

# 2018 State of Housing Report

January 9, 2018

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# Introduction

Housing is widely recognized as foundational to a person’s ability to lead a healthy and productive life. Benefits to the health of individuals and families produce positive outcomes for the broader community as evidence suggests that communities with a range of housing choices for all income earners, are more liveable, economically competitive and resilient. Using the latest available data for Ontario, the Mowat Centre estimates that for each \$1 increase in residential construction investment generates an increase in overall GDP by \$1.52 as the investment continues to cycle through the economy.<sup>1</sup> However, when you scale down the economic effects to an individual level they become even more significant. Since housing is a major barrier to employment, individuals with a core housing need in Ontario could conceivably earn an additional \$9500 in income.<sup>2</sup> If education is used as a measure, affordable housing for those children in need could lead to 48 percent of them achieving better performance in school.<sup>3</sup> Finally, there are significant cost savings for the justice system as housing reduces recidivism and as a result even a small reduction of one correctional stay can save the government an average of \$9500.<sup>4</sup>

Despite the positive outcomes from building affordable housing stock, municipalities across Ontario are faced with immense challenges in facilitating these developments. This is particularly true in Northern Ontario with the climate shortening the construction season and increasing the cost of utilities and transporting goods in and out of the region.<sup>5</sup> Furthermore, unlike in Southern Ontario where municipalities act as Service Managers and provide social housing for their respective areas, District Social Services Administration Boards (DSSABs) have this responsibility in the North. DSSABs were originally created to administer social services in northern communities before the administration and delivery of housing services were downloaded to the local level. DSSABs do not have powers or resources fully equivalent to municipalities and are particularly disadvantaged due to limitations on their ability to raise funds through debentures to create or improve social housing. They can only raise funds based on the borrowing ability of individual municipalities within their service areas. As most

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<sup>1</sup> Noah Zon, Melissa Molson and Matthias Oschinski, “Building Blocks: The Case for Federal Investment in Social and Affordable Housing in Ontario” *Mowat Centre* (2014) pg. 27

<sup>2</sup> *Ibid*, pg. 33

<sup>3</sup> *Ibid*, pg. 35

<sup>4</sup> *Ibid*, pg. 37

<sup>5</sup> Greg Suttor, “Affordable Housing as Economic Development: New Housing Can Spark Growth in Northern and Southwestern Ontario” *Ontario Non-Profit Housing Association* (2016) pg. 11

municipalities in DSSAB service areas are small in terms of volume of debentures, even with a good credit rating rates for debt may be higher.<sup>6</sup>

However, the far more significant barrier has been the downloading of social housing stock without any accompanying financial reserves. In Kenora, the majority of this stock was transferred to the Kenora District Services Board (KDSB). The remainder was transferred to various Indigenous Housing providers or left with the Ministry of Health and Long Term Care and other Ministries but operated by various health service providers in the City. The KDSB vis-à-vis the District of Kenora, became responsible for a housing stock that had been constructed between the 1960s and 1990s without any financial means to plan for their replacement. In some cases, at the time of the transfer, the housing assets were nearing the halfway point in their overall useful life and were transferred with no accompanying replacement reserves.

Further, the operational funding provided to the KDSB for the housing stock in its direct portfolios and that of the Non-Profit Housing Providers has been indexed to a methodology scale that is nearly 20 years old. This has translated to the local communities carrying an ever increasing responsibility for the costs of operating the existing housing stock while the Federal and Provincial government responsibilities decreased.<sup>7</sup>

Under this reality, the City of Kenora is confronted with the challenge of addressing the gap in housing for a variety of demographics and income earners, while at the same time, doing so within its legislated authority. The *State of Housing Report* builds off of the gap analysis completed in the *2014 Affordable Housing Study* by providing the latest information surrounding affordability and the current potential in the community.

This report presents a compilation of available demographic, socio-economic and housing market data about Kenora. The primary sources of data for this report include: Canada Mortgage and Housing Corporation (CMHC), City of Kenora, Kenora District Services Board (KDSB), Government of Ontario, Municipal Property Assessment Corporation (MPAC), and Statistics Canada's Census of the Population and National Household Survey (NHS).

It is important to note that data from the 2011 NHS is of lower quality than the mandatory long-form Census it replaced, and is used when higher quality data is not available. In some cases, it was only possible to use District-level data to assess trends.

