



# **Update on Core Housing Need – Regional Affordable Housing Strategy**

September 5<sup>th</sup>, 2019

**CANADIAN CENTRE FOR  
ECONOMIC ANALYSIS**

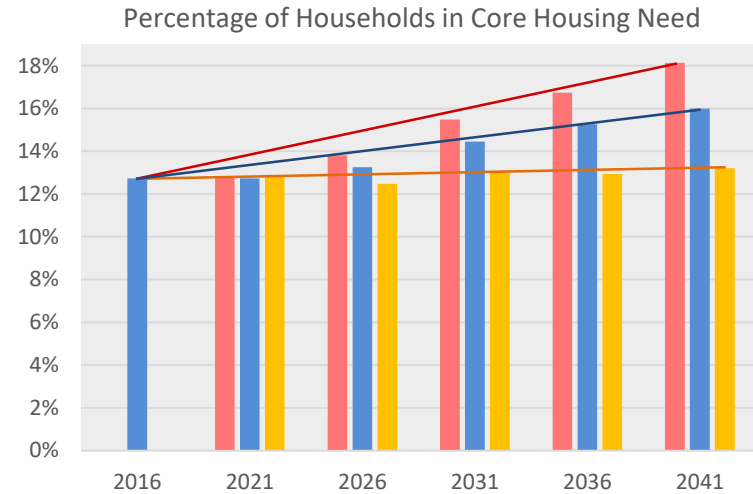
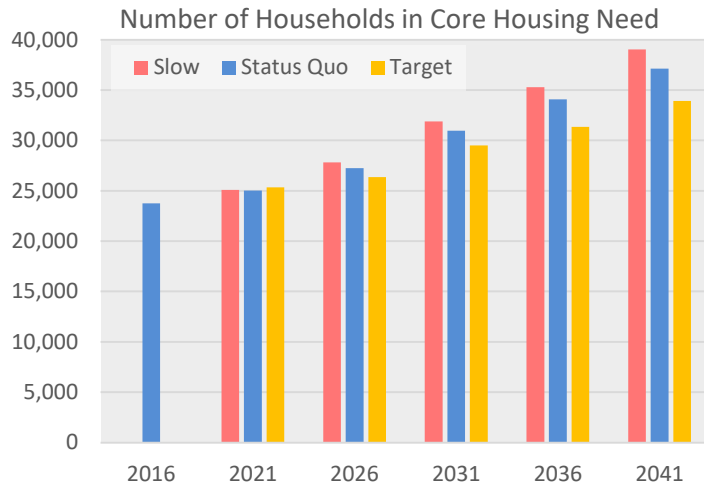
# Forward looking scenarios

- Examine the consequences of different housing development policy scenarios
- Scenarios
  - **Status quo** maintains the average of the last 5 years
  - **Slow growth** is 2 standard deviations below the average of the past 5 years (but no lower than half the average)
  - **Target growth** is the total number by local municipality based on the MCR 'strategic growth'.  
Based on these numbers, the Niagara Region split of builds is:
    - 30% singles,
    - 40% mid-density (of which 25% semi-detached, 75% row), and
    - 30% apartments
    - In local municipalities, construction is biased towards recent trends with higher density buildings in the cities and lower density buildings in rural regions.

# Core Need Definition

- A household is in core need when at least one of the following is true:
  - The household is spending more than 30% of its income on shelter
  - The dwelling has an insufficient number of bedrooms for the number of people in the households
  - The dwelling is in need of major repairs
- **And**, there are no alternative affordable dwellings available to the household
- In the Niagara region, core need is primarily driven by the affordability test

