



Affordable Housing Strategy: Housing Needs Assessment

Review & Update

September 30, 2024

Parcel



PREPARED FOR:

The Corporation of the City of Richmond Hill

225 East Beaver Creek Road, Richmond Hill, Ontario, L4B 3P4

PREPARED BY:

Parcel Economics Inc.

250 University Avenue, #221, Toronto, Ontario, M5H 3E5

info@parceleconomics.com

416-869-8264

September 30, 2024

2023-0052

This document is available in alternative formats upon request.

Cover Image: Urban Strategies Inc.



Table of Contents

Executive Summary.....	i
Background.....	i
Updated Findings.....	ii
Key Takeaways (Housing Gaps).....	v
1.0 Introduction.....	1
1.1 Background.....	2
1.2 Purpose.....	2
1.3 Scope.....	3
2.0 Housing Demand.....	5
2.1 Population.....	6
2.2 Age of Population.....	7
2.3 Households & Household Maintainers.....	10
2.4 Housing Tenure (Rental & Ownership).....	17
2.5 Income.....	19
2.6 Labour Force & Employment.....	21
2.7 Other Demographics.....	23
3.0 Housing Supply.....	26
3.1 Housing Stock.....	27
3.2 Rental Market.....	31
3.3 Ownership.....	38
3.4 Non-Market Housing.....	42
4.0 Housing Affordability.....	49
4.1 Defining Affordable Housing.....	50
4.2 Affordable Housing Prices and Rents in Richmond Hill.....	57
4.3 Cost-Burdened Households & Core Housing Need.....	61

Parcel

4.4 Housing Affordability by Employment.....	65
5.0 Conclusions	67
5.1 Housing Gaps.....	68
5.2 Future Updates	70

Table of Figures

Figure 2.1 Richmond Hill Historical and Forecasted Population	6
Figure 2.2 Richmond Hill Age Cohorts (2021) and Change in Age Cohorts (2011 to 2021)	9
Figure 2.3 Richmond Hill Historic & Forecasted Households	12
Figure 2.4 Richmond Hill Household Distribution (2011 to 2021).....	13
Figure 2.5 Change in Household Sizes in Richmond Hill (2011 to 2021).....	14
Figure 2.6 Age of Household Maintainer (2021)	15
Figure 2.7 Change in Households by Age of Household Maintainer in Richmond Hill (2011 to 2021)..	16
Figure 2.8 Households by Tenure (2021)	18
Figure 2.9 Change in Household Tenure (2011 to 2021).....	18
Figure 2.10 Average Household Income (2023)	20
Figure 2.11 Estimated Average Household Income in Richmond Hill by Income Deciles (2023)	20
Figure 2.12 Comparison of Jobs in Richmond Hill & Jobs of Richmond Hill Residents.....	23
Figure 2.13 Disability Status of York Region Population	25
Figure 3.1 Distribution of Historic and Current Housing Stock in Richmond Hill.....	28
Figure 3.2 Housing Completions by Typology in Richmond Hill	29
Figure 3.3 Housing Starts by Typology in Richmond Hill	29
Figure 3.4 Housing Starts by Tenure in Richmond Hill	30
Figure 3.5 Rental Starts and Completions in Richmond Hill	31
Figure 3.6 Primary Rental Supply in Richmond Hill	34
Figure 3.7 Distribution of Units in the Primary Rental Market in Richmond Hill	34
Figure 3.8 Primary Rental Market Vacancy Rate in Richmond Hill (All Units).....	35
Figure 3.9 Primary Rental Market Average Rents in Richmond Hill (CMHC).....	35
Figure 3.10 Comparison of Historical Average Rent for All Unit Sizes in Richmond Hill (CMHC and CoStar).....	36
Figure 3.11 Comparison of Current Average Rents by Bedroom Type in Richmond Hill (CoStar and Rentals.ca).....	36
Figure 3.12 Average Primary Market Rents Compared to Average Secondary Market Rents in Richmond Hill in 2023	38
Figure 3.13 Average Resale Price of Ownership Units in Richmond Hill.....	40
Figure 3.14 Average Price of New Ownership Units in Richmond Hill (All Units, 2023).....	41
Figure 3.15 Seniors' Housing Inventory in Richmond Hill	43
Figure 3.16 Community Housing Units in Richmond Hill by Rent Type (2023)	46
Figure 3.17 Community Housing Units in Richmond Hill by Mandate (2023)	46
Figure 3.18 Community Housing Unit Mix in Richmond Hill (2023).....	47

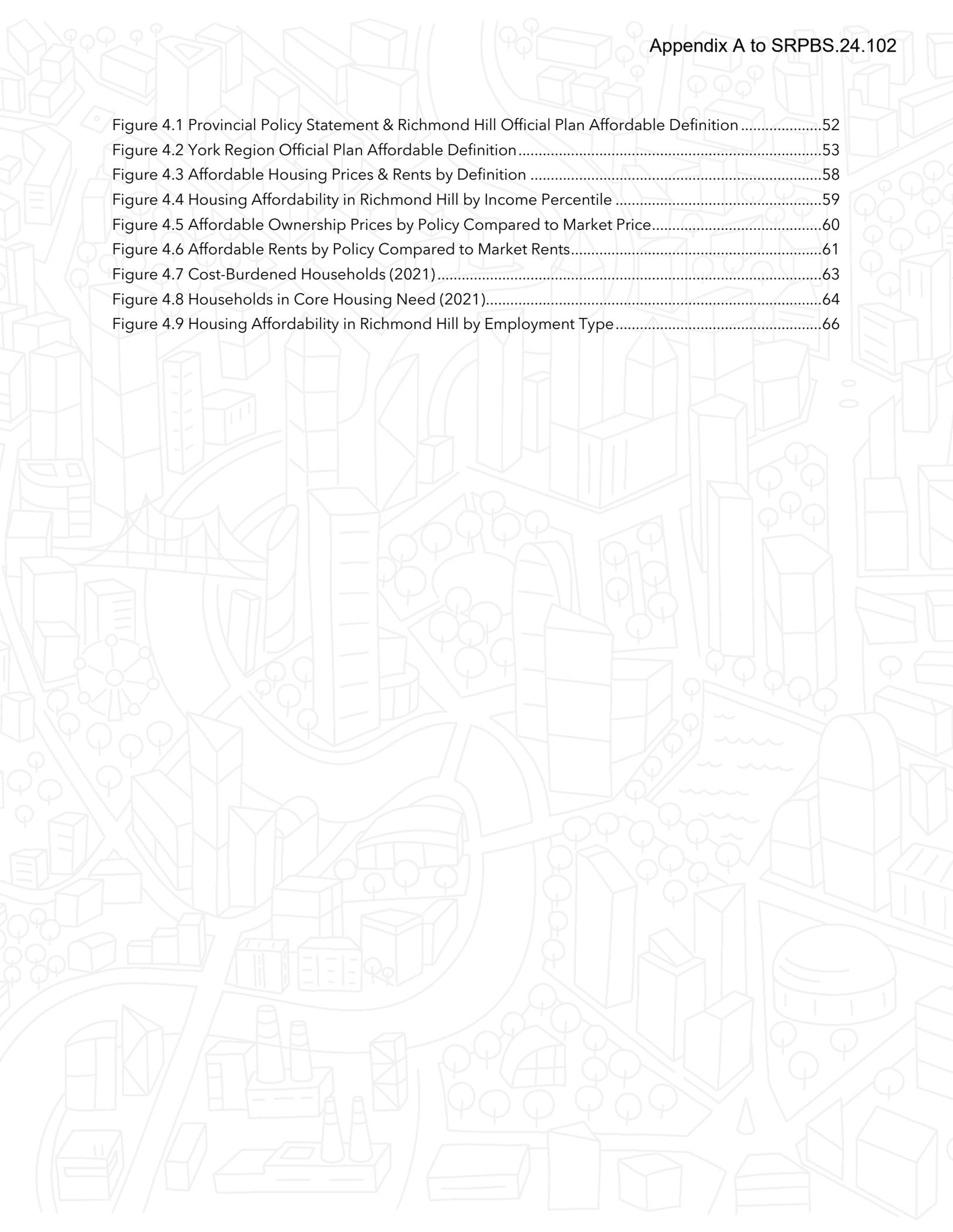


Figure 4.1 Provincial Policy Statement & Richmond Hill Official Plan Affordable Definition52

Figure 4.2 York Region Official Plan Affordable Definition53

Figure 4.3 Affordable Housing Prices & Rents by Definition58

Figure 4.4 Housing Affordability in Richmond Hill by Income Percentile59

Figure 4.5 Affordable Ownership Prices by Policy Compared to Market Price.....60

Figure 4.6 Affordable Rents by Policy Compared to Market Rents.....61

Figure 4.7 Cost-Burdened Households (2021).....63

Figure 4.8 Households in Core Housing Need (2021).....64

Figure 4.9 Housing Affordability in Richmond Hill by Employment Type.....66

Executive Summary

Background

Context

- Following an extensive research process that culminated in November 2021, the City of Richmond Hill recently adopted its Affordable Housing Strategy.
- Among other things, the Affordable Housing Strategy included an evaluation of relevant policy tools, including recommendations for the development and implementation of a new inclusionary zoning policy framework¹.

Purpose

- Recognizing the time that has elapsed since the original supporting research program was completed—the City has since retained Parcel Economics Inc. (“Parcel”) to prepare a peer review and **selected updates to two of the critical elements of this original research**:
 - the *Housing Needs Assessment* (Sub-Report 1 of the Affordable Housing Strategy Background Report); and,
 - the *IZ Housing Impact Assessment* (Sub-Report 4 of the Affordable Housing Strategy Background Report).
- This report represents an update only to **Sub-Report 1: Housing Needs Assessment (“HNA”)** of the City’s broader Affordable Housing Strategy.

¹ As part of this process, and as specifically required by Provincial legislation, the City engaged in the preparation of an assessment report that addressed market impact and financial viability considerations, per Ontario Regulation 232/18. As part of this engagement, Parcel Economics Inc. (“Parcel”) has also been tasked with preparing an independent, third-party peer review of this work, which is available under separate cover.

- The original Sub-Report #1 was prepared by SHS Consulting (“SHS”) and dated March 2021. It contains a range of supporting research and market data relating to **housing demand, housing supply, and housing gaps** that existed in Richmond Hill at the time the assessment was prepared.

Scope

- We have prepared selected research updates to the contents of Sub-Report #1, with a focus on data obtained from Statistics Canada (Census of Canada), CMHC housing portal statistics, Toronto Regional Real Estate Board (TRREB) information, among other standard industry sources and subscription-based data products.
- Our updated research process has involved collaborating with municipal staff at the City of Richmond Hill to **identify priority areas for updating** (e.g., specific variables and types of data to be focused on).
- In conjunction with above, we have also reviewed and provided our professional opinions as to any specific **recommendations / strategic directions and/or “key takeaways”** that may need to be updated in light of the aforementioned research/analytical updates, where applicable.

Updated Findings

The population of Richmond Hill is projected to grow at a faster rate than historical trends.

- With a 2051 population target of 322,100, there will be an annual growth of approximately 1.8% or 3,700 residents per year. For context, the City grew by 0.8% annually between 2016 and 2021 and 1.0% annually between 2011 and 2016.

The population continues to skew older.

- Residents aged 50+ continue to make up the majority of the population while middle-aged residents and seniors are the fastest growing age cohorts.

1

Housing Demand

There may be a lack of family-friendly housing options.

- There was a decrease in residents in their 40s and young children (0 to 9 years). These ages typically map onto years following family formation and suggest an exodus of families.

Smaller households are making up a greater share of all households.

- The number of one- and two-person households grew from 38% of all households in 2011 to 45% in 2021.

The share of renter households is growing, though ownership is still predominant.

- Renter households make up a greater share of households (22%) in 2021 compared to 2016 (18%). Growth in renter households (+34%) outpaced growth in ownership households (+3%) between 2011 and 2021.

Housing stock in Richmond Hill is diversifying but is still predominantly low density.

- High-density and medium-density housing made up the majority of housing starts and completions in recent years, though low-density housing remains the predominant typology (64% of all stock as of 2021).

Rental housing remains undersupplied.

- Almost all new units are intended for the ownership market. Prior to 2022, no new rental housing had been started since 2014. No new rental units have been completed since 2016.

2

Housing Supply

- Secondary market rental units continue to be significantly more expensive than primary rental units.

Ownership prices are showing signs of stabilizing, though they remain expensive.

- Average ownership prices are approximately 40% above prices reported in 2019, however prices decreased by 2% in between 2022 and 2023.
- High-density housing experienced the biggest decreases while lower-density housing held its value.
- Single-detached housing remains the most expensive typology while condo apartments remain the least expensive.

Supportive & Accessible Housing Remains Undersupplied

- The percentage of York Region residents with disability status increased from 17% to 21% between 2017 and 2022, however no new supportive housing units have been created in Richmond Hill over this period.

3

Housing Affordability

- A dwelling is considered affordable if it **costs \$536,700 or less** and **rent** is considered affordable if it **costs \$1,664 or less per month**.
- Based on the above amounts, **ownership housing** remains unaffordable to all but the wealthiest Richmond Hill households. **Rental housing** is affordable to households in the **50th income percentile and above**.

- Asking prices and rents are significantly higher than prices and rents that meet the definition of “affordable”.
- In 2021, approximately 40% of households are **cost burdened** (spending more than 30% of income on housing) and 16% are in **core housing need**. This suggests that **core housing need is primarily driven by unaffordability**.
- The incidence of core housing need in 2021 declined since the 2016 census. **Renter households (31%) are still more likely to be in core housing need than ownership households (12%)**.
- Individual salaries are generally insufficient to afford average ownership prices and rents.

Key Takeaways (Housing Gaps)



More diverse housing stock—including smaller dwellings and family sized dwellings—to attract younger households and allow seniors to age in place



Purpose-built rental stock



Affordable rental housing for low- and moderate-income households

4

Accessible and supportive housing options for households with a disability or mental health issue

5

Affordable ownership options for moderate-income households and appropriate for larger households

Housing Goals and Targets from 2021 Affordable Housing Strategy Remain Relevant

1.0

Introduction

1.1 Background

Following an extensive research process that culminated in November 2021, the City of Richmond Hill recently adopted its Affordable Housing Strategy.

Among other things, the strategy included an evaluation of relevant policy tools, including recommendations for the development and implementation of a new inclusionary zoning policy framework².

1.2 Purpose

Recognizing the time that has elapsed since the original supporting research program was completed—the City has since retained Parcel Economics Inc. (“Parcel”) to prepare **selected updates to two of the critical elements of this original research**:

- the *Housing Needs Assessment* (Sub-Report 1 of the Affordable Housing Strategy Background Report); and,
- the *IZ Housing Impact Assessment* (Sub-Report 4 of the Affordable Housing Strategy Background Report).

This report represents an update to *Sub-Report 1: Housing Needs Assessment (“HNA”)* of the City’s broader Affordable Housing Strategy.

² As part of this process, and as specifically required by Provincial legislation, the City engaged in the preparation of an assessment report that addressed market impact and financial viability considerations, per Ontario Regulation 232/18. As part of this engagement, Parcel Economics Inc. (“Parcel”) has also been tasked with preparing an independent, third-party peer review of this work, which is available under separate cover.

The original Sub-Report 1 was prepared by SHS Consulting (“SHS”) and dated March 2021. It contains a range of supporting research and market data relating to **housing demand**, **housing supply**, and **housing gaps** that existed in Richmond Hill at the time the assessment was prepared.

1.3 Scope

Peer Review

Notwithstanding our primary focus on preparing the requisite research updates to Sub-Report #1 as part of this engagement, Parcel has also been tasked with providing a third-party review of the original work program and resulting deliverables prepared by SHS as it relates to the subject HNA. Overall, our **review uncovered no material gaps nor deficiencies as part of the original work program prepared.**

As such—and given that the preparation of Sub-Report #1 was primarily a data-driven / research-based exercise, relative to other more analytical aspects of the Affordable Housing Strategy like Sub-Report #4—we have endeavoured to **update selected elements of the information collected** as part of the original study. To this end, we have itemized the specific work tasks associated with these updates herein.

Research Updates

- We have prepared selected research updates to the contents of Sub-Report #1, with a focus on data obtained from Statistics Canada (Census of Canada), CMHC housing portal statistics, Toronto Regional Real Estate Board (TRREB) information, among other standard industry sources and subscription-based data products.
- Our updated research process has involved collaborating with municipal staff at the City of Richmond Hill to **identify priority areas for updating** (e.g., specific variables and types of data to be focused on).
- In conjunction with above, we have also reviewed and provided our professional opinions as to any specific **recommendations / strategic directions and/or “key takeaways”** that may need to be updated in light of the aforementioned research/analytical updates, where applicable.

Note: Data Availability & Reproduction

This report does not necessarily seek to recreate, nor update every finding of the original Sub-Report #1, but rather intends to isolate for key data that highlight the most significant demographic and/or market-based changes that have occurred since 2021. These changes have also been isolated for trends that are most specific and relevant to affordable housing policy, namely:

- Access to **more recent 2021 Census data**³ that are now available; and,
- Current **market context regarding housing supply, cost (ownership and rent), and affordability.**

³ The 2021 report was published as March 2021 and therefore relies on 2016 Census data, which was the most recent at the time of publication. 2021 Census data was released beginning in February 2022.

2.0

Housing Demand

Key Findings

The population of Richmond Hill is projected to grow at a faster rate than historical trends.

