

Updates regarding the Housing Supply and Demand Analysis and Provincial Housing Target

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Report Summary

This report provides an update to the Housing Supply and Demand Analysis of Greater Sudbury's housing needs across the housing continuum that is used to develop targets and inform proposed policies and incentives that will form part of the City of Greater Sudbury Housing Supply Strategy as well as an update on progress towards achieving the Provincial Housing Target.

Relationship to the Strategic Plan, Health Impact Assessment and Climate Action Plans

The Housing Supply and Demand Analysis aligns with Council's Strategic Priorities including "Expand Affordable and Attainable Housing Options" and "Develop and Promote Solutions to Support Existing Housing Choices". The Supply and Demand Analysis is one of a series of reports that will inform the development of the Housing Supply Strategy which will address the actions outlined in the Housing goal of the Strategic Plan, which reflect Council's desire for all citizens, especially vulnerable populations, to have access to safe, affordable, attainable and suitable housing option in the City of Greater Sudbury.

The Housing Supply and Demand Analysis provides the City with a strong foundation of data to guide the creation of compact, complete communities, Goal 1 of the CEEP.

Financial Implications

There are no financial implications associated with this report.

Background

On August 15, 2023, a Housing Supply and Demand Analysis was presented to Council. The Housing Supply and Demand Analysis provides an assessment of affordability thresholds based on income levels; describes the current housing market in Greater Sudbury (Ownership resale housing, ownership new sale housing, and rental housing); characterizes the housing supply and needs; provides an affordability gap

analysis; and describes the types of households facing affordability challenges. This study was funded through the 'Consulting Fees for Policy and Process Improvements Stream' of the Province's Streamline Development Approvals Fund and provides a foundation of housing related data that will assist in the development of a policy framework supportive of residential growth targeting gaps in the current housing supply. This report is one of a series of background reports that informed the development of the Housing Supply Strategy and the next update to the Housing and Homelessness Plan.

The report has been updated to incorporate newly available 2021 Census data and population projections that were presented to Council on July 10, 2023.

Supply and Demand Analysis Updates

The Housing Supply and Demand Analysis presented in August 2023, utilized population, household and employment projections to 2046 based on data available to the consultant at the time of writing the report. The consultant has now updated certain sections of the report to reflect population projections to 2051. The following paragraphs summarize the sections of the report that were amended based on the updated projections.

Average Household Incomes (Page 10)

Renter household income grew more than owner households. This trend, however, does not signal improving affordability. Inflation combined with rapid price appreciation in both rental and ownership markets continue to put downward pressure on affordability thresholds despite income growth.

Projections and Growth Outlook (page 43)

Tables have been updated to reflect the Reference Scenario of the Population Projections Report, which provides projections to 2051. The previous version of the Supply and Demand Analysis report utilized growth projections to 2046.

Core Housing Need (page 50)

In 2021, almost 18% of all renter households in Greater Sudbury were in core housing need, meaning their housing was either unaffordable, inadequate or unsuitable. In comparison, only 3% of all owner households experienced core housing need. These are reductions from the 2016 data, which showed 30% of renter households and 4% of all owner households as being in core housing need.

Need for Rental Units (page 55)

The previous report identified an immediate need for 470 additional rental units to achieve a healthy vacancy rate of 5% and an average of 66 additional rental units per year for the next 30 year to meet anticipated demand. The updated report identifies the need for an additional 113 rental units per year for the next 30 years (total of 3,400 additional rental units required). The gaps exist across all rental typologies (purpose built rental, townhomes, privately leased homes, etc) and unit type (Bachelor, 1-bedroom, 2-bedroom and 3-bedroom).

Provincial Housing Target

On August 21st, 2023, the Province established Greater Sudbury's housing target at 3,800 new homes by 2031. The housing target aligns with the Province's identified need to create 1.5M new homes in Ontario by 2031. In addition to the 10-year housing target, the Province has assigned targets for 2023, 2024 and 2025. Greater Sudbury exceeded the assigned 2023 target of 279, achieving 436 housing starts or 156% of the target.

Housing Targets under the Build Fast Fund

Target	2023	2024	2025
Provincial	110,000	125,000	150,000
City of Greater Sudbury	279	317	380

Performance against this target is evaluated based on housing starts, as defined by CMHC's Starts and Completions Survey, as well as Additions Residential Units (Secondary Dwellings Units) and Long-Term Care Facilities.

