



Advocacy Centre  
for Tenants Ontario

Tenant Duty  
Counsel Program



# WHERE WILL WE LIVE?

ONTARIO'S AFFORDABLE RENTAL HOUSING CRISIS



48% of Ontario renters make less than **\$40,000** a year.



46% of all renters in Ontario live in the **Toronto** metropolitan region.



Over **50%** of Ontario households aged **25** to **34** rent their home.

Nearly **half** of Ontario renters pay **unaffordable** rental housing costs.



In **Toronto** a household must earn **\$24** an hour for their rents to be **affordable**.



# KEY ISSUES

The percentage of renters is increasing in Ontario and across Canada. Renters in Ontario now constitute over 30% of the total population. In the City of Toronto, almost half of all households rent their home. This increase has been largely driven by a growing proportion of renters within the younger generations. **Over half of Ontario households between the ages 25 to 34 are renters.** This trend may be due to the increasing cost of homeownership, the lack of well-paid and secure jobs and the increasing numbers of single-person households. Low- and moderate-income households are also much more likely to rent their homes. **71% of households with income below \$20,000 are renters, compared to only 10% of households with income over \$100,000.**

A significant percentage of renters across Ontario and in Toronto are facing unaffordable housing costs that limit their ability to spend money on other life necessities. Too many people are choosing to forgo a healthy diet or the medication they need just to keep a roof over their head. Many facing rising rents are being displaced from their communities and many more are commuting longer hours between home and work. **The road to homelessness for renters living on lower incomes is a stark reality if they lose their job or face a health challenge.**

Renters are facing a combination of rising housing costs, stagnating incomes, and limited access to subsidized housing. Renters tend to have much lower incomes compared to homeowners. As rental housing costs continue to rise, all levels of government must focus on alleviating the burden of unaffordable housing, especially for low-income renters. Solving the affordable rental housing crisis in our province requires long-term commitment to targeted housing policies and investments that focus on the needs of low- to moderate-income renter households.

Rents have risen across Ontario over the past 20 years, particularly since 2011. We know for a fact that our affordable rental housing crisis will not be solved by building more condominiums or luxury purpose-built rentals. We need a combination of **targeted policies and investments including funding for social housing, government support for non-profit housing, and strong protections in place for tenants.** Preserving the status-quo is no longer an option for the hundreds of thousands of renters struggling every day to keep a roof over their head.

\* According to the Canada Mortgage and Housing Corporation (CMHC), housing is considered affordable if shelter costs account for less than 30% of before-tax household income.

\* This report will refer to renter households as renters for short.

A healthy rental market requires a minimum vacancy rate of 3% to 5%.

## Vacancy rates in 2017

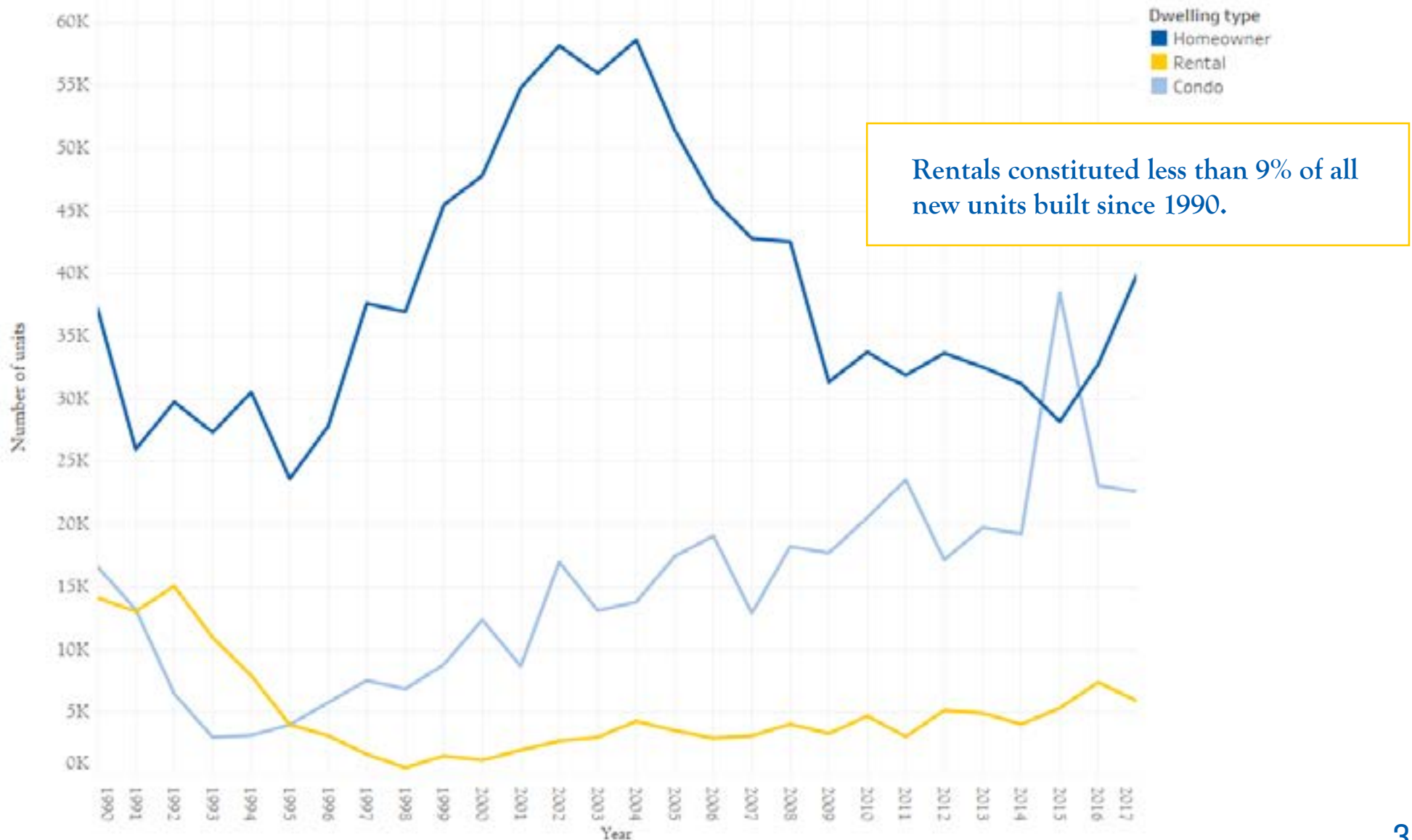
	1 Bedroom (%)	2 Bedroom (%)
Barrie	1.8	3.3
Greater Sudbury	4.5	4.1
Guelph	1.3	1.0
Hamilton	2.2	1.7
Kingston	0.5	0.9
Kitchener - Cambridge - Waterloo	1.6	1.9
London	1.7	1.8
Ontario	1.6	1.6
Oshawa	3.0	1.9
Ottawa	1.4	2.1
Peterborough	1.5	1.1
Sarnia	2.4	2.7
Sault Ste. Marie	3.9	5.9
St. Catharines - Niagara	1.4	1.6
Thunder Bay	4.2	2.7
Toronto	1.1	0.9
Windsor	2.4	2.0

