Housing Needs Assessment:

City of Barrie Council Presentation
Affordable Housing Strategy Update

June 7, 2023

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Agenda

- Overview of the Project
- Summary of the Housing Needs Assessment
- Next Steps
- Questions

Overview of the Project

PHASE 1 – Housing Needs Assessment

- HNA including supply, demand and gaps analysis
- Public engagement meeting
- Stakeholder consultations

PHASE 2 – Policy Options and Recommendations

- Exploring strategies to increase affordable housing options
- Why are there housing gaps?
- Case studies – what is being done elsewhere?
- Recommendations on strategies and suggested implementation tools

PHASE 3 – Updated Affordable Housing Strategy

- Public engagement meeting & stakeholder consultations
- Reporting on all work including feedback from consultations
- Recommendations on advocacy and partnership approaches

Housing Needs Assessment Summary

HNA Summary and Key Findings

- ***Ownership and rental affordability is very strained in Barrie***
- ***Very limited options for low and moderate-income households***
- ***Housing costs are rising at a far higher rate than incomes***
- ***Ownership housing is unaffordable for almost all households, driving more households to the rental market***
- ***Market-rate rental housing is mostly unaffordable to low and moderate-income households***
- ***Barrie should be planning for, and encouraging, a greater and broader supply of housing, rental housing should be highest priority***

Why Invest in Affordable Housing?