# Results: Households in Core Need

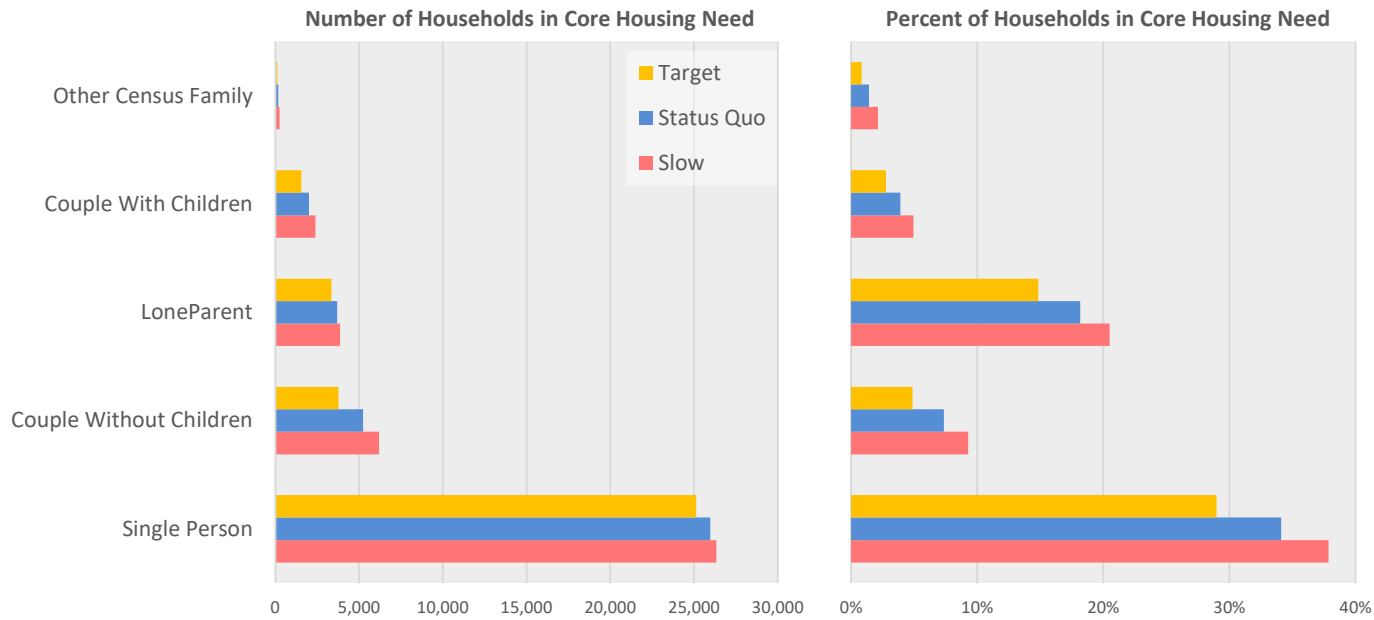


- Shelter costs are assumed to rise in proportion to difference between demand and available housing
- Lower income households have a higher likelihood of not finding housing, and/or moving into core housing need
- Core housing need in Niagara Region is projected to increase to 16% by 2041 under the status quo scenario and to over 18% in the slow growth scenario

