



# AFFORDABLE HOUSING MONITORING REPORT

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**Reporting Period: January 2018 to  
December 2020**

# BARRIE'S AFFORDABLE HOUSING STRATEGY

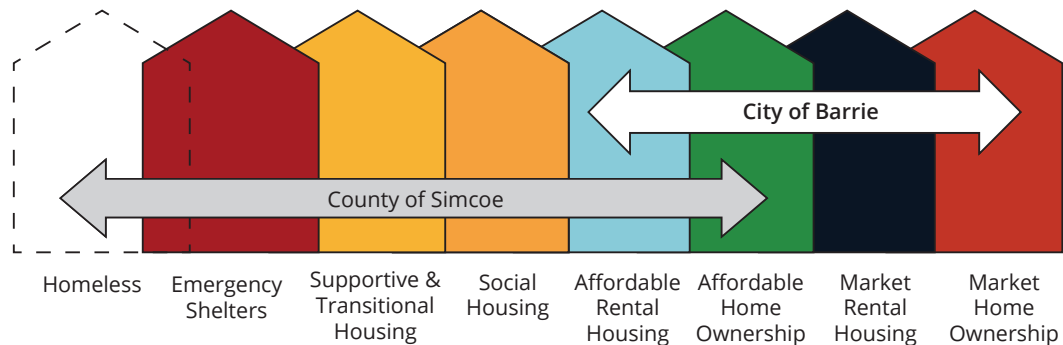
The City of Barrie's Affordable Housing Strategy (2015) is a 10 year plan based on the County of Simcoe's Affordable Housing Strategy. The Strategy identifies the need **to provide a minimum of 840 affordable units** in the City by 2024, including:

Category	Count	Percentage
Affordable rental units	793	94.6%
Affordable home ownership dwellings	47	5.6%

## Understanding the City's Role in Affordable Housing:

The County of Simcoe is the designated service manager for the City under the Housing Services Act, 2011. The County is responsible for planning, funding and managing social housing programs and homelessness services.

The City of Barrie can encourage and facilitate the provisions of affordable housing through initiatives, programs and policies however, the City does not provide or manage housing.



## What is included in the affordable unit count:

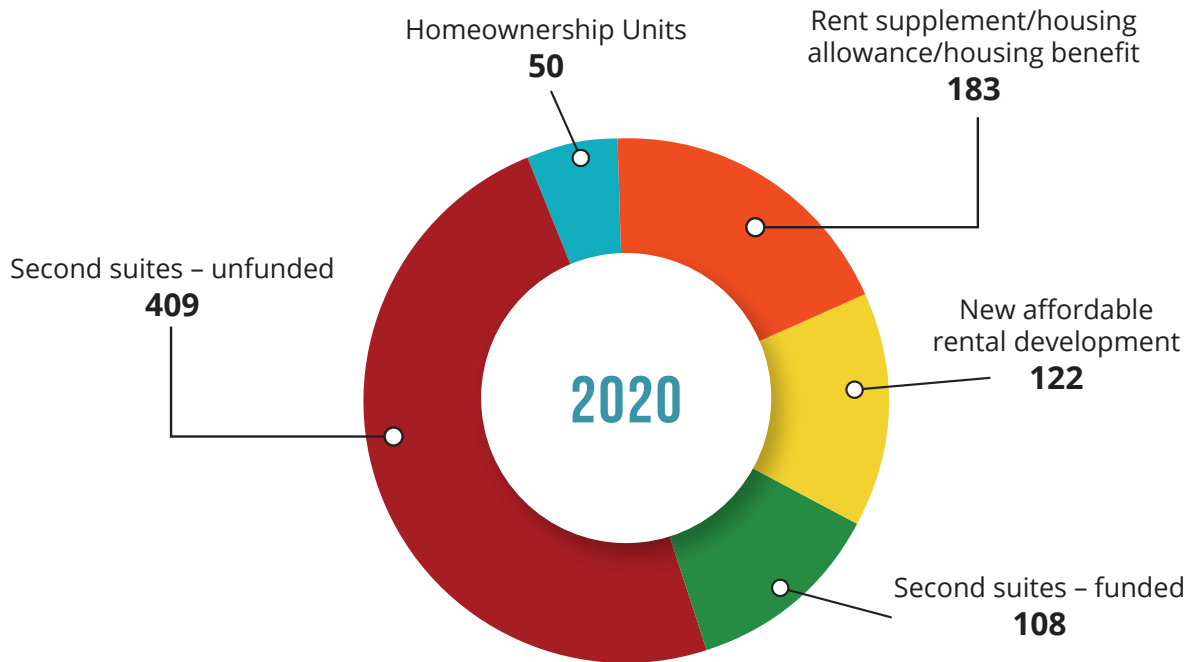
- Affordable housing units are counted when they are move-in ready.
- Units counted include those that the City can be certain will remain affordable over time such as social housing units, housing created with government funding, units owned or operated by housing providers, and a percent of second suites.

