Attachment 1
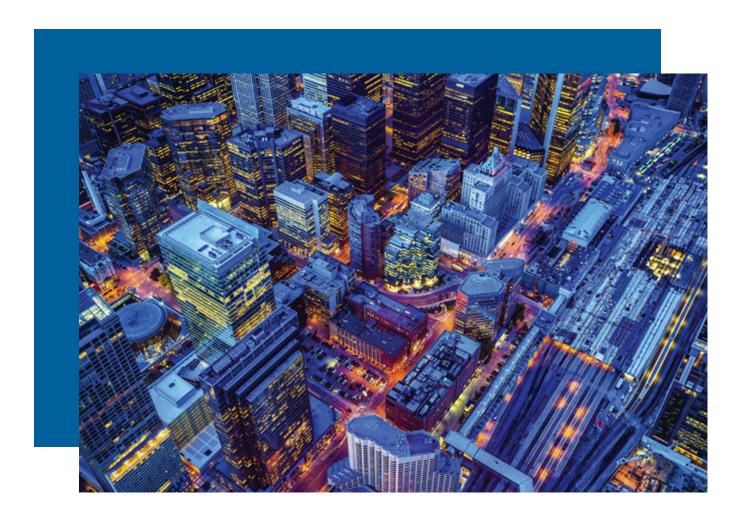
Changing Direction: A Fresh Approach for Assessing Affordable Housing Options in the GTA

May 20, 2021
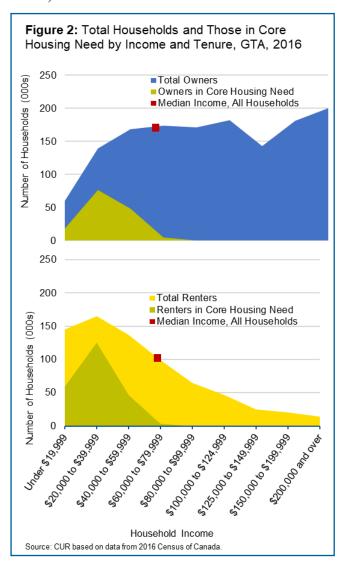
Ryerson University

Centre for Urban Research & Land Development
Faculty of Community Services

Figure 2 shows the number of households in core housing need in the GTA by income level in 2016. The top panel indicates the income distribution of owners living in core housing need and the bottom panel represents that of renter households.

The figure shows that most households in core housing need, whether these households are owners or renters, are in the lowest income brackets (under $60,000 in 2016) and that renter households are much more likely to be in core housing need than owner households (36% versus 11% of all households of the same tenure).

It is worthy of note for housing policy analysis that most owner households (96%) and renter households (86%) in core housing need have an affordability problem, while their home is adequate and suitable under the CMHC definitions.

Finally, the proportion of all households who live in core housing need is just below 20% and has been steady for more than two decades (1996-2018).[5]

Figure 2: Total Households and Those in Core Housing Need by Income and Tenure, GTA, 2016

Source: CUR based on data from 2016 Census of Canada.

3. Description of CUR's Diagnostic Tool for GTA Housing Policy Analysis

This section outlines CUR's version of Bertaud's diagnostic tool which has been populated with GTA data. CUR's diagnostic tool for assessing affordable housing policy options is based on the following considerations: the capacity to analyze the impact of policies on both components of the housing affordability problem, market-wide and low-income specific affordability, their interaction and data availability.

3.1 An overview of CUR's diagnostic tool

We opted to use data from the 2016 Census of Canada for our empirical work. This data base has the advantage of containing a range of demographic, housing and income data for households. We examine the entire GTA as affordable housing policies are only effective at this level – not individual municipalities.[6] We retain Bertaud's examination of housing demand and supply by income group.

The demand side of our model consists of two variables presented by income group:

- Total households in 2016; and
- Households in core housing need in 2016.[7]

Core housing need supplemental data are provided for both homeowners and renters (see Figure 2).

The demand side of the model incorporates a single variable presented by income group:

- The average annual growth in occupied dwelling units during the decade prior to 2016.

Figure 3 presents CUR's version of the diagnostic tool for the GTA. The bottom half of the figure is housing demand and the top half is housing supply. The demand and supply sides of the marketplace are described below.