# Results: Households in Core Need by 2041

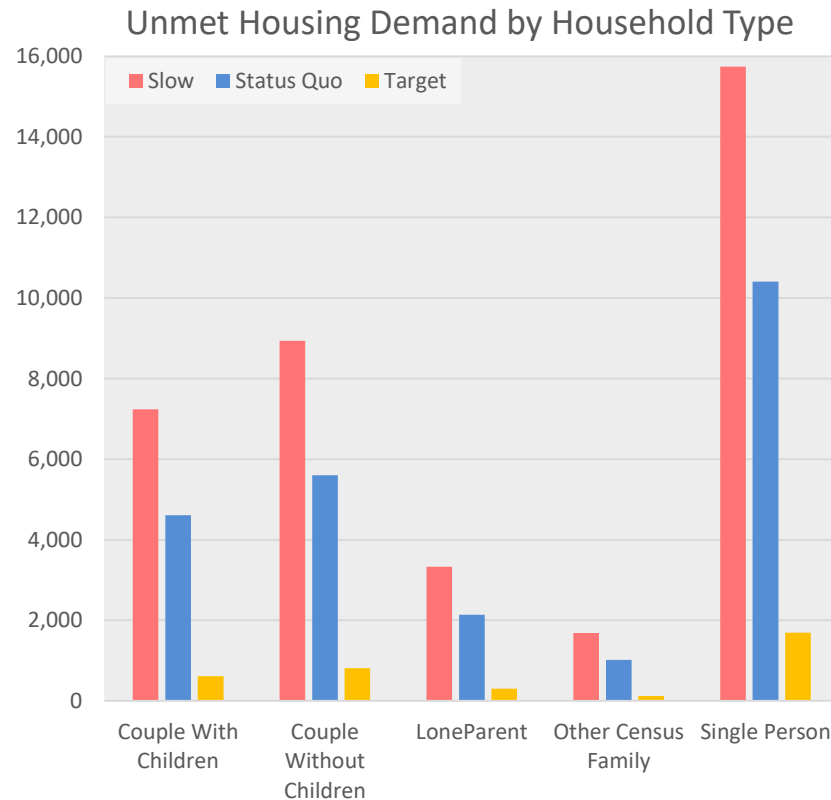
	Current		Target		Status Quo		Slow	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Port Colborne	1,336	18%	1,721	19%	1,826	23%	1,899	24%
Welland	3,540	16%	4,999	18%	5,278	21%	5,523	23%
St. Catharines	8,665	16%	10,788	15%	12,003	19%	12,296	21%
Fort Erie	1,809	14%	2,944	16%	3,345	21%	3,473	24%
Niagara Falls	5,135	14%	7,337	14%	7,840	16%	8,233	19%
<b>Niagara Region</b>	<b>23,747</b>	<b>13%</b>	<b>33,915</b>	<b>13%</b>	<b>37,117</b>	<b>16%</b>	<b>39,047</b>	<b>18%</b>
Thorold	945	12%	1,916	16%	1,997	18%	2,048	20%
Grimsby	727	6%	847	5%	803	5%	1,055	7%
Niagara-on-the-Lake	413	6%	979	9%	986	9%	1,184	12%
Wainfleet	139	5%	224	7%	201	7%	227	8%
Pelham	372	5%	669	6%	776	8%	980	11%
Lincoln	433	4%	844	6%	1,123	9%	1,183	11%
West Lincoln	233	4%	647	5%	939	10%	946	12%

# Results: Household Types in 2041



- Single-person households will continue to be the main type of households in core housing need in Niagara Region
- Compared to target growth, core housing need in the slow growth scenario is:
  - 91% higher for couples without children
  - 80% higher for couples with children
  - 38% higher for lone parents