# OVERALL PROGRESS & KEY CONCLUSIONS

## The City's work is not done yet...

There have been gains in affordable housing through the implementation of the Affordable Housing Strategy but more work needs to be done. Barrie is experiencing a housing affordability crisis and the ability to find homes for the hardest to house in our community remains a challenge now more than ever. The City of Barrie is committed to working with our community to increase the housing options and affordability across the municipality.

**As of December 31, 2020 (since we started in 2015):  
872 units achieved = 103.8% of 840 unit goal**



County of Simcoe – Social Housing Department  
& City of Barrie - Development Services

**\$1,777,780 in Affordable Housing Development Grants** was awarded in 2020 under the City's new Community Improvement Plan (CIP) for future housing units.

- The CIP seeks to incentivize housing options that target housing for lower income households, given they are the hardest to house.
- The maximum affordable rent set by the CIP is 30% of annual household income for those earning up to \$50,000 (lowest 40th percentile) which equals \$1,250 per month.

# ACCOMPLISHMENTS & OPPORTUNITIES

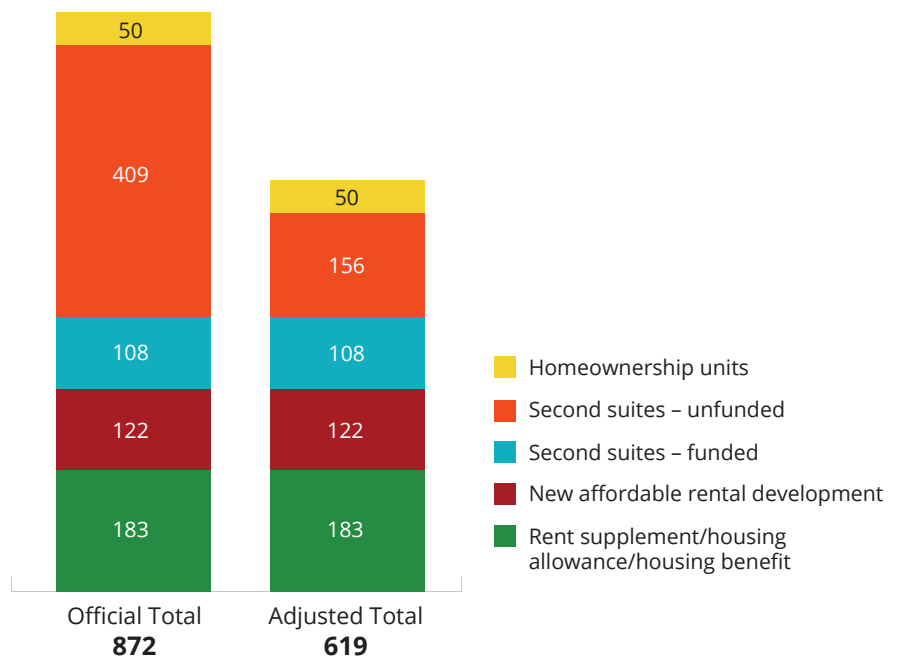
## Affordable Rental Units

- The City has surpassed the goal of 840 affordable housing units, due largely to the number of new unfunded second suites.
  - Only 14% of the affordable housing units are purpose-built, primary rental units, which shows more focus is needed in this area.
- The cost of renting second suites is increasing and only 25% of second suites built in 2020 were assumed to be affordable.
  - The County of Simcoe changed the “discount rate” applied to unfunded second suites from 30% in 2018 (i.e. 70% affordable) to 75% in 2020 (i.e. 25% are assumed to be affordable).
  - If the City adjusts the number of unfunded second suites in previous years to reflect the 75% discount rate, it would reduce the total number of affordable housing units by 253 units.
- Despite creating over 840 affordable housing units, vacancy rates remain low, and the price of rent continues to climb.
  - There is still significant work to be done to provide affordable rental housing, particularly for those hardest to house.

## Affordable Homeownership

- The City exceeded the Official Plan goal for 10% of all new dwelling units annually to be affordable in new subdivisions and condominiums in 2018 and 2019 (2020 data is forthcoming).