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<sup>6</sup> Focus ON, "Local Housing and Homelessness Plans" *Ontario Non-Profit Housing Association* (2012) pg. 15

<sup>7</sup> Kenora District Services Board, "e-mail to author on 2017 State of Housing Report," December 5, 2016

# Kenora’s Housing Action Plan

## Background

The City of Kenora’s *Housing Action Plan* can potentially drive change in the affordable housing market for low and moderate income earners through advocacy, policies and procedures, regulation, financial incentives and communication and education. The Plan will recognize and respect roles and responsibilities as it pertains to the administration and delivery of housing types in the community (Figure 1).<sup>8</sup>

**Figure 1: MMAH Municipal Tools for Affordable Housing**

Province	Service Managers (Housing Role)	Municipalities (Land Use Planning Role)
<ul style="list-style-type: none"> <li>• Establish legislative and policy framework</li> <li>• Set out provincial interests for housing</li> <li>• Partner with Service Managers to ensure financial accountability through service agreements</li> <li>• Provide annual reports on province-wide progress</li> <li>• Contribute to funding for affordable housing and homelessness programs</li> <li>• Engage the federal government to establish a long-term national housing strategy including sustainable funding for affordable housing</li> </ul>	<ul style="list-style-type: none"> <li>• Engage the local community in determining housing needs, establish a housing vision and determine priorities for helping people in need</li> <li>• Develop and implement local housing and homelessness plans that address provincial interests and are consistent with Ontario’s Housing Policy Statement</li> <li>• Contribute to, coordinate and administer housing funding</li> <li>• Monitor and report on progress</li> </ul>	<ul style="list-style-type: none"> <li>• Use local housing and homelessness plans as the basis for housing needs assessment to guide development of municipal planning policies and approaches</li> <li>• Identify range of planning and financial tools that are available and create enabling frameworks for their use</li> <li>• Develop and implement official plan policies and zoning to direct development and promote the availability of a full range of housing types to meet range of identified needs. This includes implementing policies to permit second units, as well as enabling policies needed to use planning and financial tools</li> </ul>

It will serve to complement the KDSB’s *Ten Year Housing and Homelessness Plan* by bridging in the private market to create an integrated and systemic approach to supporting affordable housing needs within Kenora (Figure 2).<sup>9</sup> To be effective, the City of Kenora, KDSB and community partners will have to co-ordinate efforts in leveraging funding and developing policy.

<sup>8</sup> Ministry of Municipal Affairs and Housing, “Municipal Tools for Affordable Housing” Government of Ontario (2011) pg. 4

<sup>9</sup> Kenora District Services Board, “City of Kenora: Emergency Shelter,” *Open House Presentation April 14, 2016*

**Figure 2: Housing Spectrum**

Kenora District Services Board				City of Kenora		
Emergency Shelter	Transitional Housing	Social Housing	Non-Market Rental	Market Rental	High Market Rental Ownership	Market Home Ownership
<ul style="list-style-type: none"> <li>•Overnight shelters</li> <li>•EWP mats</li> <li>•Safe Houses</li> </ul>	<ul style="list-style-type: none"> <li>•Low-barrier Housing</li> <li>•Housing with Supports</li> <li>•Transition Houses</li> </ul>	<ul style="list-style-type: none"> <li>•Subsidized Rental Housing for seniors, people with disabilities and families</li> </ul>	<ul style="list-style-type: none"> <li>•Rental Assistance Program (RAP)</li> <li>•Rent Supplements</li> <li>•Affordable Rental</li> </ul>	<ul style="list-style-type: none"> <li>•Rental Housing at Market Prices</li> <li>•Secondary Suites</li> </ul>	<ul style="list-style-type: none"> <li>•Rental Condos</li> <li>•Small Unit Ownership</li> </ul>	<ul style="list-style-type: none"> <li>•Single Detached Homes</li> <li>•Semi-Detached Homes</li> <li>•Row Houses</li> </ul>

Despite the pivotal role of the KDSB as a service manager for housing between the Emergency Shelter to Non-Market Rental Housing side of the spectrum, it should be noted that it is not the only housing provider. If the City is to be successful in enhancing the housing market for all residents, collaboration should not be limited to the KDSB but include a wide range of agencies such as:

- Amikkowiish Non-Profit Housing
- Canadian Mental Health Association – Kenora
- Changes Recovery Homes
- District of Kenora Home for the Aged
- Keewatin Non-Profit Housing Corp.
- Kenora Association for Community Living
- Kenora Fellowship Centre (Transitional Housing)
- Kenora Non-Profit Housing Corp.
- Lake of the Woods District Hospital – Morning Star Detox Centre
- Northlands
- Ontario Aboriginal Housing Services
- Women’s Shelter Saakaate House

# Economic and Demographic Factors Influencing Housing Demand

The *2015 Official Plan* establishes a land use policy framework in which the City has committed to supporting “the location of affordable housing in an integrated manner within new or existing development” and further, that it will “provide a mix and range of housing types that shall meet the physical and financial needs of all current and future residents.”<sup>10</sup> Under its General Development Policies, the City can use a range of different planning measures and direct supports to incentivize affordable housing. They include but are not limited to density bonusing, deferral or waiving of fees and charges, alternative development standards, land, and more flexible zoning. Secondary suites are also encouraged while priority is given to development applications for affordable housing from non-profit housing corporations and housing cooperatives.

