WATERLOO REGION Community Foundation

WATERLOO REGION'S **VitalSigns**®

2023 REPORT | AFFORDABLE HOUSING





Territorial

Acknowledgement

Waterloo Region Community Foundation (WRCF) is situated on the lands within the Haldimand Treaty of 1784, a formally ratified agreement acknowledging six miles on either side of the Grand River as treaty territory belonging to Six Nations of the Grand River. WRCF serves a region that is located within the traditional territories of the Anishinaabe, Chonnonton and Haudenosaunee peoples. This territory is within the lands protected by the Dish with One Spoon wampum. We acknowledge the enduring presence, knowledges and philosophies of Indigenous Peoples. We acknowledge the continuing accomplishments and contributions Indigenous Peoples make in shaping Waterloo Region. We are committed to understanding the impact of settler colonialism on the Indigenous experience in order to envision and co-create collaborative, respectful paths together in mutuality and reciprocity.

Thank you

Waterloo Region's Vital Signs® Report would not have been possible without the support of individuals and organizations across the communities that make up Waterloo Region. We are grateful to our sponsors and supporters for their contributions, which allowed us to truly dive deep into the data. This report was derived from numerous organizations and people, including individuals across the region doing incredible work in the Affordable Housing area – many of whom were interviewed and provided essential feedback and advice that you will find throughout this document. We would like to acknowledge each of you for your contributions and hope we have not missed anyone in this list. All opinions and interpretations in this report are the opinions, interpretations, or perspectives of the author and editorial team and do not necessarily reflect the opinions of any organizations or people we acknowledge here.

We thank everyone who provided insight.

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Table of **Contents**

1. Why Vital Signs

2. Why Affordable Housing

4. How you read this report

6. Affordable Housing and the Sustainable Development Goals

8. Supply and demand: Navigating housing in one of the OECD's fastest-growing regions

12. Scaling global peaks: Waterloo Region's housing price surge

16. Pricing out prosperity

24. Expanding households, shrinking spaces

32. Coming and going in Waterloo Region

38. A deeper dive into unaffordable housing

46. Blueprints of belonging: Seeking community in our changing communities

50. Unified action needed: From national to local solutions to the housing crisis

54. Let's talk about local actions that can be taken

60. Glossary

61. Endnotes and References



Why
Vital Signs

Vital Signs® is a community-driven data program that is led nationally by Community Foundations of Canada, and locally by community foundations across Canada – including Waterloo Region Community Foundation (WRCF). Vital Signs® reports are used to better understand the vitality of communities, on aggregate, and also through unique experiences and realities of different groups within the community. They can be broad – and cover a range of topics OR focus on one critical issue. Vital Signs® aims to inspire civic engagement, to provide focus for public debate, and help people and organizations take action and direct resources where they will have the greatest impact.

WRCF published Waterloo Region Vital Signs® reports between 2007 and 2016. From 2017 to 2020, WRCF partnered with Wellbeing Waterloo Region to enable research and the sharing of information to support our region's cross-community priorities of Healthy Children & Youth, Social Inclusion and Affordable Housing. In 2021, WRCF released its first Vital Signs® report in 5 years, focused on Affordable Housing, followed by two compendium presentations diving deeper into the lens of families and the updated 2021 census data.

Affordable Housing continues to be a critical issue for Waterloo Region. As a result, WRCF is focusing again on Affordable Housing for its 2023 Vital Signs® report. Recognizing that there is lots of information available about the topic locally, it focuses on updating some key data contained in the 2021 report, takes a more detailed look at several issues that haven't been discussed as much in community – that deserve additional attention, and includes a list of potential actions that can be taken.



How to use this report

START CONVERSATIONS. TAKE ACTION.
If you or your organization is moved or motivated by what you read, use this report as a starting point for positive action.

PASS IT ON.
Share the report with your friends, colleagues, employees, students, neighbours, library, community centre or an elected official at any level.

FIND OUT MORE.
Learn about the many organizations in our community working on affordable housing, and see how you too can help.

CONTACT US.
We know about the issues in our community as well as the organizations working on solutions to improve them. If you would like to make a difference, we can help and guide you. www.wrcf.ca

Why
Affordable Housing

It's inescapable. No matter where we look, no matter what media we consume, no matter what community we call home, it's impossible to deny the housing crisis across Canada. Waterloo Region is not immune: we're experiencing that housing crisis in stark terms, and it appears not to be going away.

A shared community-wide concern is why affordable housing has been an area of focus for Waterloo Region Community Foundation (WRCF) since 2019. Although we aren't experts on the topic, we continue to share information, learn together with others in the community, and use the three tools in our toolkit – Granting, Investing and Convening – to take action.

Inside this report, you'll read how the housing crisis continues to hit our most vulnerable hardest – the young, non-homeowner older adults, newcomers and refugees, those who identify as Indigenous, Black or as a person of colour, those with disabilities, and individuals exiting the child welfare system. This uneven impact deepens social disparities, threatening the cohesion and diversity that makes our community strong.

Despite Waterloo Region continuing to be among the ten fastest-growing larger metropolitan areas on the continent and a dizzying rate of new local construction, you'll see our housing supply is still not keeping up. More troubling is the evidence of a dramatic mismatch in the type of housing needed and the type of housing being built – by unit size and by pricing.

Our housing crisis is about more than housing. People living in unaffordable housing are less likely to thrive. In Waterloo Region, residents spending over 30% of their income on housing were twice as likely to report low life satisfaction and were 1.5 times more likely to report fair or poor mental health, illustrating the significant correlation between housing affordability and overall wellbeing. We're also alarmed that residents of Waterloo Region have a lower sense of belonging and lower rates of neighbourhood satisfaction compared with the rest of the country. As our region responds by building more housing, we have an opportunity and obligation to also build space for more community, more connectivity, and more joy.

More than anything else, however, we hope this report provides opportunities for action. An unprecedented array of individuals, organizations and institutions across the region, province, and country are urgently pursuing a flurry of solutions. Whether you are a real estate developer, a long-time homeowner, a prospective investor, an elected official, a passionate advocate, a tech-savvy entrepreneur, or simply an interested resident, there are ways you can help. We need you. A complexity of issues created and exacerbated this crisis, and it will require all of us to be informed of the facts so we can tackle the challenges ahead. Together.





Eric Avner,
President & CEO

Our housing crisis is about more than housing. People living in unaffordable housing are less likely to thrive.

Eric Avner, President & CEO, Waterloo Region Community Foundation



How you read **This Report**

This report analyzes data that paints a picture of who's feeling the impact of expensive and inadequate shelter. It builds on Waterloo Region's 2021 Vital Signs® Report focused on Affordable Housing. You can find it on our website here.

Did we mention data? It's built on gathering a lot of data – from a variety of sources – including discussions and interviews. Local wherever we can, but then including other comparisons where it makes sense. As current as it is available.

What isn't in this report – and why
When we say affordable housing, we're not just talking about home ownership – we're talking about long-term access to a roof over your head whether you own it or not. The report doesn't include a deep analysis of the homeless situation in Waterloo Region, though many of the topics discussed are linked. There is a lot of local analysis already available on those who are unsheltered locally, and rather than duplicate information that has been shared – we focused on shedding light on issues that haven't been discussed as frequently.

Lastly, you may read a chart hoping to also get statistics on linkages to specific demographic groups in our community. We have presented some of the disaggregated that is available, but we continue to be challenged to provide information with different lenses – including but not limited to race-based data.

Between pages 8-49, we've presented the data in seven sections that you can review in detail. Pages 50-59 discuss actions that can be taken. At the end of this document you will find detailed endnotes with data sources, and a glossary of some terms we use that you might not recognize. (Words in the glossary are marked in the document with a **G**)

Throughout the report you will find quotes from individuals across our community, who care deeply about and are working on, affordable housing[G] in Waterloo Region. We didn't have the space to include all the quotes – and we couldn't talk to everyone who is focused on this issue – but the insights we've included provide valuable context.



Waterloo Region includes three cities (Cambridge, Kitchener, and Waterloo) and four townships (North Dumfries, Wellesley, Wilmot and Woolwich). With a diverse set of data available from various sources, many times the data that is available only covers a portion of the broader region. It can get very confusing, so we've created this chart below as a reference tool to help you interpret the data as you read through the report.

Corrections Welcome: A Commitment to Accuracy.
While we did our best to accurately convey the content in this report, and it went through a detailed review process, mistakes can inevitably slip through. We sincerely apologize to anyone whose data was misrepresented. If this was the case, please let us know, and we will ensure future versions do not include the same mistakes.

	Cambridge	Kitchener	Waterloo	North Dumfries	Wellesley	Wilmot	Woolwich	Waterloo Region
Census population 2021	**138,479**	**256,885**	**121,436**	**10,619**	**11,318**	**21,429**	**26,999**	**587,165**
Waterloo Region	X	X	X	X	X	X	X	X
Waterloo health unit (labelled as Waterloo Region)	X	X	X	X	X	X	X	X
Kitchener-Cambridge-Waterloo CMA[G], 2016 borders	X	X	X	X		X	X	
Kitchener-Cambridge-Waterloo CMA, 2011 borders	X	X	X	X			X	
MLS Home Price Index[G] Kitchener Waterloo		X	X		X	X	X	
MLS Home Price Index Cambridge	X			X				

Note: For the Kitchener-Cambridge-Waterloo CMA, in some but not all cases in this document, Statistics Canada has recalculated 2011 boundaries to be consistent with 2016 boundaries, so comparisons and interpretation need to be done with significant caution.

Affordable Housing and the Sustainable Development Goals

In 2015, the United Nations members adopted the 2030 Agenda for Sustainable Development. The 17 United Nations Sustainable Development Goals (SDGs) are a universal framework and plan to achieve a better, and more sustainable future for all – so no one is left behind. These goals address global challenges with desired outcomes that will only be met through local-level action.

Through the SDGs, community foundations are connecting their local efforts to a broader and ambitious global agenda to improve the world around us. Waterloo Region Community Foundation is committed to working with others to advance the SDGs in our community and is incorporating the SDG Framework into our Granting, Investing and Convening.

SDG #11 is focused on making cities and communities inclusive, safe, resilient and sustainable. It is at the core of the 2023 Waterloo Region Vital Signs® Report, as it was in 2021.







Supply and demand:
Navigating housing in one of the OECD's fastest-growing regions

We will need significantly more supply of new housing to accommodate the population growth we're expecting to see in our community. Most of this new supply will need to be constructed in our built-up area, and so the look and feel of our community is going to change.

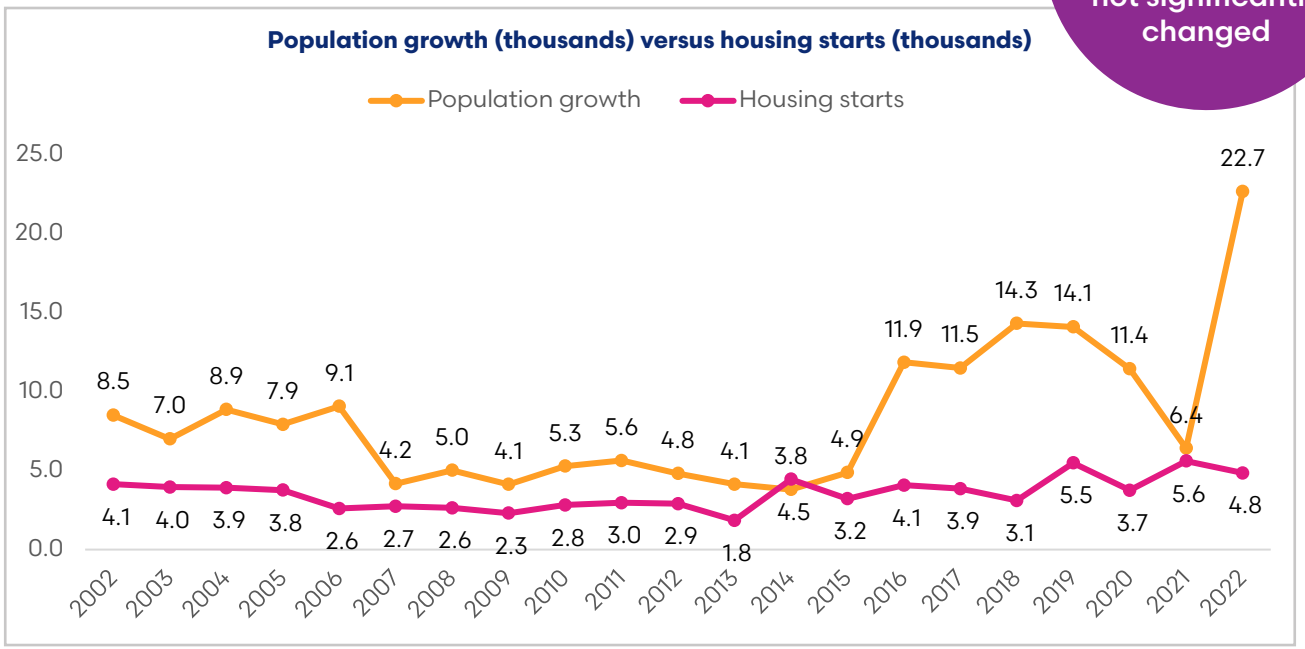
Michelle Lee,
Executive Officer to the CAO,
City of Waterloo

Population growth has surged, but the supply of housing has not kept pace

The Supply and Demand Chasm: Population growth in Waterloo Region has surged by 363% compared to 2015 levels (growing by 22,700, up from 4,900), while housing starts have increased by a mere 50% (from about 3,200 to 4,800). In 2022, an astounding 4.7 people migrated to Waterloo Region for every new home constructed, revealing a stark imbalance between housing demand and supply. This chasm has deepened alarmingly since 2015, when the region saw a more manageable ratio of 1.5 new people per new home.

Added more than 50,000 people: Between the 2016 and 2021 Census, the Region of Waterloo added about 52,000 people to the Kitchener-Cambridge-Waterloo CMA.[3] See page 32 through 34 for additional details on who's coming and going.

Population growth has surged even as housing starts have not significantly changed



Kitchener-Cambridge-Waterloo CMA. **Note:** Housing starts are calculated for the entire year; Population estimates are for July 1st each year, and the most recent data are estimates and may be revised. **Source:** Statistics Canada Annual Population Estimates[1] and CMHC Housing Completions.[2] Analysis by the author.



Waterloo Region continues to rank among the fastest-growing regions in the OECD

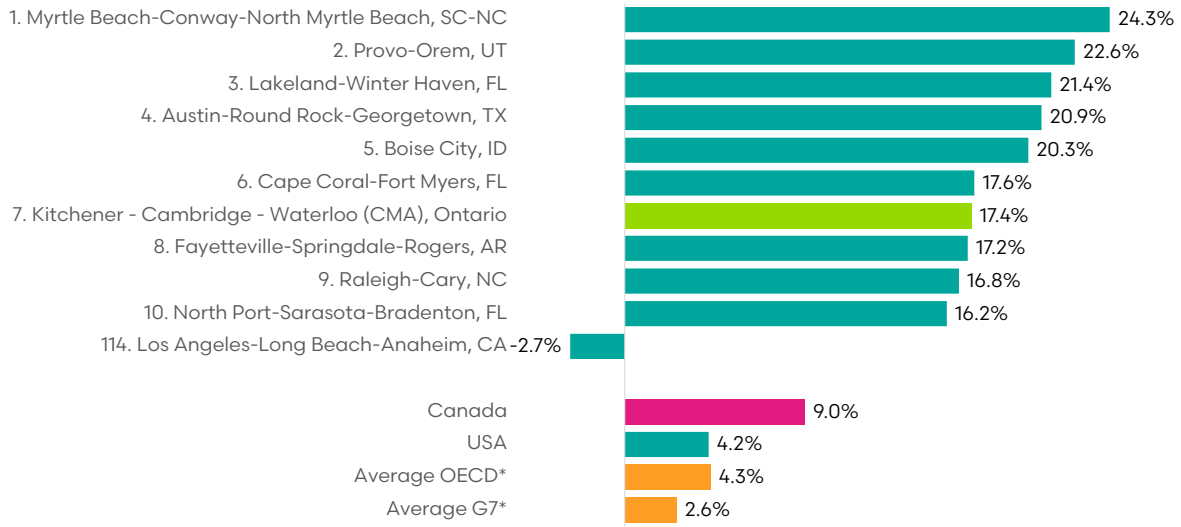
Waterloo Region is growing incredibly fast: Since its population started to increase in 2015, Waterloo Region has grown nearly twice as fast as Canada as a whole (by 17.4% versus 9.0%) and four times faster than the average Organization for Economic Cooperation and Development (OECD[G]) country (4.3%) and almost seven times faster than the average G7[G] country (2.6%), (all sources available from the notes on the chart).

Population growth is not slowing: Waterloo Region grew twice as fast (3.8% versus 1.8%) as Canada as a whole between 2021 to 2022.

Among the top 10 fastest-growing larger Metropolitan Areas on the continent: Waterloo Region's Census Metropolitan Area (CMA)[G] was the seventh fastest-growing larger metropolitan area in Canada or the United States (out of 114) since 2015 (see chart for notes) and the fourth fastest-growing larger metropolitan area in 2022.

Waterloo Region includes the 7th fastest growing larger metropolitan area in Canada or the United States since 2015

Top 10 fastest growing larger metropolitan areas in Canada/USA
Population in 2022 versus 2015



Note: Larger refers to metropolitan areas with at least 500,000 people in 2022. Population numbers are preliminary estimates are as at July 1st of each year. **Source:** U.S. Census Bureau, OECD, and Statistics Canada. Analysis by the author.[4]

Waterloo Region is not hitting its housing construction targets

Ambitious new provincial construction targets: The province of Ontario has tasked the Kitchener-Cambridge-Waterloo area to construct 70,000 new housing units from 2022 to 2031 to accommodate this growth as part of a provincial-wide initiative to boost construction.[5] This is an ambitious target, but it would not provide enough houses even if met, unless population growth slows considerably from 2022 levels.

A slow start to the new plan: One and a half years into the new provincial housing targets, Waterloo Region has only achieved about 54% of the annual builds required to date to hit the overall proposed housing targets in 2031 (as of June 2023), despite the community-wide focus.[6]

Pre-existing housing shortages persist: The Smart Prosperity Institute estimated that there is demand for 13,400 units in Waterloo Region among existing residents who would like to move out of their current homes but cannot due to the lack of suitable housing.[7]

Even our ambitious targets will not solve the affordability crisis: Canada Mortgage and Housing Corporation (CMHC) analysis suggested that provincial targets would need to be about 56% higher to restore affordability (2.6 million homes versus 1.5 million in the target).[8]

Small housing units adding to the crisis: The nature of the housing crisis is further exacerbated by the type of housing being constructed. As discussed later (see page 26 to 27), the increasing shift from larger homes to smaller condos deepens the problem since fewer people can comfortably fit within the constructed units. This contributes to a rapidly worsening overcrowding crisis (see page 30 and 31).

