3% (the average rent in Strathroy-Caradoc increased by 120.7%). Information on the average rents in Middlesex Centre's primary rental market was suppressed due to the limited supply of data available which was not statistically reliable and/or did not meet confidentiality requirements.

Figure 26: Primary Rental Market Average Rents by Unit Size: The Municipality of Strathroy-Caradoc; 2006, 2016, 2020

Municipality of Strathroy-Caradoc				
	2006	2016	2020	% Δ 2006-2020
	\$	\$	\$	%
Bachelor	\$418	\$550	**	
1-Bedroom	\$588	\$738	\$938	59.5%
2-Bedroom	\$669	\$939	\$1,546	131.1%
3-Bedroom +	\$733	**	**	
Total	\$633	\$870	\$1,397	120.7%

Source: CMHC Information Portal; 2006, 2016 - 2020.

According to the Municipality's Growth Management Housing Report, local real estate agents, public agencies and developers alike note that there is a lack of rental accommodation within the municipality as a whole notwithstanding the new units that have been constructed since 2006. In addition, the low vacancy rates and the increased demand for rental housing from households are likely resulting in higher average market rents for primary units. These findings demonstrate there is a strong need for additional purpose-built rental housing in Strathroy-Caradoc.

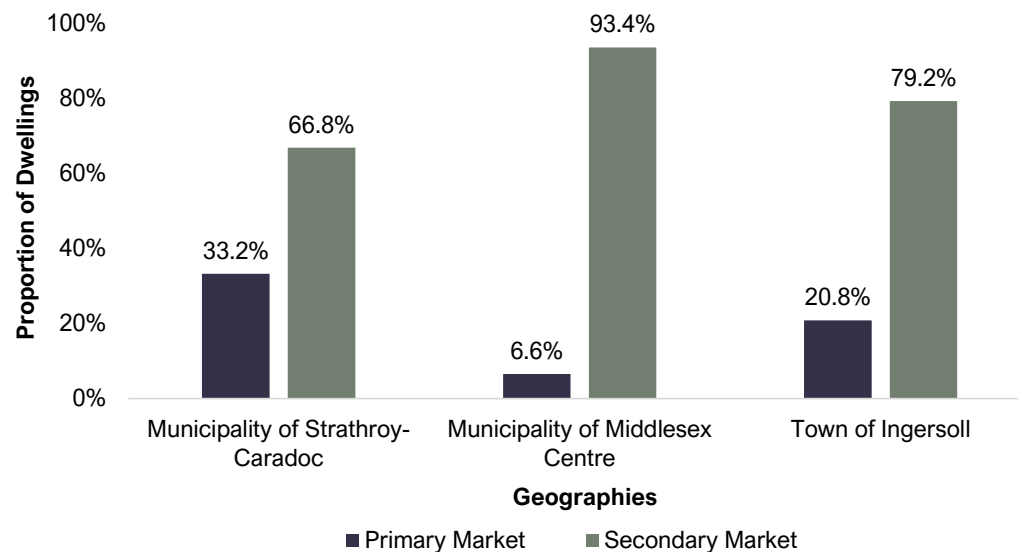
Secondary Rental Market

While the number of households who were renters increased by 21.5% from 2006 to 2016, the previous section revealed that this growth did not occur completely within the primary rental market. This indicates that some of the growth in rental units from 2006 to 2016 occurred in the secondary rental market. From 2006 to 2016, the secondary market increased by 24.7% from 950 units to 1,185 units, respectively.

In comparison with other similar communities, Strathroy-Caradoc had more units in the secondary rental market. In 2020, Ingersoll had 998 units, while only 570 units were reported in Middlesex Centre.

The supply of rental housing in Strathroy-Caradoc is disproportionately provided through the secondary rental market. In 2016, 66.8% of all rental housing was found in the secondary rental market and only 33.2% was provided through the primary rental market.

Figure 27: Proportion of Purpose-Built and Secondary Rental units in the Rental Market: The Municipality of Strathroy-Caradoc and Comparators; 2016



Source: CMHC Information Portal; 2016, Statistics Canada Census Profiles; 2016.

The secondary rental market is a good source of rental units. It generally offers a more diverse supply as these units include single and semi-detached homes as well as secondary suites compared to predominantly apartment and townhouse units in the primary rental market. However, units in the secondary rental market are generally more expensive (with the exception of secondary suites) while offering a tenure that is not as stable as units in the primary rental market. For example, landlords could sell or convert a unit back to ownership or move into the unit.

5.6 Market Ownership Housing

Homeownership is a valuable form of personal investment and is often viewed as the most important way to build personal assets. For many households, homeownership is the ideal form of housing and can offer a form of investment, security of tenure, and quality in accommodation.

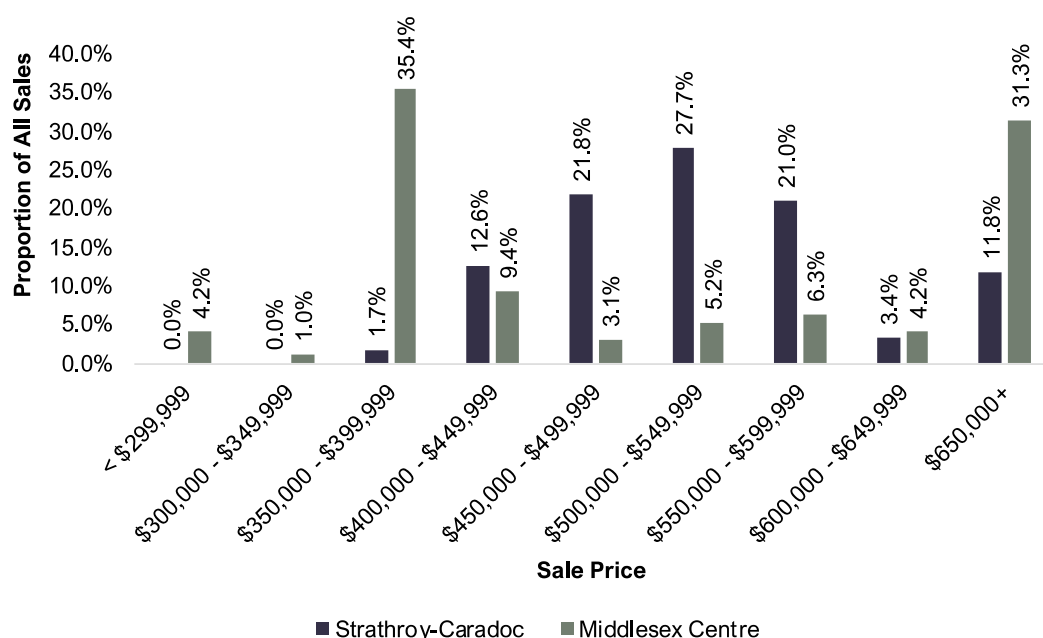
In 2016, there were a total of 6,520 owned dwellings in Strathroy-Caradoc. Owned dwellings accounted for 78.6% of all dwellings in Strathroy-Caradoc in 2016. The proportion of owned dwellings in Strathroy-Caradoc is slightly higher than in Middlesex County as a whole, where 63.5% of all dwellings were owner occupied.

5.6.1 Sale Price of New Dwellings

The Canada Mortgage and Housing Corporation reports on the sale of new housing by dwelling type and groups these sales based on their price. In 2019²⁶, only two new dwellings were sold for less than \$400,000 which represents only 1.7% of the new dwellings sold that year. In comparison, 11.8% of the new dwellings (14 homes) were sold for prices greater than \$650,000. In contrast in Middlesex Centre, 40.6% of new dwellings (39 homes) in 2019 were sold for less than \$400,000.

In terms of the data available for 2020 (Q1 to Q3), the lowest price a new dwelling was sold at in Strathroy-Caradoc was between \$400,000 to \$450,000 – higher than in 2019. This may demonstrate that the price at which new dwellings are being sold has risen on an annual basis.

Figure 28: Proportion of New Dwelling Sales by Price: The Municipality of Strathroy-Caradoc and Comparators; 2019



Source: CMHC Information Portal; 2016.

5.6.2 Average House Price

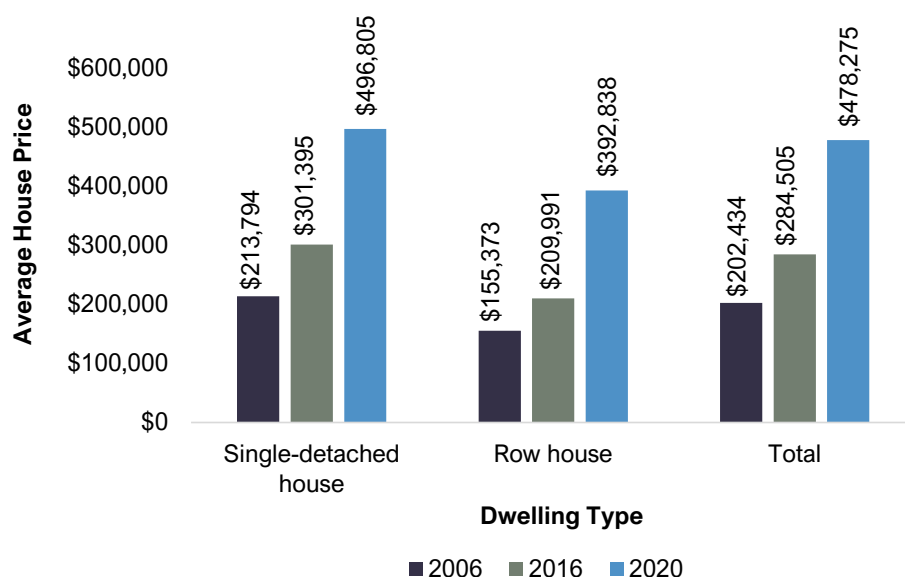
The average price of all dwellings (new and resale) sold in Strathroy-Caradoc in 2020 was \$478,275. Of the different types of dwellings in Strathroy-Caradoc that data is available for, single-detached houses were sold for the highest price on average in 2020 at \$496,805, followed by row and townhouses at \$392,838. These high prices support the argument that

²⁶ As of February 2021, this information was available up to Q3 of 2020.

demand is highly concentrated in single-detached dwelling housing in Strathroy-Caradoc as prices are highest for these types of homes.

Since 2016, the average house price of all homes in Strathroy-Caradoc increased by 68.1%. The price for row and townhouses experienced the greatest increase over that time period of 87.1%. The average price for single-detached homes increased by 64.8%. From 2016 to 2019, the rate of inflation was 6.0% in contrast. This illustrates how significantly house prices in Strathroy-Caradoc have been increasing over recent years.

Figure 29: Average House Prices: The Municipality of Strathroy-Caradoc; 2006 - 2019



Source: Statistics Canada Census Profiles; 2006-2016. LSTAR London, 2020.

In comparison with Middlesex County, dwellings in Strathroy-Caradoc were sold for prices that were lower than in the county as a whole (\$478,275 and \$599,526, respectively) in 2020.

In summary, owned dwellings accounted for almost 80% of all dwellings in Strathroy-Caradoc in 2016. This share is much higher than across Middlesex County where approximately 60% of households owned their home. Furthermore, almost 75% of the dwellings in Strathroy-Caradoc were single-detached homes. When combined with the trends described in the housing demand section these data suggest there is insufficient diversity in the housing stock when looking at tenure and structure type.

Single-detached dwellings may be the ideal for some households however, they may not be the most appropriate dwelling for other household types, such as young adults purchasing their first home, singles, seniors looking to downsize, or people with accessibility challenges such as persons with disabilities. Single-detached dwellings in general are also less affordable compared to other dwelling types. As such, having a housing supply which is predominantly single-detached homes limits the options for certain households.