Importantly, the *2015 Official Plan* defines affordable housing as not spending more than 30 percent of gross income on shelter. Alongside the broad guidelines, this definition will lay the foundation by which Kenora’s *Housing Action Plan* can implement tools that are specific, measurable, actionable, realistic and timely.<sup>11</sup>

The economic and demographic disposition of a community are among the most important factors in driving the housing market. This section of the report helps understand past trends and their impact on present conditions. Along with future forecasts, this information can help determine policies to move forward. To illustrate these factors, the data used includes population size, growth and composition; employment and working conditions; and household income levels.

## ***Population Size, Growth and Composition***

Based on the latest census data, the population of Kenora is estimated to be at 15,096 which represents a decrease of 1.6 percent since 2011. The fastest-growing demographic is people 65 years old and older. Currently, 19% of Kenora’s population is within this age group. In comparison, the provincial average is 16 percent. While both of these figures are in an upward trend, the gap between the two will continue to grow over the next fifteen years because

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<sup>10</sup> City of Kenora “Official Plan” (2015) pg. 2-2

<sup>11</sup> Ibid, pg. 3-1

nearly one quarter (24%) of Kenora's population is between the ages of 50 and 64.<sup>12</sup> As the population ages, there is an increasing desire among seniors to "age in place". The increase in the proportion of seniors in the community will increase the demand for adaptable and accessible, multiple-unit housing. Affordability for seniors living on fixed incomes will also be a factor.<sup>13</sup>

Indigenous people, including First Nations and Metis, make up a significant percentage of Kenora's population. According to the 2016 Census, 21% of Kenora's population is either Metis (1,495 people) or First Nations (1,610 people). This represented an increase of 3% since the 2011 NHS and outpaced growth in the community as a whole.<sup>14</sup>

The 2016 Census also provides information for Kenora's census division, which includes all of the land between Kenora and Hudson's Bay. In this area, 31,800 out of 64,615 people identify as Aboriginal, the majority of whom are First Nations (27,785). The census division incurred the highest population growth in Ontario between 2011 and 2016, with a 13.8% increase.<sup>15</sup> While outside of city limits, many people in this catchment area use Kenora as a service hub and require access to housing supports.

Kenora's changing demographics are also reflected in the characteristics of households. For example, it is estimated that the Total Lone-Parent Family Households are going to increase by 45% between 2011 and 2020 in the District of Kenora; 73% of this growth is coming from Female Lone-Parent Households who are proportionally much younger than the provincial average. Therefore, in creating affordable housing, there will need to be a combination of increasing supply and supporting families with education and other supports in order for them to make their own housing situation affordable.

### ***Employment and Working Conditions***

Kenora has an unemployment rate of 7.1% which is slightly lower than the provincial average. The chart below provides an occupational breakdown of Kenora's labour market (Figure 3). Similar to trends across Ontario, sales and services is the largest employment sector. The community differs from the rest of the province in respect to the large share of employment

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<sup>12</sup> Statistics Canada. 2017. Kenora, CY [Census subdivision], Ontario and Kenora, DIS [Census division], Ontario (table). Census Profile. 2016 Census. Statistics Canada Catalogue no. 98-316-X2016001. Ottawa. Released November 29, 2017.

<sup>13</sup> Age-Friendly Committee "Kenora's Age-Friendly Strategic Plan" (2016), pg. 11

<sup>14</sup> Statistics Canada. 2017. Kenora, CY [Census subdivision], Ontario and Kenora, DIS [Census division], Ontario (table). Census Profile. 2016 Census. Statistics Canada Catalogue no. 98-316-X2016001. Ottawa. Released November 29, 2017.