- With a 2051 population target of 322,100, there will be an annual growth of approximately 1.8% or 3,700 residents per year. For context, the City grew by 0.8% annually between 2016 and 2021 and 1.0% annually between 2011 and 2016.

The population continues to skew older.

- Residents aged 50+ continue to make up the majority of the population while middle-aged residents and seniors are the fastest growing age cohorts.

There may be a lack of family-sized housing.

- There was a decrease in residents in their 40s and young children (0 to 9 years). These ages typically map onto years following family formation and suggest an exodus of families.

Smaller households are making up a greater share of all households.

- The number of one- and two-person households grew from 38% of all households in 2011 to 45% in 2021.

The share of renter households is growing, though ownership is still predominant.

- Renter households make up a greater share of households (22%) in 2021 compared to 2016 (18%). Growth in renter households (+34%) outpaced growth in ownership households (+3%) between 2011 and 2021.

2.1 Population

2021 Housing Needs Assessment

- Richmond Hill was anticipated to reach a population of 231,400 residents by 2021 and 242,200 residents by 2031.
- Historical population growth was slower than other York Region municipalities, but faster than the province of Ontario as a whole.

2024 Update

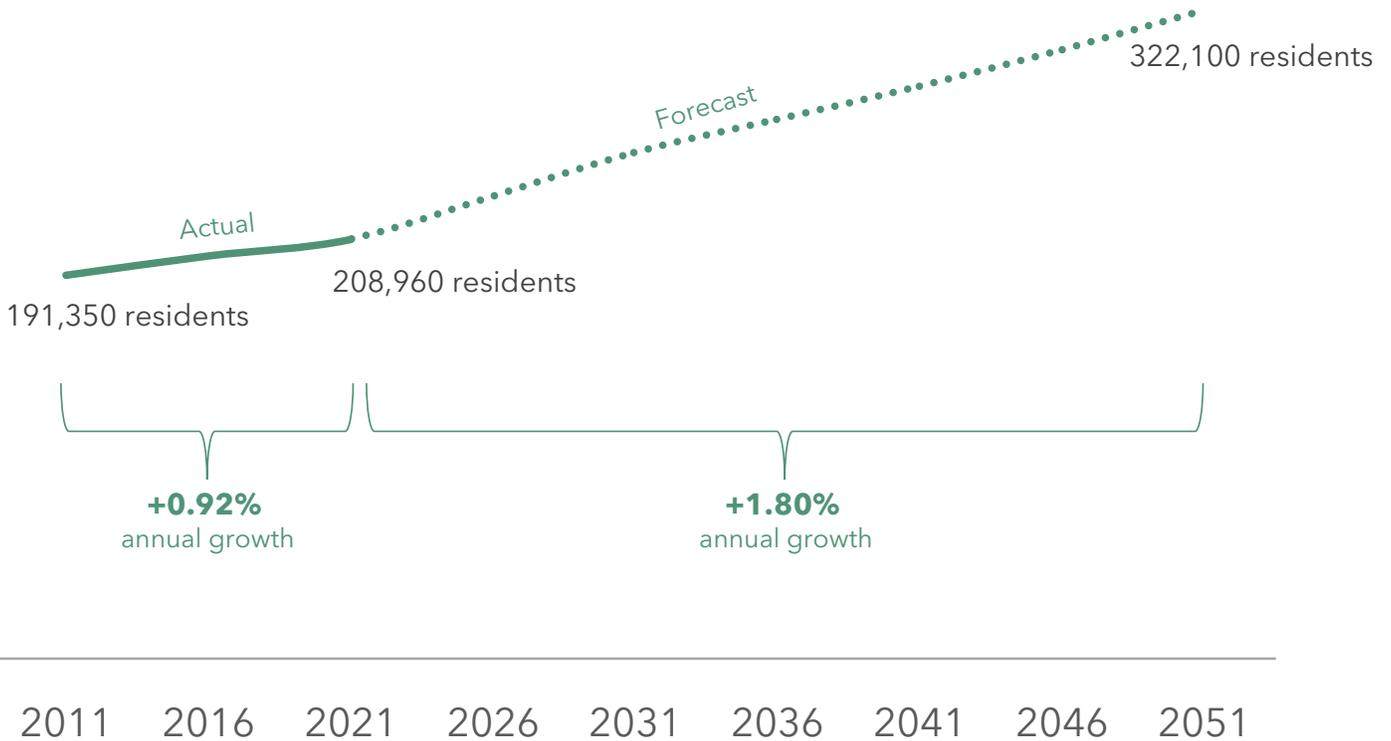
- The 2021 population (adjusted for undercount) of 208,960 was lower than previously projected.
- Annual population growth slowed slightly from 2016 and 2021 (+0.8%) compared to 2011 and 2016 (+1.0%). The 2016 to 2021 growth rate was slower than both the York Region (+1.1%) and the province (+1.3%) over the same period.
- As shown in Figure 2.1, even with slower than anticipated growth, Regional population projections for the City have been revised upwards to 322,100 residents by 2051. Reaching this 2051 target would require annual growth of approximately 1.8% or 3,800 residents per year. This is significantly more growth than historical trends would suggest.

Impact on Housing Need

- Additional housing will be required to accommodate a growing population.

Figure 2.1

Richmond Hill Historical and Forecasted Population



Source: Parcel, based on Statistics Canada Census data, Statistics Canada Table 17-10-0142-01, and York Region Official Plan 2022 Table 1. Population in 2011, 2016, and 2021 adjusted for undercount and rounded to the nearest 10. Population in 2026, 2036, and 2046 was not provided in York Region Official Plan Table 1. Calculations assume straight line growth between 2021 and 2031, 2031 and 2041, and 2041 and 2051.

2.2 Age of Population

2021 Housing Needs Assessment

2024 Update

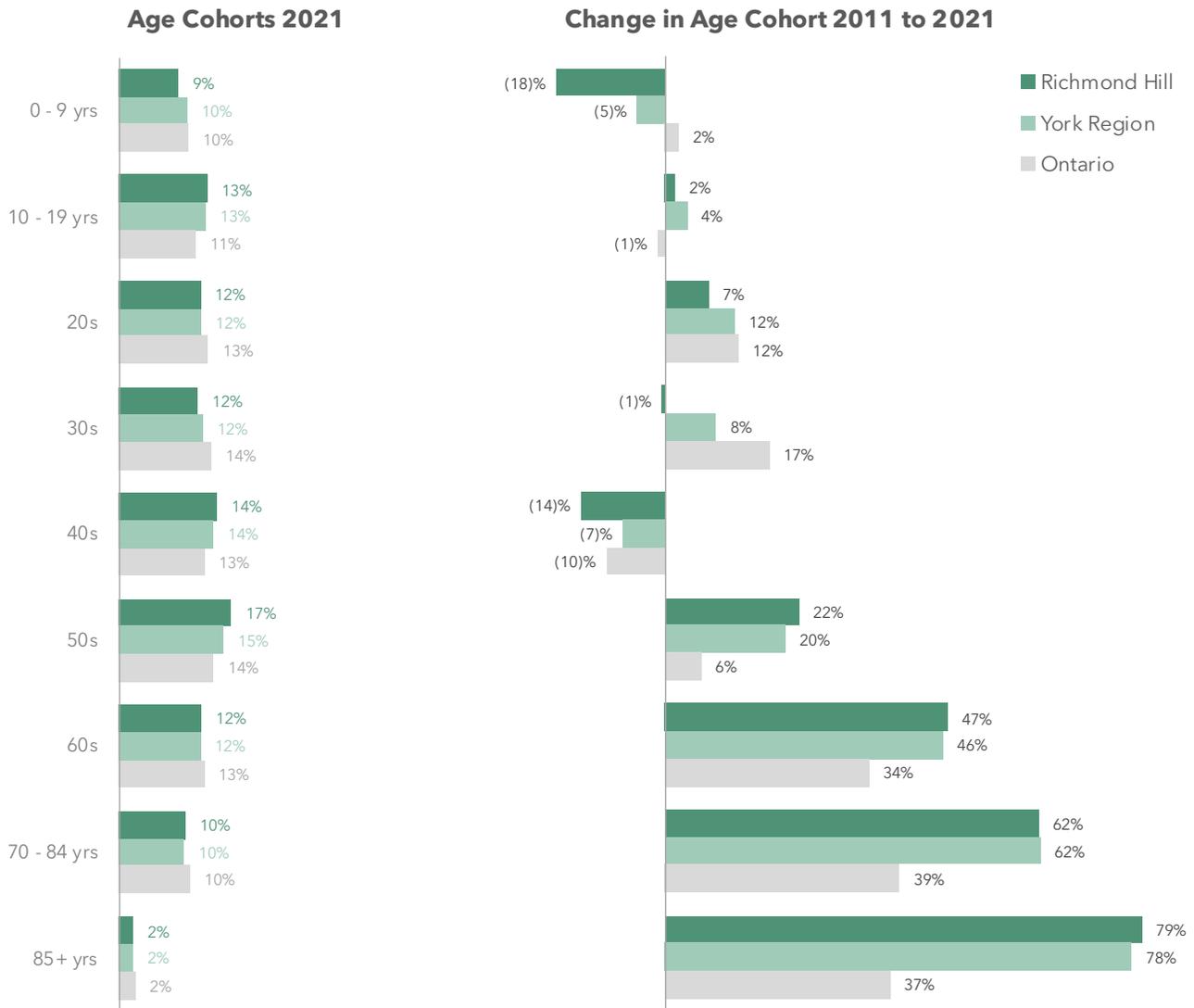
- In 2016, individuals aged 45 to 64 years made up the largest share of Richmond Hill residents
- There was a decrease in individuals aged 25 to 44 years between 2006 and 2016, which was hypothesized to be due to a lack of suitable and affordable housing options for this cohort.
- Middle-aged and seniors were the fastest growing age cohorts.
- As shown in Figure 2.2, residents aged 50+ continue to make up the majority of the Richmond Hill population in 2021.
- There was a decrease in residents in their 40s and young children (0 to 9 years). These ages typically map onto years following family formation and suggest an exodus of families from Richmond Hill.
- Middle-aged and seniors continue to be the fastest growing age cohorts.
- Both age distribution and change in age cohorts are consistent with York Region and the province.

Impact on Housing Need

- The decrease of residents in their early family forming years suggests there may be a need for more family-sized housing options.
- Senior-friendly accommodation (e.g., accessible units, assisted living, long-term care) will be increasingly important as the overall age profile of the City continues to skew older.

Figure 2.2

Richmond Hill Age Cohorts (2021) and Change in Age Cohorts (2011 to 2021)



Source: Parcel, based on Statistics Canada Census data.

2.3 Households & Household Maintainers

2021 Housing Needs Assessment

2024 Update

Households

- Annual household growth in Richmond Hill was 2.6% between 2006 and 2016. This growth rate was lower than in York Region but higher than in the province of Ontario as a whole.
- Smaller households (i.e., one- and two-person households) made up an increasing share of all households and grew at a faster rate than larger households in Richmond Hill.

Households

- As shown in Figure 2.3, annual household growth in Richmond Hill was 1.8% between 2011 and 2021, which is lower than previous reporting. Growth was lower in Richmond Hill than in York Region (+2.1%) but higher than the province of Ontario as a whole (+1.2%).
- There are indications that household growth in Richmond Hill is further slowing based on +1.6% annual growth between 2016 and 2021 compared to +1.9% from 2011 to 2016.
- Richmond Hill is projected to grow to 107,830 households by 2051. This growth would require annual growth of approximately 1.9%, which is slightly higher than recent trends.
- The household growth rate is comparable with the population growth rate over the same period. The slightly higher annual household growth compared to annual population growth suggests that growth will be driven by smaller households. This is consistent with recent changes to household distribution whereby one- and two-person households grew from 38% of all households in 2011 to 45% in 2021, per Figure 2.4.
- The shift in household size distribution can be attributed to large increases in the number of one-person (+50%) and two-person (+37%)

households between 2011 and 2021, per Figure 2.5.

Impact on Housing Need

- Additional housing will be required to accommodate growth in households.
- There will be a need for smaller housing units to accommodate smaller household sizes.

Household Maintainers

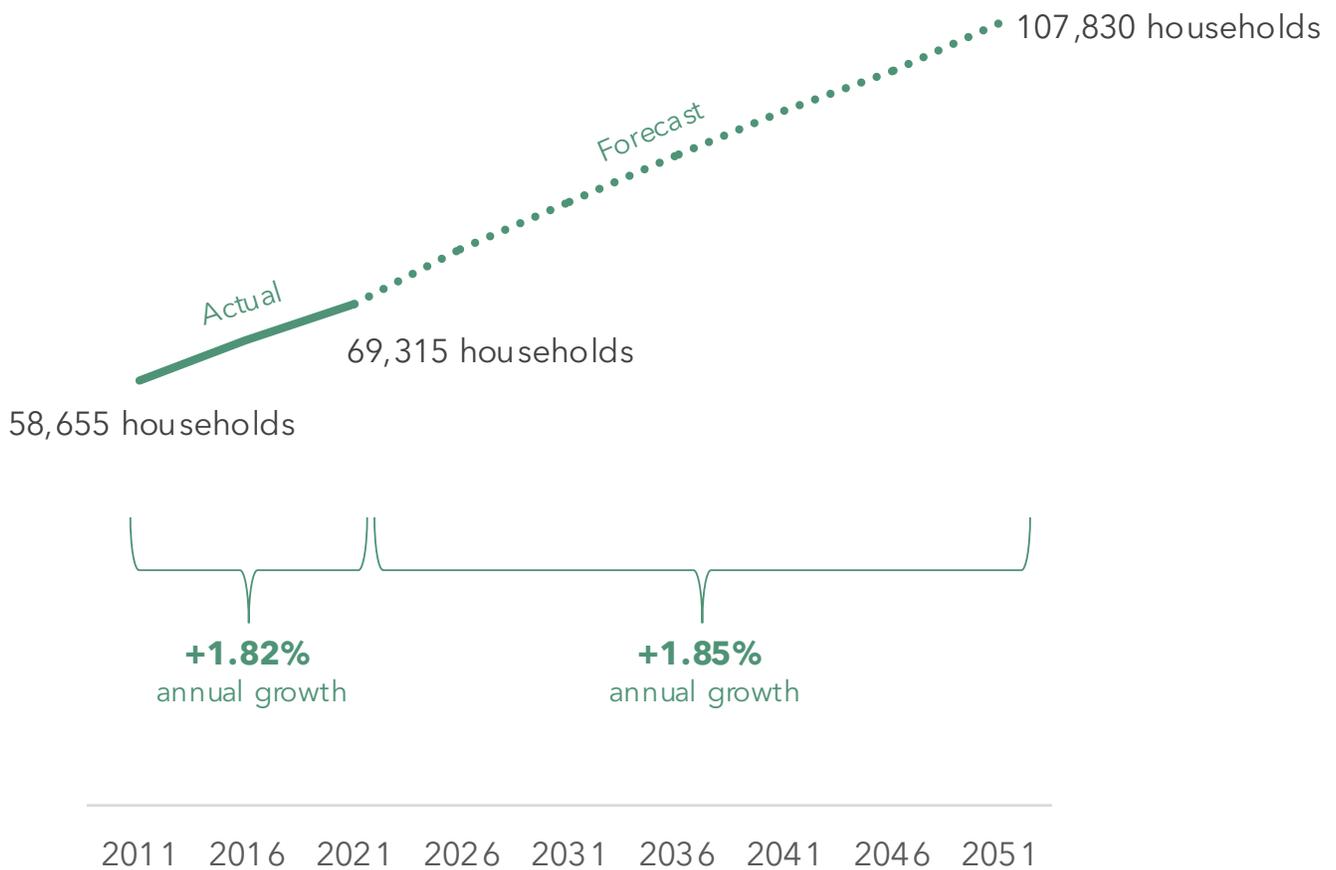
- In 2016, households with a primary maintainer aged 45 to 65 made up the largest share of households in Richmond Hill (51%) followed by maintainers aged 25 to 44 (27%) and maintainers over 65 (22%).
- Households with maintainers over 65 grew the fastest between 2006 and 2016 (+78%) followed by maintainers between 45 and 64 years old (+42%). The number of households with maintainers between 25 and 44 decreased by 13% over the same period.

Household Maintainers

- As per Figure 2.6, in 2021, households with maintainers between 45 and 64 continue to make up the single greatest share of households (49%) in Richmond Hill, however, the share of households with maintainers aged 65 and over has grown (26%).
- Figure 2.7 shows that households with older maintainers continue to grow the fastest. Households with maintainers over 65 increased by 57% between 2011 and 2021 translating to 5,650 new households.
- Households with maintainers between 15 and 24 grew the second fastest (+46%), however this is because they make up a relatively small share of the total households. Therefore, a small increase in absolute number will have a larger increase when expressed as a percentage. Despite this growth, these households only make up less than 1% of total households in Richmond Hill.

- There continues to be an exodus of households with maintainers in their family forming years (-9%).

