



— UPPER — WEST SIDE

Housing Needs Assessment Report UPPER WEST SIDE SECONDARY PLAN

Prepared For:
City of Hamilton

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1.0 INTRODUCTION

Corbett Land Strategies Inc. (“CLS”) has been retained by the Upper West Side Landowner Group (“UWSLG”) to prepare this Housing Needs Assessment Report for the Upper West Side Secondary Plan and in contribution to the background technical studies required in the Secondary Plan process. This report has been prepared in accordance with the Terms of Reference (“TOR”), prepared by CLS on behalf of the UWSLG, dated July 31, 2023 as well as the City of Hamilton’s Development Application Guidelines – Housing Report (Appendix “B15” to Report PED22112(d)) dated October 2022.

1.1 BACKGROUND

1.1.1 Secondary Plan Area

The Upper West Side Secondary Plan consists of portions of lands bounded by Twenty Road West to the north, Upper James Street to the east, Dickenson Road West to the south, and Glancaster Road to the west, in the City of Hamilton (Figure 1) and herein referred to as the subject lands. The subject lands are located to the north of the John C. Monroë Hamilton International Airport. The subject lands currently consist of a mix of agricultural lands, rural residential uses, and natural heritage features on the edge of the existing built-up area of Hamilton. The subject lands are 283 hectares (700 acres) in size and are proposed to be comprehensively developed through the Secondary Plan process to facilitate residential and employment development as well as the protection of key natural heritage features.

1.2 PURPOSE & SCOPE

The purpose of this report is to analyze current and forecasted demographic trends, housing supply, housing demand, economic factors, policy and regulatory factors, and affordability, to identify key gaps in the provision of housing within the Upper West Side Secondary Plan area. The intent of the assessment is to inform the preparation of policies and guide recommendations on land use and built form. Particular reference will be made to the Housing Needs Assessment prepared by City of Hamilton, dated December 12th, 2022.

In accordance with the TOR and Development Application Guidelines, this report will consist of the following components:

- Analysis of demographics, population, household incomes, housing supply characteristics, housing types, housing sizes, and average market ownership and rental prices;
- Determination of housing demand, supply, and affordability;
- Analysis and summarization of key findings and gaps;
- Analysis and summarization of critical policy context; and,
- Provision of recommendations on land use and built form.



Figure 1: Study Area Location Map (Corbett Land Strategies, 2023)

1.3 PROPOSED COMMUNITY

The Upper West Side Secondary Plan will facilitate the development of a complete community over the next 20 years. The community is anticipated to facilitate a minimum population growth of 12,000 residents and 2,400 jobs during that period. The Upper West Side Secondary Plan proposes to implement 6 designations, 5 of which permit housing. These designations are:

- Low Density Residential 1
- Low Density Residential 2
- Medium Density Residential
- High Density Residential
- Mixed Use

As part of the community and based on the proposed designations, it is anticipated that a minimum of 5,000 dwelling units will be constructed with the potential to construct as many as 14,000 dwelling units. The majority of dwelling units will be constructed within the Medium Density Residential designated areas, with only 2% of dwellings constructed within the Low Density Residential 1 or 2 designations (Figure 2). The gross floor area, number of units by unit type/bedrooms, anticipated price range or rent level range of units, and number of dwelling units by tenure of dwellings within the Secondary Plan area will be reviewed and confirmed as part of future development planning approvals such as Plan of Subdivision or Plan of Condominium.

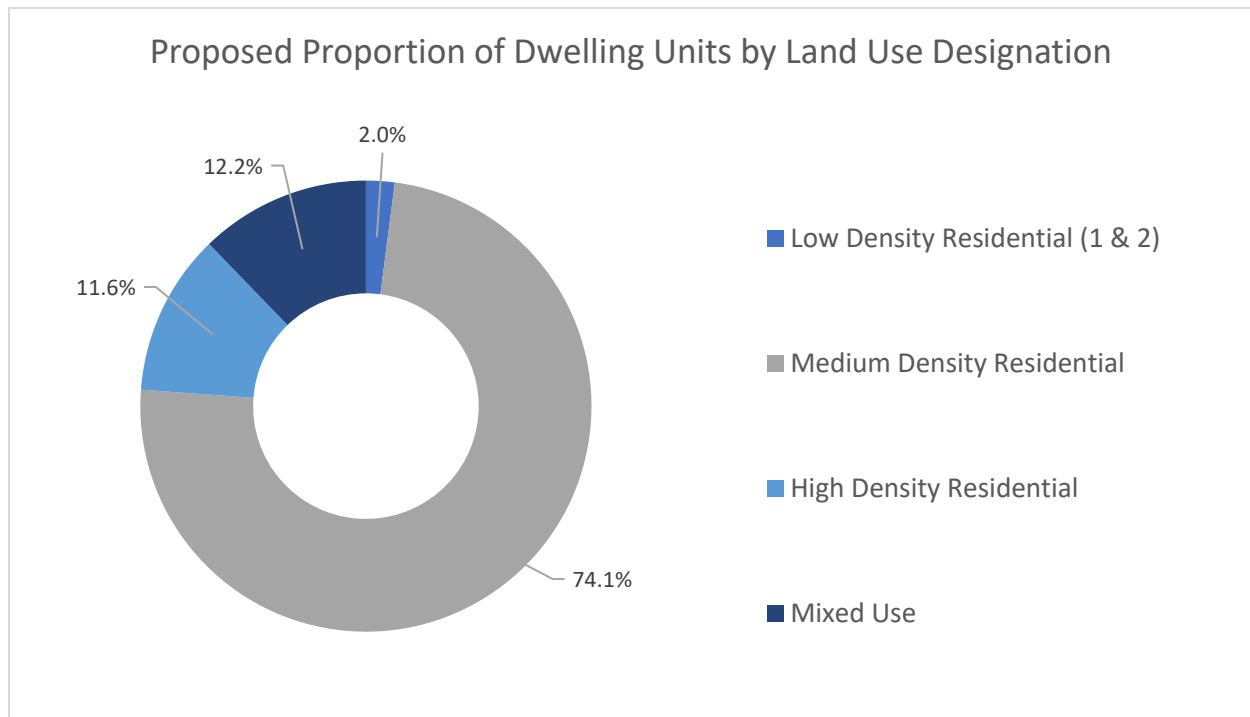


Figure 2: Proposed Proportion of Dwelling Units by Land Use Designation

1.4 HOUSING ASSESSMENT METHODOLOGY

In this analysis, we engage in a thorough examination of the Upper West Side Secondary Plan contextual analysis in Hamilton. This involves scrutinizing demographic patterns, the intricate interplay of housing supply and demand, economic variables, and regulatory frameworks. The objective is to gain profound insights into the present housing landscape and, concurrently, to project the prospective housing requirements. Employing a diverse array of analytical tools and sources, this section systematically unveils the methodologies employed to unravel the complexities inherent in understanding the housing scenario. The subsequent sections will summarize the methodology, providing an understanding of the structured approach undertaken to assess the dynamics of housing needs in the City of Hamilton as it relates to the Upper West Side Infill Community.

1.4.1 Study Area

The Study Area is comprised of the subject lands and census tracts within 1 kilometre of the boundary of the subject lands. In some cases, data is only available for the Hamilton Census Subdivision or the Hamilton Census Metropolitan Area. The figures and tables cite where data represents the study area, the subject lands, Hamilton Census Subdivision, or Hamilton Census Metropolitan Area.

1.4.2 Data Sources

This analysis uses data from the most current, reliable and relevant sources available. Sources of data and information include Statistics Canada Census Profiles, and custom tabulation data from 2011, 2016, and 2021 from the Census as well as the Canadian Housing Statistics Program. Other sources include data and information from Canada Mortgage and Housing Corporation, Municipal Property Assessment Corporation, the City of Hamilton, and the Province of Ontario. Source citations are provided for data and information throughout the report.

1.4.3 Data Methods, Limitations, Assumptions and Gaps

In undertaking the Housing Needs Assessment for the targeted neighborhood in the City of Hamilton, meticulous attention has been given to the data collection methods, acknowledging their significance in ensuring the accuracy and reliability of the assessment. The primary data sources include demographic surveys, housing supply and demand analyses, economic indicators, and regulatory documentation. However, it's crucial to acknowledge certain limitations inherent in the data. These may stem from potential sampling biases in survey responses, time lags in data availability, and the dynamic nature of economic and regulatory factors. Assumptions have been made to bridge potential gaps in the data, particularly in forecasting future trends. While every effort has been made to access the most current and comprehensive data, the assessment recognizes the inherent uncertainties and fluidity in the housing market landscape, and thus, findings should be interpreted within this context.

1.5 HOUSING CONTINUUM

The Housing Continuum serves as a conceptual framework that encapsulates the various stages of housing, ranging from emergency shelters and supportive housing to affordable rental units and homeownership (Figure 2) (Canada Mortgage and Housing Corporation, 2022). In Ontario, and by extension in the City of Hamilton, understanding the dynamics of the Housing Continuum is pivotal for devising comprehensive strategies to address diverse housing needs across the socio-economic spectrum.



Figure 3: Housing Continuum (Canada Mortgage and Housing Corporation, 2018)

At the lower end of the continuum, emergency shelters and supportive housing play a critical role in providing immediate assistance to those experiencing homelessness or facing complex challenges. The effectiveness of these services directly influences the overall well-being of the community and sets the tone for subsequent stages in the continuum.

Moving along the continuum, affordable rental units contribute significantly to housing stability for individuals and families with moderate incomes. A well-balanced distribution of rental options is essential to foster inclusivity and ensure that housing remains accessible to a broad demographic. Ontario's policy landscape and the specific strategies adopted by the City of Hamilton in this regard profoundly shape the availability and affordability of rental housing.

Towards the upper end of the continuum, homeownership represents a crucial aspect of housing provision, contributing not only to individual wealth-building but also to the stability and vibrancy of neighborhoods. Policies related to land use, development, and financial incentives for homebuyers have a direct impact on the housing market dynamics in both the province and the city.

In essence, the Housing Continuum is a dynamic framework that necessitates a nuanced understanding of the diverse housing needs within a community. Policies and initiatives crafted at each stage of the continuum have a cascading effect, influencing the overall housing landscape in Ontario and the City of Hamilton. A balanced and well-integrated approach to housing provision, acknowledging the continuum's breadth, is fundamental for fostering a resilient and inclusive housing market.

2.0 HOUSING DEMAND

In examining housing demand within our targeted Hamilton neighborhood, our focus shifts to the analytical scrutiny of demographic, household, and income dimensions that collectively mold residential preferences. This section employs a comprehensive lens, dissecting population trends, household structures, and income patterns. By scrutinizing the intricate details of age distributions, educational backgrounds, and income dynamics, we aim to derive insights that not only illuminate current housing preferences but also serve as a predictive framework for navigating the dynamic contours of future housing demand.

2.1 POPULATION TRENDS AND PROJECTIONS

In this section, we analyze population trends and projections, delving into age, education, immigration, and ethnic origin specifics within the City of Hamilton and within the study area. By analyzing past trends and projecting future shifts, we aim to uncover the evolving demographics that influence housing demand. From newcomers shaping our community to educational aspirations, this subsection provides insights into the changing landscape that will impact housing preferences in the future.

2.1.1 Overall Population and Growth

As per the 2021 Census, the City of Hamilton Census subdivision had a population of 569,353 people, which was a 6% overall increase from the 2016 Census, which identified a population of 536,917 people (Figure 3). As noted in the City of Hamilton Housing Needs Assessment, 2022, these population estimates from the 2021 Census are likely lower than the actual estimates of the population in Hamilton. There is an accepted inevitability that some people are not counted for reasons including not residing in a residence during Census night, not receiving the Census forms, or they were omitted by the resident completing the Census forms (SHS Consulting, 2022).

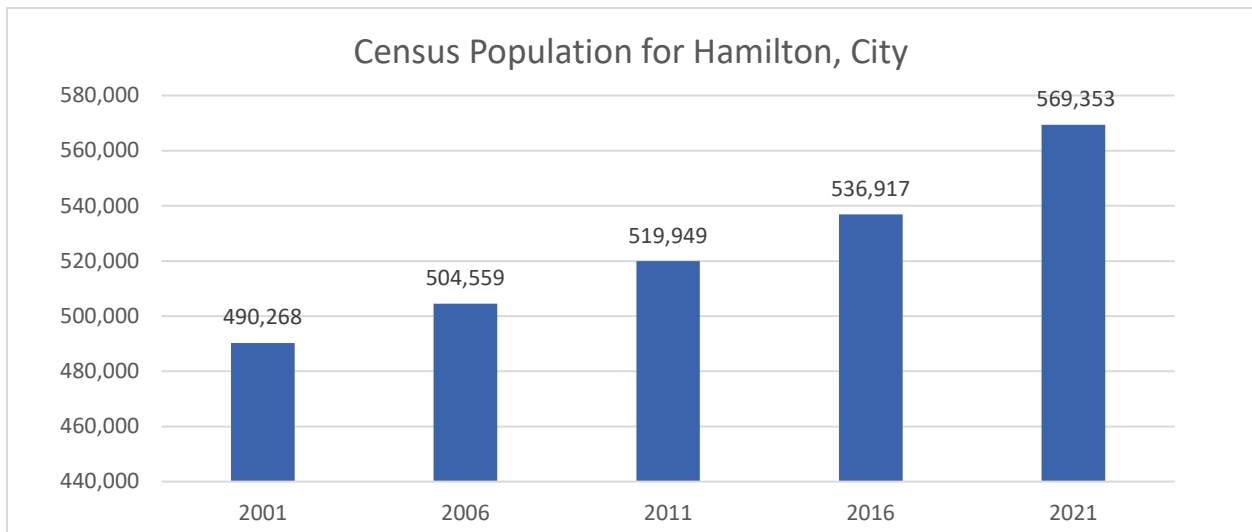


Figure 4: Census Population for Hamilton, City (Statistics Canada)

The population growth rate of the City of Hamilton between 2001 and 2016 remained generally level, ranging from 2.9% to 3.3%, and between 2016 and 2021 the City experienced a significant increase in the growth rate to 6.0% (Figure 4). In comparison, the Province of Ontario growth rate between 2001 and 2016 fell from 6.6% to 5.0% but was stronger than the City of Hamilton’s rate. The Province rebounded between 2016 and 2021 with an increased growth rate of 5.8%, which was comparable to the City’s.

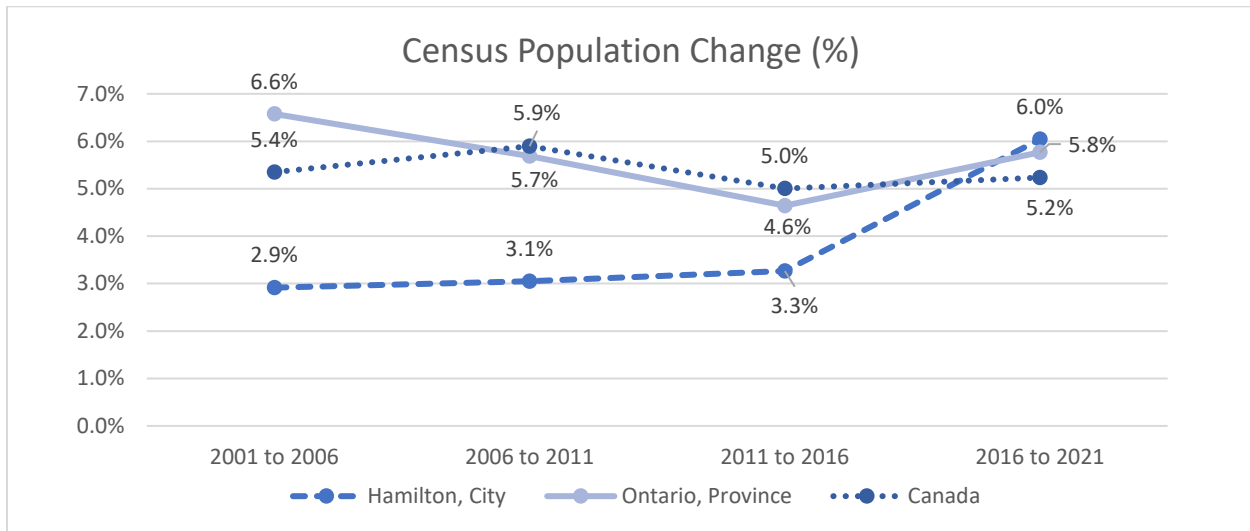


Figure 5: Census Population Change (Statistics Canada)

The City of Hamilton and Watson & Associates Economists Ltd. completed the *City of Hamilton Revised Urban Land Needs Assessment (L.N.A.), 2023 (2022)* (“LNA”). This report identified that the Growth Plan for the Greater Golden Horseshoe, 2006 population forecast for the City of Hamilton was relatively close to the results of the 2021 Census; however, the housing forecast completed by the City through their Growth-Related Integrated Development Strategy (GRIDS) was tracking lower than expected by approximately 16,000 units than the results of the 2021 Census. As such, the LNA provides an updated population total of 584,000, which attempts to account for individuals that were not counted by the Census.

The LNA forecasted that the total population, including the undercount, would reach 820,000 by 2051, which represents an increase of 40.4% from 2021. This forecast represents a significant increase in the growth rate for the City of Hamilton which is primarily driven by Provincial policy supporting intensification and growth, as well as economic factors.

2.1.2 Population by Age

The City of Hamilton population age distribution from the 2021 Census indicates that the largest cohorts of individuals range from 20 years to 39 years, as well as 50 years to 64 years old (Figure 5). Also, there is a noticeable decrease in cohorts of individuals between 40 years and 49 years old.