<sup>15</sup> Ibid.

being in trades, transport and equipment operators and related occupations. Both the services and trade/transport sectors are characterized by low wages relative to the other occupational groups and help explain the comparatively low median household income level in Kenora.<sup>16</sup>

**Figure 3: Labour market comparison between Kenora and the rest of Ontario<sup>17</sup>**

Occupation	% of Jobs		Average Hourly Wage Per Job (2017) <sup>18</sup>
	Kenora	Ontario	
Management occupations	10	11	\$46.66
Business, finance and administration occupations	11	16	\$26.56
Natural and applied sciences and related occupations	4	7	\$37.26
Health-Care	8	6	\$29.80
Education, law and social, community and government services	20	12	\$33.26
Art, culture, recreation and sport	2	3	\$23.38
Sales and service occupations	23	23	\$16.47
Trades, transport and equipment operators and related occupations	19	13	\$24.97
Natural resources, agriculture and related production occupations	2	2	\$20.26
Manufacturing and utilities	2	5	\$20.86

### **Household Size**

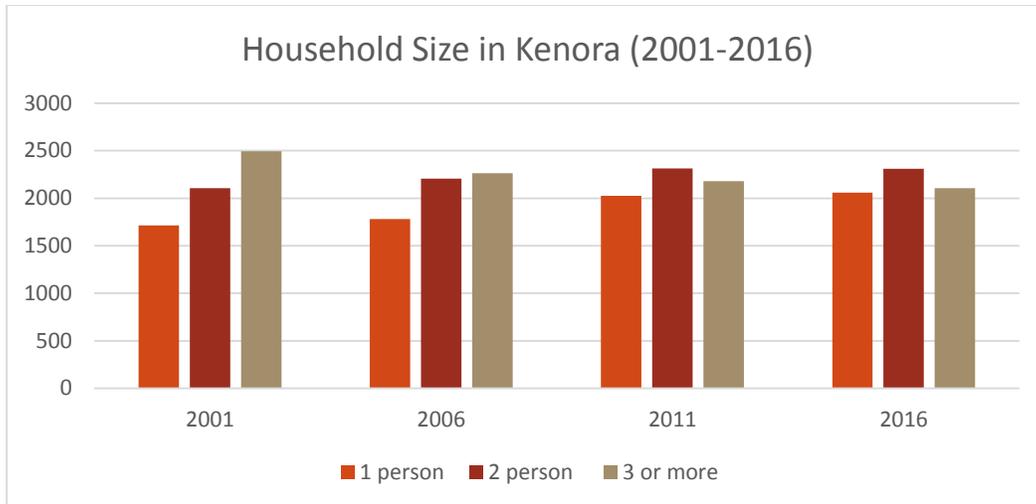
In 2016, the average number of residents per dwelling was 2.3 with 67% of households consisting of 1-2 residents. The growing prevalence of smaller households is not a new occurrence. Between 2001 and 2016, the number of 1 person and 2 person dwellings has increased by 14 percent. This trend is expected to continue in the future given Kenora's ageing population and increasingly prevalent lone-parent households.<sup>19</sup>

<sup>16</sup> Statistics Canada. 2017. Kenora, CY [Census subdivision], Ontario and Ontario [Province] (table). Census Profile. 2016 Census. Statistics Canada Catalogue no. 98-316-X2016001. Ottawa. Released November 29, 2017.

<sup>17</sup> Ibid.

<sup>18</sup> Statistics Canada. CANSIM tables 282-0151 and 282-0073.

<sup>19</sup> Statistics Canada. 2017. Kenora, CY [Census subdivision], Ontario and Ontario [Province] (table). Census Profile. 2016 Census. Statistics Canada Catalogue no. 98-316-X2016001. Ottawa. Released November 29, 2017.



### ***Household Income Levels***

According to the Provincial Policy Statement, 2014, households are considered to have low and moderate incomes when their total household income falls at or below the 60th income percentile for the regional market area.<sup>20</sup> Approximately 55% of households in Kenora fall below this threshold as it relates to ownership housing. In the case of rental housing, 38% of households fall below the threshold. While the number of low and moderate income households aligns with the provincial average, the median income of \$73,331 in Kenora is lower than the provincial median of \$74,287.<sup>21</sup> Kenora performs slightly better than the rest of the province when using the Low-Income Measure (LIM) which is the most commonly used low-income measure. It is a fixed percentage (50%) of median adjusted household income, where "adjusted" indicates that household needs are taken into account.<sup>22</sup> Using this measure, the prevalence of low-income dwellings is 10.9% compared to 14.4% for the rest of the province.<sup>23</sup> Overall, Kenora does not appear as an outlier in relation to income distribution in Ontario. But as the subsequent section will demonstrate, there is a lack of multi-residential stock that creates a challenge in improving the standard of living for those with low to moderate incomes and adapting to demographic trends.<sup>24</sup>

<sup>20</sup> Provincial Policy Statement

<sup>21</sup> Statistics Canada. 2017. Kenora, CY [Census subdivision], Ontario and Ontario [Province] (table). Census Profile. 2016 Census. Statistics Canada Catalogue no. 98-316-X2016001. Ottawa. Released November 29, 2017.

