

Can you afford to live here?

A report by the Oakville Community Foundation on
the current state of Housing in our Community.

Published August, 2023

Not a day goes by where the state of housing in Canada isn't in the news; from the price of rent, to interest rates on mortgages, the rising costs to homeowners and the mysterious housing bubble we find ourselves in.

Definition - Housing Bubble: *A housing bubble occurs when the price of homes rises quickly at an unsustainable rate¹.*



In 2021, Canada ranked second as the world's "bubbliest" housing markets, but even that was starting to change². A year later, our world ranking had dropped to fifth as nearly a dozen countries face the same fatigued bubbles. More than 50 central banks around the world have raised their interest rates, including the Bank of Canada which recently raised its key interest rate to 5%, aimed at decreasing the rate of inflation but having an impact on mortgages, too.³

Some Canadians have turned to emigration, choosing to relocate to countries where shelter costs are lower. Others, not ready to leave the country, have chosen to move provinces as Alberta has gained more than 15,000 new residents from other parts of the country in the first three months of the year due to a lower cost of living.⁴

On average, the asking rent across Canada hit a record-high in June at \$2,042, a 1.4% increase from May. In Ontario, the average rent is \$2,415, the second-highest for tenants after British Columbia.⁵

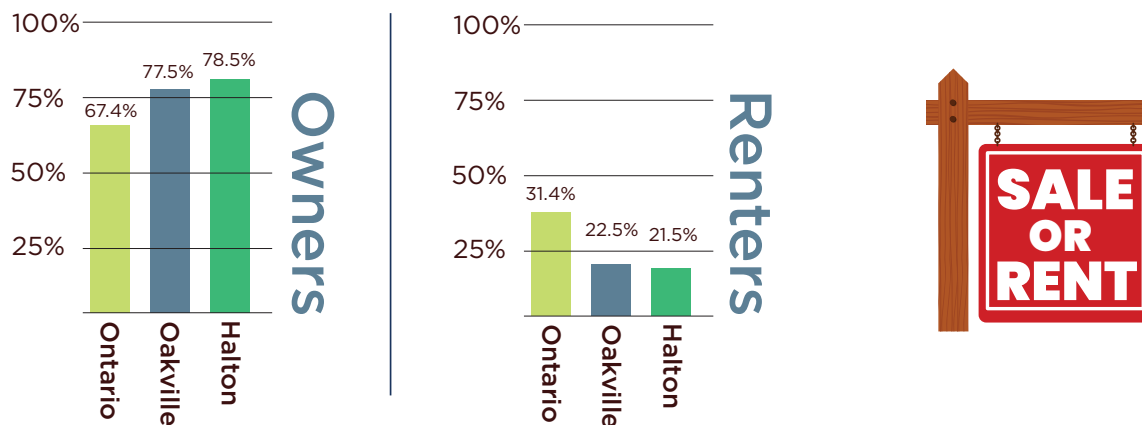
We see this type of news everyday— but we wanted to answer the question, is our community being affected by the state of housing? And, most importantly, is housing affordable in Oakville?

1. Remax - What is a housing bubble? Are we in one?
2. Bloomberg - World's bubbliest housing markets are flashing warning signs
3. CBC - Bank of Canada raises its key interest rate to 5%
4. CBC - Canadians flocking to Alberta despite unemployment rate, rising housing costs
5. Rentals.ca - July 2023 Rent Report

The Landscape

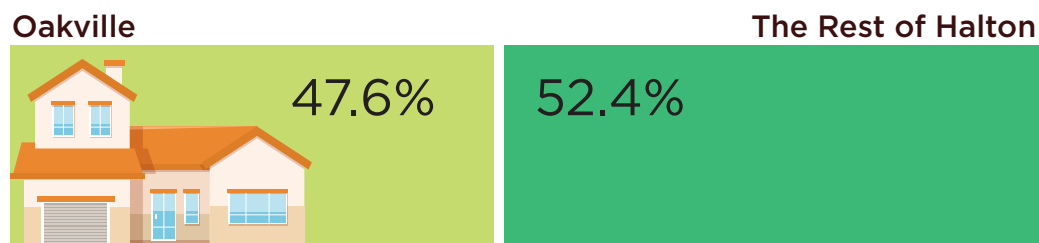
In 2021, there were more than 73,000 households in Oakville and 208,000 households in the Region of Halton. The homeownership rate is considerable, at 77.5% and 78.5%, respectively, compared to 68.4% across Ontario.⁶

Owners vs. Renters



Throughout the Region, nearly 4,000 new housing units were completed in 2021, with another 5,500 units under construction. The Regional Housing Mix calls for at least 50% of new housing to be higher density units, like townhouses and apartments, and last year, the Region was beyond their target at 62.7%. In Oakville, 62.2% of new housing consisted of higher density units.⁷