> **Building supply alone will not solve the housing crisis - particularly if there's no affordability criteria. More needs to be done to build not-for-profit, social, and co-op housing while also protecting affordable housing that already exists.**
>
> Acer Bonaparte,
> Chapter Chair, Waterloo Region ACORN



New provincial legislation aiming to increase supply will also have environmental and social consequences[9]

New legislation to build more houses: Recognizing that the ratio of new population to new housing starts was inadequate in many regions across Ontario, the provincial government introduced the More Homes Built Faster Act to support adding 1.5 million new homes by 2031.

Significant changes for Waterloo Region with no opportunity to appeal: The changes have significant implications for Waterloo Region, removing the Region of Waterloo and other upper-tier municipalities from approving plans for lower-tier municipalities like the cities of Cambridge, Kitchener, Waterloo, and the townships. The Minister of Municipal Affairs and Housing will now be responsible for planning, with no opportunity to appeal.

Reducing development charges will make it cheaper to build, especially affordable and rental units: The plan slashes development charges of all kinds, with additional focus on exempting affordable resident units and attainable resident units, non-profit housing developments, and reducing charges for rental housing developments.

But cutting development charges will also mean tax increases and lost social infrastructure: The Region of Waterloo estimates $530 million in lost revenue over the next decade due to reduced development charges.[10] The costs for infrastructure like roads, sewers, and parks, previously covered by development charges, might now fall onto property owners through increased taxes, while social infrastructure might not be built at near previous levels.

This could lead to increased affordability and the construction of more mid-rises by smaller developers: The average development charge for a 2-bedroom apartment in Toronto was $80,218, which is passed on to the consumers.[11] Noted Quebec economist Mario Polèse argued that high development charges in Ontario discourage small developers from entering the market, and this in turn has led to fewer mid-rises as these are more commonly built by smaller developers.[12]

Less funding for shelters and affordable housing: The More Homes Built Faster Act removed housing services from the list of services for which a development charge may be imposed, with potentially significant implications for the Region's affordable housing and shelter services, which were previously allowed to be funded through development charges. While this may make it cheaper to build, new construction may not have supportive infrastructure around the build due to lack of municipal funding.

Other provincial directives have increased urban sprawl:[13] Ontario's government has also pronounced that areas such as Waterloo Region, Wellington County, Belleville, and Peterborough must expand their urban boundaries, thus sanctioning increased sprawl. All the approved plans have been finalized with the explicit provision that "appeals are not allowed," again denying any opportunity for local feedback, though expediting the process.

Ecological impact: The loss of quality agricultural land poses significant threats to regional biodiversity and local water sources. Kevin Eby, a former Director of Planning for the Region of Waterloo, highlighted in an interview with the Narwhal Magazine that it is unclear whether the water supply can accommodate this level of population, in addition to there being no infrastructure in place to support this growth, and a lot of planning has already been undertaken to support increased density.[14]

> **Affordable housing and the energy transition are interconnected. We need to ensure our homes are built affordably now without downloading future costs on tenants, homeowners, or the broader community.**
>
> Matthew Day,
> Director, Community Energy Program, WR Community Energy

Scaling global peaks:
Waterloo Region's housing price surge

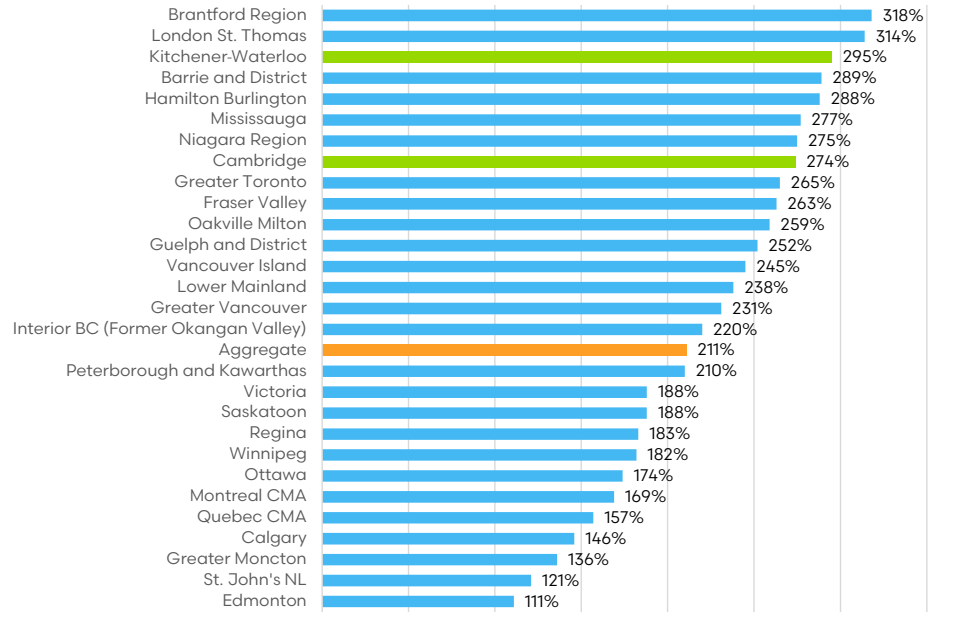
Through the roof and beyond: Waterloo Region has experienced one of the world's most drastic housing price hikes since 2005

Waterloo Region, along with the rest of Southwestern Ontario, has seen Canada's steepest price climbs: As of June 2023, home prices in Kitchener-Waterloo had risen by an astounding 295% since January 2005, 84 percentage points faster than the Canadian average, and the third highest in the country among major markets.

Prices in Cambridge are not far behind, and have risen by 274%, while Wellesley and Woolwich prices are up by 296%, and Wilmot is up by 274%.[16]

Canada has had the fastest home price growth in the OECD: Between 2005 and 2022, Canada experienced the fastest real home price appreciation in the OECD, with real (inflation-adjusted) home prices increasing by 137%, four times faster than the OECD average (34%).[17] OECD countries tend to be the wealthiest democracies in the world.

Percentage increase in MLS Composite Home Price Index in major markets, January 2005 to June 2023



Prices in Waterloo Region are among the fastest growing major markets in Canada

Note: Several smaller markets or regions not associated with CMAs were not shown on this chart. **Source:** MLS Home Price Index.[15]

"While housing prices are up across the country, the surge in Waterloo Region is shocking. We'll have to get creative to ensure all who want to call this region home can afford to do so, now and into the future."

Eric Avner,
President & CEO,
Waterloo Region Community Foundation

Priced out: Home price-to-income ratios in the region have soared well beyond local incomes

Home prices are up drastically since 2005: By June 2023, the average home price in both Cambridge and Kitchener-Waterloo reached approximately $778,000 on the MLS Home Price Index, a leap from $197,200 (Kitchener-Waterloo) and $208,600 (Cambridge) in January 2005.

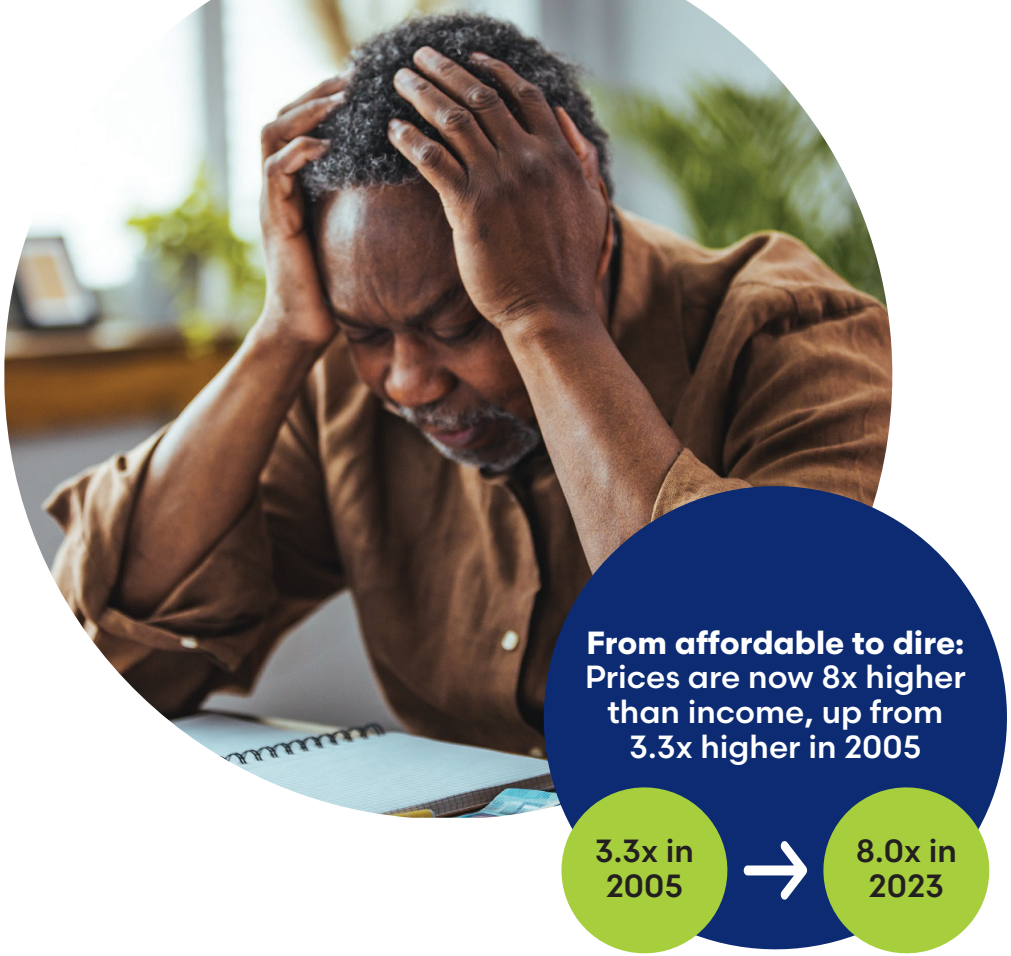
Stagnant inflation-adjusted household income: While home prices are up by 295% from 2005 to 2023, income is up by about 50% (while inflation is up by 48%),[19] leaving residents further and further behind (median total household income only grew from about $65,000 in 2005 to an estimated $97,000 in 2023; see chart for details).

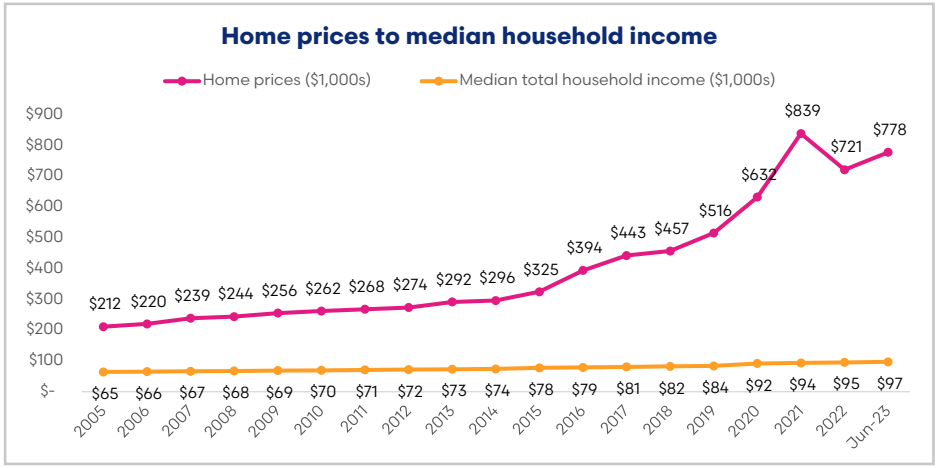
Home prices in Waterloo Region are now some of the least affordable in the world: The ratio of home prices to income in the region now stands at 8.0x, compared to just 3.3x at the end of 2005. This ratio for Kitchener-Waterloo in 2023 (8.0x) or Cambridge (8.0x) is on par with Miami (8.5x in 2022), surpasses Greater New York (7.1x in 2022), and nearly matches Greater London, UK (8.7x in 2022).[20] The 2022 numbers are from Demographia's 2023 report. However, it lags behind San Francisco (10.7x) and Toronto (9.5x), though comparisons to Demographia's work should be made with caution due to variance in methodology and years.

A global city, or at least one with global prices: In Demographia's 2023 international review of the least affordable major markets in Australia, Canada, Hong Kong, Ireland, New Zealand, Singapore, the United Kingdom and the United States countries, while Waterloo Region was not classified as a major market, the region would rank 80th out of 95 on affordability, reflecting one of the most expensive markets in their review.[21]

2023 price decreases brought no affordability relief due to rising interest rates: Despite a 22% drop in Waterloo Region's housing prices from February 2022 to March 2023, increasing interest rates pushed up new mortgage payments by 28% during the same period, making homes less affordable. Prices have been increasing again since then, and interest rates remain high.[22]

Mortgage renewals will contribute to more financial difficulties: Discounted five-year fixed mortgage rates were in the realm of 5.3% in August 2023, up from around 3% in August 2018.[23] For people who had purchased a single-detached home in Waterloo Region in August 2018 (at around 499,400) with a 20% downpayment, renewing their mortgage in August 2023 would result in an increased mortgage payment of $400 a month. For people who purchased in August 2021 (at around $841,000 and with mortgage rates at 1.68%), renewing in August 2026 will result in increased monthly payments of $1,100 if mortgage rates remain at current levels. People with variable rate mortgages will have already seen huge increases in monthly costs.[24]





Kitchener and Waterloo. **Note:** Home prices on the chart reflect the home price as at the last month of the year. For detailed explanations, see the endnotes.[18] **Source:** MLS Home price index and Median household income from Census of Canada, 2005, 2011, 2016, and 2021. All other years of income are estimates.

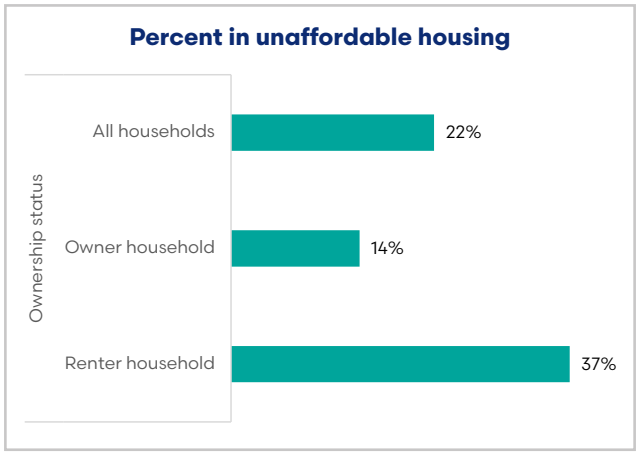
Rents have been increasing at a rapid but slower pace than home prices, but rent accelerated drastically in 2022

Increasing rents are already putting vulnerable renters at growing risk: The escalating home prices are alarming. However, a potentially larger concern lies in the steep rise of rental unit prices, particularly as 37% of renter households live in unaffordable housing (versus 14% of homeowners). These households are spending more than 30% of their income on housing. See also a deeper dive on unaffordable housing starting on page 38.

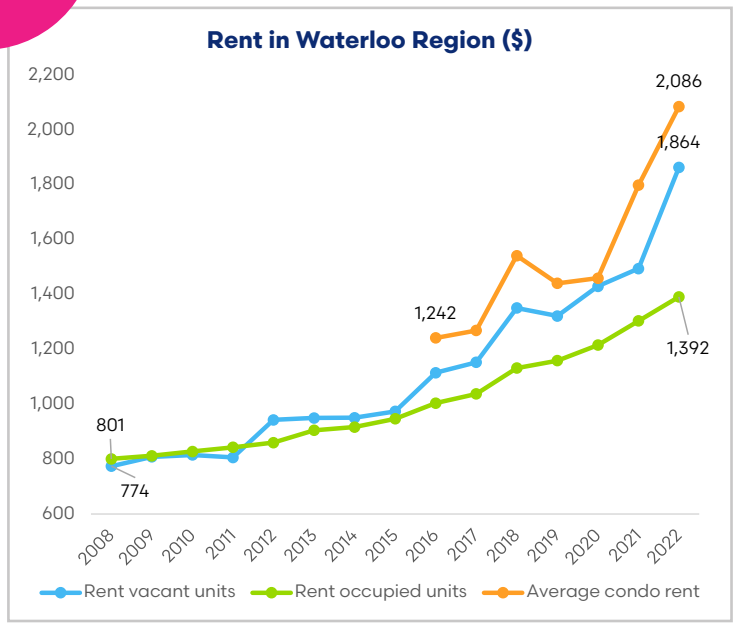
Rental prices of vacant units have jumped significantly: Rent for vacant units jumped to $1,864 in 2022 from $774 in 2005, a 141% increase, while the average price for all occupied units witnessed a slower 74% rise (much more in line with income or inflation). Condo rents have only been tracked since 2016 by CMHC but have grown at almost the same rate as vacant unit rents (68% versus 68%) between 2016 and 2022.

Renters at much greater risk of unaffordable housing

Rent is soaring in the region



Kitchener-Cambridge-Waterloo CMA. **Note:** Unaffordable housing is spending more than 30% of income on housing. **Source:** Statistics Canada, 2021 Census of Population.[26]



All unit-sizes. Kitchener-Cambridge-Waterloo CMA. **Source:** CMHC Rental Market Tables.[27]

The rental crisis accelerates:
In a worrying trend, the 2022 annual increase in rent for vacant units was five times faster than the rest of the decade's average (25% versus 5%).[25]

Rents are also increasing for occupied units:
Even rents for occupied units have increased by 14% from 2020 to 2022, well above historical rates.

> **There have been several announcements of housing to come by local leadership. Yet, as they execute the five-year plan, the expected new housing stock is failing to meet the need in real-time. This is the dire state of a crisis that has never been solely about housing. It's about affordability, and that's about money. Implementing guaranteed basic income and reimplementing rent control ensures that existing and new housing is not just affordable but attainable.**
>
> Teneile Warren,
> Equity and Inclusion Officer,
> Waterloo Region District School Board



Pricing out prosperity

No rental units available for those in the bottom 20% of earners in Waterloo Region: The vacancy rate for units affordable to the bottom 20% of renters was 0.0% in 2022, compared to 1.2% for the entire market (and 2.8% for those affordable to those with between the 60th and 80th percentile of household income).[28]

In 2022, CMHC reported that the share of all units affordable to renters with the lowest 20% of incomes in Waterloo Region was suppressed because the number was too small to report, a finding consistent with most of Southern Ontario.[29]

Most renting households can't afford current rents: To afford vacant rent of $1,864 while spending less than 30% of your income on rent, your household income needs to be above $75,000. Only about 37% of renting households had incomes above $75,000 in 2021, meaning that almost two-thirds of renting households cannot afford to pay the rent of current vacant units.



