

London Housing Advisory Committee

Report

1st Meeting of the London Housing Advisory Committee
December 12, 2018
Committee Room #4

Attendance PRESENT:: B. Odegaard (Vice Chair), A. Galloway, M. Inthavong, K. Kaill, J. Malkin, J. Peaire, D. Peckham, N. Reeves, J. Stickling: and P. Shack (Secretary)

ALSO PRESENT: J. Binder, J. Browne, S. Giustizia, G. Matthews, A. Scott and B. Turcotte

REGRETS: J. Coley Phillips and D. Nemeth

The meeting was called to order at 12:20 PM.

1. Call to Order

1.1 Disclosures of Pecuniary Interest

That it BE NOTED that no pecuniary interests were disclosed.

2. Scheduled Items

2.1 Rental Market Survey Update

That it BE NOTED that the attached presentation from A. Scott, Canada Mortgage and Housing Corporation, with respect to Rental Market Survey Update, was received; it being noted that the London Housing Advisory Committee held a general discussion, with respect to this matter.

3. Consent

3.1 9th and 10th Reports of the London Housing Advisory Committee

That it BE NOTED that the 9th and 10th Reports of the London Housing Advisory Committee, from its meetings held on October 10, 2018 and November 5, 2018, respectively, were received.

3.2 Municipal Council resolution adopted at its meeting held on November 20, 2018, with respect to the recruitment and appointment of Advisory Committee members for the up coming term

That it BE NOTED that the Municipal Council resolution from its meeting held on November 20, 2018, with respect to the recruitment and appointment of Advisory Committee members for the up coming term, was received.

3.3 ReThink Zoning Draft Terms of Reference

That discussion of the ReThink Zoning Draft Terms of Reference BE DEFERRED to the next London Housing Advisory Committee meeting.

4. Sub-Committees and Working Groups

None.

5. Items for Discussion

5.1 Western Off-Campus Survey - G. Matthews

That it BE NOTED that the attached presentation from G. Matthews with respect to the Western Off-Campus Survey, was received.

6. Deferred Matters/Additional Business

None

7. Adjournment

The meeting adjourned at 2:05 PM.

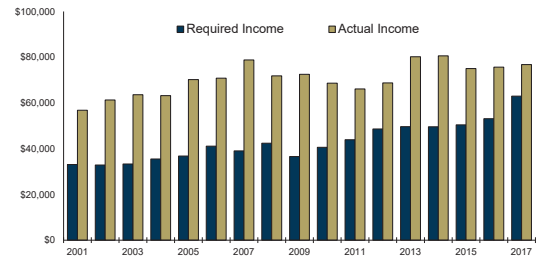


London Housing Advisory Committee Meeting December 12, 2018

Canada



Required income to purchase average home increasing faster than actual household income.

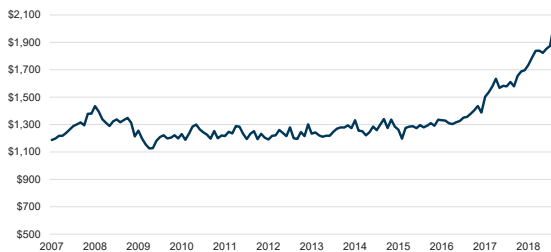


Source: CMHC, Statistics Canada
Required income is mortgage carrying costs divided by 0.32 to reflect the usual 32 per cent gross debt service ratio. Mortgage carrying costs are calculated based on a 10 per cent down payment, the posted fixed five-year mortgage rate and the longest available amortization for a mortgage.

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Mortgage payment on average priced home rising

Mortgage payment* based on MLS® average price, London and Surrounding Area



Source: CREA, CMHC calculations
Assumptions: Average home price with 5% down payment amortised over 25 year at five year conventional mortgage rate