Increased demand and competition for ownership housing have impacted average house prices. Since 2006, the average house price increased by 136.3%, compared to an inflation rate of 27.1%. This illustrates how significantly house prices in Strathroy-Caradoc have been increasing in recent years, and that homeownership is becoming less affordable to all households in Strathroy-Caradoc. The increase in price in the housing market might have caused aspiring homeowners to start renting as they cannot yet afford to purchase a home in Strathroy-Caradoc. This in turn may have put more pressure on the rental market, which may partly explain the significant decrease in vacancy rates.

5.7 Impacts of COVID on Housing Supply

5.7.1 Rental Arrears due to COVID-19

In 2020, CMHC added questions to its annual October Rental Market Survey to explore the level of rent arrears, a concern heightened by the COVID pandemic. These new data revealed a high rate of rental arrears in London²⁷ with an arrears rate of 16.1% (8,130 arrears out of 50,434 purpose-built rental units) compared to a rate of 6.1% in Canada overall.

For tenants in London, the amount of accumulated arrears averaged \$936. This is slightly less than one month's rent, which was \$1,397 on average in 2020. In Canada, in comparison, the average arrears amount was slightly higher at \$1,252.

It should be noted that this information is only based on purpose-built rental units in structures with three or more units. The primary rental market represents 67.7% of the rental market in London (as of 2016). There are an additional 21,035 (32.2%) rental units in the secondary rental market in London; however, no formal data has been collected to report on arrears in the secondary rental market. Assuming a similar arrears rate, the total number of arrears would increase the count from 8,130 to 11,517 units.

These data demonstrate that many households are experiencing an inability to pay their rent since the COVID-19 pandemic has occurred. It is likely that this trend in rental arrears is more common among households with lower incomes.

5.7.2 Trends in House Prices Impacted by COVID-19

During a crisis, house prices generally decrease as households refrain from making large purchases in favour of saving during times of uncertainty. However, during the global pandemic caused by the spread of the COVID-19 virus, house prices in Canada have risen overall as households adjusted to the new reality of working and staying at home.

²⁷ Data in this case represents the census metropolitan area of London which includes Middlesex County and Strathroy-Caradoc.

According to Statistics Canada, from February to December of 2020 new house prices had increased by 4.2% in Canada. In comparison, over that same period in 2019, house prices for new homes decreased by 0.2% in Canada²⁸. In London, new house prices had increased by 3.7% from February 2020 to December 2020, while over that same ten-month period in 2019, new home prices increased by only 2.2%. These data demonstrate prices have risen in housing markets across the country, including in London. These increases in house prices may result in more households being priced out of the homeownership market. Households with moderate incomes who might be eager to enter the ownership market in Strathroy-Caradoc are likely most impacted by these rising house prices. These households now face greater barriers when seeking a home that is affordable to them.

Figure 30: New House Price Index, Monthly: London CMA, Ontario & Canada; 2019-2020

House Price Index						
	February 2019	December 2019	February 2020	December 2020	% Δ 2019	% Δ 2020
London, Ontario	111.9	114.4	114.8	119	2.2%	3.7%
Ontario	104.5	105.5	105.9	110.8	1.0%	4.6%
Canada	103.2	103.4	103.8	108.2	0.2%	4.2%

Source: Statistics Canada New Housing Price Index, monthly; 2019-2020.

Prior to the pandemic, new house prices were trending upward in the more affordable housing markets surrounding Toronto such as Strathroy-Caradoc. In spite of the pandemic, this trend seems to have continued with prices rising in many cities surrounding Toronto as homebuyers continue to seek out homes in cities outside of Toronto which tend to be more affordable and offer more space. The COVID-19 pandemic has resulted in many households remaining home more than usual due to physical distancing measures. It seems this reality has led to increased demand for homes which are larger that offer additional space to work and can accommodate remote learning. These preferences are likely contributing to the rising house prices observed above.

The Municipality of Strathroy-Caradoc observed intense bidding wars in 2020. Selling prices for homes are on average \$100,000 above the original asking price and \$200,000 above what would have been asked in 2019. The Municipality has heard of bidding wars in London that are even more intense, which could be encouraging more households to seek housing in Strathroy-Caradoc now to avoid this.

²⁸ Statistics Canada, The Resilience and Strength of the New Housing Market During the Pandemic (2020). Accessed from: <https://www150.statcan.gc.ca/n1/pub/45-28-0001/2020001/article/00080-eng.htm>

5.7.3 Mortgage Deferrals

The COVID-19 pandemic has contributed to many homeowners facing unemployment or reduced work hours, as mentioned previously in this report. These homeowners are likely facing financial strain, and some have become unable to pay their mortgage. In response to these trends, the government of Canada implemented measures to allow these households to defer mortgage payments for a period of up to 6 months to help ease the financial burden caused by the pandemic.

Among the CMHC insured homeowner transactional mortgages that were outstanding as of March 31, 2020, 17.1% had exercised the payment deferral options. According to data released by CMHC, 23.2% of the labour force working in the Services, 12.6% of the labour force working in Construction, and 12.4% of the labour force working in Retail Sales industries deferred their mortgages as of May 31, 2020. Homeowners in these industries experienced the highest rate of deferred mortgages in Canada as a whole, as well as across the provinces²⁹. Households with members working in these industries are therefore experiencing increased housing affordability issues.

Figure 31: CMHC Borrowers by Employment Industry: Canada; 2020

Industry	% of Borrowers who Deferred Mortgage Payment	% of the Labour Force
Banking/Finance	4.0%	3.9%
Construction	12.6%	9.9%
Education	3.3%	5.4%
Farming/Natural Resources	6.1%	5.6%
Government	5.1%	8.7%
Health	8.3%	9.9%
Hi-Tech	3.6%	4.4%
Leisure/Entertainment	1.6%	1.2%
Manufacturing	7.8%	7.7%
Other	12.4%	12.9%
Retail Sales	6.3%	5.2%
Services	23.2%	20.4%
Transport	5.8%	4.9%

Source: CMHC, Mortgage Deferral Series; 2020.

Note: As of May 31, 2020

These trends demonstrate the severe impact the pandemic has had on homeowners. It should be noted that in a community, homeowners are typically the households with the highest incomes and who have the greatest capacity to withstand economic strains generally. While this

²⁹ CMHC, Deferred Mortgages by Borrower's Employment Industry (2020). Accessed from: <https://www.cmhc-schl.gc.ca/en/data-and-research/mortgage-deferral-series/deferred-mortgages-borrowers-employment-industry>

data highlights the consequences for homeowners during the COVID-19 pandemic, it can be extrapolated that households that live in housing in other areas of the housing continuum are likely experiencing similar, if not greater hardships. This is because these households often have lower incomes and might be less prepared for extended periods of financial insecurity.

5.8 Key Findings: Housing Supply

There is a Need for Continued Diversification of the Housing Stock

- Single-detached dwellings are the predominant housing type in Strathroy-Caradoc however recent trends in housing completions point to some diversification of the housing stock. From 2016 to 2020, row houses experienced the greatest increase in completions (100.0%) compared with other dwelling types. A diverse housing supply offers more attainable housing options for households with moderate income who cannot afford single-detached dwellings.
- Single-detached dwellings may not be the most appropriate housing type for some smaller households and households who require housing which is accessible in order to live independently. The increase in these household types (smaller households, senior households etc.) described in the demand section, indicate there is a need to continue to support the diversification of the housing stock in Strathroy-Caradoc moving forward.

There is a Need to Ensure Dwellings Remain in a Good State of Repair, in Particular for Rental Dwellings

- Rental dwellings were more likely to need major repairs in Strathroy-Caradoc. To encourage residents to live in diverse housing types and tenures, there is a need to ensure the existing stock is in good repair. The condition of the rental housing supply is an increasingly important consideration due to the higher demand for rental housing observed in recent years in Strathroy-Caradoc.
- Households with moderate incomes who cannot afford to enter the homeownership market rely on the rental supply to be adequate and safe. In order for there to be enough attainable housing options for households with moderate incomes in Strathroy-Caradoc, the rental housing stock must be in a good state of repair.

There is a Need for New Purpose-Built Rental Dwellings to Accommodate the Growing Number of Renters

- Almost all dwelling completions in 2020 were in the ownership (71.9%) and condominium (8.0%) market, even though the number of renter households increased at a significantly faster rate compared to the number of owner

households. To provide sufficient supply to the growing number of renters there is a need to increase the rental housing supply in Strathroy-Caradoc.

- The supply of rental housing in Strathroy-Caradoc is disproportionately provided through the secondary rental market where rents are higher and tenures less secure. This can create barriers to households with lower incomes who are not able to afford ownership to access suitable, adequate and affordable housing, further confirming the need for additional purpose-built rental housing units.
- It was noted in the Municipality's Growth Management Housing Report that while some rental housing has been constructed from 2006 to 2020, much of it can be characterized as being high-end rental townhomes which are not affordable to households with the low incomes or moderate incomes.
- In addition, vacancy rates remain low and rents have increased at a higher rate than inflation. This further confirms the need for additional purpose-built rental housing in Strathroy-Caradoc, primarily for households with moderate incomes.

There is a need for Affordable Ownership Options Attainable to Households with Moderate Incomes

- In 2020³⁰, only two new dwellings were sold for less than \$400,000 which represents only 1.7% of the new dwellings sold that year. In comparison, 11.8% of the new dwellings (14 homes) were sold for prices greater than \$650,000. In contrast in Middlesex Centre, 40.6% of new dwellings (39 homes) in 2019 were sold for less than \$400,000. This demonstrates new homes in Strathroy-Caradoc are selling for prices that are quite high and may not be affordable to households with moderate incomes.
- House prices in Strathroy-Caradoc increased at a significantly faster rate compared to inflation in recent years, indicating home ownership is becoming less affordable. This is particularly impactful to households with moderate incomes who might have been able to enter the homeownership market in the past when prices were lower, now cannot afford to purchase a home in Strathroy-Caradoc. This suggests there is a strong need for more ownership options affordable to households with moderate incomes in Strathroy-Caradoc.

³⁰ As of February 2021, this information was available up to Q3 of 2020.

There is a Need to Ensure There are Sufficient Affordable Options for Households with Low Incomes in Strathroy-Caradoc

- There is some emergency, transitional and supportive housing providers in Strathroy-Caradoc, but only a small amount. There is a need for additional emergency housing options for youth and men in particular.
- There are a number of subsidized housing options in Strathroy-Caradoc, but the large waiting list for these units and long wait times indicates there is a strong need to attract additional subsidized units. These units will meet the housing needs of households with low incomes in particular.

The COVID-19 Pandemic has Caused Widespread Affordability Issues for all Household Tenure Types

- In the census metropolitan area of London (which includes Strathroy-Caradoc), new house prices increased by 3.7% from February 2020 to December 2020 - a greater increase than what occurred over the same period in 2019. These increases in house prices may result in more households being priced out of the homeownership market, particularly households with moderate incomes who might be eager to enter the ownership market in Strathroy-Caradoc.
- The increased demand for housing in cities surrounding Toronto, such as Strathroy-Caradoc, that offer housing that is more affordable and have more space may not be met by increases in supply as house prices rise in these markets.
- 17.1% of CMHC insured borrowers had deferred mortgage payments by May 31, 2020. While this finding highlights the consequences for homeowners during the COVID-19 pandemic, it can be extrapolated that households that live in housing in other areas of the housing continuum are likely experiencing similar, if not greater hardships. This is because these households often have lower incomes and might be less prepared for extended periods of financial insecurity.

6 Appendix C: Housing Needs Assessment – Housing Affordability

The cost of housing is one of the largest monthly expenditures for many households in Canada. According to Statistics Canada's Survey of Household Spending, a household's spending on shelter, which includes rent or mortgage payments, repairs and maintenance, property taxes, insurance, and utilities, made up on average, 21.5% of all expenditures in 2019³¹.