  - A higher proportion of townhouse and condominium units became ready for occupancy in 2018 and 2019. All affordable home sales were these dwelling types.
  - The Official Plan target does not require these dwellings to remain affordable over time, and evidence shows the resale price of these homes far exceeds the affordable home price.
- Market homeownership is becoming increasingly unaffordable for Barrie residents, with average resale home prices climbing year over year.
  - Only 5.6% of the 840 unit goal are targets for homeownership, however there is a clear need for more affordable workforce housing in Barrie.

**If all unfunded second suites built prior to 2020 were adjusted using the 75% discount rate, the total units achieved as of December 31, 2020 drops by 253 units.**



# AFFORDABLE RENTAL UNITS

## 103.7% of affordable rental unit target achieved as of December 31, 2020 (822 out of 793)

- If all new unfunded second suites registered since 2015 were adjusted using the 2020 discount rate of 75%, this would reduce the number of affordable rental units to 569.

### What is "Affordable" Rent?

- The Provincial Policy Statement and the City's Official Plan both define "affordable" rental housing as the least expensive of:
  - a unit for which the rent does not exceed 30% of gross annual income for low to moderate income households; or
  - a unit for which rent is at or below the average market rent of a unit within the regional market area.

### Affordable rent in Barrie based on income:



#### Median Adjusted Total Household Income:

2018: \$82,064

2019: \$83,163

2020: \$84,386

#### Monthly "affordable" rent

\$2,051

\$2,078

\$2,109

Statistics Canada (2016 Census & Consumer Price Index)

Annual adjusted income levels were calculated using 2015 income reported by Statistics Canada in the 2016 Census, and Consumer Price Index inflation rates of 5.34%, 6.75% and 8.32% for 2018, 2019 and 2020, respectively.

### Affordable rent in Barrie based on the regional rental market:

#### Private Apartment Average Rents (\$):

	Bach	1 bed	2 bed	3+ bed	total	Approx. % increase from previous year total reported
Oct 2018	\$848	\$1,141	\$1,331	\$1,472	\$1,270	9.7%
Oct 2019	\$871	\$1,162	\$1,339	\$1,728	\$1,296	2.0% ↓
Oct 2020	\$941 ↑	\$1,190 ↑	\$1,397 ↑	\$1,646 ↓	\$1,334 ↑	2.9% ↑