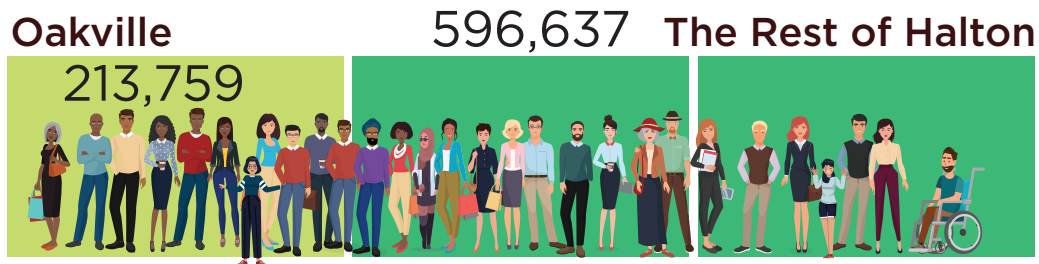
New Home Construction in Halton



Oakville was home to 47.6% of Halton's **NEW** housing completions between 2016-2021⁸

6. 2021 Census of Population - Oakville, Housing
 7. Halton Region - 2021 State of Housing
 8. Halton Region - 2021 State of Housing

Population of Oakville vs. The Rest of Halton



Oakville's population (213,759) is a third (35.83%) of the population of Halton (596,637)⁹

There are 3,902 community rental units, considered assisted housing, that are owned and operated by 25 non-profit co-operative and private sector housing providers. Of those, the Region created 1,005 since 2014.

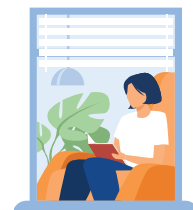
Definition - Assisted Housing: *housing that is affordable for low or moderate income households for rent or purchase where part of the housing cost is subsidized through government support rate.*¹⁰

Three emergency housing services exist in Halton, including two shelters: the Salvation Army Lighthouse Shelter and Halton Women's Place. In 2021, 516 people living together and 104 dependents were served in a shelter setting. Of those people, 224 were helped to secure new permanent housing.¹¹

Is it affordable?

Definition - Affordable Housing: *housing with a market price, for rent or purchase, that is affordable to households of low or moderate income, spending no more than 30% of their household income, without government assistance.*¹²

9. 2021 Census of Population - Oakville, Housing
10. Halton Region - 2021 State of Housing
11. Halton Region - 2021 State of Housing
12. Halton Region - 2021 State of Housing



The Foundation's 2015 Vital Signs Report identified that only 4% of new home sales in 2014 were considered affordable, which, at that time, was anything sold for under \$384,000.¹³

Currently, the Region has identified that the Affordable Maximum Purchase Price in Halton is \$480,700 and deemed that at least 30% of new housing units produced annually be sold at or below the affordable threshold. In Oakville, 34.6% of new sales were at or below the threshold, at an average of \$369,741.¹⁴

In Oakville, there has been a 22.3% increase in average monthly shelter costs for a homeowner and a 40.8% increase for a renter, between 2016 -2021. The average monthly cost is \$2,384 and \$2,146, respectively.¹⁵

Shelter Costs from 2016 to 2021



A recent study found that in order to afford to rent a two-bedroom apartment in Oakville while spending under 30% of their monthly income, a person's rental "wage" would need to be \$42.89 an hour (or a yearly salary of ~\$89,000), almost three times higher than the minimum wage in Ontario.¹⁶

How many hours per week would I need to work making minimum wage?



13. A Community of Contrasts: Oakville's Vital Signs 2015

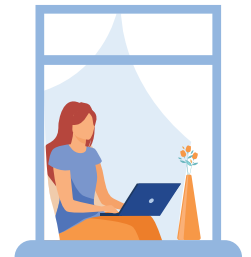
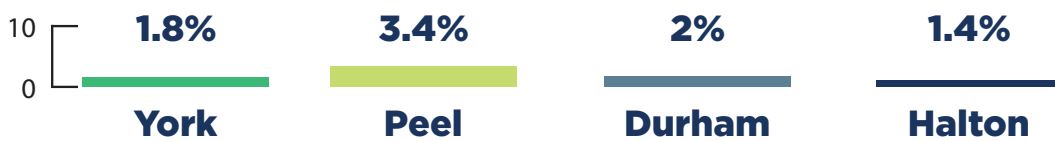
14. Halton Region - Comprehensive Housing Strategy Update

15. 2021 Census of Population - Oakville, Housing

16. Canadian Centre for Policy Alternatives - How much do I need to earn to afford an apartment in my neighbourhood? Food4Kids Annual Report, 2022

The issue of affordability when it comes to rental units may come down to availability. According to the Canada Mortgage Housing Corporation, a rental vacancy rate of at least 3% is necessary for adequate competition and housing options. The vacancy rate in Halton is 1.4%, down from 2.3% in 2020.⁷