The availability of affordable, adequate and suitable housing is a pressing concern for many individuals and families. This section looks at the proportion of income households in Strathroy-Caradoc are spending on shelter as well as what households can afford and how this compares to trends in house prices and rents.

6.1 Household Income Spent on Shelter

In 2015, 18.8% of households (1,520 households) in Strathroy-Caradoc were facing housing affordability challenges as they spent 30% or more of their gross household income on shelter; up by 7.0% from 1,420 households in 2005. In comparison, in Middlesex County the proportion of households facing affordability issues was 25.8% in 2015.

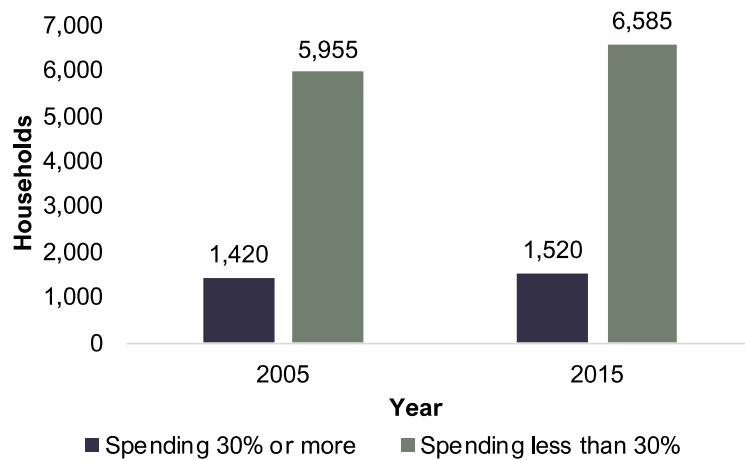
When comparing Strathroy-Caradoc to other similar municipalities such as Middlesex Centre and Ingersoll, the data show these municipalities had comparable proportions of households who spent 30% or more of their household income on shelter with 13.2% and 18.7% of households respectively in 2015.

The increase in the number of households facing affordability issues (7.0% increase from 2005 to 2015) was slightly lower compared to household growth as a whole in Strathroy-Caradoc over that time (9.9%). Therefore, although the number of households experiencing affordability issues increased, the share of the households overall decreased over that period. This indicates that although the need for housing that is affordable to households in Strathroy-Caradoc is increasing it is not increasing as rapidly as households overall. Please note, these statistics are from 2015 and might not represent the current situation on the ground in Strathroy-Caradoc. The impacts of the significant increases in house prices which recently occurred will not be fully understood until the results of the 2021 census are released.



³¹ Statistics Canada (2020). Statistics Canada. Table 11-10-0222-01 Household spending, Canada, regions and provinces

Figure 32: Households Facing Housing Affordability Issues: The Municipality of Strathroy-Caradoc; 2005 & 2015



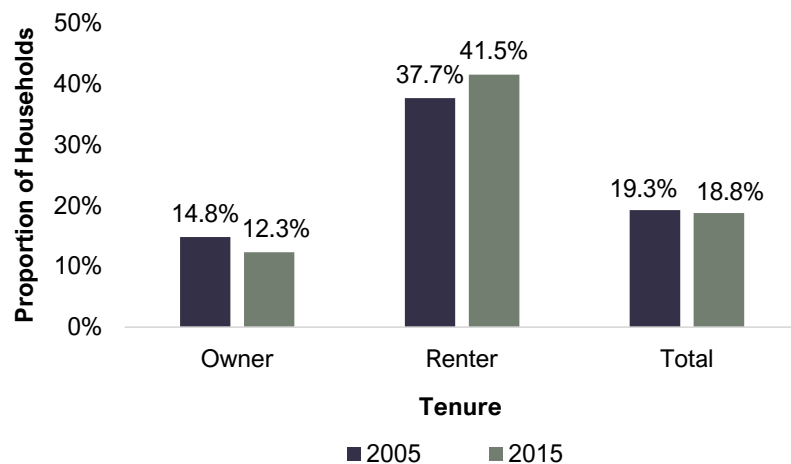
Source: Statistics Canada Community Profiles; 2006 & 2016.

6.1.1 Proportion of Income Spent on Shelter by Tenure

Renter households in Strathroy-Caradoc were significantly more likely to face housing affordability issues compared to owner households. In 2015, 41.5% of all renter households in Strathroy-Caradoc spent 30% or more of their household income on shelter. In comparison, among owners this was 12.3%. In addition, from 2005 to 2015 the number of renters facing housing affordability challenges increased at a much faster rate (33.6%) compared to owners whose rate actually decreased (-10.9%) and households in general (7.0%). This indicates the need for affordable housing in Strathroy-Caradoc is stronger among renters.

The high increase in renter households facing affordability issues could partially be explained by the fact that a large portion of the rental supply is provided through the secondary market. Rents in the secondary market are frequently much higher compared to the primary market, which suggests a need for more purpose-built rental housing units that are affordable to renter households in Strathroy-Caradoc.

Figure 33: Households Facing Housing Affordability Issues by Tenure: The Municipality of Strathroy-Caradoc; 2005 & 2015



Source: Statistics Canada Community Profiles; 2006 & 2016.

6.1.2 Household Income Spent on Shelter by Household Type

Among the different household types, there were certain households who were more likely to face housing affordability issues in 2015 compared to all households. In 2015 in Strathroy-Caradoc, non-census-family households with two or more persons were most likely to face housing affordability issues (53.6%). This is followed by couples without children (17.8%), lone-parent households (14.5%), couples with children (11.5%), and finally other census family households (3.0%).

In addition, from 2005 to 2015 the number of non-census-family households with two or more persons facing housing affordability challenges increased at a much faster rate (46.8%) compared to other household types. The rate for couples without children increased by 20.0% and for other census family households by 12.5%. The number of lone-parent households facing housing affordability issues decreased by 13.7% from 2005 to 2015. The number of couples with children with housing affordability issues decreased by 49.3% from 2005 to 2015. From 2006 to 2016, the number of couples with children decreased over all (from 2,760 to 2,475 households). This likely explains why less of these households were facing housing affordability issues in 2016 compared with 2006. This decrease in the number of couples with children could highlight that the demand for residential dwellings by these households is not being met in Strathroy-Caradoc. These households might be choosing to migrate to other municipalities due to many reasons including a lack of suitable employment opportunities and/or affordable housing options in Strathroy-Caradoc. This suggests that there might be a need for more housing affordable to these households.

Non-census-family households with two or more persons, couples without children, and lone-parent households may desire to live in smaller or more diverse housing types such as townhouses or apartments which tend to be more affordable. However, single-detached

dwelling are the predominant housing type in the municipality and this housing type might not be suitable to these households facing affordability issues. There is therefore a demand for housing types that are more diverse which are also affordable to households such as non-census-family households with two or more persons, couples without children, and lone-parent households.

6.2 Core Housing Need

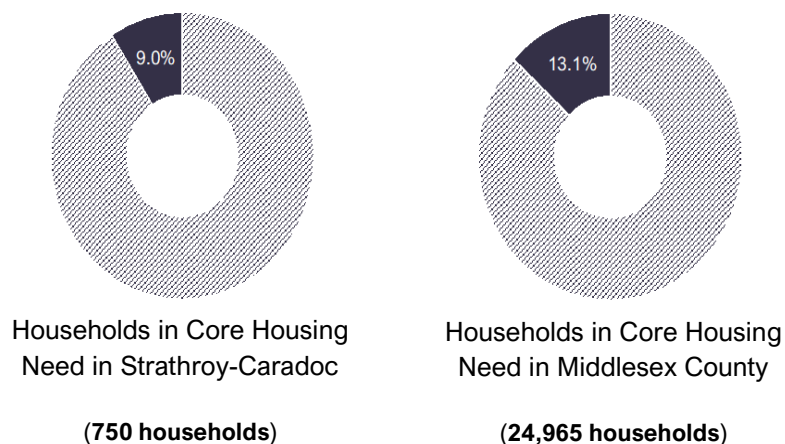
Another indicator of the need for affordable housing is CMHC's core housing need statistic. A household is considered to be in core housing need if the dwelling they occupy falls below the adequacy, suitability, or affordability standard³² and if the household would be required to spend more than 30% of its before-tax household income to pay the median rent for alternative housing which meets all three standards in the area.

In 2015, 9.0% of households in Strathroy-Caradoc were in core housing need. This equalled to 750 households, an increase of 8.7% from 690 households in 2005. This increase was comparable to the increase of households in general (10.7% increase). Although households overall increased more rapidly than the rate of households in core need, there is still a significant number of households in core need in Strathroy-Caradoc. This suggests that housing that is suitable, affordable and in a good state of repair is needed in Strathroy-Caradoc.

In comparison with other similar municipalities, 3.4% of households in Middlesex Centre and 8.9% of households in Ingersoll were in core need. The share of households in core need in these municipalities is therefore lower than in Strathroy-Caradoc (9.0%). In 2015, 13.1% of all households in the County of Middlesex were in core need, which is a greater share than in Strathroy-Caradoc.

³² According to CMHC, **adequate housing** is housing that does not require any major repairs. **Suitable housing** is housing with enough bedrooms for the size and make-up of the household. **Affordable housing** is housing which costs no more than 30% of a household's income.

Figure 34: Households in Core Need: The Municipality of Strathroy-Caradoc & County of Middlesex; 2015



6.2.1 Core Housing Need by Standards

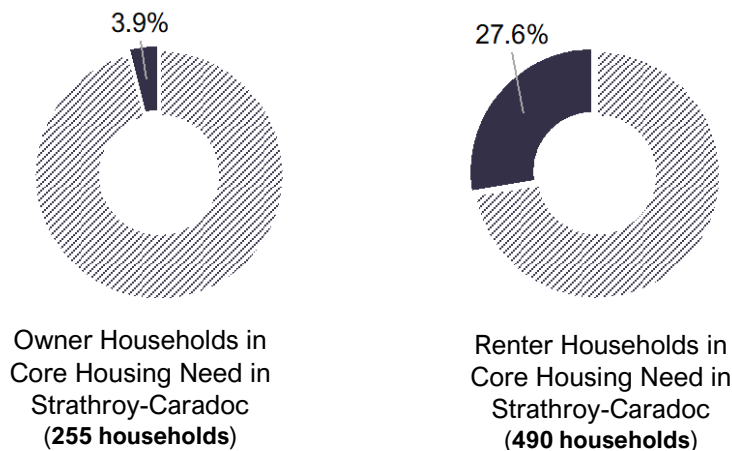
Households who experienced core housing need in Strathroy-Caradoc in 2015 were most likely to face housing affordability issues (94.7%). In contrast, 11.3% of households in core need had adequacy issues, suggesting their home was in need of major repairs³³. A total of 5.3% of households in core need faced suitability issues, indicating their home was not large enough to accommodate their household size. These proportions were similar to those in Middlesex County as a whole where 92.6% fell below the affordability standard, 12.4% under the adequacy standard, and 5.3% under the suitability standard.

6.2.2 Core Housing Need by Tenure

Renters were significantly more likely to experience core housing need in Strathroy-Caradoc compared to owners in 2015 (27.6% compared to 3.9%). In addition, the number of renters in core housing need increased by 27.3% from 385 renter households in 2005 to 490 households in 2015. In comparison, owner households in core need decreased by 16.4% from 305 in 2005 to 255 in 2015. Households overall in Strathroy-Caradoc increased by 10.7% as a whole over this period.

³³ Please note: these proportions do not add up to 100.0% as one household can fall below one or more of the core need standards.

Figure 35: Households in Core Need by Tenure: The Municipality of Strathroy-Caradoc; 2015



Source: Statistics Canada Community Profiles; 2016.