> **I am seeing a huge increase in demand for support from people on a fixed income. A lot of these people are seniors who've lived in their units for up to 20 years. Long-term tenants with rent control and people who receive social assistance are frequently targeted by landlords.**
>
> Jenaya Nixon,
> Former Eviction Prevention Peer Worker, Social Development Centre Waterloo Region

> **Lifting rent control was a death blow to affordable housing in this region. It's giving landlords more power to push out tenants to renovate and raise rents. And once that stock is lost, it's rarely ever regained. Not only are landlords incentivized to push out tenants to renovate and hike up the rents, but newer properties are exempt, too. It's a double whammy for renters.**
>
> Michelle Knight,
> Peer Support and Project Coordinator,
> Eviction Prevention Cambridge, Social Development Centre Waterloo Region

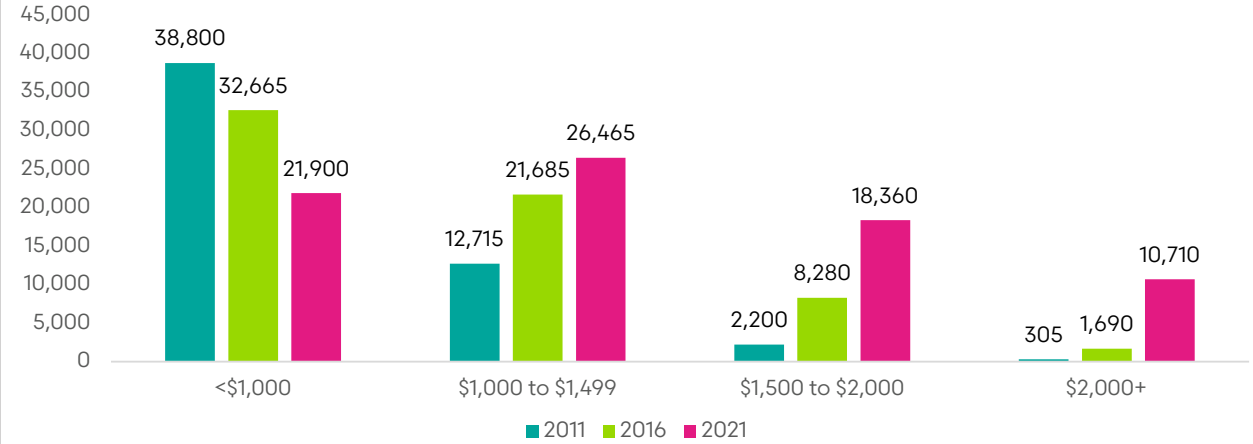
Huge loss of existing affordable housing through market conditions

Shrinking affordable rentals: The number of households renting for less than $1,000 has dropped by almost half between 2011 and 2021. $1,000 per month is roughly affordable to about the bottom 30% of renters in 2021.[31] These units are affordable to households making less than $40,000 in household income (22,590 households as of the 2021 Census)

Affordable units are disappearing far faster than new affordable units are being built: On average, Waterloo Region lost more than 2,100 affordable units per year between 2016 and 2021 (those renting for less than $1,000), a rate four times greater than 500 new affordable units being constructed annually by the region (see page 51).

Escalating rate of loss: Disturbingly, the rate at which we are losing affordable units (units renting for less than $1,000) doubled from 2016 to 2021 compared to the previous five years, and accelerating rent growth suggests this will continue.

Between 2016 and 2021, Waterloo Region was losing 2,100 units per year, renting for less than $1,000



Kitchener-Cambridge-Waterloo CMA. **Note:** The boundaries of the CMA expanded in 2016, so comparisons should be interpreted with significant caution. These values are not inflation-adjusted. **Source:** Statistics Canada, 2021 and 2016 Census of Population and 2011 National Household Survey.[32]

The extent of the role eviction is playing in rising rent is unclear

Incomplete eviction data: Comprehensive local eviction data is currently lacking, but evictions play a critical role in the rental market dynamics. For example, in 2018, in Toronto there was one formal eviction application for every 20 renter households city-wide, and this reached one eviction application for every five renter households in some neighbourhoods.[33] The Canadian Housing Survey found that 10% of Canada-wide renters who moved into their current rental units within the past two years indicated they left their previous residence due to an issue with the landlord (leaving the vast majority who moved for other reasons).[34]

Rental market pressures: Rent in Waterloo Region is escalating faster than the inflation rate. Because of a lack of data, it is unclear how substantially evictions and issues with landlords play a role. While units first occupied before November 15, 2018 are rent-controlled, units first occupied since then do not have the same protections. The construction of new rental units, often rented at higher rates, pushes the average rent upward. It would not be uncommon for someone living in a rent-controlled unit for many years to have to pay $700 to $1,000 more for a new market apartment if they moved out, which gives landlords plenty of incentive to try to get tenants to leave.

Rising evictions for own use and renovictions: Across Ontario (excluding Toronto), the number of eviction applications for the landlord's own use has increased by 59% from 2019 to 2022, and in total 5,508 of such applications were made.[35] The Landlord and Tenant Board also received nearly 1,100 eviction applications in 2022 for either "demolition, renovation or conversion of a unit," which was almost double the number received in 2019. That said, landlord-related issues beyond formal evictions are common, contributing significantly to tenant instability.

Need for better and more timely data: This underlines a clear need for more data, as the Landlord and Tenant Board reports the number of eviction applications, but the number of actual evictions across Ontario is not tracked. It is also difficult to access this data.

Safe apartment buildings bylaw to improve conditions and avoid renoviction: CBC Hamilton reported in August 2023 that Hamilton is considering a new bylaw that would require regular inspections and stricter enforcement of property standards and strengthen protections for tenants facing renovictions.[36] The goal is to preserve existing affordable housing and ensure that landlords don't allow buildings to go into disrepair to justify renovictions. The inspection aspect of the bylaw is modelled after Toronto's RentSafe program, which has been grading rental buildings since 2017.

Eviction prevention programs can be extremely cost-effective: An evaluation of Toronto's Eviction Prevention Program noted that it cost an average $4,182 to help an individual at risk of eviction to pay off their arrears and stabilize their housing,[37] comparing the cost extremely favourably to the cost of emergency shelter ($9,000 per person for the time typically spent in shelter). In Waterloo Region, where the average rent for a unit is $472 higher than the average rent for all units (see page 14), preventing someone from being evicted from an average older unit and having to rent a new unit could contribute to $5,664 in rent savings per year in rent for that tenant.



> **We're seeing more and more people getting notices for no-fault evictions for renovations. Tenants have the right of first refusal to return to the unit after the renovations, but no one is monitoring to ensure it happens.**
>
> Michelle Knight,
> Peer Support and Project Coordinator, Eviction Prevention Cambridge, Social Development Centre Waterloo Region

We continue to see an increased demand on housing services, including over 640 issuances from the Region's rent bank. We now see more requests for eviction prevention funds than for first and last month's rent. If additional funds were added to the rent back, it could allow us to change eligibility requirements so we can help more people.

Chris McEvoy,
Manager, Housing Policy and Homelessness Prevention, Region of Waterloo

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More evictions would be challenged if low-income folks had access to free legal advice and representation and peer support, similar to the peer support our program provides. There needs to be more funding for community legal services and programs, like Eviction Prevention Waterloo Region, that care about tenants, educate them about their rights, and support them in a holistic way throughout the entire eviction process with a goal of keeping them housed.

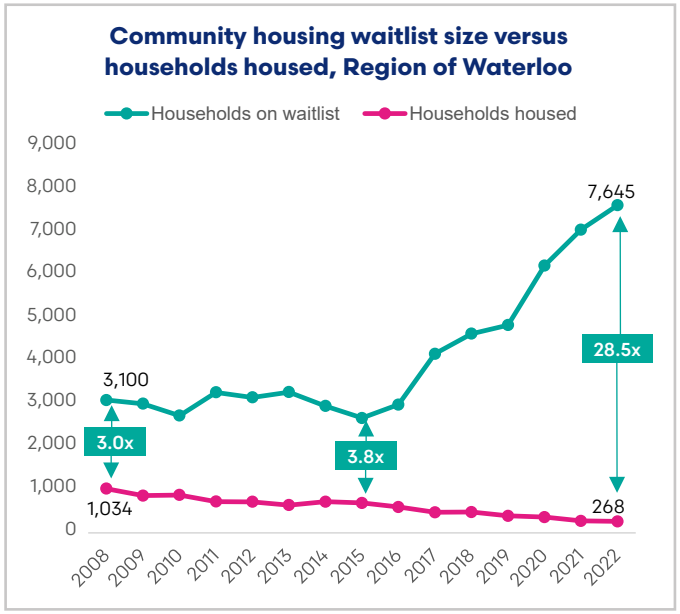
Jenaya Nixon,
Former Eviction Prevention Peer Worker, Social Development Centre Waterloo Region

An inadequate supply of subsidized or community housing[G]

The waitlist for Waterloo Region community housing keeps getting longer: The number of households waiting has risen from 3,100 in 2008 to 7,645 in 2022.

Fewer people are being housed every year: 1,034 households were housed in 2008, accounting for a third of the households on the waitlist. But in 2022, only 268 households were housed (3.5% of the waitlist).

A huge mismatch in supply and demand: 28.5 times more people were on the community housing waitlist in 2022 than were housed, a drastic increase over a 3.8-times ratio in 2015.



Source: Region of Waterloo.[39]

Wait times have surged: Average wait times for community housing have at least doubled for many groups from 2018 to 2022, including for those 59+ (from three to six years). For those under the age of 59, the wait for two-bedroom units increased from two to five years, for three-bedroom units from four to eight years, and for one-bedroom units from seven to eight years.[40]

The waitlist for community housing has kept growing while the number of people housed keeps shrinking

Accessibility remains a barrier in community housing: According to staff at Reception House, only 51 of the Region's 3,000 community housing units are accessible for people with disabilities, with wait times up to seven years.[41] An additional 380 accessible units are managed by non-profit and co-op organizations. For government-assisted refugees that they support, many of whom were approved due to complex medical issues, this is inadequate, let alone for the local needs.

Plans to significantly increase new units: The Region is investing in 500 new affordable units per year through 2025, for a total of 2,500, up from about 50 per year before the pandemic (see page 51).

New units are a significant improvement, but many more are needed: The average OECD country has 7% of their housing units as subsidized units, compared to 3.7% in Waterloo Region and 3.5% in Canada (see page 51).

> **The monthly deficit between living expenses and the Ontario Disability Support Program is $680 per month.[38] The government provides incentives to developers to build affordable housing which is completely out of reach for people with disabilities.**
>
> Al Mills,
> Executive Director,
> Extend-A-Family Waterloo Region



Social fabric fraying in Waterloo Region

Homelessness growing: As of late spring 2023, over 528 individuals with the most urgent needs (such as chronic homelessness, addiction, or physical challenges) are on the Region's Prioritized Access to Housing Support (PATHS) list, which has grown from 125 at the end of 2015/2016[44] - and is growing at a rate of 30% year over year.[45]

The 2021 Point-in-Time homelessness count found 1,085 people experiencing homelessness.[46] There has been a major focus on homelessness regionally, and the number of shelter spaces provided by the region and other organizations have dramatically increased - but still aren't keeping up with the demand.

People living in unaffordable housing are less likely to thrive: In Waterloo Region, residents spending over 30% of their income on housing were twice as likely to report low life satisfaction and were 1.5 times more likely to report fair or poor mental health, illustrating the significant correlation between housing affordability and overall wellbeing.[47]

Erosion of true community connections: The 2021 Canadian Housing Survey shows that sense of belonging and neighbourhood satisfaction in Waterloo Region are below national levels, with lower levels of each tied to housing affordability challenges. We explore this topic in depth on pages 47 to 48.

> **This crisis is catastrophically bad and growing, touching people from all income levels. Even a family making $85,000 a year can struggle to afford to live here. We're not talking about a niche issue; we're talking about an overwhelming reality that many in our community face.**
>
> Philip Mills,
> CEO, Habitat for Humanity Waterloo Region



Food bank usage surges: In a telling sign, the number of people using the Food Bank of Waterloo Region skyrocketed by 62% in the first quarter of 2023 versus 2022, with first-time users increasing by a staggering 191%.[42] Waterloo Region Food Bank supported 31,000 unique individuals through the first three months of 2023, nearly matching the pre-pandemic annual total.[43]

An accelerating exodus: A higher share of residents are leaving Waterloo Region than all but one major metropolitan area in the country. As we explore in the subsequent section (see pages 32 to 35), the escalating costs have triggered a migration wave out of Waterloo Region.

The sometimes unseen burden: The housing crisis is hitting hardest for the vulnerable – the young, non-homeowner older adults, newcomers, those who identify as Indigenous, Black or as a person of colour, those with disabilities, refugees, and individuals exiting the child welfare system. This uneven impact deepens social disparities, threatening the cohesion and diversity that make our community strong.



Finding placements for children is another form of housing, and like everything else, it is getting harder and harder. Across the province, child welfare agencies must temporarily house youth in hotels with staff support or in their offices. This is all part of the continuum of homelessness, setting the stage for the overrepresentation of people experiencing foster care or child welfare care in the homeless population.

Karen Spencer,
Executive Director (retired), Family & Children's Services of the Waterloo Region

Expanding households, shrinking spaces

> There is a strong disconnect right now in Waterloo Region between what home buyers are looking for and the new supply coming to the market. Local governments need to do a better job of encouraging the building of a greater array of affordable housing options.
>
> Megan Bell,
> President, Waterloo Region Association of REALTORS®

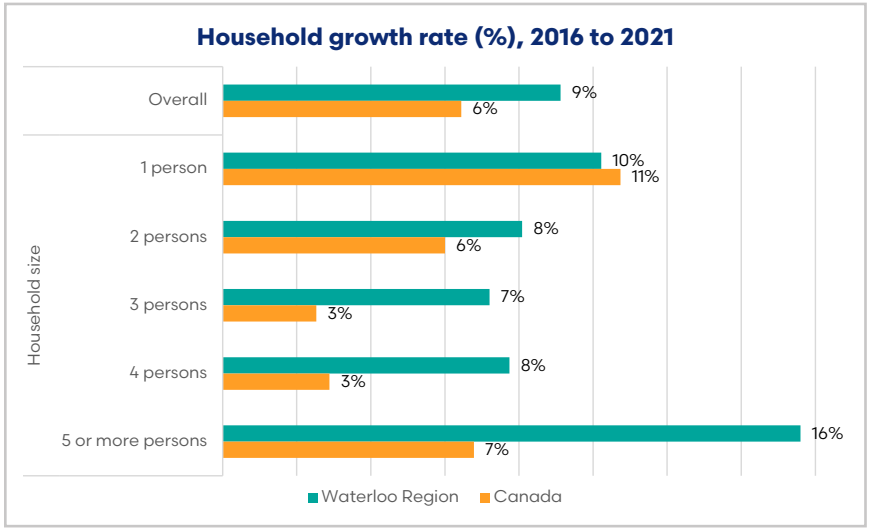
Large households leading Waterloo Region's growth, countering national trends

A fast-growing community: As we highlighted in our opening section, Waterloo Region has grown about twice as fast as Canada overall since 2015 (17.4% for the CMA versus 9% for the country) and is one of the top 10 fastest-growing larger metropolitan areas in Canada or the United States (see page 9). Waterloo Region has added more than 52,000 people from 2016 to 2021 (see page 32).

Large households leading Waterloo Region's growth: Households with five or more people grew fastest in Waterloo Region, growing by 16%, followed by one-person households, which grew by 10% between 2016 and 2021.

Countering national trends: While the national focus is increasingly on shrinking household sizes, in Waterloo Region, households of three, four, and five people grew at least twice as fast as the national rate between 2016 and 2021.

Waterloo Region is not alone in its surge in household size: This trend is echoed in high-growth housing markets such as Oshawa, London, Windsor, Brantford, and major markets in British Columbia – all of which have seen households of five or more people grow at twice the national rate.[49]



Kitchener-Cambridge-Waterloo CMA. **Source:** Statistics Canada, 2021 and 2016 Census of Population.[48]

Large households are growing twice as fast in Waterloo Region as in the rest of the country

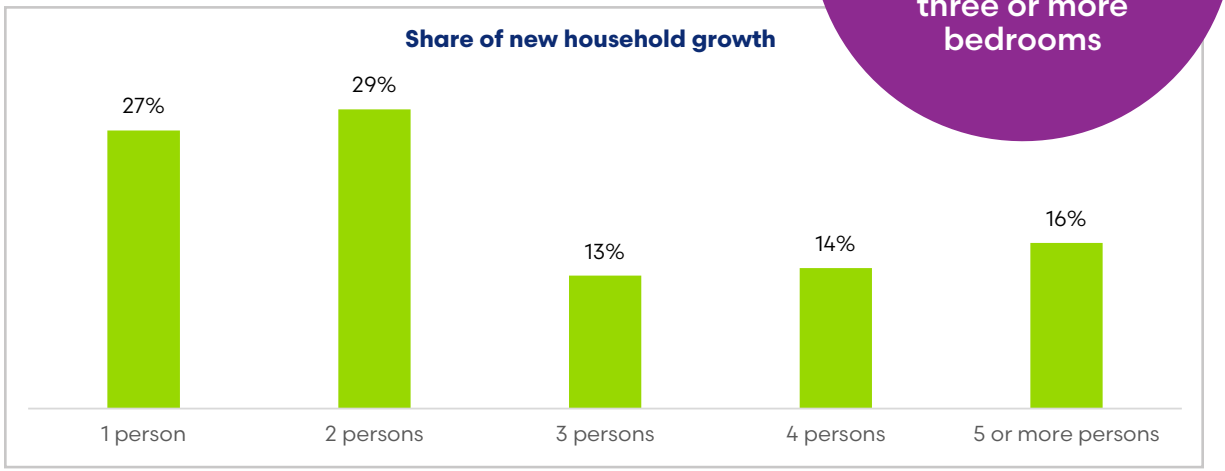
A growing disconnect between household composition and housing supply

Rental Stock Failing to Meet Needs: Of new rental stock created across the CMA, a mere 5% (116 of 2,243 units) of new rental stock created between July 2019 and June 2022 are 3-bedroom or larger, while 30% of new households consist of four or more people. Almost all 3-bedroom units were in the City of Waterloo (94).[52] This mismatch presents a major issue when trying to comfortably house larger families in smaller units.

Smaller households are still the majority of new households, but not the majority of the new population: Despite the significant growth in larger households, most new households in the region still consist of one or two people (57%).[53] However, as these households naturally contain fewer residents, they account for a much smaller proportion of the new population.