### A low vacancy rate means:

- \* Renters looking for affordable rental homes have limited choices.
- \* Rents continue to rise due to limited supply.

Since 1990, Ontario has built: 1,075,779 units for homeownership;  
410,562 condo units; 143,091 purpose-built rental units.

Dwelling completions Ontario

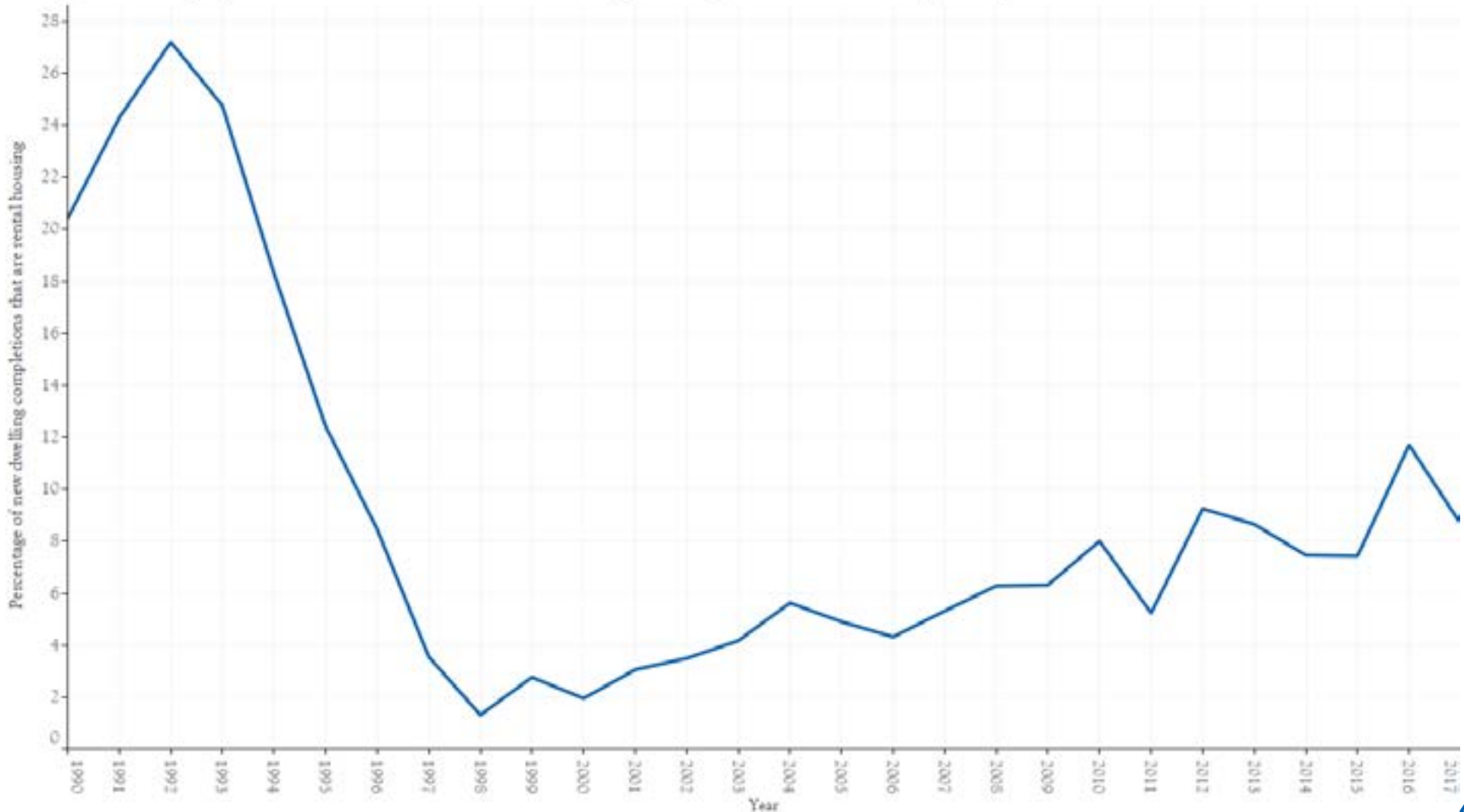


Based on CMHC Housing Market Information Portal.