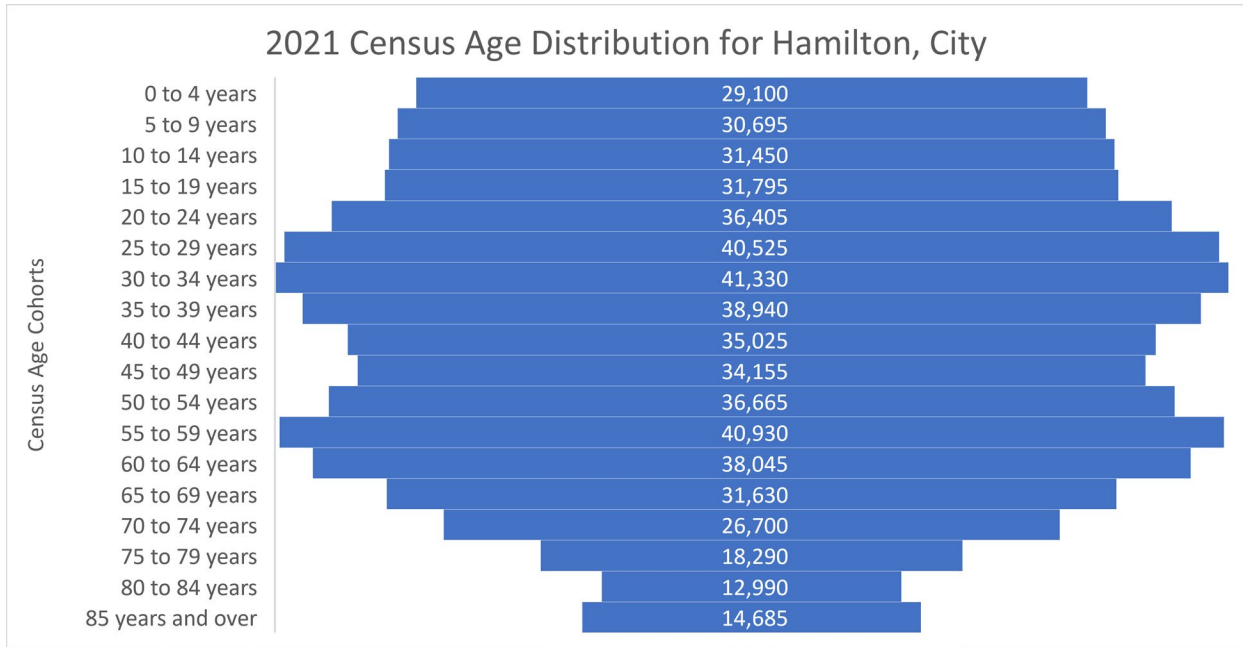


Figure 6: Age Distribution for Hamilton, City

The Census data was grouped into three groups: 0 to 19 years old, 20 to 64 years old, and more than 65 years old, and was assessed from 2001 to 2021 (Figure 6). We note that between 2001 and 2016, Hamilton’s child and adolescent population decreased consistently by a growth rate of -2.2% to -2.3%; however, between 2016 and 2021 the same age group grew positively at a rate of 3.1%. Further, the middle cohort of ages from 20 to 64 years’ growth rate stayed relatively level around 4% but dipped between 2011 and 2016 to 2.6% before rebounding to 5% between 2016 and 2021. In contrast, the population 65 years and older has been steadily increasing at a rate higher than the other age groups between 2001 and 2021.

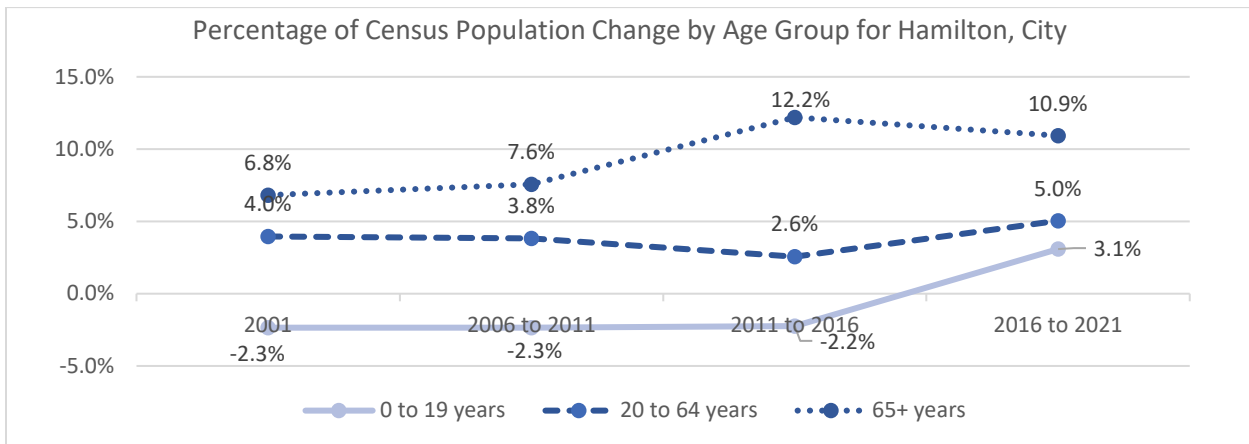


Figure 7: Percentage of Census Population Change by Age Group for Hamilton, City

The trends in population growth by age group may indicate that the previously steady and primary growth of the 65+ age group is slowing and the market is seeing more residents between 20-64 years old living in Hamilton, along with their children, and at rates that were previously not seen.

2.1.3 Population by Level of Education

Within the City of Hamilton, the majority of residents (27.9%) have a high school diploma or equivalency certificate as their highest form of education, followed closely by bachelor's degree or higher (25.2%), and college, CEGEP, or other non-university certificate of diploma (22.1%) (Figure 7).

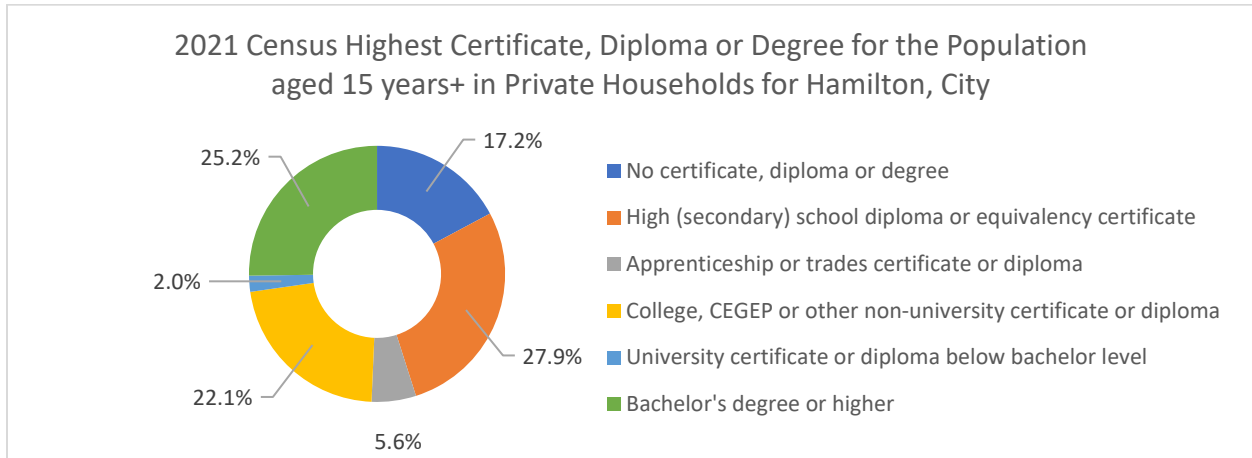


Figure 8: 2021 Census Highest Certificate, Diploma or Degree for the Population aged 15 years+ in Private Households for Hamilton, City (25% Sample Data)

In comparison, Hamilton has a higher proportion of population with no certificate, diploma or degree, high school diploma or equivalent certificate, and apprenticeship or trades certificate or diploma, than Ontario in general; as well as a lower proportion of the population with bachelor's degree or higher than Ontario (Figure 8). Education level may correlate with income medians and averages for the City of Hamilton, and overall indicate the buying power and affordability of housing for residents.

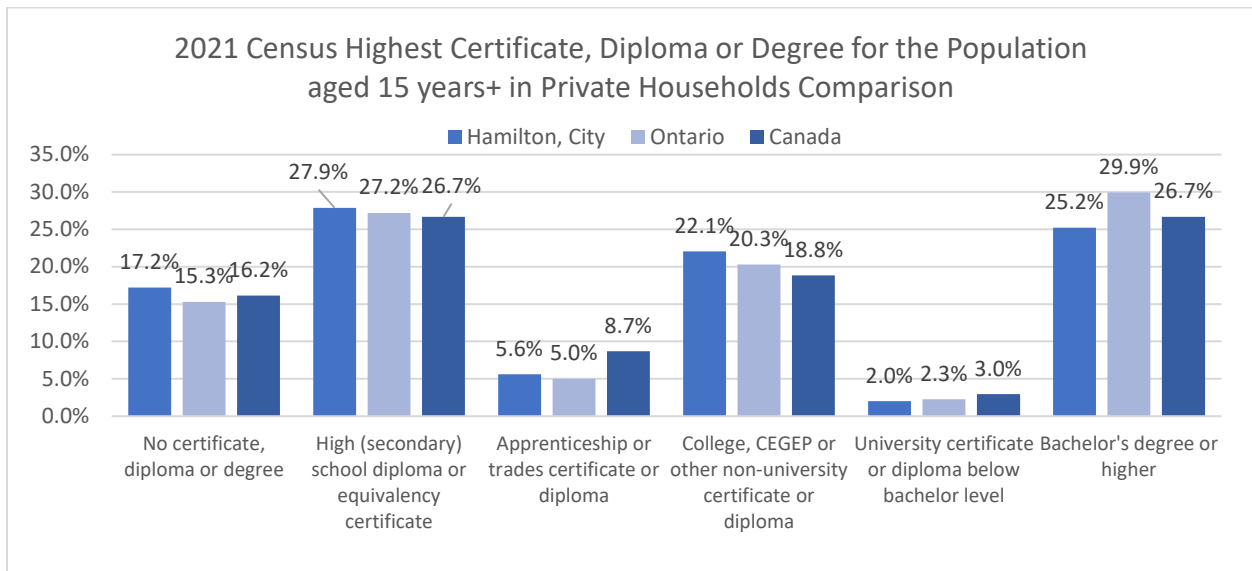


Figure 9: 2021 Census Highest Certificate, Diploma or Degree for the Population aged 15 years+ in Private Households Comparison

2.1.4 Immigration

Census data from the 2021 Census indicates that there is a general trend towards fewer residents immigrating to the City of Hamilton than seen pre-1980 (Figure 9). Although in a downward trend, monitoring and forecasting immigration is important in the assessment of housing needs as new immigrants are among groups most likely to be in core housing need at a rate of 16%, which is higher than the Canadian average of 10% (Maclean's, 2023).

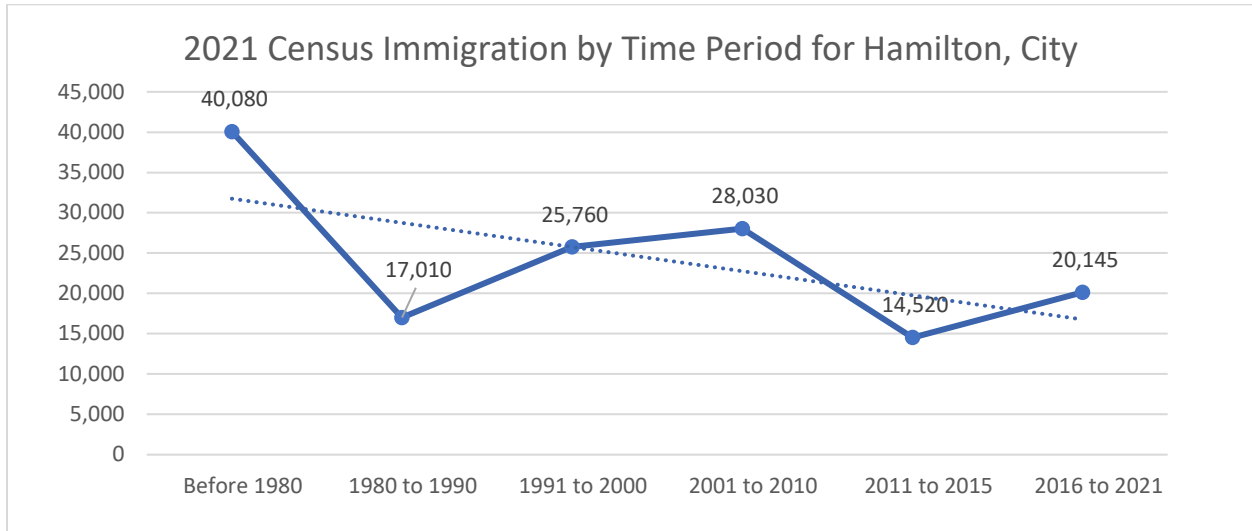


Figure 10: 2021 Census Immigration by Time Period for Hamilton, City

2.2 HOUSEHOLD TRENDS AND PROJECTIONS

In this section, we analyze key aspects such as the age of the primary maintainer, tenure arrangements, household size, and types. This analysis unravels the evolving dynamics of households within our Hamilton neighborhood. From the age trends of those leading households to the different ways households are structured, this section provides a concise exploration, offering insights into the changing landscape that influences housing preferences and demands.

In 2021, there were 222,805 households in Hamilton; up by 5.3% from 211,595 in 2016. In comparison, the number of households in Ontario increased by 6.2% during the same time period. These trends demonstrate that the growth in households in Hamilton is quite similar to the trends in the province overall.

The population forecast from the Growth Plan translates into significant demand for new housing units in Hamilton into the future. In accordance with the mandated method, the housing forecast from the Growth Plan is based on applying household formation rates to the forecast of population growth by age cohorts as well as age-specific propensities to occupy different housing unit types. As such, the number of households in Hamilton is expected to increase by approximately 110,055 households from 222,805 in 2021 to 332,860 in 2051. This change in households represents a 49.4% increase over the 30-year period. Similar to the population forecast, this housing forecast is a significant amount of growth relative to the past.

This household forecast translates into the need for more than twice the number of new dwelling units over the next 20 years than were completed in the last 20 years, and beyond to 2051, to accommodate the growth that is expected. This outlook reflects Growth Plan expectations for an expanded economic and demographic role for the City of Hamilton over the planning horizon.

The Growth Plan forecasts are structured as the share of the Greater Golden Horseshoe housing market taking into account land supply, especially in southern Halton and Peel Regions where rapid growth continues. Over time, as the supply of available development lands in these locations becomes increasingly constrained, Hamilton will be effectively drawn 'closer' to these established communities in the Greater Toronto Area-west and demand for housing will increase considerably.

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

2.2.1 Households by Number of Primary Maintainers

Within the City of Hamilton, the majority of households are managed by one or two primary maintainers and a significantly less number are managed by three or more primary maintainers (Figure 10). However, looking at the change in the number of maintainers between 2016 and 2021, there was a moderate increase in the number of one-maintainer households and a significant increase in the number of three or more maintainer households (Figure 11). In comparison, there was a decrease in the number of two-maintainer households during the same period. These trends in the City of Hamilton were seen across Ontario and Canada, and may indicate the increasing number of maintainer's required to maintain affordability for housing.

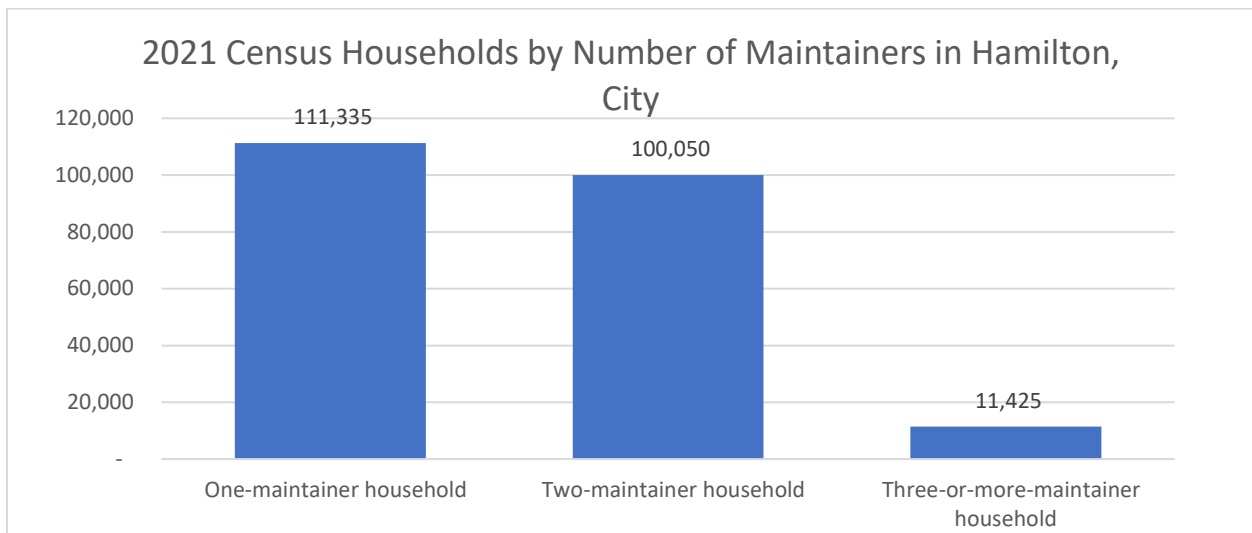


Figure 11: 2021 Census Households by Number of Maintainers for Hamilton, City

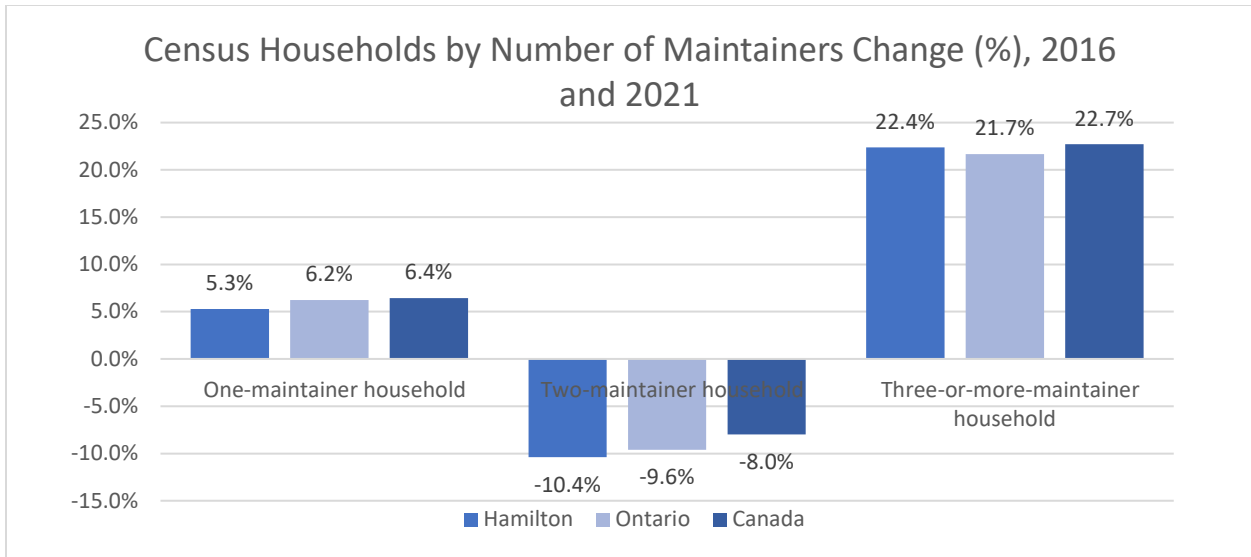


Figure 12: Census Households by Number of Maintainers Change (%) between 2016 and 2021

2.2.2 Households by Age of Primary Maintainer

Breaking the statistics of the household maintainer down further, there are four age groups that represent the majority of household maintainers in the City of Hamilton (Figure 12):

- 55 to 64 years (20%)
- 45 to 54 years (18%)
- 35 to 44 years (17%)
- 65 to 74 years (16%)

These values for the City of Hamilton align with the values for Ontario, and generally indicate that household maintainers are more established, older residents in the City.