CANADA MORTGAGE AND HOUSING CORPORATION

Historically low vacancy rate resulting in rising rents

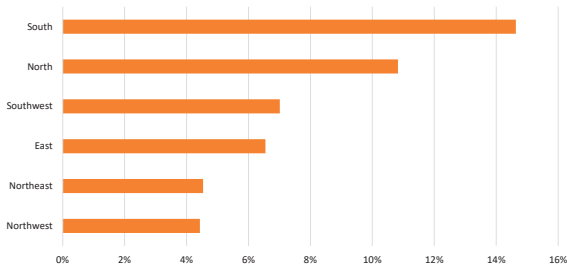


Source: CMHC
*Same sample rent increases

CANADA MORTGAGE AND HOUSING CORPORATION

Penalty to move resulting in lower turnover

% Difference between rent for vacant and occupied units, two-bedrooms by area



Source: CMHC

CANADA MORTGAGE AND HOUSING CORPORATION

Unemployment rate trending down, yet low participation rate signals more slack

Unemployment rate (%), seasonally adjusted, London CMA

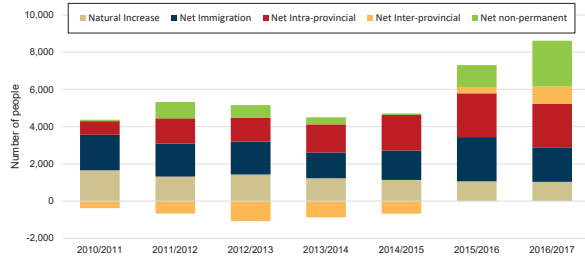


Source: Statistics Canada
Last data point: September 2018

CANADA MORTGAGE AND HOUSING CORPORATION

Strong migration pushing up population growth

Contribution to population growth by component, London CMA

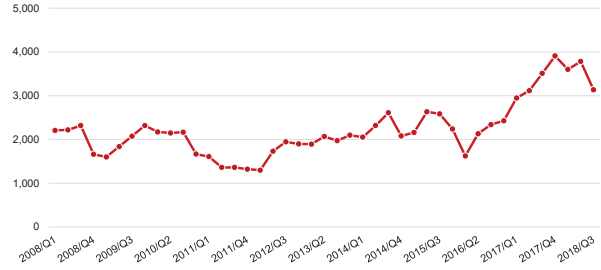


Source: Statistics Canada
Note: 2016/17 are preliminary estimates

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Number of units under construction lower in 2018, but remain elevated

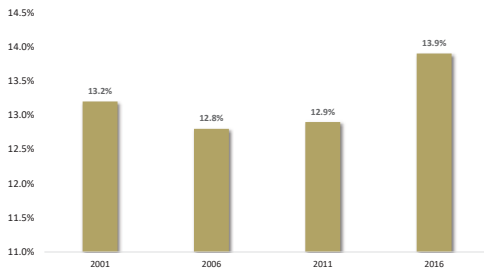
Number of Units Under Construction, London CMA



Source: CMHC
Last data point: 2018 Q3

CANADA MORTGAGE AND HOUSING CORPORATION

Share of households in core housing need



Source: CMHC, Statistics Canada (Census)
London CMA

CANADA MORTGAGE AND HOUSING CORPORATION

Core housing need is derived in two stages

- 1) Whether the household was living in a dwelling considered unsuitable, inadequate or unaffordable.
 - Suitability identified whether the dwelling had enough bedrooms according its occupants needs.
 - Housing adequacy was assessed based on the dwelling condition being reported in need of major repairs.
 - A shelter-cost-to-income ratio of less than 30% was required to deem the housing affordable.
- 2) Whether the household could be expected to have affordable access to suitable and adequate alternative housing by comparing the household's total income to an income threshold based on local housing costs. Only those households who could not afford alternative housing would be considered in core housing need.

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Who is in core housing need?

- 80% had household incomes less than \$30,000
- 76% are renters
- 64% were renting in non-subsidized housing
- 56% lived alone
- 25% were seniors (65+)
- 23% were lone-parent families

Source: CMHC, Statistics Canada (Census 2016)
London CMA

CANADA MORTGAGE AND HOUSING CORPORATION

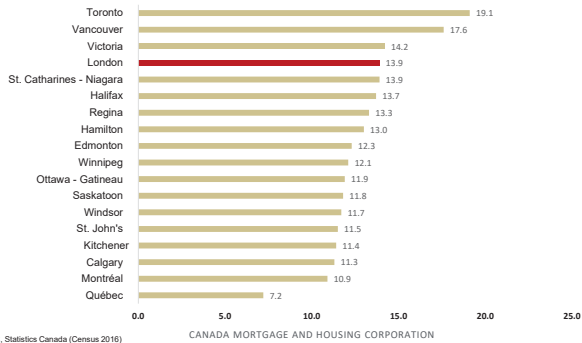
Why are households in core housing need?