In Toronto, the average rent for a 1-bedroom condo in 2017 was \$1,803 while the average rent for a 1-bedroom purpose-built rental was \$1,194.

**Purpose-built rentals are a key source of affordable rental housing. Condos are not a replacement for purpose-built rentals.**

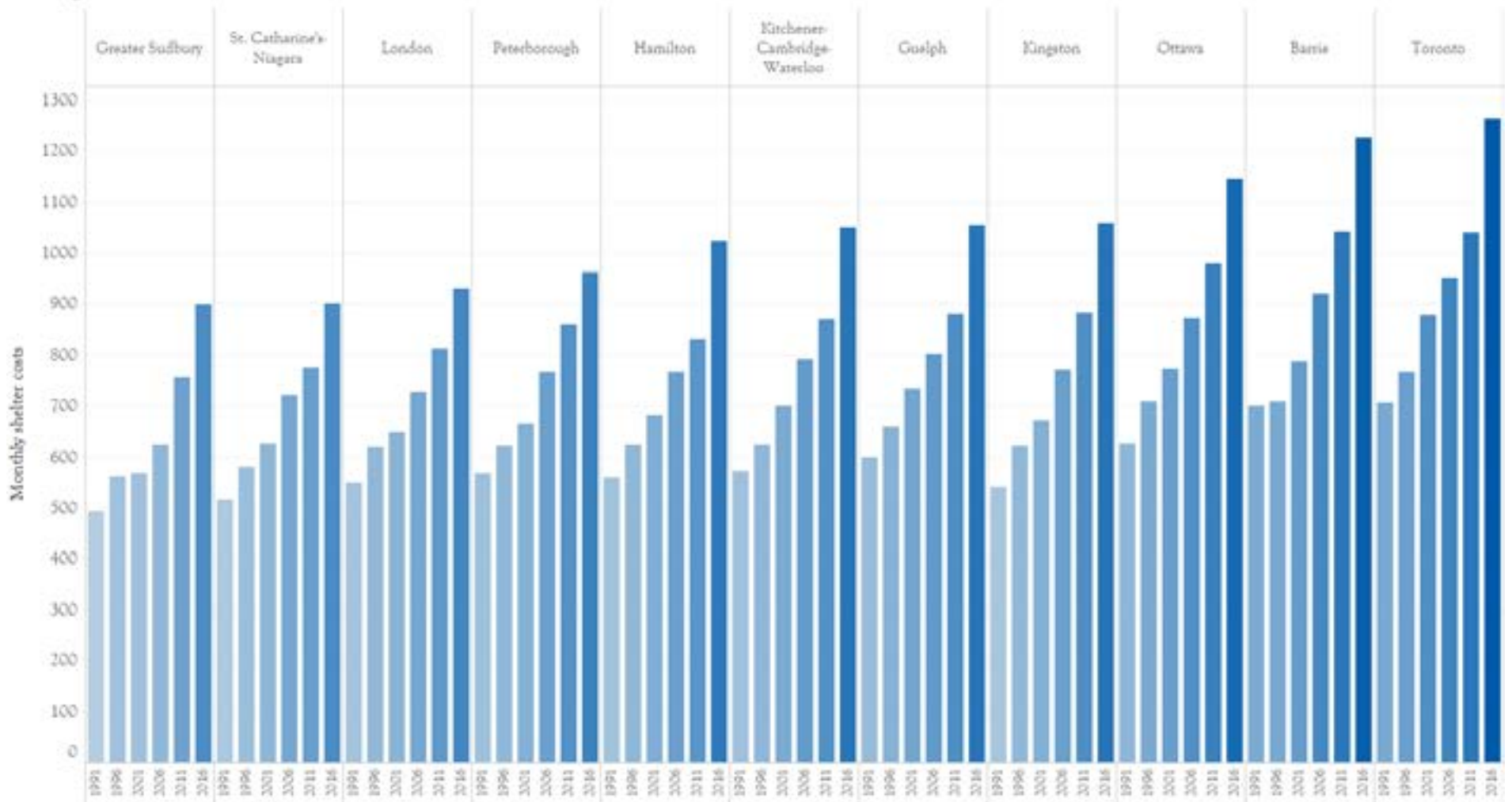
Completions of purpose-built rental units in Ontario as percentage of all new housing completions



The **majority** of Ontario **urban centres** have experienced larger **increases** in **housing costs** in the period between **2011 and 2016** than in the previous five years