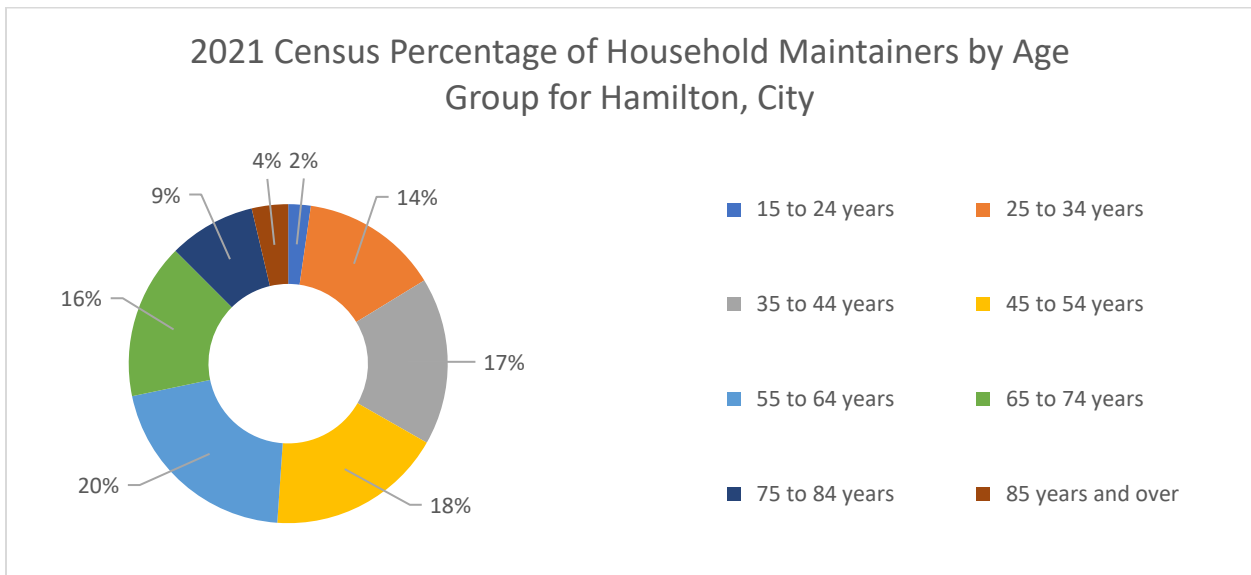


Figure 13: 2021 Census Percentage of Household Maintainers by Age Group for Hamilton, City

Between 2016 and 2021, the statistics for the age of household maintainers changed with the loss of 4.8% for 15 to 24 year olds and 9.7% 45 to 54 year olds, which were the largest cohort as well (Figure 13). Between 2016 and 2021, the age cohort of 65 to 74 years saw the greatest growth at 14.6% followed by 25 to 34 years and 35 to 44 years with 11.5% and 10.6% respectively. Based on this data, it appears that residents are staying in their homes longer and younger residents as well as those 45 to 54 years have relocated to other more affordable areas.

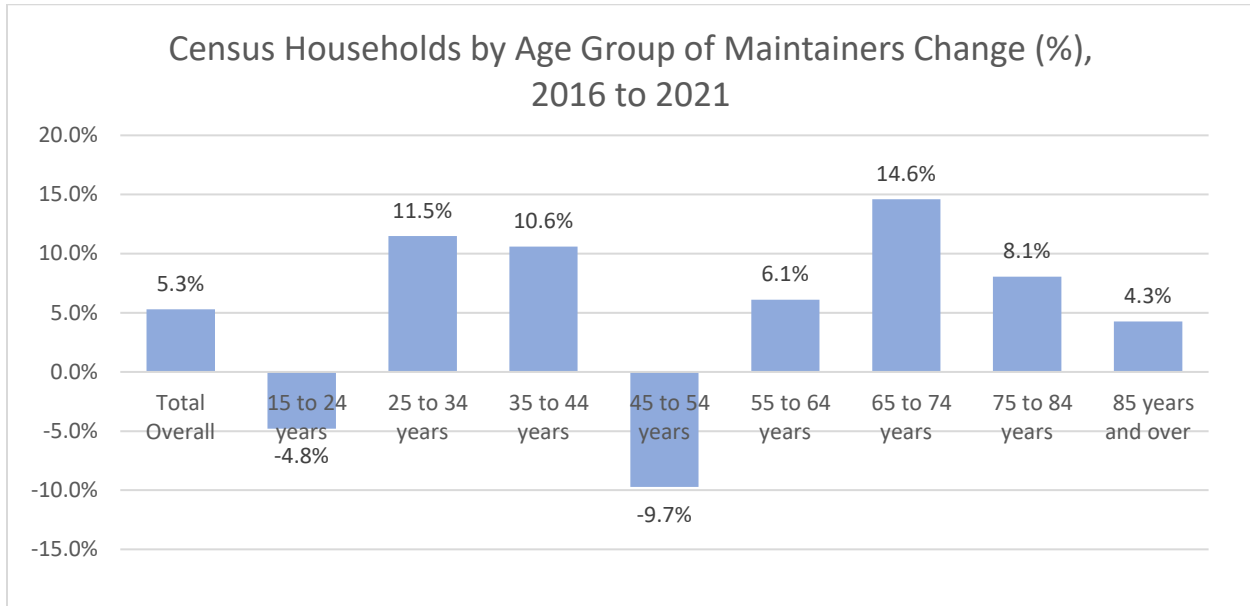


Figure 14: Census Households by Age Group of Maintainers Change (%), 2016 to 2021

The increasing number of households led by an individual 65 years and over in Hamilton will result in increased demand for housing options which are suitable to older residents, including units which meet physical mobility needs which allow these households to age in place as well as for housing with supports such as, units in retirement homes or access to home care services. Seniors typically live in smaller households so these individuals likely require options to downsize.

Households with a maintainer aged 15 to 44 years were more likely to separate from their parents to form their own households in recent years due to improved employment conditions after the pandemic. While unemployment rates for each age group remained above pre-pandemic levels, they were significantly lower than in 2020. These rates were supported mainly by sizeable employment gains in service industries, including ones that tend to generate rental demand, such as retail and accommodation and food services. These economic conditions could explain why households led by a maintainer aged 15 to 44 years saw these larger increases. Younger households typically enter the housing market as renter households and therefore require options which are affordable to them in the rental market.

The decrease in the number of households led by an individual aged 25 to 44 years from 2006 to 2016, highlights that the demand for residential dwellings by these households is not being met in Hamilton. In Ontario, households led by a maintainer in this age group saw a slight increase

(0.1%), so it is likely that households are choosing to settle in other communities outside of Hamilton. 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.

2.2.3 Household Tenure

In 2021, 65.7% of all households in Hamilton owned their home and 34.3% rented. This demonstrates that ownership is currently the dominant housing tenure in Hamilton. However, since 2016, the number of owners in Hamilton expanded at a much slower rate than the number of renters. Owner households increased by an increment of 2.3% and renter households increased by 11.5%. Although homeownership was still the dominant tenure in Hamilton in 2021, trends are demonstrating a shift towards increased demand for rental housing.

In the City of Hamilton between 2016 and 2021, there was a 4% increase in the number of dwellings that were not condominium tenure, which compares to data from Ontario and Canada (Figure 14). However, Hamilton only saw an increase of 17.5% in the number of condominium dwellings created and although that number is significant, it is less than the 20.9% and 19.9% growth seen in Ontario and Canada, respectively. This difference is further identified when assessing the proportion of condominium and not condominium dwellings in 2016 and 2021, where Hamilton had a higher proportion of not condominium dwellings than condominium dwellings, than Ontario and Canada generally. This indicates that there is a higher proportion of freehold development and rental development in Hamilton than in Ontario and Canada in general.

While homeownership is the ideal for many households, a more balanced share of owners and renters is an indicator of a more inclusive community. In Hamilton, the increase of renters which occurred from 2016 to 2021 implies that households are looking for more diversity across tenure types. More households in Hamilton may be renting because homeownership costs have become unaffordable.

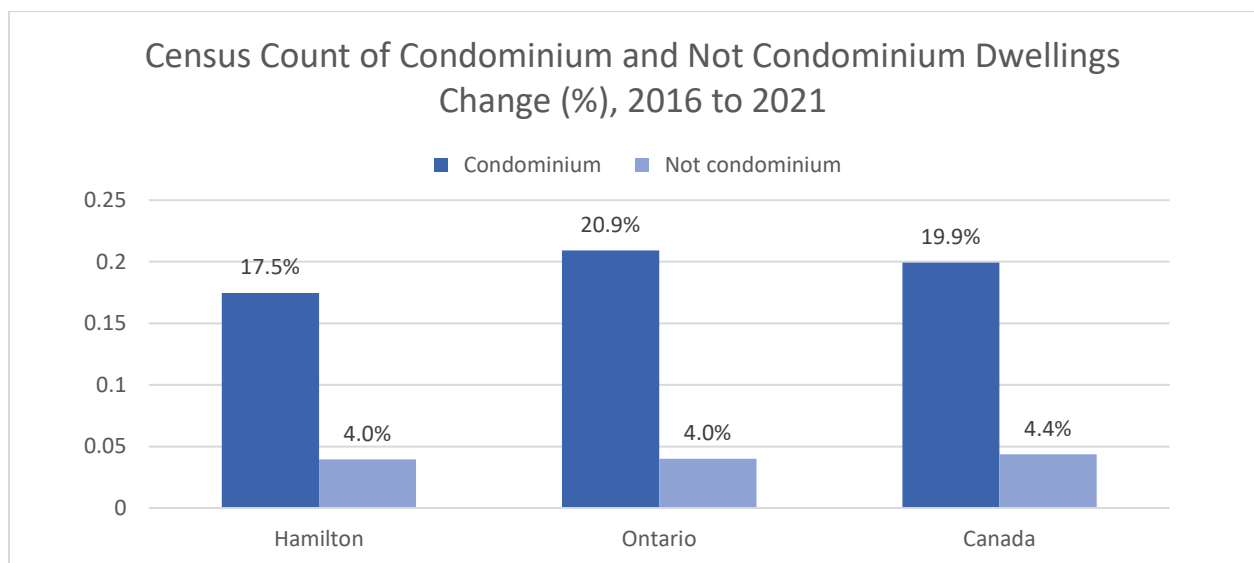


Figure 15: Census County of Condominium and Not Condominium Dwellings Change (%), 2016 to 2021

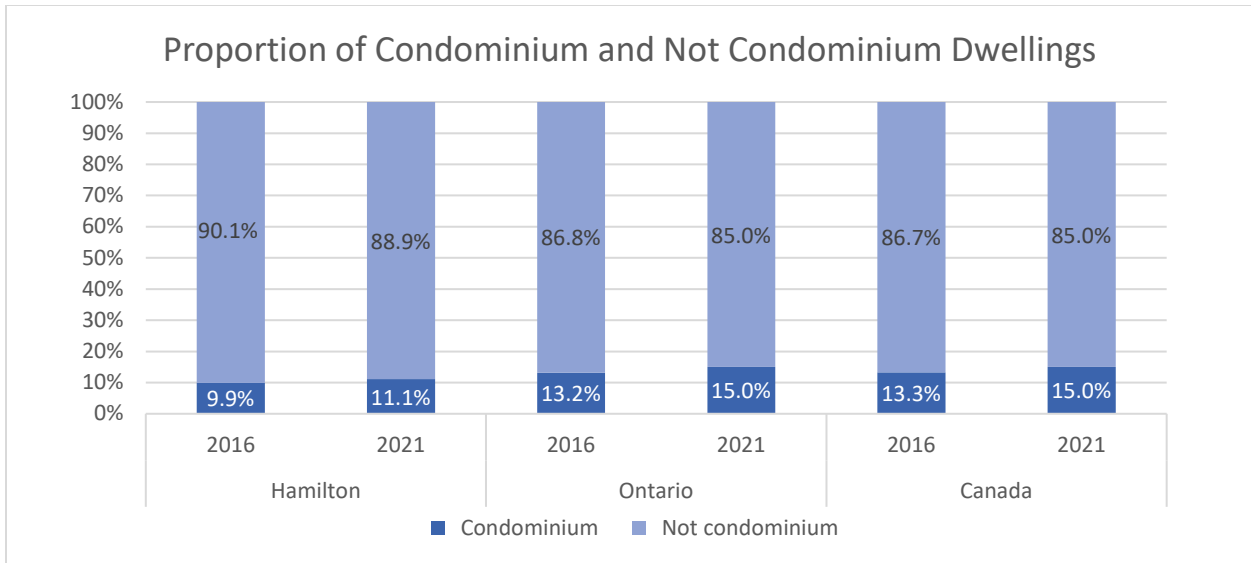


Figure 16: Proportion of Condominium and Not Condominium Dwellings by Comparison, 2016 and 2021

2.2.4 Household Sizes

When analyzing household sizes, it is noteworthy that the City of Hamilton regularly trailed behind Ontario and sometimes Canada in the growth of private dwellings by bedroom between 2016 and 2021 (Figure 16). The most growth the City of Hamilton saw was in no bedroom or bachelor units at 35.2%, followed by 1 bedroom units at 8.6%, which generally followed the same patterns from Ontario and Canada but resulted in less growth. However, no bedroom units represent 1% of dwelling units as per the 2021 Census in the City of Hamilton; the majority of dwellings within the City are three bedroom dwellings (Figure 17).

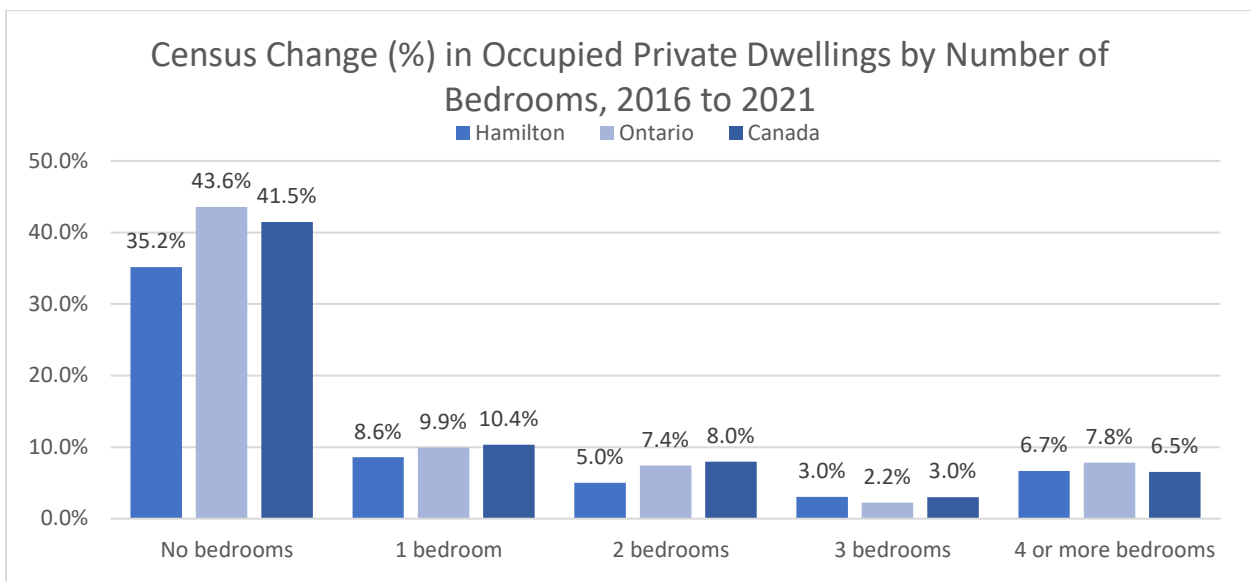


Figure 17: Census Change in Occupied Private Dwellings by Number of Bedrooms, 2016 to 2021

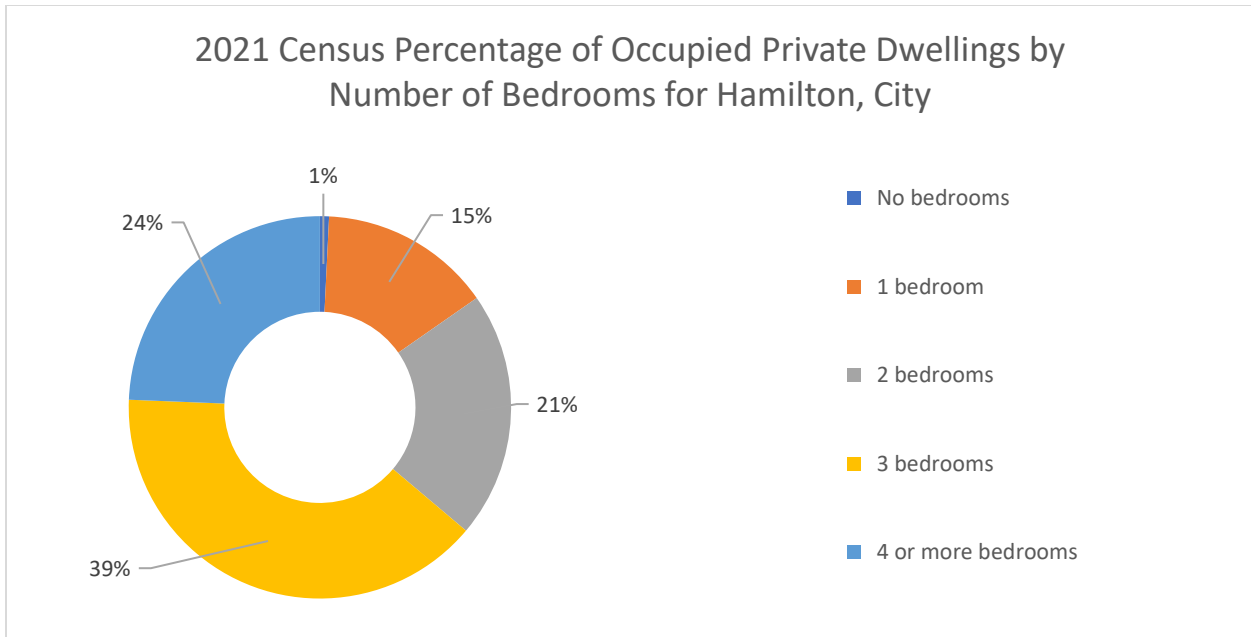


Figure 18: 2021 Census Percentage of Occupied Private Dwellings by Number of Bedrooms for Hamilton, City

Households with two-persons represented the largest share (32.1%) of all households in Hamilton in 2021, followed by households with one person (i.e., people living alone) (27.9%), households with four or more persons (24.2%), and finally, households with three persons (15.9%). Households with four or more persons increased most significantly from 2016 to 2021; increasing by 7.2%. This was the only group that increased more rapidly than total households overall though, which increased by 5.3% from 2016 to 2021. From 2016 to 2021, two-person households increased second most rapidly (5.0%). Households with three persons increased by 4.8%. One person households gained 4.3% only and was the slowest growing group.