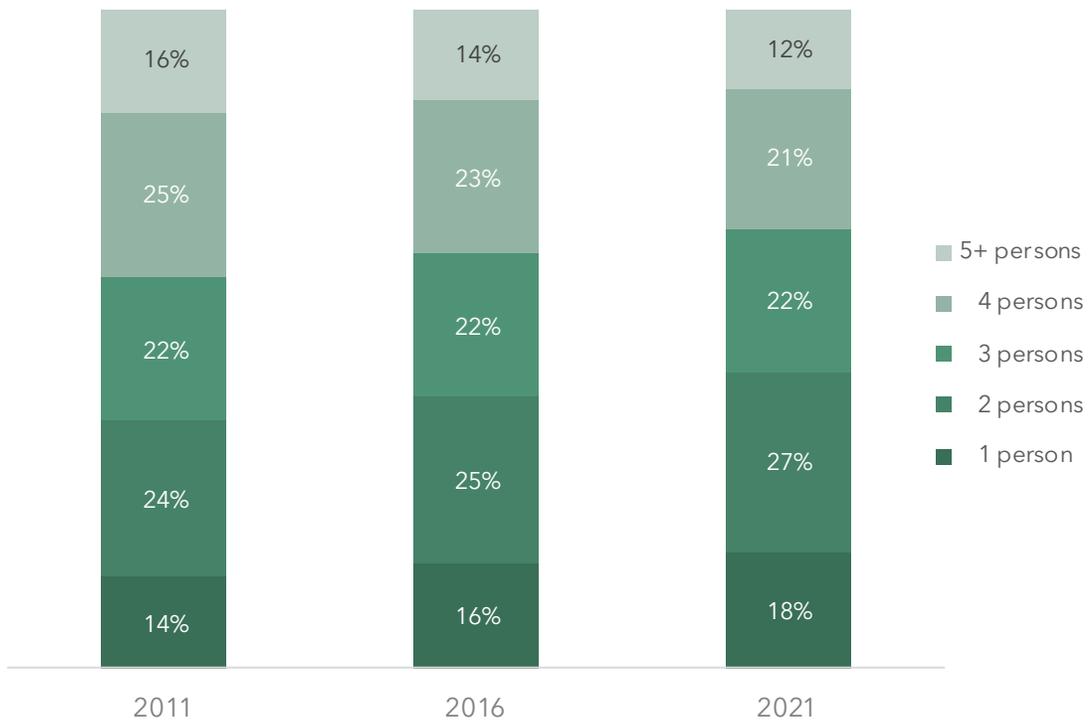
Figure 2.3
 Richmond Hill Historic & Forecasted Households



Source: Parcel, based on Statistics Canada Census data and 2016-2051 Final Traffic Zone Forecast Household Summary (May 18, 2023) provided by City of Richmond Hill. Households rounded to the nearest 10.

Figure 2.4

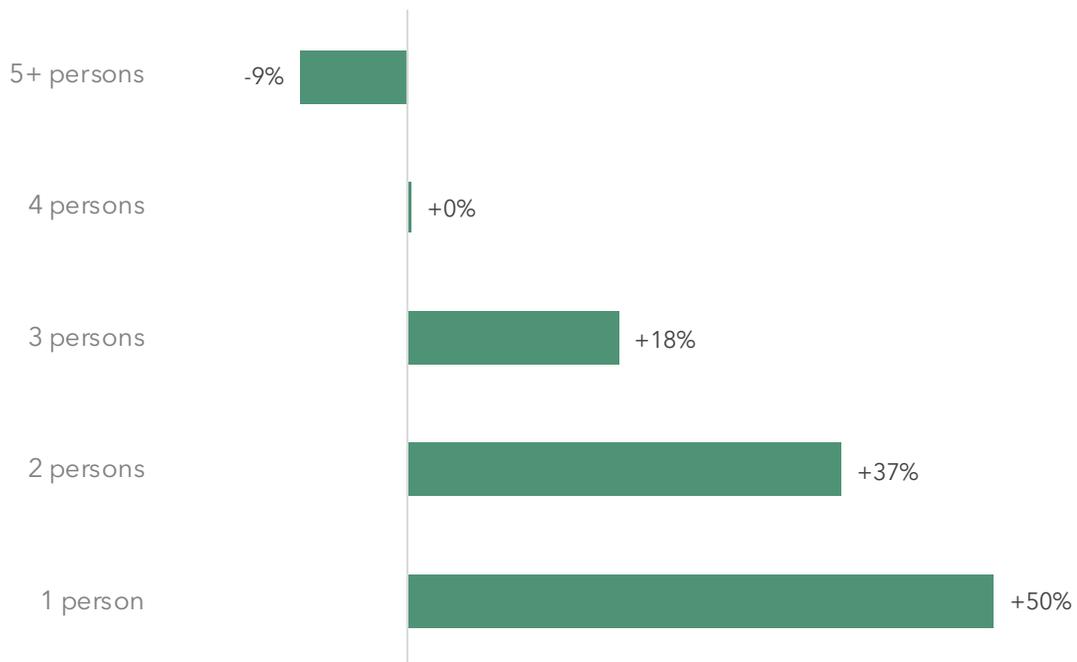
Richmond Hill Household Distribution (2011 to 2021)



Source: Parcel, based on Statistics Canada Census data.

Figure 2.5

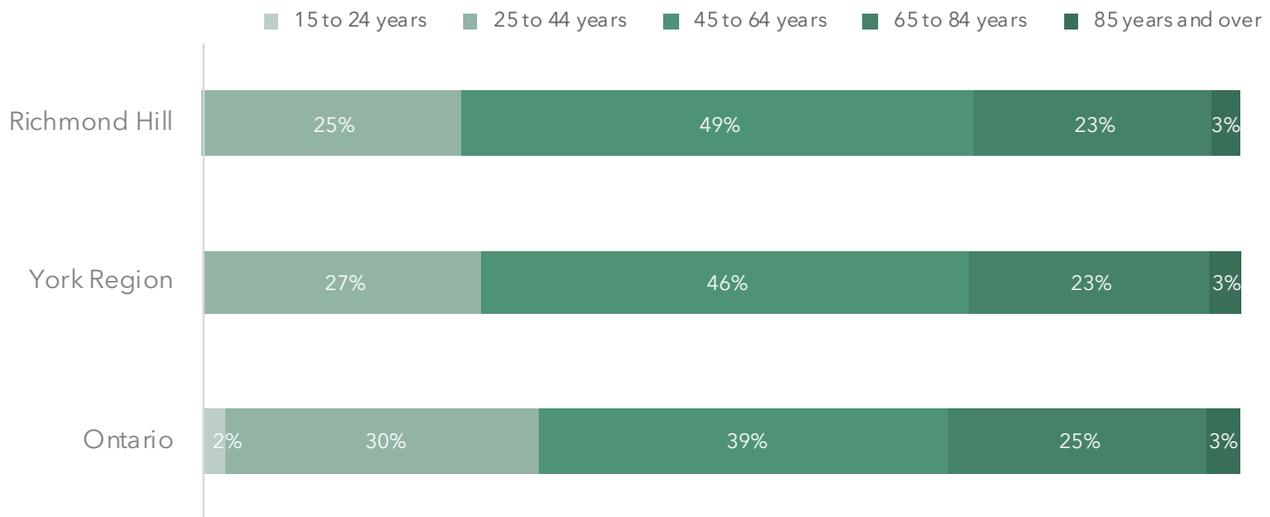
Change in Household Sizes in Richmond Hill (2011 to 2021)



Source: Parcel, based on Statistics Canada Census data.

Figure 2.6

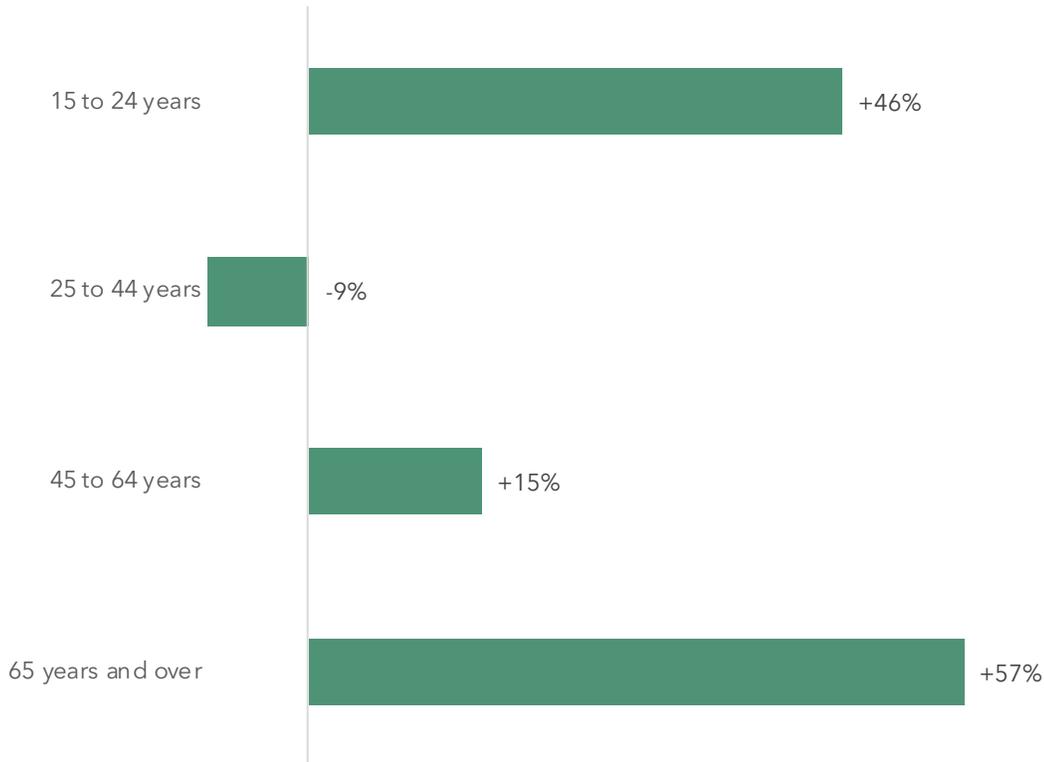
Age of Household Maintainer (2021)



Source: Parcel, based on Statistics Canada Census data.

Figure 2.7

Change in Households by Age of Household Maintainer in Richmond Hill (2011 to 2021)



Source: Parcel, based on Statistics Canada Census data.

2.4 Housing Tenure (Rental & Ownership)

2021 Housing Needs Assessment

- In 2016, approximately 82% of households owned their home and the remaining 18% of households rented in Richmond Hill. This distribution was consistent with tenure in York Region.
- Growth in renter households significantly outpaced growth in ownership households between 2006 and 2016. Renter households grew by approximately 61% over this period while ownership households grew by approximately 20%.

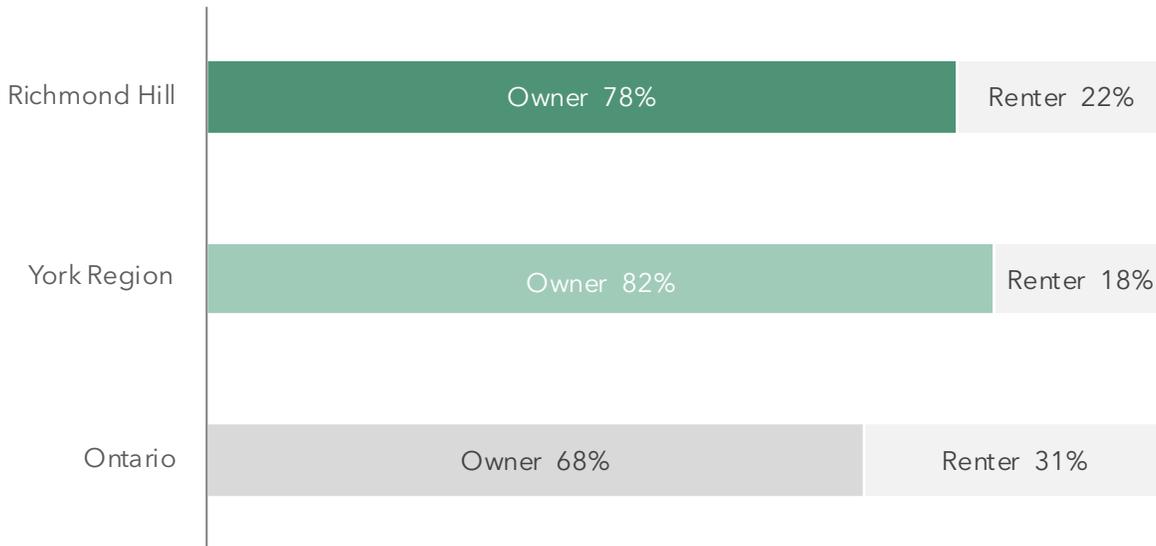
2024 Update

- Per Figure 2.8, ownership households (78%) are still the predominant tenure in Richmond Hill, though the share of renter households grew in 2021 (22%) compared to 2016 (18%).
- Figure 2.9 shows that growth in renter households (+34%) outpaced growth in ownership households (+3%) between 2011 and 2021. Like in the previous reporting, this increase in renter households suggests ownership housing remains unaffordable.
- The large growth in renter households in both Richmond Hill and York Region compared to the province is indicative of higher housing costs compared to incomes in the Greater Toronto Area.

Impact on Housing Need

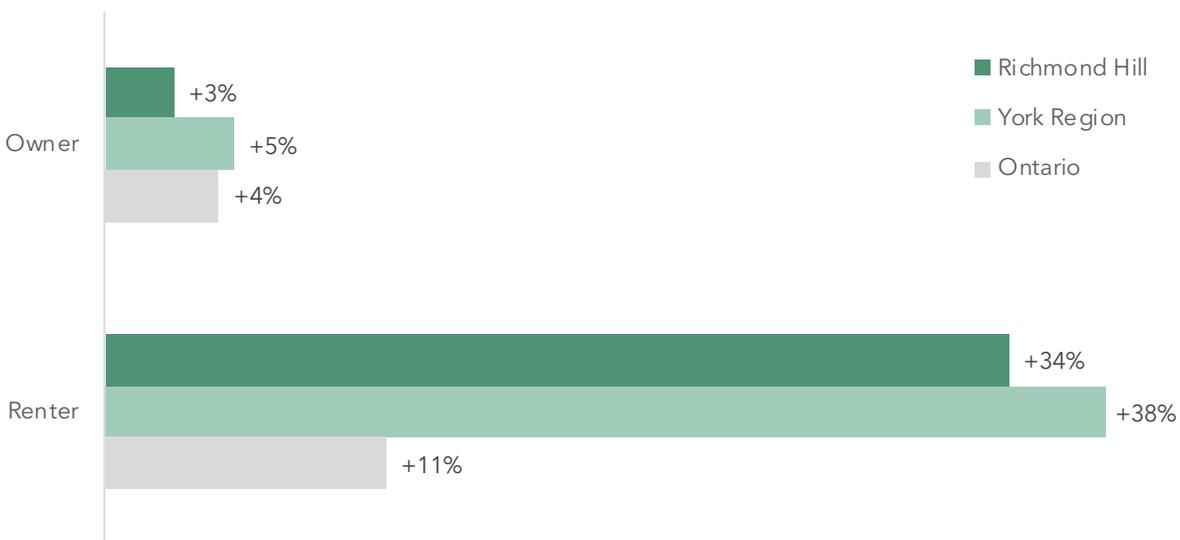
- Additional rental stock will be required to accommodate the increase in rental households.

Figure 2.8
Households by Tenure (2021)



Source: Parcel, based on Statistics Canada Census data.

Figure 2.9
Change in Household Tenure (2011 to 2021)



Source: Parcel, based on Statistics Canada Census data.

2.5 Income

2021 Housing Needs Assessment

- In 2019, the average household income in Richmond Hill (\$124,685) was lower than York Region (\$132,153), but higher than the province of Ontario as a whole (\$105,614).
- Income growth from 2005 to 2019 (+28%) was consistent with income growth to the Region (+28%), lower than the provincial average (+36%), as well as below the rate of inflation over this period (+29%).

2024 Update

- Average household incomes have increased in Richmond Hill (\$154,000), however they are still below York Region (\$161,800) and above Ontario (\$133,600).
- Annual average income growth in Richmond Hill between 2016 and 2022 (+5.6%) was slightly higher than York Region (+5.4%) and slightly lower than the province (+6.1%). Household income growth also outpaced annual inflation (+3.1%) over this same period.
- As shown in Figure 2.11, household income by deciles are also higher compared to 2015 household incomes. Renter households continue to have lower household incomes than ownership households.

Impact on Housing Need

- Incomes determine what households can afford to pay for housing and income deciles will be used to calculate affordable prices and rents based on municipal definitions of affordability.
- All else being equal, Richmond Hill residents have greater purchasing power than in previous reporting.

Figure 2.10
Average Household Income (2023)



Source: Parcel, based on Statistics Canada Census data. Incomes reported in 2021 Census adjusted based on Bank of Canada Consumer Price Index December 2020 to December 2023.

Figure 2.11
Estimated Average Household Income in Richmond Hill by Income Deciles (2023)

	All Households	Ownership Households	Renter Households
10th Percentile	\$34,300	\$41,900	\$24,400
20th Percentile	\$54,400	\$65,400	\$33,600
30th Percentile	\$74,900	\$88,100	\$45,600
40th Percentile	\$95,600	\$111,800	\$59,000
50th Percentile	\$118,700	\$135,900	\$72,800
60th Percentile	\$145,200	\$164,800	\$87,600
70th Percentile	\$178,600	\$198,200	\$107,100
80th Percentile	\$221,200	\$244,200	\$132,500
90th Percentile	\$292,600	\$318,000	\$177,400

Source: Parcel, based on income deciles provided by York Region adjusted based on Bank of Canada Consumer Price Index December 2020 to December 2023.

