



AFFORDABILITY

What's at Stake in Toronto's
2023 Mayoral By-election



May 2023

The State of Affordability in Toronto



Affordability is an issue across Canada, but for the residents of our country's largest city, housing affordability has reached crisis proportions.

As the second most expensive housing market in Canada — a market welcoming more new residents each year than any other city in Canada — housing is no longer just unaffordable, it's unattainable.

There are many reasons affordability has reached crisis levels here in Toronto, but at its core, it's a question of supply and demand. We are collapsing under the weight of our own growth.

Despite decades of knowledge that this growth was headed our way, Toronto's housing supply has stagnated. The city has seen a continuous influx of new residents — new Canadians, international students, and people arriving from elsewhere in Canada — and we aren't building enough homes to keep pace. Reasons range from planning processes that prevent intensification in stable neighbourhoods to complicated red tape and long approval timelines that delay construction.

People are drawn to Toronto due to our strong economy, job opportunities, and cultural appeal — the City was just named the friendliest in the world — but the growth pressures that come with this threaten to undo the very things that make our region attractive.

As newcomers arrive, high prices are simultaneously pushing others out to seek residence elsewhere in Ontario or even internationally. Alarmingly, this is particularly impacting families. Residents aged 0-4 and 30-34 represent the demographics exiting the city at the highest rates. Losing young parents — often people in the prime of their working career — is a massive threat to our economy.

By the Numbers

Toronto has the second most expensive housing market in the country, both for ownership and rentals.

The average cost of a home in the **GTA** was **\$1.1 million** in Feb 2023, second to **Vancouver** (\$1.2 million)¹



Average buyers would need to spend a record **85.9% of their income** to carry the costs of owning a typical home in Toronto.²



According to the latest data from the Rental.ca March 2023 Rent, Toronto has the second highest rental of **\$2,500 for an average one-bedroom unit**, behind Vancouver.



We're tracking towards being the highest-cost rental market: Ontario led the country in **annual rent inflation** during February with **16.2% growth**.³

Nearly \$8 billion is being drained out of our economy every year because of housing costs – some of the highest in North America.⁴

There were **36,723 units of housing** completed in Toronto in 2021, while the **population grew by 132,840**.^{5,6}



There were **81,000 people on the Toronto subsidized housing waitlist in 2022**, with wait times ranging from 7 years for a bachelor unit, to 10 years or more for larger-sized units.⁷

1 Wowo.ca. (2021). Canada Housing Market Report. <https://wowa.ca/reports/canada-housing-market>

2 RBC Economics. (2023). Finding the key to Canada's housing affordability challenge. https://thoughtleadership.rbc.com/wp-content/uploads/Housing-Affordability_0323.pdf

3 Rentals.ca. (2023, May 1). National Rent Report: May 2023. <https://rentals.ca/national-rent-report>

4 Toronto Region Board of Trade. (2018). Housing a generation: The cost of inaction. <https://bot.com/Resources/Resource-Library/Housing-a-generation-cost-of-inaction>

5 CMHC Report Finds Toronto Supply Lags Population Growth. (n.d.). Storeys. Retrieved from <https://storeys.com/cmhc-report-finds-toronto-supply-lags-population-growth/>

6 ConstructConnect Canada. (2023, March 1). Toronto's Record Population Increase Will Push Home Prices Higher. ConstructConnect Canada. Retrieved from <https://canada.constructconnect.com/canadata/forecast-er/economic/2023/03/torontos-record-population-increase-will-push-home-prices-higher>

7 Humber News. (2022, December 1). Housing Crisis Lengthens Wait Times Among Applicants. Humber News. Retrieved from <https://humbernews.ca/2022/12/housing-crisis-lengthens-wait-times-among-applicants/>

What's at Stake



Aggressive and creative policy responses are needed.

If Toronto is not a place where people can afford to live, it won't be a city where people will want to work. Toronto's ability to maintain our reputation as a great place for businesses to invest, grow, and create high-paying jobs and opportunity is a critical component of our competitive advantage.



If housing becomes too expensive for workers, our businesses won't be able to maintain the workforce needed to stay competitive in the global economy.

Most impacted will be workers in sectors that employ many of our essential workers. The attraction and retention of workers, already a huge challenge, will get harder, with workers forced to commute long distances from more affordable jurisdictions, or leave the region altogether. Losing residents has created a ripple effect across some critical sectors, including healthcare and education. Skyrocketing housing costs, coupled with high inflation, means our region is also losing service industry workers, nurses, educators, and more who are essential to our past, present, and future. Without these workers, everyone's quality of life will diminish and major parts of our economy — like the tourism and cultural sectors — will bear the greatest burden. We cannot continue on this alarming path. Our next Mayor of Toronto must address the housing affordability crisis.

Questions for Candidates

- ① How will you help the construction sector reduce costs and build housing more quickly and affordably?
- ② How will you streamline regulatory and zoning approvals to reduce red tape and bring new housing to completion more quickly?
- ③ How will you work with the Ontario and federal governments to make sure more affordable housing can be built for our workforce and lower-income residents?

Rising monthly rent

Oscar and Maria are the new parents of twins. The cost to move into the **three-bedroom apartment** they need to accommodate their growing family has risen to over **\$4,000 per month**. Even with jobs as a bank teller and an architectural assistant, providing an above-average **household income of \$95,000**, these costs are driving Oscar and Maria to explore less-expensive options in Sault Ste Marie, Halifax and Detroit.



Household Income: **\$95K**
3-bdr: **\$4,000+/mth**

Long commutes to work

Anita is a Registered Nurse at a Long Term Care Centre in downtown Toronto **making \$85,000**. After several failed bids in a competitive rental market, she found a **2-bedroom apartment in Scarborough for \$2,200 a month** but now **commutes 58 minutes to work each way** by transit. Anita is considering leaving the province to find a more affordable city where she can live closer to work and have more time to spend with her family.



Income: **\$85K**
2-bdr: **\$2,200/mth**
Commute: **58 minutes**



“The ability to attract and retain a highly qualified workforce is one of the most pressing issues for our regional economy.

We hear consistently from our membership that maintaining a talent advantage is critical to our ability to compete on a global economic stage.

There is no silver bullet for addressing the housing crisis which threatens this advantage. We must look to implement a wide range of tools designed to create the supply of all types of housing that is needed to make our city more affordable. This will take bold action on behalf of the next Mayor to implement city-wide policies to increase supply as well as strong advocacy at the provincial and federal levels for those governments to do their part in addressing this crisis as well.”

Jan De Silva

President & CEO – Toronto Region Board of Trade



“We are beyond a crisis of affordability: housing isn’t just unaffordable — it’s unattainable.

The city has policy levers it could pull that would immediately start closing the gap between the homes we need and the homes we can provide. Public-policy decisions got us here; smart public-policy decisions can move us back in the right direction.”

Jon Love
Founder & CEO – KingSett Capital

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at stake in Toronto's
Mayoral Election
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