When taken together, smaller households (i.e., one- and two- person households) made up 59.9% of all households in Hamilton; however, this share decreased from 60.3% in 2016. Larger households (i.e., with three or more persons) on the other hand made up only 40.1% of all households in 2021, but this share is greater than what it was in 2016 (39.7%). In comparison, smaller households made up 59.2% of all households in Ontario and larger households represented 40.8% of all households in 2021. These shares are very similar to those in Hamilton.

2.2.5 Household Type

As per the 2021 Census, the majority of household types are one of three categories: one person households (27.9%), couple-family households with children (27.2%), and couple-family households without children (22.8%) (Figure 18). One-person households made up 27.9% of all households in Hamilton in 2021 – the largest share among different household types. The following most common household type was couples with children (27.2%). This indicates that Hamilton is currently a desirable place for both Impacts on an Inclusionary Zoning Policy Household Sizes An inclusionary zoning policy should focus on generating more smaller units

which could be suitable for seniors or younger people, while also creating some opportunities for larger units suitable to couples with children, individuals living on their own, and families with children to reside. In Ontario, the most common household type was couples with children (27.6%), followed by one-person households (26.5%).

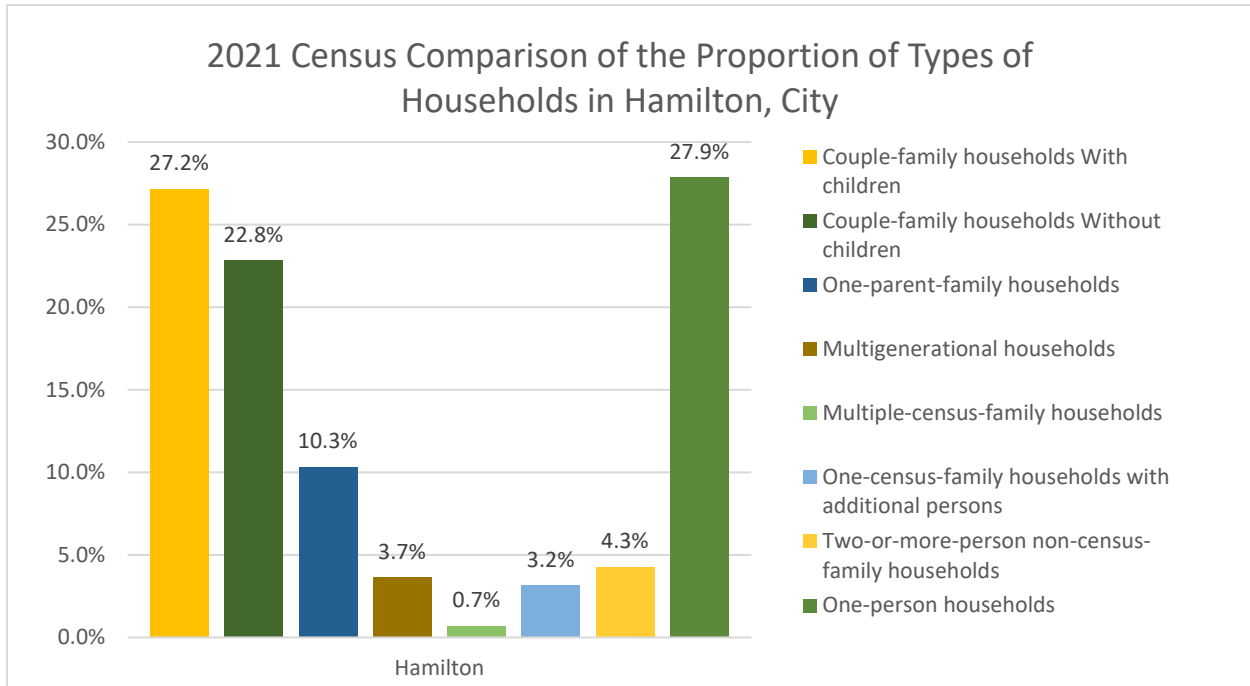


Figure 19: 2021 Census Comparison of the Proportion of Types of Households in Hamilton, City

From 2016 to 2021, one-person households increased by 4.3% (from 59,575 to 62,110 households) while couples with children decreased by 3.9% (from 62,960 to 60,520 households). The share of couples without children in households in Hamilton decreased by 0.6% from 2016 to 2021 (from 51,215 to 50,885 households), and the share of other non-family households decreased by 8.0% (from 7,645 to 7,030 households). The share of lone parent households decreased by 10.5%, from 25,710 households in 2016 to 23,015 households in 2021. Finally, multiple family households decreased most significantly; decreasing by 67.0% from 2016 to 2021, although this household type made up only 0.7% (1,570 households) of all households in Hamilton in 2021, the smallest proportion of all household types.

The multi-generational family household type and the two- or more-person household type are new household types included in the Statistics Canada 2021 Census. Due to the introduction of these new household types, it is not possible to identify the rate of growth for these categories from 2016 to 2021. This change also results in a data limitation in terms of being able to identify which household types grew most rapidly from 2016 to 2021. These types of households represent a very small portion of overall households.

Persons living alone represented the largest share among different household types in Hamilton and also were the group that grew most rapidly between 2016 and 2021. There is therefore a

growing need for smaller housing types to accommodate these households; seniors typically are in smaller households so these units should be accessible as well.

Couples with children represent a large share among different household types in Hamilton in 2021, however, their share seems to be decreasing in recent years. This decrease could highlight some barriers for couples with children to settle in Hamilton.

2.3 HOUSEHOLD INCOME

Entering the household income analysis, our focus turns to key economic indicators. This includes dissecting average and median household income, understanding income distribution through deciles, gauging the prevalence of low income, and evaluating the demand for government assistance. We also delve into more nuanced aspects such as reliance on food banks and overall financial security. This technical examination serves as a crucial lens for comprehending the economic landscape within the City of Hamilton and the study area, providing insights into income dynamics that influence housing demand.

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 Hamilton. Household income has been calculated for 2022 using the growth rate in the consumer price index (“CPI”) for Ontario for 2020 to 2022 of 11.3% as reported by Statistics Canada.

In response to the COVID-19 pandemic, governments around the world, including in Canada, adopted public health measures to slow the spread of the virus. As a result, many businesses closed, and many workers lost their jobs or worked reduced hours. To mitigate the impacts of the pandemic on Canadians and businesses, governments implemented relief programs. The 2021 Census includes data on the income Canadians received from pandemic relief benefits in 2020, and highlights how these benefits impacted the income landscape in Canada during the first year of the pandemic. Although many households lost employment income during the COVID-19 pandemic, government transfers, including from pandemic relief programs, helped offset the lost employment income.

2.3.1 Average and Median Household Income

The average individual full-time employment income before tax in Hamilton as per the 2021 Census was \$74,600 and the median individual income is \$64,500, which is lower than the same values for Ontario but more comparable to the values for Canada (Figure 19). In comparison, the median individual part-time employment income before tax is \$27,160 and the average is \$19,800, which is generally comparable to the values for Ontario and Canada.

When broken out by gender, males have an average before tax income of \$62,550 and median before tax income of \$45,200 in the City of Hamilton, which is less than comparable values in Ontario and Canada (Figure 20). Females have an average before tax income of \$45,400 and a median before tax income of \$36,800, which is significantly below their male counterparts but also below the values for Ontario and Canada.

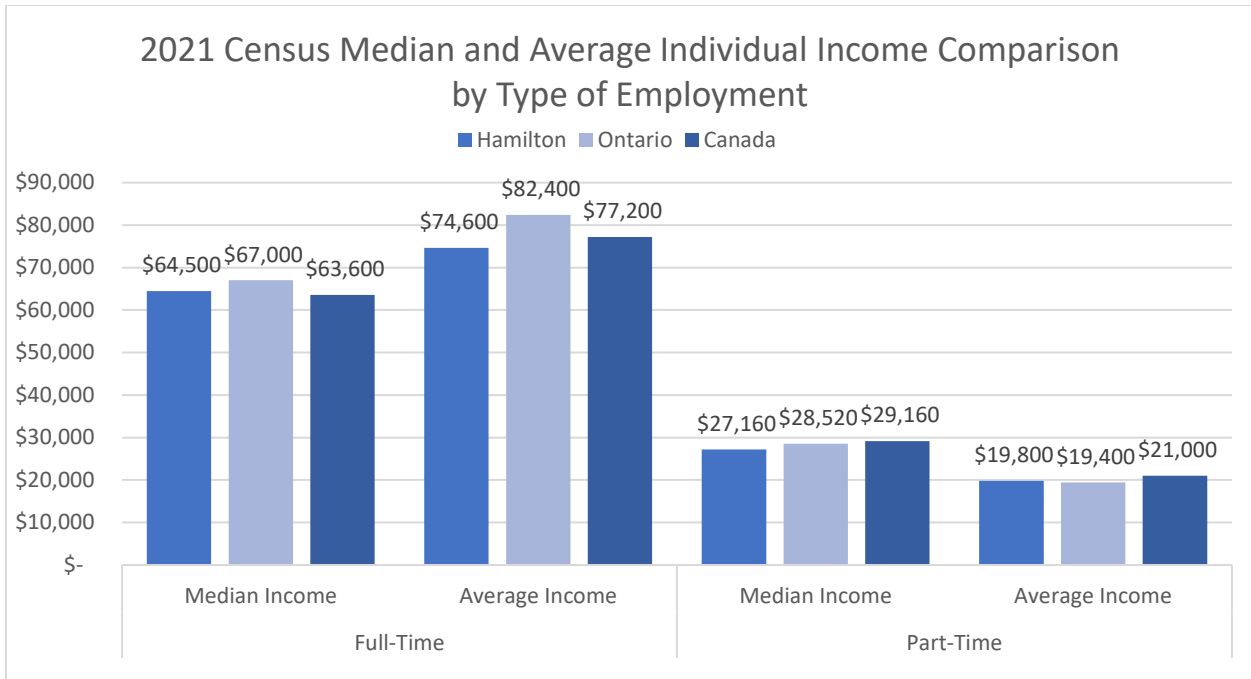


Figure 20: 2021 Census Median and Average Individual Income Comparison by Type of Employment

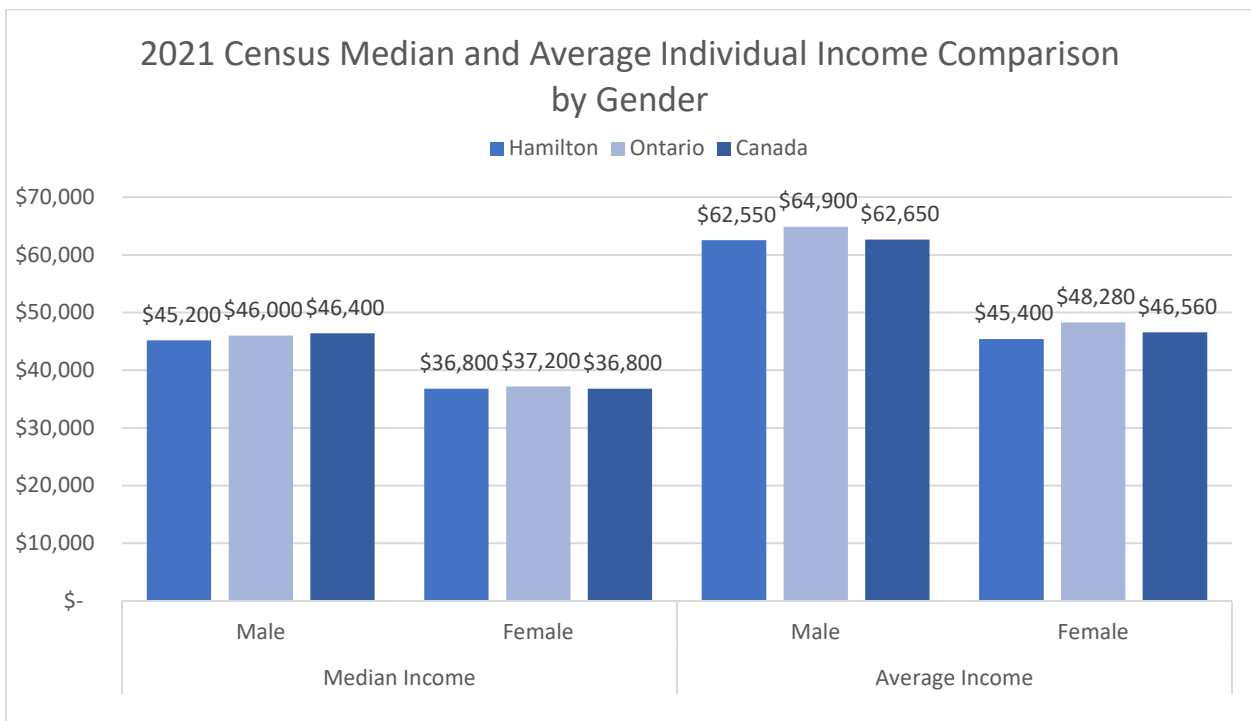


Figure 21: 2021 Census Median and Average Individual Income Comparison by Gender

Based on the 2021 Census, the average household income in Hamilton was \$108,700 and the median household income was \$86,000 (Figure 21). When broken out further by household type, one-person households had an average household income of \$50,800 and a median household income of \$40,400; whereas two-or-more-person households has an average household income

of \$131,200 and a median household income of \$107,000. Linking this data back to the household size data, a large portion of the Hamilton population is living in a one-person household which has significantly less average and median household incomes; which limits their buying power.

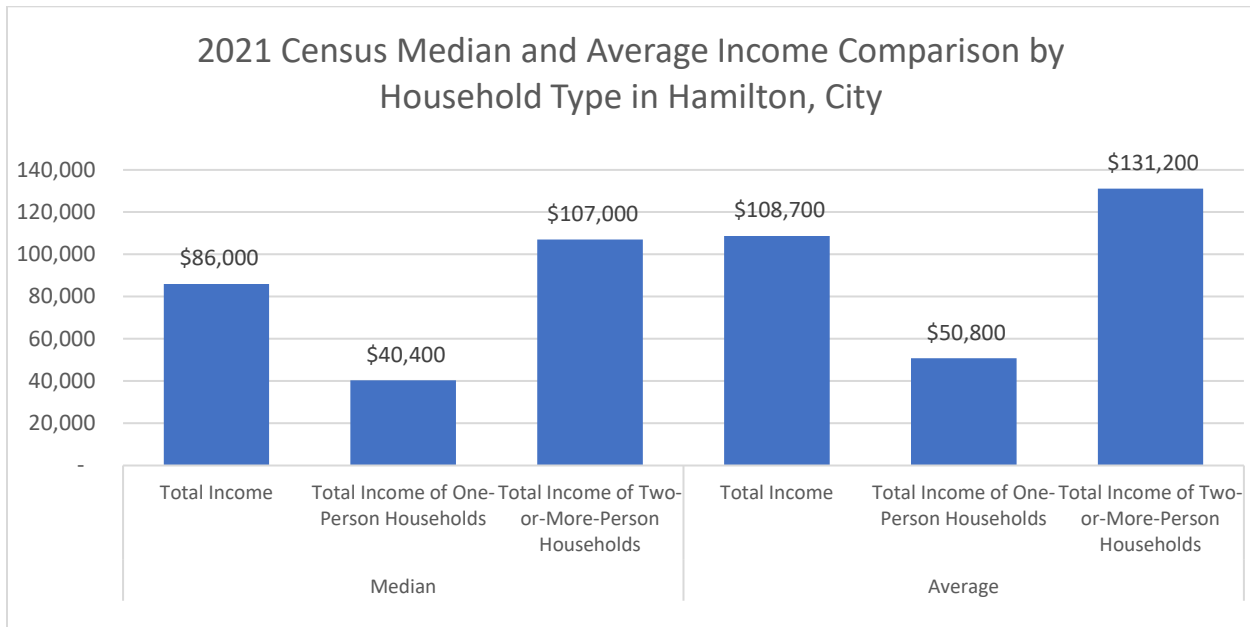


Figure 22: 2021 Census Median and Average Income Comparison by Household Type in Hamilton, City

2.3.2 Household Income Deciles

While the average household income and median household income provide a general sense of a household’s economic capacity, looking at the distribution of income within the local context provides greater detail of the economic capacity of households in Hamilton and their ability to afford housing.

Household income deciles divide the total universe of households into ten equally portioned income groups. This means that there is one tenth (or 10%) of all households in each income decile. These income deciles are used throughout the following sections and in the affordability analysis to provide a more detailed picture of the economic profile of Hamilton’s households.

Similar to the previous section, household incomes for 2022 were estimated based on the growth rate of Ontario’s CPI from 2020 to 2022. Please note that where dollar amounts are presented, these represent the upper range of each income decile, except for in the case of the tenth household income decile as the upper range has been suppressed based on Statistics Canada’s confidentiality rules. The tenth income decile represents all household incomes which are one dollar or more than the upper range of the ninth income decile. The top range of each of the household income deciles in Hamilton as well as the household income deciles in Ontario can be found below. As noted previously, household incomes in Ontario as a whole are slightly higher than those in Hamilton.

For the purposes of this study, households with low incomes refers to households with incomes in the first to the third income deciles earning \$61,738 or less in 2022; households with moderate incomes refers to households with incomes in the fourth to sixth income deciles (from \$61,739 to \$115,350 in 2022); and households with high incomes refers to households with incomes in the seventh to tenth income deciles in 2022 (\$115,351 and above).

Table 1: Average Income by Household Income Deciles: City of Hamilton and Ontario, 2022

		Hamilton	Ontario
Low Income	Decile 1	\$30,150	\$31,575
	Decile 2	\$46,388	\$49,291
	Decile 3	\$61,738	\$65,878
Moderate Income	Decile 4	\$77,710	\$82,822
	Decile 5	\$95,295	\$100,922
	Decile 6	\$115,350	\$122,207
High Income	Decile 7	\$138,536	\$146,927
	Decile 8	\$170,365	\$183,353
	Decile 9	\$222,207	\$222,687
	Decile 10	\$222,208	\$222,689

3.0 HOUSING SUPPLY

Housing supply is a measure of available housing options in a community. An important aspect of assessing housing supply is to compare the existing housing supply as well as recent development applications to housing need. The extent to which housing supply does not match housing need helps identify gaps in the current housing supply. This section of the report examines the current housing supply. This section of the report examines the current housing supply and considers the future supply along the housing continuum.