6.2.3 Core Housing Need by Household Type

In Strathroy-Caradoc, some household types were more commonly in core housing need. Persons living alone were most likely to be in core need (64.3%), followed by lone-parent households (16.3%), couples without children (7.1%), couples with children (7.1%), other non-family households (4.1%), and finally multiple family households (2.0%). The high share of household types that are generally smaller in size such as, persons living alone, lone-parent households, and couples without children that are in core need demonstrates there is demand for more smaller sized housing that is affordable to these household types.

Persons living alone generally have lower incomes than other households in Strathroy-Caradoc. These findings therefore suggest that households with lower incomes are more commonly in core housing need than others in Strathroy-Caradoc.

6.3 Rental Housing Affordability

The table below shows the maximum monthly rent that is affordable for several household and economic family types residing in Strathroy-Caradoc in 2020. The affordable rents³⁴ are then compared with average market rents as reported by CMHC to evaluate whether the household would be capable of affording such a unit.

As the following graph shows, the total average market rent in the primary rental market is not affordable to a person living alone. This household type could only afford the average market

³⁴ Note that the provincial definition of affordable rental housing is based on renter household incomes however these were not available for this study.

rental rate for a housing unit with one-bedroom in 2020. Persons living alone are smaller households and a one-bedroom unit may be suitable to them, however.

It appears that the other household and economic family types displayed in this table were able to afford the average housing unit in the primary rental market in Strathroy-Caradoc in 2020. This demonstrates that through an increased supply of purpose-built rental housing, the housing stock in Strathroy-Caradoc could be meeting the affordability needs of the residents. It is important to note however that many households earn incomes below these average income levels and may require housing that is more affordable than those displayed in the table below.

Figure 36: Average Market Rents in the Primary Rental Market Compared to Affordable Rents based on Household and Economic Family Type Average Incomes: Strathroy-Caradoc; 2020

Primary Rental Market					
	Average Income 2020 ³⁵	Max Affordable Rent	1 Bedroom	2 Bedrooms	Total
			\$938	\$1,546	\$1,397
Average Household Income	\$90,443	\$2,261	Yes	Yes	Yes
Average Household Income of One-Person Household	\$42,427	\$1,061	Yes	No	No
Average Household Income of Two or More Person Household	\$106,124	\$2,653	Yes	Yes	Yes
Average Income of Couple with Children Families ³⁶	\$132,783	\$3,320	Yes	Yes	Yes
Average Income of Lone Parent Families ³⁷	\$67,485	\$1,687	Yes	Yes	Yes

Source: Statistics Canada Custom Tabulations 2016, CMHC Housing Information Portal, 2020; and SHS Calculations based on spending 30% or more of household income on housing costs.

When looking at the average market rents in the secondary market in Strathroy-Caradoc, the data show a similar picture pertaining to rental housing affordability. The data show that units in the secondary rental market, which comprise 66.8% of all market rental units in Strathroy-Caradoc, are affordable to the average household types and economic families in the table, aside from to households with one person who tend to have lower incomes.

These findings illustrate the need for more housing that is affordable to households with only one person living in Strathroy-Caradoc.

³⁵ These average incomes are forecasted to 2020 units the CPI for Ontario.

³⁶ Couple with Children are economic families not households.

³⁷ Lone Parents are economic families not households.

Figure 37: Average Market Rents in the Secondary Rental Market Compared to Affordable Rents based on Household and Economic Family Type Average Incomes: Strathroy-Caradoc; 2020

Secondary Rental Market				
	Average Income 2020 ³⁸	Max Affordable Rent	1 Bedroom	2 Bedrooms
			\$1,260	\$1,288
Average Household Income	\$90,443	\$2,261	Yes	Yes
Average Household Income of One-Person Household	\$42,427	\$1,061	No	No
Average Household Income of Two or More Person Household	\$106,124	\$2,653	Yes	Yes
Average Income of Couple with Children Families ³⁹	\$132,783	\$3,320	Yes	Yes
Average Income of Lone Parent Families ⁴⁰	\$67,485	\$1,687	Yes	Yes

Source: Statistics Canada Custom Tabulations 2016, Rentboard.ca, 2020; and SHS Calculations based on spending 30% or more of household income on housing costs.

The lack of affordable rental units for households with lower incomes such as households with one person, can explain why these households in Strathroy-Caradoc are significantly more likely to face housing affordability issues and be in core need than other household types.

6.4 Ownership Housing Affordability

The following table shows the average income of certain household and economic family types in Strathroy-Caradoc forecasted to 2020, as well as the maximum affordable house price that each household type can afford, assuming they only spend 30% of their income on housing costs and have a 5% down payment.

The results in the table demonstrate only one of the economic family types, couples with children, can afford the total average house price in Strathroy-Caradoc. Couples with children can afford the majority of the average house prices in Strathroy-Caradoc, aside from two-storey single-detached dwellings.

Households with two or more persons could afford the average price of a townhouse in Strathroy-Caradoc in 2020, however this was the only ownership dwelling type these households could afford. Furthermore, all of the other household types and economic family types were incapable of affording the average price of any of the homes listed based on average incomes.

³⁸ These average incomes are forecasted to 2020 units the CPI for Ontario.

³⁹ Couple with Children are economic families not households.

⁴⁰ Lone Parents are economic families not households.

Figure 38: Average Resale House Price Compared to Affordable House Price based on Household and Economic Family Type Average Incomes: Strathroy-Caradoc; 2020

Ownership Market							
	Average Income 2020	Max Affordable Price	Single-Detached	Bungalow (Single-detached)	2-Storeys (Single-Detached)	Townhouse	All Residential
			\$496,805	\$483,121	\$559,429	\$392,838	\$478,275
Average Household Income	\$90,443	\$338,996	No	No	No	No	No
Average Household Income of One-Person Household	\$42,427	\$159,022	No	No	No	No	No
Average Household Income of Two or More Person Household	\$106,124	\$397,770	No	No	No	Yes	No
Average Income of Couple with Children Families ⁴¹	\$132,783	\$497,693	Yes	Yes	No	Yes	Yes
Average Income of Lone Parent Families ⁴²	\$67,485	\$252,945	No	No	No	No	No

Sources: Statistics Canada, Custom Tabulations, 2016; LSTAR London, 2020; and SHS calculations based on spending 30% of income on housing costs, 5% down payment, 25-year mortgage, and 5.19% interest

Households with moderate incomes who cannot afford the prices for homes in Strathroy-Caradoc in 2020 are either spending more than 30% of their income on shelter costs or are accessing housing through different sources including the rental market. More supply of ownership housing that is affordable to households with moderate incomes is needed in Strathroy-Caradoc to allow these households to enter the homeownership market and alleviate some of the rental supply for households with lower incomes.

6.5 Key Findings: Housing Affordability

There is a Need to Increase the Number of Affordable Housing Options in Strathroy-Caradoc

- Almost 20% of households in Strathroy-Caradoc were spending 30% or more on housing in 2015. This rate was higher than that of households in Middlesex Centre, however it was similar to the rate of households facing housing affordability issues in Ingersoll.
- Persons living alone, couples without children and lone parent households were the household types who were most likely to face housing affordability issues in

⁴¹ Couple with Children are economic families not households.

⁴² Lone Parents are economic families not households.

2015. This indicates there is a need for more diverse housing types including smaller units in townhouses and apartments which tend to be more affordable.

- Although the number of couples with children with housing affordability issues decreased by 49.3% from 2005 to 2015, the overall number of couples with children decreased as well. This decrease in the number of couples with children could highlight that the demand for residential dwellings by these households is not being met in Strathroy-Caradoc. These households might be choosing to migrate to other municipalities for a variety of reasons including a lack of suitable employment opportunities and/or affordable housing options in Strathroy-Caradoc. This suggests that there might be a need for more housing affordable to these households.

There is a Need for Purpose-Built and Affordable Ownership Options for Households with Moderate Incomes

- Renters were more likely to be in core need than owners in Strathroy-Caradoc in 2015. This indicates a need for additional purpose-built rental supply to provide more affordable options for these households.
- Average market rents in the primary rental market were affordable to most household types analyzed in this section of the report, aside from to households with only one person. These households could only afford the average market rate of one-bedroom units in the primary market in 2020. This confirms there is a need for purpose-built rental housing units in Strathroy-Caradoc that are smaller rather than single-detached dwellings.
- The average house price in the resale market in Strathroy-Caradoc is only affordable to couples with children. This indicates there is a strong need for more affordable ownership options, including diverse ownership units suitable for both larger household sizes and smaller household sizes. These units should be affordable to households with moderate incomes.

There is a Need to Increase the Supply of Subsidized Housing Options for Households with Low Incomes in Strathroy-Caradoc

- The high proportion of households with one-person in core housing need who have average incomes that are lower in Strathroy-Caradoc suggests these households with lower incomes are likely relying on housing provided by the private market. These households may need subsidized or low end market housing but are waiting on long waiting lists for these units. There is therefore a need to expand the offering of subsidized and low end market housing units in Strathroy-Caradoc.

7 Appendix D: Housing Policy Context

Housing in Canada operates within a framework of legislation, policies and programs. This section provides an overview of the planning and housing policies which influence residential development in Strathroy-Caradoc.

7.1 Provincial Policies and Initiatives

Provincial Policy Statement

The Provincial Policy Statement (PPS) outlines the Province's policies on land use planning and is issued under Section 3 of the Planning Act. It provides policy direction on land use planning to promote strong, healthy communities and all local decisions affecting land use planning matters "shall be consistent with" the PPS.

The Provincial Policy Statement, 2020 (PPS, 2020) came into effect on May 1, 2020, replacing the previous PPS, 2014. The PPS provides direction on key Provincial interests related to land use planning and development in Ontario. The Municipality's Official Plan and subsequent land use planning decisions are required to be "consistent with" the PPS. The PPS, 2020 retains the structure of the PPS, 2014 and provides policy direction related to three key themes:

- Building Strong Healthy Communities (Section 1.0), to promote efficient land use and development patterns; promote strong, liveable, healthy, and resilient communities; and ensure appropriate opportunities for employment and residential development.
- The Wise Use and Management of Resources (Section 2.0), to protect natural heritage, water, agricultural, mineral and cultural heritage and archaeological resources for their economic, environmental and social benefits.
- Protecting Public Health and Safety (Section 3.0), to reduce the potential for public cost or risk to Ontario's residents from natural or human-made hazards.

Many of the key changes introduced in the updated PPS 2020 fall under the auspices of the government's broader "More Homes, More Choice: Ontario's Housing Supply Action Plan", the Province's overarching framework for a series of legislative and policy changes aimed at streamlining the land use planning process and cutting red tape to make housing more affordable.

Section 1.4 of the PPS includes housing-related policies. Some important changes from the 2014 PPS include the following.

The PPS 2020 increases the requirement for municipalities to maintain the ability to accommodate residential growth for a minimum of 15 years (from 10 years) through residential

intensification and redevelopment (1.4.1.a). The new PPS also provides upper-tier and single-tier municipalities the choice of maintaining land with servicing capacity to provide at least a five-year supply of residential units (1.4.1.b).

The PPS 2020 also clarified the requirement for planning authorities to provide an appropriate range and mix of housing options and densities to meet projected market-based and affordable housing needs of current and future residents of the regional market area by (1.4.3): (a) establishing and implementing minimum affordable housing targets which align with applicable housing and homelessness plans; and (b) permitting and facilitating all housing options required to meet the social, health, economic and wellbeing requirements and needs arising from demographic changes and employment opportunities and all types of residential intensification, including additional residential units. Revised language throughout creates greater flexibility, for example by stating that municipalities “should” rather than “shall,” require new development to have a compact form, mix of uses and densities and establish and implement phasing policies.