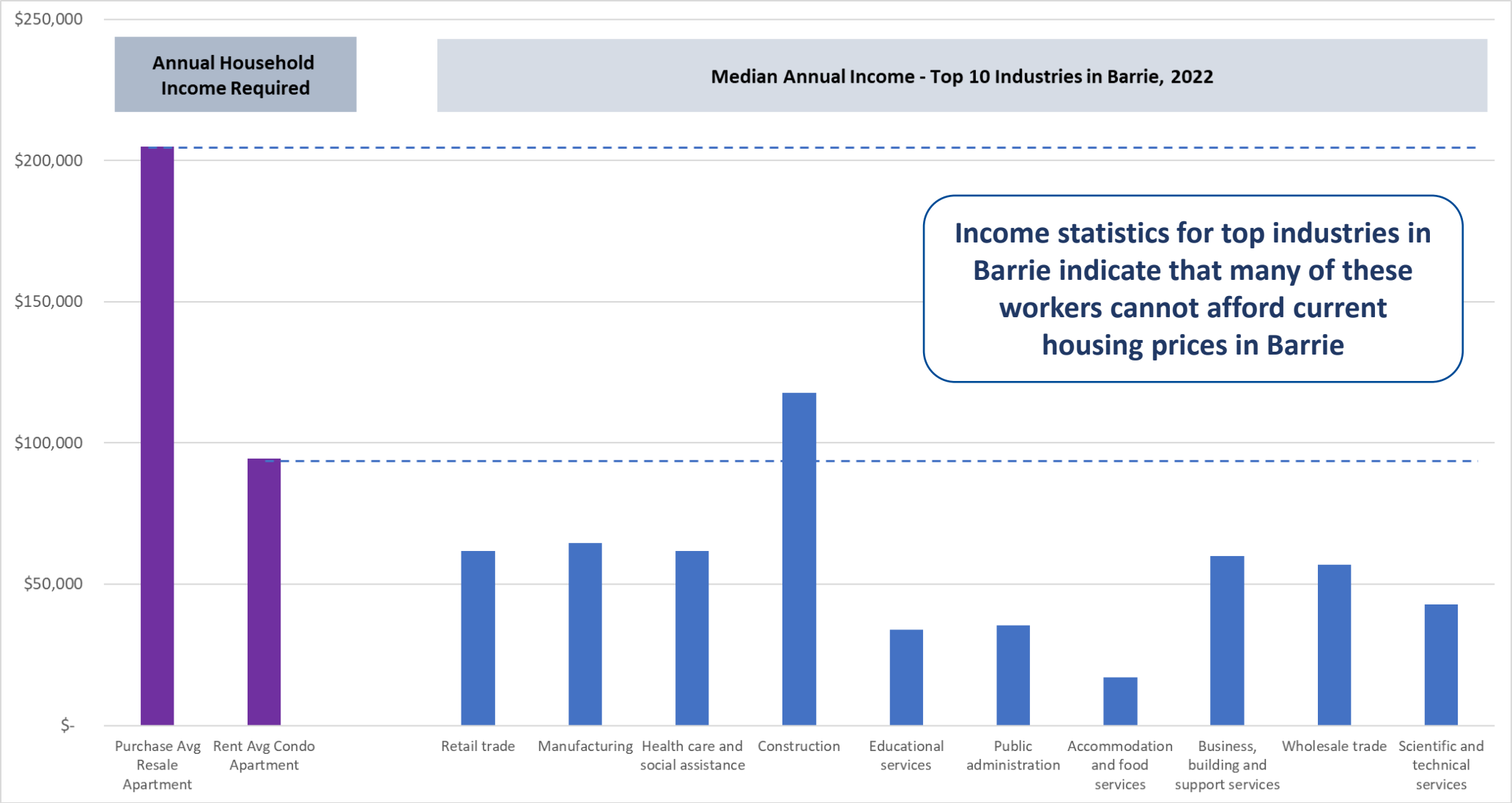
Negative Impacts on Households

- Ability to spend on necessities like food, transportation, education
- Some households living in unsuitable/inadequate conditions
- Impacts to physical health
- Impacts to mental health
- Relationship impacts
- Lack of stability

It is an *Economic Development* Issue!

- Impacts employee recruitment
  - Service jobs, nurses, teachers, and other jobs that are integral in every community
- Productivity and employee retention is reduced
- Commute times are lengthened (+ increased transportation costs)
- Less local spending on goods and services

Why Invest in Affordable Housing?



Affordability Thresholds by Income Decile

Ownership Affordability Thresholds, City of Barrie			
Income Group	**Decile Group**	**All Household Income**	**Affordable Purchase Price**
Low Income	1st	$35,343	$117,237
	2nd	$53,014	$175,855
	3rd	$69,360	$230,077
Moderate Income	4th	$85,595	$283,933
	5th	$102,714	$340,719
	6th	$120,386	$399,338
High Income	7th	$142,475	$472,610
	8th	$171,191	$571,018
	9th	$216,473	$728,207

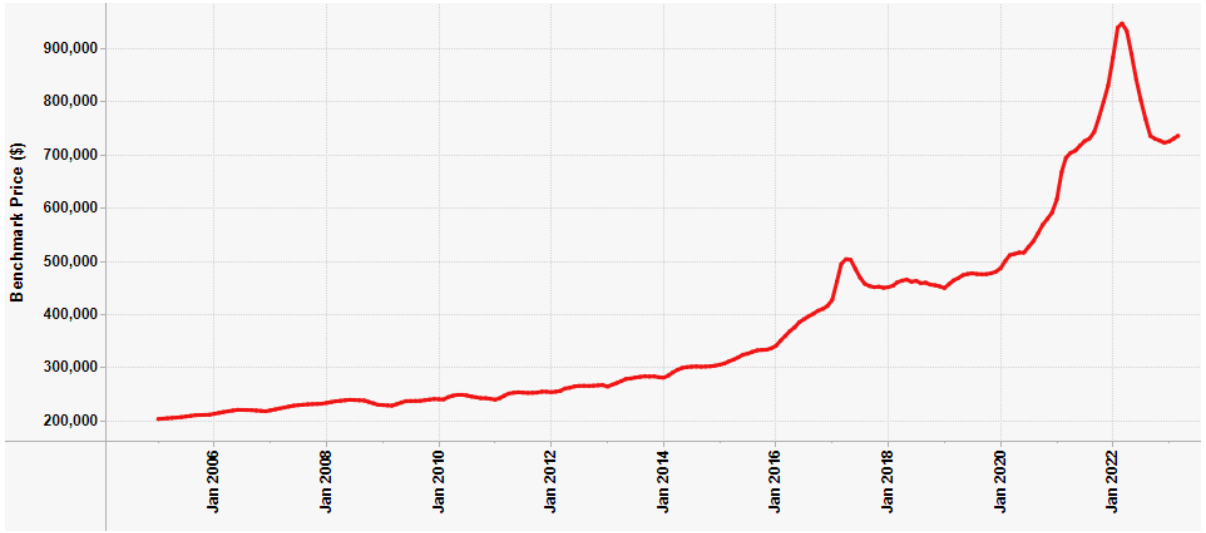
Rental Affordability Thresholds, City of Barrie			
Income Group	**Decile Group**	**Renter Household Income**	**Affordable Monthly Rent**
Low Income	1st	$25,402	$635
	2nd	$35,784	$895
	3rd	$47,271	$1,182
Moderate Income	4th	$56,990	$1,425
	5th	$69,360	$1,734
	6th	$81,730	$2,043
High Income	7th	$97,192	$2,430
	8th	$117,072	$2,927
	9th	$149,102	$3,728

- The data above sorts the income of **All Households** and **Renter Households** by income decile in Barrie.
- The data is based on the 2021 Census that represents 2020 incomes, which are then inflated using the Consumer Price Index (CPI) to estimate current income levels.
- Based on these income deciles, we have estimated the maximum affordable purchase price and maximum monthly rental rate based on housing costs of 30% of gross household income