3.1 EXISTING HOUSING SUPPLY

This existing housing supply is important because housing lasts for well over 60 years if well maintained. It represents the majority of the housing stock, with new housing development generally providing incremental change over time.

3.1.1 Dwelling Types

There were a total of 233,564 occupied dwellings in Hamilton in 2016. Over half of these dwellings (53.6%) were single detached dwellings (Figure 22). While single detached dwellings homes are well suited for many households, particularly for families with children, they may not be the most suitable dwelling type for other households. Single detached dwellings are generally less accessible due to the presence of stairs and the need for more indoor and outdoor maintenance. Single detached homes are also, in general, the least affordable house type. As such, having a housing supply comprised predominantly of single detached homes limits options for households with lower incomes or those who would find it challenging to maintain a single detached home. Higher density forms of housing, such as apartments, are inherently more affordable as they tend to be smaller in square footage, and require less land and make efficient use infrastructure when compared to low density single and semi-detached dwellings.

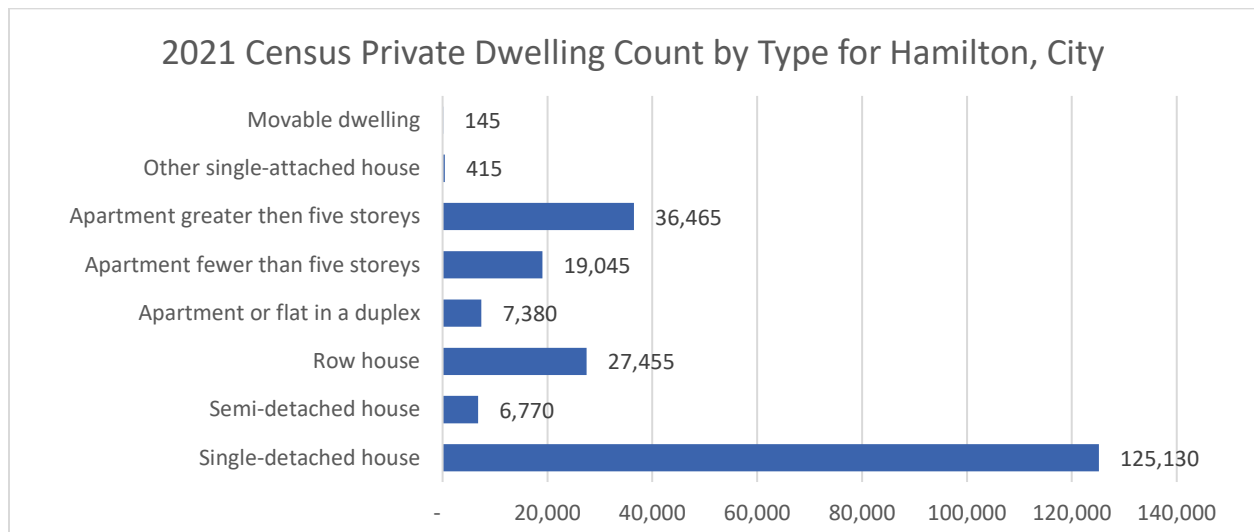


Figure 23: 2021 Census Private Dwelling Count by Type for Hamilton, City

From 2016 to 2021, all dwelling types saw higher rates of increase compared to the number of single-detached homes in Hamilton. Row or townhouses increased the most between 2016 and 2021 (11.1%). Dwellings in apartments with more than five storeys increased by 8.6% from 2016 to 2021, dwellings in apartments with fewer than five storeys increased by 6.6%, and semidetached dwellings increased by 4.3%. In comparison, single-detached dwellings increased by only 3.2%.

While there is generally a need for more diversity among the dwelling structures in Hamilton, the data show that since 2016 the housing stock in Hamilton has become more diverse.

According to estimates of future housing supply published in the City of Hamilton Land Needs Assessment to 2051, in 2051, the predominant structural type of housing will continue to be single- and semi-detached dwellings (57.5%), followed by dwellings in apartments (20.1%), row and townhouses (17.1%), and then accessory units (2.0%).

The Growth Plan population forecast translates into demand for approximately 110,320 new housing units over the 2021-2051 period. From 2021 to 2051, the growth in the supply of row and townhouses will ultimately outpace all other dwelling types, increasing by 94.0%. The number of accessory units is expected to increase by 70.1%. Dwellings in apartments are expected to increase by 44.4%. Finally, the number of single- and semi-detached dwellings in the market is expected to increase by 41.4% from 2021 to 2051. These forecasts point to an increased diversity in the housing supply into the future, moving away from single-detached dwellings.

3.1.2 Household Supply by Period of Construction

In the City of Hamilton, 60.9% of occupied private dwellings were construction in 1980 or before, which is a higher proportion than Ontario in general (Figure 23). Since 1981, Hamilton constructed fewer dwellings in each time period than Ontario in general.

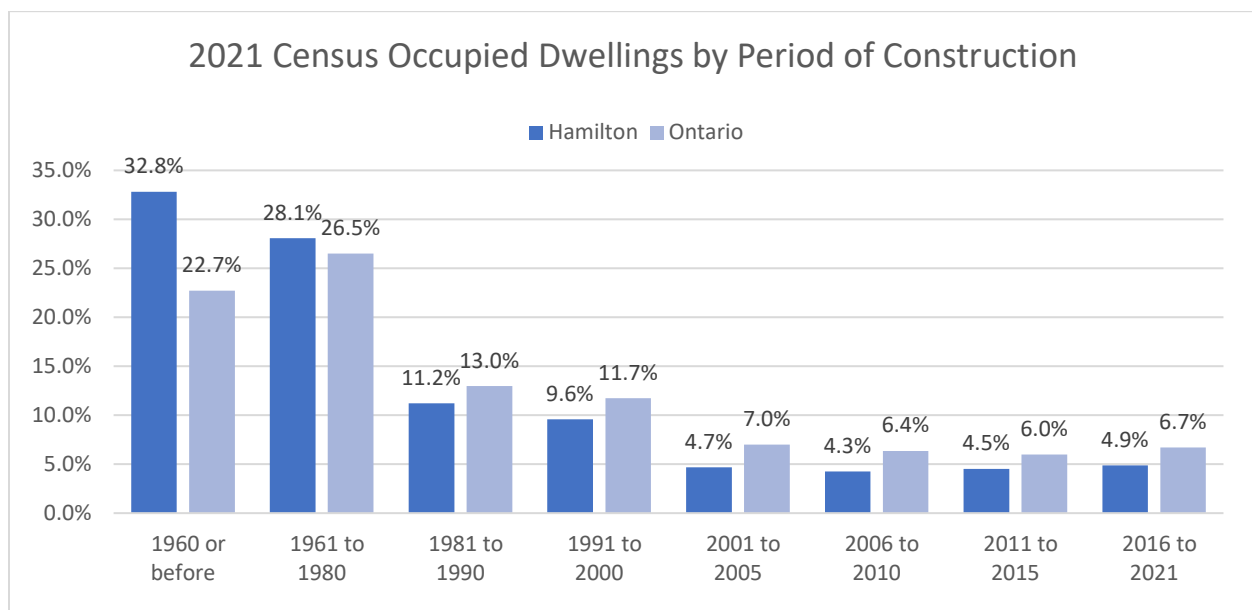


Figure 24: 2021 Census Occupied Dwellings by Period of Construction

3.1.3 Rental Housing Supply

Rental housing is divided into two categories: primary and secondary. The primary rental market consists of structures that contain at least three rental units, including both townhouse and apartment units that are not held in condominium ownership.

The secondary rental market includes all rented units other than those in the primary rental market. The secondary rental market consists of self-contained units that were not built specifically as rental housing but are currently being rented out. These units include rented single-detached, semi-detached, townhouses, duplexes (second units), rented condominium units, and one or two apartments which are part of a commercial or other type of operation.

3.1.4 Primary Rental Supply

As of October 2022, there were approximately 47,676 primary rental housing units in Hamilton . Approximately 95.4% primary rental units are in apartment form. Of the 2,464 rental townhouse units, approximately 64.5% have 3 or more bedrooms. Of the 45,512 rental apartment units, 2,630 units have 3 or more bedrooms.

Table 2: CHMC Rental Market Survey, Primary Rental Supply, October 2022

Bedrooms	Townhouse	Apartment	Total
Bachelor	7	1,676	1,683
One Bedroom	60	19,301	19,361
Two Bedrooms	806	21,605	22,411
Three or More Bedrooms	1,591	2,630	4,221
Total	2,464	45,512	47,676

3.1.5 Primary Rental Vacancy Rate

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 a tight rental market there is strong competition for rental units of all types, resulting in limited choice and high rents for units that do become available. Therefore, renter households with lower incomes are more likely to stay in units unsuitable and inadequate because they have been priced out of more suitable units.

Based on the CMHC Rental Market Survey, as of October 2022, the overall vacancy rate in Hamilton was 1.9%, which is below the healthy rate of 3.0% (Canada Mortgage and Housing Corporation, 2022) (Figure 24). Bachelor units were the only unit size that was above the healthy indicator at 3.7%. In comparison, 1 bedroom rentals had a vacancy rate of 2.0% and 2 bedroom rentals had a vacancy rate of 1.7%. The lowest vacancy rate was among three or more bedroom rentals, with a vacancy rate of 1.6%.

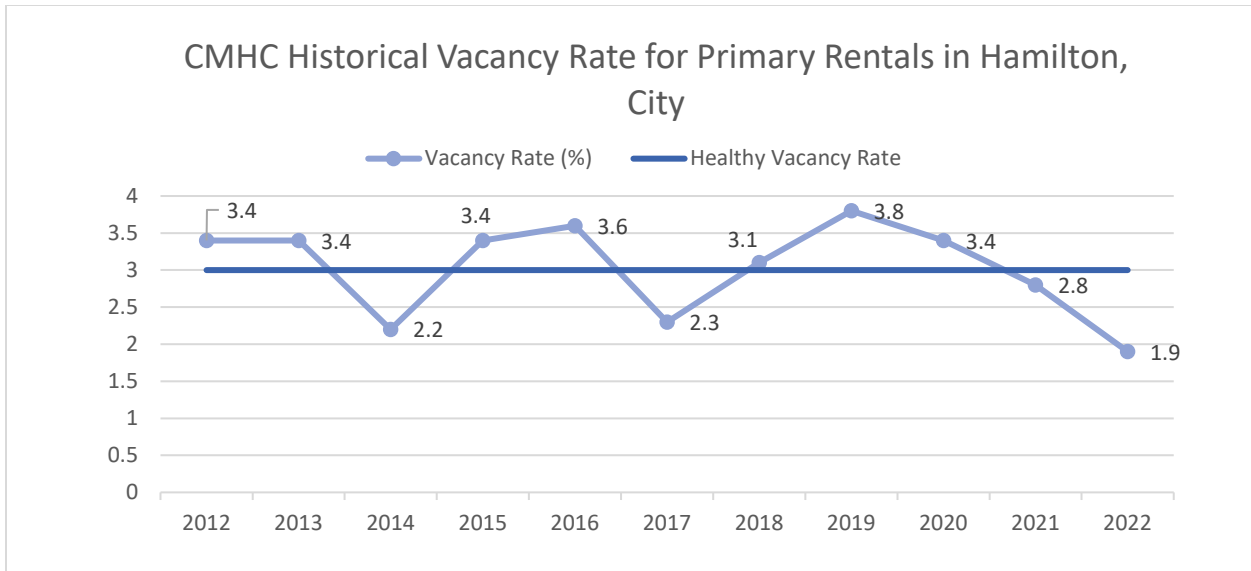


Figure 25: CMHC Historical Vacancy Rate for Primary Rentals in Hamilton, City

3.1.6 Secondary Rental Supply

While the number of households who were renters increased by 11.5% from 2016 to 2021, the previous section revealed that this growth did not occur solely in the primary rental market. From 2016 to 2021, the secondary market increased by 17.7% (5,905 units). Since 2006, there has been a shift in the proportion of the rental market that is accounted for by the primary rental market versus the secondary rental market. In 2006, 58.1% of units in the rental market in Hamilton were in the primary rental market and only 41.9% of units were in the secondary rental market. However, in 2021, units in the primary rental market only accounted for 48.6% of the rental market and the majority of units were in the secondary rental market (51.4%). The supply of rental housing in Hamilton has therefore shifted to be disproportionately provided through the secondary rental market.

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.

3.2 HOUSING COSTS

3.2.1 Primary Rental Market

The average cost of rent in the primary rental market as of October 2022 was \$1,334 (Figure 25). As expected, the least expensive size of unit is a bachelor rental, with an average rent of \$947 and the most expensive size is a three or more bedroom rental, with an average rent of \$1567 (Figure

26). Overall, between 2021 and 2022 the average rent in the primary rental market increased by 5.4%. Rents in Hamilton are lower than Ontario in general and this signals that there is increased demand for rental housing in Hamilton in recent years and that this supply is becoming more unaffordable. Households from other communities in Ontario could be moving to Hamilton to capitalize on lower average rent prices, increasing competition for rental housing and driving up rents over time.

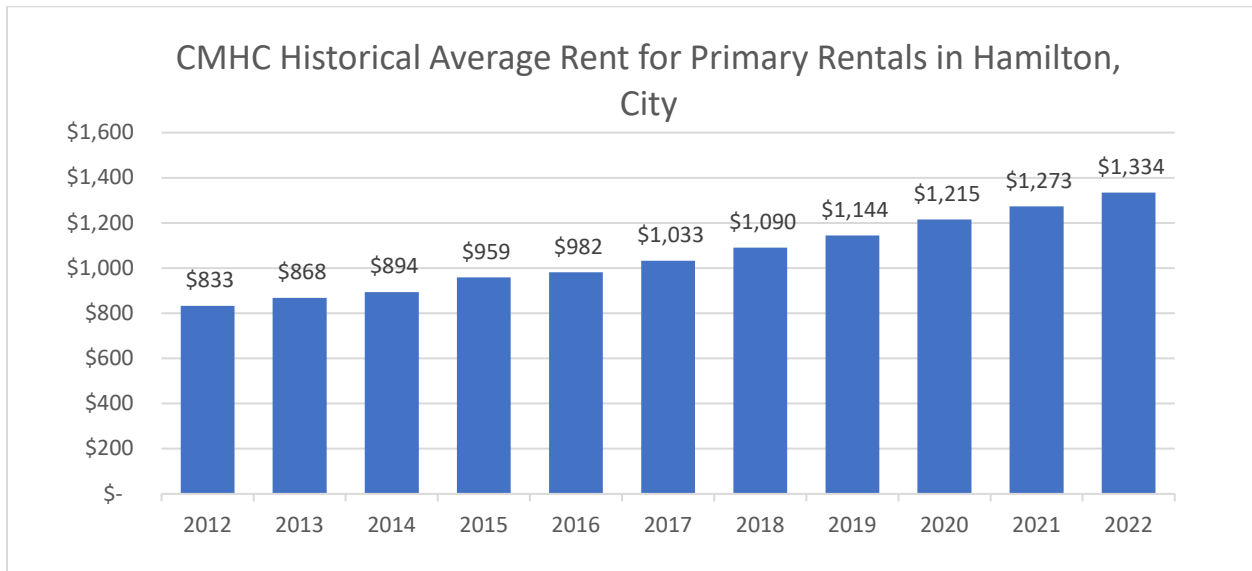


Figure 26: CMHC Historical Average Rent for Primary Rentals in Hamilton, City

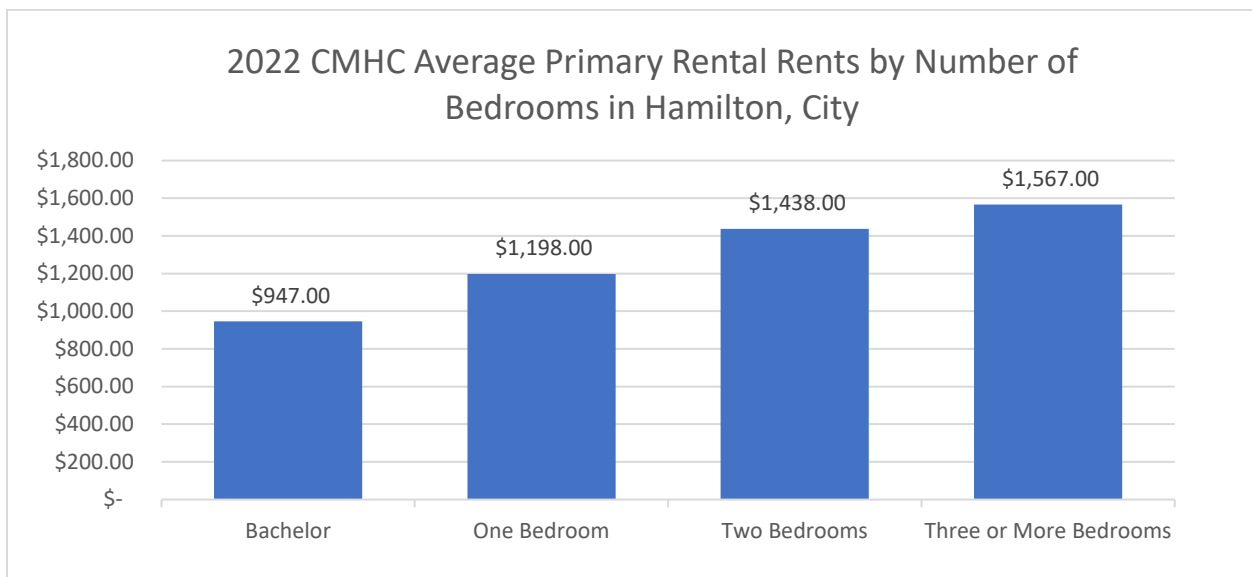


Figure 27: 2022 CMHC Average Primary Rental Rents by Number of Bedrooms in Hamilton, City

3.2.2 Secondary Rental Market

The Secondary Rental Market is generally more expensive than the Primary Rental Market due in large part to the generally larger rentals, such as single detached dwellings. Based on November

2023 data, the average rental cost for a one bedroom unit in Hamilton has increased 9.5% over November 2022 data to a value of \$1,880 (Urbanation, 2023). Similarly, the average rental cost for a two bedroom unit in Hamilton increased 5.3% over November 2022 data to a value of \$2,246.