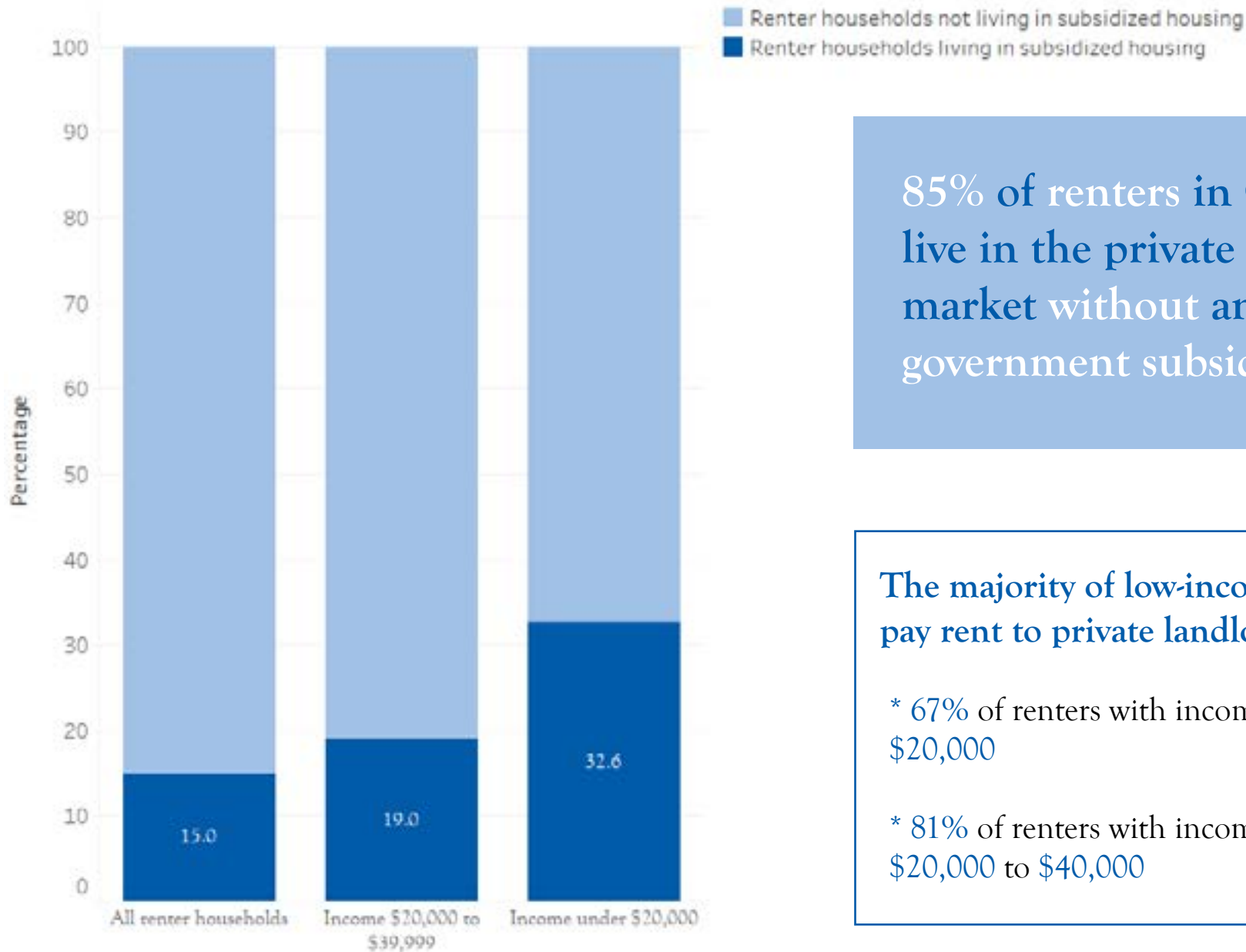
Average shelter costs have risen consistently across major urban centres in Ontario between 1991 and 2016.

Average shelter costs for renter households



Based on 2016 Census data.

## Renter households in subsidized housing (%)



85% of renters in Ontario live in the private rental market without any government subsidies.

The majority of low-income renters pay rent to private landlords:

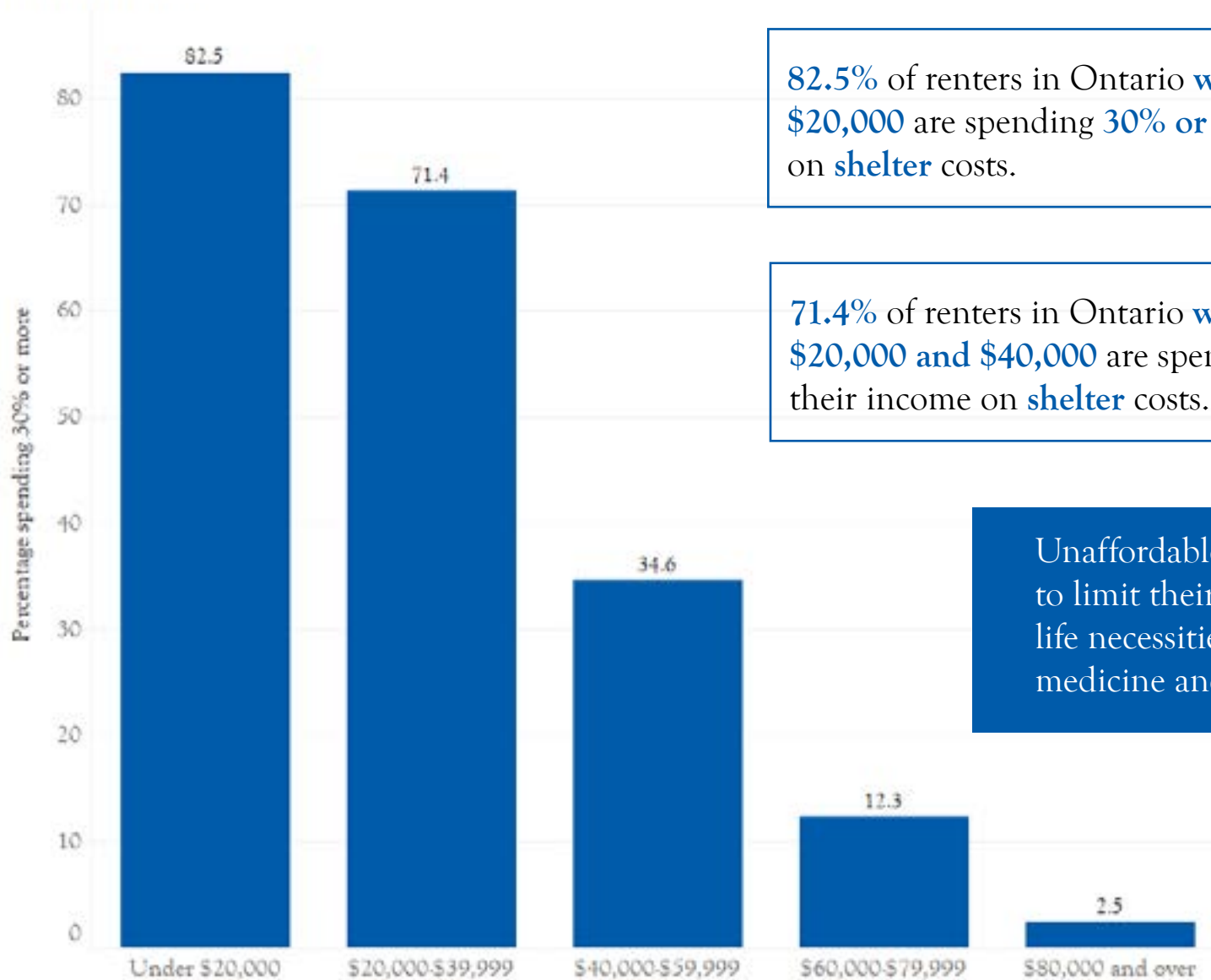
\* 67% of renters with income below \$20,000

\* 81% of renters with income between \$20,000 to \$40,000



# Ontario has the highest proportion of renters in Canada paying over 30% of their income on housing.

Percentage of Ontario renter households spending 30% or more of income on shelter costs by annual income



82.5% of renters in Ontario **with incomes** below \$20,000 are spending **30% or more** of their income on **shelter** costs.

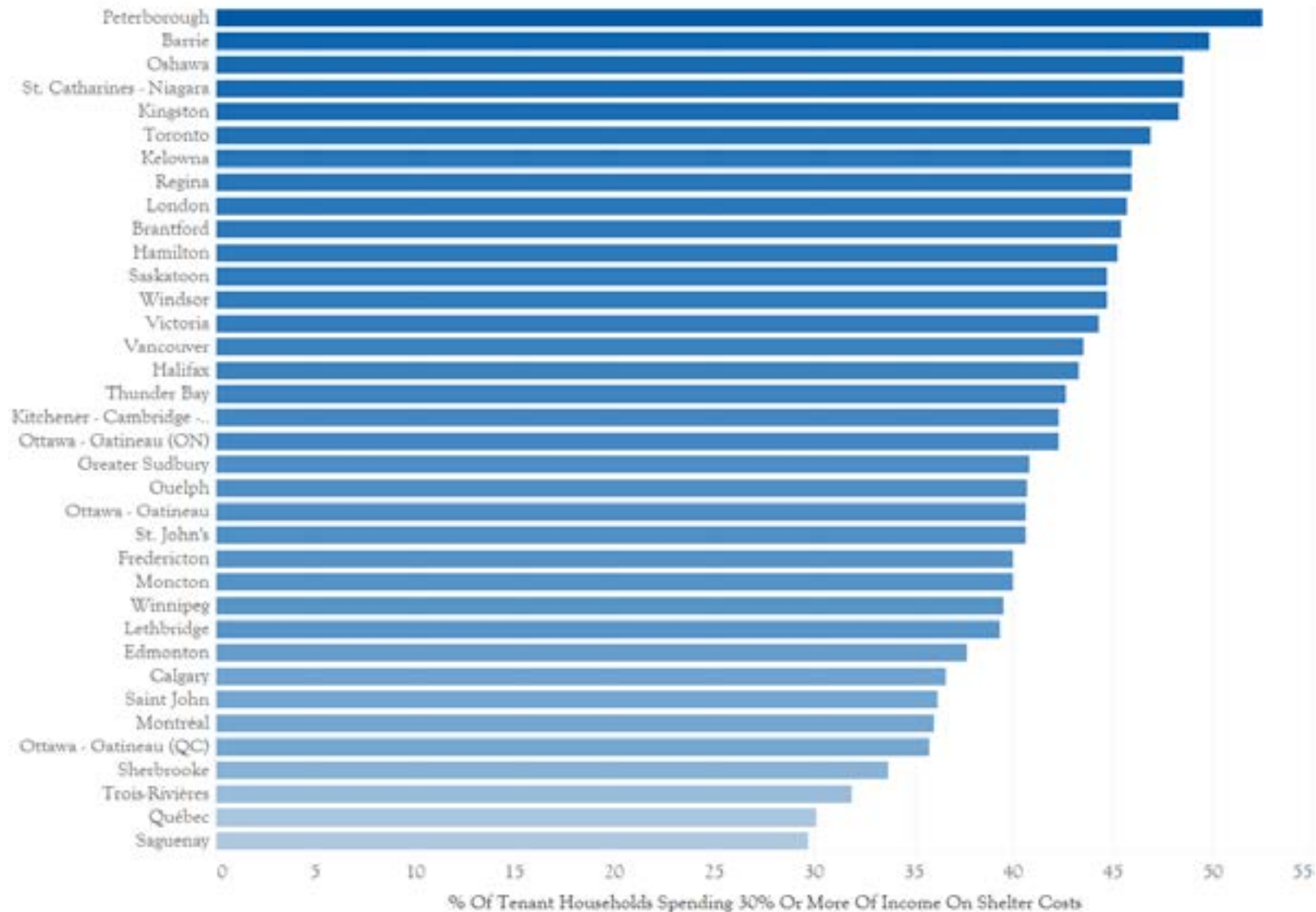
71.4% of renters in Ontario **with incomes** between \$20,000 and \$40,000 are spending **30% or more** of their income on **shelter** costs.