The definition of affordable housing remains the same in the PPS 2020. However, The PPS 2020 added a new definition for “Housing Options,” clarifying the range of housing forms and tenures to be accounted for:

A range of housing types such as, but not limited to single-detached, semi-detached, rowhouses, townhouses, stacked townhouses, multiplexes, additional residential units, tiny homes, multi- residential buildings and uses such as, but not limited to life lease housing, co-ownership housing, co-operative housing, community land trusts, affordable housing, housing for people with special needs, and housing related to employment, institutional or educational uses.

Housing Supply Action Plan

The Provincial government released More Homes, More Choice: Ontario’s Housing Supply Action Plan on May 2, 2019. At the same time, the Minister of Municipal Affairs and Housing introduced omnibus legislation which is central to the action plan and which makes changes to 13 Provincial Acts, including the Planning Act, Development Charges Act, Conservation Authorities Act, Environmental Assessment Act, and Environmental Protection Act. The More Homes, More Choice Act (former Bill 108) received Royal Assent on June 6, 2019 and most of the Act has come into effect. Regulations have also been introduced to provide further direction on changes resulting from the More Homes, More Choice Act and most of these regulations have been adopted.

Changes to the Planning Act

The changes to the Planning Act include shorter timelines for making planning decisions; requiring inclusionary zoning (IZ) to be focused on areas known as Protected Major Transit Station Areas (PMTSA) that are generally high-growth and are near higher order transit; allowing a total of three residential units on one property (which would include a primary dwelling and two additional residential units); introducing the community benefits charge which

replaces the density bonusing provision (Section 37), development charges for soft costs, and parkland dedication requirements; limiting third party appeals of plans of subdivisions; and allowing the Minister to require that a municipality implement a community planning permit system in a specified area.

Changes to the Development Charges Act

The changes to the Development Charges Act include a change to when development charges are paid for four types of developments: rental housing and institutional developments. Instead of paying the development charge upon the issuance of a building permit, these developments will be allowed to pay the development charges over six installments, beginning at the issuance of an occupancy permit or when the building is first occupied (whichever is earlier) and every year for the next five years. In addition, non-profit housing developments will be allowed to pay development charges over 21 installments, beginning at the issuance of an occupancy permit or when the building is first occupied and every year for the next 20 years.

Furthermore, development charges will now be determined on the day an application for an approval of development in a site plan control area was made or the day an application for an amendment to a by-law was made.

The More Homes, More Choice Act also exempts second dwelling units in new or existing dwellings or structures from development charges.

Community Housing Renewal Strategy

The Provincial government announced a new Community Housing Renewal Strategy with \$1 billion in 2019 – 2020 to help sustain, repair and build community housing and end homelessness. The Strategy includes the following elements.

- Removing existing penalties (i.e., having to pay more in rent) for tenants who work more hours or who are going to college or university;
- Simplifying rent calculations;
- Freeing up the waitlist by having tenants prioritize their first choice and accept the first unit they are offered;
- Ensuring rent calculations do not include child support payments;
- Requiring an asset test; and,
- Making housing safer by empowering housing providers to turn away tenants who have been evicted for criminal activity.

The Province also launched two new programs in 2019 – 2020. These are:

- Canada-Ontario Community Housing Initiative (COCHI) – provides funding to Service Managers to replace the federal Social Housing Agreement funding which expires each year beginning in April 2019.
- Ontario Priorities Housing Initiative (OPHI) – provides flexible funding to all Service Managers and the two Indigenous Program Administrators in Ontario to address local

priorities in the areas of housing supply and affordability, including new affordable rental construction, community housing repair, rental assistance, tenant supports, and affordable ownership. Housing providers can dedicate a percentage of spending for supports that will keep people housed and prevent homelessness.

7.2 Municipal Policies and Initiatives

City of London Housing Stability for All, 2019 - 2024

The City of London is the Service Manager responsible for affordable housing in the Municipality of Strathroy-Caradoc. The City updated its Homeless Prevention and Housing Stability Plan in 2019 as a requirement under the Housing Services Act. The Housing Stability Action Plan: Housing Stability for All, identifies the current environment in the entire service area as well as the future housing needs. The Plan sets the new direction for the collective work of the community to address housing stability.

The vision set out in the Plan is:

One housing stability system working to meet the needs of individuals and families.
Together, our collective efforts will result in Housing Stability for All.

The guiding principles identified in the Plan define how the Plan will be implemented. These are:

Leadership
People Centred
System Focused
Data Driven
Outcomes Oriented

The Plan identifies four strategic areas of focus and each strategic area of focus has a goal, result, strategic initiatives, actions, and measures to guide the work of the community. These strategic areas of focus are:

1. Respond to the homelessness crisis
 - Create more housing stock
 - Provide housing supports
 - Transform the service system

The actions under the second strategic area of focus are particularly relevant for Strathroy-Caradoc as these relate to retaining existing affordable housing stock and creating new stock. These actions include the following.

- Work with the private market to retain existing affordability in rental market units (2.1.a)
- Develop publicly owned and available lands for affordable housing (2.1.b)

- Implement tools, policies, and programs to create new affordable housing through a community improvement plan (CIP), zoning by-law update, inclusionary zoning (IZ), bonusing, secondary units, etc. (2.1.c)
- Invest in affordable housing through development charges through the creation of a community benefits charge and municipal assessment growth policy (2.1.d)
- Explore opportunities to stimulate new affordable housing through government legislation (2.1.e)
- Leverage funding available from all levels of government to maximize the number and affordability of new community housing units (2.2.b)
- Combine government programs and funding to create new affordable housing supply (2.4.b)
- Use foundations, land trusts, and other means to attract investment and resources into affordable housing (2.4.c)
- Support the non-profit sector in the creation of new affordable housing (2.4.d)

County of Middlesex Official Plan (2006 consolidation)

The County of Middlesex Official Plan establishes a long term vision and sets out broad goals, objectives and policies. It directs and guides land use policy and planning in the County. It provides guidance to local municipalities in the preparation of local official plans and zoning by-laws. The County is currently undertaking a five year review of the County Official Plan. The topic areas which are being reviewed include agriculture, drinking water source, economic development, natural heritage, population projections, provincial changes, and transportation. The current County Official Plan (August 2006 consolidation) was used for this review.

The County Official Plan requires that local official plans (4.3) and local zoning by-laws (4.4) shall conform to the County Official Plan.

The County Official Plan Official Plan defines affordable housing as:

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

Section 2.3.7 contains housing policies and states that it is the County's policy to encourage a wide variety of housing by type, size and tenure to meet the requirements of current and future residents of the County. This section also states that the County supports:

- Intensification and redevelopment, primarily in the Settlement Areas and that the County will require that 15% of all development occur by way of intensification and redevelopment
- The provision of alternative forms of housing for special needs groups
- The maintenance and improvement of existing housing stock
- The utilization of available programs and/or funding for assisted housing, including for households with special needs as well as programs to rehabilitate older residential areas
- Housing accessible to lower and moderate income households and that the County will require that 20% of all housing be affordable. The County Official Plan further states that in the case of ownership housing, the least expensive is considered to be housing for which the purchase price is at least 10% below the average purchase price of a resale unit in the regional market area.

The County Official Plan also encourages local municipalities to keep a housing inventory which identifies the mix by type and tenure. It also notes that in preparing local official plans, local municipalities should include the following.

- Appropriate criteria for intensification and redevelopment
- Policies to permit the conversion of larger single detached dwellings into multiple units
- Policies to preserve, improve, rehabilitate or redevelop older residential areas
- Policies which permit apartments in houses.

Section 2.3.7.1 of the County Official Plan states that it is the County's goal to maintain at least a three-year supply of draft approved and registered plans of subdivision lots. Furthermore, local municipalities are required to provide a summary of the supply of vacant land designated for future residential development at least every five years to allow the County to ensure that at least a ten year supply of land which is designated for future residential development is maintained based on the most recent population projections. The County Official Plan further states that the County will monitor the consumption rates of residential lands and residential growth.

Section 2.3.7.2 of the County Official Plan contains policies related to a range and mix of housing types. This section states that local municipalities are required to establish the mix of unity types and tenures and to encourage a range of housing types, densities and options. It also encourages local municipalities to develop affordable housing targets that are generally consistent with the County's target which provides the opportunity for housing accessible to lower and moderate income households. In addition, the County Official Plan states that the County encourages innovative housing and subdivision design and servicing standards as a way to reduce housing costs. The Official Plan also states that prefabricated or portable manufactured housing units which meet the Ontario Building Code and/or Canadian Standards Association (CSA) Standards are permitted.

Section 2.3.7.3 of the County Official Plan states that the County and local municipalities shall support opportunities to increase the supply of housing through intensification and redevelopment in appropriate locations. This will include the conversion of single detached dwellings into multiple residential units, infilling, creation of residential units above compatible

commercial uses, accessory apartments, and boarding and lodging houses. The County Official Plan also requires that local official plans address building height, lot coverage and parking in relation to intensification and redevelopment.

Section 2.3.8 of the County Official Plan states that Urban Areas and Community Areas shall be the focus for future growth and that Urban Areas are expected to accommodate a significant portion of the projected growth.

Section 3.2.3 of the County Official Plan includes a requirement for local official plans to address specific issues, including residential uses, affordable housing, special needs housing, infilling, intensification, current land supply, and community improvement.

Middlesex County Homeless Prevention and Housing Plan 2019 – 2024

The City of London asked the County of Middlesex to create a Middlesex County Homeless Prevention and Housing Plan to identify strategies and actions specific to Middlesex County to be incorporated into the City's Housing Stability Plan. As previously mentioned, the City of London is the designated Service Manager for Middlesex County and is responsible for the delivery of housing and homelessness services. The responsibilities related to homelessness in the County are delivered through contracted service agreements with Middlesex County. As such, this Plan identifies the current and emerging housing needs in the County as well as strategies and actions that are specific for Middlesex County.

The vision set out in this Plan for **housing** is:

“Every Middlesex County resident has opportunity to access the type of housing they need in their community.”

Four strategic priorities have been identified in the area of housing and each of these have related goals, strategic initiatives and key measures. The four strategic priorities and their associated goals are as follows.

1. Affordability

Goal: Increase in affordable, quality, and mixed housing options

Range of housing options

Goal: Increase in range of housing options available

Housing supports

Goal: Increase in supportive and specialized housing available

Service coordination

Goal: Increase in service coordination and collaboration across the system

The vision set out in this Plan for **homelessness prevention** is:

“Every Middlesex County resident has opportunity to access the type of housing they need in their community.”

The four strategic priorities in the area of homelessness and their corresponding goals are as follows.

1. Temporary housing options

Goal: Decrease in the number of individuals experiencing homelessness

Housing retention

Goal: Increase in the number of individuals who secure and retain housing

Supports

Goal: Increase in the availability of access to services and supports for individuals at risk of or experiencing homelessness

Service coordination

Goal: Increase in the availability of access to services and supports for individuals at risk or experiencing homelessness

The Middlesex County Homeless Prevention Plan – Change Begins with Choice update reflects updates in 2020 and priorities for 2021. The 2021 priorities related to homelessness are as follows.

- Continue to share funding opportunities with local community partners that support Affordable Housing and Homelessness Initiatives.
- Create a Coordinated Access Process for the homeless population in the County
- Continue to monitor best practices and regulatory changes regarding housing and homelessness programs.
- Ongoing research into funding opportunities for creating housing stability and life stabilization.
- Prepare business cases for review by City of London for homeless prevention initiatives including a Housing First strategy.

The 2021 priorities related to housing are as follows.

- Continue to monitor best practices and regulatory changes regarding housing and homelessness programs.
- The County will seek additional funding from upper levels of government for increased investments in housing and homelessness programs.
- Advocate for program investments like COHB.
- Continue to work with the City of London and obtain clarity on the role of the service manager for supporting and advancing social and affordable housing opportunities.
- Connect with CMHC to obtain housing data that will allow for more detailed and informed analysis on the local housing market.
- Work in partnership with local municipalities to facilitate housing opportunities including:
 - Strategically targeting housing investment in alignment with CIPs, Official Plans and Economic Development activities.
 - Exploring enabling zoning and/or alternative development standards to promote affordability including as-of-right Additional Residential Units (ARUs).
 - Exploring policies and practices to encourage a diversity of housing stock.