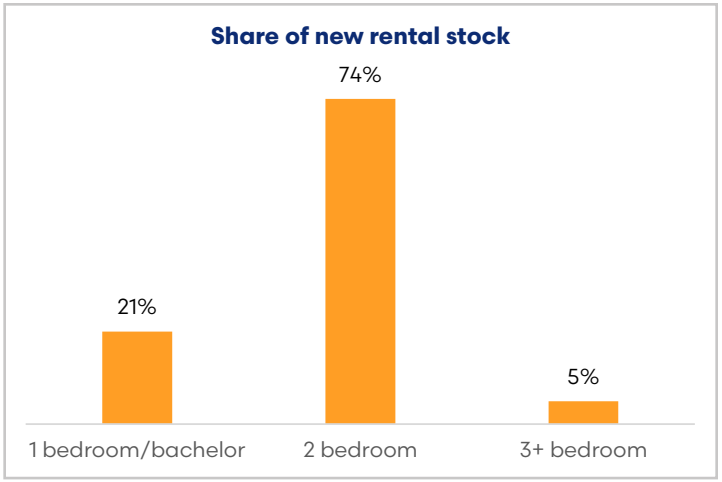
A further exploration of the nature of these larger new households starts on page 30.

Three in ten new households have four or more people, but only one in twenty new rental units have three or more bedrooms



Kitchener-Cambridge-Waterloo CMA. 2016 to 2021. **Source:** Statistics Canada, 2021 and 2016 Census of Population.[50]





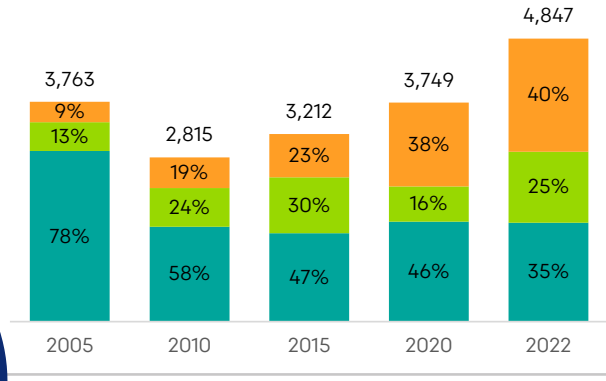
Kitchener-Cambridge-Waterloo CMA. July 2019 to June 2022.
Note: Excludes condos that are listed on the secondary rental market. **Source:** 2022 CMHC Rental Market Survey.[51]

Small condos have become the most common type of new housing

Shift from houses to condos: In 2005, 78% of new home starts were for homeowner units (which exclude condominiums; see notes on the chart), typically larger units capable of accommodating large households. However, there has been a steady decrease since then, and in 2022 only 35% of new starts were geared toward homeowner units. During this same period, condos increased from 9% of units to 40% of units. Comparison data from those living in condominiums in the 2016 and 2021 censuses shows that the significant majority of new condo units have two bedrooms or less.[54]

A shortage of larger homes: The marked shift from homeowner unit-geared development to small condominium development could further exacerbate housing mismatches, especially for larger families, multigenerational families, or those choosing to live in larger extended households.

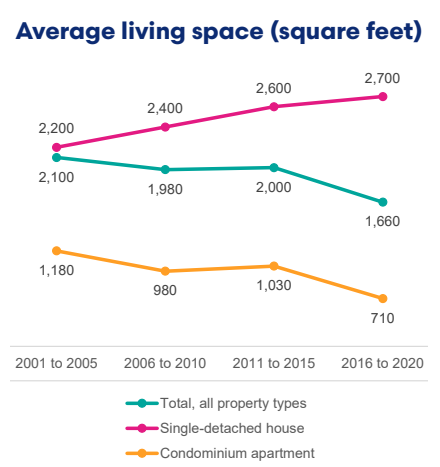
While more units are being built than in past years, far more of them are condos



Select years. The numbers on the top refer to the total number of housing starts while the percentages are the distribution of housing starts. Kitchener-Cambridge-Waterloo CMA. **Note:** A homeowner unit is a residence where the owner owns the dwelling and lot outright; a condominium is when the individual dwelling is privately owned, but the building and/or land is collectively owned, and a rental unit is constructed for rental purposes.[55] **Source:** CMHC Starts and Completions Survey.

> **Growth does not have to be a debate between building single-detached homes and high-rise apartments. Elected officials must turn their attention to policies that will make it easier to build semi-detached, row, duplex, triplex and fourplex style housing.**
>
> Megan Bell,
> President, Waterloo Region Association of REALTORS®

Houses are getting bigger while condos are getting smaller



Kitchener-Cambridge-Waterloo CMA.
Source: Canadian Housing Statistics Program.[56]

Housing units are getting smaller: The average square footage of units built between 2016 and 2020 declined by 340 square feet compared to units built between 2011 and 2015.

Condos are getting smaller and more prevalent, driving the decrease: Since 2005, the average condo square footage has decreased by 40%, meaning that very few condos are being built to accommodate families with children. The decrease in condo size has also fueled an overall 21% decline in the average square footage of all property types.

A strong majority of residents (63%) and boomers/millennials (68%, 68%) support the building of more missing middle housing in Waterloo Region — housing that can provide most of the features of single-detached housing, if well designed.

Source: 2023 poll completed by Waterloo Region Association of REALTORS® with the University of Waterloo

Single-detached houses are getting bigger: The average square footage of single-detached homes has increased 23% compared to units built between 2001 and 2005.

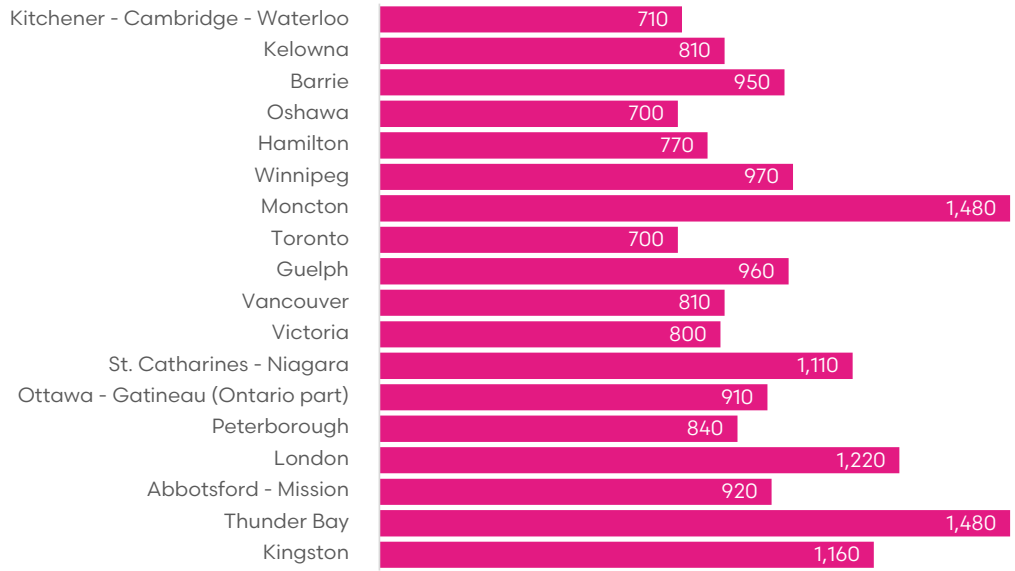
Most new condos are being bought by investors, driving smaller sizes: Less than 25% of new condos built between 2016 and 2021 are owner-occupied, contributing to the demand for smaller units, which are more affordable for investors.[57] When bought for personal use, condos average 90 square feet more.

New condos in Waterloo Region are among the smallest in the country: New condos built in Waterloo Region from 2016 to 2020 averaged only 710 square feet. The only metropolitan areas with smaller average condos were Toronto and Oshawa (700 square feet).

No other metropolitan area saw condo sizes decrease as much: Waterloo Region condos led the county in declining square footage from 2016 to 2021 versus 2011 to 2015, with average square footage decreasing by 320 square feet (from 1,030 to 710).

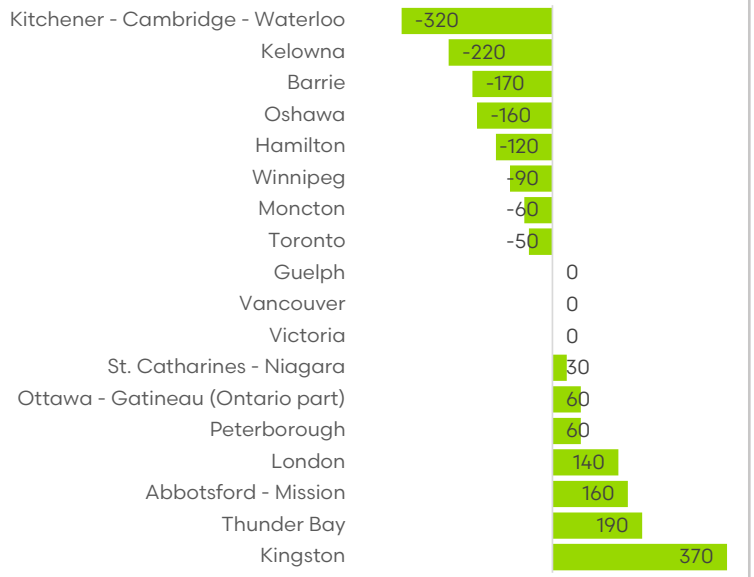


Average total living area for condos built between 2016 and 2020



Kitchener-Cambridge-Waterloo CMA. All data in charts represents CMAs. **Source:** Canadian Housing Statistics Program.[58]

Change in living area for condos between 2016 and 2020



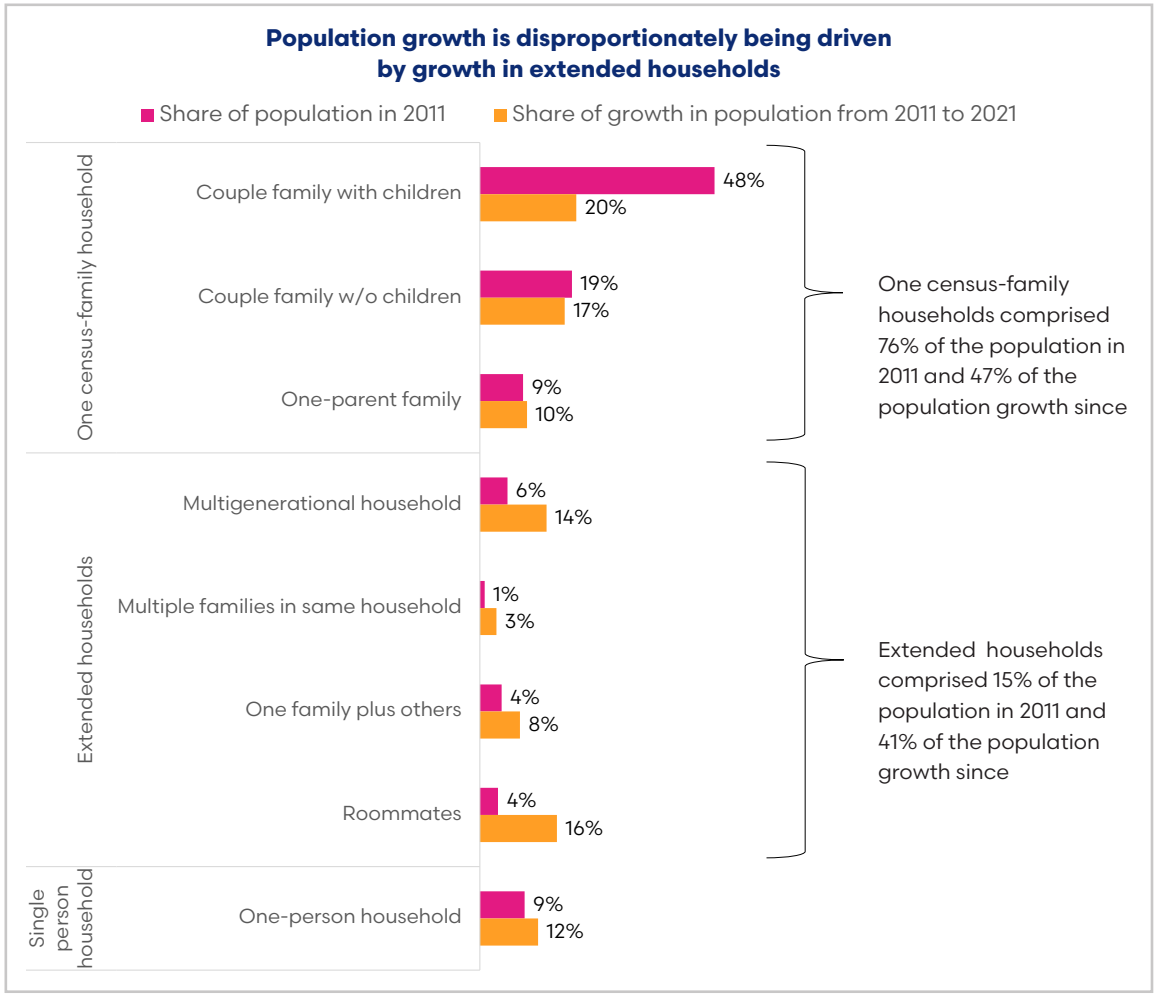
The average for 2016 to 2020 versus the average for 2011 to 2015. Kitchener-Cambridge-Waterloo CMA. All data in charts represents CMAs. **Source:** Canadian Housing Statistics Program.

Did you know? There's been a shift in household composition in Waterloo Region. Despite constituting more than three-quarters (76%) of Waterloo Region's population in 2011, single-family households have made up less than half of population growth since then.

Waterloo Region is leading the country in the growth of extended households (multigenerational homes, roommates, and renting to others)

Rise of extended households: Extended households – including multigenerational homes, roommates, and homes shared by multiple families or individuals – accounted for 41% of the population increase over the past decade, a remarkable figure considering they comprised only 15% of the population in 2011.

Waterloo Region outpaces every other major metropolitan area across Canada in the growth of extended households: Extended households grew 40% in Waterloo Region, while the Canadian average was 19%. On the other hand, the growth rate of single-family households in the region aligned with the national average.

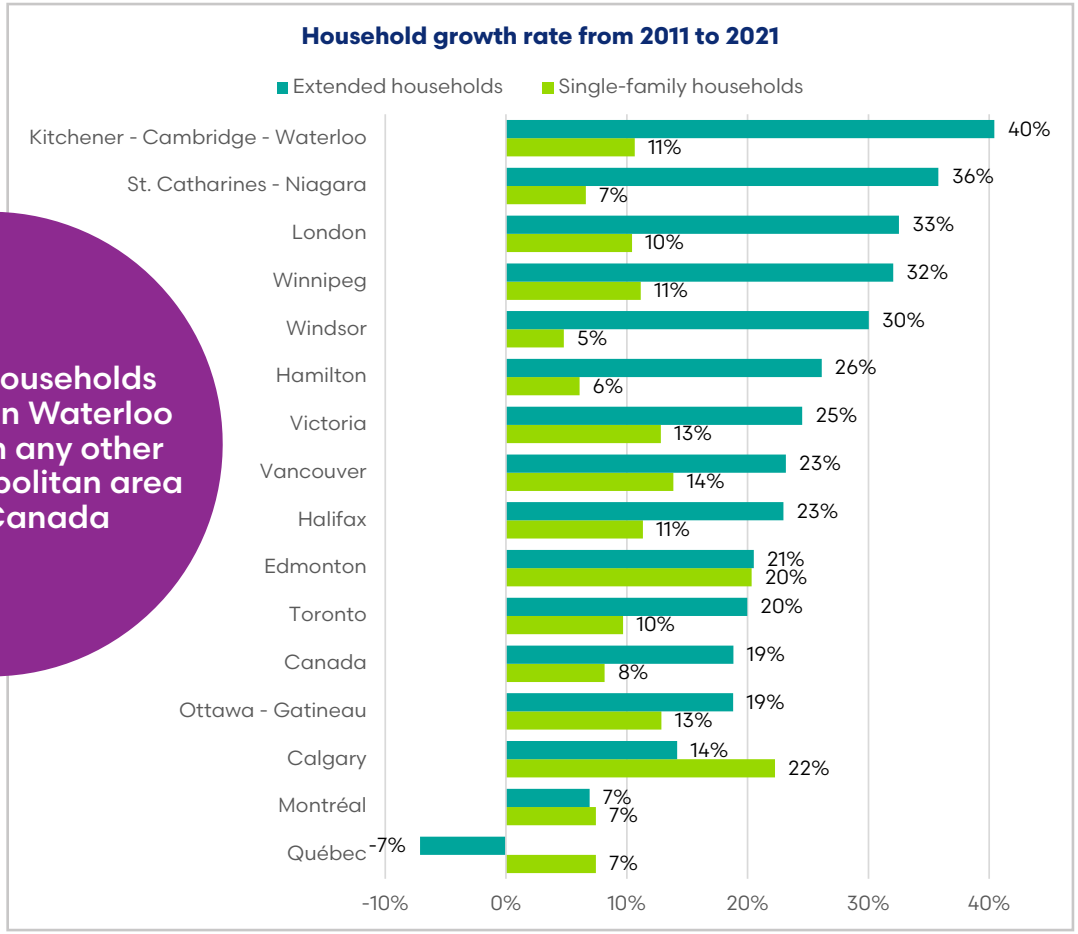


Kitchener-Cambridge-Waterloo CMA. **Note:** Extended household is used in this report to categorize those situations when multiple families and/or individuals live together, but it is not an official term. One census-family household refers to those without any additional people in the household. Roommates refer to the category "In a two-or-more-person non-census-family household" designated by Statistics Canada. **Source:** Statistics Canada, 2021 Census of Population and 2011 National Household Survey.[59]

All sorts of extended households are growing rapidly: Growth rates for multigenerational households (increasing by 38% from 2011 to 2021), roommate households (+50%), and residences shared by multiple families (+51%) grew significantly from 2011 to 2021. Overall, the number of households only grew by 14%.[60]

Unique housing and community requirements for extended households: Extended households may require larger spaces and more rooms than traditional nuclear families for privacy and comfort. As spaces get smaller and households bigger, the community may have increased needs regarding community facilities, including larger community spaces and parks for social interactions, extended family activities, and varied transportation requirements.

Extended households grew faster in Waterloo Region than any other major metropolitan area across Canada



Kitchener-Cambridge-Waterloo CMA. All data in charts represents CMAs. **Note:** This table shows growth in households and the previous growth in population, so growth rates are not directly comparable. For other notes, see the previous chart. Source: 2011 and 2021 Census of Canada.[61]

Waterloo Region is growing quickly, predominantly through immigration. That growth is bringing increased diversity, and different ways of living and housing preferences. It is coupled with housing supply, affordability issues and other factors affecting everyone, and these changes continue. A completely transformed environment requires new approaches to planning and building, with diverse types of housing and communal spaces and amenities for an evolving regional community now and in the future.