2.6 Labour Force & Employment

2021 Housing Needs Assessment

2024 Update

Labour Force of Richmond Hill

- In 2016, most of the employed labour force⁴ in Richmond Hill worked outside of Richmond Hill (78%) suggesting they choose not to or are unable to find work in Richmond Hill.
- Of the total employed labour force of Richmond Hill in 2016, the top three industries were professional, scientific and technical services (13%), retail trade (11%), and health care and social assistance (9%).

Employment in Richmond Hill

- Of the total jobs located in Richmond Hill in 2016, the top three industries were health care and social assistance (13%), professional scientific and technical services (11%), and manufacturing (9%).

Labour Force of Richmond Hill

- In 2021, 55% of the total employed labour force in Richmond Hill also worked in Richmond Hill.
- In 2021, 40% of the total employed labour force in Richmond Hill worked at home. This is likely a result of Richmond Hill residents having jobs that lent themselves to work-from-home arrangements during COVID-19.
- However, the top three industries of Richmond Hill residents remain unchanged, though a greater share are working in professional, scientific and technical services (16%) and health care and social assistance (11%) than in previous reporting.

Employment in Richmond Hill

- Figure 2.12 shows that, as of 2021, there has been a shift to higher-paying industries located in Richmond Hill with the top three sectors now being professional, scientific and technical services (17%), health care and social assistance (12%), finance and insurance (11%). Average salaries⁵ for professional, scientific and technical services (\$93,000) and finance and insurance (\$112,000) are generally high,

⁴ Employed labour force refers to a person aged 15 years and over and who was employed in the labour force during the census survey period.

⁵ Salaries are based on Statistics Canada Table 36-10-0489-05 and reflect total compensation per job by NAICS industry in Ontario in 2022.

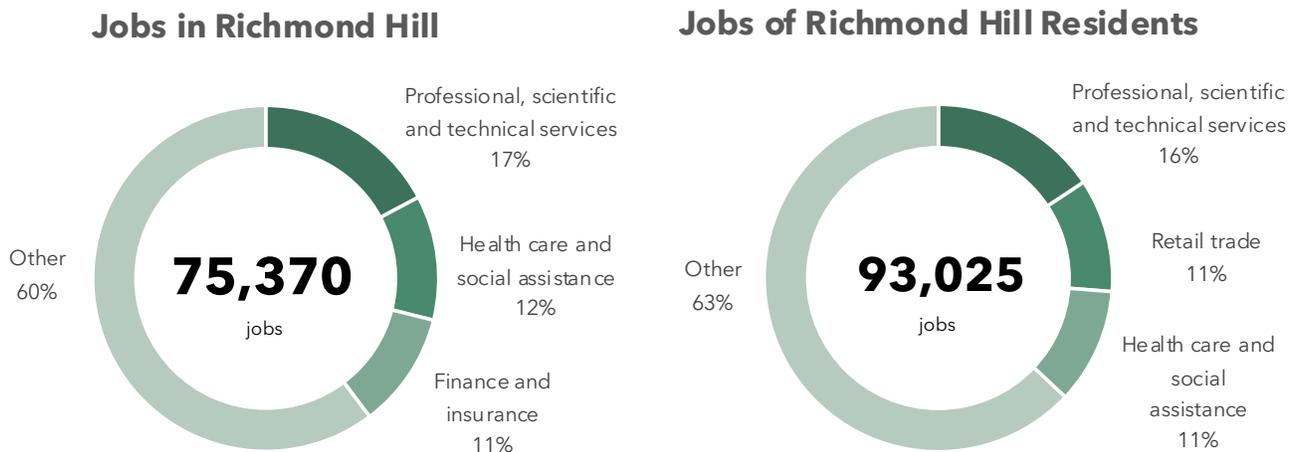
and workers in these sectors may be able to carry higher housing costs.

Impact on Housing Need

- Higher-paying professions both in Richmond Hill and of Richmond Hill residents may put upward pressure on house prices by giving individuals greater ability to carry higher housing costs.
- High housing costs may reduce the ability of Richmond Hill to attract new jobs/industries if employees cannot find appropriate accommodation within reasonable commuting distance.
- High housing costs may also reduce the ability of the City to attract front-line service workers to serve local residents and businesses.

Figure 2.12

Comparison of Jobs in Richmond Hill & Jobs of Richmond Hill Residents



Source: Parcel, based on 2021 Census and Statistics Canada Table 98-10-0491-01.

2.7 Other Demographics

2021 Housing Needs Assessment

Disability & Mental Health

- In 2016, approximately 18% of Richmond Hill households had a member with a physical disability, 5.2% had an emotional or mental health issue, and 4.8% had a cognitive disability.

2024 Update

Disability & Mental Health

- The number of York Region residents with disability status increased from 17% to 21% in 2022. Assuming this trend is region-wide, the number of Richmond Hill residents with disability status likely also increased over this period, though the magnitude is unknown.

Impact on Housing Need

- Increased accessible and supportive housing units may be required to

accommodate residents with physical and cognitive disabilities.

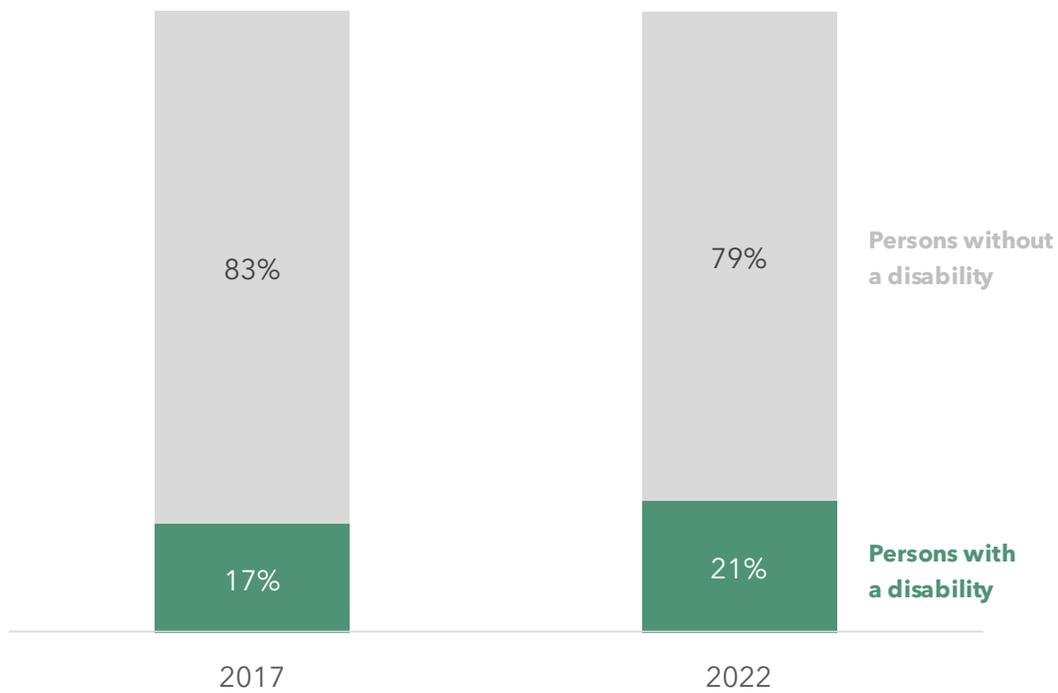
Note: Canadian Survey on Disability

The 2024 disability and mental health findings above are based on a comparison of the 2017 and 2022 Statistics Canada **Canadian Survey on Disability** results for York Region. Richmond Hill-specific data was not available for the 2017 survey.

Per survey methodology, a person is considered to have a disability if they report difficulty in one or more of 10 domains of functioning (e.g., seeing, hearing, mobility, cognition, etc.). It does not report on the specific type of disability (e.g., physical, mental health, cognitive), which makes it difficult to compare with disability findings from the 2021 Housing Needs Assessment.

Survey-based datasets often fluctuate naturally year-over-year based on the accuracy of self-reporting (e.g., different interpretations by residents in terms of what defines disability and the measurement across the domains of functioning). We note this as a limitation in comparing the 2017 to 2022 Canadian Survey on Disability results.

Figure 2.13
Disability Status of York Region Population



Source: Parcel, based on Statistics Canada Canadian Survey on Disability 2017 and 2022.

3.0

Housing Supply

Key Findings

Housing stock in Richmond Hill is diversifying but is still predominantly low density.

- High-density and medium-density housing made up the majority of housing starts and completions in recent years, though low-density housing remains the predominant typology (64% of all stock).

Rental housing remains undersupplied.

- Almost all new units are intended for the ownership market. Prior to 2022, no new rental housing had been started since 2014. No new rental units have been completed since 2016.
- Secondary market rental units continue to be significantly more expensive than primary rental units.

Ownership prices are showing signs of stabilizing, though they remain expensive.

- Average ownership prices are approximately 40% above prices reported in 2019, however prices decreased by 2% between 2022 and 2023.
- High-density housing experienced the biggest decreases while lower-density housing held its value.
- Single-detached housing remains the most expensive typology while condo apartments remain the least expensive.

3.1 Housing Stock

2021 Housing Needs Assessment

- As shown in Figure 3.1, in 2016, low-density housing (single, semi-detached, and duplex dwellings) was the predominant housing typology (66% of all units) in Richmond Hill, followed by apartment typologies (19%; rental and condominium) and row housing (15%). However, medium- and high-density housing (row housing, apartments) increased the most between 2006 and 2016.
- Housing starts and completions showed greater housing diversity (i.e., a more balanced distribution between low-, medium-, and high-density units), however most new stock was still intended for the ownership market. Limited growth in the purpose-built rental market combined with an increasing number of renter households suggests many renter households are accommodated in the secondary rental market.

2024 Update

- As shown in Figure 3.1, low-density housing is still the majority housing typology (64%), but there is an increasing share in the number of apartment units (21%). The percentage of row housing units remains unchanged (15%).
- Per Figure 3.2 and Figure 3.3, high-density housing (i.e., row housing and apartments) made up approximately 70% of completions and 80% of starts each year between 2020 and 2022. However, similar to the 2021 report, almost all new units are intended for the ownership market.
- Figure 3.4 shows that purpose-built rental continues to be undersupplied. Figure 3.5 further shows that no new rentals have been completed since 2016; 2022 was the first year with rental starts since 2014 (64 units, 5% of all starts).

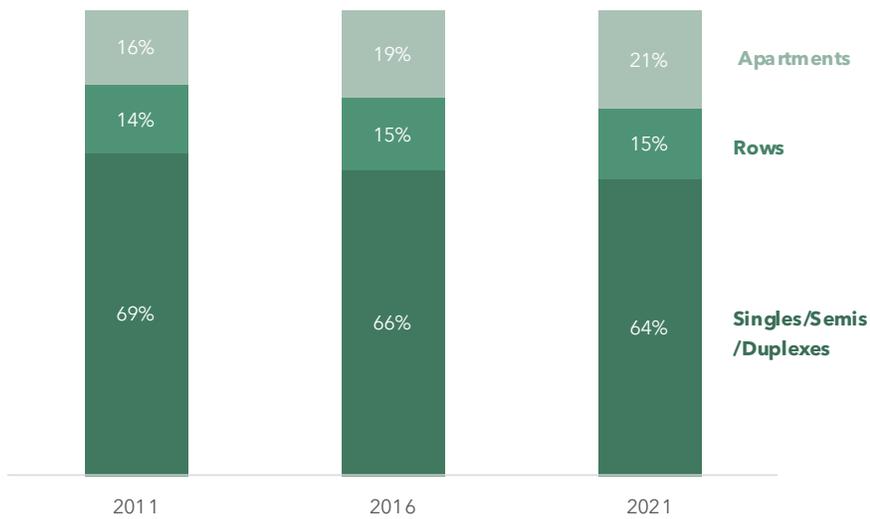
Impact on Housing Need

- Increasing diversity of housing typologies will provide more housing options for residents.
- High-density housing (i.e., apartments) may help to accommodate smaller household sizes.

- More purpose-built rental housing is required to accommodate the increase in renter households.

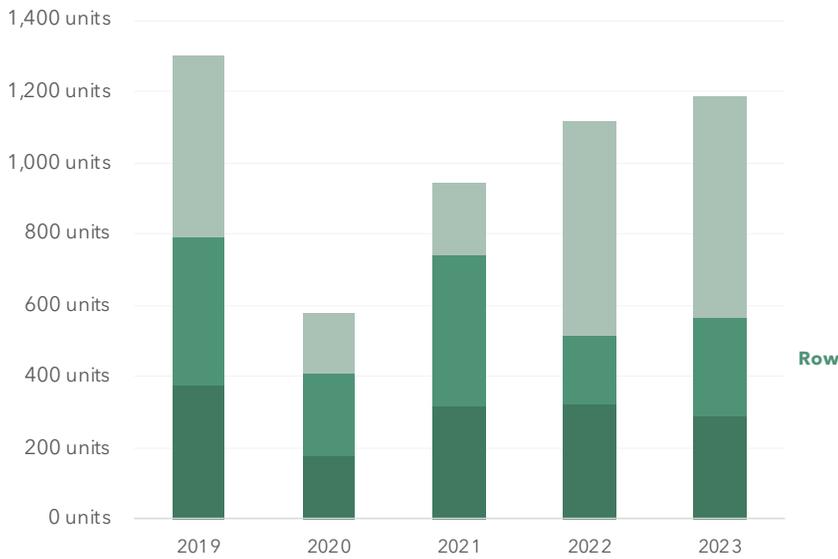
Figure 3.1

Distribution of Historic and Current Housing Stock in Richmond Hill



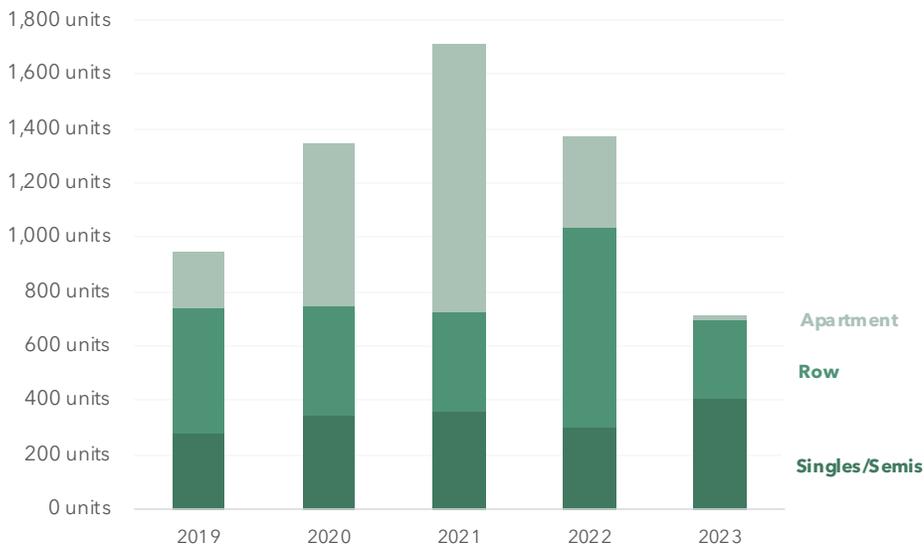
Source: Parcel, based on Statistics Canada Census data. "Duplexes" included in singles/semis number per definition of "low density housing" in the Richmond Hill Official Plan.

Figure 3.2
 Housing Completions by Typology in Richmond Hill



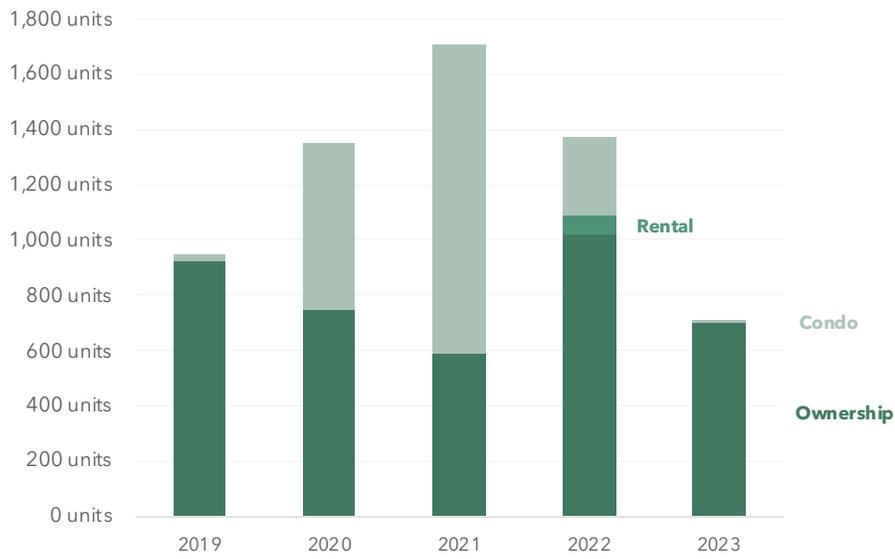
Source: Parcel, based on CMHC Housing Market Information Portal. "Apartment" includes duplexes per CMHC definition.

Figure 3.3
 Housing Starts by Typology in Richmond Hill



Source: Parcel, based on CMHC Housing Market Information Portal. "Apartment" includes duplexes per CMHC definition.