<sup>22</sup> Statistics Canada "Low income measures," *Government of Canada* (2015)

<sup>23</sup> Statistics Canada. 2017. Kenora, CY [Census subdivision], Ontario and Ontario [Province] (table). Census Profile. 2016 Census. Statistics Canada Catalogue no. 98-316-X2016001. Ottawa. Released November 29, 2017.

<sup>24</sup> Statistics Canada "Median total income, by family type, by province and territory," *Government of Canada* (2016)

# Housing Affordability, Adequacy and Suitability

There are numerous indicators that are often used to measure community well-being but among the most important is that of core housing need. A household is said to be in core housing need if its housing falls below at least one of the adequacy, affordability or suitability standards and would have to spend 30% or more of its total before-tax income to pay the median rent of alternative local housing that is acceptable (meets all three housing standards). Suitable housing has enough bedrooms for the size and make-up of resident households, according to National Occupancy Standard (NOS) requirements. Affordable dwellings costs less than 30% of total before-tax household income and adequate housing is reported as not requiring any major repairs.<sup>25</sup>

In measuring core housing need in Kenora, there existed significant gaps in data that affected the housing portrait. That being said, if a household falls below just one of the standards that defines this indicator, core housing need is evident. Even with existing gaps, the available data on suitability, affordability and adequacy illustrates that a significant share of Kenora's population qualifies as being in core housing need.

## ***Suitability***

The NOS outlines the minimum number of bedrooms that a household requires based on its size and composition. For example, a one person household requires as a minimum a bachelor unit (zero bedrooms), a couple requires a one bedroom unit, a couple or lone parent with one child requires a two bedroom unit etc. Despite many households preferring to rent/own a unit with more bedrooms than the NOS, low and moderate income households do not typically have the financial means to do so.<sup>26</sup> This reality is what makes smaller unit sizes crucial to a community's housing mix and part of the solution to addressing core housing need.

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<sup>25</sup> City of Guelph "Affordable Housing Strategy: The Current State of Housing in the City of Guelph," (2015) pg. 83

<sup>26</sup> Ibid, pg. 55

Recognizing that housing construction is cyclical in nature and will not be consistent from year-to-year, the chart below illustrates the trend since previous housing study in 2014. Based on the assumption that Kenora will need 460 additional occupied dwelling units by 2031, production does not appear to be aligning with projected growth.<sup>27</sup> The market is also dominated by single-detached dwellings despite decreasing household sizes and housing prices outpacing average incomes. (see Figure 4)

Using a suitability perspective, these numbers characterize the market as supplying housing that is unaffordable for many low to moderate income earners and unresponsive to demographic trends. With limited activity in the construction of new rental stock, Kenora's vacancy rate has declined substantially. The benchmark for a balanced and healthy rental market is a vacancy rate of 3 percent. Among privately initiated apartments of three units or more, the vacancy rate has declined from a high of 3.9% in 2014 to 2.8% in 2017.<sup>28</sup> Thus, even if a household has sufficient income to pay market rents, they may not be able to find an available unit to lease, particularly households seeking small unit sizes. Increasing demand for bachelor, 1 bedroom and 2 bedroom units as well as the lack of new apartment builds could potentially depress the vacancy rate further and put additional pressure on rental rates.

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<sup>27</sup> City of Kenora "Official Plan," (2015) pg. 1-4

<sup>28</sup> Table 027-0037 - Canada Mortgage and Housing Corporation, vacancy rates, row and apartment structures of three units and over, privately initiated in census agglomerations of 10,000 to 49,999 and cities, weighted average, annual (rate), CANSIM (database) (accessed: December 13, 2017)

**Figure 4: Current Housing Developments in Kenora (2014-2017 Q3)<sup>29</sup>**

<b>Housing estimates</b>	Type of unit	2014	2015	2016	2017	Total	Average Production Per Year
<b>Housing starts</b>	Total units	32	31	26	9	98	26.1
	Single-detached units	32	31	26	7	96	25.6
	Semi-detached units	0	0	0	2	0	0.5
	Row units	0	0	0	0	0	0
	Apartment and other units	0	0	0	0	0	0
<b>Housing completions</b>	Total units	21	25	47	7	100	26.7
	Single-detached units	21	25	40	7	93	24.8
	Semi-detached units	0	0	0	0	0	0
	Row units	0	0	0	0	0	0
	Apartment and other units	0	0	7	0	7	1.9

\*: CMHC provides statistics up to the third quarter of 2017.