- 92% were below affordability measure
 - 40% paid more than 50% of income on housing
- 13% were below adequacy measure
- 9% were below suitability measure

Source: CMHC, Statistics Canada (Census 2016)

CANADA MORTGAGE AND HOUSING CORPORATION

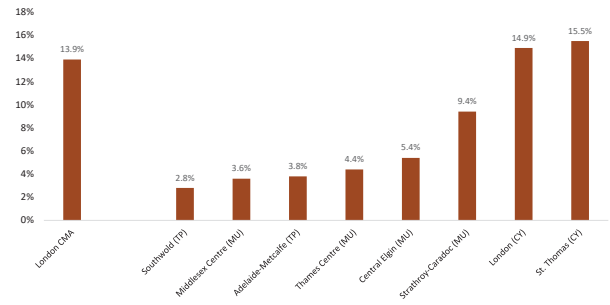
Percentage share of households in core housing need by large and mid-sized cities



Source: CMHC, Statistics Canada (Census 2016)

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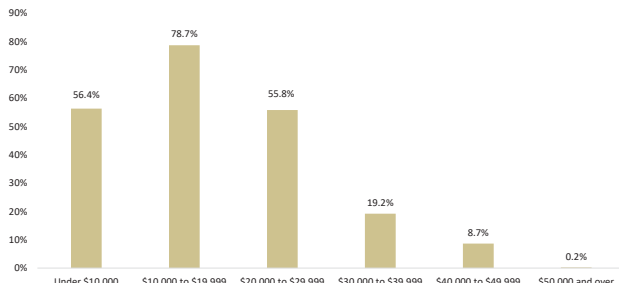
Share of households in core housing need



Source: CMHC, Statistics Canada (Census 2016)
London CMA

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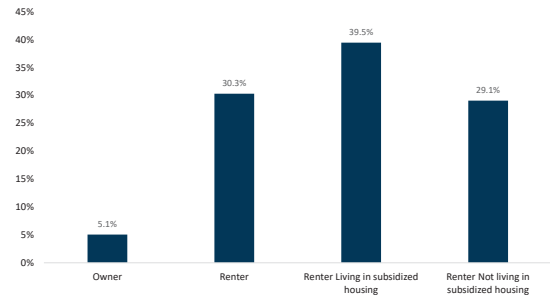
Core housing need by household income group



Source: CMHC, Statistics Canada (Census 2016)
London CMA

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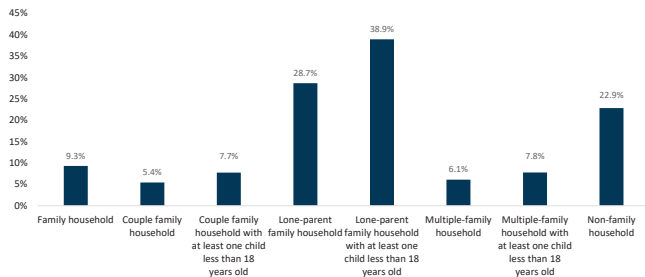
Share of households in core housing need by tenure



Source: CMHC, Statistics Canada (Census 2016)
London CMA

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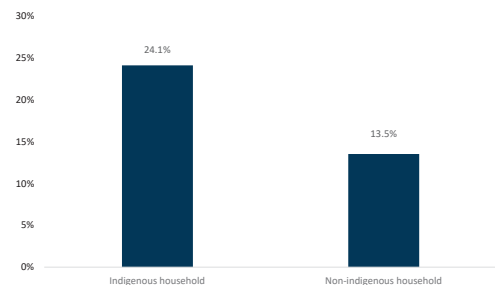
Share of households in core housing need by household type



Source: CMHC, Statistics Canada (Census 2016)
London CMA

CANADA MORTGAGE AND HOUSING CORPORATION

Share of households in core housing need by aboriginal status



Source: CMHC, Statistics Canada (Census 2016)
London CMA

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Summary

- Economic and population growth increasing demand for housing, whether it be rental or ownership tenure.
- Affordability deteriorating for a greater portion of households.
- Low vacancy and turnover rates, as fewer renters transitioning into homeownership.
- Rents increasing above rate of inflation.