Unaffordable rents force people to limit their spending on other life necessities such as food, medicine and transportation.

8 of the 10 metropolitan areas in Canada with the highest percentage of tenants paying unaffordable rents are in Ontario.

In Peterborough, Barrie, Oshawa, St. Catharines - Niagara, Kingston, and Toronto close to or over half of renters have unaffordable shelter costs.

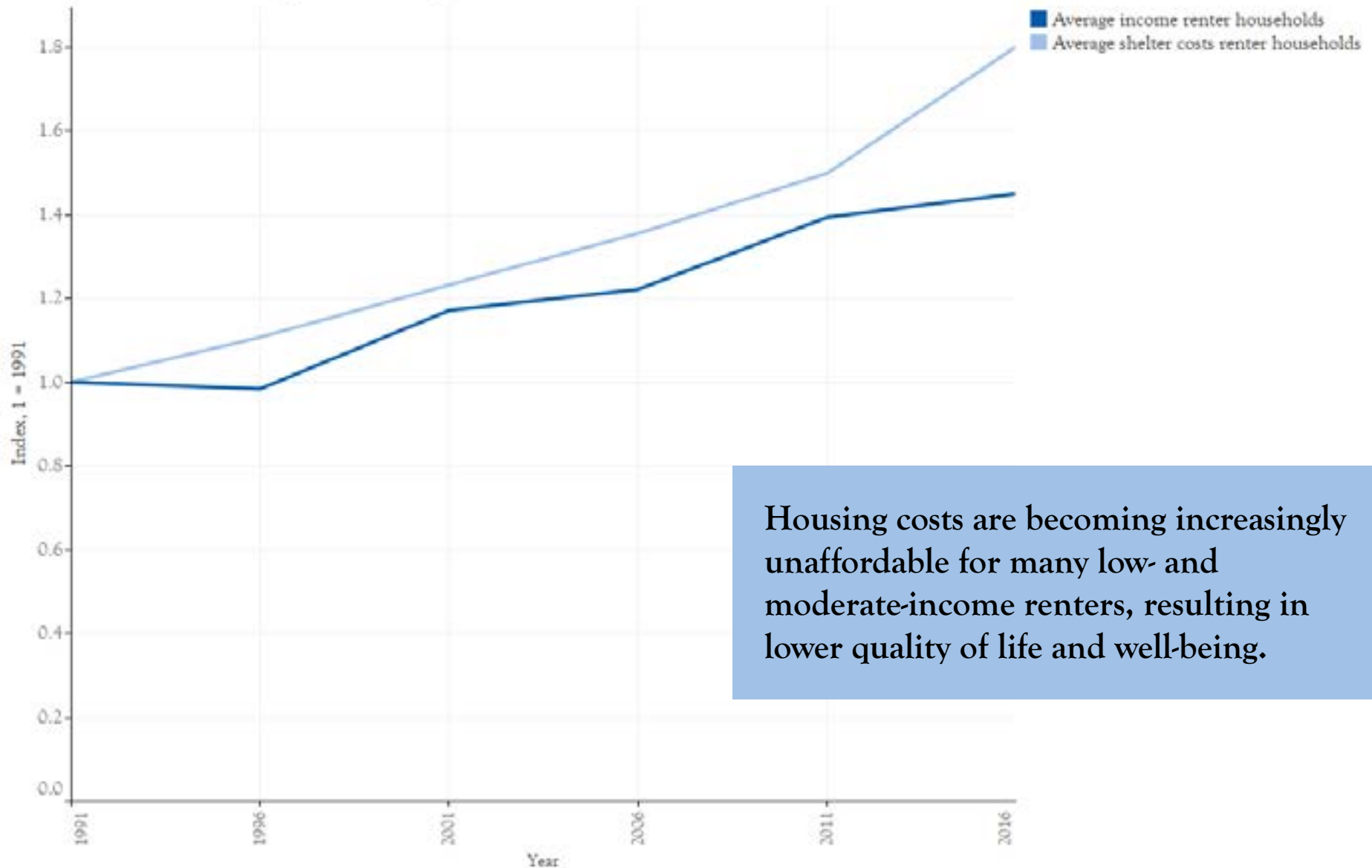
Percentage of renter households with unaffordable shelter costs



Based on 2016 Census data.