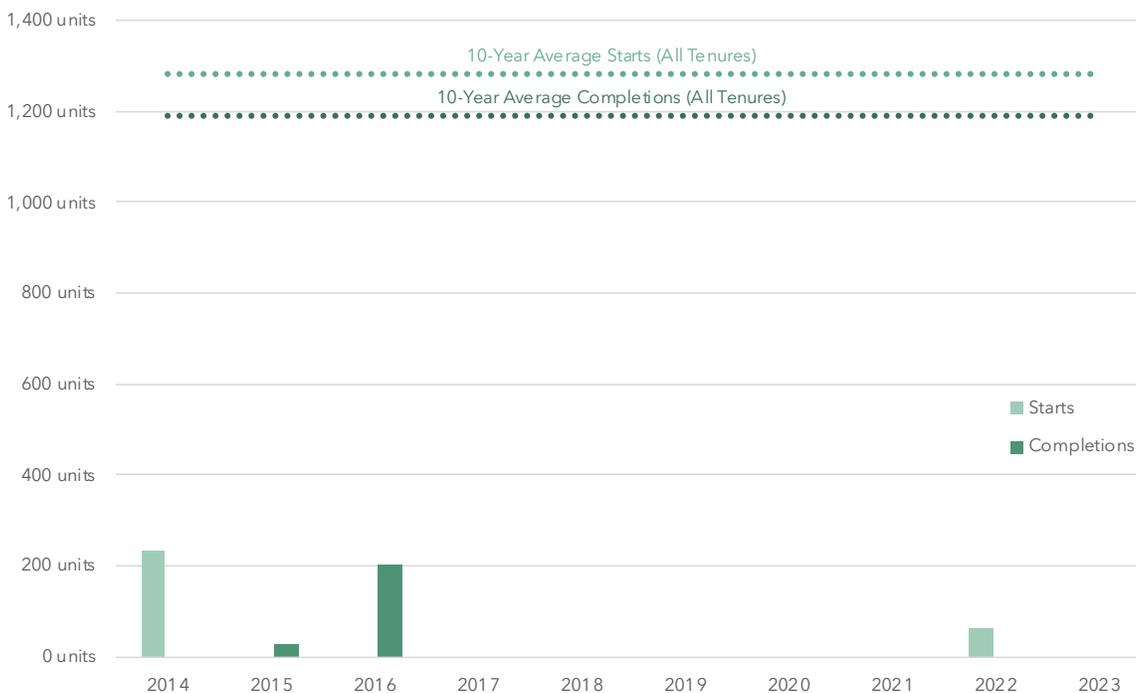
Figure 3.4
 Housing Starts by Tenure in Richmond Hill



Source: Parcel, based on CMHC Housing Market Information Portal.

Figure 3.5

Rental Starts and Completions in Richmond Hill



Source: Parcel, based on CMHC Housing Market Information Portal.

3.2 Rental Market

Note: Primary Rental vs. Secondary Rental

Primary Rental housing (also referred to as “Purpose-Built Rental”) consists of units that were built with the intention of being used as rental units. It is desirable because it is the most stable form of rental housing. Primary rental units typically remain rental units in perpetuity and tenants have security of tenure. In contrast, **Secondary Rental** consists of units that were built for purchase (e.g., condominiums, townhouses, etc.) and are now being rented by their owners. The Secondary Rental market is a less stable form of rental as owners can move back into or sell their units at any time.

Primary Rental Market

2021 Housing Needs Assessment

- The number of primary rental units declined from 1,725 units in 2006 to 1,710 units in 2019 in Richmond Hill, suggesting there may be barriers to development of primary rental units.
- Consistently low vacancy rates for primary rental units suggest an increasing number of renter households are accommodated in the secondary rental market where rents are higher and tenure is less secure.
- Low vacancy and increasing rental demand are likely resulting in higher average market rents for primary rental units.
- There is a mismatch between the size of primary rental units (i.e., number of bedrooms) and renter household size, specifically an oversupply of smaller units (bachelor, one-bedroom, two-bedroom units) and an undersupply of larger units (3+ bedrooms).

2024 Update

- As shown in Figure 3.6, the number of primary rental units in Richmond Hill has grown slightly since previous reporting to 1,756 units as of 2023. We do note, however, that the difference is marginal and may be a function of minor discrepancies in the source data, given no purpose-built rental completions were observed over this period.
- Figure 3.7 shows that the unit mix remains essentially unchanged from 2019 reporting with two-bedroom units still making up the single greatest share of units (51%). It is important to note this distribution has remained virtually unchanged since CMHC began collecting rental data for Richmond Hill in 1991, likely because there has been little change to the primary rental supply over this period.
- Figure 3.8 shows that the vacancy rate reached a record high of 2.5% in 2021 before dropping to 0.9% in 2022 followed by a slight increase to 1.0% in 2023. The 2021 bump may be due to COVID during which many people left rental accommodation in urban areas for more affordable housing elsewhere. Even with this bump, the vacancy rate in Richmond Hill is well below the 3% rate generally considered to be “healthy”.
- Likewise, rents dropped slightly in 2021, but have continued to grow since (see Figure 3.9). This is unsurprising as there is often an inverse

relationship between vacancy and rents (i.e., rents increase as vacancy decreases as more renter households compete for fewer units and vice versa).

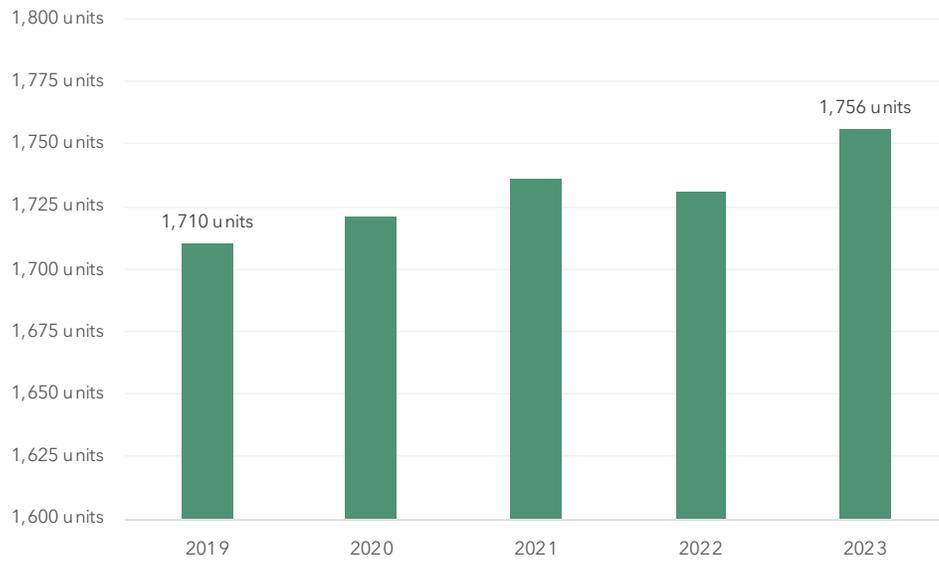
- As shown in Figure 3.11, the average asking rent for a unit (primary or secondary) in Richmond Hill in May 2024 was approximately \$2,900 per month. Asking rents are significantly higher than rents in occupied units, likely due to rent controls⁶. This dynamic can disincentivize renters from moving to more suitable accommodation as they will likely be paying much more than their current rent.
- Rent growth in the primary rental market (+30%) was double the rate of inflation from 2019 to 2022 (+15%).

Impact on Housing Need

- Additional primary rental housing is required to increase supply, ease pressure on vacancy, and help stabilize rents.
- Larger rental units are still required to accommodate larger rental households given the increasing number of renter households described in Section 2.4.

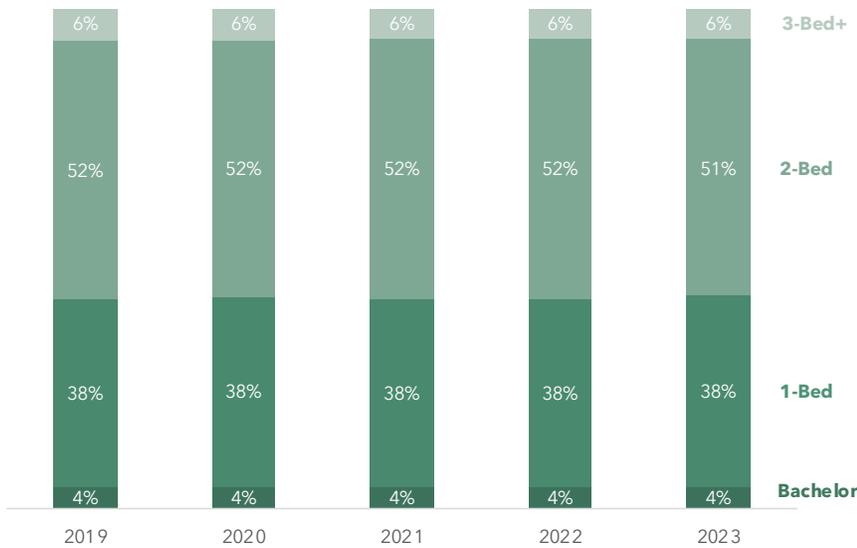
⁶ Rent control applies to any unit occupied as a rental unit before November 18, 2018. With some exceptions (e.g., major repairs), rent for units under rent control are only allowed to increase once per year up to a maximum percentage set by the Provincial government (typically tied to the rate of inflation). Rent control does not apply between tenants (i.e., rents can be set at any amount once a unit is vacated). Rental units built after November 18, 2018 are not subject to rent control.

Figure 3.6
Primary Rental Supply in Richmond Hill



Source: Parcel, based on CMHC Housing Market Information Portal.

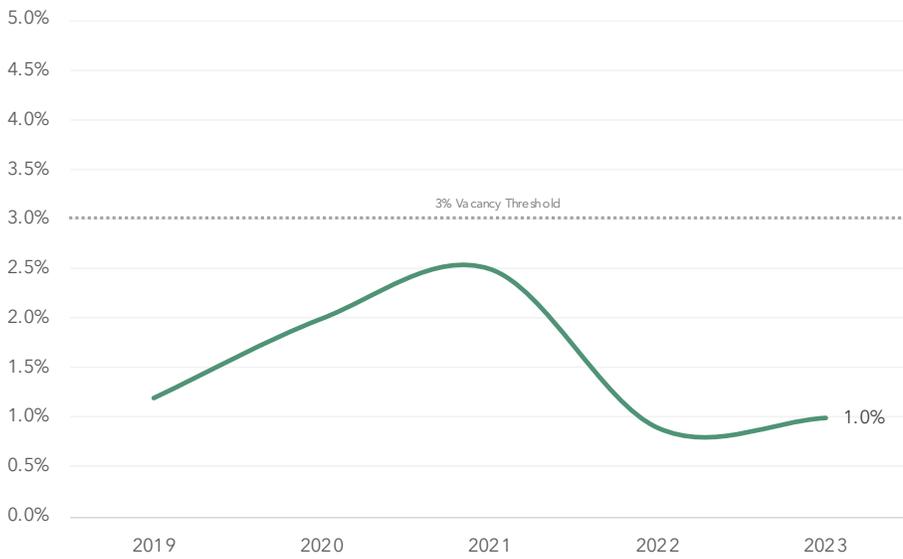
Figure 3.7
Distribution of Units in the Primary Rental Market in Richmond Hill



Source: Parcel, based on CMHC Housing Market Information Portal.

Figure 3.8

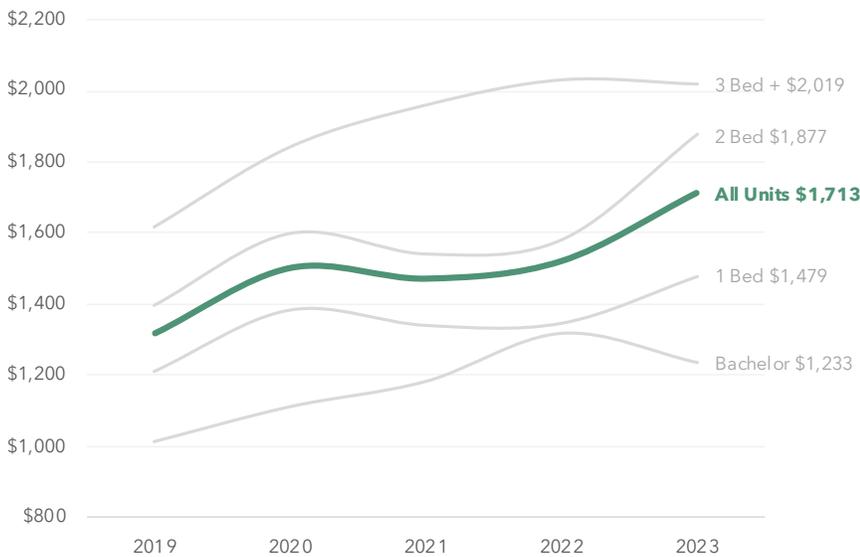
Primary Rental Market Vacancy Rate in Richmond Hill (All Units)



Source: Parcel, based on CMHC Housing Market Information Portal. "Vacancy Threshold" of 3% represents a balanced / healthy rate.

Figure 3.9

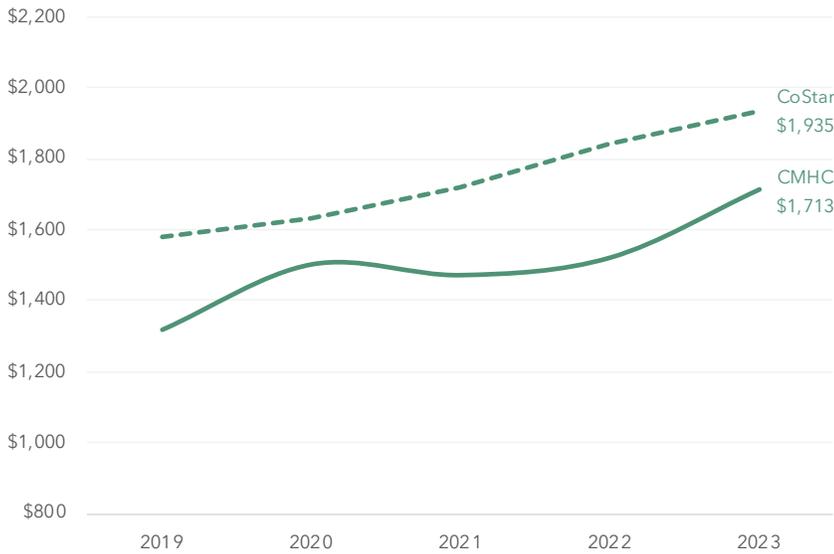
Primary Rental Market Average Rents in Richmond Hill (CMHC)



Source: Parcel, based on CMHC Housing Market Information Portal.

Figure 3.10

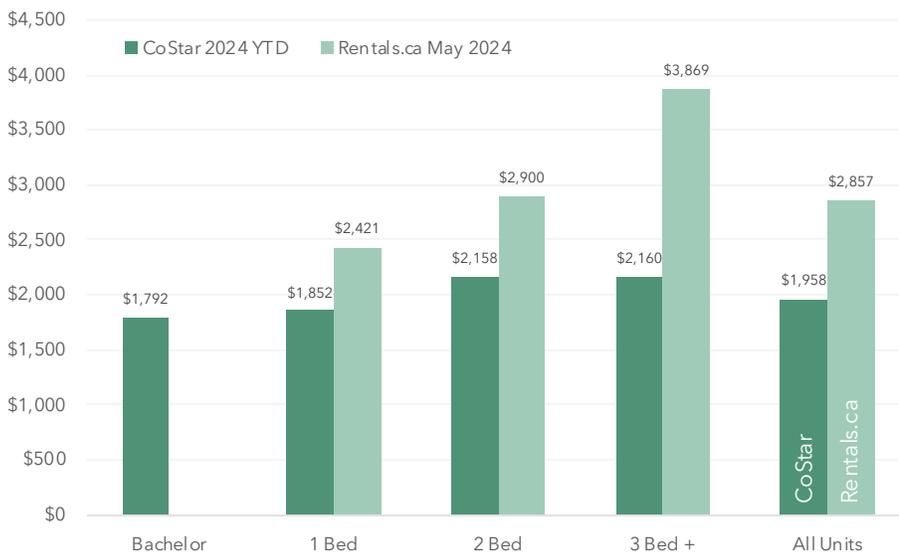
Comparison of Historical Average Rent for All Unit Sizes in Richmond Hill (CMHC and CoStar)



Source: Parcel, based on CMHC Housing Market Information Portal, CoStar Realty Inc.

Figure 3.11

Comparison of Current Average Rents by Bedroom Type in Richmond Hill (CoStar and Rentals.ca)



Source: Parcel, based on CoStar Realty Market Asking Rent Per Unit data (2024 Year-to-Date) and Rentals.ca May 2024 data.

Secondary Rental Market

2021 Housing Needs Assessment

- In 2016, secondary market units comprise 85% of all market rental units in Richmond Hill and are more expensive than primary rental market units.

2024 Update

- As shown in Figure 3.12, secondary market units continue to be significantly more expensive than primary rental units.
- The share of secondary market units has increased to 89% of all market rental units in Richmond Hill.

Impact on Housing Need

- Additional primary rental housing is required to reduce pressure on the secondary rental market. However, it is noted that the current average rents in the primary rental market are not affordable to half of the renter households in Richmond Hill, as detailed in Section 4.2 of this report.
- It is important to preserve existing primary rental stock to avoid the loss of units that are more affordable.

Figure 3.12

Average Primary Market Rents Compared to Average Secondary Market Rents in Richmond Hill in 2023



Source: Parcel, based on CMHC Housing Market Information Portal and 2023 TRREB Rental Market Report data.