Tara Bedard,
Executive Director, Immigration Partnership

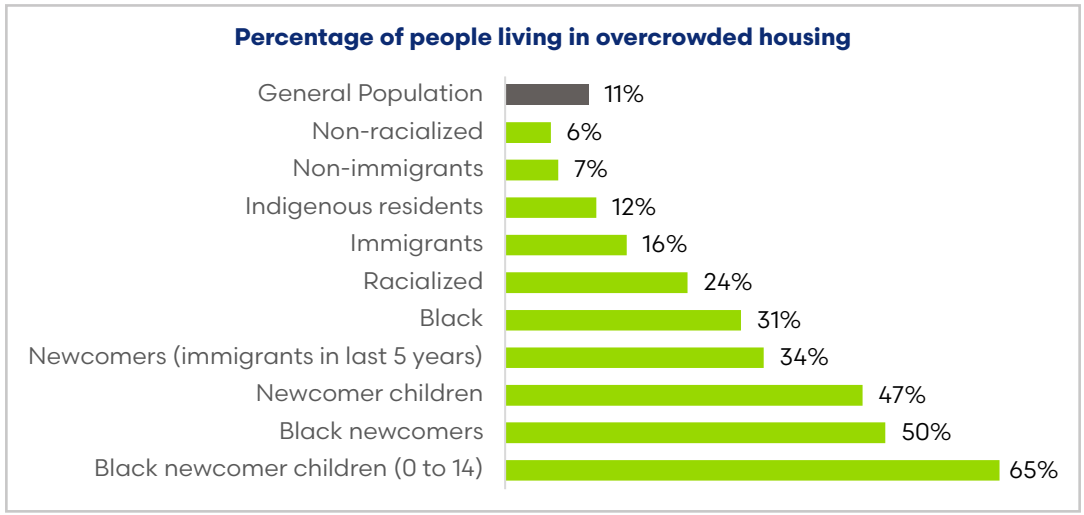
Overcrowding increased rapidly between 2016 and 2021

New residents are five times more likely to live in overcrowded conditions than long-term residents: Overcrowded homes comprised less than 5% of households in 2016 and increased to 6% in 2021.[62] However, 22% of new households formed between 2016 and 2021 were overcrowded, and more than a third of the new residents (35%) lived in overcrowded conditions. As we note in the chart, 34% of new immigrants are living in overcrowded conditions.[63] But we also estimate more than a third of all new arrivals in the region are living in overcrowded conditions and that the rate of overcrowding is similar for both internal migrants and external immigrants arriving between 2016 and 2021 (see pages 32 to 35 for a discussion of the relative role of immigrants versus internal migrants in driving population growth).

The most severely overcrowded houses are growing the fastest: While suitable households grew by 8%, slightly overcrowded households (one-bedroom shortfall) grew by 37%, significantly overcrowded households (two-bedroom shortfall) by 81%, and severely overcrowded (three-bedroom shortfall) by 104%. In 2021, 9,895 households were slightly overcrowded, 2,240 were significantly overcrowded, and 950 were severely overcrowded.[64]



More than one in three (34%) of new immigrants to the region live in overcrowded conditions



Kitchener-Cambridge-Waterloo CMA. 2021. **Note:** Overcrowded housing is what Statics Canada refers to as unsuitable housing[G], or having too many people in a dwelling to live together comfortably, according to the National Occupancy Standard. **Source:** Statistics Canada, 2021 Census of Population.[65]

If the majority of new housing stock created locally continues to be high-end one- and two-bedroom units, we will see the challenges of overcrowding increase exponentially. Our region needs to create more affordable housing that is suitable for families. Finding suitable,affordable housing for refugee families living on low income is increasingly impossible. On average, the people we serve are having to spend upwards of 65% of their income on housing.

Heather Montgomery, Director, Fundraising and Communications, Reception House

Recent immigrants and racialized residents are far more likely to face overcrowded conditions: Recent immigrants are five times more likely to live in overcrowded conditions than non-immigrants (34% versus 7%), while racialized people are four times more likely to live in overcrowded conditions than non-racialized individuals (24% versus 6%).

A particular challenge for children: Almost one in two newcomer children (47%) live in overcrowded conditions. Black newcomers and their children are even more likely to experience overcrowded conditions.



> **Racialized residents, recent immigrants – many of whom are refugees in Waterloo Region – and their children are much more likely to live in overcrowded conditions than non-immigrants. To truly be a community where everyone thrives and no one is left behind requires that we take targeted action right now. It means addressing racism in the housing market, the labour market and elsewhere, and pushing for wage growth and social assistance reform to meet today's economic reality.**
>
> Tara Bedard,
> Executive Director, Immigration Partnership

Coming and going in Waterloo Region

Welcoming 100,000 new members to our community isn't just an obligation; it's an extraordinary opportunity. When we help them make this their new home, we're not just enriching their lives—we're enriching the entire community by creating a new generation of volunteers, donors, and engaged citizens.

Eric Avner,
President & CEO,
Waterloo Region Community Foundation

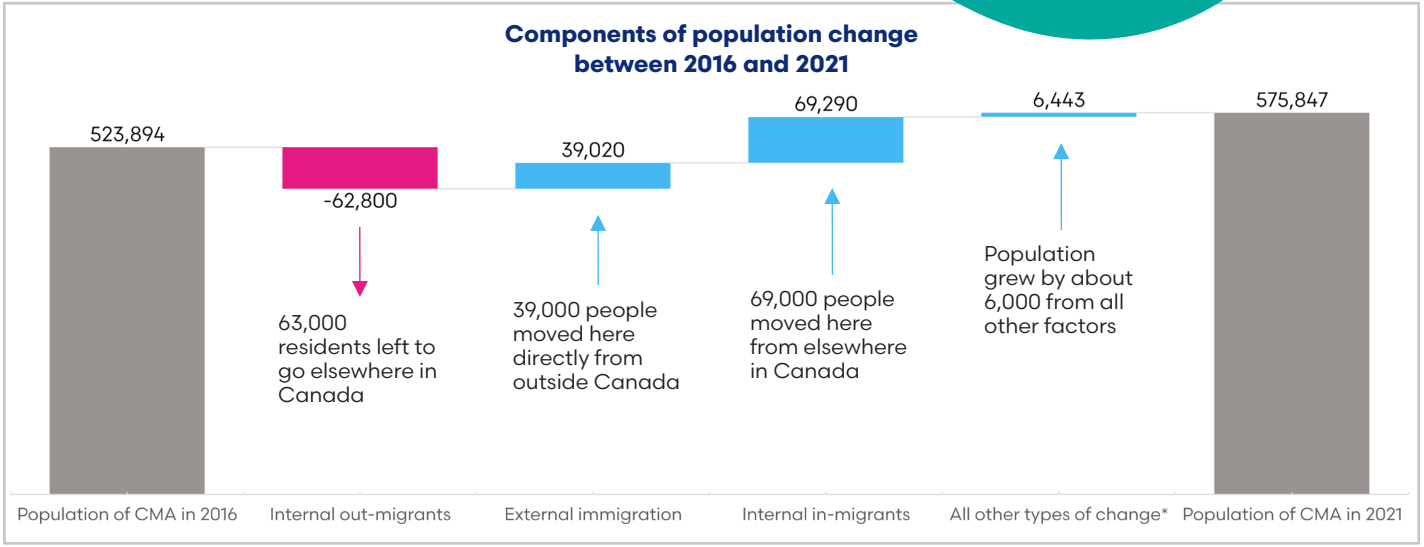
Many come, and many leave

Population grew by 10% between 2016 and 2021: This translates to an increase of 52,000 residents in the Kitchener-Waterloo-Cambridge CMA.

Many came: The population grew by almost 40,000 from external immigration (both permanent and non-permanent residents). Almost 70,000 people moved into the region from elsewhere in Canada, and the population increased by more than 6,000 from all other factors (e.g. births and deaths).

But many left: However, by 2021, 62,800 people left the region who lived here in 2016, a 23% increase from 50,900 who left between 2011 and 2016.[69,70]

The population of Waterloo Region grew by 52,000 between 2016 and 2021, as 39,000 immigrants and 69,000 internal migrants came to the community, and almost 63,000 people left

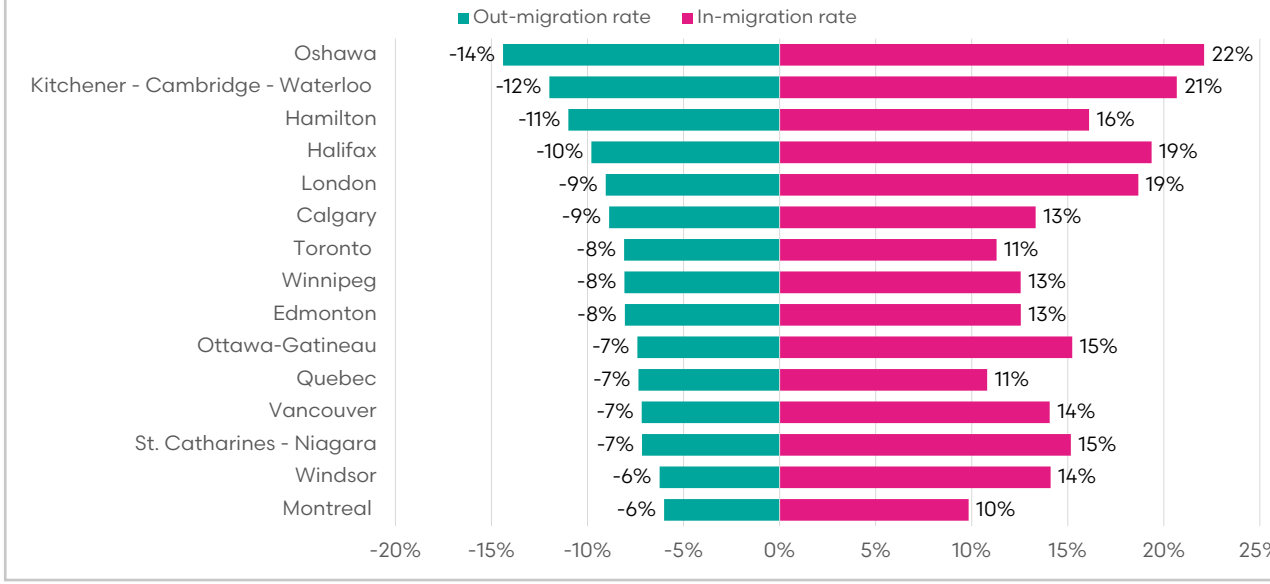


Kitchener-Cambridge-Waterloo CMA. **Note:** *All other types of change would include people born after the 2016 Census and deaths and other factors that may have contributed to changes. For further definitions of the terms, see the endnotes.[66] **Source:** Statistics Canada, 2021 and 2016 Census of Population. Combines population data from population distributions in each of 2021 and 2016, as well as data from Mobility status five years ago[67] and Components of migration five years ago.[68] All calculations by the author.

Hello, goodbye: Waterloo Region has the second highest rate of people moving to the region between 2016 and 2021 (either from within Canada or from outside of Canada), but also the second highest rate of current residents moving out among large metropolitan areas in Canada (see notes on the chart). 12% of residents living here in 2016 had left by 2021, about 50% higher than the typical rate among large metropolitan areas (7-8%).

Waterloo Region had the second highest out-migration and in-migration rate of larger communities in Canada

Out-migration and in-migration rates by large metropolitan areas, 2016 to 2021



All data represents CMAs. The chart shows the 15 largest Census Metropolitan Areas in Canada. **Note:** The out-migration rate is calculated by the number of people who left between 2016 and 2021 divided by the population in 2016. The in-migration rate is calculated by the number of people who moved into the region divided by the population in 2016. **Source:** Statistics Canada, 2021 and 2016 Census of Population. Combines population data from population distributions in 2016[71] and Components of migration five years ago.[72] All calculations by the author.

Young Adult Exodus Meets Influx

A region of recent arrivals: Almost four-in-ten (39%) aged 25 to 34 moved to region in the last five years, with more than 70% coming to the region from elsewhere within Canada, with the majority of those coming from Toronto.[73]

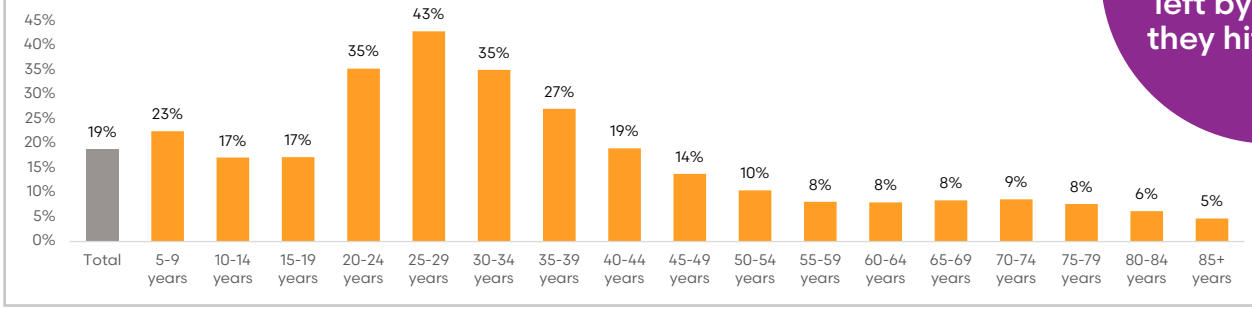
Many young people leaving: Almost three-in-ten (29%) of 25 to 29-year-olds and almost a quarter (23%) of 30 to 34-year-olds who lived here in 2016 had left by 2021. Many of these are students, but other communities with multiple higher education institutions have lower rates than Waterloo Region. This has implications for social networks, civic engagement, and sense of belonging (see page 47 to 49 for more discussion on low belonging in this region).

More than a third of those aged 30 to 34 (35%) have moved to the region in the last 5 years

Three in ten (29%) of 25 to 29-year-olds had left by the time they hit 30 to 34

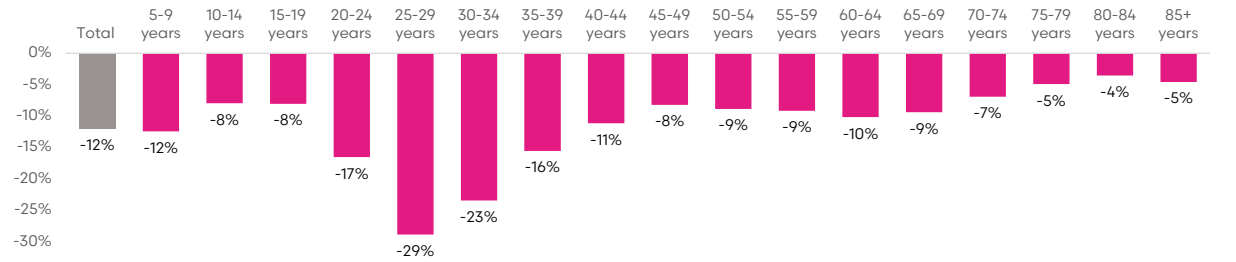
Did you know? Waterloo Region is an incredibly popular destination for young people from both abroad and the Greater Toronto Area, but one that is increasingly challenging for young people already living here.

Share of population that migrated to the region in the last 5 years, 2021



Kitchener-Cambridge-Waterloo CMA. **Note:** This is different from the in-migration rate shown above. This shows the percentage of people in each age category that migrated to the region in the last five years divided by the total population in each age range in 2021. **Source:** Statistics Canada, 2021 Census of Population.[74]

Out-migration rate by age, 2016 to 2021



Kitchener-Cambridge-Waterloo CMA. **Note:** The out-migration rate by age is calculated based on their age in 2016 (e.g. the number of people who left aged 25 to 29 between 2016 and 2021 divided by the population aged 20 to 24 in 2016. **Source:** Statistics Canada, 2021 Census of Population.[75]

A new chapter: rising numbers of older adults leaving Waterloo Region

More people leaving: Overall, there was a 23% increase in the number of people leaving the region in the past five years in the 2021 Census than in the 2016 Census (see page 32).

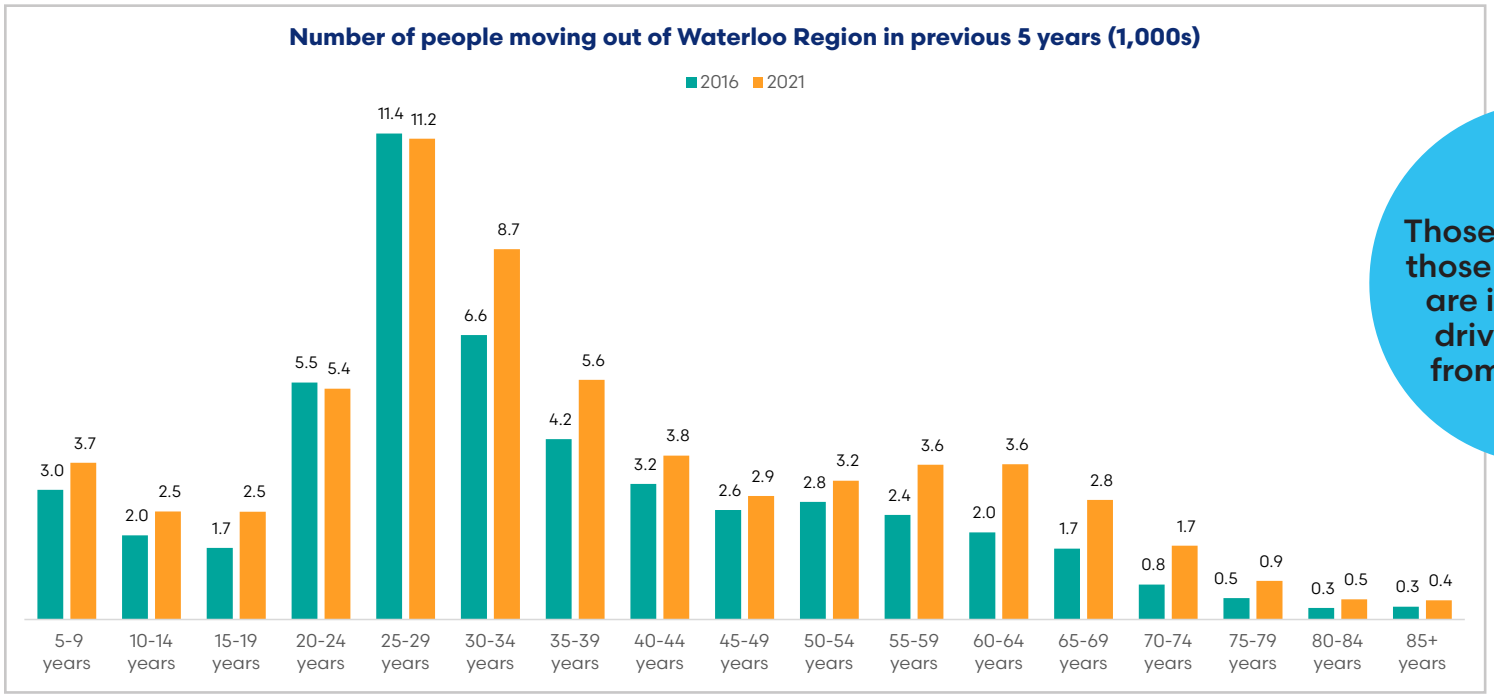
The young adult exodus is nothing new: However, the number of people aged 20 to 29 leaving Waterloo Region remained relatively constant between 2016 and 2021, even as those aged 25 to 29 were the larger group to leave (see chart for notes).