The average income of renter households has increased at a much lower rate than average housing costs between 1991 and 2016.

Average income and average shelter costs, renter households in Ontario

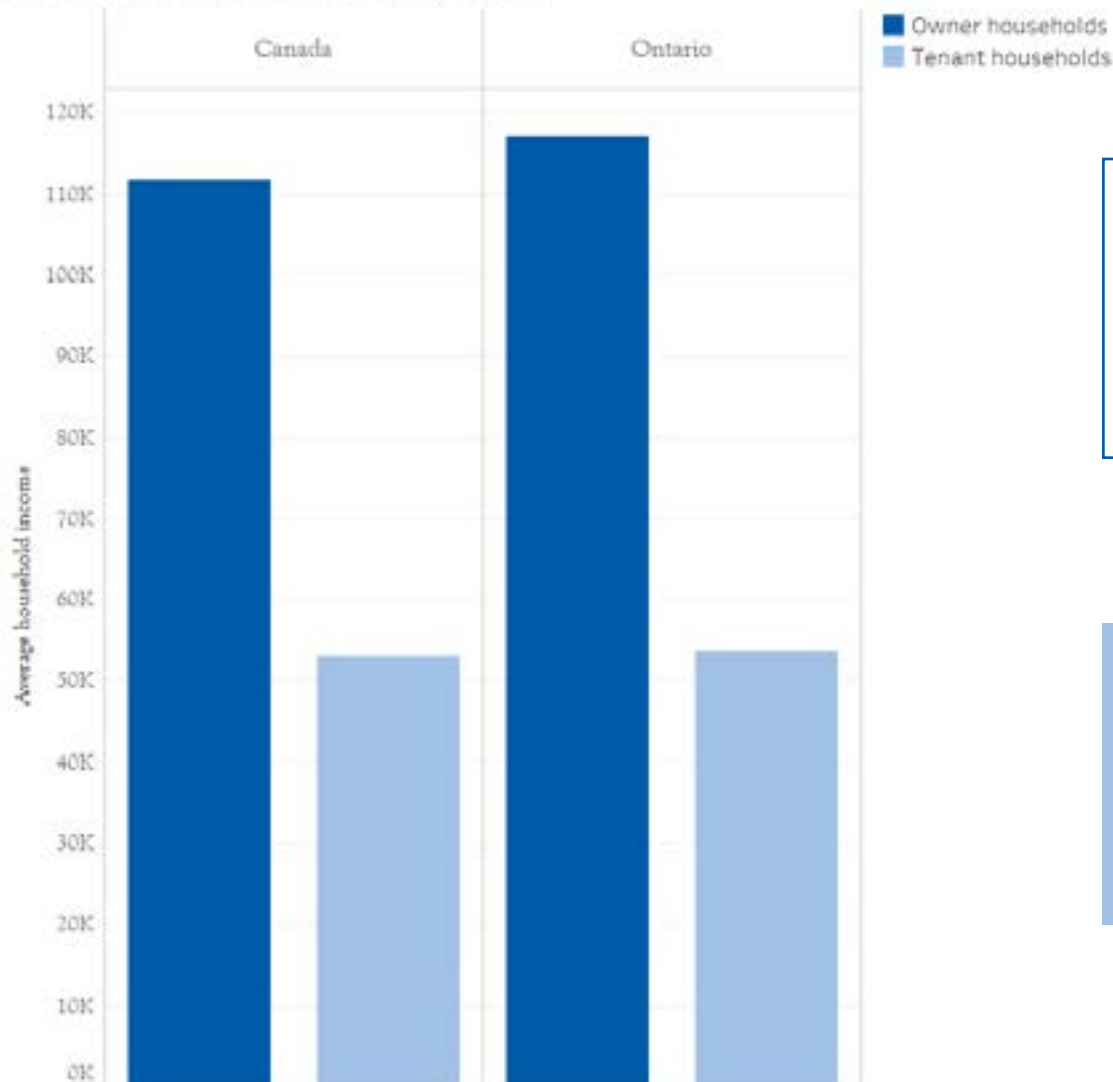


Housing costs are becoming increasingly unaffordable for many low- and moderate-income renters, resulting in lower quality of life and well-being.

Income disparity between renters and homeowners has been increasing for the past 25 years.

Ontario renters' income is less than half of homeowners' income.