## Private Row (Townhouse) Average Rents

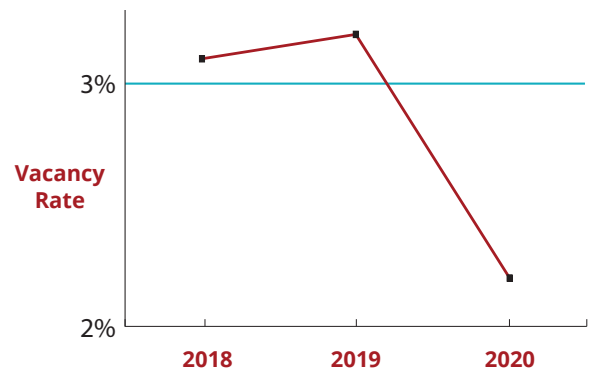
	2 bed	3+ bed	total	Approx. % increase from previous year total reported
Oct 2018	\$1,284	\$1,460	\$1,407	3.8%
Oct 2019	**	\$1,523	\$1,477	5.0% ↑
Oct 2020	\$1,467 ↑	\$1,513 ↓	\$1,488 ↑	0.7% ↓

CMHC Rental Market Report (Primary Rental Market Survey)

\*\*Data suppressed to protect confidentiality or data not statistically reliable

## Primary Rental Market Vacancy Rates:

**Note:** a healthy vacancy rate is 3% or greater



## Second Suites Calculations of Affordability

The County uses a "discount rate" to estimate how many second suites are affordable, based on Canada Mortgage and Housing Corporation (CMHC) average market rent. It is only applied to second suites created without government funding.

- 2018 & 2019: 70% of second suites assumed to be affordable (30% discount rate)
- 2020: 25% of second suites assumed to be affordable (75% discount)



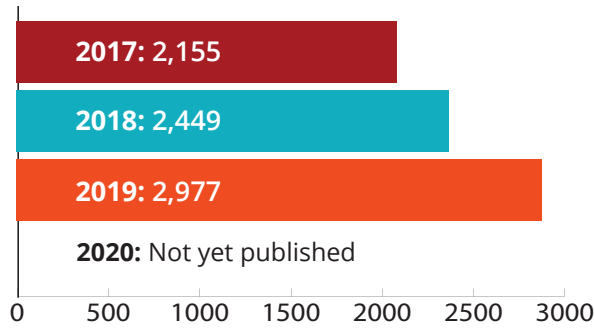
Changing assumptions about the number of affordable second suites has a significant impact on the overall affordable unit count because unfunded second suites make up 47% of Barrie's affordable housing units.

- The new 2020 discount rate is not applied retroactively to previous reporting years.
- An adjusted total is provided in the Overall Progress and Key Conclusions section to illustrate the impact this would have if all reporting years were subject to a 75% discount rate.

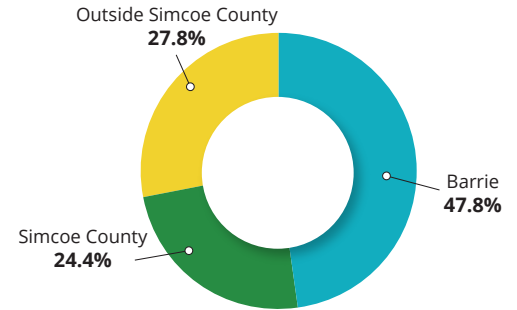


## Number of households on the County's centralized waiting list for rent-geared-to-income housing in Barrie:

Note: Applicants can be on the waiting list for more than one community.



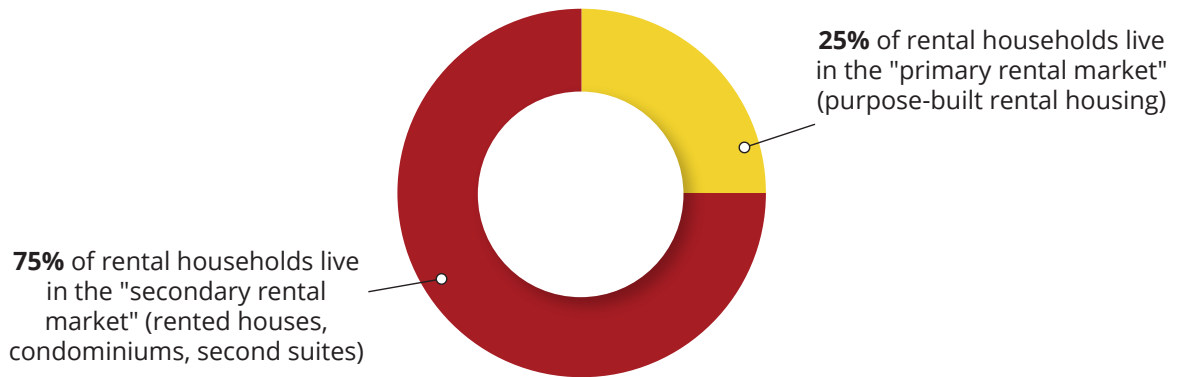
### Geographic location of applicants (2019)