- Creating an inventory of public land/assets and brownfield properties.

Municipality of Strathroy-Caradoc Official Plan 2014 – 2034 (2018 consolidation)

The Municipality's Official Plan was adopted by Council on April 18, 2006. The April 3, 2018 office consolidation of the Official Plan was used for this review.

The Official Plan includes goals and objectives in section 1.3, one of which is to provide a diverse and affordable range of housing opportunities (k).

Section 1.5 of the Official Plan contains the growth management strategy and notes that Strathroy, which qualifies as an urban settlement area under the County Official Plan, is the logical and practical focus of growth and development in the Municipality due to its supply of undeveloped land designated on full municipal services or capable of being serviced. Mount Brydges is also an urban settlement area and has the ability to accommodate future growth and development as it is connected to a municipal water supply system and sanitary sewage system. The Official Plan notes that future residential development will be restricted in the rest of the Municipality.

Section 1.7 addresses matters of Provincial interest including the orderly development of safe and healthy communities (h), the accessibility for persons with disabilities to all facilities and services (h.1), and the adequate provision of a full range of housing, including affordable housing (j).

Section 2.4 of the Official Plan contains housing policies. Section 2.4.1 identifies the Municipality's goals and objectives, which are:

- a) To encourage the provision of a wide variety of housing types to meet community needs
- b) To achieve a greater density of residential development in designated settlements
- c) To encourage residential intensification and redevelopment where compatible with existing development and infrastructure is appropriate
- d) To improve substandard housing conditions.

Section 2.4.2 states that a wide variety of housing types and tenure shall be encouraged to meet the needs, affordability and preferences of existing and future residents. It also notes that the Municipality shall maintain an inventory of building lots as well as potential dwelling units and vacancy rates. This section also states that housing targets may be established.

Section 2.4.3 addresses the land supply and states that a minimum 10 year supply of undeveloped and underutilized lands designated and zoned for residential purposes shall be maintained for anticipated housing needs. This section also notes that a minimum 3 year supply of undeveloped or underutilized land with servicing capacity shall be maintained at all times for residential purposes to facilitate intensification, redevelopment and new development.

Section 2.4.4. addresses housing for special needs and states that the Municipality shall use its best efforts to ensure that an adequate supply of housing is available for those in social and economic need.

Sections 2.4.5 and 2.4.6 of the Official Plan address minimum density and intensification and states that a minimum density of units may be established for underdeveloped or underutilized land designated for residential purposes. The Official Plan also states that residential intensification shall be encouraged in settlement areas and that the Municipality shall have regard to intensification targets set in the County Official Plan.

Section 2.4.7 states that the Municipality shall use its legislative authority to adopt and enforce minimum standards for occupancy and may participate in programs designed to eradicate substandard housing conditions.

Section 2.4.8 notes that the Municipality shall prepare a housing strategy to address the requirements of the PPS and the County Official Plan. This strategy will address the facilitation of all forms of housing to meet existing and future need, meeting the targets set in the County Official Plan with respect to affordability, intensification and redevelopment, establishing development standards to minimize the cost of housing and facilitate compact form, promoting densities which make efficient use of land, resources, and infrastructure, and the rehabilitation, maintenance, and improvement of the existing housing stock.

Sections 2.8.2 and 2.8.3 contain policies on community improvement plans and community improvement project areas. One of the criteria for identifying a community improvement project area is areas characterized by substandard dwellings or buildings.

The Municipality's Official Plan contains specific sections with policies related to Strathroy (3.0), Mount Brydges (4.0), and the Rural Areas (5.0). These sections include goals and objectives for each of these areas as well as permitted residential uses. The Official Plan states that low density, medium density and high-density residential dwellings are permitted in Strathroy. Residential development in Mount Brydges will be primarily single unit dwellings although medium density dwellings in the form of townhouses and low-rise apartments are also permitted in areas with direct or nearby access to major roads, commercial areas, and/or parks and open space. The Official Plan states that these medium density dwellings are not permitted in areas predominantly characterized by single unit dwellings. In addition, section 4.3.1.7 states that development proposals for large undeveloped blocks shall be required to incorporate a range of housing types and densities and that large-scale residential development shall only be permitted on full municipal services.

Section 3.3.4.7.1 and 4.3.1.4.1 state that the establishment of a secondary dwelling unit in a main residential use in the form of a single unit dwelling, semi-detached dwelling or townhouse dwelling or located in a building accessory to a main residential use shall be permitted. Section 5.3.1.12.1 states that a secondary dwelling unit is permitted in an existing single unit dwelling or located in a building accessory to a single unit dwelling within the Rural Areas. A granny flat is also permitted (5.3.1.12).

Section 3.3.4.8 contains policies related to the conversion of existing dwellings within Strathroy and states that a conversion of a single unit dwelling into multiple unit residential dwellings shall be evaluated based on the number and size of dwelling units in relation to the size of the dwelling and the lot; adequate outdoor/open space and on-site parking; compatibility with neighbouring dwelling types and residential character; maintenance of the architectural character; maintenance of the character and quality of the streetscape; compliance with the Ontario Building Code and the Zoning By-law.

Section 3.3.4.10 of the Official Plan addresses group homes and states that standards governing their type, size and location (including minimum separation distances between them) shall be established in the Zoning By-law and that the preference is to have these dwelling types located on arterial or collector roads in mixed use areas.

Sections 3.3.4.12, 4.3.1.9, and 5.3.6.3 state that home occupations are permitted provided they are clearly secondary to the main residential use. It is also noted that the range or type of home occupations permitted and standards applying to them shall be set out in the Zoning By-law.

Section 4.3.1.6 states that innovative forms of housing and creative site design shall be encouraged where natural amenities and landscaped open space are retained and the amenity and character of the neighbourhood is protected.

Section 3.3.6.4 and 7.4.3.2 allow a cash payment in lieu of parkland dedication and section 7.4.4.8 allows cash-in-lieu of parking.

Zoning By-law of the Municipality of Strathroy-Caradoc (By-law 43-08, consolidated November 2020)

The Municipality's Zoning By-law (ZBL) identifies the permitted uses in each zone as follows.

Use	Zone Permitted
Single detached dwelling	Low density residential (R1), Medium density residential (R2), Rural residential (R5), Rural commercial (C4), General agricultural (A1), Agricultural small holdings (A2), Open space (OS)
Secondary suite	Low density residential (R1), Rural residential (R5), General agricultural (A1), Agricultural small holdings (A2)
Group Home – Type 1	Low density residential (R1), Medium density residential (R2) (in a single detached dwelling only), Institutional
Linked dwelling	Medium density residential (R2)
Multi-unit dwelling (max. 6 units)	Medium density residential (R2), High density residential (R3) (not limited to 6 units in R3)
Semi-detached dwelling	Medium density residential (R2)
Townhouse (max. 6 units)	Medium density residential (R2), High density residential (R3) (not limited to 6 units in R3)

Apartment dwelling	High density residential (R3), General commercial (C1), Highway commercial (C2)
Grouped housing	High density residential (R3)
Long term care facility	High density residential (R3)
Mobile home dwelling	Lifestyle community (R4)
Modular home	Lifestyle community (R4)
Lifestyle community	Lifestyle community (R4)
Dwelling unit	General commercial (C1), Highway commercial (C2), Neighbourhood commercial (C3), Rural commercial (C4), Institutional (I)
Group home	Institutional (I)
Long Term Care facility	Institutional (I)

The Zoning By-law identifies a minimum lot area and maximum lot coverage for each zone as well as depth and width for front, side and rear yard.

Section 4 of the ZBL outlines the general provisions and 4.6 identifies the regulations related to dwelling units, including a minimum floor area for a single detached dwelling of 90 m² and 40 m² for any other dwelling unit plus 6.5 m² for each bedroom. The ZBL states that only one dwelling is allowed per lot unless otherwise specified. Where permitted, the gross floor area for a secondary suite cannot be more than 40% of the gross floor area of the main dwelling to a maximum of 75 m² and a secondary suite cannot be located on the ground floor or below grade when it is in an accessory building.

Section 4.13 includes regulations related to home occupations and states that no more than 25% of the dwelling unit or 30 m², whichever is lesser, may be devoted to home occupation.

Section 4.14 regulates infilling for residential uses and requires that the maximum setback be no more than 1 m greater than the established building line and the maximum height be no more than 2 m greater than the average height of the existing adjacent dwellings.

Section 4.23 identifies minimum off-street parking requirements for the different uses. These are identified in the following table. This section also states that in residential zones, all parking spaces have to be located in an attached or detached private garage, in a driveway, in a designated parking area, or in a side or rear yard. Section 4.23(12) relates to cash-in-lieu of parking where an owner or occupant in the C1 Zone may be exempted from providing all or some of the parking space requirements if Council has entered into an agreement and the agreement is registered on the title of the lands.

Use	Spaces Required
Boarding/Rooming house	1/room to let
Group home	1/bed

Long term care facility	1/2.5 beds
Nursing home	1/2.5 beds
R1, R5, A1 and A2	3/single detached dwelling plus 1/secondary suite
R2	1.5/dwelling
R3	1.25/dwelling
R4	2/unit
Residential care home	1/2.5 beds
Senior citizen's home	1/2.5 beds

Section 4.29 identified regulations related to setbacks and separation distances and 4.29(4) addresses group homes. The ZBL states that a Group Home – Type I may be permitted in any single detached dwelling as long as there is no other Group Home – Type 1⁴³ or 2 located within 250 m of the proposed facility. It further states that Group Home – Type 2⁴⁴ is only permitted within zones which specifically permit the use and the minimum separation distance between another Type 2 Group Home and/or school is 450 m in any direction.

At the time of writing of this report, the Municipality was in the process of introducing draft Zoning By-law amendments to change residential parking requirements, allow secondary suites in the R2 zone, permit group homes in more zones, and remove the minimum distance requirements between two group homes.

Municipality of Strathroy-Caradoc Corporate Strategic Plan 2020 - 2029

The Municipality's Strategic Plan serves as the road map for the next ten years. It includes the following vision statement.

Strathroy-Caradoc's communities will provide economic opportunities, wellbeing and places to call home for residents and businesses.

The Strategic Plan identified six goals as well as strategies and tactics under each goal. The six goals are:

1. Local infrastructure – Households and businesses in Strathroy-Caradoc are supported by reliable, financially responsible and well-maintained infrastructure networks.

⁴³ Group Home – Type 1 is defined as a dwelling licensed or funded under a federal or provincial statute for the accommodation of 3 to 10 persons, exclusive of staff, living under the supervision in a single housekeeping unit and who, by reason of their emotional, mental, social or physical condition, require a group living arrangement for their wellbeing.

⁴⁴ Group Home – Type 2 is defined as a dwelling licensed or funded under a federal or provincial statute for the accommodation of 3 to 10 persons, exclusive of staff, living under the supervision in a single housekeeping unit and who, by reason of their legal status either being on probation or parole, require a group living arrangement for their wellbeing.

2. Economic development – Strathroy-Caradoc will have a diverse tax base and be a place that offers a variety of economic opportunities to current and prospective residents and businesses.
3. Community wellbeing – Residents of all ages in Strathroy-Caradoc will have access to community amenities and activities that are accessible and support active lifestyles and wellbeing.
4. Customer service – The Municipality offers seamless, responsive service and an exceptional experience for every customer.
5. Growth management – Strathroy-Caradoc will be an inclusive community where growth is managed to accommodate a range of needs and optimize municipal resources.
6. Destination building – Strathroy-Caradoc will provide distinct experiences that celebrate its past and future by prioritizing innovative new ideas that set the community apart.