3.3 Ownership

2021 Housing Needs Assessment

- The average ownership price in Richmond Hill in 2019 was \$1.04 million with detached housing being the most expensive typology (\$1.4 million) and condo apartments being the least expensive (\$513,400).
- Housing prices decreased by approximately 5% from 2016 to 2019.

2024 Update

- As shown in Figure 3.13, the average ownership price in Richmond Hill in 2023 is \$1.4 million, representing a 40% increase over the average price of \$1.04 million over 2019 prices. However, following price increases from 2019 to 2022, average prices decreased by 2% in 2023. This decrease may be, in part, due to higher interest rates, which reduces the amount prospective buyers are able to pay for housing due to higher mortgage carrying costs.

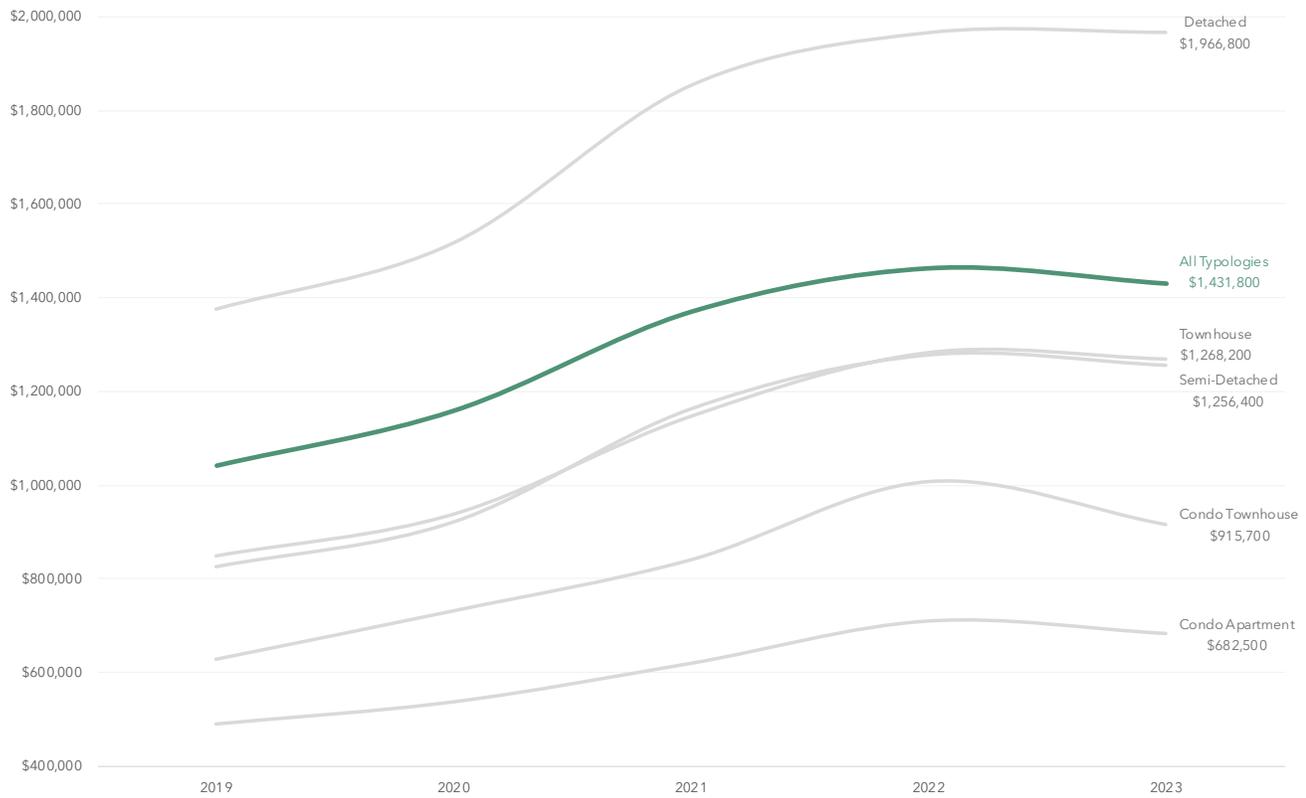
- Condo townhouses (-9.1%) and apartments (-3.7%) saw the biggest decreases, while changes to single-detached (0.0%), semi-detached (-1.7%), and freehold townhouses (-1.1%) were smaller.
- Detached housing (\$1,966,800) remains the most expensive typology while condo apartments remain the least expensive typology (\$682,500).
- As shown in Figure 3.14, new ownership units continue to be significantly more expensive than resale units.

Impact on Housing Need

- High ownership prices will continue to increase demand for rental housing as fewer households are able to afford ownership housing based on the incomes reported in Section 2.5.

Figure 3.13

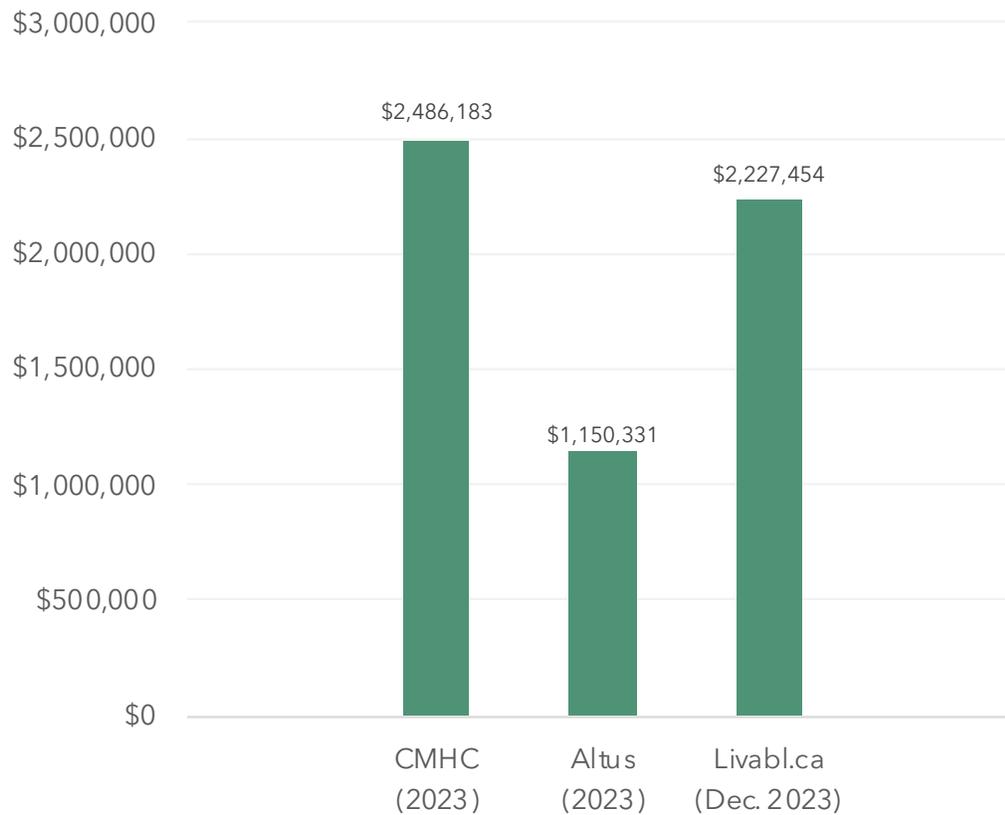
Average Resale Price of Ownership Units in Richmond Hill



Source: Parcel, based on 2023 TRREB Market Watch data.

Figure 3.14

Average Price of New Ownership Units in Richmond Hill (All Units, 2023)



Source: Parcel, based on CMHC Housing Market Information Portal, Altus Data Studio data, livabl.ca listings.

3.4 Non-Market Housing

Seniors' Housing

2021 Housing Needs Assessment

- In 2019, there were 532 seniors' housing (retirement) units and 708 long-term care beds in Richmond Hill.
- Current supply of seniors' housing was deemed sufficient to meet demand, but an aging population will increase the need for senior-specific housing in the future.

2024 Update

- As shown in Figure 3.15, there are currently at least 782 retirement units in Richmond Hill⁷, representing an increase of 47% since the previous study.
- The number of long-term care beds has remained the same.
- CMHC stopped publishing its Seniors' Housing Report in 2021. As such, information on rents and vacancy rates are unavailable.

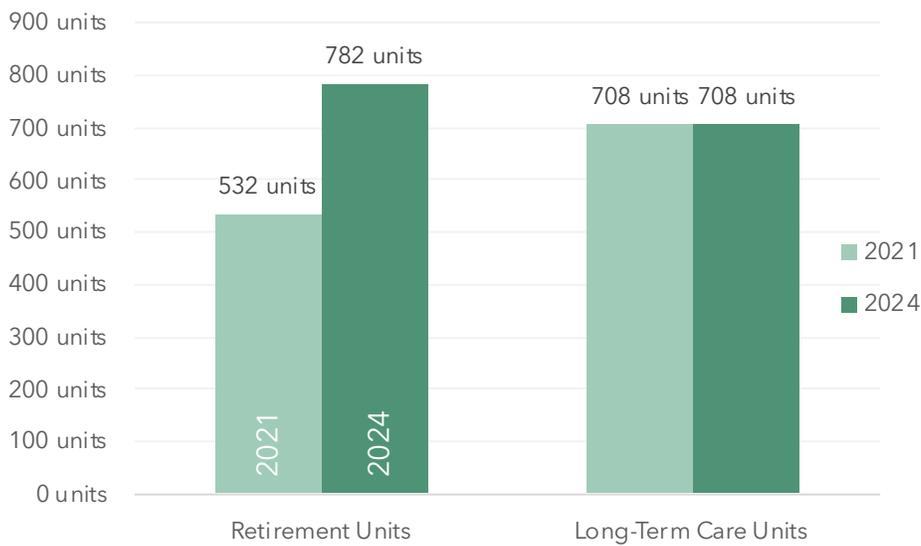
Impact on Housing Need

- The recent increase in seniors' housing helps to accommodate the aging population. It is important this supply continues to increase, commensurate with the seniors population.
- There is a need for more long-term care beds to accommodate the growing seniors population described in Section 2.2, particularly

⁷ No information on the number of units at Chartwell Oak Ridges Retirement Community could be found.

if the City wants to support the ability for residents to age in place.

Figure 3.15
Seniors' Housing Inventory in Richmond Hill



Source: Parcel, based on Central Healthline data and other research.

Supportive Housing

2021 Housing Needs Assessment

- In 2020, there were 83 supportive housing units in Richmond Hill, all of which were operated by private providers.
- The number of supportive housing units was insufficient given there were 514 individuals in Richmond Hill on the waitlist for supportive housing.

2024 Update

- The number of supportive housing units in Richmond Hill remains unchanged. At the same time, the number of Richmond Hill residents with disabilities has likely increased, both in absolute terms as well as potentially a percentage of the total population, as indicated in Section 2.7 of this report.

Impact on Housing Need

- Additional supportive housing is required to accommodate residents with disabilities.

Community Housing⁸

2021 Housing Needs Assessment

NOTE: York Region staff confirmed community housing stock in Richmond Hill has not changed since the 2021 Housing Needs Assessment.

However, the housing stock reported in the 2021 report does not match the existing housing stock reported as part of this update. York Region staff could not validate the community housing numbers in the 2021 Housing Needs Assessment.

2024 Update

- There are 6,982 community housing units in York Region, of which **2,397 are in Richmond Hill**.
- Approximately 68% of Richmond Hill units were subsidized while the remaining 32% were market units (Figure 3.16).
- Most community housing stock units were mandated for families (66%), followed by seniors (27%), and mixed (7%) (Figure 3.17).
- Bachelor, one-bedroom, and two-bedroom units made up approximately 70% of housing stock, with the remaining 30% being three- and four-bedroom units (Figure 3.18).

Impact on Housing Need

- The number of community housing units has not kept pace with population growth detailed in Section

⁸ Community housing stock is overseen by Housing York Inc. and includes both market units and subsidized units.

2.1 and increasing unaffordability detailed in Section 4.

- Larger community housing units are required to accommodate larger households.

Note: Community Housing Waitlist Data

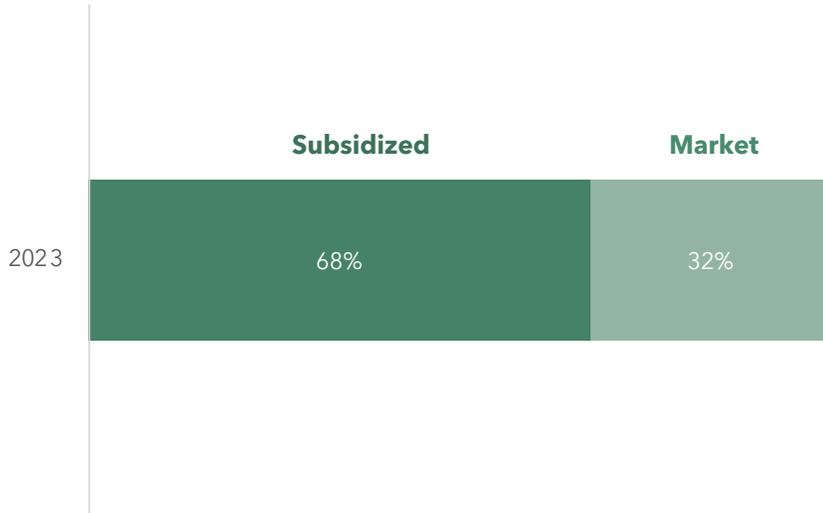
The number of households on the York Housing Inc. community housing waitlist decreased from 16,237 households at the time of previous reporting to **15,716 households** in 2023. This decrease is in part due to the implementation of the Region's income and asset limits as well as the Canada-Ontario Housing Benefit in 2020, which provides an option for portable rent subsidies in the private market as an alternative to waiting for a subsidized unit to be available. Of these households, **approximately one-third are senior households** with the remaining two-thirds being non-senior households.

The 2021 report noted there were 12,547 households that indicated a preference to live in Richmond Hill community housing. Since 2022, York Housing Inc. no longer reports on household preference for municipalities. As such, **reliable data on the number of households with a preference for community housing in Richmond Hill does not exist.**

Overall, waitlist numbers, though declining, suggest there is still a significant need for community housing throughout York Region, including in Richmond Hill.

Figure 3.16

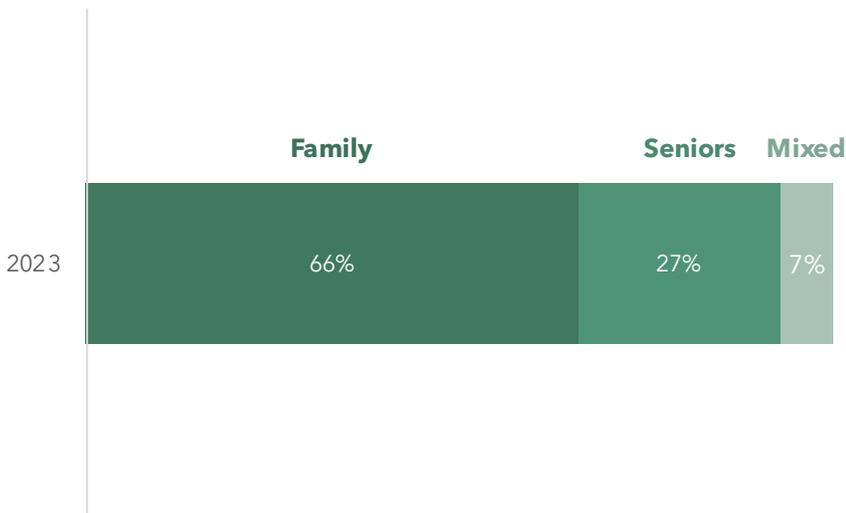
Community Housing Units in Richmond Hill by Rent Type (2023)



Source: Parcel, based on York Region data.

Figure 3.17

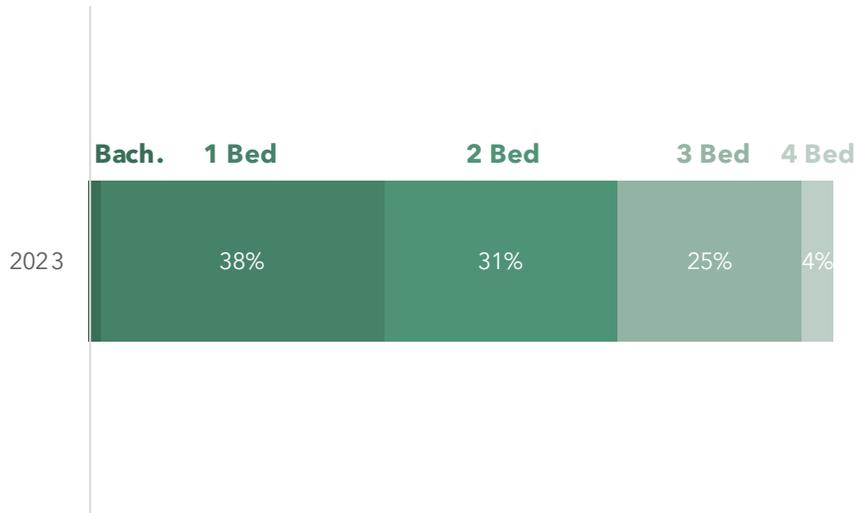
Community Housing Units in Richmond Hill by Mandate (2023)



Source: Parcel, based on York Region data.