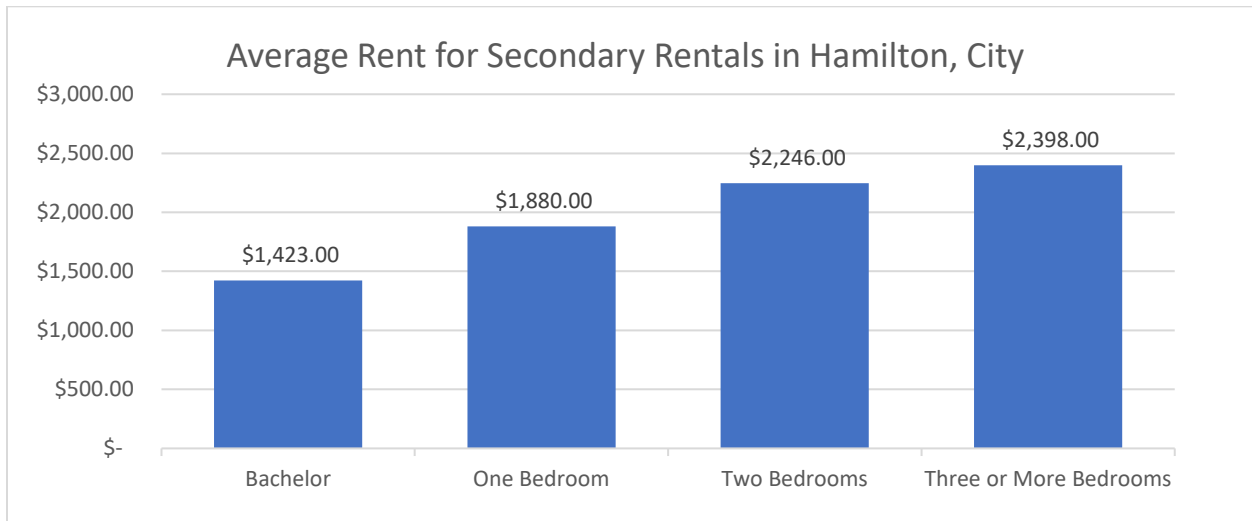


Figure 28: Average Rent for Secondary Rentals in Hamilton, City (Urbanation)

While the secondary rental market provides necessary housing supply which is more flexible, diverse, and generally more affordable than homeownership, average market rents in this sector are more expensive than those found in the primary market (Figure 28). This can create barriers to households with lower incomes who have no other choice but to rent in the secondary market. This suggests there is a need for rental housing options in Hamilton that are affordable to households with moderate and low incomes.

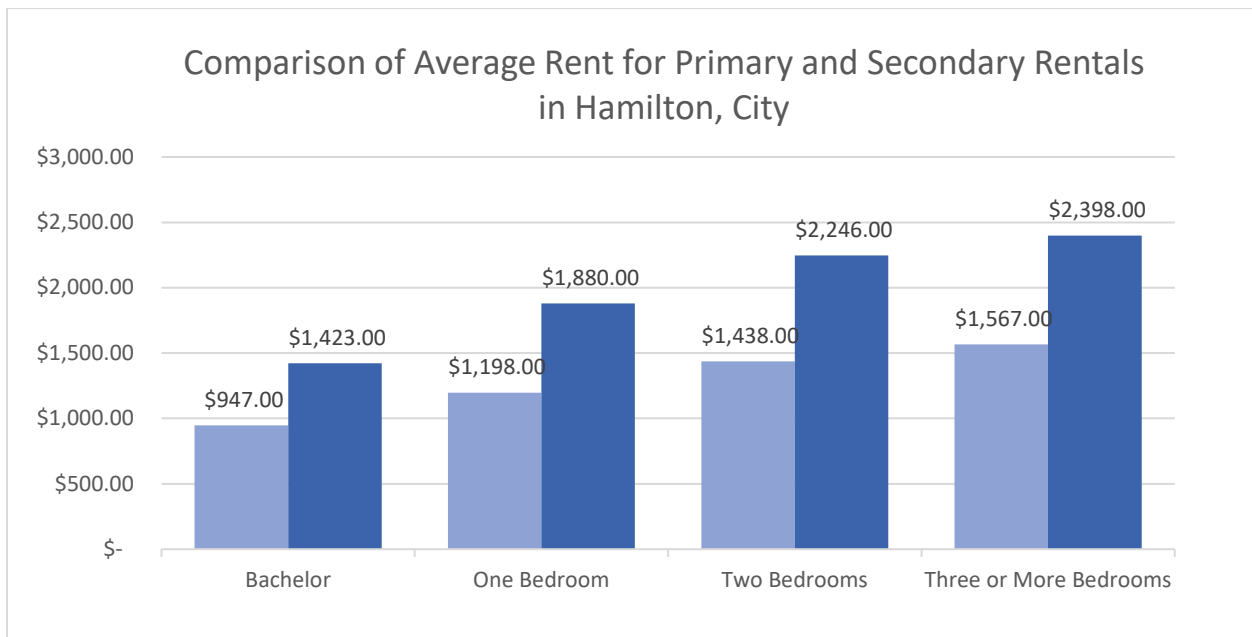


Figure 29: Comparison of Average Rent for Primary and Secondary Rentals in Hamilton, City (Urbanation)

3.2.3 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.

Based on October 2023 reports, home sales to date in 2023 consisted of an average price of \$803,952 and a median price of \$750,000, which is down 8.0% year over year (Realtors Association of Hamilton-Burlington, 2023). Single-family detached houses were the most expensive type of housing with an average price of \$870,085 (Figure 29).

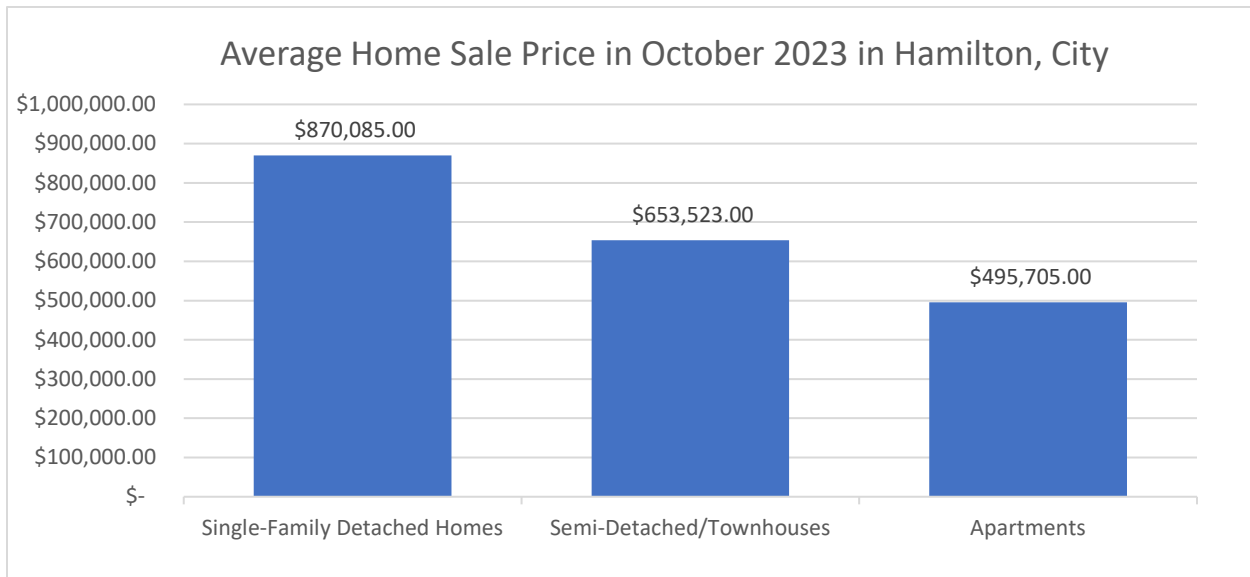


Figure 30: Average Home Sale Price in October 2023 in Hamilton, City

Increases to the average house price in Hamilton since 2019 were influenced by several policies introduced by government during that period of time. Prior to January 2022, mortgage interest rates were very low, including the Bank of Canada’s benchmark five-year rate used by Canada’s largest banks to qualify applicants under the mortgage stress test. This helped to improve homebuyer access to home purchase financing.

Additionally, in October 2019, the Federal Government introduced the First-Time Home Buyer Incentive. The First-Time Home Buyer Incentive program is a shared equity mortgage which allows households to borrow 5% or 10% of the purchase price of a home to put towards a down payment which will later be paid back at the time when the home is sold or within 25 years. This program creates an incentive for households who have never purchased a home before to enter the market. This has resulted in increased competition among buyers and has provided the environment for prices to increase since 2019. In 2022 however, there have been significant increases in lending rates which have impacted affordability and concern regarding a housing correction has dampened consumer confidence. This has contributed to a decline in sales in Hamilton in 2022.

Yet, despite the adjustments, prices still remain well above levels reported prior to the COVID-19 pandemic.

While previous findings in the supply section indicated the housing stock is diversifying, 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.

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 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. In addition, 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 Hamilton. Furthermore, households with a maintainer aged 45 to 64 years may be deterred from settling in Hamilton due to the high costs. More homeownership options which are affordable to households, primarily with moderate incomes, are needed in Hamilton.

4.0 HOUSING DEVELOPMENT ACTIVITY

4.1 HOUSING STARTS AND COMPLETIONS

In 2022, 3,530 dwellings were started and 3,163 dwellings were completed. The majority of both starts and completions occurred in apartment units (Figure 30). In 2022 single detached completions were more than row house completions, which switched from 2021, where row houses lead over single detached completions. In general, the data indicates that there is a shift towards more dense living but there appears to be a strong market for single detached housing.

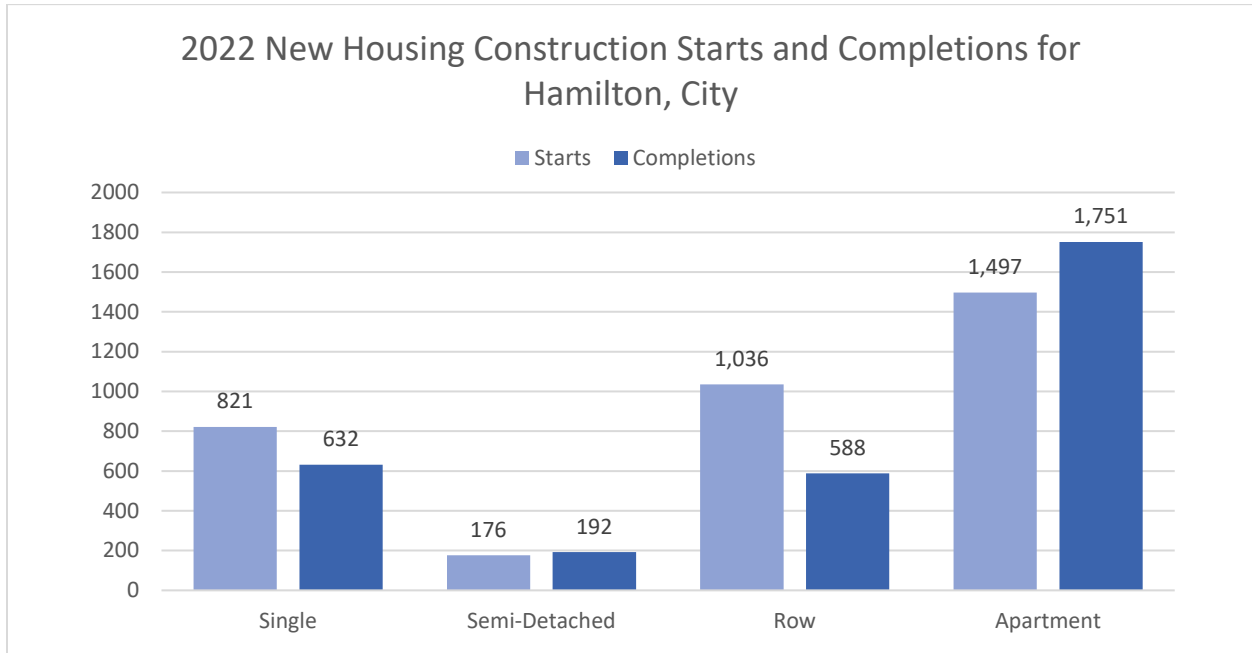


Figure 31: 2022 New Housing Construction Starts and Completions for Hamilton, City

Of housing starts in 2022, 45.8% of the units were intended for the ownership market, 31.7% were intended as purpose built rentals, and 22.5% were intended for the condominium market (Figure 31). Of 2022 completions, there was a large proportion of condominium units completed, at 34.7%, fewer rental completions at 21.9%, and the majority of completions (43.3%) intended for the ownership market. In the third quarter of 2023, the average price for the 283 absorbed homeowner and condominium units was \$888,597 with a median price of \$590,000 (Canada Mortgage and Housing Corporation, 2023).

Regardless of the small number of completions of new purpose-built rental dwellings in Hamilton, the number of households who were renters increased since 2016. These additional renter households are presumably being served through the secondary rental market. These data demonstrate that although rental housing is becoming more prominent in Hamilton, the demand for this tenure type might not be being met by adding a sufficient amount of new purpose-built rental supply. More purpose-built rental housing is needed to meet the increased demand for rental housing in Hamilton.

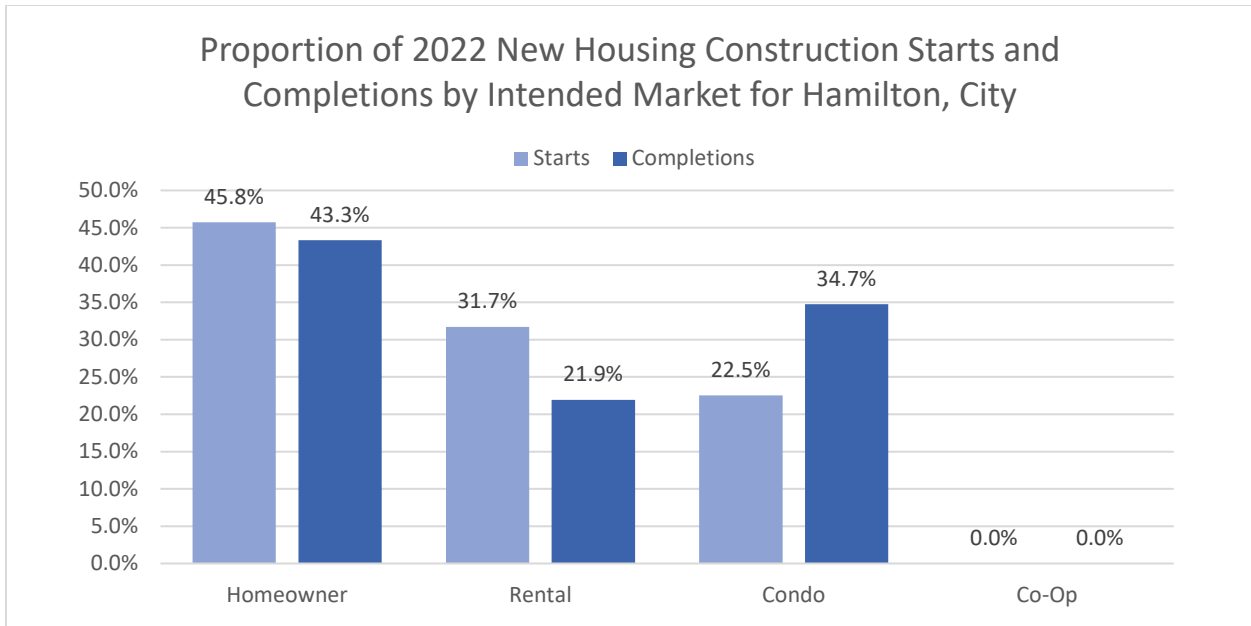


Figure 32: Proportion of 2022 New Housing Construction Starts and Completions by Intended Market for Hamilton, City

4.2 BUILDING PERMIT APPLICATIONS

In 2022, the City of Hamilton issued 7,054 building permits with a total construction value of \$1,856,371,964, of which 5,046 were residential permits with a construction value of \$1,371,464,773 (City of Hamilton, 2022). From January 2023 to September 2023, 4,214 building permits were issued, of which 3,049 were residential permits which will bring 4,014 new dwelling units to the City of Hamilton (Statistics Canada, 2023).

5.0 HOUSING AFFORDABILITY

The availability of affordable, adequate and suitable housing is a pressing concern for many individuals and families. While households with low incomes are the most likely to experience housing affordability challenges, increasing house prices and rents throughout Hamilton have also made the cost of shelter an issue for many households with moderate incomes.

This section looks at the proportion of income households in Hamilton are spending on shelter as well as what households can afford and how this compares to trends in house prices and rents.

5.1 DEFINITION OF AFFORDABILITY

This section presents the recommended thresholds for affordable ownership and affordable rental housing and these definitions are in line with the definitions presented in the Provincial Policy Statement (“PPS”).

In the case of ownership housing, the PPS defines affordability as the least expensive of:

- a) housing for which the purchase price results in annual accommodation costs which do not exceed 30 percent of gross annual household income for low and moderate income households
- b) housing for which the purchase price is at least 10 percent below the average purchase price of a resale unit in the City of Hamilton

In the case of rental housing, affordability is defined as the least expensive of:

- a) a unit for which the rent does not exceed 30 percent of gross annual household income for low and moderate income households
- b) a unit for which the rent is at or below the average market rent of a unit in the City of Hamilton.

For the purposes of this definition, “low and moderate income households” means households with incomes in the lowest 60% of the income distribution for the City of Hamilton. The definitions from the PPS are also in line with the definitions presented in A Place to Grow: Growth Plan for the Greater Golden Horseshoe and the City’s Urban Hamilton Official Plan.

5.2 OWNERSHIP HOUSING AFFORDABILITY

Based on the 60th decile of household income in 2021, which was \$115,350, a 5.0% downpayment, a 25 year amortization period and 5.39% interest rate, the affordable homeownership price is a maximum of \$455,013 (\$504,685 adjusted for the CPI to 2023). This price is comparable to the maximum price of \$505,455 calculated as per the City of Hamilton’s Housing Needs Assessment Report in December 2022.

5.3 RENTAL HOUSING AFFORDABILITY

In 2022, affordable rental housing should be priced through the market-based approach at a maximum of \$1,334 based on average market rents in Hamilton. This is because the market-based

approach produces a less expensive affordable rent price than the income-based approach. This is in-line with the methodology prescribed by the PPS as well as A Place to Grow: Growth Plan for the Greater Golden Horseshoe and the City's Urban Hamilton Official Plan for determining the definition of rental housing affordability.

5.4 AFFORDABLE HOUSING DEMAND

In 2020, 23.2% of households (51,305 households) in Hamilton were facing housing affordability challenges as they spent 30% or more of their gross household income on shelter. In Ontario, the proportion of households facing affordability issues was 24.2%, which is quite similar to the proportion in Hamilton in 2020.

The proportion of households facing housing affordability issues decreased by 2.9% from 2015; from 26.1% of households (55,055 households) in 2015 to 23.2% of households (51,305 households) in 2020. Over the same period, household growth as a whole in Hamilton was 5.3% so this indicates that there was a decrease in the number of households facing affordability issues in Hamilton over that period. A similar trend was observed across Ontario where the proportion of households facing housing affordability issues decreased by 3.4% from 2015 to 2020.