One of the strategies under the growth management goal is to provide a variety of attainable housing options that address affordability challenges. In addition, one of the medium term tactics is to increase density and rental options in downtown and one long term tactic is mixed density, residential and commercial development in Mount Brydges.

Community Improvement Plan (CIP) for the Municipality of Strathroy-Caradoc, 2020

This new CIP aims to renew the Municipality's commitment to community improvement and encourage economic investment through the expansion of improvement strategies and financial incentives. This new CIP replaces the previous 2006 CIP. The intended implementation timeline for this CIP is ten years, however, Council may choose to review and make adjustments every three years.

The guiding principles of this CIP are as follows.

1. Housing for all

This principle includes two goals which are to increase the number of attainable rental housing units in Strathroy-Caradoc and to increase the stock, density, and diversity of housing units in Strathroy-Caradoc.

2. Beautiful space, place and identity
3. Strong culture and heritage
4. Destination through reinvigoration
5. Economic opportunity, rural diversity and agri-tourism.

The CIP includes several financial incentive programs related to supporting the development of a diverse housing supply. These include the following.

- Additional unit program: This program provides a grant for the construction of a new additional unit or the renovation of an existing one to achieve compliance with building and fire codes and/or the Zoning By-law. This is available for the entire Municipality.
- Downtown rental housing program: This program provides a grant for projects that would result in the creation of at least four new residential rental housing units on a single property

or the conversion of an existing no-residential space to create a new residential rental unit. This is available for Downtown Strathroy and Mount Brydges Commercial Core.

- Attainable housing program: This program provides a grant for the creation of new attainable rental housing units or the conversion of existing non-residential space to new attainable rental housing units. The units have to be maintained as attainable housing for at least ten years. This is available for the Strathroy and Mount Brydges Settlement Areas.

These three programs have also been identified as a top priority for the 2021 budget year.

7.3 Policy Considerations

The following are policy considerations that the Municipality may want to consider. These have been identified through the review of the Municipality's Official Plan and other Provincial and municipal legislation and strategic documents.

- Add a definition of affordable and/or attainable housing in the Municipality's Official Plan which complies with the Provincial definition of affordable housing.
- Update the policy on land supply for housing to comply with the PPS.
- Ensure a mix of housing types in all neighbourhoods to provide a more diverse supply for current and future residents, including accessible options and options to facilitate aging in place.
- Ensure there are no barriers to special needs housing in all neighbourhoods throughout Strathroy-Caradoc.
- Support a mix of uses and tenures, greater densities, and infill in appropriate areas throughout the Municipality to ensure the development of complete, inclusive and walkable communities.
- Consider implementing requirements for a greater diversity of housing types and tenures for large scale residential developments, particularly in Mount Brydges.
- Update policies to allow for two additional residential units (also called secondary dwelling units) to comply with Provincial legislation.
- Update the Official Plan and Zoning By-law to remove any reference to minimum distance separation for group homes as these policies conflict with the Ontario Human Rights Code.
- Consider providing incentives for the development of affordable housing, including financial and non-financial incentives.
- Consider alternative development standards for affordable housing developments.
- Ensure there are no barriers to innovative housing forms and construction methods.
- Consider providing Municipally-owned surplus land or buildings at below market value for affordable and special needs housing.
- Explore partnership opportunities with the non-profit and for-profit sectors to increase the supply of affordable and attainable housing units.
- Consider implementing a rental conversion and demolition policy to protect the supply of rental housing in the Municipality.
- Explore the feasibility of developing a housing reserve fund to support affordable housing development.

8 Appendix E: Best and Promising Practices

The following are some best and promising practices in addressing the need for a more diverse housing supply in a community, including affordable housing and market-rate rental housing. While some of these best practices are from single tier or upper tier municipalities, these can also be used by a lower tier municipality such as the Municipality of Strathroy-Caradoc.

8.1 Diverse Housing Supply

Ontario Golden Girls Act (Bill 69)

This bill seeks to amend the Planning Act by providing more clarity for municipalities to encourage and permit home sharing by unrelated seniors as a housing solution. The Act is a result of attempts by seniors in different parts of the province to renovate large single family homes to accommodate the needs of unrelated seniors, which in some cases, have met with resistance from local Councils. The Act has now passed second reading and has been referred to the Standing Committee on General Government. It will come into force once it receives Royal Assent.

Markham Official Plan: Shared Housing Policy – Markham, Ontario

The City of Markham introduced definitions and policies related to shared housing in their 2014 Official Plan. One of the goals of this initiative was to remove the stigma associated with group homes, rooming and boarding houses, and supportive housing. While Zoning By-law regulations are still being developed to support the implementation of this policy, Markham City staff have reported that there have been no negative impacts to date in implementing this policy and it has supported the goal of removing the stigma associated with certain dwelling types, such as group homes.

Shared housing, as defined in Markham's Official Plan, is a form of housing where individuals share accommodation either for economic, support, long-term care, security or lifestyle reasons. The Markham Official Plan identifies a number of different types of shared housing.

- Shared housing small scale is a form of housing where 3 to 10 persons share accommodation with or without support services.
- Shared housing large scale is a form of housing where more than 10 persons share accommodation with or without support services.
- Shared housing long term care is a form of housing where people who need 24-hour nursing care in a secure setting shared accommodation.
- Shared housing supervised is a form of housing where people who need 24-hour supervision in a secure setting share accommodation.

Policies in the Markham Official Plan include developing housing targets for shared housing and developing a monitoring process for these targets, allocating a portion of the affordable housing targets to shared housing, supporting the equitable distribution of affordable and shared housing across neighbourhoods, and locating shared housing in proximity to rapid transit and accessible to other human services.

Modular Construction – Evolv35 in North Vancouver, British Columbia

In Moodyville, British Columbia, 35 four-bedroom townhomes were built to form a new, award-winning master-planned community. The plan for Moodyville required the rezoning of the former neighbourhood of single-family post-war homes to allow for a more flexible approach to design that accommodates changing household dynamics.

Homes are built as row houses with legal secondary suites. There is 1.5-inches of concrete flooring separating the residences' "lock-off suite" from the main home, cutting down on sound transmission. The City of North Vancouver developed the Lock-Off Suite Program to encourage developers to build rental accommodation by offering them density bonuses. This incentive program is providing much-needed rental suites in the community.

In addition to supporting the development of more housing supply, all homes in the project are built to Passive House Canada standards and 2032 energy codes, reducing energy usage by 90% annually.

Modular Construction – Presentation Manor in Scarborough, ON

The Presentation Manor project is a 229-suite assisted-living and independent-living seniors' residence in Scarborough. The four-storey facility also includes central dining facilities, commercial kitchen, central laundry, chapel, exercise room including pool, beauty salon, spa, administrative offices and more.

The construction of Presentation Manor was innovative due to unique construction methods used by PCL Constructors Canada Inc. The building's exterior was fabricated using 413 prefabricated exterior wall panels. These panels were manufactured in PCL's own agile offsite production facility. PCL is the only general contractor in Canada with its own manufacturing facility which provides the capacity to prefabricate many different project components with enhanced quality, safety, and schedule certainty. This construction method resulted in a reduction of the number of building trades on the construction site and increased worker safety overall. This modular approach was 25% more cost effective than conventional construction and resulted in a 50% reduction in the construction timeline. PCL broke ground on the site in October of 2016, and by October of the following year the building was fully enclosed.

Shared Housing – Sistershare in Toronto, Ontario

Toronto's Singles Housing Opportunity Program (SHOP) aims to respond to the need for more affordable housing stock for low income singles. Through this program, Toronto's non-profit

housing agency was able to purchase and convert 15 single family homes into houses which could be occupied by single non-related individuals, with seven units being the maximum number of units allowed within each house. The houses are then leased to non-profit organizations to operate, with Toronto providing property management services. The community organizations are responsible for all aspects of tenant relations, support to tenants, and working with tenants on maintenance issues.

Through SHOP, the Sistershare home which was once a three-storey house in a residential neighbourhood in Toronto was converted into a six-bedroom house for single women 50 years and older. The home was purchased and converted under SHOP. Each resident has their own private bedroom but there are common rooms on each floor as well as an outdoor garden that residents share.

Shared Housing – Solterra Co-Housing

Solterra is a developer-led network of co-housing projects in purpose-built or renovated homes. Each property has four to six residents who purchase a percentage interest in the shared home and who register as a Tenant in Common on the title/deed. This allows residents to retain equity in the property and have the option to sell their share when they leave or pass away.

Co-owners are jointly responsible for ongoing expenses such as utilities, taxes and maintenance and household decisions. Each resident has private space in the form of a bedroom, sitting area and bathroom and have access to shared space, including a kitchen, dining, sitting and outdoor areas. Support for housekeeping, shopping and household administration is provided by Solterra In-Home Support Services.

The estimated monthly mortgage and service fees at Solterra's homes are slightly higher than average rents in local semi-private seniors housing facilities. However, this model allows seniors to build equity and have a say in the management of their home.

Solterra has co-housing properties all across Canada. Their newest seniors co-housing property is Solterra Capilano Court in Barrie, Ontario. Each suite is private with a sitting room and private bathroom ranging in space from 307 sq. ft. for the smallest suite in the home to the largest suite 648 sq. ft. There is also 1421 sq. ft of common area in the property.

Flexible Housing – The Grow Home in Montreal, Québec

In 1990, the Grow Home was designed at McGill University and the concept was embraced enthusiastically by private sector builders. In Grow Homes, building costs are significantly reduced through the use of innovative design and construction methods and by giving the buyers the option of partial internal completion. This allows them to complete the basement or top storey of the house as and when resources and needs permit.

Grow Homes are built on a smaller plot of land which also gives rise to significant savings in building materials and labour costs. There are 33 different costed options offered to potential

home buyers to allow them to make a trade-off between amenities and budget. The main principle of the Grow Home is to give owners the option of having unpartitioned space for completion at a later date.

To date, over 6,000 such dwellings have been built in Montreal, with an estimated further 4,000 throughout Canada and the United States.

Flexible Housing and Affordable Home Ownership – Harmony Flex-Townhouse Development in Abbotsford, BC

Harmony Housing is a townhouse development in Abbotsford, BC, a town in the Lower Mainland experiencing growing housing costs and issues with affordability. The development, completed in 2010, consists of 11 townhouses, divided into two separate buildings, offering eight three-bedroom ownership units, three 2-bedroom ownership units, and 11 accessible bachelor secondary suites. Ten of the townhouses have a separate affordable rental suite on the ground floor. The purpose of including the rental suite was to expand the city's affordable rental housing stock, while also allowing the suites to act as a "mortgage helper" to the purchaser of the townhome.

The Harmony Housing project exemplifies how partnerships can be used to develop affordable seniors housing. The development was built on City land that was sold to the developer, the Maren Group, which assumed all risk for the project, at a 20-per-cent discount. The result was 11 townhouses, each containing an ownership unit with either two or three bedrooms and a self-contained rental bachelor secondary suite.

CMHC was heavily involved from the beginning, providing Seed Funding for an initial feasibility study on the proposed development, a Proposal Development Funding loan of \$40,000, and Residential Rehabilitation Assistance Program (RRAP) funding of \$24,000. CMHC also provided mortgage loan insurance and set the tenant selection criteria.

In addition, the VanCity Credit Union provided structuring advice and financing (mortgages) for most purchasers.

The long-term affordability of Harmony stems from a covenant with the City to sell the homes, at 26% below market value, to Abbotsford residents who have demonstrated a need for affordable housing. The covenant requires that any re-sale of these townhomes be at a price 20% below the then-market rate.

8.2 Infill and Adaptive Reuse

Adaptive reuse takes old and underutilized or vacant buildings and converts these into housing.