**Affordability**

Data from the 2016 Census indicates that 27% of households in Kenora were spending more than the 30% threshold of income on shelter costs. This threshold of households spending more than 30% breaks down to the amount of home owners at 12% and the amount of rental tenants at 42 percent. Interestingly, when compared to the rest of Ontario, Kenora has a smaller percentage of households spending more than the 30% threshold but a much higher percentage of tenants living in subsidized housing. In fact, it is about 14% higher than the

<sup>29</sup> Table 027-0046 - Canada Mortgage and Housing Corporation, housing starts, under construction and completions in census agglomerations of 10,000 to 49,999, quarterly (units), CANSIM (database). (accessed: December 14, 2017)

provincial average, with 29% relying on some form of subsidy.<sup>30</sup> This represents a 10% increase from 2011, highlighting the growing problem of affordability within the community.<sup>31</sup>

Residential property values in Kenora have increased by 5% per year since 2012 with an average assessment of \$187,000 in 2016. When compared to the rest of Ontario, Kenora's assessment values have outpaced the provincial average by 0.5 percent.<sup>32</sup>

An increasing assessment base can have many positive benefits for a community but it can also create several challenges. In terms of benefits, it allows people to build equity in their homes and is a source of revenue generation for the municipality as property taxation is based on a percentage of assessment. But rising valuation also makes it increasingly prohibitive for low to moderate income earners to afford a home and for those that already own a home, the heavier tax burden limits their financial flexibility.

As previously mentioned, Kenora's rental market is characterized by a very low vacancy rate which leads to higher rental prices. Between 2014 and 2017, average rent for a one bedroom unit had increased by 10% to \$718/per month. For a two bedroom apartment, the rent increased by 7% to \$875/per month.<sup>33</sup> In general, low income tenant households, with annual incomes at or below the 30<sup>th</sup> income percentile have very limited housing options in the private market. But based on the current average rental rate, even those residents in the 40<sup>th</sup> income percentile will have difficulty in finding affordable options.

In Kenora, approximately 17% households living in Kenora are at or below the 30<sup>th</sup> income percentile (some of whom would be residing in social housing).<sup>34</sup> These households would be unable to afford a one bedroom unit with an average market rental rate of \$718 per month. Some of these residents may already be in social housing, but for those who are not and need to make the transition, major barriers exist. The KDSB reported that between 2014 and 2015, the waiting list for rent-geared-to-income housing in the District surged by 121 percent.<sup>35</sup>

In 2016, the KDSB reported that the waiting list in the City of Kenora for rent-geared-to-income housing was largely shaped by those seeking single non-elderly units (40%) and family units

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<sup>30</sup> Statistics Canada. 2017. Kenora [Census agglomeration], Ontario and Ontario [Province] (table). Census Profile. 2016 Census. Statistics Canada Catalogue no. 98-316-X2016001. Ottawa. Released November 29, 2017

<sup>31</sup> City of Kenora. "2014 Affordable Housing Study" pg. 6

<sup>32</sup> Municipal Property Assessment Corporation "Kenora Residential Property Values on Average Have Increased Five Per Cent Per Year Since 2012," (2016)

<sup>33</sup> Table 027-0040 - Canada Mortgage and Housing Corporation, average rents for areas with a population of 10,000 and over, annual (dollars), CANSIM (database). (accessed: December 13, 2017)

<sup>34</sup> Statistics Canada. 2017. Kenora [Census agglomeration], Ontario and Ontario [Province] (table). Census Profile. 2016 Census. Statistics Canada Catalogue no. 98-316-X2016001. Ottawa. Released November 29, 2017.

<sup>35</sup> Ontario Non-Profit Housing Association "2016 Waiting Lists Survey Report," (2016) pg. 28

(22%). Individuals seeking seniors housing represented 22% of the waiting list.<sup>36</sup> The combination of high rental rates in private developments and a long waiting list for social housing, creates a risk of homelessness for low income households.

Challenges also extend to those households with incomes between the 30th and 60th income percentiles. While they may be able to afford to rent units in the private market, they most likely do not have the financial means to rent a “suitable” unit (i.e. a unit that has enough bedrooms for the size and make-up of the household).

Figure 6 illustrates the issue of affordability depending on the type of household and income percentile. It indicates that a significant share of households are paying above which is affordable given the current prices in the housing market.

**Figure 6: MMA Affordability Price/Rates versus City of Kenora Household Income (2017)<sup>37 38</sup>**

Income Percentile	Number of Households	Affordable House Price	Income Percentile	Number of Households	Affordable Rental Rate
Total	6,475				
NA			10 <sup>th</sup> Percentile (\$14,400)	395	\$360
20 <sup>th</sup> Percentile (\$29,800)	770	\$111,000	20 <sup>th</sup> Percentile (\$20,000)	575	\$500
30 <sup>th</sup> Percentile (\$41,500)	475	\$155,000	30 <sup>th</sup> Percentile (\$24,000)		\$600
40 <sup>th</sup> Percentile (\$52,700)	525	\$196,500	40 <sup>th</sup> Percentile (\$30,500)	735	\$760
50 <sup>th</sup> Percentile (\$65,200)	980	\$243,000	50 <sup>th</sup> Percentile (\$38,000)		\$950
60 <sup>th</sup> Percentile and above (\$79,600)	2905	\$297,000	60 <sup>th</sup> Percentile and above (\$46,800)	4655	\$1,170