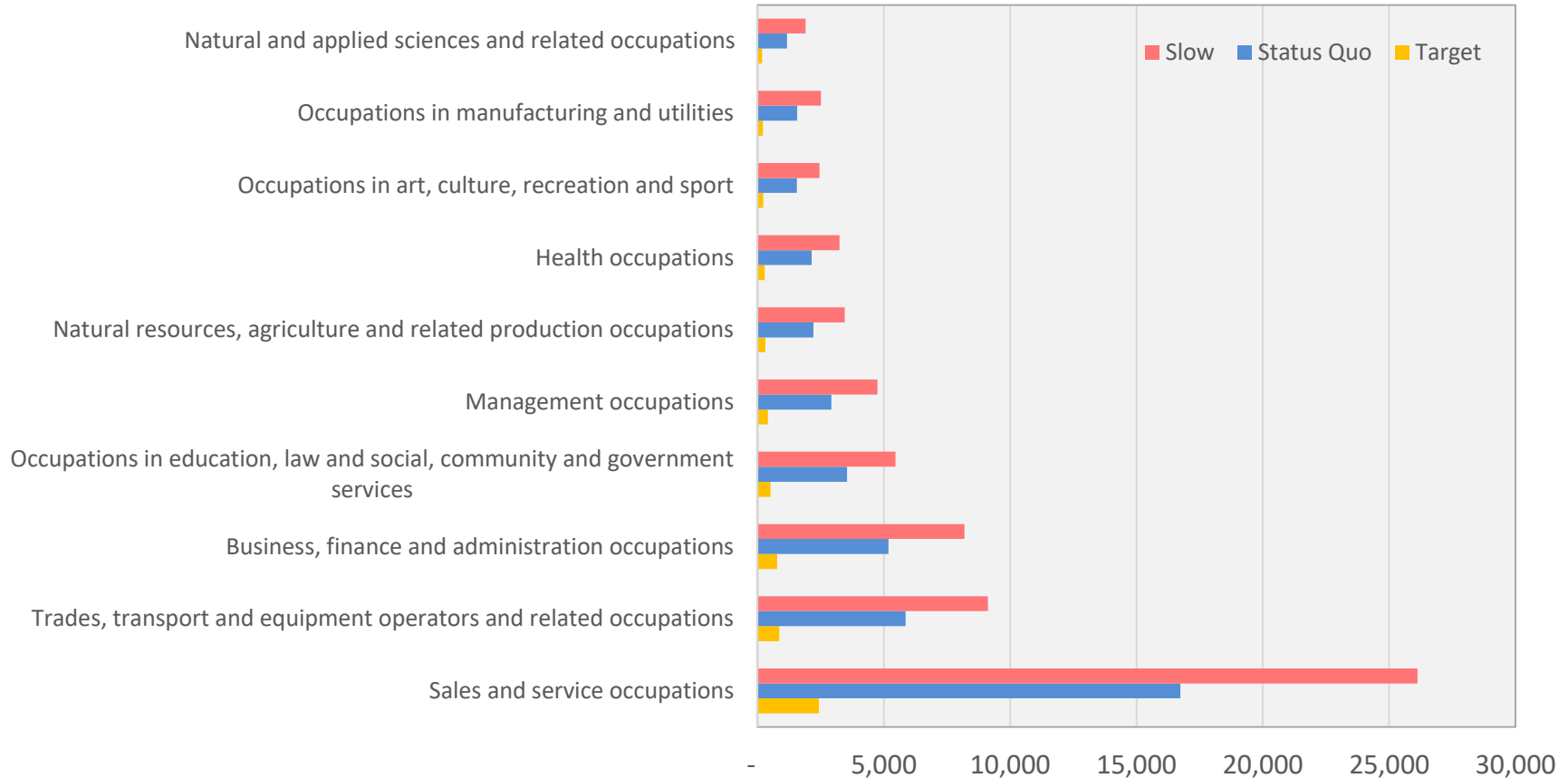
# Unmet Demand: Households



- Under slow growth, 37,000 households could be unable to find housing in Niagara Region
  - 43% are single-person households, 44% are couples with or without children