Renter households in Hamilton were significantly more likely to face housing affordability issues compared to owner households. In 2020, 37.5% of all renter households in Hamilton spent 30% or more of their household income on shelter. In comparison, among owners only 15.8% were facing affordability issues and spending 30% or more of their household income on shelter in 2020.

This indicates the need for affordable housing in Hamilton is stronger among renters. The large share of renter households facing affordability issues suggests there is a need for more purpose-built rental housing units that are affordable to renter households in Hamilton.

5.5 HOUSEHOLDS IN 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 standard 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.

As per the 2021 Census, 13.0% of households (28,055 households) in Hamilton were in core housing need. In comparison with Ontario, the proportion of households in core need in Hamilton is slightly higher (12.1% versus 13.0%, respectively.) This suggests that households in Hamilton are somewhat more likely to be in housing situations that do not meet their needs, compared with households in the province more broadly.

Renters were significantly more likely to experience core housing need in Hamilton compared to owners in 2020 (27.6% compared to 5.5%, respectively). In Ontario as a whole, 24.9% of renters and 6.4% of owners were in core need. Renters are typically households with low or moderate

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incomes. These households likely have less housing options available to them which meet their budgetary needs. There is therefore a need for more rental housing in Hamilton which is affordable to households with low and moderate incomes.

6.0 POLICY CONTEXT

This section focuses on the various policies, regulations, programs and guidelines that shape the context of the provision of housing from Federal, Provincial, and Municipal levels. From local planning and built form policy to national tax and investment programs, this section summarizes the considerations, opportunities, and constraints towards the development of new market, affordable, and community housing. Please note that the information summarized in this section is current as of the date of the publishing of this report; however, information is subject to change and programs may no longer be available and/or new initiatives may have been introduced. Please refer to source material and organizations for the most up-to-date information.

6.1 FEDERAL HOUSING POLICY CONTEXT

6.1.1 National Housing Strategy

The Government of Canada's National Housing Strategy ("NHS"), launched in 2017, is the first-ever Canadian comprehensive initiative aimed at addressing various housing challenges across the country (Government of Canada, 2017). Its overarching purpose is to ensure that Canadians have access to adequate and affordable housing, fostering inclusive and sustainable communities through a \$40 billion joint investment. The NHS initiatives are designed to:

- Build new affordable housing and renew existing affordable housing stock
- Provide technical assistance, tools and resources to build capacity in the community housing sector and funds to support local organizations
- Support research, capacity-building, excellence and innovation in housing research

Through a holistic approach, the NHS addresses a range of housing needs, including those of vulnerable populations. It emphasizes collaboration with provinces and territories, as well as engagement with Indigenous peoples. The strategy also incorporates measures to enhance housing affordability, promote energy efficiency, and improve overall housing conditions. Overall, the NHS sets ambitious targets, such as:

- Cutting homelessness by 50%
- Removing 530,000 families from housing need
- Renovating and modernizing 300,000 homes
- Building 100,000 new homes
- Protecting 385,000 community housing units
- Creating 50,000 new community housing units
- Provide 300,000 households with affordability support through the Canada Housing Benefit

The NHS's vision is that Canadians have access to affordable housing that meets their needs. In support of this vision, the NHS focuses on 6 priority areas for action, as summarized in Table 1.

Table 3: National Housing Strategy Six Priorities

NHS Priority	Description
Housing for Those in Greatest Need	<p>Many Canadians have difficulty finding and affording housing that meets their needs. The NHS addresses the housing needs of vulnerable Canadians, including:</p> <ul style="list-style-type: none"> • Women and children fleeing domestic violence • Young adults • Indigenous peoples • People with disabilities • People dealing with mental health and addition issues • Seniors • Veterans • 2SLGBTQIA+ • Racialized groups • Recent immigrants, especially refugees • People experiencing homelessness
Community Housing Sustainability	<p>“Community Housing” refers to:</p> <ul style="list-style-type: none"> • Community-based housing that is owned and operated by non-profit housing societies • Housing co-operatives or public housing owned by provincial, territorial or municipal governments <p>The goal for this priority area is to improve the sustainability of community housing and build the capacity of providers. This can include:</p> <ul style="list-style-type: none"> • Investing in resilience of the community housing sector • Stabilizing the operations of housing providers • Helping community housing providers achieve greater operational efficiencies and better responses to tenant needs, community needs and capital needs • Supporting the community housing sector’s efforts to become more capable, viable and innovative • Encouraging and supporting the social and economic inclusion of low-income households and more inclusive, vibrant and productive communities • Testing approaches to evolve the system of rent supports for low-income households • Supporting innovation in business practices or asset management
Indigenous Housing	<p>The term Indigenous refers to First Nations, Métis and Inuit. They are distinct peoples with their own cultures, rights and relationships with the Crown. Improving Indigenous housing is a priority for the NHS. Indigenous housing challenges are unique, complex, and multi-faceted. Indigenous households experience some of the worst housing conditions in Canada. Nearly 20% of</p>

NHS Priority	Description
	Indigenous people live in housing that is in need of major repairs, and 20% live in housing that is overcrowded. The NHS supports initiatives that improve Indigenous housing conditions wherever they may be located.
Northern Housing	Access to affordable, adequate and suitable housing in Canada’s northern and remote regions is a consistent problem. Many northern residents face uncertain economic futures. They must cope with extreme climate conditions, high living, construction and transportation costs, and limited transportation infrastructure. This priority area covers the geographic regions of the three territories: Yukon, Northwest Territories, and Nunavut.
Sustainable Housing and Communities	<p>The NHS focuses on ensuring the next generation of affordable community housing in Canada is built to last. This includes measures ensuring that housing is environmentally friendly, socially inclusive, and financially secure for buildings and/or operators. The NHS supports initiatives that:</p> <ul style="list-style-type: none"> • Improve the performance or extend the useful life of existing buildings • Improve their energy efficiency • Ensure new construction is durable and energy efficient <p>The NHS supports inclusive and socially sustainable communities that have:</p> <ul style="list-style-type: none"> • Accessible housing • Housing with supportive wrap-around services • Housing located close to services, transit and employment • Housing close to social, cultural, and recreational amenities • Housing located in mixed-tenure or mixed-use developments <p>The NHS supports economic sustainability in housing including:</p> <ul style="list-style-type: none"> • Green building features that pass energy savings along to owners and occupants • Innovative financing models for community housing • Measures that can reduce capital and operating costs
Balanced Supply of Housing	<p>Rising house prices have made homeownership more difficult and the existing rental supply is aging. Overall, housing supply is not keeping up with housing demand. The NHS considers actions that address the housing supply and overall stability of the housing market, including:</p> <ul style="list-style-type: none"> • Creating new affordable rental supply, including through increased capacity of the community housing sector and maintenance and preservation of existing rental stock

NHS Priority	Description
	<ul style="list-style-type: none"> • Working toward a better understanding of the diverse housing needs of Canadians • Supporting projects that deliver affordable homeownership options

With respect to supporting the creation of new housing supply, modernizing existing housing, providing resources for community housing providers, and supporting innovation and research, the NHS as delivered through CMHC provides the initiatives summarized in Table 2.

Table 4: National Housing Strategy Initiatives and Programs

Goal	Initiative/Program	Description
Create New Housing Supply	National Housing Co-Investment Fund – New Construction Stream	Low-cost repayable loans and forgivable loans for building new affordable housing shelters, transitional and supportive housing.
	Affordable Housing Innovation Fund	Funding for unique ideas and innovative building techniques that revolutionize the affordable housing sector.
	Rental Housing Construction Financing	Low-cost loans encouraging the construction of sustainable rental apartment projects across Canada.
	Federal Lands Initiative	Surplus federal lands and buildings used to create affordable, sustainable, accessible and socially inclusive developments.
Modernize Existing Housing	National Housing Co-Investment Fund – Housing Repair and Renewal Stream	Low-cost repayable loans and forgivable loans for repairing/renewing affordable housing shelters, transitional and supportive housing.
	Affordable Housing Innovation Fund	Funding for unique ideas and innovative building techniques that revolutionize the affordable housing sector.
Resources for Community Housing Providers	Federal Community Housing Initiative	Subsidies for federally administered community housing providers provided under their existing operating agreements.
	Community Housing Transformation Centre	Tools and assistance to increase the capacity of community housing providers and support an efficient community housing sector.
	Community-Based Tenant Initiative	Funding for local organizations helping tenants access information on housing options, improve financial literacy and management.

Goal	Initiative/Program	Description
Innovation and Research	NHS Demonstrations Initiative	Highlighting innovations in affordable housing that progress social, economic and environmental performance, programs and strategies.
	Solutions Labs	Working through complex housing issues to scale potential solutions to housing affordability pressures.
	Collaborative Housing Research Network	An independent, Canadian academic-led housing network focused on the holistic research of housing conditions.
	NHS Research and Planning Fund	Funding for NGOs wanting to undertake housing-related research or research-related activities.
	CMHC Housing Research Scholarship Program	Partnering with Tri-agencies to support early-career researchers with post-doctoral fellowships.
	Housing Needs Data	Understanding housing conditions and needs of our most vulnerable populations to develop success measures towards strategy outcomes.

The NHS provides the framework for various initiatives to provide new affordable housing and through CMHC, delivers opportunities for funding and innovation that should be considered through the planning and development of the Upper West Side Infill Community.

6.1.2 Federal Underused Housing Tax (UHT)

The Canadian Underused Housing Tax (“UHT”) represents a key policy initiative aimed at addressing housing challenges by targeting properties that are not being used to their full potential (Government of Canada, 2022). The UHT is an annual federal 1% tax on the ownership of vacant and underutilized housing in Canada that took effect on January 1, 2022. The primary purpose of this tax is to encourage property owners to put vacant or underutilized homes into productive use, thereby increasing the overall housing supply and promoting affordability. The tax is designed to act as both an incentive for property owners to make their vacant properties available for rent or sale and a measure to discourage the holding of properties solely for speculative purposes. By unlocking the potential of underutilized housing, the government aims to contribute to the broader goal of creating more accessible and vibrant communities across the country.

In the context of Ontario, the implementation of the Underutilized Housing Tax aligns with the provincial commitment to fostering a robust and inclusive housing market. By incentivizing property owners to utilize their vacant or underused properties, the tax contributes directly to the provision of new housing in Ontario. As underutilized properties are brought into the housing market, the increased supply can have a positive impact on housing affordability and address the

growing demand for homes. This tax reflects a strategic approach to optimize existing housing resources and, in turn, supports the broader efforts to enhance the availability and accessibility of housing options within the province.

6.1.3 Prohibition on the Purchase of Residential Property by Non-Canadians Act

The *Prohibition on the Purchase of Residential Property by Non-Canadians Act*, S.C. 2022, c. 10, s. 235 came into force on January 1, 2023. The purpose of the PPRP Act is to prohibit a non-Canadian to purchase, directly or indirectly, any residential property (Prohibition on the Purchase of Residential Property by Non-Canadians Act, 2022). The PPRP Act defines residential property as buildings with 3 dwelling units or less. This includes semi-detached houses and condominium units. The PPRP Act does not prohibit the purchase of larger buildings with 4 or more dwelling units. The PPRP Act applies to residential properties within Census Metropolitan Areas (CMA) and Census Agglomerations (CA) and Upper West Side Infill Community is located within the Hamilton Census Metropolitan Area; therefore, the purchase of residential properties with 3 dwelling units or less is prohibited for non-Canadians.

6.2 PROVINCIAL POLICY CONTEXT

6.2.1 Housing Services Act, 2011

The *Housing Services Act*, 2011, S.O. 2011, c. 6, Sched. 1 (“HSA”) is a key piece of legislation governing most aspects of affordable housing in the Province of Ontario. Its purpose is to allow for community-based planning and provision of housing and homelessness services with provincial oversight and policy direction (Housing Services Act, 2011). Further, it is intended to provide flexibility to service managers and housing providers.

As per Section 4(1) of the HSA, *“it is a matter of provincial interest that there be a system of housing and homelessness services that,*

- a) Is focused on achieving positive outcomes for individuals and families;*
- b) Addresses the housing needs of individuals and families in order to help address other challenges they face;*
- c) Has a role for non-profit corporations and non-profit housing co-operatives;*
- d) Has a role for the private market in meeting housing needs;*
- e) Provides for partnerships among governments and other in the community;*
- f) Treats individuals and families with respect and dignity;*
- g) Is co-ordinated with other community services;*
- h) Is relevant to local circumstances;*
- i) Allows for a range of housing options to meet a broad range of needs;*
- j) Ensures appropriate accountability for public funding;*
- k) Supports economic prosperity; and*
- l) Is delivered in a manner that promotes environmental sustainability and energy conservation.”*

6.2.2 Housing Supply Action Plan

The Government of Ontario released the More Homes, More Choice: Ontario’s Housing Supply Action Plan (“HSAP”) in May 2019. The HSAP’s vision is that “all Ontarians can find a home that meets their needs and their budget” and the HSAP proposes initiatives and programs to make housing more affordable and make it easier to build the right types of housing in the right places (Government of Ontario, 2019). The HSAP recognizes that home prices and rents in many large and mid-sized cities have risen faster than incomes, contributing to a housing crisis in Ontario. Further, that lengthy approvals and high costs have slowed down the building of new housing and rentals. In response, the HSAP proposes the “Housing Supply: Ontario’s Five Point Plan”, as summarized in Table 3.

Table 5: Housing Supply: Ontario's Five Point Plan

Point	Description
1. Speed	Red tape and paperwork can add years to a construction project. The Province will maintain Ontario’s strong environmental protections, while making the development approvals faster.
2. Cost	Layers of permits, government approvals and charges by municipalities add to the cost of building new homes. The Province will make costs more predictable to encourage developers to build more housing.
3. Mix	The Province will make it easier to build different types of housing – from detached houses and townhouses to mid-rise rental apartments, second units and family-sized condos.
4. Rent	There are more people looking for homes than there are places to rent. The Province will protect tenants and make it easier to build rental housing.
5. Innovation	This means everything from new housing designs and materials to creative approaches to homeownership and more. The Province will encourage more innovation and creativity in Ontario’s Housing sector.

The HSAP drove changes to various legislation and regulatory bodies, including the Planning Act, Development Charges Act, Local Planning Appeal Tribunal, Ontario’s Building Code, Education Development Charge Framework, Occupational Health and Safety Act, Workplace Safety and Insurance Board, Ontario Heritage Act, Environmental Assessment Act, Environmental Protection Act, Conservation Authorities Act, and Endangered Species Act.

6.2.3 Municipal Act, 2001

The *Municipal Act, 2001*, S.O. 2001, c. 25 (“Municipal Act”) establishes the governance, organization, and powers of municipalities in Ontario, except the City of Toronto. The Municipal Act gives municipalities powers to pass by-laws on matters such as health, safety and wellbeing, and to protect persons and property within their jurisdiction (Municipal Act, 2001). The Municipal Act provides direction for land use planning purposes but does not directly legislate Official Plans or Zoning By-laws.

6.2.4 Planning Act

The *Planning Act*, R.S.O. 1990, c. P. 13 ("Planning Act"), as amended, is the primary legislation that regulates land use planning and development in the province of Ontario. As per Section 1(1), the purposes of the Planning Act are:

- a) To promote sustainable economic development in a healthy natural environment within the policy and by the means provided under this Act;
- b) To provide for a land use planning system led by provincial policy;
- c) To integrate matters of provincial interest in provincial and municipal planning decisions;
- d) To provide for planning processes that are fair by making them open, accessible, timely and efficient;
- e) To encourage co-operation and co-ordination among various interests;
- f) To recognize the decision-making authority and accountability of municipal councils in planning.

As per Section 2, in carrying out responsibilities under the Planning Act, persons shall have regard for, among other matters of provincial interest, the adequate provision of a full range of housing, including affordable housing (Planning Act, R.S.O. 1990). Section 16 establishes the requirements for contents of an official plan, including Section 16.1.a.1, "such policies and measures as are practicable to ensure adequate provision of affordable housing." Section 24(1) states that municipal decisions, by-laws and public works are required to conform to the policies of the official plan.

As per Section 16(3), no official plan may contain any policy that has the effect of prohibiting the use of:

- a) Two residential units in a detached house, semi-detached house or rowhouse on a parcel of urban residential land, if all buildings and structures ancillary to the detached house, semi-detached house or rowhouse cumulatively contain no more than one residential unit;
- b) Three residential units in a detached house, semi-detached house or rowhouse on a parcel of urban residential land, if no building or structure ancillary to the detached house, semi-detached house or rowhouse contains any residential units; or
- c) One residential unit in a building or structure ancillary to a detached house, semi-detached house or rowhouse on a parcel of urban residential land, if the detached house, semi-detached house or rowhouse contains no more than two residential units and no other building or structure ancillary to the detached house, semi-detached house or rowhouse contains any residential units.

Further, under Sections 16(4) and 16(5), the official plan may contain policies to authorize the inclusion of affordable housing units within buildings or projects containing other residential uses and provide for the affordable housing units to be maintain as affordable housing units over time, if the development is within an area where a development permit system is adopted or established; this practice is referred to as "inclusionary zoning". As per Section 16.9, before a

municipality can adopt inclusionary zoning policies, an assessment report must be prepared. The City of Hamilton's Housing Needs Assessment Report dated December 12, 2022 was prepared to satisfy this requirement.

Under Section 34 of the Planning Act, municipalities may pass a zoning by-law, which regulates uses, buildings, and structures within a municipality. A zoning by-law may include provisions that restrict the use of land, restrict the erection, locating or use of buildings, regulate the use of flood plain and contaminated lands for use and building, protect natural features and archaeological areas by restricting development, as well as regulating the construction of buildings or structures, including the height, bulk, location, size, floor area, spacing, character, and use of buildings or structures. Additionally, the zoning by-law regulates the minimum area of a parcel of land as well as the minimum and maximum density and height of development.

6.2.5 Development Charges Act, 1997

The *Development Charges Act, 1997*, S.O. 1997, c. 27 ("DC Act") regulates the application of Development Charges in Ontario. The DC Act permits that the council of a municipality may by by-law impose development charges against land to pay for increased capital costs required because of increased needs for services arising from development within the municipality (Development Charges Act, 1997). As per Section 1(2) of the DC Act, a development charge may be imposed only for development that requires:

- a) The passing of a zoning by-law or of an amendment to a zoning by-law under Section 34 of the Planning Act;
- b) The approval of a minor variance under Section 45 of the Planning Act;
- c) A conveyance of land to which a by-law passed under Subsection 50(7) of the Planning Act applies;
- d) The approval of a plan of subdivision under Section 51 of the Planning Act;
- e) A consent under Section 53 of the Planning Act;
- f) The approval of a description under Section 9 of the Condominium Act, 1998; or
- g) The issuing of a permit under the Building Code Act, 1992 in relation to a building or structure.