Figure 3.18

Community Housing Unit Mix in Richmond Hill (2023)



Source: Parcel, based on York Region data.

Emergency & Transitional Housing

2021 Housing Needs Assessment

Emergency Housing

- In 2018, there were 302 emergency shelter units and beds in York Region. There were 44 beds in Richmond Hill, 14 of which belonged to an emergency youth shelter and 30 beds that were part of a seasonal winter shelter.

Transitional Housing

- In 2018, there were 42 transitional units and beds in York Region. There were 19 units/beds in Richmond Hill, eight (8) of which were for

2024 Update

Emergency Housing

- There were 300 emergency shelter beds and units in York Region in 2023. The number and type of emergency housing beds in Richmond Hill (14 youth beds and 30 winter shelter beds) remains unchanged.

Transitional Housing

- The number of transitional beds and units in York Region grew to 66 in 2023, however the number in Richmond Hill declined to 11 youth beds only with the closure of transitional units

women and dependents fleeing violence and 11 that were part of a youth shelter.

intended for women and dependents fleeing violence.

Impact on Housing Need

- More affordable housing options, along with appropriate support, can reduce the need for emergency and transitional housing.

4.0

Housing Affordability

Key Findings

- A dwelling is considered affordable if it **costs \$536,700 or less** and **rent** is considered affordable if it **costs \$1,664 or less per month** per the Richmond Hill Official Plan definition of “affordable”.
- Based on the above amounts, **ownership housing** remains unaffordable to all but the wealthiest Richmond Hill households. **Rental housing** is affordable to households in the **50th income percentile and above**.
- Asking prices and rents are significantly higher than prices and rents that meet the definition of “affordable”.
- In 2021, approximately 40% of households are **cost burdened** (spending more than 30% of income on housing) and 16% are in **core housing need**. This suggests that **core housing need is primarily driven by unaffordability**.
- The incidence of core housing need in 2021 declined since the 2016 census. **Renter households (31%) are still more likely to be in core housing need than ownership households (12%)**.
- Individual salaries are generally insufficient to afford average ownership prices and rents.

4.1 Defining Affordable Housing

Provincial Policy Statement (2020)

The 2020 Provincial Policy Statement defines affordable housing as **the least expensive of housing that does not exceed 30% of gross annual household income for low- and moderate-income households OR housing that is 10% below average resale prices or at or below average market rents in the regional market area**. Low- and moderate-income households are households in the lowest 60% of the income distribution for the regional market area. This definition includes both an **income-based** measure of affordability (i.e., tied to what specific households can afford) and a **market-based** measure of affordability (i.e., a benchmark against current market conditions and pricing).

Provincial Planning Statement (2024)

The Provincial Planning Statement took effect on October 20, 2024, and replaced both the Provincial Policy Statement, 2020 and A Place to Grow: Growth Plan for the Greater Golden Horseshoe, 2019.

The Provincial Planning Statement uses a similar definition of “affordable” as in the Provincial Policy Statement, however, the market-based measure of affordability now considers rents and prices in the **municipality** instead of the **regional market area**. This means that market rents and prices in Richmond Hill will now be used to calculate affordability instead of market rents and prices in York Region (the regional market area). Likewise, the definition of low- and moderate-income households has also been amended to the lowest 60% of the income distribution for the municipality.

As the majority of this reporting predates the announcement of the 2024 Provincial Planning Statement, affordability calculations herein are based on the definition in the 2020 Provincial Policy Statement. The Province has not yet provided direction as to which market-based rents and prices to use as part of the 2024 Provincial Planning Statement affordability calculations. However, since Richmond Hill incomes and rents/prices have historically been lower than those in York Region, the change to calculating affordability using municipal indicators will result in lower affordable rents/prices than if calculated based on the 2020 Provincial Policy Statement.

York Region

The York Region 2022 Official Plan uses a similar definition to the Provincial Policy Statement with some key differences. **Ownership housing** is considered affordable if it costs less than 30% of gross household income for low- and moderate-income households where “low- and moderate-income households” means the **lesser of the lowest 60% of the household income distribution in the regional market area or local market area** (i.e., the lower of the 60th household income percentile in York Region and Richmond Hill). **Rental housing** is considered affordable if it is **at or below 125% of average market rent**. There is no market-based definition for ownership housing and no income-based definition for rental housing. It should be noted that the Province reviewed and approved of the Region’s definition of “affordable” in the 2022 York Region Official Plan.

City of Richmond Hill

Richmond Hill’s 2010 Official Plan has the same definition of “affordable” as the Provincial Policy Statement, however, in practice, the City applies the definition of “affordable” in accordance with the 2022 York Region Official Plan.

Figure 4.1

Provincial Policy Statement & Richmond Hill Official Plan Affordable Definition

	Ownership Housing	Rental Housing
<i>Income-Based</i>	<p style="text-align: center;"><i>The least expensive of:</i></p> <p>Purchase price results in annual accommodation costs which do not exceed 30% of gross annual household income for low- and moderate-income households*</p> <p><i>*Households with incomes in the lowest 60% of the income distribution for the Regional market area</i></p>	<p style="text-align: center;"><i>The least expensive of:</i></p> <p>Rent does not exceed 30% of gross annual household income for low- and moderate-income households*</p> <p><i>*Households with incomes in the lowest 60% of the income distribution for renter households in the Regional market area</i></p>
	OR	OR
<i>Market-Based</i>	<p>The purchase price is at least 10% below the average purchase price of a resale unit in the regional market area</p>	<p>Rent is at or below the average market rent (AMR) of a unit in the regional market area</p>

Source: Parcel, based on Provincial Policy Statement (2020).

Figure 4.2
York Region Official Plan Affordable Definition

	Ownership Housing	Rental Housing
Income-Based	<p>Purchase price results in annual accommodation costs which do not exceed 30% of gross annual household income for low- and moderate-income households*</p> <p><i>*Low- and moderate-income households means the lesser of:</i></p> <ul style="list-style-type: none"> • Households with incomes in the lowest 60% of the income distribution for the regional market area or, • Households with incomes in the lowest 60% of the income distribution for the local market area. 	n/a
Market-Based	n/a	<p>Rent is at or below 125% of the average market rent (AMR) of a unit in the regional market area, by bedroom type</p>

Source: Parcel, based on York Region Official Plan 2022.

Affordable Definitions in Other Provincial Legislation

In addition to the PPS, two new pieces of Provincial legislation offer definitions of affordable that **may have implications for defining affordability in the future.**

Bill 23, More Homes Built Faster Act (2022)

The recently passed Bill 23 introduced changes to the *Development Charges Act* that define an “affordable residential unit” as a unit whose rent or price is no greater than 80% of average market rent or average purchase price, depending on whether the unit is rental or ownership. While the previous 2020 PPS definition of affordable considered both income- and market-based measures of affordability, this new definition is purely market-based.

Bill 23 also introduces the concept of attainable housing that falls between affordable and full market prices. Initial legislation defines attainable as an ownership unit that is not an affordable unit. In other words, attainable housing is ownership housing that costs more than 80% of the average purchase price.

In addition, the *Development Charges Act* states that the average market rent and average purchase price within a jurisdiction will be identified in a bulletin entitled “Affordable Residential Units for the Purposes of the *Development Charges Act, 1997, Bulletin*”.

Bill 134, Affordable Homes and Good Jobs Act (2023)

On December 4, 2023, the Province passed legislation to amend the definition of an “affordable residential unit” that was previously identified in Bill 23 that is included in the *Development Charges Act*. The new definition mirrors the definition of “affordable” in the 2020 PPS, which now includes both a market-based approach and an income-based approach. The income-based definition results in accommodation costs that do not exceed 30% of gross annual household income for low- and moderate-income households.

Affordable Residential Unit Bulletin

The Province released the Affordable Residential Units for the Purposes of the *Development Charges Act, 1997, Bulletin* on April 5, 2024. For Richmond Hill, the prices and rents thresholds are the following:

- Average purchase price of all dwelling types based on income-based approach: \$452,700.
- Average market rents by bedroom types based on market-based approach:

Bachelor unit	1-bedroom unit	2-bedroom unit	3+ bedroom unit
\$1,233	\$1,479	\$1,877	\$2,019

The bulletin came into force on June 1, 2024, and it is effective until May 31, 2025.

Note: Reconciling Affordability Definitions

In collaboration with City staff, it is recommended that the City continue to apply the definition used in the 2021 Affordable Housing Strategy, but the definition should be clarified so that it is based on the geography of Richmond Hill, as follows.

Affordable means:

- a) in the case of ownership housing, the least expensive of:
 1. 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; or
 2. housing for which the purchase price is at least 10 percent below the average purchase price of a resale unit in the City;
- b) in the case of rental housing, means a unit for which the rent is at or below 125% of the average market rent of a unit in the City, by bedroom type.

Low- and moderate-income households means, for the purpose of ownership housing, households with incomes in the lowest 60 percent of the income distribution for the City.

As noted in the 2021 Background Report for the Affordable Housing Strategy, “the average market rent is based on annual surveys conducted by CMHC, which includes all purpose-built rental with three units or more. This purpose-built rental housing supply is predominantly comprised of older rental units that have been under rent control according to the Ontario Residential Rent Guideline. These older rental

units have rents that are substantially lower than rents from new residential rental units with newer construction and better amenities. Hence, it is appropriate to raise the rental affordability threshold to 125% of the average market rent.”

4.2 Affordable Housing Prices and Rents in Richmond Hill

2021 Housing Needs Assessment

- In 2019, there are significant affordability challenges for both ownership and renter households in Richmond Hill.
- Ownership units were only affordable to households in the 90th income percentile and above.
- Average rent in purpose-built rental units was only affordable to renter households with incomes in the 60th income percentile and above. Average market rent in secondary rental units was only affordable renter households with incomes in the 70th income percentile and above.

2024 Update

- Per affordability definitions in the Richmond Hill Official Plan, a dwelling is considered affordable if it costs \$536,700 or less and rent is considered affordable if it costs \$1,664 or less per month. Based on definitions in the York Region Official Plan (which Richmond Hill uses in practice), a dwelling is considered affordable if it costs \$505,857 or less and rent is considered affordable if it costs \$2,080 or less.
- Based on these amounts, ownership housing remains unaffordable to all but the wealthiest households. However, affordability has improved for renter households in that average rent for a primary rental unit is now affordable to households in the 50th income percentile and above.
- Affordability calculations tend to understate current market realities. Asking prices and rents (i.e., housing that is currently available to be purchased or rented) are significantly higher and unaffordable to the majority of Richmond Hill households.

Impact on Housing Need

- More affordable ownership and rental housing is needed.

Figure 4.3

Affordable Housing Prices & Rents by Definition

	Provincial Policy Statement / Richmond Hill OP		York Region OP	
	Ownership Housing	Rental Housing	Ownership Housing	Rental Housing
	<i>The least expensive of:</i>	<i>The least expensive of:</i>		
<i>Income-Based</i>	\$536,700 (\$155,500 income required)	\$2,390 (\$95,600 income required)	\$505,900 (\$145,200 income required)	n/a
	OR	OR		
<i>Market-Based</i>	\$1,206,500 (\$349,633 income required)	\$1,664 (\$66,560 income required)	n/a	\$2,080 (\$83,200 income required)

Source: Parcel, based on data provided by the City of Richmond Hill. Income-based ownership price and market-based required income calculations assume 30% gross debt service, 0.691472% annual property tax, 4% CMHC mortgage loan insurance, 5% down payment, 6.59% mortgage rate, and a 25-year amortization period.

Figure 4.4

Housing Affordability in Richmond Hill by Income Percentile

Percentile	Ownership				Rental			
	All Household Income	Affordable House Price (30% of Income)	Average Resale Price (PPS)	90% Average Resale Price (PPS)	Renter Household Income	Affordable Rent (30% of Income)	Average Rent - All Units (PPS)	125% Average Rent (York Region OP)
			\$1,340,500	\$1,206,500			\$1,664	\$2,080
10th Percentile	\$34,300	\$119,600	X	X	\$24,400	\$610	X	X
20th Percentile	\$54,400	\$189,400	X	X	\$33,600	\$840	X	X
30th Percentile	\$74,900	\$260,800	X	X	\$45,600	\$1,140	X	X
40th Percentile	\$95,600	\$333,000	X	X	\$59,000	\$1,475	X	X
50th Percentile	\$118,700	\$413,300	X	X	\$72,800	\$1,820	✓	X
60th Percentile	\$145,200	\$505,900	X	X	\$87,600	\$2,190	✓	✓
70th Percentile	\$178,600	\$628,000	X	X	\$107,100	\$2,680	✓	✓
80th Percentile	\$221,200	\$783,800	X	X	\$132,500	\$3,315	✓	✓
90th Percentile	\$292,600	\$1,040,300	X	X	\$177,400	\$4,435	✓	✓

✓ = Affordable
 X = Unaffordable

Source: Parcel, based on York Region data provided by the City of Richmond Hill. Income-based ownership price and market-based required income calculations assume 30% gross debt service, 0.691472% annual property tax, 4% CMHC mortgage loan insurance, 5% down payment, 6.59% mortgage rate, and a 25-year amortization period. Incomes and prices rounded to nearest \$100. Rents rounded to nearest \$10.

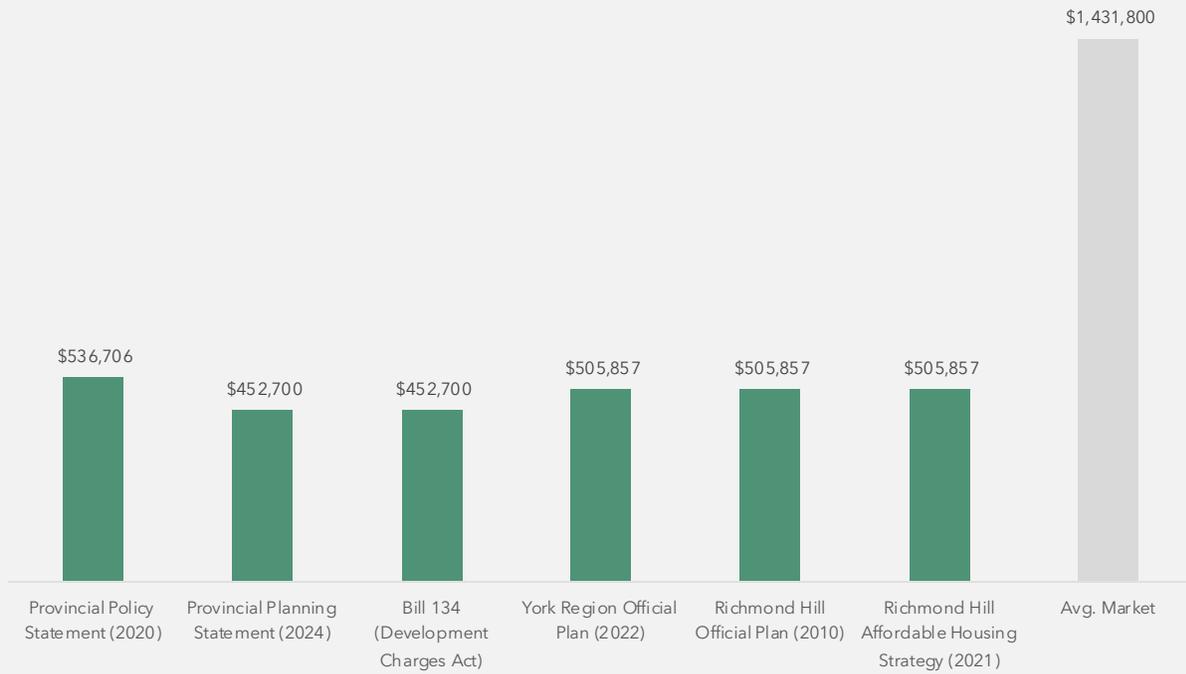
Note: Comparing Affordable Rents & Prices to Market Rents & Prices

Figures 4.5 and 4.6 compare affordable rents and prices in current policy to market rents and prices. As shown, market rents and prices are substantially above “affordable” definitions, demonstrating greater affordability challenges than the definition of “affordable” suggests.

We note the 2024 Provincial Planning Statement values assume affordability is based on the Affordable Housing Bulletin per Bill 134. However, the Province has not formally confirmed which rents/prices it intends to use to calculate affordability.

Figure 4.5

Affordable Ownership Prices by Policy Compared to Market Price

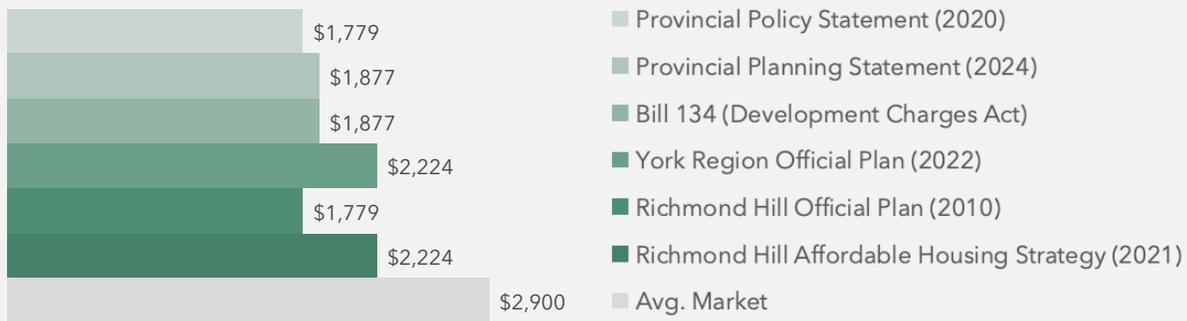


Source: Parcel, based on data provided by the City of Richmond Hill and 2023 TRREB Market Watch data.