County of Simcoe – Social Housing Department

## Barrie Rental Market Composition

Estimate using CMHC Rental Market Report & Statistics Canada (2016 Census)



- There are 4,190 purpose-built rental units in the primary rental market in Barrie (CMHC Rental Market Report).
- The secondary rental market appears more expensive than the primary rental market based on local rental listings and the fact that the County's second suite discount rate rose to 75% in 2019.
- 50% of Barrie tenant households were spending 30% or more of their income on shelter costs at the time of the last Census survey (2016).

# AFFORDABLE HOMEOWNERSHIP

**106.4% of affordable home ownership units achieved as of September 2020** (50 out of 47)

## What is "Affordable" Ownership?

- The Provincial Policy Statement and the City's Official Plan both define "affordable" ownership housing as the least expensive of:
  - housing for which the purchase price results in annual accommodation costs which do not exceed 30% of gross income for low to moderate income households; or
  - housing for which the purchase price is at least 10% below the average purchase price of a resale unit in the regional market area.
- Only homes that meet the "affordable ownership" definition are counted towards the affordable housing goal.
- Information in this section, including the number of affordable sales in new subdivisions/condominiums is intended to provide an overview of the affordability of market ownership in Barrie. The number of affordable home sales is an estimate using available data.



County of Simcoe – Social Housing Department

## Maximum affordable house price calculated by:

**Household Income** or **Purchase Price**

**2018:** \$297,500 or \$436,662

**2019:** \$304,300 or \$440,861

**2020:** \*

\* Data not yet available

## Benchmark prices of homes in Barrie as determined by the Canadian Real Estate Association (CREA):

A Benchmark home is one whose attributes are typical of homes sold in the area where it is located. This tool is used to accurately gauge home price levels and trends in the market.



Single Family



Townhouse Benchmark



Apartment Benchmark

	Single Family	Townhouse Benchmark	Apartment Benchmark
<b>2018:</b>	\$503,100	\$329,900	\$324,100
<b>2019:</b>	\$514,000	\$325,200	\$329,100
<b>2020:</b>	\$616,000	\$407,100	\$366,900

## An estimate of affordable first home sales in new subdivisions and condominiums:

	Total Sales (Units)	Average Sale Value (\$)	Lower Sale Value (\$)	Higher Sale Value (\$)	Affordable Housing Price (\$)	Total Residential Dwelling Units Occupied	Percentage Affordable Housing Sales
<b>2018</b>	107	261,899	162,934	297,217	297,500	614	17%
<b>2019</b>	82	284,487	264,757	303,117	304,300	314	26%

\*Data for 2020 is not yet available

Estimated using The County of Simcoe Affordable House Price and data from the Building Permit System & Teranet Database



## APPENDIX: LOCATION OF NEW AFFORDABLE HOUSING

### New Registered Second Suites by Ward, per Year:

Ward	Existing (pre-2018)	2018	2019	2020	Cumulative Total
1	166	4	11	13	194
2	328	18	44	19	409
3	137	27	38	29	231
4	65	21	19	14	119
5	132	19	19	23	193
6	53	10	9	12	84
7	45	17	19	15	96
8	166	18	19	30	233
9	21	11	17	10	59
10	13	2	8	9	32
<b>Total in all wards</b>	1126	147	203	174	1650
<b>Georgian College Neighbourhood</b>	123	3	2	9	137

**Note:** The above counts include the total number of second suites that became move-in ready during the reporting period, however only a portion of these were counted towards the Affordable Housing Strategy goal.