Rental Market Vacancy Rate

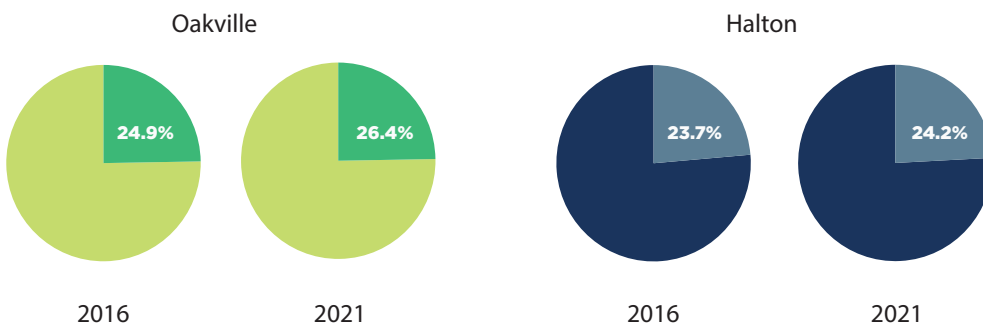


More than a quarter of a million Canadians are currently on a waiting list for affordable housing, with more than half living in Ontario.¹⁸ In Toronto, that means a 14-year wait for a one-bedroom apartment. In 2018, there were more than 3,241 people on the waitlist for Halton's community housing, of which 41% of those applicants lived in Oakville.¹⁹

While the average after-tax income in Oakville is \$108,000, we know that increasingly, Habitat for Humanity has been backstopping mortgage loans for higher-income Canadians making around \$100,000 a year, citing the unaffordable housing market.²⁰

If higher-income Canadians are being supported by charities in order to afford to buy properties, what does that say for low-income Canadians? In Oakville, 8.5% of residents are considered to be low-income. Our community has notoriously been home to both the wealthiest and poorest in Halton, with average incomes varying wildly depending on the neighbourhood.

Percent of residents spending more than 30% of their income on shelter²¹



17. Halton Region - 2021 State of Housing

18. CBC - How long do Canadians in need have to wait for affordable housing?

19. Halton Region - 2021 State of Housing

20. Globe and Mail - As home prices soar, Habitat for Humanity helps higher income Canadians buy properties

21. Halton Region - 2021 State of Housing

A Community Where No One is Left Behind

If we consider the question — is housing affordable in Oakville? — the answer is: not for all residents.

Oakville is a place where over one quarter of residents are spending more than 30% of their income on shelter, and, at the same, is home to Ontario's most expensive house, which recently sold for \$10.3 million, in July.²² As we find with many issues, Oakville is a community of contrasts.

But here's why it matters. Housing affordability affects everyone in our community and has implications beyond shelter— without affordable places to live, we know that businesses could struggle to attract and retain talent due to the cost of living in that city. A recent study indicated that young people 15-29 are becoming less and less able to afford to live in cities due to the rising cost of living, including the cost of shelter.²³ In turn, this could have implications for the local economy, our Town's diversity and the unique features that make our community a great place to live.

Now let's take a look at what changes have had a positive impact, what's coming next and what some of our great local charities are doing to support this community.

Public policy has positively impacted affordable housing in our community. We know that the Region's Housing Affordability Target has resulted in more new houses being sold for under the affordability threshold. Similarly, Oakville Town Councillors recently voted to approve a rental housing protection bylaw.²⁴

In the last year, Halton Region began collecting public input on a vacant homes tax as a way to encourage homeowners to rent or sell their unoccupied homes and increase availability in Halton. This tax would only affect unoccupied homes and would be based off of a percentage of the home's value.²⁵ A similar tax already exists in Toronto and may soon exist in Peel Region.



22. Inside Halton - 'EXTRAVAGANT': Oakville mansion just sold for more than \$10.3 million

23. Youthful Cities - Can young people afford to live in Canadian cities?

24. Inside Halton - Oakville council seeks to combat 'demovictions' with new bylaws

25. Halton Region - Halton Region collecting public input on potential vacant homes tax

Local charities also provide opportunities for affordable housing as well as emergency shelter needs.

- In 2018, The Foundation took part in its first Impact Investment loan to support the purchase of a new home for the Halton Children's Aid Society's Bridging the Gap Program. The home has housed over 30 homeless and at-risk youth ages 16-24 in the past 5 years.
- March of Dimes: The Jean and Howard Caine Apartments is a 59-unit building with 24 accessible units. They promote and provide affordable, supportive housing for people with disabilities.
- Salvation Army Lighthouse Shelter is a 40-person emergency shelter in Oakville. In 2021 they accommodated 492 individuals.
- Home Suite Hope's Homeward Bound Halton program provides wraparound services to single mothers and their children, including, if necessary, helping them find permanent housing.
- In 2018, a number of Fundholders at The Foundation came together to support the pre-design and working drawings for proposed small family units at Margaret Drive and Elmwood Street with \$83,083. It is currently undergoing pre-development due-diligence.

When we all work together and utilize all of our knowledge and resources, like public policy, investments, donations and grants, we can ensure everyone in our community has a place to call home and feel like they belong.



Take a look at the following charities that are supporting our Town's most vulnerable and those in need of a helping hand.

Habitat for Humanity Halton - Mississauga - Dufferin
Halton Children's Aid Society
Halton Women's Place
Home Suite Hope
March of Dimes
Oasis Youth Care Programs
Salvation Army Lighthouse Shelter
Shifra Homes
Support House

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