The Province encourages municipalities to meet their targets through the \$1.2 billion Building Faster Fund, which rewards municipalities that reach at least 80% of their annual target with funding, with bonus funding for municipalities that have exceeded their target. Greater Sudbury is eligible for the bonus funding.

Projecting and Tracking Housing Creation in Greater Sudbury

The City regularly tracks and reports on the number of building permits issued to create new residential units in the City. During the previous 10-year period from 2012-2022 the City issued permits to create 4,076 new homes in Greater Sudbury for an average of just over 400 per year.

Since 2020 the City has seen an increase in new home creation with an average of 450 permits for new residential units issued per year over the last 3 years. From January 1st, 2022 to the end of December 2023 Greater Sudbury issued permits that would result in the creation of 1,132 units or 30% of the overall Provincial Target.

In July of this year the City released its updated Population Projections Report to 2051. The report projected that the City would grow by 4,180 new households between 2021 and 2031 under the reference scenario, which would exceed the Provincial target.

Conclusion and Next Steps

The Housing Supply and Demand Analysis will support the development of the Housing Supply Strategy and the update to the Housing and Homelessness Plan and is directly linked to items 2.a. (recommendations to enhance current initiatives), 2.d. iv. (ensuring the right mix of housing stock), and 2.f. (reporting metrics), of resolution CC2023-26.

The table below provides an outline of the Housing Supply Strategy project stages and anticipated timing.

Project Stage	Timeline
Phase 1 Consultation	complete
Series 1 - Background Reports	complete
Draft Housing Supply Strategy	Complete
Phase 2 Consultation	Complete
Series 2 – Implementation Reports	Q1-Q2 2024
Final Housing Supply Strategy	Late Q2 2024
Implementation, Monitoring and Evaluation	Ongoing

Resources Cited

1. "Streamline Development Approvals Fund", report presented at the March 29, 2022 Finance and Administration Committee Meeting, <https://pub-greatersudbury.escribemeetings.com/filestream.ashx?DocumentId=43654>
2. "Request for the Development of a Housing Supply Strategy", Motion presented at the February 7, 2023, Council meeting <https://pub-greatersudbury.escribemeetings.com/Meeting.aspx?Id=45cb9903-efa8-4dbc-8754-c95b1dd1773c&Agenda=Agenda&lang=English&Item=50&Tab=attachments>
3. Housing Supply Strategy – Over To You Website, <https://overtoyou.greatersudbury.ca/housing-supply-strategy>
4. City of Greater Sudbury Social Housing Revitalization Plan, 2018, <https://pub-greatersudbury.escribemeetings.com/filestream.ashx?documentid=3279>
5. Housing and Homelessness Plan, Annual Update Reports, Community Housing Website, <https://www.greatersudbury.ca/live/community-housing/housing-services/1/ten-year-housing-and-homelessness-plan/>
6. Population Projections Report, July 10, 2023, <https://pub-greatersudbury.escribemeetings.com/filestream.ashx?DocumentId=50009>
7. Supply and Demand Analysis, August 15, 2023 <https://pub-greatersudbury.escribemeetings.com/Meeting.aspx?Id=7560e0ec-ac6f-4e90-8d13-07fc3f5d8662&Agenda=Agenda&lang=English&Item=46&Tab=attachments>
8. Draft Housing Supply Strategy, January 16, 2024 <https://pub-greatersudbury.escribemeetings.com/Meeting.aspx?Id=77573625-8334-46bf-aea7-7c84ca6d58f3&Agenda=Agenda&lang=English&Item=43&Tab=attachments>
9. Municipal Housing Pledge, December 5, 2023 <https://pub-greatersudbury.escribemeetings.com/Meeting.aspx?Id=3a56ac39-a82f-4a67-8091-56e43a7868b9&Agenda=Agenda&lang=English&Item=39&Tab=attachments>
10. Provincial Housing Supply Progress Tracker <https://www.ontario.ca/page/tracking-housing-supply-progress>
11. Development Tracking Dashboard <https://experience.arcgis.com/experience/260802f3ba514cf28247e7c82c65a66d?org=Sudbury>