Average household income by tenure

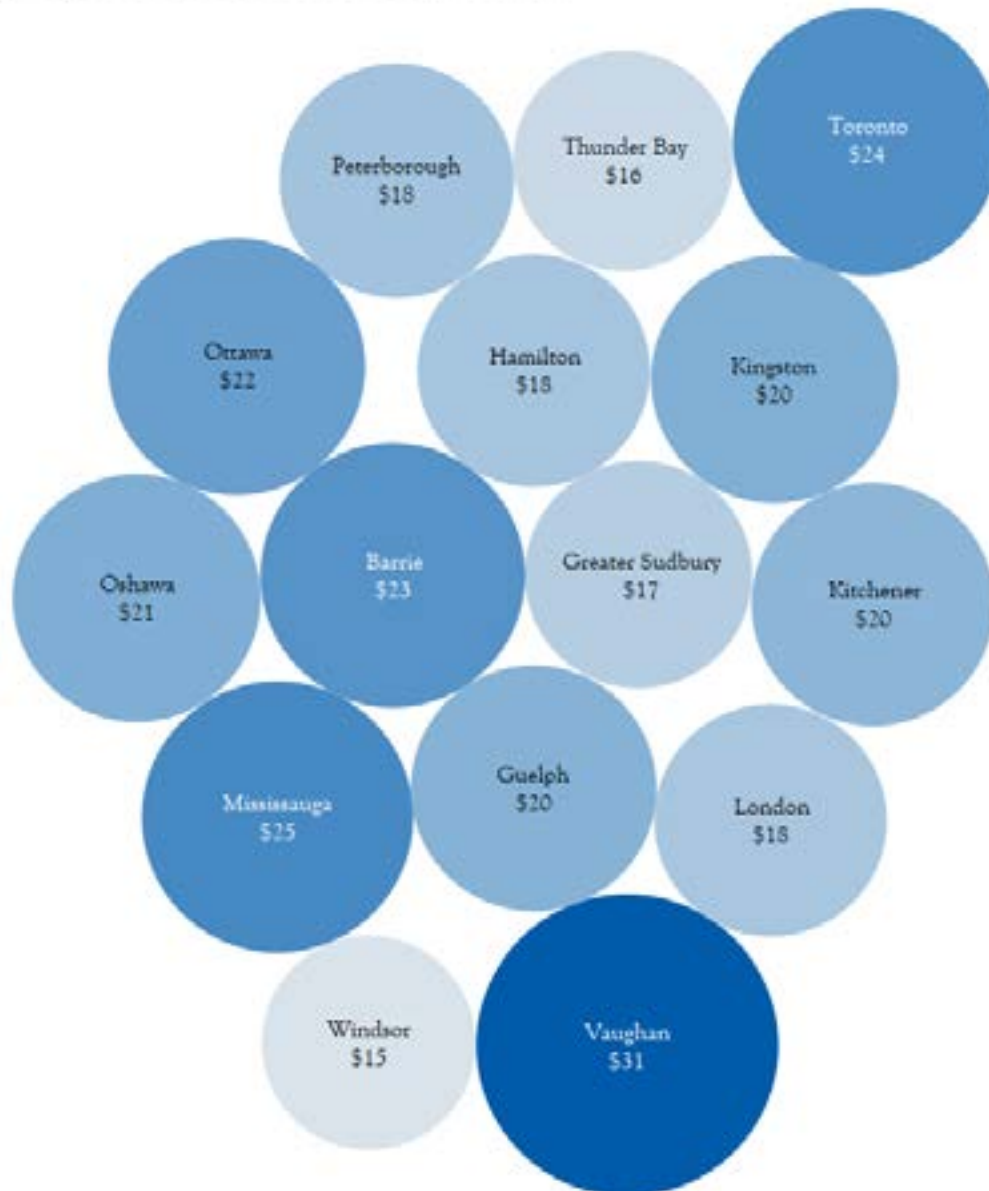


The average income of homeowners has grown by 84% between 1991 and 2016. The average income of renters has only grown 45% over the same time period.

In 2015, the average income for renters in Ontario was \$53,573 while the average income of homeowners was \$117,139.

## Households earning minimum wage (\$14/hour) or slightly above are facing significant affordability challenges in most urban centres in Ontario.

Hourly wage needed for rent to be affordable



Since urban centres constitute Ontario's main employment centres, many renters find themselves unable to afford a rental home in the areas where they work, leading to displacement and longer commutes.

Other households may find themselves working longer hours or taking on more than one job in order to be able to afford the rising rents.

	Average monthly shelter costs for all rented dwellings	Hourly wage needed for average shelter costs to be affordable	Weekly hours at minimum wage (\$14) for average shelter costs to be affordable
Barrie	\$1,219	\$23	67
Brampton	\$1,225	\$24	67
Chatham-Kent	\$744	\$14	41
Greater Sudbury	\$901	\$17	50
Guelph	\$1,050	\$20	58
Hamilton	\$947	\$18	52
Kawartha Lakes	\$937	\$18	51
Kenora	\$873	\$17	48
King	\$1,401	\$27	77
Kingston	\$1,065	\$20	59
Kitchener	\$1,028	\$20	56
London	\$941	\$18	52
Markham	\$1,436	\$28	79
Milton	\$1,522	\$29	84
Mississauga	\$1,281	\$25	70
Newmarket	\$1,247	\$24	69
Nipissing	\$988	\$19	54
Oakville	\$1,523	\$29	84
Oshawa	\$1,070	\$21	59
Ottawa	\$1,148	\$22	63
Peterborough	\$956	\$18	53
Richmond Hill	\$1,446	\$28	79
Sault Ste. Marie	\$786	\$15	43
St. Catharines	\$907	\$17	50
Thunder Bay	\$843	\$16	46
Toronto	\$1,242	\$24	68
Vaughan	\$1,587	\$31	87
Windsor	\$796	\$15	44

Based on 2016 Census data.

# WHAT ONTARIO NEEDS

- 1 Provincial cost-matching of the federal National Housing Strategy funds.
- 2 Build more affordable purpose-built rental housing with deep affordability (where people are not forced to pay more than 30% of their income on rent).
- 3 Build new social housing and preserve the existing social housing stock.
- 4 Preserve existing affordable rental units by decreasing financial incentives for landlords to push out sitting tenants.
- 5 Recognize the right to housing in law.



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Our vision is safe, well-maintained, secure and  
affordable housing for all Ontarians.

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