<sup>36</sup> Kenora District Services Board, “e-mail to author on rent-geared-to-income housing waiting List,” January 30, 2017

<sup>37</sup> Ministry of Municipal Affairs and Housing “Provincial Policy Statement: Housing Table,” *Government of Ontario* (2015)

<sup>38</sup> Statistics Canada. 2017. Kenora [Census agglomeration], Ontario and Ontario [Province] (table). Census Profile. 2016 Census. Statistics Canada Catalogue no. 98-316-X2016001. Ottawa. Released November 29, 2017.

## ***Adequacy***

Based on the current supply of housing stock in Kenora, there has been 1050 dwelling units constructed since 1990. With an estimated household count of 6,475, this suggests that only 16% of the total stock is under 27 years old. Furthermore, since that time only 23% of new builds consisted of row and apartment units.<sup>39</sup> There are two major challenges with having an ageing housing stock. First, older dwellings are relatively drafty and lightly insulated, and this can result in higher heat losses and energy bills — even in those built more recently such as in the 1980s. These dwellings likely use at least 25% more space heating energy than houses built after 2010. In Canada, space heating accounts for over 60% of residential energy use and, therefore, makes up a good proportion of the overall energy bill.<sup>40</sup> For many, a high energy bill can be the difference in meeting the criteria for core housing need.

Second, the older a dwelling becomes the more maintenance is required to ensure it remains adequate for the resident. Figures 7 and 8 illustrate that in 2016, 65% of homes built prior to 1960 required major repairs representing a 10% increase from 2011. Since these houses represent the vast majority of stock in Kenora, their continued deterioration will impose a significant financial burden on residents and work towards perpetuating core housing need in the community. Adequacy is a key measure in determining core housing need and although current data on dwelling conditions is lacking, there are few signs of improvements.<sup>41 42</sup>

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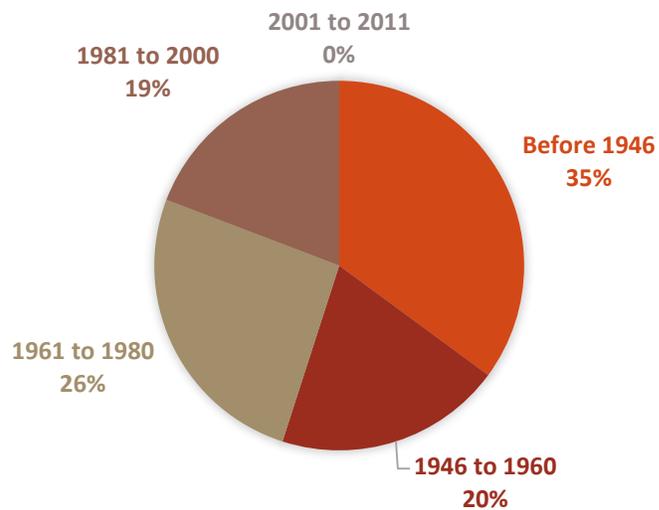
<sup>39</sup> Canada Mortgage and Housing Corporation “housing starts, under construction and completions in census agglomerations of 10,000 to 49,999,” *Statistics Canada* (2016)

<sup>40</sup> Canada Mortgage and Housing Corporation “Energy Efficiency Building Envelope Retrofits for Your House,” (2012)

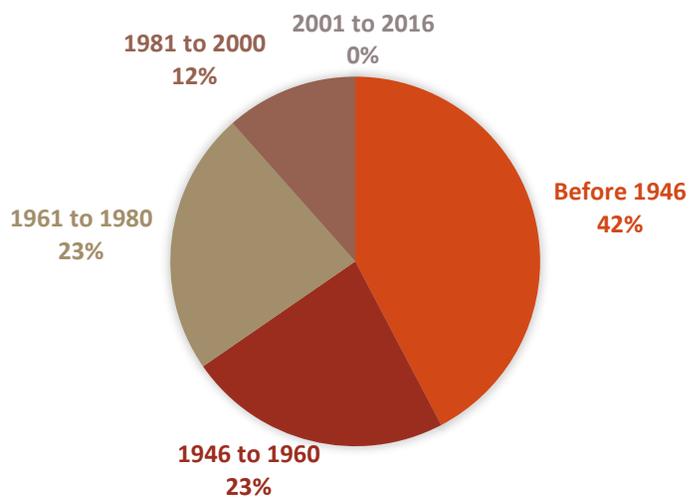
<sup>41</sup> Statistics Canada, 2011 National Household Survey, Statistics Canada Catalogue no. 99-014-X2011026.