Ownership Housing

- Supply of ownership housing not meeting demand
- Significant price growth over past decade…+172% in resale market – incomes only up 34%
- Recent price decline offset by higher borrowing costs
- Lack of affordability drives households to rental market – ownership households on decline

Average Resale Benchmark Price: City of Barrie, January 2005 to March 2023



Mortgage Payment Sensitivity Analysis		
Mortgage Amount	$946,000	$735,000
Interest Rate	3.0%	5.5%
Mortgage Length	25	25
Monthly Mortgage Payment	$4,395	$4,328

Ownership Housing Affordability Gaps

	Unaffordable
	Affordable

Ownership Housing Affordability Gap Analysis, City of Barrie										
Income Decile		1	2	3	4	5	6	7	8	9
Affordability Threshold		$117,237	$175,855	$230,077	$283,933	$340,719	$399,388	$472,610	$517,018	$728,207
Housing Type	Purchase Price									
NEW SALE										
Single-Detached										
Two-Bedroom	$1,080,000									
Three-Bedroom	$1,170,000									
Four-Bedroom	$1,325,000									
Semi-Detached										
Three-Bedroom	$885,000									
Four-Bedroom	$1,000,000									
Condominium Apartment										
One-Bedroom	$530,000									
Two-Bedroom	$765,000									
Three-Bedroom	$995,000									
Townhouse										
Two-Bedroom	$795,000									
Three-Bedroom	$820,000									
RESALE										
Single/Semi-Detached[1]										
Two-Bedroom	$870,000									
Three-Bedroom	$990,000									
Four-Bedroom	$1,050,000									
Condominium Apartment										
One-Bedroom	$510,000									
Two-Bedroom	$620,000									
Three-Bedroom	$660,000									
Townhouse										
Two-Bedroom	$685,000									
Three-Bedroom	$720,000									

1. Resale data for single/semi-detached homes is not broken down by single-detached versus semi-detached.

Note: Limited data available for certain housing types.

Source: Simcoe County Realtor, Altus Data Studio, NBLC.

Rental Housing

- New rental development has been stagnant – just 350 net new units in 20 years
- Rental rates are rising rapidly – many options now over $2,000 per month
- Vacancy has tightened over past decade
- Renter households are driving growth in Barrie
- Renter households are far more likely than owners to be in Core Housing Need

Average Rental Housing Prices (Feb 2023 Survey)	
New Purpose-Built Rental Apartments *One-Bedroom* *Two-Bedroom* *Three-Bedroom*	$2,370 *$2,035* *$2,650* *$3,005*
Older Purpose-Built Rental Apartments *One-Bedroom* *Two-Bedroom* *Three-Bedroom*	$1,960 *$1,750* *$1,900* *$2,400*
Secondary Rental Market	
Condominium Apartment	$2,215
Townhouse	$2,470
Single/Semi-Detached Home	$2,680
Basement Apartment	$1,735

Rental Housing Affordability Gaps

	Unaffordable
	Affordable

Rental Housing Affordability Gap Analysis, City of Barrie

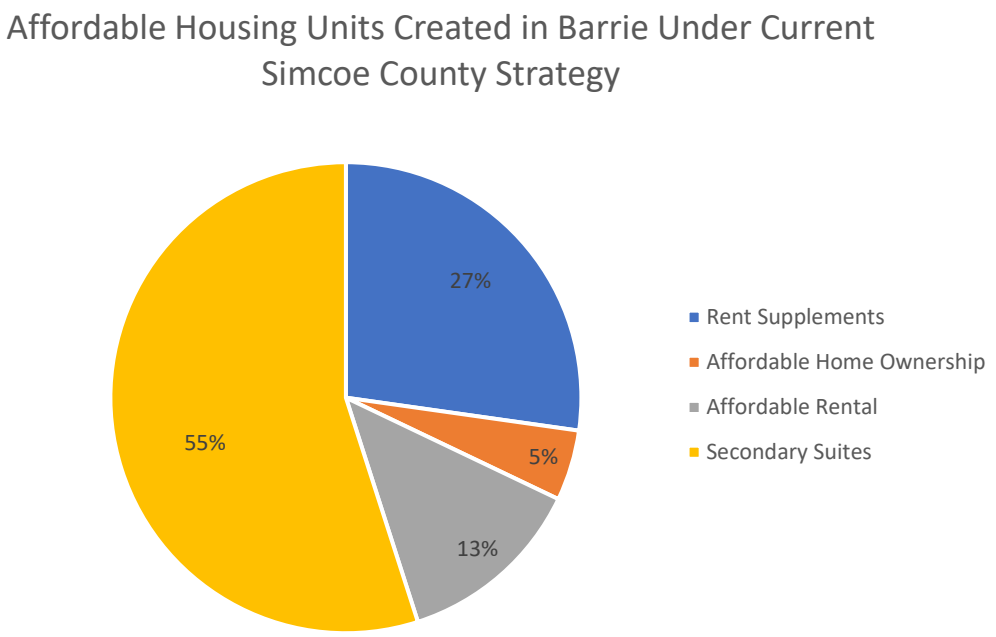
Income Decile		1	2	3	4	5	6	7	8	9
Affordability Threshold		$635	$895	$1,182	$1,425	$1,734	$2,043	$2,430	$2,927	$3,728
Housing Type	Average Rental Rate									
New Purpose-Built Rental Apartments										
One-Bedroom	$2,034									
Two-Bedroom	$2,648									
Three-Bedroom	$3,005									
Old Purpose-Built Rental Apartments										
One-Bedroom	$1,753									
Two-Bedroom	$1,897									
Three-Bedroom	$2,368									
Privately Leased Condominiums										
Studio	$1,594									
One-Bedroom	$2,093									
Two-Bedroom	$2,338									
Three-Bedroom	$2,857									
Privately Leased Townhouses										
Two-Bedroom	$2,259									
Three-Bedroom	$2,527									
Privately Leased Single/Semi-Detached Homes[1]										
Two-Bedroom	$2,332									
Three-Bedroom	$2,706									
Four-Bedroom	$3,098									
Privately Leased Secondary Units (Basement Apartments)										
One-Bedroom	$1,601									
Two-Bedroom	$1,823									