# Unmet Demand: Occupations

Unmet Housing Demand by Type of Occupation



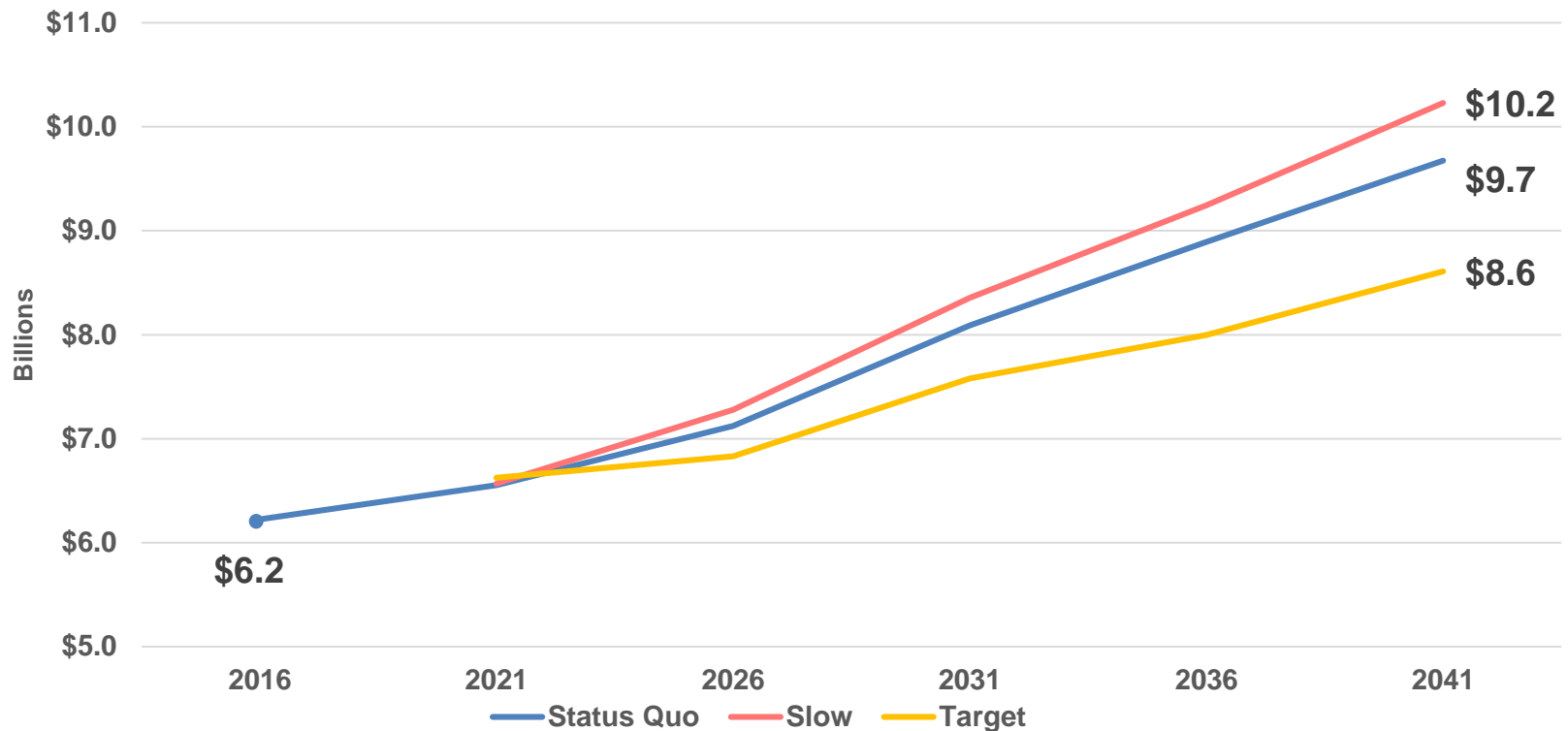
- Under slow and status quo growth, a disproportionate number of people in lower-income occupations could be unable to find housing in Niagara Region



# Conclusions

- The risks of continuing on the current trajectory include:
  - An increase in core housing need
  - Increasing difficulty for those employed in sales and services occupations to find housing, which can negatively impact Niagara Region's tourism industry that depends on this labour
  - Fewer households, including families and single young people, choosing to live in the Region and affecting the community's diversification

# INVESTMENT REQUIRED TO ELIMINATE 23,747 UNITS IN CORE HOUSING NEED



In the “status quo” growth scenario -  
Investment required is **\$6.2 B** in 2016 to **\$9.7 B** in 2041

# INVESTMENT IN CORE HOUSING NEED

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- Status Quo - \$6.2 billion investment (excludes cost of land which varies by municipality)
- Represents 10.6% assessment growth in additional to status quo assessment growth of 1.6%
- 1% of the investment would require a 17% increase in the Region's tax levy