### New Affordable Rental Development:

- Five affordable rental apartment units at Wellington Place Apartments (2019).
- 18 transitional/supportive housing units at Lucy's Place, a Housing First community operated by Redwood Park Communities in partnership with the David Busby Street Centre and the County of Simcoe (2019).
- Two transitional/supportive housing apartment units operated by Redwood Park Communities (2020).

# KEY TERMS

**Affordable homeownership units:** This includes units created through down payment assistance programs (County of Simcoe or Ontario Aboriginal Housing Services), as well as those built by Habitat for Humanity. In terms of affordable units created through the homeownership down payment assistance program, house prices must not exceed 90% of the average annual resale for the area, which is currently set by County Council at \$469,894.

**Average market rent:** Average rents are reported by Canada Mortgage and Housing Corporation (CMHC) in October of each year and based on the primary rental market only (i.e. purpose-built rental buildings with at least three rental units).

**Homeownership Units:** Homeownership units created under the County's down payment assistance program, as well as those built by Habitat for Humanity, are counted towards the targets achieved. In terms of affordable units created through the homeownership down payment assistance program, house prices must not exceed the average annual resale for the area, which is \$522,105 (as of September 2020). However, County Council approved lowering the maximum purchase price to 90% of average resale price, which is currently \$469,894.

**New affordable rental development:** A wide range of purpose built affordable rental units, from supportive housing units through affordable rental, most of which are constructed with government funding (City Community Improvement Plan, County, Provincial, Federal). They are operated by the County or an affordable housing service provider (e.g. Redwood Park Communities, Barrie Housing, etc). In general, a unit must achieve rents at, or below, average market rent, as determined by CMHC in order to count as an affordable rental unit. In some cases, approved alternate rents are used, based on local research by County staff. CMHC performs a rental market survey each fall and publishes data for Barrie.

**Primary rental market:** Consists of units in privately-initiated, purpose-built rental structures of three units or more.

**Rent supplement/housing allowance/housing benefit:** A subsidy that bridges the gap between what a tenant can afford to pay and full market rent. Rent supplements and housing allowances are government funded. Can vary in amount and duration.

**Secondary rental market:** Includes rented single-detached, semi-detached, or freehold townhouse dwelling units under private ownership; units in duplexes; rented condominium units; one or two units in small mixed-use buildings; and second suites.

**Second Suites – Funded:** Second suites created with funding from the County's Secondary Suites Program, which provides up to \$30,000 per unit in the form of a forgivable loan, for the creation of a secondary or garden suite. Rent charged cannot exceed the CMHC average market rent for the areas for the full 15 year term of the loan. 2020 maximum rental prices are: Bachelor unit: \$871; 1 bedroom unit: \$1,161; 2 bedroom unit: \$1,336.

**Second Suites – Unfunded:** These are second suites built without government funding. Only a portion of them are assumed to be affordable and count towards the goal. The County applies a "discount rate" to determine the numbers that are assumed to be affordable. "Discount rate" means the percentage of second suites that are assumed to not be affordable. To calculate the number of affordable unfunded second suites, the County:

- Takes the total number of second suites created in a calendar year, as reported quarterly by the City
- Subtracts the number of second suites that received County second suite funding
- Applies the discount rate to the remaining total; discount rate for each reporting year *[this rate is included in the rental section]*:
  - 2018 = 30% unaffordable
  - 2019 = 30% unaffordable
  - 2020 = 75% unaffordable

**Vacancy rate:** Vacancy rates are reported by CMHC in October of each year and based on the primary rental market only (i.e. purpose-built rental buildings with at least three rental units).