1. Private lease data for single/semi-detached homes is not broken down by single-detached versus semi-detached.

Source: Simcoe County Realtor, Altus Data Studio, NBLC.

Affordable Housing

- 1,265 RGI units in Barrie
- 1,073 new affordable housing units created under County strategy in Barrie
  - Mix of secondary suites, rent supplements, affordable ownership/rental units
- Represents 128% of target of 840 units by 2024
- 62% of County waitlist is in Barrie (2,996 households)



Affordable & Social Housing Affordability Gaps

	Unaffordable
	Affordable

Community/Affordable Housing Affordability Gap Analysis, City of Barrie												
Income Decile				**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**
Affordability Threshold				**$635**	**$895**	**$1,182**	**$1,425**	**$1,734**	**$2,043**	**$2,430**	**$2,927**	**$3,728**
% CMHC AMR	**Program**	**Monthly Rental Rate**										
100% AMR	New Affordable Housing/Housing Benefits/Rent Supplements	Bachelor	$1,073									
		One-Bedroom	$1,336									
		Two-Bedroom	$1,545									
		Three-Bedroom	$1,818									
80% AMR		Bachelor	$858									
		One-Bedroom	$1,069									
		Two-Bedroom	$1,236									
		Three-Bedroom	$1,454									
60% AMR	Low-End of Market (LEM)	Bachelor	$644									
		One-Bedroom	$802									
		Two-Bedroom	$927									
		Three-Bedroom	$1,091									
RGI	Community Housing		-									

Core Housing Need

- A household is in Core Housing Need if their housing is one or more of the following: **unaffordable, inadequate, unsuitable**
- 35% of renters (5,040 households) and 9% of owners (3,160 households) in Core Housing Need (2016)
- Average household in Core Housing Need spends ~50% of income on housing costs
- Mostly households in lower income deciles

Who Are the Households in Core Housing Need?

- Renter households
- One-person households
- Households with at least one senior
- Households with at least one person with activity limitations
- Households with the primary maintainer over 55
- Lone-parent households
- Aboriginal renter households
- Immigrant households

Core Housing Need Households, Barrie (2016)

Tenure	Average Gross HH Income	Average Monthly Housing Costs	Average STIR* Before Taxes	Median Gross HH Income	Median Monthly Housing Costs	Median STIR* Before Taxes
Owner	$35,053	$1,415	51.4	$33,772	$1,440	47.3
Renter	$29,542	$1,147	50.0	$27,282	$1,102	47.5

*Shelter-Cost-to-Income-Ratio

Source: CMHC, Census Canada.

Next Steps

Next Steps

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1. Complete Phase 1 Public Consultation - 3 smaller sessions (led by LURA)
2. Phase 1 Stakeholder Consultations - 5 meetings with stakeholder groups (led by NBLC)
3. Phase 2 – Summer 2023
    - Develop policy recommendations to improve housing outcomes
    - Determine how to meet affordable housing goals
    - Develop affordable housing targets
    - Explore implementation strategies to encourage affordable housing development
    - Return to Council in Fall 2023 to seek direction on policy options
4. Phase 3 – Fall 2023

Questions?