Older adults are the ones most increasingly leaving the region in droves: Adults over 60 had the biggest relative change in the number of people leaving the region. Every age bracket over the age of 55 saw their rate of leaving grow by at least 48% between 2016 and 2021. There was a 112% increase in 70- to 74-year-olds leaving the region between 2016 and 2021 (from 815 to 1,725).

People in their 30s are also increasingly leaving: The rates of departure of thirtysomethings increased by 30-33%. Because this age category is large and the out-migration rates were already high, the number of people leaving is significant (e.g. growing from 6,645 to 8,655 out-migrants among the 30-34 group).

The older adult out-migration surge may have numerous consequences: Beyond the potential decline in the passing down of cherished local cultural and historical knowledge, there's a looming threat of reduced belonging for those left behind, exacerbated by the diminishing of deep-seated social connections for friends and family who remain. These older adults have historically been generous donors, community builders, and connectors. Their absence could deeply impact the fabric of the community and its future direction and may contribute to the low sense of belonging in the community discussed on pages 47 to 48.

Where people are going: Between 2016/2017 and 2020/2021 there was a 23% increase in the annual number of people moving to other parts of Southwestern Ontario, including Guelph and Hamilton (from 5,239 to 6,447), and a 98% increase in the number of people going to the Atlantic provinces (from 508 to 1,010).[76] Toronto remained the most popular single destination (4,138, but only a 6% increase from five years earlier) followed by rural areas and small towns in Ontario [areas outside of CMAs and CAs] (3,487, up 16% from five years earlier).



Kitchener-Cambridge-Waterloo CMA. **Source:** Statistics Canada, 2021 and 2016 Census of Population.[77]

Those 30 to 39 and those 55 and older are increasingly driving the exit from the region

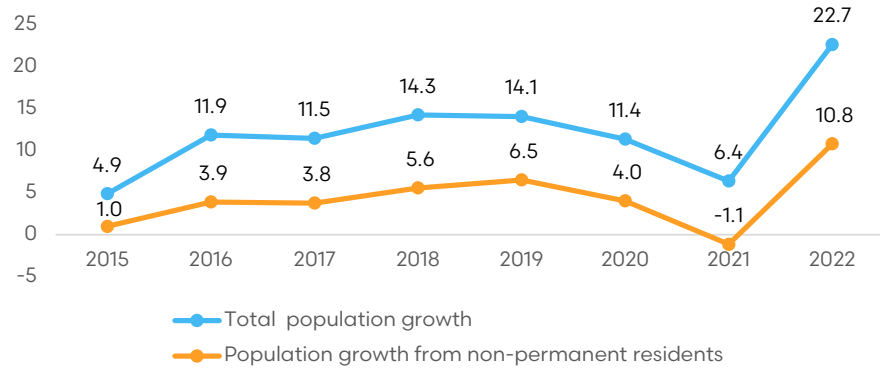
Population growth would be 40% lower without non-permanent residents

Contributing significantly to growth: Population growth in Waterloo Region would be about 40% lower without non-permanent residents. The chart shows that overall population growth is tightly linked to the number of non-permanent residents. In the 12 months ending June 30th, 2022, population growth would have been 48% lower without non-permanent residents.

Who are non-permanent residents? The majority of non-permanent residents in Ontario in 2019 were students or spouses of students (62%), or the post-graduate employment and post-docs of students (21%), with all other types of non-permanent residents representing the remaining 17%.[78]

Population growth would be about 40% lower without non-permanent residents

Population growth (overall and by non-permanent residents) (1,000s)



Kitchener-Cambridge-Waterloo CMA. **Note:** Population data is for July 1st of each year. A non-permanent resident is a person who is legally in Canada temporarily under a valid document (work permit, study permit, other permit) for that person, along with members of their family living with them. This group also includes individuals who seek refugee status upon or after their arrival in Canada and remain in the country pending the outcome of processes relative to their claim. **Source:** Statistics Canada. Components of population change and population estimates.[79]



The housing crisis shows up in classrooms negatively impacting student wellbeing. It shows up through newcomers under-housed in emergency hotel rooms. Children aren't accessing restful sleep, uncertain of stable housing or even a home-cooked meal. It shows up in kids who are late for school when you have eight family members sharing a single bathroom. It shows up in the youth whose family is being renovicted and they must change schools in the middle of the year. Housing is a foundation for building a life. All students deserve that.

Teneile Warren,
Equity and Inclusion Officer,
Waterloo Region District
School Board

International student enrolment at major local post-secondary institutions has increased by almost 16,000 from 2014/2015 to 2021/2022

Significant growth in international student enrollment: The major post-secondary institutions in the area have seen an increase of over 15,908 international students, representing a major growth area for these institutions, from just over 7,000 to just under 23,000

Vulnerability of international students: These students often pay significantly higher fees, leaving them in a precarious financial situation.

Conestoga College's remarkable growth: No other college or university in Ontario has grown as much as Conestoga College, particularly due to international students. Less than 1,000 international students attended in the 2014/15 academic year, which increased to more than 12,000 in 2021/2022.

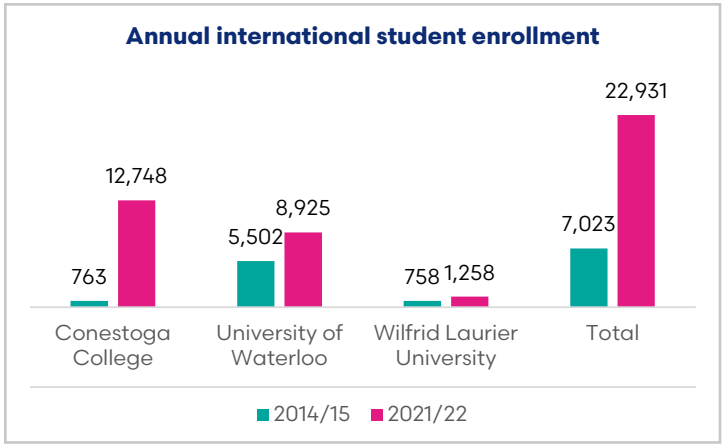
Severe lack of student housing at Conestoga: According to the student union's 2022 data, fewer than 600 beds were available for over 23,000 students at Conestoga.[80] Many students share space, which puts them at severe risk of overcrowding. A survey conducted at Conestoga College revealed that 46% of students were residing in a housing unit with four or more individuals.[81]

A new student residence at Conestoga: Conestoga is set to open a new student residence in the Fall of 2023, although the exact number of units is not clear online, as of writing in Fall 2023.[82]

Precedent for reduced college enrollment due to housing challenges: Similar issues arising in Brampton led Sheridan College to curtail its ambitious growth strategy for international students, citing inadequate social and housing infrastructure to support them.[83]

International students enrolled at local post-secondary institutions have tripled from the 2014/2015 to 2021/2022 school years

The federal government is considering capping student visas: In August 2023, the Minister of Housing, Infrastructure and Communities said the government would consider a cap to ease pressure on the housing market. In the previous academic year, Canada hosted over 800,000 international students.[84]



Source: Ontario Ministry of Colleges and University.[87]

> **Ontario's escalating rents have a lot of causes, with one of the largest being the decisions made at our local colleges and universities.[85] [Growth in international students] would be fine, if colleges and universities would build student residences, to keep up with enrollment growth. But they don't. Instead they charge large international student fees, and expect their communities will figure out how to house everyone.[86]**
>
> Dr. Mike P. Moffat,
> Founding Director, PLACE Centre at the Smart Prosperity Institute

A deeper dive into unaffordable housing

No one in our community should be living in legislated poverty. But when programs like ODSP aren't even indexed to inflation, folks fall further behind each year. We need all levels of government working together to push for better.

Mike Morrice,
Member of Parliament for Kitchener Centre

Has affordability improved in Waterloo Region between 2016 and 2021?

The percentage spending more than 30% of their income on housing declined from 2016 to 2021 in Waterloo Region: The drop from 24% to 22% was due to increased incomes among the poorest residents, which compensated for drastic decreases in affordability for the rest of the population.

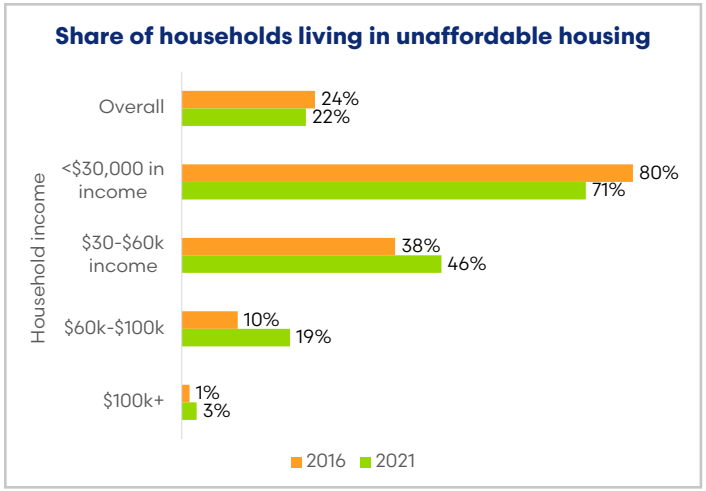
Affordability improved for those with the lowest incomes: Rates of unaffordable housing declined from 80% to 71% among those with less than $30,000 in household income.

This appears to be partly due to enhanced pandemic benefits that raised the incomes of the poorest residents. As some of these benefits were temporary, this positive impact may have faded significantly. A much higher share of income in the region was from government benefits in 2020 versus 2015.[88]

Unaffordability rates increased among those with $30,000 to $60,000 (from 38% to 46%): A higher share of people were also in this income bracket than in 2016 due to the increased incomes of people who moved from the less than $30,000 income bracket.

Unaffordability rates doubled for those with middle incomes: Rates of unaffordability doubled for those making between $60,000 to $100,000 from 2016 to 2021 (from 10% to 19%) and also tripled for those with more than $100,000 in household income (albeit from 1% to 3%).

One key takeaway on income supports: Income policies can reduce affordability issues for low-income households even in the face of rapidly increasing prices

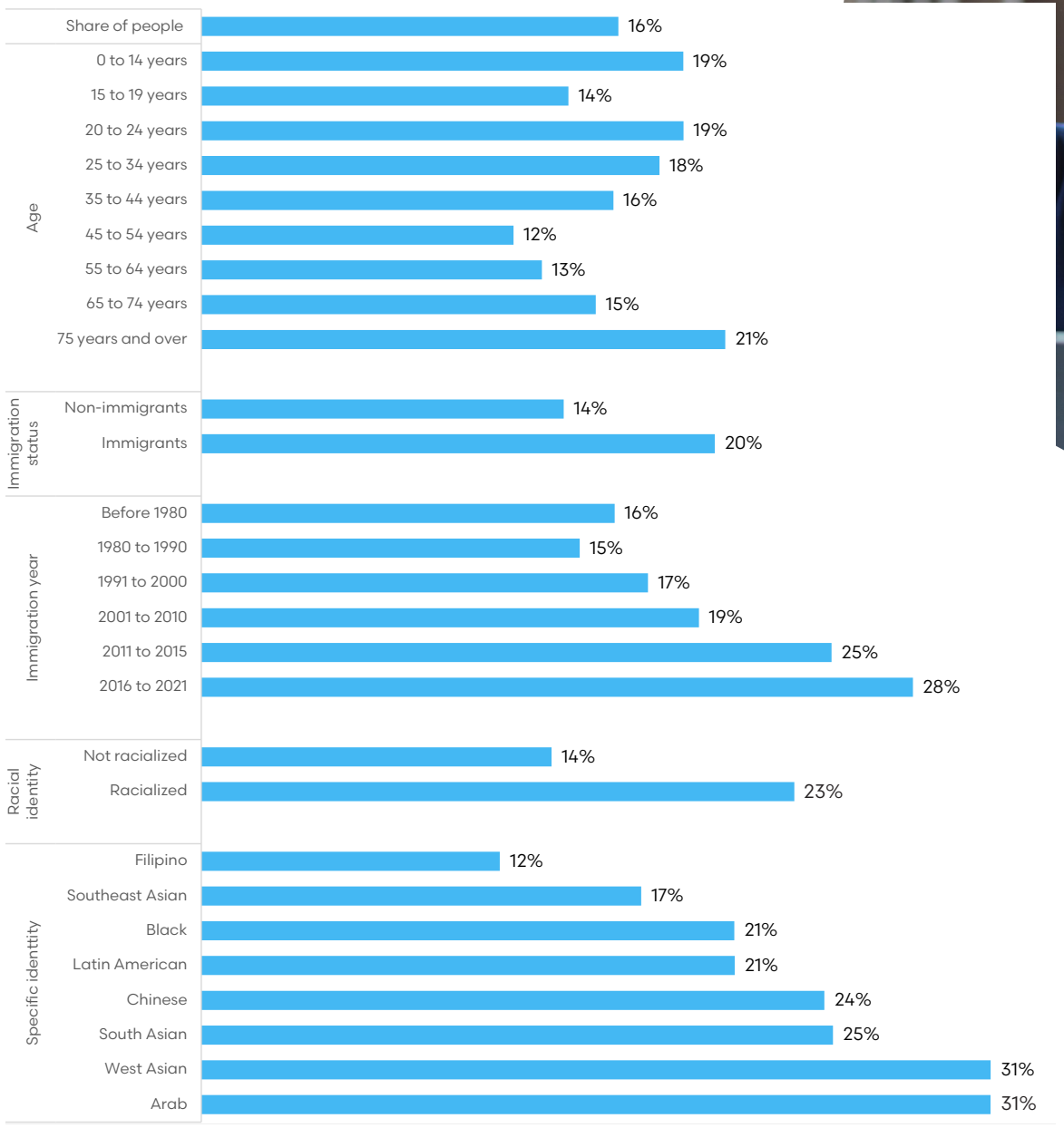


Kitchener-Cambridge-Waterloo CMA. **Note:** Incomes are not inflation-adjusted. Unaffordable housing is spending more than 30% of income on housing. **Source:** Statistics Canada, 2021 and 2016 Census of Population.[89] Analysis by the author.

Rates of unaffordable housing decreased among those with the lowest income but increased significantly among those with higher incomes between 2016 and 2022



Share of population living in unaffordable housing



Significant disparities in terms of who is living in unaffordable housing

Kitchener-Cambridge-Waterloo CMA 2021. **Note:** This chart reflects the share of the population living in unaffordable housing, while the previous one shows the share of households. Unaffordable housing is spending more than 30% of income on housing. **Source:** Statistics Canada, 2021 Census of Population.[90]

Immigration status: One of the strongest predictors is recent immigration. Approximately 28% of individuals who immigrated to the country in the past five years live in unaffordable housing, compared to only 14% of non-immigrants.

Racial background: Racialized individuals are also more likely to face housing unaffordability, with rates nine percentage points higher than those of non-racialized individuals.

Age: Age is another factor, with individuals over the age of 75 (21%) and those aged 20 to 34 (around 18 to 19%) having higher rates of unaffordable housing.

Intersecting factors: Many of these indicators intersect, meaning people who share multiple characteristics are particularly likely to live in unaffordable housing. As our previous report highlighted, people with disabilities and lone parent families often struggle with housing affordability.

Data gaps: Other vulnerable groups, such as those aging out of the child welfare system, Indigenous peoples, people with disabilities, and refugees, also face significant risks of unaffordable housing, though comprehensive data for these groups is not as readily available.



A lot of data does a poor job of picking up Indigenous housing challenges. If you put a bunch of Indigenous people in a room and ask them how many house someone that isn't directly in their family, more than half would raise their hand. And that disqualifies many people from being considered chronically homeless or living in unaffordable housing or getting many forms of extra support.

Lee Ann Hundt,
Executive Director, K-W Urban Native Wigwam Project

I've been working more and more with newcomers. I've walked through units with mold on the ceiling, with cockroaches coming out of the light switch. How does this happen in Waterloo Region? For those new to this country, people are seeing that the country doesn't care about them. We need everyone to show them that we do care.

Michelle Knight,
Peer Support and Project Coordinator,
Eviction Prevention Cambridge, Social Development Centre Waterloo Region



> The future we're facing is one where people live longer, but not necessarily in circumstances that support their wellbeing. Aging in place means having the health and social supports and services you need to live safely and independently in your home or community for as long as you wish and are able.
>
> David Dirks,
> Chair, Waterloo Region Age-Friendly Network

Homeownership is the great divide for older adults

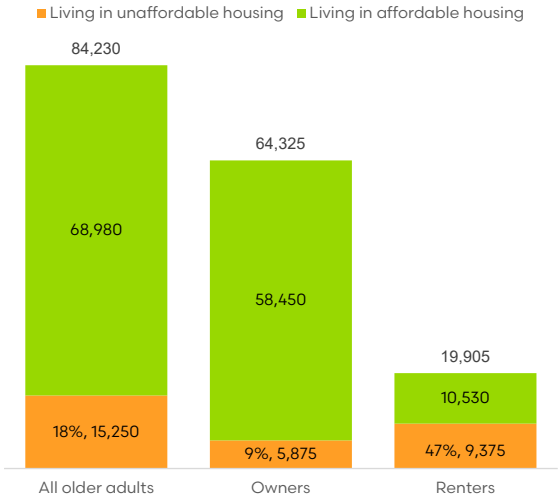
Disparity in housing affordability among older adults: While only 18% of older adults who are renters are five times more likely (47% versus 9% of owners).

Wealth divide between owners and renters: Many homeowners have accumulated considerable wealth through their property and are now mortgage-free, making them among the wealthiest people in history. On the other hand, you have renters grappling with market rents and other expenses in an increasingly inflationary environment. Many adults are living on fixed incomes, and the typical incomes are not enough to afford current market rents for a single older adult.[91]

Specific challenge for older adults living alone: A significant majority (69%) of older adults living alone are in unaffordable housing situations. This starkly contrasts the subsidized rental market for older adults, where only 28% live in unaffordable conditions.[92]

Accessibility and affordability conundrum: Many older adults feel trapped in their homes because there are not enough accessible units to meet demands. Seniors in rent-controlled units that are no longer suitable for them may be unable to move due to the rapid growth of market rents. This often results in older individuals living alone in homes that could accommodate much larger families. In contrast, these larger families are forced to live in units designed for fewer people. With few accessible units being built, this contributes to additional housing shortages.

Number of older adults (65+) and rates of unaffordable housing



Kitchener-Cambridge-Waterloo CMA. **Note:** Unaffordable housing is spending more than 30% of income on housing. **Source:** Statistics Canada, 2021 Census of Population.[93]

While most older adults own their homes, half of older adult renters are living in unaffordable housing



We often see older adults who would love to live in something smaller and easier to maintain that's better suited for them and more accessible. But they can't afford to because they never anticipated rental prices being this high. Too often, those best suited for certain homes are locked out because the current occupants have no other affordable options.