<sup>42</sup> Statistics Canada, 2016 Census of Population, Statistics Canada Catalogue no. 98-400-X2016221.

**FIGURE 7: HISTORICAL PERIOD OF CONSTRUCTION AND NEED FOR MAJOR REPAIRS (2011)**



**FIGURE 8: HISTORICAL PERIOD OF CONSTRUCTION AND NEED FOR MAJOR REPAIRS (2016)**



# Findings

As a living document, the *State of Housing Report* has been updated to reflect new statistical data available through the 2016 Census. The trends and issues identified in the previous report submitted in 2017 have largely remained constant. Subsequently, the three problems statements developed in that report are still evident with some minor changes to reflect the changes that have occurred.

## **Problem Statement #1:**

**There is a lack of multi-residential stock that creates a challenge in improving the standard of living for those with low to moderate incomes and adapting to the growing prevalence of lone-parent households and ageing demographics.**

With the fastest-growing demographic in Kenora being people 65 years old and older and the increasing predominance of households with 1-2 people, multi-residential stock will be crucial in accommodating these interrelated trends. Thus far, housing production has failed to keep up with existing demand, particularly in regards to rental units which tend to be more affordable for those with low to moderate incomes.

## **Problem Statement #2:**

**The combination of high rental rates and housing prices in private developments and a long waiting list for subsidized housing, creates a risk of homelessness for low income households.**

Both rental rates and housing values have outpaced growth in the rest of Ontario making home ownership and rental units increasingly unaffordable for many households in Kenora. In response, people are forced to either apply for subsidized housing or reside in dwellings that don't meet the National Occupancy Standard.

## **Problem Statement #3:**

**Kenora's existing housing stock is ageing resulting in higher energy costs and repairs that affect affordability.**

As energy costs increase and the community continues to rely on an ageing housing stock, low to moderate income earners will find it difficult to stay below the 30% income threshold for housing. Dwellings built prior to 2010 can spend 25% more on space heating and with 65% of housing units built prior to 1960, these buildings are increasingly in need of major repairs.

# Future Potential

Thus far, the narrative of this report has focused on what has shaped housing demand in Kenora and identifying the problems within the market through the lens of suitability, affordability and adequacy. Future economic and demographic projections in combination with present needs, portray formidable obstacles to creating a sufficient housing mix for residents in the community. However, by utilizing a variety of policy levers at the City's disposal and collaborating with service providers and other orders of government, these obstacles can be overcome.

Effective leadership not only requires the recognition of a problem but the acceptance of responsibility in affecting change. The City of Kenora will be assuming a leadership role in enhancing the supply in the housing market. Prior to moving forward with a comprehensive plan that embodies a long-term approach to addressing core housing need, it is important to assess what is immediately available.

The *2015 Official Plan* is not only the basis for planning future housing development but for making development related decisions in the present. The City's Planning Division administers development applications according to its guidelines and the specific requirements under Zoning By-law 101-2015. Although development must conform to this legislation, they are intended to be living documents subject to review and amendments can proceed upon request.

As a growth strategy, the *2015 Official Plan* noted that in both the Established Area and Residential Development Area, there is "sufficient land to accommodate the projected housing unit demand to the year 2031, while leaving some additional supply if demand increases as a result of new economic development."<sup>43</sup> Consisting of both private and municipal holdings, the availability of these vacant lands is the first step in closing Kenora's housing gap. Most of the vacant lands the City owns are parks, held for infrastructure (sewer, water, roads, and old garbage dump) or steep and rock piles. That being said, there are a number of viable properties that could be made available for either affordable housing or housing project development.

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<sup>43</sup> City of Kenora "Official Plan," (2015) pg. 1-4

# Next Steps

This second edition of the *State of Housing Report* is essential to identifying the problems in Kenora's housing market, illustrating development potential and informing the creation of solutions. By using the data to scope out the problems afflicting Kenora's housing market, the City can identify available tools and formulate strategic directions. Examples of tools available to the City of Kenora include:

- Regulatory responses (e.g. Zoning Amendment)
- Policies and procedures (e.g. development approvals process)
- Financial (e.g. Community Improvement Plan grants)
- Communication and Education (e.g. resource pamphlets)
- Advocacy (e.g. engagement with federal and provincial governments)

In developing these tools, community stakeholders are to be consulted to ensure they are most effective in addressing issues related to housing suitability, affordability and adequacy.