Aligning with the Province's support for additional dwelling units as summarized in the Planning Act, the following units are exempt from development charges, when constructed within existing or new buildings:

- a) Two residential units in a detached house, semi-detached house or rowhouse on a parcel of urban residential land, if all buildings and structures ancillary to the detached house, semi-detached house or rowhouse cumulatively contain no more than one residential unit;
- b) Three residential units in a detached house, semi-detached house or rowhouse on a parcel of urban residential land, if no building or structure ancillary to the detached house, semi-detached house or rowhouse contains any residential units; or

- c) One residential unit in a building or structure ancillary to a detached house, semi-detached house or rowhouse on a parcel of urban residential land, if the detached house, semi-detached house or rowhouse contains no more than two residential units and no other building or structure ancillary to the detached house, semi-detached house or rowhouse contains any residential units.

Under Section 26(1) of the DC Act, a development charge is payable upon a building permit being issued for the development, unless the development is rental housing or institutional development under Section 26(2). With respect to rental housing, a development charge shall be paid in equal annual installments beginning on the date the building was occupied or an occupancy permit was issued and then every year for the next 5 years. However, if the rental tenancy is changed to ownership or condominium, the outstanding development charges are payable immediately. Similarly, non-profit housing developments will be allowed to pay the 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.

As per Section 26.2(1.1) With respect to the calculation of development charges, for rental housing, the development charge amount shall be reduced in accordance with the following:

- a) A development charge for a residential unit intended for use as a rented residential premises with three or more bedrooms shall be reduced by 25 per cent;
- b) A development charge for a residential unit intended for use as a rented residential premises with two bedrooms shall be reduced by 20 per cent; or
- c) A development charge for a residential unit intended for use as a rented premise not referred to in paragraph (a) or (b) shall be reduced by 15 per cent.

Additional changes to the DC Act (Section 4.1) are proposed in relation to affordable dwelling units; however, at the time of the issuance of this report the regulations were not in force and effect and therefore were not included in this report.

6.2.6 Non-Resident Speculation Tax

The Non-Resident Speculation Tax ("NRST") is a tax that is applied on the purchase of or acquisition of an interest in a residential property in Ontario and applies to foreign nationals (individuals who are not Canadian citizens or permanent residents of Canada) or by foreign corporations or taxable trustees (Government of Ontario, 2023). For homes purchased on or after October 25, 2022, the tax rate was 25% of the home's purchase price. It is applied in addition to, not on top of, the Land Transfer Tax in Ontario.

6.2.7 Provincial Policy Statement, 2020

The Provincial Policy Statement ("PPS") is a land use vision for how the Province of Ontario and directs the use of land and resources over the long-term, with the overall goal of achieving livable and resilient communities. The PPS is a key part of Ontario's policy-led planning system and

provides policy direction on matters of provincial interest, setting the foundation for development and use of land (Government of Ontario, 2020).

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:

1. 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.
2. 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.
3. 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. 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.

6.2.8 A Place to Grow: Growth Plan for the Greater Golden Horseshoe, 2020

Effective May 16, 2019, A Place to Grow: Growth Plan for the Greater Golden Horseshoe, 2019 (the "Growth Plan") replaced the 2017 Growth Plan for the Greater Golden Horseshoe. In August 2020, Amendment 1 to the 2019 Growth Plan came into effect and a revised land needs assessment methodology was released.

The Growth Plan is a long-term plan for the Greater Golden Horseshoe ("GGH") designed to promote economic prosperity, environmental protection, and a high quality of life for people of all ages. The Growth Plan seeks to foster complete communities by directing growth to designated settlement areas and urban growth centres. The Growth Plan also establishes intensification and density targets, directing municipalities to prioritize intensification and higher densities in identified strategic growth and settlement areas to make efficient use of land and infrastructure. Strategic growth areas are inclusive of urban growth centres, MTSAs and other major opportunities including areas with existing or planned frequent transit service/higher order transit corridors.

Key themes and changes introduced through the 2019 Growth Plan and Amendment 1 include but are not limited to:

1. Schedule 3 is updated to reflect a newly developed reference growth forecast and requiring municipalities to plan to the year 2051;
2. Updated agricultural land base mapping and associated implementation procedures within the GGH;
3. Revised minimum intensification requirements that are calibrated based on the degree of urbanization of a municipality;
4. A series of new and revised definitions; and
5. The introduction of greater flexibility for development in MTSAs within Provincially Significant Employment Zones.

In addition to the above, the Province also undertook an exercise that culminated in 2017 to ensure consistency between the various Provincial land use plans, including the Growth Plan and the Greenbelt Plan. This updated Provincial land use planning policy framework will need to be evaluated against the City's current Official Plan through the policy assessment process to ensure conformity.

6.3 CITY OF HAMILTON POLICY CONTEXT

6.3.1 Urban Hamilton Official Plan

The City of Hamilton's current Urban Hamilton Official Plan ("UHOP") was adopted by City Council in September 2006 and was approved by the Ontario Municipal Board and came into effect on August 16, 2013. The Urban Hamilton Official Plan (UHOP) applies to the lands in the urban area of the City.

The urban boundary defines the area where all urban development occurs. Lands within the urban boundary are already serviced or planned to be serviced with major roads, transit and full municipal services. The land within the urban boundary includes both the area within the builtup area and greenfield area. Lands within the urban boundary represent a 20-year supply of designated urban land and are intended to accommodate the majority of the City's protected growth.

Section 3.2 of the UHOP contains housing policies which state that housing is fundamental to the economic, social and physical well-being of Hamilton's residents and communities. Housing is a basic human need and is the central place from which people build their lives, nurture their families and themselves, and engage in their communities. Housing needs to change and evolve as social, demographic, and economic conditions change. The long-term sustainability of communities is based on building a diverse, flexible housing stock today to meet changing needs at both household and community levels. To ensure that housing is available for all residents with a wide variety of needs, there must be a sufficient supply of housing with a range of housing types, forms, tenures, densities, affordability levels, and housing with support services.

The following Urban Housing Goals are identified in the UHOP and shall apply in the urban area:

1. Provide for a range of housing types, forms, and densities to meet the social, health and well-being requirements of all current and future residents. (3.2.1.1)
2. Provide housing within complete communities. (3.2.1.2)
3. Increase Hamilton's stock of affordable housing of all types, particularly in areas of the City with low levels of affordable housing. (3.2.1.3)
4. Increase Hamilton's stock of housing for those whose needs are inadequately met by existing housing forms or tenure, affordability or support options. (3.2.1.4)
5. Maintain a balance of primary rental and ownership housing stock as outlined in the Affordable Housing Strategy. (3.2.1.5)
6. Increase the mix and range of housing types, forms, tenures, densities, affordability levels, and housing with supports throughout the urban area of the City. (3.2.1.6)

Housing targets are presented in section 3.2.2 of the UHOP. The UHOP acknowledges that many households in Hamilton cannot obtain housing that is affordable or appropriate to their needs. Households and individuals may be at risk of homelessness because of economic and/or personal circumstances where a level of support is required to live independently. Hamilton's aging and diversifying population has new and unique housing needs that cannot solely be met through

current housing options. The City recognizes the importance of affordable housing and housing with supports in meeting the housing needs of those without the resources to participate in the private housing market.

The policies related to affordable housing in the UHOP are as follows:

1. The City shall endeavour to provide a facilitative land use planning process for development applications for affordable housing and housing with supports. (3.2.3.1)
2. Where appropriate, assistance shall be provided, either by the City and/or by senior governments, to encourage the development of affordable housing, with priority given to projects in areas of the City that are lacking in affordable housing. City assistance may include selling or leasing of surplus City land or financial assistance. (3.2.3.2)
3. In accordance with the City's 'Housing First' policy, all City-owned land that is surplus to the City's needs and appropriate for residential development shall be given priority for sale or lease for the development of affordable housing by CityHousing Hamilton Corporation, or coordinated by CityHousing Hamilton Corporation or the City of Hamilton Housing Division for development by other housing stakeholders. (3.2.3.3)
4. The City shall identify, promote and, where appropriate, participate in affordable housing opportunities funded by senior levels of government. (3.2.3.4)
5. The City shall encourage senior levels of government to adopt a 'Housing First' policy whereby affordable housing uses are given priority in the disposition of surplus government owned land. (3.2.3.5)
6. Investment in new affordable housing shall be encouraged by a coordinated effort from all levels of government through implementation of a range of strategies, including effective taxation, regulatory and administrative policies and incentives. (3.2.3.6)

In Section 3.2.4. of the UHOP, the general policies for urban housing are included. These policies are as follows:

1. The development of a full range of housing forms, types, and densities shall be provided for and promoted throughout the City of Hamilton through residential intensification and new development. A full range of housing forms, types, and densities means the full spectrum of physical housing types including single detached dwellings, semi-detached dwellings, duplexes, townhouses of various types (street, block, stacked), apartments and other forms of multiple dwellings, and lodging houses, built at a range of densities. (3.2.4.1)
2. The development of housing with a full range of tenure, affordability, and support services shall be provided for and promoted throughout the City. Where there are documented unmet needs for housing tenure, affordability levels or support services, priority shall be given to development applications that help meet those needs. Housing with a full range of tenure, affordability and support services in a full range of built housing forms means both ownership and primary rental housing with a full range of affordability, social housing, rent-gear-to- income housing, lodging houses, shared and/or congregate-

living housing arrangements, housing with supports, emergency and transitional housing, and housing that meets all needs. (3.2.4.2)

3. Housing with supports, including residential care facilities, shall be permitted in the Institutional, Neighbourhoods, Commercial and Mixed Use designations, as shown on Schedule E-1 – Urban Land Use Designations, and shall be subject to zoning regulations where applicable. (3.2.4.3)
4. A secondary dwelling unit shall be permitted on a single, semi-detached or townhouse lot in all Institutional, Neighbourhoods, Commercial and Mixed Use designations, as shown on Schedule E-1 – Urban Land Use Designations, provided it complies with all applicable policies and Zoning By-law regulations. (OPA 142) (3.2.4.4)
5. The existing stock of housing shall be retained wherever possible and kept in a safe and adequate condition through use of the City’s Demolition Control bylaw, Property Standards by-law, and incentive programs financed by the City or by senior levels of government. (OPA 142) (3.2.4.5)

The UHOP also includes policies related to Rental Housing Protection in Section 3.2.5. The UHOP states that it is important to maintain a balance of primary rental and ownership housing stock. Primary rental housing stock lost to condominium conversion or demolition is not being replaced through the building of new units, but condominium conversion and redevelopment can meet other City goals such as affordable home ownership, neighbourhood revitalization, replacement of aging housing stock and residential intensification. The intent of the policies in Section 3.2.5 is to minimize the loss of primary rental housing, particularly affordable rental housing, while permitting opportunities for neighbourhood revitalization, residential intensification, and affordable home ownership when the rental housing market is strong.

The City has recently undertaken a review of its rental housing protection policies in the UHOP and is proposing changes to its policy and planning process framework surrounding conversions of primary rental housing to condominium tenure and demolitions of primary rental housing. Policy changes proposed are intended to establish appropriate limitations to manage change and ensure protection for existing affordable rental housing units.

The City is also proposing to establish a permit process for conversions and demolitions by passing a by-law under the Municipal Act. This is intended to be used as a tool to implement the Official Plan directions. The permit process has been identified as a key part of the City’s strategy that could strengthen protections for rental housing and provide a consistent process for applications to convert or demolish rental housing. It would also permit the City to attach conditions to a permit, such as requiring legal agreements for replacement units in a new development, providing tenant assistance, and other conditions.

7.0 HOUSING GAPS, OPPORTUNITIES, AND CONSTRAINTS

This section identifies key housing gaps based on the analysis of housing demand, housing supply, and housing affordability in the City of Hamilton. Analysis includes comparing trends and forecasts of demographics, household characteristics and household incomes in the City, as well as trends in affordability. Building upon the Key Housing Gaps identified by the City of Hamilton in their Housing Needs Assessment Report, dated December 2022, the following Key Housing Gaps and their associated opportunities within the Upper West Side Secondary Plan are described below.

7.1 KEY HOUSING GAP #1 – HOUSING STOCK DIVERSITY

Population trends have indicated that there was historically a loss of middle-aged adults (45 to 64 years old) and a consistent decline of the growth rate for children. This data suggests that middle aged couples with families are relocating to more affordable areas or not choosing Hamilton to relocate to. In comparison, the City is seeing a decrease in the growth rate of older adults, which was previously a strong leader in population growth. With these changing demographics, it is important to ensure that a diverse range of housing types and tenures are constructed and maintained in the City. As the City experiences more intensification and redevelopment, the City should expect to see a number of smaller apartment and condominium units; although these units may be appealing to older adults who wish to downsize, their prices may be unaffordable to retired and fixed income residents. Similarly, apartments and condominiums are less appealing to middle aged adults with children.

Additionally, larger family-sized units should be encouraged, particularly within the apartment and condominium tenures. If the primary focus of housing policy is to drive apartment and condominium development and not also focused on ensure ground-oriented housing such as single detached, semi-detached, and townhouses are constructed, the City will continue to see an increasing gap in the population of middle aged adults and children.

OPPORTUNITY

Within the Upper West Side Secondary Plan, policies shall permit a wide range of dwelling units, sizes, and types in a form and function that supports the creation of a complete community. As the Secondary Plan area is primarily greenfield lands, there is the opportunity to incorporate a variety of densities, built forms, and housing types that support and appeals to the full life cycle of residents. The Secondary Plan should also encourage the design and construction of dwellings with secondary unit potential and flexible unit designs that support adaptive layouts where bedrooms can be changed.

7.2 KEY HOUSING GAP #2 – PURPOSE BUILT RENTALS

As condominium development becomes more appealing to developers and the City pushes away from ground-oriented development, the City must protect the existing housing stock and implement policies to support purpose built rentals, particularly affordable housing. The current rental vacancy rate is 1.9%, which is below the “healthy” rate of 3.0%, and appears to be trending downwards. This is reflective of lack of housing supply to meet housing demand within the City, but is also being experienced throughout Ontario and Canada. Rental housing is a key to supporting a diverse housing market and serving a variety of incomes and backgrounds of residents. Rental housing also makes up a larger proportion of core housing needs than ownership units.

OPPORTUNITY

Within the Upper West Side Secondary Plan, policies shall encourage the development of purpose built rental, particularly within the Primary and Secondary Community Nodes and Corridors. Developers have the opportunity to defer Development Charges for purpose built rental and are encouraged to seek out purpose built rental supportive financing programs, such as CMHC’s MLI Select program.

7.3 KEY HOUSING GAP #3 – AFFORDABILITY

Affordability for both rental and ownership is a significant consideration for any new development. Based on the current economic climate, growing housing demand, and inadequate housing supply, the cost of housing has increased at a rate significantly greater than inflation and is proving to be a severe concern for many households in Hamilton. More and more households are spending more than 30% of their income on housing costs, which when combined with the rising cost of food, is pushing more households to their financial limit. In Hamilton, based on the definition of affordable ownership, the maximum housing price that is considered affordable is \$504,685. In comparison with 2023 housing sales, the average house price was \$803,952. The maximum price for affordable ownership is just barely above the average price for apartments/condominium units in Hamilton and is significantly less than all other forms of housing, including single-detached dwellings.

Similarly, in the primary rental market, only bachelor and one bedroom apartments cost on-average at or below the affordable rental market rate of \$1,334. However, the secondary rental market makes up the significant majority of the overall rental market and within the secondary rental market, no housing size costs on-average at or below the affordable rental market. Unfortunately, households who cannot qualify to purchase a home are also very limited on rental options that they can afford without compromising their ability to pay for other living costs.

OPPORTUNITY

Within the Upper West Side Secondary Plan, policies shall encourage the development of purpose built rental, particularly within the Primary and Secondary Community Nodes and Corridors. As the Secondary Plan is primarily greenfield lands, there is the opportunity to plan for and construct dwellings and dwelling units to address the housing continuum, and more specifically affordable housing and housing with supports. Further, developments are encouraged to incorporate innovative affordable housing models, including rent-to-own models. Lastly, the Secondary Plan should include policies that implement the City's current and future affordable housing programs, initiatives, and requirements, such as consideration of financial or land contributions towards affordable housing.

8.0 RECOMMENDATIONS

This report has been prepared in support of and to inform the Upper West Side Secondary Plan process and development of the Upper West Side community. Based on the assessment of housing demand, housing supply, and housing affordability in the City of Hamilton, the following recommendations are made.

8.1 RECOMMENDATIONS – SECONDARY PLAN

- a) The Secondary Plan shall include policies that support the development of a full range of housing forms, types, densities, and tenures, including supporting intensification of up to three dwelling units on low-density residential designated lands.
- b) The Secondary Plan shall include a policy that permits the City to request a Development-Specific Housing Needs Assessment as part of any Draft Plan of Subdivision or Draft Plan of Condominium application. The Development-Specific Housing Needs Assessment should demonstrate how the proposed development is contributing towards addressing the housing supply for at least both market housing and affordable housing.
- c) The Secondary Plan shall include policies that encourage the development of purpose built rental housing in various forms, including but not limited to, townhouses, low-rise apartments, mid-rise apartments, and mixed-use buildings.
- d) The Secondary Plan shall include policies that prevent the restriction of permitted uses to a single built form, density, or housing type (such as only single-detached dwellings).
- e) The Secondary Plan shall include policies that encourage the consideration of innovative methods to support affordable housing and rental housing construction, including rent-to-own models, financial or land contributions towards affordable housing, and flexible unit designs that are adaptable.
- f) The Secondary Plan shall include policies that permit secondary dwelling units and encourages flexible unit designs, such as adaptable layouts where the number of bedrooms can be changed.

8.2 RECOMMENDATIONS – CITY OF HAMILTON

- a) City staff are encouraged to assess whether it would be appropriate and beneficial to amend the Housing for Hamilton Community Improvement Plan to identify the Upper West Side Secondary Plan area as a Community Improvement Area. Staff should assess whether this would support the development of affordable housing and purpose-built rental units within the community.
- b) City staff are encouraged to assess whether the Upper West Side Secondary Plan Area should be considered for the implementation of a Community Planning Permit system.

8.3 RECOMMENDATIONS – DEVELOPERS

- a) It is recommended that Developers seek out purpose-built rental supportive financial programs through institutions such as the Canada Mortgage and Housing Corporation.

- b) It is recommended that Developers incorporate affordable housing units within their developments, including family-sized units of three or more bedrooms.
- c) It is recommended that Developers propose and construct a variety of building forms, types, and densities throughout the neighbourhood to support the full spectrum of housing needs.
- d) It is recommended that Developers consider innovative methods to support affordable housing and rental housing construction, including rent-to-own models, financial or land contributions towards affordable housing, and flexible unit designs that are adaptable.

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