Philip Mills,
CEO, Habitat for Humanity Waterloo Region

A solution we can look at is the co-housing model, where a couple of older adults get together and share housing costs. It's another option for some people who can't afford to live alone and don't necessarily want to live alone. It's an accessible solution for many as affordable, age-friendly housing is increasingly important.

David Dirks,
Chair, Waterloo Region Age-Friendly Network

Considerations of Equity in an Efficiency Financing Program

With funding provided by WRCF and Federation of Canadian Municipalities, Reep Green Solutions and Kambo Energy Group developed a report that identifies risks and barriers to the inclusion of low-to-moderate income households in energy efficiency loan programs.

Energy poverty adds to the burden of low-income households[94]

Energy poverty[G] reinforces the barriers that low-income households face in paying for housing: 19% of Waterloo Region households who pay their own energy bills are burdened with high energy costs as of 2016 (spending more than 3% of after-tax income on energy costs). The situation is even more critical for lower-income households, with 70% experiencing a high energy cost burden.

Other demographics disproportionately affected: Energy poverty doesn't affect all demographics equally. While 19% of all households struggle with high energy costs, the percentage jumps to 31% for lone-parent families, 26% for seniors, and 21% for racialized households.

Programs to improve energy efficiency are targeted at homeowners and not renters: 55% of renting households are responsible for paying their own home energy bills, but most are not eligible for programs to improve energy efficiency.

Loan-based programs may miss the mark: Additionally, some of these programs are based on loans, making them inaccessible to people struggling to make ends meet and needing help the most. This gap needs to be addressed to alleviate energy poverty.

Link to state of repairs: Those needing major home repairs are almost four times more likely to be dissatisfied with their home's energy efficiency than those requiring regular maintenance. But they often cannot afford to make repairs; households not satisfied with the energy efficiency of their homes are three times more likely to have missed a home payment in the last year (11.5%) than those who are very satisfied with their home efficiency (3.8%).[95]

Connection to other housing issues: Those not satisfied with their home's energy efficiency are also more likely to report problems with soundproofing, temperature control, mold, and air quality. Improvements in overall conditions in the home can also lead to improvements in quality of life and energy costs.[96]

Learn more about energy poverty here: https://reep-green.ca/energy-poverty-in-waterloo-region.

> **Equity means that everyone has access to energy bills they can afford, and a place to live that is functional and safe. We need programs that cover energy upgrade costs, and attract landlords to participate**
>
> Mary Jane Patterson,
> Executive Director, Reep Green Solutions



Blueprints of belonging:
Seeking community in our changing communities

Housing is one of the fundamental social determinants of health. Without it, you can't settle, you often can't work, and you often can't feel like you belong. The bricks and mortar of a house are not the same as a home, it's not the same as a community, and it's not the same as belonging. It's just the starting foundation. We need a community where everyone has affordable housing and access to other community services to ensure that people feel like they can settle, work, and belong.

Chris McEvoy,
Manager, Housing Policy and Homelessness Prevention, Region of Waterloo

The Children and Youth Planning Table of Waterloo Region believes that a strong sense of belonging is foundational to child and youth wellbeing.[97] Learn why:

- Building a Case for Child and Youth Belonging: Insights from the Children and Youth Planning Table of Waterloo Region





Low belonging and neighbourhood satisfaction in Waterloo Region

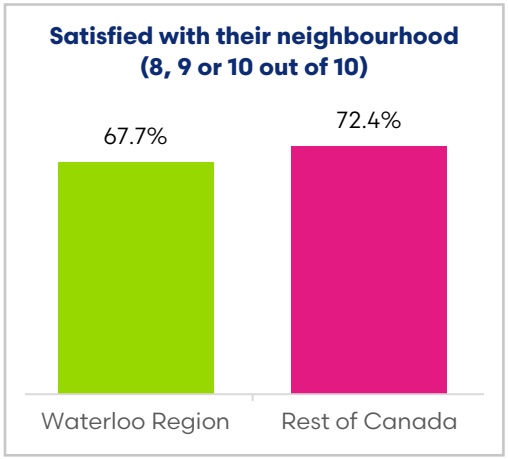
A lower sense of belonging and neighbourhood satisfaction: Residents of Waterloo Region have a sense of belonging that is seven percentage points lower than the rest of Canada (58% versus 65%).

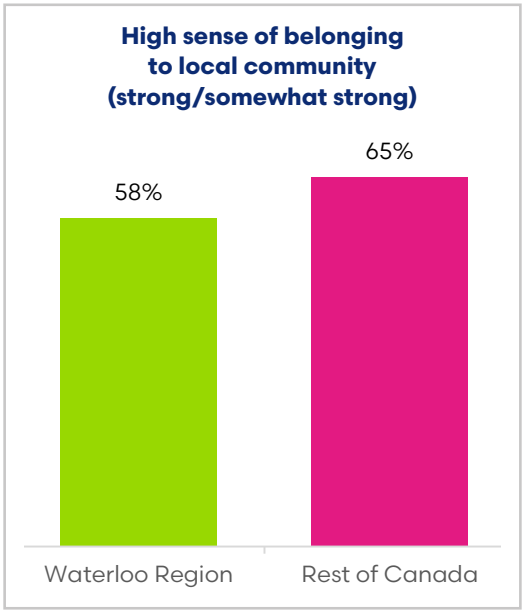
And their neighbourhoods are not sparking joy: Neighborhood satisfaction in the region is also lower by five percentage points than the rest of the country (67.7% versus 72.4%)

Neighbourhood satisfaction is lower in Waterloo Region

Sense of belonging is lower in Waterloo Region

> As more people live in higher-density housing with limited amenity space, our public park spaces become their backyards. We must accommodate this shift and design these spaces to serve everyone.
>
> Michelle Lee,
> Executive Officer to the CAO,
> City of Waterloo





Kitchener-Cambridge-Waterloo CMA 2021. **Note:** Strong sense of belonging refers to those saying they have a very or somewhat strong sense of belonging to the community. Neighbourhood satisfaction refers to those rating their neighbourhood an 8, 9, or 10 on a 10-point scale. **Source:** Canadian Housing Survey, 2021.[98]

The renters versus owners' gap in belonging and neighbourhood satisfaction

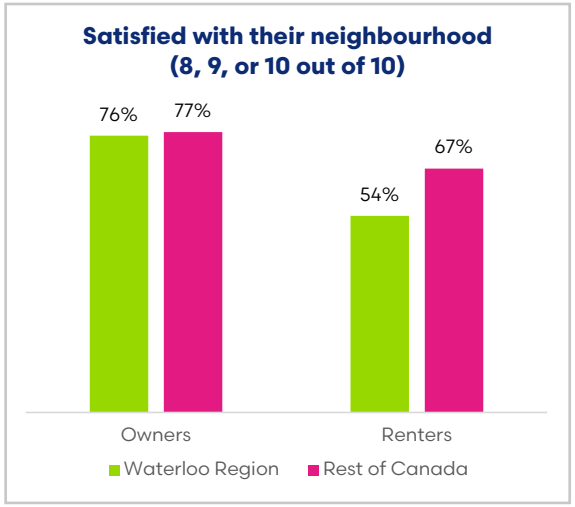
A stark difference between homeowners and renters: Renters in Waterloo Region showed a sense of belonging nine percentage points lower than homeowners (a similar gap exists nationally). With a growing population of renters, many of whom are newcomers, this is a concern the community will need to grapple with.

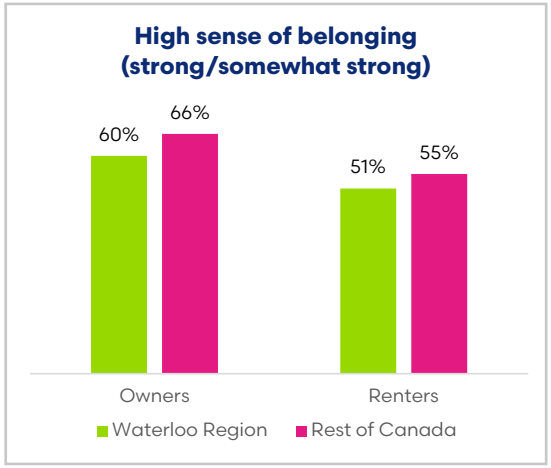
Renters' neighbourhood dissatisfaction: The low rate of neighbourhood satisfaction among renters is particularly concerning. 76% of owners rated their satisfaction as at least an eight on a 10-point scale, compared to only 54% of renters.

Owners in Waterloo Region are just as satisfied as the rest of Canada: The difference in neighbourhood satisfaction between Waterloo Region and the rest of Canada is explained entirely by differences among renters. Homeowners in Waterloo Region are just as satisfied with their neighbourhoods as their counterparts elsewhere.



Did you know? Renters in Waterloo Region are significantly less likely than owners to be satisfied with their neighborhood.





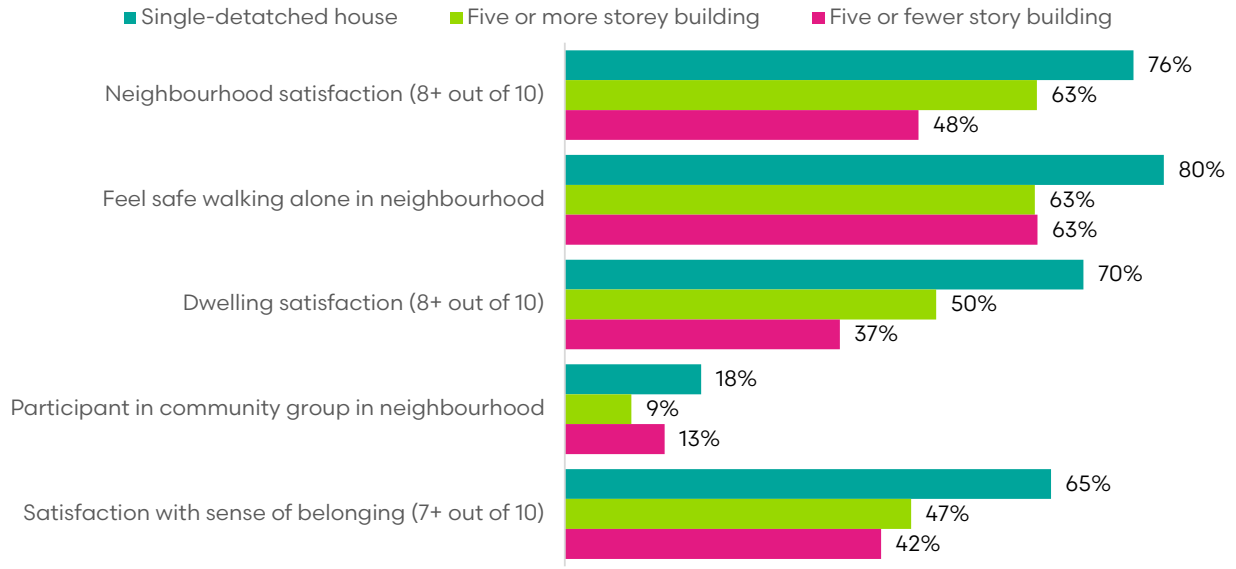
Kitchener-Cambridge-Waterloo CMA 2021. **Note:** Owner refers to owned by a member of the household. **Source:** Canadian Housing Survey, 2021.[99]

Building type also plays some role in explaining differences

Housing type and satisfaction: The significant growth in high-rises and mid-rises in Waterloo Region, which previously were less common, has led to questions about the degree to which residents of these types of buildings feel satisfied with their dwellings and surroundings. While homeowners generally reported higher satisfaction than residents of high-rises (more than five stories) and mid-rises (fewer than five stories), the high-rises did not score worse than mid-rises. High-rises scored better in some metrics, such as neighbourhood and dwelling satisfaction.

Community scores are lower for those in apartments, though high-rises score slightly better than low-rises

Key community metrics differ for different home types



Kitchener-Cambridge-Waterloo CMA 2021. **Note:** This data includes both renting and owning households. **Source:** Canadian Housing Survey, 2021.[100]

Unified action needed:
From national to local solutions to the housing crisis

Federal and provincial governments must step up to address our housing crisis, as they have in decades past: by ambitiously funding social housing, protecting tenant rights, and prioritizing homes as places to live rather than commodities to be traded.

Mike Morrice,
Member of Parliament for
Kitchener Centre

Local perspectives on a national crisis: Many of the challenges we write about in this report are part of a Canada-wide crisis. Home prices and rent have soared across many areas of the country, while housing shortages remain widespread with little increase in new supply, even as the population booms. While Waterloo Region is on the frontline of many of these issues, fixing them will require national, provincial, and local governments working together alongside both for profit and non-profit organizations linked to community-engaged solutions.

Broad support for all solutions: Everyone knows this is a problem, with the vast majority of Canadians agreeing housing is a serious issue.[101] According to an August 2023 poll, Ontarians are broadly supportive of any policies to make improvements, with 82% wanting to offer incentives to developers and builders to build more affordable rental properties, 81% wanting tighter rent controls, 80% wanting more government-supplied affordable housing, 71% wanting more subsidies to renters based on income levels, and 63% wanting more incentives to homeowners to provide them to rent their properties.

A war-time effort for housing? Amidst these challenges, Mike Moffat, author of several recent reports on affordability and supply of housing, has argued for wartime-level efforts to be put into housing to increase supply and improve affordability.[102] This encompasses but is not limited to policies like changes to how buildings are approved to speed up development, offering catalogues of approved designs that will be fast-tracked through zoning approvals, creating social housing through an acquisition fund, amendment of building codes, changing of zoning rules, and plans to increase labour supply drastically.

Recognition of the limits of solving this problem at a local level: The August 2023 poll found that when asked who is most to blame for the housing crisis, the plurality in Ontario blamed the federal government (39%), and many blamed the provincial government (36%), but very few blamed their municipal government (3%).[103]



Initial progress in building new subsidized units needs to be leveraged

Building 500 new affordable units per year, up from 50: The Region of Waterloo, in collaboration with various levels of government, has a plan to create 2,500 new affordable units from 2021 to 2025, an average of 500 per year, up from about 50 per year before the pandemic.[104]

The projects will result in $496 million in tax-levy supported debt issuances (about $845 for each person living in the region as of 2021) unless other levels of government step in,[105] as CMHC programs to support these initiatives announce they are at capacity, which is a huge outlay for a local government of this size.

Of these, 648 units will be region-managed: The rest will be facilitated via community partnerships or portable housing benefits. As of June 2023, 779 units are occupied (including 94 supportive units), 1,046 are in development (including 322 supportive units), and the remainder are in planning stages.[106]

Need for far more affordable housing: Groups like Scotiabank and the National Housing Accord have called for Canada to get to 7% of housing units subsidized by 2031, the OECD average.[107] Canada currently has 3.5% of units subsidized, while Waterloo Region has 3.7%.

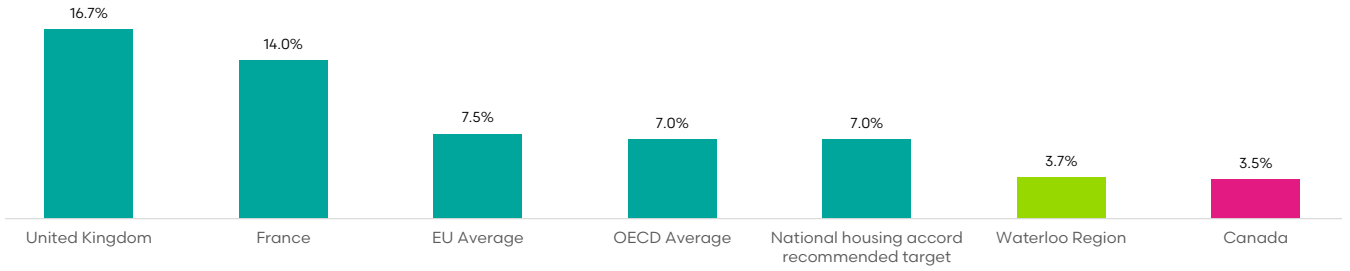
Many more units are needed in Waterloo Region to impact affordability: To hit a 7% target by 2031, we'll need an additional 9,897 subsidized units, in addition to the 8,110 as of the 2021 Census and the 2,500 planned by the region.[108]

> **At the municipal level, we're building 10 times more affordable housing units than in previous years and are continuing that work through the municipal tax levy. But the housing crisis continues to grow, and our ability to do more is getting very close to tapped out. It becomes a challenge to maintain that level of commitment year over year without additional funding from the provincial and federal governments.**
>
> Regional Councillor Jim Erb,
> **Region of Waterloo**

> **Part of the challenge for regions and municipalities is that we're dealing with the fallout of these large, macro, systemic factors, that all contribute to the affordability crisis across Canada, and we're tasked with solving problems like homelessness and unaffordable housing. We're we are making great progress with the resources we have, but the numbers of people affected continue to grow.**
>
> Ryan Pettipiere,
> Director of Housing Services, Region of Waterloo

Canada and Waterloo Region need far more subsidized housing units to hit the OECD average

Number of social rental dwelling as share of total dwellings, 2020 or latest year available



Note: Numbers for Waterloo Region are calculated by the author based on Statistics Canada data and may not be directly comparable to OECD numbers. **Source:** OECD via National Housing Accord Report[109] and Statistics Canada, 2021 Census of Population.[110]

Preserving affordable units needs to be at the heart of any affordability strategy

Lost affordable units far greater than new affordable units: As we highlighted earlier in the report, the region is losing more than 2,100 units per year between 2016 and 2021 (see page 17), renting for less than $1,000 (affordable to about the bottom 30% of renters). If this cannot be slowed, any new builds will not be adequate.

Changes need to happen fast: Between the 2016 and 2021 Census, the rate of lost affordable housing doubled, and CMHC data shows that 2022 had the biggest increase in rental prices in at least recent decades. We can't wait to preserve rental housing.

Eviction prevention measures needed: As we discuss in our section on evictions (page 18), there are opportunities at the local level to keep more people in their homes.

Acquisitions of naturally affordable housing needed: The National Accord on Housing recommended a national "property acquisition program" for "non-profit housing providers to help purchase existing rental housing projects and hotels and facilitate office-to-residential conversions. These programs could include capital grants, provision of pre-approved debt financing, funds that provide secondary debt and equity financing, or other innovative levers that help with the initial costs without saddling the providers with operating and significant debt servicing costs."[111] Funds should be matched at the provincial and municipal levels.

Investments in the capacity of non-profit providers should start now so that any future funds can be leveraged quickly.



Here are a few useful resources for tenants and landlords:

- Implementing the Right to Housing in Canada: A Toolkit for Tenant Leaders
- Information Poster and Tenant Tip Sheets from Waterloo Region Community Legal Services
- Best Practices for Housing Providers of the Waterloo Region: A Toolkit

BUILD NOW: Waterloo Region's Ambitious Plan for 10,000 new homes in Waterloo Region needs resources

Ambitious targets: BUILD NOW: Waterloo Region, a first-of-its-kind community-led housing initiative, has set a goal to build 10,000 homes by 2030 in collaboration with local developers and community partners. If they can hit the goal, it would be about 14% of the targeted new builds in the region (for a discussion of the challenges of hitting the region's overall targets, see pages 11 to 12).