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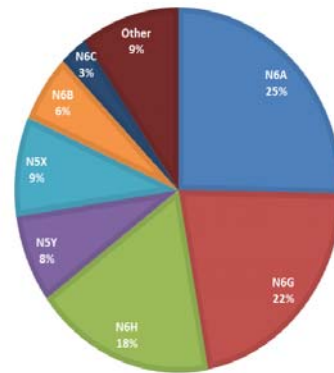
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Western Off-Campus Survey

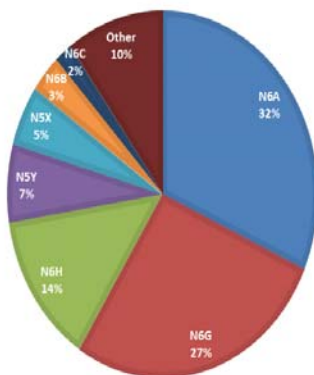
Western OC Survey 2000

STUDENT OC LOCATION - 2000



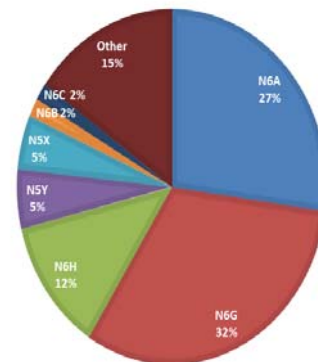
Western OC Survey 2006

STUDENT OC LOCATION - 2006



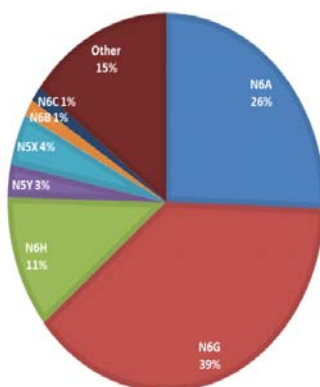
Western OC Survey 2012

STUDENT OC LOCATION - 2012



Western OC Survey 2018

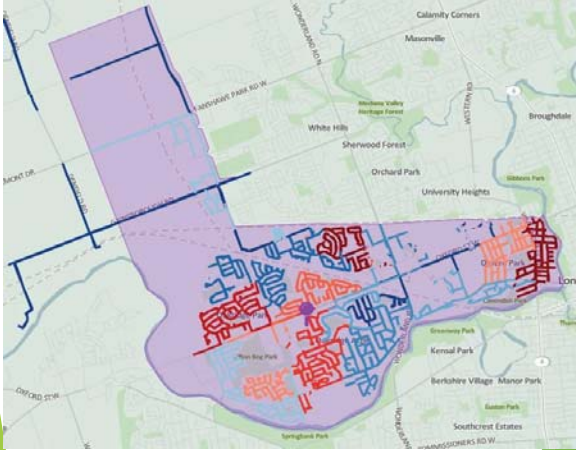
STUDENT OC LOCATION - 2018



Western OC Survey - N6A



Western OC Survey - N6H



Western OC Survey - N6G



Western OC Survey

- Significant changes between 2000 and 2018
- NGG has gone up 17%
- N6A has fluctuated but basically the same
- N6H down 6%

Western OC Survey

- Factors in renting
 - Location, Location, Location
 - Price
 - Number of Bedrooms

Western OC Survey

- Areas which had a lot of student tenants 25-30 years ago but are now off the mindset
- Kipps Lane
- White Hills

Western OC Survey

- Grad students now live where undergrad live

Western OC Survey

- Issues for OC Students
 - Maintenance
 - Distance to facilities
 - Connection to other students

Western OC Survey

- I pay ...
 - 10% pay nothing (at home)
 - 7% less than \$400
 - 56% between \$401 and \$600
 - 16% between \$601 and \$800
 - 11% pay more than \$801