Adaptive Reuse – Reside Initiative in the Greater Toronto Area

Raising the Roof's Reside initiative renovates vacant or underutilized spaces such as heritage homes into new affordable housing options for people who are homeless or at risk of homelessness. The organization works with several partners, including Building Up, a non-profit construction contractor who trains and creates employment opportunities for individuals facing barriers to employment. Once the home is renovated, it is leased to a community non-profit housing provider who operates the home.

The first Reside home was developed in the Town of Caledon and is now home to people with developmental disabilities.

Adaptive Reuse – Pembroke, Ontario

Surplus school lands are another form of surplus land that can be used for affordable housing. McKenzie Heights is an old school that was redeveloped as an 18-unit home for low income seniors. There are one and two bedroom units, most of which have exits directly to the parkland outside. Many of the units have gardens that the residents worked on themselves. There is also a central corridor that functions as a common area where residents can walk and interact with their neighbours during the winter. The support service provider uses the former principal's office. Due to the location of the school, the residents have easy access to a hospital, grocery store, and transit.

Infill – Garden Suites in Edmonton, Alberta

In the City of Edmonton 'Garden Suites' is the term used to describe secondary units in a backyard. Garden Suites are a form of infill development that promote social, environmental, and economic sustainability. Garden Suites present an opportunity to build within the current city environment, rather than sprawling out. Aside from providing additional housing supply, Garden Suites can act as a mortgage helper, and function as a form of affordable housing.

The City of Edmonton defines a garden suite as: "a self-contained dwelling located in an accessory building that is physically separate from the principal single detached dwelling and which may include a garage. Typically, garden suites are single- or two-storey structures built in the back yards of single detached homes and must have their own kitchen, bathroom, and living space. You may also know them as garage suites, carriage houses, backyard suites or laneway homes."

The City of Edmonton offers a Secondary Suite and Garden Suite Grant Funding Program which is designed to provide funding to assist property owners in constructing a new or upgrading an existing suite. The City offers grant funding, which can cover up to half the cost of upgrading an existing secondary suite or developing a new suite to a maximum of \$20,000. In exchange for the grant funding, homeowners must enter into an agreement to rent the suite to eligible tenants for five years. Among other requirements, applicants must rent the garden suite to an eligible tenant earning within the Maximum Income Threshold by household size in the City of Edmonton.

Infill – Pocket Suites in Winnipeg, Manitoba

Pocket Suites are a series of innovative infill projects in Winnipeg, that provide an alternative model to rooming houses and shelters for low-income individuals in Manitoba. Launched in 2003, the Pocket House concept was introduced to create innovative solutions to address the quality issues of low-income and barrier-free housing. In Winnipeg, four Pocket Houses were built and each two-storey building contains eight units with a separate entrance, a private washroom, a cooking area, and a bed, among other furnishings. Each house features three barrier-free suites and one fully accessible suite on the main floor, with the remaining suites on the second level accessible by two exterior staircases.

The homes are built to be energy efficient, meeting Manitoba Hydro's requirements for "excellence in design and sustainability." The majority of Pocket Houses in the project are currently rented out, indicating the project has seen success, and also pointing to the level of need for affordable accessible housing.

Infill – 20 Water Street in Markham, ON

The Markham Inter-church Committee for Affordable Housing (MICAHA) built a four-storey apartment building with 32 units for seniors on underutilized land owned by Water Street Non-Profit Homes Inc. This land was part of the parking lot for Cedarcrest Manor, a 150-unit affordable housing building for seniors which opened in 1991.

The total cost for MICAHA's new seniors project is estimated to be \$8.2 million. MICAHA received approximately \$5.46M in contributions from York Region that included funding from the Investment in Affordable Housing for Ontario (2014 Extension) funds as well as through a development charge grant equal to approximately \$660,000. MICAHA also approached the City of Markham to request the waiving of, or receiving grants equal to, the fees associated with the proposed development in an estimated amount of \$714,386. The remainder of the project cost will be mortgaged over 40 years.

In this new seniors' residency building there will be 6 accessible, barrier-free apartments which will be able to accommodate individuals with disabilities.

Infill – Age-in-Place Laneway Housing Project, Calgary, Alberta

The Age-in-Place Laneway Housing Project is led by Professor John Brown of the University of Calgary. Two prototype models were designed and built in the EVDS Design Research Innovation (DRI Lab) in 2015 and 2016. These were tested by older adults and health care professionals to evaluate architectural functionality, medical effectiveness, and market appropriateness. The third prototype was constructed as a full working residence that would be deployed into the community and undergo two five-month in-situ trials by seniors, their families, health care team, and neighbours to evaluate the architectural functionality, medical effectiveness, market appropriateness, and neighbourhood impact. This project demonstrates

the option of allowing seniors to remain in their own community and their own homes even as their needs change.

8.3 Incentives for Affordable Housing

Financial Incentives – City of Kitchener, Ontario

The City of Kitchener has policies to encourage the development of new affordable rental housing. These policies provide exemptions for the development application and building permit fees as well as timing of City development charge payments. To be eligible, proponents have to be a not-for-profit and the project has to have a minimum of 20% of residential units with rents at or below 80% of the average market rent for the regional area. Projects should also be located within 450 metres from transit corridors across the city.

Financial Incentives – City of Kawartha Lakes, Ontario

The Kawartha Lakes Haliburton Housing Corporation built 29 new townhouse units and an additional 16-units as part of a regeneration project. These new units are a result of contributions from the City, including waiving of development charges, building permit fees, site plan application fees, security requirements for site plan, parkland levy, and service connection fees. The City also reduced property taxes for forty years.

Community Improvement Plan (CIP) – City of Barrie, Ontario

The City's CIP provides financial incentives for eligible projects that target key planning and growth management objectives for developing within Barrie, including affordable housing projects, brownfield site redevelopment, and mixed use developments within the Urban Growth Centre, key intensification areas, and the preservation of built heritage. The objectives of the CIP include supporting the provision of a variety of affordable housing units by offering financial support based on a continuum of housing options. More specifically, the CIP is intended to create a mix of unit types across the continuum of affordable housing options, geared towards the low and low to moderate income households and increase the number of affordable housing units within the City.

There are three incentive programs offered through the CIP. These are the Redevelopment Grant Program, Preservation of Built Heritage Grant Program, and Affordable Housing Development Grant Program. The Affordable Housing Development Grant Program includes a rebate and applicable planning and building permit fees, affordable residential units per door incentive and a tax increment based grant. The construction of a project approved for funding must commence within eighteen months of the grant approval.

Tax Increment Based (or Equivalent) Grant Program – Guelph, Ontario

The City of Guelph Brownfield Redevelopment Community Improvement Plan (CIP) was approved by the Ontario Ministry of Municipal Affairs and Housing in March of 2004. The

financial incentive programs contained in the CIP were drawn from the City of Guelph's Brownfield Strategy which was adopted by Council in May of 2002. These incentive programs were designed to stimulate private sector investment in the reuse and redevelopment of brownfield sites.

One incentive tool used in the CIP is the Tax Increment-Based (or Equivalent) Grant. The purpose of this grant program is to attract private-sector investment and stimulate development in targeted areas of the City of Guelph. The amount of the grant is based on the difference between property taxes collected on a property before development and the estimated taxes that will be collected after development. They are reconfirmed against actual taxes before any grant monies are paid. Guelph's tax increment-based grant for brownfields pays property owners 80% of the tax increment, in installments, over a maximum of 10 years. The remaining 20% of the tax increment is used to fund other Brownfield CIP related programs.

The tax increment-based grant helps to achieve Guelph's community improvement goals of reducing the number of contaminated sites, maintaining more heritage buildings and renewing Guelph's downtown. They also contribute to the growth of the City's assessment base by attracting real private sector projects.

Providing Municipal Land – Minden Hills, Ontario

The Kawartha Lakes Haliburton Housing Corporation developed twelve units under the Investment in Affordable Housing Program Extension. The Township donated land, waived planning and building fees, and reduced property taxes while the County made a cash donation.

Providing Land – Calgary, Alberta

Sun Court is a 27-unit housing development designed for low-income families aiming to become first-time homeowners, built in Calgary, Alberta. Sun Court is built on land leased to Habitat for Humanity at below-market rates. The land was obtained through a land swap between the Calgary Homeless Foundation and the City of Calgary. Habitat for Humanity holds a lease on the Sun Court land, and the Calgary Homeless Foundation retains ownership of the land.

Guelph Affordable Housing Reserve Fund

The City's Affordable Housing Reserve Fund was established in 2002 to encourage the development of affordable housing. Incentives provided through this fund have focused on property tax exemptions, property tax reclassifications, late Development Charge payments and grants to offset Development Charges, and capital funding to match funding from senior levels of government. As of November 2020, the fund had \$1.6 million available with another \$500,000 contribution expected from the 2021 budget.

Affordable Home Ownership Assistance – Nova Scotia Down Payment Assistance Program

The Down Payment Assistance Program (DPAP) assists Nova Scotians with modest incomes (max \$75,000) who pre-qualify for an insured mortgage to purchase their first home. Eligible

participants can apply to receive an interest-free repayable loan of up to 5% of the purchase price of a home. The purchase price of the home may not exceed \$280,000 in the Halifax Regional Municipality (HRM) and \$150,000 in the rest of the province.

The loans are interest-free and are repayable over ten years. Participants may waive their payments in the first year. The loan must go toward the down payment and cannot be used for financing, closing or other costs. The down payment assistance loans can range between up to \$7,500 and up to \$14,000.

The Nova Scotia Down Payment Assistance program assisted 153 first time home buyers during its first year with funding of nearly \$1.3 million being committed. The province is making available \$1.05 million in funds that will be loaned to program participants in fiscal year 2019/20. \$250,000 has been budgeted to cover interest costs and carrying charges.

Affordable Home Ownership – Artscape Triangle Lofts, Toronto, Ontario

Artscape, a not-for-profit developer, launched Artscape Triangle Lofts in 2011. This project includes 48 affordable ownership units and 20 affordable rental units within a larger condominium development. The space for the Artscape units was secured through a Section 37 agreement with a private condominium developer where Artscape was provided with 56,000 sq.ft. at the cost of construction in exchange for additional height and density. The affordable ownership units were offered with an interest-free and no-payment shared appreciation second mortgage for 25% of the market value. Buyers had to provide a 5% down payment and secure a mortgage for the balance of the purchase price.

Any future resale of the units must be done through Artscape, which charges a 3% fee for managing the process. In addition, the second mortgage includes an affordability covenant that stipulates how appreciation of the unit is distributed between the buyer and Artscape. The seller is entitled to a maximum of 5% market appreciation for their share of the unit (75%) and Artscape is entitled to the full appreciation of their share (25%) of the unit. Any market appreciation above 5% is split 50/50 between the seller and Artscape. This ensures Artscape is able to maintain the units as affordable in perpetuity and limits the possibility of buyers using the units as speculative investments.

Alternative Parking Standards – Cobourg, Ontario and Belleville, Ontario

The Town of Cobourg's Zoning By-law allows for a 50% reduction in the parking requirements for residential dwellings within their Downtown Areas.

The City of Belleville's Guidelines for the Reduction of Parking Requirements for Affordable Rental Housing reduces the parking requirements in the current Zoning By-law for Belleville of 1.25 parking spaces per unit for apartment style developments and two spaces per unit in the Thurlow and Sidney Zoning By-laws to the following requirements for below average market and average market purpose built medium and high density rental housing.

- 0.5 – 0.75 parking spaces per unit in walkable and transit accessible neighbourhoods (where amenities are within a five to ten minute walk or 400 – 800 metre radius of the proposed development); and,
- 0.75 – 1 parking space per unit in less walkable (more than 800 metres to amenities) neighbourhoods.