Construction goals: The initiative targets constructing 7,000 affordable ownership homes for sale and 3,000 rental homes, specifically designed for the 'missing middle' (mid-rise and larger units). The buildings will be four to six-story high, with approximately 1,000 square feet units.

Half Price Homes in Perpetuity: The project aims to "create housing at half price and have it sustained at half price in perpetuity." The goal is to make homes attainable for those currently unable to buy or rent, with a target cost of one-bedroom apartments to be below $300,000 to purchase, and to stay below market forever.

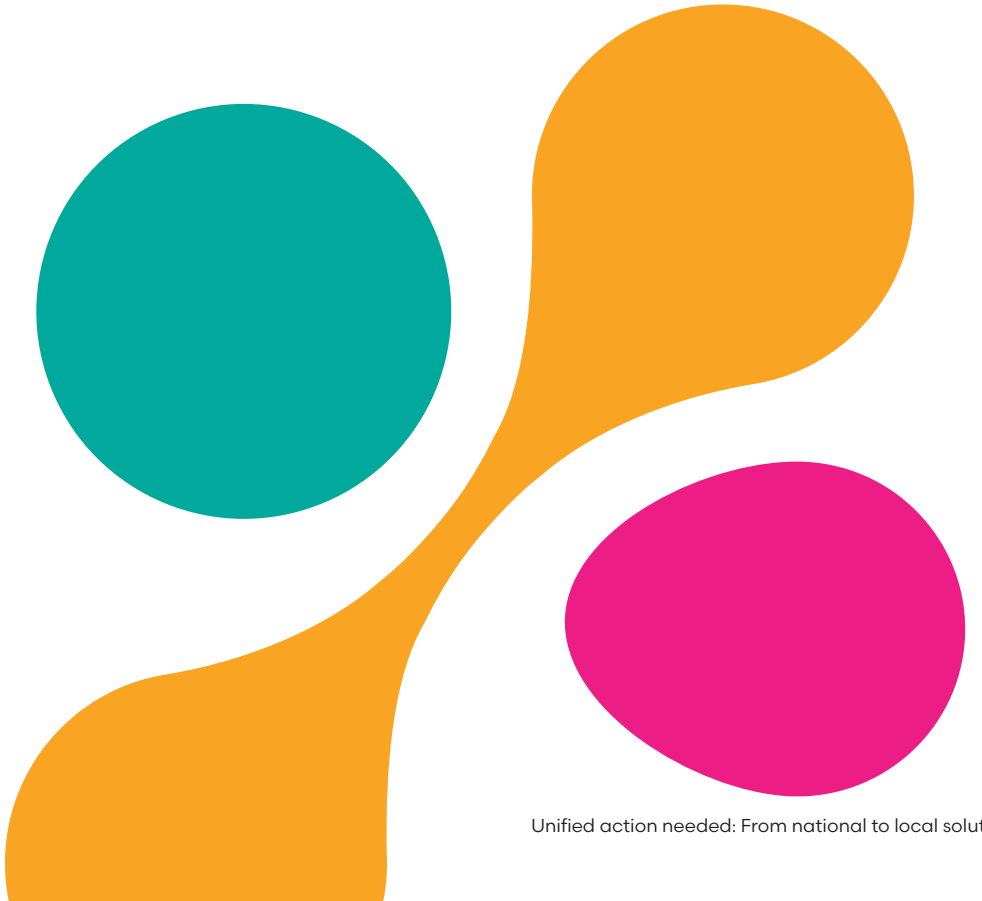
Non-Profit Management of Rental Units: The rental units built through this initiative will be managed by local non-profit organizations, ensuring their affordability in the long term.

Achieving Home Affordability: Affordability is to be achieved by removing major cost drivers in the building process, using free land and avoiding development charges. The development partners have also agreed to work without profit.

Partnerships with local developers and partners: Currently, Grand Valley Construction Association, Habitat for Humanity Waterloo Region, Hip Developments, Maxwell Building Consultants, and Union: Sustainable Development Co-operative are engaged in the work.

Local Initiatives like this need support and resources to come to fruition and would play a key role in increasing the number of subsidized units in the region. To learn more, visit buildnowwr.ca.

> **We're not talking about a small subsection, but huge swaths of the community who traditionally we would have thought didn't need our help, but they do now. The housing crisis is swallowing larger and larger portions of our community.**
>
> Philip Mills,
> CEO, Habitat for Humanity Waterloo Region



Let's talk about local actions that can be taken

Change is being made that impacts people locally – but more needs to happen and FASTER!

Opportunities for development

Partnerships with local non-profits: Developers have the opportunity to collaborate with local non-profit organizations that focus on affordable housing, community building, and social services. Such partnerships can help ensure that new developments meet the actual needs of the community and can be effectively integrated into existing support networks. In addition to financial partnerships, developers can engage in corporate social responsibility initiatives such as volunteer programs for employees, donating materials or units, or providing space for community services. These collaborations enrich the social fabric and contribute to a more holistic approach to housing affordability.

- Faith-based organizations are working with developers and creating innovative solutions to repurpose assets they own, further integrate them into community, and provide assistance to the affordable housing crisis. One model to consider is the work currently being done through Kindred Works.

Development of larger units: The trend toward smaller housing units is increasingly misaligned with the needs of growing larger households. Developers should focus on creating larger, family-friendly units, with multiple bedrooms and adequate living spaces. Partnerships with multiple levels of government can help offset the economic challenges associated with these kinds of developments.

Promoting accessible housing: There's a pressing need for more accessible housing options, particularly for older adults. If older adults can move into their ideal homes, it could free up larger, family-sized homes for other demographics. A mix of accessible units should be included in all new builds and re-imagined spaces, which could be supported by targeted government incentives or grants.

University and college housing: Post-secondary institutions face a housing shortage that impacts not only students but also local communities where students might otherwise reside. Municipalities and developers can partner with these institutions to create on-campus or nearby housing options, thereby alleviating some of the broader market pressures.

Modular and prefabricated options: To speed up the construction process and potentially lower costs, it's time to explore modular and prefabricated building techniques. Here are three examples of builders that are working on these options in Waterloo Region: (1) Tiny Estates (2) Just Working Construction and (3) Blink Modular.

Let's consider ideas from recent reports that could be incorporated in Waterloo Region solutions:

- The National Housing Accord: A Multi-Sector Approach to Ending Canada's Rental Housing Crisis
- Ontario Universities: Partnering with Municipalities in Finding Housing Solutions
- Thinking Beyond the Market: Innovative Housing Examples Based on People, Not Profit

Case study: K-W Urban Native Wigwam Project is expanding the supply of affordable housing to Indigenous residents of Waterloo Region

The organization. K-W Urban Native Wigwam Project is dedicated to providing culturally safe and affordable housing for the Indigenous community in Waterloo Region. As the region and others have increased investment in housing, their organization has expanded from 40 to 140 units.

Reconnecting with their culture: One of the unique aspects of their approach is the emphasis on cultural connections and support. Many of their clients lack knowledge about their cultural heritage, ceremonies, and languages. K-W Urban Native Wigwam Project Executive Director, Lee Ann Hundt, shares shares that learning about their cultural roots often brings a sense of belonging and clarity to these individuals, which plays a vital role in their overall well-being and rehabilitation.

Consequences of flawed systems: Hundt highlights the unintended consequences of their support services. For instance, when they temporarily house individuals, they are no longer classified as 'chronically homeless,' which often disqualifies them from accessing other forms of assistance. Therefore, many of their clients fall through the cracks, unable to receive the help they need.

Vision for the future: While new units are funded, the organization needs further operating support. Hundt emphasizes the importance of holistic support – focusing on their clients' physical, mental, emotional, and spiritual well-being. She believes in creating a supportive environment that provides housing and nurtures personal growth and development.

Opportunity for individuals to provide support: The project at 27 Cambridge St. near the Galt downtown core will create 30 affordable housing units: 23 one-bedroom and seven two-bedroom rentals that will also be culturally appropriate to serve vulnerable Indigenous community members. It will also have a community space. You can support this initiative by donating your time, money or household items to the tenants and services. You can also speak up when you are at your community meetings about who they are and mention them when they are not part of the conversation. They've been here since 1987 and many still don't know.

The need remains large: "We hadn't even advertised yet, and already our waitlist was filling up dramatically. There's so many Indigenous people out there who need support."



We're looking to teach people about what success means to our community. We want to provide people with a home, but we also want to connect people to the support they have from other Nations. And also connect them to the Nations they are actually from.

Lee Ann Hundt,
Executive Director, K-W Urban Native Wigwam Project

Innovative partnerships and unique investments are, and will continue to be, critical tools to help fund affordable housing projects across our community. We all have unique skills and assets to share, let's put them on the table.

Rebecca Smith,
Vice-President, Engagement and Values, Kindred Credit Union

Opportunities for homeowners

Homeowners as part of the solution: While the scale of the housing crisis necessitates large-scale interventions, homeowners also can have a role to play in alleviating the shortage of affordable housing options. Leger's August 2023 poll shows that although only 2% of homeowners in Ontario currently rent out parts of their homes, 17% have space that is already rentable and another 17% could convert existing space into rentable units.[112] This untapped resource presents an opportunity to contribute to housing supply and affordability.

- If you do rent out a space - consider offering to take someone from the affordable housing wait list into your rental space

Financial incentives for homeowners? Across Ontario, 63% of respondents to the same Leger poll agreed that government should offer more incentives to homeowners to encourage them to provide rental suites/rent their properties.[113] Policymakers could consider introducing or enhancing tax incentives, grants, or subsidies to encourage homeowners to convert and rent out spare rooms, basements, or even backyard units and just as importantly make it easy to do so. Whether this is an effective use of funds requires more study.

- One example is the Ontario Renovates Program available through the region to create a secondary suite on your property, bring in a lower income tenant, and take advantage of the forgivable loan.
- Consider being a Host Home Provider and provide short-term housing for youth (ages 16 -25) to help prevent them from entering into the cycle of homelessness. Hosts receive monthly compensation for room and board.

Co-housing and community support: Beyond traditional renting, co-housing options could be promoted as a more communal and often more affordable alternative. These initiatives could involve sharing common spaces and responsibilities among multiple households, providing a sense of community while also enhancing housing affordability.

- Community Justice Initiatives offers a free process to Home Seekers and Home Providers to support their housing search for compatible individuals to share a home.
- Senior Women Living Together is an Ontario-wide initiative for women, or individuals identifying as a woman, who are single and 55+ who are looking for a shared living arrangement, and want information and assistance in finding a match.



Opportunities for donors and investors

Do you have resources you can invest? Your investment could assist others in creating and maintaining affordable housing spaces in Waterloo Region

Union: Sustainable Development Co-operative has completed its first investment raise, and, in November 2022, purchased two apartment buildings at 475-477 Lancaster Street West, Kitchener, to preserve affordability for tenants. Register for updates on their website to participate in future investment opportunities. www.unionsd.coop

In 2022, **Kindred Credit Union** launched an Affordable Housing GIC. You can invest and earn a guaranteed competitive return, while helping to address the affordable housing crisis in Waterloo Region. Your investment is pooled with others to support loans to providers of long-term permanent affordable housing.

Community Energy Development Co-operative is an Ontario based cooperative that has its roots in Waterloo Region, with members and investors focused on ensuring communities across Ontario are addressing energy inequality and creating energy security, through investment in renewable energy. cedco-op.com

Waterloo Region Community Foundation invests in market investments to both grow our assets and ensure we will have funds to support Waterloo Region in perpetuity. One of the strategies WRCF has embraced to increase our reach is Impact Investing.

Local affordable housing providers have the opportunity to apply to WRCF for investment in their projects. Individuals and organizations have the chance to join us in this work by establishing a Donor Advised Fund – Invested for Impact. Contact dan@wrcf.ca for more information.



Do you have funds you are able to donate?

Consider local organizations working on affordable housing. Here's a list of several that are doing great work to get you started.

- A Better Tent City
- Beyond Housing
- Cambridge Shelter Corporation
- Community Justice Initiatives – Homesharing[G] Program
- Habitat for Humanity
- House of Friendship
- Indwell
- K-W Urban Native Wigwam Project
- Lutherwood
- LYNC (Love Your Neighbourhood Communities)
- oneROOF Youth Services
- Parents for Community Living
- Reception House
- Supportive Housing of Waterloo Region
- The Working Centre – Making Home Project
- YW Kitchener-Waterloo



Everyone can play a role, and it's more than just housing

With the increasing cost of food: There is an opportunity for people to grow their own food, and interact with others by participating in the Waterloo Region Community Garden Network. As of June 2023, there were over 1,000 people in Waterloo Region on a waiting list to participate. Could new sites be set up at community centres? At schools? At office locations? At faith-based institutions? Onsite at not for profit organizations – volunteer supported and funded through donations?

Strengthening community through individual actions: Each member of the community can contribute to the wellbeing of the area by getting involved in or organizing community events and initiatives. Such activities foster a sense of belonging for newcomers and folks who have been in the community for a longer time – and they enrich the overall community experience. Check out these ways to participate in the City of Cambridge, City of Kitchener, City of Waterloo, Township of North Dumfries, Township of Wellesley, Township of Wilmot, or Township of Woolwich.

Local Institutions as pillars of support: Schools, libraries, religious institutions, and other local bodies have a vital role in supporting the community. Offering community spaces, educational resources, and emotional support are essential services that these institutions can provide.

Critical importance of social infrastructure investments: Despite budget constraints that may arise from investing in new housing solutions, it is essential not to overlook or underfund social infrastructure like schools, healthcare facilities, and public spaces. These are cornerstone elements that make a community liveable, welcoming, and cohesive. Inadequate investment in social infrastructure could undermine the quality of life for all residents, both new and existing, and should be considered an integral part of any comprehensive housing and community development strategy.

With the rising cost of living, families are struggling to not only feed themselves, but also their pets. Our Pet Pantry Program plays a vital role in our communities by supporting owners with pet food and critical supplies, ensuring that they can remain together regardless of the financial pressures in their lives.

Calla James,
Director, Community Engagement and Outreach, The Humane Society of Kitchener Waterloo & Stratford Perth

Those communities, united in purpose and driven by compassion, will not only be more resilient in the face of the myriad challenges ahead, but will thrive in the face of adversity. The relatively insignificant investment in food security, infrastructure, and capacity building needed to make this possible need to happen now. Organizations like WRCF are making this future possible today.

Grayson Bass,
Lab Manager, Smart Waterloo Region Innovation Lab





In the end, homelessness is not solvable by one level of government or community organization. It's a complex social issue that will take many years, consistent funding and all levels of government to address. It will require thoughtful approaches to affordable housing, mental health and addiction.

Joe Mancini,
Director, The Working Centre

Glossary

Affordable Housing - There are many definitions of affordable housing. In Canada, housing is generally considered affordable if it costs less than 30% of a household's before-tax income. In a regional and municipal context, affordable housing is sometimes referred to as units rented at a certain proportion of market rent.

Census Metropolitan Area (CMA) - The Kitchener-Cambridge-Waterloo CMA has very similar but slightly different borders than the Region of Waterloo. Formally, a CMA is a combination of adjacent municipalities with a population of at least 100,000, of which 50,000 or more must live within the core. To be included in the CMA, each adjacent municipality has to have at least a certain percentage of commuting flows going back and forth to the CMA.

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 it 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).

Deeply Affordable Units - A term with several different definitions. See also affordable housing. When affordability is classified based on discounted rates versus the average market rent, deeply affordable units refer to units with steeper discounts that will still be affordable to the lowest-income households. Many of the most marginalized will still live in unaffordable housing (spending more than 30% of before-tax income) when living in units at 80% of average market rent.

Energy Poverty - Households that spend more than 6% of their after-tax income on home energy are deemed to be living in energy poverty by the Canadian Urban Sustainability Practitioners.

G7 - A a forum of seven member states including France, the United States, the United Kingdom, Germany, Japan, Italy, Canada (in order of rotating presidency) and the European Union (EU).

Homesharing - Homesharing is when two unrelated people share their home for mutual benefit. Often programs involve matching older adults with younger adults allowing seniors to age in place and younger adults to access affordable housing.

Mixed Housing Models - Mixed housing models is a general term that often refers to the combination of market housing with affordable housing or units for mixed-income sites with various housing supports. The term can also refer to when different densities of housing are within a single geographic area.

MLS Home Price Index - The MLS Home Price Index is a tool provided by the Canadian Real Estate Association to provide a standardized index of the prices of homes across the country over time. It adjusts for features of homes so that short-term trends like the sale of very expensive properties do not distort average sales prices in any given market.

OECD - The Organisation for Economic Co-operation and Development is an international organization that works to build better policies for better lives. There are 38 member countries that generally represent wealthier democracies.

Precarious Employment - Precarious employment refers to jobs that are poorly paid, unprotected, and insecure. The exact definition varies across sources and sometimes includes anyone with a non-standard employment contract, while other definitions only include people below a certain income threshold.

Subsidized or Community Housing - Subsidized housing is when you get help paying your rent from the government or other private or non-governmental organizations. Rent is charged based on what you can afford rather than market rates. There are several different models of subsidized or community housing.

Supportive Housing - Affordable housing that includes individualized, flexible, and voluntary support services for people with high needs related to physical or mental health, development disabilities, or substance use.

Unsuitable housing - 'Housing suitability' assesses the required number of bedrooms for a household based on the age, sex, and relationships among household members. A dwelling is deemed to be unsuitable if the dwelling does not have enough bedrooms.

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65. Statistics Canada. Table 98-10-0327-01 Housing suitability by visible minority and immigrant status and period of immigration: Canada, provinces and territories, census metropolitan areas and census agglomerations with parts. https://doi.org/10.25318/9810032701-eng

66. Total out-migrants category includes persons who lived in the specified geographic area five years before the reference date, but did not live there on the reference date during the Census. It is a combination of people who moved within the province and within the country.

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ABOUT WATERLOO REGION COMMUNITY FOUNDATION

Waterloo Region Community Foundation (WRCF) collaborates with partners to create sustainable, equitable and thriving communities. We connect regionally and locally, with our three cities and four townships, to include the people and places across our region.

We make philanthropy easy for individuals and companies to support organizations and issues they care about. WRCF is focused on Granting, Investing and Convening to make measurable and sustainable impacts. Gifts are directed to WRCF's endowed funds that drive positive change through grants with the income generated being distributed in partnership with Fundholders to support a wide range of charitable causes within our community. We are growing our assets in a socially-responsible way without compromising financial returns, and transitioning to a 100% mission-aligned portfolio. These investments include directing at least 10% of our portfolio to impact investments.

As a leading community-building organization we also work to amplify voices and issues of importance by convening conversations and sharing information, while approaching our work with an equity mindset.



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