Figure 4.6

Affordable Rents by Policy Compared to Market Rents

2 Bedroom



Source: Parcel, based on data provided by the City of Richmond Hill and Rentals.ca data (May 2023).

4.3 Cost-Burdened Households & Core Housing Need

Note: Defining “Cost-Burdened” & “Core Housing Need”

Two commonly used indicators used to assess affordability is whether households are **cost burdened** or in **core housing need**. A household is defined as being “cost burdened” when it spends 30% or more of its pre-tax income on housing. A household is in “core housing need” when it lives in housing that is **unsuitable** (fewer bedrooms than required), **inadequate** (major repairs required), and/or **unaffordable** (costs more than 30% of income) *AND* would have to spend more than 30% of its income to obtain housing in the same area that is acceptable (i.e., adequate, suitable, and affordable).

2021 Housing Needs Assessment

- In 2015, renter households (39%) in Richmond Hill were more likely to be in core housing need than ownership households (13%).
- Growth in the number of households in core housing need outpaced growth in the total number of households between 2005 and 2015.
- Affordability issues were the primary reason for households being in core housing need. Renter households were more likely to face suitability issues (17%).

2024 Update

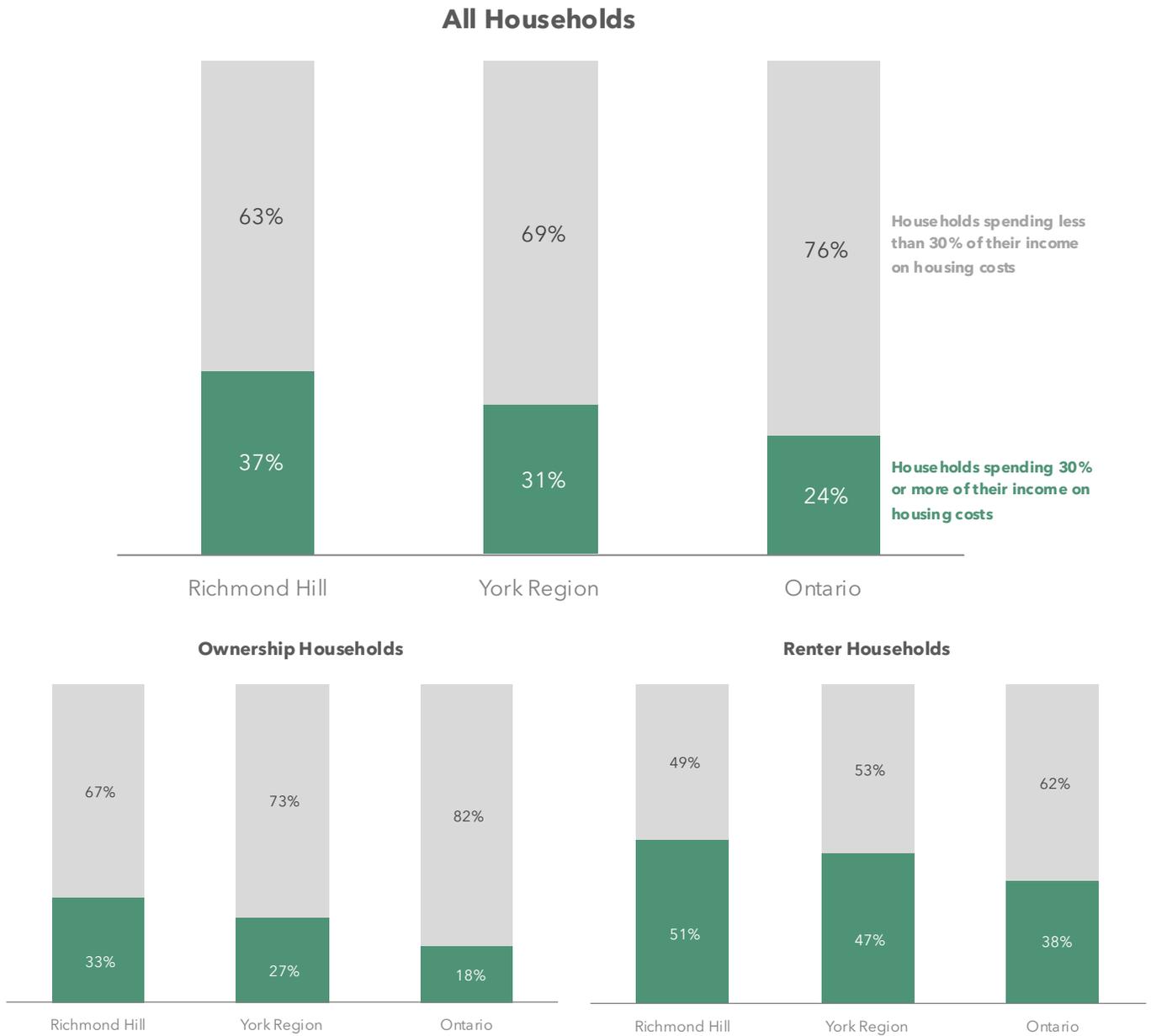
- In 2020, approximately two in every five households in Richmond Hill is cost burdened (37%) while only sixteen percent (16%) of households are in core housing need. This suggests that core housing need remains primarily driven by unaffordability, not inadequacy or unsuitability, given the relatively new housing stock and large housing sizes compared to household sizes. See Figure 4.7 and Figure 4.8.
- The incidence of core housing need in 2020 has declined since 2015 for both ownership and renter households due to rising incomes of Richmond Hill households. However, renter households (31%) are still more likely to be in core housing need than ownership households (12%).

Impact on Housing Need

- There is a need for affordable rental stock to reduce the number of renter households that are cost burdened and in core housing need.

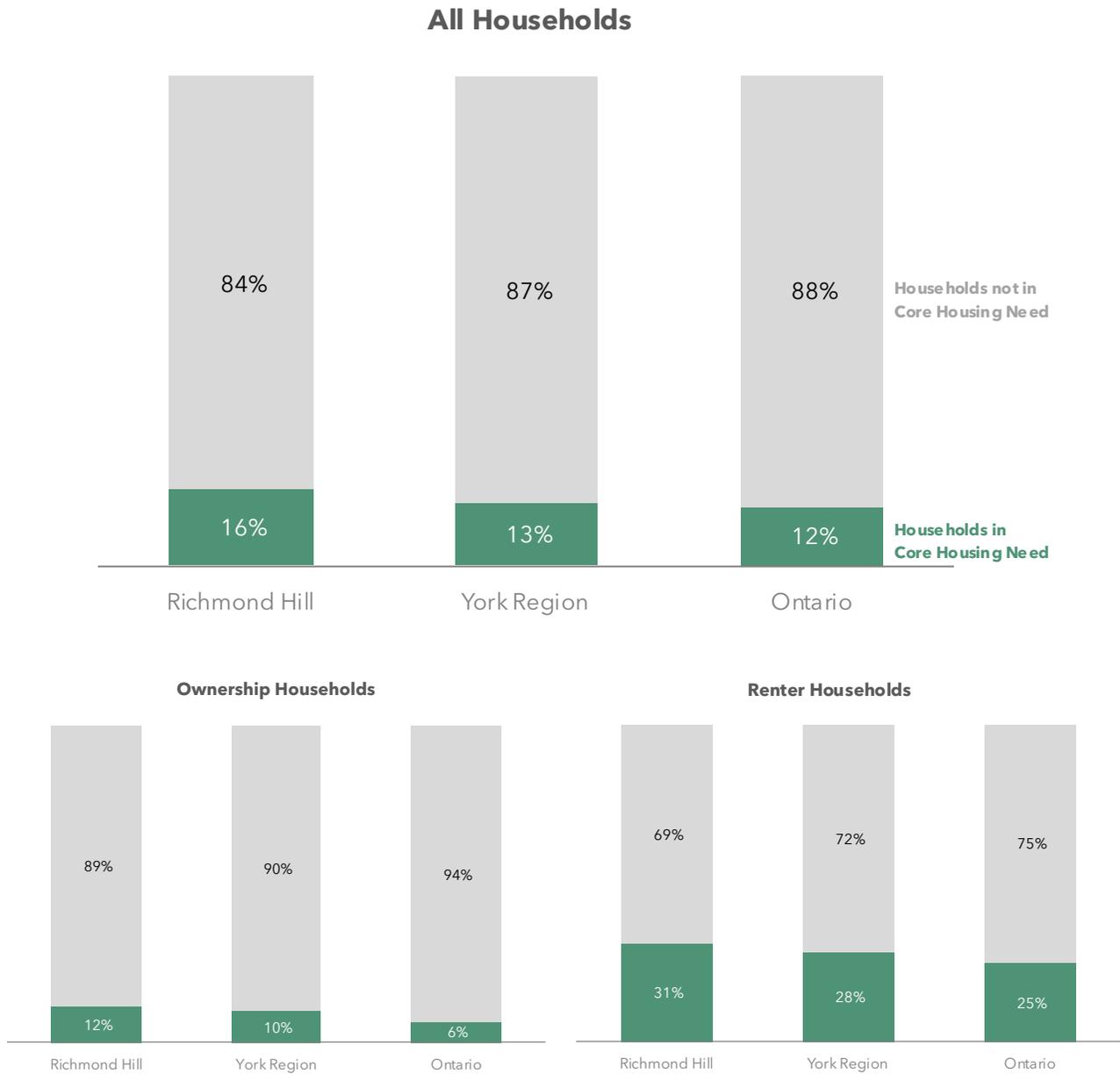
Figure 4.7

Cost-Burdened Households (2021)



Source: Parcel, based on Statistics Canada Census data.

Figure 4.8
Households in Core Housing Need (2021)



Source: Parcel, based on Statistics Canada Census data.

4.4 Housing Affordability by Employment

2021 Housing Needs Assessment

- Despite the presence of high-paying jobs, ownership prices were unaffordable to all professions based on a single salary.
- Only the highest income professions could afford average market rents in the secondary rental market.
- Most salaries were enough to afford average rents in the primary rental market.

2024 Update

- As shown in Figure 4.9, despite increasing in compensation, current ownership prices in 2023 are still unaffordable to all professions in Richmond Hill. This analysis is based on incomes of individuals as opposed to households.
- Average rents in the primary rental market are unaffordable for professions earning under \$60,000 (approximately 20% of jobs Richmond Hill residents). However, unaffordability may be understated given average rents are calculated including units under rent control.
- Rents in the secondary rental market remain unaffordable except for the highest income earners. An individual needs to have a salary above \$100,000 to afford a one-bedroom unit in the secondary rental market.

Impact on Housing Need

- There is a need for housing stock that better matches the salaries of jobs in Richmond Hill, particularly those in lower paying professions.

Figure 4.9

Housing Affordability in Richmond Hill by Employment Type

Employment / Industry (NAICS)	Percentage of Richmond Hill Working Residents	Percentage of Jobs in Richmond Hill	Average Income (2023 Estimate)	Ownership				Rental				
				Affordable House Price (30% of Income)	Average Resale Price (PPS)	90% Average Resale Price (PPS)	Average Asking Price	Affordable Rent (30% of Income)	Average Rent - All Units (PPS)	125% Average Rent (York Region OP)	Average 1-Bed Rent (Primary Rental)	Average 1-Bed Rent (Secondary Rental)
					\$1,340,500	\$1,206,450	\$1,431,800		\$1,664	\$2,080	\$1,479	\$2,540
11 Agriculture, forestry, fishing and hunting	0.1%	0.1%	\$49,100	\$169,100	X	X	X	\$1,230	X	X	X	X
21 Mining, quarrying, and oil and gas extraction	0.1%	0.1%	\$161,300	\$557,400	X	X	X	\$4,030	✓	✓	✓	✓
22 Utilities	0.5%	0.6%	\$164,100	\$567,500	X	X	X	\$4,100	✓	✓	✓	✓
23 Construction	3.4%	6.5%	\$99,200	\$341,100	X	X	X	\$2,480	✓	✓	✓	X
31-33 Manufacturing	7.5%	7.3%	\$111,700	\$384,200	X	X	X	\$2,790	✓	✓	✓	✓
41 Wholesale trade	5.0%	4.6%	\$113,700	\$391,000	X	X	X	\$2,840	✓	✓	✓	✓
44-45 Retail trade	10.5%	10.6%	\$49,200	\$169,400	X	X	X	\$1,230	X	X	X	X
48-49 Transportation and warehousing	2.3%	4.0%	\$80,700	\$277,500	X	X	X	\$2,020	✓	X	✓	X
51 Information and cultural industries	3.4%	2.9%	\$123,700	\$425,500	X	X	X	\$3,090	✓	✓	✓	✓
52 Finance and insurance	10.9%	10.2%	\$129,200	\$444,500	X	X	X	\$3,230	✓	✓	✓	✓
53 Real estate and rental and leasing	4.2%	4.3%	\$80,200	\$275,700	X	X	X	\$2,000	✓	X	✓	X
54 Professional, scientific and technical services	17.2%	15.7%	\$107,300	\$369,100	X	X	X	\$2,680	✓	✓	✓	✓
55 Management of companies and enterprises	0.6%	0.6%	n/a	n/a								
56 Administrative and support, waste management and remediation services	2.6%	3.1%	\$61,200	\$210,400	X	X	X	\$1,530	X	X	✓	X
61 Educational services	7.8%	6.9%	\$87,300	\$300,200	X	X	X	\$2,180	✓	✓	✓	X
62 Health care and social assistance	11.7%	10.8%	\$75,500	\$259,700	X	X	X	\$1,890	✓	X	✓	X
71 Arts, entertainment and recreation	1.0%	0.9%	\$54,000	\$185,800	X	X	X	\$1,350	X	X	X	X
72 Accommodation and food services	4.0%	4.0%	\$37,900	\$130,400	X	X	X	\$950	X	X	X	X
81 Other services (except public administration)	2.9%	3.2%	\$57,900	\$199,000	X	X	X	\$1,450	X	X	X	X
91 Public administration	4.1%	3.7%	\$126,200	\$434,000	X	X	X	\$3,150	✓	✓	✓	✓

✓ = Affordable
 X = Unaffordable

Source: Parcel, based on York Region data provided by City of Richmond Hill, Statistics Canada 2021 Census, Statistics Canada Table 98-10-0491-01, Statistics Canada Table 36-10-0489-05, CMHC Housing Market Information Portal, TRREB 2023 Market Watch data, and TRREB Rental Market Report (Q1 2023 to Q3 2023). Compensation amounts from Table 36-10-0489-05 adjusted to 2023 dollars based on Bank of Canada Consumer Price Index December 2020 to December 2023. Affordable ownership house price calculations assume 30% gross debt service, 0.691472% annual property tax, 4% CMHC mortgage loan insurance, 5% down payment, 6.59% mortgage rate, and a 25-year amortization period. Incomes and prices rounded to nearest \$100. Rents rounded to nearest \$10.

5.0

Conclusions

5.1 Housing Gaps

Gap #1: More diverse housing stock—including smaller dwellings and family sized dwellings—to attract younger households and allow seniors to age in place

- Improvements to housing diversity – both typology and tenure – remain important to attract and retain younger households and allow seniors to age in place. Family-forming age cohorts continue to leave Richmond Hill and the seniors population continues to grow.
- There are indications that housing stock is diversifying with apartments making up an increasing share of total stock and high-density housing making up most recent starts and completions. However, low-density housing stock is still the predominant housing typology.

There is still a need to encourage more diverse tenure with almost all new supply intended for the ownership market (See Gap 2).

Gap #2: Purpose-built rental stock

- Purpose-built rental continues to be undersupplied.
- Purpose-built rental supply has not kept pace with the growth of renter households resulting in households having to look for accommodation in the less stable secondary rental market where rents are more expensive.

Additional stock may help to restore vacancy rates to healthier levels (3% or higher) and stabilize rents through increased supply.

Gap #3: Affordable rental housing for low- and moderate-income households

- Affordable rental stock remains a gap.

- Average rents as per the affordable definitions are only affordable to renter households in the 50th percentile and above while asking rents are unaffordable to all but the highest income renter households.
- Over half of renter households are cost burdened and 31% are in core housing need.

Gap #4: Accessible and supportive housing options for households with a disability or mental health issue

- No new supportive housing units have been created in Richmond Hill since previous reporting.
- The number of supportive housing options was deemed insufficient in previous reporting due to the number of individuals on the waitlist. Population growth and a higher incidence of residents with disabilities in York Region in the interim suggests the need for supportive housing has increased.

Gap #5: Affordable ownership options for moderate-income households and appropriate for larger households

- Affordable ownership options are required for all income levels.
- A lack of affordable ownership options may be pushing moderate-income households into the rental market, putting greater pressure on renter households which typically have lower incomes.
- Most new supply is in high density housing which typically have fewer larger units, forcing larger households into more expensive housing typologies or outside of Richmond Hill for more affordable accommodation.

Housing Goals and Targets from 2021 Affordable Housing Strategy Remain Relevant

5.2 Future Updates

It is recommended that the City of Richmond Hill conduct a review of the Housing Needs Assessment every five years to validate the current housing needs and resulting housing goals and targets.

Parcel

info@parceleconomics.com

416-869-8264

250 University Avenue, #221, Toronto, Ontario, M5H 3E5

